UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 106th CONGRESS
FIRST SESSION

VOLUME 145—PART 20

NOVEMBER 4, 1999 TO NOVEMBER 16, 1999
(PAGES 28317 TO 29901)

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, 1999

For sale by the Superintendent of Documents, U.S. Government Printing Office
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SENATE—*Thursday, November 4, 1999*

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Dear God, take hold of us in this time of prayer. Force us to open the icy grip that we have on our problems so that we may with open hands receive Your plans. Help us to be willing to receive Your guidance. Shake any complacency, disturb any pride, and give us Your peace that passes understanding.

Reign as Sovereign Lord in this Chamber. Guide the deliberations, debates, and decisions of this day. Help the Senators to listen to You before they speak so that Your truth and justice may refine all that is spoken. In it all, may they consider You first, the good of the Nation second, party third, and personal success last of all. You grant Your power to leaders with Your priorities so, dear Lord, confront, challenge, and change us all so that we may know and do Your will. You are our Lord and Saviour. Amen.

PLEDGE OF ALLEGIANCE

The Honorable MIKE CRAPO, a Senator from the State of Idaho, led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The Senator from Idaho is recognized.

SCHEDULE

Mr. CRAPO. Mr. President, today the Senate will resume consideration of the conference report to accompany the financial services modernization bill. There are approximately 6 hours of debate remaining under the order. Therefore, Senators can expect a vote on adoption of the conference report this afternoon.

As a reminder, the newest Member of the Senate, LINCOLN CHAFEE, will be sworn in today at 11:30 a.m. in the Senate Chamber. The majority leader encourages all of his colleagues to come to the floor to extend a warm welcome to our new colleague from Rhode Island.

For the remainder of the week, the Senate will consider appropriations bills as they become available and may also consider the bankruptcy reform bill if an agreement can be reached.

I thank my colleagues for their attention.

The PRESIDENT pro tempore. The Senator from Minnesota is recognized.

Mr. WELLSTONE. I thank the Chair.

WELCOME TO LINCOLN CHAFEE

Mr. WELLSTONE. Mr. President, first of all, I join the Senator from Idaho in welcoming Senator CHAFEE to the Senate. His father was a very special Senator, and I don't think any of us will ever forget him. I hope that we will always honor his memory.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. CRAPO). Under the previous order, leadership time is reserved.

FINANCIAL SERVICES MODERNIZATION ACT OF 1999—CONFERENCE REPORT

The PRESIDING OFFICER. The Senate will now resume consideration of the conference report to accompany S. 900 which the clerk will report.

The bill clerk read as follows:

> Conference report to accompany S. 900, the Financial Services Modernization Act of 1990.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. I thank the Chair.

Mr. President, before I start, since my remarks will be critical and hard hitting, and, I believe, will marshal considerable evidence for my point of view about this financial modernization act—and I rise to speak in strong opposition to S. 900—I congratulate Senator GRAMM for his political skill. I do not mean this in a cynical way. Cynicism is not my style; it is not the way I approach public service. He has been very skillful in his work, and as a Senator, I pay my respects to his considerable ability.

I rise in strong opposition to S. 900, the Financial Services Modernization Act of 1999. S. 900 would aggravate a trend towards economic concentration that endangers not only our economy, but also our democracy.

S. 900 would make it easier for banks, securities firms, and insurance companies to merge into gigantic new conglomerates that would dominate the U.S. financial industry and the U.S. economy.

Mr. President, this is the wrong kind of modernization at the wrong time. Modernization of the existing confusing patchwork of laws, regulations, and regulatory authorities would be a good thing, but that's not what this legislation is about. S. 900 is really about accelerating the trend towards massive consolidation of the financial sector.

This is the wrong kind of modernization because it fails to put in place adequate regulatory safeguards for these new financial giants the failure of which could jeopardize the entire economy. It's the wrong kind of modernization because taxpayers could be stuck with the bill if these conglomerates become "too big to fail."

This is the wrong kind of modernization because it fails to protect consumers. It allows banks, insurance companies and brokerage houses to share personal information about consumers' credit history, investments, health treatments, and buying habits. It weakens requirements for banks to invest in their own communities. It will result in higher fees for many customers and price gouging of the unwary. And it will squeeze credit for small businesses and rural America.

Most importantly, this is the wrong kind of modernization because it encourages the concentration of more

● This "bullet" symbol identifies statements or insertions which are not spoken by a member of the Senate on the floor.

and more economic power in the hands of fewer and fewer people. This concentration will wall off enormous areas of economic decision-making from any kind of democratic input or accountability.

I don't think there's any doubt that S. 900 will set in motion a tidal wave of big-money mergers. That's the whole point of the bill, really. The Washington Post quotes industry officials as saying that "the point of reform is to make it as easy as possible for financial services companies to merge with one another and share customer names, addresses, and account data."

S. 900 will prompt other banks to start courting insurance and securities firms, and it will put increasing pressure on banks of every size to find new partners. According to the Post, "Analysts say it's likely to set off a spate of mergers over the next few years . . . and will cause consolidation of much of the industry into a handful of financial conglomerates."

Fed Chairman Alan Greenspan has acknowledged that this kind of consolidation poses dangers for the stability of our financial system. In a speech on October 11, 1999, Mr. Greenspan said, "We face the reality that the megabanks being formed by growth and consolidation are increasingly complex entities that create the potential for unusually large systemic risks in the national and international economy should they fail."

Last week Jeffrey Garten, an investment banker who served as Under Secretary of Commerce in the Clinton administration, issued a similar warning on the opinion page of the New York Times. "Megabanks like Citigroup or the new Bank of America have become too big to fail. Were they to falter, they could take the entire global financial system down with them."

The question we have to ask, then, is whether there's any danger that these financial goliaths could actually falter. Well, if we listen to Alan Greenspan, maybe there is. In an October 14 speech, the Fed Chairman warned that financial institutions may be underestimating the risk of a "sharp reversal of confidence" in the stock market. Mr. Greenspan was talking about not just a "correction" or a "bubble" in the market, but a much deeper loss of confidence like the one that occurred last year after Russia defaulted on part of its debt. The result could be "panic reactions" that cause financial markets to "seize up."

Something doesn't add up here. If Alan Greenspan is right that we need to be on guard against a "sharp reversal of confidence" that could cause financial markets to "seize up"; and if the Fed Chairman is right that financial consolidation creates the potential for unusually large "systemic risks" should these conglomerates fail; and if Jeffrey Garten is right that their failure could bring the entire global financial system tumbling down; then it doesn't seem to make a whole lot of sense to increase those systemic risks by fostering even more concentration. Yet that is precisely what S. 900 does.

The problem with S. 900 is that its regulatory reach does not match the size of the new conglomerates. S. 900 does set up firewalls to protect banks from failures of their insurance and securities affiliates. But even Alan Greenspan has admitted that these firewalls would be weak. Earlier this year, economists Robert Auerbach and James Galbraith warned that "the firewalls may be little more than placing potted plants between the desks of huge holding companies."

And as the Chairwoman of the FDIC has testified, "In times of stress, firewalls tend to weaken." Regulators will have little desire to stop violations of these firewalls if they think a holding company is "too big to fail." In his New York Times article, former Under Secretary of Commerce Jeffrey Garten concluded, "The seesaw of private and public power is seriously unbalanced."

We seem determined to unlearn the lessons from our past mistakes. Scores of banks failed in the Great Depression as a result of unsound banking practices, and their failure only deepened the crisis. Glass-Steagall was intended to protect our financial system by insulating commercial banking from other forms of risk. It was one of several stabilizers designed to keep a similar tragedy from recurring. Now Congress is about to repeal that stabilizer without putting any comparable safeguard in its place.

In a stinging attack on S. 900, conservative columnist William Safire wrote earlier this week,

> Global financiers are given the green light for ever-greater concentration of power. Few remember the reason for those firewalls: to curtail the spread of the sort of panic from one financial segment to another that helped lead to the Great Depression. But today's lust for global giantism has swept aside the voices of prudence.

And what about the lessons of the Savings and Loan Crisis? The Garn-St Germain Act of 1982 allowed thrifts to expand their services beyond basic home loans. Only seven years later taxpayers were tapped for a multibillion dollar bailout.

I'm afraid we're running the same kind of risks with S. 900. These financial conglomerates may well be tempted to run greater risks, knowing that taxpayers will come to their rescue if things go bad. In a letter to me earlier this week, Professor Bob Auerbach of the LBJ School wrote, "Taxpayers should be notified that [S. 900] substantially increases their risk on the $2.8 trillion in federally insured deposits for which they are liable."

And what about the lessons of the Asian crisis? Just recently, the financial press was crowing about the inadequacies of Asian banking systems. Now we're considering a bill that would make our banking system more like theirs. The much-maligned cozy relationships between Asian banks, brokers, insurance companies and commercial firms are precisely the kind of "crony capitalism" that S. 900 would promote.

If we want to locate the causes of the Asian crisis, I think we have to look at the reckless liberalization of capital markets that led to unbalanced development and made these economies so vulnerable to investor panic in the first place. The IMF and other multilateral financial institutions failed to understand how dangerous and destabilizing financial deregulation can be without first putting appropriate safeguards in place.

World Bank Chief Economist Joseph Stiglitz wrote last year about the Asian crisis: "The rapid growth and large influx of foreign investment created economic strain. In addition, heavy foreign investment combined with weak financial regulation to allow lenders in many Southeast Asian countries to rapidly expand credit, often to risky borrowers, making the financial system more vulnerable. Inadequate oversight, not over-regulation, caused these problems. Consequently, our emphasis should not be on deregulation, but on finding the right regulatory regime to reestablish stability and confidence." We claim to have learned our lessons from the crisis in Asia, but I'm not so sure we have.

So why on Earth are we doing this? And why now? For whose benefit is this legislation being passed? Financial services firms argue that consolidation is necessary for their survival. They claim they need to be as large and diversified as foreign firms in order to compete in the global marketplace. But the U.S. financial industry is already dominant across the globe, and in recent years has been quite profitable. I see no crisis of competitiveness.

Financial firms also argue that consolidation will produce efficiencies that can be passed on to consumers. But there is little evidence that big mergers translate into more efficiency or better service. In fact, studies by the Federal Reserve indicate just the opposite: there's no convincing evidence that mergers produce greater economic efficiencies. On the contrary, they often lead to higher banking fees and charges for small businesses, farmers, and other customers.

A recent Fed study showed that bigger banks tend to charge higher fees for ATM machines and other services. Bigger banks offer fewer loans for small businesses, and other Fed studies have shown that the concentration of banking squeezes out community banking.

In the long debate over passage of this legislation, there has been a lot of talk about the conflicting interests of bankers, insurance companies, and brokers. There has been a lot of talk about the jurisdictional battles between the Federal Reserve and the Office of the Comptroller of the Currency, the OCC. But there has been precious little discussion in this debate of the public interest.

What about the interests of ordinary consumers? An earlier version of this legislation contained a provision to ensure that people with lower incomes have access to basic banking services. The problem is that banking services are increasingly beyond the reach of millions of Americans. According to U.S. PIRG, the average cost of a checking account is $217 per year, a major obstacle for opening up a bank account for lower-income families. These families have to rely, instead, on usurious check cashing operations and money order services. Nevertheless, this "basic banking" provision was stripped out of the bill.

I don't see very much protection for consumers in S. 900, either. Banks that have always offered safe, federally insured deposits will have every incentive to lure their customers into riskier investments. Last year, for example, NationsBank paid $7 million to settle charges that it misled bank customers into investing in risky bonds through a securities affiliate that it set up with Morgan Stanley Dean Witter. S. 900 makes nominal attempts to address these problems, but in the end I am afraid this legislation is an invitation to fraud and abuse.

One of the most objectionable aspects of S. 900 is the absence of protection for consumer privacy. The conference report will allow the various affiliates of a financial conglomerate to share sensitive confidential information about their customers.

William Safire writes:

> As for financial privacy, [S. 900] makes your bank account everyone's business. Without your consent, the private information you write on your mortgage application, with your tax return attached, goes to your insurance company, which already has your health information, and its snoops can also see your investment behavior and what you have been buying with your credit card. Under [S. 900], giant financial conglomerates, using other surveillance to protect against fraud, will know more about your money, your habits, your assets, your disease, and your genetic makeup than your spouse does, and probably more than you do.

I will tell you something. It is a little disconcerting to read columns such as this about the real potential for abuse and serious invasion of citizens' privacy. We need to have much, much more discussion about the implications of this bill for citizens' privacy in Minnesota and all across the country.

I am going to repeat the last part of this quote:

> Under S. 900, giant financial conglomerates, using other surveillance to protect against fraud, will know more about your money, your habits, your assets, your diseases, and your genetic makeup than your spouse does, and probably more than you do.

Law Professor Joel Reidenberg of Fordham University concludes:

> This is an astounding loss of privacy for the American citizens.

I want to shout from the floor of the Senate that this is an astounding loss of privacy for American citizens.

The impact of S. 900 on the Community Reinvestment Act, CRA, is another cause for real concern. When the Senate considered S. 900 earlier this year, I argued that if we were serious about modernizing the financial sector of our country, we should be serious about modernizing CRA along with it. There have been few financial tools available to families and communities that have been as effective and have had as great an impact—positive impact—as CRA. An estimated $1 trillion has been reinvested in our towns and cities, thanks to this CRA legislation.

Under the S. 900 conference report, communities, consumers, and public interest organizations will see their opportunities for public comment limited. They will not have a chance to comment on mergers when banks that have received a satisfactory CRA rating are applying to become financial holding companies. To me, this looks more like a rollback than it does modernization.

Finally, under the S. 900 conference report, smaller banks that receive a satisfactory CRA rating will be reviewed every 4 years instead of every 2. Smaller banks that receive an excellent CRA rating will be reviewed every 5 years. Since an estimated 97 percent of all small banks currently receive a satisfactory or better CRA rating, S. 900 will essentially remove the majority of banks from the regular CRA review process. There are a number of reasons why banks must be reviewed by regulators, but it is only with regard to CRA that we are cutting back on the requirements for review.

In reality, S. 900 reflects the same priority of interests as financial consolidation itself. It offers a little something for everybody in the financial services industry. It is a Santa's wish list for the big banks. It gives enough to securities firms and the insurance industry to keep them on board. But it basically has nothing to offer for low-income families, nothing for rural and minority communities, and very little for consumers.

This should not be surprising. I don't think it is a mere coincidence that finance, insurance, and real estate spend more than any other industries on congressional campaigns and lobbying on Capitol Hill. This is a reformer's dream issue. There is no one-to-one correlation, of course; their influence is felt at a systemic level. And I have congratulated some of my colleagues on their political skill. But I do not think it is a coincidence that the finance, insurance, and real estate interests spend more than any other industries on congressional campaigns and on lobbying Capitol Hill. Last year, they shelled out more than $200 million on lobbying activities, according to the Center for Responsive Politics, and they have made more than $150 million in campaign contributions since 1996.

As William Safire wrote on November 1:

> Generous financial lobbies have persuaded our leaders that in enormous size there is strength.

Generous lobbies have been making the same case in other industries as well, with equal success. Similar consolidation is occurring in agriculture, the media, entertainment, health care, airlines, telecommunications, you name it. Teddy Roosevelt, where are you when we need you? Who is going to take on these monopolies?

Who is going to call for some serious antitrust action? When are we going to be on the side of people and consumers?

In fact, we are witnessing the biggest wave of mergers and economic concentration since the late 1800s.

There were 4,728 reportable mergers in 1998, compared to 3,087 in 1993, 1,521 in 1991, and a mere 804 in 1980.

As Joel Klein, head of the Justice Department's Antitrust Division, pointed out, the value of last year's mergers equals the combined value of all mergers from 1999 to 1996—put together.

What is in store for us if we allow this trend to continue? Pretty soon we are going to have three financial service firms in this country, four airlines, two media conglomerates, and five energy giants.

Huge financial conglomerates the size of Citigroup will truly be "too big to fail." Government officials and Members of the Congress will be prone to confuse Citigroup's interests with the public interest, if they don't already.

What happens, for example, when one of these colossal conglomerates decides it might like to turn a profit by privatizing Social Security? Who is going to stand in their way? That is a trick question, of course, because we already face that dilemma today. But I contend that the economic concentration resulting from the passage of S. 900 would only make that problem worse.

The bigger these financial conglomerates get, the more influence they have over public policy choices. The bigger they get, the more money they will have to spend on political campaigns. The bigger they get, the more lobbyists they will be able to amass on Capitol Hill. And the bigger they get, the more weight they will carry in the media.

I am going to repeat that.

The bigger these financial conglomerates get, the more influence they are going to have over public policy choices. The bigger they get, the more money they will have to spend on political campaigns. The bigger they get, the more lobbyists they will have to amass on Capitol Hill. And the bigger they get, the more weight they will carry with the media.

It is a vicious cycle. These financial conglomerates used their political clout to shape public policy that helped them grow so big in the first place. Now their overwhelming size makes it easier for them to dictate policies that will help them get even bigger. It is a vicious cycle.

Jeffrey Garten's remarkable October 26th column in the New York Times called attention to this problem. "Many megacompanies may be beyond the law," Garten said.

> Their deep pockets can buy teams of lawyers that can stymie prosecutors for years. And if they lose in court, they can afford to pay huge fines without damaging their operations.
>
> Moreover, no one should be surprised that mega-companies navigate our scandalously porous campaign financing system to influence tax policy, environmental standards, Social Security financing, and other issues of national policy. Yes, companies have always lobbied, but these huge corporations often have more pull. Because there are fewer of them, their influence can be more focused and, in some cases, the country may be highly dependent on their survival.
>
> For example, corporate giants can have enormous leverage when they focus on America's foreign and trade policy. Defense contractors like Lockheed Martin, itself a result of a merger of two big firms, were able to exert extraordinarily powerful force to influence legislation that approved enlarging NATO, a move that opened up new markets for American weapons sales to Poland and the Czech Republic.
>
> Companies like Boeing, which not long ago acquired McDonnell Douglas, have expanded their already formidable influence on trade policy toward countries like China. Boeing is now the only American commercial aircraft manufacturer.
>
> Corporations like Exxon-Mobil will negotiate with oil-producing countries almost as equals, conducting the most powerful private diplomacy since the 19th century, when the British East India Company wielded near-sovereign influence in Asia.
>
> As long as the economy remains strong, the rise of corporate power with inadequate public oversight will not be high on the national agenda. But sooner or later—perhaps starting with the next serious economic downturn—the United States will have to confront one of the great challenges of our times: How does a sovereign nation govern itself effectively when politics are national and business is global?
>
> When the answers start coming, they could be as radical and as prolonged as the backlash against unbridled corporate power that took place during the first 40 years of this century.

Indeed, we've been through this before. At the end of the 19th century, industrial concentration accelerated at an alarming pace. Various observers—including the columnist and author E.J. Dionne, former House Speaker Newt Gingrich, and the philosopher Michael Sandel—have noted the similarities between that era and our own.

In the Gilded Age of the late 1800s and the Progressive Era of the early 1900s, the danger of concentrated economic power was widely recognized and hotly debated. And this speech on the floor of the Senate I give with a sense of history because I believe this will become a front-burner issue in America politics. Many Americans deeply believed that a free and democratic society could not prosper with such concentration of power and inequalities of wealth. As the great Supreme Court Justice Louis Brandeis said, "We can have democracy in this country, or we can have wealth in the hands of a few. We can't have both."

The idea that concentrations of wealth, of economic power—which is exactly what S. 900 is all about—and of political power are unhealthy for our democracy is a theme that runs throughout American history, from Thomas Jefferson to Andrew Jackson to the Progressive Era to the New Deal. Thomas Jefferson and Andrew Jackson warned not only against concentration of political power, but also against concentration of economic power.

We should not, Senators, let that debate die out. That is why I come to the floor of the Senate today. That debate is a vital part of our democratic—with a small "d"—heritage. It is a heritage that teaches us that ordinary people should have more say about the economic decisions that affect their lives.

Weakening CRA isn't going to give them that. No amount of anti-government rhetoric is going to give them that. But enforcing some meaningful consumer protections certainly would. So would protecting the privacy of sensitive personal information. And so would putting a stop to mergers that crowd out community banking, squeeze credit for small businesses, and open the door to higher fees and more gouging of consumers.

A lot of banks don't like the CRA. A lot of financial service firms don't want to be bothered with regulations to protect individual privacy. They denounce them as "big government" and "overregulation." But for most people, which is the greater danger in these situations—concentration of political power in the Government, or concentration of economic power? I don't think it is a close call.

When I go to the Town Talk Cafe in Willmar, MN, or any cafe in MN, and I talk and listen to people over a cup of coffee or two, I find people have what I describe as a healthy distrust of big government, a healthy distrust of overly centralized and overly bureaucratized public policy.

I love it when people say, get us some capital, let us make things happen at the neighborhood and community level. I love the idea of homegrown economies. I prefer that small business people living in the community be the ones who make the capital investment decisions that determine whether or not our communities are going to do well, rather than some multinational financial services conglomerate folks halfway across the world or halfway across the country making the capital investment decisions that determine whether our communities live or die. I want the decisionmaking to be in the communities. I appreciate that focus on local development, on more self-reliant, self-sufficient people and more self-reliant, self-sufficient communities.

The people in the Town Talk Cafe in Willmar, or any other cafe I have visited, also have a very healthy skepticism, distrust, and—I don't think this is too strong a term—dislike of the concentration that is taking place in the financial sector and other areas of the economy. They do not like the big insurance companies. They do not like these big telecommunication companies. They are still waiting, since the telecommunications bill passed in 1996 and all of the mergers and acquisitions since then, for cable rates to go down. They are still waiting for more diversity of viewpoints to be offered in the media. Farmers do not like the big meat packers. They don't like the big grain companies. People certainly don't like the big oil companies. With considerable justification, they certainly don't like the big banks. And with considerable justification they have reached the conclusion that too much of the legislation we pass in Congress works to the advantage of folks who have the capital, who have the wealth, who have the access, and who have the influence.

And they've reached the conclusion that, as rural citizens or low-income citizens or minority communities or family farmers or just regular plain ordinary citizens and consumers, they get the short end of the stick.

S. 900 is legislation that goes in the direction of giving more power to the privileged few and giving ordinary citizens less say in the economic decisions that affect their lives. S. 900 is bad for consumers, it is bad for low-income families, it is bad for rural communities, it creates potentially enormous risks for the economy, and it exposes taxpayers—please remember the S&L debacle—to tremendous liability.

I believe S. 900 is bad legislation that as a nation we will soon regret.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

If no time is yielded, the time will be reduced from the time of all Senators proportionately.

Mr. GRAMM. Mr. President, it is my understanding that Senator WELLSTONE has about 15 minutes remaining.

The PRESIDING OFFICER. The Senator from Minnesota has 20 minutes remaining.

Mr. GRAMM. I have spoken to the Senator, and I ask unanimous consent that time be divided between Senator SARBANES and myself.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMM. I yield the floor.

Mr. JOHNSON addressed the Chair.

The PRESIDING OFFICER. Who yields time to the Senator?

Mr. JOHNSON. Mr. President, I yield myself 15 minutes or as much time as I may consume.

The PRESIDING OFFICER. The Senator is recognized.

PRIVILEGE OF THE FLOOR

Mr. JOHNSON. Mr. President, I ask unanimous consent fellows on my staff, Julie Roling and Erin Barry, be allowed the privilege of the floor during the remainder of this week.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON. Mr. President, when I first came to Congress in 1987, efforts at financial services modernization had already been undertaken and failed many times. Last year, we came as close as Congress has ever come to achieving this critical goal. This year, as a member of the conference committee, I am pleased to say, we will finally accomplish this historic goal.

That we are here is a testament to the leadership of many, many participants. Much credit goes to Chairman LEACH, who tirelessly shepared this bill over his five years as chairman of the House Banking Committee and chairman of this conference. Senator GRAMM, chairman of the Senate Banking Committee relentlessly promoted his agenda, yet was willing to compromise on critical issues in a manner that resulted ultimately in bipartisan support of this bill.

My ranking member on the Banking Committee, Senator SARBANES, made invaluable contributions to the process. His tenaciousness, in depth understanding of the many highly complex issues, and ability to work within the caucus made this success possible. Of course, the ranking member on the House Banking Committee, Representative LAFALCE, and our friends from the House Commerce Committee, Chairman BLILEY and Representative DINGELL, made critical contributions to this process as well. Finally, I would note the active involvement of two Secretaries of the Treasury, Bob Rubin and Larry Summers. Bob has moved on to other things, but the role he forged in this process has been seamlessly filled by Secretary Summers.

There are many highlights to this bill. By eliminating the Glass-Steagall restrictions, we free our financial services industry to maintain its place as the world leader. The benefits of one-stop shopping will make financial services more accessible to all Americans. These reasons alone are sufficient to support this legislation. There are several other provisions to this bill that merit discussion, and they strengthen this legislation. First, the unitary thrift loophole is closed. I am pleased to have offered this critical amendment which closes the loophole that permits a dangerous combination of banking and commerce. While we tear down firewalls within financial services, we strengthen them around financial services.

Under current law, commercial firms can own and operate unitary thrifts. That is the only breach of the banking and commerce firewalls currently allowed under our financial services law. Of course, the Glass-Steagall repeal and other components of this legislation will open a range of financial activities to each other. However, the bill is carefully structured to prevent the mixing of banking and commerce. This single loophole remains where banking and commerce can mix. The conference report does not interfere with current ownership of thrifts. Any commercial firms that currently own a unitary thrift charter will be able to continue to own and operate their institutions without restriction. Their current status would be undisturbed.

The only limitation this amendment would impose involves the transferability of that charter. The charter would not be transferable to another commercial entity. Any bank, insurance company or security firm that wanted to acquire the charter could do so. A new entity could be created to operate the thrift. Included in title IV of the bill before us are provisions prohibiting new unitary thrift holding company applications filed after May 4, 1999, and prohibiting transfer of existing unitaries to commercial firms. In the context of comprehensive financial modernization legislation, these provisions achieve the intent of this Congress to block the inappropriate mixing of banking and commerce, even in the limited scope authorized for the thrift industry for the past several decades. The provisions in title IV protect granfathered companies but do not allow existing unitary companies to be acquired by commercial firms. By adopting my amendment in this conference report, it is the intent of Congress that the thrift regulator strictly enforce this provision and related laws which carefully define which companies qualify as unitary holding companies and which companies are grandfathered in this legislation. Only the current, limited universe of legitimate unitaries should be allowed to exercise powers granted them in the Home Owners Loan Act, and transfer of unitaries to commercial firms will no longer threaten American taxpayers.

This provision will further the goals of financial modernization by leveling the playing field between banks and thrifts. It will also remove a dangerous threat to further weakening of the walls between banking and commerce. This bipartisan effort had the support of Secretary Summers and Chairman Greenspan. It overwhelmingly passed the full Senate. Representative LARGENT shepherded it through the House Commerce Subcommittee on Finance and Hazardous Material. Our joint efforts helped make this protection part of the conference report. We also improve the Federal Home Loan Bank System, creating greater access to wholesale capital markets for small banks and their customers. The improvements to the Home Loan Bank System will directly help South Dakota financial institutions and South Dakota consumers by making it easier for our institutions to join the Federal Home Loan Bank System. This portion of the bill recognizes the importance of small community banks and the role they plan in our towns and communities. With the massive shift of savings and investment to Wall Street and other nontraditional vehicles, small community banks are finding it more difficult to attract deposits at reasonable rates, and lack ready access to wholesale capital markets.

This bill will give them that access by making it easier for small banks to join the Federal Home Loan Bank System. That system gives small banks greater access to cheaper funds through wholesale capital rates. That access, in turn, will lead to more loans at lower rates to our small businesses, ranchers and farmers. It makes running a farm or ranch, running a business, expanding a business, buying a car, sending children to college—all of these endeavors more affordable for all South Dakotans, for all Americans. By enabling more affordable loans, this provision will help infuse the rural economy with capital in particular. This section of financial services modernization legislation is critical to keeping our community banks competitive as we move to tear down traditional firewalls and create new financial services giants within the realm of the financial service industries.

I want to briefly address the issue of financial privacy. With the explosive growth of the Internet, we are finding information can be accumulated and acquired with greater ease than previously imaginable. We must address this important consumer protection issue of financial privacy. I joined my colleagues, Senators BRYAN and SHELBY, in supporting an "opt-out" provision that would allow customers to prohibit their financial institutions from sharing their personal information. That effort failed and I am disappointed. We do add some new standards, including mandated disclosure of privacy policies and protection of certain critical information in the bill. I believe we can do better. I am pleased that we allow states to enact tougher privacy laws, establishing a minimum federal standard of financial privacy, but we can do better. Despite my disappointment, I am pleased we took the first steps in addressing financial privacy, and I believe Congress will revisit the privacy issue in the future.

It is critical as we move toward repeal of depression-era limitations that we recognize the vital role of community banks in rural areas. This legislation successfully frees our dominant providers to compete globally while strengthening the role of our community banks directly responsive to our small towns. It is that successful balancing that prompted me to sign the conference report, and I urge my colleagues to join us in passing this historic legislation.

I also want to take this opportunity to thank my staff, Paul Nash, for his tireless work on this legislation. His dedication to this effort helped make the final product the balanced result which we will pass today.

I yield back such time as may remain.

The PRESIDING OFFICER. Who yields time?

The distinguished Senator from Texas is recognized.

Mr. GRAMM. Mr. President, I am very pleased to yield to Senator HAGEL—why don't I yield him 10 minutes. If he needs more time, I will yield more.

The PRESIDING OFFICER. The distinguished Senator from Nebraska is recognized for 10 minutes.

Mr. HAGEL. Mr. President, I thank my colleague, the distinguished chairman of the Senate Banking Committee.

I rise this morning in strong support of the conference report to accompany S. 900. This landmark legislation before the Senate today is especially important for the future, not only of our financial institutions' competitiveness and our consumer-based economy but for many reasons.

I begin my remarks this morning by commending the chairman of the Senate Banking Committee, Senator GRAMM, for his leadership and extraordinary efforts to complete this legislation, as well as our distinguished ranking member, Senator SARBANES from Maryland. Both they and their staffs and all who worked so hard in accomplishing this rather remarkable feat deserve our thanks.

I also recognize, as did my friend and colleague, the distinguished Senator from South Dakota, the House leadership involved in this effort, as well as our current distinguished Secretary of Treasury, Secretary Summers, and the former Secretary of the Treasury, Bob Rubin, for their leadership.

This is truly a historic occasion. In 1933, the United States was mired in the Great Depression. The stock market had collapsed. Populist segments of society blamed that collapse on commercial banks' involvement in securities underwriting. Responding to this sentiment, Senator Carter Glass of Virginia helped push through legislation that created artificial barriers between banking and securities underwriting. Later, amendments included a separation of banking and insurance activities.

One year later, in 1934, Senator Glass realized he had gone too far and tried to repeal parts of the Glass-Steagall Act, his own bill. Since 1934, many attempts have been made in Congress to repeal Glass-Steagall. For a variety of reasons, these attempts have failed.

This Congress is about to send the President a bill that accomplishes what we have failed to achieve over many years. However, it should be noted that we have also built on these many years of efforts.

I am proud to have served on the conference committee for this legislation. This legislation will benefit consumers in two significant ways. First, it will lead to lower costs and higher savings for consumers by allowing competition among banks, securities firms, and insurance companies.

In 1995, the Bureau of Economic Analysis estimated that if financial modernization were to reduce costs to consumers by only 1 percent, that would represent a savings of $3 billion a year to consumers. That is real money to real people.

These savings would come from increased competition which, among others things, would provide incentives for firms to reduce fees.

Second, this competition will strengthen our financial services firms which are integral to the health of the national and international economy.

As is true with manufactured goods and commodities, exports of financial services have become increasingly important to the growth of our Nation's economy. This month, the U.S. and its trading partners will meet in Seattle to begin a new round of WTO negotiations. The financial services sector will again be a major topic of discussion during these talks. In fact, our Trade Representative, Ambassador Barshefsky, appeared before the Senate Banking Committee this week and talked in some detail about the financial services sector being top on the agenda for these WTO talks.

It is important that Congress help tear down barriers to competition within our own domestic financial markets as we work with our allies and other nations to lower trade barriers in the international financial markets.

I will now briefly address how this bill will affect small community banks.

Earlier this year, Senator BAYH and I introduced legislation to modernize the Federal Home Loan Bank System. The major provisions of that legislation were included in this financial modernization conference report. These provisions will strengthen local community banks that are vital to the economic growth and viability of America's communities.

The Federal Home Loan Bank provisions will ensure that in an era of banking megamergers, smaller banks are able to compete effectively and continue to serve their customers' needs.

Community banks are finding that, for a variety of reasons, their funding sources are shrinking. This makes it more difficult to fund the loan demands of their communities. During the 1980s in my State of Nebraska, and especially in the case of the Presiding Officer's State of Kansas, all across America many community banks and thrifts closed. As local credit dried up, local economies stagnated. Small businesses, our greatest engines of job growth and innovation, were the first to feel the crunch.

The Federal Home Loan Bank provisions in this legislation will strengthen community banks to help avoid a repeat of the 1980s. By broadening access to the Federal Home Loan Bank System, we will help ensure the viability of the community bank and thrift.

This legislation will help keep credit flowing to small businesses, farmers, and potential homeowners, and help our local communities prosper as we enter the 21st century. This is especially important to my State of Nebraska where many rural communities depend upon the local bank or thrift for their credit needs.

The conferees worked hard to craft legislation that responds to the needs of all financial institutions, including small financial institutions.

Another topic important to average Americans is financial privacy—how customers control the flow of their private financial information.

For the first time, this bill sets up a framework for protecting the privacy of customers' financial information. Customers will be able to prohibit the sharing of their financial information with outside parties. Financial institutions would be required to disclose their privacy policies to their customers on a timely basis. If customers do not believe adequate protections exist at their institution, they can take their business elsewhere.

Some wanted stronger privacy protections. In my opinion, to have gone further at this time may well have invited the law of unintended consequences. I believe some of the privacy protections that were proposed and rejected during the conference would have been detrimental, not helpful, to financial institutions and their customers. Some of these limitations would have led to fewer products and services being offered to customers.

I want to highlight a particular concern. The legislation contains a prohibition on the sharing of customer account numbers or credit card numbers with third parties for the purposes of marketing. This language could be a disadvantage to small banks and insurance agencies that partner with third parties to market new products to customers.

Equally important, a customer should have the option to decide whether this information can be or should be shared. This legislation should not take away that choice.

The report language clarifies that when regulations are written to implement S. 900, they may exempt the sharing of encrypted credit card numbers and account numbers only where the financial institution has received express permission from the customer.

As vice chairman of the Banking Committee's Financial Institution Subcommittee, I intend to conduct oversight during the rulemaking process implementing this legislation.

The regulators should exercise this exemption authority. The conferees did not intend to hurt legitimate business practices that safeguard customer information.

I end by again expressing my strong support for this conference report. This legislation, a well-balanced approach to financial services modernization, is long overdue. It does not pick winners and losers. It provides important consumer protections while expanding the choices available to consumers.

The conferees worked hard to craft a bill that will guide our financial services industries into the next century. This is a bill of which we can be proud, and I again congratulate Chairman GRAMM, Senator SARBANES, and all who provided leadership and hard work to accomplish this rather significant effort.

I urge my colleagues to support the financial modernization conference report.

I yield the floor.

Mr. GRAMM. Will the Senator yield to me for just a moment?

Mr. HAGEL. Yes.

Mr. GRAMM. I thank our dear colleague from Nebraska for his leadership on this bill. We have dramatically changed the Federal Home Loan Bank system in this bill, and no one has had more to do with that dramatic change than the Senator from Nebraska. I personally thank him for the leadership he provided on that and many other issues in this bill.

Mr. HAGEL. Mr. President, I am grateful for the chairman's generous comments. After the Texas A&M and Nebraska game on Saturday, I may never hear another generous comment from him.

The PRESIDING OFFICER. Who yields time?

With no Senator yielding time, time will be taken from the time reserved by all Senators who have reserved time on a proportionate basis.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, I begin by thanking Senator ALLARD for his leadership on this bill, for his strong support, in committee, on the floor, and in conference. I think we have a good, strong bill that is what it is advertised as being, that is a bill which promotes competition and benefits consumers, in large part because of the support Senator ALLARD provided throughout the process and the leadership he provided.

I yield 10 minutes to him at this time.

The PRESIDING OFFICER. The distinguished Senator from Colorado is recognized for 10 minutes.

Mr. ALLARD. I thank the Chair.

Mr. President, I thank the chairman for his very gracious remarks. It has been a pleasure to work with him on this particular issue. He is extremely knowledgeable, and it is because of his knowledge and persistence on this particular issue that I think we will pass such a good bill. I compliment the chairman in a public manner for the yeoman's work he has done and the great leadership he has shown on this particular issue. It has been a particular pleasure for me to be able to serve with him on the conference committee.

In regard to the conference report that is before the Senate, I think its provisions will be good for consumers and good for businesses. In regard to the consumers, it provides increased competition in financial services. That is good. It will increase choice for consumers. There is more convenience for consumers, and it will lower prices. Specific provisions in the bill also give consumers more information to better enable them to make educated choices.

The conference report, as I mentioned, is also good for business. It rewrites the outdated laws that have governed the financial services industry since the Depression. Gramm-Leach-Bliley eliminates the barriers between banks, insurance companies, security firms, and other financial institutions. This will increase efficiency, reduce costs, and increase innovation. American financial institutions will be better able to compete internationally under the new structures contained in the conference report.

Through the passage of this bill, Congress will rightly reclaim the authority to govern the structure of the financial services industry. For a number of years, various regulators have been easing the statutory restrictions between banking and commerce through regulation. By passing a comprehensive bill addressing the appropriate relationship among banking, insurance, and securities, Congress will ensure that the entire financial services industry is updated in a safe—and I would add that safe is very important to me and other members of the committee—and a consistent manner as compared to a patchwork of regulations.

Congress has struggled for many years with the best way in which to update the laws governing the financial services industry. One reason we are finally poised to modernize the financial services laws is the spirit of compromise and inclusiveness embodied in the conference report. Chairman GRAMM, and others, made a particular effort to listen to the concerns of the many industries involved and worked closely with the administration. The conference report does a good job of balancing the many interests involved.

I will now talk briefly about the structure within the bill.

The structure of the new financial services regime is based on a compromise between the Federal Reserve and Treasury. Bank holding companies will be able to engage in activities that are financial in nature, including insurance and securities underwriting and merchant banking. Well capitalized and well maintained national banks and insured State banks will be able to engage in certain financial activities. Provisions will be enacted to ensure that the new activities are undertaken in a prudent manner.

The Federal Reserve is established as the umbrella regulator with strong functional regulation in all areas. This will allow consistent oversight by the Fed, while also allowing the individual regulators to exercise their expertise in the day-to-day operations of the affiliates that they traditionally regulate. The bill respects the rights of States through strong functional regulation and maintenance of non-discriminatory State laws.

Unitary thrifts prior to May 4, 1999, are grandfathered in under this bill. Existing unitary thrift companies may only be sold to financial companies.

Privacy is important to many consumers, and the conference report takes important steps to protect the privacy of Americans. Financial institutions must disclose to the consumer their privacy policy regarding the sharing of non-public personal information with both affiliates and third parties. The disclosure will take place when a consumer initially opens an account and annually thereafter. This is an important tool for consumers to make an informed decision as to which financial institutions they wish to patronize. Just as some consumers choose a bank based on the hours they are open or the branch locations, those consumers for whom privacy is a key issue can make an informed decision based on a bank's privacy policy.

Financial institutions cannot share account numbers or access numbers, except as required for consumer reporting agencies, for example, credit bureaus. Consumers will receive an opportunity to opt-out of information sharing programs. This means that generally consumers can prohibit a bank from sharing their non-public personal information with non-affiliated third parties. If any State law or regulation provides greater consumer privacy protections, then it shall remain in effect for that state. This is an important provision.

Changes to the Federal Home Loan Bank system will update their capital structure and expand access for small banks. This will be particularly beneficial to the many small banks in Colorado and other States.

One of the most controversial aspects of the bill has been the Community Reinvestment Act, or CRA. The bill clearly does not repeal any part of the existing CRA law, in fact it explicitly states that fact in the conference report.

The sunshine provision will finally bring some oversight to CRA agreements. For the first time ever, CRA agreements will be made public. The parties to the CRA agreement will also have to disclose annually what happened to the cash and other resources that were part of the CRA agreement. Congress decided that community reinvestment was a priority when it passed the initial CRA laws. This provision takes the next logical step and ensures that the cash and resources received by a nongovernmental person or entity are in fact used for community reinvestment.

The Gramm-Leach-Bliley bill makes several modifications to the CRA examination schedule in order to provide regulatory relief for small banks. It is important to note, though, that the banks must still meet the same CRA standards—this only changes the examination schedule. A small bank that received an outstanding rating in its last CRA exam will not receive another CRA exam for five years. A small bank that received a satisfactory rating will not receive another CRA exam for four years. This relief is important for small banks, as the cost of regulatory compliance is disproportionately high for them. The relatively high cost to small banks for CRA compliance actually leaves them with fewer resources to invest in their communities. The examination schedule also makes sense because it will allow CRA compliance officers to focus time and resources on those banks with compliance problems, rather than the banks that are already doing a good job.

The conference report also contains a provision important for small banks—a GAO study on changes to the S Corporation rules for small banks. Subchapter S corporations do not pay corporate income taxes—earnings are passed through to the shareholders where income taxes are paid, eliminating the double taxation of corporations. Congress previously made small banks eligible for S Corporation status, however, many of the current rules make it difficult for them to qualify. I strongly support efforts to change the laws so that small banks are better able to qualify for S Corporation status. I am hopeful that this GAO study will highlight the need for such changes.

I will continue to push for those changes in future Congresses. I have introduced legislation in that regard. This is not under the jurisdiction of the Banking Committee, but the Finance Committee. I think it will be a key part in allowing small banks to move forward with their modernization efforts, in addition to this particular bill.

I stand in strong support of this conference report. I stand in support of the bill. I think it is going to be a key piece of legislation passed in this particular Congress.

I thank the chairman for allowing me to participate in the process as much as he did. I congratulate him on a job well done and encourage Members of the Senate to vote for this conference report.

The PRESIDING OFFICER. Who yields time?

Mr. GRAMM. Mr. President, I thank Senator ALLARD for his leadership and his kind remarks.

In recognizing Senator BUNNING, let me say that he has played a very big role in this bill. He, in another era and another profession, understood the meaning of hard ball, when it came time to throw the hard ball and to stand fast. We had many of those moments with this bill. As I noted yesterday, when the House, to satisfy almost any constituency, threw an amendment out to us that could have dramatically changed, complicated, or contradicted the basic logic of this bill, Senator BUNNING stood like a rock in opposition to making those changes. With his help and leadership, we were successful. I yield Senator BUNNING 10 minutes.

The PRESIDING OFFICER. The distinguished Senator from Kentucky is recognized for 10 minutes.

Mr. BUNNING. I thank Chairman GRAMM.

Mr. President, this is an historic occasion, and I am very happy to be a part of it. Today we are going to finally, at long last, pass financial modernization legislation that brings the financial industry into the 20th century and prepares it for the 21st century. When I first came to Congress nearly 13 years ago, this was one of the first major issues I worked on. I served on the Banking Committee in the House back then, and in 1988, we passed out of committee a financial modernization bill. But that bill never made it to the House floor. So it has been a long process getting to this point.

There have been many times when I did not believe we would ever make it. But I am very happy to see this day come, and I am very proud to be a part of it. Those of us who served on this Conference Committee have labored to bring a good bill to the floor today— a conference report that knocks down barriers, gives consumers more options and cheaper services, protects the little guys, and provides regulatory relief. We have achieved all these goals in this measure. There has never been a question about the need to modernize our depression-era financial laws. If we expect our financial industries to be able to compete in the world market in the next century, modernization of our laws is essential. I think everyone has recognized that all along. It was simply a question of finding a suitable blueprint for the modernization process that everyone could find acceptable, and I think we accomplished that with this measure. Admittedly, along the way this year, we had some big differences to work out. For instances, I was very happy the Federal Reserve and the Department of Treasury were able to work out a compromise on the Op-sub issue. I believe this compromise was essential to getting an agreement on the final bill and allowing us to finally repeal Glass-Steagall.

We also wrestled long and hard on the Community Reinvestment Act provisions. In this bill today we bring much-needed sunshine to the CRA process and ensure that the money which banks are sending to groups for low-income housing development, goes for just that, low-income housing.

We also give some much-needed regulatory relief to small banks on CRA. These banks are already involved in their communities. If they did not lend in their neighborhoods, they would not survive. With this provision, small bankers will spend less time doing Federal paper work and more time lending in their neighborhoods, both rural and urban. I would have liked to do more to reduce the CRA burden on small banks but we did the best we could. We were also able to ensure that we protected the small-town insurance salesmen and stockbrokers. We make sure that they have a level playing field and will be able to offer their customers more services at better prices. And we also dealt with a new issue that emerged in recent months—the issue of privacy. I know some of my colleagues believe this bill is inadequate as far as the provisions on financial privacy go.

I certainly understand their concerns but this bill does give consumers federal privacy protection that they have not previously enjoyed. Under provisions of this bill, consumers will be able to opt-out of disclosure of their financial information to third parties. This bill does not go as far as some would like,—but it is a start and it does recognize the importance of the privacy issue. Overall, I believe we came to an agreement on a balanced bill that creates a level playing field and enhances competition for the financial industries. It protects the safety and soundness of our financial institutions and gives consumers better products at lower prices.

It is crucial that we do pass this measure as we prepare to enter the new millennium. In this new age of the global marketplace our financial firms must be able to compete. This bill will go a long way toward allowing them to compete, but not at the expense of our local bankers, brokers, agents, and customers. I urge my colleagues to vote for it—it is a good bill.

Finally, I would like to commend Chairman GRAMM and his fine staff for all of their hard work. We certainly would not have this bill without Chairman GRAMM's tireless efforts. He and his staff spent countless hours completing this bill which I believe will be passed with overwhelming bipartisan support and will be signed by the President.

Chairman GRAMM did an outstanding job, and I thank everybody else on the conference committee and in the Senate. I urge support of this bill and its passage today.

I yield the floor.

The PRESIDING OFFICER (Mr. ALLARD). The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, I thank Senator BUNNING for his kind comments. I will soon yield to Senator ENZI. I thank him for his leadership, for all he did in helping us put together a good bill to begin with, for the work he did in understanding the bill and what we were trying to achieve.

I have always believed that conviction is born of knowledge. It is hard to be committed to something that you don't understand. I think one of the reasons we held together so well in getting this bill through committee and to the floor—through conference and finally here today, as we reach the goal line—is all of those endless meetings we had in January and February to talk about what it was we wanted to do and why it was important. If there is any person who didn't miss a single one of those meetings, it is MIKE ENZI. MIKE ENZI is a real doer. When you have a hard job to do, you want to give it to him. I like giving him jobs because he always does them.

I yield the Senator from Wyoming 10 minutes.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. ENZI. Mr. President, I thank the chairman for his extra kind comments.

I do rise to speak in favor of the conference report that accompanies S. 900, the Financial Services Modernization Act of 1999, which is also called the Gramm-Leach-Bliley Act. I think there is good reason for it being so titled. Senator GRAMM has certainly taken the lead on this. He is one of the most focused individuals I have ever run into in my lifetime. When it comes to working a problem, he has a tremendous memory of not only the things he has been involved in but the things he has read and studied up on for it, and he can recall those almost instantaneously. He has provided tremendous leadership. I am convinced that without that leadership we would not be at this point on this bill.

The senior Senator from Texas, the chairman of the Banking Committee, certainly deserves that first spot for his name at the successful completion of this bill. Some of that credit, of course, has to go to his very capable staff as well. He did line up some experts who had some tremendous capabilities, knowledge, background, and ability to express themselves, to explain to others, and the ability to sell the program to each of the staffs who were involved in it, too. Without their dedication and involvement, and the hours they spent on it also, we would not be at this point.

Of course, we have been through the conference process. I have been in the Senate 3 years now, and this has been the most complete conference process that I have seen. Part of the reason for that is probably because of the makeup of that conference. The bill on the House side was assigned to two committees, and those committees had a deep desire to be involved in the process. So we went through the House having, first, 42 conferees, plus the entire Senate Banking Committee; and then there was an imbalance that had to be corrected. I thank the House for correcting that. They did that by appointing four more people to the conference. So we wound up with 66 people on the conference. I came from the Wyoming State Legislature, and our whole House in Wyoming doesn't have that many people in it. When they do a conference committee, it is much smaller. Small committees get more done. So it was an incredibly huge, impossible task.

Again, with the leadership of the chairman, Senator GRAMM, there was some definite action taken that broke the deadlock of daily, deadly, external, lengthy comment sessions that didn't resolve anything. After a few days of that, he again took charge of the process and said we were going to get a small working group of three people, and we were going to put together a compromise bill. I particularly congratulate him for the compromise that was put in at that point. There were a lot of people who were nervous and tense about having the three Republican chairmen involved get together and put together a compromise. There was worry about how much compromise there would be. I think everybody was pleasantly surprised at the way it came out of that rewrite, and that rewrite turned out to be a tremendous key to the process. Without that, we would never be at this point.

I have to say this is the first time in over 20 years that the House and the Senate passed a bill in the same session. So it is the first real opportunity that there has been to conference it. Then we had this huge conference committee. The deadlock on that committee was broken by the chairman taking the focus and arranging this group and being extremely careful to include the different views in it, and then having a process where we could debate from that standpoint, taking things out and putting things back in; and, again, there were more committee meetings, more amendments suggested, more decisions made than I have ever seen in a conference committee.

I also have to compliment the chairman because I remember sometimes where he was negotiating some critical additional amendments to this thing, and he would leave the room and go work with people to get some changes or to explain why changes should not be made. That is a very important part of the process, too, because we were still working on a critical amendment in the committee. He would be able to come back in from that external negotiation, step right in, and debate the reasons we needed to deal with or shouldn't deal with the issue that was still on the table. It is an incredible challenge. He did it extremely well. He kept the debate focused and moving forward so that we are at a point where we have this conference report.

I am pleased that the White House made the comments publicly about this bill and where it is because it shows their understanding of the process and the dedication that was put into the bill as well.

I congratulate Senator SARBANES. He has a very quiet negotiating style, a very unique one. It forces people to do maybe a little bit more than what they would have done if they really understood where he was coming from. He has played a critical role in this bill as well. I appreciate all the effort he has put into it.

We are at a point now where we have this conference report. I am convinced that it will be overwhelmingly adopted. I appreciate all the people who have put time and effort into it.

This bill breaks down the barriers between banks, insurance, and securities firms. It allows them to affiliate and engage in each other's activities.

It is fitting that our financial system be allowed to modernize as we enter the next century.

As I mentioned, for over 20 years Congress has attempted to repeal these statutory barriers. These barriers have only limited the ability of financial institutions to offer a variety of services that their customers demand. Financial services modernization will allow one-stop shopping for consumers wanting a variety of financial services—banking, insurance, and securities—a sort of shopping mall for financial needs. This will increase efficiency and increase competition which translates into more choices and lower prices for American consumers.

This isn't a big deregulation. This is an opportunity for people to compete evenly on the playing field.

Some opposed to the bill have said they don't believe it goes far enough to ensure the privacy of a person's individual financial information. I have to say this bill will provide the strongest privacy protection ever for Americans. It requires the financial institution to clearly disclose their privacy policies. The disclosure will guarantee customers the ability to see clearly the privacy policies of the institutions allowing them to take their business to another financial institution if they don't approve of the way that they could be or have been treated. It allows the market to adapt to the demands of the consumers instead of the market adapting to government regulations.

The market allows for changes in consumer preferences and behavior, while rigid government regulations can easily cause unintended consequences.

I have to say that in every committee in the Senate in which we are involved, privacy is the big issue now. We are debating that in every one of them. I am on the health subcommittee of Health, Education, Labor, and Pensions. We have been trying to resolve the privacy issues there.

It is amazing how complicated and difficult that can be. There are things we as consumers anticipate others working in that business or in a business that we think is part of the business will know about us to expedite the work that we are expecting.

Consumer choice is the key. The privacy provisions in this bill also require that any bank that is considering sharing your information with an outside company—a third party—allows you the ability to say no to that activity. This opt-out provision also gives the consumer power and choice.

I want to tell you, this bill benefits the small community financial institutions. Coming from Wyoming, I have a particular interest in that. We have small community financial institutions that are the heart of our financial industry. It protects them just as it benefits the large financial institutions. It grants small banks the same expanded authority granted to the larger institutions. It requires the Federal banking agencies to use plain language. This will be one of the biggest things in the bill in their rulemaking used to implement the bill.

This plain language provision was included to ensure that small banks will not have to hire several lawyers to interpret the new rules resulting from this legislation.

The Gramm-Leach-Bliley Act allows small banks to access advances from the Federal Home Loan Bank System. These advances could be used for small business and small farm lending, in addition to housing. This will enable small banks to serve their communities comprehensively and provides them the liquidity they need to remain competitive. Another priority of small banks that has been included in the report is the prohibition on the chartering of new unitary thrifts for commercial firms. The bill even prohibits commercial firms that do not currently control a thrift from buying an existing thrift. Additionally, S. 900 provides further regulatory relief of the Community Reinvestment Act of 1977 for small banks. Those small banks under $250 million in assets with an outstanding CRA rating will be examined for compliance only every 5 years, while those with a satisfactory rating will be examined every four years. Most agree that CRA is more of a paperwork burden for small banks than it is for large banks. I believe that small banks and thrifts, by their very nature, must be responsive to the needs of the entire communities they serve or they will not remain in business. That is the sole source of their customers.

I am also pleased that the bill does not dismantle the dual banking system—the Federal system—that has served us so well over the years. This competitive regulatory system has many times created innovations which were later allowed by the national banking regulators. Under the dual banking system, state legislatures determine the powers allowed to their state institutions. These powers are tailored to meet the economic needs of the states. An empowered state banking system is elemental to state economic development. Included in the bill is a clarification that the FDIC's authority and the State bank regulator's authority with respect to operating subsidiary powers is not rolled back.

I recognize that this report is a collection of compromises. These compromises have not been easily achieved. Some of these compromises relate to the Community Reinvestment Act of 1977 (CRA). I do have concerns about this compromise on CRA. However, I am more willing to accept what I consider an expansion of CRA since the sunshine provision has been included. Since some groups are using the name of a federal law, the Community Reinvestment Act, to receive monies from insured financial institutions, it is only appropriate that the Congress is able to see how that law is being used. In sum, I believe this an acceptable compromise at this time.

I am pleased to support this conference report and congratulate all who have participated in it and encourage my other colleagues to do the same.

I yield the floor.

I reserve the remainder of any time.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. Mr. President, I thank Chairman GRAMM, Senator SARBANES, Chairman LEACH, Representative BLILEY, and all of my colleagues who have worked so long and hard on this legislation, with particular thanks to Senators DODD and EDWARDS who worked with us in the late night hours to come up with a compromise that eventually helped get this bill passed.

Mr. President, this is a historic moment. We have been working towards it for 18 years. It has taken 18 years for Congress to pass this bill.

When I first came to Congress, the issue was a narrow one: revenue bonds. Could banks underwrite revenue bonds? With technological change and globalization, the issue has expanded far beyond revenue bonds to an issue where the future of America's dominance as the financial center of the world is at stake.

This bill is vital for the future of our country. If we don't pass this bill, we could find London or Frankfurt or, years down the road, Shanghai becoming the financial capital of the world. That has grave implications for all of America where financial services is one of the areas where jobs are growing the most quickly, where our technology is way ahead of everyone else, where our capital dominates the world. It would be a shame if, because Congress had been unable to act, all those advantages were frittered away, as they well could be, in a global world by our failure to realize the problems our existing antiquated laws cause.

There are many reasons for this bill. First and foremost is to ensure that U.S. financial firms remain competitive. As their international competitors, U.S. firms will be able to offer financial services to complement their business models. Had we not done this, 3 years from now, with new technology, we could find major U.S. companies leaving the United States and locating in other countries that had laws allowing these things.

I don't know what the marketplace will yield. Will people want to buy all their financial services from one company? Will it be online or with individuals? We don't know. We do know that to close off one avenue of competition is the death knell for the future of a country in that area—in this case, financial services. It is essential we pass this bill.

The first issue is jobs, plain and simple, hundreds of thousands—yes, millions—of high-paying jobs. I need not tell the Senate how important this bill has been to the financial capital of the world, New York.

Second, it is important to consumers. The years have shown the more competition, the better. This bill allows more competition by allowing many more firms to compete over similar product lines. When a bank decides to go into the securities industry or a securities firm decides to sell insurance, they are looking for a competitive edge. They may well find it, they may not. However, the ability to have more competition—which this bill creates—is vital to consumers. This is a proconsumer bill. It is proconsumer for the same reason our system has predominated over all the others—competition.

Jobs are an important reason for this bill; consumer interests and competition are an important reason for this bill.

Third, we have to keep up with changing markets. When Glass-Steagall was passed, commercial banks dominated the financial landscape with 57 percent of all financial assets. Today they have less than 25 percent. To look at the world through that antiquated spyglass and say we must keep commercial banks from other areas because they may dominate is to look at a world that is 50 years old. Many argue commercial banks are among the weakest competitors when they are put against not only securities firms and electronic firms but mutual funds and pension funds. The third issue: We have to move this bill to keep up with changing markets.

Finally, we had to do it because otherwise the regulators were going topsy-turvy. We all know it does not make good policy to have individual regulatory decisions make policy. That has been what has happened. Because of the necessities of technology and globalization, because of the changes in financial markets, individual companies were going to the regulators and asking for special permission to do A, B, and C, and regulators were granting it. Now we have an overall fabric. We have a law that will treat all companies equally, that will allow businesses, either new or existing, to plan for the future, and will create a level playing field.

There are many reasons to pass this bill. My goal, which I stated at the outset, was to modernize financial services but not take one step backward on CRA. We have done that. The CRA provisions in the bill do not move things forward, but they do not take a single step backward. In fact, as I have argued to the groups in my State, they will benefit from this legislation because their leverage in the CRA process has always been when there are new mergers or new products that a bank decides to add. This is going to increase 10, 20 times. Every time the groups are interested in CRA—one of the most successful banking laws we have passed—they will have that leverage. Instead of two or three opportunities a year, they will probably have two or three a month. I argue CRA groups are going to be so busy with all the new mergers and all the new services that they may not have time to keep up.

We accomplished a great deal. I thank the Senator from Maryland as well as the administration for making sure we did not take a single step backward on CRA.

Sunshine provisions are in the bill. It is very hard to argue against them. If I am for sunshine for business and for political people, including myself, how can we not be for sunshine even for groups we support and believe in? I have no problem with the sunshine provision.

We succeeded in CRA. We also succeeded in helping the consumer in terms of protections.

Regarding ATM fees, I am proud banks will be required to disclose any and all charges for using an ATM before a customer makes a decision to withdraw funds. I fought for years for this provision, first in the House with Representative ROUKEMA, and now in the Senate. It is in the bill. In addition, there are privacy protections in the bill.

Does the bill go as far as I wish on privacy? No. But privacy is a large and complicated issue. We don't know what the balance ought to be between the ability of businesses to share information and the right of the consumer to protect his or her information. In the Senate, we did not have a single hearing on privacy. To restructure all of privacy with huge numbers of unknown consequences on this bill made no sense. My goal, again, was, can we move forward? We have. Not as far as I prefer or many prefer but certainly not enough to sink a bill that has so many necessities.

Finally, safety and soundness. The one thing that has dominated my thinking in this area is that we not repeat an S&L crisis, and we not allow insured deposits to be used for risky activities. I am proud to say the compromise between Treasury and the Federal Reserve in the structure of the bill makes sure that when insured dollars are used for anything that might be slightly risky, the capital requirements and firewalls will make virtually certain we will not repeat the kind of S&L crisis we have had in the past.

In conclusion, this is a historic day. It is a historic day for my State of New York, which I am proud to say is the financial capital of the world and, with this bill, has a much greater likelihood of remaining so. It is a historic day for modernizing one of the most important industries in America where we are technologically and entrepreneurially ahead of the rest of the world. This will help maintain our lead. And it is a historic day for those who have argued that we need to keep CRA strong and keep consumer protections in the bill.

From Glass-Steagall to Gramm-Leach, from the Great Depression to the Golden Age, from isolationist to internationalist, from underdogs to champions, this bill is an American success story for our economy, for our financial institutions, for our communities and consumers, and for my State of New York. I was proud to have played a role with so many others in ensuring its passage.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I commend the Senator from New York for his statement. I underscore the positive and constructive role he played with respect to this legislation throughout, and thank him for his contribution to this effort.

Mr. GRAMM. Mr. President, we have already started assembling for the swearing in. I suggest we move off the bill now for that purpose.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, I observe the absence of a quorum, but we will proceed momentarily.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

CERTIFICATE OF ELECTION AND CREDENTIALS

The VICE PRESIDENT. The Chair lays before the Senate the credentials of LINCOLN D. CHAFEE, appointed a Senator by the Governor of the State of Rhode Island on November 2, 1999, to represent said State in the Senate of the United States until the vacancy in the term ending January 3, 2001, caused by the death of the Honorable John H. Chafee, is filled by election as provided by law.

The clerk will read the certificate.

The legislative clerk read as follows:

STATE OF RHODE ISLAND—CERTIFICATE OF ELECTION FOR UNEXPIRED TERM

To the President of the Senate of the United States:

This is to certify that, pursuant to the power vested in me by the Constitution of the United States and the laws of the State of Rhode Island and Providence Plantations, I, Lincoln C. Almond, the Governor of Rhode Island, do hereby appoint Lincoln D. Chafee, a Senator from Rhode Island to represent it in the Senate of the United States until the vacancy therein, caused by the death of Senator John H. Chafee, is filled by election as provided by law.

ADMINISTRATION OF OATH OF OFFICE

The VICE PRESIDENT. The Senator designate will present himself at the desk and take the oath of office.

Mr. CHAFEE, escorted by Mr. REED, advanced to the desk of the Vice President; the oath prescribed by law was administered to him by the Vice President, and he subscribed to the oath in the Official Oath Book.

The VICE PRESIDENT. Congratulations, Senator.

[Applause, Senators rising.]

The VICE PRESIDENT. The majority leader.

Mr. LOTT. Mr. President, I officially welcome the new junior Senator from the State of Rhode Island, Senator LINCOLN CHAFEE.

I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRAMM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ALLARD). Without objection, it is so ordered.

Mr. WARNER. Mr. President, this is a historic day for America, for the Senate, for the citizens of Rhode Island, and for the family of the late Senator John Chafee. I ask unanimous consent now—and I am joined in this unanimous-consent request by Senator LINCOLN CHAFEE, who was just sworn in as United States Senator for the State of Rhode Island—that remarks given at his funeral by Senator Chafee's son, Zechariah Chafee, entitled "The Service of Thanksgiving for the Life of John Chafee," October 30, 1999, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REFLECTION OF ZECHARIAH CHAFEE

(A Service of Thanksgiving for the Life of John Hubbard Chafee, October 30th, 1999)

What a man! What a life!

Come with me. Let us look at how he lived, and what he was made of. John Chafee said at times that the great shapers of his life were his parents, the Boy Scouts, his wrestling, the United States Marine Corps, the U.S. Senate, and above all, his own family.

From his parents, an upright Yankee, a vivacious Scot, he without a doubt drew his graciousness toward me, women and children of all walks of life. From them as well came his decency and keen sense of the difference between right and wrong.

As for the scouts, not only was he an industrious member of a Providence troop as a boy, but it seems he kept a scout handbook in his Senate office! Examining Article 8 of the Scout law of his day, one finds this stricture: A scout smiles and whistles under all difficulties! Is this how he came by his trademark good cheer?

I must say though that his skeptical children had some problem reconciling the cautionary scout motto "be prepared," with my father's brisk assertion. "It will all work out, stick with me—here we go!"

But with him in charge, it usually did work out—and even if it did not, it was still fun!

At the Providence Country Day school, he began his wrestling career, which he furthered at Yale when he captained the freshmen team. Wrestling called forth the qualities, so many of you have come to know. The tenacity, the willingness to give it his all.

The sheer love of the contest. The will to victory and the confidence that goes with it. Remember, that on the wrestling mat, it's one man's struggle with another. There are no excuses. But just as important to note—there was a team—and he was the captain. The man to who others looked—the inspirer, the leader.

Following Yale, he went on to wrestle AAU. Now, some time when you're riffling through your back issues of "Body Builder" magazine, circa 1948, you might look up his citation as an All-American wrestler. And when you next pass through Stillwater, Oklahoma, drop in at the National Wrestling Hall of Fame. You'll find his picture on the wall.

It has been said that as a boy, Johnny Chafee had a poster in his room featuring a jut-jawed marine on the move, rifle in hand and bearing the legend "US Marines—First to Fight."

December 7th, 1941 gave Chafee that chance. He left Yale and headed for Parris Island. As the new recruits arrived and stepped down a company street in the soft southern night, from the windows of the surrounding barracks came the jeering call—"You'll be sorry! You'll be sorry!"

But he never was.

Look at a globe someday. Run your finger northeast from the upper shoulder of Australia in the Solomon Island chain and you'll find the Island of Guadalcanal.

Here on August 7th, 1942, 19 year old private first class John Chafee waded to shore with the first marine division. It was America's first step on the long, lethal ladder that would lead to Tokyo. You recalled the story of the battle—how the Navy fleet, supporting Marines, weighed anchor and sailed over the horizon, leaving the division alone in far off hostile seas.

The world watched an wondered about the fate of the Marines. The world need not have doubted, as my father once explained, "In the foxholes at night, on the jungle patrols and in the roar of battle, what bound these men together—what drove them on, was not patriotic zeal, but rather the confidence that they were all Marines. That the man to the left, the man to the right was a U.S. Marine. My father said that in that far perimeter, far from any help, he had no doubt that the Marines would prevail, come what may. That was that famous "esprit de corps"—and he would carry it with him for the rest of his life.

He lived by the teachings of the Corps. Leadership by example. Self-discipline. The knowledge that success often requires audacity and risk. The conviction that when given a mission—no matter how disagreeable—one doesn't complain or delay, but gets started and presses on 'til the end.

There are other qualities as well. With John Chafee the phrase "Gung-Ho" leaps to mind. My dictionary defines this as extremely enthusiastic and dedicated, but goes on to note that this World War II Marine Corps motto derives from a Chinese word meaning "work together".

Work together.

Wasn't that motto a guiding light for my father's entire public service?

Once a Marine always a Marine.

In a few minutes, as John Chafee's mortal remains are carried from this church, the organ will sound the triumphant cords of the Marine Corps Hymn.

From heaven . . . he will be listening.

I know he'll hear it! At war's end, my father completed his studies at Yale Law and went off to Harvard Law. About that time, a cousin described for him, a trio of lovely sisters from Long Island's north shore. The Coates girls!

"Save one for me," he urged.

It took a bit of a chase, but in November of 1950, Ginny Coates, in white veil and gown, stepped toward him down the church's aisle. She has been the beating heart of our family, the sustainer of her man and her children ever since.

My father found legal practice in Providence stifling. So in 1951 there came a telegram from the Corps, recalling him to combat duty in Korea. He kicked his heels together and whooped! It was as Commanding Officer of Dog Company, 2nd Battalion, 7th Marines that Chafee came into his own. Lt. James Brady in his memoirs. *The Coldest War*, had this to say.

"You learned from men like Chafee, a Yalie with a law degree from Harvard, who came from money, a handsome, patrician man, physically courageous and tireless. From all that could have come arrogance, snobbery. He possessed neither of those traits; he was only calm and vigorous, and efficient, usually cheerful, decent and humane, a good man, a fine officer."

Following combat in Korea, Chafee jumped into Rhode Island politics and won a seat in the Rhode Island legislature. Also in the space of the next 10 years, he fathered six children. Now one might observe that for a Protestant with political hopes in the most heavily Catholic state in the country, it did not hurt to "get with the program."

In 1962, and at age 39, he pitched his hat in the ring for Governor, running as a Republican in a state with the highest percentage of Democrats in the nation. Now that's optimism!

See if you recognize some familiar qualities in the Providence Sunday Journal endorsement of John Chafee for governor 37 years ago.

"He has been demonstrating an awareness that government belongs to the people—not the politicians. He has been modest in his claims. He has been careful and honest in taking positions. He has brought fresh thinking to old problems. He has been unassuming in his presentations, in that he neither hectors nor lectures."

Some things never change.

If they missed anything, it was his cyclonic energy and his political courage. Those qualities would be quickly revealed.

Chafee would win his race by a mere 398 votes out a total of 327,506 votes cast. Now, at the Duke of Wellington once confided after the battle of Waterloo, "It was a damn close run thing."

John Chafee hit the Governor's office with the force of a gale.

He saw government as a way we work together, to meet the needs and solve the problems of our common lives. And he was only too happy to lead the way.

In the many tributes of the last few days, you've read and heard of his achievements. He loved the job and made it great fund for those around him of all ages. He governed exuberantly. For instance, he delighted in directing his pilot to give visiting school children rides in the official state helicopter. This lead to complaints by a scrooge in state government. There then appeared in the paper a cartoon, which hangs today on my parents wall at home.

In it, the angry official shakes his hand skyward, where a helicopter buzzes merry children hanging from skids and doors, and a gleeful John Chafee—big chin magnified—happily manning the controls.

Before we lay him to rest, I know my father would love it if I just described a few scenes from his family's life together.

Stand beside him in the crowd, at the fence of the horse show ring, as my sister Tribbie canters in on her lovely pony, Puck. Girl and pony flow round the ring and ripple over the jumps. They'll take the state championship that day.

Now see him at the helm of *Windway* as she runs before a slight southwesterly off Beavertail. He tosses a long line astern. His children dive and clutch it, shooting along behind the boat like mini torpedoes.

Have a seat now at the big dinner table at Stonecroft, his summer house on the coast of Maine. Listen, as he polls the table, questioning one by one his happy guests on the issues of the day.

"What's your position on the flag burning amendment? Should we give up the Pananama Canal?" And more recently, "what would you do with the budget surplus?"

Doesn't he make you think?

It's a summer morn' in Maine. The day's still cool from the night before. There he is over by the flagpole, the banner in his hand. See that cluster of small children by his side—some towheaded, some dark? His grandchildren! Little hands reach up to tug the line—little faces look aloft. It's up! The Stars and Stripes float on the morning air!

See him now on the summer deck of the two room cabin with the wood stove, where he and mother live when they're back in Rhode Island.

It's evening, the sun sweeps low over the meadows on the far side of the river. The air is still, the tide is high. Egrets hunt along the marshy shallows. Ginny has brought cheese and crackers to the table. A bourbon glows amber in his glass.

They speak easily together, bound by the love of nearly fifty years.

In closing, as I look out on our President and upon John Chafee's many Senate friends, I recall a large color photograph on my father's office wall. In it, Senator Dole, eyes twinkling, cracks a joke as President Reagan, John Chafee and Senator Alan Simpson bend an ear, amusement alight on their faces.

After the event, my father obtained a copy of the photo, and at a later meeting with the President, slid it down the table towards him and asked him if he'd sign it.

Without missing a beat, Reagan penned a line and slid it back.

It read simply, "John—Some time it is fun, isn't it?"

Some time it is fun, isn't it?

Dad, when you were around, it sure was.

Mr. WARNER. Mr. President, I want to read the first paragraph of the statement given by Zechariah Chafee:

> What a man. What a life. Come with me. Let us look at how he lived and what he was made of. John Chafee said at times that the great shapers of his life were his parents, the Boy Scouts, his wrestling, the United States Marine Corps, the United States Senate and, above all, his own family.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. May I be recognized for 2 minutes?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REED. Mr. President, I thank and commend the Senator from Virginia for his very thoughtful introduction of those remarks. Like so many in our body, we were in that church. Zech Chafee's words rang so true—the clarion call about his father, his service to this great Nation.

Also, I join Senator WARNER in saying this is a very proud day for the Chafee family. They are proud of the accomplishments of Senator John H. Chafee and proud of the commitment to public service of Lincoln Chafee. I am pleased and proud to join my colleague from Virginia in this request. I yield the floor.

The PRESIDING OFFICER. The majority leader.

FINANCIAL SERVICES MODERNIZATION ACT OF 1999—CONFERENCE REPORT—Continued

Mr. LOTT. Mr. President, let me just take a moment at this time, if the Senator would allow me.

When the history is written of this session of Congress, it will probably identify this piece of legislation as the single biggest achievement. I have heard this financial services modernization issue discussed for my entire career in the Congress, which is now up to 27 years. It has been tried by Republicans, by Democrats in the Congress, House and Senate, administrations of both parties. It never quite occurred.

I think it is appropriate we commend all of those who have been involved in this process for bringing us to this moment. This legislation is going to pass overwhelmingly. It is going to bring us into the modern era of financial services. It is going to allow us to be more equally competitive around the world.

I think we should properly note what has happened. If today's papers are any indication, we passed major trade legislation yesterday and it didn't even make the first section of one of the papers in this city; it wound up in the business section. It was hardly noted, the effort that was put into passing that major free trade legislation. I hope that will not be the case with this major legislation.

So for all those involved—I won't begin at the top and go to the bottom—obviously Secretary Rubin was involved in earlier discussions; Alan Greenspan was involved; Secretary Summers has been involved. The administration did stay engaged when they could have said we are not going to talk anymore. Leaders in both the House and the Senate, the elected leadership, Democrats and Republicans on both sides of the aisle, on both sides of the Capitol worked to make this happen.

Let me say for the record—I know, because I watched it very carefully and had some meetings which, I think, helped give it some momentum, some impetus—it would not be where it is today, it would not have been achieved, without the leadership of the senior Senator from Texas, Mr. GRAMM. He has done a masterful job. Many people said: It won't happen. Many people said: He will kill it. I kept saying: No; you wait. He will make this happen through thick or thin. It will get done.

It is being done. To take nothing away from all those involved—including the ranking member of the committee, Senator SARBANES of Maryland, who was actively involved—I have to note, with a lot of appreciation and gratitude, the tremendous leadership of the Senator from Texas. I don't think he can probably ever replicate this effort again. So I think that at this time we should express our appreciation because it is a monumental achievement.

I yield the floor.

The PRESIDING OFFICER (Mr. FITZGERALD). The Senator from Texas.

Mr. GRAMM. Mr. President, I appreciate that. I know it is going to cost me something big, but I am very grateful for it. As I said last night, one of the reasons we were successful, one of the reasons this bill is as good as it is, is that I have had the very strong support of TRENT LOTT and our leadership. Having their support is like having a stone wall to your back in a gun fight: You can still get killed, but nobody is going to shoot you in the back. That has been very beneficial. TRENT LOTT's willingness to say we are going to follow this path, whether it leads us to success or failure, is really what has led us to success.

I appreciate those kind comments and yield the floor.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, are we back on the bill?

The PRESIDING OFFICER. We are back on the bill.

Mr. SARBANES. I yield 10 minutes of my time to the distinguished Senator from North Carolina.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. EDWARDS. Mr. President, I rise today in support of the Gramm-Leach-Bliley Act. This legislation is of critical importance to America and will benefit our nation's financial services companies and American consumers. Quite simply, I believe it helps pave the way to our continued economic prosperity.

This legislation will ensure stronger consumer protections in the rapidly changing and consolidating world of financial services. The legislation is important to consumers, because the industry is already changing dramatically, but through regulatory backdoors and without much-needed consumer protections. Banks, securities firms, and insurance companies—

historically separated from one another—have already started engaging in each others' business, and there have been no affirmative protections in place for the nation's consumers. This law rectifies that situation.

I do have some concerns with certain sections regarding federal preemption of state laws that I hope to clarify. Throughout consideration of this legislation—S. 900, H.R. 10, and the chairmen's mark—I have worked with my colleagues to make sure that the final language of the bill does not adversely affect recently passed consumer protection legislation in my home state of North Carolina.

North Carolina is a leading state in the financial services world on several fronts. We are home to some of the largest banks in the country. We are home to some of the strongest and most innovative community development groups in the country. We see, every day, how well these players work with one another to provide convenient banking services to all North Carolinians.

North Carolina is also a leader in consumer protections. Our state General Assembly recently passed two important pieces of consumer legislation that had broad support. First, the General Assembly passed legislation that will require Blue Cross/Blue Shield of North Carolina—a non-profit—to create a public trust to help fund public health expenses in the event it converts to for-profit status. Its rationale was simple. A company should not be able to use its not-for-profit status—a government granted exemption from taxation—to build market dominance and then convert to for-profit status. In that situation, the not-for-profit status would have acted as a government subsidy, and conversion should not be allowed without some form of assessment for the subsidy. This legislation had bipartisan support and was agreed to by all parties.

Throughout consideration of financial modernization legislation, I have steadfastly supported language that will protect this law from possible federal preemption. The conference report accompanying the legislation indicates that this type of law is not of the sort for which federal preemption would come into play. Specifically, the report noted that "[t]he House receded on its provision specifically addressing a North Carolina Blue Cross-Blue Shield organization, as the State laws governing those types of entities would not be preempted so long as the State laws do not discriminate . . .". Because the North Carolina law places a requirement on Blue Cross/Blue Shield of North Carolina regardless of any possible affiliation, it treats identically all interested parties seeking to affiliate or acquire. A bank that might want to acquire Blue Cross/Blue Shield must comply with the law in the same way as a car dealership, or any other potential acquirer, would. Therefore, it is impossible to argue that the law is in any way discriminatory.

The other critical piece of legislation is a recently passed law that prohibits the financing of products like credit insurance in home mortgages. In recent years, including credit insurance costs in the mortgage was a favorite tactic of some predatory institutions—a tactic that ultimately cost consumers thousands of dollars. North Carolina is a leader in making sure its residents are protected from predatory lending and financing practice, predominant over what may be weaker federal standards or laws.

The State of North Carolina enacted this law on July 22, 1999. The law, among other things, regulates mortgage financing and what non-housing products may be included. For example, it bars the lump sum financing of credit insurance premiums in consumer home loans. The law was intended to regulate mortgages and to prevent a potentially misleading form of home lending. It does not prevent credit insurance from being provided for home loans on a monthly basis, but merely cuts off financing the premiums upfront since the state General Assembly determined that such financing is fundamentally unfair. Congress does not intend to preempt this law in the Gramm-Leach-Bliley Act.

I believe that this North Carolina law regulates mortgage financing and does not target the ability of an insured depository to sell insurance products. The focus of my state's legislature was on mortgages and efforts to shoehorn other products into the cost of the mortgage. The legislature would have acted the same way if mortgage lenders had been attempting to include lump sum financing of moving expenses or a new TV. However, if it were determined that the law concerns insurance sales activities, this Act still would not preempt the North Carolina provision. At most, the North Carolina law regulates how credit insurance is sold—the prohibition on financing credit insurance premiums cuts off one avenue of sale while leaving all other avenues open. As Section 104(d)(2) of the Act states, such laws are not preempted unless they "prevent or significantly interfere with the activities of depository institutions or their affiliates." The North Carolina law does neither. Banks may still sell credit insurance in connection with mortgages, only one sale technique is foreclosed.

In addition to the two consumer protection matters I just mentioned, I wanted to say a few words about the privacy provisions in this legislation. A great deal of debate centered on personal financial information and the way banks, securities firms and insurance companies may use that information. Privacy in financial services is an extremely complex issue because what one person may view as an invasion of privacy, another might appreciate as a timely and appropriate offering of a much-needed service. I think it is important to realize that the issue of protecting personal privacy is not limited to the financial services world. In our meetings, we also spoke of privacy of medical information. The news is full of stories of other companies—grocery stores, toy makers, appliance stores, telephone companies and others—that are creating massive databases of customer information to be used for marketing products and services.

In this legislation, we have given customers the opportunity to decide whether or not they want to let their financial institution share their personal information with a third party. We require financial institutions to have a privacy policy—and we require that this policy is explained to all the institution's customers. We also included an important provision that makes it a Federal crime—punishable by up to 5 years in prison—to obtain customer information through fraudulent or deceptive means. I myself would have supported even more privacy protection. I am confident that in the next few years, we will be forced to deal with this problem more comprehensively.

Finally, I would like to say a few things about the Community Reinvestment Act. I struggled long and hard with the CRA provisions included in this law, because CRA is so important to North Carolina and to me personally. I wanted to be able to support this bill, but I would have refused to do so if I believed that CRA was undermined. I have seen first hand the amazing benefits—to banks and to consumers—that have resulted from CRA.

North Carolina banks represent some of the biggest and best CRA success stories, and I know from talking to bankers that they work well with community groups to make sure all neighborhoods are served. I spoke with several North Carolina community group leaders about the compromise we worked out, and while I know it wasn't their ideal, I believe that they recognize how much effort went into protecting CRA. Most importantly, I want to make sure that everyone knows that before a bank can even benefit from the new powers under this legislation, it must have at least a "satisfactory" CRA record. And, if it doesn't maintain at least a "satisfactory" rating, that bank can't buy any other financial firm until it gets its rating back up. What this means for CRA, and for those who actively support its goals, is that the commitments banks make to serving their communities will continue to be of paramount importance to their daily business.

However, I do worry about some of the reporting burdens being imposed on

CRA groups by this measure. In the last few days, these reporting requirements have been the subject of numerous talks between committee members and the Treasury Department. Because these requirements are a new idea—the provision was added to S. 900 during floor debate—we have been careful to make sure that the language is clear that the provision will not impose undue burdens on community groups. I fear that unless provisions of this bill are narrowly interpreted, they could provoke a kind of regulatory witch hunt. But I am confident that the spirit of this bill is to diminish regulatory burdens and that all provisions in this law must be interpreted in that light.

And so we find ourselves at a truly historic moment. We are about to pass legislation that will modernize our nation's financial laws, increase competition, increase options for consumers, decrease costs, protect personal financial information and ensure the continued application of the Community Reinvestment Act. We have a good bill here, and I strongly support it.

To elaborate, this is a bill that has been long overdue. There are those who have been toiling in the vineyards with respect to this bill for a very long time.

Financial services modernization is well recognized throughout the Senate as something that is desperately needed. If done the right way, which I believe this bill accomplished, it is helpful to consumers. It will provide a more competitive market, greater competition, and one-stop shopping for consumers of financial services. It will also help provide a coherent legal framework for the operation of the financial services industry in this country.

A lot of the things we are doing officially and legally through this bill have been done through the back door for years because of the fact that the financial services industry has changed so much in this country over the last 20 to 30 years. The one position we, on my side, felt most strongly about was, while we believed in financial services modernization and supported it—and I wholeheartedly held that belief—it was critical that we be able to maintain the provisions of the Community Reinvestment Act, or CRA, because CRA has done so much good in this country. It has done so much good in my home State of North Carolina to help revitalize chronically economically disadvantaged areas, turned neighborhoods around that were crime infested. It has been an extraordinarily positive thing, something the banks in my State of North Carolina strongly support, always have supported, and continue to support.

The one other issue is that of privacy. We made some positive steps with respect to privacy. Since essentially there was very little regulation of people's personal privacy in existing law, we made a positive step in that direction. But there is probably still additional work to do in that area.

Let me talk, again, about the Community Reinvestment Act, which is the foundation for us being able to get a bill. The Community Reinvestment Act has had such an extraordinarily positive impact on areas of our country that desperately needed financial support. The bedrock principle in our negotiations on this legislation was that no bank should be allowed to take advantage of the expanded services available under this bill unless they had a satisfactory CRA rating. As a result of much discussion and negotiation between the parties involved in this bill, we have been able to accomplish that. I believe we have done what needed to be done to maintain the fundamental principle of CRA.

In addition, we have been able to provide that no bank can acquire or merge with another institution unless it has at least a satisfactory CRA rating. We worked very hard to make sure that principle remained in place. After much discussion and negotiation, after the bill passed the Senate over the objection of a number of us because we believed it weakened CRA, in the conference committee and in the discussions we were able to get this principle reinstated. We have done the most fundamental thing that had to be done in order to get a bill, which is to make sure CRA was in place, that it remained vibrant and strong, and that no bank could take advantage of the provisions of these expanded services available under this bill unless they had a satisfactory CRA rating.

I believe in CRA. I think it is an extraordinarily positive thing for the country. The banks in my State believe in it. They have done a wonderful job complying with the provisions of CRA. We have been able, through hard work and negotiation, to maintain those critical provisions of CRA in this bill.

This bill also contains some positive steps in the area of privacy. We had, as I indicated earlier, very little protection for people's personal financial records in banking and financial institutions prior to the enactment of this bill. Assuming we are able to pass this conference report today, there will be some positive steps in that direction. The reality is, though, there are a number of us, myself included, who believe we need to go further, that there is more that needs to be done to protect people's privacy.

Folks have a fundamental right to know what is happening with their personal financial information and to know it is not being used in inappropriate ways.

This bill takes a positive step in that direction. I think for that reason it makes sense to support the bill. However, I believe there is more work that needs to be done in this area. Many of us on our side, including the ranking member, Senator SARBANES, believe there is more to be done in this area.

Financial modernization, as contained in this bill, will also help ensure continued economic growth in this country. The reason for that is that now our banks, our financial institutions in this country, will be able to compete in the global marketplace because our financial institutions have operated for many years now under rules that were antiquated, which in this environment and marketplace made no sense, and with which foreign competitors, who also do business in the United States, didn't have to comply. With continued prosperity and growth so important in our country, it was important that we be able to have modernization in the financial services industry. This bill accomplishes that.

It will be good, as I indicated, not only for domestic competition, to allow banks to compete with one another and, as a result, lower costs for consumers, but it also allows our banks to compete internationally, which is critically important.

Finally, I thank those who worked so long and hard on this bill. There are many who worked long and tirelessly on this bill: First, Senator SARBANES, our ranking member, who has been one of my mentors in my 10 months here in the Senate, who is a remarkable leader; he has shown remarkable leadership and guidance on this bill. Also, Senator SARBANES' extraordinary staff, Steve Harris and Marty Gruenberg, who are both wonderful, have worked with us throughout this process. This could not have been done without their work and guidance. Also, my friends, Senator DODD, Senator SCHUMER, and Senator REID, who, along with Senator SARBANES, were in that small room with me late into the evening negotiating the provisions of the CRA, which eventually were contained in this legislation and without which there would be no bill. They all worked tirelessly—Senators DODD, SCHUMER, REID, and SARBANES—late into the evening, and we were able, finally, to reach a reasonable compromise. But it could not have been done without the leadership of all of those Senators.

Senators SHELBY and BRYAN worked very hard on the issue of privacy. Philosophically, and in my heart, I am with them on that issue. I think we have made positive steps in the area of privacy. Senators SHELBY and BRYAN are fundamentally right that the American people deserve and believe they deserve the right to have their personal financial information protected. They showed great leadership in that area. Senators JOHNSON, KERREY, and BAYH, throughout this process, have worked with us very long and hard, and without their support this legislation would not have been possible.

Finally, I mention our chairman, Senator GRAMM, beside whom I had occasion to sit for many hours on that Thursday night and Friday morning when we were able to finally reach agreement on this bill. Without his hard work and leadership and willingness to compromise and negotiate, ultimately, this bill would not exist. The majority leader is right in that respect. So I applaud him for his work on this bill, and I applaud him particularly for his willingness to compromise, to negotiate, and to have a back-and-forth discussion with those of us who had somewhat different views on issues such as CRA privacy.

Finally, to Chairmen LEACH and BLILEY and ranking members LAFALCE and DINGELL, who did great work throughout this process, including that late-evening meeting that went to 2:30 or 3 o'clock in the morning; and Secretary Summers and members of the Treasury Department who were in that room working tirelessly with us, particularly to iron out some of the details associated with the compromises that were reached that night.

I do believe this is a historic piece of legislation. I think it is a piece of legislation that benefits consumers; it will increase competition in this country; it will lower prices. I believe it will allow for one-stop shopping for folks who want to go to one place and have all their financial services provided, and it makes positive steps in the area of privacy, although there is still work left to be done.

Also, most fundamentally, it protects the critical principles of the Community Reinvestment Act, which has been such a positive law in this country and has had such an extraordinarily positive impact on my home State. I have seen neighborhoods that have literally been turned around by CRA, the Community Reinvestment Act. Because of the work and negotiation that went into this legislation, I believe we have satisfied the fundamental principles of CRA.

Mr. President, I urge colleagues to support and vote for this conference report. It is the result of a lot of hard work by a lot of people and a lot of compromises.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Mr. SARBANES. Mr. President, before yielding to the Senator from Connecticut, I acknowledge and express my deep appreciation to the Senator from North Carolina for his very positive and constructive contributions throughout the process of developing this legislation. He really made a very important difference in helping to get us through some satisfactory resolutions of some difficult questions. I am very appreciative to him.

Mr. President, I yield 15 minutes to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. DODD. Mr. President, I thank the Chair and I thank my colleague and ranking member of the Banking Committee.

I rise today, as well, in strong support of this very historic conference report accompanying S. 900, which I believe will receive strong bipartisan support by Members of this body as well as in the House and will be signed into law by President Clinton.

Nearly 70 years ago, the Glass-Steagall Act, which provided the foundation for separating domestic banking, securities, and insurance activities, was enacted into law. Advances in technology, the change in our Nation's capital markets, and the very fast-growing globalization of financial services have demanded that we as a legislative body examine and make some changes to our financial laws to accommodate and to take into consideration these dramatic changes that have occurred. Making these changes has not been easy. The task of creating a new regulatory framework that strengthens consumer protections and, at the same time, fosters market efficiencies and industry innovations has been extremely difficult. Endless hours, days, weeks, and years of negotiations have been spent to craft legislation to allow our Nation's financial services industries to remain leaders in the global marketplace.

I have been a member of the Senate Banking Committee since the first day I was sworn into the Senate, almost 19 years ago. I think this effort dates to about 1967 or 1968, more than 30 years ago. This has been an ongoing debate and issue on the part of the Banking Committees of the Senate and the House, the Commerce Committee, and numerous efforts at the executive branch level. But certainly over the last 20 years, on numerous occasions, this body has enacted reforms to financial services only to watch the legislation die either in conference or be unable to reach a final consideration on the floor of the Senate.

So I speak today on behalf of a lot of people who have come before us. I think of people such as Senator Don Riegle of Michigan, who worked very hard on this; Senator Jake Garn; William Proxmire, the first chairman I served under on the Banking Committee. They all labored hard to try to come up with a means by which we might modernize these services. Certainly, those who predated those Members I mentioned worked diligently over the years to try to see if they could modernize these financial services to accommodate the efficiencies and demands of the end of the 20th century. We begin, in about 60 days, a new millennium, where already the ability to transact financial business on a global basis can be done in nanoseconds around the globe—a far cry from where we were 3 years ago when this effort first began to try to address some of the realities that had overtaken the Glass-Steagall Act, as sound a piece of legislation as it was, which was adopted so many years ago.

So today I speak not only on behalf of the conference report that I think accomplishes the task so many who came before us labored to achieve, but this landmark legislation dramatically modernizes our financial laws to allow banks, securities firms, and insurance companies to affiliate and provide a rational process for these affiliations to take place—not one done by court decision or simply by regulation, but, as the legislative body in this country, we have now authorized regulation through the deliberate process of hearings, markup of bills, consideration on the floor of the Senate, and a conference report. While it is laborious, rather, to go through that, and difficult, it is far better, in my view, to establish these laws on that basis than to be relying strictly on the courts and regulators to do so.

I welcome this day as a day of success and triumph for the legislative body exercising its responsibilities to put its strong imprint on how this process ought to work.

As we enter the 21st century, S. 900 will help, in my view, to continue our Nation's financial services leadership in the global marketplace—that is a critical issue—remaining competitive abroad but helping to continue to create new jobs and new opportunities for literally millions of people here at home.

This legislation also provides significant benefits and protections to investors and financial services consumers who will not only benefit from the competition of these diversified firms, but who will also benefit from standardized and comprehensive protections for the sale of financial products.

There are a number of aspects of this conference report that I would like to touch upon very briefly.

Critical to my support—and I think many others—of any financial services modernization legislation was ensuring that banks continue to invest in the communities in which they serve.

I have often stated that if the price of modernizing our financial services industry would be to deny fair access of credit to those who need it the most, I was not willing to pay that price, nor do I think many others would.

This legislation before us not only preserves current investment in our communities, but it actually strengthens both the intent and the practical effect of the Community Reinvestment Act.

Under this legislation, CRA will continue to apply to all banks regardless of size or location, without exception.

Additionally, this legislation will guarantee that no bank with an unsatisfactory CRA rating can engage in any new financial activities of insurance or securities.

This is fundamentally an important change. For the first time, a bank's CRA rating will be a consideration if it attempts to engage in new financial activities. That is a major triumph.

Some legitimate concerns have been raised over the potential burden on community groups and banks imposed by reporting requirements. I have worked hard, as have others, to make sure that no undue burden is placed on community groups and that the appropriate Federal banking regulations will have adequate discretion to ensure that result.

We are going to need to watch this and see to it that it doesn't occur over the coming weeks and months. But I am confident that with the provisions in this bill any efforts to try to become punitive or overreaching when it comes to regulations will be met with responsible regulatory action. So we will be monitoring that action very carefully.

S. 900 reaffirms that the State regulation of insurance codified by McCarran-Ferguson remains intact, a very important provision. It further provides an orderly process for resolving differences between States and Federal regulators on bank insurance activities.

This legislation reinforces further the essential concept that investors need protection regardless of whether they purchase securities from a broker, bank, or other entity.

S. 900 ensures that in creating this new financial structure the integrity of our markets is maintained and that investor protections are enhanced.

With the rapid change in our financial markets, this legislation ensures that investors remain protected, which is fundamentally a critical area to all of us.

Another area that needs improvement is the protection of consumer privacy. We did not go far enough, in my view, in this bill in doing that. There were some steps made that are certainly an improvement over the status quo. But I believe far more action is necessary in this area than incorporated in this bill.

This legislation contains some important privacy protections. For the first time, financial institutions must disclose to consumers their intent to share or sell personal financial information to anyone. Although stronger provisions which I have supported along with many others were not approved by the conference, I believe that we have sent a strong signal to the industry about the use of sensitive consumer information. I happen to believe that consumers not only have the right to know, but also have a right to say no to the sharing of their personal financial information with anybody. This erosion of the privacy of our most personal, sensitive financial information can and must be stopped.

I hope the privacy provisions contained in this bill will be an important first step to ensuring and addressing this critically important issue.

I am a coauthor along with the ranking Democrat of this committee, Senator SARBANES, and others of the Financial Information Privacy Act, S. 187, that was introduced in this Congress. We welcome further cosponsors of this bill. This is a matter that people care about regardless of place in the country, ideology, or financial status.

It is unsettling to people to know that when a merger or acquisition occurs, while you shared certain financial information with those with whom you initially negotiated, all of a sudden there is a new entity involved, and somehow that information you shared with a company is going to become the product of another industry that you didn't anticipate when you shared the initial information.

Certainly, people are finding it unsettling. They know it goes on. The unsolicited inquiries they receive by telephone and mail certainly indicate that financial services information that people thought was being held private is becoming far too public.

This is an issue on which we have to spend more time. It needs to be addressed. I am aware of the concern of the industry. But consumer demands in this area are not going to go away.

Further, let me say it isn't just a question of banks. Customers would be given, under this proposal, the important opportunity to prevent banks and securities firms from disclosing or selling this information to affiliates before banks and security firms could disclose or sell information to a third party. They would be required to give notice to the consumer and obtain the express written permission of the consumer before making any such disclosure.

I will continue to press for even greater privacy protections than are presently included in this bill.

This is a good bill, as I said at the outset. There are a lot of people who can rightfully claim credit for having been significant players in producing this product. No single individual was responsible for this result.

As I mentioned, there are the people who are no longer in public life, some of whom have even passed away, who can literally be called inheritors of this product and responsible in some ways for the success we are announcing today.

I mention the previous chairmen of the Banking Committee in the Senate, certainly previous banking chairs of the House side, former Secretaries of the Treasury, and different administrations must feel some sense of accomplishment today as we achieve this result. They were a part of that historic journey which began so many years ago.

There were 66 conferees, an unwieldy number. Twelve percent of the U.S. Congress were members of this conference. Certainly, each and every one of them were involved to one degree or another. Though the number was unwieldy, I think all of the members played an important and constructive role from time to time.

I commend Senator Al D'Amato, our former colleague from New York, who is no longer a member of this body but was chairman of this committee last year. He crafted a good bill, H.R. 10. It wasn't adopted into law. But a lot of what we have in front of us today was part of that bill last year. He did a good job. While we are of different parties and different political persuasions on many matters, Al D'Amato is a friend of mine. I have always thought of him to be such, and he deserves some recognition today as we talk about the accomplishments of this bill.

Senator PHIL GRAMM of Texas, who I have served with on the Banking Committee now for many years—I have worked with him on numerous pieces of legislation but nothing quite of the import of this bill—is a tough negotiator. He is knowledgeable and he is smart. He worked hard on this bill and deserves credit as chairman of the committee for the final result and for pulling the pieces together.

It has been mentioned by my good friend, Senator JOHN EDWARDS of North Carolina. I see my colleague from Rhode Island, JACK REED, who was there that evening. ROD GRAMS, who is on the floor at this moment, was in the room. That was quite an evening.

I suppose history books will expand the size of the number of people who were in that room that night as oftentimes happens. It wasn't that big a room. There were not that many people in the room. But I have said to the chairman of the committee that I admired his stamina that night. He was there pretty much taking arrows and glances from the Federal Reserve Board, the Treasury, House Democrats, and Senate Democrats. While we fought hard, I admired his stamina, his stick-to-itiveness, his willingness to stay in the room to get the job done.

I begin by commending Senator GRAMM for his fine work. Obviously, our ranking Democrat, Senator SARBANES, with whom I have sat next to on this committee for almost 20 years, without his leadership I don't believe we would have achieved the result we have today. I commend him for his fine work not only in this bill but over the years for the job he has done paying detailed attention to critical pieces of legislation, a sense of patience when others wanted to rush to a quick result.

More often than not, when Senator SARBANES suggests we slow down, it is not for idle reasons. He is as knowledgeable as any individual I know, and he pays attention to the details. Too often we don't pay careful enough attention to the details and they can come back to haunt Members of Congress. I commend him for his terrific work.

Also, I commend Congressman LEACH, the chairman of the House Banking Committee, JOHN LAFALCE, Chairman BLILEY, and Chairman DINGELL, all with whom I have served over the years in the House. JOHN LAFALCE and I were elected to Congress on the same day: 25 years ago Tuesday night we were elected to Congress the first time. Today, he is the ranking Democrat on that committee. And JIM LEACH, Chairman BLILEY, and JOHN DINGELL all did a very fine job in working on this.

I thank the Banking Committee staff, both the minority and the majority, for the work they have done on this legislation. I begin with Alex Sternhell, who is my staff person who has worked so hard on this legislation. Again, like Alex who has worked hard going back 19 years, it began with Ed Silverman of my office, who was on the Banking Committee, along with a series of terrific staff members who have traveled this road on financial services modernization. Ed Silverman, Marti Cochran, Peter Kinzler, Michael Stein, Paul Hannah, Courtney Ward, and Andrew Lowenthal should be commended for all of their help. Alex did a great job on this. I thank him. Steve Harris, Marty Gruenberg and the wonderful job of working so many years, Patience Singleton, Dean Shahinian, and others on the minority side have been integral to this process, including Wayne Abernathy, Linda Lord, Geoff Gray, Dina Ellis, and others have made tremendously valuable contributions. I want the record to reflect my appreciation and admiration for their work.

The administration has remained firm in their commitment to passage of this legislation. John Podesta, Gene Sperling, and others have played critical roles during this process and were very involved on Thursday night and Friday morning working out the final version of the bill.

We should not forget that former Treasury Secretary Robert Rubin, who pushed very hard for the legislation, did a terrific job on it and played a pivotal role in drafting the legislation. Larry Summers, his successor, deserves great credit for his contributions as well, and the whole team at the Treasury—Alan Greenspan and his capable staff; Arthur Levitt, Chairman of the SEC, for his contribution to the financial services modernization, particularly the critical pieces that affect the securities industry and investor protections. This would not have been adopted if not for his fine work.

Lastly, of course, the members of our committee. JACK REED was there that night and did a terrific job. I want the record to reflect that the Boy Scouts of America, particularly, owe JACK REED a debt of gratitude. He discovered what could have been a very significant loophole in this bill and used the example that the Boy Scouts of America could be adversely affected. While it is not so named in the bill, that provision will be known by those in the room that night as the Jack Reed Boy Scout amendment. They got a good deal of support on behalf of the Senator from Rhode Island.

JOHN EDWARDS and CHUCK SCHUMER, new members of the committee, were there, along with JACK REED, and did a terrific job as new members of the committee, wading right in and making a significant contribution; also, JOHN KERRY and DICK BRYAN, who cared so much about privacy issues and fought hard. We did not get all we needed, but we had a tremendous voice in those efforts. EVAN BAYH and TIM JOHNSON played critical roles, as well.

I have often said over the years of trying to achieve financial modernization I am reminded of the mythical figure Sisyphus who rolled the rock up the hill only to have it roll back down the hill when he got near the top. I have a painting of Sisyphus that I cherish. Today, I can report that the rock is at the top of the hill and I think it will stay there.

To all who have been involved in this, my sincere thanks for their tremendous efforts. The industry people and outside groups who make valuable contributions deserve recognition.

I yield the floor.

Mr. SARBANES. Mr. President, I thank the able Senator from Connecticut for his very fine remarks and also acknowledge the very positive and constructive role he played throughout this process that helped the Senate get a product that we can bring back and recommend to our colleagues in the Senate, after having it initially in the Senate on a very divided vote. There were a number of very difficult issues to work out and the Senator from Connecticut was intimately involved with all or most of those issues. We are very appreciative of him for the instructive contribution that was made.

I yield 10 minutes to the Senator from Rhode Island.

The PRESIDING OFFICER. The senior Senator from Rhode Island.

Mr. REED. Mr. President, I thank Senator DODD for his kind words and his great leadership, along with Senator SARBANES.

I rise to support the conference report on S. 900, the Financial Services Modernization Act of 1999. We are on the verge of a historic transformation of the financial services industry that will take it from the Depression-era laws of Glass-Steagall and position it to meet the challenges of the next century.

Some may argue this legislation is a ratification of what the market has already done, but it is an important ratification because it will allow our financial institutions to be more efficient and more effective. I think it will accomplish two fundamental and very important goals. First, it will provide more efficient access to financial services which will directly benefit consumers in terms of better service and lower cost. Second, it will make our financial institutions much more competitive in a world of globalized financial transactions. These two goals have been achieved in this legislation. I am proud to support the legislation.

It is also incumbent upon us to understand and underscore some of the concerns that still remain after this legislation is passed. Again, let me emphasize this legislation will increase the efficiency and effectiveness of our financial services industry and will benefit the American consumer. As we tear down the walls between banks and insurance companies and securities firms and open up many possibilities, we also open many potential pitfalls. I think we should be concerned about those, also.

As we celebrate passage today, we should also underscore and point out areas that bear close watching. Fundamental changes as we are proposing today include consequences which may have adverse effects if they are not anticipated and watched carefully. Among those is the issue of the consolidation of our financial services industry. We are witnessing the megamergers that are transforming our financial services industry from small multiple providers to large providers that are very few in number. We run the risk of the doctrine "too big to fail;" that the financial institutions will become so large we will have to save them even if they are unwise and foolish in their policies. We have seen this before. We have to be very careful about this.

The legislation does not require any market policing requirements with regard to this issue. It does mandate the Federal Reserve, within 18 months of passage of this bill, will review the impact of potential mergers and consolidations in the financial services industry. I think that is appropriate, and I look forward to the report of the Federal Reserve. Again, this is another issue of which we have to be terribly conscious because with this legislation we are allowing a huge concentration across different functional areas of financial activities in the United States. Again, I believe it is justified and warranted by the changing conditions of our economy, but we should be careful as we go forward.

Another issue that has been mentioned several times before is the issue of privacy. The legislation before us is taking a first step in protecting the financial information of the consumers of America, but it is just a first step.

There are many more steps we must and should take. They will be demanded of us by our constituents, the consumers of financial services throughout the United States. With the growth of computer technology and the ability to store and disseminate large volumes of information instantaneously, we will continue to wrestle with these issues of privacy, not just in financial services but in every area of endeavor throughout our economy.

We took a first step. We have instructed companies, if they wish to share a customer's private information, they must give that customer the option to say no to that activity. We have also tried to curtail some of the more egregious predatory activities we have witnessed in the last few years with respect to the abuse of consumer information by financial institutions. As I said before, we are moving ahead with this first step. We must not only contemplate but also be prepared to take other steps in the future to protect the privacy of the American people. This legislation has laid a foundation, but that foundation alone will not protect the privacy of the American people.

There is another issue I would like to comment upon, which has been commented upon by my colleagues also, and that is the issue of the Community Reinvestment Act. The Community Reinvestment Act is not just a device to allocate resources in poor neighborhoods; it is a commitment by this Government, through the banking industry, to ensure that all Americans have a fair opportunity to participate in the economy and do so in a way that they can benefit themselves and their families.

Community Reinvestment has been a powerful success over the decade since its passage because it has, for the first time, given many communities which before were ignored, which before were denied access to credit and financial services, those very financial services and credit. As a result, not only did they get the money but they got something else: They got a feeling of participation and connection to this economy and to this country. That perception, that feeling, is just as important as any of the specific programs funded by CRA.

What we have done in this legislation is protect the fundamental essence of what I think CRA should be about. We have said that if any financial institution wants to partake of these new, enhanced, expanded powers, they must by law have a satisfactory CRA rating. If they do not have a satisfactory CRA rating, they will not be able to take advantage of this legislation.

I believe the dynamics of the financial industry are such that the opportunity to participate in these new powers will be a positive force, ensuring through competition in the marketplace that CRA is not neglected, that CRA is still a strong, vital part of any financial institution. If that is not the case, then we have to be prepared to act once again because we cannot abandon the Community Reinvestment Act. To do so would be to abandon scores and scores of our fellow citizens. We cannot do that. We should not do that.

This legislation with respect to CRA has been improved immensely from the Senate version. As you recall, the original provisions sent forward by Chairman GRAMM had potentially severe effects on CRA. There was a total exemption of small banks from any CRA requirements. That would represent 38 percent of the banks in this country. They would be exempt totally from any recognition of CRA responsibility. That has been eliminated from this conference report.

What we have done is allowed small banks that have satisfactory or better CRA records to have a longer interval between their inspections. But we have also required and provided that the regulators at any time can conduct a CRA inspection if they have reasonable cause to believe the CRA program is not being followed by that financial institution. These are steps which have strengthened CRA, particularly in contrast to the legislation we considered on this floor several months ago.

There is another aspect I believe deserves comment, and that is the issue of functional regulation. I am very pleased that functional regulation has become the order of the day, that the Securities and Exchange Commission will look at securities activities, banking regulators look at banking activities, and the Federal Reserve will have enhanced powers to look at financial holding companies and other major financial institutions. But I believe we have to recognize we are giving these regulatory authorities new powers, some of which are somewhat novel. They have to have the capacity, both institutionally and financially, with resources, to be much more perceptive and much more thorough in their regulatory process— again hearkening back to the point of the huge potential concentration in these financial institutions.

We also understand with respect to this legislation that, in this arena of functional regulation, there might be some potential stalemates.

Mr. President, one of the potential roadblocks or stalemates is that State insurance commissioners still play an extremely important role. In some respects, unless they are fully integrated through this Federal financial regulatory structure, we might in fact have problems. That is another issue that bears close watching.

There is, I believe, something else we should comment upon, and that is the success we have had in allowing the financial services industry to choose the mode of operation which best suits their unique situation for an individual company. What I am specifically referring to is the language with respect to operating subsidiaries. I know my colleague, Senator SHELBY of Alabama, has worked long and hard on this. I, too, have worked long and hard on it. We now have a situation where national banks can choose to operate a certain limited spectrum of activities in a subsidiary or in the holding company. I believe this is sensible. It also gives the Treasury Department a significant role in the regulatory process since they, too, will be able to regulate some of these new activities. That is important also.

One last point I believe bears repeating. We are entering in some respects, a brave new world. The old walls have come down. We have new opportunities; new financial vistas have to be explored. It behooves us to be very watchful, very careful, and to insist on and ensure that the regulators are careful and also that they have the resources to do this job. We will all rue the day, this day, if years from now or months from now we discover that, because of this new flexibility, there are more complicated problems facing us. I think we should go forward but go forward with the notion that we, in fact, are going to regulate well and wisely these new powers we are giving financial institutions.

Let me conclude by saying this has been the work of many hands. I thank Chairman GRAMM for his persistent efforts. Our ranking member, Senator SARBANES, has done a remarkable job leading us carefully, thoroughly, and thoughtfully. Senator DODD has been especially important in this process, bringing us together in moments when we did not think we could come together for final resolution. Senator SCHUMER, my colleague from New York, was very active throughout this process; Senator EDWARDS, and many others—all of the conferees played critical roles. In the other body, Chairman LEACH and ranking member LAFALCE, Chairman DINGELL and Chairman BLILEY, all were very effective.

I reserve special words for two members of the administration with whom I have worked over the last several years: Bob Rubin, the former Secretary, and John Hawke, the former Comptroller of the Currency.

Finally, on my staff, I thank Jonathan Berger and Kevin Davis for their great work.

I yield the floor.

The PRESIDING OFFICER. The Senator from Virginia.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. SARBANES. Will the Senator yield to me for a second?

Mr. GRAMS. I yield.

Mr. SARBANES. Mr. President, before the Senator leaves the floor, I thank the Senator from Rhode Island for his extraordinary contributions throughout the process of developing this conference report. He has made an extremely valuable contribution to a successful result. I am deeply appreciative.

Mr. GRAMS. Mr. President, I rise this afternoon in strong support of this very important legislation that balances the interests of individual consumers with the needs of America's financial services industries.

I know names have been mentioned and accolades have gone out, and very well-deserved, to those who need to be thanked for their hard work. I start the list with Senator PHIL GRAMM who worked very hard over this last year. By the way, it was a year ago today following the elections that we began consideration of getting this bill back on the floor again. Also, of course, I thank the ranking member, Senator SARBANES, who worked very hard as well over these years, and especially over the last 12 months, in crafting this bill and making sure of its success.

I also thank former Treasury Secretary Rubin and the latter contributions by Treasury Secretary Larry Summers. Chairman Greenspan of the Federal Reserve and SEC Chairman Arthur Levitt, of course, were very instrumental in this. I thank our colleagues on the House side, Chairman LEACH and Congressman BLILEY, for their work and efforts.

I could go on. When one does this, they always run the risk of not mentioning somebody. There were so many hands in this.

Alan Brubaker appears on the list to be commended. Alan is on my staff, and I have to compliment him as well on all the hours he has put in on this bill, working very hard staff to staff. Alan has done a tremendous job, and I compliment him on his efforts.

In testimony before the House Banking Committee, then-Secretary of the Treasury, Robert Rubin, testified that the administration estimated enactment of financial modernization legislation will result in annual savings of $15 billion. The important part of this is those savings will end up in the pockets of consumers because in a competitive world, people are going to find the cheapest way in an expanded array of financial services. The consumers, under this bill, are going to be the biggest benefactors—$15 billion in annual savings in financial modernization.

This package of reforms has been under consideration, as we heard, in one form or another for over two decades. I am proud to be a member of the committee and the Senate that has taken the handoff from those who came before us and carried the ball across the goal line. As Senator DODD mentioned, former Senator Alfonse D'Amato should also be recognized for the contributions he made over the years.

This has been a top priority for myself. I served on the Banking Committee in the House for the one term I was there, and the No. 1 priority when I reached the Senate was to be on the Banking Committee. I was never a banker, but I have sat across the table from many bankers. I thought it was very important to add the voice of a small businessman and an individual in banking legislation.

This legislation provides the appropriate regulatory framework for an event already occurring throughout the regulatory fiat, and that is the affiliation between commercial banks, securities firms, and insurance companies.

We protect consumers by establishing a system of functional regulation whereby institutions will be overseen by experts in their areas. In other words, the securities operations will continue to be supervised by security experts, banks by banking experts and, of course, insurance by State insurance commissioners.

In addition to ensuring a level playing field for business through consistent regulation, again, consumers also benefit because the institutions with which they are dealing will be regulated by the experts in those products. Thus, by authorizing properly regulated affiliations between financial companies, we ensure that our financial services companies will be able to compete worldwide and with appropriate regulation at home, they will not be forced to move offshore to remain competitive.

Although the estimated $15 billion in cost savings will certainly benefit our consumers, the provision which most immediately impacts the consumer, of course, is the establishment of a national floor of privacy protections.

A lot of people do not realize that without this bill, we would go back to almost zero, except for the fair credit reporting bills. This brings a tremendous number of new protections in privacy to our consumers. It is a major step forward in that area.

The consensus contained in this bill will now provide consumers with major areas of protection beyond current law. Specifically, the conference agreement, one, ensures consumers will have greater clarity of their financial institution's privacy policies by requiring the institution to disclose those policies on information sharing—to the affiliates and third parties of both current and former customers—at the time the institution establishes a relationship with that customer, as well as reviewing those regulations or those policies each and every year. The consumer will have major privacy protections.

Two, it provides consumers with the ability to take their names off the list, in other words, to opt out if they do not want their personal information shared with a nonaffiliated third party.

Three, it criminalizes the actions of bad actors who use false pretense or, in other words, lie to obtain a consumer's personal financial information.

Four, it preserves all existing and all future State privacy protections above and beyond the national floor established in this bill. It allows the States to set their levels as well.

Five, it authorizes a study to review whether further privacy measures are needed. That is very important because as we complete this bill—nobody has ever written a perfect bill, I do not think, out of Washington, and it is very important to review what we have done and look at what else needs to be done. But this review is going to be very important as well in the area of privacy.

Although the central purpose of the bill is to remove decades-old barriers to the integration of the financial services industry, by recognizing that privacy is both a very important issue to the consumer and a responsibility of the financial institution, the bill puts in place the framework to ensure the consumer is protected and allows the financial industry to expand services and products.

I recognize the debate over privacy has not been concluded with these changes. The enthusiasm these provisions have garnered, as well as the expressions of support Congress has received for recent actions to prevent implementation of the FDIC's "Know Your Customer" rule and to restrict the ability of States to sell driver's license information, demonstrates the public's concern over these privacy issues.

I look forward to further debate on these issues following the comprehensive hearings Chairman GRAMM has pledged to hold after we have received the findings of the report called for in this bill. After further study, we will all be better equipped to consider the issue of privacy. In the meantime, I firmly believe we have provided stronger protections for the consumer.

Mr. President, I thank all my colleagues for all their hard work. I strongly urge them to support this conference report.

I thank the Chair and yield the floor.

Mr. BRYAN addressed the Chair.

The PRESIDING OFFICER (Mr. BUNNING). The Senator from Nevada.

Mr. BRYAN. Mr. President, I believe the record will reflect that the Senator from Nevada, pursuant to a unanimous consent agreement, has 30 minutes to speak. If I am so informed, I would like to yield myself a part of the time at this point.

The PRESIDING OFFICER. That is correct.

Mr. BRYAN. I thank the Presiding Officer.

Mr. President, and my colleagues, when we are talking about the financial institutions and affiliates and nonaffiliates, and international banking transactions, those are concepts which most of my constituents, and I daresay most of the constituents of all of my colleagues, see as having very little relevance to their lives. There are not too many people in the country whose lives are intimately involved, on a day-to-day basis, with affiliate sharing of information or involved in major financial transactions.

Most of us have an insurance policy or two, and increasingly—about 50 percent—American families now have stock ownership in some form or another. Most of us have bank accounts, and that is probably the extent of the average American family in terms of financial information. So I think it may be instructive if I put some context into this debate we are having.

We have experienced, in the decade of the 1990s, an extraordinary rapidity of change, if you will, in the way in which financial services—banking, insurance, and stock securities—are handled in this country.

We have also seen an enormous number of mergers across the board in American business. To some extent, it is almost a sense of deja vu because at the end of the last century, in the 1890s, we saw a tremendous consolidation of industry in the country. Many will recall that was a period of time in which we had vast industrial cartels and trusts. So there was an enormous concentration of wealth and power in some of these large industrial concerns that were just taking shape in the latter part of the 19th century.

In a sense, as the 20th century is coming to a close, that pace has quickened. The critics would say we are experiencing a sense of merger mania or merger frenzy. So many of the major financial institutions in the country are participating in that.

Just a couple of examples: Citibank and Travelers have come together; NationsBank and Bank of America—and I could point out countless hundreds.

What impact does that have on the average citizen in this country? I think it is fair to say, none of us really know.

The advocates for these mergers and consolidations are saying: Look. We will provide new convenience to the American public, we will have one-stop shopping for insurance and banking and securities; that it will be less expensive; that more options will be provided. That may, in fact, be the case. I think none of us know for sure.

The critics raise the specter that this concentration of power, this enormous business combine that is taking place across the whole range of financial services, may not be good for the country; that that kind of concentration of wealth, as we learned a century ago, may be bad for the public. I have not reached a judgment on that.

I was fully prepared to support this legislation because I recognize another reality. Historically, from the 1930s, banking, insurance, and securities were separated in three discrete and separate categories: If you wanted to have a banking transaction, you went to the bank; if you wanted to get insurance coverage, you went to an insurance company; if you wanted to dabble in the stock market or wanted to buy stocks or bonds, you went to a stockbroker.

That is the way most Americans have historically dealt with the financial services industry. That was as a result of legislation enacted after the great financial collapse of the Great Depression to protect against this consolidation of power that many thought was a contributing factor to the collapse of the financial industry in America in 1929. It is called Glass-Steagall. So if that name comes up, that is what that means.

I think that reality and fairness would dictate that the model which regulates those industries as three separate and discrete industries has no longer relevance in America today. Whether it should, whether we wish that was still the case, in point of fact several things have occurred.

Court decisions, decisions by administrative agencies, have, in effect, torn down those walls of separation. Increasingly, we are having a lot of those services, the banking and the insurance and the securities functions, kind of merged together. As a result of that, I think it is fair to say—and the advocates have made this point—the financial regulatory structure that emerged as a consequence of the Great Depression, the Glass-Steagall Act, no longer comports with the reality of the marketplace. That is fair and that is true.

So we need a new regulatory model, a new framework. This legislation has much to commend it. And it provides that regulatory framework. Essentially, we are saying in this legislation: Look, if you are providing an insurance service, you ought to be regulated by the same regulator, whether you are a small independent insurance office in Winnemucca, NV, or whether you are operating in the ionosphere of some of the major Wall Street concerns in the financial center of our country in New York City. That is called functional regulation.

So that is the background.

As I said, I had hoped to be able to support this legislation. I recognize it has been worked on for many years. The reality of this also has to be tempered by another reality, and that is the right of privacy. For more than a century, we have recognized in America the right of privacy. That right of privacy, as we know it today, is threatened and endangered. It is threatened and endangered by some of the marvelous technologies of our time.

Let's talk about financial services for a moment in terms of that technology. It was not too long ago that when you went to a bank, if you were going to make a bank deposit, you saw a teller, and he or she, by hand, posted, entered—there was kind of a carbon sheet—the deposit in the record. If you were applying for insurance, you manually filled out papers; your insurance agent compiled all of this, and he kind of kept a carbon copy. Twenty years ago, when we got into Xerox capability, he had duplication capability. The same thing was essentially true for securities.

What has changed all of that? Some very positive and powerful forces: Computerization. As a result of some software programs, it is possible to gather data and profile it, whether you are a bank depositor, whether you are an individual who is an insurance customer, or whether you are a stock and bond owner and you have your account with a securities firm. Just a stroke of the key now can bring that data up. What does that mean?

It means that if I am a marketer and I want to get a profile of somebody who, say, has an average bank account balance of $50,000, no longer would it be necessary for some poor devil in a green eye shade laboring in some dimly lit corner of some financial company to go through and pull the records manually. Today, a sophisticated software program can simply, with a key stroke, bring up that information. That information is very valuable. It is very comprehensive. Today, most Americans have an enormous amount of their personal financial data, the kind of thing that is very personal—their bank account, what checks they are writing and to whom, what kind of insurance coverages they have, their application indicating any health problems they might have—as part of a database. It is on a computer disk drive. What kind of stocks and bonds they have, what kind of certificates of deposit they may own and when they may come up—that database is there.

I think most of us have this vague concept that when we are dealing with our bank, when we are dealing with our insurance company, when we are dealing with our stockbroker, that stuff is confidential. Isn't it? Isn't that similar to talking with your lawyer about a legal problem or your doctor about a medical problem or even sharing with your local pastor, your rabbi, your minister, your religious advisor? Isn't there a privilege there? It is kind of confidential. Certainly you, as an individual, think it is confidential. You certainly do not have the expectation that that information is going to be shared. If that was your expectation, I regret to tell you that you are wrong because today that information, even without this legislation—and I will talk about that—is freely exchanged.

It is big money. It is big money in the sense that individuals who share that information—financial companies—share that information because they make substantial amounts of money as a result of that.

Let me give an indication in terms of what the U.S. Comptroller of the Currency has said: Most large national banks—this is without this legislation—sell customer account information to marketing companies. Those are the lovely people who call you at home during the dinner hour frequently or who inundate your mailbox with some type of solicitation.

The U.S. Comptroller of the Currency says: Most large national banks sell customer account information to marketing companies, and the banks typically get 20 percent to 25 percent of the revenue generated by marketers. Some banks have generated millions of dollars in revenue by providing third parties with information on millions of customers, including name and address, Social Security number, credit card numbers—all of this according to a Ms. Julie Williams, chief counsel to the U.S. Comptroller of the Currency.

This enormous amount of financial information that is collected, which you give your bank, your insurance company, your security broker, is now being freely shared. It is valuable, and it is worth millions of dollars. That is the current law.

What about this piece of legislation makes the privacy concerns even more heightened? The advocates of this bill will say there are no privacy restrictions now, and that is largely true. Banks, insurance companies, security houses are free to share this information. So they say: Look, we have some privacy provisions in there. We are taking some important protections.

I will comment on that in a moment. But this bill tears down those walls of separation between banking, between insurance, and between securities functions, and it kind of merges them altogether.

The advocates will say that is going to make it convenient for everyone. What it means is that a bank will now be able to own an affiliate, a sister company, an insurance company, and so that information from the bank and its sister affiliate, an insurance company or a security company, can now be freely exchanged.

We are talking about the large brokerage houses in America. We are talking about the largest insurance companies in America. We are talking about the largest banks in America. In effect, that information the banks were selling and making substantial amounts of money on, as was pointed out by the Comptroller of the Currency that they were selling to marketers, now, as a result of this legislation, which will encourage the formation of these affiliate or sister banking, sister insurance, sister securities relationships, will expand exponentially. No question about that—cross-marketing, that is part of the intent. That is what drives this.

There are some realities of the marketplace we all acknowledge. So that information that is in your bank account now can move to an insurance company affiliate, can move to a securities affiliate, and the converse of that is true; it can move in the other direction. You have a stock account; that information can be shared with an affiliate that is an insurance company or a bank.

So this information that you would think—and I thought, until I became a member of this committee and became more familiar with the laws dealing with financial companies—is confidential is now going to be widely shared. And there are big dollars in this. That is why the privacy concerns are heightened, that more of this information is going to be shared with more people, the most personal and private kind of stuff in your financial history, your health record, as reflected by any information on your bank account.

Now, what is happening currently before this new law? Let us talk about a couple of examples I think will prove to be particularly egregious. This is the kind of abuse that occurs.

In one case, a 90-year-old woman who had been a customer of a bank for more than 50 years—that would be a trusted relationship; I cannot imagine this woman would believe this information would be shared with others, but it was—was billed by a telemarketer for a computer product. She didn't even own a computer. Before she died, it took her 11 months to get the telemarketer to remove the charges from her credit card account. Information which the bank had shared, her bank, a relationship of 50 years, one would have to think there was a trust relationship that the depositor had with that bank, but this information was shared.

Let me point out, as has occurred during the course of our discussion, a situation with respect to the San Fernando Valley Bank. They sold a convicted felon 90 percent of the credit card numbers that the convicted felon used to run up $45.7 million in bogus charges against those customers. The bank sold that information to a telemarketer.

That is what is occurring now, today, without this exponential expansion of the sharing of information. Let me talk about U.S. Bank. U.S. Bank was involved in sharing some information, as well. That, too, posed some major concerns because this information was being sold to a telemarketer that offered such things as travel and health care products. The bank received nearly $4 million in commissions for selling this information to nearly a million customers. These things are occurring.

Here is a typical example of what this reflects. This is a deposit record. It appears that the last deposit was $109,451. What we know is that the lady who made this deposit, perhaps in an off-guarded moment of candor, shares with the teller—she is banking the old-fashioned way, sharing with the teller—that she is not really sure what to do with this money. One can assume that this money was recently acquired, through an inheritance or some change of circumstance in her life, and she had a good bit of money that came in, this $109,000. She shares this information with the teller. The teller writes on the bottom: "She came in today and wasn't sure what she could do with her money." Look up here. It says "David." He is one of these affiliates who is involved with a securities company. It says: "David, see what you can do. Thank you, teller 12"—whoever teller 12 is. That information is then being shared with a securities company, and, undoubtedly, this lady received a call. She has absolutely no idea that anybody other than perhaps the closest members of her family know she has just come into some money and deposited $109,000. That is the kind of stuff that is occurring now.

The point I am trying to make is that if those abuses are occurring now—and that is only the tip of the iceberg—imagine what is going to be happening with all of these fire walls having been taken down and the affiliates sharing information.

There is one thing I did not make clear. I did point out that banks will be able to assist their affiliate that is an insurance or securities company, but these affiliates also own other companies, commercial firms that may sell a whole range of products, such as sporting goods, travel packages, vacation homes, you name it. So that is part of their business currently. With the affiliation sharing, all of that information moves downstream within the sister affiliate, which is a major concern in terms of these marketing efforts.

Now, let's talk about what the bill purports to do. I inquire, how much time I have remaining?

The PRESIDING OFFICER. The Senator has 8 minutes remaining.

Mr. BRYAN. OK. We will try to do this quickly.

Let's talk about the expectation of what people think in terms of their privacy. I think this is an interesting number. The Wall Street Journal did a poll on what our expectations are and what we fear will happen most. Which one or two concerns are you most concerned about in the next century? Loss of personal privacy, 29 percent. This is not done by some do-gooder, ultraliberal social think tank; this is done by the Wall Street Journal, which is the voice of American business. And 29 percent fear loss of personal privacy.

When you ask people, "Would you mind if a company you did business with sold information about you to another company?" 92 percent say yes. Yes, they mind. The American people care very much about that. They may not know the difference between an opsub and an affiliate, or what a unitary thrift is, what a "whoopie" is. Those are all terms we have debated here. But they sure know what privacy is about.

"In the future, insurance companies and investment firms may be able to merge into a single company. If they do, would you support or oppose these newly merged companies internally sharing information?" That is what this bill permits.

Eighty-one percent say no.

Here are some headlines across America: "Banks Sell Your Secrets," USA Today. Los Angeles Times: "Privacy? Don't bank on it." Los Angeles Times: "Your Privacy Could Be a Thing of the Past."

Let's talk about the bill because the bill provides minimal protection. First of all, it tells you the banks are required to post a policy of what their privacy policy is. Here is an existing web page with an existing bank in the country today:

> Question 4: If I request to be excluded from affiliate sharing of information, what information about me and my products and services with you will and will not be shared within your affiliated family of banks and companies?

That is the question. Here is the answer:

> Answer 4: Even if you request to be excluded from affiliate sharing of information, we will share this other information about you and your products and services with each other to the extent permitted by law.

This web page would be perfectly appropriate and legal under the new law. All that is required is a posting of the policy. Now, if anybody in America thinks that is an adequate protection for your privacy, I would like to talk about a little piece of property I have in New York called the Brooklyn Bridge, and we would like to talk about you buying it from me. Utterly absurd. That is what is happening.

Now, there is absolutely no provision—none, zippo, nada, zero, nothing—that prevents the sharing of information from affiliate to affiliate. No privacy at all. That is freely exchanged; it is freely exchanged.

With respect to the third party, the nonaffiliate, we are told, yes, there is an opt-out provision; that is, you can let people know you want that not to be done. OK, that sounds fine, except there are two major, glaring exceptions. Those are marketing agreements and joint marketing in which those provisions simply do not apply. So if the third party itself has a company that is involved in telemarketing, there is absolutely no prohibition against that information being shared. So in point of fact—and the USA Today, I think, has made a very telling commentary on that by pointing out that these provisions simply provide very little. I quote the October 28 edition:

> A consumer's right to opt out of data-swapping arrangements is severely restricted. Consumers would not, for instance, be able to stop banks from sharing information with third parties that market a bank's own products; nor could we block data-sharing deals that involve products sold under joint agreements.

Further, it goes on to point out there is no protection against banks sharing information with financial or insurance companies they own. In fact, since the law would encourage such cross-ownership, a consumer's chance of stopping widespread information sharing likely would be minimal.

I simply say for colleagues interested in privacy, receive no comfort, my friends—none—that these very transparent and illusory privacy provisions really provide much at all. They provide virtually nothing, no protection at all with respect to affiliate sharing.

I think the protection with respect to a transfer to a third party with those two gaping loopholes—gaping—any attorney who has taken a single course in any kind of securities would easily be able to craft a loophole for his client that would make that activity perfectly permissible.

The bottom line of all of this is that those of us on the committee who offered an amendment which would have simply said, look, you have to provide every customer with the right to opt out; that is, to be notified that: Look, you have a right to opt out if you don't want this to occur, we are told, no, that would destroy the dynamics, the synergy of the marketplace; it could not happen.

Let me tell you, these very American companies—and they are premier companies and wonderful companies and successful, and as Americans we are vicariously proud of them—do business in Europe. But in doing business in Europe, the European Union requires the opt-out provision. And the same companies that say American citizens should not have that privacy, that it would destroy their opportunities in the market and the synergies of the marketplace to provide those same protections that those of us in committee sought to add to the European counterparts—you will recall the U.S. bank situation. The attorney general of Minnesota took them to task. Guess what. As part of a settlement agreement that they entered into, they agreed as part of that settlement agreement to do what? To inform customers of the bank's privacy policy and to provide notice of customers' rights to opt out of the sharing of information with bank affiliates.

Think about that. U.S. banks as part of a settlement said they could do it and it would not compromise their ability to take advantage of the dynamics and the synergies of the marketplace. The largest and most successful financial companies in America that do business daily in Europe have agreed to be bound by those provisions, but they will not be bound by the provisions in this country.

So Americans have a very much depreciated right of privacy compared to their counterparts in Europe. I would simply say, Why? Why? I don't know what the answer is.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BRYAN. Will the Senator yield to me an additional 5 minutes?

Mr. SHELBY. Mr. President, I yield to the Senator from Nevada an additional 5 minutes.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. BRYAN. Mr. President, I will wind this up because the Senator from Alabama has shared this fight with the Senator from Nevada in committee and in conference. I thank him for his leadership and his support.

The point I was trying to make is this is not an unreasonable request. If one of the largest banks in America, as part of a settlement with the attorney general of Minnesota, can agree to the opt-out provisions which a number of us on the committee sought to add, every bank can live with those provisions.

If the major banks in America that do business in Europe every day of the week can live with those provisions, I think we have to ask ourselves why would these companies not be prepared to provide the same kinds of privacy protections that either they have agreed to in a consent decree when they have been taken to court by the attorney general—in this case the attorney general of Minnesota—not be willing to provide the same kinds of protections provided to Europeans to people in America?

There was some debate in the committee. "We don't want to impose upon the American economy the European model." No; I don't either. None of us did. The question is not do we want to impose the European model. The question that has to be framed is, why should Americans be entitled to less protection as to their right to privacy from the same company that is doing business in Europe and providing those protections to their European customers?

I must say that it was because of these overarching concerns—we have seen the examples; I believe they are simply the iceberg of examples today—the potential for abuse in terms of violating your fundamental right of privacy and the most sensitive information about your personal life will be widely shared and disseminated. I think if you look at it very carefully, there is no protection at all in the affiliate area—none. A sister company can freely exchange that information with banks, insurance, stock brokerages, and the companies which those affiliates own.

With respect to third parties, the so-called nonaffiliate, if you look at those marketing and joint agreement exceptions, I have to tell you there is not much there. What you get, in fact, is the whole of the doughnut. That is not much protection.

My able colleague from Alabama and I and others, the distinguished ranking member of the committee, fought the good fight for this in the committee. We just believe those protections are inadequate.

I thank my colleague for yielding me the time.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SHELBY. Mr. President, how much time do I have?

The PRESIDING OFFICER. Fifty-five minutes.

Mr. SHELBY. I yield as much time as I shall consume.

Mr. President, I rise to voice my stringent objection to the conference report of the financial services modernization bill. While I believe we need to modernize the laws that govern this country's financial system, I do not believe we should do so at any price.

My colleagues in the Senate should know this legislation comes with a very high price to the American people. In my judgment, the price is simply too high. Let me explain.

First of all, I want to say that there are some very good things in this bill, not the least of which is the repeal of two sections of the Depression-era Glass-Steagall Act which allow banks, securities firms, and insurance companies to affiliate. Congress has worked on this for many years.

Under Senator GRAMM's leadership as chairman of our Committee on Banking, this much-needed change will soon become reality. I think that is very positive in this bill.

That being said, I think it should be perfectly clear that there remains Depression-era laws on the books, and I hope Chairman GRAMM would be interested in working with others on the Banking Committee to repeal those laws as well.

In particular, I am referring to the 1930s price control on business checking accounts. To the extent that we are modernizing this country's financial laws, one would think we would eliminate this price control and allow small businesses across this country to receive interest on their checking accounts and enjoy the full benefits of financial modernization.

Let me talk just a few minutes on CRA expansion.

I also feel compelled to set the record straight on the floor this afternoon on the Community Reinvestment Act provisions in this bill. Make no mistake about it. This bill expands—yes, Mr. President, expands—the Community Reinvestment Act. I know a great deal about this because I, along with Senator GRAMM, killed this very bill last year because we were both opposed to the dramatic expansion of CRA in the bill at that time.

I don't understand what is different this year. I don't understand why no one is willing to stand up and oppose the expansion of CRA when it is very clear that this bill does, indeed, expand CRA. Why else would the administration support the bill? Why else would Rev. Jesse Jackson support the bill? We all know why. The bill expands CRA.

On page 15 of the bill, my colleagues will see a provision entitled "CRA Requirement." This provision says that "the appropriate Federal banking agency shall prohibit a financial holding company, or any insured depository institution from" commencing any new activity or directly or indirectly acquiring control of a company engaged in any new activity, if the institution has a less than satisfactory CRA record on its most recent exam.

That is a very crucial "maintenance" requirement, as we call it in this bill.

Last year, the legislation gave the regulators the discretion to impose restrictions for falling out of compliance with CRA. This year, we have inserted a statutory prohibition of conducting new activities.

If the institution that was CRA-compliant when elected to become a financial holding company then chooses to engage in a new activity, the regulator could then use the enforcement authority in section 8 of the Federal Deposit Insurance Act to impose civil money penalties on bank directors and officers. I am opposed to the maintenance requirement today just as much as I was opposed to the maintenance requirement last year. My position has not changed.

This expansion does not exist in current law today. If you have a certain bank charter, you can conduct all activities permissible to that charter whether you have a CRA-satisfactory record or not.

I believe we are making a grave mistake by expanding CRA. I am extremely disappointed because I know we have reached the point of no return. As conservatives, we will have no legs to stand on if and when we try to revisit this issue. My friends, we are, indeed, paying a very high price for this legislation.

Privacy is very important to all Americans. I pose a question to my colleagues: Does anyone know what issue brings together the American Civil Liberties Union, Consumers Union, and Ralph Nader of Public Citizen to Phyllis Schlafly of Eagle Forum and the Free Congress Foundation? It is the bill before the Senate, the financial privacy provisions. All of these groups have formed an unprecedented coalition to oppose this bill simply based on the lack of privacy protections. That is the price the American people are going to pay—their privacy—if we pass this bill for only a few large financial conglomerates.

In an article entitled "Banks Sell Your Secrets," USA Today reported:

> Consumers across the USA have been shocked and upset to learn banks have been selling their private financial data, from account balances to Social Security numbers.

Phyllis Schlafly of the Eagle Forum is quoted:

> The checks you write and receive, the invoices you pay and the investments you make reveal as much about you as a personal diary, but instead of banks keeping your information under lock and key, it is being collected, repackaged and sold.

In September of this year, the Los Angeles Times reported that Charter Pacific Bank of San Fernando Valley, CA, sold 3.7 million credit card numbers to a felon who then allegedly ran up over $45 million worth of charges to the cardholders. It appears the felon also billed customers for access to X-rated web sites the customers never knew about. How do these people explain that to their families, their neighbors, or their church members?

The USA Today also ran an article on October 28, 1999, entitled "Congress Passes Up Chance to Protect Your Financial Privacy." Reporting on this specific bill before the Senate today, the article read:

> Technology already has made it far easier for disparate firms to collect, share and sell warehouses of sensitive data on individuals. And the banking bill would encourage banks, insurance companies, and investment firms to link arms, making data swapping from a wide range of sources much easier.

That, my friends, is the point. We are about to pass this afternoon a financial modernization bill that represents industry interests in a big way. However, we have forgotten the interests of the most crucial market participant of all in America—the consumer, the American citizen. Under this bill, the consumer has little, if any, ability to protect the transfer of his or her personal nonpublic financial information. Indeed, the so-called privacy protections in this bill are a far cry from the protection we give taxpayers on their tax returns. It is against the law for an unauthorized inspection or disclosure of an individual's tax return. Violation of this law is punishable by fines, imprisonment, or both. The Internal Revenue Code even prescribes civil damages for the unauthorized inspection or disclosure and the notification to the taxpayer if an unauthorized inspection or disclosure has occurred.

I can assure Members these large financial conglomerates will have more information on citizens than the IRS, but we have done virtually nothing to protect the sharing of such nonpublic personal financial information for the American people.

Proponents of financial modernization will say the bill includes the strongest privacy provisions ever enacted by Congress. While that sounds great, the reality is the provisions are porous and do not provide the consumer with sufficient information to make an informed decision or the true ability to opt out of information sharing.

First, the opt-out requirement does not apply to affiliate sharing. This is significant because the bill allows financial holding companies to affiliate with entities engaged in activities that are "complementary," to financial activities, as well as grandfather commercial companies and those acquired from merchant banking.

As a result, the holding company can share a wealth of nonpublic personal financial information with affiliated telemarketers selling nonfinancial products such as travel services, dental plans, and so forth. Should an insurance company be allowed to affiliate with a grocery store chain in order to track an individual's diet? Nothing in this bill prohibits this relationship or sharing of that information.

Second, the bill includes an exception to the porous opt-out provision that allows two or more financial institutions to share their customers' nonpublic personal information with telemarketers to market financial products or services offered under a so-called joint agreement.

While the financial institution must notify its customers about the sharing of that information, it does not have to provide customers with the ability to opt out of such information sharing. Furthermore, under the joint agreement provision, the nonaffiliated third party could then share the nonpublic personal information with its own affiliate. As a result, the opt-out provision provides no privacy protection at all.

For example, a financial institution could endorse a for-profit investment tip sheet service or stock day trading service targeting senior citizens. The financial institution could share confidential information with that tip sheet service or day trading service without affording the customer the right to opt out of it. To be more specific, the institution can give the tip sheet or day trading service a list of wealthy senior citizens or, in the case of an insurance company, a list of recent widows or widowers who recently received a large insurance payment. Is this really what the Senate wants to encourage and endorse? I hope not.

The bill also allegedly includes an all-out prohibition against the sharing of customer account number information for marketing purposes. What about sharing account numbers for the purposes of verifying customers' credit card accounts? The bill allows that. It is a way to get around it. Charter Pacific Bank in California claims they sell customer data files to merchants for data verification purposes, not marketing purposes. Therefore, the privacy provisions in the bill allow Charter Pacific to sell the customer account information to anyone, much less a felon, all over again.

As if that were not enough, all of a sudden new language has appeared in the conference report telling the regulators to allow for the transfer of personal account numbers to nonaffiliated third party telemarketers if the information is encrypted. Nothing in this bill says financial institutions are prohibited from giving the third party the key to unlock the encrypted information. In fact, that is common practice. This exception completely eviscerates the prohibition of third party telemarketers in the bill. This means U.S. Bancorp in Minnesota could sell the account numbers to MemberWorks all over again. This bill would not prevent it.

I believe these privacy provisions are a sham. I have said it before. They are a joke on the American people, and I will not sit by and be a party to this. When the American people, and they will, become aware of what Congress has done, it will be too late. This bill lets the genie out of the bottle. I am sure, as soon as this bill passes, if not before, a lot of people will be running for cover and introducing privacy bills. I bet President Clinton will set up a Presidential commission or something such as that, or a study group, to study the issue. That sounds nice. Too bad the President is not willing to make financial privacy a priority when it really matters, right here and right now, when we are giving financial institutions the unprecedented ability to collect, profile, share, and sell personal nonpublic financial information.

Critics claim that requiring a consumer to provide his affirmative consent before sharing information would be a hindrance to the free flow of information and basically unworkable. If this is the case, why did Citibank agree to an opt-in requirement for nonaffiliated third parties to do business in Germany? You heard me right. The biggest and most vocal proponent of this bill signed an agreement with its German affiliates in 1995 that basically required Citibank to obtain consent on the application form before they could share personal data to third parties. Citibank agreed to give Germans more privacy protections than we are giving our own citizens in the United States today.

Does that bother anybody else in this Chamber besides me? It should. I think this is a tragedy. I think it is absurd. The banking industry has told us they would oppose this bill if we simply give the consumer the ability to object to the sharing of nonpublic personal information. First of all, I think it is hypocritical of them to threaten us with that position, seeing as how Citigroup voluntarily agreed to provide consumers the ability to opt out in Germany.

Second, I believe Congress should not be dictated to by the financial industry or any other industry as to what provisions we put in on behalf of the American consumer. They should not write laws, ever. But Congress should.

I have heard many Members talk about empowerment and how we must empower the individual. We spend a lot of time discussing empowerment zones. Why are we ignoring the empowerment principle on this piece of legislation? Why is Congress going to take a walk on this issue? Why is Congress not going to stand up for the American people and assure them the ability to stop a financial institution from profiling individuals based on their most personal behavioral patterns and then selling that information at will? The American people clearly believe this is too high a price to pay for this bill. If we are going to allow the huge financial conglomerates to affiliate to provide services—and we are—why must we also give them the ability to sell, profit, and exploit an individual's personal nonpublic profile?

This is not a partisan issue. It does not matter if you are a Democrat or Republican, conservative, liberal, rich or poor. An individual's financial matters are very private to that individual. Families will not discuss how much money other family members make at the dinner table. It is too private. It is too sensitive. They do not talk about it because they do not want to talk about it and they are in control of what information they share, even with their loved ones.

The bitter irony is that while the individual is practicing discretion in America, Congress is belligerently aiding and abetting complete strangers in accessing an individual's most private financial matters, including account balances, where they shop, and what they buy. We are aiding and abetting the felon in California who bought a list of account numbers and charged up to $45 million. We are aiding and abetting third party marketers such as MemberWorks, who bought a list from a bank and then automatically billed individuals' accounts.

I have said it before and I will say it again here, we are paying a very high price, a very dear price for this bill. The American people are paying a very dear price for this bill, and they will continue to pay it. It is very difficult for me this afternoon to celebrate this landmark achievement of financial modernization when I know we did so at the expense of every American.

I know this bill will pass with a lot of votes, but I urge my colleagues to vote against this bill mainly because of the lack of privacy provisions. Ask your mother, your father, your husband, or your wife about this. They will all tell you that one-stop shopping is not worth giving up their financial privacy. The price is too high—too high.

I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The Senate is considering S. 900 under controlled time.

Mr. LEAHY. How much time is remaining for the proponents of the conference report?

The PRESIDING OFFICER. Senator GRAMM has 28 minutes; Senator SARBANES, 23 minutes; Senator SHELBY, 44 minutes; and Senator DORGAN, 19 minutes.

Mr. SARBANES. Mr. President, I yield the Senator 5 minutes off the time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I rise today to speak in support of the Conference Report on S. 900, the Financial Modernization Act of 1999. As we prepare to enter the 21st century, it is critical that our laws governing financial services reflect the reality of the current marketplace and establish a sound legal framework that will carry us well into the new millennium.

This legislation will repeal the Glass-Steagall Act, a Depression-era law that separates the banking, securities, and insurance industries. The Glass-Steagall Act was originally adopted in 1933 to stave off another Great Depression.

While it clearly served its purpose back then, the law regulating our financial service industries is now sorely out of date.

The face of financial services has changed dramatically in recent years. We are already witnessing a marketplace at work that is producing new services offered by financial institutions of all shapes and sizes. But under current law, the financial firms are often forced to work around existing prohibitions on the coupling of different services, often incurring unnecessary costs to the ultimate detriment of the consumer.

Modernizing current law will make the financial services industry more competitive, both at home and abroad. This legislation will make it easier for banking, securities, and insurance firms to consolidate their services, allowing them to cut expenses and offer more products at a lower cost to businesses and consumers.

The Treasury Department has estimated that increased competition in the securities, banking, and insurance industry could save consumers as much as $15 billion annually.

I want to praise the Clinton Administration and the Senate and House conferees for reaching a fair and equitable compromise regarding the application the Community Reinvestment Act (CRA). Since the enactment of the CRA in 1977, financial institutions have committed more than one trillion dollars to low and moderate income communities.

The continued strength of the CRA means that hundreds of billions of dollars worth of new home mortgage and small business loans will be made in low- and moderate-income urban and rural communities in the next century.

The compromise contained in the conference report prevents a bank from moving into a new line of business if it does not have a satisfactory lending record under the CRA, while limiting the frequency of reviews under the CRA for small banks with a satisfactory or excellent record.

I am pleased to report that in my home state of Vermont, no banks, large or small, have received less than a satisfactory CRA rating. It is my hope that this legislation will encourage banks in other states to improve their community lending records. Enforcement of the CRA is a win-win situation for banks and neighborhoods across the country.

In addition, this legislation allows states to continue to regulate insurance sales by banks and other new financial entities, keeping this authority where it properly belongs. The Vermont Department of Banking, Insurance and Securities has strongly supported its continued oversight of insurance sales by banks and other financial firms in my home state because of the agency's experience and expertise, and I agree.

I am also pleased that the conferees did not include the medical privacy language included in the House-passed bill in the conference report. Senators KENNEDY and JEFFORDS joined me in sending a letter on July 20 to the Chairman of the Senate Banking Committee requesting that this section be struck in conference.

This language had been inserted in the House bill under the guise of providing medical privacy protections, but it would do no such thing. The language actually would have created a laundry list of lawful uses of personally identifiable health information without any consent by the patient.

Moreover, the House-passed language would have wiped out the August deadline for Congressional action included in the Health Insurance Portability and Accountability Act of 1996. I strongly opposed this wrongheaded approach.

I still have significant concerns about how this bill may negatively impact the privacy of individuals medical records. However, I believe the recent steps by the Clinton Administration to establish federal regulations governing some medical records of Americans is an important step forward.

And I will reaffirm something I have said over, and over again—this Congress must act on its own and pass a comprehensive federal law that will govern all medical records and all those who could have access to them.

Mr. President, I must also express my deep disappointment with conference report's financial privacy provisions. Congress has missed an historic opportunity to provide fundamental privacy of every American's personal financial information.

Our right of privacy has become one of the most vulnerable rights in the Information Age. We must master new threats to our individual privacy and security, and in particular, to our ability to control the terms under which our personal information is acquired, disclosed and used.

But this conference report fails to give consumers the control over their personal financial information that every American deserves.

After this conference report becomes law, new conglomerates in the financial services industry will begin offering a widening variety of services, each of which requires a customer to provide financial, medical or other personal information. But nothing in the new law will prevent these new subsidiaries or affiliates of financial conglomerates from sharing this information for uses beyond those the customer thought he or she was providing it for.

For example, the conference report has no consumer consent requirements for these new financial subsidiaries or affiliates to sell, share, or publish savings account balances, certificates of deposit maturity dates and balances, stock and mutual fund purchases and sales, life insurance payouts or health insurance claims. That is wrong.

I am an enthusiast when it comes to the Internet and our burgeoning information technologies. These are exciting times, and the digitalization of information and the explosion in the growth of computing and electronic networking offer tremendous potential benefits to the way Americans live, work, conduct commerce, and interact with their government. But we must make sure that information technology remains our servant, instead of becoming our master.

Tuesday, I spoke with Treasury Secretary Summers about the need for additional legislation to provide real financial privacy safeguards. In the next session of the 106th Congress, I look forward to working with him and Senator SHELBY, Senator BRYAN, Senator SARBANES and others on the Senate Banking Committee to enact comprehensive legislation to update our laws to provide fundamental privacy protections of the personal financial information of all Americans.

The need for financial privacy protection will not go away, and Congress should address it without further delay.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, Senator DORGAN is here to speak, and I will yield the floor to allow him to speak, but I want to make it clear to anyone who has time that we are fast reaching the magic moment where we are going to conclude the debate and vote. It is only fair that Senator SARBANES and I as managers of the bill be allowed to speak last. I ask unanimous consent that we may hold our time until the end.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I come to the floor in a circumstance where I will not support the legislation that is before the Senate today. Before I describe the reasons for that, let me say I certainly admire the craftsmanship and the legislative skills of the Senator from Texas and the Senator from Maryland, the Senator from Connecticut, and so many others who have played a role in bringing this legislation to the floor. Frankly, I did not think they were going to get it done, but they did.

In the final hours of the Congress, they bring a piece of legislation to the floor—it is called financial services modernization. I know they feel passionately and strongly it is the right thing to do. For other reasons, I feel very strongly it is the wrong thing to do. I do not come to denigrate their work. We have a philosophical disagreement about this legislation, and I want to describe why.

This legislation repeals some of the major provisions of the Glass-Steagall Act named after Senator Carter Glass from Virginia, and Henry Steagall, a Congressman from Alabama, the primary authors. It will allow banks and security underwriters to affiliate with one another. It also repeals similar provisions in other banking laws to allow banks and insurance firms to marry up. It will permit many new kinds of financial services to be conducted within a financial holding company or a national bank subsidiary.

I want to describe why I think in many ways this effort is some legislative version of back to the future. I believe when this legislation is enacted—and it is expected it will be—we will see immediately even a greater level of concentration and merger activity in the financial services industries.

When there is this aggressive move toward even greater concentration—and the concentration we have seen recently ought to be alarming to all of us—but when this increased concentration occurs, we ought to ask the question: Will this be good for the consumer, or will it hurt the consumer? We know it will probably be good for those who are combining and merging. They do that because it is in their interest. But will it be in the public's interest? Will the consumer be better served by larger and larger companies? Bank mergers, in fact, last year held the top spot in the value of all mergers: More than $250 billion in bank mergers deals last year. That is $250 billion out of $1.6 trillion in merger deals. Of the banks in this country, 10 companies hold about 30 percent of all domestic deposits and are expected to hold more than 40 percent of all domestic assets should the pending bank mergers that now exist be approved.

After news that there was a compromise on this financial services modernization bill in the late hours, a compromise that there was going to be a bill passed by Congress, I noted the stock values of likely takeover targets jumped in some cases by more than $7 a share. That ought to tell us what is on the horizon.

Clearly this legislation is not concerned about the rapid rate of consolidation in our financial services industries. The conference report that is before us dropped even a minimal House bill provision that would have required an annual General Accounting Office report to Congress on market concentration in financial services over the next 5 years. Even that minimal step that was in the House bill was dropped in this conference report.

What does it mean if we have all this concentration and merger activity? The bigger they are, the less likely this Government can allow them to fail. That is why we have a doctrine in this country with some of our larger banks—and that "some" is a growing list—of something called "too big to fail." A few years ago, we had only 11 banks in America that were considered by our regulators so big they would not be allowed to fail. Their failure would be catastrophic to our economy and so, therefore, they cannot fail.

The list of too big to fail banks has grown actually. Now it is 21 banks. There are 21 banks that are now too big to fail in this country.

We are also told by the Federal Reserve Board that the largest megabanks in this country, so-called LCBOs, the large complex banking organizations, need customized supervision because their complexity and size have reached a scale and diversity that would threaten the stability of financial markets around the world in the event of failure.

Let me read something from the Federal Reserve Bank president from Richmond. This is a Fed regional bank president saying this:

> Here's the risk: when a bank's balance sheet has been weakened by financial losses, the safety net creates adverse incentives that economists usually refer to as a "moral hazard." Since the bank is insured, its depositors will not necessarily rush to withdraw deposits even if knowledge of the bank's problems begin to spread.

Because the bank is too big to fail.

> In these circumstances, the bank has an incentive to pursue relatively risky loans and investments in hope that higher returns will strengthen its balance sheets and ease the difficulty. If the gamble fails, the insurance fund and ultimately taxpayers are left to absorb the losses. I am sure you remember that not very long ago, the S&L bailout bilked taxpayers for well over $100 billion.

Again, quoting the president of the Richmond Federal Reserve Bank:

> The point I want to make in the context of bank mergers is that the failure of a large, merged banking organization could be very costly to resolve. Additionally, the existence of such organizations could exacerbate the so-called too-big-to-fail problem and the risks it prevents. Consequently, I believe the current merger wave has intensified the need for a fresh review of the safety net—specifically the breadth of the deposit insurance coverage—with an eye towards reform.

This bill addresses a lot of issues. But it does nothing, for example, to deal with megabanks engaged in risky derivatives trading. I do not know if many know it, but we have something like $33 trillion in value of derivatives held by U.S. commercial banks in this country.

Federally-insured banks in this country are trading in derivatives out of their own proprietary accounts. You could just as well put a roulette wheel in the bank lobby. That is what it is. I offered amendments on the floor of the Senate when this bill was originally here to stop bank speculation in derivatives in their own proprietary accounts and also to take a look at some sensible regulation of risky hedge funds, but those amendments were rejected. You think there is not risk here? There is dramatic risk, and it is increasing. This piece of legislation acts as if it does not exist. It ignores it.

A philosopher and author once said: Those who cannot remember the past are condemned to repeat it. We have a piece of legislation on the floor today that I hope very much, for the sake of not only those who vote for it and believe in it but for the American people who will eventually have to pick up the pieces—I hope this works.

Fusing together of the idea of banking, which requires not just safety and soundness to be successful but the perception of safety and soundness, with other inherently risky speculative activity is, in my judgment, unwise.

I do not usually quote William Safire. I guess I have done it a couple times on the floor of the Senate. I suppose we all look for things that are comforting to our point of view. But William Safire wrote a piece 3 days ago in the New York Times:

> Americans are unaware that Congress and the President have just agreed to put us all at extraordinary financial and personal risk.

Then he talks about the risk. The risk of allowing the coupling of inherently risky enterprises with our banking system, that requires the perception of safety and soundness, I personally think is unwise. I do not denigrate those who believe otherwise. There is room for disagreement. I may be dead wrong.

It may be that I am hopelessly old-fashioned. But I just do not think we should ignore the lessons learned in the 1930s, when we had this galloping behavior by people who believed nothing was ever going to go wrong and you could do banking and securities and all this together—just kind of put it in a tossed salad; it would be just fine—and then we saw, of course, massive failures across this country. And people understood that we did something wrong here: We allowed the financial institutions, and especially banks in this country, to be involved in circumstances that were inherently risky. It was a dumb thing to do.

The result was, we created barriers saying: Let's not let that happen again. Let's never let that happen again. And those barriers are now being torn down with a bill called financial services modernization.

I remember a couple of circumstances that existed more recently. I was not around during the bank failures of the 1930s. I was not around for the debate that persuaded a Congress to enact Glass-Steagall and a range of other protections. But I was here when, in the early 1980s, it was decided that we should expand the opportunities for savings and loans to do certain things. And they began to broker deposits and they took off. They would take a sleepy little savings and loan in some town, and they would take off like a Roman candle. Pretty soon they would have a multibillion-dollar organization, and they would decide they would use that organization to park junk bonds in. We had a savings and loan out in California that had over 50 percent of its assets in risky junk bonds.

Let me describe the ultimate perversion, the hood ornament on stupidity. The U.S. Government owned nonperforming junk bonds in the Taj Mahal Casino. Let me say that again. The U.S. Government ended up owning nonperforming junk bonds in the Taj Mahal Casino in Atlantic City. How did that happen? The savings and loans were able to buy junk bonds. The savings and loans went belly up. The junk bonds were not performing. And the U.S. Government ended up with those junk bonds.

Was that a perversion? Of course it was. But it is an example of what has happened when we decide, under a term called modernization, to forget the lessons of the past, to forget there are certain things that are inherently risky, and they ought not be fused or merged with the enterprise of banking that requires the perception and, of course, the reality—but especially the perception—of safety and soundness.

Last year, we had a failure of a firm called LTCM, Long-Term Capital Management. It was an organization run by some of the smartest people in the world, I guess, in the area of finance. They had Nobel laureates helping run this place. They had some of the smartest people on Wall Street. They put together a lot of money. They had this hedge fund, unregulated hedge fund. They had invested more than $1 trillion in derivatives in this fund—more than $1 trillion in derivatives value.

Then, with all of the smartest folks around, and all this money, and an enormous amount of leverage, when it looked as if this firm was going to go belly up, just flat out broke, guess what happened. On a Sunday, Mr. Greenspan and the Federal Reserve Board decided to convene a meeting of corresponding banks and others who had an interest in this, saying: You have to save Long-Term Capital Management. You have to save this hedge firm. If you don't, there will be catastrophic results in the economy. The hit will be too big.

You have this unregulated risky activity out there in the economy, and you have one firm that has $1 trillion in derivative values and enormous risk, and, with all their brains, it doesn't work. They are going to go belly up. Who bears the burden of that? The Federal Government, the Federal Reserve Board.

We have the GAO doing an investigation to find out the circumstances of all that. I am very interested in this no-fault capitalism that exists with respect to Long-Term Capital Management. Who decides what kind of capitalism is no-fault capitalism? And when and how and is there a conflict of interest here?

The reason I raise this point is, this will be replicated again and again and again, as long as we bring bills to the floor that talk about financial services modernization and refuse to deal with the issue of thoughtful and sensible regulation of things such as hedge funds and derivatives and as long as we bring bills to the floor that say we can connect and couple, we can actually hitch up, inherently risky enterprises with the core banking issues in this country.

I hear about fire walls and affiliates, all these issues. I probably know less about them than some others; I admit that. But I certainly know, having studied and read a great deal about the lessons of history, there are some things that are not old-fashioned; there are some notions that represent transcendental truths. One of those, in my judgment, is that we are, with this piece of legislation, moving towards greater risk. We are almost certainly moving towards substantial new concentration and mergers in the financial services industry that are almost certainly not in the interest of consumers. And we are deliberately and certainly, with this legislation, moving towards inheriting much greater risk in our financial services industries.

I regret I cannot support the legislation. But let me end where I began because this is not one of those issues where I don't respect those who have a different view. I said when I started—I say as I close—there was a great deal of legislative skill exhibited on the part of those who put this together. I didn't think they were going to get this done, frankly. I wish they hadn't, but they did. That is a testament to their skill.

I don't know whether I am right or wrong on this issue. I believe fervently that 2 years, 5 years, 10 years from now, we will look back at this moment and say: We modernized the financial services industry because the industry did it itself and we needed to move head and draw a ring around it and provide some guidance, some rules and regulations. I also think we will, in 10 years time, look back and say: We should not have done that because we forgot the lessons of the past; those lessons represent timeless truths that were as true in the year 2000 or 2010 as they were in the year 1930 or 1935.

Again, I cannot vote for this legislation. My hope is that history will prove me wrong and that this will not pose the kind of difficulties and risks I fear it will for the American people.

One final point: With respect to the regulation of risky hedge funds, and especially the issue dealing with the value of derivatives in this country—$33 trillion, a substantial amount of it held by the 25 largest banks in this country, a substantial amount being traded in proprietary accounts of those banks—we must do something to address those issues. That kind of risk overhanging the financial institutions of this country one day, with a thud, will wake everyone up and lead them to ask the question: Why didn't we understand that we had to do something about that? How on Earth could we have thought that would continue to exist without a massive problem for the American people and for its financial system?

I yield the floor.

Mr. FEINGOLD. Mr. President, after years of persistent lobbying and a flood of political donations, three industries may soon have a lot to celebrate—the insurance, banking and securities industries will have a huge victory if we pass this conference report today.

I do want to note that some of those Senators who helped to craft this legislation are among the very best Members of the Senate.

While I oppose this measure, I certainly commend them for their dedication and hard work on this bill.

Nevertheless, with this legislation, this Congress is declaring the ultimate bank holiday—giving banks, insurance companies and securities firms a permanent vacation from the Glass-Steagall Act and other Depression-era banking law reforms.

Advocates of this legislation will tell you that it is terrific for consumers, offering them one-stop shopping for all their financial and insurance needs.

But the reality is far more complicated and far less appealing—it is likely to cause a merger-mania in the industry that could severely limit consumer choice and spur a rise in banking fees.

This conference report also raises serious issues about consumer privacy. Privacy advocates worry that it will give bankers, insurers and securities firms virtually unlimited license to share account data and other sensitive information.

To top it all off, this legislation undermines the Community Reinvestment Act.

Higher bank fees, reduced consumer choice and fewer protections for low-income loan assistance—these don't sound very good to most consumers, Mr. President. But they sound good to the industries that will benefit from this legislation. This conference report is music to the ears of the industries that have been lobbying for these changes for decades.

And this lobbying campaign has left a trail of political contributions that is nothing short of stunning. A recent study by Common Cause put the political contributions of these special interests at $187.2 million in the last ten years.

That is why I am going to take this opportunity to Call the Bankroll. This lobbying effort for so-called financial services modernization is truly breathtaking, because it combines the clout of three industries that on their own are giants in the campaign finance system, particularly the soft money system.

Together the power of their combined pocketbooks were a powerful force propelling this legislation through Congress.

One of these industries, the securities and investment industry is a legendary soft money donor, and I will just highlight a few such firms that have lobbied on behalf of this legislation.

Merrill Lynch has long called for banking deregulation. The company, its subsidiaries and executives gave more than $310,000 in soft money during the 1998 election cycle.

Morgan Stanley Dean Witter, which gave more than $145,000 in soft money in 1997 and 1998, was also a key part of the lobbying team on this issue. In fact the Washington Post reported that the company's chairman, along with several other corporate heads, made calls to White House officials the very night the conference hammered out an agreement on this bill.

Lobbyists lined the halls outside the room where the conference met to reconcile the House and Senate version of the bill, and as we know, that is standard procedure on Capitol Hill.

As usual, corporate lobbyists lined the halls, while the consumers who will bear the impact—and consumer advocates agree it will be an adverse impact—of this bill, were left out in the cold.

The banking industry was also there that night, of course, since this legislation is a bonanza for them too, revolutionizing the kinds of services that banks can offer.

Citigroup was there, and so was the presence of the more than $720,000 that Citigroup and its executives and subsidiaries gave in soft money to the political parties in the 1998 election cycle.

That is a huge sum, Mr. President, especially for an election cycle in which there was not even a presidential election.

And in the current election cycle Citigroup is off to a running start with $293,000 in soft money from Citigroup, its executives and subsidiaries.

That is more than $1 million from Citigroup, it's executives and subsidiaries in just two and a half years.

The powerful banking interest BankAmerica, its executives and subsidiaries also weighed in with more than $347,000 in soft money in the 1998 election cycle, and more than $40,000 already in the current election cycle.

And let's not forget the insurance industry. They have a massive stake in this legislation as well, an interest that is well-reflected by the size of the industry's soft money contributions.

For instance, there is the Chubb Corp and its subsidiaries, which gave nearly $220,000 in soft money contributions in 1997 and 1998, and has given more than $60,000 already in 1999.

Then there is the industry lobby group, the American Council of Life Insurance, which also gave heavily to the parties with more than $315,000 in soft money contributions in 1997 and 1998, and more than $63,000 so far this year.

In the end, what do all these contributions add up to? They add up to tremendous access to legislators and broad influence over the process by which this legislation was crafted—access and influence that the average consumer can't even begin to imagine, let alone afford.

This is a serious problem, and I think everyone in this Chamber knows it.

The American people certainly know it.

They think our votes are on the auction block, and who can blame them.

Who can blame them, and more than that, who can show them why they should think otherwise?

That is a question I ask my colleagues, and I think we all know the answer.

Mr. MIKULSKI. Mr. President, I rise today to oppose the Financial Services Modernization Conference Report.

While I oppose this legislation, I strongly commend the work of my senior colleague Senator SARBANES. Because of his efforts, this bill is far better than previous versions. It does more to help low and moderate income and minority Americans to have access to capital, credit and financial services. Senator SARBANES also improved the privacy provisions of this bill.

Despite the significant improvements Senator SARBANES fought so hard for, there are still a number of what I call "yellow flashing lights" or warning signals that force me to oppose this legislation.

First, I am concerned that if we relax the laws about who can own and operate financial institutions, an unhealthy concentration of financial resources will be the inevitable result. The savings of the many will be controlled by the few. If we relax banking regulations in this country, Americans will know less about where their deposits are kept and about how they are being used.

Marylanders used to have savings accounts with local banks where the teller knew their name and their family. We have already seen the trend toward mega-mergers, accompanied by higher fees, a decline in service, and the loss of neighborhood financial institutions. This bill accelerates that trend.

With a globalization of financial resources, the local bank could be bought by a holding company based in Thailand. Instead of the friendly teller, consumers will be contacting a computer operator in a country half-way around the globe through an 800 number. Their account will be subject to financial risks that have nothing to do with their job, their community, or even the economy of the United States. I know impersonalized globalization is not what banking customers want when we talk about modernization of the financial services.

Second, I am concerned that complex financial and insurance products will now be sold in a cluttered market by untrained individuals. Investment and insurance planning for families is a very important process. These are some of the most important decisions that families make. They should be made with the assistance of certified professionals—whom the family can trust. By breaking down these fire walls and allowing various companies to offer insurance and complex investment products, we run the risk that consumers will be confused, defrauded, and treated like market segments and not individuals with unique needs and goals.

Third, I am concerned about the privacy provisions in this legislation. While the bill offers some privacy protections for consumers, such as requiring financial institutions to provide customers with notice of its privacy policies, it does not go far enough. There are several loopholes in the bill that will allow for the sharing of private information among private institutions. Customers cannot object to having that information shared in those circumstances and there are no restrictions on the kind of detailed personal information that can be shared. Imagine the problems that could arise if insurance providers could scrutinize your credit card purchases. Protecting personal information is one of the issues that matter most to the American people—and this bill does not speak to their concerns.

Finally, the bill does not have the safeguards we need against bank failures. Banks will now be venturing out to engage in new and risky industries. If a bank fails during one of those ventures, thousands of people and businesses who have worked hard and invested their money with that bank fail too. Let's not forget about the taxpayers who will be left to pick up the pieces. These failures could set off a chain reaction and threaten the stability of our entire economy.

Mr. President, I am not opposed to a necessary reform of our financial services laws. But I believe the American people need greater protection before a global financial plan is enacted.

Mr. HARKIN. Mr. President, I oppose this conference report. There are a number of important and positive elements in the measure that provide for improvements in the regulation of financial institutions that will better enable us to assure for the soundness of our financial institutions. More could have been done in that area. But, there are clear improvements. There are provisions which help small banks and small insurance companies acquire additional resources that are important to their ability to compete, to help their customers and useful to economy in their local areas. And, in a world marketplace, American institutions should have the resources needed to compete in that marketplace.

Unfortunately, these positive steps are outweighed by the negative impact the bill will have on the privacy rights of Americans. Under this legislation, banks, insurance firms, and credit card agencies that are owned by the same mega-corporation can share a consumer's personal information. What kind of stock do you own? What information can be acquired from your credit card statements? When do your CD's mature? And, I fear, that information about a customer's health might also become available to those in a company who might decide if a customer is to get a loan or not get a loan. Do we want any possibility that a loan officer might have access to information about the medical condition and other private medical matters of a loan applicant without the customer's permission? I believe that this bill should have clearly provided solid protections in these areas. Unfortunately, these are the kinds of things that could happen if this measure becomes law.

The measure does not even allow a customer to say No, I do not want any information picked up from my bank account or from records with the insurance company which is a part of a larger financial institution to be shared by any other part of a financial institution. If a customer wants information shared because that customer believes that he or she would be helped by one stop shopping for financial activities, fine. Let that customer waive rights to privacy by signing an appropriate form. But, the basic right to block information collected by a company from being shared by other parts of a company is not in this bill.

There is an ability to say that you do not want the financial entity to simply sell the information. But, I understand that under this bill, your financial institution can share information they have acquired from your various accounts with other companies that they have entered into certain types of marketing agreements.

Computers have great advantages. They increase the efficiency of our economy. But, they can store huge amounts of information about a person's private habits and circumstances. In this age where we have an explosion in the amount of information that is collected about people, I believe it is essential that we erect strong barriers that prevent the passage of personal information without a person's permission.

I am also concerned about the weakness in the bill concerning the Community Reinvestment Act. We need to keep the burdens of paperwork down, particularly for small banks. But, we also need to provide for effective teeth in the requirement that banks provide proper financial assistance to all parts of their service area. And, this bill falls short in that area.

Mrs. BOXER. Mr. President, although I am a longstanding supporter of financial services modernization, I will vote against S. 900—the Financial Services Modernization bill. I am concerned that this bill does far too little to ensure the privacy of individuals.

Over the past three or four years we have seen an explosion of mergers in the financial services industry. Citibank and the Travelers Group merged. And in my home state, BankAmerica—California's biggest bank—merged with NationsBank. All of these mergers, in my home state and elsewhere, will undoubtedly have a major impact on consumers. And while we do not know what that impact will ultimately be, I believe we do know it will impact our privacy. Why?

Although most Americans believe their financial data is private, they are wrong. In fact, current law allows banks to do basically whatever they want with the personal information they collect from their customers in the course of doing business. Banks can provide a consumer's name, address, account balance, payment history, even his account number and social security number to their affiliates. And they can sell that information to third parties without even notifying the customer whose information has been sold.

Given that banks already share and sell the personal information of their customers, why then do I oppose this bill? I oppose it because I believe the bill will heighten the existing problem.

Mr. President, S. 900 will heighten the problem because, as noted by Robert Scheer in a November 2 Los Angeles Times editorial, ". . . [the bill] allows banks, insurance and brokerage firms to merge not only their equity but also the vast accumulation of computerized records on consumers' buying habits, health treatments, investments and credit history."

The tearing down of walls that now exist between banks, insurance firms, and securities firms, in this highly technological and computerized era, means the information now being shared will expand exponentially. There will be more information to share, more comprehensive information to share, and more people with whom to share it and to whom to sell it.

Privacy rights are most vulnerable in the information age. And while I realize we cannot turn back the clock, I do believe we as policy makers can and should provide some parameters for the sharing and selling of personal information. Unfortunately, despite all of the talk of self regulation, financial institutions provide little if any privacy protections. The legislation before us does nothing to improve this situation.

Finally, I understand that many financial institutions have complained that stronger privacy protections in the context of financial services modernization are unworkable, too costly to implement, and will, in part, defeat the purpose of allowing banks, insurance companies, and brokerage firms to affiliate. I reject these arguments for two specific reasons.

First, at least one large U.S. financial institution offers its European customers the kinds of privacy protections it contends it cannot offer its U.S. customers. In 1995, that institution agreed to allow their German customers to "opt-in" to having their non-public financial information shared with other companies.

Second, it is the current policy of some U.S. financial institutions not share their customers' personal information without first getting the permission of those customers or allowing those customers to "opt-out" of such sharing. And those institutions, American Express and U.S. Bancorp among them, apparently have not found such policies overly burdensome or competitively disadvantageous.

In closing, proponents of this legislation suggest the privacy provisions included in the bill are sufficient. Indeed, some have suggested the privacy provisions contained in this bill are historic. And although some small steps have been made, like the notice provision which requires financial institutions to tell customers about their policies for disclosing nonpublic personal data and the provision which prevents stronger state consumer privacy laws from being pre-empted, I believe the steps are far too small.

I wish I could support this bill. As I said at the outset, I am a longstanding supporter of financial services modernization. I do not believe, however, the privacy of consumers should be, or need be, sacrificed for such modernization.

Mr. BENNETT addressed the Chair.

The PRESIDING OFFICER (Mr. VOINOVICH). The Senator from Utah.

Mr. BENNETT. Are we in a quorum call?

The PRESIDING OFFICER. No, we are not.

Mr. BENNETT. I seek recognition then.

Mr. GRAMM. Mr. President, I yield 5 minutes to the distinguished Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah.

Mr. BENNETT. I thank the chairman of the committee.

I rise with my fellow members of the committee to express my delight at this particular piece of legislation and the fact that we have come to where we are.

I take note of the work of Geoff Gray, Linda Lord, Wayne Abernathy, and other members of the committee staff who have provided such tremendous support for this. They have been available not only to the chairman but to members of the committee as well in a way that has been tremendously helpful. I make that acknowledgment of their contribution.

I will focus for just a moment on the issues of privacy. Most of the other issues relating to this bill have already been aired and discussed. I don't need to add to that. But I have paid a lot of attention to the whole privacy issue for the last 3½, 4 years, primarily because of my interest in medical confidentiality. I am the prime sponsor of the bill relating to confidentiality of medical records and, frankly, have had quite an education in the whole privacy area as a result of that.

We are in a new world. That has become a cliche but, as with most cliches, it happens to be true. We are in a new world now where information is available at a level and a quantity that has never been the case before. Those who complain about this and want to go back to the anonymity of the pre-electronic age are wishing for something that is simply not going to happen. Those who call themselves "privacy advocates," who have attacked certain portions of this bill, are wishing for a world that is long gone.

The only question now with respect to the information that is available to us is not will it be available but, rather, how will it be responsibly used. One of the things that many of the privacy advocates ignore is the reality of the marketplace. Having been a businessman prior to coming to the Congress, I want to talk about that for a minute. The privacy advocates think Government must intervene on behalf of the consumers against rapacious businesses that would somehow use the information available to them in a way to do damage to those consumers. I suppose there are some businesses that might be so foolish as to do that, but the vast majority of businesses recognize that the only way they survive is on repeat business, and the only way they get repeat business is to keep their customers happy.

I remember, during the hearings, Congressman MARKEY raised some specters and gave us examples of abuses that banks had made of credit card information of some of their customers. I made the comment there, and I will repeat it here: If a bank did to me what Congressman MARKEY accused a bank of doing to one of its customers, I would change banks. I can solve the problem on my own very quickly. I don't need the Government to step in in that situation to protect me.

Furthermore, the bankers I deal with, such as the retailers and others that want to sell me something, are very anxious not to offend me. They are very anxious to keep me happy. So if they start using this information that they have, as a result of the information age, in a way to service my needs better, they are going to keep me happy. If Government interferes with their ability to do that, Government will get in the way. On the other hand, if they—that is, the banks—use this information in a way I don't like, they jeopardize our relationship, and they jeopardize my business.

We must understand here in the Congress that customers are not the captives of the business and banking organizations that depend upon them for revenue. Customers are the reason for their existence, and customers, consequently, truly are king. That is another cliche that a lot of people who haven't been in business don't understand, but it is true. The customer is king. If you do anything that violates your trust with the customer, you are going to pay for it, and you are going to pay for it in real dollars.

So I believe the balance that has been struck in this bill to provide the right amount of privacy protection is the correct balance, and I think we must take some time and see how it works out in the real world of real commerce before we panic and say we must pass further Federal regulations.

With that, I record my approval of the work of the chairman and the ranking member with respect to the conference and all of the difficulties connected therewith, and say this is a historic day that we are finally reaching after many, many years of wrangling on this subject.

I yield the floor.

SECURITIES TRANSACTIONS

Mr. LEVIN. Mr. President, I thank Senator SARBANES for entering into this colloquy with me during consideration of the conference report to the financial services modernization bill, S. 900. This is an important bill which will bring our nation's regulatory structure up to date with the many changes that have taken place over the past several decades regarding the activities of banks, securities firms, and insurance companies.

Mr. SARBANES. I agree with my colleague. The regulatory structure for banks, securities firms, and insurance companies has not kept apace of the new activities in which these entities have been able to take part.

Mr. LEVIN. As I understand it, S. 900 will, among other things, make changes to the Glass-Steagall Act which separates banking and securities business so that banks and their affiliates will be able to take part in securities transactions from which they were previously prohibited.

Mr. SARBANES. The Senator is correct. This is one of the fundamental aspects of this legislation.

Mr. LEVIN. During Senate consideration of S. 900, I was concerned with the ability of banks, securities firms, and insurance companies to enter into these new activities, and how these new activities would be regulated and by whom. In particular, I was concerned with how the securities activities of banks would be regulated. In the original version of S. 900 there were loopholes which allowed the securities activities of banks to go unregulated by the Securities and Exchange Commission. I felt that these loopholes should be closed. I believe that it makes the most sense for the regulators who have the most experience in securities transactions, namely the SEC, to oversee these activities.

Mr. SARBANES. The Senator is correct. Under current law, banks are exempt from SEC regulation as brokers and dealers. The original version of S. 900 would have maintained this exemption and would have allowed banks to conduct a large range of securities transactions outside SEC regulation.

Mr. LEVIN. It is for this reason that I sponsored, with the support of Senator SCHUMER, an amendment to S. 900 which stated the following: "It is the intention of this Act subject to carefully defined exceptions which do not undermine the dominant principle of functional regulation to ensure that securities transactions effected by a bank are regulated by securities regulators, notwithstanding any other provision of this Act." This amendment was agreed to during Senate consideration of S. 900. Senator SARBANES, as ranking member of the Senate Banking Committee, is it your understanding that the conference report upholds the approach which I sought in my amendment?

Mr. SARBANES. Yes, the conference report does uphold your approach.

Mr. LEVIN. I thank the Senator. Meaningful oversight by the SEC of securities transactions by banks is critical to the financial health of our economy. Functional regulation will help to ensure that confidence in our financial system continues.

Mr. President, I have a copy of a letter from the Chairman of the Securities and Exchange Commission Arthur Levitt to Senate Banking Chairman PHIL GRAMM in which Chairman Levitt "enthusiastically support(s) the securities provisions contained in the (chairman's) Mark" which eventually became part of the conference report. I ask unanimous consent that a copy of this letter be printed in the RECORD following this colloquy.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SECURITIES AND EXCHANGE COMMISSION,
Washington, DC, October 14, 1999.

Hon. PHIL GRAMM,
Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR GRAMM: As you know, the Securities and Exchange Commission has long supported financial modernization legislation that provides the protections of the securities laws to all investors. I believe that the changes to the securities laws contained in the proposed amendments to the Chairmen's Mark that we agreed upon today will significantly strengthen the investor protections of the bill.

With the approval of those amendments, which I understand you are distributing now, I enthusiastically support the securities provisions contained in the Mark.

I appreciate your willingness to work with us on these provisions to protect investors.

Sincerely,

ARTHUR LEVITT.

SECTION 711

Mr. DODD. Mr. President, I rise to engage in a colloquy with the chairman of the Banking Committee. As the Chairman is aware, some legitimate concerns have been raised over the potential burdens imposed by the reporting requirements contained in section 711.

Am I correct in stating that section 711(h)(2)(A) provides that Federal banking regulators shall "ensure that the regulations prescribed by the agency do not impose any undue burden on the parties and the proprietary and confidential information is protected."

Mr. GRAMM. Mr. President, the understanding of the Senator from Connecticut is correct.

Mr. DODD. Mr. President, I also inquire of the chairman of the Banking Committee whether I am also correct in stating that the statement of managers provides that "the Federal banking agencies are directed, in implementing regulations under this provision, to minimize the regulatory burden on reporting parties. One way in which to accomplish this goal would be wherever possible and appropriate with the purposes of this section, to make use of existing reporting and auditing requirements and practices of reporting parties, and thus avoid unnecessary duplication of effort. The managers intend that, in issuing regulations under this section, the appropriate Federal supervisory agency may provide that the nongovernmental entity or person that is not an insured depository institution may, where appropriate and in keeping with the provisions of this section, fulfill the requirements of subsection (c) by the submission of its annual audited financial statement or its Federal income tax return."

Mr. GRAMM. The understanding of the Senator from Connecticut is correct.

Mr. DODD. I thank the chairman for his cooperation in this matter.

EFFECTIVE DATE OF TITLE I

Mr. DODD. Mr. President, I rise to engage in a colloquy with the chairman of the Banking Committee. Mr. Chairman, the conference committee agreed to make the effective date of implementation of title I, except for section 104, 120 days from the date of enactment. We reached this decision to provide the regulators with an opportunity to implement this legislation effectively. Am I correct in stating that it is the intent of the conferees that title I become effective 120 days after enactment even if the agencies are not able to complete all of the rulemaking required under the act during that time.

Mr. GRAMM. Mr. President, the understanding of the Senator from Connecticut is correct. In addition, it should be noted that in some instances, no rule-writing is required. For example, new section 4(k)(4) of the Bank Holding Company Act, as added by section 103 of the bill, explicitly authorizes bank holding companies which file the necessary certifications to engage in a laundry list of financial activities. These activities are permissible upon the effective date of the act without further action by the regulators. The conferees recognize, however, that refinements in rulemaking may be necessary and desirable going forward, and for example, have specifically authorized the Federal Reserve and the Treasury Department to jointly issue rules on merchant banking activities. If regulators determine that any such rulemaking is necessary, the conferees encourage them to act expeditiously.

SECTION 731

Mr. GRAMS. Mr. President, I ask Senator GRAMM, in his capacity as chairman of the Senate Banking Committee and one of the chief authors of the Gramm-Leach-Bliley Act that is before us today, to clarify a point about section 731 of the act. Is it correct that section 731 is not intended to affect banks whose home office and authorized branch offices are not located in the State described?

Mr. GRAMM. Mr. President, that is correct.

Mr. GRAMS. Mr. President, I also inquire whether it is also Chairman GRAMM's understanding that, notwithstanding section 731, national banks with interstate offices are in all events authorized under section 85 of the National Bank Act, as confirmed by the United States Supreme Court case, *Marquette National Bank* v. *First of Omaha Service Corp.*, 439 U.S. 299 (1978), to export the interest rates of the State where their home office is located?

Mr. GRAMM. Mr. President, that is my understanding. I would add that national banks are also entitled to charge the rates of the host State of the interstate branch, as authorized by interpretations of the Comptroller of the Currency, where there is some nexus between the hose State and the loan.

SECTION 507

Mr. MACK. Mr. President, I rise to engage in a colloquy with my good friend Senator GRAMM, chairman of the Committee on Banking, on section 507 of the Financial Services Modernization Act of 1999. I want to confirm that section 507 is intended to apply only to the amendments made by subtitle A of title V of the bill, and that section 507 is not to be construed, under any circumstances, to apply to any provision of law other than the provisions of subtitle A. For instance, subtitle A of title V relates only to disclosure of nonpublic personal information to nonaffiliated third parties. This means that section 507 of the bill does not supersede, alter, or affect laws on the disclosure of information among affiliated entities. In particular, section 507 does not supersede, alter, or affect the provisions of the Federal Fair Credit Reporting Act (or FCRA) regarding the communication of information among persons related by common ownership or affiliated by corporate control, nor does section 507 supersede, alter, or affect the existing FCRA preemption of state laws with respect to the exchange of information among affiliated entities. I yield to my friend.

Mr. GRAMM. Mr. President, the understanding of the Senator from Florida is correct. Section 507 is intended to apply only to subtitle A of title V of the bill, and is not to be construed to apply to any provision of law other than the provisions of the subtitle. Thus, section 507 does not affect the existing FCRA provisions on that statute's relationship to state laws.

SECTION 502(b)

Mr. CRAPO. Mr. President, I respectfully request of the chairman that we engage in a colloquy regarding section 502(b), which describes the opt-out notice required by subtitle A.

I would like to clarify that a financial institutions' obligation to send an opt-out notice under this subtitle is satisfied when it has complied with notification requirements regarding privacy policies and practices under section 503, and the consumer is further given the right to direct that their non-public personal information not be disclosed to non-affiliated third parties. A separate opt-out notice need not be provided for each third party disclosure, provided that the consumer receives a prior clear and conspicuous opt-out opportunity covering third party disclosures generally.

Mr. GRAMM. Mr. President, the interpretation of the Senator from Idaho on this point is correct. The intent of section 502 is to assure that consumers receive clear and conspicuous notice of a financial institutions' privacy policies and practices, and to assure that consumers can direct that their non-public information not be disclosed to third parties. So long as consumers receive a notice that gives them a clear choice about whether or not that non-public personal information can be transferred to non-affiliated third parties, the opt-out choice need not be provided separately for each disclosure of such information.

INSURANCE COMPANY INVESTMENTS

Mr. BENNETT. Mr. President, I rise to engage the distinguished chairman of the Banking Committee in a colloquy on the ability of insurance companies to make investments that are treated as "financial in nature" under this legislation even though the investments are made in companies that are not engaged in financial activities.

Am I correct that overlap between board members and officers of a financial holding company and a portfolio company in which an insurance company has an investment is not intended to result necessarily in a determination that the holding company routinely manages or operates the portfolio company? Or to state this intention another way, the existence of routine holding company management or operation is to be based upon an assessment of actual holding company involvement in day-to-day management and operations of the portfolio company, rather than board member or officer overlaps.

Mr. GRAMM. Mr. President, the understanding of the Senator from Utah is correct.

Mr. BENNETT. Mr. President, I also inquire of the distinguished chairman of the Banking Committee whether I am also correct that the exception under which a holding company may routinely manage or operate a portfolio company when necessary or required to obtain a reasonable return on investment is intended to apply to an investment in a company that has been generating a below average rate of return on investment either at the time the holding company becomes a bank holding company or that generates a below average rate of return at a subsequent time?

Mr. GRAMM. Mr. President, the understanding of the Senator from Utah is also correct.

Mr. BENNETT. Mr. President, finally, I would inquire whether I am correct that, consistent with the principle of functional regulation applied throughout this legislation, the determination whether an investment made by an insurance company is made in the ordinary course of business in accordance with relevant state law should be made by the insurance authority of the state in which the insurance company is located.

Mr. GRAMM. Mr. President, yes, the Senator's understanding is correct.

Mr. BENNETT. Mr. President, I thank the Chairman.

SECTION 502(d)

Mr. HAGEL. Mr. President, will the chairman of the Banking committee yield for a few questions?

Mr. GRAMM. Mr. President, I yield to the vice chairman of the Financial Institutions Subcommittee.

Mr. HAGEL. Mr. President, I inquire of the chairman with respect to the provision in section 502(d) that prohibits the sharing of customer account numbers with non-affiliated third parties for marketing purposes, is it the intent that the third party be able to receive customer account number upon approval by the customer?

Mr. GRAMM. Mr. President, yes, that is correct.

Mr. HAGEL. Mr. President, I also inquire of the chairman whether, in fact, it is his expectation that the regulators will use their broad exemptive authority given in the legislation to allow for sharing encrypted account numbers if the customer has given his or her authorization?

Mr. GRAMM. Mr. President, yes, that is true.

Mr. BENNETT. Mr. President, would the chairman please yield to me for a question?

Mr. GRAMM. Mr. President, I would be happy to yield to the chairman of the financial Institutions Subcommittee.

Mr. BENNETT. Mr. President, I inquire of the distinguished chairman of the Banking Committee whether the managers felt so strongly that they chose to highlight this exemption for encrypted account numbers in report language. We would hope the regulators would use this exemptive authority. Isn't that true?

Mr. GRAMM. Mr. President, Yes.

Mr. HAGEL. This commonsense approach is consistent with consumer choice and with the customer privacy. We expect the regulators to use their exemptive authority to allow legitimate business practices that safeguard customer financial information to continue to operate and provide customers with greater choices of products and services.

SECTION 401

Mr. BENNETT. Mr. President, I rise to engage in a colloquy with the distinguished chairman of the Banking Committee. It is my understanding that section 401 of the Gramm-Leach-Bliley Act is intended to prohibit acquisitions of grandfathered unitary thrift holding companies, by commercial companies. Section 401 is not intended to prohibit acquisitions of grandfathered unitary thrift holding companies by companies that, immediately prior to the acquisition, engage only in the activities permissible for financial holding companies. Is that correct?

Mr. GRAMM. Mr. President, the understanding of the gentleman from Utah is correct.

Mr. BENNETT. Mr. President, I also seek clarification of the chairman of the Banking Committee that section 401 of the Gramm-Leach-Bliley Act is not intended to limit or otherwise affect the powers and authorities of grandfathered unitary thrift holding companies after such companies are acquired by companies that, immediately prior to the acquisition, engage only in the activities permissible for financial holding companies. Is that correct?

Mr. GRAMM. Mr. President, the understanding of the gentleman from Utah is correct.

Mr. GORTON. Mr. President, will the chairman yield to me for a question?

Mr. GRAMM. Mr. President, I would be happy to do so.

Mr. GORTON. Mr. President, it is my understanding that, under section 401 of the Gramm-Leach-Bliley Act, the Office of Thrift Supervision has the authority to prevent evasions of the unitary thrift holding company grandfather provisions of the act. Will the chairman tell me if that is correct?

Mr. GRAMM. Mr. President, that is correct.

Mr. GORTON. Mr. President, there is a long-standing body of law that addresses the issue of when an acquisition or change in control of a savings association or thrift holding company occurs. Is it intended that the Office of Thrift Supervision would apply to existing body of law to determine if an evasion has occurred?

Mr. GRAMM. Mr. President, in response to my colleague, let me state that section 401 is intended to authorize the Office of Thrift Supervision to prevent evasions through actions that are consistent with the statutory, regulatory and interpretive provisions governing acquisitions or changes in control of savings associations and thrift holding companies that were in effect on the grandfather cut-off date, May 4, 1999.

TITLE V

Mr. ALLARD. Mr. President, I wish to engage my esteemed colleague, Senator GRAMM, in a brief colloquy to clarify two items pertaining to title V, subtitle A. First Mr. President, is it Chairman GRAMM's understanding that the term "nonpublic personal information" as that term is defined in section 509(4) of title V, subtitle A, applies to information that describes an individual's financial condition obtained from one of the three sources as set forth in the definition, and by example would include experiences with the account established in the initial transaction or other private financial information?

Mr. GRAMM. Mr. President, that is my understanding.

Mr. ALLARD. The second item relates to an amendment to the Fair Credit Reporting Act, "FCRA" in 506(b) of title V, subtitle A. Mr. President, it is my understanding that striking the FCRA's outright prohibition on various agencies drafting trade regulation rules or other regulations is intended to allow for these agencies to fulfill their mandate under this title to issue regulations. The deletion leaves the law silent on the issue of agencies issuing regulations outside of this title, and it should not be construed to mean that an agency now has a mandate to issue any such regulations. Mr. President, does the distinguished chairman of the Banking Committee, Mr. GRAMM, share this view of the provision?

Mr. GRAMM. Mr. President, I agree with Senator ALLARD's assessments on these points.

Mrs. FEINSTEIN. Mr. President, I rise to support the Financial Services Modernization Act. I would like to explain why I will vote in favor of this conference bill, but I also want to discuss one area where I feel this legislation falls significantly short—privacy. The financial modernization bill deserves the support of this body for several reasons:

(1) First, it reforms our antiquated financial services laws. By allowing a single organization to offer any type of financial product, the bill will stimulate competition and innovation in the banking, securities and insurance industry. It will increase choice and reduce costs for consumers, communities and businesses. According to Secretary Summers, Americans spend over $350 billion per year for fees and commissions for brokerage, insurance and banking services. If increased competition yielded savings to consumers of even 5 percent, they would save over $18 billion per year.

(2) By removing the barriers to competition, the act will also enhance the stability of our financial services system. Financial institutions will be able to diversify their product offerings—and therefore their sources of revenue. They will also be better able to compete in the global financial marketplace, which is rapidly changing. Though U.S. banks still maintain some of the highest numbers in assets, they no longer rank the highest among the world's top banks in profitability. The financial services modernization bill gives U.S. financial institutions the flexibility and expanded powers to stay competitive in the changing market.

(3) The conference bill benefits Americans communities by preserving the Community Reinvestment Act. I am pleased to see that the act requires that banks maintain a good track record in community reinvestment as a condition for expanding into newly authorized businesses. This is the first time that a bank's rating under the CRA will be considered when it expands outside of traditional banking activities. I am also happy to see that the act applies CRA to all banks without exception.

Despite these merits, there is one issue of great concern to many Californians and many Americans—the lack of privacy provisions in the legislation. As my colleagues know, financial institutions are currently permitted to document, profile, and sell our most personal financial information. Financial institutions share and sell social security numbers, addresses, information about what stocks we own, what checks we write, what we charge on our credit cards and how much money we have in the bank. All of this without the knowledge or permission of their clients. I believe Americans should have the opportunity to prohibit a financial institution from sharing or selling this personal financial information.

The bottom line is simple: Bank customers should have the final say in whether their bank sells or even shares their personal financial information. Regardless of whether that information is being shared with a financial institution within a bank's shareholding company or with a third party. The consumer should decide who has access to this personal information. According to an October 21st USA Today article, U.S. Bancorp sold customer information to a telemarketer membership program. U.S. Bancorp customers began complaining that they were billed for marketing services they never agreed to. According to the lawsuit against U.S. Bancorp, the bank's customers say they were never even contacted by the marketing service before the charges appeared on their statements.

In one case, the suit says, a 90-year-old woman who had been a customer of U.S. Bancorp for more than 50 years was billed for a program that offers discounts on computer products. The woman didn't own a computer. Before she died, she tried for 11 months to get the telemarketing firm to remove the charges from her credit card account. The legislation does not do enough to prevent this type of problem. In another example, the Los Angeles Times reports that a small San Fernando Valley bank unknowingly became the accessory to a huge credit card scam. The bank sold 3.7 million credit card numbers to a felon, who then allegedly bilked cardholders out of millions of dollars.

Under the act, people applying for a mortgage will have no say over who has access to their personal financial data. If a person has been treated for an illness and paid for their medical tests with their credit care or personal checks, that individual's bank and mortgage company will share this information, without the knowledge or consent of the client. Tax information, insurance information, and records of medical tests they have purchased will be fair game for financial institutions. This sensitive information should be kept private—not shared between banks, insurance companies, and securities firms.

For 66 years—since the Glass-Steagall Act was enacted after the Depression—a boundary has existed between banks, insurance companies, and securities firms. This bill breaks through that wall, by allowing financial entities to merge. This change, while beneficial to the industry, should not come at the expense of the consumer. Industry groups are opposed to privacy provisions—and go so far as to say that privacy provisions could make it tougher for them to fight fraud. It's no surprise they feel this way, considering banks typically get 20-to-25 percent of the revenue generated by the marketer. But a handful of financial companies already allow customers to restrict the use of private information—and it doesn't seem to be hurting them. American Express sends customers a notice once a year, asking customers if they want to receive product offers from American Express or outside merchants. Even if customers want the offers, the company never gives detailed information about a transaction history. If American Express can protect its customer's privacy, why can't all financial institutions?

The conference bill includes only a weak privacy provision allowing customers to say no to their bank's disclosure of information to third parties—such as telemarketers. I think this is a serious flaw in an otherwise very good bill. In fact, the language adopted by the conference authorizes financial institutions and third parties to enter into joint marketing agreements that would allow them to skirt the opt-out requirement. And the bill intentionally does not restrict the sharing of private financial information among a financial institution's affiliates. I hope my colleagues will work with me in the future to see that Americans' privacy is better protected.

The Financial Services Modernization Act makes the most important legislative changes to the structure of the U.S. financial system since the 1930s. I believe the bill is good for the U.S. economy as well as our ability to compete in global financial markets. Despite my reserves about the privacy provisions in the bill, I support S. 900, and urge its adoption by my colleagues.

Mr. KERRY. Mr. President, I express my genuine appreciation to all the members of the Senate Banking Committee for their hard work, commitment and dedication to resolving the tough and contentious issues surrounding the conference report that we are considering today. It is no exaggeration to suggest that this conference report represents more than 15 years of hard work and perseverance in tackling one of the most important issues in the new economy.

I support the conference report. However, I do so with some reservations about the way the final product was developed and because it does not include a number of important consumer protection provisions. For example, the legislation will pre-empt important state legislation prohibiting certain predatory lending practices that result in poor, vulnerable, elderly homeowners being bilked out of thousands of dollars or, in some cases, losing their homes.

However, I believe enactment of financial modernization is a critical first step toward breaking down barriers to allow financial services companies to provide better services at lower costs to consumers and to help insure American dominance of global finance in the 21st Century.

As we all know, breaking down the walls that separate commercial banking from the insurance and securities industries is of enormous importance to the future of the financial services industry, which has undergone an immense transformation in recent years. Dramatic changes in technology along with historic mergers, consolidations, and acquisitions have reordered the structure of the financial services industry and made the statutory distinctions that have existed in the law until today less and less relevant in the real world.

As a result of these changes, large corporations have begun bypassing traditional financial institutions and accessing capital markets directly. Many large corporations now meet their funding needs by issuing commercial paper, rather than by borrowing from banks. Banks and thrifts are also experiencing increased competition from non-banking institutions that offer a range of financial products and services. During this time, commercial banks have been unable to provide consumers with a number of important financial products and services.

The conference report that the Senate is considering today repeals the Glass-Steagall Act, which has separated banks from securities firms since the 1930s. It also repeals a similar provision that has separated banking and insurance. It will permit the creation of new financial holding companies that could offer banking, insurance, securities and other financial products.

I am very pleased that the Treasury Secretary Summers and Federal Reserve Bank Chairman Alan Greenspan have come to an agreement on the operating subsidiary issue that was included in the conference report. Banks will now be able to choose the corporate structure under which to conduct new non-banking activities—either through an operating subsidiary or through an affiliate. The bill would allow operating subsidiaries to engage in merchant banking activities, but only if the Federal Reserve and the Treasury jointly agree that the activity is permissible. A bank would have to be well capitalized and well managed after deducting its equity investment in an operating subsidiary from its capital in order to take advantage of these new activities. I believe that this compromise will let banks choose their own operating structure and will help maintain safety and soundness in our financial system.

The operating subsidiary provisions also include language that would retain state authority over state chartered bank subsidiaries. Section 121(d)(1) of the final bill provides that nothing in Section 46(d) supersedes the current authority of the FDIC over bank subsidiary activities under Section 24 of the Act. The provision recognizes that, consistent with current and proposed rules of the FDIC, investment authorities of state-chartered bank subsidiaries are not to be restricted to any greater extent that those authorized for a state bank itself. More particularly, in several states, including Massachusetts, state banks have a long history of exercising limited authority to invest in common stocks either directly or through wholly-owned subsidiaries. The FDIC has acknowledged and approved such investment authority through so-called investment subsidiaries. It is my understanding that the newly added Section 46(d) acknowledges and preserves that authority and does not contemplate imposition of additional regulatory requirements or impediments.

I am also glad that the conference report will permit financial institutions to engage in merchant banking activities. This will allow banks to invest in small companies for the purpose of appreciating and ultimately reselling the investment. The merchant banking provisions limit the day-to-day management of companies by financial institutions and the duration of the investment. I am hopeful that these new powers will allow banks to provide more capital for small businesses, which have been leading contributors to the economic growth of our country.

The conference report includes an important limitation on banking and commerce which eliminates the ability of commercial firms to form new unitary thrifts unless they had owned or had applied to own a unitary thrift by May 4, 1999. Under the conference report, current unitary thrift holding companies and their savings association subsidiaries would be able to continue their normal activities. However, future sales of unitary thrift holding companies would not be allowed to commercial firms. Sales would be limited only to financial holding companies.

Building this fence around financial firms to keep them largely isolated from joint ownership with commerce and industry is an extremely important safeguard in this legislation. My first priority as member of the Senate Banking Committee is to maintain the safety and soundness of our financial system to insure that American taxpayer funds are not necessary to bail out our financial institutions. However, we are now in an era in which banks and other firms are becoming "too big to fail" where the government will intervene if its collapse would cause a major harm to the economy. With the enactment of this legislation, banks, insurance and securities conglomerates will grow even larger and more intertwined. The failure of any one of these new conglomerates could disrupt our financial system and risk a taxpayer-funded bailout that would dwarf the savings and loan payout. For example, recently the Federal Reserve Bank felt compelled to rescue the Long Term Capital, a hedge fund, even though it was not a federally insured bank.

That is why I strongly supported including a provision that would have required large banks to back some portion of their assets with subordinated debt. Holders of this type of debt would have a strong incentive to monitor each financial institution's level of risk to protect their investment. This approach could also serve as an early warning signal for regulators of banks that are engaged in risky activities. Unfortunately, this requirement was reduced to only a study. I will be working with my colleagues and with federal regulators to address this problem in the future.

I am also very disappointed that the conference report does not include acceptable language regarding mutual insurance companies. Many States currently have laws that restrict the hostile take over of a mutual insurance company that has recently converted to a stock insurer. However, the conference report allows these state laws to be preempted "so long as such restriction does not have the effect of discriminating, intentionally or unintentionally, against an insured depository institution or an affiliate thereof * * *." I believe that this language, as currently written, would allow only banks whose takeover attempts were denied by a state insurance commissioner to litigate. The ability to litigate would not be extended to any other potential acquisitor.

This law means that any state restriction of a banking organization's attempts to takeover a demutualizing insurance company could be construed by a court as discrimination against the bank. I believe that this could lead to costly and time consuming litigation for every insurance company that attempts demutualization. Further, if a court were to fail to interpret the word "discrimination" narrowly, this new language could essentially end the important state preemption provision only in cases where a bank is the proposed acquisitor. It would not allow other potential acquisitors to litigate.

I am also very concerned about the provision included in the conference report that will allow mutual insurance companies to redomesticate to another state and reorganize into a mutual holding companies or stock companies. I believe that this provision will allow some mutual insurance companies to move to states without adequate consumer protections and could endanger policyholders during a conversion from mutual to stock form.

I am pleased, however, that the conference report includes the PRIME Act, which will provide an opportunity to lend a helping hand to those in need of financial aid and technical assistance so that they can fulfill their personal, family, and community responsibilities. Microenterprise development has given many a chance to break the cycle of poverty and welfare and move toward individual responsibility and financial independence.

Specifically, the PRIME Act authorizes funding for technical assistance to give microentrepreneurs access to information on developing a business plan, record-keeping, planning, financing and marketing, which are crucial to small business development.

For example, PRIME would augment funds for valuable programs run by Working Capital, located in Massachusetts and a recipient of a Presidential Award for Excellence in Microenterprise Development in 1997. Working Capital currently offers a number of valuable programs to its microenterprise customers which could be augmented by additional funding under PRIME such as providing business credit to microentrepreneurs and providing business education and training on how to draw up business plans and prepare financial projections. These programs instruct microentrepreneurs on how to use these tools in managing their businesses. This type of assistance is crucial to the development of our low-income communities and throughout the United States.

I very much appreciate that the conference report includes a provision to repeal the Savings Bank Provisions in the Bank Holding Company Act. Section 3(f) was added to the Bank Holding Company Act in 1987 to provide a special grant of authority to savings banks, but court decisions and Federal Reserve Board interpretations now make it restrictive for many Massachusetts banks. Repeal of this provision will bring the treatment of Massachusetts savings banks in line with that of other financial institutions.

Mr. President, I also want to emphasize that although I strongly believe that we have to take this first step to toward modernizing our banking industry and although I will support this conference report, I remain committed to strengthening and improving consumer privacy protections and to encouraging greater community investment by financial institutions.

I believe that we can and must do more to safeguard the financial privacy of every American. Every American deserves to control his or her personal financial information. I am concerned that the changes in technology and in the marketplace have diminished every American's ability to safeguard his or her personal financial privacy. The conference report gives customers of financial services companies only limited control over their personal financial information. Customers will now have the right to object to their institutions' sharing their financial data with third parties and will require these institutions to provide notice to customers when they disclose financial information within an affiliate. Fortunately, the conference report does not preempt stronger state privacy laws.

I want to note for the RECORD that I supported stronger privacy protections that would have given every customer the right to see what financial information would be shared with affiliates or third parties. I also supported an opt-in standard for consumers whose financial institution provides their personal financial information to unaffiliated third parties. This provision was supported by 26 state Attorneys General and many others. I will be working with my distinguished colleagues including the Senator from Maryland Mr. SARBANES, as well as Senators BRYAN, SHELBY and others to work on strengthening safeguards to protect the privacy of every American.

All throughout the consideration of this legislation, from the very first meetings of the Banking Committee, through floor consideration and the conference negotiations, Congressional Democrats and the Administration have insisted that the Community Reinvestment Act must be allowed to grow and adapt to the new circumstances being created for the financial industry. Despite the most aggressive, uninformed, and sustained attack on that important law I have ever witnessed, I am happy to say that the new law will reflect this important goal.

The new law established that, as a precondition for any bank to exercise any of the new powers authorized by this legislation, either de novo or through a merger or acquisition, a bank must have a satisfactory CRA rating. This test will be applied each time a bank seeks to take engage in a new activity, so that a bank will have to, as a practical matter, both have and maintain a satisfactory CRA rating to take advantage of the new law. Prior to this agreement, a bank could start up a securities affiliate without any regard to its CRA rating, so this new law is clearly a step forward. That is why Reverend Jesse Jackson and the Local Initiatives Support Corporation (LISC) support the CRA provisions in the bill.

I understand and share the concerns of some of my colleagues who believe that the conference report does not go far enough. Certainly, the alternative that and my fellow Democrats supported would have been more acceptable. However, I believe that this legislation clearly meets the objective of ensuring that CRA remains a central part of every financial institution's operations into the next century.

The conference report would also require certain agreements between a bank and community groups made in connection with CRA to be fully disclosed and would reduce the frequency of CRA compliance exams for certain banks with less than $250 million in assets.

I am concerned that further attempts to weaken the Community Reinvestment Act will occur during the 106th Congress. Let me be absolutely clear: I will strongly oppose any attempts to weaken CRA in any manner whatsoever. CRA is a fundamental tool to insure that all creditworthy Americans, regardless of the neighborhood they live in, regardless of their race or circumstances, have access to the bank loans that are needed to buy a home or start a business. It is a law that breathes life into the rhetoric we all use extolling the virtues of equal opportunity. We cannot and must not return to the days of poverty and desperation borne of bank redlining in too many communities across the nation.

This conference report is far from perfect, but few compromises ever are. A product that represents more than 15 years of hard work and the debates of literally hundreds of individuals and disparate constituencies could hardly represent a perfect product to every side. This report is no different. But I will tell you, and I think almost all of us would agree that in the American system of free enterprise the interests of consumers and industry are best served if we permit competition as long as that competition is fair and does not give any industry or player an advantage over another. I believe that this legislation is an important step in facilitating that competition and it meets that test by allowing every American access to a broader group of financial services at a lower cost. We have a historic chance to provide meaningful financial services reform. I will support the conference report and I urge my colleagues to support it as well. And, remembering as I think we all should, that this legislation represents not an endpoint but a starting point, I would respectfully suggest that we all focus in the months and years ahead on the potential role this Senate can play in helping to create the environment in which financial services work to the best advantage of every American. Our goal should be nothing less.

Mr. GORTON. Mr. President, I expect the financial services modernization conference report will pass both the Senate and House with large majorities. I certainly understand the strong support for this sweeping legislation, though I must register my strong displeasure and firm opposition to the punitive unitary thrift charter provisions included in this measure. The language approved by the conference committee and favored by the Clinton-Gore administration unfairly, unnecessarily and without compelling reason eliminates and restricts existing authorities and powers of the unitary thrift charter.

I am proud to represent a state where the thrift industry is thriving. Washington state thrifts manage over $200 billion in assets. It may surprise some to learn that the largest unitary thrift in the nation, Washington Mutual, is headquartered in Washington state. One does not expect a financial institution of this size to be based in Washington. Though, knowing this fact, one should not be surprised to learn of my significant interest in how this legislation affects my largest financial institution constituent and a major Washington state employer.

I support virtually all of the conference report's modernization provisions: eliminating the 1933 barrier to the affiliation of banks, insurance companies and securities firms that will allow consumers greater choice at reduced costs; the compromise agreement reached between the Federal Reserve Board and Treasury Department on the regulation of operating subsidiaries; improving the Community Reinvestment Act; expending Federal Home Loan Bank provisions that will allow greater access for small business and farm loans; and the inclusion of privacy protections for consumers.

These provisions do contribute to the modernization of our nation's financial services industry from the Great Depression era laws under which they have been operating. These changes represent positive advances for the future. Such is not the case with the unitary thrift charter provisions. The unitary thrift language is regressive and punitive—a step backwards for financial modernization and a black-mark on an otherwise favorable bill. I sincerely regret that delusional fears about the non-existent and impossible mixing of banking and commerce under a unitary thrift charter have prevailed over fact and reason. Neither the FDIC or the primary regulator have identified any safety and soundness concerns during the three decade existence of unitary thrifts. Not one.

It is clear that this legislation unfairly treats Washington Mutual and other unitary thrifts, and for this specific reason I seriously considered voting against the conference report to protest the injustice of the unitary thrift provisions. After listening to and speaking with Chairman GRAMM to clarify the impact of the unitary thrift charter provisions, however, I concluded that I will support passage of the conference report. The unitary thrift provisions are completely contradictory to this legislation's goal of modernization, yet I find the clarifying statements of Chairman GRAMM to be of sufficient reassurance that I will not vote against this conference report.

Mr. MACK. Mr. President, I rise today in strong support of the conference report accompanying S. 900, the Gramm-Leach-Bliley Act of 1999. And I want to begin my remarks today by congratulating Senator GRAMM, my friend and the chairman of the committee. We would not be here without his hard work, dedication, and skillful negotiation and he deserves the lion's share of credit for the fine bill we have before us today.

We are making history here. It has been 66 years since Congress passed the Glass-Steagall banking act in the depths of the Great Depression. It has been at least twenty years since determined efforts began in the Congress to repeal this outdated law and modernize the country's banking code. Today—finally—we have come to the end of the road.

As we stand on the verge of passing this bill, we have a great view both backward and forward. We can see a past in which the country's financial services industry led the world despite an archaic code recognized by everyone to be insufficient. And we can look ahead into a future that offers the American financial consumer: New and innovative products, better choices, information and service, and workable regulations that allow our financial firms to compete in the global marketplace to an even greater extent than today.

This much-needed legislation modernizing our nation's banking laws is happening none too soon. I want to spend some time talking about the two reasons I believe we're here. The first is the transformation of our economy over the past 20 years, and by extension the remarkable changes in our financial services sector. And the second is the tremendous impact of the technological revolution on the banking industry.

We are currently in the eighth year of the longest peacetime economic expansion in our history. When you look at the data, there is only one conclusion to draw: we are now reaping the economic benefits of the hard decisions on economic fundamentals we made back in the 1980s. Under the leadership of President Reagan, we dramatically lowered marginal tax rates, began the rollback of burdensome and overlapping regulations, promoted openness to trade and investment around the world, lowered interest rates, and defeated the inflation menace that crippled our economic competitiveness. In the 1990s, Congress finally completed the job by producing the first balanced federal budgets in a generation.

You cannot overestimate the impact of these fundamental economic victories on the prosperity the nation is enjoying today. One of my biggest concerns, as I think about the history of this era, is people will be left with the impression that President Clinton's 1993 tax increases created this economic expansion. Nothing could be further from the truth. We must not forget the hard—and ultimately correct—decisions made on fundamental questions like taxes, regulation, interest rates, and inflation in the 1980s that freed up the marketplace and allowed American businesses to capitalize on their inherent advantages.

The country's financial sector has certainly shared in this prosperity. We have witnessed a revolution in the delivery of financial services during the 1990s as the traditional barriers between banking, insurance and securities began to come down. Freedom and our free enterprise system ensured that new financial products and alliance emanated from America to service the demands of the global economy. These products and alliance provide American businesses, investors, and consumers with the ability to secure more easily the capital they need to finance their hopes and dreams. As this new economic and financial dynamic became more clear, it was also apparent our existing banking code was outdated and in need of change.

As part of the new economy, it is hard to overstate the impact of the technological revolution on the financial marketplace. Earlier this year, during hearings on the bill before us, Chairman Greenspan noted the financial sector:

> . . . is undergoing major and fundamental change driven by a revolution in technology, by dramatic innovations in the capital markets, and by the globalization of the financial markets and the financial services industry.

Indeed, the financial marketplace is changing with lightning speed. In September, we held a high-technology summit at the Joint Economic Committee. One of those who testified before our committee was a twenty-nine-year-old entrepreneur who created an electronic stock trading network. Nine of these electronic trading networks make up about twenty percent of the NASDAQ market and are posing a serious challenge to more traditional stock exchanges and markets. Mortgages and traditional banking services are available over the internet. And anybody who watches television advertisements knows a new generation od web-based businesses are transforming the traditional image—and, incidentally, the fee structure—of stock brokers and stock trading. These businesses and the many others who have gone online to challenge the existing orthodoxy are prompting sweeping changes in the financial marketplace. And they are creating yet another imperative for this bill.

As the American financial industry seized on technological advances to lead the world into new financial markets and new financial products, they awoke from their long slumber of lobbying wars and turf protection and realized it was in everybody's best interest to pass this bill. If our financial firms are to lead and compete in the world marketplace, they must be able to compete from a position of strength. And they must compete from the foundation of banking laws that reflect the new realities of the world marketplace.

The end game on this legislation was by no means easy. During the eleven months we spent writing this bill, we had to continually strike careful balances between the broad, over-arching goals of the bill and the temptation to tinker with the marketplace and predetermine the shape of future financial products and services. The fast pace of change presents a difficult choice for policymakers. We are often too cumbersome in the Congress to lead, we can be irrelevant if we follow, and some among us believe it could be risky to get out of the way. In the face of this dilemma, some of our colleagues wanted us to anticipate every possible side-effect of this financial transformation and write the laws accordingly. This is just not possible, and the resultant regulatory burdens would have stopped this financial revolution in its tracks.

In the bill before us today, we tried to embrace the following principles:

First, banks, insurance companies and securities firms should be able to enter one another's business and create a financial dynamic for the next century;

Second, new banking products should be regulated by the regulator that knows them best.

Third, institutions should disclose to customers what they are doing with their sensitive personal information—both within and outside the financial firm. And customers should be able to stop these companies from sharing their information with third parties.

Next, new financial activities conducted through subsidiaries of banks should be conducted so as to ensure taxpayer guaranteed deposits are not threatened.

And finally, the burdensome regulations on banks with respect to community lending should not be increased as a result of what we're doing in this bill.

There are sensible guidelines and I'm satisfied we've created the basis here for a safe, sound and flexible financial industry that will serve the interests of American consumers, investors and businesses well into the future.

As I said at the beginning of my remarks, we are making history here. A hundred years from today, I believe the primary thing people will remember about this Congress is that we finally did the right thing and passed this bill.

Mr. President, I would like to conclude my remarks on a personal note. As I begin to recognize the reality that my service in the United States Senate will end in slightly more than a year, I find I am engaging in the occasional reflection.

During the last 12 years of my 18 years in the Congress, I served on the Senate Banking Committee—the committee responsible for writing and overseeing the laws of the land that regulate the banking and financial industry. This has been special to me because I spent the first sixteen years of my career in the banking business. It was work I enjoyed as the years went by. It was also work I found increasingly frustrating because of the stifling regulatory burden placed on banks by the federal government. It was for these and other reasons I left my position as President and LEO of my bank in Cape Coral, Florida and ran for the Congress.

I will not stand here today and claim the credit for the far-reaching and far-sighted bill before us today. My friend and colleague Senator GRAMM deserves the credit on the Senate side. I nonetheless feel a strong sense of pride and institutional accomplishment for the legacy we are leaving to the United States in passing this bill. It will benefit the people, the industry, and the economy as a whole and it is truly a document we can all be very proud of. I urge my colleagues to support the conference report

Mr. WYDEN. Mr. President, I have always been supportive of modernizing the outdated laws and regulations governing the financial services industry. It doesn't make sense to me to slap a regulatory straight-jacket on American financial companies and drive up costs for consumers while companies around the globe are able to compete unhindered by unnecessary barriers. It seems to me that you can't compete in a 21st century global financial market using a playbook that was written during the Great Depression.

But I have also believed that financial services modernization shouldn't come at the expense of consumer and community interests. In fact, back in May, I voted against the Senate version of this bill, as did 43 of my colleagues here in the Senate, because it would have devastated lending in rural and low income communities, and because it didn't adequately address the issue of consumer financial privacy.

Fortunately, this conference report is leaps and bounds better than the bill that passed along party lines here in the Senate several months ago. It won't allow financial institutions to participate in the new and improved financial market unless they maintain a good community lending record. And, while far from perfect, it also begins to address the issue of consumer financial privacy, which was virtually non-existent in the previous bill.

This bill requires financial institutions to disclose their privacy and information sharing policies to their customers. And in some instances—but not enough—it allows consumers to block these companies from sharing their private customer information with other companies. This is an improvement over the original Senate bill, and even an improvement over current law.

This is a good start on financial privacy, but it doesn't close the deal. The privacy provisions in the conference report do not provide the level of protection that the American people deserve.

There is a long way to go with respect to protecting the financial privacy of all Americans. While I am disappointed that the privacy protections in the bill are not as strong as I would like, I share the beliefs of several of my distinguished colleagues, such as Senator SARBANES and Senator LEAHY, that these protections can be and must be further strengthened by legislation next year, and I intend to work closely with my colleagues to make sure this happens.

On balance, the conference report should be adopted, and I hope that the same forces that worked so hard to move legislative mountains and align political stars to make this legislation possible will work equally as hard with me and other Senators next year to give Americans the privacy protection they demand and deserve.

Mr. LIEBERMAN. Mr. President, I rise today to express my support for the Financial Services Modernization Act of 1999. The Financial Services Modernization Act of 1999 is landmark legislation that provides for a historic modernization of our financial services system. This legislation is the culmination of years of effort on the part of several Congresses, several administrations, and federal financial regulators. Passing this legislation will eliminate inefficiencies and unnecessary barriers in our economy that were created by the Glass-Steagall Act of 1933 and other laws passed generations ago.

With this legislation, the Congress recognizes the significant transformations taking place in our economy and its financial services sector. Through this Act, Congress makes the necessary and critical leaps for our financial services sector to catch up with the realities of a marketplace and economy driven by an information technology revolution. The changes created through this legislation are inevitable. They overhaul laws implemented decades ago that have not withstood the test of time and that have increasingly been bypassed through more and more regulatory loopholes. Passing the Financial Services Modernization Act of 1999 will create a rational financial structure in the U.S., the world's largest economy, that will be competitive in the global economy. I strongly urge my colleagues to support this legislation.

By updating laws separating banks, securities firms, and insurance companies, this Act will result in a broader array of financial services and products for consumers. It will spur innovation in the financial services industry and create a more competitive marketplace where powerful new products come to market more quickly and at a lower cost to consumers. It will lead to the creation of an array of new products for consumers and at the same time will help them to make their choices more intelligently and efficiently by allowing for one-stop shopping for a multitude of financial services.

Specifically, by overriding sections of the Glass-Steagall Act and other federal and state laws, this legislation will allow banks, insurance companies, and security firms to more easily merge or otherwise enter one another's businesses.

While allowing the industry greater flexibility to provide services, this legislation also protects consumer privacy by requiring financial institutions to create privacy policies and spell them out to consumers. Financial institutions will have to provide notice of how they share the financial information of their customers and with certain exceptions they would be prohibited from disclosing personally identifiable financial information to non-affiliated third parties without first giving consumers the opportunity to "opt out". The legislation gives regulatory agencies the authority to enforce those privacy protections.

Importantly, this legislation also retains key parts of the 1977 Community Reinvestment Act. Any financial services company that is out of compliance with that Act would not be allowed to take advantage of mergers and other benefits outlined under this legislation. It is right that the Administration and others held fast to keeping a strong CRA component in this legislation. The CRA has been critically important to many communities and community-based organizations in Connecticut and across the country. The CRA, like the Individual Development Accounts (IDAs) that I strongly support, helps more Americans to actively participate in our economy by providing them the ability to build assets and to access financial services.

This legislation is not perfect. Its implementation will need to be monitored over time. I will be paying particular attention to how this legislation affects both consumer privacy and CRA implementation. However, this legislation is good and long overdue. It provides balanced and strong protections for consumers and communities without diluting its intended financial services benefits.

Finally, I would like to thank those who have worked so tirelessly to do what so many others have tried and failed to do for the last 20 years. Through the hard work of the Senate Banking Committee members, including Senator DODD of Connecticut and Chairman GRAMM, their House counterparts, in conjunction with the Administration, particularly Secretary Summers and his staff, the financial services industry, and those representing the interests of consumers and communities, we now have legislation with compromise language that achieves a broad public purpose. We are now able to achieve the improvements to our financial services sector that have been needed for decades and that will effectively bring us into the next century.

Mrs. LINCOLN. Mr. President, I rise today in support of the Financial Modernization Bill. After decades of unsuccessful tries, it appears that financial modernization legislation may finally become a reality. As we move into the next millennium, I believe it is important that the financial service structure in this country is up to par with the rest of the world so that American finance can continue to lead internationally.

The thing that impresses me the most about this bill, Mr. President, is not the way it will strengthen American financial markets and allow this important sector of our economy to grow with the technology of the age. It's not even that we will close the Unitary Thrift Loophole, or that we will maintain the Community Reinvestment Act to ensure that low income and minority communities in my home state of Arkansas will continue to have access to the capital needed to create jobs and increase incomes. What impresses me most, Mr. President, is the way we are going about passing it. When I vote for this bill later today, I feel like I will have weighed all the issues and had the opportunity to actually work to make it better for the people of my state. We deliberated, discussed, and fought over the merits of the legislation—not just parliamentary tactics. This bill was scrutinized by Senator SARBANES and Senator GRAMM and all of my colleagues on the Senate Banking Committee before it ever got to the floor. Before it was even put on the calendar, it was subject to the judgement and the intellect of these men, whose esteem I hold in the highest regard.

After this bill came out of committee and to the floor, we were able to offer and vote on amendments to adjust and strengthen the bill. I supported some amendments that passed, and I supported some that failed, but what is important is that my votes and the votes of my colleagues were registered and the conferees were able to gauge the Senate's support for these provisions. This allowed for compromise, Mr. President, and at the end of the day it allowed for a bill that a majority of the Senate can and, I predict, will support.

Mr. BURNS. Mr. President, I rise today to express my concern over the lack of adequate privacy protections in the financial modernization bill under consideration. While I feel that the current laws governing our financial services industry are out-of-date and in need of modernization, I do have strong concerns over the inadequate and weak privacy provisions included in this bill.

Paramount to our freedom is the right to privacy; to be left alone and to be secure in the belief that our business is just that, ours and no one else's. When we do share our personal business information with others it is with the real and reasonable expectation that it remains our property. When dealing with our doctor or lawyer we know that the communication is privileged. Traditionally, when providing information to our banker or insurance agent or our stockbroker, we similarly believed that the information provided was specific to that transaction.

We choose to compromise our privacy to the extent necessary to conduct business and with the belief that the information is ours and does not become the property of the person with whom we are dealing. No one has the right and no one should have the right to market our personal information without our prior approval. To do so violates our privacy and compromises the trust relationship that is vital to commerce.

Regrettably, we now know that those we trusted with one of our most prized possessions, our privacy, have violated that trust in the interests of profit. In the course of deliberations of this bill, we have heard that the sharing of information is essential to efficiency in the market place and to better provide customer benefits and services. However, the fact remains that these benefits come at the expense of personal privacy and that creates an atmosphere of distrust and invites abuse by the very people we must trust to conduct our business. Technology must be tempered with caution. Efficiency cannot be at the expense of personal privacy. Institutions should not have the license to exploit our information unless they allow us to opt out. Individuals should have the right to allow institutions to share their information by opting in. Customers should be given sufficient notice and choice to deny financial institutions from sharing or selling their nonpublic, personally identifiable, sensitive financial information. Americans must have the ability to say "no."

This bill remembers the big financial institutions in this country, however, seems to forget the most important variable in the equation—the individual. This bill protects banks' rights, but fails to consider an individual's rights to privacy. We need to establish rules to protect the privacy of a customer's confidential information. No longer should we rely upon or expect the financial institutions themselves to do this, as they are the very ones profiting from the sale of customer information. We must find a balanced system that protects consumers.

I assure my colleagues that we will very soon be revisiting this issue and that these deliberations will be prompted by constituents abused as a result of the loopholes contained in this bill. Bottom line, financial institutions should not be allowed to share and sell confidential, personal customer information without consent. Americans need provisions which truly protect their privacy. Americans deserve this right, no less.

Mr. LUGAR. Mr. President, I raise today in support of passage of the Conference Report to accompany S. 900, the Financial Services Modernization Act of 1999.

During my first term in the Senate, I served as a member of the Senate Banking Committee. It was a busy time for the Committee: we passed the Foreign Corrupt Practices Act, permitted for the first time interest bearing checking accounts, and agreed to the Community Reinvestment Act. During those years, the Committee also undertook the difficult tasks of restructuring the finances for New York City and Chrysler Corporation. I am proud of the work we did on the Committee with these initiatives, and we made sure that the American taxpayers did not have to foot the bill for the restructuring of the debt.

I am pleased that after all these years, we are on the verge of passing comprehensive reform that has bipartisan and Administration support. This bill will finally break down inefficient barriers between insurance, banking, and securities and allow United States financial services corporations to compete on an even basis with their European and Asian counterparts.

Over the years, through regulation, court cases, and the development of new financial products, the line separating banking, insurance, and securities has been blurred. In recent years, banks have been selling insurance and mutual funds; brokerage firms have been offering customers money market accounts with check writing privileges. The market was dictating that the laws needed to be rewritten. I have always believed that the laws should be written by Congress, not bureaucrats. It has taken time to fine tune these changes and reach this bipartisan consensus; but Congress has finally met this challenge.

Mr. President, over the course of the last five years, a lot of work and hundreds of hours have gone into perfecting this monumental legislation. I want to commend the Members of the Conference Committee, representatives from the Administration and the Federal Reserve, and the financial community for crafting a consensus piece of legislation. It will open competition, while establishing proper safeguards to protect consumer privacy and maintaining safety and soundness standards for federally insured financial institutions.

In a free market society, competition lowers prices and raises the level of customer service. I believe consumers will benefit from this landmark bill by giving them the choice of products and services offered by more market participants. I am pleased to have this opportunity to speak in support of the passage of this long overdue legislation.

I yield the floor.

Mr. DOMENICI. Mr. President, I rise in strong support of the conference agreement before the Senate today. There are few bills Congress has completed in my time here which will have a more profound impact on our economy than this legislation to modernize and harmonize the various segments of our financial services industry.

I think this historic legislation will result in lower costs of financial services for American consumers, and enhance the competitiveness of United States companies in the global financial marketplace.

At the outset, I want to congratulate Chairman GRAMM and the members of the Senate Banking Committee for all of their hard work on this issue. As Chairman GRAMM knows, it has been no easy task to get the banking, securities and insurance industries, as well as the Administration, the regulators and community groups to agree on what shape this law should take. It is a testament to Senator GRAMM's tenacity that he was able finally to hammer out this agreement.

As we move into the 21st century, the United States continues to maintain capital markets which are the envy of the world. Bank consolidations and rapid expansion of new global markets have meant phenomenal growth in our financial services sector in recent years. The wave of bank mergers in the late 1990's has led to a situation where the assets held by the five largest banks in the United States now total $2.1 trillion. Five years ago, the top five only had $753 billion in assets.

In 1998, for the first time in many years, a U.S. bank is one of the top 10 largest in the world based on assets. From 1997 to 1998, U.S. banks in the top 100 in the world saw their assets grow by 23 percent, their capital base grow by 48 percent and their revenues increase by 36 percent. The United States has 8 of the top 10 securities firms in the world and 4 of the top 20 insurance companies.

With all of this financial strength consolidated in the United States, some may wonder why we need this historic new law. With the advent of the European Monetary Union, the combined gross domestic product of the nations in the Union is already equal to that of the United States. When the U.K. joins the Union, the combined GDP will be 10 percent greater than the GDP of the United States. United States firms need to be more flexible, more efficient, and able to offer more products if they are to compete successfully in these new markets.

Currently, European laws are much more flexible, allowing financial services firms across the Atlantic to be better integrated than United States firms. Our laws need to keep pace. This conference report will allow our various banking, insurance and securities firms to combine through financial holding companies so that they may be even stronger competitors in the increasingly international financial services marketplace.

This enhanced efficiency is not only good for the United States' competitiveness in the international market, it is good for consumers. The Treasury Department estimates that every 1 percentage point decline in the cost of financial intermediation could save U.S. consumers $3.5 billion a year.

This new law will allow consumers to enjoy cheaper access to capital and one-stop shopping at financial services superstores. Americans who want to borrow to buy a new car or a home, purchase insurance to protect that car or home, or invest in securities for the future, will for the first time under this new law be able to do all of that at one time, in one place and at a lower cost.

I want to commend the chairman and conferees for the way in which they have resolved two major issues which concerned me when we debated this bill in the Senate. Those issues are whether the Federal Reserve or Treasury Department should be the primary regulator of the new financial holding companies, and what to do about abuses of the Community Reinvestment Act of CRA.

First, I have great respect for Treasury Secretary Summers and his predecessor, Robert Rubin. They are two of the finest economic and financial minds in the world. But I simply believe that it is more appropriate for the Federal Reserve, a nonpolitical entity also headed by a pretty good economic and financial mind in Alan Greenspan, to serve as the primary regulator in this new age. Regulation of our financial system should not be subject to the ups and downs of the political process, as would be the case if a political appointee, in this case the Secretary of the Treasury, had control.

I believe that this bill makes the proper policy decision by designating the Federal Reserve as the umbrella regulator of financial holding companies. The bill provides a mechanism for coordination between the Fed and the Treasury in approving new financial activities for financial holding company subsidiaries. The Treasury Department, through the Office of the Comptroller of the Currency will maintain its functional regulatory authority over the banking activities of affiliates and subsidiaries of national banks. This is a good compromise and I salute the chairman for his work.

Second, I commend the chairman for his diligence in attempting to address the abusers related to the CRA. This bill does not go as far as I know the chairman would like, but it is a good start. And for those concerned community groups out there who have not abused the CRA, let there be no confusion: when this law is signed by the President, there will still be a CRA and there will still be robust community lending across the United States. In fact, the law itself states that nothing in the conference agreement repeals any existing provision of the CRA.

What the bill does is provide regulatory relief to small banks which demonstrate that they have achieved at least a satisfactory CRA rating in their most recent audit. This will reduce the burdens related to CRA exams for 82 percent of all banks. And for the larger institutions in cities like Albuquerque, the CRA will continue to apply in the same manner as it does today. That is an eminently reasonable approach.

Finally, the bill allows a little sunlight to be shed on all CRA agreements between banks and community groups. Over the next ten years, banks have promised $350 billion in loans and payments to community groups under the CRA. This law will require full public disclosure of those agreements, and an annual accounting of how the money and other resources promised in the agreement were utilized. The public has a right to examine the costs and benefits associated with CRA agreements, and this will provide that public accountability.

Mr. President, I want to commend all of those who have worked so hard to finally get Congress to the point where this bill can become law. I am happy to support this bill, and look forward to the President signing it into law.

Mr. MOYNIHAN. Mr. President, we have been debating the subject of banking in the Senate since the 18th century. We began to ask ourselves a question, could we have a national bank, which Mr. Hamilton, of New York, thought we could do and should do. We created one. It had a very brief tenure. It went out of existence just in time that the Federal Government had no financial resources for the War of 1812. So it was reinstituted, in 1816 for 20 years, and went out of existence just in time for the panic of 1837. We went through greenbacks. There must have been a wampum period. We went to gold coinage. Then a free coinage of silver dominated our politics for almost two decades, as farmers sought liquidity and availability of credit. Finally, at the end of the century of exhaustive debate, we more or less gave up and adopted what we now call the Federal Reserve System.

To say we debated this matter for a century is certainly true. For the last quarter century, we have turned our focus to the nonbank bank. You are really reaching for obscurity when you define an issue as we have done, and yet that seems to be the term with which we have to deal.

The issue of the nonbank banks, were banks will be allowed to expand into newly authorized businesses such as securities and insurance underwriting, could finally be resolved in the Senate today. As we consider the conference report on financial modernization and prepare to pass the most significant piece of banking legislation since the 1933 Glass-Steagall Act, I would like to make two points, followed by a coda. The first being that we need financial modernization, that Depression-era banking laws need to be repealed. A May 4, 1999, Washington Post editorial reads:

> Since the Depression, Federal law has sought to keep banking, insurance and securities industries separate. The idea, in part, was to make sure that Federally insured bank deposits didn't wind up somewhere risky and unregulated. But in recent years, even without a change in the law, that separation has eroded. Banks have found ways to offer mutual funds to their customers; investment firms function like deposit institutions; etc. It makes sense now to bring legislation—and regulation—in line with reality.

It strikes me as odd that most corporations are free to engage in any lawful business. Banks, by contrast, are limited to the business of banking. It is generally agreed that the Glass-Steagall Act of 1933 and the Bank Holding Company Act of 1956 need to be amended. Banks, security firms, and insurance companies should be allowed to offer each other's services. They already do by finding loopholes in the law. Congress must catch up, and pass a law that condones this activity. London does it. Tokyo too. Why not New York, which, if I may say, is one of the world's banking capitals?

This is a real problem for existing banks, who find themselves under the serious constraints of Depression-era banking laws. Suddenly, they find that their activities are encroached upon and they are not able to do things that they ought to do—that they are going to need to do—in order to survive in a competitive world economy.

With this bill, we have the opportunity to modernize our financial institutions and allow banks to do the things they ought to do, that they are going to need to do, to survive and grow. We must seize this opportunity, pass this bill, and give our banks the opportunity to compete in the world economy.

Now to the second point. When this bill came up for a vote last May, I could not support it because the provisions concerning the Community Reinvestment Act were unacceptable. The CRA, enacted in 1977, has played a critical role in revitalizing low-and-medium-income communities. New York has benefitted from this. A March 17, 1999 New York Times editorial states:

> In New York City's South Bronx neighborhood, the money has turned burned-out areas into havens for affordable homes and a new middle class. The banks earn less on community-based loans than on corporate business. But the most civic-minded banks have accepted this reduced revenue as a cost of doing business—and as a reasonable sacrifice for keeping the surrounding communities strong.

I am told that an acceptable—albeit not perfect—compromise has been worked out on this matter. With this agreement in hand, I can now support the bill. However, I urge the regulators to keep a close eye on the CRA provision and make sure that banks make loans where they are required to and keep investing in those communities that need it most.

I conclude on the question of privacy. No small matter. Consumers, rightly so, are concerned that their personal information will be shared among the newly affiliated companies. The bill places no restrictions on the kinds of detailed personal information—such as customer bank balances, credit card account numbers, income and investments, insurance records, purchases made by check or credit card—that can be swapped among them. A November 3, 1999, Times editorial addresses this matter:

> In an electronic world where businesses can effortlessly collect, compile, and mine personal data for marketing and other purposes, consumers should have the right to control the spread of their financial information. Under current Federal law, consumers have almost no rights in this area. The bill adds some limited protections, but it does not go far enough, particularly since conglomeration will greatly accelerate the sharing of private information in the financial sector.

As we move ahead with this bill and make substantial changes to the banking laws, we must make sure that privacy laws keep pace. this is much too important of an issue to be overlooked.

I ask unanimous consent that the Times March 17th and November 3rd editorials, and the Post March 4th editorial be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times, Mar. 17, 1999]

MISCHIEF FROM MR. GRAMM

Cities that were in drastic decline 20 years ago are experiencing rebirth, thanks to new homeowners who are transforming neighborhoods of transients into places where families have a stake in what happens. The renaissance is due in part to the Federal Community Reinvestment Act, which requires banks to reinvest actively in depressed and minority areas that were historically written off. Senator Phil Gramm of Texas now wants to weaken the reinvestment Act, encouraging a return to the bad old days, when banks took everyone's deposits but lent them only to the affluent. Sensible members of Congress need to keep the measure intact.

The act was passed in 1977. Until then, prospective home or business owners in many communities had little chance of landing loans even from banks where they keep money on deposit. But according to the National Community reinvestment coalition, banks have committed more than $1 trillion to once neglected neighborhoods since the act was passed, the vast majority of it in the last six years.

In New York City's south Bronx neighborhood, the money has turned burned-out areas into havens for affordable homes and a new middle class. The banks earn less on community-based loans than on corporate business. But the most civic-minded banks have accepted this reduced revenue as a cost of doing business—and as a reasonably sacrifice for keeping the surrounding communities strong.

Federal bank examiners can block mergers or expansions for banks that fail to achieve a satisfactory Community Reinvestment Act rating. The Senate proposal that Mr. Gramm supports would exempt banks with assets of less than $100 million from their obligations under the act. That would include 65 percent of all banks. The Senate bill would also dramatically curtail the community's right to expose what it considers unfair practices. Without Federal pressure, however, the amount of money flowing to poorer neighborhoods would drop substantially, undermining the urban recovery.

Mr. Gramm argues that community groups are "extorting" money from banks in return for approval, and describes the required paperwork as odious. But community organizations that build affordable housing in Mr. Gramm's home state heartily disagree. Mayor Ron Kirk of Dallas disagrees as well, and told the Dallas Morning News that he welcomed the opportunity to explain to Mr. Gramm that "there is no downside to investing in all parts of our community."

In a perfect world, lending practices would be fair and the reinvestment Act would be unnecessary. But without Federal pressure the country would return to the era of redlining, when communities cut off from capital withered and died.

[From the New York Times, Nov. 3, 1999]

PRIVACY IN FINANCIAL DEALINGS

The financial services bill that will overhaul the nation's banking laws is a good deal for financial institutions but a bad deal for consumer privacy. The bill would allow banks, brokerage houses and insurance companies to merge into financial conglomerates, a long-overdue reform. The banking industry stands to gain from the right to expand into other businesses, and consumers could benefit from the case of one-stop shopping and the creation of new financial services. But protecting consumers' financial privacy should also be central to financial modernization. This bill is weak on that score.

In an electronic world where businesses can effortlessly collect, compile and mine personal data for marketing and other purposes, consumers should have the right to control the spread of their financial information. Under current federal law, consumers have almost no rights in this area. The bill adds some limited protection, but it does not go far enough, particularly since conglomeration will greatly accelerate the sharing of private information to the financial sector.

The bill would require that a financial institution provide customers with general notice about its privacy and disclosure policy. But the institution would remain free to share a customer's personal information with affiliates of the company and with unaffiliated companies that sign marketing agreements, without the customer's consent and without giving the customer the right to object to having that information transferred.

The bill places no restrictions on the kind of detailed personal information—such as customer bank balances, credit card account numbers,income and investments, insurance records, purchases made by check or credit card—that can be swapped among affiliated companies. New regulations proposed by the Clinton administration on medical privacy would prohibit a health insurance company from disclosing medical records to a bank. But nothing in this bill would stop a bank or life insurance company, for example, from sharing equally personal information about customers.

The bill allows consumers to "opt out" of disclosure of private information to unaffiliated companies. But that provision contains a big loophole. It would not apply if a financial institution enters into a joint agreement with an unrelated financial institution to market products or services. That means even corporate entities that have no business relationship with a customer could get private information without the customer's consent.

Privacy advocates have argued that financial institutions should be required to get a customer's consent before they transfer or sell personal information. But the banking lobby contends that getting affirmative authorization is tco costly. At the very least, consumers who want to keep their records private should be allowed to opt out of having that information disclosed to others.

President Clinton has supported a strong opt-out provision, but in final negotiations in Congress the administration acceded to the loopholes that narrow the opportunities to opt out. Most consumers do not want their banks to share or sell personal information to other businesses, whether under one corporate umbrella or not. Their concerns about privacy will only grow as the new conglomerates begin to cross-market their products. If President Clinton signs the bill, as expected, he must push for separate privacy legislation that actually gives consumers the right to personal data.

[From the Washington Post, May 4, 1998]

BANKING ON REFORM

The Senate today is scheduled to begin considering a bill that would remake the financial services industry, allowing banks and insurance companies and investment banks and insurance companies and investment firms to merge and compete. Similar legislation is making its way through the House. The thrust of both bills is sound. But while the industries have lobbied hard to shape a law satisfactory to them, the current legislation doesn't adequately protect low-income communities or consumers' privacy. Financial modernization should apply to them, too.

Since the Depression, federal law has sought to keep the banking, insurance and securities industries separate. The idea, in part, was to make sure that federally insured bank deposits didn't wind up somewhere risky and unregulated. But in recent years, even without a change in the law, that separation has eroded. Banks have found ways to offer mutual funds to their customers; investment firms function like deposit institutions; etc. It makes sense now to bring legislation—and regulation—in line with reality.

Congress has been trying to do so, and failing, for more than a decade, and may again. But on the major issues, the administration, the Federal Reserve and Congress have pretty well agreed. They would let the financial services industries meld while for the most part keeping them out of other businesses, a wise decision. They've come up with fire walls and regulatory schemes that, while still not entirely agreed upon, have satisfied most concerns about protecting federally insured deposits.

But there is no consensus yet on safeguarding the interests of underserved communities. Since 1977 federally insured banks have been subject to the Community Reinvestment Act, requiring them to seek business opportunities in poor areas as well as middle-class and wealthy neighborhoods. The law, a response originally to clear evidence of bias in lending, has worked well. It doesn't force banks to make unprofitable loans, but it encourages them to look beyond traditional customers, and it's had a beneficial effect on home ownership and small-business lending.

Sen. Phil Gramm, chairman of the Banking Committee, now wants to scale the law way back. He argues that community groups use it to extort money from banks; there's scant evidence for that. The real danger is that, with financial modernization, banks will gradually escape their community obligations by transferring capital to affiliates that aren't covered by the law. The law should be extended and modernized to keep pace with a changing industry.

Consumer privacy also could be in danger as barriers among industries break down. An example: Should your life insurance medical records be shipped over, without your knowledge, to the loan officer considering your mortgage application? Sen. Paul Sarbanes of Maryland and Rep. Ed Markey of Massachusetts, among others, would give consumers more control over the sale and sharing of personal data. As the financial industry moves into a new era, privacy laws should also keep pace.

Mr. SARBANES. Mr. President, I yield 10 minutes to the Senator from Indiana.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. BAYH. Thank you, Mr. President. I thank Senator SARBANES.

Mr. President, I rise to express my strong support in favor of the Financial Services Modernization Act. I do so because of my heartfelt conviction that it will be good for the American economy, it will be good for the financial services sector of the economy, and it will also be good for consumers and the American people for many years to come.

I will begin by expressing my gratitude and respect for the leaders who have brought us here today after so many years. Senator GRAMM has performed admirably in getting this accomplished after so many years in the past it has failed. I salute him and commend him for his efforts.

Quite frankly, there were some questions about the new chairman when he assumed this position: Would he be willing to make reasonable compromises necessary to get the bill passed? Would he take a broader view or be the captive of narrow parochial interests? Would he be flexible? All these questions, I am proud to say, have been answered in the affirmative.

I wish to salute my colleague, Senator GRAMM, for this historic accomplishment. Without his leadership, we would not be here today. It is a masterful bit of work. And I am proud of his accomplishment in this regard.

I also wish to salute my colleague, Senator SARBANES. Also, we would not be here today without his leadership. He has proven to be a tireless advocate and effective spokesperson for those who are less fortunate. He has proven to be a tireless worker in favor of the rights of privacy of America's consumers. We would not have a bill before the Senate today that could pass this body, that the President would sign, or, frankly, one that enjoyed wide support were it not for the tireless efforts of Senator SARBANES. I compliment him as well. He has been a copartner in this historic accomplishment which we recognize today.

This legislation is good for the American economy. The era of global competitiveness in the financial services sector is unquestionably an area in which our Nation is preeminent. The world looks to the United States to lead the way in areas such as banking, insurance, securities, and investment banking.

Financial services contribute annually to a trade surplus for the United States of America at a time when our trade deficit is running into the hundreds of billions of dollars. But we cannot take our current preeminence for granted. I have had some experience in this regard.

My colleagues may not know that Indiana was one of the very last States to adopt not interstate banking but across-State-line banking in the mid-1980s. As a result of the fact we didn't modernize our laws, once the walls came tumbling down, as they inevitably do, almost all of Indiana's financial institutions in the banking sector were gobbled up by institutions from other States.

If we were similarly to hamstring America's financial institutions—banking, insurance, and securities—with antiquated laws that kept them from having the flexibility needed to compete with our foreign competitors, the day might not be too far removed when those from Germany, Japan, Switzerland, and other nations would be gobbling up our financial institutions because they were too weak or incapable of competing. We shouldn't let that happen to our country.

Hundreds of thousands of jobs across our country and tens of thousands of jobs in Indiana depend upon us getting this done. I am proud to say that we will. It is good for America's economy. It is also good for the broader economy.

Manufacturing, agriculture, and other sectors depend upon access to a vital growing financial services sector. Access to capital is one of the key ingredients for financial success today. Because of this bill, greater efficiency in providing funds for expansion will exist, leading to greater investment, greater productivity, and a rising standard of living for America's working men and women. Access to capital is one of the key ingredients to success in the economy today. This legislation will ensure that the funds keep flowing from America's economy, making it more productive and more efficient for American workers and American shareholders alike.

This legislation is good for consumers. Not only will it be convenient, providing one-stop shopping for working men and women across our country, where they go to a single place and meet their banking needs, insurance needs, security investment needs, and others, but it will also lead to greater efficiency, lower interest rates, and greater access to credit. It will also lead to greater innovation in the new marketplace with greater competition.

I foresee a day not too far removed when services that we can barely imagine today will be provided more conveniently and efficiently to Americans across our country.

Frankly, I approach this bill with some reservations as well. Some issues needed to be resolved or I would not be standing here today to express my strong support for this legislation. Foremost among these was the Community Reinvestment Act, an act that is necessary to guaranteeing access to capital for Americans of every walk of life, regardless of race, creed, or color.

As I said when I previously took the floor to speak on this issue, access to capital today is as important as access to electricity was in the 1930s or access to a telephone was in the 1950s or 1960s. I recognize that issue has been positively resolved in the course of our negotiations.

Second, the emerging issue of privacy is very important. I share the concerns of many Americans about what will happen to their most sensitive information in the new global marketplace.

I am pleased to say that we have taken the first steps in this legislation to guarantee greater privacy for American consumers by requiring clear and plain disclosure about what information will be used within a company, and also allowing American consumers the right to opt out and prohibit companies that they do business with from sharing their financial information with third parties.

This is an issue we have only begun to recognize. We must continue to follow it in the days to come. If it should be the case that greater protections are necessary, I will be one of those who will help to lead the way and look forward to leading the way to ensuring that. For the time being, I am pleased with the provisions currently in the bill and am proud to say we are taking a significant step forward.

In conclusion, for 20 years, we have been laboring to modernize the law that governs financial services that was first enacted in the 1930s. A long string of people who have preceded us in this body have attempted this and have not been successful. But thanks to the leadership of Senator GRAMM and the leadership of Senator SARBANES, the ability of all involved to come together and compromise for the well being of the American economy, the American consumer, and the future of our country, today we celebrate the historic accomplishment.

I intend to vote for this legislation. I urge my colleagues to do the same.

Again, I congratulate all who have brought us to this important accomplishment.

Thank you. I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, Senator SARBANES and I have decided, giving people an opportunity to get here, that I will speak, and then Senator SARBANES will speak. Then I will close out.

Mr. SARBANES. Mr. President, will the Senator yield for a moment?

Mr. GRAMM. I am very happy to yield.

Mr. SARBANES. Both sides have tried very hard to canvas their members to see if anyone wishes to speak on this bill. At the moment, we have reached the point where we don't think there is anyone left to speak. The time for voting has been set for reasons of people having been drawn to other responsibilities. But if there is someone out there who wants a few minutes to speak on this legislation, now is the time. Otherwise, it is going to be closed out. We have tried very hard to offer all Members an opportunity to speak, if they wish to do so, on this conference report.

Mr. GRAMM. Mr. President, let me agree with my ranking member to say that we have waited 40 years for this bill. We are not waiting any longer than 3:30. If someone wants to get over here and speak, they had better do it. It is always a little bit risky to try to sum up on a bill such as this that has been in the making for 40 years, a bill that overturns a piece of legislation that Franklin Roosevelt said was the most important bill ever passed by an American Congress.

Having listened to the debate, I have a few points in conclusion. First, there is often such a difference between reality and perception. I listened to some of my colleagues, especially those who oppose the bill, talk about special interests and what this special interest or that special interest got in this bill. In my period of service in Congress, I have never participated in the writing of a bill with less special interests involved than this bill. When Republicans on the committee started in January a series of meetings to talk about why we wanted to modernize the financial laws of the country, why we wanted to repeal Glass-Steagall, why we wanted to restructure the economy in terms of benefit, we set out a theory of financial services modernization and we set out a plan to try to achieve it.

As I listened to all the talk about special interests, I remember Texas bankers and Texas insurance agents both sending a letter which arrived on the same day telling my constituents I had betrayed their particular interests to the other. The insurance agents sent out a letter saying I had sold out to the bankers; the bankers sent out a letter saying I had sold out to the insurance agents.

The bottom line is nobody was sold out in this bill. We started a negotiation to try to deal with a legitimate concern. The concern was this: If someone is going to a bank for a loan, should that bank, while they are in the process of making that loan, have the right to try to sell an individual insurance? We tried to sit down with everybody knowledgeable and come up with a real solution. In the end, I am happy to say, both of these interest groups concluded nobody had sold their interests out and we had put together a good bill.

However, there is a simple test on this bill. If anybody wants to set a marker today to determine whether in 20, 40, or 60 years from now we are going to compare this bill to Glass-Steagall, whether this bill is a success, there is a simple test. That test is, Will this bill generate more diverse products for the American consumer? Will those products better meet the needs of the American consumer? And will they be cheaper? If those things don't happen, this bill fails.

That is what this bill is about. There is nothing in this bill that sets out to benefit big banks in New York. I don't represent New York. I don't have any huge banks in my State. Long ago, other people bought out the big banks in my State. I have sought in this bill, and I believe the vast majority of all of our Members, have sought to promote the interests of the consumer.

This bill is about people who go to work every day and who borrow money on their homes. If someone can improve on their mortgage rate and bring down the interest they pay by even one-quarter of 1 percent, that means thousands of dollars in their pockets over a 30-year period. That is what this bill is about. This bill is about people who want checking accounts and who want services, and they want those services provided on a competitive basis where they are as cheap as can be produced and sold. That is what this bill is about.

This bill is about people who want the ability to do their banking, their insurance, their securities, their retirement on a competitive basis. It is about bringing together those forces.

We have been living with a system that was established during the Great Depression. I don't think there is any reason now to go back and rehash why it happened. But one can make a strong case that the Depression was produced by a failure of the Federal Reserve. Milton Friedman made that case in the "Monetary History of the United States" and won the Nobel prize principally for that work.

Congress was frightened. They didn't know what to do. It was an age of demagoguery. Probably the most demagogic statement that has ever been made in American history was made by the President of the United States, Franklin Roosevelt, when during the debate on Glass-Steagall he said:

> The money changers have fled from the high seats in the temple of our civilization.

That statement is reminiscent of statements being made in Central Europe at the same time.

Congress didn't know what caused the Depression. They were frightened. They didn't know what to do so they passed a bill that I think one can argue historically was as punitive as it was prescriptive. It was aimed at one man, in some ways—J.P. Morgan—probably the greatest American of the early 20th century. We don't know a lot about him because he never held public office, but he was probably the greatest American of the early part of this century.

In this era, we had a bill passed that basically forced an artificial separation of the financial sector of our economy. That bill, despite the fact its author within a year had concluded it was a mistake, has been the law of the land. In fact, Time magazine calls it the defining financial legislation of the 20th century.

We came here today to change the defining legislation of the 20th century. We came to bring logic back to the financial sector. We didn't come here today to bring it back to benefit banks or to benefit insurance companies or to benefit securities companies. We came to overturn the most significant financial legislation of the 20th century because it is in the interests of the American consumer that it be overturned.

Let me touch on areas that will be much benefited by this that have had no discussion. The first point, one of the biggest problems we have, is the inability of small businesses to raise capital. Probably the most concentrated part of the American financial sector is securities underwriting.

If a little business in Mexia or College Station, TX, or Cambridge or Easton, MD, or any other of thousands of small or medium-sized towns across America, has a good idea, they will have a hard time raising capital because it is hard to get Wall Street interested in a small business in a little town unless you have one of the great ideas of the century—and even then it takes a long time to prove it.

By letting banks participate in underwriting securities now, every banker in every small town will have the ability to identify a good small business and give them access to capital that has never existed before in the history of this country. That is a benefit which will accrue to literally hundreds of thousands of small businesses over the decades to come as a result of this bill because we will vastly expand the number of securities underwriters, we will make every bank in every city in America a potential underwriter for small business. That is a dramatic and positive change in law.

We dominate the world's financial markets, and we have done it with one hand tied behind us, because we have the greatest economic system in the history of the world.

But we can untie that hand that we have had tied behind us, and we do it in this bill by repealing Glass-Steagall. This bill is going to make America more competitive on the world market, and that is important because it means thousands of jobs, high-paying jobs—not just on Wall Street in New York City, but for every business and every consumer in America. I believe we are too quick to say something benefits Wall Street instead of Main Street. The reality is, Wall Street is the foundation on which Main Street is built. When America is more competitive, every American benefits.

There has been a lot of talk that what we are trying to do is already happening to some degree. And it is because almost immediately after the passage of Glass-Steagall, we had an effort by regulators to begin to bore holes in these walls between insurance and banking, and between securities and banking. We have seen, through regulatory innovation, a successful effort in some areas to get around the law. This has allowed some competition to occur. The problem is, what regulators give, they can take back. So we have created a situation where we have given virtual police power to regulators because they have allowed these innovations to occur and they can take them back at any moment. That creates too much power to be focused in the hands of a very small number of people.

We change that by tearing down the walls, and in the process taking that discretionary power away from the regulators so people are guaranteed in law the right to be engaged in these activities.

My dear colleague from Maryland mentioned yesterday the issue of "too big to fail." That is a real issue. In this bill we start the process of dealing with the issue of too big to fail. We establish a principle, as part of the compromise that was worked out between Treasury and the Federal Reserve, which is not well understood. It is a complicated kind of issue. But what it does is profoundly important because for the first time in American financial law, we require big banks to have subordinated debt. That is debt that only gets paid once the depositors are paid, the creditors are paid, and everything else is paid off. That subordinated debt is a real live thermometer that is constantly telling us how well this financial institution is. It is constantly telling us how safe and how sound these institutions are. It represents, in my opinion, the beginning of our effort to deal with a very real problem that Senator SARBANES talked about, and that problem is the problem of being too big to fail. We don't let banks do anything within the bank unless they have an incredibly high rating on that subordinated debt; that is, that it be rated AAA, AA, or A.

There has been a lot of talk about CRA. The bottom line is we have done several very positive things. First, sunshine is the best disinfectant. How can people be held accountable if we don't know what they have been given money to do, how much money they have been given, and how they spend it. In this legislation, we have set out an ironclad process to guarantee us that information.

Second, there is a regulatory burden problem. Small banks end up being heavily burdened by regulations that often have a relatively nominal effect on big banks. We have dealt with that by giving smaller banks some needed regulatory relief. In terms of privacy, we have heard a lot of discussion, but we need to remember two things: No. 1, we require in this bill, in a provision that was adopted in the conference, offered by Members of the Senate conference, a disclosure in detail of what a bank's privacy policies are. That gives consumers the most powerful tool that exists in a free society in protecting privacy, and that is if you do not like the bank's policy, you can take your business somewhere else.

Second, we give consumers the power to opt out.

So these are important provisions. I thought, as we waited to be sure everyone is here for this vote, that these points needed to be made.

I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. FITZGERALD). The Senator from Maryland.

Mr. SARBANES. Mr. President, as we come to the closing moments of this discussion of the conference report, I want to recapitulate a few points.

First of all, I think it must be understood that changes are taking place in the financial landscape at the moment. They have been taking place over the last 20 years. In some respects, this legislation is an effort to create a statutory framework which will encompass the changes that have been happening and which it is reasonable to assume will continue to happen, even if we do not have legislation.

So many of the connections and the relationships about which some have expressed concern in the course of the debate—because they see this legislation as permitting them—are happening right now and will continue to happen. But they are happening without a rational legislative framework, without the Congress, in effect, having made judgments as to what the structure of the system is going to be, without the actors within the system knowing exactly what the rules are, and having the security that comes from knowing they are operating within a defined environment.

I stress that because some have raised it in the course of the debate. Let me say in that respect I think we have had a very good debate on this conference report, if I may say so. I thank those of our colleagues who have spoken because of the depth of the perceptions and understanding they have brought to this debate. I think what transpired last night and today has been in the better traditions of the Senate.

The marketplace in many respects has influenced the need for this legislation. Securities firms have been offering bank-like products. Banks have been offering insurance-like products. Both have been engaged in significant securities activities. This has been taking place out in the marketplace but without a statutory framework within which it clearly functions. These developments have now been going on for more than two decades. We have been wrestling in the Congress for approximately that length of time to see how to revise our laws concerning financial services in order to update them. We are about to accomplish that today.

This will enable the regulators—and of course this bill is very strong on functional regulation—to maintain appropriate oversight as we deal with this evolving marketplace. At the same time, it will enable financial service firms to respond to the needs of their customers. Many assert the customers will receive very significant savings. Others say, no, no, it is going to result in greater costs. In a sense, we will have to see how it plays out.

The administration sent a letter to us from the Secretary of the Treasury. I ask unanimous consent that letter be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. SARBANES. The administration says the following:

> By allowing a single organization to offer any type of financial product, the bill will stimulate competition, thereby increasing choice and reducing costs for consumers, communities, and businesses. Americans spend over $350 billion per year on fees and commissions for brokerage, insurance and banking services. If increased competition yielded savings to consumers of even 5 percent, they would save over $18 billion per year.

They go on to say:

> Removal of barriers to competition will also enhance the stability of our financial services system. Financial services firms will be able to diversify their product offerings and thus their sources of revenue.
>
> Financial firms will be able to diversify their product offerings and thus their

sources of revenue. They also will be better able to compete in global financial markets.

Which, of course, has become an increasingly relevant consideration as we consider our position vis-a-vis those of financial institutions headquartered in countries overseas.

From the very beginning, many of us made it very clear there were important principles we thought had to be addressed with respect to this legislation if we were to support it. We had to face questions, of course, of the safety and soundness of our financial system. We had important questions of CRA, important questions of consumer protection, important questions of the line between banking and commerce, which has been an important principle in the American system.

In the end, we have been able to work these issues in a way that we have addressed those concerns—not entirely in some instances.

People have talked about privacy today. It is my expectation that issue will continue to remain on our agenda because we have not yet fully disposed of it, although I do note this bill put in some privacy protections where none now exists. People should bear that in mind. Those who look at these provisions and say: We want more—and I am essentially with them; I introduced a bill earlier in this session that had more such provisions, and I continue to support those concepts—for those who say they want more, they need to understand we have nothing at the moment. The privacy provisions that are in this bill represent an important step forward.

I also have indicated that the too-big-to-fail issue—and the chairman has also commented on that—is an important matter that still remains before us. It is imperative this study the Federal Reserve and the Treasury are to do jointly come back with recommendations that enable us to address that issue.

This is a risk that is present in the situation. We have confronted it in the past with respect to various financial institutions. We get the moral hazard question: Institutions which assume they have reached the size that they then become too big to fail have less of a constraint upon them in terms of their activities than smaller institutions because they begin to operate on the assumption that no one is going to require them to bear the consequences of their imprudence.

There have been occasions, of course, in the past when regulators have said we simply cannot allow this institution to bear the full consequences of its bad judgments because if we do that, it will have an impact upon the financial system as an entirety; therefore, we need to work out ways in which we can address that question with respect to these large financial mergers and acquisitions which, of course, are going to happen under this legislation. Of course, they were already happening.

What the legislation does is put a framework around this activity which will enable the regulators to exercise much more careful oversight. It is preferable to have a framework developed by the Congress, not on an ad hoc basis by one regulator or another regulator, not in situations where some perceive that regulators are being competitive with one another in terms of how they deal with the financial services sector. If we can have a responsible statutory framework established by the Congress which is contained in this legislation that is now before us, it will contribute to the safety and soundness of the financial system. This legislation better enables us to maintain the separation of banking and commerce.

There are important consumer protections, including some protections about which the Securities and Exchange Commission was concerned, and the legislation that has been developed has the very clear support of the Securities and Exchange Commission.

We have preserved the relevancy of the Community Reinvestment Act, and we have given banks the choice to conduct their expanded activities either through a holding company or, to a limited extent, through a subsidiary. That was the issue that had the Federal Reserve and the Treasury in deep discussions with one another, and in the end I believe they resolved that satisfactorily.

Let me also observe that this rational legislative framework we are putting into place provides for the future evolution of the financial services industry. People will have the security of knowing what the playing field is, something they do not know today with assurance. Nowadays, they go to a regulator and get permission to engage in an activity. The next thing they know, they are in court, and then the case has to wind its way through the court system. They may either be upheld or turned down.

No one is quite sure what they are permitted to do and what they are not permitted to do. People are constantly testing the edges of this. The regulators are in some confusion. In some instances we have overlap, and in other instances we seem to have no overlapping at all—in fact, a vacuum—in terms of overseeing these activities.

With this conference report and this legislation which represents a major change—there is no doubt about that—these are far-reaching and difficult public policy issues. They have not been solved for so long because they are far-reaching and difficult. We have had to address balancing the needs and concerns of the consumers—which, after all, ought to be one of our prime objectives—with a necessity of accommodating to new technology and new ways of doing business and the nature of the competition we are facing from abroad.

In the course of working through this, it has been an extremely interesting process. I take considerable satisfaction from the fact that in working with the chairman and with many others, we have been able to go from a position where we had a bill that, when it left the Senate, was vehemently contested to where we now come back with a conference report that most of us, if not all, can join in supporting and commending to our colleagues.

I recognize some of the points that were made here by some who were apprehensive about the future. I think those are reasonable arguments. They are arguments we considered. They were factors with which we had to wrestle. But I am hopeful that what we are doing here will represent a very important step forward in the workings of the financial services industry, in the protections for our consumers, in giving us a rational statutory framework, and in enabling the regulators to do their job.

It sustains the relevancy of the Community Investment Act, which has been so important for some of the movement of capital into low- and moderate-income communities in this country. It has made such a difference. It is a very important first step, an important first step on the privacy issue. We have tried to safeguard the ability of State regulators to participate. On privacy, States can continue to enact legislation of a higher standard than the Federal standard. State insurance regulators will continue to play the role they have traditionally played with respect to State regulation of insurance.

So I think, all in all, we have put together a good and balanced package. I commend it to my colleagues as we move to final passage. I thank the chairman of the committee.

I yield the floor.

EXHIBIT 1

DEPARTMENT OF THE TREASURY,
Washington, DC, November 3, 1999.

Hon. TOM DASCHLE,
U.S. Senate,
Washington, DC.

DEAR TOM: The Administration strongly supports passage of S. 900, the Gramm-Leach-Bliley Act of 1999. This legislation will modernize our financial services laws to better enable American companies to compete in the new economy.

The bill makes the most important legislative changes to the structure of the U.S. financial system since the 1930s. By allowing a single organization to offer any type of financial product, the bill will stimulate competition, thereby increasing choice and reducing costs for consumers, communities and businesses. Americans spent over $350 billion per year on fees and commissions for brokerage, insurance, and banking services. If increased competition yielded savings to consumers of even 5 percent, they would have over $18 billion per year.

Removal of barriers to competition will also enhance the stability of our financial services system. Financial services firms will be able to diversify their product offerings and thus their sources of revenue. They also will be better able to compete in global financial markets.

The President has strongly supported the elimination of barriers to financial services competition. He has made clear, however, that any financial modernization bill must also preserve the vitality of the Community Reinvestment Act, enhance consumer protection in the privacy and other areas, allow financial services firms to choose the corporate structure that best serves their customers, and continue the traditional separation of banking and commerce. As approved by the Conference Committee, S. 900 accomplishes each of these goals.

With respect to CRA, S. 900 establishes an important, prospective principle: banking organizations seeking to take advantage of new, non-banking authority must demonstrate a satisfactory record of meeting the credit needs of all the communities they serve, including low and moderate income communities. Thus, S. 900 for the first time prohibits a bank or holding company from expanding into newly authorized businesses such as securities and insurance underwriting unless all of its insured depository institutions have a satisfactory or better CRA rating. Furthermore, CRA will continue to apply to all banks, and existing procedures for public comment on, and CRA review of, any application to acquire or merge with a bank will be preserved. The bill offers further support for community development in the form of a new program to provide technical help to low- and moderate-income micro-entrepreneurs.

The bill includes other measures affecting CRA that have been narrowed significantly from their earlier Senate form. The bill includes a limited extension of the CRA examination cycle for small banks with outstanding or satisfactory CRA records, but expressly preserves the ability of regulators to examine a bank any time for reasonable cause, and does not affect regulators ability to inquire in connection with an application. Finally, the bill includes a requirement for disclosure and reporting of CRA agreements. We believe that the legislation and its legislative history have been constructed to prevent undue burdens from being imposed on banks and those working to stimulate investment in underserved communities.

In May, the President stressed the importance of adopting strong and enforceable privacy protections for consumers financial information. S. 900 provides protections for consumers that extend far beyond existing law. For the first time, consumers will have an absolute right to know if their financial institution intends to share or sell their personal financial data, and will have the right to block sharing or sale outside the financial institutions' corporate family. Of equal importance, these restrictions have teeth. S. 900 gives regulatory agencies full authority to enforce privacy protections, as well as new rulemaking authority under the existing Fair Credit Reporting Act. The bill also expressly preserves the ability of states to provide stronger privacy protections. In addition, it establishes new safeguards to prevent pretext calling, by which unscrupulous operators seek to discover the financial assets of consumers. In sum, we believe that this reflects a real improvement over the status quo; but, we will not rest. We will continue to press for even greater protections—especially effective choice about whether personal financial information can be shared with affiliates.

We are pleased that the bill promotes innovation and competition in the financial sector, by allowing banks to choose whether to conduct most new non-banking activities, including securities underwriting and dealing, in either a financial subsidiary or an affiliate of a bank.

The bill also promotes the safety and soundness of the financial system by enhancing the traditional separation of banking and commerce. The bill strictly limits the ability of thrift institutions to affiliate with commercial companies, closing a gap in existing law. The bill also includes restrictions on control of commercial companies through merchant banking.

Although the Administration strongly supports S. 900, there are provisions of the bill that concern us. The bill's redomestication provisions could allow mutual insurance companies to avoid state law protecting policyholders, enriching insiders at the expense of consumers. The Administration intends to monitor any redomestications and state law changes closely, and return to the Congress if necessary. The bill's Federal Home Loan Bank provisions fail to focus the System more on lending to community banks and less on arbitrage activities short-term lending that do not advance its public purpose.

The Administration strongly supports S. 900, and urges its adoption by the Congress.

Sincerely,

LAWRENCE H. SUMMERS,
Secretary of the Treasury.

Mr. GRAMM. Mr. President, it would be my objective to speak and end by 3:30 and we would have the vote.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, success is claimed by a thousand parents. And today there are a lot of people who can claim parenthood. I am very happy to have played a part in delivering the bill before the Senate today.

I think it represents the American legislative process at its best. It has resulted more from an effort to reach a logical conclusion than to satisfy various special interest groups. In that way, it is not unique but it is different.

But the question is not how proud we are of this bill today. The question is, How will it look 50 years from now when it has gone from infancy to maturity?

Obviously, after setting out a dramatic change in public policy, it is fair to set out a test for determining its success. How will people judge whether we were successful in passing this bill today? My test is, What are we trying to do in the bill? Are we trying to benefit banks or insurance companies or securities companies, or are we trying to benefit consumers and workers? The test that I believe we should use—the test I will use, the test I hope people looking at this bill years in the future will use—is, Did it produce a greater diversity of products and services for American consumers? Were those products better? And did they sell at a lower price? I think if the answer to those three questions is yes, then this bill will have succeeded.

The world changes, and we have to change with it. Abraham Lincoln used to tell the story about how Government had to change all outmoded laws because they did not fit anymore, much as it would be unreasonable to expect a man to wear the same clothes he wore as a boy; that there is a nature to things and to society, and as they change, Government has to change to recognize the new reality.

I believe today we are changing financial services in America to reflect that we do have a new century coming and we have an opportunity to dominate that century the way America dominated the last century.

Ultimately, the final judge of the bill is history. Ultimately, as you look at the bill, you have to ask yourself, Will people in the future be trying to repeal it, as we are here today trying to repeal—and hopefully repealing—Glass-Steagall? I think the answer will be no. I think it will be no because we are doing something very different from Glass-Steagall. Glass-Steagall, in the midst of the Great Depression, thought Government was the answer. In this period of economic growth and prosperity, we believe freedom is the answer.

This is a deregulatory bill. I believe that is going to be the wave of the future. Although this bill will be changed many times, and changed dramatically as we expand freedom and opportunity, I do not believe it will be repealed. It sets the foundation for the future, and that will be the test.

So I am proud to have been part of this. I am proud to have worked with everybody as part of the process. It has been interesting and Government at its best. I think one of the reasons we run for public office is to get a chance to do things such as this. I am glad to have had an opportunity to play a part and urge all of my colleagues to support this dramatic move into the future.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. SARBANES. Mr. President, is there time remaining? I yield the Senator 2 minutes if there is.

The PRESIDING OFFICER. There is time until 3:30.

Mr. KERREY. Mr. President, I will be done by 3:30.

I intend to vote for this legislation. I congratulate the parents of the bill: Senator GRAMM, Senator SARBANES, and others, who worked very hard. This was not easy to do.

I agree, it is Government at its best. I believe this is very much proconsumer. There is nothing more frustrating than trying to do a financial transaction and being told: I would like to be able to do it, but I can't. We have been limiting our individual capacity to develop our economy, to pursue the American dream, and do all other sorts of things that make America such a great country.

I appreciate very much the effort made to make certain there is still good regulatory oversight. I have no doubt that safety and soundness considerations will be taken into account. I think the concerns that we are going to have a meltdown such as we had in 1929 are concerns that are dramatically overblown, given the strength both of the Treasury and the Federal Reserve in this legislation.

So I appreciate very much the hard work and diligence of the chairman and the ranking member because I believe our economy and our people will benefit from it.

I am grateful as well—I do not know if the Senator from Texas is—that the unitary thrift provision is limited in this legislation. The Johnson-Kerrey amendment that passed on the floor might have been a bit difficult, but I think it is an important provision. I like the provisions for community reinvestment. I think it is a terrific compromise. My small banks have been asking for regulatory relief that provides it. I think the sunshine provisions are quite exciting. I look forward to seeing where this money and how this money is being spent.

On the issue of privacy, you have improved current privacy protections, better than what we have under existing law. I must say, I had my own interest in privacy, and my concern about privacy increased as a consequence of examining this bill. I hope to participate in a bipartisan effort to give the American people the kind of privacy protections that American citizens both expect and deserve.

Again, I congratulate and thank very much the chairman and ranking member. It is a very important piece of legislation. People were predicting you were not going to be able to get the job done. I hope you enjoyed the pizza that night when you stayed up very late to finish your work. I am grateful you went the extra mile. There is no doubt in my mind there is going to be a positive cause and effect between this bill being law and the health of the U.S. economy.

Mr. DASCHLE. Mr. President, this legislation has been a long time coming. Many, including this Senator, consider it long overdue. It is historic in magnitude.

It has been described, appropriately, as a new "Constitution" for financial services for the 21st Century. Because of its importance, it has been hard fought. But we can be proud of the final product. It will foster a continuation of the extraordinary economic growth this nation has seen in the last several years.

Most importantly, it offers new opportunities and benefits for American consumers. It allows for "one-stop shopping" for an array of financial services. Americans will be able to conduct their banking, insurance and investment activities under one roof, with all the convenience that entails.

By allowing a single company to offer an array of financial products, this bill will stimulate competition, leading to greater choices and reduced fees for consumers and businesses alike. New companies will create innovative new products for consumers.

It is important to remember how far we have come to reach this historic moment. Congress has been trying to pass a bill along these lines for 20 years. We came extremely close in the last Congress, but it fell apart in its waning moments over disagreements about the Community Reinvestment Act.

Again in this Congress, the bill saw some tough moments. In the Senate, it passed by party-line votes both in committee and on the floor.

Because of the deep commitment of Democrats to enactment of this legislation, we did not give up. We introduced an alternative bill that could garner bipartisan support. And I am proud to say that this conference agreement embodies all of the principles that we advocated in our alternative bill.

We do not need to surrender our beliefs to support of this bill, because it adopts our positions on every major issue. Best of all, these victories mean that the President can sign this bill into a law, so it can improve the delivery of financial services for many years to come.

Our positions prevailed right down the line.

Our position prevailed on banking and commerce: this bill strictly limits the ability of thrifts to affiliate with commercial companies, closing a loophole in current law.

Our position prevailed on operating subsidiaries: the bill allows banks to choose whether to conduct new activities in either a financial subsidiary or an affiliate. They can choose whatever form best suits their customers' needs.

Our position prevailed on consumer protections: the SEC retains the ability to protect consumers when banks sell securities products, which was a major concern of SEC Chairman Levitt. The agreement also preserves important state consumer protection laws governing insurance sales, and prohibits coercive sales practices.

Our position prevailed on the Community Reinvestment Act: CRA is preserved under this bill. The agreement addresses our greatest concern by requiring that banks have a good track record on lending within their own communities before they can expand into newly authorized businesses.

We can be proud of these achievements, and proud to support this bill.

At the same time, we can be disappointed the bill does not go further to protect consumers' financial privacy. The bill does contains some important provisions requiring financial institutions to give customers notice about their privacy policies. But these companies retain extraordinary latitude in sharing a customer's most sensitive, personal information without the customer's consent and without even giving the customer the right to object. We have to do better. This issue is far from over, and we will have to revisit it next year.

Despite these shortcomings, which also exist in current law, this legislation will benefit consumers, businesses and the economy, and deserves our support. Through this bill, Congress is finally reforming our outdated financial services laws to recognize new realities in the marketplace.

I would like to commend our many colleagues, administration officials, and outside institutions that have worked so long and so hard to bring us to this point. We must especially recognize the leadership of the ranking member of the Banking Committee, Senator SARBANES, for his dogged determination to ensure that this final product upheld the public's best interests. The Secretary of the Treasury, Larry Summers, and his predecessor, former Secretary Rubin, also played key roles in ensuring that this legislation protected the interests of American consumers.

I must also commend the Chairman of the Banking Committee, Senator GRAMM, for his recognition of the need for compromise and bipartisanship in producing a bill that deserves the signature of the President of the United States.

Mr. President, this legislation deserves the support of an overwhelming bipartisan majority of our colleagues, and I urge them to vote for it today.

The PRESIDING OFFICER. The hour of 3:30 having arrived, the question is on agreeing to the conference report. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FITZGERALD (When his name was called). Present.

Mr. NICKLES. I announce that the Senator from Arizona (Mr. MCCAIN) is necessarily absent.

The PRESIDING OFFICER (Mr. GREGG). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 90, nays 8, as follows:

[Rollcall Vote No. 354 Leg.]

YEAS—90

Abraham
Akaka
Allard
Ashcroft
Baucus
Bayh
Bennett
Biden
Bingaman
Bond
Breaux
Brownback
Bunning
Burns
Byrd
Campbell
Chafee
Cleland
Cochran
Collins
Conrad
Coverdell
Craig
Crapo
Daschle
DeWine
Dodd
Domenici
Durbin
Edwards
Enzi
Feinstein
Frist
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Hagel
Hatch
Helms
Hollings
Hutchinson
Hutchison

Inhofe
Inouye
Jeffords
Johnson
Kennedy
Kerrey
Kerry
Kohl
Kyl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lincoln
Lott
Lugar
Mack
McConnell
Moynihan
Murkowski
Murray
Nickles
Reed
Reid
Robb
Roberts
Rockefeller
Roth
Santorum
Sarbanes
Schumer
Sessions
Smith (NH)
Smith (OR)
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Torricelli
Voinovich
Warner
Wyden

NAYS—8

Boxer
Bryan
Dorgan
Feingold
Harkin
Mikulski
Shelby
Wellstone

ANSWERED "PRESENT"—1

Fitzgerald

NOT VOTING—1

McCain

The conference report was agreed to.

Mr. SARBANES. I move to reconsider the vote.

Mr. BAUCUS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SANTORUM. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SANTORUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. SANTORUM. I ask unanimous consent there be a period of 30 minutes for morning business, with the first 10 minutes allocated to the Senator from Washington and the second 5 minutes to the Senator from Mississippi.

Mr. GRAHAM. Mr. President, I ask unanimous consent the third period be allocated to the Senator from Florida.

Mr. SANTORUM. Fifteen minutes for the Senator from Florida.

The PRESIDING OFFICER. Without objection, it is so ordered.

WASHINGTON STATE TRAGEDY

Mrs. MURRAY. Mr. President, this is a difficult day for the people of my home State of Washington. I spent a lot of time last night talking with my neighbors, my family members, and local officials in Seattle. Like me, they are all trying to make sense out of something that makes no sense—yesterday's act of violence which killed two people, injured two more, and brought fear to my own neighborhood.

I wasn't sure if I should come to the floor today because I kept asking myself, What is there left to say? That once again, Americans are mourning after yet another deadly shooting? That once again, our families and our neighbors are gripped with fear because someone with a gun has decided to act violently? That once again, these outbreaks of violence aren't going away—they are just becoming too common?

I decided I should come to the floor to offer first my condolences to the families who have been involved and to talk to the people of my State and to thank the law enforcement officials who have responded and to talk to my colleagues about what we can do. My heart goes out to everyone who walks along the Burke-Gilman Trail, a trail I have walked on so many times. My heart goes out to every child who was held in school until they got home safely last night and into their parents' arms. My heart goes out to everyone who works and lives and knows this neighborhood. On Tuesday, it was safe. Today, it is gripped with fear.

Do we see what is happening? Or have these crazy acts become so common that we think we just cannot do anything about them? Can't we see it was someone else's neighborhood yesterday? It was my neighborhood today. Tomorrow it could be your neighborhood. What can we do? Why haven't we done something already? Are we too gripped with partisanship? Are we too tied to special interests to act? Are we too afraid to change the status quo or to even question our own rhetoric? Are we asking the right questions? Are we really posing the right answers?

I know it is in our spirit as Americans to hope for the best and to believe things will get better. That is usually the way it is. But how many shootings will it take before we realize things aren't getting better on their own? They are getting worse, and it is up to us to take action.

It seems to me we, as a nation, have not dealt with the mentally ill. We don't want to pay for costly services. But don't we all end up paying later at a far higher cost? It seems to me, as a nation, we have not spoken out against violence in a strong and consistent manner. Can't we find a way to speak out without violating our freedom of speech? Can we have this conversation without falling into the traps of the far right and the far left?

Every time we turn on the news and we are gripped by fear, guns are involved. What tragedy will it take before we act? How many people have to die? How many shootings is it going to take? How close to home do they have to strike?

We had a shooting here in the Capitol, in the heart of democracy, and we still have not acted. Can't we make commonsense rules about keeping guns away from those who shouldn't have them?

I personally am tired of the old rhetoric. From the far left they say: Take all the guns away. From the far right they say: It is not the guns, it is lax law enforcement.

Give me a break. We are the greatest nation in this world; can't we come up with some commonsense ideas about how to protect our own people? I think we can.

This Congress has failed miserably. Here we are, in the same year as the Columbine tragedy, with no juvenile justice bill, no background checks for guns sold at gun shows, no resources for our communities to help those who are mentally ill, and no afterschool activities for our kids. That is shameful.

I hope my colleagues will stop and think for a minute and realize this is not happening to someone else. It is happening to all of us. It was Hawaii on Tuesday. It was Washington on Wednesday. It could be your State today. Those are just the mass shootings that get a lot of media attention. We should not forget, on the average, 12 children a day die from gunfire.

I say to my colleagues, I would love to work with anyone from either side of the aisle who wants to take the time to really talk about what our country is facing. There are many factors. People are overstressed; violence is pervasive; weapons are easy to get. It is a flammable combination that has exploded too often.

Our country is looking for leaders who will work together on this. I say it is time to try. I invite anyone who wants to work with me to let me know. I certainly am one mom who has had enough.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

NATIONAL MISSILE DEFENSE AND THE ABM TREATY

Mr. COCHRAN. Mr. President, recent comments by several Russian Government officials about the Anti-Ballistic Missile Treaty and our plans to deploy a national missile defense are very troubling to me. For example, the Russian Foreign Minister, Mr. Ivanov, was quoted last week as saying:

> There . . . cannot be any bargaining with the Americans over the anti-ballistic missile defense.

This may be a clever negotiating tactic, but it is not a very productive one. It unnecessarily pushes the United States to make a choice between defending ourselves against limited ballistic missile threats and withdrawing from the Anti-Ballistic Missile Treaty. We have already decided, by the adoption of the National Missile Defense Act, that we will defend ourselves as soon as technologically feasible against limited ballistic missile attack. We should not be forced to withdraw from the treaty.

The Russians should understand that our system is directed at rogue threats and will not jeopardize their strategic deterrent force. We have an opportunity to work cooperatively to ensure that we are protected, both Russia and the United States, against emerging ballistic missile threats without undermining strategic deterrence.

The ABM Treaty needs to be changed to permit the deployment of defenses against limited ballistic missile threats and to allow the parties to utilize new defensive technologies. There should be no restrictions, for example, on the use of sensor capabilities such as the space-based infrared system and cooperative engagement capability. We should also be able to take advantage of new basing modes and advanced technologies such as the airborne laser.

The ABM Treaty must be interpreted to allow the parties to use the best technologies that are available in their own defense against rogue threats. The strategic deterrent of each nation can be preserved at the same time limited missile defenses are permitted and considered acceptable under the ABM Treaty.

Another Russian Foreign Ministry spokesman said last week:

> Russia does not see as acceptable such an "adaptation" of this treaty. Russia will not be a participant in destroying the ABM Treaty.

The Russian Government's contention that adapting the ABM Treaty to modern realities is akin to destroying it is unfortunate. In fact, the opposite is true. To refuse to adapt this treaty to the new realities is to guarantee its irrelevance.

One reality is the new ballistic missile threat. The other is that the United States is going to respond to this threat and protect itself by deploying a missile defense system. The sooner the Russians understand our commitment to defend ourselves, the more likely it is we can agree to sensible modifications of the ABM Treaty for our mutual benefit and safety.

The PRESIDING OFFICER. The Senator from Florida is recognized for 15 minutes.

Mr. GRAHAM. Mr. President, I ask unanimous consent for an additional 5 minutes in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

SAVING THE SOCIAL SECURITY SURPLUS

Mr. GRAHAM. Mr. President, the beginning of this congressional session was filled with hope and promise. A strong economy and improvements in the Federal budget gave us a wonderful opportunity to make important investments in our Nation's future. A portion of these surpluses could be used to extend the solvency of the Social Security program. A portion of the surplus could be used to restore solvency to Medicare and to modernize its benefit structure to reflect current medical practices. A portion of the surplus could be used, as was urged in the full-page ad in the Washington Post of October 28, "to use this opportunity to preserve our parks and open spaces forever." This could be accomplished by such things as fully funding the Land and Water Conservation Fund, and a portion of the surplus could be used to fund tax relief and economic stimulation.

Instead of devoting the surplus to these important matters, Congress is dribbling away the surplus with a combination of get-out-of-town spending and budgetary trickery. Our actions—emergency spending, scorekeeping adjustments, administrative directives—have one simple result: They are spending our surplus. Once current revenues are spent, the non-Social Security surplus will be spent and the Social Security surplus will be spent. If Congress continues on this gimmick-potholed path, we will be harshly judged by the American people for our shortsightedness.

On October 4 of this year, the Washington Post ran an article on the 10-year anniversary of the reunification of Germany. In that article, Wolfgang Schaeuble, the Christian Democratic leader and Chancellor Kohl's most trusted adviser, lamented the fact that Germans had avoided making the tough political choices 10 years ago that would have made their country stronger today. The spirit of reunification created an atmosphere for reform. The Germans could have used that spirit to make fundamental changes to their overly generous social contract that all acknowledged was unsustainable. They deferred, and the result was a tripling of the national debt in less than a decade.

We face the same choice today. Our positive economic outlook creates a similar potential for the United States. The budget surplus gives us the resources to convert a substantial part of that potential to reality.

At the beginning of the year, the Congressional Budget Office estimated we would have a non-Social Security surplus of $21 billion. What have we done in the last 10 months? The combination of excessive spending and the budget trickery designed to disguise even greater spending have placed the on-budget surplus in serious jeopardy and threatened to undermine the Social Security surplus. These actions—spend and then hide—have occurred in waves throughout 1999. As with our coastline, no single wave erodes our beaches. Rather, it is a succession of waves that erodes the sand. These spending waves have eroded our surplus, eroded our opportunities, eroded our vision of what could be accomplished.

In May of 1999, the Congress passed a supplemental appropriations bill which provided for $15 billion for everything from reconstruction aid for Central America and the Caribbean to farm loan assistance. Much of the May supplemental bill was designated as an emergency. No spending cuts or revenue increases were enacted to offset the emergency spending contained in that May 1999 supplemental appropriation. The consequence? A $15 billion reduction in the non-Social Security surplus.

The May supplemental appropriations lowered for 1999 the surplus by $4 billion. That was a significant number because without that additional $4 billion of unpaid-for spending, we would have actually ended 1999 with an on-budget surplus. But because of it, we have ended 1999 with an on-budget deficit of $1 billion.

The May supplemental will lower the current fiscal year 2000 on-budget surplus by $7 billion. It will lower the next fiscal year 2001 by $2 billion; 2002 by $1 billion; and 2003 by $1 billion.

By this action, we not only adversely affected the fiscal status of the year in which the action was taken but for 4 years into the future.

This chart shows we started with a $21 billion on-budget surplus; as a result of that portion of the supplemental appropriations which was applied to fiscal year 2000, we reduced it by $7 billion. So now we only have a $14 billion on-budget surplus.

The next wave hit in August of 1999, the Agriculture Appropriations Act: $8 billion of emergency spending, again, none of which was offset by reductions in spending elsewhere or increased revenues. So we have reduced the on-budget surplus by another $8 billion from $14 billion to $6 billion.

In October of 1999, the Defense appropriations bill included more than $7 billion in emergency spending, of which $5 billion reduces this year's on-budget surplus. So our $6 billion on-budget surplus is now down to $1 billion.

Also, in October of 1999, the Commerce-State-Justice appropriations bill designated $4.5 billion of spending for the emergency of the decadal census. More than $4 billion of that amount will come directly out of the 2000 on-budget surplus and, thus, as a result of that, we have exhausted our on-budget surplus, and we have reduced the Social Security surplus from $147 billion to $144 billion.

What have we done thus far? We have initiated a series of waves of unfunded spending which have gone through all of our regular revenue for the year 2000 and now have gone through all of the on-budget surplus and have eaten into the Social Security surplus by $3 billion.

That was not all. In addition to this spending, we have also had a series of accounting tricks. In the summer of 1999, to give the appearance of meeting the discretionary spending caps established as part of the Balanced Budget

Act of 1997, the Budget Committee directed the Congressional Budget Office to alter its estimates of spending included in several of the appropriations bills. These so-called scorekeeping adjustments which total $17 billion make it look as if we are spending less in the current year than is actually the case.

The Budget Committee justifies these directions by claiming they are more in line with those used by the Office of Management and Budget.

What is happening is we are cherry picking. For example, the Office of Management and Budget spending estimate for the year 2000 for the Department of Defense is lower than the Congressional Budget Office. Therefore, the Budget Committee says: Use the Office of Management and Budget. But guess what. When we turn to the energy and water appropriations bill where the reverse is true—that is where CBO's spending is lower than the Office of Management and Budget—they said: Use the Congressional Budget Office estimate.

It is a case of trickery: Pick the lowest estimate of spending and force that lower estimate to be the one used to assess whether or not we have eaten into the Social Security surplus. The analogy would be a business which used two sets of books. The difference is that the business man or woman who did that would go to jail.

No Halloween mask can hide our identities as we engage in these trick-or-treat charades. When these scorekeeping adjustments are added to the emergency spending listed previously, Congress will have spent the entire amount of its current revenue, the entire amount of its on-budget surplus, and will have spent at least $20 billion of Social Security surplus for fiscal year 2000.

The trickery does not end there. Another bit of trickery is directed at administrative action. In an effort to avoid paying for additional spending, congressional leaders have asked the administration to make changes in the Medicare rules allowing for higher reimbursement levels to Medicare health care providers. These payments, anticipated to be approximately $4.5 billion over the next 5 years, will not show up in any action taken by Congress, but they will certainly result in higher spending and smaller surpluses.

The analogy is to a family which sends a son or daughter to college and gives him or her a credit card to pay for college expenses. The credit card receipts may not be signed by the parents, but they are ultimately going to be responsible. At the day of reckoning, they will have to pay for them and reduce their bank account in so doing.

The threat to the on-budget and Social Security surpluses are not confined to the current fiscal year. There are other waves that have yet to hit the beach but are forming on the ocean's horizon.

As an example, we are proposing paybacks, additional reimbursement to Medicare providers for the current fiscal year of $1 billion; for the fiscal year 2001, $5 billion; and over the next 10 years, $15 billion. None of those are currently proposed to be offset by either spending reductions or revenue increases. In the House of Representatives, they are proposing to marry a minimum wage increase with tax cuts. Those tax cuts over 10 years will total $95 billion. They are not proposed to be offset by either spending cuts elsewhere or revenue increases.

Mr. President, $5 billion of the discretionary spending authorized in the last few months will not occur in the current fiscal year but, rather, have been pushed into 2001, and another $2 billion has even been pushed into the year 2002. The spending limits of fiscal years 2001 and 2002 are even more restrictive than this year's limit. The spending cap for 2000 was set in 1997 at $579 billion. We are probably going to spend in excess of $610 billion before this session concludes. We have blown through the spending cap for this year by some $31 billion.

The problem gets worse because in fiscal year 2001, we have set ourselves a spending limit of $575 billion, $35 billion below what we are spending this year. In the fiscal year 2002, the spending cap is $569 billion, another $6 billion below current year spending.

Given the fact that Congress cannot pass spending bills within this year's limit of $579 billion, it is wholly unrealistic to believe Congress will have even greater success with the significantly lower—$35 billion next year and $41 billion 2 years out—limits than we have today. Spending above those limits will further threaten the Social Security surplus.

In fiscal year 2000, we will spend all of the tax revenue we collect, we will spend all of the on-budget surplus, and we will dip into Social Security by about $20 billion. In the year 2001, we will spend all the revenue we collect, and at this rate, we have already spent all but $3 billion of the on-budget surplus.

Why is this recounting of the reality of our spendthrift year of 1999 important? Some say it does not matter if we spend the Social Security surplus; we have done it for 30 years, so why not 1 more year? Why stop the spend-and-borrow party today? Spending the Social Security surplus is stated to be good for the economy.

I argue just the opposite, that preserving the Social Security surplus is intricately linked to a strong American economy. Most economists agree that increasing national savings is important to maintaining a strong economy. Greater savings results in greater investment in plant and equipment, which creates jobs and raises productivity. Greater productivity translates into a higher standard of living. The surest way to increase national savings is to reduce the Federal debt.

The Finance Committee even has a subcommittee dedicated to this proposition. It has a subcommittee with the title, Long-Term Growth and Debt Reduction. We have denominated one of our very institutions to the proposition of the relationship between economic growth and debt reduction.

Alan Greenspan, the Chairman of the Federal Reserve Board, told the Senate Finance Committee earlier this year:

> Increasing our national saving is critical. The President's approach to Social Security reform supports a large unified budget surplus. This is a major step in the right direction in that it would ensure that the current rise in government's positive contribution to national saving is sustained.

I would say that quotation is even more relevant today, as we have just gotten the latest monthly report on the national personal savings rate and it is virtually at an all-time low. It is, in fact, the savings that are occurring at the national governmental level that are providing most of the savings which are available in our economy.

Reducing the Federal debt frees capital for use in the private sector. Lowering the public debt reduces the Federal Government's interest costs, freeing scarce resources for other important public investments.

The Office of Economic Policy reported in August that over the last 7 years, because of the greater fiscal discipline that has been practiced at the national level, we have saved for the American taxpayer $189 billion in interest costs—$189 billion which is now available for other constructive public uses, including financing tax relief for American taxpayers.

Reducing the Federal debt also has a positive effect on individual American families. When the Federal Government decreases its borrowing, it results in greater availability of capital for all other borrowers. The same Office of Economic Policy estimates that a typical American family with a $100,000 mortgage on their home will save about $2,000 a year in mortgage payments if interest rates are reduced 2 percent as a result of the Federal Government's more austere fiscal policy.

So saving the Social Security surplus is important in the economic life of our Nation and for individual American families today. It also will be a critical factor in the challenge we are going to be faced with in the next two decades as Social Security begins to meet the demands of the baby boom generation.

Demographic changes taking place in our country will dramatically alter the Social Security program. An aging post-World War II generation, declining birthrates among young- and middle-aged adult Americans, and increasing life expectancies will quickly deplete the assets which are currently accumulating in the Social Security trust fund.

By law, surpluses generated by Social Security may only be invested in U.S. Government or U.S. Government-backed securities. The Social Security surpluses being generated today were planned as part of the changes made to the program in 1977 and then in 1983. The surpluses were created for the express purpose of prefunding the retirement benefits of the baby boom generation. It is much like the biblical principle of saving during 7 good years to prepare for 7 lean years.

Mr. President, I ask unanimous consent for an additional 5 minutes to complete my remarks.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. GRAHAM. I thank the Chair and my colleagues.

Under current projections, these surpluses will reverse in the year 2014 when the baby boom generation begins to retire. Their demand for retirement benefits will outpace the revenue collected from payroll taxes after the year 2014. These shortfalls will require that the assets, the Federal Government's securities which have been accumulated by the Social Security trust fund, be redeemed.

In essence, the Social Security trust fund, with a large pile of several trillion dollars' worth of Federal securities, will now be going to the Federal Treasury and saying: We are going to turn these pieces of paper back to you, and we need the cash they represent in order to meet the current obligations to Social Security beneficiaries.

The most effective way to plan for the demands that will be created by the baby boomers' retirement is to utilize the current Social Security surpluses in a very thoughtful and prudent manner, in a manner to reduce that portion of the national debt which is held by the public.

Lowering our outstanding debt today will put the United States in a much stronger financial position should we need to borrow funds to redeem the U.S. Treasury securities currently held by the Social Security trust fund. The cash obtained from redeeming those assets will be used to pay benefits when the baby boom generation retires.

The Social Security surplus can lower the debt held by the public by $2 trillion if we do not waste it. That $2 trillion reduction in debt held by the public will serve as a critical cushion to meet our Social Security obligations.

In summary, we are about to lose a great opportunity to address the long-term fiscal challenges facing our country. Instead of preserving both the on-budget and the Social Security surpluses for uses in saving Social Security, Medicare, investing in America, or returning it to the taxpayers in the form of tax relief, Congress is frittering the money away.

We have spent the fiscal year 2000 on-budget surplus, and we have spent at least $20 billion of this year's Social Security surplus. The outlook for 2001 and 2002 is not any better. We should stop these actions now, pay for the spending we enact, and avoid the use of accounting gimmicks.

We stand at a unique point in history. Two months from now, we will move into a new century and, indeed, a new millennium. Instead of taking a "get the appropriations bills done and get out of here approach," we should direct our sights to larger goals. We should be prepared to act boldly. We can seize upon this opportunity provided for us by a strong economy and an improved financial state of affairs and embark on a fiscal agenda that will pay rich dividends for decades to come.

Our predecessors, at the beginning of the 19th and 20th centuries, faced similar opportunities and challenges. Each chose the bold approach. The Louisiana Purchase in 1803 and the building of the Panama Canal in 1904 were emblematic of a proud, vigorous, bold new nation at the beginning of a new century. Although controversial in their day, the Louisiana Purchase and the building of the Panama Canal are examples of courageous endeavors that have stood the test of time.

The question facing this Congress is whether we will live up to the example of the 19th century and the 20th century as we commence the 21st century or whether we will squat in the narrow, visionless box built for parliamentary pygmies. Will we validate Proverbs 19:18, wherein it says: "Where there is no vision, the people perish"?

Thank you, Mr. President.

Mr. WYDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Mr. President, I ask unanimous consent to speak for up to 15 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRESCRIPTION DRUG COVERAGE FOR SENIORS

Mr. WYDEN. Mr. President, I have been coming to the floor over the last few days in an effort to win support for bipartisan legislation to secure prescription drug coverage for the Nation's older people. As part of that effort, I have been urging seniors, as this poster says, to send in copies of their prescription drug bills to each of us in the Senate in Washington, DC.

In addition to getting copies from seniors of their prescription drug bills, I am now hearing from seniors who are sending me copies of prescriptions they cannot afford to get filled. This is a prescription that was written for an older gentleman at home in Beaverton, OR. He is using 21 prescriptions at this point. He has already spent almost $1,700 this year on his prescriptions. Here we have three he cannot afford to get filled: Glucophage is a drug that one takes to deal with diabetes; Tagamet; Prilosec—three very common prescriptions older people in our country need and use. This is an example of what he sent me, prescriptions his doctor wrote out, and he can no longer afford to actually get them filled.

This is the kind of account I am hearing from seniors across the country. We have asked them to send in copies of their prescription drug bills. I have a whole sheaf of those, all kinds of bills we are receiving in that area. But now we are actually hearing from seniors and getting copies of their prescriptions their physicians are writing for them that they cannot even take to a drugstore and get filled.

In the last 24 hours, we in the Senate have been watching the news reports about the dueling press conferences involving prescriptions. There has been an awful lot of finger pointing one way or another. Frankly, each one of them has some reasonable points to make. What is so frustrating is that instead of these dueling press conferences and going back and forth, having all this finger pointing, the Senate ought to be working on bipartisan legislation.

There is one bipartisan bill now before the Senate. It is the Snowe-Wyden legislation. The Senator from Maine and I have teamed up over the last few months to put together a bipartisan bill to get prescription drugs covered for older people on Medicare. We have 54 Members of the Senate already on record as voting for a specific plan to fund this program. A majority of the Senate is now on record for a bipartisan proposal to pay for prescriptions.

Here we are, with the session only having a few more days to go, Senators—I am sure I am not the only one—getting copies from seniors of prescriptions that they cannot actually afford to have filled. We have asked them in recent days to send us copies of their prescription drug bills. They have been doing that. Now they are sending us copies of prescriptions they cannot afford to take to their neighborhood pharmacy and get covered.

It is so sad to see these dueling press conferences, and then we don't have a response, to have seniors telling us the sad and often tragic stories about how they can't afford to take their medicine. Their doctor tells them to take three pills. They don't do that. They start taking two. They start taking one. Eventually they get much sicker.

The Snowe-Wyden legislation is bipartisan. It uses marketplace forces.

We don't have a Federal price control regime. We don't have a one-size-fits-all health care policy. We have the kind of approach that works for Members of Congress and their families.

Our bill, called SPICE, the Senior Prescription Insurance Coverage Equity Act, is a senior citizens version of the kind of health plan that Members of Congress have. We incorporated recommendations from consumer groups. Families USA, for example, has made some excellent recommendations on consumer protections that older people need.

We have also listened to the insurance sector and the pharmaceutical sector, making sure there would be adequate incentives for research and the initiatives that are underway to help us find a cure for Alzheimer's and all of the illnesses that are so tragic, for which every Member of the Senate wants to see a cure.

I will keep coming to the floor. I want to cite a couple more examples before we wrap up. I know other colleagues want to speak.

I heard recently from a senior citizen in Forest Grove that in recent months she spent almost $1,500 on her prescription drugs. Another older person from the Portland metropolitan area reported that in a few months, she spent over $600 for her medications. She is now taking more than seven medications on an ongoing basis.

Very often the families have to go out and try to find free samples to compensate for some of the drugs the older people can't afford. Families have to chip in when it is hard for them to afford medicine. They are all asking, is the Senate going to just bicker about this issue or is the Senate going to come together in a bipartisan way and actually do something about these problems? We have more than 20 percent of the Nation's older people spending over $1,000 a year out of pocket on their medicine.

I am very often asked: Can this Nation afford to cover prescription drugs? My response is, we cannot afford not to cover these prescriptions. As I have cited several times during these presentations, a lot of these drugs help us to hold down costs. They help us to deal with blood pressure and cholesterol. The anticoagulant drugs are absolutely key to preventing strokes. I cited an example of one important anticoagulant drug where for $1,000 a year, in terms of the cost to the senior, they are able to save $100,000 in expenses that they would incur if they suffered a debilitating stroke when they couldn't get these medicines.

It is absolutely essential that we secure this coverage for the Nation's older people. It seems to me now a question of political will. Can we set aside some of the partisanship on this health care issue, some of the bickering that has gone on back and forth? I believe the Snowe-Wyden legislation—a majority of the Senate has already voted for in terms of its funding plan—is the way to go. But I know colleagues have other ideas.

What we ought to do is resolve to deal with this issue in a bipartisan way. I hope seniors will continue to send us copies of their prescription drug bills, as the poster says, to their Senator in Washington, DC.

I hope in the days ahead we won't see a whole lot more of these tragedies such as the one I have cited today. It is one thing for a senior to send in their bills and say, I am having difficulty paying for this; I hope you will cover it. But it is quite another for a senior citizen to send me, as this older person did from Beaverton, a copy of his prescriptions saying—it says it right down in the margin—"can't afford to get filled." Prescriptions his doctor ordered, in effect the prescriptions go unfilled. These are important medicines. If you don't take Glucophage and you have diabetes, you can have some very serious health problems.

I am hopeful the Senate will look to get beyond the dueling press conferences, look beyond some of the issues that have surrounded this discussion in a partisan way and say: We are going to come together and go to bat for seniors and their families. It is time to do it.

I intend to keep coming back to the floor until we secure this coverage. It was important for seniors back in the days when I was director of the Gray Panthers. It is even more important now because these drugs can help us to save bigger health care bills down the road. I will be back on the floor continually calling for a bipartisan approach to this issue, one that uses marketplace forces to deal with the challenge of health care costs.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. Mr. President, I ask unanimous consent to speak for up to 15 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. GRAMS pertaining to the introduction of S. 1860 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

REMARKS BY U.S. TRANSPORTATION SECRETARY RODNEY SLATER ON THE PASSING OF SENATOR JOHN CHAFEE

Mr. WARNER. Mr. President, today, as we gather together to witness LINCOLN CHAFEE take the oath of office to serve as the Senator from Rhode Island, I am reminded of my conversation last week with Transportation Secretary Rodney Slater.

We shared fond memories of our friend and spoke of his many contributions to transportation safety. Secretary Slater worked closely with Chairman Chafee on transportation issues that came before the Committee on Environment and Public Works.

I ask unanimous consent to print in the RECORD the remarks made last week by Transportation Secretary Rodney Slater on the passing of our colleagues, Senator John Chafee.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF U.S. TRANSPORTATION SECRETARY RODNEY E. SLATER ON THE PASSING OF SENATOR JOHN CHAFEE

We are deeply saddened by the death of Senator John Chafee. He served the people of Rhode Island and of this nation long and well, and leaves a legacy of accomplishment that will endure for generations.

As chairman of the Senate Environment and Public Works Committee, Sen. Chafee realized that the highway system is more than concrete, asphalt and steel, and was an early champion of a safer, more balanced, environmentally sensitive transportation system. As a key author of the groundbreaking Intermodal Surface Transportation Efficiency Act of 1991, he possessed a vision of how much better and stronger our surface transportation system could be. He then worked tirelessly to preserve and build on those gains in the 1998 Transportation Equity Act for the 21st Century. He cared deeply about health care, and fought hard for critical highway safety improvements and against drunk and drugged driving.

Sen. Chafee was responsible for the creation of the Congestion Mitigation and Air Quality Improvement Program and transportation enhancement activities. He insisted that the highway system not be looked at alone, but rather as a comprehensive network which includes trains, planes, buses, ferries, bicycles and pedestrain paths.

Sen. Chafee also was a protector of our marine environment, playing a major role in the passage of legislation to prevent oil spills and prohibit ocean dumping. He also was instrumental in the passage of the 1990 Clean Air Act. He always worked in a bipartisan manner with President Clinton and this administration in order to get things done.

Here at the U.S. Department of Transportation, we will work to carry forward his legacy as we continue to build the transportation system of the next century.

OMBUDSMAN REAUTHORIZATION ACT OF 1999

Mr. ALLARD. Mr. President, in the Summer of 1998, I met with a group of concerned citizens from the Overland Park neighborhood, which is located in southwest Denver. The dozen or so residents had requested a meeting with me to discuss an issue that had taken up more than six years of their lives and had driven them to distrust anything the Environmental Protection Agency had told them about a Superfund site located in their neighborhood called Shattuck.

The story surrounding the Shattuck Superfund site and what the EPA did to this community will have a lasting impact not only on the residents of the

Overland Park neighborhood, but on each and everyone of us who look for the EPA to be the guardian of our nation's environmental health and safety.

For those who have not followed the Shattuck case, these are the facts that have been uncovered thus far. In 1991, the local Region 8 EPA office and the Colorado Department of Health began to look at possible remedies for the cleanup of the old S.W. Shattuck Chemical Company located on South Bannock Street in Denver. Initially, it was determined that the safest and most effective cleanup was removal of the radioactive waste to a registered storage facility in Utah. But following a secret meeting between Shattuck's attorneys, EPA and the Colorado Department of Health the decision was made to store the waste on-site. Residents in the area were never told that the remedy chosen by the EPA had never been used before anywhere in the United States, and more importantly documents calling into question the reliability of the remedy were kept from the public. In 1993, the EPA signed the Record of Decision (ROD) and the radioactive waste at the Shattuck Superfund site was entombed on-site.

Over the next five years the citizens of Overland Park fought to get their neighborhood back. They petitioned the EPA for a review of the decision and were denied. They attempted to submit new information about the safety of the remedy selected and were told by the EPA the remedy was safe. Finally, last summer the residents concerns were brought to my attention. After meeting with area residents and business owners, I determined their questions deserved answers and together we began a journey to find the truth about Shattuck.

Last October, I asked the EPA to meet with the community to answer their questions and was informed they would not conduct such a public meeting. Outraged by their answer, I exercised my right as a U.S. Senator to hold up Senate confirmation of a key EPA official. The move resulted in the EPA agreeing to my request for an independent investigation of Shattuck by the National Ombudsman. Earlier this year he began his investigation and quickly determined the claims made by residents were not only meritorious, but that EPA officials had engaged in an effort to keep documents hidden from the public.

In fact, the Ombudsman was so successful at uncovering the facts surrounding Shattuck, his investigation has resulted in EPA officials now looking at eliminating his office. A meeting was recently held among all ten EPA regional administrators and staff from EPA Administrator Carol Browner's office to discuss eliminating the Ombudsman position. This can not be allowed to happen! Nor will I allow it to happen. Without the Ombudsman's investigation on Shattuck the residents of Overland Park would have never learned the truth. The Ombudsman's investigation brought integrity back into the process.

The EPA's efforts to curtail the Ombudsman's independence is an attempt to seek revenge for the on-going Shattuck investigation and to intimidate citizens who dare question the answers they are given by the EPA. I have recently introduced Senate Bill 1763, the "Ombudsman Reauthorization Act of 1999," which will preserve the office of the National Ombudsman. The battle to enact this legislation could be tougher than getting the EPA to admit they made a mistake at Shattuck.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Wednesday, November 3, 1999, the Federal debt stood at $5,654,990,773,682.18 (Five trillion, six hundred fifty-four billion, nine hundred ninety million, seven hundred seventy-three thousand, six hundred eighty-two dollars and eighteen cents).

One year ago, November 3, 1998, the Federal debt stood at $5,553,893,000,000 (Five trillion, five hundred fifty-three billion, eight hundred ninety-three million).

Five years ago, November 3, 1994, the Federal debt stood at $4,723,729,000,000 (Four trillion, seven hundred twenty-three billion, seven hundred twenty-nine million).

Ten years ago, November 3, 1989, the Federal debt stood at $2,864,340,000,000 (Two trillion, eight hundred sixty-four billion, three hundred forty million) which reflects a doubling of the debt—an increase of almost $3 trillion—$2,790,650,773,682.18 (Two trillion, seven hundred ninety billion, six hundred fifty million, seven hundred seventy-three thousand, six hundred eighty-two dollars and eighteen cents) during the past 10 years.

JOHN H. CHAFEE

Mr. MOYNIHAN. Mr. President, on the day that his son, Lincoln, succeeds him in the Senate I would ask to have printed in the RECORD what I believe to be John H. Chafee's last formal address. It was given at the National Cathedral on the occasion of the Fiftieth Anniversary Celebration of the National Trust for Historic Preservation. They reflect the great beauty of the man, who loved his country so, and gave so much to it.

I ask unanimous consent the address be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Remarks of Senator John H. Chafee for Fiftieth Anniversary Celebration of the National Trust for Historic Preservation, October 21, 1999

Thank you, Dick, for your generous introduction. Secretary Babbitt, Mayor Williams, Commissioner Peck and friends, it is an honor to join you today.

Every so often there occurs an event so cataclysmic, so egregious, that it sparks a demand for national action. For example, in the 60's and early 70's, many in our nation were disturbed about the foul condition of our natural waters—our lakes, streams, and rivers—where fish could no longer survive and filth was obvious to all who would look.

There were those who said a national response was required, but other demands on the federal treasury took precedence. Until one day the Cuyahoga River in Cleveland, polluted with oil and grease, caught fire. That's right—a river burst into flames in 1969.

That was the final indignity—that was what brought about the Clean Water Act of 1972. This led to an eventual expenditure of $70 billion by the federal government for waste water treatment plants and an even greater outlay by private industry and local communities to comply with new discharge standards.

A desperate call for national action to preserve the historically and architecturally important buildings across our land was heard in 1963. Out of a single event—the destruction of magnificent Penn Station in New York City—arose a national outcry.

Modeled in part after the Baths of Caracalla, Penn Station was an awe inspiring building the likes of which will never again be built.

A line from an editorial in the New York Times, published soon after the commencement of the station's demolition, expressed the sentiment of the day. It read:

"We will probably be judged not by the monuments we build but by those we have destroyed."

Fortunately, there was in existence an organization—The National Trust for Historic Preservation—that was trying to sound the alarm to our nation that we must save the Penn Stations and other grand buildings. And that organization is doing a superb job and we are fortunate it exists on this, its 50th birthday.

There are three points I'd like to leave with you today. They are:

First, as supporters of the National Trust, you are engaged in extremely important work for our country.

Second, you are on the cutting edge of the environmental movement.

Third, some suggestions I have that could make your efforts even more effective.

Let me exemplify point one. You are engaged—as supporters of the National Trust for Historic Preservation—in work that is extremely important to our country. You are preserving what British novelist D.H. Lawrence once referred to as the "spirit of place." Expressing his anxiety about the quiet exchange of quaint English hamlets for the faceless infrastructure of the industrial age, he wrote:

"Different places on the face of the earth have different vital effluence, different vibration, different chemical exhalation, different polarity with different stars: call it what you like. But the spirit of place is a great reality."

All across our land, your actions are preserving that spirit of place.

You are doing far more than trying to save the Penn Stations of our land. You are fostering an urban revitalization of whole sections of some of our older cities. By encouraging tax credits for rehabilitation of older buildings, by promoting smart-growth initiatives, and the conservation of open space, you are making whole sections of our older cities more livable, more attractive to home buyers.

This all makes such sense. By promoting city dwelling we reduce expenditures on brand new roads, sewer pipelines, gas, electric, and phone lines, thus assisting our town and country treasuries. For within historic districts exists the needed infrastructure.

None of it has to be built—it is already in place because of the past exodus of residents. Washington, DC is typical of our older cities where the population has gone from 800,000 in 1950 to 540,000 today—a 32 percent drop.

And, there are tremendous economic benefits to what you are doing. Studies have shown that dollar for dollar, historic preservation is one of the highest job-generating economic development options available. In other words, one million dollars spent on rehabilitation creates more permanent jobs, does more for retail sales, and does more for family incomes in a community than a like amount spent on new construction.

Because of efforts of the members of the National Trust over the years, and the leadership it has given, my state is a microcosm of what is taking place across our nation. Many of our magnificent marble palaces in Newport were saved from being subdivided into a series of apartments and instead were preserved as originally built. Now, they are by far the largest tourist attractions in our state, and extremely important to the economy of Newport.

Likewise, historic districts are flourishing and home owners are eager to buy turn of the century homes that were so soundly built.

This didn't just happen. It came about with the consent inspiration and guidance from the National Trust.

Let me move to point two. You are on the cutting edge of the environmental movement.

Why do I say that? If we can be successful in enticing a goodly portion of our citizens to live within our cities, we have helped stanch the flow of what we've come to know as urban sprawl. We are losing our farmland at a frightening rate—two acres every minute of every day, according to estimates of the American Farmland Trust.

There is no question that every new home that is built in our suburbs or every new housing development that is created, affects some creature's habitat. I have long held that if we give nature half a chance, it will rebound. But we must give it that half a chance. Regrettably, in too few areas are we doing that. The National Trust is at the forefront of environmental action by making our cities more attractive, thus reducing the paving and development of our countryside.

Few environmental challenges equal that of global warming, and the principal culprit in that area is the automobile. If people remain within cities, there are indeed fewer autos on the road, which means less pollution, less global warming.

Now for point three: some suggestions to make your efforts even more effective.

Do all you can to make the federal government a leader in historic preservation. When we do something really good, cheer us on. For example, we can all be delighted and encouraged by the inclusion of large sums of money in transportation legislation for so-called enhancements. These substantial moneys can be used, among other things, to restore historic buildings. Senator Pat Moynihan deserves the principal credit for the Enhancement Program, which we first did in the 1991 Highway Bill and continued in the 1998 Transportation Bill known as TEA-21. This was a radical departure from previous highway bills and Senator Moynihan deserves tremendous credit.

We in the federal government can also lead by example by restoring post offices and courthouses rather than abandoning them and moving their activities to the suburbs.

Let me give you an example of a courthouse we managed to save that was historically and architecturally important. Almost a decade ago, I visited the traditional home of the federal judiciary in Old San Juan, Puerto Rico—a court house that had fallen into disrepair. It was a shambles, and there was a movement underway to abandon the structure in favor of constructing a new one in the suburbs. But the building's historic significance coupled with such architectural flourishes as a beautiful two-story loggia overlooking the harbor, warranted its preservation.

Thanks to the General Services Administration's preservation efforts, and a $35 million restoration, this beautiful courthouse has been saved and will be dedicated next spring.

The restoration of the Courthouse should spur a renaissance in San Juan's historic quarter. Lawyers doing business at court will frequent nearby restaurants and shops. Hotels and other businesses may spring up as more people visit the area.

We can create incentives in the tax code to promote restoration. As many of you know, those who restore historic buildings for commercial purposes re already eligible for tax credits. Since these provisions have been in place, $18 billion dollars have been generated in private investment. You should be proud of these numbers, for they didn't happen of their own accord. They came about with the constant inspiration and guidance from the National Trust.

I have long hoped to extend these credits to homeowners through legislation called the Historic Homeownership Act. It would allow homeowners who rehabilitate homes in historic areas to take a tax credit equal to 20 percent of the project's cost. This credit could be used toward one's tax liability or in the form of a mortgage credit certificate. Because of this flexibility, these provisions would be attractive to low and middle income homeowners, not just those in the top tax brackets.

There has been overwhelming support for this legislation across the political spectrum. Earlier this year, we enacted a version of it as part of the tax bill approved by Congress. That was the bill the President subsequently vetoed. The prospects for enacting that homeownership tax credit bill this year are dim. Hopefully, next year we can do it. Before I go, I want to get this done! You can help by pestering your Senators and Representatives to support the Historic Homeownership Act.

Another major way you can lend a hand is by giving vocal support to efforts states, counties, and towns are making to preserve open spaces. If the land is going to be saved, then homes are not going to be built there.

Clearly, open space conservation and historic preservation go hand in hand. In fact, Senator Joe Lieberman and I are pressing for legislation that would accomplish both goals. It is called the Natural Resources Reinvestment Act. It would fully fund the Historic Preservation Fund at 150 million dollars per year and encourage states to set aside open space. While we may be addressing these concerns at the federal level, the time is ripe to promote ballot initiatives in your own towns and counties.

Last year, voters approved the vast majority of the 200 ballot initiatives for open space purchases to curb urban sprawl at state and local levels.

With such wide-ranging support, evidently these measures are not just the province of the elite. No, the rich and poor alike support them, because they benefit everyone.

One of the biggest successes occurred in New Jersey where voters, in 1998, set aside $98 million to buy open space.

And, just last week, two local anti-sprawl initiatives made news in the Washington area. In Montgomery County, planners proposed to spend $100 million over the next decade to preserve historic properties and undeveloped land. In addition, the city council in Rockville, Maryland approved a six-month development moratorium on single-use retail stores of 60,000 square feet or more.

There are many ways that we can encourage historic preservation at the federal level. But absent your cooperation, none of the preservation work would get done. So the rest is up to all of you. And I trust that you will carry out these initiatives with purpose and enthusiasm. Do what you can to recruit others to join your ranks.

Naysayers may ask: What difference does saving one train station or post office truly make in the future of America? My response is this: preservation is not just about conserving brick and mortar, lintel and beam. It is about the quality of life, and the possibility of a bright future. Carl Sandburg expressed the danger of losing touch with our past when he said:

"If America forgets where she came from, if people lose sight of what brought them along, . . . then will begin the rot and dissolution."

Who could say it better!

On behalf of the city of Providence and Rhode Island, we look forward to sharing our historic treasures with you during your 2001 conference. Keep up the good work. Thank you.

THE AFRICAN GROWTH AND OPPORTUNITY ACT

Mr. **LEAHY**. Mr. President, yesterday the Senate voted on a modest package of trade bills which included the African Growth and Opportunity Act and the Caribbean Basin Trade Enhancement Act. As a long time supporter of expanding trade opportunities for Vermonters and all Americans, as well as people in developing countries, I reluctantly cast my vote against this bill.

Exports are a key component of Vermont's economy. As a small state, we must promote our products beyond the Green Mountains. Vermonters are reaping the benefits of more open markets around the world and these markets are creating new jobs here at home. Not long ago, I led a Vermont trade delegation to Ireland which has one of the fastest growing economies in Europe.

Having said that, trade is about more than financial statistics. It is about more than increasing market opportunities for American products, as important and laudable a goal as that is. In our increasingly inter-connected world, trade involves a broad range of issues and concerns. As the wealthiest nation, we also have a responsibility to do what we can to ensure that the benefits of the global economy are enjoyed by people from every walk of life, here and abroad. And when we vote, we have a responsibility to ensure that legislation entitled the "African Growth and Opportunity Act", actually benefits African workers and protects their families' health and welfare, and the natural environment. The bill that was passed yesterday will not do that.

I have felt for some time that our relationship with Africa needs to change. It cannot continue to be based almost exclusively on aid, when the real engine of development, as we have seen elsewhere in the world, is investment and trade. However, in developing a trade policy toward Africa—where poverty is deeply rooted and protections for the environment and the rights of workers are virtually non-existent—precautions must be taken to ensure that it is a sound policy that responds to Africa's unique and urgent needs.

It used to be that workers' rights and environmental concerns were treated separately from trade considerations, or not at all. Fortunately, that has begun to change. One of the reasons I voted for NAFTA was because it contained side agreements on labor and environmental issues.

However, while those agreements were a step forward, time has shown that they did not go far enough. Unfortunately, even the modest labor and environmental agreements that we fought hard to include in NAFTA were not included in the African Growth and Opportunity Act and virtually every amendment to add similar provisions was defeated. Such a step backward makes absolutely no sense.

The African Growth and Opportunity Act's provision on workers' rights, which has been included in other trade legislation, has routinely allowed countries notorious for abuses to escape without penalty. Unions have rightly criticized this provision for being vague and unenforceable. It is an invitation for exploitation of cheap African labor.

The African Growth and Opportunity Act does not include a single provision related to environmental concerns. Multinational corporations, especially mining and timber companies, have a long history of taking advantage of Africa's weak environmental laws and contributing to pollution, deforestation and the uprooting of people. If barriers to foreign investment are lowered or eliminated—as the Act calls for—and meaningful, enforceable environmental protections are not put in place, these problems will only get worse.

Like the NAFTA debate, however, the rhetoric on both sides of this issue was overblown. The African Growth and Opportunity Act is not, as some of its supporters claimed, an historic step toward integrating Africa into the global economy. At best, this Act will have a modest impact. It simply offers limited market access to African countries under the Generalized System of Preferences and establishes a U.S.-African trade and economic forum.

On the other hand, the African Growth and Opportunity Act will not, as some of its opponents claimed, force African countries to cut spending on education and health care, and to adhere to stringent International Monetary Fund conditions. It rewards African countries that are taking steps toward economic and political reforms, as most African countries are already doing, but it does not force them to do anything.

In all my time in the Senate, this is the first attempt that has been made to redefine our relationship with Africa from one of dependency to one which begins to promotes economic growth and self-reliance. This is long overdue, and the opportunity to address these issues is not likely to come again soon. I had hoped that when the African Growth and Opportunity Act reached the floor it would have provided for expanded export opportunities for both Africans and Americans while protecting African workers and the environment.

Many of my concerns about the African Growth and Opportunity Act, also hold true for the Caribbean Basin Trade Enhancement Act. I fully support efforts to expand U.S. trade with Caribbean Basin countries and to provide these countries with trade benefits that will help them compete in the global economy. However, again, it is vitally important that the trade benefits included in this Act actually benefit those who often need them the most—workers and their families. Virtually every amendment that would have required Caribbean companies to institute fair and enforceable labor standards before they could be eligible for trade benefits under the Caribbean Basin Trade Enhancement Act was defeated, and crucial protections were therefore not included.

Mr. President, it is disappointing that given the opportunity to simultaneously redefine our relationship with Africa, re-examine our trade policy toward the Caribbean Basin and expand international economic opportunities for Americans, that the approach and the outcome was so flawed.

FOURTH ANNIVERSARY OF ISRAELI PRIME MINISTER YITZHAK RABIN'S ASSASSINATION

Mr. MOYNIHAN. Mr. President, Today is the fourth anniversary of the assassination of Israeli Prime Minister Yitzhak Rabin. On October 25, 1995, ten days before his assassination, Prime Minister Rabin spoke in the Rotunda of the capitol at a ceremony celebrating the passage of the Jerusalem Embassy Act of 1995. The honor of introducing him fell to me. I said, "History will honor him as the magnanimous leader of a brave people—brave enough to fight daunting odds—perhaps even braver still to make peace." Four years later as Israel and the Palestinians prepare to begin final status negotiations, I think it appropriate to remember the man who helped lead his people down this road to peace. I ask unanimous consent to have printed in the RECORD my remarks on that occasion.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR DANIEL PATRICK MOYNIHAN ON THE PASSAGE OF THE JERUSALEM EMBASSY ACT OF 1995, UNITED STATES CAPITOL ROTUNDA, OCTOBER 25, 1995

My pleasant and most appropriate task this afternoon is to introduce one of Jerusalem's most illustrious sons.

History will acknowledge him as the unifier of the City of David—the Chief of Staff whose armies breached the barbed wire and removed the cinder blocks that has sundered the city of peace.

History will honor him as the magnanimous leader of a brave people—brave enough to fight against daunting odds—perhaps even braver still to make peace.

History will remember him as the last of the generation of founders—the intrepid children of a two thousand year dream. Almost certainly, the last Israeli Prime Minister to play a leading role in the War for Independence, he was also the first—and to this day the only—Prime Minister to be born in the Holy Land.

He is a proud son of Jerusalem. As a young man he dreamed of a career as an engineer. But destiny had other plans and he fought and led for almost half a century so that his people could live in peace and security.

Nobel Laureate, statesman, military hero, friend of our nation where he served with distinction as an ambassador in this very city, he honors us today by joining us in our festivities—the Prime Minister of Israel, the Honorable Yitzhak Rabin.

AMENDMENT TO REQUIRE A WTO MINISTERIAL REPORT

Mr. BYRD. Mr. President, I am pleased that yesterday the Senate adopted my amendment to H.R. 434, the African and Caribbean trade legislation, regarding the upcoming World Trade Organization (WTO) Ministerial Conference in Seattle, Washington, from November 30 to December 3, 1999.

My amendment is straightforward. It expresses the sense of the Congress on the importance of the new round of international trade negotiations that will be launched at the WTO Ministerial Conference, and would require the United States Trade Representative (USTR) to submit a report to Congress regarding discussions at the Ministerial on antidumping and countervailing duty agreements. My amendment sends a message from the Congress that these talks are significant and that we will be examining these discussions closely. Specifically, it sends a message to our trading partners that we have no intention of allowing the antidumping and countervailing duty agreements to be nonchalantly relinquished, and that we will be keeping an official record of any discussions on these topics.

I am strongly opposed to opening the antidumping and countervailing duty agreements to negotiation, and, therefore, I am very pleased that the Administration reports that it will put forth a U.S. trade agenda that reaffirms trade remedy laws, and, specifically, U.S. rights to enforce antidumping and countervailing duty measures. Nevertheless, we should expect that certain WTO member governments will attempt to weaken the current antidumping and countervailing rules during the next round of talks. Certain WTO member governments will likely attempt to use the antidumping and countervailing rules as leverage against other U.S. priority issues, thus, pitting U.S. industries against one another.

Without the antidumping and countervailing duty agreements, I believe that many of our trading partners would not hesitate to flatly dismiss their WTO obligations in order to maximize their own profits. Antidumping and countervailing duty rules offset foreign countervailable subsidies and below-cost pricing schemes intended to harm a U.S. industry. Prohibiting these unfair trade practices is the essence of our most basic trade agenda, and laws to thwart and penalize this behavior were enacted as early as 1897. As in 1897, antidumping and countervailing measures are a vital tool to combat unfair trade.

My amendment would help the Administration put forth a U.S. trade agenda at the Seattle talks that reaffirms U.S. rights to enforce antidumping and countervailing duty measures, and that protects these codes from any negotiation. Undermining the right of the U.S. to respond to unfair trade practices will hinder the ability of many U.S. manufacturers, including U.S. steel mills, to fight against unfair trade. It would also undermine a century of work to build a straightforward and responsive international trade system.

The PRESIDING OFFICER. The majority leader.

MAKING FURTHER CONTINUING APPROPRIATIONS FOR THE FISCAL YEAR 2000

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of H.J. Res. 75, the continuing resolution received from the House. I further ask unanimous consent that the joint resolution be read a third time, passed, and the motion to reconsider be laid upon the table.

This has been cleared with the Democratic leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

The joint resolution (H.J. Res. 75) was read the third time and passed.

ORDER OF BUSINESS

Mr. LOTT. Mr. President, the Senate, then, has just passed the continuing resolution to the 10th of November. Progress is being made every hour on the appropriations process—some hours more than others. I hope Members will continue being patient while the final must-do legislation is completed.

I want to say again that I think the last 2 days have been phenomenal when you stop and look at all the difficulty that was involved—the fact that we passed major trade legislation by a vote of 75 or 76 to 23 last night, and today we passed the biggest reform of the banking and securities financial services industry in several decades with 90 votes. It is incredible.

We are going to continue to work to move vital legislation. We have other conferences that we hope to get agreed to. We need to get agreements. In fact, we must get an agreement on the FAA reauthorization bill. We are very close to getting an agreement on the satellite conference report. We are very close on the work incentives conference report.

There are three or four major conferences that are very close to being completed. When they are completed, we will take them up as soon as possible.

In addition, if agreements are reached on appropriations bills, of course, we would set everything aside for that. It seems to me that District of Columbia and perhaps the foreign relations conference reports could be ready as early as tomorrow. Certainly, if they are, we will vote on them.

The Senate hopefully also will reach, in just a very few minutes, an agreement on how to proceed on the bankruptcy bill. Senator DASCHLE and I have been working on this for weeks actually. I think we are very close to having an agreement. We are exchanging amendments so each side will know what is in our amendments both tonight and again tomorrow by noon. I hope Members who have relevant amendments on the underlying bankruptcy bill will come to the floor and offer them yet today.

We are in what I hope are the final days of the session. Members must be willing to work into the night in order to complete this legislation. I know there are some relevant amendments that are controversial and they will have second-degree amendments. Members should come to the floor and offer them.

Members could also expect votes during tomorrow's session. One could come with regard to appropriations. We could have votes on amendments with regard to the bankruptcy bill.

Members should expect that on Monday there will be recorded votes beginning at 5:30.

Also, votes will be ordered on the bankruptcy consent, calling for two votes with respect to minimum wage and business cost issues at 10:30 on Tuesday morning.

I am announcing that we may have to have votes tomorrow. We will have votes at 5:30 Monday. We will have votes at 10:30 on Tuesday.

We hope within the next few minutes to be able to enter the agreement on the bankruptcy bill.

I yield the floor.

Ms. LANDRIEU. Will the majority leader yield?

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Mr. President, I defer.

Ms. LANDRIEU. Mr. President, does the majority leader have any information regarding the Interior appropriations bill? That is one of the bills that is continuing to be negotiated.

Maybe I should wait to get his attention.

Will the majority leader yield for a moment?

Mr. LOTT. Mr. President, if I could respond to the Senator from Louisiana, I apologize for not directing my attention to her question. I was visiting with the Senator from Maryland with respect to possible votes tomorrow.

The Interior appropriations conference report is being worked on while negotiations have been going forward on the foreign operations appropriations conference report. I have information that real progress has been made today on the foreign operations appropriations report, but they will not get to the point of wrapping up Interior until the foreign operations bill is done.

I know the Senator from Louisiana has a real interest in that Interior bill, particularly provisions that could affect coastal areas such as hers and mine. Oil and gas revenues have been going in the Land and Water Conservation Fund for years and to lands out west, which is well and good. However, we take the risks in our area and we have not been getting any money. I don't think that is fair. We have beach erosion problems; we have estuary replenishment with which we need to deal. I am very sympathetic to the concerns of the Senator from Louisiana.

No final agreement has been reached on Interior. The Senator still has time to weigh in mightily with the Senators involved, and the administration, and needs to talk to them. I know the Senator has Senator DASCHLE working feverishly in her behalf.

Ms. LANDRIEU. If I could respond, both have been very helpful and supportive as we worked toward a bipartisan compromise on some of these issues.

I particularly thank the majority leader for his efforts as a cosponsor of one particular piece of legislation, but there have been different versions filed. However, there is a tremendous amount of interest.

Perhaps I should ask Senator GORTON—I said I will say this publicly—if tomorrow at his convenience, maybe through the majority leader or directly, he can give Members some idea of some of the things that perhaps are being discussed in terms of riders that were very controversial when this bill passed, as well as some of the specific ways we may be funding some of these projects.

We want to work out a bipartisan solution that is reflective of what many Members have worked on now for over 2 years. Maybe there could be an appropriate time tomorrow for discussion. Senator DASCHLE may have something to add.

I certainly want to be supportive of progress we are making on bankruptcy, but I think there are some other important issues, too, that should be dealt with in the next few days.

Mr. DASCHLE. Mr. President, I couldn't agree more with the distinguished Senator from Louisiana. This is an important issue. While we need to stay focused on the appropriations bill and on bankruptcy, she has been working on this matter for a long, long time and has made great progress.

I share the view expressed by the majority leader that this is an issue that has great impact not only in her region of the country but in regions throughout the country. I hope we can resolve this satisfactorily and she can be satisfied with the final product. I will do all I can to work with the majority leader to see that happens in the remaining days of this session.

I commend the majority leader for getting the Senate to this point. I think we are very close to reaching an agreement. As I understand, we have not yet had the opportunity to exchange amendments, but we will be doing that shortly. He and I have both worked with our colleagues to ensure we can work through this agreement. I think this is a win-win. I think it is an opportunity to finish an important piece of legislation, an opportunity to deal with some issues that both sides think are important. I think it is a very appropriate vehicle with which to get our work done. I am hopeful we will get total cooperation procedurally to allow the Senate the opportunity to finish this work.

I am fully expecting before the end of the day we will have an agreement that will allow the Senate to go through the next couple of days in expectation of finishing this legislation.

I yield the floor.

Mr. LOTT. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Ms. LANDRIEU. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. LANDRIEU. Mr. President, I ask unanimous consent for 15 minutes to speak in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

OFFSHORE OIL AND GAS REVENUES

Ms. LANDRIEU. Mr. President, a few minutes ago I posed a few questions to the majority leader about a very important piece of legislation, an appropriations bill that is still pending. As we know, there are several important appropriations measures being debated and negotiated, and that is the process. Some of that happens, a lot of it, behind closed doors, which is the way it has worked for many, many years and will probably continue to work that way.

However, there are some questions I want to raise or some points I want to bring up. There are a great number of Members—Senators from the South, the East, the North, and the West, Democrats and Republicans, a great group of House Members, led by DON YOUNG of Alaska and GEORGE MILLER of California, CHRIS JOHN from Louisiana, BILLY TAUZIN from Louisiana, a Democrat and Republican respectfully, and Representative UDALL in the House—who have worked very hard to come to some bipartisan agreements about a new way to spend offshore oil and gas revenues in a way that is fair to all the coastal States, particularly those States including Louisiana, Mississippi, Texas, and Alabama to a certain degree, that produce these offshore oil and gas revenues. Without our States acting as a platform, this industry would not exist.

Many Members have worked on a bipartisan redirection of some of those revenues to come back to the States and local governments instead of going into the Federal Treasury as they do now, and as they have been since 1955, redirecting those revenues back to help the coastal restoration programs, to help restore our coastlines particularly in Louisiana, which is so fragile, and the Florida Everglades, which need a tremendous amount of help.

In addition, we have the idea these moneys could be permanently allocated to fully fund the Land and Water Conservation Fund which has been funded intermittently—hit and miss—through the decades.

We think the American people should have something to count on, so they know every year their Federal Government is going to take a very small portion, but an important portion, of money for land purchases and acquisitions and conservation easements to help expand our park system, both at the Federal level and to improve our park system, as well as giving Governors and mayors and county officials the ability to create recreational opportunities. As a Governor, Mr. President, you know how important that is to the people of your State and my State. They believe strongly in recreation and access to the outdoors.

In addition, this bipartisan group believes it can also take a portion of those moneys and expand the very successful Pittman-Robertson, which is one of the most successful Federal programs, working in partnership with local outdoors enthusiasts—hunters, fishermen and women, conservationists in those areas—and to fully fund historic preservation and urban parks, to name just a few. It is a very comprehensive approach. It is an innovative approach.

Although we do not have a bill out of either House yet, we do have a great markup that I want to share with the Members, Chairman Young's markup that came out this morning. Their bill, which is reflective of some of the things I have said, will be considered next week. It would be a tremendous accomplishment for this administration and for this Congress to come together in a bipartisan way to make at least a downpayment this year. If we cannot fully fund what I have generally just described, let us at least make an effort this year to fund, for 1 year, these programs that are currently already authorized, that have been in existence for many years, to actually put some money where our mouth is—within the budget caps and the balanced budget agreement we have reached—so we could perhaps build on this year and, over the next several years, fully fund the programs I have talked about.

I will ask to have printed in the RECORD today a letter I received from 800 individuals and organizations supporting this initiative. It is signed by 800 of some of the leading environmentalists and activists in the country today, groups representing all different aspects of the environmental community from the east coast to the west coast, from south to north. They have submitted a letter to us today supporting the efforts I have just articulated.

I ask unanimous consent the letter, dated November 1, 1999, as well as a table of Federal offshore mineral revenue collections for 1989–1999 and projects for 1999–2000, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NOVEMBER 1, 1999.

U.S. Senate/House of Representatives,
Washington, DC.

DEAR SENATOR/REPRESENTATIVE: As the twentieth century draws to a close, Congress has a rare opportunity to pass landmark legislation that would establish a permanent and significant source of conservation funding. A number of promising legislative proposals would take revenues from non-renewable offshore oil and gas resources and reinvest them in the protection of renewable resources such as our wildlife, public lands, coasts, oceans, cultural treasures, and outdoor recreation. Securing this funding would allow us to build upon the pioneering conservation tradition that Teddy Roosevelt initiated at the beginning of the century.

The vast majority of Americans recognize the duty we have to protect and conserve our rich cultural and natural legacies for future generations. A diverse array of interests, including sportsmen and women, conservationists, historic preservationists, outdoor recreationalists, the faith community, business interests, state and local governments, and others, support conservation funding legislation because they recognize it is essential to fulfill this obligation.

We call upon you and your colleagues to seize this unprecedented opportunity. Pass legislation that would make a substantial and reliable investment in the conservation of our nation's wildlife, public lands, coastal and marine resources, historic and cultural treasures, urban and rural parks, and open space. Design a bill that provides significant conservation benefits, *is free of harmfull environmental impacts to our coastal and ocean resources, and does not unduly hinder land acquisition programs.*

An historic conservation funding bill is within our grasp. It will be an accomplishment that all can celebrate. We look to Congress to make this legislation a reality.

Sincerely,

Federal Offshore Mineral Revenue Collections, Calendar Years 1989–1999

Year	Amount
1989	$2,915,145,540
1990	3,367,738,819
1991	2,793,165,498
1992	2,561,405,652
1993	2,856,913,823
1994	2,915,284,805
1995	2,723,753,949
1996	4,253,641,347
1997	5,259,228,035
1998	4,322,637,332
Average	3,396,891,580

Projected Federal Offshore Mineral Revenue Collections, FY 1999–2005

Year	Amount
1999	$2,946,000,000
2000	2,584,000,000
2001	2,812,000,000
2002	2,827,000,000
2003	2,669,000,000
2004	2,575,000,000
2005	2,489,000,000
Average	2,700,285,714

Ms. LANDRIEU. Mr. President, basically they are saying there is a way, a better way, to allocate these revenues from offshore oil and gas to fund a variety of programs that are fair to all the different parts of this Nation, one that is environmentally friendly, one that focuses on the needs of our coastline and also recognizes the proper role of Congress in authorizing the purchases of land because that is something that should be done not only by the administration, whoever the President may be, Republican or Democrat—whether it is the current President, who has been terrific in many ways on this issue—but it is something that must be worked on in conjunction with the Members of Congress.

They have signed a letter that is going to be distributed. I will have it printed for the RECORD. In addition, I would like the RECORD to reflect we received 2 weeks ago an endorsement from the National Chamber of Commerce. They usually do not get into environmental issues such as this, but the Chamber of Commerce realizes, as businesspeople representing some of the finest businesses in our country, that a clean environment, access to parks and recreation, improving the quality of life for Americans everywhere, is the Chamber's business because we are about improving the quality of life, improving our economy. They see this as an important bill.

It is not that usual to have the environmental community and the business community together. This is one idea they have both said is terrific; let's move forward.

Finally, for the RECORD, I want to resubmit a letter from 40 Governors—not 10, not 12, not Democratic Governors, not Republican Governors. Mr. President, you were a Governor at one time, and a great leader, so you know it is not easy to get 40 signatures from the Governors' Association of Democrats and Republicans who have said the same thing.

I ask unanimous consent those letters be printed in the RECORD.

There being no objection, the material was order to be printed in the RECORD, as follows:

SEPTEMBER 21, 1999.

Hon. TRENT LOTT,
Majority Leader,
U.S. Senate, Washington, DC.

Hon. THOMAS DASCHLE,
Minority Leader,
U.S. Senate, Washington, DC.

Hon. J. DENNIS HASTERT,
Speaker of the House,
House of Representatives, Washington, DC.

Hon. RICHARD GEPHARDT,
Minority Leader,
House of Representatives, Washington, DC.

DEAR SENATORS LOTT AND DASCHLE AND REPRESENTATIVES HASTERT AND GEPHARDT: The 106th Congress has an historic opportunity to end this century with a major commitment to natural resource conservation that will benefit future generations. We encourage you to approve legislation this year that reinvests a meaningful portion of the revenues from federal outer continental shelf (OCS) oil and gas development in coastal conservation and impact assistance, open space and farmland preservation, federal, state and local parks and recreation, and wildlife conservation, including endangered species prevention, protection and recovery costs.

Since outer continental shelf revenues come from nonrenewable resources, it makes sense to permanently dedicate them to natural resource conservation rather than dispersing them for general government purposes. Around the nation, citizens have repeatedly affirmed their support for conservation through numerous ballot initiatives and state and local legislatioan. We applaud both the Senate Energy and Natural Resources Committee and the House Resources Committee for conducting a bipartisan and inclusive process that recognizes the unique role of state and local governments in preserving and protecting natural resources.

The legislation reported by the Committees should, to the maximum extent possible, permanently appropriate these new funds to the states, to be used in partnership with local governments and non-profit organizations to implement these various conservation initiatives. We urge the Congress to give state and local governments maximum flexibility in determining how to invest these funds. In this way, federal funds can be tailored to complement state plans, priorities and resources. State and local governments are in the best position to apply these funds to necessary and unique conservation efforts, such as preserving species, while providing for the economic needs of communities. The legislation should be neutral with regard to both existing OCS moratoria and future offshore development, and should not come at the expense of federally supported state programs.

We recognize that dedicating funds over a number of years to any specific use is a difficult budgetary decision. Nevertheless, we believe that the time is right to make this major commitment to conservation along the lines outlined in this letter.

We look forward to working with you to take advantage of this unique opportunity and are available to help ensure that this commitment is fiscally responsible. Thank you for your consideration of these legislative principles as you proceed to enact this important legislation.

Gov. John A. Kitzhaber, M.D., Oregon; Gov. Mike Leavitt, Utah; Gov. Tom Ridge, Pennsylvania; Gov. Mike Foster, Louisiana; Gov. John G. Rowland, Connecticut; Gov. Parris N. Glendening, Maryland; Gov. Howard Dean, M.D., Vermont; Gov. Thomas R. Carper, Delaware; Gov. Christine Todd Whitman, New Jersey; Gov. James B. Hunt, Jr., North Carolina; Gov. Roy E. Barnes, Georgia; Gov. Jim Hodges, South Carolina; Gov. Lincoln Almond, Rhode Island; Gov. Angel S. King, Jr., Maine; Gov. Gary Locke, Washington; Gov. Argeo Paul Cellucci, Massachusetts.

Gov. Cecil H. Underwood, West Virginia; Gov. Marc Racicot, Montana; Gov. Don Siegelman, Alabama; Gov. Gray Davis, California; Gov. Mel Carnahan, Missouri; Gov. Benjamin J. Cayetano, Hawaii; Gov. Jane Dee Hull, Arizona; Gov. Dirk Kempthorne, Idaho; Gov. Tony Knowles, Alaska; Gov. George H. Ryan, Illinois; Gov. James S. Gilmore III, Virginia; Gov. Jeanne Shaheen, New Hampshire; Gov. Bill Graves, Kansas; Gov. George E. Pataki, New York; Gov. Paul E. Patton, Kentucky; Gov. Tommy G. Thompson, Wisconsin; Gov. Bill Owens, Colorado.

Gov. Mike Huckabee, Arkansas; Gov. Frank Keating, Oklahoma; Gov. Jim Geringer, Wyoming; Gov. Edward T. Schafer, North Dakota; Gov. Frank O'Bannon, Indiana; Gov. Kirk Fordice, Mississippi; Gov. William J. Janklow, South Dakota.

CHAMBER OF COMMERCE OF THE
UNITED STATES OF AMERICA,
Washington, DC, September 24, 1999.

Hon. MARY LANDRIEU,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR LANDRIEU: On behalf of the U.S. Chamber of Commerce, I am writing in support of S. 25, the Conservation and Reinvestment Act of 1999. The Chamber has long supported the concept that the federal government should share a portion of revenues from Outer Continental Shelf (OCS) energy production efforts with the coastal states that may be affected by these activities.

S. 25 recognizes the contribution that states make to national fuel production and reducing our nation's dependence on foreign oil. It would direct more monies from leasing and production activities to those states and communities that shoulder the responsibility for energy development along; their coastlines. It would provide local communities with impact assistance funds to address infrastructure problems and other public service needs associated with federal offshore activities. It is a bipartisan conservation legislation that would help promote a lasting legacy of natural resource stewardship for future generations.

The U.S. Chamber of Commerce, the world's largest business federation representing more than three million businesses of every size, sector, and region, applauds your efforts to help remedy the disparity between states and the federal government in offshore development and looks forward to working with you to achieve this important goal.

Sincerely,

R. BRUCE JOSTEN,
Executive Vice President,
Government Affairs.

Ms. LANDRIEU. Mr. President, I come to the floor today to say, as we get down to the final days of these negotiations, even though we do not have a bill out of the Senate or out of the House, we do have a lot of language that helps to show there is bipartisan support for this effort. I am hoping the appropriators, who are at the negotiating table, will hear loudly and clearly from hundreds and thousands of individuals and groups that there is a better way to spend this money.

We realize we do not have all we would like, but we would like the final product of this Interior bill to come out in a way that is reflective of the principles I have outlined—Federal/State partnership, coastal impact assistance, full funding for land and water, historic preservation, and wildlife conservation, with current appropriated and authorized programs—not anything new, just something a little better, a little different, a little improved.

As we are waiting for the final decisions of today and how we are going to proceed I wanted to take some time to have these documents printed in the RECORD and to thank my colleagues on this side of the aisle, particularly my senior Senator from Louisiana, for his tireless work; particularly Chairman MURKOWSKI for his terrific work on this issue as chairman of our committee; particularly the members of the committee, Senator JOHNSON, Senator BAYH, Senator LINCOLN, and others; Senator SESSIONS, who has been a terrific supporter.

I thank them for their work on this bill and tell them we are moving forward. We are building support and building a bipartisan bill. Today was good news when Chairman YOUNG and the ranking member, GEORGE MILLER, who had competing versions, came together and signed an agreement that is very reflective of what I think the American public wants us to do in this Congress.

We may not be able to get it all done this year, but we could make an important downpayment, a first step towards this historic conservation bill and leave a real legacy for our children and our grandchildren—not just a 1-year appropriation but a real legacy, as this century ends, of which we can all be proud and all share credit for something well done.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. CLELAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SOCIAL SECURITY

Mr. CLELAND. Mr. President, I come before the Senate today to speak about a subject which has been the topic of much political rhetoric in recent days: Social Security. While there was a time when not all in Congress acknowledged this fact, Social Security's long-term solvency is crucial to today's and tomorrow's retirees. There has never been a more successful Government program: Social Security has helped cut the poverty rate of older Americans by two-thirds. We must ensure this program will survive well into the 21st century.

The current dispute centers on which party is more committed to preservation of the Social Security program. I must say that I am personally pleased to see this development, which reflects the fact that Social Security is truly a consensus issue among the American people. The current debate takes place in the confusing world of arcane budgetary terminology and it is sometimes difficult to sort out. However, in evaluating the present-day claims and counterclaims, the historic record clearly shows that it is the Democratic Party which has consistently fought to protect the program since its inception in the Social Security Act of 1935. And though I could certainly be accused of being biased on the question, I believe that a close look will reveal unmistakably that Democratic proposals to save Social Security for future generations greatly surpass the recent efforts of my friends across the aisle in laying claim to be the protectors of Social Security.

For example, let's look at the competing proposals to place a "lockbox" around Social Security and see which one truly best protects the benefits of tomorrow's recipients.

First, Democratic lockbox proposals establish a Social Security and Medicare lockbox that precludes any portion of the Social Security surplus or any portion of the surplus reserved for Medicare to be used for any purpose other than to strengthen and preserve these programs. Over the next 15 years, the Democratic lockbox would protect 100 percent of the Social Security surplus each year, and one-third of any on-budget surplus for Medicare.

On the other hand, the Republican lockbox proposal does not reserve any of the projected surpluses for Medicare, nor does it extend the life of the Social Security trust fund, which, under their proposals, will be insolvent in 2034. Furthermore, in the absence of protections for Medicare, this critical program is projected to be insolvent in 2015. Perhaps most importantly, the Republican proposals include language which creates a large potential loophole for the lockbox protections. Specifically, if any legislation is designated as "Social Security reform provisions"—regardless of whether such provisions help or hurt the interests of beneficiaries—lockbox surpluses would not have to be used to pay benefits and could be used for tax cuts. Finally, the Republican lockbox proposal does not even require that such Social Security "reform" legislation extend the solvency of the Social Security program. Is this meaningful, long-term protection for Social Security?

Some on the other side have accused Democrats of raiding Social Security surpluses, yet the bipartisan Congressional Budget Office—whose head was appointed by the Republican leadership—has determined that spending bills supported by the congressional majority have already tapped into the Social Security surplus by at least $13 billion. In belated recognition of this fact, House Republicans have proposed a 1.4 percent across-the-board cut in the operating budgets of Federal agencies. As a member of the Senate Armed Services Committee, I am loath to take a step in the wrong direction just after we have recently provided—on a bipartisan basis—the Department of Defense with much-needed budget relief for both personnel and equipment costs.

But when we consider the impact of recent congressional proposals on the future of Social Security we must look back no further than August 1999 when the Republican majority pushed through Congress a tax cut that, at the time, I labeled a "convenient but fiscally irresponsible measure." This tax bill would have consumed virtually all of the projected $1 trillion non-Social Security budget surplus over the next 10 years, without setting aside any funds for Medicare solvency. The direct revenue loss was estimated at $792 billion over that period, and with the sharply diminished surplus, higher interest costs on the national debt would bring the total to $964 billion. And the projected $1 trillion surplus itself is dependent on large cuts in national defense, education, and other priority programs. If one only assumes that these programs are held at their current levels, plus inflation, the projected 10-year surplus falls from $1 trillion to $46 billion.

Clearly, enactment of this massive tax cut, which the President appropriately vetoed, would have vastly compromised and complicated our ability to preserve Social Security and Medicare. No other action considered in this Congress comes even close to having this large a negative impact on Social Security's future.

We can continue to attempt to "one-up" each other over who has the better plan to protect the existing Social Security trust fund. In trying to set the record straight from my own viewpoint, I have spoken today from perhaps a partisan perspective. However, there is plenty of blame to go around for our joint failure in this session of Congress to use the unique opportunity afforded by the long-sought end to massive Federal budget deficits to enact true Social Security reform to protect the benefits of millions of future recipients. The millions of Americans who depend on Social Security for themselves or their parents and grandparents, now and in the future, deserve no less.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BENNETT). Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—S. 625

Mr. LOTT. Mr. President, I believe we have a unanimous-consent agreement now. I will read it carefully, and if there are any questions, Senator DASCHLE may point them out. I believe it will be fair in the way it is going to be handled and will allow us to complete this important legislation hopefully by Tuesday or not later than Wednesday of next week. It will allow for, of course, relevant amendments and second-degree amendments if any will be in order to those, but it will limit the nonrelevant amendments to three on each side with an agreed-to time.

Mr. DASCHLE. Will the majority leader yield on that point for a question?

Mr. LOTT. I will be glad to.

Mr. DASCHLE. As I understand this agreement—I went through it in detail—it will allow relevant second degrees to relevant amendments.

Mr. LOTT. I ran into that hornet's nest yesterday. There are a couple relevant amendments that are certainly worthwhile and actively supported, but they also are very much opposed by others who want to second degree them. Clearly, that will be in order.

I thank Senator DASCHLE for working with me on this, since the middle of October actually. I believe this bill can be considered and completed. Bankruptcy reform is something we certainly want to do. I know the minority leader has indicated his desire to have three nongermane amendments in order to the bill from Members of his side of the aisle. Those are relative to East Timor, agriculture, and minimum wage. I hope all Members would allow us to adopt this agreement in order for the Senate to consider and approve this very important bankruptcy reform bill.

On our side, we will have three amendments, also, that relate to education, drugs, and business costs. I will specify that in a moment.

So I ask unanimous consent that the Senate now turn to consideration of Calendar No. 109, S. 625, the bankruptcy bill, and following the reporting by the clerk, the committee amendments be immediately agreed to and the motion to reconsider be laid upon the table en bloc.

I further ask consent that all first-degree amendments must be filed at the desk by 5 p.m. on the second day of the bill's consideration and that all first-degree amendments must be relevant to the issue of bankruptcy, and/or truth in lending/credit card agreements, with the exception of three amendments to be offered by the minority, or his designee, relative to agriculture, minimum wage/taxes, and East Timor, and three amendments to be offered by the majority leader, or his designee, regarding education, drugs, and business costs.

I further ask consent that the 5 p.m. filing requirement apply to each of these nonrelevant amendments and there be a time limit of 2 hours equally divided on each nonrelevant amendment, with the exception of the agriculture and drug amendments on which there will be 4 hours each for debate, with no second-degree amendments in order to these six issues and no motions to commit or recommit in order.

I further ask consent that at 3 p.m. on Monday, November 8, the minority leader, or his designee, be recognized to offer the amendment relative to the issue of minimum wage, and following the debate the amendment be laid aside, and the majority leader, or his designee, be recognized to offer the amendment relative to business costs, and that the votes occur in relation to the amendments at 10:30 a.m. on Tuesday, November 9, with 1 hour equally divided prior to the vote for concluding debate. I further ask consent that the first vote occur in relation to the minority amendment, to be followed by a vote in relation to the majority amendment, with 4 minutes prior to each vote for explanation.

I further ask consent that following the disposition of all of the above-described amendments, the bill be immediately advanced to third reading, that the Senate then proceed to the House companion bill, H.R. 833, that all after the enacting clause be stricken, the text of the Senate bill as amended be inserted, the bill be advanced to third reading, and a vote occur on passage of the bill, without any intervening action, motion or debate.

Further, I ask consent that the Senate insist on its amendment, request a conference with the House, and the Senate bill be placed back on the calendar.

Finally, I ask consent that the exchange of the amendments by the two leaders on the two issues regarding minimum wage and business costs occur at noon on Friday. If by 3 p.m. either Member objects to the text of the amendments, this agreement be null and void and the bill be placed back on the calendar.

The PRESIDING OFFICER. Is there objection?

Mr. DASCHLE. Reserving the right to object, and I shall not, Mr. President, for the information of our colleagues, we have exchanged some of the amendments that have been referred to in this unanimous-consent request. There may be minor alterations in these two amendments that have been exchanged. We will not have any major changes in our amendments. And I assume that while there may be minor alterations, we do not anticipate any consequential alterations in the amendments to be offered by the Republicans.

I ask the majority leader if that is his understanding relating to education and drugs.

Mr. LOTT. First, let me clarify one error I made. Staff informs me I did say: "If by 3 p.m. any Member objects." It should say: "If by 3 p.m. either leader objects to the text of the amendments, this agreement be null and void and the bill be placed back on the calendar."

Now, under the Senator's reservation, Mr. President, responding to his questions, obviously, on both sides—there may be minor changes that you would want to make on your agriculture amendment or East Timor, whatever; same thing on this side. I think we have to continue to work in good faith. If it goes to fundamental substance, and changes a major portion or the overall intent of the bill, I think that would be exceeding the bounds of reasonableness. But if it is some technical change or some minor change, we will have to continue to work with each other to get that done. I hope everybody will continue to be as flexible as they can be in that effort. But there is no intent to come back now and change the whole thrust of the bill. And that would not be fair.

Mr. DASCHLE. Mr. President, I thank all of the Senators involved in this. We have consulted with virtually every Member. While no one is ever completely satisfied with a complex agreement such as this, I think it gives us the best opportunity to address an important issue, bankruptcy, and to address some other issues about which both caucuses care a good deal. So I think this is a good agreement. I appreciate the work of the majority leader to get us to this point.

I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. LOTT. Mr. President, I hope now that Members will remain tonight to do their opening statements. I see the distinguished chairman is here, Senator GRASSLEY from Iowa, who has probably asked me about this bill over 100 times this year. I apologize to him now for not having gotten it on the calendar and up for consideration before now. But he has been dogged in his determination to address this very important area.

I say right up front we would not be having bankruptcy reform if it were not for the diligent efforts and the patience and the determination and the substantive involvement of the Senator from Iowa. So I think it is to his credit.

Now we need to move forward and get this bill completed, get it into conference, and hopefully act on it very quickly out of conference.

But since we do have this agreement now, and the manager is ready to go—and I presume the manager on the Democratic side is ready to go—I can announce now there will be no further votes this evening. The Senate will resume the bankruptcy bill at 9:30 a.m. on Friday. All Senators should be aware that votes could occur with respect to the appropriations process or amendments to the bankruptcy bill on Friday.

Several Senators have been asking about exactly what we can expect tomorrow. I cannot say. If we have an appropriations conference report that has been cleared that we are ready to move on, we will try to do it on a voice vote; but if we have to have a recorded voted, we just have to have a recorded vote. If we are ever going to get to the final days of the session, we have to be prepared to vote on Fridays and Mondays, if that is necessary. So we cannot give any assurance at this point that there will not be votes tomorrow. There very well may be.

Votes will occur at 5:30 Monday. And under this agreement, at least two votes will occur at 10:30 Tuesday.

Then, in conclusion, I wish to, again, thank all our colleagues for their cooperation this week. The fact that we did overwhelmingly pass this very important trade bill involving the Caribbean Basin area, Central America, and Africa, after a long period of time, is a significant and positive step for our country, I believe, not to mention the additional trading opportunities in other countries. And also to have completed the conference report on the financial services modernization—the second monumental achievement this week—I think the Senate, as a whole, can take a lot of pride. And now we are ready to begin a third one. I wish every week could be as productive.

With that, I yield the floor, Mr. President.

BANKING REFORM ACT OF 1999

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 625) to amend title 11, United States Code, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary, with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

S. 625

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Bankruptcy Reform Act of 1999".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—NEEDS-BASED BANKRUPTCY

Sec. 101. Conversion.
Sec. 102. Dismissal or conversion.
Sec. 103. Notice of alternatives.
Sec. 104. Debtor financial management training test program.
Sec. 105. Credit counseling.

TITLE II—ENHANCED CONSUMER PROTECTION

Subtitle A—Penalties for Abusive Creditor Practices

Sec. 201. Promotion of alternative dispute resolution.
Sec. 202. Effect of discharge.
Sec. 203. Violations of the automatic stay.
Sec. 204. Discouraging abuse of reaffirmation practices.

Subtitle B—Priority Child Support

Sec. 211. Definition of domestic support obligation.
Sec. **[**211**]** *212.* Priorities for claims for domestic support obligations.
Sec. **[**212**]** *213.* Requirements to obtain confirmation and discharge in cases involving domestic support obligations.
Sec. **[**213**]** *214.* Exceptions to automatic stay in domestic support obligation proceedings.
Sec. **[**214**]** *215.* Nondischargeability of certain debts for alimony, maintenance, and support.
Sec. **[**215**]** *216.* Continued liability of property.
Sec. **[**216**]** *217.* Protection of domestic support claims against preferential transfer motions.
[Sec. 217. Amendment to section 1325 of title 11, United States Code.
[Sec. 218. Definition of domestic support obligation.**]**
Sec. 218. Disposable income defined.
Sec. 219. Collection of child support.

Subtitle C—Other Consumer Protections

[Sec. 221. Definitions.
[Sec. 222. Disclosures.
[Sec. 223. Debtor's bill of rights.
[Sec. 224. Enforcement.**]**
Sec. 221. Amendments to discourage abusive bankruptcy filings.
Sec. **[**225**]** *222.* Sense of Congress.
Sec. **[**226**]** *223.* Additional amendments to title 11, United States Code.
Sec. 224. Protection of retirement savings in bankruptcy.

TITLE III—DISCOURAGING BANKRUPTCY ABUSE

Sec. 301. Reinforcement of the fresh start.
Sec. 302. Discouraging bad faith repeat filings.
Sec. 303. Curbing abusive filings.
Sec. 304. Debtor retention of personal property security.
Sec. 305. Relief from the automatic stay when the debtor does not complete intended surrender of consumer debt collateral.
Sec. 306. Giving secured creditors fair treatment in chapter 13.
Sec. 307. Exemptions.
Sec. 308. Residency requirement for homestead exemption.
Sec. 309. Protecting secured creditors in chapter 13 cases.
Sec. 310. Limitation on luxury goods.
Sec. 311. Automatic stay.
Sec. 312. Extension of period between bankruptcy discharges.
Sec. 313. Definition of household goods and antiques.
Sec. 314. Debt incurred to pay nondischargeable debts.
Sec. 315. Giving creditors fair notice in chapters 7 and 13 cases.
Sec. 316. Dismissal for failure to timely file schedules or provide required information.
Sec. 317. Adequate time to prepare for hearing on confirmation of the plan.

Sec. 318. Chapter 13 plans to have a 5-year duration in certain cases.
Sec. 319. Sense of the Congress regarding expansion of rule 9011 of the Federal Rules of Bankruptcy Procedure.
Sec. 320. Prompt relief from stay in individual cases.
Sec. 321. Treatment of certain earnings of an individual debtor who files a voluntary case under chapter 11.

TITLE IV—GENERAL AND SMALL BUSINESS BANKRUPTCY PROVISIONS

Subtitle A—General Business Bankruptcy Provisions

Sec. 401. Rolling stock equipment.
Sec. 402. Adequate protection for investors.
Sec. 403. Meetings of creditors and equity security holders.
Sec. 404. Protection of refinance of security interest.
Sec. 405. Executory contracts and unexpired leases.
Sec. 406. Creditors and equity security holders committees.
Sec. 407. Amendment to section 546 of title 11, United States Code.
Sec. 408. Limitation.
Sec. 409. Amendment to section 330(a) of title 11, United States Code.
Sec. 410. Postpetition disclosure and solicitation.
Sec. 411. Preferences.
Sec. 412. Venue of certain proceedings.
Sec. 413. Period for filing plan under chapter 11.
Sec. 414. Fees arising from certain ownership interests.
Sec. 415. Creditor representation at first meeting of creditors.
[Sec. 416. Elimination of certain fees payable in chapter 11 bankruptcy cases.]
Sec. [417] *416*. Definition of disinterested person.
Sec. [418] *417*. Factors for compensation of professional persons.
Sec. [419] *418*. Appointment of elected trustee.
Sec. 419. Utility service.

Subtitle B—Small Business Bankruptcy Provisions

Sec. 421. Flexible rules for disclosure statement and plan.
Sec. 422. Definitions; effect of discharge.
Sec. 423. Standard form disclosure Statement and plan.
Sec. 424. Uniform national reporting requirements.
Sec. 425. Uniform reporting rules and forms for small business cases.
Sec. 426. Duties in small business cases.
Sec. 427. Plan filing and confirmation deadlines.
Sec. 428. Plan confirmation deadline.
Sec. 429. Prohibition against extension of time.
Sec. 430. Duties of the United States trustee.
Sec. 431. Scheduling conferences.
Sec. 432. Serial filer provisions.
Sec. 433. Expanded grounds for dismissal or conversion and appointment of trustee.
Sec. 434. Study of operation of title 11, United States Code, with respect to small businesses.
Sec. 435. Payment of interest.

TITLE V—MUNICIPAL BANKRUPTCY PROVISIONS

Sec. 501. Petition and proceedings related to petition.
Sec. 502. Applicability of other sections to chapter 9.

TITLE VI—IMPROVED BANKRUPTCY STATISTICS AND DATA

Sec. 601. Audit procedures.
Sec. 602. Improved bankruptcy statistics.
Sec. 603. Uniform rules for the collection of bankruptcy data.
Sec. 604. Sense of Congress regarding availability of bankruptcy data.

TITLE VII—BANKRUPTCY TAX PROVISIONS

Sec. 701. Treatment of certain liens.
Sec. 702. Effective notice to government.
Sec. 703. Notice of request for a determination of taxes.
Sec. 704. Rate of interest on tax claims.
Sec. 705. Tolling of priority of tax claim time periods.
Sec. 706. Priority property taxes incurred.
Sec. 707. Chapter 13 discharge of fraudulent and other taxes.
Sec. 708. Chapter 11 discharge of fraudulent taxes.
Sec. 709. Stay of tax proceedings.
Sec. 710. Periodic payment of taxes in chapter 11 cases.
Sec. 711. Avoidance of statutory tax liens prohibited.
Sec. 712. Payment of taxes in the conduct of business.
Sec. 713. Tardily filed priority tax claims.
Sec. 714. Income tax returns prepared by tax authorities.
Sec. 715. Discharge of the estate's liability for unpaid taxes.
Sec. 716. Requirement to file tax returns to confirm chapter 13 plans.
Sec. 717. Standards for tax disclosure.
Sec. 718. Setoff of tax refunds.

TITLE VIII—ANCILLARY AND OTHER CROSS-BORDER CASES

Sec. 801. Amendment to add chapter 15 to title 11, United States Code.
Sec. 802. Amendments to other chapters in title 11, United States Code.
Sec. 803. Claims relating to insurance deposits in cases ancillary to foreign proceedings.

TITLE IX—FINANCIAL CONTRACT PROVISIONS

Sec. 901. Bankruptcy Code amendments.
Sec. 902. Damage measure.
Sec. 903. Asset-backed securitizations.
Sec. 904. Effective date; application of amendments.

TITLE X—PROTECTION OF FAMILY FARMERS

Sec. 1001. Reenactment of chapter 12.
Sec. 1002. Debt limit increase.
Sec. 1003. Elimination of requirement that family farmer and spouse receive over 50 percent of income from farming operation in year prior to bankruptcy.
Sec. 1004. Certain claims owed to governmental units.

[TITLE XI—HEALTH CARE AND EMPLOYEE BENEFITS

[Sec. 1101. Definitions.
[Sec. 1102. Disposal of patient records.
[Sec. 1103. Administrative expense claim for costs of closing a health care business.
[Sec. 1104. Appointment of ombudsman to act as patient advocate.
[Sec. 1105. Debtor in possession; duty of trustee to transfer patients.]

TITLE [XII] *XI*—TECHNICAL AMENDMENTS

Sec. [1201] *1101*. Definitions.
Sec. [1202] *1102*. Adjustment of dollar amounts.
Sec. [1203] *1103*. Extension of time.
Sec. [1204] *1104*. Technical amendments.
Sec. [1205] *1105*. Penalty for persons who negligently or fraudulently prepare bankruptcy petitions.
Sec. [1206] *1106*. Limitation on compensation of professional persons.
Sec. [1207] *1107*. Special tax provisions.
Sec. [1208] *1108*. Effect of conversion.
Sec. [1209] *1109*. Allowance of administrative expenses.
[Sec. 1210. Priorities.
[Sec. 1211. Exemptions.]
Sec. [1212] *1110*. Exceptions to discharge.
Sec. [1213] *1111*. Effect of discharge.
Sec. [1214] *1112*. Protection against discriminatory treatment.
Sec. [1215] *1113*. Property of the estate.
Sec. [1216] *1114*. Preferences.
Sec. [1217] *1115*. Postpetition transactions.
Sec. [1218] *1116*. Disposition of property of the estate.
Sec. [1219] *1117*. General provisions.
Sec. [1220] *1118*. Abandonment of railroad line.
Sec. [1221] *1119*. Contents of plan.
Sec. [1222] *1120*. Discharge under chapter 12.
Sec. [1223] *1121*. Bankruptcy cases and proceedings.
Sec. [1224] *1122*. Knowing disregard of bankruptcy law or rule.
Sec. [1225] *1123*. Transfers made by nonprofit charitable corporations.
Sec. [1226] *1124*. Protection of valid purchase money security interests.
Sec. [1227] *1125*. Extensions.
Sec. [1228] *1126*. Bankruptcy judgeships.

TITLE [XIII] *XII*—GENERAL EFFECTIVE DATE; APPLICATION OF AMENDMENTS

Sec. [1301] *1201*. Effective date; application of amendments.

TITLE I—NEEDS-BASED BANKRUPTCY

SEC. 101. CONVERSION.

Section 706(c) of title 11, United States Code, is amended by inserting "or consents to" after "requests".

SEC. 102. DISMISSAL OR CONVERSION.

(a) IN GENERAL.—Section 707 of title 11, United States Code, is amended—

(1) by striking the section heading and inserting the following:

"§ 707. Dismissal of a case or conversion to a case under chapter 13";

and

(2) in subsection (b)—

(A) by inserting "(1)" after "(b)";

(B) in paragraph (1), as redesignated by subparagraph (A) of this paragraph—

(i) in the first sentence—

(I) by striking "but not at the request or suggestion" and inserting ", panel trustee or";

(II) by inserting ", or, with the debtor's consent, convert such a case to a case under chapter 13 of this title," after "consumer debts"; and

(III) by striking "substantial abuse" and inserting "abuse"; and

(ii) by striking the next to last sentence; and

(C) by adding at the end the following:

"(2)(A)(i) In considering under paragraph (1) whether the granting of relief would be an abuse of the provisions of this chapter, the court shall presume abuse exists if the debtor's current monthly income reduced by the amounts determined under clauses (ii), (iii), and (iv), and multiplied by 60 is not less than the lesser of—

"(I) 25 percent of the debtor's nonpriority unsecured claims in the case; or

"(II) $15,000.

"(ii) The debtor's monthly expenses shall be the applicable monthly (excluding payments for debts) expenses under standards issued by the Internal Revenue Service for the area in which the debtor resides, as in effect on the date of the entry of the order for relief, for the debtor, the dependents of the debtor, and the spouse of the debtor in a joint case, if the spouse is not otherwise a dependent.

"(iii) The debtor's average monthly payments on account of secured debts shall be calculated as—

"(I) the total of all amounts scheduled as contractually due to secured creditors in each month of the 60 months following the date of the petition; divided by

"(II) 60.

"(iv) The debtor's expenses for payment of all priority claims (including priority child support and alimony claims) shall be calculated as—

"(I) the total amount of debts entitled to priority; divided by

"(II) 60.

"(B)(i) In any proceeding brought under this subsection, the presumption of abuse may be rebutted by demonstrating special circumstances that justify additional expenses or adjustments of current monthly total income. In order to establish special circumstances, the debtor shall be required to—

"(I) itemize each additional expense or adjustment of income; and

"(II) provide—

"(aa) documentation for such expenses; and

"(bb) a detailed explanation of the special circumstances that make such expenses necessary and reasonable.

"(ii) The debtor, and the attorney for the debtor if the debtor has an attorney, shall attest under oath to the accuracy of any information provided to demonstrate that additional expenses or adjustments to income are required.

"(iii) The presumption of abuse may be rebutted if the additional expenses or adjustments to income referred to in clause (i) cause the product of the debtor's current monthly income reduced by the amounts determined under clauses (ii), (iii), and (iv) of subparagraph (A) multiplied by 60 to be less than the lesser of—

"(I) 25 percent of the debtor's nonpriority unsecured claims; or

"(II) $15,000.

"(C)(i) As part of the schedule of current income and expenditures required under section 521, the debtor shall include a statement of the debtor's current monthly income, and the calculations that determine whether a presumption arises under subparagraph (A)(i), that shows how each such amount is calculated.

"(ii) The Supreme Court shall promulgate rules under section 2075 of title 28, that prescribe a form for a statement under clause (i) and may provide general rules on the content of the statement.

"(3) In considering under paragraph (1) whether the granting of relief would be an abuse of the provisions of this chapter in a case in which the presumption in subparagraph (A)(i) of such paragraph does not apply or has been rebutted, the court shall consider—

"(A) whether the debtor filed the petition in bad faith; or

"(B) the totality of the circumstances (including whether the debtor seeks to reject a personal services contract and the financial need for such rejection as sought by the debtor) of the debtor's financial situation demonstrates abuse.".

(b) DEFINITION.—Title 11, United States Code, is amended—

(1) in section 101, by inserting after paragraph (10) the following:

"(10A) 'current monthly income'—

"(A) means the average monthly income from all sources which the debtor, or in a joint case, the debtor and the debtor's spouse, receive without regard to whether the income is taxable income, derived during the 180-day period preceding the date of determination; and

"(B) includes any amount paid by any entity other than the debtor (or, in a joint case, the debtor and the debtor's spouse), on a regular basis to the household expenses of the debtor or the debtor's dependents (and, in a joint case, the debtor's spouse if not otherwise a dependent);"; and

(2) in section 704—

(A) by inserting "(a)" before "The trustee shall—"; and

(B) by adding at the end the following:

"(b)(1) With respect to an individual debtor under this chapter—

"(A) the United States trustee or bankruptcy administrator shall review all materials filed by the debtor and, not later than 10 days before the first meeting of creditors, file with the court a statement as to whether the debtor's case would be presumed to be an abuse under section 707(b); and

"(B) not later than 5 days after receiving a statement under subparagraph (A), the court shall provide a copy of the statement to all creditors.

"(2) The United States trustee or bankruptcy administrator shall not later than 30 days after receiving a statement filed under paragraph (1) file a motion to dismiss or convert under section 707(b), or file a statement setting forth the reasons the United States trustee or bankruptcy administrator does not believe that such a motion would be [appropriate. If,] *appropriate, if* based on the filing of such statement with the court, the United States trustee or bankruptcy administrator determines that the debtor's case should be presumed to be an abuse under section 707(b) and the product of the debtor's current monthly income, multiplied by 12 is not less than—

"(A) the highest national or applicable State median family income reported for a family of equal or lesser size, whichever is greater; or

"(B) in the case of a household of 1 person, the national or applicable State median household income for 1 earner, whichever is greater.

"(3)(A) The court shall order the counsel for the debtor to reimburse the panel trustee for all reasonable costs in prosecuting a motion brought under section 707(b), including reasonable attorneys' fees, if—

"(i) a panel trustee appointed under section 586(a)(1) of title 28 brings a motion for dismissal or conversion under this subsection; and

"(ii) the court—

"(I) grants that motion; and

"(II) finds that the action of the counsel for the debtor in filing under this chapter was not substantially justified.

"(B) If the court finds that the attorney for the debtor violated Rule 9011, at a minimum, the court shall order—

"(i) the assessment of an appropriate civil penalty against the counsel for the debtor; and

"(ii) the payment of the civil penalty to the panel trustee or the United States trustee.

"(C) In the case of a petition referred to in subparagraph (B), the signature of an attorney shall constitute a certificate that the attorney has—

"(i) performed a reasonable investigation into the circumstances that gave rise to the petition; and

"(ii) determined that the petition—

"(I) is well grounded in fact; and

"(II) is warranted by existing law or a good faith argument for the extension, modification, or reversal of existing law and does not constitute an abuse under paragraph (1).

"(4)(A) Except as provided in subparagraph (B) and subject to paragraph (5), the court may award a debtor all reasonable costs in contesting a motion brought by a party in interest (other than a panel trustee or United States trustee) under this subsection (including reasonable attorneys' fees) if—

"(i) the court does not grant the motion; and

"(ii) the court finds that—

"(I) the position of the party that brought the motion was not substantially justified; or

"(II) the party brought the motion solely for the purpose of coercing a debtor into waiving a right guaranteed to the debtor under this title.

"(B) A party in interest that has a claim of an aggregate amount less than $1,000 shall not be subject to subparagraph (A).

"(5) Only the judge, United States trustee, bankruptcy administrator, or panel trustee may bring a motion under this section if the debtor and the debtor's spouse combined, as of the date of the order for relief, have a total current monthly income equal to or less than the national or applicable State median family monthly income calculated on a monthly basis for a family of equal size.".

(c) CLERICAL AMENDMENT.—The table of sections for chapter 7 of title 11, United States Code, is amended by striking the item relating to section 707 and inserting the following:

"707. Dismissal of a case or conversion to a case under chapter 13.".

SEC. 103. NOTICE OF ALTERNATIVES.

Section 342(b) of title 11, United States Code, is amended to read as follows:

"(b)(1) Before the commencement of a case under this title by an individual whose debts are primarily consumer debts, that individual shall be given or obtain (as required in section 521(a)(1), as part of the certification process under subchapter I of chapter 5) a written notice prescribed by the United States trustee for the district in which the petition is filed under section 586 of title 28.

"(2) The notice shall contain the following:

"(A) A brief description of chapters 7, 11, 12, and 13 and the general purpose, benefits, and costs of proceeding under each of those chapters.

"(B) A brief description of services that may be available to that individual from a credit counseling service that is approved by the United States trustee for that district.".

SEC. 104. DEBTOR FINANCIAL MANAGEMENT TRAINING TEST PROGRAM.

(a) DEVELOPMENT OF FINANCIAL MANAGEMENT AND TRAINING CURRICULUM AND MATERIALS.—The Director of the Executive Office for United States Trustees (in this section referred to as the "Director") shall—

(1) consult with a wide range of individuals who are experts in the field of debtor education, including trustees who are appointed under chapter 13 of title 11, United States Code, and who operate financial management education programs for debtors; and

(2) develop a financial management training curriculum and materials that may be used to educate individual debtors concerning how to better manage their finances.

(b) TEST.—

(1) IN GENERAL.—The Director shall select 3 judicial districts of the United States in which to test the effectiveness of the financial management training curriculum and materials developed under subsection (a).

(2) AVAILABILITY OF CURRICULUM AND MATERIALS.—For a 1-year period beginning not later than 270 days after the date of enactment of this Act, the curriculum and materials referred to in paragraph (1) shall be made available by the Director, directly or indirectly, on request to individual debtors in cases filed during that 1-year period under chapter 7 or 13 of title 11, United States Code.

(c) EVALUATION.—

(1) IN GENERAL.—During the 1-year period referred to in subsection (b), the Director shall evaluate the effectiveness of—

(A) the financial management training curriculum and materials developed under subsection (a); and

(B) a sample of existing consumer education programs such as those described in the report of the National Bankruptcy Review Commission issued on October 20, 1997, that are representative of consumer education programs carried out by—

(i) the credit industry;

(ii) trustees serving under chapter 13 of title 11, United States Code; and

(iii) consumer counseling groups.

(2) REPORT.—Not later than 3 months after concluding the evaluation under paragraph (1), the Director shall submit a report to the Speaker of the House of Representatives and the President pro tempore of the Senate, for referral to the appropriate committees of Congress, containing the findings of the Director regarding the effectiveness of such curriculum, such materials, and such programs.

SEC. 105. CREDIT COUNSELING.

(a) WHO MAY BE A DEBTOR.—Section 109 of title 11, United States Code, is amended by adding at the end the following:

"(h)(1) Subject to paragraphs (2) and (3), and notwithstanding any other provision of this section, an individual may not be a debtor under this title unless that individual has, during the [90-day period] *180-day period* preceding the date of filing of the petition of that individual, received from an approved nonprofit credit counseling service described in section 111(a) an individual or group briefing that outlined the opportunities for available credit counseling and assisted that individual in performing a related budget analysis.

"(2)(A) Paragraph (1) shall not apply with respect to a debtor who resides in a district for which the United States trustee or bankruptcy administrator of the bankruptcy court of that district determines that the approved nonprofit credit counseling services for that district are not reasonably able to provide adequate services to the additional individuals who would otherwise seek credit counseling from those programs by reason of the requirements of paragraph (1).

"(B) Each United States trustee or bankruptcy administrator that makes a determination described in subparagraph (A) shall review that determination not later than 1 year after the date of that determination, and not less frequently than every year thereafter.

"(3)(A) Subject to subparagraph (B), the requirements of paragraph (1) shall not apply with respect to a debtor who submits to the court a certification that—

"(i) describes exigent circumstances that merit a waiver of the requirements of paragraph (1);

"(ii) states that the debtor requested credit counseling services from an approved nonprofit credit counseling service, but was unable to obtain the services referred to in paragraph (1) during the 5-day period beginning on the date on which the debtor made that request; and

"(iii) is satisfactory to the court.

"(B) With respect to a debtor, an exemption under subparagraph (A) shall cease to apply to that debtor on the date on which the debtor meets the requirements of paragraph (1), but in no case may the exemption apply to that debtor after the date that is 30 days after the debtor files a petition.".

(b) CHAPTER 7 DISCHARGE.—Section 727(a) of title 11, United States Code, is amended—

(1) in paragraph (9), by striking "or" at the end;

(2) in paragraph (10), by striking the period and inserting "; or"; and

(3) by adding at the end the following:

"(11) after the filing of the petition, the debtor failed to complete an instructional course concerning personal financial management described in section 111.".

(c) CHAPTER 13 DISCHARGE.—Section 1328 of title 11, United States Code, is amended by adding at the end the following:

"(g) The court shall not grant a discharge under this section to a debtor, unless after filing a petition the debtor has completed an instructional course concerning personal financial management described in section 111.

"(h) Subsection (g) shall not apply with respect to a debtor who resides in a district for which the United States trustee or bankruptcy administrator of the bankruptcy court of that district determines that the approved instructional courses are not adequate to service the additional individuals who would be required to complete the instructional course by reason of the requirements of this section.

"(i) Each United States trustee or bankruptcy administrator that makes a determination described in subsection (h) shall review that determination not later than 1 year after the date of that determination, and not less frequently than every year thereafter.".

(d) DEBTOR'S DUTIES.—Section 521 of title 11, United States Code, is amended—

(1) by inserting "(a)" before "The debtor shall—"; and

(2) by adding at the end the following:

"(b) In addition to the requirements under subsection (a), an individual debtor shall file with the court—

"(1) a certificate from the credit counseling service that provided the debtor services under section 109(h); and

"(2) a copy of the debt repayment plan, if any, developed under section 109(h) through the credit counseling service referred to in paragraph (1).".

(e) GENERAL PROVISIONS.—

(1) IN GENERAL.—Chapter 1 of title 11, United States Code, is amended by adding at the end the following:

"§111. Credit counseling services; financial management instructional courses

"(a) The clerk of each district shall maintain a list of credit counseling services that provide 1 or more programs described in section 109(h) and a list of instructional courses concerning personal financial management that have been approved by—

"(1) the United States trustee; or

"(2) the bankruptcy administrator for the district.".

(2) CLERICAL AMENDMENT.—The table of sections for chapter 1 of title 11, United States Code, is amended by adding at the end the following:

"111. Credit counseling services; financial management instructional courses.".

(f) LIMITATION.—Section 362 of title 11, United States Code, is amended by adding at the end the following:

"(i) If a case commenced under chapter 7, 11, or 13 [of this title] is dismissed due to the creation of a debt repayment plan, for purposes of subsection (c)(3), any subsequent case commenced by the debtor under any such chapter shall not be presumed to be filed not in good faith.".

TITLE II—ENHANCED CONSUMER PROTECTION

Subtitle A—Penalties for Abusive Creditor Practices

SEC. 201. PROMOTION OF ALTERNATIVE DISPUTE RESOLUTION.

(a) REDUCTION OF CLAIM.—Section 502 of title 11, United States Code, is amended by adding at the end the following:

"(k)(1) The court, on the motion of the debtor and after a hearing, may reduce a claim filed under this section based in whole on unsecured consumer debts by not more than 20 percent of the claim, if—

"(A) the claim was filed by a creditor who unreasonably refused to negotiate a reasonable alternative repayment schedule proposed by an approved credit counseling agency acting on behalf of the debtor;

"(B) the offer of the debtor under subparagraph (A)—

"(i) was made at least 60 days before the filing of the petition; and

"(ii) provided for payment of at least 60 percent of the amount of the debt over a period not to exceed the repayment period of the loan, or a reasonable extension thereof; and

"(C) no part of the debt under the alternative repayment schedule is nondischargeable.

"(2) The debtor shall have the burden of proving, by clear and convincing evidence, that—

"(A) the creditor unreasonably refused to consider the debtor's proposal; and

"(B) the proposed alternative repayment schedule was made in the 60-day period specified in paragraph (1)(B)(i).".

(b) LIMITATION ON AVOIDABILITY.—Section 547 of title 11, United States Code, is amended by adding at the end the following:

"(h) The trustee may not avoid a transfer if such transfer was made as a part of an alternative repayment plan between the debtor and any creditor of the debtor created by an approved credit counseling agency.".

SEC. 202. EFFECT OF DISCHARGE.

Section 524 of title 11, United States Code, is amended by adding at the end the following:

"(i) The willful failure of a creditor to credit payments received under a plan confirmed under this title (including a plan of reorganization confirmed under chapter 11 of this title) in the manner required by the plan (including crediting the amounts required under the plan) shall constitute a violation of an injunction under subsection (a)(2).".

SEC. 203. VIOLATIONS OF THE AUTOMATIC STAY.

Section 362(a) of title 11, United States Code, is amended—

(1) in paragraph (7), by striking "and" at the end;

(2) in paragraph (8), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(9) any communication (other than a recitation of the creditor's legal rights) threatening a debtor (for the purpose of coercing an agreement for the reaffirmation of debt), at any time after the commencement and before the granting of a discharge in a case under this title, of an intention to—

"(A) file a motion to—

"(i) determine the dischargeability of a debt; or

"(ii) under section 707(b), [to] dismiss or convert a case; or

"(B) repossess collateral from the debtor to which the stay applies.".

SEC. 204. DISCOURAGING ABUSE OF REAFFIRMATION PRACTICES.

(a) IN GENERAL.—Section 524 of title 11, United States Code, as amended by section 202 of this Act, is amended—

(1) in subsection (c)—

(A) in paragraph (2)—

(i) in subparagraph (A), by striking "and" at the end;

(ii) in subparagraph (B), by inserting "and" at the end; and

(iii) by adding at the end the following:

"(C)(i) the consideration for such agreement is based on a wholly unsecured consumer debt; and

"(ii) such agreement contains a clear and conspicuous statement that advises the debtor that—

"(I) the debtor is entitled to a hearing before the court at which—

"(aa) the debtor shall appear in person; and

"(bb) the court shall decide whether the agreement constitutes an undue hardship, is not in the debtor's best interest, or is not the result of a threat by the creditor to take an action that, at the time of the threat, [that] the creditor may not legally take or does not intend to take; and

"(II) if the debtor is represented by counsel, the debtor may waive the debtor's right to a hearing under subclause (I) by signing a statement—

"(aa) waiving the hearing;

"(bb) stating that the debtor is represented by counsel; and

"(cc) identifying the counsel[.] ;"; [and]

(B) in paragraph (6)(A)—

(i) in clause (i), by striking "and" at the end;

(ii) in clause (ii), by striking the period and inserting "; and"; and

(iii) by adding at the end the following:

"(iii) not an agreement that the debtor entered into as a result of a threat by the creditor to take an action that, at the time of the threat, the creditor could not legally take or did not intend to take[.]; *except that*"; and

(C) in paragraph (6)(B), by striking "Subparagraph" and inserting "subparagraph"; and

(2) in subsection (d), in the third sentence, by inserting after "during the course of negotiating an agreement" the following: "(or if the consideration by such agreement is based on a wholly secured consumer debt, and the debtor has not waived the right to a hearing under subsection (c)(2)(C))".

(b) LAW ENFORCEMENT.—

(1) IN GENERAL.—Chapter 9 of title 18, United States Code, is amended by adding at the end the following:

"§ 158. Designation of United States attorneys and agents of the Federal Bureau of Investigation to address abusive reaffirmations of debt

"(a) IN GENERAL.—The Attorney General of the United States shall designate the individuals described in subsection (b) to have primary responsibility in carrying out enforcement activities in addressing violations of section 152 or 157 relating to abusive reaffirmations of debt.

"(b) UNITED STATES DISTRICT ATTORNEYS AND AGENTS OF THE FEDERAL BUREAU OF INVESTIGATION—The individuals referred to in subsection (a) are—

"(1) a United States attorney for each judicial district of the United States; and

"(2) an agent of the Federal Bureau of Investigation (within the meaning of section 3107) for each field office of the Federal Bureau of Investigation.

"(c) BANKRUPTCY INVESTIGATIONS.—Each United States attorney designated under this section shall have primary responsibility for carrying out the duties of a United States attorney under section 3057.".

(2) CLERICAL AMENDMENT.—The analysis for chapter 9 of title 18, United States Code, is amended by adding at the end the following:

"158. Designation of United States attorneys and agents of the Federal Bureau of Investigation to address abusive reaffirmations of debt.".

(c) EXCEPTIONS TO DISCHARGE.—Section 523 of title 11, United States Code, is amended by adding at the end the following:

"(f) Nothing in this section or in any other provision of this title shall preempt any State law relating to unfair trade practices that imposes restrictions on creditor conduct that would give rise to liability—

"(1) under this section; or

"(2) under section 524, for failure to comply with applicable requirements for seeking a reaffirmation of debt.

"(g) ACTIONS BY STATES.—The attorney general of a State, or an official or agency designated by a State—

"(1) may bring an action on behalf of its residents to recover damages on their behalf under subsection (d) or section 524(c); and

"(2) may bring an action in a State court to enforce a State criminal law that is similar to section 152 or 157 of title 18.".

Subtitle B—Priority Child Support

SEC. 211. DEFINITION OF DOMESTIC SUPPORT OBLIGATION.

Section 101 of title 11, United States Code, is amended—

(1) by striking paragraph (12A); and

(2) by inserting after paragraph (14) the following:

"(14A) 'domestic support obligation' means a debt that accrues before or after the entry of an order for relief under this title that is—

"(A) owed to or recoverable by—

"(i) a spouse, former spouse, or child of the debtor or such child's parent or legal guardian; or

"(ii) a governmental unit;

"(B) in the nature of alimony, maintenance, or support (including assistance provided by a governmental unit) of such spouse, former spouse, or child of the debtor or such child's parent or legal guardian, without regard to whether such debt is expressly so designated;

"(C) established or subject to establishment before or after entry of an order for relief under this title, by reason of applicable provisions of—

"(i) a separation agreement, divorce decree, or property settlement agreement;

"(ii) an order of a court of record; or

"(iii) a determination made in accordance with applicable nonbankruptcy law by a governmental unit; and

"(D) not assigned to a nongovernmental entity, unless that obligation is assigned voluntarily by the spouse, former spouse, child, or parent or legal guardian of the child for the purpose of collecting the debt.".

SEC. [211.] *212.* PRIORITIES FOR CLAIMS FOR DOMESTIC SUPPORT OBLIGATIONS.

Section 507(a) of title 11, United States Code, is amended—

(1) by striking paragraph (7);

(2) by redesignating paragraphs (1) through (6) as paragraphs (2) through (7), respectively;

(3) in paragraph (2), as redesignated, by striking "First" and inserting "Second";

(4) in paragraph (3), as redesignated, by striking "Second" and inserting "Third";

(5) in paragraph (4), as redesignated, by striking "Third" and inserting "Fourth";

(6) in paragraph (5), as redesignated, by striking "Fourth" and inserting "Fifth";

(7) in paragraph (6), as redesignated, by striking "Fifth" and inserting "Sixth";

(8) in paragraph (7), as redesignated, by striking "Sixth" and inserting "Seventh"; and

(9) by inserting before paragraph (2), as redesignated, the following:

"(1) First, allowed *unsecured* claims for domestic support obligations to be paid in the following order on the condition that funds received under this paragraph by a governmental unit in a case under this title be applied *and distributed in accordance with applicable nonbankruptcy law*:

"(A) Claims that, as of the date of entry of the order for relief, are owed directly to a spouse, former spouse, or child of the debtor, or the parent *or legal guardian* of such child, without regard to whether the claim is filed by the spouse, former spouse, child, or [parent] *such child's parent or legal guardian*, or is filed by a governmental unit on behalf of that person.

"(B) Claims that, as of the date of entry of the order for relief, are assigned by a spouse, former spouse, child of the debtor, or the parent *or legal guardian* of that child to a governmental unit or are owed directly to a governmental unit under applicable nonbankruptcy law.".

SEC. [212.] *213.* REQUIREMENTS TO OBTAIN CONFIRMATION AND DISCHARGE IN CASES INVOLVING DOMESTIC SUPPORT OBLIGATIONS.

Title 11, United States Code, is amended—

[(1) in section 1129(a), by adding at the end the following:

["(14) If the debtor is required by a judicial or administrative order or statute to pay a domestic support obligation, the debtor has paid all amounts payable under such order or statute for such obligation that become payable after the date on which the petition is filed.";]

(1) in section 1322(a)—

(A) in paragraph (2), by striking "and" at the end;

(B) in paragraph (3), by striking the period at the end and inserting "; and"; and

(C) by adding in the end the following:

"(4) if the debtor is required by judicial or administrative order or statute to pay a domestic support obligation, unless the holder of such claim agrees to a different treatment of such claim, provide for the full payment of—

"(A) all amounts payable under such order or statute for such obligation that first become payable after the date on which the petition is filed; and

"(B) all amounts payable under such order before the date on which such petition was filed, if such amounts are owed directly to a spouse, former spouse, child of the debtor, or a parent or legal guardian of such child.";

(2) in section 1225(a)—

(A) in paragraph (5), by striking "and" at the end;

(B) in paragraph (6), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(7) if the debtor is required by a judicial or administrative order or statute to pay a domestic support obligation, the plan provides for the full payment of all amounts payable under such order or statute for such obligation that initially become payable after the date on which the petition is filed.";

(3) in section 1228(a)—

(A) by striking "(a) As soon as practicable" and inserting "(a)(1) Subject to paragraph (2), as soon as practicable";

(B) by striking "(1) provided" and inserting the following:

"(A) provided";

(C) by striking "(2) of the kind" and inserting the following:

"(B) of the kind"; and

(D) by adding at the end the following:

"(2) With respect to a debtor who is required by a judicial or administrative order or statute to pay a domestic support obligation, the court may not grant the debtor a discharge under paragraph (1) until after the debtor certifies that—

"(A) all amounts payable under that order or statute that initially became payable after the date on which the petition was filed (through the date of the certification) have been paid; and

"(B) all amounts payable under that order that, as of the date of the certification, are owed directly to a spouse, former spouse, or child of the debtor, or the parent or legal guardian of such child, have been paid, unless the holder of such claim agrees to a different treatment of such claim.";

[(2)] *(4)* in section 1325(a)—

(A) in paragraph (5), by striking "and" at the end;

(B) in paragraph (6), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(7) if the debtor is required by a judicial or administrative order or statute to pay a domestic support obligation, [the debtor has paid] *the plan provides for full payment of* all amounts payable under such order for such obligation that become payable after the date on which the petition is filed."; and

[(3)] *(5)* in section 1328(a), in the matter preceding paragraph (1), by inserting ", and with respect to a debtor who is required by a judicial or administrative order to pay a domestic support obligation, *and with respect to whom the court* certifies that all amounts payable under such order or [statute that are due on or before the date] *statute that initially became payable after the date on which the petition was filed through the date* of the [certification (including amounts due before or after the petition was filed) have been paid" after "completion by the debtor of all payments under the plan".] *certification have been paid, after all amounts payable under that order that, as of the date of certification, are owed directly to a spouse, former spouse, or child of the debtor, or the parent or legal guardian of such child have been paid (unless the holder of such claim agrees to a different treatment of such claim)," after "completion by the debtor of all payments under the plan".*

SEC. [213.] *214.* EXCEPTIONS TO AUTOMATIC STAY IN DOMESTIC SUPPORT OBLIGATION PROCEEDINGS.

Section 362(b) of title 11, United States Code, is amended—

(1) by striking paragraph (2) and inserting the following:

"(2) under subsection (a)—

"(A) of the commencement of an action or proceeding for—

"(i) the establishment of paternity [as a part of an effort to collect domestic support obligations]; or

"(ii) the establishment or modification of an order for domestic support obligations; or

"(B) the collection of a domestic support obligation from property that is not property of the estate;";

[(2) in paragraph (17), by striking "or" at the end;

[(3) in paragraph (18), by striking the period at the end and inserting a semicolon; and

[(4) by inserting after paragraph (18) the following:

["(19) under subsection (a) with respect to the withholding of income under an order as specified in section 466(b) of the Social Security Act (42 U.S.C. 666(b)); or

["(20) under subsection (a) with respect to—]

(2) by inserting after paragraph (4) the following:

"(5) under subsection (a) with respect to the withholding of income—

"(A) for payment of a domestic support obligation for amounts that initially become payable after the date the petition was filed; and

"(B) for payment of a domestic support obligation for amounts payable before the date the petition was filed, and owed directly to the spouse, former spouse, or child of the debtor, or the parent or guardian of such child;";

(3) in paragraph (17), by striking "or" at the end;

(4) in paragraph (18), by striking the period at the end and inserting "; or"; and

(5) by inserting after paragraph (18) the following:

"(19) under subsection (a) with respect to—

"(A) the withholding, suspension, or restriction of drivers' licenses, professional and occupational licenses, and recreational licenses under State law, as specified in section 466(a)(16) of the Social Security Act (42 U.S.C. 666(a)(16)) [or with respect];

"*(B)* [to] the reporting of overdue support owed by an absent parent to any consumer reporting agency as specified in section 466(a)(7) of the Social Security Act (42 U.S.C. 666(a)(7));

"[(B)] *(C)* the interception of tax refunds, as specified in sections 464 and 466(a)(3) of the Social Security Act (42 U.S.C. 664 and 666(a)(3)), *if such tax refund is payable directly to a spouse, former spouse, or child of the debtor, or the parent or legal guardian of such child*; or

"[(C)] *(D)* the enforcement of medical obligations as specified under title IV of the Social Security Act (42 U.S.C. 601 et seq.).".

SEC. [214.] *215.* NONDISCHARGEABILITY OF CERTAIN DEBTS FOR ALIMONY, MAINTENANCE, AND SUPPORT.

Section 523 of title 11, United States Code, is amended—

[(1) in subsection (a), by striking paragraph (5) and inserting the following:

["(5) for a domestic support obligation;";]

(1) in subsection (a)—

(A) by striking paragraph (5) and inserting the following:

"(5) for a domestic support obligation;";

(B) in paragraph (15)—

(i) by inserting "or" after "court of record"; and

(ii) by striking "unless—" and all that follows through the end of the paragraph and inserting a semicolon; and

(2) in subsection (c), by striking "(6), or (15)" and inserting "or (6)"[; and].

[(3) in paragraph (15), by striking "governmental unit" and all through the end of the paragraph and inserting a semicolon.]

SEC. [215.] *216.* CONTINUED LIABILITY OF PROPERTY.

Section 522 of title 11, United States Code, is amended—

(1) in subsection (c), by striking paragraph (1) and inserting the following:

"(1) a debt of a kind specified in paragraph (1) or (5) of section 523(a) (in which case, notwithstanding any provision of applicable nonbankruptcy law to the contrary, such property shall be liable for a debt of a kind specified in section 523(a)(5));"; and

(2) in subsection (f)(1)(A), by striking the dash and all that follows through the end of the subparagraph and inserting "of a kind that is specified in section 523(a)(5); or".

SEC. [216.] *217.* PROTECTION OF DOMESTIC SUPPORT CLAIMS AGAINST PREFERENTIAL TRANSFER MOTIONS.

Section 547(c)(7) of title 11, United States Code, is amended to read as follows:

"(7) to the extent such transfer was a bona fide payment of a debt for a domestic support obligation; or".

[SEC. 217. AMENDMENT TO SECTION 1325 OF TITLE 11, UNITED STATES CODE.

[Section 1325(b)(2) of title 11, United States Code, is amended by inserting "(other than child support payments, foster care payments, or disability payments for a dependent child made in accordance with applicable nonbankruptcy law and which is reasonably necessary to be expended)" after "received by the debtor".

[SEC. 218. DEFINITION OF DOMESTIC SUPPORT OBLIGATION.

[Section 101 of title 11, United States Code, is amended—

[(1) by striking paragraph (12A); and

[(2) by inserting after paragraph (14) the following:

["(14A) 'domestic support obligation' means a debt that accrues before or after the entry of an order for relief under this title that is—

["(A) owed to or recoverable by—

["(i) a spouse, former spouse, or child of the debtor or that child's legal guardian; or

["(ii) a governmental unit;

["(B) in the nature of alimony, maintenance, or support (including assistance provided by a governmental unit) of such spouse, former spouse, or child, without regard to whether such debt is expressly so designated;

["(C) established or subject to establishment before or after entry of an order for relief under this title, by reason of applicable provisions of—

["(i) a separation agreement, divorce decree, or property settlement agreement;

["(ii) an order of a court of record; or

["(iii) a determination made in accordance with applicable nonbankruptcy law by a governmental unit; and

["(D) not assigned to a nongovernmental entity, unless that obligation is assigned voluntarily by the spouse, former spouse, child, or parent solely for the purpose of collecting the debt.".]

SEC. 218. DISPOSABLE INCOME DEFINED.

(a) CONFIRMATION OF PLAN UNDER CHAPTER 12.—Section 1225(b)(2)(A) of title 11, United States Code, is amended by inserting "for a child support, foster care, or disability payment for a dependent child made in accordance with applicable nonbankruptcy law" after "dependent of the debtor".

(b) CONFIRMATION OF PLAN UNDER CHAPTER 13.—Section 1325(b)(2)(A) of title 11, United States Code, is amended by inserting "or for a child support, foster care, or disability payment for a dependent child made in accordance with applicable nonbankruptcy law" after "dependent of the debtor".

SEC. 219. COLLECTION OF CHILD SUPPORT.

(a) DUTIES OF TRUSTEE UNDER CHAPTER 7.—Section 704 of title 11, United States Code, as amended by section 102(b) of this Act, is amended—

(1) in subsection (a)—

(A) in paragraph (8), by striking "and" at the end;

(B) in paragraph (9), by striking the period and inserting "; and"; and

(C) by adding at the end the following:

"(10) if, with respect to an individual debtor, there is a claim for support of a child of the debtor or a custodial parent *or legal guardian* of such child entitled to receive priority under section 507(a)(1), provide the applicable notification specified in subsection (c)."; and

(2) by adding at the end the following:

"(c)(1) In any case described in subsection (a)(10), the trustee shall—

"(A)(i) notify in writing the holder of the claim of the right of that holder to use the services of a State child support enforcement agency established under sections 464 and 466 of the Social Security Act (42 U.S.C. [654] *664* and 666, respectively) for the State in which the holder resides *for assistance in collecting child support during and after the bankruptcy procedures*; [and]

"(ii) include in the notice under this paragraph the address and telephone number of the child support enforcement agency; and

"(iii) include in the notice an explanation of the rights of the holder of the claim to payment of the claim under this chapter; and

"(B)(i) notify in writing the State child support agency of the State in which the holder of the claim resides of the claim;

"(ii) include in the notice under this paragraph the name, address, and telephone number of the holder of the claim; and

"(iii) at such time as the debtor is granted a discharge under section 727, notify the holder of that claim and the State child support agency of the State in which that holder resides of—

"(I) the granting of the discharge;

"(II) the last recent known address of the debtor; and

"(III) with respect to the debtor's case, the name of each creditor that holds a claim *that*—

"(aa) [that] is not discharged under paragraph (2), (4), or (14A) of section 523(a); or

"(bb) [that] was reaffirmed by the debtor under section 524(c).

"(2)(A) If, after receiving a notice under paragraph (1)(B)(iii), a holder of a claim or a State child support agency is unable to locate the debtor that is the subject of the notice, that party may request from a creditor described in paragraph (1)(B)(iii)(III) (aa) or (bb) the last *known address of the debtor.*

"(B) Notwithstanding any other provision of law, a creditor that makes a disclosure of a last known address of a debtor in connection with a request made under subparagraph (A) shall not be liable to the debtor or any other person by reason of making that disclosure.".

(b) DUTIES OF TRUSTEE UNDER CHAPTER 11.—Section 1106 of title 11, United States Code, is amended—

(1) in subsection (b)—

(A) in paragraph (5), by striking "and" at the end;

(B) in paragraph (6), by striking the period and inserting "; and"; and

(C) by adding at the end the following:

"(7) if, with respect to an individual debtor, there is a claim for support of a child of the debtor or a custodial parent or legal guardian of such child entitled to receive priority under section 507(a)(1), provide the applicable notification specified in subsection (c)."; and

(2) by adding at the end the following:

"(c)(1) In any case described in subsection (b)(7), the trustee shall—

"(A)(i) notify in writing the holder of the claim of the right of that holder to use the services of a State child support enforcement agency established under sections 464 and 466 of the Social Security Act (42 U.S.C. 664 and 666) for the State in which the holder resides; and

"(ii) include in the notice under this paragraph the address and telephone number of the child support enforcement agency; and

"(B)(i) notify, in writing, the State child support agency (of the State in which the holder of the claim resides) of the claim;

"(ii) include in the notice under this paragraph the name, address, and telephone number of the holder of the claim; and

"(iii) at such time as the debtor is granted a discharge under section 1141, notify the holder of the claim and the State child support agency of the State in which that holder resides of—

"(I) the granting of the discharge;

"(II) the last recent known address of the debtor; and

"(III) with respect to the debtor's case, the name of each creditor that holds a claim that—

"(aa) is not discharged under paragraph (2), (4), or (14A) of section 523(a); or

"(bb) was reaffirmed by the debtor under section 524(c).

"(2)(A) If, after receiving a notice under paragraph (1)(B)(iii), a holder of a claim or a State child support agency is unable to locate the debtor that is the subject of the notice, that party may request from a creditor described in paragraph (1)(B)(iii)(III) (aa) or (bb) the last known address of the debtor.

"(B) Notwithstanding any other provision of law, a creditor that makes a disclosure of a last known address of a debtor in connection with a request made under subparagraph (A) shall not be liable to the debtor or any other person by reason of making that disclosure.".

(c) DUTIES OF TRUSTEE UNDER CHAPTER 12.—Section 1202 of title 11, United States Code, is amended—

(1) in subsection (b)—

(A) in paragraph (4), by striking "and" at the end;

(B) in paragraph (5), by striking the period and inserting "; and"; and

(C) by adding at the end the following:

"(6) if, with respect to an individual debtor, there is a claim for support of a child of the debtor or a custodial parent or legal guardian of such child entitled to receive priority under section 507(a)(1), provide the applicable notification specified in subsection (c)."; and

(2) by adding at the end the following:

"(c)(1) In any case described in subsection (b)(6), the trustee shall—

"(A)(i) notify in writing the holder of the claim of the right of that holder to use the services of a State child support enforcement agency established under sections 464 and 466 of the Social Security Act (42 U.S.C. 664 and 666) for the State in which the holder resides; and

"(ii) include in the notice under this paragraph the address and telephone number of the child support enforcement agency; and

"(B)(i) notify, in writing, the State child support agency (of the State in which the holder of the claim resides) of the claim;

"(ii) include in the notice under this paragraph the name, address, and telephone number of the holder of the claim; and

"(iii) at such time as the debtor is granted a discharge under section 1228, notify the holder of the claim and the State child support agency of the State in which that holder resides of—

"(I) the granting of the discharge;

"(II) the last recent known address of the debtor; and

"(III) with respect to the debtor's case, the name of each creditor that holds a claim that—

"(aa) is not discharged under paragraph (2), (4), or (14A) of section 523(a); or

"(bb) was reaffirmed by the debtor under section 524(c).

"(2)(A) If, after receiving a notice under paragraph (1)(B)(iii), a holder of a claim or a State child support agency is unable to locate the debtor that is the subject of the notice, that party may request from a creditor described in paragraph (1)(B)(iii)(III) (aa) or (bb) the last known address of the debtor.

"(B) Notwithstanding any other provision of law, a creditor that makes a disclosure of a last known address of a debtor in connection with a request made under subparagraph (A) shall not be liable to the debtor or any other person by reason of making that disclosure.".

[(b)] *(d)* DUTIES OF TRUSTEE UNDER CHAPTER 13.—Section 1302 of title 11, United States Code, [as amended by section 102(b) of this Act,] is amended—

(1) in subsection (b)—

(A) in paragraph (4), by striking "and" at the end;

(B) in paragraph (5), by striking the period and inserting "; and"; and

(C) by adding at the end the following:

"(6) if, with respect to an individual debtor, there is a claim for support of a child of the debtor or a custodial parent *or legal guardian* of such child entitled to receive priority under section 507(a)(1), provide the applicable notification specified in subsection (d)."; and

[(s)] *(2)* by adding at the end the following:

"(d)(1) In any case described in subsection (b)(6), the trustee shall—

"(A)(i) notify in writing the holder of the claim of the right of that holder to use the services of a State child support enforcement agency established under sections 464 and 466 of the Social Security Act (42 U.S.C. 664 and 666, respectively) for the State in which the holder resides; and

"(ii) include in the notice under this paragraph the address and telephone number of the child support enforcement agency; and

"(B)(i) notify in writing the State child support agency of the State in which the holder of the claim resides of the claim; [and]

"(ii) include in the notice under this paragraph the name, address, and telephone number of the holder of the claim; *and*

"(iii) at such time as the debtor is granted a discharge under section 1328, notify the holder of the claim and the State child support agency of the State in which that holder resides of—

"(I) the granting of the discharge;

"(II) the last recent known address of the debtor; and

"(III) with respect to the debtor's case, the name of each creditor that holds a claim *that*—

"(aa) [that] is not discharged under paragraph (2), (4), or (14A) of section 523(a); or

"(bb) [that] was reaffirmed by the debtor under section 524(c).

"(2)(A) If, after receiving a notice under paragraph (1)(B)(iii), a holder of a claim or a State child support agency is unable to locate the debtor that is the subject of the notice, that party may request from a creditor described in paragraph (1)(B)(iii)(III) (aa) or (bb) the last known address of the debtor.

"(B) Notwithstanding any other provision of law, a creditor that makes a disclosure of a last known address of a debtor in connection with a request made under subparagraph (A) shall not be liable to the debtor or any other person by reason of making that disclosure.".

Subtitle C—Other Consumer Protections

[SEC. 221. DEFINITIONS.

[(a) DEFINITIONS.—Section 101 of title 11, United States Code, is amended—

[(1) by inserting after paragraph (3) the following:

["(3A) 'assisted person' means any person whose debts consist primarily of consumer debts and whose nonexempt assets are less than $150,000;";

[(2) by inserting after paragraph (4) the following:

["(4A) 'bankruptcy assistance' means any goods or services sold or otherwise provided to an assisted person with the express or implied purpose of providing information, advice, counsel, document preparation or filing, or attendance at a creditors' meeting or appearing in a proceeding on behalf of another or providing legal representation with respect to a proceeding under this title;"; and

[(3) by inserting after paragraph (12A) the following:

["(12B) 'debt relief agency' means any person who provides any bankruptcy assistance to an assisted person in return for the payment of money or other valuable consideration, or who is a bankruptcy petition preparer under section 110, but does not include any person that is any of the following or an officer, director, employee, or agent thereof—

["(A) any nonprofit organization which is exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986;

["(B) any creditor of the person to the extent the creditor is assisting the person to restructure any debt owed by the person to the creditor; or

["(C) any depository institution (as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)) or any Federal credit union or State credit union (as those terms are defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1751)), or any affiliate or subsidiary of such a depository institution or credit union;".

[(b) CONFORMING AMENDMENT.—Section 104(b)(1) of title 11, United States Code, is amended by inserting "101(3)," after "sections".

[SEC. 222. DISCLOSURES.

[(a) DISCLOSURES.—Subchapter II of chapter 5 of title 11, United States Code, is amended by adding at the end the following:

["§ 526. Disclosures

["(a) A debt relief agency providing bankruptcy assistance to an assisted person shall provide the following notices to the assisted person:

["(1) The written notice required under section 342(b)(1).

["(2) To the extent not covered in the written notice described in paragraph (1) and not later than 3 business days after the first date on which a debt relief agency first offers to provide any bankruptcy assistance services to an assisted person, a clear and conspicuous written notice advising assisted persons that—

["(A) all information the assisted person is required to provide with a petition and thereafter during a case under this title shall be complete, accurate, and truthful;

["(B) all assets and all liabilities shall be completely and accurately disclosed in the documents filed to commence the case, and the replacement value of each asset, as defined in section 506, shall be stated in those documents if requested after reasonable inquiry to establish such value;

["(C) total current monthly income, projected monthly net income and, in a case under chapter 13, monthly net income shall be stated after reasonable inquiry; and

["(D) information an assisted person provides during the case of that person may be audited under this title and the failure to provide such information may result in dismissal of the proceeding under this title or other sanction including, in some instances, criminal sanctions.

["(b) A debt relief agency providing bankruptcy assistance to an assisted person shall provide each assisted person at the same time as the notices required under subsection (a)(1) with the following statement, to the extent applicable, or a substantially similar statement. The statement shall be clear and conspicuous and shall be in a single document separate from other documents or notices provided to the assisted person:

["'IMPORTANT INFORMATION ABOUT BANKRUPTCY ASSISTANCE SERVICES FROM AN ATTORNEY OR BANKRUPTCY PETITION PREPARER

["'If you decide to seek bankruptcy relief, you can represent yourself, you can hire an attorney to represent you, or you can get help in some localities from a bankruptcy petition preparer who is not an attorney. THE LAW REQUIRES AN ATTORNEY OR BANKRUPTCY PETITION PREPARER TO GIVE YOU A WRITTEN CONTRACT SPECIFYING WHAT THE ATTORNEY OR BANKRUPTCY PETITION PREPARER WILL DO FOR YOU AND HOW MUCH IT WILL COST. Ask to see the contract before you hire anyone.

["'The following information helps you understand what must be done in a routine bankruptcy case to help you evaluate how much service you need. Although bankruptcy can be complex, many cases are routine.

["'Before filing a bankruptcy case, either you or your attorney should analyze your eligibility for different forms of debt relief made available by the Bankruptcy Code and which form of relief is most likely to be beneficial for you. Be sure you understand the relief you can obtain and its limitations. To file a bankruptcy case, documents called a Petition, Schedules and Statement of Financial Affairs, as well as in some cases a Statement of Intention need to be prepared correctly and filed with the bankruptcy court. You will have to pay a filing fee to the bankruptcy court. Once your case starts, you will have to attend the required first meeting of creditors where you may be questioned by a court official called a "trustee" and by creditors.

["'If you choose to file a chapter 7 case, you may be asked by a creditor to reaffirm a debt. You may want help deciding whether to do so and a creditor is not permitted to coerce you into reaffirming your debts.

["'If you choose to file a chapter 13 case in which you repay your creditors what you can afford over 3 to 5 years, you may also want help with preparing your chapter 13 plan and with the confirmation hearing on your plan which will be before a bankruptcy judge.

["'If you select another type of relief under the Bankruptcy Code other than chapter 7 or chapter 13, you will want to find out what needs to be done from someone familiar with that type of relief.

["'Your bankruptcy case may also involve litigation. You are generally permitted to represent yourself in litigation in bankruptcy court, but only attorneys, not bankruptcy petition preparers, can give you legal advice.'.

["(c) Except to the extent the debt relief agency provides the required information itself after reasonably diligent inquiry of the assisted person or others so as to obtain such information reasonably accurately for inclusion on the petition, schedules or statement of financial affairs, a debt relief agency providing bankruptcy assistance to an assisted person, to the extent permitted by nonbankruptcy law, shall provide each assisted person at the time required for the notice required under subsection (a)(1) reasonably sufficient information (which may be provided orally or in a clear and conspicuous writing) to the assisted person on how to provide all the information the assisted person is required to provide under this title pursuant to section 521, including—

["(1) how to value assets at replacement value, determine total current monthly income, projected monthly income and, in a case under chapter 13, net monthly income, and related calculations;

["(2) how to complete the list of creditors, including how to determine what amount is owed and what address for the creditor should be shown; and

["(3) how to—

["(A) determine what property is exempt; and

["(B) value exempt property at replacement value, as defined in section 506.

["(d) A debt relief agency shall maintain a copy of the notices required under subsection (a) of this section for a period of 2 years after the latest date on which the notice is given the assisted person.".

[(b) CONFORMING AMENDMENT.—The table of sections for chapter 5 of title 11, United States Code, is amended by inserting after the item relating to section 525 the following:

["526. Disclosures.".

[SEC. 223. DEBTOR'S BILL OF RIGHTS.

[(a) DEBTOR'S BILL OF RIGHTS.—Subchapter II of chapter 5 of title 11, United States Code, as amended by section 222 of this Act, is amended by adding at the end the following:

["§ 527. Debtor's bill of rights

["(a)(1) A debt relief agency shall—

["(A) not later than 5 business days after the first date on which a debt relief agency provides any bankruptcy assistance services to an assisted person, but before that assisted person's petition under this title is filed—

["(i) execute a written contract with the assisted person specifying clearly and conspicuously the services the agency will provide the assisted person and the basis on which fees or charges will be made for such services and the terms of payment; and

["(ii) give the assisted person a copy of the fully executed and completed contract in a form the person is able to retain;

["(B) disclose in any advertisement of bankruptcy assistance services or of the benefits of bankruptcy directed to the general public (whether in general media, seminars or specific mailings, telephonic or electronic messages, or otherwise) that the services or benefits are with respect to proceedings under this title, clearly and conspicuously using the statement: 'We are a debt relief agency. We help people file bankruptcy petitions to obtain relief under the Bankruptcy Code.' or a substantially similar statement; and

["(C) if an advertisement directed to the general public indicates that the debt relief agency provides assistance with respect to credit defaults, mortgage foreclosures, lease eviction proceedings, excessive debt, debt collection pressure, or inability to pay any consumer debt, disclose conspicuously in that advertisement that the assistance is with respect to or may involve proceedings under this title, using the following statement: 'We are a debt relief agency. We help people file bankruptcy petitions to obtain relief under the Bankruptcy Code.' or a substantially similar statement.

["(2) For purposes of paragraph (1)(B), an advertisement shall be of bankruptcy assistance services if that advertisement describes or offers bankruptcy assistance with a plan under chapter 12, without regard to whether chapter 13 is specifically mentioned. A statement such as 'federally supervised repayment plan' or 'Federal debt restructuring help' or any other similar statement that would lead a reasonable consumer to believe that help with debts is being offered when in fact in most cases the help available is bankruptcy assistance with a plan under chapter 13 is a statement covered under the preceding sentence.

["(b) A debt relief agency shall not—

["(1) fail to perform any service that the debt relief agency has told the assisted person or prospective assisted person the agency would provide that person in connection with the preparation for or activities during a proceeding under this title;

["(2) make any statement, or counsel or advise any assisted person to make any statement in any document filed in a proceeding under this title, that—

["(A) is untrue and misleading; or

["(B) upon the exercise of reasonable care, should be known by the debt relief agency to be untrue or misleading;

["(3) misrepresent to any assisted person or prospective assisted person, directly or indirectly, affirmatively or by material omission, what services the debt relief agency may reasonably expect to provide that person, or the benefits an assisted person may obtain or the difficulties the person may experience if the person seeks relief in a proceeding under this title; or

["(4) advise an assisted person or prospective assisted person to incur more debt in contemplation of that person filing a proceeding under this title or in order to pay an attorney or bankruptcy petition preparer fee or charge for services performed as part of preparing for or representing a debtor in a proceeding under this title.".

[(b) Conforming Amendment.—The table of sections for chapter 5 of title 11, United States Code, as amended by section 222 of this Act, is amended by inserting after the item relating to section 526 of title 11, United States Code, the following:

["527. Debtor's bill of rights.".

[**SEC. 224. ENFORCEMENT.**

[(a) Enforcement.—Subchapter II of chapter 5 of title 11, United States Code, as amended by section 223 of this Act, is amended by adding at the end the following:

[**"§ 528. Debt relief agency enforcement**

["(a) Any waiver by any assisted person of any protection or right provided by or under section 526 or 527 shall be void and may not be enforced by any Federal or State court or any other person.

["(b)(1) Any contract between a debt relief agency and an assisted person for bankruptcy assistance that does not comply with the material requirements of section 526 or 527 shall be treated as void and may not be enforced by any Federal or State court or by any other person.

["(2) Any debt relief agency that has been found, after notice and hearing, to have—

["(A) negligently failed to comply with any provision of section 526 or 527 with respect to a bankruptcy case or related proceeding of an assisted person;

["(B) provided bankruptcy assistance to an assisted person in a case or related proceeding which is dismissed or converted because the debt relief agency's negligent failure to file bankruptcy papers, including papers specified in section 521; or

["(C) negligently or intentionally disregarded the material requirements of this title or the Federal Rules of Bankruptcy Procedure applicable to such debt relief agency shall be liable to the assisted person in the amount of any fees and charges in connection with providing bankruptcy assistance to such person that the debt relief agency has already been paid on account of that proceeding.

["(3) In addition to such other remedies as are provided under State law, whenever the chief law enforcement officer of a State, or an official or agency designated by a State, has reason to believe that any person has violated or is violating section 526 or 527, the State—

["(A) may bring an action to enjoin such violation;

["(B) may bring an action on behalf of its residents to recover the actual damages of assisted persons arising from such violation, including any liability under paragraph (2); and

["(C) in the case of any successful action under subparagraph (A) or (B), shall be awarded the costs of the action and reasonable attorney fees as determined by the court.

["(4) The United States District Court for any district located in the State shall have concurrent jurisdiction of any action under subparagraph (A) or (B) of paragraph (3).

["(5) Notwithstanding any other provision of Federal law, if the court, on its own motion or on the motion of the United States trustee, finds that a person intentionally violated section 526 or 527, or engaged in a clear and consistent pattern or practice of violating section 526 or 527, the court may—

["(A) enjoin the violation of such section; or

["(B) impose an appropriate civil penalty against such person.

["(c) This section and sections 526 and 527 shall not annul, alter, affect, or exempt any person subject to those sections from complying with any law of any State except to the extent that such law is inconsistent with those sections, and then only to the extent of the inconsistency.".

[(b) Conforming Amendment.—The table of sections for chapter 5 of title 11, United States Code, as amended by section 223 of this Act, is amended by inserting after the item relating to section 527 of title 11, United States Code, the following:

["528. Debt relief agency enforcement.".]

SEC. 221. AMENDMENTS TO DISCOURAGE ABUSIVE BANKRUPTCY FILINGS.

Section 110 of title 11, United States Code, is amended—

(1) in subsection (a)(1), by inserting ", under the direct supervision of an attorney," after "who";

(2) in subsection (b)—

(A) in paragraph (1), by adding at the end the following: "If a bankruptcy petition preparer is not an individual, then an officer, principal, responsible person, or partner of the preparer shall be required to—

"(A) sign the document for filing; and

"(B) print on the document the name and address of that officer, principal, responsible person or partner.";

(B) by striking paragraph (2) and inserting the following:

"(2)(A) Before preparing any document for filing or accepting any fees from a debtor, the bankruptcy petition preparer shall provide to the debtor a written notice to debtors concerning bankruptcy petition preparers, which shall be on an official form issued by the Judicial Conference of the United States.

"(B) The notice under subparagraph (A)—

"(i) shall inform the debtor in simple language that a bankruptcy petition preparer is not an attorney and may not practice law or give legal advice;

"(ii) may contain a description of examples of legal advice that a bankruptcy petition preparer is not authorized to give, in addition to any advice that the preparer may not give by reason of subsection (e)(2); and

"(iii) shall—

"(I) be signed by—

"(aa) the debtor; and

"(bb) the bankruptcy petition preparer, under penalty of perjury; and

"(II) be filed with any document for filing.";

(3) in subsection (c)—

(A) in paragraph (2)—

(i) by striking "(2) For purposes" and inserting "(2)(A) Subject to subparagraph (B), for purposes"; and

(ii) by adding at the end the following:

"(B) If a bankruptcy petition preparer is not an individual, the identifying number of the bankruptcy petition preparer shall be the Social Security account number of the officer, principal, responsible person, or partner of the preparer."; and

(B) by striking paragraph (3);

(4) in subsection (d)—

(A) by striking "(d)(1)" and inserting "(d)"; and

(B) by striking paragraph (2);

(5) in subsection (e)—

(A) by striking paragraph (2); and

(B) by adding at the end the following:

"(2)(A) A bankruptcy petition preparer may not offer a potential bankruptcy debtor any legal advice, including any legal advice described in subparagraph (B).

"(B) The legal advice referred to in subparagraph (A) includes advising the debtor—

"(i) whether—

"(I) to file a petition under this title; or

"(II) commencing a case under chapter 7, 11, 12, or 13 is appropriate;

"(ii) whether the debtor's debts will be eliminated or discharged in a case under this title;

"(iii) whether the debtor will be able to retain the debtor's home, car, or other property after commencing a case under this title;

"(iv) concerning—

"(I) the tax consequences of a case brought under this title; or

"(II) the dischargeability of tax claims;

"(v) whether the debtor may or should promise to repay debts to a creditor or enter into a reaffirmation agreement with a creditor to reaffirm a debt;

"(vi) concerning how to characterize the nature of the debtor's interests in property or the debtor's debts; or

"(vii) concerning bankruptcy procedures and rights.";

(6) in subsection (f)—

(A) by striking "(f)(1)" and inserting "(f)"; and

(B) by striking paragraph (2);

(7) in subsection (g)—

(A) by striking "(g)(1)" and inserting "(g)"; and

(B) by striking paragraph (2);

(8) in subsection (h)—

(A) by redesignating paragraphs (1) through (4) as paragraphs (2) through (5), respectively;

(B) by inserting before paragraph (2), as so redesignated, the following:

"(h)(1) The Supreme Court may promulgate rules under section 2075 of title 28, or the Judicial Conference of the United States may prescribe guidelines, for setting a maximum allowable fee chargeable by a bankruptcy petition preparer. A bankruptcy petition preparer shall notify the debtor of any such maximum amount

before preparing any document for filing for a debtor or accepting any fee from the debtor.'';

(C) in paragraph (2), as redesignated by subparagraph (A) of this paragraph—

(i) by striking ''Within 10 days after the date of filing a petition, a bankruptcy petition preparer shall file a'' and inserting ''A'';

(ii) by inserting ''by the bankruptcy petition preparer shall be filed together with the petition,'' after ''perjury''; and

(iii) by adding at the end the following: ''If rules or guidelines setting a maximum fee for services have been promulgated or prescribed under paragraph (1), the declaration under this paragraph shall include a certification that the bankruptcy petition preparer complied with the notification requirement under paragraph (1).'';

(D) by striking paragraph (3), as redesignated by subparagraph (A) of this paragraph, and inserting the following:

''(3)(A) The court shall disallow and order the immediate turnover to the bankruptcy trustee any fee referred to in paragraph (2) found to be in excess of the value of any services—

''(i) rendered by the preparer during the 12-month period immediately preceding the date of filing of the petition; or

''(ii) found to be in violation of any rule or guideline promulgated or prescribed under paragraph (1).

''(B) All fees charged by a bankruptcy petition preparer may be forfeited in any case in which the bankruptcy petition preparer fails to comply with this subsection or subsection (b), (c), (d), (e), (f), or (g).

''(C) An individual may exempt any funds recovered under this paragraph under section 522(b).''; and

(E) in paragraph (4), as redesignated by subparagraph (A) of this paragraph, by striking ''or the United States trustee'' and inserting ''the United States trustee, or the court, on the initiative of the court,'';

(9) in subsection (i)(1), by striking the matter preceding subparagraph (A) and inserting the following:

''(i) If a bankruptcy petition preparer violates this section or commits any act that the court finds to be fraudulent, unfair, or deceptive, on motion of the debtor, trustee, or United States trustee, and after the court holds a hearing with respect to that violation or act, the court shall order the bankruptcy petition preparer to pay to the debtor—'';

(10) in subsection (j)—

(A) in paragraph (2)—

(i) in subparagraph (A)(i)(I), by striking ''a violation of which subjects a person to criminal penalty'';

(ii) in subparagraph (B)—

(I) by striking ''or has not paid a penalty'' and inserting ''has not paid a penalty''; and

(II) by inserting ''or failed to disgorge all fees ordered by the court'' after ''a penalty imposed under this section,'';

(B) by redesignating paragraph (3) as paragraph (4); and

(C) by inserting after paragraph (2) the following:

''(3) The court, as part of its contempt power, may enjoin a bankruptcy petition preparer that has failed to comply with a previous order issued under this section. The injunction under this paragraph may be issued upon motion of the court, the trustee, or the United States trustee.'';
and

(11) by adding at the end the following:

''(l)(1) A bankruptcy petition preparer who fails to comply with any provision of subsection (b), (c), (d), (e), (f), (g), or (h) may be fined not more than $500 for each such failure.

''(2) The court shall triple the amount of a fine assessed under paragraph (1) in any case in which the court finds that a bankruptcy petition preparer—

''(A) advised the debtor to exclude assets or income that should have been included on applicable schedules;

''(B) advised the debtor to use a false Social Security account number;

''(C) failed to inform the debtor that the debtor was filing for relief under this title; or

''(D) prepared a document for filing in a manner that failed to disclose the identity of the preparer.

''(3) The debtor, the trustee, a creditor, or the United States trustee may file a motion for an order imposing a fine on the bankruptcy petition preparer for each violation of this section.

''(4) All fines imposed under this section shall be paid to the United States trustee, who shall deposit an amount equal to such fines in a special account of the United States Trustee System Fund referred to in section 586(e)(2) of title 28. Amounts deposited under this paragraph shall be available to fund the enforcement of this section on a national basis.''.

SEC. [225.] *222*. SENSE OF CONGRESS.

It is the sense of Congress that States should develop curricula relating to the subject of personal finance, designed for use in elementary and secondary schools.

SEC. [226.] *223*. ADDITIONAL AMENDMENTS TO TITLE 11, UNITED STATES CODE.

(a) In General.—Section 507(a) of title 11, United States Code, as amended by section [211] *212* of this Act, is amended by inserting after paragraph (9) the following:

''(10) Tenth, allowed claims for death or personal injuries resulting from the operation of a motor vehicle or vessel if such operation was unlawful because the debtor was intoxicated from using alcohol, a drug, or another substance.''.

(b) Vessels.—Section 523(a)(9) of title 11, United States Code, is amended by inserting ''or vessel'' after ''vehicle''.

SEC. 224. PROTECTION OF RETIREMENT SAVINGS IN BANKRUPTCY.

(a) In General.—Section 522 of title 11, United States Code, as amended by section 215 of this Act, is amended—

(1) in subsection (b)—

(A) in paragraph (2)—

(i) by striking ''(2)(A) any property'' and inserting:

''(3) Property listed in this paragraph is—

''(A) any property'';

(ii) in subparagraph (A), by striking ''and'' at the end;

(iii) in subparagraph (B), by striking the period at the end and inserting ''; and''; and

(iv) by adding at the end the following:

''(C) retirement funds to the extent that those funds are in a fund or account that is exempt from taxation under section 401, 403, 408, 408A, 414, 457., or 501(a) of the Internal Revenue Code of 1986.'';

(B) by striking paragraph (1) and inserting:

''(2) Property listed in this paragraph is property that is specified under subsection (d), unless the State law that is applicable to the debtor under paragraph (3)(A) specifically does not so authorize.'';

(C) in the matter preceding paragraph (2)—

(i) by striking ''(b)'' and inserting ''(b)(1)'';

(ii) by striking ''paragraph (2)'' both places it appears and inserting ''paragraph (3)'';

(iii) by striking ''paragraph (1)'' each place it appears and inserting ''paragraph (2)''; and

(iv) by striking ''Such property is—''; and

(D) by adding at the end of the subsection the following:

''(4) For purposes of paragraph (3)(C) and subsection (d)(12), the following shall apply:

''(A) If the retirement funds are in a retirement fund that has received a favorable determination pursuant to section 7805 of the Internal Revenue Code of 1986, and that determination is in effect as of the date of the commencement of the case under section 301, 302, or 303 of this title, those funds shall be presumed to be exempt from the estate.

''(B) If the retirement funds are in a retirement fund that has not received a favorable determination pursuant to such section 7805, those funds are exempt from the estate if the debtor demonstrates that—

''(i) no prior determination to the contrary has been made by a court or the Internal Revenue Service; and

''(ii)(I) the retirement fund is in substantial compliance with the applicable requirements of the Internal Revenue Code of 1986; or

''(II) the retirement fund fails to be in substantial compliance with the applicable requirements of the Internal Revenue Code of 1986 and the debtor is not materially responsible for that failure.

''(C) A direct transfer of retirement funds from 1 fund or account that is exempt from taxation under section 401, 403, 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986, pursuant to section 401(a)(31) of the Internal Revenue Code of 1986, or otherwise, shall not cease to qualify for exemption under paragraph (3)(C) or subsection (d)(12) by reason of that direct transfer.

''(D)(i) Any distribution that qualifies as an eligible rollover distribution within the meaning of section 402(c) of the Internal Revenue Code of 1986 or that is described in clause (ii) shall not cease to qualify for exemption under paragraph (3)(C) or subsection (d)(12) by reason of that distribution.

''(ii) A distribution described in this clause is an amount that—

''(I) has been distributed from a fund or account that is exempt from taxation under section 401, 403, 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986; and

''(II) to the extent allowed by law, is deposited in such a fund or account not later than 60 days after the distribution of that amount.''; and

(2) in subsection (d)—

(A) in the matter preceding paragraph (1), by striking ''subsection (b)(1)'' and inserting ''subsection (b)(2)''; and

(B) by adding at the end the following:

''(12) Retirement funds to the extent that those funds are in a fund or account that is exempt from taxation under section 401, 403, 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986.''.

(b) Automatic Stay.—Section 362(b) of title 11, United States Code, as amended by section 214 of this Act, is amended—

(1) in paragraph (18), by striking ''or'' at the end;

(2) in paragraph (19), by striking the period and inserting ''; or'';

(3) by inserting after paragraph (19) the following:

''(20) under subsection (a), of withholding of income from a debtor's wages and collection of amounts withheld, pursuant to the debtor's agreement authorizing that withholding and collection for the benefit of a pension, profit-sharing, stock bonus, or other plan established under section 401, 403, 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986 that is sponsored by the employer of the debtor, or an affiliate, successor, or predecessor of such employer—

''(A) to the extent that the amounts withheld and collected are used solely for payments relating to a loan from a plan that satisfies the requirements of section 408(b)(1) of the Employee Retirement Income Security Act of 1974 or is subject to section 72(p) of the Internal Revenue Code of 1986; or

"(B) in the case of a loan from a thrift savings plan described in subchapter III of title 5, that satisfies the requirements of section 8433(g) of such title;"; and

(4) by adding at the end of the flush material at the end of the subsection, the following: "Nothing in paragraph (20) may be construed to provide that any loan made under a governmental plan under section 414(d), or a contract or account under section 403(b), of the Internal Revenue Code of 1986 constitutes a claim or a debt under this title.".

(c) EXCEPTIONS TO DISCHARGE.—Section 523(a) of title 11, United States Code, is amended—

(1) by striking "or" at the end of paragraph (17);

(2) by striking the period at the end of paragraph (18) and inserting "; or"; and

(3) by adding at the end the following:

"(19) owed to a pension, profit-sharing, stock bonus, or other plan established under section 401, 403, 408, 408A, 414, 457, or 501(c) of the Internal Revenue Code of 1986, pursuant to—

"(A) a loan permitted under section 408(b)(1) of the Employee Retirement Income Security Act of 1974, or subject to section 72(p) of the Internal Revenue Code of 1986; or

"(B) a loan from the thrift savings plan described in subchapter III of title 5, that satisfies the requirements of section 8433(g) of such title. Nothing in paragraph (19) may be construed to provide that any loan made under a governmental plan under section 414(d), or a contract or account under section 403(b), of the Internal Revenue Code of 1986 constitutes a claim or a debt under this title."

(d) PLAN CONTENTS.—Section 1322 of title 11, United States Code, is amended by adding at the end the following:

"(f) A plan may not materially alter the terms of a loan described in section 362(b)(20).".

TITLE III—DISCOURAGING BANKRUPTCY ABUSE

SEC. 301. REINFORCEMENT OF THE FRESH START.

Section 523(a)(17) of title 11, United States Code, is amended—

(1) by striking "by a court" and inserting "on a prisoner by any court",

(2) by striking "section 1915(b) or (f)" and inserting "subsection (b) or (f)(2) of section 1915", and

(3) by inserting "(or a similar non-Federal law)" after "title 28" each place it appears.

SEC. 302. DISCOURAGING BAD FAITH REPEAT FILINGS.

Section 362(c) of title 11, United States Code, is amended—

(1) in paragraph (1), by striking "and" at the end;

(2) in paragraph (2), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

"(3) if a single or joint case is filed by or against an individual debtor under chapter 7, 11, or 13, and if a single or joint case of the debtor was pending within the preceding 1-year period but was dismissed, other than a case refiled under a chapter other than chapter 7 after dismissal under section 707(b)—

"(A) the stay under subsection (a) with respect to any action taken with respect to a debt or property securing such debt or with respect to any lease will terminate with respect to the debtor on the 30th day after the filing of the later case;

"(B) upon motion by a party in interest for continuation of the automatic stay and upon notice and a hearing, the court may extend the stay in particular cases as to any or all creditors (subject to such conditions or limitations as the court may then impose) after notice and a hearing completed before the expiration of the 30-day period only if the party in interest demonstrates that the filing of the later case is in good faith as to the creditors to be stayed; and

"(C) for purposes of subparagraph (B), a case is presumptively filed not in good faith (but such presumption may be rebutted by clear and convincing evidence to the contrary)—

"(i) as to all creditors, if—

"(I) more than 1 previous case under any of chapter 7, 11, or 13 in which the individual was a debtor was pending within the preceding 1-year period;

"(II) a previous case under any of chapter 7, 11, or 13 in which the individual was a debtor was dismissed within such 1-year period, after the debtor failed to—

"(aa) file or amend the petition or other documents as required by this title or the court without substantial excuse (but mere inadvertence or negligence shall not be a substantial excuse unless the dismissal was caused by the negligence of the debtor's attorney);

"(bb) provide adequate protection as ordered by the court; or

"(cc) perform the terms of a plan confirmed by the court; or

"(III) there has not been a substantial change in the financial or personal affairs of the debtor since the dismissal of the next most previous case under chapter 7, 11, or 13 [of this title], or any other reason to conclude that the later case will be concluded—

"(aa) if a case under chapter 7 [of this title], with a discharge; or

"(bb) if a case under chapter 11 or 13 [of this title], with a confirmed plan which will be fully performed; and

"(ii) as to any creditor that commenced an action under subsection (d) in a previous case in which the individual was a debtor if, as of the date of dismissal of such case, that action was still pending or had been resolved by terminating, conditioning, or limiting the stay as to actions of such creditor; and

"(4)(A)(i) if a single or joint case is filed by or against an individual debtor under this title, and if 2 or more single or joint cases of the debtor were pending within the previous year but were dismissed, other than a case refiled under section 707(b), the stay under subsection (a) shall not go into effect upon the filing of the later case; and

"(ii) on request of a party in interest, the court shall promptly enter an order confirming that no stay is in effect;

"(B) if, within 30 days after the filing of the later case, a party in interest requests the court may order the stay to take effect in the case as to any or all creditors (subject to such conditions or limitations as the court may impose), after notice and hearing, only if the party in interest demonstrates that the filing of the later case is in good faith as to the creditors to be stayed;

"(C) a stay imposed under subparagraph (B) shall be effective on the date of entry of the order allowing the stay to go into effect; and

"(D) for purposes of subparagraph (B), a case is presumptively not filed in good faith (but such presumption may be rebutted by clear and convincing evidence to the contrary)—

"(i) as to all creditors if—

"(I) 2 or more previous cases under this title in which the individual was a debtor were pending within the 1-year period;

"(II) a previous case under this title in which the individual was a debtor was dismissed within the time period stated in this paragraph after the debtor failed to file or amend the petition or other documents as required by this title or the court without substantial excuse (but mere inadvertence or negligence shall not be substantial excuse unless the dismissal was caused by the negligence of the debtor's attorney), failed to pay adequate protection as ordered by the court, or failed to perform the terms of a plan confirmed by the court; or

"(III) there has not been a substantial change in the financial or personal affairs of the debtor since the dismissal of the next most previous case under this title, or any other reason to conclude that the later case will not be concluded, if a case under chapter 7, with a discharge, and if a case under chapter 11 or 13, with a confirmed plan that will be fully performed; or

"(ii) as to any creditor that commenced an action under subsection (d) in a previous case in which the individual was a debtor if, as of the date of dismissal of such case, such action was still pending or had been resolved by terminating, conditioning, or limiting the stay as to action of such creditor.".

SEC. 303. CURBING ABUSIVE FILINGS.

(a) IN GENERAL.—Section 362(d) of title 11, United States Code, is amended—

(1) in paragraph (2), by striking "or" at the end;

(2) in paragraph (3), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following:

"(4) with respect to a stay of an act against real property under subsection (a), by a creditor whose claim is secured by an interest in such real estate, if the court finds that the filing of the bankruptcy petition was part of a scheme to delay, hinder, and defraud creditors that involved either—

"(A) transfer of all or part ownership of, or other interest in, the real property without the consent of the secured creditor or court approval; or

"(B) multiple bankruptcy filings affecting the real property.

If recorded in compliance with applicable State laws governing notices of interests or liens in real property, an order entered under this subsection shall be binding in any other case under this title purporting to affect the real property filed not later than 2 years after that recording, except that a debtor in a subsequent case may move for relief from such order based upon changed circumstances or for good cause shown, after notice and a hearing.".

(b) AUTOMATIC STAY.—Section 362(b) of title 11, United States Code, as amended by section [213] *224* of this Act, is amended—

(1) in paragraph (19), by striking "or" at the end;

(2) in paragraph (20), by striking the period at the end; and

(3) by inserting after paragraph (20) the following:

"(21) under subsection (a), of any act to enforce any lien against or security interest in real property following the entry of an order under section 362(d)(4) as to that property in any prior bankruptcy case for a period of 2 years after entry of such an order, except that the debtor, in a subsequent case, may move the court for relief from such order based upon changed circumstances or for other good cause shown, after notice and a hearing; or

"(22) under subsection (a), of any act to enforce any lien against or security interest in real property—

"(A) if the debtor is ineligible under section 109(g) to be a debtor in a bankruptcy case; or

"(B) if the bankruptcy case was filed in violation of a bankruptcy court order in a prior bankruptcy case prohibiting the debtor from being a debtor in another bankruptcy case.".

SEC. 304. DEBTOR RETENTION OF PERSONAL PROPERTY SECURITY.

Title 11, United States Code, is amended—

(1) in section 521(a), as so redesignated *by section 105(d) of this Act*—

(A) in paragraph (4), by striking "and" at the end;

(B) in paragraph (5), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(6) in an individual case under chapter 7 [of this title], not retain possession of personal property as to which a creditor has an allowed claim for the purchase price secured in whole or in part by an interest in that personal property unless, in the case of an individual debtor, the debtor within 45 days after the first meeting of creditors under section 341(a)—

"(A) enters into an agreement with the creditor under section 524(c) with respect to the claim secured by such property; or

"(B) redeems such property from the security interest under section 722."; and

(C) by adding at the end the following:

"(b) [If the debtor] *For purposes of subsection (a)(6), if the debtor* fails to so act within the 45-day period specified in subsection (a)(6), the personal property affected shall no longer be property of the estate, and the creditor may take whatever action as to such property as is permitted by applicable nonbankruptcy law, unless the court determines on the motion of the trustee, and after notice and a hearing, that such property is of consequential value or benefit to the estate."; and

(2) in section 722, by inserting "in full at the time of redemption" before the period at the end.

SEC. 305. RELIEF FROM THE AUTOMATIC STAY WHEN THE DEBTOR DOES NOT COMPLETE INTENDED SURRENDER OF CONSUMER DEBT COLLATERAL.

Title 11, United States Code, is amended—

(1) in section 362—

(A) in subsection (c), by striking "(e), and (f)" and inserting "(e), (f), and (h)"; and

(B) by redesignating subsection (h), as amended by section 227 of this Act, as subsection (j) and by inserting after subsection (g) the following:

"(h)(1) Subject to paragraph (2), in an individual case under chapter 7, 11, or 13 the stay provided by subsection (a) is terminated with respect to property of the estate securing in whole or in part a claim, or subject to an unexpired lease, if the debtor fails within the applicable period of time set by section 521(a)(2) to—

"(A) file timely any statement of intention required under section 521(a)(2) with respect to that property or to indicate therein that the debtor—

"(i) will either surrender the property or retain the property; and

"(ii) if retaining the property, will, as applicable—

"(I) redeem the property under section 722;

"(II) reaffirm the debt the property secures under section 524(c); or

"(III) assume the unexpired lease under section 365(p) if the trustee does not do so; or

"(B) take timely the action specified in that statement of intention, as the statement may be amended before expiration of the period for taking action, unless the statement of intention specifies reaffirmation and the creditor refuses to reaffirm on the original contract terms.

"(2) Paragraph (1) shall not apply if the court determines on the motion of the trustee, and after notice and a hearing, that such property is of consequential value or benefit to the estate."; and

(2) in section 521, as amended by section 304 of this Act—

(A) in subsection (a)(2), as redesignated *by section 105(d) of this Act*—

(i) by striking "consumer";

(ii) in subparagraph (B)—

(I) by striking "forty-five days after the filing of a notice of intent under this section" and inserting "30 days after the first date set for the meeting of creditors under section 341(a)"; and

(II) by striking "forty-five day period" and inserting "30-day period"; and

(iii) in subparagraph (C), by inserting "except as provided in section 362(h)" before the semicolon; and

(B) by adding at the end the following:

"(c) If the debtor fails timely to take the action specified in subsection (a)(6), or in paragraph (1) or (2) of section 362(h), with respect to property which a lessor or bailor owns and has leased, rented, or bailed to the debtor or as to which a creditor holds a security interest not otherwise voidable under section 522(f), 544, 545, 547, 548, or 549, nothing in this title shall prevent or limit the operation of a provision in the underlying lease or agreement that has the effect of placing the debtor in default under that lease or agreement by reason of the occurrence, pendency, or existence of a proceeding under this title or the insolvency of the debtor. Nothing in this subsection shall be deemed to justify limiting such a provision in any other circumstance.".

SEC. 306. GIVING SECURED CREDITORS FAIR TREATMENT IN CHAPTER 13.

(a) IN GENERAL.—Section 1325(a)(5)(B)(i) of title 11, United States Code, is amended to read as follows:

"(i) the plan provides that—

"(I) the holder of such claim retain the lien securing such claim until the earlier of—

"(aa) the payment of the underlying debt determined under nonbankruptcy law; or

"(bb) discharge under section 1328; and

"(II) if the case under this chapter is dismissed or converted without completion of the plan, such lien shall also be retained by such holder to the extent recognized by applicable nonbankruptcy law; and".

(b) RESTORING THE FOUNDATION FOR SECURED CREDIT.—Section 1325(a) of title 11, United States Code, is amended by adding at the end the following flush sentence:

"For purposes of paragraph (5), section 506 shall not apply to a claim described in that paragraph if the debt that is the subject of the claim was incurred within the 5-year period preceding the filing of the petition and the collateral for that debt consists of a motor vehicle (as defined in section 30102 of title 49) acquired for the personal use of the debtor, or if collateral for that debt consists of any other thing of value, if the debt was incurred during the 6-month period preceding that filing.".

(c) DEFINITIONS.—Section 101 of title 11, United States Code, as amended by section [221] *211* of this Act, is amended—

(1) by inserting after paragraph (13) the following:

"(13A) 'debtor's principal residence'—

"(A) means a residential structure, including incidental property, without regard to whether that structure is attached to real property; and

"(B) includes an individual condominium or cooperative unit;"; and

(2) by inserting after paragraph (27), the following:

"(27A) 'incidental property' means, with respect to a debtor's principal residence—

"(A) property commonly conveyed with a principal residence in the area where the real estate is located;

"(B) all easements, rights, appurtenances, fixtures, rents, royalties, mineral rights, oil or gas rights or profits, water rights, escrow funds, or insurance proceeds; and

"(C) all replacements or additions;".

SEC. 307. EXEMPTIONS.

Section [522(b)(2)(A)] *522(b)(3)(A)* of title 11, United States Code, *as so designated by section 224 of this Act*, is amended—

(1) by striking "180" and inserting "730"; and

(2) by striking ", or for a longer portion of such 180-day period than in any other place".

SEC. 308. RESIDENCY REQUIREMENT FOR HOMESTEAD EXEMPTION.

Section 522 of title 11, United States Code, as amended by section 307 of this Act, is amended—

(1) in subsection [(b)(2)(A)] *(b)(3)(A)*, by inserting "subject to subsection (n)," before "any property"; and

(2) by adding at the end the following:

"(n) For purposes of subsection [(b)(2)(A)] *(b)(3)(A)*, and notwithstanding subsection (a), the value of an interest in—

"(1) real or personal property that the debtor or a dependent of the debtor uses as a residence;

"(2) a cooperative that owns property that the debtor or a dependent of the debtor uses as a residence; or

"(3) a burial plot for the debtor or a dependent of the debtor;

shall be reduced to the extent such value is attributable to any portion of any property that the debtor disposed of in the 730-day period ending on the date of the filing of the petition, with the intent to hinder, delay, or defraud a creditor and that the debtor could not exempt, or that portion that the debtor could not exempt, under subsection (b) if on such date the debtor had held the property so disposed of.".

SEC. 309. PROTECTING SECURED CREDITORS IN CHAPTER 13 CASES.

(a) STOPPING ABUSIVE CONVERSIONS FROM CHAPTER 13.—Section 348(f)(1) of title 11, United States Code, is amended—

(1) in subparagraph (A), by striking "and" at the end;

(2) in subparagraph (B)—

(A) by striking "in the converted case, with allowed secured claims" and inserting "only in a case converted to chapter 11 or 12 but not in a case converted to chapter 7, with allowed secured claims in cases under chapters 11 and 12"; and

(B) by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(C) with respect to cases converted from chapter 13—

"(i) the claim of any creditor holding security as of the date of the petition shall continue to be secured by that security unless the full amount of such claim determined under applicable nonbankruptcy law has been paid in full as of the date of conversion, notwithstanding any valuation or determination of the amount of an allowed secured claim made for the purposes of the chapter 13 proceeding; and

"(ii) unless a prebankruptcy default has been fully cured under the plan at the time of conversion, in any proceeding under this title or otherwise, the default shall have the effect given under applicable nonbankruptcy law.".

(b) GIVING DEBTORS THE ABILITY TO KEEP LEASED PERSONAL PROPERTY BY ASSUMPTION.—Section 365 of title 11, United States Code, is amended by adding at the end the following:

"(p)(1) If a lease of personal property is rejected or not timely assumed by the trustee under subsection (d), the leased property is no longer property of the estate and the stay under section 362(a) is automatically terminated.

"(2)(A) In the case of an individual under chapter 7, the debtor may notify the creditor in writing that the debtor desires to assume the lease. Upon being so notified, the creditor may, at its option, notify the debtor that it is willing to have the lease assumed by the debtor and may condition such assumption on cure of any outstanding default on terms set by the contract.

"(B) If within 30 days after notice is provided under subparagraph (A), the debtor notifies the lessor in writing that the lease is assumed, the liability under the lease will be assumed by the debtor and not by the estate.

"(C) The stay under section 362 and the injunction under section 524(a)(2) shall not be violated by notification of the debtor and negotiation of cure under this subsection.

"(3) In a case under chapter 11 [of this title] in which the debtor is an individual and in a case under chapter 13 [of this title], if the debtor is the lessee with respect to personal property and the lease is not assumed in the plan confirmed by the court, the lease is deemed rejected as of the conclusion of the hearing on confirmation. If the lease is rejected, the stay under section 362 and any stay under section 1301 is automatically terminated with respect to the property subject to the lease.".

(c) ADEQUATE PROTECTION OF LESSORS AND PURCHASE MONEY SECURED CREDITORS.—

[(1) IN GENERAL.—Subchapter I of chapter 13 of title 11, United States Code, is amended by inserting after section 1307 the following:

["§ 1308. Adequate protection in chapter 13 cases

["(a)(1)(A) On or before the date that is 30 days after the filing of a case under this chapter, the debtor shall make cash payments in an amount determined under paragraph (2), to—

["(i) any lessor of personal property; and

["(ii) any creditor holding a claim secured by personal property to the extent that the claim is attributable to the purchase of that property by the debtor.

["(B) The debtor or the plan shall continue making the adequate protection payments until the earlier of the date on which—

["(i) the creditor begins to receive actual payments under the plan; or

["(ii) the debtor relinquishes possession of the property referred to in subparagraph (A) to—

["(I) the lessor or creditor; or

["(II) any third party acting under claim of right.

["(2) The payments referred to in paragraph (1)(A) shall be the contract amount.

["(b)(1) Subject to the limitations under paragraph (2), the court may, after notice and hearing, change the amount, and timing of the dates of payment, of payments made under subsection (a).

["(2)(A) The payments referred to in paragraph (1) shall be payable not less frequently than monthly.

["(B) The amount of payments referred to in paragraph (1) shall not be less than the amount of any weekly, biweekly, monthly, or other periodic payment schedules as payable under the contract between the debtor and creditor.

["(c) Notwithstanding section 1326(b), the payments referred to in subsection (a)(1)(A) shall be continued in addition to plan payments under a confirmed plan until actual payments to the creditor begin under that plan, if the confirmed plan provides for—

["(1) payments to a creditor or lessor described in subsection (a)(1); and

["(2) the deferral of payments to such creditor or lessor under the plan until the payment of amounts described in section 1326(b).

["(d) Notwithstanding sections 362, 542, and 543, a lessor or creditor described in subsection (a) may retain possession of property described in that subsection that was obtained in accordance with applicable law before the date of filing of the petition until the first payment under subsection (a)(1)(A) is received by the lessor or creditor.

["(e) On or before the date that is 60 days after the filing of a case under this chapter, a debtor retaining possession of personal property subject to a lease or securing a claim attributable in whole or in part to the purchase price of such property shall provide each creditor or lessor reasonable evidence of the maintenance of any required insurance coverage with respect to the use or ownership of such property and continue to do so for so long as the debtor retains possession of such property.".

[(2) CLERICAL AMENDMENT.—The table of sections for chapter 13 of title 11, United States Code, is amended, in the matter relating to subchapter I, by inserting after the item relating to section 1307 the following:.

["1308. Adequate protection in chapter 13 cases.".]

(1) CONFIRMATION OF PLAN.—Section 1325(a)(5)(B) of title 11, United States Code, is amended—

(A) in clause (i), by striking "and" at the end;

(B) in clause (ii), by striking "or" at the end and inserting "and"; and

(C) by adding at the end the following:

"(iii) if—

"(I) property to be distributed pursuant to this subsection is in the form of periodic payments, such payments shall be in equal monthly amounts; and

"(II) the holder of the claim is secured by personal property the amount of such payments shall not be less than an amount sufficient to provide to the holder of such claim adequate protection during the period of the plan; or".

(2) PAYMENTS.—Section 1326(a) of title 11, United States Code, is amended to read as follows:

"(a)(1) Unless the court orders otherwise, the debtor shall—

"(A) commence making the payments proposed by a plan within 30 days after the plan is filed; or

"(B) if no plan is filed then as specified in the proof of claim, within 30 days after the order for relief or within 15 days after the plan is filed, whichever is earlier.

"(2) A payment made under this section shall be retained by the trustee until confirmation, denial of confirmation, or paid by the trustee as adequate protection payments in accordance with paragraph (3). If a plan is confirmed, the trustee shall distribute any such payment in accordance with the plan as soon as is practicable. If a plan is not confirmed, the trustee shall return any such payments not previously paid to creditors pursuant to paragraph (3) to the debtor, after deducting any unpaid claim allowed under section 503(b).

"(3)(A) As soon as is practicable, and not later than 40 days after the filing of the case, the trustee shall—

"(i) pay from payments made under this section the adequate protection payments proposed in the plan; or

"(ii) if no plan is filed then, according to the terms of the proof of claim.

"(B) The court may, upon notice and a hearing, modify, increase, or reduce the payments required under this paragraph pending confirmation of a plan.".

SEC. 310. LIMITATION ON LUXURY GOODS.

Section 523(a)(2)(C) of title 11, United States Code, is amended to read as follows:

"(C)(i) for purposes of subparagraph (A)—

"(I) consumer debts owed to a single creditor and aggregating more than $250 for luxury goods or services incurred by an individual debtor on or within 90 days before the order for relief under this title are presumed to be nondischargeable; and

"(II) cash advances aggregating more than $750 that are extensions of consumer credit under an open end credit plan obtained by an individual debtor on or within 70 days before the order for relief under this title, are presumed to be nondischargeable; and

"(ii) for purposes of this subparagraph—

"(I) the term 'extension of credit under an open end credit plan' means an extension of credit under an open end credit plan, within the meaning of the Consumer Credit Protection Act (15 U.S.C. 1601 et seq.);

"(II) the term 'open end credit plan' has the meaning given that term under section 103 of Consumer Credit Protection Act (15 U.S.C. 1602); and

"(III) the term 'luxury goods or services' does not include goods or services reasonably necessary for the support or maintenance of the debtor or a dependent of the debtor.".

SEC. 311. AUTOMATIC STAY.

Section 362(b) of title 11, United States Code, as amended by section 303(b) of this Act, is amended—

(1) in paragraph (21), by striking "or" at the end;

(2) in paragraph (22), by striking the period at the end and inserting a semicolon; and

(3) by inserting after paragraph (22) the following:

"(23) under subsection (a)(3), of the continuation of any eviction, unlawful detainer action, or similar proceeding by a lessor against a debtor involving residential real property in which the debtor resides as a tenant under a rental agreement;

"(24) under subsection (a)(3), of the commencement of any eviction, unlawful detainer action, or similar proceeding by a lessor against a debtor involving residential real property in which the debtor resides as a tenant under a rental agreement that has terminated under the lease agreement or applicable State law; or

"(25) under subsection (a)(3), of eviction actions based on endangerment to property or person or the use of illegal drugs.".

SEC. 312. EXTENSION OF PERIOD BETWEEN BANKRUPTCY DISCHARGES.

Title 11, United States Code, is amended—

(1) in section 727(a)(8), by striking "six" and inserting "8"; and

(2) in section 1328, by adding at the end the following:

"(f) Notwithstanding subsections (a) and (b), the court shall not grant a discharge of all debts provided for by the plan or disallowed under section 502 if the debtor has received a discharge in any case filed under this title within 5 years before the order for relief under this chapter.".

SEC. 313. DEFINITION OF HOUSEHOLD GOODS AND ANTIQUES.

Section 522(f) of title 11, United States Code, is amended by adding at the end the following:

"(4)(A) Subject to subparagraph (B), for purposes of paragraph (1)(B), the term 'household goods' means—

"(i) clothing;

"(ii) furniture;

"(iii) appliances;

"(iv) 1 radio;

"(v) 1 television;

"(vi) 1 VCR;

"(vii) linens;

"(viii) china;

"(ix) crockery;

"(x) kitchenware;

"(xi) educational materials and educational equipment primarily for the use of minor dependent children of the debtor, but only 1 personal computer only if used primarily for the education or entertainment of such minor children;

"(xii) medical equipment and supplies;

"(xiii) furniture exclusively for the use of minor children, or elderly or disabled dependents of the debtor; and

"(xiv) personal effects (including wedding rings and the toys and hobby equipment of minor dependent children) of the debtor and the dependents of the debtor.

"(B) The term 'household goods' does not include—

"(i) works of art (unless by or of the debtor or the dependents of the debtor);

"(ii) electronic entertainment equipment (except 1 television, 1 radio, and 1 VCR);

"(iii) items acquired as antiques;

"(iv) jewelry (except wedding rings); and

"(v) a computer (except as otherwise provided for in this section), motor vehicle (including a tractor or lawn tractor), boat, or a motorized recreational device, conveyance, vehicle, watercraft, or aircraft.".

SEC. 314. DEBT INCURRED TO PAY NONDISCHARGEABLE DEBTS.

Section 523(a) of title 11, United States Code, is amended by inserting after paragraph (14) the following:

"(14A)(A) incurred to pay a debt that is nondischargeable by reason of section 727, 1141, 1228(a), 1228(b), or 1328(b), or any other provision of this subsection, if the debtor incurred the debt to pay such a nondischargeable debt with the intent to discharge in bankruptcy the newly created debt; *except that*

"(B) ⟦except that⟧ all debts incurred to pay nondischargeable debts shall be presumed to be nondischargeable debts if incurred within 70 days before the filing of the petition (except that, in any case in which there is an allowed claim under section 502 for child support or spousal support entitled to priority under section 507(a)(1) and that was filed in a timely manner, debts that would otherwise be presumed to be nondischargeable debts by reason of this subparagraph shall be treated as dischargeable debts);".

(b) DISCHARGE UNDER CHAPTER 13.

Section 1328(a) of title 11, United States Code, is amended by striking paragraphs (1) through (3) and inserting the following:

"(1) provided for under section 1322(b)(5);

"(2) of the kind specified in paragraph (2), (4), (3)(B), (5), (8), or (9) of section 523(a);

"(3) for restitution, or a criminal fine, included in a sentence on the debtor's conviction of a crime; or

"(4) for restitution, or damages, awarded in a civil action against the debtor as a result of willful or malicious injury by the debtor that caused personal injury to an individual or the death of an individual.".

SEC. 315. GIVING CREDITORS FAIR NOTICE IN CHAPTERS 7 AND 13 CASES.

(a) NOTICE.—Section 342 of title 11, United States Code, is amended—

(1) in subsection (c)—

(A) by inserting "(1)" after "(c)"; and

(B) by striking ", but the failure of such notice to contain such information shall not invalidate the legal effect of such notice"; and

(2) by adding at the end the following:

"(d) At any time, a creditor, in a case of an individual debtor under chapter 7 or 13, may file with the court and serve on the debtor a notice of the address to be used to notify the creditor in that case. Five days after receipt of such notice, if the court or the debtor is required to give the creditor notice, such notice shall be given at that address.

"(e) An entity may file with the court a notice stating its address for notice in cases under chapters 7 and 13. After 30 days following the filing of such notice, any notice in any case filed under chapter 7 or 13 given by the court shall be to that address unless specific notice is given under subsection (d) with respect to a particular case.

"(f)(1) Notice given to a creditor other than as provided in this section shall not be effective notice until that notice has been brought to the attention of the creditor. If the creditor designates a person or department to be responsible for receiving notices concerning bankruptcy cases and establishes reasonable procedures so that bankruptcy notices received by the creditor are to be delivered to such department or person, notice shall not be considered to have been brought to the attention of the creditor until received by such person or department.

"(2) No sanction under section 362(h) or any other sanction that a court may impose on account of violations of the stay under section 362(a) or failure to comply with section 542 or 543 may be imposed on any action of the creditor unless the action takes place after the creditor has received notice of the commencement of the case effective under this section.".

(b) DEBTOR'S DUTIES.—Section 521 of title 11, United States Code, as amended by section 305 of this Act, is amended—

(1) in subsection (a), by striking paragraph (1) and inserting the following:

"(1) file—

"(A) a list of creditors; and

"(B) unless the court orders otherwise—

"(i) a schedule of assets and liabilities;

"(ii) a schedule of current income and current expenditures;

"(iii) a statement of the debtor's financial affairs and, if applicable, a certificate—

"(I) of an attorney whose name is on the petition as the attorney for the debtor or any bankruptcy petition preparer signing the petition under section 110(b)(1) indicating that such attorney or bankruptcy petition preparer delivered to the debtor any notice required by section 342(b); or

"(II) if no attorney for the debtor is indicated and no bankruptcy petition preparer signed the petition, of the debtor that such notice was obtained and read by the debtor;

"(iv) copies of any Federal tax returns, including any schedules or attachments, filed by the debtor for the 3-year period preceding the order for relief;

"(v) copies of all payment advices or other evidence of payment, if any, received by the debtor from any employer of the debtor in the period 60 days before the filing of the petition;

"(vi) a statement of the amount of projected monthly net income, itemized to show how the amount is calculated; and

"(vii) a statement disclosing any reasonably anticipated increase in income or expenditures over the 12-month period following the date of filing;"; and

(2) by adding at the end the following:

"(d)(1) At any time, a creditor, in the case of an individual under chapter 7 or 13, may file with the court notice that the creditor requests the petition, schedules, and a statement of affairs filed by the debtor in the case and the court shall make those documents available to the creditor who requests those documents.

"(2)(A) At any time, a creditor in a case under chapter 13 may file with the court notice that the creditor requests the plan filed by the debtor in the case.

"(B) The court shall make such plan available to the creditor who requests such plan—

"(i) at a reasonable cost; and

"(ii) not later than 5 days after such request.

"(e) An individual debtor in a case under chapter 7 or 13 shall file with the court—

"(1) at the time filed with the taxing authority, all tax returns, including any schedules or attachments, with respect to the period from the commencement of the case until such time as the case is closed;

"(2) at the time filed with the taxing authority, all tax returns, including any schedules or attachments, that were not filed with the taxing authority when the schedules under subsection (a)(1) were filed with respect to the period that is 3 years before the order for relief;

"(3) any amendments to any of the tax returns, including schedules or attachments, described in paragraph (1) or (2); and

"(4) in a case under chapter 13, a statement subject to the penalties of perjury by the debtor of the debtor's income and expenditures in the preceding tax year and monthly income, that shows how the amounts are calculated—

"(A) beginning on the date that is the later of 90 days after the close of the debtor's tax year or 1 year after the order for relief, unless a plan has been confirmed; and

"(B) thereafter, on or before the date that is 45 days before each anniversary of the confirmation of the plan until the case is closed.

"(f)(1) A statement referred to in subsection (e)(4) shall disclose—

"(A) the amount and sources of income of the debtor;

"(B) the identity of any person responsible with the debtor for the support of any dependent of the debtor; and

"(C) the identity of any person who contributed, and the amount contributed, to the household in which the debtor resides.

"(2) The tax returns, amendments, and statement of income and expenditures described in paragraph (1) shall be available to the United States trustee, any bankruptcy administrator, any trustee, and any party in interest for inspection and copying, subject to the requirements of subsection ⟦(f)⟧ *(g)*.

"(g)(1) Not later than 30 days after the date of enactment of the Bankruptcy Reform Act of 1999, the Director of the Administrative Office of the United States Courts shall establish procedures for safeguarding the confidentiality of any tax information required to be provided under this section.

"(2) The procedures under paragraph (1) shall include restrictions on creditor access to tax information that is required to be provided under this section.

"(3) Not later than 1 year after the date of enactment of the Bankruptcy Reform Act of 1999, the Director of the Administrative Office of the United States Courts shall prepare and submit to Congress a report that—

"(A) assesses the effectiveness of the procedures under paragraph (1); and

"(B) if appropriate, includes proposed legislation to—

"(i) further protect the confidentiality of tax information; and

"(ii) provide penalties for the improper use by any person of the tax information required to be provided under this section.

"(h) If requested by the United States trustee or a trustee serving in the case, the debtor shall provide—

"(1) a document that establishes the identity of the debtor, including a driver's license, passport, or other document that contains a photograph of the debtor; and

"(2) such other personal identifying information relating to the debtor that establishes the identity of the debtor.".

SEC. 316. DISMISSAL FOR FAILURE TO TIMELY FILE SCHEDULES OR PROVIDE REQUIRED INFORMATION.

Section 521 of title 11, United States Code, as amended by section 315 of this Act, is amended by adding at the end the following:

"(*i*)(1) Notwithstanding section 707(a), and subject to paragraph (2), if an individual debtor in a voluntary case under chapter 7 or 13 fails to file all of the information required under subsection (a)(1) within 45 days after the filing of the petition commencing the case, the case shall be automatically dismissed effective on the 46th day after the filing of the petition.

"(2) With respect to a case described in paragraph (1), any party in interest may request the court to enter an order dismissing the case. If requested, the court shall enter an order of dismissal not later than 5 days after such request.

"(3) Upon request of the debtor made within 45 days after the filing of the petition commencing a case described in paragraph (1), the court may allow the debtor an additional period of not to exceed 45 days to file the information required under subsection (a)(1) if the court finds justification for extending the period for the filing.".

SEC. 317. ADEQUATE TIME TO PREPARE FOR HEARING ON CONFIRMATION OF THE PLAN.

(a) HEARING.—Section 1324 of title 11, United States Code, is amended—

(1) by striking "After" and inserting the following:

"(a) Except as provided in subsection (b) and after"; and

(2) by adding at the end the following:

"(b) The hearing on confirmation of the plan may be held not later than 45 days after the meeting of creditors under section 341(a).".

(b) FILING OF PLAN.—Section 1321 of title 11, United States Code, is amended to read as follows:

"§ 1321. Filing of plan

"Not later than 90 days after the order for relief under this chapter, the debtor shall file a plan, except that the court may extend such period if the need for an extension is attributable to circumstances for which the debtor should not justly be held accountable.".

SEC. 318. CHAPTER 13 PLANS TO HAVE A 5-YEAR DURATION IN CERTAIN CASES.

Section 1322(d) of title 11, United States Code, is amended to read as follows:

"(d)(1) Except as provided in paragraph (2), the plan may not provide for payments over a period that is longer than 3 years.

"(2) The plan may provide for payments over a period that is longer than 3 years if—

"(A) the plan is for a case that was converted to a case under this chapter from a case under chapter 7, *or the plan is for a debtor who has been dismissed from chapter 7 by reason of section 707(b)*, in which case the plan shall provide for payments over a period of 5 years; or

"(B) the plan is for a case that is not described in subparagraph (A), and the court, for cause, approves a period longer than 3 years, but not to exceed 5 years.".

SEC. 319. SENSE OF THE CONGRESS REGARDING EXPANSION OF RULE 9011 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE.

It is the sense of Congress that Rule 9011 of the Federal Rules of Bankruptcy Procedure (11 U.S.C. App.) should be modified to include a requirement that all documents (including schedules), signed and unsigned, submitted to the court or to a trustee by debtors who represent themselves and debtors who are represented by an attorney be submitted only after the debtor or the debtor's attorney has made reasonable inquiry to verify that the information contained in such documents is—

(1) well grounded in fact; and

(2) warranted by existing law or a good-faith argument for the extension, modification, or reversal of existing law.

SEC. 320. PROMPT RELIEF FROM STAY IN INDIVIDUAL CASES.

Section 362(e) of title 11, United States Code, is amended—

(1) by inserting "(1)" after "(e)"; and

(2) by adding at the end the following:

"(2) Notwithstanding paragraph (1), in the case of an individual filing under chapter 7, 11, or 13, the stay under subsection (a) shall terminate on the date that is 60 days after a request is made by a party in interest under subsection (d), unless—

"(A) a final decision is rendered by the court during the 60-day period beginning on the date of the request; or

"(B) that 60-day period is extended—

"(i) by agreement of all parties in interest; or

"(ii) by the court for such specific period of time as the court finds is required for good cause, as described in findings made by the court.".

SEC. 321. TREATMENT OF CERTAIN EARNINGS OF AN INDIVIDUAL DEBTOR WHO FILES A VOLUNTARY CASE UNDER CHAPTER 11.

Section 541(a)(6) of title 11, United States Code, is amended by inserting "(other than an individual debtor who, in accordance with section 301, files a petition to commence a voluntary case under chapter 11)" after "individual debtor".

TITLE IV—GENERAL AND SMALL BUSINESS BANKRUPTCY PROVISIONS

Subtitle A—General Business Bankruptcy Provisions

SEC. 401. ROLLING STOCK EQUIPMENT.

(a) IN GENERAL.—Section 1168 of title 11, United States Code, is amended to read as follows:

"§ 1168. Rolling stock equipment

"(a)(1) The right of a secured party with a security interest in or of a lessor or conditional vendor of equipment described in paragraph (2) to take possession of such equipment in compliance with an equipment security agreement, lease, or conditional sale contract, and to enforce any of its other rights or remedies under such security agreement, lease, or conditional sale contract, to sell, lease, or otherwise retain or dispose of such equipment, is not limited or otherwise affected by any other provision of this title or by any power of the court, except that the right to take possession and enforce those other rights and remedies shall be subject to section 362, if—

"(A) before the date that is 60 days after the date of commencement of a case under this chapter, the trustee, subject to the court's approval, agrees to perform all obligations of the debtor under such security agreement, lease, or conditional sale contract; and

"(B) any default, other than a default of a kind described in section 365(b)(2), under such security agreement, lease, or conditional sale contract that—

"(i) occurs before the date of commencement of the case and is an event of default therewith is cured before the expiration of such 60-day period;

"(ii) occurs or becomes an event of default after the date of commencement of the case and before the expiration of such 60-day period is cured before the later of—

"(I) the date that is 30 days after the date of the default or event of the default; or

"(II) the expiration of such 60-day period; and

"(iii) occurs on or after the expiration of such 60-day period is cured in accordance with the terms of such security agreement, lease, or conditional sale contract, if cure is permitted under that agreement, lease, or conditional sale contract.

"(2) The equipment described in this paragraph—

"(A) is rolling stock equipment or accessories used on rolling stock equipment, including superstructures or racks, that is subject to a security interest granted by, leased to, or conditionally sold to a debtor; and

"(B) includes all records and documents relating to such equipment that are required, under the terms of the security agreement, lease, or conditional sale contract, to be surrendered or returned by the debtor in connection with the surrender or return of such equipment.

"(3) Paragraph (1) applies to a secured party, lessor, or conditional vendor acting in its own behalf or acting as trustee or otherwise in behalf of another party.

"(b) The trustee and the secured party, lessor, or conditional vendor whose right to take possession is protected under subsection (a) may agree, subject to the court's approval, to extend the 60-day period specified in subsection (a)(1).

"(c)(1) In any case under this chapter, the trustee shall immediately surrender and return to a secured party, lessor, or conditional vendor, described in subsection (a)(1), equipment described in subsection (a)(2), if at any time after the date of commencement of the case under this chapter such secured party, lessor, or conditional vendor is entitled under subsection (a)(1) to take possession of such equipment and makes a written demand for such possession of the trustee.

"(2) At such time as the trustee is required under paragraph (1) to surrender and return equipment described in subsection (a)(2), any lease of such equipment, and any security agreement or conditional sale contract relating to such equipment, if such security agreement or conditional sale contract is an executory contract, shall be deemed rejected.

"(d) With respect to equipment first placed in service on or before October 22, 1994, for purposes of this section—

"(1) the term 'lease' includes any written agreement with respect to which the lessor and the debtor, as lessee, have expressed in the agreement or in a substantially contemporaneous writing that the agreement is to be treated as a lease for Federal income tax purposes; and

"(2) the term 'security interest' means a purchase-money equipment security interest.

"(e) With respect to equipment first placed in service after October 22, 1994, for purposes of this section, the term 'rolling stock equipment' includes rolling stock equipment that is substantially rebuilt and accessories used on such equipment.".

(b) AIRCRAFT EQUIPMENT AND VESSELS.—Section 1110 of title 11, United States Code, is amended to read as follows:

"§1110. Aircraft equipment and vessels

"(a)(1) Except as provided in paragraph (2) and subject to subsection (b), the right of a secured party with a security interest in equipment described in paragraph (3), or of a lessor or conditional vendor of such equipment, to take possession of such equipment in compliance with a security agreement, lease, or conditional sale contract, and to enforce any of its other rights or remedies, under such security agreement, lease, or conditional sale contract, to sell, lease, or otherwise retain or dispose of such equipment, is not limited or otherwise affected by any other provision of this title or by any power of the court.

"(2) The right to take possession and to enforce the other rights and remedies described in paragraph (1) shall be subject to section 362 if—

"(A) before the date that is 60 days after the date of the order for relief under this chapter, the trustee, subject to the approval of the court, agrees to perform all obligations of the debtor under such security agreement, lease, or conditional sale contract; and

"(B) any default, other than a default of a kind specified in section 365(b)(2), under such security agreement, lease, or conditional sale contract that occurs—

"(i) before the date of the order is cured before the expiration of such 60-day period;

"(ii) after the date of the order and before the expiration of such 60-day period is cured before the later of—

"(I) the date that is 30 days after the date of the default; or

"(II) the expiration of such 60-day period; and

"(iii) on or after the expiration of such 60-day period is cured in compliance with the terms of such security agreement, lease, or conditional sale contract, if a cure is permitted under that agreement, lease, or contract.

"(3) The equipment described in this paragraph—

"(A) is—

"(i) an aircraft, aircraft engine, propeller, appliance, or spare part (as defined in section 40102 of title 49) that is subject to a security interest granted by, leased to, or conditionally sold to a debtor that, at the time such transaction is entered into, holds an air carrier operating certificate issued under chapter 447 of title 49 for aircraft capable of carrying 10 or more individuals or 6,000 pounds or more of cargo; or

"(ii) a documented vessel (as defined in section 30101(1) of title 46) that is subject to a security interest granted by, leased to, or conditionally sold to a debtor that is a water carrier that, at the time such transaction is entered into, holds a certificate of public convenience and necessity or permit issued by the Department of Transportation; and

"(B) includes all records and documents relating to such equipment that are required, under the terms of the security agreement, lease, or conditional sale contract, to be surrendered or returned by the debtor in connection with the surrender or return of such equipment.

"(4) Paragraph (1) applies to a secured party, lessor, or conditional vendor acting in its own behalf or acting as trustee or otherwise in behalf of another party.

"(b) The trustee and the secured party, lessor, or conditional vendor whose right to take possession is protected under subsection (a) may agree, subject to the approval of the court, to extend the 60-day period specified in subsection (a)(1).

"(c)(1) In any case under this chapter, the trustee shall immediately surrender and return to a secured party, lessor, or conditional vendor, described in subsection (a)(1), equipment described in subsection (a)(3), if at any time after the date of the order for relief under this chapter such secured party, lessor, or conditional vendor is entitled under subsection (a)(1) to take possession of such equipment and makes a written demand for such possession to the trustee.

"(2) At such time as the trustee is required under paragraph (1) to surrender and return equipment described in subsection (a)(3), any lease of such equipment, and any security agreement or conditional sale contract relating to such equipment, if such security agreement or conditional sale contract is an executory contract, shall be deemed rejected.

"(d) With respect to equipment first placed in service on or before October 22, 1994, for purposes of this section—

"(1) the term 'lease' includes any written agreement with respect to which the lessor and the debtor, as lessee, have expressed in the agreement or in a substantially contemporaneous writing that the agreement is to be treated as a lease for Federal income tax purposes; and

"(2) the term 'security interest' means a purchase-money equipment security interest.".

SEC. 402. ADEQUATE PROTECTION FOR INVESTORS.

(a) DEFINITION.—Section 101 of title 11, United States Code, *as amended by section 306(c) of this Act*, is amended by inserting after paragraph (48) the following:

"(48A) 'securities self regulatory organization' means either a securities association registered with the Securities and Exchange Commission under section 15A of the Securities Exchange Act of 1934 (15 U.S.C. 78*o*–3) or a national securities exchange registered with the Securities and Exchange Commission under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f);".

(b) AUTOMATIC STAY.—Section 362(b) of title 11, United States Code, as amended by section 311 of this Act, is amended—

(1) in paragraph (24), by striking "or" at the end;

(2) in paragraph (25), by striking the period at the end and inserting "; or"; and

(3) by inserting after paragraph (25) the following:

"(26) under subsection (a), of—

"(A) the commencement or continuation of an investigation or action by a securities self regulatory organization to enforce such organization's regulatory power;

"(B) the enforcement of an order or decision, other than for monetary sanctions, obtained in an action by the securities self regulatory organization to enforce such organization's regulatory power; or

"(C) any act taken by the securities self regulatory organization to delist, delete, or refuse to permit quotation of any stock that does not meet applicable regulatory requirements.".

SEC. 403. MEETINGS OF CREDITORS AND EQUITY SECURITY HOLDERS.

Section 341 of title 11, United States Code, is amended by adding at the end the following:

"(e) Notwithstanding subsections (a) and (b), the court, on the request of a party in interest and after notice and a hearing, for cause may order that the United States trustee not convene a meeting of creditors or equity security holders if the debtor has filed a plan as to which the debtor solicited acceptances prior to the commencement of the case.".

SEC. 404. PROTECTION OF REFINANCE OF SECURITY INTEREST.

Subparagraphs (A), (B), and (C) of section 547(e)(2) of title 11, United States Code, are each amended by striking "10" each place it appears and inserting "30".

SEC. 405. EXECUTORY CONTRACTS AND UNEXPIRED LEASES.

Section 365(d)(4) of title 11, United States Code, is amended to read as follows:

"(4)(A) Subject to subparagraph (B), in any case under any chapter of this title, an unexpired lease of nonresidential real property under which the debtor is the lessee shall be deemed rejected and the trustee shall immediately surrender that nonresidential real property to the lessor if the trustee does not assume or reject the unexpired lease by the earlier of—

"(i) the date that is 120 days after the date of the order for relief; or

"(ii) the date of the entry of an order confirming a plan.

"(B) The court may extend the period determined under subparagraph (A) only upon a motion of the lessor.".

SEC. 406. CREDITORS AND EQUITY SECURITY HOLDERS COMMITTEES.

Section 1102(a)(2) of title 11, United States Code, is amended by inserting before the first sentence the following: "On its own motion or on request of a party in interest, and after notice and hearing, the court may order a change in the membership of a committee appointed under this subsection, if the court determines that the change is necessary to ensure adequate representation of creditors or equity security holders.".

SEC. 407. AMENDMENT TO SECTION 546 OF TITLE 11, UNITED STATES CODE.

Section 546 of title 11, United States Code, is amended—

(1) by redesignating the second subsection designated as subsection (g) (as added by section 222(a) of Public Law 103–394) as subsection (i); and

(2) by adding at the end the following:

"(j)(1) Notwithstanding section 545 (2) and (3), the trustee may not avoid a warehouseman's lien for storage, transportation or other costs incidental to the storage and handling of goods.

"(2) The prohibition under paragraph (1) shall be applied in a manner consistent with any applicable State statute that is similar to section 7–209 of the Uniform Commercial Code.".

SEC. 408. LIMITATION.

Section 546(c)(1)(B) of title 11, United States Code, is amended by striking "20" and inserting "45".

SEC. 409. AMENDMENT TO SECTION 330(a) OF TITLE 11, UNITED STATES CODE.

Section 330(a)(3) of title 11, United States Code, is amended—

(1) by striking "(A) the; and inserting "(i) the";

(2) by striking "(B)" and inserting "(ii)";

(3) by striking "(C)" and inserting "(iii)";

(4) by striking "(D)" and inserting "(iv)";

(5) by striking "(E)" and inserting "(v)";

(6) in subparagraph (A), by inserting "to an examiner, trustee under chapter 11, or professional person" after "awarded"; and

(7) by adding at the end the following:

"(B) In determining the amount of reasonable compensation to be awarded a trustee, the court shall treat such compensation as a commission based on the results achieved.".

SEC. 410. POSTPETITION DISCLOSURE AND SOLICITATION.

Section 1125 of title 11, United States Code, is amended by adding at the end the following:

"(g) Notwithstanding subsection (b), an acceptance or rejection of the plan may be solicited from a holder of a claim or interest if such solicitation complies with applicable nonbankruptcy law and if such holder was solicited before the commencement of the case in a manner complying with applicable nonbankruptcy law.".

SEC. 411. PREFERENCES.

Section 547(c) of title 11, United States Code, is amended—

(1) by striking paragraph (2) and inserting the following:

"(2) to the extent that such transfer was in payment of a debt incurred by the debtor in the ordinary course of business or financial affairs of the debtor and the transferee, and such transfer was—

"(A) made in the ordinary course of business or financial affairs of the debtor and the transferee; or

"(B) made according to ordinary business terms;";

(2) in paragraph (7) by striking "or" at the end;

(3) in paragraph (8) by striking the period at the end and inserting "; or"; and

(4) by adding at the end the following:

"(9) if, in a case filed by a debtor whose debts are not primarily consumer debts, the aggregate value of all property that constitutes or is affected by such transfer is less than $5,000.".

SEC. 412. VENUE OF CERTAIN PROCEEDINGS.

Section 1409(b) of title 28, United States Code, is amended by inserting ", or a nonconsumer debt against a noninsider of less than $10,000," after "$5,000".

SEC. 413. PERIOD FOR FILING PLAN UNDER CHAPTER 11.

Section 1121(d) of title 11, United States Code, is amended—

(1) by striking "On" and inserting "(1) Subject to paragraph (1), on"; and

(2) by adding at the end the following:

"(2)(A) The 120-day period specified in paragraph (1) may not be extended beyond a date that is 18 months after the date of the order for relief under this chapter.

"(B) The 180-day period specified in paragraph (1) may not be extended beyond a date that is 20 months after the date of the order for relief under this chapter.".

SEC. 414. FEES ARISING FROM CERTAIN OWNERSHIP INTERESTS.

Section 523(a)(16) of title 11, United States Code, is amended—

(1) by striking "dwelling" the first place it appears;

(2) by striking "ownership or" and inserting "ownership,";

(3) by striking "housing" the first place it appears; and

(4) by striking "but only" and all that follows through "but nothing in this paragraph" and inserting "or a lot in a homeowners association, for as long as the debtor or the trustee has a legal, equitable, or possessory ownership interest in such unit, such corporation, or such lot, and until such time as the debtor or trustee has surrendered any legal, equitable or possessory interest in such unit, such corporation, or such lot, but nothing in this paragraph".

SEC. 415. CREDITOR REPRESENTATION AT FIRST MEETING OF CREDITORS.

Section 341(c) of title 11, United States Code, is amended by inserting after the first sentence the following: "Notwithstanding any local court rule, provision of a State constitution, any other Federal or State law that is not a bankruptcy law, or other requirement that representation at the meeting of creditors under subsection (a) be by an attorney, a creditor holding a consumer debt or any representative of the creditor (which may include an entity or an employee of an entity and may be a representative for more than 1 creditor) shall be permitted to appear at and participate in the meeting of creditors in a case under chapter 7 or 13, either alone or in conjunction with an attorney for the creditor. Nothing in this subsection shall be construed to require any creditor to be represented by an attorney at any meeting of creditors.".

[SEC. 416. ELIMINATION OF CERTAIN FEES PAYABLE IN CHAPTER 11 BANKRUPTCY CASES.

[(a) AMENDMENTS.—Section 1930(a)(6) of title 28, United States Code, is amended—

[(1) in the first sentence by striking "until the case is converted or dismissed, whichever occurs first"; and

[(2) in the second sentence—

[(A) by striking "The" and inserting "Until the plan is confirmed or the case is converted (whichever occurs first) the"; and

[(B) by striking "less than $300,000;" and inserting "less than $300,000. Until the case is converted, dismissed, or closed (whichever occurs first and without regard to confirmation of the plan) the fee shall be".

[(b) DELAYED EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 1999.

SEC. [417.] *416.* DEFINITION OF DISINTERESTED PERSON.

Section 101(14) of title 11, United States Code, is amended to read as follows:

"(14) 'disinterested person' means a person that—

"(A) is not a creditor, an equity security holder, or an insider;

"(B) is not and was not, within 2 years before the date of the filing of the petition, a director, officer, or employee of the debtor; and

"(C) does not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the debtor, or for any other reason;".

SEC. [418.] *417.* FACTORS FOR COMPENSATION OF PROFESSIONAL PERSONS.

Section 330(a)(3)*(A)* of title 11, United States Code, *as amended by section 409 of this Act*, is amended—

(1) in [subparagraph (D)] *clause (i)*, by striking "and" at the end;

(2) by redesignating [subparagraph (E)] *clause (v)* as [subparagraph (F)] *clause (vi)*; and

(3) by inserting after [subparagraph (D)] *clause (iv)* the following:

"[(E)] *(v)* with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field;".

SEC. [419.] *418.* APPOINTMENT OF ELECTED TRUSTEE.

Section 1104(b) of title 11, United States Code, is amended—

(1) by inserting "(1)" after "(b)"; and

(2) by adding at the end the following:

"(2)(A) If an eligible, disinterested trustee is elected at a meeting of creditors under paragraph (1), the United States trustee shall file a report certifying that election.

"(B) Upon the filing of a report under subparagraph (A)—

"(i) the trustee elected under paragraph (1) shall be considered to have been selected and appointed for purposes of this section; and

"(ii) the service of any trustee appointed under subsection (d) shall terminate.

"(C) In the case of any dispute arising out of an election described in subparagraph (A), the court shall resolve the dispute.".

SEC. 419. UTILITY SERVICE.

Section 366 of title 11, United States Code, is amended—

(1) in subsection (a), by striking "subsection (b)" and inserting "subsections (b) and (c)"; and

(2) by adding at the end the following:

"(c)(1)(A) For purposes of this subsection, the term 'assurance of payment' means—

"(i) a cash deposit;

"(ii) a letter of credit;

"(iii) a certificate of deposit;

"(iv) a surety bond;

"(v) a prepayment of utility consumption; or

"(vi) another form of security that is mutually agreed on between the utility and the debtor or the trustee.

"(B) For purposes of this subsection an administrative expense priority shall not constitute an assurance of payment.

"(2) Subject to paragraphs (3) through (5), with respect to a case filed under chapter 11, a utility referred to in subsection (a) may alter, refuse, or discontinue utility service, if during the 20-day period beginning on the date of filing of the petition, the utility does not receive from the debtor or the trustee adequate assurance of payment for utility service that is satisfactory to the utility.

"(3)(A) On request of a party in interest and after notice and a hearing, the court may order modification of the amount of an assurance of payment under paragraph (2).

"(B) In making a determination under this paragraph whether an assurance of payment is adequate, the court may not consider—

"(i) the absence of security before the date of filing of the petition;

"(ii) the payment by the debtor of charges for utility service in a timely manner before the date of filing of the petition; or

"(iii) the availability of an administrative expense priority.

"(4) Notwithstanding any other provision of law, with respect to a case subject to this subsection, a utility may recover or set off against a security deposit provided to the utility by the debtor before the date of filing of the petition without notice or order of the court.".

Subtitle B—Small Business Bankruptcy Provisions

SEC. 421. FLEXIBLE RULES FOR DISCLOSURE STATEMENT AND PLAN.

Section 1125 of title 11, United States Code, is amended by striking subsection (f) and inserting the following:

"(f) Notwithstanding subsection (b), in a small business case—

"(1) in determining whether a disclosure statement provides adequate information, the court shall consider the complexity of the case, the benefit of additional information to creditors and other parties in interest, and the cost of providing additional information;

"(2) the court may determine that the plan itself provides adequate information and that a separate disclosure statement is not necessary;

"(3) the court may approve a disclosure statement submitted on standard forms approved by the court or adopted under section 2075 of title 28; and

“(4)(A) the court may conditionally approve a disclosure statement subject to final approval after notice and a hearing;

“(B) acceptances and rejections of a plan may be solicited based on a conditionally approved disclosure statement if the debtor provides adequate information to each holder of a claim or interest that is solicited, but a conditionally approved disclosure statement shall be mailed not later than 20 days before the date of the hearing on confirmation of the plan; and

“(C) the hearing on the disclosure statement may be combined with the hearing on confirmation of a plan.”.

SEC. 422. DEFINITIONS; EFFECT OF DISCHARGE.

(a) DEFINITIONS.—Section 101 of title 11, United States Code, *as amended by section 402 of this Act*, is amended by striking paragraph (51C) and inserting the following:

“(51C) ‘small business case’ means a case filed under chapter 11 of this title in which the debtor is a small business debtor;

“(51D) ‘small business debtor’—

“(A) subject to subparagraph (B), means a person (including any affiliate of such person that is also a debtor under this title) that has aggregate noncontingent, liquidated secured and unsecured debts as of the date of the petition or the order for relief in an amount not more than $4,000,000 (excluding debts owed to 1 or more affiliates or insiders) for a case in which the United States trustee has appointed under section 1102(a)(1) a committee of unsecured creditors that the court has determined is sufficiently active and representative to provide effective oversight of the debtor; and

“(B) does not include any member of a group of affiliated debtors that has aggregate noncontingent liquidated secured and unsecured debts in an amount greater than $4,000,000 (excluding debt owed to 1 or more affiliates or insiders);”.

[(b) EFFECT OF DISCHARGE.—Section 524 of title 11, United States Code, as amended by section 204 of this Act, is amended by adding at the end the following:

[“(j)(1) An individual who is injured by the willful failure of a creditor to substantially comply with the requirements specified in subsections (c) and (d), or by any willful violation of the injunction operating under subsection (a)(2), shall be entitled to recover—

[“(A) the greater of—

[“(i) the amount of actual damages; or

[“(ii) $1,000; and

[“(B) costs and attorneys' fees.

[“(2) An action to recover for a violation specified in paragraph (1) may not be brought as a class action.”.

[(c)] *(b)* CONFORMING AMENDMENT.—Section 1102(a)(3) of title 11, United States Code, is amended by inserting “debtor” after “small business”.

SEC. 423. STANDARD FORM DISCLOSURE STATEMENT AND PLAN.

Within a reasonable period of time after the date of the enactment of this Act, the Advisory Committee on Bankruptcy Rules of the Judicial Conference of the United States shall propose for adoption standard form disclosure statements and plans of reorganization for small business debtors (as defined in section 101 of title 11, United States Code, as amended by this Act), designed to achieve a practical balance between—

(1) the reasonable needs of the courts, the United States trustee, creditors, and other parties in interest for reasonably complete information; and

(2) economy and simplicity for debtors.

SEC. 424. UNIFORM NATIONAL REPORTING REQUIREMENTS.

(a) REPORTING REQUIRED.—

(1) IN GENERAL.—Chapter 3 of title 11, United States Code, is amended by inserting after section 307 the following:

“§ 308. Debtor reporting requirements

“(1) For purposes of this section, the term ‘profitability’ means, with respect to a debtor, the amount of money that the debtor has earned or lost during current and recent fiscal periods.

“(2) A small business debtor shall file periodic financial and other reports containing information including—

“(A) the debtor's profitability;

“(B) reasonable approximations of the debtor's projected cash receipts and cash disbursements over a reasonable period;

“(C) comparisons of actual cash receipts and disbursements with projections in prior reports;

“(D)(i) whether the debtor is—

“(I) in compliance in all material respects with postpetition requirements imposed by this title and the Federal Rules of Bankruptcy Procedure; and

“(II) timely filing tax returns and paying taxes and other administrative claims when due; and

“(ii) if the debtor is not in compliance with the requirements referred to in clause (i)(I) or filing tax returns and making the payments referred to in clause (i)(II), what the failures are and how, at what cost, and when the debtor intends to remedy such failures; and

“(iii) such other matters as are in the best interests of the debtor and creditors, and in the public interest in fair and efficient procedures under chapter 11 of this title.”.

(2) CLERICAL AMENDMENT.—The table of sections for chapter 3 of title 11, United States Code, is amended by inserting after the item relating to section 307 the following:

“308. Debtor reporting requirements.”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect 60 days after the date on which rules are prescribed under section 2075 of title 28, United States Code, to establish forms to be used to comply with section 308 of title 11, United States Code, as added by subsection (a).

SEC. 425. UNIFORM REPORTING RULES AND FORMS FOR SMALL BUSINESS CASES.

(a) PROPOSAL OF RULES AND FORMS.—The Advisory Committee on Bankruptcy Rules of the Judicial Conference of the United States shall propose for adoption amended Federal Rules of Bankruptcy Procedure and Official Bankruptcy Forms to be used by small business debtors to file periodic financial and other reports containing information, including information relating to—

(1) the debtor's profitability;

(2) the debtor's cash receipts and disbursements; and

(3) whether the debtor is timely filing tax returns and paying taxes and other administrative claims when due.

(b) PURPOSE.—The rules and forms proposed under subsection (a) shall be designed to achieve a practical balance among—

(1) the reasonable needs of the bankruptcy court, the United States trustee, creditors, and other parties in interest for reasonably complete information;

(2) the small business debtor's interest that required reports be easy and inexpensive to complete; and

(3) the interest of all parties that the required reports help the small business debtor to understand the small business debtor's financial condition and plan the small business debtor's future.

SEC. 426. DUTIES IN SMALL BUSINESS CASES.

(a) DUTIES IN CHAPTER 11 CASES.—Title 11, United States Code, is amended by inserting after section 1114 the following:

“§ 1115. Duties of trustee or debtor in possession in small business cases

“In a small business case, a trustee or the debtor in possession, in addition to the duties provided in this title and as otherwise required by law, shall—

“(1) append to the voluntary petition or, in an involuntary case, file within 3 days after the date of the order for relief—

“(A) its most recent balance sheet, statement of operations, cash-flow statement, Federal income tax return; or

“(B) a statement made under penalty of perjury that no balance sheet, statement of operations, or cash-flow statement has been prepared and no Federal tax return has been filed;

“(2) attend, through its senior management personnel and counsel, meetings scheduled by the court or the United States trustee, including initial debtor interviews, scheduling conferences, and meetings of creditors convened under section 341 unless the court waives that requirement after notice and hearing, upon a finding of extraordinary and compelling circumstances;

“(3) timely file all schedules and statements of financial affairs, unless the court, after notice and a hearing, grants an extension, which shall not extend such time period to a date later than 30 days after the date of the order for relief, absent extraordinary and compelling circumstances;

“(4) file all postpetition financial and other reports required by the Federal Rules of Bankruptcy Procedure or by local rule of the district court;

“(5) subject to section 363(c)(2), maintain insurance customary and appropriate to the industry;

“(6)(A) timely file tax returns;

“(B) subject to section 363(c)(2), timely pay all administrative expense tax claims, except those being contested by appropriate proceedings being diligently prosecuted; and

“(C) subject to section 363(c)(2), establish 1 or more separate deposit accounts not later than 10 business days after the date of order for relief (or as soon thereafter as possible if all banks contacted decline the business) and deposit therein, not later than 1 business day after receipt thereof, all taxes payable for periods beginning after the date the case is commenced that are collected or withheld by the debtor for governmental units, unless the court waives that requirement after notice and hearing, upon a finding of extraordinary and compelling circumstances; and

“(7) allow the United States trustee, or a designated representative of the United States trustee, to inspect the debtor's business premises, books, and records at reasonable times, after reasonable prior written notice, unless notice is waived by the debtor.”.

(b) TECHNICAL AMENDMENT.—The table of sections for chapter 11, United States Code, is amended by inserting after the item relating to section 1114 the following:

“1115. Duties of trustee or debtor in possession in small business cases.”.

SEC. 427. PLAN FILING AND CONFIRMATION DEADLINES.

Section 1121 of title 11, United States Code, is amended by striking subsection (e) and inserting the following:

“(e) In a small business case—

“(1) only the debtor may file a plan until after 90 days after the date of the order for relief, unless that period is —

"(A) shortened on request of a party in interest made during the 90-day period;

"(B) extended as provided by this subsection, after notice and hearing; or

"(C) the court, for cause, orders otherwise;

"(2) the plan, and any necessary disclosure statement, shall be filed not later than 90 days after the date of the order for relief; and

"(3) the time periods specified in paragraphs (1) and (2), and the time fixed in section 1129(e), within which the plan shall be confirmed, may be extended only if—

"(A) the debtor, after providing notice to parties in interest (including the United States trustee), demonstrates by a preponderance of the evidence that it is more likely than not that the court will confirm a plan within a reasonable period of time;

"(B) a new deadline is imposed at the time the extension is granted; and

"(C) the order extending time is signed before the existing deadline has expired.".

SEC. 428. PLAN CONFIRMATION DEADLINE.

Section 1129 of title 11, United States Code, is amended by adding at the end the following:

"(e) In a small business case, the plan shall be confirmed not later than 150 days after the date of the order for relief, unless such 150-day period is extended as provided in section 1121(e)(3).".

SEC. 429. PROHIBITION AGAINST EXTENSION OF TIME.

Section 105(d) of title 11, United States Code, is amended—

(1) in paragraph (1), by striking "and" at the end;

(2) in paragraph (2)[(B)(vi)], by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(3) in a small business case, not extend the time periods specified in sections 1121(e) and 1129(e), except as provided in section 1121(e)(3).".

SEC. 430. DUTIES OF THE UNITED STATES TRUSTEE.

Section 586(a) of title 28, United States Code, is amended—

(1) in paragraph (3)—

(A) in subparagraph (G), by striking "and" at the end;

(B) by redesignating subparagraph (H) as subparagraph (I); and

(C) by inserting after subparagraph (G) the following:

"(H) in small business cases (as defined in section 101 of title 11), performing the additional duties specified in title 11 pertaining to such cases;";

(2) in paragraph (5), by striking "and" at the end;

(3) in paragraph (6), by striking the period at the end and inserting "; and"; and

(4) by inserting after paragraph (6) the following:

"(7) in each of such small business cases—

"(A) conduct an initial debtor interview as soon as practicable after the entry of order for relief but before the first meeting scheduled under section 341(a) of title 11, at which time the United States trustee shall—

"(i) begin to investigate the debtor's viability;

"(ii) inquire about the debtor's business plan;

"(iii) explain the debtor's obligations to file monthly operating reports and other required reports;

"(iv) attempt to develop an agreed scheduling order; and

"(v) inform the debtor of other obligations;

"(B) if determined to be appropriate and advisable, visit the appropriate business premises of the debtor and ascertain the state of the debtor's books and records and verify that the debtor has filed its tax returns; and

"(C) review and monitor diligently the debtor's activities, to identify as promptly as possible whether the debtor will be unable to confirm a plan; and

"(8) in any case in which the United States trustee finds material grounds for any relief under section 1112 of title 11, the United States trustee shall apply promptly after making that finding to the court for relief.".

SEC. 431. SCHEDULING CONFERENCES.

Section 105(d) of title 11, United States Code, as amended by section 429 of this Act, is amended—

(1) in the matter preceding paragraph (1), by striking ", may";

(2) by striking paragraph (1) and inserting the following:

"(1) shall hold such status conferences as are necessary to further the expeditious and economical resolution of the case; and"; and

(3) in paragraph (2), by striking "unless inconsistent with another provision of this title or with applicable Federal Rules of Bankruptcy Procedure," [and inserting "may"].

SEC. 432. SERIAL FILER PROVISIONS.

Section 362 of title 11, United States Code, is amended—

(1) in subsection (j), as redesignated by section 305(1) of this Act—

(A) by striking "An" and inserting "(1) Except as provided in paragraph (2), an"; and

(B) by adding at the end the following:

"(2) If such violation is based on an action taken by an entity in the good faith belief that subsection (h) applies to the debtor, the recovery under paragraph (1) against such entity shall be limited to actual damages."; and

(2) by inserting after subsection (j)[, as added by section 419 of this Act,] the following:

"(k)(1) Except as provided in paragraph (2), the filing of a petition under chapter 11 [of this title] operates as a stay of the acts described in subsection (a) only in an involuntary case involving no collusion by the debtor with creditors and in which the debtor—

"(A) is a debtor in a small business case pending at the time the petition is filed;

"(B) was a debtor in a small business case that was dismissed for any reason by an order that became final in the 2-year period ending on the date of the order for relief entered with respect to the petition;

"(C) was a debtor in a small business case in which a plan was confirmed in the 2-year period ending on the date of the order for relief entered with respect to the petition; or

"(D) is an entity that has succeeded to substantially all of the assets or business of a small business debtor described in subparagraph (A), (B), or (C).

"(2) Paragraph (1) does not apply to the filing of a petition if the debtor proves by a preponderance of the evidence that—

"(A) the filing of that petition resulted from circumstances beyond the control of the debtor not foreseeable at the time the case then pending was filed; and

"(B) it is more likely than not that the court will confirm a feasible plan, but not a liquidating plan, within a reasonable period of time.".

SEC. 433. EXPANDED GROUNDS FOR DISMISSAL OR CONVERSION AND APPOINTMENT OF TRUSTEE.

(a) EXPANDED GROUNDS FOR DISMISSAL OR CONVERSION.—Section 1112 of title 11, United States Code, is amended by striking subsection (b) and inserting the following:

"(b)(1) Except as provided in paragraph (2), in subsection (c), and section 1104(a)(3), on request of a party in interest, and after notice and a hearing, the court shall convert a case under this chapter to a case under chapter 7 or dismiss a case under this chapter, whichever is in the best interest of creditors and the estate, if the movant establishes cause.

"(2) The relief provided in paragraph (1) shall not be granted if the debtor or another party in interest objects and establishes by a preponderance of the evidence that—

"(A) it is more likely than not that a plan will be confirmed within—

"(i) a period of time fixed under this title or by order of the court entered under section 1121(e)(3); or

"(ii) a reasonable period of time if no period of time has been fixed; and

"(B) if the reason is an act or omission of the debtor that—

"(i) there exists a reasonable justification for the act or omission; and

"(ii)(I) the act or omission will be cured within a reasonable period of time fixed by the court, but not to exceed 30 days after the court decides the motion, unless the movant expressly consents to a continuance for a specific period of time; or

"(II) compelling circumstances beyond the control of the debtor justify an extension.

"(3) The court shall commence the hearing on any motion under this subsection not later than 30 days after filing of the motion, and shall decide the motion within 15 days after commencement of the hearing, unless the movant expressly consents to a continuance for a specific period of time or compelling circumstances prevent the court from meeting the time limits established by this paragraph.

"(4) For purposes of this subsection, cause includes—

"(A) substantial or continuing loss to or diminution of the estate;

"(B) gross mismanagement of the estate;

"(C) failure to maintain appropriate insurance;

"(D) unauthorized use of cash collateral harmful to 1 or more creditors;

"(E) failure to comply with an order of the court;

"(F) failure timely to satisfy any filing or reporting requirement established by this title or by any rule applicable to a case under this chapter;

"(G) failure to attend the meeting of creditors convened under section 341(a) or an examination ordered under Rule 2004 of the Federal Rules of Bankruptcy Procedure;

"(H) failure timely to provide information or attend meetings reasonably requested by the United States trustee;

"(I) failure timely to pay taxes due after the date of the order for relief or to file tax returns due after the order for relief;

"(J) failure to file a disclosure statement, or to file or confirm a plan, within the time fixed by this title or by order of the court;

"(K) failure to pay any fees or charges required under chapter 123 of title 28;

"(L) revocation of an order of confirmation under section 1144;

"(M) inability to effectuate substantial consummation of a confirmed plan;

"(N) material default by the debtor with respect to a confirmed plan; and

"(O) termination of a plan by reason of the occurrence of a condition specified in the plan.

"(5) The court shall commence the hearing on any motion under this subsection not later than 30 days after filing of the motion, and shall decide the motion within 15 days after commencement of the hearing, unless the movant expressly consents to a continuance for a specific period of time or compelling circumstances prevent the court from meeting the time limits established by this paragraph.".

(b) ADDITIONAL GROUNDS FOR APPOINTMENT OF TRUSTEE.—Section 1104(a) of title 11, United States Code, is amended—

(1) in paragraph (1), by striking "or" at the end;

(2) in paragraph (2), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following:

"(3) if grounds exist to convert or dismiss the case under section 1112, but the court determines that the appointment of a trustee is in the best interests of creditors and the estate.".

SEC. 434. STUDY OF OPERATION OF TITLE 11, UNITED STATES CODE, WITH RESPECT TO SMALL BUSINESSES.

Not later than 2 years after the date of the enactment of this Act, the Administrator of the Small Business Administration, in consultation with the Attorney General of the United States, the Director of the Administrative Office of United States Trustees, and the Director of the Administrative Office of the United States Courts, shall—

(1) conduct a study to determine—

(A) the internal and external factors that cause small businesses, especially sole proprietorships, to become debtors in cases under title 11, United States Code, and that cause certain small businesses to successfully complete cases under chapter 11 of such title; and

(B) how Federal laws relating to bankruptcy may be made more effective and efficient in assisting small businesses to remain viable; and

(2) submit to the President pro tempore of the Senate and the Speaker of the House of Representatives a report summarizing that study.

SEC. 435. PAYMENT OF INTEREST.

Section 362(d)(3) of title 11, United States Code, is amended—

(1) by inserting "or 30 days after the court determines that the debtor is subject to this paragraph, whichever is later" after "90-day period)"; and

(2) by striking subparagraph (B) and inserting the following:

"(B) the debtor has commenced monthly payments that—

"(i) may, in the debtor's sole discretion, notwithstanding section 363(c)(2), be made from rents or other income generated before or after the commencement of the case by or from the property to each creditor whose claim is secured by such real estate (other than a claim secured by a judgment lien or by an unmatured statutory lien); and

"(ii) are in an amount equal to interest at the then applicable nondefault contract rate of interest on the value of the creditor's interest in the real estate; or".

TITLE V—MUNICIPAL BANKRUPTCY PROVISIONS

SEC. 501. PETITION AND PROCEEDINGS RELATED TO PETITION.

(a) TECHNICAL AMENDMENT RELATING TO MUNICIPALITIES.—Section 921(d) of title 11, United States Code, is amended by inserting ", notwithstanding section 301(b)" before the period at the end.

(b) CONFORMING AMENDMENT.—Section 301 of title 11, United States Code, is amended—

(1) by inserting "(a)" before "A voluntary"; [and]

(2) by striking the last sentence; and [inserting the following:]

(3) by adding at the end the following:

"(b) The commencement of a voluntary case under a chapter of this title constitutes an order for relief under such chapter.".

SEC. 502. APPLICABILITY OF OTHER SECTIONS TO CHAPTER 9.

Section [901] *901(a)* of title 11, United States Code, is amended—

(1) by inserting "555, 556," after "553,"; and

(2) by inserting "559, 560," after "557,".

TITLE VI—IMPROVED BANKRUPTCY STATISTICS AND DATA

SEC. 601. AUDIT PROCEDURES.

(a) AMENDMENTS.—Section 586 of title 28, United States Code, is amended—

(1) in subsection (a), by striking paragraph (6) and inserting the following:

"(6) make such reports as the Attorney General directs, including the results of audits performed under subsection (f); and"; and

(2) by adding at the end the following:

"(f)(1)(A) The Attorney General shall establish procedures to determine the accuracy, veracity, and completeness of petitions, schedules, and other information which the debtor is required to provide under sections 521 and 1322 of title 11, and, if applicable, section 111 of title 11, in individual cases filed under chapter 7 or 13 of such title.

"(B) Those procedures shall—

"(i) establish a method of selecting appropriate qualified persons to contract to perform those audits;

"(ii) establish a method of randomly selecting cases to be audited, except that not less than 1 out of every 250 cases in each Federal judicial district shall be selected for audit;

"(iii) require audits for schedules of income and expenses which reflect greater than average variances from the statistical norm of the district in which the schedules were filed if those variances occur by reason of higher income or higher expenses than the statistical norm of the [disctrict] *district* in which the schedules were filed; and

"(iv) include procedures for providing, not less frequently than annually, public information concerning the aggregate results of the audits referred to in this subparagraph, including the percentage of cases, by district, in which a material misstatement of income or expenditures is reported.

"(2) The United States trustee for each district may contract with auditors to perform audits in cases designated by the United States trustee according to the procedures established under paragraph (1).

"(3)(A) The report of each audit conducted under this subsection shall be filed with the court and transmitted to the United States trustee. Each report shall clearly and conspicuously specify any material misstatement of income or expenditures or of assets identified by the person performing the audit. In any case where a material misstatement of income or expenditures or of assets has been reported, the clerk of the bankruptcy court shall give notice of the misstatement to the creditors in the case.

"(B) If a material misstatement of income or expenditures or of assets is reported, the United States trustee shall—

"(i) report the material misstatement, if appropriate, to the United States Attorney under section 3057 of title 18; and

"(ii) if advisable, take appropriate action, including commencing an adversary proceeding to revoke the debtor's discharge under section 727(d) of title 11.".

(b) AMENDMENTS TO SECTION 521 OF TITLE 11, UNITED STATES CODE.—Paragraphs (3) and (4) of section 521(a) of title 11, United States Code, as amended by section 315 of this Act, are each amended by inserting "or an auditor appointed under section 586 of title 28" after "serving in the case" each place that term appears.

(c) AMENDMENTS TO SECTION 727 OF TITLE 11, UNITED STATES CODE.—Section 727(d) of title 11, United States Code, is amended—

(1) in paragraph (2), by striking "or" at the end;

(2) in paragraph (3), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following:

"(4) the debtor has failed to explain satisfactorily—

"(A) a material misstatement in an audit performed under section 586(f) of title 28; or

"(B) a failure to make available for inspection all necessary accounts, papers, documents, financial records, files, and any other papers, things, or property belonging to the debtor that are requested for an audit conducted under section 586(f).".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect 18 months after the date of enactment of this Act.

SEC. 602. IMPROVED BANKRUPTCY STATISTICS.

(a) AMENDMENT.—Chapter 6 of title 28, United States Code, is amended by adding at the end the following:

"§ 159. Bankruptcy statistics

"(a) The clerk of each district court shall compile statistics regarding individual debtors with primarily consumer debts seeking relief under chapters 7, 11, and 13 of title 11. Those statistics shall be in a form prescribed by the Director of the Administrative Office of the United States Courts (referred to in this section as the 'Office').

"(b) The Director shall—

"(1) compile the statistics referred to in subsection (a);

"(2) make the statistics available to the public; and

"(3) not later than October 31, 1999, and annually thereafter, prepare, and submit to Congress a report concerning the information collected under subsection (a) that contains an analysis of the information.

"(c) The compilation required under subsection (b) shall—

"(1) be itemized, by chapter, with respect to title 11;

"(2) be presented in the aggregate and for each district; and

"(3) include information concerning—

"(A) the total assets and total liabilities of the debtors described in subsection (a), and in each category of assets and liabilities, as reported in the schedules prescribed under section 2075 and filed by those debtors;

"(B) the total current monthly income, projected monthly net income, and average income, and average expenses of those debtors as reported on the schedules and statements that each such debtor files under sections 111, 521, and 1322 of title 11;

"(C) the aggregate amount of debt discharged in the reporting period, determined as the difference between the total amount of debt and obligations of a debtor reported on the schedules and the amount of such debt reported in categories which are predominantly nondischargeable;

"(D) the average period of time between the filing of the petition and the closing of the case;

"(E) for the reporting period—

"(i) the number of cases in which a reaffirmation was filed; and

"(ii)(I) the total number of reaffirmations filed;

"(II) of those cases in which a reaffirmation was filed, the number in which the debtor was not represented by an attorney; and

"(III) of the cases under each of subclauses (I) and (II), the number of cases in which the reaffirmation was approved by the court;

"(F) with respect to cases filed under chapter 13 of title 11, for the reporting period—

"(i)(I) the number of cases in which a final order was entered determining the value of property securing a claim in an amount less than the amount of the claim; and

"(II) the number of final orders determining the value of property securing a claim issued;

"(ii) the number of cases dismissed for failure to make payments under the plan; and

"(iii) the number of cases in which the debtor filed another case during the 6-year period preceding the date of filing;

"(G) the number of cases in which creditors were fined for misconduct and any amount of punitive damages awarded by the court for creditor misconduct; and

"(H) the number of cases in which sanctions under Rule 9011 of the Federal Rules of Bankruptcy Procedure were imposed against debtor's counsel and damages awarded under such rule.".

(b) Clerical Amendment.—The table of sections for chapter 6 of title 28, United States Code, is amended by adding at the end the following:

"159. Bankruptcy statistics.".

(c) Effective Date.—The amendments made by this section shall take effect 18 months after the date of enactment of this Act.

SEC. 603. UNIFORM RULES FOR THE COLLECTION OF BANKRUPTCY DATA.

(a) Amendment.—Chapter 39 of title 28, United States Code, is amended by inserting after section 589a the following:

"§ 589b. Bankruptcy data

"(a) Within a reasonable period of time after the effective date of this section, the Attorney General of the United States shall issue rules requiring uniform forms for (and from time to time thereafter to appropriately modify and approve)—

"(1) final reports by trustees in cases under chapters 7, 12, and 13 of title 11; and

"(2) periodic reports by debtors in possession or trustees, as the case may be, in cases under chapter 11 of title 11.

"(b) Each report referred to in subsection (a) shall be designed (and the requirements as to place and manner of filing shall be established) so as to facilitate compilation of data and maximum practicable access of the public, by—

"(1) physical inspection at 1 or more central filing locations; and

"(2) electronic access through the Internet or other appropriate media.

"(c)(1) The information required to be filed in the reports referred to in subsection (b) shall be information that is—

"(A) in the best interests of debtors and creditors, and in the public interest; and

"(B) reasonable and adequate information to evaluate the efficiency and practicality of the Federal bankruptcy system.

"(2) In issuing rules proposing the forms referred to in subsection (a), the Attorney General shall strike the best achievable practical balance between—

"(A) the reasonable needs of the public for information about the operational results of the Federal bankruptcy system; and

"(B) economy, simplicity, and lack of undue burden on persons with a duty to file reports.

"(d)(1) Final reports proposed for adoption by trustees under chapters 7, 12, and 13 of title 11 shall include with respect to a case under such title, by appropriate category—

"(A) information about the length of time the case was pending;

"(B) assets abandoned;

"(C) assets exempted;

"(D) receipts and disbursements of the estate;

"(E) expenses of administration;

"(F) claims asserted;

"(G) claims allowed; and

"(H) distributions to claimants and claims discharged without payment.

"(2) In cases under chapters 12 and 13 of title 11, final reports proposed for adoption by trustees shall include—

"(A) the date of confirmation of the plan;

"(B) each modification to the plan; and

"(C) defaults by the debtor in performance under the plan.

"(3) The information described in paragraphs (1) and (2) shall be in addition to such other matters as are required by law for a final report or as the Attorney General, in the discretion of the Attorney General, may propose for a final report.

"(e)(1) Periodic reports proposed for adoption by trustees or debtors in possession under chapter 11 of title 11 shall include—

"(A) information about the standard industry classification, published by the Department of Commerce, for the businesses conducted by the debtor;

"(B) the length of time the case has been pending;

"(C) the number of full-time employees—

"(i) as of the date of the order for relief; and

"(ii) at the end of each reporting period since the case was filed;

"(D) cash receipts, cash disbursements, and profitability of the debtor for the most recent period and cumulatively since the date of the order for relief;

"(E) compliance with title 11, whether or not tax returns and tax payments since the date of the order for relief have been timely filed and made;

"(F) all professional fees approved by the court in the case for the most recent period and cumulatively since the date of the order for relief (separately reported, for the professional fees incurred by or on behalf of the debtor, between those that would have been incurred absent a bankruptcy case and those that would not have been so incurred); and

"(G) plans of reorganization filed and confirmed and, with respect thereto, by class, the recoveries of the holders, expressed in aggregate dollar values and, in the case of claims, as a percentage of total claims of the class allowed.

"(2) The information described in paragraph (1) shall be in addition to such other matters as are required by law for a periodic report or as the Attorney General, in the discretion of the Attorney General, may propose for a periodic report.".

(b) Technical Amendment.—The table of sections for chapter 39 of title 28, United States Code, is amended by adding at the end the following:

"589b. Bankruptcy data.".

SEC. 604. SENSE OF CONGRESS REGARDING AVAILABILITY OF BANKRUPTCY DATA.

It is the sense of Congress that—

(1) it should be the national policy of the United States that all data held by bankruptcy clerks in electronic form, to the extent such data reflects only public records (as defined in section 107 of title 11, United States Code), should be released in a usable electronic form in bulk to the public subject to such appropriate privacy concerns and safeguards as the Judicial Conference of the United States may determine; and

(2) there should be established a bankruptcy data system in which—

(A) a single set of data definitions and forms are used to collect data nationwide; and

(B) data for any particular bankruptcy case are aggregated in the same electronic record.

TITLE VII—BANKRUPTCY TAX PROVISIONS

SEC. 701. TREATMENT OF CERTAIN LIENS.

(a) Treatment of Certain Liens.—Section 724 of title 11, United States Code, is amended—

(1) in subsection (b), in the matter preceding paragraph (1), by inserting "(other than to the extent that there is a properly perfected unavoidable tax lien arising in connection with an ad valorem tax on real or personal property of the estate)" after "under this title";

(2) in subsection (b)(2), by inserting "(except that such expenses, other than claims for wages, salaries, or commissions which arise after the filing of a petition, shall be limited to expenses incurred under chapter 7 of this title and shall not include expenses incurred under chapter 11 of this title)" after "507(a)(1)"; and

(3) by adding at the end the following:

"(e) Before subordinating a tax lien on real or personal property of the estate, the trustee shall—

"(1) exhaust the unencumbered assets of the estate; and

"(2) in a manner consistent with section 506(c), recover from property securing an allowed secured claim the reasonable, necessary costs, and expenses of preserving or disposing of that property.

"(f) Notwithstanding the exclusion of ad valorem tax liens under this section and subject to the requirements of subsection (e), the following may be paid from property of the estate which secures a tax lien, or the proceeds of such property:

"(1) Claims for wages, salaries, and commissions that are entitled to priority under section 507(a)(3).

"(2) Claims for contributions to an employee benefit plan entitled to priority under section 507(a)(4).".

(b) Determination of Tax Liability.—Section 505(a)(2) of title 11, United States Code, is amended—

(1) in subparagraph (A), by striking "or" at the end;

(2) in subparagraph (B), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following:

"(C) the amount or legality of any amount arising in connection with an ad valorem tax on real or personal property of the estate, if the applicable period for contesting or redetermining that amount under any law (other than a bankruptcy law) has expired.".;.

SEC. 702. EFFECTIVE NOTICE TO GOVERNMENT.

(a) Effective Notice to Governmental Units.—Section 342 of title 11, United States Code, as amended by section 315(a) of this Act, is amended by adding at the end the following:

"(g)(1) If a debtor lists a governmental unit as a creditor in a list or schedule, any notice required to be given by the debtor under this title, applicable rule, other provision of law, or order of the court, shall identify the department, agency, or instrumentality through which the debtor is indebted.

"(2) The debtor shall identify (with information such as a taxpayer identification number, loan, account or contract number, or real estate parcel number, if applicable), and describe the underlying basis for the claim of the governmental unit.

"(3) If the liability of the debtor to a governmental unit arises from a debt or obligation owed or incurred by another individual, entity, or organization, or under a different name, the debtor shall identify that individual, entity, organization, or name.

"(h) The clerk shall keep and update on a quarterly basis, in such form and manner as the Director of the Administrative Office of the United States Courts prescribes, a register in which a governmental unit may designate or redesignate a mailing address for service of notice in cases pending in the district. The clerk shall make such register available to debtors.".

(b) ADOPTION OF RULES PROVIDING NOTICE.—

(1) IN GENERAL.—Within a reasonable period of time after the date of enactment of this Act, the Advisory Committee on Bankruptcy Rules of the Judicial Conference shall propose for adoption enhanced rules for providing notice to Federal, State, and local government units that have regulatory authority over the debtor or that may be creditors in the debtor's case.

(2) PERSONS NOTIFIED.—The rules proposed under paragraph (1) shall be reasonably calculated to ensure that notice will reach the representatives of the governmental unit (or subdivision thereof) who will be the appropriate persons authorized to act upon the notice.

(3) RULES REQUIRED.—At a minimum, the rules under paragraph (1) should require that the debtor—

(A) identify in the schedules and the notice, the subdivision, agency, or entity with respect to which such notice should be received;

(B) provide sufficient information (such as case captions, permit numbers, taxpayer identification numbers, or similar identifying information) to permit the governmental unit (or subdivision thereof) entitled to receive such notice to identify the debtor or the person or entity on behalf of which the debtor is providing notice in any case in which—

(i) the debtor may be a successor in interest; or

(ii) may not be the same entity as the entity that incurred the debt or obligation; and

(C) identify, in appropriate schedules, served together with the notice—

(i) the property with respect to which the claim or regulatory obligation may have arisen, if applicable;

(ii) the nature of such claim or regulatory obligation; and

(iii) the purpose for which notice is being given.

(c) EFFECT OF FAILURE OF NOTICE.—Section 342 of title 11, United States Code, as amended by subsection (a), is amended by adding at the end the following:

"(i) A notice that does not comply with subsections (d) and (e) shall not be effective unless the debtor demonstrates by clear and convincing evidence that—

"(1) timely notice was given in a manner reasonably calculated to satisfy the requirements of this section; and

"(2) either—

"(A) the notice was timely sent to the address provided in the register maintained by the clerk of the district in which the case was pending for such purposes; or

"(B) no address was provided in such list for the governmental unit and that an officer of the governmental unit who is responsible for the matter or claim had actual knowledge of the case in sufficient time to act.".

SEC. 703. NOTICE OF REQUEST FOR A DETERMINATION OF TAXES.

The second sentence of section 505(b) of title 11, United States Code, is amended by striking "Unless" and inserting "If the request is made substantially in the manner designated by the governmental unit and unless".

SEC. 704. RATE OF INTEREST ON TAX CLAIMS.

(a) IN GENERAL.—Subchapter I of chapter 5 of title 11, United States Code, is amended by adding at the end the following:

"§ 511. Rate of interest on tax claims

"If any provision of this title requires the payment of interest on a tax claim or the payment of interest to enable a creditor to receive the present value of the allowed amount of a tax claim, the rate of interest shall be as follows:

"(1) In the case of secured tax claims, unsecured ad valorem tax claims, other unsecured tax claims in which interest is required to be paid under section 726(a)(5), and administrative tax claims paid under section 503(b)(1), the rate shall be determined under applicable nonbankruptcy law.

"(2)(A) In the case of any tax claim other than a claim described in paragraph (1), the minimum rate of interest shall be a percentage equal to the sum of—

"(i) 3; plus

"(ii) the Federal short-term rate rounded to the nearest full percent, determined under section 1274(d) of the Internal Revenue Code of 1986.

"(B) In the case of any claim for Federal income taxes, the minimum rate of interest shall be subject to any adjustment that may be required under section 6621(d) of the Internal Revenue Code of 1986.

"(C) In the case of taxes paid under a confirmed plan or reorganization under this title, the minimum rate of interest shall be determined as of the calendar month in which the plan is confirmed.".

(b) CLERICAL AMENDMENT.—The table of sections for chapter 5 of title 11, United States Code, is amended by inserting after the item relating to section 510 the following:

"511. Rate of interest on tax claims.".

SEC. 705. TOLLING OF PRIORITY OF TAX CLAIM TIME PERIODS.

Section 507(a)(8)(A) of title 11, United States Code, [as redesignated by section 212 of this Act,] is amended—

(1) in clause (i), by inserting before the semicolon at the end, the following: ", plus any time during which the stay of proceedings was in effect in a prior case under this title, plus 6 months"; and

(2) by striking clause (ii) and inserting the following:

"(ii) assessed within 240 days before the date of the filing of the petition, exclusive of—

"(I) any time during which an offer in compromise with respect to that tax, was pending or in effect during that 240-day period, plus 30 days;

"(II) the lesser of—

"(aa) any time during which an installment agreement with respect to that tax was pending or in effect during that 240-day period, plus 30 days; or

"(bb) 1 year; and

"(III) any time during which a stay of proceedings against collections was in effect in a prior case under this title during that 240-day period; plus 6 months.".

SEC. 706. PRIORITY PROPERTY TAXES INCURRED.

Section 507(a)(9)(B) of title 11, United States Code, [as redesignated by section 221 of this Act,] is amended by striking "assessed" and inserting "incurred".

SEC. 707. CHAPTER 13 DISCHARGE OF FRAUDULENT AND OTHER TAXES.

Section 1328(a)(2) of title 11, United States Code, as amended by section [228] *314* of this Act, is amended by inserting "(1)," after "paragraph".

SEC. 708. CHAPTER 11 DISCHARGE OF FRAUDULENT TAXES.

Section 1141(d) of title 11, United States Code, is amended by adding at the end the following:

"(5) Notwithstanding paragraph (1), the confirmation of a plan does not discharge a debtor that is a corporation from any debt for a tax or customs duty with respect to which the debtor—

"(A) made a fraudulent return; or

"(B) willfully attempted in any manner to evade or defeat that tax or duty.".

SEC. 709. STAY OF TAX PROCEEDINGS.

(a) SECTION 362 STAY LIMITED TO PREPETITION TAXES.—Section 362(a)(8) of title 11, United States Code, is amended by inserting before the semicolon at the end the following: ", with respect to a tax liability for a taxable period ending before the order for relief under section 301, 302, or 303".

(b) APPEAL OF TAX COURT DECISIONS PERMITTED.—Section 362(b)(9) of title 11, United States Code, is amended—

(1) in subparagraph (C), by striking "or" at the end;

(2) in subparagraph (D), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following:

"(E) the appeal of a decision by a court or administrative tribunal which determines a tax liability of the debtor (without regard to whether such determination was made prepetition or postpetition).".

SEC. 710. PERIODIC PAYMENT OF TAXES IN CHAPTER 11 CASES.

Section 1129(a)(9) of title 11, United States Code, is amended—

(1) in subparagraph (B), by striking "and" at the end; and

(2) in subparagraph (C), by striking "deferred cash payments, over a period not exceeding six years after the date of assessment of such claim," and all that follows through the end of the subparagraph, and inserting "regular installment payments—

"(i) of a total value, as of the effective date of the claim, equal to the allowed amount of such claim in cash, but in no case with a balloon payment; and

"(ii) beginning not later than the effective date of the plan and ending on the earlier of—

"(I) the date that is 5 years after the date of the filing of the petition; or

"(II) the last date payments are to be made under the plan to unsecured creditors; and"; and

(3) by adding at the end the following:

"(D) with respect to a secured claim which would otherwise meet the description on an unsecured claim of a governmental unit under section 507(a)(8), but for the secured status of that claim, the holder of that claim will receive on account of that claim, cash payments, in the same manner and over the same period, as prescribed in subparagraph (C).".

SEC. 711. AVOIDANCE OF STATUTORY TAX LIENS PROHIBITED.

Section 545(2) of title 11, United States Code, is amended by striking the semicolon at the end and inserting ", except in any case in which a purchaser is a purchaser described in section 6323 of the Internal Revenue Code of 1986, or in any other similar provision of State or local law;".

SEC. 712. PAYMENT OF TAXES IN THE CONDUCT OF BUSINESS.

(a) PAYMENT OF TAXES REQUIRED.—Section 960 of title 28, United States Code, is amended—

(1) by inserting "(a)" before "Any"; and

(2) by adding at the end the following:

"(b) A tax under subsection (a) shall be paid when due in the conduct of business unless—

"(1) the tax is a property tax secured by a lien against property that is abandoned within a reasonable period of time after the lien attaches, by the trustee of a bankruptcy estate, under section 554 of title 11; or

"(2) payment of the tax is excused under a specific provision of title 11.

"(c) In a case pending under chapter 7 of title 11, payment of a tax may be deferred until final distribution is made under section 726 of title 11, if—

"(1) the tax was not incurred by a trustee duly appointed under chapter 7 of title 11; or

"(2) before the due date of the tax, the court makes a finding of probable insufficiency of funds of the estate to pay in full the administrative expenses allowed under section 503(b) of title 11 that have the same priority in distribution under section 726(b) of title 11 as the priority of that tax.".

(b) PAYMENT OF AD VALOREM TAXES REQUIRED.—Section 503(b)(1)(B)(i) of title 11, United States Code, is amended by inserting "whether secured or unsecured, including property taxes for which liability is in rem, in personam, or both," before "except".

(c) REQUEST FOR PAYMENT OF ADMINISTRATIVE EXPENSE TAXES ELIMINATED.—Section 503(b)(1) of title 11, United States Code, is amended—

(1) in subparagraph (B), by striking "and" at the end;

(2) in subparagraph (C), by adding "and" at the end; and

(3) by adding at the end the following:

"(D) notwithstanding the requirements of subsection (a), a governmental unit shall not be required to file a request for the payment of a claim described in subparagraph (B) or (C);".

(d) PAYMENT OF TAXES AND FEES AS SECURED CLAIMS.—Section 506 of title 11, United States Code, is amended—

(1) in subsection (b), by inserting "or State statute" after "agreement"; and

(2) in subsection (c), by inserting ", including the payment of all ad valorem property taxes with respect to the property" before the period at the end.

SEC. 713. TARDILY FILED PRIORITY TAX CLAIMS.

Section 726(a)(1) of title 11, United States Code, is amended by striking "before the date on which the trustee commences distribution under this section;" and inserting the following: "on or before the earlier of—

"(A) the date that is 10 days after the mailing to creditors of the summary of the trustee's final report; or

"(B) the date on which the trustee commences final distribution under this section;".

SEC. 714. INCOME TAX RETURNS PREPARED BY TAX AUTHORITIES.

Section 523(a) of title 11, United States Code, is amended—

(1) in paragraph (1)(B)—

(A) by inserting "or equivalent report or notice," after "a return,";

(B) in clause (i)—

(i) by inserting "or given" after "filed"; and

(ii) by striking "or" at the end; and

(C) in clause (ii)—

(i) by inserting "or given" after "filed"; and

(ii) by inserting ", report, or notice" after "return"; and

(2) by adding at the end the following flush sentences:

"For purposes of this subsection, the term 'return' means a return that satisfies the requirements of applicable nonbankruptcy law (including applicable filing requirements). Such term includes a return prepared pursuant to section 6020(a) of the Internal Revenue Code of 1986, or similar State or local law, or a written stipulation to a judgment entered by a nonbankruptcy tribunal, but does not include a return made pursuant to section 6020(b) of the Internal Revenue Code of 1986, or a similar State or local law.".

SEC. 715. DISCHARGE OF THE ESTATE'S LIABILITY FOR UNPAID TAXES.

The second sentence of section 505(b) of title 11, United States Code, as amended by section 703 of this Act, is amended by inserting "the estate," after "misrepresentation,".

SEC. 716. REQUIREMENT TO FILE TAX RETURNS TO CONFIRM CHAPTER 13 PLANS.

(a) FILING OF PREPETITION TAX RETURNS REQUIRED FOR PLAN CONFIRMATION.—Section 1325(a) of title 11, United States Code, as amended by section [212] *213 and 306* of this Act, is amended—

(1) in paragraph (6), by striking "and" at the end;

(2) in paragraph (7), by striking the period at the end and inserting "; and"; and

(3) by [adding at the end the following:] *inserting after paragraph (7) the following:*

"(8) if the debtor has filed all applicable Federal, State, and local tax returns as required by section 1309.".

(b) ADDITIONAL TIME PERMITTED FOR FILING TAX RETURNS.—

(1) IN GENERAL.—Chapter 13 of title 11, United States Code, as amended by section 309(c) of this Act, is amended by adding at the end the following:

"§ 1309. Filing of prepetition tax returns

"(a) Not later than the day before the day on which the first meeting of the creditors is convened under section 341(a), the debtor shall file with appropriate tax authorities all tax returns for all taxable periods ending during the 3-year period ending on the date of the filing of the petition.

"(b)(1) Subject to paragraph (2), if the tax returns required by subsection (a) have not been filed by the date on which the first meeting of creditors is convened under section 341(a), the trustee may continue that meeting for a reasonable period of time to allow the debtor an additional period of time to file any unfiled returns, but such additional period of time shall not extend beyond—

"(A) for any return that is past due as of the date of the filing of the petition, the date that is 120 days after the date of that first meeting; or

"(B) for any return that is not past due as of the date of the filing of the petition, the later of—

"(i) the date that is 120 days after the date of that first meeting; or

"(ii) the date on which the return is due under the last automatic extension of time for filing that return to which the debtor is entitled, and for which request has been timely made, according to applicable nonbankruptcy law.

"(2) Upon notice and hearing, and order entered before the tolling of any applicable filing period determined under this subsection, if the debtor demonstrates by clear and convincing evidence that the failure to file a return as required under this subsection is attributable to circumstances beyond the control of the debtor, the court may extend the filing period established by the trustee under this subsection for—

"(A) a period of not more than 30 days for returns described in paragraph (1); and

"(B) a period not to extend after the applicable extended due date for a return described in paragraph (2).

"(c) For purposes of this section, the term 'return' includes a return prepared pursuant to section 6020 (a) or (b) of the Internal Revenue Code of 1986, or a similar State or local law, or written stipulation to a judgment entered by a nonbankruptcy tribunal.".

(2) CONFORMING AMENDMENT.—The table of sections for chapter 13 of title 11, United States Code, is amended by inserting after the item relating to section 1308 the following:

"1309. Filing of prepetition tax returns.".

(c) DISMISSAL OR CONVERSION ON FAILURE TO COMPLY.—Section 1307 of title 11, United States Code, is amended—

(1) by redesignating subsections (e) and (f) as subsections (f) and (g), respectively; and

(2) by inserting after subsection (d), the following:

"(e) Upon the failure of the debtor to file a tax return under section 1309, on request of a party in interest or the United States trustee and after notice and a hearing, the court shall dismiss the case.".

(d) TIMELY FILED CLAIMS.—Section 502(b)(9) of title 11, United States Code, is amended by inserting before the period at the end the following ", and except that in a case under chapter 13 [of this title], a claim of a governmental unit for a tax with respect to a return filed under section 1309 shall be timely if the claim is filed on or before the date that is 60 days after that return was filed in accordance with applicable requirements".

(e) RULES FOR OBJECTIONS TO CLAIMS AND TO CONFIRMATION.—It is the sense of Congress that the Advisory Committee on Bankruptcy Rules of the Judicial Conference should, within a reasonable period of time after the date of enactment of this Act, propose for adoption amended Federal Rules of Bankruptcy Procedure which provide that—

(1) notwithstanding the provisions of Rule 3015(f), in cases under chapter 13 of title 11, United States Code, a governmental unit may object to the confirmation of a plan on or before the date that is 60 days after the date on which the debtor files all tax returns required under sections 1309 and 1325(a)(7) of title 11, United States Code; and

(2) in addition to the provisions of Rule 3007, in a case under chapter 13 of title 11, United States Code, no objection to a tax with respect to which a return is required to be filed under section 1309 of title 11, United States Code, shall be filed until such return has been filed as required.

SEC. 717. STANDARDS FOR TAX DISCLOSURE.

Section 1125(a)(1) of title 11, United States Code, is amended—

(1) by inserting "including a full discussion of the potential material, Federal, State, and local tax consequences of the plan to the debtor, any successor to the debtor, and a hypothetical investor domiciled in the State in which the debtor resides or has its principal place of business typical of the holders of claims or interests in the case," after "records"; and

(2) by striking "a hypothetical reasonable investor typical of holders of claims or interests" and inserting "such a hypothetical investor".

SEC. 718. SETOFF OF TAX REFUNDS.

Section 362(b) of title 11, United States Code, as amended by section 402 of this Act, is amended—

(1) in paragraph (25), by striking "or" at the end;

(2) in paragraph (26), by striking the period at the end and inserting "; or"; and

(3) by inserting after paragraph (26) the following:

"(27) under subsection (a), of the setoff of an income tax refund, by a governmental unit, with respect to a taxable period that ended before the order for relief against an income tax liability for a taxable period that also ended before the order for relief, unless—

"(A) before that setoff, an action to determine the amount or legality of that tax liability under section 505(a) was commenced; or

"(B) in any case in which the setoff of an income tax refund is not permitted because of a pending action to determine the amount or legality of a tax liability, in which case the governmental unit may hold the refund pending the resolution of the action.".

TITLE VIII—ANCILLARY AND OTHER CROSS-BORDER CASES

SEC. 801. AMENDMENT TO ADD CHAPTER 15 TO TITLE 11, UNITED STATES CODE.

(a) IN GENERAL.—Title 11, United States Code, is amended by inserting after chapter 13 the following:

"CHAPTER 15—ANCILLARY AND OTHER CROSS-BORDER CASES

"Sec.
"1501. Purpose and scope of application.

"SUBCHAPTER I—GENERAL PROVISIONS

"1502. Definitions.
"1503. International obligations of the United States.
"1504. Commencement of ancillary case.
"1505. Authorization to act in a foreign country.
"1506. Public policy exception.
"1507. Additional assistance.
"1508. Interpretation.

"SUBCHAPTER II—ACCESS OF FOREIGN REPRESENTATIVES AND CREDITORS TO THE COURT

"1509. Right of direct access.
"1510. Limited jurisdiction.
"1511. Commencement of case under section 301 or 303.
"1512. Participation of a foreign representative in a case under this title.
"1513. Access of foreign creditors to a case under this title.
"1514. Notification to foreign creditors concerning a case under this title.

"SUBCHAPTER III—RECOGNITION OF A FOREIGN PROCEEDING AND RELIEF

"1515. Application for recognition of a foreign proceeding.
"1516. Presumptions concerning recognition.
"1517. Order recognizing a foreign proceeding.
"1518. Subsequent information.
"1519. Relief that may be granted upon petition for recognition of a foreign proceeding.
"1520. Effects of recognition of a foreign main proceeding.
"1521. Relief that may be granted upon recognition of a foreign proceeding.
"1522. Protection of creditors and other interested persons.
"1523. Actions to avoid acts detrimental to creditors.
"1524. Intervention by a foreign representative.

"SUBCHAPTER IV—COOPERATION WITH FOREIGN COURTS AND FOREIGN REPRESENTATIVES

"1525. Cooperation and direct communication between the court and foreign courts or foreign representatives.
"1526. Cooperation and direct communication between the trustee and foreign courts or foreign representatives.
"1527. Forms of cooperation.

"SUBCHAPTER V—CONCURRENT PROCEEDINGS

"1528. Commencement of a case under this title after recognition of a foreign main proceeding.
"1529. Coordination of a case under this title and a foreign proceeding.
"1530. Coordination of more than 1 foreign proceeding.
"1531. Presumption of insolvency based on recognition of a foreign main proceeding.
"1532. Rule of payment in concurrent proceedings.

"§ 1501. Purpose and scope of application

"(a) The purpose of this chapter is to incorporate the Model Law on Cross-Border Insolvency so as to provide effective mechanisms for dealing with cases of cross-border insolvency with the objectives of—

"(1) cooperation between—

"(A) United States courts, United States Trustees, trustees, examiners, debtors, and debtors in possession; and

"(B) the courts and other competent authorities of foreign countries involved in cross-border insolvency cases;

"(2) greater legal certainty for trade and investment;

"(3) fair and efficient administration of cross-border insolvencies that protects the interests of all creditors, and other interested entities, including the debtor;

"(4) protection and maximization of the value of the debtor's assets; and

"(5) facilitation of the rescue of financially troubled businesses, thereby protecting investment and preserving employment.

"(b) This chapter applies if—

"(1) assistance is sought in the United States by a foreign court or a foreign representative in connection with a foreign proceeding;

"(2) assistance is sought in a foreign country in connection with a case under this title;

"(3) a foreign proceeding and a case under this title with respect to the same debtor are taking place concurrently; or

"(4) creditors or other interested persons in a foreign country have an interest in requesting the commencement of, or participating in, a case or proceeding under this title.

"(c) This chapter does not apply to—

"(1) a proceeding concerning an entity identified by exclusion in subsection 109(b);

"(2) an individual, or to an individual and such individual's spouse, who have debts within the limits specified in section 109(e) and who are citizens of the United States or aliens lawfully admitted for permanent residence in the United States; or

"(3) an entity subject to a proceeding under the Securities Investor Protection Act of 1970 (84 Stat. 1636 et seq.), a stockbroker subject to subchapter III of chapter 7 of this title, or a commodity broker subject to subchapter IV of chapter 7 of this title.

"SUBCHAPTER I—GENERAL PROVISIONS

"§ 1502. Definitions

"For the purposes of this chapter, the term—

"(1) 'debtor' means an entity that is the subject of a foreign proceeding;

"(2) 'establishment' means any place of operations where the debtor carries out a nontransitory economic activity;

"(3) 'foreign court' means a judicial or other authority competent to control or supervise a foreign proceeding;

"(4) 'foreign main proceeding' means a foreign proceeding taking place in the country where the debtor has the center of its main interests;

"(5) 'foreign nonmain proceeding' means a foreign proceeding, other than a foreign main proceeding, taking place in a country where the debtor has an establishment;

"(6) 'trustee' includes a trustee, a debtor in possession in a case under any chapter of this title, or a debtor under chapter 9 of this title; and

"(7) 'within the territorial jurisdiction of the United States' when used with reference to property of a debtor refers to tangible property located within the territory of the United States and intangible property deemed under applicable nonbankruptcy law to be located within that territory, including any property subject to attachment or garnishment that may properly be seized or garnished by an action in a Federal or State court in the United States.

"§ 1503. International obligations of the United States

"To the extent that this chapter conflicts with an obligation of the United States arising out of any treaty or other form of agreement to which it is a party with 1 or more other countries, the requirements of the treaty or agreement prevail.

"§ 1504. Commencement of ancillary case

"A case under this chapter is commenced by the filing of a petition for recognition of a foreign proceeding under section 1515.

"§ 1505. Authorization to act in a foreign country

"A trustee or another entity, including an examiner, may be authorized by the court to act in a foreign country on behalf of an estate created under section 541. An entity authorized to act under this section may act in any way permitted by the applicable foreign law.

"§ 1506. Public policy exception

"Nothing in this chapter prevents the court from refusing to take an action governed by this chapter if the action would be manifestly contrary to the public policy of the United States.

"§ 1507. Additional assistance

"(a) Subject to the specific limitations under other provisions of this chapter, the court, upon recognition of a foreign proceeding, may provide additional assistance to a foreign representative under this title or under other laws of the United States.

"(b) In determining whether to provide additional assistance under this title or under other laws of the United States, the court shall consider whether such additional assistance, consistent with the principles of comity, will reasonably assure—

"(1) just treatment of all holders of claims against or interests in the debtor's property;

"(2) protection of claim holders in the United States against prejudice and inconvenience in the processing of claims in such foreign proceeding;

“(3) prevention of preferential or fraudulent dispositions of property of the debtor;

“(4) distribution of proceeds of the debtor's property substantially in accordance with the order prescribed by this title; and

“(5) if appropriate, the provision of an opportunity for a fresh start for the individual that such foreign proceeding concerns.

“§ 1508. Interpretation

“In interpreting this chapter, the court shall consider its international origin, and the need to promote an application of this chapter that is consistent with the application of similar statutes adopted by foreign jurisdictions.

“SUBCHAPTER II—ACCESS OF FOREIGN REPRESENTATIVES AND CREDITORS TO THE COURT

“§ 1509. Right of direct access

“(a) A foreign representative is entitled to commence a case under section 1504 by filing a petition for recognition under section 1515, and upon recognition, to apply directly to other Federal and State courts for appropriate relief in those courts.

“(b) Upon recognition, and subject to section 1510, a foreign representative shall have the capacity to sue and be sued, and shall be subject to the laws of the United States of general applicability.

“(c) Subject to section 1510, a foreign representative is subject to laws of general application.

“(d) Recognition under this chapter is prerequisite to the granting of comity or cooperation to a foreign representative in any Federal or State court in the United States. Any request for comity or cooperation by a foreign representative in any court shall be accompanied by a sworn statement setting forth whether recognition under section 1515 has been sought and the status of any such petition.

“(e) Upon denial of recognition under this chapter, the court may issue appropriate orders necessary to prevent an attempt to obtain comity or cooperation from courts in the United States without such recognition.

“§ 1510. Limited jurisdiction

“The sole fact that a foreign representative files a petition under section 1515 does not subject the foreign representative to the jurisdiction of any court in the United States for any other purpose.

“§ 1511. Commencement of case under section 301 or 303

“(a) Upon recognition, a foreign representative may commence—

“(1) an involuntary case under section 303; or

“(2) a voluntary case under section 301 or 302, if the foreign proceeding is a foreign main proceeding.

“(b) The petition commencing a case under subsection (a) must be accompanied by a statement describing the petition for recognition and its current status. The court where the petition for recognition has been filed must be advised of the foreign representative's intent to commence a case under subsection (a) prior to such commencement.

“§ 1512. Participation of a foreign representative in a case under this title

“Upon recognition of a foreign proceeding, the foreign representative in that proceeding is entitled to participate as a party in interest in a case regarding the debtor under this title.

“§ 1513. Access of foreign creditors to a case under this title

“(a) Foreign creditors have the same rights regarding the commencement of, and participation in, a case under this title as domestic creditors.

“(b)(1) Subsection (a) does not change or codify law in effect on the date of enactment of this chapter as to the priority of claims under section 507 or 726, except that the claim of a foreign creditor under section 507 or 726 shall not be given a lower priority than that of general unsecured claims without priority solely because the holder of such claim is a foreign creditor.

“(2)(A) Subsection (a) and paragraph (1) do not change or codify law in effect on the date of enactment of this chapter as to the allowability of foreign revenue claims or other foreign public law claims in a proceeding under this title.

“(B) Allowance and priority as to a foreign tax claim or other foreign public law claim shall be governed by any applicable tax treaty of the United States, under the conditions and circumstances specified therein.

“§ 1514. Notification to foreign creditors concerning a case under this title

“(a) Whenever in a case under this title notice is to be given to creditors generally or to any class or category of creditors, such notice shall also be given to the known creditors generally, or to creditors in the notified class or category, that do not have addresses in the United States. The court may order that appropriate steps be taken with a view to notifying any creditor whose address is not yet known.

“(b) Such notification to creditors with foreign addresses described in subsection (a) shall be given individually, unless the court considers that, under the circumstances, some other form of notification would be more appropriate. No letters rogatory or other similar formality is required.

“(c) When a notification of commencement of a case is to be given to foreign creditors, the notification shall—

“(1) indicate the time period for filing proofs of claim and specify the place for their filing;

“(2) indicate whether secured creditors need to file their proofs of claim; and

“(3) contain any other information required to be included in such a notification to creditors pursuant to this title and the orders of the court.

“(d) Any rule of procedure or order of the court as to notice or the filing of a claim shall provide such additional time to creditors with foreign addresses as is reasonable under the circumstances.

“SUBCHAPTER III—RECOGNITION OF A FOREIGN PROCEEDING AND RELIEF

“§ 1515. Application for recognition of a foreign proceeding

“(a) A foreign representative applies to the court for recognition of the foreign proceeding in which the foreign representative has been appointed by filing a petition for recognition.

“(b) A petition for recognition shall be accompanied by—

“(1) a certified copy of the decision commencing the foreign proceeding and appointing the foreign representative;

“(2) a certificate from the foreign court affirming the existence of the foreign proceeding and of the appointment of the foreign representative; or

“(3) in the absence of evidence referred to in paragraphs (1) and (2), any other evidence acceptable to the court of the existence of the foreign proceeding and of the appointment of the foreign representative.

“(c) A petition for recognition shall also be accompanied by a statement identifying all foreign proceedings with respect to the debtor that are known to the foreign representative.

“(d) The documents referred to in paragraphs (1) and (2) of subsection (b) must be translated into English. The court may require a translation into English of additional documents.

“§ 1516. Presumptions concerning recognition

“(a) If the decision or certificate referred to in section 1515(b) indicates that the foreign proceeding is a foreign proceeding as defined in section 101 and that the person or body is a foreign representative as defined in section 101, the court is entitled to so presume.

“(b) The court is entitled to presume that documents submitted in support of the petition for recognition are authentic, whether or not they have been legalized.

“(c) In the absence of evidence to the contrary, the debtor's registered office, or habitual residence in the case of an individual, is presumed to be the center of the debtor's main interests.

“§ 1517. Order recognizing a foreign proceeding

“(a) Subject to section 1506, after notice and a hearing an order recognizing a foreign proceeding shall be entered if—

“(1) the foreign proceeding is a foreign main proceeding or foreign nonmain proceeding within the meaning of section 1502;

“(2) the foreign representative applying for recognition is a person or body as defined in section 101; and

“(3) the petition meets the requirements of section 1515.

“(b) The foreign proceeding shall be recognized—

“(1) as a foreign main proceeding if it is taking place in the country where the debtor has the center of its main interests; or

“(2) as a foreign nonmain proceeding if the debtor has an establishment within the meaning of section 1502 in the foreign country where the proceeding is pending.

“(c) A petition for recognition of a foreign proceeding shall be decided upon at the earliest possible time. Entry of an order recognizing a foreign proceeding shall constitute recognition under this chapter.

“(d) The provisions of this subchapter do not prevent modification or termination of recognition if it is shown that the grounds for granting it were fully or partially lacking or have ceased to exist, but in considering such action the court shall give due weight to possible prejudice to parties that have relied upon the granting of recognition. The case under this chapter may be closed in the manner prescribed for a case under section 350.

“§ 1518. Subsequent information

“After [the] the petition for recognition of the foreign proceeding is filed, the foreign representative shall file with the court promptly a notice of change of status concerning—

“(1) any substantial change in the status of the foreign proceeding or the status of the foreign representative's appointment; and

“(2) any other foreign proceeding regarding the debtor that becomes known to the foreign representative.

“§ 1519. Relief that may be granted upon petition for recognition of a foreign proceeding

“(a) Beginning on the date on which a petition for recognition is filed and ending on the date on which the petition is decided upon, the court may, at the request of the foreign representative, where relief is urgently needed to protect the assets of the debtor or the interests of the creditors, grant relief of a provisional nature, including—

"(1) staying execution against the debtor's assets;

"(2) entrusting the administration or realization of all or part of the debtor's assets located in the United States to the foreign representative or another person authorized by the court, including an examiner, in order to protect and preserve the value of assets that, by their nature or because of other circumstances, are perishable, susceptible to devaluation, or otherwise in jeopardy; and

"(3) any relief referred to in paragraph (3), (4), or (7) of section 1521(a).

"(b) Unless extended under section 1521(a)(6), the relief granted under this section terminates when the petition for recognition is decided upon.

"(c) It is a ground for denial of relief under this section that such relief would interfere with the administration of a foreign main proceeding.

"(d) The court may not enjoin a police or regulatory act of a governmental unit, including a criminal action or proceeding, under this section.

"(e) The standards, procedures, and limitations applicable to an injunction shall apply to relief under this section.

"§1520. Effects of recognition of a foreign main proceeding

"(a) Upon recognition of a foreign proceeding that is a foreign main proceeding—

"(1) section 362 applies with respect to the debtor and that property of the debtor that is within the territorial jurisdiction of the United States;

"(2) a transfer, an encumbrance, or any other disposition of an interest of the debtor in property within the territorial jurisdiction of the United States is restrained as and to the extent that is provided for property of an estate under sections 363, 549, and 552; and

"(3) unless the court orders otherwise, the foreign representative may operate the debtor's business and may exercise the powers of a trustee under section 549, subject to sections 363 and 552.

"(b) The scope, and the modification or termination, of the stay and restraints referred to in subsection (a) are subject to the exceptions and limitations provided in subsections (b), (c), and (d) of section 362, subsections (b) and (c) of section 363, and sections 552, 555 through 557, 559, and 560.

"(c) Subsection (a) does not affect the right to commence individual actions or proceedings in a foreign country to the extent necessary to preserve a claim against the debtor.

"(d) Subsection (a) does not affect the right of a foreign representative or an entity to file a petition commencing a case under this title or the right of any party to file claims or take other proper actions in such a case.

"§1521. Relief that may be granted upon recognition of a foreign proceeding

"(a) Upon recognition of a foreign proceeding, whether main or nonmain, where necessary to effectuate the purpose of this chapter and to protect the assets of the debtor or the interests of the creditors, the court may, at the request of the foreign representative, grant any appropriate relief, including—

"(1) staying the commencement or continuation of individual actions or individual proceedings concerning the debtor's assets, rights, obligations or liabilities to the extent the actions or proceedings have not been stayed under section 1520(a);

"(2) staying execution against the debtor's assets to the extent the execution has not been stayed under section 1520(a);

"(3) suspending the right to transfer, encumber or otherwise dispose of any assets of the debtor to the extent that right has not been suspended under section 1520(a);

"(4) providing for the examination of witnesses, the taking of evidence or the delivery of information concerning the debtor's assets, affairs, rights, obligations or liabilities;

"(5) entrusting the administration or realization of all or part of the debtor's assets within the territorial jurisdiction of the United States to the foreign representative or another person, including an examiner, authorized by the court;

"(6) extending relief granted under section 1519(a); and

"(7) granting any additional relief that may be available to a trustee, except for relief available under sections 522, 544, 545, 547, 548, 550, and 724(a).

"(b) Upon recognition of a foreign proceeding, whether main or nonmain, the court may, at the request of the foreign representative, entrust the distribution of all or part of the debtor's assets located in the United States to the foreign representative or another person, including an examiner, authorized by the court, if the court is satisfied that the interests of creditors in the United States are sufficiently protected.

"(c) In granting relief under this section to a representative of a foreign nonmain proceeding, the court must be satisfied that the relief relates to assets that, under the law of the United States, should be administered in the foreign nonmain proceeding or concerns information required in that proceeding.

"(d) The court may not enjoin a police or regulatory act of a governmental unit, including a criminal action or proceeding, under this section.

"(e) The standards, procedures, and limitations applicable to an injunction shall apply to relief under paragraphs (1), (2), (3), and (6) of subsection (a).

"§1522. Protection of creditors and other interested persons

"(a) The court may grant relief under section 1519 or 1521, or may modify or terminate relief under subsection (c), only if the interests of the creditors and other interested entities, including the debtor, are sufficiently protected.

"(b) The court may subject relief granted under section 1519 or 1521, or the operation of the debtor's business under section 1520(a)(2), to conditions that the court considers to be appropriate, including the giving of security or the filing of a bond.

"(c) The court may, at the request of the foreign representative or an entity affected by relief granted under section 1519 or 1521, or at its own motion, modify or terminate the relief referred to in subsection (b).

"(d) Section 1104(d) shall apply to the appointment of an examiner under this chapter. Any examiner shall comply with the qualification requirements imposed on a trustee by section 322.

"§1523. Actions to avoid acts detrimental to creditors

"(a) Upon recognition of a foreign proceeding, the foreign representative has standing in a case concerning the debtor pending under another chapter of this title to initiate actions under sections 522, 544, 545, 547, 548, 550, and 724(a).

"(b) In any case in which the foreign proceeding is a foreign nonmain proceeding, the court must be satisfied that an action under subsection (a) relates to assets that, under United States law, should be administered in the foreign nonmain proceeding.

"§1524. Intervention by a foreign representative

"Upon recognition of a foreign proceeding, the foreign representative may intervene in any proceedings in a State or Federal court in the United States in which the debtor is a party.

"SUBCHAPTER IV—COOPERATION WITH FOREIGN COURTS AND FOREIGN REPRESENTATIVES

"§1525. Cooperation and direct communication between the court and foreign courts or foreign representatives

"(a) Consistent with section 1501, the court shall cooperate to the maximum extent possible with foreign courts or foreign representatives, either directly or through the trustee.

"(b) The court is entitled to communicate directly with, or to request information or assistance directly from, foreign courts or foreign representatives, subject to the rights of parties in interest to notice and participation.

"§1526. Cooperation and direct communication between the trustee and foreign courts or foreign representatives

"(a) Consistent with section 1501, the trustee or other person, including an examiner, authorized by the court, shall, subject to the supervision of the court, cooperate to the maximum extent possible with foreign courts or foreign representatives.

"(b) The trustee or other person, including an examiner, authorized by the court is entitled, subject to the supervision of the court, to communicate directly with foreign courts or foreign representatives.

"§1527. Forms of cooperation

"Cooperation referred to in sections 1525 and 1526 may be implemented by any appropriate means, including—

"(1) appointment of a person or body, including an examiner, to act at the direction of the court;

"(2) communication of information by any means considered appropriate by the court;

"(3) coordination of the administration and supervision of the debtor's assets and affairs;

"(4) approval or implementation of agreements concerning the coordination of proceedings; and

"(5) coordination of concurrent proceedings regarding the same debtor.

"SUBCHAPTER V—CONCURRENT PROCEEDINGS

"§1528. Commencement of a case under this title after recognition of a foreign main proceeding

"After recognition of a foreign main proceeding, a case under another chapter of this title may be commenced only if the debtor has assets in the United States. The effects of such case shall be restricted to the assets of the debtor that are within the territorial jurisdiction of the United States and, to the extent necessary to implement cooperation and coordination under sections 1525, 1526, and 1527, to other assets of the debtor that are within the jurisdiction of the court under sections 541(a), and 1334(e) of title 28, to the extent that such other assets are not subject to the jurisdiction and control of a foreign proceeding that has been recognized under this chapter.

"§1529. Coordination of a case under this title and a foreign proceeding

"In any case in which a foreign proceeding and a case under another chapter of this title are taking place concurrently regarding the same debtor, the court shall seek cooperation and coordination under sections 1525, 1526, and 1527, and the following shall apply:

“(1) If the case in the United States is taking place at the time the petition for recognition of the foreign proceeding is filed—

“(A) any relief granted under sections 1519 or 1521 must be consistent with the relief granted in the case in the United States; and

“(B) even if the foreign proceeding is recognized as a foreign main proceeding, section 1520 does not apply.

“(2) If a case in the United States under this title commences after recognition, or after the filing of the petition for recognition, of the foreign proceeding—

“(A) any relief in effect under sections 1519 or 1521 shall be reviewed by the court and shall be modified or terminated if inconsistent with the case in the United States; and

“(B) if the foreign proceeding is a foreign main proceeding, the stay and suspension referred to in section 1520(a) shall be modified or terminated if inconsistent with the relief granted in the case in the United States.

“(3) In granting, extending, or modifying relief granted to a representative of a foreign nonmain proceeding, the court must be satisfied that the relief relates to assets that, under the law of the United States, should be administered in the foreign nonmain proceeding or concerns information required in that proceeding.

“(4) In achieving cooperation and coordination under sections 1528 and 1529, the court may grant any of the relief authorized under section 305.

“§ 1530. Coordination of more than 1 foreign proceeding

“In matters referred to in section 1501, with respect to more than 1 foreign proceeding regarding the debtor, the court shall seek cooperation and coordination under sections 1525, 1526, and 1527, and the following shall apply:

“(1) Any relief granted under section 1519 or 1521 to a representative of a foreign nonmain proceeding after recognition of a foreign main proceeding must be consistent with the foreign main proceeding.

“(2) If a foreign main proceeding is recognized after recognition, or after the filing of a petition for recognition, of a foreign nonmain proceeding, any relief in effect under section 1519 or 1521 shall be reviewed by the court and shall be modified or terminated if inconsistent with the foreign main proceeding.

“(3) If, after recognition of a foreign nonmain proceeding, another foreign nonmain proceeding is recognized, the court shall grant, modify, or terminate relief for the purpose of facilitating coordination of the proceedings.

“§ 1531. Presumption of insolvency based on recognition of a foreign main proceeding

“In the absence of evidence to the contrary, recognition of a foreign main proceeding is for the purpose of commencing a proceeding under section 303, proof that the debtor is generally not paying its debts as such debts become due.

“§ 1532. Rule of payment in concurrent proceedings

“Without prejudice to secured claims or rights in rem, a creditor who has received payment with respect to its claim in a foreign proceeding pursuant to a law relating to insolvency may not receive a payment for the same claim in a case under any other chapter of this title regarding the debtor, so long as the payment to other creditors of the same class is proportionately less than the payment the creditor has already received.”.

(b) CLERICAL AMENDMENT.—The table of chapters for title 11, United States Code, is amended by inserting after the item relating to chapter 13 the following:

“15. Ancillary and Other Cross-Border Cases .... 1501”.

SEC. 802. AMENDMENTS TO OTHER CHAPTERS IN TITLE 11, UNITED STATES CODE.

(a) APPLICABILITY OF CHAPTERS.—Section 103 of title 11, United States Code, is amended—

(1) in subsection (a), by inserting before the period the following: “, and this chapter, sections 307, 304, 555 through 557, 559, and 560 apply in a case under chapter 15”; and

(2) by adding at the end the following:

“(j) Chapter 15 applies only in a case under such chapter, except that—

“(1) sections 1513 and 1514 apply in all cases under this title; and

“(2) section 1505 applies to trustees and to any other entity (including an examiner) authorized by the court under chapter 7, 11, or 12, to debtors in possession under chapter 11 or 12, and to debtors under chapter 9 who are authorized to act under section 1505.”.

(b) DEFINITIONS.—Paragraphs (23) and (24) of section 101 of title 11, United States Code, are amended to read as follows:

“(23) ‘foreign proceeding’ means a collective judicial or administrative proceeding in a foreign country, including an interim proceeding, pursuant to a law relating to insolvency in which proceeding the assets and affairs of the debtor are subject to control or supervision by a foreign court, for the purpose of reorganization or liquidation;

“(24) ‘foreign representative’ means a person or body, including a person or body appointed on an interim basis, authorized in a foreign proceeding to administer the reorganization or the liquidation of the debtor's assets or affairs or to act as a representative of the foreign proceeding;”.

(c) AMENDMENTS TO TITLE 28, UNITED STATES CODE.—

(1) PROCEDURES.—Section 157(b)(2) of title 28, United States Code, is amended—

(A) in subparagraph (N), by striking “and” at the end;

(B) in subparagraph (O), by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following:

“(P) recognition of foreign proceedings and other matters under chapter 15 of title 11.”.

(2) BANKRUPTCY CASES AND PROCEEDINGS.—Section 1334(c)(1) of title 28, United States Code, is amended by striking “Nothing in” and inserting “Except with respect to a case under chapter 15 of title 11, nothing in”.

(3) DUTIES OF TRUSTEES.—Section 586(a)(3) of title 28, United States Code, is amended by inserting “15,” after “chapter”.

SEC. 803. CLAIMS RELATING TO INSURANCE DEPOSITS IN CASES ANCILLARY TO FOREIGN PROCEEDINGS.

Section 304 of title 11, United States Code, is amended to read as follows:

“§ 304. Cases ancillary to foreign proceedings

“(a) For purposes of this section—

“(1) the term ‘domestic insurance company’ means a domestic insurance company, as such term is used in section 109(b)(2);

“(2) the term ‘foreign insurance company’ means a foreign insurance company, as such term is used in section 109(b)(3);

“(3) the term ‘United States claimant’ means a beneficiary of any deposit referred to in subsection (b) or any multibeneficiary trust referred to in subsection (b);

“(4) the term ‘United States creditor’ means, with respect to a foreign insurance company—

“(i) a United States claimant; or

“(ii) any business entity that operates in the United States and that is a creditor; and

“(5) the term ‘United States policyholder’ means a holder of an insurance policy issued in the United States.

“(b) The court may not grant relief under chapter 15 of this title with respect to any deposit, escrow, trust fund, or other security required or permitted under any applicable State insurance law or regulation for the benefit of claim holders in the United States.”.

TITLE IX—FINANCIAL CONTRACT PROVISIONS

SEC. 901. BANKRUPTCY CODE AMENDMENTS.

(a) DEFINITIONS OF FORWARD CONTRACT, REPURCHASE AGREEMENT, SECURITIES CLEARING AGENCY, SWAP AGREEMENT, COMMODITY CONTRACT, AND SECURITIES CONTRACT.—Title 11, United States Code, is amended—

(1) in section 101—

(A) in paragraph (25)—

(i) by striking “means a contract” and inserting “means—

“(A) a contract”;

(ii) by striking “, or any combination thereof or option thereon;” and inserting “, or any other similar agreement;”; and

(iii) by adding at the end the following:

“(B) a combination of agreements or transactions referred to in subparagraphs (A) and (C);

“(C) an option to enter into an agreement or transaction referred to in subparagraph (A) or (B);

“(D) a master netting agreement that provides for an agreement or transaction referred to in subparagraph (A), (B), or (C), together with all supplements to such master netting agreement, without regard to whether such master netting agreement provides for an agreement or transaction that is not a forward contract under this paragraph, except that such master netting agreement shall be considered to be a forward contract under this paragraph only with respect to each agreement or transaction under such master netting agreement that is referred to in subparagraph (A), (B) or (C); or

“(E) a security agreement or arrangement, or other credit enhancement, directly pertaining to a contract, option, agreement, or transaction referred to in subparagraph (A), (B), (C), or (D), but not to exceed the actual value of such contract, option, agreement, or transaction on the date of the filing of the petition;”;

(B) by striking paragraph (47) and inserting the following:

“(47) ‘repurchase agreement’ and ‘reverse repurchase agreement’—

“(A) mean—

“(i) an agreement, including related terms, which provides for the transfer of—

“(I) a certificate of deposit, mortgage related security (as defined in section 3 of the Securities Exchange Act of 1934), mortgage loan, interest in a mortgage related security or mortgage loan, eligible bankers' acceptance, or qualified foreign government security (defined for purposes of this paragraph to mean a security that is a direct obligation of, or that is fully guaranteed by, the central government of a member of the Organization for Economic Cooperation and Development); or

“(II) a security that is a direct obligation of, or that is fully guaranteed by, the United States or an agency of the United States against the transfer of funds by the transferee of such certificate of deposit, eligible bankers' acceptance, security, loan, or interest;

with a simultaneous agreement by such transferee to transfer to the transferor thereof a certificate of deposit, eligible bankers' acceptance, security, loan, or interest of the kind described in subclause (I) or (II), at a date certain that is not later than 1 year after the date of the transferor's transfer or on demand, against the transfer of funds;

"(ii) a combination of agreements or transactions referred to in clauses (i) and (iii);

"(iii) an option to enter into an agreement or transaction referred to in clause (i) or (ii); or

"(iv) a master netting agreement that provides for an agreement or transaction referred to in clause (i), (ii), or (iii), together with all supplements to such master netting agreement, without regard to whether such master netting agreement provides for an agreement or transaction that is not a repurchase agreement under this subparagraph, except that such master netting agreement shall be considered to be a repurchase agreement under this subparagraph only with respect to each agreement or transaction under such master netting agreement that is referred to in clause (i), (ii), or (iii); or

"(v) a security agreement or arrangement, or other credit enhancement, directly pertaining to a contract referred to in clause (i), (ii), (iii), or (iv), but not to exceed the actual value of such contract on the date of the filing of the petition; and

"(B) do not include a repurchase obligation under a participation in a commercial mortgage loan;";

(C) in paragraph (48) by inserting ", or exempt from such registration under such section pursuant to an order of the Securities and Exchange Commission" after "1934"; and

(D) by striking paragraph (53B) and inserting the following:

"(53B) 'swap agreement'—

"(A) means—

"(i) an agreement, including the terms and conditions incorporated by reference in such agreement, that is—

"(I) an interest rate swap, option, future, or forward agreement, including a rate floor, rate cap, rate collar, cross-currency rate swap, and basis swap;

"(II) a spot, same day-tomorrow, tomorrow-next, forward, or other foreign exchange or precious metals agreement;

"(III) a currency swap, option, future, or forward agreement;

"(IV) an equity index or an equity swap, option, future, or forward agreement;

"(V) a debt index or a debt swap, option, future, or forward agreement;

"(VI) a credit spread or a credit swap, option, future, or forward agreement; or

"(VII) a commodity index or a commodity swap, option, future, or forward agreement;

"(ii) an agreement or transaction that is similar to an agreement or transaction referred to in clause (i) that—

"(I) is currently, or in the future becomes, regularly entered into in the swap market (including terms and conditions incorporated by reference therein); and

"(II) is a forward, swap, future, or option on a rate, currency, commodity, equity security, or other equity instrument, on a debt security or other debt instrument, or on an economic index or measure of economic risk or value;

"(iii) a combination of agreements or transactions referred to in clauses (i) and (ii);

"(iv) an option to enter into an agreement or transaction referred to in this subparagraph;

"(v) a master netting agreement that provides for an agreement or transaction referred to in clause (i), (ii), (iii), or (iv), together with all supplements to such master netting agreement and without regard to whether such master netting agreement contains an agreement or transaction described in any such clause, but only with respect to each agreement or transaction referred to in any such clause that is under such master netting agreement; except that

"(B) the definition under subparagraph (A) is applicable for purposes of this title only, and shall not be construed or applied so as to challenge or affect the characterization, definition, or treatment of any swap agreement under any other statute, regulation, or rule, including the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, the Trust Indenture Act of 1939, the Investment Company Act of 1940, the Investment Advisers Act of 1940, the Securities Investor Protection Act of 1970, the Commodity Exchange Act, and the regulations prescribed by the Securities and Exchange Commission or the Commodity Futures Trading Commission.";

(2) in section 741, by striking paragraph (7) and inserting the following:

"(7) 'securities contract'—

"(A) means—

"(i) a contract for the purchase, sale, or loan of a security, a mortgage loan or an interest in a mortgage loan, a group or index of securities, or mortgage loans or interests therein (including an interest therein or based on the value thereof), or option on any of the foregoing, including an option to purchase or sell any of the foregoing;

"(ii) an option entered into on a national securities exchange relating to foreign currencies;

"(iii) the guarantee by or to a securities clearing agency of a settlement of cash, securities, mortgage loans or interests therein, group or index of securities, or mortgage loans or interests therein (including any interest therein or based on the value thereof), or option on any of the foregoing, including an option to purchase or sell any of the foregoing;

"(iv) a margin loan;

"(v) any other agreement or transaction that is similar to an agreement or transaction referred to in this subparagraph;

"(vi) a combination of the agreements or transactions referred to in this subparagraph;

"(vii) an option to enter into an agreement or transaction referred to in this subparagraph;

"(viii) a master netting agreement that provides for an agreement or transaction referred to in clause (i), (ii), (iii), (iv), (v), (vi), or (vii), together with all supplements to such master netting agreement, without regard to whether such master netting agreement provides for an agreement or transaction that is not a securities contract under this subparagraph, except that such master netting agreement shall be considered to be a securities contract under this subparagraph only with respect to each agreement or transaction under such master netting agreement that is referred to in clause (i), (ii), (iii), (iv), (v), (vi), or (vii); or

"(ix) a security agreement or arrangement, or other credit enhancement, directly pertaining to a contract referred to in this subparagraph, but not to exceed the actual value of such contract on the date of the filing of the petition; and

"(B) does not include a purchase, sale, or repurchase obligation under a participation in a commercial mortgage loan;"; and

(3) in section 761(4)—

(A) by striking "or" at the end of subparagraph (D); *and*

[(B) in subparagraph (E), by striking the period at the end and inserting "; and"; and

[(C)] *(B)* by adding at the end the following:

"(F) any other agreement or transaction that is similar to an agreement or transaction referred to in this paragraph;

"(G) a combination of the agreements or transactions referred to in this paragraph;

"(H) an option to enter into an agreement or transaction referred to in this paragraph;

"(I) a master netting agreement that provides for an agreement or transaction referred to in subparagraph (A), (B), (C), (D), (E), (F), (G), or (H), together with all supplements to such master netting agreement, without regard to whether such master netting agreement provides for an agreement or transaction that is not a commodity contract under this paragraph, except that such master netting agreement shall be considered to be a commodity contract under this paragraph only with respect to each agreement or transaction under such master netting agreement that is referred to in subparagraph (A), (B), (C), (D), (E), (F), (G), or (H); or

"(J) a security agreement or arrangement, or other credit enhancement, directly pertaining to a contract referred to in this paragraph, but not to exceed the actual value of such contract on the date of the filing of the petition.".

(b) DEFINITIONS OF FINANCIAL INSTITUTION, FINANCIAL PARTICIPANT, AND FORWARD CONTRACT MERCHANT.—Section 101 of title 11, United States Code, *as amended by section 802(b) of this Act*, is amended—

(1) by striking paragraph (22) and inserting the following:

"(22) 'financial institution' means—

"(A)(i) a Federal reserve bank, or an entity that is a commercial or savings bank, industrial savings bank, savings and loan association, trust company, or receiver or conservator for such entity; and

"(ii) if such Federal reserve bank, receiver, or conservator or entity is acting as agent or custodian for a customer in connection with a securities contract, as defined in section 741, such customer; or

"(B) in connection with a securities contract, as defined in section 741 of this title, an investment company registered under the Investment Company Act of 1940;";

(2) by inserting after paragraph (22) the following:

"(22A) 'financial participant' means an entity that is a party to a securities contract, commodity contract or forward contract, or on the date of the filing of the petition, has a commodity contract (as defined in section 761) with the debtor or any other entity (other than an affiliate) of a total gross dollar value of not less than $1,000,000,000 in notional or actual principal amount outstanding on any day during the previous 15-month period, or has gross mark-to-market positions of not less than $100,000,000 (aggregated across counterparties) in any such agreement or transaction with the debtor or any other entity (other than an affiliate) on any day during the previous 15-month period;"; and

(3) by striking paragraph (26) and inserting the following:

"(26) 'forward contract merchant' means a Federal reserve bank, or an entity, the business of which consists in whole or in part of entering into forward contracts as or with merchants or in a commodity, as defined or in section 761, or any similar good, article, service, right, or interest that is presently or in the future becomes the subject of dealing or in the forward contract trade;".

(c) Definition of Master Netting Agreement and Master Netting Agreement Participant.—Section 101 of title 11, United States Code, *as amended by subsection (b) of this section*, is amended by inserting after paragraph (38) the following new paragraphs:

"(38A) the term 'master netting agreement'—

"(A) means an agreement providing for the exercise of rights, including rights of netting, setoff, liquidation, termination, acceleration, or closeout, under or in connection with 1 or more contracts that are described in any 1 or more of paragraphs (1) through (5) of section 561(a), or any security agreement or arrangement or other credit enhancement related to 1 or more of the foregoing; except that

"(B) if a master netting agreement contains provisions relating to agreements or transactions that are not contracts described in paragraphs (1) through (5) of section 561(a), the master netting agreement shall be deemed to be a master netting agreement only with respect to those agreements or transactions that are described in any 1 or more of the paragraphs (1) through (5) of section 561(a);

"(38B) the term 'master netting agreement participant' means an entity that, at any time before the filing of the petition, is a party to an outstanding master netting agreement with the debtor;".

(d) Swap Agreements, Securities Contracts, Commodity Contracts, Forward Contracts, Repurchase Agreements, and Master Netting Agreements Under the Automatic Stay.—

(1) In general.—Section 362(b) of title 11, United States Code, as amended by section 718 of this Act, is amended—

(A) in paragraph (6), by inserting ", pledged to, and under the control of," after "held by";

(B) in paragraph (7), by inserting ", pledged to, and under the control of," after "held by";

(C) by striking paragraph (17) and inserting the following:

"(17) under subsection (a), of the setoff by a swap participant of a mutual debt and claim under or in connection with a swap agreement that constitutes the setoff of a claim against the debtor for a payment or transfer due from the debtor under or in connection with a swap agreement against a payment due to the debtor from the swap participant under or in connection with a swap agreement or against cash, securities, or other property held by, pledged to, and under the control of, or due from such swap participant to guarantee, secure, or settle a swap agreement;";

(D) in paragraph (26), by striking "or" at the end;

(E) in paragraph (27), by striking the period at the end and inserting "; or"; and

(F) by inserting after paragraph (27) the following:

"(28) under subsection (a), of the setoff by a master netting agreement participant of a mutual debt and claim under or in connection with 1 or more master netting agreements or any contract or agreement subject to such agreements that constitutes the setoff of a claim against the debtor for any payment or other transfer of property due from the debtor under or in connection with such agreements or any contract or agreement subject to such agreements against any payment due to the debtor from such master netting agreement participant under or in connection with such agreements or any contract or agreement subject to such agreements or against cash, securities, or other property held by, pledged or and under the control of, or due from such master netting agreement participant to margin, guarantee, secure, or settle such agreements or any contract or agreement subject to such agreements, to the extent such participant is eligible to exercise such offset rights under paragraph (6), (7), or (17) for each individual contract covered by the master netting agreement in issue.".

(2) Limitation.—Section 362 of title 11, United States Code, as amended by section 432(2) of this Act, is amended by adding at the end the following:

"(l) Limitation.—The exercise of rights not subject to the stay arising under subsection (a) pursuant to paragraph (6), (7), or (17) of subsection (b) shall not be stayed by an order of a court or administrative agency in any proceeding under this title.".

(e) Limitation of Avoidance Powers Under Master Netting Agreement.—Section 546 of title 11, United States Code, is amended—

(1) in subsection (g) (as added by section 103 of Public Law 101-311 (104 Stat. 267 et seq.))—

(A) by striking "under a swap agreement"; and

(B) by striking "in connection with a swap agreement" and inserting "under or in connection with any swap agreement"; and

(2) by inserting before subsection (i) (as redesignated by section 407 of this Act) the following new subsection:

"(h) Notwithstanding sections 544, 545, 547, 548(a)(2)(B), and 548(b), the trustee may not avoid a transfer made by or to a master netting agreement participant under or in connection with any master netting agreement or any individual contract covered thereby that is made before the commencement of the case, and except to the extent that the trustee could otherwise avoid such a transfer made under an individual contract covered by such master netting agreement (except under section 548(a)(1)(A)).".

(f) Fraudulent Transfers of Master Netting Agreements.—Section 548(d)(2) of title 11, United States Code, is amended—

(1) in subparagraph (C), by striking "and";

(2) in subparagraph (D), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(E) a master netting agreement participant that receives a transfer in connection with a master netting agreement or any individual contract covered thereby takes for value to the extent of such transfer, except, with respect to a transfer under any individual contract covered thereby, to the extent that such master netting agreement participant otherwise did not take (or is otherwise not deemed to have taken) such transfer for value.".

(g) Termination or Acceleration of Securities Contracts.—Section 555 of title 11, United States Code, is amended—

(1) by striking the section heading and inserting the following:

"§ 555. Contractual right to liquidate, terminate, or accelerate a securities contract";

and

(2) in the first sentence, by striking "liquidation" and inserting "liquidation, termination, or acceleration".

(h) Termination or Acceleration of Commodities or Forward Contracts.—Section 556 of title 11, United States Code, is amended—

(1) by striking the section heading and inserting the following:

"§ 556. Contractual right to liquidate, terminate, or accelerate a commodities contract or forward contract";

and

(2) in the first sentence, by striking "liquidation" and inserting "liquidation, termination, or acceleration".

(i) Termination or Acceleration of Repurchase Agreements.—Section 559 of title 11, United States Code, is amended—

(1) by striking the section heading and inserting the following:

"§ 559. Contractual right to liquidate, terminate, or accelerate a repurchase agreement";

and

(2) in the first sentence, by striking "liquidation" and inserting "liquidation, termination, or acceleration".

(j) Liquidation, Termination, or Acceleration of Swap Agreements.—Section 560 of title 11, United States Code, is amended—

(1) by striking the section heading and inserting following:

"§ 560. Contractual right to liquidate, terminate, or accelerate a swap agreement";

(2) in the first sentence, by striking "termination of a swap agreement" and inserting "liquidation, termination, or acceleration of a swap agreement"; and

(3) by striking "in connection with any swap agreement" and inserting "in connection with the termination, liquidation, or acceleration of a swap agreement".

(k) Liquidation, Termination, Acceleration, or Offset Under a Master Netting Agreement and Across Contracts.—Title 11, United States Code, is amended by inserting after section 560 the following [new section]:

"§ 561. Contractual right to terminate, liquidate, accelerate, or offset under a master netting agreement and across contracts

"(a) Subject to subsection (b), the exercise of any contractual right, because of a condition of the kind specified in section 365(e)(1), to cause the termination, liquidation, or acceleration of or to offset or net termination values, payment amounts or other transfer obligations arising under or in connection with 1 or more (or the termination, liquidation, or acceleration of 1 or more)—

"(1) securities contracts, as defined in section 741(7);

"(2) commodity contracts, as defined in section 761(4);

"(3) forward contracts;

"(4) repurchase agreements;

"(5) swap agreements; or

"(6) master netting agreements,

shall not be stayed, avoided, or otherwise limited by operation of any provision of this title or by any order of a court or administrative agency in any proceeding under this title.

"(b)(1) A party may exercise a contractual right described in subsection (a) to terminate, liquidate, or accelerate only to the extent that such party could exercise such a right under section 555, 556, 559, or 560 for each individual contract covered by the master netting agreement in issue.

"(2) If a debtor is a commodity broker subject to subchapter IV of chapter 7 [of this title]—

"(A) a party may not net or offset an obligation to the debtor arising under, or in connection with, a commodity contract against any claim arising under, or in connection with, other instruments, contracts, or agreements listed in subsection (a), except to the extent that the party has [no] positive net equity in the commodity accounts at the debtor, as calculated under *such* subchapter IV; and

"(B) another commodity broker may not net or offset an obligation to the debtor arising under, or in connection with, a commodity contract entered into or held on behalf of a customer of the debtor against any claim arising under, or in connection with, other instruments, contracts, or agreements referred to in subsection (a).

"(c) As used in this section, the term 'contractual right' includes a right set forth in a rule or bylaw of a national securities exchange, a national securities association, or a securities clearing agency, a right set forth in a bylaw of a clearing organization or contract market or in a resolution of the governing board thereof, and a right, whether or not evidenced in writing, arising under common law, under law merchant, or by reason of normal business practice.".

(l) ANCILLARY PROCEEDINGS.—Section 304 of title 11, United States Code, is amended by adding at the end the following:

"(d) Any provisions of this title relating to securities contracts, commodity contracts, forward contracts, repurchase agreements, swap agreements, or master netting agreements shall apply in a case ancillary to a foreign proceeding under this section or any other section of this title, so that enforcement of contractual provisions of such contracts and agreements in accordance with their terms—

"(1) shall not be stayed or otherwise limited by—

"(A) operation of any provision of this title; or

"(B) order of a court in any case under this title;

"(2) shall limit avoidance powers to the same extent as in a proceeding under chapter 7 or 11; and

"(3) shall not be limited based on the presence or absence of assets of the debtor in the United States.".

(m) COMMODITY BROKER LIQUIDATIONS.—Title 11, United States Code, is amended by inserting after section 766 the following:

"§ 767. Commodity broker liquidation and forward contract merchants, commodity brokers, stockbrokers, financial institutions, securities clearing agencies, swap participants, repo participants, and master netting agreement participants

"Notwithstanding any other provision of this title, the exercise of rights by a forward contract merchant, commodity broker, stockbroker, financial institution, securities clearing agency, swap participant, repo participant, or master netting agreement participant under this title shall not affect the priority of any unsecured claim it may have after the exercise of such rights.".

(n) STOCKBROKER LIQUIDATIONS.—Title 11, United States Code, is amended by inserting after section 752 the following:

"§ 753. Stockbroker liquidation and forward contract merchants, commodity brokers, stockbrokers, financial institutions, securities clearing agencies, swap participants, repo participants, and master netting agreement participants

"Notwithstanding any other provision of this title, the exercise of rights by a forward contract merchant, commodity broker, stockbroker, financial institution, securities clearing agency, swap participant, repo participant, financial participant, or master netting agreement participant under this title shall not affect the priority of any unsecured claim it may have after the exercise of such rights.".

(o) SETOFF.—Section 553 of title 11, United States Code, is amended—

(1) in subsection (a)(3)(C), by inserting "(except for a setoff of a kind described in section 362(b)(6), 362(b)(7), 362(b)(17), 362(b)[(19)] *(28)*, 555, 556, 559, or 560)" before the period; and

(2) in subsection (b)(1), by striking "362(b)(14)," and inserting "362(b)(17), [362(b)(19)] *362(b)(28)*, 555, 556, 559, 560,".

(p) SECURITIES CONTRACTS, COMMODITY CONTRACTS, AND FORWARD CONTRACTS.—Title 11, United States Code, is amended—

(1) in section 362(b)(6), by striking "financial institutions," each place such term appears and inserting "financial institution, financial participant";

(2) in section 546(e), by inserting "financial participant" after "financial institution,";

(3) in section 548(d)(2)(B), by inserting "financial participant" after "financial institution,";

(4) in section 555—

(A) by inserting "financial participant" after "financial institution,"; and

(B) by inserting before the period ", 'a right set forth in a bylaw of a clearing organization or contract market or in a resolution of the governing board thereof, and a right, whether or not in writing, arising under common law, under law merchant, or by reason of normal business practice"; and

(5) in section 556, by inserting ", financial participant" after "commodity broker".

(q) CONFORMING AMENDMENTS.—Title 11 [of the United States Code], *United States Code*, is amended—

(1) in the table of sections for chapter 5—

(A) by striking the items relating to sections 555 and 556 and inserting the following:

"555. Contractual right to liquidate, terminate, or accelerate a securities contract.

"556. Contractual right to liquidate, terminate, or accelerate a commodities contract or forward contract.";

(B) by striking the items relating to sections 559 and 560 and inserting the following:

"559. Contractual right to liquidate, terminate, or accelerate a repurchase agreement.

"560. Contractual right to liquidate, terminate, or accelerate a swap agreement.";

and

(C) by adding after the item relating to section 560 the following:

"561. Contractual right to terminate, liquidate, accelerate, or offset under a master netting agreement and across contracts.";

and

(2) in the table of sections for chapter 7—

(A) by inserting after the item relating to section 766 the following:

"767. Commodity broker liquidation and forward contract merchants, commodity brokers, stockbrokers, financial institutions, securities clearing agencies, swap participants, repo participants, and master netting agreement participants.";

and

(B) by inserting after the item relating to section 752 the following:

"753. Stockbroker liquidation and forward contract merchants, commodity brokers, stockbrokers, financial institutions, securities clearing agencies, swap participants, repo participants, and master netting agreement participants.".

SEC. 902. DAMAGE MEASURE.

(a) IN GENERAL.—Title 11, United States Code, is amended—

(1) by inserting after section 561 the following:

"§ 562. Damage measure in connection with swap agreements, securities contracts, forward contracts, commodity contracts, repurchase agreements, or master netting agreements

"If the trustee rejects a swap agreement, securities contract (as defined in section 741), forward contract, commodity contract (as defined in section 761) repurchase agreement, or master netting agreement under section 365(a), or if a forward contract merchant, stockbroker, financial institution, securities clearing agency, repo participant, financial participant, master netting agreement participant, or swap participant liquidates, terminates, or accelerates such contract or agreement, damages shall be measured as of the earlier of—

"(1) the date of such rejection; or

"(2) the date of such liquidation, termination, or acceleration."; and

(2) in the table of sections for chapter 5 by inserting after the item relating to section 561 the following:

"562. Damage measure in connection with swap agreements, securities contracts, forward contracts, commodity contracts, repurchase agreements, or master netting agreements.".

(b) CLAIMS ARISING FROM REJECTION.—Section 502(g) of title 11, United States Code, is amended—

(1) by inserting "(1)" after "(g)"; and

(2) by adding at the end the following:

"(2) A claim for damages calculated in accordance with section 561 shall be allowed under subsection (a), (b), or (c) of this section, or disallowed under subsection (d) or (e) of this section, as if such claim had arisen before the date of the filing of the petition.".

SEC. 903. ASSET-BACKED SECURITIZATIONS.

Section 541 of title 11, United States Code, is amended—

(1) in subsection (b), by striking "or" at the end of paragraph (4);

(2) by redesignating paragraph (5) of subsection (b) as paragraph (6);

(3) by inserting after paragraph (4) of subsection (b) the following new paragraph:

"(5) any eligible asset (or proceeds thereof), to the extent that such eligible asset was transferred by the debtor, before the date of commencement of the case, to an eligible entity in connection with an asset-backed securitization, except to the extent that such asset (or proceeds or value thereof) may be recovered by the trustee under section 550 by virtue of avoidance under section 548(a); or"; and

(4) by adding at the end the following [new subsection]:

"(e) For purposes of this section, the following definitions shall apply:

"(1) The term 'asset-backed securitization' means a transaction in which eligible assets transferred to an eligible entity are used as the source of payment on securities, the most senior of which are rated investment grade by 1 or more nationally recognized securities rating organizations, issued by an issuer.

"(2) The term 'eligible asset' means—

"(A) financial assets (including interests therein and proceeds thereof), either fixed or revolving, including residential and commercial mortgage loans, consumer receivables, trade receivables, and lease receivables, that, by their terms, convert into cash within a finite time period, plus any rights or other assets designed to assure the servicing or timely distribution of proceeds to security holders;

"(B) cash; and

"(C) securities.

"(3) The term 'eligible entity' means—

"(A) an issuer; or

"(B) a trust, corporation, partnership, or other entity engaged exclusively in the business of acquiring and transferring eligible assets directly or indirectly to an issuer and taking actions ancillary thereto.

"(4) The term 'issuer' means a trust, corporation, partnership, or other entity engaged exclusively in the business of acquiring and holding eligible assets, issuing securities backed by eligible assets, and taking actions ancillary thereto.

"(5) The term 'transferred' means the debtor, under a written agreement, represented and warranted that eligible assets were sold, contributed, or otherwise conveyed with the intention of removing them from the estate of the debtor pursuant to subsection (b)(5), irrespective, without limitation of—

"(A) whether the debtor directly or indirectly obtained or held an interest in the issuer or in any securities issued by the issuer;

"(B) whether the debtor had an obligation to repurchase or to service or supervise the servicing of all or any portion of such eligible assets; or

"(C) the characterization of such sale, contribution, or other conveyance for tax, accounting, regulatory reporting, or other purposes.".

SEC. 904. EFFECTIVE DATE; APPLICATION OF AMENDMENTS.

(a) Effective Date.—This title shall take effect on the date of enactment of this Act.

(b) Application of Amendments.—The amendments made by this title shall apply with respect to cases commenced or appointments made under any Federal or State law after the date of enactment of this Act, but shall not apply with respect to cases commenced or appointments made under any Federal or State law before the date of enactment of this Act.

TITLE X—PROTECTION OF FAMILY FARMERS

SEC. 1001. REENACTMENT OF CHAPTER 12.

(a) Reenactment.—

(1) In general.—Chapter 12 of title 11, United States Code, as reenacted by section 149 of division C of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105-277), and amended by this Act, is reenacted.

(2) Effective date.—Subsection (a) shall take effect on [April 1, 1999] *October 1, 1999*.

(b) Conforming Amendment.—Section 302 of the Bankruptcy, Judges, United States Trustees, and Family Farmer Bankruptcy Act of 1986 (28 U.S.C. 581 note) is amended by striking subsection (f).

SEC. 1002. DEBT LIMIT INCREASE.

Section 104(b) of title 11, United States Code, is amended by adding at the end the following:

"(4) The dollar amount in section 101(18) shall be adjusted at the same times and in the same manner as the dollar amounts in paragraph (1) of this subsection, beginning with the adjustment to be made on April 1, 2001.".

SEC. 1003. ELIMINATION OF REQUIREMENT THAT FAMILY FARMER AND SPOUSE RECEIVE OVER 50 PERCENT OF INCOME FROM FARMING OPERATION IN YEAR PRIOR TO BANKRUPTCY.

Section 101(18)(A) of title 11, United States Code, is amended by striking "the taxable year preceding the taxable year" and inserting "at least 1 of the 3 calendar years preceding the year".

SEC. 1004. CERTAIN CLAIMS OWED TO GOVERNMENTAL UNITS.

(a) Contents of Plan.—Section 1222(a)(2) of title 11, United States Code, is amended to read as follows:

"(2) provide for the full payment, in deferred cash payments, of all claims entitled to priority under section 507, unless—

"(A) the claim is a claim owed to a governmental unit that arises as a result of the sale, transfer, exchange, or other disposition of any farm asset used in the debtor's farming operation, in which case the claim shall be treated as an unsecured claim that is not entitled to priority under section 507, but the debt shall be treated in such manner only if the debtor receives a discharge; or

"(B) the holder of a particular claim agrees to a different treatment of that claim; and".

(b) Special Notice Provisions.—Section 1231(d) of title 11, United States Code, is amended by striking "a State or local governmental unit" and inserting "any governmental unit".

[TITLE XI—HEALTH CARE AND EMPLOYEE BENEFITS

[SEC. 1101. DEFINITIONS.

[(a) Health Care Business Defined.—Section 101 of title 11, United States Code, as amended by section 1004(a) of this Act, is amended—

[(1) by redesignating paragraph (27A) as paragraph (27C); and

[(2) inserting after paragraph (27) the following:

["(27A) 'health care business'—

["(A) means any public or private entity (without regard to whether that entity is organized for profit or not for profit) that is primarily engaged in offering to the general public facilities and services for—

["(i) the diagnosis or treatment of injury, deformity, or disease; and

["(ii) surgical, drug treatment, psychiatric or obstetric care; and

["(B) includes—

["(i) any—

["(I) general or specialized hospital;

["(II) ancillary ambulatory, emergency, or surgical treatment facility;

["(III) hospice;

["(IV) health maintenance organization;

["(V) home health agency; and

["(VI) other health care institution that is similar to an entity referred to in subclause (I), (II), (III), (IV), or (V); and

["(ii) any long-term care facility, including any—

["(I) skilled nursing facility;

["(II) intermediate care facility;

["(III) assisted living facility;

["(IV) home for the aged;

["(V) domicilary care facility; and

["(VI) health care institution that is related to a facility referred to in subclause (I), (II), (III), (IV), or (V), if that institution is primarily engaged in offering room, board, laundry, or personal assistance with activities of daily living and incidentals to activities of daily living;".

[(b) Health Maintenance Organization Defined.—Section 101 of title 11, United States Code, as amended by subsection (a), is amended by inserting after paragraph (27A) the following:

["(27B) 'health maintenance organization' means any person that undertakes to provide or arrange for basic health care services through an organized system that—

["(A)(i) combines the delivery and financing of health care to enrollees; and

["(ii)(I) provides—

["(aa) physician services directly through physicians or 1 or more groups of physicians; and

["(bb) basic health care services directly or under a contractual arrangement; and

["(II) if reasonable and appropriate, provides physician services and basic health care services through arrangements other than the arrangements referred to in clause (i); and

["(B) includes any organization described in subparagraph (A) that provides, or arranges for, health care services on a prepayment or other financial basis;".

[(c) Patient.—Section 101 of title 11, United States Code, as amended by subsection (b), is amended by inserting after paragraph (40) the following:

["(40A) 'patient' means any person who obtains or receives services from a health care business;".

[(d) Patient Records.—Section 101 of title 11, United States Code, as amended by subsection (c), is amended by inserting after paragraph (40A) the following:

["(40B) 'patient records' means any written document relating to a patient or record recorded in a magnetic, optical, or other form of electronic medium;".

[SEC. 1102. DISPOSAL OF PATIENT RECORDS.

[(a) In General.—Subchapter III of chapter 3 of title 11, United States Code, is amended by adding at the end the following:

["§ 351. Disposal of patient records

["If a health care business commences a case under chapter 7, 9, or 11, and the trustee does not have a sufficient amount of funds to pay for the storage of patient records in the manner required under applicable Federal or State law, the following requirements shall apply:

["(1) The trustee shall mail, by certified mail, a written request to each appropriate Federal or State agency to request permission from that agency to deposit the patient records with that agency.

["(2) If no appropriate Federal or State agency agrees to permit the deposit of patient records referred to in paragraph (1) by the date that is 60 days after the trustee mails a written request under that paragraph, the trustee shall—

["(A) publish notice, in 1 or more appropriate newspapers, that if those patient records are not claimed by the patient or an insurance provider (if applicable law permits the insurance provider to make that claim) by the date that is 60 days after the date of that notification, the trustee will destroy the patient records; and

["(B) during the 60-day period described in subparagraph (A), the trustee shall attempt to notify directly each patient that is the subject of the patient records concerning the patient records by mailing to the last known address of that patient an appropriate notice regarding the claiming or disposing of patient records.

["(3) If, after providing the notification under paragraph (2), patient records are not claimed during the 60-day period described in paragraph (2)(A) or in any case in which a notice is mailed under paragraph (2)(B), during the 90-day period beginning on the date on which the notice is mailed, by a patient or insurance provider in accordance with that paragraph, the trustee shall destroy those records by—

["(A) if the records are written, shredding or burning the records; or

["(B) if the records are magnetic, optical, or other electronic records, by otherwise destroying those records so that those records cannot be retrieved.".

[(b) CLERICAL AMENDMENT.—The chapter analysis for chapter 3 of title 11, United States Code, is amended by inserting after the item relating to section 350 the following:

["351. Disposal of patient records.".

[SEC. 1103. ADMINISTRATIVE EXPENSE CLAIM FOR COSTS OF CLOSING A HEALTH CARE BUSINESS.

[Section 503(b) of title 11, United States Code, is amended—

[(1) in paragraph (5), by striking "and" at the end;

[(2) in paragraph (6), by striking the period at the end and inserting "; and"; and

[(3) by adding at the end the following:

["(7) the actual, necessary costs and expenses of closing a health care business incurred by a trustee, including any cost or expense incurred—

["(A) in disposing of patient records in accordance with section 351; or

["(B) in connection with transferring patients from the health care business that is in the process of being closed to another health care business.".

[SEC. 1104. APPOINTMENT OF OMBUDSMAN TO ACT AS PATIENT ADVOCATE.

[(a) IN GENERAL.—

[(1) APPOINTMENT OF OMBUDSMAN.—Subchapter II of chapter 3 of title 11, United States Code, is amended by inserting after section 331 the following:

["§ 332. Appointment of ombudsman

["(a) Not later than 30 days after a case is commenced by a health care business under chapter 7, 9, or 11, the court shall appoint an ombudsman to represent the interests of the patients of the health care business.

["(b) An ombudsman appointed under subsection (a) shall—

["(1) monitor the quality of patient care, to the extent necessary under the circumstances, including reviewing records and interviewing patients and physicians;

["(2) not later than 60 days after the date of appointment, and not less frequently than every 60 days thereafter, report to the court, at a hearing or in writing, regarding the quality of patient care at the health care business involved; and

["(3) if the ombudsman determines that the quality of patient care is declining significantly or is otherwise being materially compromised, notify the court by motion or written report, with notice to appropriate parties in interest, immediately upon making that determination.

["(c) An ombudsman shall maintain any information obtained by the ombudsman under this section that relates to patients (including information relating to patient records) as confidential information.".

[(2) CLERICAL AMENDMENT.—The chapter analysis for chapter 3 of title 11, United States Code, is amended by inserting after the item relating to section 331 the following:

["332. Appointment of ombudsman.".

[(b) COMPENSATION OF OMBUDSMAN.—Section 330(a)(1) of title 11, United States Code, is amended—

[(1) in the matter proceeding subparagraph (A), by inserting "an ombudsman appointed under section 331, or" before "a professional person"; and

[(2) in subparagraph (A), by inserting "ombudsman," before "professional person".

[SEC. 1105. DEBTOR IN POSSESSION; DUTY OF TRUSTEE TO TRANSFER PATIENTS.

[(a) IN GENERAL.—Section 704(a) of title 11, United States Code, as amended by section 219 of this Act, is amended—

[(1) in paragraph (9), by striking "and" at the end;

[(2) in paragraph (10), by striking the period and inserting "; and"; and

[(3) by adding at the end the following:

["(11) use all reasonable and best efforts to transfer patients from a health care business that is in the process of being closed to an appropriate health care business that—

["(A) is in the vicinity of the health care business that is closing;

["(B) provides the patient with services that are substantially similar to those provided by the health care business that is in the process of being closed; and

["(C) maintains a reasonable quality of care.".

[(b) CONFORMING AMENDMENT.—Section 1106(a)(1) of title 11, United States Code, is amended by striking "and 704(9)" and inserting "704(9), and 704(10)".]

TITLE [XII] *XI*—TECHNICAL AMENDMENTS

SEC. [1201.] *1101.* DEFINITIONS.

Section 101 of title 11, United States Code, as amended by section [1101] *1003* of this Act, is amended—

(1) by striking "In this title—" and inserting "In this title:";

(2) in each paragraph, by inserting "The term" after the paragraph designation;

(3) in paragraph (35)(B), by striking "paragraphs (21B) and (33)(A)" and inserting "paragraphs (23) and (35)";

(4) in each of paragraphs (35A) and (38), by striking "; and" at the end and inserting a period;

(5) in paragraph (51B)—

(A) by inserting "who is not a family farmer" after "debtor" the first place it appears; and

(B) by striking "thereto having aggregate" and all that follows through the end of the paragraph;

(6) by striking paragraph (54) and inserting the following:

"(54) The term 'transfer' means—

"(A) the creation of a lien;

"(B) the retention of title as a security interest;

"(C) the foreclosure of a debtor's equity of redemption; or

"(D) each mode, direct or indirect, absolute or conditional, voluntary or involuntary, of disposing of or parting with—

"(i) property; or

"(ii) an interest in property;";

(7) in each of paragraphs (1) through (35), in each of paragraphs (36) and (37), and in each of paragraphs (40) through (55) (including paragraph (54), as amended by paragraph (6) of this section), by striking the semicolon at the end and inserting a period; and

(8) by redesignating paragraphs (4) through (55), including paragraph (54), as amended by paragraph (6) of this section, in entirely numerical sequence.

SEC. [1202.] *1102.* ADJUSTMENT OF DOLLAR AMOUNTS.

Section 104 of title 11, United States Code, is amended by inserting "522(f)(3), [707(b)(5),]" after "522(d)," each place it appears.

SEC. [1203.] *1103.* EXTENSION OF TIME.

Section 108(c)(2) of title 11, United States Code, is amended by striking "922" and all that follows through "or", and inserting "922, 1201, or".

SEC. [1204.] *1104.* TECHNICAL AMENDMENTS.

Title 11, [of the] United States Code, is amended—

(1) in section 109(b)(2), by striking "subsection (c) or (d) of"; *and*

[(2) in section 541(b)(4), by adding "or" at the end; and

[(3)] *(2)* in section 552(b)(1), by striking "product" each place it appears and inserting "products".

SEC. [1205.] *1105.* PENALTY FOR PERSONS WHO NEGLIGENTLY OR FRAUDULENTLY PREPARE BANKRUPTCY PETITIONS.

Section 110(j)(3) of title 11, United States Code, is amended by striking "attorney's" and inserting "attorneys'".

SEC. [1206.] *1106.* LIMITATION ON COMPENSATION OF PROFESSIONAL PERSONS.

Section 328(a) of title 11, United States Code, is amended by inserting "on a fixed or percentage fee basis," after "hourly basis,".

SEC. [1207.] *1107.* SPECIAL TAX PROVISIONS.

Section 346(g)(1)(C) of title 11, United States Code, is amended by striking ", except" and all that follows through "1986".

SEC. [1208.] *1108.* EFFECT OF CONVERSION.

Section 348(f)(2) of title 11, United States Code, is amended by inserting "of the estate" after "property" the first place it appears.

SEC. [1209.] *1109.* ALLOWANCE OF ADMINISTRATIVE EXPENSES.

Section 503(b)(4) of title 11, United States Code, is amended by inserting "subparagraph (A), (B), (C), (D), or (E) of" before "paragraph (3)".

[SEC. 1210. PRIORITIES.

[Section 507(a) of title 11, United States Code, as amended by sections 211 and 229 of this Act, is amended—

[(1) in paragraph (4)(B), by striking the semicolon at the end and inserting a period; and

[(2) in paragraph (8), by inserting "unsecured" after "allowed".

[SEC. 1211. EXEMPTIONS.

[Section 522(g)(2) of title 11, United States Code, as amended by section 311 of this Act, is amended by striking "subsection (f)(2)" and inserting "subsection (f)(1)(B)".]

SEC. [1212.] *1110.* EXCEPTIONS TO DISCHARGE.

Section 523 of title 11, United States Code, as amended by section [229] *714* of this Act, is amended—

(1) as amended by section 304(e) of Public Law 103–394 (108 Stat. 4133), in paragraph (15), by transferring such paragraph so as to insert [it] *such paragraph* after paragraph (14) of subsection (a);

[(2) in subsection (a)—

[(A) in paragraph (3), by striking "or (6)" each place it appears and inserting "(6), or (15)";

[(B) in paragraph (9), by striking "motor vehicle or vessel" and inserting "motor vehicle, vessel, or aircraft"; and

[(C) in paragraph (15), as so redesignated by paragraph (1) of this subsection, by inserting "to a spouse, former spouse, or child of the debtor and" after "(15)"; and]

(2) in subsection (a)(9), by striking "motor vehicle or vessel" and inserting "motor vehicle, vessel, or aircraft"; and

(3) in subsection (e), by striking "a insured" and inserting "an insured".

SEC. [1213.] *1111.* EFFECT OF DISCHARGE.

Section 524(a)(3) of title 11, United States Code, is amended by striking "section 523" and all that follows through "or that" and inserting "section 523, 1228(a)(1), or 1328(a)(1), or that".

SEC. [1214.] *1112.* PROTECTION AGAINST DISCRIMINATORY TREATMENT.

Section 525(c) of title 11, United States Code, is amended—

(1) in paragraph (1), by inserting "student" before "grant" the second place it appears; and

(2) in paragraph (2), by striking "the program operated under part B, D, or E of" and inserting "any program operated under".

SEC. [1215.] *1113.* PROPERTY OF THE ESTATE.

Section 541(b)(4)(B)(ii) of title 11, United States Code, is amended by inserting "365 or" before "542".

SEC. [1216.] *1114.* PREFERENCES.

(a) In General.—Section 547 of title 11, United States Code, *as amended by section 201(b) of this Act*, is amended—

(1) in subsection (b), by striking "subsection (c)" and inserting "subsections (c) and (i)"; and

(2) by adding at the end the following:

"(i) If the trustee avoids under subsection (b) a security interest given between 90 days and 1 year before the date of the filing of the petition, by the debtor to an entity that is not an insider for the benefit of a creditor that is an insider, such security interest shall be considered to be avoided under this section only with respect to the creditor that is an insider.".

(b) Applicability.—The amendments made by this section shall apply to any case that pending or commenced on or after the date of enactment of this Act.

SEC. [1217.] *1115.* POSTPETITION TRANSACTIONS.

Section 549(c) of title 11, United States Code, is amended—

(1) by inserting "an interest in" after "transfer of";

(2) by striking "such property" and inserting "such real property"; and

(3) by striking "the interest" and inserting "such interest".

SEC. [1218.] *1116.* DISPOSITION OF PROPERTY OF THE ESTATE.

Section 726(b) of title 11, United States Code, is amended by striking "1009,".

SEC. [1219.] *1117.* GENERAL PROVISIONS.

Section 901(a) of title 11, United States Code, as amended by section [901(k)] *502* of this Act, is amended by inserting "1123(d)," after "1123(b),".

SEC. [1220.] *1118.* ABANDONMENT OF RAILROAD LINE.

Section 1170(e)(1) of title 11, United States Code, is amended by striking "section 11347" and inserting "section 11326(a)".

SEC. [1221.] *1119.* CONTENTS OF PLAN.

Section 1172(c)(1) of title 11, United States Code, is amended by striking "section 11347" and inserting "section 11326(a)".

SEC. [1222.] *1120.* DISCHARGE UNDER CHAPTER 12.

Subsections (a) and (c) of section 1228 of title 11, United States Code, are amended by striking "1222(b)(10)" each place it appears and inserting "1222(b)(9)".

SEC. [1223.] *1121.* BANKRUPTCY CASES AND PROCEEDINGS.

Section 1334(d) of title 28, United States Code, is amended—

(1) by striking "made under this subsection" and inserting "made under subsection (c)"; and

(2) by striking "This subsection" and inserting "Subsection (c) and this subsection".

SEC. [1224.] *1122.* KNOWING DISREGARD OF BANKRUPTCY LAW OR RULE.

Section 156(a) of title 18, United States Code, is amended—

(1) in the first undesignated paragraph—

(A) by inserting "(1) the term" before "'bankruptcy"; and

(B) by striking the period at the end and inserting "; and"; and

(2) in the second undesignated paragraph—

(A) by inserting "(2) the term" before "'document"; and

(B) by striking "this title" and inserting "title 11".

SEC. [1225.] *1123.* TRANSFERS MADE BY NONPROFIT CHARITABLE CORPORATIONS.

(a) Sale of Property of Estate.—Section 363(d) of title 11, United States Code, is amended by striking "only" and all that follows through the end of the subsection and inserting "only—

"(1) in accordance with applicable nonbankruptcy law that governs the transfer of property by a corporation or trust that is not a moneyed, business, or commercial corporation or trust; and

"(2) to the extent not inconsistent with any relief granted under subsection (c), (d), (e), or (f) of section 362.".

(b) Confirmation of Plan for Reorganization.—Section 1129(a) of title 11, United States Code, as amended by section 212 of this Act, is amended by adding at the end the following:

"(15) All transfers of property of the plan shall be made in accordance with any applicable provisions of nonbankruptcy law that govern the transfer of property by a corporation or trust that is not a moneyed, business, or commercial corporation or trust.".

(c) Transfer of Property.—Section 541 of title 11, United States Code, is amended by adding at the end the following:

"(f) Notwithstanding any other provision of this title, property that is held by a debtor that is a corporation described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code may be transferred to an entity that is not such a corporation, but only under the same conditions as would apply if the debtor had not filed a case under this title.".

(d) Applicability.—The amendments made by this section shall apply to a case pending under title 11, United States Code, on the date of enactment of this Act, except that the court shall not confirm a plan under chapter 11 of this title without considering whether this section would substantially affect the rights of a party in interest who first acquired rights with respect to the debtor after the date of the petition. The parties who may appear and be heard in a proceeding under this section include the attorney general of the State in which the debtor is incorporated, was formed, or does business.

(e) Rule of Construction.—Nothing in this section shall be construed to require the court in which a case under chapter 11 is pending to remand or refer any proceeding, issue, or controversy to any other court or to require the approval of any other court for the transfer of property.

SEC. [1226.] *1124.* PROTECTION OF VALID PURCHASE MONEY SECURITY INTERESTS.

Section 547(c)(3)(B) of title 11, United States Code, is amended by striking "20" and inserting "30".

SEC. [1227.] *1125.* EXTENSIONS.

Section 302(d)(3) of the Bankruptcy, Judges, United States Trustees, and Family Farmer Bankruptcy Act of 1986 (28 U.S.C. 581 note) is amended—

(1) in subparagraph (A), in the matter following clause (ii), by striking "or October 1, 2002, whichever occurs first"; and

(2) in subparagraph (F)—

(A) in clause (i)—

(i) in subclause (II), by striking "or October 1, 2002, whichever occurs first"; and

(ii) in the matter following subclause (II), by striking "October 1, 2003, or"; and

(B) in clause (ii), in the matter following subclause (II)—

(i) by striking "before October 1, 2003, or"; and

(ii) by striking ", whichever occurs first".

SEC. [1228.] *1126.* BANKRUPTCY JUDGESHIPS.

(a) Short Title.—This section may be cited as the "Bankruptcy Judgeship Act of 1999".

(b) Temporary Judgeships.—

(1) Appointments.—The following judgeship positions shall be filled in the manner prescribed in section 152(a)(1) of title 28, United States Code, for the appointment of bankruptcy judges provided for in section 152(a)(2) of such title:

(A) One additional bankruptcy judgeship for the eastern district of California.

(B) Four additional bankruptcy judgeships for the central district of California.

(C) One additional bankruptcy judgeship for the southern district of Florida.

(D) Two additional bankruptcy judgeships for the district of Maryland.

(E) One additional bankruptcy judgeship for the eastern district of Michigan.

(F) One additional bankruptcy judgeship for the southern district of Mississippi.

(G) One additional bankruptcy judgeship for the district of New Jersey.

(H) One additional bankruptcy judgeship for the eastern district of New York.

(I) One additional bankruptcy judgeship for the northern district of New York.

(J) One additional bankruptcy judgeship for the southern district of New York.

(K) One additional bankruptcy judgeship for the eastern district of Pennsylvania.

(L) One additional bankruptcy judgeship for the middle district of Pennsylvania.

(M) One additional bankruptcy judgeship for the western district of Tennessee.

(N) One additional bankruptcy judgeship for the eastern district of Virginia.

(2) Vacancies.—The first vacancy occurring in the office of a bankruptcy judge in each of the judicial districts set forth in paragraph (1) that—

(A) results from the death, retirement, resignation, or removal of a bankruptcy judge; and

(B) occurs 5 years or more after the appointment date of a bankruptcy judge appointed under paragraph (1);

shall not be filled.

(c) Extensions.—

(1) In general.—The temporary bankruptcy judgeship positions authorized for the northern district of Alabama, the district of Delaware, the district of Puerto Rico, the district of South Carolina, and the eastern district of Tennessee under section 3(a) (1), (3), (7), (8), and (9) of the Bankruptcy Judgeship Act of 1992 (28 U.S.C. 152 note) are extended until the first vacancy occurring in the office of a bankruptcy judge in the applicable district resulting from the death, retirement, resignation, or removal of a bankruptcy judge and occurring—

(A) 8 years or more after November 8, 1993, with respect to the northern district of Alabama;

(B) 10 years or more after October 28, 1993, with respect to the district of Delaware;

(C) 8 years or more after August 29, 1994, with respect to the district of Puerto Rico;

(D) 8 years or more after June 27, 1994, with respect to the district of South Carolina; and

(E) 8 years or more after November 23, 1993, with respect to the eastern district of Tennessee.

(2) APPLICABILITY OF OTHER PROVISIONS.—All other provisions of section 3 of the Bankruptcy Judgeship Act of 1992 remain applicable to such temporary judgeship positions.

(d) TECHNICAL AMENDMENT.—The first sentence of section 152(a)(1) of title 28, United States Code, is amended to read as follows: "Each bankruptcy judge to be appointed for a judicial district as provided in paragraph (2) shall be appointed by the United States court of appeals for the circuit in which such district is located.".

(e) TRAVEL EXPENSES OF BANKRUPTCY JUDGES.—Section 156 of title 28, United States Code, is amended by adding at the end the following:

"(g)(1) In this subsection, the term 'travel expenses'—

"(A) means the expenses incurred by a bankruptcy judge for travel that is not directly related to any case assigned to such bankruptcy judge; and

"(B) shall not include the travel expenses of a bankruptcy judge if—

"(i) the payment for the travel expenses is paid by such bankruptcy judge from the personal funds of such bankruptcy judge; and

"(ii) such bankruptcy judge does not receive funds (including reimbursement) from the United States or any other person or entity for the payment of such travel expenses.

"(2) Each bankruptcy judge shall annually submit the information required under paragraph (3) to the chief bankruptcy judge for the district in which the bankruptcy judge is assigned.

"(3)(A) Each chief bankruptcy judge shall submit an annual report to the Director of the Administrative Office of the United States Courts on the travel expenses of each bankruptcy judge assigned to the applicable district (including the travel expenses of the chief bankruptcy judge of such district).

"(B) The annual report under this paragraph shall include—

"(i) the travel expenses of each bankruptcy judge, with the name of the bankruptcy judge to whom the travel expenses apply;

"(ii) a description of the subject matter and purpose of the travel relating to each travel expense identified under clause (i), with the name of the bankruptcy judge to whom the travel applies; and

"(iii) the number of days of each travel described under clause (ii), with the name of the bankruptcy judge to whom the travel applies.

"(4)(A) The Director of the Administrative Office of the United States Courts shall—

"(i) consolidate the reports submitted under paragraph (3) into a single report; and

"(ii) annually submit such consolidated report to Congress.

"(B) The consolidated report submitted under this paragraph shall include the specific information required under paragraph (3)(B), including the name of each bankruptcy judge with respect to clauses (i), (ii), and (iii) of paragraph (3)(B).".

TITLE [XIII] *XII*—GENERAL EFFECTIVE DATE; APPLICATION OF AMENDMENTS

SEC. [1301.] *1201.* EFFECTIVE DATE; APPLICATION OF AMENDMENTS.

(a) EFFECTIVE DATE.—Except as provided otherwise in this Act, this Act and the amendments made by this Act shall take effect 180 days after the date of enactment of this Act.

(b) APPLICATION OF AMENDMENTS.—The amendments made by this Act shall not apply with respect to cases commenced under title 11, United States Code, before the effective date of this Act.

The committee amendments were agreed to.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, before we start this very important bankruptcy reform legislation, first, thanks for working out the necessary parliamentary arrangements for bringing this bill up are owed to our majority leader, the Senator from Mississippi, and our minority leader, the Democratic leader, the Senator from South Dakota. So I thank them very much.

Then secondly, not only because this bill is up now on the floor of the Senate but also for the process of getting it through the Judiciary Committee, we, obviously, thank the Senator from Utah, the chairman of the Judiciary Committee, Mr. HATCH, for his leadership at the level of the committee and for a lot of things that had to be worked out to get us to the floor. And also thanks to the Senator from Vermont, the ranking Democratic member of the Judiciary Committee, for his cooperation.

Since the beginning of the year, I have had the opportunity to work with the ranking minority member of our subcommittee that I chair, the Subcommittee on Administrative Oversight and the Courts, the Senator from New Jersey, Mr. TORRICELLI. Working with him has been a real treat, always with efforts to reach agreement. And for people throughout this country who have a tendency to be cynical about Washington, because of the lack of cooperation between the Democratic Party and the Republican Party, I wish they could feel the working relationship Senator TORRICELLI, a Democrat, and I have had working on this legislation from its original introduction, with his not agreeing to everything I introduced—he was a cosponsor—but with a spirit that throughout this process, which has gone on since January to this point of bringing the bill up on the floor of the Senate, that we would work cooperatively and in a spirit of cooperation to reach further compromises. I hope that brings us to a point where we do not have a lot of controversial amendments on the floor of the Senate, at least as they relate to the bankruptcy subject, the relevant amendments.

There will be a lot of amendments that have been in this bipartisan unanimous-consent agreement that are considered nongermane amendments, which will be brought up, that are controversial. We expected that to be part of the process. But for the amendments we have that relate to bankruptcy, I think there will be a lot fewer amendments because of the cooperation Senator TORRICELLI has shown in this compromise.

For the second time in 2 years, the Senate is considering fundamental bankruptcy reform. Last year, we passed a bankruptcy reform bill but the Senate was prevented from considering the final conference report at the very end of the 105th Congress. This year, we have the chance to finish this important work. We've been waiting for some time to get this bill up on the floor, and now that we're here, I'm anxious to begin the debate.

Bankruptcy is one of the most complicated subjects we will consider this year. So, at the outset, Mr. President, I think it's important for me as the chairman of the subcommittee with jurisdiction over bankruptcy to take a few minutes to describe what bankruptcy reform is really all about in commonsense terms that we can all understand. Simply put, bankruptcy is a court proceeding where people get their debts wiped away. Every time a debt is wiped away through bankruptcy somebody loses money. That's plain and simple common sense. Of course, when somebody who extends credit has their obligation wiped away in bankruptcy, they are forced to make a decision. Should this loss simply be swallowed as a cost of business? Or do you raise prices for other customers to make up for your losses?

When bankruptcy losses are rare or infrequent, lenders can just swallow the loss. But when bankruptcies are frequent and common, lenders have to raise their prices to offset losses. For this reason, Treasury Secretary Larry Summers testified at his confirmation hearing before the Senate Finance Committee that bankruptcies tend to drive up interest rates. Mr. President, if you believe Secretary Summers, bankruptcies are everyone's problem. Regular hardworking Americans have to pay higher prices for goods and services as a result of bankruptcies. The bankruptcy bill we're considering will discourage bankruptcies, and therefore lessen upward pressure on interest rates and higher prices by making it harder for people who can repay their debts to wipe them away. It seems like common sense to require people who can repay their debts to pull their own weight. But under our current bankruptcy laws, someone can get full debt cancellation in chapter 7 with no questions asked. If we pass S. 625, bankruptcy judges and trustees will start asking questions about ability to repay. And, if someone seeking bankruptcy can repay, they will be channeled into Chapter 13 of the Bankruptcy Code, which requires people to repay some portion of their debts as a pre-condition for limited debt cancellation. Of course, people who can't repay can still use the bankruptcy system as they would have before. But, for people with higher incomes who can repay their debts, the free ride will be over.

The basic bankruptcy policy question the Senate has to answer is this:

Should people with means be required to pay at least some of their debts under Chapter 13 or not? Right now, the current bankruptcy system is oblivious to the financial condition of someone asking to be excused from paying his debts. The richest captain of industry could walk into a Bankruptcy Court tomorrow and walk out with his debts erased. And, as I described earlier, the rest of America will pay higher prices for goods and services as a result.

I would ask my colleagues to think about that for a second. If we had no bankruptcy system at all, and we were starting from scratch, would we design a system that lets the rich walk away from their debts and shift the costs to society at large, including the poor and the middle class? I don't think that any of us here would design such a system. But somehow, that's exactly the system we have now. I could easily imagine the fiery rhetoric from our more liberal friends if we on the Republican side were to even suggest that the Senate create a bankruptcy system that lets the wealthy and the well-to-do walk away from their debts and stick working Americans with the tab. But we have just such a system in place today.

Mr. President, if Senators ask themselves the question "Who wins and who loses under current law, and who will win and who will lose if we pass S. 625," then I think that the importance of bankruptcy reform becomes pretty obvious. If you believe President Clinton's own Treasury Secretary, society at large loses under the current system when bankruptcies drive up interest rates. Of course, it's the deadbeats who walk away from their debts who win under the current system. If we pass this bill, then the American people will win as upward pressure on interest rates and prices is removed. And people who look at bankruptcy as a convenient financial planning tool will lose.

Mr. President, I think our situation is urgent. Our bankruptcy system is spiraling out of control. These are good times in our Nation. Thanks to the fiscal discipline initiated by Congress, and the hard work of the American people, we have the first balanced budget in a generation. Unemployment is low, we have a burgeoning stock market and most Americans are optimistic about the future. But in the midst of such prosperity, about one and a half million Americans declared bankruptcy just in 1998. Based on filings for the first two quarters of 1999, it looks like there will be just under 1.4 million bankruptcy filings for this year. To put this in some historical context, since 1990 the rate of personal bankruptcy filings has increased almost 100 percent. Now, I don't think that anyone knows all the reasons underlying the bankruptcy crisis. But I think I can talk about what's not at the root of the bankruptcy crisis. I have a chart here that shows the dramatic increase in bankruptcies since 1993. During the same timeframe, as the chart shows, unemployment has declined just as dramatically and real wages have risen to an all-time high.

The economic numbers tell us that the bankruptcy crisis isn't the result of people who can't get jobs. And the jobs that people do have are paying more than ever. So, the bankruptcy crisis isn't about desperate people confronting layoffs and underemployment. With the economy doing so well, and with so many Americans with high-quality, good-paying jobs, we have to look deep into the eroding moral values of some to find out what's driving the bankruptcy crisis. Some people flat out don't want to honor their obligations and are looking for an easy way out. In the opinion of this Senator, a significant part of the bankruptcy crisis is basically a moral crisis. Some people just don't have a sense of personal responsibility.

It seems clear to me that our lax bankruptcy system must bear some of the blame for the bankruptcy crisis. Just as the welfare system we used to have encouraged people not to get jobs and encouraged people not to even think about pulling their own weight, our lax bankruptcy system doesn't even ask people to consider paying what they owe. Such a system obviously contributes to the fraying of the moral fiber of our Nation. Why pay your bills when you can walk away with no questions asked? Why honor your obligations when you can take the easy way out through bankruptcy? If we don't tighten the bankruptcy system, this moral erosion will certainly continue.

Mr. President, the polls are very clear that the American people want the bankruptcy system tightened up. In my home State of Iowa, 78 percent of Iowans surveyed favor bankruptcy reform. And the picture is the same nationally. According to the PBS program "Techno-Politics," almost 70 percent of Americans support bankruptcy reform. The American people seem to sense that the bankruptcy crisis is fundamentally a moral crisis. According to a poll conducted by the Democratic polling firm of Penn & Schoen on perceptions of bankruptcy, 84 percent of Americans think that bankruptcy is more socially acceptable today than a few years ago. Of course, Penn & Schoen is a Democratic polling firm used by President Clinton. So, I think that this number is very telling given that it was produced by a liberal polling firm.

In my State of Iowa, the editorial page of the Des Moines Register has summed up the problem we have with the bankruptcy system by stating that bankruptcy "was never intended as the one-stop, no-questions-asked solution to irresponsibility." I totally agree. So, let's look at the situation we face today. We have a bankruptcy system which fosters irresponsibility and which operates as a regressive system for redistributing economic resources from America's working families to the wealthy. In effect, blue collar factory workers are paying the tab for well-compensated professionals to live high on the hog.

Mr. President, as we move forward to debate bankruptcy reform, I believe that we must keep in mind the fact that the bankruptcy crisis is both an economic problem and moral problem. If we pass meaningful bankruptcy reform this year, as I hope and expect that we will, the Senate can remove a drag on the economy and at the same time contribute the rebuilding of our Nation's moral foundations.

Mr. President, over 30 years ago, Senator Albert Gore, Sr.—the father of the Vice-President—introduced a bill to means-test Chapter 7 debtors. In his introductory statement, in words that still ring true today, he described the similarities between special tax loopholes and lax bankruptcy laws. Senator Gore said that bankruptcy is like a special interest tax loophole in that someone gets out of paying his fair share at the expense of hardworking Americans who play by the rules. I think that Senator Gore had it exactly right all the way back then.

In the last Congress we almost closed the Chapter 7 loophole. The Senate and House both passed good bills, and we made them both better in a conference report that received overwhelming bipartisan support in the other body. But we ran out of time in the Senate. I've made every effort to be fair and bipartisan throughout this process. When Senator TORRICELLI became my ranking member at the beginning of this year, I went to him and asked him to work with me on a new bankruptcy bill. Senator TORRICELLI asked for several modifications to last year's bankruptcy bill to respond to concerns raised by Members on his side of the aisle. I agree to make many of these changes. The means-test is much more flexible in this year's bill, giving judges greater discretion to consider the individual circumstances of each debtor. The bill contains much tougher penalties for using threats to coerce debtors into paying debts which could be wiped away once they are in bankruptcy. The bill also requires the Justice Department to concentrate law enforcement resources on enforcing consumer protection laws against abusive debt collection practices, and allows State law enforcement to enforce State consumer protections in bankruptcy court. The committee report lists these modifications in greater detail and summarizes the major changes from last year's conference report. Mr. President, when all of these many changes are considered in a fair and reasonable way, I believe that it will be clear that a great majority of Senators can support S. 625 as it is right now. But there's more. The Grassley-Torricelli amendment contains even more changes to ensure that lower income Americans are not disadvantaged by this reform. A provision to impose personal liability on debtor attorneys—which I strongly suppport—has been removed. And the Grassley-Torricelli amendment contains numerous changes to the small business title of the bankruptcy bill to add new flexibility.

Shortly, I will cosponsor an amendment with Senator TORRICELLI to require credit card companies to give consumers meaningful information about minimum payments on credit cards. Consumers will be warned against making only minimum payments, and there will be an example to drive this point home. Finally, consumers will be given a toll-free phone number to call where they can get information about how long it will take to pay off their own credit card balances if they make only the minimum payments. This new information will truly educate consumers. This new information will improve the financial literacy of American consumers.

In the Judiciary Committee, S. 625 was passed on a strong, bipartisan vote of 14-4. All Republicans and half of the Democrats voted for the bill. So, we have a good bill and one that most Members of the Senate should be able to support at the end of the day. With so many consumer protections and disclosures, I'm confident that the Senate will pass S. 625 with strong support.

In addition to benefitting society at large, lessening upward pressures on interest rates, S. 625 makes a number of changes which I believe will be very beneficial to especially vulnerable segments of our society. Child support claimants have been given the highest priority when the assets of a bankruptcy estate are distributed to creditors. Bankruptcy trustees and creditors of bankrupts are required to give information about the location of deadbeat parents who owe child support, turning our bankruptcy courts into a low cost locator service for custodial parents. And finally, under S. 625 parents owning child support can erase a wider array of debts than is typically the case, thereby preventing private creditors from competing with child support claims in a post-bankruptcy environment. This is an important point that I think everyone should realize. Under the Senate bill, child support will never compete with private creditors after bankruptcy. This is a unique feature of this year's Senate bill, so many Members may not be aware of it. I would ask Senators interested in child support and bankruptcy to study section 314 of the bill.

S. 625 also makes Chapter 12 of the Bankruptcy Code permanent. This means that America's family farms are guaranteed the ability to reorganize as our farm economy continues to be weak. As we all know from our recent debate on emergency farm aid, while prices have rebounded somewhat recently, farmers in my home State of Iowa and across the Nation are getting some of the lowest prices ever for pork, corn and soybeans. Clearly, this bill is an important step in preserving the integrity of our farming economy and preserving the family farm.

S. 625 contains changes to deal with the complex problem of international bankruptcies. S. 625 will speed up the Chapter 11 process for small businesses and will reduce the risk of domino-like failures in financial markets.

In Conclusion, S. 625 is good for family farmers, good for small businesses, good for single-parents who depend on child support and good for consumers. If you care about making people in string financial shape pull their own weight, you should vote for this bill. If you care about the lax morality associated with letting people who have the clear ability to pay walk away from their debts with no question asked, you should vote for this bill. When the time comes, I'm sure that common sense will reign and the Senate will pass S. 625, with strong support.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I am pleased we are finally considering the Bankruptcy Reform Act of 1999. I would like to express my personal appreciation to Senator LOTT for his efforts, along with those of Senator DASCHLE, which resulted in this opportunity for floor consideration of the bill. Also, I am grateful for the hard work of Senator GRASSLEY, the chairman of the Judiciary Committee's Subcommittee on Administrative Oversight and the Courts, along with Senator TORRICELLI, the ranking Member of the subcommittee, for their tireless efforts in working out this bipartisan bill. I also thank Senators SESSIONS, BIDEN, and others for their dedication and hard work on this bankruptcy reform bill.

As I have said before, I remain confident that given the opportunity to consider the merits of this legislation, the Senate will pass this bill with overwhelming, bipartisan support. As we consider S. 625, I am hopeful that we will keep in mind the broad support for the substance of this important legislation. I hope we will see quick passage of these much needed reforms to the bankruptcy system, because the reform proposals have been studied by Congress at length, they are bipartisan, and they are fair.

First, the reforms proposed in this bill have been deliberated at length. Indeed, Congress has been engaged in the consideration of this issue for several years, and the Subcommittee on Administrative Oversight and the Courts, which is chaired by Senator GRASSLEY, has held numerous hearings on the issue of bankruptcy reform. The subcommittee heard extensive testimony from literally dozens of witnesses on this subject.

Second, this bill is truly bipartisan. During our consideration of this bill at both the subcommittee and full Judiciary Committee levels, numerous changes suggested by the minority were included in the bill. We have been able to reach a number of compromises on this legislation in order to respond to the concern of both parties. I would like to take this opportunity to once again thank Senators GRASSLEY and TORRICELLI for their bipartisan efforts to create this balanced bill.

Finally, this bill is fair. One of the principles that guided the authors of our country's original bankruptcy laws, and which is guiding us as we overhaul these laws today, is the concept of a fresh start. The bankruptcy system was designed to provide a fresh start to people in serious financial difficulty, who have no other way out of their predicament. Mr. President, S. 625 does just that. It ensures that people in the most serious financial difficulty will continue to have access to the debt relief they need. At the same time, this legislation ensures that more of the people who have the capacity to repay their debts are required to do so.

Depending on what study you believe, anywhere from 6 to 15 percent of bankruptcy filers are using bankruptcy as a financial planning tool, running up debts and erasing them under laws that consider income irrelevant—all without any noticeable impact on their lifestyle. I would doubt that any of my colleagues feel that these are the sort of filers who need a fresh start. What they need is a lesson in personal responsibility.

I believe that S.625 accomplishes both goals. The bill continues to make bankruptcy an accessible option for those who truly need it. But, it makes it more difficult for spendthrifts—those people who have no desire to change their excessive lifestyles and see bankruptcy as a convenient way to erase their debts.

It is no secret that the current bankruptcy system is broken and that Congress must fix it to preserve the opportunity for those individuals in financial straits to obtain a "fresh start." Despite this country's strong economy—unemployment is down and inflation is low—the rate of personal bankruptcy filings has increased dramatically. Instead of bankruptcy being a safety net, it has become for some a convenient financial management tool.

I find it unacceptable and inherently unfair that those who pay their bills have to foot the bill for those who are able to pay, but choose not to. It has been conservatively estimated that personal bankruptcies cost every household $400 per year, and it takes fifteen responsible borrowers to cover the cost of one bankruptcy of convenience.

The goal of our bankruptcy system has always been to protect those who need protecting—to provide those who experience genuine and serious financial hardship the opportunity to wipe the slate clean. We must return our system back to its original mission.

Bankruptcy reform is not a Republican or a Democratic issue—it is a consumer issue. According to a recent poll, 76 percent of Americans believe that individuals should not be allowed to erase all their debts in bankruptcy if they are able to repay a portion of what they owe. This survey merely reflects the American public's belief that individuals should be responsible for their own actions. S. 625 helps remedy the glaring problems of today's bankruptcy system be creating a needs-based system to determine the chapter under which a person should file for bankruptcy.

Mr. President, the House bankruptcy reform bill passed by an overwhelming margin of 313 to 108. Half of the House Democratic Caucus joined with every House Republican to support a bill with more stringent measures than those we are considering in the Senate.

S. 625 contains new measures to protect against fraud in bankruptcy, such as a requirement that debtors supply income tax return sand pay stubs, audits of bankruptcy cases, and limits on repeat bankruptcy filings. It eliminates a number of loopholes, such as the one that allows debtors to transfer their interest in real property soothers who then file for bankruptcy relief and invoke the automatic stay. And, it puts some controls on the ability of debtors get large case advances on their credit cards and to pay luxury goods on the eve of filing for bankruptcy.

At the same time, s. 625 provides many unprecedented new consumer protections. It imposes penalties upon creditors who refuse to negotiate in good faith with debtors prior to declaring bankruptcy. Also, it imposes penalties on creditors who wilfullly fail to properly credit payments made by the debtor in a chapter 13 plan, and for creditors who threaten to file motions in order to coerce a reaffirmation without justification. Moreover, the bill imposes new measures to discourage abusive reaffirmation practices.

It also addresses the problem of bankruptcy mills, firms that aggressively promote bankruptcy as a financial planning tool, and often end up hurting unwitting debtors by putting them in bankruptcy when it may not be in their best interest. The legislation also imposes penalties on bankruptcy petition preparers who mislead debtors.

Importantly, S. 625 makes major strides in trying to break the cycle of indebtedness. It educates debtors with regard to the alternatives available to them, sets up a financial management education pilot program for debtors, and requires credit counseling for debtors.

I am particularly proud that the bill makes extensive reform of the bankruptcy laws in order to protect our children. I have authored provisions to ensure that bankruptcy cannot be used by deadbeat dads to avoid paying child support and alimony. Under my provisions, the obligation to pay child support and alimony is moved to a first priority status, as opposed to its current place at seventh in line behind attorneys fees and other special interests. My measures also ensure the collection of child support and alimony payments by, among other things, exempting state child support collection authorities from the "automatic stay" that otherwise prevents collection of debts after a debtor files for bankruptcy, and by exempting from discharge virtually all obligations one ex-spouse owes another.

S. 625 also includes a provision to create new legal protections for a large class of retirement savings in bankruptcy. This measure has widespread support from a long list of groups, ranging from the American Association of Retired Persons, to the Small Business Council of America and the National Council on Teacher Retirement.

Let me take this opportunity also to point out that the assets of some pension plans already are protected from bankruptcy proceedings. The United States Supreme Court has ruled in *Patterson* v. *Shumate*, reported at 504 U.S. 753 (1992), that assets of pension plans which have, and are required by law to have, anti-alienation provisions, are excluded from bankruptcy estates. Let me be clear that my amendment is intended to expand the protection of retirement savings to protect assets that were not previously protected. My amendment is not intended in any way to diminish the protections offered under existing law and under the United States Supreme Court's decision in *Patterson* v. *Shumate*, but, rather, is intended to provide protection to other retirement plans and accounts not currently protected.

I am proud to propose several enhancements to the bill that primarily are designed to protect consumers and further provide incentives for consumers to take personal responsibility in dealing with debt management.

In the area of domestic support, as I indicated earlier, Senator TORRICELLI and I intend to build upon the new legal protections we have created, as part of the underlying bill, for ex-spouses and children who are owed child support and alimony. The changes will further strengthen the ability of ex-spouses and children to collect the payments they are owed, and will make changes to a number of existing provisions in the bill to clarify that they will not directly or indirectly undermine the collection of child support or alimony payments.

I must highlight just a few of these important enhancements: our amendment prevents bankruptcy from holding up child custody and domestic violence cases. It facilitates wage withholding to collect child support from deadbeat parents. In addition, our amendment helps avoid administrative roadblocks to get kids the support they need. It makes staying current on child support a condition of discharge in bankruptcy. Also, our amendment makes the payment of child support arrears a condition of plan confirmation. Finally, it allows for the payment of child support with interest by those with means.

In the area of debtor education, I have developed an amendment that will protect from creditors contributions made to education IRAs and qualified state tuition savings programs for educational expenses. This is a significant protection for those who honestly put money away for the benefit of their children and grandchildren's future schooling. The potential that education savings accounts will be abused in bankruptcy is addressed by the amendment's requirement that only contributions made more than a year prior to bankruptcy are protected. I believe that protecting educational savings accounts is particularly important because college savings accounts encourage families to save for college, thereby increasing access to higher education. Nationwide, there are more than a million educational savings accounts, meaning there are more than a million children who could potentially benefit from this amendment. As much as I believe that bankruptcy laws need to be reformed to prevent abuse and to ensure debtors take personal responsibility, the ability to use dedicated funds to pay the educational costs of children should not be jeopardized by the bankruptcy of their parents or grandparents.

I developed a debt counseling incentive provision, which builds on the credit counseling provisions currently in S. 625. It removes any disincentive for debtors to use credit counseling services by prohibiting credit counseling services from reporting to credit reporting agencies that an individual has received debt management or credit counseling, and establishes a penalty for credit counseling services that do. Debt management education is vital to reducing the number of Americans who, because of poor financial planning skills, are forced to declare bankruptcy. Providing credit counseling—

instruction regarding personal financial management—to current and potential bankruptcy filers will help curb bankruptcy filings.

In addition, I intend to offer an amendment that is designed to curb fraud in bankruptcy filings. This amendment puts in place new procedures and provides new resources to enhance of bankruptcy fraud laws. It will require (1) that bankruptcy courts develop procedures for referring suspected fraud to the FBI and the U.S. Attorney's Office for investigation and prosecution and (2) that the Attorney General designate one Assistant U.S. Attorney and one FBI agent in each judicial district as having primary responsibility for investigating and prosecuting fraud in bankruptcy.

I also plan to offer an amendment that allows the victim of a crime of violence or drug trafficking offense to move the bankruptcy court to dismiss a voluntary petition filed by a debtor who was convicted of the crime of violence or drug trafficking offense. To protect women and children who may be owed payments by such a debtor, however, the amendment still allows the bankruptcy petition to continue if the debtor can show that the filing of the petition is necessary to ensure his ability to meet domestic support obligations. Bankruptcy is not an entitlement—it is a process by which certain qualifying individuals with substantial debts may cancel their debts and obtain a "fresh start." Under this amendment, violent criminals and drug traffickers—individuals who have chosen to engage in serious, criminal conduct—would be precluded from availing themselves of the benefits of bankruptcy protection.

Mr. President, if we do not take the opportunity to reform our bankruptcy system, every family in my own State of Utah and throughout the Country, many of whom struggle to make ends meet, will continue to bear the financial burden of those who take advantage of the system. Last year alone, approximately $45 billion in consumer debt was erased in personal bankruptcies. Losses of this magnitude are passed on the American families at an estimated cost—if we use low estimates—of $400 for every household in American every year.

Rampant bankruptcy filings are a big problem. In 1998, 1.4 million Americans filed for bankruptcy. That was more Americans than graduated from college. That was also more Americans than were on active military duty.

Not long ago, I received a letter from a long list of organizations, ranging from the U.S. Chamber of Commerce to the National Ski and Snowboard Retailers Association, the American Sheep Industry Association, the National Cattlemen's Beef Association and the National Multi-Housing Council. In the letter, they drove home the importance of this legislation to small businesses. I would like to read a quote from that letter:

> Delay of this will . . . hurt America's small businesses—the heart and soul of this nation. These hard-working entrepreneurs, trying to live out their American dream, can be financially devastated by one "bankruptcy of convenience". Additionally, frivolous bankruptcy filings force businesses to charge more for goods and services. This is why small business owners throughout the country are calling on Congress to repair our fundamentally flawed bankruptcy system—they've waited long enough.

In closing, let me say I hope we can move through this bill in a timely and orderly fashion. I hope Members who intend to offer amendments do so sooner rather than later, so we may consider as many amendments as we can and hopefully finish consideration of this bill by early next week. I look forward to doing what I can to help Senators GRASSLEY and TORRICELLI move this process along.

I do not think this is going to be difficult given the many compromises already reached in this legislation. This bill is fair, balanced, and long overdue.

PRIVILEGE OF THE FLOOR

Mr. HATCH. Mr. President, I ask unanimous consent during consideration of S. 625, the following staffers be extended the privilege of the floor: Rene Augustine, Makan Delrahim, Kolan Davis, John McMickle, Kyle Sampson, and Leah Belaire.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, I again commend Senators GRASSLEY and TORRICELLI for the great work they have done and all members on the Senate Judiciary Committee for having worked so hard to get this bill ready for presentation today. I hope we can pass it quickly. With that, I end my remarks and turn the time over to Senator SESSIONS.

The PRESIDING OFFICER (Mr. GRASSLEY). The Senator from Alabama is recognized.

Mr. SESSIONS. Mr. President, I thank Senator HATCH, who made very impressive remarks on this subject, for his leadership as chairman of the Judiciary Committee. I particularly wish to express my appreciation to the Presiding Officer who has led this effort since I have been in the Senate to reform our bankruptcy court system. Make no mistake about it, we are talking about a Federal court system that provides the ability for individual Americans, who legitimately owe debts to people not to pay their debts and to wipe those debts out.

This is a historic American principle. We have had bankruptcy courts. They are referred to in the Constitution of the United States. They are uniquely and totally a Federal court procedure.

I think it is appropriate for us to make timely changes as the nature of our times in court change. We review what is happening and make sure our law is effective to accomplish the best and highest ideals of the American people.

We last passed historic bankruptcy reform in 1978. We have not since that time confronted the issue squarely and fundamentally and comprehensively to see what is happening and see what we can do about it. Any Federal court system must be fair, it must be coherent and logical, it must be commonsensical, and it must help us further our economic growth and vitality as a nation.

At the same time, any legal system we establish, as the Chair so eloquently said, has a moral component. We need to make sure as a nation that our bankruptcy laws encourage the highest and best ideals of the American people. In fact, all laws should do that; particularly, I suggest, bankruptcy laws. We believe, as Americans, that people who get hopelessly in debt ought to be able to start over and not have their lives forever burdened by debts they could never repay. That is the historic principle. We should not retreat from that, and certainly this bill reflects no retreat from that.

But it is never a good thing to go into bankruptcy. It is an unfortunate event, when people reach a point in their lives when they are unable to pay a just debt they incurred because they got some benefit from that debt. They borrowed money to buy a TV set; they borrowed money to buy a car; they borrowed money to take a trip. Somebody loaned them that money. The purpose of that loan was to have it repaid, and most people believe they ought to repay that debt. If ever in this country we believe that we do not have to pay debts, because it is inconvenient or difficult, we have a real problem because the ability of honest and hard-working people to obtain loans is going to be much more difficult.

An individual citizen should pay his or her debt. It is possible—and we made great progress, Mr. President, under your leadership—to create a system that does allow people to start over. But at the same time, it does not reward those who lightly walk away from debts they have every ability to repay either in whole or in part. Fundamentally, the way this system works is very unusual, in many respects. If a person makes a salary of $80,000 and if that person has a debt of $50,000 and that is the only debt they have, it may strike you they could easily pay it off in 2 or 3 years without a great deal of strain, perhaps. It may strike Americans as strange to realize, regardless of their ability to pay it off in relatively short order, they could walk into bankruptcy court, file under chapter 7, and wipe out that debt and not ever have to pay it. Some people do that and abuse the system.

I heard recently of an individual who made $35,000 a year, had a $1,500 debt, and filed for bankruptcy because he did not want to pay that debt. That kind of thing happens in our court. That is an extreme example, but there are less extreme examples of it on a routine basis. If a person is able to pay back a part of their debt, why should they not?

You say, well, it was for a hospital. Why should the hospital not get paid if he can pay some of his legitimate hospital bills? Why would we not want them to do that? Why should we say to an honest person who struggles to pay the hospital bill: You are just a chump; you are the clever guy, you went and got a lawyer, paid him $1,000, and he is going to wipe out your $3,000 debt to the hospital. If a person cannot pay their hospital bill, if they cannot pay their other bills, if their income will not support it, then bankruptcy is for them. But there are abuses, I assure you, and they are quite common—too common, I suggest.

There is a strange tendency in the filings, whether you file under chapter 13 or chapter 7—as you know, when you file in chapter 7, you simply offer up your assets, wipe out all your debts and walk away, never to have to pay any of those debts again. If you file under chapter 13, the court will work with you and your attorney and develop a repayment plan for all or a portion of that debt. They will stay the interest that is accruing on the debts. They will say how much ought to be paid to each creditor. They will keep those creditors from suing or filing any harassment action against the person paying them off until the debts are paid.

In my home State of Alabama, in Birmingham, which is where chapter 13 payments began quite a number of years ago, over half, maybe more than 60 percent of the individual citizens, for some reason—for various reasons—have chosen to file under chapter 13 and pay back all or a portion of their debts. But in some of the larger urban areas of this country, that figure is even under 10 percent. Routinely, the lawyers come in and advise their clients to file under chapter 7. They file under chapter 7 and wipe out all their debts when many of those could easily pay them back.

There are some good reasons why people would want to file under chapter 13 and pay back a lot of the debts they owe. They will be able to have more self respect as individuals if they pay off their debts. It stops the creditors from suing them, the phone calls, and the harassment that might come when you owe many different debts. You have a better credit rating when you have paid off your debts, and you are able to keep certain items you might not be able to keep otherwise. There are other advantages to filing chapter 13.

If a court were to decide, as they could under our new law, that you have the ability to pay back and you are shifted to chapter 13, it is not all bad. There are many reasons why a careful lawyer representing a client would suggest chapter 13 is a good way to go.

So we have a system today that is very enticing to the irresponsible. We have a system today that is driven by a lot of different factors. One factor is the advertisements we see on television describing how to avoid your debts.

People see those advertisements and then go to the attorneys who specialize in bankruptcy. The attorneys tell them: You have these debts, and the easy thing to do is file chapter 7; I will file your bankruptcy for $700, $1,000, and you will not have to pay any more debts. You have to put everything you have on your credit card for the next 3 months. Do not pay any bills; do not pay any of your payments on any of your notes; take that money and give it to me; set aside the rest of it; we will file bankruptcy and just wipe it all out.

That is what is happening in America today. People are induced to do that.

I thought about it: Do they know? People get depressed and get panicky. They do not know what to do. People are suing them and threatening them. They go to their lawyer and ask for advice. I am of the opinion that at least a significant minority of those individuals want to pay their debts, but for various reasons they are in trouble and unable.

I visited in my hometown of Mobile an outstanding institution, a nonprofit credit counseling agency. That agency meets with families who are in financial trouble. The people at this agency sit down with these families and help them work out a budget. It helps the family members understand the consequences of spending. It helps them to set priorities on which debt to pay first. It helps them to set up a savings plan. Sometimes they will even receive the check and pay certain debts that are required and give the family a certain amount of cash to use for their weekly or monthly bills.

Normally, they call the credit card companies, the banks, and other people who have claims against the family and negotiate a lower interest rate. They are able to do that. Companies will do it. And the families can pay off those debts in that fashion. It is highly successful.

One of the main reasons for divorce in America today is financial difficulty. That is a known fact. As a matter of fact, it is the main reason. These nonprofit agencies encourage people to undergo marital counseling. A lot of people are in financial trouble because of alcoholism. Credit counseling or nonprofit agencies care about the people who come before them and help them get alcoholism treatment or help them get into AA.

Many gamblers are in financial trouble. One member of the family gambles and has lost the money. This is a known fact. They get people into Gamblers Anonymous and help save their family.

Maybe they need mental health treatment. They can oftentimes get them into those treatment facilities. That kind of thing is healthy.

One of the things I suggested, something with which the chairman, Senator GRASSLEY, and others on the committee agreed, is before you file for bankruptcy, you have to contact a credit counseling agency and discuss with them the possibility of choosing an alternative to filing for bankruptcy. The truth is, most people want to pay their debts. They just do not know how to do it in a way that will be OK in light of the creditors pressing on them.

We believe that can be a significant step forward in helping people in debt. They can be counseled by experts in money management on how to handle their money and get out of debt on their own, how to maintain their self-respect and pride, and to actually pay off the debts.

If you get a loan from your brother-in-law or if you borrow money from the bank, you ought to pay it back if you can. This bill encourages that.

There are people with high incomes who are filing for bankruptcy today. We have heard the stories of young lawyers and young professionals who get a new car, have student loans and $5,000 or $6,000 in credit card bills, and the creditors are calling. They do not really want to slow down. They can just file for bankruptcy and wipe out these debts. That is not right. We will be focusing on that.

It will not burden poor people. Credit counselors will have to be approved by the bankruptcy court. They will be nonprofit individuals who will be audited on a regular basis. These are the steps I believe will encourge people to avoid filing bankruptcy.

This bill will be a major step forward for families who are entitled to child support and alimony. They will be moved to the top of the priority list. It will be a great step forward for them. Child support and alimony will be improved.

A bankruptcy system for farmers that is adjusted to their unique problems will be enhanced and made permanent by this legislation. Senator GRASSLEY has been a champion of those issues for many years, and he has achieved that again in this bill. We will make it permanent with this bill.

I respect the work the Senator from Iowa is doing. This is a good piece of legislation. It calls on individuals to pay what they can. It allows judges to consider the circumstances involved before an order is given. It will improve the respect businesses and Americans have for bankruptcy if they know it is not being abused as it is today. We can stop it, and we can do better. This bill will do that.

There are loopholes that good lawyers have learned to exploit. I do not blame the lawyers for it. If we have it in the law of Congress that says this is appropriate, they are going to use it to the benefit of their clients.

We had a circumstance in which a tenant's 1-year lease had expired. He had not paid his debts. The landlord wanted to evict him. He filed for bankruptcy. People are filing all over America and getting a stay of legal action, causing the landlord to hire a lawyer and wait several more months before he can get the person removed from the premises. Maybe he never intended to lease it for more than 1 year anyway. Maybe he had another tenant to take the place after 12 months. That person, through abuse of the bankruptcy system, could do that. That is very common in America.

Many of these problems are being addressed. I know the chairman believes strongly that creditors ought not have lawyers go down to court all the time. The bill allows you to represent yourself, if you choose, in bankruptcy court under many circumstances.

This legislation will improve the system of law in Federal courts. It will have a more just result. It will stop individuals who are able to pay back all or a portion of their debts from walking into court and wiping out their debts. This bill will stop that.

For people in serious debt who fall below the median income of America, they will be able to choose chapter 7 or 13. But for those with higher incomes, if they have the ability to pay the debts, we think this bill will make them do so, or at least a portion of what they owe, if the judge so orders. It is a step in the right direction.

I am proud to serve on the subcommittee which Senator GRASSLEY chairs. This bill is a step forward for our courts. I hope as we move forward we will have the support we had previously. It passed in this body last year with 94 out of 100 votes. It is essentially the same bill. It passed in our committee by a vote of 14-4. It passed the House with 303 votes to 100. It is a popular bill. It has broad bipartisan support. It has dragged on for far too long. It is time for us to see it to conclusion.

I thank the chairman for his leadership, determination, and persistence in driving this bill to a successful conclusion.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SESSIONS). Without objection, it is so ordered.

MORNING BUSINESS

Mr. GRASSLEY. Mr. President, I now ask unanimous consent that there be a period for the transaction of morning business with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

At 1:29 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2389. An act to restore stability and predictability to the annual payments made to States and counties containing National Forest System lands and public domain lands managed by the Bureau of Land Management for use by the counties for the benefit of public schools, roads, and other purposes.

At 2:59 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 75. Joint resolution making further continuing appropriations for the fiscal year 2000, and for other purposes.

The message also announced that the House disagrees to the amendment of the Senate to the bill (H.R. 3194) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against revenues of said District for the fiscal year ending September 30, 2000, and for other purposes, and agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. YOUNG of Florida, Mr. LEWIS of California, and Mr. OBEY as the managers of the conference on the part of the House.

ENROLLED JOINT RESOLUTION SIGNED

A message from the House of Representatives, received on today, announced that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 75. Joint resolution making further continuing appropriations for the fiscal year 2000, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-6014. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to Brazil; to the Committee on Foreign Relations.

EC-6015. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to Israel; to the Committee on Foreign Relations.

EC-6016. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to the United Arab Emirates; to the Committee on Foreign Relations.

EC-6017. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to Japan; to the Committee on Foreign Relations.

EC-6018. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to Thailand; to the Committee on Foreign Relations.

EC-6019. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to Japan; to the Committee on Foreign Relations.

EC-6020. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to NATO; to the Committee on Foreign Relations.

EC-6021. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed Manufacturing License Agreement with the United Kingdom; to the Committee on Foreign Relations.

EC-6022. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed Manufacturing License Agreement with Turkey; to the Committee on Foreign Relations.

EC-6023. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, the report of the texts and background statements of international agreements, other than treaties; to the Committee on Foreign Relations.

EC-6024. A communication from the Assistant Secretary of Defense for Health Affairs, transmitting, pursuant to law, a report relative to the TRICARE Program for fiscal year 1999; to the Committee on Armed Services.

EC–6025. A communication from the Acting Executive Director, Commodity Futures Trading Commission, transmitting, pursuant to law, a report relative to its commercial activities inventory; to the Committee on Governmental Affairs.

EC–6026. A communication from the Inspector General, Nuclear Regulatory Commission, transmitting, pursuant to law, a report relative to its commercial activities inventory; to the Committee on Governmental Affairs.

EC–6027. A communication from the Executive Secretary, Harry Truman Scholarship Foundation, transmitting, pursuant to law, a report relative to its commercial activities inventory; to the Committee on Governmental Affairs.

EC–6028. A communication from the Senior Liaison Officer, Office of Government Liaison, the John F. Kennedy Center for the Performing Arts, transmitting, pursuant to law, a report relative to its commercial activities inventory; to the Committee on Governmental Affairs.

EC–6029. A communication from the Staff Director, Commission on Civil Rights, transmitting, pursuant to law, a report relative to its commercial activities inventory; to the Committee on Governmental Affairs.

EC–6030. A communication from the Acting Director of Communications and Legislative Affairs, Equal Employment Opportunity Commission, transmitting, pursuant to law, a report relative to its commercial activities inventory; to the Committee on Governmental Affairs.

EC–6031. A communication from the Chairman, Defense Nuclear Facilities Safety Board, transmitting, pursuant to law, a report relative to its commercial activities inventory; to the Committee on Governmental Affairs.

EC–6032. A communication from the Chairman, National Labor Relations Board, transmitting, pursuant to law, a report relative to its commercial activities inventory; to the Committee on Governmental Affairs.

EC–6033. A communication from the Director, Office of Personnel Management, transmitting, pursuant to law, a report relative to its commercial activities inventory; to the Committee on Governmental Affairs.

EC–6034. A communication from the Director, Office of Resource Management, Federal Housing Finance Board, transmitting, pursuant to law, a report relative to its commercial activities inventory; to the Committee on Governmental Affairs.

EC–6035. A communication from the Budget and Fiscal Officer, the Woodrow Wilson Center, transmitting, pursuant to law, a report relative to its commercial activities inventory; to the Committee on Governmental Affairs.

EC–6036. A communication from the Executive Director, Advisory Council on Historic Preservation, transmitting, pursuant to law, a report relative to its commercial activities inventory; to the Committee on Governmental Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THOMPSON, from the Committee on Governmental Affairs, without amendment:

H.R. 100. A bill to establish designations for United States Postal Service buildings in Philadelphia, Pennsylvania.

H.R. 197. A bill to designate the facility of the United States Postal Service at 410 North 6th Street in Garden City, Kansas, as the "Clifford R. Hope Post Office".

H.R. 915. A bill to authorize a cost of living adjustment in the pay of administrative law judges.

H.R. 1191. A bill to designate certain facilities of the United States Postal Service in Chicago, Illinois.

H.R. 1251. A bill to designate the United States Postal Service building located at 8850 South 700 East, Sandy, Utah, as the "Noal Cushing Bateman Post Office Building".

H.R. 1327. A bill to designate the United States Postal Service building located at 34480 Highway 101 South in Cloverdale, Oregon, as the "Maurine B. Neuberger United States Post Office".

By Mr. THOMPSON, from the Committee on Governmental Affairs, with an amendment in the nature of a substitute and an amendment to the title:

H.R. 1377. A bill to designate the facility of the United States Postal Service at 13234 South Baltimore Avenue in Chicago, Illinois, as the "John J. Buchanan Post Office Building".

By Mr. HATCH, from the Committee on the Judiciary, without amendment:

H.J. Res. 54. A joint resolution granting the consent of Congress to the Missouri-Nebraska Boundary Compact.

By Mr. HATCH, from the Committee on the Judiciary, without amendment and with a preamble:

H. Con. Res. 141. A concurrent resolution celebrating One America.

S. Res. 118. A resolution designating December 12, 1999, as "National Children's Memorial Day".

By Mr. HATCH, from the Committee on the Judiciary, with an amendment in the nature of a substitute and an amendment to the title:

S. 276. A bill for the relief of Sergio Lozano, Faurico Lozano and Ana Lozano.

By Mr. HATCH, from the Committee on the Judiciary, without amendment:

S. 302. A bill for the relief of Kerantha Poole-Christian.

S. 1019. A bill for the relief of Regine Beatie Edwards.

By Mr. THOMPSON, from the Committee on Governmental Affairs, without amendment:

S. 1295. A bill to designate the United States Post Office located at 3813 Main Street in East Chicago, Indiana, as the "Lance Corporal Harold Gomez Post Office".

By Mr. HATCH, from the Committee on the Judiciary, without amendment:

S. 1418. A bill to provide for the holding of court at Natchez, Mississippi in the same manner as court is held at Vicksburg, Mississippi, and for other purposes.

By Mr. JEFFORDS, from the Committee on Health, Education, Labor, and Pensions, with an amendment in the nature of a substitute:

S. 1809. A bill to improve service systems for individuals with developmental disabilities, and for other purposes.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted on November 3, 1999:

By Mr. HELMS for the Committee on Foreign Relations:

David H. Kaeuper, of the District of Columbia, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Congo.

Nominee: David H. Kaeuper.

Post: Republic of Congo.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, and donee:

1. Self: none.
2. Spouse: none.
3. Children and Spouses: none.
4. Parents: none.
5. Grandparents: none.
6. Brothers and Spouses: none.
7. Sisters and Spouses: Miriam (sister) and Alan Rosar, 250.00, 10/98, Rep. David McIntosh; 250.00, 10/96, Rep. David McIntosh; 100.00, 10/94, Rep. David McIntosh; 100.00, —/94, Sen. Richard Lugar.

James B. Cunningham, of Pennsylvania, to be a Representative of the United States of America to the Sessions of the General Assembly of the United Nations during his tenure of service as Deputy Representative of the United States of America to the United Nations.

John E. Lange, of Wisconsin, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Botswana.

Nominee: John E. Lange.

Post: U.S. Ambassador to Botswana.

Nominated: June 9, 1999.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, and donee:

1. Self: none.
2. Spouse: Alejandra M. Lange, none.
3. Children and Spouses: Julia A. Lange, none.
4. Parents: Edward W. Lange, deceased; Marion E. Lange, none.
5. Grandparents: Paul and Delia Lange, deceased; George and Katherine Bosch, deceased.
6. Brothers and Spouses: (No brothers).
7. Sisters and Spouses: Cynthia and Dale Bennett, none; Barbara and David Wentland, none.

Delano Eugene Lewis, Sr., of New Mexico, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of South Africa.

Nominee: Delano E. Lewis.

Post: The Republic of South Africa.

Nominated: June 9, 1999.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, and donee:

1. Self: Delano E. Lewis, Sr., $200.00, 1996, Dem. Natl. Comm.; $200.00, 1994, Dem. Natl. Comm.; $100.00, 1996, Loretta Sanchez, H.R. Calif; $100.00, 1996, Connie Morella, H.R. MD; $100.00, 1994, Connie Morella, H.R. MD; $100.00, 1998, Kevin Chavous, DC Mayor.

2. Spouse: Gayle Lewis, NA.

3. Children and Spouses: a. Delano E. Lewis, Jr. and Jacqueline Lewis; NA; b. Geoffrey Paul Lewis, Sr., $100.00, 9/94, Ron Magnus, DC City Council; and Lisa Lewis, NA. c. Brian Patrick Lewis, NA; d. Phill Lewis and Megan Lewis—jointly, $500.00 7/98, Barbara Boxer, U.S. Senate.

4. Raymond E. Lewis, father, NA; Enna Lewis, mother, deceased before reporting period, NA.

5. Grandparents: deceased before reporting period, a. Matilda Lewis Goss and Ernest Lewis, b. Martha Wordlow and Ned Wordlow.

6. Brothers and Spouses: none.

7. Sisters and Spouses: none.

Avis Thayer Bohlen, of the District of Columbia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be an Assistant Secretary of State (Arms Control). (New Position)

Donald Stuart Hays, of Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Representative of the United States of America to the United Nations for U.N. Management and Reform, with the rank of Ambassador.

Donald Stuart Hays, of Virginia, to be an Alternate Representative of the United States of America to the Sessions of the General Assembly of the United Nations during his tenure of service as Representative of the United States of America to the United Nations for U.N. Management and Reform.

Michael Edward Ranneberger, of Virginia, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Mali.

Nominee: Michael E. Ranneberger.

Post: Mali.

Nominated: June 28, 1999.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date and donee:

1. Self: none.

2. Spouse: none.

3. Children and Spouses: none.

4. Parents: Edward Ranneberger, none.

5. Grandparents: deceased.

6. Brothers and Spouses: Robert Ranneberger, none.

7. Sisters and Spouses: none.

Harriet L. Elam, of Massachusetts, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Senegal.

Nominee: Harriet L. Elam.

Post: U.S. Amb. to the Republic of Senegal:

Nominated: July 1, 1999.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date and donee:

1. Self: $50.00, 1995, Sen. John Kerry, (D) MA; $125.00, 1998, Cong. Jesse Jackson, Jr. (D) IL.

2. Spouse: N/A, I am single.

3. Children and Spouses: None.

4. Parents: Robert H. and Blanche D. Elam (deceased since 1974); neither of them made campaign contributions.

5. Grandparents: Henrietta Lee and Sherman Justin Lee (deceased); since both were deceased before I was born, I cannot comment on the question posed.

6. Brothers and Spouses: Judge Harry J. Elam and Mrs. Barbara C. Elam (no contributions); Charles H. Elam (deceased 1997—none); Clarence R. Elam (deceased 1985—none).

7. Sisters and Spouses: Annetta H. Capdeville (sister, currently in a nursing home with Alzheimers, no campaign contributions); Andrew L. Capdeville (brother in law, is blind, and has made no campaign contributions).

Gregory Lee Johnson, of Washington, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Swaziland.

Nominee: Gregory Lee Johnson.

Post: Kingdom of Swaziland.

Nominated: July 1, 1999.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, and donee:

1. Self: none.

2. Spouse: Lyla J. Johnson, none.

3. Children and Spouses: Carter K. Johnson (son), none; Kimberly A. Johnson (daughter), none.

4. Parents: Edith Johnson (mother), none; Orville L. Johnson (father/deceased), none.

5. Grandparents: Mamie (Evans) Robertson (deceased), none; William Robertson (deceased), none; Viola Brown (deceased), none; Buford Johnson (deceased), none.

6. Brothers and Spouses: Dennis P. Johnson, none; Pauline Johnson, none.

7. Sisters and Spouses: no sisters, none.

Jimmy J. Kolker, of Missouri, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Burkina Faso.

Nominee: Jimmy Kolker.

Post: Ambassador to Burkina Faso.

Nominated: July 1, 1999.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, and donee:

1. Self: $650, 1998, Rush Holt For Congress; $200, 1996, Rush Holt For Congress.

2. Spouse: Britt-Marie Forslund, none.

3. Children: Anne and Eva Kolker: none.

4. Parents: Leon Kolker, Harriette Coret, none.

5. Grandparents: Max and Rose Kolker, deceased; Fannie and Joe Buckner, deceased.

6. Brothers and spouses: Danny Kolker and Annette Fromm: $400, 1996, Rush Holt For Congress; $100, 1996, Democratic National Ctte; $25, 1994, John Selph for Congress.

Joseph W. Prueher, of Tennessee, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of China.

Nominee: Joseph W. Prueher.

Post: People's Republic of China.

Nominated: September 8, 1999.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amounts, date, and donee:

1. Myself: none.

2. Spouse: Suzanne P. Prueher, none.

3. Children and Spouse: Anne B. Prueher, none; Joshua W. and Elizabeth F. Prueher (wife), none.

4. Parents: Bertram J. Prueher, deceased. Jean F. Prueher, $25.00, 1996 and 1997, Sen. Bill Frist.

5. Grandparents: deceased.

6. Sisters and Spouses: Elizabeth A. and Daniel Thornton, none; Martha B. Conzelman and James G. Conzelman, Jr., none.

Mary Carlin Yates, of Washington, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Burundi.

Nominee: Mary Carlin Yates.

Post: Burundi.

Nominated: September 22, 1999.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, and donee:

1. Self: Mary Carlin Yates, none.

2. Spouse: John M. Yates, none.

3. Children and spouses: Catherine, John, Maureen, Paul, Greg Yates, none.

4. Parents: Barbara and Edward T. Carlin, deceased.

5. Grandparents: deceased.

6. Brothers and spouses: Ted Carlin, Jr., and Phyllis Carlin, none.

7. Sisters and spouses: Patty Carlin Fabrikant and Murvin Fabrikant, none.

Charles Taylor Manatt, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Dominican Republic.

Nominee: Charles Taylor Manatt.

Post: Ambassador to the Dominican Republic.

Nominated September 28, 1999.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, and donee:

1. Self: see attached.

2. Spouse: see attached.

3. Children and spouses: Timothy T. Manatt, none; Michele Manatt Anders, see attached; Wolfram Anders, none; Daniel C. Manatt, see attached.

4. Parents: William Price Manatt, deceased; Lucille Helen Taylor Manatt, deceased.

5. Grandparents: John R. and Nonie Manatt, deceased; Charles and Gertie Taylor, deceased.

6. Brothers and spouses: Names Richard P. Manatt and Jackie Manatt, none.

7. Sisters and spouses, none.

Federal Contributions 1995–1996

Charles T. Manatt:
DNC Services Corp, DNC—4/19/95—$10,000
Clinton/Gore '96 Primary Committee—5/26/95—$1,000
DNC Services Corp, DNC—12/22/95—$10,000
DNC Services Corp, DNC—2/23/96—$250
Karen McCarthy for Congress—3/24/96—$250
Krogmeier for Congress—3/14/96—$350
Beshear for US Senate—5/28/96—$500
Friends of Max Cleland for the US Senate Inc—6/4/96—$500
Coffin for Congress—6/28/96—$250
Reed Committee—4/24/96—$1,000
Friends of Senator Carl Levin—6/14/96—$250
Julian C. Dixon Democrat for Congress—5/29/96—$500
Toricelli for US Senate—6/25/96—$1,000
Friends of Tom Strickland—7/12/96—$500
Kerrey for US Senate—2/16/96—$1,000
Clinton/Gore '96 Gen Election Legal/Acctg Compliance—9/26/96—$1,000
Boswell for Congress—10/4/96—$500
Docking for US Senate—10/7/96—$400
Karpan for Wyoming—10/17/96—$250
Swett for Senate—10/23/96—$250
Coopersmith for Congress 10/31/96—$500
Democratic Congressional Campaign Committee—3/30/95—$1,000
Golden State PAC (Manatt, Phelps & Phillips)—4/27/95—$1,181
Bill Bradley for US Senate—6/9/95—$1,000
Friends of Max Baucus—4/19/95—$500
Kerry Committee—6/20/95—$500
Kerry Committee—6/23/95—$250
Kerry Committee—6/16/95—$1,000
Wyden for Senate—12/8/95—$500
Fazio for Congress—11/22/95—$500
Friends of Jane Harman—12/29/95—$1,000
Leahy for US Senator Committee—8/7/95—$250
Murray for Congress—2/28/96—$500
Blumenauer for Congress—3/25/96—$500
Price for Congress—3/27/96—$500
Friends of Mark Warner—5/13/96—$500
Friends of Jane Harman—5/7/96—$1,000
Friends of Senator Rockefeller—6/17/96—$1,000
Kerry Committee—6/4/96—$250
Glen D. Johnson for Congress Committee—9/30/96—$300
Citizens for Harkin—7/26/96—$1000
Spike Wilson for Congress—10/9/96—$200
Rick Weiland for Congress—10/15/96—$300
Luther for Congress Volunteer Committee—10/4/96—$250
Doggett for US Congress—10/9/96—$250
Golden State PAC (Manatt, Phelps & Phillips)—8/23/96—$1,178
Friends of Mark Warner—10/9/96—$500
Steve Owens for Congress—10/29/96—$250
Ken Bentsen for Congress—11/23/96—$250
Friends of Bob Graham—7/10/96—$1,000
Citizens Committee for Ernest F. Hollings—(for 1998—Primary) 7/96—$1,000
Daniel C. Manatt (son): DNC Services Corp/DNC—5/14/96-$250
Kathleen K. Manatt (wife): Citizens for Harkin—7/26/96-$1,000
Michele A. Manatt (daughter):
DNC Services Corp/DNC—5/28/96—$250
Clinton/Gore '96 Gen Election Legal & Accounting Compliance—$1,000

Federal Contributions 1997–1998

Charles T. Manatt:
Gephardt in Congress—5/15/97—$1,000
Friends of Chris Dodd—6/12/97—$1,000
Friends of Byron Dorgan—4/17/97—$1,000
Citizens Committee for Ernest F. Hollings (for 1998 General)—10/31/97—$1,000
Mary Landrieu for Senate—7/2/97—$250
Ferraro for Senate—3/19/98—$1,000
Rush for Congress—1/10/98—$500
Boswell for Congress—5/5/98—$500
Boswell for Congress—9/9/97—$500
COMSAT PAC—5/11/98—$1,000
Friends for Harry Reid—10/12/98—$1,000
Friends of Blanch Lincoln—10/8/98—$1,000
Nancy Pelosi for Congress—6/17/97—$500
Citizens for Joe Kennedy—6/19/97—$250
Luther for Congress—6/7/97—$250
Leahy for US-Senator—4/2/97—$250
A lot of People Supporting Tom Daschle 3/21/97—$1,000
Golden State PAC (Manatt, Phelps) 6/25/97—$1,422
Julian C. Dixon—Democrat for Congress 9/23/97—$1,000
Friends of Barbara Boxer—11/13/97—$1,000
Evan Bayh Committee—11/4/97—$500
Ken Bentsen for Congress—10/2/97—$500
Friends of Jane Harman—7/14/97—$1,000
Baesler for Senate—3/17/98—$500
Evan Bayh Committee—2/23/98—$500
Sherman for Congress—4/13/98—$250
Steve Owens for Congress—6/20/98—$250
Baesler for Senate Committee—10/8/98—$1,000
Golden State PAC—10/9/98—$1,329
Nagle for US Senate—1/5/97—$500
Kathleen K. Manatt:
Friends of Chris Dodd—6/12/97—$1,000
DNC Services Corp/DNC—4/29/97—$1,000
Friends of Jane Harman—7/24/97—$1,000
DNC Services Corp/DNC—6/8/98—$1,000
Kerry Committee—6/23/98—$1,000
Baesler for Senate—10/8/98—$1,000
Leadership '98 (FKA Friends of Albert Gore, Jr., Inc)—10/27/98—$1,000

Gary L. Ackerman, of New York, to be a Representative of the United States of America to the Fifty-fourth Session of the General Assembly of the United Nations.

Martin S. Indyk, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Israel.

Nominee: Indyk, Martin Sean.

Post: Tel Aviv, Israel.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, and donee:

1. Self: None.
2. Spouse: Jill Indyk, none.
3. Children and spouses: Sarah and Jacob, none.
4. Parents: Mary and John Indyk, none.
5. Grandparents: Deceased.
6. Brothers: Ivor Indyk, none.
7. Sisters: Shelley Indyk, none.

Anthony Stephen Harrington, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Federative Republic of Brazil.

Nominee: Anthony S. Harrington.

Post: Ambassador to Brazil.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, and donee:

1. Self: (see attached schedule).
2. Spouse: Hope R. Harrington (see attached schedule).
3. Children: Adam R. and Michael A. Harrington, none.
4. Parents: Atwell L. and Louise Harrington, deceased.
5. Grandparents: Smith Harrington and Callie Chapman, deceased.
6. Brothers: Not applicable.
7. Sisters: Not applicable.

FEDERAL CAMPAIGN CONTRIBUTION REPORT—SCHEDULE

Donor, amount, date, donee:

Self: $525, 3/13/95, Hogan & Hartson PAC
Spouse: $100, 9/11/95, Kerrey Committee
Self: $100, 2/21/96, Kerrey Committee
Self: $1,125, 3/14/96, Hogan & Hartson PAC
Self: $250, 3/26/96, Price for Congress
Self: $200, 6/26/96, Friends of Mark Warner
Self: $100, 6/26/96, Stuber for Congress
Self: $100, 10/26/96, Eastaugh for Congress
Self: $1,125, 6/12/97, Hogan & Hartson PAC
Self: $250, 7/24/97, Friends of Byron Dorgan
Self: $1,300, 3/18/98, Hogan & Hartson PAC
Spouse: $100, 3/26/98, Pinder for Congress
Self: $250, 4/25/98, Friends of Chris Dodd
Spouse: $100, 6/11/98, Pinder for Congress
Self: $400, 6/15/98, Leahy for Congress
Self: $200, 7/19/98, David Price for Congress
Self: $50, 10/17/98, Pinder for Congress
Self: $1,250, 3/11/99, Hogan & Hartson PAC
Self: $1,000, 6/22/99, Ciizens for Sarbanes
Self: $1,000, 7/4/99, Gore 2000
Spouse: $1,000, 7/4/99, Gore 2000
Spouse: $1,000, 8/28/99, H.R. Clinton Exploratory Committee
Self: $1,000, 8/28/99, H.R. Clinton Exploratory Committee

Craig Gordon Dunkerley, of Massachusetts, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, for the Rank of Ambassador during his tenure of Service as Special Envoy for Conventional Forces in Europe.

Alan Phillip Larson, of Iowa, to be Under Secretary of State (Economic, Business and Agricultural Affairs).

Robert J. Einhorn, of the District of Columbia, to be an Assistant Secretary of State (Non-proliferation). (New Position)

Lawrence H. Summers, of Maryland, to be United States Governor of the International Monetary Fund for a term of five years; United States Governor of the International Bank for Reconstruction and Development for a term of five years; United States Governor of the Inter-American Development Bank for a term of five years; United States Governor of the African Development Bank for a term of five years; United States Governor of the Asian Development Bank; United States Governor of the African Development Fund; United States Governor of the European Bank for Reconstruction and Development.

James B. Cunningham, of Pennsylvania, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Deputy Representative of the United States of America to the United Nations, with the rank and status of Ambassador Extraordinary and Plenipotentiary.

Norman A. Wulf, of Virginia, a Career Member of the Senior Executive Service, to be a Special Representative of the President, with the rank of Ambassador.

Willene A. Johnson, of New York, to be United States Director of the African Development Bank for a term of five years.

Edward S. Walker, Jr., of Maryland, a Career Member of the Senior Foreign Service, Class of Career Minister, to be an Assistant Secretary of State (Near Eastern Affairs).

James D. Bindenagel, of California, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, for the rank of Ambassador during tenure of service as Special Envoy and Representative of the Secretary of State for Holocaust Issues.

William B. Bader, of Virginia, to be an Assistant Secretary of State (Educational and Cultural Affairs). (New Position)

Peter T. King, of New York, to be a Representative of the United States of America to the Fifty-fourth Session of the General Assembly of the United Nations.

J. Stapleton Roy, of Pennsylvania, a Career Member of the Senior Foreign Service with the Personal Rank of Career Ambassador, to be an Assistant Secretary of State (Intelligence and Research).

Joseph R. Crapa, of Virginia, to be an Assistant Administrator of the United States Agency for International Development.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. HELMS. Mr. President, for the Committee on Foreign Relations, I report favorably nomination lists which were printed in the Records of February 23, 1999, and September 8, 1999, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

Foreign Service nominations beginning Samuel Anthony Rubino, and ending Christopher Lee Stillman, which nominations were received by Senate and appeared in Congressional Record of February 23, 1999.

Foreign Service nominations beginning George Carner, and ending Steven G. Wisecarver, which nominations were received by the Senate and appeared in the Congressional Record of September 8, 1999.

Foreign Service nominations beginning Johnnie Carson, and ending Susan H. Swart, which nominations were received by the Senate and appeared in the Congressional Record of September 8, 1999.

Foreign Service nominations beginning Rueben Michael Rafferty, and ending Stephen R. Kelly, which nominations were received by the Senate and appeared in the Congressional Record of September 8, 1999.

Foreign Service nominations beginning C. Miller Crouch, and Gary B. Pergl, which nominations were received by the Senate and appeared in the Congressional Record of September 8, 1999.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted on November 4, 1999:

By Mr. HATCH for the Committee on the Judiciary:

Ann Claire Williams, of Illinois, to be United States Circuit Judge for the Seventh Circuit;

Virginia A. Phillips, of California, to be United States District Judge for the Central District of California;

Faith S. Hochberg, of New Jersey, to be United States District Judge for the District of New Jersey;

Daniel J. French, of New York, to be United States Attorney for the Northern District of New York for the term of four years; and

Donna A. Bucella, of Florida, to be United States Attorney for the Middle District of Florida for the term of four years.

(The above nominations were reported with the recommendation that they be confirmed.)

By Ms. SNOWE for Mr. Warner, for the Committee on Armed Services:

John K. Veroneau, of Virginia, to be an Assistant Secretary of Defense.

By Mr. WARNER, for the Committee on Armed Services:

Cornelius P. O'Leary, of Connecticut, to be a Member of the National Security Education Board for a term of four years; and

Alphonso Maldon, Jr., of Virginia, to be an Assistant Secretary of Defense.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be general

Gen. John P. Jumper, 7457

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be general

Lt. Gen. Gregory S. Martin, 6337

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Bruce A. Carlson, 4082

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under Title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Stephen B. Plummer, 9541

The following Army National Guard of the United States officer for appointment in the Reserve of the Army to the grade indicated under title 10, U.S.C., section 12203:

To be brigadier general

Col. William F. Smith, III, 2744

The following named officer for appointment in the United States Army to the grade indicated under title 10, U.S.C., section 624:

To be brigadier general, medical corps

Col. Lester Martinez-Lopez, 1323

The following named officers for appointment in the Reserve of the Army to the grades indicated under title 10, U.S.C., section 12203:

To be major general

Celia L. Adolphi, 1255
James W. Comstock, 5456
Robert M. Kimmitt, 0719
Paul E. Lima, 5295
Thomas J. Matthews, 5463
Jon R. Root, 3255
Joseph L. Thompson, III, 2211
John R. Tindall, Jr., 1967
Gary C. Wattnem, 0832

To be brigadier general

Alan D. Bell, 4514
Kristine K. Campbell, 7499
Wayne M. Erck, 5508
Stephen T. Gonczy, 6064
Robert L. Heine, 0778
Paul H. Hill, 7335
Rodney M. Kobayashi, 6985
Thomas P. Maney, 4820
Ronald S. Mangum, 2280
Randall L. Mason, 7302
Paul E. Mock, 9132
Collis N. Phillips, 1258
Michael W. Symanski, 1020
Theodore D. Szakmary, 7249
David A. VanKleeck, 9555
George H. Walker, Jr., 7542
William K. Wedge, 9145

(The above nominations were reported with the recommendation that they be confirmed)

Mr. WARNER. Mr. President, for the Committee on Armed Services, I report favorably nomination lists which were printed in the Records on the dates indicated, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

Navy 15 nominations beginning George R. Arnold, and ending Todd S. Weeks, which nominations were received by the Senate and appeared in the Congressional Record of October 18, 1999

Air Force 507 nominations beginning Joseph A. Abbott, and ending Thomas J. Zuzack, which nominations were received by the Senate and appeared in the Congressional Record of October 27, 1999.

Army 1 nomination of Joel R. Rhoades, which was received by the Senate and appeared in the Congressional Record of October 27, 1999.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. CAMPBELL:

S. 1851. A bill to amend the Elementary and Secondary Education Act of 1965 to ensure that seniors are given an opportunity to serve as mentors, tutors, and volunteers for certain programs; to the Committee on Health, Education, Labor, and Pensions.

By Mr. BENNETT:

S. 1852. A bill to authorize the Secretary of the Interior to enter into contracts with the Weber Basin Water Conservancy District, Utah, to use Weber Basin Project facilities for the impounding, storage, and carriage of nonproject water for domestic, municipal, industrial, and other beneficial purposes; to the Committee on Energy and Natural Resources.

By Ms. COLLINS (for herself and Ms. Snowe):

S. 1853. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel FRITHA; to the Committee on Commerce, Science, and Transportation.

By Mr. HATCH (for himself, Mr. Kohl, and Mr. DeWine):

S. 1854. A bill to reform the Hart-Scott-Rodino Antitrust Improvements Act of 1976; to the Committee on the Judiciary.

By Mr. MURKOWSKI:

S. 1855. A bill to establish age limitations for airmen; to the Committee on Commerce, Science, and Transportation.

By Mr. SCHUMER (for himself and Mr. TORRICELLI):

S. 1856. A bill to amend title 28 of the United States Code to authorize Federal district courts to hear civil actions to recover damages or secure relief for certain injuries to persons and property under or resulting from the Nazi government of Germany; to the Committee on the Judiciary.

By Mr. DOMENICI:

S. 1857. A bill to provide for conveyance of certain Navajo Nation lands located in northwestern New Mexico and to resolve conflicts among the members of such Nation who hold interests in allotments on such lands; to the Committee on Indian Affairs.

By Mr. BREAUX:

S. 1858. A bill to revitalize the international competitiveness of the United States-flag maritime industry through tax relief; to the Committee on Finance.

By Mr. GRAMS:

S. 1859. A bill to amend the Internal Revenue Code of 1986 to provide a tax credit to taxpayers investing in economically distressed rural communities, and for other purposes; to the Committee on Finance.

By Mr. GRAMS:

S. 1860. A bill to amend the Internal Revenue Code of 1986 to expand income averaging to small agriculture-related businesses; to the Committee on Finance.

S. 1861. A bill to amend the Internal Revenue Code of 1986 to provide comprehensive tax relief for small family farmers, and for other purposes; to the Committee on Finance.

By Mr. JEFFORDS:

S. 1862. A bill entitled "Vermont Infrastructure Bank Program"; to the Committee on Environment and Public Works.

By Mr. BAUCUS:

S. 1863. A bill to amend the Internal Revenue Code of 1986 to provide an incentive to small businesses to establish and maintain qualified pension plans by allowing a credit against income taxes for contributions to, and start-up costs of, the plan; to the Committee on Finance.

By Mr. BURNS:

S. 1864. A bill to amend the Internal Revenue Code of 1986 to provide a tax credit to primary health providers who establish practices in health professional shortage areas; to the Committee on Finance.

By Mr. DEWINE (for himself and Mr. DOMENICI):

S. 1865. A bill to provide grants to establish demonstration mental health courts; to the Committee on the Judiciary.

By Mr. SMITH of New Hampshire (for himself, Mr. BAUCUS, Mr. CRAPO, Mr. REID, Mr. CHAFEE, Mr. LOTT, Mr. DASCHLE, Mr. WARNER, Mr. INHOFE, Mr. THOMAS, Mr. BOND, Mr. VOINOVICH, Mr. BENNETT, Mrs. HUTCHISON, Mr. MOYNIHAN, Mr. LAUTENBERG, Mr. GRAHAM, Mr. LIEBERMAN, Mrs. BOXER, Mr. WYDEN, Ms. SNOWE, Ms. COLLINS, Mr. REED, Mr. DODD, Mr. KENNEDY, Mr. KERRY, Mr. LEAHY, Mr. JEFFORDS, and Mr. GREGG):

S. 1866. A bill to redesignate the Coastal Barrier Resources System as the "John H. Chafee Coastal Barrier Resources System"; considered and passed.

By Mr. SMITH of New Hampshire:

S.J. Res. 37. A joint resolution urging the President to negotiate a new base rights agreement with the Government of Panama in order for United States Armed Forces to be stationed in Panama after December 31, 1999; read the first time.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. INHOFE (for himself, Mr. WARNER, Mr. ROBERTS, and Mr. LOTT):

S. Res. 220. A resolution expressing the sense of the Senate regarding the February 2000 deployment of the U.S.S. Eisenhower Battle Group and the 24th Marine Expeditionary Unit to an area of potential hostilities and the essential requirements that the battle group and expeditionary unit have received the essential training needed to certify the warfighting proficiency of the forces comprising the battle group and expeditionary unit; to the Committee on Armed Services.

STATEMENTS OF INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CAMPBELL:

S. 1851. A bill to amend the Elementary and Secondary Education Act of 1965 to ensure that seniors are given an opportunity to serve as mentors, tutors, and volunteers for certain programs; to the Committee on Health, Education, Labor, and Pensions.

THE SENIORS AS VOLUNTEERS IN OUR SCHOOLS ACT OF 1999

Mr. CAMPBELL. Mr. President, today I introduce the "Seniors As Volunteers in Our Schools Act of 1999," a bill which will be an important step in ensuring that our schools provide a safe and caring place for our children to learn and grow. This bill will help build lasting partnerships between our local school systems, our children and our country's growing number of senior citizens.

Under the bill, school administrators and teachers are encouraged to use qualified seniors as volunteers in federally funded programs and activities authorized by the Elementary and Secondary Education Act (ESEA.) It specifically encourages the use of seniors as volunteers in the safe and drug free schools programs, Indian education programs, the 21st Century Community before- and after-school programs and gifted and talented programs. I believe the best way to get older Americans to serve as volunteers is to ask them. My bill does just that.

The Seniors as Volunteers in Our Schools Act creates no new programs; rather it suggests another allowable use of funds already allocated. The discretion whether to take advantage of this new resource continues to remain solely with the school systems.

Studies show that consistent guidance by a mentor or caring adult can help reduce teenage pregnancy, substance abuse and youth violence. Evidence also shows that the presence of adults on playgrounds, and in hallways and study halls, stabilizes the learning environment. And recently, the Colorado School Safety Summit, convened by Governor Bill Owens, recommended connecting each child to a caring adult as a way to reduce youth violence.

Our country is in the midst of an age revolution. There are twice as many older adults today as there were 30 years ago. America now possesses not only the largest, but also the healthiest, best-educated, and most vigorous group of seniors in history.

In the years ahead, an increasing number of us will be living decades longer than our own parents and grandparents. We need to think of those extra years of life as a resource. I believe seniors can be role models and share the wisdom, experience, and skills they have acquired over a lifetime of learning.

I know firsthand of the importance of mentoring based on my own experiences as a teacher. A mentor can have a profound positive impact on a child's life.

What better way to expand the number of mentors than to invite our seniors/elders to volunteer in schools? What better way to make our schools safer for our children than to have more adults visibly involved?

I do not expect this legislation to solve all the problems confronting our schools today. But, I see it as a practical way to help make our schools safer, more caring places for our children. If our institutions create opportunities that allow them to make a genuine contribution, I believe America's growing senior population can play an important role in supporting our nations' schools. And, older adults have what the working-age population lacks: time.

I urge my colleagues to support passage of this legislation.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1851

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Seniors as Volunteers in Our Schools Act".

SEC. 2. REFERENCES.

Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.).

SEC. 3. GOVERNOR'S PROGRAMS.

Section 4114(c) (20 U.S.C. 7114(c)) is amended—

(1) in paragraph (11), by striking "and" after the semicolon;

(2) by redesignating paragraph (12) as paragraph (13); and

(3) by inserting after paragraph (11) the following:

"(12) drug and violence prevention activities that use the services of appropriately qualified seniors for activities that include mentoring, tutoring, and volunteering; and".

SEC. 4. LOCAL DRUG AND VIOLENCE PREVENTION PROGRAMS.

Section 4116(b) (20 U.S.C. 7116(b)) is amended—

(1) in paragraph (2), by inserting "(including mentoring by appropriately qualified seniors)" after "mentoring";

(2) in paragraph (2)(C)—

(A) in clause (ii), by striking "and" after the semicolon;

(B) in clause (iii), by inserting "and" after the semicolon; and

(C) by adding after clause (iii) the following:

"(iv) drug and violence prevention activities that use the services of appropriately qualified seniors for such activities as mentoring, tutoring, and volunteering;";

(3) in paragraph (4)(C), by inserting "(including mentoring by appropriately qualified seniors) after "mentoring programs"; and

(4) in paragraph (8), by inserting "and which may involve appropriately qualified seniors working with students" after "settings".

SEC. 5. NATIONAL PROGRAMS.

Section 4121(a) (20 U.S.C. 7131(a)) is amended—

(1) in paragraph (10), by inserting ", including projects and activities that promote the interaction of youth and appropriately qualified seniors" after "responsibility"; and

(2) in paragraph (13), by inserting ", including activities that integrate appropriately qualified seniors in activities, such as mentoring, tutoring, and volunteering" after "title".

SEC. 6. GIFTED AND TALENTED CHILDREN.

Section 10204(b)(3) (20 U.S.C. 8034(b)(3)) is amended by striking "and parents" and inserting ", parents, and appropriately qualified senior volunteers".

SEC. 7. 21ST CENTURY COMMUNITY LEARNING CENTERS.

Section 10904(a)(3) (20 U.S.C. 8244(a)(3)) is amended—

(1) in subparagraph (D), by striking "and" after the semicolon;

(2) by redesignating subparagraph (E) as subparagraph (F); and

(3) by inserting after subparagraph (D) the following:

"(E) a description of how the school or consortium will encourage and use appropriately qualified seniors as volunteers in activities identified under section 10905; and".

SEC. 8. AUTHORIZED SERVICES AND ACTIVITIES.

Section 9115(b) (20 U.S.C. 7815(b)) is amended—

(1) in paragraph (6), by striking "and" after the semicolon;

(2) in paragraph (7), by striking the period and inserting "; and"; and

(3) by inserting after paragraph (7) the following:

"(8) activities that recognize and support the unique cultural and educational needs of Indian children, and incorporate appropriately qualified tribal elders and seniors.".

SEC. 9. IMPROVEMENTS OF EDUCATIONAL OPPORTUNITIES FOR INDIAN CHILDREN.

Section 9121(c) (20 U.S.C. 7831(c)) is amended—

(1) by redesignating subparagraph (K) as subparagraph (L);

(2) in subparagraph (J), by striking "or" after the semicolon; and

(3) by inserting after subparagraph (J) the following:

"(K) activities that recognize and support the unique cultural and educational needs of Indian children, and incorporate appropriately qualified tribal elders and seniors; or".

SEC. 10. PROFESSIONAL DEVELOPMENT.

Section 9122(d)(1) (20 U.S.C. 7832(d)(1)) is amended by striking the period the second place it appears and inserting ", and may include programs designed to train tribal elders and seniors.".

SEC. 11. NATIVE HAWAIIAN COMMUNITY-BASED EDUCATION LEARNING CENTERS.

Section 9210(b) (20 U.S.C. 7910(b)) is amended—

(1) by redesignating paragraph (3) as paragraph (4);

(2) in paragraph (2), by striking "and"; and

(3) by inserting after paragraph (2) the following:

"(3) programs that recognize and support the unique cultural and educational needs of Native Hawaiian children, and incorporate appropriately qualified Native Hawaiian elders and seniors; and".

SEC. 12. ALASKA NATIVE STUDENT ENRICHMENT PROGRAMS.

Section 9306(b) (20 U.S.C. 7935(b)) is amended—

(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(2) by inserting after paragraph (2) the following:

"(3) activities that recognize and support the unique cultural and educational needs of Alaskan Native children, and incorporate appropriately qualified Alaskan Native elders and seniors;".

By Mr. BENNETT:

S. 1852. A bill to authorize the Secretary of the Interior to enter into contracts with the Weber Basin Water Conservancy District, Utah, to use Weber Basin Project facilities for the impounding, storage, and carriage of nonproject water for domestic, municipal, industrial, and other beneficial purposes; to the Committee on Energy and Natural Resources.

THE USE OF WEBER BASIN PROJECT FACILITIES FOR NONPROJECT WATER

• Mr. BENNETT. Mr. President, I am pleased to take a step in addressing the long-term water needs of Summit County, Utah. The bill I am introducing today authorizes the Secretary of the Interior to enter into contracts with the Weber Basin Water Conservancy District. This legislation would permit non-federal water intended for domestic, municipal, industrial, and other uses to utilize federal facilities of the original Weber Basin Project for various purposes such as storage and transportation.

In this case, the Smith Morehouse Dam and Reservoir was constructed by the Weber Basin Water Conservancy District in the early 1980's using local funding resources in order to create a supply of non-federal project water. However, it has been determined that there is currently a need to deliver approximately 5,000 acre feet of this non-federal Smith Morehouse water in conjunction with approximately 5,000 acre feet of federal Weber Basin project water to the Snyderville Basin area of Summit County, Utah and to Park City, Utah.

In 1996, the Weber Basin Water Conservancy District entered into a Memorandum of Understanding and Agreement to deliver this water approximately 14 miles from Weber Basin Weber River sources within a certain time frame and dependent upon the execution of an Interlocal Agreement with Park City and Summit County. The Warren Act requires that legislation be enacted to enable the District to move ahead with this agreement with Summit County and Park City to deliver the water utilizing built Weber Basin Project facilities built by the Bureau of Reclamation.

There is an immediate need for the delivery of water to this area. The Utah State Engineer halted the approval of new groundwater developments in the area last year. At the same time, Summit county is experiencing tremendous growth; in fact it is one of the highest growth areas in the state. The areas to be served are within the area taxed by the Weber Basin District, and there is a definite need for a public entity to build a project to supply an adequate, reliable, and cost effective water delivery project to meet the future demands of this area.

Since there is precedent allowing the wheeling of non-federal water through federal facilities, my colleagues should realize that this is a non-controversial piece of legislation. Therefore, I hope that Congress will move quickly to pass this legislation next session and I look forward to working closely with my colleagues on the Energy Committee to move it quickly.•

By Mr. HATCH (for himself, Mr. KOHL, and Mr. DEWINE):

S. 1854. A bill to reform the Hart-Scott-Rodino Antitrust Improvements Act of 1976; to the Committee on the Judiciary.

THE HART-SCOTT-RODINO ANTITRUST IMPROVEMENTS ACT OF 1999

Mr. HATCH. Mr. President, I am pleased to introduce today the Hart-Scott-Rodino Antitrust Improvements Act of 1999. I also am pleased to note that joining with me in sponsoring this important bipartisan legislation are Senators DEWINE and KOHL the chairman and ranking member of the Antitrust, Business Rights and Competition Subcommittee of the Committee on the Judiciary. I thank my colleagues on both sides of the aisle for their efforts and cooperation in working to craft this balanced reform measure which is long overdue.

The Hart-Scott-Rodino Antitrust Improvements Act of 1976 requires companies contemplating a merger of acquisition to file a premerger notification with the Antitrust Division of the Department of Justice or the Federal Trade Commission if the size of the companies and the size of the proposed transaction are greater than certain monetary thresholds. These monetary thresholds have not been changed—even for inflation—since the legislation was originally enacted in 1976, over 23 years ago. When the statute was first enacted, Congress intended to limit the scope of the Hart-Scott-Rodino Act to very large companies involved in very large transactions. At that time, the House Judiciary Committee reported that the statute would apply "only to the largest 150 mergers annually: These are the most likely to 'substantially lessen competition'—the legal standard of the Clayton act." However, because the monetary thresholds in the statute have never been updated, nearly 5,000 transactions were reported.

Because these monetary thresholds have not been kept current, companies frequently are required to notify the Antitrust Division and the FTC of proposed transactions that do not raise competitive issues. As a result, the agencies are required to expend valuable resources performing needless reviews of transactions that were never intended to be reviewed. In short, current law unnecessarily imposes a costly regulatory and financial burden upon companies, particularly upon small businesses, as well as a sizable drain on the resources of the agencies. Because of the unnecessarily low monetary thresholds, the current Act simply fails to reflect the true economic impact of mergers and acquisitions in today's economy.

In addition, after a premerger notification is filed, the Hart-Scott-Rodino Act imposes a 30-day waiting period during which the proposed transaction may not close and the Antitrust Division or the FTC conducts an antitrust investigation. Prior to the expiration of this waiting period, the agency investigating the transaction may make a "second request"—a demand for additional information or documentary material that is relevant to the proposed transaction. Unfortunately, many second requests require the production of an enormous volume of materials, many of which are unnecessary for even the most comprehensive merger review. Complying with such second requests has become very burdensome, often costing companies in excess of $1 million to comply. Second requests also extend the waiting period for an additional 20 days, a period of time which does not begin to run until the agencies have determined that the transacting companies have "substantially complied" with the second request. This procedure results in many lawful transactions being unnecessarily delayed for extended periods of time.

Mr. President, the legislation that I am introducing today will correct these problems with the Hart-Scott-Rodino Act. First, the legislation increases the size-of-transaction threshold from $15 million to $35 million, effectively exempting from the Act's notification requirement mergers and acquisitions that, based on the FTC's data, do not pose any competitive concerns. Such mergers make up at least one-third of transactions reported in 1999. Therefore, this modest legislation provides significant regulatory and financial relief for small- and medium-sized companies. In addition, the legislation indexes the threshold for inflation, so that the problem of an expanding economy outgrowing the statute's monetary threshold will not recur.

In addition to providing regulatory and financial relief for companies, another purpose of this legislation is to ensure that the Antitrust Division and the FTC efficiently allocate their finite resources to those transactions that truly deserve antitrust scrutiny. To ensure budget neutrality, the legislation adjusts the amount of the filing fee that parties must submit with their notification: For transactions valued between $35 million and $100 million, the filing fee remains unchanged at $45,000; for transactions valued at more than $100 million, the filing fee is increased to $100,000. I have worked with the business community to ensure that this filing fee adjustment is fair by imposing a higher fee on transactions which likely will require more of the agencies' resources to review. Although I would prefer that the filing fees be eliminated completely, in the interest of seeing the reforms in this bill become law, this legislation does not include such a measure.

Second, this legislation reforms the second request process by limiting the scope of the information and documents that the agencies may require transacting companies to produce. Under this legislation, second requests must be limited to information that (1) is not unreasonably cumulative or duplicative and (2) does not impose a cost or burden on the transacting parties that substantially outweighs any benefit to the agencies in conducting their antitrust review. If a company believes that the second request does not meet this standard, then that company may petition a United States magistrate judge for review of the second request. Similarly, if the company produces information and documents pursuant to a second request, but the agency determines that the company has not "substantially compiled" with the request, then the company also may petition the magistrate judge for a determination on substantial compliance. To ensure that proposed transactions are not unreasonably delayed, the bill provides deadlines by which the agency must notify a company of its failure to comply with a second request and also imposes certain controls, so that the process is not tied up in litigation by either the transacting party or the government.

Finally, this legislation requires that the Antitrust Division and the FTC jointly report to Congress annually regarding the second request process and jointly publish guidelines on how companies can comply with second requests.

Mr. President, the bill that I am introducing today sets forth reforms to the Hart-Scott-Rodino Act that are long overdue. It provides significant regulatory and financial relief for businesses, while ensuring that transactions that truly deserve antitrust scrutiny will continue to be reviewed. As this bill moves through the legislative process, I remain willing to address any concerns any of my colleagues may have, and look forward to working with the Administration to see that this proposed legislation becomes law, thereby providing relief for small business that is long overdue. I urge my colleagues to support the Hart-Scott-Rodino Antitrust Improvements Act of 1999.

Mr. KOHL. Mr. President, I rise today to co-sponsor the Hart-Scott-Rodino Antitrust Improvements Act of 1999 and to commend Chairman HATCH for his efforts on this legislation. This measure would amend the Hart-Scott-Rodino Act and make several changes to enhance the merger review process undertaken by the Antitrust Division of the Department of Justice and the Federal Trade Commission. We believe that reforms to this statute are long overdue—the threshold hasn't been changed since the statute's enactment in 1976—but we also view the proposals in this legislation as a starting point, and not necessarily the last word on this subject.

The Hart-Scott-Rodino Act is crucial to the enforcement of competition policy in today's economy—it ensure that the antitrust agencies have sufficient time to review mergers and acquisitions prior to their completion. The statute requires that, prior to consummating a merger or acquisition of a certain minimum size, the companies involved must formally notify the antitrust agencies and must provide certain information regarding the proposed transaction. For those transactions covered by the Act, the parties to a merger or acquisition may not close their transaction until the expiration of a thirty day waiting period after making their Hart-Scott-Rodino Act filing. This waiting period may be extended by the antitrust agencies requesting additional information from the parties to the transaction in which case, under current law, the parties may not complete the deal until twenty days after supplying the government with the requested information.

While this statute has a very laudable purpose, especially with the tremendous numbers of mergers and acquisitions taking place in recent years, some of its provisions are in need of revision. Most importantly, while inflation has caused the value of a dollar to drop by more than a half in the past 25 years, the monetary test that subjects a transaction to the provisions of the statute has not been revised since the law's enactment in 1976. As a result, many transactions that are of a relatively small size and pose little antitrust concerns are nevertheless swept into the ambit of the Hart-Scott-Rodino review process. This legislation would raise the size of transaction covered by the Hart-Scott-Rodino Act from $15 million to $35 million. This will both lessen the agencies' burden of reviewing small transactions unlikely to seriously affect competition and enable the agencies to allocate their resources to properly focus on those transactions most worthy of scrutiny. Further, exempting smaller transactions from the Hart-Scott-Rodino process will significantly lessen regulatory burdens and expenses imposed on small businesses. The parties to these smaller transactions will no longer need to pay the $45,000 filing fee—or face the often even more onerous legal fees and other expenses typically incurred in preparing a Hart-Scott-Rodino filing—for mergers and acquisitions that usually don't pose any competitive concerns.

In exempting this class of transactions from Hart-Scott-Rodino review, however, it is important that we not cause the antitrust agencies to lose the funding they need to carry out their increasingly demanding mission of enforcing the nation's antitrust laws. Therefore, we have attempted to ensure that our measure is revenue-neutral—indeed, it would raise filing fees for transactions valued at over $100,000,000, which makes sense because these transactions require more scrutiny. In considering this legislation, of course, we will need to carefully study the budgetary implications of this reform to ensure that our goal of revenue-neutrality has been met. As this measure moves forward, however, we ought to consider whether bigger deals of, say, $1 billion or $10 billion and over should require higher fees.

This legislation makes other changes designed to enhance the efficiency of the pre-merger review process. The waiting period has been extended from twenty to thirty days after the parties' compliance with the government's request for additional information, a more realistic waiting period in this era of increasingly complex mergers generating enormous amounts of relevant information and documents. As in the Federal Rules of Civil Procedure, when a deadline for action occurs on a weekend or holiday, the deadline is extended to the next business day. This simple provision will eliminate gamesmanship by parties who currently may time their compliance so that the waiting period ends on a weekend or holiday, effectively shortening the waiting period to the previous business day.

Mr. President, some have expressed concerns regarding the difficulties and expense imposed on business in complying with allegedly overly burdensome or duplicative government requests for additional information. So we believe that it is reasonable to consider methods to prevent abuse of this process by overbroad or unreasonable requests. Therefore, this legislation includes provisions to amend the statute to add a right of appeal to a U.S. Magistrate Judge to adjudicate disputes regarding the propriety of government requests for additional information. We have not reached any final conclusions regarding the wisdom of these provisions; they are certainly worth "floating" as ideas, and the process will determine if they should be included as part of a final product. Further, we should keep in mind that if this right of appeal provision is enacted it will impose significant additional litigation burdens on the antitrust agencies which might require a corresponding increase in funding for these agencies. Our goal, again, is to improve the functioning of the pre-merger review system which is so vital to antitrust enforcement and, in that context, this provision deserves at least a supportive "look."

Mr. President, let me make one additional point. We recognize that all will not agree with the necessity or efficacy of all of these reform proposals. We are, of course, willing to consider any modification to this legislation that will advance our goals of a more efficient merger review process. But virtually everyone agrees that Hart-Scott-Rodino needs to be updated and we're pleased that this measure moves us forward.

By Mr. MURKOWSKI:

S. 1855. A bill to establish age limitations for airmen; to the Committee on Commerce, Science, and Transportation.

THE AIRLINE PILOT RETIREMENT AGE

Mr. MURKOWSKI. Mr. President, I rise to introduce legislation that attempts to diminish the scope of a problem that is facing our air transport industry, namely a critical shortage of pilots. The pilot shortage is starting to have effects in many rural states.

In response to this problem. I am today introducing a bill that would repeal the Federal Aviation Administration (FAA) rule which now requires pilots who fly under Part 121 to retire at age 60. Under my legislation, pilots in excellent health would be allowed to continue to pilot commercial airliners until their 65th birthday.

The Age 60 rule was instituted 40 years ago when commercial jets were first entering service. The rule was established without the benefit of medical or scientific studies or public comment. The most recent study, the results of which were released in 1993, examined the correlation between age and accident rate as pilots approach 60. That study found no increase in accidents.

The FAA contends that although science does not dictate retirement at the age of 60, it is the age range when sharp increases in disease mortality and morbidity occur. In FAA's view it is too risky to allow older pilots to fly the largest aircraft, carrying the greatest number of passengers over the longest non-stop distances, in the highest density traffic.

However, 44 countries worldwide have relaxed then age 60 rule within the last ten years primarily because the pilot shortage is a worldwide phenomenon. Many of these air carriers currently fly into U.S. airspace.

One of the ways carriers are attempting to adapt to the shortage is to lower their flight time requirements. In my view, this is a risk factor the FAA should be concerned about.

How did this shortage occur? The reason is simple: There has been an explosive growth of the major airlines worldwide, and there's a shortage of military pilots who used to feed the system. In addition, there is an aging pilot pool that must retire at age 60.

Add to this domino effect the decline in the number of people learning to fly, due primarily to the cost, and the pool of available pilots has shrunk.

The shortage acutely affects my home state of Alaska because we depend on air transport far more than any other state. Rural residents in Alaska have no way out other than by air service. There are no rural routes, state or interstate highways serving most rural residents in Alaska and the airplane for many of them is their lifeline to the outside world.

The pilot shortage has left Alaskan carriers scrambling for pilots. Alaska's carriers must hire from the available pilot pool in the lower 48. Many of these pilots view flying in Alaska as a stepping stone that allows them to build up flight time. Although they get great flying experience in my home state, in nearly all instances when a pilot gets a higher-pay job offer with a larger carrier in the lower 48, he leaves Alaska.

According to the Alaska Air Carriers Association, raising the retirement age to 65 will help alleviate the shortage and keep experienced pilots flying and serving rural Alaskans.

Mr. President, I would note that what is happening across the country is that the major carriers are luring pilots from commuter airlines, who in turn recruit from the air charter and corporate industry, who in turn hire flight instructors, agriculture pilots, etc. Which leaves rural carriers strapped. The big fish are feeding off the little ones.

Small carriers simply cannot compete with the salaries, benefits and training costs of the major carriers. They simply do not have the financial resources.

According to figures provided by the Federal Aviation Administration, there were 694,000 pilots in 1988 and 616,342 in 1997. Within that number, private pilot certificates fell from approximately 300,000 in 1988 to 247,604 in 1997. Commercial certificates, like air taxi and small commuter pilots, fell from 143,000 in 1988 to 125,300 in 1997. The number of total pilots in Alaska fell from more than 10,000 in 1988 to approximately 8,700 in 1997.

However, light is beginning to show at the end of the tunnel.

Organizations such as the Aircraft Owners and Pilots Association (AOPA) and the General Aviation Manufacturers Association (GAMA) have been monitoring this shortage for some time and have stepped up to the plate to get people interested in flying. AOPA has started a pilot mentoring program in 1994 and approximately 30,000 have entered the program. GAMA's "Be a Pilot" program is starting to bring more potential pilots into flight training.

Even the Air Force is starting to institute new programs to keep pilots.

In Alaska, as a result of a precedent-setting program involving Yute Air, the Association of Village Council Presidents, the University of Alaska, Anchorage, Aero Tech Flight Service, Inc., and the FAA, a program was developed to train rural Alaska Natives to fly. Seven are on their way to pilot careers.

Also, the number of students working on pilot licenses at the University's Flight Technology program has almost doubled in two years.

It is my hope that the shortage has hit rock bottom. But even so, it will take years before a cadre of qualified pilots is ready to take to the friendly skies.

Mr. President, the time has come for Congress to wrestle with this problem. As long as a pilot can pass the rigorous medical exam, he or she should be allowed to fly. Air service is critical to keep commerce alive, especially in rural states.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1855

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AGE AND OTHER LIMITATIONS.

(a) GENERAL.—Notwithstanding any other provision of law, beginning on the date that is 30 days after the date of enactment of this Act—

(1) section 121.383(c) of title 14, Code of Federal Regulations, shall not apply;

(2) no certificate holder may use the services of any person as a pilot on an airplane engaged in operations under part 121 of title 14, Code of Federal Regulations, if that person is 65 years of age or older; and

(3) no person may serve as a pilot on an airplane engaged in operations under part 121 of title 14, Code of Federal Regulations, if that person is 65 years of age or older.

(b) CERTIFICATE HOLDER.—For purposes of this section, the term "certificate holder" means a holder of a certificate to operate as an air carrier or commercial operator issued by the Federal Aviation Administration.

By Mr. DOMENICI:

S. 1857. A bill to provide for conveyance of certain Navajo Nation lands located in northwestern New Mexico and to resolve conflicts among the members of such Nation who hold interests in allotments on such lands; to the Committee on Indian Affairs.

• Mr. DOMENICI. Mr. President, I am pleased today to be introducing the Bisti PRLA Dispute Resolution Act, which will resolve a conflict regarding coal mining leases in New Mexico. A coal company and the Navajo Nation have been deadlocked within the Department of Interior appeals process regarding preference right lease applications (PRLAs) in the Bisti region of northwestern New Mexico. When enacted, this legislation will resolve a complex set of issues arising from legal rights the Arch Coal Company acquired in federal lands, which are now situated among lands which constitute tribal property and the allotments of members of the Navajo Nation. Both the company and the Nation support this legislation to resolve the situation.

There are many reasons the solution embodied in this bill achieves broad benefits to the interested parties and the public. It will allow the Navajo Nation to complete the land selections that were made in 1981 to promote tribal member resettlement following the partition of lands in Arizona. It also guarantees that Arch, Coal, Inc. will be compensated for the economic value of its coal reserves. An independent panel will make recommendations to the Secretary of Interior regarding the fair market value of the coal reserves, gives the company bidding rights, protects a state's financial interest in its share of federal Mineral Leasing Act payments, and allows the Navajo Nation full fee ownership in their lands.

The Secretary of Interior will issue a certificate of bidding rights to Arch Coal upon relinquishment of its interests in the PLRAs. The amount of that certificate will equal the fair market value of the coal reserves as defined by the Department of Interior's regulations. A panel consisting of representatives of the Department of Interior, Arch Coal, and the Governors of Wyoming and New Mexico will help determine fair market value. While the Interior Department is authorized to exchange PRLAs for bidding rights, the Department has not done so, largely because of the difficulty it perceives in determining the fair market value of the coal reserves. The panel method in this legislation will promote the objectivity of that process.

Upon the relinquishment of the PRLAs and the issuance of a certificate of bidding rights, the Department of Interior will execute patents to the Navajo Nation of the selected lands encompassed by the PRLAs. This is a win-win situation for all parties involved; is endorsed by the affected parties, and is a fair resolution to this ongoing problem. I hope for prompt action on this legislation early next year.•

By Mr. BREAUX:

S. 1858. A bill to revitalize the international competitiveness of the United States-flag maritime industry through tax relief; to the Committee on Finance.

THE NATIONAL SECURITY SEALIFT ENHANCEMENT ACT OF 1999

Mr. BREAUX. Mr. President, I am pleased today to introduce tax reform legislation that is long overdue in the effort to revitalize the nation's fourth arm of defense, the United States flag merchant marine. My bill, the National Security Sealift Enhancement Act of 1999, would provide targeted tax relief to enable the United States-flag ocean-going commercial fleet to better compete with foreign-flag commercial fleets registered in nations that have exempted companies from taxes.

Currently, United States companies operating U.S.-flag vessels, and foreign-flag vessels operating under the application of national laws such as Japan or France, are forced to compete against companies that operate vessels under flag-of-convenience registries. Flag-of-convenience shipping registries operate under the legal authority of nations such as Panama, Liberia, Vanuatu, or the Marshall Islands, and attract shipping companies because of the deminimus regulatory costs they impose on companies operating under their flag. All of these nations exempt companies from taxes on income, and employees operating on the vessels do not pay tax on income they earn working aboard. The owners can employ foreign laborers, usually from third world nations, for very little pay, often working in unacceptable conditions. Additionally, the vessel operations are not required to comply with rigorous United States Coast Guard safety and environmental standards, and these operators use private companies to inspect their vessels to ensure that they are in compliance with international safety laws.

Mr. President, we are all well aware of the critical role played by the American maritime industry in the economy of Louisiana and our nation. In my home state alone, the total economic impact of that industry was estimated in 1997 to be over $28 billion, supporting approximately 230,000 jobs throughout Louisiana. That economic impact constitutes almost 30 percent of the total gross state product for Louisiana. Louisiana companies were among the first to respond to the nation's call to provide for the rapid transport of critical equipment, munitions, and supplies to the Persian Gulf in those critical days following the 1990 Iraqi invasion of Kuwait. However, the very existence of the American flag fleet, and thus the related economic and national defense benefits that flow from that fleet, are severely threatened by U.S. tax rules that unfairly hamper and restrict American shipping.

I have worked from the first days of my arrival in the Congress to strengthen the U.S.-flag maritime industry and level the playing field in international shipping. Despite the well-intentioned efforts of the Congress, the Maritime Administration and other federal agencies to support the U.S.-flag commercial fleet, unfavorable and clearly noncompetitive U.S. tax policies have led to the continuing decline of that fleet. In fact, according to statistics maintained by the Maritime Administration, the commercial fleet of the United States has fallen into 11th place internationally, in total carrying capacity, ranking behind those fleets of Panama, Liberia, Malta, the Bahamas, and other nations who offer significant economic and tax advantages to their commercial vessels and crews.

These same issues have also plagued other industrialized nations that operate shipping under the application of national laws and policies. For instance, between the period of 1975 and 1992, the national flag fleet operations in terms of deadweight carrying capacity decreased by 94% in the United Kingdom, 98% in Norway, 73% in France, 53% in Germany, 73% in Sweden, 98% in Denmark, and 47% in Japan.

In order to combat decreases in the operation of shipping under national registries, nations have taken steps to provide direct subsidies or indirect support schemes that help owners offset the higher costs of operating under national laws. Other nations, such as Denmark and Norway, have created what are called international registries, or open registries, and have reduced taxes and societal costs to help offset the costs as compared to flag-of convenience vessels. Out of the eleven largest shipping registries, by carrying capacity, seven operate as flag-of-convenience registries or open registries. The other four nations are Greece, Japan, the People's Republic of China (which operates it's fleet as a governmentally controlled entity), and the United States.

Mr. President, what is even more astounding is that the percentage of cargoes carried by U.S.-flag vessels in the foreign trades has also declined precipitously. At the end of World War II, after we had been forced to rebuild our shipping fleet in order to satisfy our defense logistic needs, almost 60 percent of the U.S. oceanborne commerce in international trade was carried aboard U.S.-flag vessels. Today, that figure is a mere 3 percent. To state this another way, 97 out of every 100 tons of cargo imported into or exported from the United States is carried aboard foreign-flagged ships. Through a wide variety of favorable tax incentives, including in most cases a total exemption from taxation, many foreign jurisdictions have succeeded in developing commercial maritime fleets that far exceed the capacity of that in the U.S.

What truly concerns me is that the United States is rapidly undermining its very national security through its failure to enable the U.S.-flag commercial fleet to compete on an equal footing with foreign-flagged shipping. I recognize the strategic importance of the U.S.-flag merchant marine and American merchant mariners, and share the views of other senior political and military leaders that the ability of the U.S. to move its military personnel and supplies overseas quickly and effectively is critical to its national security. The United States cannot rely on foreign allies to achieve our national security objectives. We must be able to act decisively, and to act unilaterally, when our strategic interests are jeopardized. To ensure the maritime industry's ability to accomplish this crucial task, the military utilizes privately-owned U.S.-flagged commercial vessels to supplement the military's own transportation systems in both times of war and peace. Without such capability, the military would have to build and operate, at a significantly greater expense to the government and ultimately the U.S. taxpayers, many more military transport vessels to ensure it can effectively respond to military contingencies in a timely manner.

As General Colin Powell so accurately observed following the Persian Gulf War in 1991:

> Our [nation's] strategy requires us to be able to project power quickly and effectively across the oceans to deal with the crisis we couldn't avoid or predict. Sealift will be critical to fulfilling this strategic requirement. . . . [The military] also acknowledges that the merchant marine and our maritime industry will be vital to our national security for many years to come . . .

We simply cannot stand idly by while this vital national security asset is undercut through counter productive tax policies that do not allow the U.S.-flag commercial fleet to operate competitively, in the most competitive of all markets—that of international shipping.

Mr. President, to preserve that vital national security asset, I believe it is essential to provide a tax environment for U.S.-flag carriers that more closely approaches the favorable tax treatment provided by other maritime nations to their own merchant fleets, while also creating incentives for the construction of new vessels in U.S. shipyards. Foreign tax incentives have significantly undermined the ability of the U.S. to retain a viable commercial fleet for defense purposes and to enhance the balance of trade. By way of example, U.S.-flag commercial vessel operators must pay a 34 percent tax on corporate income and a 50 percent duty on vessel repairs made in foreign countries; they are subject to far more restrictive (and expensive) Coast Guard and other federal operational and safety requirements; and their crewmembers engaged in the foreign trade do not share in the tax relief otherwise provided to U.S. citizens working abroad. On the other hand, owners of foreign-flagged vessels of the Bahamas, Liberia, Malta, Panama and many other countries are totally exempt from any taxation. Therefore, it is not surprising to see that the Bahamas, Liberia, Malta, and Panama have four of the top five commercial fleets in the world, and that vessel owners from around the world regularly register their ships with these countries to avoid taxation.

Mr. President, I am not proposing to exempt U.S.-flag vessel owners from U.S. income taxes. Rather, I have developed a comprehensive yet narrowly focused bill that provides the necessary relief to alleviate the tax burden on the U.S.-flag fleet. This legislation is designed to provide a tax environment for U.S.-flag carriers that more closely approaches the favorable tax treatment provided by other maritime nations to their own merchant fleets. The Act includes the following provisions:

Capital Construction Fund (CCF) Reform. Title I of the Act would expand the CCF to allow deposits of earnings from U.S. flag, foreign-built ships to be contributed to a CCF for the construction of vessels in the United States. Qualified withdrawals from a CCF would continue to apply only to U.S. built vessels and would be expanded to include vessels that operate between coastwise points of the United States. Contributions to a CCF would no longer be treated as preference items under the corporate Alternative Minimum Tax, and owners of U.S. flag ships would also be allowed to deposit into a CCF the duty arising from foreign ship repairs.

Election to Expense U.S. Flag Vessels. Significantly, for the majority of the foreign flag commercial fleet, there is no applicable depreciation schedule for commercial vessels because those vessels and their corporate owners and operators are totally exempt from income taxation. Other maritime nations that impose income taxes on commercial vessel operations still have depreciation schedules far more lenient than the anti-competitive 10-year schedule applicable to U.S.-flagged vessels. Therefore, in order to be internationally competitive, Title II of the Act would enable the owner of any U.S. flag vessel engaged in the international trade of the U.S. to fully deduct that vessel in the year in which the vessel is acquired and documented under the U.S. flag.

Seaman's Wage Exclusion. Consistent with the current policies and objectives of Section 911 of the Internal Revenue Code, Title III of the Act would extend the foreign earned income exclusion to American merchant mariners by changing the definition of "foreign country" to include a principal place of employment aboard a commercial vessel operating outside the United States, and amending the foreign residence test to include work aboard a vessel.

Alternative Minimum Tax Relief. In order to be internationally competitive, Title IV of the Act repeals the Alternative Minimum Tax (AMT) with respect to shipping income. No such tax exists on commercial vessels of any other foreign country, and the changes proposed elsewhere in this Act will essentially be meaningless if the AMT continues to apply to shipping income.

Deduction of Expenses. The existing tax provision which permits the deduction of expenses with respect to conventions, seminars or other meetings on U.S.-flag cruise vessels traveling between U.S. ports would be expanded by Title V of the Act to include U.S.-flag cruises between the United States and foreign ports.

Mr. President, absent the tax reforms in the attached proposal, U.S.-flag carriers in Louisiana and elsewhere will continue to face a formidable tax cost disadvantage against foreign flag carriers, who pay little or no tax to their home countries. This cost differential impedes the ability of U.S.-flag carriers to compete in the global marketplace, as evidenced by the ever growing share of non-U.S. flag carriers currently carrying this nation's imports and exports. It is universally recognized that key components of a strong national economy are a strong national merchant marine and shipyard industrial base, and it is now appropriate to alleviate the tax burden on the U.S.-flag fleet and simultaneously promote construction in U.S. shipyards. I urge my colleagues to strongly support this legislation for the good of our American flag fleet and the security of our nation.

I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1858

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Security Sealift Enhancement Act of 1999".

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.

TITLE I—CAPITAL CONSTRUCTION FUND

Sec. 101. Amendments of Internal Revenue Code of 1986.
Sec. 102. Amendment to the Tariff Act of 1930.
Sec. 103. Effective date.

TITLE II—ELECTION TO EXPENSE UNITED STATES FLAG VESSELS

Sec. 201. Election to expense certain United States flag vessels.

TITLE III—INCOME EXCLUSION FOR MERCHANT SEAMEN

Sec. 301. Income of merchant seaman excludable from gross income as foreign earned income.

TITLE IV—EXEMPTION FROM ALTERNATIVE MINIMUM TAX

Sec. 401. Exemption from alternative minimum tax for corporations that operate United States flag vessels.

TITLE V—CONVENTIONS OF UNITED STATES-FLAG CRUISE SHIPS

Sec. 501. Conventions on United States-flag cruise ships.

TITLE I—CAPITAL CONSTRUCTION FUND

SEC. 101. AMENDMENTS OF INTERNAL REVENUE CODE OF 1986.

(a) TREATMENT OF CERTAIN LEASE PAYMENTS.—

(1) Paragraph (1) of section 7518(e) of the Internal Revenue Code of 1986 is amended by striking "or" at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting ", or", and by inserting after subparagraph (C) the following new subparagraph:

"(D) the payments of amounts which reduce the principal amount (as determined under regulations) of a qualified lease of a qualified vessel or container which is part of the complement of an eligible vessel.".

(2) Paragraph (4) of section 7518(f) of such Code is amended by inserting "or to reduce the principal amount of any qualified lease" after "indebtedness".

(b) AUTHORITY TO MAKE DEPOSITS UNDER THE TARIFF ACT OF 1930.—

(1) Paragraph (1) of section 7518(a) of such Code is amended by striking "and", at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting ", and", and by adding at the end the following new subparagraph:

"(E) the amount elected for deposit under subsection (i) of section 466 of the Tariff Act of 1930 (19 U.S.C. 1466).".

(2) Subparagraph (A) of section 7518(d)(2) of such Code is amended to read as follows:

"(A) amounts referred to in subsections (a)(1)(B) and (E).".

(c) AUTHORITY TO MAKE DEPOSITS FOR PRIOR YEARS BASED ON AUDIT ADJUSTMENTS.—Subsection (a) of section 7518 of such Code is amended by adding at the end thereof the following new paragraph:

"(4) DEPOSITS FOR PRIOR YEARS.—To the extent permitted by joint regulations, deposits may be made in excess of the limitation described in paragraph (1) (and any limitation specified in the agreement) for the taxable year if, by reason of a change in taxable income for a period taxable year that has become final pursuant to a closing agreement or other similar agreement entered into during the taxable year, the amount of the deposit could have been made for such prior taxable year.".

(d) TREATMENT OF CAPITAL GAINS AND LOSSES.—

(1) Paragraph (3) of section 7518(d) of such Code is amended to read as follows:

"(3) CAPITAL GAIN ACCOUNT.—The capital gain account shall consist of—

"(A) amounts representing long-term capital gains (as defined in section 1222) on assets held in the fund, reduced by

"(B) amounts representing long-term capital losses (as defined in such section) on assets held in the fund.".

(2) Subparagraph (B) of section 7518(d)(4) of such Code is amended to read as follows:

"(B)(i) amounts representing short-term capital gains (as defined in section 1222) on assets held in the fund, reduced by

"(ii) amounts representing short-term capital losses (as defined in such section) on assets held in the fund,".

(3) Subparagraph (B) of section 7518(g)(3) of such Code is amended by striking "gain" and all that follows and inserting "long-term capital gain (as defined in section 1222), and".

(4) The last sentence of subparagraph (A) of section 7518(g)(6) of such Code is amended by striking "20 percent (34 percent in the case of a corporation)" and inserting "the rate applicable to net capital gain under such section 1(h)(1)(C) or 1201(a), as the case may be".

(e) COMPUTATION OF INTEREST WITH RESPECT TO NONQUALIFIED WITHDRAWALS.—

(1) Subparagraph (C) of section 7518(g)(3) of such Code is amended—

(A) by striking clause (i) and inserting the following new clause:

"(i) no addition to the tax shall be payable under section 6651, and", and

(B) by striking "paid at the applicable rate (as defined in paragraph (4))" in clause (ii) and inserting "paid in accordance with section 6601".

(2) Subsection (g) of section 7518 of such Code is amended by striking paragraph (5) and (6) as paragraphs (4) and (5), respectively.

(3) Subparagraph (A) of section 7518(g)(5) of such Code, as redesignated by paragraph (2), is amended by striking "paragraph (5)" and inserting "paragraph (4)".

(f) OTHER CHANGES.—

(1) Paragraph (2) of section 7518(b) of such Code is amended by striking "interest-bearing securities approved by the Secretary" and inserting "interest-bearing securities and other income-producing assets (including accounts receivable) approved by the Secretary".

(2) The last sentence of paragraph (1) of section 7518(e) of such Code is amended by striking "and containers" each place it appears.

(3) Subparagraph (B) of section 543(a)(1) of such Code is amended to read as follows:

"(B) interest on amounts set aside in a capital construction fund under section 607 of the Merchant Marine Act, 1936 (46 App. U.S.C. 1177), or in a construction reserve fund under section 511 of such Act (46 App. U.S.C. 1161),".

(4) Subsection (c) of section 56 of such Code is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(5) Section 7518(e) is amended by adding at the end the following new paragraph:

"(3) QUALIFIED WITHDRAWAL.—In the case of amounts in any fund as of the date of the enactment of this paragraph, and any earnings thereon, for purposes of this subsection, the term 'qualified withdrawal' has the meaning given such term by applying subsection (i)(2) as of such date."

"(g) DEFINITIONS.—Subsection (i) of Section 7518 of such Code is amended to read as follows:

"(i) DEFINITIONS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), terms used in this section shall have the same meaning as in section 607(k) of the Merchant Marine Act, 1936.

"(2) OTHER DEFINITIONS.—For the purposes of this section—

"(A) The term 'eligible vessel' means any vessel—

"(i) documented under the laws of the United States, and

"(ii) operated in the foreign or domestic commerce of the United States or in the fisheries of the United States.

"(B) QUALIFIED VESSEL.—The term 'qualified vessel' means any vessel—

"(i) constructed in the United States and, if reconstructed, reconstructed in the United States,

"(ii) documented under the laws of the United States, and

"(iii) which the person maintaining the fund agrees with the Secretary will be operated in the fisheries of the United States, or in the United States foreign, Great Lakes, noncontiguous domestic trade, or other oceangoing domestic trade between two coastal points in the United States or in support of operations conducted on the Outer Continental shelf.

"(C) VESSEL.—The term 'vessel' includes containers or trailers intended for use as part of the complement of one or more eligible vessels and cargo handling equipment which the Secretary determines is intended for use primarily on the vessel. The term 'vessel' also includes an ocean-going towing vessel or an ocean-going barge or comparable towing vessel or barge operated on the Great Lakes.

"(D) FOREIGN COMMERCE.—The terms 'foreign commerce' and 'foreign trade' have the meanings given such terms in section 905 of the Merchant Marine Act, 1936, except that these terms should include commerce or trade between foreign ports.

"(E) QUALIFIED LEASE.—The term 'qualified lease' means any lease with a term of at least 5 years."

SEC. 102. AMENDMENT TO THE TARIFF ACT OF 1930.

Section 466 of the Tariff Act of 1930 (19 U.S.C. 1466) is amended by adding at the end the following new subsection:

"(i) ELECTION TO DEPOSIT DUTY INTO A CAPITAL CONSTRUCTION FUND IN LIEU OF PAYMENT TO THE SECRETARY OF THE TREASURY.—At the election of the owner or master of any vessel referred to in subsection (a) of this section which is an eligible vessel (as defined in section 7518(i)(2) of the Internal Revenue Code of 1986), the portion of any duty imposed by subsection (a) which is deposited in a fund established under section 607 of the Merchant Marine Act, 1936 shall be treated as paid to the Secretary of the Treasury in satisfaction of the liability for such duty."

SEC. 103. EFFECTIVE DATE.

(A) IN GENERAL.—Except as otherwise provided in this section, the amendments made by this title shall apply to taxable years ending after the date of the enactment of this Act.

(b) CHANGES IN COMPUTATION OF INTEREST.—The amendments made by section 101(e) shall apply to withdrawals made after December 31, 1998, including for purposes of computing interest on such a withdrawal for periods on or before such date.

(c) QUALIFIED LEASES.—The amendments made by section 101(a) shall apply to leases in effect on, or entered into after, December 31, 1998.

(d) AMENDMENT TO THE TARIFF ACT OF 1930.—The amendment made by section 102 shall apply with respect to entries not yet liquidated by December 31, 1998, and to entries made on or after such date.

TITLE II—ELECTION TO EXPENSE UNITED STATES FLAG VESSELS

SEC. 201. ELECTION TO EXPENSE CERTAIN UNITED STATES FLAG VESSELS.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 179A the following new section:

"SEC. 179B. DEDUCTION FOR UNITED STATES FLAG VESSELS.

"(a) TREATMENT AS EXPENSES.—A taxpayer may elect to treat the cost of any vessel that is a qualified United States flag vessel as an expense which is not chargeable to its capital account.

"(b) YEAR IN WHICH DEDUCTION ALLOWED. The deduction under subsection (a) shall be allowed for the taxable year in which the vessel first becomes a qualified United States flag vessel.

"(c) DEFINITIONS.—

"(1) QUALIFIED UNITED STATES FLAG VESSEL.—For purposes of this section, the term 'qualified United States flag vessel'' means a United States flag vessel that is operated exclusively in the foreign trade of the United States.

"(2) COST.—For purposes of this section, the term 'cost' means an amount equal to the lesser of—

"(A) the purchase price of the vessel, or

"(B) the adjusted basis of the vessel, determined under section 1011, at the time that the vessel becomes a qualified United States flag vessel.

"(d) BASIS REDUCTION.—

(1) IN GENERAL.—For purposes of this title, the basis of any property shall be reduced by the portion of the cost of such property taken into account under subsection (a).

(2) ORDINARY INCOME RECAPTURE.—For purposes of section 1245, the amount of the deduction allowable under subsection (a) with respect to any property which is of a character subject to the allowance for depreciation shall be treated as a deduction allowed for depreciation under section 167."

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 263(a) of such Code is amended by striking "or" at the end of subparagraph (G), by striking the period at the end of subparagraph (H) and inserting "; or", and by adding at the end the following new subparagraph:

"(I) expenditures for which a deduction is allowed under section 179B.".

(2) Subparagraph (B) of section 312(k)(3) of such Code is amended by striking "or 179A" each place it appears and inserting ", 179A, or 179B".

(3) Subparagraph (C) of section 1245(a)(2) of such Code is amended by inserting "179B," after "179A,".

(4) The table of sections for part VI of subchapter B of chapter 1 of such Code is amended by inserting after the item relating to section 179A the following new item:

"Sec. 179B. Deduction for United States flag vessels."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

TITLE III—INCOME EXCLUSION FOR MERCHANT SEAMEN

SEC. 301. INCOME OF MERCHANT SEAMAN EXCLUDABLE FROM GROSS INCOME AS FOREIGN EARNED INCOME.

(a) SECTION 911 EXCLUSION.—Section 911(d) of the Internal Revenue Code of 1986 (relating to citizens or residents of the United States living abroad) is amended by redesignating paragraph (9) as paragraph (10) and by inserting after paragraph (8) the following:

"(9) APPLICATION TO CERTAIN MERCHANT MARINE CREWS.—In applying this section to an individual who is a citizen or resident of the United States and who is employed for a minimum of 90 days during a taxable year as a regular member of the crew of a vessel or vessels owned, operated, or chartered by a United States citizen—

"(A) the individual shall be treated as a qualified individual without regard to the requirements of paragraph (1); and

"(B) any earned income attributable to services performed by that individual so employed on such vessel while it is engaged in transportation between the United States and a foreign country or possession of the United States shall be treated (except as provided by subsection (b)(1)(B)) as foreign earned income regardless of where payments of such income are made."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years ending after the date of the enactment of this Act.

TITLE IV—EXEMPTION FROM ALTERNATIVE MINIMUM TAX

SEC. 401. EXEMPTION FROM ALTERNATIVE MINIMUM TAX FOR CORPORATIONS THAT OPERATE UNITED STATES FLAG VESSELS.

(a) IN GENERAL.—Section 55 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

"(f) EXEMPTION FOR CORPORATIONS THAT OPERATE UNITED STATES FLAG VESSELS.—

"(1) IN GENERAL.—The tentative minimum tax of a corporation shall be zero for any taxable year in which the corporation is a qualified corporation.

"(2) DEFINITIONS.—For purposes of this subsection—

"(A) QUALIFIED CORPORATION.—The term 'qualified corporation' means any domestic corporation if—

"(i) substantially all of the assets of such corporation are related to the maritime transportation business, and

"(ii) such corporation owns or demise charters a fleet of 4 or more qualified United States flag vessels.

"(B) QUALIFIED UNITED STATES FLAG VESSEL.—The term 'qualified United States flag vessel' means a United States flag vessel having a deadweight tonnage of not less than 10,000 deadweight tons that is operated exclusively in the foreign trade of the United States during each of the 360 days immediately preceding the last day of the taxable year. Days during which the vessel is drydocked, surveyed, inspected, or repaired shall be considered days of operation for purposes of this subsection.

"(C) FOREIGN TRADE.—The term 'foreign trade' has the meaning given to such term by section 7518(i)(2)."

b. EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years ending after the date of the enactment of this Act.

TITLE V—CONVENTIONS ON UNITED STATES-FLAG CRUISE SHIPS

SEC. 501. CONVENTIONS ON UNITED STATES-FLAG CRUISE SHIPS.

(a) IN GENERAL.—Section 274(h)(2) of the Internal Revenue Code of 1986 (relating to conventions on cruise ships) is amended by striking "that—" and all that follows through "possessions of the United States." and inserting "that the cruise ship is a vessel registered in the United States."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years ending after the date of the enactment of this Act.

By Mr. GRAMS:

S. 1859. A bill to amend the Internal Revenue Code of 1986 to provide a tax credit to taxpayers investing in economically distressed rural communities, and for other purposes; to the Committee on Finance.

RURAL REVITALIZATION ACT OF 1999

S. 1860. A bill to amend the Internal Revenue Code of 1986 to expand income averaging to small agriculture-related businesses; to the Committee on Finance.

INCOME AVERAGING LEGISLATION

S. 1861. A bill to amend the Internal Revenue Code of 1986 to provide comprehensive tax relief for small family farmers, and for other purposes; to the Committee on Finance.

FARMER TAX RELIEF ACT OF 1999

Mr. GRAMS. Mr. President, I rise today to offer a multi-faceted package of tax cuts and federal program changes to help our nation's farmers weather this period of low commodity prices. I will first note that this bill is obviously not a cure-all for the farmers' plight, but significant tax reform is an essential component of creating an environment where farmers can thrive. Regulatory reform, crop insurance reform, and improvements in our agriculture trade policies are also critical elements of boosting farm income.

The bill I introduce is a collection of tax reform concepts that have been considered individually, but not as a package of comprehensive relief to farmers. Some were in the congressional tax cut package that the President summarily vetoed, denying relief to farmers, middle class workers, and small business owners. All of the provisions of this bill would benefit the farm community, and should not be tossed aside due to partisan posturing as was the case with this past summer's tax relief bill. By offering this multi-part legislation, I hope to provide a vehicle to move comprehensive tax relief for an important sector in the American economy and culture that has not shared in the prosperity of recent years.

The first provision in this legislation is the Farm and Ranch Risk Management Accounts, which were also a part of the recent tax cut bill that the President vetoed. This provision would allow producers to put up to 20% of net farm income in a tax deferred account where the funds could be held in reserve for up to five years for financial emergencies. Farmers operate in a volatile market, and they need all the risk management tools we can provide. When farmers earn a profit they usually invest in additional farm assets, and this would give them a tax incentive and opportunity to instead save more income as a buffer during down cycles.

The second provision of my tax bill would accelerate the 100% deductibility of health insurance premiums for the self-employed to make them immediately effective, rather than the full phase-in by 2003. I will note again that this was one of the critical provisions in the tax cut bill that was vetoed by the President, and is also included in my health care legislation. Farmers should not receive the same tax considerations on health benefits as everyone else who obtains insurance through their employment, so that they do not have to choose between decent health care and other necessities of life. This provision equalizes the tax treatment for these farmers.

The third provision would raise the effective exemption from estate taxes to $5 million and raise the gift tax exemption to $25,000. According to USDA figures, farmers are six times more likely to face inheritance taxes than other Americans. Farmers must farm more and more acres now to just eke out a humble income. Thus, they accumulate large capital investments through the years that provide them a modest living, but when they die their estate is treated as if they were very rich, and many have never even had a new pickup. Many of these families want to leave their property to their children, so that they can continue the heritage of farming the land. However, the estate tax can reach such prohibitive levels that sometimes the property must be sold to satisfy the insatiable tax revenue appetite of the federal government.

At the present time, the average age of farmers is 58 years old. We are just a few years from a period of significant transfers of real property from one generation to another. With all the obstacles to success that producers currently face, why is the federal government adding to their burdens by jeopardizing the time honored tradition of passing the family farm down from generation to generation, when it only generates one percent of federal taxes? Taxes should be gathered to pay for the necessities of government, not to transfer wealth from one segment of the population to another. And even if you believe that such wealth transfer is a legitimate function of tax policy, can we at least agree that family farms should be shielded from the takings? The estate tax can be as high as 55%, which is unfair, threatening the continuity of family-owned businesses.

The next provision amends the tax code to treat lands which are contiguous to a principal residence and which were farmed for five years before the principal residence as part of such residence, allowing it to be part of the exclusion of gain from the sale of the principal residence. This allows older farmers to sell their property without facing extraordinary capital gains taxes as a consequence.

The legislation also acknowledges that farm income can fluctuate significantly from year to year, and that farmers need a break when income goes does significantly after several good years. The bill thus includes a provision to reach back into a previous tax year and pull income from good years into a current down year. Farmers would then be recompensed for tax overpayments from previous years. Current law permits farmers to lower their tax burdens in good years by averaging in income from less profitable past periods, but it does not allow previous good years to be averaged in to current low income levels. This provision would provide this assistance to struggling farmers, again, giving them some tools to work within a very volatile market.

The bill also includes a provision to exempt from the alternative minimum tax certain income from unincorporated farms. Thanks to initiatives to provide tax credits to working families, many farm families would be able to reduce their tax burden if they were not bumping up against the alternative minimum tax. This correction is needed because the alternative minimum tax also does not always permit farmers to take advantage of current laws concerning farmer income averaging.

My legislation contains a provision to exclude from gross income up to $350,000 of capital gain from the transfer of property in complete or partial satisfaction of qualified farm indebtedness of a taxpayer, subject to means testing. This would exclude capital gains taxes from the forced liquidations of farm property.

The bill also ensures that farm landlords are treated the same as small business people and other commercial landlords, and removes the requirement that they pay self-employment tax on cash rent income. This item corrects an IRS technical advice memorandum to ensure that farmers, like other real estate owners, do not have to pay self-employment taxes on income from cash rent.

The measure also amends current law to emphasis certain beneficial farm program goals. They include a requirement that USDA, when approving applications for loans and grants under the Consolidated Farm and Rural Development Act, places a high priority on projects that encourage the creation of farmer-owner facilities that process value-added agricultural products; an amendment to the Federal Agriculture Improvement and Reform Act to give USDA discretion to use funds for rural development technical assistance; an amendment to the Rural Development Act to emphasize market development education and technical assistance for operators of small- and medium-sized farms, in addition to production assistance. The amendment also requires USDA to explore new marketing avenues such as direct farm to consumer markets, local value-added processing, and farmer-owned cooperatives.

We need a renaissance of new thinking and new marketing opportunities for our farmers. I want to ensure that existing programs are focused on helping farmers receive a larger share of the value of their products. As I have said before, I've always been struck by how we have a Department of Housing and Urban Development and a Department of Agriculture, but no real government emphasis on rural development. I hope that these provisions can help rebuild our rural economies.

The next two components of the bill restore a tax-exemption for value-added farmer-owned cooperatives that was taken away by a recent IRS ruling, and extends declaratory judgment relief for the cooperatives affected by this ruling.

Finally, the bill also includes a provision that increases the threshold amount that triggers when a farmer and employed farm worker would have to pay payroll taxes. The current threshold is $150, and this bill would raise it to $3,000. Farmers need the flexibility to be able to hire part-time workers, such as other nearby farmers or teenagers during the summer. We should free them from the burden and paperwork of having to pay payroll taxes on a minimal amount of expenditures on employees. This $150 figure in current law obviously does not reflect current realities on the farm, and Congress should make this much needed adjustment in the threshold figure.

Again, I believe that it is important to emphasize that major tax relief for farmers is a critical component of making Freedom to Farm work, and that's why I'm introducing this bill. I hope that hearings will be held next year on Freedom to Farm, and some adjustments my need to be made to current law. In fact, I have my own bill pending that would extend the term for producers' marketing loans from nine months up to thirty-six months, to give farmers more flexibility, and thus more market power, in determining when to put their grain on the market. No one on this side of the aisle argues that Freedom to Farm is perfect, but there are fundamental concepts in the bill that farmers requested and I believe still want, such as the freedom to make their own decisions on what and how much to plant. I believe farmers want to plant for the market, not the government.

This bill reflects my commitment to try to deliver on the promises to farmers that were made when Freedom to Farm was passed, such as trade expansion, fast track authority, regulatory reform, and crop insurance reform.

Of course, if the administration was truly attempting to be accommodating the needs of the farm community, there would be less need for the regulatory reform bills currently pending. I know American farmers can complete worldwide, but we cannot drag our feet on creating a climate in which they can succeed. I believe this farmer tax relief bill is a critical piece of the puzzle.

Mr. President, the second tax relief measure I am introducing today would expand income averaging to small agriculture-related businesses.

Before 1986, American farmers, agricultural-related businesses and others could apply income averaging for tax purposes. But the Tax Reform Act of 1986 entirely eliminated income averaging. Congress acted primarily on the assumption that tax reduction would substantially reduce the number of taxpayers whose fluctuating incomes could subject them to higher progressive rates and there was no need for income average. While it was understandable that Congress took such action at that time, I believe it was clearly a mistake because Congress completely ignored the nature of agriculture and our rural communities.

Today, low commodity prices have made the income of American farmers and agriculture-related businesses fluctuate more wildly than that of any other group of taxpayers. In my own state of Minnesota, income in farm communities had decreased dramatically in recent years.

In response to this critical situation, Congress reinstated income averaging for individual farmers temporarily in the Taxpayer Relief Act of 1997, and last year Congress made it permanent for farmers. This was good change and I was pleased to join Senator BURNS and others in passing this important legislation. In my package of tax relief for farmers just discussed, I have added new flexibility for farmers to use income averaging to their benefit.

Unfortunately, Congress unintentionally left one important group out of last year's relief legislation. American small agriculture-related businesses, those who work hard to provide seeds, fertilizer, farming equipment and other farm products for farmers, whose income depends on farmers' income, are not included in current law providing income averaging. As a result, these small businesses are facing hardship and need this relief as well.

Expanding income averaging to small agriculture-related businesses would provide modest, but much needed, assistance to these businesses and allow them to continue serving farmers and rural communities. It also is consistent with the approach Congress took in the past regarding income averaging. Unlike the permanent income averaging for farmers, my legislation would sunset income averaging for agriculture-related businesses in three years. In addition, it only covers small businesses, not big corporations.

Mr. President, the third tax bill I will introduce today is the Rural Revitalization Tax Credit (RRTC) Act. This bill fits into my overall goal of making rural America a better place to live.

The objective is to attract business investment to rural areas to provide jobs for those who value life in the small towns of rural America. These jobs can also be invaluable for farm families suffering hard times through low commodity prices, crop diseases or weather disasters. Full or part time jobs can often help farmers help their family farms in down cycles.

This legislation is designed to encourage business investment in high poverty rural communities. It would create rural revitalization tax credits which include a development credit that is provided to any company locating in high poverty rural communities. A company would receive a 6 percent tax credit annually of the amount of the investment, which amounts to about 25 percent of the value of the original investment over 7 years.

It also creates a wage tax credit which allows employers in high poverty rural communities to receive up to $3,000 per employee hired in that community. In addition, qualified businesses are allowed to write off up to $37,500 as an expense the cost of depreciable, tangible personal property. This proposal is similar to urban empowerment zone proposals introduced in the Congress. We want to apply it to rural America as well.

Mr. President, this measure will not solve all the problems that farmers and people in rural areas are facing, but I believe it is one way to create more economic opportunities in our rural communities to preserve and improve the excellent quality of life in these areas.

I send the three bills to the desk and ask that they be assigned to the appropriate committees.

The PRESIDING OFFICER. The bills will be received and appropriately referred.

Mr. GRAMS. I thank the President. I yield the floor.

By Mr. JEFFORDS:

S. 1862. A bill entitled "Vermont Infrastructure Bank Program"; to the Committee on Environment and Public Works.

VERMONT INFRASTRUCTURE BANK PROGRAM

Mr. JEFFORDS. Mr. President, I rise today to introduce legislation to permit my home state of Vermont to enter the State Infrastructure Bank

(SIB) program. Before the enactment of the Transportation Equity Act for the 21st Century (TEA-21) all 50 states were qualified for SIB revolving funds. These funds are capitalized with federal and state contributions and used to provide loans and other sorts of non-grant aid to transportation projects. TEA-21 expanded the SIB program to California, Florida, Missouri, and Rhode Island. With this bill, I am proposing to add Vermont as a participant in the SIB program.

The SIB program functions to authorize loans to public or private organizations to cover the whole or partial costs of an approved project, and to make allowances for the planning and development of funding streams for repayment, which would not begin until five years after the completion of the project. Also, there is a provision in the TEA-21 for the creation of a multistate infrastructure bank system among the pilot states. In this system, states are encouraged to share both funds and ideas for curbing pollution and traffic problems and encouraging other forms of transportation.

It is my feeling that Vermont can be a national model on the efficiency of meeting clean air standards and managing sprawl while promoting economic growth. Under the SIB program the Vermont Agency of Transportation (VAOT) will collaborate with other state agencies and local organizations such as the Chittenden County Metropolitan Planning Organization (CCMPO) in order to reduce traffic, pollution, and growth problems that arise.

In order to fulfill these goals through creative, cutting-edge projects, VAOT will require sufficient funds. To secure these funds, the legislation that I am introducing today would extend the SIB program to include Vermont. This program will be an invaluable resource in the funding of projects that will prevent our beautiful state from moving in the direction of gridlock and congestion.

Vermont can be a model for the nation—an example for other states facing similar issues of finding a balance between growth and livability. Vermont's participation in the SIB program would provide more options to find the solutions that will permit this proper balance to be attained.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1862

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. STATE INFRASTRUCTURE BANK PILOT PROGRAM.

Section 1511(b)(1)(A) of the Transportation Equity Act for the 21st Century (23 U.S.C. 181 note; 112 Stat. 251) is amended by inserting "Vermont," after "Florida".

By Mr. BAUCUS:

S. 1863. A bill to amend the Internal Revenue Code of 1986 to provide an incentive to small businesses to establish and maintain qualified pension plans by allowing a credit against income taxes for contributions to, and start-up costs of, the plan; to the Committee on Finance.

SMALL EMPLOYER PENSION START-UP INCENTIVE ACT

Mr. BAUCUS. Mr. President, I rise to introduce a bill I believe will provide important benefits for our country's small businesses and the millions of people who work for them. The Small Employer Pension Start-up Incentive Act (SEPSI) will provide help to small businesses who want to help their employees save for their retirement.

Congress has spent a great deal of time recently exploring the impact on our country of the impending wave of baby boomer retirements. Much of this debate has centered around strengthening the Social Security Trust Fund, so we can keep the promise we made to all working Americans that Social Security will be there for them when they retire. During this debate, however, we have all but neglected the important role the private pension system plays in American's retirement security.

Social Security was never intended to provide the sole source of income for our retirees. Despite that, however, it is the only source of retirement income for 16% of elderly Americans. And it is the primary source of income for two-thirds of all retirees. Unless we can change this disturbing trend, preserving Social Security for the 21th Century will not be enough—there will still be far too many Americans who will spend their retirement years one step away from poverty.

In addition to preserving Social Security, we must help Americans better prepare for their retirement years. When the President submitted this budget this year, he proposed dedicating most of our projected surpluses to create Universal Savings Accounts for all Americans. I strongly believe the concept behind the USA proposal was a good one. If our projected surpluses actually materialize, we have an unprecedented opportunity to plan for our nation's future, to make the kinds of investments that will pay off for ourselves and for our children. Helping strengthen our private pension system is one of those key investments we should be making now, before the wave of retirements begins.

An important place to start is with our small businesses and their employees. Over 38 million workers in this country work for small businesses, that is, companies with less than 100 employees each. And even though almost everyone employed by a large company has access to a pension plan through their employer, only 20% of small business employees have pension plans available where they work. This means 31 million working Americans have no opportunity to save for their retirement through their employers.

Small business owners don't offer plans, not because they don't want to, but because they simply can't afford to. Administrative costs are disproportionately high for businesses with few employees, as are the costs associated with meeting all of the regulatory requirements that can apply to pension plans. And their employees, who frequently earn minimum wage and don't have access to health insurance either, couldn't afford to set money aside for their retirement even if their employers offered pension plans.

The bill I am introducing today will help reverse this trend. The Small Employer Pension Start-up Incentive Act will provide two new tax credits to small businesses that are providing pension plans to their employees for the first time. The first credit will help defray the administrative costs that accompany starting a new pension plan. It will provide up to $500 per year in tax relief for small businesses to compensate for the administrative costs they incur in providing a new plan. The credit would be available for three years, for employers with up to 100 workers.

The second credit goes right to the heart of the pension problem—it helps subsidize the contributions employers make into a new plan on behalf of their employees. Studies have shown that pension participation increases dramatically when employers offer to match employee savings. But in far too many small businesses, neither the employer nor the employee can afford to set aside the money. My bill will provide a 50% tax credit for any employer contributions into a new pension plan on behalf of their lower paid employees, up to a maximum of 3% of the salaries of these workers. The credit will be available for the first 5 years of any new qualified pension plan offered by a small business employing up to 50 workers.

I believe that enactment of the Small Employer Pension Start-up Incentive Act will help dramatically increase the number of Americans working for small businesses that can begin saving for their retirement. Providing these tax credits to small businesses, along with the other pension reform proposals that are included in S. 741, the Pension Coverage and Portability Act I introduced with Senators GRAHAM and GRASSLEY, will go a long way toward helping Americans plan for a secure retirement in the 21st century.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1863

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Employer Pension Start-up Incentive Act".

SEC. 2. CREDIT FOR SMALL EMPLOYER PENSION PLAN CONTRIBUTIONS AND START-UP COSTS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to business related credits) is amended by adding at the end the following new section:

"SEC. 45D. SMALL EMPLOYER PENSION PLAN CREDIT.

"(a) GENERAL RULE.—For purposes of section 38, in the case of an eligible employer, the small employer pension plan credit determined under this section for any taxable year is an amount equal to the sum of—

"(1) 50 percent of the qualified employer contributions of the taxpayer for the taxable year, and

"(2) the qualified start-up costs paid or incurred by the taxpayer during the taxable year.

"(b) LIMITATIONS.—

"(1) LIMITS ON CONTRIBUTIONS.—For purposes of subsection (a)(1)—

"(A) qualified employer contributions may only be taken into account for each of the first 5 taxable years ending after the date the employer establishes the qualified employer plan to which the contribution is made, and

"(B) the amount of the qualified employer contributions taken into account with respect to any qualified employee for any such taxable year shall not exceed 3 percent of the compensation (as defined in section 414(s)) of the qualified employee for such taxable year.

"(2) LIMITS ON START-UP COSTS.—The amount of the credit determined under subsection (a)(2) for any taxable year shall not exceed—

"(A) $500 for each of the first, second, and third taxable years ending after the date the employer established the qualified employer plan to which such costs relate, and

"(B) zero for each taxable year thereafter.

"(c) DEFINITIONS.—For purposes of this section—

"(1) ELIGIBLE EMPLOYER.—

"(A) IN GENERAL.—The term 'eligible employer'' means, with respect to any year, an employer which has no more than—

"(i) for purposes of subsection (a)(1), 50 employees, and

"(ii) for purposes of subsection (a)(2), 100 employees,

who received at least $5,000 of compensation from the employer for the preceding year.

"(B) 2-YEAR GRACE PERIOD.—An eligible employer who establishes and maintains a qualified employer plan for 1 or more years and who fails to be an eligible employer for any subsequent year shall be treated as an eligible employer for the 2 years following the last year the employer was an eligible employer.

"(C) REQUIREMENT FOR NEW QUALIFIED EMPLOYER PLANS.—Such term shall not include an employer if the employer (or any predecessor employer) established or maintained a qualified employer plan with respect to which contributions were made, or benefits were accrued, for service in the 3 taxable years ending prior to the first taxable year in which the credit under this section is allowed.

"(2) QUALIFIED EMPLOYER CONTRIBUTIONS.—

"(A) IN GENERAL.—The term 'qualified employer contributions' means, with respect to any taxable year, any employer contributions made on behalf of a qualified employee to a qualified employer plan for a plan year ending with or within the taxable year.

"(B) EMPLOYER CONTRIBUTIONS.—The term 'employer contributions' shall not include any elective deferral (within the meaning of section 402(g)(3)).

"(3) QUALIFIED EMPLOYEE.—The term 'qualified employee' means an individual who—

"(A) is eligible to participate in the qualified employer plan to which the employer contributions are made, and

"(B) is not a highly compensated employee (within the meaning of section 414(q)) for the year for which the contribution is made.

"(4) QUALIFIED START-UP COSTS.—The term 'qualified start-up costs' means any ordinary and necessary expenses of an eligible employer which are paid or incurred in connection with—

"(A) the establishment or maintenance of a qualified employer plan in which qualified employees are eligible to participate, and

"(B) providing educational information to employees regarding participation in such plan and the benefits of establishing an investment plan.

"(5) QUALIFIED EMPLOYER PLAN.—The term 'qualified employer plan' has the meaning given such term in section 4972(d).

"(d) SPECIAL RULES.—

"(1) AGGREGATION RULES.—All persons treated as a single employer under subsection (a) or (b) of section 52, or subsection (n) or (o) of section 414, shall be treated as one person. All qualified employer plans of an employer shall be treated as 1 qualified employer plan.

"(2) DISALLOWANCE OF DEDUCTION.—No deduction shall be allowable under this chapter for any qualified start-up costs or qualified employer contributions for which a credit is determined under subsection (a).

"(3) ELECTION NOT TO CLAIM CREDIT.—This section shall not apply to a taxpayer for any taxable year if such taxpayer elects to have this section not apply for such taxable year.".

(b) CREDIT ALLOWED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b) of the Internal Revenue Code of 1986 (defining current year business credit) is amended by striking "plus" at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting ", plus", and by adding at the end the following new paragraph:

"(13) in the case of an eligible employer (as defined in section 45D(c)), the small employer pension plan credit determined under section 45D(a).".

(c) CONFORMING AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

"Sec. 45D. Small employer pension plan credit.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to costs paid or incurred or contributions made in connection with qualified employer plans established after December 31, 1999.

By Mr. BURNS:

S. 1864. A bill to amend the Internal Revenue Code of 1986 to provide a tax credit to primary health providers who establish practices in health professional shortage areas; to the Committee on Finance.

THE HEALTH CARE ACCESS IMPROVEMENT ACT

● Mr. BURNS. Mr. President, I rise today to introduce a bill which will dramatically expand rural America's access to modern health care.

The Health Care Access Improvement Act creates a significant tax incentive, which encourages doctors, dentists, physician assistants, licensed mental health providers, and nurse practitioners to establish practices in underserved areas. Until now, rural areas have not been able to compete with the financial draw of urban settings and therefore have had trouble attracting medical professionals to their communities. The $1,000 per month tax credit will allow health care workers to enjoy the advantages of rural life without drastic financial sacrifices. But the real winners in this bill are the thousands of Americans whose access to health care is almost impossible due to a lack of doctors and dentists in small town America.

There are nine counties in the great state of Montana which do not have even one doctor. In these rural settings, agriculture is often the only employer. Farming and ranching is hard, dangerous work. Serious injuries can happen in an instant. And while Montanans have always been known as a heartier breed of people, we get sick too. It is unreasonable to expect the farmer who has had a run-in with an auger or the elderly rancher's widow to drive two hours or more to get stitched up or to have a crown on a tooth replaced. As doctors, dentists, physicians assistants, mental health providers, and nurse practitioners are attracted to under-served areas, Montanans and others in isolated communities will finally enjoy the medical treatment they deserve.

Mr. President, everyone wins with this legislation. Rural Montana, rural America, and providers all benefit from increased access, service and a better quality of life. I look forward to this legislation's quick passage.●

By Mr. DEWINE (for himself and Mr. DOMENICI):

S. 1865. A bill to provide grants to establish demonstration mental health courts; to the Committee on the Judiciary.

AMERICA'S LAW ENFORCEMENT AND MENTAL HEALTH PROJECT ACT OF 1999

● Mr. DEWINE. Mr. President, I rise today to introduce "America's Law Enforcement and Mental Health Project. This bill is designed to address the impact that the increased deinstitutionalization of America's mentally ill has had on our criminal justice system. This is a serious problem affecting both the health and safety of our Nation. Essentially, the situation we have today in our prisons and jails is the result of over thirty years of cuts in the budgets of mental health institutions, as well as the outlawing of involuntary commitments. Faced with fewer dollars and greater legal requirements, these mental health care facilities began de-institutionalizing America's mentally ill in record numbers. According to one estimate, the number of persons finding treatment in mental health facilities plummeted from 560,000 in 1955 to just 100,000 in 1989.

A recent Justice Department study revealed that 16 percent of all inmates in America's State prisons and local jails today are mentally ill. The American Jails Association estimates that 600,000 to 700,000 seriously mentally ill persons each year are being booked into local jails alone. In my own home State of Ohio, 18 percent of all prison inmates were in mental health programs last year. That's the highest percentage in the country.

Far too many of our nation's mentally ill persons have ended up in our prisons and jails. In fact, today, the Los Angeles County Jail is the largest mental health care institution in our country. It treats 3,200 seriously mentally ill people every day. The impact on law enforcement has been significant. Institutions and agencies designed to fight crime have had to spend valuable time and scarce resources providing mental health services to prisoners. In Ohio, nearly 1 in 5 prisoners need special psychiatric services or accommodations.

Tragically, many mentally ill inmates could have received proper treatment from a variety of private and public sources before they ended up in the prison system. Part of the problem is a serious lack of coordination between our local law enforcement and social service systems. The interaction within law enforcement—between our courts and prisons—is even worse. All too often, the mentally ill act out their symptoms on the streets. They are arrested for minor offenses and wind up in jail, where appropriate treatment simply does not exist. They serve their sentences or are paroled, but find themselves right back in the system after committing further crimes—often more serious—only a short time later.

The Justice Department has found that over 75 percent of mentally ill inmates are repeat offenders. In some States, the problem is even worse. California's Department of Corrections, for example, recently reported that 94 percent of mentally ill parolees returned to prison within two years, versus 57 percent of the parolee population at large.

Throughout this destructive cycle, law enforcement and corrections spend time and money trying to cope with the unique problems posed by these individuals. Certainly, some mentally ill offenders must be incarcerated because of the severity of their crimes. Many others who commit very minor offenses could receive appropriate care early on, reducing recidivism and unnecessary burdens on our police and corrections officials, as well as many mentally ill offenders, themselves.

That's why, Mr. President, I am introducing America's Law Enforcement and Mental Health Project (LAMP), to begin to identify—early—those who are mentally ill within our justice system and to use the power of the court to assist them in obtaining the treatment they need. This will be a step toward making some of the changes necessary to effectively address the issues surrounding the mentally ill in our justice system.

This bill would establish a federal grant program to help states and localities develop "Mental Health Courts" in their jurisdictions. These courts would be specialized courts with separate dockets. They would hear cases exclusively involving nonviolent offenses committed by mentally ill or retarded individuals. Fundamentally, Mental Health Courts would enable state and local courts to offer alternative sentences or alternatives to prosecution for those offenders who could be served best by mental health services.

To deal with the separate needs of mentally ill offenders, these Mental Health Courts would be staffed by a core group of specialized professionals, including a dedicated judge, prosecutor, public defender and court liaison to the mental health service community. The courts would promote efficiency and consistency by centrally managing all outstanding cases involving a mentally ill defendant admitted to the Mental Health Court.

The Mental Health Court judge ultimately would decide whether or not to hear each case referred to the court. The Mental Health Court would not deal with defendants unless they are deemed mentally ill by a qualified mental professional or the mental health court judge. Similarly, participation in the court by the mentally ill would be completely voluntary. Once the defendant volunteers for the Mental Health Court, however, he or she would be expected to follow the decision of the court. For instance, in any given case, the Mental Health Court judge, attorneys, and health services liaison may all agree on a plan of treatment as an alternative sentence or in lieu of prosecution. The defendant must adhere strictly to this court-imposed treatment plan. The court must then provide supervision with periodic review. This way, the court could quickly deal with any failure of the defendant to fulfill the treatment plan obligations. In this sense, the Mental Heath Court would function similar to drug courts.

Mr. President, the idea of Mental Health Courts is innovative, but not untested. Broward County, Florida, established the nation's first Mental Health Court almost two years ago. This court hears an average of 69 cases per month. Remarkably, Broward's Mental Health Court has been able to link over one-third of all its defendants with community health care providers or private psychiatric help. Notably, less than ten percent of all defendants were deemed inappropriate for mental health court and only eight percent refused community health services.

Although a voluntary system, Broward has found that many mentally ill persons do choose to have their cases heard in the Mental Health Court. These defendants don't always know what treatment options are available to them before they fall into the hands of the criminal justice system. A judicial program offering the possibility of effective treatment—rather than jail time—gives a measure of hope and a chance for rehabilitation to defendants.

Other jurisdictions across America have studied the Broward County model and have established their own Mental Health Courts or seek to do so, such as Butler County in my state of Ohio. King County, Washington, also has developed a more expansive Mental Health Court this past year. Our nation's communities are trying desperately to find the best way to cope with the problems associated with mental illness. Law enforcement agencies and correctional facilities simply do not have the means, nor the expertise, to properly treat mentally ill inmates in general. Mental Health Courts offer an alternative.

Mr. President, I urge my colleagues to join in support of this legislation.●

ADDITIONAL COSPONSORS

S. 115

At the request of Ms. SNOWE, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 115, a bill to require that health plans provide coverage for a minimum hospital stay for mastectomies and lymph node dissection for the treatment of breast cancer and coverage for secondary consultations.

S. 345

At the request of Mr. ALLARD, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of S. 345, a bill to amend the Animal Welfare Act to remove the limitation that permits interstate movement of live birds, for the purpose of fighting, to States in which animal fighting is lawful.

S. 405

At the request of Mr. HOLLINGS, the name of the Senator from Oklahoma (Mr. INHOFE) was added as a cosponsor of S. 405, a bill to prohibit the operation of civil supersonic transport aircraft to or from airports in the United States under certain circumstances.

S. 486

At the request of Mr. GRAMS, his name was added as a cosponsor of S.

486, a bill to provide for the punishment of methoamphetamine laboratory operators, provide additional resources to combat methamphetamine production, trafficking, and abuse in the United States, and for other purposes.

S. 514

At the request of Mr. COCHRAN, the name of the Senator from North Carolina (Mr. EDWARDS) was added as a cosponsor of S. 514, a bill to improve the National Writing Project.

S. 791

At the request of Mr. ROBB, his name was added as a cosponsor of S. 791, a bill to amend the Small Business Act with respect to the women's business center program.

S. 1075

At the request of Mrs. BOXER, the name of the Senator from Utah (Mr. BENNETT) was added as a cosponsor of S. 1075, a bill to promote research to identify and evaluate the health effects of silicone breast implants, and to insure that women and their doctors receive accurate information about such implants.

S. 1187

At the request of Mr. DORGAN, the names of the Senator from Texas (Mr. GRAMM) and the Senator from Illinois (Mr. FITZGERALD) were added as cosponsors of S. 1187, a bill to require the Secretary of the Treasury to mint coins in commemoration of the bicentennial of the Lewis and Clark Expedition, and for other purposes.

S. 1264

At the request of Mr. KENNEDY, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 1264, a bill to amend the Elementary and Secondary Education Act of 1965 and the National Education Statistics Act of 1994 to ensure that elementary and secondary schools prepare girls to compete in the 21st century, and for other purposes.

S. 1384

At the request of Mr. ABRAHAM, the names of the Senator from Virginia (Mr. WARNER), the Senator from Pennsylvania (Mr. SANTORUM), and the Senator from South Dakota (Mr. DASCHLE) were added as cosponsors of S. 1384, a bill to amend the Public Health Service Act to provide for a national folic acid education program to prevent birth defects, and for other purposes.

S. 1394

At the request of Mr. TORRICELLI, the name of the Senator from Iowa (Mr. HARKIN) was added as a cosponsor of S. 1394, a bill to require the Secretary of the Treasury to mint coins in commemoration of the U.S.S. *New Jersey*, and for other purposes.

S. 1436

At the request of Mr. CONRAD, the name of the Senator from North Dakota (Mr. DORGAN) was added as a cosponsor of S. 1436, a bill to amend the Agricultural Marketing Transition Act to provide support for United States agricultural producers that is equal to the support provided agricultural producers by the European Union, and for other purposes.

S. 1516

At the request of Mr. THOMPSON, the names of the Senator from Hawaii (Mr. AKAKA), the Senator from Maine (Ms. COLLINS), the Senator from Georgia (Mr. CLELAND), the Senator from Illinois (Mr. DURBIN), the Senator from New Jersey (Mr. TORRICELLI), the Senator from Ohio (Mr. VOINOVICH), and the Senator from North Carolina (Mr. EDWARDS) were added as cosponsors of S. 1516, a bill to amend title III of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11331 et seq.) to reauthorize the Federal Emergency Management Food and Shelter Program, and for other purposes.

S. 1539

At the request of Mr. DODD, the names of the Senator from Maine (Ms. SNOWE) and the Senator from Massachusetts (Mr. KERRY) were added as cosponsors of S. 1539, a bill to provide for the acquisition, construction, and improvement of child care facilities or equipment, and for other purposes.

S. 1608

At the request of Mr. CRAIG, the name of the Senator from Texas (Mrs. HUTCHISON) was added as a cosponsor of S. 1608, a bill to provide annual payments to the States and counties from National Forest System lands managed by the Forest Service, and the revested Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant lands managed predominately by the Bureau of Land Management, for use by the counties in which the lands are situated for the benefit of the public schools, roads, emergency and other public purposes; to encourage and provide new mechanism for cooperation between counties and the Forest Service and the Bureau of Land Management to make necessary investments in federal lands, and reaffirm the positive connection between Federal Lands counties and Federal Lands; and for other purposes.

S. 1710

At the request of Mr. HARKIN, the name of the Senator from South Dakota (Mr. DASCHLE) was added as a cosponsor of S. 1710, a bill to require the Secretary of the Treasury to mint coins in conjunction with the minting of coins by the Republic of Iceland in commemoration of the millennium of the discovery of the New World by Leif Ericson.

S. 1776

At the request of Mr. CRAIG, the name of the Senator from Idaho (Mr. CRAPO) was added as a cosponsor of S. 1776, a bill to amend the Energy Policy Act of 1992 to revise the energy policies of the United States in order to reduce greenhouse gas emissions, advance global climate science, promote technology development, and increase citizen awareness, and for other purposes.

S. 1777

At the request of Mr. CRAIG, the name of the Senator from Idaho (Mr. CRAPO) was added as a cosponsor of S. 1777, a bill to amend the Internal Revenue Code of 1986 to provide incentives for the voluntary reduction of greenhouse gas emissions and to advance global climate science and technology development.

S. 1795

At the request of Mr. CRAPO, the name of the Senator from Arkansas (Mr. HUTCHINSON) was added as a cosponsor of S. 1795, a bill to require that before issuing an order, the President shall cite the authority for the order, conduct a cost benefit analysis, provide for public comment, and for other purposes.

S. 1796

At the request of Mr. MACK, the names of the Senator from Idaho (Mr. CRAIG) and the Senator from Louisiana (Mr. BREAUX) were added as cosponsors of S. 1796, a bill to modify the enforcement of certain anti-terrorism judgements, and for other purposes.

S. 1825

At the request of Mr. ROCKEFELLER, the name of the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 1825, a bill to empower telephone consumers, and for other purposes.

SENATE CONCURRENT RESOLUTION 60

At the request of Mr. FEINGOLD, the name of the Senator from Iowa (Mr. HARKIN) was added as a cosponsor of Senate Concurrent Resolution 60, a concurrent resolution expressing the sense of Congress that a commemorative postage stamp should be issued in honor of the U.S.S. Wisconsin and all those who served aboard her.

SENATE RESOLUTION 118

At the request of Mr. REID, the name of the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of Senate Resolution 118, a resolution designating December 12, 1999, as "National Children's Memorial Day."

SENATE RESOLUTION 128

At the request of Mr. COCHRAN, the names of the Senator from Delaware (Mr. BIDEN) and the Senator from Illinois (Mr. DURBIN) were added as cosponsors of Senate Resolution 128, a resolution designating March 2000, as "Arts Education Month."

SENATE RESOLUTION 204

At the request of Mr. HATCH, the name of the Senator from Iowa (Mr. GRASSLEY) was added as a cosponsor of Senate Resolution 204, a resolution designating the week beginning November 21, 1999, and the week beginning on November 19, 2000, as "National Family Week", and for other purposes.

SENATE RESOLUTION 217

At the request of Mr. HUTCHINSON, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of Senate Resolution 217, a resolution relating to the freedom of belief, expression, and association in the People's Republic of China.

SENATE RESOLUTION 220—EXPRESSING THE SENSE OF THE SENATE REGARDING THE FEBRUARY 2000 DEPLOYMENT OF THE U.S.S. EISENHOWER BATTLE GROUP AND THE 24TH MARINE EXPEDITIONARY UNIT TO AN AREA OF POTENTIAL HOSTILITIES AND THE ESSENTIAL REQUIREMENTS THAT THE BATTLE GROUP AND EXPEDITIONARY UNIT HAVE RECEIVED THE ESSENTIAL TRAINING NEEDED TO CERTIFY THE WARFIGHTING PROFICIENCY OF THE FORCES COMPRISING THE BATTLE GROUP AND EXPEDITIONARY UNIT

Mr. INHOFE (for himself, Mr. WARNER, Mr. ROBERTS, and Mr. LOTT) submitted the following resolution; which was referred to the Committee on Armed Services:

S. RES. 220

Whereas the President, as Commander-in-Chief of all of the Armed Forces of the United States, makes the final decision to order a deployment of those forces into harm's way;

Whereas the President, in making that decision, relies upon the recommendations of the civilian and military leaders tasked by law with the responsibility of training those forces, including the Commander of the Second Fleet of the Navy and the Commander of the Marine Forces in the Atlantic;

Whereas the Atlantic Fleet Weapons Training Facility has been since World War II, and continues to be, an essential part of the training infrastructure that is necessary to ensure that maritime forces deploying from the east coast of the United States are prepared and ready to execute their assigned missions;

Whereas, according to the testimony of the Chairman of the Joint Chiefs of Staff, the Chief of Naval Operations, and the Commandant of the Marine Corps, the Island of Vieques is a vital part of the Atlantic Fleet Weapons Training Facility and makes an essential contribution to the national security of the United States by providing integrated live-fire combined arms training opportunities to Navy and Marine Corps forces deploying from the east coast of the United States;

Whereas, according to testimony before the Committee on Armed Services of the Senate and the report of the Special Panel on Military Operations on Vieques, a suitable alternative to Vieques cannot now be identified;

Whereas, during the course of its hearings on September 22 and October 19, 1999, the Committee on Armed Services of the Senate acknowledged and expressed its sympathy for the tragic death and injuries that resulted from the training accident that occurred at Vieques in April 1999;

Whereas the Navy has failed to take those actions necessary to develop sound relations with the people of Puerto Rico;

Whereas the Navy should implement fully the terms of the 1983 Memorandum of Understanding between the Navy and the Commonwealth of Puerto Rico regarding Vieques and work to increase its efforts to improve the economic conditions for and the safety of the people on Vieques;

Whereas in February 2000, the U.S.S. Eisenhower Battle Group and the 24th Marine Expeditionary Unit are scheduled to deploy to the Mediterranean Sea and the Persian Gulf where the battle group and expeditionary unit will face the possibility of combat, as experienced by predecessor deploying units, during operations over Iraq and during other unexpected contingencies;

Whereas in a September 22, 1999, letter to the Committee on Armed Services of the Senate, the President stated that the rigorous, realistic training undergone by military forces "is essential for success in combat and for protecting our national security";

Whereas in that letter the President also stated that he would not permit Navy or Marine Corps forces to deploy "unless they are at a satisfactory level of combat readiness";

Whereas Richard Danzig, the Secretary of the Navy, recently testified before the Committee on Armed Services of the Senate that "only by providing this preparation can we fairly ask our service members to put their lives at risk";

Whereas according to the testimony of the Chairman of the Joint Chiefs of Staff, the Chief of Naval Operations, and the Commandant of the Marine Corps, Vieques provides integrated live-fire training "critical to our readiness", and the failure to provide for adequate live-fire training for our naval forces before deployment will place those forces at unacceptably high risk during deployment;

Whereas Admiral Johnson, the Chief of Naval Operations, and General Jones, the Commandant of the Marine Corps, recently testified before the Committee on Armed Services of the Senate that without the ability to train on Vieques, the U.S.S. Eisenhower Battle Group and the 24th Marine Expeditionary Unit scheduled for deployment in February 2000 would not be ready for such deployment "without greatly increasing the risk to those men and women who we ask to go in harm's way";

Whereas Vice Admiral Murphy, Commander of the Sixth Fleet of the Navy, recently testified before the Committee on Armed Services of the Senate that the loss of training on Vieques would "cost American lives";

Whereas the Navy is currently prevented as a consequence of unrestrained civil disobedience from using the training facilities on Vieques which are required to accomplish the training necessary to achieve a satisfactory level of combat readiness; and

Whereas while the Department of Defense is trying to work with the Government of Puerto Rico on a permanent solution to resolve the current training crisis, the Department of the Navy has an immediate requirement to gain access to these facilities for 13 days in December to accomplish the critical integrated training necessary to achieve a satisfactory level of combat readiness for the U.S.S. Eisenhower Battle Group and the 24th Marine Expeditionary Unit: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the Secretary of the Navy should conduct the 13 days of pre-deployment training which is required to be performed on the Island of Vieques to ensure the U.S.S. Eisenhower Battle Group and the 24th Marine Expeditionary Unit are free of serious deficiencies in major warfare areas, thereby reducing the risk to those men and women who we ask to go in harm's way; and

(2) the President should not deploy the U.S.S. Eisenhower Battle Group or the 24th Marine Expeditionary Unit until—

(A) the President, in consultation with the Secretary of Defense, the Secretary of the Navy, the Chief of Naval Operations, and the Commandant of the Marine Corps, reviews the certifications regarding the readiness of the battle group and the expeditionary unit made by the Commander of the Second Fleet of the Navy and the Commander of the Marine Forces in the Atlantic, as the case may be; and

(B) the President determines and so notifies Congress that the battle group and the expeditionary unit are free of serious deficiencies in major warfare areas.

AMENDMENTS SUBMITTED

DENYING SAFE HAVENS TO INTERNATIONAL AND WAR CRIMINALS ACT OF 1999

LEAHY (AND HATCH) AMENDMENT NO. 2510

Mr. GRASSLEY (for Mr. LEAHY (for himself and Mr. HATCH)) proposed an amendment to the bill (S. 1754) entitled the "Denying Safe Havens to Internatinoal and War Criminals Act of 1999"; as follows:

On page 30, lines 20 and 21, strike "WITH RESPECT TO IMMIGRATION LAWS".

On page 30, lines 24 and 25, strike "or proceedings under the immigration laws." and insert a period, quotation marks, and a second period.

On page 31, strike lines 1 through 8.

On page 33, line 13, insert "and" after the semicolon.

On page 33, line 15, strike "; and" and insert a period, quotation marks, and a second period.

On page 33, strike lines 16 through 20.

Beginning on page 38, line 22, strike "or require" and all that follows through "transferred" on line 2 of page 39.

On page 39, line 13, after the period, insert ending quotation marks and a final period.

Beginning on page 39, strike line 14 and all that follows through line 20 on page 40.

On page 42, line 5, after "denaturalize", insert "(as otherwise authorized by law)".

NATIVE AMERICAN HOUSING ASSISTANCE AND SELF-DETERMINATION AMENDMENTS OF 1999

INOUYE AMENDMENT NO. 2511

Mr. GRASSLEY (for Mr. INOUYE) proposed an amendment to the bill (S. 225) to provide housing assistance to Native Hawaiians; as follows:

On page 98, strike line 23 and all that follows through page 99, line 8.

On page 118, line 20, strike "1999" and insert "2000".

On page 118, line 23, strike "October 1, 1999" and insert "the date of enactment of the Native American Housing Assistance and Self-Determination Amendments of 1999".

CHIPPEWA CREE TRIBE OF THE ROCKY BOY'S RESERVATION INDIAN RESERVED WATER RIGHTS SETTLEMENT ACT OF 1999

BURNS (AND BAUCUS) AMENDMENT NO. 2512

Mr. GRASSLEY (for Mr. BURNS and Mr. BAUCUS) proposed an amendment to the bill (S. 438) to provide for the settlement of the water rights claims of the Chippewa Cree Tribe of the Rocky Boy's Reservation, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

SECTION. 1. SHORT TITLE.

This Act may be cited as the "Chippewa Cree Tribe of The Rocky Boy's Reservation Indian Reserved Water Rights Settlement and Water Supply Enhancement Act of 1999".

SEC. 2. FINDINGS.

Congress finds that—

(1) in fulfillment of its trust responsibility to Indian tribes and to promote tribal sovereignty and economic self-sufficiency, it is the policy of the United States to settle the water rights claims of the tribes without lengthy and costly litigation;

(2) the Rocky Boy's Reservation was established as a homeland for the Chippewa Cree Tribe;

(3) adequate water for the Chippewa Cree Tribe of the Rocky Boy's Reservation is important to a permanent, sustainable, and sovereign homeland for the Tribe and its members;

(4) the sovereignty of the Chippewa Cree Tribe and the economy of the Reservation depend on the development of the water resources of the Reservation;

(5) the planning, design, and construction of the facilities needed to utilize water supplies effectively are necessary to the development of a viable Reservation economy and to implementation of the Chippewa Cree-Montana Water Rights Compact;

(6) the Rocky Boy's Reservation is located in a water-short area of Montana and it is appropriate that the Act provide funding for the development of additional water supplies, including domestic water, to meet the needs of the Chippewa Cree Tribe;

(7) proceedings to determine the full extent of the water rights of the Chippewa Cree Tribe are currently pending before the Montana Water Court as a part of *In the Matter of the Adjudication of All Rights to the Use of Water, Both Surface and Underground, within the State of Montana*;

(8) recognizing that final resolution of the general stream adjudication will take many years and entail great expense to all parties, prolong uncertainty as to the availability of water supplies, and seriously impair the long-term economic planning and development of all parties, the Chippewa Cree Tribe and the State of Montana entered into the Compact on April 14, 1997; and

(9) the allocation of water resources from the Tiber Reservoir to the Chippewa Cree Tribe under this Act is uniquely suited to the geographic, social, and economic characteristics of the area and situation involved.

SEC. 3. PURPOSES.

The purposes of this Act are as follows:

(1) To achieve a fair, equitable, and final settlement of all claims to water rights in the State of Montana for—

(A) the Chippewa Cree Tribe; and

(B) the United States for the benefit of the Chippewa Cree Tribe.

(2) To approve, ratify, and confirm, as modified in this Act, the Chippewa Cree-Montana Water Rights Compact entered into by the Chippewa Cree Tribe of the Rocky Boy's Reservation and the State of Montana on April 14, 1997, and to provide funding and other authorization necessary for the implementation of the Compact.

(3) To authorize the Secretary of the Interior to execute and implement the Compact referred to in paragraph (2) and to take such other actions as are necessary to implement the Compact in a manner consistent with this Act.

(4) To authorize Federal feasibility studies designed to identify and analyze potential mechanisms to enhance, through conservation or otherwise, water supplies in North Central Montana, including mechanisms to import domestic water supplies for the future growth of the Rocky Boy's Indian Reservation.

(5) To authorize certain projects on the Rocky Boy's Indian Reservation, Montana, in order to implement the Compact.

(6) To authorize certain modifications to the purposes and operation of the Bureau of Reclamation's Tiber Dam and Lake Elwell on the Marias River in Montana in order to provide the Tribe with an allocation of water from Tiber Reservoir.

(7) To authorize the appropriation of funds necessary for the implementation of the Compact.

SEC. 4. DEFINITIONS.

In this Act:

(1) ACT.—The term "Act" means the "Chippewa Cree Tribe of The Rocky Boy's Reservation Indian Reserved Water Rights Settlement and Water Supply Enhancement Act of 1999".

(2) COMPACT.—The term "Compact" means the water rights compact between the Chippewa Cree Tribe of the Rocky Boy's Reservation and the State of Montana contained in section 85–20–601 of the Montana Code Annotated (1997).

(3) FINAL.—The term "final" with reference to approval of the decree in section 101(b) means completion of any direct appeal to the Montana Supreme Court of a final decree by the Water Court pursuant to section 85–2–235 of the Montana Code Annotated (1997), or to the Federal Court of Appeals, including the expiration of the time in which a petition for certiorari may be filed in the United States Supreme Court, denial of such a petition, or the issuance of the Supreme Court's mandate, whichever occurs last.

(4) FUND.—The term "Fund" means the Chippewa Cree Indian Reserved Water Rights Settlement Fund established under section 104.

(5) INDIAN TRIBE.—The term "Indian tribe" has the meaning given that term in section 101(2) of the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. 479a(2)).

(6) MR&I FEASIBILITY STUDY.—The term "MR&I feasibility study" means a municipal, rural, and industrial, domestic, and incidental drought relief feasibility study described in section 202.

(7) MISSOURI RIVER SYSTEM.—The term "Missouri River System" means the mainstem of the Missouri River and its tributaries, including the Marias River.

(8) RECLAMATION LAW.—The term "Reclamation Law" has the meaning given the term "reclamation law" in section 4 of the Act of December 5, 1924 (43 Stat. 701, chapter 4; 43 U.S.C. 371).

(9) ROCKY BOY'S RESERVATION; RESERVATION.—The term "Rocky Boy's Reservation" or "Reservation" means the Rocky Boy's Reservation of the Chippewa Cree Tribe in Montana.

(10) SECRETARY.—The term "Secretary" means the Secretary of the Interior, or his or her duly authorized representative.

(11) TOWE PONDS.—The term "Towe Ponds" means the reservoir or reservoirs referred to as "Stoneman Reservoir" in the Compact.

(12) TRIBAL COMPACT ADMINISTRATION.—The term "Tribal Compact Administration" means the activities assumed by the Tribe for implementation of the Compact as set forth in Article IV of the Compact.

(13) TRIBAL WATER CODE.—The term "tribal water code" means a water code adopted by the Tribe, as provided in the Compact.

(14) TRIBAL WATER RIGHT.—

(A) IN GENERAL.—The term "Tribal Water Right" means the water right set forth in section 85–20–601 of the Montana Code Annotated (1997) and includes the water allocation set forth in Title II of this Act.

(B) RULE OF CONSTRUCTION.—The definition of the term "Tribal Water Right" under this paragraph and the treatment of that right under this Act shall not be construed or interpreted as a precedent for the litigation of reserved water rights or the interpretation or administration of future compacts between the United States and the State of Montana or any other State.

(15) TRIBE.—The term "Tribe" means the Chippewa Cree Tribe of the Rocky Boy's Reservation and all officers, agents, and departments thereof.

(16) WATER DEVELOPMENT.—The term "water development" includes all activities that involve the use of water or modification of water courses or water bodies in any way.

SEC. 5. MISCELLANEOUS PROVISIONS.

(a) NONEXERCISE OF TRIBE'S RIGHTS.—Pursuant to Tribal Resolution No. 40–98, and in exchange for benefits under this Act, the Tribe shall not exercise the rights set forth in Article VII.A.3 of the Compact, except that in the event that the approval, ratification, and confirmation of the Compact by the United States becomes null and void under section 101(b), the Tribe shall have the right to exercise the rights set forth in Article VII.A.3 of the Compact.

(b) WAIVER OF SOVEREIGN IMMUNITY.—Except to the extent provided in subsections (a), (b), and (c) of section 208 of the Department of Justice Appropriation Act, 1953 (43 U.S.C. 666), nothing in this Act may be construed to waive the sovereign immunity of the United States.

(c) TRIBAL RELEASE OF CLAIMS AGAINST THE UNITED STATES.—

(1) IN GENERAL.—Pursuant to Tribal Resolution No. 40–98, and in exchange for benefits under this Act, the Tribe shall, on the date of enactment of this Act, execute a waiver and release of the claims described in paragraph (2) against the United States, the validity of which are not recognized by the United States, except that—

(A) the waiver and release of claims shall not become effective until the appropriation of the funds authorized in section 105, the water allocation in section 201, and the appropriation of funds for the MR&I feasibility study authorized in section 204 have been completed and the decree has become final in accordance with the requirements of section 101(b); and

(B) in the event that the approval, ratification, and confirmation of the Compact by the United States becomes null and void under section 101(b), the waiver and release of claims shall become null and void.

(2) CLAIMS DESCRIBED.—The claims referred to in paragraph (1) are as follows:

(A) Any and all claims to water rights (including water rights in surface water, ground water, and effluent), claims for injuries to water rights, claims for loss or deprivation of use of water rights, and claims for failure to acquire or develop water rights for lands of the Tribe from time immemorial to the date of ratification of the Compact by Congress.

(B) Any and all claims arising out of the negotiation of the Compact and the settlement authorized by this Act.

(3) SETOFFS.—In the event the waiver and release do not become effective as set forth in paragraph (1)—

(A) the United States shall be entitled to setoff against any claim for damages asserted by the Tribe against the United States, any funds transferred to the Tribe pursuant to section 104, and any interest accrued thereon up to the date of setoff; and

(B) the United States shall retain any other claims or defenses not waived in this Act or in the Compact as modified by this Act.

(d) OTHER TRIBES NOT ADVERSELY AFFECTED.—Nothing in this Act shall be construed to quantify or otherwise adversely affect the land and water rights, or claims or entitlements to land or water of an Indian tribe other than the Chippewa Cree Tribe.

(e) ENVIRONMENTAL COMPLIANCE.—In implementing the Compact, the Secretary shall comply with all aspects of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.), and all other applicable environmental Acts and regulations.

(f) EXECUTION OF COMPACT.—The execution of the Compact by the Secretary as provided for in this Act shall not constitute a major Federal action under the National Environmental Policy Act (42 U.S.C. 4321 et seq.). The Secretary is directed to carry out all necessary environmental compliance required by Federal law in implementing the Compact.

(g) CONGRESSIONAL INTENT.—Nothing in this Act shall be construed to prohibit the Tribe from seeking additional authorization or appropriation of funds for tribal programs or purposes.

(h) ACT NOT PRECEDENTIAL.—Nothing in this Act shall be construed or interpreted as a precedent for the litigation of reserved water rights or the interpretation or administration of future water settlement Acts.

TITLE I—CHIPPEWA CREE TRIBE OF THE ROCKY BOY'S RESERVATION INDIAN RESERVED WATER RIGHTS SETTLEMENT

SEC. 101. RATIFICATION OF COMPACT AND ENTRY OF DECREE.

(a) WATER RIGHTS COMPACT APPROVED.—Except as modified by this Act, and to the extent the Compact does not conflict with this Act—

(1) the Compact, entered into by the Chippewa Cree Tribe of the Rocky Boy's Reservation and the State of Montana on April 14, 1997, is hereby approved, ratified, and confirmed; and

(2) the Secretary shall—

(A) execute and implement the Compact together with any amendments agreed to by the parties or necessary to bring the Compact into conformity with this Act; and

(B) take such other actions as are necessary to implement the Compact.

(b) APPROVAL OF DECREE.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the United States, the Tribe, or the State of Montana shall petition the Montana Water Court, individually or jointly, to enter and approve the decree agreed to by the United States, the Tribe, and the State of Montana attached as Appendix 1 to the Compact, or any amended version thereof agreed to by the United States, the Tribe, and the State of Montana.

(2) RESORT TO THE FEDERAL DISTRICT COURT.—Under the circumstances set forth in Article VII.B.4 of the Compact, 1 or more parties may file an appropriate motion (as provided in that article) in the United States district court of appropriate jurisdiction.

(3) EFFECT OF FAILURE OF APPROVAL TO BECOME FINAL.—In the event the approval by the appropriate court, including any direct appeal, does not become final within 3 years after the filing of the decree, or the decree is approved but is subsequently set aside by the appropriate court—

(A) the approval, ratification, and confirmation of the Compact by the United States shall be null and void; and

(B) except as provided in subsections (a) and (c)(3) of section 5 and section 105(e)(1), this Act shall be of no further force and effect.

SEC. 102. USE AND TRANSFER OF THE TRIBAL WATER RIGHT.

(a) ADMINISTRATION AND ENFORCEMENT.—As provided in the Compact, until the adoption and approval of a tribal water code by the Tribe, the Secretary shall administer and enforce the Tribal Water Right.

(b) TRIBAL MEMBER ENTITLEMENT.—

(1) IN GENERAL.—Any entitlement to Federal Indian reserved water of any tribal member shall be satisfied solely from the water secured to the Tribe by the Compact and shall be governed by the terms and conditions of the Compact.

(2) ADMINISTRATION.—An entitlement described in paragraph (1) shall be administered by the Tribe pursuant to a tribal water code developed and adopted pursuant to Article IV.A.2 of the Compact, or by the Secretary pending the adoption and approval of the tribal water code.

(c) TEMPORARY TRANSFER OF TRIBAL WATER RIGHT.—The Tribe may, with the approval of the Secretary and the approval of the State of Montana pursuant to Article IV.A.4 of the Compact, transfer any portion of the Tribal water right for use off the Reservation by service contract, lease, exchange, or other agreement. No service contract, lease, exchange, or other agreement entered into under this subsection may permanently alienate any portion of the Tribal water right. The enactment of this subsection shall constitute a plenary exercise of the powers set forth in Article I, section 8(3) of the United States Constitution and is statutory law of the United States within the meaning of Article IV.A.4.b.(3) of the Compact.

SEC. 103. ON-RESERVATION WATER RESOURCES DEVELOPMENT.

(a) WATER DEVELOPMENT PROJECTS.—The Secretary, acting through the Bureau of Reclamation, is authorized and directed to plan, design, and construct, or to provide, pursuant to subsection (b), for the planning, design, and construction of the following water development projects on the Rocky Boy's Reservation:

(1) Bonneau Dam and Reservoir Enlargement.

(2) East Fork of Beaver Creek Dam Repair and Enlargement.

(3) Brown's Dam Enlargement.

(4) Towe Ponds' Enlargement.

(5) Such other water development projects as the Tribe shall from time to time consider appropriate.

(b) IMPLEMENTATION AGREEMENT.—The Secretary, at the request of the Tribe, shall enter into an agreement, or, if appropriate, renegotiate an existing agreement, with the Tribe to implement the provisions of this Act through the Tribe's annual funding agreement entered into under the self-governance program under title IV of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 458aa et seq.) by which the Tribe shall plan, design, and construct any or all of the projects authorized by this section.

(c) BUREAU OF RECLAMATION PROJECT ADMINISTRATION.—

(1) IN GENERAL.—Congress finds that the Secretary, through the Bureau of Reclamation, has entered into an agreement with the Tribe, pursuant to title IV of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 458aa et seq.)—

(A) defining and limiting the role of the Bureau of Reclamation in its administration of the projects authorized in subsection (a);

(B) establishing the standards upon which the projects will be constructed; and

(C) for other purposes necessary to implement this section.

(2) AGREEMENT.—The agreement referred to in paragraph (1) shall become effective when the Tribe exercises its right under subsection (b).

SEC. 104. CHIPPEWA CREE INDIAN RESERVED WATER RIGHTS SETTLEMENT TRUST FUND.

(a) ESTABLISHMENT OF TRUST FUND.—

(1) IN GENERAL.—

(A) ESTABLISHMENT.—There is hereby established in the Treasury of the United States a trust fund for the Chippewa Cree Tribe of the Rocky Boy's Reservation to be known as the "Chippewa Cree Indian Reserved Water Rights Settlement Trust Fund".

(B) AVAILABILITY OF AMOUNTS IN FUND.—

(i) IN GENERAL.—Amounts in the Fund shall be available to the Secretary for management and investment on behalf of the Tribe and distribution to the Tribe in accordance with this Act.

(ii) AVAILABILITY.—Funds made available from the Fund under this section shall be available without fiscal year limitation.

(2) MANAGEMENT OF FUND.—The Secretary shall deposit and manage the principal and interest in the Fund in a manner consistent with subsection (b) and other applicable provisions of this Act.

(3) CONTENTS OF FUND.—The Fund shall consist of the amounts authorized to be appropriated to the Fund under section 105(a) and such other amounts as may be transferred or credited to the Fund.

(4) WITHDRAWAL.—The Tribe, with the approval of the Secretary, may withdraw the Fund and deposit it in a mutually agreed upon private financial institution. That withdrawal shall be made pursuant to the American Indian Trust Fund Management Reform Act of 1994 (25 U.S.C. 4001 et seq.).

(5) ACCOUNTS.—The Secretary of the Interior shall establish the following accounts in the Fund and shall allocate appropriations to the various accounts as required in this Act:

(A) The Tribal Compact Administration Account.

(B) The Economic Development Account.

(C) The Future Water Supply Facilities Account.

(b) FUND MANAGEMENT.—

(1) IN GENERAL.—

(A) AMOUNTS IN FUND.—The Fund shall consist of such amounts as are appropriated to the Fund and allocated to the accounts of the Fund by the Secretary as provided for in this Act and in accordance with the authorizations for appropriations in paragraphs (1), (2), and (3) of section 105(a), together with all interest that accrues in the Fund.

(B) MANAGEMENT BY SECRETARY.—The Secretary shall manage the Fund, make investments from the Fund, and make available funds from the Fund for distribution to the Tribe in a manner consistent with the American Indian Trust Fund Management Reform Act of 1994 (25 U.S.C. 4001 et seq.).

(2) TRIBAL MANAGEMENT.—

(A) IN GENERAL.—If the Tribe exercises its right pursuant to subsection (a)(4) to withdraw the Fund and deposit it in a private financial institution, except as provided in the withdrawal plan, neither the Secretary nor the Secretary of the Treasury shall retain any oversight over or liability for the accounting, disbursement, or investment of the funds.

(B) WITHDRAWAL PLAN.—The withdrawal plan referred to in subparagraph (A) shall provide for—

(i) the creation of accounts and allocation to accounts in a fund established under the plan in a manner consistent with subsection (a); and

(ii) the appropriate terms and conditions, if any, on expenditures from the fund (in addition to the requirements of the plans set forth in paragraphs (2) and (3) of subsection (c)).

(c) USE OF FUND.—The Tribe shall use the Fund to fulfill the purposes of this Act, subject to the following restrictions on expenditures:

(1) Except for $400,000 necessary for capital expenditures in connection with Tribal Compact Administration, only interest accrued on the Tribal Compact Administration Account referred to in subsection (a)(5)(A) shall be available to satisfy the Tribe's obligations for Tribal Compact Administration under the provisions of the Compact.

(2) Both principal and accrued interest on the Economic Development Account referred to in subsection (a)(5)(B) shall be available to the Tribe for expenditure pursuant to an economic development plan approved by the Secretary.

(3) Both principal and accrued interest on the Future Water Supply Facilities Account referred to in subsection (a)(5)(C) shall be available to the Tribe for expenditure pursuant to a water supply plan approved by the Secretary.

(d) INVESTMENT OF FUND.—

(1) IN GENERAL.—

(A) APPLICABLE LAWS.—The Secretary shall invest amounts in the Fund in accordance with—

(i) the Act of April 1, 1880 (21 Stat. 70, chapter 41; 25 U.S.C. 161);

(ii) the first section of the Act entitled “An Act to authorize the payment of interest of certain funds held in trust by the United States for Indian tribes”, approved February 12, 1929 (25 U.S.C. 161a); and

(iii) the first section of the Act entitled “An Act to authorize the deposit and investment of Indian funds”, approved June 24, 1938 (25 U.S.C.162a).

(B) CREDITING OF AMOUNTS TO THE FUND.—The interest on, and the proceeds from the sale or redemption of, any obligations of the United States held in the Fund shall be credited to and form part of the Fund. The Secretary of the Treasury shall credit to each of the accounts contained in the Fund a proportionate amount of that interest and proceeds.

(2) CERTAIN WITHDRAWN FUNDS.—

(A) IN GENERAL.—Amounts withdrawn from the Fund and deposited in a private financial institution pursuant to a withdrawal plan approved by the Secretary under the American Indian Trust Fund Management Reform Act of 1994 (25 U.S.C. 4001 et seq.) shall be invested by an appropriate official under that plan.

(B) DEPOSIT OF INTEREST AND PROCEEDS.—The interest on, and the proceeds from the sale or redemption of, any obligations held under this paragraph shall be deposited in the private financial institution referred to in subparagraph (A) in the fund established pursuant to the withdrawal plan referred to in that subparagraph. The appropriate official shall credit to each of the accounts contained in that fund a proportionate amount of that interest and proceeds.

(e) AGREEMENT REGARDING FUND EXPENDITURES.—If the Tribe does not exercise its right under subsection (a)(4) to withdraw the funds in the Fund and transfer those funds to a private financial institution, the Secretary shall enter into an agreement with the Tribe providing for appropriate terms and conditions, if any, on expenditures from the Fund in addition to the plans set forth in paragraphs (2) and (3) of subsection (c).

(f) PER CAPITA DISTRIBUTIONS PROHIBITED.—No part of the Fund shall be distributed on a per capita basis to members of the Tribe.

SEC. 105. AUTHORIZATION OF APPROPRIATIONS.

(a) CHIPPEWA CREE FUND.—There is authorized to be appropriated for the Fund, $21,000,000 to be allocated by the Secretary as follows:

(1) TRIBAL COMPACT ADMINISTRATION ACCOUNT.—For Tribal Compact Administration assumed by the Tribe under the Compact and this Act, $3,000,000 is authorized to be appropriated for fiscal year 2000.

(2) ECONOMIC DEVELOPMENT ACCOUNT.—For tribal economic development, $3,000,000 is authorized to be appropriated for fiscal year 2000.

(3) FUTURE WATER SUPPLY FACILITIES ACCOUNT.—For the total Federal contribution to the planning, design, construction, operation, maintenance, and rehabilitation of a future water supply system for the Reservation, there are authorized to be appropriated—

(A) $2,000,000 for fiscal year 2000;

(B) $8,000,000 for fiscal year 2001; and

(C) $5,000,000 for fiscal year 2002.

(b) ON-RESERVATION WATER DEVELOPMENT.—

(1) IN GENERAL.—There are authorized to be appropriated to the Department of the Interior, for the Bureau of Reclamation, for the construction of the on-Reservation water development projects authorized by section 103—

(A) $13,000,000 for fiscal year 2000, for the planning, design, and construction of the Bonneau Dam Enlargement, for the development of additional capacity in Bonneau Reservoir for storage of water secured to the Tribe under the Compact;

(B) $8,000,000 for fiscal year 2001, for the planning, design, and construction of the East Fork Dam and Reservoir enlargement, of the Brown's Dam and Reservoir enlargement, and of the Towe Ponds enlargement of which—

(i) $4,000,000 shall be used for the East Fork Dam and Reservoir enlargement;

(ii) $2,000,000 shall be used for the Brown's Dam and Reservoir enlargement; and

(iii) $2,000,000 shall be used for the Towe Ponds enlargement; and

(C) $3,000,000 for fiscal year 2002, for the planning, design, and construction of such other water resource developments as the Tribe, with the approval of the Secretary, from time to time may consider appropriate or for the completion of the 4 projects enumerated in subparagraphs (A) and (B) of paragraph (1).

(2) UNEXPENDED BALANCES.—Any unexpended balance in the funds authorized to be appropriated under subparagraph (A) or (B) of paragraph (1), after substantial completion of all of the projects enumerated in paragraphs (1) through (4) of section 103(a)—

(A) shall be available to the Tribe first for completion of the enumerated projects; and

(B) then for other water resource development projects on the Reservation.

(c) ADMINISTRATION COSTS.—There is authorized to be appropriated to the Department of the Interior, for the Bureau of Reclamation, $1,000,000 for fiscal year 2000, for the costs of administration of the Bureau of Reclamation under this Act, except that—

(1) if those costs exceed $1,000,000, the Bureau of Reclamation may use funds authorized for appropriation under subsection (b) for costs; and

(2) the Bureau of Reclamation shall exercise its best efforts to minimize those costs to avoid expenditures for the costs of administration under this Act that exceed a total of $1,000,000.

(d) AVAILABILITY OF FUNDS.—

(1) IN GENERAL.—The amounts authorized to be appropriated to the Fund and allocated to its accounts pursuant to subsection (a) shall be deposited into the Fund and allocated immediately on appropriation.

(2) INVESTMENTS.—Investments may be made from the Fund pursuant to section 104(d).

(3) AVAILABILITY OF CERTAIN MONEYS.—The amounts authorized to be appropriated in subsection (a)(1) shall be available for use immediately upon appropriation in accordance with subsection 104(c)(1).

(4) LIMITATION.—Those moneys allocated by the Secretary to accounts in the Fund or in a fund established under section 104(a)(4) shall draw interest consistent with section 104(d), but the moneys authorized to be appropriated under subsection (b) and paragraphs (2) and (3) of subsection (a) shall not be available for expenditure until the requirements of section 101(b) have been met so that the decree has become final and the Tribe has executed the waiver and release required under section 5(c).

(e) RETURN OF FUNDS TO THE TREASURY.—

(1) IN GENERAL.—In the event that the approval, ratification, and confirmation of the Compact by the United States becomes null and void under section 101(b), all unexpended funds appropriated under the authority of this Act together with all interest earned on such funds, notwithstanding whether the funds are held by the Tribe, a private institution, or the Secretary, shall revert to the general fund of the Treasury 12 months after the expiration of the deadline established in section 101(b).

(2) INCLUSION IN AGREEMENTS AND PLAN.—The requirements in paragraph (1) shall be included in all annual funding agreements

entered into under the self-governance program under title IV of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 458aa et seq.), withdrawal plans, withdrawal agreements, or any other agreements for withdrawal or transfer of the funds to the Tribe or a private financial institution under this Act.

(f) WITHOUT FISCAL YEAR LIMITATION.—All money appropriated pursuant to authorizations under this title shall be available without fiscal year limitation.

SEC. 106. STATE CONTRIBUTIONS TO SETTLEMENT.

Consistent with Articles VI.C.2 and C.3 of the Compact, the State contribution to settlement shall be as follows:

(1) The contribution of $150,000 appropriated by Montana House Bill 6 of the 55th Legislative Session (1997) shall be used for the following purposes:

(A) Water quality discharge monitoring wells and monitoring program.

(B) A diversion structure on Big Sandy Creek.

(C) A conveyance structure on Box Elder Creek.

(D) The purchase of contract water from Lower Beaver Creek Reservoir.

(2) Subject to the availability of funds, the State shall provide services valued at $400,000 for administration required by the Compact and for water quality sampling required by the Compact.

TITLE II—TIBER RESERVOIR ALLOCATION AND FEASIBILITY STUDIES AUTHORIZATION.

SEC. 201. TIBER RESERVOIR.

(a) ALLOCATION OF WATER TO THE TRIBE.—

(1) IN GENERAL.—The Secretary shall permanently allocate to the Tribe, without cost to the Tribe, 10,000 acre-feet per year of stored water from the water right of the Bureau of Reclamation in Lake Elwell, Lower Marias Unit, Upper Missouri Division, Pick-Sloan Missouri Basin Program, Montana, measured at the outlet works of the dam or at the diversion point from the reservoir. The allocation shall become effective when the decree referred to in section 101(b) has become final in accordance with that section. The allocation shall be part of the Tribal Water Right and subject to the terms of this Act.

(2) AGREEMENT.—The Secretary shall enter into an agreement with the Tribe setting forth the terms of the allocation and providing for the Tribe's use or temporary transfer of water stored in Lake Elwell, subject to the terms and conditions of the Compact and this Act.

(3) PRIOR RESERVED WATER RIGHTS.—The allocation provided in this section shall be subject to the prior reserved water rights, if any, of any Indian tribe, or person claiming water through any Indian tribe.

(b) USE AND TEMPORARY TRANSFER OF ALLOCATION.—

(1) IN GENERAL.—Subject to the limitations and conditions set forth in the Compact and this Act, the Tribe shall have the right to devote the water allocated by this section to any use, including agricultural, municipal, commercial, industrial, mining, or recreational uses, within or outside the Rocky Boy's Reservation.

(2) CONTRACTS AND AGREEMENTS.—Notwithstanding any other provision of statutory or common law, the Tribe may, with the approval of the Secretary and subject to the limitations and conditions set forth in the Compact, enter into a service contract, lease, exchange, or other agreement providing for the temporary delivery, use, or transfer of the water allocated by this section, except that no such service contract, lease, exchange, or other agreement may permanently alienate any portion of the tribal allocation.

(c) REMAINING STORAGE.—The United States shall retain the right to use for any authorized purpose, any and all storage remaining in Lake Elwell after the allocation made to the Tribe in subsection (a).

(d) WATER TRANSPORT OBLIGATION; DEVELOPMENT AND DELIVERY COSTS.—The United States shall have no responsibility or obligation to provide any facility for the transport of the water allocated by this section to the Rocky Boy's Reservation or to any other location. Except for the contribution set forth in section 105(a)(3), the cost of developing and delivering the water allocated by this title or any other supplemental water to the Rocky Boy's Reservation shall not be borne by the United States.

(e) SECTION NOT PRECEDENTIAL.—The provisions of this section regarding the allocation of water resources from the Tiber Reservoir to the Tribe shall not be construed as precedent in the litigation or settlement of any other Indian water right claims.

SEC. 202. MUNICIPAL, RURAL, AND INDUSTRIAL FEASIBILITY STUDY.

(a) AUTHORIZATION.—

(1) IN GENERAL.—

(A) STUDY.—The Secretary, acting through the Bureau of Reclamation, shall perform an MR&I feasibility study of water and related resources in North Central Montana to evaluate alternatives for a municipal, rural, and industrial supply for the Rocky Boy's Reservation.

(B) USE OF FUNDS MADE AVAILABLE FOR FISCAL YEAR 1999.—The authority under subparagraph (A) shall be deemed to apply to MR&I feasibility study activities for which funds were made available by appropriations for fiscal year 1999.

(2) CONTENTS OF STUDY.—The MR&I feasibility study shall include the feasibility of releasing the Tribe's Tiber allocation as provided for in section 201 into the Missouri River System for later diversion to a treatment and delivery system for the Rocky Boy's Reservation.

(3) UTILIZATION OF EXISTING STUDIES.—The MR&I feasibility study shall include utilization of existing Federal and non-Federal studies and shall be planned and conducted in consultation with other Federal agencies, the State of Montana, and the Chippewa Cree Tribe.

(b) ACCEPTANCE OR PARTICIPATION IN IDENTIFIED OFF-RESERVATION SYSTEM.—The United States, the Chippewa Cree Tribe of the Rocky Boy's Reservation, and the State of Montana shall not be obligated to accept or participate in any potential off-Reservation water supply system identified in the MR&I feasibility study authorized in subsection (a).

SEC. 203. REGIONAL FEASIBILITY STUDY—

(a) IN GENERAL.—

(1) STUDY.—The Secretary, acting through the Bureau of Reclamation, shall conduct, pursuant to Reclamation Law, a regional feasibility study (referred to in this subsection as the "regional feasibility study") to evaluate water and related resources in North-Central Montana in order to determine the limitations of those resources and how those resources can best be managed and developed to serve the needs of the citizens of Montana.

(2) USE OF FUNDS MADE AVAILABLE FOR FISCAL YEAR 1999.—The authority under paragraph (1) shall be deemed to apply to regional feasibility study activities for which funds were made available by appropriations for fiscal year 1999.

(b) CONTENTS OF STUDY.—The regional feasibility study shall—

(1) evaluate existing and potential water supplies, uses, and management;

(2) identify major water-related issues, including environmental, water supply, and economic issues;

(3) evaluate opportunities to resolve the issues referred to in paragraph (2); and

(4) evaluate options for implementation of resolutions to the issues.

(c) REQUIREMENTS.—Because of the regional and international impact of the regional feasibility study, the study may not be segmented. The regional study shall—

(1) utilize, to the maximum extent possible, existing information; and

(2) be planned and conducted in consultation with all affected interests, including interests in Canada.

SEC. 204. AUTHORIZATION OF APPROPRIATIONS FOR FEASIBILITY STUDIES.

(a) FISCAL YEAR 1999 APPROPRIATIONS.—Of the amounts made available by appropriations for fiscal year 1999 for the Bureau of Reclamation, $1,000,000 shall be used for the purpose of commencing the MR&I feasibility study under section 202 and the regional study under section 203, of which—

(1) $500,000 shall be used for the MR&I study under section 202; and

(2) $500,000 shall be used for the regional study under section 203.

(b) FEASIBILITY STUDIES.—There is authorized to be appropriated to the Department of the Interior, for the Bureau of Reclamation, for the purpose of conducting the MR&I feasibility study under section 202 and the regional study under section 203, $3,000,000 for fiscal year 2000, of which—

(1) $500,000 shall be used for the MR&I feasibility study under section 202; and

(2) $2,500,000 shall be used for the regional study under section 203.

(c) WITHOUT FISCAL YEAR LIMITATION.—All money appropriated pursuant to authorizations under this title shall be available without fiscal year limitation.

(d) AVAILABILITY OF CERTAIN MONEYS.—The amounts made available for use under subsection (a) shall be deemed to have been available for use as of the date on which those funds were appropriated. The amounts authorized to be appropriated in subsection (b) shall be available for use immediately upon appropriation.

FREEDOM TO E-FILE ACT

FITZGERALD AMENDMENT NO. 2513

Mr. GRASSLEY (for Mr. FITZGERALD) proposed an amendment to the bill (S. 777) to require the Department of Agriculture to establish an electronic filing and retrieval system to enable the public to file all required paperwork electronically with the Department and to have access to public information on farm programs, quarterly trade, economic, and production reports, and other similar information; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Freedom to E-File Act".

SEC. 2. ELECTRONIC FILING AND RETRIEVAL.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, in accordance with subsection (c), the Secretary of Agriculture (referred to in this Act as the "Secretary") shall, to the maximum extent practicable, establish an Internet-based system that enables agricultural producers to access all forms of the agencies of the Department of Agriculture specified in subsection (b).

(b) APPLICABILITY.—The agencies referred to in subsection (a) are—

(1) the Farm Service Agency;

(2) the Rural Utilities Service;

(3) the Rural Housing Service;

(4) the Rural Business-Cooperative Service; and

(5) the Natural Resources Conservation Service.

(c) IMPLEMENTATION.—In carrying out subsection (a), the Secretary shall—

(1) provide a method by which agricultural producers may—

(A) download forms from the Internet; and

(B) submit completed forms via electronic facsimile, mail, or similar means;

(2) redesign forms of the agencies of the Department of Agriculture by incorporating into the forms user-friendly formats and self-help guidance materials.

(d) PROGRESS REPORTS.—Not later than 180 days after the date of enactment of this Act, the Secretary shall submit to Congress a report that describes the progress made toward implementing the Internet-based system required under this section.

SEC. 3. ACCESSING INFORMATION AND FILING OVER THE INTERNET.

(a) IN GENERAL.—Not later than 2 years after the date of enactment of this Act, in accordance with subsection (b), the Secretary shall expand implementation of the Internet-based system established under section 2 by enabling agricultural producers to access and file all forms and, at the option of the Secretary, selected records and information of the agencies of the Department specified in section 2(b).

(b) IMPLEMENTATION.—In carrying out subsection (a), the Secretary shall ensure that an agricultural producer is able—

(1) to file electronically or in paper form, at the option of the agricultural producer, all forms required by agencies of the Department specified in section 2(b);

(2) to file electronically or in paper form, at the option of the agricultural producer, all documentation required by agencies of the Department specified in section 2(b) and determined appropriate by the Secretary; and

(3) to access information concerning farm programs, quarterly trade, economic, and production reports, and other similar production agriculture information that is readily available to the public in paper form.

SEC. 4. FEDERAL CROP INSURANCE CORPORATION AND RISK MANAGEMENT AGENCY.

(a) IN GENERAL.—Not later than December 1, 2000, the Federal Crop Insurance Corporation and the Risk Management Agency shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a plan, that is consistent with this Act, to allow agricultural producers to—

(1) obtain, over the Internet, from approved insurance providers all forms and other information concerning the program under the jurisdiction of the Corporation and Agency in which the agricultural producer is a participant; and

(2) file electronically all paperwork required for participation in the program.

(b) ADMINISTRATION.—The plan shall—

(1) conform to sections 2(c) and 3(b); and

(2) prescribe—

(A) the location and type of data to be made available to agricultural producers;

(B) the location where agricultural producers can electronically file their paperwork; and

(C) the responsibilities of the applicable parties, including agricultural producers, the Risk Management Agency, the Federal Crop Insurance Corporation, approved insurance providers, crop insurance agents, and brokers.

(c) IMPLEMENTATION.—Not later than December 1, 2001, the Federal Crop Insurance Corporation and the Risk Management Agency shall complete implementation of the plan submitted under subsection (a).

SEC. 5. CONFIDENTIALITY.

In carrying out this Act, the Secretary—

(1) may not make available any information over the Internet that would otherwise not be available for release under section 552 or 552a of title 5, United States Code; and

(2) shall ensure, to the maximum extent practicable, that the confidentiality of persons is maintained.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. GRAMM. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet at 9:30 a.m. on Thursday, November 4, 1999, in open session, to consider the nominations of Mr. Alphonso Maldon, Jr. to be assistant Secretary of Defense, Force Management Policy, and Mr. John Veroneau to be Assistant Secretary of Defense, Legislative Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. GRAMM. Mr. President, I ask unanimous consent that the Senate Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Thursday, November 4, 1999, at 9:30 a.m. on local competition in the voice and data marketplaces.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. GRAMM. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, November 4, 1999, at 10 a.m. and 2:30 p.m. to hold two hearings.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

Mr. GRAMM. Mr. President, I ask, unanimous consent that the Senate Committee on Indian Affairs be authorized to meet during the session of the Senate on Thursday, November 4, 1999, at 9:30 a.m. to conduct a joint hearing with the House Committee on Resources on S. 1586, the Indian Land Consolidation Act Amendments of 1999; and S. 1315, to permit the leasing of oil and gas rights on Navajo allotted lands.

The hearing will be held in room 106, Dirksen Senate Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. GRAMM. Mr. President, I ask unanimous consent that the Senate Committee on the Judiciary be authorized to meet during the session of the Senate on Thursday, November 4, 1999, at 10 a.m., in Dirksen Room 226, to conduct a markup.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. GRAMM. Mr. President, I ask unanimous consent that the Senate Committee on the Judiciary be authorized to meet during the session of the Senate on Thursday, November 4, 1999, at 11 a.m., in Dirsken Room 226, to conduct a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL COMMITTEE ON AGING

Mr. GRAMM. Mr. President, I ask unanimous consent that the Special Committee on Aging be authorized to meet on November 4, 1999, from 10 a.m. to 12 p.m., in Dirksen 562 for the purpose of conducting a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

CONFERENCE REPORT FOR INTERIOR APPROPRIATIONS FOR FY 2000

• Mr. McCAIN. Mr. President, the Senate passed the conference agreement for the Interior appropriations bill on October 21, 1999. Although this conference report was approved by unanimous consent, I wanted to express my objections to the amount of excessive pork-barrel spending and extraneous legislative riders included in this final agreement.

In late September, the Senate passed an Interior bill that included $217 million in wasteful and unnecessary spending. This new conference agreement has taken pork-barrel spending to higher proportions by adding an additional $140 million in earmarks that either were not included in the Senate or House bill, or increased funding levels for certain projects at levels far above the requested amounts.

I am constantly amazed by tactics used by my colleagues to attach earmarks for parochial projects that have not been authorized or that circumvent a fair and merit-review process. The conferees have even included report language that directs federal agencies to fund targeted earmarks included in the conference report prior to distributing general allocated funds to the rest of the country.

In my review of the final conference report, I have identified numerous earmarks and riders that are included in a list of objectionable provisions that is available on my Senate webpage. I remind my colleagues that I do not object to these projects based on their merit nor do I intend to belittle the importance of specific projects to local communities. My objections are based on issues of fairness and following established procedures to consider budgetary items as well as a undergoing a separate legislative process for policy and statutory changes to our federal laws. Unfortunately, the conferees have been able to side-step our established budget and legislative rules by utilizing deceptive wording and budget gimmickry.

For example, this conference report includes an extra $22 million in designated "emergency" funding for certain areas in the State of Alaska. This funding was not considered in either the Senate or House bills, but added during last-minute negotiations. Again, I certainly understand economic hardships facing rural Alaskans, but why is funding economic projects such as building a regional shipyard, a larger fishing dock, as well as converting a pulp mill to a Coca Cola bottling plant, of higher priority than addressing important land and resources management issues that are intended to be paid for through the Interior appropriations bill? This added "emergency" spending, despite that fact that it will purportedly not count against budget cap restrictions, will still be paid for by the taxpayers.

Also added in this conference report is an entirely new title that includes legislation, the "Mississippi National Forest Improvement Act of 1999," which had not previously considered in the previous Senate or House bills. Furthermore, emergency funding of $68 million is provided for the "United Mine Workers of America" benefit fund, also not previously included in either the Senate or House versions of the Interior appropriations bills.

The conferees have targeted funding for projects that provide little detail as to their overall national priority or merit. For example, $300,000 that was originally dedicated for a Forest Service regional office is instead directed to be earmarked for heating, ventilation, and air conditioning systems at the Forest Products Labs in Wisconsin. Language is included to provide for specific acquisition of a high band radio system for the Monongahela National Forest in West Virginia. While these maintenance improvements may very well be necessary, is this the type of projects that deserve funding above other important land, forest and wildlife priorities?

Much of this wasteful spending could be directed toward other priorities and programs that allow states and local communities to prioritize their own needs at the local level, such as the State-side program of the Land and Water Conservation Fund. I, along with several of my colleagues, have supported prioritizing the State-side program of the Land and Water Conservation Fund as a program that provides federal resources for projects that are considered fairly and competitively. The conferees agreed to provide $20 million to the State-side program for the first time in many years, but this level is less than the $30 million approved by the Senate and far below what is necessary to address locally identified needs. Unfortunately, the State-side program, and many other programs that fund projects based on merit and national priority, are penalized due to other low-priority and special interest spending as part of this conference report.

Mr. President, each year the conferees utilize the appropriations process to tack on legislative riders that either were not considered through a legislative process or added with the intension to delay important policy and regulatory changes. Many environmental and land management laws cannot be updated or reviewed when legislative riders are included that prohibit any action by federal agencies to proceed with a fair and comprehensive review of impacts on our natural resources. A few of the these riders include:

A delay in promulgating rules to update oil valuation royalty assessments for oil drilled on federal lands;

A two-year exemption for certain mining companies who utilize public lands for purposes of storing mine waste;

A year-long delay for surface management regulations governing hardrock mining; and,

A continuing moratorium on Indian tribal P.L. 93–638 Indian Self-Determination Contracts that allow direct management and funding for tribally operated programs.

I support an open and fair review of our laws that govern public lands and resources, but we cannot fully evaluate the fairness and appropriateness of proposed changes when legislative riders such as these put a halt to our congressional review.

Mr. President, there is no doubt that important land, forest and Native American programs will continue to be supported through this annual funding bill. Unfortunately, many communities across this country will not receive the critical resources they need because of the continuing and unfair practice of pork-barrel spending. This year, our American taxpayers will pay the tab for $357 million in parochial and low-priority spending.●

RESPECT MONTH

● Mr. LEVIN. Mr. President, both the State of Michigan and the City of Detroit have proclaimed the month of October "Respect Month" for the past decade and October 30th "Respect Your Neighborhood Day". These designations give us the opportunity to recognize and celebrate the many daily acts of service, that sometimes go unnoticed, but are so vital to binding our communities and nation together with harmony and unity. Over the last month, organizations and schools in Michigan took the opportunity to give young people a greater acceptance of the similarities and differences of others.

The principle of respect is especially important in the aftermath of last school year's shootings. While our nation is focused on creating an atmosphere free from fear and violence, it is important to pause and reflect on our respect for one another. Respect is a valuable lesson for the schools who are struggling to repair the damage these horrific acts of violence have caused. In fact, in the last few weeks I have reported several incidences of gun violence which have devastated families and school communities, leaving many people wondering what we, as a nation, can do to prevent these tragedies, and how we can reinforce the rule of respect.

I believe there are many things that we can do to make a difference. I have stated many times that one of the first things Congress can do is limit the easy access to firearms by our young people. I will continue to speak out about the need for strengthening our gun laws, but I also believe that there are other critical components of the complex puzzle of youth violence and one of them is respect. Devoting a month to respect provides an excellent avenue by which our young people can focus on the importance of honor, acceptance, and values.

While this is not expected to end all violence, it is my hope that by continuing to implement the lessons of respect in our daily lives, we can, in fact, make a positive impact in neighborhoods, not only across Michigan, but across the country as well.●

THE HONORABLE ELMER B. STAATS, COMPTROLLER GENERAL OF THE UNITED STATES, 1966–1981

● Mr. THOMPSON. Mr. President, today the American Society for Public Administration (ASPA) will be celebrating its 60th Anniversary by honoring Elmer B. Staats, who served as Comptroller General of the United States from 1966–1981. The Comptroller General of the United States has enormous responsibility as head of the U.S. General Accounting Office (GAO). Much of what we take for granted about GAO's successes in the area of government accountability results from the leadership of each Comptroller General. The commitment required to fulfill the responsibilities of this important position are equally balanced by the excellence we have seen in the occupants of the job.

That said, Elmer Staats occupies a special place not only in GAO's history, but for establishing the foundation of improved government accountability and fiscal responsibility so important to the sound functioning of our government. As Chairman of the Senate Committee on Governmental Affairs I can attest to the importance of Mr. Staats' contributions, because they have crucially shaped the effectiveness of GAO over the years and have been of enormous assistance to the Committee and to the Congress as a whole.

Elmer Staats increased GAO's visibility and services to the Congress dramatically. Elmer Staats expanded GAO's work beyond the mere consideration of the legality of expenditures and agency administrative activities, and began examining the effectiveness of government programs. What is important is that he did so by adapting rigorous accounting or "Yellow Book" Government Auditing Standards. In fact, when it comes to the Yellow Book, Elmer Staats literally wrote the book. Finally, Elmer Staats set the pace for GAO to be a leader in the fight against waste, fraud, and abuse. As Stephen Barr reported in The Washington Post on Thursday, October 28, 1999, "For fiscal 1999, the GAO expects its recommendations to produce budget savings and financial benefits worth more than $20 billion. That follows several years in which the GAO's auditing and investigative work has led to annual savings of between $16 billion and $21 billion."

I applaud ASPA's decision to honor Elmer Staats to highlight its own 60 years of service to our nation, and I extend my personal congratulations to Elmer Staats for receiving such a high honor. I ask unanimous consent that a congratulatory letter from the current Comptroller General, David M. Walker, be entered into the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GAO,
U.S. GENERAL ACCOUNTING OFFICE,
Washington, DC, October 28, 1999.

The Honorable Elmer B. Staats,
5011 Overlook Road, NW.,
Washington, DC 20016.

Dear Elmer: It is with enormous pride and privilege that I join your many colleagues and friends in honoring you on this 60th anniversary of the American Society of Public Administration. I regret that I cannot be there to share in the celebration due to a previous family commitment.

In the worlds of public accounting and public administration, we are the beneficiaries of your good name and myriad good works. It is both an honor and a responsibility to follow in your footsteps as Comptroller General of the United States. I would not begin to attempt to summarize the dollars saved, the federal programs strengthened, and the citizens' lives improved as a result of your many years of public service. I refer not only to your accomplishments as Comptroller General, but to your continued association with GAO and a multitude of public and private sector organizations since your so-called "retirement" from federal service.

I want to take this opportunity to highlight a few well-known parts of your celebrated record, which include: development of the "Yellow Book" of government auditing Standards, expansion of GAO's work in program evaluation, the effectiveness of your personal diplomacy on Capitol Hill, the reorganization of GAO into issue areas, establishment of GAO's job planning processes, the revitalization of the Joint Financial Management Improvement Program, and GAO's participation and leadership of the International Organization of Supreme Audit Institutions (INTOSAI). Your work made believers out of many in GAO, the Congress, andother accountability professionals throughout the world who continue to recognize today that GAO's core values of accountability, integrity, and reliability are the very foundation of public trust and confidence.

The changes you effected during your 15-year tenure as Comptroller General allowed GAO's institutional role in government to expand and improve. You demonstrated a unique mixture of energy, innovation, patience, and perseverance in being responsive to the Congress; ensuring the application of the standards of our profession; and preparing executives in all branches of government to understand, address, and resolve the problems that GAO uncovers.

Elmer, your legacy is with us in every new step and renewed effort at GAO. On behalf of the staff here at the General Accounting Office, and my fellow INTOSAL colleagues throughout the world, I extend the very best to you and your family on this joyous occasion.

Sincerely,
DAVID M. WALKER,
Comptroller General of the United States.●

LYNDON A. WADE

● Mr. CLELAND. Mr. President, I once heard Marian Wright Edelman, President of the Children's Defense Fund, say that "Service is the rent each of us pays for living—the very purpose of life and not something you do in your spare time or after you have reached your personal goals." I can think of no greater example of that philosophy than Mr. Lyndon A. Wade.

Lyndon A. Wade has served as President of the Atlanta Urban League for over 30 years. Since 1968, under his leadership, this broad-based community and social service agency has affected major decisions and brought about changes in among other things, land and transportation planning, equal employment opportunities and minority employment in building and construction trades.

Currently, the League operates programs of service in the areas of employment, housing, education and youth services. The agency provides social services to over 3,000 people annually and is affiliated with the United Way Agency and also receives funding from city, county, state, and federal governments, foundations, and corporations.

Mr. Wade is a native Atlantan and a product of the Atlanta public schools. He received his BA form Morehouse College and his Masters degree in Social work from Atlanta University. He began his career as an assistant professor in Emory University's Department of Psychiatry, a position he occupied from 1963 to 1968.

Between 1971 and 1975, while serving as President of the Atlanta Urban League, Mr. Wade was appointed by Federal Judge Frank Hooper to chair the bi-racial Advisory Committee to the Atlanta Board of Education. This group was successful in forging the Atlanta Compromise which ended 15 years of protracted court struggle surrounding the desegregation of Atlanta's public schools.

From 1971 until 1985, Mr. Wade served on the Board of Directors of the Metropolitan Atlanta Rapid Transit Authority where he held the posts of Secretary, Chairman of the Development Committee and Vice-Chairman. He was one of the major architects of Marta's Affirmative Action Program which has resulted in hundreds of jobs for minorities and females as well as producing approximately $3 billion in contracts for minority and female entrepreneurs since the beginning of the system.

During the early 1970's, the Atlanta Urban League, under Wade's leadership, paved the way for minorities and women to gain admission to the building trades elite crafts. Working with Arthur Fletcher and the U.S. Department of Labor a federal employment plan was developed for the construction industry in Metropolitan Atlanta. This plan served as a monitoring guide for hiring and utilization of minority and female workers.

Over his long and distinguished career, Mr. Wade has received numerous citations and honors including: Fulton County Medical Society's Distinguished Service Award; Social Worker of the Year 1971 by the North Georgia Chapter of the National Association of Social Workers; and the Distinguished Service Award by the Atlanta Morehouse Alumni Club.

He is a member of the Academy of Social Workers, the Atlanta Action Forum, the Atlanta Committee for Public Education, Organizing Committee for Gilda's Club, Channel 36's "Quest" Advisory Board, the Association of United Way executive committee, the Urban Insurance Task Force, and District Attorney Paul Howard's Transition Team as well as a 1970 Graduate of leadership Atlanta.

From September 1958 to July 1962, Mr. Wade served in the United States

Military and received an honorable discharge with the rank of First Lieutenant. He is married and the father of four children. He is also a life-long member of the Central Methodist Church in Atlanta.

I thank Mr. Wade for the wonderful work he has done on behalf of Atlanta and its residents and I wish the very best for him and his family in his much deserved retirement.•

CONGRATULATING TWO OUTSTANDING ARKANSAS EMPLOYERS

• Mrs. LINCOLN. Mr. President, I rise today to recognize two outstanding companies in Arkansas that were named last month as two of America's 10 best manufacturing plants in North America by Industry Week magazine. This dual achievement is impressive and stands as a testament to the strong work ethic and pride in workmanship that exists among Arkansas workers.

Scroll Technologies of Arkadelphia and Eaton Corporation's Aeroquip Global Hose Division in Mountain Home were selected from over 400 plants that were considered for this award. Applicants were judged on productivity, workplace safety, community involvement, customer and supplier relations, product quality and innovation in technology.

Scroll Technologies, which manufactures air conditioning and refrigeration equipment, employs 575 workers and is one of the most advanced production plants of its kind. This company's success is founded upon management-employee partnerships, its highly skilled workforce and a strong commitment to workplace safety. Scroll Technologies can also be proud of its sound environmental record.

Eaton Corporation's Aeroquip Global Hose Division opened for business in 1975 and now employs 285 workers in Northwest Arkansas. Eaton-Aeroquip manufactures hydraulic hoses used in large trucks and tractors. This company has succeeded by abandoning the traditional, hierarchical manufacturing process and adopting an organizational structure based on 50 employee teams. Team members are encouraged to give candid feedback about all aspects of the plant's operations and are rewarded with performance based bonuses.

I have always said that Arkansas' greatest asset is its people. I am glad that Scroll Technologies and Eaton-Aeroquip have taken advantage of this resource and become valuable corporate-citizens in my state. I am proud to honor their achievements in the U.S. Senate today. I hope their well-earned success sends a signal to other companies in Arkansas and the nation that Arkansas is a good place for industry to do business.•

ST. JOSEPH'S MERCY OF MACOMB 100TH ANNIVERSARY

• Mr. ABRAHAM. Mr. President I rise today to honor and congratulate St. Joseph's Mercy of Macomb Hospital as they gather in celebration of their 100th Anniversary.

St. Joseph's Mercy of Macomb has set a pioneering tradition in health care since it was founded in 1899. One year after its beginning, the hospital opened a 50 bed facility for treatment of the acutely ill. With its healing waters and mineral baths it attracted patients world wide. St. Joseph's Mercy continued to take great strides in healthcare by establishing a disabled children's clinic, physical therapy department and the area's first alcoholism treatment center which was one of the first to recognize mental illness as a disease. Continuing to provide the best quality of healthcare for the people of Macomb County, in 1990 St. Joseph's became partners with Mercy Health systems and Henry Ford Health System.

What is truly remarkable about the people involved in St. Joseph's Mercy is the commitment they have to removing barriers to better health and making services available closer to home for people of all ages. St. Joseph's Mercy has become a strong force in the community—working with parishes and schools to create healthcare teams and reaching out with HomeCare and neighborhood based healthcare centers. St. Joseph's Mercy is working hard to plan for the future of healthcare needs with critical, life saving initiatives and community outreach activities all designed to create a healthier Macomb County.

The accomplishments this group has made in the past 100 years are to be commended. St. Joseph's Mercy has made a hospital much more than four walls filled with medical equipment. They have taken their guiding spirit and reached out to the community delivering a century of caring and charity.

It is my hope that the St. Joseph's Mercy of Macomb will continue to provide excellent healthcare that knows no bounds.•

GEORGETOWN-RIDGE FARM HIGH SCHOOL WINS ODYSSEY WORLD TITLE

• Mr. DURBIN. Mr. President, I rise today to recognize six students at Georgetown-Ridge Farm High School who captured the Environmental Challenge division title at the Odyssey of the Mind's world competition in Knoxville, Tennessee. These Georgetown-Ridge Farm High School students, under the tutelage of their coach, Jeannine Patterson, beat out 54 teams representing other states and countries to win first place.

While this is the third consecutive year in which a Georgetown-Ridge Farm High School team has advanced a team to the world competition, students Ryan Frohock, Lynsey Hart, Manda Paige, Derek Galyen, Chelsey Spurlock, and James Chandler are the first to win the world competition, which consists of a long-term problem and a spontaneous problem.

Mr. President, we often heap praise upon athletes who demonstrate a special ability to throw a ball, catch a pass, or run extremely fast. Intellectual accomplishments, such as the one achieved by these six Georgetown-Ridge Farm students, however, are rarely acknowledged. But capturing a world title in a competition that involves both creativity and intellect clearly merits the highest commendation we can bestow upon these students. It is important that this achievement receive its due recognition, and I congratulate the six students at Georgetown-Ridge High School who won the Environmental Challenge world title at the Odyssey of the Mind's world competition, as well as their teachers, parents, and friends, all of whom played a role in their victory in Knoxville, Tennessee.•

TRIBUTE TO SERGEANT STEVE REEVES AND OFFICER STEPHEN GILNER

• Mr. CLELAND. Mr. President, it has been said that "Poor is a nation which has no heroes. Poorer still is the nation which has them, but forgets them." I rise today before my colleagues to pay tribute to two fallen heroes, Sergeant Steve Reeves and Officer Stephen Gilner. These policemen were two of Cobb County's, and indeed America's, finest. Unfortunately, in a tragic incident earlier this year, they were killed in the line of duty.

These men dutifully served and protected the great citizens of Georgia up until the last moments of their lives, when on July 23, 1999, these heroes were struck down by gunfire.

Colleagues described Stephen Gilner as a wonderful human being who had never been happier than when, after seven years in the Marine Corps, he was handed his police uniform and could make a career out of helping people. In 1999, Officer Gilner was nominated for the Officer of the Year award after saving a man from a burning van. He died last summer trying to save the life of a fellow officer. Officer Gilner leaves behind his wife Elisa and their daughter Nicole.

Sergeant Reeves had been with the Cobb County Police Department for fourteen years. Fellow officers remember Reeves for his sense of humor and his ability to remain calm under pressure. Just two months before the tragic shooting claimed his life, Steve Reeves had been promoted to Sergeant. The beloved hero was twice decorated—once for saving the life of a fellow officer during a struggle with an armed suspect and again for rescuing a family from their burning house while he was off-duty. Sergeant Reeves is survived by his wife, Beth, and two sons, Clint and Chris.

The selfless bravery and public service displayed by these heroes are in the finest tradition of the United States. I am sure my colleagues in the Senate will join me as I extend my thoughts and prayers to Elisa, Nicole, Beth, Clint and Chris. This tragic incident is the first of its kind in more than thirty five years where two police officers were killed in the same incident in the Atlanta Metro area. Our prayers are sent up to these men in heaven who made the ultimate sacrifice for their fellow citizens.●

TRIBUTE TO DANIEL JACOB MILLER

● Mr. ABRAHAM. Mr. President, I rise today to show appreciation and honor to Daniel Jacob Miller as he receives the Heroism Award presented by the Boy Scouts of America. Daniel is a true hero, good Samaritan and model citizen. On December 31, 1998, there was a tragic and massive automobile pile-up in Northern Michigan. The lone police officer on the scene needed help and that is when Dan stepped up. The officer asked if anyone had medical training and Dan, who had learned first aid training through the Boy Scouts, immediately offered his assistance. Dan's unselfish acts, putting his own life at risk helped save the lives of a mother and her children and enabled the police officer to tend to the many other seriously injured motorists.

What is most exceptional about Dan is that he genuinely cares about all people and their well being. After the devastating tornados which struck Oklahoma last May, Dan instigated and helped organize a trip to aid in the disaster clean-up. Dan's leadership was also apparent when he taught fellow Boy Scouts how to operate a Ham Radio and assisted them in getting certified in Ham Radio operations in case of a disaster.

Dan is described as a quiet and reserved person who enjoys doing his good deeds in secret and throughout his life he has continually put others' needs before his own. Daniel Miller is an exemplary person, Boy Scout and citizen. Time and time again his devotion and good will have blessed the lives of numerous people. It is my hope that many more people follow the path that Dan has set himself on and continue to make the state of Michigan and our nation a better place.

I would also like to take this opportunity to commend the Boy Scouts of America for their dedication to teaching young people the skills they need to assist in life-saving situations. The Boy Scout leaders who so unselfishly give of their time to help young men could never understand the far reaches of their work. Daniel Miller gives us one incredible example of the importance of the training young men get through the Boy Scouts of America.●

YOUTH DRUG AND MENTAL HEALTH SERVICES ACT

On November 3, 1999, the Senate passed S. 976, as follows:

S. 976

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Youth Drug and Mental Health Services Act".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—PROVISIONS RELATING TO SERVICES FOR CHILDREN AND ADOLESCENTS

Sec. 101. Children and violence.
Sec. 102. Emergency response.
Sec. 103. High risk youth reauthorization.
Sec. 104. Substance abuse treatment services for children and adolescents.
Sec. 105. Comprehensive community services for children with serious emotional disturbance.
Sec. 106. Services for children of substance abusers.
Sec. 107. Services for youth offenders.
Sec. 108. Grants for strengthening families through community partnerships.
Sec. 109. General provisions.

TITLE II—PROVISIONS RELATING TO MENTAL HEALTH

Sec. 201. Priority mental health needs of regional and national significance.
Sec. 202. Grants for the benefit of homeless individuals.
Sec. 203. Projects for assistance in transition from homelessness.
Sec. 204. Community mental health services performance partnership block grant.
Sec. 205. Determination of allotment.
Sec. 206. Protection and Advocacy for Mentally Ill Individuals Act of 1986.
Sec. 207. Requirement relating to the rights of residents of certain facilities.

TITLE III—PROVISIONS RELATING TO SUBSTANCE ABUSE

Sec. 301. Priority substance abuse treatment needs of regional and national significance.
Sec. 302. Priority substance abuse prevention needs of regional and national significance.
Sec. 303. Substance abuse prevention and treatment performance partnership block grant.
Sec. 304. Determination of allotments.
Sec. 305. Nondiscrimination and institutional safeguards for religious providers.
Sec. 306. Alcohol and drug prevention or treatment services for Indians and Native Alaskans.

TITLE IV—PROVISIONS RELATING TO FLEXIBILITY AND ACCOUNTABILITY

Sec. 401. General authorities and peer review.
Sec. 402. Advisory councils.
Sec. 403. General provisions for the performance partnership block grants.
Sec. 404. Data infrastructure projects.
Sec. 405. Repeal of obsolete addict referral provisions.
Sec. 406. Individuals with co-occurring disorders.
Sec. 407. Services for individuals with co-occurring disorders.

TITLE I—PROVISIONS RELATING TO SERVICES FOR CHILDREN AND ADOLESCENTS

SEC. 101. CHILDREN AND VIOLENCE.

Title V of the Public Health Service Act (42 U.S.C. 290aa et seq.) is amended by adding at the end the following:

"PART G—PROJECTS FOR CHILDREN AND VIOLENCE

"SEC. 581. CHILDREN AND VIOLENCE.

"(a) IN GENERAL.—The Secretary, in consultation with the Secretary of Education and the Attorney General, shall carry out directly or through grants, contracts or cooperative agreements with public entities a program to assist local communities in developing ways to assist children in dealing with violence.

"(b) ACTIVITIES.—Under the program under subsection (a), the Secretary may—

"(1) provide financial support to enable local communities to implement programs to foster the health and development of children;

"(2) provide technical assistance to local communities with respect to the development of programs described in paragraph (1);

"(3) provide assistance to local communities in the development of policies to address violence when and if it occurs; and

"(4) assist in the creation of community partnerships among law enforcement, education systems and mental health and substance abuse service systems.

"(c) REQUIREMENTS.—An application for a grant, contract or cooperative agreement under subsection (a) shall demonstrate that—

"(1) the applicant will use amounts received to create a partnership described in subsection (b)(4) to address issues of violence in schools;

"(2) the activities carried out by the applicant will provide a comprehensive method for addressing violence, that will include—

"(A) security;

"(B) educational reform;

"(C) the review and updating of school policies;

"(D) alcohol and drug abuse prevention and early intervention services;

"(E) mental health prevention and treatment services; and

"(F) early childhood development and psychosocial services; and

"(3) the applicant will use amounts received only for the services described in subparagraphs (D), (E), and (F) of paragraph (2).

"(d) GEOGRAPHICAL DISTRIBUTION.—The Secretary shall ensure that grants, contracts or cooperative agreements under subsection (a) will be distributed equitably among the regions of the country and among urban and rural areas.

"(e) DURATION OF AWARDS.—With respect to a grant, contract or cooperative agreement under subsection (a), the period during which payments under such an award will be made to the recipient may not exceed 5 years.

"(f) EVALUATION.—The Secretary shall conduct an evaluation of each project carried out under this section and shall disseminate the results of such evaluations to appropriate public and private entities.

"(g) INFORMATION AND EDUCATION.—The Secretary shall establish comprehensive information and education programs to disseminate the findings of the knowledge development and application under this section to the general public and to health care professionals.

"(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, $100,000,000 for fiscal year 2000, and such sums as may be necessary for each of fiscal years 2001 and 2002.

"SEC. 582. GRANTS TO ADDRESS THE PROBLEMS OF PERSONS WHO EXPERIENCE VIOLENCE RELATED STRESS.

"(a) IN GENERAL.—The Secretary shall award grants, contracts or cooperative agreements to public and nonprofit private entities, as well as to Indian tribes and tribal organizations, for the purpose of establishing a national and regional centers of excellence on psychological trauma response and for developing knowledge with regard to evidence-based practices for treating psychiatric disorders resulting from witnessing or experiencing such stress.

"(b) PRIORITIES.—In awarding grants, contracts or cooperative agreements under subsection (a) related to the development of knowledge on evidence-based practices for treating disorders associated with psychological trauma, the Secretary shall give priority to programs that work with children, adolescents, adults, and families who are survivors and witnesses of domestic, school and community violence and terrorism.

"(c) GEOGRAPHICAL DISTRIBUTION.—The Secretary shall ensure that grants, contracts or cooperative agreements under subsection (a) with respect to centers of excellence are distributed equitably among the regions of the country and among urban and rural areas.

"(d) EVALUATION.—The Secretary, as part of the application process, shall require that each applicant for a grant, contract or cooperative agreement under subsection (a) submit a plan for the rigorous evaluation of the activities funded under the grant, contract or agreement, including both process and outcomes evaluation, and the submission of an evaluation at the end of the project period.

"(e) DURATION OF AWARDS.—With respect to a grant, contract or cooperative agreement under subsection (a), the period during which payments under such an award will be made to the recipient may not exceed 5 years. Such grants, contracts or agreements may be renewed.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, $50,000,000 for fiscal year 2000, and such sums as may be necessary for each of fiscal years 2001 and 2002.".

SEC. 102. EMERGENCY RESPONSE.

Section 501 of the Public Health Service Act (42 U.S.C. 290aa) is amended—

(1) by redesignating subsection (m) as subsection (o);

(2) by inserting after subsection (l) the following:

"(m) EMERGENCY RESPONSE.—

"(1) IN GENERAL.—Notwithstanding section 504 and except as provided in paragraph (2), the Secretary may use not to exceed 3 percent of all amounts appropriated under this title for a fiscal year to make noncompetitive grants, contracts or cooperative agreements to public entities to enable such entities to address emergency substance abuse or mental health needs in local communities.

"(2) EXCEPTIONS.—Amounts appropriated under part C shall not be subject to paragraph (1).

"(3) EMERGENCIES.—The Secretary shall establish criteria for determining that a substance abuse or mental health emergency exists and publish such criteria in the Federal Register prior to providing funds under this subsection.

"(n).LIMITATION ON THE USE OF CERTAIN INFORMATION.—No information, if an establishment or person supplying the information or described in it is identifiable, obtained in the course of activities undertaken or supported under this title may be used for any purpose other than the purpose for which it was supplied unless such establishment or person has consented (as determined under regulations of the Secretary) to its use for such other purpose. Such information may not be published or released in other form if the person who supplied the information or who is described in it is identifiable unless such person has consented (as determined under regulations of the Secretary) to its publication or release in other form."; and

(3) in subsection (o) (as so redesignated), by striking "1993" and all that follows through the period and inserting "2000, and such sums as may be necessary for each of the fiscal years 2001 and 2002.".

SEC. 103. HIGH RISK YOUTH REAUTHORIZATION.

Section 517(h) of the Public Health Service Act (42 U.S.C. 290bb–23(h)) is amended by striking "$70,000,000" and all that follows through "1994" and inserting "such sums as may be necessary for each of the fiscal years 2000 through 2002".

SEC. 104. SUBSTANCE ABUSE TREATMENT SERVICES FOR CHILDREN AND ADOLESCENTS.

Subpart 1 of part B of title V of the Public Health Service Act (42 U.S.C. 290bb et seq.) is amended by adding at the end the following:

"SEC. 514. SUBSTANCE ABUSE TREATMENT SERVICES FOR CHILDREN AND ADOLESCENTS.

"(a) IN GENERAL.—The Secretary shall award grants, contracts, or cooperative agreements to public and private nonprofit entities, including Native Alaskan entities and Indian tribes and tribal organizations, for the purpose of providing substance abuse treatment services for children and adolescents.

"(b) PRIORITY.—In awarding grants, contracts, or cooperative agreements under subsection (a), the Secretary shall give priority to applicants who propose to—

"(1) apply evidenced-based and cost effective methods for the treatment of substance abuse among children and adolescents;

"(2) coordinate the provision of treatment services with other social service agencies in the community, including educational, juvenile justice, child welfare, and mental health agencies;

"(3) provide a continuum of integrated treatment services, including case management, for children and adolescents with substance abuse disorders and their families;

"(4) provide treatment that is gender-specific and culturally appropriate;

"(5) involve and work with families of children and adolescents receiving treatment;

"(6) provide aftercare services for children and adolescents and their families after completion of substance abuse treatment; and

"(7) address the relationship between substance abuse and violence.

"(c) DURATION OF GRANTS.—The Secretary shall award grants, contracts, or cooperative agreements under subsection (a) for periods not to exceed 5 fiscal years.

"(d) APPLICATION.—An entity desiring a grant, contract, or cooperative agreement under subsection (a) shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

"(e) EVALUATION.—An entity that receives a grant, contract, or cooperative agreement under subsection (a) shall submit, in the application for such grant, contract, or cooperative agreement, a plan for the evaluation of any project undertaken with funds provided under this section. Such entity shall provide the Secretary with periodic evaluations of the progress of such project and such evaluation at the completion of such project as the Secretary determines to be appropriate.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $40,000,000 for fiscal year 2000, and such sums as may be necessary for fiscal years 2001 and 2002.

"SEC. 514A. EARLY INTERVENTION SERVICES FOR CHILDREN AND ADOLESCENTS.

"(a) IN GENERAL.—The Secretary shall award grants, contracts, or cooperative agreements to public and private nonprofit entities, including local educational agencies (as defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801)), for the purpose of providing early intervention substance abuse services for children and adolescents.

"(b) PRIORITY.—In awarding grants, contracts, or cooperative agreements under subsection (a), the Secretary shall give priority to applicants who demonstrate an ability to—

"(1) screen for and assess substance use and abuse by children and adolescents;

"(2) make appropriate referrals for children and adolescents who are in need of treatment for substance abuse;

"(3) provide early intervention services, including counseling and ancillary services, that are designed to meet the developmental needs of children and adolescents who are at risk for substance abuse; and

"(4) develop networks with the educational, juvenile justice, social services, and other agencies and organizations in the State or local community involved that will work to identify children and adolescents who are in need of substance abuse treatment services.

"(c) CONDITION.—In awarding grants, contracts, or cooperative agreements under subsection (a), the Secretary shall ensure that such grants, contracts, or cooperative agreements are allocated, subject to the availability of qualified applicants, among the principal geographic regions of the United States, to Indian tribes and tribal organizations, and to urban and rural areas.

"(d) DURATION OF GRANTS.—The Secretary shall award grants, contracts, or cooperative agreements under subsection (a) for periods not to exceed 5 fiscal years.

"(e) APPLICATION.—An entity desiring a grant, contract, or cooperative agreement under subsection (a) shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

"(f) EVALUATION.—An entity that receives a grant, contract, or cooperative agreement under subsection (a) shall submit, in the application for such grant, contract, or cooperative agreement, a plan for the evaluation of any project undertaken with funds provided under this section. Such entity shall provide the Secretary with periodic evaluations of the progress of such project and such evaluation at the completion of such project as the Secretary determines to be appropriate.

"(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $20,000,000 for fiscal year 2000, and such sums as may be necessary for fiscal years 2001 and 2002.

"SEC. 514B. YOUTH INTERAGENCY RESEARCH, TRAINING, AND TECHNICAL ASSISTANCE CENTERS.

"(a) PROGRAM AUTHORIZED.—The Secretary, acting through the Administrator of the Substance Abuse and Mental Health Services Administration, and in consultation with the Administrator of the Office of Juvenile Justice and Delinquency Prevention, the Director of the Bureau of Justice Assistance and the Director of the National Institutes of Health, shall award grants or contracts to public or nonprofit private entities to establish not more than 4 research, training, and technical assistance centers to carry out the activities described in subsection (c).

"(b) APPLICATION.—A public or private nonprofit entity desiring a grant or contract under subsection (a) shall prepare and submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

"(c) AUTHORIZED ACTIVITIES.—A center established under a grant or contract under subsection (a) shall—

"(1) provide training with respect to state-of-the-art mental health and justice-related services and successful mental health and substance abuse-justice collaborations that focus on children and adolescents, to public policymakers, law enforcement administrators, public defenders, police, probation officers, judges, parole officials, jail administrators and mental health and substance abuse providers and administrators;

"(2) engage in research and evaluations concerning State and local justice and mental health systems, including system redesign initiatives, and disseminate information concerning the results of such evaluations;

"(3) provide direct technical assistance, including assistance provided through toll-free telephone numbers, concerning issues such as how to accommodate individuals who are being processed through the courts under the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.), what types of mental health or substance abuse service approaches are effective within the judicial system, and how community-based mental health or substance abuse services can be more effective, including relevant regional, ethnic, and gender-related considerations; and

"(4) provide information, training, and technical assistance to State and local governmental officials to enhance the capacity of such officials to provide appropriate services relating to mental health or substance abuse.

"(d) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there is authorized to be appropriated $4,000,000 for fiscal year 2000, and such sums as may be necessary for fiscal years 2001 and 2002.

"SEC. 514C. PREVENTION OF METHAMPHETAMINE AND INHALANT ABUSE AND ADDICTION.

"(a) GRANTS.—The Director of the Center for Substance Abuse Prevention (referred to in this section as the 'Director') may make grants to and enter into contracts and cooperative agreements with public and nonprofit private entities to enable such entities—

"(1) to carry out school-based programs concerning the dangers of methamphetamine or inhalant abuse and addiction, using methods that are effective and evidence-based, including initiatives that give students the responsibility to create their own anti-drug abuse education programs for their schools; and

"(2) to carry out community-based methamphetamine or inhalant abuse and addiction prevention programs that are effective and evidence-based.

"(b) USE OF FUNDS.—Amounts made available under a grant, contract or cooperative agreement under subsection (a) shall be used for planning, establishing, or administering methamphetamine or inhalant prevention programs in accordance with subsection (c).

"(c) PREVENTION PROGRAMS AND ACTIVITIES.—

"(1) IN GENERAL.—Amounts provided under this section may be used—

"(A) to carry out school-based programs that are focused on those districts with high or increasing rates of methamphetamine or inhalant abuse and addiction and targeted at populations which are most at risk to start methamphetamine or inhalant abuse;

"(B) to carry out community-based prevention programs that are focused on those populations within the community that are most at-risk for methamphetamine or inhalant abuse and addiction;

"(C) to assist local government entities to conduct appropriate methamphetamine or inhalant prevention activities;

"(D) to train and educate State and local law enforcement officials, prevention and education officials, members of community anti-drug coalitions and parents on the signs of methamphetamine or inhalant abuse and addiction and the options for treatment and prevention;

"(E) for planning, administration, and educational activities related to the prevention of methamphetamine or inhalant abuse and addiction;

"(F) for the monitoring and evaluation of methamphetamine or inhalant prevention activities, and reporting and disseminating resulting information to the public; and

"(G) for targeted pilot programs with evaluation components to encourage innovation and experimentation with new methodologies.

"(2) PRIORITY.—The Director shall give priority in making grants under this section to rural and urban areas that are experiencing a high rate or rapid increases in methamphetamine or inhalant abuse and addiction.

"(d) ANALYSES AND EVALUATION.—

"(1) IN GENERAL.—Up to $500,000 of the amount available in each fiscal year to carry out this section shall be made available to the Director, acting in consultation with other Federal agencies, to support and conduct periodic analyses and evaluations of effective prevention programs for methamphetamine or inhalant abuse and addiction and the development of appropriate strategies for disseminating information about and implementing these programs.

"(2) ANNUAL REPORTS.—The Director shall submit to the Committee on Health, Education, Labor, and Pensions and the Committee on Appropriations of the Senate and the Committee on Commerce and Committee on Appropriations of the House of Representatives, an annual report with the results of the analyses and evaluation under paragraph (1).

"(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out subsection (a), $10,000,000 for fiscal year 2000, and such sums as may be necessary for each of fiscal years 2001 and 2002.".

SEC. 105. COMPREHENSIVE COMMUNITY SERVICES FOR CHILDREN WITH SERIOUS EMOTIONAL DISTURBANCE.

(a) MATCHING FUNDS.—Section 561(c)(1)(D) of the Public Health Service Act (42 U.S.C. 290ff(c)(1)(D)) is amended by striking "fifth" and inserting "fifth and sixth".

(b) FLEXIBILITY FOR INDIAN TRIBES AND TERRITORIES.—Section 562 of the Public Health Service Act (42 U.S.C. 290ff–1) is amended by adding at the end the following:

"(g) WAIVERS.—The Secretary may waive 1 or more of the requirements of subsection (c) for a public entity that is an Indian Tribe or tribal organization, or American Samoa, Guam, the Marshall Islands, the Federated States of Micronesia, the Commonwealth of the Northern Mariana Islands, the Republic of Palau, or the United States Virgin Islands if the Secretary determines, after peer review, that the system of care is family-centered and uses the least restrictive environment that is clinically appropriate.".

(c) DURATION OF GRANTS.—Section 565(a) of the Public Health Service Act (42 U.S.C. 290ff–4(a)) is amended by striking "5 fiscal" and inserting "6 fiscal".

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 565(f)(1) of the Public Health Service Act (42 U.S.C. 290ff–4(f)(1)) is amended by striking "1993" and all that follows and inserting "2000, and such sums as may be necessary for each of the fiscal years 2001 and 2002.".

(e) CURRENT GRANTEES.—

(1) IN GENERAL.—Entities with active grants under section 561 of the Public Health Service Act (42 U.S.C. 290ff) on the date of enactment of this Act shall be eligible to receive a 6th year of funding under the grant in an amount not to exceed the amount that such grantee received in the 5th year of funding under such grant. Such 6th year may be funded without requiring peer and Advisory Council review as required under section 504 of such Act (42 U.S.C. 290aa–3).

(2) LIMITATION.—Paragraph (1) shall apply with respect to a grantee only if the grantee agrees to comply with the provisions of section 561 as amended by subsection (a).

SEC. 106. SERVICES FOR CHILDREN OF SUBSTANCE ABUSERS.

(a) ADMINISTRATION AND ACTIVITIES.—

(1) ADMINISTRATION.—Section 399D(a) of the Public Health Service Act (42 U.S.C. 280d(a)(1)) is amended—

(A) in paragraph (1), by striking "Administrator" and all that follows through "Administration" and insert "Administrator of the Substance Abuse and Mental Health Services Administration"; and

(B) in paragraph (2), by striking "Administrator of the Substance Abuse and Mental Health Services Administration" and inserting "Administrator of the Health Resources and Services Administration".

(2) ACTIVITIES.—Section 399D(a)(1) of the Public Health Service Act (42 U.S.C. 280d(a)(1)) is amended—

(A) in subparagraph (B), by striking "and" at the end;

(B) in subparagraph (C), by striking the period and inserting the following: "through youth service agencies, family social services, child care providers, Head Start, schools and after-school programs, early childhood development programs, community-based family resource and support centers, the criminal justice system, health, substance abuse and mental health providers through screenings conducted during regular childhood examinations and other examinations, self and family member referrals, substance abuse treatment services, and other providers of services to children and families; and"; and

(C) by adding at the end the following:

"(D) to provide education and training to health, substance abuse and mental health professionals, and other providers of services to children and families through youth service agencies, family social services, child care, Head Start, schools and after-school programs, early childhood development programs, community-based family resource and support centers, the criminal justice system, and other providers of services to children and families.".

(3) IDENTIFICATION OF CERTAIN CHILDREN.—Section 399D(a)(3)(A) of the Public Health Service Act (42 U.S.C. 280d(a)(3)(A)) is amended—

(A) in clause (i), by striking "(i) the entity" and inserting "(i)(I) the entity";

(B) in clause (ii)—

(i) by striking "(ii) the entity" and inserting "(II) the entity"; and

(ii) by striking the period and inserting "; and"; and

(C) by adding at the end the following:

"(ii) the entity will identify children who may be eligible for medical assistance under a State program under title XIX or XXI of the Social Security Act.".

(b) SERVICES FOR CHILDREN.—Section 399D(b) of the Public Health Service Act (42 U.S.C. 280d(b)) is amended—

(1) in paragraph (1), by inserting "alcohol and drug," after "psychological,";

(2) by striking paragraph (5) and inserting the following:

"(5) Developmentally and age-appropriate drug and alcohol early intervention, treatment and prevention services."; and

(3) by inserting after paragraph (8), the following:

"Services shall be provided under paragraphs (2) through (8) by a public health nurse, social worker, or similar professional, or by a trained worker from the community who is supervised by a professional, or by an entity, where the professional or entity provides assurances that the professional or entity is licensed or certified by the State if required and is complying with applicable licensure or certification requirements.".

(c) SERVICES FOR AFFECTED FAMILIES.—Section 399D(c) of the Public Health Service Act (42 U.S.C. 280d(c)) is amended—

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by inserting before the colon the following: ", or by an entity, where the professional or entity provides assurances that the professional or entity is licensed or certified by the State if required and is complying with applicable licensure or certification requirements"; and

(B) by adding at the end the following:

"(D) Aggressive outreach to family members with substance abuse problems.

"(E) Inclusion of consumer in the development, implementation, and monitoring of Family Services Plan.";

(2) in paragraph (2)—

(A) by striking subparagraph (A) and inserting the following:

"(A) Alcohol and drug treatment services, including screening and assessment, diagnosis, detoxification, individual, group and family counseling, relapse prevention, pharmacotherapy treatment, after-care services, and case management.";

(B) in subparagraph (C), by striking ", including educational and career planning" and inserting "and counseling on the human immunodeficiency virus and acquired immune deficiency syndrome";

(C) in subparagraph (D), by striking "conflict and"; and

(D) in subparagraph (E), by striking "Remedial" and inserting "Career planning and"; and

(3) in paragraph (3)(D), by inserting "which include child abuse and neglect prevention techniques" before the period.

(d) ELIGIBLE ENTITIES.—Section 399D(d) of the Public Health Service Act (42 U.S.C. 280d(d)) is amended—

(1) by striking the matter preceding paragraph (1) and inserting:

"(d) ELIGIBLE ENTITIES.—The Secretary shall distribute the grants through the following types of entities:";

(2) in paragraph (1), by striking "drug treatment" and inserting "drug early intervention, prevention or treatment; and

(3) in paragraph (2)—

(A) in subparagraph (A), by striking "; and" and inserting "; or"; and

(B) in subparagraph (B), by inserting "or pediatric health or mental health providers and family mental health providers" before the period.

(e) SUBMISSION OF INFORMATION.—Section 399D(h) of the Public Health Service Act (42 U.S.C. 280d(h)) is amended—

(1) in paragraph (2)—

(A) by inserting "including maternal and child health" before "mental";

(B) by striking "treatment programs"; and

(C) by striking "and the State agency responsible for administering public maternal and child health services" and inserting ", the State agency responsible for administering alcohol and drug programs, the State lead agency, and the State Interagency Coordinating Council under part H of the Individuals with Disabilities Education Act; and"; and

(2) by striking paragraph (3) and redesignating paragraph (4) as paragraph (3).

(f) REPORTS TO THE SECRETARY.—Section 399D(i)(6) of the Public Health Service Act (42 U.S.C. 280d(i)(6)) is amended—

(1) in subparagraph (B), by adding "and" at the end; and

(2) by striking subparagraphs (C), (D), and (E) and inserting the following:

"(C) the number of case workers or other professionals trained to identify and address substance abuse issues.".

(g) EVALUATIONS.—Section 399D(l) of the Public Health Service Act (42 U.S.C. 280d(l)) is amended—

(1) in paragraph (3), by adding "and" at the end;

(2) in paragraph (4), by striking the semicolon and inserting the following: ", including increased participation in work or employment-related activities and decreased participation in welfare programs."; and

(3) by striking paragraphs (5) and (6).

(h) REPORT TO CONGRESS.—Section 399D(m) of the Public Health Service Act (42 U.S.C. 280d(m)) is amended—

(1) in paragraph (2), by adding "and" at the end;

(2) in paragraph (3)—

(A) in subparagraph (A), by adding "and" at the end;

(B) in subparagraph (B), by striking the semicolon and inserting a period; and

(C) by striking subparagraphs (C), (D), and (E); and

(3) by striking paragraphs (4) and (5).

(i) DATA COLLECTION.—Section 399D(n) of the Public Health Service Act (42 U.S.C. 280d(n)) is amended by adding at the end the following: "The periodic report shall include a quantitative estimate of the prevalence of alcohol and drug problems in families involved in the child welfare system, the barriers to treatment and prevention services facing these families, and policy recommendations for removing the identified barriers, including training for child welfare workers.".

(j) DEFINITION.—Section 399D(o)(2)(B) of the Public Health Service Act (42 U.S.C. 280d(o)(2)(B)) is amended by striking "dangerous".

(k) AUTHORIZATION OF APPROPRIATIONS.—Section 399D(p) of the Public Health Service Act (42 U.S.C. 280d(p)) is amended to read as follows:

"(p) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated $50,000,000 for fiscal year 2000, and such sums as may be necessary for each of fiscal years 2001 and 2002.".

(l) GRANTS FOR TRAINING AND CONFORMING AMENDMENTS.—Section 399D of the Public Health Service Act (42 U.S.C. 280d) is amended—

(1) by striking subsection (f);

(2) by striking subsection (k);

(3) by redesignating subsections (d), (e), (g), (h), (i), (j), (l), (m), (n), (o), and (p) as subsections (e) through (o), respectively;

(4) by inserting after subsection (c), the following:

"(d) TRAINING FOR PROVIDERS OF SERVICES TO CHILDREN AND FAMILIES.—The Secretary may make a grant under subsection (a) for the training of health, substance abuse and mental health professionals and other providers of services to children and families through youth service agencies, family social services, child care providers, Head Start, schools and after-school programs, early childhood development programs, community-based family resource centers, the criminal justice system, and other providers of services to children and families. Such training shall be to assist professionals in recognizing the drug and alcohol problems of their clients and to enhance their skills in identifying and understanding the nature of substance abuse, and obtaining substance abuse early intervention, prevention and treatment resources.";

(5) in subsection (k)(2) (as so redesignated), by striking "(h)" and inserting "(i)"; and

(6) in paragraphs (3)(E) and (5) of subsection (m) (as so redesignated), by striking "(d)" and inserting "(e)".

(m) TRANSFER AND REDESIGNATION.—Section 399D of the Public Health Service Act (42 U.S.C. 280d), as amended by this section—

(1) is transferred to title V;

(2) is redesignated as section 519; and

(3) is inserted after section 518.

(n) CONFORMING AMENDMENT.—Title III of the Public Health Service Act (42 U.S.C. 241 et seq.) is amended by striking the heading of part L.

SEC. 107. SERVICES FOR YOUTH OFFENDERS.

Subpart 3 of part B of title V of the Public Health Service Act (42 U.S.C. 290bb–31 et seq.) is amended by adding at the end the following:

"SEC. 520C. SERVICES FOR YOUTH OFFENDERS.

"(a) IN GENERAL.—The Secretary, acting through the Director of the Center for Mental Health Services, and in consultation with the Director of the Center for Substance Abuse Treatment, the Administrator of the Office of Juvenile Justice and Delinquency Prevention, and the Director of the Special Education Programs, shall award grants on a competitive basis to State or local juvenile justice agencies to enable such agencies to provide aftercare services for youth offenders who have been discharged from facilities in the juvenile or criminal justice system and have serious emotional disturbances or are at risk of developing such disturbances.

"(b) Use of Funds.—A State or local juvenile justice agency receiving a grant under subsection (a) shall use the amounts provided under the grant—

"(1) to develop a plan describing the manner in which the agency will provide services for each youth offender who has a serious emotional disturbance and has been detained or incarcerated in facilities within the juvenile or criminal justice system;

"(2) to provide a network of core or aftercare services or access to such services for each youth offender, including diagnostic and evaluation services, substance abuse treatment services, outpatient mental health care services, medication management services, intensive home-based therapy, intensive day treatment services, respite care, and therapeutic foster care;

"(3) to establish a program that coordinates with other State and local agencies providing recreational, social, educational, vocational, or operational services for youth, to enable the agency receiving a grant under this section to provide community-based system of care services for each youth offender that addresses the special needs of the youth and helps the youth access all of the aforementioned services; and

"(4) using not more than 20 percent of funds received, to provide planning and transition services as described in paragraph (3) for youth offenders while such youth are incarcerated or detained.

"(c) Application.—A State or local juvenile justice agency that desires a grant under subsection (a) shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

"(d) Report.—Not later than 3 years after the date of enactment of this section and annually thereafter, the Secretary shall prepare and submit, to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Commerce of the House of Representatives, a report that describes the services provided pursuant to this section.

"(e) Definitions.—In this section:

"(1) Serious emotional disturbance.—The term 'serious emotional disturbance' with respect to a youth offender means an offender who currently, or at any time within the 1-year period ending on the day on which services are sought under this section, has a diagnosable mental, behavioral, or emotional disorder that functionally impairs the offender's life by substantially limiting the offender's role in family, school, or community activities, and interfering with the offender's ability to achieve or maintain 1 or more developmentally-appropriate social, behavior, cognitive, communicative, or adaptive skills.

"(2) Community-based system of care.—The term 'community-based system of care' means the provision of services for the youth offender by various State or local agencies that in an interagency fashion or operating as a network addresses the recreational, social, educational, vocational, mental health, substance abuse, and operational needs of the youth offender.

"(3) Youth offender.—The term 'youth offender' means an individual who is 21 years of age or younger who has been discharged from a State or local juvenile or criminal justice system, except that if the individual is between the ages of 18 and 21 years, such individual has had contact with the State or local juvenile or criminal justice system prior to attaining 18 years of age and is under the jurisdiction of such a system at the time services are sought.

"(f) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $40,000,000 for fiscal year 2000, and such sums as may be necessary for each of fiscal years 2001 and 2002.".

SEC. 108. GRANTS FOR STRENGTHENING FAMILIES THROUGH COMMUNITY PARTNERSHIPS.

Subpart 2 of part B of Title V of the Public Health Service Act (42 U.S.C. 290bb-21 et seq) is amended by adding at the end the following:

"SEC. 519A. GRANTS FOR STRENGTHENING FAMILIES.

"(a) Program Authorized.—The Secretary, acting through the Director of the Prevention Center, may make grants to public and nonprofit private entities to develop and implement model substance abuse prevention programs to provide early intervention and substance abuse prevention services for individuals of high-risk families and the communities in which such individuals reside.

"(b) Priority.—In awarding grants under subsection (a), the Secretary shall give priority to applicants that—

"(1) have proven experience in preventing substance abuse by individuals of high-risk families and reducing substance abuse in communities of such individuals;

"(2) have demonstrated the capacity to implement community-based partnership initiatives that are sensitive to the diverse backgrounds of individuals of high-risk families and the communities of such individuals;

"(3) have experience in providing technical assistance to support substance abuse prevention programs that are community-based;

"(4) have demonstrated the capacity to implement research-based substance abuse prevention strategies; and

"(5) have implemented programs that involve families, residents, community agencies, and institutions in the implementation and design of such programs.

"(c) Duration of Grants.—The Secretary shall award grants under subsection (a) for a period not to exceed 5 years.

"(d) Use of Funds.—An applicant that is awarded a grant under subsection (a) shall—

"(1) in the first fiscal year that such funds are received under the grant, use such funds to develop a model substance abuse prevention program; and

"(2) in the fiscal year following the first fiscal year that such funds are received, use such funds to implement the program developed under paragraph (1) to provide early intervention and substance abuse prevention services to—

"(A) strengthen the environment of children of high risk families by targeting interventions at the families of such children and the communities in which such children reside;

"(B) strengthen protective factors, such as—

"(i) positive adult role models;

"(ii) messages that oppose substance abuse;

"(iii) community actions designed to reduce accessibility to and use of illegal substances; and

"(iv) willingness of individuals of families in which substance abuse occurs to seek treatment for substance abuse;

"(C) reduce family and community risks, such as family violence, alcohol or drug abuse, crime, and other behaviors that may effect healthy child development and increase the likelihood of substance abuse; and

"(D) build collaborative and formal partnerships between community agencies, institutions, and businesses to ensure that comprehensive high quality services are provided, such as early childhood education, health care, family support programs, parent education programs, and home visits for infants.

"(e) Application.—To be eligible to receive a grant under subsection (a), an applicant shall prepare and submit to the Secretary an application that—

"(1) describes a model substance abuse prevention program that such applicant will establish;

"(2) describes the manner in which the services described in subsection (d)(2) will be provided; and

"(3) describe in as much detail as possible the results that the entity expects to achieve in implementing such a program.

"(f) Matching Funding.—The Secretary may not make a grant to a entity under subsection (a) unless that entity agrees that, with respect to the costs to be incurred by the entity in carrying out the program for which the grant was awarded, the entity will make available non-Federal contributions in an amount that is not less than 40 percent of the amount provided under the grant.

"(g) Report to Secretary.—An applicant that is awarded a grant under subsection (a) shall prepare and submit to the Secretary a report in such form and containing such information as the Secretary may require, including an assessment of the efficacy of the model substance abuse prevention program implemented by the applicant and the short, intermediate, and long term results of such program.

"(h) Evaluations.—The Secretary shall conduct evaluations, based in part on the reports submitted under subsection (g), to determine the effectiveness of the programs funded under subsection (a) in reducing substance use in high-risk families and in making communities in which such families reside in stronger. The Secretary shall submit such evaluations to the appropriate committees of Congress.

"(i) High-Risk Families.—In this section, the term 'high-risk family' means a family in which the individuals of such family are at a significant risk of using or abusing alcohol or any illegal substance.

"(j) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section, $3,000,000 for fiscal year 2000, and such sums as may be necessary for each of the fiscal years 2001 and 2002.".

SEC. 109. GENERAL PROVISIONS.

(a) Duties of the Center for Substance Abuse Treatment.—Section 507(b) of the Public Health Service Act (42 U.S.C. 290bb(b)) is amended—

(1) by redesignating paragraphs (2) through (12) as paragraphs (4) through (14), respectively;

(2) by inserting after paragraph (1), the following:

"(2) ensure that emphasis is placed on children and adolescents in the development of treatment programs;

"(3) collaborate with the Attorney General to develop programs to provide substance abuse treatment services to individuals who have had contact with the Justice system, especially adolescents;"; and

(3) in paragraph 14 (as so redesignated), by striking "paragraph (11)" and inserting "paragraph (13)".

(b) Office for Substance Abuse Prevention.—Section 515(b) of the Public Health Service Act (42 U.S.C. 290bb-21(b)) is amended—

(1) by redesignating paragraphs (9) and (10) as (10) and (11);

(2) by inserting after paragraph (8), the following:

"(9) collaborate with the Attorney General of the Department of Justice to develop programs to prevent drug abuse among high risk youth;"; and

(3) in paragraph (10) (as so redesignated), by striking "public concerning" and inserting "public, especially adolescent audiences, concerning".

(c) Duties of the Center for Mental Health Services.—Section 520(b) of the Public Health Service Act (42 U.S.C. 290bb–3(b)) is amended—

(1) by redesignating paragraphs (3) through (14) as paragraphs (4) through (15), respectively; and

(2) by inserting after paragraph (2), the following:

"(3) collaborate with the Department of Education and the Department of Justice to develop programs to assist local communities in addressing violence among children and adolescents;".

TITLE II—PROVISIONS RELATING TO MENTAL HEALTH

SEC. 201. PRIORITY MENTAL HEALTH NEEDS OF REGIONAL AND NATIONAL SIGNIFICANCE.

(a) In General.—Section 520A of the Public Health Service Act (42 U.S.C. 290bb–32) is amended to read as follows:

"SEC. 520A. PRIORITY MENTAL HEALTH NEEDS OF REGIONAL AND NATIONAL SIGNIFICANCE.

"(a) Projects.—The Secretary shall address priority mental health needs of regional and national significance (as determined under subsection (b)) through the provision of or through assistance for—

"(1) knowledge development and application projects for prevention, treatment, and rehabilitation, and the conduct or support of evaluations of such projects;

"(2) training and technical assistance programs;

"(3) targeted capacity response programs; and

"(4) systems change grants including statewide family network grants and client-oriented and consumer run self-help activities. The Secretary may carry out the activities described in this subsection directly or through grants, contracts, or cooperative agreements with States, political subdivisions of States, Indian tribes and tribal organizations, other public or private nonprofit entities.

"(b) Priority Mental Health Needs.—

"(1) Determination of needs.—Priority mental health needs of regional and national significance shall be determined by the Secretary in consultation with States and other interested groups. The Secretary shall meet with the States and interested groups on an annual basis to discuss program priorities.

"(2) Special consideration.—In developing program priorities described in paragraph (1), the Secretary, in conjunction with the Director of the Center for Mental Health Services, the Director of the Center for Substance Abuse Treatment, and the Administrator of the Health Resources and Services Administration, shall give special consideration to promoting the integration of mental health services into primary health care systems.

"(c) Requirements.—

"(1) In general.—Recipients of grants, contracts, and cooperative agreements under this section shall comply with information and application requirements determined appropriate by the Secretary.

"(2) Duration of award.—With respect to a grant, contract, or cooperative agreement awarded under this section, the period during which payments under such award are made to the recipient may not exceed 5 years.

"(3) Matching funds.—The Secretary may, for projects carried out under subsection (a), require that entities that apply for grants, contracts, or cooperative agreements under this section provide non-Federal matching funds, as determined appropriate by the Secretary, to ensure the institutional commitment of the entity to the projects funded under the grant, contract, or cooperative agreement. Such non-Federal matching funds may be provided directly or through donations from public or private entities and may be in cash or in kind, fairly evaluated, including plant, equipment, or services.

"(4) Maintenance of effort.—With respect to activities for which a grant, contract or cooperative agreement is awarded under this section, the Secretary may require that recipients for specific projects under subsection (a) agree to maintain expenditures of non-Federal amounts for such activities at a level that is not less than the level of such expenditures maintained by the entity for the fiscal year preceding the fiscal year for which the entity receives such a grant, contract, or cooperative agreement.

"(d) Evaluation.—The Secretary shall evaluate each project carried out under subsection (a)(1) and shall disseminate the findings with respect to each such evaluation to appropriate public and private entities.

"(e) Information and Education.—The Secretary shall establish information and education programs to disseminate and apply the findings of the knowledge development and application, training, and technical assistance programs, and targeted capacity response programs, under this section to the general public, to health care professionals, and to interested groups. The Secretary shall make every effort to provide linkages between the findings of supported projects and State agencies responsible for carrying out mental health services.

"(f) Authorization of Appropriation.—

"(1) In general.—There are authorized to be appropriated to carry out this section, $300,000,000 for fiscal year 2000, and such sums as may be necessary for each of the fiscal years 2001 and 2002.

"(2) Data infrastructure.—If amounts are not appropriated for a fiscal year to carry out section 1971 with respect to mental health, then the Secretary shall make available, from the amounts appropriated for such fiscal year under paragraph (1), an amount equal to the sum of $6,000,000 and 10 percent of all amounts appropriated for such fiscal year under such paragraph in excess of $100,000,000, to carry out such section 1971.".

(b) Conforming Amendments.—

(1) Section 303 of the Public Health Service Act (42 U.S.C. 242a) is repealed.

(2) Section 520B of the Public Health Service Act (42 U.S.C. 290bb–33) is repealed.

(3) Section 612 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 290aa–3 note) is repealed.

SEC. 202. GRANTS FOR THE BENEFIT OF HOMELESS INDIVIDUALS.

Section 506 of the Public Health Service Act (42 U.S.C. 290aa–5) is amended to read as follows:

"SEC. 506. GRANTS FOR THE BENEFIT OF HOMELESS INDIVIDUALS.

"(a) In General.—The Secretary shall award grants, contracts and cooperative agreements to community-based public and private nonprofit entities for the purposes of providing mental health and substance abuse services for homeless individuals. In carrying out this section, the Secretary shall consult with the Interagency Council on the Homeless, established under section 201 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11311).

"(b) Preferences.—In awarding grants, contracts, and cooperative agreements under subsection (a), the Secretary shall give a preference to—

"(1) entities that provide integrated primary health, substance abuse, and mental health services to homeless individuals;

"(2) entities that demonstrate effectiveness in serving runaway, homeless, and street youth;

"(3) entities that have experience in providing substance abuse and mental health services to homeless individuals;

"(4) entities that demonstrate experience in providing housing for individuals in treatment for or in recovery from mental illness or substance abuse; and

"(5) entities that demonstrate effectiveness in serving homeless veterans.

"(c) Services for Certain Individuals.—In awarding grants, contracts, and cooperative agreements under subsection (a), the Secretary shall not—

"(1) prohibit the provision of services under such subsection to homeless individuals who are suffering from a substance abuse disorder and are not suffering from a mental health disorder; and

"(2) make payments under subsection (a) to any entity that has a policy of—

"(A) excluding individuals from mental health services due to the existence or suspicion of substance abuse; or

"(B) has a policy of excluding individuals from substance abuse services due to the existence or suspicion of mental illness.

"(d) Term of the Awards.—No entity may receive a grant, contract, or cooperative agreement under subsection (a) for more than 5 years.

"(e) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section, $50,000,000 for fiscal year 2000, and such sums as may be necessary for each of the fiscal years 2001 and 2002.".

SEC. 203. PROJECTS FOR ASSISTANCE IN TRANSITION FROM HOMELESSNESS.

(a) Waivers for Territories.—Section 522 of the Public Health Service Act (42 U.S.C. 290cc–22) is amended by adding at the end the following:

"(i) Waiver for Territories.—With respect to the United States Virgin Islands, Guam, American Samoa, Palau, the Marshall Islands, and the Commonwealth of the Northern Mariana Islands, the Secretary may waive the provisions of this part that the Secretary determines to be appropriate.".

(b) Authorization of Appropriation.—Section 535(a) of the Public Health Service Act (42 U.S.C. 290cc–35(a)) is amended by striking "1991 through 1994" and inserting "2000 through 2002".

SEC. 204. COMMUNITY MENTAL HEALTH SERVICES PERFORMANCE PARTNERSHIP BLOCK GRANT.

(a) Criteria for Plan.—Section 1912(b) of the Public Health Service Act (42 U.S.C. 300x–2(b)) is amended by striking paragraphs (1) through (12) and inserting the following:

"(1) Comprehensive community-based mental health systems.—The plan provides for an organized community-based system of care for individuals with mental illness and describes available services and resources in a comprehensive system of care, including services for dually diagnosed individuals. The description of the system of care shall include health and mental health services, rehabilitation services, employment services, housing services, educational services, substance abuse services, medical and dental care, and other support services to be provided to individuals with Federal, State and local public and private resources to enable such individuals to function outside of inpatient or residential institutions to the maximum extent of their capabilities, including services to be provided by local school systems under the Individuals with Disabilities Education Act. The plan shall include a separate description of case management services and provide for activities leading to reduction of hospitalization.

"(2) MENTAL HEALTH SYSTEM DATA AND EPIDEMIOLOGY.—The plan contains an estimate of the incidence and prevalence in the State of serious mental illness among adults and serious emotional disturbance among children and presents quantitative targets to be achieved in the implementation of the system described in paragraph (1).

"(3) CHILDREN'S SERVICES.—In the case of children with serious emotional disturbance, the plan—

"(A) subject to subparagraph (B), provides for a system of integrated social services, educational services, juvenile services, and substance abuse services that, together with health and mental health services, will be provided in order for such children to receive care appropriate for their multiple needs (such system to include services provided under the Individuals with Disabilities Education Act);

"(B) provides that the grant under section 1911 for the fiscal year involved will not be expended to provide any service under such system other than comprehensive community mental health services; and

"(C) provides for the establishment of a defined geographic area for the provision of the services of such system.

"(4) TARGETED SERVICES TO RURAL AND HOMELESS POPULATIONS.—The plan describes the State's outreach to and services for individuals who are homeless and how community-based services will be provided to individuals residing in rural areas.

"(5) MANAGEMENT SYSTEMS.—The plan describes the financial resources, staffing and training for mental health providers that is necessary to implement the plan, and provides for the training of providers of emergency health services regarding mental health. The plan further describes the manner in which the State intends to expend the grant under section 1911 for the fiscal year involved.

Except as provided for in paragraph (3), the State plan shall contain the information required under this subsection with respect to both adults with serious mental illness and children with serious emotional disturbance.".

(b) REVIEW OF PLANNING COUNCIL OF STATE'S REPORT.—Section 1915(a) of the Public Health Service Act (42 U.S.C. 300x-4(a)) is amended—

(1) in paragraph (1), by inserting "and the report of the State under section 1942(a) concerning the preceding fiscal year" after "to the grant"; and

(2) in paragraph (2), by inserting before the period "and any comments concerning the annual report".

(c) MAINTENANCE OF EFFORT.—Section 1915(b) of the Public Health Service Act (42 U.S.C. 300x-4(b)) is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(2) by inserting after paragraph (1), the following:

"(2) EXCLUSION OF CERTAIN FUNDS.—The Secretary may exclude from the aggregate State expenditures under subsection (a), funds appropriated to the principle agency for authorized activities which are of a nonrecurring nature and for a specific purpose.".

(d) APPLICATION FOR GRANTS.—Section 1917(a)(1) of the Public Health Service Act (42 U.S.C. 300x-6(a)(1)) is amended to read as follows:

"(1) the plan is received by the Secretary not later than September 1 of the fiscal year prior to the fiscal year for which a State is seeking funds, and the report from the previous fiscal year as required under section 1941 is received by December 1 of the fiscal year of the grant;".

(e) WAIVERS FOR TERRITORIES.—Section 1917(b) of the Public Health Service Act (42 U.S.C. 300x-6(b)) is amended by striking "whose allotment under section 1911 for the fiscal year is the amount specified in section 1918(c)(2)(B)" and inserting in its place "except Puerto Rico".

(f) AUTHORIZATION OF APPROPRIATION.—Section 1920 of the Public Health Service Act (42 U.S.C. 300x-9) is amended—

(1) in subsection (a), by striking "$450,000,000" and all that follows through the end and inserting "$450,000,000 for fiscal year 2000, and such sums as may be necessary for each of the fiscal years 2001 and 2002."; and

(2) in subsection (b)(2), by striking "section 505" and inserting "sections 505 and 1971".

SEC. 205. DETERMINATION OF ALLOTMENT.

Section 1918(b) of the Public Health Service Act (42 U.S.C. 300x-7(b)) is amended to read as follows:

"(b) MINIMUM ALLOTMENTS FOR STATES.—With respect to fiscal year 2000, and subsequent fiscal years, the amount of the allotment of a State under section 1911 shall not be less than the amount the State received under such section for fiscal year 1998.".

SEC. 206. PROTECTION AND ADVOCACY FOR MENTALLY ILL INDIVIDUALS ACT OF 1986.

(a) SHORT TITLE.—The first section of the Protection and Advocacy for Mentally Ill Individuals Act of 1986 (Public Law 99-319) is amended to read as follows:

"SECTION 1. SHORT TITLE.

"This Act may be cited as the 'Protection and Advocacy for Individuals with Mental Illness Act'.".

(b) DEFINITIONS.—Section 102 of the Protection and Advocacy for Individuals with Mental Illness Act (as amended by subsection (a)) (42 U.S.C. 10802) is amended—

(1) in paragraph (4)—

(A) in the matter preceding subparagraph (A), by inserting ", except as provided in section 104(d)," after "means";

(B) in subparagraph (B)—

(i) by striking "(i)" who" and inserting "(i)(I) who";

(ii) by redesignating clauses (ii) and (iii) as subclauses (II) and (III);

(iii) in subclause (III) (as so redesignated), by striking the period and inserting "; or"; and

(iv) by adding at the end the following:

"(ii) who satisfies the requirements of subparagraph (A) and lives in a community setting, including their own home."; and

(2) by adding at the end the following:

"(8) The term 'American Indian consortium' means a consortium established under part C of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6042 et seq.).".

(c) USE OF ALLOTMENTS.—Section 104 of the Protection and Advocacy for Individuals with Mental Illness Act (as amended by subsection (a)) (42 U.S.C. 10804) is amended by adding at the end the following:

"(d) The definition of 'individual with a mental illness' contained in section 102(4)(B)(iii) shall apply, and thus an eligible system may use its allotment under this title to provide representation to such individuals, only if the total allotment under this title for any fiscal year is $30,000,000 or more, and in such case, an eligible system must give priority to representing persons with mental illness as defined in subparagraphs (A) and (B)(i) of section 102(4).".

(d) MINIMUM AMOUNT.—Paragraph (2) of section 112(a) of the Protection and Advocacy for Individuals with Mental Illness Act (as amended by subsection (a)) (42 U.S.C. 10822(a)(2)) is amended to read as follows:

"(2)(A) The minimum amount of the allotment of an eligible system shall be the product (rounded to the nearest $100) of the appropriate base amount determined under subparagraph (B) and the factor specified in subparagraph (C).

"(B) For purposes of subparagraph (A), the appropriate base amount—

"(i) for American Samoa, Guam, the Marshall Islands, the Federated States of Micronesia, the Commonwealth of the Northern Mariana Islands, the Republic of Palau, and the Virgin Islands, is $139,300; and

"(ii) for any other State, is $260,000.

"(C) The factor specified in this subparagraph is the ratio of the amount appropriated under section 117 for the fiscal year for which the allotment is being made to the amount appropriated under such section for fiscal year 1995.

"(D) If the total amount appropriated for a fiscal year is at least $25,000,000, the Secretary shall make an allotment in accordance with subparagraph (A) to the eligible system serving the American Indian consortium.".

(e) TECHNICAL AMENDMENTS.—Section 112(a) of the Protection and Advocacy for Individuals with Mental Illness Act (as amended by subsection (a)) (42 U.S.C. 10822(a)) is amended—

(1) in paragraph (1)(B), by striking "Trust Territory of the Pacific Islands" and inserting "Marshall Islands, the Federated States of Micronesia, the Republic of Palau"; and

(2) by striking paragraph (3).

(f) REAUTHORIZATION.—Section 117 of the Protection and Advocacy for Individuals with Mental Illness Act (as amended by subsection (a)) (42 U.S.C. 10827) is amended by striking "1995" and inserting "2002".

SEC. 207. REQUIREMENT RELATING TO THE RIGHTS OF RESIDENTS OF CERTAIN FACILITIES.

Title V of the Public Health Service Act (42 U.S.C. 290aa et seq.) is amended by adding at the end the following:

"PART H—REQUIREMENT RELATING TO THE RIGHTS OF RESIDENTS OF CERTAIN FACILITIES

"SEC. 591. REQUIREMENT RELATING TO THE RIGHTS OF RESIDENTS OF CERTAIN FACILITIES.

"(a) IN GENERAL.—A public or private general hospital, nursing facility, intermediate care facility, residential treatment center, or other health care facility, that receives support in any form from any program supported in whole or in part with funds appropriated to any Federal department or agency shall protect and promote the rights of each resident of the facility, including the right to be free from physical or mental abuse, corporal punishment, and any restraints or involuntary seclusions imposed for purposes of discipline or convenience.

"(b) REQUIREMENTS.—Restraints and seclusion may only be imposed on a resident of a facility described in subsection (a) if—

"(1) the restraints or seclusion are imposed to ensure the physical safety of the resident, a staff member, or others; and

"(2) the restraints or seclusion are imposed only upon the written order of a physician, or other licensed independent practitioner permitted by the State and the facility to order such restraint or seclusion, that specifies the duration and circumstances under which the restraints are to be used (except in emergency circumstances specified by the Secretary until such an order could reasonably be obtained).

"(c) DEFINITIONS.—In this section:

"(1) RESTRAINTS.—The term 'restraints' means—

"(A) any physical restraint that is a mechanical or personal restriction that immobilizes or reduces the ability of an individual to move his or her arms, legs, or head freely, not including devices, such as orthopedically prescribed devices, surgical dressings or bandages, protective helmets, or any other methods that involves the physical holding of a resident for the purpose of conducting routine physical examinations or tests or to protect the resident from falling out of bed or to permit the resident to participate in activities without the risk of physical harm to the resident; and

"(B) a drug or medication that is used as a restraint to control behavior or restrict the resident's freedom of movement that is not a standard treatment for the resident's medical or psychiatric condition.

"(2) SECLUSION.—The term 'seclusion' means any separation of the resident from the general population of the facility that prevents the resident from returning to such population if he or she desires.

"SEC. 592. REPORTING REQUIREMENT.

"(a) IN GENERAL.— Each facility to which the Protection and Advocacy for Mentally Ill Individuals Act of 1986 applies shall notify the appropriate agency, as determined by the Secretary, of each death that occurs at each such facility while a patient is restrained or in seclusion, of each death occurring within 24 hours after the patient has been removed from restraints and seclusion, or where it is reasonable to assume that a patient's death is a result of such seclusion or restraint. A notification under this section shall include the name of the resident and shall be provided not later than 7 days after the date of the death of the individual involved.

"(b) FACILITY.—In this section, the term 'facility' has the meaning given the term 'facilities' in section 102(3) of the Protection and Advocacy for Mentally Ill Individuals Act of 1986 (42 U.S.C. 10802(3)).".

"SEC. 593. REGULATIONS AND ENFORCEMENT.

"(a) TRAINING.—Not later than 1 year after the date of enactment of this part, the Secretary, after consultation with appropriate State and local protection and advocacy organizations, physicians, facilities, and other health care professionals and patients, shall promulgate regulations that require facilities to which the Protection and Advocacy for Mentally Ill Individuals Act of 1986 (42 U.S.C. 10801 et seq.) applies, to meet the requirements of subsection (b).

"(b) REQUIREMENTS.—The regulations promulgated under subsection (a) shall require that—

"(1) facilities described in subsection (a) ensure that there is an adequate number of qualified professional and supportive staff to evaluate patients, formulate written individualized, comprehensive treatment plans, and to provide active treatment measures;

"(2) appropriate training be provided for the staff of such facilities in the use of restraints and any alternatives to the use of restraints; and

"(3) such facilities provide complete and accurate notification of deaths, as required under section 592(a).

"(c) ENFORCEMENT.—A facility to which this part applies that fails to comply with any requirement of this part, including a failure to provide appropriate training, shall not be eligible for participation in any program supported in whole or in part by funds appropriated to any Federal department or agency.".

TITLE III—PROVISIONS RELATING TO SUBSTANCE ABUSE

SEC. 301. PRIORITY SUBSTANCE ABUSE TREATMENT NEEDS OF REGIONAL AND NATIONAL SIGNIFICANCE.

(a) RESIDENTIAL TREATMENT PROGRAMS FOR PREGNANT AND POSTPARTUM WOMEN.—Section 508(r) of the Public Health Service Act (42 U.S.C. 290bb-1(r)) is amended to read as follows:

"(r) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary to fiscal years 2000 through 2002.".

(b) PRIORITY SUBSTANCE ABUSE TREATMENT.—Section 509 of the Public Health Service Act (42 U.S.C. 290bb–1) is amended to read as follows:

"SEC. 509. PRIORITY SUBSTANCE ABUSE TREATMENT NEEDS OF REGIONAL AND NATIONAL SIGNIFICANCE.

"(a) PROJECTS.—The Secretary shall address priority substance abuse treatment needs of regional and national significance (as determined under subsection (b)) through the provision of or through assistance for—

"(1) knowledge development and application projects for treatment and rehabilitation and the conduct or support of evaluations of such projects;

"(2) training and technical assistance; and

"(3) targeted capacity response programs.

The Secretary may carry out the activities described in this section directly or through grants, contracts, or cooperative agreements with States, political subdivisions of States, Indian tribes and tribal organizations, other public or nonprofit private entities.

"(b) PRIORITY SUBSTANCE ABUSE TREATMENT NEEDS.—

"(1) IN GENERAL.—Priority substance abuse treatment needs of regional and national significance shall be determined by the Secretary after consultation with States and other interested groups. The Secretary shall meet with the States and interested groups on an annual basis to discuss program priorities.

"(2) SPECIAL CONSIDERATION.—In developing program priorities under paragraph (1), the Secretary, in conjunction with the Director of the Center for Substance Abuse Treatment, the Director of the Center for Mental Health Services, and the Administrator of the Health Resources and Services Administration, shall give special consideration to promoting the integration of substance abuse treatment services into primary health care systems.

"(c) REQUIREMENTS.—

"(1) IN GENERAL.—Recipients of grants, contracts, or cooperative agreements under this section shall comply with information and application requirements determined appropriate by the Secretary.

"(2) DURATION OF AWARD.—With respect to a grant, contract, or cooperative agreement awarded under this section, the period during which payments under such award are made to the recipient may not exceed 5 years.

"(3) MATCHING FUNDS.—The Secretary may, for projects carried out under subsection (a), require that entities that apply for grants, contracts, or cooperative agreements under that project provide non-Federal matching funds, as determined appropriate by the Secretary, to ensure the institutional commitment of the entity to the projects funded under the grant, contract, or cooperative agreement. Such non-Federal matching funds may be provided directly or through donations from public or private entities and may be in cash or in kind, fairly evaluated, including plant, equipment, or services.

"(4) MAINTENANCE OF EFFORT.—With respect to activities for which a grant, contract, or cooperative agreement is awarded under this section, the Secretary may require that recipients for specific projects under subsection (a) agree to maintain expenditures of non-Federal amounts for such activities at a level that is not less than the level of such expenditures maintained by the entity for the fiscal year preceding the fiscal year for which the entity receives such a grant, contract, or cooperative agreement.

"(d) EVALUATION.—The Secretary shall evaluate each project carried out under subsection (a)(1) and shall disseminate the findings with respect to each such evaluation to appropriate public and private entities.

"(e) INFORMATION AND EDUCATION.—The Secretary shall establish comprehensive information and education programs to disseminate and apply the findings of the knowledge development and application, training and technical assistance programs, and targeted capacity response programs under this section to the general public, to health professionals and other interested groups. The Secretary shall make every effort to provide linkages between the findings of supported projects and State agencies responsible for carrying out substance abuse prevention and treatment programs.

"(f) AUTHORIZATION OF APPROPRIATION.—There are authorized to be appropriated to carry out this section, $300,000,000 for fiscal year 2000 and such sums as may be necessary for each of the fiscal years 2001 and 2002.".

(c) CONFORMING AMENDMENTS.—The following sections of the Public Health Service Act are repealed:

(1) Section 510 (42 U.S.C. 290bb–3).
(2) Section 511 (42 U.S.C. 290bb–4).
(3) Section 512 (42 U.S.C. 290bb–5).
(4) Section 571 (42 U.S.C. 290gg).

SEC. 302. PRIORITY SUBSTANCE ABUSE PREVENTION NEEDS OF REGIONAL AND NATIONAL SIGNIFICANCE.

(a) IN GENERAL.—Section 516 of the Public Health Service Act (42 U.S.C. 290bb–1) is amended to read as follows:

"SEC. 516. PRIORITY SUBSTANCE ABUSE PREVENTION NEEDS OF REGIONAL AND NATIONAL SIGNIFICANCE.

"(a) PROJECTS.—The Secretary shall address priority substance abuse prevention needs of regional and national significance (as determined under subsection (b)) through the provision of or through assistance for—

"(1) knowledge development and application projects for prevention and the conduct or support of evaluations of such projects;

"(2) training and technical assistance; and

"(3) targeted capacity response programs.

The Secretary may carry out the activities described in this section directly or through grants, contracts, or cooperative agreements with States, political subdivisions of States, Indian tribes and tribal organizations, or other public or nonprofit private entities.

"(b) Priority Substance Abuse Prevention Needs.—

"(1) In general.—Priority substance abuse prevention needs of regional and national significance shall be determined by the Secretary in consultation with the States and other interested groups. The Secretary shall meet with the States and interested groups on an annual basis to discuss program priorities.

"(2) Special consideration.—In developing program priorities under paragraph (1), the Secretary shall give special consideration to—

"(A) applying the most promising strategies and research-based primary prevention approaches; and

"(B) promoting the integration of substance abuse prevention information and activities into primary health care systems.

"(c) Requirements.—

"(1) In general.—Recipients of grants, contracts, and cooperative agreements under this section shall comply with information and application requirements determined appropriate by the Secretary.

"(2) Duration of award.—With respect to a grant, contract, or cooperative agreement awarded under this section, the period during which payments under such award are made to the recipient may not exceed 5 years.

"(3) Matching funds.—The Secretary may, for projects carried out under subsection (a), require that entities that apply for grants, contracts, or cooperative agreements under that project provide non-Federal matching funds, as determined appropriate by the Secretary, to ensure the institutional commitment of the entity to the projects funded under the grant, contract, or cooperative agreement. Such non-Federal matching funds may be provided directly or through donations from public or private entities and may be in cash or in kind, fairly evaluated, including plant, equipment, or services.

"(4) Maintenance of effort.—With respect to activities for which a grant, contract, or cooperative agreement is awarded under this section, the Secretary may require that recipients for specific projects under subsection (a) agree to maintain expenditures of non-Federal amounts for such activities at a level that is not less than the level of such expenditures maintained by the entity for the fiscal year preceding the fiscal year for which the entity receives such a grant, contract, or cooperative agreement.

"(d) Evaluation.—The Secretary shall evaluate each project carried out under subsection (a)(1) and shall disseminate the findings with respect to each such evaluation to appropriate public and private entities.

"(e) Information and Education.—The Secretary shall establish comprehensive information and education programs to disseminate the findings of the knowledge development and application, training and technical assistance programs, and targeted capacity response programs under this section to the general public and to health professionals. The Secretary shall make every effort to provide linkages between the findings of supported projects and State agencies responsible for carrying out substance abuse prevention and treatment programs.

"(f) Authorization of Appropriation.—There are authorized to be appropriated to carry out this section, $300,000,000 for fiscal year 2000, and such sums as may be necessary for each of the fiscal years 2001 and 2002.".

(b) Conforming Amendments.—Section 518 of the Public Health Service Act (42 U.S.C. 290bb–24) is repealed.

SEC. 303. SUBSTANCE ABUSE PREVENTION AND TREATMENT PERFORMANCE PARTNERSHIP BLOCK GRANT.

(a) Allocation Regarding Alcohol and Other Drugs.—Section 1922 of the Public Health Service Act (42 U.S.C. 300x–22) is amended by—

(1) striking subsection (a); and

(2) redesignating subsections (b) and (c) as subsections (a) and (b).

(b) Group Homes for Recovering Substance Abusers.—Section 1925(a) of the Public Health Service Act (42 U.S.C. 300x–25(a)) is amended by striking "For fiscal year 1993" and all that follows through the colon and inserting the following: "A State, using funds available under section 1921, may establish and maintain the ongoing operation of a revolving fund in accordance with this section to support group homes for recovering substance abusers as follows:".

(c) Maintenance of Effort.—Section 1930 of the Public Health Service Act (42 U.S.C. 300x–30) is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d) respectively; and

(2) by inserting after subsection (a), the following:

"(b) Exclusion of Certain Funds.—The Secretary may exclude from the aggregate State expenditures under subsection (a), funds appropriated to the principle agency for authorized activities which are of a nonrecurring nature and for a specific purpose.".

(d) Applications for Grants.—Section 1932(a)(1) of the Public Health Service Act (42 U.S.C. 300x–32(a)(1)) is amended to read as follows:

"(1) the application is received by the Secretary not later than October 1 of the fiscal year for which the State is seeking funds;".

(e) Waiver for Territories.—Section 1932(c) of the Public Health Service Act (42 U.S.C. 300x–32(c)) is amended by striking "whose allotment under section 1921 for the fiscal year is the amount specified in section 1933(c)(2)(B)" and inserting "except Puerto Rico".

(f) Waiver Authority for Certain Requirements.—

(1) In general.—Section 1932 of the Public Health Service Act (42 U.S.C. 300x–32) is amended by adding at the end the following:

"(e) Waiver Authority for Certain Requirements.—

"(1) In general.—Upon the request of a State, the Secretary may waive the requirements of all or part of the sections described in paragraph (2) using objective criteria established by the Secretary by regulation after consultation with the States and other interested parties including consumers and providers.

"(2) Sections.—The sections described in paragraph (1) are sections 1922(c), 1923, 1924 and 1928.

"(3) Date certain for acting upon request.—The Secretary shall approve or deny a request for a waiver under paragraph (1) and inform the State of that decision not later than 120 days after the date on which the request and all the information needed to support the request are submitted.

"(4) Annual reporting requirement.—The Secretary shall annually report to the general public on the States that receive a waiver under this subsection.".

(2) Conforming amendments.—Effective upon the publication of the regulations developed in accordance with section 1932(e)(1) of the Public Health Service Act (42 U.S.C. 300x–32(d))—

(A) section 1922(c) of the Public Health Service Act (42 U.S.C. 300x–22(c)) is amended by—

(i) striking paragraph (2); and

(ii) redesignating paragraph (3) as paragraph (2); and

(B) section 1928(d) of the Public Health Service Act (42 U.S.C. 300x–28(d)) is repealed.

(g) Authorization of Appropriation.—Section 1935 of the Public Health Service Act (42 U.S.C. 300x–35) is amended—

(1) in subsection (a), by striking "$1,500,000,000" and all that follows through the end and inserting "$2,000,000,000 for fiscal year 2000, and such sums as may be necessary for each of the fiscal years 2001 and 2002.";

(2) in subsection (b)(1), by striking "section 505" and inserting "sections 505 and 1971";

(3) in subsection (b)(2), by striking "1949(a)" and inserting "1948(a)"; and

(4) in subsection (b), by adding at the end the following:

"(3) Core data set.—A State that receives a new grant, contract, or cooperative agreement from amounts available to the Secretary under paragraph (1), for the purposes of improving the data collection, analysis and reporting capabilities of the State, shall be required, as a condition of receipt of funds, to collect, analyze, and report to the Secretary for each fiscal year subsequent to receiving such funds a core data set to be determined by the Secretary in conjunction with the States.".

SEC. 304. DETERMINATION OF ALLOTMENTS.

Section 1933(b) of the Public Health Service Act (42 U.S.C. 300x–33(b)) is amended to read as follows:

"(b) Minimum Allotments for States.—

"(1) In general.—With respect to fiscal year 2000, and each subsequent fiscal year, the amount of the allotment of a State under section 1921 shall not be less than the amount the State received under such section for the previous fiscal year increased by an amount equal to 30.65 percent of the percentage by which the aggregate amount allotted to all States for such fiscal year exceeds the aggregate amount allotted to all States for the previous fiscal year.

"(2) Limitations.—

"(A) In general.—Except as provided in subparagraph (B), a State shall not receive an allotment under section 1921 for a fiscal year in an amount that is less than an amount equal to 0.375 percent of the amount appropriated under section 1935(a) for such fiscal year.

"(B) Exception.—In applying subparagraph (A), the Secretary shall ensure that no State receives an increase in its allotment under section 1921 for a fiscal year (as compared to the amount allotted to the State in the prior fiscal year) that is in excess of an amount equal to 300 percent of the percentage by which the amount appropriated under section 1935(a) for such fiscal year exceeds the amount appropriated for the prior fiscal year.

"(3) Decrease in or equal appropriations.—If the amount appropriated under section 1935(a) for a fiscal year is equal to or less than the amount appropriated under such section for the prior fiscal year, the amount of the State allotment under section 1921 shall be equal to the amount that the State received under section 1921 in the prior fiscal year decreased by the percentage by which the amount appropriated for such fiscal year is less than the amount appropriated or such section for the prior fiscal year.".

SEC. 305. NONDISCRIMINATION AND INSTITUTIONAL SAFEGUARDS FOR RELIGIOUS PROVIDERS.

Subpart III of part B of title XIX of the Public Health Service Act (42 U.S.C. 300x–51 et seq.) is amended by adding at the end the following:

"SEC. 1955. SERVICES PROVIDED BY NONGOVERNMENTAL ORGANIZATIONS.

"(a) PURPOSES.—The purposes of this section are—

"(1) to prohibit discrimination against nongovernmental organizations and certain individuals on the basis of religion in the distribution of government funds to provide substance abuse services under this title and title V, and the receipt of services under such titles; and

"(2) to allow the organizations to accept the funds to provide the services to the individuals without impairing the religious character of the organizations or the religious freedom of the individuals.

"(b) RELIGIOUS ORGANIZATIONS INCLUDED AS NONGOVERNMENTAL PROVIDERS.—

"(1) IN GENERAL.—A State may administer and provide substance abuse services under any program under this title or title V through grants, contracts, or cooperative agreements to provide assistance to beneficiaries under such titles with nongovernmental organizations.

"(2) REQUIREMENT.—A State that elects to utilize nongovernmental organizations as provided for under paragraph (1) shall consider, on the same basis as other nongovernmental organizations, religious organizations to provide services under substance abuse programs under this title or title V, so long as the programs under such titles are implemented in a manner consistent with the Establishment Clause of the first amendment to the Constitution. Neither the Federal Government nor a State or local government receiving funds under such programs shall discriminate against an organization that provides services under, or applies to provide services under, such programs, on the basis that the organization has a religious character.

"(c) RELIGIOUS CHARACTER AND INDEPENDENCE.—

"(1) IN GENERAL.—A religious organization that provides services under any substance abuse program under this title or title V shall retain its independence from Federal, State, and local governments, including such organization's control over the definition, development, practice, and expression of its religious beliefs.

"(2) ADDITIONAL SAFEGUARDS.—Neither the Federal Government nor a State or local government shall require a religious organization—

"(A) to alter its form of internal governance; or

"(B) to remove religious art, icons, scripture, or other symbols;

in order to be eligible to provide services under any substance abuse program under this title or title V.

"(d) EMPLOYMENT PRACTICES.—

"(1) SUBSTANCE ABUSE.—A religious organization that provides services under any substance abuse program under this title or title V may require that its employees providing services under such program adhere to rules forbidding the use of drugs or alcohol.

"(2) TITLE VII EXEMPTION.—The exemption of a religious organization provided under section 702 or 703(e)(2) of the Civil Rights Act of 1964 (42 U.S.C. 2000e–1, 2000e–2(e)(2)) regarding employment practices shall not be affected by the religious organization's provision of services under, or receipt of funds from, any substance abuse program under this title or title V.

"(e) RIGHTS OF BENEFICIARIES OF ASSISTANCE.—

"(1) IN GENERAL.—If an individual described in paragraph (3) has an objection to the religious character of the organization from which the individual receives, or would receive, services funded under any substance abuse program under this title or title V, the appropriate Federal, State, or local governmental entity shall provide to such individual (if otherwise eligible for such services) within a reasonable period of time after the date of such objection, services that—

"(A) are from an alternative provider that is accessible to the individual; and

"(B) have a value that is not less than the value of the services that the individual would have received from such organization.

"(2) NOTICE.—The appropriate Federal, State, or local governmental entity shall ensure that notice is provided to individuals described in paragraph (3) of the rights of such individuals under this section.

"(3) INDIVIDUAL DESCRIBED.—An individual described in this paragraph is an individual who receives or applies for services under any substance abuse program under this title or title V.

"(f) NONDISCRIMINATION AGAINST BENEFICIARIES.—A religious organization providing services through a grant, contract, or cooperative agreement under any substance abuse program under this title or title V shall not discriminate, in carrying out such program, against an individual described in subsection (e)(3) on the basis of religion, a religious belief, a refusal to hold a religious belief, or a refusal to actively participate in a religious practice.

"(g) FISCAL ACCOUNTABILITY.—

"(1) IN GENERAL.—Except as provided in paragraph (2), any religious organization providing services under any substance abuse program under this title or title V shall be subject to the same regulations as other nongovernmental organizations to account in accord with generally accepted accounting principles for the use of such funds provided under such program.

"(2) LIMITED AUDIT.—Such organization shall segregate government funds provided under such substance abuse program into a separate account. Only the government funds shall be subject to audit by the government.

"(h) COMPLIANCE.—Any party that seeks to enforce such party's rights under this section may assert a civil action for injunctive relief exclusively in an appropriate Federal or State court against the entity, agency or official that allegedly commits such violation.

"(i) LIMITATIONS ON USE OF FUNDS FOR CERTAIN PURPOSES.—No funds provided through a grant or contract to a religious organization to provide services under any substance abuse program under this title or title V shall be expended for sectarian worship, instruction, or proselytization.

"(j) EFFECT ON STATE AND LOCAL FUNDS.—If a State or local government contributes State or local funds to carry out any substance abuse program under this title or title V, the State or local government may segregate the State or local funds from the Federal funds provided to carry out the program or may commingle the State or local funds with the Federal funds. If the State or local government commingles the State or local funds, the provisions of this section shall apply to the commingled funds in the same manner, and to the same extent, as the provisions apply to the Federal funds.

"(k) TREATMENT OF INTERMEDIATE CONTRACTORS.—If a nongovernmental organization (referred to in this subsection as an 'intermediate organization'), acting under a contract or other agreement with the Federal Government or a State or local government, is given the authority under the contract or agreement to select nongovernmental organizations to provide services under any substance abuse program under this title or title V, the intermediate organization shall have the same duties under this section as the government but shall retain all other rights of a nongovernmental organization under this section.".

SEC. 306. ALCOHOL AND DRUG PREVENTION OR TREATMENT SERVICES FOR INDIANS AND NATIVE ALASKANS.

Part D of title V of the Public Health Service Act (42 U.S.C. 290dd et seq.) is amended by adding at the end the following:

"SEC. 544. ALCOHOL AND DRUG PREVENTION OR TREATMENT SERVICES FOR INDIANS AND NATIVE ALASKANS.

"(a) IN GENERAL.—The Secretary shall award grants, contracts, or cooperative agreements to public and private nonprofit entities, including Native Alaskan entities and Indian tribes and tribal organizations, for the purpose of providing alcohol and drug prevention or treatment services for Indians and Native Alaskans.

"(b) PRIORITY.—In awarding grants, contracts, or cooperative agreements under subsection (a), the Secretary shall give priority to applicants that—

"(1) propose to provide alcohol and drug prevention or treatment services on reservations;

"(2) propose to employ culturally-appropriate approaches, as determined by the Secretary, in providing such services; and

"(3) have provided prevention or treatment services to Native Alaskan entities and Indian tribes and tribal organizations for at least 1 year prior to applying for a grant under this section.

"(c) DURATION.—The Secretary shall award grants, contracts, or cooperative agreements under subsection (a) for a period not to exceed 5 years.

"(d) APPLICATION.—An entity desiring a grant, contract, or cooperative agreement under subsection (a) shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

"(e) EVALUATION.—An entity that receives a grant, contract, or cooperative agreement under subsection (a) shall submit, in the application for such grant, a plan for the evaluation of any project undertaken with funds provided under this section. Such entity shall provide the Secretary with periodic evaluations of the progress of such project and such evaluation at the completion of such project as the Secretary determines to be appropriate. The final evaluation submitted by such entity shall include a recommendation as to whether such project shall continue.

"(f) REPORT.—Not later than 3 years after the date of enactment of this section and annually thereafter, the Secretary shall prepare and submit, to the Committee on Health, Education, Labor, and Pensions of the Senate, a report describing the services provided pursuant to this section.

"(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $15,000,000 for fiscal year 2000, and such sums as may be necessary for fiscal years 2001 and 2002.

"SEC. 545. ESTABLISHMENT OF COMMISSION.

"(a) IN GENERAL.—There is established a commission to be known as the Commission on Indian and Native Alaskan Health Care that shall examine the health concerns of Indians and Native Alaskans who reside on reservations and tribal lands (hereafter in this section referred to as the 'Commission').

"(b) MEMBERSHIP.—

"(1) IN GENERAL.—The Commission established under subsection (a) shall consist of—

"(A) the Secretary;

"(B) 15 members who are experts in the health care field and issues that the Commission is established to examine; and

"(C) the Director of the Indian Health Service and the Commissioner of Indian Affairs, who shall be nonvoting members.

"(2) APPOINTING AUTHORITY.—Of the 15 members of the Commission described in paragraph (1)(B)—

"(A) 2 shall be appointed by the Speaker of the House of Representatives;

"(B) 2 shall be appointed by the Minority Leader of the House of Representatives;

"(C) 2 shall be appointed by the Majority Leader of the Senate;

"(D) 2 shall be appointed by the Minority Leader of the Senate; and

"(E) 7 shall be appointed by the Secretary.

"(3) LIMITATION.—Not fewer than 10 of the members appointed to the Commission shall be Indians or Native Alaskans.

"(4) CHAIRPERSON.—The Secretary shall serve as the Chairperson of the Commission.

"(5) EXPERTS.—The Commission may seek the expertise of any expert in the health care field to carry out its duties.

"(c) PERIOD OF APPOINTMENT.—Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filed in the same manner as the original appointment.

"(d) DUTIES OF THE COMMISSION.—The Commission shall—

"(1) study the health concerns of Indians and Native Alaskans; and

"(2) prepare the reports described in subsection (i).

"(e) POWERS OF THE COMMISSION.—

"(1) HEARINGS.—The Commission may hold such hearings, including hearings on reservations, sit and act at such times and places, take such testimony, and receive such information as the Commission considers advisable to carry out the purpose for which the Commission was established.

"(2) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out the purpose for which the Commission was established. Upon request of the Chairperson of the Commission, the head of such department or agency shall furnish such information to the Commission.

"(f) COMPENSATION OF MEMBERS.—

"(1) IN GENERAL.—Except as provided in subparagraph (B), each member of the Commission may be compensated at a rate not to exceed the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time), during which that member is engaged in the actual performance of the duties of the Commission.

"(2) LIMITATION.—Members of the Commission who are officers or employees of the United States shall receive no additional pay on account of their service on the Commission.

"(g) TRAVEL EXPENSES OF MEMBERS.—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under section 5703 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

"(h) COMMISSION PERSONNEL MATTERS.—

"(1) IN GENERAL.—The Secretary, in accordance with rules established by the Commission, may select and appoint a staff director and other personnel necessary to enable the Commission to carry out its duties.

"(2) COMPENSATION OF PERSONNEL.—The Secretary, in accordance with rules established by the Commission, may set the amount of compensation to be paid to the staff director and any other personnel that serve the Commission.

"(3) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the Commission without reimbursement, and the detail shall be without interruption or loss of civil service status or privilege.

"(4) CONSULTANT SERVICES.—The Chairperson of the Commission is authorized to procure the temporary and intermittent services of experts and consultants in accordance with section 3109 of title 5, United States Code, at rates not to exceed the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of such title.

"(i) REPORT.—

"(1) IN GENERAL.—Not later than 3 years after the date of enactment of the Youth Drug and Mental Health Services Act, the Secretary shall prepare and submit, to the Committee on Health, Education, Labor, and Pensions of the Senate, a report that shall—

"(A) detail the health problems faced by Indians and Native Alaskans who reside on reservations;

"(B) examine and explain the causes of such problems;

"(C) describe the health care services available to Indians and Native Alaskans who reside on reservations and the adequacy of such services;

"(D) identify the reasons for the provision of inadequate health care services for Indians and Native Alaskans who reside on reservations, including the availability of resources;

"(E) develop measures for tracking the health status of Indians and Native Americans who reside on reservations; and

"(F) make recommendations for improvements in the health care services provided for Indians and Native Alaskans who reside on reservations, including recommendations for legislative change.

"(2) EXCEPTION.—In addition to the report required under paragraph (1), not later than 2 years after the date of enactment of the Youth Drug and Mental Health Services Act, the Secretary shall prepare and submit, to the Committee on Health, Education, Labor, and Pensions of the Senate, a report that describes any alcohol and drug abuse among Indians and Native Alaskans who reside on reservations.

"(j) PERMANENT COMMISSION.—Section 14 of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Commission.

"(k) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000 for fiscal year 2000, and such sums as may be necessary for fiscal years 2001 and 2002.".

TITLE IV—PROVISIONS RELATING TO FLEXIBILITY AND ACCOUNTABILITY

SEC. 401. GENERAL AUTHORITIES AND PEER REVIEW.

(a) GENERAL AUTHORITIES.—Paragraph (1) of section 501(e) of the Public Health Service Act (42 U.S.C. 290aa(e)) is amended to read as follows:

"(1) IN GENERAL.—There may be in the Administration an Associate Administrator for Alcohol Prevention and Treatment Policy to whom the Administrator may delegate the functions of promoting, monitoring, and evaluating service programs for the prevention and treatment of alcoholism and alcohol abuse within the Center for Substance Abuse Prevention, the Center for Substance Abuse Treatment and the Center for Mental Health Services, and coordinating such programs among the Centers, and among the Centers and other public and private entities. The Associate Administrator also may ensure that alcohol prevention, education, and policy strategies are integrated into all programs of the Centers that address substance abuse prevention, education, and policy, and that the Center for Substance Abuse Prevention addresses the Healthy People 2010 goals and the National Dietary Guidelines of the Department of Health and Human Services and the Department of Agriculture related to alcohol consumption.".

(b) PEER REVIEW.—Section 504 of the Public Health Service (42 U.S.C. 290aa-3) is amended as follows:

"SEC. 504. PEER REVIEW.

"(a) IN GENERAL.—The Secretary, after consultation with the Administrator, shall require appropriate peer review of grants, cooperative agreements, and contracts to be administered through the agency which exceed the simple acquisition threshold as defined in section 4(11) of the Office of Federal Procurement Policy Act.

"(b) MEMBERS.—The members of any peer review group established under subsection (a) shall be individuals who by virtue of their training or experience are eminently qualified to perform the review functions of the group. Not more than 1/4 of the members of any such peer review group shall be officers or employees of the United States.

"(c) ADVISORY COUNCIL REVIEW.—If the direct cost of a grant or cooperative agreement (described in subsection (a)) exceeds the simple acquisition threshold as defined by section 4(11) of the Office of Federal Procurement Policy Act, the Secretary may make such a grant or cooperative agreement only if such grant or cooperative agreement is recommended—

"(1) after peer review required under subsection (a); and

"(2) by the appropriate advisory council.

"(d) CONDITIONS.—The Secretary may establish limited exceptions to the limitations contained in this section regarding participation of Federal employees and advisory council approval. The circumstances under which the Secretary may make such an exception shall be made public.".

SEC. 402. ADVISORY COUNCILS.

Section 502(e) of the Public Health Service Act (42 U.S.C. 290aa-1(e)) is amended in the first sentence by striking "3 times" and inserting "2 times".

SEC. 403. GENERAL PROVISIONS FOR THE PERFORMANCE PARTNERSHIP BLOCK GRANTS.

(a) PLANS FOR PERFORMANCE PARTNERSHIPS.—Section 1949 of the Public Health Service Act (42 U.S.C. 300x-59) is amended as follows:

"SEC. 1949. PLANS FOR PERFORMANCE PARTNERSHIPS.

"(a) DEVELOPMENT.—The Secretary in conjunction with States and other interested groups shall develop separate plans for the programs authorized under subparts I and II for creating more flexibility for States and accountability based on outcome and other performance measures. The plans shall each include—

"(1) a description of the flexibility that would be given to the States under the plan;

"(2) the common set of performance measures that would be used for accountability, including measures that would be used for the program under subpart II for pregnant addicts, HIV transmission, tuberculosis, and those with a co-occurring substance abuse and mental disorders, and for programs under subpart I for children with serious emotional disturbance and adults with serious mental illness and for individuals with co-occurring mental health and substance abuse disorders;

"(3) the definitions for the data elements to be used under the plan;

"(4) the obstacles to implementation of the plan and the manner in which such obstacles would be resolved;

"(5) the resources needed to implement the performance partnerships under the plan; and

"(6) an implementation strategy complete with recommendations for any necessary legislation.

"(b) SUBMISSION.—Not later than 2 years after the date of enactment of this Act, the plans developed under subsection (a) shall be submitted to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Commerce of the House of Representatives.

"(c) INFORMATION.—As the elements of the plans described in subsection (a) are developed, States are encouraged to provide information to the Secretary on a voluntary basis.

"(d) PARTICIPANTS.—The Secretary shall include among those interested groups that participate in the development of the plan consumers of mental health or substance abuse services, providers, representatives of political divisions of States, and representatives of racial and ethnic groups including Native Americans.".

(b) AVAILABILITY TO STATES OF GRANT PROGRAMS.—Section 1952 of the Public Health Service Act (42 U.S.C. 300x–62) is amended as follows:

"SEC. 1952. AVAILABILITY TO STATES OF GRANT PAYMENTS.

"Any amounts paid to a State for a fiscal year under section 1911 or 1921 shall be available for obligation and expenditure until the end of the fiscal year following the fiscal year for which the amounts were paid.".

SEC. 404. DATA INFRASTRUCTURE PROJECTS.

Part C of title XIX of the Public Health Service Act (42 U.S.C. 300y et seq.) is amended—

(1) by striking the headings for part C and subpart I and inserting the following:

"PART C—CERTAIN PROGRAMS REGARDING MENTAL HEALTH AND SUBSTANCE ABUSE

"Subpart I—Data Infrastructure Development";

(2) by striking section 1971 (42 U.S.C. 300y) and inserting the following:

"SEC. 1971. DATA INFRASTRUCTURE DEVELOPMENT.

"(a) IN GENERAL.—The Secretary may make grants to, and enter into contracts or cooperative agreements with States for the purpose of developing and operating mental health or substance abuse data collection, analysis, and reporting systems with regard to performance measures including capacity, process, and outcomes measures.

"(b) PROJECTS.—The Secretary shall establish criteria to ensure that services will be available under this section to States that have a fundamental basis for the collection, analysis, and reporting of mental health and substance abuse performance measures and States that do not have such basis. The Secretary will establish criteria for determining whether a State has a fundamental basis for the collection, analysis, and reporting of data.

"(c) CONDITION OF RECEIPT OF FUNDS.—As a condition of the receipt of an award under this section a State shall agree to collect, analyze, and report to the Secretary within 2 years of the date of the award on a core set of performance measures to be determined by the Secretary in conjunction with the States.

"(d) DURATION OF SUPPORT.—The period during which payments may be made for a project under subsection (a) may be not less than 3 years nor more than 5 years.

"(e) AUTHORIZATION OF APPROPRIATION.—

"(1) IN GENERAL.—For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 2000, 2001 and 2002.

"(2) ALLOCATION.—Of the amounts appropriated under paragraph (1) for a fiscal year, 50 percent shall be expended to support data infrastructure development for mental health and 50 percent shall be expended to support data infrastructure development for substance abuse.".

SEC. 405. REPEAL OF OBSOLETE ADDICT REFERRAL PROVISIONS.

(a) REPEAL OF OBSOLETE PUBLIC HEALTH SERVICE ACT AUTHORITIES.—Part E of title III (42 U.S.C. 257 et seq.) is repealed.

(b) REPEAL OF OBSOLETE NARA AUTHORITIES.—Titles III and IV of the Narcotic Addict Rehabilitation Act of 1966 (Public Law 89–793) are repealed.

(c) REPEAL OF OBSOLETE TITLE 28 AUTHORITIES.—

(1) IN GENERAL.—Chapter 175 of title 28, United States Code, is repealed.

(2) TABLE OF CONTENTS.—The table of contents to part VI of title 28, United States Code, is amended by striking the items relating to chapter 175.

SEC. 406. INDIVIDUALS WITH CO-OCCURRING DISORDERS.

The Public Health Service Act is amended by inserting after section 503 (42 U.S.C. 290aa–2) the following:

"SEC. 503A. REPORT ON INDIVIDUALS WITH CO-OCCURRING MENTAL ILLNESS AND SUBSTANCE ABUSE DISORDERS.

"(a) IN GENERAL.—Not later than 2 years after the date of enactment of this section, the Secretary shall, after consultation with organizations representing States, mental health and substance abuse treatment providers, prevention specialists, individuals receiving treatment services, and family members of such individuals, prepare and submit to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Commerce of the House of Representatives, a report on prevention and treatment services for individuals who have co-occurring mental illness and substance abuse disorders.

"(b) REPORT CONTENT.—The report under subsection (a) shall be based on data collected from existing Federal and State surveys regarding the treatment of co-occurring mental illness and substance abuse disorders and shall include—

"(1) a summary of the manner in which individuals with co-occurring disorders are receiving treatment, including the most up-to-date information available regarding the number of children and adults with co-occurring mental illness and substance abuse disorders and the manner in which funds provided under sections 1911 and 1921 are being utilized, including the number of such children and adults served with such funds;

"(2) a summary of improvements necessary to ensure that individuals with co-occurring mental illness and substance abuse disorders receive the services they need;

"(3) a summary of practices for preventing substance abuse among individuals who have a mental illness and are at risk of having or acquiring a substance abuse disorder; and

"(4) a summary of evidenced-based practices for treating individuals with co-occurring mental illness and substance abuse disorders and recommendations for implementing such practices.

"(c) FUNDS FOR REPORT.—The Secretary may obligate funds to carry out this section with such appropriations as are available.".

SEC. 407. SERVICES FOR INDIVIDUALS WITH CO-OCCURRING DISORDERS.

Subpart III of part B of title XIX of the Public Health Service Act (42 U.S.C. 300x–51 et seq.) (as amended by section 305) is further amended by adding at the end the following:

"SEC. 1956. SERVICES FOR INDIVIDUALS WITH CO-OCCURRING DISORDERS.

"States may use funds available for treatment under sections 1911 and 1921 to treat persons with co-occurring substance abuse and mental disorders as long as funds available under such sections are used for the purposes for which they were authorized by law and can be tracked for accounting purposes.".

MEASURE READ THE FIRST TIME—S.J. RES. 37

Mr. GRASSLEY. There is a joint resolution at the desk which was introduced earlier by Senator SMITH of New Hampshire, and I ask for its first reading.

The PRESIDING OFFICER. The clerk will report the joint resolution by title.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 37) urging the President to negotiate a new base rights agreement with the Government of Panama in order for United States Armed Forces to be stationed in Panama after December 31, 1999.

Mr. GRASSLEY. I now ask for its second reading, and I object to my own request.

The PRESIDING OFFICER. Under the rule, the bill will receive its second reading on the next legislative day.

JOHN H. CHAFEE COASTAL BARRIER RESOURCES SYSTEM ACT

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of S. 1866, introduced earlier today by Senator SMITH of New Hampshire and others.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

> A bill (S. 1866) to redesignate the Coastal Barrier Resources System as the "John H. Chafee Coastal Barrier Resources System".

There being no objection, the Senate proceeded to consider the bill.

Mr. SMITH of New Hampshire. Mr. President, this bill would redesignate the Coastal Barrier Resources System as the "John H. Chafee Coastal Barrier Resources System."

As you all know, my friend, the late Senator John Chafee, worked tirelessly to ensure that the natural resources of this nation are protected. I can think of no tribute that is more fitting than to rename the Coastal Resources System after him. Whenever we discussed the Coastal Barrier Resources Act it was not unusual for Senator Chafee to comment that "There are times around here that we all do things right, and this is one of them."

Senator Chafee is considered the father of the Coastal Barrier Resources Act, and it epitomizes the common sense approach he took in protecting our environment. When Senator Chafee introduced this legislation in 1990 he recognized that the federal government didn't have the financial resources to buy this land, as well as recognizing the need for Congress to find a unique and different way to protect our sensitive coastal barriers.

The Coastal Barrier Resources Act does just that. The act prohibits the Federal government from subsidizing flood insurance, and restricts other federal expenditures and financial assistance, such as beach replenishment, that encourage the development of our coastal barriers. All to often taxpayers are asked to subsidize the rebuilding of homes in these sensitive storm and flood prone areas not just once, but two, three, even four times. Restricting funding for Federal programs will minimize loss of human life, reduce wasteful expenditure of Federal funds, and protect the natural resources associated with coastal barriers.

As I said last week on the floor, this act is vintage Chafee: balanced, fiscally prudent, and environmentally protective.

The Coastal Barrier Resources System protects approximately 3 million acres and 2,500 shoreline miles from development subsidized by the federal government. Development of coastal barrier land decreases their ability to absorb the force of storms, buffer the mainland, and provide critical habitat to numerous plant and animal species. The devastating floods of Hurricane Floyd are yet another reminder of the susceptibility of coastal development to the power of nature.

Senator Chafee was instrumental in reauthorizing the legislation in 1990 and had recently introduced a new reauthorization measure. By renaming the Coastal Barrier Resources Act after Senator Chafee, this legislation honors the invaluable contributions the Senator made to the environment during his tenure in the Senate.

Mr. President, I ask unanimous consent that a statement in support of this legislation from the Coast Alliance, a network of more than 500 organizations working to protect America's coastal resources, be printed in the RECORD immediately after my remarks.

The PRESIDING OFFICER. Without objection it is so ordered.

(See exhibit 1.)

Mr. SMITH of New Hampshire. In closing I would like to leave you with a quote from President Teddy Roosevelt that Senator Chafee used in 1990 when he introduced the bill:

> The prosperity of our people depends on the energy and intelligence with which our natural resources are used. It is equally clear that these resources are the final basis of national power and perpetuity.

I urge my colleagues to support this legislation.

EXHIBIT 1

STATEMENT OF JACQUELINE SAVITZ, EXECUTIVE DIRECTOR, COAST ALLIANCE, ON THE JOHN CHAFEE COASTAL BARRIER RESOURCES SYSTEM ACT

The Coast Alliance leads a network composed of over 500 organizations along America's coasts working to protect our priceless coastal resources. The Alliance worked with Senator John Chafee to help pass the Coastal Barrier Resources Act in 1982 and to expand it in 1990. The Alliance has continuously defended and built support for the Coastal Barrier Resources System since that time. Coast Alliance strongly supports this bill to rename the Coastal Barrier Resource System in Senator Chafee's honor.

Senator John Chafee's work to create and protect the CBRS was unequaled, leaving a precious legacy for this and hopefully future generations. The Coast Alliance commends the cosponsors of this bill for recognizing Senator Chafee's work by renaming the Act and the System. The John H. Chafee Coastal Barrier Resource Act should stand as a testament to the vision and perseverance of Senator Chafee in defense of barrier islands.

Prior to his death, Senator Chafee authored a bill to reauthorize the Act and included provisions that would allow for citizens to make voluntary additions to the System. Coast Alliance urges the Environment and Public Works Committee and the Senate to make quick work of Chafee's bill, passing it as he wrote it, and as soon as is feasible.

Finally, Coast Alliance wishes to recognize that Senator Chafee's appreciation of nature extended beyond barrier islands, and his work to protect our National Wildlife Refuges also should be recognized. Coast Alliance urges that the Committee consider adding to its memorial by naming a National Wildlife Refuge in Senator John Chafee's memory.

The Board of Directors and staff of the Coast Alliance wish to convey their sympathy to the Chafee family, and to the Senator's colleagues and staff. We thank Chairman Smith and the Environment and Public Work Committee for their leadership on this bill.

Mr. BAUCUS. Mr. President, this bill is a fitting tribute to our beloved former chairman of the Environment and Public Works Committee, the late Senator John Chafee. I commend our new Chairman, Senator SMITH, for conceiving of this tribute, and am pleased to join him and others in introducing the bill.

Over the past week or so, many of us have spoken of the sadness we feel at Senator Chafee's passing. We have spoken of his contributions to legislative debates, and in particular the work he did to improve our major environmental laws, such as the Clean Air Act, the Clean Water Act, and Endangered Species Act.

The bill we are introducing today shows another side of Senator Chafee's work. He wasn't just interested in issues that bring headlines and accolades. When he came to work each morning, he tried to make things better, however he could, in ways both large and small.

The Coastal Barriers Resources System was one of those relatively small, but significant, accomplishments. Very few people have heard about it. But it's made a difference.

Senator Chafee proposed the Coastal Barriers Resources Act in 1981. It was enacted into law in 1982 and reauthorized in 1990.

The act establishes the Coastal Barrier Resources System, which comprises about 3 million acres of fragile coastal habitat covering 2,500 shoreline miles. Within the system, certain types of federal assistance, such as flood insurance and funding to replenish beaches, is prohibited. If someone wants to build in one of these areas, such as along a beach that is highly edible and in the frequent path of hurricanes, fine.

But taxpayers will not help foot the bill.

In this way, the act promotes two simple, common-sense ideas: conservation and thrift.

It promotes conservation because coastal barriers are very important and fragile ecosystems. Senator Chafee put it this way, at the first hearing on his bill, in Providence in 1982. He said:

> These beaches and islands are places of incredible beauty that deserve to be protected so that they can be open for enjoyment by everybody, all the citizens of our country.

He continued:

> The grassy dunes, salt marshes, and tidal estuaries of the barrier islands [also] provide essential areas where healthy wildlife populations can find shelter, food and a tranquil place to raise their young.

By discouraging development in these areas, the Coastal Barrier Resources Act promotes conservation.

The act also promotes thrift. Simply put, it's a waste of taxpayers' money to subsidize development that not only harms the environment, but that also is likely, at some point, to be swept out to sea.

When he signed the act into law, President Reagan said that it "will save American taxpayers millions of dollars." and that's turned out to be the case.

Conservation and thrift. Good Yankee virtues, characteristic of John Chafee.

One more thing. In his eulogy last Saturday, former Senator Danforth talked about how John Chafee tried to bring people together.

This is yet another example. When all the painstaking work was done, the Coastal Barrier Resources Act reflected a bipartisan consensus. It was supported by virtually everyone—from the National Taxpayers Union, to the Red Cross, to the major environmental groups. It was enacted with only four dissenting votes in the entire Congress.

It brought people together.

Mr. President, two weeks ago, Senator John Chafee introduced a bill to reauthorize the Coastal Barrier Resources Act. It turned out to be the very last bill that he introduced.

The bill that we are introducing today takes a further step. It names the system that he created, and nurtured, the John H. Chafee Coastal Barrier Resources System.

It is a modest, but fitting, tribute.

Mr. CRAPO. Mr. President, I applaud Senator SMITH, the new chairman of the Environment and Public Works Committee, for this effort on behalf of the Senate to honor our late friend, John Chafee.

Although not widely-known, the Coastal Barrier Resources Act (CBRA) statute is an important component of our national commitment to balancing the needs of our environment, minimizing risks to human life, and fiscal responsibility. Being such a careful balance, the act reflects John Chafee's approach to legislating—fair, deliberate, and environmentally conscious.

In 1982, the then-chairman of the Senate Environment and Public Works Subcommittee on Environmental Pollution, Senator Chafee, became the leading champion of efforts to address problems caused by development on highly erodible coastal areas. The CBRA concept took a unique approach to protecting these coastal areas, not by instituting a wide range of new federal regulations as some suggested, but by prohibiting certain federal spending that could promote development that would not otherwise take place.

Subsequent reauthorization of the act in 1990 significantly expanded the CBRA System and incorporated "Otherwise Protected Areas" into the protective umbrella. Today, the CBRA System includes 585 units and 274 OPAs, comprising over 3 million acres of coastal barriers.

CBRA does not prohibit development in coastal areas, nor deny private or non-federal funds from being spent even with the CBRA System. It does, however, protect taxpayer dollars—including flood insurance, loans, grants, and assisting infrastructure projects—from being spent on development projects in areas where the very instability of the terrain makes development a risky proposition. It also discourages development in areas where human life is at increased risk from the full force of coastal weather events.

A General Accounting Office report from 1992 underscores the successes and challenges of the system. Although CBRA's restrictions have discouraged development in some units, saving taxpayer dollars, other units have seen development pressures result in new construction projects.

Senator Chafee's long leadership on this issue has demonstrated the vitality of the idea of protecting important environmental areas without putting restrictions on private actions. As Chairman of the successor subcommittee with jurisdiction over CBRA and a staunch defender of creative solutions to problems affecting our environment, I look forward to helping advance John Chafee's legacy by supporting this measure and working to enact his last introduced bill, S. 1752.

Mr. President, S. 1752, the Coastal Barrier Resources Reauthorization Act, was introduced by our late Chairman before his passing and would update the underlying law for the 21st Century by coupling current mapping technology with new advances in digital cartography and by establishing statutory clarity in describing which areas are covered by the CBRA System.

In closing, I commend Senator SMITH and Senator BAUCUS for their commitment to honoring John Chafee by naming the CBRA System for him. John Chafee was truly a man of vision with a gentle spirit that made the difficult tasks in Congress that much more easy. His presence had a calming influence when so often discussions became overheated in this Chamber or in the Environment and Public Works Committee. No one can replace him, but others should and will try to follow his example. He will be truly missed.

Mr. GRASSLEY. I ask unanimous consent that the bill be read a third time and passed, the motion to reconsider be laid upon the table, and any statements relating to this bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 1866) was read the third time and passed, as follows:

S. 1866

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "John H. Chafee Coastal Barrier Resources System Act".

SEC. 2. FINDINGS.

Congress finds that—

(1) during the past 2 decades, Senator John H. Chafee was a leading voice for the protection of the environment and the conservation of the natural resources of the United States;

(2) Senator Chafee served on the Environment and Public Works Committee of the Senate for 22 years, influencing every major piece of environmental legislation enacted during that time;

(3) Senator Chafee led the fight for clean air, clean water, safe drinking water, and cleanup of toxic wastes, and for strengthening of the National Wildlife Refuge System and protections for endangered species and their habitats;

(4) millions of people of the United States breathe cleaner air, drink cleaner water, and enjoy more plentiful outdoor recreation opportunities because of the work of Senator Chafee;

(5) in 1982, Senator Chafee authored and succeeded in enacting into law the Coastal Barrier Resources Act (16 U.S.C. 3501 et seq.) to minimize loss of human life, wasteful expenditure of Federal revenues, and damage to fish, wildlife, and other natural resources associated with the coastal barriers along the Atlantic and Gulf Coasts; and

(6) to reflect the invaluable national contributions made by Senator Chafee during his service in the Senate, the Coastal Barrier Resources System should be named in his honor.

SEC. 3. REDESIGNATION OF COASTAL BARRIER RESOURCES SYSTEM IN HONOR OF JOHN H. CHAFEE.

(a) IN GENERAL.—The Coastal Barrier Resources System established by section 4(a) of the Coastal Barrier Resources Act (16 U.S.C. 3503(a)) is redesignated as the "John H. Chafee Coastal Barrier Resources System".

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the Coastal Barrier Resources System shall be deemed to be a reference to the John H. Chafee Coastal Barrier Resources System.

(c) CONFORMING AMENDMENTS.—

(1) Section 2(b) of the Coastal Barrier Resources Act (16 U.S.C. 3501(b)) is amended by striking "a Coastal Barrier Resources System" and inserting "the John H. Chafee Coastal Barrier Resources System".

(2) Section 3 of the Coastal Barrier Resources Act (16 U.S.C. 3502) is amended by striking "Coastal Barrier Resources System" each place it appears and inserting "John H. Chafee Coastal Barrier Resources System".

(3) Section 4 of the Coastal Barrier Resources Act (16 U.S.C. 3503) is amended—

(A) in the section heading, by striking "**COASTAL BARRIER RESOURCES SYSTEM**" and inserting "**JOHN H. CHAFEE COASTAL BARRIER RESOURCES SYSTEM**"; and

(B) in subsection (a), by striking "the Coastal Barrier Resources System" and inserting "the John H. Chafee Coastal Barrier Resources System".

(4) Section 10(c)(2) of the Coastal Barrier Resources Act (16 U.S.C. 3509(c)(2)) is amended by striking "Coastal Barrier Resources System" and inserting "System".

(5) Section 10(c)(2)(B)(i) of the Coastal Barrier Improvement Act of 1990 (12 U.S.C. 1441a–3(c)(2)(B)(i)) is amended by striking "Coastal Barrier Resources System" and inserting "John H. Chafee Coastal Barrier Resources System".

(6) Section 12(5) of the Coastal Barrier Improvement Act of 1990 (16 U.S.C. 3503 note; Public Law 101–591) is amended by striking "Coastal Barrier Resources System" and inserting "John H. Chafee Coastal Barrier Resources System".

(7) Section 1321 of the National Flood Insurance Act of 1968 (42 U.S.C. 4028) is amended—

(A) by striking the section heading and inserting the following:

"JOHN H. CHAFEE COASTAL BARRIER RESOURCES SYSTEM";

and

(B) by striking "Coastal Barrier Resources System" each place it appears and inserting "John H. Chafee Coastal Barrier Resources System".

DENYING SAFE HAVENS TO INTERNATIONAL AND WAR CRIMINALS ACT OF 1999

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of calendar No. 344, S. 1754.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 1754) to deny safe havens to international and war criminals, and for other purposes.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Denying Safe Havens to International and War Criminals Act of 1999".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—DENYING SAFE HAVENS TO INTERNATIONAL CRIMINALS

Sec. 101. Temporary transfer of persons in custody for prosecution.

Sec. 102. Prohibiting fugitives from benefiting from fugitive status.

Sec. 103. Transfer of foreign prisoners to serve sentences in country of origin.

Sec. 104. Transit of fugitives for prosecution in foreign countries.

TITLE II—PROMOTING GLOBAL COOPERATION IN THE FIGHT AGAINST INTERNATIONAL CRIME

Sec. 201. Streamlined procedures for execution of MLAT requests.

Sec. 202. Temporary transfer of incarcerated witnesses.

TITLE III—ANTI-ATROCITY ALIEN DEPORTATION

Sec. 301. Inadmissibility and removability of aliens who have committed acts of torture abroad.

Sec. 302. Establishment of the Office of Special Investigations.

TITLE I—DENYING SAFE HAVENS TO INTERNATIONAL CRIMINALS

SEC. 101. TEMPORARY TRANSFER OF PERSONS IN CUSTODY FOR PROSECUTION.

(a) IN GENERAL.—Chapter 306 of title 18, United States Code, is amended by adding at the end the following:

"§4116. Temporary transfer for prosecution

"(a) STATE DEFINED.—In this section, the term 'State' includes a State of the United States, the District of Columbia, and a commonwealth, territory, or possession of the United States.

"(b) AUTHORITY OF ATTORNEY GENERAL WITH RESPECT TO TEMPORARY TRANSFERS.—

"(1) IN GENERAL.—Subject to subsection (d), if a person is in pretrial detention or is otherwise being held in custody in a foreign country based upon a violation of the law in that foreign country, and that person is found extraditable to the United States by the competent authorities of that foreign country while still in the pretrial detention or custody, the Attorney General shall have the authority—

"(A) to request the temporary transfer of that person to the United States in order to face prosecution in a Federal or State criminal proceeding;

"(B) to maintain the custody of that person while the person is in the United States; and

"(C) to return that person to the foreign country at the conclusion of the criminal prosecution, including any imposition of sentence.

"(2) REQUIREMENTS FOR REQUESTS BY ATTORNEY GENERAL.—The Attorney General shall make a request under paragraph (1) only if the Attorney General determines, after consultation with the Secretary of State, that the return of that person to the foreign country in question would be consistent with international obligations of the United States.

"(c) AUTHORITY OF ATTORNEY GENERAL WITH RESPECT TO PRETRIAL DETENTIONS.—

"(1) IN GENERAL.—

"(A) AUTHORITY OF ATTORNEY GENERAL.—Subject to paragraph (2) and subsection (d), the Attorney General shall have the authority to carry out the actions described in subparagraph (B), if—

"(i) a person is in pretrial detention or is otherwise being held in custody in the United States based upon a violation of Federal or State law, and that person is found extraditable to a foreign country while still in the pretrial detention or custody pursuant to section 3184, 3197, or 3198; and

"(ii) a determination is made by the Secretary of State and the Attorney General that the person will be surrendered.

"(B) ACTIONS.—If the conditions described in subparagraph (A) are met, the Attorney General shall have the authority to—

"(i) temporarily transfer the person described in subparagraph (A) to the foreign country of the foreign government requesting the extradition of that person in order to face prosecution;

"(ii) transport that person from the United States in custody; and

"(iii) return that person in custody to the United States from the foreign country.

"(2) CONSENT BY STATE AUTHORITIES.—If the person is being held in custody for a violation of State law, the Attorney General may exercise the authority described in paragraph (1) if the appropriate State authorities give their consent to the Attorney General.

"(3) CRITERION FOR REQUEST.—The Attorney General shall make a request under paragraph (1) only if the Attorney General determines, after consultation with the Secretary of State, that the return of the person sought for extradition to the foreign country of the foreign government requesting the extradition would be consistent with United States international obligations.

"(4) EFFECT OF TEMPORARY TRANSFER.—With regard to any person in pretrial detention—

"(A) a temporary transfer under this subsection shall result in an interruption in the pretrial detention status of that person; and

"(B) the right to challenge the conditions of confinement pursuant to section 3142(f) does not extend to the right to challenge the conditions of confinement in a foreign country while in that foreign country temporarily under this subsection.

"(d) CONSENT BY PARTIES TO WAIVE PRIOR FINDING OF WHETHER A PERSON IS EXTRADITABLE.—The Attorney General may exercise the authority described in subsections (b) and (c) absent a prior finding that the person in custody is extraditable, if the person, any appropriate State authorities in a case under subsection (c), and the requesting foreign government give their consent to waive that requirement.

"(e) RETURN OF PERSONS.—

"(1) IN GENERAL.—If the temporary transfer to or from the United States of a person in custody for the purpose of prosecution is provided for by this section, that person shall be returned to the United States or to the foreign country from which the person is transferred on completion of the proceedings upon which the transfer was based.

"(2) STATUTORY INTERPRETATION WITH RESPECT TO IMMIGRATION LAWS.—In no event shall the return of a person under paragraph (1) require extradition proceedings or proceedings under the immigration laws.

"(3) CERTAIN RIGHTS AND REMEDIES BARRED.—Notwithstanding any other provision of law, a person temporarily transferred to the United States pursuant to this section shall not be entitled to apply for or obtain any right or remedy under the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), including the right to apply for or be granted asylum or withholding of deportation.".

(b) CLERICAL AMENDMENT.—The analysis for chapter 306 of title 18, United States Code, is amended by adding at the end the following:

"4116. Temporary transfer for prosecution.".

SEC. 102. PROHIBITING FUGITIVES FROM BENEFITING FROM FUGITIVE STATUS.

(a) IN GENERAL.—Chapter 163 of title 28, United States Code, is amended by adding at the end the following:

"§2466. Fugitive disentitlement

"A person may not use the resources of the courts of the United States in furtherance of a claim in any related civil forfeiture action or a claim in third party proceedings in any related criminal forfeiture action if that person—

"(1) purposely leaves the jurisdiction of the United States;

"(2) declines to enter or reenter the United States to submit to its jurisdiction; or

"(3) otherwise evades the jurisdiction of the court in which a criminal case is pending against the person.".

(b) CLERICAL AMENDMENT.—The analysis for chapter 163 of title 28, United States Code, is amended by adding at the end the following:

"2466. Fugitive disentitlement.".

SEC. 103. TRANSFER OF FOREIGN PRISONERS TO SERVE SENTENCES IN COUNTRY OF ORIGIN.

Section 4100(b) of title 18, United States Code, is amended in the third sentence by striking "An offender" and inserting "Unless otherwise provided by treaty, an offender".

SEC. 104. TRANSIT OF FUGITIVES FOR PROSECUTION IN FOREIGN COUNTRIES.

(a) IN GENERAL.—Chapter 305 of title 18, United States Code, is amended by adding at the end the following:

"§4087. Transit through the United States of persons wanted in a foreign country

"(a) IN GENERAL.—The Attorney General may, in consultation with the Secretary of State, permit the temporary transit through the United States of a person wanted for prosecution or imposition of sentence in a foreign country.

"(b) LIMITATION ON JUDICIAL REVIEW.—A determination by the Attorney General to permit or not to permit a temporary transit described in subsection (a) shall not be subject to judicial review.

"(c) CUSTODY.—If the Attorney General permits a temporary transit under subsection (a), Federal law enforcement personnel may hold the person subject to that transit in custody during the transit of the person through the United States.

"(d) CONDITIONS APPLICABLE TO PERSONS SUBJECT TO TEMPORARY TRANSIT.—Notwithstanding any other provision of law, a person who is subject to a temporary transit through the United States under this section shall—

"(1) be required to have only such documents as the Attorney General shall require;

"(2) not be considered to be admitted or paroled into the United States; and

"(3) not be entitled to apply for or obtain any right or remedy under the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), including the right to apply for or be granted asylum or withholding of deportation.".

(b) CLERICAL AMENDMENT.—The analysis for chapter 305 of title 18, United States Code, is amended by adding at the end the following:

"4087. Transit through the United States of persons wanted in a foreign country.".

TITLE II—PROMOTING GLOBAL COOPERATION IN THE FIGHT AGAINST INTERNATIONAL CRIME

SEC. 201. STREAMLINED PROCEDURES FOR EXECUTION OF MLAT REQUESTS.

(a) IN GENERAL.—Chapter 117 of title 28, United States Code, is amended by adding at the end the following:

"§ 1785. Assistance to foreign authorities

"(a) IN GENERAL.—

"(1) PRESENTATION OF REQUESTS.—The Attorney General may present a request made by a foreign government for assistance with respect to a foreign investigation, prosecution, or proceeding regarding a criminal matter pursuant to a treaty, convention, or executive agreement for mutual legal assistance between the United States and that government or in accordance with section 1782, the execution of which requires or appears to require the use of compulsory measures in more than 1 judicial district, to a judge or judge magistrate of—

"(A) any 1 of the districts in which persons who may be required to appear to testify or produce evidence or information reside or are found, or in which evidence or information to be produced is located; or

"(B) the United States District Court for the District of Columbia.

"(2) AUTHORITY OF COURT.—A judge or judge magistrate to whom a request for assistance is presented under paragraph (1) shall have the authority to issue those orders necessary to execute the request including orders appointing a person to direct the taking of testimony or statements and the production of evidence or information, of whatever nature and in whatever form, in execution of the request.

"(b) AUTHORITY OF APPOINTED PERSONS.—A person appointed under subsection (a)(2) shall have the authority to—

"(1) issue orders for the taking of testimony or statements and the production of evidence or information, which orders may be served at any place within the United States;

"(2) administer any necessary oath; and

"(3) take testimony or statements and receive evidence and information.

"(c) PERSONS ORDERED TO APPEAR.—A person ordered pursuant to subsection (b)(1) to appear outside the district in which that person resides or is found may, not later than 10 days after receipt of the order—

"(1) file with the judge or judge magistrate who authorized execution of the request a motion to appear in the district in which that person resides or is found or in which the evidence or information is located; or

"(2) provide written notice, requesting appearance in the district in which the person resides or is found or in which the evidence or information is located, to the person issuing the order to appear, who shall advise the judge or judge magistrate authorizing execution.

"(d) TRANSFER OF REQUESTS.—

"(1) IN GENERAL.—The judge or judge magistrate may transfer a request under subsection (c), or that portion requiring the appearance of that person, to the other district if—

"(A) the inconvenience to the person is substantial; and

"(B) the transfer is unlikely to adversely affect the effective or timely execution of the request or a portion thereof.

"(2) EXECUTION.—Upon transfer, the judge or judge magistrate to whom the request or a portion thereof is transferred shall complete its execution in accordance with subsections (a) and (b).".

(b) CLERICAL AMENDMENT.—The analysis for chapter 117 of title 28, United States Code, is amended by adding at the end the following:

"1785. Assistance to foreign authorities.".

SEC. 202. TEMPORARY TRANSFER OF INCARCERATED WITNESSES.

(a) IN GENERAL.—Section 3508 of title 18, United States Code, is amended—

(1) by striking the section heading and inserting the following:

"§ 3508. Temporary transfer of witnesses in custody";

(2) in subsection (a), by inserting "IN GENERAL.—" after "(a)"; and

(3) by striking subsections (b) and (c) and inserting the following:

"(b) TRANSFER AUTHORITY.—

"(1) IN GENERAL.—If the testimony of a person who is serving a sentence, in pretrial detention, or otherwise being held in custody in the United States, is needed in a foreign criminal proceeding, the Attorney General shall have the authority to—

"(A) temporarily transfer that person to the foreign country for the purpose of giving the testimony;

"(B) transport that person from the United States in custody;

"(C) make appropriate arrangements for custody for that person while outside the United States; and

"(D) return that person in custody to the United States from the foreign country.

"(2) PERSONS HELD FOR STATE LAW VIOLATIONS.—If the person is being held in custody for a violation of State law, the Attorney General may exercise the authority described in this subsection if the appropriate State authorities give their consent.

"(c) RETURN OF PERSONS TRANSFERRED.—

"(1) IN GENERAL.—If the transfer to or from the United States of a person in custody for the purpose of giving testimony is provided for by treaty or convention, by this section, or both, that person shall be returned to the United States, or to the foreign country from which the person is transferred.

"(2) LIMITATION.—In no event shall the return of a person under this subsection require any request for extradition or extradition proceedings, or require that person to be subject to deportation or exclusion proceedings under the laws of the United States, or the foreign country from which the person is transferred.

"(d) APPLICABILITY OF INTERNATIONAL AGREEMENTS.—If there is an international agreement between the United States and the foreign country in which a witness is being held in custody or to which the witness will be transferred from the United States, that provides for the transfer, custody, and return of those witnesses, the terms and conditions of that international agreement shall apply. If there is no such international agreement, the Attorney General may exercise the authority described in subsections (a) and (b) if both the foreign country and the witness give their consent.

"(e) RIGHTS OF PERSONS TRANSFERRED.—

"(1) Notwithstanding any other provision of law, a person held in custody in a foreign country who is transferred to the United States pursuant to this section for the purpose of giving testimony—

"(A) shall not by reason of that transfer, during the period that person is present in the United States pursuant to that transfer, be entitled to apply for or obtain any right or remedy under the Immigration and Nationality Act, including the right to apply for or be granted asylum or withholding of deportation or any right to remain in the United States under any other law; and

"(B) may be summarily removed from the United States upon order of the Attorney General.

"(2) RULE OF CONSTRUCTION.—Nothing in this subsection may be construed to create any substantive or procedural right or benefit to remain in the United States that is legally enforceable in a court of law of the United States or of a State by any party against the United States or its agencies or officers.

"(f) CONSISTENCY WITH INTERNATIONAL OBLIGATIONS.—The Attorney General shall not take any action under this section to transfer or return a person to a foreign country unless the Attorney General determines, after consultation with the Secretary of State, that transfer or return would be consistent with the international obligations of the United States. A determination by the Attorney General under this subsection shall not be subject to judicial review by any court.".

(b) CLERICAL AMENDMENT.—The analysis for chapter 223 of title 18, United States Code, is amended by striking the item relating to section 3508 and inserting the following:

"3508. Temporary transfer of witnesses in custody.".

TITLE III—ANTI-ATROCITY ALIEN DEPORTATION

SEC. 301. INADMISSIBILITY AND REMOVABILITY OF ALIENS WHO HAVE COMMITTED ACTS OF TORTURE ABROAD.

(a) INADMISSIBILITY.—Section 212(a)(3)(E) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(3)(E)) is amended by adding at the end the following:

"(iii) COMMISSION OF ACTS OF TORTURE.—Any alien who, outside the United States, has committed any act of torture, as defined in section 2340 of title 18, United States Code, is inadmissible.".

(b) REMOVABILITY.—Section 237(a)(4)(D) of that Act (8 U.S.C. 1227(a)(4)(D)) is amended by striking "clause (i) or (ii)" and inserting "clause (i), (ii), or (iii)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to offenses committed before, on, or after the date of enactment of this Act.

SEC. 302. ESTABLISHMENT OF THE OFFICE OF SPECIAL INVESTIGATIONS.

(a) AMENDMENT OF THE IMMIGRATION AND NATIONALITY ACT.—Section 103 of the Immigration and Nationality Act (8 U.S.C. 1103) is amended by adding at the end the following:

"(g) The Attorney General shall establish within the Criminal Division of the Department of Justice an Office of Special Investigations with the authority of investigating, and, where appropriate, taking legal action to remove, denaturalize, or prosecute any alien found to be in violation of clause (i), (ii), or (iii) of section 212(a)(3)(E).".

(b) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to the Department of Justice for

the fiscal year 2000 such sums as may be necessary to carry out the additional duties established under section 103(g) of the Immigration and Nationality Act (as added by this Act) in order to ensure that the Office of Special Investigations fulfills its continuing obligations regarding Nazi war criminals.

(2) AVAILABILITY OF FUNDS.—Amounts appropriated pursuant to paragraph (1) are authorized to remain available until expended.

AMENDMENT NO. 2510

(Purpose: To make technical amendments)

Mr. GRASSLEY. Senators LEAHY and HATCH have an amendment at the desk, and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY] for Mr. LEAHY, for himself and Mr. HATCH, proposes an amendment numbered 2510.

The amendment is as follows:

On page 30, lines 20 and 21, strike "WITH RESPECT TO IMMIGRATION LAWS".

On page 30, lines 24 and 25, strike "or proceedings under the immigration laws" and insert a period, quotation marks, and a second period.

On page 31, strike lines 1 through 8.

On page 33, line 13, insert "and" after the semicolon.

On page 33, line 15, strike "; and" and insert a period, quotation marks, and a second period.

On page 33, strike lines 16 through 20.

Beginning on page 38, line 22, strike "or require" and all that follows through "transferred" on line 2 of page 39.

On page 39, line 13, after the period, insert ending quotation marks and a final period.

Beginning on page 39, strike line 14 and all that follows through line 20 on page 40.

On page 42, line 5, after "denaturalize", insert "(as otherwise authorized by law)".

Mr. LEAHY. Mr President, I am delighted that the Senate is considering S. 1754, the "Denying Safe Haven to International and War Criminals Act of 1999," along with a technical amendment that strikes several provisions in the bill reported by the Judiciary Committee that would have had the effect of altering the applicability of current law in certain instances. Senator HATCH and I introduced this bill on October 20, 1999, with a number of provisions that I have long supported. The legislation will give United States law enforcement agencies important tools to help them combat international crime by facilitating international cooperation in the prosecution of criminal cases and ensuring that human rights abusers are denied safe haven in this country.

Unfortunately, crime and terrorism directed at Americans and American interests abroad are part of our modern reality. Furthermore, organized criminal activity does not recognize national boundaries. With improvements in technology, criminals now can move about the world with ease. They can transfer funds with the push of a button, or use computers and credit card numbers to steal from American citizens and businesses from any spot on the globe. They can commit crimes here or abroad and flee quickly to another jurisdiction or country. The playing field keeps changing, and we need to change with it.

This bill will help make needed modifications in our laws, not with sweeping changes but with thoughtful provisions carefully targeted at specific problems faced by law enforcement. We cannot stop international crime without international cooperation, and this bill gives additional tools to investigators and prosecutors to promote such cooperation, while narrowing the room for maneuver that international criminals, including human rights abusers, and terrorists now enjoy.

Regarding the Anti-Atrocity Alien Deportation Act (Title III), this bill contains as its last title the "Anti-Atrocity Alien Deportation Act," which I introduced as S. 1375, on July 15, 1999, with Senator KOHL. Senator LIEBERMAN is also a cosponsor. This legislation has garnered bipartisan support both in the Senate and the House, where the measure has been introduced by Representatives FOLEY, FRANKS and ACKERMAN as H.R. 2642 and H.R. 3058.

I have been appalled that this country has become a safe haven for those who exercised power in foreign countries to terrorize, rape, and torture innocent civilians. For example, three Ethiopian refugees proved in an American court that Kelbessa Negewo, a former senior government official in Ethiopia engaged in numerous acts of torture and human rights abuses against them in the late 1970's when they lived in that country. The court's descriptions of the abuse are chilling, and included whipping a naked woman with a wire for hours and threatening her with death in the presence of several men. The court's award of compensatory and punitive damages in the amount of $1,500,000 to the plaintiffs was subsequently affirmed by an appellate court. See *Abebe-Jira* v. *Negewo*, 72 F.3d 844 (11th Cir. 1996). Yet, while Negewo's case was on appeal, the Immigration and Naturalization Service granted him citizenship.

As Professor William Aceves of California Western School of Law has noted, this case reveals "a glaring and troubling limitation in current immigration law and practice. This case is not unique. Other aliens who have committed gross human rights violations have also gained entry into the United States and been granted immigration relief." The Rutland Herald got it right when it opined on October 31, 1999, that:

> For the U.S. commitment to human rights to mean anything, U.S. policies must be strong and consistent. It is not enough to denounce war crimes in Bosnia and Kosovo or elsewhere and then wink as the perpetrators of torture and mass murder slip across the border to find a home in America.

The Immigration and Nationality Act currently provides that (i) participants in Nazi persecutions during the time period from March 23, 1933 to May 8, 1945, and (ii) aliens who engaged in genocide, are inadmissible to the United States and deportable. See 8 U.S.C. §1182(a)(3)(E)(i) and §1227(a)(4)(D). This legislation would amend these sections of the Immigration and Nationality Act by expanding the grounds for inadmissibility and deportation to cover aliens who have engaged in acts of torture abroad.

"Torture" is already defined in the Federal criminal code, 18 U.S.C. § 2340, in a law passed as part of the implementing legislation for the "Convention Against Torture," under which the United States has an affirmative duty to prosecute torturers within its boundaries regardless of their respective nationalities. 18 U.S.C. § 2340A (1994). As defined in the federal criminal code, torture means any act committed by a person acting under the color of law specifically intended to inflict severe physical or mental pain or suffering upon another person within his custody or physical control. This could include prolonged mental harm caused by or resulting from the infliction or threat to inflict physical pain, threats to kill another person, or the administration of mind-altering substances or procedures calculated to disrupt profoundly the senses or personality of another person. Under this definition, torturers include both those who issue the orders to torture innocent people as well as those who implement those orders.

The legislation would also amend the Immigration and Nationality Act, 8 U.S.C. § 1103, by directing the Attorney General to establish an Office of Special Investigations (OSI) within the Department of Justice with authorization to investigate, remove, denaturalize, or prosecute any alien who has participated in torture or genocide abroad. Attorney General Civiletti established OSI in 1979 within the Criminal Division of the Department of Justice, consolidating within it all "investigative and litigation activities involving individuals, who prior to and during World War II, under the supervision of or, in association with the Nazi government of Germany, its allies, and other affiliated [sic] governments, are alleged to have ordered, incited, assisted, or otherwise participated in the persecution of any person because of race, religion, national origin, or political opinion." (Attorney Gen. Order No. 851–79). The OSI's mission continues to be limited by that Attorney General Order.

The legislation would provide statutory authorization for Office of Special Investigation, and would expand its jurisdiction to authorize investigations, prosecutions, and removal of any alien who participated in torture and genocide abroad—not just Nazis. The success of OSI in hunting Nazi war criminals demonstrates the effectiveness of centralized resources and expertise in these cases. OSI has worked, and it is time to update its mission. The knowledge of the people, politics and pathologies of particular regimes engaged in genocide and human rights abuses is often necessary for effective prosecutions of these cases and may best be accomplished by the concentrated efforts of a single office, rather than in piecemeal litigation around the country or in offices that have more diverse missions.

I appreciate that this part of the legislation has proven controversial within the Department of Justice, but others have concurred in my judgment that the OSI is an appropriate component of the Department to address the new responsibilities proposed in the bill. Professor Aceves, who has studied these matters extensively, has concluded that OSI's "methodology for pursuing Nazi war criminals can be applied with equal rigor to other perpetrators of human rights violations. As the number of Nazi war criminals inevitably declines, the OSI can begin to enforce U.S. immigration laws against perpetrators of genocide and other gross violations of human rights."

Similarly, the Rutland Herald recently noted that the INS has never deported an immigrant on the basis of human rights abuses, while the OSI has deported 48 ex-Nazis and stripped 61 of U.S. citizenship, while maintaining a list of 60,000 suspected war criminals with the aim of barring them from entry. Based on this record, the Rutland Herald concluded that the legislation correctly looks to OSI to carry out the additional responsibilities called for in the bill, noting that:

> It resolves a turf war between the INS and the OSI in favor of the OSI, which is as it should be. The victims of human rights abuses are often victimized again when, seeking refuge in the United States, they are confronted by the draconian policies of the INS. It's a better idea to give the job of finding war criminals to the office that has shown it knows how to do the job.

Unquestionably, the need to bring Nazi war criminals to justice remains a matter of great importance. Funds would not be diverted from the OSI's current mission. Additional resources are authorized in the bill for OSI's expanded duties. I would like to recognize the reporting of Boston Globe reporter Steve Fainaru, whose ground-breaking series has illuminated the need for a more focused response to this problem.

Regarding the sections Denying Safe Haven to International Criminals and Promoting Global Cooperation (Title I and II), I initially introduced title I, section 102 of this bill, regarding fugitive disentitlement, on April 30, 1998, in S. 2011, the "Money Laundering Enforcement and Combating Drugs in Prisons Act of 1998," with Senators DASCHLE, KOHL, FEINSTEIN and CLELAND. Again, on July 14, 1998, I introduced with Senator BIDEN, on behalf of the Administration, S. 2303, the "International Crime Control Act of 1998," which contains most of the provisions set forth in titles I and II of this bill. Virtually all of the provisions in these two titles of the bill were also included in another major anti-crime bill, S. 2484, the "Safe Schools, Safe Streets, and Secure Borders Act of 1998," which I introduced on September 16, 1998, along with Senators DASCHLE, BIDEN, Moseley-Braun, KENNEDY, KERRY, LAUTENBERG, MIKULSKI, BINGAMAN, REID, MURRAY, DORGAN, and TORRICELLI. In addition, Senator HATCH and I included title II, section 201 of this bill, regarding streamlined procedures for MLAT requests in S. 2536, our "International Crime and Anti-Terrorism Amendments of 1998," which passed the Senate last October 15, 1998.

We have drawn from these more comprehensive bills a set of discrete improvements that enjoy bipartisan support so that important provisions may be enacted promptly. Each of these provisions has been a law enforcement priority.

Title I sets forth important proposals for combating international crime and denying safe havens to international criminals. The substitute amendment adopted by the Judiciary Committee to the original bill removed sections 1 and 2, which set forth detailed procedures and safeguards for proceeding with extradition for offenses not covered in a treaty.

Section 101 of the bill considered by the Senate today would add a new section 4116 to title 18, United States Code, authorizing the Attorney General to request the temporary transfer to the United States of a person, who is in pretrial detention or custody in a foreign country, to face prosecution, if the Attorney General, in consultation with the Secretary of State, determines that such transfer would be consistent with the international obligations of the United States. The section would also authorize the Attorney General to transfer temporarily to a foreign country a person, who is in pretrial detention or custody in the United States and found extraditable to the foreign country, to face prosecution in the foreign country, if the Attorney General, in consultation with the Secretary of State, determines that such transfer would be consistent with the international obligations of the United States. Consent of state authorities would be required for persons in state custody.

Section 102 is designed to stop drug kingpins, terrorists and other international fugitives from using our courts to fight to keep the proceeds of the very crimes for which they are wanted. Criminals should not be able to use our courts at the same time they are evading our laws. Specifically, this section adds a new section 2466 to title 28, United States Code, that would bar a person, who purposely leaves the United States or declines to submit to or otherwise evades U.S. jurisdiction where a criminal case is pending against the person, from participating as a party in a civil action over a related civil or criminal forfeiture claim. The Supreme Court recently decided that a previous judge-made rule to the same effect required a statutory basis. This section provides that basis.

Section 103 would amend section 4100(b) of title 18, United States Code, to permit transfer, on a case-by-case basis, of prisoners to their home country to serve their sentences, where such transfer is provided by treaty. Under this section, the prisoner need not consent to the transfer.

Section 104 would add a new section 4087 to title 18, United States Code, that would provide a statutory basis for holding and transferring prisoners who are sent from one foreign country to another through United States airports, at the discretion of the Attorney General.

Title II of the bill is designed to promote global cooperation in the fight against international crime. Section 201 would permit United States courts involved in multi-district litigation to enforce mutual legal assistance treaties and other agreements to execute foreign requests for assistance in criminal matters in all districts involved in the litigation. Specifically, this provision would add a new section 1785 to title 18, United States Code, that would authorize the Attorney General to present requests from foreign governments for assistance in criminal cases pursuant to mutual legal assistance treaties and other agreements when the enforcement involves multiple districts. Compulsory measures may be used to require persons to produce testimony or evidence where they reside or the evidence is located, or the U.S. District Court for the District of Columbia. A person ordered to produce testimony or evidence outside the jurisdiction of residence may petition to appear in the district where the person resides.

Section 202 outlines procedures for the temporary transfer of incarcerated witnesses. Mutual legal assistance treaties ("MLATS") generally already provide a mechanism for the United States to send and receive persons in custody who are needed as witnesses, either in our courts or foreign courts for criminal cases. These witnesses are often cooperating, to obtain a lighter sentence. Section 3508 of title 18, United States Code, enacted in 1988, already provides the authority, absent such a MLAT, for the Attorney General to request foreign witnesses, who are in custody, to come to the United States to testify in criminal cases here, and to assure their expeditious return to the foreign country. The bill would amend section 3508 to permit the Attorney General, as a matter of comity and reciprocity, to send United States prisoners abroad to testify, according to the terms and conditions of the MLAT. If there is no MLAT, the Attorney General may only send a United States prisoner abroad to testify with the prisoner's consent and, where applicable, the State holding the prisoner. Decisions of the Attorney General respecting such transfers are to be made in conjunction with the Secretary of State.

These are important provisions that I have advocated for some time. They are helpful, solid law enforcement provisions. I thank my friend from Utah, Senator HATCH, for his help in making this bill a reality. Working together, we were able to pass bipartisan legislation that will accomplish what all of us want, a safer and more secure America.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the amendment be agreed to, the committee amendment, as amended, be agreed to, the bill be read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 2510) was agreed to.

The committee amendment in the nature of a substitute, in the nature of a substitute, as amended, was agreed to.

The bill (S. 1754), as amended, was read the third time and passed, as follows:

S. 1754

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Denying Safe Havens to International and War Criminals Act of 1999".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—DENYING SAFE HAVENS TO INTERNATIONAL CRIMINALS

Sec. 101. Temporary transfer of persons in custody for prosecution.
Sec. 102. Prohibiting fugitives from benefiting from fugitive status.
Sec. 103. Transfer of foreign prisoners to serve sentences in country of origin.
Sec. 104. Transit of fugitives for prosecution in foreign countries.

TITLE II—PROMOTING GLOBAL COOPERATION IN THE FIGHT AGAINST INTERNATIONAL CRIME

Sec. 201. Streamlined procedures for execution of MLAT requests.
Sec. 202. Temporary transfer of incarcerated witnesses.

TITLE III—ANTI-ATROCITY ALIEN DEPORTATION

Sec. 301. Inadmissibility and removability of aliens who have committed acts of torture abroad.
Sec. 302. Establishment of the Office of Special Investigations.

TITLE I—DENYING SAFE HAVENS TO INTERNATIONAL CRIMINALS

SEC. 101. TEMPORARY TRANSFER OF PERSONS IN CUSTODY FOR PROSECUTION.

(a) IN GENERAL.—Chapter 306 of title 18, United States Code, is amended by adding at the end the following:

"§ 4116. Temporary transfer for prosecution

"(a) STATE DEFINED.—In this section, the term 'State' includes a State of the United States, the District of Columbia, and a commonwealth, territory, or possession of the United States.

"(b) AUTHORITY OF ATTORNEY GENERAL WITH RESPECT TO TEMPORARY TRANSFERS.—

"(1) IN GENERAL.—Subject to subsection (d), if a person is in pretrial detention or is otherwise being held in custody in a foreign country based upon a violation of the law in that foreign country, and that person is found extraditable to the United States by the competent authorities of that foreign country while still in the pretrial detention or custody, the Attorney General shall have the authority—

"(A) to request the temporary transfer of that person to the United States in order to face prosecution in a Federal or State criminal proceeding;

"(B) to maintain the custody of that person while the person is in the United States; and

"(C) to return that person to the foreign country at the conclusion of the criminal prosecution, including any imposition of sentence.

"(2) REQUIREMENTS FOR REQUESTS BY ATTORNEY GENERAL.—The Attorney General shall make a request under paragraph (1) only if the Attorney General determines, after consultation with the Secretary of State, that the return of that person to the foreign country in question would be consistent with international obligations of the United States.

"(c) AUTHORITY OF ATTORNEY GENERAL WITH RESPECT TO PRETRIAL DETENTIONS.—

"(1) IN GENERAL.—

"(A) AUTHORITY OF ATTORNEY GENERAL.—Subject to paragraph (2) and subsection (d), the Attorney General shall have the authority to carry out the actions described in subparagraph (B), if—

"(i) a person is in pretrial detention or is otherwise being held in custody in the United States based upon a violation of Federal or State law, and that person is found extraditable to a foreign country while still in the pretrial detention or custody pursuant to section 3184, 3197, or 3198; and

"(ii) a determination is made by the Secretary of State and the Attorney General that the person will be surrendered.

"(B) ACTIONS.—If the conditions described in subparagraph (A) are met, the Attorney General shall have the authority to—

"(i) temporarily transfer the person described in subparagraph (A) to the foreign country of the foreign government requesting the extradition of that person in order to face prosecution;

"(ii) transport that person from the United States in custody; and

"(iii) return that person in custody to the United States from the foreign country.

"(2) CONSENT BY STATE AUTHORITIES.—If the person is being held in custody for a violation of State law, the Attorney General may exercise the authority described in paragraph (1) if the appropriate State authorities give their consent to the Attorney General.

"(3) CRITERION FOR REQUEST.—The Attorney General shall make a request under paragraph (1) only if the Attorney General determines, after consultation with the Secretary of State, that the return of the person sought for extradition to the foreign country of the foreign government requesting the extradition would be consistent with United States international obligations.

"(4) EFFECT OF TEMPORARY TRANSFER.—With regard to any person in pretrial detention—

"(A) a temporary transfer under this subsection shall result in an interruption in the pretrial detention status of that person; and

"(B) the right to challenge the conditions of confinement pursuant to section 3142(f) does not extend to the right to challenge the conditions of confinement in a foreign country while in that foreign country temporarily under this subsection.

"(d) CONSENT BY PARTIES TO WAIVE PRIOR FINDING OF WHETHER A PERSON IS EXTRADITABLE.—The Attorney General may exercise the authority described in subsections (b) and (c) absent a prior finding that the person in custody is extraditable, if the person, any appropriate State authorities in a case under subsection (c), and the requesting foreign government give their consent to waive that requirement.

"(e) RETURN OF PERSONS.—

"(1) IN GENERAL.—If the temporary transfer to or from the United States of a person in custody for the purpose of prosecution is provided for by this section, that person shall be returned to the United States or to the foreign country from which the person is transferred on completion of the proceedings upon which the transfer was based.

"(2) STATUTORY INTERPRETATION.—In no event shall the return of a person under paragraph (1) require extradition proceedings.".

(b) CLERICAL AMENDMENT.—The analysis for chapter 306 of title 18, United States Code, is amended by adding at the end the following:

"4116. Temporary transfer for prosecution.".

SEC. 102. PROHIBITING FUGITIVES FROM BENEFITING FROM FUGITIVE STATUS.

(a) IN GENERAL.—Chapter 163 of title 28, United States Code, is amended by adding at the end the following:

"§ 2466. Fugitive disentitlement

"A person may not use the resources of the courts of the United States in furtherance of a claim in any related civil forfeiture action or a claim in third party proceedings in any related criminal forfeiture action if that person—

"(1) purposely leaves the jurisdiction of the United States;

"(2) declines to enter or reenter the United States to submit to its jurisdiction; or

"(3) otherwise evades the jurisdiction of the court in which a criminal case is pending against the person.".

(b) CLERICAL AMENDMENT.—The analysis for chapter 163 of title 28, United States Code, is amended by adding at the end the following:

"2466. Fugitive disentitlement.".

SEC. 103. TRANSFER OF FOREIGN PRISONERS TO SERVE SENTENCES IN COUNTRY OF ORIGIN.

Section 4100(b) of title 18, United States Code, is amended in the third sentence by striking "An offender" and inserting "Unless otherwise provided by treaty, an offender".

SEC. 104. TRANSIT OF FUGITIVES FOR PROSECUTION IN FOREIGN COUNTRIES.

(a) IN GENERAL.—Chapter 305 of title 18, United States Code, is amended by adding at the end the following:

"§ 4087. Transit through the United States of persons wanted in a foreign country

"(a) IN GENERAL.—The Attorney General may, in consultation with the Secretary of State, permit the temporary transit through the United States of a person wanted for prosecution or imposition of sentence in a foreign country.

"(b) LIMITATION ON JUDICIAL REVIEW.—A determination by the Attorney General to permit or not to permit a temporary transit described in subsection (a) shall not be subject to judicial review.

"(c) CUSTODY.—If the Attorney General permits a temporary transit under subsection (a), Federal law enforcement personnel may hold the person subject to that transit in custody during the transit of the person through the United States.

"(d) CONDITIONS APPLICABLE TO PERSONS SUBJECT TO TEMPORARY TRANSIT.—Notwithstanding any other provision of law, a person who is subject to a temporary transit through the United States under this section shall—

"(1) be required to have only such documents as the Attorney General shall require; and

"(2) not be considered to be admitted or paroled into the United States.".

(b) CLERICAL AMENDMENT.—The analysis for chapter 305 of title 18, United States Code, is amended by adding at the end the following:

"4087. Transit through the United States of persons wanted in a foreign country.".

TITLE II—PROMOTING GLOBAL COOPERATION IN THE FIGHT AGAINST INTERNATIONAL CRIME

SEC. 201. STREAMLINED PROCEDURES FOR EXECUTION OF MLAT REQUESTS.

(a) IN GENERAL.—Chapter 117 of title 28, United States Code, is amended by adding at the end the following:

"§ 1785. Assistance to foreign authorities

"(a) IN GENERAL.—

"(1) PRESENTATION OF REQUESTS.—The Attorney General may present a request made by a foreign government for assistance with respect to a foreign investigation, prosecution, or proceeding regarding a criminal matter pursuant to a treaty, convention, or executive agreement for mutual legal assistance between the United States and that government or in accordance with section 1782, the execution of which requires or appears to require the use of compulsory measures in more than 1 judicial district, to a judge or judge magistrate of—

"(A) any 1 of the districts in which persons who may be required to appear to testify or produce evidence or information reside or are found, or in which evidence or information to be produced is located; or

"(B) the United States District Court for the District of Columbia.

"(2) AUTHORITY OF COURT.—A judge or judge magistrate to whom a request for assistance is presented under paragraph (1) shall have the authority to issue those orders necessary to execute the request including orders appointing a person to direct the taking of testimony or statements and the production of evidence or information, of whatever nature and in whatever form, in execution of the request.

"(b) AUTHORITY OF APPOINTED PERSONS.—A person appointed under subsection (a)(2) shall have the authority to—

"(1) issue orders for the taking of testimony or statements and the production of evidence or information, which orders may be served at any place within the United States;

"(2) administer any necessary oath; and

"(3) take testimony or statements and receive evidence and information.

"(c) PERSONS ORDERED TO APPEAR.—A person ordered pursuant to subsection (b)(1) to appear outside the district in which that person resides or is found may, not later than 10 days after receipt of the order—

"(1) file with the judge or judge magistrate who authorized execution of the request a motion to appear in the district in which that person resides or is found or in which the evidence or information is located; or

"(2) provide written notice, requesting appearance in the district in which the person resides or is found or in which the evidence or information is located, to the person issuing the order to appear, who shall advise the judge or judge magistrate authorizing execution.

"(d) TRANSFER OF REQUESTS.—

"(1) IN GENERAL.—The judge or judge magistrate may transfer a request under subsection (c), or that portion requiring the appearance of that person, to the other district if—

"(A) the inconvenience to the person is substantial; and

"(B) the transfer is unlikely to adversely affect the effective or timely execution of the request or a portion thereof.

"(2) EXECUTION.—Upon transfer, the judge or judge magistrate to whom the request or a portion thereof is transferred shall complete its execution in accordance with subsections (a) and (b).".

(b) CLERICAL AMENDMENT.—The analysis for chapter 117 of title 28, United States Code, is amended by adding at the end the following:

"1785. Assistance to foreign authorities.".

SEC. 202. TEMPORARY TRANSFER OF INCARCERATED WITNESSES.

(a) IN GENERAL.—Section 3508 of title 18, United States Code, is amended—

(1) by striking the section heading and inserting the following:

"§ 3508. Temporary transfer of witnesses in custody";

(2) in subsection (a), by inserting "IN GENERAL.—" after "(a)"; and

(3) by striking subsections (b) and (c) and inserting the following:

"(b) TRANSFER AUTHORITY.—

"(1) IN GENERAL.—If the testimony of a person who is serving a sentence, in pretrial detention, or otherwise being held in custody in the United States, is needed in a foreign criminal proceeding, the Attorney General shall have the authority to—

"(A) temporarily transfer that person to the foreign country for the purpose of giving the testimony;

"(B) transport that person from the United States in custody;

"(C) make appropriate arrangements for custody for that person while outside the United States; and

"(D) return that person in custody to the United States from the foreign country.

"(2) PERSONS HELD FOR STATE LAW VIOLATIONS.—If the person is being held in custody for a violation of State law, the Attorney General may exercise the authority described in this subsection if the appropriate State authorities give their consent.

"(c) RETURN OF PERSONS TRANSFERRED.—

"(1) IN GENERAL.—If the transfer to or from the United States of a person in custody for the purpose of giving testimony is provided for by treaty or convention, by this section, or both, that person shall be returned to the United States, or to the foreign country from which the person is transferred.

"(2) LIMITATION.—In no event shall the return of a person under this subsection require any request for extradition or extradition proceedings.

"(d) APPLICABILITY OF INTERNATIONAL AGREEMENTS.—If there is an international agreement between the United States and the foreign country in which a witness is being held in custody or to which the witness will be transferred from the United States, that provides for the transfer, custody, and return of those witnesses, the terms and conditions of that international agreement shall apply. If there is no such international agreement, the Attorney General may exercise the authority described in subsections (a) and (b) if both the foreign country and the witness give their consent.".

(b) CLERICAL AMENDMENT.—The analysis for chapter 223 of title 18, United States Code, is amended by striking the item relating to section 3508 and inserting the following:

"3508. Temporary transfer of witnesses in custody.".

TITLE III—ANTI-ATROCITY ALIEN DEPORTATION

SEC. 301. INADMISSIBILITY AND REMOVABILITY OF ALIENS WHO HAVE COMMITTED ACTS OF TORTURE ABROAD.

(a) INADMISSIBILITY.—Section 212(a)(3)(E) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(3)(E)) is amended by adding at the end the following:

"(iii) COMMISSION OF ACTS OF TORTURE.—Any alien who, outside the United States, has committed any act of torture, as defined in section 2340 of title 18, United States Code, is inadmissible.".

(b) REMOVABILITY.—Section 237(a)(4)(D) of that Act (8 U.S.C. 1227(a)(4)(D)) is amended by striking "clause (i) or (ii)" and inserting "clause (i), (ii), or (iii)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to offenses committed before, on, or after the date of enactment of this Act.

SEC. 302. ESTABLISHMENT OF THE OFFICE OF SPECIAL INVESTIGATIONS.

(a) AMENDMENT OF THE IMMIGRATION AND NATIONALITY ACT.—Section 103 of the Immigration and Nationality Act (8 U.S.C. 1103) is amended by adding at the end the following:

"(g) The Attorney General shall establish within the Criminal Division of the Department of Justice an Office of Special Investigations with the authority of investigating, and, where appropriate, taking legal action to remove, denaturalize (as otherwise authorized by law), or prosecute any alien found to be in violation of clause (i), (ii), or (iii) of section 212(a)(3)(E).".

(b) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to the Department of Justice for the fiscal year 2000 such sums as may be necessary to carry out the additional duties established under section 103(g) of the Immigration and Nationality Act (as added by this Act) in order to ensure that the Office of Special Investigations fulfills its continuing obligations regarding Nazi war criminals.

(2) AVAILABILITY OF FUNDS.—Amounts appropriated pursuant to paragraph (1) are authorized to remain available until expended.

FEDERAL FINANCIAL ASSISTANCE MANAGEMENT IMPROVEMENT ACT OF 1999

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Chair lay before the Senate a message from the House of Representatives on the bill (S. 468) to improve the effectiveness and performance of Federal financial assistance programs, simplify Federal financial assistance application and reporting requirements, and improve the delivery of services to the public.

There being no objection, the Presiding Officer (Mr. SESSIONS) laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 468) entitled "An Act to improve the effectiveness and performance of Federal financial assistance programs, simplify Federal financial assistance application and reporting requirements, and improve the delivery of services to the public", do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Financial Assistance Management Improvement Act of 1999".

SEC. 2. FINDINGS.

Congress finds that—

(1) there are over 600 different Federal financial assistance programs to implement domestic policy;

(2) while the assistance described in paragraph (1) has been directed at critical problems, some Federal administrative requirements may be duplicative, burdensome or conflicting, thus impeding cost-effective delivery of services at the local level;

(3) the Nation's State, local, and tribal governments and private, nonprofit organizations are dealing with increasingly complex problems which require the delivery and coordination of many kinds of services; and

(4) streamlining and simplification of Federal financial assistance administrative procedures and reporting requirements will improve the delivery of services to the public.

SEC. 3. PURPOSES.

The purposes of this Act are to—

(1) improve the effectiveness and performance of Federal financial assistance programs;

(2) simplify Federal financial assistance application and reporting requirements;

(3) improve the delivery of services to the public; and

(4) facilitate greater coordination among those responsible for delivering such services.

SEC. 4. DEFINITIONS.

In this Act:

(1) DIRECTOR.—The term "Director" means the Director of the Office of Management and Budget.

(2) FEDERAL AGENCY.—The term "Federal agency" means any agency as defined under section 551(1) of title 5, United States Code.

(3) FEDERAL FINANCIAL ASSISTANCE.—The term "Federal financial assistance" has the same meaning as defined in section 7501(a)(5) of title 31, United States Code, under which Federal financial assistance is provided, directly or indirectly, to a non-Federal entity.

(4) LOCAL GOVERNMENT.—The term "local government" means a political subdivision of a State that is a unit of general local government (as defined under section 7501(a)(11) of title 31, United States Code).

(5) NON-FEDERAL ENTITY.—The term "non-Federal entity" means a State, local government, or nonprofit organization.

(6) NONPROFIT ORGANIZATION.—The term "nonprofit organization" means any corporation, trust, association, cooperative, or other organization that—

(A) is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest;

(B) is not organized primarily for profit; and

(C) uses net proceeds to maintain, improve, or expand the operations of the organization.

(7) STATE.—The term "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, and any instrumentality thereof, any multi-State, regional, or interstate entity which has governmental functions, and any Indian Tribal Government.

(8) TRIBAL GOVERNMENT.—The term "tribal government" means an Indian tribe, as that term is defined in section 7501(a)(9) of title 31, United States Code.

(9) UNIFORM ADMINISTRATIVE RULE.—The term "uniform administrative rule" means a Government-wide uniform rule for any generally applicable requirement established to achieve national policy objectives that applies to multiple Federal financial assistance programs across Federal agencies.

SEC. 5. DUTIES OF FEDERAL AGENCIES.

(a) IN GENERAL.—Except as provided under subsection (b), not later than 18 months after the date of the enactment of this Act, each Federal agency shall develop and implement a plan that—

(1) streamlines and simplifies the application, administrative, and reporting procedures for Federal financial assistance programs administered by the agency;

(2) demonstrates active participation in the interagency process under section 6(a)(2);

(3) demonstrates appropriate agency use, or plans for use, of the common application and reporting system developed under section 6(a)(1);

(4) designates a lead agency official for carrying out the responsibilities of the agency under this Act;

(5) allows applicants to electronically apply for, and report on the use of, funds from the Federal financial assistance program administered by the agency;

(6) ensures recipients of Federal financial assistance provide timely, complete, and high quality information in response to Federal reporting requirements; and

(7) in cooperation with recipients of Federal financial assistance, establishes specific annual goals and objectives to further the purposes of this Act and measure annual performance in achieving those goals and objectives, which may be done as part of the agency's annual planning responsibilities under the Government Performance and Results Act of 1993 (Public Law 103–62; 107 Stat. 285).

(b) EXTENSION.—If a Federal agency is unable to comply with subsection (a), the Director may extend for up to 12 months the period for the agency to develop and implement a plan in accordance with subsection (a).

(c) COMMENT AND CONSULTATION ON AGENCY PLANS.—

(1) COMMENT.—Each agency shall publish the plan developed under subsection (a) in the Federal Register and shall receive public comment of the plan through the Federal Register and other means (including electronic means). To the maximum extent practicable, each Federal agency shall hold public forums on the plan.

(2) CONSULTATION.—The lead official designated under subsection (a)(4) shall consult with representatives of non-Federal entities during development and implementation of the plan. Consultation with representatives of State, local, and tribal governments shall be in accordance with section 204 of the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1534).

(d) SUBMISSION OF PLAN.—Each Federal agency shall submit the plan developed under subsection (a) to the Director and Congress and report annually thereafter on the implementation of the plan and performance of the agency in meeting the goals and objectives specified under subsection (a)(7). Such report may be included as part of any of the general management reports required under law.

SEC. 6. DUTIES OF THE DIRECTOR.

(a) IN GENERAL.—The Director, in consultation with agency heads and representatives of non-Federal entities, shall direct, coordinate, and assist Federal agencies in establishing—

(1) a common application and reporting system, including—

(A) a common application or set of common applications, wherein a non-Federal entity can apply for Federal financial assistance from multiple Federal financial assistance programs that serve similar purposes and are administered by different Federal agencies;

(B) a common system, including electronic processes, wherein a non-Federal entity can apply for, manage, and report on the use of funding from multiple Federal financial assistance programs that serve similar purposes and are administered by different Federal agencies; and

(C) uniform administrative rules for Federal financial assistance programs across different Federal agencies; and

(2) an interagency process for addressing—

(A) ways to streamline and simplify Federal financial assistance administrative procedures and reporting requirements for non-Federal entities;

(B) improved interagency and intergovernmental coordination of information collection and sharing of data pertaining to Federal financial assistance programs, including appropriate information sharing consistent with section 552a of title 5, United States Code; and

(C) improvements in the timeliness, completeness, and quality of information received by Federal agencies from recipients of Federal financial assistance.

(b) LEAD AGENCY AND WORKING GROUPS.—The Director may designate a lead agency to assist the Director in carrying out the responsibilities under this section. The Director may use interagency working groups to assist in carrying out such responsibilities.

(c) REVIEW OF PLANS AND REPORTS.—Upon the request of the Director, agencies shall submit to the Director, for the Director's review, information and other reporting regarding agency implementation of this Act.

(d) EXEMPTIONS.—The Director may exempt any Federal agency or Federal financial assistance program from the requirements of this Act if the Director determines that the Federal agency does not have a significant number of Federal financial assistance programs. The Director shall maintain a list of exempted agencies which shall be available to the public through the Office of Management and Budget's Internet site.

(e) REPORT ON RECOMMENDED CHANGES IN LAW.—Not later than 18 months after the date of the enactment of this Act, the Director shall submit to Congress a report containing recommendations for changes in law to improve the effectiveness, performance, and coordination of Federal financial assistance programs.

(f) DEADLINE.—All actions required under this section shall be carried out not later than 18 months after the date of the enactment of this Act.

SEC. 7. EVALUATION.

(a) IN GENERAL.—The General Accounting Office shall evaluate the effectiveness of this Act. Not later than 6 years after the date of the enactment of this Act, the evaluation shall be submitted to the lead agency, the Director, and

Congress. The evaluation shall be performed with input from State, local, and tribal governments, and nonprofit organizations.

(b) CONTENTS.—The evaluation under subsection (a) shall—

(1) assess the effectiveness of this Act in meeting the purposes of this Act and make specific recommendations to further the implementation of this Act;

(2) evaluate actual performance of each agency in achieving the goals and objectives stated in agency plans; and

(3) assess the level of coordination among the Director, Federal agencies, State, local, and tribal governments, and nonprofit organizations in implementing this Act.

SEC. 8. COLLECTION OF INFORMATION.

Nothing in this Act shall be construed to prevent the Director or any Federal agency from gathering, or to exempt any recipient of Federal financial assistance from providing, information that is required for review of the financial integrity or quality of services of an activity assisted by a Federal financial assistance program.

SEC. 9. JUDICIAL REVIEW.

There shall be no judicial review of compliance or noncompliance with any of the provisions of this Act. No provision of this Act shall be construed to create any right or benefit, substantive or procedural, enforceable by any administrative or judicial action.

SEC. 10. STATUTORY REQUIREMENTS.

Nothing in this Act shall be construed as a means to deviate from the statutory requirements relating to applicable Federal financial assistance programs.

SEC. 11. EFFECTIVE DATE AND SUNSET.

This Act shall take effect on the date of the enactment of this Act and shall cease to be effective 8 years after such date of enactment.

Mr. GRASSLEY. I ask unanimous consent that the Senate agree to the amendment of the House.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIVE AMERICAN HOUSING ASSISTANCE AND SELF-DETERMINATION AMENDMENTS OF 1999

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 373, S. 225.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 225) to provide Federal housing assistance to native Hawaiians.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Banking, Housing, and Urban Affairs with an amendment to strike all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Native American Housing Assistance and Self-Determination Amendments of 1999".

SEC. 2. FINDINGS.

Congress finds that—

(1) the United States has undertaken a responsibility to promote the general welfare of the United States by—

(A) employing its resources to remedy the unsafe and unsanitary housing conditions and the acute shortage of decent, safe, and sanitary dwellings for families of lower income; and

(B) developing effective partnerships with governmental and private entities to accomplish the objectives referred to in subparagraph (A);

(2) the United States has a special responsibility for the welfare of the Native peoples of the United States, including Native Hawaiians;

(3) pursuant to the provisions of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.), the United States set aside 200,000 acres of land in the Federal territory that later became the State of Hawaii in order to establish a homeland for the native people of Hawaii—Native Hawaiians;

(4) despite the intent of Congress in 1920 to address the housing needs of Native Hawaiians through the enactment of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.), Native Hawaiians eligible to reside on the Hawaiian home lands have been foreclosed from participating in Federal housing assistance programs available to all other eligible families in the United States;

(5) although Federal housing assistance programs have been administered on a racially neutral basis in the State of Hawaii, Native Hawaiians continue to have the greatest unmet need for housing and the highest rates of overcrowding in the United States;

(6) among the Native American population of the United States, Native Hawaiians experience the highest percentage of housing problems in the United States, as the percentage—

(A) of housing problems in the Native Hawaiian population is 49 percent, as compared to—

(i) 44 percent for American Indian and Alaska Native households in Indian country; and

(ii) 27 percent for all other households in the United States; and

(B) overcrowding in the Native Hawaiian population is 36 percent as compared to 3 percent for all other households in the United States;

(7) among the Native Hawaiian population, the needs of Native Hawaiians, as that term is defined in section 801 of the Native American Housing Assistance and Self-Determination Act of 1996, as added by section 3 of this Act, eligible to reside on the Hawaiian Home Lands are the most severe, as—

(A) the percentage of overcrowding in Native Hawaiian households on the Hawaiian Home Lands is 36 percent; and

(B) approximately 13,000 Native Hawaiians, which constitute 95 percent of the Native Hawaiians who are eligible to reside on the Hawaiian Home Lands, are in need of housing;

(8) applying the Department of Housing and Urban Development guidelines—

(A) 70.8 percent of Native Hawaiians who either reside or who are eligible to reside on the Hawaiian Home Lands have incomes that fall below the median family income; and

(B) 50 percent of Native Hawaiians who either reside or who are eligible to reside on the Hawaiian Home Lands have incomes below 30 percent of the median family income;

(9) ⅓ of those Native Hawaiians who are eligible to reside on the Hawaiian Home Lands pay more than 30 percent of their income for shelter, and ½ of those Native Hawaiians face overcrowding;

(10) the extraordinarily severe housing needs of Native Hawaiians demonstrate that Native Hawaiians who either reside on, or are eligible to reside on, Hawaiian Home Lands have been denied equal access to Federal low-income housing assistance programs available to other qualified residents of the United States, and that a more effective means of addressing their housing needs must be authorized;

(11) consistent with the recommendations of the National Commission on American Indian, Alaska Native, and Native Hawaiian Housing, and in order to address the continuing prevalence of extraordinarily severe housing needs among Native Hawaiians who either reside or are eligible to reside on the Hawaiian Home Lands, Congress finds it necessary to extend the Federal low-income housing assistance available to American Indians and Alaska Natives under the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.) to those Native Hawaiians;

(12) under the treatymaking power of the United States, Congress had the constitutional authority to confirm a treaty between the United States and the government that represented the Hawaiian people, and from 1826 until 1893, the United States recognized the independence of the Kingdom of Hawaii, extended full diplomatic recognition to the Hawaiian Government, and entered into treaties and conventions with the Hawaiian monarchs to govern commerce and navigation in 1826, 1842, 1849, 1875, and 1887;

(13) the United States has recognized and reaffirmed that—

(A) Native Hawaiians have a cultural, historic, and land-based link to the indigenous people who exercised sovereignty over the Hawaiian Islands, and that group has never relinquished its claims to sovereignty or its sovereign lands;

(B) Congress does not extend services to Native Hawaiians because of their race, but because of their unique status as the indigenous people of a once sovereign nation as to whom the United States has established a trust relationship;

(C) Congress has also delegated broad authority to administer a portion of the Federal trust responsibility to the State of Hawaii;

(D) the political status of Native Hawaiians is comparable to that of American Indians and Alaska Natives; and

(E) the aboriginal, indigenous people of the United States have—

(i) a continuing right to autonomy in their internal affairs; and

(ii) an ongoing right of self-determination and self-governance that has never been extinguished;

(14) the political relationship between the United States and the Native Hawaiian people has been recognized and reaffirmed by the United States as evidenced by the inclusion of Native Hawaiians in—

(A) the Native American Programs Act of 1974 (42 U.S.C. 2291 et seq.);

(B) the American Indian Religious Freedom Act (42 U.S.C. 1996 et seq.);

(C) the National Museum of the American Indian Act (20 U.S.C. 80q et seq.);

(D) the Native American Graves Protection and Repatriation Act (25 U.S.C. 3001 et seq.);

(E) the National Historic Preservation Act (16 U.S.C. 470 et seq.);

(F) the Native American Languages Act of 1992 (106 Stat. 3434);

(G) the American Indian, Alaska Native and Native Hawaiian Culture and Arts Development Act (20 U.S.C. 4401 et seq.);

(H) the Job Training Partnership Act (29 U.S.C. 1501 et seq.); and

(I) the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.); and

(15) in the area of housing, the United States has recognized and reaffirmed the political relationship with the Native Hawaiian people through—

(A) the enactment of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.), which set aside approximately 200,000 acres of public lands that became known as Hawaiian Home Lands in the Territory of Hawaii that had been ceded to the United States for homesteading by Native Hawaiians in order to rehabilitate a landless and dying people;

(B) the enactment of the Act entitled "An Act to provide for the admission of the State of Hawaii into the Union", approved March 18, 1959 (73 Stat. 4)—

(i) by ceding to the State of Hawaii title to the public lands formerly held by the United States, and mandating that those lands be held in public trust, for the betterment of the conditions of Native Hawaiians, as that term is defined in section 201 of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.); and

(ii) by transferring the United States responsibility for the administration of Hawaiian Home Lands to the State of Hawaii, but retaining the authority to enforce the trust, including the exclusive right of the United States to consent to any actions affecting the lands which comprise the corpus of the trust and any amendments to the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.), enacted by the legislature of the State of Hawaii affecting the rights of beneficiaries under the Act;

(C) the authorization of mortgage loans insured by the Federal Housing Administration for the purchase, construction, or refinancing of homes on Hawaiian Home Lands under the Act of June 27, 1934 (commonly referred to as the "National Housing Act" (42 Stat. 1246 et seq., chapter 847; 12 U.S.C. 1701 et seq.));

(D) authorizing Native Hawaiian representation on the National Commission on American Indian, Alaska Native, and Native Hawaiian Housing under Public Law 101–235;

(E) the inclusion of Native Hawaiians in the definition under section 3764 of title 38, United States Code, applicable to subchapter V of chapter 37 of title 38, United States Code (relating to a housing loan program for Native American veterans); and

(F) the enactment of the Hawaiian Home Lands Recovery Act (109 Stat. 357; 48 U.S.C. 491, note prec.) which establishes a process for the conveyance of Federal lands to the Department of Hawaiian Homes Lands that are equivalent in value to lands acquired by the United States from the Hawaiian Home Lands inventory.

SEC. 3. HOUSING ASSISTANCE.

The Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.) is amended by adding at the end the following:

"TITLE VIII—HOUSING ASSISTANCE FOR NATIVE HAWAIIANS

"SEC. 801. DEFINITIONS.

"In this title:

"(1) Department of Hawaiian Home Lands; Department.—The term 'Department of Hawaiian Home Lands' or 'Department' means the agency or department of the government of the State of Hawaii that is responsible for the administration of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.).

"(2) Director.—The term 'Director' means the Director of the Department of Hawaiian Home Lands.

"(3) Elderly families; near-elderly families.—

"(A) In general.—The term 'elderly family' or 'near-elderly family' means a family whose head (or his or her spouse), or whose sole member, is—

"(i) for an elderly family, an elderly person; or

"(ii) for a near-elderly family, a near-elderly person.

"(B) Certain families included.—The term 'elderly family' or 'near-elderly family' includes—

"(i) 2 or more elderly persons or near-elderly persons, as the case may be, living together; and

"(ii) 1 or more persons described in clause (i) living with 1 or more persons determined under the housing plan to be essential to their care or well-being.

"(4) Hawaiian home lands.—The term 'Hawaiian Home Lands' means lands that—

"(A) have the status as Hawaiian home lands under section 204 of the Hawaiian Homes Commission Act (42 Stat. 110); or

"(B) are acquired pursuant to that Act.

"(5) Housing area.—The term 'housing area' means an area of Hawaiian Home Lands with respect to which the Department of Hawaiian Home Lands is authorized to provide assistance for affordable housing under this Act.

"(6) Housing entity.—The term 'housing entity' means the Department of Hawaiian Home Lands.

"(7) Housing plan.—The term 'housing plan' means a plan developed by the Department of Hawaiian Home Lands.

"(8) Median income.—The term 'median income' means, with respect to an area that is a Hawaiian housing area, the greater of—

"(A) the median income for the Hawaiian housing area, which shall be determined by the Secretary; or

"(B) the median income for the State of Hawaii.

"(9) Native Hawaiian.—The term 'Native Hawaiian' means any individual who is—

"(A) a citizen of the United States; and

"(B) a descendant of the aboriginal people, who, prior to 1778, occupied and exercised sovereignty in the area that currently constitutes the State of Hawaii, as evidenced by—

"(i) genealogical records;

"(ii) verification by kupuna (elders) or kama'aina (long-term community residents); or

"(iii) birth records of the State of Hawaii.

"SEC. 802. BLOCK GRANTS FOR AFFORDABLE HOUSING ACTIVITIES.

"(a) Grant Authority.—For each fiscal year, the Secretary shall (to the extent amounts are made available to carry out this title) make a grant under this title to the Department of Hawaiian Home Lands to carry out affordable housing activities for Native Hawaiian families who are eligible to reside on the Hawaiian Home Lands.

"(b) Plan Requirement.—

"(1) In general.—The Secretary may make a grant under this title to the Department of Hawaiian Home Lands for a fiscal year only if—

"(A) the Director has submitted to the Secretary a housing plan for that fiscal year; and

"(B) the Secretary has determined under section 804 that the housing plan complies with the requirements of section 803.

"(2) Waiver.—The Secretary may waive the applicability of the requirements under paragraph (1), in part, if the Secretary finds that the Department of Hawaiian Home Lands has not complied or cannot comply with those requirements due to circumstances beyond the control of the Department of Hawaiian Home Lands.

"(c) Use of Affordable Housing Activities Under Plan.—Except as provided in subsection (e), amounts provided under a grant under this section may be used only for affordable housing activities under this title that are consistent with a housing plan approved under section 804.

"(d) Administrative Expenses.—

"(1) In general.—The Secretary shall, by regulation, authorize the Department of Hawaiian Home Lands to use a percentage of any grant amounts received under this title for any reasonable administrative and planning expenses of the Department relating to carrying out this title and activities assisted with those amounts.

"(2) Administrative and planning expenses.—The administrative and planning expenses referred to in paragraph (1) include—

"(A) costs for salaries of individuals engaged in administering and managing affordable housing activities assisted with grant amounts provided under this title; and

"(B) expenses incurred in preparing a housing plan under section 803.

"(e) Public-Private Partnerships.—The Director shall make all reasonable efforts, consistent with the purposes of this title, to maximize participation by the private sector, including nonprofit organizations and for-profit entities, in implementing a housing plan that has been approved by the Secretary under section 803.

"(f) Applicability of Other Provisions.—

"(1) In general.—The Secretary shall be guided by the relevant program requirements of titles I, II, and IV in the implementation of housing assistance programs for Native Hawaiians under this title.

"(2) Exception.—The Secretary may make exceptions to, or modifications of, program requirements for Native American housing assistance set forth in titles I, II, and IV as necessary and appropriate to meet the unique situation and housing needs of Native Hawaiians.

"SEC. 803. HOUSING PLAN.

"(a) Plan Submission.—The Secretary shall—

"(1) require the Director to submit a housing plan under this section for each fiscal year; and

"(2) provide for the review of each plan submitted under paragraph (1).

"(b) 5-Year Plan.—Each housing plan under this section shall—

"(1) be in a form prescribed by the Secretary; and

"(2) contain, with respect to the 5-year period beginning with the fiscal year for which the plan is submitted, the following information:

"(A) Mission statement.—A general statement of the mission of the Department of Hawaiian Home Lands to serve the needs of the low-income families to be served by the Department.

"(B) Goal and objectives.—A statement of the goals and objectives of the Department of Hawaiian Home Lands to enable the Department to serve the needs identified in subparagraph (A) during the period.

"(C) Activities plans.—An overview of the activities planned during the period including an analysis of the manner in which the activities will enable the Department to meet its mission, goals, and objectives.

"(c) 1-Year Plan.—A housing plan under this section shall—

"(1) be in a form prescribed by the Secretary; and

"(2) contain the following information relating to the fiscal year for which the assistance under this title is to be made available:

"(A) Goals and objectives.—A statement of the goals and objectives to be accomplished during the period covered by the plan.

"(B) Statement of needs.—A statement of the housing needs of the low-income families served by the Department and the means by which those needs will be addressed during the period covered by the plan, including—

"(i) a description of the estimated housing needs and the need for assistance for the low-income families to be served by the Department, including a description of the manner in which the geographical distribution of assistance is consistent with—

"(I) the geographical needs of those families; and

"(II) needs for various categories of housing assistance; and

"(ii) a description of the estimated housing needs for all families to be served by the Department.

"(C) Financial resources.—An operating budget for the Department of Hawaiian Home Lands, in a form prescribed by the Secretary, that includes—

"(i) an identification and a description of the financial resources reasonably available to the Department to carry out the purposes of this title, including an explanation of the manner in which amounts made available will be used to leverage additional resources; and

"(ii) the uses to which the resources described in clause (i) will be committed, including—

"(I) eligible and required affordable housing activities; and

"(II) administrative expenses.

"(D) AFFORDABLE HOUSING RESOURCES.—A statement of the affordable housing resources currently available at the time of the submittal of the plan and to be made available during the period covered by the plan, including—

"(i) a description of the significant characteristics of the housing market in the State of Hawaii, including the availability of housing from other public sources, private market housing;

"(ii) the manner in which the characteristics referred to in clause (i) influence the decision of the Department of Hawaiian Home Lands to use grant amounts to be provided under this title for—

"(I) rental assistance;

"(II) the production of new units;

"(III) the acquisition of existing units; or

"(IV) the rehabilitation of units;

"(iii) a description of the structure, coordination, and means of cooperation between the Department of Hawaiian Home Lands and any other governmental entities in the development, submission, or implementation of housing plans, including a description of—

"(I) the involvement of private, public, and nonprofit organizations and institutions;

"(II) the use of loan guarantees under section 184A of the Housing and Community Development Act of 1992; and

"(III) other housing assistance provided by the United States, including loans, grants, and mortgage insurance;

"(iv) a description of the manner in which the plan will address the needs identified pursuant to subparagraph (C);

"(v) a description of—

"(I) any existing or anticipated homeownership programs and rental programs to be carried out during the period covered by the plan; and

"(II) the requirements and assistance available under the programs referred to in subclause (I);

"(vi) a description of—

"(I) any existing or anticipated housing rehabilitation programs necessary to ensure the long-term viability of the housing to be carried out during the period covered by the plan; and

"(II) the requirements and assistance available under the programs referred to in subclause (I);

"(vii) a description of—

"(I) all other existing or anticipated housing assistance provided by the Department of Hawaiian Home Lands during the period covered by the plan, including—

"(aa) transitional housing;

"(bb) homeless housing;

"(cc) college housing; and

"(dd) supportive services housing; and

"(II) the requirements and assistance available under such programs;

"(viii)(I) a description of any housing to be demolished or disposed of;

"(II) a timetable for that demolition or disposition; and

"(III) any other information required by the Secretary with respect to that demolition or disposition;

"(ix) a description of the manner in which the Department of Hawaiian Home Lands will coordinate with welfare agencies in the State of Hawaii to ensure that residents of the affordable housing will be provided with access to resources to assist in obtaining employment and achieving self-sufficiency;

"(x) a description of the requirements established by the Department of Hawaiian Home Lands to—

"(I) promote the safety of residents of the affordable housing;

"(II) facilitate the undertaking of crime prevention measures;

"(III) allow resident input and involvement, including the establishment of resident organizations; and

"(IV) allow for the coordination of crime prevention activities between the Department and local law enforcement officials; and

"(xi) a description of the entities that will carry out the activities under the plan, including the organizational capacity and key personnel of the entities.

"(E) CERTIFICATION OF COMPLIANCE.—Evidence of compliance that shall include, as appropriate—

"(i) a certification that the Department of Hawaiian Home Lands will comply with—

"(I) title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) or with title VIII of the Act popularly known as the 'Civil Rights Act of 1968' (42 U.S.C. 3601 et seq.) in carrying out this title, to the extent that such title is applicable; and

"(II) other applicable Federal statutes;

"(ii) a certification that the Department will require adequate insurance coverage for housing units that are owned and operated or assisted with grant amounts provided under this title, in compliance with such requirements as may be established by the Secretary;

"(iii) a certification that policies are in effect and are available for review by the Secretary and the public governing the eligibility, admission, and occupancy of families for housing assisted with grant amounts provided under this title;

"(iv) a certification that policies are in effect and are available for review by the Secretary and the public governing rents charged, including the methods by which such rents or homebuyer payments are determined, for housing assisted with grant amounts provided under this title; and

"(v) a certification that policies are in effect and are available for review by the Secretary and the public governing the management and maintenance of housing assisted with grant amounts provided under this title.

"(d) APPLICABILITY OF CIVIL RIGHTS STATUTES.—

"(1) IN GENERAL.—To the extent that the requirements of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) or of title VIII of the Act popularly known as the 'Civil Rights Act of 1968' (42 U.S.C. 3601 et seq.) apply to assistance provided under this title, nothing in the requirements concerning discrimination on the basis of race shall be construed to prevent the provision of assistance under this title—

"(A) to the Department of Hawaiian Home Lands on the basis that the Department served Native Hawaiians; or

"(B) to an eligible family on the basis that the family is a Native Hawaiian family.

"(2) CIVIL RIGHTS.—Program eligibility under this title may be restricted to Native Hawaiians. Subject to the preceding sentence, no person may be discriminated against on the basis of race, color, national origin, religion, sex, familial status, or disability.

"(e) USE OF NONPROFIT ORGANIZATIONS.—As a condition of receiving grant amounts under this title, the Department of Hawaiian Home Lands shall, to the extent practicable, provide for private nonprofit organizations experienced in the planning and development of affordable housing for Native Hawaiians to carry out affordable housing activities with those grant amounts.

"SEC. 804. REVIEW OF PLANS.

"(a) REVIEW AND NOTICE.—

"(1) REVIEW.—

"(A) IN GENERAL.—The Secretary shall conduct a review of a housing plan submitted to the Secretary under section 803 to ensure that the plan complies with the requirements of that section.

"(B) LIMITATION.—The Secretary shall have the discretion to review a plan referred to in subparagraph (A) only to the extent that the Secretary considers that the review is necessary.

"(2) NOTICE.—

"(A) IN GENERAL.—Not later than 60 days after receiving a plan under section 803, the Secretary shall notify the Director of the Department of Hawaiian Home Lands whether the plan complies with the requirements under that section.

"(B) EFFECT OF FAILURE OF SECRETARY TO TAKE ACTION.—For purposes of this title, if the Secretary does not notify the Director, as required under this subsection and subsection (b), upon the expiration of the 60-day period described in subparagraph (A)—

"(i) the plan shall be considered to have been determined to comply with the requirements under section 803; and

"(ii) the Director shall be considered to have been notified of compliance.

"(b) NOTICE OF REASONS FOR DETERMINATION OF NONCOMPLIANCE.—If the Secretary determines that a plan submitted under section 803 does not comply with the requirements of that section, the Secretary shall specify in the notice under subsection (a)—

"(1) the reasons for noncompliance; and

"(2) any modifications necessary for the plan to meet the requirements of section 803.

"(c) REVIEW.—

"(1) IN GENERAL.—After the Director of the Department of Hawaiian Home Lands submits a housing plan under section 803, or any amendment or modification to the plan to the Secretary, to the extent that the Secretary considers such action to be necessary to make a determination under this subsection, the Secretary shall review the plan (including any amendments or modifications thereto) to determine whether the contents of the plan—

"(A) set forth the information required by section 803 to be contained in the housing plan;

"(B) are consistent with information and data available to the Secretary; and

"(C) are not prohibited by or inconsistent with any provision of this Act or any other applicable law.

"(2) INCOMPLETE PLANS.—If the Secretary determines under this subsection that any of the appropriate certifications required under section 803(c)(2)(E) are not included in a plan, the plan shall be considered to be incomplete.

"(d) UPDATES TO PLAN.—

"(1) IN GENERAL.—Subject to paragraph (2), after a plan under section 803 has been submitted for a fiscal year, the Director of the Department of Hawaiian Home Lands may comply with the provisions of that section for any succeeding fiscal year (with respect to information included for the 5-year period under section 803(b) or for the 1-year period under section 803(c)) by submitting only such information regarding such changes as may be necessary to update the plan previously submitted.

"(2) COMPLETE PLANS.—The Director shall submit a complete plan under section 803 not later than 4 years after submitting an initial plan under that section, and not less frequently than every 4 years thereafter.

"(e) EFFECTIVE DATE.—This section and section 803 shall take effect on the date provided by the Secretary pursuant to section 807(a) to provide for timely submission and review of the housing plan as necessary for the provision of assistance under this title for fiscal year 2000.

"SEC. 805. TREATMENT OF PROGRAM INCOME AND LABOR STANDARDS.

"(a) PROGRAM INCOME.—

"(1) AUTHORITY TO RETAIN.—The Department of Hawaiian Home Lands may retain any program income that is realized from any grant amounts received by the Department under this title if—

"(A) that income was realized after the initial disbursement of the grant amounts received by the Department; and

"(B) the Director agrees to use the program income for affordable housing activities in accordance with the provisions of this title.

"(2) PROHIBITION OF REDUCTION OF GRANT.—The Secretary may not reduce the grant amount for the Department of Hawaiian Home Lands based solely on—

"(A) whether the Department retains program income under paragraph (1); or

"(B) the amount of any such program income retained.

"(3) EXCLUSION OF AMOUNTS.—The Secretary may, by regulation, exclude from consideration as program income any amounts determined to be so small that compliance with the requirements of this subsection would create an unreasonable administrative burden on the Department.

"(b) LABOR STANDARDS.—

"(1) IN GENERAL.—Any contract or agreement for assistance, sale, or lease pursuant to this title shall contain—

"(A) a provision requiring that an amount not less than the wages prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Secretary, shall be paid to all architects, technical engineers, draftsmen, technicians employed in the development and all maintenance, and laborers and mechanics employed in the operation, of the affordable housing project involved; and

"(B) a provision that an amount not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Act commonly known as the 'Davis-Bacon Act' (46 Stat. 1494, chapter 411; 40 U.S.C. 276a et seq.) shall be paid to all laborers and mechanics employed in the development of the affordable housing involved.

"(2) EXCEPTIONS.—Paragraph (1) and provisions relating to wages required under paragraph (1) in any contract or agreement for assistance, sale, or lease under this title, shall not apply to any individual who performs the services for which the individual volunteered and who is not otherwise employed at any time in the construction work and received no compensation or is paid expenses, reasonable benefits, or a nominal fee for those services.

"SEC. 806. ENVIRONMENTAL REVIEW.

"(a) IN GENERAL.—

"(1) RELEASE OF FUNDS.—

"(A) IN GENERAL.—The Secretary may carry out the alternative environmental protection procedures described in subparagraph (B) in order to ensure—

"(i) that the policies of the National Environmental Policy Act of 1969 (42 U.S.C. 432, et seq.) and other provisions of law that further the purposes of such Act (as specified in regulations issued by the Secretary) are most effectively implemented in connection with the expenditure of grant amounts provided under this title; and

"(ii) to the public undiminished protection of the environment.

"(B) ALTERNATIVE ENVIRONMENTAL PROTECTION PROCEDURE.—In lieu of applying environmental protection procedures otherwise applicable, the Secretary may by regulation provide for the release of funds for specific projects to the Department of Hawaiian Home Lands if the Director of the Department assumes all of the responsibilities for environmental review, decisionmaking, and action under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), and such other provisions of law as the regulations of the Secretary specify, that would apply to the Secretary were the Secretary to undertake those projects as Federal projects.

"(2) REGULATIONS.—

"(A) IN GENERAL.—The Secretary shall issue regulations to carry out this section only after consultation with the Council on Environmental Quality.

"(B) CONTENTS.—The regulations issued under this paragraph shall—

"(i) provide for the monitoring of the environmental reviews performed under this section;

"(ii) in the discretion of the Secretary, facilitate training for the performance of such reviews; and

"(iii) provide for the suspension or termination of the assumption of responsibilities under this section.

"(3) EFFECT ON ASSUMED RESPONSIBILITY.—The duty of the Secretary under paragraph (2)(B) shall not be construed to limit or reduce any responsibility assumed by the Department of Hawaiian Home Lands for grant amounts with respect to any specific release of funds.

"(b) PROCEDURE.—

"(1) IN GENERAL.—The Secretary shall authorize the release of funds subject to the procedures under this section only if, not less than 15 days before that approval and before any commitment of funds to such projects, the Director of the Department of Hawaiian Home Lands submits to the Secretary a request for such release accompanied by a certification that meets the requirements of subsection (c).

"(2) EFFECT OF APPROVAL.—The approval of the Secretary of a certification described in paragraph (1) shall be deemed to satisfy the responsibilities of the Secretary under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and such other provisions of law as the regulations of the Secretary specify to the extent that those responsibilities relate to the releases of funds for projects that are covered by that certification.

"(c) CERTIFICATION.—A certification under the procedures under this section shall—

"(1) be in a form acceptable to the Secretary;

"(2) be executed by the Director of the Department of Hawaiian Home Lands;

"(3) specify that the Department of Hawaiian Home Lands has fully carried out its responsibilities as described under subsection (a); and

"(4) specify that the Director—

"(A) consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and each provision of law specified in regulations issued by the Secretary to the extent that those laws apply by reason of subsection (a); and

"(B) is authorized and consents on behalf of the Department of Hawaiian Home Lands and the Director to accept the jurisdiction of the Federal courts for the purpose of enforcement of the responsibilities of the Director of the Department of Hawaiian Home Lands as such an official.

"SEC. 807. REGULATIONS.

"The Secretary shall issue final regulations necessary to carry out this title not later than October 1, 1999.

"SEC. 808. EFFECTIVE DATE.

"Except as otherwise expressly provided in this title, this title shall take effect on October 1, 1999.

"SEC. 809. AFFORDABLE HOUSING ACTIVITIES.

"(a) NATIONAL OBJECTIVES AND ELIGIBLE FAMILIES.—

"(1) PRIMARY OBJECTIVE.—The national objectives of this title are—

"(A) to assist and promote affordable housing activities to develop, maintain, and operate affordable housing in safe and healthy environments for occupancy by low-income Native Hawaiian families;

"(B) to ensure better access to private mortgage markets and to promote self-sufficiency of low-income Native Hawaiian families;

"(C) to coordinate activities to provide housing for low-income Native Hawaiian families with Federal, State and local activities to further economic and community development;

"(D) to plan for and integrate infrastructure resources on the Hawaiian Home Lands with housing development; and

"(E) to—

"(i) promote the development of private capital markets; and

"(ii) allow the markets referred to in clause (i) to operate and grow, thereby benefiting Native Hawaiian communities.

"(2) ELIGIBLE FAMILIES.—

"(A) IN GENERAL.—Except as provided under subparagraph (B), assistance for eligible housing activities under this title shall be limited to low-income Native Hawaiian families.

"(B) EXCEPTION TO LOW-INCOME REQUIREMENT.—

"(i) IN GENERAL.—The Director may provide assistance for homeownership activities under—

"(I) section 810(b);

"(II) model activities under section 810(f); or

"(III) loan guarantee activities under section 184A of the Housing and Community Development Act of 1992 to Native Hawaiian families who are not low-income families, to the extent that the Secretary approves the activities under that section to address a need for housing for those families that cannot be reasonably met without that assistance.

"(ii) LIMITATIONS.—The Secretary shall establish limitations on the amount of assistance that may be provided under this title for activities for families that are not low-income families.

"(C) OTHER FAMILIES.—Notwithstanding paragraph (1), the Director may provide housing or housing assistance provided through affordable housing activities assisted with grant amounts under this title to a family that is not composed of Native Hawaiians if—

"(i) the Department determines that the presence of the family in the housing involved is essential to the well-being of Native Hawaiian families; and

"(ii) the need for housing for the family cannot be reasonably met without the assistance.

"(D) PREFERENCE.—

"(i) IN GENERAL.—A housing plan submitted under section 803 may authorize a preference, for housing or housing assistance provided through affordable housing activities assisted with grant amounts provided under this title to be provided, to the extent practicable, to families that are eligible to reside on the Hawaiian Home Lands.

"(ii) APPLICATION.—In any case in which a housing plan provides for preference described in clause (i), the Director shall ensure that housing activities that are assisted with grant amounts under this title are subject to that preference.

"(E) USE OF NONPROFIT ORGANIZATIONS.—As a condition of receiving grant amounts under this title, the Department of Hawaiian Home Lands, shall to the extent practicable, provide for private nonprofit organizations experienced in the planning and development of affordable housing for Native Hawaiians to carry out affordable housing activities with those grant amounts.

"SEC. 810. ELIGIBLE AFFORDABLE HOUSING ACTIVITIES.

"(a) IN GENERAL.—Affordable housing activities under this section are activities conducted in accordance with the requirements of section 811 to—

"(1) develop or to support affordable housing for rental or homeownership; or

"(2) provide housing services with respect to affordable housing, through the activities described in subsection (b).

"(b) ACTIVITIES.—The activities described in this subsection are the following:

''(1) Development.—The acquisition, new construction, reconstruction, or moderate or substantial rehabilitation of affordable housing, which may include—

''(A) real property acquisition;

''(B) site improvement;

''(C) the development of utilities and utility services;

''(D) conversion;

''(E) demolition;

''(F) financing;

''(G) administration and planning; and

''(H) other related activities.

''(2) Housing services.—The provision of housing-related services for affordable housing, including—

''(A) housing counseling in connection with rental or homeownership assistance;

''(B) the establishment and support of resident organizations and resident management corporations;

''(C) energy auditing;

''(D) activities related to the provisions of self-sufficiency and other services; and

''(E) other services related to assisting owners, tenants, contractors, and other entities participating or seeking to participate in other housing activities assisted pursuant to this section.

''(3) Housing management services.—The provision of management services for affordable housing, including—

''(A) the preparation of work specifications;

''(B) loan processing;

''(C) inspections;

''(D) tenant selection;

''(E) management of tenant-based rental assistance; and

''(F) management of affordable housing projects.

''(4) Crime prevention and safety activities.—The provision of safety, security, and law enforcement measures and activities appropriate to protect residents of affordable housing from crime.

''(5) Model activities.—Housing activities under model programs that are—

''(A) designed to carry out the purposes of this title; and

''(B) specifically approved by the Secretary as appropriate for the purpose referred to in subparagraph (A).

"SEC. 811. PROGRAM REQUIREMENTS.

''(a) Rents.—

''(1) Establishment.—Subject to paragraph (2), as a condition to receiving grant amounts under this title, the Director shall develop written policies governing rents and homebuyer payments charged for dwelling units assisted under this title, including methods by which such rents and homebuyer payments are determined.

''(2) Maximum rent.—In the case of any low-income family residing in a dwelling unit assisted with grant amounts under this title, the monthly rent or homebuyer payment (as applicable) for that dwelling unit may not exceed 30 percent of the monthly adjusted income of that family.

''(b) Maintenance and Efficient Operation.—

''(1) In general.—The Director shall, using amounts of any grants received under this title, reserve and use for operating under section 810 such amounts as may be necessary to provide for the continued maintenance and efficient operation of such housing.

''(2) Disposal of certain housing.—This subsection may not be construed to prevent the Director, or any entity funded by the Department, from demolishing or disposing of housing, pursuant to regulations established by the Secretary.

''(c) Insurance Coverage.—As a condition to receiving grant amounts under this title, the Director shall require adequate insurance coverage for housing units that are owned or operated or assisted with grant amounts provided under this title.

''(d) Eligibility for Admission.—As a condition to receiving grant amounts under this title, the Director shall develop written policies governing the eligibility, admission, and occupancy of families for housing assisted with grant amounts provided under this title.

''(e) Management and Maintenance.—As a condition to receiving grant amounts under this title, the Director shall develop policies governing the management and maintenance of housing assisted with grant amounts under this title.

"SEC. 812. TYPES OF INVESTMENTS.

''(a) In General.—Subject to section 811 and an applicable housing plan approved under section 803, the Director shall have—

''(1) the discretion to use grant amounts for affordable housing activities through the use of—

''(A) equity investments;

''(B) interest-bearing loans or advances;

''(C) noninterest-bearing loans or advances;

''(D) interest subsidies;

''(E) the leveraging of private investments; or

''(F) any other form of assistance that the Secretary determines to be consistent with the purposes of this title; and

''(2) the right to establish the terms of assistance provided with funds referred to in paragraph (1).

''(b) Investments.—The Director may invest grant amounts for the purposes of carrying out affordable housing activities in investment securities and other obligations, as approved by the Secretary.

"SEC. 813. LOW-INCOME REQUIREMENT AND INCOME TARGETING.

''(a) In General.—Housing shall qualify for affordable housing for purposes of this title only if—

''(1) each dwelling unit in the housing—

''(A) in the case of rental housing, is made available for occupancy only by a family that is a low-income family at the time of the initial occupancy of that family of that unit; and

''(B) in the case of housing for homeownership, is made available for purchase only by a family that is a low-income family at the time of purchase; and

''(2) each dwelling unit in the housing will remain affordable, according to binding commitments satisfactory to the Secretary, for—

''(A) the remaining useful life of the property (as determined by the Secretary) without regard to the term of the mortgage or to transfer of ownership; or

''(B) such other period as the Secretary determines is the longest feasible period of time consistent with sound economics and the purposes of this title, except upon a foreclosure by a lender (or upon other transfer in lieu of foreclosure) if that action—

''(i) recognizes any contractual or legal rights of any public agency, nonprofit sponsor, or other person or entity to take an action that would—

''(I) avoid termination of low-income affordability, in the case of foreclosure; or

''(II) transfer ownership in lieu of foreclosure; and

''(ii) is not for the purpose of avoiding low-income affordability restrictions, as determined by the Secretary.

''(b) Exception.—Notwithstanding subsection (a), housing assisted pursuant to section 809(a)(2)(B) shall be considered affordable housing for purposes of this title.

"SEC. 814. LEASE REQUIREMENTS AND TENANT SELECTION.

''(a) Leases.—Except to the extent otherwise provided by or inconsistent with the laws of the State of Hawaii, in renting dwelling units in affordable housing assisted with grant amounts provided under this title, the Director, owner, or manager shall use leases that—

''(1) do not contain unreasonable terms and conditions;

''(2) require the Director, owner, or manager to maintain the housing in compliance with applicable housing codes and quality standards;

''(3) require the Director, owner, or manager to give adequate written notice of termination of the lease, which shall be the period of time required under applicable State or local law;

''(4) specify that, with respect to any notice of eviction or termination, notwithstanding any State or local law, a resident shall be informed of the opportunity, before any hearing or trial, to examine any relevant documents, record, or regulations directly related to the eviction or termination;

''(5) require that the Director, owner, or manager may not terminate the tenancy, during the term of the lease, except for serious or repeated violation of the terms and conditions of the lease, violation of applicable Federal, State, or local law, or for other good cause; and

''(6) provide that the Director, owner, or manager may terminate the tenancy of a resident for any activity, engaged in by the resident, any member of the household of the resident, or any guest or other person under the control of the resident, that—

''(A) threatens the health or safety of, or right to peaceful enjoyment of the premises by, other residents or employees of the Department, owner, or manager;

''(B) threatens the health or safety of, or right to peaceful enjoyment of their premises by, persons residing in the immediate vicinity of the premises; or

''(C) is criminal activity (including drug-related criminal activity) on or off the premises.

''(b) Tenant or Homebuyer Selection.—As a condition to receiving grant amounts under this title, the Director shall adopt and use written tenant and homebuyer selection policies and criteria that—

''(1) are consistent with the purpose of providing housing for low-income families;

''(2) are reasonably related to program eligibility and the ability of the applicant to perform the obligations of the lease; and

''(3) provide for—

''(A) the selection of tenants and homebuyers from a written waiting list in accordance with the policies and goals set forth in an applicable housing plan approved under section 803; and

''(B) the prompt notification in writing of any rejected applicant of the grounds for that rejection.

"SEC. 815. REPAYMENT.

''If the Department of Hawaiian Home Lands uses grant amounts to provide affordable housing under activities under this title and, at any time during the useful life of the housing, the housing does not comply with the requirement under section 813(a)(2), the Secretary shall—

''(1) reduce future grant payments on behalf of the Department by an amount equal to the grant amounts used for that housing (under the authority of section 819(a)(2)); or

''(2) require repayment to the Secretary of any amount equal to those grant amounts.

"SEC. 816. ANNUAL ALLOCATION.

''For each fiscal year, the Secretary shall allocate any amounts made available for assistance under this title for the fiscal year, in accordance with the formula established pursuant to section 817 to the Department of Hawaiian Home Lands if the Department complies with the requirements under this title for a grant under this title.

"SEC. 817. ALLOCATION FORMULA.

''(a) Establishment.—The Secretary shall, by regulation issued not later than the expiration of the 6-month period beginning on the date of enactment of the Native American Housing Assistance and Self-Determination Amendments of 1999, in the manner provided under section 807, establish a formula to provide for the allocation of amounts available for a fiscal year for block grants under this title in accordance with the requirements of this section.

"(b) FACTORS FOR DETERMINATION OF NEED.—The formula under subsection (a) shall be based on factors that reflect the needs for assistance for affordable housing activities, including—

"(1) the number of low-income dwelling units owned or operated at the time pursuant to a contract between the Director and the Secretary;

"(2) the extent of poverty and economic distress and the number of Native Hawaiian families eligible to reside on the Hawaiian Home Lands; and

"(3) any other objectively measurable conditions that the Secretary and the Director may specify.

"(c) OTHER FACTORS FOR CONSIDERATION.—In establishing the formula under subsection (a), the Secretary shall consider the relative administrative capacities of the Department of Hawaiian Home Lands and other challenges faced by the Department, including—

"(1) geographic distribution within Hawaiian Home Lands; and

"(2) technical capacity.

"(d) EFFECTIVE DATE.—This section shall take effect on the date of enactment of the Native American Housing Assistance and Self-Determination Amendments of 1999.

"SEC. 818. REMEDIES FOR NONCOMPLIANCE.

"(a) ACTIONS BY SECRETARY AFFECTING GRANT AMOUNTS.—

"(1) IN GENERAL.—Except as provided in subsection (b), if the Secretary finds after reasonable notice and opportunity for a hearing that the Department of Hawaiian Home Lands has failed to comply substantially with any provision of this title, the Secretary shall—

"(A) terminate payments under this title to the Department;

"(B) reduce payments under this title to the Department by an amount equal to the amount of such payments that were not expended in accordance with this title; or

"(C) limit the availability of payments under this title to programs, projects, or activities not affected by such failure to comply.

"(2) ACTIONS.—If the Secretary takes an action under subparagraph (A), (B), or (C) of paragraph (1), the Secretary shall continue that action until the Secretary determines that the failure by the Department to comply with the provision has been remedied by the Department and the Department is in compliance with that provision.

"(b) NONCOMPLIANCE BECAUSE OF A TECHNICAL INCAPACITY.—The Secretary may provide technical assistance for the Department, either directly or indirectly, that is designed to increase the capability and capacity of the Director of the Department to administer assistance provided under this title in compliance with the requirements under this title if the Secretary makes a finding under subsection (a), but determines that the failure of the Department to comply substantially with the provisions of this title—

"(1) is not a pattern or practice of activities constituting willful noncompliance; and

"(2) is a result of the limited capability or capacity of the Department of Hawaiian Home Lands.

"(c) REFERRAL FOR CIVIL ACTION.—

"(1) AUTHORITY.—In lieu of, or in addition to, any action that the Secretary may take under subsection (a), if the Secretary has reason to believe that the Department of Hawaiian Home Lands has failed to comply substantially with any provision of this title, the Secretary may refer the matter to the Attorney General of the United States with a recommendation that an appropriate civil action be instituted.

"(2) CIVIL ACTION.—Upon receiving a referral under paragraph (1), the Attorney General may bring a civil action in any United States district court of appropriate jurisdiction for such relief as may be appropriate, including an action—

"(A) to recover the amount of the assistance furnished under this title that was not expended in accordance with this title; or

"(B) for mandatory or injunctive relief.

"(d) REVIEW.—

"(1) IN GENERAL.—If the Director receives notice under subsection (a) of the termination, reduction, or limitation of payments under this Act, the Director—

"(A) may, not later than 60 days after receiving such notice, file with the United States Court of Appeals for the Ninth Circuit, or in the United States Court of Appeals for the District of Columbia, a petition for review of the action of the Secretary; and

"(B) upon the filing of any petition under subparagraph (A), shall forthwith transmit copies of the petition to the Secretary and the Attorney General of the United States, who shall represent the Secretary in the litigation.

"(2) PROCEDURE.—

"(A) IN GENERAL.—The Secretary shall file in the court a record of the proceeding on which the Secretary based the action, as provided in section 2112 of title 28, United States Code.

"(B) OBJECTIONS.—No objection to the action of the Secretary shall be considered by the court unless the Department has registered the objection before the Secretary.

"(3) DISPOSITION.—

"(A) COURT PROCEEDINGS.—

"(i) JURISDICTION OF COURT.—The court shall have jurisdiction to affirm or modify the action of the Secretary or to set the action aside in whole or in part.

"(ii) FINDINGS OF FACT.—If supported by substantial evidence on the record considered as a whole, the findings of fact by the Secretary shall be conclusive.

"(iii) ADDITION.—The court may order evidence, in addition to the evidence submitted for review under this subsection, to be taken by the Secretary, and to be made part of the record.

"(B) SECRETARY.—

"(i) IN GENERAL.—The Secretary, by reason of the additional evidence referred to in subparagraph (A) and filed with the court—

"(I) may—

"(aa) modify the findings of fact of the Secretary; or

"(bb) make new findings; and

"(II) shall file—

"(aa) such modified or new findings; and

"(bb) the recommendation of the Secretary, if any, for the modification or setting aside of the original action of the Secretary.

"(ii) FINDINGS.—The findings referred to in clause (i)(II)(bb) shall, with respect to a question of fact, be considered to be conclusive if those findings are—

"(I) supported by substantial evidence on the record; and

"(II) considered as a whole.

"(4) FINALITY.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), upon the filing of the record under this subsection with the court—

"(i) the jurisdiction of the court shall be exclusive; and

"(ii) the judgment of the court shall be final.

"(B) REVIEW BY SUPREME COURT.—A judgment under subparagraph (A) shall be subject to review by the Supreme Court of the United States upon writ of certiorari or certification, as provided in section 1254 of title 28, United States Code.

"SEC. 819. MONITORING OF COMPLIANCE.

"(a) ENFORCEABLE AGREEMENTS.—

"(1) IN GENERAL.—The Director, through binding contractual agreements with owners or other authorized entities, shall ensure long-term compliance with the provisions of this title.

"(2) MEASURES.—The measures referred to in paragraph (1) shall provide for—

"(A) to the extent allowable by Federal and State law, the enforcement of the provisions of this title by the Department and the Secretary; and

"(B) remedies for breach of the provisions referred to in paragraph (1).

"(b) PERIODIC MONITORING.—

"(1) IN GENERAL.—Not less frequently than annually, the Director shall review the activities conducted and housing assisted under this title to assess compliance with the requirements of this title.

"(2) REVIEW.—Each review under paragraph (1) shall include onsite inspection of housing to determine compliance with applicable requirements.

"(3) RESULTS.—The results of each review under paragraph (1) shall be—

"(A) included in a performance report of the Director submitted to the Secretary under section 820; and

"(B) made available to the public.

"(c) PERFORMANCE MEASURES.—The Secretary shall establish such performance measures as may be necessary to assess compliance with the requirements of this title.

"SEC. 820. PERFORMANCE REPORTS.

"(a) REQUIREMENT.—For each fiscal year, the Director shall—

"(1) review the progress the Department has made during that fiscal year in carrying out the housing plan submitted by the Department under section 803; and

"(2) submit a report to the Secretary (in a form acceptable to the Secretary) describing the conclusions of the review.

"(b) CONTENT.—Each report submitted under this section for a fiscal year shall—

"(1) describe the use of grant amounts provided to the Department of Hawaiian Home Lands for that fiscal year;

"(2) assess the relationship of the use referred to in paragraph (1) to the goals identified in the housing plan;

"(3) indicate the programmatic accomplishments of the Department; and

"(4) describe the manner in which the Department would change its housing plan submitted under section 803 as a result of its experiences.

"(c) SUBMISSIONS.—The Secretary shall—

"(1) establish a date for submission of each report under this section;

"(2) review each such report; and

"(3) with respect to each such report, make recommendations as the Secretary considers appropriate to carry out the purposes of this title.

"(d) PUBLIC AVAILABILITY.—

"(1) COMMENTS BY BENEFICIARIES.—In preparing a report under this section, the Director shall make the report publicly available to the beneficiaries of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.) and give a sufficient amount of time to permit those beneficiaries to comment on that report before it is submitted to the Secretary (in such manner and at such time as the Director may determine).

"(2) SUMMARY OF COMMENTS.—The report shall include a summary of any comments received by the Director from beneficiaries under paragraph (1) regarding the program to carry out the housing plan.

"SEC. 821. REVIEW AND AUDIT BY SECRETARY.

"(a) ANNUAL REVIEW.—

"(1) IN GENERAL.—The Secretary shall, not less frequently than on an annual basis, make *such reviews and audits as may be necessary or appropriate to determine whether—*

"(A) the Director has—

"(i) carried out eligible activities under this title in a timely manner;

"(ii) carried out and made certifications in accordance with the requirements and the primary objectives of this title and with other applicable laws; and

"(iii) a continuing capacity to carry out the eligible activities in a timely manner;

"(B) the Director has complied with the housing plan submitted by the Director under section 803; and

"(C) the performance reports of the Department under section 821 are accurate.

"(2) ONSITE VISITS.—Each review conducted under this section shall, to the extent practicable, include onsite visits by employees of the Department of Housing and Urban Development.

"(b) REPORT BY SECRETARY.—The Secretary shall give the Department of Hawaiian Home Lands not less than 30 days to review and comment on a report under this subsection. After taking into consideration the comments of the Department, the Secretary may revise the report and shall make the comments of the Department and the report with any revisions, readily available to the public not later than 30 days after receipt of the comments of the Department.

"(c) EFFECT OF REVIEWS.—The Secretary may make appropriate adjustments in the amount of annual grants under this title in accordance with the findings of the Secretary pursuant to reviews and audits under this section. The Secretary may adjust, reduce, or withdraw grant amounts, or take other action as appropriate in accordance with the reviews and audits of the Secretary under this section, except that grant amounts already expended on affordable housing activities may not be recaptured or deducted from future assistance provided to the Department of Hawaiian Home Lands.

"SEC. 822. GENERAL ACCOUNTING OFFICE AUDITS.

"To the extent that the financial transactions of the Department of Hawaiian Home Lands involving grant amounts under this title relate to amounts provided under this title, those transactions may be audited by the Comptroller General of the United States under such regulations as may be prescribed by the Comptroller General. The Comptroller General of the United States shall have access to all books, accounts, records, reports, files, and other papers, things, or property belonging to or in use by the Department of Hawaiian Home Lands pertaining to such financial transactions and necessary to facilitate the audit.

"SEC. 823. REPORTS TO CONGRESS.

"(a) IN GENERAL.—Not later than 90 days after the conclusion of each fiscal year in which assistance under this title is made available, the Secretary shall submit to Congress a report that contains—

"(1) a description of the progress made in accomplishing the objectives of this title;

"(2) a summary of the use of funds available under this title during the preceding fiscal year; and

"(3) a description of the aggregate outstanding loan guarantees under section 184A of the Housing and Community Development Act of 1992.

"(b) RELATED REPORTS.—The Secretary may require the Director to submit to the Secretary such reports and other information as may be necessary in order for the Secretary to prepare the report required under subsection (a).

"SEC. 824. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to the Department of Housing and Urban Development for grants under this title such sums as may be necessary for each of fiscal years 2000, 2001, 2002, 2003, and 2004.".

SEC. 4. LOAN GUARANTEES FOR NATIVE HAWAIIAN HOUSING.

Subtitle E of title I of the Housing and Community Development Act of 1992 is amended by inserting after section 184 (12 U.S.C. 1715z–13a) the following:

"SEC. 184A. LOAN GUARANTEES FOR NATIVE HAWAIIAN HOUSING.

"(a) DEFINITIONS.—In this section:

"(1) DEPARTMENT OF HAWAIIAN HOME LANDS.—The term 'Department of Hawaiian Home Lands' means the agency or department of the government of the State of Hawaii that is responsible for the administration of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.).

"(2) ELIGIBLE ENTITY.—The term 'eligible entity' means a Native Hawaiian family, the Department of Hawaiian Home Lands, the Office of Hawaiian Affairs, and private nonprofit or private for-profit organizations experienced in the planning and development of affordable housing for Native Hawaiians.

"(3) FAMILY.—The term 'family' means 1 or more persons maintaining a household, as the Secretary shall by regulation provide.

"(4) GUARANTEE FUND.—The term 'Guarantee Fund' means the Native Hawaiian Housing Loan Guarantee Fund established under subsection (i).

"(5) HAWAIIAN HOME LANDS.—The term 'Hawaiian Home Lands' means lands that—

"(A) have the status of Hawaiian Home Lands under section 204 of the Hawaiian Homes Commission Act (42 Stat. 110); or

"(B) are acquired pursuant to that Act.

"(6) NATIVE HAWAIIAN.—The term 'Native Hawaiian' means any individual who is—

"(A) a citizen of the United States; and

"(B) a descendant of the aboriginal people, who, prior to 1778, occupied and exercised sovereignty in the area that currently constitutes the State of Hawaii, as evidenced by—

"(i) genealogical records;

"(ii) verification by kupuna (elders) or kama'aina (long-term community residents); or

"(iii) birth records of the State of Hawaii.

"(7) OFFICE OF HAWAIIAN AFFAIRS.—The term 'Office of Hawaiian Affairs' means the entity of that name established under the constitution of the State of Hawaii.

"(b) AUTHORITY.—To provide access to sources of private financing to Native Hawaiian families who otherwise could not acquire housing financing because of the unique legal status of the Hawaiian Home Lands or as a result of a lack of access to private financial markets, the Secretary may guarantee an amount not to exceed 100 percent of the unpaid principal and interest that is due on an eligible loan under subsection (b).

"(c) ELIGIBLE LOANS.—Under this section, a loan is an eligible loan if that loan meets the following requirements:

"(1) ELIGIBLE BORROWERS.—The loan is made only to a borrower who is—

"(A) a Native Hawaiian family;

"(B) the Department of Hawaiian Home Lands;

"(C) the Office of Hawaiian Affairs; or

"(D) a private nonprofit organization experienced in the planning and development of affordable housing for Native Hawaiians.

"(2) ELIGIBLE HOUSING.—

"(A) IN GENERAL.—The loan will be used to construct, acquire, or rehabilitate not more than 4-family dwellings that are standard housing and are located on Hawaiian Home Lands for which a housing plan described in subparagraph (B) applies.

"(B) HOUSING PLAN.—A housing plan described in this subparagraph is a housing plan that—

"(i) has been submitted and approved by the Secretary under section 803 of the Native American Housing Assistance and Self-Determination Amendments of 1999; and

"(ii) provides for the use of loan guarantees under this section to provide affordable homeownership housing on Hawaiian Home Lands.

"(3) SECURITY.—The loan may be secured by any collateral authorized under applicable Federal or State law.

"(4) LENDERS.—

"(A) IN GENERAL.—The loan shall be made only by a lender approved by, and meeting qualifications established by, the Secretary, including any lender described in subparagraph (B), except that a loan otherwise insured or guaranteed by an agency of the Federal Government or made by the Department of Hawaiian Home Lands from amounts borrowed from the United States shall not be eligible for a guarantee under this section.

"(B) APPROVAL.—The following lenders shall be considered to be lenders that have been approved by the Secretary:

"(i) Any mortgagee approved by the Secretary for participation in the single family mortgage insurance program under title II of the National Housing Act (12 U.S.C.A. 1707 et seq.).

"(ii) Any lender that makes housing loans under chapter 37 of title 38, United States Code, that are automatically guaranteed under section 3702(d) of title 38, United States Code.

"(iii) Any lender approved by the Secretary of Agriculture to make guaranteed loans for single family housing under the Housing Act of 1949 (42 U.S.C.A. 1441 et seq.).

"(iv) Any other lender that is supervised, approved, regulated, or insured by any agency of the Federal Government.

"(5) TERMS.—The loan shall—

"(A) be made for a term not exceeding 30 years;

"(B) bear interest (exclusive of the guarantee fee under subsection (d) and service charges, if any) at a rate agreed upon by the borrower and the lender and determined by the Secretary to be reasonable, but not to exceed the rate generally charged in the area (as determined by the Secretary) for home mortgage loans not guaranteed or insured by any agency or instrumentality of the Federal Government;

"(C) involve a principal obligation not exceeding—

"(i) 97.75 percent of the appraised value of the property as of the date the loan is accepted for guarantee (or 98.75 percent if the value of the property is $50,000 or less); or

"(ii) the amount approved by the Secretary under this section; and

"(D) involve a payment on account of the property—

"(i) in cash or its equivalent; or

"(ii) through the value of any improvements to the property made through the skilled or unskilled labor of the borrower, as the Secretary shall provide.

"(d) CERTIFICATE OF GUARANTEE.—

"(1) APPROVAL PROCESS.—

"(A) IN GENERAL.—Before the Secretary approves any loan for guarantee under this section, the lender shall submit the application for the loan to the Secretary for examination.

"(B) APPROVAL.—If the Secretary approves the application submitted under subparagraph (A), the Secretary shall issue a certificate under this subsection as evidence of the loan guarantee approved.

"(2) STANDARD FOR APPROVAL.—The Secretary may approve a loan for guarantee under this section and issue a certificate under this subsection only if the Secretary determines that there is a reasonable prospect of repayment of the loan.

"(3) EFFECT.—

"(A) IN GENERAL.—A certificate of guarantee issued under this subsection by the Secretary shall be conclusive evidence of the eligibility of the loan for guarantee under this section and the amount of that guarantee.

"(B) EVIDENCE.—The evidence referred to in subparagraph (A) shall be incontestable in the hands of the bearer.

"(C) FULL FAITH AND CREDIT.—The full faith and credit of the United States is pledged to the payment of all amounts agreed to be paid by the Secretary as security for the obligations made by the Secretary under this section.

"(4) FRAUD AND MISREPRESENTATION.—This subsection may not be construed—

"(A) to preclude the Secretary from establishing defenses against the original lender based on fraud or material misrepresentation; or

"(B) to bar the Secretary from establishing by regulations that are on the date of issuance or disbursement, whichever is earlier, partial defenses to the amount payable on the guarantee.

"(e) GUARANTEE FEE.—

"(1) IN GENERAL.—The Secretary shall fix and collect a guarantee fee for the guarantee of a loan under this section, which may not exceed the amount equal to 1 percent of the principal obligation of the loan.

"(2) PAYMENT.—The fee under this subsection shall—

"(A) be paid by the lender at time of issuance of the guarantee; and

"(B) be adequate, in the determination of the Secretary, to cover expenses and probable losses.

"(3) DEPOSIT.—The Secretary shall deposit any fees collected under this subsection in the Native Hawaiian Housing Loan Guarantee Fund established under subsection (j).

"(f) LIABILITY UNDER GUARANTEE.—The liability under a guarantee provided under this section shall decrease or increase on a pro rata basis according to any decrease or increase in the amount of the unpaid obligation under the provisions of the loan agreement involved.

"(g) TRANSFER AND ASSUMPTION.—Notwithstanding any other provision of law, any loan guaranteed under this section, including the security given for the loan, may be sold or assigned by the lender to any financial institution subject to examination and supervision by an agency of the Federal Government or of any State or the District of Columbia.

"(h) DISQUALIFICATION OF LENDERS AND CIVIL MONEY PENALTIES.—

"(1) IN GENERAL.—

"(A) GROUNDS FOR ACTION.—The Secretary may take action under subparagraph (B) if the Secretary determines that any lender or holder of a guarantee certificate under subsection (c)—

"(i) has failed—

"(I) to maintain adequate accounting records;

"(II) to service adequately loans guaranteed under this section; or

"(III) to exercise proper credit or underwriting judgment; or

"(ii) has engaged in practices otherwise detrimental to the interest of a borrower or the United States.

"(B) ACTIONS.—Upon a determination by the Secretary that a holder of a guarantee certificate under subsection (c) has failed to carry out an activity described in subparagraph (A)(i) or has engaged in practices described in subparagraph (A)(ii), the Secretary may—

"(i) refuse, either temporarily or permanently, to guarantee any further loans made by such lender or holder;

"(ii) bar such lender or holder from acquiring additional loans guaranteed under this section; and

"(iii) require that such lender or holder assume not less than 10 percent of any loss on further loans made or held by the lender or holder that are guaranteed under this section.

"(2) CIVIL MONEY PENALTIES FOR INTENTIONAL VIOLATIONS.—

"(A) IN GENERAL.—The Secretary may impose a civil monetary penalty on a lender or holder of a guarantee certificate under subsection (d) if the Secretary determines that the holder or lender has intentionally failed—

"(i) to maintain adequate accounting records;

"(ii) to adequately service loans guaranteed under this section; or

"(iii) to exercise proper credit or underwriting judgment.

"(B) PENALTIES.—A civil monetary penalty imposed under this paragraph shall be imposed in the manner and be in an amount provided under section 536 of the National Housing Act (12 U.S.C.A. 1735f–1) with respect to mortgagees and lenders under that Act.

"(3) PAYMENT ON LOANS MADE IN GOOD FAITH.—Notwithstanding paragraphs (1) and (2), if a loan was made in good faith, the Secretary may not refuse to pay a lender or holder of a valid guarantee on that loan, without regard to whether the lender or holder is barred under this subsection.

"(i) PAYMENT UNDER GUARANTEE.—

"(1) LENDER OPTIONS.—

"(A) IN GENERAL.—

"(i) NOTIFICATION.—If a borrower on a loan guaranteed under this section defaults on the loan, the holder of the guarantee certificate shall provide written notice of the default to the Secretary.

"(ii) PAYMENT.—Upon providing the notice required under clause (i), the holder of the guarantee certificate shall be entitled to payment under the guarantee (subject to the provisions of this section) and may proceed to obtain payment in 1 of the following manners:

"(I) FORECLOSURE.—

"(aa) IN GENERAL.—The holder of the certificate may initiate foreclosure proceedings (after providing written notice of that action to the Secretary).

"(bb) PAYMENT.—Upon a final order by the court authorizing foreclosure and submission to the Secretary of a claim for payment under the guarantee, the Secretary shall pay to the holder of the certificate the pro rata portion of the amount guaranteed (as determined pursuant to subsection (f)) plus reasonable fees and expenses as approved by the Secretary.

"(cc) SUBROGATION.—The rights of the Secretary shall be subrogated to the rights of the holder of the guarantee. The holder shall assign the obligation and security to the Secretary.

"(II) NO FORECLOSURE.—

"(aa) IN GENERAL.—Without seeking foreclosure (or in any case in which a foreclosure proceeding initiated under clause (i) continues for a period in excess of 1 year), the holder of the guarantee may submit to the Secretary a request to assign the obligation and security interest to the Secretary in return for payment of the claim under the guarantee. The Secretary may accept assignment of the loan if the Secretary determines that the assignment is in the best interest of the United States.

"(bb) PAYMENT.—Upon assignment, the Secretary shall pay to the holder of the guarantee the pro rata portion of the amount guaranteed (as determined under subsection (f)).

"(cc) SUBROGATION.—The rights of the Secretary shall be subrogated to the rights of the holder of the guarantee. The holder shall assign the obligation and security to the Secretary.

"(B) REQUIREMENTS.—Before any payment under a guarantee is made under subparagraph (A), the holder of the guarantee shall exhaust all reasonable possibilities of collection. Upon payment, in whole or in part, to the holder, the note or judgment evidencing the debt shall be assigned to the United States and the holder shall have no further claim against the borrower or the United States. The Secretary shall then take such action to collect as the Secretary determines to be appropriate.

"(2) LIMITATIONS ON LIQUIDATION.—

"(A) IN GENERAL.—If a borrower defaults on a loan guaranteed under this section that involves a security interest in restricted Hawaiian Home Land property, the mortgagee or the Secretary shall only pursue liquidation after offering to transfer the account to another eligible Hawaiian family or the Department of Hawaiian Home Lands.

"(B) LIMITATION.—If, after action is taken under subparagraph (A), the mortgagee or the Secretary subsequently proceeds to liquidate the account, the mortgagee or the Secretary shall not sell, transfer, or otherwise dispose of or alienate the property described in subparagraph (A) except to another eligible Hawaiian family or to the Department of Hawaiian Home Lands.

"(j) HAWAIIAN HOUSING LOAN GUARANTEE FUND.—

"(1) ESTABLISHMENT.—There is established in the Treasury of the United States the Hawaiian Housing Loan Guarantee Fund for the purpose of providing loan guarantees under this section.

"(2) CREDITS.—The Guarantee Fund shall be credited with—

"(A) any amount, claims, notes, mortgages, contracts, and property acquired by the Secretary under this section, and any collections and proceeds therefrom;

"(B) any amounts appropriated pursuant to paragraph (7);

"(C) any guarantee fees collected under subsection (d); and

"(D) any interest or earnings on amounts invested under paragraph (4).

"(3) USE.—Amounts in the Guarantee Fund shall be available, to the extent provided in appropriations Acts, for—

"(A) fulfilling any obligations of the Secretary with respect to loans guaranteed under this section, including the costs (as that term is defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a)) of such loans;

"(B) paying taxes, insurance, prior liens, expenses necessary to make fiscal adjustment in connection with the application and transmittal of collections, and other expenses and advances to protect the Secretary for loans which are guaranteed under this section or held by the Secretary;

"(C) acquiring such security property at foreclosure sales or otherwise;

"(D) paying administrative expenses in connection with this section; and

"(E) reasonable and necessary costs of rehabilitation and repair to properties that the Secretary holds or owns pursuant to this section.

"(4) INVESTMENT.—Any amounts in the Guarantee Fund determined by the Secretary to be in excess of amounts currently required at the time of the determination to carry out this section may be invested in obligations of the United States.

"(5) LIMITATION ON COMMITMENTS TO GUARANTEE LOANS AND MORTGAGES.—

"(A) REQUIREMENT OF APPROPRIATIONS.—The authority of the Secretary to enter into commitments to guarantee loans under this section shall be effective for any fiscal year to the extent, or in such amounts as are, or have been, provided in appropriations Acts, without regard to the fiscal year for which such amounts were appropriated.

"(B) LIMITATIONS ON COSTS OF GUARANTEES.—The authority of the Secretary to enter into commitments to guarantee loans under this section shall be effective for any fiscal year only to the extent that amounts in the Guarantee Fund are or have been made available in appropriations Acts to cover the costs (as that term is defined in section 502 of the Federal Credit Reform

Act of 1990 (2 U.S.C. 661a)) of such loan guarantees for such fiscal year. Any amounts appropriated pursuant to this subparagraph shall remain available until expended.

"(C) LIMITATION ON OUTSTANDING AGGREGATE PRINCIPAL AMOUNT.—Subject to the limitations in subparagraphs (A) and (B), the Secretary may enter into commitments to guarantee loans under this section for each of fiscal years 2000, 2001, 2002, 2003, and 2004 with an aggregate outstanding principal amount not exceeding $100,000,000 for each such fiscal year.

"(6) LIABILITIES.—All liabilities and obligations of the assets credited to the Guarantee Fund under paragraph (2)(A) shall be liabilities and obligations of the Guarantee Fund.

"(7) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Guarantee Fund to carry out this section such sums as may be necessary for each of fiscal years 2000, 2001, 2002, 2003, and 2004.

"(k) REQUIREMENTS FOR STANDARD HOUSING.—

"(1) IN GENERAL.—The Secretary shall, by regulation, establish housing safety and quality standards to be applied for use under this section.

"(2) STANDARDS.—The standards referred to in paragraph (1) shall—

"(A) provide sufficient flexibility to permit the use of various designs and materials in housing acquired with loans guaranteed under this section; and

"(B) require each dwelling unit in any housing acquired in the manner described in subparagraph (A) to—

"(i) be decent, safe, sanitary, and modest in size and design;

"(ii) conform with applicable general construction standards for the region in which the housing is located;

"(iii) contain a plumbing system that—

"(I) uses a properly installed system of piping;

"(II) includes a kitchen sink and a partitional bathroom with lavatory, toilet, and bath or shower; and

"(III) uses water supply, plumbing, and sewage disposal systems that conform to any minimum standards established by the applicable county or State;

"(iv) contain an electrical system using wiring and equipment properly installed to safely supply electrical energy for adequate lighting and for operation of appliances that conforms to any appropriate county, State, or national code;

"(v) be not less than the size provided under the applicable locally adopted standards for size of dwelling units, except that the Secretary, upon request of the Department of Hawaiian Home Lands may waive the size requirements under this paragraph; and

"(vi) conform with the energy performance requirements for new construction established by the Secretary under section 526(a) of the National Housing Act (12 U.S.C.A. 1735f–4), unless the Secretary determines that the requirements are not applicable.

"(l) APPLICABILITY OF CIVIL RIGHTS STATUTES.—To the extent that the requirements of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) or of title VIII of the Act popularly known as the 'Civil Rights Act of 1968' (42 U.S.C.A. 3601 et seq.) apply to a guarantee provided under this subsection, nothing in the requirements concerning discrimination on the basis of race shall be construed to prevent the provision of the guarantee to an eligible entity on the basis that the entity serves Native Hawaiian families or is a Native Hawaiian family.".

AMENDMENT NO. 2511

(Purpose: To make a series of amendments)

Mr. GRASSLEY. Mr. President, I understand Senator INOUYE has an amendment at the desk, and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY], for Mr. INOUYE, proposes an amendment numbered 2511.

The amendment is as follows:

On page 98, strike line 23 and all that follows through page 99, line 8.

On page 118, line 20, strike "1999" and insert "2000".

On page 118, line 23, strike "October 1, 1999" and insert "the date of enactment of the Native American Housing Assistance and Self-Determination Amendments of 1999".

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the amendment be agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 2511) was agreed to.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the substitute amendment, as amended, be agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment in the nature of a substitute, as amended, was agreed to.

Mr. GRASSLEY. I ask unanimous consent that the bill, as amended, be read the third time, passed, and the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 225), as amended, was read the third time and passed, as follows:

S. 225

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Native American Housing Assistance and Self-Determination Amendments of 1999".

SEC. 2. FINDINGS.

Congress finds that—

(1) the United States has undertaken a responsibility to promote the general welfare of the United States by—

(A) employing its resources to remedy the unsafe and unsanitary housing conditions and the acute shortage of decent, safe, and sanitary dwellings for families of lower income; and

(B) developing effective partnerships with governmental and private entities to accomplish the objectives referred to in subparagraph (A);

(2) the United States has a special responsibility for the welfare of the Native peoples of the United States, including Native Hawaiians;

(3) pursuant to the provisions of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.), the United States set aside 200,000 acres of land in the Federal territory that later became the State of Hawaii in order to establish a homeland for the native people of Hawaii—Native Hawaiians;

(4) despite the intent of Congress in 1920 to address the housing needs of Native Hawaiians through the enactment of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.), Native Hawaiians eligible to reside on the Hawaiian home lands have been foreclosed from participating in Federal housing assistance programs available to all other eligible families in the United States;

(5) although Federal housing assistance programs have been administered on a racially neutral basis in the State of Hawaii, Native Hawaiians continue to have the greatest unmet need for housing and the highest rates of overcrowding in the United States;

(6) among the Native American population of the United States, Native Hawaiians experience the highest percentage of housing problems in the United States, as the percentage—

(A) of housing problems in the Native Hawaiian population is 49 percent, as compared to—

(i) 44 percent for American Indian and Alaska Native households in Indian country; and

(ii) 27 percent for all other households in the United States; and

(B) overcrowding in the Native Hawaiian population is 36 percent as compared to 3 percent for all other households in the United States;

(7) among the Native Hawaiian population, the needs of Native Hawaiians, as that term is defined in section 801 of the Native American Housing Assistance and Self-Determination Act of 1996, as added by section 3 of this Act, eligible to reside on the Hawaiian Home Lands are the most severe, as—

(A) the percentage of overcrowding in Native Hawaiian households on the Hawaiian Home Lands is 36 percent; and

(B) approximately 13,000 Native Hawaiians, which constitute 95 percent of the Native Hawaiians who are eligible to reside on the Hawaiian Home Lands, are in need of housing;

(8) applying the Department of Housing and Urban Development guidelines—

(A) 70.8 percent of Native Hawaiians who either reside or who are eligible to reside on the Hawaiian Home Lands have incomes that fall below the median family income; and

(B) 50 percent of Native Hawaiians who either reside or who are eligible to reside on the Hawaiian Home Lands have incomes below 30 percent of the median family income;

(9) ⅓ of those Native Hawaiians who are eligible to reside on the Hawaiian Home Lands pay more than 30 percent of their income for shelter, and ½ of those Native Hawaiians face overcrowding;

(10) the extraordinarily severe housing needs of Native Hawaiians demonstrate that Native Hawaiians who either reside on, or are eligible to reside on, Hawaiian Home Lands have been denied equal access to Federal low-income housing assistance programs available to other qualified residents of the United States, and that a more effective means of addressing their housing needs must be authorized;

(11) consistent with the recommendations of the National Commission on American Indian, Alaska Native, and Native Hawaiian Housing, and in order to address the continuing prevalence of extraordinarily severe housing needs among Native Hawaiians who either reside or are eligible to reside on the Hawaiian Home Lands, Congress finds it necessary to extend the Federal low-income housing assistance available to American Indians and Alaska Natives under the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.) to those Native Hawaiians;

(12) under the treatymaking power of the United States, Congress had the constitutional authority to confirm a treaty between the United States and the government that represented the Hawaiian people, and from 1826 until 1893, the United States recognized the independence of the Kingdom of Hawaii, extended full diplomatic recognition to the Hawaiian Government, and entered into treaties and conventions with the Hawaiian monarchs to govern commerce and navigation in 1826, 1842, 1849, 1875, and 1887;

(13) the United States has recognized and reaffirmed that—

(A) Native Hawaiians have a cultural, historic, and land-based link to the indigenous people who exercised sovereignty over the Hawaiian Islands, and that group has never relinquished its claims to sovereignty or its sovereign lands;

(B) Congress does not extend services to Native Hawaiians because of their race, but because of their unique status as the indigenous people of a once sovereign nation as to whom the United States has established a trust relationship;

(C) Congress has also delegated broad authority to administer a portion of the Federal trust responsibility to the State of Hawaii;

(D) the political status of Native Hawaiians is comparable to that of American Indians and Alaska Natives; and

(E) the aboriginal, indigenous people of the United States have—

(i) a continuing right to autonomy in their internal affairs; and

(ii) an ongoing right of self-determination and self-governance that has never been extinguished;

(14) the political relationship between the United States and the Native Hawaiian people has been recognized and reaffirmed by the United States as evidenced by the inclusion of Native Hawaiians in—

(A) the Native American Programs Act of 1974 (42 U.S.C. 2291 et seq.);

(B) the American Indian Religious Freedom Act (42 U.S.C. 1996 et seq.);

(C) the National Museum of the American Indian Act (20 U.S.C. 80q et seq.);

(D) the Native American Graves Protection and Repatriation Act (25 U.S.C. 3001 et seq.);

(E) the National Historic Preservation Act (16 U.S.C. 470 et seq.);

(F) the Native American Languages Act of 1992 (106 Stat. 3434);

(G) the American Indian, Alaska Native and Native Hawaiian Culture and Arts Development Act (20 U.S.C. 4401 et seq.);

(H) the Job Training Partnership Act (29 U.S.C. 1501 et seq.); and

(I) the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.); and

(15) in the area of housing, the United States has recognized and reaffirmed the political relationship with the Native Hawaiian people through—

(A) the enactment of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.), which set aside approximately 200,000 acres of public lands that became known as Hawaiian Home Lands in the Territory of Hawaii that had been ceded to the United States for homesteading by Native Hawaiians in order to rehabilitate a landless and dying people;

(B) the enactment of the Act entitled "An Act to provide for the admission of the State of Hawaii into the Union", approved March 18, 1959 (73 Stat. 4)—

(i) by ceding to the State of Hawaii title to the public lands formerly held by the United States, and mandating that those lands be held in public trust, for the betterment of the conditions of Native Hawaiians, as that term is defined in section 201 of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.); and

(ii) by transferring the United States responsibility for the administration of Hawaiian Home Lands to the State of Hawaii, but retaining the authority to enforce the trust, including the exclusive right of the United States to consent to any actions affecting the lands which comprise the corpus of the trust and any amendments to the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.), enacted by the legislature of the State of Hawaii affecting the rights of beneficiaries under the Act;

(C) the authorization of mortgage loans insured by the Federal Housing Administration for the purchase, construction, or refinancing of homes on Hawaiian Home Lands under the Act of June 27, 1934 (commonly referred to as the "National Housing Act" (42 Stat. 1246 et seq., chapter 847; 12 U.S.C. 1701 et seq.));

(D) authorizing Native Hawaiian representation on the National Commission on American Indian, Alaska Native, and Native Hawaiian Housing under Public Law 101–235;

(E) the inclusion of Native Hawaiians in the definition under section 3764 of title 38, United States Code, applicable to subchapter V of chapter 37 of title 38, United States Code (relating to a housing loan program for Native American veterans); and

(F) the enactment of the Hawaiian Home Lands Recovery Act (109 Stat. 357; 48 U.S.C. 491, note prec.) which establishes a process for the conveyance of Federal lands to the Department of Hawaiian Homes Lands that are equivalent in value to lands acquired by the United States from the Hawaiian Home Lands inventory.

SEC. 3. HOUSING ASSISTANCE.

The Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.) is amended by adding at the end the following:

"TITLE VIII—HOUSING ASSISTANCE FOR NATIVE HAWAIIANS

"SEC. 801. DEFINITIONS.

"In this title:

"(1) DEPARTMENT OF HAWAIIAN HOME LANDS; DEPARTMENT.—The term 'Department of Hawaiian Home Lands' or 'Department' means the agency or department of the government of the State of Hawaii that is responsible for the administration of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.).

"(2) DIRECTOR.—The term 'Director' means the Director of the Department of Hawaiian Home Lands.

"(3) ELDERLY FAMILIES; NEAR-ELDERLY FAMILIES.—

"(A) IN GENERAL.—The term 'elderly family' or 'near-elderly family' means a family whose head (or his or her spouse), or whose sole member, is—

"(i) for an elderly family, an elderly person; or

"(ii) for a near-elderly family, a near-elderly person.

"(B) CERTAIN FAMILIES INCLUDED.—The term 'elderly family' or 'near-elderly family' includes—

"(i) 2 or more elderly persons or near-elderly persons, as the case may be, living together; and

"(ii) 1 or more persons described in clause (i) living with 1 or more persons determined under the housing plan to be essential to their care or well-being.

"(4) HAWAIIAN HOME LANDS.—The term 'Hawaiian Home Lands' means lands that—

"(A) have the status as Hawaiian home lands under section 204 of the Hawaiian Homes Commission Act (42 Stat. 110); or

"(B) are acquired pursuant to that Act.

"(5) HOUSING AREA.—The term 'housing area' means an area of Hawaiian Home Lands with respect to which the Department of Hawaiian Home Lands is authorized to provide assistance for affordable housing under this Act.

"(6) HOUSING ENTITY.—The term 'housing entity' means the Department of Hawaiian Home Lands.

"(7) HOUSING PLAN.—The term 'housing plan' means a plan developed by the Department of Hawaiian Home Lands.

"(8) MEDIAN INCOME.—The term 'median income' means, with respect to an area that is a Hawaiian housing area, the greater of—

"(A) the median income for the Hawaiian housing area, which shall be determined by the Secretary; or

"(B) the median income for the State of Hawaii.

"(9) NATIVE HAWAIIAN.—The term 'Native Hawaiian' means any individual who is—

"(A) a citizen of the United States; and

"(B) a descendant of the aboriginal people, who, prior to 1778, occupied and exercised sovereignty in the area that currently constitutes the State of Hawaii, as evidenced by—

"(i) genealogical records;

"(ii) verification by kupuna (elders) or kama'aina (long-term community residents); or

"(iii) birth-records of the State of Hawaii.

"SEC. 802. BLOCK GRANTS FOR AFFORDABLE HOUSING ACTIVITIES.

"(a) GRANT AUTHORITY.—For each fiscal year, the Secretary shall (to the extent amounts are made available to carry out this title) make a grant under this title to the Department of Hawaiian Home Lands to carry out affordable housing activities for Native Hawaiian families who are eligible to reside on the Hawaiian Home Lands.

"(b) PLAN REQUIREMENT.—

"(1) IN GENERAL.—The Secretary may make a grant under this title to the Department of Hawaiian Home Lands for a fiscal year only if—

"(A) the Director has submitted to the Secretary a housing plan for that fiscal year; and

"(B) the Secretary has determined under section 804 that the housing plan complies with the requirements of section 803.

"(2) WAIVER.—The Secretary may waive the applicability of the requirements under paragraph (1), in part, if the Secretary finds that the Department of Hawaiian Home Lands has not complied or cannot comply with those requirements due to circumstances beyond the control of the Department of Hawaiian Home Lands.

"(c) USE OF AFFORDABLE HOUSING ACTIVITIES UNDER PLAN.—Except as provided in subsection (e), amounts provided under a grant under this section may be used only for affordable housing activities under this title that are consistent with a housing plan approved under section 804.

"(d) ADMINISTRATIVE EXPENSES.—

"(1) IN GENERAL.—The Secretary shall, by regulation, authorize the Department of Hawaiian Home Lands to use a percentage of any grant amounts received under this title for any reasonable administrative and planning expenses of the Department relating to carrying out this title and activities assisted with those amounts.

"(2) ADMINISTRATIVE AND PLANNING EXPENSES.—The administrative and planning expenses referred to in paragraph (1) include—

“(A) costs for salaries of individuals engaged in administering and managing affordable housing activities assisted with grant amounts provided under this title; and

“(B) expenses incurred in preparing a housing plan under section 803.

“(e) Public-Private Partnerships.—The Director shall make all reasonable efforts, consistent with the purposes of this title, to maximize participation by the private sector, including nonprofit organizations and for-profit entities, in implementing a housing plan that has been approved by the Secretary under section 803.

“SEC. 803. HOUSING PLAN.

“(a) Plan Submission.—The Secretary shall—

“(1) require the Director to submit a housing plan under this section for each fiscal year; and

“(2) provide for the review of each plan submitted under paragraph (1).

“(b) 5-Year Plan.—Each housing plan under this section shall—

“(1) be in a form prescribed by the Secretary; and

“(2) contain, with respect to the 5-year period beginning with the fiscal year for which the plan is submitted, the following information:

“(A) Mission statement.—A general statement of the mission of the Department of Hawaiian Home Lands to serve the needs of the low-income families to be served by the Department.

“(B) Goal and objectives.—A statement of the goals and objectives of the Department of Hawaiian Home Lands to enable the Department to serve the needs identified in subparagraph (A) during the period.

“(C) Activities plans.—An overview of the activities planned during the period including an analysis of the manner in which the activities will enable the Department to meet its mission, goals, and objectives.

“(c) 1-Year Plan.—A housing plan under this section shall—

“(1) be in a form prescribed by the Secretary; and

“(2) contain the following information relating to the fiscal year for which the assistance under this title is to be made available:

“(A) Goals and objectives.—A statement of the goals and objectives to be accomplished during the period covered by the plan.

“(B) Statement of needs.—A statement of the housing needs of the low-income families served by the Department and the means by which those needs will be addressed during the period covered by the plan, including—

“(i) a description of the estimated housing needs and the need for assistance for the low-income families to be served by the Department, including a description of the manner in which the geographical distribution of assistance is consistent with—

“(I) the geographical needs of those families; and

“(II) needs for various categories of housing assistance; and

“(ii) a description of the estimated housing needs for all families to be served by the Department.

“(C) Financial resources.—An operating budget for the Department of Hawaiian Home Lands, in a form prescribed by the Secretary, that includes—

“(i) an identification and a description of the financial resources reasonably available to the Department to carry out the purposes of this title, including an explanation of the manner in which amounts made available will be used to leverage additional resources; and

“(ii) the uses to which the resources described in clause (i) will be committed, including—

“(I) eligible and required affordable housing activities; and

“(II) administrative expenses.

“(D) Affordable housing resources.—A statement of the affordable housing resources currently available at the time of the submittal of the plan and to be made available during the period covered by the plan, including—

“(i) a description of the significant characteristics of the housing market in the State of Hawaii, including the availability of housing from other public sources, private market housing;

“(ii) the manner in which the characteristics referred to in clause (i) influence the decision of the Department of Hawaiian Home Lands to use grant amounts to be provided under this title for—

“(I) rental assistance;

“(II) the production of new units;

“(III) the acquisition of existing units; or

“(IV) the rehabilitation of units;

“(iii) a description of the structure, coordination, and means of cooperation between the Department of Hawaiian Home Lands and any other governmental entities in the development, submission, or implementation of housing plans, including a description of—

“(I) the involvement of private, public, and nonprofit organizations and institutions;

“(II) the use of loan guarantees under section 184A of the Housing and Community Development Act of 1992; and

“(III) other housing assistance provided by the United States, including loans, grants, and mortgage insurance;

“(iv) a description of the manner in which the plan will address the needs identified pursuant to subparagraph (C);

“(v) a description of—

“(I) any existing or anticipated homeownership programs and rental programs to be carried out during the period covered by the plan; and

“(II) the requirements and assistance available under the programs referred to in subclause (I);

“(vi) a description of—

“(I) any existing or anticipated housing rehabilitation programs necessary to ensure the long-term viability of the housing to be carried out during the period covered by the plan; and

“(II) the requirements and assistance available under the programs referred to in subclause (I);

“(vii) a description of—

“(I) all other existing or anticipated housing assistance provided by the Department of Hawaiian Home Lands during the period covered by the plan, including—

“(aa) transitional housing;

“(bb) homeless housing;

“(cc) college housing; and

“(dd) supportive services housing; and

“(II) the requirements and assistance available under such programs;

“(viii)(I) a description of any housing to be demolished or disposed of;

“(II) a timetable for that demolition or disposition; and

“(III) any other information required by the Secretary with respect to that demolition or disposition;

“(ix) a description of the manner in which the Department of Hawaiian Home Lands will coordinate with welfare agencies in the State of Hawaii to ensure that residents of the affordable housing will be provided with access to resources to assist in obtaining employment and achieving self-sufficiency;

“(x) a description of the requirements established by the Department of Hawaiian Home Lands to—

“(I) promote the safety of residents of the affordable housing;

“(II) facilitate the undertaking of crime prevention measures;

“(III) allow resident input and involvement, including the establishment of resident organizations; and

“(IV) allow for the coordination of crime prevention activities between the Department and local law enforcement officials; and

“(xi) a description of the entities that will carry out the activities under the plan, including the organizational capacity and key personnel of the entities.

“(E) Certification of compliance.—Evidence of compliance that shall include, as appropriate—

“(i) a certification that the Department of Hawaiian Home Lands will comply with—

“(I) title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) or with title VIII of the Act popularly known as the ‘Civil Rights Act of 1968’ (42 U.S.C. 3601 et seq.) in carrying out this title, to the extent that such title is applicable; and

“(II) other applicable Federal statutes;

“(ii) a certification that the Department will require adequate insurance coverage for housing units that are owned and operated or assisted with grant amounts provided under this title, in compliance with such requirements as may be established by the Secretary;

“(iii) a certification that policies are in effect and are available for review by the Secretary and the public governing the eligibility, admission, and occupancy of families for housing assisted with grant amounts provided under this title;

“(iv) a certification that policies are in effect and are available for review by the Secretary and the public governing rents charged, including the methods by which such rents or homebuyer payments are determined, for housing assisted with grant amounts provided under this title; and

“(v) a certification that policies are in effect and are available for review by the Secretary and the public governing the management and maintenance of housing assisted with grant amounts provided under this title.

“(d) Applicability of Civil Rights Statutes.—

“(1) In general.—To the extent that the requirements of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) or of title VIII of the Act popularly known as the ‘Civil Rights Act of 1968’ (42 U.S.C. 3601 et seq.) apply to assistance provided under this title, nothing in the requirements concerning discrimination on the basis of race shall be construed to prevent the provision of assistance under this title—

“(A) to the Department of Hawaiian Home Lands on the basis that the Department served Native Hawaiians; or

“(B) to an eligible family on the basis that the family is a Native Hawaiian family.

“(2) Civil rights.—Program eligibility under this title may be restricted to Native Hawaiians. Subject to the preceding sentence, no person may be discriminated against on the basis of race, color, national origin, religion, sex, familial status, or disability.

“(e) Use of Nonprofit Organizations.—As a condition of receiving grant amounts under this title, the Department of Hawaiian Home Lands shall, to the extent practicable, provide for private nonprofit organizations experienced in the planning and development of affordable housing for Native Hawaiians to carry out affordable housing activities with those grant amounts.

“SEC. 804. REVIEW OF PLANS.

“(a) Review and Notice.—

“(1) Review.—

“(A) In general.—The Secretary shall conduct a review of a housing plan submitted to the Secretary under section 803 to ensure that the plan complies with the requirements of that section.

“(B) Limitation.—The Secretary shall have the discretion to review a plan referred to in subparagraph (A) only to the extent that the Secretary considers that the review is necessary.

“(2) Notice.—

“(A) In general.—Not later than 60 days after receiving a plan under section 803, the Secretary shall notify the Director of the Department of Hawaiian Home Lands whether the plan complies with the requirements under that section.

“(B) Effect of failure of secretary to take action.—For purposes of this title, if the Secretary does not notify the Director, as required under this subsection and subsection (b), upon the expiration of the 60-day period described in subparagraph (A)—

“(i) the plan shall be considered to have been determined to comply with the requirements under section 803; and

“(ii) the Director shall be considered to have been notified of compliance.

“(b) Notice of Reasons for Determination of Noncompliance.—If the Secretary determines that a plan submitted under section 803 does not comply with the requirements of that section, the Secretary shall specify in the notice under subsection (a)—

“(1) the reasons for noncompliance; and

“(2) any modifications necessary for the plan to meet the requirements of section 803.

“(c) Review.—

“(1) In general.—After the Director of the Department of Hawaiian Home Lands submits a housing plan under section 803, or any amendment or modification to the plan to the Secretary, to the extent that the Secretary considers such action to be necessary to make a determination under this subsection, the Secretary shall review the plan (including any amendments or modifications thereto) to determine whether the contents of the plan—

“(A) set forth the information required by section 803 to be contained in the housing plan;

“(B) are consistent with information and data available to the Secretary; and

“(C) are not prohibited by or inconsistent with any provision of this Act or any other applicable law.

“(2) Incomplete plans.—If the Secretary determines under this subsection that any of the appropriate certifications required under section 803(c)(2)(E) are not included in a plan, the plan shall be considered to be incomplete.

“(d) Updates to Plan.—

“(1) In general.—Subject to paragraph (2), after a plan under section 803 has been submitted for a fiscal year, the Director of the Department of Hawaiian Home Lands may comply with the provisions of that section for any succeeding fiscal year (with respect to information included for the 5-year period under section 803(b) or for the 1-year period under section 803(c)) by submitting only such information regarding such changes as may be necessary to update the plan previously submitted.

“(2) Complete plans.—The Director shall submit a complete plan under section 803 not later than 4 years after submitting an initial plan under that section, and not less frequently than every 4 years thereafter.

“(e) Effective Date.—This section and section 803 shall take effect on the date provided by the Secretary pursuant to section 807(a) to provide for timely submission and review of the housing plan as necessary for the provision of assistance under this title for fiscal year 2000.

“SEC. 805. TREATMENT OF PROGRAM INCOME AND LABOR STANDARDS.

“(a) Program Income.—

“(1) Authority to retain.—The Department of Hawaiian Home Lands may retain any program income that is realized from any grant amounts received by the Department under this title if—

“(A) that income was realized after the initial disbursement of the grant amounts received by the Department; and

“(B) the Director agrees to use the program income for affordable housing activities in accordance with the provisions of this title.

“(2) Prohibition of reduction of grant.—The Secretary may not reduce the grant amount for the Department of Hawaiian Home Lands based solely on—

“(A) whether the Department retains program income under paragraph (1); or

“(B) the amount of any such program income retained.

“(3) Exclusion of amounts.—The Secretary may, by regulation, exclude from consideration as program income any amounts determined to be so small that compliance with the requirements of this subsection would create an unreasonable administrative burden on the Department.

“(b) Labor Standards.—

“(1) In general.—Any contract or agreement for assistance, sale, or lease pursuant to this title shall contain—

“(A) a provision requiring that an amount not less than the wages prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Secretary, shall be paid to all architects, technical engineers, draftsmen, technicians employed in the development and all maintenance, and laborers and mechanics employed in the operation, of the affordable housing project involved; and

“(B) a provision that an amount not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Act commonly known as the ‘Davis-Bacon Act’ (46 Stat. 1494, chapter 411; 40 U.S.C. 276a et seq.) shall be paid to all laborers and mechanics employed in the development of the affordable housing involved.

“(2) Exceptions.—Paragraph (1) and provisions relating to wages required under paragraph (1) in any contract or agreement for assistance, sale, or lease under this title, shall not apply to any individual who performs the services for which the individual volunteered and who is not otherwise employed at any time in the construction work and received no compensation or is paid expenses, reasonable benefits, or a nominal fee for those services.

“SEC. 806. ENVIRONMENTAL REVIEW.

“(a) In General.—

“(1) Release of funds.—

“(A) In general.—The Secretary may carry out the alternative environmental protection procedures described in subparagraph (B) in order to ensure—

“(i) that the policies of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and other provisions of law that further the purposes of such Act (as specified in regulations issued by the Secretary) are most effectively implemented in connection with the expenditure of grant amounts provided under this title; and

“(ii) to the public undiminished protection of the environment.

“(B) Alternative environmental protection procedure.—In lieu of applying environmental protection procedures otherwise applicable, the Secretary may by regulation provide for the release of funds for specific projects to the Department of Hawaiian Home Lands if the Director of the Department assumes all of the responsibilities for environmental review, decisionmaking, and action under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), and such other provisions of law as the regulations of the Secretary specify, that would apply to the Secretary were the Secretary to undertake those projects as Federal projects.

“(2) Regulations.—

“(A) In general.—The Secretary shall issue regulations to carry out this section only after consultation with the Council on Environmental Quality.

“(B) Contents.—The regulations issued under this paragraph shall—

“(i) provide for the monitoring of the environmental reviews performed under this section;

“(ii) in the discretion of the Secretary, facilitate training for the performance of such reviews; and

“(iii) provide for the suspension or termination of the assumption of responsibilities under this section.

“(3) Effect on assumed responsibility.—The duty of the Secretary under paragraph (2)(B) shall not be construed to limit or reduce any responsibility assumed by the Department of Hawaiian Home Lands for grant amounts with respect to any specific release of funds.

“(b) Procedure.—

“(1) In general.—The Secretary shall authorize the release of funds subject to the procedures under this section only if, not less than 15 days before that approval and before any commitment of funds to such projects, the Director of the Department of Hawaiian Home Lands submits to the Secretary a request for such release accompanied by a certification that meets the requirements of subsection (c).

“(2) Effect of approval.—The approval of the Secretary of a certification described in paragraph (1) shall be deemed to satisfy the responsibilities of the Secretary under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and such other provisions of law as the regulations of the Secretary specify to the extent that those responsibilities relate to the releases of funds for projects that are covered by that certification.

“(c) Certification.—A certification under the procedures under this section shall—

“(1) be in a form acceptable to the Secretary;

“(2) be executed by the Director of the Department of Hawaiian Home Lands;

“(3) specify that the Department of Hawaiian Home Lands has fully carried out its responsibilities as described under subsection (a); and

“(4) specify that the Director—

“(A) consents to assume the status of a responsible Federal official under the National

Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and each provision of law specified in regulations issued by the Secretary to the extent that those laws apply by reason of subsection (a); and

"(B) is authorized and consents on behalf of the Department of Hawaiian Home Lands and the Director to accept the jurisdiction of the Federal courts for the purpose of enforcement of the responsibilities of the Director of the Department of Hawaiian Home Lands as such an official.

"SEC. 807. REGULATIONS.

"The Secretary shall issue final regulations necessary to carry out this title not later than October 1, 2000.

"SEC. 808. EFFECTIVE DATE.

"Except as otherwise expressly provided in this title, this title shall take effect on the date of enactment of the Native American Housing Assistance and Self-Determination Amendments of 1999.

"SEC. 809. AFFORDABLE HOUSING ACTIVITIES.

"(a) National Objectives and Eligible Families.—

"(1) Primary objective.—The national objectives of this title are—

"(A) to assist and promote affordable housing activities to develop, maintain, and operate affordable housing in safe and healthy environments for occupancy by low-income Native Hawaiian families;

"(B) to ensure better access to private mortgage markets and to promote self-sufficiency of low-income Native Hawaiian families;

"(C) to coordinate activities to provide housing for low-income Native Hawaiian families with Federal, State and local activities to further economic and community development;

"(D) to plan for and integrate infrastructure resources on the Hawaiian Home Lands with housing development; and

"(E) to—

"(i) promote the development of private capital markets; and

"(ii) allow the markets referred to in clause (i) to operate and grow, thereby benefiting Native Hawaiian communities.

"(2) Eligible families.—

"(A) In general.—Except as provided under subparagraph (B), assistance for eligible housing activities under this title shall be limited to low-income Native Hawaiian families.

"(B) Exception to low-income requirement.—

"(i) In general.—The Director may provide assistance for homeownership activities under—

"(I) section 810(b);

"(II) model activities under section 810(f); or

"(III) loan guarantee activities under section 184A of the Housing and Community Development Act of 1992 to Native Hawaiian families who are not low-income families, to the extent that the Secretary approves the activities under that section to address a need for housing for those families that cannot be reasonably met without that assistance.

"(ii) Limitations.—The Secretary shall establish limitations on the amount of assistance that may be provided under this title for activities for families that are not low-income families.

"(C) Other families.—Notwithstanding paragraph (1), the Director may provide housing or housing assistance provided through affordable housing activities assisted with grant amounts under this title to a family that is not composed of Native Hawaiians if—

"(i) the Department determines that the presence of the family in the housing involved is essential to the well-being of Native Hawaiian families; and

"(ii) the need for housing for the family cannot be reasonably met without the assistance.

"(D) Preference.—

"(i) In general.—A housing plan submitted under section 803 may authorize a preference, for housing or housing assistance provided through affordable housing activities assisted with grant amounts provided under this title to be provided, to the extent practicable, to families that are eligible to reside on the Hawaiian Home Lands.

"(ii) Application.—In any case in which a housing plan provides for preference described in clause (i), the Director shall ensure that housing activities that are assisted with grant amounts under this title are subject to that preference.

"(E) Use of nonprofit organizations.—As a condition of receiving grant amounts under this title, the Department of Hawaiian Home Lands, shall to the extent practicable, provide for private nonprofit organizations experienced in the planning and development of affordable housing for Native Hawaiians to carry out affordable housing activities with those grant amounts.

"SEC. 810. ELIGIBLE AFFORDABLE HOUSING ACTIVITIES.

"(a) In General.—Affordable housing activities under this section are activities conducted in accordance with the requirements of section 811 to—

"(1) develop or to support affordable housing for rental or homeownership; or

"(2) provide housing services with respect to affordable housing, through the activities described in subsection (b).

"(b) Activities.—The activities described in this subsection are the following:

"(1) Development.—The acquisition, new construction, reconstruction, or moderate or substantial rehabilitation of affordable housing, which may include—

"(A) real property acquisition;

"(B) site improvement;

"(C) the development of utilities and utility services;

"(D) conversion;

"(E) demolition;

"(F) financing;

"(G) administration and planning; and

"(H) other related activities.

"(2) Housing services.—The provision of housing-related services for affordable housing, including—

"(A) housing counseling in connection with rental or homeownership assistance;

"(B) the establishment and support of resident organizations and resident management corporations;

"(C) energy auditing;

"(D) activities related to the provisions of self-sufficiency and other services; and

"(E) other services related to assisting owners, tenants, contractors, and other entities participating or seeking to participate in other housing activities assisted pursuant to this section.

"(3) Housing management services.—The provision of management services for affordable housing, including—

"(A) the preparation of work specifications;

"(B) loan processing;

"(C) inspections;

"(D) tenant selection;

"(E) management of tenant-based rental assistance; and

"(F) management of affordable housing projects.

"(4) Crime prevention and safety activities.—The provision of safety, security, and law enforcement measures and activities appropriate to protect residents of affordable housing from crime.

"(5) Model activities.—Housing activities under model programs that are—

"(A) designed to carry out the purposes of this title; and

"(B) specifically approved by the Secretary as appropriate for the purpose referred to in subparagraph (A).

"SEC. 811. PROGRAM REQUIREMENTS.

"(a) Rents.—

"(1) Establishment.—Subject to paragraph (2), as a condition to receiving grant amounts under this title, the Director shall develop written policies governing rents and homebuyer payments charged for dwelling units assisted under this title, including methods by which such rents and homebuyer payments are determined.

"(2) Maximum rent.—In the case of any low-income family residing in a dwelling unit assisted with grant amounts under this title, the monthly rent or homebuyer payment (as applicable) for that dwelling unit may not exceed 30 percent of the monthly adjusted income of that family.

"(b) Maintenance and Efficient Operation.—

"(1) In general.—The Director shall, using amounts of any grants received under this title, reserve and use for operating under section 810 such amounts as may be necessary to provide for the continued maintenance and efficient operation of such housing.

"(2) Disposal of certain housing.—This subsection may not be construed to prevent the Director, or any entity funded by the Department, from demolishing or disposing of housing, pursuant to regulations established by the Secretary.

"(c) Insurance Coverage.—As a condition to receiving grant amounts under this title, the Director shall require adequate insurance coverage for housing units that are owned or operated or assisted with grant amounts provided under this title.

"(d) Eligibility for Admission.—As a condition to receiving grant amounts under this title, the Director shall develop written policies governing the eligibility, admission, and occupancy of families for housing assisted with grant amounts provided under this title.

"(e) Management and Maintenance.—As a condition to receiving grant amounts under this title, the Director shall develop policies governing the management and maintenance of housing assisted with grant amounts under this title.

"SEC. 812. TYPES OF INVESTMENTS.

"(a) In General.—Subject to section 811 and an applicable housing plan approved under section 803, the Director shall have—

"(1) the discretion to use grant amounts for affordable housing activities through the use of—

"(A) equity investments;

"(B) interest-bearing loans or advances;

"(C) noninterest-bearing loans or advances;

"(D) interest subsidies;

"(E) the leveraging of private investments; or

"(F) any other form of assistance that the Secretary determines to be consistent with the purposes of this title; and

"(2) the right to establish the terms of assistance provided with funds referred to in paragraph (1).

"(b) INVESTMENTS.—The Director may invest grant amounts for the purposes of carrying out affordable housing activities in investment securities and other obligations, as approved by the Secretary.

"SEC. 813. LOW-INCOME REQUIREMENT AND INCOME TARGETING.

"(a) IN GENERAL.—Housing shall qualify for affordable housing for purposes of this title only if—

"(1) each dwelling unit in the housing—

"(A) in the case of rental housing, is made available for occupancy only by a family that is a low-income family at the time of the initial occupancy of that family of that unit; and

"(B) in the case of housing for homeownership, is made available for purchase only by a family that is a low-income family at the time of purchase; and

"(2) each dwelling unit in the housing will remain affordable, according to binding commitments satisfactory to the Secretary, for—

"(A) the remaining useful life of the property (as determined by the Secretary) without regard to the term of the mortgage or to transfer of ownership; or

"(B) such other period as the Secretary determines is the longest feasible period of time consistent with sound economics and the purposes of this title, except upon a foreclosure by a lender (or upon other transfer in lieu of foreclosure) if that action—

"(i) recognizes any contractual or legal rights of any public agency, nonprofit sponsor, or other person or entity to take an action that would—

"(I) avoid termination of low-income affordability, in the case of foreclosure; or

"(II) transfer ownership in lieu of foreclosure; and

"(ii) is not for the purpose of avoiding low-income affordability restrictions, as determined by the Secretary.

"(b) EXCEPTION.—Notwithstanding subsection (a), housing assisted pursuant to section 809(a)(2)(B) shall be considered affordable housing for purposes of this title.

"SEC. 814. LEASE REQUIREMENTS AND TENANT SELECTION.

"(a) LEASES.—Except to the extent otherwise provided by or inconsistent with the laws of the State of Hawaii, in renting dwelling units in affordable housing assisted with grant amounts provided under this title, the Director, owner, or manager shall use leases that—

"(1) do not contain unreasonable terms and conditions;

"(2) require the Director, owner, or manager to maintain the housing in compliance with applicable housing codes and quality standards;

"(3) require the Director, owner, or manager to give adequate written notice of termination of the lease, which shall be the period of time required under applicable State or local law;

"(4) specify that, with respect to any notice of eviction or termination, notwithstanding any State or local law, a resident shall be informed of the opportunity, before any hearing or trial, to examine any relevant documents, record, or regulations directly related to the eviction or termination;

"(5) require that the Director, owner, or manager may not terminate the tenancy, during the term of the lease, except for serious or repeated violation of the terms and conditions of the lease, violation of applicable Federal, State, or local law, or for other good cause; and

"(6) provide that the Director, owner, or manager may terminate the tenancy of a resident for any activity, engaged in by the resident, any member of the household of the resident, or any guest or other person under the control of the resident, that—

"(A) threatens the health or safety of, or right to peaceful enjoyment of the premises by, other residents or employees of the Department, owner, or manager;

"(B) threatens the health or safety of, or right to peaceful enjoyment of their premises by, persons residing in the immediate vicinity of the premises; or

"(C) is criminal activity (including drug-related criminal activity) on or off the premises.

"(b) TENANT OR HOMEBUYER SELECTION.—As a condition to receiving grant amounts under this title, the Director shall adopt and use written tenant and homebuyer selection policies and criteria that—

"(1) are consistent with the purpose of providing housing for low-income families;

"(2) are reasonably related to program eligibility and the ability of the applicant to perform the obligations of the lease; and

"(3) provide for—

"(A) the selection of tenants and homebuyers from a written waiting list in accordance with the policies and goals set forth in an applicable housing plan approved under section 803; and

"(B) the prompt notification in writing of any rejected applicant of the grounds for that rejection.

"SEC. 815. REPAYMENT.

"If the Department of Hawaiian Home Lands uses grant amounts to provide affordable housing under activities under this title and, at any time during the useful life of the housing, the housing does not comply with the requirement under section 813(a)(2), the Secretary shall—

"(1) reduce future grant payments on behalf of the Department by an amount equal to the grant amounts used for that housing (under the authority of section 819(a)(2)); or

"(2) require repayment to the Secretary of any amount equal to those grant amounts.

"SEC. 816. ANNUAL ALLOCATION.

"For each fiscal year, the Secretary shall allocate any amounts made available for assistance under this title for the fiscal year, in accordance with the formula established pursuant to section 817 to the Department of Hawaiian Home Lands if the Department complies with the requirements under this title for a grant under this title.

"SEC. 817. ALLOCATION FORMULA.

"(a) ESTABLISHMENT.—The Secretary shall, by regulation issued not later than the expiration of the 6-month period beginning on the date of enactment of the Native American Housing Assistance and Self-Determination Amendments of 1999, in the manner provided under section 807, establish a formula to provide for the allocation of amounts available for a fiscal year for block grants under this title in accordance with the requirements of this section.

"(b) FACTORS FOR DETERMINATION OF NEED.—The formula under subsection (a) shall be based on factors that reflect the needs for assistance for affordable housing activities, including—

"(1) the number of low-income dwelling units owned or operated at the time pursuant to a contract between the Director and the Secretary;

"(2) the extent of poverty and economic distress and the number of Native Hawaiian families eligible to reside on the Hawaiian Home Lands; and

"(3) any other objectively measurable conditions that the Secretary and the Director may specify.

"(c) OTHER FACTORS FOR CONSIDERATION.—In establishing the formula under subsection (a), the Secretary shall consider the relative administrative capacities of the Department of Hawaiian Home Lands and other challenges faced by the Department, including—

"(1) geographic distribution within Hawaiian Home Lands; and

"(2) technical capacity.

"(d) EFFECTIVE DATE.—This section shall take effect on the date of enactment of the Native American Housing Assistance and Self-Determination Amendments of 1999.

"SEC. 818. REMEDIES FOR NONCOMPLIANCE.

"(a) ACTIONS BY SECRETARY AFFECTING GRANT AMOUNTS.—

"(1) IN GENERAL.—Except as provided in subsection (b), if the Secretary finds after reasonable notice and opportunity for a hearing that the Department of Hawaiian Home Lands has failed to comply substantially with any provision of this title, the Secretary shall—

"(A) terminate payments under this title to the Department;

"(B) reduce payments under this title to the Department by an amount equal to the amount of such payments that were not expended in accordance with this title; or

"(C) limit the availability of payments under this title to programs, projects, or activities not affected by such failure to comply.

"(2) ACTIONS.—If the Secretary takes an action under subparagraph (A), (B), or (C) of paragraph (1), the Secretary shall continue that action until the Secretary determines that the failure by the Department to comply with the provision has been remedied by the Department and the Department is in compliance with that provision.

"(b) NONCOMPLIANCE BECAUSE OF A TECHNICAL INCAPACITY.—The Secretary may provide technical assistance for the Department, either directly or indirectly, that is designed to increase the capability and capacity of the Director of the Department to administer assistance provided under this title in compliance with the requirements under this title if the Secretary makes a finding under subsection (a), but determines that the failure of the Department to comply substantially with the provisions of this title—

"(1) is not a pattern or practice of activities constituting willful noncompliance; and

"(2) is a result of the limited capability or capacity of the Department of Hawaiian Home Lands.

"(c) REFERRAL FOR CIVIL ACTION.—

"(1) AUTHORITY.—In lieu of, or in addition to, any action that the Secretary may take under subsection (a), if the Secretary has reason to believe that the Department of Hawaiian Home Lands has failed to comply substantially with any provision of this title, the Secretary may refer the matter to the Attorney General of the United States with a recommendation that an appropriate civil action be instituted.

"(2) CIVIL ACTION.—Upon receiving a referral under paragraph (1), the Attorney General may bring a civil action in any United States district court of appropriate jurisdiction for such relief as may be appropriate, including an action—

"(A) to recover the amount of the assistance furnished under this title that was not expended in accordance with this title; or

"(B) for mandatory or injunctive relief.

"(d) REVIEW.—

"(1) IN GENERAL.—If the Director receives notice under subsection (a) of the termination, reduction, or limitation of payments under this Act, the Director—

"(A) may, not later than 60 days after receiving such notice, file with the United States Court of Appeals for the Ninth Circuit, or in the United States Court of Appeals for the District of Columbia, a petition for review of the action of the Secretary; and

"(B) upon the filing of any petition under subparagraph (A), shall forthwith transmit copies of the petition to the Secretary and the Attorney General of the United States, who shall represent the Secretary in the litigation.

"(2) PROCEDURE.—

"(A) IN GENERAL.—The Secretary shall file in the court a record of the proceeding on which the Secretary based the action, as provided in section 2112 of title 28, United States Code.

"(B) OBJECTIONS.—No objection to the action of the Secretary shall be considered by the court unless the Department has registered the objection before the Secretary.

"(3) DISPOSITION.—

"(A) COURT PROCEEDINGS.—

"(i) JURISDICTION OF COURT.—The court shall have jurisdiction to affirm or modify the action of the Secretary or to set the action aside in whole or in part.

"(ii) FINDINGS OF FACT.—If supported by substantial evidence on the record considered as a whole, the findings of fact by the Secretary shall be conclusive.

"(iii) ADDITION.—The court may order evidence, in addition to the evidence submitted for review under this subsection, to be taken by the Secretary, and to be made part of the record.

"(B) SECRETARY.—

"(i) IN GENERAL.—The Secretary, by reason of the additional evidence referred to in subparagraph (A) and filed with the court—

"(I) may—

"(aa) modify the findings of fact of the Secretary; or

"(bb) make new findings; and

"(II) shall file—

"(aa) such modified or new findings; and

"(bb) the recommendation of the Secretary, if any, for the modification or setting aside of the original action of the Secretary.

"(ii) FINDINGS.—The findings referred to in clause (i)(II)(bb) shall, with respect to a question of fact, be considered to be conclusive if those findings are—

"(I) supported by substantial evidence on the record; and

"(II) considered as a whole.

"(4) FINALITY.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), upon the filing of the record under this subsection with the court—

"(i) the jurisdiction of the court shall be exclusive; and

"(ii) the judgment of the court shall be final.

"(B) REVIEW BY SUPREME COURT.—A judgment under subparagraph (A) shall be subject to review by the Supreme Court of the United States upon writ of certiorari or certification, as provided in section 1254 of title 28, United States Code.

"SEC. 819. MONITORING OF COMPLIANCE.

"(a) ENFORCEABLE AGREEMENTS.—

"(1) IN GENERAL.—The Director, through binding contractual agreements with owners or other authorized entities, shall ensure long-term compliance with the provisions of this title.

"(2) MEASURES.—The measures referred to in paragraph (1) shall provide for—

"(A) to the extent allowable by Federal and State law, the enforcement of the provisions of this title by the Department and the Secretary; and

"(B) remedies for breach of the provisions referred to in paragraph (1).

"(b) PERIODIC MONITORING.—

"(1) IN GENERAL.—Not less frequently than annually, the Director shall review the activities conducted and housing assisted under this title to assess compliance with the requirements of this title.

"(2) REVIEW.—Each review under paragraph (1) shall include onsite inspection of housing to determine compliance with applicable requirements.

"(3) RESULTS.—The results of each review under paragraph (1) shall be—

"(A) included in a performance report of the Director submitted to the Secretary under section 820; and

"(B) made available to the public.

"(c) PERFORMANCE MEASURES.—The Secretary shall establish such performance measures as may be necessary to assess compliance with the requirements of this title.

"SEC. 820. PERFORMANCE REPORTS.

"(a) REQUIREMENT.—For each fiscal year, the Director shall—

"(1) review the progress the Department has made during that fiscal year in carrying out the housing plan submitted by the Department under section 803; and

"(2) submit a report to the Secretary (in a form acceptable to the Secretary) describing the conclusions of the review.

"(b) CONTENT.—Each report submitted under this section for a fiscal year shall—

"(1) describe the use of grant amounts provided to the Department of Hawaiian Home Lands for that fiscal year;

"(2) assess the relationship of the use referred to in paragraph (1) to the goals identified in the housing plan;

"(3) indicate the programmatic accomplishments of the Department; and

"(4) describe the manner in which the Department would change its housing plan submitted under section 803 as a result of its experiences.

"(c) SUBMISSIONS.—The Secretary shall—

"(1) establish a date for submission of each report under this section;

"(2) review each such report; and

"(3) with respect to each such report, make recommendations as the Secretary considers appropriate to carry out the purposes of this title.

"(d) PUBLIC AVAILABILITY.—

"(1) COMMENTS BY BENEFICIARIES.—In preparing a report under this section, the Director shall make the report publicly available to the beneficiaries of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.) and give a sufficient amount of time to permit those beneficiaries to comment on that report before it is submitted to the Secretary (in such manner and at such time as the Director may determine).

"(2) SUMMARY OF COMMENTS.—The report shall include a summary of any comments received by the Director from beneficiaries under paragraph (1) regarding the program to carry out the housing plan.

"SEC. 821. REVIEW AND AUDIT BY SECRETARY.

"(a) ANNUAL REVIEW.—

"(1) IN GENERAL.—The Secretary shall, not less frequently than on an annual basis, make such reviews and audits as may be necessary or appropriate to determine whether—

"(A) the Director has—

"(i) carried out eligible activities under this title in a timely manner;

"(ii) carried out and made certifications in accordance with the requirements and the primary objectives of this title and with other applicable laws; and

"(iii) a continuing capacity to carry out the eligible activities in a timely manner;

"(B) the Director has complied with the housing plan submitted by the Director under section 803; and

"(C) the performance reports of the Department under section 821 are accurate.

"(2) ONSITE VISITS.—Each review conducted under this section shall, to the extent practicable, include onsite visits by employees of the Department of Housing and Urban Development.

"(b) REPORT BY SECRETARY.—The Secretary shall give the Department of Hawaiian Home Lands not less than 30 days to review and comment on a report under this subsection. After taking into consideration the comments of the Department, the Secretary may revise the report and shall make the comments of the Department and the report with any revisions, readily available to the public not later than 30 days after receipt of the comments of the Department.

"(c) EFFECT OF REVIEWS.—The Secretary may make appropriate adjustments in the amount of annual grants under this title in accordance with the findings of the Secretary pursuant to reviews and audits under this section. The Secretary may adjust, reduce, or withdraw grant amounts, or take other action as appropriate in accordance with the reviews and audits of the Secretary under this section, except that grant amounts already expended on affordable housing activities may not be recaptured or deducted from future assistance provided to the Department of Hawaiian Home Lands.

"SEC. 822. GENERAL ACCOUNTING OFFICE AUDITS.

"To the extent that the financial transactions of the Department of Hawaiian Home Lands involving grant amounts under this title relate to amounts provided under this title, those transactions may be audited by the Comptroller General of the United States under such regulations as may be prescribed by the Comptroller General. The Comptroller General of the United States shall have access to all books, accounts, records, reports, files, and other papers, things, or property belonging to or in use by the Department of Hawaiian Home Lands pertaining to such financial transactions and necessary to facilitate the audit.

"SEC. 823. REPORTS TO CONGRESS.

"(a) IN GENERAL.—Not later than 90 days after the conclusion of each fiscal year in which assistance under this title is made available, the Secretary shall submit to Congress a report that contains—

"(1) a description of the progress made in accomplishing the objectives of this title;

"(2) a summary of the use of funds available under this title during the preceding fiscal year; and

"(3) a description of the aggregate outstanding loan guarantees under section 184A of the Housing and Community Development Act of 1992.

"(b) RELATED REPORTS.—The Secretary may require the Director to submit to the Secretary such reports and other information as may be necessary in order for the Secretary to prepare the report required under subsection (a).

"SEC. 824. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to the Department of Housing and Urban Development for grants under this title such sums as may be necessary for each of fiscal years 2000, 2001, 2002, 2003, and 2004.".

SEC. 4. LOAN GUARANTEES FOR NATIVE HAWAIIAN HOUSING.

Subtitle E of title I of the Housing and Community Development Act of 1992 is amended by inserting after section 184 (12 U.S.C. 1715z–13a) the following:

"SEC. 184A. LOAN GUARANTEES FOR NATIVE HAWAIIAN HOUSING.

"(a) DEFINITIONS.—In this section:

"(1) DEPARTMENT OF HAWAIIAN HOME LANDS.—The term 'Department of Hawaiian Home Lands' means the agency or department of the government of the State of Hawaii that is responsible for the administration of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.).

"(2) ELIGIBLE ENTITY.—The term 'eligible entity' means a Native Hawaiian family, the Department of Hawaiian Home Lands, the Office of Hawaiian Affairs, and private nonprofit or private for-profit organizations experienced in the planning and development of affordable housing for Native Hawaiians.

"(3) FAMILY.—The term 'family' means 1 or more persons maintaining a household, as the Secretary shall by regulation provide.

"(4) GUARANTEE FUND.—The term 'Guarantee Fund' means the Native Hawaiian Housing Loan Guarantee Fund established under subsection (i).

"(5) HAWAIIAN HOME LANDS.—The term 'Hawaiian Home Lands' means lands that—

"(A) have the status of Hawaiian Home Lands under section 204 of the Hawaiian Homes Commission Act (42 Stat. 110); or

"(B) are acquired pursuant to that Act.

"(6) NATIVE HAWAIIAN.—The term 'Native Hawaiian' means any individual who is—

"(A) a citizen of the United States; and

"(B) a descendant of the aboriginal people, who, prior to 1778, occupied and exercised sovereignty in the area that currently constitutes the State of Hawaii, as evidenced by—

"(i) genealogical records;

"(ii) verification by kupuna (elders) or kama'aina (long-term community residents); or

"(iii) birth records of the State of Hawaii.

"(7) OFFICE OF HAWAIIAN AFFAIRS.—The term 'Office of Hawaiian Affairs' means the entity of that name established under the constitution of the State of Hawaii.

"(b) AUTHORITY.—To provide access to sources of private financing to Native Hawaiian families who otherwise could not acquire housing financing because of the unique legal status of the Hawaiian Home Lands or as a result of a lack of access to private financial markets, the Secretary may guarantee an amount not to exceed 100 percent of the unpaid principal and interest that is due on an eligible loan under subsection (b).

"(c) ELIGIBLE LOANS.—Under this section, a loan is an eligible loan if that loan meets the following requirements:

"(1) ELIGIBLE BORROWERS.—The loan is made only to a borrower who is—

"(A) a Native Hawaiian family;

"(B) the Department of Hawaiian Home Lands;

"(C) the Office of Hawaiian Affairs; or

"(D) a private nonprofit organization experienced in the planning and development of affordable housing for Native Hawaiians.

"(2) ELIGIBLE HOUSING.—

"(A) IN GENERAL.—The loan will be used to construct, acquire, or rehabilitate not more than 4-family dwellings that are standard housing and are located on Hawaiian Home Lands for which a housing plan described in subparagraph (B) applies.

"(B) HOUSING PLAN.—A housing plan described in this subparagraph is a housing plan that—

"(i) has been submitted and approved by the Secretary under section 803 of the Native American Housing Assistance and Self-Determination Amendments of 1999; and

"(ii) provides for the use of loan guarantees under this section to provide affordable homeownership housing on Hawaiian Home Lands.

"(3) SECURITY.—The loan may be secured by any collateral authorized under applicable Federal or State law.

"(4) LENDERS.—

"(A) IN GENERAL.—The loan shall be made only by a lender approved by, and meeting qualifications established by, the Secretary, including any lender described in subparagraph (B), except that a loan otherwise insured or guaranteed by an agency of the Federal Government or made by the Department of Hawaiian Home Lands from amounts borrowed from the United States shall not be eligible for a guarantee under this section.

"(B) APPROVAL.—The following lenders shall be considered to be lenders that have been approved by the Secretary:

"(i) Any mortgagee approved by the Secretary for participation in the single family mortgage insurance program under title II of the National Housing Act (12 U.S.C.A. 1707 et seq.).

"(ii) Any lender that makes housing loans under chapter 37 of title 38, United States Code, that are automatically guaranteed under section 3702(d) of title 38, United States Code.

"(iii) Any lender approved by the Secretary of Agriculture to make guaranteed loans for single family housing under the Housing Act of 1949 (42 U.S.C.A. 1441 et seq.).

"(iv) Any other lender that is supervised, approved, regulated, or insured by any agency of the Federal Government.

"(5) TERMS.—The loan shall—

"(A) be made for a term not exceeding 30 years;

"(B) bear interest (exclusive of the guarantee fee under subsection (d) and service charges, if any) at a rate agreed upon by the borrower and the lender and determined by the Secretary to be reasonable, but not to exceed the rate generally charged in the area (as determined by the Secretary) for home mortgage loans not guaranteed or insured by any agency or instrumentality of the Federal Government;

"(C) involve a principal obligation not exceeding—

"(i) 97.75 percent of the appraised value of the property as of the date the loan is accepted for guarantee (or 98.75 percent if the value of the property is $50,000 or less); or

"(ii) the amount approved by the Secretary under this section; and

"(D) involve a payment on account of the property—

"(i) in cash or its equivalent; or

"(ii) through the value of any improvements to the property made through the skilled or unskilled labor of the borrower, as the Secretary shall provide.

"(d) CERTIFICATE OF GUARANTEE.—

"(1) APPROVAL PROCESS.—

"(A) IN GENERAL.—Before the Secretary approves any loan for guarantee under this section, the lender shall submit the application for the loan to the Secretary for examination.

"(B) APPROVAL.—If the Secretary approves the application submitted under subparagraph (A), the Secretary shall issue a certificate under this subsection as evidence of the loan guarantee approved.

"(2) STANDARD FOR APPROVAL.—The Secretary may approve a loan for guarantee under this section and issue a certificate under this subsection only if the Secretary determines that there is a reasonable prospect of repayment of the loan.

"(3) EFFECT.—

"(A) IN GENERAL.—A certificate of guarantee issued under this subsection by the Secretary shall be conclusive evidence of the eligibility of the loan for guarantee under this section and the amount of that guarantee.

"(B) EVIDENCE.—The evidence referred to in subparagraph (A) shall be incontestable in the hands of the bearer.

"(C) FULL FAITH AND CREDIT.—The full faith and credit of the United States is pledged to the payment of all amounts agreed to be paid by the Secretary as security for the obligations made by the Secretary under this section.

"(4) FRAUD AND MISREPRESENTATION.—This subsection may not be construed—

"(A) to preclude the Secretary from establishing defenses against the original lender based on fraud or material misrepresentation; or

"(B) to bar the Secretary from establishing by regulations that are on the date of issuance or disbursement, whichever is earlier, partial defenses to the amount payable on the guarantee.

"(e) GUARANTEE FEE.—

"(1) IN GENERAL.—The Secretary shall fix and collect a guarantee fee for the guarantee of a loan under this section, which may not exceed the amount equal to 1 percent of the principal obligation of the loan.

"(2) PAYMENT.—The fee under this subsection shall—

"(A) be paid by the lender at time of issuance of the guarantee; and

"(B) be adequate, in the determination of the Secretary, to cover expenses and probable losses.

"(3) DEPOSIT.—The Secretary shall deposit any fees collected under this subsection in the Native Hawaiian Housing Loan Guarantee Fund established under subsection (j).

"(f) LIABILITY UNDER GUARANTEE.—The liability under a guarantee provided under this section shall decrease or increase on a pro rata basis according to any decrease or increase in the amount of the unpaid obligation under the provisions of the loan agreement involved.

"(g) TRANSFER AND ASSUMPTION.—Notwithstanding any other provision of law, any loan guaranteed under this section, including the security given for the loan, may be sold or assigned by the lender to any financial institution subject to examination and supervision by an agency of the Federal Government or of any State or the District of Columbia.

"(h) DISQUALIFICATION OF LENDERS AND CIVIL MONEY PENALTIES.—

"(1) IN GENERAL.—

"(A) GROUNDS FOR ACTION.—The Secretary may take action under subparagraph (B) if the Secretary determines that any lender or holder of a guarantee certificate under subsection (c)—

"(i) has failed—

"(I) to maintain adequate accounting records;

"(II) to service adequately loans guaranteed under this section; or

"(III) to exercise proper credit or underwriting judgment; or

"(ii) has engaged in practices otherwise detrimental to the interest of a borrower or the United States.

"(B) ACTIONS.—Upon a determination by the Secretary that a holder of a guarantee certificate under subsection (c) has failed to carry out an activity described in subparagraph (A)(i) or has engaged in practices described in subparagraph (A)(ii), the Secretary may—

"(i) refuse, either temporarily or permanently, to guarantee any further loans made by such lender or holder;

"(ii) bar such lender or holder from acquiring additional loans guaranteed under this section; and

"(iii) require that such lender or holder assume not less than 10 percent of any loss on further loans made or held by the lender or holder that are guaranteed under this section.

"(2) CIVIL MONEY PENALTIES FOR INTENTIONAL VIOLATIONS.—

"(A) IN GENERAL.—The Secretary may impose a civil monetary penalty on a lender or holder of a guarantee certificate under subsection (d) if the Secretary determines that the holder or lender has intentionally failed—

"(i) to maintain adequate accounting records;

"(ii) to adequately service loans guaranteed under this section; or

"(iii) to exercise proper credit or underwriting judgment.

"(B) PENALTIES.—A civil monetary penalty imposed under this paragraph shall be imposed in the manner and be in an amount provided under section 536 of the National Housing Act (12 U.S.C.A. 1735f–1) with respect to mortgagees and lenders under that Act.

"(3) PAYMENT ON LOANS MADE IN GOOD FAITH.—Notwithstanding paragraphs (1) and (2), if a loan was made in good faith, the Secretary may not refuse to pay a lender or holder of a valid guarantee on that loan, without regard to whether the lender or holder is barred under this subsection.

"(i) PAYMENT UNDER GUARANTEE.—

"(1) LENDER OPTIONS.—

"(A) IN GENERAL.—

"(i) NOTIFICATION.—If a borrower on a loan guaranteed under this section defaults on the loan, the holder of the guarantee certificate shall provide written notice of the default to the Secretary.

"(ii) PAYMENT.—Upon providing the notice required under clause (i), the holder of the guarantee certificate shall be entitled to payment under the guarantee (subject to the provisions of this section) and may proceed to obtain payment in 1 of the following manners:

"(I) FORECLOSURE.—

"(aa) IN GENERAL.—The holder of the certificate may initiate foreclosure proceedings (after providing written notice of that action to the Secretary).

"(bb) PAYMENT.—Upon a final order by the court authorizing foreclosure and submission to the Secretary of a claim for payment under the guarantee, the Secretary shall pay to the holder of the certificate the pro rata portion of the amount guaranteed (as determined pursuant to subsection (f)) plus reasonable fees and expenses as approved by the Secretary.

"(cc) SUBROGATION.—The rights of the Secretary shall be subrogated to the rights of the holder of the guarantee. The holder shall assign the obligation and security to the Secretary.

"(II) NO FORECLOSURE.—

"(aa) IN GENERAL.—Without seeking foreclosure (or in any case in which a foreclosure proceeding initiated under clause (i) continues for a period in excess of 1 year), the holder of the guarantee may submit to the Secretary a request to assign the obligation and security interest to the Secretary in return for payment of the claim under the guarantee. The Secretary may accept assignment of the loan if the Secretary determines that the assignment is in the best interest of the United States.

"(bb) PAYMENT.—Upon assignment, the Secretary shall pay to the holder of the guarantee the pro rata portion of the amount guaranteed (as determined under subsection (f)).

"(cc) SUBROGATION.—The rights of the Secretary shall be subrogated to the rights of the holder of the guarantee. The holder shall assign the obligation and security to the Secretary.

"(B) REQUIREMENTS.—Before any payment under a guarantee is made under subparagraph (A), the holder of the guarantee shall exhaust all reasonable possibilities of collection. Upon payment, in whole or in part, to the holder, the note or judgment evidencing the debt shall be assigned to the United States and the holder shall have no further claim against the borrower or the United States. The Secretary shall then take such action to collect as the Secretary determines to be appropriate.

"(2) LIMITATIONS ON LIQUIDATION.—

"(A) IN GENERAL.—If a borrower defaults on a loan guaranteed under this section that involves a security interest in restricted Hawaiian Home Land property, the mortgagee or the Secretary shall only pursue liquidation after offering to transfer the account to another eligible Hawaiian family or the Department of Hawaiian Home Lands.

"(B) LIMITATION.—If, after action is taken under subparagraph (A), the mortgagee or the Secretary subsequently proceeds to liquidate the account, the mortgagee or the Secretary shall not sell, transfer, or otherwise dispose of or alienate the property described in subparagraph (A) except to another eligible Hawaiian family or to the Department of Hawaiian Home Lands.

"(j) HAWAIIAN HOUSING LOAN GUARANTEE FUND.—

"(1) ESTABLISHMENT.—There is established in the Treasury of the United States the Hawaiian Housing Loan Guarantee Fund for the purpose of providing loan guarantees under this section.

"(2) CREDITS.—The Guarantee Fund shall be credited with—

"(A) any amount, claims, notes, mortgages, contracts, and property acquired by the Secretary under this section, and any collections and proceeds therefrom;

"(B) any amounts appropriated pursuant to paragraph (7);

"(C) any guarantee fees collected under subsection (d); and

"(D) any interest or earnings on amounts invested under paragraph (4).

"(3) USE.—Amounts in the Guarantee Fund shall be available, to the extent provided in appropriations Acts, for—

"(A) fulfilling any obligations of the Secretary with respect to loans guaranteed under this section, including the costs (as that term is defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a)) of such loans;

"(B) paying taxes, insurance, prior liens, expenses necessary to make fiscal adjustment in connection with the application and transmittal of collections, and other expenses and advances to protect the Secretary for loans which are guaranteed under this section or held by the Secretary;

"(C) acquiring such security property at foreclosure sales or otherwise;

"(D) paying administrative expenses in connection with this section; and

"(E) reasonable and necessary costs of rehabilitation and repair to properties that the Secretary holds or owns pursuant to this section.

"(4) INVESTMENT.—Any amounts in the Guarantee Fund determined by the Secretary to be in excess of amounts currently required at the time of the determination to carry out this section may be invested in obligations of the United States.

"(5) LIMITATION ON COMMITMENTS TO GUARANTEE LOANS AND MORTGAGES.—

"(A) REQUIREMENT OF APPROPRIATIONS.—The authority of the Secretary to enter into commitments to guarantee loans under this section shall be effective for any fiscal year to the extent, or in such amounts as are, or have been, provided in appropriations Acts, without regard to the fiscal year for which such amounts were appropriated.

"(B) LIMITATIONS ON COSTS OF GUARANTEES.—The authority of the Secretary to enter into commitments to guarantee loans under this section shall be effective for any fiscal year only to the extent that amounts in the Guarantee Fund are or have been made available in appropriations Acts to cover the costs (as that term is defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a)) of such loan guarantees for such fiscal year. Any amounts appropriated pursuant to this subparagraph shall remain available until expended.

"(C) LIMITATION ON OUTSTANDING AGGREGATE PRINCIPAL AMOUNT.—Subject to the limitations in subparagraphs (A) and (B), the Secretary may enter into commitments to guarantee loans under this section for each of fiscal years 2000, 2001, 2002, 2003, and 2004 with an aggregate outstanding principal amount not exceeding $100,000,000 for each such fiscal year.

"(6) LIABILITIES.—All liabilities and obligations of the assets credited to the Guarantee Fund under paragraph (2)(A) shall be liabilities and obligations of the Guarantee Fund.

"(7) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Guarantee Fund to carry out this section such sums as may be necessary for each of fiscal years 2000, 2001, 2002, 2003, and 2004.

"(k) REQUIREMENTS FOR STANDARD HOUSING.—

"(1) IN GENERAL.—The Secretary shall, by regulation, establish housing safety and quality standards to be applied for use under this section.

"(2) STANDARDS.—The standards referred to in paragraph (1) shall—

"(A) provide sufficient flexibility to permit the use of various designs and materials in housing acquired with loans guaranteed under this section; and

"(B) require each dwelling unit in any housing acquired in the manner described in subparagraph (A) to—

"(i) be decent, safe, sanitary, and modest in size and design;

"(ii) conform with applicable general construction standards for the region in which the housing is located;

"(iii) contain a plumbing system that—

"(I) uses a properly installed system of piping;

"(II) includes a kitchen sink and a partitional bathroom with lavatory, toilet, and bath or shower; and

"(III) uses water supply, plumbing, and sewage disposal systems that conform to any minimum standards established by the applicable county or State;

"(iv) contain an electrical system using wiring and equipment properly installed to safely supply electrical energy for adequate lighting and for operation of appliances that conforms to any appropriate county, State, or national code;

"(v) be not less than the size provided under the applicable locally adopted standards for size of dwelling units, except that the Secretary, upon request of the Department of Hawaiian Home Lands may waive the size requirements under this paragraph; and

"(vi) conform with the energy performance requirements for new construction established by the Secretary under section 526(a) of the National Housing Act (12 U.S.C.A. 1735f-4), unless the Secretary determines that the requirements are not applicable.

"(l) APPLICABILITY OF CIVIL RIGHTS STATUTES.—To the extent that the requirements of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) or of title VIII of the Act popularly known as the 'Civil Rights Act of 1968' (42 U.S.C.A. 3601 et seq.) apply to a guarantee provided under this subsection, nothing in the requirements concerning discrimination on the basis of race shall be construed to prevent the provision of the guarantee to an eligible entity on the basis that the entity serves Native Hawaiian families or is a Native Hawaiian family.".

AMERICAN INDIAN EDUCATION FOUNDATION ACT OF 1999

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 334, S. 1290.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 1290) to amend title 36 of the United States Code to establish the American Indian Education Foundation, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the bill be read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 2513) was agreed to.

The bill (S. 1290) was read the third time and passed, as follows:

S. 1290

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "American Indian Education Foundation Act of 1999".

SEC. 2. AMERICAN INDIAN EDUCATION FOUNDATION.

(a) IN GENERAL.—Part B of subtitle II of title 36, United States Code, is amended by inserting after chapter 215 the following:

"CHAPTER 216. AMERICAN INDIAN EDUCATION FOUNDATION

"Sec.
"21601. Organization.
"21602. Purposes.
"21603. Governing body.
"21604. Powers.
"21605. Principal office.
"21606. Service of process.
"21607. Liability of officers and agents.
"21608. Restrictions.
"21609. Transfer of donated funds.

"§ 21601. Organization

"(a) FEDERAL CHARTER.—The American Indian Education Foundation (referred to in this chapter as the 'foundation') is a federally chartered corporation.

"(b) PERPETUAL EXISTENCE.—Except as otherwise provided, the foundation has perpetual existence.

"(c) NATURE OF CORPORATION.—The foundation is a charitable and nonprofit corporation and is not an agency or instrumentality of the United States.

"(d) PLACE OF INCORPORATION AND DOMICILE.—The foundation is declared to be incorporated and domiciled in the District of Columbia.

"(e) DEFINITIONS.—In this chapter:

"(1) AMERICAN INDIAN.—The term 'American Indian' has the meaning given the term 'Indian' in section 4(d) of the Indian Self-Determination and Assistance Act (25 U.S.C. 450b(d)).

"(2) BUREAU FUNDED SCHOOL.—The term 'Bureau funded school' has the meaning given that term in section 1146 of the Education Amendments of 1978 (25 U.S.C. 2026).

"§ 21602. Purposes

"The purposes of the foundation are—

"(1) to encourage, accept, and administer private gifts of real and personal property or any income therefrom or other interest therein for the benefit of, or in support of, the mission of the Office of Indian Education Programs of the Bureau of Indian Affairs (or its successor office);

"(2) to undertake and conduct such other activities as will further the educational opportunities of American Indians who attend a Bureau funded school; and

"(3) to participate with, and otherwise assist, Federal, State, and tribal governments, agencies, entities, and individuals in undertaking and conducting activities that will further the educational opportunities of American Indians attending Bureau funded schools.

"§ 21603. Governing body

"(a) BOARD OF DIRECTORS.—

"(1) IN GENERAL.—The board of directors (referred to in this chapter as the 'board') is the governing body of the foundation. The board may exercise, or provide for the exercise of, the powers of the foundation.

"(2) COMPOSITION OF BOARD.—Subject to section 3 of the American Indian Education Foundation Act of 1999—

"(A) the number of members of the board, the manner of selection of those members, the filling of vacancies for the board, and terms of office of the members of the board shall be as provided in the constitution and bylaws of the foundation; except that

"(B) the board shall have at least 11 members, 2 of whom shall be the Secretary of the Interior and the Assistant Secretary of the Interior for Indian Affairs, who shall serve as ex officio nonvoting members.

"(3) CITIZENSHIP OF MEMBERS.—The members of the board shall be United States citizens who are knowledgeable or experienced in American Indian education and shall, to the extent practicable, represent diverse points of view relating to the education of American Indians.

"(b) OFFICERS.—

"(1) IN GENERAL.—The officers of the foundation shall be a secretary elected from among the members of the board and any other officers provided for in the constitution and bylaws of the foundation.

"(2) QUALIFICATIONS AND DUTIES OF SECRETARY.—The secretary shall—

"(A) serve, at the direction of the board, as its chief operating officer; and

"(B) be knowledgeable and experienced in matters relating to education in general and education of American Indians in particular.

"(3) ELECTION, TERMS, AND DUTIES OF MEMBERS.—The manner of election, term of office, and duties of the officers shall be as provided in the constitution and bylaws of the foundation.

"(c) COMPENSATION.—

"(1) IN GENERAL.—Except as provided in paragraph (2), no compensation shall be paid to a member of the board by reason of service as a member.

"(2) TRAVEL EXPENSES.—A member of the board shall be reimbursed for actual and necessary travel and subsistence expenses incurred by that member in the performance of the duties of the foundation.

"§ 21604. Powers

"The foundation—

"(1) shall adopt a constitution and bylaws for the management of its property and the regulation of its affairs, which may be amended;

"(2) shall adopt and alter a corporate seal;

"(3) may make contracts, subject to the limitations of this chapter;

"(4) may acquire (through a gift or otherwise), own, lease, encumber, and transfer real or personal property as necessary or convenient to carry out the purposes of the foundation;

"(5) may sue and be sued; and

"(6) may carry out any other act necessary and proper to carry out the purposes of the foundation.

"§ 21605. Principal office

"The principal office of the foundation shall be in the District of Columbia. The activities of the foundation may be conducted, and offices may be maintained, throughout the United States in accordance with the constitution and bylaws of the foundation.

"§ 21606. Service of process

"The foundation shall comply with the law on service of process of each State in which it is incorporated and of each State in which the foundation carries on activities.

"§ 21607. Liability of officers and agents

"The foundation shall be liable for the acts of its officers and agents acting within the scope of their authority. Members of the board shall be personally liable only for gross negligence in the performance of their duties.

"§ 21608. Restrictions

"(a) LIMITATION ON SPENDING.—Beginning with the fiscal year following the first full fiscal year during which the foundation is in operation, the administrative costs of the foundation may not exceed 10 percent of the sum of—

"(1) the amounts transferred to the foundation under section 21609 during the preceding fiscal year; and

"(2) donations received from private sources during the preceding fiscal year.

"(b) APPOINTMENT AND HIRING.—The appointment of officers and employees of the foundation shall be subject to the availability of funds.

"(c) STATUS.—The members of the board, and the officers, employees, and agents of the foundation shall not, by reason of their association with the foundation, be considered to be officers, employees, or agents of the United States.

"§ 21609. Transfer of donated funds

"The Secretary of the Interior may transfer to the foundation funds held by the Department of the Interior under the Act of February 14, 1931 (46 Stat. 1106, chapter 171; 25 U.S.C. 451), if the transfer or use of such funds is not prohibited by any term under which the funds were donated.".

(b) CLERICAL AMENDMENT.—The table of chapters for part B of subtitle II of title 36, United States Code, is amended by inserting after the item relating to chapter 215 the following:

"216. American Indian Education Foundation .... 21601".

SEC. 3. INITIAL PERIOD AFTER ESTABLISHMENT.

(a) BOARD OF DIRECTORS.—

(1) INITIAL BOARD.—Not later than 6 months after the date of enactment of this Act, the Secretary of the Interior shall appoint the initial voting members of the board of directors under section 21603 of title 36, United States Code (referred to in this section as the "board"). The initial members of the board shall have staggered terms (as determined by the Secretary of the Interior).

(2) SUCCESSIVE BOARDS.—The composition of all successive boards after the initial board shall be in conformity with the constitution and bylaws of the American Indian Education Foundation organized under chapter 216 of title 36, United States Code (referred to in this section as the "foundation").

(b) ADMINISTRATIVE SERVICES AND SUPPORT.—

(1) PROVISION OF SUPPORT BY SECRETARY.—Subject to paragraph (2), during the 5-year period beginning on the date of enactment of this Act, the Secretary of the Interior—

(A) may provide personnel, facilities, and other administrative support services to the foundation;

(B) may provide funds to reimburse the travel expenses of the members of the board under section 21603(c)(2) of title 36, United States Code; and

(C) shall require and accept reimbursements from the foundation for any—

(i) services provided under subparagraph (A); and

(ii) funds provided under subparagraph (B).

(2) REIMBURSEMENT.—Reimbursements accepted under paragraph (1)(C) shall be deposited in the Treasury to the credit of the appropriations then current and chargeable for the cost of providing services described in paragraph (1)(A) and the travel expenses described in paragraph (1)(B).

(3) CONTINUATION OF CERTAIN SERVICES.—Notwithstanding any other provision of this section, the Secretary of the Interior may continue to provide facilities and necessary support services to the foundation after the termination of the 5-year period specified in paragraph (1), on a space available, reimbursable cost basis.

CHIPPEWA CREE TRIBE OF THE ROCKY BOY'S RESERVATION INDIAN RESERVED WATER RIGHTS SETTLEMENT ACT OF 1999

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of calendar No. 297, S. 438.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 438) to provide for the settlement of the water rights claims for the Chippewa Cree Tribe of the Rocky Boy's Reservation, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 2512

(Purpose: To provide a complete substitute)

Mr. GRASSLEY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY], for Mr. BURNS, for himself and Mr. BAUCUS, proposes an amendment numbered 2512.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. BURNS. Mr. President, I am pleased to urge passage of S. 438, The Chippewa Cree Tribe of the Rocky Boy's Reservation Indian Reserved Water Rights Settlement Act of 1999, introduced by myself and Senator BAUCUS of Montana. S. 438 is the ratification of an agreement among the United States, the State of Montana and the Chippewa Cree Tribe settling the water rights of the Tribe in Montana. This represents a fair and equitable settlement that will enhance the ability of the Tribe to develop a sustainable economy while protecting existing investments in water use by off-Reservation ranchers who rely on water for their livelihoods.

The Settlement was negotiated with extensive involvement by the Tribe and its members, the State of Montana, the Administration, and the water users who own private land on streams shared with the Reservation. It has the support of all those affected and received the overwhelming support of the Montana Legislature when presented for ratification in 1997.

It is a tribute to the Governor of Montana, Marc Racicot, represented by the Reserved Water Rights Compact Commission; the chairman of the Tribe, Bert Corcoran and the Tribe Negotiating Team; David Hayes, Acting Deputy Secretary of the Interior, the Federal negotiating team; and the water users on Big Sandy and Beaver Creeks in the Milk River valley of Montana, that this Compact represents a truly local solution that takes into account the needs and sovereign rights of each party.

In addition to ratifying the Settlement, the bill provides the necessary authorization for funding to develop the water resources on the Reservation and to assure a safe drinking water supply for the Tribe. For several years we have worked closely with the Senate Indian Affairs and Energy Committees to fashion a bill that is consistent with federal policy toward Indian tribes. Thanks to the substantial efforts of the Committees, I believe we have accomplished that goal.

This is the first Indian water right settlement to come before Congress in many years. in approving the Chippewa Cree Settlement Act, we have the opportunity to send the message to western States that we endorse negotiation as the preferred method of Indian water right quantification, and that we will defer to States and Tribes to fashion their own approach to the allocation of water.

In closing, I believe that the Chippewa Cree Tribe of the Rocky Boy's Reservation Indian Reserved Water Rights Settlement Act is an historic agreement. This is truly a local solution that takes into account the needs and sovereign rights of each party. Just as the mentioned parties have worked closely together to get us to the submission of this bill today, I want to thank all members of Congress with whom I worked closely to ensure passage of this important bill.

Mr. BAUCUS. Mr. President, I am so pleased that the Senate will pass the Chippewa Cree Tribe of the Rocky Boy's Reservation Reserved Water Rights Settlement. The legislation ratifies the Compact approved by the State and the Tribe in 1997. I was proud to sponsor this legislation in the 105th with Senator BURNS as a co-sponsor, and had the 2nd Session of that Congress lasted a few more weeks, I believe the bill would have been approved by the Senate. Once again this year, Senator BURNS and I jointly introduced this legislation. The passage of this bill is the culmination of 16 years of extensive technical studies and six years of rather intensive negotiations in our state involving the Chippewa Cree Tribe, the Montana State government, off-Reservation county and municipal governments in north-central Montana, local ranchers, and the United States Departments of Justice and Interior.

The 122,000-acre Rocky Boy's Reservation sits west of Havre, Montana on several tributaries of the Milk River on what was formerly the Fort Assiniboine Military Reserve. Unfortunately, the portion of the land reserved for the Chippewa Cree is rough and arid. Without irrigation, much of the land is not suitable for farming. Recent studies have demonstrated that the Reservation could not sustain the membership of the Chippewa Cree Tribe as a permanent homeland without an infusion of additional water. The development of a viable reservation economy calls for more water for drinking purposes, as well as for agriculture and other municipal uses. In 1982, acting in its fiduciary capacity as trustee for the Tribe, the United States filed a claim for the water rights of the Chippewa Cree in the State of Montana general stream adjudication. Were it not for the negotiated settlement represented by this legislation, divisive and costly litigation would be pending between the State, the Tribe, the United States and non-Indian ranchers for many years to come. Fortunately, in 1979, the Montana legislature articulated a policy in favor of negotiation and established the Montana Reserved Water Rights Compact Commission to negotiate compacts for the equitable division and apportionment of waters between the state and its people and several Indian tribes claiming reserved water rights within the state.

From the initial meeting in 1992, to the conclusion of an agreed on water rights Compact in 1997, the State, the Federal Government and the Tribe acted in good faith and worked together to explore options. This culminated in passage of a resolution by the Chippewa Cree Tribal Council to ratify the Compact on January 9, 1997. Following overwhelming approval by the Montana Legislature and appropriation of funds for implementation, Governor Marc Racicot signed the Compact into state law on April 14, 1997. Subsequent negotiation, in which staff from my office assisted the State and Tribe, resulted in approval by the United States Departments of the Interior and Justice and drafting of this bill by the three parties.

The litigation filed in State water court in 1982 is stayed pending the outcome of this bill. Once passed, the United States, the Tribe and the State of Montana will petition the Montana Water Court to enter a decree reflecting the water rights of the Tribe.

I thank my colleagues for supporting this very positive legislation. After years of hard work and negotiations, we have a victory to be thankful for at last.

Mr. President, I yield the floor.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the amendment be agreed to, the bill be read the third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 2512) was agreed to.

The bill (S. 438), as amended, was read the third time and passed, as follows:

S. 438

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION. 1. SHORT TITLE.

This Act may be cited as the "Chippewa Cree Tribe of The Rocky Boy's Reservation Indian Reserved Water Rights Settlement and Water Supply Enhancement Act of 1999".

SEC. 2. FINDINGS.

Congress finds that—

(1) in fulfillment of its trust responsibility to Indian tribes and to promote tribal sovereignty and economic self-sufficiency, it is the policy of the United States to settle the water rights claims of the tribes without lengthy and costly litigation;

(2) the Rocky Boy's Reservation was established as a homeland for the Chippewa Cree Tribe;

(3) adequate water for the Chippewa Cree Tribe of the Rocky Boy's Reservation is important to a permanent, sustainable, and sovereign homeland for the Tribe and its members;

(4) the sovereignty of the Chippewa Cree Tribe and the economy of the Reservation depend on the development of the water resources of the Reservation;

(5) the planning, design, and construction of the facilities needed to utilize water supplies effectively are necessary to the development of a viable Reservation economy and to implementation of the Chippewa Cree-Montana Water Rights Compact;

(6) the Rocky Boy's Reservation is located in a water-short area of Montana and it is appropriate that the Act provide funding for the development of additional water supplies, including domestic water, to meet the needs of the Chippewa Cree Tribe;

(7) proceedings to determine the full extent of the water rights of the Chippewa Cree Tribe are currently pending before the Montana Water Court as a part of In the Matter of the Adjudication of All Rights to the Use of Water, Both Surface and Underground, within the State of Montana;

(8) recognizing that final resolution of the general stream adjudication will take many years and entail great expense to all parties, prolong uncertainty as to the availability of water supplies, and seriously impair the long-term economic planning and development of all parties, the Chippewa Cree Tribe and the State of Montana entered into the Compact on April 14, 1997; and

(9) the allocation of water resources from the Tiber Reservoir to the Chippewa Cree Tribe under this Act is uniquely suited to the geographic, social, and economic characteristics of the area and situation involved.

SEC. 3. PURPOSES.

The purposes of this Act are as follows:

(1) To achieve a fair, equitable, and final settlement of all claims to water rights in the State of Montana for—

(A) the Chippewa Cree Tribe; and

(B) the United States for the benefit of the Chippewa Cree Tribe.

(2) To approve, ratify, and confirm, as modified in this Act, the Chippewa Cree-Montana Water Rights Compact entered into by the Chippewa Cree Tribe of the Rocky Boy's Reservation and the State of Montana on April 14, 1997, and to provide funding and other authorization necessary for the implementation of the Compact.

(3) To authorize the Secretary of the Interior to execute and implement the Compact referred to in paragraph (2) and to take such other actions as are necessary to implement the Compact in a manner consistent with this Act.

(4) To authorize Federal feasibility studies designed to identify and analyze potential mechanisms to enhance, through conservation or otherwise, water supplies in North Central Montana, including mechanisms to import domestic water supplies for the future growth of the Rocky Boy's Indian Reservation.

(5) To authorize certain projects on the Rocky Boy's Indian Reservation, Montana, in order to implement the Compact.

(6) To authorize certain modifications to the purposes and operation of the Bureau of Reclamation's Tiber Dam and Lake Elwell on the Marias River in Montana in order to provide the Tribe with an allocation of water from Tiber Reservoir.

(7) To authorize the appropriation of funds necessary for the implementation of the Compact.

SEC. 4. DEFINITIONS.

In this Act:

(1) Act.—The term "Act" means the "Chippewa Cree Tribe of The Rocky Boy's Reservation Indian Reserved Water Rights Settlement and Water Supply Enhancement Act of 1999".

(2) Compact.—The term "Compact" means the water rights compact between the Chippewa Cree Tribe of the Rocky Boy's Reservation and the State of Montana contained in section 85-20-601 of the Montana Code Annotated (1997).

(3) Final.—The term "final" with reference to approval of the decree in section 101(b) means completion of any direct appeal to the Montana Supreme Court of a final decree by the Water Court pursuant to section 85-2-235 of the Montana Code Annotated (1997), or to the Federal Court of Appeals, including the expiration of the time in which a petition for certiorari may be filed in the United States Supreme Court, denial of such a petition, or the issuance of the Supreme Court's mandate, whichever occurs last.

(4) Fund.—The term "Fund" means the Chippewa Cree Indian Reserved Water Rights Settlement Fund established under section 104.

(5) Indian tribe.—The term "Indian tribe" has the meaning given that term in section 101(2) of the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. 479a(2)).

(6) MR&I feasibility study.—The term "MR&I feasibility study" means a municipal, rural, and industrial, domestic, and incidental drought relief feasibility study described in section 202.

(7) Missouri river system.—The term "Missouri River System" means the mainstem of the Missouri River and its tributaries, including the Marias River.

(8) Reclamation law.—The term "Reclamation Law" has the meaning given the term "reclamation law" in section 4 of the Act of December 5, 1924 (43 Stat. 701, chapter 4; 43 U.S.C. 371).

(9) Rocky boy's reservation; reservation.—The term "Rocky Boy's Reservation" or "Reservation" means the Rocky Boy's Reservation of the Chippewa Cree Tribe in Montana.

(10) Secretary.—The term "Secretary" means the Secretary of the Interior, or his or her duly authorized representative.

(11) Towe Ponds.—The term "Towe Ponds" means the reservoir or reservoirs referred to as "Stoneman Reservoir" in the Compact.

(12) Tribal compact administration.—The term "Tribal Compact Administration" means the activities assumed by the Tribe for implementation of the Compact as set forth in Article IV of the Compact.

(13) Tribal water code.—The term "tribal water code" means a water code adopted by the Tribe, as provided in the Compact.

(14) Tribal water right.—

(A) In general.—The term "Tribal Water Right" means the water right set forth in section 85-20-601 of the Montana Code Annotated (1997) and includes the water allocation set forth in Title II of this Act.

(B) Rule of construction.—The definition of the term "Tribal Water Right" under this paragraph and the treatment of that right under this Act shall not be construed or interpreted as a precedent for the litigation of reserved water rights or the interpretation or administration of future compacts between the United States and the State of Montana or any other State.

(15) Tribe.—The term "Tribe" means the Chippewa Cree Tribe of the Rocky Boy's Reservation and all officers, agents, and departments thereof.

(16) WATER DEVELOPMENT.—The term "water development" includes all activities that involve the use of water or modification of water courses or water bodies in any way.

SEC. 5. MISCELLANEOUS PROVISIONS.

(a) NONEXERCISE OF TRIBE'S RIGHTS.—Pursuant to Tribal Resolution No. 40–98, and in exchange for benefits under this Act, the Tribe shall not exercise the rights set forth in Article VII.A.3 of the Compact, except that in the event that the approval, ratification, and confirmation of the Compact by the United States becomes null and void under section 101(b), the Tribe shall have the right to exercise the rights set forth in Article VII.A.3 of the Compact.

(b) WAIVER OF SOVEREIGN IMMUNITY.—Except to the extent provided in subsections (a), (b), and (c) of section 208 of the Department of Justice Appropriation Act, 1953 (43 U.S.C. 666), nothing in this Act may be construed to waive the sovereign immunity of the United States.

(c) TRIBAL RELEASE OF CLAIMS AGAINST THE UNITED STATES.—

(1) IN GENERAL.—Pursuant to Tribal Resolution No. 40–98, and in exchange for benefits under this Act, the Tribe shall, on the date of enactment of this Act, execute a waiver and release of the claims described in paragraph (2) against the United States, the validity of which are not recognized by the United States, except that—

(A) the waiver and release of claims shall not become effective until the appropriation of the funds authorized in section 105, the water allocation in section 201, and the appropriation of funds for the MR&I feasibility study authorized in section 204 have been completed and the decree has become final in accordance with the requirements of section 101(b); and

(B) in the event that the approval, ratification, and confirmation of the Compact by the United States becomes null and void under section 101(b), the waiver and release of claims shall become null and void.

(2) CLAIMS DESCRIBED.—The claims referred to in paragraph (1) are as follows:

(A) Any and all claims to water rights (including water rights in surface water, ground water, and effluent), claims for injuries to water rights, claims for loss or deprivation of use of water rights, and claims for failure to acquire or develop water rights for lands of the Tribe from time immemorial to the date of ratification of the Compact by Congress.

(B) Any and all claims arising out of the negotiation of the Compact and the settlement authorized by this Act.

(3) SETOFFS.—In the event the waiver and release do not become effective as set forth in paragraph (1)—

(A) the United States shall be entitled to setoff against any claim for damages asserted by the Tribe against the United States, any funds transferred to the Tribe pursuant to section 104, and any interest accrued thereon up to the date of setoff; and

(B) the United States shall retain any other claims or defenses not waived in this Act or in the Compact as modified by this Act.

(d) OTHER TRIBES NOT ADVERSELY AFFECTED.—Nothing in this Act shall be construed to quantify or otherwise adversely affect the land and water rights, or claims or entitlements to land or water of an Indian tribecc other than the Chippewa Cree Tribe.

(e) ENVIRONMENTAL COMPLIANCE.—In implementing the Compact, the Secretary shall comply with all aspects of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.), and all other applicable environmental Acts and regulations.

(f) EXECUTION OF COMPACT.—The execution of the Compact by the Secretary as provided for in this Act shall not constitute a major Federal action under the National Environmental Policy Act (42 U.S.C. 4321 et seq.). The Secretary is directed to carry out all necessary environmental compliance required by Federal law in implementing the Compact.

(g) CONGRESSIONAL INTENT.—Nothing in this Act shall be construed to prohibit the Tribe from seeking additional authorization or appropriation of funds for tribal programs or purposes.

(h) ACT NOT PRECEDENTIAL.—Nothing in this Act shall be construed or interpreted as a precedent for the litigation of reserved water rights or the interpretation or administration of future water settlement Acts.

TITLE I—CHIPPEWA CREE TRIBE OF THE ROCKY BOY'S RESERVATION INDIAN RESERVED WATER RIGHTS SETTLEMENT

SEC. 101. RATIFICATION OF COMPACT AND ENTRY OF DECREE.

(a) WATER RIGHTS COMPACT APPROVED.—Except as modified by this Act, and to the extent the Compact does not conflict with this Act—

(1) the Compact, entered into by the Chippewa Cree Tribe of the Rocky Boy's Reservation and the State of Montana on April 14, 1997, is hereby approved, ratified, and confirmed; and

(2) the Secretary shall—

(A) execute and implement the Compact together with any amendments agreed to by the parties or necessary to bring the Compact into conformity with this Act; and

(B) take such other actions as are necessary to implement the Compact.

(b) APPROVAL OF DECREE.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the United States, the Tribe, or the State of Montana shall petition the Montana Water Court, individually or jointly, to enter and approve the decree agreed to by the United States, the Tribe, and the State of Montana attached as Appendix 1 to the Compact, or any amended version thereof agreed to by the United States, the Tribe, and the State of Montana.

(2) RESORT TO THE FEDERAL DISTRICT COURT.—Under the circumstances set forth in Article VII.B.4 of the Compact, 1 or more parties may file an appropriate motion (as provided in that article) in the United States district court of appropriate jurisdiction.

(3) EFFECT OF FAILURE OF APPROVAL TO BECOME FINAL.—In the event the approval by the appropriate court, including any direct appeal, does not become final within 3 years after the filing of the decree, or the decree is approved but is subsequently set aside by the appropriate court—

(A) the approval, ratification, and confirmation of the Compact by the United States shall be null and void; and

(B) except as provided in subsections (a) and (c)(3) of section 5 and section 105(e)(1), this Act shall be of no further force and effect.

SEC. 102. USE AND TRANSFER OF THE TRIBAL WATER RIGHT.

(a) ADMINISTRATION AND ENFORCEMENT.—As provided in the Compact, until the adoption and approval of a tribal water code by the Tribe, the Secretary shall administer and enforce the Tribal Water Right.

(b) TRIBAL MEMBER ENTITLEMENT.—

(1) IN GENERAL.—Any entitlement to Federal Indian reserved water of any tribal member shall be satisfied solely from the water secured to the Tribe by the Compact and shall be governed by the terms and conditions of the Compact.

(2) ADMINISTRATION.—An entitlement described in paragraph (1) shall be administered by the Tribe pursuant to a tribal water code developed and adopted pursuant to Article IV.A.2 of the Compact, or by the Secretary pending the adoption and approval of the tribal water code.

(c) TEMPORARY TRANSFER OF TRIBAL WATER RIGHT.—The Tribe may, with the approval of the Secretary and the approval of the State of Montana pursuant to Article IV.A.4 of the Compact, transfer any portion of the Tribal water right for use off the Reservation by service contract, lease, exchange, or other agreement. No service contract, lease, exchange, or other agreement entered into under this subsection may permanently alienate any portion of the Tribal water right. The enactment of this subsection shall constitute a plenary exercise of the powers set forth in Article I, section 8(3) of the United States Constitution and is statutory law of the United States within the meaning of Article IV.A.4.b.(3) of the Compact.

SEC. 103. ON-RESERVATION WATER RESOURCES DEVELOPMENT.

(a) WATER DEVELOPMENT PROJECTS.—The Secretary, acting through the Bureau of Reclamation, is authorized and directed to plan, design, and construct, or to provide, pursuant to subsection (b), for the planning, design. and construction of the following water development projects on the Rocky Boy's Reservation:

(1) Bonneau Dam and Reservoir Enlargement.

(2) East Fork of Beaver Creek Dam Repair and Enlargement.

(3) Brown's Dam Enlargement.

(4) Towe Ponds' Enlargement.

(5) Such other water development projects as the Tribe shall from time to time consider appropriate.

(b) IMPLEMENTATION AGREEMENT.—The Secretary, at the request of the Tribe, shall enter into an agreement, or, if appropriate, renegotiate an existing agreement, with the Tribe to implement the provisions of this Act through the Tribe's annual funding agreement entered into under the self-governance program under title IV of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 458aa et seq.) by which the Tribe shall plan, design, and construct any or all of the projects authorized by this section.

(c) BUREAU OF RECLAMATION PROJECT ADMINISTRATION.—

(1) IN GENERAL.—Congress finds that the Secretary, through the Bureau of Reclamation, has entered into an agreement with the Tribe, pursuant to title IV of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 458aa et seq.)—

(A) defining and limiting the role of the Bureau of Reclamation in its administration of the projects authorized in subsection (a);

(B) establishing the standards upon which the projects will be constructed; and

(C) for other purposes necessary to implement this section.

(2) AGREEMENT.—The agreement referred to in paragraph (1) shall become effective when the Tribe exercises its right under subsection (b).

SEC. 104. CHIPPEWA CREE INDIAN RESERVED WATER RIGHTS SETTLEMENT TRUST FUND.

(a) ESTABLISHMENT OF TRUST FUND.—

(1) IN GENERAL.—

(A) ESTABLISHMENT.—There is hereby established in the Treasury of the United States a trust fund for the Chippewa Cree Tribe of the Rocky Boy's Reservation to be known as the "Chippewa Cree Indian Reserved Water Rights Settlement Trust Fund".

(B) AVAILABILITY OF AMOUNTS IN FUND.—

(i) IN GENERAL.—Amounts in the Fund shall be available to the Secretary for management and investment on behalf of the Tribe and distribution to the Tribe in accordance with this Act.

(ii) AVAILABILITY.—Funds made available from the Fund under this section shall be available without fiscal year limitation.

(2) MANAGEMENT OF FUND.—The Secretary shall deposit and manage the principal and interest in the Fund in a manner consistent with subsection (b) and other applicable provisions of this Act.

(3) CONTENTS OF FUND.—The Fund shall consist of the amounts authorized to be appropriated to the Fund under section 105(a) and such other amounts as may be transferred or credited to the Fund.

(4) WITHDRAWAL.—The Tribe, with the approval of the Secretary, may withdraw the Fund and deposit it in a mutually agreed upon private financial institution. That withdrawal shall be made pursuant to the American Indian Trust Fund Management Reform Act of 1994 (25 U.S.C. 4001 et seq.).

(5) ACCOUNTS.—The Secretary of the Interior shall establish the following accounts in the Fund and shall allocate appropriations to the various accounts as required in this Act:

(A) The Tribal Compact Administration Account.

(B) The Economic Development Account.

(C) The Future Water Supply Facilities Account.

(b) FUND MANAGEMENT.—

(1) IN GENERAL.—

(A) AMOUNTS IN FUND.—The Fund shall consist of such amounts as are appropriated to the Fund and allocated to the accounts of the Fund by the Secretary as provided for in this Act and in accordance with the authorizations for appropriations in paragraphs (1), (2), and (3) of section 105(a), together with all interest that accrues in the Fund.

(B) MANAGEMENT BY SECRETARY.—The Secretary shall manage the Fund, make investments from the Fund, and make available funds from the Fund for distribution to the Tribe in a manner consistent with the American Indian Trust Fund Management Reform Act of 1994 (25 U.S.C. 4001 et seq.).

(2) TRIBAL MANAGEMENT.—

(A) IN GENERAL.—If the Tribe exercises its right pursuant to subsection (a)(4) to withdraw the Fund and deposit it in a private financial institution, except as provided in the withdrawal plan, neither the Secretary nor the Secretary of the Treasury shall retain any oversight over or liability for the accounting, disbursement, or investment of the funds.

(B) WITHDRAWAL PLAN.—The withdrawal plan referred to in subparagraph (A) shall provide for—

(i) the creation of accounts and allocation to accounts in a fund established under the plan in a manner consistent with subsection (a); and

(ii) the appropriate terms and conditions, if any, on expenditures from the fund (in addition to the requirements of the plans set forth in paragraphs (2) and (3) of subsection (c)).

(c) USE OF FUND.—The Tribe shall use the Fund to fulfill the purposes of this Act, subject to the following restrictions on expenditures:

(1) Except for $400,000 necessary for capital expenditures in connection with Tribal Compact Administration, only interest accrued on the Tribal Compact Administration Account referred to in subsection (a)(5)(A) shall be available to satisfy the Tribe's obligations for Tribal Compact Administration under the provisions of the Compact.

(2) Both principal and accrued interest on the Economic Development Account referred to in subsection (a)(5)(B) shall be available to the Tribe for expenditure pursuant to an economic development plan approved by the Secretary.

(3) Both principal and accrued interest on the Future Water Supply Facilities Account referred to in subsection (a)(5)(C) shall be available to the Tribe for expenditure pursuant to a water supply plan approved by the Secretary.

(d) INVESTMENT OF FUND.—

(1) IN GENERAL.—

(A) APPLICABLE LAWS.—The Secretary shall invest amounts in the Fund in accordance with—

(i) the Act of April 1, 1880 (21 Stat. 70, chapter 41; 25 U.S.C. 161);

(ii) the first section of the Act entitled "An Act to authorize the payment of interest of certain funds held in trust by the United States for Indian tribes", approved February 12, 1929 (25 U.S.C. 161a); and

(iii) the first section of the Act entitled "An Act to authorize the deposit and investment of Indian funds", approved June 24, 1938 (25 U.S.C.162a).

(B) CREDITING OF AMOUNTS TO THE FUND.—The interest on, and the proceeds from the sale or redemption of, any obligations of the United States held in the Fund shall be credited to and form part of the Fund. The Secretary of the Treasury shall credit to each of the accounts contained in the Fund a proportionate amount of that interest and proceeds.

(2) CERTAIN WITHDRAWN FUNDS.—

(A) IN GENERAL.—Amounts withdrawn from the Fund and deposited in a private financial institution pursuant to a withdrawal plan approved by the Secretary under the American Indian Trust Fund Management Reform Act of 1994 (25 U.S.C. 4001 et seq.) shall be invested by an appropriate official under that plan.

(B) DEPOSIT OF INTEREST AND PROCEEDS.—The interest on, and the proceeds from the sale or redemption of, any obligations held under this paragraph shall be deposited in the private financial institution referred to in subparagraph (A) in the fund established pursuant to the withdrawal plan referred to in that subparagraph. The appropriate official shall credit to each of the accounts contained in that fund a proportionate amount of that interest and proceeds.

(e) AGREEMENT REGARDING FUND EXPENDITURES.—If the Tribe does not exercise its right under subsection (a)(4) to withdraw the funds in the Fund and transfer those funds to a private financial institution, the Secretary shall enter into an agreement with the Tribe providing for appropriate terms and conditions, if any, on expenditures from the Fund in addition to the plans set forth in paragraphs (2) and (3) of subsection (c).

(f) PER CAPITA DISTRIBUTIONS PROHIBITED.—No part of the Fund shall be distributed on a per capita basis to members of the Tribe.

SEC. 105. AUTHORIZATION OF APPROPRIATIONS.

(a) CHIPPEWA CREE FUND.—There is authorized to be appropriated for the Fund, $21,000,000 to be allocated by the Secretary as follows:

(1) TRIBAL COMPACT ADMINISTRATION ACCOUNT.—For Tribal Compact Administration assumed by the Tribe under the Compact and this Act, $3,000,000 is authorized to be appropriated for fiscal year 2000.

(2) ECONOMIC DEVELOPMENT ACCOUNT.—For tribal economic development, $3,000,000 is authorized to be appropriated for fiscal year 2000.

(3) FUTURE WATER SUPPLY FACILITIES ACCOUNT.—For the total Federal contribution to the planning, design, construction, operation, maintenance, and rehabilitation of a future water supply system for the Reservation, there are authorized to be appropriated—

(A) $2,000,000 for fiscal year 2000;

(B) $8,000,000 for fiscal year 2001; and

(C) $5,000,000 for fiscal year 2002.

(b) ON-RESERVATION WATER DEVELOPMENT.—

(1) IN GENERAL.—There are authorized to be appropriated to the Department of the Interior, for the Bureau of Reclamation, for the construction of the on-Reservation water development projects authorized by section 103—

(A) $13,000,000 for fiscal year 2000, for the planning, design, and construction of the Bonneau Dam Enlargement, for the development of additional capacity in Bonneau Reservoir for storage of water secured to the Tribe under the Compact;

(B) $8,000,000 for fiscal year 2001, for the planning, design, and construction of the East Fork Dam and Reservoir enlargement, of the Brown's Dam and Reservoir enlargement, and of the Towe Ponds enlargement of which—

(i) $4,000,000 shall be used for the East Fork Dam and Reservoir enlargement;

(ii) $2,000,000 shall be used for the Brown's Dam and Reservoir enlargement; and

(iii) $2,000,000 shall be used for the Towe Ponds enlargement; and

(C) $3,000,000 for fiscal year 2002, for the planning, design, and construction of such other water resource developments as the Tribe, with the approval of the Secretary, from time to time may consider appropriate or for the completion of the 4 projects enumerated in subparagraphs (A) and (B) of paragraph (1).

(2) UNEXPENDED BALANCES.—Any unexpended balance in the funds authorized to be appropriated under subparagraph (A) or (B) of paragraph (1), after substantial completion of all of the projects enumerated in paragraphs (1) through (4) of section 103(a)—

(A) shall be available to the Tribe first for completion of the enumerated projects; and

(B) then for other water resource development projects on the Reservation.

(c) ADMINISTRATION COSTS.—There is authorized to be appropriated to the Department of the Interior, for the Bureau of Reclamation, $1,000,000 for fiscal year 2000, for the costs of administration of the Bureau of Reclamation under this Act, except that—

(1) if those costs exceed $1,000,000, the Bureau of Reclamation may use funds authorized for appropriation under subsection (b) for costs; and

(2) the Bureau of Reclamation shall exercise its best efforts to minimize those costs to avoid expenditures for the costs of administration under this Act that exceed a total of $1,000,000.

(d) AVAILABILITY OF FUNDS.—

(1) IN GENERAL.—The amounts authorized to be appropriated to the Fund and allocated to its accounts pursuant to subsection (a)

shall be deposited into the Fund and allocated immediately on appropriation.

(2) INVESTMENTS.—Investments may be made from the Fund pursuant to section 104(d).

(3) AVAILABILITY OF CERTAIN MONEYS.—The amounts authorized to be appropriated in subsection (a)(1) shall be available for use immediately upon appropriation in accordance with subsection 104(c)(1).

(4) LIMITATION.—Those moneys allocated by the Secretary to accounts in the Fund or in a fund established under section 104(a)(4) shall draw interest consistent with section 104(d), but the moneys authorized to be appropriated under subsection (b) and paragraphs (2) and (3) of subsection (a) shall not be available for expenditure until the requirements of section 101(b) have been met so that the decree has become final and the Tribe has executed the waiver and release required under section 5(c).

(e) RETURN OF FUNDS TO THE TREASURY.—

(1) IN GENERAL.—In the event that the approval, ratification, and confirmation of the Compact by the United States becomes null and void under section 101(b), all unexpended funds appropriated under the authority of this Act together with all interest earned on such funds, notwithstanding whether the funds are held by the Tribe, a private institution, or the Secretary, shall revert to the general fund of the Treasury 12 months after the expiration of the deadline established in section 101(b).

(2) INCLUSION IN AGREEMENTS AND PLAN.—The requirements in paragraph (1) shall be included in all annual funding agreements entered into under the self-governance program under title IV of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 458aa et seq.), withdrawal plans, withdrawal agreements, or any other agreements for withdrawal or transfer of the funds to the Tribe or a private financial institution under this Act.

(f) WITHOUT FISCAL YEAR LIMITATION.—All money appropriated pursuant to authorizations under this title shall be available without fiscal year limitation.

SEC. 106. STATE CONTRIBUTIONS TO SETTLEMENT.

Consistent with Articles VI.C.2 and C.3 of the Compact, the State contribution to settlement shall be as follows:

(1) The contribution of $150,000 appropriated by Montana House Bill 6 of the 55th Legislative Session (1997) shall be used for the following purposes:

(A) Water quality discharge monitoring wells and monitoring program.

(B) A diversion structure on Big Sandy Creek.

(C) A conveyance structure on Box Elder Creek.

(D) The purchase of contract water from Lower Beaver Creek Reservoir.

(2) Subject to the availability of funds, the State shall provide services valued at $400,000 for administration required by the Compact and for water quality sampling required by the Compact.

TITLE II—TIBER RESERVOIR ALLOCATION AND FEASIBILITY STUDIES AUTHORIZATION.

SEC. 201. TIBER RESERVOIR.

(a) ALLOCATION OF WATER TO THE TRIBE.—

(1) IN GENERAL.—The Secretary shall permanently allocate to the Tribe, without cost to the Tribe, 10,000 acre-feet per year of stored water from the water right of the Bureau of Reclamation in Lake Elwell, Lower Marias Unit, Upper Missouri Division, Pick-Sloan Missouri Basin Program, Montana, measured at the outlet works of the dam or at the diversion point from the reservoir. The allocation shall become effective when the decree referred to in section 101(b) has become final in accordance with that section. The allocation shall be part of the Tribal Water Right and subject to the terms of this Act.

(2) AGREEMENT.—The Secretary shall enter into an agreement with the Tribe setting forth the terms of the allocation and providing for the Tribe's use or temporary transfer of water stored in Lake Elwell, subject to the terms and conditions of the Compact and this Act.

(3) PRIOR RESERVED WATER RIGHTS.—The allocation provided in this section shall be subject to the prior reserved water rights, if any, of any Indian tribe, or person claiming water through any Indian tribe.

(b) USE AND TEMPORARY TRANSFER OF ALLOCATION.—

(1) IN GENERAL.—Subject to the limitations and conditions set forth in the Compact and this Act, the Tribe shall have the right to devote the water allocated by this section to any use, including agricultural, municipal, commercial, industrial, mining, or recreational uses, within or outside the Rocky Boy's Reservation.

(2) CONTRACTS AND AGREEMENTS.—Notwithstanding any other provision of statutory or common law, the Tribe may, with the approval of the Secretary and subject to the limitations and conditions set forth in the Compact, enter into a service contract, lease, exchange, or other agreement providing for the temporary delivery, use, or transfer of the water allocated by this section, except that no such service contract, lease, exchange, or other agreement may permanently alienate any portion of the tribal allocation.

(c) REMAINING STORAGE.—The United States shall retain the right to use for any authorized purpose, any and all storage remaining in Lake Elwell after the allocation made to the Tribe in subsection (a).

(d) WATER TRANSPORT OBLIGATION; DEVELOPMENT AND DELIVERY COSTS.—The United States shall have no responsibility or obligation to provide any facility for the transport of the water allocated by this section to the Rocky Boy's Reservation or to any other location. Except for the contribution set forth in section 105(a)(3), the cost of developing and delivering the water allocated by this title or any other supplemental water to the Rocky Boy's Reservation shall not be borne by the United States.

(e) SECTION NOT PRECEDENTIAL.—The provisions of this section regarding the allocation of water resources from the Tiber Reservoir to the Tribe shall not be construed as precedent in the litigation or settlement of any other Indian water right claims.

SEC. 202. MUNICIPAL, RURAL, AND INDUSTRIAL FEASIBILITY STUDY.

(a) AUTHORIZATION.—

(1) IN GENERAL.—

(A) STUDY.—The Secretary, acting through the Bureau of Reclamation, shall perform an MR&I feasibility study of water and related resources in North Central Montana to evaluate alternatives for a municipal, rural, and industrial supply for the Rocky Boy's Reservation.

(B) USE OF FUNDS MADE AVAILABLE FOR FISCAL YEAR 1999.—The authority under subparagraph (A) shall be deemed to apply to MR&I feasibility study activities for which funds were made available by appropriations for fiscal year 1999.

(2) CONTENTS OF STUDY.—The MR&I feasibility study shall include the feasibility of releasing the Tribe's Tiber allocation as provided for in section 201 into the Missouri River System for later diversion to a treatment and delivery system for the Rocky Boy's Reservation.

(3) UTILIZATION OF EXISTING STUDIES.—The MR&I feasibility study shall include utilization of existing Federal and non-Federal studies and shall be planned and conducted in consultation with other Federal agencies, the State of Montana, and the Chippewa Cree Tribe.

(b) ACCEPTANCE OR PARTICIPATION IN IDENTIFIED OFF-RESERVATION SYSTEM.—The United States, the Chippewa Cree Tribe of the Rocky Boy's Reservation, and the State of Montana shall not be obligated to accept or participate in any potential off-Reservation 'water supply system identified in the MR&I feasibility study authorized in subsection (a).

SEC. 203. REGIONAL FEASIBILITY STUDY—

(a) IN GENERAL.—

(1) STUDY.—The Secretary, acting through the Bureau of Reclamation, shall conduct, pursuant to Reclamation Law, a regional feasibility study (referred to in this subsection as the "regional feasibility study") to evaluate water and related resources in North-Central Montana in order to determine the limitations of those resources and how those resources can best be managed and developed to serve the needs of the citizens of Montana.

(2) USE OF FUNDS MADE AVAILABLE FOR FISCAL YEAR 1999.—The authority under paragraph (1) shall be deemed to apply to regional feasibility study activities for which funds were made available by appropriations for fiscal year 1999.

(b) CONTENTS OF STUDY.—The regional feasibility study shall—

(1) evaluate existing and potential water supplies, uses, and management;

(2) identify major water-related issues, including environmental, water supply, and economic issues;

(3) evaluate opportunities to resolve the issues referred to in paragraph (2); and

(4) evaluate options for implementation of resolutions to the issues.

(c) REQUIREMENTS.—Because of the regional and international impact of the regional feasibility study, the study may not be segmented. The regional study shall—

(1) utilize, to the maximum extent possible, existing information; and

(2) be planned and conducted in consultation with all affected interests, including interests in Canada.

SEC. 204. AUTHORIZATION OF APPROPRIATIONS FOR FEASIBILITY STUDIES.

(a) FISCAL YEAR 1999 APPROPRIATIONS.—Of the amounts made available by appropriations for fiscal year 1999 for the Bureau of Reclamation, $1,000,000 shall be used for the purpose of commencing the MR&I feasibility study under section 202 and the regional study under section 203, of which—

(1) $500,000 shall be used for the MR&I study under section 202; and

(2) $500,000 shall be used for the regional study under section 203.

(b) FEASIBILITY STUDIES.—There is authorized to be appropriated to the Department of the Interior, for the Bureau of Reclamation, for the purpose of conducting the MR&I feasibility study under section 202 and the regional study under section 203, $3,000,000 for fiscal year 2000, of which—

(1) $500,000 shall be used for the MR&I feasibility study under section 202; and

(2) $2,500,000 shall be used for the regional study under section 203.

(c) Without Fiscal Year Limitation.—All money appropriated pursuant to authorizations under this title shall be available without fiscal year limitation.

(d) Availability of Certain Moneys.—The amounts made available for use under subsection (a) shall be deemed to have been available for use as of the date on which those funds were appropriated. The amounts authorized to be appropriated in subsection (b) shall be available for use immediately upon appropriation.

SERBIA DEMOCRATIZATION ACT OF 1999

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of calendar No. 256, S. 720.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 720) to promote the development of a government in the Federal Republic of Yugoslavia (Serbia and Montenegro) based on democratic principles and the rule of law, and that respects internationally recognized human rights, to assist the victims of Serbian oppression, to apply measures against the Federal Republic of Yugoslavia, and for other purposes.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the "Serbia Democratization Act of 1999".

(b) Table of Contents.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.

TITLE I—SUPPORT FOR THE DEMOCRATIC OPPOSITION

Sec. 101. Findings and policy.
Sec. 102. Assistance to promote democracy and civil society in Yugoslavia.
Sec. 103. Authority for radio and television broadcasting.

TITLE II—ASSISTANCE TO THE VICTIMS OF SERBIAN OPPRESSION

Sec. 201. Findings.
Sec. 202. Sense of Congress.
Sec. 203. Assistance.

TITLE III—"OUTER WALL" SANCTIONS

Sec. 301. "Outer wall" sanctions.
Sec. 302. International financial institutions not in compliance with "outer wall" sanctions.

TITLE IV—OTHER MEASURES AGAINST YUGOSLAVIA

Sec. 401. Blocking Yugoslavia assets in the United States.
Sec. 402. Suspension of entry into the United States.
Sec. 403. Prohibition on strategic exports to Yugoslavia.
Sec. 404. Prohibition on loans and investment.
Sec. 405. Prohibition of military-to-military cooperation.
Sec. 406. Multilateral sanctions.
Sec. 407. Exemptions.
Sec. 408. Waiver; termination of measures against Yugoslavia.
Sec. 409. Statutory construction.

TITLE V—MISCELLANEOUS PROVISIONS

Sec. 501. The International Criminal Tribunal for the former Yugoslavia.
Sec. 502. Sense of Congress with respect to ethnic Hungarians of Vojvodina.
Sec. 503. Ownership and use of diplomatic and consular properties.
Sec. 504. Transition assistance.

SEC. 2. DEFINITIONS.

In this Act:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term "appropriate congressional committees" means the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives.

(2) Commercial export.—The term "commercial export" means the sale of a farm product or medicine by a United States seller to a foreign buyer in exchange for cash payment on market terms without benefit of concessionary financing, export subsidies, government or government-backed credits or other nonmarket financing arrangements.

(3) INTERNATIONAL CRIMINAL TRIBUNAL FOR THE FORMER YUGOSLAVIA OR TRIBUNAL.—The term "International Criminal Tribunal for the former Yugoslavia" or the "Tribunal" means the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia Since 1991, as established by United Nations Security Council Resolution 827 of May 25, 1993.

(4) YUGOSLAVIA.—The term "Yugoslavia" means the so-called Federal Republic of Yugoslavia (Serbia and Montenegro), and the term "Government of Yugoslavia" means the central government of Yugoslavia.

TITLE I—SUPPORT FOR THE DEMOCRATIC OPPOSITION

SEC. 101. FINDINGS AND POLICY.

(a) Findings.—Congress finds the following:

(1) The President of Yugoslavia, Slobodan Milosevic, has consistently engaged in undemocratic methods of governing.

(2) Yugoslavia has passed and implemented a law strictly limiting freedom of the press and has acted to intimidate and prevent independent media from operating inside Yugoslavia.

(3) Although the Yugoslav and Serbian constitutions provide for the right of citizens to change their government, citizens of Serbia in practice are prevented from exercising that right by the Milosevic regime's domination of the mass media and manipulation of the electoral process.

(4) The Yugoslav government has orchestrated attacks on academics at institutes and universities throughout the country in an effort to prevent the dissemination of opinions that differ from official state propaganda.

(5) The Yugoslav government prevents the formation of nonviolent, democratic opposition through restrictions on freedom of assembly and association.

(6) The Yugoslav government uses control and intimidation to control the judiciary and manipulates the country's legal framework to suit the regime's immediate political interests.

(7) The Government of Serbia and the Government of Yugoslavia, under the direction of President Milosevic, have obstructed the efforts of the Government of Montenegro to pursue democratic and free-market policies.

(8) At great risk, the Government of Montenegro has withstood efforts by President Milosevic to interfere with its government and supported the goals of the United States in the conflict in Kosovo.

(9) The people of Serbia who do not endorse the undemocratic actions of the Milosevic government should not be the target of criticism that is rightly directed at the Milosevic regime.

(b) Policy.—

(1) It is the policy of the United States to encourage the development of a government in Yugoslavia based on democratic principles and the rule of law and that respects internationally recognized human rights.

(2) It is the sense of Congress that—

(A) the United States should actively support the democratic opposition in Yugoslavia, including political parties and independent trade unions, to develop a legitimate and viable alternative to the Milosevic regime;

(B) all United States Government officials, including individuals from the private sector acting on behalf of the United States Government, should attempt to meet regularly with representatives of democratic opposition organizations of Yugoslavia and minimize to the extent practicable any direct contacts with government officials from Yugoslavia, particularly President Slobodan Milosevic, who perpetuate the nondemocratic regime in Yugoslavia; and

(C) the United States should emphasize to all political leaders in Yugoslavia the importance of respecting internationally recognized human rights for all individuals residing in Yugoslavia.

SEC. 102. ASSISTANCE TO PROMOTE DEMOCRACY AND CIVIL SOCIETY IN YUGOSLAVIA.

(a) ASSISTANCE.—

(1) PURPOSE OF ASSISTANCE.—The purpose of assistance under this subsection is to promote and strengthen institutions of democratic government and the growth of an independent civil society in Yugoslavia, including ethnic tolerance and respect for internationally recognized human rights.

(2) AUTHORIZATION FOR ASSISTANCE.—To carry out the purpose of paragraph (1), the President is authorized to furnish assistance and other support for the activities described in paragraph (3).

(3) ACTIVITIES SUPPORTED.—Activities that may be supported by assistance under paragraph (2) include the following:

(A) Democracy building.

(B) The development of nongovernmental organizations.

(C) The development of independent media working within Serbia if possible, but, if that is not feasible, from locations in neighboring countries.

(D) The development of the rule of law, to include a strong, independent judiciary, the impartial administration of justice, and transparency in political practices.

(E) International exchanges and advanced professional training programs in skill areas central to the development of civil society and a market economy.

(F) The development of all elements of the democratic process, including political parties and the ability to administer free and fair elections.

(G) The development of local governance.

(H) The development of a free-market economy.

(4) AUTHORIZATION OF APPROPRIATIONS.—

(A) In general.—There is authorized to be appropriated to the President $100,000,000 for the period beginning October 1, 1999, and ending September 30, 2001, to carry out this subsection.

(B) AVAILABILITY OF FUNDS.—Amounts appropriated pursuant to subparagraph (A) are authorized to remain available until expended.

(b) Prohibition on Assistance to Government of Serbia.—In carrying out subsection (a), the President should take all necessary steps to ensure that no funds or other assistance is provided to the Government of Yugoslavia or to the Government of Serbia, except for purposes permitted under this Act.

(c) Assistance to Government of Montenegro.—In carrying out subsection (a), the

President may provide assistance to the Government of Montenegro, unless the President determines, and so reports to the appropriate congressional committees, that the leadership of the Government of Montenegro is not committed to, or is not taking steps to promote, democratic principles, the rule of law, or respect for internationally recognized human rights.

SEC. 103. AUTHORITY FOR RADIO AND TELEVISION BROADCASTING.

(a) In General.—The Broadcasting Board of Governors shall further the open communication of information and ideas through the increased use of radio and television broadcasting to Yugoslavia in both the Serbo-Croatian and Albanian languages.

(b) Implementation.—Radio and television broadcasting under subsection (a) shall be carried out by the Voice of America and, in addition, radio broadcasting under that subsection shall be carried out by RFE/RL, Incorporated. Subsection (a) shall be carried out in accordance with all the respective Voice of America and RFE/RL, Incorporated, standards to ensure that radio and television broadcasting to Yugoslavia serves as a consistently reliable and authoritative source of accurate, objective, and comprehensive news.

(c) Statutory Construction.—The implementation of subsection (a) may not be construed as a replacement for the strengthening of indigenous independent media called for in section 102(a)(3)(C). To the maximum extent practicable, the two efforts (strengthening independent media and increasing broadcasts into Serbia) shall be carried out in such a way that they mutually support each other.

TITLE II—ASSISTANCE TO THE VICTIMS OF SERBIAN OPPRESSION

SEC. 201. FINDINGS.

The Congress finds the following:

(1) Beginning in February 1998 and ending in June 1999, the armed forces of Yugoslavia and the Serbian Interior Ministry police force engaged in a brutal crackdown against the ethnic Albanian population in Kosovo.

(2) As a result of the attack by Yugoslav and Serbian forces against the Albanian population of Kosovo, more than 10,000 individuals have been killed and 1,500,000 individuals were displaced from their homes.

(3) The majority of the individuals displaced by the conflict in Kosovo was left homeless or was forced to find temporary shelter in Kosovo or outside the country.

(4) The activities of the Yugoslav armed forces and the police force of the Serbian Interior Ministry resulted in the widespread destruction of agricultural crops, livestock, and property, as well as the poisoning of wells and water supplies, and the looting of humanitarian goods provided by the international community.

SEC. 202. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) humanitarian assistance to the victims of the conflict in Kosovo, including refugees and internally displaced persons, and all assistance to rebuild damaged property in Kosovo, should be the responsibility of the Government of Yugoslavia and the Government of Serbia;

(2) under the direction of President Milosevic, neither the Government of Yugoslavia nor the Government of Serbia has provided the resources to assist innocent, civilian victims of oppression in Kosovo; and

(3) because neither the Government of Yugoslavia nor the Government of Serbia has fulfilled the responsibilities of a sovereign government toward the people in Kosovo, the international community offers the only recourse for humanitarian assistance to victims of oppression in Kosovo.

SEC. 203. ASSISTANCE.

(a) Authority.—The President is authorized to furnish assistance under section 491 of the Foreign Assistance Act of 1961 (22 U.S.C. 2292) and the Migration and Refugee Assistance Act of 1962 (22 U.S.C. 2601 et seq.), as appropriate, for—

(1) relief, rehabilitation, and reconstruction in Kosovo; and

(2) refugees and persons displaced by the conflict in Kosovo.

(b) Prohibition.—No assistance may be provided under this section to any group that has been designated as a terrorist organization under section 219 of the Immigration and Nationality Act (8 U.S.C. 1189).

(c) Use of Economic Support Funds.—Any funds that have been allocated under chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 et seq.) for assistance described in subsection (a) may be used in accordance with the authority of that subsection.

TITLE III—"OUTER WALL" SANCTIONS

SEC. 301. "OUTER WALL" SANCTIONS.

(a) Application of Measures.—The sanctions described in subsections (c) through (g) shall apply with respect to Yugoslavia until the President determines and certifies to the appropriate congressional committees that the Government of Yugoslavia has made significant progress in meeting the conditions described in subsection (b).

(b) Conditions.—The conditions referred to in subsection (a) are the following:

(1) Agreement on a lasting settlement in Kosovo.

(2) Compliance with the General Framework Agreement for Peace in Bosnia and Herzegovina.

(3) Implementation of internal democratic reform.

(4) Settlement of all succession issues with the other republics that emerged from the break-up of the Socialist Federal Republic of Yugoslavia.

(5) Cooperation with the International Criminal Tribunal for the former Yugoslavia, including the transfer of all indicted war criminals in Yugoslavia to the Hague.

(c) International Financial Institutions.—The Secretary of the Treasury shall instruct the United States executive directors of the international financial institutions to oppose, and vote against, any extension by those institutions of any financial assistance (including any technical assistance or grant) of any kind to the Government of Yugoslavia.

(d) Organization for Security and Cooperation in Europe.—The Secretary of State should instruct the United States Ambassador to the Organization for Security and Cooperation in Europe (OSCE) to oppose and block any consensus to allow the participation of Yugoslavia in the OSCE or any organization affiliated with the OSCE.

(e) United Nations.—The Secretary of State should instruct the United States Permanent Representative to the United Nations—

(1) to oppose and vote against any resolution in the United Nations Security Council to admit Yugoslavia to the United Nations or any organization affiliated with the United Nations; and

(2) to actively oppose and, if necessary, veto any proposal to allow Yugoslavia to assume the membership of the former Socialist Federal Republic of Yugoslavia in the United Nations General Assembly or any other organization affiliated with the United Nations.

(f) NATO.—The Secretary of State should instruct the United States Permanent Representative to the North Atlantic Council to oppose and vote against the extension to Yugoslavia of membership or participation in the Partnership for Peace program or any other organization affiliated with NATO.

(g) Southeast European Cooperation Initiative.—The Secretary of State should instruct the United States Representatives to the Southeast European Cooperation Initiative (SECI) to actively oppose the participation of Yugoslavia in SECI.

(h) Sense of Congress.—It is the sense of Congress that—

(1) the President should not restore full diplomatic relations with Yugoslavia until the President has determined and so reported to the appropriate congressional committees that the Government of Yugoslavia has met the conditions described in subsection (b); and

(2) the President should encourage all other European countries to diminish their level of diplomatic relations with Yugoslavia.

(i) International Financial Institution Defined.—In this section, the term "international financial institution" includes the International Monetary Fund, the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Multilateral Investment Guaranty Agency, and the European Bank for Reconstruction and Development.

SEC. 302. INTERNATIONAL FINANCIAL INSTITUTIONS NOT IN COMPLIANCE WITH "OUTER WALL" SANCTIONS.

It is the sense of Congress that, if any international financial institution (as defined in section 301(i)) approves a loan or other financial assistance to the Government of Yugoslavia over opposition of the United States, then the Secretary of the Treasury should withhold from payment of the United States share of any increase in the paid-in capital of such institution an amount equal to the amount of the loan or other assistance.

TITLE IV—OTHER MEASURES AGAINST YUGOSLAVIA

SEC. 401. BLOCKING YUGOSLAVIA ASSETS IN THE UNITED STATES.

(a) Blocking of Assets.—All property and interests in property, including all commercial, industrial, or public utility undertakings or entities, of or in the name of the Government of Serbia or the Government of Yugoslavia that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of United States persons, including their overseas branches, are hereby blocked.

(b) Exercise of Authorities.—The Secretary of the Treasury, in consultation with the Secretary of State, shall take such actions, including the promulgation of regulations, orders, directives, rulings, instructions, and licenses, and employ all powers granted to the President by the International Emergency Economic Powers Act, as may be necessary to carry out the purpose of this section, including taking such steps as may be necessary to continue in effect the measures contained in Executive Order No. 13088 of June 9, 1998, and Executive Order No. 13121 of May 1, 1999, and any rule, regulation, license, or order issued thereunder.

(c) Prohibited Transfers.—Transfers prohibited under subsection (b) shall include payments or transfers of any property or any transactions involving the transfer of anything of economic value by any United States person to the Government of Serbia, the Government of Yugoslavia, or any person or entity acting for or on behalf of, or owned or controlled, directly or indirectly, by any of those governments, persons, or entities.

(d) Payment of Expenses.—All expenses incident to the blocking and maintenance of property blocked under subsection (a) shall be charged to the owners or operators of such property, which expenses shall not be met from blocked funds.

(e) Prohibitions.—The following shall be prohibited as of the date of enactment of this Act:

(1) Any transaction within the United States or by a United States person relating to any vessel in which a majority or controlling interest is held by a person or entity in, or operating from, Serbia regardless of the flag under which the vessel sails.

(2) The exportation to Serbia or to any entity operated from Serbia or owned and controlled by the Government of Serbia or the Government of Yugoslavia, directly or indirectly, of any goods, technology, or services, either—

(A) from the United States;

(B) requiring the issuance of a license by a Federal agency; or

(C) involving the use of United States registered vessels or aircraft, or any activity that promotes or is intended to promote such exportation.

(3) Any dealing by a United States person in—

(A) property originating in Serbia or exported from Serbia;

(B) property intended for exportation from Serbia to any country or exportation to Serbia from any country; or

(C) any activity of any kind that promotes or is intended to promote such dealing.

(4) The performance by any United States person of any contract, including a financing contract, in support of an industrial, commercial, public utility, or governmental project in Serbia.

(f) EXCEPTIONS.—Nothing in this section shall apply to—

(1) the transshipment through Serbia of commodities and products originating outside Yugoslavia and temporarily present in the territory of Yugoslavia only for the purpose of such transshipment;

(2) assistance provided under section 102 or section 203 of this Act; or

(3) those materials described in section 203(b)(3) of the International Emergency Economic Powers Act relating to informational materials.

SEC. 402. SUSPENSION OF ENTRY INTO THE UNITED STATES.

(a) PROHIBITION.—The President shall use his authority under section 212(f) of the Immigration and Nationality Act (8 U.S.C. 1182(f)) to suspend the entry into the United States of any alien who—

(1) holds a position in the senior leadership of the Government of Yugoslavia or the Government of Serbia; or

(2) is a spouse, minor child, or agent of a person inadmissible under paragraph (1).

(b) SENIOR LEADERSHIP DEFINED.—In subsection (a)(1), the term "senior leadership"—

(1) includes—

(A) the President, Prime Minister, Deputy Prime Ministers, and government ministers of Yugoslavia;

(B) the Governor of the National Bank of Yugoslavia; and

(C) the President, Prime Minister, Deputy Prime Ministers, and government ministers of the Republic of Serbia; and

(2) does not include the President, Prime Minister, Deputy Prime Ministers, and government ministers of the Republic of Montenegro.

SEC. 403. PROHIBITION ON STRATEGIC EXPORTS TO YUGOSLAVIA.

(a) PROHIBITION.—No computers, computer software, or goods or technology intended to manufacture or service computers may be exported to or for use by the Government of Yugoslavia or by the Government of Serbia, or by any of the following entities of either government:

(1) The military.

(2) The police.

(3) The prison system.

(4) The national security agencies.

(b) STATUTORY CONSTRUCTION.—Nothing in this section prevents the issuance of licenses to ensure the safety of civil aviation and safe operation of United States-origin commercial passenger aircraft and to ensure the safety of ocean-going maritime traffic in international waters.

SEC. 404. PROHIBITION ON LOANS AND INVESTMENT.

(a) UNITED STATES GOVERNMENT FINANCING.—No loan, credit guarantee, insurance, financing, or other similar financial assistance may be extended by any agency of the United States Government (including the Export-Import Bank and the Overseas Private Investment Corporation) to the Government of Yugoslavia or the Government of Serbia.

(b) TRADE AND DEVELOPMENT AGENCY.—No funds made available by law may be available for activities of the Trade and Development Agency in or for Serbia.

(c) THIRD COUNTRY ACTION.—The Secretary of State is urged to encourage all other countries, particularly European countries, to suspend any of their own programs providing support similar to that described in subsection (a) or (b) to the Government of Yugoslavia or the Government of Serbia, including by rescheduling repayment of the indebtedness of either government under more favorable conditions.

(d) PROHIBITION ON PRIVATE CREDITS.—

(1) IN GENERAL.—Except as provided in paragraph (2), no national of the United States may make or approve any loan or other extension of credit, directly or indirectly, to the Government of Yugoslavia or to the Government of Serbia or to any corporation, partnership, or other organization that is owned or controlled by either the Government of Yugoslavia or the Government of Serbia.

(2) EXCEPTION.—Paragraph (1) shall not apply to a loan or extension of credit for any housing, education, or humanitarian benefit to assist the victims of repression in Kosovo.

SEC. 405. PROHIBITION OF MILITARY-TO-MILITARY COOPERATION.

The United States Government (including any agency or entity of the United States) shall not provide assistance under the Foreign Assistance Act of 1961 or the Arms Export Control Act (including the provision of Foreign Military Financing under section 23 of the Arms Export Control Act or international military education and training under chapter 5 of part II of the Foreign Assistance Act of 1961) or provide any defense articles or defense services under those Acts, to the armed forces of the Government of Yugoslavia or of the Government of Serbia.

SEC. 406. MULTILATERAL SANCTIONS.

It is the sense of Congress that the President should continue to seek to coordinate with other countries, particularly European countries, a comprehensive, multilateral strategy to further the purposes of this Act, including, as appropriate, encouraging other countries to take measures similar to those described in this title.

SEC. 407. EXEMPTIONS.

(a) EXEMPTION FOR KOSOVO.—None of the restrictions imposed by this Act shall apply with respect to Kosovo, including with respect to governmental entities or administering authorities or the people of Kosovo.

(b) EXEMPTION FOR MONTENEGRO.—None of the restrictions imposed by this Act shall apply with respect to Montenegro, including with respect to governmental entities of Montenegro, unless the President determines and so certifies to the appropriate congressional committees that the leadership of the Government of Montenegro is not committed to, or is not taking steps to promote, democratic principles, the rule of law, or respect for internationally recognized human rights.

SEC. 408. WAIVER; TERMINATION OF MEASURES AGAINST YUGOSLAVIA.

(a) GENERAL WAIVER AUTHORITY.—Except as provided in subsection (b), the requirement to impose any measure under this Act may be waived for successive periods not to exceed 12 months each, and the President may provide assistance in furtherance of this Act notwithstanding any other provision of law, if the President determines and so certifies to the appropriate congressional committees in writing 15 days in advance of the implementation of any such waiver that—

(1) it is important to the national interest of the United States; or

(2) significant progress has been made in Yugoslavia in establishing a government based on democratic principles and the rule of law, and that respects internationally recognized human rights.

(b) EXCEPTION.—The President may implement the waiver under subsection (a) for successive periods not to exceed 3 months each without the 15 day advance notification under that subsection—

(1) if the President determines that exceptional circumstances require the implementation of such waiver; and

(2) the President immediately notifies the appropriate congressional committees of his determination.

(c) TERMINATION OF RESTRICTIONS.—The restrictions imposed by this Act shall be terminated if the President determines and so certifies to the appropriate congressional committees that the Government of Yugoslavia is a government that is committed to democratic principles and the rule of law, and that respects internationally recognized human rights.

SEC. 409. STATUTORY CONSTRUCTION.

(a) IN GENERAL.—None of the restrictions or prohibitions contained in this Act shall be construed to limit humanitarian assistance (including the provision of food and medicine), or the commercial export of agricultural commodities or medicine and medical equipment, to Yugoslavia.

(b) SPECIAL RULE.—Nothing in subsection (a) shall be construed to permit the export of an agricultural commodity or medicine that could contribute to the development of a chemical or biological weapon.

TITLE V—MISCELLANEOUS PROVISIONS

SEC. 501. THE INTERNATIONAL CRIMINAL TRIBUNAL FOR THE FORMER YUGOSLAVIA.

(a) FINDINGS.—Congress finds the following:

(1) United Nations Security Council Resolution 827, which was adopted May 25, 1993, established the International Criminal Tribunal for the former Yugoslavia to prosecute persons responsible for serious violations of international humanitarian law committed in the territory of the former Yugoslavia since January 1, 1991.

(2) United Nations Security Council Resolution 827 requires full cooperation by all countries with the Tribunal, including the obligation of countries to comply with requests of the Tribunal for assistance or orders.

(3) The Government of Yugoslavia has disregarded its international obligations with regard to the Tribunal, including its obligation to transfer or facilitate the transfer to the Tribunal of any person on the territory of Yugoslavia who has been indicted for war crimes or other crimes against humanity under the jurisdiction of the Tribunal.

(4) The Government of Yugoslavia publicly rejected the Tribunal's jurisdiction over events in Kosovo and has impeded the investigation of representatives from the Tribunal, including denying those representatives visas for entry into Yugoslavia, in their efforts to gather information about alleged crimes against humanity in Kosovo under the jurisdiction of the Tribunal.

(5) The Tribunal has indicted President Slobodan Milosevic for—

(A) crimes against humanity, specifically murder, deportations, and persecutions; and

(B) violations of the laws and customs of war.

(b) POLICY.—It shall be the policy of the United States to support fully and completely the investigation of President Slobodan Milosevic by the International Criminal Tribunal for the former Yugoslavia for genocide, crimes against humanity, war crimes, and grave breaches of the Geneva Convention.

(c) IN GENERAL.—Subject to subsection (b), it is the sense of Congress that the United States Government should gather all information that the intelligence community (as defined in section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)) collects or has collected to support an investigation of President Slobodan Milosevic for genocide, crimes against humanity, war crimes, and grave breaches of the Geneva Convention by the International Criminal Tribunal for the former Yugoslavia (ICTY) and that the Department of State should provide all appropriate information to the Office of the Prosecutor of the ICTY under procedures established by the Director of Central Intelligence that are necessary to ensure adequate protection of intelligence sources and methods.

(d) REPORT TO CONGRESS.—Not less than 180 days after the date of enactment of this Act, and every 180 days thereafter, the President shall submit a report, in classified form if necessary, to the appropriate congressional committees that describes the information that was provided by the Department of State to the Office of the Prosecutor of the International Criminal Tribunal for the former Yugoslavia for the purposes of subsection (c).

SEC. 502. SENSE OF CONGRESS WITH RESPECT TO ETHNIC HUNGARIANS OF VOJVODINA.

(a) FINDINGS.—Congress finds that—

(1) approximately 350,000 ethnic Hungarians reside in the province of Vojvodina, part of Serbia, in traditional settlements in existence for centuries;

(2) this community has taken no side in any of the Balkan conflicts since 1990, but has maintained a consistent position of nonviolence, while seeking to protect its existence through the meager opportunities afforded under the existing political system;

(3) the Serbian leadership deprived Vojvodina of its autonomous status at the same time as it did the same to the province of Kosovo;

(4) this population is subject to continuous harassment, intimidation, and threatening suggestions that they leave the land of their ancestors; and

(5) during the past 10 years this form of ethnic cleansing has already driven 50,000 ethnic Hungarians out of the province of Vojvodina.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the President should—

(1) condemn harassment, threats, and intimidation against any ethnic group in Yugoslavia as the usual precursor of violent ethnic cleansing;

(2) express deep concern over the reports on recent threats, intimidation, and even violent incidents against the ethnic Hungarian inhabitants of the province of Vojvodina;

(3) call on the Secretary of State to regularly monitor the situation of the Hungarian ethnic group in Vojvodina; and

(4) call on the NATO allies of the United States, during any negotiation on the future status of Kosovo, also to pay substantial attention to establishing satisfactory guarantees for the rights of the ethnic Hungarian community of Vojvodina, and of other ethnic minorities in the province, including consulting with elected leaders about their proposal for self-administration.

SEC. 503. OWNERSHIP AND USE OF DIPLOMATIC AND CONSULAR PROPERTIES.

(a) FINDINGS.—Congress finds the following:

(1) The international judicial system, as currently structured, lacks fully effective remedies for the wrongful confiscation of property and for unjust enrichment from the use of wrongfully confiscated property by governments and private entities at the expense of the rightful owners of the property.

(2) Since the dissolution of the Socialist Federal Republic of Yugoslavia, the Government of Yugoslavia has exclusively used, and benefited from the use of, properties located in the United States that were owned by the Socialist Federal Republic of Yugoslavia.

(3) The Governments of Bosnia and Herzegovina, Croatia, the Former Yugoslav Republic of Macedonia, and Slovenia have been blocked by the Government of Yugoslavia from using, or benefiting from the use of, any property located in the United States that was previously owned by the Socialist Federal Republic of Yugoslavia.

(4) The continued occupation and use by officials of Yugoslavia of that property without prompt, adequate, and effective compensation under the applicable principles of international law to the Governments of Bosnia and Herzegovina, Croatia, the Former Yugoslav Republic of Macedonia, and Slovenia are unjust and unreasonable.

(b) POLICY ON NEGOTIATIONS REGARDING PROPERTIES.—It is the policy of the United States to insist that the Government of Yugoslavia has a responsibility to, and should, actively and cooperatively engage in good faith negotiations with the Governments of Bosnia and Herzegovina, Croatia, the Former Yugoslav Republic of Macedonia, and Slovenia for resolution of the outstanding property issues resulting from the dissolution of the Socialist Federal Republic of Yugoslavia, including the disposition of the following properties located in the United States:

(1) 2222 Decatur Street, NW, Washington, DC.

(2) 2410 California Street, NW, Washington, DC.

(3) 1907 Quincy Street, NW, Washington, DC.

(4) 3600 Edmonds Street, NW, Washington, DC.

(5) 2221 R Street, NW, Washington, DC.

(6) 854 Fifth Avenue, New York, NY.

(7) 730 Park Avenue, New York, NY.

(c) SENSE OF CONGRESS ON RETURN OF PROPERTIES.—It is the sense of Congress that, if the Government of Yugoslavia refuses to engage in good faith negotiations on the status of the properties listed in subsection (b), the President should take steps to ensure that the interests of the Governments of Bosnia and Herzegovina, Croatia, the Former Yugoslav Republic of Macedonia, and Slovenia are protected in accordance with international law.

SEC. 504. TRANSITION ASSISTANCE.

(a) SENSE OF CONGRESS.—It is the sense of Congress that once the regime of President Slobodan Milosevic has been replaced by a government that is committed to democratic principles and the rule of law, and that respects internationally recognized human rights, the President of the United States should support the transition to democracy in Yugoslavia by providing immediate and substantial assistance, including facilitating its integration into international organizations.

(b) AUTHORIZATION OF ASSISTANCE.—The President is authorized to furnish assistance to Yugoslavia if he determines, and so certifies to the appropriate congressional committees that the Government of Yugoslavia is committed to democratic principles and the rule of law and respects internationally recognized human rights.

(c) REPORT TO CONGRESS.—

(1) DEVELOPMENT OF PLAN.—The President shall develop a plan for providing assistance to Yugoslavia in accordance with this section. Such assistance would be provided at such time as the President determines that the Government of Yugoslavia is committed to democratic principles and the rule of law and respects internationally recognized human rights.

(2) STRATEGY.—The plan developed under paragraph (1) shall include a strategy for distributing assistance to Yugoslavia under the plan.

(3) DIPLOMATIC EFFORTS.—The President shall take the necessary steps—

(A) to seek to obtain the agreement of other countries and international financial institutions and other multilateral organizations to provide assistance to Yugoslavia after the President determines that the Government of Yugoslavia is committed to democratic principles, the rule of law, and that respects internationally recognized human rights; and

(B) to work with such countries, institutions, and organizations to coordinate all such assistance programs.

(4) COMMUNICATION OF PLAN.—The President shall take the necessary steps to communicate to the people of Yugoslavia the plan for assistance developed under this section.

(5) REPORT.—Not later than 120 days after the date of enactment of this Act, the President shall transmit to the appropriate congressional committees a report describing in detail the plan required to be developed by paragraph (1).

Mr. HELMS. Mr. President, the Senate is today considering the Serbia Democratization Act, which I introduced on March 25 with eleven other Senators, and which was approved by the Foreign Relations Committee on August 5.

The purpose of the legislation is clear: to undermine and ultimately eradicate the murderous regime of the Yugoslav President, Slobodan Milosevic.

Just one day before I introduced this legislation, NATO began its air campaign against Yugoslavia in response to that country's brutal treatment of the ethnic Albanian population in Kosovo. After NATO bombs started falling, Yugoslav army, police, and paramilitary forces controlled by Mr. Milosevic slaughtered thousands more Kosovar Albanians. More than one million were forced to flee Kosovo to neighboring counties. And hundreds of thousands more Kosovars eluded Serb forces by hiding in the hills.

This brutality was conceived, directed, and carried out under the orders of Slobodan Milosevic. As you know, Mr. President, the International Criminal Tribunal for the former Yugoslavia indicted this madman as a war criminal for his activities in Kosovo. And if I might add, I have no doubt of his culpability for the ethnic cleansing and mass murder in Bosnia during the war there.

Now that the NATO bombs have stopped falling and there is hope for a peaceful future for the people of Kosovo, we must look to the next step. A "Marshall Plan" for the Balkans has been proposed. The European Union, the United States, and other allies have negotiated a so-called "Stability

Pact" for Southeastern Europe, designed to encourage cooperation between countries in the region and target foreign assistance most effectively.

But no matter what kind of proposals put forth by the United States and our allies for this region, I am convinced that until the Balkans is rid of the dictatorial rule of Mr. Milosevic, we will be forced to confront crises that he manufactures well into the future. There is but one hope for stability in the Balkans, and that is the removal of Milosevic from power.

To achieve that objective is why I encourage the Senate to pass this legislation today. The United States should provide extensive support for democratic forces, including independent media, and non-governmental organizations in Serbia. Just as the United States did during the days of the cold war, it is in our interests to identify and give aid to those forces in Serbia that share our values and our goals. We should make clear that unless and until the government of Yugoslavia is based on democratic principles and the rule of law and respects internationally recognized human rights, the United States will maintain the sanctions regime that we have in place today.

But Mr. President, when the Serbian people have a government in Belgrade based on these important principles—the government that they deserve—this legislation calls for substantial support by the United States to assist their transition to democracy, including by helping Yugoslavia integrate into international institutions.

I am pleased that the Clinton administration agrees with me on the importance of assisting the democratic opposition in Serbia. Let me emphasize, however, that we need to act quickly. We missed an opportunity to encourage democratic change in Serbia three years ago, when tens of thousands of Serbian citizens took to the streets, demanding political change. We must not lose another chance to help those in Serbia who are trying to help themselves.

I urge my colleagues to support the Serbia Democratization Act.

Mr. BIDEN. Mr. President, I rise today to support, along with the senior Senator from North Carolina and several other colleagues, the Serbia Democratization Act of 1999.

Mr. President, the last year has removed any lingering doubt that Slobodan Milosevic, rather than being part of the solution of the problems in the Balkans, is the problem. Milosevic has started, and lost, four wars during this decade: first with Slovenia, then with Croatia, then with Bosnia and Herzegovina, and finally with NATO over Kosovo. I would not be surprised if he were soon to make Montenegro, with its democratic-reformist government, the fifth target of his aggression.

Earlier this year, Milosevic was indicted as a war criminal by the International Tribunal at The Hague. As my colleagues have heard me recount, I told Milosevic to his face way back in 1993 in Belgrade that he was a war criminal and should be tried at The Hague. So in one sense I am gratified that he finally has been officially charged. On the other hand, I know that as long as Milosevic remains in power in Serbia and Yugoslavia, there is no chance for lasting peace and reconstruction in the Balkans.

In short, Milosevic must be replaced by a democratic government. This is no small order. Serbia is not exactly overflowing with genuine democrats, although there certainly are some. The problem is that many of them squabble among themselves, thereby wasting precious energy that should be devoted to unseating Milosevic.

Moreover, Milosevic runs an authoritarian state, ruthlessly suppressing dissent, threatening his opponents—even sometimes attempting to assassinate them, purging the army and police, and cynically dominating the electronic media so as to misinform the Serbian public.

Clearly it is in the national interest of the United States to use every legal means to undercut Milosevic and to assist the democratic opposition in Serbia.

With that in mind, we have introduced S. 720, the "Serbia Democratization Act of 1999." The following are the major provisions of the legislation.

The Act supports the democratic opposition by authorizing one hundred million dollars for fiscal years 2000 and 2001 for the purpose of promoting democracy and civil society in Serbia and for assisting the Government of Montenegro. It also authorizes increased broadcasting to Yugoslavia by the Voice of America and by Radio Free Europe/Radio Liberty.

The Act offers assistance to the victims of Serbian oppression by authorizing the President to use authorities in the Foreign Assistance Act of 1961 to provide humanitarian assistance to individuals living in Kosovo and to refugees currently residing in surrounding countries.

The legislation codifies the so-called "outer wall" of sanctions against Yugoslavia by multilateral organizations, including international financial institutions.

It also authorizes other measures against Yugoslavia, including blocking Yugoslavia's assets in the United States; prohibiting the issuance of visas and admission to the United States; and prohibiting strategic exports to Yugoslavia, loans and investment, and military-to-military cooperation.

The legislation also contains miscellaneous provisions, including requiring cooperation by Yugoslavia with the International Criminal Tribunal for the former Yugoslavia, and a sense of the Congress declaration on the ownership and use of diplomatic and consular properties in the United States.

Mr. President, a good deal has been written in recent days about possibly easing the sanctions regime against Yugoslavia out of concern for its people. I do not believe that such a move would be in the interest either of the Yugoslav people, or of the United States.

A look at the precedent set in the Republika Srpska in Bosnia and Herzegovina is instructive. After the Dayton Accords were signed in late 1995, the Congress passed legislation in which no assistance could be given to the Republika Srpska, which was then ruled by the war criminal Radovan Karadzic and his gangster clique in Pale. Meanwhile the Muslim-Croat Federation could receive assistance.

Within two years a majority of the population of the Republika Srpska had observed the modest, but real economic recovery in the Federation and realized the futility of sticking with Karadzic and company. The result was, first the presidency of Mrs. Biljana Plavsic, and later the reformist government of Prime Minister Milorad Dodik, which is still clinging to power in the new capital of Banja Luka.

I believe that if we keep up the pressure on the indicted war criminal Milosevic, a similar process will eventually occur in Serbia. Conversely, if we were to loosen the legitimate sanctions on Yugoslavia, it would constitute a stunning triumph for Milosevic.

Mr. President, this week a delegation of leaders of the Alliance for Change, an umbrella organization representing more than forty democratic political parties and groups in Serbia, has been visiting Washington. I met with this group. They asked only that we lift sanctions against Serbia after a free and fair election results in Milosevic's fall from power. They are confident of victory in such an election; I hope they are right.

It is in this spirit, Mr. President, that we must hold out carrots to the potential democratic successors of Milosevic. Therefore, in a move to facilitate the transition to democracy, the Act authorizes the President to furnish assistance to Yugoslavia if he determines and certifies to the appropriate Congressional committees that the Government of Yugoslavia is "committed to democratic principles, the rule of law, and is committed to respect internationally recognized human rights."

The Act also contains a national interest waiver for the President. The President may also waive the Act's provisions if he certifies that "significant progress has been made in Yugoslavia in establishing a government based on democratic principles and the rule of law, and that respects internationally recognized human rights."

In the meantime, I approve of our government's political support of a pilot program run by the European Union whereby emergency heating oil shipments are made to two Serbian cities that are governed by opponents of Milosevic. If the project succeeds—that is, if the oil is delivered and Milosevic does not succeed in taking credit for the shipments—the United States might join in financing the program, which would be extended to other cities.

With regard to direct, material help to the anti-Milosevic forces, there are many genuine democratic organizations at the grassroots level and in the media in Serbia who could make a measurable difference if they had the means to spread their message. The United States Agency for International Development is already modestly supporting some of these organizations, and it has drawn up a list of additional potential recipients.

In addition, through the SEED Act our State Department has recently made funds available through non-governmental organizations in Slovakia—a novel and promising approach. I believe that we can also utilize the democratic government in Romania to assist the democratic opposition in Serbia.

I believe the time is ripe for simultaneously maintaining the pressure on the criminal Milosevic regime, and for increasing our material support to the democratic opposition.

The Serbia Democratication Act of 1999 does just that, and I urge my colleagues to vote for its adoption.

I thank the Chair and yield the floor.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the committee substitute amendment be agreed to, the bill be read the third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment in the nature of a substitute was agreed to.

The bill (S. 720), as amended, was read the third time and passed, as follows:

S. 720

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Serbia Democratization Act of 1999".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.

TITLE I—SUPPORT FOR THE DEMOCRATIC OPPOSITION

Sec. 101. Findings and policy.
Sec. 102. Assistance to promote democracy and civil society in Yugoslavia.
Sec. 103. Authority for radio and television broadcasting.

TITLE II—ASSISTANCE TO THE VICTIMS OF SERBIAN OPPRESSION

Sec. 201. Findings.
Sec. 202. Sense of Congress.
Sec. 203. Assistance.

TITLE III—"OUTER WALL" SANCTIONS

Sec. 301. "Outer wall" sanctions.
Sec. 302. International financial institutions not in compliance with "outer wall" sanctions.

TITLE IV—OTHER MEASURES AGAINST YUGOSLAVIA

Sec. 401. Blocking Yugoslavia assets in the United States.
Sec. 402. Suspension of entry into the United States.
Sec. 403. Prohibition on strategic exports to Yugoslavia.
Sec. 404. Prohibition on loans and investment.
Sec. 405. Prohibition of military-to-military cooperation.
Sec. 406. Multilateral sanctions.
Sec. 407. Exemptions.
Sec. 408. Waiver; termination of measures against Yugoslavia.
Sec. 409. Statutory construction.

TITLE V—MISCELLANEOUS PROVISIONS

Sec. 501. The International Criminal Tribunal for the former Yugoslavia.
Sec. 502. Sense of Congress with respect to ethnic Hungarians of Vojvodina.
Sec. 503. Ownership and use of diplomatic and consular properties.
Sec. 504. Transition assistance.

SEC. 2. DEFINITIONS.

In this Act:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term "appropriate congressional committees" means the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives.

(2) COMMERCIAL EXPORT.—The term "commercial export" means the sale of a farm product or medicine by a United States seller to a foreign buyer in exchange for cash payment on market terms without benefit of concessionary financing, export subsidies, government or government-backed credits or other nonmarket financing arrangements.

(3) INTERNATIONAL CRIMINAL TRIBUNAL FOR THE FORMER YUGOSLAVIA OR TRIBUNAL.—The term "International Criminal Tribunal for the former Yugoslavia" or the "Tribunal" means the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia Since 1991, as established by United Nations Security Council Resolution 827 of May 25, 1993.

(4) YUGOSLAVIA.—The term "Yugoslavia" means the so-called Federal Republic of Yugoslavia (Serbia and Montenegro), and the term "Government of Yugoslavia" means the central government of Yugoslavia.

TITLE I—SUPPORT FOR THE DEMOCRATIC OPPOSITION

SEC. 101. FINDINGS AND POLICY.

(a) FINDINGS.—Congress finds the following:

(1) The President of Yugoslavia, Slobodan Milosevic, has consistently engaged in undemocratic methods of governing.

(2) Yugoslavia has passed and implemented a law strictly limiting freedom of the press and has acted to intimidate and prevent independent media from operating inside Yugoslavia.

(3) Although the Yugoslav and Serbian constitutions provide for the right of citizens to change their government, citizens of Serbia in practice are prevented from exercising that right by the Milosevic regime's domination of the mass media and manipulation of the electoral process.

(4) The Yugoslav government has orchestrated attacks on academics at institutes and universities throughout the country in an effort to prevent the dissemination of opinions that differ from official state propaganda.

(5) The Yugoslav government prevents the formation of nonviolent, democratic opposition through restrictions on freedom of assembly and association.

(6) The Yugoslav government uses control and intimidation to control the judiciary and manipulates the country's legal framework to suit the regime's immediate political interests.

(7) The Government of Serbia and the Government of Yugoslavia, under the direction of President Milosevic, have obstructed the efforts of the Government of Montenegro to pursue democratic and free-market policies.

(8) At great risk, the Government of Montenegro has withstood efforts by President Milosevic to interfere with its government and supported the goals of the United States in the conflict in Kosovo.

(9) The people of Serbia who do not endorse the undemocratic actions of the Milosevic government should not be the target of criticism that is rightly directed at the Milosevic regime.

(b) POLICY.—

(1) It is the policy of the United States to encourage the development of a government in Yugoslavia based on democratic principles and the rule of law and that respects internationally recognized human rights.

(2) It is the sense of Congress that—

(A) the United States should actively support the democratic opposition in Yugoslavia, including political parties and independent trade unions, to develop a legitimate and viable alternative to the Milosevic regime;

(B) all United States Government officials, including individuals from the private sector acting on behalf of the United States Government, should attempt to meet regularly with representatives of democratic opposition organizations of Yugoslavia and minimize to the extent practicable any direct contacts with government officials from Yugoslavia, particularly President Slobodan Milosevic, who perpetuate the nondemocratic regime in Yugoslavia; and

(C) the United States should emphasize to all political leaders in Yugoslavia the importance of respecting internationally recognized human rights for all individuals residing in Yugoslavia.

SEC. 102. ASSISTANCE TO PROMOTE DEMOCRACY AND CIVIL SOCIETY IN YUGOSLAVIA.

(a) ASSISTANCE.—

(1) PURPOSE OF ASSISTANCE.—The purpose of assistance under this subsection is to promote and strengthen institutions of democratic government and the growth of an independent civil society in Yugoslavia, including ethnic tolerance and respect for internationally recognized human rights.

(2) AUTHORIZATION FOR ASSISTANCE.—To carry out the purpose of paragraph (1), the President is authorized to furnish assistance and other support for the activities described in paragraph (3).

(3) ACTIVITIES SUPPORTED.—Activities that may be supported by assistance under paragraph (2) include the following:

(A) Democracy building.

(B) The development of nongovernmental organizations.

(C) The development of independent media working within Serbia if possible, but, if that is not feasible, from locations in neighboring countries.

(D) The development of the rule of law, to include a strong, independent judiciary, the impartial administration of justice, and transparency in political practices.

(E) International exchanges and advanced professional training programs in skill areas central to the development of civil society and a market economy.

(F) The development of all elements of the democratic process, including political parties and the ability to administer free and fair elections.

(G) The development of local governance.

(H) The development of a free-market economy.

(4) AUTHORIZATION OF APPROPRIATIONS.—

(A) IN GENERAL.—There is authorized to be appropriated to the President $100,000,000 for the period beginning October 1, 1999, and ending September 30, 2001, to carry out this subsection.

(B) AVAILABILITY OF FUNDS.—Amounts appropriated pursuant to subparagraph (A) are authorized to remain available until expended.

(b) PROHIBITION ON ASSISTANCE TO GOVERNMENT OF SERBIA.—In carrying out subsection (a), the President should take all necessary steps to ensure that no funds or other assistance is provided to the Government of Yugoslavia or to the Government of Serbia, except for purposes permitted under this Act.

(c) ASSISTANCE TO GOVERNMENT OF MONTENEGRO.—In carrying out subsection (a), the President may provide assistance to the Government of Montenegro, unless the President determines, and so reports to the appropriate congressional committees, that the leadership of the Government of Montenegro is not committed to, or is not taking steps to promote, democratic principles, the rule of law, or respect for internationally recognized human rights.

SEC. 103. AUTHORITY FOR RADIO AND TELEVISION BROADCASTING.

(a) IN GENERAL.—The Broadcasting Board of Governors shall further the open communication of information and ideas through the increased use of radio and television broadcasting to Yugoslavia in both the Serbo-Croatian and Albanian languages.

(b) IMPLEMENTATION.—Radio and television broadcasting under subsection (a) shall be carried out by the Voice of America and, in addition, radio broadcasting under that subsection shall be carried out by RFE/RL, Incorporated. Subsection (a) shall be carried out in accordance with all the respective Voice of America and RFE/RL, Incorporated, standards to ensure that radio and television broadcasting to Yugoslavia serves as a consistently reliable and authoritative source of accurate, objective, and comprehensive news.

(c) STATUTORY CONSTRUCTION.—The implementation of subsection (a) may not be construed as a replacement for the strengthening of indigenous independent media called for in section 102(a)(3)(C). To the maximum extent practicable, the two efforts (strengthening independent media and increasing broadcasts into Serbia) shall be carried out in such a way that they mutually support each other.

TITLE II—ASSISTANCE TO THE VICTIMS OF SERBIAN OPPRESSION

SEC. 201. FINDINGS.

The Congress finds the following:

(1) Beginning in February 1998 and ending in June 1999, the armed forces of Yugoslavia and the Serbian Interior Ministry police force engaged in a brutal crackdown against the ethnic Albanian population in Kosovo.

(2) As a result of the attack by Yugoslav and Serbian forces against the Albanian population of Kosovo, more than 10,000 individuals have been killed and 1,500,000 individuals were displaced from their homes.

(3) The majority of the individuals displaced by the conflict in Kosovo was left homeless or was forced to find temporary shelter in Kosovo or outside the country.

(4) The activities of the Yugoslav armed forces and the police force of the Serbian Interior Ministry resulted in the widespread destruction of agricultural crops, livestock, and property, as well as the poisoning of wells and water supplies, and the looting of humanitarian goods provided by the international community.

SEC. 202. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) humanitarian assistance to the victims of the conflict in Kosovo, including refugees and internally displaced persons, and all assistance to rebuild damaged property in Kosovo, should be the responsibility of the Government of Yugoslavia and the Government of Serbia;

(2) under the direction of President Milosevic, neither the Government of Yugoslavia nor the Government of Serbia has provided the resources to assist innocent, civilian victims of oppression in Kosovo; and

(3) because neither the Government of Yugoslavia nor the Government of Serbia has fulfilled the responsibilities of a sovereign government toward the people in Kosovo, the international community offers the only recourse for humanitarian assistance to victims of oppression in Kosovo.

SEC. 203. ASSISTANCE.

(a) AUTHORITY.—The President is authorized to furnish assistance under section 491 of the Foreign Assistance Act of 1961 (22 U.S.C. 2292) and the Migration and Refugee Assistance Act of 1962 (22 U.S.C. 2601 et seq.), as appropriate, for—

(1) relief, rehabilitation, and reconstruction in Kosovo; and

(2) refugees and persons displaced by the conflict in Kosovo.

(b) PROHIBITION.—No assistance may be provided under this section to any group that has been designated as a terrorist organization under section 219 of the Immigration and Nationality Act (8 U.S.C. 1189).

(c) USE OF ECONOMIC SUPPORT FUNDS.—Any funds that have been allocated under chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 et seq.) for assistance described in subsection (a) may be used in accordance with the authority of that subsection.

TITLE III—"OUTER WALL" SANCTIONS

SEC. 301. "OUTER WALL" SANCTIONS.

(a) APPLICATION OF MEASURES.—The sanctions described in subsections (c) through (g) shall apply with respect to Yugoslavia until the President determines and certifies to the appropriate congressional committees that the Government of Yugoslavia has made significant progress in meeting the conditions described in subsection (b).

(b) CONDITIONS.—The conditions referred to in subsection (a) are the following:

(1) Agreement on a lasting settlement in Kosovo.

(2) Compliance with the General Framework Agreement for Peace in Bosnia and Herzegovina.

(3) Implementation of internal democratic reform.

(4) Settlement of all succession issues with the other republics that emerged from the break-up of the Socialist Federal Republic of Yugoslavia.

(5) Cooperation with the International Criminal Tribunal for the former Yugoslavia, including the transfer of all indicted war criminals in Yugoslavia to the Hague.

(c) INTERNATIONAL FINANCIAL INSTITUTIONS.—The Secretary of the Treasury shall instruct the United States executive directors of the international financial institutions to oppose, and vote against, any extension by those institutions of any financial assistance (including any technical assistance or grant) of any kind to the Government of Yugoslavia.

(d) ORGANIZATION FOR SECURITY AND COOPERATION IN EUROPE.—The Secretary of State should instruct the United States Ambassador to the Organization for Security and Cooperation in Europe (OSCE) to oppose and block any consensus to allow the participation of Yugoslavia in the OSCE or any organization affiliated with the OSCE.

(e) UNITED NATIONS.—The Secretary of State should instruct the United States Permanent Representative to the United Nations—

(1) to oppose and vote against any resolution in the United Nations Security Council to admit Yugoslavia to the United Nations or any organization affiliated with the United Nations; and

(2) to actively oppose and, if necessary, veto any proposal to allow Yugoslavia to assume the membership of the former Socialist Federal Republic of Yugoslavia in the United Nations General Assembly or any other organization affiliated with the United Nations.

(f) NATO.—The Secretary of State should instruct the United States Permanent Representative to the North Atlantic Council to oppose and vote against the extension to Yugoslavia of membership or participation in the Partnership for Peace program or any other organization affiliated with NATO.

(g) SOUTHEAST EUROPEAN COOPERATION INITIATIVE.—The Secretary of State should instruct the United States Representatives to the Southeast European Cooperation Initiative (SECI) to actively oppose the participation of Yugoslavia in SECI.

(h) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the President should not restore full diplomatic relations with Yugoslavia until the President has determined and so reported to the appropriate congressional committees that the Government of Yugoslavia has met the conditions described in subsection (b); and

(2) the President should encourage all other European countries to diminish their level of diplomatic relations with Yugoslavia.

(i) INTERNATIONAL FINANCIAL INSTITUTION DEFINED.—In this section, the term "international financial institution" includes the International Monetary Fund, the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Multilateral Investment Guaranty Agency, and the European Bank for Reconstruction and Development.

SEC. 302. INTERNATIONAL FINANCIAL INSTITUTIONS NOT IN COMPLIANCE WITH "OUTER WALL" SANCTIONS.

It is the sense of Congress that, if any international financial institution (as defined in section 301(i)) approves a loan or other financial assistance to the Government of Yugoslavia over opposition of the United States, then the Secretary of the Treasury should withhold from payment of the United States share of any increase in the paid-in capital of such institution an amount equal to the amount of the loan or other assistance.

TITLE IV—OTHER MEASURES AGAINST YUGOSLAVIA

SEC. 401. BLOCKING YUGOSLAVIA ASSETS IN THE UNITED STATES.

(a) Blocking of Assets.—All property and interests in property, including all commercial, industrial, or public utility undertakings or entities, of or in the name of the Government of Serbia or the Government of Yugoslavia that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of United States persons, including their overseas branches, are hereby blocked.

(b) Exercise of Authorities.—The Secretary of the Treasury, in consultation with the Secretary of State, shall take such actions, including the promulgation of regulations, orders, directives, rulings, instructions, and licenses, and employ all powers granted to the President by the International Emergency Economic Powers Act, as may be necessary to carry out the purpose of this section, including taking such steps as may be necessary to continue in effect the measures contained in Executive Order No. 13088 of June 9, 1998, and Executive Order No. 13121 of May 1, 1999, and any rule, regulation, license, or order issued thereunder.

(c) Prohibited Transfers.—Transfers prohibited under subsection (b) shall include payments or transfers of any property or any transactions involving the transfer of anything of economic value by any United States person to the Government of Serbia, the Government of Yugoslavia, or any person or entity acting for or on behalf of, or owned or controlled, directly or indirectly, by any of those governments, persons, or entities.

(d) Payment of Expenses.—All expenses incident to the blocking and maintenance of property blocked under subsection (a) shall be charged to the owners or operators of such property, which expenses shall not be met from blocked funds.

(e) Prohibitions.—The following shall be prohibited as of the date of enactment of this Act:

(1) Any transaction within the United States or by a United States person relating to any vessel in which a majority or controlling interest is held by a person or entity in, or operating from, Serbia regardless of the flag under which the vessel sails.

(2) The exportation to Serbia or to any entity operated from Serbia or owned and controlled by the Government of Serbia or the Government of Yugoslavia, directly or indirectly, of any goods, technology, or services, either—

(A) from the United States;

(B) requiring the issuance of a license by a Federal agency; or

(C) involving the use of United States registered vessels or aircraft, or any activity that promotes or is intended to promote such exportation.

(3) Any dealing by a United States person in—

(A) property originating in Serbia or exported from Serbia;

(B) property intended for exportation from Serbia to any country or exportation to Serbia from any country; or

(C) any activity of any kind that promotes or is intended to promote such dealing.

(4) The performance by any United States person of any contract, including a financing contract, in support of an industrial, commercial, public utility, or governmental project in Serbia.

(f) Exceptions.—Nothing in this section shall apply to—

(1) the transshipment through Serbia of commodities and products originating outside Yugoslavia and temporarily present in the territory of Yugoslavia only for the purpose of such transshipment;

(2) assistance provided under section 102 or section 203 of this Act; or

(3) those materials described in section 203(b)(3) of the International Emergency Economic Powers Act relating to informational materials.

SEC. 402. SUSPENSION OF ENTRY INTO THE UNITED STATES.

(a) Prohibition.—The President shall use his authority under section 212(f) of the Immigration and Nationality Act (8 U.S.C. 1182(f)) to suspend the entry into the United States of any alien who—

(1) holds a position in the senior leadership of the Government of Yugoslavia or the Government of Serbia; or

(2) is a spouse, minor child, or agent of a person inadmissible under paragraph (1).

(b) Senior Leadership Defined.—In subsection (a)(1), the term "senior leadership"—

(1) includes—

(A) the President, Prime Minister, Deputy Prime Ministers, and government ministers of Yugoslavia;

(B) the Governor of the National Bank of Yugoslavia; and

(C) the President, Prime Minister, Deputy Prime Ministers, and government ministers of the Republic of Serbia; and

(2) does not include the President, Prime Minister, Deputy Prime Ministers, and government ministers of the Republic of Montenegro.

SEC. 403. PROHIBITION ON STRATEGIC EXPORTS TO YUGOSLAVIA.

(a) Prohibition.—No computers, computer software, or goods or technology intended to manufacture or service computers may be exported to or for use by the Government of Yugoslavia or by the Government of Serbia, or by any of the following entities of either government:

(1) The military.

(2) The police.

(3) The prison system.

(4) The national security agencies.

(b) Statutory Construction.—Nothing in this section prevents the issuance of licenses to ensure the safety of civil aviation and safe operation of United States-origin commercial passenger aircraft and to ensure the safety of ocean-going maritime traffic in international waters.

SEC. 404. PROHIBITION ON LOANS AND INVESTMENT.

(a) United States Government Financing.—No loan, credit guarantee, insurance, financing, or other similar financial assistance may be extended by any agency of the United States Government (including the Export-Import Bank and the Overseas Private Investment Corporation) to the Government of Yugoslavia or the Government of Serbia.

(b) Trade and Development Agency.—No funds made available by law may be available for activities of the Trade and Development Agency in or for Serbia.

(c) Third Country Action.—The Secretary of State is urged to encourage all other countries, particularly European countries, to suspend any of their own programs providing support similar to that described in subsection (a) or (b) to the Government of Yugoslavia or the Government of Serbia, including by rescheduling repayment of the indebtedness of either government under more favorable conditions.

(d) Prohibition on Private Credits.—

(1) In general.—Except as provided in paragraph (2), no national of the United States may make or approve any loan or other extension of credit, directly or indirectly, to the Government of Yugoslavia or to the Government of Serbia or to any corporation, partnership, or other organization that is owned or controlled by either the Government of Yugoslavia or the Government of Serbia.

(2) Exception.—Paragraph (1) shall not apply to a loan or extension of credit for any housing, education, or humanitarian benefit to assist the victims of repression in Kosovo.

SEC. 405. PROHIBITION OF MILITARY-TO-MILITARY COOPERATION.

The United States Government (including any agency or entity of the United States) shall not provide assistance under the Foreign Assistance Act of 1961 or the Arms Export Control Act (including the provision of Foreign Military Financing under section 23 of the Arms Export Control Act or international military education and training under chapter 5 of part II of the Foreign Assistance Act of 1961) or provide any defense articles or defense services under those Acts, to the armed forces of the Government of Yugoslavia or of the Government of Serbia.

SEC. 406. MULTILATERAL SANCTIONS.

It is the sense of Congress that the President should continue to seek to coordinate with other countries, particularly European countries, a comprehensive, multilateral strategy to further the purposes of this Act, including, as appropriate, encouraging other countries to take measures similar to those described in this title.

SEC. 407. EXEMPTIONS.

(a) Exemption for Kosovo.—None of the restrictions imposed by this Act shall apply with respect to Kosovo, including with respect to governmental entities or administering authorities or the people of Kosovo.

(b) Exemption for Montenegro.—None of the restrictions imposed by this Act shall apply with respect to Montenegro, including with respect to governmental entities of Montenegro, unless the President determines and so certifies to the appropriate congressional committees that the leadership of the Government of Montenegro is not committed to, or is not taking steps to promote, democratic principles, the rule of law, or respect for internationally recognized human rights.

SEC. 408. WAIVER; TERMINATION OF MEASURES AGAINST YUGOSLAVIA.

(a) General Waiver Authority.—Except as provided in subsection (b), the requirement to impose any measure under this Act may be waived for successive periods not to exceed 12 months each, and the President may provide assistance in furtherance of this Act notwithstanding any other provision of law, if the President determines and so certifies to the appropriate congressional committees in writing 15 days in advance of the implementation of any such waiver that—

(1) it is important to the national interest of the United States; or

(2) significant progress has been made in Yugoslavia in establishing a government based on democratic principles and the rule of law, and that respects internationally recognized human rights.

(b) Exception.—The President may implement the waiver under subsection (a) for successive periods not to exceed 3 months each without the 15 day advance notification under that subsection —

(1) if the President determines that exceptional circumstances require the implementation of such waiver; and

(2) the President immediately notifies the appropriate congressional committees of his determination.

(c) Termination of Restrictions.—The restrictions imposed by this Act shall be terminated if the President determines and so certifies to the appropriate congressional committees that the Government of Yugoslavia is a government that is committed to democratic principles and the rule of law, and that respects internationally recognized human rights.

SEC. 409. STATUTORY CONSTRUCTION.

(a) In General.—None of the restrictions or prohibitions contained in this Act shall be construed to limit humanitarian assistance (including the provision of food and medicine), or the commercial export of agricultural commodities or medicine and medical equipment, to Yugoslavia.

(b) Special Rule.—Nothing in subsection (a) shall be construed to permit the export of an agricultural commodity or medicine that could contribute to the development of a chemical or biological weapon.

TITLE V—MISCELLANEOUS PROVISIONS

SEC. 501. THE INTERNATIONAL CRIMINAL TRIBUNAL FOR THE FORMER YUGOSLAVIA.

(a) Findings.—Congress finds the following:

(1) United Nations Security Council Resolution 827, which was adopted May 25, 1993, established the International Criminal Tribunal for the former Yugoslavia to prosecute persons responsible for serious violations of international humanitarian law committed in the territory of the former Yugoslavia since January 1, 1991.

(2) United Nations Security Council Resolution 827 requires full cooperation by all countries with the Tribunal, including the obligation of countries to comply with requests of the Tribunal for assistance or orders.

(3) The Government of Yugoslavia has disregarded its international obligations with regard to the Tribunal, including its obligation to transfer or facilitate the transfer to the Tribunal of any person on the territory of Yugoslavia who has been indicted for war crimes or other crimes against humanity under the jurisdiction of the Tribunal.

(4) The Government of Yugoslavia publicly rejected the Tribunal's jurisdiction over events in Kosovo and has impeded the investigation of representatives from the Tribunal, including denying those representatives visas for entry into Yugoslavia, in their efforts to gather information about alleged crimes against humanity in Kosovo under the jurisdiction of the Tribunal.

(5) The Tribunal has indicted President Slobodan Milosevic for—

(A) crimes against humanity, specifically murder, deportations, and persecutions; and

(B) violations of the laws and customs of war.

(b) Policy.—It shall be the policy of the United States to support fully and completely the investigation of President Slobodan Milosevic by the International Criminal Tribunal for the former Yugoslavia for genocide, crimes against humanity, war crimes, and grave breaches of the Geneva Convention.

(c) In General.—Subject to subsection (b), it is the sense of Congress that the United States Government should gather all information that the intelligence community (as defined in section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)) collects or has collected to support an investigation of President Slobodan Milosevic for genocide, crimes against humanity, war crimes, and grave breaches of the Geneva Convention by the International Criminal Tribunal for the former Yugoslavia (ICTY) and that the Department of State should provide all appropriate information to the Office of the Prosecutor of the ICTY under procedures established by the Director of Central Intelligence that are necessary to ensure adequate protection of intelligence sources and methods.

(d) Report to Congress.—Not less than 180 days after the date of enactment of this Act, and every 180 days thereafter, the President shall submit a report, in classified form if necessary, to the appropriate congressional committees that describes the information that was provided by the Department of State to the Office of the Prosecutor of the International Criminal Tribunal for the former Yugoslavia for the purposes of subsection (c).

SEC. 502. SENSE OF CONGRESS WITH RESPECT TO ETHNIC HUNGARIANS OF VOJVODINA.

(a) Findings.—Congress finds that—

(1) approximately 350,000 ethnic Hungarians reside in the province of Vojvodina, part of Serbia, in traditional settlements in existence for centuries;

(2) this community has taken no side in any of the Balkan conflicts since 1990, but has maintained a consistent position of nonviolence, while seeking to protect its existence through the meager opportunities afforded under the existing political system;

(3) the Serbian leadership deprived Vojvodina of its autonomous status at the same time as it did the same to the province of Kosovo;

(4) this population is subject to continuous harassment, intimidation, and threatening suggestions that they leave the land of their ancestors; and

(5) during the past 10 years this form of ethnic cleansing has already driven 50,000 ethnic Hungarians out of the province of Vojvodina.

(b) Sense of Congress.—It is the sense of Congress that the President should—

(1) condemn harassment, threats, and intimidation against any ethnic group in Yugoslavia as the usual precursor of violent ethnic cleansing;

(2) express deep concern over the reports on recent threats, intimidation, and even violent incidents against the ethnic Hungarian inhabitants of the province of Vojvodina;

(3) call on the Secretary of State to regularly monitor the situation of the Hungarian ethnic group in Vojvodina; and

(4) call on the NATO allies of the United States, during any negotiation on the future status of Kosovo, also to pay substantial attention to establishing satisfactory guarantees for the rights of the ethnic Hungarian community of Vojvodina, and of other ethnic minorities in the province, including consulting with elected leaders about their proposal for self-administration.

SEC. 503. OWNERSHIP AND USE OF DIPLOMATIC AND CONSULAR PROPERTIES.

(a) Findings.—Congress finds the following:

(1) The international judicial system, as currently structured, lacks fully effective remedies for the wrongful confiscation of property and for unjust enrichment from the use of wrongfully confiscated property by governments and private entities at the expense of the rightful owners of the property.

(2) Since the dissolution of the Socialist Federal Republic of Yugoslavia, the Government of Yugoslavia has exclusively used, and benefited from the use of, properties located in the United States that were owned by the Socialist Federal Republic of Yugoslavia.

(3) The Governments of Bosnia and Herzegovina, Croatia, the Former Yugoslav Republic of Macedonia, and Slovenia have been blocked by the Government of Yugoslavia from using, or benefiting from the use of, any property located in the United States that was previously owned by the Socialist Federal Republic of Yugoslavia.

(4) The continued occupation and use by officials of Yugoslavia of that property without prompt, adequate, and effective compensation under the applicable principles of international law to the Governments of Bosnia and Herzegovina, Croatia, the Former Yugoslav Republic of Macedonia, and Slovenia are unjust and unreasonable.

(b) Policy on Negotiations Regarding Properties.—It is the policy of the United States to insist that the Government of Yugoslavia has a responsibility to, and should, actively and cooperatively engage in good faith negotiations with the Governments of Bosnia and Herzegovina, Croatia, the Former Yugoslav Republic of Macedonia, and Slovenia for resolution of the outstanding property issues resulting from the dissolution of the Socialist Federal Republic of Yugoslavia, including the disposition of the following properties located in the United States:

(1) 2222 Decatur Street, NW, Washington, DC.

(2) 2410 California Street, NW, Washington, DC.

(3) 1907 Quincy Street, NW, Washington, DC.

(4) 3600 Edmonds Street, NW, Washington, DC.

(5) 2221 R Street, NW, Washington, DC.

(6) 854 Fifth Avenue, New York, NY.

(7) 730 Park Avenue, New York, NY.

(c) Sense of Congress on Return of Properties.—It is the sense of Congress that, if the Government of Yugoslavia refuses to engage in good faith negotiations on the status of the properties listed in subsection (b), the President should take steps to ensure that the interests of the Governments of Bosnia and Herzegovina, Croatia, the Former Yugoslav Republic of Macedonia, and Slovenia are protected in accordance with international law.

SEC. 504. TRANSITION ASSISTANCE.

(a) Sense of Congress.—It is the sense of Congress that once the regime of President Slobodan Milosevic has been replaced by a government that is committed to democratic principles and the rule of law, and that respects internationally recognized human rights, the President of the United States should support the transition to democracy in Yugoslavia by providing immediate and substantial assistance, including facilitating its integration into international organizations.

(b) Authorization of Assistance.—The President is authorized to furnish assistance to Yugoslavia if he determines, and so certifies to the appropriate congressional committees that the Government of Yugoslavia is committed to democratic principles and the rule of law and respects internationally recognized human rights.

(c) Report to Congress.—

(1) Development of plan.—The President shall develop a plan for providing assistance

to Yugoslavia in accordance with this section. Such assistance would be provided at such time as the President determines that the Government of Yugoslavia is committed to democratic principles and the rule of law and respects internationally recognized human rights.

(2) STRATEGY.—The plan developed under paragraph (1) shall include a strategy for distributing assistance to Yugoslavia under the plan.

(3) DIPLOMATIC EFFORTS.—The President shall take the necessary steps—

(A) to seek to obtain the agreement of other countries and international financial institutions and other multilateral organizations to provide assistance to Yugoslavia after the President determines that the Government of Yugoslavia is committed to democratic principles, the rule of law, and that respects internationally recognized human rights; and

(B) to work with such countries, institutions, and organizations to coordinate all such assistance programs.

(4) COMMUNICATION OF PLAN.—The President shall take the necessary steps to communicate to the people of Yugoslavia the plan for assistance developed under this section.

(5) REPORT.—Not later than 120 days after the date of enactment of this Act, the President shall transmit to the appropriate congressional committees a report describing in detail the plan required to be developed by paragraph (1).

FREEDOM TO E-FILE ACT

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Agriculture Committee be discharged from further consideration of S. 777, and the Senate then proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 777) to require the Department of Agriculture to establish an electronic filing and retrieval system to enable the public to file all required paperwork electronically with the Department and to have access to public information on farm programs, quarterly trade, economic, and production reports, and other similar information.

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 2513

(Purpose: To provide a complete substitute)

Mr. GRASSLEY. Mr. President, there is a substitute amendment at the desk submitted by Senator FITZGERALD.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa (Mr. GRASSLEY), FOR MR. FITZGERALD, proposes an amendment numbered 2513.

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Freedom to E-File Act".

SEC. 2. ELECTRONIC FILING AND RETRIEVAL.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, in accordance with subsection (c), the Secretary of Agriculture (referred to in this Act as the "Secretary") shall, to the maximum extent practicable, establish an Internet-based system that enables agricultural producers to access all forms of the agencies of the Department of Agriculture specified in subsection (b).

(b) APPLICABILITY.—The agencies referred to in subsection (a) are—

(1) the Farm Service Agency;

(2) the Rural Utilities Service;

(3) the Rural Housing Service;

(4) the Rural Business-Cooperative Service; and

(5) the Natural Resources Conservation Service.

(c) IMPLEMENTATION.—In carrying out subsection (a), the Secretary shall—

(1) provide a method by which agricultural producers may—

(A) download forms from the Internet; and

(B) submit completed forms via electronic facsimile, mail, or similar means;

(2) redesign forms of the agencies of the Department of Agriculture by incorporating into the forms user-friendly formats and self-help guidance materials.

(d) PROGRESS REPORTS.—Not later than 180 days after the date of enactment of this Act, the Secretary shall submit to Congress a report that describes the progress made toward implementing the Internet-based system required under this section.

SEC. 3. ACCESSING INFORMATION AND FILING OVER THE INTERNET.

(a) IN GENERAL.—Not later than 2 years after the date of enactment of this Act, in accordance with subsection (b), the Secretary shall expand implementation of the Internet-based system established under section 2 by enabling agricultural producers to access and file all forms and, at the option of the Secretary, selected records and information of the agencies of the Department specified in section 2(b).

(b) IMPLEMENTATION.—In carrying out subsection (a), the Secretary shall ensure that an agricultural producer is able—

(1) to file electronically or in paper form, at the option of the agricultural producer, all forms required by agencies of the Department specified in section 2(b);

(2) to file electronically or in paper form, at the option of the agricultural producer, all documentation required by agencies of the Department specified in section 2(b) and determined appropriate by the Secretary; and

(3) to access information concerning farm programs, quarterly trade, economic, and production reports, and other similar production agriculture information that is readily available to the public in paper form.

SEC. 4. FEDERAL CROP INSURANCE CORPORATION AND RISK MANAGEMENT AGENCY.

(a) IN GENERAL.—Not later than December 1, 2000, the Federal Crop Insurance Corporation and the Risk Management Agency shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a plan, that is consistent with this Act, to allow agricultural producers to—

(1) obtain, over the Internet, from approved insurance providers all forms and other information concerning the program under the jurisdiction of the Corporation and Agency in which the agricultural producer is a participant; and

(2) file electronically all paperwork required for participation in the program.

(b) ADMINISTRATION.—The plan shall—

(1) conform to sections 2(c) and 3(b); and

(2) prescribe—

(A) the location and type of data to be made available to agricultural producers;

(B) the location where agricultural producers can electronically file their paperwork; and

(C) the responsibilities of the applicable parties, including agricultural producers, the Risk Management Agency, the Federal Crop Insurance Corporation, approved insurance providers, crop insurance agents, and brokers.

(c) IMPLEMENTATION.—Not later than December 1, 2001, the Federal Crop Insurance Corporation and the Risk Management Agency shall complete implementation of the plan submitted under subsection (a).

SEC. 5. CONFIDENTIALITY.

In carrying out this Act, the Secretary—

(1) may not make available any information over the Internet that would otherwise not be available for release under section 552 or 552a of title 5, United States Code; and

(2) shall ensure, to the maximum extent practicable, that the confidentiality of persons is maintained.

Mr. FITZGERALD. Mr. President, I rise today to urge passage of S. 777, the Freedom to E-File Act. I appreciate Agriculture Secretary Glickman, Agriculture Committee Chairman LUGAR and my other Colleagues on the Agriculture Committee for their hard work in helping craft the consensus substitute amendment being offered on the floor today. This legislation will streamline the process our farmers follow when filing paper work with the Department of Agriculture (USDA). Currently, when farmers are required to fill out USDA paper work, they are required to travel to their local USDA county offices, complete the paper work, wait in long lines and file these documents in paper form. This process is very inefficient and time consuming.

This bill simply requires USDA to develop a system for farmers to access and file this information over the internet. The "Freedom to E-file Act" simply makes good common sense. As our society has become more technologically advanced so have our farmers. In fact, a 1998 Novartis survey found that over 72 percent of all farmers with 500 acres or more had personal computers. Overall, over fifty percent of all farmers surveyed had computers.

According to a Farm Journal study entitled, "AgWeb 1999: Internet and e-Commerce in Production Agriculture," farmer internet usage will have more than doubled by the end of 1999 compared to 1997. The author concluded, "the computer and the internet have become just as important to farmers as the tractor and good weather." The bill we pass today clearly recognizes this reality. The study also notes that over two-thirds of all commercial farmers own at least one computer and these farmers spend at least two hours per week on average utilizing the internet for agricultural purposes.

Our agriculturists use computers not only for financial management and market information but for sophisticated precision agriculture management systems. These sophisticated small business owners could easily file necessary farm program paperwork from their homes and offices if only this option was available.

Farmers are often frustrated with the long lines at county USDA offices, especially during their most hectic times such as harvest season. Our nation's farmers are clearly overburdened by government-mandated paperwork. This bill is the first step in the right direction toward regulatory reform for our U.S. food producers.

The Freedom to E-File Act has been popular among agricultural groups and within the United States Senate. The American Farm Bureau Federation, our nation's largest farm organization, stated that while S. 777 is a simple bill, "the impact it will have on farmers and ranchers should be immense." The bill has approximately twenty bipartisan co-sponsors, including Agriculture Committee Chairman LUGAR and Minority Leader DASCHLE. The Secretary of Agriculture also supports the Freedom to E-File Act.

I commend my colleague, Congressman RAY LAHOOD, for championing the companion to this bill in the House of Representatives. I hope that the House will pass this important legislation prior to the end of this session, and look forward to the President's signature. I thank the presiding officer and I yield the floor.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the amendment be agreed to, the bill be read a third time and passed, as amended, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 777), as amended, was read the third time and passed, as follows:

S. 777

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Freedom to E-File Act".

SEC. 2. ELECTRONIC FILING AND RETRIEVAL.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, in accordance with subsection (c), the Secretary of Agriculture (referred to in this Act as the "Secretary") shall, to the maximum extent practicable, establish an Internet-based system that enables agricultural producers to access all forms of the agencies of the Department of Agriculture specified in subsection (b).

(b) APPLICABILITY.—The agencies referred to in subsection (a) are—

(1) the Farm Service Agency;

(2) the Rural Utilities Service;

(3) the Rural Housing Service;

(4) the Rural Business-Cooperative Service; and

(5) the Natural Resources Conservation Service.

(c) IMPLEMENTATION.—In carrying out subsection (a), the Secretary shall—

(1) provide a method by which agricultural producers may—

(A) download forms from the Internet; and

(B) submit completed forms via electronic facsimile, mail, or similar means;

(2) redesign forms of the agencies of the Department of Agriculture by incorporating into the forms user-friendly formats and self-help guidance materials.

(d) PROGRESS REPORTS.—Not later than 180 days after the date of enactment of this Act, the Secretary shall submit to Congress a report that describes the progress made toward implementing the Internet-based system required under this section.

SEC. 3. ACCESSING INFORMATION AND FILING OVER THE INTERNET.

(a) IN GENERAL.—Not later than 2 years after the date of enactment of this Act, in accordance with subsection (b), the Secretary shall expand implementation of the Internet-based system established under section 2 by enabling agricultural producers to access and file all forms and, at the option of the Secretary, selected records and information of the agencies of the Department specified in section 2(b).

(b) IMPLEMENTATION.—In carrying out subsection (a), the Secretary shall ensure that an agricultural producer is able—

(1) to file electronically or in paper form, at the option of the agricultural producer, all forms required by agencies of the Department specified in section 2(b);

(2) to file electronically or in paper form, at the option of the agricultural producer, all documentation required by agencies of the Department specified in section 2(b) and determined appropriate by the Secretary; and

(3) to access information concerning farm programs, quarterly trade, economic, and production reports, and other similar production agriculture information that is readily available to the public in paper form.

SEC. 4. FEDERAL CROP INSURANCE CORPORATION AND RISK MANAGEMENT AGENCY.

(a) IN GENERAL.—Not later than December 1, 2000, the Federal Crop Insurance Corporation and the Risk Management Agency shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a plan, that is consistent with this Act, to allow agricultural producers to—

(1) obtain, over the Internet, from approved insurance providers all forms and other information concerning the program under the jurisdiction of the Corporation and Agency in which the agricultural producer is a participant; and

(2) file electronically all paperwork required for participation in the program.

(b) ADMINISTRATION.—The plan shall—

(1) conform to sections 2(c) and 3(b); and

(2) prescribe—

(A) the location and type of data to be made available to agricultural producers;

(B) the location where agricultural producers can electronically file their paperwork; and

(C) the responsibilities of the applicable parties, including agricultural producers, the Risk Management Agency, the Federal Crop Insurance Corporation, approved insurance providers, crop insurance agents, and brokers.

(c) IMPLEMENTATION.—Not later than December 1, 2001, the Federal Crop Insurance Corporation and the Risk Management Agency shall complete implementation of the plan submitted under subsection (a).

SEC. 5. CONFIDENTIALITY.

In carrying out this Act, the Secretary—

(1) may not make available any information over the Internet that would otherwise not be available for release under section 552 or 552a of title 5, United States Code; and

(2) shall ensure, to the maximum extent practicable, that the confidentiality of persons is maintained.

TO AMEND THE IMMIGRATION AND NATIONALITY ACT

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate now proceed to consideration of Calendar No. 340, S. 1753.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 1753) to amend the Immigration and Nationality Act to provide that an adopted alien who is less than 18 years of age may be considered a child under such Act if adopted with or after a sibling who is a child under such Act.

There being no objection, the Senate proceeded to consider the bill.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the bill be read a third time, passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 1753) was read the third time and passed, as follows:

S. 1753

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PROVIDING THAT AN ADOPTED ALIEN WHO IS LESS THAN 18 YEARS OF AGE MAY BE CONSIDERED A CHILD UNDER THE IMMIGRATION AND NATIONALITY ACT IF ADOPTED WITH OR AFTER A SIBLING WHO IS A CHILD UNDER SUCH ACT.

(a) IN GENERAL.—Section 101(b)(1) of the Immigration and Nationality Act (8 U.S.C. 1101(b)(1)) is amended—

(1) in subparagraph (E)—

(A) by inserting "(i)" after "(E)"; and

(B) by adding at the end the following:

"(ii) subject to the same proviso as in clause (i), a child who (I) is a natural sibling of a child described in clause (i) or subparagraph (F)(i); (II) was adopted by the adoptive parent or parents of the sibling described in such clause or subparagraph; and (III) is otherwise described in clause (i), except that the child was adopted while under the age of eighteen years; or"; and

(2) in subparagraph (F)—

(A) by inserting "(i) after "(F)";

(B) by striking the period at the end and inserting "; or"; and

(C) by adding at the end the following:

"(ii) subject to the same provisos as in clause (i), a child who (I) is a natural sibling of a child described in clause (i) or subparagraph (E)(i); (II) has been adopted abroad, or is coming to the United States for adoption, by the adoptive parent (or prospective adoptive parent) or parents of the sibling described in such clause or subparagraph; and (III) is otherwise described in clause (i), except that the child is under the age of eighteen at the time a petition is filed in his or her behalf to accord a classification as an immediate relative under section 201(b).".

(b) Conforming Amendments Relating to Naturalization.—

(1) Definition of child.—Section 101(c)(1) of the Immigration and Nationality Act (8 U.S.C. 1101(c)) is amended by striking "sixteen years," and inserting "sixteen years (except to the extent that the child is described in subparagraph (E)(ii) or (F)(ii) of subsection (b)(1)),".

(2) Certificate of citizenship.—Section 322(a)(4) of the Immigration and Nationality Act (8 U.S.C. 1433(a)(4)) is amended—

(A) by striking "16 years" and inserting "16 years (except to the extent that the child is described in clause (ii) of subparagraph (E) or (F) of section 101(b)(1))"; and

(B) by striking "subparagraph (E) or (F) of section 101(b)(1)." and inserting "either of such subparagraphs.".

RECOGNIZING AND COMMENDING THE PERSONNEL OF EGLIN AIR FORCE BASE, FLORIDA

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Armed Services Committee be discharged from consideration of and the Senate proceed to the immediate consideration of S. Res. 185, commending the personnel of Eglin Air Force Base.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 185) recognizing and commending the personnel of Eglin Air Force Base, Florida, for their participation and efforts in support of the North Atlantic Treaty Organization's (NATO) Operation Allied Force in the Balkan Region.

There being no objection, the Senate proceeded to consider the resolution.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the resolution and preamble be agreed to en bloc, the motion to reconsider be laid upon the table, and that any statements relating to the resolution be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 185) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. Res. 185

Whereas the personnel of the Air Armament Center at Eglin Air Force Base, Florida, developed and provided many of the munitions, technical orders, expertise, and support equipment utilized by NATO during the Operation Allied Force air campaign;

Whereas the 2,000-pound Joint Direct Attack Munition (JDAM) developed at the Air Armament Center was the very first weapon dropped in Operation Allied Force;

Whereas the Air to Ground 130 (AGM 130) standoff missile, developed at the Air Armament Center, enabled the F–15E Strike Eagle aircrews to standoff approximately 40 nautical miles from targets and attack with very high precision; and

Whereas the reliable performance of the JDAM and AGM 130 enabled the combat air crews to complete bombing missions accurately, effectively, and with reduced risk to crews, resulting in no casualties among NATO air personnel, thereby making these munitions the ordinance favored most by combat air crews: Now, therefore, be it

Resolved, That the Senate—

(1) commends the men and women of Eglin Air Force Base, Florida, for their contributions to the unqualified success of Operation Allied Force;

(2) recognizes that the efforts of the men and women of the Air Armament Center, Eglin Air Force Base, Florida, helped NATO conduct the air war with devastating effect on our adversaries, entirely without American casualties in the air combat operations;

(3) expresses deep gratitude for the sacrifices made by those men and women and their families in their support of American efforts in Operation Allied Force; and

(4) commits to maintaining the technological superiority of American air armament as a critical component of our Nation's capability to conduct and prevail in warfare while minimizing casualties.

COLLEGE SCHOLARSHIP FRAUD PREVENTION ACT OF 1999

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 357, bill S. 1455.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 1455) to enhance protections against fraud in the offering of financial assistance for college education, and for other purposes.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on the Judiciary, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "College Scholarship Fraud Prevention Act of 1999".

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) A substantial amount of fraud occurs in the offering of college education financial assistance services to consumers.

(2) Such fraud includes the following:

(A) Misrepresentations regarding the provision of sources from which consumers may obtain financial assistance (including scholarships, grants, loans, tuition, awards, and other assistance) for purposes of financing a college education.

(B) Misrepresentations regarding the provision of portfolios of such assistance tailored to the needs of specific consumers.

(C) Misrepresentations regarding the pre-selection of students as eligible to receive such assistance.

(D) Misrepresentations that such assistance will be provided to consumers who purchase specified services from specified entities.

(E) Misrepresentations regarding the business relationships between particular entities and entities that award or may award such assistance.

(F) Misrepresentations regarding refunds of processing fees if consumers are not provided specified amounts of such assistance, and other misrepresentations regarding refunds.

(3) In 1996, the Federal Trade Commission launched "Project Scholarscam", a joint law enforcement and consumer education campaign directed at fraudulent purveyors of so-called "scholarship services".

(4) Despite the efforts of the Federal Trade Commission, colleges and universities, and nongovernmental organizations, the continued lack of awareness about scholarship fraud permits a significant amount of fraudulent activity to occur.

SEC. 3. SENTENCING ENHANCEMENT FOR HIGHER EDUCATION FINANCIAL ASSISTANCE FRAUD.

Pursuant to its authority under section 994(p) of title 28, United States Code, the United States Sentencing Commission shall amend the Federal sentencing guidelines in order to provide for enhanced penalties for any offense involving fraud or misrepresentation in connection with the obtaining or providing of, or the furnishing of information to a consumer on, any scholarship, grant, loan, tuition, discount, award, or other financial assistance for purposes of financing an education at an institution of higher education, such that those penalties are comparable to the base offense level for misrepresentation that the defendant was acting on behalf of a charitable, educational, religious, or political organization, or a government agency.

SEC. 4. EXCLUSION OF DEBTS RELATING TO COLLEGE FINANCIAL ASSISTANCE SERVICES FRAUD FROM PERMISSIBLE EXEMPTIONS OF PROPERTY FROM ESTATES IN BANKRUPTCY.

Section 522(c) of title 11, United States Code, is amended—

(1) by striking "or" at the end of paragraph (2);

(2) by striking the period at the end of paragraph (3) and inserting "; or"; and

(3) by adding at the end the following:

"(4) a debt in connection with fraud in the obtaining or providing of any scholarship, grant, loan, tuition, discount, award, or other financial assistance for purposes of financing an education at an institution of higher education (as that term is defined in section 101 of the Higher Education Act of 1954 (20 U.S.C. 1001)).".

SEC. 5. SCHOLARSHIP FRAUD ASSESSMENT AND AWARENESS ACTIVITIES.

(a) Annual Report on Scholarship Fraud.—

(1) Requirement.—The Attorney General and the Secretary of Education, in conjunction with the Federal Trade Commission, shall jointly submit to Congress each year a report on fraud in the offering of financial assistance for purposes of financing an education at an institution of higher education. Each report shall contain an assessment of the nature and quantity of incidents of such fraud during the one-year period ending on the date of such report.

(2) Initial Report.—The first report under paragraph (1) shall be submitted not later than 18 months after the date of the enactment of this Act.

(b) National Awareness Activities.—The Secretary of Education shall, in conjunction with the Federal Trade Commission, maintain a scholarship fraud awareness site on the Internet web site of the Department of Education. The scholarship fraud awareness site may include the following:

(1) Appropriate materials from the Project Scholarscam awareness campaign of the Commission, including examples of common fraudulent schemes.

(2) A list of companies and individuals who have been convicted of scholarship fraud in Federal or State court.

(3) An Internet-based message board to provide a forum for public complaints and experiences with scholarship fraud.

(4) An electronic comment form for individuals who have experienced scholarship fraud or have questions about scholarship fraud, with appropriate mechanisms for the transfer of comments received through such forms to the Department and the Commission.

(5) Internet links to other sources of information on scholarship fraud, including Internet web sites of appropriate nongovernmental organizations, colleges and universities, and government agencies.

(6) An Internet link to the Better Business Bureau in order to assist individuals in assessing the business practices of other persons and entities.

(7) Information on means of communicating with the Federal Student Aid Information Center, including telephone and Internet contact information.

Mr. LEAHY. Mr. President, one of the singular most important issues facing us today is education. Affordable higher education is an opportunity that must be made available to all of our young people. To that end, public and private scholarships, grants and loans have long assisted our nation's students in pursuing college degrees.

Phony scholarship offerings, scams and frauds do great harm to our nation's students. No student seeking to attend a college or university should have to worry about whether a scholarship offering is legitimate or wonder whether the business to which he or she has mailed an application fee actually exists. I am glad to join in the effort of Senators ABRAHAM and FEINGOLD to add to the arsenal of our current laws to combat these types of frauds.

I commented at a Judiciary Committee hearing on this bill earlier this month that the goals of this legislation are laudable. We need to do more to combat scholarship scams and promote the dissemination of information about legitimate sources of higher education funding. Nevertheless, I raised questions about whether the original bill reflected the most effective way to pursue the goals we all share. I am pleased to join as a cosponsor of the substitute amendment that addresses the concerns I raised.

For instance, the original bill proposed raising the long-standing statutory maximum punishment of five years for mail and wire fraud to ten years in cases of scholarship scams. In light of the fact that scholarship scams often involve more than one victim and may result in multiple charges, raising the statutory penalties may not be necessary to effectuate punishment goals. I suggested that a more appropriate and effective solution to ensure adequate punishment may be to direct the Sentencing Commission to consider a guideline enhancement for cases involving fraudulent scholarship offerings. The substitute amendment makes this change and directs the Sentencing Commission to amend the sentencing guidelines to provide enhanced penalties for any offenses involving scholarship scams such that those penalties are comparable to the base offense level for misrepresentation that the defendant was acting on behalf of a charitable, educational, religious, or political organization, or a government agency. In effect, this amendment directs the Sentencing Commission to increase the guideline offense levels by 2 levels.

The substitute amendment is an improvement since it avoids complicating the wire and mail fraud statutes with different penalties depending on the nature of the underlying fraud.

The substitute amendment directs the Attorney General and the Secretary of Education, in consultation with the Federal Trade Commission to report to Congress on the nature and quantity of incidents of scholarship scams. This report will assist the Judiciary Committee in monitoring whether additional legislative steps are needed in this area.

The substitute amendment makes important improvements in the original bill, and I urge the Congress to pass this legislation promptly.

Mr. GRASSLEY. I ask unanimous consent the committee amendment be agreed to, the bill be considered read the third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment in the nature of a substitute was agreed to.

The bill (S. 1455) as amended, was read the third time and passed, as follows:

S. 1455

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "College Scholarship Fraud Prevention Act of 1999".

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) A substantial amount of fraud occurs in the offering of college education financial assistance services to consumers.

(2) Such fraud includes the following:

(A) Misrepresentations regarding the provision of sources from which consumers may obtain financial assistance (including scholarships, grants, loans, tuition, awards, and other assistance) for purposes of financing a college education.

(B) Misrepresentations regarding the provision of portfolios of such assistance tailored to the needs of specific consumers.

(C) Misrepresentations regarding the preselection of students as eligible to receive such assistance.

(D) Misrepresentations that such assistance will be provided to consumers who purchase specified services from specified entities.

(E) Misrepresentations regarding the business relationships between particular entities and entities that award or may award such assistance.

(F) Misrepresentations regarding refunds of processing fees if consumers are not provided specified amounts of such assistance, and other misrepresentations regarding refunds.

(3) In 1996, the Federal Trade Commission launched "Project Scholarscam", a joint law enforcement and consumer education campaign directed at fraudulent purveyors of so-called "scholarship services".

(4) Despite the efforts of the Federal Trade Commission, colleges and universities, and nongovernmental organizations, the continued lack of awareness about scholarship fraud permits a significant amount of fraudulent activity to occur.

SEC. 3. SENTENCING ENHANCEMENT FOR HIGHER EDUCATION FINANCIAL ASSISTANCE FRAUD.

Pursuant to its authority under section 994(p) of title 28, United States Code, the United States Sentencing Commission shall amend the Federal sentencing guidelines in order to provide for enhanced penalties for any offense involving fraud or misrepresentation in connection with the obtaining or providing of, or the furnishing of information to a consumer on, any scholarship, grant, loan, tuition, discount, award, or other financial assistance for purposes of financing an education at an institution of higher education, such that those penalties are comparable to the base offense level for misrepresentation that the defendant was acting on behalf of a charitable, educational, religious, or political organization, or a government agency.

SEC. 4. EXCLUSION OF DEBTS RELATING TO COLLEGE FINANCIAL ASSISTANCE SERVICES FRAUD FROM PERMISSIBLE EXEMPTIONS OF PROPERTY FROM ESTATES IN BANKRUPTCY.

Section 522(c) of title 11, United States Code, is amended—

(1) by striking "or" at the end of paragraph (2);

(2) by striking the period at the end of paragraph (3) and inserting "; or"; and

(3) by adding at the end the following:

"(4) a debt in connection with fraud in the obtaining or providing of any scholarship, grant, loan, tuition, discount, award, or other financial assistance for purposes of financing an education at an institution of higher education (as that term is defined in section 101 of the Higher Education Act of 1954 (20 U.S.C. 1001)).".

SEC. 5. SCHOLARSHIP FRAUD ASSESSMENT AND AWARENESS ACTIVITIES.

(a) ANNUAL REPORT ON SCHOLARSHIP FRAUD.—

(1) REQUIREMENT.—The Attorney General and the Secretary of Education, in conjunction with the Federal Trade Commission, shall jointly submit to Congress each year a report on fraud in the offering of financial assistance for purposes of financing an education at an institution of higher education. Each report shall contain an assessment of the nature and quantity of incidents of such fraud during the one-year period ending on the date of such report.

(2) INITIAL REPORT.—The first report under paragraph (1) shall be submitted not later than 18 months after the date of the enactment of this Act.

(b) NATIONAL AWARENESS ACTIVITIES.—The Secretary of Education shall, in conjunction with the Federal Trade Commission, maintain a scholarship fraud awareness site on the Internet web site of the Department of Education. The scholarship fraud awareness site may include the following:

(1) Appropriate materials from the Project Scholarscam awareness campaign of the Commission, including examples of common fraudulent schemes.

(2) A list of companies and individuals who have been convicted of scholarship fraud in Federal or State court.

(3) An Internet-based message board to provide a forum for public complaints and experiences with scholarship fraud.

(4) An electronic comment form for individuals who have experienced scholarship

fraud or have questions about scholarship fraud, with appropriate mechanisms for the transfer of comments received through such forms to the Department and the Commission.

(5) Internet links to other sources of information on scholarship fraud, including Internet web sites of appropriate nongovernmental organizations, colleges and universities, and government agencies.

(6) An Internet link to the Better Business Bureau in order to assist individuals in assessing the business practices of other persons and entities.

(7) Information on means of communicating with the Federal Student Aid Information Center, including telephone and Internet contact information.

TO PERMIT ENROLLMENT IN HOUSE OF REPRESENTATIVES CHILD CARE CENTER OF CHILDREN OF FEDERAL EMPLOYEES

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Rules Committee be discharged from further consideration of H.R. 3122, and that the Senate then proceed to the immediate consideration of H.R. 3122.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 3122) to permit the enrollment in the House of Representatives Child Care Center of children of Federal employees who are not employees of the legislative branch.

There being no objection, the Senate proceeded to consider the bill.

Mr. GRASSLEY. I ask unanimous consent that the bill be read three times, passed, and the motion to reconsider be laid upon the table with no intervening action, and that any statements relating thereto be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 3122) was read the third time and passed.

ORDERS FOR FRIDAY, NOVEMBER 5, 1999

Mr. GRASSLEY. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 9:30 a.m. on Friday, November 5. I further ask consent that on Friday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate then resume consideration of S. 625, the bankruptcy reform bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. GRASSLEY. For the information of all Senators, at 9:30 a.m. on Friday, the Senate will immediately resume debate on the bankruptcy reform legislation. As under the agreement, first-degree amendments to the bill must be relevant and filed by 5 p.m. tomorrow. Senators who have amendments are encouraged to work with the bill managers on a time to come to the floor to offer and debate those amendments. The leader has announced that votes could occur tomorrow on amendments or any appropriations bills that become available.

The leader also announces that votes will occur on Monday at 5:30 p.m. and on Tuesday morning at 10:30. The votes on Tuesday will be on the minimum wage issue and the business cost amendment.

As a reminder, the Senate passed the continuing resolution to continue Government funding until November 10. It is hoped that all Senators will give their full cooperation as the final days of the first session of the 106th Congress come to a close.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. GRASSLEY. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 8:15 p.m., adjourned until Friday, November 5, 1999, at 9:30 a.m.

HOUSE OF REPRESENTATIVES—*Thursday, November 4, 1999*

The House met at 10 a.m.

The Reverend Father Allen P. Novotny, S.J., President, Gonzaga College High School, Washington, D.C., offered the following prayer:

Almighty God, You made us to Your own image and set us over all creation. Once You chose a people and gave them a destiny and, when You brought them out of bondage to freedom, they carried with them the promise that all men and women would be blessed and all men and women could be free.

It happened to our forbearers, who came to this land as if out of the desert into a place of promise and hope. It happens to us still in our time, as You guide to perfection the work of creation by our labor.

May the women and men of this House bring this spirit to all their efforts to establishing true justice and guide our Nation to its destiny. May their work today and every day further this mission. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. MCNULTY. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Speaker's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. MCNULTY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Pursuant to clause 8, rule XX, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Louisiana (Mr. VITTER) come forward and lead the House in the Pledge of Allegiance.

Mr. VITTER led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a bill and a concurrent resolution of the House of the following titles:

H.R. 609. An act to amend the Export Apple and Pear Act to limit the applicability of the Act to apples.

H. Con. Res. 102. Concurrent resolution celebrating the 50th anniversary of the Geneva Conventions of 1949 and recognizing the humanitarian safeguards these treaties provide in times of armed conflict.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 434. An act to authorize a new trade and investment policy for sub-Sahara Africa.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 434) "An Act to authorize a new trade and investment policy for sub-Sahara Africa," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ROTH, Mr. GRASSLEY, Mr. LOTT, Mr. HELMS, Mr. MOYNIHAN, Mr. BAUCUS, and Mr. BIDEN to be the conferees on the part of the Senate.

The message also announced that the Senate has passed bills of the following titles in which concurrence of the House is requested.

S. 185. An act to establish a Chief Agricultural Negotiator in the Office of the United States Trade Representative.

S. 580. An act to amend title IX of the Public Health Service Act to revise and extend the Agency for Healthcare Policy and Research.

S. 688. An act to amend the Foreign Assistance Act of 1961 to reauthorize the Overseas Private Investment Corporation.

S. 1232. An act to provide for the correction of retirement coverage errors under chapters 83 and 84 of title 5, United States Code.

MAKING IN ORDER AT ANY TIME MOTION TO AGREE TO CONFERENCE ASKED BY THE SENATE ON H.R. 3194, DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 2000

Mr. GOSS. Mr. Speaker, I ask unanimous consent that it may be in order at any time for the chairman of the Committee on Appropriations or his designee to move that the House take from the Speaker's table the bill (H.R. 3194) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 2000, and for other purposes, with a Senate amendment, thereto, disagree to the Senate amendment and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

MAKING IN ORDER AT ANY TIME CONSIDERATION OF H.J. RES. 75, FURTHER CONTINUING APPROPRIATIONS, FISCAL YEAR 2000

Mr. GOSS. Mr. Speaker, I ask unanimous consent that it may be in order at any time, without the intervention of any point of order, to consider in the House the joint resolution (H.J. Res. 75) making further continuing appropriations for the fiscal year 2000, and for other purposes, that the joint resolution be debatable for 1 hour, equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations, and that the previous question otherwise be considered as ordered to passage without intervening motion except one motion to recommit.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

ANNOUNCEMENT OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. OSE). There will be 15 1-minutes on each side.

IT IS TIME THE LIBERAL DEMOCRATS SUPPORT FLEXIBILITY FOR LOCAL SCHOOL DISTRICTS

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. GIBBONS. Mr. Speaker, there is a Latin phrase that applies to those liberal Democrats who constantly believe that Washington always knows best: via ovicepitum dura est. For the engineers, "The way of the egghead is hard."

Mr. Speaker, it is time our liberal colleagues support the education opportunities that grant our local school districts the flexibility to decide how to spend their Federal education funding.

☐This symbol represents the time of day during the House proceedings, e.g., ☐1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

We are all aware of the Administration's plan to hire 100,000 new teachers, and we can all agree that hiring more qualified teachers should be a priority. But what about books? What about computers? What about the basic things, like pencils and papers? What right do Washington bureaucrats have to deny school districts the option of using these funds for these necessities?

Mr. Speaker, we can do more to improve the education of our children by giving local school districts the flexibility and tools needed to make those improvements. Let us give our children the best education opportunity we can. Let us cut the Federal purse strings.

Mr. Speaker, I yield back all the egg-headed, cookie-cutter, liberal funding theories which cannot possibly meet the diverse needs and educational needs of our children.

REPUBLICANS HAVE KILLED CAMPAIGN FINANCE REFORM AND CONTINUE TO BLOCK AN INCREASE IN THE MINIMUM WAGE

(Mr. OLVER asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. OLVER. Mr. Speaker, Americans have enjoyed an unprecedented growth in our economy over 8 years. We have the lowest unemployment rate in decades, but 12 million workers, 10 percent of all American workers, work at the minimum wage. The majority of them are adults, a majority are women.

Most of those women are trying to bring up children at that minimum wage with less than $10,000 a year. They have not seen any benefit from the economic boom. They deserve a wage increase, and they can only get that wage increase by increasing the minimum wage by this Congress.

Eighty percent of Americans favor doing that. Even two-thirds of all Republicans favor doing that. We have a bill that would raise the minimum wage by $1 over the next 2 years. It should pass. It could pass in a day, but the Republican leadership is going to hold that bill hostage unless it is possible to give $70 billion per year of tax cuts to the handful of Americans who make more than $300,000 a year. That tax reduction goes to the wealthiest 1 percent of Americans.

Why is this? Members guessed it, the handful of Americans who make more than $300,000 a year make the vast majority of contributions to political campaigns.

The Republican leadership of this Congress, the House and Senate, have killed campaign finance reform again this year.

AFRICA TRADE BILL: AN HISTORIC OPPORTUNITY

(Mr. ROYCE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROYCE. Mr. Speaker, it is encouraging to see the African Growth and Opportunity Act passed yesterday, overwhelmingly passed, and it has now passed both chambers of Congress.

We need to get to work, Mr. Speaker, on putting together a Senate-House conference committee on this bill so we can get it to the President for signature. This legislation is a first step in helping Africa help itself by bringing the continent into a positive trading partnership with the United States.

As the chairman of the Subcommittee on Africa, as well as an original cosponsor of the bill in the House, I can say that passage of this historic bill is good for Africa and it is good for America.

In addition to bringing Africa into a trading partnership with us, it will help open African markets to American goods. America today has only 5 percent of Africa's market. France and other European nations dominate the continent's trade. With this bill, the U.S. will be able to pry some of the African markets away from Europe. This will lead to tens of thousands of new jobs for Americans.

Mr. Speaker, I again urge quick formation of a House and Senate conference committee on this bill so we can get it to the President for signature.

IT IS TIME CONGRESS WRITES THE LAWS, NOT NEW YORK JUDGES

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, judges in New York have ruled that Mayor Giuliani shall give $7.2 million to the Brooklyn Museum of Art, even though their exhibit is offensive. I will say it is offensive, a portrait of the Virgin Mary splattered with elephant dung.

If that is not bad enough, now taxpayers have to subsidize it. Unbelievable, Mr. Speaker. In the name of art and freedom of expression, these stumbling, bumbling, fumbling judges in New York have institutionalized perversion.

The museum may have the right to show it, but by God, the taxpayers should not be compelled to fund it. It is time that Congress starts writing laws, not these judges. I yield back the stupidity, absolute stupidity and perversion, of the decision of these judges in New York.

ASKING THE PRESIDENT TO DO THE RIGHT THING

(Mr. CHABOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CHABOT. Mr. Speaker, as usual, the gentleman from Ohio is absolutely right.

I address my comments to another topic, however. In the coming days, the President is going to have to do some critical things and make some critical decisions. He can choose to support a Republican program that balances the budget and saves social security, or he can succumb to the pressure of the liberal Democrat leadership here in the House and bust the budget and loot the social security trust fund once again.

To the average hard-working American taxpayer, this should not really be a dilemma, but this is Washington, and silly things happen here. When liberals get together to discuss spending issues, it is awfully hard to keep their hands off of the taxpayers' money.

The President talks about his legacy. He can assure his place in history if he stands up to his free-spending friends and says no to budget-busting and no to more increases and raids on the social security trust fund.

Let us hope that just this once, the President does the right thing.

REPUBLICANS HAVE ALREADY SPENT $17 BILLION OF SOCIAL SECURITY SURPLUS

(Mr. BERRY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BERRY. Mr. Speaker, it would have been amusing the last few weeks if it had not been so sad listening to our Republican colleagues swearing to protect social security. This charade continues, despite the fact that the Congressional Budget Office has confirmed that the Republicans have already spent $17 billion of the social security surplus.

Remember, that $17 billion loan does not include the Republicans' $1 trillion tax cut. It does, however, include Senator TRENT LOTT's ship that the Navy does not need, does not want, and does not have the people to man if they had it.

It does include over $1 million to study the spruce bark beetle. In fact, according to the CBO, if the President had not vetoed the tax bill, we would have already raided the social security trust fund by at least $70 billion, without counting any of the other billions and billions and billions that my spendthrift Republican colleagues have passed this year.

With all this spending and all this borrowing, how can my Republican colleagues get up here with a straight face and say they are saving social security? The American people know better.

□ 1015

THE WORLD REMAINS A DANGEROUS PLACE, AND THE PRESIDENT REFUSES TO ABIDE BY THE WILL OF CONGRESS

(Mr. VITTER asked and was given permission to address the House for 1 minute.)

Mr. VITTER. Mr. Speaker, I continue to be amazed by the lax defense policies of this administration. Today our Navy has more than 200 fewer ships than during Desert Storm. Red China has six times our land forces and North Korea has developed a missile that delivers weapons of mass destruction to U.S. territory, and now the Clinton administration says it will ignore the vote of the Senate, abide by the rejected test ban treaty, just as they ignored H.R. 4 that calls for a missile defense.

Despite the fall of the Soviet Union, the world remains a dangerous place. Yet under President Clinton the will of the Congress is ignored and defense spending has not even kept pace with inflation. We must insist that the President follow the will of the Congress regarding national defense; modernize our weaponry and above all, above all, increase pay and benefits so that no soldiers, sailors, airmen or Marines have to rely on food stamps to feed their families.

WE MAY LOSE HMO REFORM

The SPEAKER pro tempore (Mr. OSE). For what purpose does the gentleman from Arkansas seek recognition?

Mr. GREEN of Texas. Mr. Speaker, I am from Texas.

Mr. Speaker, I am glad to follow my colleague, the gentleman from Louisiana (Mr. VITTER) because they are the ones that wanted to cut defense spending by 1 percent last week.

What I am here today about concerns what we are seeing that is happening. Despite a strong bipartisan vote in favor of HMO reform, the overwhelming and public support across the country, the leadership has shown it is still looking for a way to cut and eliminate real HMO reform.

The Republican leadership scheduled a bill that automatically linked to it a Patients' Bill of Rights, supposedly their patient access, but the House spoke by a bipartisan vote and passed a bipartisan measure for real HMO reform. Now we see the Republicans have stacked the conference committee with only one Member who voted for the bill, only one Member.

What is so sad is that they are overruling the whole majority in this House. Clearly, our fight for HMO reform is just beginning. We may have won the first battle but we have a big battle to go. By appointing only those Members who oppose it, they want to bury it again. They are neglecting the American people by a large majority, and this House, by a large majority, wants binding external appeals. They want open communication with our doctors and patients. They want accountability to whoever makes those medical decisions.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair wishes to apologize to the gentleman from Texas (Mr. GREEN) and to the people of Texas.

TRIBUTE TO U.S. ARMY COMMAND SERGEANT MAJOR RONALD W. BEDFORD, A REAL AMERICAN HERO

(Mr. EVERETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EVERETT. Mr. Speaker, I would like to remind the gentleman from Texas (Mr. GREEN) that this Republican Congress has added about $38 billion more than the President of the United States has requested for defense, but I would like to speak on something else.

Mr. Speaker, our society has cheapened the name of heroes today by elevating millionaire movie, music and sports stars while ignoring those Americans who perform unselfish acts of courage and sacrifice.

I wish to pay tribute to an American whose character and actions are truly unselfish acts of courage and sacrifice. On September 2, the 54th anniversary of VJ-Day, U.S. Army Command Sergeant Major Ronald W. Bedford began a 1,500-mile journey from Mobile, Alabama, to Washington, D.C.

His walk, which takes him through six States and the District of Columbia, is remarkable because it is entirely on foot. But CSM Bedford is not walking this enormous distance to set any record. Instead, he is striding the 71-day route to bring attention to and raise funding for the construction of a national memorial to honor America's greatest generation of heroes, those who fought in World War II.

Bedford, an ex-airborne infantryman now stationed at Fort Rucker, Alabama in my congressional district, came up with the idea of the walk after learning that there was no national memorial for the 16 million Americans who served and sacrificed to liberate the world from Nazi and Japanese occupation in World War II. His efforts to help raise money for the on-going World War II Memorial fund have gained the support of the Non-Commissioned Officers Association, and the praise of former Senator Bob Dole, who chairs the World War II Memorial Committee.

CSM Bedford's journey of 2,792,000 steps will take him through 144 cities and 15 military installations before he arrives at Arlington National Cemetery on November 11. From there, he will cross Memorial Bridge, pass by the Lincoln Memorial, and then proceed to the spot on the national mall where the World War II Memorial will be built next year.

I salute the Sargent Major for his personal sacrifice and welcome him to Washington, D.C.

NO MORE DEADBEAT LEADERSHIP

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, the Republican leadership was irresponsible in trying to spend the surplus on $800 billion worth of tax breaks for the wealthiest in this country. Now it is trying to skip town without addressing the needs of American families.

The failures of this Republican leadership are many. Their budget does not extend the life of Social Security by a single day. It fails to strengthen Medicare with not even a penny to provide for a prescription drug benefit for seniors who are desperately looking for that kind of a benefit. The Republican leadership has ignored American families. Families overwhelmingly support common sense gun safety, laws that keep firearms out of the hands of kids and of criminals.

The Republican leadership has allowed the special interests to write our gun laws. Common sense should be applied when it comes to the safety of our schools, of our neighborhoods, of office buildings and places of worship. This Congress should not adjourn without closing the loopholes that let guns fall into the wrong hands. No more deadbeat leadership. It is time for responsible action.

LET US KEEP SOCIAL SECURITY SOLVENT

(Mr. SMITH of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Michigan. Mr. Speaker, somehow, sometime, some place we are going to have to get over this partisan bickering and start working together on serious problems facing this nation. Yesterday I introduced a bipartisan bill that keeps Social Security solvent. In trying to convey the seriousness of the Social Security problem, I said that in the next 75 years the taxes coming in from Social Security are going to be short $120 trillion from accommodating what we have promised in benefits; $120 trillion over Social Security taxes collected over the next 75 years.

My wife Bonnie said, Nick, nobody understands what a trillion is. How else can we convey the seriousness? So, here is a quick try. A worker's income will be less if we don't solve Social Security. Poland has just exceeded 48 percent of their payroll tax for senior citizens. France is over 70 percent for their payroll tax. That means the cost of production goes up and fewer sales and less employment.

We have created less take home pay, more jobs in the U.S. in the first quarter of this year than Poland and France have in those two countries combined since 1980. Our pay roll tax is heading in that direction. Let's fix Social Security.

THE LEGACY OF NEWT

(Mr. HOYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOYER. Mr. Speaker, almost one year ago today, October 20, 1998, the then-speaker Newt Gingrich came on this House floor and chided the Republican perfectionist caucus. Two disastrous government shutdowns and rhetoric hot enough to heat this building on a cold winter day taught him one thing, government is the art of compromise; but he is not here. That lesson has been lost on today's House leadership. The perfectionist caucus, the crowd that says it is my way or no way, rides on.

The majority whip says the leadership will negotiate with the President on his knees. The Republican leadership rammed an irresponsible tax cut through the House, even though it would suck the Social Security surplus dry, and now they claim they will not spend one dime of that Social Security surplus. They have already dipped into that surplus to the tune of $17 billion and it is going to be well over on their way to spending $30 billion plus.

Let us get real. Let us do the people's business.

ONE PENNY FROM EVERY DOLLAR IS ALL IT WILL TAKE TO SAVE SOCIAL SECURITY FOR AMERICA'S SENIOR CITIZENS

(Mr. BARTLETT of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARTLETT of Maryland. Mr. Speaker, I cannot believe what I have been hearing from President Clinton and his Democrat cohorts in Congress over the last few days. It really should not surprise me to hear Democrats say we cannot cut any waste, fraud and abuse in government. After all, they are not exactly known for their fiscal discipline. But still, when they cry out that Federal agencies cannot find one cent out of every dollar to cut from their spending that just does not ring true, even for them.

One penny from every dollar is all that it will take to save Social Security for America's senior citizens. How can anyone be against this? But the Clinton-Gore administration and their friends in Congress are against it.

We passed a very good bill last week, Mr. Speaker. It will strengthen Social Security, it will cut waste, fraud and abuse out of the Federal bureaucracy but only if the President signs it. It is time for the administration to stop protecting bureaucratic mismanagement at the expense of working Americans. It is time to stop pretending that it is not possible. It is time to do the honest, responsible thing, stop the raid on Social Security once and for all.

LOWERING THE COSTS OF PRESCRIPTION DRUGS FOR SENIORS

(Mrs. THURMAN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. THURMAN. Mr. Speaker, I was reading the newspaper this morning and I came across an ad that just stopped me cold. The ad put out by the Pharmaceutical Research and Manufacturers of America highlights the new medicines they are coming out with to help stroke victims, breast cancer patients, people with osteoporosis and other common ailments.

The industry says the new drugs save the country and employers billions of dollars by doing away with missed workdays, expensive rehabilitation costs and other forms of care. This may be true, but what good is it if millions of seniors who need the drugs to live cannot afford to buy them?

I also want to point out that the pharmaceutical companies also receive significant government dollars from the National Institutes of Health to conduct the innovative research and to find the cures. So is it then appropriate to price them out of the reach of the people who need them? PHRMA just does not get it, and I do not think the Republican majority gets it.

A couple of weeks ago, I joined with my Democratic colleagues on the Committee on Ways and Means to lower the cost of prescription drugs, and they voted against it.

IS THE UNITED NATIONS OPERATING UNDER A DOUBLE STANDARD?

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, could the U.N. be operating under a double standard? It is very interesting that the United Nations, while calling for the indictment of Yugoslavia President Milosevic as a war criminal was all too eager to work with Milosevic's health minister to set up the Kosovo program to, quote, stimulate the birth rate of the populations in central and northern Serbia and to limit or forbid the enormous increase of the birth rate in Kosovo.

Could the U.N. be a complicit partner in Milosevic's efforts to halt or slow the growth of the ethnic Albanian population?

Could we have another one-child policy in the works following in the footsteps of China?

Can we blame the Albanian people for believing family planning programs and condom distribution is just another way to reduce their ethnic population?

Mr. Speaker, this tension in Kosovo represents the fine line that UNFPA is walking when it, however well-meaning, pushes through its population control programs around the world.

PHONY NUMBERS, PHONY ANALYSIS AND PHONY ACCOUNTING PRINCIPLES

(Mr. MINGE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MINGE. Mr. Speaker, we have been embarrassed by the tragic level of duplicity here by the Republican leadership this fall. In a misguided effort to avoid blame for using the Social Security trust fund to finance pork barrel spending for things, including TRENT LOTT's home State, the leadership is compromising the Congressional Budget Office. It is using phony numbers, phony analysis.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair wishes to remind Members to avoid such references to Members of the other body.

Mr. MINGE. It is using phony numbers, phony analysis and phony accounting principles. Here the Wall Street Journal has identified some of these problems. Smoke and mirrors has returned with claims that we have emergencies, and the use of slick accounting principles.

The Republicans are $17.1 billion into the Social Security trust fund, according to the Congressional Budget Office. We violated the budget caps by over $30 billion, and the Republican leadership has failed to get the spending bills to the White House and here we are 5 weeks into the fiscal year.

We are operating on supplemental resolutions. It is a disgrace to this body.

PRESCRIPTION DRUGS

(Mr. GUTKNECHT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUTKNECHT. Mr. Speaker, I would like to read some excerpts from a letter from Mr. George Halvorson who heads up one of the largest health groups in the Twin Cities of the State of Minnesota. He took out an ad recently and the headline is, "Who buys prescription drugs at ten cents on the dollar?"

Let me read this, please, and this is a quote. "The cost of prescription drugs varies to an amazing degree between countries. If you have a stomach ulcer and your doctor says you need to be on prilosec, you would probably pay about $99.95 for a 30-day supply in the Twin Cities. But if you were vacationing in Canada and decided to fill your prescription there, you would pay only $50.88. Or even better, if you were looking for a little warmer weather south of the border in Mexico, that same day 30-day supply would cost you only $17.50. That is for the same dose, made by the same manufacturer.

□ 1030

"When the North American Free Trade Act (NAFTA) was passed by Congress to allow free trade between us and our neighboring countries, HealthPartners decided to follow the lead of Minnesota Senior Federation and buy our drugs in Canada", but the FDA is standing between them. Today I am going to introduce legislation to respond to this problem.

THE BLUE DOG BUDGET FITS

(Mr. JOHN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHN. Mr. Speaker, today, 35 days into the fiscal year, we have not finished but only half of our appropriations bills up to this point.

The majority leadership up to this point has been fairly innovative and clever at trying to maneuver around the balanced budget agreement caps and making sure they are not spending Social Security surplus money. But I tell my colleagues today that they failed miserably. Even their own appointed CBO director says that they have broken the caps and spent $17 billion of Social Security money.

Truly it is time that we be honest and straightforward with the people of America. The Blue Dogs in the spring of last year introduced a budget proposal that fit then, and it fits now. It says take 50 percent of the surplus over 5 years, pay down the debt, use those savings to shore up Social Security, take 25 percent in a targeted tax cut, whether it is a State, marriage penalty, or capital gains, take the other 25 percent for priority spending on veterans or education or defense.

Let us stop playing games with the American people. Follow the blueprint of the Blue Dogs. It saves Social Security; and most of all, it is responsible and honest.

ONLY HALF A NOTCH IN AMERICA'S BELT WILL SAVE SOCIAL SECURITY

(Mr. TIAHRT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TIAHRT. Mr. Speaker, some time ago, the Democrats sent a letter to the Congressional Budget Office, the CBO, and it had some bogus ground rules; and what they got back said that we were spending Social Security under these bogus ground rules.

Their whole purpose for doing that is so that they can spend more money. They have shown the programs and they have talked about the programs that they want to spend the extra money on. Well, rest in peace, liberal big government. We are not going to do it.

In fact, we have got a letter from the Congressional Budget Officer that says, if we do not spend more than $592.1 billion on domestic discretionary spending, we will not spend any Social Security surplus. Along with that, we have put in a 1 percent across-the-board cut, which is like taking a half a notch in this belt, just tightening up just a half a notch. That is all we would have to do, and we passed that; and, in fact, we are not going to spend the Social Security surplus. That is the fact of the matter. The Congressional Budget Office confirmed that in a letter.

Now, if we are going to do what they are recommending, we would have to take four notches up in this belt. Now, America knows we could do that four notches and protect Social Security, but yet the liberals have failed to offer any program reduction.

DO SOMETHING CONSTRUCTIVE; PASS THE BLUE DOG BUDGET

(Mr. TANNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TANNER. Mr. Speaker, I do not come down here and do 1-minutes very often most of the time, I think most of the people that listen to these agree, that it is hurling insults back and forth across this table here, and that is not very constructive.

But what I did want to come down this morning to say is that the Blue Dogs offered a budget last April. We are in a mess. We are into November. There is still no agreements in sight. There is a blame game going on here about who wants to spend Social Security money. That is not very constructive.

We ought to stop that, stop the blame game, and get into the Blue Dog budget or something similar and do something constructive for the country for a change. That is what we were sent here for. That is what I hope we can do in the future for the people that we represent and for our kids and grandkids.

BLUE DOGS SHOULD JOIN WITH CONSERVATIVE REPUBLICANS ON 1-CENT SAVINGS

(Mr. HAYWORTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAYWORTH. Mr. Speaker, let me follow, then, in the spirit of bipartisanship offered by the gentleman from Tennessee (Mr. TANNER). I welcome that candid exchange, and I think one way we can really get started is for the Blue Dogs to join with the conservative majority in a pledge to realize savings of 1 cent of every dollar spent.

The gentleman from Tennessee (Mr. TANNER), the gentleman from Louisiana (Mr. JOHN) says, let us save money. We agree. Join with us. But, see, the problem is within the minority caucus, sadly my friends in the Blue Dog Coalition are a minority within that minority.

So I would invite my friends, moderate conservatives on the other side of the aisle, to join with this working majority for a center right coalition to realize savings.

All we are talking about is 1 cent on every discretionary dollar. That is easily done. It saves the Social Security money for Social Security. Let us do that in the spirit of bipartisanship. To my friends in the Blue Dog Caucus, I extend my hand in that bipartisan fashion.

HONESTY IN BUDGET NUMBERS

(Mr. SANDLIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SANDLIN. Mr. Speaker, it is time for responsible budgeting in this country. It is time to pay the country's debt. It is time to take Social Security completely off budget. Mr. Speaker, we have heard a lot of bragging from the other side of the aisle about stopping the raid on Social Security. The only problem is that the facts just do not back up the bragging.

The Republicans would like us to believe that the Congressional Budget Office has said that their budget would protect the Social Security surplus. What they forget to mention is it is only true when the Republican leadership tells CBO to change their numbers. How convenient.

When the Republicans wave around the CBO certification that they are protecting Social Security, they conveniently forget to mention the footnote that says that the estimate includes, "reductions applied to CBO's estimates for congressional scorekeeping purposes." In other words, the Republican leadership had to tell CBO to change their estimates to reduce the estimates of spending to make their numbers work. They use these estimates when they are convenient; but when they do not like it, they use other estimates. It is time for responsible budgeting.

TIGHTEN BELT TO SAVE SOCIAL SECURITY

(Mr. KINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KINGSTON. Mr. Speaker, let me say this to the gentleman from Texas (Mr. SANDLIN), the previous speaker, it is not about inside Washington accounting mumbo jumbo, it is about grandmother's retirement check, and I am going to do everything I can as a Republican to protect it.

Now, I do know this, that in January, the President of the United States said let us preserve only 60 percent of the Social Security surplus. The Republican position has been, let us preserve 100 percent. Let us balance the budget, not through spending Social Security on non-Social Security means, but let us do it by just good old-fashioned belt tightening.

Now, imagine some little roly-poly fat kid at the banquet table on his third piece of apple pie saying I want more. All we are saying is, look, we want you to slim it down, push back 1 cent on the dollar, tighten that belt just a little bit, about a half a notch. Then if you will do that, we do not have to get even close to Social Security money.

That is what the Republican Party is trying to get the Democrats to do. I hope that they will join us.

REMEMBER THAT SECOND AMENDMENT IS RIGHT TO BEAR ARMS

(Mr. METCALF asked and was given permission to address the House for 1 minute.)

Mr. METCALF. Mr. Speaker, let us go back to the founding of our Nation. Why were the British soldiers marching toward Lexington and Concord in the darkness of April 18, 1775? Because they had heard correctly that the colonists were stockpiling guns and ammunition.

The colonists had been trying to work out their problems with the king. But when the British moved to take away their guns, they went to war.

When the amendments were added to the Constitution, first amendment of course a priority, freedom of speech and freedom of religion. But what is the second amendment, the right to keep and bear arms shall not be infringed. Let us remember that.

STOPPING THE RAID ON SOCIAL SECURITY

(Mr. THUNE asked and was given permission to address the House for 1 minute.)

Mr. THUNE. Mr. Speaker, being a leader means making some tough choices. This year we have an historic opportunity to lock away 100 percent of the Social Security surplus and put an end to the practice of raiding the Social Security Trust Fund. It means we have to make a tough choice between Social Security and funding some other goals, like the President's desire to increase foreign aid spending by 30 percent.

The question is not whether we want to spend more on foreign aid or other government programs, the question is whether we want to spend more on these programs if it comes at the expense of Social Security.

Mr. Speaker, Republicans have already made our choice. We have chosen to say no to more government spending and yes to stopping the raid on Social Security. The American people agree with us. They would rather protect Social Security and Medicare and cut spending across the board for all other programs than raid Social Security again.

There is only one question that has not been answered, Mr. Speaker, and that is: Where does the President stand and where do our friend's on the other side stand? Will they block this legislation and insist on more government spending or will they join us in a bipartisan effort to end the raid on Social Security once and for all. For the sake of our future, I hope they will choose the latter.

TELL THE TRUTH, THE WHOLE TRUTH, AND NOTHING BUT THE TRUTH

(Mr. GARY MILLER of California asked and was given permission to address the House for 1 minute.)

Mr. GARY MILLER of California. Mr. Speaker, is there any reason or wonder that the American people are confused? I wish, prior to us being allowed to come here and talk to the American people, that we had to raise our hand and say, I swear to tell the truth, the whole truth, and nothing but the truth, so help me God.

All we have heard today and past days is the Republicans are spending Social Security monies. But actions speak louder than words. My friends on the other side of the aisle continue to vote no on appropriations bills. The President continues to veto appropriations bills. Why? Because we are not spending enough money that has to come from Social Security Trust Fund.

Why do we not do what we say we are trying to do? Let us not spend the money which we do not want to spend. We use great words like let us invest. We are not appropriating enough resources. What they are saying is we are not spending enough Social Security money.

We are saying, let us not spend Social Security money. Let us keep our promise to the American people. Let us stop being disingenuous. When one hears people come before one and say something, watch what they do. When they accuse Republicans of spending Social Security money, watch how they vote.

THE JOURNAL

The SPEAKER pro tempore (Mr. OSE). Pursuant to clause 8 of rule XX, the pending business is the question of agreeing to the Speaker's approval of the Journal of the last day's proceedings.

The question is on the Speaker's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MCNULTY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 346, nays 65, not voting 22, as follows:

[Roll No. 563]

YEAS—346

Abercrombie
Ackerman
Andrews
Archer
Armey
Bachus
Baker
Baldacci
Baldwin
Ballenger
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Berkley
Berman
Biggert
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Boswell
Boucher
Boyd
Brady (TX)
Brown (FL)
Bryant
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Capuano
Cardin
Carson
Castle
Chabot
Chambliss
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cox
Coyne
Cramer
Crowley
Cubin
Cummings
Cunningham
Danner
Davis (IL)
Davis (VA)
Deal
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Engel
Eshoo
Etheridge
Everett
Ewing
Farr
Fletcher
Foley
Forbes
Ford
Fossella
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger

Green (TX)
Greenwood
Gutierrez
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Herger
Hill (IN)
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hyde
Inslee
Isakson
Istook
Jackson (IL)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, Sam
Jones (NC)
Jones (OH)
Kaptur
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Knollenberg
Kolbe
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Largent
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (KY)
Linder
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McGovern
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
Meehan
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Minge
Mink
Moakley
Moran (KS)
Moran (VA)
Morella
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Obey
Olver
Ortiz
Ose
Owens
Oxley
Packard
Pascrell
Paul
Pease
Pelosi
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rangel
Regula
Reyes
Reynolds
Rivers
Rodriguez
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Schakowsky
Scott
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Stump
Sununu
Sweeney
Talent
Tanner
Tauscher
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Thurman
Tiahrt
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Upton
Velazquez
Vento
Vitter
Walden
Walsh
Wamp
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Wexler
Weygand
Whitfield
Wilson
Wolf
Woolsey
Wynn
Young (FL)

NAYS—65

Aderholt
Allen
Baird
Barcia
Berry
Bilbray
Borski
Brady (PA)
Brown (OH)
Chenoweth-Hage
Clay
Costello
Crane
DeFazio
Dickey
English
Evans
Fattah
Filner
Gibbons
Green (WI)
Gutknecht
Hefley
Hill (MT)
Hilleary
Hilliard
Hutchinson
Jackson-Lee (TX)
Johnson, E. B.
Klink
Kucinich
Latham
Lewis (GA)
Lipinski
LoBiondo
Markey
McDermott
McNulty
Meeks (NY)
Moore
Oberstar
Pallone
Pastor
Peterson (MN)
Phelps
Pickett
Ramstad
Riley
Rogan
Sabo
Schaffer
Slaughter
Stark
Strickland
Stupak
Tancredo
Taylor (MS)
Thompson (CA)
Thompson (MS)
Udall (NM)
Visclosky
Waters
Weller
Wicker
Wu

NOT VOTING—22

Bereuter
Burr
Cooksey
Davis (FL)
Doyle
Emerson
Hulshof
Hunter
Kanjorski
Kasich
Larson
Meek (FL)
Mollohan
Murtha
Myrick
Payne
Rahall
Scarborough
Sessions
Watkins
Wise
Young (AK)

□ 1103

Ms. McCARTHY of Missouri and Mr. GEORGE MILLER of California changed their vote from "nay" to "yea."

So the Journal was approved.

The result of the vote was announced as above recorded.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). Pursuant to clause 8 of rule XX, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Any record votes on postponed questions will be taken after debate has concluded on all motions to suspend the rules.

SENSE OF CONGRESS THAT SCHOOLS SHOULD USE PHONICS

Mr. McINTOSH. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 214) expressing the sense of Congress that direct systematic phonics instruction should be used in all schools, as amended.

The Clerk read as follows:

H. CON RES. 214

Whereas the ability to read the English language with fluency and comprehension is essential if individuals are to reach their full potential;

Whereas it is an indisputable fact that written English is based on the alphabetic principle, and is, in fact a phonetic language;

Whereas the National Institute of Child Health and Human Development (NICHD) has conducted extensive scientific research on reading for more than 34 years, at a cost of more than $200,000,000;

Whereas the NICHD findings on reading instruction conclude that phonemic awareness, direct systematic phonics instruction in sound-spelling correspondences, including blending of sound-spellings into words, reading comprehension and regular exposure to interesting books are essential components of any reading program based on scientific research;

Whereas a consensus has developed around scientific research findings in reading instruction, as presented in the 1998 report of the National Research Council, Preventing Reading Difficulties in Young Children;

Whereas the Learning First Alliance composed of national organizations such as the American Colleges for Teacher Education, American Association of School Administrators, the American Federation of Teachers, Council of Chief State School Officers, National Association of Elementary School Principals, National School Boards Association, National Parent Teachers Association, and National Education Association have agreed that well sequenced systematic phonics instruction is beneficial for all children;

Whereas more than 50 years of cognitive science, neuroscience, and applied linguistics have confirmed that learning to read is a skill that must be taught in a direct, systematic way;

Whereas phonics instruction is the teaching of a body of knowledge consisting of 26 letters of the alphabet, 44 English speech sounds they represent, and 70 most common spellings for those speech sounds;

Whereas reading scores continue to decline or remain stagnant, even though Congress has spent more than $120,000,000,000 over the past 30 years for title I programs (of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.)) with the primary purpose of improving reading skills;

Whereas the 1998 National Assessment for Educational Progress (NAEP) found that 69 percent of 4th grade students are reading below the proficient level;

Whereas the 1998 NAEP found that minority students on average continue to lag far behind their non-minority counterparts in reading proficiency, many of whom are in title I programs (of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.));

Whereas the 1998 NAEP also found that, 90 percent of African American, 86 percent of Hispanic, 63 percent of Asian, and 61 percent of white 4th grade students were reading below proficient levels, many of whom were in title I programs (of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.));

Whereas more than half of the students being placed in the special learning disabilities category of Special Education have not learned to read;

Whereas the cost of Special Education, at the Federal, State, and local levels exceeds $60,000,000,000 each year;

Whereas reading instruction in far too many schools is still based on the whole language philosophy, to the exclusion of all others and often to the detriment of the students;

Whereas the ability to read is the cornerstone of academic success, and most colleges of education do not offer prospective reading teachers instruction in the structure of spoken and written English, and the scientifically valid principles of effective reading instruction: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that—

(1) phonemic awareness and direct systematic phonics instruction should be used in all schools as a first and essential step in teaching a student to read;

(2) pre-service professional development of reading teachers should include direct systematic phonics instruction; and

(3) all Federal programs with a strong reading component should use instructional practices that are based on scientific research in reading.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Indiana (Mr. McINTOSH) and the gentleman from Missouri (Mr. CLAY) each will control 20 minutes.

The Chair recognizes the gentleman from Indiana (Mr. McINTOSH).

Mr. McINTOSH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Concurrent Resolution 214 expresses the importance of using proven, scientifically based reading instruction in the classroom, in preservice teacher training and in Federal education programs.

Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. GOODLING). Although he could not attend when this was discussed in committee, the gentleman has given his full support for this.

Mr. GOODLING. Mr. Speaker, I thank the gentleman for yielding me this time. What the resolution says basically is a concurrent resolution expressing the sense of Congress that direct systematic phonics instruction is one of the necessary components of an effective reading program.

I think all of you who are here probably have been taught using many methods, including, I imagine everyone, phonics. My wife is a first grade teacher of 43 years. If she were told that she could only teach phonics, she would probably tell them where to go. If she was told she could not teach phonics, she would tell them where to go. If she was told she had to teach whole language, she would tell them where to go and how to get there. If she was told she could not use whole language with all of her other methods of teaching reading, she would tell them where to go and how to get there. But the important thing is, it is one of the important components in the teaching of reading. I think everyone here would agree with that, because that is probably the method that was used, and it is scientifically based.

Mr. McINTOSH. Mr. Speaker, I yield myself such time as I may consume.

I want to thank the gentleman from Pennsylvania for his support and his willingness to discharge this bill from committee and commend him for his help in getting it to the floor today. I also want to express my appreciation to him and his staff for focusing on quality, research-proven techniques in teaching reading in the Student Results Act, title I of the Elementary and Secondary Education Act which passed recently; and also in the Reading Excellence Act which passed last year.

The need for this resolution is clear: American students are not reading as well as they should and some are not able to read at all. The 1998 National Assessment of Education Progress, the NAEP test, has found that 69 percent of fourth grade students are reading below the proficiency level. Let me repeat that. Sixty-nine percent of fourth graders in America are not reading up to standard. Minority children have been particularly hard hit by reading difficulties. According to the NAEP test, 90 percent of African-Americans, 86 percent of Hispanic Americans, and 63 percent of Asian students were reading below the proficiency level. That is unacceptable, Mr. Speaker. What we need to do is make sure that we focus on doing the best we can to teach those children how to read. What that means is that they cannot read history, they cannot read literature, they cannot read science in order to understand their other classes. No wonder they become frustrated, no wonder they disrupt the class, no wonder they drop out of school.

At least half of the students being placed in the special learning disability category of special education have not learned to read. The cost of special education, Federal, State and local, is exceeding $60 billion a year. If only a quarter of those students are there because they cannot read, it represents more than $15 billion of effort at local schools. Just think how many schools could be built or computers purchased or books bought or teachers paid if these students were taught to read in the first grade.

The cost to those who never learn to read adequately is much higher than that. Job prospects for those who cannot read are few. Americans who cannot read are cut off from the rich opportunities of this Nation. The tragedy is that students who cannot read often end up in juvenile hall, or on the streets, susceptible to gangs and drugs, or as school dropouts.

But the good news is that this is a problem we can fix. According to Dr. Benita Blachman, one of the leading researchers in reading instruction, "direct, systematic instruction about the alphabetic code, phonics, is not routinely provided in kindergarten and first grade, despite the fact that, given what we know at the moment, this might be the most powerful weapon in the fight against illiteracy."

□ 1115

As she said, this is perhaps the most powerful weapon in the fight against illiteracy. In fact, the evidence is so strong for systematic phonics instruction that if the subject being discussed was, say, treatment of mumps, there would be no discussion. We would take care of it, we would have a plan and the children would be saved. The solution is to teach children to read the first time around.

According to the National Institute of Child Health and Human Development, the ability to read depends on one's understanding of the relationship between letters and speech sounds that they represent. Systematic instruction on phonics teaches this skill, 26 letters used to symbolize about 44 speech sounds and the most common way they are spelled.

The research in reading makes it clear that all students can benefit from phonics instruction and that about one-third of all students need explicit training in phonics if they are to learn to read at all. That means one-third of our young people today, if they do not get instruction in phonics, will never be able to read. That is something that we cannot afford to leave unaddressed in this House.

For children who do not receive reading instruction or even reading exposure at home, phonics instruction is essential if they are to learn to read.

Mr. Speaker, according to the American Federation of Teachers, "Phonemic awareness instruction, when linked to systematic decoding and spelling, is the key to preventing reading failure in children who come to school without these prerequisite school." That is, those children who have not learned to read at home."

The NEA states, "Mastering basic skills is important. Children need to know their phonics." They are right.

It not surprising that support for this approach is becoming widespread in the education community, from the National Education Association to the American Federation of Teachers, the National Parent Teacher Association, the Council for Chief School Officers and numerous other education groups which form the Learning First Alliance. They have concluded that well sequenced systematic phonics instruction is beneficial for all children.

Phonics is now being promoted by the scientific and some in the education community as an essential component of effective reading instruction.

On a personnel level, I will share with my colleagues in the House, I have heard so much from parents and teachers about the success experienced by their children who have received explicit systematic phonics training. I have got with me today several statements by Title I teachers, one in Indianapolis, on the effectiveness of phonics instruction in teaching children to read.

Mrs. Linda Jones, who teaches learning disabled children in 6th, 7th and 8th grade says, "Since I've been using the Direct Approach," phonics, "my children are very excited about learning. One of my major problem students has become the best student in the class. Now everyone enjoys coming up to the board. We pull words out of reading comprehension exercises. Now we are pulling words such as 'hyposensitize' out of the dictionary," states teacher Stuart Wood.

I also have a letter from a teacher at Allisonville Elementary School in Indianapolis. She tells me how her student from Africa, a little boy that I actually had a chance to meet, who knew no English when he came to that class, his name was Filimon Adhanom, and Filimon did not know how to read, did not know how to write, did not know how to speak English, and he learned those skills in her classroom with phonics instruction.

In this letter, a summer school teacher in the same district tells how her school kids were behind in reading, and they caught up after just 15 days, with just 25 minutes a day of phonics instruction.

In this letter a parent says, "I am writing because I know the pain of a child that attends school every day and cannot read. I am writing to you, Mr. Congressman, because 10 years later I see the joy of independence in that same child who can now read."

I could go on and on. I have a lot of these letters, and they all tell the same story. And it just is not in my district or just in Indiana. This story is being repeated in every community across America.

That is why I introduced this resolution. It is my hope that it will encourage the use of this successful technique in classrooms across America.

Believe it or not, despite the wealth of scientific evidence supporting systematic phonics, despite the anecdotal evidence that I talked about today, there are in fact children today in America who are not receiving this type of instruction, teachers who do not have the benefit of this learning tool. There are schools in my own state which are having to use their scarce funds to instruct newly hired teachers how to teach phonics because they have not been taught in college or in their teacher training courses.

This resolution is aimed at getting the word out, getting the word out about the need for phonics instruction, the need for our children of all backgrounds to have this instruction so they can have the ability to learn and to read. Many students will not get a second chance.

Andrea Neal, a very gifted writer for the Indianapolis Star, put it this way: "It is reasonable and necessary to require elementary teachers be trained in the most effective phonetic programs. To do otherwise is to commit educational malpractice on our children."

We need to start teaching kids to read. Phonics is the way to make sure that happens. As the gentleman from Pennsylvania (Mr. GOODLING) said, it is one of the ways in which teachers need to be able to teach.

So while Concurrent Resolution 214 contains no mandate, I hope it will convey an important message to schools and teachers and children and their parents all across this Nation.

Mr. Speaker, I reserve the balance of my time.

Mr. CLAY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, once again I am befuddled, bewildered, but mostly amazed by the explanation given by the chairman of the Committee on Education and the Workforce of what this resolution does.

He says it is only one of many methods that can be used to teach reading. But I am reading the resolution itself, and it says "direct systematic phonics instruction should be used in all schools as a first and essential step in teaching a student to read."

Mr. Speaker, this resolution states that phonics-based instruction should be used by all schools in their efforts to teach children to read and should be included in pre-service teaching requirements.

What other insulting gimmicks will the Republican leadership think of next? This resolution ignores the volumes of research on reading instruction that shows the need for a balance between phonics and whole language instructional techniques. This resolution also takes the unprecedented and demeaning step of placing Congress in the classroom by dictating a particular curriculum choice, regardless of the view of our teachers, principals and superintendents at the local level. Is this what Republicans mean when they say Washington knows what is best for local communities?

Mr. Speaker, when our committee considered the President's America Reads legislation during the last Congress, we learned from witness after witness that a solely phonics-based curriculum or solely whole language based curriculum is not effective in teaching children to read.

Last year, reading instruction experts testified before our committee that a balanced approach, using phonics and whole language, is the most effective and proven way to teach children to read.

What is most objectionable about this resolution is its forcible intrusion into the classroom through a Federal endorsement of what should be locally determined curriculum.

Why does the Congress need to make an affirmative statement that phonics and phonics solely should be utilized in schools? I say that anyone who votes for this resolution dictating how teachers and local school boards should teach reading should never again speak of local control of our schools.

Mr. Speaker, I urge Members to oppose this resolution.

Mr. Speaker, I reserve the balance of my time.

Mr. MCINTOSH. Mr. Speaker I yield 2 minutes to the gentleman from Colorado (Mr. SCHAFFER).

Mr. SCHAFFER. Mr. Speaker, I would remind the previous speaker and others who are considering this matter that the resolution before us is a sense of Congress resolution and in no way represents any sort of mandate or dictate or requirement at the Federal level, merely a statement of opinion based on some simple observations from the scientific community and the academic community that phonics works and should be preferred.

Let me give you a perfect example of an expert who speaks forcefully on the matter. This is a letter that I received from the Colorado Commissioner of Education.

"I am writing in response to your recent inquiry," which was about this bill. "I strongly support the need to redress the balance in American reading instruction. Sadly, over time, that balance has tilted against phonics, which throughout our history has been a foundation of solid reading skills.

"The proper interaction between the 44 sounds, or phonemes, and the 26 letters of the English language is something that must be well understood by all who would aspire to teach our young children. Tragically, by their own testimony, our reading teachers in overwhelming proportion have not received this training in anywhere near the measures needed.

"Today, at the national and state levels, there is broad consensus that teacher training must be dramatically redesigned. Nowhere is that redesign more needed than in the area of reading, the essential foundation for all learning. Furthermore, ensuring that every teacher possesses a strong grounding in phonics must be at heart of our redesign in reading.

"Being most grateful for your outstanding work on behalf of Colorado children, I remain sincerely yours, William J. Maloney, Colorado Commissioner of Education."

I would submit there is one more expert that should be considered, and this expert is like many throughout the country, this is a grandmother who sent me an e-mail on this very bill. Here is what she says.

"I would like to go on record that I have six grandchildren in Larimer and Weld Counties in Colorado, and I must tell you that the two that are in Weld County (Eaton School District), are excellent readers, which teaches phonics. The four here in Larimer County (Ft. Collins schools) are terrible readers, not taught phonics. Thank you."

That letter is from B. Bessert of Fort Collins.

Mr. CLAY. Mr. Speaker, I yield 3 minutes to the gentleman from Indiana (Mr. ROEMER).

Mr. ROEMER. Mr. Speaker, I thank the ranking member from the State of Missouri for yielding me time.

Mr. Speaker, I rise to articulate some deep reservations and concerns about this resolution. Certainly, as a parent of three children, I want my children to be able to read; as a member of the Committee on Education and the Workforce I want the scientific community to be able to make recommendations to our local school boards and to our teachers on what method works best; and as a Member of

Congress, we certainly want to share with the American people some of our ideas on this.

But as a Member of Congress, I am very hesitant to say that I am the expert on reading here in Washington, D.C., and our local school boards should prioritize and use this as the first method of teaching our children in Indiana, in Nebraska, in Georgia, in New Jersey and throughout the country, as to what we should be telling our first grade and second grade teachers we think this is the priority, that we think this is the first way you should do this; we think this is our preferred method, so you should do it in all 50 states. I do not think that is our role, quite frankly.

Now, if the resolution read, as it does in the third resolved clause, "all Federal programs with a strong reading component should use structural practices that are based on scientific research in reading," period, I think we could all agree to that. But the first resolved clause, probably the most important resolved clause, says "Direct systematic phonics instruction should be used in all schools as a first and essential step in teaching a student to read." All schools, the first and essential step.

□ 1130

I am here to stand up for my local school boards and my local teachers and my local parents and say, you guys should figure this out. I am not sure we should be telling them the preferred way, the priority.

Additionally, the National Academy of Sciences study issued last year recommends a combination of methods, that phonics and whole language should be blended for our young people. Now, could we say that? I am not even sure we should say they should be blended.

I think that the third resolve clause, saying that all Federal programs with a strong reading component should use instructional practices that are based on scientific research in reading, and not dictate to our local schools what should be taught first, what should be taught in all schools, what should be priorities, what should be preferred, I think that goes a bit too far for our local school boards and our local parents.

Let us continue to give them the choices and the discretion, so I have reservations and caveats about this resolution.

Mr. MCINTOSH. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. HORN).

Mr. HORN. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, we have experts who will tell us one thing and then another, and that is not the test. The test is experience: what happens when we teach phonics?

California went through this for the last 50 years in K through 12 education. In the thirties in Pasadena and other "progressive" schools they banned phonics. In one of the major cities in Los Angeles County in the fifties they had banned phonics.

A friend of mine who was a fifth grade teacher kept two erasers in her hand. One was when the principal came through the door, to wipe out the phonics she had put on the blackboard. That went on for a year or so. At the end of that year, achievement tests were given. The principal said to her, "Mrs. Patterson," her name was Isabel Patterson, "Mrs. Patterson, you just have a very unusual, unique class. In this whole city of 350,000 people, your class has been 25 to 50 percent ahead of every single other class in this school system."

Mrs. Patterson just smiled and said, "Thank you, Principal." He praised her teaching and all that. He did not know she was teaching phonics. She was the only one in the whole city who was teaching phonics. That is why her students were way ahead of every student in that city.

That school district now has adopted phonics, and so have most districts in California. They are through with what went on in the thirties. I think when we realize that this individual was not only an outstanding teacher, she was also becoming an entrepreneur. With her limited funds she started buying houses. She gave $2 million to the Isabel Patterson Child Development Center at California State University, Long Beach.

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. ANDREWS).

Mr. ANDREWS. Mr. Speaker, I thank my friend, the gentleman from Missouri, for yielding time to me.

Mr. Speaker, in a couple of days I have one of the most important meetings on my schedule for the next couple of months. It is with a person named Ms. Giordano. Ms. Giordano is my daughter Jacqueline's first grade teacher. My wife and I are going to the parent-teacher conference. When we go to the patient-teacher conference, we are going to listen to what she has to say, because we respect her ability after years in the classroom to know about how to teach a first grader how to read.

Today I find myself in a different role. We are giving unsolicited advice to the reading teachers of America as to how they ought to teach reading. We certainly are entitled to our own opinion, but I think to offer that opinion as an institution is an abrogation and overstepping of our authority as the Congress of the United States.

I would consider voting for this resolution on one condition. If we are going to take responsibility for determining reading curriculum for the teachers of America, let us give the teachers of America responsibility for determining other questions about education. Let us let them decide whether to fully fund the IDEA. Let us let them decide whether to put 100,000 qualified teachers in classrooms across America. Let us let them decide whether to fix the crumbling school buildings that exist in communities across America, and build new schools. Let us let the teachers of America decide whether we should make a true national commitment to pre-kindergarten education, which we do not presently have. Let us let them decide whether we should increase Title I funding, as many of us advocated on this floor just a few weeks ago.

I suspect if we yielded that authority to them, that they would vote in favor of all those things for education. I suspect the majority will not want to do that. For that reason, we should get back in our proper role, defeat this superfluous amendment, and pass real education legislation to improve America's schools.

Mr. CLAY. Mr. Speaker, I yield 3 minutes to the gentleman from Guam (Mr. UNDERWOOD).

Mr. UNDERWOOD. Mr. Speaker, I thank my colleague for yielding me the time.

Mr. Speaker, I rise to express my dismay and disappointment that this House is taking up an entirely unnecessary resolution endorsing phonics instruction and criticizing whole language reading instruction.

As a former dean of a school of education and a teacher trainer who included a discussion of the fundamental underpinnings of various teaching strategies in several courses that I taught for nearly two decades, this really does take the cake. This is one of the most preposterous resolutions I have ever seen about a teaching strategy.

Different teaching strategies work for different people for different reasons. Teaching strategies have a psychology base and a philosophical base which is continually tested and tempered by practice and by classroom trial and error, by experience in unique and diverse communities around the country.

To quote something that is frequently said on the other side, "The best decisions about education are left to individual communities, to individual teachers in classrooms, to the local situation," of course, except when it comes to phonics versus whole language.

I cannot imagine why a national legislative body would spend its time on this issue, which is hotly debated and should be hotly discussed in classrooms and in schools of education around the country, but a subject for congressional thinking? Neuroscience, applied linguistics, phonemes, phonics, morphemes, syntax, grammatical rules which are psychologically real in our minds, to speech events, understanding speech events, how many people here are equipped to understand the meaning of these terms and debate them with comfort and assurance?

What is next, a resolution on new math, a resolution on creationism, a resolution on the role of lab work in science courses, a resolution on direct instruction, a resolution on our favorite surgical technique in medicine, on our favorite offense to be used by football teams around the country, a resolution on the superiority of walking over running in exercise?

The best way to teach reading is an issue which belongs in research institutions. It is a matter which is best left up to classroom professionals and for communities to sort out.

This resolution, as my colleague, the gentleman from Missouri (Mr. CLAY) pointed out, is so absurd, it is the one time that perhaps I really wish I could vote on this floor so I could vote against it.

Written English is a crazy language in written form. The companion measure to this should be to go back to that earlier movement in the earlier part of this century when we tried to make English totally phonetic. That would really facilitate phonics, and then we would have to spell phonics F-O-N-I-K-S.

Mr. McINTOSH. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. ISAKSON), a member of the committee.

Mr. ISAKSON. Mr. Speaker, I rise for a couple of reasons. The gentleman from Indiana (Mr. ROEMER) made some very great statements, and he referred to the resolve clauses, but he neglected to refer to the amendment which appears at the end of that page which, in my judgment is effective, as one who is a big advocate for children, because it amends the whole code, which says that phonics is one of the necessary components.

The truth of the matter for any of us who have been in education, this debate today is like many debates that go on in America between whole language advocates and phonics advocates. I will tell the Members, both of them are right. Both of them should be included. This says our teachers do have the choice, and it is very important.

I rise today because I want to pay tribute to the United States Department of Education for providing us in Georgia with a Goals 2000 grant which allowed us to develop the phonics-based Reading First program in Georgia under Dr. Cindy Cupp, which enabled our Title I schools, after its implementation, to raise our children across the board by higher than the 25th percentile in each and every category.

Phonics is one, but not the only one. It should be included and not excluded. With the amendment, this resolution ensures that we recognize it as a methodology, it is not a curriculum, and we encourage schools to use all the best methods to teach our children.

I commend the gentleman from Indiana (Mr. McINTOSH). Most importantly of all, I commend this Congress for focusing on America's number one problem in public education. That is, the poor reading performance of our children as they leave the third grade.

We should give our teachers every resource to meet the needs of every child, whether it be whole language or whether it be phonics-based.

Mr. CLAY. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I would respond to the gentleman from Georgia, who said that the amendment to this bill corrected what the problem was. It does not.

An amendment that amends the title, and that is what this amendment or footnote at the end of this resolution says, is "concurrent resolution expressing the sense of Congress that direct, systematic phonics instruction is one of the necessary components of an effective reading program."

That is just in the title, it is not in the body of this resolution. It has no effect whatsoever on what is in this resolution.

Mr. Speaker, I yield back the balance of my time.

Mr. McINTOSH. Mr. Speaker I yield myself the balance of my time.

Mr. Speaker, in closing, I would urge my colleagues to support this resolution, and would like to share with them some of the materials I have put into the RECORD.

The first is a statement from Indiana State Senator Teresa Lubbers, who is an expert on education, having been a teacher herself and worked mightily in that area in our State Senate. She has worked to improve the performance of Hoosier students, and she is absolutely convinced that our success depends on our ability to produce competent teachers.

She goes on to say, one ingredient of that is, "I am also convinced that phonics awareness is the preferred and proven way to teach reading. We do our children a disservice when we allow them to move ahead without a mastery of reading, which ensures frustration and failure throughout their school years."

Mr. Speaker, I would mention again the statistic I said in my opening statement: 67 percent of our fourth graders in America are below standard in reading. That is unacceptable. This resolution says, let us do everything possible to make that work for them. Phonics is one of the ways in which teachers can do that.

A second statement that I would like to enter into the RECORD would be from Linda Wight Harmon, who is a parent. She talks about her eldest daughter, Catherine, who uses the skills of reading in the second grade, where she learned phonics from a private tutor in a computerized language program.

Another is a list of several success stories from teachers in our public schools in Indiana.

The letter that I mentioned earlier from an elementary schoolteacher in grade one, Ms. Kristi Trapp, who talked about her student from Africa, the young man who was not able to read at all but was able to learn in her school; then also another teacher from that same school, Mrs. Karin Jacob.

Finally, we have several other things from parents. One of them is from Diane and Bill Walters, who talk about the never-ending story of trying to get Justin, their son, to be able to read, and several statements that were prepared for the interim study committee in the Indiana State Senate, one from Ms. Diane Badgley, another came from Peggy Schafir, another from Susan Warner.

All of these parents and teachers talk about the success of phonics for their children. That is what we are talking about today, is the children of America and how we can help them learn to read.

Finally, I include for the RECORD a list of commonly asked questions about reading instruction that was prepared by Dr. Patrick Groff, who is a board member and senior adviser to the NRRF.

The material referred to is as follows:

COMMONLY ASKED QUESTIONS ABOUT READING INSTRUCTION

(By Dr. Patrick Groff, NRRF Board Member & Senior Advisor)

Q: What Do Children Need To Learn In Order To Read Well?

A: Four main things: (1) phonics information and how to apply it to recognize words; (2) familiarity with the meanings of words; (3) the literal comprehension of what authors intended to convey; and (4) a critical attitude toward what is read.

Q: What Is Phonics Information?

A: The relationship or correspondences between how we speak and spell words. The individual speech sounds in our oral language generally are represented regularly by certain letters, e.g., the spoken word—rat—is spelled r-a-t.

Q: What Is A Phonics Rule?

A: The rule that a speech sound is spelled frequently by a certain letter (or cluster of letters), and in no other way. For example, the speech sounds /r/-/a/-/t/, in this order, are spelled r-a-t over 96 percent of the time. Children apply phonics rules to gain the approximate pronunciations of written words. After this, they usually can infer the normal pronunciations.

A: How Does The Application Of Phonics Information Work?

A: The child first perceives the individual letters in a word, e.g., rat. He or she than "sounds out" this word by saying its three speech sounds, /r/-/a/-/t/. As children's skills grow in phonics application, they can quickly recognize frequently occurring letter clusters such as at (as in fat, cat, mat, etc.).

Q: How Is Phonics Information Best Taught?

A: In a direct, systematic, and intensive fashion. Here both teacher and pupil know precisely what are the instructional goals, and the skills to be learned are arranged into a hierarchy of difficulty, and adequate practice for learning to mastery is provided.

Q: What About Children Who Can Recognize Individual Words, But Whose Reading Comprehension Is Relatively Poor?

A: These children are lacking in one or all of the following: (1) background knowledge in the topics they attempt to read; (2) knowledge of the meanings of words in these topics; (3) ability to make inferences about the content being read; and (4) ability to follow the organization or structure of the text that is pursued. Teaching for these children should concentrate on these matters.

Q: What Is The Relationship Of Knowledge Of Phonics Information and Reading Comprehension?

A: Nothing develops the quick and accurate (automatic) recognition of written words better than does proper phonics instruction. Then, nothing relates more closely to reading comprehension than does automatic word recognition. The ability to recognize words automatically allows children to direct their mental energy when reading toward the comprehension of written material.

Q: My School Tells Me That My Child Has Been Taught To Apply Phonics Information. But He/She Still Has Difficulty Recognizing Words. What Is The Problem?

A: It is highly probable that your school actually teaches phonics information in only an indirect, unsystematic, and non-intensive manner. Since many of today's schools do not teach phonics skills sufficiently nor suitably, home instruction often becomes necessary.

Q: Isn't The Spelling Of English Too Unpredictable Or Irregular For The Application Of Phonics Information To Work Well?

A: No. True, there are notable exceptions to some phonics rules, e.g., the pronunciation and spelling of tough. Nonetheless, the notable successes of direct and systematic phonics programs disprove the above charge.

Q: My Child Reads Slowly, But Accurately, At The Same Speed Both Orally And Silently. Is This A Matter Of Concern.

A: Accuracy in reading almost always is a more important goal than rate of reading, especially with beginning readers. Very high rates of speed in reading, in fact, are illusionary. They inevitable are simply scanning or skimming, rather than true reading. Even the average university student actually reads around the same speed, orally and silently.

Q: Isn't It True That Many Children Cannot Learn Phonics Information?

A: To the contrary, rarely is this so. Only the small number of children with genuine central nervous system dysfunctions experience significant difficulty learning properly taught phonics information.

Q: My Child's Teacher Says That "Sight" Words, Recognized As "Wholes," Must Be Learned Before Phonics Instruction Is Begun. Is She Correct?

A; No. The Assumption that children recognize words by "sight," that is, without using their letters as cues to their recognition, is not substantiated by the experimental research. Individual letters are the cues all readers use to recognize words. For example, we know cat and rat are different words because we see that their first letters are not the same. "Sight" word advocates never answer the question: "If children recognize words as wholes, how are the wholes recognized?

Q: What Is A Reasonable Time Schedule For Children To Develop The Ability To Recognize Words Independently, Without Someone Else's Help?

A: With proper phonics teaching it is justifiable to expect the normal child to reach this state by the end of grade two. More apt pupils can become self-sufficient in reading at even an earlier age. Reading independently means the ability of children to read without help any topic they normally can talk about or otherwise understand.

Q: I Have Heard About The "Look/Say" Method Of Teaching Reading—Is This A Valid Approach?

A: No. "Look-Say" methodology assumes that if children are given enough repeated exposures to words as "wholes," they will learn to identify them as "sight" words. Phonics teaching is de-emphasized and delayed. "Look-Say" suffers the same basic weakness as any other "sight" word method.

Q: What Are the Best Ways To Test My Child's Reading Abilities?

A: First, listen to him or her read aloud. If he or she guesses at words, some additional direct and systematic phonics instruction is called for. Then, jot down critically important parts of the story your child reads aloud. Have him or her retell the story. How many consequential points were omitted? If this is more than 20 percent, discuss ahead of time with your child the topic and the special words of the next story he or she reads. Unfamiliar words and topics are the greatest handicaps to reading comprehension.

Q: Is The "Language Experience" Method Effective For Reading Development?

A: In this approach children dictate sentences to teachers, who transcribe them on large sheets of paper as children watch. It is theorized here that anything children can so "write" they also easily can read. Since most LE programs do not teach phonics directly, systematically, and intensively, they do not prove to be a superior way to teach children to read.

Q: I have Heard That Children's Guessing At Words, Using Sentence Contexts As Cues To Word Identities, Can Substitute For The Application Of Phonics Information. True Or False?

A: False. The use of context cues is a relatively immature and crude means of word recognition, utilized extensively only by beginning readers. Able, mature readers generally recognize words automatically, not through the use of context cues.

Q: Won't The Intensive Teaching Of Phonics Information Cause Reading Comprehension To Be Largely Ignored Or De-emphasized In Schools?

A: This is an unverified apprehension. Intensive phonics instruction simply develops a necessary tool for the expeditious realization of the ultimate goal of reading: to comprehend literally, critically analyze, and enjoy and appreciate written material. In fact, intensive phonics teaching is the most felicitous and quickest way to create independent readers, i.e., children who can readily comprehend any written topic about which they can talk or think.

Q: Does Teaching Children To Syllabicate Long Words Help Them To Recognize These Words?

A: Yes, with proper teaching. Children readily can identify the number of syllables in a spoken word. Thus, they correctly will say there are four syllables in interesting. Teaching dictionary syllabication of words to help children read them is not the most productive practice, however. A better procedure is to teach children to first identify the vowel letters in long words, and then to attach the consonant letters that follow. The syllabication of interesting thus becomes int-er-est-ing. Manipulate becomes man-ipul-ate.

Q: Books Called "Basal Readers" Are Widely Used in Schools. Are They The Best Means By Which To Teach Phonics Information?

A: These books, given grade-level designations, are accompanied by instructional manuals for teachers. Unfortunately, they generally do not teach phonics information adequately. With rare exceptions, they do not teach enough phonics information to prepare children to recognize quickly and accurately the words they present in their stories. It has been found that almost any basal reader system is improved by the addition of intensive phonics teaching.

Q: Many Schools Now Tell Children To Use "Invented Spelling." Are There Any Dangers In This Practice

A: Yes. To avoid frustrating these young pupils, they should be provided words to read that their phonics training has prepared them to recognize. Also, long and convoluted sentences should be avoided. As children's reading abilities grow, these controls can be relaxed progressively.

Q: It Is Said That Literacy Instruction Should Be "Integrated." What Does This Mean?

A: Literacy consists of writing as well as reading ability. It greatly reinforces a child's ability to recognize a word if he or she learns to spell and handwrite it immediately after learning to identify it. Urging children to write this word at this time in original sentences has the same desirable effect.

Q: My School District Has Adopted The "Whole Language" Approach To Reading Development. What Are Its Views On Phonics Teaching?

A: Whole Language advocates insist that reading instruction must not be broken down and taught as a sequence of subskills, ranging from the least to the most difficult for children to learn. They assert that all reading skills of every kind must be learned coinstantaneously. Therefore, whatever phonics information individual children may need to know they easily will infer on their own as they read "real books." Since children supposedly best learn to read simply "by reading," no direct and systematic teaching of phonics is necessary. It is important to note that there is no experimental research evidence to support this view of phonics instruction.

Q: What Is The Whole Language Theory Regarding Reading Comprehension?

A: The Whole Language (WL) approach urges children to omit, substitute, and add words—at will—in the materials they read. It also encourages children to "construct" idiosyncratic versions of the meanings that authors intended to communicate. It is a "pernicious" practice to expect children to give "right" answers regarding word identities and the meanings of written text, a leader of the Whole Language movement admonishes teachers. As with their views on phonics instruction, the proponents of Whole Language offer no empirical verification for their opinions about how reading comprehension should be developed. The most unfortunate consequence of Whole Language teaching is that children are not made ready by it to read critically. Since children in Whole Language classes are not always expected to gain the exact meanings that authors intended to impart, they are not prepared to examine them critically.

Q: Shouldn't Children Who Speak Nonstandard English (e.g., "I Ain't Got No Pencil. They be Having' My Pencil.") Learn Standard English Before Being Taught To Read?

A: While mastery of standard English is required in many jobs, it is not expedient to wait until children who speak nonstandard English learn the standard dialect before teaching them to read. Moreover, there have been successful reading programs with nonstandard speakers, who usually are children from low-income families. Taking time out of reading programs to deliberately try to change children's dialects neither is an economical use of this time, nor particularly effective in developing reading skills. Learning to read standard English, fortunately, does have the desirable side effect of teaching children how to speak standard English.

Q: Some Schools Say They Are Teaching "Metacognition" In Their Reading Programs. Is This A Necessary Or Valuable Practice?

A: Metacognition refers in part to children's conscious awareness of how well they are progressing, during the actual time they are reading. For example, children would ask themselves, "Does what I am reading make sense to me? If not, why not?" Schools that emphasize this overt self-examination by children of their reading and performances find that pupils learn to comprehend reading material better than otherwise is possible.

Q: What Is an Effective Way For Parents And Other Interested Parties To Find Out If Their Schools Are Teaching Reading Properly?

A: The first question to ask of schools is, "Have you adopted the Whole Language approach to reading development?" If so, describe how it is conducted." If the answer is yes, it usually will be the case that pupils are not being given proper instruction in word recognition nor reading comprehension. Then, ask to see the syllabus for teaching phonics information that teachers are required to follow. Determine if phonics information is being taught directly, systematically, and intensively. Calculate how adequately children are prepared, through phonics lessons, to recognize the words in the stories they are given to read.

Q: I Have Discovered That My School Teaches Reading Improperly. Now What Do I Do?

A: The policies for reading instruction ordinarily are set by the central office staff of the school district. It is delegated to do so by the school board. Ask these officials to defend in writing the defective reading program they have sanctioned for use by teachers. Particularly, request citations of the experimental research on which this unsound reading program is based. If you have found that the unsatisfactory reading program is the Whole Language approach, you will receive no such list of experimental research studies, since the empirical research does not support Whole Language. In this event, demand that your school board make a public policy statement as to whether the district's reading programs must be based on experimental research evidence. Few, if any, school boards will say otherwise. Then, remind the board that it logically cannot continue to authorize the use of the Whole Language scheme. Your appearances at board meetings, and letters to the media will give you added opportunities to convey this message.

APRIL 13, 1999.

To Whom It May Concern:

Filimon Adhanom is a student in my room who came from a remote area in Africa. The language he speaks we can not find an interpreter for. He came to me this year with no English background and no school experience at all.

Each day in my classroom, we would work on the sounds on the "Smart Chart" as a whole group. Each day Filimon would sit and listen. During our "Smart Chart" time each day I would allow the children to come up and say the sounds of a certain row. Then one day I happened to call on Filimon just to see if he was catching on and to my amazement he could say the whole column of sounds. He earned a star for his effort and before long he knew all the sounds on the "Smart Chart".

Soon after this Filimon starting sounding out words he really didn't know the meaning, but because of the sounds he had learned from the chart he now can read, sound out most words, spell, write, and even spell big daddy words that have three syllables. The "Direct Approach" to phonics gave Filimon the key to unlocking the world of English and how it works.

I feel that the Direct Approach to Phonics is a necessary tool to helping not only ESL students, but all students high or low. It has been one of the most encouraging programs I have seen for years. I wish every child could have the opportunity to work with the "Smart Chart". It gives each child a key to unlock the world of letters, sounds, and reading.

Sincerely,

MS. KARIN JACOB.

The following statements were given by Hoosier parents before the Interim Study Committee of the Indiana State Senate.

TESTIMONY FROM DIANE BADGLEY

I'm writing because I know the pain of a child that attends school everyday and can not read. I'm writing because 10 years later I see the joy of independence in the same child who can now read and has been given a choice to his future. I have learned, children don't fail, adults fail children.

Kyle started preschool at age 3, I helped in the school, we were fortunate enough to not have me away at work. This allowed for a lot of time for one on one interactions and reading. I was always told that if I read to my children every day they would become readers. It worked well for Kyle's older sister Jodie. She was reading before she entered the first grade.

Throughout preschool, kindergarten and first grade Kyle struggled with knowing the names of all the letters in the alphabet. In second grade we tried to get him to understand the letters on a page can be sounded out to make words. This seemed impossible and painful for all of us including the school. As a result of daily embarrassment and the need to fit in, Kyle was able to memorize some books, so it appeared he was reading. However, after testing, the Public School recommended Special Education placement.

Kyle was removed from his second grade class and placed in a smaller class with children with all different emotional and physical special needs and with a teacher who thought she knew how to help him. This is when emotional struggles started for Kyle. In his world he was not only failing academicly but also socially. I assured Kyle the placement was temporary, because he would be taught to read in this class and then be able to rejoin his friends.

But, in third grade he was still not reading. When Kyle was invited to sleep overs at a friend's house, he refused for fear he would have to play games that required reading (Monopoly, Clue, Charades), or take a turn reading jokes out of a joke book, or read a scary story at midnight. Once, Kyle tried going to a sleep over. He hadn't been there long when we got a call asking us to pick him up. He was behaving badly. You see, Kyle would much rather be seen as a bully than a dummy.

Kyle was promoted each year. Each year, he struggled with reading and with his peers, they teased him, they couldn't believe he couldn't read. He was passed on year after year because of Special Ed. Accommodations and adaptations—books on tape, an aide to write his essay tests, reduced spelling list, untimed test—and working through recess and lunch to get all the work done. But still not reading enough to be independent. I kept thinking what year will they focus on the reading?

One day when he was in fifth grade, I found Kyle's older sister reading him a note from a girl in his grade. That was when I realized, "This is all wrong. He will never fit in unless I find a way to teach him to read. He needs to be out playing during recess, eating lunch with other kids. Playing games at sleep overs, playing on the computer, reading and writing his own love notes."

My husband, Keith, is a director of a department for a plastics company in Richmond, Indiana. Keith admitted to me that the would never hire Kyle—his own son—unless he learned to read. Even in a maintenance position, Kyle would be a safety hazard in the work place.

I realized then, as Kyle's mother, I had nothing to loose. I signed a home schooling form and enrolled Kyle in a private reading clinic. The clinics reading instruction is based on the 30 years of NICHD (National Institute of Child Health and Human Development) research. Kyle learned how to break apart words into sounds. For him, this was the key that unlocked the door. He went every day with homework on weekends. It was intensive, bit it was like magic. Kyle wanted to go! He was reading on grade level in 6 months!

This experience taught me that Kyle did not fail reading all those years, the system failed Kyle. I am not asking public schools to teach all children Physics X, we are talking about reading. We know now because of the NIH research all children can learn to read, it is our responsibility to teach them.

Since Kyle's success, I have attempted to help other parents and schools with their children. Kyle is in High School now, and is still reading on grade level and is on the academic track. I have been unable to stop telling my story and have started 'Parents' Coalition for Literacy. My board is made up of businessmen, an attorney, a pediatrician, college department heads, primary and secondary teachers and parents. We now know it will take a whole community to teach ALL children.

How well one reads sets the foundation for future success in school, work and relationships. Because our family was financially able to help Kyle build that foundation, he is ready to face the future. Our hope is that all Indiana children will have the same choices.

TESTIMONY OF SUSAN L. WARNER

Good Afternoon. I'm Susan Warner, and I want to thank you for taking the time to have this important discussion about reading. I title this humble effort "Bill's Story." My six year journey to learn about the teaching of reading began when our son showed difficulties in speech. We took three year old Bill to his school for speech testing.

This coincided with the pre-school teacher noticing that Bill didn't always "hear" her. Bill did have chronic ear infections as a toddler, so we had his hearing tested. In both sets of tests, he was pronounced, "just fine," and we were temporarily relieved. In kindergarten he passed all of his "sounds" of the alphabet test. I taught him "hooked on phonics" in hopes that it would help him learn to read, but nothing worked. I was beginning to learn about the difference between "phonics" and "phonemic awareness." By this time Bill's happy disposition was gone, and it was a huge undertaking just to get him to the bus stop because he hated school.

First grade testing revealed that Bill tested "borderline" by state guidelines. He did not qualify for an IEP, because the results of testing did not show a two year grade deficit in learning yet. Private testing confirmed that although Bill possessed an IQ of 109, he had difficulty processing auditory information. We still wonder why the state guidelines are structured to allow children to fail.

Again, on our own, we found a program called Fast Forward which Bill completed the summer before second grade. The second grade teacher was confident that with intensive phonics he would make progress. It didn't take long to see that Bill was still failing and frustrated, and needed help. Through a friend, we hired Linda Mood Bell clinicians. It was no surprise that Bill now at age 8, was reading far below his ability.

It is difficult to express what the Linda Mood Bell program has done for our son. After eight weeks he was finally reading. The LMB tutors were my son's lifeline. Without them, Bill would have failed school at second grade. Bill made gains in every area. When his principal and teacher came to observe, they could not believe his progress. Bill started to be his funny self. I knew that we were making progress, when he went from saying that tutoring made him want to say the "CH—" word, to after 8 weeks saying that he wanted to say the "SH—" word. Unfortunately, the rebuilding of his self-esteem will probably take years.

Last week Bill earned his first "spelling star." We are using the tools that the LMB program has taught us. Unfortunately, he is still behind after spending over $25,000.00 in testing and remediation, and we have a long road ahead of us. Instead of working to pay this off, my days are spent driving back and forth for the purpose of expensive remediation. However, it is a small price to pay because our son no longer looks at the pictures in a book to figure our a word. What happens to children who don't have Pat and Susan Warner for parents?

I am so proud of Bill. He has persevered through things that no child should have to experience. From the humiliation in front of his peers, to some thinking that he was just lazy, and everyone telling him that he could learn to read, when he could not. He will be tested yet again this month to see if he qualifies for an IEP.

The good news is that in PHM, we TOPA tested all of our kindergarteners in the spring. We have identified children who have a lack of phonemic awareness. They will get Earobics, and some will get Fast Forward. We are looking to incorporate Structures of Intellect into our gym curriculum. Our teachers are being trained in programs such as Linda Mood Bell, Language, and Wilson. This type of early intervention will make a difference.

As an elected school board member, I will continue to support programs for early intervention. The new accountability legislation demands results. I hope the state will help pay for results. I intend to be accountable, but schools need your support.

Recently, I leafed through the contents, and indexes of text books pertaining to the teaching of reading at a local college. I found little to support the current research about teaching reading. I returned Monday to check, and found two books that did explain phonemic awareness. Unfortunately these were masters degree texts. It should be no surprise, that many children don't learn to read. It is a crime.

I will continue to channel my energy into improving the way we teach children. It is how I avoid being consumed by what has happened to my son, by a state system, that should protect children. I urge this committee to please take steps to show us that you support improvement too. Thank you.

TESTIMONY OF DIANA, BILL AND JUSTIN WALTERS

There is a popular childs book, titled, "The Never Ending Story". Well, this is our sons never ending story.

Today Justin is sixteen, his story began over nine years ago. Justin comes from a two parent home he has a older sister, a dog of his own and a pony. Justins parents are both college graduates. He has had a well rounded family life and social life. We believe we did "all the right things", we began reading to Justin and his sister daily at a very early age. Nursery school with French class, music, and art began at age three. We waited the extra year to begin our son in school. Justin began his first year at age six. His class had 60 students all in one huge room. Two teachers one aid. We parents volunteered weekly to help. Even at this young age his teacher chose to put Justin in the lower reading group. Why? He had not even begun to read yet. I was a twice a week volunteer I saw the other students picking up books and just read. Was our son not doing the same? I was told not to worry, some catch on sooner than others just go home and work on the alphabet and read to him. Allow him to enjoy reading.

Justin began first grade at Madison in the Penn Harris Madison school district. We noticed at once that Justin is not able or did not respond to reading his first grade books out loud to us. He preferred that we read them to him. He enjoyed the stories but he had no knowledge of how to sound the words out. We were told after questioning the teacher not to worry that he understood the concept, just to keep reading to him, and point to the words, he would "catch on." We did this every night after school, we believed that the educated teacher knew how to teach reading.

By the third grade we grew even more frantic. Justin was doing well in most classes, keeping up, even doing better than average in Math, Science, History. He had great friends and the teachers thought that he was a wonderful kid. He was very intelligent for his age. He was a great kid. One thing still stood out, he could not read the books he brought home. His father and I took turns reading his school books for him, Justin continued to listen and remember what we read.

Justin was fortunate enough at this time to have a substitute teacher. To our surprise she stopped me in the hall at school one volunteer day. Asking me if I had noticed that Justin was having trouble reading, perhaps he had a reading disability. This was the first time that a teacher had come to me, this was the first time anyone had said the word disability! Was this why he could not "Catch On"? This substitute suggested that the school have Justin tested. With her help we were able to go through the channels to have Justin tested. The tests showed that Justin did have more than a two year lag in reading, while being average and above in the others subjects. We were told that he must have a reading disability, but, when asked what, these teachers and experts could not tell us. Justin could be given a I.E.P. Individual Educational Plan, and put into a government paid program, "Chapter One". This class was for forty-five minutes with twelve or fifteen other students. The teacher was a aid said to have taught reading in New York State. We were also told that we should be very happy for these accommodations. We were hopeful that this was the solution for Justin, these were "trained educated" people in charge of our sons education.

By Justin's fourth and fifth grades years the school corporation sent a part time Learning Disability teacher out to our school. Justin received 45 min. daily reading help. This same teacher would also read Justin's tests for him and work sheets. When asked how he was doing, she said that Justin had some kind of reading disability but was not sure what. When asked about Justin's lack of phonics and his inability to sound out words, she said that he was fine in that area.

Justin was now going into the Middle School. His L.D. teacher was concerned that he would not make it in a regular class without modifications. She was scared that he would get lost. So, it was suggested that he be put into direct services for all his classes.

Justin's first day was a nightmare. He came home in tears, asking "what had he done so wrong as to be put in that room" he described the classroom as kids who did not care, they stood on tables and sat under them, they yelled and some cursed. He was scared. Justin was not in the L.D. program for a behavior problem or a attention problem. He just could not read to his grade level. Within minutes of Justin's arrival home his new teacher called. She asked the same question, "why was Justin in her room" it was clear he did not belong there. She suggested that he go back into the regular class room but that he could go to her for help. When he could find her and when she had time. She has twenty-one or more other students. Justin was also given 45 min., daily direct reading time with a untrained aid. He was told to read to her, and if he tried hard enough that he would read better. He read, she corrected his misread words. This went on for sixth and seventh grades. During this time we had continued trouble with the teachers of Justin's classes even taking time to read his I.E.P. We were told by one that they had too many to read and she for one did not have time to read them. Justin struggled and tried to cope. We continue to question and to seek help.

By Justin's eighth grade year he had lost his friends, he believed that they were embarrassed to have a friend who could not read. His best friend of eight years stopped calling, stopped coming over. Justin would sneak into the L.D. room for help, hoping that none of his friends would see him.

After about a month of school, we decided that we needed to help, and save our son. We enrolled Justin in a newly opened private school. He needed quality teachers who would give him a quality education. We believed that the I.E.P. was just a bad fitting Band-Aid. It helped him to cope but did not deal with his real issues. We did not have much time in Justin's educational life to save him.

Justin had a great year. The school tailored better to Justin's way of learning. He had wonderful caring teachers. Justin's self-esteem rose. He saw that he could learn. But, Justin still was not reading anywhere close to grade level. We were still trying to keep up with all his reading at home. This school lasted only for one short year, but while still open, in the spring the school offered space to a language program called "Linda Mood Bell".

We decided to have Justin tested, the results told us Justin was in the eighth grade trying to cope at a First Grade reading level. No wonder Justin could not take notes, read his school books, or even write verbal instructions down. This program was a intense phonemic awareness program, after researching this method we learned that there had been great success with teaching a non reader with this program. We planned to begin as soon as possible. To Justin's misfortune, the school after one year lost its support and funding. It closed and with it we lost the reading program, before he was able to begin.

Justin returned to the public school system, again with a I.E.P. In his ninth grade year, he still read between first and a fourth grade level, trying to again "keep up".

In November of that year, we and Justin, decided that he could not cope any longer. Justin had to read that was the bottom line.

We, along with other parents from this area having the same problems with the schools reading or non reading programs, decided we needed to take drastic measures. After doing our own research we continued to read over and over that a non-reader would greatly benefit in a phonemic awareness program. Sharing the expense of air flight, room and board, local transportation, plus a hourly fee we parents brought teachers from the Linda Mood Bell program back.

With the agreement of our school system Justin would attend a four hour daily intensive reading program. Every morning he would go to the one on one program, working with the Linda Mood Bell instructors. At noon we would drive him back to High School for his required classes. Justin did this for four months; at the end of this time Justin was tested again. He tested at eighth grade reading level with a fifth grade spelling level. In some tests he even tested higher. He was able to read! He was able to see a new word and break it down and sound it out. He felt good about himself, he really could be taught to read. He was not a failure.

That summer he attend summer school catching up on missed required classes. He then went to one to two hour sessions daily with a Linda Mood Bell teacher that I brought back for the month of June.

Things are not perfect yet, he still needs encouragement, Justin continues working with a tutor out of the school system, so he may receive the correct reading program suited to give him the optimal help. He has continued to increase his reading skills. We feel Justin has been a victim of our school system. He was not to blame but he is the one person suffering the consequences.

He has not given up, he continues to meet teachers with little understanding of a person who learns differently. This year, Justin's Sophomore year of High School, Justin's father and I met a teacher at Open House she made comments intended, we believe, to compliment Justin. Her words were, "never would have known Justin was a L.D. student, he does not look like one." When she realized our surprise at her words she stuttered, "But he works so well with the other students". I did not know whether to laugh or cry. We have done a lot of the latter so this time we will do the first.

Since the first few days of school we have painfully watched Justin read and take and retake his drivers test. Three times, with only one over the minimum missed, on the third try he was so nervous he could not drive to the testing site. He knew if he missed it again he would have to wait a month to retake the test, and not be able to drive without a adult. Justin chose to have the test read to him this time, in the license branch in front of everyone, he passed 100 percent.

We will continue to fight for and give Justin love and support. It will be a "Never Ending Story".

Justin now reads notes left by us, and he leaves us notes written by him with correctly spelled words. I save every, "Mom took lunch money. Please call for hair cut." What sweet words for a parent to see and read.

TESTIMONY OF KRISTI TRAPP

I used a phonetic approach (Smart Chart) with all of the first grade students that attended summer school. A test was created to allow students to demonstrate knowledge of phonemic awareness. Students verbally displayed knowledge of long and short vowels, vowel teams, blends, and diagraphs. It also provided a means of evaluating their use of phonetic rules. Decoding and word attack skills were evaluated too.

Almost every student had mastered the entire chart by the end of summer school. These results reflect using a phonetic approach for 15 days, twenty-five minutes each day. The phonetic approach is called "Direct Approach".

Pretest Average—50 percent.
Posttest Average—89 percent.

FIRST GRADE TEST RESULTS

Pretest (percent)	Posttest (percent)
56	95
12	62
64	91
69	87
30	89
93	100
29	82
14	69
58	78
85	100
58	91
87	100
76	93
55	87
27	93
58	87
56	96
6	67
37	78
28	78
75	98
45	96
40	93
69	98
44	98
62	87
33	93
56	95
85	98
23	76
38	85
30	93
36	75
40	75
36	89
27	89
64	95
82	98
65	89
65	93
40	85
69	91
87	98
45	93
51	80
29	76
44	85

I have seen a dramatic improvement in where my kids are this year using the phonetic approach compared to last year without it. I gave the first theme test for our reading series and was shocked to find almost all of my students in the "A" range. The students have more confidence in their independent reading and writing skills. I spoke at a PTO meeting recently about my reaction, my students reaction, and their parents reaction to using the Phonetic Approach. The parents at the meeting seemed to all be in favor of this approach after hearing the difference it is making. Several parents during conferences shared that "their kids knew so much more than their older kids did at this age because of the strong phonetic foundation we are providing". That made me feel so proud of what we are doing. One parent told me that her fifth grade daughter was struggling with spelling and that she might have her first grader help mark the spelling words for her sister. A first grader helping a fifth grader that is unbelievable isn't it? Hopefully we will receive the funding so that grades 1–5 will be able to use the Smart Chart. My students are so enthuastic about using the Smart Chart that they often break into chanting the sounds on the chart. . .

USING PHONICS THROUGHOUT THE CURRICULUM

I use phonics all day long. It is not an isolated activity. We use phonics in reading, spelling, math, social studies, science, and health. When we are learning about a new subject and big words are involved we need to know what they mean and be able to read them. We used word attack sills on the more difficult words before we actually read in subject area. That way the kids will know the difficult words in advance and be able to comprehend the story much better.

DIRECT APPROACH—SUCCESS STORIES

I incorporate vocabulary words from content area subjects. We talk about analyzing words by dividing them into syllables, marking the letter sounds and using our chin and hand to count syllables. It's very exciting!

—Mary Lyon, Longfellow Middle School, 6th Grade Title I Reading

I teach Math to 6th graders, but I work with the Reading teacher to pull out words from the Math book. (ex: data, information). I help students decode so they can then do the Math.

—Burnedia B. McBride-Williams, IPS #28, 6th Grade Math

Before reading a comprehension page, we scan and pull out any words which may be "stumbling blocks". We mark them on the board and use them in sentences. Then we are better prepared to read for meaning.

—Dorothy Mason, Title I Reading, IPS #44

When my son was in first grade, he used to say, "I hate school, how old do you have to be to quit?" He was so frustrated because he couldn't read. The school did not "believe" in phonics. When my son learned The Direct Approach, he got the "tools" he needed to read. The logical approach made sense to him. He started reading on his own instead of me reading to him. With only one year of the smart chart, in second grade, he scored 4th grade reading equivalency on the Stanford Achievement test! Pretty amazing!

—A happy mom!

Each Monday, the class writes their spelling words phonetically. As I put the marks on the words on the board, the kids are telling me what marks to make. They have learned the chart so well, that if I forget a mark, they give about half a second before saying, "Mr. Schwitzer! You forgot the (missing mark)!" It's incredible! The first week of November, half the class got 100% on their spelling tests.

—Lou Schwitzer, Grade 4, IPS #44

I teach 7th grade Title I Reading. After a slow start, when my students felt the phonics tape was a little too "first grade" for them—I gave them several multiple syllable words. The students struggled with the larger words, so we began at the intermediate level. Now everyone enjoys coming up to the board. We pull words out of reading comprehension exercises. Now we're pulling words such as "hyposensitize" out of the dictionary! (It means reduce sensitivity to allergens, etc.!)

—Stuart Wood, Longfellow Middle School #28

Second grade students are decoding three and four syllable words! After decoding, they are able to spell the words without looking. Our spelling grades have improved greatly. We have had four weeks where we had everyone with 100%! Children get extremely excited and almost fight to come to the chalkboard to mark and spell words! When we use the Phonics Pad worksheets, we do the top part as a class. They call out how to mark the words! They get so excited, they have trouble sitting still! Each child does the bottom part for review. I'm seeing such improvement!

—Ruth Esther Vawter, IPS 107, Grade 2

Since I've been using the Direct Approach, my children are very excited about learning! One of my major problems has become my best student. We use the smart chart to mark and sound out any word that we don't know. We can now sound out long words and they're asking for longer words. Comprehension skills are improving because we mark and decode unknown words before reading paragraphs!

—Linda Jones, 6, 7, 8 L.D.

So far, we're doing 1 or 2 words we call "challenge words" or "third grade words." If I don't have one on the board, they ask where their word is. I call them "Detective Smith" (their last names) as they "decode" words!

—Reta Cunningham, IPS #109, Second grade

I teach 8th grade boys. The very worst reader in my room loves to use the yard stick to lead the smart chart drill. (He sometimes balances on his chin to point!) The boys try to "beat" the "lady on the tape!" Marking their spelling words really helps them focus on each sound.

—Public School Teacher, Middle School

An easy game to play for reinforcing the sounds on the smart chart is called "Make these letters grow". I write ame on the chalkboard. The children create word families such as blame, came, fame, etc. Phonics works!!!

—Shirley J. DeNoon, IPS #57

My students love to use the words "macron" and "breve".

—Janet Johnston, IPS #109, Grade 1

Reading Failure

My name is Linda Wight Harmon. I'm a product of Indiana public schools and to this day I make my living using reading and writing skills I learned in first grade and analytical skills I learned as a college business major. My husband is Tim Harmon, the managing editor of the South Bend Tribune. To this day, he uses skills he learned in the first grade and later the Indian University School of Journalism.

Our eldest daughter is Catherine. Today, she uses skills she learned in SECOND grade from private tutors andd computerized language programs. She is now a self-sufficient, very motivated fourth grader inher Montessori classroom. She has an average IQ, a whopper vocabulary, an inquisitive mind, naturally curly hair, books in her backpacks, the best reading comprehension in her class, notebooks scribbled with stories . . . and a well-developed fear of failure from first grade.

That was the year that no one at a National Blue Ribon school could teach an editor's daughter to read.

She started out eager, but quickly lost her spirit when her first spelling list—words like watermelon, apple, red, green—was a complete mystery. She had no idea that letter linked to sounds, something her Kindergarten teacher warned us about in our previous town. Even then, she couldn't tie her shoes, couldn't tell left from right, couldn't count to 30. Twice she'd had hearing tests because she didn't hear everything we said to her.

But the principal at the new school calmed our fears. She assured us her teachers knew what to do. They put Catherine in a special "Discover intensive Phonics" class. It went right over her head. By Christmas, she could not tell the difference between the words "as" andd "apple." Next, the teachers put her on an early intervention list, which meant she was observed for three of the four remaining months while the teachers did nothing. She grew increasingly frustrated. She couldn't write. She couldn't read and the children in her class pointed that out to her. The teachers gave her easier work. Nightly, she cried herself to sleep, dreading the next day of failure.

That summer, we took her to a neuropsychologist in Indianapolis. In 45 minutes, he told us our daughter had a profound learning disability. In three hours, he had pinpointed her deficit as a lack of phonemic awareness, a common, easily-detected problem in non-readers. he found her reading level to be "Kindergarten-9th month" and that, unless she was properly instructed, she would and, I quote, "Never really read."

He told us the approach that would best address her deficits was Lindamood-Bell, a multi-sensory, structured approach that focused on auditory processing, but he doubted we could find it or, for that matter, any other method to teach dyslexics to read. He told us: "You need to get Catherine some hobbies."

Armed with an IEP, she went back to the Blue Ribbon school for second grade. She sat alone in the hall and listened to tapes of a teacher as she followed along with her finger. She was seated next to a smart girl who was assigned to read work-sheets to Catherine and spell the answers. She went to the resource room for a half hour a day. She felt stupid. She cried herself to sleep. She begged not to go to school. Tim and I more than once carried her into class in our pajamas, leaving her sobbing in her seat. And it got worse. She talked about hating her life and wanting to die. Then one morning, waiting for bus and sobbing, she threw up her breakfast . . . into my hands.

It was then that I saw how clearly this Blue Ribbon school was teaching my daughter pre-bulimia skills, not pre-reading skills. Catherine has never been back to a public school.

My mother, my husband and I have spent hundreds of hours researching the right way to teach this child to read, using the prescription of the National Institutes of Health research, something her teachers had never heard of. Catherine has spent six weeks in a computer therapy program that trained her brain to distinguish sounds—phonemic awareness—then 120 hours with Lindamood tutors who taught her the 44 sounds in the English language and how to link them to letters.

At the end of the fourth week, the tutors said, "Can you get Catherine some books? She's read all we have." At the end of the eighth week, she tested at second grade, second month.

The money I've lost track of—but we've spent well over $30,000 finding her deficits, undoing what the Blue Ribbon school did wrong, remediating her issues and getting the job done right.

And we're not alone. Lindamood has taught roughly two dozen children to read in South Bend in the last 18 months. But the thing is—all of this could have been done in Kindergarten and first grade. Our daughter—and many, many other children—could have been assessed in the beginning in Kindergarten, taught with other children who needed multi-sensory, systematic approaches and they all could have learned the right way in the beginning, in groups, with a properly trained teacher, in a regular classroom. These approaches have been around a long time. They aren't revolutionary. They don't make people Republicans or Democrats—but I can guarantee they do create the foundation for a literate voter.

But what keeps me up at night—and should you also—is the six kids in Catherine's first grade who were in the same boat, and the two dozen who didn't read that well even with the phonics. Then there are the children in inner city schools—one out of four in the South Bend Community school system is classified as Special Ed. There are thousands of Catherines in this world, but the incidence of reading failure is MUCH higher than the incidence of LD. With or without Title 1 funding, with or without literate parents, with or without upscale suburban tax bases, with or without breakfast, our children are not learning to read because their teachers do not have enough tools and the teachers aren't accountable anyway.

Today, if it weren't for the research from the National Institutes of Health, Rutgers University and Lindamood-Bell, I would be writing to you as the parent of an illiterate child. Instead, I'm here to beg you to stop what I found at one of Indiana's best schools: Ignorance. My daughter's teachers didn't know the early warning signs of reading disorders—I've told you five of them in the past few pages, more than they knew after earning master's degrees in reading from major state universities.

As a parent and as a voter, I do believe that the United States should have the highest literacy rate in the world. It is to our shame that we do not. It is also due to our short-sightedness that we don't do everything possible to teach all children to read in Kindergarten and first grade so they can read their own textbooks, learn in classrooms for the next eleven years and graduate from high school. Instead, we brush the non-readers and poor-readers aside and muddle through, cheating them and their regular-learning classmates out of a first-class education and spending increasing amounts each year helping students who read their own textbooks.

Educators do not heed the educational research from the National Institutes of Health, yet we would sue a family physician who failed to act on half the early warning signs of cancer as established by that same research body. If the education community can't force itself to do the job, then legislators simply must protect the children of this country from needless reading failure and put educators in the position where they can and do teach all our children to read . . . on time.

LINDA WIGHT HARMON.

"As an Indiana State Senator who has worked for many years to improve the performance of Hoosier students, I am absolutely convinced that our sources depends on our ability to produce competent readers. The world opens to the child who can read and, unfortunately, leaves behind those who cannot. Our obligation is to make certain that every child is given the best opportunity to become a reader. I am also convinced that phonemic awareness is the preferred and proven way to teach reading. We do our children a disservice when we allow them to move ahead without a mastery of reading, which ensures frustration and failure throughout their school years. Anything we can do to prevent this from happening is worth our effort. After all, they don't get a second chance to get this right."

INDIANA STATE SENATOR TERESA LUBBERS.

TESTIMONY BEFORE STUDY COMMITTEE—INDIANA

Thank you for this opportunity to speak. My name is Peggy Schafir, and I'm a parent from Richmond, Indiana. I'm here to tell you about the enormous struggle and ultimate success my child encountered in learning to read. Our experience has been very painful, and my purpose for speaking is to prevent other children and families from having to live through that same pain and failure.

I have two children. Ben, who is 16, learned to read as if by magic. Matt is 14, and has struggled with reading most of his life.

Before they started kindergarten, we prepared our boys the best we knew how. We read to them daily. We made sure they saw us reading for business or pleasure. We tried to give them rich experiences—both by exploring new places and things in person, and by discovering them in books. We tried to create a home rich in language and literature.

For Ben, it was enough. For Matt, it wasn't.

At the end of one year of kindergarten, Matt was still struggling with matching sounds to letters. His teacher recommended that we have him repeat kindergarten. We did, and it appeared to work. When he started first grade, Matt knew all of his sounds and letters. He seemed ready to learn to read.

Imagine our disappointment when he did not. At the end of first grade, Matt was not reading. We worked with him diligently over the summer, following all the advice we could gather. In second grade, Matt received extra support at school.

In a sense, it appeared that Matt could read. If we read a book to him, he could read it back to us word for word. But if we took a word out of the book—one he had read easily—and wrote it on a piece of paper, he had no idea what it was. What is more, he seemed to have no idea how to go about figuring out what it was.

By the time Matt reached third grade, we began to experience real behavior problems. We tried everything we could think of. At one point, Matt was seeing a child psychologist, an optometrist (who gave him exercises to improve his visual tracking), and a speech pathologist. But the behavior told us we were still not doing enough. We decided to have Matt tested by a private reading tutor in our community.

In third grade, Matt knew four sight words.

In third grade, Matt became frustrated trying to read pre-primer books.

In third grade, Matt was basically a non-reader.

We learned from the testing that Matt had very poor phonemic awareness. In other words, he could not separate word "dog" into its component sounds /d/ /o/ /g/ or blend the sounds /k/ /a/ /t/ to say "cat". All his hard work learning to match the sounds and letters was important, but he needed more information before letters could convey worlds to him. Matt needed to learn how to hear, order, segment, and blend sounds.

Working with the reading tutor two hours a week, Matt began at last to make progress. By the beginning of fourth grade, he was reading at second grade level. A personal triumph—but still enough of a discrepancy for him to be tested for learning disabilities. We were told that reading was a "high expectation" for Matt. He would always need accommodations. He had to be placed in the "least restrictive environment".

After our first case conference, my husband took Matt to Earlham College for a soccer practice. He was in a hurry, so he drooped Matt off at the parking lot. "You've been here before," he said. "Just find the sign for the Athletic Building, then find the sign for the Coach's Office". Oh, no. Matt would have to read. He looked at his father through the car window and said, "Dad, I can't." That evening, my husband said, "Peggy, we have to fix this. It's going to be up to us."

That began a journey which has taken a lot of our time, our energy, and our savings. It is a journey which has been worth every step.

First, we took Matt out of school (using a home schooling form) and enrolled him in a very intensive reading clinic in Nashville, Tennessee. (I don't want to mislead you about Matt's enthusiasm for this—on the way, he kept kicking the dashboard and screaming, "I am not going to Nashville!") At the clinic, Matt continued to work on his phonemic awareness, and on how to use letters to get information about sounds. The instruction was systematic, explicit, and very intense—Matt worked four hours a day one-on-one with his tutors. Yes, the environment was restrictive, but only for a short time. Matt was at the clinic for six weeks. The alternative of remaining in the world of illiteracy would have restricted him for the rest of his life.

In those six weeks, Matt progressed from a second grade reading level to a fifth grade reading level. He returned to school, and we monitored him very carefully. Occasionally, he slipped, and we enrolled him again in a variety of clinics until he could solidify his new skills.

In total, Matt received 720 hours of remediation. He is now an 8th grader, reading at grade level with 90% accuracy. His reading speed improves daily. Last year, on one of our many car trips to and from clinics, Matt turned to me and said, "Mom, this is the best year of my life. I'm finally getting my dyslexia fixed."

We have our son back. He is happy and confident again. College is a very real option in his future. I want to be honest with you. We have lived through a very severe case of dyslexia. Even so, if we had caught Matt's delay in developing phonemic awareness back when he was in kindergarten, all of our lives would have been very different. Waiting until fourth grade to accommodate and remediate was very expensive, and I don't mean just in terms of dollars. This expense can be avoided.

This is what I have learned as a parent: Reading is an incredibly complex process, which can break down at any stage. To help our children master this process, we must know where they are breaking down as soon as possible. We must know how to address our children's needs, and be prepared to deliver what they need in the amount needed.

My husband and I were fortunate to be able to do that for Matt. I am here today because I hope that every child in Indiana can get that same attention.

Matt's first need was phonemic awareness. In that, Matt was not alone. Poor phonemic awareness is the single most common factor among people who do not read. Please, as you consider policies about reading, remember children like Matt. Think of the Matt that might have been, what the future holds for him now, and share with me the dream that all children will enter the world of literacy.

Thank you. I'll be glad to answer any questions I can.

□ 1145

Mr. Speaker, let me just close and say this does not need to be controversial. It simply says one method that we think is important for our teachers to teach is the use of phonics. They will have complete discretion in their classroom about how they teach, but let us recognize the fact that when 67 percent of our fourth graders are below standard on reading something is desperately wrong. We have to use what the scientific studies say work, that is phonics, and this Congress should go on record today as being in favor of teachers using this as one method in their classroom.

Finally, I would address the Congress in saying this is not a mandate. This is, at its core, a sense of Congress resolution, that this issue is so important that the body wants to go on record urging our teachers to use phonics, urging our teaching training schools to teach phonics as one method among many that they will use to teach our children to read.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The question is on the motion offered by the gentleman from Indiana (Mr. MCINTOSH) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 214, as amended.

The question was taken.

Mr. CLAY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the

Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. McINTOSH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on House Concurrent Resolution 214.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

CLARIFYING OVERTIME EXEMPTION FOR FIREFIGHTERS

Mr. BOEHNER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1693) to amend the Fair Labor Standards Act of 1938 to clarify the overtime exemption for employees engaged in fire protection activities.

The Clerk read as follows:

H.R. 1693

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DEFINITION OF FIRE PROTECTION ACTIVITIES.

Section 3 of the Fair Labor Standards Act of 1938 (29 U.S.C. 203) is amended by adding at the end the following:

"(y) 'Employee in fire protection activities' means an employee, including a firefighter, paramedic, emergency medical technician, rescue worker, ambulance personnel, or hazardous materials worker, who—

"(1) is trained in fire suppression, has the legal authority and responsibility to engage in fire suppression, and is employed by a fire department of a municipality, county, fire district, or State, and

"(2) is engaged in the prevention, control, and extinguishment of fires or response to emergency situations where life, property, or the environment is at risk.".

SEC. 2. CONSTRUCTION.

The amendment made by section 1 shall not be construed to reduce or substitute for compensation standards (1) contained in any existing or future agreement or memorandum of understanding reached through collective bargaining by a bona fide representative of employees in accordance with the laws of a State or political subdivision of a State, and (2) which result in compensation greater than the compensation available to employees under the overtime exemption under section 7(k) of the Fair Labor Standards Act of 1938.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. BOEHNER) and the gentleman from Missouri (Mr. CLAY) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. BOEHNER).

Mr. BOEHNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1693 is a simple and noncontroversial bill, introduced by our friend from Maryland (Mr. EHRLICH), that would amend the Fair Labor Standards Act to clarify the existing overtime exemption for firefighters. The Committee on Education and the Workforce reported the bill yesterday without amendment and by voice vote. The bill has major bipartisan support in the House and it is supported by both labor and management, who would be affected by the change under the bill.

In addition, the National Association of Counties, the National Association of Towns and Townships, the U.S. Conference of Mayors and the National League of Cities are supporters of this bill.

Generally, under the Fair Labor Standards Act, workers are entitled to overtime compensation for hours worked in excess of 40 within a week. The act contains unlimited exemption for overtime, under Section 7(k), for employees of public agencies who are engaged in fire protection activities.

The firefighter exemption allows employees engaged in fire protection activities additional scheduling flexibility in recognition of the extended periods that firefighters are often on duty. Employees who are covered by Section 7(k) may work up to 212 hours within a period of 28 consecutive days before triggering the overtime pay requirement.

The Department of Labor's regulations specify that rescue and ambulance service workers, sometimes referred to as emergency medical services personnel, may be eligible for the firefighter exemption if they perform duties that are an integral part of the agency's fire protection activities, but an employee may not perform activities unrelated to fire protection for more than 20 percent of the employee's total hours worked.

Many State and local governments employ EMS personnel who receive training and work schedules and maintain levels of preparedness which is very similar to that of firefighters. In the past, these types of employees fit within the 7(k) overtime exemption.

In recent years, however, some courts have narrowly interpreted the 7(k) exemption and held that emergency medical services personnel do not come within the exemption because the bulk of their time is spent engaged in nonfire protection activities. These lawsuits have resulted in State and local governments being liable for millions of dollars in back pay, attorneys fees and court costs.

So there is a real need to modernize this area of the Fair Labor Standards Act and to clearly specify who can be considered a fire protection employee for purposes of the exemption.

H.R. 1693 clarifies the law by specifying the duties of employees who would be eligible for the limited overtime exemption. The bill would ensure that firefighters who are cross-trained as emergency medical technicians, HAZMAT responders and search and rescue specialists would be covered by the exemption even though they may not spend all of their time performing activities directly related to fire protection.

Finally, the bill would clear up the confusion that employers face in trying to interpret the law. A misinterpretation of the law could needlessly expose local governments to significant financial liability and dramatically increase the cost of providing adequate fire protection services.

H.R. 1693 is a narrow bill, but one that is important in helping State and local governments provide fire protection and emergency medical services in a most effective and efficient way possible. I would urge my colleagues to support this clarification.

Mr. Speaker, I reserve the balance of my time.

Mr. CLAY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support this bill. Under the 1985 amendments to the Fair Labor Standards Act, the 7(k) exemption was intended to apply to all firefighters who perform normal firefighting duties. H.R. 1693 provides that where firefighters are cross-trained and are expected to perform both firefighting and emergency medical services, they will be treated as firefighters for the purpose of overtime. However, where emergency medical technicians are not cross-trained as firefighters, they will remain outside the purview of 7(k) and will be entitled to overtime after 40 hours a week, even if the emergency medical services are placed within the fire department.

This bill is supported by both management and labor. The policy it reflects ensures that unreasonable burdens are not placed upon fire departments in accounting for hours worked.

I commend the sponsor, the gentleman from Maryland (Mr. EHRLICH), for his efforts to produce consensus legislation, and the chairman of our committee, the gentleman from Pennsylvania (Mr. GOODLING), for bringing this bill to the floor. Mr. Speaker, I urge a yes vote on H.R. 1693.

Mr. Speaker, I reserve the balance of my time.

Mr. BOEHNER. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. EHRLICH), the sponsor of this legislation.

Mr. EHRLICH. Mr. Speaker, I thank my friend, the gentleman from Ohio (Mr. BOEHNER) for yielding me this time.

Mr. Speaker, from its inception, the Fair Labor Standards Act has exempted fire protection employees from the traditional 40-hour workweek. Historically, any emergency responder paid by a fire department was considered to be a fire protection employee. However, recent court interpretations of Federal labor statutes have rendered this definition unclear.

Mr. Speaker, H.R. 1693 seeks to clarify the definition of a fire protection employee. The bill reflects the range of lifesaving activities engaged in by today's fire service, built upon its long tradition of responding to all in need of help. Specifically, today's firefighter, in addition to fire suppression, may also be expected to respond to medical emergencies, hazardous materials events, or even to possible incidents created by weapons of mass destruction.

The issue addressed by H.R. 1693, Mr. Speaker, concerns fire department paramedics trained to fight fires who have prevailed in several civil suits for overtime compensation under the FLSA. The paramedics successfully argued they were not fire protection employees covered by the FLSA exemption since more than 20 percent of their normal shift time was spent engaged in emergency responses rather than firefighting, such as emergency medical calls.

The U.S. Supreme Court has declined to consider these cases, thus exposing city and county governments to compensation liability for unpaid overtime into the millions of dollars. For example, one subdivision I am privileged to represent, Anne Arundel, Maryland, taxpayers are liable for $3.5 million under a recent FLSA case.

The potential consequences of these cases are serious and far-reaching and could ultimately result in a dramatic increase in the local costs of fire protection to taxpayers nationwide.

This bipartisan bill is supported by the International Association of Firefighters, the International Association of Fire Chiefs, the National Association of Counties. Labor and Management support this bill as a remedy, as the remedy, for an increasingly serious situation.

Keep in mind, Mr. Speaker, H.R. 1693 only affects those who are trained, prepared and have the legal authority to engage in fire suppression, but also work to save lives in so many other ways. This bill clarifies the law by more precisely defining those duties that should qualify for the firefighter exemption, thereby preserving the intended flexibility afforded to cities and fire departments under the original Fair Labor Standards Act.

On a point of personal privilege, Mr. Speaker, I would like to thank the gentleman from Ohio (Mr. BOEHNER) for managing the bill on the floor, the gentleman from Pennsylvania (Mr. GOODLING), the chairman of the full committee, the gentleman from Pennsylvania (Mr. WELDON), the gentleman from New Jersey (Mr. ANDREWS), the cochairs of the Congressional Fire Caucus.

Mr. CLAY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BOEHNER. Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. BOEHNER) that the House suspend the rules and pass the bill, H.R. 1693.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BOEHNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1693.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

SENSE OF CONGRESS THAT SCHOOLS SHOULD USE PHONICS

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the concurrent resolution, H. Con. Res. 214, as amended.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Indiana (Mr. MCINTOSH) that the House suspend the rules and agree to concurrent resolution, H. Con. Res. 214, as amended, on which the yeas and the nays are ordered.

The vote was taken by electronic device, and there were—yeas 224, nays 193, answered "present" 2, not voting 14, as follows:

[Roll No. 564]

YEAS—224

Aderholt
Archer
Armey
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Biggert
Bilbray
Bilirakis
Bliley
Blunt
Boehner
Bonilla
Bono
Borski
Boswell
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth-Hage
Coble
Coburn
Collins
Combest
Cook
Cooksey
Costello
Cox
Crane
Cubin
Cunningham
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehrlich
Emerson
English
Everett
Ewing
Fletcher
Foley
Forbes
Fossella
Fowler
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hinchey
Hobson
Holden
Horn
Hostettler
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
John
Johnson (CT)
Johnson, Sam
Jones (NC)
Kaptur
Kasich
Kelly
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaHood
Largent
Latham
LaTourette
Lazio
Lewis (CA)
Lewis (KY)
Lipinski
Lucas (OK)
Maloney (CT)
Manzullo
McCollum
McCrery
McHugh
McInnis
McIntosh
McIntyre
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Mollohan
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Packard
Pease
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Rahall
Regula
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Schaffer
Sensenbrenner
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Shuster
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stenholm
Stump
Sununu
Sweeney
Talent
Tancredo
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
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Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Blagojevich
Blumenauer
Boehlert
Bonior
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Coyne
Cramer
Crowley
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gejdenson
Gephardt
Gilman
Gonzalez
Gordon
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hastings (FL)
Hill (IN)
Hilliard
Hinojosa
Hoeffel
Hoekstra
Holt
Hooley
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Jones (OH)
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Lee
Levin
Lewis (GA)
LoBiondo
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (NY)
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McKinney
McNulty
Meehan
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Paul
Pelosi

Pickett
Pomeroy
Price (NC)
Ramstad
Rangel
Reyes
Reynolds
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Serrano
Sherman
Sisisky
Skelton
Slaughter
Smith (WA)
Snyder
Spratt
Stabenow
Stark
Strickland
Stupak
Tanner
Tauscher
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Toomey
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Weiner
Wexler
Weygand
Woolsey
Wu
Wynn

ANSWERED "PRESENT"—2

Abercrombie
Obey

NOT VOTING—14

Bachus
Bereuter
Bishop
Ehlers
Houghton
Kanjorski
Larson
Leach
Linder
Meek (FL)
Oxley
Payne
Scarborough
Sessions

☐ 1219

Messrs. RAMSTAD, DOGGETT, GILMAN, BALDACCI, PASTOR and FRELINGHUYSEN changed their vote from "yea" to "nay."

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2528

Mr. BECERRA. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 2528, the Immigration Reorganization and Reform Act of 1999.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). Is there objection to the request of the gentleman from California?

There was no objection.

FURTHER CONTINUING APPROPRIATIONS, FISCAL YEAR 2000

Mr. YOUNG of Florida. Mr. Speaker, pursuant to the previous order of the House, I call up the joint resolution (H.J. Res. 75) making further continuing appropriations for the fiscal year 2000, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The text of House Joint Resolution 75 is as follows:

H.J. RES. 75

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Public Law 106–62 is further amended by striking "November 5, 1999" in section 106(c) and inserting in lieu thereof "November 10, 1999". Public Law 106–46 is amended by striking "November 5, 1999" and inserting in lieu thereof "November 10, 1999".

The SPEAKER pro tempore (Mr. HANSEN). Pursuant to the order of the House of today, the gentleman from Florida (Mr. YOUNG) and the gentleman from Wisconsin (Mr. OBEY) each will control 30 minutes.

The Chair recognizes the gentleman from Florida (Mr. YOUNG).

GENERAL LEAVE

Mr. YOUNG of Florida. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H. J. Res. 75, and that I may include tabular and extraneous material.

The SPEAKER pro tempore (Mr. HANSEN). Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. YOUNG of Florida. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the current continuing resolution, under which the agencies that are funded in the five remaining uncompleted appropriations bills expires tomorrow night. Negotiations on these remaining bills are ongoing. However, I must say that while we are making some progress in our negotiations with the administration, they are going slow but sure. So it appears we will not be able to complete our agreements on these remaining bills for the next several days.

As the CR that we are operating under presently expires at midnight tomorrow night, the joint resolution before the House would extend the provisions of the current CR until November 10. I would have preferred that we would have been able to have completed our work by tomorrow night, but the issues involved require additional time to work out. In light of this situation, I urge all Members to support this extension.

I would say again that we have been spending early mornings, long days, and late nights in negotiation with the representatives from the President's office, and we are making progress. The meetings are and have been constructive, and we do hope that we can finish our business sooner rather than later. I would also point out that this House has done a very good job of getting its appropriations matters considered. This will be the 32nd appropriations measure to be voted on in the House in preparing for fiscal year 2000.

Mr. Speaker, I reserve the balance of my time.

Mr. OBEY. Mr. Speaker, I yield myself 7 minutes.

Mr. Speaker, why are we here? I have been trying to answer that question every time we bring a new continuing resolution to the floor. Yesterday it dawned on me. Yesterday my watch quit running for about the fourth time, and so I finally gave up on it and went and bought a new one, and that brought into clear focus what we are doing here.

Every 7 days we are bringing a continuing resolution to the floor. We wind up the clock for another 7 days, but it is a clock that does not run. And so we keep coming back here every 7 days, winding up the good old clock, but the hands never move, time does not pass, and we repeat the same arguments over and over again the following week. Sooner or later I would think people would get a little tired of that, but I guess not tired enough yet to do something about it.

We are here now, we have passed three continuing resolutions, we are about to pass a fourth, and we had a meeting last night which took us on a short route to nowhere. And, unfortunately, if that meeting is any indication, we are going to be here for a lot more 7-day periods, and Members are not going to be able to go home and enjoy a Thanksgiving. The 23 Senators who are set to take trips abroad are not going to be able to climb on their airplanes and we are going to be back here grinding the same fine powder into dust.

I think the reason we are here is simply this: This is a Congress that has, for the past year, at the insistence of the majority party, spent almost its entire effort in trying to pretend that we were going to have big enough surpluses that we could afford to pass a giant tax bill that gave 70 percent of the benefits to the wealthiest people in this country. And that got in the way of this Congress' doing anything about Social Security, it got in the way of our doing anything about Medicare, it got in the way of being able to reach reasonable compromises on education.

We stand here in a House that has not been able to complete action on a meaningful Patients' Bill of Rights nor has it been willing to pass a minimum wage bill. And it reminds me of that old gospel song "Drifting Too Far From the Shore." We have been here so long, going through these same motions, that we forget some of the very basic things that we are supposed to be doing when we are here.

Now, what we ought to be doing, if we do not meet any other responsibility, is we ought to be meeting our main responsibility, which is to finish the action necessary to complete a budget. This Congress has done virtually nothing except focus on that question and the tax question for almost a year, and yet we are still here, stuck on second base, with no prospect of being driven home.

I ask why? And as I think about it, I think the reason is that the majority party in this House apparently believes that the main action that is necessary in order to complete action on a budget is to reach a consensus within their own party in the House on the question as to what kind of budget that ought to be. Now, it is important for any party to know who it is and what it is; it is important for any party to have a sense of self and to be able to communicate that to the country. But after that is done, it is also necessary for us to recognize that the House is one of only three branches of government that deals with the budget, the other two being the Senate and the President.

It is not enough for one-half of this House to reach an internal consensus about what has to be done if that consensus leads to no way of reaching agreement with the other two major players in the system that our Founding Fathers designed and placed into the Constitution.

□ 1230

And so, we are not stuck here because the gentleman from Florida (Mr. YOUNG) has not done his job. We are not stuck here because the Committee on Appropriations has not tried to do its job. They have tried mightily. We are stuck here because somehow the impression has developed that the only thing we have to do to get a budget is to develop a unanimous point of view in the majority party caucus.

Now, the Democrats ran this House long enough for me to realize that it is almost impossible for a party to ever achieve a unanimous view on any subject. And so, on most truly important questions, it is, therefore, important to achieve a bipartisan consensus so that even if we do not have a hundred percent of votes for something in the majority party, but if we put together what we are trying to do with a majority of the other side, we could have a pretty healthy product that will withstand criticism from all sides.

That is what we ought to be doing. But instead, we are still thrashing around dealing with ego problems and dealing with ideological problems while we are continuing to come back and winding up that old, dead clock every 7 days. In the end, the only thing that is going to move is our wrists.

So it seems to me that we ought to cut through that. What we need is for serious-minded people to sit down, recognize that compromises need to be made. A reasonable compromise was put on the table last night, but there was no one home to deal with it. So I guess we will continue to drift along. I regret that.

I know if the gentleman from Florida (Mr. YOUNG) had his way, we would not be stuck in this inertia. But we are. I simply hope that sometime between now and Thanksgiving the powers that be in this institution recognize that this is a deadend route and we need to come to conclusion on these issues and go home.

Mr. YOUNG of Florida. Mr. Speaker, I have only one remaining speaker to close the debate, and so I reserve the balance of my time.

Mr. OBEY. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Massachusetts (Mr. OLVER).

Mr. OLVER. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I, too, would say that, as my ranking member the gentleman from Wisconsin (Mr. OBEY) has said, that I think that he is right that we would not be here if the gentleman from Florida (Mr. YOUNG) and the gentleman from Wisconsin (Mr. OBEY) were given some freedom to work out what is going on here. But that is not where we are.

It is now five weeks past the beginning of the fiscal year, and the Congress simply has not done its work. One week ago we adopted our third continuing resolution, and here we are with one more continuing resolution being proposed. This one adds only 3 more working days, not even a full week, only 3 more working days to the time to do the work.

Well, what has been accomplished in the week under the third continuing resolution? We are still short of completing the budget. As a matter of fact, not one of the five budgets that is still in conference that had not been signed by the end of the first continuing resolution 2 weeks ago, not one of those five budgets has been negotiated, which is, it seems to me, about the only way for differences of opinion and in policy and dollars between the executive branch and the legislative branch under our process to be resolved.

Now, if the Republican leadership were tending to other business of the American people that they overwhelmingly want done, that would be one thing. But take campaign finance reform. No, that has been killed for 1999, almost certainly for the year 2000, as well. Take the patients' bill of rights. No, the Speaker of the House just named a conference committee that excludes the major proponents from his own Republican Party, the proponents of the bipartisan bill that passed the House just a couple of weeks ago; and that conference committee is carefully chosen so that it will defy the will of this House.

Take a prescription drug benefit program within Medicare to help the hundreds of thousands of senior citizens who cannot afford to pay for prescription drugs on which their very lives depend. No, this Republican leadership has simply refused to bring that bill out for debate because the drug companies that oppose it make a very great deal of money selling drugs to senior citizens whose lives depend upon it.

Take providing in the budget for reducing class size so our kindergarten and elementary schoolchildren, which is where all the professional educators of all political ideologies attest that we could make a great positive difference in education, requires both more teachers and more classrooms to accomplish reducing the class size in our schools. No, they refuse to fund that in the budget for education.

Take extending Social Security so that Americans over 30 can be sure that Social Security will be there when they need it as it is for those who are over 50. No, they have done absolutely nothing that would extend the lifetime of Social Security by so much as a single day.

This is a strange record for a legislative body. Usually legislative bodies at least try to respond to the collective will of their constituents, to the people's collective will. We are going to vote this 3 working days additional continuing resolution, but we are going to be back here next Wednesday voting additional continuing resolutions.

Mr. YOUNG of Florida. Mr. Speaker, I reserve the balance of my time.

Mr. OBEY. Mr. Speaker, I yield 6 minutes to the gentleman from California (Mr. GEORGE MILLER).

Mr. GEORGE MILLER of California. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I have supported the previous three continuing resolutions that we have previously approved to try and give time for the Committee on Appropriations to end their negotiations.

Unfortunately, I do not belief that the negotiations are now done at the Committee on Appropriations level. I believe they are being orchestrated by the Republican leadership in this House, and I think the Republican leadership has proven itself to be dysfunctional with respect to those negotiations and with respect to doing the people's business. So now we are called upon to approve our fifth continuing resolution, a continuing resolution that does not assure that the work will get done.

There is no evidence from approving the past three continuing resolutions that the work of this Nation has been done by this body. For that reason, I find myself very inclined to oppose this continuing resolution.

Maybe we should stay in over the weekend. Maybe the people ought to work all night. Maybe the leadership ought to give the gentleman from Florida (Mr. YOUNG) and the gentleman from Wisconsin (Mr. OBEY) and others with expertise and experience in this field the ability to get the work of this Nation done.

The side-bar tragedy to all of this is that, while 435 of us remain in town, while a couple of dozen committees remain in town, while the floor is in session periodically from time to time waiting for the Committee on Appropriations, the Republican leadership will not let the rest of the people's business go forward. So we are not able to have the consideration of a prescription drug benefit for our elderly population.

Many of us now know what our grandparents and our parents struggle with in terms of pain for the prescription medicines they need. We know that we need to provide them some additional financial help. The President has made that proposal. But we cannot get consideration of that on the floor.

Many of us know that we need to extend the fiscal solvency of Social Security, but nothing is before this Congress that would extend that solvency by a single day. And so, we do not attend to that business, the needs of the elderly, the needs of future generations to know that Social Security will both be secure and financially solvent when they need it.

We passed HMO legislation, and then we see just a brutal force act of appointing conferees that are not inclined to support that legislation, that are not inclined to support progressive managed care protections for families that are denied care in many cases by HMO bureaucrats, by managed care employees, that have no medical expertise, that interfere with the doctor-patient relationship.

So that HMO legislation will not come forward in a form that it will help American families meet the medical needs of their children and of their family members.

Why did they do that? Apparently, they could not stand to have two honest brokers on this committee so they could not appoint the gentleman from Georgia (Mr. NORWOOD) or the gentleman from Iowa (Mr. GANSKE) who are proven to be honest brokers on behalf of real and sensible HMO reform.

While we spent the first 9 months of this legislative year while the Republicans tried to sell to the American public a trillion-dollar tax bill, the vast majority of benefits that went for very large corporations and very, very wealthy individuals in this country, a tax bill and a tax cut that was repudiated by the American public overwhelmingly, especially when they compared it to their other priorities of protecting Social Security, making Social Security secure, improving the educational system of their children, reforming the HMO system, providing for a prescription benefit, America said they would like us to address those issues before they start addressing tax cuts for the wealthy, they would like to see us pay down the deficit if we are not going to do that before they want tax cuts for the very wealthy in this country.

Having lost that battle, the Republicans are now here telling us that we after a trillion dollars that they apparently said that they had room for, given the deficit, given the long-term debt, given the Social Security problem, a trillion dollars, they now come back and say we do not have a dime for prescription drug benefits, we do not have a dime to improve our education system, we do not have a dime to try and help people out in the Social Security system, we do not have a dime to try to help people with minimum wage.

In fact, minimum wage, designed to help people who are the working poor, people who get up and go to work every day of the year and at the end of the year they end up poor, rather than do that, they want to load up the minimum wage with 90 to 100 billion dollars in tax cuts, 75 or 80 percent of which goes to the top one percent of people in this country.

So while we are trying to help what are low-income workers with increasing the minimum wage, they say the price of that is we have got to lather up the top one percent of this country with $100 billion in tax benefits.

The fact of the matter is that this continuing resolution will do nothing to get the people's business done in this House of Representatives because the Republicans refuse to address this legislation. They refuse to do what America needs to have done, what American families wants, the education of the children, the protection of their elderly members, the protection of wages.

POINT OF ORDER

Mr. YOUNG of Florida. Mr. Speaker, point of order.

The SPEAKER pro tempore (Mr. HANSEN). The gentleman will state his point of order.

Mr. YOUNG of Florida. Mr. Speaker, I have been pretty patient about all of these appropriations bills.

The gentleman from California (Mr. GEORGE MILLER) is speaking out of order. He is not speaking to the issue before us. I think the gentleman should be compelled to constrain his remarks to the issue before us, and that is the continuing resolution.

Mr. GEORGE MILLER of California. The issue before us, Mr. Speaker, is whether or not we are going to be given another 7 days to fail. They have failed. They have been given 5 weeks, and they have failed.

The SPEAKER pro tempore. The gentleman from California (Mr. GEORGE MILLER) will suspend.

Mr. GEORGE MILLER of California. That is the issue before us, Mr. Speaker, is the failure of the Republicans with the five continuing resolutions; and that is what I am speaking to.

The SPEAKER pro tempore. The gentleman from California will suspend. The gentleman will confine his remarks to the pending legislation.

Mr. GEORGE MILLER of California. Mr. Speaker, the gentleman will be more than happy to talk about the pending legislation and the failure the last three times that we have had this kind of legislation before us of the Republicans either to move and reach a budget agreement so this Nation will know where we stand with respect to Social Security, the debt and our obligations, both domestic and foreign, the failure of the Republicans to do that under this legislation the previous three times.

I think it opens a legitimate question: Why are we now doing this for another 7 days? Why are we not staying here working over the weekend or whatever is necessary?

□ 1245

These conference committees have been meeting time and again. But every time they sit down to meet, somebody walks into the room and hands somebody a piece of paper and the negotiations are off. If you are going to ask the American people to be patient for another 7 days, they have been patient for 5 weeks, while we have not had a budget. They ought to know that in fact there is going to be some chance, some chance of success that we will have a budget that meets the needs of this country and that while we are here, the other 430 Members of Congress that are not engaged in these negotiations, maybe we could get on with the rest of the people's business, the people's concerns about their education system, their Social Security system, the HMO system, the minimum wage that workers need in this country to try to provide for their families. That is why people ought to think long and hard before they just give carte blanche again to another 7 days when we have failed in the past 5 weeks to do the business of this country, the business of America's families, the business of America's elderly, the business of America's children.

Mr. YOUNG of Florida. Mr. Speaker, I yield myself one minute just to say that it is that kind of political poison that has caused the problem that we have in the House in trying to move appropriations legislation. This type of poison is passed on to the administration, and then they last week refused to even come to meetings to negotiate. We have finally gotten them to meetings and we are negotiating. But this kind of political diatribe does not really add to getting the job done, which is what we are trying to do.

I would point out to that gentleman that this House has passed every appropriations bill, every conference report, and we are dealing with the vetoes that the President sent to us. The President is finally, finally, sending a representative down here to negotiate with us. The gentleman is really offbase. He is making his usual political speech, but all we are trying to do is get this continuing resolution passed which I thought we had agreed to do.

Mr. Speaker, I yield such time as he may consume to the gentleman from Kentucky (Mr. ROGERS), the chairman of the Appropriations Subcommittee on Commerce, Justice, State, and Judiciary.

Mr. ROGERS. Mr. Speaker, I thank the gentleman for yielding me this time. He who is without sin, let him cast the first stone.

The gentleman who just spoke on the other side complains that we are not able to produce final results at this early date. When the gentleman's party was in charge of this body, I recollect being here on Christmas Eve one year, after having passed maybe eight or 10 continuing resolutions and they were unable to deliver, and they had a huge majority in this body at that time.

Now, the administration is refusing at this point to negotiate on any of these bills except the Foreign Operations bill. I am chairman of the State, Commerce, Justice bill that the President vetoed. The bill would be law if he had signed it. We did our part, sent it down there and the President vetoed the bill and now refuses to negotiate on any of these bills except foreign aid. All they want apparently is to give money to foreign countries, do not worry about the FBI or law enforcement or the drug war or the courts. "Let them fend for what they may, all we want," apparently the White House is saying, "is foreign aid." Give it away.

I say if you are really serious on that side about getting out of here, getting our business done, cooperate, have your White House cooperate, let them come up here and talk with us and let us work out the details. We are ready. We could have my bill finished in 4 or 5 hours maximum. We have offered and pled even with the Office of Management and Budget in the White House, "Let's talk." They say, "Not until we get our foreign aid."

So, Mr. Speaker, there is the crux. The White House only wants at this point in time to give the taxpayers' money of this country away to foreign countries and be damned to what happens here at home.

Mr. OBEY. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I am amused. We were just urged by the gentleman from Florida to avoid inflammatory remarks and then we hear the kind of ridiculous statement that was just made, suggesting that the President lusts after only one thing, and that is to send money abroad. The last time I looked, the President had a long list of requests of this Congress. He is asking us to provide 100,000 new teachers which the majority party has refused to do. He is asking us to provide 50,000 new policemen which the majority party has refused doing. He is asking that we actually make available to the National Institutes of Health for medical research all of the money that we pretend we are making available rather than delaying virtually all new grants for an entire year, putting at risk scientific research teams all over the country. The majority party has refused to do that. And now we are told, Oh, gee, we should not talk about that because that is not the subject at hand." The subject at hand is getting the permission of the Congress for the government to continue for another 7 days without shutting down. That is the subject at hand. What the gentleman from California was talking about is simply his assessment of why we are in this fix. I think the gentleman was on point.

With respect to the two myths that were just peddled about the administration's refusal to negotiate, that is a joke and everyone in this Chamber, including the press watching, knows it is a joke. We have seen headlines for the past 6 months coming out of your leadership's office saying, "No, we are not going to negotiate directly from the President because he stole our socks in negotiations last year." "We have got a little sisters of the poor complex. Every time we think about negotiating with the President, we are afraid he is going to outnegotiate us." And so the leadership has already declared publicly its lack of confidence in its own negotiating ability and they say, "No, we're not going to get into the box and negotiate with the President, we're only going to do this at a lower level."

Last night a conversation took place between the President and your leadership, and, as you know, the President offered again to send his chief of staff, Mr. Podesta, down here to negotiate directly with your leadership. And again he was told by your leadership, "No, we don't want to get in the same room with you, so instead, why don't you have the appropriators meet." Well, the appropriators did meet, for a while at least some of us, and after an hour, there were only two Republicans left in the room. Everybody else had gone home. We were there, the White House was there, and the White House made two compromise offers in a row, both of which were rejected by the other side.

So it is silly to suggest that the White House has not been offering to negotiate. They have been in the room every time there has been a meeting. I just suggest, I think we should stop the hyperbole and I think we ought to get on with the business of government, but I think it is fair to observe that the President has a reason for wanting to see this bill negotiated along with the others, because the majority party has a long record of dragging its feet in meeting its international responsibilities. For a year and a half, in the middle of the Asian debt crisis which threatened to swamp our own economy and swamp our own currency, the majority party refused to provide the IMF funding that was necessary. It has dragged its feet on paying our dues at the United Nations for 2 years and, as I said, on the domestic side, the majority party has steadfastly refused to agree to the President's request for 100,000 new teachers or for 50,000 new cops on the beat, among other things.

Mr. Speaker, I regret that we have gotten into this kind of a tit-for-tat argument, but I guess it is inevitable given the fact that this Congress is unable to do anything but. I hope things change. I think the best way to change is to get off the floor and get back into the negotiating room on the foreign operations bill that I thought was so close to an agreement last night. Everyone understands that that is the logjam which is holding this place up.

And so if you want to go home, I would suggest you act like it and get down to doing some serious negotiating.

Mr. YOUNG of Florida. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Ohio (Mr. TRAFICANT).

Mr. TRAFICANT. Mr. Speaker, I have great respect for our ranking member the gentleman from Wisconsin (Mr. OBEY). I think he is a great leader and a great Congressman. And, too, I have great respect for our new chairman. But I think it is time for some perspective here and it is time to put the politics aside, folks. There is too many politics being played now with the budget of the American people. I can remember one year as a Democrat in a Democrat majority being here until December 23 with continuing resolution after continuing resolution after continuing resolution. This is not unusual. In fact, there have been great strides. Every appropriation bill has been passed. Now, maybe we do not agree with all of them, but it is time to say something that has to be said: These bills have been subject to too much political chicanery. Even the fine Defense appropriation bill was almost held hostage with a veto threat for more foreign aid. As a Democrat, I support the stance that this majority party has taken on spending overseas and looking at the domestic side.

Now, I think we are very close and I think it is time for the leaders that we have, more than competent, to sit down, close the doors, turn up the heat, have some chili and some baked beans and not leave until you get it done. I know they can do it.

Mr. YOUNG of Florida. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. GUTKNECHT).

Mr. GUTKNECHT. Mr. Speaker, after that speech by our colleague from Ohio, I am somewhat hesitant to talk politically. But I do want to mention and remind people of what happened last week when we had the Labor-HHS bill.

All of these arguments about who is taking money from Social Security, we have a letter from the Congressional Budget Office, they have letters, it is all based on what assumptions you give the Congressional Budget Office, you get different answers. Most people, their eyes start to glaze over because it is so arcane. The other issue that sometimes people do not understand when we talk about it back home is a motion to recommit, because that is kind of arcane, too. But it really is designed to protect our democratic experiment here. We have our plan, the majority offers its plan, and then the minority's rights are protected because they always have a right to recommit, to make a motion to recommit with instructions.

Last week on the Labor-HHS bill when they had their chance to put their plan on the table, they could have said, "We like your plan but we want to put more money into education." They did not do that. When they had their chance to say, "We like your plan but we would have rearranged the priorities and we would have put more money into veterans benefits," they did not do that, either.

Looking at the record, and it is a matter of public record, when they had their chance to reflect what their priorities were on the Labor-HHS bill, their motion to recommit with instructions included basically our bill except they included the full congressional pay raise.

That is how political this business has become. I think my colleague from Ohio is exactly right. We are only a few billion dollars apart with the White House. Despite all of the political posturing that is going on right now, we have all agreed on some simple, basic facts. We are not going to close down the government, we are not going to raid Social Security, we are not going to raise taxes, everything else is negotiable. I think with a few hours' of good faith bargaining on the part of the White House and congressional leaders, we could have a bargain, we could have a deal, we could put this budget together for the good of the American people, for the good of everybody here, we could all be done by next Monday at probably midnight. I hope we can all get together and get that done.

Mr. OBEY. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, after this continuing resolution is passed and sent to the Senate, we will have two choices: We can continue this once-a-week rewind operation, or we can decide this afternoon that we are going to sit down and come to closure on the agreement that I thought we were within an hour of achieving last night on the Foreign Operations bill. If that can be achieved, then we can move to try to deal with the issues that still divide us on the issue of education, on the issue of crime, and on the issue of paying our U.N. dues.

□ 1300

I would like to think we could conclude that in a reasonable time and get out of here. I do not think, frankly, that either party is scoring any points on these issues. I have said many times that the worst thing that can happen to people in this town is when you come to believe your own baloney, and the fact is that I think we have a lot of that going on. And I do not think, frankly, that the country is paying much attention to what we say. They are more interested in what we do, and what they see so far is that we have been doing nothing.

So I would suggest we stop doing nothing, come to an agreement on these four remaining bills and get out of town. But it is going to take a determination on the part of the majority party to negotiate with the President, rather than laying down ultimatums about what is on or off the table. This happened last night. When that mindset changes, we may begin to see some progress around here.

Mr. Speaker, I yield back the balance of my time.

Mr. YOUNG of Florida. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, this has been somewhat of a spirited conversation over a measure that we thought was going to move fairly quickly. I would join the gentleman from Wisconsin (Mr. OBEY) in wishing we had completed this business 20 minutes ago, because it is important that we get this measure passed through the House.

But it is difficult to sit here and listen to some of the political accusations that we have heard on almost every appropriations bill that has come before the House this year. It is difficult to sit here and listen to that and not feel inclined to respond. But I am not going to yield to that temptation. I am not going to respond to all of the political attacks that were made here.

But I do want to say that the attacks that some Members of the other side like to make at our majority leadership, the Speaker of the House, the majority leader, the majority whip, are unfounded. They are unfair, because these gentlemen have worked hard to try to accomplish the work of this House.

We have passed every appropriations bill in the House and in the Senate, we have passed every conference report in the House and in the Senate, and we are now dealing in that final phase where the President of the United States has decided to veto certain bills. So we are at a point where we are negotiating with the President to try to resolve our differences so that we can get new bills to him in a form that he will sign, because unless he signs them or unless we have the votes to override his vetoes, we have to reach an agreement and accommodation. That means both sides have to give a little.

Our leadership met with the President just a few days ago, and they talked with him on the phone even more recently, and he agreed to this: That we would negotiate; that any additional funding that he requested that we would agree to that he would offer offsets to pay for it.

Now, the negotiations began, and they began in earnest, and I would compliment Jack Lew, the Director of the Office of Management and Budget. He is a tough negotiator. When he tells you something, that is the way it is. Unfortunately, some of the things he told us we did not like because they were different than what the President told us.

The President told us as we went along with spending or agreeing to spending the money that he requested that he would then offer offsets. Last night, several times at one of our lengthy meetings, I asked Mr. Lew what are the offsets? Mr. Lew refused to talk about the offsets, and to this minute in my presence has refused to talk about offsets; in other words, how do we pay for this additional spending in foreign aid.

Mr. OBEY. Mr. Speaker, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Speaker, I would like to point out that the gentleman left the room for over an hour, and while the gentleman was out of the room, Mr. Lew did specifically refer to three different ways that offsets could be handled.

Mr. YOUNG of Florida. Mr. Speaker, reclaiming my time, I thank the gentleman for reminding me that it was important to have an additional meeting with representatives from the Senate and from the House in order to try to finalize or come to agreement on what we were trying to do, and, despite the gentleman's insinuation, it is very difficult to be in two places at the same time. That is why I emphasized in my presence Mr. Lew was unwilling to provide the offsets.

But now we are working through that. If we can keep the atmosphere fairly civil, I think we can do that. I did not see a lot of stability coming our direction from that side of the aisle today, and I really am offended by that lack, and I am offended by the political speeches.

The gentleman from Wisconsin (Mr. OBEY) said earlier that there are too many speeches. He is right, especially when they are all the same and they say the same thing. I have memorized the speech of my friend the gentleman from Wisconsin (Mr. OBEY) because he has made it every time we had an appropriations bill. So I can make his speech for him. Although I disagree with it, I can make his speech for him.

Now, we have other things to negotiate, but the President is not willing to negotiate anything on the other remaining bills until we have an agreement on foreign aid. In other words, his primary interest is how much money are we going to give him to spend around the world.

Well, we are willing to work with him on that. We are willing to do things he wants to do, because we understand that he is the President, but we have to understand that one reason we are being delayed on the other bills is because the administration refuses to negotiate with this House and the leaders of this House on anything else until the foreign aid bill is settled and decided.

Now, we are willing to go along with that, and that is why we wanted to get this measure off the floor early so we could get back to those negotiations and try to have that package wrapped up by today.

Mr. Speaker, there is something else that I would like to mention. The gentleman from Wisconsin (Mr. OBEY) said that we start to believe our own baloney. We have seen some baloney on the floor today. Most of it I did not believe, Mr. Speaker.

Anyway, let us pass this continuing resolution, and let us not be offended by the fact that it is a continuing resolution, especially coming from the Democrats who ran this House for 40 years. Let me repeat something the gentleman from Wisconsin (Mr. OBEY) said: We repeat our speeches too often. But in view of some of the accusations made today, let me just go back a few years.

In fiscal year 1990 the Democrats controlled this House and they had a continuing resolution for 51 days. Fiscal year 1991, they had a CR for 36 days. Fiscal year 1992, they had a CR for 57 days. They did better in 1993, they only had 5 days. But in fiscal year 1994 they had 41 days. So for the Democrats to come on the floor now and accuse the Republicans of using CRs to finish the business is a little hollow.

Now, the gentleman from Wisconsin (Mr. OBEY) would like me to say the year he was chairman, for fiscal year 1995, we did not have any CRs, and he is right, and I applaud him for that. Let me tell you what else he had: He had 81 more Democrats than there were Republicans in the House. He could do most anything he wanted.

We have a small majority. We only have 10 more Republicans this year than the gentleman from Wisconsin (Mr. OBEY) had. He had 81. But in that year that the gentleman from Wisconsin (Mr. OBEY) had 81 more Democrats than Republicans, he spent $60 billion out of the Social Security trust fund. We are not doing that. We are balancing the budget. We are not raising taxes. We are not taking any money out of the Social Security trust fund. There is a big difference. We have accomplished some things that people did not believe could be accomplished, and we have done it with a very, very small majority and a Democrat in the White House.

Mr. Speaker, let us pass this continuing resolution and get down to the real business of finishing the negotiations on the remaining bills.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. HANSEN). All time for debate has expired.

The joint resolution is considered read for amendment.

Pursuant to the order of the House of today, the previous question is ordered.

The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the joint resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. OBEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 417, nays 6, not voting 10, as follows:

[Roll No. 565]

YEAS—417

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Capuano
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth-Hage
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crowley
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Filner
Fletcher
Foley
Ford
Fossella
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kucinich
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Minge
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Nussle
Obey
Olver
Ortiz
Ose
Owens
Oxley
Packard
Pallone
Pascrell
Pastor
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Schaffer
Schakowsky
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Vento
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—6

DeFazio
Dickey
Forbes
Hastings (FL)
Miller, George
Paul

NOT VOTING—10

Bentsen
Bereuter
Ehlers
Kanjorski
Larson
Norwood
Oberstar
Payne
Scarborough
Tauzin

□ 1329

Mr. DICKEY changed his vote from "yea" to "nay."

Mr. VISCLOSKY changed his vote from "nay" to "yea."

So the joint resolution was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. BENTSEN. Mr. Speaker, on rollcall No. 565, I was unavoidably detained.

Had I been present, I would have noted "yea."

PERSONAL EXPLANATION

Mr. EHLERS. Mr. Speaker, on rollcall Nos. 564 and 565, I missed the votes due to my participation in an important meeting and in the Marine Corps ceremony. Had I been present, I would have voted "yes" on both.

□ 1330

APPOINTMENT OF CONFEREES ON H.R. 3194, DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 2000

Mr. YOUNG of Florida. Mr. Speaker, pursuant to the previous order of the House, I move to take from the Speaker's table the bill (H.R. 3194) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against revenues of said District for the fiscal year ending September 30, 2000, and for other purposes, with a Senate amendment thereto, disagree to the amendment of the Senate, and agree to the conference asked by the Senate.

The SPEAKER pro tempore (Mr. HANSEN). Is there objection to the request of the gentleman from Florida?

There was no objection.

The SPEAKER pro tempore (Mr. HANSEN). The gentleman from Florida (Mr. YOUNG) is recognized for 1 hour.

Mr. YOUNG of Florida. Mr. Speaker, I yield 30 minutes of that hour to the gentleman from Wisconsin (Mr. OBEY), my distinguished friend and colleague, for the purpose of debate only.

Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the issue before us today is the Senate amendment to the District of Columbia appropriations bill. It struck language that the House had included relative to the issuance of needles in the needle exchange program.

Personally, I object to the Senate amendment. However, in order to move this bill and get it to conference, I do move to take the bill from the table, disagree to the amendment and agree to the conference.

Mr. Speaker, I reserve the balance of my time.

Mr. OBEY. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I was trying to decide whether I should yield 30 minutes to the distinguished gentleman from California (Mr. GEORGE MILLER), or whether I should yield back the balance of my time. I suspected the majority would prefer that I yield back the balance of my time so in the interest of comity, that is exactly what I will do.

Mr. YOUNG of Florida. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion.

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. YOUNG).

The motion was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: Messrs. YOUNG of Florida, LEWIS of California, and OBEY.

There was no objection.

PERSONAL EXPLANATION

Ms. JACKSON-LEE of Texas. Mr. Speaker, on November 1, 1999, this body held three rollcall votes on bills considered under suspension on the floor of the House. Because of a family medical matter, I missed the following votes, Mr. Speaker:

On rollcall No. 550, H.R. 348, I would have voted "aye"; rollcall No. 551, H.R. 2337, I would have voted "aye"; rollcall No. 552, H.R. 1714, I would have voted "no."

On November 3, Mr. Speaker, due to a family medical matter, I was unable to participate on two votes. Had I been in attendance on rollcall No. 557, on agreeing to the Journal, I would have voted "aye"; and on rollcall No. 558, H.R. 2290, the Quality Care for the Uninsured Act, I would have voted "aye."

PRIVILEGES OF THE HOUSE—CALLING ON PRESIDENT TO ABSTAIN FROM RENEGOTIATING INTERNATIONAL AGREEMENTS GOVERNING ANTIDUMPING LAWS AND COUNTERVAILING MEASURES

Mr. VISCLOSKY. Mr. Speaker, pursuant to rule IX, I rise to a question of the privileges of the House, and offer a privileged resolution that I noticed to the House on Tuesday, November 2, and ask for its immediate consideration.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read as follows:

Resolution Calling on the President to Abstain From Renegotiating International Agreements Governing Antidumping and Countervailing Measures

Whereas under Art. I, Section 8 of the Constitution, the Congress has power and responsibility with regard to foreign commerce and the conduct of international trade negotiations;

Whereas the House of Representatives is deeply concerned that, in connection with the World Trade Organization ("WTO") Ministerial meeting to be held in Seattle, Washington, and the multilateral trade negotiations expected to follow, a few countries are seeking to circumvent the agreed list of negotiation topics and reopen debate over the WTO's antidumping and antisubsidy rules;

Whereas strong antidumping and antisubsidy rules are a cornerstone of the liberal trade policy of the United States and are essential to the health of the manufacturing and farm sectors in the United States;

Whereas it has long been and remains the policy of the United States to support its antidumping and antisubsidy laws and to defend those laws in international negotiations;

Whereas the current absence of official negotiating objectives on the statute books must not be allowed to undermine the Congress' constitutional role in charting the direction of United States trade policy;

Whereas, under present circumstances, launching a negotiation that includes antidumping and antisubsidy issues would affect the rights of the House and the integrity of its proceedings;

Whereas opening these rules to renegotiation could only lead to weakening them, which would in turn lead to even greater abuse of the world's open markets, particularly that of the United States;

Whereas, conversely, avoiding another divisive fight over these rules is the best way to promote progress on the other, far more important, issues facing WTO members; and

Whereas it is therefore essential that negotiations on these antidumping and antisubsidy matters not be reopened under the auspices of the WTO or otherwise: Now, therefore, be it

Resolved, That the House of Representatives calls upon the President—

(1) not to participate in any international negotiation in which antidumping or antisubsidy rules are part of the negotiating agenda;

(2) to refrain from submitting for congressional approval agreements that require changes to the current antidumping and countervailing duty laws and enforcement policies of the United States; and

(3) to enforce the antidumping and countervailing duty laws vigorously in all pending and future cases.

The SPEAKER pro tempore. The Chair will entertain argument as to whether the resolution constitutes a question of privilege.

The Chair recognizes the gentleman from Indiana (Mr. VISCLOSKY).

Mr. VISCLOSKY. Mr. Speaker, I appreciate the opportunity and would point out, as was stated in the resolution, we have a responsibility under Article I, Section 8, as far as the conduct of trade policy. In the 103rd Congress, the United States Congress did act and the President signed into law what the agenda of the WTO Seattle round of negotiations should be.

It is clear that our trading partners now want to usurp the position we have taken in statutory language in the United States of America by debating whether or not we are to eliminate or weaken our anti-dumping and anti-subsidy duties. That is contrary to the announced policy and statutory policy of the United States of America.

This is not a trivial matter. In 1947, under the Bretton Woods negotiations, the GATT condemned anti-dumping and anti-subsidy activities.

I am very concerned that if a resolution is not brought forth to a vote on this floor, our constitutional prerogatives will be usurped, and I would ask that the Chair rule in my favor.

The SPEAKER pro tempore. Are there other Members that wish to be heard?

If not, the Chair is prepared to rule on whether the resolution offered by the gentleman from Indiana (Mr. VISCLOSKY) presents a question of the privileges of the House under rule IX.

The resolution offered by the gentleman from Indiana (Mr. VISCLOSKY) calls upon the President to address a trade imbalance in the area of steel imports. Specifically, the resolution calls upon the President to refrain from participation in certain international negotiations, to refrain from submitting certain agreements to the Congress and to vigorously enforce the trade laws.

As the Chair ruled on October 10, 1998, a similar resolution expressing the legislative sentiment that the President should take specified action to achieve a desired public policy on trade does not present a question affecting the rights of the House, collectively, its safety, dignity or the integrity of its proceedings within the meaning of rule IX. In the opinion of the Chair, the resolution offered by the gentleman from Indiana (Mr. VISCLOSKY) is purely a legislative proposition properly initiated by introduction through the hopper under clause 7 of rule XII.

Accordingly, the resolution offered by the gentleman from Indiana (Mr. VISCLOSKY) does not constitute a question of the privileges of the House under rule IX and may not be considered at this time.

Mr. VISCLOSKY. Mr. Speaker, could I be heard to remark on one comment that the Chair raised in its ruling?

The SPEAKER pro tempore. The Chair has rendered the decision to the gentleman from Indiana (Mr. VISCLOSKY).

Mr. VISCLOSKY. Mr. Speaker, I would appeal the ruling of the Chair.

The SPEAKER pro tempore. The question is: Shall the decision of the Chair stand as the judgment of the House?

MOTION TO TABLE OFFERED BY MR. LA HOOD

Mr. LAHOOD. Mr. Speaker, I move to lay the appeal on the table.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. LAHOOD) to lay on the table the appeal of the ruling of the Chair.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. VISCLOSKY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently, a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 218, nays 204, not voting 11, as follows:

[Roll No. 566]

YEAS—218

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Bass
Bateman
Biggert
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth-Hage
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Crane
Cubin
Cunningham
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fletcher
Foley
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones (NC)
Kasich
Kelly
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Moran (VA)
Morella
Myrick
Nethercutt
Ney
Northup
Nussle
Ose
Oxley
Packard
Paul
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Reynolds
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Talent
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NAYS—204

Abercrombie
Ackerman
Allen
Andrews
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Forbes
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Goode
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hooley
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kaptur
Kennedy
Kildee
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Pelosi
Peterson (MN)
Phelps
Pickett
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Serrano
Sherman
Shows
Sisisky
Skelton
Slaughter
Smith (WA)
Snyder
Spratt
Stabenow
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Wise
Woolsey
Wu
Wynn

NOT VOTING—11

Barton
Bereuter
Bonior
Brady (TX)
Kanjorski
Kilpatrick
Larson
Norwood
Payne
Scarborough
Stark

□ 1403

Messrs. SAXTON, HEFLEY, SMITH of Texas, and SOUDER changed their vote from "nay" to "yea."

So the motion to table was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PRIVILEGES OF THE HOUSE—CALLING ON PRESIDENT TO ABSTAIN FROM RENEGOTIATING INTERNATIONAL AGREEMENTS GOVERNING ANTIDUMPING AND COUNTERVAILING MEASURES

Mr. WISE. Mr. Speaker, I rise to a question of the privileges of the House, and I offer a privileged resolution, that I noticed pursuant to rule IX, and ask for its immediate consideration.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read as follows:

RESOLUTION CALLING ON THE PRESIDENT TO ABSTAIN FROM RENEGOTIATING INTERNATIONAL AGREEMENTS GOVERNING ANTIDUMPING AND COUNTERVAILING MEASURES

Whereas under Art. I, Section 8 of the Constitution, the Congress has power and responsibility with regard to foreign commerce and the conduct of international trade negotiations;

Whereas the House of Representatives is deeply concerned that, in connection with the World Trade Organization ("WTO") Ministerial meeting to be held in Seattle, Washington, and the multilateral trade negotiations expected to follow, a few countries are seeking to circumvent the agreed list of negotiation topics and reopen debate over the WTO's antidumping and antisubsidy rules;

Whereas the Congress has not approved new negotiations on antidumping or antisubsidy rules and has clearly, but so far informally, signaled its opposition to such negotiations;

Whereas strong antidumping and antisubsidy rules are a cornerstone of the liberal trade policy of the United States and are essential to the health of the manufacturing and farm sectors in the United States;

Whereas it has long been and remains the policy of the United States to support its antidumping and antisubsidy laws and to defend those laws in international negotiations;

Whereas, under present circumstances, launching a negotiation that includes antidumping and antisubsidy issues would affect the rights of the House and the integrity of its proceedings;

Wheereas the WTO antidumping and antisubsidy rules concluded in the Uruguay Round have scarcely been tested since they entered into effect and certainly have not proved defective;

Whereas opening these rules to renegotiation could only lead to weakening them, which would in turn lead to even greater abuse of the world's open markets, particularly that of the United States;

Whereas conversely, avoiding another divisive fight over these rules is the best way to promote progress on the other, far more important, issues facing WTO members; and

Whereas it is therefore essential that negotiations on these antidumping and antisubsidy matters not be reopened under the auspices of the WTO or otherwise: Now, therefore, be it

Resolved, That the House of Representatives calls upon the President—

(1) not to participate in any international negotiation in which antidumping or antisubsidy rules are part of the negotiating agenda;

(2) to refrain from submitting for congressional approval agreements that require changes to the current antidumping and countervailing duty laws and enforcement policies of the United States; and

(3) to enforce the antidumping and countervailing duty laws vigorously in all pending and future cases.

The SPEAKER pro tempore (Mr. HANSEN). The Chair will entertain brief argument as to whether the resolution constitutes a question of privilege.

The Chair recognizes the gentleman from West Virginia (Mr. WISE).

Mr. WISE. Mr. Speaker, this resolution I attempt to bring up calls on the President to abstain from renegotiating international agreements governing antidumping and countervailing measures.

The arguments I make are very simple. According to article I, section 8 of the Constitution, the Congress has the power and the responsibility relating to foreign commerce and the conduct of international trade negotiations. An important part of Congress' participation in the formulation of trade policy is the enactment of official negotiating objectives against which completed agreements can be measured when presented for ratification.

This Congress, in 1994, ratified an agenda for the Seattle World Trade Organization Ministerial Conference that is about to take place, and that agenda included only agricultural trade services, trade, and intellectual property protection. The agenda, specifically enacted into Federal law as Public Law 103–465, did not include antidumping or antisubsidy rules.

What Congress is concerned about here is that a few countries are seeking to circumvent the agreed list of negotiating topics and open debate over the WTO's antidumping and antisubsidy rules, most notably applied to steel in the past few months. The Congress has not approved new negotiations on these——

PARLIAMENTARY INQUIRY

Mr. KOLBE. Parliamentary inquiry, Mr. Speaker. Is it in order for the gentleman to speak beyond the matter of whether or not this is a matter of personal privilege?

Mr. WISE. The Chair asked for arguments, and I am responding to the Chair.

The SPEAKER pro tempore. The debate should be confined to whether or not this constitutes a question of privilege under rule IX.

Mr. WISE. Then I will happily deal directly with the gentleman's response. Incidentally, the 10,000 steelworkers who have been laid off in this country would like to have this matter brought up, but I will deal with the narrow approach that the gentleman requests.

Section 702 of House rule IX, entitled "General Principles," concludes that certain matters of business arising under the Constitution, mandatory in nature, have been held to have a privilege which supersedes the rules establishing the order of business. And, Mr. Speaker, before I was interrupted, I was making those points about those rules which cannot be superseded.

This is a question of the House's constitutional authority and is, therefore, privileged in nature. The WTO antidumping and antisubsidy rules concluded in the Uruguay Round have scarcely been tested since they have been entered into effect and have certainly not been proven effective. Opening these rules to negotiation only leads to weakening them, which in turn leads to even greater abuse of the world's markets.

There is precedent for bringing H. Res. 298 out of committee and to the House floor immediately. For instance, H. Con. Res. 190 was brought to the floor on October 26 under suspension of the rules because it concerned the upcoming Seattle Round, and this measure only had 13 cosponsors, while our comeasure has 228 cosponsors. The majority of this House should be heard.

And, as I point out, thousands of steelworkers from Weirton to Wheeling to Follensbee, who have been laid off during the course of these antidumping and antisubsidy rules not being effectively applied, are saying now to the President, please do not step back and please do not weaken them any further. Stand up for workers in this country. That is the grounds upon which I assert the privilege.

The SPEAKER pro tempore. Are there any other Members that want to be heard on this point?

If not, the Chair is prepared to rule on whether the resolution offered by the gentleman from West Virginia (Mr. WISE) is a question of the privileges of the House under rule IX.

The resolution offered by the gentleman from West Virginia calls upon the President to address a trade imbalance in the area of imports. Specifically, the resolution calls upon the President to refrain from participation in certain international negotiations, to refrain from submitting certain agreements to the Congress, and to vigorously enforce the trade laws.

As the Chair stated on October 10, 1998, and earlier today, a resolution expressing the legislative sentiment that the President should take specific action to achieve a desired public policy end does not present a question affecting the rights of the House, collectively, its safety, dignity, or the integrity of its proceeding within the meanings of rule IX. In the opinion of the Chair, the resolution offered by the gentleman from West Virginia is purely a legislative proposition properly initiated by introduction through the hopper under clause 7, rule XII, to be subsequently considered under the normal rules of the House.

Accordingly, the resolution offered by the gentleman from West Virginia does not constitute a question of the privileges of the House under rule IX, and may not be considered at this time.

Mr. WISE. Mr. Speaker, I appeal the ruling of the Chair, and ask to be heard on the ruling.

The SPEAKER pro tempore. The question is, Shall the decision of the Chair stand as the judgment of the House?

MOTION TO TABLE OFFERED BY MR. KOLBE

Mr. KOLBE. Mr. Speaker, I move to lay the appeal on the table.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arizona (Mr. KOLBE) to lay on the table the appeal of the ruling of the Chair.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. WISE. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 216, noes 201, not voting 16, as follows:

[Roll No. 567]

AYES—216

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Biggert
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Crane
Cubin
Cunningham
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fletcher
Foley
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Jenkins
Johnson (CT)
Johnson, Sam
Jones (NC)
Kelly
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lofgren
Lucas (OK)
Manzullo
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Moran (VA)
Morella
Myrick
Nethercutt
Ney
Northup
Nussle
Ose
Oxley
Packard
Paul
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Reynolds
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Sherwood
Shimkus
Shuster
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Talent
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOES—201

Abercrombie
Ackerman
Allen
Andrews
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Condit
Costello
Coyne
Cramer
Crowley
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Forbes
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Goode
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hooley
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Lee
Levin
Lewis (GA)
Lipinski
Lowey
Lucas (KY)
Luther
Maloney (NY)
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Pelosi
Peterson (MN)
Phelps
Pickett
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Serrano
Sherman
Shows
Sisisky
Skelton
Slaughter
Smith (WA)
Snyder
Spratt
Stabenow
Stenholm
Strickland
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Wise
Woolsey
Wu
Wynn

NOT VOTING—16

Bereuter
Chenoweth-Hage
Conyers
Istook
Kanjorski
Kasich
Larson
Maloney (CT)
Meek (FL)
Norwood
Payne
Porter
Scarborough
Shays
Stark
Stupak

□ 1432

So the motion to table was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PRIVILEGES OF THE HOUSE—CALLING ON PRESIDENT TO ABSTAIN FROM RENEGOTIATING INTERNATIONAL AGREEMENTS GOVERNING ANTIDUMPING LAWS AND COUNTERVAILING MEASURES

Mr. KUCINICH. Mr. Speaker, I rise to a question of the privileges of the House and offer a privileged resolution that I noticed pursuant to rule IX and ask for its immediate consideration.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read as follows:

RESOLUTION CALLING ON THE PRESIDENT TO ABSTAIN FROM RENEGOTIATING INTERNATIONAL AGREEMENTS GOVERNING ANTIDUMPING AND COUNTERVAILING MEASURES

Whereas under Art. I, Section 8 of the Constitution, the Congress has power and responsibility with regard to foreign commerce and the conduct of international trade negotiations;

Whereas the House of Representatives is deeply concerned that, in connection with the World Trade Organization, ("WTO") Ministerial meeting to be held in Seattle, Washington, and the multilateral trade negotiations expected to follow, a few countries are seeking to circumvent the agreed list of negotiation topics and reopen debate over the WTO's antidumping and antisubsidy rules;

Whereas the built-in agenda for future WTO negotiations, which was set out in the Uruguay Round package ratified by Congress in 1994, includes agriculture trade, services trade, and intellectual property protection but does not include antidumping or antisubsidy rules;

Whereas the Congress has not approved new negotiations or antidumping or antisubsidy rules and has clearly, but so far informally, signaled its opposition to such negotiations;

Whereas strong antidumping and antisubsidy rules are a cornerstone of the liberal trade policy of the United States and are essential to the health of the manufacturing and farm sectors in the United States;

Whereas it has long been and remains the policy of the United States to support its antidumping and antisubsidy laws and to defend those laws in international negotiations;

Whereas an important part of Congress' participation in the formulation of trade policy is the enactment of official negotiating objectives against which completed agreements can be measured when presented for ratification;

Whereas the current absence of official negotiating objectives on the statute books must not be allowed to undermine the Congress' constitutional role in charting the direction of United States trade policy.

Whereas the WTO antidumping and antisubsidy rules concluded in the Uruguay Round have scarcely been tested since they entered into effect and certainly have not proved defective;

Whereas opening these rules to renegotiation could only lead to weakening them, which would in turn lead to even greater abuse of the world's open markets, particularly that of the United States;

Whereas conversely, avoiding another divisive fight over these rules is the best way to promote progress on the other, far more important, issues facing WTO members; and

Whereas it is therefore essential that renegotiations on these antidumping and antisubsidy matters not be reopened under the auspicies of the WTO or otherwise: Now, therefore, be it

Resolved, That the House of Representatives calls upon the President—

(1) not to participate in any international negotiation in which antidumping or antisubsidy rules are part of the negotiating agenda;

(2) to refrain from submitting for congressional approval agreements that require changes to the current antidumping and countervailing duty laws and enforcement policies of the United States; and

(3) to enforce the antidumping and countervailing duty laws vigorously in all pending and future cases.

The SPEAKER pro tempore (Mr. HANSEN). The Chair will entertain a brief argument as to whether the resolution constitutes a question of privilege. Let me caution the Members, debate should be limited to the question of order, and may not go to the merits of the proposition being considered.

The Chair recognizes the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Speaker, this resolution has privilege because only the House has the authority to alter existing revenue provisions. Allowing the administration to negotiate antidumping and countervailing duty laws would further diminish the loss of the constitutional power the House has suffered over time. Under article 1, section 7 of the Constitution, the House of Representatives has the authority to originate revenue provisions, not the Senate, the administration or the U.S. trade representative. By not giving the administration the clear message that Congress has antidumping and countervailing duty laws, that those laws are not to be placed on the table for negotiations, we are essentially allowing the administration to act on authority it does not have.

Furthermore, section 702 of House rule IX entitled General Principles concludes that certain matters of business arising under the Constitution, mandatory in nature, have been held to have a privilege which superseded the rules establishing the order of business. This is a question of the House's constitutional authority and is therefore privileged in nature. The WTO antidumping and antisubsidy rules concluded in the Uruguay Round have scarcely been tested since they entered into effect and certainly have not proved effective. Opening these rules to renegotiation could only lead to weakening them which in turn leads to even greater abuse of the world's open markets, particularly that of the United States.

There is a precedent, Mr. Speaker, for bringing H. Res. 298 out of committee and onto the House floor immediately. For instance, H .Con. Res. 190 was brought to the floor on October 26 under suspension of the rules because it concerned the upcoming Seattle Round. This measure had only 13 cosponsors, while H. Res. 298 has 228 cosponsors. The majority of the House should be heard.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Ohio (Mr. TRAFICANT).

Mr. TRAFICANT. Mr. Speaker, I, too, have a privileged motion. I will not be offering mine nor asking for a vote. But I want to take 30 seconds with the Congress. The Congress is allowing trade practices to endanger America. Illegal trade cannot be tolerated, and the purpose of these exercises is to make sure the administration and Congress looks at those.

The SPEAKER pro tempore. The Chair recognizes the gentlewoman from Ohio (Ms. KAPTUR).

Ms. KAPTUR. Mr. Speaker, I would like to rise in support of the resolution and to say that I would merely beg the leadership to allow this vote to occur, because over 228 of our Members have asked for it. I think to bottle this up and not allow a vote is truly not in the best spirit of this House when in fact the Constitution provides that trademaking authority rests in the House, in the Congress, and all revenue measures begin here in the House. With what is going to happen at the end of the month in Seattle and the beginning of December, we want to send a strong message to our trade negotiators, we do not want them opening up the antidumping and countervailing duty provisions of our trade laws.

No industry in this country has suffered more than the steel industry and been forced to restructure. It has the most modern production in the world. Yet we continue to lose thousands and thousands of jobs, even over this last year. It is absolutely essential that our negotiators hear this, and it is not the executive branch's responsibility, it is our responsibility to enforce the laws that we pass. And so we ask and beg of the leadership of this institution, please allow us to bring up this resolution which allows us to instruct our negotiators as the Constitution intended. There are 228 Members of this institution that want to be allowed to be given voice and this resolution brought to the floor. I rise in strong support of the resolution.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Pennsylvania (Mr. DOYLE).

Mr. DOYLE. Mr. Speaker, I also have a privileged resolution which I will not offer and will not ask for a vote on, but I do want to speak in support of the resolution.

Mr. Speaker, denying a vote on this resolution denies the will of the majority of this House. A majority of Members on both side of the aisle, 228, are cosponsors of this legislation. This resolution is intended to respond to a negotiating ploy by Japan and a few other countries. These countries are trying to jump-start negotiations on the antidumping and countervailing duty laws mostly as a negotiating tactic.

□ 1445

Japan would like the world to forget about their closed telecommunications, financial services and agricultural markets by raising false issues about unfair trade remedies. Failing to pass this resolution supports the trade objectives of Japan and not the trade objectives of the United States.

Mr. Speaker, I am in strong support of this privileged resolution, and ask that we be allowed to have a vote on it.

The SPEAKER pro tempore (Mr. HANSEN). Does the gentleman from Pennsylvania (Mr. KLINK) wish to be heard on this issue?

Mr. KLINK. Yes, Mr. Speaker, I do.

The SPEAKER pro tempore. The gentleman is recognized.

Mr. KLINK. Mr. Speaker, I also have a privileged resolution, which I will not insist on calling up, instead speaking on behalf of this resolution instead.

Mr. Speaker, I would recommend to the Members the rules of the House of Representatives, which says the privileges of the House as distinguished from that of the individual Member include questions relating to its constitutional prerogatives in respect to revenue legislation and appropriations, and it goes on to other sorts of things.

Furthermore, in Section 664 of rule IX, entitled "General Principles," as to the precedent of question of privilege, it states "as the business of the House began to increase, it was found necessary to give certain important matters a precedent by rule. Such matters were called privileged questions."

Section 664 goes on saying, "certain matters of business arising under the constitutional mandatory in nature have been held to have privilege, which has superseded the rules established in the regular order of business."

I would say, Mr. Speaker, if you read the Constitution, under article I, section 7, all bills for raising revenues shall originate in the House of Representatives, but the Senate may propose or concur with amendments as on other bills.

Clearly what we are talking about with this trade and the countervailing duties and the antidumping is that there are tariffs that are levied. That is the raising of revenue. That is the privilege of the House of Representatives, not of the Senate, not of the administration, not of the trade ambassador; but it is the privilege of this House of Representatives.

When these dump products are levied, a tariff is put on them, those tariffs are revenue raisers, they are paid directly to the U.S. Treasury; and by us allowing negotiations to be weakened and our trade laws weakened to let in more dump product, the House would be turning over the power to the executive branch given exclusively to us under the Constitution.

Now, this resolution has privilege because only the House has the authority to alter existing revenue provisions. Allowing the administration to negotiate these issues is the House giving that constitutional duty up.

In addition, I would recommend as great reading to the Members article I, section 8 of the Constitution. "The Congress shall have power to lay and collect taxes, duties, imposts and excises to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts and excises shall be uniform throughout the Nation. The Congress also shall regulate commerce with foreign nations and among the several states and with the Indian tribes."

What we are talking about here is not only the revenue that is taken, but it is trade policy. An important part of Congress' participation in the formulation of trade policy is the enactment of official negotiating objectives against which completed agreements can then be measured for their ratification.

Congress exercised that power back in 1994 when we ratified the agenda for the Seattle WTO Ministerial, which included agricultural trade; it included services trade and intellectual property protection. The agenda, specifically enacted into Federal law as Public Law 103–465, did not include antidumping or antisubsidy rules.

Congress is concerned that a few countries are seeking to circumvent the agreed list of negotiated topics and reopen debate over the WTO's antidumping and antisubsidy rules. The current absence of official negotiating objectives on the statute books must not be allowed to undermine what is the House of Representatives' constitutional district. We have a constitutional role, and it is, under the rules of this House, our extraordinary power to step in and make sure that is not taken away from us by the administration, by the trade representatives, or by anyone else.

Mr. Speaker, if that is not a point of privilege of this House, then none exists.

The SPEAKER pro tempore. Does anyone else wish to be heard on this issue?

If not, the Chair is prepared to rule.

Because the arguments raised here were addressed in the Chair's ruling of October 10, 1998, for the reasons stated in the Chair's previous rulings, the resolution offered by the gentleman from Ohio (Mr. KUCINICH) does not constitute a question of the privileges of the House under rule IX and may not be considered at this time.

Mr. KUCINICH. Mr. Speaker, I appeal the ruling of the Chair, and ask to be heard on the appeal.

The SPEAKER pro tempore. The question is, Shall the decision of the Chair stand as the judgment of the House?

MOTION TO TABLE OFFERED BY MR. KOLBE

Mr. KOLBE. Mr. Speaker, I move to lay the appeal on the table.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arizona (Mr. KOLBE) to lay on the table the appeal of the ruling of the Chair.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. KUCINICH. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 214, noes 204, not voting 15, as follows:

[Roll No. 568]

AYES—214

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Bateman
Biggert
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth-Hage
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Crane
Cubin
Cunningham
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fletcher
Foley
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hutchinson
Hyde
Isakson
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones (NC)
Kasich
Kelly
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Nussle
Ose
Oxley
Packard
Paul
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Ramstad
Regula
Reynolds
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Talent
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOES—204

Abercrombie
Ackerman
Allen
Andrews
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Forbes
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Goode
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hooley
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Pelosi
Peterson (MN)
Phelps
Pickett
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Serrano
Sherman
Shows
Sisisky
Skelton
Slaughter
Smith (WA)
Snyder
Spratt
Stabenow
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Traficant
Turner
Udall (NM)
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Wise
Woolsey
Wu
Wynn

NOT VOTING—15

Barrett (NE)
Bereuter
Boucher
Dixon
Goss
Hunter
Kanjorski
Larson
Metcalf
Norwood
Payne
Radanovich
Sabo
Scarborough
Udall (CO)

□ 1510

So the motion to table was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Ms. KILPATRICK. Mr. Speaker, due to official business in my district yesterday, I missed four votes.

Had I been available and here yesterday, I would have voted aye on roll call 559, no on roll call 560, no on roll call 561, and no on roll call 562.

LAYING ON TABLE HOUSE RESOLUTION 358 AND HOUSE RESOLUTION 360

The SPEAKER pro tempore (Mr. HANSEN). Without objection, House Resolutions 358 and 360 are laid upon the table.

There was no objection.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 3 o'clock and 11 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 1940

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mrs. EMERSON) at 7 o'clock and 40 minutes p.m.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 900) "An Act to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, insurance companies, and other financial service providers, and for other purposes.".

The message also announced that the Senate has passed a bill of the following title in which concurrence of the House is requested:

S. 976. An act to amend title V of the Public Health Service Act to focus the authority of the Substance Abuse and Mental Health Services Administration on community-based services for children and adolescents, to enhance flexibility and accountability, to establish programs for youth treatment, and to respond to crises, especially those related to children and violence.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

HOUSE OF REPRESENTATIVES,
Washington, DC, November 4, 1999.

Hon. J. DENNIS HASTERT,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted to Clause 2(h) of Rule II of the Rules of the U.S. House of Representatives, the Clerk received the following message from the Secretary of the Senate on November 4, 1999 at 5:50 p.m.

That the Senate passed without amendment H.J. Res. 75.

With best wishes, I am

Sincerely,

JEFF TRANDAHL,
Clerk of the House.

ANNOUNCEMENT BY COMMITTEE ON RULES REGARDING AMENDMENT PROCESS FOR H.R. 3073, FATHERS COUNT ACT OF 1999

Mr. SESSIONS. Madam Speaker, a dear colleague letter will be delivered to each Member's office today notifying them of the Committee on Rules plan to meet the week of November 8 to grant a rule which may limit the amendment process on H.R. 3073, the "Fathers Count Act of 1999."

Any Member who wishes to offer an amendment should submit 55 copies and a brief explanation of the amendment by 3 p.m., on Monday, November 8, to the Committee on Rules, in room H-312 in the Capitol. Amendments should be drafted to an amendment in the nature of a substitute offered by the gentlewoman from Connecticut (Mrs. JOHNSON) which will be printed in today's CONGRESSIONAL RECORD and numbered 1. The text of the amendment will also be available on the website of the Committee on Education and the Workforce, as well as the website of the Committee on Ways and Means.

This amendment in the nature of a substitute combines the Welfare to Work provisions reported by the Education and Workforce Committee with H.R. 3073. It is the intention of the Committee on Rules to make in order the amendment by the gentlewoman from Connecticut (Mrs. JOHNSON) as the base text for the purpose of further amendment.

Members should use the Office of Legislative Counsel to ensure that their amendments are properly drafted and should check with the Office of the Parliamentarian to be certain that their amendments comply with the rules of the House.

CONFERENCE REPORT ON S. 900, GRAMM-LEACH-BLILEY ACT

Mr. SESSIONS. Madam Speaker, by direction of the Committee on Rules, I call up House Resolution 355 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 355

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (S. 900) to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, insurance companies, and other financial service providers, and for other purposes. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read.

The SPEAKER pro tempore. The gentleman from Texas (Mr. SESSIONS) is recognized for 1 hour.

□ 1945

Mr. SESSIONS. Madam Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Massachusetts (Mr. MOAKLEY), the ranking member of the Committee on Rules, pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Madam Speaker, the legislation before us is the rule providing for consideration of the conference report S. 900, the Financial Services Act of 1999. S. 900 is better known to Members of the House as H.R. 10, which was passed on July 1 of this year by a margin of 343 to 86.

Should the House pass this rule, it would hold its place in history as being one of the final steps in the long and hard-fought effort to repeal Depression era rules that govern our Nation's modern financial services industry.

The rule before us waives all points of order against the conference report and its consideration. The rule also provides that the conference report shall be considered as read.

Madam Speaker, this rule deserves strong bipartisan support. The House passed the underlying legislation with broad support from both parties. The Financial Services Act was only made better in the conference to reconcile differences between the Senate and the House versions.

Madam Speaker, 65 years ago, on the heels of the Great Depression, the Glass-Steagall Act was passed prohibiting affiliation between commercial banking, insurance and securities. However, merely 2 years after the passage, the first attempt at repealing Glass-Steagall was instituted by Senator Carter Glass, one of the original sponsors of the legislation. He recognized then that changes in the world and in the marketplace called for more effective legislation.

Two generations later the need to modernize our financial laws is more apparent than ever.

There is no doubt about it. Reexamination of regulations in the financial services industry in America is a complicated matter. Congress recognizes that busy American families have little time to consider complicated banking laws, but Congress is working to repeal Glass-Steagall with exactly these hard-working Americans in mind.

This legislation is designed to give all Americans the benefit of one-stop shopping for all of their financial services needs. New companies will offer a broad array of financial services products under one roof, providing convenience and encouraging competition. More products will be offered to more people at a lower price.

As a result of this legislation, Americans will have more time to spend with their families and more money to spend on their children or to save safely for their future. In fact, as it was pointed out yesterday by Treasury Secretary Summers, Americans spend more than $350 billion per year on fees and commissions for brokerage, insurance, and banking services. If increased competition yielded savings to consumers of just 5 percent, consumers would save over $18 billion a year.

Americans deserve the most efficient borrowing and investment choices. Americans deserve the freedom to pursue financial options without being charged three different commissions by three different agents.

This legislation is designed to increase market forces in an already very competitive marketplace to drive down costs and broaden the number of potential customers for securities and other products for savings and investment.

Madam Speaker, this legislation also contains the strongest pro-consumer privacy language ever considered by the Congress. Many of my constituents have contacted me with their concerns regarding the dissemination of their private financial information. I am pleased that this legislation provides increased privacy protections for all Americans and imposes civil penalties on those who would violate our financial privacy.

Madam Speaker, Congress must not permit America's financial services industry to enter the new millennium operating under laws that were out of date shortly after they were passed in the 1930s. This legislation before us represents a carefully balanced approach to reform. After years, in fact, even decades of work, Congress has only now successfully drafted a bill that is supported by most of the affected industries, banking, insurance and securities, as well as a broad bipartisan coalition of Members of Congress. It was passed by the Senate just hours ago with 90 votes.

Madam Speaker, the rule before us is the standard rule under which conference reports are considered. I urge my colleagues to support this rule, and thereby enable the House to take the historic step of modernizing the 66-year-old laws that govern the financial services industry.

Madam Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I thank my dear friend from Texas for yielding me the customary one-half hour.

Madam Speaker, after 66 years, Congress has finally updated our Depression era banking laws to modernize the way American banks, securities firms and insurance companies do business. For the first time since 1933, Congress is replacing the Glass-Steagall Act, which was passed to separate banking from commerce during the Great Depression.

This bill will modernize and streamline our financial industry, and it will allow American financial companies to work more efficiently. Madam Speaker, in doing so, it will give consumers greater choice at lower cost; and in the long run, people will find it easier to access capital, and American financial firms will be able to stay competitive in our increasingly global economy.

Madam Speaker, the bill's benefits are not just limited to large financial institutions. It will benefit small banks by giving them access to the Federal Home Loan Bank window. That way they will have access to more capital, which they can in turn lend to smaller communities and smaller businesses.

Madam Speaker, it is a good bill, but there are a couple of areas that could be improved and improved greatly. First, this bill does not go far enough to protect people's privacy. Secondly, this bill does not go far enough in strengthening the Community Reinvestment Act. If we are able to amend this bill at this point, Madam Speaker, I would certainly support an amendment to expand the Community Reinvestment Act, as well as the amendment of the gentleman from Massachusetts (Mr. MARKEY), to help keep people's private lives private. Unfortunately, amendments are not an option at this point, and we must decide whether or not this bill is an improvement over our current situation.

Madam Speaker, I believe this bill is a great improvement. It is a good bill. It is long overdue. It will spawn new financial services, promote competition and lower costs. Overall, I believe it will be good for the country and we should support it.

I urge my colleagues to support this rule and support the bill.

Madam Speaker, I reserve the balance of my time.

Mr. SESSIONS. Madam Speaker, I yield such time as he may consume to the gentleman from California (Mr. DREIER), the chairman of the Committee on Rules.

Mr. DREIER. Madam Speaker, I thank my friend for yielding me time.

Madam Speaker, it is almost perverse to think one could get excited about the prospect of financial modernization, but I will tell you that this really is an exciting time for a lot of us.

I am looking at the distinguished ranking minority member of the Committee on Banking and Financial Services, and I think back to 1987 and a piece of legislation that was known as the Financial Services Holding Company Act. I know that the gentleman from New York (Mr. LAFALCE) remembers that, and I think of names of people who no longer serve here, people from the other side of the aisle like, Doug Bernard, the gentleman from Massachusetts (Mr. MOAKLEY) remembers him, and Steve Neal; and people who spent time with us on this side of the aisle who are no longer here, like Jack Hiler from Indiana, and Steve Bartlett from Texas, and Governor Tom Ridge from Pennsylvania.

In the latter part of the last decade we spent a great deal of time downstairs having dinners, talking about the need for us to move towards financial modernization; and we finally have gotten to the point where we are doing that. In fact, one of my staff members quipped to me when I said, "Well, we are finally doing it," and he said, "Well, you know, this is a really good bill for 1987," which is when we first introduced it.

That is why I described this bill, I think, very appropriately as a first step, because it is a first step that is a very bold one. It takes us beyond the 1933 Glass-Steagall Act. In fact, we describe this as moving us from what I really believe was the curse of Glass-Steagall, and I think that it also moves us slightly beyond by amending the 1956 Bank Holding Company Act. But it is designed with really one very simple basic thing in mind: it is to provide consumers with a wider range of choices, while maintaining safety and soundness at the lowest possible price. That is clearly the wave of the future.

I want to commend the gentleman from Iowa (Mr. LEACH) and the gentleman from New York (Mr. LAFALCE), whom I have mentioned, the gentleman from Virginia (Mr. BLILEY), and, of course, from the Committee on Rules, the gentleman from Texas (Mr. FROST), who was just here, who worked with the gentlewoman from Ohio (Ms. PRYCE) on this very important privacy issue.

We know that in this legislation we have the toughest privacy component that we have ever seen in any legislation considered here. I think it is important to underscore that once again, because there are a lot of people who have been critical of it, and I believe this clearly is the toughest privacy language that we have ever had. We are, by way of doing this, providing the consumer with a wider range of choices.

This is a measure which could not have gotten here were it not for an awful lot of people. I look back at the gentleman from Louisiana (Mr. BAKER), with whom I worked closely on this issue for years, and I think that this is time for a great, great celebration.

Now, where is it that we go from here? Last night in the Committee on Rules we were talking about this, and I believe that we need to look at the Internet. We need to look at the fact that the wave of the future there is in electronic banking. I think that, frankly, on the Internet, we are going to see a strengthening of privacy, because that is a priority that is regularly before us for people who spend time on the Internet. So I am anxious and I was pleased when the gentleman from Minnesota (Mr. VENTO) told us in the Committee on Rules that the Committee on Banking and Financial Services is moving ahead with hearings that will take us even further.

So I consider this a first step. It is a first step which is a very, very important step towards getting us to where many of us have been trying to move for virtually a decade and a half.

Madam Speaker, I am very pleased to support the rule, and I believe that the conference report should get an overwhelming number of votes. We had 343 votes on the bill itself, and it is my hope that we will even exceed that on this conference report.

I thank my friend for yielding, and I thank him for his leadership in carrying this on behalf of the Committee on Rules.

Mr. MOAKLEY. Madam Speaker, I yield 2 minutes to the gentleman from Texas (Mr. FROST).

Mr. FROST. Madam Speaker, I rise in support of the conference report on S. 900, the Financial Services Modernization Act. Over the years, this legislation has slowly and sometimes painfully inched its way toward today. In the process, the concept of financial services modernization has shifted and changed. But in the end, the legislation before us today is the product of a deliberate process that will serve our economy and consumers well.

I think we can all agree that S. 900 is not a perfect bill; but, Madam Speaker, legislation of such magnitude as this, legislation which will usher in a new era of commerce in this century, could never hope to satisfy all parties. That being said, S. 900 represents historic change, change I believe that will particularly benefit the economy of this country, which will, in turn, benefit all Americans.

□ 2000

Madam Speaker, I would like to take a moment to reiterate my longstanding support for the Community Reinvestment Act. There are some who believe that this bill does harm to CRA. I could not support S. 900 if I believed that to be true. I have seen firsthand the value and benefits CRA has brought to low- and moderate-income neighborhoods in my own congressional district in Texas. I know that there is still much work to be done.

Madam Speaker, S. 900 does not diminish the efficacy of CRA. It does not change the existing CRA obligations on insured depository institutions in any way. In fact, CRA compliance is highly relevant to banks in the new regulatory scheme that will be created by this landmark bill. I know that I for one will monitor the activities of banks to ensure that they live up to and perhaps go beyond the requirements of CRA in this new world of financial services.

I want to go on record as strongly encouraging financial institutions to make sure that the benefits of this law will be felt in every neighborhood in our country.

Madam Speaker, I urge Members to support this bill. It represents a great step forward into the new century. It is worthy of our support.

Mr. SESSIONS. Madam Speaker, I yield 3 minutes to the gentlewoman from Ridgewood, New Jersey (Mrs. ROUKEMA), chairman of the Subcommittee on Financial Services and Consumer Credit.

Mrs. ROUKEMA. Madam Speaker, I thank the gentleman for yielding time.

Madam Speaker, I really do rise in strong support of this bill. This is truly historic, landmark legislation. In some respects, this is really long overdue. In fact, the marketplace, the regulators, and the courts have been transforming on an ad hoc basis financial institutions for a number of years. Our obligation here tonight is to perform our statutory responsibility under the Constitution to construct this regulated system to serve the consumers, the businesses, and the marketplace.

Again, it is truly historic. Technology and market forces have broken down the barriers between insurance, securities and banking. This law is a very good piece of legislation, and it will permit us in the U.S. to maintain our preeminence in the field of financial services on a global basis, both now and in the future, in that new millenium that we love to talk about.

This legislation is also historic because of its privacy provisions. I am very proud to have sponsored, along with the gentleman from Ohio (Mr. OXLEY) and the gentlewoman from Ohio (Ms. PRYCE) in the original amendment here in the House, but the gentleman from Ohio (Mr. OXLEY) and I were able to get good privacy provisions that even go beyond what we adopted in the House in this final product.

I think that we have got to recognize, although some people have questioned the privacy provisions, we have to recognize that there are newer and stronger privacy protections in this legislation than Americans have ever had. I know some of my colleagues will say it does not go far enough. Maybe I would agree with them. But it is more than just a good start, it is a firm foundation upon which we can and will build either next year or in the next Congress, in future Congresses.

Indeed, my subcommittee, the Subcommittee on Financial Institutions and Consumer Credit, has already had two essential hearings on this subject of privacy. We will continue to probe this complex subject next year.

Aside from some of the other consumer protections, the ATM fee disclosure, for which I would like to take credit before my colleagues here tonight, consumers have a right to know and a right to cancel that transaction, that is here in this bill.

Madam Speaker, I want to point out the most essential part of this bill, which is the fact that the Treasury Department and the Federal Reserve have reached the core issue in the bill with the consensus portion of it that will really protect the safety and soundness issues that we love to talk about. It is essential to protect against conflicts of interest and corruption of the regulatory process.

It took them many years, or I am sorry, many months to come to this, but with their great integrity and their great knowledge of financial institutions and understanding about the savings and loan debacle that we have already been through and the Great Depression of the thirties, they put their heads together and they formed the core of this bill that will protect safety and soundness, and give us the advantages of financial modernization.

I have a lot more I could say. I do want to congratulate everyone who has worked on this bill. We must support it with a strong, overwhelming vote.

Madam Speaker, I rise in strong support of the Conference Report on S. 900, the Gramm-Leach-Bliley Financial Modernization Act.

This is truly historic, landmark legislation. And in some respects is long overdue. In fact, the marketplace, the Regulators and the Courts have been transforming financial institutions. Our obligation here today is to perform our statutory responsibility under the Constitution to construct this regulated system to serve the consumers, businesses and the marketplace.

As others have discussed, this bill repeals the Glass-Steagall Act and the other Depression era banking and securities laws to permit the affiliation of banks, securities firms and insurance companies. As Chairwomen of the Financial Institutions and Consumer Credit Subcommittee, I have long been an advocate for passing financial modernization legislation. Technology and market forces have broken down the barriers between insurance, securities and banking. This law—which is an extremely good product—will permit the U.S. to maintain its preeminence in the field of financial services. That is essential to maintaining U.S. prominence in the global financial world both now and in the new Millennium.

This legislation is also historic because of its privacy provisions. I am very proud to have sponsored—along with Mr. OXLEY—the privacy provisions we find in this bill today. He and I, along with Ms. PRYCE, offered the Privacy Amendment which the House adopted by 427–1 when H.R. 10 was passed back in July.

In Conference, Mr. OXLEY and I offered the House text with some provisions which "strengthened" privacy. Other improvements were accepted by the Conference, including Senator SARBANES' amendment which protects stronger State privacy laws from preemption. In other words, the Conference Report we are considering today has better, stronger privacy provisions that what passed the House 427–1.

Think about the new Privacy Protections in this Bill:

1. Financial Institutions for the first time are required to have written privacy policies which must be disclosed to their customers.
2. Financial Institutions for the first time are required to give customers the right to "opt out" of sharing their information with 3rd parties.
3. Stricter State privacy laws are not preempted.
4. Telemarketers are prohibited from receiving deposit account numbers, credit card numbers and other information from financial institutions.
5. It is now a "crime" for a person to "pretext" call a financial institution and get your personal financial information.

These are all new, stronger privacy protections that Americans don't have under current law.

I know some of my colleagues will say we didn't go far enough. Quite frankly, I agree. But this is more than just a good start—it is a strong "foundation" upon which we can, and will, build next year and in future Congresses. My Subcommittee has already had two hearings on these issues and will continue to probe this complex subject next year.

I, for one, was disappointed that we did not "fix" the medical records privacy provisions which were authored by Dr. GANSKE. Unfortunately, the Administration, most medical groups and many of my Democratic colleagues weren't interested in "fixing" this important area. They demanded that we remove the medical records privacy provisions and "wait" for the comprehensive medical records privacy legislation. This was a huge mistake, a missed opportunity to do something for all Americans. I don't want to hear anyone who demanded the medical records provisions come out try to complain now that medical records privacy is not in S. 900.

I want to say that I am pleased that Gramm-Leach-Bliley includes my ATM Fee Disclosure proposal. Under this bill ATM Fee surcharges are prohibited unless the customers are told what the fee is before being committed to enter into the transaction. Consumers are entitled to know what fees, if any, are going to be charged for using a foreign ATM. This is both common sense disclosure and pro consumer. The consumer has a right to know and a right to cancel the transaction.

Madam Speaker, I would also like to address briefly the issues central to sound legislation, namely, the split of regulatory jurisdiction over the holding company—and its affiliates—and the national bank operating subsidy.

One of the most contentious issues during the Financial Modernization debate was the National Bank operating subsidiary. The Treasury—and Administration—made it clear that they would veto any bill which did not provide the OCC and National Banks with new, expanded financial powers. At the same time, the Federal Reserve Board expressed strong reservations about such new authority on both safety and soundness and government subsidy grounds.

Many observers said this was merely a regulatory "turf" battle between the Treasury Department and the Federal Reserve. I strongly and pointedly disagree. This is a safety and soundness issue. It is essential to protect against conflicts of interest and corruption of the regulatory process. We need to explicitly protect against another savings and loan debacle or a financial collapse that brought on the Great Depression of the 1930's.

The decision of the Conference was to adopt, and endorse, the operating subsidiary compromise reached by the Treasury Department and the Federal Reserve. This "compromise" places several significant restrictions on the financial subsidiaries of national banks. For instance, financial subsidiaries may not engage in (1) insurance or annuity underwriting, (2) real estate investment or development and (3) merchant banking, for at least 5 years and then only if the Federal Reserve and Treasury jointly agree. Further, there is an overall or "aggregate" investment cap which limits the size of financial subsidiaries of national banks as well as other additional "firewalls" and safety and soundness provisions.

I support the FED/Treasury compromise. I believe we have struck the right balance on the operating subsidiary. During the Conference I proposed dropping merchant banking and imposing an aggregate investment limit to address safety and soundness concerns. I am happy that the FED/Treasury compromise incorporates my suggestions.

While I would have preferred a flat out prohibition on merchant banking in the operating subsidiary, the 5 year minimum waiting period with joint agreement between the Treasury and the Federal Reserve is acceptable.

I am more concerned, however, about the aggregate investment limits. In my opinion the limits are too large. I proposed a $100 million limit on equity investment in all operating subsidiaries controlled by a national bank. The FED/Treasury compromise "limits" the aggregate size of all operating subsidiaries controlled by a national bank to 45 percent of aggregate assets of the parent bank or $550 billion, whichever is less. This may, in fact, be no limit at all.

The aggregate investment limit is intended to make sure that the financial subsidiaries do not pose a safety and soundness risk to the parent bank—which may not be the case here. As one who was in Congress during the savings and loan crisis, I would encourage the OCC and Treasury to take a "go slow" approach in the financial subsidiary area in terms of both new activities and "aggregate" size.

Another issue which is central to this bill is the unitary thrift holding company and whether the mixing of banking and commerce is appropriate. Fortunately the Federal Reserve and Treasury Department were united on this issue. Both supported—along with consumer groups—closing the unitary thrift holding company "loophole" and prohibiting the transfer of grandfather unitary thrift holding companies to commercial entities because of concentration of economic power as well as safety and soundness concerns. Those were my concerns—along with making sure we have a consistent policy and level playing field between bank and thrift holding companies—as well. The Gramm-Leach-Bliley bill closes the "loophole" and prohibits transfer of grandfathered unitaries to commercial entities. It was the right thing to do.

And for the record, I must mention the loan loss provision.

I would also like to briefly mention the loan loss provision in this Bill which I authored. Section 241—which passed the House by a vote of 407–20—is extremely important and is a "good government" provision. It requires the SEC to consult and coordinate with the Federal Banking agencies prior to taking any action with respect to an insured depository institution's loan loss reserves.

I am not going to go into detail regarding the SEC's actions with respect to SunTrust Bank and the FASB Viewpoints Article. Let me just say that over a period of 9 months the SEC created significant confusion in the banking industry, the accounting profession and the Federal Banking agencies on what the accounting rules are for bank loan loss reserves. Their failure to adequately consult and coordinate with the Federal banking agencies on this issue is well known.

Under Section 241 we expect the SEC to establish an informal process with the Federal Banking agencies for consultation and coordination on individual loan loss cases. The SEC has suggested that the consultation and coordination requirement will slow the review process and penalize banks and bank holding companies. It is not our intention that the consultation and coordination process should delay SEC processing of securities filings. Rather, the process which the SEC establishes should be designed to expedite resolution of SEC staff questions. The informal process we envision should involve telephone conferences, the faxing of relevant information between staffs, as well as other methods of communication which could expedite as quickly as possible the resolution of individual loan loss reserve cases.

In closing, Madam Speaker, I want to make it clear that I support Gramm-Leach-Bliley strongly. It is a very good bill. It deserves our support. I encourage you to vote for the Conference Report.

Mr. MOAKLEY. Madam Speaker, I yield 1 minute to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Madam Speaker, pursuit of happiness is an inalienable right which supercedes the banking industry, the securities industry, and the insurance industry.

In a democratic society, the right to privacy facilitates the pursuit of happiness. It is the right to be left alone by powerful government, by powerful corporations. The growth of databases requires government to be a vigilant watchdog to protect the right to privacy. S. 900 puts the watchdog to sleep.

If we look under title V, where it says "Exceptions,"

> This subsection shall not prevent a financial institution from providing non-public

personal information to a non-affiliated third party to perform services for or functions on behalf of the financial institution, including marketing of the financial institution's own products or services, or financial products or services offered pursuant to joint agreement between two or more financial institutions.

So much for the right of privacy.

Madam Speaker, I include for the RECORD a copy of an article by Robert Scheer from the L.A. Times:

Your Privacy Could Be a Thing of the Past

(By Robert Scheer)

Do you really want your insurance agent, bank loan advisor or stockbroker to have a list of the movies you've rented, the medical tests you've taken, the gifts you purchased and the minute details of your credit history and net worth? That's what can happen if this Congress and president get their way with landmark legislation permitting insurance companies, banks and stockbrokers to affiliate and thus merge their massive computerized data bases. This will permit surveillance of your personal habits on a scale unimaginable even by any secret police agency in human history.

Your life will be an open book, to be plumbed and exploited for profit, thanks to financial industry deregulation about to be passed with massive congressional support and the blessing of President Clinton.

Lobbyists for the financial oligarchs defeated a crucial amendment to this legislation proposed by Sen. Richard C. Shelby (R-Ala.) that would have required bankers, stockbrokers and insurance agents to get consumers' permission before sharing what should be personal information about you.

Any congressional representative who votes for this bill thus is denying you your basic right to privacy and ensuring that the most intimate details of your life can be freely bandied about throughout our wired world for gossip if not solely for profit.

When it comes to serving the interests of the banks, insurance companies and stockbrokers that represent the most important source of campaign money for Republicans and Democrats alike—$145 million in the last two years—there is but one political party. That's the bipartisan party of political greed representing corporate conglomerates, and it has no qualms about skewering the ordinary consumer.

Once again, everyone who mattered—except consumers—was taken care of when the big congressional deal was cut last week in a closed back-room conference committee meeting. The scam brokered at 2 a.m. eliminates the firewall what has existed for 66 years between your bank, your insurance company and those who trade your securities. The newly formed conglomerates handling everything from credit card bills to medical records would be allowed by this legislation to freely exchange the details of your personal profile, accurate or not, and without your permission.

Given the immense databases of information that now can be rapidly searched and exchanged, no detail of your personal life will be off limits to those who snoop for profit. That cross-referencing to all aspects of your life is what the lobbyists paid for.

"I would say it's probably the most heavily lobbied, most expensive issue" that Congress ever has dealt with, said Ed Yingling, the chief lobbyist for the American Bankers Assn. Yingling told the New York Times, "This was our top issue for a long, long time. The resources devoted to it were huge, and we fought [for] it tooth and nail."

Yingling isn't kidding about those resources, $163 million on financial industry lobbying in the past two years, much of it to the major congressional players. Christopher Dodd of Connecticut, the top Democrat on the Senate Banking Committee, received $325,124 between 1993 and 1998 from the insurance industry, which gave the committee's chairman, Phil Gramm (R-Texas), even more—$496,610. Gramm also got $760,404 from the securities industry and $407,956 from the bankers.

The bipartisan toadying to the industry lobbyists is a disgrace. "I'd say this is about consumers versus big business," Shelby said. He added, "This is an issue that won't go away. We won't let it go away. People are going to be raising hell about it more and more and more."

It is a shame that Shelby's is such a lonely voice of alarm. But there is still time for voters to demand to know where their legislators in Congress stand on this surrender of the basic right to privacy. It also is not too late to pressure the White House to veto this bill if it does not contain the Shelby privacy amendment.

The leading presidential candidates in both parties—Democrats Al Gore and Bill Bradley and Republican George W. Bush—all have obtained massive contributions from the financial industry. This issue is the best litmus test of whether any of them can muster the gumption to bite the hand that feeds them. If they can't, when it comes to the most decisive consumer issues, it doesn't really matter which one becomes president.

Mr. SESSIONS. Madam Speaker, I yield 2 minutes to the gentleman from Delaware (Mr. CASTLE).

Mr. CASTLE. Madam Speaker, I thank the gentleman for yielding time to me.

Madam Speaker, I also rise in strong support of the rule and the conference report on S. 900, the Gramm-Leach-Bliley Financial Institutions Modernization Act of 1999. This is a long-awaited final step in a decades-long effort to update our financial services laws. I urge my colleagues to seize the opportunity to pass this historic legislation, which will benefit individual Americans and help keep our economy strong.

This legislation accomplishes a number of important goals that will provide better financial services for millions of Americans and make the American financial services industry more competitive.

First, it will eliminate outdated regulations that hinder competition. More competition will give consumers more choices to save and earn money on their investments.

Second, the bill will provide sound regulation, balance, and flexibility for businesses. Banks will be able to choose the type of structure that is best for them. This will allow companies to do so but in a cost-effective manner and way, and produce the new product at lower cost that we want for the financial security of our citizens.

Third, the bill allows new competition without endangering small banks. A big commercial company will not be able to buy a savings and loan and engage in unfair competition against a small, local bank.

Fourth, this legislation contains important new standards to protect the financial privacy of American consumers. Financial services providers will have to protect consumer information and inform consumers about how this information is used.

Finally, this legislation continues the commitment for banks to meet the needs of low-income Americans through the Community Reinvestment Act. CRA standards are maintained while giving some relief to small banks with excellent community lending records.

It is time for the financial services laws of our country to catch up with the needs of the American people. This legislation will benefit every American seeking to improve his or her family's financial security by saving and investing more.

Let us move our Nation into the next century. I urge passage of the rule and the conference report.

Madam Speaker, I rise in strong support of the conference report on S. 900, the Gramm, Leach, Bliley Financial Services Modernization Act of 1999. This is the long-awaited final step *in the decades-long effort to update our finan*cial services laws. I urge my colleagues to seize the opportunity to pass this historic legislation which will benefit individual Americans and help keep our economy strong.

As we have heard many times, Congress has been trying to update the Glass-Steagall Act since the 1930's and the Bank Holding Company Act since the 1950's. Previous attempts to pass financial services reform often failed because one financial industry or another felt that past bills put them at a disadvantage. I have seen several of those attempts fail in the six and a half years I have been in Congress. That struggle is finally over. The banking industry, the securities industry and the insurance industry agree that we must modernize these laws to improve competition and meet the changing needs of consumers.

Madam Speaker, this legislation accomplishes a number of important goals that will provide better financial services for millions of Americans and make American businesses in the financial services industry more competitive.

First, it will eliminate outdated regulations that hinder competition. Banks, insurance companies and securities firms will be able to affiliate and offer new banking, investment and insurance products to American consumers. Competition will enable consumers to choose new ways to save and earn money on their investments that go beyond the products that are available today. The Treasury Department has estimated that this new competition could save Americans billions of dollars. These new business affiliations will be regulated in a streamlined manner to protect American consumers and taxpayers.

Second, the bill will provide sound regulation with flexibility for businesses. Banks will be able to choose the type of structure that is best for how they want to do business, but activities such as real estate development, insurance underwriting and merchant banking will have to be conducted in a separate affiliate to insure complete financial safety and soundness. There will be balanced regulation of these businesses by the Federal Reserve and the Department of the Treasury. This will allow companies to do business in a cost-effective manner and help produce the new products at lower cost that we want for the financial security of every American who wants to purchase them.

Third, the bill allows new competition without endangering small institutions. We are protecting small banks from potential unfair competition by ending a loophole that allows commercial firms to own a savings and loan institution. This compromise on the unitary thrift charter issue will allow commercial companies which now own a savings and loan to retain them, but in the future, only financial companies will be permitted to purchase these institutions. In other words, a big commercial company will not be able to come into a small town by buying a savings and loan and engage in unfair competition against a small local bank. This will help prevent possible conflicts of interest and potential unfair competition.

Fourth, this legislation contains important new standards to protect the financial privacy of American consumers. Financial service providers will have to protect consumer information; they will have to clearly tell their customers what their privacy policies are; and, consumers will have the right to choose not to have any information shared with unaffiliated third parties. Also, this legislation will not replace any additional privacy protections in any state. It will also make it a federal crime for unethical individuals to attempt to gain private financial information through deceptive tactics. These standards are an important step in protecting the basic financial privacy of all consumers.

And finally, this legislation continues the commitment for banks and new financial service holding companies to meet the needs of everyone in the community through the Community Reinvestment Act. CRA standards are maintained without increasing the regulatory burden, particularly for small banks. Republicans and Democrats alike should be proud we are continuing this commitment in a manner that is fair to communities and financial services businesses.

It is time for the financial services laws of our country to catch up with the needs of the American people. Our constituents have been looking for new and affordable products to give their families financial security. We are long past the days when people were satisfied with a simple savings account or life insurance policy. Most Americans want to maximize their earnings and to find products that will give them the best return.

The financial services marketplace has been struggling to meet consumers needs within a regulatory structure that was created sixty years ago.

The changes in this legislation will ultimately benefit every American seeking to improve his or her family's financial security by saving and investing more. This legislation will help them achieve that goal by making more savings and investment products available in one-stop shopping at competitive prices.

As a member of the banking committee, I have often been frustrated by the long days and seemingly endless hours of negotiation that have gone into this legislation, but I strongly believe that those long hours of work have produced a piece of legislation that will help carry our nation's economy into the next century. It will help produce good products, more choices and hopefully lower prices for Americans, and it will help our nation's financial services business grow and compete successfully into the future.

Madam Speaker, we owe Chairmen JIM LEACH and TOM BLILEY our thanks for persevering through tough negotiations on the myriad of issues in this bill and to our colleague Senator GRAMM for pushing this bill to completion in the Senate. This bill also has a true bipartisan imprint and the contributions of Congressmen LAFALCE and DINGELL should be recognized.

The time is now to bring American financial services into the twenty-first century. This legislation achieves that goal and I urge the house to take the final step by passing this conference report today.

Mr. MOAKLEY. Madam Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. MENENDEZ), the vice chairman of the Democratic Caucus.

Mr. MENENDEZ. Madam Speaker, I thank the distinguished gentleman for yielding time to me.

Madam Speaker, with all the rhetoric out there, there may be people listening to this debate who do not know what difference this bill can make in their daily lives. I think they deserve to.

In a word, it is about choice. It is about consumers having more choices. If they do their banking at a small community bank and buy their insurance from a local independent agent, they can continue doing that. Nothing in this bill changes that, but it will open the doors to new innovations for people who might want them.

With this bill, it is likely we will be able to dramatically reduce the fees and prices we pay for financial services when we choose to do business with a single company that offers banking, insurance, stock and mutual fund needs, all under one roof.

Credit cards with permanently-fixed low interest rates may be offered, along with these unified accounts. We may see new generation ATM machines where on the way home from work we can view our mutual fund, checking and savings account, pay all our bills, from whichever account we decide, and then withdraw some cash for dinner, all in one stop.

In fact, with this bill, consumers will see a whole new range of options to cut their costs and make their lives more convenient.

It is also true that with these options comes legitimate concerns about privacy. That is why this bill statutorily bans the sale of our account information to third-party telemarketers. That is why we give consumers the right to decide whether or not their information can be shared with any unaffiliated party.

There are, in fact, a whole host of provisions in this bill that will protect consumer privacy. Those against this bill want different privacy provisions, an opt-in, an opt-out, a broader ban. We can debate that all day, but remember, without this bill, consumers will continue to have no privacy protections and will have no access to these lower-priced services.

That is why a vote against this bill is in my mind a vote against progress. A vote for this rule and for this bill is a vote for protecting consumers' privacy and increasing consumer choice. I urge my colleagues to support the conference report to S. 900, and I want to congratulate, on our side of the aisle, the gentleman from New York (Mr. LAFALCE) and the gentleman from Minnesota (Mr. VENTO) for all of their hard work.

Mr. SESSIONS. Madam Speaker, I yield 2 minutes to the gentleman from Rocky Ridge, Alabama (Mr. BACHUS), the chairman of the Subcommittee on Domestic and International Monetary Policy.

Mr. BACHUS. Madam Speaker, if Members do not know where Rocky Ridge is, it is at the end of Rocky Ridge Road. We used to tell people, if you could find it, you can have it. Not many people took us up on the challenge.

In 1933, Glass-Steagall. In 1933, if we wanted to travel across the United States, we had to do so on gravel U.S. roads, U.S. highways, or dirt top U.S. highways, dirt roads. If we wanted to travel on an airplane, there were three-engine Ford tri-motor airplanes, biplanes. They are in the Smithsonian today.

Our railroads, we had steam engines on our railroads. If we want to see a steam engine today, we have to go to China. They are mothballing their last few steam engines.

Today we still have Glass-Steagall. Now, imagine traveling across the Nation on gravel U.S. highways. Imagine how time-consuming that would be. Imagine how inefficient steam engines would be if they pulled our freight trains. Imagine flying home on the weekends in a biplane. That is what our banks and financial institutions are attempting to do every day with a law that was passed in 1933.

1933 was the year that Albert Einstein emigrated to America. He became famous and now he has died, but we still have Glass-Steagall, until we pass this bill. Glass-Steagall will mean $15 billion worth of savings to the American people each year. Not only will they save money through convenience and competition, they will save time.

Time is money. It will be much more convenient.

It is time that we turned American ingenuity loose.

Madam Speaker, this legislation, in addition to making historic reforms to the structure of our financial services industry creates new protections for consumers, including a prohibition on a financial institution disclosing non-public personal information inappropriately. In creating this new regime, I thought it important that we understand that the realities of day-to-day business for certain financial institutions necessarily involves the disclosure of such information and to make clear that we did not intend to interfere with such legitimate actions.

Companies chartered by Congress to operate in the secondary mortgage market are one such example. Because these companies do not engage in mortgage transactions directly with the consumer, they are not in a position to provide the notices and disclosures that we call for in Title V. Sweeping them within Title V's purview would have created burdens and uncertainty without furthering the Title's consumer protection objectives. Therefore, the Conference Report contains language I authored that exempts these institutions from Title V's definition as long as they do not sell or transfer non-public personal information to non-affiliated third parties. The Conferees intend to provide the FTC with regulatory and enforcement authority over secondary market institutions only to the extent that such institutions engage in activities outside the provisions of Section 502.

Let me make clear that the types of "transfers" that would pull these institutions back within Title V's scope are transfers other than those contemplated by Sections 502(b)(2) or 502(e). For institutions covered by Title V, we recognize that the uses of non-public, personal information that Sections 502(b)(2) or 502(e) contemplate are legitimate. This same standard applies to the secondary market institutions covered by Section 509(3)(D). To the extent that these companies go beyond these parameters, I expect that they will be generally subject to Title V.

Finally, I am offended at the seemingly intentional misrepresentation by certain mortgage insurance and mortgage lending groups of my amendment's effect. My objective in offering this amendment and securing its inclusion in the Conference Report was to exempt those operating in the secondary mortgage market from Title V to the extent that they engage in uses of information that Title V accepts as appropriate and as creating no additional obligation on the part of those institutions. In this manner, I wanted to ensure that these companies remain able to fulfill the important purposes that Congress chartered them to serve. Consumers in communities throughout the country benefit from the liquidity and the access to affordable housing finance that these institutions provide; indiscriminately subjecting secondary mortgage market entities would have made consumers no better off—and perhaps worse off.

Mr. MOAKLEY. Madam Speaker, I yield 2 minutes to the gentleman from New York (Mr. LAFALCE), the ranking member.

Mr. LAFALCE. Madam Speaker, I thank the gentleman for yielding time to me.

Madam Speaker, I rise in support of the rule and of the conference report on S. 900 and H.R. 10. In July the House passed its version of financial modernization, H.R. 10, with a very broad bipartisan vote, 343 to 86. The Senate passed a partisan product by a very narrow margin of 54 to 44.

The Senate version was a bill that the administration said they would veto. Today we bring basically the House bill, a bill that the administration says they can strongly support, that I strongly support, that the consumers of America should strongly support.

Why? There are some simple, fundamental reasons. There are clear gains in this bill for consumers, for communities, and for our financial services system if the bill is enacted.

If this bill is not enacted, there would be clear losses. Without this bill, banks will continue to expand, as they have been, into the securities and into the insurance business. They have done this for many, many years, on thousands of occasions. They would continue to do so if this bill does not become law, but without the broader application of CRA that this bill mandates. They would continue to do so, but without any privacy protections whatsoever for consumers, privacy protections that this bill mandates.

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They would continue to do so, but without the consumer protections included in this bill that ensure consumers know the risks associated with products they purchase and know whether or not they are insured. They would continue to do so if this bill is not passed, but without the increased regulatory oversight provided by this bill. Members should embrace this bill for consumers, for communities and for the future of the financial services industry of the United States.

Madam Speaker. I rise in support of the Rule and of the Conference Report on S. 900.

In July, the House passed its version of financial modernization (H.R. 10), with a broad bipartisan vote of 343–86. The Senate passed a partisan product by a narrow margin of 54–44. The White House clearly indicated it would veto the Senate version because of its negative impact on the national bank charter, highly problematic provisions on CRA and its non-existent privacy protections.

The conference report necessarily represents a compromise between the two versions. But it is a good and balanced compromise that effectively modernizes our financial services industry under strong regulatory controls, but also includes strong protections for consumers and communities consistent with the original House bipartisan product. As a result, the administration strongly supports the conference report.

I support this bill for very simple and fundamental reasons. There are clear gains for consumers, for communities and for our financial services system if this bill is enacted. There are clear losses if it is not.

Without this bill, banks will continue to expand into the securities and insurance business as they have been doing on thousands of occasions for many years under current law. However, they would continue to do so: Without the broader application of CRA this bill authorizes; without any privacy protections whatsoever for consumers; without the consumer protections included in this bill that ensure consumers know the risks associated with products they purchase and know whether or not they're insured; without the increased regulatory oversight provided by this bill; and with artificial structural limitations that will place the U.S. financial services industry at a clear competitive disadvantage.

However Members choose to vote on this bill, they should vote based on the facts. The facts are as follows.

Financial modernization. Many of the new activities, acquisitions, affiliations and mergers this bill authorizes, with a variety of regulatory and consumer protections, already have occurred, and will continue to occur, under current law and court interpretation if this legislation is not enacted. But they will occur without adequate regulatory oversight and without the consumer protections built into this bill. In large part, then, this bill rationalizes existing practices.

Privacy. In the financial services context, federal law now offers consumers no protection of their personal financial information, and regulators have no authority to impose any. We are creating federal privacy protections, for the first time. No financial services bill in decades has gone to the floor with stronger privacy protections—indeed, with any privacy protections. A vote for this bill is the strongest pro-privacy vote that any Member of this House has ever been able to cast. It is a vote for consumer privacy protection. The provisions in this bill are now stronger than the privacy provisions of the House product, which passed 427–1.

Community Reinvestment Act (CRA). This bill does not change existing CRA obligations on insured depository institutions in any way. It, in fact, substantially enhances CRA. Banks can now engage in securities and insurance activity without satisfactory CRA performance being a factor at all. For the very first time, the conference report applies CRA to banks and their holding companies in the context of expansion into activities such as securities, insurance underwriting and merchant banking.

The conference report also deletes Senator GRAMM's CRA exemption for small or rural banks. It deletes Senator GRAMM's "CRA safe harbor" that would have blocked community comments on most banks' CRA applications and shifted the burden of proof unfairly to community groups. For small banks, it targets CRA regulatory resources on banks with the poorest CRA records, creating an incentive for better community reinvestment performance. It ensures that the regulators have complete authority to examine banks regarding their CRA performances as frequently as they believe necessary.

The conference report also provides for disclosure of a limited set of CRA agreements.

But it substantially narrows the overbroad provisions of the Senate bill and attempts to minimize the reporting burden on community groups. Community groups are bringing new capital and new financial services into low income communities through these agreements. We, and they, have every reason to be proud of that record. This disclosure provision, to the very limited degree it applies, can only make that proud record apparent to everyone.

I would be remiss if I did not note that these legislative efforts have a human face. First of all, I want to thank Chairman LEACH who kept this a fair and bipartisan process despite often heavy and unfortunate pressure to do otherwise. I would also like to thank the chairman's staff—Tony Cole, who we all hope is recuperating well, Gary Parker, and Laurie Schaffer, and Legislative Counsels Jim Wert and Steve Cope. I want to especially thank the Democratic Committee staff, especially Jeanne Roslanowick and Tricia Haisten, without whose tireless and effective efforts we would not have gotten to this point, and also Dean Sagar, Patty Lord, Jaime Lizarraga, Kirsten Johnson-Obey.

This is a good bill which Democrats can be proud to support. I urge your support of the conference report on S. 900.

Mr. SESSIONS. Madam Speaker, I yield 2 minutes to the gentleman from Fullerton, California (Mr. ROYCE), a member of the Committee on Banking and Financial Services.

Mr. ROYCE. Madam Speaker, the historic legislation that we are considering today is a win for consumers, a win for the U.S. economy and a win for America's international competitive position abroad.

American consumers will benefit from increased access, from better services, from greater convenience and from lower costs. They will be offered the convenience of handling their banking insurance and securities activities at one location.

More importantly, with the efficiencies that could be realized from increased competition among banks, insurance and securities providers under this proposal, consumers could ultimately save an estimated $18 billion in the estimates of our U.S. Treasury Department. This reduction in the cost of financial services is, in turn, a big win for the U.S. economy.

Finally, this legislation is a win for America's international competitive position, as it will allow U.S. companies to compete more effectively with foreign firms for business around the world.

In urging swift passage, Federal Reserve Chairman Alan Greenspan said, we cannot afford to be complacent regarding the future of the U.S. banking industry.

This legislation is 30 years overdue, Madam Speaker, and I urge my colleagues not to delay its passage any longer. Let us support the rule and let us support the bill.

Madam Speaker, the historic legislation that we are considering today, is a win for the consumer, a win for the U.S. economy and a win for America's international competitive position abroad.

American consumers will benefit from increased access, better services, greater convenience and lower costs. They will be offered the convenience of handling their banking, insurance and securities activities at one location. More importantly, with the efficiencies that could be realized from increased competition among banks, insurance, and securities providers under this proposal, consumers could ultimately save an estimated $18 billion annually.

This reduction in the cost of financial services, is in turn, a big win for the U.S. economy.

Finally, this legislation is a win for America's international competitive position, as it will allow U.S. companies to compete more effectively with foreign firms for business around the world.

This legislation is 30 years overdue Mr. Speaker, and I urge my colleagues not to delay its passage a day longer.

At this time, I would like to make a few clarifying remarks.

Included in Title VI of the bill before us are complex changes in the structure of the Federal Home Loan Bank (FHLBank) System. I believe these changes will enhance the ability of the System to help member institutions serve their communities, though there is enormous work yet to be done to implement these initiatives. Consequently, at the risk of redundancy, it is important to reiterate the view expressed in the conference regarding related regulatory actions.

As noted in the committee report, the conferees acknowledged and supported withdrawal of the Financial Management and Mission Achievement (FMMA) rule proposed earlier this year by the Federal Housing Finance Board (FHFB), the FHL Bank System regulator. The FMMA would have made dramatic changes in such areas as mission, investments, liquidity, capital, access to advances and director/senior officer responsibilities. Because of serious concerns over the FMMA's impact on FHLBank earnings, its effect on safety and soundness and its legal basis, the proposal has been intensely controversial among the FHLBanks' membership, with over 20 national and state bank and thrift trade associations calling for a legislated delay on FMMA.

Many conferees not only shared these concerns but also felt strongly that the FMMA should not be pursued while the FHLBank System is responding to the statutory changes in this bill. There was great sympathy for a moratorium blocking the FMMA, but prior to the matter coming to a vote, Chairman Morrison of the FHFB sent a letter to Chairmen GRAMM and LEACH agreeing to withdraw the proposal, which I want to make sure is part of the RECORD. He also promised to consult with the Banking Committees regarding the content of the capital rules and any rules dealing with investments or advances. The FHFB's commitment not to act precipitously in promulgating regulations in these areas creates the proper framework for effective and timely implementation of the reforms that Congress is seeking to put in place.

The regulatory standstill to which the FHFB has committed should apply to any final rules or policies applicable to investments, and the FHFB should maintain the current $9 billion ceiling on member mortgage asset pilot programs or similar activities. In the context of dramatic impending changes in the capital structure of the FHLBanks, I believes it is necessary for the FHFB to refrain from any effort otherwise to rearrange the FHLBanks' investment framework, liquidity structure and balance sheets.

It is my understanding that credit enhancement done through the underwriting and reinsurance of the mortgage guaranty insurance after a loan has been closed are secondary market transactions included in the exemption for secondary market transactions in section 502(e)(1)(c) of the S. 900 conference report.

Mr. MOAKLEY. Madam Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Madam Speaker, I rise in strong support of this rule. The Committee on Rules, under the chairmanship of the gentleman from California (Mr. DREIER) and the gentleman from Massachusetts (Mr. MOAKLEY), the ranking member, who have been able helpers in the process, we could not be here today without the help that they have offered in terms of melding together the bills in the House and for their help and assistance in bringing this bill to the floor yesterday and today.

This is a must-pass bill. We need to build the type of economic foundation that will continue the economic progress that we have experienced in our economy. The fact of the matter is that our financial system in this country, in terms of banks, insurance, securities, are dysfunctional today.

In this bill, led by the gentleman from Iowa (Chairman LEACH) in the House, we have been able to bring to the table the insurance interests and the security interests and banking interests and literally make them come to an agreement; and the same is true, of course, with the regulators, bringing together Chairman Greenspan and Secretary Rubin and now Secretary Summers, and others, and provide the type of functional regulation that would satisfy the tough questions and problems. So, too, in terms of consumer issues which are so important to all of us to build the type of efficiencies and provide the type of safeguards that the people deserve.

Now, I checked with the counsel for the House and the counsel for the Senate and not a single consumer law is repealed in this bill. Quite the contrary. In fact, CRA is strengthened by applying it to new activities and applications. In fact, privacy, this is one of the most pervasive privacy provisions ever written into Federal law and applies to all financial entities.

Yet some today choose to build a facade of problems rather than dealing with the reality and passing this important legislation. We have the overwhelming support now in the Senate, overwhelming support of the House, with nearly 350 Members that voted for this in the initial instance and almost the same bill is being presented to today, and, of course, the support of the administration.

I say it is time to pass this bill to provide the type of financial efficiencies and consumer benefits that are inherent in a modern financial system that is necessary for America's engine of economic growth.

Madam Speaker, I rise in support of this rule that will bring before the House in an expedited fashion the conference report on S. 900, the Financial Services Modernization Act. This act, otherwise known as the Gramm-Leach-Bliley act, is the culmination of many many years of effort to bring the financial institutions and regulatory law in line with the realities of today's marketplace.

Modernization of our financial services will finally be achieved with the enactment of this key bill. With passage of this conference report, Congress will enhance consumer protections in important ways, putting forward the strongest financial privacy protection provisions ever to be written into Federal law and maintaining and reinvigorating the Community Reinvestment Act's relevance in the new financial world.

This is a good compromise that reflects much of the House-passed bill in content if not wholly in form. We repeal Glass-Steagall and allow the affiliations with securities firms, insurance companies and banks. The commercial ownership loophole is closed for unitary thrift holding companies. We enhance the Federal Home Loan Bank System. We establish consumer protections in law for the sales of non-deposit products by banks. The financial privacy and CRA provisions are substantive, substantial Federal policy advances. Importantly, the bill enhances the viability of smaller community banks and financial entities vital to extending services and credit through our greater economy: rural and urban.

With regard to privacy, I well understand some sought greater consumer privacy provisions. But the perfect should not be the enemy of the good. This conference agreement lays a solid foundation of financial privacy set into our regulated financial marketplace which affects all consumers doing business with all banks, S&L's, insurance companies, securities firms and credit unions and in fact, all entities financial in nature: such as credit card companies and finance offices. The broad basis for this provision is only beginning to be appreciated and this privacy law is very much needed on that broad basis.

With regard to CRA, the conference successfully eliminated the harmful "safe harbor" and "small bank exemption" provisions from the Senate bill. We accepted a modified disclosure and reporting system. While I strongly disagreed with the burdensome, so-called "sunshine" and reporting provisions in the Senate bill that raised the specter of harassment of pro-CRA groups, very few would oppose openness. Certainly, the disclosure of information can spell out the effectiveness of these groups working so hard in our communities and the effectiveness of the CRA itself.

I believe the reporting requirements, although improved, are an extraordinarily difficult policy as structured in this measure. It no doubt will be more of a burden to community groups and banks who currently do not file reports. However, we were able to streamline the reporting requirements and to limit who should file a report even as we gave the regulators substantial authority to properly oversee such provisions. We should be mindful of the administration's and regulators' expressions of good will to take a common sense approach with regards to its implementation. Hopefully they can help make these disclosure and reporting requirements more workable. Congress will certainly have to closely monitor the implementation of these provisions and their effects.

With that, Madam Speaker, I urge an "aye" vote on the rule so that we can positively consider one of the key financial services bills of our century, the conference report on S. 900, the Financial Services Modernization Act.

Mr. SESSIONS. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, as we can tell from the comments that have been made on the floor tonight, this legislation is not only historic but has required a great deal of work, a bipartisan work, and I am very proud of the House of Representatives and the Congress that has done something that is great for consumers.

It is hard work. We are hearing about it tonight. Just another example of what great work this Congress has done.

Madam Speaker, I yield 2 minutes to the gentleman from Allentown, Pennsylvania (Mr. TOOMEY), a member of the Committee on Banking and Financial Services.

Mr. TOOMEY. Madam Speaker, I rise in support of this rule and the legislation under consideration today. The Gramm–Leach–Bliley Financial Services Modernization Act is probably the most important financial legislation to come before Congress since the Glass-Steagall Act mandated a separation between banking and the securities industry back in 1933.

Today there is virtually unanimous agreement among economists, academics, policymakers and most importantly the men and women actually creating and providing financial services across America today. The repeal of Glass-Steagall is necessary so that consumers can get the products and services they desire and American financial firms can compete in the global marketplace.

Madam Speaker, I would like to highlight just one small part of this sweeping legislation. I am particularly pleased that this bill includes an important provision regarding certain derivative transactions, especially credit and equity swaps. These somewhat obscure products are actually very important tools used by businesses, including financial service firms, to manage a variety of risks that they face. This bill reaffirms that swap contracts are legitimate bank products that can be executed and booked in banks and are adequately regulated by and will continue to be regulated by banking supervisors.

I would also like to congratulate the many Members of this Chamber who have worked very hard, some for many years, on financial modernization. In particular, I would like to salute the gentleman from Iowa (Chairman LEACH) and the ranking member, the gentleman from New York (Mr. LAFALCE) for the outstanding work they have done to see this legislation through to completion, and I urge my colleagues to support the rule and passage of this historic bill.

Mr. MOAKLEY. Madam Speaker, I yield 2 minutes to the gentleman from Houston, Texas (Mr. BENTSEN).

Mr. BENTSEN. Madam Speaker, as a member of the committee and the conference committee, I strongly support this legislation and the rule and urge my colleagues to support it. I believe that this comprehensive banking reform legislation will bring new benefits to consumers by encouraging competition among the banking securities and insurance industries in creating one-stop shopping for consumers.

The United States' financial industry is the strongest and soundest in the world today because of our dynamic market economy and strong regulatory regime. Yet as the financial markets mature they have been restrained by the Glass-Steagall law that requires financial companies to separate their various entities.

By repealing Glass-Steagall, Congress will bring new competition to financial services so that consumers can purchase products more efficiently and more cheaply. The net effect will be to promote more competition, create more products at lower prices and better protect American consumers.

While the bill does not create the ideal financial holding company model or charter, it does repeal portions of existing regulatory constraints dating back to the Great Depression commensurate with a market that has matured greatly through market disintermediation brought on by broader consumer wealth, sophistication and access to information.

This bill does not provide for the mixing of banking and commerce but does address it in a prudent way through a new complimentary to banking approach that should meet the concerns of not limiting banking and finance as it expands.

It does allow for banks to enter the insurance and securities brokerage business while protecting functional regulation and maintaining the Securities and Exchange Act and McCarran-Ferguson.

Finally, I would like to say that this bill in many respects strengthens the Community Reinvestment Act. It has for the first time the "have and maintain" clause which says that any bank that wants to get into any line of businesses must have and maintain a satisfactory CRA rating.

Additionally, it protects CRA for smaller banks. It in no way excludes or exempts smaller banks from CRA, which some members in the other body tried to do.

I think this is really a win/win, and in terms of privacy, as other speakers have said, this codifies new law as it relates to privacy. If we do not pass this bill, consumers will be worse off as it relates to privacy and I would encourage my colleagues to pass it.

Mr. SESSIONS. Madam Speaker, I yield 2 minutes to the gentleman from Palm Bay, Florida (Mr. WELDON), a member of the Committee on Banking and Financial Services.

Mr. WELDON of Florida. Madam Speaker, I thank the gentleman from Texas (Mr. SESSIONS) for yielding me this time.

Madam Speaker, when I was first elected to Congress and later appointed to serve on the Committee on Banking and Financial Services I was very surprised to learn that the laws governing the financial service sector of our economy were relics of the Depression, that the Glass-Steagall Act was passed in 1933 and that for years the Congress had been unable to pass important and badly needed new legislation to modernize the laws governing the banking, insurance and securities industries in the United States.

Well, tonight we are finally getting that job done and modernizing those laws. This may not be a perfect bill but it is a good bill. It is a good bill because it will make it easier and less expensive for the public to access banking and financial services.

Our international competitors in Europe and Asia long ago adopted more modernized changes to the laws governing their financial service sectors. We now in the U.S. will have modernized ours, and in doing so we will improve the competitiveness of the American economy and allow it to continue its place as the most competitive economy on the globe.

Much credit goes to the gentleman from Iowa (Chairman LEACH) and the ranking member, the gentleman from New York (Mr. LAFALCE) for this bill, as well as all of the others who had significant input in this effort, to include the Treasury Department and the Federal Reserve, particularly Chairman Greenspan. I encourage all of my colleagues on both sides of the aisle to vote yes on the rule and vote yes on final passage of this legislation.

Mr. MOAKLEY. Madam Speaker, I yield 1½ minutes to the gentlewoman from Rochester, New York (Ms. SLAUGHTER).

Ms. SLAUGHTER. Madam Speaker, I thank the gentleman from Massachusetts (Mr. MOAKLEY) for yielding me time.

Madam Speaker, I have some strong concerns about the conference report, but I do want to thank the conferees for including Section 733 entitled Fair Treatment for Women by Financial Advisors. This short but important section, based on an amendment I brought to the floor, reads, it is the sense of Congress that individuals offering financial advice and products should offer such services and products in a nondiscriminatory, nongender specific manner.

The language is in response to estate documents that keep women from controlling their inherited financial assets. Some estate planning publications and sales literature for trusts use three themes. One is that women should be relieved of the burden of managing money because they cannot learn. Second, if they have money on their hands they will be vulnerable to shysters and, third, they might remarry and hand the man's hard-earned money over to somebody else.

Now, this is not an old problem. In a 1998 estate planning guidebook it instructs its benefactor to consider the question if, quote, a man should subject his wife to the bewildering details which administration of property often involves if she has had no experience with it.

It goes on to state that if she has had no previous experience she may not be prepared to handle large sums of money. If this is true, she herself would not want to be burdened with administration of property.

How kind of them to look out for protecting the wife.

It is past time that these outdated themes are addressed and discriminatory financial practices are brought out in the open as we move forward to modernize the rest of the financial services industry, and it is my personal hope that this bill includes no bail-out provisions should some of this go wrong in the future.

Mr. SESSIONS. Madam Speaker, I yield 2 minutes to the gentleman from Des Moines, Iowa (Mr. GANSKE).

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Mr. GANSKE. Madam Speaker, I rise in support of the rule and the bill. I am particularly pleased that the unitary thrift loophole which allows commercial firms to control savings and loans charters has been closed in this bill.

Both Treasury Secretary Rubin and Federal Chairman Greenspan testified in support of the provision to restrict unitaries. In his Senate testimony, Greenspan stated, "The Board supports the elimination of the unitary thrift loophole, which currently allows any type of commercial firm to control a federally insured depository institution. Failure to close this loophole would allow the conflicts inherent in banking and commerce combinations to further develop in our economy and complicate efforts to create a fair and level playing field for all financial services providers."

What would be the result if Microsoft purchased Washington Mutual with its 2,000 branches and $165 billion in assets? It certainly would have raised the specter of too big to fail.

But, Madam Speaker, I especially want to commend the gentleman from Iowa (Mr. LEACH) for his patience and endurance in brokering this agreement between members of the conference committee and in balancing the interest of everyone, from small community banks and large international insurance firms, to consumers and investors.

The challenge was to find equilibrium between maintaining safety and soundness in the Nation's banking system and providing for a fair and efficient competition in the financial services marketplace.

There are many who deserve a lot of credit for this bill. But at the top in my book is the gentleman from Iowa (Chairman LEACH). Iowans should be very proud of the gentleman from Iowa (Chairman LEACH) for the work on this bill.

Mr. MOAKLEY. Madam Speaker, I yield 2 minutes to the gentleman from Malden, Massachusetts (Mr. MARKEY).

Mr. MARKEY. Madam Speaker, I thank the gentleman from South Boston, Massachusetts, for yielding me this time.

Madam Speaker, I rise in opposition to this bill. I support the modernization of the financial services industry in the United States.

Because of global competition and rapid technological change, it is critical that we update the laws which deal with every aspect of the financial matters of the people of our country, but there is a fatal flaw in the heart of this bill.

The financial institutions say that they need synergies of being able to provide brokerage and banking and insurance services to every American. As a result, they can be giving the American people no privacy protections.

What the American people say is give us the synergies, but take the "sin" out of those synergies. Do not compromise our privacy. If one has had one's checks in the same bank from the last 25 years, all of those checks can now be shared with all the insurance agents inside of this new financial services institution, with all of the brokers inside of this financial institution, with the telemarketing affiliates of this financial services institution to do a financial profile of one for their marketing purposes. If this financial services company creates a joint agreement with another financial services company, one cannot protect that information either.

This is all one gets, Madam Speaker, from one's new, huge, bank holding company: Notice. Notice is all one gets. What is the notice? The notice is one has no privacy rights. That is the notice. None. Because it interfere with their ability to make money at the expense of one's family's secrets.

No one should vote for this bill. It is a fatally flawed bill. We should be able to deal with this issue simultaneously with letting the big boys get all they need. We should take care of what ordinary people need for their families as well.

Mr. SESSIONS. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, thank goodness we have an open debate here tonight where we are able to talk about the need for privacy rules and regulation, the most comprehensive ever in the marketplace.

Madam Speaker, I yield 3 minutes to the gentleman from Brightwaters, New York (Mr. LAZIO), to help explain this a little bit further, a member of the Committee on Banking and Financial Services and the Committee on Commerce.

Mr. LAZIO. Madam Speaker, let me, first of all, begin by complimenting the gentleman from Iowa (Mr. LEACH), the chairman of the Committee on Banking and Financial Services; the gentleman from New York (Mr. LAFALCE), the ranking Democratic member; the gentleman from Ohio (Mr. OXLEY), chairman of the Subcommittee on Finance and Hazardous Materiels; and the gentlewoman from New Jersey (Mrs. ROUKEMA); and the gentleman from Virginia (Mr. BLILEY) for their outstanding leadership in getting this bill to the floor.

For 25 years, we have been working on this effort. Today we are on the verge of making it a reality. For the first time in history, we are going to require a financial institution to actually have a privacy policy and to put it in plain English.

Madam Speaker, for years, we have been hearing about the trend of global markets. Today globalization is the reality. Geographic borders no longer block the flow of capital, creating a whole new world of economic opportunity. The question is: Are we poised, are we prepared to take advantage of this opportunity? Are we willing to embrace the future? That is the question that is posed today. That is what the Financial Services Modernization Act is designed to do.

Madam Speaker, rather, this bill will remove the red tape that threatens to strangle our financial institutions as they enter the new global marketplace.

Americans believe deeply in competition. They trust the free market. Why? Because, year after year, competition brings more services, more choice, lower prices, and more wealth.

Many financial conglomerates are already responding to their customers' needs, offering a full menu of financial products and services. But that does not mean that, when Glass-Steagall barriers are torn down, every bank will be a broker or that every broker will be an insurer.

Customers will gravitate to the best managed, lowest price financial services provider. This legislation will give American companies the freedom that they need to meet this challenge. It will give the freedom to remain the world leading financial institution.

Madam Speaker, while I support this legislation strongly, I must point out that it falls short in one important area. It does not provide for a full two-way street for the securities industry to engage in banking and so-called woofie provision. Woofies would have allowed firms with institutional and corporate clients to provide those customers with a full range of financial services without any additional risk to the Federal Deposit Insurance System. I am disappointed they were cut out of the conference report at the last second.

Nevertheless, Madam Speaker, I strongly support this bill. It will encourage competition in the financial services industry both here and abroad. It will spur the creation of new financial instruments and new markets to the benefit of consumers and businesses alike.

With that, I want to urge all of my colleagues to vote for this bill. Let us make sure that American banking is ready for the 21st century.

Mr. MOAKLEY. Madam Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. OBEY), the ranking member of the Committee on Appropriations.

Mr. OBEY. Madam Speaker, this bill is consumer fraud masquerading as financial reform. There is nothing wrong with modernizing financial institutions. It is nice to see that my colleagues are going to try to set up one-stop shopping services for financial services. But returning 1999 to 1929 is not reform in my book.

The proponents says they are making advances by providing privacy protections. But the fact is the consumers are going to be faced with the new megamerged world. Insurance companies, banks, and investment companies are all going to be owned by the same people.

Supporters brag about consumer privacy rights that they are protecting, and they are careful to say that they are providing protection in the case of all unaffiliated third parties. That is true, but big deal.

What they do not tell you is that they are giving away the privacy store in terms of all affiliated parties. Because one is going to have the same people owning one's banks, owning one's insurance company, owning one's stock brokerages. That means they are going to share one's banking information with every single affiliate, and they are going to be able to contract with the telemarketers and spread that same information around.

Sometimes this House makes me sick, and this is one of those nights.

Mr. SESSIONS. Madam Speaker, may I inquire as to the time remaining for both sides.

The SPEAKER pro tempore (Mrs. EMERSON). The gentleman from Texas (Mr. SESSIONS) has 3 minutes remaining. The gentleman from Massachusetts (Mr. MOAKLEY) has 11½ minutes remaining.

Mr. SESSIONS. Madam Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Madam Speaker, I yield 2 minutes to the gentlewoman from California (Ms. WATERS).

Ms. WATERS. Madam Speaker, I have spent hours on this bill. I served on the conference committee. I am the ranking member of the Subcommittee on Domestic and International Monetary Policy of the Committee on Banking and Financial Services.

I have spent hours on this bill, and I am absolutely surprised that the Members of this House can support a bill that would do what this bill is about to do to working people and poor people.

We have something called CRA, Community Reinvestment Act. It is an act that basically forces the banks to put something back into the communities where they get deposits.

Now, there are those who have never liked CRA. They have winnowed away at CRA every year. They have tried to dismantle it. The President did away with all of the paperwork, because they said it was too much paperwork. But that is not enough. They came back this time with something called "sunshine."

Well, what they are doing is they are intimidating the activists. They are intimidating them by making them do something called disclosure and accountability and reporting. They are doing it in such a way that they will discourage them from being activists. If they get investigated and they fall short of the expectations, they will not be able to be involved in this work for 10 years.

They know what they are doing. They want to get people out of the business of challenging the banks. This is a one-man vendetta that took place on the conference committee.

We should never have negotiated with them, but the negotiations took place in the back room, not in public. Those who say that CRA has not been weakened are wrong. It has been weakened.

Well, in addition to what has been done to CRA, the privacy provision should cause one to hesitate on this bill. One's information will be given to third parties. Do my colleagues know what they are? They are boiler rooms where they hire people off the street to come in and do telemarketing who are dialing to sell one something.

They are going to have all of one's information. They are going to have one's bank account. They are going to have one's tax returns. They are going to have everything. Privacy, CRA, fair housing, and the people got nothing.

I tried to get lifeline banking. I said, let us have a study on the escalating fees that banks are charging. I said, let us do something about surcharging at ATMs. The consumers got nothing. We were voted down on every attempt to do something for consumers. This is the big boys' bill. This is the big banking bill. This is nothing for the people.

Mr. MOAKLEY. Madam Speaker, I yield 2 minutes to the gentlewoman from Florida (Mrs. MEEK).

Mrs. MEEK of Florida. Madam Speaker, I am sure that those of my colleagues who have come to the floor and applauded this bill have tunnel vision, and their vision is directed toward the large banking institutions. Because their blindness does not let them see to the right and left of them, they do not really see the people that are being affected by this bill most.

I am opposed to this bill, that this bill brings in a strong element of discrimination, particularly in fair housing. Fair housing is an area I have fought for since the 1960s. We finally got a bit of fair housing.

Now, they come in and say to these big conglomerates they are going to let the insurance companies come in now; and they can do redlining, and they do not care, because it is not within the big prospectus of the bill.

But now it is going to be even harder for people to get a house. If one cannot get insurance, I repeat, one cannot get a house. So what is that other than discrimination?

The CRA language in this bill may have been worked on to some extent. But my colleagues were not able to see the forest through the trees. Then they limited it, and they thought they were expanding it; but they limited it by protecting the banks.

Now, do not let anybody fool you, the banks have made a lot of money. They have gone into these neighborhoods, and they have been able to help in those neighborhoods. But what my colleagues are doing now is they are letting other players into this ball game. These other players may or may not have the kind of outlook on these problems as banks do.

So they are saying that is okay because it does not involve us. But it does involve you in that, if you do not expand it, you are not going to be able to capitalize on the gains you have been made through the community reenactment.

Now, I know my colleagues do not like CRA. I have come from neighborhoods where CRA is sort of like a bad word, like some kind of plague on us. But my colleagues must go back to the fight they are supporting and putting severe penalties on these groups, make it hard for them to fill out the paperwork, do not punish the banks, make it hard for these poor little community-based groups to fill them out, then bang them over the head with some big propensity for the Federal Government to come in on it.

You are talking about keeping the Federal Government off your backs. You put it on the backs of poor people. Shame on you.

Madam Speaker, I rise in opposition to the Conference Report because it weakens the Community Reinvestment Act when we should be strengthening and expanding it. Clearly, there is a need to modernize and update this nation's banking and financial services laws. Nonetheless, because the CRA provisions are flawed and have gotten worse since leaving the House, I cannot support this bill.

Madam Speaker, the CRA has brought economic development, hope, and opportunity to low and moderate income communities in urban and rural areas across the country. The CRA has been the primary vehicle to expand access to capital and credit in my District and in other low income and minority communities throughout the country.

CRA was created to combat discrimination by encouraging federally insured financial institutions to meet the credit needs of the communities they serve. CRA requires federally insured banks to seek business opportunities in poor areas.

Since its enactment in 1977, financial institutions have made more than $1 trillion in loans in low income communities, more than 90% of them in the past seven years. As a result, neighborhoods have improved as more residents have been able to buy homes and more small businesses have succeeded. The CRA has been an enormous success.

We should be expanding the reach of the CRA, not restricting it. Unfortunately, the Conference Report moves in the wrong direction on CRA. It fails to adequately protect and promote access to capital and credit and fails to capitalize on our opportunity to expand the CRA.

While the CRA language in the Conference Report clearly is an improvement over the language in the bill passed by the Senate, the conference report language in fundamentally flawed. The conference report eliminates the requirement that financial holding companies maintain compliance with the CRA. It limits CRA oversight of banks and thrifts by severely reducing the frequency of CRA exams for most urban and rural banks with assets of under $250 million. It imposes unnecessary and highly burdensome reporting requirements on community groups that are parties to CRA agreements with banks and imposes severe penalties on the community groups for non-compliance.

The bill significantly extends the time between CRA exams for small banks, allowing such banks to take full advantage of all of the new powers under the banking bill even if their performance in low-income areas declines dramatically during this period. It also fails to protect customers of banks owned by insurance companies from illegal discrimination. Under the bill, insurance companies found guilty of violating the Fair Housing Act are not prohibited from affiliating with banks, even though their insurance agents may become the salespeople for these new bank affiliates.

Madam Speaker, as we seek to modernize the financial services industry, we must not miss this unique opportunity to modernize the Community Reinvestment Act. We need a bill that creates a financial system that works for all Americans. For main street, not just wall street. For these reasons, I oppose the Conference Report.

Mr. SESSIONS. Madam Speaker, I yield 1 minute to the gentleman from Louisiana (Mr. BAKER).

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Mr. BAKER. Madam Speaker, I thank the gentleman for yielding me this time.

I think some folks have really missed the boat tonight. If my colleagues do not want privacy restrictions, then vote against this bill. The first Federal privacy statute ever. Who does it apply to? Banks, insurance agents, securities companies.

Does it apply to Wal-Mart? Does it apply to General Motors? Does it apply to anyone else in the world? No. For the first time it applies to financial institutions and financial in nature only. They cannot sell an individuals' private information, without that individual's permission, to a third party.

Some people wanted to go further. They wanted to really shut it down. They wanted to make sure credit unions could not do their work behind the counter by contracting with third parties to handle their check-clearing processes. If my colleagues want to go further, fine, deal with the credit unions and small banks of this country and tell them they cannot do their business any longer.

I think some people have missed it. Big bank bill? This bill, for the first time, provides 15-year fixed rate interest rate loans for small businesses, rural, and agricultural communities through small hometown banks. Small banks shut down Wal-Mart. If my colleagues want to make sure Wal-Mart in your town soon, running the hardware department, running the tire department, running the frozen food department, and, yes, running your local bank, vote against this bill. Because there is a loophole that has been shut down that would allow Wal-Mart coming soon to your hometown to run your bank.

Small bank? Consumer? This bill is it. I cannot imagine what my colleagues are thinking.

Mr. MOAKLEY. Madam Speaker, I yield 2 minutes to the gentlewoman from Ohio (Ms. KAPTUR).

Ms. KAPTUR. Madam Speaker, I rise in opposition to the rule and in opposition, strong opposition, to the bill.

This bill is pro megabank and it is against consumers. And I would say to the people listening tonight, Are you tired of calling banks and getting lost in the automated phone system, never locating a breathing human being? This bill will make it worse.

Are you fed up with rising ATM fees and service fees that now average over $200 a year per account holder? This bill will make it worse.

Are you skeptical about banks that used to be dedicated to safety and soundness and savings but are now switching to pushing stocks and insurance and debt? This bill will make it worse.

Are you tired of the megafinancial conglomerates and mergers that have made your community a branch economy of financial centers located far away, whose officers you never know, who never come to your community? This bill will make it worse.

Punitive reporting requirements in this bill are aimed at disabling community groups that are the only groups in this country that hold these institutions accountable for the depositors' money. It is going to make them a target of Federal reporting requirements.

So why do community groups oppose this bill, like the Lutheran Office for Governmental Affairs, the Fair Housing Alliance, the National Low-Income Housing Coalition, the Coalition of Community Development Financial Institutions, Consumers Union, the Volunteers of America? Sounds like the folks that live in my neighborhood, my colleagues.

I would say this is one of the worst-conceived bills ever to come before this body, simply because it does not pay attention to the majority of the American people who have, on average, less than $2,000 in any financial institution in this country.

To anyone listening tonight I say, Put your money in the credit unions. They are owned by you and they will take care of you. Vote against this bill.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mrs. EMERSON). The Chair must remind Members that under the rules of the House, remarks in debate should be directed to the Chair and not to others, outside the Chamber, in the second person.

Mr. SESSIONS. Madam Speaker, I yield 1 minute to the gentleman from Salt Lake City, Utah (Mr. COOK), a member of the Committee on Banking and Financial Services.

Mr. COOK. I thank my colleague from Texas for yielding the time, and I want to say, Madam Speaker, that I rise in support of this bill and thank the Committee on Rules, the Committee on Commerce, and my chairman, the gentleman from Iowa (Mr. LEACH), along with my other Committee on Banking and Financial Services colleagues for their tireless efforts to create a rational and balanced structure to bring our country's financial services finally into the 21st century.

I commend the conference committee for their agreement on the delicate compromise, ensuring adequate consumer privacy protections and reinforcing important CRA provisions. The enormous benefits to the economy and consumers of financial services will be seen for years to come.

This legislation is long overdue and quite historic. Modernizing the regulation of the U.S. financial services industry is a landmark opportunity for this Congress to prove that we are dedicated to providing individuals and businesses with lower costs and greater convenience, ensuring that the U.S. remains the economic global leader.

I urge my colleagues to join me in support of the rule and final passage.

Mr. MOAKLEY. Madam Speaker, I yield 1 minute to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Madam Speaker, I rise in support of the rule and the bill. After 66 years, it is time for Congress to retire Glass-Steagall. The markets already have.

Today's current confused state of financial services law is not the result of any policy decision by Congress, rather it is the result of chipping away at Glass-Steagall by unelected regulators and court decisions.

The legislation before us will bring order to the law, to reflect the reality of today's financial markets. Advances in technology are presenting financial companies with new opportunities to better serve their customers here at home and to compete for business around the world. Without congressional action establishing a consistent legal framework in the United States, we risk losing international opportunities to other nations.

While on the whole I believe the Gramm-Leach-Bliley act promotes needed legal consistency and makes United States companies more competitive, it could have been improved in several areas.

I supported stronger CRA and privacy provisions than those in the bill before us; but, overall, I support this bill and I urge a "yes" vote.

Mr. MOAKLEY. Madam Speaker, I yield 1 minute to the gentlewoman from Oregon (Ms. HOOLEY).

Ms. HOOLEY of Oregon. Madam Speaker, I rise in support of the rule and the bill.

Many of my colleagues are concerned that this bill does not enact strong enough privacy protection for consumers, and I would like to address some of those concerns. Current law, today, current law provides no protection for consumers' financial privacy. None. Zero. Zip. A bank under current law can sell personal financial information to whomever they want, whenever they want, and however they want. They can even sell a customer's account number. There is nothing a customer can do.

With the enactment of this legislation, for the first time ever, companies will be required to fully disclose how customer information will be used; and for the first time ever, companies will have to allow consumers to say no to the sharing of personal information with third parties.

Could we have done better? Absolutely. But this is a step in the right direction. Today, we have the opportunity to enact a bill with new privacy protections.

Madam Speaker, I would also like to thank the ranking member, the gentleman from New York (Mr. LAFALCE), and the chairman, the gentleman from Iowa (Mr. LEACH) for the wonderful leadership they have shown, and I urge support of this rule and the bill.

Mr. MOAKLEY. Madam Speaker I yield 1 minute to the gentleman from Washington (Mr. INSLEE).

Mr. INSLEE. Madam Speaker, I too want to compliment the gentleman from New York (Mr. LAFALCE) and the gentleman from Iowa (Mr. LEACH) for their work on this bill. They both showed courtesy and professionalism.

But I must speak against this bill, because the way this bill is written tonight it is a clear and present danger to the existing privacy rights of America. This bill is the single greatest threat to Americans' basic and fundamental privacy interests of any legislation, considered by any legislative body in America, ever.

The reason is, and I want my colleagues to imagine this, because this is what is going to happen if this bill becomes law. When these mega-affiliates are allowed to exist, what is going to happen is our bank accounts, the first time we happen to get $5,000 cash in our bank accounts, a computer will spit that information out to the affiliated stock broker who will call us at 7 o'clock at night and try to sell us hotstock.com stock. And the second thing that will happen is every single check we have written is going to go to the affiliated life insurance company so they can profile our life-style to decide whether to sell us life insurance.

We are going backwards on privacy. We are creating a new organism. These affiliates will threaten our privacy. We should reject this bill.

Mr. MOAKLEY. Madam Speaker, I yield 1 minute to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Madam Speaker, I thank the gentleman from Massachusetts for yielding me this time, and I rise to support the rule and to support this bill.

This is not the best bill that we could have had. There are many problems with this bill. But this bill has been long in coming. And I want to thank those who fought hard and fought long for some of the provisions covering the Community Reinvestment Act provisions.

CRA, the Community Reinvestment Act, works in my community. The Tejano Center for Community Concerns was able to build some 15 homes and build a school for high school dropouts. But we have not gone far enough. I believe we should come back to the floor of the House and deal with the sunshine provisions and, yes, I believe that the reporting provisions dealing with smaller banks should be addressed again as well.

I think the President of the United States needs to join this Congress in the need for a privacy bill and he should sign a freestanding privacy bill. Because, although we have a study that determines whether or not a consumer's privacy will be violated, we do need a freestanding privacy bill to ensure that the privacy of Americans will truly be protected.

But I am pleased that there is no discrimination against those who have suffered domestic violence if they seek credit opportunities and I am further pleased that there is protection for women who are seeking access to credit sources; and I also am delighted to see that there is a provision that deals with determining whether there is a malicious securing of the financial records of consumers thereby violating a consumer's privacy. It is not a perfect bill, but it is a bill that we should vote for and create new opportunities for all Americans.

Mr. MOAKLEY. Madam Speaker, will the Chair inform us of the remaining time for both sides?

The SPEAKER pro tempore. The gentleman from Massachusetts (Mr. MOAKLEY) has 1½ minutes remaining, and the gentleman from Texas (Mr. SESSIONS) has 1 minute remaining.

Mr. MOAKLEY. Madam Speaker, I yield the balance of my time to the gentleman from New York (Mr. HINCHEY).

Mr. HINCHEY. Madam Speaker, one thing about this rule is, it is consistent with the bill. I will have an opportunity to speak against the bill shortly, but the rule itself is totally consistent with the bill. The rule is unfair as the bill is unfair.

We have 1 hour to debate the most comprehensive change in financial services legislation in the Nation in the last 65 years. This is one of the most important bills to come before this Congress in decades, and we are going to spend 1 hour this evening debating here on the floor of the House of Representatives.

And that 1 hour is divided thusly: two-thirds of that hour go to the people who are for the bill; only one-third of the hour goes to the people who are opposed to it. That is wholly consistent with the objectivity and fairness contained within the bill itself.

This is a farce, it is a mistake, it is a day that we will rue. We are constructing here an apparatus that will come back and bite us severely.

□ 2100

This country will suffer from it. Untold millions of our citizens will suffer from the contents of this bill. We will look back on the way we debated it, the short shrift we gave to the consideration of all the momentous consequences of this bill and the unfairness with which we allocated the time and we will regret it. We will regret it, the public policy point of view and politically. This is a big, serious mistake.

Mr. SESSIONS. Madam Speaker, I yield 1 minute to the gentleman from Henderson, Tennessee (Mr. BRYANT).

Mr. BRYANT. Madam Speaker, I thank the gentleman from Texas for yielding me the time.

Madam Speaker, I rise in strong support of this rule and S. 900, which passed the other body today by a vote of 90–8.

Although this legislation addresses the needs of the financial community, consumers are the big winners. If we pass this conference report, consumers will be able to open a checking account, secure a retirement plan, purchase an insurance policy, and make investments all with one company without having to go to several different financial services companies.

Our rural communities will benefit from the provisions to reform the Federal Home Loan Bank. This provision gives small banks greater access to funds for making loans to small businesses and small farmers while establishing an improved capital structure for the system.

I urge my colleagues to join together to vote for this bill and this conference report to move the financial services industry forward and give our consumers the choices they need in today's world.

GENERAL LEAVE

Mr. SESSIONS. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on H. Res. 355.

The SPEAKER pro tempore (Mrs. EMERSON). Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SESSIONS. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I urge support of this fair rule for the hard work that has taken place during this year of the 106th Congress.

Madam Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. SESSIONS. Madam Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 335, noes 79, not voting 20, as follows:

[Roll No. 569]

AYES—335

Aderholt
Allen
Archer
Armey
Bachus
Baird
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (TX)
Brown (OH)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Castle
Chabot
Chambliss
Chenoweth-Hage
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Cramer
Crowley
Cubin
Cunningham
Davis (FL)
Davis (VA)
Deal
DeGette
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Everett
Ewing
Fletcher
Foley
Forbes
Ford
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hilliard
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jackson-Lee (TX)
Jenkins
John
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Kasich
Kelly
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kuykendall
LaFalce
LaHood
Lampson
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lowey
Lucas (KY)
Lucas (OK)
Maloney (CT)
Maloney (NY)
Manzullo
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McGovern
McHugh
McIntosh
McIntyre
McKeon
McNulty
Meehan
Menendez
Metcalf
Mica
Miller (FL)
Miller, Gary
Minge
Moakley
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Nussle
Olver
Ortiz
Ose
Oxley
Packard
Pallone
Pascrell
Pastor
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett

Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Reyes
Reynolds
Riley
Rodriguez
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Royce
Ryan (WI)
Ryun (KS)
Sabo
Sandlin
Sanford
Sawyer
Saxton
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Simpson
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Tiahrt
Toomey
Towns
Traficant
Turner
Upton
Velaquez
Vento
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Wynn
Young (AK)
Young (FL)

NOES—79

Abercrombie
Ackerman
Andrews
Baldwin
Barrett (WI)
Becerra
Blagojevich
Brady (PA)
Brown (FL)
Capuano
Carson
Clay
Condit
Conyers
Costello
Coyne
Cummings
Danner
Davis (IL)
DeFazio
Delahunt
Dingell
Dixon
Edwards
Evans
Farr
Fattah
Filner
Gejdenson
Gutierrez
Hastings (FL)
Hinchey
Inslee
Jackson (IL)
Jefferson
Jones (OH)
Kaptur
Kildee
Kilpatrick
Kucinich
Lantos
Lee
Lewis (GA)
Lipinski
Lofgren
Luther
Markey
McDermott
McKinney
Meek (FL)
Meeks (NY)
Millender-McDonald
Miller, George
Mink
Oberstar
Obey
Owens
Payne
Pelosi
Phelps
Rivers
Roybal-Allard
Rush
Sanchez
Sanders
Schakowsky
Scott
Serrano
Slaughter
Taylor (MS)
Thurman
Tierney
Udall (NM)
Visclosky
Waters
Watt (NC)
Waxman
Woolsey
Wu

NOT VOTING—20

Bereuter
Crane
Dickey
Frank (MA)
Gephardt
Kanjorski
Kennedy
Larson
McInnis
Mollohan
Norwood
Paul
Rogan
Salmon
Scarborough
Shuster
Stark
Stearns
Taylor (NC)
Udall (CO)

☐ 2125

Mr. GEJDENSON and Mr. FATTAH changed their vote from "aye" to "no."

Mr. HILLIARD changed his vote from "no" to "aye."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

☐ 2130

Mr. LEACH. Madam Speaker, pursuant to House Resolution 355, I call up the conference report to accompany the Senate bill (S. 900) to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, insurance companies, and for other financial service providers, and for other purposes.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore (Mrs. EMERSON). Pursuant to House Resolution 355, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of Tuesday, November 2, 1999, at page H11255.)

The SPEAKER pro tempore (Mrs. EMERSON). The gentleman from Iowa (Mr. LEACH) and the gentleman from New York (Mr. LAFALCE) each will control 30 minutes.

Mr. DINGELL. I rise to inquire, Madam Speaker, if my good friend, the gentleman from New York (Mr. LAFALCE) or the gentleman from Minnesota (Mr. VENTO), who is claiming time in opposition to the bill is in fact opposed to the bill.

The SPEAKER pro tempore. Is the gentleman from New York (Mr. LAFALCE) in favor of the conference report?

Mr. LAFALCE. I am strongly in favor of the conference report.

The SPEAKER pro tempore. For that reason, pursuant to clause 8(d)(2) of rule XXII, the gentleman from Iowa (Mr. LEACH), the gentleman from New York (Mr. LAFALCE), and the gentleman from Michigan (Mr. DINGELL) each will control 20 minutes.

Mr. DINGELL. Madam Speaker, I rise to claim time in opposition to the legislation.

The SPEAKER pro tempore. The Chair will recognize the gentleman from Michigan (Mr. DINGELL) for 20 minutes as part of the debate.

The Chair recognizes the gentleman from Iowa (Mr. LEACH).

Mr. LEACH. Madam Speaker, I ask unanimous consent to divide the time that I have been authorized in half and share it with the gentleman from Virginia (Mr. BLILEY), the distinguished chairman of the Committee on Commerce.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. LEACH. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, yes, this is a historic day. If the House follows the Senate lead where on a 90 to 8 vote this conference report was adopted earlier today, the landscape for delivery of financial services will shift. American commerce will be made more competitive, and the American consumer will be better served.

Under current law, financial institutions, banks, insurance companies, securities firms, are constrained in market niches. Under the new legislative framework, each industry will be allowed to compete head to head with a complete range of products and services.

Over the decades, modernization approaches have been offered many times in many ways. The particular approach taken by the committees of jurisdiction is one based upon the following premises: 1, that no parts of America, whether an inner city or rural hamlet, should be denied access to credit; 2, that in a free market economy, expanding competition and finance should increase consumer access to a wider variety of products at the most affordable prices; 3, that while competition should be opened up in finance, the American model of separating commerce from banking should be maintained; 4, the privacy protections of American consumers should be expanded in unprecedented ways; 5, that the public protections contained in the prudential regulatory regime should be rationalized and made stronger; 6, that the international competitiveness of American firms should be bolstered.

These are the premises and the effects of this legislation. If there is an institutional tilt to the balanced approach taken in this bill, it is to and for smaller institutions. In a David and Goliath competitive world, this legislation is the community bankers' and independent insurance agents' slingshot. They and the customers they serve will be empowered to a greater extent than under the status quo or any alternative modernization approach.

Madam Speaker, I would simply conclude by expressing gratitude to all the participants in this process, particularly my friends, the gentleman from New York (Mr. LAFALCE) and the gentleman from Minnesota (Mr. VENTO), their Senate counterpart, PAUL SARBANES; the gentleman from Virginia (Mr. BLILEY) and the gentleman from Ohio (Mr. OXLEY) for their leadership in the Committee on Commerce, and the gentleman from Michigan (Mr. DINGELL) and the gentleman from Massachusetts (Mr. MARKEY) for their constructive dissent.

In the Committee on Banking and Financial Services, I am particularly grateful for the patience of so many Members, but I am obligated to cite in particular the wisdom and choice counsel of the vice chairman, the gentleman from Florida (Mr. MCCOLLUM), and an exceptionally strong team of advice the gentleman from Louisiana (Chairman BAKER), the gentlewoman from New Jersey (Mrs. ROUKEMA), the gentleman from Alabama (Mr. BACHUS), the gentlemen from New York (Mr. LAZIO and Mr. KING). To them I express great personal gratitude for help, and profound apologies where I have differed or could not help them.

As only Members understand, Congress has many dimensions, and this bill would not have been made possible without the input of a thoroughly professional staff. At the risk of oversight, let me thank on behalf of the House Tony Cole, Gary Parker, Laurie Schaffer, Jim Clinger, John Butler, John Land, Natalie Nguyen, Alison Watson, David Cavicke, Jeanne Roslanowick, and our counsels at the Legislative Counsel's office Jim Wert and Steve Cope.

I would also like to express appreciation for the contributions of Virgil Mattingly of the Federal Reserve, Harvey Goldschmidt of the SEC, Undersecretary Gensler of the Treasury, Jerry Hawke, our comptroller, and Donna Tanoue, chair of the FDIC.

Let me also make a comment about process. This bill has been led in the Senate by an extraordinarily strong chairman, PHIL GRAMM of Texas. While the House approach has differed somewhat with that of the Senate, the big picture is that the Senate acted decisively in a timely manner in legislation, the framework for which has been close to and is now identical with that offered this evening to the House. Each side has moved to the other, and the end product is overwhelmingly in the public interest.

It has been my view from the beginning of consideration of financial reform several Congresses back that few legislative efforts require more bipartisan and biinstitutional cooperation than this one. The need for a cooperative approach has become more self-evident as issues of the day have become more personalized and partisan.

In this light, I would like to thank the minority as well as the majority leadership of the House, Secretary Summers as well as Chairman Greenspan and Chairman Levitt, for their profound contributions to this legislation. It is truly bipartisan, supported by the executive branch and the Federal Reserve.

Madam Speaker, the legislation before the House is historic win-win-win legislation, updating America's financial services system for the 21st Century.

It's a win for consumers who will benefit from more convenient and less expensive financial services, from major consumer protection provisions and from the strongest privacy protections ever considered by the Congress.

It's a win for the American economy by modernizing the financial services industry and saving an estimated $18 billion annually in unnecessary costs.

And, it's a win for America's competitive position internationally by allowing U.S. companies to compete more effectively for business around the world and create more financial services jobs for Americans.

It would be an understatement to say that this has not been an easy, nor a quickly-produced piece of legislation to bring before the House.

For many of the 66 years since the Congress enacted the Glass-Steagall Act in 1933 to separate commercial banking from investment banking, there have been proposals to repeal the act. The Senate has thrice passed repeal legislation and last year the House approved the 105th Congress version of H.R. 10.

The bill before us today is the result of months and months of tough negotiation and compromise: among different congressional committees, different political parties, different industrial groupings and different regulators. No single individual or group got all—or even most—of what it wanted. Equity and the public interest have prevailed.

It should be remembered that while the work of Congress inevitably involves adjudicating regulatory turf battles or refereeing industrial groups fighting for their piece of the pie, the principal work of Congress is the work of the people—to ensure that citizens have access to the widest range of products at the lowest possible price; that taxpayers are not put at risk; that large institutions are able to compete against their larger international rivals; and that small institutions can compete effectively against big ones.

We address this legislation in the shadow of major, ongoing changes in the financial services sector, largely the result of technological innovations and decisions by the courts and regulators, who have stepped forward in place of Congress. Many of us have concern about certain trends in finance. Whether one likes or dislikes what is happening in the marketplace, the key is to ensure that there is fair competition among industry groups and protection for consumers. In this regard, this bill provides for functional regulation with state and federal bank regulators overseeing banking activities, state and federal securities regulators governing securities activities and the state insurance commissioners looking over the operations of insurance companies and sales.

The benefits to consumers in this bill cannot be stressed more. First, they will gain in improved convenience. This bill allows for one-stop shopping for financial services with banking, insurance and securities activities being available under one roof.

Second, consumers will benefit from increased competition and the price advantages that competition produces.

Third, there are increased protections on insurance and securities sales and a required disclosure on ATM machines and screens of bank fees.

Fourth, the Federal Home Loan Bank reform provisions expand the availability of credit to farmers and small businesses.

Fifth, the bill also contains important consumer privacy protections.

Among other things, the bill:

1. Bars financial institutions—including banks, savings and loans, credit unions, securities firms and insurance companies—from disclosing customer account numbers or access codes to unaffiliated third parties for telemarketing or other direct marketing purposes.

2. Enables customers of financial institutions, for the first time, to "opt out" of having their personal financial information shared with unaffiliated third parties, subject to certain exceptions related largely to the processing of customer transactions. A financial institution would be permitted to share information with an unaffiliated third party to perform services or functions on behalf of the financial institution and to enter into certain joint marketing arrangements for financial products or services, as long as the institution fully discloses such activity to its customers and enters into a contractual agreement requiring the third party to maintain the confidentiality of any such information.

3. Requires all financial institutions to disclose annually to all customers, in clear and conspicuous terms, its policies and procedures for protecting customers' nonpublic personal information, including its policies and practices regarding the disclosure of information to both non-affiliated third parties and affiliated entities.

4. Directs relevant Federal and State regulators to establish comprehensive standards for ensuring the security and confidentiality of consumers' personal information maintained by financial institutions, and to protect against unauthorized access to or use of such information.

5. Accords supremacy to State laws that give consumers greater privacy protections than the provisions in the Act.

6. Makes it a federal crime, punishable by up to five years in prison, to obtain or attempt to obtain private customer financial information through fraudulent or deceptive means. Such means could include misrepresenting the identity of the person requesting the information or otherwise tricking an institution or customer into making unwitting disclosures of such information.

In terms of enforcement, the Act subjects financial institutions that violate the new consumer privacy protections to a wide range of possible sanctions, including: Termination of FDIC insurance; implementation of Cease and Desist Orders barring policies or practices deemed violations of the Act's privacy provisions; removal of institution-affiliated parties, including bank directors and officers, from their positions, and permanent exclusion of such parties from further employment in the banking industry; and civil money penalties of up to $1,000,000 for an individual or the lesser of $1,000,000 or 1% of the total assets of the financial institution.

The other major beneficiaries of this legislation are America's small community financial institutions. In this regard, I'd like to emphasize the philosophic underpinnings of this legislation. Americans have long held concerns about bigness in the economy. As we have seen in other countries, concentration of economic power does not automatically lead to increased competition, innovation or customer service.

But the solution to the problem of concentration of economic power is to empower our smaller financial institutions to compete against large institutions, combining the new powers granted in this legislation with their personal service and local knowledge in order to maintain and increase their market share.

For many communities, retaining their local, independent bank depends upon granting that bank the power to compete against mega-giants which are being formed under the current regulatory and legal framework.

The conference report provides community banks with the tools to compete, not only against large mega-banks but also against new technologies such as Internet banking. Banks which stick with offering the same old accounts and services in the same old ways will find their viability threatened. Those that innovate and adapt under the provisions of this bill will be extraordinarily well positioned to grow and serve their customer base.

Large financial institutions can already offer a variety of services. But community banks are usually not large enough to utilize legal loopholes like Section 20 affiliates or the creation of a unitary thrift holding company to which large financial institutions—commercial as well as financial—have turned.

One of the most controversial provisions prohibits commercial entities from establishing thrifts in the future and allows for those commercially owned thrifts currently in existence to be sold only within the financial community, the same rules which apply to banks.

The reason this restriction on commerce and banking is being expanded is several fold. First, savings associations that once were exclusively devoted to providing housing loans, have become more like banks, devoting more of their assets to consumer and commercial loans. Hence, the appropriateness for comparability between the commercial bank and thrift charter is self-evident.

Second, this provision must be viewed in light of the history of past legislative efforts affecting the banking and thrift industries. The S&L industry has tapped the U.S Treasury for $140 billion to clean up the 1980s S&L crisis. In 1996, savings associations received a multibillion dollar tax break to facilitate their conversion to a bank charter. Also, in 1996, the S&Ls tapped the banking industry for $6 to $7 billion to help pay over the next 30 years for their FICO obligations, that part or the S&L bailout costs that remained with the thrift industry.

During this time period, Congress has liberalized the qualified thrift lender test and the restrictions on the Federal savings association charter. These legislative changes are in addition to the numerous advantages that the industry has historically enjoyed, such as the broad preemption rights over state laws and more liberal branching laws.

The conference report continues the Congressional grant of benefits to the thrift industry by repealing the SAIF special reserve, providing voluntary membership by Federal savings associations in the Federal Home Loan Bank System, allowing state thrifts to keep the term "Federal" in their names, and allowing mutual S&L holding companies to engage in the same activities as stock S&L holding companies.

Opponents of this provision correctly argue that commercial companies that have acquired thrifts (so-called unitary thrift holding companies) before and after the S&L debacles of the 1980s have not, for the most part, caused taxpayer losses. However, the Federal deposit insurance fund that was bailed out by the taxpayers covered the entire thrift industry including the unitary thrift holding companies, and the $6 to $7 billion of thrift industry liabilities that were transferred to the commercial banking industry benefited unitaries as well as other S&Ls. The transfer was made with the understanding that sharing liabilities would be matched by ending special provisions for the S&L industry and that comparable regulation would ensue.

The bill benefits smaller, community banks and the customers they serve in the following additional ways:

1. *Federal Home Loan Bank System reforms.* The FHLB charter is broadened to allow community banks to borrow for small business and family farm lending. The implications of this FHL 8 mission expansion are extraordinary. In rural areas, it allows, for the first time, community banks to have access to long-term capital comparable to the Farm Credit System, which like the Federal Home Loan Bank System is empowered as a Government Sponsored Enterprise to tap national credit markets at near Treasury rates. The bill thus creates greater competitive equity between community banks and the Farm Credit System and greater credit cost savings for farmers. With regard to the small business provision, the same principle applies. If larger financial institutions choose to emphasize relationships with larger corporate and individual customers, the ability of community banks to pledge small business loans as collateral for FHLB System advances will allow them to serve comprehensively a small business and middle class family market niche. Most importantly, if the present trend continues of American savers putting less money in banks and more in non-insured deposit accounts, such as money-market mutual funds, this FHLB reform assures community banks the liquidity—at competitive costs—they will need for generations to come.

2. Additional Powers. In recent years, sophisticated money-center banks have developed powers, under Federal Reserve and OCC rulings, that have allowed them to offer products which community banks in many states are frequently precluded from offering. This bill allows community banks all the powers as a matter of right that larger institutions have accumulated on an ad hoc basis. In addition, community banks for the first time are authorized to underwrite municipal revenue bonds.

3. Regulatory relief. The legislation provides modest regulatory relief for banks with assets under $250 million. Those with an "outstanding" Community Reinvestment Act rating will be examined for compliance only every five years, while those with a "satisfactory" rating will be reviewed every four years.

4. Special provisions. For a bill of this magnitude, there are surprisingly few special interest provisions. The Congress held the line to assure that breaches of imprudent regulation were not provided to specific institutions, therefore protecting the deposit insurance fund, to which community banks disproportionately provide resources, and the public, which is the last contingency backup.

5. Prohibition on deposit production offices. The legislation expands the prohibition on deposit production offices contained in the Reigle-Neal Interstate bill to include all branches of an out-of-state bank holding company. This prohibition ensures that large multistate bank holding companies do not take deposits from communities without making loans within them.

6. Competition. The powers under the Act will provide community banks a credible basis to compete with financial institutions of any size or any specialty and, in addition, to offer, in similar ways, services that new entrants into financial markets, such as Internet or computer software companies, may originate.

In a competitive world in which consolidation has been the hallmark of the past decade, the framework of this bill assures that community banks have the tools to remain competitive. If larger institutional arrangements ever become consumer-unfriendly or geographically-concentrated in their product offerings, the powers reserved for community banks will ensure their competitive viability and, where needed, incentivize the establishment of new community-based institutions.

What the new flexibility provided community banks means is that consumers and small businesses in the most rural parts of America will be provided access to the most up-to-date, sophisticated financial products in the world, delivered by people they know and trust. Without financial modernization legislation, the trend towards commerce and banking, as well as more faceless interstate banking, will be unstoppable. Community based institutions need to be able to compete with larger institutions on equal terms or growth and economic stability in rural America will be jeopardized.

Several other sections of the legislation also deserve comment:

COMPLEMENTARY ACTIVITIES

The Act permits the Federal Reserve Board to allow financial holding companies to engage in activities that, while not financial in nature or incidental to financial activities, are complementary to financial activities. The Act provides that this authority be exercised on a case-by-case basis under the application procedure currently applicable under the Bank Holding Company Act to nonbanking proposals by bank holding companies. This procedure requires the Board to consider whether the public benefits of allowing the financial holding company to conduct the proposed complementary activity outweigh potential adverse effects. This would require the Board to consider whether the proposal is consistent with the purposes of the Bank Holding Company Act. It is expected that complementary activities would not be significant relative to the overall financial activities of the organization.

FOREIGN BANKS

For foreign banks that wish to be treated as financial holding companies, Section 103 requires that the Federal Reserve Board establish capital and management standards comparable to those required for U.S. organizations, giving due regard to national treatment and equality of competitive opportunity. The purpose of the provision is to ensure that foreign banks continue to be provided national treatment, receiving neither advantages nor disadvantages as compared with U.S. organizations. Accordingly, foreign banks that meet comparable standards are entitled to the full benefits of the Act.

The Act eliminates the application process for financial holding companies that meet the new criteria relating to capital and management. This is an important provision; it enhances efficiency and reduces regulatory burden but it also has certain consequences. One is that the Federal Reserve Board no longer has an application process through which to determine adherence by foreign banks to capital and management standards. Foreign banks operate in different home country regulatory environments, with differing accounting and reporting standards. In the past, the Board has used the applications process to assess the capital levels of individual banks seeking to expand their operations in the United States to ensure the equivalency of their capital to that required to U.S. banking organizations. Section 103 is intended to give the Board the ability to set comparable standards and establish a process for determining a foreign bank's adherence to those standards before the bank may take advantage of the Act's provisions. Such a determination could be accomplished in a pre-clearance evaluation conducted in connection with the foreign bank's certification to be treated as a financial holding company and thereby attain the benefits of the new powers.

MERCHANT BANKING

One important provision of the Act is that it would authorize financial holding companies to engage in merchant banking activities but subject to a number of prudential limitations. For example, the Act would permit a financial holding company to engage in merchant banking only if the company has a securities affiliate, or a registered investment adviser that performs these functions for an affiliate insurance company. In addition, the Act allows a financial holdings company to retain a merchant banking investment for a period of time to enable the sale or disposition on a reasonable basis and generally prohibits the company from routinely managing or operating a nonfinancial company held as a merchant banking investment.

Importantly, the Act also gives the Federal Reserve and the Treasury the authority to jointly develop implementing regulations on merchant banking activities that they deem appropriate to further the purposes and prevent evasions of the Act and the Bank Holding Company Act. Under the authority, the Federal Reserve and Treasury may define relevant terms and impose such limitations as they deem appropriate to ensure that this new authority does not foster conflicts of interest or undermine the safety and soundness of depository institutions or the Act's general prohibitions on the mixing of banking and commerce.

SECURITIES ACTIVITIES OF FINANCIAL HOLDING COMPANIES

Currently, bank holding companies are generally prohibited from acquiring more than five percent of the voting stock or any company that conducts activities that are not closely related to banking. I would like to make clear that by permitting financial holding companies to engage in underwriting, dealing and market making, Congress intends that the five-percent limitation no longer applies to bona fide securities underwriting, dealing and market-making activities. In addition, voting securities held by a securities affiliate of a financial holding company in any underwriting, dealing or market-making capacity would not need to be aggregated with any shares that may be held by other affiliates of the financial holding company. This is necessary to allow bank-affiliated securities firms to conduct securities activities in the same manner and to the same extent as their nonbank affiliated competitors, which is one of the principal objectives of this legislation. I would also like to make clear that the elimination of the five-percent restriction is intended to apply to bona fide securities underwriting, dealing and market-making activities and not to permit financial holding companies and their affiliates to control non-financial firms in ways that are otherwise impermissible under this Act.

EFFECTIVE DATE FOR ENGAGING IN NEW ACTIVITIES

New Section 4(k)(4) of the Bank Holding Company Act, as added by Section 103 of the bill, explicitly authorizes bank holding companies that file the necessary certifications to engage in a laundry list of financial activities. These activities are permissible upon the effective date of the Act without further action by the regulators. However, refinements in rulemaking may be necessary and desirable going forward. For example, the Federal Reserve Board and the Treasury Department are specifically authorized to jointly issue rules on merchant banking activities. If the regulators determine that any such rulemaking is necessary, they should act expeditiously.

In closing, while the financial modernization legislation provides for increased competition in the delivery of financial products, it repudiates the Japanese industrial model and forestalls trends toward mixing commerce and banking. The signal breach of banking and commerce that exists in current law is plugged, which has the effect of both stopping the potential "keiretzuing" of the American economy and protecting the viability, and therefore the value, of community bank charters. At many stages in consideration of bank modernization legislation, powerful interest groups attempted to introduce legislative language which would have allowed large banks to merge with large industrial concerns—i.e., to provide that Chase could merge with General Motors or Bank of America with Amoco. Instead, this bill precludes this prospect and, indeed, blocks America's largest retail company from owning a federally insured institution, for which an application is pending.

To summarize, tonight this Congress will pass a bank modernization bill true to America's fundamental economic values: excessive conglomeration is deterred, consumer protections are enhanced, consumer choices are expanded, privacy protections are created for the first time under federal law, and the safety and soundness of the nation's financial system are maintained.

Madam Speaker, I reserve the balance of my time.

Mr. LAFALCE. Madam Speaker, I yield myself 3 minutes.

Madam Speaker, I rise in strong support of the conference report on S. 900 and H.R. 10.

Before I begin, let me simply say that I would like to associate myself with each and every remark of the distinguished chairman of the Committee on Banking and Financial Services, the gentleman from Iowa (Mr. LEACH). He gave thanks to a great many individuals. I want to especially join him in giving thanks to those same individuals.

There are a few other individuals, though, that I should mention, and that is, the fine staff, not only Jeanne Roslanowick but Tricia Haisten and Dean Sagar and Jaime Lizarraga, Patty Lord, Kirsten Johnson-Obey, and the fine Senate staff of Senator SARBANES, most especially Steve Harris and Marty Gruenberg and Patience Singleton.

Also, I want to single out, this has been a bipartisan effort from within the Committee on Banking and Financial Services. The gentleman from Iowa (Mr. LEACH) the gentlewoman from New Jersey (Mrs. ROUKEMA), the gentleman from Minnesota (Mr. VENTO), myself, we would not have gotten here unless, when I was working with the administration and introducing a bill to the administration, who said they could support H.R. 665, two Republicans had not joined with me immediately in support of the administration's effort. That is the chairman of the Committee on Rules, the gentleman from California (Mr. DREIER) and the chairman of the Subcommittee on Capital Markets, Securities and Government Sponsored Enterprises, the gentleman from Louisiana (Mr. BAKER). They helped make this truly a bipartisan product.

Let us not kid ourselves, a lot of spin is being put on what has gone on. But this is largely the House product that we are witnessing today in the conference report, because the conference report, like the initial House bill, strengthens the national bank charter, contains strong CRA and privacy provisions, and that is why the administration is able to strongly endorse and support this bill.

Like the House product, the conference report before us ensures that banks have a choice of corporate governance. For the first time, we prohibit a depository institution from engaging in nonbank activities unless it has and maintains on an ongoing basis at least a satisfactory CRA rating. The Senate bill had no such provision. The Senate bill had no such provision with respect to corporate choice.

We include the strong privacy provisions that passed this House 427 to 1, except we strengthen those provisions by expanding the disclosure requirements and ensuring that stronger State privacy laws are protected. The Senate bill had no privacy provisions. The House bill that passed the previous Congress, with a number of those individuals dissenting from today's bill, they voted for the last Congress' bill with no privacy protections whatsoever.

The conference report before us does not contain a small bank exemption from CRA at all. The Senate bill did. We got them to cave on that.

I could go on and on and on, but my time has expired. Later, Madam Speaker, I would like to engage in a colloquy with the gentleman.

Mr. DINGELL. Madam Speaker, I yield myself 3 minutes.

GENERAL LEAVE

Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this measure.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Madam Speaker, I rise in strong opposition to this bill. It recognizes technological and regulatory changes that have blurred the lines between industries and products. However, it fails to recognize that human nature has not changed.

It also fails to recognize something else. The technology that has changed has made it much easier to take money from the innocent and from the unsuspecting. It relaxes protection for investors, taxpayers, depositors, and consumers.

Let us talk about what is wrong with the legislation. First, it facilitates affiliations between banks, brokerages, and insurance companies, and facilitates the creation of institutions too big to fail.

It does not reform deposit insurance or antitrust implementation and enforcement. Woe to the American people when they have to pick up the tag for one of the failures that is going to occur when competition disappears and prices shoot up and misbehavior or unwise behavior takes place.

It also authorizes banks' direct operating subsidiaries to engage in risky new principle activities, like securities underwriting, and in 5 years, merchant banking. The flimsy limitations and firewalls here will not hold back the contagion and misfortune that follows the foolishness in not reforming deposit insurance, thus creating enormous risk to taxpayers and depositors.

Second, the privacy provisions in S. 900 are at best a sham. The gentleman from Massachusetts (Mr. MARKEY) and other colleagues will set forth at length the points that need to be made on this matter. I associate myself with their remarks.

It should be noted, as a third point, that this bill undermines the Community Reinvestment Act. Many of my colleagues will speak to this point more eloquently than I. I wish to associate myself with their remarks.

Fourth, it undermines the separation of banking and commerce. Title IV closes the unitary thrift loophole by barring future ownership of thrifts by commercial concerns, but some 800 firms are grandfathered and can engage in any commercial activity, even if they are not so engaged on the grandfather date.

Moreover, Title I allows new financial holding companies, which incorporate commercial banks, to engage in any complementary activities to financial activities determined by the Federal Reserve. Any S&L holding company, whether or not grandfathered, can engage in activities determined to be complementary for financial holding companies.

S. 900 clearly ignores the warning that Secretary Rubin gave to Congress in May: "We have serious concerns about mixing banking and commercial activities under any circumstances, and these concerns are heightened as we reflect on the financial crisis that has affected so many countries around the world for the past 2 years."

Fifth, the conference agreement would let banks evaluate and process health and other insurance claims without having to comply with State consumer protections. This means banks, of all people, will make important medical benefit decisions that patients and doctors should make.

According to the National Association of Insurance Commissioners, S. 900 would prevent up to 1,781 State insurance protection laws and regulations from being applied to banks that conduct insurance activities.

Sixth, it contains provisions with regard to the redomestication of mutual insurers that will have a devastating effect upon State regulation and upon the investors and insurance customers.

Madam Speaker, I include for the RECORD the following documents:

NATIONAL COMMUNITY
REINVESTMENT COALITION,
November 1, 1999.

DEAR MEMBER OF CONGRESS: On behalf of our 700 member community organizations, the National Community Reinvestment Coalition (NCRC) urges you to vote against the Gramm-Leach-Bliley Financial Services Modernization Act of 1999. NCRC believes the Gramm-Leach-Bliley bill will undermine progress in neighborhood revitalization by chipping away at major provisions of CRA (Community Reinvestment Act). It also misses a vital opportunity to greatly expand access to credit and capital to America's working class and minority communities by modernizing CRA as Congress modernizes the financial services industry.

During the 1990's, a strengthened Community Reinvestment Act (CRA) has played a major role in increasing access to loans and investments for working class and minority communities. Federal Reserve Governor Edward Gramlich recently estimated that CRA-related home, small business, and economic development loans total $117 billion annually.

Contrary to what is being said, this bill will have a negative impact on CRA and the considerable progress of lending to low- and moderate-income communities made by our nation. By stretching out small bank CRA exams to five years for an "Outstanding" rating and four years for a "Satisfactory" rating, this bill will reduce the effectiveness of CRA as a tool in rural and small town America. Small banks (under $250 million in assets) will become adept at gaming the CRA process. They will relax their CRA lending in underserved communities for three or four years, and then hustle to make loans the last year before a "twice in a decade" CRA exam. The current practice of CRA exams occurring once every two years keeps small banks on their toes since they know that the next exam is just around the corner.

In addition, NCRC objects to the so-called "sunshine" provision of this legislation. While no one can argue with the concept of sunshine, the provisions in this bill provide no real sunshine and are aimed instead at chilling the First Amendment rights of advocates. By requiring special reporting requirements only of those groups which comment on applications and the CRA records of banks, this bill provides a disincentive for community groups to particpate in the CRA process. Additionally this bill prevents banking agencies from monitoring the level of loans and investments made under CRA agreements during CRA exams and merger applications. These provisions are bad public policy designed solely to restrict the ability of communities to demand accountability and continue reinvestment from their financial institutions.

NCRC understands the symbolic importance of the "have and maintain" CRA rating clause in this bill. We believe that the requirement that financial holding companies have at least a "Satisfactory" CRA rating in order to merge or engage in new non-banking financial activities is useful because it will give the industry even more incentive to avoid failing CRA ratings. On a practical level, however, this so-called "extension of CRA" is largely illusory. By not requiring applications and public comment periods when financial holding companies merge or engage in the new insurance, securities, and other non-banking activities, this bill eliminates the most effective tool communities have to insure the accountability of financial holding companies to their community.

We also hasten to point out that the "have and maintain" provision is unlikely to have any practical effect. Due to the bank regulators' rampant grade inflation, none of the largest holding companies that would most likely be affected by this clause have any depository institutions with a less than Satisfactory CRA rating. Satisfactory CRA ratings have become so automatic that recently the OCC granted a "Satisfactory" rating to a Mississippi institution and the Federal reserve approved a major merger of that institution at the same time that the Department of Justice was in the process of finding that the bank was in violation of the nation's fair lending laws.

Meanwhile, the most important issues confronting the continued progress of reinvestment are not addressed by this legislation. Because of the current link of CRA to depository institutions, some holding companies whose depository institutions are covered by CRA are simultaneously engaging in predatory, subprime lending through affiliates not covered by CRA. Other non-depository affiliates that will be making considerable number of loans will simply overlook low- and moderate-income communities. The financial modernization bill misses an important opportunity to extend CRA and fair lending laws to non-depository affiliates of holding companies that make significant amounts of loans.

The explosion of internet banking is muddling the significance of what are called "service areas" in the Community Reinvestment Act. A large institution which takes deposits and makes loans throughout the nation can nonetheless restrict its "service area" to one small locale if it operates without the traditional bricks and mortar branch structure. These and other fundamental issues relating to the updating and modernizing of CRA should have been dealt with in a financial modernization bill and were not.

Finally, we want to be sure that you are clearly aware that the vast majority of community groups do not support this bill despite claims to the contrary. While we know of one high profile group that has endorsed this bill, we are unaware of any others. Almost all of our members, who represent the heart of the community reinvestment industry in this country, have been expressing their profound disappointment in this legislation.

Millions of low- and moderate-income and minority individuals and families have become homeowners and small business owners because of a strong Community Reinvestment Act. We urge you to vote against this bill because of its failure to adequately update and protect CRA. Attached please find a list of NCRC's 700 community organization and local public agency members organized by state.

Sincerely,

JOHN TAYLOR,
President and CEO.

NATIONAL COMMUNITY
REINVESTMENT COALITION,
October 29, 1999.

Hon. WILLIAM JEFFERSON CLINTON,
President of the United States of America,
The White House, Washington, DC.

DEAR MR. PRESIDENT: On behalf of our 700 member community organizations, the National Community Reinvestment Coalition (NCRC) respectfully urges you to veto the Gramm-Leach-Bliley Financial Services Modernization Act of 1999 when it comes before you. We appreciate this Administration's strong commitment to the Community Reinvestment Act. The development of the new CRA regulations early in your Administration and the Department of Justice's focus on fair lending issues has made a significant difference in the ability of residents of low- and moderate-income communities to gain access to credit. We also appreciate your Administration's commitment to fighting off the most anti-CRA aspects of the Senate version of financial modernization.

We believe the Gramm-Leach-Bliley bill as proposed will undermine progress in reinvestment and misses a vital opportunity to greatly expand access to credit and capital to America's traditionally undeserved communities. NCRC thought that the financial modernization bill offered an ideal opportunity for this Administration to put its stamp on the evolution of the financial services industry by updating and modernizing CRA so that it would continue to be relevant to the evolving financial services industry in the 21st century. Unfortunately, the bill that is about to be passed fails to do that in any significant way, while at the same time chipping away major provisions of the current law.

NCRC understands the symbolic importance of the "have and maintain" CRA rating clause in this bill. We believe that the requirement that financial holding companies have at least a "Satisfactory" CRA rating in order to merge or engage in new activities is useful because it will give the industry even more incentive to avoid failing CRA ratings. On a practical level, however, this so-called "extension of CRA" is largely illusory. By not requiring applications and public comment periods when financial holding companies merge or engage in these new activities, this bill eliminates the most effective tool communities have to insure the accountability of financial institutions to their community.

We also hasten to point out that the "have and maintain" provision is unlikely to have any practical effect. Due to the bank regulators' rampant grade inflation, none of the largest holding companies that would most likely be affected by this clause have any depository institutions with a less than Satisfactory CRA rating. Satisfactory CRA ratings have become so automatic that recently the OCC granted a "Satisfactory" rating to a Mississippi institution and the Federal Reserve approved a major merger of that institution at the same time that the Department of Justice was in the process of finding that the bank was in violation of the nation's fair lending laws.

Also we would note that contrary to what is being said, this bill does have a negative impact on current CRA law. By stretching out small bank CRA ratings to five years for an "Outstanding" rating and four years for a "Satisfactory" rating this bill will reduce the effectiveness of CRA as a tool in rural America. Earlier in your Administration, these institutions were already given a greatly simplified CRA evaluation system that addressed the regulatory relief concerns of small banks. The extension of the examination cycle only serves to make CRA more difficult to enforce for small banks

We also object to the so-called "sunshine" provisions of this law. While no one can argue with the concept of sunshine, the provisions in this bill provide no real sunshine and are aimed instead at chilling the First Amendment rights of advocates. By requiring special reporting requirements only of those groups which comment on applications and the CRA records of banks, this bill provides a disincentive for community groups to participate in the CRA process. Additionally this bill prevents banking agencies from monitoring the level of loans and investments made under CRA agreements during CRA exams and merger applications. These provisions are bad public policy designed solely to restrict the ability of communities to demand accountability from their financial institutions.

Meanwhile the most important issues facing the reinvestment community remain unaddressed by this legislation. Because of the current link of CRA to depository institutions, some holding companies whose depository institutions are covered by CRA are simultaneously engaging in predatory, subprime lending through affiliates not covered by CRA. Other non-depository affiliates that will be making considerable number of loans will simply overlook low- and moderate-income communities. The financial modernization bill missed an important opportunity to extend CRA and fair lending laws to non-depository affiliates of holding companies that make significant amounts of loans.

The explosion of internet banking is muddling the significance of what are called "services areas" in the Community Reinvestment Act. A large institution which takes deposits and makes loans throughout the nation can nonetheless restrict its "service area" to one small locale if it operates without the traditional bricks and mortar branch structure. These and other fundamental issues relating to the updating and modernization of CRA should have been dealt with in a financial modernization bill and were not.

Finally we want to be sure that you are clearly aware that the vast majority of community groups do not support this bill for the reasons we have outlined above. We have heard some members of this Administration making the claim that "community groups support this bill." While we know of two high profile groups that have endorsed this bill, we are unaware of any others. Almost all of our members, who represent the heart of the community reinvestment industry in this country, have been expressing their disappointment in this bill.

Millions of low- and moderate-income and minority individuals and families have become homeowners because of the strong economy and because of your Administration's commitment to improving the access to credit and capital for Americans of modest means. We urge you to continue to strengthen that commitment by vetoing this bill because of its failure to adequately strengthen and protect CRA. As always we stand ready to work with you to continue to improve the Community Reinvestment Act.

Sincerely,

JOHN TAYLOR,
President and CEO.

NATIONAL CONFERENCE OF STATE LEGISLATURES, NATIONAL CONFERENCE OF INSURANCE LEGISLATORS,
October 28, 1999.

DEAR REPRESENTATIVES: We write today to express our opposition to the Conference Committee Report on the Gramm-Leach-Bliley Financial Modernization Act. We are dismayed at the inclusion in the legislation of Subtitle B, the Redomestication of Mutual Insurers. We submit that Subtitle B is not in the public interest, rather it is anti-consumer. This provision would circumvent well-designed and thought-out state policy regarding the redomestication of mutual insurance companies. Subtitle B has little to do with financial services modernization. Rather it serves to undermine state law, which seeks to protect our constituents for the benefit of a few. Gramm-Leach-Bliley could place as many as 35 million policyholders, many of your constituents, at risk of losing $94.7 billion in equity. Should this occur, it would amount to a Congressionally approved takings of consumers' personal property.

Subtitle B would allow mutual insurers domiciled in states whose legislatures have elected not to allow mutual insurers to form mutual holding companies to escape that legislative determination. It would allow mutual insurers to move simply because a state, through its duly elected legislative branch of government, has determined that formation of mutual holding companies is not in the best interest of the state or its mutual insurance policyholders who are, after all, the owners of the company. Gramm-Leach-Bliley will preempt the anti-demutualization laws in 30 states: Alabama, Alaska, Arizona, Arkansas, Colorado, Connecticut, Delaware, Georgia, Hawaii, Idaho, Illinois, Maine, Maryland, Michigan, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Oklahoma, South Dakota, Tennessee, Utah, Virginia, Washington, West Virginia, and Wyoming.

We support the overall intent of S. 900/H.R. 10, which is to modernize financial services regulation and to make the U.S. financial services industry competitive with its overseas counterparts. However, not one supporter of redomestication has come forward to prove that the Subtitle B is indeed vital to financial services modernization or even to defend its inclusion in the legislation. There were no hearings on this Subtitle by any of the House or Senate Committees. Subtitle B was added to H.R. 19 by attaching it to an amendment on domestic violence because such an onerous provision could not stand-alone.

The National Conference of State Legislatures is the bipartisan national organization representing every state legislator and the National Conference of Insurance Legislators is the national conference of state legislators who are involved in the regulation of the business of insurance within their respective states. Both of our organizations have unanimously adopted resolutions opposing Subtitle B and supporting its deletion from any financial services modernization legislation.

On behalf of our colleagues across the country and especially our millions of constituents who will wonder why Congress gave away their hard-earned equity, we respectfully ask you vote NO on Gramm-Leach-Bliley.

We thank you for your consideration.

Very truly yours,

DAVID COUNTS,
Texas, NCOIL President.
JOANNE EMMONS,
Michigan, Chair, NCSL Commerce & Communications Committee.

To see how policyholders in your State would fare if the Gramm-Leach-Bliley Financial Modernization Act is approved with subtitle B of title III, Redomestication of Mutual Insurers, included look below:

According to the Center for Insurance Research, if all the major mutual life insurers took advantage of the provisions in Subtitle B of Gramm-Leach the equity loss to consumers in each state:

State	Number of policies in State	Policyholder equity/equity per policy
Alabama	247,666	$449,895,848/$1,817
Alaska	48,208	$98,061,387/$2,034
Arizona	48,208	$98,061,387/$2,034
Arkansas	116,906	$207,701,616/$1,777
California	2,713,352	$4,960,251,308/$1,828
Colorado	758,110	$1,307,009,088/$1,724
Connecticut	739,154	$1,176,333,479/$1,591
Delaware	326,315	$549,292,374/$1,683
District of Columbia	239,447	$408,029,322/$1,704
Florida	1,164,719	$2,121,274,692/$1,821
Georgia	636,580	$1,179,107,023/$1,852
Hawaii	96,275	$169,195,580/$1,757
Idaho	100,587	$193,715,897/$1,926
Illinois	2,397,312	$3,960,690,446/$1,652
Indiana	541,558	$962,599,522/$1,777
Iowa	431,090	$1,338,632,792/$3,105
Kansas	269,657	$470,714,158/$1,746
Kentucky	277,135	$480,640,500/$1,734
Louisiana	316,315	$591,448,499/$1,870
Maine	111,933	$192,199,433/$1,717
Maryland	636,883	$1,082,119,697/$1,699
Massachusetts	1,981,266	$3,261,185,133/$1,646
Michigan	1,110,156	$1,860,412,511/$1,676
Minnesota	588,441	$1,111,376,308/$1,889
Mississippi	139,868	$254,615,010/$1,820
Missouri	577,461	$1,095,410,874/$1,897
Montana	56,782	$115,774,249/$2,039
Nebraska	264,216	$699,369,591/$2,647
Nevada	111,221	$214,805,432/$1,931
New Hampshire	278,240	$489,566,776/$1,760
New Jersey	1,699,347	$2,728,633,207/$1,606
New Mexico	95,171	$174,583,939/$1,834
New York	5,880,112	$9,266,505,199/$1,576
North Carolina	794,164	$1,444,262,155/$1,819
North Dakota	59,880	$101,470,302/$1,695
Ohio	1,211,900	$2,003,778,838/$1,653
Oklahoma	207,112	$388,637,200/$1,876
Oregon	221,649	$469,571,008/$2,119
Pennsylvania	1,718,176	$2,833,890,186/$1,649
Rhode Island	155,127	$247,360,868/$1,595
South Carolina	299,696	$512,172,351/$1,709
South Dakota	76,699	$140,116,016/$1,827
Tennessee	435,647	$780,407,441/$1,791
Texas	1,364,196	$2,349,322,551/$1,722
Utah	127,730	$244,256,886/$1,912
Vermont	90,174	$139,448,870/$1,546
Virginia	621,314	$1,229,173,697/$1,978
Washington	371,381	$755,995,423/$2,036
West Virginia	136,532	$243,900,505/$1,786
Wisconsin	635,856	$1,194,889,155/$1,879
Wyoming	30,643	$63,201,358/$2,062

Note: This list is only for Life Mutuals, additional equity at risk for Health Mutuals and Property/Casualty Mutuals. Center for Insurance Research—617 367–1040.

The list above includes some states that may have passed demutualization legislation. However, the laws of the state of domicile of the mutual insurer apply to policyholders even in those states that have decided to permit demutualization.

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Mr. BLILEY. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, since 1994 when the Republicans took control of Congress, we have passed telecommunications reform, securities litigation reform, Medicare reform, the Safe Drinking Water Act amendments of 1996, the Food Quality Protection Act of 1996, the Health Insurance Portability and Accountability Act, welfare reform, the Balanced Budget Act of 1997, Food and Drug Administration Modernization Act of 1997, and numerous other reform and modernization bills on behalf of the American people. These are just a few of the unprecedented number of pro-consumer, bipartisan laws that my committee worked on.

We now stand poised to add another significant reform to the top of the list.

Today we are about to achieve something that no Congress before us in the last 65 years has been able to accomplish, agreeing to comprehensive financial services modernization. For 65 years, beginning with the efforts of a gentleman from Virginia, Representative Carter Glass, Congress has struggled to reform and modernize the regulation of our financial services industry. Mr. Glass was unsuccessful, but his legacy continues.

Last term, we were told by every industry lobbyist and Washington trade associations that this bill was dead; that it could not be done; that Congress had neither the will nor the vision to overcome the special interests opposed to this legislation.

Whether out of ignorance or hardheadedness we continued to push forward, suffering the opposition at various points of almost every industry faction and interest, but we prevailed.

Two years ago our committee breathed life into this legislation by putting consumers first. Until then every special interest group had agreed in concept to a level playing field, but just with a slight tilt toward their industry.

The bill was full of regulatory arbitrage, allowing companies to shift money and activities to the place of least regulation and fewest consumer protections.

Our committee said no to these special interest lobbyists. We laid down the law that activities should be regulated with the same strong consumer protections and safeguards no matter where the activity takes place.

This is called functional regulation, and functional regulation means that everyone gets the same oversight, the same rules, with no special advantage towards any party. The lobbyists do not like it but it is common sense, and it is right. We then looked at the barriers and red tape that prevented companies from offering and competing in a wide variety of products for consumers. American jobs were being lost and consumers were paying too much for their financial services, because government was still imposing 65-year-old burdens and bureaucracy, created long before computers became commonplace and anyone even dreamed of the Information Age.

This bill removes those antiquated barriers and eliminates the bureaucratic red tape. It gets government off the back of business and enables them to compete for consumers worldwide in the markets of the 21st century. This is critical to keep our economy and American job opportunities the best in the world.

We then stood shoulder to shoulder together with our Democratic colleagues to demand that this bill must establish strong consumer protection for companies wishing to engage in new competitive opportunities. We established strict antidiscrimination provisions, requirements for banks to reinvest in their local communities, protections for victims of domestic violence and full protection of antitrust laws to ensure the safety and soundness of our monetary system.

These are critical protections for consumers that have waited far too long for congressional action.

Let us stop for a moment and think about the reforms that this Gramm-Leach-Bliley Act would achieve. We are creating the first-ever general financial privacy laws to protect the privacy of consumers' information. Current law provides almost no protection for the individual consumer to know how their private information is being shared or how to stop confidential information from being sold. This bill gives consumers privacy protections. It gives them the right to stop information from being sold to unaffiliated third parties and the knowledge to make a choice about where they want to do business.

These protections are all improvements over current law and represent a huge first step towards improving the privacy rights of consumers. To let this opportunity slip through our fingers would be doing a grave disservice to the American people.

This bill also sets forth a framework for new consumer protections for insurance, securities and banking functional regulation. For too long we have allowed unelected bureaucrats to fight over regulatory turf, losing sight of the consumer in the process. We have put an end to these turf battles and put the consumer back at the forefront of our agency's agenda. We also provide for flexible but comprehensive oversight of the financial services industry by a coordinated body of independent and administrative agencies.

We watched the global meltdown of the international financial markets and we heard the worries of the American people about strengthening our local markets against outside attacks. We cannot afford to have one single American left behind or put at risk because Congress did not have the courage to bring our financial services industry together under a modern regulatory system.

This bill does that, and I believe that this Congress does have the courage to make these reforms. We found the solutions to bring people together and we now stand ready to reinvigorate our financial services industry to give the American people the best financial services and protections in the world.

I want to commend my fellow chairmen, Chairman GRAMM and the gentleman from Iowa (Mr. LEACH); thanks to my good friend, the gentleman from Ohio (Mr. BOEHNER), whose good work last Congress put us on the green within putting distance, and most especially I want to thank and commend the gentleman from Ohio (Mr. OXLEY), the subcommittee chairman.

The gentleman from Ohio (Mr. OXLEY), who never gave up, who kept his shoulder to the wheel throughout this entire process, he never let us succumb to the petty vagaries of politics. We would not have a bill without the gentleman from Ohio (Mr. OXLEY). So I again commend and thank him.

I want to thank all the staff that was involved in this effort. I especially thank my own staff, all five and a half of them, David Cavicke, Brian McCullough, Robert Gordon, Robert Simison and, of course, Linda Rich, with the help of little Peter MacGregor Rich.

I think the Members of this conference should be proud. We have shown the will to overcome every obstacle thrown in our way and to stand on the brink of accomplishing something great for our country.

Sixty-five years after Carter Glass from Virginia started the financial service modernization effort, we are finally fulfilling his vision for the American people. I urge support of the Gramm-Leach-Bliley Act and look forward to adding this legislation to the many achievements of this Congress.

Madam Speaker, I reserve the balance of my time.

Mr. LEACH. Madam Speaker, I yield 30 seconds to the gentleman from Florida (Mr. MCCOLLUM).

Mr. McCOLLUM. Madam Speaker, I rise in support of this most significant legislation. It will modernize and strengthen our banking system and assure the viability and availability of retail banking into the next century. It will provide consumer privacy in banking for the first time ever. It will make it easier for consumers to handle their banking and insurance and security matters and it will lower the cost to consumers for banking, insurance and securities products and services.

It is truly the most significant banking legislation of all the years I have served on the Committee on Banking and Financial Services. I strongly support it. I urge its adoption. I am proud to have worked with the gentleman from Iowa (Mr. LEACH) and the others to craft it and I hope it is adopted tonight.

Mr. LAFALCE. Madam Speaker, I yield myself such time as I may consume to engage in a colloquy with the chairman of the Committee on Banking and Financial Services, the gentleman from Iowa (Mr. LEACH).

Am I correct in stating that it is the intent of the conferees that the disclosure and reporting requirements contained in section 11 be interpreted narrowly so as to reduce the burden on parties regarding these disclosure and reporting requirements?

Mr. LEACH. Madam Speaker, will the gentleman yield?

Mr. LAFALCE. I yield to the gentleman from Iowa.

Mr. LEACH. Yes. There are two subsections that should be read together. One that calls for a listing of expenses and the other that stipulates regulations promulgated under this provision not establish undue regulatory burdens. While tensions exist between these two sections, the clear intent is for regulatory discretion in implementing the reporting requirements.

For instance, meal expenses and taxicab receipts are not contemplated as having to be reported under this new section. In addition, it is clear, as indicated in the conference report, that in the vast majority of cases groups may comply with the disclosure and reporting requirements through the filing of audited statements or tax returns.

Mr. LAFALCE. Well, that is very important. It is my understanding that the reporting requirement related to what information is to be included is intended to allow compliance by the filing of an annual financial statement or Federal income tax return. It is not the intent that this provision require a reporting of any particular expense but rather a listing of the categories of expenses, if any, required to be reported. Is that also the understanding of the gentleman?

Mr. LEACH. Yes, it is my understanding, and I understand as well that the gentleman may be inserting for the RECORD a further elaboration of this issue which reflects our mutual understanding of how this section is to be treated.

Mr. DINGELL. Madam Speaker, I yield 2 minutes to the distinguished gentlewoman from California (Ms. WATERS), a member of the Committee on Banking and Financial Services.

Ms. WATERS. Madam Speaker, serving on the Committee on Banking and Financial Services I understand and I understood for a long time that one day we would have a bill that would allow these entities to come together, banking and commercial interests, and merge. I knew that would happen, but I always knew that we could protect the consumers if we wanted to do that. What I am surprised about is the mean-spirited way in which we have undermined the Community Reinvestment Act.

There was no need to have CRA on the table except for one person, who does not like CRA, came into the conference committee, determined that he was going to weaken it and he did. These reporting requirements are unnecessary. They are simply there to intimidate. What other situation do we have where two private entities, with an agreement, have to report on it? No place, no place else but with CRA. I do not care what they say the intent is. CRA has been weakened.

The rural communities and the inner cities will feel the impact of it because the activists will go away. They will not be able to comply with these requirements. But that is not what is going to undo what we do here tonight. The poor people do not have the power. The activists could not stand up against the big banks. I knew that CitiCorps and Travelers would not undo their relationship. They would have had to undo it in two years if we did not have this law tonight because they acted on their own to come together and merge, but I knew they would win. Too big to fail.

What is going to undo what we do here tonight is the invasion of privacy of American citizens. What has been done is the opportunity has opened up for one conglomerate to know everything there is to be known about an individual and their family, everything from their medical, financial records, everything. We will pay a price for this. We have paid a price for mistakes in the past as we dealt with the S&Ls. This will be another one that we will regret.

Mr. BLILEY. Madam Speaker, I yield as much time as he may consume to the gentleman from Ohio (Mr. OXLEY), the chairman of the Subcommittee on Commerce, Justice, State and Judiciary.

The SPEAKER pro tempore (Mrs. EMERSON). The gentleman from Ohio (Mr. OXLEY) has up to 3 minutes.

Mr. OXLEY. Madam Speaker, I rise in support of this historic legislation. We are replacing Glass-Steagall finally, after 65 years, with Gramm-Leach-Bliley, and everybody participated in this effort. There is a great deal of credit for a job well done. We have had the heart and the courage. A lot of people have doubted us because it took us a long time but we are here tonight to pass this bill.

It sets a standard, a strong standard, for consumer safeguards and establishes a strong regulatory foundation for financial services.

Let me mention a few highlights. This year in our committee I introduced the first ever comprehensive financial privacy protections for consumers. It was adopted by the full House and stronger provisions with the work of the gentlewoman from New Jersey (Mrs. ROUKEMA) and others in the House-Senate conference committee. Under current law, consumers have no ability whatsoever to find out how their personal financial information is being shared. This bill, for the first time, gives them that ability.

If we want strong consumer protections, particularly a right to privacy, vote for this legislation because to keep the status quo is to have no privacy protection whatsoever. It protects account numbers and access codes. It protects strong State privacy laws from being overridden, and that is very, very important.

I find it interesting that some Members, while recognizing that everything in this bill is an improvement over current law, still argue that we should not enact any protections, nothing at all, if we cannot load up the bill with every bell and whistle that they want. This is partly why this bill has been sabotaged in every effort in the last 65 years until this Congress demonstrated the leadership to move it forward.

The Gramm-Leach-Bliley Act affords real protections and safeguards for Americans that become law, not just empty words and political posturing. The privacy protections are only some of the many pro-consumer entitlements in the bill. Under current law, individual consumers have no statutory protections governing bank sales of insurance. This bill provides that protection.

□ 2200

Domestic violence. Protection against domestic violence discrimination. State insurance regulators now have equal standing to protect consumers when regulating. In fact, this bill establishes the consumers' right to functional regulation of all financial activities, which is the bedrock of this legislation, this functional regulation. I am proud that this bill does that.

This bill makes our system work, and it makes our financial system strong and safe and the envy of world.

I want to congratulate all of those who were involved in this effort, particularly the gentleman from Iowa (Chairman LEACH), the gentleman from Virginia (Chairman BLILEY) for their strong efforts in this regard.

Madam Speaker, I would be remiss at this time in not mentioning the hard work and dedication of a young man named Greg Koczanski, who was senior vice president of Citigroup, and many of my colleagues knew him, as we discuss this legislation that was so important to Greg.

As many of my colleagues know, Greg died in a tragic hiking accident earlier this year in Colorado. He was a devoted family man, an avid sportsman, and true professional in every sense.

I salute Greg for the time and energy he committed to the process of moving this bill forward. S. 900 bears the imprint of his hard work.

Madam Speaker, the gentleman from Massachusetts (Mr. MARKEY), a good friend of mine, always likened this bill to Sisyphus rolling that boulder up the hill, and he was doomed, doomed to have that boulder roll back on him and time and time again, doomed for eternity. I say to the gentleman from Massachusetts, no longer, no longer do I have to hear that speech in the Committee on Commerce or on the floor. For that reason and that reason alone, it is important that we pass this bill tonight.

Mr. LEACH. Madam Speaker, I yield 1 minute to the gentlewoman from New Jersey (Mrs. ROUKEMA), the distinguished chairman of the Subcommittee on Financial Institutions and Consumer Credit.

Mrs. ROUKEMA. Madam Speaker, I want to clarify the questions regarding the privacy title.

Section 503 requires financial institutions to provide customers with a copy of the financial institution's privacy policies and practices. These documents must be provided to customers at the time the customer establishes a relationship with the financial institution and not less than annually during the continuation of that relationship.

What about single-event transactions, as they are known, with a financial institution? What does section 503 require of financial institutions if the relationship with the customer is single-event transactions, like the purchase of teller's checks, money orders, or remote bill payments at businesses that do not have an ongoing relationship?

Madam Speaker, what would we do if these bill payments are done at businesses that do not have an ongoing relationship?

Mr. OXLEY. Madam Speaker, will the gentlewoman yield?

Mrs. ROUKEMA. Yes, I will be pleased to yield to the gentleman from Ohio.

Mr. OXLEY. Madam Speaker, as we discussed, in single-event transactions such as the ones the gentlewoman from New Jersey mentioned, financial institutions must disclose to the customer their privacy policies and practices at the time the transaction is entered into. A customer relationship is created, but it is over in an extremely short amount of time. In these types of transactions, no continuing relationship between the financial institution and the customer is created. For this reason, the financial institution is not required to provide its privacy policies to such customers annually. That was clearly our intent.

Mrs. ROUKEMA. Madam Speaker, I appreciate that.

Mr. LEACH. Madam Speaker, if the gentlewoman will yield, I agree with the interpretation just expressed.

Mrs. ROUKEMA. Madam Speaker, I think this is very important for us to have on the record the interpretation of this legislation.

Mr. LAFALCE. Madam Speaker, I yield 1 minute to the gentleman from Texas (Mr. BENTSEN).

Mr. BENTSEN. Madam Speaker, let me first say I support this legislation, and I want to commend the chairman and the ranking member of the Committee on Banking and Financial Services for the work they have done and the staff for the work they have done.

Besides the financial and monetary policy reasons for doing this bill, I think there are some important facts we have to understand. I concur with the gentlewoman from California (Ms. WATERS) that CRA should not have been part of this legislation, but we have to understand the facts of it. It was part of the legislation. Because of this legislation, we have the stronger CRA language for businesses that want to get into other financial businesses. That is not in the current law.

We also have a stronger law as it relates to smaller institutions because, even though they get a longer interval before they have a CRA review, the bill is written in such a way that allows the regulator to go in if there is a material change. So I think CRA actually came out better.

The sunshine may be somewhat of a nuisance, but it was very narrowly tailored in the final stages of this bill.

With respect to privacy, the point has been made, and it cannot be denied, that the provisions in this bill would not exist without this bill. Consumers are better off by enacting these provisions. We will have to revisit privacy. Everyone knows it. But if we fail to pass this bill, consumers will be worse off as it relates to privacy.

Mr. DINGELL. Madam Speaker, I yield 2 minutes to the distinguished gentleman from Massachusetts (Mr. MARKEY), a member of the Committee on Commerce.

Mr. MARKEY. Madam Speaker, we are told how difficult it is, how complex it is to deal with all of these privacy issues. But when Citigroup is doing business in Germany, and the German laws say that every German citizen has the right to protect all their information, has the right to say, no, they do not want it shared, Citigroup gives every German citizen a contract protecting their information.

Now, they do not want to give that same contract to American citizens in their own country. Citigroup says no, we cannot do it in America. It is too complex.

Now, the American laws have figured out how to ensure one's tax returns do not get shared, how one's driver's license information does not get shared, one's video cassette rentals, one's cable TV viewing habits, one's telephone call records, the location of where one is when one is using one's cell phone.

Yes, we can pass laws for that. But the financial services industry says, it would really ruin our synergies if you made it necessary for us to protect your private information, your checks.

If one wrote a check for one's child's psychiatrist, for one's prostate cancer, for one's wife's breast cancer, no, one cannot protect that information. It is our product to sell to market.

There is only one thing that really exists here, Madam Speaker. One gets one notice, and one gets one notice only from these banks. Here is what one is going to get: Notice, you have no privacy.

They are going to be legally required to tell one one has no privacy. Commerce without a conscience. Profit before privacy. Can we not have a balance in this country?

William Shakespeare, 5 centuries ago: "Who steals my purse steals trash; 'tis something, nothing."

"'Twas mine, 'tis his, and has been slave to thousands."

But "he that filches from me my good name robs me of that which not enriches him, and makes me poor indeed."

Here, Madam Speaker, one's good name enriches the financial services industry and will make each family poor, indeed, as it is robbed, stolen, filched, and capitalized upon by the financial services industry in this country. Vote no on this bad bill.

Mr. LEACH. Madam Speaker, I yield 45 seconds to the distinguished gentlewoman from New York (Mrs. KELLY).

Mrs. KELLY. Madam Speaker, I thank the distinguished gentleman from Iowa for yielding me the time.

Madam Speaker, I rise today in strong support for the passage of the Gramm-Leach-Bliley Financial Services Act of 1999. This conference report truly bridges the disagreements that have torn apart past efforts to update our financial services laws and brings our laws into the 21st century.

The true winner in this effort is the consumer. They win on two fronts: first with savings, and second through the greatest expansion of financial privacy.

Two provisions are especially noteworthy and will save consumers money. The NARAB provision will solve a difficult and costly multistate insurance licensing issue by creating a single higher national standard.

Another provision will allow banking firms to sell mutual funds to their customers without having to go through third-party distributors that do not provide any added value to the bank or customers.

This legislation is a true win-win for the American people, and I urge my colleagues on both sides of the aisle to join me in favor of the passage of this historic legislation.

This legislation has been decades in the making and I am pleased to have been part of the effort to make this legislation a reality. Of course, this would not have been possible without the excellent work of my chairman and his top notch staff who set the best example we can all strive for.

As for privacy, this legislation represents the greatest expansion of personal financial privacy in the history of American finance. Consumers will benefit from the mandatory disclosure by financial institutions of privacy policies and the consumer opt-out choices to prevent the sale of confidential information to unaffiliated third parties. This represents only two of the many positive privacy provisions.

I want to go into greater detail on the provisions of this legislation that will create NARAB—the National Association of Registered Agents and Brokers. This subtitle, which I authored, will streamline the insurance agent and broker licensing process.

Allow me to read something that demonstrates both the desire of state regulators to achieve the goal of establishing uniform or reciprocal licensing standards goal and the great impediments to its attainment:

> The Commissioners are now fully prepared to go before their various legislative committees with recommendations for a system of insurance law which shall be the same in all States—not reciprocal, but identical; not retaliatory, but uniform.

This statement expressing the desire for a more uniform insurance regulatory system was made by George W. Miller, the New York Insurance Commissioner who founded the National Association of Insurance Commissioner, at the close of the very first meeting of the NAIC in 1871. The NAIC has been working for almost 130 years to achieve some level of regulatory uniformity; NARAB will simply assist them in achieving what has proved to be a very elusive objective.

As advocated by the state insurance commissioners, state insurance regulation is preserved in this legislation. What NARAB does, though, is address one of the shortcomings of state regulation. Licensing laws are not only unnecessarily redundant; they all too often are protecionist—designed to protect in-state agents and brokers from out-of-state competition. The NARAB designed to protect in-state agents and brokers from out-of-state competition. The NARAB subtitle creates the incentive for states to change those out-of-date laws and regulations.

Now that this legislation stands at the brink of enactment, state insurance regulators must recognize that NARAB is the tool they need to make licensing less of a burden, and less of an add-on cost to consumers. Throughout the three-year debate on this provision, some state insurance commissioners argued that they're getting the job done on their own, and NARAB is unnecessary. Unfortunately, they've been saying that for 130 years. With NARAB's enactment into federal law, there is no choice but for state licensing laws to move into alignment with the broader modernization goals of this legislation.

Madam Speaker, it is an embarrassment that the separate nations of Europe have done more to harmonize their insurance licensing laws, compared to the separate states of America. NARAB will help change that.

The Gramm-Leach-Bliley Act is good for business and consumers in many ways. It's important to note, though, that many of the provisions of this legislation only bring the regulatory scheme into line with what's already happening in the marketplace. NARAB stands out as one of the key elements of this legislation that represent true modernization. I was pleased to author this element of the bill, and am grateful for the wide support it has enjoyed throughout this process.

Most of all, speaking as a moderate, I feel honored to have played a role in the enactment of important legislation that has had true bipartisan leadership. As it should be, this is a legislative product that should make us all proud.

Mr. LAFALCE. Madam Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. WATT).

Mr. WATT of North Carolina. Madam Speaker, I thank the gentleman from New York for yielding me the time.

Madam Speaker, for the last 4 years, there are probably few people in this body who have spent more time on this issue and on this bill than I have. I have read every bill and every draft from front to back over and over again and studied the provisions.

There are some problems with the bill that came out of the conference bill. In many respects, it is not as good a bill as the bill we passed out of the House. But for every problem in the bill, there are also some good things in the bill. So, on balance, I have decided that this is a bill that is worthy of support.

We should continue to work on the problems that exist with the bill. We should address those problems dealing with privacy, reporting under the CRA requirements, and other provisions that I think are lacking.

But on balance, we should vote for the bill, and, therefore, I rise in support of the bill.

Mr. LEACH. Madam Speaker, I yield 45 seconds to the gentlewoman from Illinois (Mrs. BIGGERT).

Mrs. BIGGERT. Madam Speaker, I rise in support of the conference report. Many of my colleagues have devoted a good part of their congressional careers to making this bill a reality.

As a freshman member of the Committee on Banking and Financial Services, I was privileged to work with them this year to provide a bipartisan bill that will modernize our Nation's banking, insurance, and security industries.

Two decades in the making, this bill will allow our Nation's financial institutions, security companies, and insurance industries to successfully compete in the global market.

I commend the House and the Senate conferees as well as the administration who were able to work together to approve this legislation. While it may be long overdue, I believe it will be well worth the wait.

I congratulate the gentleman from Iowa (Chairman LEACH), the gentleman from Virginia (Chairman BLILEY), and the gentleman from New York (Mr. LAFALCE), the ranking member.

I ask all my colleagues to vote for this historic measure, and I urge the President to sign it into law.

Mr. DINGELL. Madam Speaker, I yield 1½ minutes to the distinguished gentleman from Illinois (Mr. GUTIERREZ).

Mr. GUTIERREZ. Madam Speaker, I am a proponent of the Community Reinvestment Act, which is why I am going to vote against this conference report.

I am not pleased that S. 900 weakens the Community Reinvestment Act while strengthening banks' abilities to expand into insurance and securities business. I am not pleased that S. 900 sacrifices adequate consumer privacy for the sake of corporate interests.

S. 900 strays too far from acceptable CRA provisions originally in H.R. 10, which required banks to have a satisfactory CRA rating in order to affiliate with insurance and securities firms, and this is important. To maintain that affiliation, they must maintain their satisfactory CRA rating. Unfortunately, this maintenance provision has been stripped from the bill.

Sure, S. 900 requires banks to have a satisfactory CRA rating to expand into lines of business, but under this bill, once a bank's affiliating frenzy is over, once it gets as big as it wants by merging with securities and insurance firms, it is no longer required to maintain a satisfactory CRA rating.

On privacy, this bill gives banks the right to share all information about consumers with their affiliates. Personally, I do not necessarily want my bank information to be shared with anyone.

□ 2215

While S. 900 does give consumers the option to opt out of a bank's information-sharing arrangement with unaffiliated third parties, a consumer, I want America to understand this clearly, a consumer cannot opt out when the financial institution enters a joint marketing agreement with unaffiliated third parties.

This means that if my bank has an agreement with a telemarketer down the street, the bank can share my information and the information of all Americans with whichever financial institution. That should be shameful, Madam Speaker.

Mr. LAFALCE. Madam Speaker, I yield 2 minutes to the gentlewoman from Oregon (Ms. HOOLEY).

Ms. HOOLEY of Oregon. Madam Speaker, I want to thank the chairman of the Committee on Banking and Financial Services and the ranking member for the hard work they did on this bill and moving it through the process and never forgetting that the consumer came first.

Madam Speaker, with all the heated debate around the details of this bill, I fear that we have lost sight of what we are trying to do. We are, as the Washington Post recently pointed out, trying to reregulate the financial services industry today, not deregulate it. Banks already use loopholes and regulatory waivers to get their hands into new lines of businesses, supposedly barred by the old Glass-Steagall Act. While this bill gives banks, insurance companies, and security companies new powers, it also creates a sound, legal framework which addresses the actual condition of today's financial services marketplace.

For those of my colleagues that are concerned about consumer protection, understand that the most important thing we can do to protect consumers is to create a strong regulatory system that oversees financial services as they are today, not as they were, and the bill does that.

Why else have we worked so hard to create this bill? For four reasons: to create a more competitive financial services sector, to build a stronger economy, to create new opportunities for consumers, and to protect the consumer.

When this bill is passed, companies will be more internationally competitive, will operate more efficiently at home, and will provide a broad array of new services and products to the consumers, and provide for the first time privacy protection for the consumer.

As a conferee and a supporter of S. 900, I ask for my colleagues' yes vote today.

Mr. DINGELL. Madam Speaker, how much time do we have remaining?

The SPEAKER pro tempore (Mrs. EMERSON). The gentleman from Michigan (Mr. DINGELL) has 11½ minutes remaining, the gentleman from New York (Mr. LAFALCE) has 11 minutes remaining, and the gentleman from Iowa (Mr. LEACH) has 2 minutes remaining.

Mr. DINGELL. Madam Speaker, I yield 1½ minutes to the gentleman from Minnesota (Mr. LUTHER).

Mr. LUTHER. Madam Speaker, earlier this year, Attorney General Mike Hatch of the State of Minnesota brought a civil lawsuit against a large national bank for sharing customers' personal information with a telemarketing company. When this became known to the public, the people of Minnesota were outraged. So what happened? The bank quickly agreed to change its practices and to allow their customers to opt out; in other words, to say no to sharing any personal financial information with either third parties or affiliates.

I ask all of my colleagues here to pay attention to the Minnesota agreement, because that is what everyone agreed to when the public truly found out what was going on with the sharing of their information. It is the minimum standard every bank in America ought to adhere to. All it says is people have the right to say no.

Now, this legislation has been going on for 15 years, as has been mentioned here. I would ask why, after that much time, could we not spend 15 minutes to draft a provision to protect the consumers of America? And that is all we are asking. For those of my colleagues who suggest we could pass a separate bill on the privacy issue, I ask, what are the chances of passage of that bill when this bill cannot have a real privacy provision with all of the interest groups supporting this legislation? The chances of that would be very slim.

Madam Speaker, I will conclude by just saying it is time to reject business as usual in Washington. We can stand up for the people and their right to privacy in America. We have a solemn responsibility to do that. I urge my colleagues to reject this legislation.

Mr. LAFALCE. Madam Speaker, I yield 1 minute to the gentlewoman from California (Mrs. CAPPS).

Mrs. CAPPS. Madam Speaker, I rise in support of this conference report. The laws governing our banking insurance and securities industries are woefully out of date. Congress has tried for years to update them and that goal is finally now being achieved with this legislation. This bill will ensure that America remains the world's leader in financial services and, more importantly, it will bring consumers more choices at lower prices.

We all know, though, that a major issue in this bill has been consumer privacy. The legislation before us takes a step forward, but many challenges remain. I am pleased that the conference report does not include the so-called medical privacy provisions that were in the House-passed bill. But the conference report remains deficient in protections for consumers' financial privacy.

As the gentleman from Michigan (Mr. DINGELL) and the gentleman from Massachusetts (Mr. MARKEY) have pointed out, the bill still does not allow consumers control over who has access to their financial information. Therefore, Congress must revisit privacy protections. However, overall the conference report remains a positive step forward for our economy, and I urge my colleagues to support it.

Mr. DINGELL. Madam Speaker, I yield 1 minute to the gentlewoman from Illinois (Ms. SCHAKOWSKY), a member of the Committee on Banking and Financial Services.

Ms. SCHAKOWSKY. Madam Speaker, as a member of the Committee on Banking and Financial Services, I rise in strong opposition to S. 900.

Winners-Losers. In this bill it is painfully clear. Banks, insurance companies and securities firms. Big winners. Losers? Working class communities and consumers.

This bill helps create corporations that can afford to ignore families and small businesses down the street due to a weakened Community Reinvestment Act. CRA has brought literally a trillion dollars' worth of loans into starving communities since its passage in 1977. But S. 900 lowers the requirements for CRA compliance and maliciously burdens community-based groups that are fighting for investment in their neighborhoods.

Huge financial conglomerates get access to their customers' most private information, which they can use without permission. When a widow receives the funds from her husband's insurance policy, the insurance company can share that information with its brokerage firm which can then barrage the grieving woman with stock offerings.

The bank that gives us a loan for our child's education can sell her address to a credit card company, which then entices her with a card at school. If we have a bad day on the stock market, make a claim against our health insurance, we can kiss that mortgage goodby. Write checks to a psychiatrist or an oncologist and then just try to get a new health insurance policy.

Why should we be for this? We should not be for this. I urge my colleagues to vote "no."

Mr. LAFALCE. Madam Speaker, I yield 2 minutes to the gentleman from Connecticut (Mr. MALONEY).

Mr. MALONEY of Connecticut. Madam Speaker, I rise in support of this legislation. For more than 20 years, Congress has attempted to overhaul the Nation's banking laws while the marketplace has moved leaps and bounds beyond the current law. Finally, today, we have an historic opportunity, the opportunity to pass the most important financial services legislation in 60 years.

Thanks to the work of the chairman, the gentleman from Iowa (Mr. LEACH), and the ranking member, the gentleman from New York (Mr. LAFALCE), we have come together to craft a financial modernization bill which benefits everyone. Our economy will benefit from passage of this bill by being supplied with more access to capital, which will continue to fuel our economic growth. To our financial institutions, this bill means increased efficiency and increased competitiveness in the global marketplace. And our consumers will benefit from increased competition, which translates into greater choices, more innovative services, and lower prices for financial products.

Under today's financial modernization conference report, banks will still be required to have a good track record in community reinvestments as a condition for expanding into new businesses. And there is the first time that a bank's rating under Community Reinvestment Act will be considered when it expands outside of traditional banking activities. The financial modernization agreement will also apply CRA to all banks, without exceptions, and it preserves existing procedures for public comments on banks.

A note on privacy. Under existing law, information on everything from account balances to credit card transactions can already now be shared by a financial institution without a customer's knowledge. Under this bill, financial institutions will, for the first time, be required to notify consumers when they intend to share such information with third parties and allows consumers to opt out of any such information sharing.

The privacy protections included in this legislation are clearly an important step forward for America's consumers. I urge passage of the conference report.

Mr. DINGELL. Madam Speaker, I yield 1½ minutes to the gentleman from Washington (Mr. INSLEE), a member of the Committee on Banking and Financial Services.

Mr. INSLEE. Madam Speaker, if we are indeed steward of our constituents' privacy, why should we give banks the right to strip us of privacy? Why should we give banks the ability to tell everyone in the world who are their affiliates about our banking accounts and our checks? Why should we do this?

And who will come to this floor tonight and say to the American people that it is okay for banks to violate our privacy and to give our bank accounts to their affiliates so they can telemarket us? Who will come here tonight and say that? No one. Because every single Member of this chamber, of both parties and both genders, of all beliefs, know that is wrong, and it ought to be outlawed.

Why is this so important? Because this is a brave, new and threatening world in the financial services industry. This is not the little bank on the corner any more. The little bank on the corner did not have any incentive to violate our privacy. They wanted to keep our privacy. But when we create this new organism of banking, as sure as God made little green apples, that the affiliated insurance companies and the affiliated stockbrokers are going to want the computer profiling of our accounts so they can sell everything on this green Earth to us over the phone at 7 o'clock at night.

Now, many of us are concerned about the financial forces at work trying to pass this bill. I will just leave my colleagues with one thought. When consideration of deregulation of the savings and loan industry came about, only 26 Members of this chamber voted against it, and all 26 Members felt the same fear and concern we do.

Vote to send this bill back for more work. Vote for privacy. Defeat this bill tonight.

Mr. LAFALCE. Madam Speaker, I yield 1½ minutes to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Madam Speaker, I rise in support of the Gramm-Leach-Bliley Act.

To say that Glass-Steagall effectively separates banking and securities is to ignore the realities of the marketplace. Today, banks can buy securities firms and banks can sell insurance. This bill provides legal and regulatory clarity.

While on the whole, the act makes U.S. companies more competitive, I would like to have seen it improved in several areas. With regard to privacy, the bill establishes the principle of Federal regulation of consumer privacy for the first time. I would have liked to have seen stronger language. In the conference, numerous amendments toughening the privacy language were offered and defeated on largely party lines. I look forward to returning to this issue next year.

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I would also have liked to have seen stronger CRAs, a goal toward which the gentleman from New York (Mr. LAFALCE), the ranking member, ably fought. Even so, I believe the positives far outweigh the negatives.

Perhaps most importantly, the conference committee upheld the strict separation of banking and commerce, a goal which the gentleman from Iowa (Chairman LEACH) has long championed.

Madam Speaker, the markets have already overwhelmed the Glass-Steagall wall. Gramm-Leach-Bliley will provide new modern rules allowing U.S. companies to move forward and compete globally in the new Internet economy.

I urge a yes vote.

Mr. DINGELL. Madam Speaker, I yield 1½ minutes to the distinguished gentlewoman from California (Ms. LEE) a member of the Committee on Banking and Financial Services.

Ms. LEE. Madam Speaker, I thank my colleague for yielding me the time.

Madam Speaker, I rise in strong opposition to S. 900. There is no question that we need to update 1930's laws on financial services. I joined with many colleagues to try to craft a bill so that it would also, however, protect consumers. Financial services are making big gains with this bill, and consumers should be included. Unfortunately, they have been left out.

For example, pro-consumer amendments offered were rejected by the conference committee. Strong consumer privacy provisions were rejected by the conference committee. It is terrifying to know that Big Brother is here to stay as a result of this bill. Sharing the private financial information among financial institutions should really scare us to death.

My anti-redlining, non-discrimination amendment passed by the House Committee on Banking and Financial Services was blocked from consideration by this House without even taking a vote to block it. What does that say about our democracy?

With regard to the Community Reinvestment Act, punitive reporting required of community groups building affordable housing, for example, will create unwarranted witch hunts. I wanted to cast an aye vote for financial modernization but only if consumers, ordinary people, could also benefit from these megamergers.

Unfortunately, the bill went in the wrong direction. I urge a no vote.

Mr. LAFALCE. Madam Speaker, I yield such time as he may consume to the gentleman from Maryland (Mr. CARDIN).

Mr. CARDIN. Madam Speaker, I rise in support of the conference report, with reservations.

Congress has been working for many years to reform the Nation's outdated financial services laws. After several attempts at crafting comprehensive legislation, I am pleased to see that the House, the Senate and the administration have reached agreement on a bill that accomplishes this task, while preserving financial regulation along functional lines. After 65 years, it is important that we modernize our financial services laws. This legislation does provide the necessary legislative framework to allow financial institutions to compete fairly in the market. That is in the best interest of my constituents and I shall support the conference report.

However, I must express my disappointment that the conference report does not provide customers the opportunity to prevent the disclosure of information to affiliated companies. It does allow them to opt-out of disclosures to companies with whom their financial institutions have no affiliation, except when the institutions have entered into a joint agreement. This may result in the free exchange of personal information, such as bank balances, credit card transactions, and check receipts, between life insurance companies, mortgage issuers, stockbrokers and other commercial entities without the consumer's knowledge or consent.

This situation is particularly troubling because Congress has not yet passed medical privacy legislation. It is important to recognize that the HHS Secretary's proposed medical privacy regulations, set to take effect next February, are restricted in scope to health providers, health insurers, and health information clearinghouses. Limited by legislative authority granted in HIPAA, these rules cannot limit the secondary release of information beyond these specific entities. Therefore, once this financial services bill becomes law, information that an individual voluntarily discloses to a life insurance company may then be forewarded legally without an individual's assent to any of its affiliates and to any unrelated financial institution that has entered into a joint agreement with that insurance company.

It is my hope that the 106th Congress and the administration will return to this issue early next year in order to strengthen the privacy safeguards. Only then will we be able to provide American consumers innovation, convenience, and safety in financial services, as well as guaranteeing the privacy of their most personal information.

Mr. LAFALCE. Madam Speaker, I yield 1 minute to the distinguished gentleman from California (Mr. SHERMAN).

Mr. SHERMAN. Madam Speaker, banks, insurance companies, and stock brokerage firms are combining today; and the old walls and distinctions between financial products that fit in one area and another are beginning to break down.

The question is not whether we will have the perfect bill but whether we will have a bill at all. This bill requires that consumers are given disclosure when they go into a bank that a particular product is not FDIC insured. They have no such protection now.

It prevents the combination of financial and commercial enterprises in a way that could endanger our entire financial system. It provides modest privacy protections that we do not have under current statute.

We can wait for the perfect bill, turn our back, and watch the combination of financial enterprises occur with nothing to ensure that the public interest is protected, or we can instead vote for an admittedly imperfect bill.

This is a major step forward in protecting the public interest.

Mr. DINGELL. Madam Speaker, I yield 1 minute to the distinguished gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Madam Speaker, we have heard a great deal all evening about how good this bill is. I agree, it is good. It is good for the banks, good for the corporations, good for business, good for small banks who want to be practically exempt from CRA. But it is not good for consumers.

It is not good for consumers who desire privacy protection. It is not good for disadvantaged and distressed communities that have been redlined, discriminated against, raped, and abandoned. It is not good for consumer activists who generated CRA in the first place. And so, it is a good bill, but it is not good enough to protect CRA. It is a good bill, but not good enough.

I urge that we vote to protect CRA. Vote against it.

Madam Speaker: we have heard from many quarters that this is a good bill and in many ways it is. However, in several instances it does not do what some suggest that it does. The so-called privacy protection of customers being given an opportunity to "opt-out" clearly demonstrates the corporate benefits this bill intends. If this bill will benefit consumers, let the corporations sell themselves by mandating that consumers must "opt-in" to have information on themselves shared or sold. Financial literacy is already faced with a plethora of challenges let alone teaching consumers how to search for obscure fine print to protect privacy. One key lost opportunity is the failure to insist that expanded financial powers be accompanied by an appropriate expansion of CRA.

The proposed small bank exam schedule borders on an outright exemption given the "twice a decade" schedule proposed. I am also afraid that some of the report language will discourage communities from commenting or even contacting a financial institution regarding their communities credit needs.

This bill will not further community reinvestment; therefore, notwithstanding its other positive feature, I cannot support it.

Mr. LAFALCE. Madam Speaker, I yield 3½ minutes to the distinguished gentleman from Minnesota (Mr. VENTO), the ranking member of the Subcommittee on Financial Institutions and Consumer Credit.

Mr. VENTO. Madam Speaker, I rise, of course, in strong support of this. I certainly admire the passion and the intensity of our colleagues that have presented arguments tonight in voicing their concerns.

I think once we get through some of the rhetoric and hyperbole we might get down to some of the facts. I think their arguments would seem to steal defeat from the jaws of victory in terms of this is a pro-CRA bill. It expands CRA. It does so, I think, in a way; and that was an absolutely fundamental demand by the President.

I respect the fact that the gentleman from Iowa (Chairman LEACH) and the ranking member fought like lionesses over their cubs trying to protect this and recognizing the necessity of doing it. This was the last thing that we dealt with. It was tough. We have disclosure in here. There are provisions with regard to reporting which I think are onerous, but they are workable and we expand CRA.

Thousands of applications and thousands of other activities that went on that did not need CRA will and every part and every branch of that holding company will have to have a positive

CRA rating in order to accomplish it. In this bill, we put teeth back in the Fair Credit Reporting Act which had been extracted several years ago. That is an important consumer gain.

We have the Prime Act in here that the gentleman from Illinois (Mr. RUSH) and Senator KENNEDY sponsored which is so important to our local communities. There are a lot of good things in this bill. The activity of the gentlewoman from Colorado (Ms. DEGETTE) with regards to spousal abuse is in this particular bill.

But beyond that, of course, the privacy issue is the most interesting issue of all, because many have raised this great facade, but 2 years ago when a bill was up here and some of the advocates to it would have allowed us with regards to being against this bill because it does not have enough privacy protections in this found it in their wisdom and hearts to vote for a bill that had none in it.

In Minnesota we talk about protecting that one bank because they trespassed or were thought to have trespassed had to, of course, deal with a CRA agreement or with regards to a privacy agreement. I am concerned about that one bank, but I was concerned about the other 549 banks in Minnesota that did not have any law that would govern their particular privacy.

This covers all the banks in the Nation and all the insurance firms in the Nation and all the security firms in the Nation and all the entities that are financial in nature are covered under this particular bill in terms of a privacy policy.

Now, even though it has taken 6 years to pass this, guess what? Next year we are going to have to do some more work. I hope that my colleagues realize we have not worked ourselves quite out of a job here yet. We may have some imperfections in this legislation, as there is in others. And I will gladly confess that to my colleagues that we are going to have to come back and do additional work in this particular area. But we have a solid foundation.

The principal provisions of this bill which have recognized the rusting and weakened and rotten chains of Glass-Steagall are finally recognized, and Congress is getting out in front and rationalizing and putting a policy in place in which our financial foundation, a dysfunctional system, can work. That is what this is really all about. I think in the process of doing so, we have advanced and improved consumer provisions in this bill. We should be proud to vote for it and proud to work for the results, not simply polarization that this Congress I think too often has reflected. This year let us do something positive, let us vote for this bill.

Madam Speaker, I rise in support of this conference report. This agreement, reached in a difficult and wrangling 66 Member conference between the two bodies with very different products, is a historic bill.

The conference report on S. 900 is a balance. It is a balance between the House-passed bill and the Senate-passed bill. It is a balance between competing industries. It is a balance between bigger banks and smaller banks. It is a balance between business and consumer needs. It is a bill that does not allow us to continue to stick our heads in the sand with regard to the state of the financial services industry and instead brings the law up to date.

I worked upon and signed this conference report on S. 900, the Financial Services Modernization Act, in an effort to pave a path for the future that will provide financial opportunities for American consumers and communities across this country and that will keep our financial services sector competitive in the world economy.

We have a new law that will remove the rusted chains of Glass-Steagall and that will help insure that consumers receive quality financial services and new protections. The measure removes the barriers preventing affiliation between banks, insurance and securities entities and provides financial services firms the choice of conducting certain financial activities in bank holding company affiliates or in subsidiaries of bank structures on a safe and sound basis. The agreement will not undermine the national bank charter vis a vis state banks, foreign banks, or the activities of U.S. banks that have subsidiaries abroad with relative powers.

The conference agreement brought resolution to the differences over traditional bank securities powers. We have successfully shut down the commercial loophole by prohibiting the sale of unitary thrifts to commercial entities. Functional regulation has been established on matter from insurance sales to antitrust/anti-concentration law enforcement. Importantly, the bill enhances the viability of smaller community banks and financial entities vital to extending services and credit through our greater economy; rural and urban.

We do not have complete parity for affiliation between banks and insurance and securities firms with regard to commercial activities because of the 15 year grandfather provisions. We could have merged the bank and thrift charters and merged the two deposit insurance funds that remain separate in law today. I would have also hoped that we could have included fair housing compliance on insurance affiliates, low-cost banking accounts and application of Community Reinvestment Act-like requirements on products that are similar to bank products, such as mortgages. There are, however, no perfect bills produced through the Congressional process with 535 views in the mix with the Administration's phalanx of regulators and policy works.

The focus of the lengthy and public debate over this legislation has been the opening of the financial services marketplace to new competition and the reduction of barriers between financial services providers. It is equally important that this bill is a positive step for our constituents and the communities in which they live, as well.

In general, there are inherent benefits of being able to provide streamlined, one-stop shopping with comprehensive services choices for consumers. According to the Treasury Department, financial services modernization could mean as much as $15 billion annually in savings to consumers. Hopefully, some of these dollars will materialize. We also have achieved other policy victories for consumers across the country.

We have modernized the Community Reinvestment Act (CRA) in a positive manner. The CRA was enacted by Congress in 1977 to combat discrimination. The CRA encourages federally-insured financial institutions to help meet the credit needs of their entire communities by providing credit and deposit services in the communities they serve on a safe and sound basis—a basic reaffirmation of the purpose of insured depository institutions. According to the National Community Reinvestment Coalition, the law has helped bring more than $1 trillion in commitments to these communities since its enactment. Across this great nation, organizations, belonging to NCRC, ACORN, LISC, Enterprise, Neighborhood Housing Services, and others, have engaged CRA to work with their local financial institutions to make their communities better places to live.

Importantly, the conference agreement will continue to ensure that CRA will remain essential and relevant in a changing financial marketplace. It is not everything I wanted or supported during the several amendments process. It does, however, further the goals of the Community Reinvestment Act by requiring that all of a holding company's subsidiary depository institutions have at least a "satisfactory" CRA rating in order to affiliate as a Financial Holding Company or to engage in any of the new financial activities authorized under this Act. This strengthens and modernizes the reel of CRA in that current law does not have a CRA satisfactory requirement for non-bank activities in which banks now seek to engage. The Federal Reserve Board has informed us that thousands of applications have been approved without any CRA test that this bill will apply. Further, according to the Treasury Department, if a bank were to proceed without having a satisfactory CRA, the regulators have strong enforcement authority, including monetary penalties, cease and desist and divesture, that they could apply.

The Conference rightly rejected the other body's proposed small bank exemption and safe harbor provisions for CRA. We did accept, however, a modified disclosure and reporting system. I strongly disagreed with the burdensome, so-called "sunshine" and reporting provisions in the Senate bill. They certainly raise the specter of harassment of pro-CRA groups. However, very few would oppose openness and public disclosure. Certainly, the disclosure of information could spell out the effectiveness of these groups working so hard in our communities and the effectiveness of the CRA itself.

I believe the reporting requirements, although improved, remain an extraordinarily difficult policy as structured in this measure. It no doubt will be more of a burden to community groups and banks who currently do not file such status reports. However, we were able to streamline the reporting requirements and to limit who should file a report even as we gave the regulators substantial authority to properly oversee such provisions. We should be mindful of the Administration's and regulators' expressions of good will to take a common sense approach with regards to its implementation. Hopefully they will help make these disclosure and reporting requirements more workable. Congress certainly must closely monitor the implementation of these provisions and their effects.

The conference report also contains two studies: one evaluating business lines associated with CRA and another looking at the impact of the changes or impact of this law on CRA. I am concerned about the short turnaround time of the report required of the Federal Reserve Board. I would hope that this important study of the default and profitability of CRA loans will not be rushed to the point of not doing an adequate or fair job solely to meet an arbitrary deadline. Further, this study should be inclusive and identify all loans (individual, commercial or other) or activities that would qualify or be given as credit to financial institutions for CRA—and certainly not just to those loads or actions that qualify under the CRA reporting provisions of section 711 of the Act.

Other positive consumer provisions include the requirement that institutions ensure that consumers are not confused about new financial products, along with strong anti-tying and anti-coercion provisions governing the marketing of financial products. A new program to provide technical assistance to low income micro-entrepreneurs, known as the PRIME act, will be created with enactment of this Conference Report. ATM fees will have to be fully disclosed to consumers, not only on the computer screen, but, also on the ATM machine itself.

I am disappointed that the conference committee rejected provisions I initiated which encouraged public meetings in the case of mega-mergers between banks which both have more than $1 billion in assets where there may be a substantial public impact because of the larger merger. This would have provided our constituents with the important opportunity to express their views regarding mega mergers and their impact in our communities.

As my colleagues are aware, this conference report contains landmark financial privacy protections for consumers. Today, there is no federal law to protect your privacy or to stop the sale or sharing of your financial records with third party companies. As many in my home state of Minnesota learned this year, not even credit card numbers are safe from telemarketers unless we act in the conference report to put in place substantive law.

With enactment of this agreement, Congress will give consumers real choices to protect their financial privacy. This conference report will provide some of the strongest privacy provisions to ever be enacted into any federal law. This agreement, based upon the strong House provisions that I helped draft, has an affirmative mandate upon all financial entities, whether federal or state, so that all banks, brokers, insurance companies, credit unions, credit card companies, and many others must protect your personal financial information.

Furthermore, consumers will have an important choice of "opting-out" of most information sharing with unaffiliated third parties. Financial institutions will no longer be able to share your customer account numbers or access codes with unaffiliated third parties for the purpose of telemarketing. When you open an account and each year thereafter, you will receive a full disclosure of the privacy policies of your bank, credit union, securities firm, mutual funds or insurance companies. If the policy is not strong enough; this gives you the choice to choose a new company or to communicate your concerns to that financial enterprise.

Importantly, this conference agreement provides that financial institutions have an affirmative responsibility to protect and respect your financial privacy. Federal regulators are given the authority to set standards which guide the regulated and which will protect the security and confidentiality of a customer's personal information.

We were successful in improving upon the House provisions by agreeing to allow states to give even more privacy protection to consumers at their discretion. Stronger state laws will not be preempted by this federal law. The agreement also strengthens the Fair Credit Reporting Act, giving bank regulators the ability to detect and enforce any violations of credit reporting and consumer privacy, reestablishing regulatory provisions and the related enforcement powers essential to the same.

For the purposes like servicing accounts, ordering checks, selling loans to the secondary market, giving consumers frequent flyer miles and complying with federal laws, the agreement sets out exceptions. In crafting regulations to implement this law, the regulators should do nothing to further any sharing of account numbers or encrypted access codes which is not expressly conveyed through "opt-in" permission from consumers prior to any activity that would share such numbers. Further, the regulators should not make any exemptions that would make it possible for consumers to opt in over the phone to a telemarketer regarding the sharing of their account number. Condoning such a practice would simply reaffirm the status quo with regard to those bad actors who would take advantage of the practice and avoid the clear intent of the law.

As the regulators begin to shape appropriate exceptions in regulation, I entreat them to look carefully at the statute and to the clear intent to limit exceptions. Sharing with third parties outside of the scope of these limited exceptions should not be allowed. The legislation does attempt to provide some competitive equality to smaller institutions vis a vis larger affiliated structures without providing loopholes which would invade consumers financial privacy. The regulators should not provide exceptions merely to make something easier for financial institutions when it comes at the expense of the knowledge and benefit of consumers.

Some have suggested that these major new privacy protections be jettisoned because they do not go far enough. Rejection would make these unprecedented good privacy protections the enemy of a skewed version of what is best. To reverse the major strides made by this legislation is to steal defeat from the jaws of victory. If Congress says "no" to these new privacy provisions, the result would be business as usual. Tacitly agreeing to sell your credit card numbers to telemarketers and permitting your financial data to float around the open market like the latest trade item on eBay would be a set back for privacy.

Madam Speaker, what is clear is that a law that requires consumer action is appropriate but third party and affiliate "opt-out" is hardly the first and last word in consumer rights. We can do more and can do better. The fact is that a number of consumers have such a right of "opt-out" today under Fair Credit Reporting Act or through voluntary institution policies. Even with that opportunity in law and practice, only a small fraction of individuals, less than 1 percent, exercise that option. Consumer choice may give us a positive feeling of control and remedy but what does it really accomplish—what is the bottom line? Does it provide results if only a fraction of 1% respond to the celebrated "opt-out"?

I do want to note something on the medical privacy provisions that were deleted from the House-passed bill, H.R. 10, in this conference report. Mindful of the deep concerns raised by our colleagues on the Commerce Committee and many other outside the Congress, we finally deleted these admittedly less than perfect provisions in the bill in lieu of improving them. The House approved a convoluted motion to instruct the conferees to do as much. I had and still have concerns about the leap of faith that this action—deleting the provisions—required. I hope that we will not be disappointed a I note the recriminations that have already been voiced by some.

I am pleased that the President has recently proposed comprehensive privacy provisions as a result of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) law and hope that they will provide the protection we sought to assure and that there are no loopholes for medical privacy with regard to financial institutions. Consumers should not be forced to disclose and make public private medical data just to get insurance coverage. Although this legislation creates a new affiliated bank holding company structure that allows insurance, banking and securities firms to join, that must not translate into misuse and abuse of medical records by insurance companies and affiliates. No one should be able to share private medical or genetic information to base credit upon or for other unrelated purposes.

Madam Speaker, we have been in the trenches on this bill for the last five years, following more than 20 years of debate on financial modernization. We are at the goal line. I again want to express my appreciation to Chairman LEACH, Ranking Member LAFALCE, Chairwoman, ROUKEMA, our counterparts in the Senate, and all the respective staff, especially my personal staff, Larry J. Romans, Kirsten Johnson-Obey, and Erin Sermeus for their outstanding work, cooperation and patience on this important legislation. We worked hard together to create a bipartisan product that has gained the support of the Administration and that overcame the polarized Senate-passed measure. The Financial Services Modernization Act of 1999 is a tremendous achievement, if bittersweet from some reasons mentioned. It is a solid foundation to build our economy upon as we move into the next century. I urge my colleagues to support the conference report.

Mr. DINGELL. Madam Speaker, I yield 1 minute to the distinguished gentleman from New York (Mr. HINCHEY).

Mr. HINCHEY. Madam Speaker, it occurs to me that the one salutary aspect of this bill is that it may finally provide the momentum to move us to change the way we finance political campaigns.

This bill, if nothing else, is a brilliant billboard for campaign finance reform. Seldom before has so much money been spent by so few to the detriment of so many. If we just look at the aspects of privacy alone, we see what is going to happen to people in this country. This bill creates huge conglomerates, enormous financial trusts, and it allows those financial trusts and conglomerates to manipulate information back and forth inside of those conglomerates and outside with unaffiliated entities as well with whom they share marketing agreements.

People will be reduced to objects locked in amber, to be examined minutely and manipulated carefully and intricately to deprive them of their financial resources. It is a mass movement of money from one class to another. It is a bad bill.

The SPEAKER pro tempore. The Chair would like to announce that the gentleman from Iowa (Mr. LEACH) has 2 minutes remaining, the gentleman from New York (Mr. LAFALCE) has 2 minutes remaining, and the gentleman from Michigan (Mr. DINGELL) has 4 minutes remaining.

Mr. DINGELL. Madam Speaker, I yield 2 minutes to the distinguished gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Madam Speaker, this is half a bill, and it is not enough. It does a very good job of creating the conditions in which the capitalist institutions can flourish, and that is a good thing. We want capital to move freely. We give the financial institutions everything they have asked for.

Having done that, it is especially inappropriate that this bill treats Community Reinvestment Act institutions, volunteers, lower-income people, people concerned about equity, as if they were suspect. Now, the ranking members of the committees in the House and the Senate, the gentleman from New York (Mr. LAFALCE) and Senator SARBANES, tried to prevent this from happening, but they were not successful given the odds that they faced.

This bill is a very significant expansion of financial institution activity, and it is a grudging recognition of CRA. Indeed, as the banks are deregulated and give more freedom, low-income volunteers who put effort into trying to preserve some social fairness in their communities are burdened with excessive regulation.

It is entirely unfair for us in this piece of legislation to express unbounded confidence in the ability of the financial institutions to make our lives better and at the same time express suspicion of community investment groups. Because that is what this bill does. It treats them, over the objections of many, but, nonetheless, it treats them as if they were suspect. It deregulates the banks and over-regulates people whose only crime was to offend powerful political interests because they cared about equity.

It is a paradigm of a mistake we make too often here. Yes, we should create the conditions in which capitalism can grow and enrich us all. But we should know by now that capitalism alone, the movement of capital, unbounded will create wealth but it will create inequities, it will create social problems.

And we must always be careful to accompany that, it is a lesson we should have remembered from Franklin Roosevelt, we should accompany that by measures which empowers those who are trying to offset some of the ill effects, who are trying to preserve some social justice.

This bill does not do this. It gives a complete Christmas list to the financial institutions but treats the people who are trying very hard to preserve some equity and some social justice as children who would misbehave. We should do better and we should reject this bill and try it.

Madam Speaker, I ask that the very thoughtful letter explaining how this bill weakens the Community Reinvestment Act be printed here.

NOVEMBER 4, 1999.

Congressman BARNEY FRANK,
House of Representatives, Rayburn House Office Building, Washington, DC.

DEAR CONGRESSMAN FRANK: Having tracked the so-called "financial modernization" legislation currently pending before you through both the House and Senate over the last two years, we are writing to strongly urge you to vote against the passage of this bill.

This legislation stands to dramatically alter the nation's financial services industry by allowing cross affiliation and redistributing powers among banks, securities, and insurance companies. Despite serious misgivings regarding the impact this bill would have on low and moderate-income communities and communities of color, we might have been willing to accept these changes if Congress simultaneously agreed to modernize the Community Reinvestment Act of 1977 (CRA). Currently applicable only to banks, the CRA might have been strengthened by extending this obligation to securities and insurance companies as well as newly authorized Wholesale Financial Institutions. This would have allowed communities like the ones we represent to build on the success of the bank. CRA that has helped to generate critically needed dollars for home mortgages, rental housing, and commercial/industrial real estate development.

We recognize that, throughout this debate, supportive legislators—including members of the Massachusetts delegation—worked to support CRA and to limit the damaging changes demanded by Senator Phil Gramm (R-Texas) and other opponents. We therefore very carefully reviewed the complicated changes that were finally adopted in the conference committee report. Unfortunately, we have reached the conclusion that they do not adequately serve the needs of the low and moderate-income families and individuals who live in the communities we serve.

Specifically, the current bill would hurt these communities by:

—allowing cross affiliation between financial service companies without giving the public opportunities to provide input through an application process. The House version that passed earlier this year would have required public hearings for cross industry mergers and very large bank mergers. This language is no longer included in the bill.

—allow cross affiliation without extending CRA requirements beyond banks. It is therefore possible for critical and substantial lines of businesses to be shifted away from banks and away from any CRA responsibility.

—requiring no effective penalty for banks that cross affiliate and do not maintain a Satisfactory or higher CRA rating. Language previously included in the conference committee report allowed federal regulators to require divestiture for failure to maintain a minimum Satisfactory CRA rating. This language has been removed. Even if effective penalties were included, the provision requiring bank affiliates to maintain a Satisfactory CRA rating is of limited use—98% of all banks meet this standard because the regulations require minimal CRA activities comparable to a bank's competitors. Often, banks can achieve such a rating despite an obvious lack of adequate performance and a failure to substantially invest in low and moderate-income and minority communities.

—damaging the current CRA at its foundation by extending the examination cycle for all small banks. Federal examinations already lag behind the current schedules, often by 18 or more months. Small banks, particularly in rural areas, often need the most encouragement through a public input process to help identify and meet the needs of the low and moderate income communities.

—damaging the core of the CRA by significantly discouraging public input into a bank's future CRA activities. Because of the broad scope of the so-called "sunshine" provision, anyone who even raises the issue of CRA with a bank and subsequently succeeds in developing a cooperative and meaningful (i.e., more than $10,000 value) CRA agreement with that bank will be subject to burdensome reporting requirements under severe penalties. Federal regulatory agencies that often cite the lack of CRA comments in a bank's public file may soon be hard pressed to find even a handful from those organizations who risk the cost of scrutiny. This will lead to less information generated, particularly from small grassroots organizations, and possibly even more inflated CRA ratings.

—providing no regulatory monitoring or enforcement of CRA commitments by banks even if they are cited as a reason for approval for applications by the regulatory agency. For example, in a recent case the Federal Reserve cited Fleet Bank and BankBoston's $14 billion CRA commitment as a reason to approve their merger. Yet, the

Fed would have no meaningful ability to oversee this commitment and to encourage compliance.

In summary, while this legislation may not sound the death knell for CRA, it does weaken its future health so substantially that we must urge you to oppose its passage.

Sincerely,

MARC D. DRAISEN,
President/CEO, Massachusetts Association of CDCs.
TOM CALLAHAN,
Executive Director, Massachusetts Affordable Housing Alliance.
AARON GORNSTEIN,
Executive Director, Citizens Housing and Planning Association.

Mr. DINGELL. Madam Speaker, I yield myself the remaining time for purposes of closing.

Madam Speaker and my colleagues, I think we ought to look at what we are doing here tonight. We are passing a bill which is going to have very little consideration, written in the dark of night, without any real awareness on the part of most of what it contains.

I just want to remind my colleagues about what happened the last time the Committee on Banking brought a bill on the floor which deregulated the savings and loans. It wound up imposing upon the taxpayers of this Nation about a $500 billion liability. That is what it cost to clean up that mess.

Now, at the same time, the banks by engaging in questionable practices wound up in a situation where the Fed and the Treasury Department had to bail them out also at the taxpayers' expense. But it did not show.

Having said that, what we are creating now is a group of institutions which are too big to fail.

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Not only are they going to be big banks, but they are going to be big everything, because they are going to be in securities and insurance, in issuance of stocks and bonds and underwriting, and they are also going to be in banks. And under this legislation, the whole of the regulatory structure is so obfuscated and so confused that liability in one area is going to fall over into liability in the next. Taxpayers are going to be called upon to cure the failures we are creating tonight, and it is going to cost a lot of money, and it is coming. Just be prepared for those events.

You are going to find that they are too big to fail, so the Fed is going to be in and other Federal agencies are going to be in to bail them out. Just expect that.

With regard to the privacy, let us take a look at it. We are told about all the protections for privacy that you have here. If you want to have a good laugh, laugh at it, because here is the joke: The only thing the banks are going to be required to say with regard to what they are going to do with regard to your privacy, and this is everything, from your health to your financial situation, to everything else, is "we are going to stick it to you." The privacy that you are going to have under this legislation is absolutely nothing. And what is going to drive that is going to be a simple fact, and that is that the banks are all going to be competing with the most diligence, and the result will be that those protections are going to be manifested in a race to the bottom.

Consumers, investors and the American public will have no protection to their privacy whatsoever under this bill. The only thing the banks have to say and the other institutions have to say is "we are going to stick it to you."

Vote against the conference report.

Mr. LAFALCE. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, first of all, we are about to vote on a bill, a bill voted on earlier today and passed by the Senate 90 to 8. Insofar as my Democratic colleagues are concerned, 38 Democratic Senators voted yes, 7 voted no.

There seems to be unanimity of opinion that we should repeal Glass-Steagall. There is a difference of opinion though about certain other provisions.

Let me try to point out something quite clearly: This phenomenon of merger and acquisition is taking place today thousands and thousands of times, but without the consumer protections that we have in this bill, without the extension of CRA that we mandate in this bill, without the privacy protections that we create for the first time under Federal law in this bill.

Horror stories have been presented. Those horror stories exist under present law. We change that in considerable part. We do not go as far as the gentleman from Michigan (Mr. DINGELL), the gentleman from Massachusetts (Mr. MARKEY) and I would like to go, but I am not going to let our desire to go much further preclude us from a reality, the reality that we go farther today in protecting privacy than we ever have before, and it goes significantly.

With respect to CRA, a Senate staffer walked out of the final conference deliberations, the Senate staffer who opposed the nomination of Jerry Hawke, because he was not strong enough on CRA, as the present Democratic Comptroller of the Currency, and he said the Senate caved on everything. They would have repealed CRA for small banks; they caved on that. They would have created a safe harbor provision; they caved on that. They would have created intimidation and harassment with respect to their disclosure and reporting requirements; they caved on that. They would have said you could not examine banks. We insisted upon full, total, regulatory discretion to examine any bank whenever there is reasonable cause to do so. The Senate caved on that.

This is a victory for the consumer, for communities, and for the modernization of our financial services industry.

Mr. LEACH. Madam Speaker, I yield myself the balance of my time.

The SPEAKER pro tempore (Mrs. EMERSON) The gentleman from Iowa is recognized for 2 minutes.

Mr. LEACH. Madam Speaker, with change there are always doubts, but what is the truth about this bill? Let me affirm what the gentleman from New York (Mr. LAFALCE) and the gentleman from Minnesota (Mr. VENTO) have just noted. This bill solidifies, rather than weakens, CRA. No bank is exempted from community reinvestment responsibilities. No bank may take on any new powers without a satisfactory CRA rating. All banks must maintain a continuing CRA obligation. If not, if any fall out of compliance, no new activities or acquisitions will be allowed.

Regarding privacy, let me say that seldom has this body heard such doubtful hyperbole. This bill, for the first time, bars financial institutions from disclosing customer account numbers or access codes to unaffiliated third parties for telemarketing purposes. This bill, for the first time, enables customers of financial institutions to opt out of having their personal financial information shared with unaffiliated third parties. This bill, for the first time, makes it a Federal crime punishable by up to 5 years in prison to obtain or attempt to obtain private customer financial information through fraudulent or deceptive means.

These provisions apply to banks, securities companies and insurance firms. They also apply to mortgage companies, finance companies, travel agencies and credit card companies.

As far as enforcement, the act subjects financial institutions to punishments that include termination of FDIC insurance, removal of officers and civil penalties up to $1 million or 1 percent of the assets of the institutions. These provisions are powerful. The penalties are severe.

To vote against this legislation is to vote against the most powerful privacy provisions ever brought before this floor. This is a balanced, pro-consumer, pro-privacy bill, and I urge its adoption.

Ms. JACKSON-LEE of Texas. Madam Speaker, today I rise in support of H.R. 10, the Financial Services Competition Act of 1999 and S. 900 the Financial Services Modernization Conference Report. I would additionally like to acknowledge the hard work of the Banking and Commerce Committees, as well as the House-Senate conferees. However, I would be remiss if I did not mention some of the important concerns that I also have with this legislation. First, let me mention some of the positive aspects of the bill. I support the idea of updating the rules that our Nation's financial institutions operate under to bring their activity in line with the realities of life in today's America.

Today's report represents groundbreaking financial services legislation that would dismantle many of the Depression era laws currently hindering the financial services industry from engaging in a modern global marketplace. This measure would further permit streamlining of the financial service industry thereby creating one-stop shopping with comprehensive services choices for consumers. This streamlining of financial services will not only mean increased consumer confidence, it would also mean increased savings for consumers. The Treasury Department estimates that financial services modernization could mean as much as $15 billion annually in savings to consumers.

Many provisions of the Community Reinvestment Act (CRA) remain in the conference report. The CRA, enacted in 1977 to combat discrimination in lending practices, encourages federally insured financial institutions to help meet the credit needs of their entire communities by providing credit and deposit services in the communities they serve. Indeed, in many respects, the conference report strengthens the CRA. Under this measure, CRA would be extended to the newly created wholesale financial institutions, which are institutions that could only accept deposits above $100,000 and are not FDIC-insured. Additionally, the conference report, provides consumer protection provisions that require institutions to ensure that consumers are not confused about new financial products along with strong anti-tying and anti-coercion provisions governing the marketing of financial products. Further, the bill requires that all of a holding company's subsidiary depository institutions have at least a "satisfactory" CRA rating in order to affiliate as a financial holding company and in order to maintain that affiliation.

Madam Speaker, CRA is a success story. Between 1993 and 1997, the number of home purchase loans to African-Americans soared 62 percent; Hispanics saw an increase of 58 percent, Asian-Americans nearly 30 percent; and loans to Native Americans increased by 25 percent. Since 1993, the number of home mortgages extended to low- and moderate-income borrowers has risen to low- and modern-income borrowers has risen by 38 percent. Indeed, in my District, Hispanic students from the East End District of Houston historically have had a high dropout rate. Using funds made available by the CRA, the Tejano Center for Community Concerns built the Raul Yzaguirre School for Success to meet the special needs of students from low-income families in this inner-city neighborhood. This school has performed outstandingly in its 3 years in existence. In fact, over the past 2 years, the school's students average Texas assessment of academic skills scores increased 18 to 20 percent.

Madam Speaker, while I am happy with the protections granted to CRA by this Financial Modernization Conference Report I also have serious concerns. This bill does not contain a CRA sunshine provision, which is the most troublesome part of the bill for many community groups. This may have a profoundly chilling effect on community groups' efforts to forge partnerships with banks in their local communities. This bill also falls short of increasing protections to CRA by rewriting the rules for the financial services industry, thus, creating a new creature called a financial holding company, with tremendous new powers. I hope that this new entity will meet the financial service needs of low and moderate income and minority Americans. This bill also falls short in adequately protecting customers of banks affiliated with insurance companies that have a track record of illegal discrimination under the Fair Housing Act.

Additionally, the conference report does not extend the CRA to non-banking financial companies that affiliate with banks. Specifically, the conference report does not require securities companies, insurance companies, real estate companies and commercial and industrial affiliates engaging in lending or offering banking products to meet the credit, investment and consumer needs of the local communities they serve. The exclusion of nonbank affiliates' banking and lending products from the CRA is significant because businesses such as car makers and credit card companies, securities firms and insurers are increasingly behaving like banks by offering products such as FDIC-insured depository services, consumer loans, as well as debit and commercial loans. Additionally, private investment capital is decreasingly covered by CRA requirements. Making it more difficult for underserved rural and urban communities to access badly needed capital for housing, economic development and infrastructure.

Madam Speaker, I am also troubled by the fact that the conference report did not address key concerns by Democrats to address issues such as redlining, stronger financial and medical record privacy safeguards and community lending. There is a study however, included in the conference report that calls for the Treasury Department of look at the extent to which services have been provided to low-income communities as a result of CRA. This study will be due 2 years after the enactment of this bill. If this study shows that this bill has had a negative impact on low income communities I will revise my position for this bill.

Lastly some of the other provisions of this conference report that I support are the domestic violence discrimination prohibition which states that the status of an applicant or insured as a victim shall not be considered as criterion in any decision with regard to insurance underwriting; the privacy protection for customers information of financial institutions provision; the study of information sharing among financial affiliates; and the fair treatment of women by financial advisers. Both our financial service laws and consumer protection laws need to be modernized. On balance, the measure, is a positive step in the right direction to achieve this goal. I urge my colleagues to join with me in supporting this bill.

Mr. LEVIN. Madam Speaker, today, we are considering a measure which is long overdue. The Financial Services Modernization Act will help keep the American finance industry competitive and at the same time provide one-stop shopping for consumers. I recognize that the bill the House is debating today is the product of nearly 20 years of effort and compromise. It is a good bill, but it is not a perfect bill.

In particular, I want to comment on two key sections of this bill. The provisions of this bill dealing with the Community Reinvestment Act (CRA) ensure the continuation of this vital program, but they could have been stronger. Under this agreement, the Community Reinvestment Act will continue to apply to all banks. Further, for the first time a bank's rating under CRA will be considered when it seeks to expand into new financial activities. However, I would have liked to see more banks covered under the CRA. The $250 million asset threshold in the conference report has the effect of giving too many banks a 5-year "safe harbor" from CRA examinations. The conferees would have done better to hold to the more reasonable $100 million threshold included in the House-passed bill.

I am also concerned about the privacy protections contained in this legislation. In a word, these protections are inadequate. Consumers should have the right to control who has access to their personal financial information. The privacy provisions contained in this legislation are an improvement over current law, but they don't go far enough. It is vital that Congress take additional steps to address this concern and I look forward to working with my colleagues on this.

Despite these concerns, I want to compliment the extraordinary effort that went into crafting this compromise. I urge my colleagues to support the Conference Report on Financial Services Modernization.

Mr. WAXMAN. Madam Speaker, the "Statement of Managers" on the financial services modernization bill, S. 900, contains an inaccurate description of the medical records provision that was in the House version of the bill, H.R. 10, but not in S. 900. The statement claims that the provision "requires insurance companies and their affiliates to protect the confidentiality of individually identifiable customer health and medical and genetic information." In fact, the medical records language in H.R. 10 represented a major invasion of the privacy of millions of Americans.

The language would have allowed health insurers to disclose health records without the consent or knowledge of the affected individual for a broad range of purposes, none of which were defined in the bill. These purposes included "insurance underwriting," "participating in research projects," and "risk control," among a long list of others.

Under H.R. 10, any health insurer could have sold or disclosed the records of its patients to any health, life, disability, or other insurance company without the individual's knowledge or consent. The provision also allowed health insurers to sell or disclose patient records for any "research project," whether it was research into credit ratings of the patients or research of mental health services to Members of Congress.

The medical records language in H.R. 10 also excluded essential privacy protections. For example, the provision failed to place any restrictions on law enforcement access to health records; provide individuals the right to access or inspect their health records; provide individuals the ability to seek redress when their privacy rights are violated; or prevent entities that obtained health information under the bill from redisclosing the information to third parties, including to employers, to newspapers, or for marketing purposes.

Because of the serious flaws with H.R. 10's medical records provision, groups representing millions of individuals across the country opposed the language. Physicians, nurses, patients, consumers, psychiatrists, other professional mental health counselors, and employees groups, as well as privacy advocates, and organizations representing individuals with disabilities, individuals with rare diseases, individuals with AIDS, and senior citizens, among others, all opposed this language. These groups included the American Medical Association, the American Psychiatric Association, the American Nurses Association, the Christian Coalition, the American Federation of State, County and Municipal Employees, the American Association of Retired Persons, and the Consumers Coalition for Health Privacy, among scores of others.

Further, 21 State attorneys general stated that the medical records provisions would permit "widespread use and disclosure of sensitive information without the individual's knowledge or consent, while providing only limited remedies for violations and no apparent limitations on re-disclosure." Editorial boards at newspapers including the Los Angeles Times, The Washington Post, The Chicago Tribune, and USA Today also opposed H.R. 10's medical records language.

I am pleased that S. 900 does not contain the anti-privacy medical records language that was in H.R. 10. However, while the omission of this provision prevents damage to peoples' privacy rights, there remains a need to address the lack of comprehensive privacy protection for Americans' health records.

The medical privacy regulations proposed by the Administration last week mark a step forward in establishing meaningful Federal medical privacy protections. The regulations, however, are limited by statutory constraints. Congress can and must act to build on the foundation established by the proposed regulations to ensure comprehensive medical privacy protection. I will continue to work to achieve that goal.

Mr. SANDLIN. Madam Speaker, today marks a historical day in the world of financial services. Passage of the S. 900/H.R. 10 conference report will allow consumers to benefit from improvements in the financial services system while protecting their privacy with unprecedented, extensive safeguards. I supported H.R. 10 when it passed the House in July, and I strongly support the conference report today.

This conference report is good news for consumers. It would expand the Community Reinvestment Act and ensure that new, expanded institutions are held to the high standard of CRA. In addition, it would protect consumer privacy as never before.

The Financial services conference report is supported by big and small banks alike as well as by the securities and insurance industries because it would overhaul depression-era law that only increase costs for consumers, inhibit competition, and stifle innovation. This bill will ensure that consumers can reap the benefits of the changing financial services marketplace.

Perhaps the most significant victory for consumers contained in this legislation is an unprecedented level of privacy protections. When this conference report is passed, these provisions will represent the most comprehensive federal privacy protections ever enacted by Congress. Moreover, this bill allows preemption of state laws in the event their privacy protections are even stronger.

Without its passage, banks will continue to expand their operations without statutory privacy protections and without enhanced community reinvestment provisions. A vote for this bill is vote for consumer privacy and community development alike. The benefits to consumers and to the American economy will be enormous, and I urge my colleagues to pass this landmark legislation.

Mr. KANJORSKI. Madam Speaker, I rise to support and speak about the financial services modernization conference report pending before us.

In general, because the financial services industry is undergoing sweeping changes—driven in part by domestic market forces, international competition, regulatory judgments, and technological advances—we need to update our federal laws. The compromise legislation that we are considering represents a reasoned, middle ground that strikes an appropriate balance by treating all segments of the financial services industry—banking, securities, and insurance—fairly and equitably. Among other things, this bill should increase competition, promote innovation, lower consumer costs, and allow the United States to maintain its world leadership in the financial services industry. From my perspective, this legislation also benefits consumers and protects them pragmatically, although not perfectly.

The bill that we are voting on today contains a number of important elements that should be enacted into law.

First, the legislation takes prudent steps to prevent the indiscriminate mixing of banking and commerce. As a result, we will prevent the development of the cozy relationships between financial firms and commercial companies that helped lead to the disruption of the Japanese banking system earlier this decade.

Additionally, the legislation preserves the viability of the national bank charter and the role of the Treasury Department in regulating our financial system.

The bill further establishes functional lines of financial regulation. As a result, regulators who know the financial activities best will oversee them.

Consumers will also receive new protections for their financial privacy as a result of this bill. For the first time, all financial institutions will have an "affirmative and continuing obligation" to respect the privacy of their customers, and the security and confidentiality of their personal information. Additionally, when a customer first opens an account—and at least annually thereafter—financial institutions must clearly and conspicuously disclose their privacy policies and practices.

The bill additionally protects and improves our community development laws. The legislation specifically states that "[n]othing in this Act shall be construed to repeal any provision of the Community Reinvestment Act of 1977." Moreover, as a result of this soon-to-be law, banks will only be able to enter into new activities or merge if they are well capitalized, well managed, and in compliance with CRA.

Finally, the legislation includes a number of other important consumer protections such as prohibitions against coercive sales practices, and mandatory disclosures abut the potential risks and the uninsured status of investment products and insurance policies. Banks must also make full disclosures of ATM fees.

Each of these changes to current law is important, and Congress should pass this legislation to enact them.

FEDERAL HOME LOAN BANK SYSTEM REFORM

During the deliberations over this legislation, I also sought to ensure that every community shared in the rewards of financial modernization. As a result, this bill helps to guarantee that community banks will not be crowded out of the financial marketplace of tomorrow. The report before us grants community banks the same powers and rights that larger financial institutions have accumulated through regulatory orders, and allows them to organize in a manner that best fits an institution's business plans. Additionally, I assiduously worked to ensure that this legislation would not place small financial institutions at a competitive disadvantage.

Another way that the bill helps small banks to compete and small communities to thrive is found in Title VI. I am especially pleased that this compromise agreement makes significant strides in updating the Federal Home Loan Bank (FHL.Bank) system. The bill ensures a vibrant system able to meet the challenges of the next century with modern rules and state-of-the-art financial products. America's homebuyers, small business owners, small farmers, and small communities will benefit from a reinvigorated FHL.Bank system.

Specifically, the legislation establishes voluntary membership on equal terms and conditions for all eligible institutions. The bill also expands access to FHL.Bank advances for community financial institutions, which are banks and thrifts with less than $500 million in assets. The changes in allowable collateral for FHL.Bank advances for community financial institutions pave the way for enhanced targeted economic development lending.

There was much need for this reform. Even though Congress authorized economic development lending in 1989 and the Federal Housing Finance Board (Finance Board) wrote permissive rules to encourage it, the system's collateral laws severely restricted such effects. It was as if we were simultaneously saying, "go make these loans, but they are illegal to use as collateral." Now, as a result of this bill, a framework is in place for community financial institutions to offer safe, sound, and fully collateralized economic development loans. I expect the FHL.Banks and the Finance Board to prioritize the system's economic development efforts.

Additionally, the legislation creates a flexible capital structure that is based on the actual risk of the system and not on antiquated subscription capital rules. This new, more permanent, capital system features two classes of stock, a revised leverage ratio, and the parameters for establishing a risk-based capital standard. In short, these changes—which come as a result of a true bipartisan effort—reflect the House-passed product, which called for the creation of a modern capital system as opposed to another study of capital plans by the General Accounting Office.

The modernization of the capital structure will be important as the FHLBank system fosters increased competition among lenders and assists well-capitalized community banks in obtaining stable and attractive sources of funding. These increases in liquidity will also translate into increased support for community and economic development lending within America's rural and urban neighborhoods. Additionally, the capital modifications will alleviate some of the pressure to arbitrage excess capital to earn competitive returns for member institutions.

The bill additionally modifies the formula used to allocate the $300 million per year in the Resolution Funding Corporation (REFCorp) obligations of the FHLBank system. In crafting the legislation, we sought to find a fair and equitable way to allocate the obligation, without increasing or decreasing the FHLBanks' overall contribution to resolving the savings and loan crisis. While switching to a flat percentage of net income is an improvement, the 20 percent figure ultimately adopted by the conference is not budget neutral and will significantly increase the FHLBanks' annual payments. For example, under current estimates, next year the FHLBanks will pay 33 percent more toward their REFCorp obligation than in 1999. This was not the intended purpose of the change. The intended purpose was to promote stability for the FHLBanks.

Title VI also addresses governance issues. The bill delegates to the FHLBanks a number of day-to-day management issues such as setting dividends, establishing requirements for advances, and determining employee compensation. As the FHLBank system modernizes, these prudent measures will allow the Finance Board to focus its attention more intensely on safety and soundness concerns. More regional control is still proper and should be sought for the FHLBanks regarding various management decisions, such as determining a director's compensation. The conference committee also went too far in decentralizing some governance functions. For example, the legislation now allows for the direct election of the Chair and Vice Chair by each FHLBank's Board of Directors. The continued appointment of the Chair and Vice Chair by the Finance Board would help to ensure that the government-sponsored enterprise focuses on its public mission.

Although I would have preferred that the legislation include an Economic Development Program (EDP) for FHLBanks, the conference ultimately decided not to include one at this time. An EDP, modeled after the highly successful Affordable Housing Program, has merit and could finally allow the FHLBanks to do for economic development lending as they did for housing finance. I will therefore continue to pursue the issue of creating an EDP for the FHLBanks after we pass this bill into law today.

In sum, the Federal Home Loan Bank System Modernization Act of 1999 contained in the bill takes some important and positive steps in modernizing the laws and rules governing the FHLBanks. There remains, however, a need for some additional refinements, and I will work diligently with other Members of Congress to enact them into law in the future.

LONG-TERM CONCERNS

A sweeping, industry-wide regulatory reform bill like this one rarely comes along. Just as was the case after we enacted the Telecommunications Act of 1996, unintended consequences will occur. Among my concerns are the consequences of an ever-evolving global financial system, the effects of the bill on market concentration, and the insufficiency of privacy protections.

Our financial services marketplaces are increasingly global. If managed effectively, Americans ought to benefit from the new competitive companies created by this legislation by receiving more and better goods and services at a lower cost. Although this legislation promotes competition in our domestic markets, it does little to respond to the potential dangers resulting from economic globalization. Jeffrey Garten, a former Clinton Administration Under Secretary of Commerce for Internal Trade, recently published an opinion piece in the New York Times on this point. In it he ponders how a sovereign nation responds effectively to problems when politics are national and business is global. Now that we have passed this bill, Congress needs to spend more time strengthening the ability of the worldwide financial system.

A wave of acquisitions and mergers in the financial services industry will also result from this bill. Consequently, I am worried about the concentration of wealth and power in the hands of a few powerful individuals and companies. Moreover, such concentrations could result in new risks. In a recent speech, Federal Reserve Board Chairman Alan Greenspan said that megabanks are becoming "complex entities that create the potential for unusually large systemic risks in the national and international economy should they fail." In short, we need to attentively watch our changing financial marketplace in order to protect consumers from potential abuses of corporate power and guard taxpayers against another bailout like the savings and loan crisis of the 1980s.

Finally, although this bill contains the strongest federal privacy protections ever enacted into law, I have reservations. The passage of this legislation does not diminish the need for Congress to develop and enact comprehensive legislation in this area in the future. Dramatic transformations in the financial services industry suggest that the flow of information is no longer limited to notes penned on an application, paper compiled in a folder, or comments entered into a passbook. The rise of computerized financial networks allows corporations to amass detailed information in electronic files and share these data with others. While such databases may help businesses to better serve their customers, they can also result in a loss of confidentiality. Even though the conference agreement contains new federal rules allowing consumers to op-out of sharing their information with third parties, we must take further action once we understand this electronic revolution more completely.

Although we may be completing our work today, it is important for us to remain vigilant in each of these areas. I, for one, plan to continue to closely monitor and carefully examine each of these issues.

CLOSING

Madam Speaker, in closing, I wish to thank Chairman LEACH and Ranking Member LAFALCE for their strong leadership and bipartisan efforts to shepherd this complex bill through the legislative process. I also want to thank my colleague RICHARD BAKER, who serves as the Chairman of the Subcommittee on Capital Markets, Securities, and Government Sponsored Enterprises on which I am the Ranking member. Congressman BAKER and I have worked for more than five years to enact legislation to modernize the Federal Home Loan Bank system, and I am grateful for his advice and counsel in achieving this goal. Our success in seeing this issue through demonstrates the positive results one can achieve when Democrats and Republicans put politics aside and work cooperatively to achieve a public policy goal.

This conference report is the culmination of more than 20 years of work on the part of Congress, several Administrations, and federal financial regulators to create a more rational and balanced structure to sustain our nation's financial services sector. While I may have concerns about market concentration, globalization, and privacy, overall this is a good package that effectively modernizes our domestic financial system, while ensuring strong protections for consumers and communities. I support this bill.

Mr. CAPUANO. Madam Speaker, I rise in opposition to the conference report for S. 900, the Gramm-Leach-Bliley Financial Services Modernization Act. While I do believe that our financial regulatory structure needs to be adapted to respond to the rapidly changing global marketplace, we should not abandon several core principles. Unfortunately, I believe this bill falls short in several important areas.

In particular, the bill fails to adequately modernize the Community Reinvestment Act to keep up with the changing financial landscape. The bill does make the CRA a condition of new affiliations, and requires a satisfactory or better CRA rating for banks that are offering new financial products. However, the bill does not subject insurance companies, investment firms, or other financial services companies that take deposits and make loans subject to the CRA. This will greatly lessen the impact of CRA as more and more individuals do their "banking" through financial services conglomerates.

The bill also includes an onerous CRA "Sunshine" provisions that will subject community groups to burdensome new regulations. I agree that there should be accountability on CRA agreements. Unfortunately, the bill mandates substantial reporting requirements for community groups and penalties for non-compliance, but offers the regulators no authority to enforce the CRA agreement itself. We should be punishing the bad actors, but most community groups are doing their best to provide much-needed resources to low- and moderate-income communities throughout the country. They deserve our continued support.

There has been considerable discussion regarding this legislation's impact on the personal privacy of Americans. I believe that we have a fundamental right to privacy of our personal financial information. While the bill does take some small steps to protect that right, financial services companies will still be able to share this information between affiliates. At the very least, Americans, should be given the opportunity of "opting out" of having their personal information shared between financial services firms. Not all customers will exercise that right. However for those who believe their information should not be shared under any circumstances, this simple choice should be available.

The bill also does not include an important amendment that we passed in the House Banking Committee. This amendment, sponsored by my colleague from California, Congresswoman LEE, would have prohibited insurance firms that were in violation of the Fair Housing Act from affiliating with other financial services companies. This simple amendment would require that these firms abide by the laws of this nation before they were allowed to expand. Unfortunately, this provision was removed without a vote before the bill came to the floor of the House.

This legislation makes sweeping changes to the way financial services are delivered and regulated in this country. I will continue to work for these simple protections for consumers and our communities, and I urge my colleagues to vote against this measure until these concerns are addressed.

Ms. ESHOO. Madam Speaker, I plan to vote for the Financial Service Modernization Act Conference Report because I think there are some very important things for the American people. The new financial structure that the bill creates will provide consumers greater choice and efficiency. However, I also wish to state my deep concerns with the privacy provisions in the bill.

Every American cherishes their personal privacy. Whether in our homes, shopping with our credit cards, or surfing the web, we expect to be able to control who has access to our private lives.

A 1978 study by the Center for Social and Legal Research found that 64 percent of Americans were "very concerned" about threats to their privacy. By 1998, those concerned had risen to 88 percent. In a recent AARP study, 78% of respondents said they believe that current federal and state laws are not strong enough to protect their privacy from businesses that collect information about consumers.

We had an opportunity in the Financial Services Modernization Act to restore confidence to the American people by establishing high standards to protect the privacy of financial records and information. In the Commerce Committee, we unanimously adopted a provision that would have given Americans the right to say no to the sale or transfer of their most personal financial information.

Unfortunately, the privacy provisions in this conference Report are very different. The bill allows banks to create huge financial structures that include everything from insurance companies to marketing and travel agencies, among which private customer information can be freely shared.

Moreover, the bill allows banks to sell private information to any entity, whether it's a part of the financial structure or not, as long as they enter into a "joint agreement to perform services or functions on behalf of the bank." This includes marketing and the consumer does not have the right to say no.

I'm concerned that the privacy provisions in the Financial Services bill threaten to take us down a path where our bank managers know as much about us as our doctors and telemarketers know as much about us as our mortgage companies. The American consumer should have the right to opt out of their private financial information being sold or transferred to outside third parties and affiliates without their knowledge or permission. Thus, I urge the banks and financial services industry to go beyond what is required of them in this legislation and to enact policies that will provide comprehensive and meaningful protection of their customers' private records.

Mr. ACKERMAN. Madam Speaker, I rise today in support of S. 900, the Financial Services Modernization Bill. This is indeed a momentous day as we prepare to pass this historic legislation.

S. 900 achieves many goals in financial modernization to better serve consumers and businesses. The measure creates one-step shopping for bank accounts, insurance policies and securities transactions, requires banks to disclose bank surcharges on ATM machines and on the screens of ATM machines before a transaction is made, and ensures that banks lend to all segments of their communities with the continued applicability of the Community Reinvestment Act.

I was particularly proud to be a conferee on the financial privacy section of this bill. After months of negotiations, we have crafted, what I believe, is a strong provision which will enhance the privacy that consumers want and deserve. Four provisions in particular evidence the achievements in the bill.

The first provision addresses disclosure requirements. Currently, financial institutions do not have to disclose their financial privacy provisions to their customers. Consumers have a right to know what the policy is, and S. 900 will require these institutions to inform all new customers of their policy and to update existing customers at least once a year.

Second, the bill allows in most instances for consumers to "opt-out" of their financial institution's information sharing agreements with unaffiliated third parties. This arrangement strikes a balance between protecting consumer privacy and facilitating regular financial activities.

Third, the measure expressly prohibits financial institutions including banks, savings and loans, credit unions, securities firms and insurance companies, from disclosing a customer's bank account or credit card numbers to unaffiliated third parties for telemarketing, direct mail marketing or electronic mail purposes.

And finally, this legislation bans, with minor safety exceptions, the despicable practice known as pretext calling. This blatantly criminal activity in which an individual impersonates another in order to trick an institution into providing confidential information, would be punishable by both imprisonment and fines.

I applaud the hard work and dedication of the Conferees from the House and the Senate, as well as the Department of the Treasury, the Federal Reserve and the White House. Without this cooperation, we would not be here today voting on S. 900. I encourage my colleagues to join with me and vote for the Financial Services Modernization bill, S. 900.

Mr. BEREUTER. Madam Speaker, this Member rises today to express his enthusiastic support for the S. 900 Conference Report, which he signed as a conferee. Today marks the near-end of the two decade journey toward financial modernization.

At the outset, this Member would like to thank and commend the distinguished chairman of the Banking Committee and the Chairman of the S. 900 Conference Committee for Iowa [Mr. LEACH], for his successful, consensus-building leadership role in guiding financial modernization through a maze of complexities to the consideration of the S. 900 Conference Report today. In addition, the ranking member from New York [Mr. LAFALCE] also deserves to be commended for his role in the S. 900 Conference Report. Moreover, the leadership of the House Commerce Committee and also the Senate Banking Committee should be applauded for their collective role in the joint effort of financial modernization.

While there are many reasons to support the S. 900 Conference Report, this Member will enumerate eight reasons. First, this measure illustrates that a Federal statutory change in financial law is imperative. Second, the S. 900 Conference Report has provisions which will be of greater importance to rural, community banks, which there are many in this Member's congressional district. Third, this measure will allow financial companies, to offer a diverse number of financial products to their customers. Fourth, this conference report will have a distinct, positive effect on consumers. Fifth, this legislation will provide the first, Federal consumer financial privacy legislation. Sixth, this legislation allows for no mixing of banking and commerce through a commercial basket. Seventh, this measure balances the interest of a state in regulating insurance with that of an ability of a national bank to sell insurance. Finally, the S. 900 Conference Report is necessary to keep the United States in its preeminent position in the world, financial marketplace.

1. First, a Federal statutory change in financial law is imperative because Congress must call a halt to the recent trend of financial modernization through regulatory fiat and judicial consent, instead we need to modernize the nation's banking laws through statute.

As a matter of fact, on the first day of Banking Committee consideration of financial modernization legislation in 1998, during the 105th Congress, this Member stated: "Once more, we start an effort to modernize our financial institutions structure. It is an effort we have tried before and must begin someplace. It should begin in the House, and so I commend you, Chairman LEACH, for launching this effort. We need to do this. We need to face up to our responsibilities as a legislative body. There is no doubt about that."

2. This Member supports the S. 900 Conference Report as it will provide great benefits to rural, community banks. Three particular provisions demonstrate this.

A. The unitary thrift charter is of significant concern to Nebraska community banks. One of the reasons this Member is unequivocally opposed to the existence of this unitary thrift charter is because of its mixing of thrift activities with commercial ventures. However, this is not he sole reason—it also results in an extremely powerful variety of financial institutions. Fortunately, the conference report closes the unitary thrift loophole. It allows no new unitary thrifts to be chartered as well as allowing those in existence to not be sold to commercial firms.

B. Community banks will benefit from the Federal Home Loan Bank (FHLB) charter being expanded to allow community banks to borrow from the FHLB for family farm and small business lending. For the first time, in rural areas such as in Nebraska, it will give community banks access to the FHLB. In light of the agriculture situation today, this increased community bank liquidity will have beneficial implications on in particular the family farm.

C. The S. 900 Conference Report provides some regulatory relief for banks under $250 million in assets. Those banks with an "outstanding" Community Reinvestment Act rating will be examined for compliance only every five years and those banks with a "satisfactory" rating will be reviewed every four years.

3. The S. 900 Conference Report will allow financial companies to offer a diverse number of financial services to the consumer. This bill removes the legislative barriers within the Glass-Steagall Act of 1933 and the 1956 Bank Holding Company Act. As a result, the conference report will allow financial companies to offer a broad spectrum of financial services to their customers, including banking, insurance, securities, and other financial products through either a financial holding company or through an operating subsidiary. Banks, securities firms, and insurance companies will be able to affiliate with one another through this financial holding company model.

In order for banks to be able to engage in the new financial activities, the banks affiliated under the holding company or through an operating subsidiary have to be well-capitalized, well-managed, and have at least a "satisfactory" Community Reinvestment Act rating.

4. Fourth, this Member supports the S. 900 Conference Report because it is very pro-consumer. It will increase choices for the consumer in the financial services marketplace by creating an environment of greater competition. As a result, financial modernization will allow consumers to be able to choose from a variety of services from the same, convenient, financial institution. Financial modernization will give consumers more options.

Whether it be in rural Nebraska, or in New York City, consumers of financial products all across the United States deserve additional competitive options. Moreover, under the current setting, many rural communities are under-served in regards to their access to a broad array of financial services. Financial modernization will help ensure that the financial sector keeps pace with the ever-changing, needs and desires of the all-important consumer.

In addition, the Conference Report will also allow financial institutions to provide more affordable services to the consumer. Financial modernization will result in additional competition and in efficiency which in turn should result in lower prices for financial services to the consumer.

5. Fifth, this Member supports the S. 900 Conference Report as it provides the first, Federal consumer privacy legislation for American financial institutions. These privacy provisions are a pioneering, landmark advance forward by Congress in ensuring that consumer's personal information is protected from unwanted disclosures by financial institutions. The privacy provisions in the conference report include the following:

A. Prohibiting financial institutions—including banks, savings and loans, credit unions, securities firms and insurance companies—from disclosing customer account numbers or access codes to third parties for telemarketing or other direct marketing purposes;

B. Requiring all financial institutions to disclose annually to all customers its privacy policies and procedures;

C. Enabling customers of financial institutions, for the first time, the ability to "opt-out" of having their personal financial information from being shared with third parties;

D. Making it a Federal crime, punishable by up to five years in prison, to obtain or attempt to obtain private customer financial information through fraudulent or deceptive means; and

E. Allowing states to adopt greater privacy protections than is in Federal law.

6. Sixth, this Member has been a fervent advocate of keeping banking and commerce separate. In fact, this Member is quite pleased that the S. 900 Conference Report does not contain a "commercial market basket" which would have allowed the mix of commerce and banking—equity positions by commercial banks.

An amendment was initially filed, but not offered, in the House Banking Committee in the 106th Congress which would have allowed for the mixing of banking and commerce in a five percent market basket. However, this Member believes in large part because of expressed strong opposition, including vocal and effective opposition of this Member, this amendment was withdrawn for consideration in the Committee.

7. Seventh, this Member supports the S. 900 Conference Report because, it balances the interest of a state in regulating insurance with that of the interests of a national bank to sell insurance. At the outset, this Member notes that he has a distinguished record of supporting states rights, especially in the area of insurance regulation.

It is important to note that this conference report preserves state rights by providing that the state insurance regulator is the appropriate functional regulator of insurance sales. Whether insurance is sold by an independent agent or through a national bank, the state, and only the state, is the functional regulator of insurance in both instances. Moreover, this conference report also does not unduly burden the ability of national banks to be able to sell insurance.

8. Lastly, this Member supports the S. 900 Conference Report as its passage is necessary to keep the United States in its preeminent position in the world financial marketplace. U.S. financial institutions are among the most competitive providers of financial products in the world. However, the financial marketplace is currently undergoing three changes which are altering the financial landscape of the world.

The first of those changes involves a technological revolution including the internet through electronic banking. Technology is blurring the distinction between financial products. The other two changes include innovations in capital markets, and the globalization of the financial services industry.

This Member would like to note Section 502(e)(1)(C) of the S. 900 Conference Report. It is this Member's understanding that credit enhancement done through the underwriting and reinsurance of mortgage guaranty insurance after a loan has been closed are secondary market transactions included within the exemption in Section 502(e)(1)(C) of the S. 900 Conference Report.

Financial modernization is the proper, appropriate step in this ever-changing financial marketplace. Consequently, in order to maintain America's financial institution's competitive and innovative position abroad, the S. 900 Conference Report needs to be enacted into law. In the absence of this bill, the American banking system could suffer irreparable harm in the world market as we will allow our foreign competitors to overtake U.S. financial institutions in terms of innovative products and services. We must simply not allow this to happen.

Therefore, for all these reasons, and many more that have been addressed today by this Member's colleagues, we must, and will, pass the S. 900 Conference Report. This Member urges his colleagues to support the S. 900 Conference Report, the Financial Modernization bill.

Mr. GILLMOR. Madam Speaker, this bill makes the most important changes in the structure of financial institutions and services in over six decades. The financial combinations authorized by this bill can result in substantial savings in the delivery of financial services. However, as institutions are combined, and as they become larger, it is essential that there be safeguards for safety and soundness to protect both consumers and taxpayers. The bill for the most part contains those safeguards.

While there was much discussion about each industry group wanting a level playing field tilted in their favor, the federal and state regulators also had their share of turf battles over regulatory authority. In fact, it was not until Treasury and the Fed finally reached a compromise on the operating subsidiary—affiliate issue that this bill was able to move through the conference committee. It was just this kind of authority grabbing by regulators that required a provision to prevent the federal regulators from over regulating and intruding into financial services functions in which they have no expertise.

While the Federal Reserve serves an umbrella regulator over Financial Holding Companies, I was concerned about the Fed getting into the jurisdiction of the already effective insurance and securities regulators. Consumers do not derive any benefit from additional layers of regulation that can only intrude into the marketplace.

My amendment in the Commerce Committee two years ago, which was included in the current bill, created the functional regulatory framework for financial holding companies. The purpose of this "Fed Lite" framework is to parallel the financial services affiliate structure envisioned under this legislation. This parallel regulatory structure eliminates the duplicative and burdensome regulations on businesses not engaged in banking activities, and importantly, preserves the role of the Federal Reserve as the prudential supervisor over businesses that have access to taxpayer guarantees and the federal safety net.

The Information Revolution, like the Industrial Revolution, has made information much more widely available at a lower cost and in less time. Technology and innovation have altered and expanded the processes by which we use financial products and services.

But the increase in the availability and transmission of information has not altered the need for consumers to transact with financial institutions to take care of their financial requirements. People will need banking, insurance and securities options. But they want these options in greater speed and convenience. Customers expect a financial relationship with their financial service provider that will benefit them with enhanced benefits and lower costs.

There is legitimate concern about the misuse of information. The tremendous human benefits that have come from these advances also carry with them unprecedented new threats to personal privacy. Personal privacy needs reasonable protections, because personal privacy is an important part of individual freedom. This bill for the first time put in place strong privacy provisions for the financial services industry.

With enactment of this legislation, consumers can go to a financial services provider that is able to complete globally, is subjected to streamlined regulation and must prevention your financial information from falling into the hands of unaffiliated organizations and telemarketers if you instruct it to do so. I urge the adoption of the conference report.

Mr. TOWNS. Madam Speaker, I rise today in strong support of the conference report on the Gramm-Leach-Bliley Financial Modernization Act of 1999. For the first time in more than two decades, Congress, the Administration, financial regulators, and all sectors of the financial services industry have reached a consensus on legislation to modernize the financial marketplace. For far too long, our nation's financial services firms have labored under outdated banking laws that have impaired their global competitiveness, limited the range of services that consumers can obtain from one financial institution, and driven up costs.

With the passage of this conference report, consumers and investors will be able to choose from a wider array of products and services offered in a more competitive marketplace. Securities firms, insurance companies, and banks will be able to freely affiliate with each other through a holding company. Each subsidiary financial institution within the holding company will be functionally regulated, thereby ensuring tough, consistent investor protections and fair competition. Consumers—who will save an estimated $15 billion over three years—will be the beneficiaries of one-stop shopping to meet a broad range of financial needs, from checking and savings accounts to mortgages and financial planning. The increased competition will also give underserved communities, entrepreneurs, and small business owners expanded access to a full range of financial services.

Equally important, the conference report incorporates an historic agreement maintaining the obligation of insured financial institutions to meet the requirements of the Community Reinvestment Act to serve the credit needs of low- and moderate-income residents of their community. It also provides consumers with the most extensive safeguards yet enacted to protect the privacy of their financial information.

Passage of this legislation is vital to maintaining the preeminent status of the U.S. financial services industry in the global economy. Banks, securities firms, and insurance companies will now be able to compete with overseas financial juggernauts that have not been constrained by U.S. regulation. And New York, as the world's leading financial center, is well positioned to compete in the arena for global business as foreign banks and securities firms seek to establish or expand their U.S. operations.

With its concentration of financial services organizations, New York's economy stands to benefit tremendously from passage of this legislation. A vigorous, healthy, competitive financial services sector means more jobs, higher real earnings growth, and more tax revenues. Indeed, the finance sector accounted for half of the $2.7 billion growth in personal income, general corporation, and unincorporated business taxes between 1992 and 1998.

Madam Speaker, the Gramm-Leach-Bliley Financial Modernization Act of 1999 is a great step forward in improving our nation's financial services system for the benefit of investors, consumers, community groups, financial services providers, and our nation's economy. I strongly support passage of the conference report on S. 900.

Mr. SHAYS. Madam Speaker, I rise in strong support of the conference report for the Financial Services Act. This bill is a wonderful testament to the important things we can accomplish when we set aside partisan differences and work together on the nation's business.

The historic bill, which has been 20 years in the making, has the support of a majority of Congressional Republicans and Democrats, as well as the Administration.

S. 900 replaces outdated, Depression-era laws that separate banking from other financial services with a new system to enhance competition and increase consumer choice. The bill repeals the anti-affiliation provisions of the 1933 Glass-Steagall Act, as well as the 1956 Bank Holding Company Act. In doing so, financial companies—either through a financial holding company or through operating subsidiaries—will be allowed to offer a broad array of financial products to their customers, including banking, insurance and securities.

To be permitted to engage in the new financial activities authorized under the bill, banks affiliated under a holding company would have to be well-managed, well-capitalized, and have a satisfactory Community Reinvestment Act rating, thus ensuring that banks continue to lend to inner-city and minority communities.

Encouraging greater competition will lower prices for financial services and improve products, benefiting consumers and the economy. It's true that some may benefit from these changes more than others. But fostering competition between financial institutions will ultimately ensure consumers have greater choices at lower cost.

Madam Speaker, the simple fact is, these banking reforms are long overdue. The anti-affiliation provisions of the Glass-Steagall Act are sorely outdated and have increasingly impeded the United States' ability to compete in the new world economy.

To illustrate the changes in the financial services sector, consider the following fact. In 1933, when the Glass-Steagall Act was signed into law, upwards of 60 percent of the nation's assets were deposited in banks and thrifts. Today, banks and thrifts control 37 percent of the nation's assets.

In recognition of this changing climate, we have seen the prohibition on the mixing of banking and securities substantially reduced by sympathetic regulators, favorable court decisions, and large mergers. And today, we have come together to consider this landmark bill.

I want to thank Chairman JIM LEACH of the Banking and Financial Services Committee and Chairman TOM BLILEY of the Commerce Committee for shepherding S. 900 through its final, difficult stages and urge the adoption of this conference report.

Ms. ROYBAL-ALLARD. Madam Speaker, I rise in opposition to S. 900, the Financial Services Modernization Conference Report.

I would be happy to support a financial modernization bill that improves choice, access and affordability for all Americans. Unfortunately S. 900 fails on all accounts. While I understand the need to update our antiquated banking laws and bring our country's financial system into the 21st century, I am unwilling to do this at the expense of our consumers. It is unacceptable that we give the green light for the unprecedented conglomeration of banks, securities firms, and insurance companies while we ignore the most modest provisions to protect our consumers.

Earlier this year, I joined many of my colleagues in opposing the House's financial modernization bill, H.R. 10. I opposed the bill because it failed to protect consumers in regards to community reinvestment and privacy. Unfortunately, this conference report is no improvement.

First, S. 900 fails to adequately protect the Community Reinvestment Act (CRA), which has been instrumental in leveraging billions of dollars of investment into communities such as mine, where unemployment and poverty levels are still well above the national average. Specifically, S. 900 fails to require that banks maintain a "satisfactory" CRA rating after they have expanded across industry lines to take advantage of the newly authorized activities under this bill. Moreover, S. 900 reduces the frequency of CRA examinations for small banks. Lastly, S. 900, under the guise of "sunshine disclosures", targets community groups with onerous and burdensome reporting requirements in their community agreements with banks. Rather than promoting greater accountability, this sunshine provision will have a chilling effect on these community agreements, which have been so effective in opening up access to credit in low income and minority communities.

Second, S. 900 fails to provide strong financial and medical privacy protections. If we're going to allow for the creation of mega one-stop centers with access to information about millions of customers, consumers should have the right to say "no" to the distribution of their personal information to third parties and affiliates. Instead of giving consumers control over the use of their confidential customer information, the bill allows banks to share or sell it.

As I previously stated when I voted against the financial modernization bill earlier this year, I am not willing to trade the so-called perks of financial modernization—efficiency, choice, convenience, one-stop-shopping—for the decimation of privacy rights and community reinvestment. S. 900 leaves our consumers even worse off than before.

I urge my colleagues to oppose this bill.

Mr. DOOLITTLE. Madam Speaker, I support the passage of the S. 900 conference report because I believe it is a fair and balanced bill which will spur competition within the financial services industry, reinforce functional regulation and protect consumers.

This legislation is by no means perfect, but it does represent a reasonable compromise between the House and Senate versions of financial services modernization legislation. The issue of modernizing this country's financial laws has been debated in Congress for over two decades and has not come to a resolution until now. The financial services industry has undergone dramatic changes in the past few decades and regulations have been formulated in a piecemeal fashion through regulatory decisions and court rulings. This has resulted in an uneven and often inequitable regulatory framework that is badly in need of an overhaul in today's rapidly changing economy.

It is long past time to modernize our financial system in order to reflect the reality of the marketplace. In doing so we need to make sure there are rules in place to protect the American public without layering bureaucratic regulations. I believe the bill before us accomplishes this goal. The point of passing financial services reform is to update and streamline the rules and ensure that all entities are fairly and consistently regulated by the appropriate entity. I believe S. 900 strikes a balance between fostering free market competition and protecting the interests of the general public.

As a strong supporter of the Community Reinvestment Act (CRA), I believe this Conference Report is a significant improvement over the Senate-passed bill, which contained onerous provisions that I believe would have seriously undermined CRA. This bill not only steadfastly maintains the application of CRA to all insured depository institutions, but also requires that these banks have at least a "satisfactory" CRA rating they can offer any new financial services. Without the passage of this bill, banks will continue to expand into new areas of financial services, as they are already doing, without clear CRA requirements.

S. 900 also contains a small but very important provision that I have personally worked on for the past three years. The language I have included will prevent certain financial institutions from discriminating against victims of domestic violence in the underwriting, pricing, sale or renewal of any insurance product and in the settlement of any claim. This provision specifically applies to banks, which is important because this legislation will allow banks to sell and underwrite insurance on a large scale for the first time. When this is signed into law, it will be the first federal legislation of its kind prohibiting insurance discrimination against survivors of domestic violence.

Another important provision in this legislation is the inclusion of the "PRIME" bill, a new program that will provide new grants to microentrepreneurs. This program will help provide training and technical assistance to low-income and disadvantaged entrepreneurs interested in starting or expanding their own business. My home state has been a leader in the microcredit movement and these new grants will be a real boon to microentrepreneurs in my district and throughout Colorado.

It is rare that a flawless bill comes to the floor of the House and this legislation is no exception. This is a good bill, but it is not perfect. While the goals of this legislation are too important to delay any longer, I do believe that the privacy language should be stronger. This bill establishes privacy laws where none currently exist and ensures that stronger state privacy laws will not be preempted. However, I think Congress needs to continue to explore the issues of financial and other types of personal privacy that will become increasingly more important to consumers as marketplaces change and technology advances continue.

Mr. HYDE. Madam Speaker, I rise in support of S. 900, the Gramm-Leach-Bliley Act. For many years, we have been trying to repeal the outdated restrictions that keep banks, securities firms, and insurance companies from getting into one another's businesses. After all the debate, I think we have finally come up with something in this bill that will open up a whole new world of competition.

Financial services are becoming increasingly globalized, increasingly computerized, and increasingly seamless. Banking laws passed during the Depression simply will not do in the 21st century. I wish that we could maintain a world where everyone knew their banker on a first name basis and loans were made on a handshake, and I think in the new world some banks will provide that kind of service to those who demand it. But we need not have laws that limit us to that kind of service, as desirable as it may seem. Everyone is better off if the market decides what kinds of services financial firms will offer.

Just think about the progress we have made in the past ten years. When I was a child, only the wealthy owned stocks. Now, with the growth of the mutual fund industry and self-directed retirement funds, millions and millions of average Americans not only own stocks, but make their own investment decisions. These developments create wealth, increase people's incentive to produce, and relieve some of the entitlement burden of government. I believe that this bill will bring more such positive developments.

I want to say a word about my friends JIM LEACH, chairman of the Banking Committee, TOM BLILEY, chairman of the Commerce Committee, and PHIL GRAMM, chairman of the Senate Banking Committee. They have done an excellent job of putting this package together. I commend them for their work in bringing this bill to the floor in a very difficult and contentious environment.

I especially want to commend them for working with me on the antitrust and bankruptcy provisions of the bill. These provisions were especially important to me as chairman of the Judiciary Committee, which has jurisdiction over these areas of the law. Let me briefly explain our intent with respect to these provisions.

Under current law, bank mergers are reviewed under special bank merger statutes, and they do not go through the Hart-Scott-Rodino merger review process that covers most other mergers. Now banks will be able to get into other businesses which they have not been able to do before.

The principle that we have followed is that when mergers occur, the bank part of that merger will be judged under the current bank merger statutes, and we do not intend any change in that process or in any of the agencies' respective jurisdictions. The non-bank part of that merger will be subject to the normal Hart-Scott-Rodino merger review by either the Justice Department or the Federal Trade Commission.

This is, in all likelihood, the result that would have been obtained anyway. Hybrid transactions involving complex corporate entities—some parts of which are in industries subject to merger review by specialized regulatory agencies and other parts of which are not—have occurred in the past. In those cases, the various parts of the consolidation were considered according to agency jurisdiction over their respective parts, so that normal Hart-Scott-Rodino Act requirements applied to those parts that did not fall within the specialized agency's specific authority. See, e.g., 16 C.F.R. § 802.6. I think the precedents would have already dictated the desired result here.

The clarification for the new financial holding company structure contained in § 133(c) is consistent with, and in no way disturbs, those existing precedents. Even so, this is a big change we are making in our banking laws, and I thought it would be most helpful to clarify this point with respect to financial holding companies in the statute. I think we have achieved that clarification with the language in § 133(c) of the Conference Report. Similar language was a part of the House bill, and I appreciate the Senate conferees' accepting this clarification.

As the shape of the new activities in which banks were going to be permitted to engage through operating subsidiaries became clear in conference, the conferees ideally would have further revised the House language to make a similar clarification, regarding consolidations of non-banking entities that are operating subsidiaries of merging banks. But the operating subsidiary situations so closely parallels the precedents I have mentioned that a clarification for that situation was probably unnecessary.

Of course, whatever aspect of a banking merger is not subject to normal Hart-Scott-Rodino premerger review will be subject to the alternative procedures set forth in the Bank Merger Act and the Bank Holding Company Act, including the automatic stay. So one way or another, there will be some avenue for effective premerger review by the antitrust enforcement agencies. These alternative procedures would be in some ways more potentially disruptive to the merging banking entities, particularly when the antitrust concern involves non-banking entities. But it is our intent that the precedents will be followed.

In short, under this bill and the precedents, no bank is treated differently than it otherwise would be because it has some other business within its corporate family. Likewise, no other business is treated differently than it otherwise would be because it has a bank within its corporate family.

The conference report also includes conforming language found in §133(a) to clarify that the Federal Trade Commission's authority in the non-banking sphere is preserved. We though these provisions were advisable in light of the fact that the FTC's enforcement authority specifically excludes banks and savings associations, but does not and should not exclude the non-banking entities that will be brought into the banking picture as a result of the new law. We have clarified that the existing exemption is limited to the bank or savings association itself and that the FTC retains jurisdiction over nonbank entities despite any corporate connections they may have with banks or savings associations. This clarification applies to the FTC's jurisdiction over nonbanking firms under the FTC Act, and accordingly under any statute that may provide for enforcement under the Act like the consumer credit laws and the Telemarketing and Consumer Fraud and Abuse Prevention Act. For example, the FTC would continue to have jurisdiction over a telemarketer of financial services, even if it is a subsidiary or affiliate of a bank. The FTC's authority would not be expanded or extended to any new statute that may not be enforced under the FTC Act. These provisions were also included in the House bill, and again, I appreciate the Senate conferees' accepting them in the final conference report.

Again, no bank is treated differently than it otherwise would be because it has some other business within its corporate family. Likewise, no other business is treated differently than it otherwise would be because it has a bank within its corporate family.

Let me again commend my friends JIM LEACH, TOM BLILEY, and PHIL GRAMM, and everyone else who has worked on this legislation, and I ask my colleagues to support it.

Mr. COMBEST. Madam Speaker, S. 900, the Gramm-Leach-Bliley Act, is an important step in revamping and modernizing America's financial system. While there are both pluses and perils to the approach contained within this act, today I wish to highlight several portions of the bill which are of particular importance to the Committee on Agriculture, and which were very much in the minds of the Managers and staff while drafting this conference report.

S. 900 contains several provisions relating to the treatment of certain financial instruments for various purposes under this country's securities laws. In particular, a bank is explicitly not required to register as a broker-dealer under the '34 Act for participating in certain hybrid and swap transactions..

These provisions, contained in Title II of the bill, are not a finding that all swaps are securities. Furthermore, in the case of both swaps and hybrids, it is important to note that the classification of a particular type of instrument for purposes of the Gramm-Leach-Bliley Act does not preclude that instrument or transaction from falling under the jurisdiction of the Commodity Futures Trading Commission under the Commodity Exchange Act. This result is made clear in section 206(c) of Title II of the bill.

Furthermore, section 210 of Title II states that "Nothing in this Act shall supersede, affect, or otherwise limit the scope and applicability of the Commodity Exchange Act." This section recognizes that transactions which are futures contracts or commodity options under the exclusive jurisdiction of the CFTC pursuant to the Commodity Exchange Act do not receive an exemption or exclusion from the Commodity Exchange Act because of anything in the Gramm-Leach-Bliley Act. No financial instrument described in this act, be it a swap agreement, new hybrid product, or identified banking product, is exempted or excluded from the jurisdiction of the CFTC solely by virtue of anything contained in the Gramm-Leach-Bliley Act. The CFTC's traditional exclusive authority is unaffected by this legislation.

The Privacy Title, Title V of the Gramm-Leach-Bliley Act, explicitly excludes persons and entities subject to the jurisdiction of the CFTC, and the Federal Agricultural Mortgage Corporation and persons and entities chartered and operating under the Farm Credit Act of 1971, from the provisions of this Title. The purpose of sections 509(3)(B) and (C) and 527(4)(D), excluding the above mentioned persons and entities from the definition of "financial institution," is to make it clear that no provision of Title V will apply to farm credit system institutions nor to CFTC regulatees.

Mr. PACKARD. Madam Speaker, I would like to urge my colleagues to support S. 900, the Financial Services Modernization Act Conference Report, when it is considered on the floor today. These improvements are long overdue for the benefit of investors, consumers, community groups, financial service providers, and our nation's economy.

This legislation will modernize America's financial services industry to better serve consumers—individuals, small businesses and large corporations. It will increase convenience for financial service consumers by creating one-step shopping for bank accounts, insurance policies, and securities transactions. S. 900 will also greatly increase the international competitiveness of American financial firms.

S. 900 provides meaningful consumer protection rules for disclosure requirements and damage recovery protections and establishes consumer grievance procedures. The bill also promotes consumer privacy by barring financial institutions from disclosing customer account numbers for telemarketing or other direct marketing purposes.

Madam Speaker, S. 900 will provide the most extensive safeguards yet enacted to protect the privacy of consumer financial information. I urge my colleagues to support this much needed, historic legislation.

Mr. MOORE. Madam Speaker, I rise today in support of S. 900, the conference report for the Financial Services Modernization Act of 1999. As a member of the Banking and Financial Services Committee, I supported this measure when it passed our committee on March 23 by a 51–8 margin. I supported this measure again, when it overwhelmingly passed the full House of Representatives on July 1, 1999, on a vote of 343–86.

I would like to commend my colleagues in both the House and Senate who served on the conference committee. Through their hard work, we have before us today a well balanced and thoughtful conference report that, after over two decades of trying, finally reforms our antiquated, Depression-era financial services laws to benefit consumers, businesses and the economy.

I supported the House Banking version because financial modernization is desperately needed to address changes that are currently taking place in the global marketplace. Today, America's financial services industry is the most effective and competitive in the world. The banking system and other associated financial services institutions are the oil that prime the pump to our economy. The industry's ability to adapt to the swift and vast structural and technological changes in the marketplace have accounted for the record bank profits and the largest peacetime expansion since World War II.

These achievements of our financial services industry, however, are at risk—risk to both consumers and the system itself—if we continue to rely on ad hoc adaptations without establishing a meaningful and prudent framework in which this system, undergoing such rapid changes, can thrive and prosper. This conference report establishes such a responsible framework, with an eye allowing the industry to thrive and prosper, while providing the most progressive consumer protection safeguards ever enacted into law.

Among the many benefits of this landmark legislation, three are critically important:

S. 900 permits the creation of new financial holding companies, which can offer banking, insurance, securities, and other financial products. These new structures will allow American financial firms to take advantage of greater operating efficiencies and spur competition. This new competitive spirit will create better access to capital that will continue to promote our growing economy, greater choices, innovative services, and lower prices for consumers. Indeed, the efficiencies created with this bill are estimated to save consumers over $15 billion.

S. 900 benefits our local communities by preserving and strengthening community investment. This conference report requires that banks have a good track record of community reinvestment as a condition for taking advantage of the bill's newly authorized business activities and, for the first time, requires that a bank's performance on community reinvestment be considered when it expands outside of traditional banking activities. In addition to these protections, this conference report creates a new program designed specifically to help small, low-income entrepreneurs start and expand their businesses in underserved areas.

S. 900 provide important new consumer protections including mandatory prohibitions on coercive sales practices, disclosure of ATM fees, and for the first time, protections for Americans' financial privacy. These new standards are a significant improvement over current law, where no standards exist. The conference report requires financial institutions to notify consumers and provide them with the ability to opt-out of the disclosure of personal financial information to unaffiliated third parties; prohibits third parties from sharing or selling a consumer's personal financial information; provides strengthened and expanded regulatory authority to detect and enforce privacy violations; and prevents the preemption of stronger state consumer protection laws.

Madam Speaker, this conference report represents a balanced compromise between the House and the Senate versions of financial services modernization. Congress has spent several decades considering many of the complicated and extremely important issues addressed in this compromise—a compromise that represents a landmark legislative achievement in modernizing our nation's financial services industries. It establishes a rational framework in which our financial services industries may offer a wide range of services that will benefit consumers. It creates, in most cases, prudential consumer safeguards. And, it levels the playing field in a manner that will allow our financial institutions to compete in the 21st Century. I congratulate and commend my colleagues in both the House and the Senate who served on the conference committee and urge swift passage of this report.

The SPEAKER pro tempore. All time for debate has expired.

Without objection, the previous question is ordered on this conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DINGELL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 362, nays 57, not voting 15, as follows:

[Roll No. 570]

YEAS—362

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baird
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Bass
Bateman
Becerra
Bentsen
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth-Hage
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Cramer
Crane
Crowley
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (VA)
Deal
DeGette
Delahunt
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Everett
Ewing
Farr
Fletcher
Foley
Forbes
Ford
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Herger
Hill (IN)
Hill (MT)
Hilleary
Hilliard
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kasich
Kelly
Kennedy
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Maloney (CT)
Maloney (NY)
Manzullo
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McGovern
McHugh
McIntosh
McIntyre
McKeon
McNulty
Meehan
Meeks (NY)
Menendez
Metcalf
Millender-McDonald
Miller (FL)
Miller, Gary
Minge
Mink
Moakley
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Northup
Nussle
Oberstar
Olver
Ortiz
Ose
Owens
Oxley
Packard
Pallone
Pascrell
Pastor
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Rahall
Ramstad
Rangel
Regula
Reyes
Reynolds
Riley
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Royce
Ryan (WI)
Ryun (KS)
Sabo
Salmon
Sanchez
Sandlin
Sawyer
Saxton
Schaffer
Scott
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Simpson
Sisisky
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Tiahrt
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Vento
Visclosky
Vitter
Walden
Walsh
Wamp
Watkins
Watt (NC)
Watts (OK)
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Wu
Wynn
Young (AK)
Young (FL)

NAYS—57

Baldwin
Barrett (WI)
Barton
Brady (PA)
Campbell
Capuano
Clay
Condit
Conyers
Costello
Coyne
Davis (IL)
DeFazio
DeLauro
Dingell
Dixon
Edwards
Evans
Fattah
Filner
Frank (MA)
Gejdenson
Gutierrez
Hastings (FL)
Hefley
Hinchey
Inslee
Jackson (IL)
Kaptur
Kildee
Kucinich
Lee
Lewis (GA)
Lipinski
Luther
Markey
McDermott
McKinney
Meek (FL)
Mica
Miller, George
Obey
Phelps
Rivers
Rodriguez
Roybal-Allard
Rush
Sanders
Sanford
Schakowsky
Serrano
Taylor (MS)
Thurman
Tierney
Waters
Waxman
Woolsey

NOT VOTING—15

Bereuter
Dickey
Kanjorski
Larson
Martinez
McInnis
Mollohan
Ney
Norwood
Paul
Radanovich
Scarborough
Shuster
Stark
Taylor (NC)

☐ 2317

Mr. SANFORD changed his vote from "yea" to "nay."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. KANJORSKI. Mr. Speaker, on rollcall No. 570, the final passage of the conference report on S. 900 the Gramm-Leach-Bliley Financial Services Modernization Act of 1999, I was away from Washington on official business. Had I been present, I would have voted "yea."

Mr. BEREUTER. Mr. Speaker, this Member was not recorded on rollcall vote No. 570, on passage of the conference report on S. 900, the Gramm-Leach-Bliley Act. Had he been present, he would have voted "aye."

☐ 2320

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. ISAKSON). Under the Speaker's announced policy of January 6, 1999, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

PRESCRIPTION DRUG BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. GUTKNECHT) is recognized for 5 minutes.

Mr. GUTKNECHT. Mr. Speaker, tonight I would like to talk about an issue that is becoming increasingly of concern to the American citizens, and that is the high prices that Americans in general and seniors in particular are being required to pay for prescription drugs.

A number of stories have appeared recently. A number of national news publications, MSNBC, the New York Times, a number of stories, the Washington Post, a Minneapolis paper recently did stories about what is happening in America relative to the high cost of prescription drugs.

Now, it has a tremendous impact on all Americans, but of particularly high impact on senior citizens where many of the people in my district, and I suspect this is not unusual to my district, it happens all over the country, seniors are paying two, three, four, in fact I talked to one couple that is paying over $1,000 a month for prescription drugs. It is a serious problem. It is here now. Every one has an opinion.

But let me just talk about what I think is one part of the problem that we could do something very serious about solving very quickly.

But before I do, I would like to read excerpts from a letter to the community from George Halvorson. George Halvorson is the president and CEO of HealthPartners in Minneapolis.

Let me just read, "The cost of prescription drugs varies to an amazing degree between countries.

"If you have a stomach ulcer and your doctor says, 'you need to be on Prilosec,' you would probably pay about $99.95 for a 30-day supply in the Twin Cities. But if you were vacationing in Canada and decided to fill your prescription there, you would pay only $50.88.

"Or, even better, if you were looking for a little warmer weather south of the border in Mexico, the same 30-day supply would cost you only $17.50.

"That's for the same dose, made by the same manufacturer.

"If we could get only half the price break that Canadians get, our plan alone", he is talking about one HMO in Minnesota, he says, "our plan alone could have saved our members nearly $35 million last year."

Imagine what we are talking about throughout the entire country. He goes on to say, "When the North American Free Trade Act (NAFTA) was passed by Congress to allow free trade between us and our neighboring countries, HealthPartners decided to follow the lead of in Minnesota Senior Federation and buy drugs in Canada at Canadian prices. We were disappointed to learn of the rules and processes that kept us from succeeding. There is no free trade in prescription drugs. We need to do something about this."

Well, I tell Mr. Halvorson, we intend to do something about it. But before we do something, one has got to understand what the problem is. It all comes down to section 381 of U.S. Code, Title XXI, section 381.

Let me just read for my colleagues what this section basically says. "The Secretary of Treasury shall deliver to the Secretary of Health and Human Services, upon his request, samples of food, drugs, devices, and cosmetics which are being imported or offered for import into the United States." The operative expression is "giving notice thereof to the owner or cosignee".

It goes on to basically say that people can bring drugs into the country as long as they are legal drugs and they have a prescription. But if there is a challenge to them, the burden of proof falls upon the FDA.

But, unfortunately, Mr. Speaker, that is not what is happening. What is happening today is, when seniors try to bring drugs, and particularly if they do it through mail order, back into the United States, the FDA puts the burden of proof on the seniors to prove that they are legal drugs and were manufactured in an FDA-approved facility.

What I am going to be doing here in the next day or two is introducing legislation to clarify that Americans will be able, going through their local pharmacy, to order drugs over the Internet or by web or through faxes with correspondent pharmacies in Canada or in Mexico as long as they are legal drugs produced in an FDA-approved facility to allow them to do that.

We are talking about savings for some seniors of $300 or $400 per month. Now, that may not seem like much to some of the folks in this room, but let me tell my colleagues, if one is living on a fixed income of $10,000, we are beginning to talk real money.

It is time for us to say loudly and clearly that we will not allow the FDA to stand between our consumers and our seniors in particular. We will not allow the FDA to stand between our consumers and lower drug prices.

It is a simple bill. I would hope that my colleagues would contact my office because we want to make this a broad-based bipartisan coalition to support this bill. We hope to introduce it in the next day or two. Please take a look at this legislation. We would like to have my colleagues join us on it.

STOP STALLING ON GUN SAFETY LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, we finished one major piece of legislation, and I noted that many of the Members of this House were applauding the success of passing a financial services reform bill. I think there are many people in America that will appreciate that we have made that giant step.

But in the shadow of passing a bill that deals with numbers, statistics, and pieces of paper, and computers, we are still stalled on a real gun safety reform legislation and juvenile justice.

What a tragedy that, in about 5 days, more than 100 hours from now, this House may come to a conclusion for 1999. We will do so in the shadow of seven deaths in Hawaii, two deaths in Seattle in the last 48 hours by individuals obviously deranged and using guns to kill people.

We will do it, likewise, in the shadow of four murders of teenagers this past weekend in Washington, D.C., in the shadow of a closing of a Cleveland high school where it is alleged that about four students have threatened to kill many, many students in that high school; or do it in the shadow of conversations we had just a few weeks ago that noted that many students that go to high school in America are fearful for their lives, are afraid of violence, have seen guns, have been bullied, have experienced prejudice.

Yet, the conference that is supposed to be on gun safety and juvenile justice idles away its time, refusing to concede to the National Rifle Association, refusing to provide real gun safety for America.

What are the issues that we are discussing in that conference? Are they so threatening to those of us who have taken an oath of office to do what is best for the American people that we would not want to do it?

Does it make any sense that we continue to allow guns to get in the hands of criminals and children? Does it make any sense that gun shows proliferate themselves around this Nation with the concept of unlicensed gun dealers being able to randomly sell guns to anybody who walks through the door?

Just recently in California, one of the largest gun shows in America was able to be held because the ordinance and law that had been passed by local officials who came together and said we do not want any more gun shows in our community after the tragedy of the Jewish Community Center was thwarted by a court.

I believe in the democratic process, the process of the judiciary, but there they were selling guns, selling guns by unlicensed dealers, and who knows how many criminals and possibly children had access to the guns.

This conference will provide opportunities to close the loopholes for gun shows so that unlicensed dealers could not get up or get where they could sell guns to criminals and children.

It provides for trigger locks. It will eliminate the ammunition clips of fast guns that we really do not need for sports and other recreational Activities.

☐ 2330

And I would offer an amendment to ensure that children are accompanied by adults when they go into these gun shows if, because of the laws of this land, these gun shows continue to proliferate.

Do my colleagues know that in many States, unlike movies, where we are looking to curb the violence and we require children to be accompanied by an adult depending on the rating of the movie, they can walk in randomly in many States into these gun shows looking at weapons of war, fast ammunition clips, or guns with automatic clips to them? They are looking at these. They are seeing these weapons of violence with no one attending to them.

So, Mr. Speaker, I think that it is a tragedy that in these waning hours we will watch more children die, maybe the tragedy of more workplace violence, more criminals getting guns illegally; yet we are sitting by as the hours are tick, tick, ticking away doing absolutely nothing. I think this is a shame on this Nation. I think it is a shame on this Congress.

I would ask Members in these waning hours to lift their voices and ask the collective leadership why, why we have not met in conference to talk about gun safety in America. When will we raise up our voices but, at the same time, lift ourselves to act and to ensure that children are protected?

I hope that we will hear from someone in the near future. I hope we will hear from the Speaker of the House, I hope we will hear from the majority leader, I hope we will hear from the majority whip, I hope we will work in a bipartisan manner with the leadership in the Democratic caucus that has been asking that we move forward. I hope that we will hear from the other body that has been dragging their feet.

The hours are tick, tick, ticking away. Thirteen children are dying, Mr. Speaker, every single day. What a shame on this House. What a shame on America.

IN SUPPORT OF SENATOR CAROL MOSELEY-BRAUN'S AMBASSADORSHIP TO NEW ZEALAND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

Mr. DAVIS of Illinois. Mr. Speaker, I take this opportunity to express strong support for the confirmation of Senator Carol Moseley-Braun to the ambassadorship of New Zealand. I have known Carol Moseley-Braun both personally and professionally for many years and look forward to her service in this position.

Senator Moseley-Braun is an extraordinary woman who has led an extraordinary life, a life of breaking stereotypes, a life of shattering glass ceilings, a life of public service. She earned her law degree from the University of Chicago in 1972 and served as an assistant United States attorney from 1973 to 1977. In 1978, she was elected to the Illinois House of Representatives where she became the first female assistant majority leader. In 1988, Senator Moseley-Braun was elected Cook County Recorder of Deeds, racking up several more firsts. In 1992, she was elected to the United States Senate, becoming the first African American woman to serve in that honorable body.

Sometime ago, President Clinton nominated Senator Moseley-Braun to become our ambassador to New Zealand. As ambassador, Carol Moseley-Braun would be the highest ranking diplomatic official accredited to represent our interests in that Pacific Rim nation. I can testify from personal knowledge that Senator Moseley-Braun is well qualified to undertake those solemn responsibilities.

Throughout her career in public life, Senator Moseley-Braun has displayed tremendous ability, insight, and perceptivity on the great issues of the day. She is a woman of great personal charm who has been blessed with a remarkable talent to interact with people, to engage them in dialogue, and to represent her position to them with logic, clarity, and persuasiveness. In short, she would represent us well to the people of New Zealand.

Mr. Speaker, it is the long-standing tradition of the Senate to welcome former colleagues who have been nominated to high office by the President of the United States and to extend them the courtesy of prompt hearings, in accord with their constitutional responsibilities to advise and consent. Only six former Senators have been turned down for nomination this century, all for Cabinet or Supreme Court positions. A Senator has not been rejected for an ambassadorial appointment since 1835.

Up to this point, Senator Moseley-Braun's nomination has been blocked by the chairman of the Senate Committee on Foreign Relations, who, according to news reports, has demanded an apology for a speech Senator Moseley-Braun made criticizing the use of the Confederate flag.

A study by the Alliance for Justice determined that the nomination of an average nonwhite candidate took 60 days longer than that of a white candidate. Couple these two facts and we have a profound malfunction in our democracy.

Senator Carol Moseley-Braun will do just fine in whatever direction life takes her. She will be a success as an ambassador if she is confirmed; she will be a success in some other endeavor if she is denied. But democracy in the United States faces a bleaker choice. Mr. Speaker, make no mistake, our democracy is being weighed in the balance in the coming days. If fairness does not prevail, if Senator Carol Moseley-Braun is denied confirmation, then those responsible will have offered up proof, proof to the American people, proof to the world, that fairness and justice are still wanted in America five generations after the end of the Civil War. I find that possibility abhorrent, detestable, and obscene.

So I add my voice to those urging the Senate to bring the nomination of Senator Moseley-Braun to a quick vote and to approve the nomination by the largest vote possible. I hope that on tomorrow the Senate Committee on Foreign Relations will move promptly to approve the nomination of Carol Moseley-Braun as our next ambassador to New Zealand and America will be well served.

WHEN WILL ADMINISTRATION ASK YELTSIN FOR LOCATIONS OF BURIED WEAPONS IN U.S.?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. WELDON) is recognized for 5 minutes.

Mr. WELDON of Pennsylvania. Mr. Speaker, when will we ask the question? When will this administration formally ask Russia to provide the details contained in secret KGB documents that define the significant number of locations throughout America where, during the Soviet era, military equipment, hardware, and possibly even material for weapons of mass destruction was stored in buried sites?

Mr. Speaker, 2 years ago the highest ranking foreign intelligence officer ever to defect from the Soviet Union, Stanislav Lunev testified before my subcommittee and said that one of his jobs when he worked at the embassy here in Washington undercover as a Tass correspondent was to locate sites where the Soviets could drop equipment that could be stored in the soil of America.

Last Wednesday, again before my subcommittee, Oleg Gordiefsky, the highest ranking ever internal KGB intelligence officer, who now lives in Britain, testified that the KGB files, as documented by Mitrokhin, contained in a new book just released last month called The KGB Files, are in fact true. Those files document significant numbers of cases around the world, in Europe and in North America, where during the Soviet era the KGB arranged for the storage of military material and hardware on the soil of this Nation.

Mr. Speaker, we have known this for at least 6 years. The FBI has told me and the Pentagon has said publicly we have not yet asked the Russians for the specific sites.

This past weekend I spoke at an international terrorism conference in Europe, where I had a chance to meet one of the highest-ranking intelligence officials from Belgium. I was told by that official that in the last 2 months, Belgium has uncovered three sites where these materials were stored by the Soviet Union without the knowledge of the Belgium government. Switzerland has also identified one site that was booby-trapped where materials were stored.

Mr. Speaker, when is this administration going to ask the Yeltsin government to give us the KGB documents that identify the sites in California, in Montana, in Minnesota, in New York, in Texas, and across this Nation where specific caches of arms and military hardware and equipment were prepositioned during the Cold War?

□ 2340

It is absolutely a national disgrace that this administration, having known about this prepositioning of equipment for at least 6 years, has not yet seen fit to ask that question of the Yeltsin government.

This body needs a demand that this administration take action. Because, Mr. Speaker, the safety of the people of America are in question as long as those materials have not been identified and have not been removed by our Government.

In four instances, one in Switzerland and three in Belgium, sites have been found and they have been dug up. It is about time this administration asked the question of the Russian leadership where those sites are in America. We should demand no less from our Government.

PROPOSED OSHA REPETITIVE MOTION REGULATIONS

The SPEAKER pro tempore (Mr. ISAKSON). Under a previous order of the House, the gentleman from Colorado (Mr. TANCREDO) is recognized for 5 minutes.

Mr. TANCREDO. Mr. Speaker, a short time ago I received a communication from an individual in my district, a gentleman who owns a number of small businesses. He is head of something called The Bailey Company in Golden, Colorado. It is an Arby's franchise.

He writes: "Our company opened its first Arby's restaurant in 1968 at the corner of York and Colfax in Denver. Today we own and operate 63 Arby's restaurants in Colorado, Florida, Idaho, Wyoming, including all of the Arby's in the Metro-Denver area."

He goes on to explain what happened in his business a short time ago, and this I want to bring to the attention of the House and our colleagues in order to explain the problems we are going to face and we do face in small businesses throughout the United States. And these problems will become exacerbated by the actions of OSHA as they have been many times in the past. I want to refer specifically to an event that occurred in Mr. Eagleton's business.

"As an employer of approximately 1,500 people, we are concerned about the proposed OSHA repetitive motion regulations. An employee, Mary, worked at an Arby's restaurant in Jefferson County, Colorado, in 1998. On her first day of work, after 3 hours of light duty wrapping sandwiches in foil, she complained that her wrists hurt. An employee of the Bailey Company filled out a first report of injury and sent her to our designated treatment facility. Mary was diagnosed with repetitive motion injuries. The ensuing series of treatments evolved in a $100,000 Worker's Compensation claim.

"The medical community is split on the legitimacy and causality of these injuries. For instance, athletes do repetitive exercises to strengthen their muscles; yet repetitive motion does not harm them. How does repetitive motion in other circumstances differ in the view of the courts?

"Our position is that the proposed OSHA repetitive motion regulations should not be funded until definitive scientific studies are concluded."

"J. Mark Eagleton, Senior Manager/Director of Training and Personnel for The Bailey Company."

Mr. Speaker, even though what we have just heard here is replicated, unfortunately, far too many times throughout the country, OSHA is nonetheless pushing ahead with its ergonomic study. Even though the Bureau of Labor Statistics reports that repetitive stress injuries are on a decline and have dropped 17 percent over the last 3 years, should we not at least have as much information as possible when developing Government policy? Should we not require Government agencies to use sound scientific information when reaching decisions that will affect our lives?

Obviously, this is not the case. Once again, it is the Government-knows-best attitude, an attitude that many Federal bureaucrats have unfortunately. It is an outrage and it should be stopped.

In August, the House passed H.R. 987, the Workplace Preservation Act, which prohibits OSHA from implementing the ergonomics regulation until the academy completes its ongoing study slated to be released mid-2001. This is a common-sense step and one which Members of the House and the other body should support.

ANNOUNCEMENT OF MEASURE TO BE CONSIDERED UNDER SUSPENSION OF THE RULES ON TOMORROW

Mr. TANCREDO. Mr. Speaker, pursuant to House Resolution 353, I announce the following measure to be taken up under suspension of the rules: H.R. 3075, Medicare Addbacks.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 11 o'clock and 44 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 0053

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. SESSIONS) at 12 o'clock and 53 minutes a.m.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3196, FOREIGN OPERATIONS, EXPORT FINANCING AND RELATED PROGRAMS APPROPRIATIONS ACT, 2000

Mr. DIAZ-BALART, from the Committee on Rules, submitted a privileged report (Rept. No. 106–450) on the resolution (H. Res. 362) providing for consideration of the bill (H.R. 3196) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2000, and for other purposes, which was referred to the House Calendar and ordered to be printed.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. LARSON (at the request of Mr. GEPHARDT) for today, on account of official business.

Mr. KANJORSKI (at the request of Mr. GEPHARDT) for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MENENDEZ) to revise and extend their remarks and include extraneous material:)

Mr. FILNER, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Mr. BROWN of Ohio, for 5 minutes, today.

Ms. WATERS, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

Mr. DAVIS of Illinois, for 5 minutes, today.

(The following Members (at the request of Mr. WELDON of Pennsylvania) to revise and extend their remarks and include extraneous material:)

Mr. GUTKNECHT, for 5 minutes, today.

Mr. SIMPSON, for 5 minutes, on November 8.

Mr. METCALF, for 5 minutes, today.

Mr. WELDON of Pennsylvania, for 5 minutes, today.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 185. An act to establish a Chief Agricultural Negotiator in the Office of the United States Trade Representative; to the Committee on Ways and Means.

S. 976. An act to amend title V of the Public Health Service Act to focus the authority of the Substance Abuse and Mental Health Services Administration on community-based services for children and adolescents, to enhance flexibility and accountability, to establish programs for youth treatment, and to respond to crises, especially those related to children and violence; to the Committee on Commerce.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. THOMAS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 609. An act to amend the Export Apple and Pear Act to limit the applicability of the Act to apples.

H.J. Res. 75. Joint resolution making further continuing appropriations for the fiscal year 2000, and for other purposes.

ADJOURNMENT

Mr. DIAZ-BALART. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 54 minutes a.m.), the House adjourned until today, Friday, November 5, 1999, at 9 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

5176. A letter from the Acting Executive Director, Commodity Futures Trading Commission, transmitting the Commission's final rule—Order Granting the London Clearing House's Petition for an Exemption Pursuant to Section 4(c) of the Commodity Exchange Act—received November 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

5177. A letter from the Acting Executive Director, Commodity Futures Trading Commission, transmitting the Commission's final rule—Foreign Futures and Options Transactions—received November 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

5178. A letter from the Assistant General Counsel, Office of Student Financial Assistance, Department of Education, transmitting the Department's final rule—Student Assistance General Provisions (RIN: 1845–AA07) received November 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

5179. A letter from the Associate Chief, Wireless Telecommunications Bureau, Federal Communications Commission, transmitting the Commission's final rule—Revision of the Commission's Rules To Ensure Compatibility with Enhanced 911 Emergency Calling Systems [CC Docket No. 94–102 RM–8143] received November 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5180. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting Copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on International Relations.

5181. A letter from the Assistant Secretary For Legislative Affairs, Department of State, transmitting the "Initial Report of the United States of America to the UN Committee Against Torture"; to the Committee on International Relations.

5182. A letter from the Administrator, General Services Administration, transmitting the "1999 Fair Act Inventory of the General Services Administration"; to the Committee on Government Reform.

5183. A letter from the Director, Office of Surface Mining, Department of the Interior, transmitting the Department's final rule—North Dakota Regulatory Program [ND–038–FOR, Amendment No. XXVII] received November 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

5184. A letter from the Deputy Assistant Administrator For Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Revisions to Recordkeeping and Reporting Requirements [Docket No. 981224323–9226–02; I.D. 120198B] (RIN: 0648–AL23) received November 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

5185. A letter from the Acting Director, Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pollock by Vessels Catching Pollock for Processing by the Inshore Component in the Bering Sea Subarea [Docket No. 990304063–9063–01; I.D. 102699D] received November 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

5186. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Eurocopter France Model AS332C, L, and L1 Helicopters [Docket No. 98–SW–59–AD; Amendment 39–11390; AD 99–22–12] (RIN: 2120–AA64) received November 1, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5187. A letter from the Program Analyust, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; British Aerospace Model BAe 146 and Avro 146–RJ Series Airplanes [Docket No. 99–NM–27–AD; Amendment 39–11389; AD 99–22–11] (RIN: 2120–AA64) received November 1, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5188. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Bell Helicopter Textron Canada (BHTC) Model 407 Helicopters [Docket No. 99–SW–07–AD; Amendment 39–11391; AD 99–22–12] (RIN: 2120–AA64) received November 1, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5189. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Pratt & Whitney JT8D–200 Series Turbofan Engines [Docket No. 92–ANE–15; Amendment 39–11392; AD 99–22–14] (RIN: 2120–AA64) received November 1, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5190. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Beaumont, TX [Airspace Docket No. 99–ASW–25] received November 1, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5191. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Hebbronville, TX [Airspace Docket No. 99–ASW–24] received November 1, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5192. A letter from the Deputy Executive Secretary to the Department, Department of Health and Human Services, transmitting the Department's final rule—Medicare Program; Revisions to Payment Policies Under the Physician Fee Schedule for Calendar Year 2000 [HCFA–1065–FC] (RIN: 0938–AJ61) received November 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); jointly to the Committees on Ways and Means and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. YOUNG of Alaska: Committee on Resources. H.R. 1725. A bill to provide for the conveyance by the Bureau of Land Management to Douglas County, Oregon, of a county park and certain adjacent land (Rept. 106–446). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 2541. A bill to adjust the boundaries of the Gulf Islands National Seashore to include Cat Island, Mississippi; with an amendment (Rept. 106–447). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 2879. A bill to provide for the placement at the Lincoln Memorial of a plaque commemorating the speech of Martin Luther King, Jr., known as the "I Have A Dream" speech (Rept. 106–448). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLILEY: Committee on Commerce. H.R. 1832. A bill to reform unfair and anticompetitive practices in the professional boxing industry; with an amendment (Rept. 106–449 Pt. 1).

Mr. DIAZ-BALART: Committee on Rules. House Resolution 362. Resolution providing for consideration of the bill (H.R. 3196) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2000, and for other purposes (Rept. 106–450). Referred to the House Calendar.

DISCHARGE OF COMMITTEE

Pursuant to clause 5 of rule X, the Committee on Education and the Workforce discharged H.R. 1832 referred to the Committee of the Whole House on the State of the Union, and ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. BALDACCI:

H.R. 3217. A bill to assist the efforts of farmers and cooperatives seeking to engage in value-added processing of agricultural goods; to the Committee on Agriculture.

By Mr. CALVERT (for himself, Mr. SHIMKUS, Mr. GREEN of Wisconsin, Mr. ACKERMAN, Mr. PAUL, Mr. HINCHEY, Mr. NETHERCUTT, Mr. GEORGE MILLER of California, Ms. HOOLEY of Oregon, Mrs. EMERSON, Mr. SANDLIN, Ms. LOFGREN, Ms. LEE, Mr. SENSENBRENNER, Mr. ROHRABACHER, Mr. TIAHRT, Mr. CUNNINGHAM, Mr. PAYNE, Mrs. BIGGERT, Mr. DOOLITTLE, Mr. ENGLISH, Mr. BILBRAY, Mr. HILL of Montana, Mr. SHOWS, Mr. GARY MILLER of California, Mr. HOLDEN, Mr. CAMPBELL, Mrs. MORELLA, Mr. NEY, Mr. EHRLICH, Mr. BAKER, Mr. SCHAFFER, and Mr. KUYKENDALL):

H.R. 3218. A bill to amend title 31, United States Code, to prohibit the appearance of Social Security account numbers on or through unopened mailings of checks or other drafts issued on public money in the Treasury; to the Committee on Government Reform.

By Mr. COBLE:

H.R. 3219. A bill to amend title 49, United States Code, to permit an individual to operate a commercial motor vehicle for the transportation of certain property solely within the borders of a State if the individual has passed written and driving tests to operate the vehicle that meet such minimum standards as may be prescribed by the State, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. GEPHARDT (for himself, Mr. DINGELL, and Mr. CONYERS):

H.R. 3220. A bill to regulate interstate commerce by electronic means by permitting and encouraging the continued expansion of electronic commerce through the operation of free market forces, and for other purposes; to the Committee on Commerce, and in addition to the Committee on Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HOEFFEL (for himself, Mr. CAMPBELL, Mr. WAXMAN, Mr. KASICH, Mr. BONIOR, Mr. GEORGE MILLER of California, Mr. TOOMEY, Ms. DELAURO, Mr. SANFORD, Mr. COYNE, Ms. PELOSI, Mr. STARK, Mr. KUCINICH, Mr. ANDREWS, Mr. ACKERMAN, Mrs. LOWEY, Mr. BRADY of Pennsylvania, Mr. TIERNEY, Mr. FATTAH, Mr. STUPAK, Mr. CAPUANO, Mr. HOLT, Mr. WU, Mr. TRAFICANT, and Mr. SANDERS):

H.R. 3221. A bill to review, reform, and terminate unnecessary and inequitable Federal payments, benefits, services, and tax advantages; to the Committee on Government Reform, and in addition to the Committees on Ways and Means, Rules, and the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GOODLING (for himself, Mr. WATTS of Oklahoma, Mr. PETRI, Mr. CASTLE, Mr. GREENWOOD, Mr. GRAHAM, Mr. DEAL of Georgia, Mr. EHLERS, Mr. FLETCHER, Mr. ISAKSON, Mr. CHAMBLISS, Mr. ENGLISH, Mr. KILDEE, Mr. MARTINEZ, Mr. ROEMER, Mr. ROMERO-BARCELÓ, Mr. KIND, Ms. SANCHEZ, Mr. ACKERMAN, Mr. SAWYER, Ms. WOOLSEY, Mr. WU, Mr. TIERNEY, Mr. FORD, and Mr. CLAY):

H.R. 3222. A bill to amend the Elementary and Secondary Education Act of 1965 to improve literacy through family literacy projects; to the Committee on Education and the Workforce.

By Mr. FATTAH (for himself, Mrs. CHRISTENSEN, Mr. CONYERS, Mr. HASTINGS of Florida, Ms. NORTON, Mr. CUMMINGS, Mr. FROST, Mr. ROMERO-BARCELO, Ms. LEE, Mrs. JONES of Ohio, Mr. JEFFERSON, Mr. MCGOVERN, Mrs. NAPOLITANO, Mr. MARKEY, Mr. HINOJOSA, Mr. PASTOR, Ms. BALDWIN, Mr. CLAY, Mr. OWENS, Mr. MARTINEZ, Mrs. CLAYTON, Mr. RUSH, Mr. RANGEL, Mr. BARRETT of Wisconsin, and Ms. SCHAKOWSKY):

H.R. 3223. A bill to assist institutions of higher education help at-risk students stay in school and complete their 4-year postsecondary academic programs; to the Committee on Education and the Workforce.

By Mrs. KELLY (for herself, Mrs. THURMAN, Ms. DELAURO, Mr. SANDERS, Mr. GILMAN, Mr. SANDLIN, Mr. COOK, Mr. BRADY of Pennsylvania, Mr. HINCHEY, Mr. FILNER, Mr. MCINTYRE, Mr. MATSUI, Ms. KILPATRICK, Ms. LOFGREN, Mrs. EMERSON, Mr. ANDREWS, Mr. ROEMER, Mr. FROST, Mr. KIND, Mr. MCHUGH, Mr. NADLER, Mr. KLECZKA, Ms. JACKSON-LEE of Texas, and Mr. WALSH):

H.R. 3224. A bill to amend the Internal Revenue Code of 1986 to require group health plans to provide coverage for reconstructive surgery following mastectomy, consistent with the Women's Health and Cancer Rights Act of 1998; to the Committee on Ways and Means.

By Mr. MCCRERY (for himself and Mr. JEFFERSON):

H.R. 3225. A bill to revitalize the international competitiveness of the United States-flag maritime industry through tax relief; to the Committee on Ways and Means.

By Mr. METCALF:

H.R. 3226. A bill to amend title 49, United States Code, to improve pipeline safety; to the Committee on Transportation and Infrastructure, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. MINK of Hawaii:

H.R. 3227. A bill to amend title 38, United States Code, to exempt amounts owed for prescription drugs and medical supplies dispensed by Department of Veterans Affairs pharmacies from otherwise applicable interest charges and administrative cost charges imposed on indebtedness to the United States resulting from the provision of medical care or services by the Department of Veterans Affairs; to the Committee on Veterans' Affairs.

By Mr. MORAN of Virginia (for himself, Mr. WOLF, Mr. SISISKY, Mr. DAVIS of Virginia, Mr. WEYGAND, and Mr. KENNEDY of Rhode Island):

H.R. 3228. A bill to name the building at 8725 John J. Kingman Road, Fort Belvoir, Virginia, as the "Andrew T. McNamara Building"; to the Committee on Armed Services.

By Mr. SANDERS:

H.R. 3229. A bill to amend the Electronic Fund Transfer Act to prohibit the imposition of certain additional fees on consumers in connection with any electronic fund transfer which is initiated by the consumer from an electronic terminal operated by a person other than the financial institution holding the consumer's account and which utilizes a national or regional communication network; to the Committee on Banking and Financial Services.

By Mr. STUPAK:

H.R. 3230. A bill to amend title 38, United States Code, to provide that a disease that is incurred or aggravated by a member of a reserve component in the performance of duty while performing inactive duty training shall be considered to be service-connected for purposes of benefits under laws administered by the Secretary of Veterans Affairs; to the Committee on Veterans' Affairs.

By Mr. CRANE:

H.R. 3231. A bill to authorize the transfer to the Republic of Panama of certain properties of the United States as set forth in the Panama Canal Treaties; to the Committee on Armed Services.

By Mr. DAVIS of Virginia (for himself and Mr. ROHRABACHER):

H. Con. Res. 220. Concurrent resolution expressing the sense of the Congress that a postage stamp should be issued recognizing the Islamic holy month of Ramadan; to the Committee on Government Reform.

By Mr. BILIRAKIS (for himself, Mrs. MALONEY of New York, and Mr. MENENDEZ):

H. Res. 361. A resolution urging the President to condition discussions about Turkey's foreign military finances on resolution of that nation's hostile occupation of the Republic of Cyprus; to the Committee on International Relations.

MEMORIALS

Under clause 3 of rule XII,

278. The SPEAKER presented a memorial of the Legislature of the State of California, relative to Assembly Joint Resolution No. 33 memorializing the President and Congress of the United States to support specified federal legislation to classify spaceports as exempt facilities and enable state and local entities to sell bonds for private or public development of spaceport infrastructure; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 82: Mr. PALLONE and Mr. YOUNG of Florida.

H.R. 274: Mr. SPENCE and Mr. THOMPSON of Mississippi.

H.R. 403: Mr. BLUMENAUER.

H.R. 405: Mr. THOMPSON of California.

H.R. 534: Ms. BERKLEY.

H.R. 571: Mr. TERRY.

H.R. 617: Mr. DELAHUNT.

H.R. 721: Mr. MCINTOSH and Mr. MEEHAN.

H.R. 728: Mr. COOKSEY, Mr. FROST, and Mr. LATHAM.

H.R. 750: Mr. KLINK.

H.R. 845: Ms. ROYBAL-ALLARD.

H.R. 860: Mrs. LOWEY.

H.R. 864: Mr. JACKSON of Illinois and Mr. NUSSLE.

H.R. 865: Mr. NETHERCUTT and Mr. GORDON.

H.R. 997: Mr. SPENCE and Mr. THOMPSON of Mississippi.

H.R. 1044: Mr. HASTINGS of Washington and Mr. GORDON.

H.R. 1102: Mr. TURNER.

H.R. 1111: Ms. HOOLEY of Oregon.

H.R. 1115: Mr. ISAKSON.

H.R. 1248: Mr. OLVER.

H.R. 1303: Mr. NEAL of Massachusetts.

H.R. 1322: Mr. SCHAFFER.

H.R. 1329: Mrs. EMERSON.

H.R. 1452: Ms. LEE and Mr. PHELPS.

H.R. 1485: Mrs. MCCARTHY of New York.

H.R. 1511: Mr. PAUL.

H.R. 1592: Ms. CARSON.

H.R. 1606: Mr. DELAHUNT.

H.R. 1686: Mr. KUYKENDALL.

H.R. 1693: Mr. ANDREWS.

H.R. 1775: Mr. PASTOR, Mr. KILDEE, Mr. MATSUI, Mr. GEORGE MILLER of California, Mr. BALDACCI, Mr. UPTON, Mr. HOUGHTON, Mr. RAMSTAD, Mr. BAKER, Mr. LEWIS of Kentucky, and Mr. TRAFICANT.

H.R. 1816: Mrs. SCHAKOWSKY and Mrs. MALONEY of New York.

H.R. 1885: Mr. CONYERS.

H.R. 1954: Mr. STEARNS.

H.R. 1967: Mr. DEFAZIO and Mr. MARTINEZ.

H.R. 2087: Mr. ARMEY and Mr. HASTINGS of Washington.

H.R. 2120: Mr. DEUTSCH.

H.R. 2200: Ms. LEE.

H.R. 2244: Mr. BRYANT

H.R. 2273: Mr. PICKETT.

H.R. 2298: Mr. RANGEL.

H.R. 2373: Mr. MOORE and Mr. UDALL of New Mexico.

H.R. 2381: Mr. HOSTETTLER.

H.R. 2457: Mr. SISISKY.

H.R. 2503: Ms. ROYBAL-ALLARD.

H.R. 2538: Mr. LARSON, Mr. ROGERS, Mr. TERRY, Mr. KENNEDY of Rhode Island, Mr. CASTLE, and Mr. SCHAFFER.

H.R. 2550: Mr. PICKETT.

H.R. 2635: Mr. WOLF.

H.R. 2640: Mr. BOSWELL.

H.R. 2655: Mrs. CHENOWETH-HAGE.

H.R. 2697: Mr. GORDON and Mr. TERRY.

H.R. 2720: Ms. DUNN.

H.R. 2733: Mr. DICKEY, Ms. DEGETTE, Mr. BISHOP, and Mr. TANCREDO.

H.R. 2738: Mr. BONIOR, Mr. GEORGE MILLER of California, Mr. KENNEDY of Rhode Island, and Mr. KLINK.

H.R. 2749: Ms. GRANGER.

H.R. 2776: Mrs. MALONEY of New York.

H.R. 2789: Mr. PAYNE.

H.R. 2859: Ms. SCHAKOWSKY, Ms. BALDWIN, and Mr. WEINER.

H.R. 2915: Mr. HOLT and Mr. INSLEE.

H.R. 2966: Mr. BAKER, Mr. BARTLETT of Maryland, Ms. BERKLEY, Mr. ENGLISH, Mr. GORDON, Mr. MCINTYRE, and Mr. WYNN.

H.R. 2980: Mr. ROTHMAN.

H.R. 3058: Mr. FARR of California, Mr. DIAZ-BALART, Mr. ROHRABACHER, Mrs. KELLY, and Mr. MCHUGH.

H.R. 3062: Mr. RANGEL.

H.R. 3091: Mr. LOBIONDO, Mr. WISE, Mr. RAHALL, Mr. LEWIS of Kentucky, Mr. EVANS, Mr. KILDEE, Mr. HOLDEN, Mr. FRANK of Massachusetts, Mr. LUTHER, Ms. MCCARTHY of Missouri, Mr. HOLT, and Mrs. EMERSON.

H.R. 3100: Mr. COOK, Mr. UPTON, Mr. KUYKENDALL, Ms. BERKLEY, and Mr. CASTLE.

H.R. 3136: Ms. BERKLEY, Mr. LIPINSKI, Ms. BALDWIN, and Mr. BAIRD.

H.R. 3138: Mr. HUTCHINSON.

H.R. 3144: Ms. NORTON, Mr. MARTINEZ, Mr. GEORGE MILLER of California, Mr. ROMERO-BARCELÓ, and Mr. PAYNE.

H.R. 3159: Mr. PHELPS.

H.R. 3180: Mr. KING, Mr. GRAHAM, and Mr. OWENS.

H.R. 3185: Mr. WYNN.

H.R. 3197: Mr. DEFAZIO, Mr. FROST, Mr. GEJDENSON, Mr. MCNULTY, and Mr. DAVIS of Florida.

H.R. 3212: Mr. CUNNINGHAM and Mr. DUNCAN.

H. Con. Res. 51: Ms. CARSON.

H. Con. Res. 77: Mr. CUNNINGHAM, Mr. PAYNE, Mr. TURNER, Mrs. WILSON, and Mr. WYNN.

H. Con. Res. 89: Mr. MCCOLLUM.

H. Con. Res. 165: Mr. BEREUTER.

H. Con. Res. 177: Mr. NADLER, Mr. ABERCROMBIE, Mr. DOGGETT, Mr. FILNER, Mr. BARRETT of Wisconsin, Mr. FARR of California, Mr. VENTO, Mr. PALLONE, Mr. JACKSON of Illinois, Mr. SAWYER, Mr. CROWLEY, Mr. SERRANO, Mr. LEVIN, and Mr. BLAGOJEVICH.

H. Con. Res. 186: Mr. NUSSLE.

H. Con. Res. 204: Ms. MCKINNEY.

H. Con. Res. 212: Mr. JONES of North Carolina, Mr. KASICH, Mr. THORNBERRY, Mr. SCARBOROUGH, Mr. BONILLA, and Mr. WATTS of Oklahoma.

H. Con. Res. 217: Mr. WEXLER.

H. Con. Res. 218: Mr. EHRLICH, Mr. MENENDEZ, and Mr. SABO.

H. Res. 238: Ms. DEGETTE, Mr. PAYNE, Mr. BISHOP, Mr. PAUL, and Mr. TANCREDO.

H. Res. 298: Mr. BALLENGER and Mr. TAUZIN.

H. Res. 325: Mr. BONIOR and Mr. PRICE of North Carolina.

H. Res. 343: Mr. SMITH of New Jersey, Mr. ISTOOK, Mr. METCALF, and Mr. GANSKE.

H. Res. 347: Mr. MASCARA, Mr. FROST, Mr. LOBIONDO, Mr. RANGEL, Mr. WEYGAND, Mr. WEXLER, and Mrs. KELLY.

H. Res. 350: Mr. SCHAFFER, Mr. BARTLETT of Maryland, Mr. HOEKSTRA, Mr. HALL of Ohio, Mr. SHOWS, Mr. DEMINT, Mr. FLETCHER, Mr. HEFLEY, Mr. HERGER, Mr. HYDE, Mr. LARGENT, Mr. GARY MILLER of California, Mr. SANFORD, Mr. SIMPSON, Mr. TERRY, Mr. WAMP, Mr. MCINTOSH, Mr. ADERHOLT, Mr. BURTON of Indiana, Mr. KING, Mr. DICKEY, Mr. BACHUS, and Mr. RAHALL.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 7 of rule XII, sponsors were deleted from public bills and resolutions as follows:

H.R. 2528: Mr. BECERRA.

AMENDMENTS

Under clause 8 of rule XVIII, proposed amendments were submitted as follows:

H.R. 3073

OFFERED BY: MRS. JOHNSON OF CONNECTICUT

[Amendment in the Nature of a Substitute]

AMENDMENT NO. 1: Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Fathers Count Act of 1999".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—FATHERHOOD GRANT PROGRAM

Sec. 101. Fatherhood grants.

TITLE II—FATHERHOOD PROJECTS OF NATIONAL SIGNIFICANCE

Sec. 201. Fatherhood projects of national significance.

TITLE III—WELFARE-TO-WORK PROGRAM ELIGIBILITY

Sec. 301. Flexibility in eligibility for participation in welfare-to-work program.
Sec. 302. Limited vocational educational and job training included as allowable activity.
Sec. 303. Certain grantees authorized to provide employment services directly.
Sec. 304. Simplification and coordination of reporting requirements.
Sec. 305. Use of State information to aid administration of welfare-to-work formula grant funds.

TITLE IV—ALTERNATIVE PENALTY PROCEDURE RELATING TO STATE DISBURSEMENT UNITS

Sec. 401. Alternative penalty procedure relating to State disbursement units.

TITLE V—FINANCING PROVISIONS

Sec. 501. Use of new hire information to assist in collection of defaulted student loans and grants.
Sec. 502. Elimination of set-aside of portion of welfare-to-work funds for successful performance bonus.

TITLE VI—MISCELLANEOUS

Sec. 601. Change dates for evaluation.
Sec. 602. Report on undistributed child support payments.
Sec. 603. Sense of the Congress.
Sec. 604. Additional funding for welfare evaluation study.
Sec. 605. Training in child abuse and neglect proceedings.
Sec. 606. Use of new hire information to assist in administration of unemployment compensation programs.
Sec. 607. Immigration provisions.

TITLE I—FATHERHOOD GRANT PROGRAM

SEC. 101. FATHERHOOD GRANTS.

(a) IN GENERAL.—Part A of title IV of the Social Security Act (42 U.S.C. 601–679b) is amended by inserting after section 403 the following:

"SEC. 403A. FATHERHOOD PROGRAMS.

"(a) PURPOSE.—The purpose of this section is to make grants available to public and private entities for projects designed to—

"(1) promote marriage through counseling, mentoring, disseminating information about the advantages of marriage, enhancing relationship skills, teaching how to control aggressive behavior, and other methods;

"(2) promote successful parenting through counseling, mentoring, disseminating information about good parenting practices including family planning, training parents in money management, encouraging child support payments, encouraging regular visitation between fathers and their children, and other methods; and

"(3) help fathers and their families avoid or leave cash welfare provided by the program under part A and improve their economic status by providing work first services, job search, job training, subsidized employment, career-advancing education, job retention, job enhancement, and other methods.

"(b) FATHERHOOD GRANTS.—

"(1) APPLICATIONS.—An entity desiring a grant to carry out a project described in subsection (a) may submit to the Secretary an application that contains the following:

"(A) A description of the project and how the project will be carried out.

"(B) A description of how the project will address all 3 of the purposes of this section.

"(C) A written commitment by the entity that the project will allow an individual to participate in the project only if the individual is—

"(i) a father of a child who is, or within the past 24 months has been, a recipient of assistance or services under a State program funded under this part;

"(ii) a father, including an expectant or married father, whose income (net of court-ordered child support) is less than 150 percent of the poverty line (as defined in section 673(2) of the Omnibus Budget Reconciliation Act of 1981, including any revision required by such section, applicable to a family of the size involved); or

"(iii) a parent referred to in paragraph (3)(A)(iii).

"(D) A written commitment by the entity that the entity will provide for the project, from funds obtained from non-Federal sources, amounts (including in-kind contributions) equal in value to—

"(i) 20 percent of the amount of any grant made to the entity under this subsection; or

"(ii) such lesser percentage as the Secretary deems appropriate (which shall be not less than 10 percent) of such amount, if the application demonstrates that there are circumstances that limit the ability of the entity to raise funds or obtain resources.

"(2) CONSIDERATION OF APPLICATIONS BY INTERAGENCY PANELS.—

"(A) FIRST PANEL.—

"(i) ESTABLISHMENT.—There is established a panel to be known as the 'Fatherhood Grants Recommendations Panel' (in this subparagraph referred to as the 'Panel').

"(ii) MEMBERSHIP.—

"(I) IN GENERAL.—The Panel shall be composed of 10 members, as follows:

"(aa) 2 members of the Panel shall be appointed by the Secretary.

"(bb) 2 members of the Panel shall be appointed by the Secretary of Labor.

"(cc) 2 members of the Panel shall be appointed by the Chairman of the Committee on Ways and Means of the House of Representatives.

"(dd) 1 member of the Panel shall be appointed by the ranking minority member of the Committee on Ways and Means of the House of Representatives.

"(ee) 2 members of the Panel shall be appointed by the Chairman of the Committee on Finance of the Senate.

"(ff) 1 member of the Panel shall be appointed by the ranking minority member of the Committee on Finance of the Senate.

"(II) CONFLICTS OF INTEREST.—An individual shall not be eligible to serve on the Panel if such service would pose a conflict of interest for the individual.

"(III) TIMING OF APPOINTMENTS.—The appointment of members to the Panel shall be completed not later than March 1, 2000.

"(iii) DUTIES.—

"(I) REVIEW AND MAKE RECOMMENDATIONS ON PROJECT APPLICATIONS.—The Panel shall review all applications submitted pursuant to paragraph (1), and make recommendations to the Secretary regarding which applicants should be awarded grants under this subsection, with due regard for the provisions of paragraph (3), but shall not recommend that a project be awarded such a grant if the application describing the project does not attempt to meet the requirement of paragraph (1)(B).

"(II) TIMING.—The Panel shall make such recommendations not later than September 1, 2000.

"(iv) TERM OF OFFICE.—Each member appointed to the Panel shall serve for the life of the Panel.

"(v) PROHIBITION ON COMPENSATION.—Members of the Panel may not receive pay, allowances, or benefits by reason of their service on the Panel.

"(vi) TRAVEL EXPENSES.—Each member of the Panel shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

"(vii) MEETINGS.—The Panel shall meet as often as is necessary to complete the business of the Panel.

"(viii) CHAIRPERSON.—The Chairperson of the Panel shall be designated by the Secretary at the time of appointment.

"(ix) STAFF OF FEDERAL AGENCIES.—The Secretary may detail any personnel of the Department of Health and Human Services and the Secretary of Labor may detail any personnel of the Department of Labor to the Panel to assist the Panel in carrying out its duties under this subparagraph.

"(x) OBTAINING OFFICIAL DATA.—The Panel may secure directly from any department or agency of the United States information necessary to enable it to carry out this subparagraph. On request of the Chairperson of the Panel, the head of the department or agency shall furnish that information to the Panel.

"(xi) MAILS.—The Panel may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

"(xii) TERMINATION.—The Panel shall terminate on September 1, 2000.

"(B) SECOND PANEL.—

"(i) ESTABLISHMENT.—Effective January 1, 2001, there is established a panel to be known as the 'Fatherhood Grants Recommendations Panel' (in this subparagraph referred to as the 'Panel').

"(ii) MEMBERSHIP.—

"(I) IN GENERAL.—The Panel shall be composed of 10 members, as follows:

"(aa) 2 members of the Panel shall be appointed by the Secretary.

"(bb) 2 members of the Panel shall be appointed by the Secretary of Labor.

"(cc) 2 members of the Panel shall be appointed by the Chairman of the Committee on Ways and Means of the House of Representatives.

"(dd) 1 member of the Panel shall be appointed by the ranking minority member of the Committee on Ways and Means of the House of Representatives.

"(ee) 2 members of the Panel shall be appointed by the Chairman of the Committee on Finance of the Senate.

"(ff) 1 member of the Panel shall be appointed by the ranking minority member of the Committee on Finance of the Senate.

"(II) CONFLICTS OF INTEREST.—An individual shall not be eligible to serve on the Panel if such service would pose a conflict of interest for the individual.

"(III) TIMING OF APPOINTMENTS.—The appointment of members to the Panel shall be completed not later than March 1, 2001.

"(iii) DUTIES.—

"(I) REVIEW AND MAKE RECOMMENDATIONS ON PROJECT APPLICATIONS.—The Panel shall review all applications submitted pursuant to paragraph (1), and make recommendations to the Secretary regarding which applicants should be awarded grants under this subsection, with due regard for the provisions of paragraph (3), but shall not recommend that a project be awarded such a grant if the application describing the project does not attempt to meet the requirement of paragraph (1)(B).

"(II) TIMING.—The Panel shall make such recommendations not later than September 1, 2001.

"(iv) TERM OF OFFICE.—Each member appointed to the Panel shall serve for the life of the Panel.

"(v) PROHIBITION ON COMPENSATION.—Members of the Panel may not receive pay, allowances, or benefits by reason of their service on the Panel.

"(vi) TRAVEL EXPENSES.—Each member of the Panel shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

"(vii) MEETINGS.—The Panel shall meet as often as is necessary to complete the business of the Panel.

"(viii) CHAIRPERSON.—The Chairperson of the Panel shall be designated by the Secretary at the time of appointment.

"(ix) STAFF OF FEDERAL AGENCIES.—The Secretary may detail any personnel of the Department of Health and Human Services and the Secretary of Labor may detail any personnel of the Department of Labor to the Panel to assist the Panel in carrying out its duties under this subparagraph.

"(x) OBTAINING OFFICIAL DATA.—The Panel may secure directly from any department or agency of the United States information necessary to enable it to carry out this subparagraph. On request of the Chairperson of the Panel, the head of the department or agency shall furnish that information to the Panel.

"(xi) MAILS.—The Panel may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

"(xii) TERMINATION.—The Panel shall terminate on September 1, 2001.

"(3) MATCHING GRANTS.—

"(A) GRANT AWARDS.—

"(i) IN GENERAL.—The Secretary shall award matching grants, on a competitive basis, among entities submitting applications therefor which meet the requirements of paragraph (1), in amounts that take into account the written commitments referred to in paragraph (1)(D).

"(ii) TIMING.—

"(I) FIRST ROUND.—On October 1, 2000, the Secretary shall award not more than $70,000,000 in matching grants after considering the recommendations submitted pursuant to paragraph (2)(A)(iii)(I).

"(II) SECOND ROUND.—On October 1, 2001, the Secretary shall award not more than $70,000,000 in matching grants after considering the recommendations submitted pursuant to paragraph (2)(B)(iii)(I).

"(iii) NONDISCRIMINATION.—The provisions of this section shall be applied and administered so as to ensure that mothers, expectant mothers, and married mothers are eligible for benefits and services under projects awarded grants under this section on the same basis as fathers, expectant fathers, and married fathers.

"(B) PREFERENCES.—In determining which entities to which to award grants under this subsection, the Secretary shall give preference to an entity—

"(i) to the extent that the application submitted by the entity describes actions that the entity will take that are designed to encourage or facilitate the payment of child support, including but not limited to—

"(I) obtaining agreements with the State in which the project will be carried out under which the State will exercise its authority under the last sentence of section 457(a)(2)(B)(iv) in every case in which such authority may be exercised;

"(II) obtaining a written commitment by the agency responsible for administering the State plan approved under part D for the State in which the project is to be carried out that the State will voluntarily cancel child support arrearages owed to the State by the father as a result of the father providing various supports to the family such as maintaining a regular child support payment schedule or living with his children; and

"(III) obtaining a written commitment by the entity that the entity will help participating fathers who cooperate with the agency in improving their credit rating;

"(ii) to the extent that the application includes written agreements of cooperation with other private and governmental agencies, including the State or local program funded under this part, the local Workforce Investment Board, the State or local program funded under part D, and the State or local program funded under part E, which should include a description of the services each such agency will provide to fathers participating in the project described in the application;

"(iii) to the extent that the application describes a project that will enroll a high percentage of project participants within 6 months before or after the birth of the child; or

"(iv) to the extent that the application sets forth clear and practical methods by which fathers will be recruited to participate in the project.

"(C) MINIMUM PERCENTAGE OF RECIPIENTS OF GRANT FUNDS TO BE NONGOVERNMENTAL (INCLUDING FAITH-BASED) ORGANIZATIONS.—Not less than 75 percent of the entities awarded grants under this subsection in each fiscal year (other than entities awarded such grants pursuant to the preferences required by subparagraph (B)) shall be awarded to—

"(i) nongovernmental (including faith-based) organizations; or

"(ii) governmental organizations that pass through to organizations referred to in clause (i) at least 50 percent of the amount of the grant.

"(D) DIVERSITY OF PROJECTS.—

"(i) IN GENERAL.—In determining which entities to which to award grants under this subsection, the Secretary shall attempt to achieve a balance among entities of differing sizes, entities in differing geographic areas, entities in urban versus rural areas, and entities employing differing methods of achieving the purposes of this section.

"(ii) REPORT TO THE CONGRESS.—Within 90 days after each award of grants under subclause (I) or (II) of subparagraph (A)(ii), the Secretary shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a brief report on the diversity of projectes selected to receive funds under the grant program. The report shall include a comparison of funding for projects located in urban areas, projects located in suburban areas, and projects located in rural areas.

"(E) PAYMENT OF GRANT IN 4 EQUAL ANNUAL INSTALLMENTS.—During the fiscal year in which a grant is awarded under this subsection and each of the succeeding 3 fiscal years, the Secretary shall provide to the entity awarded the grant an amount equal to ¼ of the amount of the grant.

"(4) USE OF FUNDS.—

"(A) IN GENERAL.—Each entity to which a grant is made under this subsection shall use grant funds provided under this subsection in accordance with the application requesting the grant, the requirements of this subsection, and the regulations prescribed under this subsection, and may use the grant funds to support community-wide initiatives to address the purposes of this section.

"(B) NONDISPLACEMENT.—

"(i) IN GENERAL.—An adult in a work activity described in section 407(d) which is funded, in whole or in part, by funds provided under this section shall not be employed or assigned—

"(I) when any other individual is on layoff from the same or any substantially equivalent job; or

"(II) if the employer has terminated the employment of any regular employee or otherwise caused an involuntary reduction of its workforce in order to fill the vacancy so created with such an adult.

"(ii) GRIEVANCE PROCEDURE.—

"(I) IN GENERAL.—Complaints alleging violations of clause (i) in a State may be resolved—

"(aa) if the State has established a grievance procedure under section 403(a)(5)(J)(iv), pursuant to the grievance procedure; or

"(bb) otherwise, pursuant to the grievance procedure established by the State under section 407(f)(3).

"(II) FORFEITURE OF GRANT IF GRIEVANCE PROCEDURE NOT AVAILABLE.—If a complaint referred to in subclause (I) is made against an entity to which a grant has been made under this section with respect to a project, and the complaint cannot be brought to, or cannot be resolved within 90 days after being brought, by a grievance procedure referred to in subclause (I), then the entity shall immediately return to the Secretary all funds provided to the entity under this section for the project, and the Secretary shall immediately rescind the grant.

"(C) RULE OF CONSTRUCTION.—This section shall not be construed to require the participation of a father in a project funded under this section to be discontinued by the project on the basis of changed economic circumstances of the father.

"(D) RULE OF CONSTRUCTION ON MARRIAGE.—This section shall not be construed to authorize the Secretary to define marriage for purposes of this section.

"(E) PENALTY FOR MISUSE OF GRANT FUNDS.—If the Secretary determines that an entity to which a grant is made under this subsection has used any amount of the grant in violation of subparagraph (A), the Secretary shall require the entity to remit to the Secretary an amount equal to the amount so used, plus all remaining grant funds, and the entity shall thereafter be ineligible for any grant under this subsection.

"(F) REMITTANCE OF UNUSED GRANT FUNDS.—Each entity to which a grant is awarded under this subsection shall remit to the Secretary all funds paid under the grant that remain at the end of the 5th fiscal year ending after the initial grant award.

"(5) AUTHORITY OF AGENCIES TO EXCHANGE INFORMATION.—Each agency administering a program funded under this part or a State plan approved under part D may share the name, address, telephone number, and identifying case number information in the State program funded under this part, of fathers for purposes of assisting in determining the eligibility of fathers to participate in projects receiving grants under this section, and in contacting fathers potentially eligible to participate in the projects, subject to all applicable privacy laws.

"(6) EVALUATION.—The Secretary, in consultation with the Secretary of Labor, shall, directly or by grant, contract, or interagency agreement, conduct an evaluation of projects funded under this section (other than under subsection (c)(1)). The evaluation shall assess, among other outcomes selected by the Secretary, effects of the projects on marriage, parenting, employment, earnings, and payment of child support. In selecting projects for the evaluation, the Secretary should include projects that, in the Secretary's judgment, are most likely to impact the matters described in the purposes of this section. In conducting the evaluation, random assignment should be used wherever possible.

"(7) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out this subsection.

"(8) LIMITATION ON APPLICABILITY OF OTHER PROVISIONS OF THIS PART.—Sections 404 through 410 shall not apply to this section or to amounts paid under this section, and shall not be applied to an entity solely by reason of receipt of funds pursuant to this section. A project shall not be considered a State program funded under this part solely by reason of receipt of funds paid under this section.

"(9) FUNDING.—

"(A) IN GENERAL.—

"(i) INTERAGENCY PANELS.—Of the amounts made available pursuant to section 403(a)(1)(E) to carry out this section for fiscal years 2000 and 2001, a total of $150,000 shall be made available for the interagency panels established by paragraph (2) of this subsection.

"(ii) GRANTS.—Of the amounts made available pursuant to section 403(a)(1)(E) to carry out this section, there shall be made available for grants under this subsection—

"(I) $17,500,000 for fiscal year 2001;

"(II) $35,000,000 for each of fiscal years 2002 through 2004; and

"(III) $17,500,000 for fiscal year 2005.

"(iii) EVALUATION.—Of the amounts made available pursuant to section 403(a)(1)(E) to carry out this section for fiscal years 2000 through 2006, a total of $6,000,000 shall be made available for the evaluation required by paragraph (6) of this subsection.

"(B) AVAILABILITY.—

"(i) GRANT FUNDS.—The amounts made available pursuant to subparagraph (A)(ii) shall remain available until the end of fiscal year 2005.

"(ii) EVALUATION FUNDS.—The amounts made available pursuant to subparagraph (A)(iii) shall remain available until the end of fiscal year 2007.".

(b) FUNDING.—Section 403(a)(1)(E) of such Act (42 U.S.C. 603(a)(1)(E)) is amended by inserting ", and for fiscal years 2000 through 2006, such sums as are necessary to carry out section 403A" before the period.

(c) AUTHORITY TO STATES TO PASS THROUGH CHILD SUPPORT ARREARAGES COLLECTED THROUGH TAX REFUND INTERCEPT TO FAMILIES WHO HAVE CEASED TO RECEIVE CASH ASSISTANCE; FEDERAL REIMBURSEMENT OF STATE SHARE OF SUCH PASSED THROUGH ARREARAGES.—Section 457(a)(2)(B)(iv) of such Act (42 U.S.C. 657(a)(2)(B)(iv)) is amended—

(1) by inserting "(except the last sentence of this clause)" after "this section"; and

(2) by adding at the end the following: "Notwithstanding the preceding sentences of

this clause, if the amount is collected on behalf of a family that includes a child of a participant in a project funded under section 403A and that has ceased to receive cash payments under a State program funded under section 403, then the State may distribute the amount collected pursuant to section 464 to the family, and the aggregate of the amounts otherwise required by this section to be paid by the State to the Federal government shall be reduced by an amount equal to the State share of the amount collected pursuant to section 464 that would otherwise be retained as reimbursement for assistance paid to the family.”.

(d) APPLICABILITY OF CHARITABLE CHOICE PROVISIONS OF WELFARE REFORM.—Section 104 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (42 U.S.C. 604a) is amended by adding at the end the following:

“(l) Notwithstanding the preceding provisions of this section, this section shall apply to any entity to which funds have been provided under section 403A of the Social Security Act in the same manner in which this section applies to States, and, for purposes of this section, any project for which such funds are so provided shall be considered a program described in subsection (a)(2).”.

TITLE II—FATHERHOOD PROJECTS OF NATIONAL SIGNIFICANCE

SEC. 201. FATHERHOOD PROJECTS OF NATIONAL SIGNIFICANCE.

Section 403A of the Social Security Act, as added by title I of this Act, is amended by adding at the end the following:

“(c) FATHERHOOD PROJECTS OF NATIONAL SIGNIFICANCE.—

“(1) NATIONAL CLEARINGHOUSE.—The Secretary shall award a $5,000,000 grant to a nationally recognized, nonprofit fatherhood promotion organization with at least 4 years of experience in designing and disseminating a national public education campaign, including the production and successful placement of television, radio, and print public service announcements which promote the importance of responsible fatherhood, and with at least 4 years experience providing consultation and training to community-based organizations interested in implementing fatherhood outreach, support, or skill development programs with an emphasis on promoting married fatherhood as the ideal, to—

“(A) develop, promote, and distribute to interested States, local governments, public agencies, and private nonprofit organizations, including charitable and religious organizations, a media campaign that encourages the appropriate involvement of both parents in the life of any child of the parents, and encourages such organizations to develope or sponsor programs that specifically address the issue of responsible fatherhood and the advantages conferred on children by marriage;

“(B) develop a national clearinghouse to assist States, communities, and private entities in efforts to promote and support marriage and responsible fatherhood by collecting, evaluating, and making available (through the Internet and by other means) to all interested parties, information regarding media campaigns and fatherhood programs;

“(C) develop and distribute materials that are for use by entities described in subparagraph (A) or (B) and that help young adults manage their money, develop the knowledge and skills needed to promote successful marriages, plan for future expenditures and investments, and plan for retirement;

“(D) develop and distribute materials that are for use by entities described in subparagraphs (A) and (B) and that list all the sources of public support for education and training that are available to young adults, including government spending programs as well as benefits under Federal and State tax laws.

“(2) MULTICITY FATHERHOOD PROJECTS.—

“(A) IN GENERAL.—The Secretary shall award a $5,000,000 grant to each of 2 nationally recognized nonprofit fatherhood promotion organizations which meet the requirements of subparagraph (B), at least 1 of which organizations meets the requirement of subparagraph (C).

“(B) REQUIREMENTS.—The requirements of this subparagraph are the following:

“(i) The organization must have several years of experience in designing and conducting programs that meet the purposes described in paragraph (1).

“(ii) The organization must have experience in simultaneously conducting such programs in more than 1 major metropolitan area and in coordinating such programs with local government agencies and private, nonprofit agencies, including State or local agencies responsible for conducting the program under part D and Workfore Investment Boards.

“(iii) The organization must submit to the Secretary an application that meets all the conditions applicable to the organization under this section and that provides for projects to be conducted in 3 major metropolitan areas.

“(C) USE OF MARRIED COUPLES TO DELIVER SERVICES IN THE INNER CITY.—The requirement of this subparagraph is that the organization has extensive experience in using married couples to deliver program services in the inner city.

“(3) PAYMENT OF GRANTS IN 4 EQUAL ANNUAL INSTALLMENTS.—During each of fiscal years 2002 through 2005, the Secretary shall provide to each entity awarded a grant under this subsection an amount equal to ¼ of the amount of the grant.

“(4) FUNDING.—

“(A) IN GENERAL.—Of the amounts made available pursuant to section 403(a)(1)(E) to carry out this section, $3,750,000 shall be made available for grants under this subsection for each of fiscal years 2002 through 2005.

“(B) AVAILABILITY.—The amounts made available pursuant to subparagraph (A) shall remain available until the end of fiscal year 2005.”.

TITLE III—WELFARE-TO-WORK PROGRAM ELIGIBILITY

SEC. 301. FLEXIBILITY IN ELIGIBILITY FOR PARTICIPATION IN WELFARE-TO-WORK PROGRAM.

(a) IN GENERAL.—Section 403(a)(5)(C)(ii) of the Social Security Act (42 U.S.C. 603(a)(5)(C)(ii)) is amended to read as follows:

“(ii) GENERAL ELIGIBILITY.—An entity that operates a project with funds provided under this paragraph may expend funds provided to the project for the benefit of recipients of assistance under the program funded under this part of the State in which the entity is located who—

“(I) has received assistance under the State program funded under this part (whether in effect before or after the amendments made by section 103 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 first apply to the State) for at least 30 months (whether or not consecutive); or

“(II) within 12 months, will become ineligible for assistance under the State program funded under this part by reason of a durational limit on such assistance, without regard to any exemption provided pursuant to section 408(a)(7)(C) that may apply to the individual.”.

(b) NONCUSTODIAL PARENTS.—

(1) IN GENERAL.—Section 403(a)(5)(C) of such Act (42 U.S.C. 603(a)(5)(C)) is amended—

(A) by redesignating clauses (iii) through (viii) as clauses (iv) through (ix), respectively; and

(B) by inserting after clause (ii) the following:

“(iii) NONCUSTODIAL PARENTS.—An entity that operates a project with funds provided under this paragraph may use the funds to provide services in a form described in clause (i) to noncustodial parents with respect to whom the requirements of the following subclauses are met:

“(I) The noncustodial parent is unemployed, underemployed, or having difficulty in paying child support obligations.

“(II) At least 1 of the following applies to a minor child of the noncustodial parent (with preference in the determination of the noncustodial parents to be provided services under this paragraph to be provided by the entity to those noncustodial parents with minor children who meet, or who have custodial parents who meet, the requirements of item (aa)):

“(aa) The minor child or the custodial parent of the minor child meets the requirements of subclause (I) or (II) of clause (ii).

“(bb) The minor child is eligible for, or is receiving, benefits under the program funded under this part.

“(cc) The minor child received benefits under the program funded under this part in the 12-month period preceding the date of the determination but no longer receives such benefits.

“(dd) The minor child is eligible for, or is receiving, assistance under the Food Stamp Act of 1977, benefits under the supplemental security income program under title XVI of this Act, medical assistance under title XIX of this Act, or child health assistance under title XXI of this Act.

“(III) In the case of a noncustodial parent who becomes enrolled in the project on or after the date of the enactment of this clause, the noncustodial parent is in compliance with the terms of an oral or written personal responsibility contract entered into among the noncustodial parent, the entity, and (unless the entity demonstrates to the Secretary that the entity is not capable of coordinating with such agency) the agency responsible for administering the State plan under part D, which was developed taking into account the employment and child support status of the noncustodial parent, which was entered into not later than 30 (or, at the option of the entity, not later than 90) days after the noncustodial parent was enrolled in the project, and which, at a minimum, includes the following:

“(aa) A commitment by the noncustodial parent to cooperate, at the earliest opportunity, in the establishment of the paternity of the minor child, through voluntary acknowledgement or other procedures, and in the establishment of a child support order.

“(bb) A commitment by the noncustodial parent to cooperate in the payment of child support for the minor child, which may include a modification of an existing support order to take into account the ability of the noncustodial parent to pay such support and the participation of such parent in the project.

"(cc) A commitment by the noncustodial parent to participate in employment or related activities that will enable the noncustodial parent to make regular child support payments, and if the noncustodial parent has not attained 20 years of age, such related activities may include completion of high school, a general equivalency degree, or other education directly related to employment.

"(dd) A description of the services to be provided under this paragraph, and a commitment by the noncustodial parent to participate in such services, that are designed to assist the noncustodial parent obtain and retain employment, increase earnings, and enhance the financial and emotional contributions to the well-being of the minor child.

In order to protect custodial parents and children who may be at risk of domestic violence, the preceding provisions of this subclause shall not be construed to affect any other provision of law requiring a custodial parent to cooperate in establishing the paternity of a child or establishing or enforcing a support order with respect to a child, or entitling a custodial parent to refuse, for good cause, to provide such cooperation as a condition of assistance or benefit under any program, shall not be construed to require such cooperation by the custodial parent as a condition of participation of either parent in the program authorized under this paragraph, and shall not be construed to require a custodial parent to cooperate with or participate in any activity under this clause. The entity operating a project under this clause with funds provided under this paragraph shall consult with domestic violence prevention and intervention organizations in the development of the project.".

(2) CONFORMING AMENDMENT.—Section 412(a)(3)(C)(ii) of such Act (42 U.S.C. 612(a)(3)(C)(ii)) is amended by striking "(vii)" and inserting "(viii)".

(c) RECIPIENTS WITH CHARACTERISTICS OF LONG-TERM DEPENDENCY; CHILDREN AGING OUT OF FOSTER CARE.—

(1) IN GENERAL.—Section 403(a)(5)(C)(iv) of such Act (42 U.S.C. 603(a)(5)(C)(iv)), as so redesignated by subsection (b)(1)(A) of this section, is amended—

(A) by striking "or" at the end of subclause (I); and

(B) by striking subclause (II) and inserting the following:

"(II) to children—

"(aa) who have attained 18 years of age but not 25 years of age; and

"(bb) who, before attaining 18 years of age, were recipients of foster care maintenance payments (as defined in section 475(4)) under part E or were in foster care under the responsibility of a State;

"(III) to recipients of assistance under the State program funded under this part, determined to have significant barriers to self-sufficiency, pursuant to criteria established by the local private industry council; or

"(IV) to custodial parents with incomes below 100 percent of the poverty line (as defined in section 673(2) of the Omnibus Budget Reconciliation Act of 1981, including any revision required by such section, applicable to a family of the size involved).".

(2) CONFORMING AMENDMENTS.—Section 403(a)(5)(C)(iv) of such Act (42 U.S.C. 603(a)(5)(C)(iv)), as so redesignated by subsection (b)(1)(A) of this section, is amended—

(A) in the heading by inserting "HARD TO EMPLOY" before "INDIVIDUALS"; and

(B) in the last sentence by striking "clause (ii)" and inserting "clauses (ii) and (iii) and, as appropriate, clause (v)".

(d) CONFORMING AMENDMENT.—Section 404(k)(1)(C)(iii) of such Act (42 U.S.C. 604(k)(1)(C)(iii)) is amended by striking "item (aa) or (bb) of section 403(a)(5)(C)(ii)(II)" and inserting "section 403(a)(5)(C)(iii)".

SEC. 302. LIMITED VOCATIONAL EDUCATIONAL AND JOB TRAINING INCLUDED AS ALLOWABLE ACTIVITIES.

Section 403(a)(5)(C)(i) of the Social Security Act (42 U.S.C. 603(a)(5)(C)(i)) is amended by inserting after subclause (VI) the following:

"(VII) Not more than 6 months of vocational educational or job training.".

SEC. 303. CERTAIN GRANTEES AUTHORIZED TO PROVIDE EMPLOYMENT SERVICES DIRECTLY.

Section 403(a)(5)(C)(i)(IV) of the Social Security Act (42 U.S.C. 603(a)(5)(C)(i)(IV)) is amended by inserting ", or if the entity is not a private industry council or workforce investment board, the direct provision of such services" before the period.

SEC. 304. SIMPLIFICATION AND COORDINATION OF REPORTING REQUIREMENTS.

(a) ELIMINATION OF CURRENT REQUIREMENTS.—Section 411(a)(1)(A) of the Social Security Act (42 U.S.C. 611(a)(1)(A)) is amended—

(1) in the matter preceding clause (i), by inserting "(except for information relating to activities carried out under section 403(a)(5))" after "part"; and

(2) by striking clause (xviii).

(b) ESTABLISHMENT OF REPORTING REQUIREMENT.—Section 403(a)(5)(C) of the Social Security Act (42 U.S.C. 603(a)(5)(C)), as amended by section 301(b)(1) of this Act, is amended by adding at the end the following:

"(x) REPORTING REQUIREMENTS.—The Secretary of Labor, in consultation with the Secretary of Health and Human Services, States, and organizations that represent State or local governments, shall establish requirements for the collection and maintenance of financial and participant information and the reporting of such information by entities carrying out activities under this paragraph.".

SEC. 305. USE OF STATE INFORMATION TO AID ADMINISTRATION OF WELFARE-TO-WORK GRANT FUNDS.

(a) AUTHORITY OF STATE AGENCIES TO DISCLOSE TO PRIVATE INDUSTRY COUNCILS THE NAMES, ADDRESSESS, AND TELEPHONE NUMBERS OF POTENTIAL WELFARE-TO-WORK PROGRAM PARTICIPANTS.—

(1) STATE IV-D AGENCIES.—Section 454A(f) of the Social Security Act (42 U.S.C. 654a(f)) is amended by adding at the end the following:

"(5) PRIVATE INDUSTRY COUNCILS RECEIVING WELFARE-TO-WORK GRANTS.—Disclosing to a private industry council (as defined in section 403(a)(5)(D)(ii)) to which funds are provided under section 403(a)(5) the names, addresses, telephone numbers, and identifying case number information in the State program funded under part A, of noncustodial parents residing in the service delivery area of the private industry council, for the purpose of identifying and contacting noncustodial parents regarding participation in the program under section 403(a)(5).".

(2) STATE TANF AGENCIES.—Section 403(a)(5) of such Act (42 U.S.C. 603(a)(5)) is amended by adding at the end the following:

"(K) INFORMATION DISCLOSURE.—If a State to which a grant is made under section 403 establishes safeguards against the use or disclosure of information about applicants or recipients of assistance under the State program funded under this part, the safeguards shall not prevent the State agency administering the program from furnishing to a private industry council the names, addresses, telephone numbers, and identifying case number information in the State program funded under this part, of noncustodial parents residing in the service delivery area of the private industry council, for the purpose of identifying and contacting noncustodial parents regarding participation in the program under this paragraph.".

(b) SAFEGUARDING OF INFORMATION DISCLOSED TO PRIVATE INDUSTRY COUNCILS.—Section 403(a)(5)(A)(ii)(I) of such Act (42 U.S.C. 603(a)(5)(A)(ii)(I)) is amended—

(1) by striking "and" at the end of item (dd);

(2) by striking the period at the end of item (ee) and inserting "; and"; and

(3) by adding at the end the following:

"(ff) describes how the State will ensure that a private industry council to which information is disclosed pursuant to section 403(a)(5)(K) or 454A(f)(5) has procedures for safeguarding the information and for ensuring that the information is used solely for the purpose described in that section.".

TITLE IV—ALTERNATIVE PENALTY PROCEDURE RELATING TO STATE DISBURSEMENT UNITS

SEC. 401. ALTERNATIVE PENALTY PROCEDURE RELATING TO STATE DISBURSEMENT UNITS.

(a) IN GENERAL.—Section 455(a) of the Social Security Act (42 U.S.C. 655(a)) is amended by adding at the end the following:

"(5)(A)(i) If—

"(I) the Secretary determines that a State plan under section 454 would (in the absence of this paragraph) be disapproved for the failure of the State to comply with subparagraphs (A) and (B)(i) of section 454(27), and that the State has made and is continuing to make a good faith effort to so comply; and

"(II) the State has submitted to the Secretary, not later than April 1, 2000, a corrective compliance plan that describes how, by when, and at what cost the State will achieve such compliance, which has been approved by the Secretary,

then the Secretary shall not disapprove the State plan under section 454, and the Secretary shall reduce the amount otherwise payable to the State under paragraph (1)(A) of this subsection for the fiscal year by the penalty amount.

"(ii) All failures of a State during a fiscal year to comply with any of the requirements of section 454B shall be considered a single failure of the State to comply with subparagraphs (A) and (B)(i) of section 454(27) during the fiscal year for purposes of this paragraph.

"(B) In this paragraph:

"(i) The term 'penalty amount' means, with respect to a failure of a State to comply with subparagraphs (A) and (B)(i) of section 454(27)—

"(I) 4 percent of the penalty base, in the case of the 1st fiscal year in which such a failure by the State occurs (regardless of whether a penalty is imposed in that fiscal year under this paragraph with respect to the failure), except as provided in subparagraph (C)(ii) of this paragraph;

"(II) 8 percent of the penalty base, in the case of the 2nd such fiscal year;

"(III) 16 percent of the penalty base, in the case of the 3rd such fiscal year;

"(IV) 25 percent of the penalty base, in the case of the 4th such fiscal year; or

"(V) 30 percent of the penalty base, in the case of the 5th or any subsequent such fiscal year.

"(ii) The term 'penalty base' means, with respect to a failure of a State to comply with subparagraphs (A) and (B)(i) of section 454(27) during a fiscal year, the amount otherwise payable to the State under paragraph (1)(A) of this subsection for the preceding fiscal year.

"(C)(i) The Secretary shall waive all penalties imposed against a State under this paragraph for any failure of the State to comply with subparagraphs (A) and (B)(i) of section 454(27) if the Secretary determines that, before April 1, 2000, the State has achieved such compliance.

"(ii) If a State with respect to which a reduction is required to be made under this paragraph with respect to a failure to comply with subparagraphs (A) and (B)(i) of section 454(27) achieves such compliance on or after April 1, 2000, and on or before September 30, 2000, then the penalty amount applicable to the State shall be 1 percent of the penalty base with respect to the failure involved.

"(D) The Secretary may not impose a penalty under this paragraph against a State for a fiscal year for which the amount otherwise payable to the State under paragraph (1)(A) of this subsection is reduced under paragraph (4) of this subsection for failure to comply with section 454(24)(A).".

(b) INAPPLICABILITY OF PENALTY UNDER TANF PROGRAM.—Section 409(a)(8)(A)(i)(III) of such Act (42 U.S.C. 609(a)(8)(A)(i)(III)) is amended by striking "section 454(24)" and inserting "paragraph (24), or subparagraph (A) or (B)(i) of paragraph (27), of section 454".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1999.

TITLE V—FINANCING PROVISIONS

SEC. 501. USE OF NEW HIRE INFORMATION TO ASSIST IN COLLECTION OF DEFAULTED STUDENT LOANS AND GRANTS.

(a) IN GENERAL.—Section 453(j) of the Social Security Act (42 U.S.C. 653(j)) is amended by adding at the end the following:

"(6) INFORMATION COMPARISONS AND DISCLOSURE FOR ENFORCEMENT OF OBLIGATIONS ON HIGHER EDUCATION ACT LOANS AND GRANTS.—

"(A) FURNISHING OF INFORMATION BY THE SECRETARY OF EDUCATION.—The Secretary of Education shall furnish to the Secretary, on a quarterly basis or at such less frequent intervals as may be determined by the Secretary of Education, information in the custody of the Secretary of Education for comparison with information in the National Directory of New Hires, in order to obtain the information in such directory with respect to individuals who—

"(i) are borrowers of loans made under title IV of the Higher Education Act of 1965 that are in default; or

"(ii) owe an obligation to refund an overpayment of a grant awarded under such title.

"(B) REQUIREMENT TO SEEK MINIMUM INFORMATION NECESSARY.—The Secretary of Education shall seek information pursuant to this section only to the extent essential to improving collection of the debt described in subparagraph (A).

"(C) DUTIES OF THE SECRETARY.—

"(i) INFORMATION COMPARISON; DISCLOSURE TO THE SECRETARY OF EDUCATION.—The Secretary, in cooperation with the Secretary of Education, shall compare information in the National Directory of New Hires with information in the custody of the Secretary of Education, and disclose information in that Directory to the Secretary of Education, in accordance with this paragraph, for the purposes specified in this paragraph.

"(ii) CONDITION ON DISCLOSURE.—The Secretary shall make disclosures in accordance with clause (i) only to the extent that the Secretary determines that such disclosures do not interfere with the effective operation of the program under this part. Support collection under section 466(b) shall be given priority over collection of any defaulted student loan or grant overpayment against the same income.

"(D) USE OF INFORMATION BY THE SECRETARY OF EDUCATION.—The Secretary of Education may use information resulting from a data match pursuant to this paragraph only—

"(i) for the purpose of collection of the debt described in subparagraph (A) owed by an individual whose annualized wage level (determined by taking into consideration information from the National Directory of New Hires) exceeds $16,000; and

"(ii) after removal of personal identifiers, to conduct analyses of student loan defaults.

"(E) DISCLOSURE OF INFORMATION BY THE SECRETARY OF EDUCATION.—

"(i) DISCLOSURES PERMITTED.—The Secretary of Education may disclose information resulting from a data match pursuant to this paragraph only to—

"(I) a guaranty agency holding a loan made under part B of title IV of the Higher Education Act of 1965 on which the individual is obligated;

"(II) a contractor or agent of the guaranty agency described in subclause (I);

"(III) a contractor or agent of the Secretary; and

"(IV) the Attorney General.

"(ii) PURPOSE OF DISCLOSURE.—The Secretary of Education may make a disclosure under clause (i) only for the purpose of collection of the debts owed on defaulted student loans, or overpayments of grants, made under title IV of the Higher Education Act of 1965.

"(iii) RESTRICTION ON REDISCLOSURE.—An entity to which information is disclosed under clause (i) may use or disclose such information only as needed for the purpose of collecting on defaulted student loans, or overpayments of grants, made under title IV of the Higher Education Act of 1965.

"(F) REIMBURSEMENT OF HHS COSTS.—The Secretary of Education shall reimburse the Secretary, in accordance with subsection (k)(3), for the additional costs incurred by the Secretary in furnishing the information requested under this subparagraph.".

(b) PENALTIES FOR MISUSE OF INFORMATION.—Section 402(a) of the Child Support Performance and Incentive Act of 1998 (112 Stat. 669) is amended in the matter added by paragraph (2) by inserting "or any other person" after "officer or employee of the United States".

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective October 1, 1999.

SEC. 502. ELIMINATION OF SET-ASIDE OF PORTION OF WELFARE-TO-WORK FUNDS FOR SUCCESSFUL PERFORMANCE BONUS.

(a) IN GENERAL.—Section 403(a)(5) of the Social Security Act (42 U.S.C. 603(a)(5)) is amended by striking subparagraph (E) and redesignating subparagraphs (F) through (K) (as added by section 305(a)(2) of this Act) as subparagraphs (E) through (J), respectively.

(b) CONFORMING AMENDMENTS.—

(1) Section 403(a)(5)(A)(i) of such Act (42 U.S.C. 603(a)(5)(A)(i)) is amended by striking "subparagraph (I)" and inserting "subparagraph (H)".

(2) Subclause (I) of each of subparagraphs (A)(iv) and (B)(v) of section 403(a)(5) of such Act (42 U.S.C. 603(a)(5)(A)(iv)(I) and (B)(v)(I)) is amended—

(A) in item (aa)—

(i) by striking "(I)" and inserting "(H)"; and

(ii) by striking "(G), and (H)" and inserting "and (G)"; and

(B) in item (bb), by striking "(F)" and inserting "(E)".

(3) Section 403(a)(5)(B)(v) of such Act (42 U.S.C. 603(a)(5)(B)) is amended in the matter preceding subclause (I) by striking "(I)" and inserting "(H)".

(4) Subparagraphs (E) and (F) of section 403(a)(5) of such Act (42 U.S.C. 603(a)(5)(F) and (G)), as so redesignated by subsection (a) of this section, are each amended by striking "(I)" and inserting "(H)".

(5) Section 412(a)(3)(A) of such Act (42 U.S.C. 612(a)(3)(A)) is amended by striking "403(a)(5)(I)" and inserting "403(a)(5)(H)".

(c) FUNDING AMENDMENT.—Section 403(a)(5)(H)(i) of such Act (42 U.S.C. 603(a)(5)(H)(i)), as so redesignated by subsection (a) of this section, is amended by striking "$1,500,000,000" and all that follows and inserting "for grants under this paragraph—

"(I) $1,500,000,000 for fiscal year 1998; and

"(II) $1,400,000,000 for fiscal year 1999.".

TITLE VI—MISCELLANEOUS

SEC. 601. CHANGE DATES FOR EVALUATION.

(a) IN GENERAL.—Section 403(a)(5)(G)(iii) of the Social Security Act (42 U.S.C. 603(a)(5)(G)(iii)), as so redesignated by section 502(a) of this Act, is amended by striking "2001" and inserting "2005".

(b) INTERIM REPORT REQUIRED.—Section 403(a)(5)(G) of such Act (42 U.S.C. 603(a)(5)(G)), as so redesignated, is amended by adding at the end the following:

"(iv) INTERIM REPORT.—Not later than January 1, 2002, the Secretary shall submit to the Congress a interim report on the evaluations referred to in clause (i).".

SEC. 602. REPORT ON UNDISTRIBUTED CHILD SUPPORT PAYMENTS.

Not later than 6 months after the date of the enactment of this Act, the Secretary of Health and Human Services shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the procedures that the States use generally to locate custodial parents for whom child support has been collected but not yet distributed due to a change in address. The report shall include an estimate of the total amount of such undistributed child support and the average length of time it takes for such child support to be distributed. The Secretary shall include in the report recommendations as to whether additional procedures should be established at the State or Federal level to expedite the payment of undistributed child support.

SEC. 603. SENSE OF THE CONGRESS.

It is the sense of the Congress that the States may use funds provided under the program of block grants for temporary assistance for needy families under part A of title IV of the Social Security Act to promote fatherhood activities of the type described in section 403A of such Act, as added by this Act.

SEC. 604. ADDITIONAL FUNDING FOR WELFARE EVALUATION STUDY.

Section 414(b) of the Social Security Act (42 U.S.C. 614(b)) is amended by striking "appropriated $10,000,000" and all that follows and inserting "appropriated—

"(1) $10,000,000 for each of fiscal years 1996 through 1999;

"(2) $12,300,000 for fiscal year 2000;

"(3) $17,500,000 for fiscal year 2001;

"(4) $15,500,000 for fiscal year 2002; and

"(5) $4,000,000 for fiscal year 2003.".

SEC. 605. TRAINING IN CHILD ABUSE AND NEGLECT PROCEEDINGS.

(a) In General—Section 474(a)(3) of the Social Security Act (42 U.S.C. 674(a)(3)) is amended—

(1) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (D), (E), and (F), respectively; and

(2) by inserting after subparagraph (B) the following:

"(C) 75 percent of so much of such expenditures as are for the short-term training (including cross-training with personnel employed by, or under contract with, the State or local agency administering the plan in the political subdivision, training on topics relevant to the legal representation of clients in proceedings conducted by or under the supervision of an abuse and neglect court, and training on related topics such as child development and the importance of achieving safety, permanency, and well-being for a child) of judges, judicial personnel, law enforcement personnel, agency attorneys, attorneys representing a parent in proceedings conducted by, or under the supervision of, an abuse and neglect court, attorneys representing a child in such proceedings, guardians ad litem, and volunteers who participate in court-appointed special advocate programs, to the extent the training is related to the court's role in expediting adoption procedures, implementing reasonable efforts, and providing for timely permanency planning and case reviews, except that any such training shall be offered by the State or local agency administering the plan, either directly or through contract, in collaboration with the appropriate judicial governing body operating in the State,".

(b) Definitions.—Section 475 of such Act (42 U.S.C. 675) is amended by adding at the end the following:

"(8) The term 'abuse and neglect courts' means the State and local courts that carry out State or local laws requiring proceedings (conducted by or under the supervision of the courts)—

"(A) that implement part B or this part, including preliminary disposition of such proceedings;

"(B) that determine whether a child was abused or neglected;

"(C) that determine the advisability or appropriateness of placement in a family foster home, group home, or a special residential care facility; or

"(D) that determine any other legal disposition of a child in the abuse and neglect court system.

"(9) The term 'agency attorney' means an attorney or other individual, including any government attorney, district attorney, attorney general, State attorney, county attorney, city solicitor or attorney, corporation counsel, or privately retained special prosecutor, who represents the State or local agency administrating the programs under part B and this part in a proceeding conducted by, or under the supervision of, an abuse and neglect court, including a proceeding for termination of parental rights.

"(10) The term 'attorney representing a child' means an attorney or a guardian ad litem who represents a child in a proceeding conducted by, or under the supervision of, an abuse and neglect court.

"(11) The term 'attorney representing a parent' means an attorney who represents a parent who is an official party to a proceeding conducted by, or under the supervision of, an abuse and neglect court.".

(c) Conforming Amendments—

(1) Section 473(a)(6)(B) of such Act (42 U.S.C. 673(a)(6)(B)) is amended by striking "474(a)(3)(E)" and inserting "474(a)(3)(F)".

(2) Section 474(a)(3)(E) of such Act (42 U.S.C. 674(a)(3)(E)) (as so redesignated by subsection (a)(1)(A) of this section) is amended by striking "subparagraph (C)" and inserting "subparagraph (D)".

(3) Section 474(c) of such Act (42 U.S.C. 674(c)) is amended by striking "subsection (a)(3)(C)" and inserting "subsection (a)(3)(D)".

(d) Sunset.—Effective on October 1, 2004—

(1) section 474(a)(3) of the Social Security Act (42 U.S.C. 674(a)(3)) is amended by striking subparagraph (C) and redesignating subparagraphs (D), (E), and (F) as subparagraphs (C), (D), and (E), respectively;

(2) section 475 of such Act (42 U.S.C. 675) is amended by striking paragraphs (8) through (11);

(3) section 473(a)(6)(B) of such Act (42 U.S.C. 673(a)(6)(B)) is amended by striking "474(a)(3)(F)" and inserting "474(a)(3)(E)".

(4) section 474(a)(3)(E) of such Act (42 U.S.C. 674(a)(3)(E)) (as so redesignated by subsection (a)(1)(A) of this section) is amended by striking "subparagraph (D)" and inserting "subparagraph (C)"; and

(5) section 474(c) of such Act (42 U.S.C. 674(c)) is amended by striking "subsection (a)(3)(D)" and inserting "subsection (a)(3)(C)".

SEC. 606. USE OF NEW HIRE INFORMATION TO ASSIST IN ADMINISTRATION OF UNEMPLOYMENT COMPENSATION PROGRAMS.

(a) In General.—Section 453(j) of the Social Security Act (42 U.S.C. 653(j)), as amended by section 501(a) of this Act, is further amended by adding at the end the following:

"(7) Information comparisons and disclosure to assist in administration of unemployment compensation programs.—

"(A) In general.—If a State agency responsible for the administration of an unemployment compensation program under Federal or State law transmits to the Secretary the name and social security account number of an individual, the Secretary shall, if the information in the National Directory of New Hires indicates that the individual may be employed, disclose to the State agency the name and address of any putative employer of the individual, subject to this paragraph.

"(B) Condition on disclosure.—The Secretary shall make a disclosure under subparagraph (A) only to the extent that the Secretary determines that the disclosure would not interfere with the effective operation of the program under this part.

"(C) Use of information.—A State agency may use information provided under this paragraph only for purposes of administering a program referred to in subparagraph (A).".

(b) Effective Date.—The amendment made by subsection (a) shall take effect on October 1, 1999.

SEC. 607. IMMIGRATION PROVISIONS.

(a) Nonimmigrant Aliens Ineligible to Receive Visas and Excluded From Admission for Nonpayment of Child Support.—

(1) In general.—Section 212(a)(10) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(10)) is amended by adding at the end the following:

"(F) Nonpayment of child support.—

"(i) In general.—Any nonimmigrant alien is inadmissible who is legally obligated under a judgment, decree, or order to pay child support (as defined in section 459(i) of the Social Security Act), and whose failure to pay such child support has resulted in an arrearage exceeding $5,000, until child support payments under the judgment, decree, or order are satisfied or the nonimmigrant alien is in compliance with an approved payment agreement.

"(ii) Waiver authorized.—The Attorney General may waive the application of clause (i) in the case of an alien, if the Attorney General—

"(I) has received a request for the waiver from the court or administrative agency having jurisdiction over the judgment, decree, or order obligating the alien to pay child support that is referred to in such clause; or

"(II) determines that there are prevailing humanitarian or public interest concerns.".

(2) Effective date.—The amendment made by this subsection shall take effect 180 days after the date of the enactment of this Act.

(b) Authorization to Serve Legal Process in Child Support Cases on Certain Arriving Aliens.—

(1) In general.—Section 235(d) of the Immigration and Nationality Act (8 U.S.C. 1225(d)) is amended by adding at the end the following:

"(5) Authority to serve process in child support cases.—.

"(A) In general.—To the extent consistent with State law, immigration officers are authorized to serve on any alien who is an applicant for admission to the United States legal process with respect to any action to enforce or establish a legal obligation of an individual to pay child support (as defined in section 459(i) of the Social Security Act).

"(B) Definition.—For purposes of subparagraph (A), the term 'legal process' means any writ, order, summons or other similar process, which is issued by—

"(i) a court or an administrative agency of competent jurisdiction in any State, territory, or possession of the United States; or

"(ii) an authorized official pursuant to an order of such a court or agency or pursuant to State or local law.".

(2) Effective date.—The amendment made by this subsection shall apply to aliens applying for admission to the United States on or after 180 days after the date of the enactment of this Act.

(c) Authorization to share child support enforcement information to enforce immigration and naturalization law.—

(1) Secretarial responsibility.—Section 452 of the Social Security Act (42 U.S.C. 652) is amended by adding at the end the following:

"(m) If the Secretary receives a certification by a State agency, in accordance with section 454(32), that an individual who is a nonimmigrant alien (as defined in section 101(a)(15) of the Immigration and Nationality Act) owes arrearages of child support in an amount exceeding $5,000, the Secretary may, at the request of the State agency, the Secretary of State, or the Attorney General, or on the Secretary's own initiative, provide such certification to the Secretary of State and the Attorney General information in order to enable them to carry out their responsibilities under sections 212(a)(10) and 235(d) of such Act.''.

(2) STATE AGENCY RESPONSIBILITY.—Section 454 of the Social Security Act (42 U.S.C. 654) is amended—

(A) by striking ''and'' at the end of paragraph (32);

(B) by striking the period at the end of paragraph (33) and inserting ''; and''; and

(C) by inserting after paragraph (33) the following:

''(34) provide that the State agency will have in effect a procedure for certifying to the Secretary, in such format and accompanied by such supporting documentation as the Secretary may require, determinations for purposes of section 452(m) that nonimmigrant aliens owe arrearages of child support in an amount exceeding $5,000.''.

EXTENSIONS OF REMARKS

EXPRESSING THE SENSE OF THE CONGRESS THAT A POSTAGE STAMP SHOULD BE ISSUED RECOGNIZING THE ISLAMIC HOLY MONTH OF RAMADAN

HON. THOMAS M. DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. DAVIS of Virginia. Mr. Speaker, I rise today to introduce a bill which expresses the sense of the Congress that a postage stamp should be issued recognizing the Islamic holy month of Ramadan.

Muslims are a growing and vibrant part of our community. They are our friends, neighbors, doctors, and merchants. Ramadan occurs during the ninth month of the Islamic calendar when all Muslims fast from sunrise to sunset. Observing Ramadan is one of the "five pillars of Islam" and all Muslims, except children, pregnant and nursing mothers, and the sick are expected to abstain from food and drink during the day.

Another pillar of the Islamic faith is the hajj, or the pilgrimage to Mecca. This period commemorates when Muslims believe the Koran was revealed to the prophet Muhammad from the Archangel Gabriel. Therefore, many Muslims try to read the entire Koran during Ramadan.

During Ramadan, in addition to fasting and studying the Koran, observing Muslims recite special prayers, donate money to the poor, and seek forgiveness from those whom they may have wronged. Such practices nurture self-discipline and compassion, rejuvenate faith, and help Muslims earn merit for the afterlife.

In return, Muslims believe that God will cleanse our sins at the beginning of Eid al-Fitr, a festive three-day celebration that marks the end of Ramadan. Muslims believe that Eid signifies a new beginning, a second chance to lead more righteous lives.

I am proud to represent the Muslim-Americans who have chosen to live and work in Northern Virginia. Muslim-Americans have strong family values which they renew with their families and friends during Ramadan. Muslim-Americans contribute to our diverse community with their hard work, academic achievements, and entrepreneurial spirit. Their sense of discipline, obedience, and community during Ramadan is inspiring to all of us.

For these reasons, I urge all of my colleagues to support this resolution which would express the sense of Congress that a postage stamp should be issued to celebrate Ramadan.

CONGRATULATING MATTIE SHARKEY, OF SIKESTON, MISSOURI, ON HER RECOGNITION BY THE "DAUGHTERS OF SUNSET"

HON. JO ANN EMERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mrs. EMERSON. Mr. Speaker, on Saturday, November 13, 1999, Mattie Sharkey is being honored by the Sikeston, MO, "Daughters of Sunset" at their 15th Annual Recognition Program. I would like to extend my congratulations to Mattie who has shown a life-long commitment to her family, her community and her church.

Mattie is the daughter of the late John and Eliza Ross. She was born in Grenada, MS, on December 21, 1900. She grew up on a farm and her education was limited to the 4th grade because she had to work in the fields. She has two sisters and one brother.

In 1924, Mattie moved to Swan Lake, MS. There she married Nathaniel Sharkey, and they are the parents of five girls. In 1929, the family moved to Portageville, MO. They purchased a farm located on River Road near Point Pleasant. In 1936, Mattie's husband passed away. Mattie continued to live and work on the River Road farm with her children. The girls attended school and went to high school in New Madrid, MO. After the girls left home, Mattie moved to the town of Portageville, where she was active at Zion Rock Baptist Church. Mattie also has been active in her community as a member of the NAACP and the 4–H Club and as a volunteer at the community center where she worked with girls.

Mattie's daughters have made sure that she has had an opportunity to travel. Some of the places she has traveled include Hawaii, Bahamas Island, California, Mexico, Canada, Niagara Falls, New York and Chicago. Mattie currently lives in Sikeston, MO with her daughter, Eliza Strickland.

Congratulations Mattie, on your recognition by the "Daughters of Sunset." May you, your loved ones, and the people of Sikeston continue to be blessed with your thoughtful dedication to family and community.

HONORING THE BRAVERY OF WORLD WAR I VETERAN JOHN PAINTER

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. GORDON. Mr. Speaker, I rise today to honor one of the Nation's last surviving World War I veterans, Mr. John George Painter, a 111-year-old native of Jackson County, TN.

Mr. Painter fought heroically on the battlefields of France as a member of the U.S. Army during a horrible war. His actions earned him honorary membership in the American Society of the French Legion of Honor. He was also presented France's prestigious Order of the Legion of Honor for his role in helping France defeat its enemies.

As our country prepares to celebrate Veterans Day, I would like to congratulate Mr. Painter for his military service and for a job well done. Mr. Painter and other veterans certainly have the undying gratitude of the United States of America.

TRIBUTE TO JAN DUCKWORTH—A GREAT AMERICAN AND FRIEND TO MANY

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. MCINNIS. Mr. Speaker, on behalf of Senators BEN NIGHTHORSE CAMPBELL and WAYNE ALLARD, and Representatives JOEL HEFLEY, BOB SCHAFFER, DIANE DEGETTE, MARK UDALL, and THOMAS TANCREDO, I would like to honor the life of a dear friend, loyal civic servant and one of Colorado's leading ladies, Jan Duckworth. Tragically, the world lost Jan earlier this week when her plane, bound for Cairo, Egypt, crashed just off the coast of Massachusetts.

But even as we mourn her tragic and untimely passing, everyone who has had the privilege of knowing Jan can take comfort in the memory of her remarkable life.

Since 1978, Jan worked diligently and with great distinction in the Colorado House of Representatives. In the beginning, she was responsible for the distribution of bills and their related documents to members and their staff in the Capitol. It was not long thereafter that Jan's good work was recognized by her superiors who, in turn, promoted her through the ranks of the House administrative staff. At the time of her death, Jan was serving as the House's Chief Assignable Clerk. In addition to attending to the important business of the Colorado House, Jan also took tremendous pride in training new staff on the legislative process and new member training and orientation.

Of the many accolades bestowed upon Jan during her time in the Colorado House of Representatives, none could ever fully capture the breadth of her service to this esteemed body. For Jan's service extended far beyond the dictates of any job description: she worked the chamber, telling a joke to those weary of debate; disarming the embattled with her quick wit; adding an element of warmth and hospitality to a place that, at times, could be cool with confrontation. These are the memories of Jan that colleagues, friends, and family will

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● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

cling to during this difficult time and throughout the rest of our lives.

Although her professional accomplishments will long be remembered and admired, those who knew Jan well will remember her, above all else, as a friend. It is clear that the multitude of those who have come to know and love Jan will be worse off in her absence. However, Mr. Speaker, I am confident that, in spite of this profound loss, Jan's co-workers, family and friends can take solace in the knowledge that each is a better person for having known her.

But even as we mourn her passing, those who knew and loved Jan should find peace in the rich legacy that she has left behind in her son, William Duckworth, her daughter, Mary Lynn Mimouna, and her granddaughter Wardalynn Mimouna. I know that these and other members of her family—including her sisters Mary Zow and Meredith Larson—will long carry the torch of honor, compassion, integrity and goodwill that defined Jan Duckworth's time on this earth.

CONGRATULATIONS TO THE APPLING COUNTY LADY PIRATES GIRLS SOFTBALL TEAM, 1999 AA STATE CHAMPIONS

HON. SAXBY CHAMBLISS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. CHAMBLISS. Mr. Speaker, I want to congratulate the Lady Pirates Girls Softball Team of Appling County High School in Baxley, GA, for recently capturing the AA State Championship title in girls softball. This fine group of young women and their coaches from Georgia's 8th district deserve great recognition for their hard work and success.

The Lady Pirates have a long history of victories, having won eight region championships under the strong leadership of Head Coach Kathy Warren. Coach Warren began coaching Lady Pirate Softball in 1981, and under her leadership, the Lady Pirates have 326 wins. Over the course of her coaching career, Kathy Warren has been named the Georgia Athletic Coaches Association (GACA) Coach of the year nine times, and she was selected as the GACA State AAA Coach of the Year in 1993.

I also want to congratulate Assistant Coach Janice Sellers, who has coached the team for 18 years, and Assistant Coach Tonya Long, who has coached the team for 8 years. Coaches spend every day of their lives building character, integrity, and determination in our young people. I want to commend Coaches Warren, Sellers, and Long for their commitment and service.

The Lady Pirates have had numerous accomplishments over the years of which to be proud. The team placed first seed in the South Sectionals over the past 3 years. They placed 4th in the State in 1991 and 1993. They placed 3d in the State in 1981 and 1995. And in 1992, 1997, and 1998, the Lady Pirates were the State Runners-up, moving on to capture the Championship this year.

These young women are not just exceptional athletes; they are also exceptional students. During the first 6 weeks grading period of the 1999–2000 school year, 14 of the Lady Pirate Softball Team members were listed on the school's honor roll for academic achievement. Not only have they demonstrated hard work on the field, but they have proven to be hard workers in the classroom as well, demonstrating the ability to take on many achievements at once.

I want to take this time to recognize the Lady Pirates individually. The 1999 players are seniors: Lindsey Baxley, Sarah Carter, Jana Lamb, Bridgett Lasseter, Contessa Smith, Sarah Warren, Alissa Winn, Samantha Wright. Juniors: Candace Carter, Hanna Glenn, Amy Johnson, Ashley Winn. Sophomores: Cookie Alderman, Vicki Edenfield, Billie Jean Gibson, Alisha Tillman, Jodi Whitty, Lindsey Worthington. Freshmen: Carmen Chauncey, Tiffany Griffis, Sheena Hayes, Shafia Kent, Jessica Lindsey, Kylee Reese, and Candyce Sellers. This is an outstanding group of athletes.

Mr. Speaker, victory cannot be achieved without the hard work, talent, and perseverance of every single athlete and the strong leadership and direction of the coaches. This team knows that, as their team motto is "Be The Team." They truly are a team to be proud of, and it is an honor for me to represent Appling County, GA, in the People's House. I look forward to many more victories from the Lady Pirates in the years to come.

PERSONAL EXPLANATION

HON. KENNY C. HULSHOF

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. HULSHOF. Mr. Speaker, due to the birth of my daughter Casey Elizabeth Hulshof, I was not present for rollcall votes 550 through 564. Had I been present, I would have voted "yea" on rollcall vote 550, "yea" on rollcall vote 551, "yea" on rollcall vote 552, "yea" on rollcall vote 553, "yea" on rollcall vote 554, "yea" on rollcall vote 555, "yea" on rollcall vote 556, "yea" on rollcall vote 557, "nay" on rollcall vote 558, "no" on rollcall vote 559, "aye" on rollcall vote 560, "yea" on rollcall vote 561, "yea" on rollcall vote 562 and "yea" on rollcall vote 563.

CONGRATULATING KEITH GIBSON, OF SIKESTON, MISSOURI, ON HIS RECOGNITION BY THE "DAUGHTERS OF SUNSET"

HON. JO ANN EMERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mrs. EMERSON. Mr. Speaker, on Saturday, November 13, 1999, Keith Gibson is being honored by the Sikeston, MO "Daughters of Sunset" at their 15th Annual Recognition Program. I would like to extend my congratulations to Keith who is being recognized on this day for his community involvement.

Keith was born in Chicago, IL. He is the son of Samuel and Annette Gibson of Sikeston, MO and Barbara and Gerald Nathan of St. Louis, MO. He is the 1974 graduate of McKinley High School in St. Louis, MO. On Thanksgiving Day in 1986, Keith moved to Sikeston, MO. He is the father of two sons, Keith Jr. and Tevin, and he has been employed with Sikeston Public Schools as a bus driver since February 1990.

One day, Keith had an idea to have a simple picnic for his boys and their friends. His idea became so popular that it became an annual event which is now called "Gibson's Day in the Park." In 1994, Keith started with a picnic for 15 to 20 kids. Over the years, as many as 135 kids take part in the "Gibson Day in the Park"—and Keith expects more kids to participate next year. Keith asks the "Gibson Day" participants to bring hot dogs, juice, cookies and/or chips depending on the size of the family. Most large families spend about $5.00 on the event.

In the past years, different local businesses have helped by donating items for "Gibson Day in the Park." Keith offers special thanks to Bunny Bread, McDonald's Restaurant, and Sikeston Public Schools for their contributions. The city of Sikeston, MO allows Keith to use their vans, and several parents help out with the activities.

Keith says that he loves kids, and that they give him the strength to go on. Keith's plans for the future include starting a day care center and bringing kids camping and to the zoo. People have asked Keith how he does it. He tells them. "Just look at the kids' faces when they're happy, and you tell me why I do it." In fact, Keith often says that he's just a big kid himself. Keith believes that the "Gibson Day in the Park" picnic shows kids that we can get along together. The day helps kids develop organization skills and a sense of responsibility. And the fact of knowing that someone out there cares about them other than their parents, makes the kids feel good.

Congratulations, Keith, on your recognition by the "Daughters of Sunset." Your dedication to the children of Sikeston, MO is both inspiring and heartwarming. May many more kids have the opportunity to benefit from you, your "Gibson's Day in the Park," and your future hope and plans for their future.

HONORING THE BRAVERY OF WORLD WAR I VETERAN GEORGE DECKARD

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. GORDON. Mr. Speaker, I rise today to honor one of the Nation's last surviving World War I veterans, Mr. George William Deckard, a 102-year-old native of Macon County, TN.

Mr. Deckard fought heroically on the battlefields of France as a member of the U.S. Army during a horrible war. His actions earned him honorary membership in the American Society of the French Legion of Honor. He was also presented France's prestigious Order of the Legion of Honor for his role in helping France defeat its enemies.

As our country prepares to celebrate Veterans Day, I would like to congratulate Mr.

Deckard for his military service and for a job well done. Mr. Deckard and other veterans certainly have the undying gratitude of the United States of America.

CONGRATULATIONS TO THE TELFAIR COUNTY LADY TROJANS GIRLS SOFTBALL TEAM, 1999 CLASS A STATE CHAMPIONS

HON. SAXBY CHAMBLISS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. CHAMBLISS. Mr. Speaker, I want to congratulate the Lady Trojans Girls Softball Team of Telfair County High School in McRae, GA for recently capturing the Class A State Championship title in girls softball. This fine group of young women and their coaches from Georgia's 8th district deserve great recognition for their hard work and success.

This is not only a victory for these fine young women, but for their school as well, as it is the first State Championship for Telfair County in over 30 years and the first ever in softball. The Lady Trojans have won four straight area titles and have advanced to the playoffs three times in the last 4 years.

I want to congratulate Telfair County Head Coach Colby Taylor, Coach Becky Hamilton, and Coach Randy Pope for their leadership and dedication to the team. Coaches spend every day of their lives building character, integrity, and determination in our young people and I want to commend each of them for their commitment and service.

I also want to take this time to recognize the Lady Trojans individually. The 1999 players are Falon Wooten, Kamika Collins, Haley Clarke, Cameo Cooper, Karla Hamilton, Jodi Burress, Heather McGowan, Davitta Jones, Kaycee Pope, Judy McRae, Sam Wilmouth, Danyelle Williams, Melonie Wilcox, Latoria Mathis, and Paige Froug. This is an outstanding group of athletes.

Mr. Speaker, victory cannot be achieved without the hard work, talent, and perseverance of every single athlete and the strong leadership and direction of the coaches. The Lady Trojans truly are a team to be proud of, and it is an honor for me to represent Telfair County, GA in the People's House. The Lady Trojans made history this year, and I look forward to many more victories from this outstanding team in the years to come.

PERSONAL EXPLANATION

HON. RONNIE SHOWS

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. SHOWS. Mr. Speaker, I was away from the floor of the House on Tuesday, November 2, 1999, on official business and was unable to cast recorded votes on rollcalls 553, 554, 555 and 556.

Had I been present for rollcall 553, I would have voted "yea" to suspend the rules and agree to H. Con. Res. 213, a concurrent resolution encouraging the Secretary of Education to promote, and State and local educational agencies to incorporate in their education programs, financial literacy training.

On rollcall 554, I would have voted "yea" to suspend the rules and agree to H. Res. 59, a resolution expressing the sense of the House of Representatives that the United States remains committed to the North Atlantic Treaty Organization (NATO).

On rollcall 555, I would have voted "yea" to suspend the rules and pass H.R. 3164, a bill to provide for the imposition of economic sanctions on certain foreign persons engaging in, or otherwise involved in, international narcotics trafficking.

On rollcall 556, I would have voted "yea" to suspend the rules and agree to H. Res. 349, a resolution expressing the sense of the House of Representatives that the President should immediately transmit to Congress the President's recommendations for emergency response actions, including appropriate offsets, to provide relief and assistance to the victims of Hurricane Floyd.

COMMENDING ROBERT GRANATO FOR HIS SERVICE TO STONINGTON, CT

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. GEJDENSON. Mr. Speaker, I rise today to commend Robert Granato for his years of service to citizens in Stonington, CT. Bob's life-long dedication to public service is a model for all Americans.

Bob Granato began serving his country and community in the Army during the Korean War. After graduating from Boston University, Bob began a career as a counselor at Thames Valley Technical College in Norwich, CT. Over the next two decades, Bob helped thousands of students of all ages to determine their career path and to improve their skills in order to remain competitive in a changing economy.

After his retirement in 1989, Bob was appointed to the Planning and Zoning Commission in Stonington. For the next eight and one-half years, Bob served the community as a member and Chairman of the Commission. During this period, he helped the community to address and, ultimately overcome, significant economic changes which gripped all of southeastern Connecticut as the defense industry down-sized after the cold war. In a recent article in the Westerly Sun, Bob spoke about the challenges and responsibilities associated with leadership as Chairman of the Commission. He spoke of the mundane, but essential responsibility of maintaining order during a crowded hearing as well as the more weighty issue of bearing ultimate responsibility for the Commission's decisions. Bob recognized these responsibilities and confronted them head on.

Over the years, Bob and his wife, Carol, have been strong supporters of the Pawcatuck Neighborhood Center, a multi-faceted social service agency that provides humanitarian services to residents of the region. This effort is another example of Bob's commitment to the community.

Mr. Speaker, Bob Granato is a public servant in every sense of the world. I know he will continue to serve long after his recent "retirement."

CONGRATULATING MAUDE HARRIS, OF SIKESTON, MISSOURI, ON HER RECOGNITION BY THE "DAUGHTERS OF SUNSET"

HON. JO ANN EMERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mrs. EMERSON. Mr. Speaker, on Saturday, November 13, 1999, Maude Harris is being honored by the Sikeston, MO "Daughters of Sunset" at their 15th Annual Recognition Program. I would like to extend my congratulations to Maude who is being recognized on this day for her involvement in her community.

Maude is the daughter of Mr. and Mrs. Bankhead of Wyatt, MO. Maude has six brothers and a sister. Maude attended Charleston Elementary School and graduated from Charleston High School.

Maude's educational achievements include a bachelors degree of science from Southeast Missouri State University in Cape Girardeau, MO as well as a master of arts in home economics-option II (food and nutrition emphasis). Maude published her masters program thesis, "Nutrition Practices of Rural Elderly Scott County African Americans in the Missouri Bootheel."

Maude is very active in her church, Cornerstone Baptist, working as church announcer and chairperson of the Church Newsletter. Her community activities include memberships with Daughters of Sunset, Historian, Altrusa International, Inc. of Sikeston—Astra Advisors, Sikeston Community Credit Union-supervisory chairperson, past Girl Scout leader of Troop 158, board member of Regional Arthritis Center at St. Francis Hospital and the Missouri Department of Health-Diabetes Control Project Advisory Committee, Bootheel Healthy Start Consortium Secretary, Southeast Missouri Cancer Control Coalition, past secretary and member of Southeastern Minority Health Alliance, and is the current president of Scott County Interagency Council.

Maude is employed with University Outreach and Extension as a nutrition/health specialist. She is married to Reverend Michael K. Harris, Sr., associate minister of Cornerstone Baptist Church. They are the parents of three children, Brenda, Sloan, and Kellar.

Congratulations, Maude, on your recognition by the "Daughters of Sunset." Your dedication to family, church and community is truly inspiring. May the people of Sikeston continue to be blessed with your thoughtful contributions.

IN HONOR OF THE OHIO ENVIRONMENTAL COUNCIL

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. KUCINICH. Mr. Speaker, I rise today in honor of the Ohio Environmental Council on their 30th Anniversary. I am honored to join them in their anniversary celebration being held on December 4, 1999.

The Ohio Environmental Council is a nonprofit advocacy organization committed to solving the ecological problems in the state of Ohio. They have dedicated the last 30 years to advocating for clean air, safe water and conservation of our natural resources in Ohio. They have truly carried out their mission "to inform, unite and empower all Ohio citizens to protect the environment and conserve natural resources."

The OEC has made tremendous efforts to be a leader in some recent environmental issues. The organization is helping the effort to correct a terrible situation of a public school that was built upon a toxic-laced former Army dump. Several graduates have leukemia and others have been diagnosed with other forms of cancer. The state health department acknowledged that the number of graduates with leukemia was statistically significant. The Ohio Environmental Council most recently has led the effort to save the Wayne National Forest and the plethora of benefits it offers.

The OEC has spent the last 30 years informing communities about environmental threats and uniting them around opportunities to help protect Ohio's natural environment. They have made tremendous improvements to better the air we breathe and water we drink.

My fellow colleagues, please join me in honoring the Ohio Environmental Council for their tremendous efforts to improve the environment for the state of Ohio.

PERSONAL EXPLANATION

HON. FRANK MASCARA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. MASCARA. Mr. Speaker, from October 25 to October 29, 1999 I was unavoidably absent and missed rollcall votes numbered 533–549. For the record I would have voted "aye" on the following rollcall votes numbers 533 and 545, Journal votes; number 534, H.R. 754, the Made in America Information Act; number 535, H.R. 2303, the History of the House Awareness and Preservation Act to which I am a cosponsor; number 536, H. Con. Res. 194, on Recognizing the contributions of 4–H Clubs and their members to voluntary community service; number 537, H. Con. Res. 190, urging the United States to seek a global consensus supporting a moratorium on tariffs; number 538, H. Con. Res. 208, expressing the sense of the Congress against tax increases in order to fund additional government spending; number 539, H. Con. Res. 102, celebrating the 50th anniversary of the Geneva Conventions; number 540, H. Con. Res. 188, commending Greece and Turkey for their response to the recent earthquakes in those countries; number 541, H.R. 1175, to locate and secure the return of Zachary Baumel; number 544, H.R. 2260, the Pain Relief Promotion Act, to which I am a cosponsor; and number 546, H.J. Res. 73, the Continuing Resolution;

For the record, I would have voted "no" on the following rollcall votes: number 542, the Scott Amendment to H.R. 2260; number 543, the Johnson of Connecticut Amendment to H.R. 2260; number 547, H. Res. 345, waiving points of order against the D.C. Appropriations Conference Report; number 548, the motion to recommit the D.C. Appropriations Act, 2000; and number 549, on agreeing to the Conference Report for the D.C. Appropriations Act, 2000.

HOLOCAUST REMEMBRANCE CEREMONY AT CRESSKILL JUNIOR-SENIOR HIGH SCHOOL

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mrs. ROUKEMA. Mr. Speaker, I rise to call attention to a Holocaust remembrance ceremony that will take place tomorrow at Cresskill Junior-Senior High School in Cresskill, NJ, and to commend those involved in organizing this event.

Definitively, the Holocaust was one of the darkest chapters in the history of our world. However, words cannot begin to express the horror and inhumanity of this unforgivable crime against humanity. It is vitally important that we remember the Holocaust, no matter how painful and horrifying those memories may be. Remembering the Holocaust is the best way to ensure that it never happens again. To quote George Santayana, "Those who cannot remember the past are condemned to repeat it."

At Cresskill Junior-Senior High School tomorrow, students and faculty will gather to remember the Holocaust, passing on the memories to a new generation who will, in turn, pass them on to their children and grandchildren. This will not be a mere academic exercise or a lesson in distant history, however. Approximately 20 survivors of the Nazi Holocaust—along with survivors of some more recent genocides around the world—will be on hand to tell their stories firsthand.

Tomorrow's event was organized at the urging of Lara Pomerantz, a 15-year-old sophomore at Cresskill. Lara is an outstanding young woman who led the efforts that resulted in Governor Whitman declaring the first week of November as Holocaust Education Week in New Jersey. She then worked with former principal Henry McNally and current principal Wayne Merckling to organize the school event.

Why does a 15-year-old from New Jersey have such a strong interest in events that occurred half a world away 40 years before she was born? Lara has a close personal link to the Holocaust and good reason to remember. As Jews in Nazi-occupied Poland, her maternal grandparents—Abraham and Regina Tauber—narrowly escaped the Holocaust. After spending the war years on the run, in hiding and as members of the Resistance, they returned to their hometown of Chodel, Poland, to find only 11 Jewish members of that entire community alive—11 individuals out of 950.

Mr. and Mrs. Tauber will be at Cresskill Junior-Senior High tomorrow to support their granddaughter and tell their story to her classmates. In a letter to me, Lara said, "My life is a living testament to their will to survive." No words could be more inspiring to each generation—present and future.

By telling their stories to this gathering of teenagers, the Taubers and other Holocaust survivors will keep the memory alive for another generation—not just as words on a textbook page but as the story of someone these young people have actually met. Their efforts will show another generation that the victims of the Holocaust were not just abstract numbers or strangers—they are members of our families, the parents and grandparents of our friends.

We all know the famous words of Martin Niemoeller, the Lutheran minister who resisted Hitler. "I didn't speak up because I wasn't a Communist . . . I wasn't a Jew . . . I wasn't a trade unionist." If the world does not remember the Holocaust, there could come a time for each of us when we would be faced with Reverend Niemoeller's final line: "Then they came for me and no one was left to speak up for me."

I ask my colleagues in the House of Representatives to join me in congratulating the students and faculty of Cresskill Junior-Senior High School—and the Holocaust survivors who are joining them—on this effort to see that history does not repeat itself.

CONGRATULATING DAVID SPAINHOUR

HON. LOIS CAPPS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mrs. CAPPS. Mr. Speaker, today I rise to bring to the attention of my colleagues the outstanding work of David W. Spainhour. On Sunday, November 7, David will receive the Distinguished Community Service Award from the Anti-Defamation League and the Santa Barbara B'nai Brith Lodge.

As someone who has worked closely with the ADL in its efforts to promote tolerance and combat hatred and prejudice, I am pleased that this prominent organization has chosen to honor David. They could not have made a wiser selection.

David is one of Santa Barbara's preeminent business leaders. He serves as President of Capital Bancorp and Chairman of the Board of Santa Barbara Bank & Trust. Throughout his thirty-three year career at the Bank, David has dedicated himself to improving all facets of life in our community.

David has worked tirelessly in the areas of education, business development, health care, and assisting the neediest in our society. Among other positions, he serves on the boards of Westmont College, Santa Barbara Industry Education Council, and the United Way of Santa Barbara County. David and his wife Carolyn are shining examples of individuals who believe passionately in serving the common good. I am proud of their accomplishments and I am pleased to announce David's award on the floor of the House.

CONGRATULATING MINISTER ARTHUR E. CASSELL, OF SIKESTON, MO, ON HIS RECOGNITION BY THE "DAUGHTERS OF SUNSET"

HON. JO ANN EMERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mrs. EMERSON. Mr. Speaker, on Saturday, November 13, 1999, Minister Arthur E. Cassell is being honored by the Sikeston, MO "Daughters of Sunset" at their 15th Annual Recognition Program. I would like to extend my congratulations to Minister Cassell who is being recognized on this day for his community involvement.

Minister Cassell is an associate minister at the Opportunity Church of God and Christ in Charleston, MO, and has been employed as a letter carrier at the Sikeston, Missouri Post Office since December 1981. He is married to Lucille (Richardson) Cassell who is president of their diaper company. The Cassells are the parents of four sons.

Minister Cassell is a former marine who has been an active worker in the Southeast Missouri area since his discharge. He is the president of the Charleston Branch of the NAACP, chairman of the Weed & Seed Steering Committee in Charleston; has served as an executive board member of Southeast Missouri Legal Services since 1989, and served on the Community Outreach Center board in Sikeston, MO.

Minister Cassell also has cosponsored job preparedness classes, youth services, and activities. In his own words, "Through helping others and trying to meet people's needs, I have found that even more needs to be done." Minister Cassell's philosophy is, "If you're going to do it, go all out."

Congratulations, Minister Cassell, on your recognition by the "Daughters of Sunset." By "going all out" for your family, church and community, you have touched the lives of so many others, and have helped them discover the possibility of brighter futures.

IN HONOR OF JOHNNIE JOHNSON

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. KUCINICH. Mr. Speaker, I rise today to honor the beloved rock and roller, Johnnie Johnson, for his monumental contributions he has made to American music over the past half-century. The rock and roll community will recognize him for his accomplishments by naming December 1, 1999 "Johnnie Johnson Day" at the Rock and Roll Hall of Fame in Cleveland, Ohio.

It all began on New Year's Eve 1952. The saxophonist for the Johnnie Johnson Trio fell ill and could not perform. Johnnie knew of a local guitar player named Chuck Berry, who agreed to sit in for the occasion. The evening was a smashing success and Berry instantly became a member of the Johnnie Johnson Trio. As their popularity grew, it was evident that Berry had a flare for entertaining audiences. Because of Berry's business insight, Johnnie agreed to make him the headliner. They decided that Berry would write the lyrics, and then he and Johnnie would put the music behind them. They eventually went on to record their first album, Maybellene, in 1955 and later great hits including Roll Over Beethoven, Rock and Roll Music, and Back in the USA.

Although not fully credited in the past, Johnnie Johnson has become widely recognized as the best blues pianist in the world and holder of the trademarks "Father of Rock & Roll" and "Father of Rock & Roll Piano." Recently, Johnnie Johnson has won several "Best Pianist" awards as well as receiving the Lifetime Achievement Award from the Riverfront Times Music Magazine and the city of St. Louis in 1996. In a recent book about the man of music, author Travis Fitzpatrick tells the story of the music and the man that shaped the rock and roll world. Father of Rock & Roll: The Story Of Johnnie "B. Goode" Johnson secures the unsung hero his rightful place in history. Johnnie Johnson is finally on the way to receiving the credit he so rightfully deserves.

My fellow colleagues, please join me in honoring this great musician, Johnnie "B. Goode" Johnson, for his unselfish dedication to music. "Johnnie Johnson Day" is only a small recognition that we could give the man who's music moved us time and again.

TRIBUTE TO THE MIAMI-DADE FIRE AND RESCUE TEAM

HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. SHAW. Mr. Speaker, I rise today to honor and pay tribute to the Miami-Dade County Fire and Rescue team for their efforts and contributions in international disaster responses.

The team was created in 1985 to respond with search and rescue efforts following the earthquake that rocked Mexico City. Since then, the team has been called upon for disaster assistance throughout the world including Armenia, the Philippines, and El Salvador. They have also responded to emergencies closer to home including the bombing of the Federal building in Oklahoma City, Hurricane George, and Hurricane Mitch. Most recently the Miami-Dade County Fire and Rescue Team has assisted in earthquake disaster relief in Turkey and in Taipei, Taiwan.

The Miami-Dade County Fire and Rescue Team has specialized equipment and K–9 units trained to find people trapped in collapsed buildings. Their technical response team members are experts in vehicle extrication, confined space rescue, and rope rescue. Additionally, their department maintains a mass casualty bus and mobile command vehicle for large scale incident response.

The contributions of the Miami-Dade Fire and Rescue Team to the humanitarian relief community are invaluable. I know the House will join me in paying tribute to this outstanding team of people and wish them continued success in their endeavors.

NATIONAL SECURITY SEALIFT ENHANCEMENT ACT OF 1999

HON. JIM McCRERY

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. McCRERY. Mr. Speaker, today my friend from Louisiana, Mr. JEFFERSON and I are introducing comprehensive legislation to address provisions of the tax code that have led to the decline of our domestic maritime industry.

The last fifty years have seen a steady erosion of the size and capacity of the U.S.-flag merchant marine. In 1947, more than 2,300 ships flew the Stars and Stripes. That figure has shrunk by nearly 90% since then. Amazingly, there are now seventeen countries with larger merchant marine fleets. For those who have followed the decline of the U.S.-flag, it will come as no surprise that we have been eclipsed by such nations as Panama, Liberia, Cyprus, and Saint Vincent.

These nations do not have enormous merchant marines because of their exports or imports. I am convinced that favorable tax treatment in those countries is directly responsible for the decline of our own merchant marine and the growth we have seen elsewhere in the world.

This is a critical matter of both national security and economic growth. Unless we as a country respond quickly and effectively to this situation our United States-flag merchant marine—the nation's fourth arm of defense—will in all likelihood be unable to fulfill its historic mission of responding in times of war or other international emergencies.

As I remarked earlier this year, as recently as the Persian Gulf War and the conflict in Bosnia, United States-flag commercial vessels and United States citizen crews respond quickly, effectively, and efficiently to our nation's call, providing the sealift sustainment capability necessary to support America's armed forces and to help protect America's interests overseas. In 1992, General Colin Powell, then-Chairman of the Joint Chiefs of Staff, told the graduating class of the United States Merchant Marine Academy at Kings Point that:

"Since I became Chairman of the Joint Chiefs of Staff, I have come to appreciate firsthand why our merchant marine has long been called the nation's fourth arm of defense . . . The war in the Persian Gulf is over but the mechant marine's contribution to our nation continues. In war, merchant seamen have long served with valor and distinction by carrying critical supplies and equipment to our troops in far away lands. In peacetime, the merchant marine has another vital role—contributing to our economic security by linking us to our trading partners around the world and providing the foundation for our ocean commerce."

The maritime industry is not only important to our nation's economic and military security. It is also of particular importance to my State of Louisiana. A recent report concludes that "the ports of Louisiana and the maritime industry are crucial parts of the Louisiana economy." It calculates that in 1997, Louisiana realized a "total economic impact [of] $28.1 billion" from the activities of our State's ports, steamship and tug and barge companies, firms providing shore side services, and other entities engaged in the maritime, transportation and related service and supply industries. We should not allow these economic benefits to be lost to Louisiana, any other State or to our nation as a whole.

I remain convinced that the best way to ensure that our nation continues to have the militarily-useful commercial vessels and trained and loyal citizen crews we need to support our interests around the world is to pursue policies enabling our maritime industry to flourish in peacetime. The place to start, without question, is the tax code.

A review of foreign tax laws demonstrates that the decline in our merchant marine can be traced to the favorite tax benefits offered by other countries. In 1995, United States-flag vessel carriers presented testimony to the Congress which summarized the impact American tax laws have on American vessels and described, in terms as true today as they were then, how these laws favor foreign shipping operations:

"U.S.-based liner companies are subject to significantly higher taxes than their foreign-based counterparts . . . [A]s a result of shipping tax exemptions, deferral devices, and accelerated depreciation, many of our foreign competitors pay virtually no income taxes [and] neither do their crews under many foreign tax regimes. Yet here at home, even in our unprofitable years, we are subject to the Alternative Minimum Tax. Consequently, U.S.-flag operators must earn more in the marketplace than their competitors in order to earn the same amount for reinvestment or distribution to shareholders."

Strengthening the economic viability and competitiveness of United States-flag vessel operations requires us to adapt the tax regime governing our merchant marine to the realities of today's international shipping environment.

Earlier this year, I introduced H.R. 2159, which is intended to assist American vessel owners to accumulate the private capital necessary to build modern, efficient and economical commercial vessels in United States shipyards. It would do so by amending the existing merchant marine Capital Construction Fund (CCF) program. The existing program allows an American citizen to deposit the earnings from various United States-built, United States-flag vessels into a tax deferred CCF to be used solely to build vessels in American shipyards. The deferred tax is recouped by the Treasury through reduced depreciation because the tax basis of vessels built with CCF monies is reduced on a dollar-for-dollar basis.

The provisions of H.R. 2159 are incorporated into the legislation we are introducing today. It will, among other things, allow earnings from the operation of United States-flag foreign built commercial vessels, and the amount of the duty arising from foreign ship repairs, to be deposited into a Capital Construction Fund in order to increase the amount of capital available to build vessels in our country. Equally important, my legislation will allow CCF monies to be withdrawn to build, in the United States, a vessel to be operated in the oceangoing domestic trades in order to further enhance the modernization and growth of this important segment of our maritime industry. It will further allow these funds to be used to acquire containers or trailers for use on a United States-flag vessel, and allows these monies to be used in conjunction with the lease of a United States-built vessel, or trailer or container, in order to better reflect the realities of current ship financing arrangements. Finally, in order to ensure that the full intended benefits of these changes and the Capital Construction Fund are realized, our legislation removes the Capital Construction Fund as an alternative minimum tax adjustment item.

In addition, this bill will increase international competitiveness by allowing the owner of any United States-flag vessel engaged in the foreign trades to elect to fully expense United States-flag vessels in the year in which they acquired and documented under the United States-flag. Today, the United States has a ten-year depreciation schedule while foreign nations generally allow much more aggressive depreciation schedules. In addition, countries such as the Bahamas, Cyprus, Liberia and Panama which register a significant percentage of the world's shipping against which United States-flag vessels must compete are totally exempt from all income taxes.

To increase the employment opportunities for American merchant mariners aboard American owned vessels engaged in the foreign trades, this bill would extend the existing foreign source income exclusion to merchant seamen. At present, this exclusion, contained in section 911 of the Internal Revenue Code, is available to Americans working outside the United States. As a result, it costs vessel operators considerably more to hire Americans than it costs foreign vessel operators to hire nationals from the many countries that limit or exempt income taxation imposed on their mariners. Clearly, one of the goals of the existing section 911 is to promote America's national interests through the employment of American citizens. Ensuring that the United States has a sufficient number of loyal, trained American merchant mariners to crew the government-owned and private vessels needed during war or other emergency is a key component of America's sealift capability. Extending section 911 to American mariners will, by increasing their opportunity for employment, augment America's available manpower and seapower force.

Finally, the bill recognizes that the tax benefits otherwise available through the legislation can be rendered meaningless through the operation of the Alternative Minimum Tax (AMT). To further enhance the competitiveness of American flag vessel operations, our legislation repeals the AMT with respect to shipping income earned from the operation of U.S.-flag vessels in the foreign trades. Without this provision, the maritime industry might find that the other changes contemplated in this legislation are but hollow promises.

Today, American vessels and American merchant mariners are forced to compete in an environment largely dominated by heavily subsidized and foreign state-owned fleets as well as fleets registered in flag-of-convenience countries that are effectively tax havens for these ships. As a result, U.S.-flag ships ply the oceans at a significant economic disadvantage. Further erosion of our seapower threatens America's defense capabilities and the economy of states like Louisiana. In response, we can and should take aggressive action in this area and the legislation being introduced today is a positive step in that direction.

I intend to request Chairman ARCHER to schedule a hearing before the Ways and Means Committee next year to explore the ways in which the tax code hinders our competitiveness on the open seas. I look forward to working with Congressman JEFFERSON and all of my colleagues to see that meaningful tax relief is enacted for the maritime industry.

IN HONOR OF MARLENE COVIELLO

HON. STEVEN R. ROTHMAN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. ROTHMAN. Mr. Speaker, I rise today to join the East Rutherford Educational Community in recognizing December as "Marlene Coviello Month" and in paying tribute to Marlene Coviello on the occasion of her retirement from the East Rutherford school system after twenty-three years.

Throughout her career, Marlene's teaching was characterized by a true commitment to her students' learning and her unending enthusiasm for imparting knowledge to them. Her integrity, sense of responsibility, and professionalism made her a role model, not only for her students but for her colleagues as well.

Marlene Coviello's resourcefulness and creativity as an educator enabled her to meet the changing needs of her students in the constantly evolving field of education. By teaching her students to love learning, she demonstrated why these qualities are a teacher's greatest assets.

Her smile, sense of humor, and vivacity define her as an individual and illustrate why her fellow teachers enjoyed working with Marlene and why her students learned so much from her. Marlene's determination and strength of character enabled her to prepare the children of East Rutherford for the challenges of adulthood.

I would like to join Marlene Coviello's students, family and fellow teachers in wishing her the very best as she prepares to embark on the next chapter in her life and in thanking her for twenty-three years of service on behalf of her community.

CONGRATULATING JUSTIN "JO MO" ROBINSON, OF SIKESTON, MISSOURI ON HIS RECOGNITION BY THE "DAUGHTERS OF SUNSET"

HON. JO ANN EMERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mrs. EMERSON. Mr. Speaker, on Saturday, November 13, 1999, Justin "Jo Mo" Robinson is being honored by the Sikeston, MO "Daughters of Sunset" at their 15th Annual Recognition Program. I would like to extend my congratulations to Justin who is being recognized on this day as the Outstanding Athlete of The Year.

Justin is the son of Frank and Jeanette McCaster. He is the youngest of six children, four boys and two girls. Justin is a senior at Sikeston Senior High School.

Justin has played sports for several years, starting with Little League football, baseball and basketball. In his spare time, Justin enjoys fishing and playing pool. His greatest love, though, is football.

According to Justin's football coach, Charlie Vickery, Justin's football achievement include senior running back and 1999 football captain. Justin leads the Southeast Missouri area in rushing yards at 1,464, which is currently third in Sikeston history for single season yards. Justine also has 20 touchdowns, which ranks him second in Southeast Missouri, and he is tied for second in single season touchdowns in Sikeston Senior High School Bulldog records. With three games remaining in this year's season, Justin has an excellent chance to break the single season rushing record of 1,771 yards held by Tiger Boyd and the single season touchdown record of 21 also held by Boyd. Justin has chosen as a second team All-Conference Running Back as a junior in 1998.

Justin's role model is one of Sikeston, MO's greatest players, James Wilder. After graduating, Justin plans to attend the University of Arkansas to play football and run track. He would like to earn a degree in physical education. One of Justin's greatest ambitions is to play professional football, but he plans to return to Sikeston, MO to share his accomplishments with all those who have supported and loved him.

Justin often says that without his mother's love and faith in him, it's hard to say where he might be. Justin offers this advice to his peers, "Stay in school and be the best you can be, and make sure to always listen to your parents."

Congratulations, Justin, on your recognition by the "Daughters of Sunset." Your achievements as an athlete and as a faithful son make you a true role model for your friends and peers in Sikeston. Your dedication to being the best that you can be will take you a long way in realizing all of your hopes and dreams for the future.

CONGRATULATING JERI EIGNER

HON. LOIS CAPPS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mrs. CAPPS. Mr. Speaker, today I rise to bring to the attention of my colleagues the outstanding work of Jeri Eigner. On Sunday, November 7, Jeri will receive the Distinguished Community Service Award from the Anti-Defamation League and the Santa Barbara B'nai Brith Lodge.

As someone who has worked closely with the ADL in its efforts to promote tolerance and combat hatred and prejudice, I am pleased that this prominent organization has chosen to honor Jeri. They could not have made a wiser selection.

For nearly twenty years, Jeri has distinguished herself as a tireless community activist in a wide range of critical issues. Among other positions, Jeri has served on the board of Planned Parenthood and as a volunteer at the clinic. She has also worked as a docent at the Santa Barbara Museum of Art and as a member of the Hope Ranch Board.

Perhaps Jeri's most glowing accomplishment is her leadership efforts to open the beautiful new Jewish Community Center, which has become a treasured resource for the entire Santa Barbara community. As Campaign Chair and past president of the Santa Barbara Jewish Federation, Jeri was a driving force behind the Center and is responsible for developing many of its dynamic programs and services.

Jeri and her husband Stan are shining examples of individuals who believe passionately in serving the common good. I am proud of their accomplishments and I am pleased to announce Jeri's award on the floor of the House.

HOUSE OF REPRESENTATIVES—*Friday, November 5, 1999*

The House met at 9 a.m. and was called to order by the Speaker pro tempore (Mr. PEASE).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
November 5, 1999.

I hereby appoint the Honorable EDWARD A. PEASE to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Reverend James David Ford, D.D., offered the following prayer:

Teach us, gracious God, that wherever we are, whatever we do, we will live with the spirit of gratitude for Your many blessings to us, and with appreciation for the colleagues and friends who surround us.

Remind us each day, O God, that since You have created the world and breathed into every woman and man the very breath of life, we should look upon others with tolerance and respect.

Open our eyes to see a vision of Your majesty, give us strong hands to work for justice, and may our hearts know Your peace and Your love. This is our earnest prayer. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Ohio (Mr. TRAFICANT) come forward and lead the House in the Pledge of Allegiance.

Mr. TRAFICANT led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Ms. McDevitt, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 3122. An act to permit the enrollment in the House of Representatives Child Care Center of children of Federal employees who are not employees of the legislative branch.

The message also announced that the Senate has passed bills of the following titles in which concurrence of the House is requested:

S. 225. An act to provide Federal housing assistance to Native Hawaiians.

S. 438. An act to provide for the settlement of the water rights claims of the Chippewa Cree Tribe of the Rocky Boy's Reservation, and for other purposes.

S. 720. An act to promote the development of a government in the Federal Republic of Yugoslavia (Serbia and Montenegro) based on democratic principles and the rule of law, and that respects internationally recognized human rights, to assist the victims of Serbian oppression, to apply measures against the Federal Republic of Yugoslavia, and for other purposes.

S. 777. An act to require the Department of Agriculture to establish an electronic filing and retrieval system to enable the public to file all required paperwork electronically with the Department and to have access to public information on farm programs, quarterly trade, economic, and production reports, and other similar information.

S. 1290. An act to amend title 36 of the United States Code to establish the American Indian Education Foundation, and for other purposes.

S. 1455. An act to enhance protections against fraud in the offering of financial assistance for college education, and for other purposes.

S. 1753. An act to amend the Immigration and Nationality Act to provide that an adopted alien who is less than 18 years of age may be considered a child under such act if adopted with or after a sibling who is a child under such act.

S. 1754. An act to deny safe havens to international and war criminals, and for other purposes.

S. 1866. An act to redesignate the Coastal Barrier Resources System as the "John H. Chafee Coastal Barrier Resources System".

The message also announced that the Senate agrees to the amendment of the House to the bill (S. 468) "An Act to improve the effectiveness and performance of Federal financial assistance programs, simplify Federal financial assistance application and reporting requirements, and improve the delivery of services to the public."

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain 5 one-minute requests per side.

ERGONOMIC STANDARDS

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, if one is an employer, what are the eight most dreaded words in the English language? "I am from OSHA and I am here to help." Recently the Occupational Safety and Health Administration said, we know enough to act now. We want to issue sweeping new and punitive ergonomic standards. OSHA plans to finalize its standards in the coming weeks unless Congress intervenes.

Mr. Speaker, it is time for Congress to intervene. OSHA refuses to wait for the results of the National Academy of Sciences study on the issue, a study which Congress recommended and funded in 1998. OSHA's regulations would impact nearly every industry, cost employers millions of dollars, and result in substantial increases in worker compensation costs due to the proposed 100 percent replacement of wages and benefits. These facts might very well have been uncovered by the National Academy of Sciences, but OSHA would not wait.

Mr. Speaker, along with dreaded words come dreaded policies and arrogance. I yield back the balance of my time and any common sense left at OSHA.

ON THE ANNIVERSARY OF THE FALL OF THE BERLIN WALL, AND THE PRICE OF FREEDOM

(Mr. MCNULTY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MCNULTY. Mr. Speaker, this week we celebrate the 224th birthday of the United States Marine Corps, and also we mark the 10th anniversary of the tearing down of the Berlin Wall. These two events have a lot to do with each other. If we think of all of the wondrous things that have happened over the past 10 years, the collapse of the Communist system in Eastern Europe, the tearing down of the Berlin Wall, the break-up of the Soviet Union into individual democratic republics, we cannot help but reach the conclusion that freedom is not free. We paid a tremendous price for it.

I believe that we should remember every day that had it not been for the men and women who wore the uniform of the United States military through the years, we would not have the privilege of going around bragging about

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☐This symbol represents the time of day during the House proceedings, e.g., ☐1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

how we live in the freest and most open democracy on the face of the Earth.

So today when I think of these two great events, I give thanks to all of those who made the supreme sacrifice, and all of those who wore the uniform of the United States military. I start this day as I do every day, thanking God for my life and veterans for my way of life.

IN SUPPORT OF H.R. 3075, THE MEDICARE BALANCED BUDGET REFINEMENT ACT

(Mr. RYAN of Wisconsin asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RYAN of Wisconsin. Mr. Speaker, I rise today in support of the Balanced Budget Refinement Act, H.R. 3075. This bill is vital to the successful continuation of Medicare as we know it. This bill restores some of the changes that were made to the Medicare program back in 1997 under the Balanced Budget Act.

In the district that I serve, two Medicare+Choice providers announced that they would terminate services for seniors. The beneficiaries were understandably devastated. I held a town hall meeting on this subject with the beneficiaries, with the Medicare+Choice providers, and with the government. The response was overwhelming. s

Some of the beneficiaries decided that they were not going to lose without a fight. Joyce Scantling of Racine, Wisconsin, has worked tirelessly on this issue. Together with 50 or 60 seniors and beneficiaries, they have rallied support around Medicare legislation to fix these reimbursement rates.

I hold in my hand right here thousands of signatures from Wisconsin's seniors and Medicare beneficiaries urging Congress to pass Medicare legislation to fix these reimbursement rates.

THE EPA HAS GOTTEN OUT OF HAND

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, in 1995, the EPA came crying to Congress saying they needed more money to clean up our air and our water and our Superfund sites. Shortly after that appeal for cash, records show that the EPA gave a $160,000 grant to facilitate wind energy technologies in China. Unbelievable. While American taxpayers are busting their buns to pay the bill around here, the EPA gave our hard-earned taxpayer dollars for projects in China.

Mr. Speaker, this is out of hand. Electric bicycle technology, wind energy technology, American taxpayer dollars? The EPA should be handcuffed. Beam me up. I yield back all the flatulence in China paid for by the EPA.

WHEN WILL THE REPUBLICANS RESPOND TO AMERICA'S DEMAND FOR HMO REFORM?

(Mr. GREEN of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GREEN of Texas. Mr. Speaker, when the House passed a few weeks ago the HMO reform bill, we thought our day had finally come. But this week we learned that the vote was really only the first step. The Republican leadership appointed the conference committee to negotiate with the Senate with only one member who voted for HMO reform.

Instead of responding to the needs of the American people, the Republican leadership has chosen a path to ignore the will of the majority of this House and the needs of the American people.

This week's Newsweek magazine cover story talks about it: HMO Hell. How much longer does the Republican leadership intend to keep American families living in this HMO hell?

The bipartisan bill that passed this House overwhelmingly would provide for no gag rules, direct access to specialists, a binding external appeals process, access to emergency care, but also the accountability of that decisionmaker.

Let us see if we can make them hear, if not this year then next year. We want to get out of HMO hell.

CONGRATULATIONS TO MORNING EDITION ON ITS 20TH ANNIVERSARY

(Mr. DREIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, it is not often that I regret having not been included in a party here in town, but after having finished the financial modernization bill late last night and then about 1 o'clock this morning joining with my colleagues as we filed the rule which the gentleman from Florida (Mr. DIAZ-BALART) is going to be managing in just a few minutes, I woke up this morning and listened to National Public Radio, and there was a great party that was going on celebrating the 20th anniversary of a program called Morning Edition, which has provided us with a great deal of grist for debate and argument here on the House floor for the last couple of decades.

We are marking all kinds of anniversaries. My friend, the gentleman from New York (Mr. MCNULTY) just talked about the fact that yesterday was the 224th anniversary of the United States Marine Corps. We are about to mark the 10th anniversary of the crumbling of the Berlin Wall. One of the stories on Morning Edition this morning consisted of the death of Nicolae Ceausescu a decade ago, so we are marking a lot of anniversaries.

I would just like to throw in the fact that as a Republican who listens to National Public Radio, I congratulate Morning Edition on their 20th.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 2000

Mr. DIAZ-BALART. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 362 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 362

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 3196) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2000, and for other purposes. The bill shall be considered as read for amendment. The previous question shall be considered as ordered on the bill and any amendment thereto to final passage without intervening motion except: (1) one hour of debate equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations; (2) the amendment printed in the report of the Committee on Rules accompanying this resolution, if offered by Representative Young of Florida or his designee, which shall be in order without intervention of any point of order or demand for division of the question, shall be considered as read, and shall be separately debatable for the time specified in the report equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

SEC. 2. House Resolution 359 is laid on the table.

The SPEAKER pro tempore. The gentleman from Florida (Mr. DIAZ-BALART) is recognized for 1 hour.

Mr. DIAZ-BALART. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Ohio (Mr. HALL), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for purposes of debate only.

Mr. Speaker, House Resolution 362 is a structured rule providing for the consideration of H.R. 3196, the foreign operations appropriations bill for fiscal year 2000. The bill provides for 1 hour of debate in the House, equally divided between the chairman and the ranking minority member of the Committee on Appropriations.

The rule provides that the bill shall be considered as having been read for amendment. Further, the rule provides that the amendment printed in the Committee on Rules report, if offered by the gentleman from Florida (Mr.

YOUNG) or his designee shall be in order without intervention of any point of order or demand for a division of the question.

The amendment shall be considered as read, shall be separately debatable for the time specified in the report, which is 20 minutes, with time equally divided and controlled by the proponent and an opponent.

Also, the rule provides for one motion to recommit, with or without instructions. Finally, the rule provides that House Resolution 359 is laid on the table.

Mr. Speaker, the President vetoed H.R. 2606 on October 18. Since that time, very serious negotiations have taken place between the Congress and the administration to address the concerns raised in the President's veto message.

The bill which this rule brings forth, H.R. 3196, is very similar to the conference agreement on H.R. 2606, with some provisions added to make this bill one that can pass both the House, the Senate, and be signed by the President.

The main difference between today's bill and the vetoed bill are modifications of legislative language or earmarked funding within accounts. The rule allows for an amendment to be offered by the gentleman from Florida (Chairman YOUNG) or his designee which would fully fund, for example, the Wye River Accord, the President's request for the Wye River Accord, which is extremely important and which will go very far in assuring the security of Israel, by providing $1.8 billion approximately for that purpose.

I want to thank the gentleman from Florida (Chairman YOUNG), the gentleman from Alabama (Chairman CALLAHAN), the ranking member, the gentleman from Wisconsin (Mr. OBEY), and the ranking member, the gentlewoman from California (Ms. PELOSI), and all of the Members who are working so hard in this issue. They are working in such good faith, and really in an admirable way. I want to congratulate them and urge my colleagues to adopt both the rule and the underlying bill.

Mr. Speaker, I reserve the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is what we would call a restrictive rule. It will allow consideration of H.R. 3196, which is a bill that makes appropriations for foreign aid and export assistance in fiscal year 2000.

As my colleague, the gentleman from Florida (Mr. DIAZ-BALART) has explained, this rule provides for 1 hour of general debate, to be divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. This is the second foreign operations appropriation that the House is considering because the first was vetoed.

☐ 0915

This bill makes a number of positive changes from the first bill. The rule for the bill is highly restrictive and it will not allow Members to offer floor amendments to improve the bill, except for one amendment by the gentleman from Florida (Mr. YOUNG), the chairman of the Committee on Appropriations.

The new bill, with the Young amendment, fully funds the President's request to implement the Wye River Agreement between Israel, Jordan and the Palestinian Authority. This will help, we think, bring peace to the Middle East.

The amended bill provides an additional $150 million to the International Development Association of the World Bank. This offers interest-free, long-term loans to the world's poorest countries. The amended bill also includes $10 million more than the original bill for the Peace Corps, and while the resulting total is still less than the President's request it is a welcome improvement for this most important tool of American diplomacy.

The bill also restores $90 million for bilateral debt relief. The 41 most indebted poor countries in the world owe a total of about $220 billion to foreign governments, such as the United States and to multilateral agencies such as the World Bank.

In some countries, the debt is staggering. For example, in Nicaragua, the debt for every man, woman and child is $2,000, in a country where the average yearly income is only $390.

This crushing debt is diverting valuable resources from health care, education and basic living conditions, and without debt relief many of these countries will be permanently locked into hopeless poverty.

Debt relief is the humane moral course. However, it is also in our own self-interest. Wiping out the debt can improve world stability and maintains incentives to protect the environment and to increase markets for U.S. products.

Debt relief is supported by a broad coalition of religious, humanitarian and civic organizations. Unfortunately, this revised bill does not provide a U.S. contribution to the highly indebted poor countries initiative trust fund. We need to support this fund if we want to provide more complete debt relief.

Mr. Speaker, while not perfect, the bill we are about to take up does contain welcome improvements to the version the President vetoed, and though the rule was overly restrictive I understand the need to move forward quickly and pass this important bill.

Mr. Speaker, I yield 6 minutes to the gentleman from Wisconsin (Mr. OBEY), the ranking minority member of the Committee on Appropriations.

Mr. OBEY. Mr. Speaker, I thank the gentleman from Ohio (Mr. HALL) for yielding me the time.

Mr. Speaker, let me say that the bill that we are considering today is a far more responsible vehicle than the bill that the President vetoed just a few days ago. When the President vetoed that legislation, he indicated that he felt that it represented an absolutely inadequate response to both our international responsibilities and our national interests, and he asked that a number of actions be taken that would significantly improve the bill. To a significant degree they have in this bill, with the addition of the amendment that will be offered by my good friend, the gentleman from Florida (Mr. YOUNG), the chairman of the Committee on Appropriations.

First and foremost, when this bill left the House and the Senate and when it was vetoed by the President, it had no funding for the Middle East Wye Accords. The President had indicated he would not sign a bill until the Wye funding was included. We felt that since Israel had met its commitments under the Wye agreement, the United States ought to meet our commitments. This bill will do that, and I think the President is delighted with it. I know I am.

I think that people on both sides of the aisle who care about the United States meeting our responsibilities in that very sensitive region of the world will recognize that this is a very good investment for America, because it will help move the peace process forward in that region to a final resolution.

In addition to that, there is $799 million in additional funding for various accounts in the bill that had not been present initially. There is increased funding to deal with the threat reduction problem associated with nuclear weapons in the former Soviet Union. That is a very important addition, a welcome addition.

We cannot just recognize our responsibilities in the Middle East. We also need to recognize the treacherous issues that still remain between us and the former Soviet Union, and this will help do that.

In addition, we have obviously both interests and responsibilities in our own hemisphere. What this proposal will do is to increase our responsiveness on both of those matters by providing additional funding for the community adjustment investment program at the NAD Bank, which will help stabilize conditions on our borders between the United States and our southern neighbors.

In addition, there is, as has been indicated by the gentleman from Ohio (Mr. HALL), significant funding for bilateral African debt reduction. That is a moral imperative and it is very much in the interest of the United States, and what it really does is simply recognize the uncollectability of these debts.

I should point out that in two previous administrations, in the Reagan administration and the Bush administration, 35 times this amount of debt was forgiven, for Poland, for Israel, for Eastern Europe, for Egypt.

What this does is to provide the same actions for the most destitute countries, and we think that is a useful addition.

In addition, there is additional funding for the economic support fund, which the President insisted on getting, and he was right to do that.

So I think this bill is a much more constructive response than we had with the original bill.

We still have some problems, however, that have to be faced squarely. There are a number of drafting errors in the bill which are going to have to be corrected as this bill moves to the Senate. I also think there is at least one significant misunderstanding between the parties on an issue that has to be cleared up, and in addition to that the administration still is going to pursue, as we move this bill to the Senate and to conference, they are still going to pursue an effort to also include multilateral debt relief authority because if we do not do that we would be in the anomalous position of having American taxpayers finance debt relief for Africa without using our ability to leverage other countries in the world to do the same thing.

That would not be a wise decision if we are interested in seeing to it that we have rational burden-sharing between the American taxpayer and the taxpayers of other countries.

Dealing with our share of that debt write-down, which is about 3 percent, we do not want to lose the opportunity to leverage the other part of the world in meeting its responsibility for 97 percent of the action that needs to be taken. So in that sense, this bill is still short-sighted and needs to be corrected as we move through the process.

I hope that we will be able to do that by assuring that what multilateral debt write-down does take place, takes place on the basis of standards defined by the United States Congress and not by the IMF.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank the gentleman from Wisconsin (Mr. OBEY), the gentlewoman from California (Ms. PELOSI), the gentleman from Florida (Mr. YOUNG), the gentleman from Alabama (Mr. CALLAHAN), and the White House for working out this compromise. It is not a perfect bill. None of our legislation is perfect, but this is a start in the right direction, and it is a much, much improved bill over even the bill that we were contemplating on voting on yesterday.

I think that as a Member of Congress, all of us have an obligation to educate our constituency about foreign assistance. A recent poll that I saw stated that most people in this country believe that out of the total Federal budget, somewhere between 22 and 28 percent of that budget goes for foreign assistance. The fact is, that is not true. The gentleman knows that, we know that, but somewhere along the line we need to educate our constituents and tell them that the foreign aid budget that we are really talking about today is like one-half of 1 percent of the total budget.

This is an improvement and certainly has our support, most of our support over here, and it is a good compromise. There is only one other thing to do, I think, on foreign assistance. It is not part of this legislation but it is a part of the priority package. Hopefully in another piece of legislation we will be able to pay our U.N. arrears. It is the just thing to do and the right thing to do. I urge the passage of this rule and the bill.

Mr. Speaker, I yield back the balance of my time.

Mr. DIAZ-BALART. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DREIER), my chairman, the chairman of the Committee on Rules.

Mr. DREIER. Mr. Speaker, I thank my friend, the gentleman from Florida (Mr. DIAZ-BALART) for yielding me this time.

Mr. Speaker, I would like to say that contrary to arguments that have been made by people on the other side of the aisle, I am a Republican who stands here very proud to be an internationalist. I am an internationalist in what I consider to be the new millennium view of that.

I think that we have seen democratic expansion take place, with a small "d," throughout the world, and we have to, as the world's only complete superpower, militarily, economically and geopolitically, we have to step up to the plate and take on our responsibility in doing that.

There is a lot of controversy that surrounds the issue of foreign aid. As my friend, the gentleman from Ohio (Mr. HALL) has just pointed out, the American people think that a quarter of the Federal budget goes towards foreign aid when we know that, in fact, it is minuscule and, in fact, in many ways it provides tremendous benefits right here at home in the United States, and we need to understand that.

So let me say that this is, I believe, a great example of the clash of ideas, and where there has been disagreement and ultimately we have come to bipartisan agreement, there are issues with which I am not in total agreement, I join the gentleman from Ohio (Mr. HALL) in saying that I hope we will be able to pay our U.N. arrears. I think that is an important priority that we should establish.

I also want to say that I am happy we were able to work out the Wye River Accord monies, and I believe that we can address some of the remaining concerns that will come before us on the debt question that my friend, the gentleman from Wisconsin (Mr. OBEY), has raised.

So I think that we have not a perfect measure but we have one which demonstrates that bipartisanship can work, and I am very proud of the fact that even though we went very late into the night that we are here, and I hope my colleagues will support this rule which calls for a bill that, as has been said, was an improvement over what we had and it allows for 20 minutes of debate on this very important Young amendment that will be offered.

With that, I urge my colleagues to support this measure.

Mr. WELLER. Mr. Speaker, I rise in support of this rule and I also support the amendment by Mr. YOUNG to fully fund the Wye aid package for Israel, Jordan, and the Palestinians.

The United States has an obligation to support our very loyal and only democratic ally in the Middle East, Israel. We have a key responsibility to work toward long term security for Israel and the Middle East. The United States and Israel have a special relationship. Israel embodies the values and ideals of America and Americans. The democratic values and interests are shared by both democracies.

Peace in the Middle East is an issue which is personally important to me. I have traveled to Israel 3 times in my Congressional career. I have monitored Palestinian elections with Jimmy Carter and have been honored to serve as co-chair of the House Republican Israel Caucus for two sessions.

By fully funding the Wye aid package, the United States will be doing it's part to promote stability in the Middle East. Israel is fully implementing the Wye River Agreement and will begin final talks with the Palestinians shortly. Israel is taking real risks for peace, and with the challenges that it will face in the coming weeks they must know that America stands with them.

Mr. YOUNG's amendment would have no net impact on the deficit in FY 2000. The outlays are offset by a reduction of $407 million in early disbursal for Israel's regular military assistance.

Congress can play a vital role in demonstrating America's commitment to Israel and to peace in the Middle East. With this legislation, we will be giving Israel the resources it needs to achieve its long deserved peace.

Mr. Speaker, I urge my colleagues to fully support the foreign Operations Appropriations Act and vote "yes" on the amendment to fully fund the Wye aid package.

Mr. DIAZ-BALART. Mr. Speaker, I also support the rule and urge my colleagues to vote for it.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

□ 0930

Mr. YOUNG of Florida. Mr. Speaker, pursuant to House Resolution 362, the rule just adopted, I call up the bill (H.R. 3196) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2000, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. PEASE). Pursuant to House Resolution 362, the bill is considered read for amendment.

The text of H.R. 3196 is as follows:

H.R. 3196

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2000, and for other purposes, namely:

TITLE I—EXPORT AND INVESTMENT ASSISTANCE

EXPORT-IMPORT BANK OF THE UNITED STATES

The Export-Import Bank of the United States is authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations, as provided by section 104 of the Government Corporation Control Act, as may be necessary in carrying out the program for the current fiscal year for such corporation: *Provided*, That none of the funds available during the current fiscal year may be used to make expenditures, contracts, or commitments for the export of nuclear equipment, fuel, or technology to any country other than a nuclear-weapon state as defined in Article IX of the Treaty on the Non-Proliferation of Nuclear Weapons eligible to receive economic or military assistance under this Act that has detonated a nuclear explosive after the date of the enactment of this Act.

SUBSIDY APPROPRIATION

For the cost of direct loans, loan guarantees, insurance, and tied-aid grants as authorized by section 10 of the Export-Import Bank Act of 1945, as amended, $759,000,000 to remain available until September 30, 2003: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That such sums shall remain available until September 30, 2018 for the disbursement of direct loans, loan guarantees, insurance and tied-aid grants obligated in fiscal years 2000, 2001, 2002, and 2003: *Provided further*, That none of the funds appropriated by this Act or any prior Act appropriating funds for foreign operations, export financing, or related programs for tied-aid credits or grants may be used for any other purpose except through the regular notification procedures of the Committees on Appropriations: *Provided further*, That funds appropriated by this paragraph are made available notwithstanding section 2(b)(2) of the Export Import Bank Act of 1945, in connection with the purchase or lease of any product by any East European country, any Baltic State or any agency or national thereof: *Provided further*, Public Law 106–46 is amended by striking "November 5, 1999" and inserting "March 1, 2000".

ADMINISTRATIVE EXPENSES

For administrative expenses to carry out the direct and guaranteed loan and insurance programs (to be computed on an accrual basis), including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, and not to exceed $25,000 for official reception and representation expenses for members of the Board of Directors, $55,000,000: *Provided*, That necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the collection of moneys owed the Export-Import Bank, repossession or sale of pledged collateral or other assets acquired by the Export-Import Bank in satisfaction of moneys owed the Export-Import Bank, or the investigation or appraisal of any property, or the evaluation of the legal or technical aspects of any transaction for which an application for a loan, guarantee or insurance commitment has been made, shall be considered nonadministrative expenses for the purposes of this heading: *Provided further*, That, notwithstanding subsection (b) of section 117 of the Export Enhancement Act of 1992, subsection (a) thereof shall remain in effect until October 1, 2000.

OVERSEAS PRIVATE INVESTMENT CORPORATION

NONCREDIT ACCOUNT

The Overseas Private Investment Corporation is authorized to make, without regard to fiscal year limitations, as provided by 31 U.S.C. 9104, such expenditures and commitments within the limits of funds available to it and in accordance with law as may be necessary: *Provided*, That the amount available for administrative expenses to carry out the credit and insurance programs (including an amount for official reception and representation expenses which shall not exceed $35,000) shall not exceed $35,000,000: *Provided further*, That project-specific transaction costs, including direct and indirect costs incurred in claims settlements, and other direct costs associated with services provided to specific investors or potential investors pursuant to section 234 of the Foreign Assistance Act of 1961, shall not be considered administrative expenses for the purposes of this heading.

PROGRAM ACCOUNT

For the cost of direct and guaranteed loans, $24,000,000, as authorized by section 234 of the Foreign Assistance Act of 1961 to be derived by transfer from the Overseas Private Investment Corporation noncredit account: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That such sums shall be available for direct loan obligations and loan guaranty commitments incurred or made during fiscal years 2000 and 2001: *Provided further*, That such sums shall remain available through fiscal year 2008 for the disbursement of direct and guaranteed loans obligated in fiscal year 2000, and through fiscal year 2009 for the disbursement of direct and guaranteed loans obligated in fiscal year 2001: *Provided further*, That in addition, such sums as may be necessary for administrative expenses to carry out the credit program may be derived from amounts available for administrative expenses to carry out the credit and insurance programs in the Overseas Private Investment Corporation Noncredit Account and merged with said account: *Provided further*, That funds made available under this heading or in prior appropriations Acts that are available for the cost of financing under section 234 of the Foreign Assistance Act of 1961, shall be available for purposes of section 234(g) of such Act, to remain available until expended.

FUNDS APPROPRIATED TO THE PRESIDENT

TRADE AND DEVELOPMENT AGENCY

For necessary expenses to carry out the provisions of section 661 of the Foreign Assistance Act of 1961, $44,000,000, to remain available until September 30, 2001: *Provided*, That the Trade and Development Agency may receive reimbursements from corporations and other entities for the costs of grants for feasibility studies and other project planning services, to be deposited as an offsetting collection to this account and to be available for obligation until September 30, 2001, for necessary expenses under this paragraph: *Provided further*, That such reimbursements shall not cover, or be allocated against, direct or indirect administrative costs of the agency.

TITLE II—BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

For expenses necessary to enable the President to carry out the provisions of the Foreign Assistance Act of 1961, and for other purposes, to remain available until September 30, 2000, unless otherwise specified herein, as follows:

AGENCY FOR INTERNATIONAL DEVELOPMENT

CHILD SURVIVAL AND DISEASE PROGRAMS FUND

For necessary expenses to carry out the provisions of chapters 1 and 10 of part I of the Foreign Assistance Act of 1961, for child survival, basic education, assistance to combat tropical and other diseases, and related activities, in addition to funds otherwise available for such purposes, $715,000,000, to remain available until expended: *Provided*, That this amount shall be made available for such activities as: (1) immunization programs; (2) oral rehydration programs; (3) health and nutrition programs, and related education programs, which address the needs of mothers and children; (4) water and sanitation programs; (5) assistance for displaced and orphaned children; (6) programs for the prevention, treatment, and control of, and research on, tuberculosis, HIV/AIDS, polio, malaria and other diseases; and (7) up to $98,000,000 for basic education programs for children: *Provided further*, That none of the funds appropriated under this heading may be made available for nonproject assistance for health and child survival programs, except that funds may be made available for such assistance for ongoing health programs: *Provided further*, That $35,000,000 shall be available only for the HIV/AIDS programs requested under this heading in House Document 106–101.

DEVELOPMENT ASSISTANCE

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out the provisions of sections 103 through 106, and chapter 10 of part I of the Foreign Assistance Act of 1961, title V of the International Security and Development Cooperation Act of 1980 (Public Law 96–533) and the provisions of section 401 of the Foreign Assistance Act of 1969, $1,228,000,000, to remain available until September 30, 2001: *Provided*, That of the amount appropriated under this heading, up to $5,000,000 may be made available for and apportioned directly to the Inter-American Foundation: *Provided further*, That of the amount appropriated under this heading, up to $14,400,000 may be made available for the African Development Foundation and shall be apportioned directly to that agency: *Provided further*, That none of the funds made available in this Act nor any unobligated balances from prior appropriations may be made available to any organization or program which, as determined by the President of the United States, supports or participates in the management of a program of coercive abortion or involuntary sterilization: *Provided further*, That none of the funds made available under this heading may be used to pay for the performance of abortion as a method of family planning or to motivate or coerce any person to practice abortions; and that in order to reduce reliance on abortion in developing nations, funds shall be available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services, and that any such voluntary family planning project shall meet the following requirements: (1) service providers or referral agents in the project shall not implement or be subject to quotas, or other numerical targets, of total number of births, number of family planning acceptors, or acceptors of a particular method of family planning (this provision shall not be construed to include the use of quantitative estimates or indicators for budgeting and planning purposes); (2) the project shall not include payment of incentives, bribes, gratuities, or financial reward to: (A) an individual in exchange for becoming a family planning acceptor; or (B) program personnel for achieving a numerical target or quota of total number of births, number of family planning acceptors, or acceptors of a particular method of family planning; (3) the project shall not deny any right or benefit, including the right of access to participate in any program of general welfare or the right of access to health care, as a consequence of any individual's decision not to accept family planning services; (4) the project shall provide family planning acceptors comprehensible information on the health benefits and risks of the method chosen, including those conditions that might render the use of the method inadvisable and those adverse side effects known to be consequent to the use of the method; and (5) the project shall ensure that experimental contraceptive drugs and devices and medical procedures are provided only in the context of a scientific study in which participants are advised of potential risks and benefits; and, not less than 60 days after the date on which the Administrator of the United States Agency for International Development determines that there has been a violation of the requirements contained in paragraph (1), (2), (3), or (5) of this proviso, or a pattern or practice of violations of the requirements contained in paragraph (4) of this proviso, the Administrator shall submit to the Committee on International Relations and the Committee on Appropriations of the House of Representatives and to the Committee on Foreign Relations and the Committee on Appropriations of the Senate, a report containing a description of such violation and the corrective action taken by the Agency: *Provided further*, That in awarding grants for natural family planning under section 104 of the Foreign Assistance Act of 1961 no applicant shall be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning; and, additionally, all such applicants shall comply with the requirements of the previous proviso: *Provided further*, That for purposes of this or any other Act authorizing or appropriating funds for foreign operations, export financing, and related programs, the term "motivate", as it relates to family planning assistance, shall not be construed to prohibit the provision, consistent with local law, of information or counseling about all pregnancy options: *Provided further*, That nothing in this paragraph shall be construed to alter any existing statutory prohibitions against abortion under section 104 of the Foreign Assistance Act of 1961: *Provided further*, That, notwithstanding section 109 of the Foreign Assistance Act of 1961, of the funds appropriated under this heading in this Act, and of the unobligated balances of funds previously appropriated under this heading, $2,500,000 may be transferred to "International Organizations and Programs" for a contribution to the International Fund for Agricultural Development (IFAD): *Provided further*, That none of the funds appropriated under this heading may be made available for any activity which is in contravention to the Convention on International Trade in Endangered Species of Flora and Fauna (CITES): *Provided further*, That of the funds appropriated under this heading that are made available for assistance programs for displaced and orphaned children and victims of war, not to exceed $25,000, in addition to funds otherwise available for such purposes, may be used to monitor and provide oversight of such programs: *Provided further*, That of the funds appropriated under this heading not less than $500,000 should be made available for support of the United States Telecommunications Training Institute: *Provided further*, That, of the funds appropriated by this Act for the Microenterprise Initiative (including any local currencies made available for the purposes of the Initiative), not less than one-half should be made available for programs providing loans of less than $300 to very poor people, particularly women, or for institutional support of organizations primarily engaged in making such loans.

CYPRUS

Of the funds appropriated under the headings "Development Assistance" and "Economic Support Fund", not less than $15,000,000 shall be made available for Cyprus to be used only for scholarships, administrative support of the scholarship program, bicommunal projects, and measures aimed at reunification of the island and designed to reduce tensions and promote peace and cooperation between the two communities on Cyprus.

LEBANON

Of the funds appropriated under the headings "Development Assistance" and "Economic Support Fund", not less than $15,000,000 should be made available for Lebanon to be used, among other programs, for scholarships and direct support of the American educational institutions in Lebanon.

BURMA

Of the funds appropriated under the headings "Economic Support Fund" and "Development Assistance", not less than $6,500,000 shall be made available to support democracy activities in Burma, democracy and humanitarian activities along the Burma-Thailand border, and for Burmese student groups and other organizations located outside Burma: *Provided*, That funds made available for Burma-related activities under this heading may be made available notwithstanding any other provision of law: *Provided further*, That the provision of such funds shall be made available subject to the regular notification procedures of the Committees on Appropriations.

PRIVATE AND VOLUNTARY ORGANIZATIONS

None of the funds appropriated or otherwise made available by this Act for development assistance may be made available to any United States private and voluntary organization, except any cooperative development organization, which obtains less than 20 percent of its total annual funding for international activities from sources other than the United States Government: *Provided*, That the Administrator of the Agency for International Development may, on a case-by-case basis, waive the restriction contained in this paragraph, after taking into account the effectiveness of the overseas development activities of the organization, its level of volunteer support, its financial viability and stability, and the degree of its dependence for its financial support on the agency.

Funds appropriated or otherwise made available under title II of this Act should be made available to private and voluntary organizations at a level which is at least equivalent to the level provided in fiscal year 1995.

INTERNATIONAL DISASTER ASSISTANCE

For necessary expenses for international disaster relief, rehabilitation, and reconstruction assistance pursuant to section 491 of the Foreign Assistance Act of 1961, as amended, $175,880,000, to remain available until expended: *Provided*, That the Agency for International Development shall submit a report to the Committees on Appropriations at least 5 days prior to providing assistance through the Office of Transition Initiatives for a country that did not receive such assistance in fiscal year 1999.

MICRO AND SMALL ENTERPRISE DEVELOPMENT PROGRAM ACCOUNT

For the cost of direct loans and loan guarantees, $1,500,000, as authorized by section 108 of the Foreign Assistance Act of 1961, as amended: *Provided*, That such costs shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That guarantees of loans made under this heading in support of microenterprise activities may guarantee up to 70 percent of the principal amount of any such loans notwithstanding section 108 of the Foreign Assistance Act of 1961. In addition, for administrative expenses to carry out programs under this heading, $500,000, all of which may be transferred to and merged with the appropriation for Operating Expenses of the Agency for International Development: *Provided further*, That funds made available under this heading shall remain available until September 30, 2001.

URBAN AND ENVIRONMENTAL CREDIT PROGRAM ACCOUNT

For administrative expenses to carry out guaranteed loan programs, $5,000,000, all of which may be transferred to and merged with the appropriation for Operating Expenses of the Agency for International Development.

DEVELOPMENT CREDIT AUTHORITY PROGRAM ACCOUNT

For the cost of direct loans and loan guarantees, up to $3,000,000 to be derived by transfer from funds appropriated by this Act to carry out part I of the Foreign Assistance Act of 1961, as amended, and funds appropriated by this Act under the heading, "ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES", to remain available until expended, as authorized by section 635 of the Foreign Assistance Act of 1961: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of

1974: *Provided further*, That for administrative expenses to carry out the direct and guaranteed loan programs, up to $500,000 of this amount may be transferred to and merged with the appropriation for "Operating Expenses of the Agency for International Development": *Provided further*, That the provisions of section 107A(d) (relating to general provisions applicable to the Development Credit Authority) of the Foreign Assistance Act of 1961, as contained in section 306 of H.R. 1486 as reported by the House Committee on International Relations on May 9, 1997, shall be applicable to direct loans and loan guarantees provided under this heading.

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

For payment to the "Foreign Service Retirement and Disability Fund", as authorized by the Foreign Service Act of 1980, $43,837,000.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

For necessary expenses to carry out the provisions of section 667, $495,000,000: *Provided*, That, none of the funds appropriated under this heading may be made available to finance the construction (including architect and engineering services), purchase, or long term lease of offices for use by the Agency for International Development, unless the Administrator has identified such proposed construction (including architect and engineering services), purchase, or long term lease of offices in a report submitted to the Committees on Appropriations at least 15 days prior to the obligation of these funds for such purposes: *Provided further*, That the previous proviso shall not apply where the total cost of construction (including architect and engineering services), purchase, or long term lease of offices does not exceed $1,000,000.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT OFFICE OF INSPECTOR GENERAL

For necessary expenses to carry out the provisions of section 667, $25,000,000, to remain available until September 30, 2001, which sum shall be available for the Office of the Inspector General of the Agency for International Development.

OTHER BILATERAL ECONOMIC ASSISTANCE

ECONOMIC SUPPORT FUND

For necessary expenses to carry out the provisions of chapter 4 of part II, $2,177,000,000, to remain available until September 30, 2001: *Provided*, That of the funds appropriated under this heading, not less than $960,000,000 shall be available only for Israel, which sum shall be available on a grant basis as a cash transfer and shall be disbursed within 30 days of the enactment of this Act or by October 31, 1999, whichever is later: *Provided further*, That not less than $735,000,000 shall be available only for Egypt, which sum shall be provided on a grant basis, and of which sum cash transfer assistance shall be provided with the understanding that Egypt will undertake significant economic reforms which are additional to those which were undertaken in previous fiscal years, and of which not less than $200,000,000 shall be provided as Commodity Import Program assistance: *Provided further*, That in exercising the authority to provide cash transfer assistance for Israel, the President shall ensure that the level of such assistance does not cause an adverse impact on the total level of nonmilitary exports from the United States to such country: *Provided further*, That of the funds appropriated under this heading, not less than $150,000,000 should be made available for assistance for Jordan: *Provided further*, That notwithstanding any other provision of law, not to exceed $11,000,000 may be used to support victims of and programs related to the Holocaust: *Provided further*, That notwithstanding any other provision of law, of the funds appropriated under this heading, $1,000,000 shall be made available to nongovernmental organizations located outside of the People's Republic of China to support activities which preserve cultural traditions and promote sustainable development and environmental conservation in Tibetan communities in that country.

INTERNATIONAL FUND FOR IRELAND

For necessary expenses to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961, $19,600,000, which shall be available for the United States contribution to the International Fund for Ireland and shall be made available in accordance with the provisions of the Anglo-Irish Agreement Support Act of 1986 (Public Law 99–415): *Provided*, That such amount shall be expended at the minimum rate necessary to make timely payment for projects and activities: *Provided further*, That funds made available under this heading shall remain available until September 30, 2001.

ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES

(a) For necessary expenses to carry out the provisions of the Foreign Assistance Act of 1961 and the Support for East European Democracy (SEED) Act of 1989, $535,000,000, to remain available until September 30, 2001, which shall be available, notwithstanding any other provision of law, for assistance and for related programs for Eastern Europe and the Baltic States: *Provided*, That of the funds appropriated under this heading not less than $150,000,000 should be made available for assistance for Kosova: *Provided further*, That of the funds made available under this heading and the headings "International Narcotics Control and Law Enforcement" and "Economic Support Fund", not to exceed $130,000,000 shall be made available for Bosnia and Herzegovina: *Provided further*, That none of the funds made available under this heading for Kosova shall be made available until the Secretary of State certifies that the resources pledged by the United States at the upcoming Kosova donors conference and similar pledging conferences shall not exceed 15 percent of the total resources pledged by all donors: *Provided further*, That none of the funds made available under this heading for Kosova shall be made available for large scale physical infrastructure reconstruction.

(b) Funds appropriated under this heading or in prior appropriations Acts that are or have been made available for an Enterprise Fund may be deposited by such Fund in interest-bearing accounts prior to the Fund's disbursement of such funds for program purposes. The Fund may retain for such program purposes any interest earned on such deposits without returning such interest to the Treasury of the United States and without further appropriation by the Congress. Funds made available for Enterprise Funds shall be expended at the minimum rate necessary to make timely payment for projects and activities.

(c) Funds appropriated under this heading shall be considered to be economic assistance under the Foreign Assistance Act of 1961 for purposes of making available the administrative authorities contained in that Act for the use of economic assistance.

(d) None of the funds appropriated under this heading may be made available for new housing construction or repair or reconstruction of existing housing in Bosnia and Herzegovina unless directly related to the efforts of United States troops to promote peace in said country.

(e) With regard to funds appropriated under this heading for the economic revitalization program in Bosnia and Herzegovina, and local currencies generated by such funds (including the conversion of funds appropriated under this heading into currency used by Bosnia and Herzegovina as local currency and local currency returned or repaid under such program) the Administrator of the Agency for International Development shall provide written approval for grants and loans prior to the obligation and expenditure of funds for such purposes, and prior to the use of funds that have been returned or repaid to any lending facility or grantee.

(f) The provisions of section 532 of this Act shall apply to funds made available under subsection (e) and to funds appropriated under this heading.

(g) The President is authorized to withhold funds appropriated under this heading made available for economic revitalization programs in Bosnia and Herzegovina, if he determines and certifies to the Committees on Appropriations that the Federation of Bosnia and Herzegovina has not complied with article III of annex 1–A of the General Framework Agreement for Peace in Bosnia and Herzegovina concerning the withdrawal of foreign forces, and that intelligence cooperation on training, investigations, and related activities between Iranian officials and Bosnian officials has not been terminated.

ASSISTANCE FOR THE INDEPENDENT STATES OF THE FORMER SOVIET UNION

(a) For necessary expenses to carry out the provisions of chapter 11 of part I of the Foreign Assistance Act of 1961 and the FREEDOM Support Act, for assistance for the Independent States of the former Soviet Union and for related programs, $735,000,000, to remain available until September 30, 2001: *Provided*, That the provisions of such chapter shall apply to funds appropriated by this paragraph: *Provided further*, That such sums as may be necessary may be transferred to the Export-Import Bank of the United States for the cost of any financing under the Export-Import Bank Act of 1945 for activities for the Independent States: *Provided further*, That of the funds made available for the Southern Caucasus region, 15 percent should be used for confidence-building measures and other activities in furtherance of the peaceful resolution of the regional conflicts, especially those in the vicinity of Abkhazia and Nagorno-Karabagh: *Provided further*, That of the amounts appropriated under this heading not less than $20,000,000 shall be made available solely for the Russian Far East: *Provided further*, That of the funds made available under this heading $10,000,000 shall be made available for salaries and expenses to carry out the Russian Leadership Program enacted on May 21, 1999 (113 Stat. 93 et seq.).

(b) Of the funds appropriated under this heading, not less than $180,000,000 should be made available for assistance for Ukraine.

(c) Of the funds appropriated under this heading, not less than 12.92 percent shall be made available for assistance for Georgia.

(d) Of the funds appropriated under this heading, not less than 12.2 percent shall be made available for assistance for Armenia.

(e) Section 907 of the FREEDOM Support Act shall not apply to—

(1) activities to support democracy or assistance under title V of the FREEDOM Support Act and section 1424 of Public Law 104–201;

(2) any assistance provided by the Trade and Development Agency under section 661 of the Foreign Assistance Act of 1961 (22 U.S.C. 2421);

(3) any activity carried out by a member of the United States and Foreign Commercial Service while acting within his or her official capacity;

(4) any insurance, reinsurance, guarantee, or other assistance provided by the Overseas Private Investment Corporation under title IV of chapter 2 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2191 et seq.);

(5) any financing provided under the Export-Import Bank Act of 1945; or

(6) humanitarian assistance.

(f) Of the funds made available under this heading for nuclear safety activities, not to exceed 9 percent of the funds provided for any single project may be used to pay for management costs incurred by a United States national lab in administering said project.

(g) Not more than 25 percent of the funds appropriated under this heading may be made available for assistance for any country in the region.

(h) Of the funds appropriated under title II of this Act not less than $12,000,000 should be made available for assistance for Mongolia of which not less than $6,000,000 should be made available from funds appropriated under this heading: *Provided*, That funds made available for assistance for Mongolia may be made available in accordance with the purposes and utilizing the authorities provided in chapter 11 of part I of the Foreign Assistance Act of 1961.

(i)(1) Of the funds appropriated under this heading that are allocated for assistance for the Government of the Russian Federation, 50 percent shall be withheld from obligation until the President determines and certifies in writing to the Committees on Appropriations that the Government of the Russian Federation has terminated implementation of arrangements to provide Iran with technical expertise, training, technology, or equipment necessary to develop a nuclear reactor, related nuclear research facilities or programs, or ballistic missile capability.

(2) Paragraph (1) shall not apply to—

(A) assistance to combat infectious diseases and child survival activities; and

(B) activities authorized under title V (Nonproliferation and Disarmament Programs and Activities) of the FREEDOM Support Act.

(j) None of the funds appropriated under this heading may be made available for the Government of the Russian Federation, until the Secretary of State certifies to the Committees on Appropriations that: (1) Russian armed and peacekeeping forces deployed in Kosova have not established a separate sector of operational control; and (2) any Russian armed forces deployed in Kosova are operating under NATO unified command and control arrangements.

(k) Of the funds appropriated under this heading and in prior acts making appropriations for foreign operations, export financing, and related programs, not less than $241,000,000 shall be made available for expanded nonproliferation and security cooperation programs under section 503 and 511 of the FREEDOM Support Act and section 1424 of Public Law 104–201.

(l) Of the funds appropriated under this title, not less than $14,700,000 shall be made available for maternal and neo-natal health activities in the independent states of the former Soviet Union, of which at least 60 percent should be made available for the preventive care and treatment of mothers and infants in Russia.

INDEPENDENT AGENCY

PEACE CORPS

For necessary expenses to carry out the provisions of the Peace Corps Act (75 Stat. 612), $235,000,000, including the purchase of not to exceed five passenger motor vehicles for administrative purposes for use outside of the United States: *Provided*, That none of the funds appropriated under this heading shall be used to pay for abortions: *Provided further*, That funds appropriated under this heading shall remain available until September 30, 2001.

DEPARTMENT OF STATE

INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT

For necessary expenses to carry out section 481 of the Foreign Assistance Act of 1961, $285,000,000, of which $21,000,000 shall become available for obligation on September 30, 2000, and remain available until expended: *Provided*, That of this amount not less than $10,000,000 should be made available for Law Enforcement Training and Demand Reduction: *Provided further*, That any funds made available under this heading for anti-crime programs and activities shall be made available subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That during fiscal year 2000, the Department of State may also use the authority of section 608 of the Foreign Assistance Act of 1961, without regard to its restrictions, to receive excess property from an agency of the United States Government for the purpose of providing it to a foreign country under chapter 8 of part I of that Act subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That in addition to any funds previously made available to establish and operate the International Law Enforcement Academy for the Western Hemisphere, not less than $5,000,000 shall be made available to establish and operate the International Law Enforcement Academy for the Western Hemisphere at the deBremmond Training Center in Roswell, New Mexico.

MIGRATION AND REFUGEE ASSISTANCE

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide, as authorized by law, a contribution to the International Committee of the Red Cross, assistance to refugees, including contributions to the International Organization for Migration and the United Nations High Commissioner for Refugees, and other activities to meet refugee and migration needs; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1980; allowances as authorized by sections 5921 through 5925 of title 5, United States Code; purchase and hire of passenger motor vehicles; and services as authorized by section 3109 of title 5, United States Code, $625,000,000, of which $21,000,000 shall become available for obligation on September 30, 2000, and remain available until expended: *Provided*, That not more than $13,800,000 shall be available for administrative expenses: *Provided further*, That not less than $60,000,000 shall be made available for refugees from the former Soviet Union and Eastern Europe and other refugees resettling in Israel.

UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

For necessary expenses to carry out the provisions of section 2(c) of the Migration and Refugee Assistance Act of 1962, as amended (22 U.S.C. 260(c)), $12,500,000, to remain available until expended: *Provided*, That the funds made available under this heading are appropriated notwithstanding the provisions contained in section 2(c)(2) of the Act which would limit the amount of funds which could be appropriated for this purpose.

NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED PROGRAMS

For necessary expenses for nonproliferation, anti-terrorism and related programs and activities, $181,600,000, to carry out the provisions of chapter 8 of part II of the Foreign Assistance Act of 1961 for anti-terrorism assistance, section 504 of the FREEDOM Support Act for the Nonproliferation and Disarmament Fund, section 23 of the Arms Export Control Act or the Foreign Assistance Act of 1961 for demining activities, the clearance of unexploded ordnance, and related activities, notwithstanding any other provision of law, including activities implemented through nongovernmental and international organizations, section 301 of the Foreign Assistance Act of 1961 for a voluntary contribution to the International Atomic Energy Agency (IAEA) and a voluntary contribution to the Korean Peninsula Energy Development Organization (KEDO), and for a United States contribution to the Comprehensive Nuclear Test Ban Treaty Preparatory Commission: *Provided*, That the Secretary of State shall inform the Committees on Appropriations at least 20 days prior to the obligation of funds for the Comprehensive Nuclear Test Ban Treaty Preparatory Commission: *Provided further*, That of this amount not to exceed $15,000,000, to remain available until expended, may be made available for the Nonproliferation and Disarmament Fund, notwithstanding any other provision of law, to promote bilateral and multilateral activities relating to nonproliferation and disarmament: *Provided further*, That such funds may also be used for such countries other than the Independent States of the former Soviet Union and international organizations when it is in the national security interest of the United States to do so: *Provided further*, That such funds shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That funds appropriated under this heading may be made available for the International Atomic Energy Agency only if the Secretary of State determines (and so reports to the Congress) that Israel is not being denied its right to participate in the activities of that Agency: *Provided further*, That of the funds appropriated under this heading, $35,000,000 should be made available for demining, clearance of unexploded ordnance, and related activities: *Provided further*, That of the funds made available for demining and related activities, not to exceed $500,000, in addition to funds otherwise available for such purposes, may be used for administrative expenses related to the operation and management of the demining program.

DEPARTMENT OF THE TREASURY

INTERNATIONAL AFFAIRS TECHNICAL ASSISTANCE

For necessary expenses to carry out the provisions of section 129 of the Foreign Assistance Act of 1961 (relating to international affairs technical assistance activities), $1,500,000, to remain available until expended, which shall be available nowithstanding and other provision of law.

DEBT RESTRUCTURING

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of modifying loans and loan guarantees, as the President may determine, for which funds have been appropriated or otherwise made available for programs within the International Affairs Budget Function 150, including the cost of selling, reducing, or canceling amounts owed to the United States as a result of concessional loans made to eligible countries, pursuant to parts IV and V of the Foreign Assistance Act of 1961 (including up to $1,000,000 for necessary expenses for the administration of activities carried out under these parts), and of modifying concessional credit agreements with least developed countries, as authorized under section 411 of the Agricultural Trade Development and Assistance Act of 1954, as amended, and concessional loans, guarantees and credit agreements with any country in Sub-Saharan Africa, as authorized under section 572 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 (Public Law 100–461), $33,000,000, to remain available until expended: *Provided*, That of this amount, not less than $13,000,000 shall be made available to carry out the provisions of part V of the Foreign Assistance Act of 1961: *Provided*, That any limitation of subsection (e) of section 411 of the Agricultural Trade Development and Assistance Act of 1954 to the extent that limitation applies to sub-Saharan African countries shall not apply to funds appropriated hereunder or previously appropriated under this heading: *Provided further*, That the authority provided by section 572 of Public Law 100–461 may be exercised only with respect to countries that are eligible to borrow from the International Development Association, but not from the International Bank for Reconstruction and Development, commonly referred to as "IDA-only" countries.

TITLE III—MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL MILITARY EDUCATION AND TRAINING

For necessary expenses to carry out the provisions of section 541 of the Foreign Assistance Act of 1961, $50,000,000, of which up to $1,000,000 may remain available until expended: *Provided*, That the civilian personnel for whom military education and training may be provided under this heading may include civilians who are not members of a government whose participation would contribute to improved civil-military relations, civilian control of the military, or respect for human rights: *Provided further*, That funds appropriated under this heading for grant financed military education and training for Indonesia and Guatemala may only be available for expanded international military education and training and funds made available for Guatemala may only be provided through the regular notification procedures of the Committees on Appropriations: *Provided further*, That none of the funds appropriated under this heading may be made available to support grant financed military education and training at the School of the Americas unless the Secretary of Defense certifies that the instruction and training provided by the School of the Americas is fully consistent with training and doctrine, particularly with respect to the observance of human rights, provided by the Department of Defense to United States military students at Department of Defense institutions whose primary purpose is to train United States military personnel: *Provided further*, That the Secretary of Defense shall submit to the Committees on Appropriations, no later than January 15, 2000, a report detailing the training activities of the School of the Americas and a general assessment regarding the performance of its graduates during 1997 and 1998.

FOREIGN MILITARY FINANCING PROGRAM

For expenses necessary for grants to enable the President to carry out the provisions of section 23 of the Arms Export Control Act, $3,420,000,000: *Provided*, That of the funds appropriated under this heading, not less than $1,920,000,000 shall be available for grants only for Israel, and not less than $1,300,000,000 shall be made available for grants only for Egypt: *Provided further*, That the funds appropriated by this paragraph for Israel shall be disbursed within 30 days of the enactment of this Act or by October 31, 1999, whichever is later: *Provided further*, That to the extent that the Government of Israel requests that funds be used for such purposes, grants made available for Israel by this paragraph shall, as agreed by Israel and the United States, be available for advanced weapons systems, of which not less than 26.3 percent shall be available for the procurement in Israel of defense articles and defense services, including research and development: *Provided further*, That of the funds appropriated by this paragraph, not less than $75,000,000 should be available for assistance for Jordan: *Provided further*, That of the funds appropriated by this paragraph, not less than $7,000,000 shall be made available for assistance for Tunisia: *Provided further*, That during fiscal year 2000, the President is authorized to, and shall, direct the drawdowns of defense articles from the stocks of the Department of Defense, defense services of the Department of Defense, and military education and training of an aggregate value of not less than $4,000,000 under the authority of this proviso for Tunisia for the purposes of part II of the Foreign Assistance Act of 1961 and any amount so directed shall count toward meeting the earmark in the preceding proviso: *Provided further*, That of the funds appropriated by this paragraph up to $1,000,000 should be made available for assistance for Ecuador and shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That funds appropriated by this paragraph shall be nonrepayable notwithstanding any requirement in section 23 of the Arms Export Control Act: *Provided further*, That funds made available under this paragraph shall be obligated upon apportionment in accordance with paragraph (5)(C) of title 31, United States Code, section 1501(a).

None of the funds made available under this heading shall be available to finance the procurement of defense articles, defense services, or design and construction services that are not sold by the United States Government under the Arms Export Control Act unless the foreign country proposing to make such procurements has first signed an agreement with the United States Government specifying the conditions under which such procurements may be financed with such funds: *Provided*, That all country and funding level increases in allocations shall be submitted through the regular notification procedures of section 515 of this Act: *Provided further*, That none of the funds appropriated under this heading shall be available for assistance for Sudan and Liberia: *Provided further*, That funds made available under this heading may be used, notwithstanding any other provision of law, for demining, the clearance of unexploded ordnance, and related activities, and may include activities implemented through nongovernmental and international organizations: *Provided further*, That none of the funds appropriated under this heading shall be available for assistance for Guatemala: *Provided further*, That only those countries for which assistance was justified for the "Foreign Military Sales Financing Program" in the fiscal year 1989 congressional presentation for security assistance programs may utilize funds made available under this heading for procurement of defense articles, defense services or design and construction services that are not sold by the United States Government under the Arms Export Control Act: *Provided further*, That funds appropriated under this heading shall be expended at the minimum rate necessary to make timely payment for defense articles and services: *Provided further*, That not more than $30,495,000 of the funds appropriated under this heading may be obligated for necessary expenses, including the purchase of passenger motor vehicles for replacement only for use outside of the United States, for the general costs of administering military assistance and sales: *Provided further*, That not more than $330,000,000 of funds realized pursuant to section 21(e)(1)(A) of the Arms Export Control Act may be obligated for expenses incurred by the Department of Defense during fiscal year 2000 pursuant to section 43(b) of the Arms Export Control Act, except that this limitation may be exceeded only through the regular notification procedures of the Committees on Appropriations: *Provided further*, That not later than 45 days after the date of the enactment of this Act, the Secretary of Defense shall report to the Committees on Appropriations regarding the appropriate host institution to support and advance the efforts of the Defense Institute for International and Legal Studies in both legal and political education: *Provided further*, That none of the funds made available under this heading shall be available for any non-NATO country participating in the Partnership for Peace Program except through the regular notification procedures of the Committees on Appropriations.

PEACEKEEPING OPERATIONS

For necessary expenses to carry out the provisions of section 551 of the Foreign Assistance Act of 1961, $78,000,000: *Provided*, That none of the funds appropriated under this heading shall be obligated or expended except as provided through the regular notification procedures of the Committees on Appropriations.

TITLE IV—MULTILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

GLOBAL ENVIRONMENT FACILITY

For the United States contribution for the Global Environment Facility, $35,800,000, to the International Bank for Reconstruction and Development as trustee for the Global Environment Facility, by the Secretary of the Treasury, to remain available until expended.

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For payment to the International Development Association by the Secretary of the Treasury, $625,000,000, to remain available until expended.

CONTRIBUTION TO THE MULTILATERAL INVESTMENT GUARANTEE AGENCY

For payment to the Multilateral Investment Guarantee Agency by the Secretary of the Treasury, $4,000,000, for the United States paid-in share of the increase in capital stock, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL

The United States Governor of the Multilateral Investment Guarantee Agency may subscribe without fiscal year limitation for the callable capital portion of the United States share of such capital stock in an amount not to exceed $20,000,000.

CONTRIBUTION TO THE INTER-AMERICAN DEVELOPMENT BANK

For payment to the Inter-American Development Bank by the Secretary of the Treasury, for the United States share of the paid-in share portion of the increase in capital stock, $25,610,667.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the Inter-American Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed $1,503,718,910.

CONTRIBUTION TO THE ASIAN DEVELOPMENT BANK

For payment to the Asian Development Bank by the Secretary of the Treasury for the United States share of the paid-in portion of the increase in capital stock, $13,728,263, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the Asian Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed $672,745,205.

CONTRIBUTION TO THE ASIAN DEVELOPMENT FUND

For the United States contribution by the Secretary of the Treasury to the increase in resources of the Asian Development Fund, as authorized by the Asia Development Bank Act, as amended, $77,000,000, to remain available until expended, for contributions previously due.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND

For the United States contribution by the Secretary of the Treasury to the increase in resources of the African Development Fund, $78,000,000, to remain available until expended.

CONTRIBUTION TO THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

For payment to the European Bank for Reconstruction and Development by the Secretary of the Treasury, $35,778,717, for the United States share of the paid-in portion of the increase in capital stock, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the European Bank for Reconstruction and Development may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed $123,237,803.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

For necessary expenses to carry out the provisions of section 301 of the Foreign Assistance Act of 1961, and of section 2 of the United Nations Environment Program Participation Act of 1973, $170,000,000: *Provided*, That none of the funds appropriated under this heading shall be made available for the United Nations Fund for Science and Technology: *Provided further*, That not less than $5,000,000 should be made available to the World Food Program: *Provided further*, That none of the funds appropriated under this heading may be made available to the Korean Peninsula Energy Development Organization (KEDO) or the International Atomic Energy Agency (IAEA).

TITLE V—GENERAL PROVISIONS

OBLIGATIONS DURING LAST MONTH OF AVAILABILITY

SEC. 501. Except for the appropriations entitled "International Disaster Assistance", and "United States Emergency Refugee and Migration Assistance Fund", not more than 15 percent of any appropriation item made available by this Act shall be obligated during the last month of availability.

PROHIBITION OF BILATERAL FUNDING FOR INTERNATIONAL FINANCIAL INSTITUTIONS

SEC. 502. Notwithstanding section 614 of the Foreign Assistance Act of 1961, none of the funds contained in title II of this Act may be used to carry out the provisions of section 209(d) of the Foreign Assistance Act of 1961: *Provided*, That none of the funds appropriated by title II of this Act may be transferred by the Agency for International Development directly to an international financial institution (as defined in section 533 of this Act) for the purpose of repaying a foreign country's loan obligations to such institution.

LIMITATION ON RESIDENCE EXPENSES

SEC. 503. Of the funds appropriated or made available pursuant to this Act, not to exceed $126,500 shall be for official residence expenses of the Agency for International Development during the current fiscal year: *Provided*, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars.

LIMITATION ON EXPENSES

SEC. 504. Of the funds appropriated or made available pursuant to this Act, not to exceed $5,000 shall be for entertainment expenses of the Agency for International Development during the current fiscal year.

LIMITATION ON REPRESENTATIONAL ALLOWANCES

SEC. 505. Of the funds appropriated or made available pursuant to this Act, not to exceed $95,000 shall be available for representation allowances for the Agency for International Development during the current fiscal year: *Provided*, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars: *Provided further*, That of the funds made available by this Act for general costs of administering military assistance and sales under the heading "Foreign Military Financing Program", not to exceed $2,000 shall be available for entertainment expenses and not to exceed $50,000 shall be available for representation allowances: *Provided further*, That of the funds made available by this Act under the heading "International Military Education and Training", not to exceed $50,000 shall be available for entertainment allowances: *Provided further*, That of the funds made available by this Act for the Inter-American Foundation, not to exceed $2,000 shall be available for entertainment and representation allowances: *Provided further*, That of the funds made available by this Act for the Peace Corps, not to exceed a total of $4,000 shall be available for entertainment expenses: *Provided further*, That of the funds made available by this Act under the heading "Trade and Development Agency", not to exceed $2,000 shall be available for representation and entertainment allowances.

PROHIBITION ON FINANCING NUCLEAR GOODS

SEC. 506. None of the funds appropriated or made available (other than funds for "Nonproliferation, Anti-terrorism, Demining and Related Programs") pursuant to this Act, for carrying out the Foreign Assistance Act of 1961, may be used, except for purposes of nuclear safety, to finance the export of nuclear equipment, fuel, or technology.

PROHIBITION AGAINST DIRECT FUNDING FOR CERTAIN COUNTRIES

SEC. 507. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance or reparations to Cuba, Iraq, Libya, North Korea, Iran, Sudan, or Syria: *Provided*, That for purposes of this section, the prohibition on obligations or expenditures shall include direct loans, credits, insurance and guarantees of the Export-Import Bank or its agents.

MILITARY COUPS

SEC. 508. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance to any country whose duly elected head of government is deposed by military coup or decree: *Provided*, That assistance may be resumed to such country if the President determines and reports to the Committees on Appropriations that subsequent to the termination of assistance a democratically elected government has taken office.

TRANSFERS BETWEEN ACCOUNTS

SEC. 509. None of the funds made available by this Act may be obligated under an appropriation account to which they were not appropriated, except for transfers specifically provided for in this Act, unless the President, prior to the exercise of any authority contained in the Foreign Assistance Act of 1961 to transfer funds, consults with and provides a written policy justification to the Committees on Appropriations of the House of Representatives and the Senate.

DEOBLIGATION/REOBLIGATION AUTHORITY

SEC. 510. (a) Amounts certified pursuant to section 1311 of the Supplemental Appropriations Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Foreign Assistance Act of 1961 for the same general purpose as any of the headings under title II of this Act are, if deobligated, hereby continued available for the same period as the respective appropriations under such headings or until September 30, 2000, whichever is later, and for the same general purpose, and for countries within the same region as originally obligated: *Provided*, That the Appropriations Committees of both Houses of the Congress are notified 15 days in advance of the reobligation of such funds in accordance with regular notification procedures of the Committees on Appropriations.

(b) Obligated balances of funds appropriated to carry out section 23 of the Arms Export Control Act as of the end of the fiscal year immediately preceding the current fiscal year are, if deobligated, hereby continued available during the current fiscal year for the same purpose under any authority applicable to such appropriations under this Act: *Provided*, That the authority of this subsection may not be used in fiscal year 2000.

AVAILABILITY OF FUNDS

SEC. 511. No part of any appropriation contained in this Act shall remain available for obligation after the expiration of the current fiscal year unless expressly so provided in this Act: *Provided*, That funds appropriated for the purposes of chapters 1, 8, and 11 of part I, section 667, and chapter 4 of part II of the Foreign Assistance Act of 1961, as amended, and funds provided under the heading "Assistance for Eastern Europe and the Baltic States", shall remain available until expended if such funds are initially obligated before the expiration of their respective periods of availability contained in this Act: *Provided further*, That, notwithstanding any other provision of this Act, any funds made available for the purposes of chapter 1 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961 which are allocated or obligated for cash disbursements in order to address balance of payments or economic policy reform objectives, shall remain available until expended: *Provided further*, That the report required by section 653(a) of the Foreign Assistance Act of 1961 shall designate for each country, to the extent known at the time of submission of such report, those funds allocated for cash disbursement for balance of payment and economic policy reform purposes.

LIMITATION ON ASSISTANCE TO COUNTRIES IN DEFAULT

SEC. 512. No part of any appropriation contained in this Act shall be used to furnish assistance to any country which is in default during a period in excess of one calendar year in payment to the United States of principal or interest on any loan made to such country by the United States pursuant to a program for which funds are appropriated under this Act: *Provided*, That this section and section 620(q) of the Foreign Assistance Act of 1961 shall not apply to funds made available for any narcotics-related assistance for Colombia, Bolivia, and Peru authorized by the Foreign Assistance Act of 1961 or the Arms Export Control Act.

COMMERCE AND TRADE

SEC. 513. (a) None of the funds appropriated or made available pursuant to this Act for direct assistance and none of the funds otherwise made available pursuant to this Act to the Export-Import Bank and the Overseas Private Investment Corporation shall be obligated or expended to finance any loan, any assistance or any other financial commitments for establishing or expanding production of any commodity for export by any country other than the United States, if the commodity is likely to be in surplus on world markets at the time the resulting productive capacity is expected to become operative and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity: *Provided*, That such prohibition shall not apply to the Export-Import Bank if in the judgment of its Board of Directors the benefits to industry and employment in the United States are likely to outweigh the injury to United States producers of the same, similar, or competing commodity, and the Chairman of the Board so notifies the Committees on Appropriations.

(b) None of the funds appropriated by this or any other Act to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 shall be available for any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training in connection with the growth or production in a foreign country of an agricultural commodity for export which would compete with a similar commodity grown or produced in the United States: *Provided*, That this subsection shall not prohibit—

(1) activities designed to increase food security in developing countries where such activities will not have a significant impact in the export of agricultural commodities of the United States; or

(2) research activities intended primarily to benefit American producers.

SURPLUS COMMODITIES

SEC. 514. The Secretary of the Treasury shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank, the International Monetary Fund, the Asian Development Bank, the Inter-American Investment Corporation, the North American Development Bank, the European Bank for Reconstruction and Development, the African Development Bank, and the African Development Fund to use the voice and vote of the United States to oppose any assistance by these institutions, using funds appropriated or made available pursuant to this Act, for the production or extraction of any commodity or mineral for export, if it is in surplus on world markets and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity.

NOTIFICATION REQUIREMENTS

SEC. 515. (a) For the purposes of providing the executive branch with the necessary administrative flexibility, none of the funds made available under this Act for "Child Survival and Disease Programs Fund", "Development Assistance", "International Organizations and Programs", "Trade and Development Agency", "International Narcotics Control and Law Enforcement", "Assistance for Eastern Europe and the Baltic States", "Assistance for the Independent States of the Former Soviet Union", "Economic Support Fund", "Peacekeeping Operations", "Operating Expenses of the Agency for International Development", "Operating Expenses of the Agency for International Development Office of Inspector General", "Nonproliferation, Anti-terrorism, Demining and Related Programs", "Foreign Military Financing Program", "International Military Education and Training", "Peace Corps", and "Migration and Refugee Assistance", shall be available for obligation for activities, programs, projects, type of materiel assistance, countries, or other operations not justified or in excess of the amount justified to the Appropriations Committees for obligation under any of these specific headings unless the Appropriations Committees of both Houses of Congress are previously notified 15 days in advance: *Provided*, That the President shall not enter into any commitment of funds appropriated for the purposes of section 23 of the Arms Export Control Act for the provision of major defense equipment, other than conventional ammunition, or other major defense items defined to be aircraft, ships, missiles, or combat vehicles, not previously justified to Congress or 20 percent in excess of the quantities justified to Congress unless the Committees on Appropriations are notified 15 days in advance of such commitment: *Provided further*, That this section shall not apply to any reprogramming for an activity, program, or project under chapter 1 of part I of the Foreign Assistance Act of 1961 of less than 10 percent of the amount previously justified to the Congress for obligation for such activity, program, or project for the current fiscal year: *Provided further*, That the requirements of this section or any similar provision of this Act or any other Act, including any prior Act requiring notification in accordance with the regular notification procedures of the Committees on Appropriations, may be waived if failure to do so would pose a substantial risk to human health or welfare: *Provided further*, That in case of any such waiver, notification to the Congress, or the appropriate congressional committees, shall be provided as early as practicable, but in no event later than 3 days after taking the action to which such notification requirement was applicable, in the context of the circumstances necessitating such waiver: *Provided further*, That any notification provided pursuant to such a waiver shall contain an explanation of the emergency circumstances.

(b) Drawdowns made pursuant to section 506(a)(2) of the Foreign Assistance Act of 1961 shall be subject to the regular notification procedures of the Committees on Appropriations.

LIMITATION ON AVAILABILITY OF FUNDS FOR INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 516. Subject to the regular notification procedures of the Committees on Appropriations, funds appropriated under this Act or any previously enacted Act making appropriations for foreign operations, export financing, and related programs, which are returned or not made available for organizations and programs because of the implementation of section 307(a) of the Foreign Assistance Act of 1961, shall remain available for obligation until September 30, 2001.

INDEPENDENT STATES OF THE FORMER SOVIET UNION

SEC. 517. (a) None of the funds appropriated under the heading "Assistance for the Independent States of the Former Soviet Union" shall be made available for assistance for a government of an Independent State of the former Soviet Union—

(1) unless that government is making progress in implementing comprehensive economic reforms based on market principles, private ownership, respect for commercial contracts, and equitable treatment of foreign private investment; and

(2) if that government applies or transfers United States assistance to any entity for the purpose of expropriating or seizing ownership or control of assets, investments, or ventures.

Assistance may be furnished without regard to this subsection if the President determines that to do so is in the national interest.

(b) None of the funds appropriated under the heading "Assistance for the Independent States of the Former Soviet Union" shall be made available for assistance for a government of an Independent State of the former Soviet Union if that government directs any action in violation of the territorial integrity or national sovereignty of any other Independent State of the former Soviet Union, such as those violations included in the Helsinki Final Act: *Provided*, That such funds may be made available without regard to the restriction in this subsection if the President determines that to do so is in the national security interest of the United States.

(c) None of the funds appropriated under the heading "Assistance for the Independent States of the Former Soviet Union" shall be made available for any state to enhance its military capability: *Provided*, That this restriction does not apply to demilitarization, demining or nonproliferation programs.

(d) Funds appropriated under the heading "Assistance for the Independent States of the Former Soviet Union" shall be subject to the regular notification procedures of the Committees on Appropriations.

(e) Funds made available in this Act for assistance for the Independent States of the former Soviet Union shall be subject to the provisions of section 117 (relating to environment and natural resources) of the Foreign Assistance Act of 1961.

(f) Funds appropriated in this or prior appropriations Acts that are or have been made available for an Enterprise Fund in the Independent States of the Former Soviet Union may be deposited by such Fund in interest-bearing accounts prior to the disbursement of such funds by the Fund for program purposes. The Fund may retain for such program purposes any interest earned on such deposits without returning such interest to the Treasury of the United States and without further appropriation by the Congress. Funds made available for Enterprise Funds shall be expended at the minimum rate necessary to make timely payment for projects and activities.

(g) In issuing new task orders, entering into contracts, or making grants, with funds appropriated in this Act or prior appropriations Acts under the headings "Assistance for the New Independent States of the Former Soviet Union" and "Assistance for the Independent States of the Former Soviet Union", for projects or activities that have as one of their primary purposes the fostering of private sector development, the Coordinator for United States Assistance to the New Independent States and the implementing agency shall encourage the participation of and give significant weight to contractors and grantees who propose investing a significant amount of their own resources (including volunteer services and in-kind contributions) in such projects and activities.

PROHIBITION ON FUNDING FOR ABORTIONS AND INVOLUNTARY STERILIZATION

SEC. 518. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for any biomedical research which relates in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be obligated or expended for any country or organization if the President certifies that the use of these funds by any such country or organization would violate any of the above provisions related to abortions and involuntary sterilizations: *Provided*, That none of the funds made available under this Act may be used to lobby for or against abortion.

EXPORT FINANCING TRANSFER AUTHORITIES

SEC. 519. Not to exceed 5 percent of any appropriation other than for administrative expenses made available for fiscal year 2000, for programs under title I of this Act may be transferred between such appropriations for use for any of the purposes, programs, and activities for which the funds in such receiving account may be used, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 25 percent by any such transfer: *Provided*, That the exercise of such authority shall be subject to the regular notification procedures of the Committees on Appropriations.

SPECIAL NOTIFICATION REQUIREMENTS

SEC. 520. None of the funds appropriated by this Act shall be obligated or expended for Colombia, Haiti, Liberia, Pakistan, Panama, Serbia, Sudan, or the Democratic Republic of Congo except as provided through the regular notification procedures of the Committees on Appropriations.

DEFINITION OF PROGRAM, PROJECT, AND ACTIVITY

SEC. 521. For the purpose of this Act, "program, project, and activity" shall be defined at the appropriations Act account level and shall include all appropriations and authorizations Acts earmarks, ceilings, and limitations with the exception that for the following accounts: Economic Support Fund and Foreign Military Financing Program, "program, project, and activity" shall also be considered to include country, regional, and central program level funding within each such account; for the development assistance accounts of the Agency for International Development "program, project, and activity" shall also be considered to include central program level funding, either as: (1) justified to the Congress; or (2) allocated by the executive branch in accordance with a report, to be provided to the Committees on Appropriations within 30 days of the enactment of this Act, as required by section 653(a) of the Foreign Assistance Act of 1961.

CHILD SURVIVAL AND DISEASE PREVENTION ACTIVITIES

SEC. 522. Up to $10,000,000 of the funds made available by this Act for assistance under the heading "Child Survival and Disease Programs Fund", may be used to reimburse United States Government agencies, agencies of State governments, institutions of higher learning, and private and voluntary organizations for the full cost of individuals (including for the personal services of such individuals) detailed or assigned to, or contracted by, as the case may be, the Agency for International Development for the purpose of carrying out child survival, basic education, and infectious disease activities: *Provided*, That up to $1,500,000 of the funds made available by this Act for assistance under the heading "Development Assistance" may be used to reimburse such agencies, institutions, and organizations for such costs of such individuals carrying out other development assistance activities: *Provided further*, That funds appropriated by this Act that are made available for child survival activities or disease programs including activities relating to research on, and the prevention, treatment and control of, Acquired Immune Deficiency Syndrome may be made available notwithstanding any provision of law that restricts assistance to foreign countries: *Provided further*, That funds appropriated under title II of this Act may be made available pursuant to section 301 of the Foreign Assistance Act of 1961 if a primary purpose of the assistance is for child survival and related programs: *Provided further*, That funds appropriated by this Act that are made available for family planning activities may be made available notwithstanding section 512 of this Act and section 620(q) of the Foreign Assistance Act of 1961.

PROHIBITION AGAINST INDIRECT FUNDING TO CERTAIN COUNTRIES

SEC. 523. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated to finance indirectly any assistance or reparations to Cuba, Iraq, Libya, Iran, Syria, North Korea, or the People's Republic of China, unless the President of the United States certifies that the withholding of these funds is contrary to the national interest of the United States.

NOTIFICATION ON EXCESS DEFENSE EQUIPMENT

•SEC. 524. Prior to providing excess Department of Defense articles in accordance with section 516(a) of the Foreign Assistance Act of 1961, the Department of Defense shall notify the Committees on Appropriations to the same extent and under the same conditions as are other committees pursuant to subsection (f) of that section: *Provided*, That before issuing a letter of offer to sell excess defense articles under the Arms Export Control Act, the Department of Defense shall notify the Committees on Appropriations in accordance with the regular notification procedures of such Committees: *Provided further*, That such Committees shall also be informed of the original acquisition cost of such defense articles.

AUTHORIZATION REQUIREMENT

SEC. 525. Funds appropriated by this Act may be obligated and expended notwithstanding section 10 of Public Law 91–672 and section 15 of the State Department Basic Authorities Act of 1956.

DEMOCRACY IN CHINA

SEC. 526. Notwithstanding any other provision of law that restricts assistance to foreign countries, funds appropriated by this Act for "Economic Support Fund" may be made available to provide general support and grants for nongovernmental organizations located outside the People's Republic of China that have as their primary purpose fostering democracy in that country, and for activities of nongovernmental organizations located outside the People's Republic of China to foster democracy in that country: *Provided*, That none of the funds made available for activities to foster democracy in the People's Republic of China may be made available for assistance to the government of that country, except that funds appropriated by this Act under the heading "Economic Support Fund" that are made available for the National Endowment for Democracy or its grantees may be made available for activities to foster democracy in that country notwithstanding this proviso and any other provision of law: *Provided further*, That funds made available pursuant to the authority of this section shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That notwithstanding any other provision of law that restricts assistance to foreign countries, of the funds appropriated by this Act under the heading "Economic Support Fund", $1,000,000 shall be made available to the Robert F. Kennedy Memorial Center for Human Rights for a project to disseminate information and support research about the People's Republic of China, and related activities.

PROHIBITION ON BILATERAL ASSISTANCE TO TERRORIST COUNTRIES

SEC. 527. (a) Notwithstanding any other provision of law, funds appropriated for bilateral assistance under any heading of this Act and funds appropriated under any such heading in a provision of law enacted prior to enactment of this Act, shall not be made available to any country which the President determines—

(1) grants sanctuary from prosecution to any individual or group which has committed an act of international terrorism; or

(2) otherwise supports international terrorism.

(b) The President may waive the application of subsection (a) to a country if the President determines that national security or humanitarian reasons justify such waiver. The President shall publish each waiver in the Federal Register and, at least 15 days before the waiver takes effect, shall notify the Committees on Appropriations of the waiver (including the justification for the waiver) in accordance with the regular notification procedures of the Committees on Appropriations.

COMMERCIAL LEASING OF DEFENSE ARTICLES

SEC. 528. Notwithstanding any other provision of law, and subject to the regular notification procedures of the Committees on Appropriations, the authority of section 23(a) of the Arms Export Control Act may be used to provide financing to Israel, Egypt and NATO and major non-NATO allies for the procurement by leasing (including leasing with an option to purchase) of defense articles from United States commercial suppliers, not including Major Defense Equipment (other than helicopters and other types of aircraft having possible civilian application), if the President determines that there are compelling foreign policy or national security reasons for those defense articles being provided by commercial lease rather than by government-to-government sale under such Act.

COMPETITIVE INSURANCE

SEC. 529. All Agency for International Development contracts and solicitations, and subcontracts entered into under such contracts, shall include a clause requiring that United States insurance companies have a fair opportunity to bid for insurance when such insurance is necessary or appropriate.

STINGERS IN THE PERSIAN GULF REGION

SEC. 530. Except as provided in section 581 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990, the United States may not sell or otherwise make available any Stingers to any country bordering the Persian Gulf under the Arms Export Control Act or chapter 2 of part II of the Foreign Assistance Act of 1961.

DEBT-FOR-DEVELOPMENT

SEC. 531. In order to enhance the continued participation of nongovernmental organizations in economic assistance activities under the Foreign Assistance Act of 1961, including endowments, debt-for-development and debt-for-nature exchanges, a nongovernmental organization which is a grantee or contractor of the Agency for International Development may place in interest bearing accounts funds made available under this Act or prior Acts or local currencies which accrue to that organization as a result of economic assistance provided under title II of this Act and any interest earned on such investment shall be used for the purpose for which the assistance was provided to that organization.

SEPARATE ACCOUNTS

SEC. 532. (a) SEPARATE ACCOUNTS FOR LOCAL CURRENCIES.—(1) If assistance is furnished to the government of a foreign country under chapters 1 and 10 of part I or chapter 4 of part II of the Foreign Assistance Act of 1961 under agreements which result in the generation of local currencies of that country, the Administrator of the Agency for International Development shall—

(A) require that local currencies be deposited in a separate account established by that government;

(B) enter into an agreement with that government which sets forth—

(i) the amount of the local currencies to be generated; and

(ii) the terms and conditions under which the currencies so deposited may be utilized, consistent with this section; and

(C) establish by agreement with that government the responsibilities of the Agency for International Development and that government to monitor and account for deposits into and disbursements from the separate account.

(2) USES OF LOCAL CURRENCIES.—As may be agreed upon with the foreign government, local currencies deposited in a separate account pursuant to subsection (a), or an equivalent amount of local currencies, shall be used only—

(A) to carry out chapters 1 or 10 of part I or chapter 4 of part II (as the case may be), for such purposes as—

(i) project and sector assistance activities; or

(ii) debt and deficit financing; or

(B) for the administrative requirements of the United States Government.

(3) PROGRAMMING ACCOUNTABILITY.—The Agency for International Development shall take all necessary steps to ensure that the equivalent of the local currencies disbursed pursuant to subsection (a)(2)(A) from the separate account established pursuant to subsection (a)(1) are used for the purposes agreed upon pursuant to subsection (a)(2).

(4) TERMINATION OF ASSISTANCE PROGRAMS.—Upon termination of assistance to a country under chapters 1 or 10 of part I or chapter 4 of part II (as the case may be), any unencumbered balances of funds which remain in a separate account established pursuant to subsection (a) shall be disposed of for such purposes as may be agreed to by the government of that country and the United States Government.

(5) REPORTING REQUIREMENT.—The Administrator of the Agency for International Development shall report on an annual basis as part of the justification documents submitted to the Committees on Appropriations on the use of local currencies for the administrative requirements of the United States Government as authorized in subsection (a)(2)(B), and such report shall include the amount of local currency (and United States dollar equivalent) used and/or to be used for such purpose in each applicable country.

(b) SEPARATE ACCOUNTS FOR CASH TRANSFERS.—(1) If assistance is made available to the government of a foreign country, under chapters 1 or 10 of part I or chapter 4 of part II of the Foreign Assistance Act of 1961, as cash transfer assistance or as nonproject sector assistance, that country shall be required to maintain such funds in a separate account and not commingle them with any other funds.

(2) APPLICABILITY OF OTHER PROVISIONS OF LAW.—Such funds may be obligated and expended notwithstanding provisions of law which are inconsistent with the nature of this assistance including provisions which are referenced in the Joint Explanatory Statement of the Committee of Conference accompanying House Joint Resolution 648 (H. Report No. 98–1159).

(3) NOTIFICATION.—At least 15 days prior to obligating any such cash transfer or nonproject sector assistance, the President shall submit a notification through the regular notification procedures of the Committees on Appropriations, which shall include a detailed description of how the funds proposed to be made available will be used, with a discussion of the United States interests that will be served by the assistance (including, as appropriate, a description of the economic policy reforms that will be promoted by such assistance).

(4) EXEMPTION.—Nonproject sector assistance funds may be exempt from the requirements of subsection (b)(1) only through the notification procedures of the Committees on Appropriations.

COMPENSATION FOR UNITED STATES EXECUTIVE DIRECTORS TO INTERNATIONAL FINANCIAL INSTITUTIONS

SEC. 533. (a) No funds appropriated by this Act may be made as payment to any international financial institution while the United States Executive Director to such institution is compensated by the institution at a rate which, together with whatever compensation such Director receives from the United States, is in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while any alternate United States Director to such institution is compensated by the institution at a rate in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code.

(b) For purposes of this section, "international financial institutions" are: the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the Asian Development Fund, the African Development Bank, the African Development Fund, the International Monetary Fund, the North American Development Bank, and the European Bank for Reconstruction and Development.

COMPLIANCE WITH UNITED NATIONS SANCTIONS AGAINST IRAQ

SEC. 534. None of the funds appropriated or otherwise made available pursuant to this Act to carry out the Foreign Assistance Act of 1961 (including title IV of chapter 2 of part I, relating to the Overseas Private Investment Corporation) or the Arms Export Control Act may be used to provide assistance to any country that is not in compliance with the United Nations Security Council sanctions against Iraq unless the President determines and so certifies to the Congress that—

(1) such assistance is in the national interest of the United States;

(2) such assistance will directly benefit the needy people in that country; or

(3) the assistance to be provided will be humanitarian assistance for foreign nationals who have fled Iraq and Kuwait.

AUTHORITIES FOR THE PEACE CORPS, INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT, INTER-AMERICAN FOUNDATION AND AFRICAN DEVELOPMENT FOUNDATION

SEC. 535. (a) Unless expressly provided to the contrary, provisions of this or any other Act, including provisions contained in prior Acts authorizing or making appropriations for foreign operations, export financing, and related programs, shall not be construed to prohibit activities authorized by or conducted under the Peace Corps Act, the Inter-American Foundation Act or the African Development Foundation Act. The agency shall promptly report to the Committees on Appropriations whenever it is conducting activities or is proposing to conduct activities in a country for which assistance is prohibited.

(b) Unless expressly provided to the contrary, limitations on the availability of funds for "International Organizations and Programs" in this or any other Act, including prior appropriations Acts, shall not be construed to be applicable to the International Fund for Agricultural Development.

IMPACT ON JOBS IN THE UNITED STATES

SEC. 536. None of the funds appropriated by this Act may be obligated or expended to provide—

(a) any financial incentive to a business enterprise currently located in the United States for the purpose of inducing such an enterprise to relocate outside the United States if such incentive or inducement is likely to reduce the number of employees of such business enterprise in the United States because United States production is being replaced by such enterprise outside the United States;

(b) assistance for the purpose of establishing or developing in a foreign country any export processing zone or designated area in which the tax, tariff, labor, environment, and safety laws of that country do not apply, in part or in whole, to activities carried out within that zone or area, unless the President determines and certifies that such assistance is not likely to cause a loss of jobs within the United States; or

(c) assistance for any project or activity that contributes to the violation of internationally recognized workers rights, as defined in section 502(a)(4) of the Trade Act of 1974, of workers in the recipient country, including any designated zone or area in that country: *Provided*, That in recognition that the application of this subsection should be commensurate with the level of development of the recipient country and sector, the provisions of this subsection shall not preclude assistance for the informal sector in such country, micro and small-scale enterprise, and smallholder agriculture.

FUNDING PROHIBITION FOR SERBIA

SEC. 537. None of the funds appropriated by this Act may be made available for assistance for the Republic of Serbia: *Provided*, That this restriction shall not apply to assistance for Kosova or Montenegro, or to assistance to promote democratization: *Provided further*, That section 620(t) of the Foreign Assistance Act of 1961, as amended, shall not apply to Kosova or Montenegro.

SPECIAL AUTHORITIES

SEC. 538. (a) Funds appropriated in titles I and II of this Act that are made available for Afghanistan, Lebanon, Montenegro, and for victims of war, displaced children, displaced Burmese, humanitarian assistance for Romania, and humanitarian assistance for the peoples of Kosova, may be made available notwithstanding any other provision of law: *Provided*, That any such funds that are made available for Cambodia shall be subject to the provisions of section 531(e) of the Foreign Assistance Act of 1961 and section 906 of the International Security and Development Cooperation Act of 1985.

(b) Funds appropriated by this Act to carry out the provisions of sections 103 through 106 of the Foreign Assistance Act of 1961 may be used, notwithstanding any other provision of law, for the purpose of supporting tropical forestry and biodiversity conservation activities and, subject to the regular notification procedures of the Committees on Appropriations, energy programs aimed at reducing greenhouse gas emissions: *Provided*, That such assistance shall be subject to sections 116, 502B, and 620A of the Foreign Assistance Act of 1961.

(c) The Agency for International Development may employ personal services contractors, notwithstanding any other provision of law, for the purpose of administering programs for the West Bank and Gaza.

(d)(1) WAIVER.—The President may waive the provisions of section 1003 of Public Law 100–204 if the President determines and certifies in writing to the Speaker of the House of Representatives and the President pro tempore of the Senate that it is important to the national security interests of the United States.

(2) PERIOD OF APPLICATION OF WAIVER.—Any waiver pursuant to paragraph (1) shall be effective for no more than a period of 6 months at a time and shall not apply beyond 12 months after enactment of this Act.

POLICY ON TERMINATING THE ARAB LEAGUE BOYCOTT OF ISRAEL

SEC. 539. It is the sense of the Congress that—

(1) the Arab League countries should immediately and publicly renounce the primary boycott of Israel and the secondary and tertiary boycott of American firms that have commercial ties with Israel;

(2) the decision by the Arab League in 1997 to reinstate the boycott against Israel was deeply troubling and disappointing;

(3) the Arab League should immediately rescind its decision on the boycott and its members should develop normal relations with their neighbor Israel; and

(4) the President should—

(A) take more concrete steps to encourage vigorously Arab League countries to renounce publicly the primary boycotts of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel as a confidence-building measure;

(B) take into consideration the participation of any recipient country in the primary boycott of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel when determining whether to sell weapons to said country;

(C) report to Congress on the specific steps being taken by the President to bring about a public renunciation of the Arab primary boycott of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel and to expand the process of normalizing ties between Arab League countries and Israel; and

(D) encourage the allies and trading partners of the United States to enact laws prohibiting businesses from complying with the boycott and penalizing businesses that do comply.

ANTI-NARCOTICS ACTIVITIES

SEC. 540. Of the funds appropriated or otherwise made available by this Act for "Economic Support Fund", assistance may be provided to strengthen the administration of justice in countries in Latin America and the Caribbean and in other regions consistent with the provisions of section 534(b) of the Foreign Assistance Act of 1961, except that programs to enhance protection of participants in judicial cases may be conducted notwithstanding section 660 of that Act. Funds made available pursuant to this section may be made available notwithstanding section 534(c) and the second and third sentences of section 534(e) of the Foreign Assistance Act of 1961.

ELIGIBILITY FOR ASSISTANCE

SEC. 541. (a) ASSISTANCE THROUGH NONGOVERNMENTAL ORGANIZATIONS.—Restrictions contained in this or any other Act with respect to assistance for a country shall not be construed to restrict assistance in support of programs of nongovernmental organizations from funds appropriated by this Act to carry out the provisions of chapters 1, 10, and 11 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961, and from funds appropriated under the heading "Assistance for Eastern Europe and the Baltic States": *Provided*, That the President shall take into consideration, in any case in which a restriction on assistance would be applicable but for this subsection, whether assistance in support of programs of nongovernmental organizations is in the national interest of the United States: *Provided further*, That before using the authority of this subsection to furnish assistance in support of programs of nongovernmental organizations, the President shall notify the Committees on Appropriations under the regular notification procedures of those committees, including a description of the program to be assisted, the assistance to be provided, and the reasons for furnishing such assistance: *Provided further*, That nothing in this subsection shall be construed to alter any existing statutory prohibitions against abortion or involuntary sterilizations contained in this or any other Act.

(b) PUBLIC LAW 480.—During fiscal year 2000, restrictions contained in this or any other Act with respect to assistance for a country shall not be construed to restrict assistance under the Agricultural Trade Development and Assistance Act of 1954: *Provided*, That none of the funds appropriated to carry out title I of such Act and made available pursuant to this subsection may be obligated or expended except as provided through the regular notification procedures of the Committees on Appropriations.

(c) EXCEPTION.—This section shall not apply—

(1) with respect to section 620A of the Foreign Assistance Act or any comparable provision of law prohibiting assistance to countries that support international terrorism; or

(2) with respect to section 116 of the Foreign Assistance Act of 1961 or any comparable provision of law prohibiting assistance to countries that violate internationally recognized human rights.

EARMARKS

SEC. 542. (a) Funds appropriated by this Act which are earmarked may be reprogrammed for other programs within the same account notwithstanding the earmark if compliance with the earmark is made impossible by operation of any provision of this or any other Act or, with respect to a country with which the United States has an agreement providing the United States with base rights or base access in that country, if the President determines that the recipient for which funds are earmarked has significantly reduced its military or economic cooperation with the United States since enactment of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991; however, before exercising the authority of this subsection with regard to a base rights or base access country which has significantly reduced its military or economic cooperation with the United States, the President shall consult with, and shall provide a written policy justification to the Committees on Appropriations: *Provided*, That any such reprogramming shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That assistance that is reprogrammed pursuant to this subsection shall be made available under the same terms and conditions as originally provided.

(b) In addition to the authority contained in subsection (a), the original period of availability of funds appropriated by this Act and administered by the Agency for International Development that are earmarked for particular programs or activities by this or any other Act shall be extended for an additional fiscal year if the Administrator of such agency determines and reports promptly to the Committees on Appropriations that the termination of assistance to a country or a significant change in circumstances makes it unlikely that such earmarked funds can be obligated during the original period of availability: *Provided*, That such earmarked funds that are continued available for an additional fiscal year shall be obligated only for the purpose of such earmark.

CEILINGS AND EARMARKS

SEC. 543. Ceilings and earmarks contained in this Act shall not be applicable to funds or authorities appropriated or otherwise made available by any subsequent Act unless such Act specifically so directs. Earmarks or minimum funding requirements contained in any other Act shall not be applicable to funds appropriated by this Act.

PROHIBITION ON PUBLICITY OR PROPAGANDA

SEC. 544. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not authorized before the date of the enactment of this Act by the Congress: *Provided*, That not to exceed $750,000 may be made available to carry out the provisions of section 316 of Public Law 96–533.

PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS

SEC. 545. (a) To the maximum extent possible, assistance provided under this Act should make full use of American resources, including commodities, products, and services.

(b) It is the sense of the Congress that, to the greatest extent practicable, all agriculture commodities, equipment and products purchased with funds made available in this Act should be American-made.

(c) In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (b) by the Congress.

(d) The Secretary of the Treasury shall report to Congress annually on the efforts of the heads of each Federal agency and the United States directors of international financial institutions (as referenced in section 514) in complying with this sense of Congress.

PROHIBITION OF PAYMENTS TO UNITED NATIONS MEMBERS

SEC. 546. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, may be used to pay in whole or in part any assessments, arrearages, or dues of any member of the United Nations or, from funds appropriated by this Act to carry out chapter 1 of part I of the Foreign Assistance Act of 1961, the costs for participation of another country's delegation at international conferences held under the auspices of multilateral or international organizations.

CONSULTING SERVICES

SEC. 547. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order pursuant to existing law.

PRIVATE VOLUNTARY ORGANIZATIONS—DOCUMENTATION

SEC. 548. None of the funds appropriated or made available pursuant to this Act shall be available to a private voluntary organization which fails to provide upon timely request any document, file, or record necessary to the auditing requirements of the Agency for International Development.

PROHIBITION ON ASSISTANCE TO FOREIGN GOVERNMENTS THAT EXPORT LETHAL MILITARY EQUIPMENT TO COUNTRIES SUPPORTING INTERNATIONAL TERRORISM

SEC. 549. (a) None of the funds appropriated or otherwise made available by this Act may be available to any foreign government which provides lethal military equipment to a country the government of which the Secretary of State has determined is a terrorist government for purposes of section 40(d) of the Arms Export Control Act. The prohibition under this section with respect to a foreign government shall terminate 12 months after that government ceases to provide such military equipment. This section applies with respect to lethal military equipment provided under a contract entered into after October 1, 1997.

(b) Assistance restricted by subsection (a) or any other similar provision of law, may be furnished if the President determines that furnishing such assistance is important to the national interests of the United States.

(c) Whenever the waiver of subsection (b) is exercised, the President shall submit to the appropriate congressional committees a report with respect to the furnishing of such assistance. Any such report shall include a detailed explanation of the assistance to be provided, including the estimated dollar amount of such assistance, and an explanation of how the assistance furthers United States national interests.

WITHHOLDING OF ASSISTANCE FOR PARKING FINES OWED BY FOREIGN COUNTRIES

SEC. 550. (a) IN GENERAL.—Of the funds made available for a foreign country under part I of the Foreign Assistance Act of 1961, an amount equivalent to 110 percent of the total unpaid fully adjudicated parking fines and penalties owed to the District of Columbia by such country as of the date of the enactment of this Act shall be withheld from obligation for such country until the Secretary of State certifies and reports in writing to the appropriate congressional committees that such fines and penalties are fully paid to the government of the District of Columbia.

(b) DEFINITION.—For purposes of this section, the term "appropriate congressional committees" means the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on International Relations and the Committee on Appropriations of the House of Representatives.

LIMITATION ON ASSISTANCE FOR THE PLO FOR THE WEST BANK AND GAZA

SEC. 551. None of the funds appropriated by this Act may be obligated for assistance for the Palestine Liberation Organization for the West Bank and Gaza unless the President has exercised the authority under section 604(a) of the Middle East Peace Facilitation Act of 1995 (title VI of Public Law 104–107) or any other legislation to suspend or make inapplicable section 307 of the Foreign Assistance Act of 1961 and that suspension is still in effect: *Provided*, That if the President fails to make the certification under section 604(b)(2) of the Middle East Peace Facilitation Act of 1995 or to suspend the prohibition under other legislation, funds appropriated by this Act may not be obligated for assistance for the Palestine Liberation Organization for the West Bank and Gaza.

WAR CRIMES TRIBUNALS DRAWDOWN

SEC. 552. If the President determines that doing so will contribute to a just resolution of charges regarding genocide or other violations of international humanitarian law, the President may direct a drawdown pursuant to section 552(c) of the Foreign Assistance Act of 1961, as amended, of up to $30,000,000 of commodities and services for the United Nations War Crimes Tribunal established with regard to the former Yugoslavia by the United Nations Security Council or such other tribunals or commissions as the Council may establish to deal with such violations, without regard to the ceiling limitation contained in paragraph (2) thereof: *Provided*, That the determination required under this section shall be in lieu of any determinations otherwise required under section 552(c): *Provided further*, That 60 days after the date of the enactment of this Act, and every 180 days thereafter, the Secretary of State shall submit a report to the Committees on Appropriations describing the steps the United States Government is taking to collect information regarding allegations of genocide or other violations of international law in the former Yugoslavia and to furnish that information to the United Nations War Crimes Tribunal for the former Yugoslavia: *Provided further*, That the drawdown made under this section for any tribunal shall not be construed as an endorsement or precedent for the establishment of any standing or permanent international criminal tribunal or court: *Provided further*, That funds made available for tribunals other than Yugoslavia or Rwanda shall be made available subject to the regular notification procedures of the Committees on Appropriations.

LANDMINES

SEC. 553. Notwithstanding any other provision of law, demining equipment available to the Agency for International Development and the Department of State and used in support of the clearance of landmines and unexploded ordnance for humanitarian purposes may be disposed of on a grant basis in foreign countries, subject to such terms and conditions as the President may prescribe: *Provided*, That section 1365(c) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 22 U.S.C., 2778 note) is amended by striking out "During the five-year period beginning on October 23, 1992" and inserting in lieu thereof "During the eleven-year period beginning on October 23, 1992".

RESTRICTIONS CONCERNING THE PALESTINIAN AUTHORITY

SEC. 554. None of the funds appropriated by this Act may be obligated or expended to create in any part of Jerusalem a new office of any department or agency of the United States Government for the purpose of conducting official United States Government business with the Palestinian Authority over Gaza and Jericho or any successor Palestinian governing entity provided for in the Israel-PLO Declaration of Principles: *Provided*, That this restriction shall not apply to the acquisition of additional space for the existing Consulate General in Jerusalem: *Provided further*, That meetings between officers and employees of the United States and officials of the Palestinian Authority, or any successor Palestinian governing entity provided for in the Israel-PLO Declaration of Principles, for the purpose of conducting official United States Government business with such authority should continue to take place in locations other than Jerusalem. As has been true in the past, officers and employees of the United States Government may continue to meet in Jerusalem on other subjects with Palestinians (including those who now occupy positions in the Palestinian Authority), have social contacts, and have incidental discussions.

PROHIBITION OF PAYMENT OF CERTAIN EXPENSES

SEC. 555. None of the funds appropriated or otherwise made available by this Act under the headings "International Military Education and Training" or "Foreign Military Financing Program" for Informational Program activities or under the headings "Child Survival and Disease Programs Fund", "Development Assistance", and "Economic Support Fund" may be obligated or expended to pay for—

(1) alcoholic beverages; or

(2) entertainment expenses for activities that are substantially of a recreational character, including entrance fees at sporting events and amusement parks.

COMPETITIVE PRICING FOR SALES OF DEFENSE ARTICLES

SEC. 556. Direct costs associated with meeting a foreign customer's additional or unique requirements will continue to be allowable under contracts under section 22(d) of the Arms Export Control Act. Loadings applicable to such direct costs shall be permitted at the same rates applicable to procurement of like items purchased by the Department of Defense for its own use.

SPECIAL DEBT RELIEF FOR THE POOREST

SEC. 557. (a) AUTHORITY TO REDUCE DEBT.—The President may reduce amounts owed to the United States (or any agency of the United States) by an eligible country as a result of—

(1) guarantees issued under sections 221 and 222 of the Foreign Assistance Act of 1961;

(2) credits extended or guarantees issued under the Arms Export Control Act; or

(3) any obligation or portion of such obligation for a Latin American country, to pay for purchases of United States agricultural commodities guaranteed by the Commodity Credit Corporation under export credit guarantee programs authorized pursuant to section 5(f) of the Commodity Credit Corporation Charter Act of June 29, 1948, as amended, section 4(b) of the Food for Peace Act of 1966, as amended (Public Law 89–808), or section 202 of the Agricultural Trade Act of 1978, as amended (Public Law 95–501).

(b) LIMITATIONS.—

(1) The authority provided by subsection (a) may be exercised only to implement multilateral official debt relief ad referendum agreements, commonly referred to as "Paris Club Agreed Minutes".

(2) The authority provided by subsection (a) may be exercised only in such amounts or to such extent as is provided in advance by appropriations Acts.

(3) The authority provided by subsection (a) may be exercised only with respect to countries with heavy debt burdens that are eligible to borrow from the International Development Association, but not from the International Bank for Reconstruction and Development, commonly referred to as "IDA-only" countries.

(c) CONDITIONS.—The authority provided by subsection (a) may be exercised only with respect to a country whose government—

(1) does not have an excessive level of military expenditures;

(2) has not repeatedly provided support for acts of international terrorism;

(3) is not failing to cooperate on international narcotics control matters;

(4) (including its military or other security forces) does not engage in a consistent pattern of gross violations of internationally recognized human rights; and

(5) is not ineligible for assistance because of the application of section 527 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995.

(d) AVAILABILITY OF FUNDS.—The authority provided by subsection (a) may be used only with regard to funds appropriated by this Act under the heading "Debt Restructuring".

(e) CERTAIN PROHIBITIONS INAPPLICABLE.—A reduction of debt pursuant to subsection (a) shall not be considered assistance for purposes of any provision of law limiting assistance to a country. The authority provided by subsection (a) may be exercised notwithstanding section 620(r) of the Foreign Assistance Act of 1961.

AUTHORITY TO ENGAGE IN DEBT BUYBACKS OR SALES

SEC. 558. (a) LOANS ELIGIBLE FOR SALE, REDUCTION, OR CANCELLATION.—

(1) AUTHORITY TO SELL, REDUCE, OR CANCEL CERTAIN LOANS.—Notwithstanding any other provision of law, the President may, in accordance with this section, sell to any eligible purchaser any concessional loan or portion thereof made before January 1, 1995, pursuant to the Foreign Assistance Act of 1961, to the government of any eligible country as defined in section 702(6) of that Act or on receipt of payment from an eligible purchaser, reduce or cancel such loan or portion thereof, only for the purpose of facilitating—

(A) debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps; or

(B) a debt buyback by an eligible country of its own qualified debt, only if the eligible country uses an additional amount of the local currency of the eligible country, equal to not less than 40 percent of the price paid for such debt by such eligible country, or the difference between the price paid for such debt and the face value of such debt, to support activities that link conservation and sustainable use of natural resources with local community development, and child survival and other child development, in a manner consistent with sections 707 through 710 of the Foreign Assistance Act of 1961, if the sale, reduction, or cancellation would not contravene any term or condition of any prior agreement relating to such loan.

(2) TERMS AND CONDITIONS.—Notwithstanding any other provision of law, the President shall, in accordance with this section, establish the terms and conditions under which loans may be sold, reduced, or canceled pursuant to this section.

(3) ADMINISTRATION.—The Facility, as defined in section 702(8) of the Foreign Assistance Act of 1961, shall notify the administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 of purchasers that the President has determined to be eligible, and shall direct such agency to carry out the sale, reduction, or cancellation of a loan pursuant to this section. Such agency shall make an adjustment in its accounts to reflect the sale, reduction, or cancellation.

(4) LIMITATION.—The authorities of this subsection shall be available only to the extent that appropriations for the cost of the modification, as defined in section 502 of the Congressional Budget Act of 1974, are made in advance.

(b) DEPOSIT OF PROCEEDS.—The proceeds from the sale, reduction, or cancellation of any loan sold, reduced, or canceled pursuant to this section shall be deposited in the United States Government account or accounts established for the repayment of such loan.

(c) ELIGIBLE PURCHASERS.—A loan may be sold pursuant to subsection (a)(1)(A) only to a purchaser who presents plans satisfactory to the President for using the loan for the purpose of engaging in debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

(d) DEBTOR CONSULTATIONS.—Before the sale to any eligible purchaser, or any reduction or cancellation pursuant to this section, of any loan made to an eligible country, the President should consult with the country concerning the amount of loans to be sold, reduced, or canceled and their uses for debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

(e) AVAILABILITY OF FUNDS.—The authority provided by subsection (a) may be used only with regard to funds appropriated by this Act under the heading "Debt Restructuring".

ASSISTANCE FOR HAITI

SEC. 559. (a) POLICY.—In providing assistance to Haiti, the President should place a priority on the following areas:

(1) aggressive action to support the Haitian National Police, including support for efforts by the Inspector General to purge corrupt and politicized elements from the Haitian National Police;

(2) steps to ensure that any elections undertaken in Haiti with United States assistance are full, free, fair, transparent, and democratic;

(3) support for a program designed to develop an indigenous human rights monitoring capacity;

(4) steps to facilitate the continued privatization of state-owned enterprises;

(5) a sustainable agricultural development program; and

(6) establishment of an economic development fund for Haiti to provide long-term, low interest loans to United States investors and businesses that have a demonstrated commitment to, and expertise in, doing business in Haiti, in particular those businesses present in Haiti prior to the 1994 United Nations embargo.

(b) REPORT.—Beginning 6 months after the date of the enactment of this Act, and 6 months thereafter until September 30, 2001, the President shall submit a report to the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on International Relations of the House of Representatives with regard to—

(1) the status of each of the governmental institutions envisioned in the 1987 Haitian Constitution, including an assessment of the extent to which officials in such institutions hold their positions on the basis of a regular, constitutional process;

(2) the status of the privatization (or placement under long-term private management or concession) of the major public entities, including a detailed assessment of the extent to which the Government of Haiti has completed all required incorporating documents, the transfer of assets, and the eviction of unauthorized occupants from such facilities;

(3) the status of efforts to re-sign and implement the lapsed bilateral Repatriation Agreement and an assessment of the extent to which the Government of Haiti has been cooperating with the United States in halting illegal emigration from Haiti;

(4) the status of the Government of Haiti's efforts to conduct thorough investigations of extrajudicial and political killings and—

(A) an assessment of the progress that has been made in bringing to justice the persons responsible for these extrajudicial or political killings in Haiti; and

(B) an assessment of the extent to which the Government of Haiti is cooperating with United States authorities and with United States-funded technical advisors to the Haitian National Police in such investigations;

(5) an assessment of actions taken by the Government of Haiti to remove and maintain the separation from the Haitian National Police, national palace and residential guard, ministerial guard, and any other public security entity or unit of Haiti those individuals who are credibly alleged to have engaged in or conspired to conceal gross violations of internationally recognized human rights;

(6) the status of steps being taken to secure the ratification of the maritime counter-narcotics agreements signed October 1997;

(7) an assessment of the extent to which domestic capacity to conduct free, fair, democratic, and administratively sound elections has been developed in Haiti; and

(8) an assessment of the extent to which Haiti's Minister of Justice has demonstrated a commitment to the professionalism of judicial personnel by consistently placing students graduated by the Judicial School in appropriate judicial positions and has made a commitment to share program costs associated with the Judicial School, and is achieving progress in making the judicial branch in Haiti independent from the executive branch.

(c) EQUITABLE ALLOCATION OF FUNDS.—Not more than 17 percent of the funds appropriated by this Act to carry out the provisions of sections 103 through 106 and chapter 4 of part II of the Foreign Assistance Act of 1961, that are made available for Latin America and the Caribbean region may be made available, through bilateral and Latin America and the Caribbean regional programs, to provide assistance for any country in such region.

REQUIREMENT FOR DISCLOSURE OF FOREIGN AID IN REPORT OF SECRETARY OF STATE

SEC. 560. (a) FOREIGN AID REPORTING REQUIREMENT.—In addition to the voting practices of a foreign country, the report required to be submitted to Congress under section 406(a) of the Foreign Relations Authorization Act, fiscal years 1990 and 1991 (22 U.S.C. 2414a), shall include a side-by-side comparison of individual countries' overall support for the United States at the United Nations and the amount of United States assistance provided to such country in fiscal year 1999.

(b) UNITED STATES ASSISTANCE.—For purposes of this section, the term "United States assistance" has the meaning given the term in section 481(e)(4) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291(e)(4)).

RESTRICTIONS ON VOLUNTARY CONTRIBUTIONS TO UNITED NATIONS AGENCIES

SEC. 561. (a) PROHIBITION ON VOLUNTARY CONTRIBUTIONS FOR THE UNITED NATIONS.—None of the funds appropriated by this Act may be made available to pay any voluntary contribution of the United States to the United Nations (including the United Nations Development Program) if the United Nations implements or imposes any taxation on any United States persons.

(b) CERTIFICATION REQUIRED FOR DISBURSEMENT OF FUNDS.—None of the funds appropriated by this Act may be made available to pay any voluntary contribution of the United States to the United Nations (including the United Nations Development Program) unless the President certifies to the Congress 15 days in advance of such payment that the United Nations is not engaged in any effort to implement or impose any taxation on United States persons in order to raise revenue for the United Nations or any of its specialized agencies.

(c) DEFINITIONS.—As used in this section the term "United States person" refers to—

(1) a natural person who is a citizen or national of the United States; or

(2) a corporation, partnership, or other legal entity organized under the United States or any State, territory, possession, or district of the United States.

HAITI

SEC. 562. The Government of Haiti shall be eligible to purchase defense articles and services under the Arms Export Control Act (22 U.S.C. 2751 et seq.), for the civilian-led Haitian National Police and Coast Guard: *Provided*, That the authority provided by this section shall be subject to the regular notification procedures of the Committees on Appropriations.

LIMITATION ON ASSISTANCE TO THE PALESTINIAN AUTHORITY

SEC. 563. (a) PROHIBITION OF FUNDS.—None of the funds appropriated by this Act to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961 may be obligated or expended with respect to providing funds to the Palestinian Authority.

(b) WAIVER.—The prohibition included in subsection (a) shall not apply if the President certifies in writing to the Speaker of the House of Representatives and the President pro tempore of the Senate that waiving such prohibition is important to the national security interests of the United States.

(c) PERIOD OF APPLICATION OF WAIVER.—Any waiver pursuant to subsection (b) shall be effective for no more than a period of 6 months at a time and shall not apply beyond 12 months after the enactment of this Act.

LIMITATION ON ASSISTANCE TO SECURITY FORCES

SEC. 564. None of the funds made available by this Act may be provided to any unit of the security forces of a foreign country if the Secretary of State has credible evidence that such unit has committed gross violations of human rights, unless the Secretary determines and reports to the Committees on Appropriations that the government of such country is taking effective measures to bring the responsible members of the security forces unit to justice: *Provided*, That nothing in this section shall be construed to withhold funds made available by this Act from any unit of the security forces of a foreign country not credibly alleged to be involved in gross violations of human rights: *Provided further*, That in the event that funds are withheld from any unit pursuant to this section, the Secretary of State shall promptly inform the foreign government of the basis for such action and shall, to the maximum extent practicable, assist the foreign government in taking effective measures to bring the responsible members of the security forces to justice.

LIMITATIONS ON TRANSFER OF MILITARY EQUIPMENT TO EAST TIMOR

SEC. 565. In any agreement for the sale, transfer, or licensing of any lethal equipment or helicopter for Indonesia entered into by the United States pursuant to the authority of this Act or any other Act, the agreement shall state that the items will not be used in East Timor.

RESTRICTIONS ON ASSISTANCE TO COUNTRIES PROVIDING SANCTUARY TO INDICTED WAR CRIMINALS

SEC. 566. (a) BILATERAL ASSISTANCE.—None of the funds made available by this or any prior Act making appropriations for foreign operations, export financing and related programs, may be provided for any country, entity or municipality described in subsection (e).

(b) MULTILATERAL ASSISTANCE.—

(1) PROHIBITION.—The Secretary of the Treasury shall instruct the United States executive directors of the international financial institutions to work in opposition to, and vote against, any extension by such institutions of any financial or technical assistance or grants of any kind to any country or entity described in subsection (e).

(2) NOTIFICATION.—Not less than 15 days before any vote in an international financial institution regarding the extension of financial or technical assistance or grants to any country or entity described in subsection (e), the Secretary of the Treasury, in consultation with the Secretary of State, shall provide to the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on Banking and Financial Services of the House of Representatives a written justification for the proposed assistance, including an explanation of the United States position regarding any such vote, as well as a description of the location of the proposed assistance by municipality, its purpose, and its intended beneficiaries.

(3) DEFINITION.—The term "international financial institution" includes the International Monetary Fund, the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Multilateral Investment Guaranty Agency, and the European Bank for Reconstruction and Development.

(c) EXCEPTIONS.—

(1) IN GENERAL.—Subject to paragraph (2), subsections (a) and (b) shall not apply to the provision of—

(A) humanitarian assistance;

(B) democratization assistance;

(C) assistance for cross border physical infrastructure projects involving activities in both a sanctioned country, entity, or municipality and a nonsanctioned contiguous country, entity, or municipality, if the project is primarily located in and primarily benefits the nonsanctioned country, entity, or municipality and if the portion of the project located in the sanctioned country, entity, or municipality is necessary only to complete the project;

(D) small-scale assistance projects or activities requested by United States Armed Forces that promote good relations between such forces and the officials and citizens of the areas in the United States SFOR sector of Bosnia;

(E) implementation of the Brcko Arbitral Decision;

(F) lending by the international financial institutions to a country or entity to support common monetary and fiscal policies at the national level as contemplated by the Dayton Agreement;

(G) direct lending to a non-sanctioned entity, or lending passed on by the national government to a non-sanctioned entity; or

(H) assistance to the International Police Task Force for the training of a civilian police force.

(2) NOTIFICATION.—Every 60 days the Secretary of State, in consultation with the Administrator of the Agency for International Development, shall publish in the Federal Register and/or in a comparable publicly accessible document or Internet site, a listing and justification of any assistance that is obligated within that period of time for any country, entity, or municipality described in subsection (e), including a description of the purpose of the assistance, project and its location, by municipality.

(d) FURTHER LIMITATIONS.—Notwithstanding subsection (c)—

(1) no assistance may be made available by this Act, or any prior Act making appropriations for foreign operations, export financing and related programs, in any country, entity, or municipality described in subsection (e), for a program, project, or activity in which a publicly indicted war criminal is known to have any financial or material interest; and

(2) no assistance (other than emergency foods or medical assistance or demining assistance) may be made available by this Act, or any prior Act making appropriations for foreign operations, export financing and related programs for any program, project, or activity in a community within any country, entity or municipality described in subsection (e) if competent authorities within that community are not complying with the provisions of Article IX and Annex 4, Article II, paragraph 8 of the Dayton Agreement relating to war crimes and the Tribunal.

(e) SANCTIONED COUNTRY, ENTITY, OR MUNICIPALITY.—A sanctioned country, entity, or municipality described in this section is one whose competent authorities have failed, as determined by the Secretary of State, to take necessary and significant steps to apprehend and transfer to the Tribunal all persons who have been publicly indicted by the Tribunal.

(f) SPECIAL RULE.—Subject to subsection (d), subsections (a) and (b) shall not apply to the provision of assistance to an entity that is not a sanctioned entity, notwithstanding that such entity may be within a sanctioned country, if the Secretary of State determines and so reports to the appropriate congressional committees that providing assistance to that entity would promote peace and internationally recognized human rights by encouraging that entity to cooperate fully with the Tribunal.

(g) CURRENT RECORD OF WAR CRIMINALS AND SANCTIONED COUNTRIES, ENTITIES, AND MUNICIPALITIES.—

(1) IN GENERAL.—The Secretary of State shall establish and maintain a current record of the location, including the municipality, if known, of publicly indicted war criminals and a current record of sanctioned countries, entities, and municipalities.

(2) INFORMATION OF THE DCI AND THE SECRETARY OF DEFENSE.—The Director of Central Intelligence and the Secretary of Defense should collect and provide to the Secretary of State information concerning the location, including the municipality, of publicly indicted war criminals.

(3) INFORMATION OF THE TRIBUNAL.—The Secretary of State shall request that the Tribunal and other international organizations and governments provide the Secretary of State information concerning the location, including the municipality, of publicly indicted war criminals and concerning country, entity and municipality authorities known to have obstructed the work of the Tribunal.

(4) REPORT.—Beginning 30 days after the date of the enactment of this Act, and not later than September 1 each year thereafter, the Secretary of State shall submit a report in classified and unclassified form to the appropriate congressional committees on the location, including the municipality, if known, of publicly indicted war criminals, on country, entity and municipality authorities known to have obstructed the work of the Tribunal, and on sanctioned countries, entities, and municipalities.

(5) INFORMATION TO CONGRESS.—Upon the request of the chairman or ranking minority member of any of the appropriate congressional committees, the Secretary of State shall make available to that committee the information recorded under paragraph (1) in a report submitted to the committee in classified and unclassified form.

(h) WAIVER.—

(1) IN GENERAL.—The Secretary of State may waive the application of subsection (a) or subsection (b) with respect to specified bilateral programs or international financial institution projects or programs in a sanctioned country, entity, or municipality upon providing a written determination to the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on International Relations of the House of Representatives that such assistance directly supports the implementation of the Dayton Agreement and its Annexes, which include the obligation to apprehend and transfer indicted war criminals to the Tribunal.

(2) REPORT.—Not later than 15 days after the date of any written determination under paragraph (1) the Secretary of State shall submit a report to the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on International Relations of the House of Representatives regarding the status of efforts to secure the voluntary surrender or apprehension and transfer of persons indicted by the Tribunal, in accordance with the Dayton Agreement, and outlining obstacles to achieving this goal.

(3) ASSISTANCE PROGRAMS AND PROJECTS AFFECTED.—Any waiver made pursuant to this subsection shall be effective only with respect to a specified bilateral program or multilateral assistance project or program identified in the determination of the Secretary of State to Congress.

(i) TERMINATION OF SANCTIONS.—The sanctions imposed pursuant to subsections (a) and (b) with respect to a country or entity shall cease to apply only if the Secretary of State determines and certifies to Congress that the authorities of that country, entity, or municipality have apprehended and transferred to the Tribunal all persons who have been publicly indicted by the Tribunal.

(j) DEFINITIONS.—As used in this section—

(1) COUNTRY.—The term "country" means Bosnia-Herzegovina, Croatia, and Serbia.

(2) ENTITY.—The term "entity" refers to the Federation of Bosnia and Herzegovina, Kosova, Montenegro, and the Republika Srpska.

(3) DAYTON AGREEMENT.—The term "Dayton Agreement" means the General Framework Agreement for Peace in Bosnia and Herzegovina, together with annexes relating thereto, done at Dayton, November 10 through 16, 1995.

(4) TRIBUNAL.—The term "Tribunal" means the International Criminal Tribunal for the Former Yugoslavia.

(k) ROLE OF HUMAN RIGHTS ORGANIZATIONS AND GOVERNMENT AGENCIES.—In carrying out this section, the Secretary of State, the Administrator of the Agency for International Development, and the executive directors of the international financial institutions shall consult with representatives of human rights organizations and all government agencies with relevant information to help prevent publicly indicted war criminals from benefiting from any financial or technical assistance or grants provided to any country or entity described in subsection (e).

TO PROHIBIT FOREIGN ASSISTANCE TO THE GOVERNMENT OF THE RUSSIAN FEDERATION SHOULD IT ENACT LAWS WHICH WOULD DISCRIMINATE AGAINST MINORITY RELIGIOUS FAITHS IN THE RUSSIAN FEDERATION

SEC. 567. None of the funds appropriated under this Act may be made available for the Government of the Russian Federation, after 180 days from the date of the enactment of this Act, unless the President determines and certifies in writing to the Committees on Appropriations and the Committee on Foreign Relations of the Senate that the Government of the Russian Federation has implemented no statute, executive order, regulation or similar government action that would discriminate, or would have as its principal effect discrimination, against religious groups or religious communities in the Russian Federation in violation of accepted international agreements on human rights and religious freedoms to which the Russian Federation is a party.

GREENHOUSE GAS EMISSIONS

SEC. 568. (a) Funds made available in this Act to support programs or activities the primary purpose of which is promoting or assisting country participation in the Kyoto Protocol to the Framework Convention on Climate Change (FCCC) shall only be made available subject to the regular notification procedures of the Committees on Appropriations.

(b) The President shall provide a detailed account of all Federal agency obligations and expenditures for climate change programs and activities, domestic and international obligations for such activities in fiscal year 2000, and any plan for programs thereafter related to the implementation or the furtherance of protocols pursuant to, or related to negotiations to amend the FCCC in conjunction with the President's submission of the Budget of the United States Government for Fiscal Year 2001: *Provided*, That such report shall include an accounting of expenditures by agency with each agency identifying climate change activities and associated costs by line item as presented in the President's Budget Appendix: *Provided further*, That such report shall identify with regard to the Agency for International Development, obligations and expenditures by country or central program and activity.

EXCESS DEFENSE ARTICLES FOR CERTAIN EUROPEAN COUNTRIES

SEC. 569. Section 105 of Public Law 104–164 (110 Stat. 1427) is amended by striking "1996 and 1997" and inserting "1999 and 2000".

AID TO THE GOVERNMENT OF THE DEMOCRATIC REPUBLIC OF CONGO

SEC. 570. None of the funds appropriated or otherwise made available by this Act may be provided to the Central Government of the Democratic Republic of Congo.

ASSISTANCE FOR THE MIDDLE EAST

SEC. 571. Of the funds appropriated in titles II and III of this Act under the headings "Economic Support Fund", "Foreign Military Financing Program", "International Military Education and Training", "Peacekeeping Operations", for refugees resettling in Israel under the heading "Migration and Refugee Assistance", and for assistance for Israel to carry out provisions of chapter 8 of part II of the Foreign Assistance Act of 1961 under the heading "Nonproliferation, Anti-Terrorism, Demining and Related Programs", not more than a total of $5,321,150,000 may be made available for Israel, Egypt, Jordan, Lebanon, the West Bank and Gaza, the Israel-Lebanon Monitoring Group, the Multinational Force and Observers, the Middle East Regional Democracy Fund, Middle East Regional Cooperation, and Middle East Multilateral Working Groups: *Provided*, That any funds that were appropriated under such headings in prior fiscal years and that were at the time of the enactment of this Act obligated or allocated for other recipients may not during fiscal year 2000 be made available for activities that, if funded under this Act, would be required to count against this ceiling: *Provided further*, That funds may be made available notwithstanding the requirements of this section if the President determines and certifies to the Committees on Appropriations that it is important to the national security interest of the United States to do so and any such additional funds shall only be provided through the regular notification procedures of the Committees on Appropriations.

ENTERPRISE FUND RESTRICTIONS

SEC. 572. Prior to the distribution of any assets resulting from any liquidation, dissolution, or winding up of an Enterprise Fund, in whole or in part, the President shall submit to the Committees on Appropriations, in accordance with the regular notification procedures of the Committees on Appropriations, a plan for the distribution of the assets of the Enterprise Fund.

CAMBODIA

SEC. 573. (a) The Secretary of the Treasury should instruct the United States executive directors of the international financial institutions to use the voice and vote of the United States to oppose loans to the Central Government of Cambodia, except loans to support basic human needs.

(b) None of the funds appropriated by this Act may be made available for assistance for the Central Government of Cambodia.

CUSTOMS ASSISTANCE

SEC. 574. Section 660(b) of the Foreign Assistance Act of 1961 is amended by—

(1) striking the period at the end of paragraph (6) and in lieu thereof inserting a semicolon; and

(2) adding the following new paragraph:

"(7) with respect to assistance provided to customs authorities and personnel, including training, technical assistance and equipment, for customs law enforcement and the improvement of customs laws, systems and procedures.".

FOREIGN MILITARY TRAINING REPORT

SEC. 575. (a) The Secretary of Defense and the Secretary of State shall jointly provide to the Congress by March 1, 2000, a report on all military training provided to foreign military personnel (excluding sales, and excluding training provided to the military personnel of countries belonging to the North Atlantic Treaty Organization) under programs administered by the Department of Defense and the Department of State during fiscal years 1999 and 2000, including those proposed for fiscal year 2000. This report shall include, for each such military training activity, the foreign policy justification and purpose for the training activity, the cost of the training activity, the number of foreign students trained and their units of operation, and the location of the training. In addition, this report shall also include, with respect to United States personnel, the operational benefits to United States forces derived from each such training activity and the United States military units involved in each such training activity. This report may include a classified annex if deemed necessary and appropriate.

(b) For purposes of this section a report to Congress shall be deemed to mean a report to the Appropriations and Foreign Relations Committees of the Senate and the Appropriations and International Relations Committees of the House of Representatives.

KOREAN PENINSULA ENERGY DEVELOPMENT ORGANIZATION

SEC. 576. (a) Of the funds made available under the heading "Nonproliferation, Antiterrorism, Demining and Related Programs", not to exceed $35,000,000 may be made available for the Korean Peninsula Energy Development Organization (hereafter referred to in this section as "KEDO"), notwithstanding any other provision of law, only for the administrative expenses and heavy fuel oil costs associated with the Agreed Framework.

(b) Of the funds made available for KEDO, up to $15,000,000 may be made available prior to June 1, 2000, if, 30 days prior to such obligation of funds, the President certifies and so reports to Congress that—

(1) the parties to the Agreed Framework have taken and continue to take demonstrable steps to implement the Joint Declaration on Denuclearization of the Korean Peninsula in which the Government of North Korea has committed not to test, manufacture, produce, receive, possess, store, deploy, or use nuclear weapons, and not to possess nuclear reprocessing or uranium enrichment facilities;

(2) the parties to the Agreed Framework have taken and continue to take demonstrable steps to pursue the North-South dialogue;

(3) North Korea is complying with all provisions of the Agreed Framework;

(4) North Korea has not diverted assistance provided by the United States for purposes for which it was not intended; and

(5) North Korea is not seeking to develop or acquire the capability to enrich uranium, or any additional capability to reprocess spent nuclear fuel.

(c) Of the funds made available for KEDO, up to $20,000,000 may be made available on or after June 1, 2000, if, 30 days prior to such obligation of funds, the President certifies and so reports to Congress that—

(1) the effort to can and safely store all spent fuel from North Korea's graphite-moderated nuclear reactors has been successfully concluded;

(2) North Korea is complying with its obligations under the agreement regarding access to suspect underground construction;

(3) North Korea has terminated its nuclear weapons program, including all efforts to acquire, develop, test, produce, or deploy such weapons; and

(4) the United States has made and is continuing to make significant progress on eliminating the North Korean ballistic missile threat, including further missile tests and its ballistic missile exports.

(d) The President may waive the certification requirements of subsections (b) and (c) if the President determines that it is vital to the national security interests of the United States and provides written policy justifications to the appropriate congressional committees prior to his exercise of such waiver. No funds may be obligated for KEDO until 30 days after submission to Congress of such waiver.

(e) The Secretary of State shall submit to the appropriate congressional committees a report (to be submitted with the annual presentation for appropriations) providing a full and detailed accounting of the fiscal year 2001 request for the United States contribution to KEDO, the expected operating budget of the KEDO, to include unpaid debt, proposed annual costs associated with heavy fuel oil purchases, and the amount of funds pledged by other donor nations and organizations to support KEDO activities on a per country basis, and other related activities.

AFRICAN DEVELOPMENT FOUNDATION

SEC. 577. Funds made available to grantees of the African Development Foundation may be invested pending expenditure for project purposes when authorized by the President of the Foundation: *Provided*, That interest earned shall be used only for the purposes for which the grant was made: *Provided further*, That this authority applies to interest earned both prior to and following enactment of this provision: *Provided further*, That notwithstanding section 505(a)(2) of the African Development Foundation Act, in exceptional circumstances the board of directors of the Foundation may waive the $250,000 limitation contained in that section with respect to a project: *Provided further*, That the Foundation shall provide a report to the Committees on Appropriations in advance of exercising such waiver authority.

PROHIBITION ON ASSISTANCE TO THE PALESTINIAN BROADCASTING CORPORATION

SEC. 578. None of the funds appropriated or otherwise made available by this Act may be used to provide equipment, technical support, consulting services, or any other form of assistance to the Palestinian Broadcasting Corporation.

VOLUNTARY SEPARATION INCENTIVES FOR EMPLOYEES OF THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

SEC. 579. (a) DEFINITIONS.—For the purposes of this section—

(1) the term "agency" means the United States Agency for International Development;

(2) the term "Administrator" means the Administrator, United States Agency for International Development; and

(3) the term "employee" means an employee (as defined by section 2105 of title 5, United States Code) who is employed by the agency, is serving under an appointment without time limitation, and has been currently employed for a continuous period of at least 3 years, but does not include—

(A) a reemployed annuitant under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, or another retirement system for employees of the agency;

(B) an employee having a disability on the basis of which such employee is or would be eligible for disability retirement under the applicable retirement system referred to in subparagraph (A);

(C) an employee who is to be separated involuntarily for misconduct or unacceptable performance, and to whom specific notice has been given with respect to that separation;

(D) an employee who has previously received any voluntary separation incentive payment by the Government of the United States under this section or any other authority and has not repaid such payment;

(E) an employee covered by statutory reemployment rights who is on transfer to another organization; or

(F) any employee who, during the 24-month period preceding the date of separation, received a recruitment or relocation bonus under section 5753 of title 5, United States Code, or who, within the 12-month period preceding the date of separation, received a retention allowance under section 5754 of such title 5.

(b) AGENCY STRATEGIC PLAN.—

(1) IN GENERAL.—The Administrator, before obligating any resources for voluntary separation incentive payments under this section, shall submit to the Committees on Appropriations and the Office of Management and Budget a strategic plan outlining the intended use of such incentive payments and a proposed organizational chart for the agency once such incentive payments have been completed.

(2) CONTENTS.—The agency's plan shall include—

(A) the positions and functions to be reduced or eliminated, identified by organizational unit, geographic location, occupational category and grade level;

(B) the number and amounts of voluntary separation incentive payments to be offered;

(C) a description of how the agency will operate without the eliminated positions and functions; and

(D) the time period during which incentives may be paid.

(3) APPROVAL.—The Director of the Office of Management and Budget shall review the agency's plan and approve or disapprove the plan and may make appropriate modifications in the plan with respect to the coverage of incentives as described under paragraph (2)(A), and with respect to the matters described in paragraphs (2) (B) through (D).

(c) AUTHORITY TO PROVIDE VOLUNTARY SEPARATION INCENTIVE PAYMENTS.—

(1) IN GENERAL.—A voluntary separation incentive payment under this section may be paid by the agency to employees of such agency and only to the extent necessary to eliminate the positions and functions identified by the strategic plan.

(2) AMOUNT AND TREATMENT OF PAYMENTS.—A voluntary separation incentive payment under this section—

(A) shall be paid in a lump sum after the employee's separation;

(B) shall be paid from appropriations or funds available for the payment of the basic pay of the employees;

(C) shall be equal to the lesser of—

(i) an amount equal to the amount the employee would be entitled to receive under section 5595(c) of title 5, United States Code, if the employee were entitled to payment under such section; or

(ii) an amount determined by the agency head not to exceed $25,000;

(D) may not be made except in the case of any employee who voluntarily separates (whether by retirement or resignation) on or before December 31, 2000;

(E) shall not be a basis for payment, and shall not be included in the computation, of any other type of Government benefit; and

(F) shall not be taken into account in determining the amount of any severance pay to which the employee may be entitled under section 5595 of title 5, United States Code, based on any other separation.

(d) ADDITIONAL AGENCY CONTRIBUTIONS TO THE RETIREMENT FUND.—

(1) IN GENERAL.—In addition to any other payments which it is required to make under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, the agency shall remit to the Office of Personnel Management for deposit in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund an amount equal to 15 percent of the final basic pay of each employee of the agency who is covered under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, to whom a voluntary separation incentive has been paid under this section.

(2) DEFINITION.—For the purpose of paragraph (1), the term "final basic pay", with respect to an employee, means the total amount of basic pay which would be payable for a year of service by such employee, computed using the employee's final rate of basic pay, and, if last serving on other than a full-time basis, with appropriate adjustment therefor.

(e) EFFECT OF SUBSEQUENT EMPLOYMENT WITH THE GOVERNMENT.—

(1) An individual who has received a voluntary separation incentive payment under this section and accepts any employment for compensation with the Government of the United States, or who works for any agency of the Government of the United States through a personal services contract, within 5 years after the date of the separation on which the payment is based shall be required to pay, prior to the individual's first day of employment, the entire amount of the incentive payment to the agency that paid the incentive payment.

(2) If the employment under paragraph (1) is with an Executive agency (as defined by section 105 of title 5, United States Code), the United States Postal Service, or the Postal Rate Commission, the Director of the Office of Personnel Management may, at the request of the head of the agency, waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position.

(3) If the employment under paragraph (1) is with an entity in the legislative branch, the head of the entity or the appointing official may waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position.

(4) If the employment under paragraph (1) is with the judicial branch, the Director of the Administrative Office of the United States Courts may waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant for the position.

(f) REDUCTION OF AGENCY EMPLOYMENT LEVELS.—

(1) IN GENERAL.—The total number of funded employee positions in the agency shall be reduced by one position for each vacancy created by the separation of any employee who has received, or is due to receive, a voluntary separation incentive payment under this section. For the purposes of this subsection, positions shall be counted on a full-time-equivalent basis.

(2) ENFORCEMENT.—The President, through the Office of Management and Budget, shall monitor the agency and take any action necessary to ensure that the requirements of this subsection are met.

(g) REGULATIONS.—The Office of Personnel Management may prescribe such regulations as may be necessary to implement this section.

IRAQ OPPOSITION

SEC. 580. Notwithstanding any other provision of law, of the funds appropriated under the heading "Economic Support Fund", $10,000,000 shall be made available to support efforts to bring about political transition in Iraq, of which not less than $8,000,000 shall be made available only to Iraqi opposition groups designated under the Iraq Liberation Act (Public Law 105–338) for political, economic, humanitarian, and other activities of such groups, and not more than $2,000,000 may be made available for groups and activities seeking the prosecution of Saddam Hussein and other Iraqi government officials for war crimes.

AGENCY FOR INTERNATIONAL DEVELOPMENT BUDGET SUBMISSION

SEC. 581. Beginning with the fiscal year 2001 budget, the Agency for International Development shall submit to the Committees on Appropriations a detailed budget for each fiscal year. The Agency shall submit to the Committees on Appropriations a proposed budget format no later than October 31, 1999, or 30 days after the enactment of this Act, whichever occurs later. The proposed format shall include how the Agency's budget submission will address: estimated levels of obligations for the current fiscal year and actual levels for the two previous fiscal years; the President's request for new budget authority and estimated carryover obligational authority for the budget year; the disaggregation of budget data by program and activity for each bureau, field mission, and central office; and staff levels identified by program.

AMERICAN CHURCHWOMEN IN EL SALVADOR

SEC. 582. (a) Information relevant to the December 2, 1980 murders of four American churchwomen in El Salvador shall be made public to the fullest extent possible.

(b) The Secretary of State and the Department of State are to be commended for fully releasing information regarding the murders.

(c) The President shall order all Federal agencies and departments that possess relevant information to make every effort to declassify and release to the victims' families relevant information as expeditiously as possible.

(d) In making determinations concerning the declassification and release of relevant information, the Federal agencies and departments shall presume in favor of releasing, rather than of withholding, such information.

(e) Not later than 45 days after the date of the enactment of this Act, the Attorney General shall provide a report to the Committees on Appropriations describing in detail the circumstances under which individuals involved in the murders or the cover-up of the murders obtained residence in the United States.

KYOTO PROTOCOL

SEC. 583. None of the funds appropriated by this Act shall be used to propose or issue rules, regulations, decrees, or orders for the purpose of implementation, or in preparation for implementation, of the Kyoto Protocol, which was adopted on December 11, 1997, in Kyoto, Japan, at the Third Conference of the Parties to the United States Framework Convention on Climate Change, which has not been submitted to the Senate for advice and consent to ratification pursuant to article II, section 2, clause 2, of the United States Constitution, and which has not entered into force pursuant to article 25 of the Protocol.

ADDITIONAL REQUIREMENTS RELATING TO STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

SEC. 584. (a) VALUE OF ADDITIONS TO STOCKPILES.—Section 514(b)(2)(A) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321h(b)(2)(A)) is amended by striking the following: "$50,000,000 for each of the fiscal years 1996 and 1997, $60,000,000 for fiscal year 1998, and" and inserting in lieu thereof before the period at the end, the following: "and $60,000,000 for fiscal year 2000".

(b) REQUIREMENTS RELATING TO THE REPUBLIC OF KOREA AND THAILAND.—Section 514(b)(2)(B) of such Act (22 U.S.C. 2321h(b)(2)(B)) is amended by striking the following: "Of the amount specified in subparagraph (A) for each of the fiscal years 1996 and 1997, not more than $40,000,000 may be made available for stockpiles in the Republic of Korea and not more than $10,000,000 may be made available for stockpiles in Thailand. Of the amount specified in subparagraph (A) for fiscal year 1998, not more than $40,000,000 may be made available for stockpiles in the Republic of Korea and not more than $20,000,000 may be made available for stockpiles in Thailand."; and at the end inserting the following sentence: "Of the amount specified in subparagraph (A) for fiscal year 2000, not more than $40,000,000 may be made available for stockpiles in the Republic of Korea and not more than $20,000,000 may be made available for stockpiles in Thailand.".

RUSSIAN LEADERSHIP PROGRAM

SEC. 585. Section 3011 of the 1999 Emergency Supplemental Appropriations Act (Public Law 106–31; 113 Stat. 93) is amended—

(1) by striking "fiscal year 1999" in subsections (a)(1), (b)(4)(B), (d)(3), and (h)(1)(A) and inserting "fiscal years 1999 and 2000"; and

(2) by striking "2000" in subsection (a)(2), (e)(1), and (h)(1)(B) and inserting "2001".

ABOLITION OF THE INTER-AMERICAN FOUNDATION

SEC. 586. (a) DEFINITIONS.—In this section:

(1) DIRECTOR.—The term "Director" means the Director of the Office of Management and Budget.

(2) FOUNDATION.—The term "Foundation" means the Inter-American Foundation.

(3) FUNCTION.—The term "function" means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program.

(b) ABOLITION OF INTER-AMERICAN FOUNDATION.—During fiscal year 2000, the President is authorized to abolish the Inter-American Foundation. The provisions of this section shall only be effective upon the effective date of the abolition of the Inter-American Foundation.

(c) TERMINATION OF FUNCTIONS.—

(1) Except as provided in subsection (d)(2), there are terminated upon the abolition of the Foundation all functions vested in, or exercised by, the Foundation or any official thereof, under any statute, reorganization plan, Executive order, or other provisions of law, as of the day before the effective date of this section.

(2) REPEAL.—Section 401 of the Foreign Assistance Act of 1969 (22 U.S.C. 6290f) is repealed upon the effective date specified in subsection (j).

(3) FINAL DISPOSITION OF FUNDS.—Upon the date of transmittal to Congress of the certification described in subsection (d)(4), all unexpended balances of appropriations of the Foundation shall be deposited in the miscellaneous receipts account of the Treasury of the United States.

(d) RESPONSIBILITIES OF THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET.—

(1) IN GENERAL.—The Director of the Office of Management and Budget shall be responsible for—

(A) the administration and wind-up of any outstanding obligation of the Federal Government under any contract or agreement entered into by the Foundation before the date of the enactment of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000, except that the authority of this subparagraph does not include the renewal or extension of any such contract or agreement; and

(B) taking such other actions as may be necessary to wind-up any outstanding affairs of the Foundation.

(2) TRANSFER OF FUNCTIONS TO THE DIRECTOR.—There are transferred to the Director such functions of the Foundation under any statute, reorganization plan, Executive order, or other provision of law, as of the day before the date of the enactment of this section, as may be necessary to carry out the responsibilities of the Director under paragraph (1).

(3) AUTHORITIES OF THE DIRECTOR.—For purposes of performing the functions of the Director under paragraph (1) and subject to the availability of appropriations, the Director may—

(A) enter into contracts;

(B) employ experts and consultants in accordance with section 3109 of title 5, United States Code, at rates for individuals not to exceed the per diem rate equivalent to the rate for level IV of the Executive Schedule; and

(C) utilize, on a reimbursable basis, the services, facilities, and personnel of other Federal agencies.

(4) CERTIFICATION REQUIRED.—Whenever the Director determines that the responsibilities described in paragraph (1) have been fully discharged, the Director shall so certify to the appropriate congressional committees.

(e) REPORT TO CONGRESS.—The Director of the Office of Management and Budget shall submit to the appropriate congressional committees a detailed report in writing regarding all matters relating to the abolition and termination of the Foundation. The report shall be submitted not later than 90 days after the termination of the Foundation.

(f) TRANSFER AND ALLOCATION OF APPROPRIATIONS.—Except as otherwise provided in this section, the assets, liabilities (including contingent liabilities arising from suits continued with a substitution or addition of parties under subsection (g)(3)), contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions, terminated by subsection (c)(1) or transferred by subsection (d)(2) shall be transferred to the Director for purposes of carrying out the responsibilities described in subsection (d)(1).

(g) SAVINGS PROVISIONS.—

(1) CONTINUING LEGAL FORCE AND EFFECT.—All orders, determinations, rules, regulations, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges, and other administrative actions—

(A) that have been issued, made, granted, or allowed to become effective by the Foundation in the performance of functions that are terminated or transferred under this section; and

(B) that are in effect as of the date of the abolition of the Foundation, or were final before such date and are to become effective on or after such date,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the Director, or other authorized official, a court of competent jurisdiction, or by operation of law.

(2) NO EFFECT ON JUDICIAL OR ADMINISTRATIVE PROCEEDINGS.—Except as otherwise provided in this section—

(A) the provisions of this section shall not affect suits commenced prior to the date of abolition of the Foundation; and

(B) in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and effect as if this section had not been enacted.

(3) NONABATEMENT OF PROCEEDINGS.—No suit, action, or other proceeding commenced by or against any officer in the official capacity of such individual as an officer of the Foundation shall abate by reason of the enactment of this section. No cause of action by or against the Foundation, or by or against any officer thereof in the official capacity of such officer, shall abate by reason of the enactment of this section.

(4) CONTINUATION OF PROCEEDING WITH SUBSTITUTION OF PARTIES.—If, before the date of the abolition of the Foundation, the Foundation, or officer thereof in the official capacity of such officer, is a party to a suit, then effective on such date such suit shall be continued with the Director substituted or added as a party.

(5) REVIEWABILITY OF ORDERS AND ACTIONS UNDER TRANSFERRED FUNCTIONS.—Orders and actions of the Director in the exercise of functions terminated or transferred under this section shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been taken by the Foundation immediately preceding their termination or transfer. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function transferred by this section shall apply to the exercise of such function by the Director.

(h) CONFORMING AMENDMENTS.—

(1) AFRICAN DEVELOPMENT FOUNDATION.—Section 502 of the International Security and Development Cooperation Act of 1980 (22 U.S.C. 290h) is amended—

(A) by inserting "and" at the end of paragraph (2);

(B) by striking the semicolon at the end of paragraph (3) and inserting a period; and

(C) by striking paragraphs (4) and (5).

(2) SOCIAL PROGRESS TRUST FUND AGREEMENT.—Section 36 of the Foreign Assistance Act of 1973 is amended—

(A) in subsection (a)—

(i) by striking "provide for" and all that follows through "(2) utilization" and inserting "provide for the utilization"; and

(ii) by striking "member countries;" and all that follows through "paragraph (2)" and inserting "member countries.";

(B) in subsection (b), by striking "transfer or";

(C) by striking subsection (c);

(D) by redesignating subsection (d) as subsection (c); and

(E) in subsection (c) (as so redesignated), by striking "transfer or".

(3) FOREIGN ASSISTANCE ACT OF 1961.—Section 222A(d) of the Foreign Assistance Act of 1961 (22 U.S.C. 2182a(d)) is repealed.

(i) DEFINITION.—In this section, the term "appropriate congressional committees" means the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on International Relations of the House of Representatives.

(j) EFFECTIVE DATES.—The repeal made by subsection (c)(2) and the amendments made by subsection (h) shall take effect upon the date of transmittal to Congress of the certification described in subsection (d)(4).

WEST BANK AND GAZA PROGRAM

SEC. 587. For fiscal year 2000, 30 days prior to the initial obligation of funds for the bilateral West Bank and Gaza Program, the Secretary of State shall certify to the appropriate committees of Congress that procedures have been established to assure the Comptroller General of the United States will have access to appropriate United States financial information in order to review the uses of United States assistance for the Program funded under the heading "Economic Support Fund" for the West Bank and Gaza.

HUMAN RIGHTS ASSISTANCE

SEC. 588. Of the funds made available under the heading "International Narcotics Control and Law Enforcement", up to $500,000 should be made available to support the activities of Colombian nongovernmental organizations involved in human rights monitoring.

INDONESIA REPORTING REQUIREMENT

SEC. 589. Notwithstanding any other provision of this Act, none of the funds appropriated under the headings "Economic Support Fund", "International Military Education and Training", or "Foreign Military Financing Program" may be obligated for Indonesia unless the Committees on Appropriations are advised in writing 20 days prior to each such proposed obligation.

MAN AND THE BIOSPHERE

SEC. 590. None of the funds appropriated or otherwise made available by this Act may be provided for the United Nations Man and the Biosphere Program or the United Nations World Heritage Fund.

IMMUNITY OF FEDERAL REPUBLIC OF YUGOSLAVIA

SEC. 591. (a) Subject to subsection (b), the Federal Republic of Yugoslavia shall be deemed to be a state sponsor of terrorism for the purposes of 28 U.S.C. 1605(a)(7).

(b) This section shall not apply to Montenegro or Kosova.

(c) This section shall become null and void when the President certifies in writing to the Congress that the Federal Republic of Yugoslavia (other than Montenegro and Kosova) has completed a democratic reform process that results in a newly elected government that respects the rights of ethnic minorities, is committed to the rule of law and respects the sovereignty of its neighbor states.

(d) The certification provided for in subsection (c) shall not affect the continuation of litigation commenced against the Federal Republic of Yugoslavia prior to its fulfillment of the conditions in subsection (c).

UNITED STATES ASSISTANCE POLICY FOR OPPOSITION-CONTROLLED AREAS OF SUDAN

SEC. 592. (a) Notwithstanding any other provision of law, the President, acting through appropriate federal agencies, may provide food assistance to groups engaged in the protection of civilian populations from attacks by regular government of Sudan forces, associated militias, or other paramilitary groups supported by the government of Sudan. Such assistance may only be provided in a way that: (1) does not endanger, compromise or otherwise reduce the United States' support for unilateral, multilateral or private humanitarian operations or the beneficiaries of those operations; or (2) compromise any ongoing or future people-to-people reconciliation efforts. Any such assistance shall be provided separate from and not in proximity to current humanitarian efforts, both within Operation Lifeline Sudan or outside of Operation Lifeline Sudan, or any other current or future humanitarian operations which serve noncombatants. In considering eligibility of potential recipients, the President shall determine that the group respects human rights, democratic principles, and the integrity of ongoing humanitarian operations, and cease such assistance if the determination can no longer be made.

(b) Not later than February 1, 2000, the President shall submit to the Committees on Appropriations a report on United States bilateral assistance to opposition-controlled areas of Sudan. Such report shall include—

(1) an accounting of United States bilateral assistance to opposition-controlled areas of Sudan, provided in fiscal years 1997, 1998, 1999, and proposed for fiscal year 2000, and the goals and objectives of such assistance;

(2) the policy implications and costs, including logistics and administrative costs, associated with providing humanitarian assistance, including food, directly to National Democratic Alliance participants and the Sudanese People's Liberation Movement operating outside of the United Nations' Operation Lifeline Sudan structure, and the United States agencies best suited to administer these activities; and

(3) the policy implications of increasing substantially the amount of development assistance for democracy promotion, civil administration, judiciary, and infrastructure support in opposition-controlled areas of Sudan and the obstacles to administering a development assistance program in this region.

CONSULTATIONS ON ARMS SALES TO TAIWAN

SEC. 593. Consistent with the intent of Congress expressed in the enactment of section 3(b) of the Taiwan Relations Act, the Secretary of State shall consult with the appropriate committees and leadership of Congress to devise a mechanism to provide for congressional input prior to making any determination on the nature or quantity of defense articles and services to be made available to Taiwan.

AUTHORIZATIONS

SEC. 594. The Secretary of the Treasury may, to fulfill commitments of the United States: (1) effect the United States participation in the first general capital increase of the Multilateral Investment Guarantee Agency, and the first general capital increase of the Inter-American Investment Corporation; and (2) contribute on behalf of the United States to the eighth replenishment of the resources of the African Development Fund and the twelfth replenishment of the International Development Association. The following amounts are authorized to be appropriated without fiscal year limitation for payment by the Secretary of the Treasury: $29,870,087 for paid-in capital, and $139,365,533 for callable capital, of the Multilateral Investment Guarantee Agency; $125,180,000 for paid-in capital of the Inter-American Investment Corporation; $300,000,000 for the African Development Fund; and $2,410,000,000 for the International Development Association.

ASSISTANCE FOR COSTA RICA

SEC. 595. Of the funds appropriated by Public Law 106–31, under the heading "Central America and the Caribbean Emergency Disaster Recovery Fund", $8,000,000 shall be made available only for Costa Rica.

SILK ROAD STRATEGY ACT OF 1999

SEC. 596. (a) SHORT TITLE.—This section may be cited as the "Silk Road Strategy Act of 1999".

(b) AMENDMENT OF THE FOREIGN ASSISTANCE OF 1961.—Part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) is amended by adding at the end the following new chapter:

"CHAPTER 12—SUPPORT FOR THE ECONOMIC AND POLITICAL INDEPENDENCE OF THE COUNTRIES OF THE SOUTH CAUCASUS AND CENTRAL ASIA

"SEC. 499. UNITED STATES ASSISTANCE TO PROMOTE RECONCILIATION AND RECOVERY FROM REGIONAL CONFLICTS.

"(a) PURPOSE OF ASSISTANCE.—The purposes of assistance under this section include—

"(1) the creation of the basis for reconciliation between belligerents;

"(2) the promotion of economic development in areas of the countries of the South Caucasus and Central Asia impacted by civil conflict and war; and

"(3) the encouragement of broad regional cooperation among countries of the South Caucasus and Central Asia that have been destabilized by internal conflicts.

"(b) AUTHORIZATION FOR ASSISTANCE.—

"(1) IN GENERAL.—To carry out the purposes of subsection (a), the President is authorized to provide humanitarian assistance and economic reconstruction assistance for the countries of the South Caucasus and Central Asia to support the activities described in subsection (c).

"(2) DEFINITION OF HUMANITARIAN ASSISTANCE.—In this subsection, the term 'humanitarian assistance' means assistance to meet humanitarian needs, including needs for food, medicine, medical supplies and equipment, education, and clothing.

"(c) ACTIVITIES SUPPORTED.—Activities that may be supported by assistance under subsection (b) include—

"(1) providing for the humanitarian needs of victims of the conflicts;

"(2) facilitating the return of refugees and internally displaced persons to their homes; and

"(3) assisting in the reconstruction of residential and economic infrastructure destroyed by war.

"SEC. 499A. ECONOMIC ASSISTANCE.

"(a) PURPOSE OF ASSISTANCE.—The purpose of assistance under this section is to foster economic growth and development, including the conditions necessary for regional economic cooperation, in the South Caucasus and Central Asia.

"(b) AUTHORIZATION FOR ASSISTANCE.—To carry out the purpose of subsection (a), the President is authorized to provide assistance for the countries of the South Caucasus and Central Asia to support the activities described in subsection (c).

"(c) ACTIVITIES SUPPORTED.—In addition to the activities described in section 498, activities supported by assistance under subsection (b) should support the development of the structures and means necessary for the growth of private sector economies based upon market principles.

"SEC. 499B. DEVELOPMENT OF INFRASTRUCTURE.

"(a) PURPOSE OF PROGRAMS.—The purposes of programs under this section include—

"(1) to develop the physical infrastructure necessary for regional cooperation among the countries of the South Caucasus and Central Asia; and

"(2) to encourage closer economic relations and to facilitate the removal of impediments to cross-border commerce among those countries and the United States and other developed nations.

"(b) AUTHORIZATION FOR PROGRAMS.—To carry out the purposes of subsection (a), the following types of programs for the countries of the South Caucasus and Central Asia may be used to support the activities described in subsection (c):

"(1) Activities by the Export-Import Bank to complete the review process for eligibility for financing under the Export-Import Bank Act of 1945.

"(2) The provision of insurance, reinsurance, financing, or other assistance by the Overseas Private Investment Corporation.

"(3) Assistance under section 661 of this Act (relating to the Trade and Development Agency).

"(c) ACTIVITIES SUPPORTED.—Activities that may be supported by programs under subsection (b) include promoting actively the participation of United States companies and investors in the planning, financing, and construction of infrastructure for communications, transportation, including air transportation, and energy and trade including highways, railroads, port facilities, shipping, banking, insurance, telecommunications networks, and gas and oil pipelines.

"SEC. 499C. BORDER CONTROL ASSISTANCE.

"(a) PURPOSE OF ASSISTANCE.—The purpose of assistance under this section includes the assistance of the countries of the South Caucasus and Central Asia to secure their borders and implement effective controls necessary to prevent the trafficking of illegal narcotics and the proliferation of technology and materials related to weapons of mass destruction (as defined in section 2332a(c)(2) of title 18, United States Code), and to contain and inhibit transnational organized criminal activities.

"(b) AUTHORIZATION FOR ASSISTANCE.—To carry out the purpose of subsection (a), the President is authorized to provide assistance to the countries of the South Caucasus and Central Asia to support the activities described in subsection (c).

"(c) ACTIVITIES SUPPORTED.—Activities that may be supported by assistance under subsection (b) include assisting those countries of the South Caucasus and Central Asia in developing capabilities to maintain national border guards, coast guard, and customs controls.

"SEC. 499D. STRENGTHENING DEMOCRACY, TOLERANCE, AND THE DEVELOPMENT OF CIVIL SOCIETY.

"(a) PURPOSE OF ASSISTANCE.—The purpose of assistance under this section is to promote institutions of democratic government and to create the conditions for the growth of pluralistic societies, including religious tolerance and respect for internationally recognized human rights.

"(b) AUTHORIZATION FOR ASSISTANCE.—To carry out the purpose of subsection (a), the President is authorized to provide the following types of assistance to the countries of the South Caucasus and Central Asia:

"(1) Assistance for democracy building, including programs to strengthen parliamentary institutions and practices.

"(2) Assistance for the development of nongovernmental organizations.

"(3) Assistance for development of independent media.

"(4) Assistance for the development of the rule of law, a strong independent judiciary, and transparency in political practice and commercial transactions.

"(5) International exchanges and advanced professional training programs in skill areas central to the development of civil society.

"(6) Assistance to promote increased adherence to civil and political rights under section 116(e) of this Act.

"(c) ACTIVITIES SUPPORTED.—Activities that may be supported by assistance under subsection (b) include activities that are designed to advance progress toward the development of democracy.

"SEC. 499E. ADMINISTRATIVE AUTHORITIES.

"(a) ASSISTANCE THROUGH GOVERNMENTS AND NONGOVERNMENTAL ORGANIZATIONS.—Assistance under this chapter may be provided to governments or through nongovernmental organizations.

"(b) USE OF ECONOMIC SUPPORT FUNDS.—Except as otherwise provided, any funds that have been allocated under chapter 4 of part II for assistance for the independent states of the former Soviet Union may be used in accordance with the provisions of this chapter.

"(c) TERMS AND CONDITIONS.—Assistance under this chapter shall be provided on such terms and conditions as the President may determine.

"(d) AVAILABLE AUTHORITIES.—The authority in this chapter to provide assistance for the countries of the South Caucasus and Central Asia is in addition to the authority to provide such assistance under the FREEDOM Support Act (22 U.S.C. 5801 et seq.) or any other Act, and the authorities applicable to the provision of assistance under chapter 11 may be used to provide assistance under this chapter.

"SEC. 499F. DEFINITIONS.

"In this chapter:

"(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term 'appropriate congressional committees' means the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives.

"(2) COUNTRIES OF THE SOUTH CAUCASUS AND CENTRAL ASIA.—The term 'countries of the South Caucasus and Central Asia' means Armenia, Azerbaijan, Georgia, Kazakstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan.".

(c) CONFORMING AMENDMENTS.—Section 102(a) of the FREEDOM Support Act (Public Law 102–511) is amended in paragraphs (2) and (4) by striking each place it appears "this Act)" and inserting "this Act and chapter 12 of part I of the Foreign Assistance Act of 1961)".

(d) ANNUAL REPORT.—Section 104 of the FREEDOM Support Act (22 U.S.C. 5814) is amended—

(1) by striking "and" at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(5) with respect to the countries of the South Caucasus and Central Asia—

"(A) an identification of the progress made by the United States in accomplishing the policy described in section 3 of the Silk Road Strategy Act of 1999;

"(B) an evaluation of the degree to which the assistance authorized by chapter 12 of part I of the Foreign Assistance Act of 1961 has accomplished the purposes identified in that chapter;

"(C) a description of the progress being made by the United States to resolve trade disputes registered with and raised by the United States embassies in each country, and to negotiate a bilateral agreement relating to the protection of United States direct investment in, and other business interests with, each country; and

"(D) recommendations of any additional initiatives that should be undertaken by the United States to implement the policy and purposes contained in the Silk Road Strategy Act of 1999.".

COUNTRY REPORTS ON HUMAN RIGHTS PRACTICES

SEC. 597. Section 116 of the Foreign Assistance Act of 1961 is amended by adding the following new subsection:

"(f)(1) The report required by subsection (d) shall include—

"(A) a list of foreign states where trafficking in persons, especially women and children, originates, passes through, or is a destination; and

"(B) an assessment of the efforts by the governments of the states described in paragraph (A) to combat trafficking. Such an assessment shall address—

"(i) whether government authorities in each such state tolerate or are involved in trafficking activities;

"(ii) which government authorities in each such state are involved in anti-trafficking activities;

"(iii) what steps the government of each such state has taken to prohibit government officials and other individuals from participating in trafficking, including the investigation, prosecution, and conviction of individuals involved in trafficking;

"(iv) what steps the government of each such state has taken to assist trafficking victims;

"(v) whether the government of each such state is cooperating with governments of other countries to extradite traffickers when requested;

"(vi) whether the government of each such state is assisting in international investigations of transnational trafficking networks; and

"(vii) whether the government of each such state refrains from prosecuting trafficking victims or refrains from other discriminatory treatment towards victims.

"(2) In compiling data and assessing trafficking for the purposes of paragraph (1), United States Diplomatic Mission personnel shall consult with human rights and other appropriate nongovernmental organizations.

"(3) For purposes of this subsection—

"(A) the term 'trafficking' means the use of deception, coercion, debt bondage, the threat of force, or the abuse of authority to recruit, transport within or across borders, purchase, sell, transfer, receive, or harbor a person for the purposes of placing or holding such person, whether for pay or not, in involuntary servitude, slavery or slavery-like conditions, or in forced, bonded, or coerced labor;

"(B) the term 'victim of trafficking' means any person subjected to the treatment described in subparagraph (A).".

OPIC MARITIME FUND

SEC. 598. It is the sense of the Congress that the Overseas Private Investment Corporation shall within one year from the date of the enactment of this Act select a fund manager for the purpose of creating a maritime fund with total capitalization of up to $200,000,000. This fund shall leverage United States commercial maritime expertise to support international maritime projects.

SANCTIONS AGAINST SERBIA

SEC. 599. (a) CONTINUATION OF EXECUTIVE BRANCH SANCTIONS.—The sanctions listed in subsection (b) shall remain in effect for fiscal year 2000, unless the President submits to the Committees on Appropriations and Foreign Relations in the Senate and the Committees on Appropriations and International Relations of the House of Representatives a certification described in subsection (c).

(b) APPLICABLE SANCTIONS.—

(1) The Secretary of the Treasury shall instruct the United States executive directors of the international financial institutions to work in opposition to, and vote against, any extension by such institutions of any financial or technical assistance or grants of any kind to the government of Serbia.

(2) The Secretary of State should instruct the United States Ambassador to the Organization for Security and Cooperation in Europe (OSCE) to block any consensus to allow the participation of Serbia in the OSCE or any organization affiliated with the OSCE.

(3) The Secretary of State should instruct the United States Representative to the United Nations to vote against any resolution in the United Nations Security Council to admit Serbia to the United Nations or any organization affiliated with the United Nations, to veto any resolution to allow Serbia to assume the United Nations' membership of the former Socialist Federal Republic of Yugoslavia, and to take action to prevent Serbia from assuming the seat formerly occupied by the Socialist Federal Republic of Yugoslavia.

(4) The Secretary of State should instruct the United States Permanent Representative on the Council of the North Atlantic Treaty Organization to oppose the extension of the Partnership for Peace program or any other organization affiliated with NATO to Serbia.

(5) The Secretary of State should instruct the United States Representatives to the Southeast European Cooperative Initiative (SECI) to oppose and to work to prevent the extension of SECI membership to Serbia.

(c) CERTIFICATION.—A certification described in this subsection is a certification that—

(1) the representatives of the successor states to the Socialist Federal Republic of Yugoslavia have successfully negotiated the division of assets and liabilities and all other succession issues following the dissolution of the Socialist Federal Republic of Yugoslavia;

(2) the government of Serbia is fully complying with its obligations as a signatory to the General Framework Agreement for Peace in Bosnia and Herzegovina;

(3) the government of Serbia is fully cooperating with and providing unrestricted access to the International Criminal Tribunal for the former Yugoslavia, including surrendering persons indicted for war crimes who are within the jurisdiction of the territory of Serbia, and with the investigations concerning the commission of war crimes and crimes against humanity in Kosova;

(4) the government of Serbia is implementing internal democratic reforms; and

(5) Serbian federal governmental officials, and representatives of the ethnic Albanian community in Kosova have agreed on, signed, and begun implementation of a negotiated settlement on the future status of Kosova.

(d) STATEMENT OF POLICY.—It is the sense of the Congress that the United States should not restore full diplomatic relations with Serbia until the President submits to the Committees on Appropriations and Foreign Relations in the Senate and the Committees on Appropriations and International Relations in the House of Representatives the certification described in subsection (c).

(e) EXEMPTION OF MONTENEGRO AND KOSOVA.—The sanctions described in subsection (b) shall not apply to Montenegro or Kosova.

(f) DEFINITION.—The term "international financial institution" includes the International Monetary Fund, the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Multilateral Investment Guaranty Agency, and the European Bank for Reconstruction and Development.

(g) WAIVER AUTHORITY.—The President may waive the application in whole or in part, of any sanction described in subsection (b) if the President certifies to the Congress that the President has determined that the waiver is necessary to meet emergency humanitarian needs.

CLEAN COAL TECHNOLOGY

SEC. 599A. (a) FINDINGS.—The Congress finds as follows:

(1) The United States is the world leader in the development of environmental technologies, particularly clean coal technology.

(2) Severe pollution problems affecting people in developing countries, and the serious health problems that result from such pollution, can be effectively addressed through the application of United States technology.

(3) During the next century, developing countries, particularly countries in Asia such as China and India, will dramatically increase their consumption of electricity, and low quality coal will be a major source of fuel for power generation.

(4) Without the use of modern clean coal technology, the resultant pollution will cause enormous health and environmental problems leading to diminished economic growth in developing countries and, thus, diminished United States exports to those growing markets.

(b) STATEMENT OF POLICY.—It is the policy of the United States to promote the export of United States clean coal technology. In furtherance of that policy, the Secretary of State, the Secretary of the Treasury (acting through the United States executive directors to international financial institutions), the Secretary of Energy, and the Administrator of the United States Agency for International Development (USAID) should, as appropriate, vigorously promote the use of United States clean coal technology in environmental and energy infrastructure programs, projects and activities. Programs, projects and activities for which the use of such technology should be considered include reconstruction assistance for the Balkans, activities carried out by the Global Environment Facility, and activities funded from USAID's Development Credit Authority.

RESTRICTION ON UNITED STATES ASSISTANCE FOR CERTAIN RECONSTRUCTION EFFORTS IN THE BALKANS REGION

SEC. 599B. (a) Funds appropriated or otherwise made available by this Act for United States assistance for reconstruction efforts in the Federal Republic of Yugoslavia or any contiguous country should to the maximum extent practicable be used for the procurement of articles and services of United States origin.

(b) DEFINITIONS.—In this section:

(1) ARTICLE.—The term "article" means any agricultural commodity, steel, communications equipment, farm machinery or petrochemical refinery equipment.

(2) FEDERAL REPUBLIC OF YUGOSLAVIA.—The term "Federal Republic of Yugoslavia" includes Serbia, Montenegro and Kosova.

CONTRIBUTIONS TO UNITED NATIONS POPULATION FUND

SEC. 599C. (1) LIMITATIONS ON AMOUNT OF CONTRIBUTION.—Of the amounts made available under "International Organizations and Programs", not more than $25,000,000 for fiscal year 2000 shall be available for the United Nations Population Fund (hereinafter in this subsection referred to as the "UNFPA").

(2) PROHIBITION ON USE OF FUNDS IN CHINA.—None of the funds made available under "International Organizations and Programs" may be made available for the UNFPA for a country program in the People's Republic of China.

(3) CONDITIONS ON AVAILABILITY OF FUNDS.—Amounts made available under "International Organizations and Programs" for fiscal year 2000 for the UNFPA may not be made available to UNFPA unless—

(A) the UNFPA maintains amounts made available to the UNFPA under this section in an account separate from other accounts of the UNFPA;

(B) the UNFPA does not commingle amounts made available to the UNFPA under this section with other sums; and

(C) the UNFPA does not fund abortions.

(4) REPORT TO THE CONGRESS AND WITHHOLDING OF FUNDS.—

(A) Not later than February 15, 2000, the Secretary of State shall submit a report to the appropriate congressional committees indicating the amount of funds that the United Nations Population Fund is budgeting for the year in which the report is submitted for a country program in the People's Republic of China.

(B) If a report under subparagraph (A) indicates that the United Nations Population Fund plans to spend funds for a country program in the People's Republic of China in the year covered by the report, then the amount of such funds that the UNFPA plans to spend in the People's Republic of China shall be deducted from the funds made available to the UNFPA after March 1 for obligation for the remainder of the fiscal year in which the report is submitted.

AUTHORIZATION FOR POPULATION PLANNING

SEC. 599D. (a) Not to exceed $385,000,000 of the funds appropriated in title II of this Act may be available for population planning activities or other population assistance.

(b) Such funds may be apportioned only on a monthly basis, and such monthly apportionments may not exceed 8.34 percent of the total available for such activities.

This Act may be cited as the "Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000".

The SPEAKER pro tempore. After 1 hour of debate on the bill, it shall be in order to consider the amendment printed in House Report 106–450 if offered by the gentleman from Florida (Mr. YOUNG) or his designee, which shall be in order without a demand for division of the question, shall be considered read and debatable for 20 minutes, equally divided and controlled by the proponent and an opponent.

The gentleman from Florida (Mr. YOUNG) and the gentlewoman from California (Ms. PELOSI) each will control 30 minutes.

The Chair recognizes the gentleman from Florida (Mr. YOUNG).

GENERAL LEAVE

Mr. YOUNG of Florida. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3196, and that I may include tabular and extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. YOUNG of Florida. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would expect that the general debate time would be rather limited today because the underlying bill that we deal with this morning is basically the same bill that we passed in the House earlier and that we again passed as part of the conference report on the foreign operations bill.

So, Mr. Speaker, I believe that most of the debate today will revolve around the amendment that I will offer after we have completed general debate. The amendment has been discussed during consideration of the rule, and I will just briefly go through it again.

It will provide the money that the President has requested to fund the Wye River Agreement relative to the Middle East peace process. It also will add additional funding for programs that the President has asked for, but not nearly in the amounts that he initially asked for. He asked for $1.4 billion over and above the underlying bill plus the Wye River agreement funding. We, after serious negotiation, we brought that number down to $799 million. But we will discuss that amendment in greater detail when we get to that point.

Mr. Speaker, I reserve the balance of my time.

Ms. PELOSI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to join the gentleman from Florida (Mr. YOUNG), the distinguished chairman of the Committee on Appropriations, in bringing this foreign operations bill to the floor.

We have debated this extensively in the course of the Congress working its will on the bill in the initial bill and the conference report, and lots of debates surrounding how this bill is coming to the floor.

It is indeed a compromise. Yes, there is additional funding, and that was agreed to between the majority and minority parties helping to meet some of the President's initiatives. I am very pleased that, through the process, we were able to bring a very robust Wye River agreement to the floor and know that it will receive overwhelming support from our colleagues.

As I said, this bill has been extensively debated. In the interest of time, I just want to say two things. One is that this bill is about threat reduction. It is in the interest of every person in our country and, indeed, in the interest of our great country for us to reduce threat.

That is manifested in this legislation in funds to disarm the nuclear weapons in Russia. That reduces threat of those weapons in the world and to our people. Stopping proliferation of weapons of mass destruction is in our interest.

Threat reduction, though, applies also to the environment. Funds spent on international environmental issues reduce environmental and pollution threats to people in our own country.

Funds spent on child survival for stopping disease and trying to eliminate disease in the world is in the interest, not only of the children of the world, but is a threat reduction to the children of America.

I believe that America should have a very strong leadership role in the world. Most people agree, I think. But even if one does not, I think one will agree that it is in the national self-interest and the personal self-interest of every person in our country to reduce the threat of nuclear weapons, the threat of environmental pollution, the threat of disease, and other threat that can harm our country and our people.

I have had a chart on occasion that shows a very thin sliver of the budget pie, which is this appropriations bill. It looks like a little needle, it is so thin. It is just a little line. I think my colleagues should consider that needle, that portion of the budget that is spent on foreign operations as the needle of inoculation, inoculation against the spread of warfare, the spread of disease, the spread of pollution, as I said. That list goes on.

So it is a small price for us to pay to protect our people, to prevent a conflict, and to help America assume its role in the world.

In addition to threat reduction, I will talk a moment about debt reduction, which is also in this package, though not as robustly as I would like to see.

In terms of debt reduction, this is the jubilee year. I would hope that, in the package which is here, which only addresses bilateral debt reduction, but I am hoping that we will have language in the bill that frees us from the Paris Club minutes that tie that debt reduction to criteria established by the IMF, but instead, tie it to criteria established by this Congress, that we will proceed in the next year to move on to multilateral debt reduction, which is very important.

The year 2000 is a jubilee year, a year where interfaith organizations in a very ecumenical movement have come together to call for debt forgiveness. At the end of the century, and even more so at the end of the millennium, it has been a biblical tradition to forgive. Hopefully, we can forgive the debt many of these countries are burdened by by previous corrupt regimes.

But now that these democracies have emerged, they cannot be harnessed or hampered by the debts of the previous regimes or even by some inappropriate economic policies of their predecessors.

So in the interest of threat reduction and in the interest of debt reduction, I am pleased that we have this compromise package which will help prevent some of the ills that I mentioned earlier and promote democratic values throughout the world, grow our economy through promoting our exports, and have freer and fairer trade in the world as we open markets. But we must help create those markets. Debt reduction will help do that.

Mr. Speaker, I reserve the balance of my time.

Mr. YOUNG of Florida. Mr. Speaker, I yield myself 1 minute and would just like to point out that, as I said in my opening comments, I do not think we need a lot of debate on the underlying bill inasmuch as we have already discussed it and debated it numerous times. So we are just about prepared to yield back our time. But before we do, and before I have a closing statement, I will recognize the very distinguished chairman of the Subcommittee on Foreign Operations, Export Financing, and related programs, who has done yeoman's work in getting some realism into our foreign aid program and getting programs that actually work and doing the very best that he can to keep the money from going into corrupt hands and ending up into some numbered bank account somewhere where the poor people do not get a chance to see any benefit from it.

Mr. Speaker, I am very happy to yield such time as he may consume to the gentleman from Alabama (Mr. CALLAHAN), who is responsible for this bill.

Mr. CALLAHAN. Mr. Speaker, the gentleman form Florida (Mr. YOUNG) is absolutely right. This measure, in its current form, has been debated on this floor several times. There is really no need to go into some lengthy explanation of what we have already debated. So I think that it is a very wise decision to limit debate on this.

The bill, as I understand it, because of the discussions that took place between the Democrats and the White House and the leadership, is going to be dramatically changed with the Young amendment which will be introduced just momentarily. So if there is any discussion, I think that the discussion should be held there.

So the bill in the current form, Mr. Speaker, is a good bill, but we will just have to wait and see what the amendment produces.

Ms. PELOSI. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Wisconsin (Mr. OBEY), the distinguished ranking member of the Committee on Appropriations.

Mr. OBEY. Mr. Speaker, I do not expect to take the full 2 minutes. I simply want to thank the gentleman from Florida (Mr. YOUNG) for his efforts and the gentleman from Alabama (Mr. CALLAHAN) as well, and certainly the gentlewoman from California (Ms. PELOSI), who has been steadfast in trying to improve this bill so that it can, in fact, merit a presidential signature.

I have already said everything that needs to be said about the changes that will be affected by the Young amendment, which I intend to support. I do think it is important to recognize that, while we do have an understanding, we do not yet have a total agreement.

The bill, as it leaves the House today, will still leave numerous language issues unresolved. Those are still going to have to be worked out between us and the Senate. There are at least two substantive issues which will still have to be worked out with give and take on both sides.

But assuming that that will happen, I intend to support this at this stage in the process. Whether I support the final product will be determined by exactly what the fine print reads when we get that product together after Senate consideration and consideration by the conference.

Ms. PELOSI. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I want to commend the gentleman from Florida (Mr. YOUNG), the distinguished chairman of the full Committee on Appropriations. It is always a pleasure to work with him and the gentleman from Alabama (Mr. CALLAHAN), the chairman of the Subcommittee on Foreign Operations, Export Financing and Related Programs.

We have had our differences over this bill. I am pleased that we are able to come together, as the gentleman from Wisconsin (Mr. OBEY) says, around a compromise. It is one of those bills where, obviously, everybody did not get what he or she wanted; but nonetheless, we have enough to go forward. So I urge my colleagues to vote for it.

I want to commend the leadership, also, of the gentleman from Wisconsin (Mr. OBEY), our distinguished ranking member, who has served as chair of this subcommittee for 10 years who knows this brief very well, and we all benefit from that.

Mr. Speaker, I want to commend the staff, Charlie Flickner, John Shank, Chris Walker, and Lori Maes, for their very hard work on this legislation, as well as the minority staff, Mark Murray and Carolyn Bartholomew, for helping to bring this all to fruition today.

So, with that, Mr. Speaker, I urge our colleagues to vote aye on the bill.

Mr. Speaker, I yield back the balance of my time.

Mr. YOUNG of Florida. Mr. Speaker, I yield myself 1 minute primarily to say thank you very much to all of the players, the gentleman from Alabama (Mr. CALLAHAN), especially, as chairman, and to the gentlewoman from California (Ms. PELOSI) as the ranking member, and the gentleman from Wisconsin (Mr. OBEY), my friend and the ranking member on the full Committee on Appropriations.

This is not the easiest bill to deal with and get votes for or to negotiate with the administration. But I think we have successfully done that. There are a lot of decisions in this product that I do not really like, I will have to be very honest with my colleagues. I probably dislike this bill more than any of the ones that we are going to vote on. But we are going to take it up now, we are going to amend it, we are going to pass it, we are going to get it to the White House, and we are going to get on with the business of the Congress.

Mr. PORTER. Mr. Speaker, I rise in strong support of this amendment. While I understand the concerns of the Chairman of the Subcommittee, I believe that this amendment will begin to address the real assistance needs of our foreign policy. I support restraints for federal spending, but I am concerned that reductions in our foreign assistance will cost us much more in the future.

As has been stated before, foreign aid represents less than one percent of the overall federal budget. Even with the increase provided by the Young amendment! Our Defense budget is twenty times as great as the budget for Foreign Operations. And this is after the Cold War. Investments in foreign assistance reduce the need for defense operations. Promoting stability and economic development through the U.S. Agency for International Development, multilateral development agencies and non-governmental organizations that leverage U.S. funds is a fiscally responsible investment.

While many want the U.S. to withdraw from the focus of the world stage, we cannot. We are the only superpower and with this position comes responsibilities. If the U.S. retreats, who will fill this void? The candidates are frightening. There are more Kosovos and Chechnyas waiting to erupt. While we cannot prevent every one, our economic and development assistance is helping to settle many through peaceful means.

Further, by working with populations in the developing world, we help to conserve the natural resources that affect us all. Air, water and biodiversity are all global and know no national boundaries. The U.S. is not an island with its own separate ecosystem. Our health and prosperity is interdependent with the rest of the world. So many resources on which we rely are influenced by those outside of the U.S. Therefore, it is essential that we work together to guarantee a healthy global environment for the future.

I am pleased that the leadership is supporting this assistance, and I look forward to making our foreign assistance more effective next year.

I urge all of my colleagues to support this amendment.

Mr. CARDIN. Mr. Speaker, I urge my colleagues to support H.R. 3196, the second Foreign Operations Appropriations for FY 2000. It is in our national interest.

We can be proud of the role that our nation has played in facilitating peace around the world. Nowhere has that been more evident than in the Middle East. The United States played a key role in the successful implementation of the Wye River Accord between Israel and the Palestinians.

The Young amendment will help the United States fulfill its crucial obligations to Wye River implementation. By providing $1.8 billion in funding for the Wye River Accord, including $1.2 billion in security assistance for Israel, $400 million in economic support for Gaza and the West Bank, $200 million for Jordan and $25 million in military support for Egypt, this legislation ensures the continued progress of peace in the Middle East.

This bill is not perfect. Our foreign aid budget is only half of what it was just 10 years ago and represents less than 1 percent of our federal budget today. We must do more to provide broad-based, adequate funding to promote our interests around the world.

But this legislation represents an appropriate balance that maintains U.S. leadership abroad, so that our efforts in crucial regions like the Middle East and the Balkans will not be wasted. I am pleased that this legislation provides increased funding for debt relief to help some of the world's poorest nations reduce manageable debt and start down the road of economic recovery. This legislation also funds efforts to prevent the spread of weapons of mass destruction and deadly nuclear materials. Finally, the bill provides increased funds to support the hard-won peace in Kosovo, where U.S. leadership helped stop ethnic cleansing.

By including these measures, this legislation takes important steps toward crafting a foreign aid budget that makes sense and promotes U.S. leadership around the world. I support this bill and applaud the bipartisan work which brought this agreement before the House.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise in support of H.R. 3196, which is the second version of the Foreign Operations Appropriations bill for FY2000. The President vetoed the first bill because it failed to advance our nation's foreign policy concerns.

Since the mid-1980's the resources devoted to our foreign assistance programs have steadily declined. Some of these decreases have been prudent reductions as we examined our international and multilateral commitments. However, these current requests for massive cuts in funding would threaten America's ability to maintain a leadership role in a rapidly changing world.

I would like to commend Chairman YOUNG, Subcommittee and Ranking Member PELOSI, Full Committee Ranking Member OBEY, and Chairman CALLAHAN on the compromise negotiated with the Administration that would appropriate $1.8 billion to implement the Wye

River Accord plus $799 in other various accounts. Mr. Speaker, the compromise reached on this appropriations bill would further provide $150 million for loan assistance to the world's poorest countries; $50 million for the African Development Fund and $4.1 million for the African Development Bank; additionally, this bill provides $75 million more for peacekeeping activities; $35 million for the nonproliferation, anti-terrorism, and demining programs; $20 million more for anti-narcotics and law enforcement; $16 million for the Inter-American Investment Corporation and $10 million for the Community Adjustment Program along the border with Mexico; lastly, $10 million in additional funding has been provided to the Peace Corps.

I am particularly pleased with the additional funding for economic recovery and democratization in Africa, Latin America and Asia. These additional funds would assist programs intended to increase political stability and democratization in Africa; support democracy efforts in Guatemala, Peru and Ecuador; and bolster democratic and economic reform in Asia, as well as sustain the implementation of the Belfast Good Friday Accord. Funding for these accounts will permit the United States to additionally provide funds for numerous priorities in Africa.

In addition, the funds provided to the Multilateral Development Banks and debt reduction will assist Debt Relief programs for poor countries and enable the United States to contribute to the HIPC Trust Fund, which is an essential component of current debt reduction programs. The developing nations of the world have developed strategies and plans to alleviate some of the debt burden of poorer countries. The expanded Heavily Indebted Poor Countries (HIPC) initiative is supported by a wide range of religious and charitable organizations, and was agreed to by the G–7 in Cologne. It is critical that the United States demonstrate its leadership by consistently providing the necessary funding support for these initiatives, which enjoys bipartisan and international support. Finally this bill has almost $200 million for treatment of HIV/AIDS in the world. Although we must do more for debt relief for developing nations, such as on the continent of Africa, and I look forward to that in the months to come.

I would like to commend Chairman YOUNG and Ranking Member OBEY for their hard work in reaching this compromise and offer my support for this bill.

Mr. CROWLEY. Mr. Speaker, I speak today in support of the Young amendment and the Fiscal Year 2000 Foreign Operations Appropriations bill. I voted against this legislation when the House last considered it because it failed to fund the Wye Agreement and it failed to provide sufficient funding to promote America's foreign policy interests.

Today, with the Young amendment, we see a much-improved Foreign Operations bill. By providing $1.8 billion to meet our commitment under the Wye Accord, the United States has re-committed itself to keeping the promise of Middle East Peace.

Mr. Speaker, I am also grateful to the Appropriations Committee for including funding for UNFPA for up to $25 million, without the "Smith Mexico City" language. The current language in the bill is the Crowley/Campbell amendment which reduces, dollar for dollar, any funding provided by UNFPA in China. I continue to believe that this common sense compromise is the best way to address the issue of the UNFPA program in China without cutting off support for vital work being done by UNFPA.

I am also pleased that this legislation contains $150 million for reconstruction efforts in Kosovo, funding for bi-lateral debt relief, and $20 million for the International Fund for Ireland. Additionally, this legislation contains provisions limiting new funds from being obligated for Indonesia and prohibits military equipment from being sold or leased to Indonesia for use against East Timor.

Mr. YOUNG and Mr. CALLAHAN have worked hard to provide aid to Israel, Egypt and Jordan to continue the goal of peace in the Middle East. I am grateful to them for fulfilling this commitment. However, I am concerned about the lack of funding for counter-narcotics assistance for Colombia, as well as the continuation of the waiver for Azerbaijan to receive OPIC and TDA for another year. I firmly believe that Azerbaijan does not deserve U.S. support until it removes the blockade of Nagorno-Karabagh, which prevents vital humanitarian assistance from reaching this region.

This is a good bill. I commend Mr. YOUNG, Mr. CALLAHAN, Mr. OBEY and Ms. PELOSI for their hard work to balance our obligations to the world community with our shared goal of being fiscally responsible. While I would like to have seen more programs funded, including a multi-lateral debt relief package, I am satisfied with the legislation put forward today.

I urge my colleagues to support this legislation.

Mr. BENTSEN. Mr. Speaker, I rise in strong support of this compromise agreement, which represents the second version of the Foreign Operations Appropriations bill for FY2000. As we all know, the President vetoed the first bill because it did not provide adequate funding levels to help the United States advance our most important foreign policy priorities. Regrettably, the first version of this bill did not provide any funds to follow through on the commitment of the U.S. under the Wye River Middle East peace agreement.

I am pleased that Chairman YOUNG willl offer a manager's amendment today that will provide $1.8 billion to implement the Wye River Accord. Israel's new Prime Minister, Ehud Barak, has moved with boldness to secure a comprehensive and lasting peace in the Middle East. Israel has followed through on its commitment to withdraw from an additional 10 percent of the West Bank and is moving forward on its planned withdrawal of 3 additional percent on November 15th. Israel has also released 350 political prisoners and will soon open a safety passage route for Palestinians between Gaza and the West Bank. Israel has also begun final status negotiations, hoping to negotiate a conceptual framework on all outstanding issues by February 2000, and permanent agreement by next September.

These actions entail great strategic security risks and financial costs, which Israel has already incurred. Military bases have to be moved, and the increasing threat of terrorism has to be confronted. These strategic vulnerabilities will be addressed through passage of the Young amendment and passage of he underlying bill. For decades, the U.S. has worked with Israel—our most consistent Middle East ally—to provide the aid and military equipment necessary to defend itself against hostile neighbors. In approving the Wye River Aid package, the U.S. has made an important investment in peace that will yield significant long-term dividends for U.S. security interests in a more stable Middle East. It is especially important that Congress act now, as failure to approve the Wye package would have sent a powerfully negative message to the Middle East the rest of the world about U.S. credibility that could have set back the hard-fought momentum on the Mideast peace process.

By approving this bill, we are reaffirming our national priority to achieving a secure and peaceful Middle East. That goal is now closer than ever. I urge my colleagues to support the Young managers amendment, the Foreign Operations Appropriations bill for fiscal 2000, and to strongly support our national interests in the Middle East.

Mr. WEYGAND. Mr. Speaker, I speak in support of the Young amendment to the fiscal year 2000 Foreign Operations Appropriations bill. Chairman YOUNG's amendment would add $1.8 billion dollars to this bill to fund the United States' commitment to the Wye River Agreement, negotiated a year ago this weekend.

Honoring our commitment is especially critical at this time because implementation of the Wye River Agreement is continuing. Prime Minister Barak is committed to peace and is moving quickly to develop a comprehensive plan. Already, Israel has redeployed nearly 10 percent of its troops from the West Bank, released 350 political prisoners, opened a safe passage route through the Gaza and the West Bank, and final status negotiations have begun. For her actions, Israel is incurring the high costs of implementation. It is vital that the United States commit its share in order to ensure further progress in the region.

The withdrawal of troops has increased the threat of terrorist attack and increased the strategic vulnerability of Israel. Providing the $1.2 billion dollars pledged to Israel for military assistance is crucial to ensure that the citizens of Israel remain secure.

Additionally, our credibility is on the line. The United States, Israel, Jordan, and the Palestinians negotiated the Wye River Agreement and all participants must live up to their commitment. Peace in the Middle East has been a central component of the United States' foreign policy for decades. Appropriating funding in this year's budget will send the message the that United States is a full partner in securing a lasting peace in region. Not providing funding for the implementation of the agreement could be a significant set back to the progress already made.

I would be remiss if I did not make note of a provision in this bill that is quite troubling. That provision is the one that would ease restrictions on aid to Indonesia. In August and September we saw unacceptable brutality in East Timor. Today, many East Timorese are still afraid to return to East Timor. Mr. Speaker, we must send a message to the Indonesian government that the United States is committed to ensuring that the results of the elections are upheld. I understand that the Indonesian government is undergoing significant changes and I am pleased that they are moving in the direction of democracy. However, I believe that it is much too soon to begin easing any restrictions on Indonesian aid.

Mr. YOUNG of Florida. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. All time for general debate has expired.

AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. YOUNG of Florida. Mr. Speaker, I offer an amendment.

The SPEAKER pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. YOUNG of Florida:

On page 162, after line 25 insert the following:

TITLE VI—INTERNATIONAL AFFAIRS SUPPLEMENTAL APPROPRIATIONS

BILATERAL ECONOMIC ASSISTANCE

Funds Appropriated to the President

Agency for International Development

INTERNATIONAL DISASTER ASSISTANCE

For an additional amount for "International Disaster Assistance", $27,000,000, to remain available until expended.

URBAN AND ENVIRONMENTAL CREDIT PROGRAM ACCOUNT

For an additional amount for "Urban and Environmental Credit Program Account", $1,500,000, to remain available until expended, for the cost, as defined in section 502 of the Congressional Budget Act of 1974, of guaranteed loans authorized by sections 221 and 222 of the Foreign Assistance Act of 1961: Provided, That these funds are available to subsidize loan principal, 100 percent of which shall be guaranteed, pursuant to the authority of such sections: Provided further, That commitments to guarantee loans under this heading may be entered into notwithstanding the second and third sentences of section 222(a) of the Foreign Assistance Act of 1961.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

For an additional amount for "Operating Expenses of the Agency for International Development", $25,000,000.

OTHER BILATERAL ECONOMIC ASSISTANCE

ECONOMIC SUPPORT FUND

For an additional amount for "Economic Support Fund" for assistance for Jordan and for the West Bank and Gaza, $450,000,000, to remain available until September 30, 2002: Provided, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: Provided further, That the entire amount provided shall be available only to the extent that an official budget request that includes designation of the entire amount as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

For an additional amount for "Economic Support Fund", $168,500,000, to remain available until September 30, 2001.

ASSISTANCE FOR THE INDEPENDENT STATES OF THE FORMER SOVIET UNION

For an additional amount for "Assistance for the Independent States of the Former Soviet Union", $104,000,000, to remain available until September 30, 2001.

Independent Agency

Peace Corps

For an additional amount for "Peace Corps", $10,000,000, to remain available until September 30, 2001.

Department of State

INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT

For an additional amount for "International Narcotics Control and law Enforcement", $20,000,000.

NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED PROGRAMS

For an additional amount for "Nonproliferation, Anti-Terrorism, Demining and Related Programs", $35,000,000.

Department of the Treasury

DEBT RESTRUCTURING

For an additional amount for "Debt Restructuring", $90,00,000, to remain available until expended.

UNITED STATES COMMUNITY ADJUSTMENT AND INVESTMENT PROGRAM

For the United States Community Adjustment and Investment Program authorized by section 543 of the North American Free Trade Agreement Implementation Act, $10,000,000, to remain available until September 30, 2001: Provided, That the Secretary may transfer such funds to the North American Development Bank and/or to one or more Federal agencies for the purpose of enabling the Bank or such Federal agencies to assist in carrying out the program by providing technical assistance, grants, loans, loan guarantees, and other financial subsidies endorsed by the interagency finance committee established by section 7 of Executive Order 12916: Provided further, That no portion of such funds may be transferred to the Bank unless the Secretary shall have first entered into an agreement with the Bank that provides that any such funds may not be used for the Bank's administrative expenses: Provided further, That any funds transferred to the Bank under this head will be in addition to the 10 percent of the paid-in capital paid to the Bank by the United States referred to in section 543 of the Act: Provided further, That any funds transferred to any Federal agency under this head will be in addition to amounts otherwise provided to such agency: Provided further, That any funds transferred to an agency under this head shall be subject to the same terms and conditions as the account to which transferred.

MILITARY ASSISTANCE

Funds Appropriated to the President

FOREIGN MILITARY FINANCING PROGRAM

For an additional amount for "Foreign Military Financing Program", $1,375,000,000, to remain available until September 30, 2002, of which $1,200,000,000 shall be for grants only for Israel, $25,000,000 shall be for grants only for Egypt, and $150,000,000 shall be for grants only for Jordan: Provided, That funds appropriated under this heading shall be nonrepayable notwithstanding section 23 of the Arms Export Control Act: Provided further, That funds appropriated under this heading shall be expended at the minimum rate necessary to make timely payment for defense articles and services: Provided further, That to the extent that the Government of Israel requests that funds be used for such purposes, grants made available for Israel by this paragraph shall, as agreed by Israel and the United States, be available for advanced weapons systems, of which not to exceed 26.3 percent shall be available for the procurement in Israel of defense articles and defense services, including research and development: Provided, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: Provided further, That the entire amount provided shall be available only to the extent that an official budget request that includes designation of the entire amount as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

PEACEKEEPING OPERATIONS

For an additional amount for "Peacekeeping Operations", $75,000,000.

MULTILATERAL ECONOMIC ASSISTANCE

Funds Appropriated to the President

INTERNATIONAL FINANCIAL INSTITUTIONS

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For an additional amount for "Contribution to the International Development Association", $150,000,000, to remain available until expended.

CONTRIBUTION TO THE INTER-AMERICAN INVESTMENT CORPORATION

For payment to the inter-American Investment Corporation, by the Secretary of the Treasury, $16,000,000, for the United States share of the increase in subscriptions to capital stock, to remain available until expended.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT BANK

For payment to the African Development Bank by the Secretary of the Treasury, $4,100,000, for the United States paid-in share of the increase in capital stock, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the African Development Bank may subscribe without fiscal year limitation for the callable capital portion of the United States share of such capital stock in an amount not to exceed $64,000,000.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND

For an additional amount for "Contribution to the African Development Fund", $50,000,000, to remain available until expended.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

For an additional amount for "International Organizations and Programs", $13,000,000.

On page 35 under the heading "Foreign Military Financing Program", strike the second proviso.

The SPEAKER pro tempore. Pursuant to House Resolution 362, the gentleman from Florida (Mr. YOUNG) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, this amendment has been discussed at great length during the discussion of the rule and further during general debate. The amendment offers the $1.825 billion associated with the President's request for implementation of the Wye River Agreement. I think all the Members understand the specifics of that.

It also adds $799 million to other items that the President had asked for. The difference is he asked for $1.4 billion, and we negotiated down to $799 million.

We can go into the details of what these items are during this debate period, but generally that is the outline of the amendment. I think it has general support.

The amendment also includes additional funding for the International Development Association of the World Bank, the Inter-American Investment Corporation, and the African Development Fund.

A total of $1.2 billion is provided for military assistance for Israel. These funds will be used to help relocate military bases from areas that will fall under the control of the Palestinian Authority under the terms of the Wye Accord. They will also enable Israel to strengthen its strategic defense capability.

As Israel gives up territory, the ability of potential enemies to threaten that country increases; therefore it is essential that its national security assets are strengthened.

The amendment also provides $200 million in further assistance for Jordan. As members may recall, earlier this year we provided a supplemental appropriation of $100 million for Jordan at the request of President Clinton. Providing these additional supplemental funds meets the commitment that I and other members gave to King Abdullah that we would ensure that Jordan's needs would be met at the earliest possible time.

Also included in the amendment is $400 million for assistance for the West Bank and Gaza. The State Department has told us that no funds appropriated for the West Bank and Gaza will be provided directly to the Palestinian Authority. These funds are for infrastructure improvements, such as roads and water systems, and for economic development activities.

Frankly, I am not entirely comfortable about this portion of the amendment. It is very difficult for me to support funding that will indirectly assist Yasser Arafat and the Palestinian Authority. The only good thing about this portion of the amendment is that it helps implement a peace agreement that should lead to long-term peace and stability in the region.

Finally, the Wye River package in this amendment includes $25 million in military assistance for Egypt. The Administration had requested the creation of an interest-bearing account for Egyptian military assistance, but the Congressional Budget Office estimated that the Administration's proposal would have cost $470 million in outlays. Clearly, we could not do that. Therefore we have included a direct appropriation for Egypt which is roughly equal to the interest they would have gained from such an account. I believe this relatively small amount of funding is necessary to support the essential role that Egypt is playing in the Middle East peace process.

Mr. Speaker, it was not until October 15 of this year that the Committee on Appropriations received any detailed information on the proposed uses of the funds requested for the Wye River Accord. This was after the Congress had passed the conference report on Foreign Operations. The total lack of information was one reason the Committee was reluctant to act on the President's request.

Now that we have finally received this information, I ask unanimous consent that it be included in the RECORD. I also want to state that the Committee will consider the information provided in this justification document as the baseline for any proposed reprogramming of funds.

Mr. Speaker, this amendment also includes $799.1 million in additional funding for a variety of programs. The funding recommendations contained in the amendment are the result of negotiations between the Congress and the White House. Everyone gave up something in these negotiations; the President gets about $900 million less in funding than he requested, if you exclude funding for the Wye River Accord. We have agreed to provide an additional $799.1 million in spending.

Mr. Speaker, I believe my amendment has broad, bipartisan support. It fulfills the commitment made by the President at Wye River, and address concerns expressed by the President in his veto message. I strongly urge that members vote in favor of this amendment.

Mr. Speaker, I reserve the balance of my time.

☐ 0945

The SPEAKER pro tempore (Mr. Pease). Does the gentlewoman from California (Ms. PELOSI) seek to claim the time in opposition?

Ms. PELOSI. No, Mr. Speaker, I support the amendment, but I claim the opposition time in support of the amendment.

The SPEAKER pro tempore. Without objection, the gentlewoman from California (Ms. PELOSI) is recognized for 10 minutes.

There was no objection.

Ms. PELOSI. Mr. Speaker, I yield myself such time as I may consume.

I rise in strong support of the gentleman's amendment. I am glad that through all of this that we were able to get, as I said earlier, a very robust figure for the Wye River agreement. It is something that the American people support. It is a very high priority for the President of the United States. It occurs within the context of people in the region working very, very hard for peace. And as my colleagues just saw from the recent meetings in Oslo, people outside the region are taking a very strong interest. Everyone is hopefully doing his or her part on this and it is important for us to do our part as well. And I am very pleased that the Republican majority, our distinguished chairman, has agreed to include the Wye River agreement funding in this legislation.

I am still expressing some disappointment that we do not have as much resources applied to the debt reduction, and I would hope by the end of this process, be that next week or whenever, that we will have multilateral debt reduction included in the legislation. Because that is, as I mentioned earlier, central to lifting these countries, these emerging and fragile democracies, from their unfortunate pasts and bringing them, as we go into the new millennium, a more brilliant future, with a small price to pay. It is a very small investment on our part, with the tens of millions of dollars yielding tens of billions of dollars of benefit for the economies of these regions.

There are other initiatives in the bill that I wish could have received more attention, but again this is a compromise. This is a good amendment, and I urge my colleagues to support it.

Mr. Speaker, I reserve the balance of my time.

Mr. YOUNG of Florida. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. FOLEY). Many, many Members, Mr. Speaker, have been supportive of this amendment to include the Wye River agreement, and none has been more forthcoming and outspoken than my colleague from Florida.

Mr. FOLEY. Mr. Speaker, I thank the distinguished chairman from Florida for his hard work on all of the appropriations bills, but specifically this one which has been most contentious, but welcomed to the floor today.

Specifically, I just wanted to mention to my colleagues that I returned from Israel several weeks ago, and I found the peace process moving along expeditiously. The one thing that is vitally important today is an amendment offered by the chairman which would add the money for the Wye River Accord, giving $1.8 billion total; $1.2 for Israel, $400 million for economic support and assistance for the West Bank and Gaza, $200 million for Jordan, including $50 million in economic support and assistance and $150 million for military aid, $25 million in military support for Egypt.

These are vital funds, and I appreciate the chairman working so hard to place these dollars in the bill because it means meaningful peace for a region that has been wracked with turmoil. So I commend this bill to the floor.

I again want to mention as well my colleague, the gentleman from Florida (Mr. WEXLER), who joined with me several weeks ago, at his insistence, in authoring a letter to the leadership asking that this money be included. And, again, through the hard work of the chairman, the gentleman from Florida (Mr. YOUNG), through the cooperation of the ranking member, the gentlewoman from California (Ms. PELOSI), we find that this in fact has been accomplished today.

So I would ask all of my colleagues who are listening today to urge support for this vital bill, urge support of the amendment, and move the peace process forward. We find right now, I think, the best opportunity for lasting peace. All the players are at the peace table, all the players are anxious for stability, King Abdullah of Jordan, Mr. Barak, the new Prime Minister of Israel, the Palestinian Authority, Mr. Arafat, have all finally joined together to achieve lasting peace.

Nothing could be more meaningful for the leadership of the United States of America than achieving it through the mechanisms provided in this bill. So, again, I thank all parties involved, but specifically again my chairman from Florida.

I want to thank the chairman's family, specifically his wife Bev and his two boys, for sharing him with us on this floor, for giving his time to provide the leadership necessary to usher in these bills. I know it is difficult for all Members who have families, but specifically the gentleman from Florida (Mr. YOUNG), who has dedicated so much time to all these issues.

Ms. PELOSI. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. OBEY), the distinguished ranking member of the full Committee on Appropriations.

Mr. OBEY. Mr. Speaker, we do not occupy this planet alone. There are billions of other people that occupy it with us. Many of them are our friends, some of them are our implacable enemies. This bill represents one tool through which we exercise both our responsibilities to other human beings on this globe and, at the same time, we exercise our responsibilities to ourselves to try to keep these regions stable so that our own national security is maximized.

We have huge arguments about this bill, but in fact foreign assistance amounts to far less than 1 percent of the entire Federal budget. I know the public does not know that, but that is, in fact, true. I happen to believe that persons who serve on this subcommittee and work to see that we meet our responsibilities in this area are patriots of the highest order. I think that the chairman and the ranking member of this subcommittee have a thankless job, because no one understands the responsibilities that are being met in this legislation. It is an easy bill to demagogue, but this bill is in fact central to keeping this world a more civilized place and keeping our place in it more secure than it would otherwise be.

I think the gentleman's amendment is a constructive approach. We will need to work out, as I say, further details as we move along, but I intend to support it at this stage and would urge other Members to do the same.

Ms. PELOSI. Mr. Speaker, I yield 2 minutes to the gentlewoman from Michigan (Ms. KILPATRICK), a very distinguished member of the subcommittee.

Ms. KILPATRICK. Mr. Speaker, after much deliberation and bipartisan support we have come to what we believe is an adequate compromise for our foreign operations budget. We have come a long way, and we still have yet a long ways to go, but this is certainly a step in the right direction.

I want to commend the chairman of the subcommittee, the gentleman from Alabama (Mr. CALLAHAN) for his hard work, and the bipartisan nature for which he runs our committee; and our ranking member, the gentlewoman from California (Ms. PELOSI), for all her hard work to make us a team as we work to get the best bill possible.

We still have major problems in the world, that include HIV/AIDS and its epidemic that is moving across the world. We still have to build infrastructures and roads and schools and health centers so that people can live, and we have a responsibility in that as the greatest country in the world. We have a long way to go, but this is certainly a better bill than it was when it came out of subcommittee, when it came off the floor for the first conference, and I urge my colleagues to support the bill.

This is not perfect, but certainly it is a step in the right direction, Mr. Speaker. Again, I say to our ranking member that I appreciate her leadership, and we look forward to continuing to work with her as we look to Africa and all of its natural resources and all of the things that it has to offer; that we do our part to make sure that over 750 million people on that continent have their rightful place and are able to participate in the world.

Ms. PELOSI. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York (Mrs. LOWEY), a distinguished member of our subcommittee, who has been a leader in this Congress and in the country on the issue of Middle East peace.

Mrs. LOWEY. Mr. Speaker, I thank the ranking member for yielding me this time, and I rise in support of this bill and the Young amendment.

Mr. Speaker, I am extremely gratified that after weeks of political brinksmanship the majority, the minority, and the administration have arrived at a reasonable compromise on this legislation. I do want to commend the distinguished chairman of our subcommittee, my good friend, the gentleman from Alabama (Mr. CALLAHAN), our distinguished ranking member, who has done an outstanding job, my good friend, the gentlewoman from California (Ms. PELOSI), the chair, our overall chair, the gentleman from Florida (Mr. YOUNG), and certainly our ranking chair, the gentleman from Wisconsin (Mr. OBEY), who have worked so hard to make this day possible.

I also want to thank the President and his negotiators for bringing to the floor today a reasonable bill that is clearly the product of good faith negotiations.

I am also delighted that with this bill and the Young amendment we are fulfilling our important commitment to the Middle East peace process, a cornerstone of United States foreign policy for over half a century. Today, Congress can demonstrate our commitment to promoting U.S. national security interests in the Middle East and can prove our dedication to achieving a lasting and secure peace as the parties move into the toughest stage of negotiations.

The compromise reached late last night will also fund another of many important priorities, such as the International Development Association, which provides assistance to the poorest of the poor; the African Development Fund; the Independent States of the Former Soviet Union; and the Peace Corps.

But let us not make any mistake, this bill is not perfect. It fails to provide adequately, in my judgment, for other critical programs, including our participation in the G–7 debt relief initiative, and it does not include important provisions designed to encourage Indonesia's cooperation in expediting peace and independence in East Timor. I pledge to work with my colleagues in the coming months to provide support for these important priorities.

The bill with the Young amendment represents a fair and reasonable compromise on our foreign assistance priorities. I am confident that this measure will help the United States maintain its role as a world leader, and I want to thank my colleagues again.

Mr. YOUNG of Florida. Mr. Speaker, I yield 2 minutes to the gentleman from Alabama (Mr. CALLAHAN), the distinguished chairman of the subcommittee.

Mr. CALLAHAN. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I only found out about this problem yesterday, and maybe there is a problem and maybe there is not. We do know that there is more than $4 billion included in this bill for Israel, which is the will of the House and the request of the administration. However, I found out yesterday that an American manufacturing company was denied to be a part of the bidding process for some airplanes for El Al Airlines in Israel.

In fact, we have been informed by the President of the American company that they were told by the President of El Al that the management of El Al made a strategic decision not to allow the American corporation into the competition.

I think, Mr. Speaker, that this is not a proper way to treat an American corporation who has thousands of American employees who are paying millions of dollars into taxes that we are then taking and giving to the State of Israel. I think this is not the right way to do business.

Maybe it is not being done as was presented to me yesterday, but certainly, Mr. Speaker, if it is being done, the Israeli-backed airline El Al ought to reconsider their decision to deny an American airplane manufacturing company to be included in the bidding process, which is to the advantage of Airbus, which is a French corporation.

Ms. PELOSI. Mr. Speaker, I yield myself such time as I may consume and, in conclusion, I want to again commend the distinguished leadership on the majority and minority side for their cooperation in bringing this compromise to the floor.

But I also want to acknowledge the leadership of President Clinton and the members of his cabinet who worked with us on this bill; Secretary Albright, for her important role in the world and her cooperation with our subcommittee and full committee; and Secretary Summers now, and Secretary Rubin before him earlier this year. These distinguished cabinet members provide a real service to our country in the work that they do, not only in Mr. Summers' case domestically but in his international role as well.

So I want to commend President Clinton. His priorities are excellent. He fought to have those initiatives funded, and the President is offsetting the spending. The President is offering offsets to the spending in the bill. So this is a very good resolution. We have a compromise, we have the President's initiatives respected to a certain extent, they could be more fully respected and hopefully that will emerge later, but in any case this President's spending is offset.

I commend the President for his leadership in the world. As I have said before, in our community our anthem is "Make me a channel of God's peace," the anthem of St. Francis. I think President Clinton's work is allowing our country to be a channel of God's peace, and I commend him for that and urge my colleagues to vote "aye" on this bill.

Mr. Speaker, I yield back the balance of my time.

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Mr. YOUNG of Florida. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Ohio (Ms. KAPTUR), who is a member of the Committee on Appropriations.

Ms. KAPTUR. Mr. Speaker, I thank the chairman of the full committee, the gentleman from Florida (Mr. YOUNG), and I do underline "gentleman." I want to compliment him on carrying through these negotiations, along with the gentleman from Alabama (Mr. CALLAHAN), the chairman of the subcommittee, who have worked so vigilantly with the ranking members of the full committee, the gentleman from Wisconsin (Mr. OBEY) and also the gentlewoman from California (Ms. PELOSI), the distinguished ranking member of the subcommittee, who has done such a tremendous job in bringing a compromise measure to the floor.

I just want to say before discussion closes here that, as the Wye Accords move forward, I think it is very important for the administration and this Congress to recognize that building peace takes a long time. And we have one important ingredient of the peace process under which the subcommittee, of which I am ranking member, has something to offer; and that is using the tremendous power of our food aid programs under section 416 and P.L. 480 in the West Bank to help Israel with its desalinization efforts and also in Lebanon, because we know the funding in this bill is not sufficient to meet the needs of the peace process.

These programs have largely not been used in this region simply because of the instability of the region. But now that the peace process is moving forward, it is amazing what can be done if we look at a country like Lebanon. Using food aid creatively, monetizing it in a counterpart way, a country could double the number of villages that are being assisted.

In the West Bank this has never been used, and we know that the funds are insufficient there. So we could have a win for America for our farmers, for our rural communities. We could also have a win for the peace process. I wanted to highlight that as these discussions close this morning.

Again, we thank those here who were able to reach a final compromise and bring this measure to conclusion.

Mr. YOUNG of Florida. Mr. Speaker, I yield myself the balance of the time.

Mr. Speaker, in closing the debate on the issue of the Young amendment, again I want to thank the gentleman from Alabama (Mr. CALLAHAN), chairman of the subcommittee, for his very diligent efforts to get us to the point that we are today. Because with passage of this amendment and passage of this bill, we have overcome one of the final obstacles to having the Congress complete its work, at least its appropriations work, for the year.

I think the good news is that once we have done this, the other outstanding issues should come together fairly quickly. This was a major obstacle, and all the players have done a great job in getting us to where we are.

Mr. Speaker, I ask for a yes vote on the amendment, and then I ask for a yes vote on the bill.

Mr. SHAW. Mr. Speaker, I rise in support of H.R. 3196, the Foreign Operations Appropriation Act which includes new provisions which would provide full funding of almost $1.9 billion for the Wye River Agreement.

I would like to thank Chairman YOUNG for his leadership in ensuring that the United States maintains its international leadership around the world, but particularly in the Middle East. The history-making Wye River Agreement itself will not ensure a lasting peace and stability without the United States continued engagement and support.

This amendment offered by BILL YOUNG, my friend from Florida will enable Israel, Palestine, Jordan and Egypt to continue the difficult negotiations to which they have already committed so much. We are all aware that many difficult issues remain to be resolved, and that each of these nations will have to give even more.

I am especially grateful to some key Jewish leaders and prominent citizens in my district who have never wavered in their commitment to the Wye River Accord. They have been keeping me informed about the delicate negotiations and the need for continuing United States leadership in this very important region of the world. I urge my colleagues to support H.R. 3196 and the Young amendment.

Mr. YOUNG of Florida. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. PEASE). Pursuant to House Resolution 362, the previous question is ordered on the bill and on the amendment offered by the gentleman from Florida (Mr. YOUNG).

The question is on the amendment offered by the gentleman from Florida (Mr. YOUNG).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. OBEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 351, nays 58, not voting 24, as follows:

[Roll No. 571]

YEAS—351

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baird
Baldacci
Baldwin
Barcia
Barrett (NE)
Barrett (WI)
Barton
Bass
Bateman
Becerra
Bentsen
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Burr
Calvert
Camp
Campbell
Canady
Cannon
Capps
Capuano
Cardin
Carson
Castle
Chabot
Clayton
Clement
Clyburn
Condit
Conyers
Cook
Cooksey
Costello
Coyne
Crane
Crowley
Cubin
Cummings
Danner
Davis (FL)
Davis (IL)
Davis (VA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Dreier
Dunn
Edwards
Ehlers
Ehrlich
Engel
English
Eshoo
Etheridge
Evans
Ewing
Farr
Fattah
Filner

Fletcher
Foley
Forbes
Ford
Fossella
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gibbons
Gilchrest
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Granger
Green (TX)
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hastings (FL)
Hayworth
Hefley
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Holden
Holt
Hooley
Horn
Houghton
Hoyer
Hulshof
Hutchinson
Hyde
Inslee
Isakson
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (CT)
Johnson. E. B.
Jones (OH)
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kucinich
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Larson
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller, Gary
Miller, George
Minge
Mink
Moakley
Moore
Moran (KS)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Nussle
Oberstar
Obey
Olver
Ortiz
Ose
Owens
Oxley
Packard
Pallone
Pascrell
Pastor
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Phelps
Pickering
Pickett
Pitts
Pombo
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Reynolds
Riley
Rivers
Rodriguez
Rogan
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Rush
Ryan (WI)
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schakowsky
Scott
Serrano
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spratt
Stabenow
Stark
Stearns
Stenholm
Strickland
Stupak
Sununu
Sweeney
Talent
Tanner
Tauscher
Tauzin
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thune
Thurman
Tiahrt
Tierney
Traficant
Turner
Udall (CO)
Udall (NM)
Velazquez
Vento
Visclosky
Vitter
Walden
Walsh
Waters
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wu
Wynn
Young (FL)

NAYS—58

Baker
Ballenger
Barr
Bartlett
Bilbray
Burton
Buyer
Callahan
Chambliss
Chenoweth-Hage
Coble
Coburn
Collins
Combest
Deal
DeMint
Doolittle
Duncan
Emerson
Everett
Gillmor
Goodling
Goss
Graham
Hansen
Hayes
Herger
Hill (MT)
Hilleary
Hoekstra
Hostettler
Hunter
Istook
Jenkins
Jones (NC)
Largent
Lewis (KY)
Miller (FL)
Paul
Petri
Roemer
Rogers
Rohrabacher
Royce
Ryun (KS)
Sanford
Schaffer
Sensenbrenner
Sessions
Spence
Stump
Tancredo
Taylor (MS)
Thornberry
Toomey
Upton
Wamp
Watkins

NOT VOTING—24

Bereuter
Clay
Cox
Cramer
Cunningham
Dickey
Gephardt
Hastings (WA)
Johnson, Sam
Kanjorski
Markey
Martinez
McInnis
Meehan
Mollohan
Moran (VA)
Northup
Norwood
Pomeroy
Reyes
Scarborough
Taylor (NC)
Towns
Young (AK)

□ 1023

Messrs. SCHAFFER of Colorado, BARTLETT of Maryland, ROHRABACHER, GILLMOR, BURTON of Indiana, Mrs. EMERSON and Mrs. CHENOWETH-HAGE changed their vote from “yea” to “nay.”

Mr. TIAHRT and Mr. RILEY changed their vote from “nay” to “yea.”

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Stated for:

Mrs. NORTHUP. Mr. Speaker, on rollcall No. 571, I was unavoidably detained. Had I been present, I would have voted “yes.”

Mr. CUNNINGHAM. Mr. Speaker, on rollcall No. 571, I voted with my card. I voted “yea.” I noticed my name was not on the list. I voted “yea,” but I am not recorded for some reason. If I had been recorded, I would have voted “yea.”

The SPEAKER pro tempore (Mr. PEASE). The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

Pursuant to clause 10 of rule XX, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 316, nays 100, not voting 17, as follows:

[Roll No. 572]

YEAS—316

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Armey
Bachus
Baird
Baker
Baldacci
Baldwin
Barcia
Barrett (NE)
Barrett (WI)
Bass
Bateman
Becerra
Bentsen
Berkley
Berman
Biggert
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Bryant
Calvert
Camp
Campbell
Canady
Cannon
Capps
Capuano
Cardin
Carson
Castle
Chabot
Clayton
Clement
Clyburn
Conyers
Cooksey
Costello
Cox
Coyne
Crowley
Cummings
Davis (FL)
Davis (IL)
Davis (VA)
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Dreier
Dunn
Edwards
Ehlers
Ehrlich
Engel
English
Eshoo
Etheridge
Evans
Ewing
Farr
Fattah
Filner
Fletcher
Foley
Forbes
Ford
Fossella
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gillmor
Gilman
Gonzalez
Goodlatte
Gordon
Granger
Green (TX)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hastings (FL)
Hayworth
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Holden
Holt
Hooley
Horn
Houghton
Hoyer
Hulshof
Hyde
Inslee
Isakson
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (CT)
Johnson. E. B.
Jones (OH)
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kleczka
Klink
Knollenberg
Kolbe
Kucinich
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Larson
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McIntosh
McKeon
McKinney
McNulty
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller, Gary
Miller, George
Minge
Mink
Moakley
Moore
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Ney
Northup
Nussle
Oberstar
Obey
Olver
Ortiz
Ose
Owens
Oxley
Packard
Pallone
Pascrell
Pastor
Payne
Pelosi
Phelps
Pickering
Pickett
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Ramstad
Rangel
Regula
Reynolds
Riley
Rivers
Rodriguez
Rogan
Ros-Lehtinen
Rothman
Roybal-Allard
Rush
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schakowsky
Scott
Serrano
Shadegg
Shaw
Shays
Sherman
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Slaughter
Smith (TX)
Smith (WA)
Snyder
Souder
Spratt
Stabenow
Stenholm
Strickland
Stupak
Sununu
Sweeney
Talent
Tauscher
Tauzin
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Vento
Visclosky
Vitter
Walden
Walsh
Waters
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wu
Wynn
Young (FL)

NAYS—100

Archer
Ballenger
Barr
Bartlett
Barton
Berry
Bilbray
Brady (TX)
Burr
Burton
Buyer
Callahan
Chambliss
Chenoweth-Hage
Coble
Coburn
Collins
Combest
Condit
Cook
Crane
Cubin
Cunningham
Danner
Deal
DeFazio
DeMint
Doolittle
Duncan
Emerson
Everett
Gibbons
Goode

Goodling
Goss
Graham
Green (WI)
Hall (TX)
Hansen
Hayes
Hefley
Herger
Hill (MT)
Hilleary
Hoekstra
Hostettler
Hunter
Hutchinson
Istook
Jenkins
Jones (NC)
Kingston
Largent
Lewis (KY)
Lucas (KY)
Lucas (OK)
Manzullo
McIntyre
Miller (FL)
Moran (KS)
Nethercutt
Paul
Pease
Peterson (MN)
Peterson (PA)
Petri
Pitts
Pombo
Pomeroy
Rahall
Roemer
Rogers
Rohrabacher
Roukema
Royce
Ryan (WI)
Ryun (KS)
Sanford
Schaffer
Sensenbrenner
Sessions
Sherwood
Smith (MI)
Smith (NJ)
Spence
Stark
Stearns
Stump
Tancredo
Tanner
Taylor (MS)
Thornberry
Thune
Tiahrt
Toomey
Traficant
Upton
Wamp
Watkins
Weldon (FL)

NOT VOTING—17

Bereuter
Clay
Cramer
Dickey
Gilchrest
Hastings (WA)
Johnson, Sam
Kanjorski
Martinez
McInnis
Meehan
Mollohan
Norwood
Reyes
Scarborough
Taylor (NC)
Young (AK)

□ 1041

Mr. PETERSON of Pennsylvania and Mrs. ROUKEMA changed their vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 3073

Mr. STARK. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor from H.R. 3073.

The SPEAKER pro tempore (Mr. PEASE). Is there objection to the request of the gentleman from California?

There was no objection.

MEDICARE, MEDICAID, AND SCHIP BALANCED BUDGET REFINEMENT ACT OF 1999

Mr. ARCHER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3075) to amend title XVIII of the Social Security Act to make corrections and refinements in the Medicare Program, as revised by the Balanced Budget Act of 1997, as amended.

The Clerk read as follows:

H.R. 3075

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENTS TO SOCIAL SECURITY ACT; REFERENCES TO BBA; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999".

(b) AMENDMENTS TO SOCIAL SECURITY ACT.—Except as otherwise specifically provided, whenever in this title an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

(c) REFERENCES TO BALANCED BUDGET ACT OF 1997.—In this Act, the term "BBA" means the Balanced Budget Act of 1997 (Public Law 105–33).

(d) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; amendments to Social Security Act; references to BBA; table of contents.

TITLE I—PROVISIONS RELATING TO PART A

Subtitle A—PPS Hospitals

Sec. 101. One-year delay in transition for indirect medical education (IME) percentage adjustment.
Sec. 102. Decrease in reductions for disproportionate share hospitals; data collection requirements.

Subtitle B—PPS Exempt Hospitals

Sec. 111. Wage adjustment of percentile cap for PPS-exempt hospitals.
Sec. 112. Enhanced payments for long-term care and psychiatric hospitals until development of prospective payment systems for those hospitals.
Sec. 113. Per discharge prospective payment system for long-term care hospitals.
Sec. 114. Per diem prospective payment system for psychiatric hospitals.
Sec. 115. Refinement of prospective payment system for inpatient rehabilitation services.

Subtitle C—Adjustments to PPS Payments for Skilled Nursing Facilities

Sec. 121. Temporary increase in payment for certain high cost patients.
Sec. 122. Market basket increase.
Sec. 123. Authorizing facilities to elect immediate transition to Federal rate.
Sec. 124. Part A pass-through payment for certain ambulance services, prostheses, and chemotherapy drugs.
Sec. 125. Provision for part B add-ons for facilities participating in the NHCMQ demonstration project.
Sec. 126. Special consideration for facilities serving specialized patient populations.
Sec. 127. MedPAC study on special payment for facilities located in Hawaii and Alaska.

Subtitle D—Other

Sec. 131. Part A BBA technical corrections.

TITLE II—PROVISIONS RELATING TO PART B

Subtitle A—Adjustments to Physician Payment Updates

Sec. 201. Modification of update adjustment factor provisions to reduce update oscillations and require estimate revisions.
Sec. 202. Use of data collected by organizations and entities in determining practice expense relative values.
Sec. 203. GAO study on resources required to provide safe and effective outpatient cancer therapy.

Subtitle B—Hospital Outpatient Services

Sec. 211. Outlier adjustment and transitional pass-through for certain medical devices, drugs, and biologicals.
Sec. 212. Establishing a transitional corridor for application of OPD PPS.
Sec. 213. Delay in application of prospective payment system to cancer center hospitals.
Sec. 214. Limitation on outpatient hospital copayment for a procedure to the hospital deductible amount.

Subtitle C—Other

Sec. 221. Application of separate caps to physical and speech therapy services.
Sec. 222. Transitional outlier payments for therapy services for certain high acuity patients.
Sec. 223. Update in renal dialysis composite rate.
Sec. 224. Temporary update in durable medical equipment and oxygen rates.
Sec. 225. Requirement for new proposed rulemaking for implementation of inherent reasonableness policy.
Sec. 226. Increase in reimbursement for pap smears.
Sec. 227. Refinement of ambulance services demonstration project.
Sec. 228. Phase-in of PPS for ambulatory surgical centers.
Sec. 229. Extension of medicare benefits for immunosuppressive drugs.
Sec. 230. Additional studies.

TITLE III—PROVISIONS RELATING TO PARTS A AND B

Subtitle A—Home Health Services

Sec. 301. Adjustment to reflect administrative costs not included in the interim payment system.
Sec. 302. Delay in application of 15 percent reduction in payment rates for home health services until 1 year after implementation of prospective payment system.
Sec. 303. Clarification of surety bond requirements.
Sec. 304. Technical amendment clarifying applicable market basket increase for PPS.

Subtitle B—Direct Graduate Medical Education

Sec. 311. Use of national average payment methodology in computing direct graduate medical education (DGME) payments.
Sec. 312. Initial residency period for child neurology residency training programs.

Subtitle C—Other

Sec. 321. GAO study on geographic reclassification.
Sec. 322. MedPAC study on medicare payment for non-physician health professional clinical training in hospitals.

TITLE IV—RURAL PROVIDER PROVISIONS

Sec. 401. Permitting reclassification of certain urban hospitals as rural hospitals.
Sec. 402. Update of standards applied for geographic reclassification for certain hospitals.
Sec. 403. Improvements in the critical access hospital (CAH) program.
Sec. 404. 5-year extension of medicare dependent hospital (MDH) program.
Sec. 405. Rebasing for certain sole community hospitals.
Sec. 406. Increased flexibility in providing graduate physician training in rural areas.
Sec. 407. Elimination of certain restrictions with respect to hospital swing bed program.
Sec. 408. Grant program for rural hospital transition to prospective payment.

Sec. 409. MedPAC study of rural providers.
Sec. 410. Expansion of access to paramedic intercept services in rural areas.

TITLE V—PROVISIONS RELATING TO PART C (MEDICARE+CHOICE PROGRAM)

Subtitle A—Medicare+Choice

Sec. 501. Phase-in of new risk adjustment methodology.
Sec. 502. Encouraging offering of Medicare+Choice plans in areas without plans.
Sec. 503. Modification of 5-year re-entry rule for contract terminations.
Sec. 504. Continued computation and publication of AAPCC data.
Sec. 505. Changes in Medicare+Choice enrollment rules.
Sec. 506. Allowing variation in premium waivers within a service area if Medicare+Choice payment rates vary within the area.
Sec. 507. Delay in deadline for submission of adjusted community rates and related information.
Sec. 508. 2 year extension of medicare cost contracts.
Sec. 509. Medicare+Choice nursing and allied health professional education payments.
Sec. 510. Reduction in adjustment in national per capita Medicare+Choice growth percentage for 2002.
Sec. 511. Deeming of Medicare+Choice organization to meet requirements.
Sec. 512. Miscellaneous changes and studies.
Sec. 513. MedPAC report on medicare MSA (medical savings account) plans.
Sec. 514. Clarification of nonapplicability of certain provisions of discharge planning process to Medicare+Choice plans.

Subtitle B—Managed Care Demonstration Projects

Sec. 521. Extension of social health maintenance organization demonstration (SHMO) project authority.
Sec. 522. Extension of medicare community nursing organization demonstration project.
Sec. 523. Medicare+Choice competitive bidding demonstration project.
Sec. 524. Extension of medicare municipal health services demonstration projects.
Sec. 525. Medicare coordinated care demonstration project.

TITLE VI—MEDICAID

Sec. 601. Making medicaid DSH transition rule permanent.
Sec. 602. Increase in DSH allotment for certain States and the District of Columbia.
Sec. 603. New prospective payment system for Federally-qualified health centers and rural health clinics.
Sec. 604. Parity in reimbursement for certain utilization and quality control services.

TITLE VII—STATE CHILDREN'S HEALTH INSURANCE PROGRAM (SCHIP)

Sec. 701. Stabilizing the SCHIP allotment formula.
Sec. 702. Increased allotments for territories under the State children's health insurance program.

TITLE I—PROVISIONS RELATING TO PART A

Subtitle A—PPS Hospitals

SEC. 101. ONE-YEAR DELAY IN TRANSITION FOR INDIRECT MEDICAL EDUCATION (IME) PERCENTAGE ADJUSTMENT.

(a) In General.—Section 1886(d)(5)(B)(ii) (42 U.S.C. 1395ww(d)(5)(B)(ii)), as amended by section 4621(a)(1) of BBA, is amended—

(1) in subclause (IV), by inserting "and 2001" after "2000"; and

(2) by striking "2000" in subclause (V) and inserting "2001".

(b) Conforming Amendment Relating to Determination of Standardized Amount.—Section 1886(d)(2)(C)(i) (42 U.S.C. 1395ww(d)(2)(C)(i)), as amended by section 4621(a)(2) of BBA, is amended by inserting "or any additional payments under such paragraph resulting from the amendment made by section 101(a) of Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999" after "Balanced Budget Act of 1997".

SEC. 102. DECREASE IN REDUCTIONS FOR DISPROPORTIONATE SHARE HOSPITALS; DATA COLLECTION REQUIREMENTS.

(a) In General.—Section 1886(d)(5)(F)(ix) (42 U.S.C. 1395ww(d)(5)(F)(ix)), as added by section 4403(a) of BBA, is amended—

(1) in subclause (III), by striking "during fiscal year 2000" and inserting "during each of fiscal years 2000 and 2001";

(2) by striking subclause (IV);

(3) by redesignating subclauses (V) and (VI) and subclauses (IV) and (V), respectively; and

(4) in subclause (IV), as so redesignated, by striking "reduced by 5 percent" and inserting "reduced by 4 percent".

(b) Data Collection.—

(1) In general.—The Secretary of Health and Human Services shall require any subsection (d) hospital (as defined in section 1886(d)(1)(B) of the Social Security Act (42 U.S.C. 1395ww(d)(1)(B)) to submit to the Secretary, in the cost reports submitted to the Secretary by such hospital for discharges occurring during a fiscal year, data on the costs incurred by the hospital for providing inpatient and outpatient hospital services for which the hospital is not compensated, including non-medicare bad debt, charity care, and charges for medicaid an indigent care.

(2) Effective date.—The Secretary shall require the submission of the data described in paragraph (1) in cost reports for cost reporting periods beginning on or after the date of the enactment of this Act.

Subtitle B—PPS-Exempt Hospitals

SEC. 111. WAGE ADJUSTMENT OF PERCENTILE CAP FOR PPS-EXEMPT HOSPITALS.

(a) In General.—Section 1886(b)(3)(H) (42 U.S.C. 1395ww(b)(3)(H)), as amended by section 4414 of BBA, is amended—

(1) in clause (i), by inserting ", as adjusted under clause (iii)" before the period,

(2) in clause (ii), by striking "clause (i)" and "such clause" and inserting "subclause (I)" and "such subclause" respectively,

(3) by striking "(H)(i)" and inserting "(ii)(I)",

(4) by redesignating clauses (ii) and (iii) as subclauses (II) and (III),

(5) by inserting after clause (ii), as so redesignated, the following new clause:

"(iii) In applying clause (ii)(I) in the case of a hospital or unit, the Secretary shall provide for an appropriate adjustment to the labor-related portion of the amount determined under such subparagraph to take into account differences between average wage-related costs in the area of the hospital and the national average of such costs within the same class of hospital.", and

(6) by inserting before clause (ii), as so redesignated, the following new clause:

"(H)(i) In the case of a hospital or unit that is within a class of hospital described in clause (iv), for a cost reporting period beginning during fiscal years 1998 through 2002, the target amount for such a hospital or unit may not exceed the amount as updated up to or for such cost reporting period under clause (ii).".

(b) Effective Date.—The amendments made by subsection (a) apply to cost reporting periods beginning on or after October 1, 1999.

SEC. 112. ENHANCED PAYMENTS FOR LONG-TERM CARE AND PSYCHIATRIC HOSPITALS UNTIL DEVELOPMENT OF PROSPECTIVE PAYMENT SYSTEMS FOR THOSE HOSPITALS.

Section 1886(b)(2) (42 U.S.C. 1395ww(b)(2)), as added by section 4415(b) of BBA, is amended—

(1) in subparagraph (A), by striking "In addition to" and inserting "Except as provided in subparagraph (E), in addition to"; and

(2) by adding at the end the following new subparagraph:

"(E)(i) In the case of an eligible hospital that is a hospital or unit that is within a class of hospital described in clause (ii) with a 12-month cost reporting period beginning before the enactment of this subparagraph, in determining the amount of the increase under subparagraph (A), the Secretary shall substitute for the percentage of the target amount applicable under subparagraph (A)(ii)—

"(I) for a cost reporting period beginning on or after October 1, 2000, and before September 30, 2001, 1.5 percent; and

"(II) for a cost reporting period beginning on or after October 1, 2001, and before September 30, 2002, 2 percent.

"(ii) For purposes of clause (i), each of the following shall be treated as a separate class of hospital:

"(I) Hospitals described in clause (i) of subsection (d)(1)(B) and psychiatric units described in the matter following clause (v) of such subsection.

"(II) Hospitals described in clause (iv) of such subsection.".

SEC. 113. PER DISCHARGE PROSPECTIVE PAYMENT SYSTEM FOR LONG-TERM CARE HOSPITALS.

(a) Development of System.—

(1) In general.—The Secretary of Health and Human Services shall develop a per discharge prospective payment system for payment for inpatient hospital services of long-term care hospitals described in section 1886(d)(1)(B)(iv) of the Social Security Act (42 U.S.C. 1395ww(d)(1)(B)(iv)) under the medicare program. Such system shall include an adequate patient classification system that is based on diagnosis-related groups (DRGs) and that reflects the differences in patient resource use and costs, and shall maintain budget neutrality.

(2) Collection of data and evaluation.—In developing the system described in paragraph (1), the Secretary may require such long-term care hospitals to submit such information to the Secretary as the Secretary may require to develop the system.

(b) Report.—Not later than October 1, 2001, the Secretary shall submit to the appropriate committees of Congress a report that includes a description of the system developed under subsection (a)(1).

(c) Implementation of Prospective Payment System.—Notwithstanding section

1886(b)(3) of the Social Security Act (42 U.S.C. 1395ww(b)(3)), the Secretary shall provide, for cost reporting periods beginning on or after October 1, 2002, for payments for inpatient hospital services furnished by long-term care hospitals under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) in accordance with the system described in subsection (a).

SEC. 114. PER DIEM PROSPECTIVE PAYMENT SYSTEM FOR PSYCHIATRIC HOSPITALS.

(a) DEVELOPMENT OF SYSTEM.—

(1) IN GENERAL.—The Secretary of Health and Human Services shall develop a per diem prospective payment system for payment for inpatient hospital services of psychiatric hospitals and units (as defined in paragraph (3)) under the medicare program. Such system shall include an adequate patient classification system that reflects the differences in patient resource use and costs among such hospitals and shall maintain budget neutrality.

(2) COLLECTION OF DATA AND EVALUATION.—In developing the system described in paragraph (1), the Secretary may require such psychiatric hospitals and units to submit such information to the Secretary as the Secretary may require to develop the system.

(3) DEFINITION.—In this section, the term "psychiatric hospitals and units" means a psychiatric hospital described in clause (i) of section 1886(d)(1)(B) of the Social Security Act (42 U.S.C. 1395ww(d)(1)(B)) and psychiatric units described in the matter following clause (v) of such section.

(b) REPORT.—Not later than October 1, 2001, the Secretary shall submit to the appropriate committees of Congress a report that includes a description of the system developed under subsection (a)(1).

(c) IMPLEMENTATION OF PROSPECTIVE PAYMENT SYSTEM.—Notwithstanding section 1886(b)(3) of the Social Security Act (42 U.S.C. 1395ww(b)(3)), the Secretary shall provide, for cost reporting periods beginning on or after October 1, 2002, for payments for inpatient hospital services furnished by psychiatric hospitals and units under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) in accordance with the prospective payment system established by the Secretary under this section in a budget neutral manner.

SEC. 115. REFINEMENT OF PROSPECTIVE PAYMENT SYSTEM FOR INPATIENT REHABILITATION SERVICES.

(a) ELECTION TO APPLY FULL PROSPECTIVE PAYMENT RATE WITHOUT PHASE-IN.—

(1) IN GENERAL.—Paragraph (1) of section 1886(j) (42 U.S.C. 1395ww(j)), as added by section 4421(a) of BBA, is amended—

(A) in subparagraph (C), by inserting "subject to subparagraph (E)," after "subparagraph (A),"; and

(B) by adding at the end the following new subparagraph:

"(E) ELECTION TO APPLY FULL PROSPECTIVE PAYMENT SYSTEM.—A rehabilitation facility may elect for either or both cost reporting periods described in subparagraph (C) to have the TEFRA percentage and prospective payment percentage set at 0 percent and 100 percent, respectively, for the facility.".

(2) BUDGET NEUTRALITY IN APPLICATION.—Paragraph (3)(B) of such section is amended by inserting "and taking into account the election permitted under paragraph (1)(E)" after "in the Secretary's estimation".

(3) CASE MIX CREEP ADJUSTMENT.—Paragraph (2)(C) of such section is amended by adding at the end the following new clauses:

"(iii) EXAMINATION OF CHANGES IN CASE MIX.—The Secretary, upon obtaining substantially complete data from fiscal year 2001, shall analyze the extent to which the changes in case mix during that fiscal year are attributable to changes in coding and classification and do not reflect real changes in case mix.

"(iv) INITIAL ADJUSTMENT OF RATES IN FISCAL YEAR 2004.—Based on the analysis performed under clause (iii) in determining the amount of case mix change due merely to changes in coding or classification, the Secretary shall adjust the prospective payment amounts for fiscal year 2004 by 150 percent of the Secretary's estimate of the percentage adjustment to the prospective payment rate under this paragraph that would have achieved budget neutrality in fiscal year 2001 if it had applied in setting the rates for that fiscal year.

"(v) FINAL ADJUSTMENT OF RATES IN FISCAL YEAR 2005.—In the case that the adjustment under clause (iv) resulted in—

"(I) a percentage decrease in rates, the Secretary shall increase the prospective payment amounts for fiscal year 2005 by a percentage equal to ⅓ of such percentage decrease; or

"(II) a percentage increase in rates, the Secretary shall decrease the prospective payment amounts for fiscal year 2005 by a percentage equal to ⅓ of such percentage increase.".

(b) USE OF DISCHARGE AS PAYMENT UNIT.—

(1) IN GENERAL.—Paragraph (1)(D) of such section is amended by striking ", day of inpatient hospital services, or other unit of payment defined by the Secretary".

(2) CONFORMING AMENDMENT TO CLASSIFICATION.—Paragraph (2)(A) of such section is amended by amending clause (i) of to read as follows:

"(i) classes of patient discharges of rehabilitation facilities by functional-related groups (each in this subsection referred to as a 'case mix group'), based on impairment, age, comorbidities, and functional capability of the patient and such other factors as the Secretary deems appropriate to improve the explanatory power of functional independence measure-function related groups; and".

(3) CONSTRUCTION RELATING TO TRANSFER AUTHORITY.—Paragraph (1) of such section, as amended by subsection (a)(1), is further amended by adding at the end the following new subparagraph:

"(F) CONSTRUCTION RELATING TO TRANSFER AUTHORITY.—Nothing in this subsection shall be construed as preventing the Secretary from providing for an adjustment to payments to take into account the early transfer of a patient from a rehabilitation facility to another site of care.".

(c) STUDY ON IMPACT OF IMPLEMENTATION OF PROSPECTIVE PAYMENT SYSTEM.—

(1) STUDY.—The Secretary of Health and Human Services shall conduct a study of the impact on utilization and beneficiary access to services of the implementation of the medicare prospective payment system for inpatient hospital services or rehabilitation facilities under section 1886(j) of the Social Security Act (as added by section 4421(a) of BBA).

(2) REPORT.—Not later than 3 years after the date such system is first implemented, the Secretary shall submit to Congress a report on such study.

(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) are effective as if included in the enactment of section 4421(a) of BBA.

Subtitle C—Adjustments to PPS Payments for Skilled Nursing Facilities

SEC. 121. TEMPORARY INCREASE IN PAYMENT FOR CERTAIN HIGH COST PATIENTS.

(a) ADJUSTMENT FOR MEDICALLY COMPLEX PATIENTS UNTIL ESTABLISHMENT OF REFINED CASE-MIX ADJUSTMENT.—For purposes of computing payments for covered skilled nursing facility services under paragraph (1) of section 1888(e) of the Social Security Act (42 U.S.C. 1395yy(e)), as added by section 4432(a) of BBA, for such services furnished on or after April 1, 2000, and before October 1, 2000, the Secretary of Health and Human Services shall increase by 10 percent the adjusted Federal per diem rate otherwise determined under paragraph (4) of such section (but, for this section) for covered skilled nursing facility services for RUG–III groups described in subsection (b) furnished to an individual during the period in which such individual is classified in such a RUG–III category.

(b) GROUPS DESCRIBED.—The RUG–III groups for which the adjustment described in subsection (a) applies are SE3, SE2, SE1, SSC, SSB, SSA, CC2, CC1, CB2, CB1, CA2, and CA1, as specified in Tables 3 and 4 of the final rule published in the Federal Register by the Health Care Financing Administration on July 30, 1999 (64 Fed. Reg. 41684).

SEC. 122. MARKET BASKET INCREASE.

Section 1888(e)(4)(E)(ii) (42 U.S.C. 1395yy(e)(4)(E)(ii)) is amended—

(1) by redesignating subclause (III) as subclause (IV); and

(2) by striking subclause (II) and inserting after subclause (I) the following:

"(II) for fiscal year 2001, the rate computed for fiscal year 2000 (determined without regard to section 121 of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999) increased by the skilled nursing facility market basket percentage change for the fiscal year involved plus 0.8 percentage point;

"(III) for fiscal year 2002, the rate computed for the previous fiscal year increased by the skilled nursing facility market basket percentage change for the fiscal year involved minus 1 percentage point; and".

SEC. 123. AUTHORIZING FACILITIES TO ELECT IMMEDIATE TRANSITION TO FEDERAL RATE.

(a) IN GENERAL.—Section 1888(e) (42 U.S.C. 1395yy(e)), as added by section 4432(a) of BBA, is amended—

(1) in paragraph (1), in the matter preceding subparagraph (A), by striking "paragraph (7)" and inserting "paragraphs (7) and (11)"; and

(2) by adding at the end the following new paragraph:

"(11) PERMITTING FACILITIES TO WAIVE 3-YEAR TRANSITION.—Notwithstanding paragraph (1)(A), a facility may elect to have the amount of the payment for all costs of covered skilled nursing facility services for each day of such services furnished in cost reporting periods beginning after the date of such election determined pursuant to subparagraph (B) of paragraph (1).".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to elections made more than 60 days after the date of enactment of this Act.

SEC. 124. PART A PASS-THROUGH PAYMENT FOR CERTAIN AMBULANCE SERVICES, PROSTHESES, AND CHEMOTHERAPY DRUGS.

(a) IN GENERAL.—Section 1888(e) (42 U.S.C. 1395yy(e)), as added by section 4432(a) of BBA, is amended—

(1) in paragraph (2)(A)(i)(II), by striking “services described in clause (ii)” and inserting “items and services described in clauses (ii) and (iii)”;

(2) by adding at the end of paragraph (2)(A) the following new clause:

“(iii) Exclusion of certain additional items.—Items described in this clause are the following:

“(I) Ambulance services furnished to an individual in conjunction with renal dialysis services described in section 1861(s)(2)(F).

“(II) Chemotherapy items (identified as of July 1, 1999, by HCPCS codes J9000–J9020; J9040–J9151; J9170–J9185; J9200–J9201; J9206–J9208; J9211; J9230–J9245; and J9265–J9600 (and as subsequently modified by the Secretary)).

“(III) Chemotherapy administration services (identified as of July 1, 1999, by HCPCS codes 36260–36262; 36489; 36530–36535; 36640; 36823; and 96405–96542 (and as subsequently modified by the Secretary)).

“(IV) Radioisotope services (identified as of July 1, 1999, by HCPCS codes 79030–79440 (and as subsequently modified by the Secretary)).

“(V) Customized prosthetic devices (commonly known as artificial limbs or components or artifical limbs) under the following HCPCS codes (as of July 1, 1999 (and as subsequently modified by the Secretary)) if delivered to an inpatient for use during the stay in the skilled nursing facility and intended to be used by the individual after discharge from the facility: L5050–L5340; L5500–L5610; L5613–L5986; L5988; L6050–L6370; L6400–L6880; L6920-L7274; and L7362–7366.”; and

(3) by adding at the end of paragraph (9) the following: “In the case of an item or service described in clause (iii) of paragraph (2)(A) that would be payable under part A but for the exclusion of such item or service under such clause, payment shall be made for the item or service, in an amount otherwise determined under part B of this title for such item or service, from the Federal Hospital Insurance Trust Fund under section 1817 (rather than from the Federal Supplementary Medical Insurance Trust Fund under section 1841).”.

(b) Conforming for Budget Neutrality Beginning With Fiscal Year 2001.—Section 1888(e)(4)(G) (42 U.S.C. 1395yy(e)(4)(G)) is amended by adding at the end the following new clause:

“(iii) Adjustment for exclusion of certain additional items.—The Secretary shall provide for an appropriate proportional reduction in payments so that beginning with fiscal year 2001, the aggregate amount of such reductions is equal to the aggregate increase in payments attributable to the exclusion effected under clause (iii) of paragraph (2)(A).”.

(c) Effective Date.—The amendments made by subsection (a) shall apply to payments made for items furnished on or after April 1, 2000.

SEC. 125. PROVISION FOR PART B ADD-ONS FOR FACILITIES PARTICIPATING IN THE NHCMQ DEMONSTRATION PROJECT.

(a) In General.—Section 1888(e)(3) (42 U.S.C. 1395yy(e)(3)), as added by section 4432(a) of BBA, is amended—

(1) in subparagraph (A)—

(A) in clause (i), by inserting “or, in the case of a facility participating in the Nursing Home Case-Mix and Quality Demonstration (RUGS–III), the RUGS–III rate received by the facility during the cost reporting period beginning in 1997” after “to non-settled cost reports”; and

(B) in clause (ii), by striking “furnished during such period” and inserting “furnished during the applicable cost reporting period described in clause (i)”; and

(2) by amending subparagraph (B) to read as follows:

“(B) Update to first cost reporting period.—The Secretary shall update the amount determined under subparagraph (A), for each cost reporting period after the applicable cost reporting period described in subparagraph (A)(i) and up to the first cost reporting period by a factor equal to the skilled nursing facility market basket percentage increase minus 1 percentage point (except that for the cost reporting period beginning in fiscal year 2001, the factor shall be equal to such market basket percentage plus 0.8 percentage point).”.

(b) Effective Date.—The amendments made by subsection (a) shall be effective as if included in the enactment of section 4432(a) of BBA.

SEC. 126. SPECIAL CONSIDERATION FOR FACILITIES SERVING SPECIALIZED PATIENT POPULATIONS.

(a) In General.—Section 1888(e) (42 U.S.C. 1395yy(e)), as amended by section 123(a)(1), is further amended—

(1) in paragraph (1), by striking “subject to paragraphs (7) and (11)” and inserting “subject to paragraphs (7), (11), and (12)”; and

(2) by adding at the end the following new paragraph:

“(12) Payment rule for certain facilities.—

“(A) In general.—In the case of a qualified acute skilled nursing facility described in subparagraph (B), the per diem amount of payment shall be determined by applying the non-Federal percentage and Federal percentage specified in paragraph (2)(C)(ii).

“(B) Facility described.—For purposes of subparagraph (A), a qualified acute skilled nursing facility is a facility that—

“(i) was certified by the Secretary as a skilled nursing facility eligible to furnish services under this title before July 1, 1992;

“(ii) is a hospital-based facility; and

“(iii) for the cost reporting period beginning in fiscal year 1998, the facility had more than 60 percent of total patient days comprised of patients who are described in subparagraph (C).

“(C) Description of patients.—For purposes of subparagraph (B), a patient described in this subparagraph is an individual who—

“(i) is entitled to benefits under part A; and

“(ii) is immuno-compromised secondary to an infectious disease, with specific diagnoses as specified by the Secretary.”.

(b) Effective Date.—The amendments made by subsection (a) shall apply for the period beginning on the date on which after the date of the enactment of this Act the first cost reporting period of the facility begins and ending on September 30, 2001, and applies to skilled nursing facilities furnishing covered skilled nursing facility services on the date of the enactment of this Act for which payment is made under title XVIII of the Social Security Act.

(c) Report to Congress.—By not later than one year after the date of the enactment of this Act, the Secretary of Health and Human Services shall assess the resource use of patients of skilled nursing facilities furnishing services under the medicare program who are immuno-compromised secondary to an infectious disease, with specific diagnoses as specified by the Secretary (under paragraph (12)(C), as added by subsection (a), of section 1888(e) of the Social Security Act (42 U.S.C. 1395yy(e))) to determine whether any permanent adjustments are needed to the RUGs to take into account the resource uses and costs of these patients.

SEC. 127. MEDPAC STUDY ON SPECIAL PAYMENT FOR FACILITIES LOCATED IN HAWAII AND ALASKA.

(a) In General.—The Medicare Payment Advisory Commission shall conduct a study on skilled nursing facilities furnishing covered skilled nursing facility services (as defined in section 1888(e)(2)(A) of the Social Security Act (42 U.S.C. 1395yy(e)(2)(A)) to determine the need for an additional payment amount under section 1888(e)(4)(G) of such Act (42 U.S.C. 1395yy(e)(4)(G)) to take into account the unique circumstances of skilled nursing facilities located in Alaska and Hawaii.

(b) Report.—By not later than 18 months after the date of the enactment of this Act, the Medicare Payment Advisory Commission shall submit a report to Congress on the study conducted under subsection (a).

Subtitle D—Other

SEC. 131. PART A BBA TECHNICAL CORRECTIONS.

(a) Section 4201.—Section 1820(c)(2)(B)(i) (42 U.S.C. 1395i–4(c)(2)(B)(i)), as amended by section 4201(a) of BBA, is amended by striking “and is located in a county (or equivalent unit of local government) in a rural area (as defined in section 1886(d)(2)(D)) that” and inserting “that is located in a county (or equivalent unit of local government) in a rural area (as defined in section 1886(d)(2)(D)), and that”.

(b) Section 4204.—(1) Section 1886(d)(5)(G) (42 U.S.C. 1395ww(d)(5)(G)), as amended by section 4204(a)(1) of BBA, is amended—

(A) in clause (i), by striking “or beginning on or after October 1, 1997, and before October 1, 2001,” and inserting “or discharges on or after October 1, 1997, and before October 1, 2001,”; and

(B) in clause (ii)(II), by striking “or beginning on or after October 1, 1997, and before October 1, 2001,” and inserting “or discharges on or after October 1, 1997, and before October 1, 2001,”.

(2) Section 1886(b)(3)(D) (42 U.S.C. 1395ww(b)(3)(D)), as amended by section 4204(a)(2) of BBA, is amended in the matter preceding clause (i) by striking “and for cost reporting periods beginning on or after October 1, 1997, and before October 1, 2001,” and inserting “and for discharges beginning on or after October 1, 1997, and before October 1, 2001,”.

(c) Section 4319.—Section 1847(b)(2) (42 U.S.C. 1395w–3(b)(2)), as added by section 4319 of BBA, is amended by inserting “and” after “specified by the Secretary”.

(d) Section 4401.—Section 4401(b)(1)(B) of BBA (42 U.S.C. 1395ww note) is amended by striking “section 1886(b)(3)(B)(i)(XIII) of the Social Security Act (42 U.S.C. 1395ww(b)(3)(B)(i)(XIII))” and inserting “section 1886(b)(3)(B)(i)(XIV) of the Social Security Act (42 U.S.C. 1395ww(b)(3)(B)(i)(XIV))”.

(e) Section 4402.—The last sentence of section 1886(g)(1)(A) (42 U.S.C. 1395ww(g)(1)(A)), as added by section 4402 of BBA, is amended by striking “September 30, 2002,” and inserting “October 1, 2002,”.

(f) Section 4419.—The first sentence of section 1886(b)(4)(A)(i) (42 U.S.C. 1395ww(b)(4)(A)(i)), as amended by section 4419(a)(1) of BBA, by striking “or unit”.

(g) Section 4442.—Section 4442(b) of BBA (42 U.S.C. 1395f note) is amended by striking “applies to cost reporting periods beginning” and inserting “applies to items and services furnished”.

(h) Effective Date.—The amendments made by this section shall take effect as if included in the enactment of BBA.

TITLE II—PROVISIONS RELATING TO PART B

Subtitle A—Adjustments to Physician Payment Updates

SEC. 201. MODIFICATION OF UPDATE ADJUSTMENT FACTOR PROVISIONS TO REDUCE UPDATE OSCILLATIONS AND REQUIRE ESTIMATE REVISIONS.

(a) UPDATE ADJUSTMENT FACTOR.—

(1) IN GENERAL.—Section 1848(d) (42 U.S.C. 1395w–4(d)) is amended—

(A) in paragraph (3)—

(i) in the heading, by inserting “FOR 1999 AND 2000” after “UPDATE”;

(ii) in subparagraph (A), by striking “a year beginning with 1999” and inserting “1999 and 2000”; and

(iii) in subparagraph (C), by inserting “and paragraph (4)” after “For purposes of this paragraph”; and

(B) by adding at the end the following new paragraph:

“(4) UPDATE FOR YEARS BEGINNING WITH 2001.—

“(A) IN GENERAL.—Unless otherwise provided by law, subject to the budget-neutrality factor determined by the Secretary under subsection (c)(2)(B)(ii) and subject to adjustment under subparagraph (F), the update to the single conversion factor established in paragraph (1)(C) for a year beginning with 2001 is equal to the product of—

“(i) 1 plus the Secretary's estimate of the percentage increase in the MEI (as defined in section 1842(i)(3)) for the year (divided by 100), and

“(ii) 1 plus the Secretary's estimate of the update adjustment factor under subparagraph (B) for the year.

“(B) UPDATE ADJUSTMENT FACTOR.—For purposes of subparagraph (A)(ii), subject to subparagraph (D), the ‘update adjustment factor’ for a year is equal (as estimated by the Secretary) to the sum of the following:

“(i) PRIOR YEAR ADJUSTMENT COMPONENT.—An amount determined by—

“(I) computing the difference (which may be positive or negative) between the amount of the allowed expenditures for physicians' services for the prior year (as determined under subparagraph (C)) and the amount of the actual expenditures for such services for that year;

“(II) dividing that difference by the amount of the actual expenditures for such services for that year; and

“(III) multiplying that quotient by 0.75.

“(ii) CUMULATIVE ADJUSTMENT COMPONENT.—An amount determined by—

“(I) computing the difference (which may be positive or negative) between the amount of the allowed expenditures for physicians' services (as determined under subparagraph (C)) from April 1, 1996, through the end of the prior year and the amount of the actual expenditures for such services during that period;

“(II) dividing that difference by actual expenditures for such services for the prior year as increased by the sustainable growth rate under subsection (f) for the year for which the update adjustment factor is to be determined; and

“(III) multiplying that quotient by 0.33.

“(C) DETERMINATION OF ALLOWED EXPENDITURES.—For purposes of this paragraph:

“(i) PERIOD UP TO APRIL 1, 1999.—The allowed expenditures for physicians' services for a period before April 1, 1999, shall be the amount of the allowed expenditures for such period as determined under paragraph (3)(C).

“(ii) TRANSITION TO CALENDAR YEAR ALLOWED EXPENDITURES.—Subject to subparagraph (E), the allowed expenditures for—

“(I) the 9-month period beginning April 1, 1999, shall be the Secretary's estimate of the amount of the allowed expenditures that would be permitted under paragraph (3)(C) for such period; and

“(II) the year of 1999, shall be the Secretary's estimate of the amount of the allowed expenditures that would be permitted under paragraph (3)(C) for such year.

“(iii) YEARS BEGINNING WITH 2000.—The allowed expenditures for a year (beginning with 2000) is equal to the allowed expenditures for physicians' services for the previous year, increased by the sustainable growth rate under subsection (f) for the year involved.

“(D) RESTRICTION ON UPDATE ADJUSTMENT FACTOR.—The update adjustment factor determined under subparagraph (B) for a year may not be less than -0.07 or greater than 0.03.

“(E) RECALCULATION OF ALLOWED EXPENDITURES FOR UPDATES BEGINNING WITH 2001.—For purposes of determining the update adjustment factor for a year beginning with 2001, the Secretary shall recompute the allowed expenditures for previous periods beginning on or after April 1, 1999, consistent with subsection (f)(3).

“(F) TRANSITIONAL ADJUSTMENT DESIGNED TO PROVIDE FOR BUDGET NEUTRALITY.—Under this subparagraph the Secretary shall provide for an adjustment to the update under subparagraph (A)—

“(i) for each of 2001, 2002, 2003, and 2004, of -0.2 percent; and

“(ii) for 2005 of +0.8 percent.”.

(2) PUBLICATION CHANGE.—

(A) IN GENERAL.—Section 1848(d)(1)(E) (42 U.S.C. 1395w–4(d)(1)(E)) is amended to read as follows:

“(E) PUBLICATION AND DISSEMINATION OF INFORMATION.—The Secretary shall—

“(i) cause to have published in the Federal Register not later than November 1 of each year (beginning with 2000) the conversion factor which will apply to physicians' services for the succeeding year, the update determined under paragraph (4) for such succeeding year, and the allowed expenditures under such paragraph for such succeeding year; and

“(ii) make available to the Medicare Payment Advisory Commission and the public by March 1 of each year (beginning with 2000) an estimate of the sustainable growth rate and of the conversion factor which will apply to physicians' services for the succeeding year and data used in making such estimate.”.

(B) MEDPAC REVIEW OF CONVERSION FACTOR ESTIMATES.—Section 1805(b)(1)(D) (42 U.S.C. 1395b–6(b)(1)(D)) is amended by inserting “and including a review of the estimate of the conversion factor submitted under section 1848(d)(1)(E)(ii)” before the period at the end.

(C) 1-TIME PUBLICATION OF INFORMATION ON TRANSITION.—The Secretary of Health and Human Services shall cause to have published in the Federal Register, not later than 90 days after the date of the enactment of this section, the Secretary's determination, based upon the best available data, of—

(i) the allowed expenditures under subclauses (I) and (II) of section 1848(d)(4)(C)(ii) of the Social Security Act, as added by subsection (a)(1)(B), for the 9-month period beginning on April 1, 1999, and for 1999;

(ii) the estimated actual expenditures described in section 1848(d) of such Act for 1999; and

(iii) the sustainable growth rate under section 1848(f) of such Act (42 U.S.C. 1395w–4(f)) for 2000.

(3) CONFORMING AMENDMENTS.—

(A) Section 1848 (42 U.S.C. 1395w–4) is amended—

(i) in subsection (d)(1)(A), by inserting “(for years before 2001) and, for years beginning with 2001, multiplied by the update (established under paragraph (4)) for the year involved” after “for the year involved”; and

(ii) in subsection (f)(2)(D), by inserting “or (d)(4)(B), as the case may be” after “(d)(3)(B)”.

(B) Section 1833(l)(4)(A)(i)(VII) (42 U.S.C. 1395l(l)(4)(A)(i)(VII)) is amended by striking “1848(d)(3)” and inserting “1848(d)”.

(b) SUSTAINABLE GROWTH RATES.—Section 1848(f) (42 U.S.C. 1395w–4(f)) is amended—

(1) by amending paragraph (1) to read as follows:

“(1) PUBLICATION.—The Secretary shall cause to have published in the Federal Register not later than—

“(A) November 1, 2000, the sustainable growth rate for 2000 and 2001; and

“(B) November 1 of each succeeding year the sustainable growth rate for such succeeding year and each of the preceding 2 years.”;

(2) in paragraph (2)—

(A) in the matter before subparagraph (A), by striking “fiscal year 1998)” and inserting “fiscal year 1998 and ending with fiscal year 2000) and a year beginning with 2000”; and

(B) in subparagraphs (A) through (D), by striking “fiscal year” and inserting “applicable period” each place it appears;

(3) in paragraph (3), by adding at the end the following new subparagraph:

“(C) APPLICABLE PERIOD.—The term ‘applicable period’ means—

“(i) a fiscal year, in the case of fiscal year 1998, fiscal year 1999, and fiscal year 2000; or

“(ii) a calendar year with respect to a year beginning with 2000;

as the case may be.”;

(4) by redesignating paragraph (3) as paragraph (4); and

(5) by inserting after paragraph (2) the following new paragraph:

“(3) DATA TO BE USED.—For purposes of determining the update adjustment factor under subsection (d)(4)(B) for a year beginning with 2001, the sustainable growth rates taken into consideration in the determination under paragraph (2) shall be determined as follows:

“(A) FOR 2001.—For purposes of such calculations for 2001, the sustainable growth rates for fiscal year 2000 and the years 2000 and 2001 shall be determined on the basis of the best data available to the Secretary as of September 1, 2000.

“(B) FOR 2002.—For purposes of such calculations for 2002, the sustainable growth rates for fiscal year 2000 and for years 2000, 2001, and 2002 shall be determined on the basis of the best data available to the Secretary as of September 1, 2001.

“(C) FOR 2003 AND SUCCEEDING YEARS.—For purposes of such calculations for a year after 2002—

“(i) the sustainable growth rates for that year and the preceding 2 years shall be determined on the basis of the best data available to the Secretary as of September 1 of the year preceding the year for which the calculation is made; and

“(ii) the sustainable growth rate for any year before a year described in clause (i) shall be the rate as most recently determined for that year under this subsection.

Nothing in this paragraph shall be construed as affecting the sustainable growth rates established for fiscal year 1998 or fiscal year 1999.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective in determining the conversion factor under section 1848(d) of the Social Security Act (42 U.S.C. 1395w–4(d)) for years beginning with 2001 and shall not apply to or affect any update (or any update adjustment factor) for any year before 2001.

SEC. 202. USE OF DATA COLLECTED BY ORGANIZATIONS AND ENTITIES IN DETERMINING PRACTICE EXPENSE RELATIVE VALUES.

(a) IN GENERAL.—The Secretary of Health and Human Services shall establish by regulation (after notice and opportunity for public comment) a process (including data collection standards) under which the Secretary will accept for use and will use, to the maximum extent practicable consistent with sound data practices, data collected or developed by entities and organizations (other than the Department of Health and Human Services) to supplement the data normally collected by that Department in determining the practice expense component under section 1848(c)(2)(C)(ii) of the Social Security Act (42 U.S.C. 1395w–4(c)(2)(C)(ii)) for purposes of determining relative values for payment for physicians' services under the fee schedule under section 1848 of such Act (42 U.S.C. 1395w–4). The Secretary shall first promulgate such regulation on an interim final basis in a manner that permits the submission and use of data in the computation of practice expense relative value units for payment rates for 2001.

(b) PUBLICATION OF INFORMATION.—The Secretary shall include, in the publication of the estimated and final updates under section 1848(c) of such Act (42 U.S.C. 1395w–4(c)) for payments for 2001 and for 2002, a description of the process established under subsection (a) for the use of external data in making adjustments in relative value units and the extent to which the Secretary has used such external data in making such adjustments for each such year, particularly in cases in which the data otherwise used are inadequate because they are not based upon a large enough sample size to be statistically reliable.

SEC. 203. GAO STUDY ON RESOURCES REQUIRED TO PROVIDE SAFE AND EFFECTIVE OUTPATIENT CANCER THERAPY.

(a) STUDY .—The Comptroller General of the United States shall conduct a nationwide study to determine the physician and nonphysician clinical resources necessary to provide safe outpatient cancer therapy services and the appropriate payment rates for such services under the medicare program. In making such determination, the Comptroller General shall—

(1) determine the adequacy of practice expense relative value units associated with the utilization of those clinical resources;

(2) determine the adequacy of work units in the practice expense formula; and

(3) assess various standards to assure the provision of safe outpatient cancer therapy services.

(b) REPORT TO CONGRESS.—The Comptroller General shall submit to Congress a report on the study conducted under subsection (a). The report shall include recommendations regarding practice expense adjustments to the payment methodology under part B of the medicare program, including the development and inclusion of adequate work units to assure the adequacy of payment amounts for safe outpatient cancer therapy services. The study shall also include an estimate of the cost of implementing such recommendations.

Subtitle B—Hospital Outpatient Services

SEC. 211. OUTLIER ADJUSTMENT AND TRANSITIONAL PASS-THROUGH FOR CERTAIN MEDICAL DEVICES, DRUGS, AND BIOLOGICALS.

(a) OUTLIER ADJUSTMENT.—Section 1833(t) (42 U.S.C. 1395l(t)), as added by section 4523(a) of BBA, is amended—

(1) by redesignating paragraphs (5) through (9) as paragraphs (7) through (11), respectively; and

(2) by inserting after paragraph (4) the following new paragraph:

"(5) OUTLIER ADJUSTMENT.—

"(A) IN GENERAL.—The Secretary shall provide for an additional payment for each covered OPD service (or group of services) for which a hospital's charges, adjusted to cost, exceed—

"(i) a fixed multiple of the sum of—

"(I) the applicable Medicare OPD fee schedule amount determined under paragraph (3)(D), as adjusted under paragraph (4)(A) (other than for adjustments under this paragraph or paragraph (6)); and

"(II) any transitional pass-through payment under paragraph (6); and

"(ii) at the option of the Secretary, such fixed dollar amount as the Secretary may establish.

"(B) AMOUNT OF ADJUSTMENT.—The amount of the additional payment under subparagraph (A) shall be determined by the Secretary and shall approximate the marginal cost of care beyond the applicable cutoff point under such subparagraph.

"(C) LIMIT ON AGGREGATE OUTLIER ADJUSTMENTS.—

"(i) IN GENERAL.—The total of the additional payments made under this paragraph for covered OPD services furnished in a year (as projected or estimated by the Secretary before the beginning of the year) may not exceed the applicable percentage (specified in clause (ii)) of the total program payments projected or estimated to be made under this subsection for all covered OPD services furnished in that year. If this paragraph is first applied to less than a full year, the previous sentence shall apply only to the portion of such year.

"(ii) APPLICABLE PERCENTAGE.—For purposes of clause (i), the term 'applicable percentage' means a percentage specified by the Secretary up to (but not to exceed)—

"(I) for a year (or portion of a year) before 2004, 2.5 percent; and

"(II) for 2004 and thereafter, 3.0 percent.".

(b) TRANSITIONAL PASS-THROUGH FOR ADDITIONAL COSTS OF INNOVATIVE MEDICAL DEVICES, DRUGS, AND BIOLOGICALS.—Such section is further amended by inserting after paragraph (5) the following new paragraph:

"(6) TRANSITIONAL PASS-THROUGH FOR ADDITIONAL COSTS OF INNOVATIVE MEDICAL DEVICES, DRUGS, AND BIOLOGICALS.—

"(A) IN GENERAL.—The Secretary shall provide for an additional payment under this paragraph for any of the following that are provided as part of a covered OPD service (or group of services):

"(i) CURRENT ORPHAN DRUGS.—A drug or biological that is used for a rare disease or condition with respect to which the drug or biological has been designated as an orphan drug under section 526 of the Federal Food, Drug and Cosmetic Act if payment for the drug or biological as an outpatient hospital service under this part was being made on the first date that the system under this subsection is implemented.

"(ii) CURRENT CANCER THERAPY DRUGS AND BIOLOGICALS.—A drug or biological that is used in cancer therapy, including (but not limited to) a chemotherapeutic agent, antiemetic, hematopoietic growth factor, colony stimulating factor, a biological response modifier, and a bisphosponate, or brachytherapy, if payment for such drug, biological, or device as an outpatient hospital service under this part was being made on such first date.

"(iii) NEW MEDICAL DEVICES, DRUGS, AND BIOLOGICALS.—A medical device, drug, or biological not described in clause (i) or (ii) if—

"(I) payment for the device, drug, or biological as an outpatient hospital service under this part was not being made as of December 31, 1996; and

"(II) the cost of the device, drug, or biological is not insignificant in relation to the OPD fee schedule amount (as calculated under paragraph (3)(D)) payable for the service (or group of services) involved.

"(B) LIMITED PERIOD OF PAYMENT.—The payment under this paragraph with respect to a medical device, drug, or biological shall only apply during a period of at least 2 years, but not more than 3 years, that begins—

"(i) on the first date this subsection is implemented in the case of a drug or biological described in clause (i) or (ii) of subparagraph (A) and in the case of a device, drug, or biological described in subparagraph (A)(iii) for which payment under this part is made as an outpatient hospital service before such first date; or

"(ii) in the case of a device, drug, or biological described in subparagraph (A)(iii) not described in clause (i), on the first date on which payment is made under this part for the device, drug, or biological as an outpatient hospital service.

"(C) AMOUNT OF ADDITIONAL PAYMENT.—Subject to subparagraph (D)(iii), the amount of the payment under this paragraph with respect. to a device, drug, or biological provided as part of a covered OPD service is—

"(i) in the case of a drug or biological, the amount by which the amount determined under section 1842(o) for the drug or biological exceeds the portion of the otherwise applicable medicare OPD fee schedule that the Secretary determines is associated with the drug or biological; or

"(ii) in the case of a medical device, the amount by which the hospital's charges for the device, adjusted to cost, exceeds the portion of the otherwise applicable medicare OPD fee schedule that the Secretary determines is associated with the device.

"(D) LIMIT ON AGGREGATE ANNUAL ADJUSTMENT.—

"(i) IN GENERAL.—The total of the additional payments made under this paragraph for covered OPD services furnished in a year (as projected or estimated by the Secretary before the beginning of the year) may not exceed the applicable percentage (specified in clause (ii)) of the total program payments projected or estimated to be made under this subsection for all covered OPD services furnished in that year. If this paragraph is first applied to less than a full year, the previous sentence shall apply only to the portion of such year.

"(ii) APPLICABLE PERCENTAGE.—For purposes of clause (i), the term 'applicable percentage' means—

"(I) for a year (or portion of a year) before 2004, 2.5 percent; and

"(II) for 2004 and thereafter, a percentage specified by the Secretary up to (but not to exceed) 2.0 percent.

"(iii) UNIFORM PROSPECTIVE REDUCTION IF AGGREGATE LIMIT PROJECTED TO BE EXCEEDED.—If the Secretary projects or estimates before the beginning of a year that the amount of the additional payments under this paragraph for the year (or portion thereof) as determined under clause (i) without regard to this clause) will exceed the limit established under such clause, the Secretary shall reduce pro rata the amount of each of the additional payments under this paragraph for that year (or portion thereof) in order to ensure that the aggregate additional payments under this paragraph (as so projected or estimated) do not exceed such limit.''.

(c) Application of New Adjustments on a Budget Neutral Basis.—Section 1833(t)(2)(E) (42 U.S.C. 1395l(t)(2)(E)) is amended by striking "other adjustments, in a budget neutral manner, as determined to be necessary to ensure equitable payments, such a outlier adjustments or" and inserting ", in a budget neutral manner, outlier adjustments under paragraph (5) and transitional pass-through payments under paragraph (6) and other adjustments as determined to be necessary to ensure equitable payments, such as''.

(d) Limitation on Judicial Review for New Adjustments.—Section 1833(t)(11), as redesignated by subsection (a)(1), is amended—

(1) by striking "and" at the end of subparagraph (C);

(2) by striking the period at the end of subparagraph (D) and inserting "; and"; and

(3) by adding at the end the following:

"(E) the determination of the fixed multiple, or a fixed dollar cutoff amount, the marginal cost of care, or applicable percentage under paragraph (5) or the determination of insignificance of cost, the duration of the additional payments (consistent with paragraph (6)(B)), the portion of the Medicare OPD fee schedule amount associated with particular devices, drugs, or biologicals, and the application of any pro rata reduction under paragraph (6).''.

(e) Inclusion of Medical Devices Under System.—Section 1833(t) (42 U.S.C. 1395l(t)) is amended—

(1) in paragraph (1)(B)(ii), by striking "clause (iii)" and inserting "clause (iv)" and by striking "but";

(2) by redesignating clause (iii) of paragraph (1)(B) as clause (iv) and inserting after clause (ii) of such paragraph the following new clause:

"(iii) includes medical devices (such as implantable medical devices); but"; and

(3) in paragraph (2)(B), by inserting after "resources" the following: "and so that a device is classified to the group that includes the service to which the device relates".

(f) Authorizing Payment Weights Based on Mean Hospital Costs.—Section 1833(t)(2)(C) (42 U.S.C. 1395l(t)(2)(C)) is amended by inserting "(or, at the election of the Secretary, mean)" after "median".

(g) Limiting Variation of Costs of Services Classified With a Group.—Section 1833(t)(2) (42 U.S.C. 1395l(t)(2)) is amended by adding at the end the following new flush sentence:

"For purposes of subparagraph (B), items and services within a group shall not be treated as 'comparable with respect to the use of resources' if the highest median cost (or mean cost, if elected by the Secretary under subparagraph (C)) for an item or service within the group is more than 2 times greater than the lowest median cost (or mean cost, if so elected) for an item or service within the group; except that the Secretary may make exceptions in unusual cases, such as low volume items and services, but may not make such an exception in the case of a drug or biological has been designated as an orphan drug under section 526 of the Federal Food, Drug and Cosmetic Act.''.

(h) Annual Review of OPD PPS Components.—

(1) In general.—Section 1833(t)(8)(A) (42 U.S.C. 1395l(t)(8)(A)), as redesignated by subsection (a), is amended—

(A) by striking "may periodically review" and inserting "shall review not less often than annually"; and

(B) by adding at the end the following: "The Secretary shall consult with an expert outside advisory panel composed of an appropriate selection of representatives of providers to review (and advise the Secretary concerning) the clinical integrity of the groups and weights. Such panel may use data collected or developed by entities and organizations (other than the Department of Health and Human Services) in conducting such review.''.

(2) Effective dates.—The Secretary of Health and Human Services shall first conduct the annual review under the amendment made by paragraph (1)(A) in 2001 for application in 2002 and the amendment made by paragraph (1)(B) takes effect on the date of the enactment of this Act.

(i) No Impact on Copayment.—Section 1833(t)(7) (42 U.S.C. 1395l(t)(7)), as redesignated by subsection (a), is amended by adding at the end the following new subparagraph:

"(D) Computation ignoring outlier and pass-through adjustments.—The copayment amount shall be computed under subparagraph (A) as if the adjustments under paragraphs (5) and (6) (and any adjustment made under paragraph (2)(E) in relation to such adjustments) had not occurred.''.

(j) Technical Correction in Reference Relating to Hospital-Based Ambulance Services.—Section 1833(t)(9) (42 U.S.C. 1395l(t)(9)), as redesignated by subsection (a), is amended by striking "the matter in subsection (a)(1) preceding subparagraph (A)" and inserting "section 1861(v)(1)(U)".

(k) Effective Date.—Except as provided in this section, the amendments made by this section shall be effective as if included in the enactment of BBA.

(l) Study of Delivery of Intravenous Immune Globulin (IVIG) Outside Hospitals and Physicians' Offices.—

(1) Study.—The Secretary of Health and Human Services shall conduct a study of the extent to which intravenous immune globulin (IVIG) could be delivered and reimbursed under the medicare program outside of a hospital or physician's office. In conducting the study, the Secretary shall—

(A) consider the sites of service that other payors, including Medicare+Choice plans, use for these drugs and biologicals;

(B) determine whether covering the delivery of these drugs and biologicals in a medicare patient's home raises any additional safety and health concerns for the patient;

(C) determine whether covering the delivery of these drugs and biologicals in a patient's home can reduce overall spending under the medicare program; and

(D) determine whether changing the site of setting for these services would affect beneficiary access to care.

(2) Report.—The Secretary shall submit a report on such study to the Committees on Way and Means and Commerce of the House of Representatives and the Committee on Finance of the Senate within 1 year after the date of the enactment of this Act. The Secretary shall include in the report recommendations regarding on the appropriate manner and settings under which the medicare program should pay for these drugs and biologicals delivered outside of a hospital or physician's office.

SEC. 212. ESTABLISHING A TRANSITIONAL CORRIDOR FOR APPLICATION OF OPD PPS.

(a) In General.—Section 1833(t) (42 U.S.C. 1395l(t)), as amended by section 211(a), is further amended—

(1) in paragraph (4), in the matter before subparagraph (A), by inserting ", subject to paragraph (7)," after "is determined"; and

(2) by redesignating paragraphs (7) through (11) as paragraphs (8) through (12), respectively; and

(3) by inserting after paragraph (6), as inserted by section 211(b), the following new paragraph:

"(7) Transitional adjustment to limit decline in payment.—

"(A) Before 2002.—Subject to subparagraph (D), for covered OPD services furnished before January 1, 2002, for which the PPS amount (as defined in subparagraph (E)) is—

"(i) at least 90 percent, but less than 100 percent, of the pre-BBA amount (as defined in subparagraph (F)), the amount of payment under this subsection shall be increased by 80 percent of the amount of such difference;

"(ii) at least 80 percent, but less than 90 percent, of the pre-BBA amount, the amount of payment under this subsection shall be increased by the amount by which (I) the product of 0.71 and the pre-BBA amount, exceeds (II) the product of 0.70 and the PPS amount;

"(iii) at least 70 percent, but less than 80 percent, of the pre-BBA amount, the amount of payment under this subsection shall be increased by the amount by which (I) the product of 0.63 and the pre-BBA amount, exceeds (II) the product of 0.60 and the PPS amount;

"(iv) less than 70 percent of the pre-BBA amount, the amount of payment under this subsection shall be increased by 21 percent of the pre-BBA amount.

"(B) 2002.—Subject to subparagraph (D), for covered OPD services furnished during 2002, for which the PPS amount is—

"(i) at least 90 percent, but less than 100 percent, of the pre-BBA amount, the amount of payment under this subsection shall be increased by 70 percent of the amount of such difference;

"(ii) at least 80 percent, but less than 90 percent, of the pre-BBA amount, the amount of payment under this subsection shall be increased by the amount by which (I) the product of 0.61 and the pre-BBA amount, exceeds (II) the product of 0.60 and the PPS amount;

"(iii) less than 80 percent of the pre-BBA amount, the amount of payment under this subsection shall be increased by 13 percent of the pre-BBA amount.

"(C) 2003.—Subject to subparagraph (D), for covered OPD services furnished during 2003, for which the PPS amount is—

"(i) at least 90 percent, but less than 100 percent, of the pre-BBA amount, the amount of payment under this subsection shall be increased by 60 percent of the amount of such difference; or

"(ii) less than 90 percent of the pre-BBA amount, the amount of payment under this subsection shall be increased by 6 percent of the pre-BBA amount.

"(D) Special rule for small rural hospitals.—In the case of a hospital located in a rural area and that has not more than 100 beds, for covered OPD services furnished before January 1, 2004, for which the PPS amount is less than the pre-BBA amount, the amount of payment under this subsection shall be increased by 100 percent of the amount of such difference.

"(E) PPS AMOUNT DEFINED.—In this paragraph, the term 'PPS amount' means, with respect to covered OPD services, the amount payable under this title for such services (determined without regard to this paragraph), including amounts payable as copayment under paragraph (5), coinsurance under section 1866(a)(2)(A)(ii), and the deductible under section 1833(b).

"(F) PRE-BBA AMOUNT DEFINED.—

"(i) IN GENERAL.—In this paragraph, the 'pre-BBA amount' means, with respect to covered OPD services furnished by a hospital in a year, an amount equal to the product of the reasonable cost of the hospital for such services for the portions of the hospital's cost reporting period (or periods) occurring in the year and the base OPD payment-to-cost ratio for the hospital (as defined in clause (ii)).

"(ii) BASE PAYMENT-TO-COST-RATIO DEFINED.—For purposes of this subparagraph, the 'base payment-to-cost ratio' for a hospital means the ratio of—

"(I) the hospital's reimbursement under this part for covered OPD services furnished during the cost reporting period ending in 1996, including any reimbursement for such services through cost-sharing described in subparagraph (D), to

"(II) the reasonable cost of such services for such period.

"(G) NO EFFECT ON COPAYMENTS.—Nothing in this paragraph shall be construed to affect the unadjusted copayment amount described in paragraph (3)(B) or the copayment amount under paragraph (8).

"(H) APPLICATION WITHOUT REGARD TO BUDGET NEUTRALITY.—The additional payments made under this paragraph—

"(i) shall not be considered an adjustment under paragraph (2)(E); and

"(ii) shall not be implemented in a budget neutral manner.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective as if included in the enactment of BBA.

(c) REPORT ON RURAL HOSPITALS.—Not later than July 1, 2002, the Secretary of Health and Human Services shall submit to Congress a report and recommendations on whether the prospective payment system for covered outpatient services furnished under title XVIII of the Social Security Act should apply to the following providers of services furnishing outpatient items and services for which payment is made under such title:

(1) Medicare-dependent, small rural hospitals (as defined in section 1886(d)(5)(G)(iv) of such Act (42 U.S.C. 1395ww(d)(5)(G)(iv))).

(2) Sole community hospitals (as defined in section 1886(d)(5)(D)(iii) of such Act (42 U.S.C. 1395ww(d)(5)(D)(iii)).

(3) Rural health clinics (as defined in section 1861(aa)(2) of such Act (42 U.S.C. 1395x(aa)(2)).

(4) Rural referral centers (as so classified under section 1886(d)(5)(C) of such Act (42 U.S.C. 1395ww(d)(5)(C)).

(5) Any other rural hospital with not more than 100 beds.

(6) Any other rural hospital that the Secretary determines appropriate.

SEC. 213. DELAY IN APPLICATION OF PROSPECTIVE PAYMENT SYSTEM TO CANCER CENTER HOSPITALS.

Section 1833(t)(11)(A) (42 U.S.C. 1395l(t)(11)(A)), as redesignated by section 212(a), is amended by striking "January 1, 2000" and inserting "the first day of the first year that begins 2 years after the date the prospective payment system under this section is first implemented".

SEC. 214. LIMITATION ON OUTPATIENT HOSPITAL COPAYMENT FOR A PROCEDURE TO THE HOSPITAL DEDUCTIBLE AMOUNT.

(a) IN GENERAL.—Section 1833(t)(8) (42 U.S.C. 1395l(t)(8)), as redesignated by sections 212(a)(1) and 212(a)(2), is amended—

(1) in subparagraph (A), by striking "subparagraph (B)" and inserting "subparagraphs (B) and (C)";

(2) by redesignating subparagraphs (C) and (D) as subparagraphs (D) and (E), respectively; and

(3) by inserting after subparagraph (B) the following new subparagraph:

"(C) LIMITING COPAYMENT AMOUNT TO INPATIENT HOSPITAL DEDUCTIBLE AMOUNT.—In no case shall the copayment amount for a procedure performed in a year exceed the amount of the inpatient hospital deductible established under section 1813(b) for that year.".

(b) INCREASE IN PAYMENT TO REFLECT REDUCTION IN COPAYMENT.—Section 1833(t)(4)(C) (42 U.S.C. 1395l(t)(4)(C)) is amended by inserting ", plus the amount of any reduction in the copayment amount attributable to paragraph (5)(C)" before the period at the end.

(c) EFFECTIVE DATE.—The amendments made by this section apply as if included in the enactment of BBA and shall only apply to procedures performed for which payment is made on the basis of the prospective payment system under section 1833(t) of the Social Security Act.

Subtitle C—Other

SEC. 221. APPLICATION OF SEPARATE CAPS TO PHYSICAL AND SPEECH THERAPY SERVICES.

(a) IN GENERAL.—Section 1833(g) (42 U.S.C. 1395l(g)) is amended—

(1) in paragraph (1)—

(A) by inserting "(A)" after "(g)(1)"; and

(B) by adding at the end the following new subparagraph:

"(B) Subparagraph (A) shall be applied separately for speech-language pathology services described in the fourth sentence of section 1861(p) and for other outpatient physical therapy services."; and

(2) by adding at the end the following new paragraph:

"(4) The limitations of this subsection apply to the services involved on a per beneficiary, per facility (or provider) basis.".

(b) TECHNICAL AMENDMENT RELATING TO BEING UNDER THE CARE OF A PHYSICIAN.—Section 1861 (42 U.S.C. 1395x) is amended—

(1) in subsection (p)(1), by striking "or (3)" and inserting ", (3), or (4)"; and

(2) in subsection (r)(4), by inserting "for purposes of subsection (p)(1) and" after "but only".

(c) EFFECTIVE DATE.—The amendments made by this section apply to services furnished on or after January 1, 2000.

SEC. 222. TRANSITIONAL OUTLIER PAYMENTS FOR THERAPY SERVICES FOR CERTAIN HIGH ACUITY PATIENTS.

Section 1833(g) (42 U.S.C. 1395l(g)), as amended by section 221, is further amended by adding at the end the following new paragraph:

"(5)(A) The Secretary shall establish a process under which a facility or provider that is providing therapy services to which the limitation of this subsection applies to a beneficiary may apply to the Secretary for an increase in such limitation under this paragraph for services furnished in 2000 or in 2001.

"(B) Such process shall take into account the clinical diagnosis and shall provide that the aggregate amount of additional payments resulting from the application of this paragraph—

"(i) during fiscal year 2000 may not exceed $40,000,000;

"(ii) during fiscal year 2001 may not exceed $60,000,000; and

"(iii) during fiscal year 2002 may not exceed $20,000,000.".

SEC. 223. UPDATE IN RENAL DIALYSIS COMPOSITE RATE.

(a) IN GENERAL.—Section 1881(b)(7) (42 U.S.C. 1395rr(b)(7)) is amended by adding at the end the following new flush sentence:

"The Secretary shall increase the amount of each composite rate payment for dialysis services furnished on or after January 1, 2000, and on or before December 31, 2000, by 1.2 percent above such composite rate payment amounts for such services furnished on December 31, 1999, and for such services furnished on or after January 1, 2001, by 1.2 percent above such composite rate payment amounts for such services furnished on December 31, 2000.".

(b) CONFORMING AMENDMENT.—

(1) IN GENERAL.—Section 9335(a) of the Omnibus Budget Reconciliation Act of 1986 (42 U.S.C. 1395rr note) is amended by striking paragraph (1).

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on January 1, 2000.

(c) STUDY ON PAYMENT LEVEL FOR HOME HEMODIALYSIS.—The Medicare Payment Advisory Commission shall conduct a study on the appropriateness of the differential in payment under the medicare program for hemodialysis services furnished in a facility and such services furnished in a home. Not later than 18 months after the date of the enactment of this Act, the Commission shall submit to Congress a report on such study and shall include recommendations regarding changes in medicare payment policy in response to the study.

SEC. 224. TEMPORARY UPDATE IN DURABLE MEDICAL EQUIPMENT AND OXYGEN RATES.

(a) DURABLE MEDICAL EQUIPMENT AND OXYGEN.—Section 1834(a)(14) (42 U.S.C. 1395m(a)(14)), as amended by section 4551(a)(1) of BBA, is amended —

(1) by redesignating subparagraph (D) as subparagraph (E); and

(2) by striking subparagraph (C) and inserting the following:

"(C) for each of the years 1998 through 2000, 0 percentage points;

"(D) for each of the years 2001 and 2002, the percentage increase in the consumer price index for all urban consumers (U.S. city average) for the 12-month period ending with June of the previous year minus 2 percentage points; and".

(b) CONFORMING AMENDMENTS.—Section 1834(a)(9)(B) (42 U.S.C. 1395m(a)(9)(B)), as amended by section 4552(a) of BBA, is amended—

(1) by striking "and" at the end of clause (v);

(2) in clause (vi), by striking "and each subsequent year" and inserting "and 2000" and by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following new clause:

"(vii) for 2001 and each subsequent year, the amount determined under this subparagraph for the preceding year increased by the covered item update for such subsequent year.".

SEC. 225. REQUIREMENT FOR NEW PROPOSED RULEMAKING FOR IMPLEMENTATION OF INHERENT REASONABLENESS POLICY.

The Secretary of Health and Human Services shall not exercise inherent reasonableness authority provided under section 1842(b)(8) of the Social Security Act (42 U.S.C. 1395u(b)(8)) before such time as—

(1) the Secretary has published in the Federal Register a new notice of proposed rulemaking to implement subparagraph (A) of such section;

(2) has provided for a period of not less than 60 days for public comment on such proposed rule; and

(3) the Secretary has published in the Federal Register a final rule which takes into account comments received during such period.

SEC. 226. INCREASE IN REIMBURSEMENT FOR PAP SMEARS.

(a) Pap Smear Payment Increase.—Section 1833(h) (42 U.S.C. 1395l(h)) is amended by adding at the end the following new paragraph:

"(7) Notwithstanding paragraphs (1) and (4), the Secretary shall establish a minimum payment amount under this subsection for all areas for a diagnostic or screening pap smear laboratory test (including all cervical cancer screening technologies that have been approved by the Food and Drug Administration) of not less than $14.60.".

(b) Sense of Congress.—It is the sense of the Congress that—

(1) the Health Care Financing Administration has been slow to incorporate or provide incentives for providers to use new screening diagnostic health care technologies in the area of cervical cancer;

(2) some new technologies have been developed which optimize the effectiveness of pap smear screening; and

(3) the Health Care Financing Administration should institute an appropriate increase in the payment rate for new cervical cancer screening technologies that have been approved by the Food and Drug Administration as significantly more effective than a conventional pap smear.

(c) Effective Date.—The amendments made by subsection (a) apply to services items and furnished on or after January 1, 2000.

SEC. 227. REFINEMENT OF AMBULANCE SERVICES DEMONSTRATION PROJECT.

Effective as if included in the enactment of BBA, section 4532 of BBA is amended—

(1) in subsection (a), by adding at the end the following: "The Secretary shall publish by not later than July 1, 2000, a request for proposals for such projects."; and

(2) by amending paragraph (2) of subsection (b) to read as follows:

"(2) Capitated payment rate defined.—In this subsection, the 'capitated payment rate' means, with respect to a demonstration project—

"(A) in its first year, a rate established for the project by the Secretary, using the most current available data, in a manner that ensures that aggregate payments under the project will not exceed the aggregate payment that would have been made for ambulance services under part B of title XVIII of the Social Security Act in the local area of government's jurisdiction; and

"(B) in a subsequent year, the capitated payment rate established for the previous year increased by an appropriate inflation adjustment factor.".

SEC. 228. PHASE-IN OF PPS FOR AMBULATORY SURGICAL CENTERS.

If the Secretary of Health and Human Services implements a revised prospective payment system for services of ambulatory surgical facilities under part B of title XVIII of the Social Security Act, prior to incorporating data from the 1999 Medicare cost survey, such system shall be implemented in a manner so that—

(1) in the first year of its implementation, only a proportion (specified by the Secretary and not to exceed ⅓) of the payment for such services shall be made in accordance with such system and the remainder shall be made in accordance with current regulations; and

(2) in the following year a proportion (specified by the Secretary and not to exceed ⅔) of the payment for such services shall be made under such system and the remainder shall be made in accordance with current regulations.

SEC. 229. EXTENSION OF MEDICARE BENEFITS FOR IMMUNOSUPPRESSIVE DRUGS.

(a) In General.—The Secretary of Health and Human Services shall provide under this section for an extension of the period of coverage of immunosuppressive drugs under section 1861(s)(2)(J) of the Social Security Act (42 U.S.C. 1395x(s)(2)(J)) to individuals described in such section under terms and conditions specified by the Secretary consistent with subsection (c) and the objectives—

(1) of improving health outcomes by decreasing transplant rejection rates that are attributable to failure to comply with immunosuppressive drug regimens; and

(2) of achieving cost saving to the medicare program by decreasing the need for secondary transplants and other care relating to post-transplant complications.

(b) Authority.—In carrying out this section—

(1) the Secretary shall provide priority in eligibility to those medicare beneficiaries who, because of income or other factors, would be less likely to maintain an immunosuppressive drug regimen in the absence of such an extension; and

(2) the Secretary is authorized to vary the beneficiary cost-sharing otherwise applicable in order to promote the objectives described in subsection (a).

(c) Limitations.—The total amount expended by the Secretary under title XVIII of the Social Security Act to carry out this section shall not exceed $200,000,000, and with respect to expenditures in fiscal year 2000 shall not exceed $40,000,000. The Secretary shall not provide an extension of coverage under this section for immunosuppressive drugs furnished after September 30, 2004.

(d) Report.—Not later than 36 months after the first month in which the Secretary provides for extended benefits under this section, the Secretary shall submit to Congress a report on the operation of this section. The report shall include—

(1) an analysis of the impact of this section on meeting the objectives described in subsection (a); and

(2) recommendations regarding an appropriate cost-effective method for extending coverage of immunosuppressive drugs under the medicare program on a permanent basis.

SEC. 230. ADDITIONAL STUDIES.

(a) MedPAC Study on Postsurgical Recovery Care Center Services.—

(1) In general.—The Medicare Payment Advisory Commission shall conduct a study on the cost-effectiveness and efficacy of covering under the medicare program services of a post-surgical recovery care center (that provides an intermediate level of recovery care following surgery). In conducting such study, the Commission shall consider data on these centers gathered in demonstration projects.

(2) Report.—Not later than 1 year after the date of the enactment of this Act, the Commission shall submit to Congress a report on such study and shall include in the report recommendations on the feasibility, costs, and savings of covering such services under the medicare program.

(b) ACHPR Study on Effect of Credentialing of Technologists and Sonographers on Quality of Ultrasound and Imaging Services.—

(1) Study.—The Administrator for Health Care Policy and Research shall provide for a study that compares the differences in quality of ultrasound and other imaging services (including error rates and resulting complications) furnished under the medicare and medicaid programs between such services furnished by individuals who are credentialed by private entities or organizations and by those who are not so credentialed. Such study shall examine and evaluate differences in error rates and patient outcomes as a result of the differences in credentialing. In designing the study, the Administrator shall consult with organizations nationally recognized for their expertise in ultrasound procedures.

(2) Report.—By not later than two years after the date of the enactment of this Act, the Administrator shall submit a report to Congress on the study conducted under paragraph (1).

(c) MedPAC Study on the Complexity of the Medicare Program and the Levels of Burdens Placed on Providers Through Federal Regulations.—

(1) Study.—The Medicare Payment Advisory Commission shall undertake a comprehensive study to review the regulatory burdens placed on all classes of health care providers under parts A and B of the medicare program under title XVIII of the Social Security Act and to determine the costs these burdens impose on the nation's health care system. The study shall also examine the complexity of the current regulatory system and its impact on providers.

(2) Report.—not later than December 31, 2001, the Commission shall submit to Congress a report on the study conducted under paragraph (1). The report shall include recommendations regarding—

(A) how the Health Care Financing Administration can reduce the regulatory burdens placed on patients and providers; and

(B) legislation that may be appropriate to reduce the complexity of the medicare program, including improvement of the rules regarding billing, compliance, and fraud and abuse.

(d) GAO Continued Monitoring of Department of Justice Application of Guidelines on Use of False Claims Act in Civil Health Care Matters.—The Comptroller General of the United States shall—

(1) continue the monitoring, begun under section 118 of the Department of Justice Appropriations Act, 1999 (included in Public Law 105–277) of the compliance of the Department of Justice and all United States Attorneys with the "Guidance on the Use of the False Claims Act in Civil Health Care Matters" issued by the Department of Justice on June 3, 1998, including any revisions to that guidance; and

(2) not later than April 1, 2000, and of each of the two succeeding years, submit a report on such compliance to the appropriate Committees of Congress.

TITLE III—PROVISIONS RELATING TO PARTS A AND B

Subtitle A—Home Health Services

SEC. 301. ADJUSTMENT TO REFLECT ADMINISTRATIVE COSTS NOT INCLUDED IN THE INTERIM PAYMENT SYSTEM; GAO REPORT ON COSTS OF COMPLIANCE WITH OASIS DATA COLLECTION REQUIREMENTS.

(a) ADJUSTMENT TO REFLECT ADMINISTRATIVE COSTS.—

(1) IN GENERAL.—In the case of a home health agency that furnishes home health services to a medicare beneficiary, for each such beneficiary to whom the agency furnished such services during the agency's cost reporting period beginning in fiscal year 2000, the Secretary of Health Services shall pay the agency, in addition to any amount of payment made under subsection (v)(1)(L) of such section for the beneficiary and only for such cost reporting period, an aggregate amount of $10 to defray costs incurred by the agency attributable to data collection and reporting requirements under the Outcome and Assessment Information Set (OASIS) required by reason of section 4602(e) of the Balanced Budget Act of 1997 (42 U.S.C. 1395fff note).

(2) PAYMENT SCHEDULE.—

(A) MIDYEAR PAYMENT.—By not later than April 1, 2000, the Secretary shall pay to a home health agency an amount that the Secretary estimates to be 50 percent of the aggregate amount payable to the agency by reason of this subsection.

(B) UPON SETTLED COST REPORT.—The Secretary shall pay the balance of amounts payable to an agency under this subsection on the date that the cost report submitted by the agency for the cost reporting period beginning in fiscal year 2000 is settled.

(3) PAYMENT FROM TRUST FUNDS.—Payments under this subsection shall be made, in appropriate part as specified by the Secretary, from the Federal Hospital Insurance Trust Fund and from the Federal Supplementary Medical Insurance Trust Fund.

(4) DEFINITIONS.—in this subsection:

(A) HOME HEALTH AGENCY.—The term "home health agency" has the meaning given that term under section 1861(o) of the Social Security Act (42 U.S.C. 1395x(o)).

(B) HOME HEALTH SERVICES.—The term "home health services" has the meaning given that term under section 1861(m) of such Act (42 U.S.C. 1395x(m)).

(C) MEDICARE BENEFICIARY.—The term "medicare beneficiary" means a beneficiary described in section 1861(v)(1)(L)(vi)(II) of the Social Security Act (42 U.S.C. 1395x(v)(1)(L)(vi)(II)).

(b) GAO REPORT ON COSTS OF COMPLIANCE WITH OASIS DATA COLLECTION REQUIREMENTS.—

(1) REPORT TO CONGRESS.—

(A) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Comptroller General of the United States shall submit a report to Congress on matters described in subparagraph (B) with respect to the data collection requirement of patients of such agencies under the Outcome and Assessment Information Set (OASIS) standard as part of the comprehensive assessment of patients.

(B) MATTERS STUDIED.—For purposes of subparagraph (A), the matters described in this subparagraph include the following:

(i) An assessment of the costs incurred by medicare home health agencies in complying with such data collection requirement.

(ii) An analysis of the effect of such data collection requirement on the privacy interests of patients from whom data is collected.

(C) AUDIT.—The Comptroller General shall conduct an independent audit of the costs described in subparagraph (B)(i). Not later than 180 days after receipt of the report under subparagraph (A), the Comptroller General shall submit to Congress a report describing the Comptroller General's findings with respect to such audit, and shall include comments on the report submitted to Congress by the Secretary of Health and Human Services under subparagraph (A).

(2) DEFINITIONS.—In this subsection:

(A) COMPREHENSIVE ASSESSMENT OF PATIENTS.—The term "comprehensive assessment of patients" means the rule published by the Health Care Financing Administration that requires, as a condition of participation in the medicare program, a home health agency to provide a patient-specific comprehensive assessment that accurately reflects the patient's current status and that incorporates the Outcome and Assessment Information Set (OASIS).

(B) OUTCOME AND ASSESSMENT INFORMATION SET.—The term "Outcome and Assessment Information Set" means the standard provided under the rule relating to data items that must be used in conducting a comprehensive assessment of patients.

SEC. 302. DELAY IN APPLICATION OF 15 PERCENT REDUCTION IN PAYMENT RATES FOR HOME HEALTH SERVICES UNTIL 1 YEAR AFTER IMPLEMENTATION OF PROSPECTIVE PAYMENT SYSTEM.

(a) CONTINGENCY REDUCTION.—Section 4603(e) of the Balanced Budget Act of 1997 (42 U.S.C. 1395fff note) (as amended by section 5101(c)(3) of the Tax and Trade Relief Extension Act of 1998 (contained in division J of Public Law 105–277)) is amended by striking "September 30, 2000" and inserting "on the date that is 12 months after the date the Secretary implements such system".

(b) PROSPECTIVE PAYMENT SYSTEM.—Section 1895(b)(3)(A)(i) (42 U.S.C. 1395fff(b)(3)(A)(i)) (as amended by section 5101 of the Tax and Trade Relief Extension Act of 1998 (contained in division J of Public Law 105–277)) is amended to read as follows:

"(i) IN GENERAL.—Under such system the Secretary shall provide for computation of a standard prospective payment amount (or amounts). Such amount (or amounts) shall initially be based on the most current audited cost report data available to the Secretary and shall be computed in a manner so that the total amounts payable under the system—

"(I) for the 12-month period beginning on the date the Secretary implements the system, shall be equal to the total amount that would have been made if the system had not been in effect; and

"(II) for periods beginning after the period described in subclause (I), shall be equal to the total amount that would have been made for fiscal year 2001 if the system had not been in effect but if the reduction in limits described in clause (ii) had been in effect, and updated under subparagraph (B).

Each such amount shall be standardized in a manner that eliminates the effect of variations in relative case mix and wage levels among different home health agencies in a budget neutral manner consistent with the case mix and wage level adjustments provided under paragraph (4)(A). Under the system, the Secretary may recognize regional differences or differences based upon whether or not the services or agency are in an urbanized area.".

(c) REPORT.—

(1) IN GENERAL.—The Secretary of Health and Human Services shall submit to Congress a report analyzing the need for the 15 percent reduction under section 1895(b)(3)(A)(ii) of the Social Security Act (42 U.S.C. 1395fff(b)(3)(A)(ii)), or for any reduction, in the computation of the base payment amounts under the prospective payment system for home health services under section 1895 of such Act (42 U.S.C. 1395w–29).

(2) DEADLINE.—The Secretary shall submit to Congress the report described in paragraph (1) by not later than the date that is six months after the date the Secretary implements the prospective payment system for home health services under such section 1895.

SEC. 303. CLARIFICATION OF SURETY BOND REQUIREMENTS.

(a) HOME HEALTH AGENCIES.—Section 1861(o)(7) (42 U.S.C. 1395x(o)(7)) is amended to read as follows:

"(7) provides the Secretary with a surety bond—

"(A) effective for a period of 4 years (as specified by the Secretary) or in the case of a change in the ownership or control of the agency (as determined by the Secretary) during or after such 4-year period, an additional period of time that the Secretary determines appropriate, such additional period not to exceed 4 years from the date of such change in ownership or control;

"(B) in a form specified by the Secretary; and

"(C) for a year in the period described in subparagraph (A) in an amount that is equal to the lesser of $50,000 or 10 percent of the aggregate amount of payments to the agency under this title and title XIX for that year, as estimated by the Secretary; and".

(b) COORDINATION OF SURETY BONDS.—Part A of title XI is amended by adding at the end the following new section:

"COORDINATION OF MEDICARE AND MEDICAID SURETY BOND PROVISIONS

"SEC. 1148. In the case of a home health agency that is subject to a surety bond under title XVIII and title XIX, the surety bond provided to satisfy the requirement under one such title shall satisfy the requirement under the other such title so long as the bond applies to guarantee return of overpayments under both such titles.".

(c) EFFECTIVE DATE.—The amendments made by this section take effect on the date of the enactment of this Act and in applying section 1861(o)(7) of the Social Security Act, as amended by subsection (a), the Secretary of Health and Human Services may take into account the previous period for which a home health agency had a surety bond in effect under such section before such date.

SEC. 304. TECHNICAL AMENDMENT CLARIFYING APPLICABLE MARKET BASKET INCREASE FOR PPS.

Section 1895(b)(3)(B)(ii)(I) (42 U.S.C. 1395fff(b)(3)(B)(ii)(I)), as added by section 4603 of BBA (as amended by section 5101(d)(2) of the Tax and Trade Relief Extension Act of 1998 (contained in division J of Public Law 105–277)) is amended by striking "fiscal year 2002 or 2003" and inserting "each of fiscal years 2002 and 2003".

Subtitle B—Direct Graduate Medical Education

SEC. 311. USE OF NATIONAL AVERAGE PAYMENT METHODOLOGY IN COMPUTING DIRECT GRADUATE MEDICAL EDUCATION (DGME) PAYMENTS.

Section 1886(h) (42 U.S.C. 1395ww(h)) is amended—

(1) by amending clause (i) of paragraph (3)(B) to read as follows:

"(i)(I) for a cost reporting period beginning before October 1, 2000, the hospital's approved FTE resident amount (determined under paragraph (2)) for that period;

"(II) for a cost reporting period beginning on or after October 1, 2000, and before October 1, 2004, the national average per resident amount determined under paragraph (7) or, if greater, the sum of the hospital-specific percentage (as defined in subparagraph (E)) of the hospital's approved FTE resident amount (determined under paragraph (2)) for the period and the national percentage (as defined in such subparagraph) of the national average per resident amount determined under paragraph (7); and

"(III) for a cost reporting period beginning on or after October 1, 2004, the national average per resident amount determined under paragraph (7); and";

(2) in paragraph (3), by adding at the end the following new subparagraph:

"(E) TRANSITION TO NATIONAL AVERAGE PER RESIDENT PAYMENT SYSTEM.—For purposes of subparagraph (B)(i)(II), for the cost reporting period of a hospital beginning—

"(i) during fiscal year 2001, the hospital-specific percentage is 80 percent and the national percentage is 20 percent;

"(ii) during fiscal year 2002, the hospital-specific percentage is 60 percent and the national percentage is 40 percent;

"(iii) during fiscal year 2003, the hospital-specific percentage is 40 percent and the national percentage is 60 percent; and

"(iv) during fiscal year 2004, the hospital-specific percentage is 20 percent and the national percentage is 80 percent."; and

(3) by adding at the end the following new paragraph:

"(7) NATIONAL AVERAGE PER RESIDENT AMOUNT.—The national average per resident amount for a hospital for a cost reporting period beginning in a fiscal year is an amount determined as follows:

"(A) DETERMINATION OF HOSPITAL SINGLE PER RESIDENT AMOUNT.—The Secretary shall compute for each hospital operating an approved graduate medical education program a single per resident amount equal to the average (weighted by number of full-time equivalent residents) of the primary care per resident amount and the non-primary care per resident amount computed under paragraph (2) for cost reporting periods ending during fiscal year 1997.

"(B) DETERMINATION OF WAGE AND NON-WAGE-RELATED PROPORTION OF THE SINGLE PER RESIDENT AMOUNT.—The Secretary shall estimate the average proportion of the single per resident amounts computed under subparagraph (A) that is attributable to wages and wage-related costs.

"(C) STANDARDIZING PER RESIDENT AMOUNTS.—The Secretary shall establish a standardized per resident amount for each such hospital—

"(i) by dividing the single per resident amount computed under subparagraph (A) into a wage-related portion and a non-wage-related portion by applying the proportion determined under subparagraph (B);

"(ii) by dividing the wage-related portion by the factor applied under subsection (d)(3)(E) for discharges occurring during fiscal year 1999 for the hospital's area; and

"(iii) by adding the non-wage-related portion to the amount computed under clause (ii).

"(D) DETERMINATION OF NATIONAL AVERAGE.—The Secretary shall compute a national average per resident amount equal to the average of the standardized per resident amounts computed under subparagraph (C) for such hospitals, with the amount for each hospital weighted by the average number of full-time equivalent residents at such hospital.

"(E) APPLICATION TO INDIVIDUAL HOSPITALS.—The Secretary shall compute for each such hospital a per resident amount—

"(i) by dividing the national average per resident amount computed under subparagraph (D) into a wage-related portion and a non-wage-related portion by applying the proportion determined under subparagraph (B);

"(ii) by multiplying the wage-related portion by the factor described in subparagraph (C)(ii) for the hospital's area; and

"(iii) by adding the non-wage-related portion to the amount computed under clause (ii).

In applying clause (ii) for a cost reporting period beginning before October 1, 2004, the factor described in such clause shall be deemed to be 1 for a hospital if the national average per resident amount computed under subparagraph (D) is less than the hospital's approved FTE resident amount (determined under paragraph (2)) for the period involved and the factor described in subparagraph (C)(ii) for the hospital's area is less than 1.

"(F) INITIAL UPDATING RATE.—The Secretary shall update such per resident amount for the hospital's cost reporting period that begins during fiscal year 2001 for each such hospital by the estimated percentage increase in the consumer price index for all urban consumers during the period beginning October 1997 and ending with the midpoint of the hospital's cost reporting period that begins during fiscal year 2001.

"(G) SUBSEQUENT UPDATING.—For each subsequent cost reporting period, subject to subparagraph (H), the national average per resident amount for a hospital is equal to the amount determined under this paragraph for the previous cost reporting period updated, through the midpoint of the period, by projecting the estimated percentage change in the consumer price index during the 12-month period ending at that midpoint, with appropriate adjustments to reflect previous under-or over-estimations under this subparagraph in the projected percentage change in the consumer price index.

"(H) TRANSITIONAL BUDGET NEUTRALITY ADJUSTMENT.—

"(i) IN GENERAL.—If the Secretary estimates that, as a result of the amendments made by section 311 of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999, the post-MBBRA expenditures for fiscal year 2005 will be greater or less than the pre-MBBRA expenditures for that fiscal year—

"(I) the Secretary shall adjust the update applied under subparagraph (G) in determining the national average per resident amount for cost reporting periods beginning during fiscal year 2005 so that the amount of the post-MBBRA expenditures for those cost reporting periods is equal to the amount of the pre-MBBRA expenditures for such periods; and

"(II) the Secretary shall, taking into account the adjustment made under subclause (I), adjust the national average per resident amount, as applied for the portion of a cost reporting period beginning during fiscal year 2004 that occur in fiscal year 2005, so that the amount of the post-MBBRA expenditures made during fiscal year 2005 is equal to the amount of the pre-MBBRA expenditures during such fiscal year.

"(ii) DEFINITIONS.—In this subparagraph:

"(I) AGGREGATE SUBSECTION (h)-RELATED EXPENDITURES.—The term 'aggregate subsection (h)-related expenditures' means, with respect to cost reporting periods beginning during a fiscal year or with respect to a fiscal year, the aggregate expenditures under this title for such periods or fiscal year, respectively, which are attributable to the operation of this subsection.

"(II) PRE-MBBRA EXPENDITURES.—The term 'pre-MBBRA expenditures' means aggregate subsection (h)-related expenditures determined as if the amendments made by section 311 of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 had not been enacted.

"(III) POST-MBBRA EXPENDITURES.—The term 'post-MBBRA expenditures' means aggregate subsection (h)-related expenditures determined taking into account the amendments made by section 311 of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999.".

SEC. 312. INITIAL RESIDENCY PERIOD FOR CHILD NEUROLOGY RESIDENCY TRAINING PROGRAMS.

(a) IN GENERAL.—Section 1886(h)(5)(F) (42 U.S.C. 1395ww(h)(5)(F)) is amended—

(1) in clause (i) by striking "clause (ii)" and inserting "clause (ii) or (iii)";

(2) in clause (i), by striking "and" at the end;

(3) in clause (ii), by striking the period at the end and inserting ", and"; and

(4) by inserting after clause (ii), the following new clause:

"(iii) a period, of not more than three years, during which an individual is in a child neurology residency program, shall be treated as part of the initial residency period, but shall not be counted against any limitation on the initial residency period.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply on and after July 1, 2000, to residency programs that began before, on, or after the date of the enactment of this Act.

(c) MEDPAC REPORT.—The Medicare Payment Advisory Commission shall include in its report submitted to Congress in March of 2001 recommendations on whether there should be an extension of the initial residency period under section 1886(h)(5)(F) of the Social Security Act (42 U.S.C. 1395ww(h)(5)(F)) for other residency training programs in a specialty requiring preliminary years of study in another specialty.

Subtitle C—Other

SEC. 321. GAO STUDY ON GEOGRAPHIC RECLASSIFICATION.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the current laws and regulations for geographic reclassification of hospitals to determine whether such reclassification is appropriate for purposes of applying wage indices under the medicare program and whether it results in more accurate payments for all hospitals. Such study shall examine data on the number of hospitals that are reclassified and their special designation status in determining payments under the medicare program. The study shall evaluate—

(1) the magnitude of the effect of geographic reclassification on rural hospitals that do not reclassify;

(2) whether the current thresholds used in geographic reclassification reclassify hospitals to the appropriate labor markets;

(3) the effect of eliminating geographic reclassification through use of the occupational mix data;

(4) the group reclassification policy;

(5) changes in the number of reclassifications and the compositions of the groups;

(6) the effect of State-specific budget neutrality compared to national budget neutrality; and

(7) whether there are sufficient controls over the intermediary evaluation of the wage data reported by hospitals.

(b) Report.—Not later than 18 months after the date of enactment of this Act, the Comptroller General of the United States shall submit to Congress a report on the study conducted under subsection (a).

SEC. 322. MEDPAC STUDY ON MEDICARE PAYMENT FOR NON-PHYSICIAN HEALTH PROFESSIONAL CLINICAL TRAINING IN HOSPITALS.

(a) In General.—The Medicare Payment Advisory Commission shall conduct a study on medicare payment policy with respect to professional clinical training of different classes of non-physician health care professionals (such as nurses,nurse practitioners, allied health professionals, physician assistants, and psychologists) and the basis for any differences in treatment among such classes.

(b) Report.—The Commission shall submit a report to Congress on the study conducted under subsection (a) not later than 18 months after the date of the enactment of this Act.

TITLE IV—RURAL PROVIDER PROVISIONS

SEC. 401. PERMITTING RECLASSIFICATION OF CERTAIN URBAN HOSPITALS AS RURAL HOSPITALS.

(a) In General.—Section 1886(d)(8) (42 U.S.C. 1395ww(d)(8)) is amended by adding at the end the following new subparagraph:

"(E)(i) For purposes of this subsection, not later than 60 days after the receipt of an application from a subsection (d) hospital described in clause (ii), the Secretary shall treat the hospital as being located in the rural area (as defined in such paragraph (2)(D)) of the State in which the hospital is located.

"(ii) For purposes of clause (i), a subsection (d) hospital described in this clause is a subsection (d) hospital that is located in an urban area (as defined in paragraph (2)(D)) and satisfies any of the following criteria:

"(I) The hospital is located in a rural census tract of a metropolitan statistical area (as determined under the Goldsmith Modification, as published in the Federal Register on February 27, 1992 (57 FR 6725)).

"(II) The hospital is located in an area designated by any law or regulation of such State as a rural area (or is designated by such State as a rural hospital).

"(III) The hospital would qualify as a rural or regional or national referral center under paragraph (5)(C) or as a sole community hospital under paragraph (5)(D) if the hospital were located in a rural area.

"(IV) The hospital meets such other criteria as the Secretary may specify.".

(b) Conforming Changes.—(1) Section 1833(t) (42 U.S.C. 1395l(t)), as amended by sections 211 and 212, is further amended by adding at the end the following new paragraph:

"(13) Miscellaneous provisions.—

"(A) Application of reclassification of certain hospitals.—If a hospital is being treated as being located a rural under section 1886(d)(8)(E), that hospital shall be treated under this subsection as being located in that rural area.".

(2) Section 1820(c)(2)(B)(i) (42 U.S.C. 1395i–4(c)(2)(B)(i)) is amended by inserting "or is treated as being located in a rural area pursuant to section 1886(d)(8)(E)" after "section 1886(d)(2)(D))".

(c) Effective Date.—The amendments made by this section shall become effective on January 1, 2000.

SEC. 402. UPDATE OF STANDARDS APPLIED FOR GEOGRAPHIC RECLASSIFICATION FOR CERTAIN HOSPITALS.

(a) In General.—Section 1886(d)(8)(B) (42 U.S.C. 1395ww(d)(8)(B)) is amended—

(1) by inserting "(i)" after "(B)";

(2) by striking "published in the Federal Register on January 3, 1980" and inserting "described in clause (ii)"; and

(3) by adding at the end the following new clause:

"(ii) The standards described in this clause for cost reporting periods beginning in a fiscal year—

"(I) before fiscal year 2003, are the standards published in the Federal Register on January 3, 1980, or, at the election of the hospital with respect to fiscal years 2001 and 2002, standards so published on March 30, 1990; and

"(II) after fiscal year 2002, are the standards published in the Federal Register by the Director of the Office of Management and Budget based on the most recent available decennial population data.

Subparagraphs (C) and (D) shall not apply with respect to the application of subclause (I).".

(b) Effective Date.—The amendments made by subsection (a) apply with respect to discharges occurring during cost reporting periods beginning on or after October 1, 1999.

SEC. 403. IMPROVEMENTS IN THE CRITICAL ACCESS HOSPITAL (CAH) PROGRAM.

(a) Applying 96-Hour Limit on a Average Annual Basis.—

(1) In general.—Section 1820(c)(2)(B)(iii) (42 U.S.C. 1395i–4(c)(2)(B)(iii)), as added by section 4201(a) of BBA, is amended by striking "for a period not to exceed 96 hours" and all that follows and inserting "for a period that does not exceed, as determined on an annual, average basis, 96 hours per patient;".

(2) Effective date.—The amendment made by paragraph (1) takes effect on the date of the enactment of this Act.

(b) Permitting For-Profit Hospitals to Qualify for Designation as a Critical Access Hospital.—Section 1820(c)(2)(B)(i) (42 U.S.C. 1395i–4(c)(2)(B)(i)), as added by section 4201(a) of BBA, is amended in the matter preceding subclause (I), by striking "nonprofit or public hospital" and inserting "hospital".

(c) Allowing Closed or Downsized Hospitals To Convert to Critical Access Hospitals.—Section 1820(c)(2) (42 U.S.C. 1395i–4(c)(2)), as added by section 4201(a) of BBA, is amended—

(1) in subparagraph (A), by striking "subparagraph (B)" and inserting "subparagraphs (B), (C), and (D)"; and

(2) by adding at the end the following new subparagraphs:

"(C) Recently closed facilities.—A State may designate a facility as a critical access hospital if the facility—

"(i) was a hospital that ceased operations on or after the date that is 10 years before the date of enactment of this subparagraph; and

"(ii) as of the effective date of such designation, meets the criteria for designation under subparagraph (B).

"(D) Downsized facilities.—A State may designate a health clinic or a health center (as defined by the State) as a critical access hospital if such clinic or center—

"(i) is licensed by the State as a health clinic or a health center;

"(ii) was a hospital that was downsized to a health clinic or health center; and

"(iii) as of the effective date of such designation, meets the criteria for designation under subparagraph (B).".

(d) All-Inclusive Payment Option for Outpatient Critical Access Hospital Services.—

(1) In general.—Section 1834(g) (42 U.S.C. 1395m(g)), as added by section 4201(c)(5) of BBA, is amended to read as follows:

"(g) Payment for Outpatient Critical Access Hospital Services.—

"(1) Election of cah.—At the election of a critical access hospital, the amount of payment for outpatient critical access hospital services under this part shall be determined under paragraph (2) or (3), such amount determined under either paragraph without regard to the amount of the customary or other charge.

"(2) Cost-based hospital outpatient service payment plus fee schedule for professional services.—If a hospital elects this paragraph to apply, there shall be paid amounts equal to the sum of the following, less the amount that such hospital may charge as described in section 1866(a)(2)(A):

"(A) Facility fee.—With respect to facility services, not including any services for which payment may be made under subparagraph (B), the reasonable costs of the critical access hospital in providing such services.

"(B) Fee schedule for professional services.—With respect to professional services otherwise included within outpatient critical access hospital services such amounts as would otherwise be paid under this part if such services were not included in outpatient critical access hospital services.

"(3) All-inclusive rate.—If a hospital elects this paragraph to apply, with respect to both facility services and professional services, there shall be paid amounts equal to the reasonable costs of the critical access hospital in providing such services, less the amount that such hospital may charge as described in section 1866(a)(2)(A).".

(2) Effective date.—The amendment made by subsection (a) shall apply for cost reporting periods beginning on or after October 1, 1999.

(e) Elimination of Coinsurance for Clinical Diagnostic Laboratory Tests Furnished by a Critical Access Hospital on an Outpatient Basis.—

(1) In general.—Section 1833(a)(1)(D) (42 U.S.C. 1395l(a)(1)(D)) is amended by inserting "or which are furnished on an outpatient basis by a critical access hospital" after "on an assignment-related basis".

(2) Effective date.—The amendment made by paragraph (1) shall apply to services furnished on or after the date of the enactment of this Act.

(f) Participation in Swing Bed Program.—Section 1883 (42 U.S.C. 1395tt) is amended—

(1) in subsection (a)(1), by striking "(other than a hospital which has in effect a waiver under subparagraph (A) of the last sentence of section 1861(e))"; and

(2) in subsection (c), by striking ", or during which there is in effect for the hospital a waiver under subparagraph (A) of the last sentence of section 1861(e)".

SEC. 404. 5-YEAR EXTENSION OF MEDICARE DEPENDENT HOSPITAL (MDH) PROGRAM.

(a) Extension of Payment Methodology.—Section 1886(d)(5)(G) (42 U.S.C. 1395ww(d)(5)(G)), as amended by section 4204(a)(1) of BBA, is amended—

(1) in clause (i), by striking "and before October 1, 2001," and inserting "and before October 1, 2006"; and

(2) in clause (ii)(II), by striking "and before October 1, 2001," and inserting "and before October 1, 2006".

(b) CONFORMING AMENDMENTS.—

(1) EXTENSION OF TARGET AMOUNT.—Section 1886(b)(3)(D) (42 U.S.C. 1395ww(b)(3)(D)), as amended by section 4204(a)(2) of BBA, is amended—

(A) in the matter preceding clause (i), by striking "and before October 1, 2001," and inserting "and before October 1, 2006"; and

(B) in clause (iv), by striking "during fiscal year 1998 through fiscal year 2000" and inserting "during fiscal year 1998 through fiscal year 2005".

(2) PERMITTING HOSPITALS TO DECLINE RECLASSIFICATION.—Section 13501(e)(2) of Omnibus Budget Reconciliation Act of 1993 (42 U.S.C. 1395ww note), as amended by section 4204(a)(3) of BBA, is amended by striking "or fiscal year 2000" and inserting "or fiscal year 2000 through fiscal year 2005".

SEC. 405. REBASING FOR CERTAIN SOLE COMMUNITY HOSPITALS.

Section 1886(b)(3) (42 U.S.C. 1395ww(b)(3)), as amended by sections 4413 and 4414 of BBA, is amended—

(1) in subparagraph (C), by inserting "subject to subparagraph (I)" before "the term 'target amount' means"; and

(2) by adding at the end the following new subparagraph:

"(I)(i) For cost reporting periods beginning on or after October 1, 2000, in the case of a sole community hospital that for its cost reporting period beginning during 1999 is paid on the basis of the target amount applicable to the hospital under subparagraph (C) and that elects (in a form and manner determined by the Secretary) this subparagraph to apply to the hospital, there shall be substituted for the base cost reporting period described in subparagraph (C) the rebased target amount determined under this subparagraph.

"(ii) For purposes of clause (i), the rebased target amount applicable to a hospital making an election under this subparagraph is equal to the sum of the following:

"(I) With respect to discharges occurring in fiscal year 2001, 75 percent of the target amount applicable to the hospital under subparagraph (C) (hereinafter in this subparagraph referred to as the 'subparagraph (C) target amount') and 25 percent of the amount of the allowable operating costs of inpatient hospital services (as defined in subsection (a)(4)) recognized under this title for the hospital for the 12-month cost reporting period beginning during fiscal year 1996 (hereinafter in this subparagraph referred to as the 'rebased target amount'), increased by the applicable percentage increase under subparagraph (B)(iv).

"(II) With respect to discharges occurring in fiscal year 2002, 50 percent of the subparagraph (C) target amount and 50 percent of the rebased target amount, increased by the applicable percentage increase under subparagraph (B)(iv).

"(III) With respect to discharges occurring in fiscal year 2003, 25 percent of the subparagraph (C) target amount and 75 percent of the rebased target amount, increased by the applicable percentage increase under subparagraph (B)(iv).

"(IV) With respect to discharges occurring in fiscal year 2003 or any subsequent fiscal year, 100 percent of the rebased target amount, increased by the applicable percentage increase under subparagraph (B)(iv).".

SEC. 406. INCREASED FLEXIBILITY IN PROVIDING GRADUATE PHYSICIAN TRAINING IN RURAL AREAS.

(a) PERMITTING 30 PERCENT EXPANSION IN CURRENT GME TRAINING PROGRAMS FOR HOSPITALS LOCATED IN RURAL AREAS.—

(1) PAYMENT FOR DIRECT GRADUATE MEDICAL EDUCATION COSTS.—Section 1886(h)(4)(F) (42 U.S.C. 1395ww(h)(4)(F)), as added by section 4623 of BBA, is amended by inserting "(or, 130 percent of such number in the case of a hospital located in a rural area)" after "may not exceed the number".

(2) PAYMENT FOR INDIRECT GRADUATE MEDICAL EDUCATION COSTS.—Section 1886(d)(5)(B)(v) (42 U.S.C. 1395ww(d)(5)(B)(v)), as added by section 4621(b)(1) of BBA, is amended by inserting "(or, 130 percent of such number in the case of a hospital located in a rural area)" after "may not exceed the number".

(3) EFFECTIVE DATES.—(A) The amendment made by paragraph (1) applies to cost reporting periods beginning on or after October 1, 1999.

(B) The amendment made by paragraph (2) applies to discharges occurring on or after October 1, 1999.

(b) SPECIAL RULE FOR NON-RURAL FACILITIES SERVING RURAL AREAS.—

(1) IN GENERAL.—Section 1886(h)(4)(H) (42 U.S.C. 1395ww(h)(4)(H)), as added by section 4623 of BBA, is amended by adding at the end the following new clause:

"(iv) NON-RURAL HOSPITALS OPERATING TRAINING PROGRAMS IN UNDERSERVED RURAL AREAS.—In the case of a hospital that is not located in a rural area but establishes separately accredited approved medical residency training programs (or rural tracks) in an underserved rural area or has an accredited training program with an integrated rural track, the Secretary shall adjust the limitation under subparagraph (F) in an appropriate manner insofar as it applies to such programs in such underserved rural areas in order to encourage the training of physicians in underserved rural areas.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) applies with respect to—

(A) payments to hospitals under section 1886(h) of the Social Security Act (42 U.S.C. 1395ww(h)) for cost reporting periods beginning on or after October 1, 1999; and

(B) payments to hospitals under section 1886(d)(5)(B)(v) of such Act (42 U.S.C. 1395ww(d)(5)(B)(v)) for discharges occurring on or after October 1, 1999.

SEC. 407. ELIMINATION OF CERTAIN RESTRICTIONS WITH RESPECT TO HOSPITAL SWING BED PROGRAM.

(a) ELIMINATION OF REQUIREMENT FOR STATE CERTIFICATE OF NEED.—Section 1883(b) (42 U.S.C. 1395tt(b)) is amended to read as follows:

"(b) The Secretary may not enter into an agreement under this section with any hospital unless, except as provided under subsection (g), the hospital is located in a rural area and has less than 100 beds.".

(b) ELIMINATION OF SWING BED RESTRICTIONS ON CERTAIN HOSPITALS WITH MORE THAN 49 BEDS.—Section 1883(d) (42 U.S.C. 1395tt(d)) is amended—

(1) by striking paragraphs (2) and (3); and

(2) by striking "(d)(1)" and inserting "(d)".

(c) EFFECTIVE DATE.—The amendments made by this section take effect on the date that is the first day after the expiration of the transition period under section 1888(e)(2)(E) of the Social Security Act (42 U.S.C. 1395yy(e)(2)(E)), as added by section 4432(a) of BBA, for payments for covered skilled nursing facility services under the medicare program.

SEC. 408. GRANT PROGRAM FOR RURAL HOSPITAL TRANSITION TO PROSPECTIVE PAYMENT.

Section 1820(g) (42 U.S.C. 1395i-4(g)), as added by section 4201(a) of BBA, is amended by adding at the end the following new paragraph:

"(3) UPGRADING DATA SYSTEMS.—

"(A) GRANTS TO HOSPITALS.—The Secretary may award grants to hospitals that have submitted applications in accordance with subparagraph (C) to assist eligible small rural hospitals in meeting the costs of implementing data systems required to meet requirements established under the medicare program pursuant to amendments made by the Balanced Budget Act of 1997.

"(B) ELIGIBLE SMALL RURAL HOSPITAL DEFINED.—For purposes of this paragraph, the term 'eligible small rural hospital' means a non-Federal, short-term general acute care hospital that—

"(i) is located in a rural area (as defined for purposes of section 1886(d)); and

"(ii) has less than 50 beds.

"(C) APPLICATION.—A hospital seeking a grant under this paragraph shall submit an application to the Secretary on or before such date and in such form and manner as the Secretary specifies.

"(D) AMOUNT OF GRANT.—A grant to a hospital under this paragraph may not exceed $50,000.

"(E) USE OF FUNDS.—A hospital receiving a grant under this paragraph may use the funds for the purchase of computer software and hardware and for the education and training of hospital staff on computer information systems and costs related to the implementation of prospective payment systems.

"(F) REPORT.—

"(i) INFORMATION.—A hospital receiving a grant under this section shall furnish the Secretary with such information as the Secretary may require to evaluate the project for which the grant is made and to ensure that the grant is expended for the purposes for which it is made.

"(ii) REPORTING.—

"(I) INTERIM REPORTS.—The Secretary shall report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate at least annually on the grant program established under this section, including in such report information on the number of grants made, the nature of the projects involved, the geographic distribution of grant recipients, and such other matters as the Secretary deems appropriate.

"(II) FINAL REPORT.—The Secretary shall submit a final report to such committees not later than 180 days after the completion of all of the projects for which a grant is made under this section.".

SEC. 409. MEDPAC STUDY OF RURAL PROVIDERS.

(a) STUDY.—The Medicare Payment Advisory Commission shall conduct a study on rural providers furnishing items and services for which payment is made under title XVIII of the Social Security Act. Such study shall examine and evaluate the adequacy and appropriateness of the categories of special payments (and payment methodologies) established for rural hospitals under the medicare program, and their impact on beneficiary access and quality of health care services.

(b) REPORT.—By not later than 18 months after the date of the enactment of this Act, the Medicare Payment Advisory Commission shall submit to Congress a report on the study conducted under subsection (a).

SEC. 410. EXPANSION OF ACCESS TO PARAMEDIC INTERCEPT SERVICES IN RURAL AREAS.

(a) EXPANSION OF PAYMENT AREAS.—Section 4531(c) of BBA (42 U.S.C. 1395x(s)(7) note, 111 Stat. 452) is amended by adding at the end the following flush sentence:

"For purposes of this subsection, an area shall be treated as a rural area if it is designated as a rural area by any law or regulation of the State or if it is located in a rural census tract of a metropolitan statistical area (as determined under the Goldsmith Modification, as published in the Federal Register on February 27, 1992 (57 FR 6725)).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) takes effect on January 1, 2000, and applies to paramedic intercept services furnished on or after such date.

TITLE V—PROVISIONS RELATING TO PART C (MEDICARE+CHOICE PROGRAM)

Subtitle A—Medicare+Choice

SEC. 501. PHASE-IN OF NEW RISK ADJUSTMENT METHODOLOGY.

Section 1853(a)(3)(C) (42 U.S.C. 1395w–23(a)(3)(C)) is amended—

(1) by redesignating the first sentence as clause (i) with the heading "IN GENERAL.—" and appropriate indentation; and

(2) by adding at the end the following new clause:

"(ii) PHASE-IN.—Such risk adjustment methodology shall be implemented in a phased-in manner so that the methodology insofar as it makes adjustments for health status based on clinical data applies to—

"(I) not more than 10 percent of the payment amount in 2000 and 2001;

"(II) not more than 20 percent of such amount in 2002;

"(III) not more than 30 percent of such amount in 2003; and

"(IV) 100 percent of such amount in any subsequent year (at which time the risk adjustment methodology should reflect data from multiple settings).".

SEC. 502. ENCOURAGING OFFERING OF MEDICARE+CHOICE PLANS IN AREAS WITHOUT PLANS.

Section 1853 (42 U.S.C. 1395w–23) is amended—

(1) in subsection (a)(1), by striking "subsections (e) and (f)" and inserting "subsections (e), (g), and (i)";

(2) in subsection (c)(5), by inserting "(other than those attributable to subsection (i))" after "payments under this part"; and

(3) by adding at the end the following new subsection:

"(i) NEW ENTRY BONUS.—

"(1) IN GENERAL.—Subject to paragraphs (2) and (3), in the case of Medicare+Choice payment area in which a Medicare+Choice plan has not been offered since 1997 (or in which all organizations that offered a plan since such date have filed notice with the Secretary, as of October 13, 1999, that they will not be offering such a plan as of January 1, 2000), the amount of the monthly payment otherwise made under this subsection shall be increased—

"(A) only for the first 12 months in which any Medicare+Choice plan is offered in the area, by 5 percent of the total monthly payment otherwise computed for such payment area; and

"(B) only for the subsequent 12 months, by 3 percent of the total monthly payment otherwise computed for such payment area.

"(2) PERIOD OF APPLICATION.—Paragraph (1) shall only apply to payment for Medicare+Choice plans which are first offered in a Medicare+Choice payment area during the 2-year period beginning with January 1, 2000.

"(3) LIMITATION TO ORGANIZATION OFFERING FIRST PLAN IN AN AREA.—Paragraph (1) shall only apply to payment to the first Medicare+Choice organization that offers a Medicare+Choice plan in each Medicare+Choice payment area, except that if more than one such organization first offers such a plan in an area on the same date, paragraph (1) shall apply to payment for such organizations.

"(4) CONSTRUCTION.—Nothing in paragraph (1) shall be construed as affecting the calculation of the annual Medicare+Choice capitation rate for any payment area under subsection (c) or as applying to payment for any period not described in such paragraph.

"(5) OFFERED DEFINED.—In this subsection, the term 'offered' means, with respect to a Medicare+Choice plan as of a date, that a Medicare+Choice eligible individual may enroll with the plan on that date, regardless of when the enrollment takes effect or the individual obtain benefits under the plan.".

SEC. 503. MODIFICATION OF 5-YEAR RE-ENTRY RULE FOR CONTRACT TERMINATIONS.

(a) IN GENERAL.—Section 1857(c)(4) (42 U.S.C. 1395w–27(c)(4)) is amended—

(1) by inserting "as provided in paragraph (2) and except" after "except";

(2) by redesignating the first sentence as a subparagraph (A) with an appropriate indentation and the heading "IN GENERAL.—"; and

(3) by adding at the end the following new subparagraph:

"(B) EARLIER RE-ENTRY PERMITTED WHERE CHANGE IN PAYMENT POLICY AND NO MORE THAN ONE OTHER PLAN AVAILABLE.—Subparagraph (A) shall not apply with respect to the offering by a Medicare+Choice organization of a Medicare+Choice plan in a Medicare+Choice payment area if—

"(i) during the 6-month period beginning on the date the organization notified the Secretary of the intention to terminate the most recent previous contract, there was a legislative change enacted (or a regulatory change adopted) that has the effect of increasing payment rates under section 1853 for that Medicare+Choice payment area; and

"(ii) at the time the organization notifies the Secretary of its intent to enter into a contract to offer such a plan in the area, there is no more than one Medicare+Choice plan offered in the area.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to contract terminations occurring before, on, or after the date of the enactment of this Act.

SEC. 504. CONTINUED COMPUTATION AND PUBLICATION OF AAPCC DATA.

(a) IN GENERAL.—Section 1853(b) (42 U.S.C. 1395w–23(b)) is amended by adding at the end the following new paragraph:

"(4) CONTINUED COMPUTATION AND PUBLICATION OF COUNTY-SPECIFIC PER CAPITA FEE-FOR-SERVICE EXPENDITURE INFORMATION.—The Secretary, through the Chief Actuary of the Health Care Financing Administration, shall provide for the computation and publication, on an annual basis at the time of publication of the annual Medicare+Choice capitation rates, of information on the level of the average annual per capita costs (described in section 1876(a)(4)) for each Medicare+Choice payment area.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act and apply to publications of the annual Medicare+Choice capitation rates made on or after such date.

SEC. 505. CHANGES IN MEDICARE+CHOICE ENROLLMENT RULES.

(a) PERMITTING ENROLLMENT IN ALTERNATIVE MEDICARE+CHOICE PLANS AND MEDIGAP COVERAGE IN CASE OF INVOLUNTARY TERMINATION OF MEDICARE+CHOICE ENROLLMENT.—

(1) IN GENERAL.—Section 1851(e)(4) (42 U.S.C. 1395w–21(e)(4)) is amended by striking subparagraph (A) and inserting the following:

"(A)(i) the certification of the organization or plan under this part has been terminated, or the organization or plan has notified the individual or the Secretary of an impending termination of such certification; or

"(ii) the organization has terminated or otherwise discontinued providing the plan in the area in which the individual resides, or has notified the individual or Secretary of an impending termination or discontinuation of such plan;".

(2) CONFORMING MEDIGAP AMENDMENT.—Section 1882(s)(3) (42 U.S.C. 1395ss(s)(3)) is amended—

(A) in subparagraph (A), by inserting ", subject to subparagraph (E)," after "in the case of an individual described in subparagraph (B) who"; and

(B) by adding at the end the following new subparagraph:

"(E)(i) An individual described in subparagraph (B)(ii) may elect to apply subparagraph (A) by substituting, for the date of termination of enrollment, the date on which the individual or Secretary was notified by the Medicare+Choice organization of the impending termination or discontinuance of the Medicare+Choice plan in the area in which the individual resides, but only if the individual disenrolls from the plan as a result of such notification.

"(ii) In the case of an individual making such an election, the issuer involved shall accept the application of the individual submitted before the date of termination of enrollment, but the coverage under subparagraph (A) shall only become effective upon termination of coverage under the Medicare+Choice plan involved.".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to notices of impending terminations or discontinuances made on or after the date of the enactment of this Act.

(b) CONTINUOUS OPEN ENROLLMENT FOR INSTITUTIONALIZED INDIVIDUALS.—Section 1851(e)(2) (42 U.S.C. 1395w–21(e)(2)) is amended—

(1) in subparagraph (B)(i), by inserting "and subparagraph (D)" after "clause (ii)";

(2) in subparagraph (C)(i), by inserting "and subparagraph (D)" after "clause (ii)"; and

(3) by adding at the end the following new subparagraph:

"(D) CONTINUOUS OPEN ENROLLMENT FOR INSTITUTIONALIZED INDIVIDUALS.—At any time after 2001 in the case of a Medicare+Choice eligible individual who is institutionalized, the individual may change the election under subsection (a)(1).".

(c) CONTINUING ENROLLMENT FOR CERTAIN ENROLLEES.—Section 1851(b)(1) (42 U.S.C. 1395w–21(b)(1)) is amended—

(1) in subparagraph (A), by inserting "and except as provided in subparagraph (C)" after "may otherwise provide"; and

(2) by adding at the end the following new subparagraph:

"(C) CONTINUATION OF ENROLLMENT PERMITTED WHERE SERVICE CHANGED.—Notwithstanding subparagraph (B), if a Medicare+Choice organization eliminates from its service area a geographic area that was previously within its service area, the organization may elect to offer individuals residing in all or portions of the affected geographic area who would otherwise be ineligible to continue enrollment the option to continue enrollment in a Medicare+Choice plan it offers so long as—

"(i) the enrollee agrees to receive the full range of basic benefits (excluding emergency and urgently needed care) exclusively at facilities designated by the organization within the plan service area; and

"(ii) there is no other Medicare+Choice plan offered in the area in which the enrollee resides at the time of the organization's election.".

(d) EFFECTIVE DATE.—The amendments made by subsection (b) and (c) apply as if included in the enactment of BBA and the amendments made by subsection (c) apply to eliminations of geographic areas from a service area that occur before, on, or after the date of the enactment of this Act.

SEC. 506. ALLOWING VARIATION IN PREMIUM WAIVERS WITHIN A SERVICE AREA IF MEDICARE+CHOICE PAYMENT RATES VARY WITHIN THE AREA.

(a) IN GENERAL.—Section 1854(c) (42 U.S.C. 1395w–24(c)) is amended—

(1) by striking "The" and inserting "Subject to paragraph (2), the";

(2) by redesignating the first sentence as a paragraph (1) with an appropriate indentation and the heading "IN GENERAL.—"; and

(3) by adding at the end the following new paragraph:

"(2) VARIATION IN PREMIUM WAIVER PERMITTED.—A Medicare+Choice organization may waive part or all of a premium described in paragraph (1) for one or more Medicare+Choice payment areas within its service area if the annual Medicare+Choice capitation rates under section 1853(c) vary between such payment area and other payment areas within such service area.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply to premiums for contract years beginning on or after January 1, 2001.

SEC. 507. DELAY IN DEADLINE FOR SUBMISSION OF ADJUSTED COMMUNITY RATES AND RELATED INFORMATION.

(a) DELAY IN DEADLINE FOR SUBMISSION OF ADJUSTED COMMUNITY RATES AND RELATED INFORMATION.—Section 1854(a)(1) (42 U.S.C. 1395w–24(a)(1)) is amended by striking "May 1" and inserting "July 1".

(b) ADJUSTMENT IN INFORMATION DISCLOSURE PROVISIONS.—Section 1851(d)(2)(A)(ii) (42 U.S.C. 1395w–21(d)(2)(A)(ii)) is amended by inserting after "information described in paragraph (4) concerning such plans" the following: ", to the extent such information is available at the time of preparation of the material for mailing".

(c) EFFECTIVE DATE.—The amendments made by this section apply with respect to information submitted by Medicare+Choice organizations (and provided to beneficiaries) for years beginning with 1999.

SEC. 508. 2 YEAR EXTENSION OF MEDICARE COST CONTRACTS.

Section 1876(h)(5)(B) (42 U.S.C. 1395mm(h)(5)(B)) is amended by striking "2002" and inserting "2004".

SEC. 509. MEDICARE+CHOICE NURSING AND ALLIED HEALTH PROFESSIONAL EDUCATION PAYMENTS.

Section 1886(d)(11) (42 U.S.C. 1395ww(d)(11)) is amended—

(1) in subparagraph (A)—

(A) by designating the portion following "IN GENERAL.—" as a clause (i) with the heading "GRADUATE MEDICAL TRAINING.—" and appropriate indentation; and

(B) by adding at the end the following new clause:

"(ii) NURSING AND ALLIED HEALTH TRAINING.—For portions of cost reporting periods occurring on or after January 1, 2000, the Secretary shall provide for an additional payment amount for each applicable discharge of any subsection (d) hospital that has direct costs of approved education activities for nurse and allied health professional training.";

(2) in subparagraph (C)—

(A) designating the portion following "DETERMINATION OF AMOUNT.—" as a clause (i) with the heading "GRADUATE MEDICAL TRAINING.—" and appropriate indentation;

(B) by striking "under this paragraph" and inserting "under subparagraph (A)(i)";

(C) by inserting "the DGME portion (as defined in clause (iii)) of" after "shall be equal to"; and

(D) by adding at the end the following new clauses:

"(ii) NURSING AND ALLIED HEALTH TRAINING.—The amount of the payment under subparagraph (A)(ii) with respect to any applicable discharge shall be equal to an amount specified by the Secretary in a manner consistent with the following:

"(I) The total payments under such subparagraph in a year shall bear the same ratio to the Secretary's estimate of the total payments under subparagraph (A)(i) in the year as the ratio (as estimated by the Secretary) of the total payments under this title for direct costs described in subparagraph (A)(ii) in the year bear to the total payments under section 1886(h) in the year; but in no case shall the total payments under subparagraph (A)(ii) exceed $60,000,000 in a year.

"(II) The payments to different hospitals are proportional to the direct costs of each hospital described in subparagraph (A)(ii).

"(iii) DGME PORTION DEFINED.—For purposes of this subparagraph, the 'DGME portion' means, for a year, the ratio of—

"(I) the amount by which (aa) the Secretary's estimate of the total additional payments that would be payable under this paragraph for the year if subparagraph (A)(ii) and clause (ii) of this subparagraph did not apply, exceeds (bb) the total payments in the year under subparagraph (A)(ii); to

"(II) the total additional payments estimated under subclause (I)(aa) for the year.".

SEC. 510. REDUCTION IN ADJUSTMENT IN NATIONAL PER CAPITA MEDICARE+CHOICE GROWTH PERCENTAGE FOR 2002.

Section 1853(c)(6)(B)(iv) (42 U.S.C. 1395w–23(c)(6)(B)(iv)) is amended by striking "0.5 percentage points" and inserting "0.3 percentage points".

SEC. 511. DEEMING OF MEDICARE+CHOICE ORGANIZATION TO MEET REQUIREMENTS.

Section 1852(e)(4) (42 U.S.C. 1395w–22(e)(4)) is amended to read as follows:

"(4) TREATMENT OF ACCREDITATION.—The Secretary shall provide that a Medicare+Choice organization is deemed to meet requirements of paragraphs (1) and (2) of this subsection and subsection (h) (relating to confidentiality and accuracy of enrollee records) if the organization is accredited (and periodically reaccredited) by a private accrediting organization under a process that the Secretary has determined assures that the accrediting organization applies standards that meet or exceed the standards established under section 1856 to carry out the respective requirements. The Secretary shall determine, within 210 days after the date the Secretary receives an application by a private accrediting organization, whether the process of the private accrediting organization meets the requirements of the preceding sentence using the criteria specified in section 1865(b)(2). The Secretary shall, using the process described in section 1865(b), deem a Medicare+Choice organization that is so accredited as meeting the requirements of paragraphs (1) and (2) of this subsection and subsection (h)."

SEC. 512. MISCELLANEOUS CHANGES AND STUDIES.

(a) PERMITTING RELIGIOUS FRATERNAL BENEFIT SOCIETIES TO OFFER A RANGE OF MEDICARE+CHOICE PLANS.—Section 1859(e)(2) (42 U.S.C. 1395w–29(e)(2)) is amended in the matter preceding subparagraph (A) by striking "section 1851(a)(2)(A)" and inserting "section 1851(a)(2)".

(b) STUDY OF ACCOUNTING FOR VA AND DOD EXPENDITURES FOR MEDICARE BENEFICIARIES.—The Secretary of Health and Human Services, jointly with the Secretaries of Defense and of Veterans Affairs, shall submit to Congress not later than 1 year after the date of the enactment of this Act a report on the estimated use of health care services furnished by the Departments of Defense and of Veterans Affairs to medicare beneficiaries, including both beneficiaries under the original medicare fee-for-service program and under the Medicare+Choice program. The report shall include an analysis of how best to properly account for expenditures for such services in the computation of Medicare+Choice capitation rates.

(c) PROMOTING PROMPT IMPLEMENTATION OF INFORMATICS, TELEMEDICINE, AND EDUCATION DEMONSTRATION PROJECT.—Section 4207 of BBA is amended—

(1) in subsection (a)(1), by adding at the end the following: "The Secretary shall make an award for such project not later than 3 months after the date of the enactment of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999. The Secretary shall accept the proposal adjudged to be the best technical proposal as of such date of enactment without the need for additional review or resubmission of proposals.";

(2) in subsection (a)(2)(A), by inserting before the period at the end the following: "that qualify as Federally designated medically underserved areas or health professional shortage areas at the time of enrollment of beneficiaries under the project";

(3) in subsection (c)(2), by striking "and the source and amount of non-Federal funds used in the project";

(4) in subsection (d)(2)(A), by striking "at a rate of 50 percent of the costs that are reasonable and" and inserting "for the costs that are related";

(5) in subsection (d)(2)(B)(i), by striking "(but only in the case of patients located in medically underserved areas)" and inserting "or at sites providing health care to patients located in medically underserved areas";

(6) in subsection (d)(2)(C)(i), by striking "to deliver medical informatics services under" and inserting "for activities related to"; and

(7) by amending paragraph (4) of subsection (d) to read as follows:

"(4) COST-SHARING.—The project may not impose cost sharing on a medicare beneficiary for the receipt of services under the project. Project costs will cover all costs to patients and providers related to participation in the project.".

SEC. 513. MEDPAC REPORT ON MEDICARE MSA (MEDICAL SAVINGS ACCOUNT) PLANS.

Not later than 1 year after the date of the enactment of this Act, the Medicare Payment Advisory Commission shall submit to Congress a report on specific legislative changes that should be made to make MSA plans a viable option under the Medicare+Choice program.

SEC. 514. CLARIFICATION OF NONAPPLICABILITY OF CERTAIN PROVISIONS OF DISCHARGE PLANNING PROCESS TO MEDICARE+CHOICE PLANS.

(a) In General.—Section 1861(ee)(2)(H) (42 U.S.C. 1395x(ee)(2)(H)), as added by section 4431 of BBA, is amended—

(1) in clause (i)—

(A) by striking "not specify" and inserting "subject to clause (iii), not specify"; and

(B) by striking "and" at the end; and

(2) in clause (ii), by striking the period at the end and inserting ", and"; and

(3) by adding at the end the following new clause:

"(iii) for individuals enrolled under a Medicare+Choice plan, under a contract with the Secretary under section 1857, for whom a hospital furnishes inpatient hospital services, the hospital may specify with respect to such individual the provider of post-hospital home health services or other post-hospital services under the plan.".

Subtitle B—Managed Care Demonstration Projects

SEC. 521. EXTENSION OF SOCIAL HEALTH MAINTENANCE ORGANIZATION DEMONSTRATION (SHMO) PROJECT AUTHORITY.

(a) Extension.—Section 4018(b) of the Omnibus Budget Reconciliation Act of 1987 (Public Law 100–203), as amended by section 4014(a)(1) of BBA, is amended—

(1) in paragraph (1), by striking "December 31, 2000" and inserting "the date that is 18 months after the date that the Secretary submits to Congress the report described in section 4014(c) of the Balanced Budget Act of 1997"; and

(2) by adding at the end of paragraph (4) the following: "Not later than 6 months after the date the Secretary submits such final report, the Medicare Payment Advisory Commission shall submit to Congress a report containing recommendations regarding such project.".

(b) Substitution of Aggregate Cap.—Section 13567(c) of the Omnibus Budget Reconciliation Act of 1993 (Public Law 103–66), as amended by section 4014(b) of BBA, is amended to read as follows:

"(c) Aggregate Limit on Number of Members.—The Secretary of Health and Human Services may not impose a limit on the number of individuals that may participate in a project conducted under section 2355 of the Deficit Reduction Act of 1984, other than an aggregate limit of not less than 324,000 for all sites.".

SEC. 522. EXTENSION OF MEDICARE COMMUNITY NURSING ORGANIZATION DEMONSTRATION PROJECT.

(a) Extension.—Notwithstanding any other provision of law, any demonstration project conducted under section 4079 of the Omnibus Budget Reconciliation Act of 1987 (Public Law 100–123) and conducted for the additional period of 2 years as provided for under section 4019 of BBA, shall be conducted for an additional period of 2 years.

(b) Report.—By not later than July 1, 2001, the Secretary of Health and Human Services shall submit to Congress a report describing the results of any demonstration project conducted under section 4079 of the Omnibus Budget Reconciliation Act of 1987, and describing the data collected by the Secretary relevant to the analysis of the results of such project, including the most recently available data through the end of 2000.

SEC. 523. MEDICARE+CHOICE COMPETITIVE BIDDING DEMONSTRATION PROJECT.

Section 4011 of BBA is amended—

(1) in subsection (a)—

(A) by striking "The Secretary" and inserting the following:

"(1) In general.—Subject to the succeeding provisions of this subsection, the Secretary"; and

(B) by adding at the end the following:

"(2) Delay in implementation.—The Secretary shall not implement the project until January 1, 2002, or, if later, 6 months after the date the Competitive Pricing Advisory Committee has submitted to Congress a report on each of the following topics:

"(A) Incorporation of original fee-for-service medicare program into project.—What changes would be required in the project to feasibly incorporate the original fee-for-service medicare program into the project in the areas in which the project is operational.

"(B) Quality activities.—The nature and extent of the quality reporting and monitoring activities that should be required of plans participating in the project, the estimated costs that plans will incur as a result of these requirements, and the current ability of the Health Care Financing Administration to collect and report comparable data, sufficient to support comparable quality reporting and monitoring activities with respect to beneficiaries enrolled in the original fee-for-service medicare program generally.

"(C) Rural project.—The current viability of initiating a project site in a rural area, given the site specific budget neutrality requirements of the project, and insofar as the Committee decides that the addition of such a site is not viable, recommendations on how the project might best be changed so that such a site is viable.

"(D) Benefit structure.—The nature and extent of the benefit structure that should be required of plans participating in the project, the rationale for such benefit structure, the potential implications that any benefit standardization requirement may have on the number of plan choices available to a beneficiary in an area designated under the project, the potential implications of requiring participating plans to offer variations on any standardized benefit package the committee might recommend, such that a beneficiary could elect to pay a higher percentage of out-of-pocket costs in exchange for a lower premium (or premium rebate as the case may be), and the potential implications of expanding the project (in conjunction with the potential inclusion of the original fee-for-service medicare program) to require medicare supplemental insurance plans operating in an area designated under the project to offer a coordinated and comparable standardized benefit package.

"(3) Conforming deadlines.—Any dates specified in the succeeding provisions of this section shall be delayed (as specified by the Secretary) in a manner consistent with the delay effected under paragraph (2)."; and

(2) in subsection (c)(1)(A)—

(A) by striking "and" at the end of clause (i); and

(B) by adding at the end the following new clause:

"(iii) establish beneficiary premiums for plans offered in such area in a manner such that a beneficiary who enrolls in an offered plan with a below average price (as established by the competitive pricing methodology established for such area) may, at the plan's election, be offered a rebate of some or all of the medicare part B premium that such individual must otherwise pay in order to participate in a Medicare+Choice plan under the Medicare+Choice program; and".

SEC. 524. EXTENSION OF MEDICARE MUNICIPAL HEALTH SERVICES DEMONSTRATION PROJECTS.

Section 9215(a) of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended by section 6135 of the Omnibus Budget Reconciliation Act of 1989, section 13557 of the Omnibus Budget Reconciliation Act of 1993, and section 4017 of BBA, is amended by striking "December 31, 2000" and inserting "December 31, 2001".

SEC. 525. MEDICARE COORDINATED CARE DEMONSTRATION PROJECT.

Section 4016(e)(1)(A)(ii) of the Balanced Budget Act of 1997 (42 U.S.C. 1395b–1 note) is amended to read as follows:

"(ii) Cancer hospital.—In the case of the project described in subsection (b)(2)(C), the Secretary shall provide for the transfer from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Insurance Trust Fund under title XVIII of the Social Security Act (42 U.S.C. 1395i, 1395t), in such proportions as the Secretary determines to be appropriate, of such funds as are necessary to cover costs of the project, including costs for information infrastructure and recurring costs of case management services, flexible benefits, and program management.".

TITLE VI—MEDICAID

SEC. 601. MAKING MEDICAID DSH TRANSITION RULE PERMANENT.

(a) In General.—Section 4721(e) of the Balanced Budget Act of 1997 (42 U.S.C. 1396r–4 note) is amended—

(1) in the matter before paragraph (1), by striking "1923(g)(2)(A)" and "1396r–4(g)(2)(A)" and inserting "1923(g)(2)" and "1396r–4(g)(2)", respectively;

(2) in paragraphs (1) and (2)—

(A) by striking ", and before July 1, 1999"; and

(B).by striking "in such section" and inserting "in subparagraph (A) of such section"; and

(3) by striking "and" at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting "; and", and by adding at the end the following new paragraph:

"(3) effective for State fiscal years that begin on or after July 1, 1999, 'or (b)(1)(B)' were inserted in section 1923(g)(2)(B)(ii)(I) after '(b)(1)(A)'.".

(b) Effective Date.—The amendments made by subsection (a) shall take effect as if included in the enactment of section 4721(e) of the Balanced Budget Act of 1997 (Public Law 105–33; 110 Stat. 514).

SEC. 602. INCREASE IN DSH ALLOTMENT FOR CERTAIN STATES AND THE DISTRICT OF COLUMBIA.

(a) In General.—The table in section 1923(f)(2) (42 U.S.C. 1396r–4(f)(2)) is amended under each of the columns for FY 00, FY 01, and FY 02—

(1) in the entry for the District of Columbia, by striking "23" and inserting "32";

(2) in the entry for Minnesota, by striking "16" and inserting "33";

(3) in the entry for New Mexico, by striking "5" and inserting "9"; and

(4) in the entry for Wyoming, by striking "0" and inserting ".100".

(b) Effective Date.—The amendments made by subsection (a) take effect on October 1, 1999, and applies to expenditures made on or after such date.

SEC. 603. NEW PROSPECTIVE PAYMENT SYSTEM FOR FEDERALLY-QUALIFIED HEALTH CENTERS AND RURAL HEALTH CLINICS.

(a) In General.—Section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)) is amended—

(1) in paragraph (13)—

(A) in subparagraph (A), by adding "and" at the end;

(B) in subparagraph (B), by striking "and" at the end; and

(C) by striking subparagraph (C); and

(2) by inserting after paragraph (14) the following new paragraph:

"(15) for payment for services described in clause (B) or (C) of section 1905(a)(2) under the plan in accordance with subsection (aa);".

(b) New Prospective Payment System.—Section 1902 of the Social Security Act (42 U.S.C. 1396a) is amended by adding at the end the following:

"(aa) Payment for Services Provided by Federally-Qualified Health Centers and Rural Health Clinics.—

"(1) In general.—Beginning with fiscal year 2000 and each succeeding fiscal year, the State plan shall provide for payment for services described in section 1905(a)(2)(C) furnished by a Federally-qualified health center and services described in section 1905(a)(2)(B) furnished by a rural health clinic in accordance with the provisions of this subsection.

"(2) Fiscal year 2000.—Subject to paragraph (4), for services furnished during fiscal year 2000, the State plan shall provide for payment for such services in an amount (calculated on a per visit basis) that is equal to 100 percent of the costs of the center or clinic of furnishing such services during fiscal year 1999 which are reasonable and related to the cost of furnishing such services, or based on such other tests of reasonableness as the Secretary prescribes in regulations under section 1833(a)(3), or, in the case of services to which such regulations do not apply, the same methodology used under section 1833(a)(3), adjusted to take into account any increase in the scope of such services furnished by the center or clinic during fiscal year 2000.

"(3) Fiscal year 2001 and succeeding fiscal years.—Subject to paragraph (4), for services furnished during fiscal year 2001 or a succeeding fiscal year, the State plan shall provide for payment for such services in an amount (calculated on a per visit basis) that is equal to the amount calculated for such services under this subsection for the preceding fiscal year—

"(A) increased by the percentage increase in the MEI (as defined in section 1842(i)(3)) applicable to primary care services (as defined in section 1842(i)(4)) for that fiscal year; and

"(B) adjusted to take into account any increase in the scope of such services furnished by the center or clinic during that fiscal year.

"(4) Establishment of initial year payment amount for new centers or clinics.—In any case in which an entity first qualifies as a Federally-qualified health center or rural health clinic after fiscal year 1999, the State plan shall provide for payment for services described in section 1905(a)(2)(C) furnished by the center or services described in section 1905(a)(2)(B) furnished by the clinic in the first fiscal year in which the center or clinic so qualifies in an amount (calculated on a per visit basis) that is equal to 100 percent of the costs of furnishing such services during such fiscal year in accordance with the regulations and methodology referred to in paragraph (2). For each fiscal year following the fiscal year in which the entity first qualifies as a Federally-qualified health center or rural health clinic, the State plan shall provide for the payment amount to be calculated in accordance with paragraph (3).

"(5) Administration in the case of managed care.—In the case of services furnished by a Federally-qualified health center or rural health clinic pursuant to a contract between the center or clinic and a managed care entity (as defined in section 1932(a)(1)(B)), the State plan shall provide for payment to the center or clinic (at least quarterly) by the State of a supplemental payment equal to the amount (if any) by which the amount determined under paragraphs (2), (3), and (4) of this subsection exceeds the amount of the payments provided under the contract.

"(6) Alternative payment methodologies.—Notwithstanding any other provision of this section, the State plan may provide for payment in any fiscal year to a Federally-qualified health center for services described in section 1905(a)(2)(C) or to a rural health clinic for services described in section 1905(a)(2)(B) in an amount which is determined under an alternative payment methodology that—

"(A) is agreed to by the State and the center or clinic; and

"(B) results in payment to the center or clinic of an amount which is at least equal to the amount otherwise required to be paid to the center or clinic under this section.".

(c) Conforming Amendments.—

(1) Section 4712 of the Balanced Budget Act of 1997 (Public Law 105-33; 111 Stat. 508) is amended by striking subsection (c).

(2) Section 1915(b) of the Social Security Act (42 U.S.C. 1396n(b)) is amended by striking "1902(a)(13)(E)" and inserting "1902(a)(15), 1902(aa),".

(d) Effective Date.—The amendments made by this section take effect on October 1, 1999, and apply to services furnished on or after such date.

SEC. 604. PARITY IN REIMBURSEMENT FOR CERTAIN UTILIZATION AND QUALITY CONTROL SERVICES.

(a) In General.—Section 1903(a)(3)(C)(i) (42 U.S.C. 1396b(a)(3)(C)(i)) is amended—

(1) by inserting "(other than a review described in clause (ii))" after "quality review"; and

(2) by inserting "(or under a contract with the State that sets forth standards of performance equivalent to those under section 1902(d))" before the semicolon.

(b) Effective Date.—The amendments made by subsection (a) apply to expenditures made on and after the date of the enactment of this Act.

TITLE VII—STATE CHILDREN'S HEALTH INSURANCE PROGRAM (SCHIP)

SEC. 701. STABILIZING THE SCHIP ALLOTMENT FORMULA.

(a) In General.—Section 2104(b) (42 U.S.C. 1397dd(b)) is amended—

(1) in paragraph (2)(A)—

(A) in clause (i), by striking "through 2000" and inserting "and 1999"; and

(B) in clause (ii), by striking "2001" and inserting "2000";

(2) by amending paragraph (4) to read as follows:

"(4) Floors and ceilings in state allotments.—

"(A) In general.—The proportion of the allotment under this subsection for a subsection (b) State (as defined in subparagraph (D)) for fiscal year 2000 and each fiscal year thereafter shall be subject to the following floors and ceilings:

"(i) Floor of $2,000,000.—A floor equal to $2,000,000 divided by the total of the amount available under this subsection for all such allotments for the fiscal year.

"(ii) Annual floor of 10 percent below preceding fiscal year's proportion.—A floor of 90 percent of the proportion for the State for the preceding fiscal year.

"(iii) Cumulative floor of 30 percent below the FY 1999 proportion.—A floor of 70 percent of the proportion for the State for fiscal year 1999.

"(iv) Cumulative ceiling of 45 percent above FY 1999 proportion.—A ceiling of 145 percent of the proportion for the State for fiscal year 1999.

"(B) Reconciliation.—

"(i) Elimination of any deficit by establishing a percentage increase ceiling for states with highest annual percentage increases.—To the extent that the application of subparagraph (A) would result in the sum of the proportions of the allotments for all subsection (b) States exceeding 1.0, the Secretary shall establish a maximum percentage increase in such proportions for all subsection (b) States for the fiscal year in a manner so that such sum equals 1.0.

"(ii) Allocation of surplus through pro rata increase.—To the extent that the application of subparagraph (A) would result in the sum of the proportions of the allotments for all subsection (b) States being less than 1.0, the proportions of such allotments (as computed before the application of floors under clauses (i), (ii), and (iii) of subparagraph (A)) for all subsection (b) States shall be increased in a pro rata manner (but not to exceed the ceiling established under subparagraph (A)(iv)) so that (after the application of such floors and ceiling) such sum equals 1.0.

"(C) Construction.—This paragraph shall not be construed as applying to (or taking into account) amounts of allotments redistributed under subsection (f).

"(D) Definitions.—In this paragraph:

"(i) Proportion of allotment.—The term 'proportion' means, with respect to the allotment of a subsection (b) State for a fiscal year, the amount of the allotment of such State under this subsection for the fiscal year divided by the total of the amount available under this subsection for all such allotments for the fiscal year.

"(ii) Subsection (b) state.—The term 'subsection (b) State' means one of the 50 States or the District of Columbia.";

(3) in paragraph (2)(B), by striking "the fiscal year" and inserting "the calendar year in which such fiscal year begins"; and

(4) in paragraph (3)(B), by striking "the fiscal year involved" and inserting "the calendar year in which such fiscal year begins".

(b) Effective Date.—The amendments made by this section apply to allotments determined under title XXI of the Social Security Act (42 U.S.C. 1397aa et seq.) for fiscal year 2000 and each fiscal year thereafter.

SEC. 702. INCREASED ALLOTMENTS FOR TERRITORIES UNDER THE STATE CHILDREN'S HEALTH INSURANCE PROGRAM.

Section 2104(c)(4)(B) (42 U.S.C. 1397dd(c)(4)(B)) is amended by inserting ", $34,200,000 for each of fiscal years 2000 and 2001, $25,200,000 for each of fiscal years 2002 through 2004, $32,400,000 for each of fiscal years 2005 and 2006, and $40,000,000 for fiscal year 2007" before the period.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. Archer) and the gentleman from New York (Mr. Rangel) each will control 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. Archer).

GENERAL LEAVE

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill, H.R. 3075, as amended.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, 2 years ago Congress embarked on a monumental task to strengthen Medicare for the 39 million Americans that depend on the program every day for their health care needs. We made the tough decisions because it was the right thing to do, and we did it on a bipartisan basis, in conjunction with the administration.

Today, as a result of those decisions, America's elderly and disabled have more health care choices than ever before. We increased preventative benefits to detect and treat conditions early, which means less time in a hospital or nursing facility and more time at home; we passed 65 new steps to crack down on fraud and abuse that rob seniors of vital care; and on a bipartisan basis, we set Medicare on the right financial footing, extending the life of the program for future beneficiaries.

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In fact, earlier this year, the Medicare trustees reported that the Medicare program is now solvent until the year 2015. With any legislation of this size, however, adjustments are always necessary and even with the technocratic jargon of new prospective payment systems, DSH adjustments and RUG fixes, we have not lost sight of those that we help, our Nation's elderly and disabled.

Under our proposal today, families will not have to drive to the next county to visit the emergency room. Seniors will have the flexibility to enroll in new plans to get the comprehensive benefits that they need and want, and that is what this bill is all about.

For over 30 years, Medicare has been there for millions of seniors, and as we enter the next millennium the Medicare program will be stronger than ever, thanks to our bipartisan efforts.

Two years ago, the President joined us in enacting this landmark legislation, and I now ask him to join us in again building upon our historic success by implementing those provisions that Congress intended for the administration when it first passed the Balanced Budget Act.

Congress and the White House must work together for the good of seniors and the disabled who depend on Medicare.

I commend the Subcommittee on Health, the gentleman from California (Mr. THOMAS), the Committee on Commerce, the gentleman from Virginia (Mr. BLILEY) and members of both the Committee on Ways and Means and the Committee on Commerce for their tireless efforts to ensure that quality medical treatment is there when seniors need it.

I urge my colleagues to support this important legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, my friend the gentleman from Texas (Mr. ARCHER), the chairman of the Committee on Ways and Means, spoke a great deal about bipartisanship in 1997 and the need for the Congress and the White House to work together.

I agree with him, but can we not start with Republicans and Democrats in the House working together? That would be a good beginning. It is almost insulting to take a bill of this importance and then put it on the suspension calendar. This bipartisanship does not start with the Republican leaders and the President of the United States. If it is going to work, it should start right here, with Members of this House having mutual respect for each other, with important bills going through committee, with Members being given the opportunity to amend them, and if the amendment is not worth the majority of the votes then the amendment is defeated. That is how democracy works. That is how this is supposed to work.

This suspension calendar is supposed to be for noncontroversial legislation. It is supposed to be that we already agreed on something; that there is no need for amendments, no need for debate.

We are restricted to 20 minutes on each side, but what we are talking about is our teaching hospitals. We are talking about making a mistake in 1997 and trying to remedy it by bringing it to the floor so that we could remedy it. No one can deny that lowering the price for prescription drugs for seniors is a very, very important thing. We tried to do this in our committee and we were unable to do it, and this would be the perfect time to find out what the people, Republican and Democrat, liberals and conservatives, would want to do.

We are not being given that opportunity, and the gentleman is talking about bipartisan and working with the President of the United States when he is not even working with his Democratic colleagues because we are in the minority.

Indeed, the rule that we had in the Committee on Ways and Means was a gag rule to make certain that none of our amendments would ever get an opportunity to pass.

I do hope that somewhere along the line, before we adjourn, that we start allowing each other to set the standard for bipartisanship, that we start talking with each other and we do not find just a hand of Republicans, because they have the leadership going in the back room and deciding what is good for the whole House and because they have the votes, putting it on the suspension calendar where Members cannot work their will, and then when it is all over and they find out that they have a train wreck on their hands they are going to ask the President of the United States to work with them. They did not ask the President to work with them when they went into the Social Security trust funds. They did not ask the President to work with them when they came up with a $792 billion tax cut, but when they work themselves into a corner and they cannot get out of the box, then they have to call for bipartisanship.

Bipartisanship starts now and it starts today, and it should not be put in a bill like this on the suspension calendar.

Mr. Speaker, I ask unanimous consent that the balance of my time be divided equally between the gentleman from California (Mr. STARK) for the Committee on Ways and Means, and the gentleman from Ohio (Mr. Brown) for the Committee on Commerce.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. THOMAS. Mr. Speaker, I yield 3 minutes to gentleman from Virginia (Mr. BLILEY), chairman of the Committee on Commerce.

Mr. BLILEY. Mr. Speaker, I thank the gentleman from California (Mr. THOMAS) for yielding me this time.

Mr. Speaker, I rise today in support of H.R. 3075, the Medicare, Medicaid and S-CHIP Balanced Budget Refinement Act of 1999.

Two years ago, we made some very important changes to the Medicare and Medicaid programs when we passed the Balanced Budget Act. The Medicare program was facing bankruptcy. The changes we made are keeping this vital program for our Nation's seniors alive.

In addition, we created the State Children's Health Insurance Program, otherwise known as S-CHIP, to provide health coverage for millions of low-income, uninsured American children. It was historic legislation and I am very proud of it.

Today we are considering a bill that will refine some of the policies put into effect by BBA. In the two years since we passed the BBA, we have heard that some of the changes we made went a little too far and some health providers have felt some hardship. Today we are going back to make a few corrections.

Under our bill, the seniors will receive the health care they deserve. We put needed dollars into the system to ensure patient access and care to hospitals, skilled nursing facilities and other care.

I want to highlight some of the more important pieces of this bill.

First, we provide additional funding for hospital outpatient departments. This includes more funds for small rural hospitals and for patients who receive cancer treatments, those most in need of assistance. We cannot allow these hospitals to close their doors.

Additionally, this bill provides an additional $3.5 billion for the Medicare+Choice program. This vital program gives seniors the opportunity to choose a private health plan rather than the traditional Medicare program.

I am also proud to have strengthened this bill by adding $200 million to pay for immunosuppressive drugs. Medicare currently only covers these drugs for 36 months. This bill takes a first step at addressing that issue and allows us to provide for coverage for needy organ transplant patients. Access to these drugs can literally make the difference between life and death.

We also help our Nation's community health centers and rural health clinics by ensuring they receive the funding they need to provide care to millions of low income and uninsured Americans. Our bill authorizes States to create new payment systems for community health centers and rural clinics.

Finally, our bill puts more funds into the S-CHIP program. We created the S-CHIP program in 1997 to provide health insurance to our Nation's children, and it has been an enormous success.

Mr. Speaker, I am proud of the work the committee has put into this product. It is a good bill and deserves the support of all of our colleagues.

Hon. BILL ARCHER,
Chairman, Committee on Ways and Means, Washington, DC.

DEAR BILL: I am writing regarding H.R. 3075, the Medicare Balanced Budget Refinement Act of 1999. As you know, the Committee on Commerce is an additional committee of jurisdiction for the bill, and I understand that the version of that bill will be considered under the suspension calendar will contain a number of Medicaid provisions which fall within my Committee's exclusive jurisdiction.

However, in light of your willingness to work with me on those provisions within the Commerce Committee's jurisdiction, I will not exercise the Committee on Commerce's right to act on the legislation. By agreeing to waive its consideration of the bill, however, the Commerce Committee does not waive its jurisdiction over H.R. 3075. In addition, the Commerce Committee reserves its authority to seek conferees on any provisions of the bill that are within its jurisdiction during any House-Senate conference that may be convened on this legislation or similar legislation. I ask that you support our request in this regard.

I ask that you include a copy of this letter and your response in the RECORD during consideration of the bill on the House floor. Thank you for your consideration and assistance. I remain,

Sincerely,

TOM BLILEY, *Chairman.*

Mr. STARK. Mr. Speaker, I yield 1½ minutes to the gentleman from Washington (Mr. MCDERMOTT).

Mr. MCDERMOTT. Mr. Speaker, there will not be half a dozen votes against this pathetic piece of legislation. I sat on the Medicare Commission for a year and in the committee for 10 months, and we never had a proposal for a bipartisan overhaul, which everybody knows we should do. We did not even consider the President's proposal to extend from 65 down to 55, at no cost to the government, health insurance for people in the workforce. Now, if one wants to have access, that is the best way to get it.

We had nothing in here to talk about whether or not we were going to extend the life of Medicare. The President offered 15 percent of the surplus and said let us extend the life. We never had a discussion about that in the committee.

Finally, and worst of all, there is not one single thing done for senior citizens on their prescription drugs.

Now, everybody sitting on this floor is going to go home to their district and they are going to explain to their constituents why it is they have a drug benefit. We all have one through our health plan, that if we have a prescription we pay $12. I pay $12. Everybody pays $12 in this body. But my mother and my aunts and my uncles and all my constituents and the constituents of all of us pay retail. Now that is a disgrace.

This piece of legislation is worthless, but we have no choice. They gave us no choice.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I rise in support of H.R. 3075, but I rise with a great deal of disappointment that this bill falls far, far short of what this House should do. Today we are not considering prescription drug coverage when 75 percent of our elderly have inadequate or nonexistent prescription drug coverage. We are not modernizing Medicare. We are not repealing therapy caps, caps which have harmed thousands of our elderly.

Too many seniors are spending into poverty to pay for prescription drugs. Yet, all the majority is doing is tinkering at the edges of the Medicare payment system. When is this Congress going to get serious about modernizing Medicare? When is this Congress going to take action based on the best interests of Medicare enrollees? When is this Congress going to get serious about the Patients' Bill of Rights? And when is this Congress going to provide prescription drugs for this Nation's elderly?

If Republicans remain in the majority, Mr. Speaker, the answer unfortunately is do not hold your breath.

Mr. THOMAS. Mr. Speaker, it is now my pleasure to yield 2 minutes to the gentleman from Florida (Mr. BILIRAKIS), chairman of the Subcommittee on Health of the Committee on Commerce.

Mr. BILIRAKIS. Mr. Speaker, in early 1997, a Medicare trustees' annual report confirmed that the Medicare hospital insurance trust fund would exhaust its resources faster than previously anticipated. The part B trust fund was in similar straits.

Its board of trustees issued its own report warning that prompt, effective and decisive action is necessary. And so the Congress addressed this problem with BBA 1997, as we so fondly refer to it.

BBA 1997 was the Balanced Budget Act of 1997. It saved Medicare. It did something that the prior Congresses had not done. It saved Medicare for an additional 14 years until the year 2015.

It represented the most comprehensive Medicare reform since the program's establishment in 1965. It made many changes, expanding Medicare's coverage of preventive benefits. It hadn't been done before. Providing additional choices for seniors through the Medicare+ program; implementing new programs to combat fraud, waste and abuse; and establishing new initiatives and modernizing and strengthen the Medicare speed for service payment system.

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But it also established new payment provisions, bold steps to control Medicare spending by changing the financial incentives inherent in payment methods that, prior to the BBA, did not reward providers for delivering care efficiently.

Unfortunately, as quite often happens, there are unintended consequences; and, consequently, a lot of the reimbursements we have determined now have not been adequate. So we tried to address this with the BBA fixes.

I would say to this Congress through the Speaker that, as far as the Committee on Commerce was concerned, I cannot speak for the Committee on Ways and Means, although I am sure the same thing happened there, as far as the Committee on Commerce is concerned, the majority staff and the minority staffs worked many, many hours over many, many days, sitting with HCFA, I might add, trying to work things out. Things seem to have been going along really well. Many of the ideas that the minority had are incorporated in this particular BBA 1997 fix.

I ask for support for this legislation.

Mr. STARK. Mr. Speaker, I yield myself 30 seconds. I do so just to challenge my Republican colleagues who are afraid today that they would have to vote on a drug benefit, but to remind the public that the gentleman form Pennsylvania (Mr. ENGLISH), the gentlewoman from Connecticut (Mrs. JOHNSON), the gentleman from Arizona (Mr. HAYWORTH), and the gentleman from Florida (Mr. SHAW), who are all sitting here voted to deny seniors in their districts a discount on prescription drugs at no cost to the Federal Government.

I hope that they will explain to the seniors whose benefits are being reduced why they did that and why they are afraid to see it come up today and vote for it or against it in an up forward manner.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1½ minutes to the gentleman from Michigan (Mr. DINGELL), ranking member of the Committee on Commerce.

Mr. DINGELL. Mr. Speaker, what are we doing here in such haste and why? There has been no consultation, no attention to the regular and orderly process. Most Members have not got the vaguest idea what we are doing here.

This is a subject which would enable us to function in an intelligent fashion, using the ordinary processes of the House to discuss, to have an opportunity to come to agreement, and to do something which can and should be bipartisan in a bipartisan fashion.

The bill, on the other hand, is rushed to the floor without any particular attention, without any consultation, not addressing the problems, and, interestingly enough, if we look at it, we find that the bill is not paid for, probably is going to jeopardize Medicare and Social Security and their trust funds, and it is going to ignore the opportunity to do many things which we could have done.

It is not going to pay for most of the benefits, although most Members here are probably going to vote for it, including myself, understanding full well that we have not done the job that we should, not knowing what should be done, having disregarded the regular and orderly process of the House.

More importantly, we are going to proceed to move forward, ignoring the opportunity to craft a bill of which we could all, first of all, know what we are doing, and, second of all, a bill in which we could genuinely be proud.

We also have an opportunity here to craft a piece of legislation which is not going to hold in it a large number of surprises and perhaps even poison pills. The result of what we are doing today is bad process and is going to probably result in imperfect legislation. It holds within its bounds sure surprises and very little opportunity to address really important problems like the balanced budget and protecting and preserving Medicare and Social Security.

Mr. Speaker, I am pleased to see that the Republican leadership is finally getting down to the business of rectifying some of the consequences of the Balanced Budget Act. Like many others here, I am very concerned about its effects on beneficiaries and providers.

Regrettably, I am also concerned today by the process. We are voting on a bill that can be and should be bipartisan . . . that is the product of partisan efforts. This is a matter of great importance to the 38 million Americans covered by Medicare, yet we have had less than one day to examine this bill. This is a matter that can and should be the subject of more careful and thoughtful but still expeditious process.

Our Republican friends made a great deal about the need to protect the Social Security surplus, but the bill they are offering is not paid for. Preliminary estimates show this bill to cost almost $12 billion—unpaid for, the bill will shorten the life of the Medicare Trust Fund and increase premiums to seniors. Apparently, fiscal responsibility only suits the Republican party when it is convenient.

I am also concerned that we have not done enough. The relief for Medicare patients who need physical therapy is inadequate. The relief for Medicare patients in rural or cancer hospitals is not adequate. And, from what I understand, the Hospital Outpatient policy may be unworkable.

A number of Democrats sent a letter to the Speaker yesterday, concerned that we have not done enough to provide relief, asking for the opportunity to offer a paid-for amendment to this bill. Our request was denied.

This bill leaves out what is perhaps the most important relief that Congress could offer to Medicare beneficiaries—relief from the high cost of prescription drugs. Seniors should not have to choose between food and needed medicines. Yet, the Speaker would not let us even offer our amendment that would have made prescription drugs more affordable for seniors.

This bill provides much needed relief for the Community Health Centers which are critical to providing care to underserved areas. But I am dismayed to see that the bill could not find the money to address the needs of low-income women with breast cancer. But the Republican bill is able to provide more than one billion dollars to HMOs—the same HMOs that HCFA, the IG, and the GAO have noted are already being overpaid.

Mr. Speaker, I have a great number of concerns about this bill. Not only with what is in it, but what is not. I am also concerned about the process and the fact this bill is not paid for. The bill is a small step in the direction of ensuring that seniors continue to have access to the same high quality care in Medicare that they have come to depend on, but there are clearly areas that need more help.

HOUSE OF REPRESENTATIVES,
Washington, DC, November 4, 1999.

HON. DENNIS HASTERT,
Speaker of the U.S. House of Representatives,
The Capitol, Washington, DC.

DEAR MR. SPEAKER: We are writing to ask that you not bring the Medicare Balanced Budget Act legislation (HR 3075 as amended in negotiations with Commerce Committee Republicans) to the floor under suspension of the rules, but instead provide a rule permitting Democratic amendments and a motion to recommit. Because Democrats were not included in the negotiations between the Ways and Means and Commerce Committee Republican members, it is particularly important that we be offered the opportunity for floor amendments.

While the Republican bills that have been introduced provide a great deal of needed relief, we believe that—

(1) some additional relief to providers,

(2) some beneficiary improvements (in particular help with the high cost of pharmaceuticals), and

(3) some alternative policies are desperately needed.

The amendments we propose would provide an additional $2.4 billion in paid-for relief, with some going to beneficiaries in lower pharmaceutical prices and other program improvements. Our amendments would also eliminate several policies in the Republican bill which the Administration has identified as unworkable or which would hurt Medicare beneficiaries.

As fiscally responsible Democrats, we are concerned that the Republican bill is not paid for, and we urge you to find a way to pay for it, rather than further spending Social Security surpluses. For example, because it is not currently paid for, the Ways and Means bill (HR 3075) shortens the solvency of the Medicare Part A Trust Fund by at least a year, and increases Part B premiums for seniors.

Therefore, to avoid this problem, we pay for the additional relief offered by our amendments. Thus we do not hurt Medicare's solvency. The $2.4 billion in relief over five years is paid for by $2.4 billion in Medicare savings from the President's budget proposal of last January. These savings come from Medicare anti-fraud, waste, and abuse proposals.

PROVIDING NEEDED ADDITIONAL RELIEF

The $2.4 billion provides important, much needed additional relief to: beneficiaries to meet the cost of fighting cancer and the high costs of pharmaceutical insurance,[1] teaching hospitals, safety net hospitals, which have the lowest overall operating margins, rural hospitals, which have the lowest Medicare margins, skilled nursing homes, home health agencies which are serving the sickest patients, a more rational rehabilitation cap program that will help our most severely disabled stroke patients and amputees, help for hospice agencies facing sky-rocketing pharmaceutical costs for end-of-life painkillers, and the Medicaid and Children's Health Insurance Program, to help the providers serving the low income and to help Puerto Rico and the Possessions with more adequate payment rates.

This additional relief will further ensure that Medicare beneficiaries are buffered from the cuts in the 1997 BBA and will allow Medicare beneficiaries to continue to receive high quality care.

The attached memo describes these amendments in more detail.

HELP SENIORS WITH THE HIGH COST OF PHARMACEUTICALS

We believe we need to help all Medicare beneficiaries with a prescription drug insurance benefit, but that is a larger issue that cannot be addressed in this limited BBA corrections legislation. We hope, Mr. Speaker, that you will make this a priority issue for the Second Session of this Congress.

In the meantime, we do believe that this bill gives us the one opportunity this year to help seniors with the exorbitant cost of prescription drugs. We propose an amendment which was offered in the Ways and Means Committee by Rep. Karen Thurman (and supported by all the Democratic members of the Committee) that makes the Allen-Turner-Waxman-Berry pharmaceutical discount bill (HR 664) germane to Medicare. Basically, the amendment says that if a drug manufacturer wants to sell pharmaceuticals to a hospital participating in Medicare, it must also make available to pharmacies for sale to seniors drugs at the best available price for which they offer that drug. By some estimates, this type of program could lower drug costs to seniors by as much as 40%.

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[1] We assume that the bill the Majority brings to the floor will include an expansion of Medicare's coverage of immuno-suppressive drugs, so that transplant patients do not suffer organ rejection. If this provision is not included, we ask permission to include it and pay for it with additional antifraud and abuse provisions.

If we can't pass a major Medicare drug reform bill this fall, we can at least give seniors a chance for the discounts available to large buyers.

PREVENTING BAD POLICIES

If the Majority bill includes certain provisions, we ask that the rule governing debate permits us to strike those anti-beneficiary and anti-consumer provisions:

Specifically, we are concerned that the Administration has warned that the hospital out-patient department (HOPD) provisions of the Ways and Means bill are so complicated that they will delay the start of HOPD Prospective Payment (PPS) by at least a year. Such a delay in the PPS will cost beneficiaries about $1.4 billion, with patients' share of total HOPD payments running about 50%. We would move to strike the House HOPD provisions in favor of the Senate's more administrable proposals, but keep the amount of relief to hospitals and patients at the House level.

Second, if the Majority bill includes the Commerce Republicans' provision giving "deemed status" to HMOs, we would strike that provision. An overwhelming number of House members have just voted in favor of higher quality in managed care plans. Therefore, we find it incredible that the majority may be proposing an amendment to the BBA which would weaken our ability to ensure quality by turning over approval of these plans to participate in Medicare to private groups which are often dominated by the very industry they are supposed to be regulating. If such "deemed status" language is included, we will seek to strike it in order to protect beneficiaries.

Third, as mentioned above, we propose to strike the unworkable $1500 limit on rehabilitation caps for 2 years while the Secretary develops a rational therapy payment plan. This is the same approach as taken by the Senate Finance Committee.

In conclusion, our beneficiaries and providers need the improvements made by the Democratic amendment. We urge you to make it in order. Thank you for your consideration.

Sincerely,

Charles B. Rangel and others.

Issue Area	In addition to HR 3075, a $2.4 billion paid-for package [dollars expressed as additions to costs in HR 3075]
Hospitals	Freeze indirect medical education cut for 1 year more than HR 3075 ($0.2).
	Freeze disproportionate share hospital cuts for 1 year more than HR 3075 ($0).
	Carve out DSH payments from payments to M+C plans. Moves about $1 billion per year to the nation's safety net hospitals; is not in HR 3075 ($0).
Rural Hospitals	Tanner Amendment to protect rural and cancer hospitals against outpatient department PPS cuts (HR 3075 phases in cuts to these hospitals, still leaving huge payment reductions) ($0.2).
$1,500 Therapy Caps	Strike HR 3075 limits by suspending caps for 2 years while a new, more rational system is developed (net $0).
Community Health Centers & Rural CHCs.	Establish a PPS system which protects CHCs against State Medicaid cuts ($0.2).
Nursing Homes	Raise HR 3075's payment to high acuity cases from 10% to 30% ($0.1).
	Raise HR 3075's nursing home inflation adjustment from 0.8% in FY01 to 1% ($0.1) and authorize extra payments for his cost of living in Hawaii and Alaska.
Physicians	Study of why payment rates in certain States and Puerto Rico are low.
Home Health	Provide $250 million "outlier" pool for home health agencies that treat tough cases ($0.3) HR 1917, by Rep. Jim McGovern and 102 cosponsors.
Hospice	Eliminate 1% cut in FY 01 and 02 ($0.2)
Medicaid	Help for Medicaid DSH formula errors in NM, DC, MN, and WY ($0.2).
	Premanent fix for CA Medicaid DSH problem $0.
	Help families not lose Medicaid coverage as a result of delinking of welfare and Medicaid eligibility ($0.2).
CHIPs	Increase CHIPs amount for Possessions and provide technical fix to CHIPs formula ($0.1).
Beneficiary Improvements.	Immuno-suppressive drugs, cover without a time limit ($0.3).
	Allow States to require M+C plans to cover certain benefits (like MA used to do with Rx) ($0).
	Allow people abandoned by M+C plans to buy a medi-gap policy which covers Rx ($0).
	Coverage of cancer treatment for low-income women ($0.3) HR 1070, by Rep. Eshoo and Lazio and 271 cusponsors.
Pay-fors	3 Medicare items from President's budget: mental health partial hospitalization reform, Medicare Secondary Payer data match, and pay for outpatient drugs at 83% of average wholesale price. ($4.4).

Mr. THOMAS. Mr. Speaker, we appreciate the support of the gentleman from Michigan (Mr. DINGELL), the ranking member of the Committee on Commerce.

Mr. Speaker, it is my pleasure to yield 2 minutes to the gentlewoman from Connecticut (Mrs. JOHNSON), a member of the Subcommittee on Health who, without all of her hours of work, this bill would not have been possible.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I thank the gentleman from California for yielding me this time.

I, as many others in this body, have spent hours and hours sitting in the nursing homes, the hospitals, the home health agencies of my district, studying the problems that Medicare has caused them. The goal of this bill is to save those community-based providers in the small towns of America, in the small cities.

Frankly, I think it is utterly irresponsible for my colleagues on the other side of the aisle to try to focus on an expansion of Medicare benefits, which we believe needs to be done, before we have saved the system.

This bill is about fixing Medicare. We fixed it in 1997. We slowed an 11 percent rate of growth in Medicare to 5.5 percent. Unfortunately, because our estimates were off, and the administration has chosen to implement that bill in a harsh fashion, we must come back today and add money back in.

I am very proud, and I commend the gentleman from California (Mr. THOMAS) and the staff for the detailed way they have added money back in at critical points and provided much greater flexibility so our institutions can evolve to offer the quality care our seniors need throughout America, through this legislation.

I am proud because it retains our commitment to slowing the rate of growth in Medicare so it will be sustainable. But it puts the money back in that our community providers desperately need.

I am very proud of the detailed way in which it addresses the problems in the nursing homes and in the home health agencies and the hospitals, not just so that people will be there to give the care, but so that the medically complex patient, the person whose costs are very high, whose medical problems are very complex will get the care they need.

I regret to say the administration provided no detailed proposals, and the Democrats on the committee provided no detailed proposals until the day of the mark-up. Only the chairman has provided a comprehensive approach. So while there are other processes that would be fruitful, the product we have before us is outstanding. I urge my colleagues to support it.

I want to thank Chairman THOMAS and the Health Subcommittee staff for their hard work on bringing this legislation to the floor.

My work on this issue started back in January when I visited all the hospitals in my district and several nursing homes and home health agencies.

The resounding message from those who provide the life-saving health services throughout my district was that the Balanced Budget Act had reached way beyond congressional intent and was threatening the very existence of our efficient, high quality community health care providers.

Most importantly, this legislation will help ensure that critically ill patients get access to Medicare services and that our health care providers will continue to be able to serve the communities that support them.

This legislation today is in direct response to the concerns I heard from community-based nursing homes in my district that are having a hard time caring for medically complex patients and managing the increased administrative costs of the new prospective payment system. I spent long hours talking with Patricia Walden and Carol Barno at the Southington Care Center, Sister Deborah and Sister Honorata at Monsignor Bojnowski Manor, and John Horstman at Geer Nursing and Rehabilitation Center.

This legislation also responds to the concerns that I hear from teaching hospitals in my district, Larry Tanner at New Britain General Hospital, Dr. Peter Dekkers at the University of Connecticut Health Center and David D'Eramo at St. Francis Hospital. It is also in response to small community providers, Rosanne Griswold at Charlotte Hungerford Hospital, Tom Kennedy at Bristol Hospital and Michael Gallacher at Sharon Hospital.

Finally, this legislation addresses the concerns of the 6th district's caring, efficient home health providers, like Ellen Rothberg at VNA Health Care, MaryJane Corn at the VNA of Central Connecticut and Anne Dolson at the Greater Bristol VNA. These providers helped me understand the enormous complexity of the interim payment system and the difficulty they were having in providing services to the sickest seniors.

In 1997 Congress adopted the most significant reforms to Medicare since the program began. The reforms were absolutely necessary because the program was galloping toward bankruptcy. Already in 1997, it was paying out more for services than it collected in payroll taxes and premiums. Medicare spending was exploding, especially in the areas of home health and skilled nursing facility costs, and as it reached the unsustainable level of 11% growth per year, the BBA reforms were adopted to cut this growth rate in half—from 11% to 5.5%; a modest and responsible goal.

Today's legislation is essential because the impact of the BBA—both legislative and because of the way the Administration has chose to implement it—is much more significant than Congress intended. The BBA was projected to save $106 billion over 5 years. The real savings that will be achieved are about $100 billion above that. While the goal was to slow the rate of growth to 5.5%, growth has dropped to less than 2% per year, though the number of seniors and of frail elderly continues to grow.

Mr. Speaker, this bill makes the critical adjustments necessary to assure the ability of our community hospitals, home health care agencies, and nursing homes to provide the high quality care Medicare is required to provide to our senior citizens. Equally important, this bill assures the care needed by critically ill seniors with complex, high-cost medical problems.

I urge support of this important legislation.

Mr. STARK. Mr. Speaker, noting that the gentlewoman from Connecticut (Mrs. JOHNSON) did not respond to the question of why she voted to deny seniors a medical drug benefit, I yield 1½ minutes to the gentleman from Wisconsin (Mr. KLECZKA).

Mr. KLECZKA. Mr. Speaker, 2 years ago, the Medicare Trust Fund was projected to become insolvent by year 2001. To address this problem, as we were told, Congress passed the Balanced Budget Act of 1997.

In March of this year, it was estimated that the Medicare Trust Fund would be solvent until year 2015. This dramatic improvement is largely due to changes in reimbursements paid to health care providers made by the BBA.

While the BBA can be credited with increasing the solvency of the trust fund, providers have expressed concern that the cuts had hurt that ability to care for patients. We have all heard about stroke victims unable to get rehabilitation services they need. We have all heard about hospitals unable to find nursing homes to care for ventilator patients. Some of the most vulnerable patients in the Medicare program have been the hardest hit by these changes.

The legislation before us today takes important steps to address these problems. It provides more money for therapy services. It increases reimbursement to nursing homes who care for medically complex patients. It also includes funds for hospitals, home health agencies, and Medicare health maintenance organizations. These changes help ensure that the Medicare program will continue to meet the commitment and provide quality care to our Nation's seniors.

The Medicare Refinements Act before us today maintains the delicate balance between the fiscal concerns of the providers and the long-term stability of the Medicare program for generations to come.

Mr. Speaker, I urge all my colleagues to support this necessary legislation.

Mr. BROWN of Ohio. Mr. Speaker, may I inquire how much time remains for each of us.

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from Ohio (Mr. BROWN) has 5½ minutes remaining. The gentleman from California (Mr. STARK) has 4½ minutes remaining. The gentleman from California (Mr. THOMAS) has 10 minutes remaining.

Mr. BROWN of Ohio. Mr. Speaker, I yield such time as he may consume to the gentleman from Maine (Mr. BALDACCI).

Mr. BALDACCI. Mr. Speaker, I thank the gentleman from Ohio for this courtesy. I rise in support of the legislation as a beginning to build on down the road for future changes.

Mr. Speaker, I support this very important legislation which will correct some of the unintended consequences of the Balanced Budget Act of 1997 cuts on Medicare reimbursements. Along with the assurances from the President that further alterations can be made administratively, I hope that health care providers, particular those in rural areas such as my own, will be afforded relief so that services to seniors will not be diminished. With the implementation of BBA Medicare cuts, Maine hospitals alone will lose $338 million over 5 years. This legislation provides us with the first step towards restoring some of these deep cuts.

Implementation of the BBA and a slowing in the growth in spending by Medicare has ensured that the solvency of the Medicare Trust Fund is extended another seven years, until 2015. In fact, there was no growth in spending in the Medicare program for the first quarter of this year. This is good news and provides us with the flexibility to improve some of the harmful provisions which threaten care to seniors.

Rural areas, in particular, have suffered under the BBA. As a member of the Rural Health Care Coalition, I was very pleased to see portions of the Triple A bill, H.R. 1344, included in H.R. 3075. I thank Chairman THOMAS for his attention to the special needs of rural areas. A good portion of this bill is dedicated to allowing for more flexibility for rural health institutions. These facilities are the backbone of care in Maine, and their survival is of primary importance to me.

One area which has been of particular concern to me has been the very harmful effects of the BBA on the home health industry. In Maine, agencies are under significant financial stress. The burden of my home health agencies have been asked to bear is extreme, especially when considering that the losses are spread among only 40 providers in the state. On a nationwide scale, the Department of Health and Human Services recently released a study which shows that the very sickest of seniors are having difficulty accessing home health care. I am encouraged by the direction this legislation takes to address the most harmful BBA provisions regarding home health care.

Another rural concern is the future implementation of the outpatient Prospective Payment System. By HCFA's own admission in the May 7 published rule, rural hospitals will take the biggest hit in reimbursements from the outpatient PPS. The total reduction in the first year for all institutions will be $900 million, or a 5.7% average reduction per facility. The outlier adjustment is a good beginning to addressing this issue, though much more work must be done to ensure hospitals can meet the burdens of such cuts.

One final issue I would like to touch on is the reimbursement for hospitals training physicians, especially in rural areas, where there remain significant physician shortages. I am pleased to see that a portion of my GME technical corrections legislation, H.R. 1222, was included in the BBA Refinement Act. In particular, the adjustments allowed for upwards to 30% growth in resident limits and the inclusion of rural training tracks recognize the need for increased flexibility for rural areas to address physicians shortages are extremely positive steps. However, there exists a significant provision of H.R. 1222 which have been left out of this bill. Numerous hospitals have had their residency limits lowered because the BBA fails to count all of a programs' residents. For example, a resident who was on medical leave in 1996 or who was training in another facility cannot be counted because he or she was not physically "in the hospital." Thus, many hospitals are facing an artificially low cap that does not reflect the true number of residents enrolled. This provision is contained in the Senate version of the BBA corrections bill, and I hope that conferees will adopt the entire language of the bill H.R. 1222 in the conference report.

Finally, I must voice my concern with one provision of H.R. 3075 which would alter the Direct GME payments. Unlike the other provisions of this bill, the alteration in determining the Direct GME payments to facilities does not correct a harmful BBA provision. It is unclear to me why this provision was included in H.R. 3075, and I am very wary of the shifting of resources that will result from some hospitals to others. I hope that conferees do not include this provision, as it does not have a place in this corrective legislation, there has been no opportunity to debate this new adjustment, nor is it clear how specific institutions will fare under the adjusted DGME payments.

Mr. Speaker, the corrections contained in H.R. 3075 are moderate, but essential to rural health care providers who serve the elderly. Through technical refinements we are beginning the process to ensure providers are reimbursed fairly for the services they furnish Medicare beneficiaries. I trust that we will continue to rework these reimbursement levels, through future Medicare reform legislation, in order to maintain the best and most efficient health care to our seniors.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Speaker, in 1997, we knew there was concern about the long-term financial health of Medicare, because we knew the baby boom generation would soon became eligible for the program. But what did we do? We slashed Medicare payments to providers of care far beyond what was sensible—not to use that money for Medicare, but in order to take it and use it for tax cuts. Now we are faced with the consequences of that action.

But today we are attempting to remedy some of the effects of that law by a process that is just as hasty and imperfect.

And so we do not know if we are really addressing the problems satisfactorily. What we do know is we did not do anything in this Congress nor in this bill to assure the viability of the Medicare program as the President proposed to do. We are certainly not doing anything to address the needs of the seniors on Medicare to provide prescription drugs for them.

This is both unfair and irresponsible. We are not dealing with some small program that has limited impact. What we do will affect millions of Medicare beneficiaries and virtually all health providers in this country-teaching hospitals, home health providers, rural and inner city institutions—all of them are affected.

Of course I will vote for this bill because it is the only choice before us, and because we clearly need to remedy some of the most severe problems caused by the Balanced Budget Act of 1997.

But this process is wrong.

The Republican majority has denied us the opportunity to provide help for Medicare beneficiaries to secure more affordable drugs. We could and should be voting today to stop the discrimination our seniors face when they are charged prices frequently more than a hundred percent greater than HMOs or favored buyers secure.

My Government Reform staff has conducted more than 140 surveys in Members' districts throughout the country, and we have found this price discrimination against seniors over and over again. They pay more than our neighbors in Canada, they pay more than the Federal government, they pay more than HMOs—and they pay much more than they can afford.

We need to add a prescription drug benefit to Medicare for all beneficiaries. But until we do, we at least have to stop the price discrimination against seniors. This bill should have provided the opportunity to do so.

Why is the majority blocking the effort to offer an amendment to do that and help seniors everywhere? I ask my Republican colleagues: what are they afraid of? Are they afraid to let Medicare beneficiaries know where they stand on drug company price discrimination against seniors?

Medicare beneficiaries and providers deserve better than the hasty and limited action we take today.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield such time as he may consume to the gentleman from Florida (Mr. CANADY).

Mr. CANADY of Florida. Mr. Speaker, I rise in strong support of this important legislation.

In addition to making adjustments in Medicare payment policies instituted by the Balanced Budget Act of 1997, this bill addresses two issues of particular concern to me and to the 12th District of Florida.

Since 1996 I have been working to draw attention to what I believe is an arbitrary provision in the Medicare statute that provides for beneficiaries with organ transplants to receive immunosuppressive drugs for only 36 months. The policy—which was originally brought to may attention by a constituent—is amazingly short-sighted since organ recipients need these prohibitively expensive but essential anti-rejection drugs for an unlimited period of time. If transplant patients do not have access to these drugs and maintain a proper dosage regimen, they will ultimately reject their organ and potentially lose their life. Ironically, Medicare policy does cover dialysis, re-transplantation, and the hospitalization and medical costs associated with organ rejection—each of which are more costly than the average cost of immunosuppressive drugs for one year. With the strong support and assistance of my colleague from Florida, KAREN THURMAN, and interested groups such as the National Kidney Foundation, I introduced the Immunosuppressive Drug coverage Extension Act earlier this year. Since its introduction, 263 of my colleagues from both sides of the aisle have cosponsored it. I am very grateful to see that the Medicare package before us today includes a provision that, while not identical to my legislation, is an effort to improve upon Medicare's current immunosuppressive drug coverage policy. H.R. 3075 includes $200 million over the next five years to provide additional drug coverage to beneficiaries who have exhausted their original 36 months of coverage.

While I am convinced that extending beneficiary entitlement to the drugs without imposing a capped dollar amount is appropriate, I appreciate the committees' concerns that more definitive data and cost analysis is needed before taking a more permanent step. To the chairmen of the House health care committees and to the cosponsors of my bill and on behalf of thousands of organ recipients, I want to say thank you for recognizing the need to improve Medicare's existing policy in this area.

Secondly, since early 1998, I have been extremely concerned about the exodus of managed care plans from the Medicare program. In Polk County, in my district, all four operating managed care plans pulled up stakes effective in 1999, suddenly leaving approximately 6,000 beneficiaries without their managed care plan. Ninety-three other counties in the U.S. were also left with no plans. Insurers pointed to low reimbursement rates and provisions of the Balanced Budget Act of 1997—the very law Congress intended to expand beneficiary choice—as the reason for numerous departures from counties around the country. While some counties enjoy extremely high payment rates and the presence of several managed care plans, others (like Polk) have a disproportionately low payment rate and no managed care plans. It doesn't take much examination to see that this is patently unfair. The Congress has an obligation to answer to the over 60,000 beneficiaries nationwide who, after 1998, were left with no managed care plans to choose from; to the approximately 350,000 others whose plan choices were reduced; and to the thousands of beneficiaries in over 2,000 counties who didn't even have a managed care choice in 1998 in the first place.

I am pleased to see several provisions included in the Medicare bill before us today that are aimed at the inequity I've described. The bill is a very positive development. The provisions to case burdensome requirements and deadlines imposed on managed care plans, and particularly the language to give incentives to plans to enter counties left with no managed care choices, promise greater equity for all Medicare beneficiaries.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 1 minute to the gentlewoman from Washington (Ms. DUNN), a member of the Committee on Ways and Means and someone who supplied a very important component to this bill.

Ms. DUNN. Mr. Speaker, as we continue to make major progress in reforming programs to make sure there is greater access in health care, we want to also make sure that nobody falls through the cracks.

So that is why I rise in enthusiastic support today for this bill to provide essential relief to seniors that are affected by unintended reductions in Medicare under the BBA.

I want to thank the gentleman from California (Chairman THOMAS) for his willingness to work with me on several provisions that are important for women's health and to the pace of medical innovation.

First, this bill doubles the reimbursement for Pap smears. This reimbursement rate has not been increased in over a decade. It really is essential to maintain access to one of the most important preventive measures for detecting cervical cancer.

Secondly, the bill extends Pap smear reimbursements to automated screening technologies. These are important innovations in health care that will make it possible to identify cervical cancer at an early stage and with greater accuracy.

Mr. Speaker, providing incentives to protect the health of women as they grow older is one of the most important public policy decisions we can make. This bill recognizes that fact and goes a long way toward making innovative new treatments available to women.

Mr. STARK. Mr. Speaker, noting that the gentlewoman from Washington (Ms. DUNN), the previous speaker, had joined with Messrs. ENGLISH, SHAW, and HAYWORTH in voting to deny seniors a free drug benefit reduction, I yield 1½ minutes to the gentleman from Maryland (Mr. CARDIN).

Mr. CARDIN. Mr. Speaker, let me thank the gentleman from California for yielding me this time.

Mr. Speaker, the purpose of this bill is to make certain adjustments to the 1997 Balanced Budget Act. I applaud the chairman of the subcommittee for bringing out a bill that deals with that.

We have projected Medicare savings in 1997 over 5 years of $115 billion. In reality, it is going to be closer to $200 billion. This bill contains some very important improvements in the Medicare system that will deal with the $1,500 therapy cap right now which is denying many of our seniors necessary rehabilitative care.

It will extend the municipal health demonstration project that affects thousands of seniors. It will provide help for frail elderly and those high acuity nursing home patients. It will help us deal with the Medicare Plus choice problems particularly in rural areas of getting more HMO participation.

But, Mr. Speaker, let me say that this is a very important bill that I hope will pass overwhelmingly on the floor, but there is more that we need to do. As has been pointed out, we need Medicare reform, including prescription drug benefits. We need to deal with a stable funding source for graduate medical education in inflation. I know many people share that thought.

We need to take a look at high acuity patients, particularly from long-term care and the special needs of psychiatric hospitals.

I congratulate all those who are responsible for bringing forward this bill. Let us pass it, and then let us work on the other reforms that are necessary in order to provide the best possible care to our seniors.

Mr. Speaker, I rise in support of the important Medicare bill before us today. In taking the important step of refining many of the Balanced Budget Act's Medicare provisions, Congress is acknowledging what so many seniors and health care providers have known for a long time now: that the 105th Congress made several mistakes in crafting Medicare reforms back in 1997. Some of the changes we made restructured the risk contracting program, others were designed to reduce provider reimbursement levels in several areas. In both categories, the consequences have been far different from what we in this body intended or expected.

In 1997, the Congressional Budget Office estimated the Medicare reductions at $115 billion over five years. Since that time, we have seen evidence that the reductions are closer to $200 billion. The effect of this difference on the accessibility and quality of care for our seniors transcends budget numbers, however.

This bill, the Balanced Budget Refinement Act, makes important restorations in several key areas that will help our seniors secure the medical care they need. It adjusts payments for skilled nursing facilities so that the most frail nursing home patients can receive additional payments for the ancillary services they require; it helps alleviate the arbitrary caps placed on outpatient therapy services, which now prevent one of six patients from receiving the care they need; it extends the Municipal Health Services Project for one year, and it provides very important relief for seniors who rely on home health services. I am also very pleased that this bill extends coverage of immunosuppresive drugs for transplant patients who are now subject to a three-year limit for these life-saving therapies.

This bill also provides incentives for Medicare+Choice plans to participate in lower-cost areas. The Medicare+Choice program was designed to expand the private health plan options available to our seniors. But two years after BBA's passage, seniors' options have diminished rather than increased as many rural areas have lost their Medicare HMOs and even in higher cost urban areas, plans are reducing benefits and raising premium charges. In some states, there has never been a managed care option for seniors. Most health plans cite low payment rates as the reason for their lack of participation. This bill offers bonus payments to plans that are willing to enter markets where there is no Medicare HMO option today.

There are additional areas that still must be addressed. I support the creation of an all-payer graduate medical education trust fund that will save Medicare more than $1 billion annually, while providing a steady funding source for the training of our Nation's medical professionals. My proposal for BME replaces the current outdated payment structure for residents with a fair national standard based on actual resident wages. As the dire financial situation of academic medical centers worsens, I hope we can reorganize the need to stabilize their financial condition. We can act to shore up these institutions and ensure the continuation of the high-quality medical workforce we enjoy today.

I also support restoration of the cuts BBA made to hospice care, which is an essential part of our effort to provide comprehensive medical treatment to the Nation's elderly and disabled. I support providing adequate payments for all frail patients in nursing homes, including rehabilitation categories whose costs will continue to be inadequately reimbursed even after passage of this bill. And, I support the creation of a drug benefit for fee-for-service Medicare that provides all beneficiaries, not just those with access to an HMO, with coverage for outpatient prescription drugs. These are key issues that Congress will need to be addressed further next year.

Earlier this year, I urged Congress and the Administration to join in a united effort to address these matters. I am proud that Congress has taken this crucial step today and I also applaud the Administration for working with Congress and moving to take the administrative measures that are within its power. I urge my colleagues to support this bill and help us move forward to restore crucial health services to America's Medicare beneficiaries.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. DEUTSCH).

Mr. DEUTSCH. Mr. Speaker, let us remember specifically why we are here. We are here because we made mistakes, but we made mistakes with the Republican majority in terms of some of the draconian cuts that they were attempting.

We still do not deal with the fundamental issues. We do not deal with the fundamental issues that literally thousands of Americans are, in fact, being permanently damaged because they have reached therapy caps in terms of stroke victims who will remain paralyzed forever because of the inaction in this Congress that remains in this bill.

But let us talk about what we are not doing. What we are not doing is we are not facing any of the real fundamental issues facing health care in America. My colleagues in the majority are afraid of those issues.

There is a procedural game that is being played today, which is a suspension vote, which rejects the ability of the minority to do a motion to recommit that would probably overwhelmingly pass in this Chamber on prescription drug coverage for Medicare. My colleagues on the other side are afraid of that vote. They are afraid of giving the American people what they need and they deserve. They are afraid of fundamental change in the Medicare system. They are afraid of the Patients' Bill of Rights bill. They are afraid of putting the sponsor of that bill on the conference committee.

□ 1115

Mr. THOMAS. Mr. Speaker, I yield 1 minute to the gentleman from Louisiana (Mr. MCCRERY), a member of the Subcommittee on Health of the Committee on Ways and Means, again without whose tireless work this bill would not be possible.

Mr. MCCRERY. Mr. Speaker, I thank the gentleman for yielding me this time. A few moments ago our colleague, the gentleman from California (Mr. WAXMAN), was on the floor and said that the cuts in the BBA were irresponsible. Well, they certainly have gone further than most of us would have liked, but the fact is those cuts, that legislation, was a joint effort between Democrats and Republicans, the White House and the Congress, so we ought not be down here denigrating anybody for the good faith effort that was entered into to try to save the Medicare system.

We now know that some mistakes were made; that some of the cuts went too far. That is the purpose of this legislation on the floor today, and we have worked together again, Democrats and Republicans, to try to repair that damage in the most responsible way.

What is irresponsible, though, is to stand up and call for free drugs, free prescription drugs. Americans, senior Americans, know that drugs are not free. Prescription drugs are not free, and we ought not promise something that is impossible. We ought to be responsible about crafting a Medicare program that, yes, includes a prescription drug program but not to stand up here and say, let us vote for free prescription drugs. That is irresponsible.

Mr. STARK. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Florida (Mrs. THURMAN), the author of the amendment, that would have given free or discounted prescription drugs, not free, free to the government, but a deduction or a reduction in the cost to the seniors.

I would note, Mr. Speaker, that the previous speaker, the gentleman from Louisiana (Mr. MCCRERY), also voted to deny the seniors in his district a discount on prescription drugs at no cost to the government.

Mrs. THURMAN. Mr. Speaker, I thank the gentleman for yielding me this time, and I appreciate his remarks. I too want to reiterate that was a discount, not free, and it would have been just like we do with Medicaid and VA.

And I want to bring to the attention here today that just yesterday there was a report that was released that actually said that drugs have gone up 25 percent, which is two times the inflation. So many of these drugs have continued to rise for no apparent reason.

I do want to say, though, that I am pleased in some respects, would have liked to have done a little bit more, obviously, but I am somewhat happy with the IME, the DSH, we have done some things in here for skilled nursing facilities, and I hope that we will concur with the Senate on the hospice issue.

I want to take a moment to thank all the members of the committee who listened to my plea and who have helped me with the anti-rejection drug issue that is in here. My colleagues will realize, once we get some of this other report back, once we start spending this money, that this will save lives. It was good common sense. It will save money to our Medicare system. And I also want to say we did the right thing when we did the composite rate on dialysis.

I do want to suggest, though, that I hope in this coming year that we can truly sit down on an issue that is so important, especially after the report that came out yesterday, that we really have got to do something on. Because the other issue that was brought out that was an advertisement by PhRMA which said, look at all of these wonderful drugs we are doing. They cannot afford them.

Mr. BROWN of Ohio. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. GREEN), a fellow member of the Subcommittee on Health.

Mr. GREEN of Texas. Mr. Speaker, I thank the gentleman for yielding me this time.

I am pleased to support H.R. 3075, the Medicare, Medicaid and State Childrens Health Insurance Program Refinement Act of 1999.

This bill takes an important first step towards ensuring that cancer patients have access to the best medical treatments available.

Under the BBA of 1997, the Health Care Financing Administration was directed to develop a hospital outpatient prospective payment system (PPS). Under their original proposal, reimbursements for cancer drugs would have been dangerously low—potentially denying Medicare patients access to the most effective treatments.

However, under H.R. 3075, our nation's seniors with cancer will be protected because our nations cancer hospital's, including MD Anderson in Houston, will be exempt from the PPS for two years.

This additional time will give the medical community and Members of Congress time to evaluate the plan based on actual practices in other hospitals across the country.

Moreover, because HCFA has recognized the flaws in their original proposal, they have committed to redevelop the PPS to better reflect the needs of Medicare patients everywhere. According to HCFA, they are preparing to substantially increase the number of payment categories for cancer drugs, which will better reflect the high cost of innovative treatments and new drug therapies.

This bill is better than nothing—but leaves a lot of issues neglected including senior citizen prescription medication needs and making medicine better serve the needs of todays and tomorrows senior citizens.

Today represents the way this process should work—Congress and the Administration working together to meet the needs of the American people.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. ENGEL).

Mr. THOMAS. Mr. Speaker, I yield 15 seconds to the gentleman from New York (Mr. ENGEL).

Mr. ENGEL. Mr. Speaker, if this were only about fixing Medicare, it would be fine, but a provision that was entered into this bill wreaks havoc with teaching hospitals.

This proposal results in no savings but would shift millions of direct medical education dollars between hospitals, with no consideration as to the financial needs of a hospital or the type of patient they serve. As a result, $250 million in Medicare funds will be transferred from 400 teaching hospitals across the country to 600 others. This will actually cost $300 million extra.

Now, BBA relief legislation was supposed to restore Medicare cuts to hospitals, not initiate new cuts to hospitals. That is what it does to a major teaching hospital in my district, and that is what it does across the country. This affects Democrats, Republicans, people representing all different places across the country. This provision should not be in here.

I know my friend from California (Mr. THOMAS) put in the provision because it helps his district, but it should not be done this way. There should not be winners and losers here, and the payment should not be made at the national rate.

Mr. Speaker, I provide for the RECORD a letter addressed to the Chairman of the Subcommittee on Health of the Committee on Ways and Means from one of our colleagues, the gentleman from Georgia (Mr. KINGSTON) dated November 3, 1999, and signed by numerous other colleagues.

HOUSE OF REPRESENTATIVES,
Washington, DC, November 3, 1999.

Hon. WILLIAM M. THOMAS,
Chairman, Ways and Means Subcommittee on Health, Washington, DC.

DEAR CHAIRMAN THOMAS: We are very concerned about two provisions in the House Balanced Budget Act (BBA) Relief package. We fervently request that these provisions be changed because of their serious, disproportionately harmful effects on smaller teaching hospitals.

Specifically, the Indirect Medical Education payment freeze proposal and the per resident averaging provision for Graduate Medical Education would reduce reimbursements for hospitals in our districts by millions of dollars per year. It is ironic that a bill designed to provide relief to hospitals hurt more by BBA than projected would, in fact, inflict even deeper harm.

As you know, H.R. 3075 contains a provision that would change the Medicare per Resident Direct Medical Education payment from a hospital-specific rate to an amount based on a national average per resident. This provision penalizes smaller teaching hospital programs because the fixed costs of operating a fully accredited residency program is spread over a smaller number of residents. It rewards programs that train large numbers of residents, regardless of community need. We further question its need, as it is budget-neutral at the national level—it simply shifts funding from smaller programs to the larger programs.

Unfortunately, the second provision is even more harmful. The House bill, unlike the Senate, freezes the relief rate from BBA reductions in IME at six percent for one year, then decreases the rate to 5.5 percent. Proceeding further with this proposal will result in multi-million dollar penalties for hospitals across the country. We ask that the House bill be modified to raise the IME relief from 6.0 to 6.5 percent.

Furthermore, we strongly oppose retaining a provision for per resident averaging and ask that it be eliminated in the House bill before it is brought to the floor or via a manager's amendment during floor consideration.

Thank you very much for your serious consideration of these concerns. We must ensure that legislation intending to provide relief for hospitals does so fairly for all facilities and avoids inflicting additional harm.

Sincerely,

Jack Kingston, Nathan Deal, Mac Collins, Charles Norwood, Jim Talent, Sherwood Boehlert, David Vitter, Lee Terry, Jim DeMint, Sue Myrick, Jack Quinn, Todd Tiahart, Pete King, Judy Biggert, Billy Tauzin, Robert Ehrlich, Jr., Connie Morella

Mr. KINGSTON. Mr. Speaker, will the gentleman yield?

Mr. ENGEL. I yield to the gentleman from Georgia.

Mr. KINGSTON. Mr. Speaker, I thank the gentlemen from New York and California, and I want to say this is a bipartisan problem.

We do thank the gentleman from California for trying to correct some of the problems with the BBA, but, on the other hand, it creates a new problem with the indirect medical education reimbursements and it changes the formula to base it on a national average per residence, which in some areas causes great losses of money.

Mr. THOMAS. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. SHAW), the chairman of the Subcommittee on Social Security of the Committee on Ways and Means, who represents the district with the greatest number of seniors in the United States.

Mr. SHAW. Mr. Speaker, today I rise, as I think every Member of the House on both sides of the aisle does, in strong support of H.R. 3075, the Medicare Balanced Budget Refinement Act of 1999. This is a bill that is of critical importance to the citizens of my district, my State, and, indeed, all across the United States.

I would like to commend the chairman of the Subcommittee on Health, the gentleman from California (Mr. THOMAS), and the gentleman from Texas (Mr. ARCHER), chairman of the full Committee on Ways and Means, for expediting this effort to restore desperately needed funds to Medicare providers, who have been caring for Medicare patients day in and day out, often for Medicare payments that are not adequate to cover the cost of providing these services.

In my district, for example, the Sylvester Cancer Hospital is currently losing approximately $700,000 a year caring for Medicare cancer patients and hospices which cares for the most vulnerable terminally ill Medicare patients are unable to provide newest medications to comfort these patients under the current Medicare reimbursement level.

I have been hearing from many, many concerned citizens—nursing homes, physical therapists, home health providers, physicians and hospitals regarding the importance of acting quickly to restore some of the 1997 BBA cuts that are already detrimentally impacting patient care. I thank my good friends the Health Subcommittee Chairman BILL THOMAS and Full Committee Chairman BILL ARCHER for moving this important Medicare rescue bill so quickly. I urge my colleagues to unanimously support H.R. 3075—it doesn't provide all the Medicare fixes that are needed—but begins to address the most urgent needs immediately.

Mr. Speaker, there are many things we have to do next year and work on, one is the question of drugs, and we will certainly look forward to working, hopefully in cooperation with the minority, in order to come up with a good bill to give our seniors further relief.

Mr. THOMAS. Mr. Speaker, I yield 1¼ minutes to the gentleman from Iowa (Mr. NUSSLE), a member of the Committee on Ways and Means and someone who has worked on this bill especially for rural hospitals.

Mr. NUSSLE. Mr. Speaker, I thank the gentleman for yielding me this time.

I guess I should not be surprised that there are some who run to the floor today and try to make political issues for the next campaign. None of us should be surprised by that because it has been done so many times in the past. Whether it is prescription drugs, no, there is no debate today on that issue. There should be. Should it be on Medicare reform? You bet. HMO reform? We have had it, and we are going to have more debate. All of that debate needs to occur.

But while some want to preserve those issues for a campaign, my hospitals are ready to close. Because this is the most important issue in health care that we face this year. We cannot wait while Members cut 30-second spots for their campaigns and let my hospitals close. Because I tell my colleagues that if my hospital closes, my seniors, my neighbors and I do not have health care.

So while my colleagues on the other side want to fiddle around, those who have come down here to do just that, our hospitals across the country are in jeopardy of closing. So I would ask those individuals on the other side to stop the politics and let us pass this bill.

And I would end my debate by just suggesting that the rural health care portions of this bill are going so far in order to make us whole over the 1997 cuts, cuts that were not meant to have the kind of impact that they have had, and I commend the committee for doing the reform.

Mr. THOMAS. Mr. Speaker, I yield 1 minute to the gentleman from Arizona (Mr. HAYWORTH), a member of the Committee on Ways and Means.

Mr. HAYWORTH. Mr. Speaker, I thank the gentleman for yielding me this time, the chairman of the Subcommittee on Health, and I would echo the comments of my good friend, the gentleman from Iowa (Mr. NUSSLE), and simply say that for rural hospitals this refining piece of legislation is absolutely important.

I would agree with the portion of the statement of the gentlewoman from Florida that when it comes to immunosuppressive drugs for transplant patients, this legislation is vitally important. When it comes to teaching hospitals, this legislation is vitally important.

When it comes to accountability in the legislative branch, and let us be honest about the budget negotiations in 1997, many of these provisions were not advocated by either the majority or the minority here but at the other end of Pennsylvania Avenue. When we choose to correct, we are being responsive to our constituents.

I welcome constructive comments. We will save the politicking for a campaign. Today we do the people's business, restoring rural health care, restoring home health care, expanding immunosuppressive drugs and making a difference with a prescription for success for health care and the American people.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1¾ minutes to the gentleman from Massachusetts (Mr. MARKEY).

Mr. MARKEY. Mr. Speaker, this bill is inadequate. The Republicans have been standing on the floor for the last month holding up a penny saying, oh, people are not willing to cut a penny out of the entire Federal budget, although it would affect, ironically, many of the programs that they now are out on the floor saying they care so much about.

But in 1997 they led the effort to cut Medicare by what they said was going to be $110 billion. It has wound up now at $210 billion and, at the same time, they had a tax break out here on the floor for the wealthiest Americans for $275 billion over 10 years. Now that was a nice package in 1997. A tax break of $275 billion, that is the law for the wealthiest in America; cut Medicare by $200 billion, just over 5 years, and then come back in 2 years and say, look at the great surplus, look where it came from.

What do they say to the people on Medicare? We are going to give back a nickel out of that $200 billion cut in Medicare. To the hospitals, to the home health servers, to the communities across the country, to the people who are sick in our country, and old, they get back a nickel. And what do they do with the rest of the surplus? Oh, they have a new idea, an $800 billion tax break for the wealthiest in America over the next 10 years.

So who is funding this huge tax break idea, the money that goes back to the communities, actually to the wealthy under their plan? The people who are funding it are people who are in nursing homes. The people who are funding it are people who they cut viciously, this program. Hospitals and nursing homes are hemorrhaging and they want to put a Band-Aid on it today.

Mr. THOMAS. Mr. Speaker, I yield such time as he may consume to the gentleman from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. Mr. Speaker, I rise in support of the bill.

Mr. Speaker, this bill is vital to the successful continuation of Medicare as we know it. This bill restores some of the changes that were made to the Medicare program back in 1997 in the Balanced Budget Act.

In the district I serve, several Medicare+Choice providers announced that they would terminate services for seniors. The beneficiaries were understandably devastated. I held a town hall meeting in August of this year to bring together the health plans, HCFA and Medicare beneficiaries. The response was overwhelming.

Some of the beneficiaries decided they were not going to lose their managed care coverage without a fight. Joyce Scantling, of Racine, WI has been leading this fight and has worked tirelessly with 50 or 60 other beneficiaries to rally their support around Medicare legislation to fix the reimbursement rates. I hold in my hand thousands of signatures of Wisconsin seniors who have contacted me in support of providing a fix to Medicare and in support of protecting their choices under Medicare.

This bill restores funding for Medicare+Choice providers, as well as hospitals, home health care providers, and skilled nursing facilities. It protects the benefits of Medicare beneficiaries like Joyce Scantling into the future.

Mr. Speaker, I believe the current situation with Medicare in this country is unacceptable. Wisconsin and other rural states do not receive the same reimbursements as the rest of the country; as a result of this disparity, seniors in these areas are not entitled to the same services as seniors in places like Florida or Texas. Some of these areas do not even have a Medicare+Choice option because they cannot make it work with the low reimbursement rates that are offered in those areas. Seniors in my state should not be entitled to a lower level of service than seniors in other parts of the country.

My ultimate goal is to equalize reimbursement rates nationwide to ensure that all seniors, regardless of where they live, would be entitled to a choice in Medicare, a choice that would give them the services they are entitled to. However, in the meantime, I believe this legislation provides the next best alternative because it targets resources where they are needed, such as my home state of Wisconsin.

To this end, I applaud passage of this legislation because I believe it will bring Wisconsin closer to receiving fair and equitable reimbursements for medical services; this cause is not yet complete, however it is a step in the right direction. I will continue to fight to ensure fair medical coverage for seniors in all parts of this country.

Mr. THOMAS. Mr. Speaker, I yield myself 1½ minutes.

Contrast the speech we just heard on the floor with the statement from the White House. Chris Jennings, who is the White House health person, said recently, "We were partners with the Congress when we passed the Balanced Budget Act, and we are going to be partners when we address the rough edges of that law."

□ 1130

I have been pleased with Members on both sides of the aisle in terms of their understanding of just what this bill is. It is a refinement bill. It is not a reform bill. We still need to address prescription drugs. But Members need to remember that the 1997 act created the bipartisan Medicare Commission.

On that Commission, the public and the private members agreed, the Senate and the House Members agreed, Democrats and Republicans agreed. We had 10 votes. We needed 11. The President had four appointees. Not one of the President's appointees supported the reform package, which would have integrated prescription drugs into that program.

In the recent tax bill, there was a tax deduction for prescription drugs. The President vetoed that plan.

We stand ready to sit down tomorrow with the President and any Democrats who work in a positive way to deal with integrating prescription drugs into Medicare. It needs to be done. But this very narrow, very shallow canoe cannot support that kind of an issue today. It is a refinement bill.

I am very pleased with the comments of the Members who understand our objective today. This is a modest change. We will continue.

Mr. STARK. Mr. Speaker, I yield such time as he may consume to the gentleman from Rhode Island (Mr. KENNEDY).

Mr. KENNEDY of Rhode Island. Mr. Speaker, I oppose this bill because it shortens the solvency and the life of Medicare.

H.R. 3075 increases payments to Medicare providers by approximately $11.5 billion over five years. But it is a flawed and irresponsible bill.

It was brought up without the Democrats having any chance to negotiate with the Republicans.

We were not allowed any Democratic amendments, including a substitute, which we specifically requested.

There has been no consultation with Democrats—it is being brought up hastily.

It is being brought up under the suspension of the rules.

The Republican bill is not paid for. Because it is not paid for the bill shortens the solvency of the Medicare Part A trust fund by at least a year and increases Part B premiums for seniors. The Republican bill will shorten the life of the Medicare Trust Fund.

A democratic amendment if offered would have paid for the 2.7 billion that would have been offset.

The bill will reduce medicare payments to teaching hospitals. It will transfer $250 million in Medicare funds from 400 teaching hospitals. It will initiate new cuts against teaching hospitals.

It does not include language to help seniors with the high cost of drugs.

It does not have the Senate language to strike the $1,500 limit on rehabilitation caps and therapies. This is a provision that nursing homes need desperately.

It includes "deemed status" for HMO's; this provision will weaken our ability to insure quality in HMO's that participate in Medicare.

Mr. STARK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Rhode Island (Mr. KENNEDY) said it quite eloquently. This bill is not paid for. It spends Social Security surplus, shortens the life of the Medicare trust fund, and does not deal with, as the committee had an opportunity to deal with, providing a discount, a discount of 25 to 50 percent off prescription drugs.

I would remind people in the Florida area that the gentleman from Florida (Mr. SHAW) voted against people getting that discount on their prescription drugs at a time when the managed care plans in his area are reducing the prescription drug benefits to seniors, as did the gentleman from Pennsylvania (Mr. ENGLISH), as did the gentleman from Arizona (Mr. HAYWORTH). They voted to deny seniors a savings of 25 to 50 percent at no cost to the Federal Government.

They intend to support the pharmaceutical industry, whose huge political contributions are funding the Republican campaigns. Make no doubt about it, they yield to the big men and they will not help the seniors who are struggling every day to pay for the prescription drug benefits which the Republicans have repeatedly denied. They refused to have hearings, and they refused to vote for reasonable legislation.

They are on the record. Let them deny it. Let them go home and explain to their seniors why they are being destituted because they cannot get prescription drugs at a reasonable price.

Vote against the bill in protest.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, no one from the Ways and Means majority has answered why they voted against prescription drug discounts.

We have legislation before this Congress to cut the cost of prescription drugs. Yet Republicans will not give us a vote or allow us to debate on the floor any of the legislation we have to provide discounts while Americans pay two times and three times and four times for prescription drugs what people in other countries pay. Remember, 50 percent of all research and development for prescription drugs in this country is paid for by taxpayers. Yet American consumers, America's elderly pay twice as much or three times as much as consumers all over the world in England and France and everywhere else in the world.

This bill is okay, Mr. Speaker. We help providers. But most importantly, we should pass a patients' bill of rights. We should pass prescription drug coverage and prescription drug discounts for America's seniors.

Mr. THOMAS. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. FOLEY), a member of the committee.

Mr. FOLEY. Mr. Speaker, I rise in support of the bill.

Mr. Speaker, I am pleased that my colleagues and I on the Ways and Means Committee were able to craft a bill that addresses some of the problems the have arisen through the implementation of the Balanced Budget Act.

I have heard from nursing homes, home health agencies, HMOs, hospital administrators, doctors and nurses, and other health care providers about their difficulties giving seniors on Medicare adequate care under new and sometimes unrealistic financial constraints.

I have also heard from many of my constituents on Medicare who are frustrated and scared by some of the problems that the BBA has created.

I am happy that we can give back some of the resources that Medicare patients desperately need.

I would like to comment on some of the provisions in the bill;

OUTPATIENT PPS

I am pleased that we can help hospitals, and specifically hospital outpatient departments, by including a provision that is similar to the bill I introduced—the Hospital Outpatient Preservation Act.

This provision gives hospitals a more gradual transition to the prospective payment system. I hope this will help them to continue offering services that are better provided in an outpatient settings—services like chemotherapy and psychiatric counseling—so that patients can return more quickly to the comfort of their homes.

MEDICARE+CHOICE RISK ADJUSTER

I was very concerned to read remarks made by the President, expressing his opposition to restoring HCFA's cuts to Medicare managed care companies.

I have 12,500 seniors who are losing their HMO at the end of this year and I know that I'm not the only member who has had this experience. Many seniors will have to go back to fee-for-service because they don't have another HMO in their country.

Most of my constituents are pleased with their HMO. These plans provide prescription drug coverage and other much-needed services that traditional Medicare does not cover.

But these companies are struggling with the high cost of caring for Medicare patients in areas where their reimbursements are not high enough—especially rural areas.

When we passed the BBA and started Medicare+Choice, we intended this to be a first step in modernizing the Medicare system. If HMOs—that had previously been successful in the Medicare system—cannot survive under the new reimbursements, how can other types of health plans compete?

This bill contains provisions which will encourage HMOs to enter areas where none exist.

I want to guarantee that we get HMOs into new areas, but also that we keep them there and keep them in areas where they are already operating.

This must be an ongoing process. We must look at reimbursement rates for rural areas where the cost of health care is high but the availability is low.

We must look at the rates for plans who are treating very sick patients.

We must ensure that HCFA is paying these HMOs fairly and not cutting more money from them than Congress intended based on it's own motives of those of the Administration.

IMMUNOSUPPRESSIVE DRUG COVERAGE

Finally, I am pleased to see the inclusion of immunosuppressive drug coverage offered by two of my colleagues from Florida, Congressman CANADY and Congresswoman THURMAN.

It defies logic for Medicare to pay for transplant surgery for a Medicare recipient, then cut off the drugs that they need to survive this surgery after only three years.

Receiving a transplant is a tremendous gift—a chance for a new life. This chance should not be wasted by arbitrary limits on drug coverage.

I am glad that we have showed compassion in extending these drug benefits.

CONCLUSION

I hope that the President is quick to sign this bill into law so that seniors continue to receive the care they need.

While more fundamental reform in Medicare is necessary, it is important to preserve the services of the current system until this is achieved.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, first of all, again I want to thank all of the Members who worked across the aisle in a bipartisan fashion to fashion this refinement bill. I want to thank the staff. It is always difficult when we are attempting to provide assistance and it is an unlimited resource.

I want to underscore, this bill is paid for by on-budget surplus. One movie role most Members of Congress would not have to audition for was the scene in Oliver when he holds his porridge bowl up and says, "More, please." It is always "more, please."

But this is a refinement, not a reform. As the Members on both sides of the aisle have indicated, there needs to be adjustments.

As a matter of fact, the President of the United States, in a letter dated October 19, said, "We believe that our administrative actions can complement legislative modifications to refine BBA payment policies. These legislative modifications should be targeted to address unintended consequences of the BBA that can expect to adversely affect beneficiary access to quality care."

He did not say do a prescription drug program. He did not say rewrite the program. He said refine it where those areas have unintended consequences. That is exactly what this bill does. That is the intention and purpose of the bill.

It just seems to me this is a modest effort, it is a meaningful effort. I would urge those who continue to say they want to really deal with prescription drugs to sit down with us tomorrow and deal with prescription drugs the only responsible way. That is an integrated prescription drug program for all our seniors, not an add-on, not a tack-on, not something that uses gimmicks like formulas or numbers, but a prescription drug program that integrates health care delivery with numerical prescription drugs.

That is what seniors deserve. That is what we offered that the President refused to participate in and the Medicare Commission. They could have deducted the cost of those in the tax bill that he vetoed. But we stand ready tomorrow to sit down and work on this important problem.

Today, let us make those adjustments that the President said were needed in areas that we had not fully understood at the time we passed the bill needed to be changed.

Mr. Speaker, let me conclude that more than three dozen organizations, including the American Hospital Association, the American Medical Association, more than two dozen specialty medical groups including the American Geriatrics Society are in support of this. It seems to me that this modest adjustment needs to go forward.

I thank all of those Democrats who spoke harshly but who will, of course, vote for the bill. I urge all to vote for the bill.

Mr. UNDERWOOD. Mr. Speaker, I'm speaking today in support of H.R. 3075: The Medicare Balanced Budget Refinement Act of 1999. This act provides for increased funding for the State Children's Health Insurance Program which provides much needed health insurance coverage for low-income children.

The SCHIP is targeted at those uninsured children who live in families with income 2-times below the poverty line. This program is authorized to match state spending for child health initiatives, including Guam.

This bill modifies the SCHIP allotment formula to provide states with a more stable financing mechanism. But, more importantly, H.R. 3075 corrects and under-representation of territory population that was reflected in the original formula established by the Balance Budget Act of 1997.

Under this new provision, H.R. 3075 provides for increased allotments for territories which typically receive a pittance of what most states are allocated. This bill will authorize an additional $34.2 million for each of Fiscal Years 2000–2001, $25.2 million for each of Fiscal Years 2002–2004; $34.2 million for each of Fiscal Years 2005–2006 and $40 million for FY 2007 for commonwealths and territories to correct the disparity created as a result in the original formula.

This is an important victory for the territories and commonwealths because no American child ought to be left behind no matter where they live. I am very pleased that uninsured children who live in Guam, the other territories and commonwealths will receive medical insurance that is much needed in the islands.

I would like to take this opportunity to commend my colleague, the gentleman from Puerto Rico, Mr. CARLOS ROMERO-BARCELÓ, who worked tirelessly to ensure that the territories and commonwealths were fairly represented in this measure. Therefore, I stand in support of H.R. 3075.

Mr. MURTHA. Mr. Speaker, I want to acknowledge the hard work on both sides of the aisle and both ends of Pennsylvania Avenue that went into the arduous task of balancing the budget and arriving at the 1997 Balanced Budget Agreement.

However, two years later, I think it is eminently clear that our Senior Citizens, as well as all medical patients and health care providers cannot sustain the cuts that were made in Medicare and so I applaud the efforts of the committees of jurisdiction in moving this BBA 'refinement' bill before adjourning for the year. It will restore some of those cuts and give the hospitals and home health providers some hope and some breathing room for the short term. There are a lot of people, I think, who won't be laid off for Christmas because of this bill.

This 11.5 billion-dollar Medicare reimbursement adjustment bill marks a major step forward in our necessary commitment to provide the care needed throughout our health care system. The improvement in reimbursements to hospitals, home health agencies, rehabilitation services, and nursing homes give a huge boost to the commitment by our health care professionals to provide the full, quality care we all want to see.

However, from my continuing conversations with health care professionals, I think we also need to recognize that as strong of a step forward as this bill is, it is not the last word. We're going to have to keep working toward HMO reform, prescription drug coverage, and expanding the number of people with health care coverage and further adjustments in reimbursement rates.

During this period of a sustained health economy, we need to understand that it is not acceptable to have people out there not getting the health care they need.

I have kept in constant touch with the hospital people, the home health care people, the ambulance people and of course, patients—especially the elderly—in my district during this long period of severe belt-tightening, consolidation, layoffs and downsizing that have significantly harmed the quality of health care service in rural Pennsylvania. There is no question the impact was much more severe than was foreseen.

So, while there is no doubt that this bill is a key to alleviating the crushing, and I think to a large extent unexpected, slashing of revenues that have caused even small rural hospitals' budgets to drop millions of dollars each in just a few years, the struggle to maintain adequate health care funding is not over and I will press very hard to make sure we'll be addressing this issue again in the very near term.

Mr. STENHOLM. Mr. Speaker, I am pleased that the House of Representatives has recognized the need for considering legislation to address the concerns of many of my constituents regarding the impact of the medical payment reductions included in the Balanced Budget Act of 1997 (BBA). The BBA included provisions which were intended to preserve the solvency and integrity of the Medicare program for future generations. Unfortunately, some of the provisions of the BBA have resulted in unintended consequences as many health care providers have indicated that the payment reductions go too far. This is particularly problematic in rural areas where health care providers have always had to do more with less.

Along with my colleagues in the House Rural Health Care Coalition, I have been working to encourage the Congressional Leadership to consider legislation which would help rural health care providers. We introduced the Triple A Rural Health Improvement Act as a basis for these discussions, and I am pleased to see that some of the important rural health provisions from our bill have been included in the legislation we are considering today. In particular, this bill contains provisions which should help our rural hospitals, nursing homes, home health care agencies, rural health clinics, community health centers, and other health care providers.

This bill contains provisions intended to protect low-volume, rural hospitals from the disproportionate impact of the hospital outpatient prospective payment system, creates an alternative payment system for community health centers and rural health clinics, strengthens the Medicare Rural Hospital Flexibility/Critical Access Hospital Program, expands Graduate Medical Education opportunities in rural settings, and permits rural hospitals in urban-defined counties to be recognized as rural for purposes of Medicare reimbursement.

The legislation we are considering today is a step in the right direction; however, it is only a first step. We have much more work to be done in order to ensure that rural Americans have access to quality, affordable health care services, and to preserve the solvency of the Medicare program for current and future generations.

Mr. CALVERT. Mr. Speaker, my district in Riverside County depends on a number of facilities to provide quality health care to its residents. Many of these facilities have been hit hard by the restrictions that were imposed after enactment of the Balanced Budget Act. This legislation would increase reimbursements to Skilled Nursing Facilities with patients that have medically complex conditions, provide flexibility in staffing and procurement priorities at rural hospitals, ensure the availability of home health care, and restore funding lost from some of the BBA reforms. With these new provisions, we will be able to continue to reap the benefit of the savings provided by the BBA reforms without driving critical healthcare facilities out of business and deteriorating our healthcare infrastructure.

I support this important bill and would have voted for the bill. Unfortunately, I have conflicting responsibilities in may congressional district: Specifically, I have been asked to participate in the dedication of the National Medal of Honor Memorial at Riverside National Cemetery. While I regret having to miss this vote, I look forward to honoring the recipients of the Medal of Honor at this dedication. We enjoy freedom and liberty today because of their dedication and sacrifice for our country.

Mrs. CHRISTENSEN. Mr. Speaker, I rise today in strong opposition to the fact that this very important bill to my constituents and to many senior Americans across the country is being brought to the floor under the suspension of the rules without any opportunity for members to amend the bill.

Mr. Speaker, all of us will agree that the cuts in Medicare that were made under the Balanced Budget Act of 1997 went to far. Literally thousands of seniors have lost or are about to lose the opportunity to receive vital care in hospitals, nursing homes and home health care facilities.

In my own district, we only have two facilities that provide long term care for the elderly. As a result, of the Balanced Budget Act cuts in Medicare, both Mentor Clinical Services and Sea View Health Care Services have been tethering on the brink of financial collapse because of the inadequate reimbursement rate that the Act provided.

Mr. Speaker, the bill before us today is a start in remedying the damage that was done to our seniors two years but it doesn't go far enough. The minority should be allowed to offer our amendment to provide additional relief. I urge my colleagues on the other side of the isle to reconsider their refusal to allow amendments. This is a good bill but it doesn't go far enough.

Mr. RILEY. Mr. Speaker, this legislation is certainly a step in the right direction, and that's good, but it simply doesn't solve all the problems facing America's hospitals, especially those out in our rural areas. Now, if you take a closer look, you'll see that most of these changes only delay the problems, they don't solve them. However, they do buy us some time, and if we use that time wisely, we can find a permanent fix.

Like me, I'm sure all of you have heard a lot about this from your constituents, and rightly so. Only half of the Medicare savings plan has taken effect, but already we're seeing some serious problems with it—funding for home health care isn't enough, it's getting harder to recruit physicians, ambulance services are losing money and we're even having trouble funding transportation services for people physically unable to drive to their doctors' appointments. Now that's not right. We can do better.

So I do support this legislation today. As I said, it's a step in the right direction. However, I strongly urge my colleagues to stay the course and help us find a permanent solution to this very serious problem before it's too late.

Mrs. LOWEY. Mr. Speaker, I rise in reluctant opposition to H.R. 3075. I have been calling all year for this House to address the already-staggering burdens that our health care providers are coping with from the cuts mandated by the Balanced Budget Act of 1997. In fact, I introduced legislation with my colleague JACK QUINN to do just that.

I wanted very much to support this legislation. Hospitals in New York have faced significant operating losses and deficits, and they still have $2.6 billion in BBA cuts ahead of them. Thousands of employees have been laid off in an attempt to avoid damaging quality health care services. Even with significant cuts in personnel, many hospitals are hemorrhaging money. The plight of our hospitals, particularly teaching and safety net hospitals, is especially grim.

These premier educational and research institutions have been caught between their traditional mission of serving the less fortunate while educating new generations of physicians and competing in the managed care marketplace. Many states, including California, Pennsylvania, Massachusetts and New York, have heard from hospitals reeling from the impact of substantial cuts.

Our hospitals desperately need some relief. But this bill undercuts New York hospitals. It contains policy changes to the Graduate Medical Education program that would take GME dollars away from New York and other states' institutions, and redistribute it to other states. This is unfair and it is punitive, and it certainly does not belong in a bill intended to help struggling hospitals.

I hope that these damaging GME provisions will be removed as negotiations proceed with the Senate and the White House. My colleagues, we need BBA relief desperately—but it must be fair. I will oppose the bill as it is written, and will work with my colleagues to make sure this bill truly provides relief to our health care institutions.

Mr. SMITH of Washington. Mr. Speaker, I rise today in strong support of H.R. 3075, the bill to revise changes made to Medicare payments as a result of the Balanced Budget Act of 1997.

I strongly support this step forward in making the necessary adjustments to select changes made by the Balanced Budget Act. These changes called for a reduction in Medicare spending of $116 billion over five years, but cuts have actually been closer to $200 million, according to estimates. These reductions are primarily in Medicare reimbursement rates—the amount hospitals and health care providers are reimbursed by the Federal Government for treating Medicare patients. As a result, many health care organizations are becoming unwilling or unable to provide care to Medicare patients.

I am concerned that the Congress made in 1997 are beginning to impact seniors whose health care services are affected by the cuts. Seniors who rely on Medicare for their health care coverage are losing access to vital services. This legislation is an important first step in fixing some of the problems and help ensure that seniors are getting the health care they need.

What's more, the reimbursement rate cuts by the Balanced Budget Act disproportionately affected Washington state. Washington was one of the most efficient states with regards to waste in the Medicare program, the cuts did not properly account for the differences, and treated each state equally. This bill makes a few steps forward in address this problem.

I urge my colleagues to support this important step forward in making needed changes to our Medicare program.

Mr. BENTSEN. Mr. Speaker, I rise in strong support of H.R. 3075, a bill refining the Medicare provisions of the Balanced Budget Act of 1997. This is a good bill, and with a few corrections in conference can become an even better bill.

When the Congress passed the BBA in 1997, we were unaware of the impact the Medicare provisions would have on Medicare providers, specifically the nation's teaching hospitals. As the BBA has been implemented, the reductions in Medicare have been far greater than we had proposed or anticipated. Therefore, it is appropriate for us to revisit this provision of BBA and not allow unintended consequences to adversely affect our nation's medical education and teaching hospitals including those in my district in Texas.

I am pleased that the bill includes provisions which are similar to legislation which I have introduced as it relates to medical residency funding and allied health services funding. Specifically, the bill includes two provisions affecting the wage base for medical residents. Earlier this year, a study conducted by the New England Journal of Medicine determined that the existing Graduate Medical Education system grossly distorted payments to medical residents in different regions of the country. For instance, the study found that residents in New York were paid seven times the rate as residents at Memorial-Hermann Hospital in my district under the old formula. The bill before us today includes a provision from legislation introduced by Mr. CARDIN of Maryland and myself to equalize such payments based upon regional wage indices.

I am also pleased that the bill includes a provision from a bill introduced by Mr. CRANE of Illinois and myself which would provide for Medicare managed care companies to pay for allied health and skilled nursing graduate medical education at our nation's teaching hospitals. Unfortunately, the bill nets out such payments at $60 million per year from the physician portion of GME and I am hopeful that this can be corrected in conference with the Senate.

Finally, this bill corrects reductions in Indirect Medical Education funding and increases funding for Skilled Nursing Facilities. This bill also addressed problems related to the outpatient PPS for cancer hospitals by exempting such hospitals for two years and does not increase beneficiary copayments. And the bill provides a temporary two year pass through for orphan drugs, cancer drugs, and new drugs and devices which for many patients may be their only hope. The bill also makes needed corrections in the home health care provisions of the BBA and begins to address the physical and speech therapy caps. And, the bill extends coverage for immunosuppressive drugs until October 1, 2004 and increases the payment rate for pap smears, requiring the Secretary of HHS to review payment rates periodically.

Mr. Speaker, this is a good bill which with a few minor corrections in conference can become an even better bill and I urge my colleagues to support its passage.

Mr. SANDLIN. Mr. Speaker, I rise in strong support of H.R. 3075, the Medicare Balanced Budget Refinements Act. H.R. 3075 provides much needed relief for nearly all health care sectors suffering from the unintended consequences of the 1997 Balanced Budget Act. Providing this relief is a bipartisan priority and warrants no less than our immediate attention.

Health care providers in the First Congressional District of Texas have been hit exceptionally hard by the BBA changes. Medicare issues are particularly important to East Texas and other rural areas around this country. With the Medicare population making up over 18% of the rural population, rural hospitals depend more on Medicare reimbursements than their urban counterparts. I have worked hard to make sure rural health care receives the special attention it deserves in this debate. I am pleased that many of my priorities for rural health care relief were adopted by the committee in writing this bill. While the bill may not be everything I had wanted, it is certainly a first step in the right direction.

In particular, I am pleased the bill includes some rural specific provisions to help maintain access to small rural hospitals. The bill permits rural hospitals with fewer than 50 beds to apply for grants of up to $50,000 to meet the costs associated with implementing new prospective payment systems. the Medicare Dependent Hospital Program, established to assist small rural hospitals that are not classified as sole community hospitals and that treat relatively high proportions of Medicare patients, also is extended through fiscal year 2005 in this bill. In addition, provisions to strengthen the Critical Access Hospital Program are included as well. These hospitals are small, rural, limited service hospitals that are geographically remote, rural nonprofit, or public hospitals that are certified by states as a necessary provider. These sources of health care are critical to my constituents and will benefit from the enactment of H.R. 3075.

Mr. Speaker, while I am satisfied with many of the bill's provisions, it does not go far enough in several areas. First, H.R. 3075 does help home health care providers by delaying the 15% reduction until one year after implementation of the PPS. However, I urge my colleagues to include language in the conference bill that would continue Periodic Interim Payments to assist small agencies with cash flow problems. The other body has included language in its bill that would preserve this system for a year after imposition of the PPS. I strongly support this provision and urge its inclusion in the final bill.

I also support efforts to provide more relief for nursing homes. This bill only addresses payment problems for these facilities through a six-month fix. This is insufficient assistance and will not give nursing homes enough time to adjust to the PPS. I hope this provision will be extended in the final product as well.

Although H.R. 3075 falls short in these areas, as well as in the area of prescription drugs where there is a total lack of language to help our seniors, I believe it is essential to pass this legislation as a first step toward reform. I will continue to fight for more improvements to Medicare as we enter the new year, but I urge all of my colleagues to vote today for this overdue relief.

Mr. TERRY. Mr. Speaker, I support H.R. 3075, the Medicare Balanced Budget Refinement Act, even though I have some reservation about a few of its provisions.

When I visited my Omaha district over the past year, I frequently met with Medicare beneficiaries, hospital administrators and representatives of other health care providers. The stories and data they provided me about some of the adverse impacts of the Balanced Budget Act of 1997 (BBA), including restrictions on services to patients, were compelling.

I share the information I received during these visits with Chairman THOMAS of the Subcommittee on Health of the Ways and Means Committee. I told him that Medicare benefits must meet the needs of our growing senior population, and services provided through Medicare must be fairly reimbursed.

I am pleased that this legislation is responsive to Nebraskans' concerns. This is well-planned, comprehensive reform legislation that addresses the needs of both retirees and health care institutions involved in Medicare. It also respects the importance of maintaining Medicare's long-term financial solvency.

I do not agree with all of the provisions in this bill that affect teaching hospitals. Specifically, the Indirect Medical Education payment freeze proposal and the per resident averaging provision for Graduate Medical Education would have a mixed impact on hospitals. Some smaller teaching hospitals will lose considerable resources they need to train our future doctors.

I also do not agree with how the Health Care Financing Administration (HCFA) has imposed restrictions on Medicare providers that have gone well beyond the requirements of the Balanced Budget Act. Restrictions adopted administratively will reduce Medicare spending by an estimated $80 billion more over the life of the BBA than was anticipated by Congress. I have joined a number of my colleagues in protesting HCFA's over-reaching regulations.

I also believe that HCFA should be more aggressive in eliminating the billions of dollars of waste and abuse that it acknowledges occur every year. I am familiar with the practices of many private insurers headquartered in the Midwest who have used private recovery services in a successful effort to identify improper payments. HCFA use of a similar approach could save billions. As a member of the Government Reform Committee concerned about waste in government programs, I will continue to encourage HCFA to adopt more such private sector business practices, even if only on a trial basis.

Mr. Speaker, despite my reservations, I support H.R. 3075 and urge its approval.

Mr. RAMSTAD. Mr. Speaker, I rise today in strong support of this critically important legislation.

When we passed the Balanced Budget Act of 1997, we expected savings to be accrued to the system. While GAO and MedPAC report that there has been no loss in access to services for seniors, we have heard from providers across the country that some of these changes have significantly impacted providers, and that relief is necessary. Relief is particularly needed since the Administration is draining close to an additional $100 billion out of the system—something which no Member of this House ever envisioned!

I would like to take a moment to highlight some of the important provisions included in H.R. 3075. There are a number of very important section addressing payments to hospitals, all of which I support. I greatly appreciate the inclusion of a technical "fix" for Minnesota's Medicaid Disproportionate Share Hospital (DSH problem and improvements to funding for graduate medical education.

Hospitals and patients will also be helped through the provisions to create an "outlier" adjustment for high-acuity patients. And, as Chair of the Medical Technology Caucus, I know hospitals and patients will benefit from the new adjusted payments for innovative medical devices, drugs and biologicals in the hospital outpatient prospective payment system.

I also support the provisions in the bill which will impact Skilled Nursing Facilities (SNF's) by addressing the costs for caring for medically-complex patients and those who need prosthetic devices, chemotherapy drugs and ambulance and emergency services. I know many therapy providers in my state appreciate the adjustments to the outpatient rehabilitation limits.

Being from Minnesota, which has experienced egregiously low payments due to our ability to provide quality care efficiently, I am particularly supportive of the efforts in the bill to boost Medicare+Choice payments. And, until we can reform the system and significantly improve the funding formula so more Minnesotans have the opportunity to participate in Medicare+Choice, I appreciate the two year extension of the cost contract plans.

I also strongly support the provisions in the bill to ensure frail, elderly seniors will continue to enjoy the services they receive through EverCare and similar programs. EverCare is an effective health care option for the frail elderly living in nursing homes, and along with critical report language that will accompany the bill, this mention of EverCare will stand as a reminder to HCFA to make accommodations necessary for ensuring that frail elderly senior's have continued access to the special, intensive care EverCare provides.

Similarly, I support the section of the bill that extends the life of the Community Nursing Organization demonstration projects for another two years and requires the Administration to submit a comprehensive report on the effectiveness of these programs.

Lastly, I support the provisions in the bill to limit the Administration's use of the Inherent Reasonableness (IR) authority. I am hopeful they will send a strong signal to HCFA to curtail its abusive use of the authority until we have a chance to review GAO's upcoming report on it.

This bill includes significant relief that will help ensure access to care for American seniors. I strongly urge my colleagues to vote for this critically important legislation!

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise in support of H.R. 3075, the Medicare Balanced Budget Refinement Act. H.R. 3075 increase payments to Medicare providers by approximately $11.5 billion over five years and addresses lawmaker and health care provider concerns that reforms made in the 1997 Balanced budget Act adversely affects access to health care services for Medicare beneficiaries.

Like many of my colleagues, I have been contacted by several health care providers in my district who were concerned about the cuts in the Balanced Budget Act of 1997. Although everyone supported a balanced budget agreement, no one intended for the consequences to adversely affect the health care system.

The 1997 BBA made comprehensive reforms to Medicare that included expanding Medicare's coverage of preventive benefits; providing additional choice for seniors; implementing new tools to combat waste, fraud, and abuse; and establishing new initiatives to strengthen Medicare's fee-for-service payment system.

Although these reforms were necessary to control Medicare spending, some of the effects have resulted in providers not receiving their reimbursements in an efficient manner. This bill seeks to resolve some of these issues.

This bill provides hospitals with greater flexibility to participate in Medicare as critical access or sole community hospitals and includes a number of provisions designed to strengthen and increase flexibility for critical access hospitals. It also eases the financial burden on hospitals that care for a disproportionate share of low-income individuals.

This bill includes measures designed to ensure the availability of home care services. It also increases payments for medically complex skilled nursing facility patients and adopts a more equitable structure for direct Graduate Medical Education payments to teaching hospitals nationwide.

H.R. 3075 makes a number of changes to the Medicaid program, including authorizing states to create a new payment system for community health centers and rural clinics that recognize the cost of providing health coverage in rural and underserved areas.

I support this bill and I urge my colleagues to support it as well.

Mr. McGOVERN. Mr. Speaker, I rise today in support of providing relief to America's home health patients, to those people living in nursing homes and those people that use our teaching and community hospitals. In 1997, I voted against the Balanced Budget Act because it would cut $115 billion out of Medicare. However, these cuts were much worse than anticipated and they are projected to get worse.

Today we are debating H.R. 3075, a bill to give some money back to those health care delivery systems that were hit so hard by the BBA. The specifics of these cuts are staggering. Hospitals in Massachusetts are projected to lose $1.7 billion over five years. However, almost 90% of the cuts have yet to take place. Community hospitals operating margins will decrease 42% from 1997 to 2001. This means that each hospital is reimbursed less per patient than it costs them to treat each patient. The BBA also set an arbitrary reimbursement cap for rehabilitation therapy. We have heard anecdotal stories for three years about how patients are reaching their rehabilitation caps after a few months. Once these caps are reached, the patient cannot continue to receive rehabilitation therapy that is reimbursed by Medicare. Once again, the patient suffers because of these arbitrary caps. And home health agencies are also hurt by the BBA cuts. Twenty agencies in Massachusetts have closed their doors since 1997 and are losing $160 million annually. The end result of these cuts—the hospital, nursing home and home health cuts—is that services for patients decrease.

While I will vote for this bill, the process under which this bill has been brought to the floor disheartens me and I am distressed that the bill is so limited in scope. We should be debating the merits of this bill under the normal rules of the House, not under suspension. We should be able to debate specific amendments. For example, I introduced a bill—along with Congressmen BOB WEYGAND, TOM COBURN and VAN HILLEARY—to provide supplemental funding for home health agencies that treat outliers, or the costliest and sickest patients that can still receive home health care. Because of the way this bill was brought to the floor, this House is prohibited from debating other, meritorious BBA-fix proposals.

I am somewhat encouraged by the ability of the majority party, and in particular the Chairman of the Ways and Means Subcommittee on Health, to admit their mistakes and work to rescind some of these irresponsible Medicare cuts. However, we can do more. I urge my colleagues to vote yes for this bill but to work the leadership of the House, the Senate and the President to provide more relief for the Medicare patients who are hurting because of these irresponsible cuts.

Mr. SHAYS. Mr. Speaker, as an original cosponsor of H.R. 3075, the Medicare Balanced Budget Refinement Act, I rise in strong support of its passage today.

Our seniors, hospitals and providers have spoken in a loud, clear voice. Today we have the opportunity to answer their calls for relief by dedicating $11.5 billion over the next five years to strengthening Medicare for all seniors.

The Medicare Balanced Budget Refinement Act, introduced by Representative BILL THOMAS of California, makes a number of important adjustments to the Balanced Budget Act of 1997 (BBA 97) designed to ensure seniors have access to the care they need.

H.R. 3075 eases the financial burden on hospitals that care for a disproportionate share of low-income individuals, and includes measures to ease the transition for outpatient hospitals switching to the new payment system established by BBA 97. In addition, the bill includes a number of provisions to ensure the availability of home health services, increases payments for medically complex skilled nursing facility patients, and creates separate therapy caps for physical and speech therapy on a per-facility rather than a per-beneficiary basis.

In 1997, we passed the Balanced Budget Agreement (BBA 97) which was an important first step in placing Medicare on firm financial footing while giving seniors options in how they receive care.

BBA 97 was more successful at slowing the growth of Medicare than even Congress envisioned when we passed the legislation in 1997. In 1998, the growth of Medicare spending slowed sharply, and outlays for the program actually declined by 2 percent during the first six months of fiscal year 1999—representing the first spending decrease in the program's history.

We need to pass H.R. 3075 to ensure our success in slowing the growth of Medicare does not come at the expense of our seniors' health.

Mr. Speaker, I urge my colleagues on both sides of the aisle to support H.R. 3075, a vital, common-sense piece of legislation.

Mr. ADERHOLT. Mr. Speaker, I would like to lend my support to H.R. 3075, the Medicare Balanced Budget Refinement Act. This bill represents an important first step in strengthening the long-term future of the Medicare program.

The hospitals in my district are in serious financial trouble. These hospitals, as well as all of the others in Alabama are struggling to make up shortfalls in the millions of dollars, but they refuse to compromise the quality of care they provide. The provisions of this legislation help rural hospitals, and I am supporting the bill, but it is only a first step.

Balancing the budget is important, but we need to periodically examine the effects of previous legislation. Now, the evidence is pouring in from all over the country: we need immediate relief in the form of this bill and we must take an even deeper look early next year.

Thank you Congressman THOMAS for recognizing the enormity of the consequences. Let's pass this legislation today and come back in January prepared to find a permanent solution to this health care crisis.

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the motion offered by the gentleman from Texas (Mr. ARCHER) that the House suspend the rules and pass the bill, H.R. 3075, as amended.

The question was taken.

Mr. THOMAS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 388, nays 25, not voting 20, as follows:

[Roll No. 573]

YEAS—388

Abercrombie
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Burr
Burton
Buyer
Callahan
Camp
Campbell
Canady
Cannon
Capps
Capuano
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth-Hage
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Cox
Crane
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Filner
Fletcher
Foley
Ford
Fossella
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hilliard
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Jones (NC)
Jones (OH)
Kaptur
Kasich
Kelly
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Knollenberg
Kolbe
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Largent
Larson
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lipinski
LoBiondo
Lofgren
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Manzullo
Mascara
Matsui
McCarthy (NY)
McCollum
McCrery
McGovern
McHugh
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Millender-McDonald
Miller (FL)
Miller, Gary
Minge
Mink
Moakley
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Napolitano
Neal
Nethercutt
Ney
Northup
Nussle
Oberstar
Obey
Olver
Ortiz
Ose
Oxley
Packard
Pallone
Pascrell
Pastor
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Reynolds
Riley
Rivers
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schaffer
Schakowsky
Scott
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tierney
Toomey
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Vento
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—25

Ackerman
Coyne
Crowley
Doggett
Engel
Forbes
Hinchey
Kennedy
Klink
Kucinich
Lowey
Maloney (NY)
Markey
McDermott
Miller, George
Nadler
Owens
Paul
Payne
Sanford
Serrano
Slaughter
Stark
Towns
Weiner

NOT VOTING—20

Bereuter
Calvert
Clay
Cramer
Dickey
Hastings (WA)
Johnson, Sam
Kanjorski
Linder
Martinez
McCarthy (MO)
McInnis
Meehan
Mica
Mollohan
Norwood
Reyes
Rodriguez
Scarborough
Taylor (NC)

□ 1200

Mr. KLINK and Mr. TOWNS changed their vote from "yea" to "nay."

Mr. RUSH changed his vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

The title of the bill was amended so as to read: "A bill to amend titles XVIII, XIX, and XXI of the Social Security Act to make corrections and refinements in the medicare, medicaid, and State children's health insurance programs, as revised by the Balanced Budget Act of 1997.".

A motion to reconsider was laid on the table.

Stated for:

Ms. McCARTHY of Missouri. Mr. Speaker, during rollcall vote No. 573, on H.R. 3075, I was unavoidably detained. Had I been present, I would have voted "yes."

Mr. MICA. Mr. Speaker, on rollcall No. 573, I was unavoidably detained. Had I been present, I would have voted "yea."

LEGISLATIVE PROGRAM

(Mr. BONIOR asked and was given permission to address the House for 1 minute.)

Mr. BONIOR. Mr. Speaker, I rise for the purpose of inquiring from the majority leader the schedule for the remainder of the week and for next week.

Mr. ARMEY. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Speaker, I am pleased to announce that we have completed legislative business for the week. I thank all my colleagues for their hard work and patience this past week as we labored to wrap up the legislative session.

The House will next meet on Monday November 8 at 12:30 p.m. for morning hour, and at 2 o'clock p.m. for legislative business. We will consider a number of bills under suspension of the rules, a list of which will be distributed to Members' offices later today. On Monday we do not expect recorded votes until 6 o'clock p.m.

On Tuesday, November 9, the House will take up H.R. 3073, the Fathers Count Act of 1999, and H.R. 1714, the Electronic Signatures in Global National Commerce Act, both subject to a rule. We are also likely to consider a number of bills under suspension of the rules and any appropriations business ready for consideration.

Mr. Speaker, authorizing committees are hard at work wrapping up key bills with their Senate counterparts, so we expect a number of conference reports next week, including H.R. 1554, the Satellite Home Viewer Act, H.R. 100, the FAA Reauthorization Act, H.R. 1555, the Intelligence Authorization Act for Fiscal Year 2000, and H.R. 1180, the Work Incentives Improvement Act of 1999.

Mr. Speaker, the House will also pass a rule allowing suspensions on any day of the week, provided there are two hours of prior notification to the House. We will, of course, consult the minority leader should we add suspensions to Wednesday's schedule.

Mr. Speaker, we are obviously making good progress on our appropriations business. The continuing resolution passed by the Congress this week will be in effect until November 10, and we are all working hard to finish our business by that date. I will, of course, try to keep Members apprised of any scheduling changes as soon as we have that information.

Mr. Speaker, with that I want to thank the gentleman for yielding.

Mr. BONIOR. I thank my colleague for his information. We can assume late evenings until we finish, is that a relatively accurate assessment of where we are in the process, until we finish this session?

Mr. ARMEY. Yes, I think Members should understand that we will be coming back Monday night; we would be working Monday night, Tuesday, and hoping to finish on Wednesday. All the conferees on the various appropriations bills are going to be working over the weekend and working hard. So we should expect to see long days, perhaps periods where we go into recess subject to the call of the Chair.

These are frustrating times, but they are times where once the logistical work of moving paperwork and these things are fulfilled, and with any good fortune and good work and the continued cooperation across the aisle and across the long corridor, hopefully we can meet our objective to complete our work by Wednesday, sometime in the evening.

Mr. BONIOR. I thank the gentleman.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 1555, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2000

Mr. GUTKNECHT. Mr. Speaker, I ask unanimous consent that the managers on the part of the House have until midnight tonight to file a conference report to accompany the bill, H.R. 1555, the Intelligence Authorization Act for Fiscal Year 2000.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from Minnesota?

There was no objection.

ADJOURNMENT TO MONDAY, NOVEMBER 8, 1999

Mr. GUTKNECHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 12:30 p.m. on Monday next for morning hour debates.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. GUTKNECHT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

CRITICS QUESTION USEC'S REQUEST FOR $200 MILLION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. STRICKLAND) is recognized for 5 minutes.

Mr. STRICKLAND. Mr. Speaker, I rise today to speak about an issue that is of great importance to our Nation and I believe to our Nation's national security.

A few months ago we chose unwisely, I believe, to privatize the uranium enrichment industry, taking this from a government-owned and operated industry and turning it over to the private sector.

Now, the Government supposedly received about $1.9 billion from the sale of this industry, but immediately after privatization, or shortly after privatization, we forced the taxpayers to spend $325 million to keep a deal with the Russians, enabling us to bring materiel from their dismantled warheads into our country. This private industry is now asking for an additional $200 million bailout from this Congress and from the taxpayer.

Jonathan Riskind, who writes for the Columbus Dispatch, has recently authored an article on this privatization arrangement and the request for $200 million, and I would like to share some of the comments that were contained in Mr. Riskind's Columbus Dispatch article.

He begins by saying the Federal corporation that was created to cut the costs of running Southern Ohio's uranium enrichment plant wants a $200 million bailout from the taxpayer. Critics, ranging from lawmakers to arms control experts, say the request is further evidence, further evidence, that officials made a bad decision in privatizing the United States Enrichment Corporation.

At its plants in Piketon, Ohio, and in Paducah, Kentucky, USEC converts low-grade Russian uranium into enriched uranium to be used for fuel for nuclear power plants as part of the Swords-Into-Plowshares deal entered into with Russia in 1993.

Mr. Riskind further says that this bailout request might intensify the push for congressional hearings about the Clinton administration's decision to push forward with privatization of the Nation's uranium enrichment operations. A privatization investigation launched by the House Committee on Commerce was first disclosed in August by the Columbus Dispatch.

Mr. Speaker, what we have here is a case where a company has been privatized and over the course of the last year, they have given dividends to their private investors of about $100 million, dividends which exceeded the profits of that company. They also are paying exceedingly high salaries to their executive staff, in some cases including stock options worth well over $2 million. They also have spent this last year about $100 million to purchase back their own stock in order to prop up the value of their own stock, and yet they are now coming to the taxpayers of this country saying we need a $200 million bailout or else we may have to withdraw as the executive agent of the Russian HEU deal.

This, in my judgment, is a rip-off of the taxpayer, and I plead with the Members of this body not to let this happen. If this private company wants a $200 million bailout from the taxpayer, there ought to be some strings attached. They ought to open up their books. We ought to know exactly why they are paying such exceedingly high dividends, dividends which exceed the profits of the company, why they are paying such high executive salaries, why they spent $100 million to purchase back their own stock, and then they are crying that without a government bailout they may have to withdraw as the executive agent of this exceedingly important national security issue.

I plead with my colleagues to investigate this issue. I know it is esoteric, I know it is complex, I know it is not easily understood; but it is a matter that is of critical importance to the national security of this Nation, and communities may face economic decimation if we allow this corporation to continue to look after itself and its employees and its shareholders, and to ignore what is right and best for this country and for our local domestic workers and for the local communities who have borne the burden of winning the Cold War for this country over the years.

PROTEST TRADE POLICIES WITH PEOPLE'S REPUBLIC OF CHINA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. BROWN) is recognized for 5 minutes.

Mr. BROWN of Ohio. Mr. Speaker, most Americans and, for that matter, most Members of Congress probably have not perhaps until recently heard of Falun Gong. I had never heard of it until last summer, when the People's Republic of China banned it and started throwing thousands of people in jail for practicing their faith.

It is hardly surprising, Mr. Speaker, that China systematically is arresting and torturing and even killing its own citizens for practicing Falun Gong. After all, this is the same gang of dictators that persecutes Christians, that tolerates, maybe even encourages, forced abortions, the exact same regime that had the People's Liberation Army crush hundreds of democracy advocates 10 years ago at Tiananmen Square in Beijing.

But even though this latest purge is completely in character, it is a perfect illustration of the fact that 10 years of giving the Chinese government trading privileges with the United States, giving them most-favored-nation status, still has not brought about the rule of law in China.

I cannot recall ever seeing less respect for human life, nor do I think there is better evidence to contradict the incessant drum beat from corporate America and the Republican allies in Congress that free trade is the magic bean that is going to sprout democracy in China. There is simply no evidence for that, because when Beijing decided to make practicing Falun Gong a capital offense, which is exactly what the rubber-stamped Chinese Congress did last week, we see that life in the People's Republic of China is exactly the same as it was before American CEOs streamed into Shanghai last month to celebrate 50 years of communism. Topping off this event was a presentation by one major American CEO of a bust of Abraham Lincoln to Chinese President Jiang Zemin.

Regardless of what the business community or the lawyers at the Commerce Department or their Republican allies tell us, our trade with China is completely one-sided. Just look at our trade deficit figures and tell any of us otherwise. Walk into a Wal-Mart, count the number of items that are stamped "made in China," and you can see the picture. If you are still not convinced, then read the administration's own report on the effects of a WTO deal with China on our economy.

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That report tells us that even under the best possible circumstances, which might mean that the totalitarian government actually lives up to the promises they made any time in the last 10 years to our government, even under those circumstances, the best of circumstances, our exports to China would barely increase and our trade deficit, even under the best of circumstances, would continue to balloon out of control.

Mr. Speaker, this not a report by a college student or a Washington think tank, this is a determination of our own International Trade Commission. These are the men and women that our constituents pay to analyze just what kind of deal we are getting from letting China dump its goods here, from letting it keep our goods and services out of their market.

The men and women of the ITC are telling us that a WTO deal for China could not help our economy any more than a WTO deal for Mars would help stop the factory closings or help sell American cars or help sell American planes to China's 1 billion consumers.

That is because there are not really 1 billion consumers in the People's Republic of China. That is not how corporations of the United States look at China. There are 1 billion potential low-wage workers. That is what excites American corporations. The average person in China makes less than $800 a year, and we are supposed to believe they are going to buy our products. Even the ITC has concluded that that is a preposterous assumption.

Mr. Speaker, before we close one more factory, before we permit one more forced abortion in China, before we allow China to continue to operate its slave labor and child labor camps and sell goods to the United States, we need to stop kidding ourselves and get out of the business of trading with dictators, because as I speak, there are thousands of men and women in China who are being beaten and killed for choosing to believe in ideals that we take for granted in this country, ideals from Abraham Lincoln that Jiang Zemin really does not admire, clearly, whether it is our faith in God, our right to vote, or simply wanting to go on an early morning jog.

I urge all of my colleagues to protest and oppose any more trading privileges with the People's Republic of China until its government proves it actually is capable of respecting law.

INTRODUCTION OF PRESCRIPTION DRUG BILL

The SPEAKER pro tempore (Mr. LAHOOD). Under a previous order of the House, the gentleman from Minnesota (Mr. GUTKNECHT) is recognized for 5 minutes.

Mr. GUTKNECHT. Mr. Speaker, I rise today to share with my colleagues some information that they probably already know, but they need to be reminded of.

Recently there have been a number of reports, this one happens to be from MSNBC, about what is happening in America relative to drug prices. The headline was "High Drug Prices Burden

Many Seniors." "The cost of medicine for elderly people far outstrips inflation," according to the Associated Press.

These stories are being repeated around the country. CNN and the New York Times did a story on this, and a number of publications have reinforced the point that Americans in general, seniors in particular, are paying far too much for prescription drugs.

I would like to read, Mr. Speaker, excerpts from a letter to the community from George Halverson. George Halverson is the President and CEO of HealthPartners. It was printed in the Minneapolis Star and Tribune on 10/29/99.

Let me just read from this: "The cost of prescription drugs varies to an amazing degree between countries. If you have a stomach ulcer and your doctor says you need to be on Prilosec, you will probably pay about $99.95 for a 30-day supply in the Twin Cities. But, if you were vacationing in Canada and decided to fill your prescription there, you would pay only $50.88. Or even better, if you are looking for a little warmer weather south of the border in Mexico, the same 30-day supply would only cost you $17.50. That's for the same dose, made by the same manufacturer.

If we could get only half the price break that Canadians get, our plan, referring to HealthPartners, "our plan alone could have saved our members nearly $35 million last year."

He goes on to say, "When the North American Free Trade Agreement, NAFTA, was passed by Congress to allow free trade between the United States and our neighboring countries, HealthPartners decided to follow the lead of Minnesota Senior Federation and buy our drugs in Canada at Canadians' prices. We were disappointed to learn of the rules and the practices which kept us from succeeding. There is no free trade in prescription drugs. We need to do something about this."

Mr. Halverson, we agree. It is outrageous, when our seniors have learned now that they can go across the border and save 30, 40, 50, and even 60 percent on prescription drugs, the outrageous part is they are stopped from doing that by our own FDA.

Mr. Speaker, here is what happens when seniors or any American consumer learns that they can get prescription drugs from across the border. Seniors in Minnesota have tried to set up relationships with their local pharmacists, and we need the local pharmacist to be involved in this.

They have learned that they can, using the Internet, using the web, using a fax machine, they can set up corrrespondent relationships. Many of them are going to to the local pharmacy, having a prescription filled there by actually getting the drugs shipped in by parcel post from Canada.

What has happened? The FDA intervenes and they inspect the packages. Then they send a very threatening letter to our seniors and other consumers who are practicing this method of trying to save some money on prescription drugs.

Let me just read the first paragraph of this letter: "This letter is to advise you that the Minneapolis District of the United States Food and Drug Administration has examined the package addressed to you containing drugs which appear to be unapproved for use in the United States." It goes on to threaten the senior, that if they try to do this again, they could be in big trouble. I would be threatened by that letter, but my parents would be far more threatened by this letter.

Mr. Speaker, this is outrageous. I say it is outrageous because the law, in my opinion, and I think the opinion of legal scholars around the country is fairly clear, the law is section 381, imports and exports. It basically says they have got to give notice to the owner or consignee. Then such articles shall be refused admission.

In other words, if it really is an illegal drug, it can be stopped. But if it is a drug that is otherwise approved in the United States, the FDA is on very thin ice.

Mr. Speaker, there is a difference in opinion in this between myself, between seniors, between consumers groups, and the FDA. Today I am going to introduce legislation which will remove all doubt. It will make it clear that the burden now will be on the FDA that this is an illegal practice, because I am committed and a growing number of Members of Congress are committed to making a very clear statement to the people at the FDA: We will not allow a Federal bureaucracy to stand between American consumers and lower prices. It is wrong, and if there is anything we can do to stop it, we will.

I am introducing the legislation today. I am calling on my colleagues from both sides of the political aisles to join me in this debate. Prescription drugs are too expensive for American consumers in general, and seniors in particular. We can do something about it. We should do it now.

CONFERENCE REPORT ON H.R. 1555

Mr. GOSS submitted the following conference report and statement on the bill (H.R. 1555), to authorize appropriations for fiscal year 2000 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes:

CONFERENCE REPORT (H. REPT. 106–457)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1555), to authorize appropriations for fiscal year 2000 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Intelligence Authorization Act for Fiscal Year 2000".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—INTELLIGENCE ACTIVITIES

Sec. 101. Authorization of appropriations.
Sec. 102. Classified schedule of authorizations.
Sec. 103. Personnel ceiling adjustments.
Sec. 104. Intelligence Community Management Account.
Sec. 105. Authorization of emergency supplemental appropriations for fiscal year 1999.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

Sec. 201. Authorization of appropriations.

TITLE III—GENERAL PROVISIONS

Sec. 301. Increase in employee compensation and benefits authorized by law.
Sec. 302. Restriction on conduct of intelligence activities.
Sec. 303. Diplomatic intelligence support centers.
Sec. 304. Protection of identity of retired covert agents.
Sec. 305. Access to computers and computer data of executive branch employees with access to classified information.
Sec. 306. Naturalization of certain persons affiliated with a Communist or similar party.
Sec. 307. Technical amendment.
Sec. 308. Declassification review of intelligence estimate on Vietnam-era prisoners of war and missing in action personnel and critical assessment of estimate.
Sec. 309. Report on legal standards applied for electronic surveillance.
Sec. 310. Report on effects of foreign espionage on the United States.
Sec. 311. Report on activities of the Central Intelligence Agency in Chile.
Sec. 312. Report on Kosova Liberation Army.
Sec. 313. Reaffirmation of longstanding prohibition against drug trafficking by employees of the intelligence community.
Sec. 314. Sense of Congress on classification and declassification.
Sec. 315. Sense of Congress on intelligence community contracting.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

Sec. 401. Improvement and extension of central services program.
Sec. 402. Extension of CIA Voluntary Separation Pay Act.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE ACTIVITIES

Sec. 501. Protection of operational files of the National Imagery and Mapping Agency.
Sec. 502. Funding for infrastructure and quality of life improvements at Menwith Hill and Bad Aibling stations.

TITLE VI—FOREIGN COUNTERINTELLIGENCE AND INTERNATIONAL TERRORISM INVESTIGATIONS

Sec. 601. Expansion of definition of "agent of a foreign power" for purposes of the Foreign Intelligence Surveillance Act of 1978.
Sec. 602. Federal Bureau of Investigation reports to other executive agencies on results of counterintelligence activities.

TITLE VII—NATIONAL COMMISSION FOR THE REVIEW OF THE NATIONAL RECONNAISSANCE OFFICE

Sec. 701. Findings.
Sec. 702. National Commission for the Review of the National Reconnaissance Office.
Sec. 703. Duties of commission.
Sec. 704. Powers of commission.
Sec. 705. Staff of commission.
Sec. 706. Compensation and travel expenses.
Sec. 707. Treatment of information relating to national security.
Sec. 708. Final report; termination.
Sec. 709. Assessments of final report.
Sec. 710. Inapplicability of certain administrative provisions.
Sec. 711. Funding.
Sec. 712. Congressional intelligence committees defined.

TITLE VIII—INTERNATIONAL NARCOTICS TRAFFICKING

Sec. 801. Short title.
Sec. 802. Findings and policy.
Sec. 803. Purpose.
Sec. 804. Public identification of significant foreign narcotics traffickers and required reports.
Sec. 805. Blocking assets and prohibiting transactions.
Sec. 806. Authorities.
Sec. 807. Enforcement.
Sec. 808. Definitions.
Sec. 809. Exclusion of persons who have benefited from illicit activities of drug traffickers.
Sec. 810. Judicial Review Commission on Foreign Asset Control.
Sec. 811. Effective date.

TITLE I—INTELLIGENCE ACTIVITIES

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 2000 for the conduct of the intelligence and intelligence-related activities of the following elements of the United States Government:

(1) The Central Intelligence Agency.

(2) The Department of Defense.

(3) The Defense Intelligence Agency.

(4) The National Security Agency.

(5) The Department of the Army, the Department of the Navy, and the Department of the Air Force.

(6) The Department of State.

(7) The Department of the Treasury.

(8) The Department of Energy.

(9) The Federal Bureau of Investigation.

(10) The National Reconnaissance Office.

(11) The National Imagery and Mapping Agency.

SEC. 102. CLASSIFIED SCHEDULE OF AUTHORIZATIONS.

(a) SPECIFICATIONS OF AMOUNTS AND PERSONNEL CEILINGS.—The amounts authorized to be appropriated under section 101, and the authorized personnel ceilings as of September 30, 2000, for the conduct of the intelligence and intelligence-related activities of the elements listed in such section, are those specified in the classified Schedule of Authorizations prepared to accompany the conference report on the bill H.R. 1555 of the One Hundred Sixth Congress.

(b) AVAILABILITY OF CLASSIFIED SCHEDULE OF AUTHORIZATIONS.—The classified Schedule of Authorizations shall be made available to the Committees on Appropriations of the Senate and House of Representatives and to the President. The President shall provide for suitable distribution of the Schedule, or of appropriate portions of the Schedule, within the Executive branch.

SEC. 103. PERSONNEL CEILING ADJUSTMENTS.

(a) AUTHORITY FOR ADJUSTMENTS.—With the approval of the Director of the Office of Management and Budget, the Director of Central Intelligence may authorize employment of civilian personnel in excess of the number authorized for fiscal year 2000 under section 102 when the Director of Central Intelligence determines that such action is necessary to the performance of important intelligence functions, except that the number of personnel employed in excess of the number authorized under such section may not, for any element of the intelligence community, exceed two percent of the number of civilian personnel authorized under such section for such element.

(b) NOTICE TO INTELLIGENCE COMMITTEES.—The Director of Central Intelligence shall promptly notify the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate whenever the Director exercises the authority granted by this section.

SEC. 104. INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for the Intelligence Community Management Account of the Director of Central Intelligence for fiscal year 2000 the sum of $170,672,000.

(b) AUTHORIZED PERSONNEL LEVELS.—The elements within the Community Management Account of the Director of Central Intelligence are authorized a total of 348 full-time personnel as of September 30, 2000. Personnel serving in such elements may be permanent employees of the Community Management Account element or personnel detailed from other elements of the United States Government.

(c) CLASSIFIED AUTHORIZATIONS.—

(1) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts authorized to be appropriated for the Community Management Account by subsection (a), there is also authorized to be appropriated for the Community Management Account for fiscal year 2000 such additional amounts as are specified in the classified Schedule of Authorizations referred to in section 102(a). Such additional amounts shall remain available until September 30, 2001.

(2) AUTHORIZATION OF PERSONNEL.—In addition to the personnel authorized by subsection (b) for elements of the Community Management Account as of September 30, 2000, there is hereby authorized such additional personnel for such elements as of that date as is specified in the classified Schedule of Authorizations.

(d) REIMBURSEMENT.—Except as provided in section 113 of the National Security Act of 1947 (50 U.S.C. 404h), during fiscal year 2000, any officer or employee of the United States or member of the Armed Forces who is detailed to the staff of an element within the Community Management Account from another element of the United States Government shall be detailed on a reimbursable basis, except that any such officer, employee, or member may be detailed on a nonreimbursable basis for a period of less than one year for the performance of temporary functions as required by the Director of Central Intelligence.

(e) NATIONAL DRUG INTELLIGENCE CENTER.—

(1) IN GENERAL.—Of the amount authorized to be appropriated in subsection (a), $27,000,000 shall be available for the National Drug Intelligence Center. Within such amount, funds provided for research, development, test, and evaluation purposes shall remain available until September 30, 2001, and funds provided for procurement purposes shall remain available until September 30, 2002.

(2) TRANSFER OF FUNDS.—The Director of Central Intelligence shall transfer to the Attorney General of the United States funds available for the National Drug Intelligence Center under paragraph (1). The Attorney General shall utilize funds so transferred for activities of the Center.

(3) LIMITATION.—Amounts available for the National Drug Intelligence Center may not be used in contravention of the provisions of section 103(d)(1) of the National Security Act of 1947 (50 U.S.C. 403–3(d)(1)).

(4) AUTHORITY.—Notwithstanding any other provision of law, the Attorney General shall retain full authority over the operations of the National Drug Intelligence Center.

SEC. 105. AUTHORIZATION OF EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1999.

(a) AUTHORIZATION.—Amounts authorized to be appropriated for fiscal year 1999 under section 101 of the Intelligence Authorization Act for Fiscal Year 1999 (Public Law 105–272) for the conduct of the intelligence activities of elements of the United States Government listed in such section are hereby increased, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization were increased by the 1999 Emergency Supplemental Appropriations Act (Public Law 106–31), for such amounts as are designated by Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(b)(2)(A)).

(b) RATIFICATION.—For purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414), any obligation or expenditure of amounts appropriated in the 1999 Emergency Supplemental Appropriations Act for intelligence activities is hereby ratified and confirmed, to the extent such amounts are designated by Congress as an emergency requirement pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated for the Central Intelligence Agency Retirement and Disability Fund for fiscal year 2000 the sum of $209,100,000.

TITLE III—GENERAL PROVISIONS

SEC. 301. INCREASE IN EMPLOYEE COMPENSATION AND BENEFITS AUTHORIZED BY LAW.

Appropriations authorized by this Act for salary, pay, retirement, and other benefits for Federal employees may be increased by such additional or supplemental amounts as may be necessary for increases in such compensation or benefits authorized by law.

SEC. 302. RESTRICTION ON CONDUCT OF INTELLIGENCE ACTIVITIES.

The authorization of appropriations by this Act shall not be deemed to constitute authority for the conduct of any intelligence activity which is not otherwise authorized by the Constitution or the laws of the United States.

SEC. 303. DIPLOMATIC INTELLIGENCE SUPPORT CENTERS.

(a) IN GENERAL.—Title I of the National Security Act of 1947 (50 U.S.C. 401 et seq.) is amended by adding at the end the following new section:

"LIMITATION ON ESTABLISHMENT OR OPERATION OF DIPLOMATIC INTELLIGENCE SUPPORT CENTERS

"SEC. 115. (a) IN GENERAL.—(1) A diplomatic intelligence support center may not be established, operated, or maintained without the prior approval of the Director of Central Intelligence.

"(2) The Director may only approve the establishment, operation, or maintenance of a diplomatic intelligence support center if the Director determines that the establishment, operation, or maintenance of such center is required to provide necessary intelligence support in furtherance of the national security interests of the United States.

"(b) PROHIBITION OF USE OF APPROPRIATIONS.—Amounts appropriated pursuant to authorizations by law for intelligence and intelligence-related activities may not be obligated or expended for the establishment, operation, or maintenance of a diplomatic intelligence support center that is not approved by the Director of Central Intelligence.

"(c) DEFINITIONS.—In this section:

"(1) The term 'diplomatic intelligence support center' means an entity to which employees of the various elements of the intelligence community (as defined in section 3(4)) are detailed for the purpose of providing analytical intelligence support that—

"(A) consists of intelligence analyses on military or political matters and expertise to conduct limited assessments and dynamic taskings for a chief of mission; and

"(B) is not intelligence support traditionally provided to a chief of mission by the Director of Central Intelligence.

"(2) The term 'chief of mission' has the meaning given that term by section 102(3) of the Foreign Service Act of 1980 (22 U.S.C. 3902(3)), and includes ambassadors at large and ministers of diplomatic missions of the United States, or persons appointed to lead United States offices abroad designated by the Secretary of State as diplomatic in nature.

"(d) TERMINATION.—This section shall cease to be effective on October 1, 2000.".

(b) CLERICAL AMENDMENT.—The table of contents contained in the first section of such Act is amended by inserting after the item relating to section 114 the following new item:

"Sec. 115. Limitation on establishment or operation of diplomatic intelligence support centers.".

SEC. 304. PROTECTION OF IDENTITY OF RETIRED COVERT AGENTS.

(a) IN GENERAL.—Section 606(4)(A) of the National Security Act of 1947 (50 U.S.C. 426(4)(A)) is amended—

(1) by striking "an officer or employee" and inserting "a present or retired officer or employee"; and

(2) by striking "a member" and inserting "a present or retired member".

(b) PRISON SENTENCES FOR VIOLATIONS.—

(1) IMPOSITION OF CONSECUTIVE SENTENCES.—Section 601 of the National Security Act of 1947 (50 U.S.C. 421) is amended by adding at the end the following new subsection:

"(d) A term of imprisonment imposed under this section shall be consecutive to any other sentence of imprisonment.".

(2) TECHNICAL AMENDMENTS.—Such section 601 is further amended—

(A) in subsection (a), by striking "shall be fined not more than $50,000" and inserting "shall be fined under title 18, United States Code,";

(B) in subsection (b), by striking "shall be fined not more than $25,000" and inserting "shall be fined under title 18, United States Code,"; and

(C) in subsection (c), by striking "shall be fined not more than $15,000" and inserting "shall be fined under title 18, United States Code,".

SEC. 305. ACCESS TO COMPUTERS AND COMPUTER DATA OF EXECUTIVE BRANCH EMPLOYEES WITH ACCESS TO CLASSIFIED INFORMATION.

(a) ACCESS.—Section 801(a)(3) of the National Security Act of 1947 (50 U.S.C. 435(a)(3)) is amended by striking "and travel records" and inserting "travel records, and computers used in the performance of government duties".

(b) COMPUTER DEFINED.—Section 804 of that Act (50 U.S.C. 438) is amended—

(1) by striking "and" at the end of paragraph (6);

(2) by striking the period at the end of paragraph (7) and inserting "; and"; and

(3) by adding at the end the following:

"(8) the term 'computer' means any electronic, magnetic, optical, electrochemical, or other high speed data processing device performing logical, arithmetic, or storage functions, and includes any data storage facility or communications facility directly related to or operating in conjunction with such device and any data or other information stored or contained in such device.".

(c) APPLICABILITY.—The President shall modify the procedures required by section 801(a)(3) of the National Security Act of 1947 to take into account the amendment to that section made by subsection (a) of this section not later than 90 days after the date of the enactment of this Act.

SEC. 306. NATURALIZATION OF CERTAIN PERSONS AFFILIATED WITH A COMMUNIST OR SIMILAR PARTY.

Section 313 of the Immigration and Nationality Act (8 U.S.C. 1424) is amended by adding at the end the following new subsection:

"(e) A person may be naturalized under this title without regard to the prohibitions in subsections (a)(2) and (c) of this section if the person—

"(1) is otherwise eligible for naturalization;

"(2) is within the class described in subsection (a)(2) solely because of past membership in, or past affiliation with, a party or organization described in that subsection;

"(3) does not fall within any other of the classes described in that subsection; and

"(4) is determined by the Director of Central Intelligence, in consultation with the Secretary of Defense, and with the concurrence of the Attorney General, to have made a contribution to the national security or to the national intelligence mission of the United States.".

SEC. 307. TECHNICAL AMENDMENT.

Section 305(b)(2) of the Intelligence Authorization Act for Fiscal Year 1997 (Public Law 104-293, 110 Stat. 3465; 8 U.S.C. 1427 note) is amended by striking "subparagraph (A), (B), (C), or (D) of section 243(h)(2) of such Act" and inserting "clauses (i) through (iv) of section 241(b)(3)(B) of such Act".

SEC. 308. DECLASSIFICATION REVIEW OF INTELLIGENCE ESTIMATE ON VIETNAM-ERA PRISONERS OF WAR AND MISSING IN ACTION PERSONNEL AND CRITICAL ASSESSMENT OF ESTIMATE.

(a) DECLASSIFICATION REVIEW.—Subject to subsection (b), the Director of Central Intelligence shall review for declassification the following:

(1) National Intelligence Estimate 98-03 dated April 1998 and entitled "Vietnamese Intentions, Capabilities, and Performance Concerning the POW/MIA Issue".

(2) The assessment dated November 1998 and entitled "A Critical Assessment of National Intelligence Estimate 98-03 prepared by the United States Chairman of the Vietnam War Working Group of the United States-Russia Joint Commission on POWs and MIAs".

(b) LIMITATIONS.—The Director shall not declassify any text contained in the estimate or assessment referred to in subsection (a) which would—

(1) reveal intelligence sources and methods; or

(2) disclose by name the identity of a living foreign individual who has cooperated with United States efforts to account for missing personnel from the Vietnam era.

(c) DEADLINE.—The Director shall complete the declassification review of the estimate and assessment under subsection (a) not later than 30 days after the date of the enactment of this Act.

SEC. 309. REPORT ON LEGAL STANDARDS APPLIED FOR ELECTRONIC SURVEILLANCE.

(a) REPORT.—Not later than 60 days after the date of the enactment of this Act, the Director of Central Intelligence, the Director of the National Security Agency, and the Attorney General shall jointly prepare, and the Director of the National Security Agency shall submit to the appropriate congressional committees, a report in classified and unclassified form providing a detailed analysis of the legal standards employed by elements of the intelligence community in conducting signals intelligence activities, including electronic surveillance.

(b) MATTERS SPECIFICALLY ADDRESSED.—The report shall specifically include a statement of each of the following legal standards:

(1) The legal standards for interception of communications when such interception may result in the acquisition of information from a communication to or from United States persons.

(2) The legal standards for intentional targeting of the communications to or from United States persons.

(3) The legal standards for receipt from non-United States sources of information pertaining to communications to or from United States persons.

(4) The legal standards for dissemination of information acquired through the interception of the communications to or from United States persons.

(c) DEFINITIONS.—As used in this section:

(1) The term "intelligence community" has the meaning given that term under section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).

(2) The term "United States persons" has the meaning given that term under section 101(i) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801(i)).

(3) The term "appropriate congressional committees" means the Permanent Select Committee on Intelligence and the Committee on the Judiciary of the House of Representatives and the Select Committee on Intelligence and the Committee on the Judiciary of the Senate.

SEC. 310. REPORT ON EFFECTS OF FOREIGN ESPIONAGE ON THE UNITED STATES.

Not later than 270 days after the date of the enactment of this Act, the Director of Central Intelligence shall submit to Congress a report describing the effects of espionage against the United States, conducted by or on behalf of other nations, on United States trade secrets, patents, and technology development. The report shall also include an analysis of other effects of such espionage on the United States.

SEC. 311. REPORT ON ACTIVITIES OF THE CENTRAL INTELLIGENCE AGENCY IN CHILE.

(a) IN GENERAL.—By not later than 270 days after the date of the enactment of this Act, the Director of Central Intelligence shall submit to the appropriate congressional committees a report describing all activities of officers, covert agents, and employees of all elements in the intelligence community with respect to the following events in the Republic of Chile:

(1) The assassination of President Salvador Allende in September 1973.

(2) The accession of General Augusto Pinochet to the Presidency of the Republic of Chile.

(3) Violations of human rights committed by officers or agents of former President Pinochet.

(b) DEFINITION.—In this section, the term "appropriate congressional committees" means the Permanent Select Committee on Intelligence and the Committee on Appropriations of the House of Representatives and the Select Committee on Intelligence and the Committee on Appropriations of the Senate.

SEC. 312. REPORT ON KOSOVA LIBERATION ARMY.

(a) REPORT.—Not later than 30 days after the date of the enactment of this Act, the Director of Central Intelligence shall submit to the appropriate congressional committees a report (in both classified and unclassified form) on the organized resistance in Kosovo known as the Kosova Liberation Army. The report shall include the following:

(1) A summary of the history of the Kosova Liberation Army.

(2) As of the date of the enactment of this Act—

(A) the number of individuals currently participating in or supporting combat operations of the Kosova Liberation Army (fielded forces), and the number of individuals in training for such service (recruits);

(B) the types, and quantity of each type, of weapon employed by the Kosova Liberation Army, the training afforded to such fielded forces in the use of such weapons, and the sufficiency of such training to conduct effective military operations; and

(C) minimum additional weaponry and training required to improve substantially the efficacy of such military operations.

(3) An estimate of the percentage of funding (if any) of the Kosova Liberation Army that is attributable to profits from the sale of illicit narcotics.

(4) A description of the involvement (if any) of the Kosova Liberation Army in terrorist activities.

(5) A description of the number of killings of noncombatant civilians (if any) carried out by the Kosova Liberation Army since its formation.

(6) A description of the leadership of the Kosova Liberation Army, including an analysis of—

(A) the political philosophy and program of the leadership; and

(B) the sentiment of the leadership toward the United States.

(b) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—As used in this section, the term "appropriate congressional committees" means the Committee on International Relations and the Permanent Select Committee on Intelligence of the House of Representatives and the Committee on Foreign Relations and the Select Committee on Intelligence of the Senate.

SEC. 313. REAFFIRMATION OF LONGSTANDING PROHIBITION AGAINST DRUG TRAFFICKING BY EMPLOYEES OF THE INTELLIGENCE COMMUNITY.

(a) FINDING.—Congress finds that longstanding statutes, regulations, and policies of the United States prohibit employees, agents, and assets of the elements of the intelligence community, and of every other Federal department and agency, from engaging in the illegal manufacture, purchase, sale, transport, and distribution of drugs.

(b) OBLIGATION OF EMPLOYEES OF INTELLIGENCE COMMUNITY.—Any employee of the intelligence community having knowledge of a fact or circumstance that reasonably indicates that an employee, agent, or asset of an element of the intelligence community is involved in any activity that violates a statute, regulation, or policy described in subsection (a) shall report such knowledge to an appropriate official.

(c) INTELLIGENCE COMMUNITY DEFINED.—In this section, the term "intelligence community" has the meaning given that term in section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).

SEC. 314. SENSE OF CONGRESS ON CLASSIFICATION AND DECLASSIFICATION.

It is the sense of Congress that the systematic declassification of records of permanent historical value is in the public interest and that the management of classification and declassification by Executive branch agencies requires comprehensive reform and the dedication by the Executive branch of additional resources.

SEC. 315. SENSE OF CONGRESS ON INTELLIGENCE COMMUNITY CONTRACTING.

It is the sense of Congress that the Director of Central Intelligence should continue to direct that elements of the intelligence community, whenever compatible with the national security interests of the United States and consistent with operational and security concerns related to the conduct of intelligence activities, and where fiscally sound, should competitively award contracts in a manner that maximizes the procurement of products properly designated as having been made in the United States.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

SEC. 401. IMPROVEMENT AND EXTENSION OF CENTRAL SERVICES PROGRAM.

(a) SCOPE OF PROVISION OF ITEMS AND SERVICES.—Subsection (a) of section 21 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403u) is amended by striking "and to other" and inserting ", nonappropriated fund entities or instrumentalities associated or affiliated with the Agency, and other".

(b) DEPOSITS IN CENTRAL SERVICES WORKING CAPITAL FUND.—Subsection (c)(2) of that section is amended—

(1) by amending subparagraph (D) to read as follows:

"(D) Amounts received in payment for loss or damage to equipment or property of a central service provider as a result of activities under the program.";

(2) by redesignating subparagraph (E) as subparagraph (F); and

(3) by inserting after subparagraph (D), as so amended, the following new subparagraph (E):

"(E) Other receipts from the sale or exchange of equipment or property of a central service provider as a result of activities under the program.".

(c) AVAILABILITY OF FEES.—Subsection (f)(2)(A) of that section is amended by inserting "central service providers and any" before "elements of the Agency".

(d) EXTENSION OF PROGRAM.—Subsection (h)(1) of that section is amended by striking "March 31, 2000" and inserting "March 31, 2002".

SEC. 402. EXTENSION OF CIA VOLUNTARY SEPARATION PAY ACT.

(a) EXTENSION OF AUTHORITY.—Section 2(f) of the Central Intelligence Agency Voluntary Separation Pay Act (50 U.S.C. 403–4 note) is amended by striking "September 30, 1999" and inserting "September 30, 2002".

(b) REMITTANCE OF FUNDS.—Section 2(i) of that Act is amended by striking "or fiscal year 1999" and inserting ", 1999, 2000, 2001, or 2002".

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE ACTIVITIES

SEC. 501. PROTECTION OF OPERATIONAL FILES OF THE NATIONAL IMAGERY AND MAPPING AGENCY.

(a) IN GENERAL.—(1) Title I of the National Security Act of 1947 (50 U.S.C. 401 et seq.) is amended by inserting after section 105A (50 U.S.C. 403–5a) the following new section:

"PROTECTION OF OPERATIONAL FILES OF THE NATIONAL IMAGERY AND MAPPING AGENCY

"SEC. 105B. (a) EXEMPTION OF CERTAIN OPERATIONAL FILES FROM SEARCH, REVIEW, PUBLICATION, OR DISCLOSURE.—(1) The Director of the National Imagery and Mapping Agency, with the coordination of the Director of Central Intelligence, may exempt operational files of the National Imagery and Mapping Agency from the provisions of section 552 of title 5, United States Code, which require publication, disclosure, search, or review in connection therewith.

"(2)(A) Subject to subparagraph (B), for the purposes of this section, the term 'operational files' means files of the National Imagery and Mapping Agency (hereinafter in this section referred to as 'NIMA') concerning the activities of NIMA that before the establishment of NIMA were performed by the National Photographic Interpretation Center of the Central Intelligence Agency (NPIC), that document the means by which foreign intelligence or counterintelligence is collected through scientific and technical systems.

"(B) Files which are the sole repository of disseminated intelligence are not operational files.

"(3) Notwithstanding paragraph (1), exempted operational files shall continue to be subject to search and review for information concerning—

"(A) United States citizens or aliens lawfully admitted for permanent residence who have requested information on themselves pursuant to the provisions of section 552 or 552a of title 5, United States Code;

"(B) any special activity the existence of which is not exempt from disclosure under the provisions of section 552 of title 5, United States Code; or

"(C) the specific subject matter of an investigation by any of the following for any impropriety, or violation of law, Executive order, or Presidential directive, in the conduct of an intelligence activity:

"(i) The Permanent Select Committee on Intelligence of the House of Representatives.

"(ii) The Select Committee on Intelligence of the Senate.

"(iii) The Intelligence Oversight Board.

"(iv) The Department of Justice.

"(v) The Office of General Counsel of NIMA.

"(vi) The Office of the Director of NIMA.

"(4)(A) Files that are not exempted under paragraph (1) which contain information derived or disseminated from exempted operational files shall be subject to search and review.

"(B) The inclusion of information from exempted operational files in files that are not exempted under paragraph (1) shall not affect the exemption under paragraph (1) of the originating operational files from search, review, publication, or disclosure.

"(C) Records from exempted operational files which have been disseminated to and referenced in files that are not exempted under paragraph (1) and which have been returned to exempted operational files for sole retention shall be subject to search and review.

"(5) The provisions of paragraph (1) may not be superseded except by a provision of law which is enacted after the date of the enactment of this section, and which specifically cites and repeals or modifies its provisions.

"(6)(A) Except as provided in subparagraph (B), whenever any person who has requested agency records under section 552 of title 5, *United States Code, alleges that NIMA has withheld records improperly because of failure to comply with any provision of this section, judicial review shall be available under the terms set forth in section 552(a)(4)(B) of title 5, United States Code.*

"(B) Judicial review shall not be available in the manner provided for under subparagraph (A) as follows:

"(i) In any case in which information specifically authorized under criteria established by an Executive Order to be kept secret in the interests of national defense or foreign relations is filed with, or produced for, the court by NIMA, such information shall be examined ex parte, in camera by the court.

"(ii) The court shall, to the fullest extent practicable, determine the issues of fact based on sworn written submissions of the parties.

"(iii) When a complainant alleges that requested records are improperly withheld because of improper placement solely in exempted operational files, the complainant shall support such allegation with a sworn written submission based upon personal knowledge or otherwise admissible evidence.

"(iv)(I) When a complainant alleges that requested records were improperly withheld because of improper exemption of operational files, NIMA shall meet its burden under section 552(a)(4)(B) of title 5, United States Code, by demonstrating to the court by sworn written submission that exempted operational files likely to contain responsible records currently perform the functions set forth in paragraph (2).

"(II) The court may not order NIMA to review the content of any exempted operational file or files in order to make the demonstration required under subclause (I), unless the complainant disputes NIMA's showing with a sworn written submission based on personal knowledge or otherwise admissible evidence.

"(v) In proceedings under clauses (iii) and (iv), the parties may not obtain discovery pursuant to rules 26 through 36 of the Federal Rules of Civil Procedure, except that requests for admissions may be made pursuant to rules 26 and 36.

"(vi) If the court finds under this paragraph that NIMA has improperly withheld requested records because of failure to comply with any provision of this subsection, the court shall order NIMA to search and review the appropriate exempted operational file or files for the requested records and make such records, or portions thereof, available in accordance with the provisions of section 552 of title 5, United States Code, and such order shall be the exclusive remedy for failure to comply with this subsection.

"(vii) If at any time following the filing of a complaint pursuant to this paragraph NIMA agrees to search the appropriate exempted operational file or files for the requested records, the court shall dismiss the claim based upon such complaint.

"(viii) Any information filed with, or produced for the court pursuant to clauses (i) and (iv) shall be coordinated with the Director of Central Intelligence prior to submission to the court.

"(b) Decennial Review of Exempted Operational Files.—(1) Not less than once every ten years, the Director of the National Imagery and Mapping Agency and the Director of Central Intelligence shall review the exemptions in force under subsection (a)(1) to determine whether such exemptions may be removed from the category of exempted files or any portion thereof. The Director of Central Intelligence must approve any determination to remove such exemptions.

"(2) The review required by paragraph (1) shall include consideration of the historical value or other public interest in the subject matter of the particular category of files or portions thereof and the potential for declassifying a significant part of the information contained therein.

"(3) A complainant that alleges that NIMA has improperly withheld records because of failure to comply with this subsection may seek judicial review in the district court of the United States of the district in which any of the parties reside, or in the District of Columbia. In such a proceeding, the court's review shall be limited to determining the following:

"(A) Whether NIMA has conducted the review required by paragraph (1) before the expiration of the ten-year period beginning on the date of the enactment of this section or before the expiration of the 10-year period beginning on the date of the most recent review.

"(B) Whether NIMA, in fact, considered the criteria set forth in paragraph (2) in conducting the required review.".

(2) The table of contents contained in the first section of such Act is amended by inserting after the item relating to section 105A the following new item:

"Sec. 105B. Protection of operational files of the National Imagery and Mapping Agency.".

(b) Treatment of Certain Transferred Records.—Any record transferred to the National Imagery and Mapping Agency from exempted operational files of the Central Intelligence Agency covered by section 701(a) of the National Security Act of 1947 (50 U.S.C. 431(a)) shall be placed in the operational files of the National Imagery and Mapping Agency that are established pursuant to section 105B of the National Security Act of 1947, as added by subsection (a).

SEC. 502. FUNDING FOR INFRASTRUCTURE AND QUALITY OF LIFE IMPROVEMENTS AT MENWITH HILL AND BAD AIBLING STATIONS.

Section 506(b) of the Intelligence Authorization Act for Fiscal Year 1996 (Public Law 104–93; 109 Stat. 974), as amended by section 502 of the Intelligence Authorization Act for Fiscal Year 1998 (Public Law 105–107; 111 Stat. 2262), is further amended by striking "for fiscal years 1998 and 1999" and inserting "for fiscal years 2000 and 2001".

TITLE VI—FOREIGN COUNTERINTELLIGENCE AND INTERNATIONAL TERRORISM INVESTIGATIONS

SEC. 601. EXPANSION OF DEFINITION OF "AGENT OF A FOREIGN POWER" FOR PURPOSES OF THE FOREIGN INTELLIGENCE SURVEILLANCE ACT OF 1978.

Section 101(b)(2) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801(b)(2)) is amended—

(1) in subparagraph (C), by striking "or" at the end;

(2) by redesignating subparagraph (D) as subparagraph (E); and

(3) by inserting after subparagraph (C) the following new subparagraph (D):

"(D) knowingly enters the United States under a false or fraudulent identity for or on behalf of a foreign power or, while in the United States, knowingly assumes a false or fraudulent identity for or on behalf of a foreign power; or".

SEC. 602. FEDERAL BUREAU OF INVESTIGATION REPORTS TO OTHER EXECUTIVE AGENCIES ON RESULTS OF COUNTERINTELLIGENCE ACTIVITIES.

Section 811(c)(2) of the Counterintelligence and Security Enhancements Act of 1994 (title VIII of Public Law 103–359; 108 Stat. 3455; 50 U.S.C. 402a(c)(2)) is amended by striking "after a report has been provided pursuant to paragraph (1)(A)".

TITLE VII—NATIONAL COMMISSION FOR THE REVIEW OF THE NATIONAL RECONNAISSANCE OFFICE

SEC. 701. FINDINGS.

Congress makes the following findings:

(1) Imagery and signals intelligence satellites are vitally important to the security of the Nation.

(2) The National Reconnaissance Office (in this title referred to as the "NRO") and its predecessor organizations have helped protect and defend the United States for more than 30 years.

(3) The end of the Cold War and the enormous growth in usage of information technology have changed the environment in which the intelligence community must operate. At the same time, the intelligence community has undergone significant changes in response to dynamic developments in strategy and in budgetary matters. The acquisition and maintenance of satellite systems are essential to providing timely intelligence to national policymakers and achieving information superiority for military leaders.

(4) There is a need to evaluate the roles and mission, organizational structure, technical skills, contractor relationships, use of commercial imagery, acquisition of launch vehicles, launch services, and launch infrastructure, mission assurance, acquisition authorities, and relationship to other agencies and departments of the Federal Government of the NRO in order to assure continuing success in satellite reconnaissance in the new millennium.

SEC. 702. NATIONAL COMMISSION FOR THE REVIEW OF THE NATIONAL RECONNAISSANCE OFFICE.

(a) Establishment.—There is established a commission to be known as the "National Commission for the Review of the National Reconnaissance Office" (in this title referred to as the "Commission").

(b) Composition.—The Commission shall be composed of eleven members, as follows:

(1) The Deputy Director of Central Intelligence for Community Management.

(2) Three members appointed by the Majority Leader of the Senate, in consultation with the Chairman of the Select Committee on Intelligence of the Senate, one from Members of the Senate and two from private life.

(3) Two members appointed by the Minority Leader of the Senate, in consultation with the Vice Chairman of the Select Committee on Intelligence of the Senate, one from Members of the Senate and one from private life.

(4) Three members appointed by the Speaker of the House of Representatives, in consultation with the Chairman of the Permanent Select Committee on Intelligence of the House of Representatives, one from Members of the House of Representatives and two from private life.

(5) Two members appointed by the Minority Leader of the House of Representatives, in consultation with the ranking member of the Permanent Select Committee on Intelligence of the House of Representatives, one from Members of the House of Representatives and one from private life.

The Director of the National Reconnaissance Office shall be an ex officio member of the Commission.

(c) Membership.—(1) The individuals appointed as members of the Commission shall be individuals who are nationally recognized for expertise, knowledge, or experience in—

(A) technical intelligence collection systems and methods;

(B) research and development programs;

(C) acquisition management;

(D) use of intelligence information by national policymakers and military leaders; or

(E) the implementation, funding, or oversight of the national security policies of the United States.

(2) An official who appoints members of the Commission may not appoint an individual as a member of the Commission if, in the judgment of the official, such individual possesses any personal or financial interest in the discharge of any of the duties of the Commission.

(3) All members of the Commission appointed from private life shall possess an appropriate security clearance in accordance with applicable laws and regulations concerning the handling of classified information.

(d) CO-CHAIRS.—(1) The Commission shall have two co-chairs, selected from among the members of the Commission.

(2) One co-chair of the Commission shall be a member of the Democratic Party, and one co-chair shall be a member of the Republican Party.

(3) The individuals who serve as the co-chairs of the Commission shall be jointly agreed upon by the President, the Majority Leader of the Senate, the Minority Leader of the Senate, and Speaker of the House of Representatives, and the Minority Leader of the House of Representatives.

(e) APPOINTMENT; INITIAL MEETING.—(1) Members of the Commission shall be appointed not later than 45 days after the date of the enactment of this Act.

(2) The Commission shall hold its initial meeting on the date that is 60 days after the date of the enactment of this Act.

(f) MEETINGS; QUORUM; VACANCIES.—(1) After its initial meeting, the Commission shall meet upon the call of the co-chairs of the Commission.

(2) Six members of the Commission shall constitute a quorum for purposes of conducting business, except that two members of the Commission shall constitute a quorum for purposes of receiving testimony.

(3) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

(4) If vacancies in the Commission occur on any day after 45 days after the date of the enactment of this Act, a quorum shall consist of a majority of the members of the Commission as of such day.

(g) ACTIONS OF COMMISSION.—(1) The Commission shall act by resolution agreed to by a majority of the members of the Commission voting and present.

(2) The Commission may establish panels composed of less than the full membership of the Commission for purposes of carrying out the duties of the Commission under this title. The actions of any such panel shall be subject to the review and control of the Commission. Any findings and determinations made by such a panel shall not be considered the findings and determinations of the Commission unless approved by the Commission.

(3) Any member, agent, or staff of the Commission may, if authorized by the co-chairs of the Commission, take any action which the Commission is authorized to take pursuant to this title.

SEC. 703. DUTIES OF COMMISSION.

(a) IN GENERAL.—The duties of the Commission shall be—

(1) to conduct, until not later than the date on which the Commission submits the report under section 708(a), the review described in subsection (b); and

(2) to submit to the congressional intelligence committees, the Director of Central Intelligence, and the Secretary of Defense a final report on the results of the review.

(b) REVIEW.—The Commission shall review the current organization, practices, and authorities of the NRO, in particular with respect to—

(1) roles and mission;

(2) organizational structure;

(3) technical skills;

(4) contractor relationships;

(5) use of commercial imagery;

(6) acquisition of launch vehicles, launch services, and launch infrastructure, and mission assurance;

(7) acquisition authorities; and

(8) relationships with other agencies and departments of the Federal Government.

SEC. 704. POWERS OF COMMISSION.

(a) IN GENERAL.—(1) The Commission or, on the authorization of the Commission, any subcommittee or member thereof, may, for the purpose of carrying out the provisions of this title—

(A) hold such hearings and sit and act at such times and places, take such testimony, receive such evidence, and administer such oaths, and

(B) require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents,

as the Commission or such designated subcommittee or designated member considers necessary.

(2) Subpoenas may be issued under paragraph (1)(B) under the signature of the co-chairs of the Commission, and may be served by any person designated by such co-chairs.

(3) The provisions of sections 102 through 104 of the Revised Statutes of the United States (2 U.S.C. 192-194) shall apply in the case of any failure of a witness to comply with any subpoena or to testify when summoned under authority of this section.

(b) CONTRACTING.—The Commission may, to such extent and in such amounts as are provided in advance in appropriation Acts, enter into contracts to enable the Commission to discharge its duties under this title.

(c) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from any executive department, agency, bureau, board, commission, office, independent establishment, or instrumentality of the Government information, suggestions, estimates, and statistics for the purposes of this title. Each such department, agency, bureau, board, commission, office, establishment, or instrumentality shall, to the extent authorized by law, furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request of the co-chairs of the Commission. The Commission shall handle and protect all classified information provided to it under this section in accordance with applicable statutes and regulations.

(d) ASSISTANCE FROM FEDERAL AGENCIES.—(1) The Director of Central Intelligence shall provide to the Commission, on a nonreimbursable basis, such administrative services, funds, staff, facilities, and other support services as are necessary for the performance of the Commission's duties under this title.

(2) The Secretary of Defense may provide the Commission, on a nonreimbursable basis, with such administrative services, staff, and other support services as the Commission may request.

(3) In addition to the assistance set forth in paragraphs (1) and (2), other departments and agencies of the United States may provide the Commission such services, funds, facilities, staff, and other support as such departments and agencies consider advisable and as may be authorized by law.

(4) The Commission shall receive the full and timely cooperation of any official, department, or agency of the United States Government whose assistance is necessary for the fulfillment of the duties of the Commission under this title, including the provision of full and current briefings and analyses.

(e) PROHIBITION ON WITHHOLDING INFORMATION.—No department or agency of the Government may withhold information from the Commission on the grounds that providing the information to the Commission would constitute the unauthorized disclosure of classified information or information relating to intelligence sources or methods.

(f) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as the departments and agencies of the United States.

(g) GIFTS.—The Commission may accept, use, and dispose of gifts or donations of services or property in carrying out its duties under this title.

SEC. 705. STAFF OF COMMISSION.

(a) IN GENERAL.—(1) The co-chairs of the Commission, in accordance with rules agreed upon by the Commission, shall appoint and fix the compensation of a staff director and such other personnel as may be necessary to enable the Commission to carry out its duties, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III or chapter 53 of such title relating to classification and General Schedule pay rates, except that no rate of pay fixed under this subsection may exceed the equivalent of that payable to a person occupying a position at level V of the Executive Schedule under section 5316 of such title.

(2) Any Federal Government employee may be detailed to the Commission without reimbursement from the Commission, and such detailee shall retain the rights, status, and privileges of his or her regular employment without interruption.

(3) All staff of the Commission shall possess a security clearance in accordance with applicable laws and regulations concerning the handling of classified information.

(b) CONSULTANT SERVICES.—(1) The Commission may procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code, but at rates not to exceed the daily rate paid a person occupying a position at level IV of the Executive Schedule under section 5315 of such title.

(2) All experts and consultants employed by the Commission shall possess a security clearance in accordance with applicable laws and regulations concerning the handling of classified information.

SEC. 706. COMPENSATION AND TRAVEL EXPENSES.

(a) COMPENSATION.—(1) Except as provided in paragraph (2), each member of the Commission may be compensated at not to exceed the daily equivalent of the annual rate of basic pay in effect for a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day during which that member is engaged in the actual performance of the duties of the Commission under this title.

(2) Members of the Commission who are officers or employees of the United States or Members of Congress shall receive no additional pay by reason of their service on the Commission.

(b) TRAVEL EXPENSES.—While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5, United States Code.

SEC. 707. TREATMENT OF INFORMATION RELATING TO NATIONAL SECURITY.

(a) IN GENERAL.—(1) The Director of Central Intelligence shall assume responsibility for the handling and disposition of any information related to the national security of the United States that is received, considered, or used by the Commission under this title.

(2) Any information related to the national security of the United States that is provided to the Commission by a congressional intelligence committee may not be further provided or released without the approval of the chairman of such committee.

(b) ACCESS AFTER TERMINATION OF COMMISSION.—Notwithstanding any other provision of law, after the termination of the Commission under section 708, only the Members and designated staff of the congressional intelligence committees, the Director of Central Intelligence and the designees of the Director, and such other officials of the executive branch as the President may designate shall have access to information related to the national security of the United States that is received, considered, or used by the Commission.

SEC. 708. FINAL REPORT; TERMINATION.

(a) FINAL REPORT.—Not later than November 1, 2000, the Commission shall submit to the congressional intelligence committees, the Director of Central Intelligence, and the Secretary of Defense a final report as required by section 703(a).

(b) TERMINATION.—(1) The Commission, and all the authorities of this title, shall terminate at the end of the 120-day period beginning on the date on which the final report under subsection (a) is transmitted to the congressional intelligence committees.

(2) The Commission may use the 120-day period referred to in paragraph (1) for the purposes of concluding its activities, including providing testimony to committees of Congress concerning the final report referred to in that paragraph and disseminating the report.

SEC. 709. ASSESSMENTS OF FINAL REPORT.

Not later than 60 days after receipt of the final report under section 708(a), the Director of Central Intelligence and the Secretary of Defense shall each submit to the congressional intelligence committees an assessment by the Director or the Secretary, as the case may be, of the final report. Each assessment shall include such comments on the findings and recommendations contained in the final report as the Director or Secretary, as the case may be, considers appropriate.

SEC. 710. INAPPLICABILITY OF CERTAIN ADMINISTRATIVE PROVISIONS.

(a) FEDERAL ADVISORY COMMITTEE ACT.—The provisions of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the activities of the Commission under this title.

(b) FREEDOM OF INFORMATION ACT.—The provisions of section 552 of title 5, United States Code (commonly referred to as the Freedom of Information Act), shall not apply to the activities, records, and proceedings of the Commission under this title.

SEC. 711. FUNDING.

(a) TRANSFER FROM NRO.—Of the amounts authorized to be appropriated by this Act for the National Reconnaissance Office, the Director of the National Reconnaissance Office shall transfer to the Director of Central Intelligence $5,000,000 for purposes of the activities of the Commission under this title.

(b) AVAILABILITY IN GENERAL.—The Director of Central Intelligence shall make available to the Commission, from the amount transferred to the Director under subsection (a), such amounts as the Commission may require for purposes of the activities of the Commission under this title.

(c) DURATION OF AVAILABILITY.—Amounts made available to the Commission under subsection (b) shall remain available until expended.

SEC. 712. CONGRESSIONAL INTELLIGENCE COMMITTEES DEFINED.

In this title, the term "congressional intelligence committees" means the following:

(1) The Select Committee on Intelligence of the Senate.

(2) The Permanent Select Committee on Intelligence of the House of Representatives.

TITLE VIII—INTERNATIONAL NARCOTICS TRAFFICKING

SEC. 801. SHORT TITLE.

This title may be cited as the "Foreign Narcotics Kingpin Designation Act".

SEC. 802. FINDINGS AND POLICY.

(a) FINDINGS.—Congress makes the following findings:

(1) Presidential Decision Directive 42, issued on October 21, 1995, ordered agencies of the executive branch of the United States Government to, inter alia, increase the priority and resources devoted to the direct and immediate threat international crime presents to national security, work more closely with other governments to develop a global response to this threat, and use aggressively and creatively all legal means available to combat international crime.

(2) Executive Order No. 12978 of October 21, 1995, provides for the use of the authorities in the International Emergency Economic Powers Act (IEEPA) (50 U.S.C. 1701 et seq.) to target and apply sanctions to 4 international narcotics traffickers and their organizations that operate from Colombia.

(3) IEEPA was successfully applied to international narcotics traffickers in Colombia and based on that successful case study, Congress believes similar authorities should be applied worldwide.

(4) There is a national emergency resulting from the activities of international narcotics traffickers and their organizations that threatens the national security, foreign policy, and economy of the United States.

(b) POLICY.—It shall be the policy of the United States to apply economic and other financial sanctions to significant foreign narcotics traffickers and their organizations worldwide to protect the national security, foreign policy, and economy of the United States from the threat described in subsection (a)(4).

SEC. 803. PURPOSE.

The purpose of this title is to provide authority for the identification of, and application of sanctions on a worldwide basis to, significant foreign narcotics traffickers, their organizations, and the foreign persons who provide support to those significant foreign narcotics traffickers and their organizations, whose activities threaten the national security, foreign policy, and economy of the United States.

SEC. 804. PUBLIC IDENTIFICATION OF SIGNIFICANT FOREIGN NARCOTICS TRAFFICKERS AND REQUIRED REPORTS.

(a) PROVISION OF INFORMATION TO THE PRESIDENT.—The Secretary of the Treasury, the Attorney General, the Secretary of Defense, the Secretary of State, and the Director of Central Intelligence shall consult among themselves and provide the appropriate and necessary information to enable the President to submit the report under subsection (b). This information shall also be provided to the Director of the Office of National Drug Control Policy.

(b) PUBLIC IDENTIFICATION AND SANCTIONING OF SIGNIFICANT FOREIGN NARCOTICS TRAFFICKERS.—Not later than June 1, 2000, and not later than June 1 of each year thereafter, the President shall submit a report to the Permanent Select Committee on Intelligence, and the Committees on the Judiciary, International Relations, Armed Services, and Ways and Means of the House of Representatives; and to the Select Committee on Intelligence, and the Committees on the Judiciary, Foreign Relations, Armed Services, and Finance of the Senate—

(1) identifying publicly the foreign persons that the President determines are appropriate for sanctions pursuant to this title; and

(2) detailing publicly the President's intent to impose sanctions upon these significant foreign narcotics traffickers pursuant to this title.

The report required in this subsection shall not include information on persons upon which United States sanctions imposed under this title, or otherwise on account of narcotics trafficking, are already in effect.

(c) UNCLASSIFIED REPORT REQUIRED.—The report required by subsection (b) shall be submitted in unclassified form and made available to the public.

(d) CLASSIFIED REPORT.—(1) Not later than July 1, 2000, and not later than July 1 of each year thereafter, the President shall provide the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate with a report in classified form describing in detail the status of the sanctions imposed under this title, including the personnel and resources directed towards the imposition of such sanctions during the preceding fiscal year, and providing background information with respect to newly-identified significant foreign narcotics traffickers and their activities.

(2) Such classified report shall describe actions the President intends to undertake or has undertaken with respect to such significant foreign narcotics traffickers.

(3) The report required under this subsection is in addition to the President's obligations to keep the intelligence committees of Congress fully and currently informed pursuant to the provisions of the National Security Act of 1947.

(e) EXCLUSION OF CERTAIN INFORMATION.—

(1) INTELLIGENCE.—Notwithstanding any other provision of this section, the reports described in subsections (b) and (d) shall not disclose the identity of any person, if the Director of Central Intelligence determines that such disclosure could compromise an intelligence operation, activity, source, or method of the United States.

(2) LAW ENFORCEMENT.—Notwithstanding any other provision of this section, the reports described in subsections (b) and (d) shall not disclose the name of any person if the Attorney General, in coordination as appropriate with the Director of the Federal Bureau of Investigation, the Administrator of the Drug Enforcement Administration, and the Secretary of the Treasury, determines that such disclosure could reasonably be expected to—

(A) compromise the identity of a confidential source, including a State, local, or foreign agency or authority or any private institution that furnished information on a confidential basis;

(B) jeopardize the integrity or success of an ongoing criminal investigation or prosecution;

(C) endanger the life or physical safety of any person; or

(D) cause substantial harm to physical property.

(f) NOTIFICATION REQUIRED.—(1) Whenever either the Director of Central Intelligence or the Attorney General makes a determination under subsection (e), the Director of Central Intelligence or the Attorney General shall notify the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate, and explain the reasons for such determination.

(2) The notification required under this subsection shall be submitted to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate not later than July 1, 2000, and on an annual basis thereafter.

(g) DETERMINATIONS NOT TO APPLY SANCTIONS.—(1) The President may waive the application to a significant foreign narcotics trafficker of any sanction authorized by this title if the President determines that the application of

sanctions under this title would significantly harm the national security of the United States.

(2) When the President determines not to apply sanctions that are authorized by this title to any significant foreign narcotics trafficker, the President shall notify the Permanent Select Committee on Intelligence, and the Committees on the Judiciary, International Relations, Armed Services, and Ways and Means of the House of Representatives, and the Select Committee on Intelligence, and the Committees on the Judiciary, Foreign Relations, Armed Services, and Finance of the Senate not later than 21 days after making such determination.

(h) CHANGES IN DETERMINATIONS TO IMPOSE SANCTIONS.—

(1) ADDITIONAL DETERMINATIONS.—(A) If at any time after the report required under subsection (b) the President finds that a foreign person is a significant foreign narcotics trafficker and such foreign person has not been publicly identified in a report required under subsection (b), the President shall submit an additional public report containing the information described in subsection (b) with respect to such foreign person to the Permanent Select Committee on Intelligence, and the Committees on the Judiciary, International Relations, Armed Services, and Ways and Means of the House of Representatives, and the Select Committee on Intelligence, and the Committees on the Judiciary, Foreign Relations, Armed Services, and Finance of the Senate.

(B) The President may apply sanctions authorized under this title to the significant foreign narcotics trafficker identified in the report submitted under subparagraph (A) as if the trafficker were originally included in the report submitted pursuant to subsection (b) of this section.

(C) The President shall notify the Secretary of the Treasury of any determination made under this paragraph.

(2) REVOCATION OF DETERMINATION.—(A) Whenever the President finds that a foreign person that has been publicly identified as a significant foreign narcotics trafficker in the report required under subsection (b) or this subsection no longer engages in those activities for which sanctions under this title may be applied, the President shall issue public notice of such a finding.

(B) Not later than the date of the public notice issued pursuant to subparagraph (A), the President shall notify, in writing and in classified or unclassified form, the Permanent Select Committee on Intelligence, and the Committees on the Judiciary, International Relations, Armed Services, and Ways and Means of the House of Representatives, and the Select Committee on Intelligence, and the Committees on the Judiciary, Foreign Relations, Armed Services, and Finance of the Senate of actions taken under this paragraph and a description of the basis for such actions.

SEC. 805. BLOCKING ASSETS AND PROHIBITING TRANSACTIONS.

(a) APPLICABILITY OF SANCTIONS.—A significant foreign narcotics trafficker publicly identified in the report required under subsection (b) or (h)(1) of section 804 and foreign persons designated by the Secretary of the Treasury pursuant to subsection (b) of this section shall be subject to any and all sanctions as authorized by this title. The application of sanctions on any foreign person pursuant to subsection (b) or (h)(1) of section 804 or subsection (b) of this section shall remain in effect until revoked pursuant to section 804(h)(2) or subsection (e)(1)(A) of this section or waived pursuant to section 804(g)(1).

(b) BLOCKING OF ASSETS.—Except to the extent provided in regulations, orders, instructions, licenses, or directives issued pursuant to this title, and notwithstanding any contract entered into or any license or permit granted prior to the date on which the President submits the report required under subsection (b) or (h)(1) of section 804, there are blocked as of such date, and any date thereafter, all such property and interests in property within the United States, or within the possession or control of any United States person, which are owned or controlled by—

(1) any significant foreign narcotics trafficker publicly identified by the President in the report required under subsection (b) or (h)(1) of section 804;

(2) any foreign person that the Secretary of the Treasury, in consultation with the Attorney General, the Director of Central Intelligence, the Director of the Federal Bureau of Investigation, the Administrator of the Drug Enforcement Administration, the Secretary of Defense, and the Secretary of State, designates as materially assisting in, or providing financial or technological support for or to, or providing goods or services in support of, the international narcotics trafficking activities of a significant foreign narcotics trafficker so identified in the report required under subsection (b) or (h)(1) of section 804, or foreign persons designated by the Secretary of the Treasury pursuant to this subsection;

(3) any foreign person that the Secretary of the Treasury, in consultation with the Attorney General, the Director of Central Intelligence, the Director of the Federal Bureau of Investigation, the Administrator of the Drug Enforcement Administration, the Secretary of Defense, and the Secretary of State, designates as owned, controlled, or directed by, or acting for or on behalf of, a significant foreign narcotics trafficker so identified in the report required under subsection (b) or (h)(1) of section 804, or foreign persons designated by the Secretary of the Treasury pursuant to this subsection; and

(4) any foreign person that the Secretary of the Treasury, in consultation with the Attorney General, the Director of Central Intelligence, the Director of the Federal Bureau of Investigation, the Administrator of the Drug Enforcement Administration, the Secretary of Defense, and the Secretary of State, designates as playing a significant role in international narcotics trafficking.

(c) PROHIBITED TRANSACTIONS.—Except to the extent provided in regulations, orders, instructions, licenses, or directives issued pursuant to this title, and notwithstanding any contract entered into or any license or permit granted prior to the date on which the President submits the report required under subsection (b) or (h)(1) of section 804, the following transactions are prohibited:

(1) Any transaction or dealing by a United States person, or within the United States, in property or interests in property of any significant foreign narcotics trafficker so identified in the report required pursuant to subsection (b) or (h)(1) of section 804, and foreign persons designated by the Secretary of the Treasury pursuant to subsection (b) of this section.

(2) Any transaction or dealing by a United States person, or within the United States, that evades or avoids, or has the effect of evading or avoiding, and any endeavor, attempt, or conspiracy to violate, any of the prohibitions contained in this title.

(d) LAW ENFORCEMENT AND INTELLIGENCE ACTIVITIES NOT AFFECTED.—Nothing in this title prohibits or otherwise limits the authorized law enforcement or intelligence activities of the United States, or the law enforcement activities of any State or subdivision thereof.

(e) IMPLEMENTATION.—(1) The Secretary of the Treasury, in consultation with the Attorney General, the Director of Central Intelligence, the Director of the Federal Bureau of Investigation, the Administrator of the Drug Enforcement Administration, the Secretary of Defense, and the Secretary of State, is authorized to take such actions as may be necessary to carry out this title, including—

(A) making those designations authorized by paragraphs (2), (3), and (4) of subsection (b) of this section and revocation thereof;

(B) promulgating rules and regulations permitted under this title; and

(C) employing all powers conferred on the Secretary of the Treasury under this title.

(2) Each agency of the United States shall take all appropriate measures within its authority to carry out the provisions of this title.

(3) Section 552(a)(3) of title 5, United States Code, shall not apply to any record or information obtained or created in the implementation of this title.

(f) JUDICIAL REVIEW.—The determinations, identifications, findings, and designations made pursuant to section 804 and subsection (b) of this section shall not be subject to judicial review.

SEC. 806. AUTHORITIES.

(a) IN GENERAL.—To carry out the purposes of this title, the Secretary of the Treasury may, under such regulations as he may prescribe, by means of instructions, licenses, or otherwise—

(1) investigate, regulate, or prohibit—

(A) any transactions in foreign exchange, currency, or securities; and

(B) transfers of credit or payments between, by, through, or to any banking institution, to the extent that such transfers or payments involve any interests of any foreign country or a national thereof; and

(2) investigate, block during the pendency of an investigation, regulate, direct and compel, nullify, void, prevent, or prohibit any acquisition, holding, withholding, use, transfer, withdrawal, transportation, placement into foreign or domestic commerce of, or dealing in, or exercising any right, power, or privilege with respect to, or transactions involving, any property in which any foreign country or a national thereof has any interest,

by any person, or with respect to any property, subject to the jurisdiction of the United States.

(b) RECORDKEEPING.—Pursuant to subsection (a), the Secretary of the Treasury may require recordkeeping, reporting, and production of documents to carry out the purposes of this title.

(c) DEFENSES.—

(1) Full and actual compliance with any regulation, order, license, instruction, or direction issued under this title shall be a defense in any proceeding alleging a violation of any of the provisions of this title.

(2) No person shall be held liable in any court for or with respect to anything done or omitted in good faith in connection with the administration of, or pursuant to, and in reliance on this title, or any regulation, instruction, or direction issued under this title.

(d) RULEMAKING.—The Secretary of the Treasury may issue such other regulations or orders, including regulations prescribing recordkeeping, reporting, and production of documents, definitions, licenses, instructions, or directions, as may be necessary for the exercise of the authorities granted by this title.

SEC. 807. ENFORCEMENT.

(a) CRIMINAL PENALTIES.—(1) Whoever willfully violates the provisions of this title, or any license rule, or regulation issued pursuant to this title, or willfully neglects or refuses to comply with any order of the President issued under this title shall be—

(A) imprisoned for not more than 10 years,

(B) fined in the amount provided in title 18, United States Code, or, in the case of an entity, fined not more than $10,000,000, *or both.*

(2) Any officer, director, or agent of any entity who knowingly participates in a violation of the provisions of this title shall be imprisoned for not more than 30 years, fined not more than $5,000,000, or both.

(b) CIVIL PENALTIES.—A civil penalty not to exceed $1,000,000 may be imposed by the Secretary of the Treasury on any person who violates any license, order, rule, or regulation issued in compliance with the provisions of this title.

(c) JUDICIAL REVIEW OF CIVIL PENALTY.—Any penalty imposed under subsection (b) shall be subject to judicial review only to the extent provided in section 702 of title 5, United States Code.

SEC. 808. DEFINITIONS.

As used in this title:

(1) ENTITY.—The term "entity" means a partnership, joint venture, association, corporation, organization, network, group, or subgroup, or any form of business collaboration.

(2) FOREIGN PERSON.—The term "foreign person" means any citizen or national of a foreign state or any entity not organized under the laws of the United States, but does not include a foreign state.

(3) NARCOTICS TRAFFICKING.—The term "narcotics trafficking" means any illicit activity to cultivate, produce, manufacture, distribute, sell, finance, or transport narcotic drugs, controlled substances, or listed chemicals, or otherwise endeavor or attempt to do so, or to assist, abet, conspire, or collude with others to do so.

(4) NARCOTIC DRUG; CONTROLLED SUBSTANCE; LISTED CHEMICAL.—The terms "narcotic drug", "controlled substance", and "listed chemical" have the meanings given those terms in section 102 of the Controlled Substances Act (21 U.S.C. 802).

(5) PERSON.—The term "person" means an individual or entity.

(6) UNITED STATES PERSON.—The term "United States person" means any United States citizen or national, permanent resident alien, an entity organized under the laws of the United States (including its foreign branches), or any person within the United States.

(7) SIGNIFICANT FOREIGN NARCOTICS TRAFFICKER.—The term "significant foreign narcotics trafficker" means any foreign person that plays a significant role in international narcotics trafficking, that the President has determined to be appropriate for sanctions pursuant to this title, and that the President has publicly identified in the report required under subsection (b) or (h)(1) of section 804.

SEC. 809. EXCLUSION OF PERSONS WHO HAVE BENEFITED FROM ILLICIT ACTIVITIES OF DRUG TRAFFICKERS.

Section 212(a)(2)(C) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(2)(C)) is amended to read as follows:

"(C) CONTROLLED SUBSTANCE TRAFFICKERS.—Any alien who the consular officer or the Attorney General knows or has reason to believe—

"(i) is or has been an illicit trafficker in any controlled substance or in any listed chemical (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)), or is or has been a knowing aider, abettor, assister, conspirator, or colluder with others in the illicit trafficking in any such controlled or listed substance or chemical, or endeavored to do so; or

"(ii) is the spouse, son, or daughter of an alien inadmissible under clause (i), has, within the previous 5 years, obtained any financial or other benefit from the illicit activity of that alien, and knew or reasonably should have known that the financial or other benefit was the product of such illicit activity,

is inadmissible.".

SEC. 810. JUDICIAL REVIEW COMMISSION ON FOREIGN ASSET CONTROL.

(a) ESTABLISHMENT.—There is established a commission to be known as the "Judicial Review Commission on Foreign Asset Control" (in this section referred to as the "Commission").

(b) MEMBERSHIP AND PROCEDURAL MATTERS.—(1) The Commission shall be composed of five members, as follows:

(A) One member shall be appointed by the Chairman of the Select Committee on Intelligence of the Senate.

(B) One member shall be appointed by the Vice Chairman of the Select Committee on Intelligence of the Senate.

(C) One member shall be appointed by the Chairman of the Permanent Select Committee on Intelligence of the House of Representatives.

(D) One member shall be appointed by the Ranking Minority Member of the Permanent Select Committee on Intelligence of the House of Representatives.

(E) One member shall be appointed jointly by the members appointed under subparagraphs (A) through (D).

(2) Each member of the Commission shall, for purposes of the activities of the Commission under this section, possess or obtain an appropriate security clearance in accordance with applicable laws and regulations regarding the handling of classified information.

(3) The members of the Commission shall choose the chairman of the Commission from among the members of the Commission.

(4) The members of the Commission shall establish rules governing the procedures and proceedings of the Commission.

(c) DUTIES.—The Commission shall have as its duties the following:

(1) To conduct a review of the current judicial, regulatory, and administrative authorities relating to the blocking of assets of foreign persons by the United States Government.

(2) To conduct a detailed examination and evaluation of the remedies available to United States persons affected by the blocking of assets of foreign persons by the United States Government.

(d) POWERS.—(1) The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out the purposes of this section.

(2) The Commission may secure directly from any executive department, agency, bureau, board, commission, office, independent establishment, or instrumentality of the Government information, suggestions, estimates, and statistics for the purposes of this section. Each such department, agency, bureau, board, commission, office, establishment, or instrumentality shall, to the extent authorized by law, furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request of the chairman of the Commission. The Commission shall handle and protect all classified information provided to it under this section in accordance with applicable statutes and regulations.

(3) The Attorney General and the Secretary of the Treasury shall provide to the Commission, on a nonreimbursable basis, such administrative services, funds, facilities, and other support services as are necessary for the performance of the Commission's duties under this section.

(4) The Commission shall receive the full and timely cooperation of any official, department, or agency of the United States Government whose assistance is necessary for the fulfillment of the duties of the Commission under this section, including the provision of full and current briefings and analyses.

(5) No department or agency of the Government may withhold information from the Commission on the grounds that providing the information to the Commission would constitute the unauthorized disclosure of classified information or information relating to intelligence sources or methods.

(6) The Commission may use the United States mails in the same manner and under the same conditions as the departments and agencies of the United States.

(e) STAFF.—(1) Subject to paragraph (2), the chairman of the Commission, in accordance with rules agreed upon by the Commission, shall appoint and fix the compensation of a staff director and such other personnel as may be necessary to enable the Commission to carry out its duties, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that no rate of pay fixed under this subsection may exceed the equivalent of that payable to a person occupying a position at level V of the Executive Schedule under section 5316 of such title.

(2)(A) Any employee of a department or agency referred to in subparagraph (B) may be detailed to the Commission without reimbursement from the Commission, and such detailee shall retain the rights, status, and privileges of his or her regular employment without interruption.

(B) The departments and agencies referred to in this subparagraph are as follows:

(i) The Department of Justice.

(ii) The Department of the Treasury.

(iii) The Central Intelligence Agency.

(3) All staff of the Commission shall possess a security clearance in accordance with applicable laws and regulations concerning the handling of classified information.

(f) COMPENSATION AND TRAVEL EXPENSES.—(1)(A) Except as provided in subparagraph (B), each member of the Commission may be compensated at not to exceed the daily equivalent of the annual rate of basic pay in effect for a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day during which that member is engaged in the actual performance of the duties of the Commission under this section.

(B) Members of the Commission who are officers or employees of the United States shall receive no additional pay by reason of their service on the Commission.

(2) While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5, United States Code.

(g) REPORT.—(1) Not later than one year after the date of the enactment of this Act, the Commissions shall submit to the committees of Congress referred to in paragraph (4) a report on the activities of the Commission under this section, including the findings, conclusions, and recommendations, if any, of the Commission as a result of the review under subsection (c)(1) and the examination and evaluation under subsection (c)(2).

(2) The report under paragraph (1) shall include any additional or dissenting views of a member of the Commission upon the request of the member.

(3) The report under paragraph (1) shall be submitted in unclassified form, but may include a classified annex.

(4) The committees of Congress referred to in this paragraph are the following:

(A) The Select Committee on Intelligence and the Committees on Foreign Relations and the Judiciary of the Senate.

(B) The Permanent Select Committee on Intelligence and the Committees on International Relations and the Judiciary of the House of Representatives.

(h) TERMINATION.—The Commission shall terminate at the end of the 60-day period beginning on the date on which the report required by subsection (g) is submitted to the committees of Congress referred to in that subsection.

(i) INAPPLICABILITY OF CERTAIN ADMINISTRATIVE PROVISIONS.—(1) The provisions of the Federal Advisory Committee Act (5.S.C. App.) shall not apply to the activities of the Commission under this section.

(2) The provisions of section 552 of title 5, United States Code (commonly referred to as the Freedom of Information Act), shall not apply to the activities, records, and proceedings of the Commission under this title.

(j) FUNDING.—The Attorney General shall, from amounts authorized to be appropriated to the Attorney General by this Act, make available to the Commission $1,000,000 for purposes of the activities of the Commission under this section. Amounts made available to the Commission under the preceding sentence shall remain available until expended.

SEC. 811. EFFECTIVE DATE.

This title shall take effect on the date of the enactment of this Act.

And the Senate agree to the same.

From the Permanent Select Committee on Intelligence, for consideration of the Senate amendment, and the House bill, and modifications committed to conference:

Porter Goss,
Jerry Lewis,
Bill McCollum,
Michael N. Castle,
Sherwood Boehlert,
Charles F. Bass,
Jim Gibbons,
Ray LaHood,
Heather Wilson,
Julian C. Dixon,
Nancy Pelosi,
Sanford Bishop, Jr.,
Norman Sisisky,
Gary Condit.

From the Committee on Armed Services, for consideration of defense tactical intelligence and related activities:

Floyd Spence,
Bob Stump,
Robert E. Andrews,
Managers on the Part of the House.

From the Select Committee on Intelligence:

Richard Shelby,
Bob Kerrey,
Richard G. Lugar,
Mike DeWine,
Jon Kyl,
Jim Inhofe,
Orrin Hatch,
Pat Roberts,
Wayne Allard,
Richard H. Bryan,
Bob Graham,
John F. Kerry,
Max Baucus,
Chuck Robb,
Frank R. Lautenberg.

From the Committee on Armed Services:

John Warner,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the Senate and the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1555) to authorize appropriations for fiscal year 2000 for intelligence and the intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, submit the following joint statement to the Senate and the House in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendments struck all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment that is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clerical changes.

The managers agree that the congressionally directed actions described in the respective committee reports or classified annexes should be undertaken to the extent that such congressional directed actions are not amended, altered, or otherwise specifically addressed in either this Joint Explanatory Statement or in the classified annex to the conference report on the bill H.R. 1555.

TITLE I—INTELLIGENCE ACTIVITIES

SEC. 101. AUTHORIZATION OF APPROPRIATIONS

Section 101 of the conference report report lists the departments, agencies, and other elements of the United States Government for whose intelligence and intelligence related activities the Act authorizes appropriations for fiscal year 2000. Section 101 is identical to section 101 of the Senate amendment.

SEC. 102. CLASSIFIED SCHEDULE OF AUTHORIZATIONS

Section 102 of the conference report makes clear that the details of the amounts authorized to be appropriated for intelligence and intelligence-related activities and applicable personnel ceilings covered under this title for fiscal year 2000 are contained in a classified Schedule of Authorizations. The classified Schedule of Authorizations is incorporated into the Act by this section. The details of the Schedule are explained in the classified annex to this report. Section 102 is similar to section 102 of the House bill and section 102 of the Senate amendment.

SEC. PERSONNEL CEILING ADJUSTMENTS

Section 103 of the conference report authorizes the Director of Central Intelligence, with the approval of the Director of the Office of Management and Budget, in fiscal year 2000 to authorize employment of civilian personnel in excess of the personnel ceilings applicable to the components of the Intelligence Community under section 102 by an amount not to exceed two percent of the total of the ceilings applicable under section 102. The Director of Central Intelligence may exercise this authority only when doing so is necessary to the performance of important intelligence functions. Any exercise of this authority must be reported to the two intelligence committees of the Congress.

The managers emphasize that the authority conferred by section 103 is not intended to permit the wholesale raising of personnel strength in any intelligence component. Rather, the section provides the Director of Central Intelligence with flexibility to adjust personnel levels temporarily for contingencies and for overages caused by an imbalance between hiring of new employees and attrition of current employees. The managers do not expect the Director of Central Intelligence to allow heads of intelligence components to plan to exceed levels set in the Schedule of Authorizations except for the satisfaction of clearly identified hiring needs which are consistence with the authorization of personnel strengths in this bill. In no case is this authority to be used to provide for positions denied by this bill. Section 103 is identical to section 103 of the House bill and section 103 of the Senate amendment.

SEC. 104. INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT

Section 104 of the conference report authorizes appropriations for the Community Management Account for the Director of Central Intelligence and sets the personnel end-strength for the Intelligence Community Management Staff for fiscal year 2000.

Subsection (a) authorizes appropriations of $170,672,000 for fiscal year 2000 for the activities of the Community Management Account (CMA) of the Director of Central Intelligence.

The House bill and the Senate amendment were nearly identical.

The Senate amendment, however, contained a provision earmarking funds from the CMA for the Information Security Oversight Office (ISOO). The House bill did not include a similar provision. The House recedes to the Senate position with a modification. The managers have agreed to delete the provision earmarking Community Management funds for the ISOO. The managers agree that authorizing funds from the CMA for the ISOO is an inappropriate allocation of intelligence community funds.

Subsection (b) authorizes 347 full-time personnel for the Community Management Staff for fiscal year 2000 and provides that such personnel may be permanent employees of the Staff or detailed from various elements of the United States Government.

Subsection (c) authorizes additional appropriations and personnel for the Community Management Account as specified in the classified Schedule of Authorizations and permits these additional amounts to remain available through September 30, 2001.

Subsection (d) requires, except as provided in Section 113 of the National Security Act of 1947 or for temporary situations of less than one year, that personnel from another element of the United States Government be detailed to an element of the Community Management Account on a reimbursable basis.

Subsection (e) authorizes $27,000,000 of the amount authorized in subsection (a) to be made available for the National Drug Intelligence Center (NDIC).

SEC. 105. AUTHORIZATION OF EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1999

Section 105 specifically authorizes, for purposes of section 504 of the National Security Act of 1947, those intelligence and intelligence-related activities that were deemed to have been authorized, pursuant to that section, through the 1999 Emergency Supplemental Appropriations Act (P.L 106-31). A provision similar to section 105 was included in the House bill but was not included in the Senate amendment. The Senate recedes to the House position. The managers agreed to include this provision based on the requirements of section 504 of the National Security Act of 1947.

Title II—Central Intelligence Agency Retirement and Disability System

SEC. 201. AUTHORIZATION OF APPROPRIATIONS

Section 201 is identical to section 201 of the House bill and section 201 of the Senate amendment.

Title III—General Provisions

SEC. 301. INCREASE IN EMPLOYEE COMPENSATION AND BENEFITS AUTHORIZED BY LAW

Section 301 is identical to section 301 of the House bill and section 301 of the Senate amendment.

SEC. 302. RESTRICTION ON CONDUCT OF INTELLIGENCE ACTIVITIES

Section 302 is identical to section 302 of the House bill and section 302 of the Senate amendment.

SEC. 303. DIPLOMATIC INTELLIGENCE SUPPORT CENTERS

Section 303 of the conference report limits the establishment, operation, or maintenance of Diplomatic Intelligence Support Centers (DISCs) in fiscal year 2000 and precludes the obligation or expenditure of any funds appropriated for fiscal year 2000 for any purpose related to DISCs, without the prior approval of the Director of Central Intelligence (DCI).

The managers direct that prior to any NFIP funds being spent to establish a DISC, the DCI must, within three days of his approval of the establishment of a DISC, advise the congressional intelligence committees of his determination that the approved DISC is required to provide necessary intelligence support in furtherance of the national security interests of the United States.

Neither the House bill nor the Senate amendment contained a similar provision. Prior to the meeting of conferees, however, the managers learned of efforts by the Department of State to establish a DISC and found the concept unwise. The managers are not convinced that the DISC model is an appropriate means for providing intelligence support to diplomatic missions. This is specifically so where there is already ample intelligence support at the disposal of the chief of a diplomatic mission. Nothwithstanding this provision limiting the establishment, operation, or maintenance of DISCs, the managers strongly believe that intelligence support to diplomatic missions is one of the very highest intelligence priorities.

Nothing in this provision precludes the Department of State from deploying Bureau of Intelligence and Research analysts to any location where the Secretary of State determines there is a need for such support. Likewise, this provision does not inhibit the Director of Central Intelligence from deciding the appropriate level of, or the manner in which, intelligence support to U.S. diplomatic missions shall be accomplished. The managers have specifically identified in the classified annex to this conference report the type of intelligence support that is unaffected by this provision.

SEC. 304. PROTECTION OF IDENTITY OF RETIRED COVERT AGENTS

The House bill contained a similar provision. The Senate amendment did not. The Senate recedes to the House with a modification replacing the mandatory minimum sentencing provision in the House bill with a provision specifying that terms of imprisonment imposed under the section shall be served consecutively to any other sentence of imprisonment.

SEC. 305. ACCESS TO COMPUTERS AND COMPUTER DATA OF EXECUTIVE BRANCH EMPLOYEES WITH ACCESS TO CLASSIFIED INFORMATION

The Senate amendment contained a similar provision. The House bill did not. The House recedes to the Senate position.

SEC. 306. NATURALIZATION OF CERTAIN PERSONS AFFILIATED WITH A COMMUNIST OR SIMILAR PARTY

The Senate amendment contained a similar provision. The House bill did not. The House recedes to the Senate position.

SEC. 307. TECHNICAL AMENDMENT

The Senate amendment contained a similar provision. The House bill did not. The House recedes to the Senate position.

SEC. 308. DECLASSIFICATION REVIEW OF INTELLIGENCE ESTIMATE ON VIETNAM-ERA PRISONERS OF WAR AND MISSING IN ACTION PERSONNEL AND CRITICAL ASSESSMENT OF ESTIMATE

The Senate amendment contained a similar provision. the House bill did not. the House recedes to the Senate position.

SEC. 309. REPORT ON LEGAL STANDARDS APPLIED FOR ELECTRONIC SURVEILLANCE

The House bill and Senate amendment contained similar provisions. The Senate recedes to the House provision with a modification.

SEC. 310. REPORT ON EFFECTS OF FOREIGN ESPIONAGE ON THE UNITED STATES

The House bill contained a similar provision. The Senate amendment did not. The Senate recedes to the House position.

SEC. 311. REPORT ON ACTIVITIES OF THE CENTRAL INTELLIGENCE AGENCY IN CHILE

Section 311 requires the Director of Central Intelligence to submit a report to the appropriate committees of Congress no later than nine months after this Act is enacted describing all activities of officers, covert agents, and employees of all elements in the intelligence community with respect to the assassination of President Salvador Allende in September 1973; the accession of General Augusto Pinochet to the Presidency of the Republic of Chile; and, violations of human rights committed by officers or agents of former President Pinochet.

The conferees note that the National Security Council on February 1, 1999, directed the Departments of State, Justice, and Defense; the Central Intelligence Agency; and the National Archives to compile and review for public release all documents that shed light on human rights abuses, terrorism, and other acts of political violence during and prior to the Pinochet era in Chile. In addition, the conferees note that the Department of Justice is conducting a search for documents pertaining to the requests of the Spanish court investigating the abuses of the Pinochet regime. The managers expect the appropriate committees of Congress, as set forth in this section, to be given access to the documents responsive to these two searches, whether classified or publicly released.

Section 311 is similar to Section 306(a) of the House bill but provides additional time for the submission of the report.

SEC. 312. REPORT ON KOSOVA LIBERATION ARMY

The House bill contained a similar provision. The Senate amendment did not. The Senate recedes to the House position.

SEC. 313. REAFFIRMATION OF LONGSTANDING PROHIBITION AGAINST DRUG TRAFFICKING BY EMPLOYEES OF THE INTELLIGENCE COMMUNITY

The House bill contained a similar provision. The Senate amendment did not. The Senate recedes to the House position with a modification upon the insistence of the Senate.

SEC. 314. SENSE OF CONGRESS ON CLASSIFICATION AND DECLASSIFICATION

The Senate amendment contained a similar provision. The House bill did not. The House recedes to the Senate position.

SEC. 315. SENSE OF CONGRESS ON INTELLIGENCE COMMUNITY CONTRACTING

The House bill contained a similar provision. The Senate amendment did not. The Senate recedes to the House position.

Title IV—Central Intelligence Agency

SEC. 401. IMPROVEMENT AND EXTENSION OF CENTRAL SERVICES PROGRAM

The Senate amendment contained a similar provision. The House bill did not. The House recedes to the Senate position, with a modification.

SEC. 402. EXTENSION OF CIA VOLUNTARY SEPARATION PAY ACT

The Senate amendment contained a similar provision. The House bill did not. The House recedes to the Senate position, upon the insistence of the Senate.

Title V—Department of Defense Intelligence Activities

SEC. 501. PROTECTION OF OPERATIONAL FILES OF THE NATIONAL IMAGERY AND MAPPING AGENCY

The House bill contained a similar provision. The Senate amendment did not. The Senate recedes to the House position, with a modification making this amendment to title 50, United States Code, rather than in title 10, United States Code.

SEC. 502. FUNDING FOR INFRASTRUCTURE AND QUALITY OF LIFE IMPROVEMENTS AT MENWITH HILL AND BAD AIBLING STATIONS

The Senate amendment contained a similar provision. The House bill did not. The House recedes to the Senate position.

Title VI—Foreign Counterintelligence and International Terrorism Investigations

SEC. 601. EXPANSION OF DEFINITION OF "AGENT OF A FOREIGN POWER" FOR PURPOSES OF THE FOREIGN INTELLIGENCE SURVEILLANCE ACT OF 1978

The Senate amendment contained a similar provision. The House bill did not. The House recedes to the Senate position.

SEC. 602. FEDERAL BUREAU OF INVESTIGATION REPORTS TO OTHER EXECUTIVE AGENCIES ON RESULTS OF COUNTERINTELLIGENCE ACTIVITIES

The Senate amendment contained a similar provision. The House bill did not. The House recedes to the Senate position.

Title VII—National Commission for the Review of the National Reconnaissance Office

SEC. 701. FINDINGS

Neither the House bill nor the Senate amendment contained a similar provision. Prior to the meeting of conferees, however, the managers determined that an independent review of the National Reconnaissance Office (NRO) must be conducted to ensure that the National Reconnaissance Office (NRO) must be conducted to ensure that the Intelligence Community will acquire the most efficient, technologically capable, and economical satellite collection systems, and that the national policymakers and military leaders receive the intelligence they require to keep our nation secure. Therefore, the managers have included a provision creating the Commission for the Review of the National Reconnaissance Office.

The managers agreed that the functions and missions carried out by the NRO are essential to the provision of timely intelligence to policymakers and military leaders. However, the changing threat environment and emerging technologies have altered both what information satellites can collect and how they collect it. Additionally, Congress wants to ensure that future generations of intelligence collection satellites both perform to their requirements and are purchased at a fair cost to the taxpayer.

SEC. 702. NATIONAL COMMISSION FOR THE REVIEW OF THE NATIONAL RECONNAISSANCE OFFICE

The Commission will have eleven members. The Majority Leader of the Senate and the Speaker of the House, in consultation with the Chairman of the Senate Select Committee on Intelligence and the House Permanent Select Committee on Intelligence, will each appoint one commission member from their respective Chamber and two from private life. The Minority Leaders of the Senate and House, in consultation with the Vice Chairman of the Senate Select Committee on Intelligence and the ranking member of the House Permanent Select Committee on Intelligence, will each appoint one commission member from their respective Chamber and one from private life. Additionally, the Deputy Director of Central Intelligence for Community Management will be a voting member of the Commission and the Director of the National Reconnaissance Office will be an ex officio, i.e., nonvoting, member of the Commission.

The managers have included requirements that individuals appointed to the Commission will have experience and expertise in technical intelligence collection systems and methods; research and development programs; acquisition management; use of intelligence information by national policymakers and military leaders; and/or the implementation, funding, or oversight of the national security policies of the United States.

The Co-Chairs of the Commission will be selected from among the members of the Commission and agreed upon by the President, the Majority and Minority Leaders of the Senate, and the Speaker and Minority Leader of the House.

SEC. 703. DUTIES OF COMMISSION

The Commission is tasked with reviewing the roles and mission of the NRO; its organizational structure; technical skills of its employees; its contractor relationships; its use of commercial imagery; its acquisition of launch vehicles, launch services, launch infrastructure, and mission assurance; its acquisition authorities; and the relationship to other agencies and departments of the Federal Government.

SEC. 704. POWERS OF COMMISSION

The Commission is authorized to hold hearings, receive testimony from witnesses, receive information from federal agencies, and receive assistance from the Director of Central Intelligence and the Secretary of Defense in order to discharge its duties under this title.

SEC. 705. STAFF OF COMMISSION

The Commission is authorized to hire staff, procure consultant services, and receive assistance from Federal Government employees detailed to the Commission in order to discharge its duties under this title.

The managers agree that any member of the Commission is authorized to designate his or her staff to serve as liaison staff to the Commission. Liaison staff are required to possess the requisite security clearances before being given any access to classified information. Liaison staff shall have the same access to the information considered by the Commission as staff directly hired by the Commission.

SEC. 706. COMPENSATION AND TRAVEL EXPENSES

Members of the Commission are authorized to be compensated and be allowed travel expenses for the performance of their duties under this title.

SEC. 707. TREATMENT OF INFORMATION RELATING TO NATIONAL SECURITY

The Director of Central Intelligence shall assume responsibility for the handling and disposition of national security information received, considered, and used by Commission.

SEC. 708. FINAL REPORT; TERMINATION

The Commission is to produce a report with recommendations to the congressional intelligence committees, the Director of Central Intelligence, and the Secretary of Defense by November 1, 2000. A copy of this report shall also be made available to the committees on Armed Services of the Senate and the House of Representatives.

The managers realize that the nature of the subject matter involved in a review of the NOR may of necessity require that Classified report be produced, but believe strongly that an unclassified report should also be made available to the public.

SEC. 709. ASSESSMENTS OF FINAL REPORT

The Director of Central Intelligence and the Secretary of Defense shall each submit to the congressional intelligence committees as assessment of the report of the Commission within 30 days of receipt of the report. A copy of these assessments shall also be made available to the Commission on Armed Services of the Senate and the House of Representatives.

SEC. 710. INAPPLICABILITY OF CERTAIN ADMINISTRATIVE PROVISIONS

The provisions of the Federal advisory Committee Act and the Freedom of Information Act shall not apply to the activities of the Commission.

SEC. 711. FUNDING

The Director of Central Intelligence shall make available for purposes of the activities of the Commission $5.0 million from the amounts authorized to be appropriated by this Act for the National Reconnaissance Office.

SEC. 712. CONGRESSIONAL INTELLIGENCE COMMITTEES DEFINED

The congressional intelligence committees referred to in this title refer to the Senate Select Committee on Intelligence and the House Permanent Select Committee on Intelligence.

Title VIII—Blocking Assets of Significant Foreign Narcotics Traffickers

SEC. 801. SHORT TITLE

This section provides the short title for this title: "Foreign Narcotics Kingpin Designation Act."

SEC. 802. FINDINGS AND POLICY

The provisions in title VIII are intended to be global in scope—not country-specific—and specifically focus on the major cocaine, heroin, marijuana, amphetamine, and emerging synthetic narcotics produced and sold by foreign narco-trafficking organizations. The managers believe that the enactment of these provisions will encourage U.S. law enforcement an intelligence agencies to better coordinate their efforts against the leaders of the world's most dangerous multinational criminal organizations. This initiative will assist U.S. Government efforts to identify the assets, financial networks, and business associates of major narcotics trafficking groups. If effectively implemented, this strategy will disrupt these criminal organizations and bankrupt their leadership.

The provisions in this title are intended to supplement—not to replace—the United States' policy of annual certification of countries based on their performance in combating narcotics trafficking. This title will properly focus our Government's efforts against the specific individuals most responsible for trafficking in illegal narcotics by attacking their sources of income and undermining their efforts to launder the profits generated by drug-trafficking into legitimate business activities.

The intention of this legislation is to strengthen the ability of United States law enforcement effectively to target international narcotics traffickers attaching the fabric of our society. The legislation is based on the successful application of the International emergency Economic Powers Act (IEEPA) against Colombian narcotics traffickers. There is no intention that this legislation affect Americans who are not knowingly and willfully engaged in international narcotics trafficking. Nor is it intended in any way to derogate from existing constitutional and statutory due process protections for those whose assets are blocked or seized pursuant to law.

SEC. 803. PURPOSE

The legal precedent for this title was the successful application of sanctions in 1995 and 1996 against the Cali Cartel narco-trafficking organization and its key leaders. Executive Order 12978, issued by the Clinton Administration in October 1995, had the effect of dismantling and defunding numerous business entities conclusively tied to the Cali Cartel. Relying on the authorities provided within the IEEPA, President Clinton found that the activities of several Specially Designated Narcotics Traffickers (SDNTs) constituted an unusual and extraordinary threat to the United States' national security, foreign policy, and economy. In a June 1998 publication of the Treasury Department, the SDNT program was described as follows:

Companies and individuals are identified as SDNTs and placed on the SDNT list if they are determined, (a) to play a significant role in international narcotics trafficking centered in Colombia, (b) to materially assist in or provide financial or technological support for, or goods and services in support of, the narcotics trafficking activities of persons designated in or pursuant to the executive order, or (c) to be owned or controlled by, or to act for or on behalf of, persons designated in or pursuant to Executive order 12978. The objectives of the SDNT program are to identify, expose, isolate and incapacitate the businesses and agents of the Colombian cartels and to deny them access to the U.S. financial system and to the benefits of trade and transactions involving United States businesses and individuals.

Coordinated law enforcement efforts by the U.S. and Colombian Governments in support of these sanctions put the Cali Cartel kingpins out of business. This legislation is intended to follow up on the success of the Colombian SDNT precedent by applying similar U.S. Government authorities and resources against significant foreign narcotics traffickers around the globe—including, but not limited to, major narcotics traffickers and trafficking organizations based in Afghanistan, Bolivia, Burma, Colombia, Dominican Republic, Laos, Mexico, Pakistan, People's Republic of China, Peru, Russia, and Thailand.

The bottom line objective of these provisions is to bankrupt and disrupt the major narcotics trafficking organizations. The targets of this legislation are not only the drug kingpins, but those involved in their illicit activities, such as: money laundering, acquiring chemical precursors to manufacture narcotics, manufacturing the drugs, transporting narcotics from the drug source countries to the United States, and managing the assets of these criminal enterprises.

SEC. 804. PUBLIC IDENTIFICATION OF SIGNIFICANT FOREIGN NARCOTICS TRAFFICKERS AND REQUIRED REPORTS

This section requires the Secretary of the Treasury—in consultation with the Attorney General, the Director of Central Intelligence, the Secretary of Defense, and the Secretary of State—to provide the appropriate and necessary information to enable the President to prepare the congressionally-mandated classified and unclassified reports on significant foreign narcotics traffickers. The President then shall make the determination to formally designate any significant foreign narcotics traffickers on June 1, 2000 (and not later than June 1st of each year thereafter) as constituting an unusual and extraordinary threat to the national security, foreign policy and the economy of the United States. On June 1, 2000 (and not later than June 1st of each year thereafter), the President shall submit an unclassified report to the Committees on Intelligence, International Relations, Judiciary, Armed Services, and Ways and Means of the House of Representatives, and the Committees on Intelligence, Foreign Relations, Judiciary, Armed Services, and Finance of the Senate for official review. This unclassified report shall: (1) identify publicly the foreign persons that the President determines are appropriate for sanctions pursuant to this title; and (b) detail publicly the President's intent to impose sanctions upon these significant foreign narcotics traffickers pursuant to this title. Individuals and entities linked to major narcotics trafficking groups may be added to or withdrawn from the kingpins' list by the President at any time during the year.

The managers expect that the President will provide a classified report on July 1, 2000 (and not later than July 1st of each year thereafter) to the House Permanent Select Committee on Intelligence and the Senate Select Committee on Intelligence detailing the overall status of the program, including personnel and resources directed towards the program, and providing background information with respect to newly identified significant foreign narcotics traffickers and their activities. The managers intend that the executive branch shall provide a detailed briefing after publication of the annual classified report with respect to its findings.

If the Director of Central Intelligence or the Attorney General make a determination not to designate a foreign individual on the Global Kingpins list due to a possible compromise of intelligence or law enforcement sources and methods, the legislation requires that they shall notify the House and Senate Intelligence Committees delineating the basis of their determination. A formal notification of a determination not to designate shall be provided to the House and Senate Intelligence Committees not later than July 1, 2000, and on an annual basis thereafter.

As a general matter, it is contemplated that the Director of Central Intelligence, the Attorney General, and the Secretary of the Treasury will determine to exclude the name of an individual from the Global Kingpins list only: (1) under circumstances where the mere appearance of the name on the list could compromise an intelligence source or method; (2) could reasonably be expected to disclose the identity of a confidential law enforcement source; (3) would disclose techniques and procedures for law enforcement prosecutions; (4) could reasonably be expected to endanger the life or physical safety of any individual; or (5) where there is an insufficient basis upon which to rely to support that individual's inclusion.

A similar version of this legislation, offered in the House as the "Drug Kingpins Bankruptcy Act of 1999," established a precedent for the future content and scope of the Global Kingpins list, by specifically identifying the first group of twelve of the world's most significant narco-traffickers from Burma, the Caribbean Region, Colombia, Mexico and Thailand. The first proposed Global Kingpins/SDNT list was developed in consultation with the Drug Enforcement Administration, the Federal Bureau of investigation, the State Department, the Treasury Department, and the Central Intelligence Agency's Crime and Narcotics Center.

The managers also believe that the annual unclassified and classified reports to the Congress will serve as vital oversight tools by providing additional data for the annual drug certification process. The certification process requires the President to certify on March 1st of each year the level of cooperation that the United States Government is receiving from major drug producing and major transit nations. The action or lack of action by both the Administration and these nations on the "majors list" with respect to the drug kingpins will become a significant annual indicator of counterdrug cooperation.

The managers note that the Colombian Kingpins/SDNT initiative under Executive Order 12978 in October 1995 was prepared within 6 months and was based upon information already collected on these kingpins and their operations. The managers recognize that the implementation of the Global Kingpins list will require significant additional resources and personnel from the intelligence and law enforcement communities. The managers urge that the Administration provide significant additional funding in the FY2001 Budget for the Treasury Department's Office of Foreign Assets Control (OFAC) to fully implement the Global Kingpins program in 2000 on a worldwide basis. As an interim measure, the managers recommend that the Treasury Department's Office of Foreign Assets Control receive analytical assistance and technical support from the Treasury Department's Office of Intelligence Support, the Justice Department's National Drug Intelligence Center, and the CIA's Crime and Narcotics Center.

SEC. 805. BLOCKING ASSETS AND PROHIBITING TRANSACTIONS

The effect of this provision will be to block all property and interests in property within the United States that are under the direct or indirect ownership or control of significant foreign narcotics traffickers. Second, it will block all assets of any foreign persons who materially assist, provide financial or technical support, or offer goods and services to such significant foreign narcotics traffickers. Third, it will block the assets of any foreign persons, who are determined by the United States Government as controlled by or acting on behalf of significant foreign narcotics traffickers. Fourth, it will block the assets of any foreign persons that the Secretary of the Treasury—in consultation with the Director of Central Intelligence, the Director of the Federal Bureau of Investigation, the Administrator of the Drug Enforcement Administration, the Secretary of State, and the Secretary of Defense—designates as playing a significant role in international narcotics trafficking.

The sanctions that would take effect against the kingpins designated by the President, and their organizations and subordinates, would include the following:

(a) All assets of the kingpins and their organizations and subordinates subject to United States jurisdiction would be blocked; other law enforcement tools such as seizure and forfeiture would be available if appropriate.

(b) U.S. individuals and companies would be prohibited from engaging in unlicensed transactions, including any commercial or financial dealings, with any of the named kingpins and their organizations and subordinates.

Following the Colombia IEEPA–SDNT precedent, the Secretary of the Treasury will have the authority to determine and list persons and entities deemed to be materially assisting in, providing financial or technological support for, or providing goods or services in support of the narcotics trafficking activities of significant foreign narcotics traffickers. In order to develop this second-level list of facilitating persons and entities, the Secretary of the Treasury will rely on information collected by the U.S. intelligence and law enforcement communities as well as on information provided by foreign government intelligence and law enforcement organizations. This information must pass through a rigorous interagency review process; the information must be material, factual and verifiable, and able to withstand scrutiny in a United States Federal Court. The success of the Colombia IEEPA–SDNT program has largely been the product of close U.S. cooperation with Colombian law enforcement and regulatory agencies. It is expected that global implementation of the kingpins list will promote closer U.S. cooperation with foreign law enforcement and regulatory agencies.

As with the Colombia IEEPA–SDNT program, the Secretary of the Treasury will issue all necessary administrative regulations and specifications to implement the Kingpins program on a global basis. Notification of United States persons and entities linked to significant foreign narcotics traffickers will also follow the precedents established under the Colombia IEEPA–SDNT program. Due to threats made against the U.S. officials responsible for implementation of the Colombia SDNT program, records and information obtained or created in the preparation of the Global Kingpins/SDNT list as well as the specific details on the implementation of sanctions against significant foreign narcotics traffickers would be exempted from the Freedom of Information Act.

All SDNT programs require that such designations pass an "arbitrary and capricious" test; and all designations are based upon a non-criminal standard of "reasonable cause to believe" that the party is owned or controlled by, or acts, or purports to act, for or on behalf of the sanctioned non-state party. Furthermore, the Colombia IEEPA–SDNT executive order uses an additional designation basis for foreign firms or individuals that "materially * * * assist in or provide financial or technological support for or goods or services in support of, the narcotics trafficking activities" of the named drug kingpins or other, already designated SDNTs.

In implementing the Colombia IEEPA-SDNT program, OFAC analysts identify and research foreign targets that can be linked by evidence to individuals or entities already designated pursuant to E.O. 12978. To establish sufficient linkage, OFAC initially relied upon a significant body of documentary evidence through criminal law enforcement raids and seizures. The President's involvement was required in the designation of the original four Cali cartel kingpins named in the annex to E.O. 12978. Additional kingpin listings in Colombia have been developed through close coordination between OFAC and the Department of Justice, and the preponderance of Colombian SDNTs have been designated as a product of OFAC's research and collection efforts.

In the Colombia IEEPA–SDNT program, OFAC has reached designation determinations only after extensive reviews of the evidence internally and with the Department of Justice. E.O. 12978 has required that the State and Justice Departments be consulted by the Treasury prior to a designation. As noted above, Justice is deeply involved in examining the sufficiency of the evidence that occurs before any parties are added to the list.

OFAC regulations provide for post-designation review and remedies. The usual forum for considering removal of a designation (such as a change in circumstances or behavior) is one in which the named person or entity petitions OFAC for removal. Most petitioners initiate the review process simply by writing OFAC. Exchanges of correspondence, additional fact-finding and meetings occur before OFAC decides whether there is a basis for removal. Although a number of persons have been removed through this means, only a very few persons or entities on the SDNT and other SDNT lists have ever petitioned for removal. Federal courts have held that no pre-deprivation hearing is required in blocking of assets because of the Executive Branch's plenary authority to act in the area of foreign policy and the obvious need to take immediate action upon designation to avoid dissipation of affected assets.

SEC. 806. AUTHORITIES

This section generally restates the applicable provisions of the International Economic Emergency Powers Act.

SEC. 807. ENFORCEMENT

This section generally restates the applicable provisions of the Trading with the Enemy Act.

SEC. 808. DEFINITIONS

This section defines specific terms used in this title.

SEC. 809. EXCLUSION OF PERSONS WHO HAVE BENEFITED FROM ILLICIT ACTIVITIES OF DRUG TRAFFICKERS

This section restates the applicable provisions of the Immigration and Nationality Act of 1952 as amended in 8 U.S.C. 1182(a)(2)(c). Designation on this list will result in the denial of visas and inadmissibility of specially designated narcotics traffickers, their immediate families, and their business associates.

SEC. 810. JUDICIAL REVIEW COMMISSION ON FOREIGN ASSET CONTROL

This section creates a commission to review the current judicial, regulatory, and administrative authorities under which the United States government blocks assets of foreign persons and to provide a detailed constitutional examination and evaluation of remedies available to United States persons affected by the blocking of assets of foreign persons. The commission is required to report back to Congress no later than one year after the date of enactment of this act on its findings, conclusions, and recommendations, if any, on the matters under their review. The managers believe that the public interest can best be served if the commission can reach consensus on its conclusions. The managers acknowledge, however, that consensus may not be able to reach on the significant issues on which the commission will deliberate. To that end, therefore, the managers have provided that the report to be submitted to Congress at the end of the commission's review period shall include all additional or dissenting views, if any.

Four of the commission members are to be appointed by the Chairmen and Ranking Democrats of the congressional intelligence committees. The fifth member of the Commission shall be appointed by the four members of the commission appointed by the intelligence committee Chairmen and Ranking Democrats. The commission shall also be provided the cooperation and assistance that it requests from any agency in the federal government.

The managers are determined to ensure that the judicial, regulatory, and administrative remedies and procedures available to U.S. persons affected by the blocking of assets of foreign persons pass constitutional muster. As expected, the managers concern centers on the fundamental question of due process and whether that principle is affirmed and sustained in the execution of this legislation. The managers expect the members of the Commission to examine and report on at least the following constitutional and other issues:

(1) whether reasonable protections of innocent U.S. businesses are available under the regime currently in place that is utilized to carry out the provisions of the International Emergency Economic Powers Act ("IEEPA");

(2) whether advance notice prior to blocking of one's assets is required as a matter of constitutional due process;

(3) whether there are reasonable opportunities under the current IEEPA regulatory regime and the Administrative Procedures Act for an erroneous blocking of assets or mistaken listing under IEEPA to be remedied;

(4) whether the level of proof that is required under the current judicial, regulatory, or administrative scheme is adequate to protect legitimate business interests from irreparable financial harm;

(5) whether there is constitutionally adequate accessibility to the courts to challenge agency actions under IEEPA, or the designation of persons or entities under IEEPA;

(6) whether there are remedial measures and legislative amendments that should be enacted to improve the current asset blocking scheme under IEEPA or this title; and

(7) whether the resources made available for the Office of Foreign Assets Control ("OFAC") at the Department of Treasury in the fiscal year 2001 budget submission are adequate to carry out the provisions of this title or the other programs currently in effect under IEEPA.

SEC. 811. EFFECTIVE DATE

This section establishes the effective date for this title.

From the Permanent Select Committee on Intelligence, for consideration of the Senate amendment, and the House bill, and modifications committed to conference:

Porter Goss,
Jerry Lewis,
Bill McCollum,
Michael N. Castle,
Sherwood Boehlert,
Charles F. Bass,
Jim Gibbons,
Ray LaHood,
Heather Wilson,
Julian C. Dixon,
Nancy Pelosi,
Sanford Bishop, Jr.,
Norman Sisisky,
Gary Condit.

From the Committee on Armed Services, for consideration of defense tactical intelligence and related activities:

Floyd Spence,
Bob Stump,
Robert E. Andrews,
Managers on the Part of the House.

From the Select Committee on Intelligence:

Richard Shelby,
Bob Kerrey,
Richard G. Lugar,
Mike DeWine,
Jon Kyl,
Jim Inhofe,
Orrin Hatch,
Pat Roberts,
Wayne Allard,
Richard H. Bryan,
Bob Graham,
John F. Kerry,
Max Baucus,
Chuck Robb,
Frank R. Lautenberg.

From the Committee on Armed Services:

John Warner,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Martinez (at the request of Mr. Gephardt) for today on account of official business.

Mr. Kanjorski (at the request of Mr. Gephardt) for today on account of official business.

Mr. McInnis (at the request of Mr. Armey) for today on account of attending a funeral.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Strickland) to revise and extend their remarks and include extraneous material:)

Mrs. Maloney of New York, for 5 minutes, today.

Mr. Strickland, for 5 minutes, today.

Mr. Brown of Ohio, for 5 minutes, today.

Ms. Jackson-Lee of Texas, for 5 minutes, today.

The following Members (at the request of Mr. Gutknecht) to revise and extend their remarks and include extraneous material:

Mr. GUTKNECHT, for 5 minutes, today.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 225. An act to provide Federal housing assistance to Native Hawaiians; to the Committee on Banking and Financial Services.

S. 777. An act to require the Department of Agriculture to establish an electronic filing and retrieval system to enable the public to file all required paperwork electronically with the Department and to have access to public information on farm programs, quarterly trade, economic, and production reports, and other similar information; to the Committee on Agriculture.

S. 1290. An act to amend title 36 of the United States Code to establish the American Indian Education Foundation, and for other purposes; to the Committee on the Judiciary.

S. 1455. An act to enhance protections against fraud in the offering of financial assistance for college education, and for other purposes; to the Committee on the Judiciary, in addition to the Committee on Education and the Workforce for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

S. 1754. An act to deny safe havens to international and war criminals, and for other purposes; to the Committee on the Judiciary.

S. 1866. An act to redesignate the Coastal Barrier Resources System as the "John H. Chafee Coastal Barrier Resources System"; to the Committee on Resources.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H.J. Res. 75. Making further continuing appropriations for the fiscal year 2000, and for other purposes.

ADJOURNMENT

Mr. GUTKNECHT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 22 minutes p.m.), under its previous order, the House adjourned until Monday, November 8, 1999, at 12:30 p.m. for morning hour debates.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

5193. A letter from the Acting Administrator, Department of Agriculture, transmitting the Department's final rule—Streamlining of Regulations for Real Estate and Chattel Appraisals (RIN: 0560–AF69) received November 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

5194. A letter from the Acting Administrator, Department of Agriculture, transmitting the Department's final rule—1999 Livestock Indemnity Program; 1998 Single-Year and Multi-Year Crop Loss Disaster Assistance Program (RIN: 0560–AF82) received November 3, .1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

5195. A letter from the Congressional Review Coordinator, Department of Agriculture, transmitting the Department's final rule—Imported Fire Ants; Quarantined Areas and Treatment Dosage [Docket No. 99–078–1] received November 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

5196. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting the Department's final rule—Citrus Canker Regulations [Docket No. 99–080–1] received November 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

5197. A letter from the Chief, Programs and Legislation Division, Office of Legislative Liaison, Department of Defense, transmitting notification that the Commander of Cannon Air Force Base (AFB) New Mexico has conducted a cost comparison to reduce the cost of Military Family Housing Maintenance, pursuant to 10 U.S.C. 2461; to the Committee on Armed Services.

5198. A letter from the Assistant Secretary of Defense, transmitting the "Evaluation of the TRICARE Program FY 1999 Report to Congress"; to the Committee on Armed Services.

5199. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Suspension of Community Eligibility [Docket No. FEMA–7723] received November 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

5200. A letter from the Director, Regulations Policy and Management Staff, FDA, Department of Health and Human Services, transmitting the Department's final rule—Food Labeling: Health Claims; Soy Protein and Coronary Heart Disease [Docket No. 98P–0683] received November 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5201. A letter from the Director, Regulations Policy and Management Staff, FDA, Department of Health and Human Services, transmitting the Department's final rule—Food Additives Permitted for Direct Addition to Food for Human Consumption Polysorbate 60 [Docket No. 84F–0050] received November 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5202. A letter from the Associate Chief, Wireless Telecommunications Bureau, Federal Communications Commission, transmitting the Commission's final rule—Interconnection and Resale Obligations Pertaining to Commercial Mobile Radio Services [CC Docket No. 94–54] Personal Communications Industry Assocaition's Broadband Personal Communications Services Alliance's Petition for Forebearance for Broadband Personal Communications Services Forbearance from Applying Provisions of the Communications Act to Wireless Telecommunications Carriers [WT Docket No. 98–100] Further Forbearance from Title II Regulation for Certain Types of Commercial Mobile Radio Services [GN Docket No. 94–33] Received November 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5203. A letter from the Director, Defense Cooperation Assistance Agency, transmitting the Department of the Air Force's proposed lease of defense articles to Australia (Transmittal No. 03–00), pursuant to 22 U.S.C. 2796a(a); to the Committee on International Relations.

5204. A letter from the Director, Defense Security Cooperation Agency, transmitting notification concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance (LOA) to United Kingdom for defense articles and services (Transmittal No. 00–18), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

5205. A letter from the Director, Defense Security Cooperation Agency, transmitting notification concerning the Department of the Army's Proposed Letter(s) of Offer and Acceptance (LOA) to the Netherlands for defense articles and services (Transmittal No. 00–17), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

5206. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Finland [Transmittal No. DTC 101–99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5207. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing License Agreement with the Czech Republic and Canada [Transmittal No. DTC 107–99], pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

5208. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed transfer of major defense equipment to the United Kingdom [Transmittal RSAT–2–99], pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

5209. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Israel [Transmittal No. DTC 106–99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5210. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Turkey [Transmittal No. DTC 148–99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5211. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing License Agreement with Japan [Transmittal No. DTC 116–99], pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

5212. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing License Agreement with United Kingdom [Transmittal No. DTC 144–99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5213. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to the United Arab Emirates [Transmittal No. DTC 160–99], pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

5214. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Brazil [Transmittal No. DTC 143–99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5215. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Japan [Transmittal No. DTC 135–99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5216. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Israel [Transmittal No. DTC 159–99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5217. A letter from the Assistant Secretary, Bureau of Export Administration, transmitting the Administration's final rule—Exports to Kosovo [Docket No. 990923261–9261–01] (RIN: 0694–AB99) received November 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

5218. A letter from the Director, Defense Security Cooperation Agency, transmitting notification concerning the Department of the Army's Proposed Letter(s) of Offer and Acceptance (LOA) to Republic of Korea for defense articles and services (Transmittal No. 00–21); to the Committee on International Relations.

5219. A letter from the Executive Director, Committee For Purchase From People Who Are Blind Or Severely Disabled, transmitting the Committee's final rule—Additions And Deletions—received November 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

5220. A letter from the Chairman, District of Columbia Financial Responsibility and Management Assistance Authority, transmitting the 1999 Annual Report; to the Committee on Government Reform.

5221. A letter from the Director Designee, Federal Mediation and Conciliation Service, transmitting the report on audit and investigations provisions of the Inspector General Act, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform.

5222. A letter from the Office of the Independent Counsel, transmitting the Annual Report on Audit and Investigative Activities, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

5223. A letter from the Chair, United States Architectural and Transportation Barriers Compliance Board, transmitting the report in compliance with the Inspector General Act and the Federal Managers' Financial Integrity Act, pursuant to 5 app.; to the Committee on Government Reform.

5224. A letter from the Deputy Assistant Administrator, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule— National Sea Grant College Program—National Marine Fisheries Service Joint Graduate Fellowship Programs in Population Dynamics and Marine Resource Economics [Docket No. 990810211–9211–01] (RIN: 0648–ZA69) received November 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. YOUNG of Alaska: Committee on Resources. H.R. 2547. A bill to provide for the conveyance of lands interests to Chugach Alaska Corporation to fulfill the intent, purpose, and promise of the Alaska Native Claims Settlement Act; with an amendment (Rept. 106–451). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 3090. A bill to amend the Alaska Native Claims Settlement Act to restore certain lands to the Elim Native Corporation, and for other purposes; with an amendment (Rept. 106–452). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. S. 416. An act to direct the Secretary of Agriculture to convey the city of Sisters, Oregon, a certain parcel of land for use in connection with a sewage treatment facility; with an amendment (Rept. 106–453). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 1444. A bill to authorize the Secretary of the Army to develop and implement projects for fish screens, fish passage devices, and other similar measures to mitigate adverse impacts associated with irrigation system water diversions by local governmental entities in the States of Oregon, Washington, Montana, and Idaho; with amendments (Rept. 106–454 Pt. 1). Ordered to be printed.

Mr. HYDE: Committee on the Judiciary. H.R. 1869. A bill to amend title 18, United States Code, to expand the prohibition on stalking, and for other purposes; with an amendment (Rept. 106–455). Referred to the Committee of the Whole House on the State of the Union.

Mr. GOODLING: Committee on Education and the Workforce. H.R. 3172. A bill to amend the welfare-to-work program and modify the welfare-to-work performance bonus; with an amendment (Rept. 106–456 Pt. 1). Ordered to be printed.

Mr. GOSS: Committee of Conference. Conference report on H.R. 1555. A bill to authorize appropriations for fiscal year 2000 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes (Rept. 106–457). Ordered to be printed.

DISCHARGE OF COMMITTEE

Pursuant to clause 5 of rule X, the Committee on Education and the Workforce discharged from further consideration. H.R. 3073 referred to the Committee of the Whole House on the State of the Union.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

H.R. 1838. Referral to the Committee on Armed Services extended for a period ending not later than November 10, 1999.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. JACKSON of Illinois (for himself, Mr. Franks of New Jersey, Mr. Kennedy of Rhode Island, Ms. Lee, Ms. Eddie Bernice Johnson of Texas, Mrs. Christensen, Mr. Hilliard, Mr. Gutierrez, and Mr. Owens):

H.R. 3232. A bill to direct the President to conduct a study of issues relating to the incorporation of online and Internet technologies in the voting process, and for other purposes; to the Committee on House Administration.

By Mr. JACKSON of Illinois (for himself, Mr. Evans, Mrs. Jones of Ohio, Ms. Norton, Ms. Schakowsky, Mr. Cummings, and Mr. Owens):

H.R. 3233. A bill to amend the Federal Rules of Criminal Procedure to allow a defendant to make a motion for forensic testing not available at trial regarding actual innocence; to the Committee on the Judiciary.

By Mr. GOODLING:

H.R. 3234. A bill to exempt certain reports from automatic elimination and sunset pursuant to the Federal Reports and Elimination and Sunset Act of 1995; to the Committee on Education and the Workforce.

By Mr. BARRETT of Wisconsin (for himself and Mr. Kleczka):

H.R. 3235. A bill to improve academic and social outcomes for youth and reduce both juvenile crime and the risk that youth will become victims of crime by providing productive activities conducted by law enforcement personnel during non-school hours; to the Committee on the Judiciary.

By Mr. CANNON:

H.R. 3236. A bill to authorize the Secretary of the Interior to enter into contracts with the Weber Basin Water Conservancy District, Utah, to use Weber Basin Project facilities for the impounding, storage, and carriage of nonproject water for domestic, municipal, industrial, and other beneficial purposes; to the Committee on Resources.

By Mrs. CUBIN:

H.R. 3237. A bill to provide for the exchange of certain lands within the State of Wyoming; to the Committee on Resources.

By Mr. CUMMINGS (for himself, Mr. Hoyer, Mr. Wynn, Mr. Cardin, Mrs. Morella, Mr. Gilchrest, Mr. Ehrlich, and Mr. Bartlett of Maryland):

H.R. 3238. A bill to name certain facilities of the United States Postal Service in Baltimore, Maryland; to the Committee on Government Reform.

By Mr. DUNCAN:

H.R. 3239. A bill to require any organization that is established for the purpose of raising funds for the creation of a Presidential archival depository to disclose the sources and amounts of any funds raised; to the Committee on Government Reform.

By Mr. GUTKNECHT (for himself, Mr. Foley, Mr. Coburn, and Mr. Paul):

H.R. 3240. A bill to amend the Federal Food, Drug, and Cosmetic Act to clarify certain responsibilities of the Food and Drug Administration with respect to the importation of drugs into the United States; to the Committee on Commerce.

By Mr. SANFORD:

H.R. 3241. A bill to direct the Secretary of the Interior to recalculate the franchise fee owed by Fort Sumter Tours, Inc., a concessioner providing service to Fort Sumter National Monument in South Carolina, and for other purposes; to the Committee on Resources.

By Mr. SCARBOROUGH (for himself and Mrs. THURMAN):

H.R. 3242. A bill to delay the effective date of the final rule regarding the Organ Procurement and Transplantation Network; to the Committee on Commerce.

By Mr. TERRY:

H.R. 3243. A bill to amend the Federal Election Campaign Act of 1971 to provide meaningful campaign finance reform through requiring better reporting, decreasing the role of soft money, and increasing individual contribution limits, and for other purposes; to the Committee on House Administration, and in addition to the Committees on Commerce, and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 219: Mr. PETRI.

H.R. 220: Mr. KOLBE.

H.R. 408: Ms. BALDWIN.

H.R. 721: Mr. SMITH of Texas and Mr. BERMAN.

H.R. 750: Mr. MEEHAN.

H.R. 762: Mr. BURTON of Indiana, Mr. GEPHARDT, Mr. MEEHAN, Ms. BALDWIN, Mr. SCHAFFER, Mr. FORBES, Mr. BLUNT, Mr. MCINTOSH, Mr. PETERSON of Minnesota, Mr. SPENCE, Mr. KLECZKA, and Ms. ESHOO.

H.R. 984: Mr. VITTER.

H.R. 1032: Mr. WALDEN of Oregon.

H.R. 1168: Mr. RANGEL.

H.R. 1244: Mr. TOOMEY.

H.R. 1274: Ms. BERKLEY.

H.R. 1275: Mr. PORTER, Ms. BERKLEY, Mr. MEEHAN, Mr. GEJDENSON, Ms. ROYBAL-ALLARD, and Ms. LEE.

H.R. 1483: Mr. GOODLING.

H.R. 1591: Ms. BERKLEY.

H.R. 1645: Mr. ANDREWS and Ms. BERKLEY.

H.R. 1650: Mr. SPENCE, Mrs. TAUSCHER, Mr. LANTOS, Mr. MORAN of Virginia, and Mr. HINOJOSA.

H.R. 1769: Mrs. JONES of Ohio.

H.R. 1795: Mr. UDALL of Colorado and Mr. NORWOOD.

H.R. 1837: Ms. LOFGREN.

H.R. 1839: Mr. GREEN of Texas.

H.R. 1842: Mr. KILDEE.

H.R. 2053: Mr. RUSH and Mrs. MALONEY of New York.

H.R. 2129: Mr. FLETCHER, Mr. KANJORSKI, Mr. WELDON of Pennsylvania, Mr. SISISKY, Mr. BEREUTER, Mr. EWING, Mrs. TAUSCHER, and Mr. GUTKNECHT.

H.R. 2341: Mr. CUMMINGS, Mr. HAYES, and Mr. FRANK of Massachusetts.

H.R. 2405: Ms. ROYBAL-ALLARD.

H.R. 2486: Mr. MATSUI, Mr. KENNEDY of Rhode Island, and Mr. PAYNE.

H.R. 2655: Mr. JONES of North Carolina and Mr. WAMP.

H.R. 2715: Mr. PAUL.

H.R. 2749: Mr. ISAKSON.

H.R. 2757: Mr. HOEKSTRA.

H.R. 2842: Mr. ALLEN.

H.R. 2907: Mr. BILIRAKIS and Mr. FILNER.

H.R. 2953: Mr. MANZULLO.

H.R. 2966: Ms. CARSON, Mr. DEUTSCH, Mr. FRANK of Massachusetts, Mr. HALL OF TEXAS, MR. ISTOOK, Mrs. MEEK of Florida, Ms. MILLENDER-MCDONALD, Mr. OWENS, Mr. PAYNE, Ms. PELOSI, and Mr. SMITH of New Jersey.

H.R. 3008: Mr. BOEHLERT, Mr. BORSKI, Mr. PAYNE, and Mr. BALDACCI.

H.R. 3058: Mr. LIPINSKI.

H.R. 3072: Mr. KLINK.

H.R. 3075: Mr. BLILEY, Mr. BILIRAKIS, Mrs. BONO, Mr. BILBRAY, Mr. BURR of North Carolina, Mr. OXLEY, Mr. SHADEGG, Mr. LAZIO, Mr. TAUZIN, Mr. COBURN, Mr. ROGAN, Mr. STEARNS, Mr. UPTON, Mr. WHITFIELD, Mr. GREENWOOD, and Mr. GILMOR.

H.R. 3082: Mr. TANNER.

H.R. 3105: Mr. RANGEL.

H.R. 3142: Mr. KILDEE.

H.R. 3180: Mr. BARCIA.

H.R. 3204: Mr. FORBES.

H. Con. Res. 62: Mr. LEWIS of Kentucky.

H. Con. Res. 89: Mr. MOORE.

H. Con. Res. 177: Mr. BROWN of Ohio, Mrs. MINK of Hawaii, Mr. LEWIS of Georgia, Mr. UDALL of New Mexico, Mr. UDALL of Colorado, Ms. KAPTUR, Ms. JACKSON-LEE of Texas, Mr. TOWNS, Mr. MEEKS of New York, Mr. WATT of North Carolina, Mr. HILLIARD, Ms. WATERS, Mr. MOAKLEY, Mr. MCDERMOTT, Mr. BALDACCI, Mr. CAPUANO, Mr. NEAL of Massachusetts, Mr. COYNE, Mr. MEEHAN, and Mr. CUMMINGS.

H. Con. Res. 216: Ms. MCKINNEY, Mr. RUSH, Mr. SWEENEY, Ms. STABENOW, Mr. ANDREWS, and Mrs. KELLY.

H. Res. 82: Mr. HOLT.

H. Res. 94: Mr. SNYDER.

H. Res. 325: Mr. ISAKSON.

SENATE—*Friday, November 5, 1999*

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

I commit my way to the Lord
And trust also in Him
And He shall bring it to pass
I rest in the Lord and
Wait patiently for Him.—Psalm 37:5,7.

Blessed God, Your omniscience both comforts and alarms us. You know all about us: our strengths and weaknesses, our hopes and hurts. So often, instead of waiting patiently for You, we wait to commit our needs to You. Here we are at the end of another work week. There is work to be done before we can break for the weekend. Help us to believe that what we commit to You will come to pass if You deem it best for us. We need to experience the peace of mind and body that comes when we do what You guide us to do and leave the results to You.

Bless the Senators with the profound peace that comes from giving You their burdens and receiving Your resiliency and refreshment. May this be a great day because they, and all of us who work with them, decide to rest in Your presence and wait patiently for Your power to strengthen us. Through our Lord and Savior. Amen.

PLEDGE OF ALLEGIANCE

The Honorable CONRAD BURNS, a Senator from the State of Montana, led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The Senator from Montana is recognized.

SCHEDULE

Mr. BURNS. Mr. President, today the Senate will resume consideration of the bankruptcy reform legislation under the previous agreement. As a reminder, all first-degree amendments must be relevant with the exception of those specified in the agreement and must be filed by 5 p.m. today. The leader has announced that votes are possible during today's session on amendments to the bill or on finalizing the appropriations process. The leader also announced that there will be votes on Monday at 5:30 p.m. as well as on Tuesday morning at 10:30 a.m. The Tuesday morning votes will be on or in relation to the issues of minimum wage and business costs.

I thank my colleagues for their attention.

MEASURE PLACED ON CALENDAR

Mr. BURNS. Mr. President, I understand that there is a joint resolution at the desk due its second reading.

The PRESIDENT pro tempore. The clerk will read the resolution the second time.

The bill clerk read as follows:

A joint resolution (S.J. Res. 37) urging the President to negotiate a new base rights agreement with the Government of Panama in order for United States Armed Forces to be stationed in Panama after December 31, 1999.

Mr. BURNS. Mr. President, I object to further proceedings on this resolution at this time.

The PRESIDENT pro tempore. Objection is heard. Under the rule, the joint resolution will be placed on the calendar.

Mr. BURNS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

(Mr. BURNS assumed the chair.)

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

BANKRUPTCY REFORM ACT OF 1999

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 625, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 625) to amend title 11, United States Code, and for other purposes.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, what is the parliamentary situation on time, or is there a time limitation?

The PRESIDING OFFICER. The Chair knows of no time limits.

Mr. LEAHY. That is my understanding.

Mr. President, I see my good friend, the Senator from Iowa, on the floor. I will speak in my capacity as ranking member of the Senate Judiciary Committee. I know Senator HATCH has spoken in his capacity as chairman of the committee. I know the Senator from Iowa, Mr. GRASSLEY, is here as chairman of the appropriate subcommittee, and Senator TORRICELLI of New Jersey will be here as ranking member of that subcommittee.

This is an important issue. It is safe to say every American agrees with the basic principle that debts should be repaid. It certainly is a principle I was brought up to believe and one my fellow Vermonters share. In fact, this country is blessed with prosperity, and the vast majority of Americans are able to meet their obligations. But for those who fall on financial hard times, bankruptcy should be available in a fair and balanced way. In fact, our country's founders believed the principle was so important they enshrined it in the Constitution, one of the few such specific reliefs enshrined in the Constitution.

Article I, section 8, of the Constitution explicitly grants Congress power to establish uniform laws on the subject of bankruptcies throughout the United States.

We in Congress have a constitutional responsibility to oversee our Nation's bankruptcy laws. Unfortunately, more and more Americans are filing for bankruptcy. In fact, 1.4 million Americans filed for bankruptcy last year. That was an increase in the number of filings from 1997, and in 1997 there was an increase in the number of filings from 1996. I find this trend extremely disturbing because the economy is doing so well. Even this morning, we hear of unemployment at an all-time low, inflation is steady, and the economy is booming. The unemployment rate keeps going down, inflation remains low, and the Nation's personal bankruptcies keep going up.

Vermont has traditionally had one of the lowest rates of bankruptcy per capita in the Nation. But in my home State of Vermont, personal bankruptcies have increased in each of the last 4 years, with annual personal bankruptcies more than doubling since 1994. I said this has occurred even though we have kept our low ranking compared to other States in the number of personal bankruptcy filings per capita. We will be able to keep that ranking because personal bankruptcy rates have gone up far more dramatically in other States.

If the rise in personal bankruptcy is caused in part by some Americans

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

abusing the bankruptcy system, then we in Congress should move in a major, balanced way to correct our bankruptcy laws. Working together, we saw a way we could do this. We did last year. Democrats and Republicans molded a bill that corrected abuses by debtors and creditors, and it preserved access to the bankruptcy system for honest debtors.

The distinguished senior Senator from Illinois, Mr. DURBIN, who worked with the distinguished Senator from Iowa, Mr. GRASSLEY, did yeoman's work on last year's bill. They produced a bipartisan bill. As I recall—my colleague from Iowa can correct me if I am wrong—I believe it passed the Senate with something like 97 votes and only 1 or 2 votes against it. It is pretty amazing to have that strong support when we have a piece of legislation that balances such contrasting, sometimes conflicting, interests around the country. It is a credit to the two Senators who crafted it. They balanced the competing interests of debtors and creditors to put together a bill that is fair to all.

I am on the floor today because I have a concern that the bill before us strays from the blueprint of last year's balanced reforms in the Senate. For example, today's bill requires the means testing of debtors to complete chapter 7 filings based on expense standards that are formulated by the Internal Revenue Service.

Last year, Congress was exposing the IRS as an agency out of control in its enforcement of the Internal Revenue Code, but now we say we will trust the IRS with enforcement of the bankruptcy code. We were saying last year they could not enforce the Internal Revenue Code, the area of their own expertise, but now we say we will let them help enforce the bankruptcy code, an area in which they have no expertise or jurisdiction. In my State, we say that lacks common sense.

This means testing severely restricts a judge's discretion to take into account individual debtors' circumstances. As a result, it has the potential to cause an unforgiving and inflexible result of denying honest debtors access to a postbankruptcy fresh start and would go against basically the way the bankruptcy code has been followed since the beginning of this country.

I believe most Americans, perhaps not all but most Americans, who file for bankruptcy honestly need relief from their creditors to get back on their feet financially. We have recent research that shows stagnant wages and consumer credit card debt are the primary reasons for the rise in bankruptcy filings. If there are abuses in the credit industry, then we should move in a major and balanced way to correct them.

I believe last year's Senate consumer bankruptcy reform bill, which, as I said, passed this Chamber by a near unanimous vote of 97–1, provides us with a blueprint for balanced reforms.

Moreover, the latest study by the nonpartisan American Bankruptcy Institute found that only 3 percent of chapter 7 filers could afford to repay some portion of their debt. To force the other 97 percent of chapter 7 debtors to submit to this arbitrary means test in trying to reach 3 percent lacks common sense and poses an additional burden on the 97 percent for something that does not apply to them. The Congress seems to be stepping on people it should not.

To the credit of the Senator from Iowa and the Senator from New Jersey, they are working to moderate the bill's arbitrary means testing provisions, and I commend them for working together to improve the underlying bill. I also commend the Senator from Illinois, Mr. DURBIN, and the Senator from New York, Mr. SCHUMER, for their leadership on this issue. I hope we can significantly improve the bill's means test provisions in the coming days, and we can if we want to work at it.

I am also concerned that today's bill, at least as it is now, prior to any amendments, is missing a key ingredient from last year's balanced reforms in the Senate: consumer credit information and protection.

Last year's Senate-passed bill required the disclosure of information on credit card fees and charges and also protection against unjustified credit industry practices. As the Department of Justice stated in its written views on the bill:

> The challenge posed by the unprecedented level of bankruptcy filings requires us to ask for greater responsibility from both debtors and creditors. Credit card companies must give consumers more and better information so they can understand and better manage their debt.

The administration has made it clear that for the President to sign bankruptcy reform legislation into law, it has to contain strong consumer credit disclosure and protection provisions. I agree with that. The credit card industry has to shoulder some responsibility for the nationwide rise in personal bankruptcy filings.

Last year, credit card lenders sent out 3.4 billion solicitations—3.4 billion. There are only 260 million people in this country, from the child born this morning on through. We are talking about 12 credit card solicitations per year for every man, woman, and child in America.

I constantly hear from parents that their 10-year-old child may receive a letter: You have been preapproved for credit; X number thousands of dollars. Here is your credit card.

I am not as concerned about the 10-year-old because usually the parent will grab that. I am a little bit concerned about the 16- or 17-year-old who has been eyeing a stereo set, or whatever, and they get the credit card preapproved. How about the college kids who get four or five of those in the mail: You have been preapproved. Suddenly they say: Wow, I'm worth $75,000. I have it right here in plastic. Unfortunately, when they spend it, they have to pay it back. We need a little more responsibility on this.

Do we want to send a 10-year-old down to the store with $3,000 worth of credit in their credit card? I would think not. But I also don't want the credit card companies crying when they do this and then the bills do not get paid. A little bit of effort should be made first to make sure you know who you are preapproving.

I add, there are times when somebody's pet has been preapproved. My eldest son has two beautiful Labrador retrievers—nice dogs, friendly dogs but, as most labs, probably more friendly than bright. I am not sure I want to give them credit cards. And for all the Labrador retriever owners who might have heard that and will call my office, please understand, I do like those dogs, but I am still not going to give them a credit card.

Clearly, the billions of credit card solicitations that are sent to Americans every year have contributed to an era of lax credit practices. That, in turn, contributes to the steep rise in personal bankruptcy filings. I am hopeful we can add credit industry reforms to this bill in the coming days.

Senators TORRICELLI and GRASSLEY have prepared a managers' amendment that incorporates many credit industry reforms proposed by Senators SCHUMER, REED, DODD, and others. I commend these Senators for working together on these bipartisan credit card reforms. I am pleased, actually, to cosponsor the amendment I have just referred to because it adds more balance to the bill.

Another area where we can add needed balanced reform to this legislation is in the homestead exemption. You have States—Florida and Texas, for example—where debtors are permitted to take an unlimited exemption from their creditors for the value of their home. We understand the policy reasons for protecting one's home. But I think the policy was determined when you think of the average home. Unfortunately, this exemption has led to wealthy debtors abusing their State laws to protect multimillion-dollar mansions from their creditors.

I do not think we intend somebody to be able to run up millions of dollars of debt, have a multi-multimillion-dollar mansion and say: Wait a minute. I need my humble home.

Home may be where the heart is, but it is not necessarily where the bankruptcy protection should be. This is a real abuse of bankruptcy's fresh start protection.

The distinguished Senator from Wisconsin, Mr. KOHL, has been a leader in trying to end homestead bankruptcy abuses. He has, again, prepared a bipartisan amendment to cap any homestead exemption at $100,000. I hope the full Senate will adopt the Kohl amendment to place reasonable limits on homestead exemptions.

The distinguished Senator from Massachusetts, Mr. KENNEDY, plans to offer an amendment to increase the minimum wage over the next 2 years from $5.15 to $6.15 an hour. I am proud to be a cosponsor of this amendment, as I have been before.

It is more than appropriate to help working men and women earn a living wage on a bill related to bankruptcy. These minimum-wage workers are some of the same Americans who are struggling to make a living every day and might be forced into bankruptcy by job loss or divorce or other unexpected economic event.

More than 11 million workers will get a pay raise as a result of a $1 increase in the minimum wage. We ought to agree to help millions of hard-working American families live in dignity.

I plan to offer an amendment that would save the taxpayers millions of dollars in wasteful spending and improve the bill by revising the requirement for all debtors to file with the court copies of their tax returns for the past 3 years. If the requirement was in effect last year, the 1.4 million Americans who filed for bankruptcy would have produced at least 4.2 million copies of their tax returns.

It might sound like a great idea, but the Congressional Budget Office estimates it will cost taxpayers about $34 million over the next 5 years for the courts to store and provide access to more than 20 million tax returns. It is a pretty big expense for very little benefit.

Every time we do something with one of these mandates, it may sound great, but we ought to ask ourselves, what does this cost? What do we get out of it? My amendment makes more sense. It does what the original amendment wanted to do but without the cost. It would strike the requirement. It would, instead, permit any party in interest—a creditor, judge, trustee or whoever—to request copies of a debtor's tax returns once the bankruptcy is filed. It is a targeted approach, targeted to verify a debtor's assets and income. I think it is workable and efficient because most bankruptcy cases involve debtors with no assets and little income, thus no need for the review of tax returns and no need for the taxpayers to spend $34 million to store paper nobody is ever going to look at.

So let's not pile up millions and millions and millions of these pieces of paper, hire hundreds and hundreds of people to store them, and then have something nobody is ever going to look at anyway.

I have consulted with our bankruptcy judge and trustee in Vermont. I will continue to do so. They caution that we remember the purpose bankruptcy serves: a safety net for many of our constituents. Those who are using it are usually the most vulnerable of America's middle class. They are older Americans who have lost their jobs or are unable to pay their medical debts. They are women attempting to raise their families or to secure alimony or child support after divorce. They are individuals struggling to recover from unemployment.

As we move forward with reforms that are appropriate to eliminate abuses in the system—and we should eliminate such abuses—we need to remember that people use the system, both the debtors and the creditors. We need to balance the interests of creditors with those of middle-class Americans who need the opportunity to resolve overwhelming financial burdens.

On a personal note, I welcome the distinguished Senator from New Jersey, Mr. TORRICELLI, who is the new ranking member of the Administrative Oversight and the Courts Subcommittee, to the challenges this matter presents. I know he and his staff have been working hard in good faith to improve this bill.

As the last Congress proved, there are many competing interests in the bankruptcy reform debate that make it difficult to enact a balanced and bipartisan bill into law. Unfortunately, overall, the Congress failed to meet that challenge last year, even though I believe we met it here in the Senate, in the Grassley-Durbin bill, which passed 97 to 1. I was pleased and proud to be a supporter of that. The mistake came in the conference. It broke down into a partisan fight, as though there is a difference between a Republican or a Democrat who is seeking bankruptcy relief or a difference between a Republican or a Democrat creditor whose interests have to be protected in bankruptcy.

This is an American issue. We handled it as such in the Senate a year ago. We should do it again. I hope we can set, again, the standard, Republicans and Democrats in the Senate working together to pass and enact into law balanced legislation that will correct abuses by both debtors and creditors in the bankruptcy system. We are going to be better off for it. I hope that is what we can do.

Mr. President, I yield to the distinguished Senator from Iowa.

Mr. GRASSLEY. Mr. President, before the Senator from Vermont leaves the floor, I want to thank him for his comments. He has expressed very well some statements about parts of the bill on which he has questions. I want to assure him, most of those—in fact, the way the Senate works, probably all of those—will have to be addressed in some way through the various amendments which are likely to be adopted. We do have a very close working relationship, even at this point, on some of those things with people on the Senator's side of the aisle. We will try to do that.

If I could also make the Senator from Vermont aware of a study he referenced, the study done by the American Bankruptcy Institute on the utility of chapter 7 debtors to repay their debts—the Senator may not know this, but we have had the General Accounting Office look at this study; in fact, all the studies on this question. The General Accounting Office has concluded that this specific study by the American Bankruptcy Institute was flawed. In fact, it understated the repayment ability in a very significant way.

I do not expect the Senator to accept that right now, just because I have said it. I hope he will be able to take a look at that and see if there are any remaining questions that he might have which we could address, and if we can't do that and the Senator might be considering some amendments that are a direct result of the American Bankruptcy Institute study, that we would have an opportunity to talk about it before he might move in that direction.

Overall, his statement is very accurate, stating some disagreements, some questions he has. Hopefully, we will be able to address those questions.

Mr. LEAHY. Mr. President, I appreciate the words of the Senator from Iowa. He and I have been here for a long time. We have worked on an awful lot of issues, from defense matters to agricultural matters. Over those years, I have always enjoyed working with him. We will continue on this. I realize there will not be votes today, but I think this would be a good time for Senators who are trying to reach areas of accommodation and agreement to do so. Either I or my staff will be here to work with the staff of the Senator from New Jersey and the Senator from Iowa in any way we can be helpful.

I yield the floor.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER (Mr. THOMAS). The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I know Senator TORRICELLI is expected to come to the floor to make a statement. While we are awaiting his arrival, I will address the Senate on a small but very important part of this legislation. That is the one that deals with chapter 12, making it permanent, as part of the bankruptcy reform legislation, so we do not have to; every 4 or 5 years or, as has been the case in the last 12 months, since it has sunsetted, had to reauthorize it two or three times on a short-term basis.

We are all in agreement it should be made permanent. People who have opposed making it permanent as a separate bill have thought it was necessary to do it at the same time as we offer the overall bankruptcy reform legislation. Hopefully, with this bill, S. 625, being adopted, we will never in the future have to deal with a separate reauthorization of a sunset chapter 12 because why should we have to sunset chapter 12, a provision that is made specifically for farming, when we don't do it for chapter 13, that is made specifically for individuals or small businesses, or chapter 11 that works very well for major corporations in America.

I want to visit with my colleagues about some very important provisions in the bill before us that are vital to family farmers in the Midwest generally, in Iowa in particular, as well as the country as a whole. Agriculture, wherever it is, is something unique and different from a lot of businesses in their situations, where sometimes they have a decline not only in income that might make bankruptcy be considered but also a decline in value of real estate that, previous to chapter 12, made it very difficult to keep up with the needs of a chapter 11 bankruptcy procedure.

As we all know from the recent debate we had within the last month on the emergency Ag appropriations bill, many of America's farmers are facing financial ruin. We have some of the lowest commodity prices in 30 years. Pork producers have lost billions of dollars in equity, not just in income but billions of dollars of equity, with the lowest prices of pork in 60 years that we had just 12 months ago. Pork producers have not only lost, but the price of corn is currently well under the cost of production. The cash market for soybeans has reached a 23-year low. This is all in addition to poor weather conditions in parts of the United States, particularly the drought of the East Coast, the drought of Texas, the fires in Florida, and flooding in various parts of the Midwest.

These circumstances have sent many farming operations in a tailspin. Clearly, we need to make sure family farmers continue to have bankruptcy protection available to them and a protection that satisfies the uniqueness of farming, as we have had other sections of the code try to be written to meet the uniqueness of other business arrangements within our society and our economy.

Particularly, chapter 12 is going to be needed in good times as well as bad times—maybe not used in good times, but it needs to be there to meet the different arrangements of the different segments of the country and also the different drought and flooding conditions that happen from time to time, as well as the unpredictability of the economy, particularly the international economy, when the Southeast Asian financial crisis brought a downturn in our exports and squeezed the farmers' income at this particular time.

Title X of S. 625 of this bill makes chapter 12 permanent and makes several changes to chapter 12 to make it more accessible for farmers and to give farmers new tools to assist in reorganizing their financial affairs.

Back in the mid-1980s when Iowa was in the midst of another devastating farm crisis, I wrote chapter 12 to make sure family farmers would receive a fair shake when dealing with the banks and the Federal Government. At that time, I didn't know if chapter 12 was going to work or not, so it was only enacted on a temporary basis.

Chapter 12 has been an unmitigated success. As a result of chapter 12, many farmers in Iowa and across the country are still farming and contributing to America's economy. With a new crisis in farm country now, just 15 years from the last one, we need to make sure chapter 12 is a permanent part of Federal law, and this bankruptcy bill does exactly that.

As was the case with the dark days of the mid-1980s, some are predicting that family farms should consolidate and we should turn to corporate farming to supply our food and agricultural products. As with the 1980s, some people seem to think family farms are inefficient relics that should be allowed to go out of business. This would mean the end of an important part of our Nation's economy and a certain heritage that is connected with it. And it would put many hard-working American families—those who farm and those whose jobs depend on a healthy agricultural sector—out of work.

But the family farm didn't disappear in the 1980s, and that crisis was very bad as well. It was not only an income crisis, as is the situation now, but there was a tremendous drop in equity at that particular time.

I believe chapter 12 is a major reason for the survival of many financially troubled family farms. We have an Iowa State University study prepared by the outstanding Professor Neil Harl. He found that 84 percent of the Iowa farmers who used chapter 12 were able to continue farming. Those are real jobs for all sorts of Iowans in agriculture and in industries that depend upon agriculture. According to the same study, 63 percent of the farmers who used chapter 12 found it helpful in getting them back on their feet. In short, I think it is fair to say chapter 12 worked in the mid 1980s and it should be made permanent so family farmers in trouble today can get breathing room and a fresh start if that is what they need to make it.

But the most obvious reason for having it is that chapter 11, written for corporate America, does not fit the needs of agriculture or the economics of agriculture.

The Bankruptcy Reform Act before us doesn't just make chapter 12 permanent. Instead, the bill makes improvements to chapter 12 so it will be more accessible and helpful for those in the agricultural community. First, the definition of the family farmer is widened so that more farmers can qualify for chapter 12 bankruptcy protection. Second, and perhaps most important, my bankruptcy bill reduces the priority of capital gains tax liabilities for farm assets sold as part of a reorganization plan. This will have the beneficial effect of allowing cash-strapped farmers to sell livestock, grain, and other farm assets to generate cash flow when liquidity is essential to maintaining a family farm operation. These reforms will make chapter 12 even more effective in protecting America's family farms during this difficult period.

So it is really imperative that we keep chapter 12 alive. Before we had chapter 12, banks held a veto over reorganization plans. They would not negotiate with people in agriculture, and the farmer would be forced to auction off the farm, even if the farm had been in the family for generations. Now, because of chapter 12, the banks are willing to come to terms. We must pass S. 625 to make sure America's family farms have a fighting chance to reorganize their financial affairs.

Before I yield the floor, I see my good friend and coworker on this legislation, the Senator from New Jersey, Mr. TORRICELLI, has come to the floor to make some remarks. As I said last night and I want to say today, because he wasn't able to be here last night, I really appreciate that from day 1 of our even visiting about the possibility of putting together a bipartisan bill, as we had done in the previous Congress, because he was new to the committee and to this effort, not participating at the committee level in the efforts I had with Senator DURBIN of Illinois during the previous Congress on a bill that just about made it through—not knowing those things could work out, we sat down and visited about that possibility.

That initial visit brought us to putting together the legislation that is before us, legislation as introduced with the idea that he and I may not have agreed to everything down to the last jot and tittle with that legislation, but that we would be able, through the ensuing months, to work out differences and come to an agreement and get a bill out of committee. He has kept his word, and he has worked with us.

I don't know whether people who don't participate in the legislative process know how much easier that is, such a better environment in which to write legislation and to make public policy. I don't see that often enough. I see it in this legislation through the cooperation of Senator TORRICELLI. Obviously, that sort of cooperation is two ways: He gives; I give. People who look to him for leadership—he has to carry some water for colleagues of his who want him to work things out. I have to do the same thing. But whether it is as a water carrier for our colleagues or whether it is for the individual philosophy of Senator TORRICELLI or myself, we have been able to bring this together. I thank him for that cooperation.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. TORRICELLI. Mr. President, I thank Senator GRASSLEY for what has been a valuable partnership in crafting what I believe to be extremely important legislation. It would be fair to conclude that without the tenacity of Senator GRASSLEY, this Senate would not be considering bankruptcy legislation. Without his reasonableness in reaching some of these provisions, it would not be the kind of progressive legislation that I believe is before us today.

I also note that I am a successor to Senator DURBIN who, like Senator GRASSLEY, has invested not months but more than a year in crafting this legislation. Senator DURBIN's contributions are on virtually every page. Working with Senator DURBIN and, indeed, with Senator GRASSLEY has not only been a pleasure; it has been a productive exercise. For that, I am very grateful.

These are unusual times in our country, such an extraordinary combination of economic circumstances. Unemployment is low, home ownership is at record levels, and, for the first time in years, the Federal Government is operating with a surplus. This would lead many to believe these are not only good economic times but perfect economic times. This, of course does bear closer scrutiny.

There are several troubling aspects with the modern American economy. They are not unrelated. One is a rapidly declining rate of personal savings—indeed, in the last quarter, the lowest savings rate by American families in our history.

The second is the rapid, almost inexplicable rise in consumer bankruptcies. In 1998 alone, 1.4 million Americans sought bankruptcy protection. This represented a 20-percent increase since 1996 and a staggering 350-percent increase since 1980.

We can differ on the reasons. We can have our own theories. But something is wrong. That "something" is not only jeopardizing the economic security of American families, it is providing a staggering financial burden on small businesses and American financial institutions.

It is estimated 70 percent of the these bankruptcy situations were filed in chapter 7, which provides relief for most unsecured debt. Just 30 percent of these petitions were filed under chapter 13, which requires a repayment plan.

There are, obviously, disagreements about what has caused this dramatic increase. It is probable there is no one reason but a confluence of problems. Some suggest that culturally the stigma of bankruptcy has been removed and people no longer feel any inhibition in admitting their financial circumstances and seeking total relief from personal obligations. Others believe it is simply abuse of a system in which it is too simple to avoid responsibility. Others argue that a reliance on debt and a decrease in personal savings has left record numbers of Americans vulnerable to this change and leading to these extraordinary levels of bankruptcy.

Obviously, in the complexities of modern life—with low savings rates, high levels of debt, attentions of our current culture, unexpected events, divorce, a health crisis, given the enormous cost of health care in the Nation, the loss of a job or the loss of job skills because of changes of technology—any one of them, no less a combination of them, can take an American family who believes it is living with financial security and force them under a crushing debt into bankruptcy.

The reality, of course, is a majority of these bankruptcies are hard-working American people, low- or middle-class families, who largely, through no fault of their own, sometimes due to these circumstances that I have outlined, find themselves with overwhelming financial problems and they simply cannot deal with the crushing blow. For all the abuses, the fact remains that accounts for most of these bankruptcies.

At the same time, in a recent study the Department of Justice has found that 13 percent of all those debtors filing under chapter 7, or an incredible 182,000 people, can afford to repay a significant amount of this debt. This would mean to creditors, family-owned businesses, small retailers, and important financial institutions, an incredible $4 billion that could be returned to creditors but is avoided through what I perceive to be a misuse of the bankruptcy system.

These are the factors, the statistics, and the concerns that led Senator GRASSLEY and I to offer this comprehensive bankruptcy reform.

The bill before the Senate strikes a balance making it more difficult for the unscrupulous to abuse the system, while ensuring that bankruptcy protection for families who need it will find it available.

These abuses which result in this $4 billion loss to creditors is not paid by some distant institution off our shores separated from the realities of American life or our economy. This is money avoided through the unscrupulous use of the bankruptcy system that is added onto every piece of clothing you buy in the store, every automobile you purchase from a show room, every credit card you use, and every bank loan that you take.

Those hard-working Americans who pay their bills are forced, through bankruptcy, through no fault of their own, to share these costs. That is what brings us here today.

At its core, the Grassley-Torricelli bill is designed to assure that those with the ability to repay a portion of their debts do so by establishing clear and reasonable criteria to determine repayment obligations.

It provides judicial discretion to ensure that no one genuinely in need of debt cancellation will be prevented from receiving a fresh start. Recognizing that a fresh start and an ability to have a new life have been at the core in this country, that has been the reason for bankruptcy protection since the establishment of the Republic. We believe in second chances in life. We also don't believe in people escaping obligations they can meet or misusing the legal system.

It is because, however, of our concern that vulnerable people who genuinely use the system for a new start in life would have their position jeopardized by our legitimate efforts to find those who are abusing the system that we have designed a flexible means testing system in the bankruptcy bill for the first time. Under current law, virtually anyone who files for complete debt relief under chapter 7 will receive it.

The Grassley-Torricelli bill creates a needs-based system by establishing a presumption that a chapter 7 filing should be either dismissed or converted to a chapter 13 when the debtor has sufficient income to repay at least $15,000, or 25 percent of their outstanding debt. That is the essence of the needs-based system. It is a simple presumption. You can pay $15,000, or 25 percent. It is not closed to you. There is no prohibition. But there is a presumption that you can pay. You need to meet that presumption only for those individuals.

I believe this is a flexible yet very efficient screen to move debtors to the ability to repay a portion of their debt into a repayment plan, while at the same time ensuring judicial discretion and a fair review given the debtor's individual circumstances.

In addition, the bill contains several important consumer safeguards to prevent unfair harassment by creditors. It requires the Attorney General and the FBI Director to designate one prosecutor and one agent in every district to investigate reaffirmation practices that violate Federal law.

This is an important element of this bill to ensure that individual creditors do not seek their own remedy outside of the law, forcing people who cannot repay or should not be repaying, given their individual circumstances and income, to do so.

It penalizes creditors who refuse to negotiate reasonable repayment schedules prior to bankruptcy.

The emphasis remains on settlement through negotiations—not litigation and conflict.

Importantly, the bill also does everything possible to guarantee that child support payments in bankruptcy are not jeopardized, are a priority, and continue.

This was the priority in the Judiciary Committee—that we would reform this system, we would provide new opportunities for debtors to collect, new safeguards for people in bankruptcy, but that child support payments and family obligations will remain paramount.

I believe in the balance that is achieved in this legislation, and that Senator GRASSLEY and I have met that objective. It was critical to do so because more than one-third of bankruptcies in the United States involve spousal or child support orders. This bill will not be a vehicle for people escaping their family obligations.

In half of these cases, women are creditors trying to collect court-ordered support from their former husbands. These support orders are a lifeline for these families. I believe this legislation has protected it, recognizing the vulnerability of these families, and why this was a priority in the legislation.

Mr. President, 44 percent of single parent families with children under the age of 18 had incomes below the poverty line in recent years. The child support amounting to an average of nearly $3,000 is often the only thing that keeps a single parent and a dependent child off public assistance. Senator GRASSLEY and I have achieved this protection and I believe this fair provision of protecting these families by elevating child support from its current place as seventh on the repayment priority list to first place. This is critical for Members of the Senate to understand. Currently, these child support payments are seventh on the list of priorities. Under the Grassley-Torricelli legislation, it will now be first priority. No bank, no insurance company, no credit card company, no retailer—no one—will have higher priority than the children or the spouses involved in these cases.

There were other concerns in the Judiciary Committee which needed to be addressed, other balances that have been achieved that the Senate should recognize. First, the managers' amendment that will be offered incorporates the language offered by Senator FEINGOLD to remedy a provision in the bill carried over from the legislation of a previous year which would have made debtors' attorneys responsible for costs and fees. That provision would have made it impossible for many middle-income people, people of modest means, to ever get an attorney. In cases where there is any judgment to be reached, any questions on the merits, it would have been impossible to get an attorney, disenfranchising many Americans from the entire bankruptcy system. A motion brought by the trustee to move the debtor from chapter 7 into chapter 13 and the original filing was, we found, not substantially justified. Those costs would have been incurred by the attorney. The managers' amendment will protect against this provision.

Second, the managers' amendment will include a safe harbor, exempting every debtor with income below the median income from the means test. This provision will ensure low-income people with no hope of prepaying their debts are not swept into the means test.

A final point I raised that is resolved by the managers' amendment is the use of IRS standards in the bill. Currently, the bill uses living expense standards formulated by the IRS in determining what portion of their debts an individual has the ability to repay. These standards were not formulated with bankruptcy in mind and provide virtually no flexibility to account for the debtor's actual expenses. They were, therefore, not appropriate. The managers' amendment will clarify the Justice Department and Treasury have the authority to draft bankruptcy appropriate standards and not use the IRS standards previously used.

For each of these provisions and their incorporation in this legislation, we are very indebted to members of the Judiciary Committee: Senator FEINGOLD, for his efforts in recognizing the possible abuses of putting these costs on to bankruptcy attorneys if the cases were lost; and Senator DURBIN, at his insistence and my own, we provided for an appropriate means test; and for the Department of Justice coming up with its own means test standards. Senator DURBIN, in particular, was very helpful with these provisions. Senator GRASSLEY, recognizing their merits, has brought them into the legislation. It is, therefore, far better legislation because of each of these provisions.

There is, however, one final area which also must be addressed to ensure the bill is both balanced and bipartisan. It is critical the bill not only address the debtor's abuse of bankruptcy but also overreaching and sometimes abusive practices of the credit industry. Any American who gets their own mail understands some change is taking place in the American economy—the extraordinary solicitation of customers, by the 3.5 billion individual efforts by the credit card industry to get new customers. This represents 41 mailings for every American household every year; 14 for every man, woman, and child in the Nation. No one disputes both the right and the advisability of the credit card industry seeking solicitation of new customers who are creditworthy, have incomes and the need for available consumer credit. It is right and an important part of our economy. That is not the objective of this legislation.

Our concern in balancing provisions dealing with consumer abuse of the bankruptcy laws with credit industry abuse of consumers focuses instead on people of modest incomes who are offered credit they could never afford, debt they will incur that they can never deal with, young people and the elderly, in credit obligations they do not even understand. The situation, indeed, has become so serious with students that 450 colleges nationwide have banned the marketing of credit cards on their campuses. Low-income families are being targeted with the same frequency as students—the endless solicitation of debt they cannot meet and should not incur.

Since this decade began, Americans with incomes below the poverty line have doubled their credit usage. The result is entirely predictable. Mr. President, 27 percent of families earning less than $10,000 have consumer debt that is more than 40 percent of their income. Modest-income families, sometimes high school students, often people on public assistance, receiving hundreds if not thousands of credit solicitations by companies that should recognize with any due diligence that is fully available to the industry that these debts can never be paid. I have granted to the industry that unfortunate changes in our culture, abuses of the bankruptcy laws, and a host of other reasons have led to needed changes in the bankruptcy laws to avoid these abuses. No one can credibly argue there is not some need of the industry to do so as well.

In this legislation we offer the consumers must be given information about the consequences of their debt; fair disclosure if only the minimum debt is paid as required by the credit card company or the bank; how long will it take for repayment to be made; and what will it cost, information that should be made available to every consumer, people believing if they make the minimum payments they will actually ever be out of debt. We want them to recognize the years and the enormous costs of doing so.

Senator GRASSLEY, working with Senator SCHUMER, Senator DURBIN, and others, has reached an accommodation that I think is fair to the industry but will provide real consumer protection through disclosure. The adoption of that amendment is as vital to a balanced bill as the protection of child support, the moving of people into repayment schedules, and a means test.

This is an extraordinary piece of legislation. It is a challenge to all those who believe this Senate cannot operate on a bipartisan basis. There will be opposition to bankruptcy reform. It may be 5, 10, 15 or 20 votes, but it will be a small minority. This is genuinely bipartisan legislation. It can be adopted without rancor after months, if not years, of effort by Senators from both sides of the aisle. It is fair; it is balanced for the credit card industry and consumers.

I end as I began, expressing my gratitude to Senator GRASSLEY and members of the Judiciary Committee, and I compliment the Senate on what I believe will be a worthwhile and informative debate as we adopt this comprehensive bankruptcy reform.

I yield the floor.

Mr. GRASSLEY. Mr. President, there does not appear to be an effort on the part of Members to consider this bill which is up for discussion. It will take a few days to get through all the amendments. Given the lateness of the year as far as the total legislative session is concerned and considering all the other work that needs to be done to wind up this legislative session, there may not be an appreciation of all the amendments we have to deal with on this bill. I encourage Members who have amendments to come here on the floor to offer their amendments. This bill is very complex. Some of the amendments are also going to be very complex. So please come here and offer your amendments.

AMENDMENT NO. 1730

(Purpose: To amend title 11, United States Code, to provide for health care and employee benefits, and for other purposes)

Mr. GRASSLEY. Mr. President, I call up amendment No. 1730 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

> The Senator from Iowa [Mr. GRASSLEY], for himself, Mr. TORRICELLI, and Mr. LEAHY, proposes an amendment numbered 1730.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. GRASSLEY. Mr. President, we have a situation now in which several nursing home chains, maybe even some independent nursing homes, are going into bankruptcy. When this happens, we do not have public policy in place to guarantee the economic and accounting decisions that the bankruptcy involves take into consideration the needs of the residents of these nursing homes.

If a hospital goes bankrupt, the basic question then is, What happens to the patients? The moving of elderly patients, particularly those who have been in a single nursing home for a long period of time, is a very traumatic experience. Many times, the trauma that results from that removal leads to almost immediate death. I suppose a more accurate statement would be that under any circumstance, patients' welfare varies from case to case.

If a bankruptcy trustee is thinking about patients, he may act to protect them. If he is not thinking about the patients, they could end up on the street. This has happened before, and it could happen again. The amendment I am offering today with Senator TORRICELLI and Senator LEAHY would modify our bankruptcy laws to deal with the failures of health care businesses. Our intent is simply to protect patients in a system that is not designed to protect them.

The fate of patients caught in business failures does not always make headlines. But when it does, the stories can be quite moving. The Los Angeles times on September 28, just 2 years ago, described the terrible consequences of a sudden nursing home closing:

> It could not be determined Saturday how many more elderly and chronically ill patients may be affected by the health care company's financial problems. Those at the Reseda Care Center in the San Fernando Valley, including a 106-year-old woman, were rolled into the street late Friday in wheelchairs and on hospital beds, bundled in blankets, as relatives scurried to gather up clothes and other personal belongings.

As horrifying as this example is, it could easily be repeated. What happened at the Reseda Care Center, less than 2 years ago, could happen again and again across the country.

The Nation's bankruptcy laws are geared towards creditors and debtors. One purpose of the bankruptcy system is to ensure that creditors receive what debtors owe them. To this end, bankruptcy trustees concentrate narrowly on the bottom line. They try to maximize the amount of money returned to creditors. In a system so focused on finances, the human toll is often merely an ancillary concern.

Unfortunately, the poor financial conditions that led to the Reseda Care Center's collapse are increasing. Large portions of the health care industry are financially ailing. Almost one-third of our hospitals could face foreclosure. At least two of the Nation's largest nursing home chains are in deep financial trouble and may file for bankruptcy. We have had some chains already do that. Two large nursing home chains that declared bankruptcy, before they declared bankruptcy, had already cut 10,000 jobs. An increasing number of home health agencies are shutting their doors. All in all, health care business failures were up 15.5 percent between 1996 and 1997.

Thousands of patients tie their fate to health care providers. They have no alternative. Yet Federal law shows absolutely no consideration for patients' well-being during the process of bankruptcy. While the State of California has tried to prevent any more surprise nursing home evictions, each Federal bankruptcy judge decides whether any State law applies in an individual case. No Federal law protects patients in bankruptcy cases. With simple changes to the bankruptcy code, our amendment will fill this very dangerous gap in patient protection.

Specifically, one section covers the disposal of patient records. It provides clear and specific guidance to trustees who may not be aware of State or Federal requirements for maintaining these records, or confidentiality issues associated with patient records. Another section of our amendment makes the cost of closing a health care business, such as transferring patients to another health care facility, a top priority debt. This ensures these expenses will actually be paid.

In the ideal situation, though, we want to even keep these patients from being moved if that is possible, and I think it is possible. In fact, we have had the assurances of some of these chains that have gone into bankruptcy already that they are providing for the continuing care of their patients.

But perhaps the heart of this amendment, as I point to the third and main part of it, is the requirement that the bankruptcy judge appoint an ombudsman to act as an advocate for patients of health care businesses in bankruptcy. This ensures judges are fully aware of all the facts when they guide health care providers through bankruptcy. Prior to a chapter 11 filing, or immediately thereafter, the debtor may employ a consultant to help in its reorganization effort. The first step is usually cutting costs. Sometimes this step may result in a lower quality of patient care. An ombudsman, under our amendment, would provide an institutional voice for the patients to help ensure an acceptable level of patient care.

Our amendment also requires a trustee to make the best effort to transfer patients to another facility in the face of a health care business closing. This is designed to prevent a trustee from putting patients out on the street.

Our amendment provides a tremendous benefit for patients with a minimal impact on creditors and debtors. As policymakers, we must eliminate the possibility of midnight evictions at bankrupt nursing homes and hospitals. We must ease the fear of abandonment in individuals who are at a very vulnerable stage in their lives.

This is the amendment. We have had about 6 months pass since the first talk of bankruptcies by some major chains in the United States took place. I happen to also be chairman of the Senate Aging Committee. In that capacity, I consulted with HCFA when these first threats of bankruptcy came forth and we did not have the bankruptcy protection for the patients that our amendment proposes. I asked HCFA about plans for this, or what plans each of the States had for States that would have nursing homes in bankruptcy. We found a total vacuum of either Federal concern or Federal policy and, also in most States, that to be the situation.

Last spring, I asked the Health Care Financing Administration to start instituting a process that the States will go through as they license nursing homes. They should be concerned with the quality of care in nursing homes and have an interim plan for those nursing homes that go into bankruptcy, pending adoption of our legislation.

HCFA has carried out that responsibility very well. We now have word that each of the States have such a plan in place. We want to make sure this is a permanent part of the consideration of bankruptcy courts and, hence, the necessity of our legislation which goes beyond what the Federal Government, through HCFA, and the States through their licensing and quality control departments, has a responsibility to do. They now have in place a plan to deal with nursing home bankruptcies.

Mr. TORRICELLI. Will the Senator yield?

Mr. GRASSLEY. I yield.

Mr. TORRICELLI. Mr. President, I congratulate Senator GRASSLEY on offering the amendment. I am proud to offer it with him.

We could not do comprehensive bankruptcy reform without dealing with the crisis in the health care industry. Last year, bankruptcies by health care providers were up 15 percent. One nursing home company alone, which has 300 nursing homes, left an estimated 37,000 people without beds when it filed for bankruptcy. One, the Doctors Network in California, when it went into bankruptcy, left 1.3 million people without health care.

As the Senator pointed out in his remarks, the bankruptcy laws are designed for creditors and they are designed for people who are debtors, but the customers, in this case the patients, are not provided for.

One of the worst cases in the country was when the HIP health care plan in New Jersey went bankrupt leaving 194,000 subscribers without clear health care provisions. Indeed, it has left New Jersey hospitals, almost all of them, in the red this year because their bills were not being paid.

I am very grateful we have been able to join together in offering this amendment to ensure there is an ombudsman; that there is help in getting people into new plans; that their records are protected in privacy. I believe we made a real contribution to helping in these difficult moments in the health care industry, and we will have a better bankruptcy reform bill because of it. I am very happy to work with Senator GRASSLEY and grateful for his leadership.

Mr. GRASSLEY. Mr. President, this is one more example of the bipartisan cooperation we have had on this bill. I hope my colleagues will look at this amendment and that it will not become controversial and we can adopt it. When the overall bankruptcy legislation becomes law, we will have appropriate protection, beyond the protection we give to creditors and debtors in this legislation, for the needs of patients as well.

We should not have these traumatic experiences that happened in Reseda Nursing Home in San Fernando Valley and the over 100,000 patients who were in jeopardy in the example of the Senator from New Jersey.

I yield the floor.

Mr. LEAHY. Mr. President, I am pleased to join Senator GRASSLEY and Senator TORRICELLI in offering the "Nursing Home Patients Protection Act" to S. 625, the Bankruptcy Reform Act of 1999. Our amendment protects nursing home patients in a business liquidation in three fundamental areas: patient privacy, patient rights and prompt transfers to new facilities.

PATIENT PRIVACY

First of all, our amendment ensures patient privacy when a hospital, nursing home, HMO or other institution holding medical records is involved in a bankruptcy proceeding that leads to liquidation. Medical privacy is an issue very important to me, and ensuring that the confidentiality of patients records is maintained should be of paramount importance.

DEFENDING PATIENTS RIGHTS

We have ensured that patients rights are defended as well. Cost cutting is always an issue in the health care system and that can translate into lower patient care quality—a fear to all health care patients. Our amendment establishes an ombudsman to provide a voice for all health care patients, making sure that judges are aware of all the facts in balancing the interests between the creditor and the patients.

NEW NURSING HOME TRANSFER

Finally, our amendment requires that the bankruptcy trustee make all reasonable efforts to transfer all of the bankrupt nursing home's patients to a nearby health care business. The prompt transferring of patients to a new health care facility must be addressed properly during a business liquidation under our legislation.

Mr. President, in my home State of Vermont, two nursing homes in Burlington recently made news due to a bankruptcy proceeding. Birchwood Terrace Healthcare and the Staff Farm Nursing Center are two very excellent nursing home facilities. Each has a corporate connection to the Vencor Corporation, a nationwide healthcare and nursing home provider that recently filed for protection under Federal bankruptcy protection under Chapter 11 of the Bankruptcy Code. While Vencor has pledged these Vermont nursing homes will not be affected by its plans to reorganize while in bankruptcy, I am sure that many Vermonters are alarmed at the prospect of a nursing home with their loved ones filing for bankruptcy. Our amendment should reassure Vermonters that even if a nursing home files for business liquidation under our bankruptcy laws, their loved ones will be protected.

I have been working on the overall issue of medical privacy for many years and I am particularly pleased that our amendment adds new protections for patient medical records for nursing homes in bankruptcy liquidation.

Of course, in the best case scenario any institution holding patient health care records would continue to follow applicable state or federal law requiring proper storage and safeguards. The fact is, however, under current law during a business liquidation an individual would have to wait until there has been a serious breach of their privacy rights before anyone stepped in to ensure that patient privacy is protected. Under current law it is questionable what protection these most sensitive personal records would have during a liquidation.

The reality of this situation and the practical questions of what recourse an individual would have if their personal medical records were not properly safeguarded against a business that is going out of business makes this provision essential. Our legislation would set in law the procedure that an institution holding medical records would have to follow during a liquidation proceeding.

The bottom line is that we do not want to have to wait until there has been a breach of privacy before steps are taken to protect patient privacy. Once privacy is breached—there is nothing one can really do to give that back to an individual.

I urge my colleagues to support our amendment to make sure that nursing home patients privacy and rights are protected during a bankruptcy proceeding.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I am fortunate the remarks I am about to make follow the remarks of my colleagues from Iowa and New Jersey in talking about nursing homes because I want to take a few minutes to talk about another aspect of how the elderly are getting ripped off in this country and what has happened with HCFA, the Health Care Financing Administration, and what they have been trying to do to stop this. What the Senate is doing and what the House has done recently is going to turn the clock back on our attempts to cut out waste, fraud, and abuse in Medicare.

I have been working for over a decade to identify and eliminate waste, fraud, and abuse in the Medicare system. It is a big problem. The Office of Inspector General estimates that last year, Medicare lost nearly $13 billion—that is with a B, billion dollars—to waste, fraud, and abuse in Medicare.

A few years ago, it was over $23 billion a year. So we have made some progress. It is still a huge annual waste of our tax dollars. I call it the Medicare waste tax, and we need to cut the Medicare waste tax.

Since 1989, I have held hearing after hearing, released report after report documenting unnecessary losses to the Medicare program. I commissioned the Office of Inspector General and the General Accounting Office to research and review these unnecessary payments and to make recommendations. On July 28 of this year, I introduced S. 1451, the Medicare Waste Tax Reduction Act of 1999 which incorporates many of these GAO and IG recommendations. If enacted, it would save Medicare and our taxpayers billions of dollars every year.

Medicare fraud is what we hear the most about, some egregious cases where a scam artist has found yet another way to skim millions from the Medicare trust fund. Those are the cases that make the headlines. But my years of investigation and review of this problem indicate that by far the greatest losses to Medicare are not in fraud, but they are due simply to waste and abusive practices. These losses are often directly due to or are encouraged by wasteful Medicare payment policies and practices and a laxity in oversight, as well as weaknesses in the Medicare law that restrict the program's ability to get the best deal possible when purchasing goods and services.

To examine this further, in 1996, my staff and I undertook a study of Medicare payments for medical supplies. This followed a study by the GAO that I had requested earlier on the same topic. We compared Medicare's payment rates for 18 commonly used medical supply and equipment items with what the Veterans' Administration paid. Then we compared it to the wholesale rate and the retail rate.

What we found was startling. This is a chart that depicts what we found. For example, an irrigation syringe—a small syringe like this little one right here, these little plastic syringes—we found that Medicare is paying $2.93 for each one. The Veterans' Administration is paying $1.89. The wholesale price was $1.10. The retail price was $1.95. One can walk into a drugstore and buy one for $1.95. Medicare was paying $2.93 for each one. The potential savings from that alone, if we base it on the wholesale price, is $4.4 million every year just on little plastic syringes.

We had a walker. The Medicare purchase price was 75 bucks. The VA price was $25 for the walker. The wholesale price was $39, and the potential savings was about $17 million a year.

Again, this is not an elaborate device. This is just a simple aluminum holding walker. Medicare was paying $75 each. The wholesale price was $39.

This is a commode chair. This is even more egregious. The commode chair was being paid for by Medicare at the rate of $99.35 each. The VA was paying $24.12 each. The potential savings was $30.6 million a year. This is a commode chair; we have all seen them. A lot of people use them in hospitals and nursing homes.

Potential savings: If Medicare just paid the VA price, not the wholesale price, just what the Veterans' Administration is buying them for, there would be a savings of $30 million a year just for the commode chair.

Those are some of the items we found were being grossly overpaid for by the Medicare system.

So, armed with this information, we began to work to cut this waste. First, I pushed an idea I have advocated for over a decade: Competitive bidding. Competitive bidding, that is how the Veterans' Administration gets the rates it does—good old-fashioned American free enterprise; put them out there for competitive bids.

While Medicare pays bloated prices based on historical charges, the VA, which has much less purchasing power than Medicare, puts out bids that provide for both quality and cost control.

So I wanted to get through competitive bidding. But all we could get through the Congress was a demonstration on competitive bidding.

I do want to point out one of the items on which we were successful in reducing the price on this idea of competitive bidding. One of the demonstration programs we did was oxygen. We found that for oxygen, Medicare was paying more than 50 percent more than the Veterans' Administration. So we had a debate here about reducing the Medicare rate for oxygen. We had a compromise. We cut the rate by 30 percent. That was in the Balanced Budget Act of 1997. We said we were going to reduce the oxygen payments by 30 percent and put it out for competitive bids.

We just got the first bids in on the competitive bidding demonstration for oxygen. Guess what. The suppliers bid to provide home oxygen for about 25 percent less than the 30-percent cut we put in. On top of the 30-percent cut, the bids came in at 25 percent less than that. They are still making money. And they will still be providing regular servicing of equipment, doing it for that much less.

Let me get this straight. A lot of the oxygen suppliers said they could not do this because they would lose money. We did not listen. We went ahead and put through the 30-percent cut. Then we put it out for competitive bids. They then cut it 25 percent more than that.

So look at it this way. If the home oxygen people were making 50 percent more off Medicare than they were making off the Veterans' Administration, and we cut it by 30 percent, put it out for competitive bids, and they came in 25 percent even lower than that, that means they are now 5 percent under the Veterans' Administration. They were making money off VA before, and now they are even less than what VA is on competitive bids. And you know darn well they are not going to bid that unless they are making money on it. They are not going to put a bid out there to lose money.

That is just an indication of how much waste and abuse there is in the Medicare system and why competitive bidding ought not to be a demonstration project but it ought to be the norm, the standard for all of our purchases for Medicare.

We got the demonstration program. However, as a part of the Balanced Budget Act of 1997, we did succeed in giving Medicare a modest version of another waste-fighting weapon I have been pushing for a long time. We provided HCFA, the Health Care Financing Administration, with enhanced "inherent reasonableness" authority to reduce Medicare payments when it is clear that current Medicare payment levels are "grossly excessive." In other words, Medicare, HCFA, has an "inherent reasonableness" clause. We enhanced that to say they could reduce Medicare payments when they were clearly grossly excessive. I would have liked to have done much more—obviously, put it out for competitive bids—but it is a step in the right direction.

Specifically, what this does is provide Medicare with the authority to reduce payments by up to 15 percent a year for items where Medicare believes there are gross overpayments. That was 2 years ago. After 2 years of prodding, HCFA has finally begun the process of using its new authority to make Medicare a more prudent purchaser. They published a notice of proposed rulemaking on August 13 of this year. This followed an extensive investigation reviewing retail prices, wholesale prices paid by payers other than Medicare, and, of course, the payment amounts made by the Veterans' Administration.

HCFA and their intermediaries then came up with an initial list of 12 items of durable medical equipment and 1 prosthetic device for which Medicare currently pays a grossly excessive amount. HCFA recommended reducing these exorbitant rates, and they projected over a 5-year period, just making these modest adjustments, it would save Medicare and the taxpayers over $487 million—just in the next 5 years.

This chart will begin to show some of these items.

For example, the items here: Lancers, enteral nutrients, eyeglass frames, catheters, test strips, albuterol sulfate; the overpayments are: 36 percent, 16 percent, 21 percent, 24 percent, et cetera. This chart shows the 5-year savings we would get off them. Then this chart shows the overpayment for the folding walkers I just talked about, the commode chairs, and others, for another $120 million. It is a total 5-year savings of almost half a billion dollars just from these items alone.

Let me make it clear, we are only talking about the right of HCFA to reduce grossly excessive payments. Excessive pricing is not determined by comparing prices paid by Medicare to wholesale prices. That is not how we determine excessive pricing. HCFA, in its proposed rule, takes the Veterans' Administration price—what the VA is paying for these same items—and then it adds 67 percent.

Keep this in mind. I will get my commode chair back out here again. For an item such as this commode chair, what the HCFA has said is: We will see what VA is paying for it, not what the wholesale price is. What is the Veterans' Administration paying for it? Then we will add 67 percent over that. That is what we will now pay for that commode chair.

Keep in mind, the companies making these commode chairs are not losing money in the VA system. They would not be selling them to the VA if they were losing money. So you know they are making money off the VA.

Now HCFA says: OK, they were so grossly overpriced before, we are now going to cut it; we are only going to allow a 67-percent markup. Wouldn't you like to have that guarantee in everything you sell the Government?

I see no reason we should pay more than the VA. Medicare is the largest purchaser of medical supplies and equipment in the Nation. Because of this purchasing power, it ought to be able to demand better prices than anyone else. Medicare should not pay any more than any other Federal program does, whether it is VA, CHAMPUS, the Federal Employees Health Benefits Program, or others.

Now, guess what. Even with the 67-percent markup over the VA rate, Medicare is currently paying even more. It is hard to believe.

Now, here are the folding walkers. The VA payment on those is $30.24. The proposed Medicare payment is $50.50. That is with a 67-percent markup. So if they are making money on VA, they are making a killing off of Medicare. Here is the commode chair. VA is paying $37.64; the Medicare payment is $62.85. What a deal. And this is a result of us saying they shouldn't pay grossly exaggerated prices. Evidently paying $62.85 for a commode chair for which the VA is paying $37 is not grossly exaggerated. I think it is. There are a lot of other things, folding walkers and everything else. Here is a folding walker that has a wheel on it. The VA is paying $45.94; the proposed Medicare payment, $75.88.

Even with that, HCFA is moving ahead, barely, to save Medicare and taxpayers a lot of money. We need to do more, and we need to do more rapidly.

If my colleagues think that is bad news, get ready for the really bad news. With almost no discussion, last week the House Ways and Means Committee added a little special interest provision to the Medicare Balanced Budget Refinement Act of 1999. This provision would indefinitely delay cutting this wasteful spending. It would deny Medicare and the taxpayers $½ billion of savings. It does this simply by stopping HCFA from moving ahead. It stops Medicare, its intermediaries and carriers from using this inherent reasonableness authority until the Secretary has published a new rule and those rules are finalized.

Medicare says this would mean a delay of maybe 18, 22, 24 months, another a couple years. If their track record is any indicator, the delay would be a lot longer than that.

I suppose a lot of people on that House Ways and Means Committee got a lot of phone calls from the people who make walkers and commodes and these syringes who said do something about this. It is in the House Ways and Means Committee bill. It would block just these modest attempts to safeguard Medicare. We would still allow them to make 67 percent more than what they are making from VA. That is not enough for them. So they got a little provision slipped in that House bill. Talk about special interest legislation and a rip-off of our elderly and a rip-off of our taxpayers.

What did the Senate do? Well, they tried to do the same thing. The Senate counterpart to that bill, called the Medicare, Medicaid and SCHIP Adjustment Act of 1999, would prohibit use of this inherent reasonableness authority until 90 days after the Comptroller General of the United States releases a report of its proposed impact. That would delay this implementation probably for another year. So the House, if we took the best case scenario, probably would delay it for 2 to 3 years. The Senate bill would delay it for at least a year. I am sure a compromise will be made leaning towards the House side, when this bill goes to conference, by members of the Finance Committee. I want members of the Finance Committee to know we are watching. We want to know what they are going to do to start reducing these exorbitant prices people pay for medical equipment. It is not right to stop or further delay HCFA from implementing at least these modest savings.

We gave HCFA the authority in 1997; 2 years later, they just started to act on this. You can see how long it takes them to do something. Just when they are getting ready to make these cuts, to put more reasonableness in the amounts of money we pay, the Congress says, no, stop; put on the brakes. We can't do this. The Congress is standing by—let me rephrase that. The Congress is not standing by. The Congress, under the bills in the Senate Finance Committee and the House Ways and Means Committee, is actively stopping the progress and the process by which we will save taxpayers billions of dollars, an added tax not only on our taxpayers but on our elderly.

We can do something about it. We have shown we can do something about it. We have shown how much we can reduce costs in oxygen and these other items. But now there are elements in this Congress who say, no, we can't do that.

Well, we are going to watch. We will see what the Ways and Means Committee and the Finance Committee do to stop this rip-off of our taxpayers. We have grappled with ways to reduce Medicare expenditures. We passed this limited provision 2 years ago, giving them the authority just so they wouldn't pay grossly exaggerated prices. HCFA said: OK, we are not going to pay grossly exaggerated prices; we will just pay 67 percent more than VA. That is grossly exaggerated. But even to that modest amount of reduction, the House Ways and Means Committee says no.

We all remember the Pentagon and the $500 toilet seats the Pentagon was buying some years ago. It is great news for all of us that the Pentagon isn't buying them anymore. Unfortunately, Medicare is. Taxpayers don't deserve to be ripped off and to have all of their money go for this gross waste and abuse in the Medicare system. Again, I know it is the waning hours of the Congress. We are all going to be getting out of here, I guess next week, they tell us. There is going to be a balanced budget amendment fix. We are going to look to see whether or not the special interests have gotten their way once again to rip off the taxpayers of this country and the Medicare system.

I may not have the opportunity to take the floor after that is done. We may be recessed or adjourned until next year. But we will be back, as will the taxpayers of this country and the elderly people and their families who have been getting ripped off for far too long. We will be back to make sure we get competitive bidding once and for all to save our taxpayers a lot of money.

I yield the floor.

Mr. GRASSLEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DURBIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURBIN. Mr. President, before us is S. 625, a bill relating to bankruptcy. It is a bill with which I have some knowledge and experience because last year I was a member of the Senate Judiciary Committee and a member of Senator GRASSLEY's subcommittee. We spent a great deal of time preparing this bill for consideration on the floor of the Senate. I enjoyed very much working with Senator GRASSLEY on the bill. He has become not only a trusted colleague but a good friend in the process. We have had our disagreements, but we have tried to resolve them amicably and in the best interest of the legislation.

I also salute a number of staff people who have been at this task for a long time: John McMickle, a member of Senator GRASSLEY's staff; Kolan Davis; Jennifer Leach, who now works for Senator TORRICELLI on the Democratic side; Darla Silva, a member of my staff who is with me today on the floor; her predecessor, Victoria Bassetti, now legislative director for Senator JOHN EDWARDS. All of these staff people have put in so many hours that we could not calculate it to consider this significant revision of the bankruptcy law in the United States of America.

As this bill comes to the floor, I still have many concerns about it. I think most honest critics would suggest this was not a bill that came from the demands of our mailbag or the American people. I scarcely find any members of the bar living in the State of Illinois who are begging me for a big change in the bankruptcy law. No, this law was inspired and has been pushed for several years by the credit industry. The credit industry was becoming increasingly concerned that more and more people were filing for bankruptcy. As these people filed for bankruptcy and are discharged from their debts, their creditors and credit card companies receive less money. So they came to Congress and said: We want to change the law and make it more difficult for people to file for bankruptcy.

In other words, when you are down and out and cannot pay your bills, when your income is such that you cannot meet your obligations, when you have tried everything and you have given up hope and you finally have said, "We have no choice but to declare bankruptcy and to try to start over," this law is going to say, stop, we may not let you do it because there are two different kinds of bankruptcy at issue. One is the so-called chapter 7 bankruptcy, where you walk in and, after a court proceeding and all the evidence is presented, the final act of the court is to clear your debt and to say now you can start over. Of course, you start over with very few assets and with that specter of having filed for bankruptcy over your head.

The alternative is something called chapter 13. Chapter 13 says, stop, we won't let you declare bankruptcy, we won't clear off all of your debts, and we are going to make you pay all or part of those debts over a lengthy period of time.

Those are two different outcomes. With one, the slate is wiped clean and the other the slate is still filled with many debts that have to be paid off. This bill attempts to define which people belong in which category, which Americans should be so down and out and up against it that they are allowed to have their debts wiped out completely and those who will continue to pay. It is no surprise that the credit industry is determined to keep as many people as possible on the hook and paying off these debts for a lengthy period of time.

Now, in some cases this is warranted. In some cases, people file for bankruptcy when they have assets and they have the means by which they can pay off at least a substantial portion of their debt. As this bill addresses that problem, I applaud it. I think they are right. People who are gaming the bankruptcy system to avoid paying their honest debts are, frankly, a burden on all of us as consumers, as those who are debtors as well. Those people should be excluded from the process. Life should be difficult for them, no matter how good their attorney, if they try to walk away from a debt they can pay. But that represents an extraordinarily small minority of those in bankruptcy court. The vast majority of those who walk through the doors of bankruptcy courts in America are in big trouble; they need help and need it quickly.

Unfortunately, this lengthy bill will create a process where some families who are absolutely out of options and have nowhere to turn have to walk through a new process of proof before they will even be considered to be discharged in bankruptcy.

Bankruptcy is an interesting concept, not new to the United States. It has been discussed at length throughout history. The history of the relationship between those who borrow and those who loan goes back to ancient times. Throughout history, those who borrow have not always been treated fairly. Under early Roman law, creditors who were unable to collect the debts owed to them were permitted to cut up the debtor's body and divide the pieces, or leave the debtor alive and sell him into slavery.

Thank goodness things have improved. In America, the delegates of the Constitutional Convention gave Congress the power to establish uniform laws on the subject of bankruptcy. Only one delegate to America's Constitutional Convention objected—Roger Sherman of Connecticut. It is said he was concerned that they didn't make it clear that if you file for bankruptcy, you would not be subjected to the death penalty. That is how onerous debt and collection was in those days. Mr. Sherman observed that bankruptcy was in some cases punishable by death under the laws of England, and he did not choose to grant a power by which that might be done in the United States. In response, Gouverneur Morris said he would agree to a bankruptcy clause because he saw no danger of abuse of power by the legislature of the Government of the U.S. I hope Gouverneur Morris' trust was not misplaced.

I have a statement from a bankruptcy judge in Chicago by the name of Joan Lefkow. Judge Lefkow, when she was inducted to be a part of the bankruptcy judiciary, gave an extraordinary statement about the history of this subject. She talked about Charles Dickens and his Pickwick Papers, of the "Old Man's Tale About the Queer Client." It is a story of a man who is cast into debtors prison by his father-in-law and left by his own father to languish in desperation, while his wife and child starved. Dickens wrote: "It was no figure of speech to say that debtors rotted in prison."

In a twist of fate, in this story, the debtor's father, although he had "the heart to leave his son a beggar," put off arranging it until it was too late. Thus, the man was freed from prison and provided a means by which he could exact revenge on the father-in-law who cast him into prison. He hired a lawyer to drive his father-in-law into bankruptcy so he could suffer the same fate as the son-in-law. He directed the lawyer, "Put every engine of the law in force, every trick that ingenuity can devise and rascality execute; aided by all the craft of its most ingenious practitioners, ruin him! Seize and sell his lands and goods, drive him from house and home, and drag him forth a beggar in his old age to die in a common jail!"

Those were the good old days when a debt led to a big problem when people could end up literally rotting in prison.

We decided in the United States to take a different course of action and to establish a bankruptcy procedure so that American families and businesses faced with that awkward and painful and embarrassing moment might have recourse. Our bankruptcy system is part of it.

But bankruptcy has become extremely technical and convoluted. During the course of this debate, we talk about cram-downs and reaffirmations and panel trustees and automatic stays, nonchargeable debt, prior debt, secured debt, and even something known as "supper discharge."

The bankruptcy code is a delicate balance. When you push in one area to create greater rights, or take rights away, it has an impact on another area. That is because no matter how hard you try at bankruptcy court, there is a very limited pie. All we can do is increase the fighting over that small pie, and usually no one wins that fight.

Mr. President, I note that my colleague from Wisconsin is on the floor. I believe he is prepared to offer an amendment. I ask permission of the Chair to yield the floor to my colleague from Wisconsin, and I ask consent that after he has completed his statement, I reclaim my time and continue.

The PRESIDING OFFICER (Mr. BENNETT). Without objection, it is so ordered.

Mr. KOHL. I thank Senator DURBIN very much.

Mr. President, I rise to offer an amendment with Senator SESSIONS to eliminate one of the most flagrant abuses of the bankruptcy system—which is the unlimited homestead exemption. This bipartisan measure will cap the homestead exemption at $100,000, which is more than generous. Last year, the full Senate unanimously went on record in favor of the $100,000 cap and emphasized that "meaningful bankruptcy reform cannot be achieved without capping the homestead exemption." I am proud that Senator GRASSLEY—the underlying bill's lead sponsor—is a cosponsor of this measure. Our proposal closes an inexcusable loophole that allows too many debtors to keep their luxury homes, while their legitimate creditors—like children owed child support, ex-spouses owed alimony, State governments, small businesses, and banks—get left out in the cold. Currently, a handful of States allow debtors to protect their homes no matter how high their value. And all too often, millionaire debtors take advantage of this loophole by moving to expensive homes in states with unlimited exemptions like Florida and Texas, and declaring bankruptcy—and then continue to live in a style that is no longer appropriate. Let me give you a few of the literally countless examples:

The owner of a failed Ohio S&L, who was convicted of securities fraud, wrote off most of $300 million in bankruptcy claims, but still held on the multi-million dollar ranch he bought in Florida. A convicted Wall Street Financier filed bankruptcy while owing at least $50 million in debts and fines, but still he kept his $5 million Florida home—with 11 bedrooms and 21 bathrooms. And just last year, movie star Burt Reynolds wrote off over $8 million in debt through bankruptcy, but he still held onto his $2.5 million Florida estate.

Sadly, those examples are just the tip of the iceberg. We asked the GAO to study this problem and, based on their estimates, 4 homeowners in Florida and Texas—all with over $100,000 in home equity—profit from this unlimited exemption and each every year. And while they continue to live in luxury, they write off annually an estimated $120 million in debt that is owned to honest creditors.

My favorite GAO example is a Texas bankruptcy attorney who boasts of refusing representation to anyone who piles up credit card debt on the eve of filing bankruptcy. For that stand against abuse, she deserves credit. But when her own finances went sour, she took a dramatically different view: she wrote off $1.2 million in debt, while holding onto her $400,000 home.

Mr. President, this is not only wrong, it is unacceptable. As you can see, while the unlimited homestead exemption may not be the most common abuse of the bankruptcy system, it is clearly the most egregious. If we really want to restore the stigma attached to bankruptcy—as this bill purports to do—then these high profile cases are the best place to start. Mr. President, we need to stop this high living at the expense of legitimate creditors. But the pending bill falls short. Instead of a cap, it only imposes a 2 year residency requirement to qualify for a State exemption. And while that's a step, it will not deter a savvy debtor who plans ahead for bankruptcy and it will not do anything about in-state abusers such as Burt Reynolds. This $100,000 cap will stop these abuses, without affecting the great majority of States, two-thirds of which responsibly cap the exemption at $40,000 or less.

Let me make one additional point, and respond in advance to the most spurious—of the many spurious—arguments made by the other side: that this issue is really about States rights. Mr. President, that is pure hokum. Anyone who files for bankruptcy is choosing to invoke Federal law in a Federal court to get a uniquely Federal benefit—a "fresh start" through a huge debt write-off. In these circumstances, it's only to impose Federal limits. And just because something is in a State "constitution" doesn't make it sacrosanct. A cap is not only the best policy, it is sends the best message: That bankruptcy is a tool of last resort, not just a tool for financial planning. And it gives credibility to reform by going after the worst abusers, no matter how wealthy they are. So honestly, this amendment should be a no-brainer. Indeed, if we want to apply antiquated bankruptcy laws, maybe we should resurrect "the debtors' prison." At least then we would be punishing the worst offenders, rather than rewarding them.

AMENDMENT NO. 2516

(Purpose: To limit the value of certain real or personal property a debtor may elect to exempt under State or local law)

Mr. KOHL. Mr. President, I ask unanimous consent to set aside the pending amendment, and I send an amendment to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The bill clerk read as follows:

The Senator from Wisconsin (Mr. KOHL), for himself, Mr. SESSIONS, and Mr. GRASSLEY, proposes an amendment numbered 2516.

Mr. KOHL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in title III, insert the following:

SEC. 3 . LIMITATION.

Section 522 of title 11, United States Code, as amended by sections 224 and 307 of this Act, is amended—

(1) in subsection (b)(3)(A), by inserting "subject to subsection (n)," before "any property"; and

(2) by adding at the end the following:

"(n)(1) Except as provided in paragraph (2), as a result of electing under subsection (b)(3)(A) to exempt property under State or local law, a debtor may not exempt any amount of interest that exceeds in the aggregate $100,000 in value in—

"(A) real or personal property that the debtor or a dependent of the debtor uses as a residence;

"(B) a cooperative that owns property that the debtor or a dependent of the debtor uses as a residence; or

"(C) a burial plot for the debtor or a dependent of the debtor.

"(2) The limitation under paragraph (1) shall not apply to an exemption claimed under subsection (b)(3)(A) by a family farmer for the principal residence of that farmer.".

Mr. KOHL. Thank you, Mr. President.

I thank the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois, under the previous order, is recognized.

Mr. DURBIN. Thank you, Mr. President.

I fully support the amendment offered by Senator KOHL and Senator SESSIONS. This gets to the heart of it. This would be a real test as to whether or not we are going to close one of the major loopholes in the bankruptcy law, a homestead exemption loophole where a person goes into the bankruptcy court and says: I am broke. I can't pay my debts.

The court says: Well, I guess we will have to discharge these debts. You can't pay them. But, of course, you keep your home.

Different States define how much value there could be in that home. We have seen in case after case where some have received a lot of publicity and we have people who are holding back homes that are worth hundreds of thousands if not millions of dollars under this homestead exemption and keeping that out of court. This is a ruse. It is a fraud.

I thank Senator KOHL and Senator SESSIONS for their leadership in introducing this amendment. I hope it passes.

Incidentally, this same amendment was defeated in the House of Representatives in the last session. I am not sure if they voted directly on it in this session. But it gives you an indication that some in the House who pound the table for reform in bankruptcy are the last in line when it is going to stop the fattest of cats from protecting themselves from bankruptcy by buying these huge homes and ranches.

I hope Senator KOHL is successful. I will be supporting him in every way I can.

Let me tell you one of the reasons I am here today to discuss this bankruptcy code. It is because of the increase in filings over the last several year. It is true that more people have gone into bankruptcy court.

It is an interesting thing that as our economy improves more people file for bankruptcy. Logic would argue just the opposite. But apparently people get into a frame of mind where they are so optimistic that they get strung out with too much debt. They never think they are going to lose a job.

They never think they will face a divorce. They never anticipate the possibility of medical expenses for which they cannot pay.

Mr. SESSIONS. Will the Senator yield?

Mr. DURBIN. I yield for a question.

Mr. SESSIONS. I ask if I might offer briefly a second-degree amendment to this and then return the floor to the Senator from Illinois.

Mr. DURBIN. I am happy to yield to the Senator for that purpose, with consent I reclaim the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2518 TO AMENDMENT NO. 2516

(Purpose: To limit the value of certain real or personal property a debtor may elect to exempt under State or local law)

Mr. SESSIONS. Mr. President, I send a second-degree amendment to the KOHL amendment to the floor.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Alabama [Mr. SESSIONS], for himself, Mr. KOHL, and Mr. GRASSLEY, proposes an amendment numbered 2513 to amendment No. 2516.

Mr. SESSIONS. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the amendment strike all after the first word and insert the following:

3__. LIMITATION.

(a) EXEMPTIONS.—Section 522 of title 11, United States Code, as amended by sections 224 and 307 of this Act, is amended—

(1) in subsection (b)(3)(A), by inserting "subject to subsection (n)," before "any property"; and

(2) by adding at the end the following:

"(n)(1) Except as provided in paragraph (2), as a result of electing under subsection (b)(3)(A) to exempt property under State or local law, a debtor may not exempt any amount of interest that exceeds in the aggregate $100,000 in value in—

"(A) real or personal property that the debtor or a dependent of the debtor uses as a residence;

"(B) a cooperative that owns property that the debtor or a dependent of the debtor uses as a residence; or

"(C) a burial plot for the debtor or a dependent of the debtor.

"(2) The limitation under paragraph (1) shall not apply to an exemption claimed under subsection (b)(3)(A) by a family farmer for the principal residence of that farmer.".

(b) ADJUSTMENT OF DOLLAR AMOUNTS.—Section 104(b) of title 11, United States Code, is amended—

(1) in paragraph (1), by striking "522(d)," and inserting "522 (d) or (n),"; and

(2) in paragraph (3), by striking "522(d)," and inserting "522 (d) or (n),".

Mr. SESSIONS. I yield the floor.

Mr. DURBIN. Mr. President, as I mentioned earlier, there has been a dramatic increase in filings for bankruptcy over the last several years—30 percent in some years.

People ask, How can this be? Of course, I think it is overoptimism. Folks in a good economy don't think anything will go bad; sometimes they do, and people who thought they had the world by the tail end up in bankruptcy court.

There is another factor at work here, as well. As Senator TORRICELLI of New Jersey, the Democratic minority spokesman on this committee, noted earlier, everyone who has a mailbox knows what is going on when it comes to credit cards. There is scarcely a day that goes by in my home in Springfield, IL, that there is not another solicitation for another credit card. In fact, some of the solicitations come in the name of my daughter who married years ago and hasn't been at that address for a long time. Some group has captured her name and address and continues to offer her credit cards on a monthly basis.

I asked my staff how many of them had been solicited likewise. It turned out everybody has received these solicitations. In fact, one of my staffers sent me a recent offer for a credit card that was sent to my godson. He is about 6 years old. I don't think he is creditworthy yet, but obviously some companies have taken a hard look at him and are considering whether or not Neil Houlihan needs to have a MasterCard at the age of 6. I hope that isn't an indication of what is happening across America.

I think we all know that part of the reason so many people end up in bankruptcy court is because we are flooded with easy credit. Easy credit has a good side and a bad side. Easy credit says to a person who traditionally could not qualify for credit that they now have a chance. I am told historically a waiter or waitress was unlikely to get a credit card because they didn't have a steady and predictable income. Those days have changed, thank goodness. People in those professions and occupations are given that opportunity for credit.

The bad side is that it extends credit, easy credit, to people who are already in over their heads. It doesn't parse out those who deserve credit and who can use it responsibly from those who are just going to dig a deeper hole and find themselves in short order facing a bankruptcy court judge. That, I think, is an indication of why so many people are starting, or did start, to use the bankruptcy courts.

The latest statistics for filings in bankruptcy have started to trail off. What appeared to be a national growing trend has changed. This year, second quarter filing reports show a drop in 42 States, including double-digit decreases in 14 States. We have to ferret out those people who abuse the bankruptcy system, but not at the expense of those families and businesses that need it.

The sad but obvious fact is that the people who declare bankruptcy are poor. The average income of a person who declares bankruptcy is $17,652. In 1981, the average income was $23,254. People in our bankruptcy system are just getting poorer. One would not believe that to be the case listening to the debate, the suggestion that so many people are coming into the bankruptcy court who are loaded with money, who, through crafty attorneys and their own ingenuity, are able to avoid their responsibility.

However, statistics tell a different story. By and large, the people showing up in bankruptcy court are poor people, with $17,652 as the average income of a person filing bankruptcy. If memory serves me, average indebtedness is roughly $25,000. These people have more than a year's income in debt before they finally show up in bankruptcy court.

As distasteful as bankruptcy is, the fact remains: We need the system. We shouldn't change it radically. By and large, it works. Let me give a few examples of people who are filing.

The three major reasons for filing bankruptcy are employment, health care costs, and divorce. Older Americans are less likely to end up in bankruptcy than their younger counterparts. But when they do file, a larger fraction of senior citizens—nearly 40 percent—give medical debt as the major reason for filing. Think about it: A catastrophic illness catching a family by surprise, particularly a senior with limited income and fixed resources, ends up in bankruptcy court because there is no place else to turn.

The second category is women raising families. Both men and women are likely to declare bankruptcy following divorce. Collectively, the bankruptcy sample has 300 percent more divorced people than the population in general. Families already stuck with consumer debt cannot divide their income to support two households and survive economically. Divorced women file bankruptcy in greater proportion than divorced men.

Before being elected to Congress, I was a practicing attorney in Springfield, IL. I was an attorney in hundreds of divorce cases. Almost without fail, the woman at the end of the divorce case had less money to try to meet the needs of her children and herself. Sometimes they are pushed too far. Many times, they end up in bankruptcy court.

Keep in mind as we debate these bills and whether we are going to run people through a means test with all sorts of questions to be answered and, if they miss an answer, thrown out of court, we are talking about older Americans and divorced women who are struggling to keep their family together.

Unemployed workers: More than half the debtors who file for bankruptcy report a significant period of unemployment preceding their filings. For single-parent households, a period of unemployment can be devastating.

Let me comment on this current bill. I favor the bill we passed last year. I think the Senate favored the bill we passed last year by a vote of 97–1. It is pretty odd in this Chamber to have 97 Senators agree on a bankruptcy bill. I think it was a better bill, better than the bill now before the Senate. I hope we make changes in this bill to bring it closer to last year's bill.

The changes should center around three themes: First, ensure fairness to women and children while ensuring that wealthy debtors pay their fair share. This can be accomplished by Senator KOHL's amendment, which Senator SESSIONS has cosponsored, which establishes a cap on the homestead exemption of $100,000 and ensures as well that women are not competing with credit card companies in collecting child support after the bankruptcy is over. This is a critical point that has been raised by Elizabeth Warren of Harvard as well as some 82 different bankruptcy professors across the United States who have written to Members of the Senate and asked them to be very sensitive to the fact that what we do in this law could make life more difficult, if not impossible, for women trying to raise their children after a divorce.

Alimony and child support payments oftentimes are a major part of the income on which they live. When we allow credit card companies and finance companies to grab more in bankruptcy and hang on to more after bankruptcy, it lessens the likelihood that the divorced woman trying to raise a child is going to be able to have any pot of money to draw from for help. It is just the bottom line. This is a pie of limited proportions after a bankruptcy. If the credit card companies can stay there, taking the money away from that former husband who filed for bankruptcy, many times it will be at the expense of his children and his former wife. That is a fact. It is a cruel fact. It is one that has not been overcome to date by anything suggested in this bill or on the floor.

Merely changing the priorities in the bankruptcy system, making the alimony and child support payments a higher priority, takes care of what happens in court, but after bankruptcy, then we have a problem. The same mother of the children trying to draw money from what is left after bankruptcy and income finds she is competing with credit card companies and others that have been given more rights under this bill to claim more money after the bankruptcy has been initiated.

Second, this bill needs to be more cost effective and less expensive for taxpayers. This can be accomplished by providing a safe harbor for means testing for a below-median debtor and streamlining the tests for debtors above the median income to eliminate needless paperwork.

A cliche I learned as a kid, as everybody learned, I am sure, over and over again: You can't draw blood from a turnip. In some cases, people in bankruptcy court, no matter how hard we try or how hard we look, are never going to have the money to pay off the debt. It is more sensible for us to step back and say, let's focus on those who are abusing the system rather than adding more paperwork requirements on those who will never be able to pay off their debts.

Let me give an illustration from the same law school professors who wrote to every Member of Congress about a recently completed study. Since last year's debate on bankruptcy reform, a study was funded by the independent, nonpartisan American Bankruptcy Institute. They found that less than 4 percent of consumer debtors could repay even 25 percent of their unsecured nonpriority debts, even if they could dedicate every penny of income to a repayment plan for a full 5 years. In short, for about 96 percent of consumer debtors, chapter 7 bankruptcy is an urgent necessity.

The fact that most debtors cannot pay more does not mean this means test will not affect them, though. Mr. President, 96 percent of those who file in bankruptcy court cannot pay more, according to the study. They are really up against it. They need to file for bankruptcy. Yet we find in this law the requirement that they still go through this rigorous standard of means testing and examination to question whether or not they can file for bankruptcy. I hope we will adopt the House standard at least, which says those at median income will be absolved from going through this lengthy test in bankruptcy court. People making median income in this country, filing for bankruptcy, are not likely to be able to pay off many of their debts.

Further, we ought to require that those earning up to 150 percent of median income should be subject to a reasonable screening to determine if it is possible they could pay back some of these debts. But to make every single person who walks into that court go through this process is unfair, it is burdensome, and it is not of any benefit to taxpayers or, ultimately, to creditors.

In addition, this bill needs to acknowledge the credit industry's role in increasing the number of bankruptcy filings. In order for this bill to be balanced, we have to enact additional disclosures on credit cards to allow debtors to make an informed choice about their credit. I had a lengthy list of disclosures included in last year's bill. Some have survived; some have been changed; some will be offered again on the floor. But is it unreasonable for us to say to these credit card companies that shove these credit cards at us faster than we can put them in our wallets, that they at least have to give us an honest monthly statement which tells us a few basic things? Isn't it reasonable to look at that statement, where it lists "minimum monthly payment," and then say: If you make the minimum monthly payment, it will take X months to pay off the balance, and when you pay off the balance, you will have paid X dollars in interest and X dollars on principal?

That is not a tough calculation in the world of computers. The people who send us the bills have all sorts of information they want us to read and absorb. Shouldn't we at least know the bottom line? We may be too deep in debt. Maybe another credit card is not a good idea. That is not an outrageous suggestion where I live. But when we suggested that to the credit industry, they blanched and said: Oh, never can we do that; we cannot make that kind of disclosure.

They certainly can. The question is whether they will. That question will be answered by the Senate when it decides whether the consumers deserve more information so they can make informed credit choices. This is not a question of rationing credit. It is a question of informing debtors and informing those who are going to buy the credit cards as to what their obligations are going to be.

Let me give one example on a chart which is an illustration of the credit card debt in America charted against bankruptcy cases. I think this chart tells the story about why we have more bankruptcy cases in the United States. If you will notice the blue line here, it represents bankruptcy cases from 1962 to 1995. The red line indicates debt-to-income ratio.

Do you want to know why there are more cases being filed in bankruptcy court? People are getting deeper in debt; they have more credit cards. That is what it is all about. When we had the first hearing on the subject, some of the people from the credit industry came in and said:

> American families just don't think there is a moral stigma attached to bankruptcy any longer. They are filing for bankruptcy without really feeling bad about it.

I take exception to that. I am sure there are some who are gaming the system and trying to figure out how to win, but the folks I have run into, filing for bankruptcy was a sad day when they finally had to concede they just hadn't handled things right, or faced a problem they couldn't manage, and had to go to bankruptcy court. It wasn't a proud day for the family. You don't hold a party when you go into bankruptcy court.

When it comes to moral stigma, I said to the people in the credit industry: You say folks are taking bankruptcy more lightly these days. Let me ask about the credit cards you are sending college kids and kids who have virtually no income and no credit history, with no questions asked? And what about those ATM machines at the casinos. You are talking about moral stigma. Is your industry sensitive to the mores of America in the way you offer credit and money to people regardless of whether it is a good idea or not?

I think there are two sides to the story. I think, unfortunately, this bill only addresses one side of it. According to the Federal Reserve Board, there are 429.2 million Visa and MasterCards in circulation in the United States. The number of cards per cardholder increased in 1998 to a total of 4.2 credit cards per person.

In addition to the solicitations we receive in the mail, telephone calls are made. In fact, 1998 was a banner year for solicitations for credit cards. The credit industry sent out 3.45 billion direct mail solicitations during 1998, an increase of 15 percent from the 3 billion in the previous year, and 2.4 billion in 1996.

Interestingly enough, there are only 78 million creditworthy households in the United States. Yet, as you can see by the numbers, there were 3.45 billion credit card solicitations. That is why your mailbox is full at home.

We even have proof the credit industry is targeting people in bankruptcy. Let me show you this. Talk about moral stigma. This is a solicitation offered by FirstConsumers National Bank in Portland, OR, and Beaverton, OR. To whom do they send this solicitation? People who file for bankruptcy. They want them back in debt. Let's get them back into debt.

In case you think it is easy to file for bankruptcy and pick up a credit card, they generously offer you an annual percentage of 20.5 percent, and if you stumble, it goes up to 25 percent interest. So the credit card companies that talk about the morality of the situation are quick to jump on the folks coming out of bankruptcy court and give them a very expensive credit card. That is not much of a fresh start as far as I am concerned.

Why is this occurring? We often debate these issues and don't get down to the bottom line. Why is the credit card industry so intent on reducing the number of people in bankruptcy courts who can discharge their debts? Why do they want to keep people paying on the debts? There is money to be made.

Between 1980 and 1992, the rate at which banks borrowed money fell from 13.4 percent to 3.5 percent. During the same period, the average credit card interest rate rose from 17.3 percent to 17.8 percent. Notice the spread. It used to be you had credit card interest rates of 17.3 percent when the banks were borrowing money at 13.4 percent. Now the credit card interest rate average goes up to 17.8 percent and the banks are borrowing the money they give to you at 3.5 percent. This is a big winner for these credit card companies. They want to keep people getting credit cards as they walk out of the bankruptcy courts. There is money to be made. It is a profitable business. The aggressive marketing campaign is going to continue as long as there is money to be made.

Of course, it is going to mean people are going to get in over their heads. You basically cannot have it both ways. You cannot recklessly offer credit to financially vulnerable people without increasing the number of bankruptcies. The credit industry knows this and so do a lot of conservative magazines. The London-based Economist, in a recent editorial about the reckless marketing of credit cards, wrote:

> Given its readiness to hand out money with almost no questions asked, the credit card industry's demands that Congress stop the rapid increases in filings for personal bankruptcy ring hollow.
>
> No doubt many people have benefited from the credit revolution that gave them an ability to borrow they have been denied in the past. And certainly, borrowers unable to meet their obligations bear some responsibility for their woes.
>
> Yet it is pure hypocrisy for credit card firms to complain that personal bankruptcy has lost its traditional stigma. For they have been deliberately directing their sales efforts at people on the edge of financial distress.

The rise in bankruptcies tracks consumer debts, and that is a fact. So in these times it is even more important for people to be fully informed about and careful about the credit card debt they rack up. That is why this legislation, which gives the consumer as much information as possible, is more important than ever.

I am confident we can approve this bill on a bipartisan basis. I pray we will not have the same experience as last year. We passed a bankruptcy bill in the Senate by a vote of 97–1. It went to the conference committee, and I was a part of and assigned to that conference committee. We had an introductory session where we smiled at one another, shook hands, and left the room. That was the only meeting of that conference committee.

Within a matter of hours, that same conference committee, with only one political party represented—not my own—came back with a bill and said: Take it or leave it. Thank goodness the Senate said leave it. It was a bad bill. If this bill is going to escape a similar fate, it needs to be negotiated in good faith on a bipartisan basis.

I am offering an amendment designed to penalize a growing category of high-cost mortgage lenders who lead vulnerable borrowers down a rose garden path to foreclosure and bankruptcy. These lenders prey with shame on low-income elderly and financially unsophisticated people, jeopardizing their lifelong investments and hard work in home ownership.

The number of older Americans who are so financially vulnerable that they end up going to bankruptcy court to deal with overwhelming debt is considerable. In 1998, more than 280,000 Americans age 50 or older filed for bankruptcy. The number of Americans age 55 and older filing has grown by more than 120 percent since 1991. Those age 50 and 55 is the fastest growing age group in bankruptcy.

Last year, during the Senate Judiciary's Committee debate on bankruptcy, I offered an amendment designed to curtail one terrible practice that plagues senior citizens: predatory high-cost mortgage loans targeted to the low-income elderly and financially unsophisticated. The amendment was part of the bill that passed 97–1. My colleagues may already be aware of the problems that are cropping up in the home mortgage industry. Let me explain.

In recent years, there has been an explosion in subprime high-interest loan markets. In the Chicago area, these lenders made 50,000 loans in 1997. This map shows foreclosures on subprime loans in Chicago in a 12-month period of time.

In the Chicago area, there were more than 50,000 loans in 1997, 15 times as many as in 1991, when they originated 3,137 loans. Even more dramatic than the increase in subprime loans has been the increase in foreclosures. Subprime lenders foreclosed on 30 loans in the Chicago region in 1993, 2 percent of the foreclosures that year.

In June of 1998 to June 1999, the subprime lenders foreclosed on 1,917 loans, 30 percent of the year's total foreclosures. Why is the growth of this industry of concern? Two reasons: First, these companies use reprehensible tactics and predatory lending practices to conduct their business and, second, because of the vulnerable victims—senior citizens and low-income people—whom they target.

I will tell a story that demonstrates the problem. In Decatur, GA, a 70-year-old woman named Jeannie McNab, retired, living on Social Security benefits, in November 1996 with the help of a mortgage broker obtained a 15-year mortgage loan from a large national finance company in the amount of $54,300. Her annual percentage rate on this mortgage loan was 12.85 percent, and under the terms of the loan, she would pay $596.49 a month until the year 2011 when she then would be required to make a total final payment of $47,599. Think about it: 15 years from now, when this woman is 85 years old, she will be saddled with a balloon payment that she can never possibly make and face the loss of her home and her financial security, not to mention her dignity and her sense of well-being.

She paid a mortgage broker $700 to find and fund this unconscionable loan, a mortgage broker who, to add insult to injury, collected a $1,100 fee from the mortgage lender.

Unfortunately, Mrs. McNab is a typical target of high-cost mortgage lenders. She is an elderly person living alone on fixed income, just the type of person who may suddenly encounter a financial obstacle and turn to this type of loan for assistance.

According to a former career employee of the subprime mortgage industry who testified anonymously last year before Senator GRASSLEY's Special Committee on Aging—this may sadden you:

> My perfect customer would be an uneducated woman who is living on a fixed income, hopefully from her deceased husband's pension, and Social Security, who has her house paid off, living off credit cards but having a difficult time keeping up with credit card payments.

The perfect target, according to this anonymous witness before Senator GRASSLEY's committee. This industry professional candidly acknowledged that unscrupulous lenders specifically market their loans to elderly widowed women, blue-collar workers, people with limited education, people on fixed income, non-English speaking people, and people who have significant equity in their homes. With lump sum balloon payments and terms that cannot be rationalized, they ensnare these folks and take away the only asset they have left on Earth—their home.

When that occurs, these people should not be able to go into court, once that person has defaulted on this mortgage, and recover. They have defrauded the individual who has borrowed the money. They are guilty of predatory loan practices and they should not receive the same treatment as an honest creditor who comes to court looking for compensation.

The amendment which I will offer will do several things. When a person such as Jeannie McNab goes to bankruptcy court seeking help from overwhelming financial distress the lenders caused her, the claim of the predatory home lender is not going to be allowed. If a lender has failed to comply with the requirements of the Truth in Lending Act for high-cost second mortgages, the lender will have absolutely no claim against the bankruptcy estate. The unscrupulous high-cost mortgage lender will not recover the fruits of their ill-gotten gain.

This amendment has been opposed by a lot of mortgage companies and banks that ought to know better. They are standing in defense of these predatory lenders who are taking advantage of vulnerable people and saying: We cannot treat them any differently; we cannot treat them harshly even if they abuse the system.

That is a sad commentary on the credit industry and it is a sad commentary on the mortgage industry that they will not join me and the Members of the Senate in ferreting out those who are exploiting people across America with these second mortgages and subprime mortgages which ultimately are indefensible—absolutely indefensible—as we found time and again. If the credit industry wants to defend those loans, it casts a real question and suspicion and doubt as to their sincerity in dealing with borrowers across America. I hope they will change their point of view and support this amendment.

I made some changes in the amendment to accommodate the industry to make it clear we are not going to deal with technical violations to disqualify those who try to collect in bankruptcy court. We are going after the bad guys.

I added a materiality requirement so the violations must be a material violation in order for the claim to be invalid. The amendment will apply to situations where a lender engages in the practice of lending based on home equity without regard to the borrower's ability to repay, or a lender makes direct payments to a home improvement contractor instead of to the borrower, or when the lender imposes illegal fees, such as prepayment penalties or increased interest rates at default, or imposes a balloon payment due in less than 5 years.

These illegal practices are not technical violations. I ask my colleagues to join me in this effort to protect the elderly by stopping predatory lending practices by adopting this amendment.

I send my amendment to the desk.

The PRESIDING OFFICER (Mr. ROBERTS). The amendment will be filed.

Mr. DURBIN. I thank the Chair.

The PRESIDING OFFICER. The distinguished Senator from Wisconsin is recognized.

Mr. FEINGOLD. Mr. President, I am pleased to have the opportunity to speak generally on the bankruptcy legislation that is now before the Senate.

First, I praise my friend and colleague from Illinois who has, on all issues, been extremely dedicated, hardworking, and effective on this bankruptcy issue. This is an important issue and a complex area of the law that has an impact on millions of Americans and, of course, on businesses all across the country.

This is an important debate, and I expect we will be on the floor for some time, because many of us have serious concerns about this bill and expect to offer quite a number of amendments to try to improve it.

As I said, the issues raised by bankruptcy legislation are extremely complicated. The stakes are high. The different viewpoints are passionately expressed by all of the players involved, from the different types of creditors to bankruptcy judges, trustees, and practitioners, to consumers and potential debtors.

We have a long legislative history to contend with here. We have been working on bankruptcy reform legislation for some time now, beginning with the appointment of the National Bankruptcy Review Commission in 1994, and the issuance of the commission's report in 1997. In the last Congress, the Senate passed reform legislation by an overwhelming margin. That bill was itself a compromise among the various interests. But a conference committee sent a much different, much more one-sided bill back to us, and I am happy to say, that bill died at the end of the session.

My view is that the legislation before us is only slightly less objectionable than the legislation that came out of conference last year. S. 625 is not a balanced piece of legislation. It tilts the scales too far in favor of certain types of creditors, and denies reasonable protections of the law not just to those trying unfairly to evade financial obligations they really can afford to meet, but also to honest hardworking families and single parents, who have come upon hard times and need the fresh start and breathing room that our bankruptcy system offers to give them a chance to survive. In too many cases, I am afraid, that will hinder families' ability to meet other obligations, particularly their obligations to their own children and to local taxing authorities.

In many ways, this is a bill at war with itself. Many of the provisions are designed to shift more money into the hands of unsecured creditors, while other provisions are designed to shift that same pot of money back to car lenders and different unsecured creditors. The bill is supposedly intended to move more debtors from the complete discharge of debts available under chapter 7 of the code into chapter 13 repayment plans. But chapter 13 trustees and others have testified that many provisions in the bill will decrease the success of chapter 13 repayment. The bill supposedly increases personal responsibility, and yet it would favor people who have two new cars over people who own older cars or who take public transportation. And the bill is said to be aimed at deadbeats and abusers of the system, not honest but financially troubled low-income people, and yet it penalizes renters, as opposed to homeowners. And whereas we often try to promote small business entrepreneurship in legislation, in this bill we sometimes seem to impose stricter rules on small businesses than we do on large businesses.

So, does the Senate really want to endorse these policies? Is it really our goal to send these mixed messages? I urge my colleagues to pay close attention to this very important debate. We do a lot in this body that in the end seems to just be symbolic. This bill is not symbolism. We cannot simply pass this bill and say we have struck a blow for personal responsibility. Because this bill will have real consequences in the real lives of real people. And I fear that in too many cases those consequences will be very damaging.

I do want to comment for a moment on the process that has brought us here. I mentioned before that the Senate considered bankruptcy legislation in the last Congress. But in this Congress, we didn't have a single hearing on this bill. Let me repeat that because it is so disturbing for a bill of this magnitude and complexity. The Senate Judiciary Committee did not have a single hearing on bankruptcy reform or S. 625—not one.

Now, to be fair, there was one joint hearing that was held over at the House with two subcommittees of jurisdiction—one hearing. And it occurred on a day that Senators happened to be involved in a very long series of votes—I believe it was one of our so-called "vote-arama" sessions—which meant that none of the Senators on the subcommittee could take advantage of the lone opportunity for public discussion of this bill. Other than that one hearing, the Senate of the United States had no hearings whatsoever on bankruptcy reform this year.

I did not understand the rush to report this bill from committee without hearings, and I still don't. Why didn't we hear from the bankruptcy judges, and the trustees, and the disinterested academics, and the practitioners about how and whether this bill will work? Why didn't we get their views in a formal and considered way, and try to address their concerns?

To say that this bill is just a repeat of last year's bankruptcy debate is just not right. This legislation is far too complicated and far too reaching to make that facile claim. This bill is actually different from last year's Senate bill in more ways than it is similar. In many ways, it is a brand new piece of legislation for this body. Last year's Senate bill was almost exclusively consumer bankruptcy oriented. This bill not only takes a different approach to consumer bankruptcy, but it has dozens of provisions affecting a variety of tax issues, municipal bankruptcy cases, single asset real estate cases, small business cases, and health care cases, in addition to a host of changes to general chapter 11 bankruptcy that may dramatically change the rules governing the reorganization of our Nation's largest businesses. We never discussed most of these issues at the committee level. We have received many warning signs from those who understand the bankruptcy system far better than any of us do. I am afraid to say, what is being done here is actually irresponsible.

Why has this happened? Well, the sad truth is that all of us know why. A very wealthy and powerful industry has pushed and pushed and pushed for this bill, and so far the Congress has ignored the experts and done the industry's bidding. The credit card industry wants this reform because it wants protection from its own excesses. You see, the industry has flooded the mailboxes, and the phones, and the e-mail in boxes of America with offers of easy credit. Americans received over 3.45 billion credit card solicitations in 1998. Anyone can get a credit cared, even children, even people who have just filed for bankruptcy.

I favor empowering citizens and broadening their options using credit to bring more convenience to their lives as consumers. But the industry has been irresponsible in extending credit to those who cannot handle it. And now the industry has come to Congress for help. Now the industry wants the bankruptcy system to protect it. I say to you, Mr. President, that is not right.

The industry hasn't come to us hat in hand, however. It has come with an open checkbook. As you know, Mr. President, from time to time on the floor in recent months, I have noted that contributions of different players in the legislative process that seek to influence our work here with campaign contributions. This bill is a poster child for the "Calling of the Bankroll."

Like so many issues, bankruptcy reform has been transformed from a policy debate to a vehicle for a special interest agenda. The key ingredient in that transformation is money, plain and simple.

In the last election cycle, according to the Center for Responsive Politics, the members of the National Consumer Bankruptcy Coalition, an industry lobbying group made up of the major credit card companies such as Visa and MasterCard and associations representing the Nation's big banks and retailers, gave nearly $4.5 million in contributions to parties and candidates.

How can a single mother in West Allis, WI, for example, who faces overwhelming debt from medical bills and the loss of child support, compete with the might and financial power of this industry? Her family, and her future will be affected by this bill every bit as much as the credit industry, yet she is not represented in the campaign finance game. And I am afraid that this bill in its current form very much reflects her lack of power.

Some of the campaign contributions from these companies seem to be carefully timed to have a maximum effect.

It is very hard to argue that the financial largess of this industry has nothing to do with its interest in our consideration of bankruptcy legislation. For example, on the very day that the House passed the conference report last year and sent it to the Senate, MBNA Corporation gave a $200,000 soft money contribution to the National Republican Senatorial Committee.

In connection with the joint hearing that was held earlier this year, I submitted a written question to Bruce Hammond, the chief operating officer of MBNA. I asked him about the $200,000 contribution to the NRSC in October 9, 1998, just days after the conference committee reached agreement on a version of this bill that everyone agreed was more favorable to the credit card companies than the bill that the Senate had passed.

This is what I asked him:

> (A) As CEO, are you involved generally in the decisions to make soft money contributions to the political parties?
>
> (B) Were you involved in the decision to make this particular donation?
>
> (C) How are decisions on soft money contributions made in your company? Who participates in such decisions? What criteria are followed in making such decisions?
>
> (D) Why did MBNA make a $200,000 donation to the NRSC on October 9, 1998?

Mr. Hammond's written response to the questions was very illuminating. Basically, he decided to ignore these direct and simple questions about the soft money donations of his company, and instead wrote the following:

> I find the premise for this question troubling. I hope there is no intention to place bankruptcy reform in a partisan political context. All of us who have worked in support of these legislative reforms have been pleased by the support, cooperation and encouragement we have received on both sides of the political aisle. It has been particularly pleasing to note that in this Congress both the House and Senate bills have had as their original co-sponsors prominent and respected Members of Congress from both political parties.

With all due respect, Mr. Hammond has made my point for me. As I noted, the soft money contributions of this industry have gone to both parties. Actually, MBNA Corp. has only given to the Republican party committees in the last few cycles. But other big lenders, such as Visa USA, BankAmerica Corp., and Citigroup, are giving to both parties. That is what is so insidious about these contributions. They aren't about politics, they are about policy. These companies don't just want to influence elections, they want to influence legislation directly.

So the premise of my questions to the chief operating officer of MBNA Corp. was not to suggest that this bankruptcy bill was partisan, it was to get at the bipartisan problem of soft money and its insidious relationship to the legislative process. I'm sorry that Mr. Hammond decided not to answer my questions directly. I suspect that one of the reasons that he didn't is that direct honest answers to these questions would not be something he would want in the legislative history of this legislation. So he chose to simply ignore the questions. That is unfortunate.

Mr. President, in the current Congress we are seeing another influx of campaign contributions from banks and lenders seeking to influence this bill.

Incredibly, PAC contributions from National Consumer Bankruptcy Coalition members totaled $227,000 in March of this year alone. That's a full 20 months before the next election. But guess what. March 1999 was a month during which the Judiciary Committees of both the House and the Senate were considering the bill. Members of the coalition gave nearly $1.2 million in PAC and soft money contributions in the first 6 months of 1999. During that time period, MBNA Corp. gave $85,000 in soft money to the Republican Party committees, while Visa USA Inc. gave $30,000.

Now I want to be clear here once again. Republicans are not alone in taking in hundreds of thousands of dollars from banks and lenders in this election cycle: During the first 6 months of 1999, the Democratic party committees took in more than four times the soft money from banks and lenders than they did during the first 6 months of the last presidential election cycle in 1995. Soft money contributions overall are up by about 80 percent, but the banks and credit card companies have quadrupled their contributions to my party.

Mr. President, we need to keep in mind as we debate this bill, and the many amendments that will be offered, the extent to which bankruptcy reform has come to be seen as a gift to special interests, particularly the credit card companies. In light of that, we bear an even heavier burden to make sure that we are serving the public interest with this kind of far reaching legislation.

We must open our minds to the recommendations of nonpartisan experts in this field. We haven't done that yet, although some progress certainly has been made between the time this bill left the Judiciary Committee and today. I am pleased, for example, that the requirement that debtors attorneys bear personal financial responsibility for the trustee's cost and fees if the debtor loses a motion to convert a chapter 7 filing to chapter 13 has been eliminated. That provision would have had the result of denying many honest American families adequate legal representation, making them even more subject to abusive and predatory practices by creditors.

But we have a long way to go to make this a balanced bill, rather than a wish list for credit card companies. If we don't do that, we will have filed in our duty to the public and will come to regret our actions.

I sincerely hope that once again we can work together to develop a product that will win a near unanimous vote in the Senate as last year's bill did. A bankruptcy reform bill should be the product of a considered and well-informed debate, not a political dance, where money calls the tune.

AMENDMENT NO. 2522

(Purpose: To provide for the expenses of long-term care)

Mr. FEINGOLD. Mr. President. In a moment I am going to offer an amendment to address one of the many unfairnesses of the means test in this bill. This amendment is focused particularly on expenses that a family might incur because it is paying for medical care for a non-dependent family member.

These kinds of expenses often are referred to in our discussions as expenses for long term care. Long-term care, and particularly fundamental long-term care reform, has been a special focus of mine since I was first elected to the Wisconsin State Senate in 1982.

As I discovered when I began working on this many years ago, long-term care is greatly misunderstood. Even today, when people hear long-term care many think of nursing homes and the elderly.

But that is not the whole story.

According to the Long-Term Care Campaign, while the majority of the over 11 million severely disabled Americans needing long-term care services are elderly, nearly half are either working-age adults or children.

And while many do receive their long-term care services in a nursing home, the vast majority of those needing long-term care receive that care at home.

Long-term care touches many more than just those needing services.

Nearly 6 of every 10 Americans have already experienced a long-term care problem in their own family or through a friend, and more than half of these have provided care to someone who needs services.

The National Family Caregivers Association estimates that between 80 and 90 percent of all long-term care is provided by families.

Caregiving can be an enormous burden on families—physically, emotionally, and financially.

As we found in Wisconsin two decades ago, that burden not only takes its toll on families, but on government budgets and taxpayers since all too often the reason an individual enters a nursing home is not due to their condition, but because the family member caregiver is simply no longer able to care for them.

Though I will not speak at length today about the reforms we need to make to our long-term care system, I do want to note this critical point—we need to build on the informal long-term care that families already provide, not only to allow those needing long-term care services to remain where they prefer, at home with their family, but also because the alternative places a huge burden on State and Federal budgets.

Families that provide personal assistance and other forms of care to loved ones not only help that loved one, they help the taxpayer.

Families provide an estimated $200 billion in long-term care services every year—services that help keep loved ones at home, and out of expensive institutional settings.

But when families are no longer able for physical, emotional, or financial reasons to care for that loved one, changes are that individual will end up in a nursing home on the joint State-Federal program Medicaid.

When taxpayers pick up the Medicaid tab for nursing home care, it isn't cheap.

According to the Long-term Care Campaign, nursing homes cost an average of $46,000 a year, and for those with severe disabilities or dementia, the costs can be even greater.

Mr. President, much as I might like to, we can't use this bankruptcy bill to reform our long-term care system. But at the very least, we should not be making the current long-term care crisis worse than it already is. And that, I fear, is exactly what the bill in its current form does.

In particular, we should not be discouraging families from caring for a disabled or chronically ill loved one. If a family facing financial difficulties can continue to care for a loved one at home, and keep them out of more expensive taxpayer-funded settings, all of us will benefit.

It is for that reason that I offer this amendment—to make sure that a family's ongoing expenses to provide care for a loved one will be recognized as reasonable and legitimate living expenses for purposes of calculating how much a family is capable of contributing toward repayment of debt.

The means test in the bill provides that a debtors are ineligible for a Chapter 7 discharge if they can supposedly repay 25 percent of their debts or

$15,000, which ever is less, over a period of 5 years. Basically, the trustee has to analyze the ability of debtors to repay their debts, looking at their monthly income and their monthly expenses. But the expenses are not actual expenses, they are the expenses set out in IRS standards designed for a wholly different purpose. And these standards do not include as necessary expenses amounts paid for the care of non-dependent family members.

So people who file for bankruptcy are presumed to have abused the system if they don't meet the means test using the IRS standards. And they can rebut that presumption only by showing special circumstances that justify additional expenses.

To do so, they have to provide documentation and "a detailed explanation of the circumstances that makes the expenses necessary and reasonable." So under this bill, debtors with significant long term care expenses are deemed abusers of the system, and they may have to litigate to prove that they are not spending too much to care for their family. The bankruptcy courts are going to be called on to pass judgment on whether the expenses for long term care are reasonable. Some people may be forced to forgo bankruptcy because they cannot afford to both hire a lawyer to fight the presumption of abuse and continue to care for their family members.

This is only one of many examples of how use of the IRS standards makes the means test draconian and unfair. I hope as we debate and amend this bill we will make major changes in how this means test operates. And we should start here, with long term care expenses. This amendment simply provides that the monthly expenses to be analyzed under the means test may include the continuation of actual expenses paid by the debtor for the care of household or immediate family members who are not dependent.

Let's think about the alternative for a moment. Imagine a scenario where someone is in the position of filing for bankruptcy and has significant long term care expenses of a aging parent that are for some reason deemed to be not reasonable. If that individual is prevented from filing for bankruptcy, the need for the long term care doesn't go away. It stays. It may be the reason that the person has to file for bankruptcy in the first place, because the additional burden of the long term care expenses makes it impossible to make ends meet and keep up with payments on accumulated debt.

What choice does this person have if the protection of the bankruptcy laws is unavailable? No choice at all. The care must stop, and the person being cared for goes into a public institution with higher costs to the taxpayers and, more important, untold damage to the family.

I challenge my colleagues to tell us how the simple exception to the rigid IRS standards set out in this amendment will lead to abuse. Are people going to go out and arrange for unreasonably extravagant care for their family members in order to file for bankruptcy and get out of debt? I don't think so. In fact, I think it is insulting.

No, the millions of Americans who selflessly care for their loved ones make a sacrifice that we should honor and encourage. Passing this amendment would be a small step toward recognizing that crucial service to our country that they provide. I urge my colleagues to step back from the misery that this bill might very well inflict and adopt this amendment.

Mr. President, I ask unanimous consent that the pending amendment be set aside so I may offer this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FEINGOLD. Mr. President, I send my amendment No. 2522 to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. FEINGOLD] proposes an amendment numbered 2522.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 7, line 15, strike "(ii)" and insert "(ii)(I)".

On page 7, between lines 21 and 22, insert the following:

"(II) In addition, the debtor's monthly expenses may include, if applicable, the continuation of actual expenses paid by the debtor for care and support of a household member or member of the debtor's immediate family (including parents, grandparents, and siblings of the debtor, the dependents of the debtor, and the spouse of the debtor in a joint case) who is not a dependent.

Mr. FEINGOLD. Mr. President, I ask unanimous consent to set aside the pending amendment and offer Senator DURBIN's amendment No. 2521, which he discussed and filed this morning, and that the Durbin amendment No. 2521 then be immediately set aside.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

AMENDMENT NO. 2521

(Purpose: To make an amendment with respect to allowance of claims or interests and predatory lending practice)

Mr. FEINGOLD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant clerk read as follows:

The Senator from Wisconsin [Mr. FEINGOLD], for Mr. DURBIN, proposes an amendment numbered 2521.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 29, after line 22, add the following:

SEC. 205. DISCOURAGING PREDATORY LENDING PRACTICES.

Section 502(b) of title 11, United States Code is amended—

(1) in paragraph (8), by striking "or" at the end:

(2) in paragraph (9), by striking the period at the end and inserting "; or" and

(3) by adding at the end the following:

"(10) the claim is based on a secured debt, if the creditor has materially failed to comply with any applicable requirement under section (c), (d), (e), (f), (g), (h), or (i) of section 129 of the Truth in Lending Act (15 U.S.C. 1639)."

On page 201, line 3 strike "period at the end" and insert "semicolon".

Mr. FEINGOLD. Mr. President, I yield the floor.

Mr. SESSIONS. Mr. President, I thank the Senator for his amendment and the remarks he made. There are some good questions. We do want to help those who are in nursing homes and so forth.

I am somewhat nervous and troubled by the breadth of the language because economics is a fairly crystal science in a lot of ways. This just says you want to help a dependent. In effect, what he is saying by this amendment is that a debtor who owes people who he has gotten benefits from and promised to pay them money, he won't pay them; he will be able to take money they should get and apply it to the family members to whom he wants to give it.

I don't know whether that is a good proposal for this bill or not. As he said, maybe we can't fix health care in the bankruptcy bill. Maybe not. We will be glad to review that, and I am sure Senator GRASSLEY will.

I wish to make a number of points about some of the issues that have been raised because I do so strongly believe this piece of legislation is good. I believe it is going to make a major step forward in improving bankruptcy and having more fairness, eliminating these complaints that all of us are, in fact, hearing from people in our States who have been abused by the process in bankruptcy. Many times they blame the lawyers, and sometimes so do I. But the truth is, lawyers are using the laws we pass. It is our responsibility, if the law isn't working, to come to this floor and present legislation to fix it.

Over 70 percent of the people believe we need to reform bankruptcy law. This isn't a special interest piece of legislation. But I will say this: There is no doubt that banks and others who regularly go to bankruptcy court see what is going on there on a daily basis. They have every right to call to our attention what they see are problems and injustices. We have a responsibility, if that is so, to fix it. That is fundamental. That is what American law is all about. What we are doing with the bankruptcy bill is trying to reform and improve bankruptcy law, which has had no real analysis since 1978. We have had more than double the filings in bankruptcy since 1978. Indeed, we have had a virtual doubling of bankruptcy filings since 1990, during that period of time.

Larry Summers, the present Secretary of the Treasury, stated that bankruptcy does, in fact, increase interest rates. Businesses have to charge more when more people are bankrupting and not paying back their debts. It raises the interest rates. The present Secretary of the Treasury understands that, and any economist would.

Senator HATCH, chairman of our Judiciary Committee, has pointed out the average cost per family of the debts wiped out in bankruptcy per year is $400. What that means is that somebody is not paying their debt and, in fact, is shifting the burden to other people to pay them for them. Sure, bankruptcy is a historic part of American law. It is something we never want to eliminate. We want to protect that right. It is mentioned in the Constitution but not provided for in detail. Our Founding Fathers recognized we ought to have a bankruptcy system. It has always been a part of the Federal court system, and we, as the Congress, have the responsibility to analyze it periodically to see what abuses and problems are occurring and, where there are problems, to fix them and see if we can't make the system work better.

Now they say we want to talk about credit cards. That is an issue we may want to talk about.

But this piece of legislation was designed to deal with the bankruptcy court system. We have banking committees and others that are dealing with these credit disclosure acts and the kind of bank loans and interest rates credit cards ought to utilize.

In fact, the chairman of the Banking Committee is not happy we are down here amending banking law on a bankruptcy bill that has nothing to do with banking law. Rightly, he should be. I don't think we need to distract ourselves on that. Frankly, I think we ought to just confront this issue that is being raised.

Bankruptcy is the fault of all of the credit card companies, and they are giving too much money to people who are marginal credit risks. They are allowing them to have credit cards—horrible things they are doing, allowing a poor person to have a credit card. That is bad.

We just had a banking bill that almost went down over a debate among those liberals in this body who wanted to ensure that the banks lend more money to at-risk, high-risk borrowers. That is a good thing, not a bad thing. If they weren't lending money to poorer people, weren't allowing them to have credit cards, then they would be much condemned for it, and rightly so. Ninety-nine percent of people who have credit cards pay their debt—99 percent. The banks are not lending substantial sums of money to people who can't pay their debt.

But I will tell you this. If you are living on a fixed income, you have a $25,000-a-year income, you have a family, you are trying to do things, and the tire blows out on your car, you are glad you have a credit card so you can pay for it to be fixed, so you don't have to sit it on the blocks, or you can get your momma, or somebody, to lend you the money to fix the tire. And it allows you to pay it back over a period of time.

It is an odd thing to me that people who think and claim they care about the poor are going to be complaining because credit card companies allow them to have credit cards so they can borrow money when they need to. It becomes a critical thing for them.

Then there is a complaint that somehow this legislation is unfair to women and children. That is a stunning event. From day 1, Senator HATCH and Senator GRASSLEY made a commitment to make a historic change in the way bankruptcy treats child support and alimony. There is a list of things that have to be paid first when you pay off your debts in bankruptcy. They call them priorities. Child support and alimony used to be seventh on that list. From day 1—this bankruptcy bill has proceeded for over 2 years now—we have raised child support and alimony to No. 1, ahead of lawyer fees. That is historic. They are complaining, too. But we made a commitment that nothing would take priority in bankruptcy court over child support and alimony.

It amazes me. I am astounded that those who want to kill this legislation, for reasons I cannot fathom, come down here and complain that the reason they are against it is that it hurts children. This is a historic move to provide unprecedented protections and priorities for children.

I find that a stunning argument to make.

They argue that this is going to penalize a single woman with a child who has financial troubles and needs to go into bankruptcy, and that somehow that woman with that child would be required to pay back some of their debt when they wouldn't have been required to pay some of their debt under the old law, because fundamentally what this bill says is, if you can pay back some of your debts, you ought to. What is wrong with that? If you can pay back some of your debts, you ought to pay some of them back. That is fairness. That is one of the biggest abuses we have. We have young yuppies making $100,000 a year in income, running up a bunch of debts, and then they just wipe them out and start all over again. That is not right. If they can pay back some of those debts, they ought to pay them.

The question is, Won't this abuse women with children at home who have financial difficulties? Let me explain this simply. If there is a mother and a child, a family of two, the median income in America is $40,000. If they make less than $40,000, they will be able to file bankruptcy just as they always have. If two of them are making $40,000 a year—which is a pretty solid income—or below, they will not be subject to these rules that require those who can pay to pay. If they make over $40,000, the judge will have the responsibility to evaluate their debt, evaluate their expenses, and see if they can pay back some. If they can pay back 25 percent, or 30 percent, or 50 percent, or maybe 100 percent, if their income is $100,000 a year, what is wrong with that?

Should a single woman be given preference over a single man with a child?

We have to have simple rules that are fair and objective. All I am saying is, it would take a family with a substantial income before the principles of law would apply that they would have to pay back any money.

There is a suggestion that somehow because a father is paying alimony and he might pay back some of his debt, he will not be able to pay his child support. But as we know, he is required to pay his child support first. And no plan in bankruptcy can be approved by a bankruptcy judge unless this gives priority to repayment of past due child support and paying current child support. That is a bogus argument.

This bill requires the judge, before he approves a bankruptcy payback plan, to give priority to the payback of child support and alimony. In fact, it will strengthen the ability of children to receive the alimony payment because instead of walking in and filing bankruptcy under chapter 7 and just wiping out all of his debt and starting fresh, the deadbeat dad will be under the control of the bankruptcy court, under chapter 13, and will have to report his income on a regular basis. If he is not paying that, he can be disciplined through the bankruptcy court.

That is not a good argument, I would suggest.

There is a study by a group of professors who said only 4 percent of the people filing bankruptcy could pay even 25 percent of their debt. In that instance, if that is true—and I doubt that; I think the figure is a good bit higher than that but not a lot higher. I am not saying it is a huge number. Maybe it is 15, 20, or 10 percent. But those 10 percent who can pay it, those 4 percent who can pay their debts, why shouldn't they pay them? That is what we are saying. The law will not make them pay if they can't pay. If their income is below the median income, they won't have to pay back the debts at all.

I think that is not an argument that is important to us today.

There is another complaint about mailing credit cards. I heard a lot of people say, I get credit cards in the mail. They are not getting credit cards in the mail. If they are, they ought to call the Federal State law enforcement because it is illegal to send somebody a credit card they haven't asked for. What they are receiving in the mail from credit card companies are solicitations or offerings for credit cards.

I think that is probably good because I don't like those high interest rates on credit cards. I shop around. I don't like paying 18 percent interest. I hope most people can avoid running up any significant debt because that is a high interest rate. But one of the good things that has happened of late is, credit cards are getting competitive. They are offering us to join up: Convert to our credit card, have no interest for so many months, and you are going to have a lower interest rate than you had before. They are getting some competition in the credit card industry.

We are going to come around now and pass a law in this Congress that says a credit card company can't write you a letter and offer you 15-percent interest instead of your current 17-percent interest? What kind of idea is that? We have some poor economic thinking in this Congress.

By the way, as the Secretary of the Treasury under President Clinton has indicated, defaults on payments in bankruptcy drive up interest rates for everyone. It was suggested we have to make these reforms in amendments because old people are not able to pay their debts. Old people are not the ones filing bankruptcy. The figures cited were older people over 55. Filers over 55 have gone up almost 120 percent since 1990, but during that time all filings have gone up 100 percent. Always the older citizens of the country are the least likely to file bankruptcy. They are the most responsible and keep up with their books and manage their debts well. That is not the biggest problem in bankruptcy. Check the ages and it won't be the people 65 years old and up filing bankruptcy in America today. They are responsible. They have learned how to manage their money.

One amendment is to crack down on subprime lenders, banks that loan to poor people. We have legislation attacking banks for redlining areas and not loaning to poor people. We had a big fight over it on the banking bill. The people receiving these loans were viewed as vulnerable and preyed upon. Sometimes they can be vulnerable and sometimes I guess they can be preyed upon. However, one doesn't have to take a loan if they don't think it is better. If a person has $10,000 credit card debt at 18-percent interest and they can get a loan at a bank at 12.5 percent to pay it off and they don't have a good credit rating, but 12.5 percent is better than 18 percent. People make those choices daily. I don't know as part of bankruptcy court reform that we ought to try to reform banking law. That ought to be thought through more carefully.

This bill is essentially the bill that passed 97–1 in this body. It is essentially the bill that passed the House last year by a veto-proof majority. It has already passed the House again this year by a veto-proof majority. There is bipartisan support for it. It is beyond me why we can't have a final vote and get it passed. I have only been in this body a little over 2½ years, and I don't see how we have a bill with this kind of support. It is frustrating trying to get a final vote and do what the people of this country want done. We debated it. They said we have not had hearings. We had hearings for years on it. Everybody knows the issues. We have had staff meetings in excruciating detail.

Senator GRASSLEY has been more than generous in working with those who have concerns about the bill. He has met with the staff, met with the White House. My staff is meeting with a representative from the White House today trying to work out the language on one or two issues that we think we can reach an agreement on. There have been great efforts to make some changes. Why some want to spin this as a bill that is unfair is beyond my comprehension. We had this year a joint House-Senate Committee on bankruptcy—the first time in history—to consider those issues.

My vote is not for sale. I am not going to support a bankruptcy bill or any other bill because of any political contribution. I am offended by those who come on the floor and suggest that is what we are doing. I am prepared to debate any issue on this bill on the merits of what is good for public policy in this country. I am getting sick and tired of sanctimonious Senators suggesting they are above all the rest of us and everybody is corrupt—because industry gives political contributions to both parties. That is not right.

Let's talk about what is wrong with this bill. Let's talk about why something in here is unfair, if it is. If it is unfair, we will fix it. I am not happy with that. I think we need to do better.

Mr. President, 70 percent of the people are in favor of this legislative reform. There is overwhelming popular support for a system the reform of which is long overdue. We can do it. I don't blame the people who are in the process of dealing with it every year for being angry. They have a right to be. There are multiple loopholes in this bankruptcy system that we have seen. We have seen how they work and we can fix them.

One of the driving factors behind increased filings of bankruptcy is advertising by attorneys. Watch their ads. They don't say: Come on down and we will file bankruptcy. It says: Got problems with your debts? Come talk to me.

You talk to them and the next thing you know a person who has never been given an opportunity for a different opinion has suggested they can pay a certain fee and file bankruptcy and they will take care of him; all their debts will be wiped out. And the debtor says: You mean that, really? And the lawyer says: Absolutely; that is the law.

We passed that law. We talk about needs-based reform. What we are saying is, if you can't pay your debts, you have an income below the median income in America, $50,000 for a family of four—that is what the median income is—if you can't pay, you can have traditional benefits of chapter 7 and wipe out your debts, if that is what you choose. However, if you make above that, the judge can order you to pay some of the money back. I think that is only fair. I believe that will eliminate some of the abuses in the bankruptcy system.

Another amendment Senator KOHL and I have offered deals with what I consider another abuse in bankruptcy. I have an example from the New York Times article of last year about some people who used and abused the bankruptcy system.

> The First American Bank and Trust Company in Lake Worth, Fla., closed in 1989, and its chief executive, Roy Talmo, filed for personal bankruptcy in 1993. Despite owing $6.8 million, Mr. Talmo was able to exempt a bounty of assets.
>
> During much of the bankruptcy proceedings, Mr. Talmo drove around Miami in a 1960 Rolls-Royce and tended the grounds of his $800,000 tree farm in Boynton Beach. Never one to slum it, Mr. Talmo had a 7,000-square-foot mansion with five fireplaces, 16th-century European doors and a Spanish-style courtyard all on a 30-acre lot. Yet in Mr. Talmo's estimation, this was chintzy. He also owned an adjacent 112 acres, and he tried to add those acres to his homestead. The court refused.
>
> Mr. Talmo, though, now looks back as a more humbled man, "Bankruptcy is something I don't want to do again," Mr. Talmo said. "Mine is a sad story. I have my home, but otherwise I was wiped out."

This is the way it works: The former commissioner of baseball—lots of prominent people do this—runs up a big bunch of bills; the business fails; he owes a lot of people money. So you say: What can I do? I can move to Florida; I can move to Texas; I can buy a big mansion, put all my money there on the Atlantic coast or the gulf coast or the Texas coast or wherever, and I will just put everything I have liquid right now in that house. I will claim it as my homestead and they cannot take it.

Then, after I have wiped out all these people I legitimately and lawfully owe, I can sell my multimillion-dollar mansion and live high the rest of my life. That is what this law allows. It is proper and legal in the American bankruptcy system today, and we ought to put a stop to it.

People say it is States rights. Not so. Bankruptcy is totally a Federal court proceeding. It is referred to in the U.S. Constitution. It is totally a Federal court proceeding and we have, as a Federal Congress, the right to set the standards as we choose them for a homestead exemption. In my view, this is an abuse. It allows people to move in interstate commerce and to defeat totally legitimate creditors and live like kings and not pay back people they owe.

I am going to mention one other example in the New York Times article:

> Even when residents of Texas and Florida sell their homes and pay off their mortgages during bankruptcy, they can still walk away rich.
>
> Talmadge Wayne Tinsley, a Dallas developer, filed for Chapter 7 bankruptcy in 1996 after he incurred $60 million in debt, largely bank loans. Under Texas law, Mr. Tinsley could keep only one acre of his 3.1-acre estate, a rule that did not sit well with him. His $3.5 million, magnolia-lined estate included a five-bedroom, six-and-a-half-bath mansion with two studies, a pool and a guest house. All that fit snugly onto one acre.
>
> Yet when the court asked Mr. Tinsley to mark of two acres to be sold to pay off his debts, his facetious offer was for the trustee to come by and peel off two feet around his entire property. The court refused, forcing a sale, but by Mr. Tinsley still did rather well for himself.
>
> He sold his house in October for $3.5 million using the proceeds to write a $659,000 check to the Internal Revenue Service and another for $1.8 million to pay off the mortgage. That left $700,000 for Mr. Tinsley after closing costs and other expenses were deducted from the proceeds, according to court officials. About $58 million of his debts were left unpaid.

I believe there are abuses there. I believe the Kohl-Sessions amendment will deal with it. It is not a question of States rights. The Federal bankruptcy courts have allowed States to set the standard, but it has never been a problem, that the Federal court could set a national standard if they chose.

We, by this amendment, say you could only have $100,000 in equity in your home—not the value but in the equity of your home—and be able to keep it; whereas, over two-thirds of the States limit it to $40,000. So we are just moving down some of those States with extreme laws to a reasonable level. I believe that will eliminate one of the most glaring abuses in the bankruptcy system.

I am pleased to be joined now by the distinguished chairman of the Judiciary Committee, Senator HATCH, who has worked hard to bring this legislation to fruition. I am proud to serve on his committee. I yield the floor.

The PRESIDING OFFICER (Mr. ALLARD). The Senator from Utah.

Mr. HATCH. Mr. President, I thank my colleague for his excellent presentation and the work he has done on the Judiciary Committee on this very important bill. It is a very important bill.

AMENDMENT NO. 1729

(Purpose: To provide for domestic support obligations, and for other purposes)

Mr. HATCH. I intend to make it even more important by calling up amendment No. 1729 and asking for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

> The Senator from Utah [Mr. HATCH], for himself and Mr. TORRICELLI, proposes an amendment numbered 1729.

Mr. HATCH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. HATCH. Mr. President, I am pleased to express my commitment again this year to reforming the bankruptcy laws in order to adequately protect children and ex-spouses that are owed domestic support. I am grateful that S. 625 includes the language I offered last year along with Senators GRASSLEY and KYL, providing extensive reforms to the bankruptcy laws in the area of child support. Also, I introduced additional enhancements to the bill's protection of domestic support obligations at the Judiciary Committee markup, and I accepted further changes by Senator TORRICELLI, with the agreement that we would continue working on the development of even further enhancements to the bill in this important area. I would like to express my gratitude to Senator TORRICELLI for working with me on these important provisions.

I have continued to work with domestic support enforcement groups and Senator TORRICELLI to improve the bankruptcy laws, and I offer this amendment, along with Senator TORRICELLI, to make a series of additional enhancements to the bill so that we can be certain that this important legislation enables women and children to collect the support and alimony payments they are owed.

Current bankruptcy law simply is not adequate to protect women and children. I have been outraged to learn of the many ways deadbeat parents are manipulating and abusing the current bankruptcy system in order to get out of paying their domestic support obligations. I have in front of me a how-to book called "Discharging Marital Obligations In Bankruptcy." This is why we need to reform our bankruptcy laws.

I am proud of the improvements we are making over current law in terms of ensuring that parents meet their child support and other domestic support obligations in bankruptcy.

This chart indicates:

> The Support Provisions Of This Bill Certainly Justify The Praise Given Them By The Most Significant National Public Support Collection Organizations In This Country.

That is a statement made by Phillip Strauss, Legal Division of the Family Support Bureau, the Office of the District Attorney of San Francisco on March 18, 1999, in testimony before the House of Representatives.

The bill's improvements over current law have the support of the country's premiere child support collection organizations. As you can see, the bill's child support provisions are endorsed by the National Association of Attorneys General, the National Child Support Enforcement Association, and all of them, and many others, support what we are trying to do today. I would also like to point out that literally dozens of ex-spouses who are owed domestic support obligations have expressed to me their support for these improvements to bankruptcy law.

We have all heard complaints by those who would attempt to politicize this issue that the bankruptcy bill is somehow harmful to families. I have worked tirelessly, provision by provision, both last year and this year to make this a bill that dramatically improves the position of children and ex-spouses who are entitled to domestic support. No one who actually looks at what the bill says can, in good conscience, say that this bill is not a tremendous improvement for families over current law. There may be those who do not want to see bankruptcy reform, but they cannot, with a straight face, argue that this bill is anything other than a huge positive step for our children. I believe that criticizing this bill without regard for what is in it, and using our children as pawns in the process, is shameful.

I challenge critics of the bill to stop with the vague allegations and take a look at what the bill itself actually does.

First, here is what S. 625 does apart from the additional improvements I have offered in the manager's amendment:

The bill prevents the use of the automatic stay from being used to avoid family support obligations: S. 625 stops deadbeat parents from using bankruptcy to avoid family support obligations.

For example, the bill prevents the automatic stay from being used to put a hold on the interception of tax refunds to be used to pay a domestic support obligation.

The bill enables revocation of driver's licenses and other privileges from deadbeats: The bill prevents the automatic stay from being used to prevent the withholding of driver's licenses when debtors default on domestic support obligations. This is a particularly important provision, given recent news reports about the effectiveness of suspending driver's licenses of people who aren't paying their child support. A Maryland initiative has resulted in $103 million in child support collections just since 1996. We do not want our bankruptcy laws to work as an impediment to effective programs like the one in Maryland.

Without these changes, a person could use current bankruptcy law to stave off a driver's license suspension by using the automatic stay, and undermine the effectiveness of these programs at getting child support to the kids who need it.

The bill gives child support first priority status: Domestic support obligations are moved from seventh in line to first priority status in bankruptcy, meaning they will be paid ahead of lawyers and other special interests.

The bill makes debt discharge in bankruptcy conditional upon full payment of past due child support and alimony.

It requires payment of domestic support obligations for plan confirmation:

And, S. 625 makes domestic support obligations automatically nondischargeable. This lets ex-spouses seeking to enforce domestic support obligations avoid the legal expenses of litigation that they incur under present law.

The bill provides single parents with new tools to help them collect from an ex-partner in the bankruptcy system.

The bill provides better notice and more information for easier child support collection.

The bill provides help in tracking deadbeats. For example, If there is nonpayment of child support in a post-discharge situation, other creditors with non-dischargeable debt are required to provide the last known address of the debtor on request, a significant help in locating people who have skipped out on their child support obligations.

And, the bill allows for claims against a deadbeat parent's property.

In addition to these improvements over current law that have been part of the bankruptcy reform bill for months, I have worked with Senator TORRICELLI, the National Women's Law Center, and the National Association of Attorneys General to further enhance the domestic support provisions of the bill. I thank each of them for their commitment to further improving the bill, and I am proud of what we have accomplished.

Our amendment has many enhancements over current law.

For example, the amendment allows for the payment of child support with interest by those with means. The debtor can pay interest under the plan if he has sufficient income after paying all other allowed claims.

The amendment prevents bankruptcy from holding up child custody, visitation, and domestic violence cases. Essentially, the amendment exempts proceedings not involving money from being subject to bankruptcy's automatic stay provisions. These include civil cases regarding child custody or visitation, divorce—unless it involves a division of property—and domestic violence.

The amendment facilitates wage withholding to collect child support from deadbeat parents. It accomplishes this by adding a requirement that the trustee provide to the person owed support and the State child support collection agency the debtor's employer's last known name and address. Also, the amendment simplifies the ability of the person owed support to get information on the debtor's whereabouts from other creditors. These measures will assist greatly in the imposition of wage withholding orders if they are not already in effect.

The amendment helps avoid administrative roadblocks to get kids the support they need. The amendment provides an expanded definition of "domestic support obligation" to cover those who have not been officially designated as a legal guardian, but who nonetheless are entitled to collect child support on a child's behalf.

Also, the amendment gives priority to parents over government. It divided the new "first priority" status into two sub-parts, giving parents who are not receiving benefits the top priority—whether or not the benefits have been formalistically "assigned" to the government for collection purposes—and giving next priority to obligations assigned to and owed directly to the government in exchange for the payment of benefits—such as where parents are liable for the costs of treating a child in a mental facility.

A key provision makes staying current on child support a condition of discharge. The amendment allows for conversion or dismissal of chapter 1, 12, and 13 cases where the debtor is not current on presently accruing domestic support obligations. Two checkpoints are imposed in the case at which the debtor must be current with payments: confirmation and prior to obtaining a discharge. This provides a new way of preventing debtors from not paying their domestic support obligations during the gap period between filing and confirmation.

Moreover, the amendment makes payment of child support arrears a condition of plan confirmation. It provides that the Chapter 13 plan must pay all 507(3) arrears claims (those owed to families not receiving benefits) in full, unless the creditor—that is, spouse or child—agrees otherwise.

The amendment puts responsible debtors over government. It permits the cram down of arrears claims over the objection of a 507(a)(4) government arrears claimant—that is, the government collecting in exchange for paying benefits, in Chapter 12 and 13 cases so long as the debtor agrees to commit all disposable income for a five-year period.

This level of detail would ordinarily not be necessary in discussing provisions in a bill on the Senate floor, but I have done so to put the issue to rest once and for all. Let me be clear: With my provisions in the bill, bankruptcy will no longer be used by deadbeat parents to avoid paying child support and alimony obligations.

If we take the time to look at the actual provisions in the bill, it is clear that the bankruptcy reform bill of 1999 provides enormous improvements over current law. I have had a long history of advocating for children and families in Congress, and I support a bill that moves the obligation to pay child support and alimony to a first priority status under S. 625, as opposed to its current place at seventh in line, behind bankruptcy lawyers and other special interests. I support a bill that requires debtors who owe child support to keep paying it when they file for bankruptcy. I support a bill that prevents debtors from obtaining a discharge from the court until they bring their child support and alimony obligations current. And, I support a bill that provides that if a debtor pays child support right before filing for bankruptcy, the child support payment can't be taken away from the kids. Let's take a stand for our nation's kids and pass the Bankruptcy Reform Act of 1999 out of the Senate.

Again I thank my colleagues for the work they have done, especially Senator TORRICELLI, who has done a remarkable job working with Senator GRASSLEY on this bill as a whole, but in particular working with me on this amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. TORRICELLI. Mr. President, I express my gratitude to Senator HATCH for the drafting of the Hatch-Torricelli amendment that is before the Senate. Senator HATCH has reinforced his reputation by a commitment to American families and American children that is almost without peer. This is an extremely important amendment, and it strengthens the provisions of the bankruptcy reform legislation as they deal with families.

In drafting bankruptcy reform, Senator GRASSLEY and I were aware that many people were concerned that changes in the bankruptcy laws would have the unintended consequences of making spouses or children more vulnerable as people sought protection from their family obligations.

Any change in the bankruptcy code obviously and importantly raises questions about family protection because, indeed, one-third of bankruptcies involve spousal and child support orders. In half those cases, women are creditors trying to collect court-ordered support from their husbands. Therefore, the sensitivity that Senator GRASSLEY and I in the general legislation and Senator HATCH and I now offer in this amendment is extremely important for Members of the Senate to have confidence in this bankruptcy reform.

It should be remembered by the Senate that these support orders for support of children and spouses are lifelines for thousands of families struggling to maintain self-sufficiency and remain off public assistance.

Forty-four percent of single-parent families with children under the age of 18 have incomes below the poverty line. With child support amounting to an average of nearly $3,000 a year, it is too often the only thing keeping families out of poverty and desperation.

With these facts in mind, Senator GRASSLEY and I drafted legislation in the managers' amendment that has a very important provision insisting that child support be elevated to first, rather than seventh, in the list of debts to repay by a debtor in bankruptcy.

Addressing the Senate this morning, I wanted to bring attention to this provision more than any other. Under current law, a child or a spouse is seventh in the list of debts to be repaid. Under our legislation, it will now be first, where it belongs.

The amendment Senator HATCH and I are now offering goes even further. With the help of women's groups and Government enforcement agencies, we have now been able to make several important new additions to this legislation.

Hatch-Torricelli, first, prevents civil cases regarding child custody, visitation, and divorce from being held up by an automatic stay. The automatic stay is designed to protect the debtor from coercion by creditors, not to provide the debtor a tactic for delay in dealing with support issues regarding their own children.

Our amendment will ensure that child custody and visitation issues are not held hostage by the filing of a bankruptcy petition. Bankruptcy petitions are not designed to interfere with or delay child support or other related issues in family disputes regarding children and spouses. We will not permit that to happen. Hatch-Torricelli reinforces the strength of that provision.

Second, the Hatch-Torricelli amendment cracks down on those who seek to avoid payment of child support obligations by requiring the trustee to give the person to whom support is owed and State collection organizations information on the debtor's whereabouts. By this provision, not only are we ensuring that bankruptcy reform not interfere with child support, we are making bankruptcy reform a strengthening provision in finding the whereabouts of those who are seeking to avoid family and child support.

It is a reflection of the reality that many people avoid child support by changing jurisdictions, by hiding from law enforcement. We will use the information in bankruptcy to find those who are responsible in avoiding obligations to their children.

Third, the Hatch-Torricelli amendment requires the debtor to pay all child support arrears before the conclusion of a bankruptcy plan unless the spouse agrees otherwise. Not only will bankruptcy reform not be used to complicate child support, people will meet that support, they will deal with their arrears before their bankruptcy petition is acted upon and completed. This will ensure the child support is paid, and paid in full, before the debtor is released from the bankruptcy system.

Importantly, however, we do have a safety valve. If the offended spouse believes this is not in their interest, they can indeed waive this provision. For example, if more money may be available for payment of support obligations after confirmation of the bankruptcy plan because other debts are discharged, then there can be a waiver.

I believe, though we already have good legislation that Senator GRASSLEY and I have offered which would further protect children and spouses, it is now enhanced by the provisions offered by Senator HATCH. I am very proud to be his cosponsor on this important amendment. I believe we have a better bill because of it. I believe American children and families will be strengthened in the bankruptcy proceedings because of it. I am proud to offer it, Mr. President.

I yield the floor.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I wish to commend, as I did earlier, Senators GRASSLEY, TORRICELLI, KOHL, SESSIONS, DURBIN, FEINGOLD, and HATCH for coming forward very promptly to offer amendments to improve this bill.

In the 4 hours we have had today, I see six amendments have been called up. On first blush, I think I am probably going to be supportive of some of these amendments, if not all. I think if we can continue to improve the bill at this rate, we may well end up getting the same kind of a vote—the 97–1 vote—we had last year on this bill.

I would note one thing. I hope Senators will look at this: We have been told of all the money the bill is going to save families in America—$400 each—and that the credit card industry will save $5 or $10 billion by the reforms in this bill.

I have a simple question: If we are going to be giving the credit card companies this $5 or $10 billion in savings from this bill, I am just wondering if they are going to do anything to change some of the charges and interest rates they charge consumers—those in a different era we would consider usury, at best.

So my simple question is this: What language in the bill will guarantee that savings from the bill will be passed on to consumers? Is there anything that says the credit card fees or consumer credit interest rates will be reduced by the huge savings that some say will come from the enactment of this bill?

If the consumer credit industry is going to keep several billions of dollars in savings from enactment of the bill, are those savings going to go to credit card consumers? Even some of the savings? I think that is a fundamental question supporters of the bill should ask themselves as we go forward. We know that more and more, many bankruptcies come about following the enormous—enormous—fees and interest rates charged by credit card companies. They are going to get billions of dollars in savings here. Will they pass any of those on?

Mr. President, I understand we have to file amendments by 5 p.m. today. I send an amendment to the desk and ask that it be appropriately filed.

The PRESIDING OFFICER. It is duly noted. The amendment is submitted.

The Senator from Vermont.

Mr. LEAHY. I am going to make a unanimous consent request in a moment. I will wait until the distinguished chairman comes back on the floor to do it.

This amendment is offered to protect victims of domestic violence in bankruptcy proceedings.

I ask unanimous consent that Senators MURRAY and FEINSTEIN be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered. They will be added.

Mr. LEAHY. Mr. President, I offer this amendment to protect victims of domestic violence in a bankruptcy proceeding. I am pleased that Senators MURRAY and FEINSTEIN are joining me as cosponsors.

Unfortunately, domestic violence pervades all areas of our country. Last year, the Department of Justice reported more than 960,000 incidents of violence against a current or former spouse, boyfriend, or girlfriend occur each year, and about 85 percent of the victims are women.

As if those statistics were not disturbing enough, the report went on to say that only half of the incidents of intimate violence experienced by women are reported to the police. That leaves almost 1 million incidents that go unreported every year.

The pain and terror caused by these crimes of violence are all too often also shared by children, as the Justice Department found that more than half of female victims of intimate violence live in households with children under the age of 12.

As our government and community organizations grow more responsive to the needs of victims of intimate and domestic abuse, more victims are leaving their abusive homes seeking safety and assistance. There are a number of programs, including the Rural Domestic Violence and Child Victimization Enforcement Grants, which I authored in the 1994 crime law, that make victim services more accessible to women and children escaping domestic violence.

For some victims, however, escaping domestic violence means starting a whole new life away from danger. It sometimes means permanently leaving one's home to find safe housing. Safe housing could be across town or in another state—and it often means having to purchase or rent a new home.

Escape from domestic violence sometimes necessitates victims to leave their job, which could leave a woman and her children without an income. Recovery from domestic violence could—and often does—also involve long-term medical and counseling services. These are all necessary expenses which the victim must face.

The amendment that I am proposing today would ensure that victims are not penalized for such expenses in a bankruptcy proceeding.

My amendment would ensure that additional expenses and income adjustments associated with the protection of a victim and the victim's family from domestic violence are included in their monthly expenses under the bill's means test.

I believe that we must ensure that we protect the victims of domestic violence if they are forced to file for bankruptcy. I urge my colleagues to support our amendment.

AMENDMENT NO. 2528

(Purpose: To ensure additional expenses and income adjustments associated with protection of the debtor and the debtor's family from domestic violence are included in the debtor's monthly expenses)

Mr. LEAHY. Mr. President, I am advised by the staff of the distinguished chairman that he would have no objection. I now ask unanimous consent to set aside the pending amendment so I may offer the Leahy-Murray-Feinstein amendment on domestic violence and bankruptcy that I just described.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for himself, Mrs. MURRAY, and Mrs. FEINSTEIN, proposes an amendment numbered 2528.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 7, line 22, insert after the period the following:

"In addition, the debtor's monthly expenses shall include the debtor's reasonably necessary expenses incurred to maintain the safety of the debtor and the family of the debtor from family violence as identified under section 309 of the Family Violence Prevention and Services Act (42 U.S.C. 10408), or other applicable Federal law. The expenses included in the debtor's monthly expenses described in the preceding sentence shall be kept confidential by the court."

AMENDMENT NO. 2529

(Purpose: To save United States taxpayers $24,000,000 by eliminating the blanket mandate relating to the filing of tax returns)

Mr. LEAHY. Mr. President, I ask unanimous consent to set aside my own amendment in order to offer another amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The bill clerk read as follows:

The Senator from Vermont [Mr. LEAHY] proposes an amendment numbered 2529.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with?

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 115, line 23, strike all through page 117, line 20, and insert the following:

"(iv) copies of all payment advices or other evidence of payment, if any, received by the debtor from any employer of the debtor in the period 60 days before the filing of the petition;

"(v) a statement of the amount of projected monthly net income, itemized to show how the amount is calculated; and

"(vi) a statement disclosing any reasonably anticipated increase in income or expenditures over the 12-month period following the date of filing"; and

(2) by adding at the end the following:

"(d)(1) At any time, a creditor, in the case of an individual under chapter 7 or 13, may file with the court notice that the creditor requests the petition, schedules, and a statement of affairs filed by the debtor in the case and the court shall make those documents available to the creditor who request those documents.

"(2)(A) At any time, a creditor in a case under chapter 13 may file with the court notice that the creditor requests the plan filed by the debtor in the case.

"(B) The court shall make such plan available to the creditor who request such plan—

"(i) at a reasonable cost; and

"(ii) not later than 5 days after such request.

"(e) An individual debtor in a case under chapter 7 or 13 shall file with the court at the request of any party in interest—

"(1) at the time filed with the taxing authority, all tax returns required under applicable law, including any schedules or attachments, with respect to the period from the commencement of the case until such time as the case is closed;

"(2) at the time filed with the taxing authority, all tax returns required under applicable law, including any schedules or attachments, that were not filed with the taxing authority when the schedules under subsection (a)(1) were filed with respect to the period that is 3 years before the order of relief;

"(3) any amendments to any of the tax returns, including schedules or attachments, described in paragraph (1) or (2); and".

Mr. LEAHY. Mr. President, I am offering this amendment to make this bill more workable in the real world and to save the taxpayers of this country $24 million over the next five years.

This bankruptcy bill now requires filing of millions of copies of personal income tax returns. Section 315(b) of the bill requires debtors to file with the court copies of their tax returns for the three years preceding their bankruptcy filings as well as tax returns filed while the bankruptcy was pending.

If this requirement was in effect last year, the 1.4 million Americans who filed for bankruptcy would have produced at least 4.2 million copies of their tax returns. More than 4 million copies of tax returns would produce mountains of paperwork and clog the files of most, if not all, bankruptcy courts across the country.

Where are the bankruptcy courts going to put these millions of copies of tax returns? And why do the courts need to keep them? Good questions that the sponsors of this bill have not answered.

Most bankruptcy filers have no assets and little income so there is no reason to review their tax returns. These debtors have no ability to repay their debts and their creditors know it. This blanket requirement to file tax returns for the last three years for all debtors, regardless of the debtor's assets or income, fails to make any common sense. It is simply silly.

Moreover, this blanket requirement to file tax returns ignores the reality that many debtors, just like other citizens, may not have access to their tax returns for the past three years.

For example, a recently divorced mother of two children may not have copies of her past tax returns if the couple's tax returns are kept by her former husband. Or a debtor, just like other citizens, may not have copies of past records such as tax returns. In either case, the debtor would have to contact the Internal Revenue Service to request copies of past tax returns before being able to seek bankruptcy relief.

Depending on the quick service of the IRS is not reassuring to an honest debtor who may honestly need bankruptcy relief. This mandate to keep copies of tax returns for the past three years is unnecessary and unrealistic.

Indeed, this burdensome and unworkable mandate is opposed by the Consumer Bankruptcy Legislative Group, Department of Justice, Administrative Office of the U.S. Courts, Judicial Conference, and National Bankruptcy Conference. Bankruptcy judges, creditor and debtor attorneys and other practitioners know this mandate will not work in the real world.

The Leahy amendment strikes this section of S. 625 and replaces it with the option that any party in interest may request and get a copy of a debtor's tax return after the bankruptcy filing.

Under the Leahy amendment, a creditor, judge or trustee may force a debtor to file copies of tax returns if the facts of the case warrant it by simply asking for the returns. In most cases, a party in interest will not want to review tax returns if a debtor has no assets or little income. But if a creditor, judge or trustee does want to copies of the tax returns then they simply request it under my amendment and the debtor must furnish past and current tax returns.

This is a common sense approach to verifying debtor income and assets when a creditor, judge or trustee wants verification. The current blanket requirement for all debtors to file copies of their tax returns for the past three years will waste millions of taxpayer dollars.

Indeed, the Congressional Budget Office estimates that it will cost $34 million over the next five years to store and provide access to more than 20 million tax returns. Some experts predict it will take up 20 miles of shelf space to store all these tax returns.

The Leahy amendment saves $24 million over the next five years by striking this mandatory tax return filing requirement, according to CBO.

There are better ways to verify debtor income and assets that are workable, efficient and save taxpayer dollars. Under current law, U.S. Trustees and private trustees may review a debtor's tax returns if the facts of the case warrant it.

In addition, the Leahy amendment permits any party in interest to request a debtor to file copies of his or her past and current tax returns. The party in interest does not have to a hearing or even give a reason for wanting the tax returns.

But in the real world, a creditor or trustee will only want to see the tax returns of a debtor in a few cases—cases where there are actual questions about the debtor's assets or income. This targeted approach will save millions of taxpayer dollars and save the courts from filing millions of pages of unnecessary paperwork.

I urge my colleagues to vote for the Leahy amendment to save U.S. taxpayers $24 million and make this bill far more workable in the real world.

Mr. President, I understand we now have eight amendments pending. I note the latest one is a Leahy amendment. I see my distinguished colleague from Alabama on the floor. If somebody else wants to bring up another amendment, I have no objection to mine being set aside so they could do it. I am just trying to get these on the calendar, as the Senator knows and as Senator TORRICELLI and Senator HATCH and others have earlier today.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SESSIONS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SESSIONS. Mr. President, I thank the distinguished ranking member for his comments. I have enjoyed working with him on moving this bill.

I thought I would mention a couple of things that are particularly valuable in the bill that may not be that clearly understood by most people.

I had the privilege of offering a credit counseling amendment early on in this process a year and a half ago. I offered that after having spent almost an entire day at a nonprofit credit counseling agency in my hometown of Mobile, AL. I was extraordinarily impressed with what they do.

They have individuals who come to them in financial trouble. They have a rule: They bring in the entire family. They sit down in a nice conference room, and they go over all the debts that are owed and the income that is coming in. They sit down and see if they can't help that family work their way out of the debt in which they find themselves. They have established over the years respect with financial institutions, such as credit card companies and banks. Those institutions will frequently reduce the amount of money they demand that is owed. They will reduce the interest rate that may be paid, if this person will make a good-faith effort to reorganize their finances and pay what they can pay on the debt.

This is working all over America. In fact, there are credit counseling agencies in virtually every town and city in the Nation. They are serving a valuable purpose. They sit down with individuals and find out what is wrong with the family.

It may not be known to everyone, but it is well known in professional circles that financial disputes are probably the most common cause of divorce in America. We know many people are in financial trouble because of alcoholism. Many people are in financial trouble because of gambling. Gambling is driving an increase in bankruptcy in a number of areas in this country. Some people simply have an inability to discipline themselves. One member of the family feels as though the other one is getting an advantage on them in spending, so they spend more and vice versa. They go on a downward spiral of financial management. We have individuals who have mental health problems who are simply not able to be disciplined about their money.

Credit counseling is a tremendous thing. They care about the families with whom they are dealing. They help work with them to discover a way to work out their problems. It is a good thing.

What this bankruptcy bill requires is that someone, before they file bankruptcy, at least go and talk to a credit counseling agency, to meet with them and see if that agency may have the ability to solve their problem short of filing bankruptcy.

Most people do, in fact, want to pay their debts, and they work hard to try to pay their debts. If they are given this kind of option, where a company will reduce their interest or reduce their debt, they work out a payment plan. The family signs onto it, the mother and father, son and daughter. They can restore pride and confidence. They can learn something about how to manage money. They may well receive marital counseling, mental health treatment, Gamblers Anonymous references, or other help.

What happens in bankruptcy today is that somebody is sued for a debt they haven't paid. They don't know what to do. They have seen on the TV, or in the newspaper: Call this lawyer if you have debt problems. So they call the lawyer and he sits down and says: The thing for you to do is file bankruptcy. There will be a $1,000 fee, and you will wipe out all your debts. They will say something like: How am I going to pay you? I don't have $1,000. He will say something like: You won't have to pay any more payments on your credit card. In fact, go buy everything you can with your credit card because we are going to wipe out all those debts when we file, unless they are short-term debts concurrent with the bankruptcy filing. The lawyer will say: You do that and pay me, and we will wipe out everything. That is what you ought to do.

The lawyer has a financial incentive there. He spends no time with the family. Oftentimes, they tell me the paralegals and staff people fill out all the forms and the paperwork; the lawyer hardly even meets the client. He goes down in court and calls out their name and they come up to him, and he introduces them to the judge. They do the bankruptcy and they go home. And nothing has been done about the fundamental problem in that family, or the lack of discipline which is often the case that causes bankruptcy. Many bankruptcies—a substantial percentage—are due to very severe events. But a substantial portion are also caused by a gradual descent into debt, and a lack of discipline, or some sort of emotional or psychological problem.

I believe if we can give them the choice to go through credit counseling and work out ways to deal with their debts as a family, we will do something good for this country. How many would choose this? I don't know. But most people who have been sued or are getting credit calls over debts they owe from all kinds of debtors and creditors get nervous and don't know what to do. They are told file bankruptcy and that is what they do. They think they have no choice. I believe we can do better than that. This bill will lead us in that direction. I believe it will be a historic step for this system.

We also have people who are filing repeat bankruptcies, people who file bankruptcy again and again. This bill will attempt to reduce that. More than 10 percent of the people who file for bankruptcy have previously filed. In some Federal court districts in America, 40 percent of the consumer bankruptcies are repeat filers. They learned the first time it worked, so they do it again. They haven't learned the discipline and effort that it takes to maintain an honest credit rating.

So one of the things this act requires is that before a person is discharged from bankruptcy, they will have to have some counseling on how to manage their debt, and perhaps they will not come back again. I think that would be a good thing.

We are concerned about fraud in bankruptcy. The forms are basically self-proving. They are accepted by the court. Whatever a person says their income is and their ability to repay is, it is basically accepted and rarely verified. We find that is a problem. So they will have to file documents with their bankruptcy file. It will include a Federal tax return, monthly income and expenses, their actual wage stubs, how much money they are actually making, so it will allow a judge to decide properly what the right procedure is under the circumstances. It allows that a person to whom a debt is owed gets notice—a small businessman, garage owner, furniture store, or a doctors office gets a note from the court that Billy Jones is filing for bankruptcy, and you are notified as a creditor. This says you don't have to have a lawyer, but you can, in fact, go on your own and defend your interests in the bankruptcy court. You may need a lawyer, in which case you can hire a lawyer. But it will clearly make it known that creditors who have clearly proven debt can go down to the bankruptcy court and establish that debt and defend their interest, without having to spend more money on an attorney than perhaps the debt is worth. I think that would be good.

We are dealing with a huge increase in personal bankruptcies—1.4 million, a 94-percent increase, since 1990. In many States in this country, in many Federal bankruptcy districts, many people are filing under chapter 13. When you file under chapter 13, what you do is you go to court and you say: I owe all this money, judge. I have this much income and I would like to work my way out of it. These people are suing me. I am getting phone calls at home. I want you to have a stay, to stop them all from suing me. Take my money and tell me who to pay and I will pay my money, every bit I can, to pay off these debts.

That is a preferable way, in my opinion, for a person to deal with financial difficulties, if they can't pay their bills. Some people are so far in debt that it will be hopeless; straight bankruptcy chapter 7 is for them.

Under the present state of the law, amazing though it might be, there is no standard on that. The debtor himself can choose whether to go into chapter 13 or chapter 7. He can choose whether or not to pay off his debts. In Alabama, I am proud to say, in the northern district of Alabama, over 60 percent of the individual filers choose to file chapter 13 and repay a large portion of their debt. That is something I think reflects well on the people of the northern district of Alabama. The numbers are high in the other districts in Alabama—over 50 percent, choose Chapter 13. But we know in certain other districts in this country, the number of people filing chapter 13 is under 10 percent. Many of these people have high incomes and could, in fact, easily pay off all or part of their debt.

So that is why we have said in this legislation that if your income is above the median income, which for a family of two is $40,000, and for a family of four, over $50,000—if you are making above the median income, then you ought to be considered by the judge for repayment of as much of your debt as you can under the chapter 13 bankruptcy. So for the first time we will have a realistic way for a judge to objectively analyze these debtors, to see if they can pay back some of their debts.

That is why Senator HATCH says the average bankruptcy costs the average family $400 per year. When people don't pay their debts, somebody else has to pay them. It drives up the cost of business, the interest rates at the bank, and it drives up the charges the furniture store is going to make, or that the doctor office has to charge, to come out ahead if people are not paying their debts. It is that simple.

Paying your debt is a big deal. If we ever get to the point in this country where people don't feel like they have to pay debts back and they can wipe them out whenever they want to, we will have endangered the economic strength and commercial vitality of our Nation. Make no mistake about it. Our legal system and our economic system is based on honesty and integrity and responsibility. People pay their taxes based on their own calculations. They add up the numbers and they write that check to the Federal Government. That is why taxes ought to be low because when we ask too much of people they start cheating; they feel justified in cheating. We have relatively low taxes compared to other nations, and we have the lowest amount of cheating in the world.

We are making some important progress with this legislation. It will help us economically because, as the Secretary of the Treasury, Mr. Summers, has said, bankruptcy costs do add to interest rates. Everybody will pay higher interest rates if the bankruptcy filings are up. If bankruptcies are down, interest rates can drop. It will be passed on to the consumer. It ultimately always is.

I wish to express my appreciation to Senator GRASSLEY, who has worked so hard on this legislation. He has listened to everybody concerned. He has spent an extraordinary number of hours with the members of the Democratic leadership and members of the committee on both sides of the aisle. He has worked with them to achieve a bill that is responsive to virtually every complaint that can be thought up.

Essentially this same bill passed this body 97 to 1 last year. It passed the House with over 300 votes. Why we couldn't get it finally passed last time is beyond my comprehension. It was nothing more than a bunch of obstructive tactics. I can't accept the complaint and refuse to accept the argument that women and children are somehow being abused under this act when every objective analysis would indicate that we are making a historic move toward providing the greater protection that has ever been provided to alimony and child support payments. That is absolutely false. Why people tend to want to attack this bill to delay its passage and frustrate us in this effort is beyond me.

I believe we are eliminating abuses in the system. For example, I point out a landlord who leases an apartment to a tenant; that tenant's lease is for 1 year, that year is up, and he owes the landlord money. The landlord seeks to move him out because he is going to rent the apartment to somebody else. That tenant can file for bankruptcy and stay, or stop, any lawsuits for eviction. Months can go by. And the landlord has to hire an attorney to go to bankruptcy court to try to get the "stay" lifted—that is what they call it—on filing the eviction notice so they can go forward with it. This bill would say if your lease is up, you can continue with your case. Eventually the landlord always wins, but often it takes months to get a final hearing, and it will cost him a good deal of money and attorney's fees.

There are many abuses such as this in the system. Those kinds of things ought to be eliminated.

We have had the experience of the existing system since 1978. We have not given it the kind of overhaul it needs. We have completed that now. I am proud of this legislation. I know that Senator HATCH, who chairs the Judiciary Committee and has worked extraordinarily hard on it, also shares that view.

I am also pleased to have the support and leadership of Senator TORRICELLI and the ranking member of the subcommittee. He has worked hard for this bill. He understands the economics behind it. He understands that this is going to help those who are in need and at the same time is not going to allow abuses to occur in the system.

We are at a good point. I think we are going to have a vote next week. I am confident that once again we will have an overwhelming vote for this legislation.

MORNING BUSINESS

Mr. SESSIONS. Mr. President, I ask unanimous consent that there be a period for the transaction of morning business with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER (Mr. GORTON). Without objection, it is so ordered.

CONSULTATION ON NOMINATIONS

Mr. GRASSLEY. Mr. President, I have sent a letter to the majority leader requesting that I be consulted on certain nominations. I am asking to be consulted on the nominations of Anthony Harrington to be United States Ambassador to Brazil, Calendar No. 364, and for Charles Manatt to be United States Ambassador to the Dominican Republic, Calendar No. 361. Further, I ask to be consulted on all the promotion lists for career State Department foreign service officers.

I take this step reluctantly but believe it is necessary. The administration is required by law to submit to Congress on 1 November every year the so-called Majors' List, the list of major drug producing and trafficking countries that the President intends to certify on 1 March of the following year. The administration has never met this deadline, despite the fact that Congress extended it several years ago from 1 October to 1 November in order to give the administration more time in which to meet the requirement. Last year the list was over a month late. Despite repeated messages that this deliberate flouting of the law was not acceptable, the administration has again failed to submit the list or to offer any explanations. The list has yet to leave the State Department and must still wait for the laborious interagency review process. There is every likelihood that the list will be significantly late again this year.

With this as background, I have asked to be consulted on any unanimous-consent requests involving consideration of the nominations I have indicated until such time as the administration complies with the law. I will consider additional requests depending on the delay that is involved in the administration complying. I regret this course but I regret more the administration's failure to comply with the law.

TESTIMONY OF GENERAL KLAUS NAUMANN

Mr. LEVIN. Mr. President, yesterday the Armed Services Committee received testimony from recently-retired German General Klaus Naumann, the former Chairman of NATO's Military Committee. In that capacity, General Naumann was NATO's highest ranking military officer and headed the NATO organization which consists of the Chiefs of Defense, i.e. the Chairman of the Joint Chiefs of Staff General Hugh Shelton and his counterparts, of all 19 NATO countries and to which NATO's Supreme Allied Commander, Europe, General Wesley Clark, and Supreme Allied Commander, Atlantic, Admiral Harold Gehman, report.

The topic for the hearing was lessons learned from NATO's Operation Allied Force, the air campaign against the Federal Republic of Yugoslavia.

Mr. President, I ask unanimous consent that a copy of General Naumann's opening statement be printed in the RECORD immediately following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. LEVIN. I hope that my colleagues will read General Naumann's thoughtful, straight-forward, and insightful statement. But, I want to highlight a few of General Naumann's conclusions—conclusions with which I agree and whose implications I believe merit careful consideration by us all.

First and most importantly, General Naumann concluded that "it was the cohesion of our 19 nations which brought about success." In the course of the hearing, he pointed out that this cohesion was maintained despite the fact that, for example, polls indicated that some 95 percent of Greek citizens opposed the operation.

General Naumann also concluded that "it will be virtually impossible to use the devastating power of modern military forces in coalition operations to the fullest extent" but that this disadvantage "is partly compensated by the much stronger political impact a coalition operation has as compared to the operation of a single nation." In that regard, I asked General Naumann for his reaction to a lesson that, I believe, applies. The lesson is not that we ought to use less than decisive force but that if that is not an option, then the judgment that must be made is whether or not the risk in utilizing what I call "maximum achievable force," i.e. the maximum force that is politically achievable and which is less than decisive force, whether the risk involved outweighs the value of proceeding. General Naumann, as General Clark did in a prior hearing, agreed that it was a lesson learned from NATO's air campaign and that the question or balancing test that I posed was the proper one.

General Naumann had a number of other lessons and sage advice for us, such as that the United States should fully support the European Security and Defense Identity (ESDI) within the Alliance and that ESDI can strengthen the transatlantic link. Once again, I strongly urge my colleagues to read General Naumann's statement.

EXHIBIT 1

STATEMENT OF GENERAL (RET) KLAUS NAUMANN, GERMAN ARMY, FORMER CHAIRMAN NATO, MC

(Senate Armed Services Committee Hearing on Kosovo After-Action Review, November 3, 1999)

Mr. Chairman, Senator Levin, Distinguished Senators, it is my honour and indeed a privilege to testify in the Senate Armed Forces Committee on the lessons learnt from Kosovo. I would like to congratulate you, Mr. Chairman, and your colleagues on your effort to review the operation. I feel this is wise and farsighted since the next crisis will come, for sure, although I am unable to predict when and where.

I will discuss first the lessons learnt during the crisis management phase, then the air campaign until the day on which I left NATO, i.e., May 6, 1999 and end with a few conclusions.

With your indulgence I would like to start with a brief remark on the Military Committee (MC) which seems to be a largely unknown animal in the United States of America.

The MC consists of the Chiefs of Defense (CHOD) of all NATO countries and an Icelandic Representative of equivalent rank. The Strategic Commanders (SC), i.e. SACEUR and SACLANT, participate in the MC meetings. The meetings are chaired by an elected chairman who has served as CHOD of a NATO country and who is NATO's highest ranking military officer.

The MC meets three times a year and in its permanent session in which the CHODs/Commanders are represented by a permanent representative of three or two star rank once a week as a minimum. SACEUR and SACLANT report to the MC and through it to the Secretary General and the North Atlantic Council (NAC).

The MC is the source of ultimate military advice for the NAC and it has to translate the Council's guidance into strategic directives for the two SCs.

The MC played a crucial role during the Kosovo Crisis in keeping the NATO nations together. It was in the MC where the OPLANs were discussed and finalized in such a way that a smooth passage in the NAC was guaranteed and during the war the MC acted as the filter which helped to stay clear of micromanagement of military operations. It is my firm belief that this helped to avoid potentially divisive debates and it allowed SACEUR to concentrate on his superbly executed task to conduct the operation.

The Kosovo War itself deserves careful analysis for a couple of reasons.

It was after all the first coalition war fought in Europe in the information age, fought and won by a coalition of 19 democratic nations who did neither have a clearly defined common interest in Kosovo nor did they perceive the events in Kosovo as a clear and present danger to anyone of them. They fought eventually for a principle that is dear to all of them, the principles that Human Rights ought to be respected. They thus demonstrated that this is more important for them than the principle of territorial integrity which has governed International Law since the Westphalian Peace of 1648. This coalition fought without a clear cut mandate by the UNSC in a situation which was not a case of self defense and it stayed together and on course throughout the 78 days of the air campaign. It was the first war ever which at the first glance was brought to an end by the use of airpower alone. But it would be premature and indeed wrong to conclude from that that future conflicts could be fought and won from the distance by the use of airpower. One could say that only if we had clear evidence that it were the results of the campaign which made Milosevic eventually blink. That, however cannot be said by anyone on our side.

In my view the war proved once again the seasoned experience that we military will do best if we plan and fight joint operations and that it would be a deadly illusion to believe that the Revolution in Military Affairs will allow us to fight a war without any casualties.

What lessons did we learn during the Crisis Management Phase of the conflict?

Allow me to start with the rather straightforward statement that we could have done better in crisis management since we simply did not achieve what has to remain the ultimate objective of crisis management, namely to avoid an armed conflict. I do not know whether we ever had a fair chance to achieve it since Milosevic wanted to solve the Kosovo problem once and for all in spring 1999. He saw presumably no alternative but force and violence after the Kosovars took advantage of the Serb withdrawal which General Clark and I had negotiated on October 25, 1998. Nobody knows when he took his decision but I have reasons to believe that it was in November 1998 and it was most probably a decision to not only annihilate the KLA but also to expell the bulk of the Kosovars in order to restore an ethnic superiority of the Serbs. One point has to be made with utmost clarity in order to destroy one of the myths the Serbs are about to create: It was not NATO's air campaign which started the expulsion of the Kosovars. It began well before the first bomb was dropped and it might have been the result of a carefully premeditated plan.

NATO began to be seized with the situation in Kosovo in early 1998. Again the background of the fighting in Kosovo in spring 1998 NATO ministers expressed their concern at their meetings in Luxembourg and Brussels and began to threaten the use of force in an attempt to stop violence and to bring the two sides to the negotiation table. NATO Defense Ministers decided in June to underpin that threat by a demonstrative air exercise although the NATO military had advised ministers that NATO as such was not ready to act and that any use of military instruments made only sense if there were the preparedness to see it through and to escalate if necessary.

Milosevic who was never unaware of NATO deliberations rightly concluded that the NATO threat was a bluff at this time and finished his summer offensive which led to a clear defeat of the KLA. My first lesson learnt for future crisis management is therefore that one should not threaten the use of force if one is not ready to act the next day. To achieve this is difficult in a coalition in which the slowest ship determines the speed of the convoy.

The responsibility for crisis management did not rest with NATO throughout the crisis. NATO began but then the US took the lead and introduced Ambassador Holbrook to be followed by the OSCE and eventually the Contact Group. When the Contact Group, not surprisingly, failed at Rambouillet and Paris NATO was given back the baton but there was no peaceful solution left. My second lesson learnt is that one should never change horses midstream in crisis management. Whenever possible the responsibility should remain in one hand, preferably in the hands of those who have the means to act. As a minimum one has to make sure that those who have the lead in crisis management efforts of a coalition share the objectives the coalition is committed to.

Another time seasoned experience gained during our successful efforts to prevent a war during the days of the Cold War is that one of the keys to success is to preserve uncertainty in our opponent's mind on the consequences he might face in the case of his rejection of peaceful solutions. NATO nations did not pay heed to that experience during the Kosovo Crisis. It became most obvious when NATO began to prepare for military options but some NATO nations began to rule out simultaneously options such as the use of ground forces and did so, without any need, in public. This allowed Milosevic to calculate his risk and to speculate that there might be a chance for him to ride the threat out and to hope that NATO would either be unable to act at all or that the cohesion of the Alliance would melt away under the public impression of punishing airstrikes. My third lesson learnt is therefore that we need to preserve uncertainty as one of the most powerful instruments of crisis management which does not mean to agree to an escalation ladder without limits and without rigid political control but which means not to speak in public about these limits. To keep publicly all options under consideration and to allow the military to go ahead with planning for joint operations would allow for uncertainty without the hands of politicians being tied.

During the air campaign we had to learn some lessons as well.

First we learnt that even a tiny ambiguity in the formulation of political objectives could have adverse effects on military operations.

The OPLANs for Operation Allied Force had been developed in fall 1998. Both ingredients, the Limited Air Response and the Phased Air Operation had been designed to meet the objective to bring Milosevic back to the negotiation table. When we began the air strikes, however, we faced an opponent who had accepted war whereas the NATO nations had accepted an operation. Consequently it seems advisable to set a political objective such as "To impose our will on the opponent and to force him to comply with our political demands". This would allow, first, to use all the elements of power not just the military means to secure our objectives and, secondly, to move as rapidly as possible to the decisive use of force within the political constraints which drive a coalition war.

Translated into military operations this would not change phases 0 and 1 of Operation Allied Force but it would lead to a phase 2 which focuses more and earlier on those targets which hurt a ruler such as Milosevic and which constitute the pillars on which his power rests, namely the police, the state controlled media and those industries whose barons provide the money which allows Milosevic to stay in power.

Secondly, we had to learn how to conduct coalition operations which is of particular interest since most if not all of our future operations will most likely be coalition operations. Coalition operations mean to accept that the pace and the intensity of military operations will be determined by the lowest common denominator and that there will be restrictions due to differing national legislation which could affect air operations in particular. Consequently it will be virtually impossible to use the devastating power of modern military forces in coalition operations to the fullest extent. This is a lasting disadvantage which is on the other hand partly compensated by the much stronger political impact a coalition operation has as compared to the operation of an individual nation.

Looking at Operation Allied Force it is fair to say that the politicians of all NATO nations met most of our military demands and most of them did not embark on micromanagement of military operations. In this context I have to state that the NAC never imposed a limitation which ruled out to bomb any target in Montenegro. On the contrary, the NAC explicitly accepted that we could strike targets on Montenegrin soil if they posed a risk to our forces. I also have to say that the gradualism of the air campaign was much more caused by the political objective which soon saw revision against the background of the dynamically unfolding situation than it was influenced by politically motivated interference.

My lesson learnt from that is that coalition operations will by definition see some gradualism and possibly some delays in striking sensitive targets. The likelihood that this could happen will be the more restricted the clearer the political objectives will be formulated. Coalition operations do, however, not mean that nations can block or veto any operation which is conducted in execution of a NAC approved and authorized Oplan. The only option open to a nation in such a case is to instruct its national contingent not to participate in the respective activity unless the nation would wish to formally withdraw its agreement to the Oplan. It is also noteworthy to state in this context that there are no NATO procedures which could be called a red card rule.

Kosovo taught also and again that NATO's force structure is in contrast to NATO's Integrated Command Structure no longer flexible and responsive enough to react quickly and decisively to unforeseen events. That we saw when Milosevic accelerated his expulsion of the Kosovars in an obvious attempt to counter NATO in an assymetric response and to deprive NATO of its theoretical launching pad for ground forces operations through a destabilization of FYROM and Albania. Luckily we still had the Extraction Force in FYROM and were thus able to react immediately. Without it, it would have taken NATO weeks to deploy and assemble an appropriate force. The lesson learnt is that we have increasingly to be prepared for assymetric response, the more so the stronger and hence invincible NATO is. To cope with these threats will be necessary and hence it is critical for NATO's future successes to enhance mobility, flexibility and deployability of its forces which are inadequate at this time.

The NATO Summit drew the right conclusion and agreed the DCI and the European allies did the same when they decided in Cologne that the EU has to improve defense. My next lesson learnt is that there is a totally unacceptable imbalance of military capabilities between the US and its allies, notably the Europeans. With no corrective action taken as a matter of urgency there will be increasing difficulties to ensure interoperability of allied forces and operational security could be compromised. Moreover, it cannot be tolerated that one ally has to carry on an average some 70%, in some areas to 95% of the burden. This imbalance needs to be redressed and therefore ESDI which is after all an attempt to improve European efforts within NATO deserves the full support of the US and should be used to encourage those allies who are reluctant to implement to live up to their commitments.

What conclusions can be drawn? (1) The integrated Command Structure worked well. What needs to be improved are procedures to achieve unity of command to be exercised by NATO there where parallel existing national and NATO command arrangements are unavoidable. (2) There is a need to think through how crisis management can be improved. Simulation technics may be a helpful tool to be considered. (3) There is an urgent need to close the two gaps which exist today between the US and the European/Canadian allies. The technological gap in the field of C 41 and the capability gap caused by the lack of investment in modern equipment. The DCI is designed to provide some remedy. It should be speedily implemented and the European/Canadian allies should be strongly encouraged to take appropriate action. (4) There is a need to study how NATO can perform better in the field of Information Operations to include better information of the public both in NATO countries and in the adversary's country. (5) Most importantly, it can and it should be said that Operation Allied Force was a success since it contributed substantially to achieve the political aims set by the Washington Summit.

It would be desirable that NATO stated simultaneously that the Alliance will act again should the necessity arise. To do so could help to deter potential opponents and could possibly restrain the one or the other ruler in this world to seek protection against intervention through increased efforts to acquire weapons of mass destruction.

I would be remiss did I not close by commending the commanders from SACEUR down the chain of command, our forces in the theatre and those back home who supported them so splendidly. They all performed extremely well and you have every reason to be proud of them and your great nation's contribution.

Allow me to close by saying that I was proud to serve this unique Alliance as the Chairman of the Military Committee in such a crucial time and I felt privileged to serve with a man whose superb contribution was crucial for our common success, Javier Solana. This brings me to my final point which we should never forget: It was the cohesion of our 19 nations which brought about success.

Thank you, Mr. Chairman.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. I thank the Chair.

HONORING GOVERNMENT CONTRACTS

Mr. MURKOWSKI. Mr. President, I congratulate my colleague for his remarks on the bankruptcy bill.

I think one thing—while it is not necessarily appropriate to recognize on the bankruptcy bill—we should recognize is the inability of our Federal Government to honor the sanctity of contractual commitments. I can think offhand of the agreement that was made by the Federal Government some two decades ago to take the high-level nuclear waste by the year 1998. The ratepayers paid something in the area of $15 billion into that fund for the Federal Government to meet its contractual obligation. The pending lawsuits are somewhere between $40 billion and $80 billion. Obviously, the Federal Government doesn't set a very good example.

This is not necessarily apropos to bankruptcy, but it is apropos to the theory that we pay our bills, that we honor the sanctity of our contracts. The old saying is, "Charity begins at home." The Government should set the example.

Mr. President, I ask unanimous consent to speak in morning business for approximately 30 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MURKOWSKI. I thank the Chair.

TRADE AND FOREIGN POLICY

Mr. MURKOWSKI. Mr. President, with the recent passage of a Senate Finance Committee trade package aimed at liberalizing trade with African and Caribbean countries, and providing Trade Adjustment Assistance for American workers who need help transitioning into different jobs, I thought it an appropriate time to come to the floor of the Senate to discuss the insidious propaganda campaign the Clinton Administration is orchestrating over the phoney charges of "isolationism" he has leveled at Congress.

In some ways, I am reluctant to get into this name-calling argument. As I told my six children as they faced the normal school yard taunts, you shouldn't dignify the name caller with a response. Something like the old adage, "Sticks and stones will break my bones, but names will never hurt me."

The difference between Washington and the school yard, however, is that it seems that if you repeat a lie long enough, and in enough places, the media will parrot it out to the country and around the world as if it were true. And that is very, very serious for two reasons.

First, it distorts the political process and deceives the American public. More importantly, it sends a false and dangerous signal to the enemies of America that their dream of disengaging America from world leadership may, in fact, be happening. Nothing could be further from the truth, but when the President of the United States, and his flunkies, says it, terrorists around the world applaud.

Certainly there are Republicans, Democrats, Reform Party members and independents who proudly wear the isolationist label, but to try and smear Congress with that label is reprehensible.

So I want to look at what actions the Clinton Administration calls isolationist, and to separate fact from fiction.

Two weeks ago, National Security Advisor Sandy Berger gave a speech to the Council on Foreign Relations decrying as "isolationist" and "defeatist" such actions as the Senate's refusal to ratify the Comprehensive Test Ban Treaty ("CTBT") and, as Mr. Berger characterized it, a Congress "reluctant to support the Climate Change Treaty."

Mr. President, it should not even pass the straight face test to label Senators such as RICHARD LUGAR and CHUCK HAGEL, among others, as isolationists just because we voted against a treaty that we did not think would preserve our national security in the years and decades ahead.

Would Sandy Berger have the audacity to call former Secretary of State and Nobel Peace Prize Winner Henry Kissinger an isolationist because he was "not persuaded that the proposed treaty would inhibit nuclear proliferation" and therefore recommended voting against the treaty?

Does Berger's isolationist tag also apply to six former Secretaries of Defense—James Schlesinger, Dick Cheney, Frank Carlucci, Caspar Weinberger, Donald Rumsfeld and Melvin Laird because they wrote the Senate leadership and stated:

> We believe . . . a permanent, zero-yield Comprehensive Test Ban Treaty incompatible with the Nation's international commitments and vital security interests and believe it does not deserve the Senate's advice and consent.

Mr. President, the Senate rejected a flawed treaty; the fault lies not with so-called isolationists in Congress, but with the appeasers and former "nuclear freeze" people who are now in the Clinton Administration and negotiated this treaty which was not in America's national security interest.

As to the Climate Change Treaty, Congress is not reluctant to consider the Treaty. In fact, we have been asking this President to send the Treaty up, but he refuses. And he refuses because 95 Senators expressed the strong sense of the Senate that the Kyoto protocol contain commitments from developing countries to limit or reduce greenhouse gas emissions. Of course, this has not happened. This is not an isolationist fear of technological change. This is a realistic assessment of how you accomplish your goals.

On Monday, USTR Barshefsky also took up the isolationism call. At a speech to the foreign press describing the U.S. agenda for the upcoming WTO ministerial meeting in Seattle, Ambassador Barshefsky said that isolationists "at times believe that a growing economy and a clean environment cannot coexist."

Mr. President, I hope the Ambassador does not mean to imply that simply because Congress has not signed off on loading up trade agreements with the baggage of the extreme environmentalist agenda that we are isolationists?

In fact, I wonder if this cry of isolationism is not simply to divert attention from the failures of this Administration to pursue trade opening measures in the face of domestic pressure from Unions?

If expanding trade is so important to the President, he could have welcomed the April 8 offer by the Chinese Premier to make extraordinary concessions to bring China into the World Trade Organization.

But he did not.

If expanding trade is so important to the President, he could have directed his Administration to work with the Finance Committee to craft a compromise on fast track trade negotiating authority that would address the legitimate concerns of those who do not want to see labor and environment slogans used as smoke screens for protectionist measures.

But he did not lift a finger to support fast track for fear of offending his protectionist political supporters in organized labor

So Mr. President, I don't think President Clinton should have sent his National Security Advisor or his USTR out to falsely label my party as the one turning its back on the world.

This is not to say that there are not some countries who should receive a cold shoulder rather than a warm embrace. I do not support aiding and comforting our enemies—like Iraq and North Korea. This is not about a choice between isolationism or engagement. This is about what form of engagement will bring the desired results.

It is in these areas where I think the Administration has a backwards policy—rather than rewarding good behavior, we are rewarding bad behavior.

Since 1994 when the U.S. adopted an "Agreed Framework" with North Korea, here are just some of the acts by North Korea:

Launched a three-stage missile last summer, and continues to work on and export missiles capable of hitting the United States;

Worked on vast underground construction complex—historically used by North Korea to cover work on military or nuclear installations;

Taken actions to hinder work of international inspectors sent to monitor North Korea's nuclear program;

Sent submarine filled with commandos to South Korea; and

Violated the military armistice agreement by firing on ROK soldiers.

Today, the North Korea Advisory Group in the House of Representatives released a report that found that "the comprehensive threat posed by North Korea to our national security has increased since 1994."

What has been the U.S. response?

DPRK is now the No. 1 recipient of U.S. assistance in East Asia: $645 million since 1995 includes providing at least 45% of fuel needs and over 80% of food aid; and sending 500,000 tons of oil a year, as well as trying to get other countries to come up with the funds for KEDO (Korean Peninsula Energy Development Organization) and for two light-water reactors.

I cannot say for certain that North Korea's government would have collapsed without our help. But I do not think that it will ever fall with two strong American legs holding it up.

And how about U.S. policy toward Iraq?

The U.S. spent $4.5 billion during the Desert Shield operation. From the end of the war until 1999, U.S. spent $6.9 billion on our ongoing operations—including the Desert Fox bombing, enforcing the no-fly zone, monitoring the seas, etc. It is estimated that we are spending $100 million a month currently to police the Northern and Southern no-fly zones. We have dropped over 1,000 bombs on Iraqi radar, air defense, and communications facilities. Occasionally, we've also hit an oil production facility.

But while we are spending all this money to "keep Saddam in his box", we are allowing him to rebuild the oil production that funds his war machine.

At the end of the war, a multilateral embargo was imposed on all Iraqi exports, including oil. This embargo was supposed to remain in place until Iraq discloses and destroys its weapons of mass destruction programs and undertakes unconditionally never to resume such activities. This has not happened.

But we allowed the UN Security Council to implement an "Oil-for-Food" program that lets Hussein sell $5.2 billion of oil every six months.

In the year preceding Operation Desert Storm, Iraq's export earnings totaled $10.4 billion, with 95% attributed to petroleum exports. Iraq's imports during that same year, 1990, totalled only $6.6 billion.

The U.N. has lifted the sanction on the only export that matters. Iraq's oil production now equals production prior to the war (over 2 million B/D). And now we're going to let Saddam sell even more oil. And we're buying his oil. The U.S. is importing 700,000 barrels a day of Iraqi crude—almost twice what we import from Kuwait.

United Nation's recently announced that Iraq could export $3.04 billion more in oil. This is in addition to the $5.26 billion already authorized for the six-month period.

Incredibly, this new resolution, UNSR 1266, was adopted on the same day that reports surfaced that nearly 10,000 tons of oil smuggled from Iraq was seized from five ships in the Persian Gulf in less than a three week period.

Again, although I cannot say for certain that some of Iraq's friends in the world would not find ways around a total embargo, I do know that without cutting off Saddam's oil lifeline we still face an emboldened dictator.

The Administration seeks to defend this oil-for-food program as a humanitarian gesture, but our own State Department pointed out in a recent study that Saddam Hussein is subverting the program to his own gain.

September 1999 Report by the Department of State finding that Saddam's regime was illegally diverting food and other products such as baby milk, baby powder, baby bottles and other nursing materials obtained under the oil-for-food program. In one example cited by the Department of State:

> Baby milk sold to Iraq through the oil-for-food program has been found in markets throughout the gulf, demonstrating that the Iraqi regime is depriving its people of much needed goods in order to make an illicit profit.

Moreover, the report found that "the government of Iraq is mismanaging the oil-for-food program, either deliberately or through mismanagement."

A few weeks ago, Kuwait seized three Iraqi cargo ships illegally exporting dates, lentils and jute seed and cloves used in animal feed.

But we continue to let money flow into this program. We've even allowed Baghdad to use about $900 million of oil revenue to rebuild its oil industry. Perhaps to make up for the fact that we occasionally bomb a facility that we know is used for smuggling gas oil?

The U.S. State Department Report concluded that:

> Saddam Hussein's regime remains a threat to its people and its neighbors, and has not met its obligations to the UN that would allow the UN to lift sanctions.

With this conclusion in black and white, why in the world did the U.S. vote to lift the ceiling on oil. Oil is Saddam's lifeline? It is the only sanction that matters.

Fueling and feeding the enemy is unacceptable to this Senator. Unfortunately, I don't have a vote at the UN and this President has continued to bypass Congress as it pursues appeasement of these two rogue regimes.

If these actions define this Administration's approach to engagement, then I don't want to get married.

Mr. President, I yield the floor.

Mr. President, I have another statement with which I would like to conclude. How much time is remaining?

The PRESIDING OFFICER. The Senator has 12 minutes.

Mr. MURKOWSKI. I might need a couple of more minutes to finish. I ask unanimous consent I may extend my time to a full 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

NUCLEAR WASTE POLICY

Mr. MURKOWSKI. Mr. President, I will be responding to some statements that were made during a debate that was held on this floor late last week concerning the Nuclear Waste Policy Amendments Act of 1999, which the leadership attempted to bring before this body. It was objected to by the other side.

I will take this opportunity to go back and forth between truth and fiction regarding this issue, because I think it is important we all have an opportunity to review the facts as opposed to the rhetoric that suggested that some things are risky when, in reality, we have addressed that risk through technology or other means. Last week, there was an allegation made that the radiation release standards for the permanent repository at Yucca Mountain contained in S. 1287 are inconsistent with the range of 2 to 20 millirem suggested by the National Academy of Sciences.

In the real world, somebody has to make these judgment calls regarding what level of radiation the public will recognize as being valid and protective of their interests. This level should be determined not by emotion but by sound science. The question is, Who has the sound science?

We believe the National Academy of Sciences certainly has that scientific expertise to make these judgments. As a consequence, we believe they should play a role in setting the radiation standard, as required by the Energy Policy Act of 1992.

What we are going to do here is respond to the myth by reminding my colleagues that the National Academy of Sciences, in fact, did not make a recommendation for a specific radiation standard nor a range of exposure levels. Going back to page 49 of the NAS report, it states:

> We do not directly recommend a level of acceptable risk.

In fact, the NAS said the appropriate risk level was a decision for policymakers. Congress is the ultimate decisionmaker on policy. S. 1287 establishes the basis for regulations that protect the public health and safety and the environment from radiation releases at repositories.

My good friends and colleagues from Nevada will have you believe I have something against the people of Nevada. I do not have a constituency with regard to this issue because in Alaska we do not have an operating nuclear plant, therefore we do not have nuclear waste. However, as chairman of the Energy and Natural Resources Committee, I have an obligation and an oversight responsibility to address and resolve this issue.

The reality is, I am very sensitive to the feelings of the people in Nevada regarding the waste. But we have to store it somewhere. The logic has always been that the best place to store this waste is in an area where we have had 50 years of nuclear testing, out in the desert. That is what we have done in the study of the feasibility of placing a permanent repository at Yucca Mountain, where we have expended over $6 billion already.

S. 1287 is consistent with existing law, which required the National Academy of Sciences to recommend a standard that protects people in Nevada. This chart shows the annual radiation doses allowed by various regulations. I think it is important to recognize the standard in S. 1287 is more stringent than required by Nevada law. Nevada has an administrative code, section 459.35, which states that "the total effective minimum dose to any member of the public from any licensed and registered operation does not exceed 100 millirems per year." S. 1287 would result in a standard that is only one-quarter of that set by Nevada itself.

To me, this is a responsible approach. I will repeat one more time: This bill will result in a standard that is one-quarter of the standard set by Nevada itself. We are certainly sensitive to the demands of Nevada that health and safety be protected. S. 1287 will ensure that releases of radioactivity from the repository will not result in an annual dose to an average member of the population in the vicinity of the site in excess of one-tenth the radioactivity received from natural background sources by the average U.S. resident.

This standard is lower than guidelines recommended by the preeminent international and national advisory organizations. These organizations include the International Commission on Radiological Protection and the congressionally chartered National Council of Radiation Protection and Measurement to provide guidance on radiation protection to countries worldwide.

I have another chart showing sources of radiation exposure. The term "millirem" may not mean much to most people, but let me put this in perspective.

The standard we have set in S. 1287 will limit a possible exposure of 25 to 30 millirems per year to the people who might receive the most exposure over the next 10,000 years.

As this chart shows, we all get 80 millirems a year of extra radiation working where? Right in this Capitol Building. Each one of us—all the pages, everybody—get 80 millirems a year of extra radiation, and it is from the stone in the Capitol which contains naturally reoccurring radiation. Maybe we ought to tear the Capitol down. That is one way to get rid of all extra radiation.

After all, we all get more than three times as much radiation above-background levels in a year as this bill, S. 1287, will allow the closest individual to Yucca Mountain, which is the proposed site of the permanent repository. The next chart shows the location of the permanent repository. This is the Nevada Test Site. This is the area we have used previously for more than 800 nuclear weapons tests. That is where we want to store our Nation's nuclear waste.

I have another chart that shows other examples, and this is in comparison to the EPA's draft rule which would limit Yucca Mountain to exposures, assuming that people in Nevada drink untreated ground water, to levels as low as one-tenth of a millirem.

This is in violation of existing law. One of my five principles reflected in this legislation is that Yucca Mountain rules for radiation should be set by the Nuclear Regulatory Commission, not by the Environmental Protection Agency.

Some have asked why. This is the reason why: The 1992 Energy Policy Act required the Environmental Protection Agency to issue regulations governing the maximum annual effective dose equivalent to individual members of the public consistent with the study of the National Academy of Sciences. Instead, what EPA did is issue draft regulations that are counter to the recommendations of the National Academy of Sciences.

One has to wonder why. Is it to kill this effort? Some within the Environmental Protection Agency would like to see the nuclear industry in this country go away, die, buried, gone forever. Regardless, we have an obligation to recognize that about 20 percent of our power is generated from nuclear power. We have created significant waste and have an obligation to address it.

S. 1287 is consistent with the NRC's proposed regulations for Yucca Mountain which are consistent with the National Academy of Sciences report. The Environmental Protection Agency continues to push for unrealistic, unnecessary, counterproductive standards that have nothing to do with protecting the health of Nevadans. Proof of that is they want these standards to equal drinking water standards, as low as one-tenth of a millirem for a separate ground water protection standard. The NRC measures radiation exposures to all individuals from all sources as required by law, including exposures from drinking water.

I question whether the Safe Drinking Water Act should be applied to ground water from this area where we have had 50 years of nuclear testing and over 800 tests. If the water becomes tap water, then perhaps the act should apply, but not while the water is still in the ground.

EPA wants to take extreme, strict standards that were designed to apply to drinking water out of a tap and apply it to water in the ground whether people drink it or not. What they are saying is you cannot achieve the process of getting this site licensed if you set a standard that is unattainable.

I am not hung up on standards and who dictates standards, but I am committed to getting this legislation through, protecting the public, and ensuring we have a standard that is achievable based on the best science available. I will not support a standard that the EPA dictates that will simply make the project unachievable at the expense of the taxpayers, who probably have over $15 million already in this process, let alone the expenditure of another $50 million to $80 million for not having taken the waste.

Let me clear up a very important point. The Nuclear Regulatory Commission standard fully protects the people in Nevada. Whether the drinking water standard is applied to ground water has nothing to do with how much additional exposure there is from this facility.

EPA applied similar regulations to the WIPP in Carlsbad, NM, to the transuranic nuclear waste disposal facility. This is Government waste from weapons production facilities. WIPP is a Government facility in the salt caverns of Carlsbad, NM.

The drinking water standard was not an issue when WIPP was licensed by EPA because WIPP is a salt mine and has no potable water around it. One wonders whether EPA thinks all nuclear waste should be disposed of in a salt cavern. I am not sure everyone in this body will agree.

The National Academy of Sciences did not recommend that the Safe Drinking Water Act be applied to ground water. Instead, it addressed requirements necessary to limit the overall risk to individuals as required by law.

Finally, the NAS concluded the decision regarding the acceptable levels of protection at Yucca Mountain is a policy decision. I believe it is appropriate that Congress make the decision regarding the level of protection and that the NRC set the standard. In short, the statement of the administration position bases its objections on a disregard of both existing law and the reality of the Federal Government's obligation to take nuclear waste beginning in 1998.

There is a question of whether the EPA standard will harm health and safety nationwide. Do not believe the draft EPA regulations are a victimless crime. By ignoring this requirement and insisting on a standard that no repository probably can meet, a standard that provides no additional protection for health and safety to the people in Nevada, EPA and the opponents of Yucca Mountain will harm health and safety across the country. Why? Because the current storage was not designed for this hazardous waste. It was designed to be removed, because there was a commitment made by the Federal Government pursuant to a contract beginning in 1998.

The Federal Government has failed to perform under that contract. As a consequence, the waste stays where it is. Some of the Governors have said: Well, we are concerned about this waste staying in our State. And if indeed, as this legislation proposes, the Government takes title of the waste site, we are fearful it will stay in our State. I would say to our Governors: If this legislation does not pass, it is just where it is going to stay. It is going to stay in those States.

This chart shows where it is. It is in over 80 sites around the United States, all over the east coast. The chart shows in brown where our commercial reactors are. We have shut down reactors with spent fuel shown in the green. That isn't going to move until we get the repository for it. We have military reactors, Navy reactors, and we have the Department of Energy reactors and waste around the country.

My point is, this legislation is a mandate to address a problem. It might not be perfect, but if you have a better answer, come on aboard and let's try to address our responsibility.

In the remaining minutes, let me conclude by reminding you that the Department of Energy's draft environmental impact statement on Yucca Mountain concludes that the public would be at a far greater risk of latent cancer if high-level radioactive waste in used fuel were left at the 80 sites around the country.

If you are comparing apples to apples, the draft EIS assumes that in either case, people completely walk away from the repository and the onsite storage facilities after 100 years. This is the standard assumption of the EISs. For people living near the repository—with spent fuel shielded by natural and engineered barriers hundreds of feet below the ground and hundreds of feet above the water table—the long-term effects are very negligible.

The Department of Energy concludes that there would be virtually no latent cancer fatalities—much less than 1—over 10,000 years. On the other hand, the consequences of leaving the material at a score of sites around the Nation are certainly far greater. And that is where we are now.

In the absence of institutional controls, on-site storage would lead to "about 3,300 latent cancer fatalities over 10,000 years as storage facilities across the United States degraded and radionuclides from spent fuel and high-level radioactive waste reached and contaminated the environment."

The Department of Energy calls the outcome of this "no action" scenario a "considerable human health risk." High-level nuclear waste is in the backyard of our constituents, young and old, across the land. In further presentations, we are going to spell out specifically where it is, the street it is on, across from the school, across from the church.

As DOE points out in the environmental impact statement, each year that goes by, our ability to continue storage of nuclear waste at each of these sites in a safe and responsible way diminishes. It is irresponsible to let this situation continue—literally, a crime against the future. We cannot let that happen.

A myth is: The release standards for the Waste Isolation Pilot Plant program were set at 3 millirems.

Reality: The 3-millirem standard did not apply at WIPP. This is the Safe Drinking Water Act level which EPA has chosen to apply to ground water. However, WIPP is in a salt dome and contains no potable ground water, so the drinking water standard did not apply.

Myth: If you do not pass this bill, the Yucca Mountain will open on schedule.

The reality is, the antinuclear activists and the Nevada delegation are doing everything they possibly can to stop Yucca Mountain from opening, including encouraging the EPA to issue a counterproductive and impossible-to-meet standard for radiation.

Further myth: Nuclear waste storage casks are safe for storage but not for transport. The reality of that is, properly licensed nuclear storage waste casks are safe for both storage and transport. We in the United States have transported over our highways 2,400 shipments of spent nuclear fuel by the nuclear energy industry and others, over the past 25 years. This chart shows the network of where it has traveled. It has moved all over the country, up and down the east coast, through the Rocky Mountains, through the Midwest, and up and down the east coast.

There have been 2,400 shipments of spent nuclear fuel by the nuclear energy industry and others over 25 years. No fatality, injury, or environmental damage has ever occurred because of a radioactive cargo. It isn't that we could not have an accident, but we take steps to ensure that the risk is at a minimum. I suggest we have had an occasion where we have had a truck break down but the casks have performed as designed; they have not broken up. The nuclear disasters the Nevada Senators have promised would happen simply have not happened. Technology is the answer. Technology is available for safe transportation, and it is already paid for.

We look at Europe. They are moving high-level radioactivity from their nuclear plants by ship, by railroad, as well as highways.

Senate bill 1287 provides the authorization to coordinate a systematic, safe transportation network to move spent fuel to a storage facility.

A further myth: Leaving the spent fuel where it is only costs $5 million per site.

Reality: At a hearing before the Energy and Natural Resources Committee, the NRC Chairman testified that the startup costs of building a dry cask storage facility at a reactor would be $6 million, plus $1.5 million per year for new casks and operation, plus $5 million per year for maintenance after the reactor is shut down.

But the real question is, What will it cost the taxpayer? The DOE has collected, as I have previously indicated, over $15 billion from the ratepayers, the people who pay their electric bills, under a binding contract to move the spent nuclear fuel. The Federal Government did not meet that binding contractual term to take it beginning in 1998. Damages, I have indicated, for nonperformance of that contract have been estimated between $40 and $80 billion. The Government is ignoring the sanctity of its contract. That amounts to $1,300 per American family.

Here is how the damages break down: The cost of storage of spent nuclear fuel, $19 billion; return of nuclear waste fees, $8.5 billion; interest on nuclear waste fees, $15 to $27 billion; consequential damages for shutdown of 25 percent of the nuclear plants due to insufficient storage—power replacement cost—$24 billion.

Well, this is billions upon billions.

If regulators prohibit additional onsite storage, utilities may be forced to close plants and buy replacement power at an average cost of $250,000 to $300,000 per day for a typical reactor.

Finally, let me conclude by exposing the ultimate myth. That myth is: 80 nuclear storage waste sites are safer than 1 centralized storage site at the Nevada Test Site, a site so remote that it has been used to explode nuclear devices for 50 years.

Let's put the picture of the Nevada Test Site up one more time. The reality of this is simple, really. Why should we leave spent nuclear fuel at nuclear powerplants in 34 States when there is a less costly storage method with an increased magnitude of safety?

The picture shows, the proposed site of where we will put it, the one site. The point is, let's put it in one site where we can monitor it. If we want, we can have an appropriate repository so that if at some time we want to have a retrievable capability, we can do so, as technology advances.

DOE's own environmental impact statement calls the outcome of the "no action" scenario a "considerable human health risk." Transporting used nuclear fuel to a central storage facility in the Nevada desert is the only sensible approach.

I do not have to remind my colleagues that the Federal Government made a promise and signed contracts with utilities—including those in many of individual Members' States—that it would start disposing of spent nuclear fuel in 1998.

The evidence is squarely on the side of reaffirming this vital commitment. It makes good sense to consider the Nevada Test Site, an isolated, unpopulated, desert location where we used to test nuclear bombs. You have seen that on the picture behind me.

When you test a nuclear bomb, even underground, radioactivity can and does escape. It does get into the ground water and sometimes even the atmosphere. My colleagues from Nevada have supported continued bombing tests on the test site but don't support storage of spent nuclear fuel in an NRC-licensed and monitored facility. I just don't understand why. Why was the Nevada Test Site good enough to test leaky bombs but suddenly is not good enough for safe and secure spent fuel storage? I know there is a little politics in it. I understand politics. Leaving used nuclear fuel at a nuclear plant site defies common sense, makes a mockery of Government accountability, reneges on a promise made by the Government, and is extremely costly to the taxpayer.

Spent fuel pools at reactor sites were never intended to be used for long-term storage. As you remember, a few years ago, radioactive tritium gas leaked into Suffolk County, Long Island, ground water from the spent nuclear fuel storage at Brookhaven National Laboratory. In response, the Department of Energy removed the spent fuel and shipped it for storage to another DOE site. All we are asking is that DOE perform the same task which it is legally obligated to perform for civilian nuclear reactors.

Without a Federal spent fuel storage facility or an additional on-site temporary storage, which many opponents of this bill also actively oppose, some utilities will be forced to close plants down prematurely. In fact, 26 reactors will exhaust existing storage capacity in the next couple of years. To understand the calamity this would bring about, consider what would happen if you started chipping away at 20 percent of this Nation's electric supply or what the skies would look like if this base load capacity were replaced by fossil-fuel-burning plants of the older technology. As some of you are aware, the temporary shutdown of nuclear plants in the Northeast and Midwest had authorities planning for rolling blackouts during the hottest days this last summer.

The Senate must pass Senate bill 1287 and start developing the integrated spent fuel management programs that Congress has mandated and engineers and scientists have thoroughly designed safe technology for storage and for transportation of spent fuel, and for which electricity consumers in this country have paid. The Federal Government has promised it would dispose of this waste. It is now time for the Federal Government to stand up and be counted and do its job. S. 1287 is the solution.

Mr. SESSIONS. Will the Senator yield for a question?

Mr. MURKOWSKI. I am happy to yield.

Mr. SESSIONS. The distinguished Senator from Alaska indicated that we have already spent $6 billion on this facility in Yucca Mountain?

Mr. MURKOWSKI. The Senator is correct. We've actually spent a little bit more than that. We have the tunnel basically done. The facility is designed to be a permanent repository for this high-level waste.

Mr. SESSIONS. They are not just going to lay it out on the ground. There is a tunnel into the ground in the desert out there?

Mr. MURKOWSKI. That is correct. It is the intention to put the waste in casks, and the scientific community is going to have to certify that this waste will withstand whatever conditions that there might be for 10,000 years.

Mr. SESSIONS. It will be inside casks and then inside a concrete tunnel?

Mr. MURKOWSKI. The Senator is correct; concrete and rock.

Mr. SESSIONS. Do any people live right around there? Are people going to be living next to this facility?

Mr. MURKOWSKI. Well, there won't be anybody living next to the facility. Forty-some-odd miles away is the nearest living soul to that particular area. Las Vegas is, of course, over the mountains.

Mr. SESSIONS. Forty miles is a long way. I notice your chart showed that if you stood 6 feet from a trainload of this waste that was being sent out there, you would get about one-tenth as much exposure as we get here in the Senate?

Mr. MURKOWSKI. That appears to be the case, because of the stone with which the building was built.

Mr. SESSIONS. It strikes me, if you were 40 miles away, you wouldn't get the little 5-millirem exposure. It would be infinitesimal, what anybody in Nevada would be exposed to as a result of storing this waste in one facility.

Mr. MURKOWSKI. I appreciate you pointing that out again.

As you know from the chart, it does say 80 millirems is the exposure we get here in the Capitol. If you live in a brick house, you get 70 millirems. You get 53 millirems of additional exposure from cosmic radiation in Denver, as a result of the higher altitude. The average radiation from the ground is 26 millirems. An x ray is 20. A dental x ray is 14, and you have to write a check for it. A round-trip flight from New York to Los Angeles is 6. Exposure for a half hour from a transport container to a truck 6 feet away is 5 millirems.

It is important that we put these in perspective.

Mr. SESSIONS. I thank the distinguished Senator for his leadership on this issue.

Since I have been in the Senate, I don't think I have ever seen a public policy issue more bizarre than the inability of this Nation to remove nuclear waste from five sites in my home State of Alabama and all over the United States to one safe and secure location. Why that can't be accomplished and why those continue to frustrate our efforts to carry out the law is beyond me.

I know the Senator said $6 billion had been spent on fixing this site so far. I understand everybody who pays their electric bill pays a certain percentage of that bill for storing of nuclear waste. Does the Senator know how much has been paid in by the citizens of America to make this a safe site for this disposal?

Mr. MURKOWSKI. In responding to the Senator from Alabama, a little over $15 billion has been paid to the Federal Government. The Federal Government agreed to take the waste beginning in 1998. Clearly, that date has come and gone.

Mr. SESSIONS. I can see why the Senator began his remarks raising the concern that the Federal Government should honor its commitments.

Mr. MURKOWSKI. I might add also, there is a significant legal obligation for noncompliance with that contractual agreement, somewhere between $50 and $80 billion. I happen to be a banker and know something about money, but I am not as familiar as perhaps a lawyer would be with the significance of a settlement for damages, but it is going to cost the taxpayer a bundle.

Mr. SESSIONS. I think that is important. Money cost is important, $15 billion already spent.

For the Senator's edification and those in the body, in Alabama, outside of the education budget, the State general fund budget is less than $1 billion a year. This is 15 annual general fund budgets for the State of Alabama we have invested, and to date there has been no movement.

I thank the Senator for leading the effort on this. I believe his remarks are a comprehensive demolishment of any objection by a rational human being to carrying out the legislative mandate of this Congress. We need the President to be helping rather than frustrating. We need to pass this law. I was a Federal attorney for a long time. The Federal Government has the power and does, on a daily basis, condemn properties all over America for public use. This is 40 miles away from people. It is the appropriate location where we have done nuclear testing.

I stand in amazement that we are unable to bring it to a conclusion and thank the distinguished Senator.

Mr. MURKOWSKI. The only explanation I can give my friend from Alabama is, for reasons I can only assume are associated with the objections from antinuclear groups, this administration has simply chosen to ignore its obligation on the issue of nuclear waste. We have an industry that is strangling on its own waste. Our technology has created that waste. On the other hand, we are dependent for about 20 percent of our power on nuclear power generation. Obviously, it has made a substantial contribution to the air quality because there are no air emissions from nuclear power. As we look at the French, they are almost 90-percent dependent on nuclear energy.

They have chosen not to be held hostage by the Mideast as they were in the 1973–74 timeframe. So they have developed almost entirely their power generation on a nuclear power generating industry and their sophistication of disposing of the waste is through technology. They take the waste and reprocess it, recover the plutonium, put it back in the reactors, and burn it, and hence reduce the proliferation. The residue is vitrified like a glass and that is buried, but it has a relatively short life.

So while we are committed to permanently disposing of our high-level waste at Yucca, there is another alternative that we have precluded ourselves from pursuing, which, in my opinion, is probably the right way to go, and it is the way the Japanese are going as well.

Mr. SESSIONS. Well, the Senator mentioned that 20 percent of our power is nuclear. I have had some occasion to study this issue. I served on the Clean Air Committee of the Environment and Public Works Committee. The President has committed us to his view of reducing emissions into the atmosphere by 7 percent, during a period of time when our demand for electricity is going to nearly double; but 20 percent of our electricity comes from nuclear power in the United States, is that right?

Mr. MURKOWSKI. That is right.

Mr. SESSIONS. We haven't had a new nuclear plant built in almost 20 years.

Mr. MURKOWSKI. That is correct.

Mr. SESSIONS. How are we going to increase production of power and at the same time shut down the nuclear energy that other nations are using regularly?

Mr. MURKOWSKI. That is a very interesting point the Senator has brought up, because if we look at the clean air proposal of this administration and the proposal that 7½ percent could come from renewables, we have to question whether we have that technology.

Somebody said if you took every square foot of New Mexico and Arizona and put solar panels across, you would only get half of 1 percent, because it gets dark once in a while and the wind doesn't blow all the time. So we have real problems with facing reality in the administration's proposal. There is no mention of the role of nuclear power in that proposal. Nor do they consider hydroelectric generation as a renewable, which is beyond me, because it rains, the lakes fill up, and the hydro works. But it is a mentality currently within this administration.

I appreciate the Senator bringing up these points, but in the clean air proposal by this administration, there is no role for nuclear. Clearly, there has to be.

Mr. SESSIONS. I had the privilege of representing this Congress, with a number of other Senators, at a European conference of the North Atlantic Assembly. The President's own appointee as Chairman of the International Atomic Energy Administration, or association, Mr. John Rich, made a marvelous talk. I can sum it up fairly by saying that he concluded there is no way this Nation, or the world, can ever meet our clean air global warming goals without the enhancement of nuclear power. He demolished the idea that renewables, or others, could come close to filling the gap. This is the President's own appointee.

I don't know. Maybe he ought to go sit down in the White House, or with the Vice President, and discuss these issues because we are facing a crisis. We need to maintain our atmospheric purity as much as we can. We certainly don't need to be increasing. I thank the Senator for his time.

Mr. MURKOWSKI. I thank my friend. I see my friend from New Mexico will be seeking recognition.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, first, I wish to say I wasn't present in the discussion about clean air and the ambient air standards, as they might pertain to nuclear power in America and what might happen to the nuclear power we have, the powerplants, and what might happen in the future. But I know, even without being here, that it was a very enlightened discussion about the fact that if you are looking for a cleaner world and for the ambient air of the world and in America in the future, to sustain economic growth, for it to be clean and livable, anybody who leaves nuclear power off the map and doesn't even talk about it is absolutely missing the greatest opportunity we have to accomplish what all of those who want clean air set out to do. In fact, I think the Senator shares this observation with me. The Kyoto agreement, with all of its preamble work—the whereases—was totally void of a reference to nuclear power.

Mr. MURKOWSKI. That is correct.

Mr. DOMENICI. I discussed that report with one of the most eminent physicists in the world. What he said to me was: I looked from cover to cover, and since I could not find one word on nuclear power, I put the report down and said it cannot be one that is really objective and realistic.

Now, that is better than I can say it. I think that is what the Senator has been saying and what my friend from Alabama, who has regularly talked with me about nuclear power and clean air, has said. It is amazing, if we can just come to the floor and talk about the other sources of energy and what they have done to human life in terms of deaths in mining, the deaths on the trains that have carried coal, and all of the other things related to producing energy that we use willfully and without great concern about the danger and the risks, and then put that up alongside nuclear power from its origin, it will look like a big giant heap of coal versus a little tiny package of salt over here that will represent the harm we have caused to people and the environment with nuclear power. They are not even in the same league in terms of damage to people, deaths to people, and the like. It has been a very safe industry, and in the United States, it has been truly miraculous that with this kind of engineering we have had two accidents and neither were fatal.

Mr. MURKOWSKI. No fatalities. I thank my friend from New Mexico.

BALANCED BUDGET ACT

Mr. DOMENICI. Mr. President, I came down to make a few remarks about a bill that is in conference, a subject matter we have been talking about for some time, and that is the Balanced Budget Act and what kind of impact it had on skilled nursing homes, on rural hospitals, and other parts of the entire health delivery network in the United States. While I won't take very long today, I do come because I think it is very urgent to the conferees on what we have been calling a "Medicare replenishment" bill—a bill that goes back and says let's make a few adjustments to the Balanced Budget Act as that Budget Act sought to restrain the cost of health care in three, four, or five areas.

Particularly, I want to talk about the House and Senate and the ultimate compromise on the legislation to increase payments for the nursing home patients and proprietors and owners of skilled nursing homes and that industry. In fact, the problems in the nursing home industry are as severe, if not more severe, than in any other part of the health care system in the United States. To talk about hospitals as if they are more important than skilled nursing homes, and that we should worry more about hospitals and less about skilled nursing homes, is not to address the issue properly, for there are literally hundreds of thousands of Americans, men and women, predominantly women, in the skilled nursing homes across this land. Some are Ma and Pa owners of one or two units; some are corporately owned, where hundreds of these particular skilled nursing home facilities are owned by a company.

A couple of weeks ago, a very large nursing home company with headquarters in my home State filed for chapter 11 bankruptcy protection. That was a second nursing home chain to file for bankruptcy protection in the last 2 months. These two nursing home chains own hundreds of facilities all over the country. So every Senator should be concerned about what is happening to this industry and to these facilities and their ability to care for our senior citizens.

The Senate Finance Committee, which got input from many Senators and many parts of America's health delivery system, reported out a very good bill in the area of skilled nursing homes and, likewise, in the other delivery components of American health care. In it, there are two provisions which are particularly important. First, it provides, over the next 3 years, for $1.4 billion in higher payment rates for skilled nursing facilities. These increases are targeted at what everyone agrees is the problem—that current rates do not cover the high costs of medically complex cases. In other words, skilled nursing homes and the population of these homes have changed rather dramatically in the last 15 years, and there are more and more very sick people in the skilled nursing home facilities, and we call these medically complex cases. The reimbursements we are now giving skilled nursing homes do not cover the care for the medically complex cases. Secondly, it put a moratorium—that is, the Senate bill—on the $1,500 therapy caps that have been so disruptive to care to many seniors.

Quite frankly, one of the messages I would like the Senate to hear today is that the House bill is completely inadequate in this area. In fact, the House bill puts only $100 million—one-tenth of $1 billion—directly into the payment rates to correct the problem of high cost cases. That is $1.3 billion less than the Senate bill. Obviously, there is a problem, or there isn't a problem. If there is no problem, then the House is right. Fund it with $100 million, which is almost nothing. But if there is a problem, obviously $100 million over 3 years will not solve that problem. The Senate is more apt to be right at $1.3 billion for skilled nursing homes.

The House bill tries to salvage the concept of putting caps on therapy services, which is the wrong way to be approaching and controlling the costs in this area.

The Medicare relief package reported by our Finance Committee—I give the Finance Committee great credit and Chairman BILL ROTH extraordinary credit—includes other provisions: $1.8 billion for teaching hospitals, all hospitals $2.5 billion more than today's plans, and for home health, $1.3 billion to delay a 15-percent cut.

Many of us have looked at all of these and think they are needed and should be supported. But certainly to go to conference and tragically leave out of the package anything significant for skilled nursing homes, I tell you that we will rue the day. It will not be 6 months to a year when there will be closings across this land, and we will have sick senior citizens unattended in nursing home after nursing home across this country.

Even if the other provisions survive the conference and the nursing provisions do not, let me repeat that I think we will have failed the No. 1 problem in the delivery system right now, especially for those who can do nothing for themselves. They are the very sick seniors in nursing homes.

I don't know any other way than to say that the Senate voted overwhelmingly for these provisions. I hope that means they will carry this message into this conference and will insist that the House concede when it comes to skilled nursing home parts of this bill and put substantially more into reimbursing provisions; that is, the two that I have mentioned here today.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

At 11:54 a.m., a message from the House of Representatives, delivered by Mr. Hanrahan, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House of Representatives to the bill (S. 900) to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, insurance companies, and other financial service providers, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the following enrolled bill:

H.R. 609. An act to amend the Export Apple and Pear Act to limit the applicability of the Act to apples.

The enrolled bill was signed subsequently by the President pro tempore (Mr. THURMOND).

At 2:50 p.m., a message from the House of Representatives, delivered by one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3196. An act making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2000, and for other purposes.

MEASURE PLACED ON THE CALENDAR

The following joint resolution was read the second time and placed on the calendar:

S.J. Res. 37. Joint resolution urging the President to negotiate a new base rights agreement with the Government of Panama in order for United States Armed Forces to be stationed in Panama after December 31, 1999.

The following bill was read twice and placed on the calendar:

H.R. 3196. An act making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2000, and for other purposes.

ENROLLED JOINT RESOLUTION SIGNED

The following joint resolution, previously signed by the Speaker of the House, was signed on today, November 5, 1999, by the President pro tempore (Mr. THURMOND):

H.J. Res. 75. Joint resolution making further continuing appropriations for the fiscal year 2000, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-6037. A communication from the President, Overseas Private Investment Corporation, transmitting, pursuant to law, a report relative to its formal management control review program for fiscal year 1999; to the Committee on Governmental Affairs.

EC-6038. A communication from the Director, U.S. Trade and Development Agency, transmitting, pursuant to law, a report relative to its audit and internal management activities for fiscal year 1999; to the Committee on Governmental Affairs.

EC-6039. A communication from the Office of Independent Counsel, transmitting, pursuant to law, a report relative to its audit and investigative activities for fiscal year 1999; to the Committee on Governmental Affairs.

EC-6040. A communication from the Office of Independent Counsel, transmitting, pursuant to law, a report relative to its audit and investigative activities for fiscal year 1999; to the Committee on Governmental Affairs.

EC-6041. A communication from the Director, the Woodrow Wilson Center, transmitting, pursuant to law, a report relative to its audit and investigative activities for fiscal year 1998; to the Committee on Governmental Affairs.

EC-6042. A communication from the Chairman, Farm Credit System Insurance Corporation, transmitting, pursuant to law, a report relative the Federal Manager's Financial Integrity Act and the Inspector General Act Amendments of 1978 for fiscal year 1999; to the Committee on Governmental Affairs.

EC-6043. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13-146, "Josephine Butler Parks Center Property Tax Relief Act of 1999"; to the Committee on Governmental Affairs.

EC-6044. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13-156, "Child Support and Welfare Reform Compliance Temporary Amendment Act of 1999"; to the Committee on Governmental Affairs.

EC-6045. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13-159, "Motor Vehicle Excessive Idling Exemption Temporary Amendment Act of 1999"; to the Committee on Governmental Affairs.

EC-6046. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13-154, "District of Columbia Board of Real Property Assessments and Appeals Membership Simplification Act of 1999"; to the Committee on Governmental Affairs.

EC-6047. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13-155, "Adoption and Safe Families Temporary Amendment Act of 1999"; to the Committee on Governmental Affairs.

EC-6048. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13-147, "Separation Pay Adjustment Amendment Act of 1999"; to the Committee on Governmental Affairs.

EC-6049. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13-149, "Annuitants' Health and Life Insurance Employer Contribution Amendment Act of 1999"; to the Committee on Governmental Affairs.

EC-6050. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13-157, "University of the District of Columbia Board of Trustees Residency Requirement Temporary Amendment Act of 1999"; to the Committee on Governmental Affairs.

EC-6051. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13-158, "Noise Control Temporary Amendment Act of 1999"; to the Committee on Governmental Affairs.

EC-6052. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13-148, "Mt. Gilead Baptist Church Equitable Real Property Tax Relief Act of 1999"; to the Committee on Governmental Affairs.

EC-6053. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13-163, "Temporary Real Property Tax Exemption for the Phillips Collection Temporary Act of 1999"; to the Committee on Governmental Affairs.

EC-6054. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13-161, "Lateral Appointment of Law Enforcement Officers Temporary Amendment Act of 1999"; to the Committee on Governmental Affairs.

EC-6055. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13-162, "Sex Offender Registration Temporary Act of 1999"; to the Committee on Governmental Affairs.

EC-6056. A communication from the Chair, District of Columbia Financial Responsibility and Management Assistance Authority, transmitting, pursuant to law, a report relative to the District of Columbia Financial Responsibility and Management Assistance Act for fiscal year 1999; to the Committee on Governmental Affairs.

EC-6057. A communication from the Executive Director, Committee for Purchase from People who are Blind or Severely Disabled, transmitting, pursuant to law, the report of a rule relative to additions to and deletions from the Procurement List, received November 2, 1999; to the Committee on Governmental Affairs.

EC-6058. A communication from the Director, Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Food Additives Permitted for Direct Addition to Food for Human Consumption; Polysorbate 60" (84F-0050), received November 2, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC-6059. A communication from the Director, Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Indirect Food Additives: Polymers" (99F-0345), received November 2, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC-6060. A communication from the Director, Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Listing of Color Additives for Coloring Meniscal Tacks; D&C Violet No. 2; Confirmation of Effective Date" (98C-0158), received November 2, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC-6061. A communication from the Assistant General Counsel for Regulations, Office of Student Financial Assistance, Department of Education, transmitting, pursuant to law, the report of a rule entitled "Student Assistance General Provisions-Student Eligibility", received November 2, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC-6062. A communication from the Acting General Counsel, Executive Office for Immigration Review, Department of Justice, transmitting, pursuant to law, the report of a rule entitled "Board of Immigration Appeals: Streamlining" (RIN1125-AA22), received November 2, 1999; to the Committee on the Judiciary.

EC–6063. A communication from the Attorney General, transmitting, a report relative to the position of the Department of Justice in the Supreme Court in "Dickerson v. United States"; to the Committee on the Judiciary.

EC–6064. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Adequate Disclosure" (Rev. Proc. 99–41), received November 2, 1999; to the Committee on Finance.

EC–6065. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Cost-of-Living Adjustments" (Rev. Proc. 99–42), received November 3, 1999; to the Committee on Finance.

EC–6066. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Reopenings of Treasury Securities" (RIN1545–AX61) (TD8840), received November 3, 1999; to the Committee on Finance.

EC–6067. A communication from the Acting Regulations Officer, Social Security Administration, transmitting, pursuant to law, the report of a rule entitled "Reduction of Title II Benefits Under the Family Maximum Provisions in Cases of Dual Entitlement" (RIN0960–AE85), received November 3, 1999; to the Committee on Finance.

EC–6068. A communication from the Director, Office of Surface Mining, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "North Dakota Regulatory Program", received November 3, 1999; to the Committee on Energy and Natural Resources.

EC–6069. A communication from the National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, a report entitled "Status of Fisheries of the United States"; to the Committee on Commerce, Science, and Transportation.

EC–6070. A communication from the Deputy Assistant Administrator, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "National Fisheries Habitat Program: Request for Proposals for FY 2000" (RIN0648–ZA71), received November 3, 1999; to the Committee on Commerce, Science, and Transportation.

EC–6071. A communication from the Deputy Assistant Administrator, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Application of Marine Biotechnology to Assess the Health of Coastal Ecosystems: Request for Proposals for FY 2000" (RIN0648–ZA74), received November 3, 1999; to the Committee on Commerce, Science, and Transportation.

EC–6072. A communication from the Deputy Assistant Administrator, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "National Sea Grant College Program—National Marine Fisheries Service Joint Graduate Fellowship Programs in Population Dynamics and Marine Resource Economics" (RIN0648–ZA69), received November 3, 1999; to the Committee on Commerce, Science, and Transportation.

EC–6073. A communication from the Deputy Assistant Administrator for Fisheries, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Final Rule to Implement Portions of the Comprehensive Amendment Addressing Sustainable Fisheries Act Definitions and Other Required Provisions in the Fishery Management Plans of the South Atlantic Region" (RIN0648–AL42), received November 3, 1999; to the Committee on Commerce, Science, and Transportation.

EC–6074. A communication from the Associate Chief, Wireless Telecommunications Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Interconnection and Resale Obligations Pertaining to CMRS, et al." (CC Docket No. 94–54, WT Docket No. 98–100, and GN Docket No. 94–33; FCC 99–250), received November 2, 1999; to the Committee on Commerce, Science, and Transportation.

EC–6075. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Revision to Class E Airspace; Hebbonville, TX; Direct Final Rule; Request for Comments; Docket No. 99–ASW–24 (10–29/11–1)" (RIN2120–AA66) (1999–0359), received November 3, 1999; to the Committee on Commerce, Science, and Transportation.

EC–6076. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Revision to Class E Airspace; El Paso, TX; Direct Final Rule; Request for Comments; Docket No. 99–ASW–26 (10–29/11–1)" (RIN2120–AA66) (1999–0360), received November 2, 1999; to the Committee on Commerce, Science, and Transportation.

EC–6077. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Year 2000 Airport Safety Inspection" (RIN2120–AG83), received November 2, 1999; to the Committee on Commerce, Science, and Transportation.

EC–6078. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Revision to Class E Airspace; Beaumont, TX; Direct Final Rule; Request for Comments; Docket No. 99–ASW–25 (10–29/11–1)" (RIN2120–AA66) (1999–0361), received November 2, 1999; to the Committee on Commerce, Science, and Transportation.

EC–6079. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Bell Helicopter Textron Canada Model 407 Helicopters; Docket No. 99–SW–07 (10–28/11–1)" (RIN2120–AA64) (1999–0426), received November 2, 1999; to the Committee on Commerce, Science, and Transportation.

EC–6080. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Pratt and Whitney JT8D Series Turbofan Engines; Docket No. 92–ANE–15 (10–29/11–1)" (RIN2120–AA64) (1999–0425), received November 2, 1999; to the Committee on Commerce, Science, and Transportation.

EC–6081. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; British Aerospace Model B Ae 146 and Avro 146–RJ Series Airplanes; Docket No. 99–NM–27 (10–28/11–1)" (RIN2120–AA64) (1999–0427), received November 2, 1999; to the Committee on Commerce, Science, and Transportation.

EC–6082. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Eurocopter France Model A32. L, and L1 Helicopters; Docket No. 98–SW–59" (RIN2120–AA64) (1999–0428), received November 2, 1999; to the Committee on Commerce, Science, and Transportation.

EC–6083. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "National Pollutant Discharge Elimination System—Regulations for Revision of the Water Pollution Control Program Addressing Storm Water Discharges" (FRL #6470–8), received November 3, 1999; to the Committee on Environment and Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 1374. A bill to authorize the development and maintenance of a multiagency campus project in the town of Jackson, Wyoming (Rept. No. 106–215).

By Mr. THOMPSON, from the Committee on Governmental Affairs, without amendment:

S. 1503. A bill to amend the Ethics in Government Act of 1978 (5 U.S.C. App.) to extend the authorization of appropriations for the Office of Government Ethics through fiscal year 2003 (Rept. No. 106–216).

By Mr. HATCH, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

H.R. 1907. A bill to amend title 35, United States Code, to provide enhanced protection for inventors and innovators, protect patent terms, reduce patent litigation, and for other purposes.

By Mr. HELMS, from the Committee on Foreign Relations, without amendment and an amended preamble:

S. Res. 217. A resolution relating to the freedom of belief, expression, and association in the People's Republic of China.

EXECUTIVE REPORTS OF COMMITTEE

The following executive reports of committees were submitted on November 3, 1999:

By Mr. THOMPSON for the Committee on Governmental Affairs:

John F. Walsh, of Connecticut, to be a Governor of the United States Postal Service for a term expiring December 8, 2006.

LaGree Sylvia Daniels, of Pennsylvania, to be a Governor of the United States Postal Service for a term expiring December 8, 2007.

Joshua Gotbaum, of New York, to be Controller, Office of Federal Financial Management, Office of Management and Budget.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. ROBB (for himself and Mr. BAUCUS):

S. 1867. A bill to amend the Internal Revenue Code of 1986 to provide a tax reduction for small businesses, and for other purposes; to the Committee on Finance.

By Mr. DURBIN (for himself and Mr. HARKIN):

S. 1868. A bill to improve the safety of shell eggs; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BAUCUS:

S. 1869. A bill to authorize the negotiation of a Free Trade Agreement with the Republic of Korea, and to provide for expedited congressional consideration of such an agreement; to the Committee on Finance.

S. 1870. A bill to authorize the negotiation of a Free Trade Agreement with the Republic of Singapore, and to provide for expedited congressional consideration of such an agreement; to the Committee on Finance.

S. 1871. A bill to authorize the negotiation of a Free Trade Agreement with Chile, and to provide for expedited congressional consideration of such an agreement; to the Committee on Finance.

By Mr. SESSIONS (for himself and Mr. DODD):

S. 1872. A bill to amend the Federal Credit Union Act with respect to the definition of a member business loan; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. SESSIONS (for himself, Mr. HUTCHINSON, Mr. WARNER, Mr. TORRICELLI, Mr. MACK, Mr. SHELBY, Mr. NICKLES, Mr. INHOFE, Mr. THURMOND, Mr. ASHCROFT, Mr. MCCONNELL, Mr. ROBERTS, Mr. KOHL, Mr. FEINGOLD, Mr. CLELAND, Mr. HOLLINGS, Mr. BREAUX, Mr. GRAHAM, Ms. COLLINS, Mr. GRAMS, Mr. LAUTENBERG, Mr. ENZI, Mr. MURKOWSKI, Mr. GORTON, Ms. LANDRIEU, Mr. ROBB, and Mrs. LINCOLN):

S. 1873. A bill to delay the effective date of the final rule regarding the Organ Procurement and Transplantation Network; to the Committee on Health, Education, Labor, and Pensions.

By Mr. GRAHAM (for himself, Mr. BINGAMAN, and Mrs. FEINSTEIN):

S. 1874. A bill to improve academic and social outcomes for youth and reduce both juvenile crime and the risk that youth will become victims of crime by providing productive personnel during non-school hours; to the Committee on the Judiciary.

By Mr. COCHRAN:

S. 1875. A bill to amend the Agricultural Marketing Act of 1946 to remove the prohibition on the use of funds to pay for newspaper or periodical advertising space or radio time; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DODD (for himself and Mr. ROCKEFELLER):

S. 1876. A bill to amend the High-Performance Computing Act of 1991 to require a report to Congress; to the Committee on Health, Education, Labor, and Pensions.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. LOTT (for himself and Mr. DASCHLE):

S. Res. 221. A resolution to authorize testimony and document production in the Matter of Pamela A. Carter v. HealthSource Saginaw; considered and agreed to.

By Mr. SMITH of New Hampshire (for himself and Mr. REID):

S. Res. 222. A resolution to revise the procedures of the Select Committee on Ethics; considered and agreed to.

By Ms. SNOWE:

S. Con. Res. 69. A concurrent resolution requesting that the United States Postal Service issue a commemorative postal stamp honoring the 200th anniversary of the naval shipyard system; to the Committee on Governmental Affairs.

S. Con. Res. 70. A concurrent resolution requesting that the United States Postal Service issue a commemorative postage stamp honoring the national veterans service organizations of the United States; to the Committee on Governmental Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DURBIN (for himself and Mr. HARKIN):

S. 1868. A bill to improve the safety of shell eggs; to the Committee on Agriculture, Nutrition, and Forestry.

EGG SAFETY ACT OF 1999

Mr. DURBIN. Mr. President, today I am introducing the Egg Safety Act of 1999. This legislation would improve the safety of our nation's egg supply by granting USDA's Food Safety and Inspection Service (FSIS) the authority to regulate and inspect shell eggs from farm to retail level, requiring labeling on egg cartons, requiring uniform expiration dating for all shell eggs, and prohibiting repackaging of eggs.

Last year, I requested a report from the General Accounting Office (GAO) regarding the safety of our egg supply. On July 1 of this year, that report was released at a hearing before the Government Affairs Subcommittee on Oversight of Government Management, on which I serve. According to the report, the GAO found cracks, confusion and contradictions in our nation's efforts to protect consumers against contaminated eggs and egg products.

Approximately 67 billion eggs are sold each year in the United States, with each American eating an average of 245 during that time. Eggs are a nutrient-dense food that plays an important part in most Americans' diets, either alone or as an ingredient in other foods. However, eggs, like any other perishable product, need to be handled with care. Perishable products will always have a degree of risk, but this risk is manageable.

According to the Centers for Disease Prevention and Control (CDC), Salmonella enteriditis (SE), a bacteria commonly associated with raw or undercooked eggs, caused about 300,000 illnesses in 1997, resulting in between 115 and 230 deaths. According to the U.S. Department of Agriculture (USDA), the economic costs of food-borne illnesses related to eggs were estimated to be between $225 million and $3 billion in 1996. Between 1985 and 1998, 81.7 percent of SE outbreaks were associated with eggs.

In 1998, the Illinois Department of Public Health recorded 405 reported cases and five deaths resulting from SE. Food-borne illness has struck in Illinois several times over the past decade, including a 1990 outbreak of SE from bread pudding with 1,100 reported cases; a 1993 outbreak of SE from pancakes with 22 reported cases; and a 1993 outbreak of SE from bearnaise sauce with 13 reported cases.

Make no mistake about it: our country has one of the safest egg supplies in the world. But we have the science and know-how to make it even safer. Eating French toast, Caesar salad, or any other foods that may include raw or undercooked eggs is a manageable risk that can be reduced even further. Make some common sense changes in our federal food safety efforts can protect consumers, families and the credibility of U.S. food products at home and abroad.

How would putting all egg safety responsibilities within one agency make eggs safer? According to the GAO report, lack of coordination between the four federal agencies responsible for egg safety has resulted in gaps, inconsistencies and inefficiencies. For example, while one of those agencies, USDA, conducts daily inspections of plants where eggs are broken and made safe by pasteurization, another agency, Food and Drug Administration, rarely inspects egg farms or facilities where unbroken shell eggs are packed unless the agency is trying to trace an outbreak of illness.

The absence of or inconsistent egg carton expiration dating laws can mislead consumers. Consumers may believe the expiration date accurately reflects the age of the egg. For example, when comparing carton dates, a consumer may be more likely to select eggs not graded by USDA because a later date on the carton seems to imply that those eggs are fresher. But the eggs with the later date may actually be the older ones. Under the USDA Agricultural marketing Service voluntary egg grading program, expiration dates are set at 30 days from the date the eggs were packed. However, some egg processors that do not participate in the voluntary program set their own expiration date or have no expiration date at all.

The Egg Safety Act of 1999 would require uniform expiration dating for all shell eggs. No eggs packed for consumers could be older than 21 days from the date of lay when packed, and they must carry an "expiration date" or "sell by date" of no more than 30 days from the packing date.

Repackaging or re-dating of eggs provides the wrong information to consumers. Both time and temperature safeguards are likely to be compromised in eggs that are repackaged. For example, repackaged eggs are rewashed in hot water which can lead to increased SE risk. Under the USDA Agricultural Marketing Service voluntary egg grading program, which includes 30 percent of shell eggs, repackaging is prohibited for eggs coming back from the retail level but allowed for eggs stored at the packaging plan. Industry has called for a prohibition on egg repackaging.

While repackaging may not be a widespread practice, it should be completely prohibited. The Egg Safety Act of 1999 would prohibit eggs returned to the packer from grocery stores or other retail establishments from being repackaged as shell eggs intended for human consumption. These eggs could only be diverted for further processing as pasteurized egg products.

The Egg Safety Act of 1999 would also grant FSIS the authority to regulate and inspect shell eggs from farm to retail level for the purpose of ensuring the protection of public health. The standard for inspection frequency would be "continuous monitoring and verification of performance standards." The bill would also require FSIS to implement a "Hazard Analysis and Critical Control Point" (HACCP) program for egg safety.

The Egg Safety Act of 1999 would require labeling on egg cartons to warn consumers of the risk of illness associated with consuming raw or undercooked eggs. This labeling requirement would be in addition to the current "keep refrigerated" label which remains a requirement for all eggs.

The Egg Safety Act of 1999 is supported by the Center for Science in the Public Interest, Consumers Union and Consumer Federation of America.

Consumers should have the information they need and the assurance they deserve when buying eggs. They should be able to count on the fact that what they're putting on the table is as safe as possible. The Egg Safety Act of 1999 is one step toward ensuring that goal.

Mr. President, I urge my colleagues to join me in cosponsoring this important legislation, to give people the assurance that the eggs they buy are safe.

By Mr. BAUCUS:

S. 1869. A bill to authorize the negotiation of a Free Trade Agreement with the Republic of Korea, and to provide for expedited congressional consideration of such an agreement; the Committee on Finance.

UNITED STATES-REPUBLIC OF KOREA FREE TRADE AGREEMENT ACT OF 1999

S. 1870. A bill to authorize the negotiation of a Free Trade Agreement with the Republic of Singapore, and to provide for expedited congressional consideration of such an agreement; to the Committee on Finance.

UNITED STATES-SINGAPORE FREE TRADE AGREEMENT ACT OF 1999

S. 1871. A bill to authorize the negotiation of a Free Trade Agreement with Chile, and to provide for expedited congressional consideration of such an agreement; to the Committee on Finance.

UNITED STATES-CHILE FREE TRADE AGREEMENT ACT OF 1999

• Mr. BAUCUS. Mr. President I rise to send three separate bills to the desk. I am introducing these three pieces of legislation because I am very concerned about the direction of U.S. trade policy. Since the end of World War II, America has maintained a strong domestic consensus on the importance of open markets, allowing us to lead the world into an era of unprecedented growth. That consensus is fraying at the edges. Divisions over the role of labor and the environment have helped to undermine it.

These divisions have prevented us from re-instituting fast track negotiating authority, which lapsed nearly five years ago. While we hesitate, the rest of the world continues to move forward on economic integration. Regional trade arrangements in Europe, Latin America, and Asia put U.S. exporters at a competitive disadvantage. We lose overseas markets to foreign competitors who enjoy trade preferences for which our farmers, manufacturers and service providers are ineligible. In my home state of Montana, wheat exporters have lost their share of the Chilean market to Canadian farmers, who are not subject to the 11% Chilean import duty that Montana farmers face.

If we cannot agree on a global fast-track bill, then we should institute fast-track authority for specific countries where we have strategic commercial and political interests. In doing so, we should choose countries which not only share our commitment to open markets, but also share our values for environmental quality and labor rights.

I recently outlined some broad principles on trade and the environment in a statement here on the Senate floor. FTA's should be consistent with those principles. In addition to addressing the environment, they should also firmly support core labor standards.

As to the countries, the bills I am introducing provide authority to negotiate bilateral free trade agreements with three important trading partners: Singapore, the Republic of Korea and Chile. Taken together, these three countries buy about $40 billion worth of U.S. goods annually.

For a number of years, the United States has considered, informally or formally, negotiating FTA's with all three of them. Soon after signing NAFTA, we talked to Chile about acceding to it as the fourth NAFTA partner. Chile waited patiently for Congress to give the President negotiating authority. That authority never arrived. Since then, Chile has gone ahead and signed bilateral trade agreements with both Mexico and Canada.

Similarly, we broached the notion of either an FTA or accession to NAFTA with Singapore several years ago. Of all the countries of East Asia, none is more committed to open markets than Singapore. Negotiating an FTA not only makes commercial sense, it also reinforces our engagement in the Pacific Basin.

Finally, the Republic of Korea is a country which has made enormous economic and political progress in the past two decades. It is now in the midst of a very painful restructuring forced upon it by the Asian financial crisis. An FTA with Korea would lock in the gains—both economic and political—of the past, much as NAFTA did for Mexico. Recently, the Deputy U.S. Trade Representative said that an FTA with Korea was an interesting idea, but that the only way to get there was to resolve our bilateral trade disputes. I think that's backwards. FTA negotiations are a way to resolve these issues.

The bills also establish a general policy framework for negotiating free trade agreements. They require that FTA's address the full range of issues, from guaranteeing national treatment and market access, to protecting intellectual property. They require that FTA's address electronic commerce, an area where the United States has a strong commercial interest. And hey require that FTA's address the labor and environmental issues.

I entered the Senate not too many years after Congress passed the original fast-track legislation. At that time, the notion of "intellectual property" was something novel. The idea that "intellectual property" should be considered in trade negotiations was ridiculed. Many said that patents, copyrights and trademarks were domestic issues, and thus not appropriate subject for trade agreements. But the United States insisted that the world trading system address these issues. We put a lot of political capital behind it. Today, nobody questions the appropriateness of WTO rules for trade-related intellectual property rules.

I firmly believe that in the near future, we will see the same result with trade-related labor and environmental issues. We cannot—and should not—avoid these issues. So the bills I am introducing require that FTA's address trade aspects of labor and the environment.

We must identify potential environmental consequences—both positive and negative—of trade agreements, and put in place mechanisms to deal with any adverse impacts. Similarly, we must reaffirm our commitment to core labor standards through a mechanism dealing with any adverse impacts that trade agreements have on labor markets.

Mr. President, we need to send a strong signal to the rest of the world that the United States intends to continue its leadership of the global trading system. The Africa Trade Bill that we passed here this week was an excellent step in the right direction. We must continue to make progress on opening markets for American farmers, manufacturers and service providers. Negotiating bilateral free trade agreements with like-minded countries will support our multilateral negotiations in the WTO.

Just as we negotiated NAFTA and the Uruguay round at the same time, we should pursue bilateral free trade agreements with Chile, Korea, and Singapore while we are negotiating the next round in the WTO.●

By Mr. SESSIONS (for himself and Mr. DODD):

S. 1872. A bill to amend the Federal Credit Union Act with respect to the definition of a member business loan; to the Committee on Banking, Housing, and Urban Affairs.

FAITH BASED LENDING LEGISLATION

Mr. SESSIONS. Mr. President, I rise today to introduce legislation with my colleagues, Senator CHRIS DODD, which will support the work of over 600 religious organization based credit unions in the U.S. Many of these credit unions provide an essential source of financing for churches, religious schools, mission agencies, and related community projects such as homeless shelters, drug intervention facilities, and homes for abused women and children.

Some of these credit unions rely on other credit unions to fund their loans to religious organizations through loan participation agreements. these loan participation agreements are classified as business loans and are counted against the member business loan caps that credit unions must abide by as a result of the Credit Union Membership Access Act signed into law last year. Consequently, the exemption for credit unions having a history of business lending contained in that act though well intended, doesn't solve the problem because religious organizations based CUs will not be able to sell loans to other credit unions who will have to count these faith based loans toward their business lending cap.

The sale of loan participations is a necessary first step before any of these loans can be originated. the legislation I am introducing along with Senator DODD will allow the approximately 600 religious organization based credit unions in America to exempt from loan participations those loans they originate to religious non-profit organizations. In doing so, our bill will assure a steady source of capital for these organizations and community based missions.

Finally, Mr. President, I would like remind my colleagues that religious organization based credit unions enjoy a long history of safe lending and encourage them join Senator DODD and me in passing this legislation. No other credit union program will do more to help the poor, the homeless, the disabled and those otherwise in need.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no object, the bill was ordered to be printed in the RECORD, as follows:

S. 1872

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. MEMBER BUSINESS LOAN EXCEPTION.

Section 107a(c)(1)(B) of the Federal Credit Union Act (12 U.S.C. 1757a(c)(1)(B)) is amended—

(1) in clause (iv), by striking "or" at the end;

(2) in clause (v), by striking the period and inserting "; or"; and

(3) by adding at the end the following:

"(vi) that is made to a nonprofit religious organization.".

By Mr. SESSIONS (for himself, Mr. HUTCHINSON, Mr. WARNER, Mr. TORRICELLI, Mr. MACK, Mr. SHELBY, Mr. NICKLES, Mr. INHOFE, Mr. THURMOND, Mr. ASHCROFT, Mr. MCCONNELL, Mr. ROBERTS, Mr. KOHL, Mr. FEINGOLD, Mr. CLELAND, Mr. HOLLINGS, Mr. BRUAUX, Mr. GRAHAM, Ms. Collins, Mr. GRAMS, Mr. LAUTENBERG, Mr. ENZI, Mr. MURKOWSKI, MR. GORTON, Ms. LANDRIEU, Mr. ROBB, and Mrs. LINCOLN):

S. 1873. A bill to delay the effective date of the final rule regarding the Organ Procurement and Transplantation Network; to the Committee on Health, Education, Labor, and Pensions.

ORGAN PROCUREMENT AND TRANSPLANTATION NETWORK LEGISLATION

Mr. SESSIONS. Mr. President, I am proud today to join with Senators TIM HUTCHINSON, WARNER, TORRICELLI, MACK, SHELBY, NICKLES, INHOFE, THURMOND, ASHCROFT, MCCONNELL, ROBERTS, KOHL, FEINGOLD, CLELAND, HOLLINGS, BREAUX, GRAHAM, COLLINS, GRAMS, LAUTENBERG, ENZI, MURKOWSKI, GORTON, LANDRIEU, ROBB and LINCOLN in introducing the Organ Donation Regulatory Relief Act of 1999.

This legislation is designed to prevent an unprecedented Federal takeover of our Nation's organ transplant system by the Department of Health and Human Services. This act would nullify a highly controversial rule issued by the Secretary of Health and Human Services, Donna Shalala, that would give her sole authority to approve or disapprove organ allocation policies that are currently established by the private-sector transplant community throughout this country.

This move by the administration would preempt Congress' role in encouraging a fair and equitable transplant system through the authorization of the National Organ Transplant Act. My bill would simply nullify the proposed HHS rule until such time as Congress passes amendments to the National Organ Transplant Act.

This bill would preserve Congress' prerogative to consider changes or improvements to the current system while maintaining the private-sector role of thousands of patients, families, volunteers, and medical professionals that are now responsible for our organ transplant policy. It will allow Congress the time needed to consider new initiatives to encourage more organ donation which is the heart of our organ shortage problem.

In my home State of Alabama, the University of Alabama-Birmingham, has one of the most effective and finest organ transplant centers in the world. It is the largest liver transplant facility in the world. I am extremely proud of their efforts. Let me just say this, this system has been built up carefully, utilizing State law and other laws. It works very effectively.

I am very concerned that Federal Government policies have now been proposed that would upset this. It has not only upset the University of Alabama-Birmingham but transplant centers, and mainly university hospitals all over the country. And that is why we believe action needs to be taken at this time.

I believe the current plan is fair and does a good job of acquiring and allocating organs for transplantation. For example, since the passage of the National Organ Transplant Act in 1984, the number of people receiving organs has increased annually, and the survival rate has improved steadily.

A recent study by the Institute of Medicine came to the same conclusion:

> The committee found that the current system is reasonably equitable for the most severely ill (Status 1) liver patients, since the likelihood of receiving a transplant is similar across organ procurement organizations for these patients.

The Institute of Medicine study contradicted the underlying rationale in some numbers that I believe were unwisely interpreted. They underlie this rationale for the controversial "rule" on organ allocation that has been proposed by the Department of Health and Human Services.

In a careful analysis of 68,000 liver patient records, the Institute of Medicine panel said:

> . . . the "overall median waiting time" that patients wait for organs—the issue that seems to have brought the committee to the table in the first place—is not a useful statistic for comparing access to or equity of the current system of liver transplantation, especially when aggregated across all categories of liver transplant patients.

HHS has maintained that reducing regional differences in waiting times was the primary goal of their new rule on organ allocation. The HHS rule is a solution in search of a problem and would only inhibit the continual improvements made by the transplant community since the passage of NOTA 15 years ago.

The HHS policy is also shortsighted in its wholesale preemption of State laws regarding organ transplantation. Many of the beneficial policies that have served to improve organ procurement and donation are based on State laws, such as the organ donor checkoff on driver's licenses, and the HHS preemption fails to recognize that fact.

This year's Labor-HHS appropriations bill provided for a 3-month moratorium on the implementation of the rule from the time of its enactment. But, unfortunately, this may not and probably will not provide adequate time for Congress to consider this very complicated issue in the context of amendments to the National Organ Transplant Act.

That is why it is necessary, indeed, imperative. And that is why 26 Senators have signed on to this legislation in such a short period of time. It is imperative that we nullify the rule so that these life-and-death issues can be considered without fear of a clock running out on ways to improve the current system and provide the gift of life to so many Americans.

Hospitals and the physicians who operate in those hospitals are the key to the success of the organ transplant program. They receive phone calls at all hours of the night, and they go out and retrieve those organs from people who have been killed. And they have to do it under short periods of time. If they are going to do that simply to send off the organs to some hospital of which they are not committed personally or to patients of which they are not serving, they will not be as effective in retrieving the organs. Not as many people will benefit and not as many people will have their lives saved as a result.

I believe that HHS' actions are unwise. It reminds me of that old adage: If it ain't broke, don't fix it.

We do not have and have not seen a real complaint from the citizens of America over the operation of our organ transplant system. This has been created by unelected bureaucrats here in Washington, and it is not healthy, in my view.

But there will be a full opportunity, if this bill is passed, to allow the Health, Education, Labor, and Pensions Committee, of which I am a member, to hold hearings and review the facts in order to develop the best transplant program we possibly can. If we can improve the system, I say let's do it. But let's be sure we do not break something that is not broken already.

So I thank the outstanding work of several of my colleagues on this important issue, including Senators TIM HUTCHINSON, JOHN WARNER, ROBERT TORRICELLI, and Senator DON NICKLES, the assistant majority leader. Without their leadership, this legislation could not have come to fruition.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1873

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. NULLIFICATION AND REQUIREMENT FOR FURTHER RULEMAKING.

(a) LIMITATION.—Notwithstanding any other provision of law, the final rule relating to the Organ Procurement and Transplantation Network, promulgated by the Secretary of Health and Human Services and published in the Federal Register on April 2, 1998 (63 Fed. Reg. 16296 et. seq. adding part 121 to title 42, Code of Federal Regulations) and amended on October 20, 1999 (64 Fed. Reg. 56649 et seq.)), shall have no force or legal effect.

(b) NO IMPLEMENTATION OR AUTHORITY.—The Secretary of Health and Human Services shall not implement or exercise further regulatory authority with respect to the Organ Procurement and Transplantation Network, as well as regulatory authority under sections 1102, 1106, 1138, and 1871 of the Social Security Act (42 U.S.C. 1302, 1306, 1320b–8, and 1395hh), prior to the date of enactment of amendments to reauthorize and revise part H of title III of the Public Health Service Act (42 U.S.C. 273 et seq.).

By Mr. GRAHAM (for himself, Mr. BINGAMAN, and Mrs. FEINSTEIN):

S. 1874. A bill to improve academic and social outcomes for youth and reduce both juvenile crime and the risk that youth will become victims of crime by providing productive activities conducted by law enforcement personnel during non-school hours; to the Committee on the Judiciary.

INTRODUCTION OF THE POLICE ATHLETIC LEAGUE (PAL) YOUTH ENRICHMENT ACT OF 1999

• Mr. GRAHAM. Mr. President, I am extremely pleased to join with my distinguished colleagues, Senator BINGAMAN and Senator FEINSTEIN, in introducing the Police Athletic League (PAL) Youth Enrichment Act of 1999. This legislation is designed to reduce both juvenile crime and the risk that youth will become victims of crime. By providing productive activities during non-school hours in communities across this country, we can provide the healthy environment that our young people deserve. Outside the home, there is no safer place in any community than a school, a playground, a community center, or a park where law enforcement personnel are coordinating the activities.

The Police Athletic League actually started back in the 1910's. A group of New York youth tossed a rock through a shopkeeper's window. That rock pioneered a new approach to juvenile delinquency prevention. Lieutenant Ed Flynn used that incident to create the Police Athletic League—an organization that makes police officers into role models and friends rather than enemies. PAL brings cops and kids together in activities where mutual trust and respect can be built. It is a statement to young people, particularly in less advantaged neighborhoods, that the community cares about them. It extends a hand of friendship to children—boys, girls, young men and women—who do not have many opportunities.

Mr. President, there is clearly a direct link between crime prevention and PAL participation. Young people who are idle have the potential to be drawn into crime. In Baltimore, the PAL centers have cut juvenile crime by 30 percent and decreased juvenile victimization by 40 percent. In El Centro, California, PAL has reduced juvenile crime and gang activity in the HUD Housing Development by 64 percent.

PAL, staffed by police officers, has numerous success stories of helping to shape the lives of individuals. In my own state of Florida, former PAL kid Ed Tobin is now a successful attorney. Steve Colin is a well known radio station personality in Miami Beach. In Jacksonville, 23 Sheriff's Officers were PAL kids. Derrick Alexander of the Cleveland Browns and Shawn Jefferson of the New England Patriots were both PAL kids.

Our legislation seeks to expand services of current chapters and provide seed money for 50 new chapters per year for the next 5 years (2000–2004). New chapters will offer programs providing a combination of mentoring assistance; academic assistance; recreational and athletic activities; technology training; and drug, alcohol, and gang prevention activities. This list is by no means exhaustive. PAL centers also offer health and nutrition counseling; cultural and social programs; conflict resolution training, anger management, and peer pressure training; job skill preparation activities; and Youth PAL conferences or Youth Forums.

PAL currently has 320 chapters serving over 3,000 communities with a network of 1,700 facilities. Today, they mentor and serve more than one and half million young people, ages 6 to 18, throughout the United States, the U.S.

Virgin Islands, and Puerto Rico. In my home state, the Miami-Dade PAL serves over 13,000 youth annually, and Jacksonville serves over 12,000. We know, however, that many areas are still undeserved by PAL chapters.

Law enforcement, community organizations, and local governments strongly support this bill. Mr. President, this investment in our youth will pay for itself many times over in reduced crime and law enforcement costs. I urge all my colleagues to support the passage of this much needed legislation. Together with the Police Athletic League, we can fill playgrounds instead of prisons.•

• Mr. BINGAMAN. Mr. President, I rise today to join with Senator GRAHAM in introducing the "Police Athletic League Youth Enrichment Act of 1999."

The Police Athletic League (PAL) is a national organization that has been teaming up law enforcement with our nation's youth for the past 55 years. New Mexico is fortunate to have a statewide PAL program. The New Mexico PAL provides New Mexico's youth with a variety of after-school and summer activities. Last year, the New Mexico PAL provided hundreds of New Mexico kids with alternatives to getting into trouble. For these reasons, I am very proud to introduce the PAL Youth Enrichment Act with Senator Graham.

In New Mexico, the PAL chapter has ten sites around the state: Santa Fe, Albuquerque, Gallup, Tohatchi, Bloomfield, Roswell, Dona Ana County, Clovis, Lordsburg and the Pueblo of Cochiti. The goal of the New Mexico PAL is to provide recreational, educational and cultural activities for at-risk youth ages five to eighteen with the intent of reducing negative behaviors and promoting healthy behavioral patterns. PAL aims to build self-esteem and resiliency in youth and provide positive alternatives to alcohol, drug use, delinquent behavior and violence. The New Mexico PAL sponsors sporting leagues throughout the year, participates in Sports Days during the summer, sponsors a one-week summer camp and offers ongoing mentoring opportunities for youth.

The PAL volunteers not only play sports with the youth, but they fight for the youth. In Albuquerque, the PAL chapter aided in preserving the use of a baseball field for the youth sporting leagues.

Last summer the New Mexico PAL held several Youth Sports Days that attracted between 40 and 150 kids in each community. In August, I attended the Youth Sports Day in Santa Fe. The daylong event provided the younger kinds in the community with a variety of sporting events, prizes and lunch. The kids and parents interacted with the law enforcement officers in a setting that allowed them to see the officers as community members, mentors and leaders.

The New Mexico PAL also sponsors a week long summer camp, Camp Courage, each year at the Cochiti Lake. It is a reward camp for kids that have said "no" to antisocial behavior. More than one hundred kids participate in this program annually. Because a camp requires a lower adult child ratio, the local FBI agents, DEA agents and the National Guard joined with the local police and sheriffs in organizing a week of intense sporting activities. They also offered themselves as mentors and reachers for the youth. The commitment of these law enforcement officers to the youth of New Mexico is truly admirable.

After seeing what the New Mexico PAL has accomplished, I have come to be a great supporter of PAL. I now want other communities around the nation to be able to benefit from the same programs and services and for more New Mexico communities to be able to start PAL programs. As I see it, a police officer's duty is primarily to protect a community. I look at PAL as law enforcement's way of helping protect the health of our kids—both the physical well being and the mental well being.

The PAL Youth Enrichment Act will enable existing PAL to expand their services and provide seed money for new PAL in distressed communities, including many Native American communities. The goal is to provide seed money for fifty new chapters each year for the next five years. By providing $16 million annually for new and existing PAL, youth around the country will benefit from a combination of academic assistance; mentoring assistance; recreational and athletic activities; technology training; drug, alcohol, and gang prevention activities; health and nutrition counseling; cultural and social programs, conflict resolution training; anger management; peer pressure training; and job skill preparation classes.

Although PAL chapters consist of local law enforcement, they do not receive direct funding from the law enforcement agencies, and instead rely on the efforts of volunteers and fund-raising proceeds. Because of this funding situation, in 1977 I urged Congress to appropriate funds for the New Mexico PAL. In 1998 I succeeded in getting $1 million appropriated through the Commerce-Justice-State Appropriations bill for the New Mexico PAL program to expand the PAL services to communities around the State and to greatly enhance the current programs it offered. This money has enabled the New Mexico PAL to carry out its summer programs, its Camp Courage, and many other new activities. It also has allowed them to expand the program to tribal communities in northwest New Mexico, with the cooperation of the tribal police in those areas. The PAL Youth Enrichment Act will provide the funding needed to continue programs like the New Mexico PAL and will give other states the incentive to start up PAL programs in distressed communities.

Kids need healthy alternatives to crime and assistance in dealing with their anger. Athletics and recreational activities like dancing and drama greatly improves one's well being—both physically and mentally—and give teens an outlet for their energy and anger. PAL's sports and recreational activities also help kids learn the importance of teamwork and help boost their self-esteem when they accomplish more than they thought possible.

Many folks do not realize it but the PALs have produced some great athletes over the years. New Mexico is proud of its native son, Danny Romero Jr., a former two-time world boxing champion and an alumnus of the New Mexico PAL program. According to Danny's father, the PAL philosophy taught his son life skills that he could no have learned any where else and kept him out of trouble.

Mr. President, I encourage the Senate to take up and pass this worthwhile legislation that expands a program with proven positive results. Just ask the 1.5 million children in more than 3,000 communities that the PAL program over the past 55 years has served. The PAL programs will change our youth's attitude toward police, will provide a variety of alternatives to criminal behavior and will positively influence a child's mental and physical well-being. I hope that my Senate colleagues will join me in supporting this important legislation•

By Mr. DODD (for himself and Mr. ROCKEFELLER):

S. 1876. A bill to amend the High-Performance Computing Act of 1991 to require a report to Congress; to the Committee on Health, Education, Labor, and Pensions.

SCIENCE AND EDUCATIONAL NETWORKING ACT

• Mr. DODD. Mr. President, I am pleased to rise today to introduce the Science and Educational Networking Act with my colleague from West Virginia, Senator ROCKEFELLER. This legislation is a companion bill to legislation introduced in the other body by one of my Connecticut colleagues, JOHN LARSON and cosponsored by 49 other members.

Very simply, the Science and Educational Networking Act charts a course for the future for our schools and for education technology. Just as we cannot imagine schools and learning without books and pencils, computers and technology have become today a critical element in education. But like other tools, technology has its limits. Teachers must be trained to use technology in their teaching. Curriculum must incorporate and utilize technology. Students must have access to computers. Classroom technology must be connected, integrated and of high quality.

This legislation focuses specifically on this last element in the equation—the quality of the technology in our classrooms. Computers in and of themselves are amazing machines. But what is more powerful than their simple computing capacity is the connections students can make with them. From accessing the collection of museums and libraries to "chatting" with students from across the globe, computers have incredible potential to enrich our children's education. But in too many schools this potential goes unrealized because of outdated, inadequate or non-existent equipment and slow connections to the Internet.

Since the enactment and implementation of the e-rate, we have made substantial progress toward meeting our goal of connecting all schools and classrooms to the Internet. Since 1994, the percentage of schools with access to the Internet has more than doubled from 35 percent to 89 percent and the percentage of classrooms with access has risen from 3 percent to 51 percent. Gaps however remain. High income communities are more likely to have Internet access than low income schools with over 60 percent of classrooms in wealthier communities having Internet access compared to under 40 percent of low income classrooms.

Further limiting the benefit of the Internet and the World Wide Web is the actual capacity of a school's connection. Most schools are connected over regular telephone loans—although in many states even this is a problem. In my home state of Connecticut, four in five school districts report inadequate classroom access to telephone lines. And frankly, a regular telephone line just is not enough—trying to use the Internet with a regular telephone line can be frustratingly slow as data quickly overloads the capacity of these lines designed for telephones not computers. Students need access to high speed, large bandwidth capacity. Without these connections, it is like requiring our students to make their way only on the back roads rather than on the freeway.

High speed, large bandwidth connections, which are rare except in some of our nation's technological hubs, substantially increase the quality and capacity of Internet connections. The effect of these better connections is immediate—entering, searching and accessing the Web and the information it contains is faster and much more efficient. Much more important, in my view, is what this increased capacity will do for distance learning opportunities in our elementary and secondary schools. High speed, large bandwidth connections offer the potential of real-time, two-way video and audio interactions over the Net. This is where the promise of distance learning comes to fruition when students in a remote location or several remote locations participate in real time classroom activities.

This legislation will move us toward this promising goal. It will bring together leading experts in government to assess the capacity of our schools in this area, to explore the digital divide, to examine ways to better utilize this technology in schools and to report to Congress on how we can help schools meet these challenges.

Mr. President, this is an important first step if we are to make the promise of the Internet a reality for our children and schools. I ask that the bill be printed in the RECORD.

The bill follows:

S. 1876

SECTION 1. SHORT TITLE.

This Act may be cited as the "Science and Educational Networking Act".

SEC. 2. REPORT TO CONGRESS.

Section 103 of the High-Performance Computing Act of 1991 (15 U.S.C. 5513) is amended by redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e), respectively, and by inserting after subsection (a) the following new subsection:

"(b) REPORT TO CONGRESS.—

"(1) REQUIREMENT.—The Director of the National Science Foundation shall submit to Congress, not later than December 31, 2001, a report that addresses the issues described in paragraph (3) and includes recommendations to address the issues identified in the report.

"(2) CONSULTATION.—In preparing the report under paragraph (1), the Director of the National Science Foundation shall consult with the National Aeronautics and Space Administration, the National Institute of Standards and Technology, and such other Federal agencies and other education entities as the Director of the National Science Foundation considers appropriate.

"(3) ISSUES.—The report shall—

"(A) identify the current status of high-speed, large bandwidth capacity access to all public elementary and secondary schools and libraries in the United States;

"(B) identify how high-speed large bandwidth capacity access to the Internet to such schools and libraries can be effectively utilized within each school and library;

"(C) consider the effect that specific or regional circumstances may have on the ability of such institutions to acquire high-speed, large bandwidth capacity to achieve universal connectivity as an effective tool in the education process; and

"(D) include options and recommendations for the various entities responsible for elementary and secondary education to address the challenges and issues identified in the report.".●

ADDITIONAL COSPONSORS

S. 71

At the request of Ms. SNOWE, the name of the Senator from Delaware (Mr. ROTH) was added as a cosponsor of S. 71, a bill to amend title 38, United States Code, to establish a presumption of service-connection for certain veterans with Hepatitis C, and for other purposes.

S. 93

At the request of Mr. DOMENICI, the name of the Senator from Illinois (Mr. FITZGERALD) was added as a cosponsor of S. 93, a bill to improve and strengthen the budget process.

S. 345

At the request of Mr. ALLARD, the name of the Senator from Wisconsin (Mr. KOHL) was added as a cosponsor of S. 345, a bill to amend the Animal Welfare Act to remove the limitation that permits interstate movement of live birds, for the purpose of fighting, to States in which animal fighting is lawful.

S. 631

At the request of Mr. DEWINE, the name of the Senator from Georgia (Mr. CLELAND) was added as a cosponsor of S. 631, a bill to amend the Social Security Act to eliminate the time limitation on benefits for immunosuppressive drugs under the medicare program, to provide continued entitlement for such drugs for certain individuals after medicare benefits end, and to extend certain medicare secondary payer requirements.

S. 897

At the request of Mr. BAUCUS, the name of the Senator from North Dakota (Mr. DORGAN) was added as a cosponsor of S. 897, a bill to provide matching grants for the construction, renovation and repair of school facilities in areas affected by Federal activities, and for other purposes.

S. 1158

At the request of Mr. HUTCHINSON, the names of the Senator from Oklahoma (Mr. INHOFE) and the Senator from Washington (Mr. GORTON) were added as cosponsors of S. 1158, a bill to allow the recovery of attorney's fees and costs by certain employers and labor organizations who are prevailing parties in proceedings brought against them by the National Labor Relations Board or by the Occupational Safety and Health Administration.

S. 1225

At the request of Ms. COLLINS, the name of the Senator from North Dakota (Mr. DORGAN) was added as a cosponsor of S. 1225, a bill to provide for a rural education initiative, and for other purposes.

S. 1327

At the request of Mr. WELLSTONE, his name was added as a cosponsor of S. 1327, a bill to amend part E of title IV of the Social Security Act to provide States with more funding and greater flexibility in carrying out programs designed to help children make the transition from foster care to self-sufficiency, and for other purposes.

S. 1332

At the request of Mr. BAYH, the names of the Senator from Connecticut (Mr. LIEBERMAN), the Senator from Hawaii (Mr. INOUYE), and the Senator from Wisconsin (Mr. FEINGOLD) were added as cosponsors of S. 1332, a bill to authorize the President to award a gold medal on behalf of Congress to Father Theodore M. Hesburg, in recognition of his outstanding and enduring contributions to civil rights, higher education, the Catholic Church, the Nation, and the global community.

S. 1341

At the request of Mr. DORGAN, the name of the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 1341, a bill to amend the Internal Revenue Code of 1986 to expand the applicability of section 179 which permits the expensing of certain depreciable assets.

S. 1526

At the request of Mr. ROCKEFELLER, the names of the Senator from New Mexico (Mr. BINGAMAN), and the Senator from Arkansas (Mrs. LINCOLN) were added as cosponsors of S. 1526, a bill to amend the Internal Revenue Code of 1986 to provide a tax credit to taxpayers investing in entities seeking to provide capital to create new markets in low-income communities.

S. 1565

At the request of Mr. SARBANES, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 1565, a bill to license America's Private Investment Companies and provide enhanced credit to stimulate private investment in low-income communities, and for other purposes.

S. 1661

At the request of Mrs. HUTCHISON, the name of the Senator from Minnesota (Mr. GRAMS) was added as a cosponsor of S. 1661, a bill to amend title 28, United States Code, to provide that certain voluntary disclosures of violations of Federal law made as a result of a voluntary environmental audit shall not be subject to discovery or admitted into evidence during a judicial or administrative proceeding, and for other purposes.

S. 1693

At the request of Mr. GRAMS, the name of the Senator from Colorado (Mr. ALLARD) was added as a cosponsor of S. 1693, a bill to protect the Social Security surplus by requiring a sequester to eliminate any deficit.

S. 1714

At the request of Mr. WARNER, the name of the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 1714, a bill to amend the Internal Revenue Code of 1986 to allow penalty-free distributions from qualified retirement plans of individuals residing in presidentially declared disaster areas.

S. 1800

At the request of Mr. GRAHAM, the name of the Senator from Minnesota (Mr. WELLSTONE) was added as a cosponsor of S. 1800, a bill to amend the Food Stamp Act of 1977 to improve onsite inspections of State food stamp programs, to provide grants to develop community partnerships and innovative outreach strategies for food stamp and related programs, and for other purposes.

S. 1813

At the request of Mr. KENNEDY, the name of the Senator from Florida (Mr. MACK) was added as a cosponsor of S. 1813, a bill to amend the Public Health Service Act to provide additional support for and to expand clinical research programs, and for other purposes.

S. 1816

At the request of Mr. HAGEL, the name of the Senator from Louisiana (Mr. BREAUX) was added as a cosponsor of S. 1816, a bill to amend the Federal Election Campaign Act of 1971 to provide meaningful campaign finance reform through requiring better reporting, decreasing the role of soft money, and increasing individual contribution limits, and for other purposes.

SENATE CONCURRENT RESOLUTION 32

At the request of Mr. CONRAD, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of Senate Concurrent Resolution 32, a concurrent resolution expressing the sense of Congress regarding the guaranteed coverage of chiropractic services under the Medicare+Choice program.

SENATE RESOLUTION 128

At the request of Mr. COCHRAN, the name of the Senator from Washington (Mrs. MURRAY) was added as a cosponsor of Senate Resolution 128, a resolution designating March 2000, as "Arts Education Month."

SENATE RESOLUTION 196

At the request of Mr. WARNER, the names of the Senator from Alabama (Mr. SHELBY), the Senator from Michigan (Mr. ABRAHAM), the Senator from Oklahoma (Mr. INHOFE), the Senator from New York (Mr. MOYNIHAN), and the Senator from Connecticut (Mr. LIEBERMAN) were added as cosponsors of Senate Resolution 196, a resolution commending the submarine force of the United States Navy on the 100th anniversary of the force.

SENATE CONCURRENT RESOLUTION 69—REQUESTING THAT THE UNITED STATES POSTAL SERVICE ISSUE A COMMEMORATIVE POSTAL STAMP HONORING THE 200TH ANNIVERSARY OF THE NAVAL SHIPYARD SYSTEM

Ms. SNOWE submitted the following concurrent resolution; which was referred to the Committee on Governmental Affairs:

S. CON. RES. 69

Whereas in the year 2000, the United States naval shipyards will celebrate 200 years of service to the Nation;

Whereas naval technology has proven invaluable to the Nation by strengthening national defense, preserving world maritime freedom, and producing scientific breakthroughs;

Whereas in peacetime, ships built in United States naval shipyards patrol around the clock to preserve peace and keep the United States free;

Whereas Kittery, Portsmouth Naval Shipyard was the first major United States naval shipyard of the modern era;

Whereas on June 12, 2000, the Kittery, Portsmouth Naval Shipyard will celebrate the 200th anniversary of its founding;

Whereas since its inception at Kittery, Portsmouth, the United States naval shipyard system has grown to include 11 facilities located on both the Atlantic and Pacific coasts, and at Pearl Harbor, Hawaii;

Whereas since 1800, United States naval shipyards have built hundreds of naval ships, and completed thousands of overhauls on ships of both the United States Navy and those of many United States allies;

Whereas today, the United States Navy is the preeminent naval force in the world, and ships constructed in United States naval shipyards have helped lead the way to victory in numerous global conflicts; and

Whereas United States naval shipyard workers, both past and present, have a well-deserved sense of pride in their accomplishments, which have kept our Navy strong and our country free: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress requests that—

(1) the United States Postal Service issue a commemorative postage stamp in honor of the 200th anniversary of the founding of the United States naval shipyards; and

(2) the Citizens' Stamp Advisory Committee recommend to the Postmaster General that such a stamp be issued.

Ms. SNOWE. Mr. President, I rise today to submit a resolution expressing the sense of Congress that a commemorative postage stamp should be issued honoring the United States Naval Shipyards.

This legislation calls upon the United States Postal Service to issue a commemorative postage stamp honoring the legacy of our naval shipyard system on the occasion of its 200th anniversary, which will take place in the year 2000.

Mr. President, naval technology has proven invaluable to our nation by strengthening our national defense, preserving world maritime freedom, and producing significant scientific breakthroughs. In peacetime, ships built in naval shipyards patrol around the clock to preserve peace and keep the United States free. As Chair of the Senate Armed Services Subcommittee on Seapower, I am proud that, today, the U.S. Navy is the preeminent naval force in the world. Ships constructed in U.S. yards have helped lead the way to victory in numerous global conflicts.

Naval shipyards workers, both past and present, have a well-deserved sense of pride in their accomplishments which have kept our Navy strong and our country free. Likewise, veterans of the United States Naval Force have served with courage, honor and distinction, risking their lives in combat and against an unforgiving sea.

On June 12, 2000, the Kittery/Portsmouth Naval Shipyard in Maine will celebrate the 200th anniversary of its founding. Kittery/Portsmouth was the first major naval shipyard of the modern era. From the beginnings at Kittery/Portsmouth, the naval shipyard system grew to eventually include eleven yards located on both the Atlantic and Pacific coasts, and at Pearl Harbor, Hawaii. In the two hundred years since 1800, naval yards have built hundreds of naval ships, and completed thousands of overhauls on ships of both the U.S. Navy and those of U.S. allies.

I believe this resolution would be a fitting way to recognize the forthcoming bicentennial of our public shipyards. I strongly believe that the contributions of the hundreds of thousands of men and women who work in our shipyards are worthy of recognition.

Mr. President, I urge my colleagues to join me in this show of support for our shipyards.

SENATE CONCURRENT RESOLUTION 70—REQUESTING THAT THE UNITED STATES POSTAL SERVICE ISSUE A COMMEMORATIVE POSTAGE STAMP HONORING THE NATIONAL VETERANS SERVICE ORGANIZATIONS OF THE UNITED STATES

Ms. SNOWE submitted the following concurrent resolution; which was referred to the Committee on Governmental Affairs:

S. CON. RES. 70

Whereas United States service personnel have fought, bled, and died in every war, conflict, police action, and military intervention in which the United States has engaged during this century and throughout the Nation's history;

Whereas throughout history, veterans service organizations have ably represented the interests of veterans in Congress and State legislatures across the Nation, and established networks of trained service officers who, at no charge, have helped millions of veterans and their families secure the education, disability compensation, and health care benefits they are rightfully entitled to receive as a result of the military service performed by those veterans; and

Whereas veterans service organizations have been deeply involved in countless local community service projects and have been constant reminders of the American ideals of duty, honor, and national service: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress requests that—

(1) the United States Postal Service issue a series of commemorative postage stamps honoring the legacy and the continuing contributions of veterans service organizations to the United States; and

(2) the Citizens' Stamp Advisory Committee recommend to the Postmaster General that such a series of commemorative postage stamps be issued.

• Ms. SNOWE. Mr. President, I rise today to submit a resolution expressing the sense of Congress that a series of commemorative postage stamps should be issued honoring veterans service organizations across the United States.

As we near Veterans Day—81 years after the Armistice was signed in France that silenced the guns and ended the carnage of World War I—this legislation calls upon the United States Postal Service to issue a series of commemorative postage stamps honoring the legacy and the continuing contributions of veterans to our country. World War I was supposed to be "the war to end all wars" * * * the war that made the world safe for democracy. Sadly, that was not to be, and America has been repeatedly reminded that the defense of democracy is an ongoing duty. That is why this is such an opportune moment to recognize those brave Americans who fought to defend the freedoms we cherish.

Mr. President, when many of us think about war veterans, we think about the tremendous sacrifices these defenders of freedom made. From the War for Independence, through the Persian Gulf War, Bosnia, and Kosovo—more than two hundred years later—Americans have answered their country's call to duty to safeguard our freedoms. Of those who have worn our nation's uniform, more than a million never returned. They made the ultimate sacrifice so that those who followed could enjoy the blessings of liberty. The debt of gratitude we owe to our veterans can never be fully repaid. What we can and must do for our veterans is to keep alive the values of freedom and democracy they have defended, and honor them as the guardians of those ideals.

Elmer Runyon once wrote that: "We will remain the home of the free only as long as we are also the home of the brave". Today, America and the world is basking in the shine of freedom because of yesterday's and today's service men and women—who offer nobly to sacrifice in war so that others may live in peace. These are America's true heroes.

After all, winning freedom is not the same as keeping it. The cost of safeguarding freedom is high. It requires vigilance and sacrifice. Time and again when freedom has been threatened, American men and women have emerged as heroes.

America's veterans have served our country and the world ably in times of need, and know well the personal sacrifices which the defense of freedom demands. It is a true honor to represent these brave Americans, as so many of them continue to make contributions day-in and day-out in our communities—through youth activities and scholarships programs, homeless assistance initiatives, efforts to reach out to fellow veterans in need, and national leadership on issues of importance to veterans and all Americans.

I have nothing but the utmost respect for those who have served their country. This legislation is a tribute to the men and women and their families who have served this country with courage, honor and distinction. They answered the call to duty when their country needed them, and this is but a small token of our appreciation.

I urge my colleagues to join me in this show of support and an expression of appreciation to all veterans.•

SENATE RESOLUTION 221—TO AUTHORIZE TESTIMONY AND DOCUMENT PRODUCTION IN THE MATTER OF PAMELA A. CARTER VERSUS HEALTHSOURCE SAGINAW

Mr. LOTT (for himself and Mr. DASCHLE) submitted the following resolution; which was considered and agreed to:

S. RES. 221

Whereas, in the case of In the Matter of Pamela A. Carter v. HealthSource Saginaw, No. 1199-3828, pending in the Michigan Department of Consumer and Industry Services, testimony has been requested from Mary Washington, an employee in Senator Carl Levin's Saginaw, Michigan office;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate may, by the administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate may promote the administration of justice, the Senate will take such action as will promote the ends of justice consistently with the privileges of the Senate: Now, therefore, be it

Resolved, That Mary Washington, and any other employee of the Senate from whom testimony or document production may be required, is authorized to testify and produce documents in the case of In the Matter of Pamela A. Carter v. HealthSource Saginaw, except concerning matters for which a privilege should be asserted.

SENATE RESOLUTION 222—TO REVISE THE PROCEDURES OF THE SELECT COMMITTEE ON ETHICS

Mr. SMITH of New Hampshire (for himself and Mr. REID) submitted the following resolution; which was considered and agreed to:

S. RES. 222

Resolved,

SECTION 1. SHORT TITLE.

This resolution may be cited as the "Senate Ethics Procedure Reform Resolution of 1999".

SEC. 2. ESTABLISHMENT AND MEMBERSHIP OF THE SELECT COMMITTEE.

The first section of Senate Resolution 338, agreed to July 24, 1964 (88th Congress, 2d Session)(referred to as the "resolution") is amended—

(1) in subsection (c), by amending paragraph (1) to read as follows:

"(1) A majority of the members of the Select Committee shall constitute a quorum for the transaction of business involving complaints or allegations of, or information about, misconduct, including resulting preliminary inquiries, adjudicatory reviews, recommendations or reports, and matters relating to Senate Resolution 400, agreed to May 19, 1976.”;

(2) in subsection (d), by amending paragraph (1) to read as follows:

“(1) A member of the Select Committee shall be ineligible to participate in—

“(A) any preliminary inquiry or adjudicatory review relating to—

“(i) the conduct of—

“(I) such member;

“(II) any officer or employee the member supervises; or

“(III) any employee of any officer the member supervises; or

“(ii) any complaint filed by the member; and

“(B) the determinations and recommendations of the Select Committee with respect to any preliminary inquiry or adjudicatory review described in subparagraph (A).

For purposes of this paragraph, a member of the Select Committee and an officer of the Senate shall be deemed to supervise any officer or employee consistent with the provision of paragraph 12 of rule XXXVII of the Standing Rules of the Senate.”;

(3) in subsection (d)(2), by amending the first sentence to read as follows: “A member of the Select Committee may, at the discretion of the member, disqualify himself or herself from participating in any preliminary inquiry or adjudicatory review pending before the Select Committee and the determinations and recommendations of the Select Committee with respect to any such preliminary inquiry or adjudicatory review.”; and

(4) in subsection (d), by amending paragraph (3) to read as follows:

“(3) Whenever any member of the Select Committee is ineligible under paragraph (1) to participate in any preliminary inquiry or adjudicatory review or disqualifies himself or herself under paragraph (2) from participating in any preliminary inquiry or adjudicatory review, another Senator shall, subject to the provisions of subsection (d), be appointed to serve as a member of the Select Committee solely for purposes of such preliminary inquiry or adjudicatory review and the determinations and recommendations of the Select Committee with respect to such preliminary inquiry or adjudicatory review. Any Member of the Senate appointed for such purposes shall be of the same party as the Member who is ineligible or disqualifies himself or herself.”.

SEC. 3. DUTIES OF THE SELECT COMMITTEE.

Section 2 of the resolution is amended—

(1) in subsection (a), by striking paragraphs (2), (3), and (4) and inserting the following:

“(2)(A) recommend to the Senate by report or resolution by a majority vote of the full committee disciplinary action to be taken with respect to such violations which the Select Committee shall determine, after according to the individual concerned due notice and opportunity for a hearing, to have occurred;

“(B) pursuant to subparagraph (A) recommend discipline, including—

“(i) in the case of a Member, a recommendation to the Senate for expulsion, censure, payment of restitution, recommendation to a Member's party conference regarding the Member's seniority or positions of responsibility, or a combination of these; and

“(ii) in the case of an officer or employee, dismissal, suspension, payment of restitution, or a combination of these;

“(3) subject to the provisions of subsection (e), by a unanimous vote of 6 members, order that a Member, officer, or employee be reprimanded or pay restitution, or both, if the Select Committee determines, after according to the Member, officer, or employee due notice and opportunity for a hearing, that misconduct occurred warranting discipline less serious than discipline by the full Senate;

“(4) in the circumstances described in subsection (d)(3), issue a public or private letter of admonition to a Member, officer, or employee, which shall not be subject to appeal to the Senate;

“(5) recommend to the Senate, by report or resolution, such additional rules or regulations as the Select Committee shall determine to be necessary or desirable to insure proper standards of conduct by Members of the Senate, and by officers or employees of the Senate, in the performance of their duties and the discharge of their responsibilities;

“(6) by a majority vote of the full committee, report violations of any law, including the provision of false information to the Select Committee, to the proper Federal and State authorities; and

“(7) develop and implement programs and materials designed to educate Members, officers, and employees about the laws, rules, regulations, and standards of conduct applicable to such individuals in the performance of their duties.”;

(2) by amending subsection (b) to read as follows:

“(b) For the purposes of this resolution—

“(1) the term ‘sworn complaint’ means a written statement of facts, submitted under penalty of perjury, within the personal knowledge of the complainant alleging a violation of law, the Senate Code of Official Conduct, or any other rule or regulation of the Senate relating to the conduct of individuals in the performance of their duties as Members, officers, or employees of the Senate;

“(2) the term ‘preliminary inquiry’ means a proceeding undertaken by the Select Committee following the receipt of a complaint or allegation of, or information about, misconduct by a Member, officer, or employee of the Senate to determine whether there is substantial credible evidence which provides substantial cause for the Select Committee to conclude that a violation within the jurisdiction of the Select Committee has occurred; and

“(3) the term ‘adjudicatory review’ means a proceeding undertaken by the Select Committee after a finding, on the basis of a preliminary inquiry, that there is substantial credible evidence which provides substantial cause for the Select Committee to conclude that a violation within the jurisdiction of the Select Committee has occurred.”;

(3) in subsection (c), by amending paragraph (1) to read as follows:

“(1) No—

“(A) adjudicatory review of conduct of a Member or officer of the Senate may be conducted;

“(B) report, resolution, or recommendation relating to such an adjudicatory review of conduct may be made; and

“(C) letter of admonition pursuant to subsection (d)(3) may be issued,

unless approved by the affirmative recorded vote of no fewer than 4 members of the Select Committee.”;

(4) by amending subsection (d) to read as follows:

“(d)(1) When the Select Committee receives a sworn complaint or other allegation or information about a Member, officer, or employee of the Senate, it shall promptly conduct a preliminary inquiry into matters raised by that complaint, allegation, or information. The preliminary inquiry shall be of duration and scope necessary to determine whether there is substantial credible evidence which provides substantial cause for the Select Committee to conclude that a violation within the jurisdiction of the Select Committee has occurred. The Select Committee may delegate to the chairman and vice chairman the discretion to determine the appropriate duration, scope, and conduct of a preliminary inquiry.

“(2) If, as a result of a preliminary inquiry under paragraph (1), the Select Committee determines by a recorded vote that there is not such substantial credible evidence, the Select Committee shall dismiss the matter. The Select Committee may delegate to the chairman and vice chairman the authority, on behalf of the Select Committee, to dismiss any matter that they determine, after a preliminary inquiry, lacks substantial merit. The Select Committee shall inform the individual who provided to the Select Committee the complaint, allegation, or information, and the individual who is the subject of the complaint, allegation, or information, of the dismissal, together with an explanation of the basis for the dismissal.

“(3) If, as a result of a preliminary inquiry under paragraph (1), the Select Committee determines that a violation is inadvertent, technical, or otherwise of a de minimis nature, the Select Committee may dispose of the matter by issuing a public or private letter of admonition, which shall not be considered discipline. The Select Committee may issue a public letter of admonition upon a similar determination at the conclusion of an adjudicatory review.

“(4) If, as the result of a preliminary inquiry under paragraph (1), the Select Committee determines that there is such substantial credible evidence and the matter cannot be appropriately disposed of under paragraph (3), the Select Committee shall promptly initiate an adjudicatory review. Upon the conclusion of such adjudicatory review, the Select Committee shall report to the Senate, as soon as practicable, the results of such adjudicatory review, together with its recommendations (if any) pursuant to subsection (a)(2).”;

(5) by amending subsection (e) to read as follows:

“(e)(1) Any individual who is the subject of a reprimand or order of restitution, or both, pursuant to subsection (a)(3) may, within 30 days of the Select Committee's report to the Senate of its action imposing a reprimand or order of restitution, or both, appeal to the Senate by providing written notice of the basis for the appeal to the Select Committee and the presiding officer of the Senate. The presiding officer of the Senate shall cause the notice of the appeal to be printed in the Congressional Record and the Senate Journal.

“(2) A motion to proceed to consideration of an appeal pursuant to paragraph (1) shall be highly privileged and not debatable. If the motion to proceed to consideration of the appeal is agreed to, the appeal shall be decided on the basis of the Select Committee's report to the Senate. Debate on the appeal shall be limited to 10 hours, which shall be divided equally between, and controlled by, those favoring and those opposing the appeal.”;

(6) by amending subsection (g) to read as follows:

“(g) Notwithstanding any other provision of this section, no adjudicatory review shall be initiated of any alleged violation of any law, the Senate Code of Official Conduct, rule, or regulation which was not in effect at the time the alleged violation occurred. No provisions of the Senate Code of Official Conduct shall apply to or require disclosure of any act, relationship, or transaction which occurred prior to the effective date of the applicable provision of the Code. The Select Committee may initiate an adjudicatory review of any alleged violation of a rule or law which was in effect prior to the enactment of the Senate Code of Official Conduct if the alleged violation occurred while such rule or law was in effect and the violation was not a matter resolved on the merits by the predecessor Select Committee.”; and

(7) by amending subsection (h) to read as follows:

“(h) The Select Committee shall adopt written rules setting forth procedures to be used in conducting preliminary inquiries and adjudicatory reviews.”.

SEC. 4. AUTHORITY OF THE SELECT COMMITTEE.

Section 3 of the resolution is amended—

(1) in subsection (b), by amending paragraph (2) to read as follows:

“(2) Any adjudicatory review as defined in section 2(b)(3) shall be conducted by outside counsel as authorized in paragraph (1), unless the Select Committee determines not to use outside counsel.”; and

(2) by amending subsection (d) to read as follows:

“(d)(1) Subpoenas may be authorized by—

“(A) the Select Committee; or

“(B) the chairman and vice chairman, acting jointly.

“(2) Any such subpoena shall be issued and signed by the chairman and the vice chairman and may be served by any person designated by the chairman and vice chairman.

“(3) The chairman or any member of the Select Committee may administer oaths to witnesses.”.

SEC. 5. EFFECTIVE DATE OF AMENDMENTS.

The amendments made by this resolution shall take effect on the date this resolution is agreed to, except that the amendments shall not apply with respect to further proceedings in any preliminary inquiry, initial review, or investigation commenced before that date under Senate Resolution 338, agreed to July 24, 1964 (88th Congress, 2d Session).

AMENDMENTS SUBMITTED

THE BANKRUPTCY REFORM ACT OF 1999

GRASSLEY (AND FEINSTEIN) AMENDMENT NO. 2514

(Ordered to lie on the table.)

Mr. GRASSLEY (for himself and Mrs. FEINSTEIN) submitted an amendment intended to be proposed by them to the bill (S. 625) to amend title 11, United States Code, and for other purposes; as follows:

Insert at the appropriate place:

Section 362(b)(18) of title 11, United States Code, is amended to read as follows:

(18) under subsection (a) of the creation or perfection of a statutory lien for an ad valorem property tax, or a special tax or special assessment on real property whether or not ad valorem, imposed by a governmental unit, if such tax or assessment comes due after the filing of the petition.

GRASSLEY (AND TORRICELLI) AMENDMENT NO. 2515

(Ordered to lie on the table.)

Mr. GRASSLEY (for himself and Mr. TORRICELLI) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

On page 6, line 12, insert “11 or” after “chapter”.

On page 6, line 24, insert “11 or” after “chapter”.

On page 12, lines 21 and 22, strike “was not substantially justified” and insert “was frivolous”.

On page 14, strike lines 8 through 14 and insert the following:

“(C)(i) No judge, United States trustee, panel trustee, bankruptcy administrator, or other party in interest shall bring a motion under section 707(b)(2) if the debtor and the debtor's spouse combined, as of the date of the order for relief, have current monthly total income equal to or less than the national or applicable State median household monthly income calculated (subject to clause (ii)) on a semiannual basis of a household of equal size.

“(ii) For a household of more than 4 individuals, the median income shall be that of a household of 4 individuals, plus $583 for each additional member of that household.”.

On page 14, in the matter between lines 18 and 19, insert “11 or” after “chapter”.

On page 14, after the matter between lines 18 and 19, insert the following:

SEC. 103. FINDINGS AND STUDY.

(a) Findings.—Congress finds that the Secretary of the Treasury has the inherent authority to alter the Internal Revenue Service standards established to set guidelines for repayment plans as needed to accommodate their use under section 707(b) of title 11, United States Code.

(b) Study.—

(1) In general.—Not later than 3 years after the date of enactment of this Act, the Secretary of the Treasury, in consultation with the Director of the Executive Office of United States Trustees, shall submit a report to the Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives containing the findings of the Secretary concerning the utilization of Internal Revenue Service standards for determining—

(A) the current monthly expenses of a debtor under section 707(b) of title 11, United States Code; and

(B) the impact that the application of those standards has had on debtors and on the bankruptcy courts.

(2) Recommendation.—The report under paragraph (1) may include recommendations for amendments to title 11, United States Code, that are consistent with the findings of the Secretary of the Treasury under paragraph (1).

On page 14, line 19, strike “103” and insert “104”.

On page 15, line 12, strike “104” and insert “105”.

On page 15, lines 9 and 10, strike “credit counseling service” and insert “nonprofit budget and credit counseling agency”.

On page 17, line 19, strike “105” and insert “106”.

On page 18, lines 3 and 4, strike “credit counseling service” and insert “budget and credit counseling agency”.

On page 18, line 5, insert “(including a briefing conducted by telephone)” after “briefing”.

On page 18, line 12, strike “credit counseling services” and insert “budget and credit counseling agency”.

On page 18, line 12, strike “are” and insert “is”.

On page 18, line 15, strike “those programs” and insert “that agency”.

On page 18, line 21, insert after the period the following: “Notwithstanding the preceding sentence, a nonprofit budget and credit counseling service may be disapproved by the United States trustee or bankruptcy administrator at any time.”.

On page 19, lines 4 and 5, strike “credit counseling service” and insert “budget and credit counseling agency”.

On page 21, lines 6 and 7, strike “credit counseling service” and insert “approved nonprofit budget and credit counseling agency”.

On page 21, lines 10 and 11, strike “credit counseling service” and insert “approved nonprofit budget and credit counseling agency”.

On page 21, line 16, strike “**Credit counseling services**” and insert “**Nonprofit budget and credit counseling agencies**”.

On page 21, line 19, strike “credit counseling services” and insert “nonprofit budget and credit counseling agencies”.

On page 21, line 25, strike the quotation marks and the final period.

On page 21, after line 25, insert the following:

“(b) For inclusion on the approved list under subsection (a), the United States trustee or bankruptcy administrator shall require the credit counseling service, at a minimum—

“(1) to be a nonprofit budget and credit counseling agency, the majority of the board of directors of which—

“(A) are not employed by the agency; and

“(B) will not directly or indirectly benefit financially from the outcome of a credit counseling session;

“(2) if a fee is charged for counseling services, to charge a reasonable fee, and to provide services without regard to ability to pay the fee;

“(3) to provide for safekeeping and payment of client funds, including an annual audit of the trust accounts and appropriate employee bonding;

“(4) to provide full disclosures to clients, including funding sources, counselor qualifications, and possible impact on credit reports;

“(5) to provide adequate counseling with respect to client credit problems that includes an analysis of their current situation, what brought them to that financial status, and how they can develop a plan to handle the problem without incurring negative amortization of their debts; and

“(6) to provide trained counselors who receive no commissions or bonuses based on the counseling session outcome.

“(c)(1) In this subsection, the term ‘credit counseling service’—

“(A) means—

“(i) a nonprofit credit counseling service approved under subsection (a); and

“(ii) any other consumer education program carried out by—

“(I) a trustee appointed under chapter 13; or

“(II) any other public or private entity or individual; and

“(B) does not include any counseling service provided by the attorney of the debtor or an agent of the debtor.

"(2)(A) No credit counseling service may provide to a credit reporting agency information concerning whether an individual debtor has received or sought instruction concerning personal financial management from the credit counseling service.

"(B) A credit counseling service that willfully or negligently fails to comply with any requirement under this title with respect to a debtor shall be liable for damages in an amount equal to the sum of—

"(i) any actual damages sustained by the debtor as a result of the violation; and

"(ii) any court costs or reasonable attorneys' fees (as determined by the court) incurred in an action to recover those damages.".

On page 22, strike the matter between lines 3 and 4, and insert the following:

"111. Nonprofit budget and credit counseling agencies; financial management instructional courses.".

On page 30, line 11, insert ", including interest that accrues on that debt as provided under applicable nonbankruptcy law notwithstanding any other provision of this title," after "under this title".

On page 30, lines 14 and 15, strike "or legal guardian; or" and insert ", legal guardian, or responsible relative; or".

On page 30, line 21, strike "or legal guardian".

On page 31, line 10, strike "or legal guardian" and insert ", legal guardian, or responsible relative".

On page 32, line 9, strike all through line 3 on page 33 and insert the following:

"(1) First:

"(A) Allowed unsecured claims for domestic support obligations that, as of the date of the filing of the petition, are owed to or recoverable by a spouse, former spouse, or child of the debtor, or the parent, legal guardian, or responsible relative of such child, without regard to whether the claim is filed by such person or is filed by a governmental unit on behalf of that person, on the condition that funds received under this paragraph by a governmental unit under this title after the date of filing of the petition shall be applied and distributed in accordance with applicable nonbankruptcy law.

"(B) Subject to claims under subparagraph (A), allowed unsecured claims for domestic support obligations that, as of the date the petition was filed are assigned by a spouse, former spouse, child of the debtor, or such child's parent, legal guardian, or responsible relative to a governmental unit (unless such obligation is assigned voluntarily by the spouse, former spouse, child, parent, legal guardian, or responsible relative of the child for the purpose of collecting the debt) or are owed directly to or recoverable by a government unit under applicable nonbankruptcy law, on the condition that funds received under this paragraph by a governmental unit under this title after the date of filing of the petition be applied and distributed in accordance with applicable nonbankruptcy law.".

On page 33, line 4, strike all through page 37, line 6 and insert the following:

SEC. 213. REQUIREMENTS TO OBTAIN CONFIRMATION AND DISCHARGE IN CASES INVOLVING DOMESTIC SUPPORT OBLIGATIONS.

Title 11, United States Code, is amended—

(1) in section 1129(a), by adding at the end the following:

"(14) If the debtor is required by a judicial or administrative order or statute to pay a domestic support obligation, the debtor has paid all amounts payable under such order or statute for such obligation that first become payable after the date on which the petition is filed.";

(2) in section 1208(c)—

(A) in paragraph (8), by striking "or" at the end;

(B) in paragraph (9), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(10) failure of the debtor to pay any domestic support obligation that first becomes payable after the date on which the petition is filed.";

(3) in section 1222(a)—

(A) in paragraph (2), by striking "and" at the end;

(B) in paragraph (3), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(4) notwithstanding any other provision of this section, a plan may provide for less than full payment of all amounts owed for a claim entitled to priority under section 507(a)(1)(B) only if the plan provides that all of the debtor's projected disposable income for a 5-year period, beginning on the date that the first payment is due under the plan, will be applied to make payments under the plan.";

(4) in section 1222(b)—

(A) by redesignating paragraph (10) as paragraph (11); and

(B) by inserting after paragraph (9) the following:

"(10) provide for the payment of interest accruing after the date of the filing of the petition on unsecured claims that are nondischargeable under section 1328(a), except that such interest may be paid only to the extent that the debtor has disposable income available to pay such interest after making provision for full payment of all allowed claims;";

(5) in section 1225(a)—

(A) in paragraph (5), by striking "and" at the end;

(B) in paragraph (6), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(7) if the debtor is required by a judicial or administrative order or statute to pay a domestic support obligation, the debtor has paid all amounts payable under such order for such obligation that first become payable after the date on which the petition is filed.";

(6) in section 1228(a), in the matter preceding paragraph (1), by inserting ", and in the case of a debtor who is required by a judicial or administrative order to pay a domestic support obligation, after such debtor certifies that all amounts payable under such order or statute that are due on or before the date of the certification (including amounts due before the petition was filed, but only to the extent provided for in the plan) have been paid" after "completion by the debtor of all payments under the plan";

(7) in section 1307(c)—

(A) in paragraph (9), by striking "or" at the end;

(B) in paragraph (10), by striking the period at the end and inserting "; or"; and

(C) by adding at the end the following:

"(11) failure of the debtor to pay any domestic support obligation that first becomes payable after the date on which the petition is filed.";

(8) in section 1322(a)—

(A) in paragraph (2), by striking "and" at the end;

(B) in paragraph (3), by striking the period at the end and inserting "; and"; and

(C) by adding in the end the following:

"(4) notwithstanding any other provision of this section, a plan may provide for less than full payment of all amounts owed for a claim entitled to priority under section 507(a)(1)(B) only if the plan provides that all of the debtor's projected disposable income for a 5-year period beginning on the date that the first payment is due under the plan will be applied to make payments under the plan.";

(9) in section 1322(b)—

(A) in paragraph (9), by striking "; and" and inserting a semicolon;

(B) by redesignating paragraph (10) as paragraph (11); and

(C) inserting after paragraph (9) the following:

"(10) provide for the payment of interest accruing after the date of the filing of the petition on unsecured claims that are nondischargeable under section 1328(a), except that such interest may be paid only to the extent that the debtor has disposable income available to pay such interest after making provision for full payment of all allowed claims; and";

(10) in section 1325(a)—

(A) in paragraph (5), by striking "and" at the end;

(B) in paragraph (6), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(7) if the debtor is required by a judicial or administrative order or statute to pay a domestic support obligation, the debtor has paid amounts payable after the date on which the petition is filed."; and

(11) in section 1328(a), in the matter preceding paragraph (1), by inserting ", and in the case of a debtor who is required by a judicial or administrative order to pay a domestic support obligation, after such debtor certifies that all amounts payable under such order or statute that are due on or before the date of the certification (including amounts due before the petition was filed, but only to the extent provided for in the plan) have been paid" after "completion by the debtor of all payments under the plan".

On page 37, strike lines 10 and 11 and insert "amended by striking paragraph (2) and inserting the".

On page 37, lines 14 and 15, strike "of an action or proceeding for—" and insert "or continuation of a civil action or proceeding—".

On page 37, line 16, insert "for" after "(i)".

On page 37, line 19, insert "for" after "(ii)".

On page 37, line 21, strike "or".

On page 37, between lines 21 and 22, insert the following:

"(iii) concerning child custody or visitation;

"(iv) for the dissolution of a marriage except to the extent that such a proceeding seeks to determine the division of property which is property of the estate; or

"(v) regarding domestic violence;

On page 37, line 24, strike the quotation marks and second semicolon.

On page 37, after line 24, add the following:

"(C) with respect to the withholding of income that is property of the estate or property of the debtor for payment of a domestic support obligation pursuant to a judicial or administrative order;

"(D) the withholding, suspension, or restriction of drivers' licenses, professional and occupational licenses, and recreational licenses under State law, as specified in section 466(a)(16) of the Social Security Act (42 U.S.C. 666(a)(16));

"(E) the reporting of overdue support owed by a parent to any consumer reporting agency as specified in section 466(a)(7) of the Social Security Act (42 U.S.C. 666(a)(7));

"(F) the interception of tax refunds, as specified in sections 464 and 466(a)(3) of the

Social Security Act (42 U.S.C. 664 and 666(a)(3)) or under an analogous State law; or

"(G) the enforcement of medical obligations as specified under title IV of the Social Security Act (42 U.S.C. 601 et seq.).";

On page 38, line 12, strike all through page 39, line 25.

On page 40, between lines 13 and 14, insert the following:

(i) by inserting "to a spouse, former spouse, or child of the debtor and" before "not of the kind".

On page 40, line 14, strike "(i)" and insert "(ii)".

On page 40, line 16, strike "(ii)" and insert "(iii)".

On page 40, insert between lines 18 and 19 the following:

(C) by striking paragraph (18); and

On page 41, line 4, strike "(5)" and insert "(4)".

On page 41, line 7, strike "(5)" and insert "(4)".

On page 41, line 12, strike "(5)" and insert "(4)".

On page 43, strike lines 16 through 20 and insert the following: Section 1225(b)(2)(A) of title 11, United States Code, is amended by inserting "or for a domestic support obligation that first becomes payable after the date on which the petition is filed" after "dependent of the debtor".

On page 43, strike line 22 through page 44, line 2, and insert the following:

Section 1325(b)(2)(A) of title 11, United States Code, is amended by inserting "or for a domestic support obligation that first becomes payable after the date on which the petition is filed" after "dependent of the debtor".

On page 44, line 14, strike "for support" through line 16, and insert "for a domestic support obligation,".

On page 45, line 23, strike "and".

On page 45, between lines 23 and 24, insert the following:

"(III) the last recent known name and address of the debtor's employer; and

On page 45, line 24, strike "(III)" and insert "(IV)".

On page 46, strike lines 6 through 11 and insert the following:

"(2)(A) A holder of a claim or a State child support agency may request from a creditor described in paragraph (1)(B)(iii)(IV) the last known address of the debtor.

On page 46, line 19, strike "(b)" and insert "(a)".

On page 46, line 20, strike "(5)" and insert "(6)".

On page 46, line 22, strike "(6)" and insert "(7)".

On page 47, strike lines 1 through 6 and insert the following:

"(8) if, with respect to an individual debtor, there is a claim for a domestic support obligation, provide the applicable notification specified in subsection (c)."; and

On page 47, line 8, strike "(b)(7)" and insert "(a)(7)".

On page 48, line 7, strike "and".

On page 48, insert between lines 7 and 8 the following:

"(III) the last recent known name and address of the debtor's employer; and"

On page 48, line 8, strike "(III)" and insert "(IV)".

On page 48, line 11, strike "(4), or (14A)" and insert "(3), or (14)".

On page 48, strike lines 15 through 20 and insert the following:

"(2)(A) A holder of a claim or a State child support agency may request from a creditor described in paragraph (1)(B)(iii)(IV) the last known address of the debtor.

On page 49, strike lines 9 through 14 and insert the following:

"(6) if, with respect to an individual debtor, there is a claim for a domestic support obligation, provide the applicable notification specified in subsection (c)."; and

On page 50, line 16, strike "and".

On page 50, insert between lines 16 and 17 the following:

"(III) the last recent known name and address of the debtor's employer; and".

On page 50, line 17, strike "(III)" and insert "(IV)".

On page 50, line 20, strike "(4), or (14A)" and insert "(3), or (14)".

On page 50, strike line 24 and all that follows through page 51, line 4 and insert the following:

"(2)(A) A holder of a claim or a State child support agency may request from a creditor described in paragraph (1)(B)(iii)(IV) the last known address of the debtor.

On page 51, strike lines 19 through 24 and insert the following:

"(6) if, with respect to an individual debtor, there is a claim for a domestic support obligation, provide the applicable notification specified in subsection (d)."; and

On page 52, line 24, strike "and".

On page 52, after line 24, add the following:

"(III) the last recent known name and address of the debtor's employer; and".

On page 53, line 1, strike "(III)" and insert "(IV)".

On page 53, line 4, strike "(4), or (14A)" and insert "(3), or (14)".

On page 53, strike lines 8 through 12 and insert the following:

"(2)(A) A holder of a claim or a State child support agency may request from a creditor described in paragraph (1)(B)(iii)(IV) the last known address of the debtor.

On page 76, line 15, strike "523(a)(9)" and insert "523(a)(8)".

On page 82, strike lines 4 through 9 and insert "title 11, United States Code, is amended by adding at the end the following:".

On page 82, line 10, strike "(19)" and insert "(18)".

On page 83, between lines 4 and 5, insert the following:

SEC. 225. PROTECTION OF EDUCATION SAVINGS.

(a) Exclusions.—Section 541 of title 11, United States Code, as amended by section 903, is amended—

(1) in subsection (b)—

(A) by redesignating paragraph (6) as paragraph (8); and

(B) by inserting after paragraph (5) the following:

"(6) funds placed in an education individual retirement account (as defined in section 530(b)(1) of the Ihternal Revenue Code of 1986) not later than 365 days before the date of filing of the petition, but—

"(A) only if the designated beneficiary of such account was a son, daughter, stepson, stepdaughter, grandchild, or step-grandchild of the debtor for the taxable year for which funds were placed in such account;

"(B) only to the extent that such funds—

"(i) are not pledged or promised to any entity in connection with any extension of credit; and

"(ii) are not excess contributions (as described in section 4973(e) of the Internal Revenue Code of 1986); and

"(C) in the case of funds placed in all such accounts having the same designated beneficiary not earlier than 720 days nor later than 365 days before such date, only so much of such funds as does not exceed $5,000;

"(7) funds used to purchase a tuition credit or certificate or contributed to an account in accordance with section 529(b)(1)(A) of the Internal Revenue Code of 1986 under a qualified State tuition program (as defined in section 529(b)(1) of such Code) not later than 365 days before the date of filing of the petition, but—

"(A) only if the designated beneficiary of the amounts paid or contributed to such tuition program was a son, daughter, stepson, stepdaughter, grandchild, or step-grandchild of the debtor for the taxable year for which funds were paid or contributed;

"(B) with respect to the aggregate amount paid or contributed to such program having the same designated beneficiary, only so much of such amount as does not exceed the total contributions permitted under section 529(b)(7) of such Code with respect to such beneficiary, as adjusted beginning on the date of the filing of the petition by the annual increase or decrease (rounded to the nearest tenth of 1 percent) in the education expenditure category of the Consumer Price Index prepared by the Department of Labor; and

"(C) in the case of funds paid or contributed to such program having the same designated beneficiary not earlier than 720 days nor later than 365 days before such date, only so much of such funds as does not exceed $5,000; or"; and

(2) by adding at the end the following:

"(g) In determining whether any of the relationships specified in paragraph (6)(A) or (7)(A) of subsection (b) exists, a legally adopted child of an individual (and a child who is a member of an individual's household, if placed with such individual by an authorized placement agency for legal adoption by such individual), or a foster child of an individual (if such child has as the child's principal place of abode the home of the debtor and is a member of the debtor's household) shall be treated as a child of such individual by blood.".

(b) Debtor's Duties.—Section 521 of title 11, United States Code, as amended by sections 105(d), 304(c)(1), 305(2), 315(b), and 316 of this Act, is amended by adding at the end the following:

"(k) In addition to meeting the requirements under subsection (a), a debtor shall file with the court a record of any interest that a debtor has in an education individual retirement account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986) or under a qualified State tuition program (as defined in section 529(b)(1) of such Code).".

On page 91, between lines 18 and 19, insert the following:

(c) Modification of a Restriction Relating to Waivers.—Section 522(e) of title 11, United States Code, is amended—

(1) in the first sentence, by striking "subsection (b) of this section" and inserting "subsection (b), other than under paragraph (3)(C) of that subsection"; and

(2) in the second sentence—

(A) by inserting "(other than property described in subsection (b)(3)(C))" after "property" each place it appears; and

(B) by inserting "(other than a transfer of property described in subsection (b)(3)(C))" after "transfer" each place it appears.

On page 91, line 23, strike "105(d)" and insert "106(d)".

On page 92, line 17, strike "(C)" and insert "(D)".

On page 92, line 18, strike "(b)" and insert "(c)".

On page 94, line 25, strike "105(d)" and insert "106(d)".

On page 95, line 16, strike "(c)" and insert "(d)".

On page 109, line 13, strike "by adding at the end" and insert "by inserting after subsection (e)".

On page 111, line 18, insert "(a) IN GENERAL.—" before "Section".

On page 112, line 14, insert a dash after the period.

On page 112, line 19, strike "(4)" and insert "(3)".

On page 112, line 20, strike "(3)(B), (5), (8), or (9) of section 523(a)" and insert "(4), (7), or (8) of section 523(a)".

On page 116, line 16, strike "(d)(1)" and insert "(e)(1)".

On page 117, line 5, strike "(e)" and insert "(f)".

On page 118, line 1, strike "(A) beginning" and insert the following:

"(A) beginning".

On page 118, line 5, strike "(B) thereafter," and insert the following:

"(B) thereafter,".

On page 118, line 8, strike "(f)(1)" and insert "(g)(1)".

On page 118, strike line 23 and insert the following: "subsection (h)".

On page 118, line 24, strike "(g)(1)" and insert "(h)(1)".

On page 119, line 21, strike "(h)" and insert "(*i*)".

On page 120, line 11, strike "(*i*)" and insert "(j)".

On page 124, strike lines 7 through 14 and insert the following:

SEC. 321. CHAPTER 11 CASES FILED BY INDIVIDUALS.

(a) PROPERTY OF THE ESTATE.—

(1) IN GENERAL.—Subchapter I of chapter 11 of title 11, United States Code, is amended by adding at the end the following:

"§1115. Property of the estate

"In a case concerning an individual, property of the estate includes, in addition to the property specified in section 541—

"(1) all property of the kind specified in section 541 that the debtor acquires after the commencement of the case but before the case is closed, dismissed, or converted to a case under chapter 7, 12, or 13, whichever occurs first; and

"(2) earnings from services performed by the debtor after the commencement of the case but before the case is closed, dismissed, or converted to a case under chapter 7, 12, or 13, whichever occurs first.".

(2) CLERICAL AMENDMENT.—The table of sections for chapter 11 of title 11, United States Code, is amended by adding at the end of the matter relating to subchapter I the following:

"1115. Property of the estate.".

(b) CONTENTS OF PLAN.—Section 1123(a) of title 11, United States Code, is amended—

(1) in paragraph (6), by striking "and" at the end;

(2) in paragraph (7), by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(8) in a case concerning an individual, provide for the payment to creditors through the plan of all or such portion of earnings from personal services performed by the debtor after the commencement of the case or other future income of the debtor as is necessary for the execution of the plan.".

(c) CONFIRMATION OF PLAN.—

(1) REQUIREMENTS RELATING TO VALUE OF PROPERTY.—Section 1129(a) of title 11, United States Code, is amended by adding at the end the following:

"(14) In a case concerning an individual in which the holder of an allowed unsecured claim objects to the confirmation of the plan—

"(A) the value of the property to be distributed under the plan on account of such claim is, as of the effective date of the plan, not less than the amount of such claim; or

"(B) the value of the property to be distributed under the plan is not less than the debtor's projected disposable income (as that term is defined in section 1325(b)(2)) to be received during the 3-year period beginning on the date that the first payment is due under the plan, or during the term of the plan, whichever is longer.".

(2) REQUIREMENT RELATING TO INTERESTS IN PROPERTY.—Section 1129(b)(2)(B)(ii) of title 11, United States Code, is amended by inserting before the period at the end the following: ", except that in a case concerning an individual, the debtor may retain property included in the estate under section 1115, subject to the requirements of subsection (a)(14)".

(d) EFFECT OF CONFIRMATION—Section 1141(d) of title 11, United States Code, is amended—

(1) in paragraph (2), by striking "The confirmation of a plan does not discharge an individual debtor" and inserting "A discharge under this chapter does not discharge a debtor"; and

(2) by adding at the end the following:

"(5) In a case concerning an individual—

"(A) except as otherwise ordered for cause shown, the discharge is not effective until completion of all payment under the plan; and

"(B) at any time after the confirmation of the plan and after notice and a hearing, the court may grant a discharge to a debtor that has not completed payments under the plan only if—

"(i) for each allowed unsecured claim, the value as of the effective date of the plan, of property actually distributed under the plan on account of that claim is not less than the amount that would have been paid on such claim if the estate of the debtor had been liquidated under chapter 7 of this title on such date; and

"(ii) modification of the plan under 1127 of this title is not practicable.".

(e) MODIFICATION OF PLAN.—Section 1127 of title 11, United States Code, is amended by adding at the end the following:

"(e) In a case concerning an individual, the plan may be modified at any time after confirmation of the plan but before the completion of payments under the plan, whether or not the plan has been substantially consummated, upon request of the debtor, the trustee, the United States trustee, or the holder of an allowed unsecured claim, to—

"(1) increase or reduce the amount of payments on claims of a particular class provided for by the plan;

"(2) extend or reduce the time period for such payments; or

"(3) alter the amount of the distribution to a creditor whose claim is provided for by the plan to the extent necessary to take account of any payment of such claim made other than under the plan.

"(f)(1) Sections 1121 through 1128 of this title and the requirements of section 1129 of this title apply to any modification under subsection (a).

"(2) The plan, as modified, shall become the plan only after there has been disclosure under section 1125, as the court may direct, notice and a hearing, and such modification is approved.".

Beginning on page 135, strike line 19 and all that follows through page 136, line 2, and insert the following:

SEC. 406. CREDITORS AND EQUITY SECURITY HOLDERS COMMITTEES.

(a) APPOINTMENT.—Section 1102(a)(2) of title 11, United States Code, is amended by inserting before the first sentence the following: "On its own motion or on request of a party in interest, and after notice and hearing, the court may order a change in the membership of a committee appointed under this subsection, if the court determines that the change is necessary to ensure adequate representation of creditors or equity security holders. The court may increase the number of members of a committee to include a creditor that is a small business concern (as described in section 3(a)(1) of the Small Business Act (15 U.S.C. 632(a)(1))), if the court determines that the creditor holds claims (of the kind represented by the committee) the aggregate amount of which, in comparison to the annual gross revenue of that creditor, is disproportionately large.".

(b) INFORMATION.—Section 1102(b) of title 11, United States Code, is amended by adding at the end the following:

"(3) A committee appointed under subsection (a) shall—

"(A) provide access to information for creditors who—

"(i) hold claims of the kind represented by that committee; and

"(ii) are not appointed to the committee;

"(B) solicit and receive comments from the creditors described in subparagraph (A); and

"(C) be subject to a court order that compels any additional report or disclosure to be made to the creditors described in subparagraph (A).".

On page 145, between lines 15 and 16, insert the following:

SEC. 420. MORE COMPLETE INFORMATION REGARDING ASSETS OF THE ESTATE.

(a) IN GENERAL.—

(1) DISCLOSURE.—The Advisory Committee on Bankruptcy Rules of the Judicial Conference of the United States, after consideration of the views of the Director of the Executive Office for the United States Trustees, shall propose for adoption amended Federal Rules of Bankruptcy Procedure and Official Bankruptcy Forms directing debtors under chapter 11 of title 11, United States Code, to disclose the information described in paragraph (2) by filing and serving periodic financial and other reports designed to provide such information.

(2) INFORMATION.—The information referred to in paragraph (1) is the value, operations, and profitability of any closely held corporation, partnership, or of any other entity in which the debtor holds a substantial or controlling interest.

(b) PURPOSE.—The purpose of the rules and reports under subsection (a) shall be to assist parties in interest taking steps to ensure that the debtor's interest in any entity referred to in subsection (a)(2) is used for the payment of allowed claims against debtor.

On page 147, line 15, strike "title)" and insert "title and excluding a person whose primary activity is the business of owning and operating real property and activities incidental thereto)".

On page 150, line 14, insert "and other required government filings" after "returns".

On page 150, line 19, insert "and other required government filings" after "returns".

On page 152, strike lines 19 through 21 and insert the following:

(a) DUTIES IN CHAPTER 11 CASES.—Subchapter I of title 11, United States Code, as amended by section 321 of this Act, is amended by adding at the end the following:

On page 153, line 1, strike "1115" and insert "1116".

On page 153, line 7, strike "3" and insert "7".

On page 154, line 9, strike the semicolon and insert "and other required government filings; and".

On page 154, strike lines 14 through 25.

On page 155, strike line 7 and all that follows through the matter between lines 9 and 10 and insert the following:

(b) CLERICAL AMENDMENT.—The table of sections for chapter 11 of title 11, United States Code, is amended by adding at the end of the matter relating to subchapter I the following:

"1116. Duties of trustee or debtor in possession in small business cases.

On page 156, line 19, strike "150" and insert "175".

On page 156, line 20, strike "150-day" and insert "175-day".

On page 162, strike lines 14 through 20 and insert the following:

"(A) a plan with a reasonable possibility of being confirmed will be filed within a reasonable period of time; and

On page 162, line 21, strike "reason is" and insert "grounds include".

On page 162, line 22, strike "that".

On page 162, line 23, insert "for which" before "there exists".

On page 163, line 1, strike "(ii)(I)" and insert "(ii)".

On page 163, line 1, strike "that act or omission" and insert "which".

On page 163, line 3, strike ", but not" and all that follows through line 8 and insert a period.

On page 163, line 22, insert after "failure to maintain appropriate insurance" the following: "that poses a risk to the estate or to the public".

On page 164, line 3, insert "repeated" before "failure".

On page 165, line 2, strike "and".

On page 165, line 3, insert "confirmed" before "plan".

On page 165, line 4, strike the period and insert "; and".

On page 165, between lines 4 and 5, insert the following:

"(P) failure of the debtor to pay any domestic support obligation that first becomes payable after the date on which the petition is filed.

On page 165, line 23, insert "or an examiner" after "trustee".

On page 167, after line 21, insert the following:

SEC. 435. TECHNICAL CORRECTION.

Section 365(b)(2)(D) of title 11, United States Code, is amended by striking "penalty rate or provision" and inserting "penalty rate or penalty provision".

On page 183, line 20, strike all through line 13 on page 187.

On page 187, line 14, strike "703" and insert "702".

On page 187, line 20, strike "704" and insert "703".

On page 189, line 9, strike "705" and insert "704".

On page 190, line 13, strike "706" and insert "705".

On page 190, line 17, strike "707" and insert "706".

On page 190, line 22, strike "708" and insert "707".

On page 191, line 8, strike "709" and insert "708".

On page 192, line 3, strike "710" and insert "709".

On page 193, line 13, strike "711" and insert "710".

On page 193, line 21, strike "712" and insert "711".

On page 196, line 1, strike "713" and insert "712".

On page 196, line 11, strike "714" and insert "713".

On page 197, line 12, strike "715" and insert "714".

On page 197, line 15, strike "703" and insert "702".

On page 197, line 18, strike "716" and insert "715".

On page 201, line 3, insert a semicolon after "following".

On page 202, line 4, strike "717" and insert "716".

On page 202, line 18, strike "718" and insert "717".

On page 248, line 15, strike "718" and insert "717".

On page 266, line 13, insert "**AND FAMILY FISHERMEN**" after "**FARMERS**".

On page 268, insert between lines 16 and 17 the following:

SEC. 1005. FAMILY FISHERMEN.

(a) DEFINITIONS.—Section 101 of title 11, United States Code, is amended—

(1) by inserting after paragraph (7) the following:

"(7A) 'commercial fishing operation' includes—

"(A) the catching or harvesting of fish, shrimp, lobsters, urchins, seaweed, shellfish, or other aquatic species or products; and

"(B) for purposes of section 109 and chapter 12, aquaculture activities consisting of raising for market any species or product described in subparagraph (A);";

"(7B) 'commercial fishing vessel' means a vessel used by a fisherman to carry out a commercial fishing operation;";

(2) by inserting after paragraph (19) the following:

"(19A) 'family fisherman' means—

"(A) an individual or individual and spouse engaged in a commercial fishing operation (including aquiculture for purposes of chapter 12)—

"(i) whose aggregate debts do not exceed $1,500,000 and not less than 80 percent of whose aggregate noncontingent, liquidated debts (excluding a debt for the principal residence of such individual or such individual and spouse, unless such debt arises out of a commercial fishing operation), on the date the case is filed, arise out of a commercial fishing operation owned or operated by such individual or such individual and spouse; and

"(ii) who receive from such commercial fishing operation more than 50 percent of such individual's or such individual's and spouse's gross income for the taxable year preceding the taxable year in which the case concerning such individual or such individual and spouse was filed; or

"(B) a corporation or partnership—

"(i) in which more than 50 percent of the outstanding stock or equity is held by—

"(I) 1 family that conducts the commercial fishing operation; or

"(II) 1 family and the relatives of the members of such family, and such family or such relatives conduct the commercial fishing operation; and

"(ii)(I) more than 80 percent of the value of its assets consists of assets related to the commercial fishing operation;

"(II) its aggregate debts do not exceed $1,500,000 and not less than 80 percent of its aggregate noncontingent, liquidated debts (excluding a debt for 1 dwelling which is owned by such corporation or partnership and which a shareholder or partner maintains as a principal residence, unless such debt arises out of a commercial fishing operation), on the date the case is filed, arise out of a commercial fishing operation owned or operated by such corporation or such partnership; and

"(III) if such corporation issues stock, such stock is not publicly traded;"; and

(3) by inserting after paragraph (19A) the following:

"(19B) 'family fisherman with regular annual income' means a family fisherman whose annual income is sufficiently stable and regular to enable such family fisherman to make payments under a plan under chapter 12 of this title;".

(b) WHO MAY BE A DEBTOR.—Section 109(f) of title 11, United States Code, is amended by inserting "or family fisherman" after "family farmer".

(c) CHAPTER 12.—Chapter 12 of title 11, United States Code, is amended—

(1) in the chapter heading, by inserting "**OR FISHERMAN**" after "**FAMILY FARMER**";

(2) in section 1201, by adding at the end the following:

"(e)(1) Notwithstanding any other provision of law, for purposes of this subsection, a guarantor of a claim of a creditor under this section shall be treated in the same manner as a creditor with respect to the operation of a stay under this section.

"(2) For purposes of a claim that arises from the ownership or operation of a commercial fishing operation, a co-maker of a loan made by a creditor under this section shall be treated in the same manner as a creditor with respect to the operation of a stay under this section.";

(3) in section 1203, by inserting "or commercial fishing operation" after "farm";

(4) in section 1206, by striking "if the property is farmland or farm equipment" and inserting "if the property is farmland, farm equipment, or property of a commercial fishing operation (including a commercial fishing vessel)"; and

(5) by adding at the end the following:

"§ 1232. Additional provisions relating to family fishermen

"(a)(1) Notwithstanding any other provision of law, except as provided in subsection (c), with respect to any commercial fishing vessel of a family fisherman, the debts of that family fisherman shall be treated in the manner prescribed in paragraph (2).

"(2)(A) For purposes of this chapter, a claim for a lien described in subsection (b) for a commercial fishing vessel of a family fisherman that could, but for this subsection, be subject to a lien under otherwise applicable maritime law, shall be treated as an unsecured claim.

"(B) Subparagraph (A) applies to a claim for a lien resulting from a debt of a family fisherman incurred on or after the date of enactment of this chapter.

"(b) A lien described in this subsection is—

"(1) a maritime lien under subchapter III of chapter 313 of title 46, United States Code, without regard to whether that lien is recorded under section 31343 of title 46, United States Code; or

"(2) a lien under applicable State law (or the law of a political subdivision thereof).

"(c) Subsection (a) shall not apply to—

"(1) a claim made by a member of a crew or a seaman including a claim made for—

"(A) wages, maintenance, or cure; or

"(B) personal injury; or

"(2) a preferred ship mortgage that has been perfected under subchapter II of chapter 313 of title 46, United States Code.

"(d) For purposes of this chapter, a mortgage described in subsection (c)(2) shall be treated as a secured claim.".

(d) CLERICAL AMENDMENTS.—

(1) TABLE OF CHAPTERS.—In the table of chapters for title 11, United States Code, the item relating to chapter 12, is amended to read as follows:

"12. Adjustments of Debts of a Family Farmer or Family Fisherman with Regular Annual Income .... 1201".

(2) TABLE OF SECTIONS.—The table of sections for chapter 12 of title 11, United States Code, is amended by adding at the end the following new item:

"1232. Additional provisions relating to family fishermen.".

On page 277, line 22, insert "(a) IN GENERAL.—" before "Section".

On page 279, between lines 12 and 13, insert the following:

(b) DEBT.—Section 803(5) of the Fair Debt Collection Practices Act (15 U.S.C. 1692a(5)) is amended to read as follows:

"(5) The term 'debt' means any obligation or alleged obligation of a consumer to pay money arising out of a transaction involving an offer of credit, as defined in section 103(e) of the Truth in Lending Act (15 U.S.C. 1602(e)), in which the money, property, insurance, or services which are the subject of the transaction are primarily for personal, family, or household, purposes, whether or not such obligation has been reduced to judgment.".

On page 281, line 21, strike "714" and insert "713".

Beginning on page 292, strike line 10 and all that follows through page 294, line 11.

On page 294, insert between lines 11 and 12 the following:

SEC. 322. UNITED STATES TRUSTEE PROGRAM FILING FEE INCREASE.

(a) ACTIONS UNDER CHAPTER 7 OR 13 OF TITLE 11, UNITED STATES CODE.—Section 1930(a) of title 28, United States Code, is amended by striking paragraph (1) and inserting the following:

"(1) For a case commenced—

"(A) under chapter 7 of title 11, $160; or

"(B) under chapter 13 of title 11, $150.".

(b) UNITED STATES TRUSTEE SYSTEM FUND.—Section 589a(b) of title 28, United States Code, is amended—

(1) by striking paragraph (1) and inserting the following:

"(1)(A) 46.88 percent of the fees collected under section 1930(a)(1)(A) of this title in cases commenced under chapter 7 of title 11; and

"(B) 73.33 percent of the fees collected under section 1930(a)(1)(B) of this title in cases commenced under chapter 13 of title 11;";

(2) in paragraph (2) by striking "one-half" and inserting "three-fourths"; and

(3) in paragraph (4) by striking "one-half" and inserting "100 percent".

(c) COLLECTION AND DEPOSIT OF MISCELLANEOUS BANKRUPTCY FEES.—Section 406(b) of the Judiciary Appropriations Act, 1990 (28 U.S.C. 1931 note) is amended by striking "pursuant to 28 U.S.C. section 1930(b) and 30.76 per centum of the fees hereafter collected under 28 U.S.C. section 1930(a)(1) and 25 percent of the fees hereafter collected under 28 U.S.C. section 1930(a)(3) shall be deposited as offsetting receipts to the fund established under 26 U.S.C. section 1931" and inserting "under section 1930(b) of title 28, United States Code, and 25 percent of the fees collected under section 1930(a)(1)(A) of that title, 26.67 percent of the fees collected under section 1930(a)(1)(B) of that title, and 25 percent of the fees collected under section 1930(a)(3) of that title shall be deposited as offsetting receipts to the fund established under section 1931 of that title".

(d) RIGHTS AND POWERS OF THE TRUSTEE.—Section 546(c) of title 11, United States Code, is amended to read as follows:

"(c)(1) Except as provided in subsection (d) of this section, and except as provided in subsection (c) of section 507, the rights and powers of the trustee under sections 544(a), 545, 547, and 549 are subject to the right of a seller of goods that has sold goods to the debtor, in the ordinary course of the business of the seller, to reclaim such goods if the debtor has received such goods within 45 days prior to the commencement of a case under this title, but such seller may not reclaim any such goods unless the seller demands in writing the reclamation of such goods—

"(A) before 45 days after the date of receipt of such goods by the debtor; or

"(B) if such 45-day period expires after the commencement of the case, before 20 days after the date of commencement of the case.

"(2) Notwithstanding the failure of the seller to provide notice in a manner consistent with this subsection, the seller shall be entitled to assert the rights established in section 503(b)(7) of this title.".

(e) ADMINISTRATIVE EXPENSES.—Section 503(b) of title 11, United States Code, is amended—

(1) in paragraph (5), by striking "and" at the end;

(2) in paragraph (6), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(7) the invoice price of any goods received by the debtor within 20 days of the date of filing of a case under this title where the goods have been sold to the debtor in the ordinary course of such seller's business.".

KOHL (AND OTHERS) AMENDMENT NO. 2516

Mr. KOHL (for himself, Mr. SESSIONS, and Mr. GRASSLEY) proposed an amendment to the bill, S. 625, supra; as follows:

At the appropriate place in title III, insert the following:

SEC. 3 . LIMITATION.

Section 522 of title 11, United States Code, as amended by sections 224 and 307 of this Act, is amended—

(1) in subsection (b)(3)(A), by inserting "subject to subsection (n)," before "any property"; and

(2) by adding at the end the following:

"(n)(1) Except as provided in paragraph (2), as a result of electing under subsection (b)(3)(A) to exempt property under State or local law, a debtor may not exempt any amount of interest that exceeds in the aggregate $100,000 in value in—

"(A) real or personal property that the debtor or a dependent of the debtor uses as a residence;

"(B) a cooperative that owns property that the debtor or a dependent of the debtor uses as a residence; or

"(C) a burial plot for the debtor or a dependent of the debtor.

"(2) The limitation under paragraph (1) shall not apply to an exemption claimed under subsection (b)(3)(A) by a family farmer for the principal residence of that farmer.".

SARBANES AMENDMENT NO. 2517

(Ordered to lie on the table.)

Mr. SARBANES submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following:

TITLE —CONSUMER CREDIT DISCLOSURES

SEC. 01. SHORT TITLE.

This title may be cited as the "Consumer Credit Act of 1999".

SEC. 02. ENHANCED DISCLOSURES UNDER AN OPEN END CONSUMER CREDIT PLAN.

(a) REPAYMENT TERMS.—Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end the following:

"(11)(A) Repayment information that would apply to the outstanding balance of the consumer under the credit plan, including—

"(i) the required minimum monthly payment on that balance, represented as both a dollar figure and as a percentage of that balance;

"(ii) the number of months (rounded to the nearest month) that it would take to pay the entire amount of that balance, if the consumer pays only the required minimum monthly payments and if no further advances are made;

"(iii) the total cost to the consumer, including interest and principal payments, of paying that balance in full, if the consumer pays only the required minimum monthly payments and if no further advances are made; and

"(iv) the monthly payment amount that would be required for the consumer to eliminate the outstanding balance in 36 months if no further advances are made.

"(B)(i) Subject to clause (ii), in making the disclosures under subparagraph (A) the creditor shall apply the interest rate in effect on the date on which the disclosure is made until the date on which the balance would be paid in full.

"(ii) If the interest rate in effect on the date on which the disclosure is made is a temporary rate that will change under a contractual provision applying an index or formula for subsequent interest rate adjustment, the creditor shall apply the interest rate in effect on the date on which the disclosure is made for as long as that interest rate will apply under that contractual provision, and then apply an interest rate based on the index or formula in effect on the applicable billing date.".

(b) PUBLICATION OF MODEL FORMS.—Not later than 180 days after the date of enactment of this Act, the Board of Governors of the Federal Reserve System shall publish model disclosure forms in accordance with section 105 of the Truth in Lending Act for the purpose of compliance with section 127(b)(11) of the Truth in Lending Act, as added by this section.

SEC. 03. CREDIT CARD SECURITY INTERESTS UNDER AN OPEN END CONSUMER CREDIT PLAN.

(a) IN GENERAL.—Section 127 of the Truth in Lending Act (15 U.S.C. 1637) is amended by adding at the end the following:

"(h) SECURITY INTERESTS CREATED UNDER AN OPEN END CONSUMER CREDIT PLAN.—During the period of an open end consumer credit plan, if the creditor of that plan obtains a security interest in personal property purchased using that credit plan, the creditor shall provide to the consumer, at the time of purchase, a written statement setting forth in a clear, conspicuous, and easy to read format the following information:

"(1) The property in which the creditor will receive a security interest.

"(2) The nature of the security interest taken.

"(3) The method or methods of enforcement of that security interest available to the creditor in the event of nonpayment of the plan balance.

"(4) The method in which payments made on the credit plan balance will be credited against the security interest taken on the property.

"(5) The following statement: 'This property is subject to a security agreement. You must not dispose of the property purchased in any way, including by gift, until the balance on this account is fully paid.' ".

(b) PUBLICATION OF MODEL FORMS.—Not later than 180 days after the date of enactment of this Act, the Board of Governors of the Federal Reserve System shall publish model disclosure forms in accordance with section 105 of the Truth in Lending Act for the purpose of compliance with section 127(h) of the Truth in Lending Act, as added by this section.

SEC. 04. STATISTICS TO BE REPORTED TO BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM AND TO CONGRESS.

Section 127 of the Truth in Lending Act (15 U.S.C. 1637) is amended by adding at the end the following:

"(i) REPORTS TO THE BOARD AND TO CONGRESS.—

"(1) REPORTS TO THE BOARD.—Any creditor making advances under an open end credit plan shall, using model forms developed and published by the Board, annually submit to the Board a report, which shall include—

"(A) the total number of open end credit plan solicitations made to consumers;

"(B) the total amount of credit (in dollars) offered to consumers;

"(C) a statement of the average interest rates offered to all borrowers in each of the previous 2 years;

"(D) the total amount of credit granted and the average interest rate granted to persons under the age of 25; and

"(E) the total amount of debt written off voluntarily and due to a bankruptcy discharge in each of the 2 years preceding the date on which the report is submitted.

"(2) REPORTS TO CONGRESS.—The Board shall annually compile the information collected under paragraph (1) and submit to the Committees on the Judiciary of the House of Representatives and the Senate, the Committee on Banking, Housing, and Urban Affairs of the Senate, and the Committee on Banking and Financial Services of the House of Representatives, a report, which shall include—

"(A) aggregate data described subparagraphs (A) through (E) of paragraph (1) for all creditors; and

"(B) individual data described in paragraph (1)(A) for each of the top 50 creditors.".

SEC. 05. CIVIL LIABILITY.

Section 130(a) of the Truth in Lending Act (15 U.S.C. 1640(a)) is amended, in the undesignated paragraph following paragraph (4), by striking the second sentence and inserting the following: "In connection with the disclosures referred to in subsections (a), (b), and (h) of section 127, a creditor shall have a liability determined under paragraph (2) only for failing to comply with the requirements of section 125, 127(a), paragraph (4), (5), (6), (7), (8), (9), (10), or (11) of section 127(b), or section 127(h), or for failing to comply with disclosure requirements under State law for any term or item that the Board has determined to be substantially the same in meaning under section 111(a)(2) as any of the terms or items referred to in section 127(a), paragraph (4), (5), (6), (7), (8), (9), (10), or (11) of section 127(b), or section 127(h).".

SEC. 06. TREATMENT UNDER BANKRUPTCY LAW.

(a) EXCEPTIONS TO DISCHARGE.—Section 523(a) of title 11, United States Code, is amended by adding at the end the following: "The exception under subparagraphs (A) and (C) of paragraph (2) shall not apply to any claim made by a creditor who has failed to make the disclosures required under section 127(h) of the Truth in Lending Act in connection with such claim, unless a creditor required to make such disclosures files with the court, within 90 days of the date of order for relief, a proof of claim accompanied by a copy of such disclosures that is signed and dated by the debtor.".

(b) REAFFIRMATION.—Section 524(c) of title 11, United States Code, is amended—

(1) in paragraph (5), by striking "and" at the end;

(2) in paragraph (6), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(7) in a case concerning a creditor obligated to make the disclosures required under section 127(h) of the Truth in Lending Act, the agreement contains a copy of such disclosures that is signed and dated by the debtor.".

SESSIONS (AND OTHERS) AMENDMENT NO. 2518

Mr. SESSIONS (for himself, Mr. KOHL, and Mr. GRASSLEY) proposed an amendment No. 2516 proposed by Mr. KOHL to the bill, S. 625, supra; as follows:

In the amendment strike all after the first word and insert the following:

3 . LIMITATION.

(a) EXEMPTIONS.—Section 522 of title 11, United States Code, as amended by sections 224 and 307 of this Act, is amended—

(1) in subsection (b)(3)(A), by inserting "subject to subsection (n)," before "any property"; and

(2) by adding at the end the following:

"(n)(1) Except as provided in paragraph (2), as a result of electing under subsection (b)(3)(A) to exempt property under State or local law, a debtor may not exempt any amount of interest that exceeds in the aggregate $100,000 in value in—

"(A) real or personal property that the debtor or a dependent of the debtor uses as a residence;

"(B) a cooperative that owns property that the debtor or a dependent of the debtor uses as a residence; or

"(C) a burial plot for the debtor or a dependent of the debtor.

"(2) The limitation under paragraph (1) shall not apply to an exemption claimed under subsection (b)(3)(A) by a family farmer for the principal residence of that farmer.".

(b) ADJUSTMENT OF DOLLAR AMOUNTS.—Section 104(b) of title 11, United States Code, is amended—

(1) in paragraph (1), by striking "522(d)," and inserting "522 (d) or (n),"; and

(2) in paragraph (3), by striking "522(d)," and inserting "522 (d) or (n),".

COLLINS (AND OTHERS) AMENDMENT NO. 2519

(Ordered to lie on the table.)

Ms. COLLINS (for herself, Mr. KERRY, Mrs. MURRAY, Mr. STEVENS, and Mr. KENNEDY) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

At the appropriate place insert the following:

SEC. . FAMILY FISHERMEN.

(a) DEFINITIONS.—Section 101 of title 11, United States Code, is amended—

(1) by inserting after paragraph (7) the following:

"(7A) 'commercial fishing operation' includes—

"(A) the catching or harvesting of fish, shrimp, lobsters, urchins, seaweed, shellfish, or other aquatic species or products;

"(B) for purposes of section 109 and chapter 12, aquaculture activities consisting of raising for market any species or product described in subparagraph (A); and

"(C) the transporting by vessel of a passenger for hire (as defined in section 2101 of title 46) who is engaged in recreational fishing;

"(7B) 'commercial fishing vessel' means a vessel used by a fisherman to carry out a commercial fishing operation;";

(2) by inserting after paragraph (19) the following:

"(19A) 'family fisherman' means—

"(A) an individual or individual and spouse engaged in a commercial fishing operation (including aquaculture for purposes of chapter 12)—

"(i) whose aggregate debts do not exceed $1,500,000 and not less than 80 percent of whose aggregate noncontingent, liquidated debts (excluding a debt for the principal residence of such individual or such individual and spouse, unless such debt arises out of a commercial fishing operation), on the date the case is filed, arise out of a commercial fishing operation owned or operated by such individual or such individual and spouse; and

"(ii) who receive from such commercial fishing operation more than 50 percent of such individual's or such individual's and spouse's gross income for the taxable year preceding the taxable year in which the case concerning such individual or such individual and spouse was filed; or

"(B) a corporation or partnership—

"(i) in which more than 50 percent of the outstanding stock or equity is held by—

"(I) 1 family that conducts the commercial fishing operation; or

"(II) 1 family and the relatives of the members of such family, and such family or such relatives conduct the commercial fishing operation; and

"(ii)(I) more than 80 percent of the value of its assets consists of assets related to the commercial fishing operation;

"(II) its aggregate debts do not exceed $1,500,000 and not less than 80 percent of its aggregate noncontingent, liquidated debts (excluding a debt for 1 dwelling which is owned by such corporation or partnership and which a shareholder or partner maintains as a principal residence, unless such debt arises out of a commercial fishing operation), on the date the case is filed, arise out of a commercial fishing operation owned or operated by such corporation or such partnership; and

"(III) if such corporation issues stock, such stock is not publicly traded;"; and

(3) by inserting after paragraph (19A) the following:

"(19B) 'family fisherman with regular annual income' means a family fisherman whose annual income is sufficiently stable and regular to enable such family fisherman to make payments under a plan under chapter 12 of this title;".

(b) WHO MAY BE A DEBTOR.—Section 109(f) of title 11, United States Code, is amended by inserting "or family fisherman" after "family farmer".

(c) CHAPTER 12.—Chapter 12 of title 11, United States Code, is amended—

(1) in the chapter heading, by inserting "**OR FISHERMAN**" after "**FAMILY FARMER**";

(2) in section 1201, by adding at the end the following:

"(e)(1) Notwithstanding any other provision of law, for purposes of this subsection, a guarantor of a claim of a creditor under this section shall be treated in the same manner as a creditor with respect to the operation of a stay under this section.

"(2) For purposes of a claim that arises from the ownership or operation of a commercial fishing operation, a co-maker of a loan made by a creditor under this section shall be treated in the same manner as a creditor with respect to the operation of a stay under this section.";

(3) in section 1203, by inserting "or commercial fishing operation" after "farm";

(4) in section 1206, by striking "if the property is farmland or farm equipment" and inserting "if the property is farmland, farm equipment, or property of a commercial fishing operation (including a commercial fishing vessel)"; and

(5) by adding at the end the following:

"§1232. Additional provisions relating to family fishermen

"(a)(1) Notwithstanding any other provision of law, except as provided in subsection (c), with respect to any commercial fishing vessel of a family fisherman, the debts of that family fisherman shall be treated in the manner prescribed in paragraph (2).

"(2)(A) For purposes of this chapter, a claim for a lien described in subsection (b) for a commercial fishing vessel of a family fisherman that could, but for this subsection, be subject to a lien under otherwise applicable maritime law, shall be treated as an unsecured claim.

"(B) Subparagraph (A) applies to a claim for a lien resulting from a debt of a family fisherman incurred on or after the date of enactment of this chapter.

"(b) A lien described in this subsection is—

"(1) a maritime lien under subchapter III of chapter 313 of title 46 without regard to whether that lien is recorded under section 31343 of title 46; or

"(2) a lien under applicable State law (or the law of a political subdivision thereof).

"(c) Subsection (a) shall not apply to—

"(1) a claim made by a member of a crew or a seaman including a claim made for—

"(A) wages, maintenance, or cure; or

"(B) personal injury; or

"(2) a preferred ship mortgage that has been perfected under subchapter II of chapter 313 of title 46.

"(d) For purposes of this chapter, a mortgage described in subsection (c)(2) shall be treated as a secured claim.".

(d) CLERICAL AMENDMENTS.—

(1) TABLE OF CHAPTERS.—In the table of chapters for title 11, United States Code, the item relating to chapter 12, is amended to read as follows:

"12. Adjustments of Debts of a Family Farmer or Family Fisherman with Regular Annual Income .... 1201".

(2) TABLE OF SECTIONS.—The table of sections for chapter 12 of title 11, United States Code, is amended by adding at the end the following new item:

"1232. Additional provisions relating to family fishermen.".

(e) Applicability.—

Nothing in this section shall change, affect, or amend the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1801, et seq.).

McCONNELL AMENDMENT NO. 2520

(Ordered to lie on the table.)

Mr. McCONNELL submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the appropriate place in title III, insert the following:

SEC. 3 . COMPENSATION OF TRUSTEES IN CERTAIN CASES UNDER CHAPTER 7 OF TITLE 11, UNITED STATES CODE.

Section 326 of title 11, United States Code, is amended by adding at the end the following:

"(e) In a case that has been converted under section 706, or after a case has been converted or dismissed under section 707 or the debtor has been denied a discharge under section 727—

"(1) the court may allow reasonable compensation under section 330 for the trustee's services rendered, payable after the trustee renders services; and

"(2) any allowance made by a court under paragraph (1) shall not be subject to the limitations under subsection (a).".

DURBIN AMENDMENT NO. 2521

Mr. FEINGOLD (for Mr. DURBIN) proposed an amendment to the bill, S. 625, supra; as follows:

On page 29, after line 22, add the following:

SEC. 205. DISCOURAGING PREDATORY LENDING PRACTICES.

Section 502(b) of title 11, United States Code is amended—

(1) in paragraph (8), by striking "or" at the end:

(2) in paragraph (9), by striking the period at the end and inserting ";or" and

(3) by adding at the end the following:

"(10) the claim is based on a secured debt, if the creditor has materially failed to comply with any applicable requirement under section (c), (d), (e), (f), (g), (h), or (i) of section 129 of the Truth in Lending Act (15 U.S.C. 1639)."

On page 201, line 3 strike "period at the end" and insert "semicolon".

FEINGOLD AMENDMENT NO. 2522

Mr. FEINGOLD proposed an amendment to the bill, S. 625, supra; as follows:

On page 7, line 15, strike "(ii)" and inset "(ii)(I)".

On page 7, between lines 21 and 22, insert the following:

"(II) In addition, the debtor's monthly expenses may include, if applicable, the continuation of actual expenses paid by the debtor for care and support of a household member or member of the debtor's immediate family (including parents, grandparents, and siblings of the debtor, the dependents of the debtor, and the spouse of the debtor in a joint case) who is not a dependent.

JOHNSON AMENDMENT NO. 2523

(Ordered to lie on the table.)

Mr. JOHNSON submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following new section:

SEC. . TREATMENT OF FEDERAL COMMUNICATIONS COMMISSION LICENSES OR PERMITS IN BANKRUPTCY PROCEEDINGS.

Section 309(j)(8) of the Communications Act of 1934 is amended by adding new paragraph (D) as follows:

"(D) PROTECTION OF INTERESTS.—

"(i) Title 11, United States Code, or any otherwise applicable Federal or state law regarding insolvencies or receiverships, or any succeeding Federal law not expressly in derogation of this subsection, shall not apply to or be construed to apply to the Commission or limit the rights, powers, or duties of the Commission with respect to (a) a license or permit issued by the Commission under this subsection or a payment made to or a debt or other obligation owed to the Commission relating to or rising from such a license or permit, (b) an interest of the Commission in property securing such a debt or other obligation, or (c) an act by the Commission to issue, deny, cancel, or transfer control of such a license or permit.

"(ii) Notwithstanding otherwise applicable law, the Commission shall be deemed to have a perfected, first priority security interest in a license or construction permit issued by the Commission under this subsection and the proceeds of such a license or permit for which a debt or other obligation is owed to the Commission under this subsection.

"(iii) This paragraph shall apply retroactively, including to pending cases and proceedings whether on appeal or otherwise.".

GRAMM AMENDMENT NOS. 2524–2526

(Ordered to lie on the table.)

Mr. GRAMM submitted three amendments intended to be proposed by him to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2524

Strike the matter proposed and insert the following:

SEC. . MAXIMUM HOMESTEAD EXEMPTION.

Section 522 of title 11, United States Code, as amended by section 308 of this Act, is amended—

(1) in subsection (b)(3)(A), by striking "subsection (n)" and inserting "subsections (n) and (o)"; and

(2) by adding at the end the following:

"(o) Notwithstanding any other provision of law, for purposes of subsection (b)(3)(A), the maximum exemption under applicable State law from the property of the estate of a debtor of the value of an interest of the debtor in any real or personal property or cooperative described in paragraph (1) or (2) of subsection (n) shall not exceed $100,000, if the debtor acquired the interest—

"(1) during the 2-year period preceding the date of the filing of the petition; and

"(2) no such exemption shall be available during the 5-year period preceding the date of the filing of the petition with the intent to hinder, delay, or defraud a creditor.".

AMENDMENT NO. 2525

At the appropriate place, insert the following:

SEC. . MAXIMUM HOMESTEAD EXEMPTION.

Section 522 of title 11, United States Code, as amended by section 308 of this Act, is amended—

(1) in subsection (b)(3)(A), by striking "subsection (n)" and inserting "subsections (n) and (o)"; and

(2) by adding at the end the following:

"(o) Notwithstanding any other provision of law, for purposes of subsection (b)(3)(A), the maximum exemption under applicable State law from the property of the estate of a debtor of the value of an interest of the debtor in any real or personal property or cooperative described in paragraph (1) or (2) of subsection (n) shall not exceed $100,000, if the debtor acquired the interest—

"(1) during the 2-year period preceding the date of the filing of the petition; or

"(2) during the 5-year period preceding the date of the filing of the petition with the intent to hinder, delay, or defraud a creditor.".

AMENDMENT NO. 2526

At the appropriate place, insert the following:

SEC. . MAXIMUM HOMESTEAD EXEMPTION.

Section 522 of title 11, United States Code, as amended by section 308 of this Act, is amended—

(1) in subsection (b)(3)(A), by striking "subsection (n)" and inserting "subsections (n) and (o)"; and

(2) by adding at the end the following:

"(o) Notwithstanding any other provision of law, for purposes of subsection (b)(3)(A), the maximum exemption under applicable State law from the property of the estate of a debtor of the value of an interest of the debtor in any real or personal property or cooperative described in paragraph (1) or (2) of subsection (n) shall not exceed $100,000, if the debtor acquired the interest—

"(1) during the 2-year period preceding the date of the filing of the petition; and

"(2) no such exemption shall be available during the 5-year period preceding the date of the filing of the petition with the intent to hinder, delay, or defraud a creditor.".

HATCH (AND OTHERS) AMENDMENT NO. 2527

(Ordered to lie on the table.)

Mr. HATCH (for himself, Mr. ASHCROFT, and Mr. ABRAHAM) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following new title:

TITLE —METHAMPHETAMINE AND OTHER CONTROLLED SUBSTANCES

SEC. 01. SHORT TITLE.

This title may be cited as the "Methamphetamine Anti-Proliferation Act of 1999".

Subtitle A—Methamphetamine Production, Trafficking, and Abuse

CHAPTER 1—CRIMINAL PENALTIES

SEC. 11. ENHANCED PUNISHMENT OF AMPHETAMINE LABORATORY OPERATORS.

(a) AMENDMENT TO FEDERAL SENTENCING GUIDELINES.—Pursuant to its authority under section 994(p) of title 28, United States Code, the United States Sentencing Commission shall amend the Federal sentencing guidelines in accordance with this section with respect to any offense relating to the manufacture, importation, exportation, or trafficking in amphetamine (including an attempt or conspiracy to do any of the foregoing) in violation of—

(1) the Controlled Substances Act (21 U.S.C. 801 et seq.);

(2) the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.); or

(3) the Maritime Drug Law Enforcement Act (46 U.S.C. App. 1901 et seq.).

(b) GENERAL REQUIREMENT.—In carrying out this section, the United States Sentencing Commission shall, with respect to each offense described in subsection (a) relating to amphetamine—

(1) review and amend its guidelines to provide for increased penalties such that those penalties are comparable to the base offense level for methamphetamine; and

(2) take any other action the Commission considers necessary to carry out this subsection.

(c) ADDITIONAL REQUIREMENTS.—In carrying out this section, the United States Sentencing Commission shall ensure that the sentencing guidelines for offenders convicted of offenses described in subsection (a) reflect the heinous nature of such offenses, the need for aggressive law enforcement action to fight such offenses, and the extreme dangers associated with unlawful activity involving amphetamines, including—

(1) the rapidly growing incidence of amphetamine abuse and the threat to public safety that such abuse poses;

(2) the high risk of amphetamine addiction;

(3) the increased risk of violence associated with amphetamine trafficking and abuse; and

(4) the recent increase in the illegal importation of amphetamine and precursor chemicals.

(d) EMERGENCY AUTHORITY TO SENTENCING COMMISSION.—The United States Sentencing Commission shall promulgate amendments pursuant to this section as soon as practicable after the date of the enactment of this Act in accordance with the procedure set forth in section 21(a) of the Sentencing Act of 1987 (Public Law 100–182), as though the authority under that Act had not expired.

SEC. 12. ENHANCED PUNISHMENT OF AMPHETAMINE OR METHAMPHETAMINE LABORATORY OPERATORS.

(a) FEDERAL SENTENCING GUIDELINES.—

(1) IN GENERAL.—Pursuant to its authority under section 994(p) of title 28, United States Code, the United States Sentencing Commission shall amend the Federal sentencing guidelines in accordance with paragraph (2) with respect to any offense relating to the manufacture, attempt to manufacture, or conspiracy to manufacture amphetamine or methamphetamine in violation of—

(A) the Controlled Substances Act (21 U.S.C. 801 et seq.);

(B) the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.); or

(C) the Maritime Drug Law Enforcement Act (46 U.S.C. App. 1901 et seq.).

(2) REQUIREMENTS.—In carrying out this paragraph, the United States Sentencing Commission shall—

(A) if the offense created a substantial risk of harm to human life (other than a life described in subparagraph (B)) or the environment, increase the base offense level for the offense—

(i) by not less than 3 offense levels above the applicable level in effect on the date of the enactment of this Act; or

(ii) if the resulting base offense level after an increase under clause (i) would be less than level 27, to not less than level 27; or

(B) if the offense created a substantial risk of harm to the life of a minor or incompetent, increase the base offense level for the offense—

(i) by not less than 6 offense levels above the applicable level in effect on the date of the enactment of this Act; or

(ii) if the resulting base offense level after an increase under clause (i) would be less than level 30, to not less than level 30.

(3) EMERGENCY AUTHORITY TO SENTENCING COMMISSION.—The United States Sentencing Commission shall promulgate amendments pursuant to this subsection as soon as practicable after the date of enactment of this Act in accordance with the procedure set forth in section 21(a) of the Sentencing Act of 1987 (Public Law 100–182), as though the authority under that Act had not expired.

(b) EFFECTIVE DATE.—The amendments made pursuant to this section shall apply with respect to any offense occurring on or after the date that is 60 days after the date of enactment of this Act.

SEC. 13. MANDATORY RESTITUTION FOR VIOLATIONS OF CONTROLLED SUBSTANCES ACT AND CONTROLLED SUBSTANCES IMPORT AND EXPORT ACT RELATING TO AMPHETAMINE AND METHAMPHETAMINE.

(a) MANDATORY RESTITUTION.—Section 413(q) of the Controlled Substances Act (21 U.S.C. 853(q)) is amended—

(1) in the matter preceding paragraph (1), by striking "may" and inserting "shall";

(2) by inserting "amphetamine or" before "methamphetamine" each place it appears;

(3) in paragraph (2)—

(A) by inserting ", the State or local government concerned, or both the United States and the State or local government concerned" after "United States" the first place it appears; and

(B) by inserting "or the State or local government concerned, as the case may be," after "United States" the second place it appears; and

(4) in paragraph (3), by striking "section 3663 of title 18, United States Code" and inserting "section 3663A of title 18, United States Code".

(b) DEPOSIT OF AMOUNTS IN DEPARTMENT OF JUSTICE ASSETS FORFEITURE FUND.—Section 524(c)(4) of title 28, United States Code, is amended—

(1) by striking "and" at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(3) by adding at the end the following:

"(D) all amounts collected—

"(i) by the United States pursuant to a reimbursement order under paragraph (2) of section 413(q) of the Controlled Substances Act (21 U.S.C. 853(q)); and

"(ii) pursuant to a restitution order under paragraph (1) or (3) of section 413(q) of the Controlled Substances Act for injuries to the United States.".

(c) CLARIFICATION OF CERTAIN ORDERS OF RESTITUTION.—Section 3663(c)(2)(B) of title 18, United States Code, is amended by inserting "which may be" after "the fine".

(d) EXPANSION OF APPLICABILITY OF MANDATORY RESTITUTION.—Section 3663A(c)(1)(A)(ii) of title 18, United States Code, is amended by inserting "or under section 416(a) of the Controlled Substances Act (21 U.S.C. 856(a))," after "under this title,".

(e) TREATMENT OF ILLICIT SUBSTANCE MANUFACTURING OPERATIONS AS CRIMES AGAINST PROPERTY.—Section 416 of the Controlled Substances Act (21 U.S.C. 856) is amended by adding at the end the following new subsection:

"(c) A violation of subsection (a) shall be considered an offense against property for purposes of section 3663A(c)(1)(A)(ii) of title 18, United States Code.".

SEC. 14. METHAMPHETAMINE PARAPHERNALIA.

Section 422(d) of the Controlled Substances Act (21 U.S.C. 863(d)) is amended in the matter preceding paragraph (1) by inserting "methamphetamine," after "PCP,".

CHAPTER 2—ENHANCED LAW ENFORCEMENT

SEC. 21. ENVIRONMENTAL HAZARDS ASSOCIATED WITH ILLEGAL MANUFACTURE OF AMPHETAMINE AND METHAMPHETAMINE.

(a) Use of Amounts or Department of Justice Assets Forfeiture Fund.—Section 524(c)(1)(E) of title 28, United States Code, is amended—

(1) by inserting "(i) for" before "disbursements";

(2) by inserting "and" after the semicolon; and

(3) by adding at the end the following:

"(ii) for payment for—

"(I) costs incurred by or on behalf of the Department of Justice in connection with the removal, for purposes of Federal forfeiture and disposition, of any hazardous substance or pollutant or contaminant associated with the illegal manufacture of amphetamine or methamphetamine; and

"(II) costs incurred by or on behalf of a State or local government in connection with such removal in any case in which such State or local government has assisted in a Federal prosecution relating to amphetamine or methamphetamine, to the extent such costs exceed equitable sharing payments made to such State or local government in such case;".

(b) Grants Under Drug Control and System Improvement Grant Program.—Section 501(b)(3) of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by inserting before the semicolon the following: "and to remove any hazardous substance or pollutant or contaminant associated with the illegal manufacture of amphetamine or methamphetamine".

(c) Amounts Supplement and Not Supplant.—

(1) Assets forfeiture fund.—Any amounts made available from the Department of Justice Assets Forfeiture Fund in a fiscal year by reason of the amendment made by subsection (a) shall supplement, and not supplant, any other amounts made available to the Department of Justice in such fiscal year from other sources for payment of costs described in section 524(c)(1)(E)(ii) of title 28, United States Code, as so amended.

(2) Grant program.—Any amounts made available in a fiscal year under the grant program under section 501(b)(3) of the Omnibus Crime Control and Safe Streets Act of 1968 for the removal of hazardous substances or pollutants or contaminants associated with the illegal manufacture of amphetamine or methamphetamine by reason of the amendment made by subsection (b) shall supplement, and not supplant, any other amounts made available in such fiscal year from other sources for such removal.

SEC. 22. REDUCTION IN RETAIL SALES TRANSACTION THRESHOLD FOR NON-SAFE HARBOR PRODUCTS CONTAINING PSEUDOEPHEDRINE OR PHENYLPROPANOLAMINE.

(a) Reduction in Transaction Threshold.—Section 102(39)(A)(iv)(II) of the Controlled Substances Act (21 U.S.C. 802(39)(A)(iv)(II) is amended—

(1) by striking "24 grams" both places it appears and inserting "9 grams"; and

(2) by inserting before the semicolon at the end the following: "and sold in package sizes of not more than 3 grams of pseudoephedrine base or 3 grams of phenylpropanolamine base".

(b) Effective Date.—The amendments made by subsection (a) shall take effect one year after the date of the enactment of this Act.

SEC. 23. TRAINING FOR DRUG ENFORCEMENT ADMINISTRATION AND STATE AND LOCAL LAW ENFORCEMENT PERSONNEL RELATING TO CLANDESTINE LABORATORIES.

(a) In General.—

(1) Requirement.—The Administrator of the Drug Enforcement Administration shall carry out the programs described in subsection (b) with respect to the law enforcement personnel of States and localities determined by the Administrator to have significant levels of methamphetamine-related or amphetamine-related crime or projected by the Administrator to have the potential for such levels of crime in the future.

(2) Duration.—The duration of any program under that subsection may not exceed 3 years.

(b) Covered Programs.—The programs described in this subsection are as follows:

(1) Advanced mobile clandestine laboratory training teams.—A program of advanced mobile clandestine laboratory training teams, which shall provide information and training to State and local law enforcement personnel in techniques utilized in conducting undercover investigations and conspiracy cases, and other information designed to assist in the investigation of the illegal manufacturing and trafficking of amphetamine and methamphetamine.

(2) Basic clandestine laboratory certification training.—A program of basic clandestine laboratory certification training, which shall provide information and training—

(A) to Drug Enforcement Administration personnel and State and local law enforcement personnel for purposes of enabling such personnel to meet any certification requirements under law with respect to the handling of wastes created by illegal amphetamine and methamphetamine laboratories; and

(B) to State and local law enforcement personnel for purposes of enabling such personnel to provide the information and training covered by subparagraph (A) to other State and local law enforcement personnel.

(3) Clandestine laboratory recertification and awareness training.—A program of clandestine laboratory recertification and awareness training, which shall provide information and training to State and local law enforcement personnel for purposes of enabling such personnel to provide recertification and awareness training relating to clandestine laboratories to additional State and local law enforcement personnel.

(c) Authorization of Appropriations.—There are authorized to be appropriated for each of fiscal years 2000, 2001, and 2002 amounts as follows:

(1) $1,500,000 to carry out the program described in subsection (b)(1).

(2) $3,000,000 to carry out the program described in subsection (b)(2).

(3) $1,000,000 to carry out the program described in subsection (b)(3).

SEC. 24. COMBATTING METHAMPHETAMINE AND AMPHETAMINE IN HIGH INTENSITY DRUG TRAFFICKING AREAS.

(a) In General.—

(1) In general.—The Director of National Drug Control Policy shall use amounts available under this section to combat the trafficking of methamphetamine and amphetamine in areas designated by the Director as high intensity drug trafficking areas.

(2) Activities.—In meeting the requirement in paragraph (1), the Director shall provide funds for—

(A) employing additional Federal law enforcement personnel, or facilitating the employment of additional State and local law enforcement personnel, including agents, investigators, prosecutors, laboratory technicians, chemists, investigative assistants, and drug-prevention specialists; and

(B) such other activities as the Director considers appropriate.

(b) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section—

(1) $15,000,000 for fiscal year 2000; and

(2) such sums as may be necessary for each of fiscal years 2001 through 2004.

(c) Apportionment of Funds.—

(1) Factors in apportionment.—The Director shall apportion amounts appropriated for a fiscal year pursuant to the authorization of appropriations in subsection (b) for activities under subsection (a) among and within areas designated by the Director as high intensity drug trafficking areas based on the following factors:

(A) The number of methamphetamine manufacturing facilities and amphetamine manufacturing facilities discovered by Federal, State, or local law enforcement officials in the previous fiscal year.

(B) The number of methamphetamine prosecutions and amphetamine prosecutions in Federal, State, or local courts in the previous fiscal year.

(C) The number of methamphetamine arrests and amphetamine arrests by Federal, State, or local law enforcement officials in the previous fiscal year.

(D) The amounts of methamphetamine, amphetamine, or listed chemicals (as that term is defined in section 102(33) of the Controlled Substances Act (21 U.S.C. 802(33)) seized by Federal, State, or local law enforcement officials in the previous fiscal year.

(E) Intelligence and predictive data from the Drug Enforcement Administration and the Department of Health and Human Services showing patterns and trends in abuse, trafficking, and transportation in methamphetamine, amphetamine, and listed chemicals (as that term is so defined).

(2) Certification.—Before the Director apportions any funds under this subsection to a high intensity drug trafficking area, the Director shall certify that the law enforcement entities responsible for clandestine methamphetamine and amphetamine laboratory seizures in that area are providing laboratory seizure data to the national clandestine laboratory database at the El Paso Intelligence Center.

(d) Limitation on Administrative Costs.—Not more than 5 percent of the amount appropriated in a fiscal year pursuant to the authorization of appropriations for that fiscal year in subsection (b) may be available in that fiscal year for administrative costs associated with activities under subsection (a).

SEC. 25. COMBATING AMPHETAMINE AND METHAMPHETAMINE MANUFACTURING AND TRAFFICKING.

(a) Activities.—In order to combat the illegal manufacturing and trafficking in amphetamine and methamphetamine, the Administrator of the Drug Enforcement Administration may—

(1) assist State and local law enforcement in small and mid-sized communities in all phases of investigations related to such manufacturing and trafficking, including assistance with foreign-language interpretation;

(2) staff additional regional enforcement and mobile enforcement teams related to such manufacturing and trafficking;

(3) establish additional resident offices and posts of duty to assist State and local law enforcement in rural areas in combating such manufacturing and trafficking;

(4) provide the Special Operations Division of the Administration with additional agents and staff to collect, evaluate, interpret, and disseminate critical intelligence targeting the command and control operations of major amphetamine and methamphetamine manufacturing and trafficking organizations;

(5) enhance the investigative and related functions of the Chemical Control Program of the Administration to implement more fully the provisions of the Comprehensive Methamphetamine Control Act of 1996 (Public Law 104–237);

(6) design an effective means of requiring an accurate accounting of the import and export of list I chemicals, and coordinate investigations relating to the diversion of such chemicals;

(7) develop a computer infrastructure sufficient to receive, process, analyze, and redistribute time-sensitive enforcement information from suspicious order reporting to field offices of the Administration and other law enforcement and regulatory agencies, including the continuing development of the Suspicious Order Reporting and Tracking System (SORTS) and the Chemical Transaction Database (CTRANS) of the Administration;

(8) establish an education, training, and communication process in order to alert the industry to current trends and emerging patterns in the illegal manufacturing of amphetamine and methamphetamine; and

(9) carry out such other activities as the Administrator considers appropriate.

(b) ADDITIONAL POSITIONS AND PERSONNEL.—

(1) IN GENERAL.—In carrying out activities under subsection (a), the Administrator may establish in the Administration not more than 50 full-time positions, including not more than 31 special-agent positions, and may appoint personnel to such positions.

(2) PARTICULAR POSITIONS.—In carrying out activities under paragraphs (5) through (8) of subsection (a), the Administrator may establish in the Administration not more than 15 full-time positions, including not more than 10 diversion investigator positions, and may appoint personnel to such positions. Any positions established under this paragraph are in addition to any positions established under paragraph (1).

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the Drug Enforcement Administration for each fiscal year after fiscal year 1999, $9,500,000 for purposes of carrying out the activities authorized by subsection (a) and employing personnel in positions established under subsection (b), of which $3,000,000 shall be available for activities under paragraphs (5) through (8) of subsection (a) and employing personnel in positions established under subsection (b)(2).

CHAPTER 3—ABUSE PREVENTION AND TREATMENT

SEC. 31. EXPANSION OF METHAMPHETAMINE RESEARCH.

Section 464N of the Public Health Service Act (42 U.S.C. 285o–2) is amended by adding at the end the following:

"(c) METHAMPHETAMINE RESEARCH.—

"(1) GRANTS OR COOPERATIVE AGREEMENTS.—The Director of the Institute may make grants or enter into cooperative agreements to expand the current and on-going interdisciplinary research and clinical trials with treatment centers of the National Drug Abuse Treatment Clinical Trials Network relating to methamphetamine abuse and addiction and other biomedical, behavioral, and social issues related to methamphetamine abuse and addiction.

"(2) USE OF FUNDS.—Amounts made available under a grant or cooperative agreement under paragraph (1) for methamphetamine abuse and addiction may be used for research and clinical trials relating to—

"(A) the effects of methamphetamine abuse on the human body, including the brain;

"(B) the addictive nature of methamphetamine and how such effects differ with respect to different individuals;

"(C) the connection between methamphetamine abuse and mental health;

"(D) the identification and evaluation of the most effective methods of prevention of methamphetamine abuse and addiction;

"(E) the identification and development of the most effective methods of treatment of methamphetamine addiction, including pharmacological treatments;

"(F) risk factors for methamphetamine abuse;

"(G) effects of methamphetamine abuse and addiction on pregnant women and their fetuses; and

"(H) cultural, social, behavioral, neurological and psychological reasons that individuals abuse methamphetamine, or refrain from abusing methamphetamine.

"(3) RESEARCH RESULTS.—The Director shall promptly disseminate research results under this subsection to Federal, State and local entities involved in combating methamphetamine abuse and addiction.

"(4) AUTHORIZATION OF APPROPRIATIONS.—

"(A) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out paragraph (1), such sums as may be necessary for each fiscal year.

"(B) SUPPLEMENT NOT SUPPLANT.—Amounts appropriated pursuant to the authorization of appropriations in subparagraph (A) for a fiscal year shall supplement and not supplant any other amounts appropriated in such fiscal year for research on methamphetamine abuse and addiction.".

SEC. 32. METHAMPHETAMINE AND AMPHETAMINE TREATMENT INITIATIVE BY CENTER FOR SUBSTANCE ABUSE TREATMENT.

Subpart 1 of part B of title V of the Public Health Service Act (42 U.S.C. 290bb et seq.) is amended by adding at the end the following new section:

"METHAMPHETAMINE AND AMPHETAMINE TREATMENT INITIATIVE

"SEC. 514. (a) GRANTS.—

"(1) AUTHORITY TO MAKE GRANTS.—The Director of the Center for Substance Abuse Treatment may make grants to States and Indian tribes recognized by the United States that have a high rate, or have had a rapid increase, in methamphetamine or amphetamine abuse or addiction in order to permit such States and Indian tribes to expand activities in connection with the treatment of methamphetamine or amphetamine abuser or addiction in the specific geographical areas of such States or Indian tribes, as the case may be, where there is such a rate or has been such an increase.

"(2) RECIPIENTS.—Any grants under paragraph (1) shall be directed to the substance abuse directors of the States, and of the appropriate tribal government authorities of the Indian tribes, selected by the Director to receive such grants.

"(3) NATURE OF ACTIVITIES.—Any activities under a grant under paragraph (1) shall be based on reliable scientific evidence of their efficacy in the treatment of methamphetamine or amphetamine abuse or addiction.

"(b) GEOGRAPHIC DISTRIBUTION.—The Director shall ensure that grants under subsection (a) are distributed equitably among the various regions of the country and among rural, urban, and suburban areas that are affected by methamphetamine or amphetamine abuse or addiction.

"(c) ADDITIONAL ACTIVITIES.—The Director shall—

"(1) evaluate the activities supported by grants under subsection (a);

"(2) disseminate widely such significant information derived from the evaluation as the Director considers appropriate to assist States, Indian tribes, and private providers of treatment services for methamphetamine or amphetamine abuser or addiction in the treatment of methamphetamine or amphetamine abuse or addiction; and

"(3) provide States, Indian tribes, and such providers with technical assistance in connection with the provision of such treatment.

"(d) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There are authorized to be appropriated to carry out this section $10,000,000 for fiscal year 2000 and such sums as may be necessary for each of fiscal years 2001 and 2002.

"(2) USE OF CERTAIN FUNDS.—Of the funds appropriated to carry out this section in any fiscal year, the lesser of 5 percent of such funds or $1,000,000 shall be available to the Director for purposes of carrying out subsection (c).".

SEC. 33. EXPANSION OF METHAMPHETAMINE ABUSE PREVENTION EFFORTS.

(a) EXPANSION OF EFFORTS.—Section 515 of the Public Health Service Act (42 U.S.C. 290bb–21) is amended by adding at the end the following:

"(e)(1) The Administrator may make grants to and enter into contracts and cooperative agreements with public and nonprofit private entities to enable such entities—

"(A) to carry out school-based programs concerning the dangers of abuse of and addiction to methamphetamine and other illicit drugs, using methods that are effective and science-based, including initiatives that give students the responsibility to create their own anti-drug abuse education programs for their schools; and

"(B) to carry out community-based abuse and addiction prevention programs relating to methamphetamine and other illicit drugs that are effective and science-based.

"(2) Amounts made available under a grant, contract or cooperative agreement under paragraph (1) shall be used for planning, establishing, or administering prevention programs relating to methamphetamine and other illicit drugs in accordance with paragraph (3).

"(3)(A) Amounts provided under this subsection may be used—

"(i) to carry out school-based programs that are focused on those districts with high or increasing rates of methamphetamine abuse and addiction and targeted at populations which are most at risk to start abuse of methamphetamine and other illicit drugs;

"(ii) to carry out community-based prevention programs that are focused on those populations within the community that are most at-risk for abuse of and addiction to methamphetamine and other illicit drugs;

"(iii) to assist local government entities to conduct appropriate prevention activities relating to methamphetamine and other illicit drugs;

"(iv) to train and educate State and local law enforcement officials, prevention and education officials, members of community anti-drug coalitions and parents on the signs of abuse of and addiction to methamphetamine and other illicit drugs, and the options for treatment and prevention;

"(v) for planning, administration, and educational activities related to the prevention of abuse of and addiction to methamphetamine and other illicit drugs;

"(vi) for the monitoring and evaluation of prevention activities relating to methamphetamine and other illicit drugs, and reporting and disseminating resulting information to the public; and

"(vii) for targeted pilot programs with evaluation components to encourage innovation and experimentation with new methodologies.

"(B) The Administrator shall give priority in making grants under this subsection to rural and urban areas that are experiencing a high rate or rapid increases in methamphetamine abuse and addiction.

"(4)(A) Not less than $500,000 of the amount available in each fiscal year to carry out this subsection shall be made available to the Administrator, acting in consultation with other Federal agencies, to support and conduct periodic analyses and evaluations of effective prevention programs for abuse of and addiction to methamphetamine and other illicit drugs and the development of appropriate strategies for disseminating information about and implementing these programs.

"(B) The Administrator shall submit to the committees of Congress referred to in subparagraph (C) an annual report with the results of the analyses and evaluation under subparagraph (A).

"(C) The committees of Congress referred to in this subparagraph are the following:

"(i) The Committees on Health, Education, Labor, and Pensions, the Judiciary, and Appropriations of the Senate.

"(ii) The Committees on Commerce, the Judiciary, and Appropriations of the House of Representatives.".

(b) AUTHORIZATION OF APPROPRIATIONS FOR EXPANSION OF ABUSE PREVENTION EFFORTS AND PRACTITIONER REGISTRATION REQUIREMENTS.—There is authorized to be appropriated to carry out section 515(e) of the Public Health Service Act (as added by subsection (a)) and section 303(g)(2) of the Controlled Substances Act (as added by section 18(a) of this Act), $15,000,000 for fiscal year 2000, and such sums as may be necessary for each succeeding fiscal year.

SEC. 34. STUDY OF METHAMPHETAMINE TREATMENT.

(a) STUDY.—

(1) REQUIREMENT.—The Secretary of Health and Human Services shall, in consultation with the Institute of Medicine of the National Academy of Sciences, conduct a study on the development of medications for the treatment of addiction to amphetamine and methamphetamine.

(2) REPORT.—Not later than nine months after the date of the enactment of this Act, the Secretary shall submit to the Committees on the Judiciary of the Senate and House of Representatives a report on the results of the study conducted under paragraph (1).

(b) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated for the Department of Health and Human Services for fiscal year 2000 such sums as may be necessary to meet the requirements of subsection (a).

CHAPTER 4—REPORTS

SEC. 41. REPORTS ON CONSUMPTION OF METHAMPHETAMINE AND OTHER ILLICIT DRUGS IN RURAL AREAS, METROPOLITAN AREAS, AND CONSOLIDATED METROPOLITAN AREAS.

The Secretary of Health and Human Services shall include in each National Household Survey on Drug Abuse appropriate prevalence data and information on the consumption of methamphetamine and other illicit drugs in rural areas, metropolitan areas, and consolidated metropolitan areas.

SEC. 42. REPORT ON DIVERSION OF ORDINARY OVER-THE-COUNTER PSEUDOEPHEDRINE AND PHENYLPROPANOLAMINE PRODUCTS.

(a) STUDY.—The Attorney General shall conduct a study of the use of ordinary over-the-counter pseudoephedrine and phenylpropanolamine products in the clandestine production of illicit drugs. Sources of data for the study shall include the following:

(1) Information from Federal, State, and local clandestine laboratory seizures and related investigations identifying the source, type, or brand of drug products being utilized and how they were obtained for the illicit production of methamphetamine and amphetamine.

(2) Information submitted voluntarily from the pharmaceutical and retail industries involved in the manufacture, distribution, and sale of drug products containing ephedrine, pseudoephedrine, and phenylpropanolamine, including information on changes in the pattern, volume, or both, of sales of ordinary over-the-counter pseudoephedrine and phenylpropanolamine products.

(b) REPORT.—

(1) REQUIREMENT.—Not later than April 1, 2001, the Attorney General shall submit to Congress a report on the study conducted under subsection (a).

(2) ELEMENTS.—The report shall include—

(A) the findings of the Attorney General as a result of the study; and

(B) such recommendations on the need to establish additional measures to prevent diversion of ordinary over-the-counter pseudoephedrine and phenylpropanolamine (such as a threshold on ordinary over-the-counter pseudoephedrine and phenylpropanolamine products) as the Attorney General considers appropriate.

(3) MATTERS CONSIDERED.—In preparing the report, the Attorney General shall consider the comments and recommendations of State and local law enforcement and regulatory officials and of representatives of the industry described in subsection (a)(2).

Subtitle B—Controlled Substances Generally

CHAPTER 1—CRIMINAL MATTERS

SEC. 51. ENHANCED PUNISHMENT FOR TRAFFICKING IN LIST I CHEMICALS.

(a) AMENDMENTS TO FEDERAL SENTENCING GUIDELINES.—Pursuant to its authority under section 994(p) of title 28, United States, the United States Sentencing Commission shall amend the Federal sentencing guidelines in accordance with this section with respect to any violation of paragraph (1) or (2) of section 401(d) of the Controlled Substances Act (21 U.S.C. 841(d)) involving a list I chemical and any violation of paragraph (1) or (3) of section 1010(d) of the Controlled Substance Import and Export Act (21 U.S.C. 960(d)) involving a list I chemical.

(b) EPHEDRINE, PHENYLPROPANOLAMINE, AND PSEUDOEPHEDRINE.—

(1) IN GENERAL.—In carrying this section, the United States Sentencing Commission shall, with respect to each offense described in subsection (a) involving ephedrine, phenylpropanolamine, or pseudoephedrine (including their salts, optical isomers, and salts of optical isomers), review and amend its guidelines to provide for increased penalties such that those penalties corresponded to the quantity of controlled substance that could reasonably have been manufactured using the quantity of ephedrine, phenylpropanolamine, or pseudoephedrine possessed or distributed.

(2) CONVERSION RATIOS.—For the purposes of the amendments made by this subsection, the quantity of controlled substance that could reasonably have been manufactured shall be determined by using a table of manufacturing conversion ratios for ephedrine, phenylpropanolamine, and pseudoephedrine, which table shall be established by the Sentencing Commission based on scientific, law enforcement, and other data the Sentencing Commission considers appropriate.

(c) OTHER LIST I CHEMICALS.—In carrying this section, the United States Sentencing Commission shall, with respect to each offense described in subsection (a) involving any list I chemical other than ephedrine, phenylpropanolamine, or pseudoephedrine, review and amend its guidelines to provide for increased penalties such that those penalties reflect the dangerous nature of such offenses, the need for aggressive law enforcement action to fight such offenses, and the extreme dangers associated with unlawful activity involving methamphetamine and amphetamine, including—

(1) the rapidly growing incidence of controlled substance manufacturing;

(2) the extreme danger inherent in manufacturing controlled substances;

(3) the threat to public safety posed by manufacturing controlled substances; and

(4) the recent increase in the importation, possession, and distribution of list I chemicals for the purpose of manufacturing controlled substances.

(d) EMERGENCY AUTHORITY TO SENTENCING COMMISSION.—The United States Sentencing Commission shall promulgate amendments pursuant to this section as soon as practicable after the date of the enactment of this Act in accordance with the procedure set forth in section 21(a) of the Sentencing Act of 1987 (Public Law 100–182), as though the authority under that Act had not expired.

SEC. 52. MAIL ORDER REQUIREMENTS.

Section 310(b)(3) of the Controlled Substances Act (21 U.S.C. 830(b)(3)) is amended—

(1) by redesignating subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively;

(2) by inserting before subparagraph (B), as so redesignated, the following new subparagraph (A):

"(A) As used in this paragraph:

"(i) The term 'drug product' means an active ingredient in dosage form that has been approved or otherwise may be lawfully marketed under the Food, Drug, and Cosmetic Act for distribution in the United States.

"(ii) The term 'valid prescription' means a prescription which is issued for a legitimate medical purpose by an individual practitioner licensed by law to administer and prescribe the drugs concerned and acting in the usual course of the practitioner's professional practice.";

(3) in subparagraph (B), as so redesignated, by inserting "or who engages in an export transaction" after "nonregulated person"; and

(4) adding at the end the following:

"(D) Except as provided in subparagraph (E), the following distributions to a nonregulated person, and the following export transactions, shall not be subject to the reporting requirement in subparagraph (B):

"(i) Distributions of sample packages of drug products when such packages contain not more than 2 solid dosage units or the equivalent of 2 dosage units in liquid form, not to exceed 10 milliliters of liquid per package, and not more than one package is distributed to an individual or residential address in any 30-day period.

"(ii) Distributions of drug products by retail distributors that may not include face-to-face transactions to the extent that such distributions are consistent with the activities authorized for a retail distributor as specified in section 102(46).

"(iii) Distributions of drug products to a resident of a long term care facility (as that term is defined in regulations prescribed by the Attorney General) or distributions of drug products to a long term care facility for dispensing to or for use by a resident of that facility.

"(iv) Distributions of drug products pursuant to a valid prescription.

"(v) Exports which have been reported to the Attorney General pursuant to section 1004 or 1018 or which are subject to a waiver granted under section 1018(e)(2).

"(vi) Any quantity, method, or type of distribution or any quantity, method, or type of distribution of a specific listed chemical (including specific formulations or drug products) or of a group of listed chemicals (including specific formulations or drug products) which the Attorney General has excluded by regulation from such reporting requirement on the basis that such reporting is not necessary for the enforcement of this title or title III.

"(E) The Attorney General may revoke any or all of the exemptions listed in subparagraph (D) for an individual regulated person if he finds that drug products distributed by the regulated person are being used in violation of this title or title III. The regulated person shall be notified of the revocation, which will be effective upon receipt by the person of such notice, as provided in section 1018(c)(1), and shall have the right to an expedited hearing as provided in section 1018(c)(2).".

SEC. 53. ADVERTISEMENTS FOR DRUG PARAPHERNALIA AND SCHEDULE I CONTROLLED SUBSTANCES.

(a) Drug Paraphernalia.—Subsection (a)(1) of section 422 of the Controlled Substances Act (21 U.S.C. 863) is amended by inserting ", directly or indirectly advertise for sale," after "sell".

(b) Directly or Indirectly Advertise for Sale Defined.—Such section 422 is further amended by adding at the end the following new subsection:

"(g) In this section, the term 'directly or indirectly advertise for sale' means the use of any communication facility (as that term is defined in section 403(b)) to post, publicize, transmit, publish, link to, broadcast, or otherwise advertise any matter (including a telephone number or electronic or mail address) with the intent to facilitate or promote a transaction in.".

(c) Schedule I Controlled Substances.—Section 403(c) of such Act (21 U.S.C. 843(c)) is amended—

(1) by inserting "(1)" after "(c)"; and

(2) in paragraph (1), as so designated—

(A) in the first sentence, by inserting before the period the following: ", or to directly or indirectly advertise for sale (as that term is defined in section 422(g)) any Schedule I controlled substance"; and

(B) in the second sentence, by striking "term 'advertisement' " and inserting "term 'written advertisement' ".

SEC. 54. THEFT AND TRANSPORTATION OF ANHYDROUS AMMONIA FOR PURPOSES OF ILLICIT PRODUCTION OF CONTROLLED SUBSTANCES.

(a) In General.—Part D of the Controlled Substances Act (21 U.S.C. 841 et seq.) is amended by adding at the end the following:

"ANHYDROUS AMMONIA

"Sec. 423 (a) It is unlawful for any person—

"(1) to steal anhydrous ammonia, or

"(2) to transport stolen anhydrous ammonia across State lines,

knowing, intending, or having reasonable cause to believe that such anhydrous ammonia will be used to manufacture a controlled substance in violation of this part.

"(b) Any person who violates subsection (a) shall be imprisoned or fined, or both, in accordance with section 403(d) as if such violation were a violation of a provision of section 403.".

(b) Clerical Amendment.—The table of contents for that Act is amended by inserting after the item relating to section 421 the following new items:

"Sec. 422. Drug paraphernalia.
"Sec. 423. Anhydrous ammonia.".

(c) Assistance for Certain Research.—

(1) Agreement.—The Administrator of the Drug Enforcement Administration shall seek to enter into an agreement with Iowa State University in order to permit the University to continue and expand its current research into the development of inert agents that, when added to anhydrous ammonia, eliminate the usefulness of anhydrous ammonia as an ingredient in the production of methamphetamine.

(2) Reimbursable provision of funds.—The agreement under paragraph (1) may provide for the provision to Iowa State University, on a reimbursable basis, of $500,000 for purposes the activities specified in that paragraph.

(3) Authorization of appropriations.—There is hereby authorized to be appropriated for the Drug Enforcement Administration for fiscal year 2000, $500,000 for purposes of carrying out the agreement under this subsection.

SEC. 55. CRIMINAL PROHIBITION ON DISTRIBUTION OF CERTAIN INFORMATION RELATING TO THE MANUFACTURE OF CONTROLLED SUBSTANCES.

(a) In General.—Part I of title 18, United States Code, is amended by inserting after chapter 21 the following new chapter:

"CHAPTER 22—CONTROLLED SUBSTANCES

"Sec.
"421. Distribution of information relating to manufacture of controlled substances.

"§ 421. Distribution of information relating to manufacture of controlled substances

"(a) Prohibition on Distribution of Information Relating to Manufacture of Controlled Substances.—

"(1) Controlled substance defined.—In this subsection, the term 'controlled substance' has the meaning given that term in section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)).

"(2) Prohibition.—It shall be unlawful for any person—

"(A) to teach or demonstrate the manufacture of a controlled substance, or to distribute by any means information pertaining to, in whole or in part, the manufacture of a controlled substance, with the intent that the teaching, demonstration, or information be used for, or in furtherance of, an activity that constitutes a Federal crime; or

"(B) to teach or demonstrate to any person the manufacture of a controlled substance, or to distribute to any person, by any means, information pertaining to, in whole or in part, the manufacture of a controlled substance, knowing that such person intends to use the teaching, demonstration, or information for, or in furtherance of, an activity that constitutes a Federal crime.

"(b) Penalty.—Any person who violates subsection (a) shall be fined under this title, imprisoned not more than 10 years, or both.".

(b) Clerical Amendment.—The table of chapters at the beginning of part I of title 18, United States Code, is amended by inserting after the item relating to chapter 21 the following new item:

"22. Controlled Substances .... 421".

CHAPTER 2—OTHER MATTERS

SEC. 61. WAIVER AUTHORITY FOR PHYSICIANS WHO DISPENSE OR PRESCRIBE CERTAIN NARCOTIC DRUGS FOR MAINTENANCE TREATMENT OR DETOXIFICATION TREATMENT.

(a) Requirements.—Section 303(g) of the Controlled Substances Act (21 U.S.C. 823(g)) is amended—

(1) in paragraph (2), by striking "(A) security" and inserting "(i) security", and by striking "(B) the maintenance" and inserting "(ii) the maintenance";

(2) by redesignating paragraphs (1) through (3) as subparagraphs (A) through (C), respectively;

(3) by inserting "(1)" after "(g)";

(4) by striking "Practitioners who dispense" and inserting "Except as provided in paragraph (2), practitioners who dispense and prescribe"; and

(5) by adding at the end the following:

"(2)(A) Subject to subparagraphs (D), the requirements of paragraph (1) are waived in the case of the dispensing or prescribing, by a physician, of narcotic drugs in schedule III, IV, or V, or combinations of such drugs, if the physician meets the conditions specified in subparagraph (B) and the narcotic drugs or combinations of such drugs meet the conditions specified in subparagraph (C).

"(B)(i) For purposes of subparagraph (A), the conditions specified in this subparagraph with respect to a physician are that, before dispensing or prescribing narcotic drugs in schedule III, IV, or V, or combinations of such drugs, to patients for maintenance or detoxification treatment, the physician submit to the Secretary and the Attorney General a notification of the intent of the physician to begin dispensing or prescribing the drugs or combinations for such purpose, and that the notification to the Secretary also contain the following certifications by the physician:

"(I) The physician—

"(aa) is a physician licensed under State law; and

"(bb) has training or experience and the ability to treat and manage opiate-dependent patients.

"(II) With respect to patients to whom the physician will provide such drugs or combinations of drugs, the physician has the capacity to refer the patients for appropriate counseling and other appropriate ancillary services.

"(III) In any case in which the physician is not in a group practice, the total number of such patients of the physician at any one time will not exceed the applicable number. For purposes of this subclause, the applicable number is 20, except that the Secretary may by regulation change such total number.

“(IV) In any case in which the physician is in a group practice, the total number of such patients of the group practice at any one time will not exceed the applicable number. For purposes of this subclause, the applicable number is 20, except that the Secretary may by regulation change such total number, and the Secretary for such purposes may by regulation establish different categories on the basis of the number of physicians in a group practice and establish for the various categories different numerical limitations on the number of such patients that the group practice may have.

“(ii)(I) The Secretary may, in consultation with the Administrator of the Drug Enforcement Administration, the Administrator of the Substance Abuse and Mental Health Services Administration, the Director of the Center for Substance Abuse Treatment, the Director of the National Institute on Drug Abuse, and the Commissioner of Food and Drugs, issue regulations through notice and comment rulemaking or practice guidelines to implement this paragraph. The regulations or practice guidelines shall address the following:

“(aa) Approval of additional credentialing bodies and the responsibilities of credentialing bodies.

“(bb) Additional exemptions from the requirements of this paragraph and any regulations under this paragraph.

“(II) Nothing in the regulations or practice guidelines under this clause may authorize any Federal official or employee to exercise supervision or control over the practice of medicine or the manner in which medical services are provided.

“(III)(aa) The Secretary shall issue a Treatment Improvement Protocol containing best practice guidelines for the treatment and maintenance of opiate-dependent patients. The Secretary shall develop the protocol in consultation with the Director of the National Institute on Drug Abuse, the Director of the Center for Substance Abuse Treatment, the Administrator of the Drug Enforcement Administration, the Commissioner of Food and Drugs, the Administrator of the Substance Abuse and Mental Health Services Administration, and other substance abuse disorder professionals. The protocol shall be guided by science.

“(bb) The protocol shall be issued not later than 120 days after the date of the enactment of the Methamphetamine Anti-Proliferation Act of 1999.

“(IV) For purposes of the regulations or practice guidelines under subclause (I), a physician shall have training or experience under clause (i)(I)(bb) if the physician meets one or more of the following conditions:

“(aa) The physician is certified in addiction treatment by the American Society of Addiction Medicine, the American Board of Medical Specialties, the American Osteopathic Academy of Addiction Medicine, or any other certified body accredited by the Secretary.

“(bb) The physician has been a clinical investigator in a clinical trial conducted for purposes of securing approval under section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355) or section 351 of the Public Health Service Act (42 U.S.C. 262) of a narcotic drug in schedule III, IV, or V for the treatment of addiction, if such approval was granted.

“(cc) The physician has completed training (through classroom situations, seminars, professional society meetings, electronic communications, or otherwise) provided by the American Society of Addiction Medicine, the American Academy of Addiction Psychiatry, the American Osteopathic Academy of Addiction Medicine, the American Medical Association, the American Osteopathic Association, the American Psychiatric Association, or any other organization that the Secretary determines appropriate for purposes of this item. The curricula may include training in patient need for counseling regarding HIV, Hepatitis C, and other infectious diseases, substance abuse counseling, random drug testing, medical evaluation, annual assessment, prenatal care, diagnosis of addiction, rehabilitation services, confidentiality, and other appropriate topics.

“(dd) The physician has training or experience in the treatment and management of opiate-dependent, which training or experience shall meet such criteria as the Secretary may prescribe. Any such criteria shall be effective for a period of three years after the effective date of such criteria, but the Secretary may extend the effective period of such criteria by additional periods of three years for each extension if the Secretary determines that such extension is appropriate for purposes of this item. Any such extension shall go into effect only if the Secretary publishes a notice of such extension in the Federal Register during the 30-day period ending on the date of the end of the three-year effective period of such criteria to which such extension will apply.

“(ee) The physician is certified in addiction treatment by a State medical licensing board, or an entity accredited by such board, unless the Secretary determines (after an opportunity for a hearing) that the training provided by such board or entity was inadequate for the treatment and management of opiate-dependent patients.

“(C) For purposes of subparagraph (A), the conditions specified in this subparagraph with respect to narcotic drugs in schedule III, IV, or V, or combinations of such drugs, are as follows:

“(i) The drugs or combinations of drugs have, under the Federal Food, Drug and Cosmetic Act or section 351 of the Public Health Service Act, been approved for use in maintenance or detoxification treatment.

“(ii) The drugs or combinations of drugs have not been the subject of an adverse determination. For purposes of this clause, an adverse determination is a determination published in the Federal Register and made by the Secretary, after consultation with the Attorney General, that experience since the approval of the drug or combinations of drugs has shown that the use of the drugs or combinations of drugs for maintenance or detoxification treatment requires additional standards respecting the qualifications of physicians to provide such treatment, or requires standards respecting the quantities of the drugs that may be provided for unsupervised use.

“(D)(i) A waiver under subparagraph (A) with respect to a physician is not in effect unless (in addition to conditions under subparagraphs (B) and (C)) the following conditions are met:

“(I) The notification under subparagraph (B) is in writing and states the name of the physician.

“(II) The notification identifies the registration issued for the physician pursuant to subsection (f).

“(III) If the physician is a member of a group practice, the notification states the names of the other physicians in the practice and identifies the registrations issued for the other physicians pursuant to subsection (f).

“(IV) A period of 45 days has elapsed after the date on which the notification was submitted, and during such period the physician does not receive from the Secretary a written notice that one or more of the conditions specified in subparagraph (B), subparagraph (C), or this subparagraph, have not been met.

“(ii) The Secretary shall provide to the Attorney General such information contained in notifications under subparagraph (B) as the Attorney General may request.

“(E) If in violation of subparagraph (A) a physician dispenses or prescribes narcotic drugs in schedule III, IV, or V, or combinations of such drugs, for maintenance treatment or detoxification treatment, the Attorney General may, for purposes of section 304(a)(4), consider the physician to have committed an act that renders the registration of the physician pursuant to subsection (f) to be inconsistent with the public interest.

“(F)(i) Upon determining that a physician meets the conditions specified in subparagraph (B), the Secretary shall notify the physician and the Attorney General.

“(ii) Upon receiving notice with respect to a physician under clause (i), the Attorney General shall assign the physician an identification number under this paragraph for inclusion with the physician's current registration to prescribe narcotics. An identification number assigned a physician under this clause shall be appropriate to preserve the confidentiality of a patient prescribed narcotic drugs covered by this paragraph by the physician.

“(iii) If the Secretary fails to make a determination described in clause (i) by the end of the 45-day period beginning on the date of the receipt by the Secretary of a notification from a physician under subparagraph (B), the Attorney General shall assign the physician an identification number described in clause (ii) at the end of such period.

“(G) In this paragraph:

“(i) The term ‘group practice’ has the meaning given such term in section 1877(h)(4) of the Social Security Act.

“(ii) The term ‘physician’ has the meaning given such term in section 1861(r) of the Social Security Act.

“(H)(i) This paragraph takes effect on the date of the enactment of the Methamphetamine Anti-Proliferation Act of 1999, and remains in effect thereafter except as provided in clause (iii) (relating to a decision by the Secretary or the Attorney General that this paragraph should not remain in effect).

“(ii) For the purposes relating to clause (iii), the Secretary and the Attorney General shall, during the 3-year period beginning on the date of the enactment of the Methamphetamine Anti-Proliferation Act of 1999, make determinations in accordance with the following:

“(I)(aa) The Secretary shall—

“(aaa) make a determination of whether treatments provided under waivers under subparagraph (A) have been effective forms of maintenance treatment and detoxification treatment in clinical settings;

“(bbb) make a determination regarding whether such waivers have significantly increased (relative to the beginning of such period) the availability of maintenance treatment and detoxification treatment; and

“(ccc) make a determination regarding whether such waivers have adverse consequences for the public health.

“(bb) In making determinations under this subclause, the Secretary—

"(aaa) may collect data from the practitioners for whom waivers under subparagraph (A) are in effect;

"(bbb) shall issue appropriate guidelines or regulations (in accordance with procedures for substantive rules under section 553 of title 5, United States Code) specifying the scope of the data that will be required to be provided under this subclause and the means through which the data will be collected; and

"(ccc) shall, with respect to collecting such data, comply with applicable provisions of chapter 6 of title 5, United States Code (relating to a regulatory flexibility analysis), and of chapter 8 of such title (relating to congressional review of agency rulemaking).

"(II) The Attorney General shall—

"(aa) make a determination of the extent to which there have been violations of the numerical limitations established under subparagraph (B) for the number of individuals to whom a practitioner may provide treatment; and

"(bb) make a determination regarding whether waivers under subparagraph (A) have increased (relative to the beginning of such period) the extent to which narcotic drugs in schedule III, IV, or V, or combinations of such drugs, are being dispensed or prescribed, or possessed, in violation of this Act.

"(iii) If, before the expiration of the period specified in clause (ii), the Secretary or the Attorney General publishes in the Federal Register a decision, made on the basis of determinations under such clause, that this paragraph should not remain in effect, this paragraph ceases to be in effect 60 days after the date on which the decision is so published. The Secretary shall, in making any such decision, consult with the Attorney General, and shall, in publishing the decision in the Federal Register, include any comments received from the Attorney General for inclusion in the publication. The Attorney General shall, in making any such decision, consult with the Secretary, and shall, in publishing the decision in the Federal Register, include any comments received from the Secretary for inclusion in the publication.

"(I) During the 3-year period beginning on the date of the enactment of the Methamphetamine Anti-Proliferation Act of 1999, a State may not preclude a practitioner from dispensing or prescribing narcotic drugs in schedule III, IV, or V, or combinations of such drugs, to patients for maintenance or detoxification treatment in accordance with this paragraph, or the other amendments made by section 22 of that Act, unless, before the expiration of that 3-year period, the State enacts a law prohibiting a practitioner from dispensing or prescribing such drugs or combination of drugs.".

(b) CONFORMING AMENDMENTS.—Section 304 of the Controlled Substances Act (21 U.S.C. 824) is amended—

(1) in subsection (a), in the matter following paragraph (5), by striking "section 303(g)" each place the term appears and inserting "section 303(g)(1)"; and

(2) in subsection (d), by striking "section 303(g)" and inserting "section 303(g)(1)".

(c) AUTHORIZATION OF APPROPRIATIONS.—There is hereby authorized to be appropriated for purposes of activities under section 303(g)(2) of the Controlled Substances Act, as added by subsection (a), amounts as follows:

(1) For fiscal year 2000, $3,000,000.

(2) For each fiscal year after fiscal year 2000, such sums as may be necessary for such fiscal year.

Subtitle C—Cocaine Powder

SEC. 71. SHORT TITLE.

This subtitle may be cited as the "Powder Cocaine Sentencing Act of 1999".

SEC. 72. SENTENCING FOR VIOLATIONS INVOLVING COCAINE POWDER.

(a) AMENDMENT OF CONTROLLED SUBSTANCES ACT.—

(1) LARGE QUANTITIES.—Section 401(b)(1)(A)(ii) of the Controlled Substances Act (21 U.S.C. 841(b)(1)(A)(ii)) is amended by striking "5 kilograms" and inserting "500 grams".

(2) SMALL QUANTITIES.—Section 401(b)(1)(B)(ii) of the Controlled Substances Act (21 U.S.C. 841(b)(1)(B)(ii)) is amended by striking "500 grams" and inserting "50 grams".

(b) AMENDMENT OF CONTROLLED SUBSTANCES IMPORT AND EXPORT ACT.—

(1) LARGE QUANTITIES.—Section 1010(b)(1)(B) of the Controlled Substances Import and Export Act (21 U.S.C. 960(b)(1)(B)) is amended by striking "5 kilograms" and inserting "500 grams".

(2) SMALL QUANTITIES.—Section 1010(b)(2)(B) of the Controlled Substances Import and Export Act (21 U.S.C. 960(b)(2)(B)) is amended by striking "500 grams" and inserting "50 grams".

(c) AMENDMENT OF SENTENCING GUIDELINES.—Pursuant to section 994 of title 28, United States Code, the United States Sentencing Commission shall amend the Federal sentencing guidelines to reflect the amendments made by this section.

Subtitle D—Miscellaneous

SEC. 81. NOTICE; CLARIFICATION.

(a) NOTICE OF ISSUANCE.—Section 3103a of title 18, United States Code, is amended by adding at the end the following new sentence: "With respect to any issuance under this section or any other provision of law (including section 3117 and any rule), any notice required, or that may be required, to be given may be delayed pursuant to the standards, terms, and conditions set forth in section 2705, unless otherwise expressly provided by statute.".

(b) CLARIFICATION.—(1) Section 2(e) of Public Law 95–78 (91 Stat. 320) is amended by adding at the end the following:

"Subdivision (d) of such rule, as in effect on this date, is amended by inserting 'tangible' before 'property' each place it occurs.".

(2) The amendment made by paragraph (1) shall take effect on the date of the enactment of this Act.

SEC. 82. DOMESTIC TERRORISM ASSESSMENT AND RECOVERY.

(a) IN GENERAL.—The Federal Bureau of Investigation shall prepare a study assessing—

(1) the threat posed by the Fuerzas Armadas de Liberacion Nacional Puertorriquena (FALN) and Los Macheteros terrorist organizations to the United States and its territories as of July 31, 1999; and

(2) what effect the President's offer of clemency to 16 FALN and Los Macheteros members on August 11, 1999, and the subsequent release of 11 of those members, will have on the threat posed by those terrorist organizations to the United States and its territories.

(b) ISSUES EXAMINED.—In conducting and preparing the study under subsection (a), the Federal Bureau of Investigation shall address—

(1) the threat posed by the FALN and Los Macheteros organizations to law enforcement officers, prosecutors, defense attorneys, witnesses, and judges involved in the prosecution of members of the FALN and Los Macheteros, both in the United States and its territories;

(2) the roles played by each the 16 members offered clemency by the President on August 11, 1999, in the FALN and Los Macheteros organizations;

(3) the extent to which the FALN and Los Macheteros organizations are associated with other known terrorist organizations or countries suspected of sponsoring terrorism;

(4) the threat posed to the national security interests of the United States by the FALN and Los Macheteros organizations;

(5) whether the offer of clemency to, or release of, any of the 16 FALN or Los Macheteros members would violate, or be inconsistent with, the United States' obligations under international treaties and agreements governing terrorist activity; and

(6) the effect on law enforcement's ability to solve open cases and apprehend fugitives resulting from the offer of clemency to the 16 FALN and Los Macheteros members, without first requiring each of them to provide the government all truthful information and evidence he or she has concerning open investigations and fugitives associated with the FALN and Los Macheteros organizations.

(c) REPORT.—Not later than 30 days after the date of the enactment of this Act, the Federal Bureau of Investigation shall submit to Congress a report on the study conducted under subsection (a).

SEC. 83. ANTIDRUG MESSAGES ON FEDERAL GOVERNMENT INTERNET WEBSITES.

Not later than 90 days after the date of the enactment of this Act, the head of each department, agency, and establishment of the Federal Government shall, in consultation with the Director of the Office of National Drug Control Policy, place antidrug messages on appropriate Internet websites controlled by such department, agency, or establishment which messages shall, where appropriate, contain an electronic hyperlink to the Internet website, if any, of the Office.

SEC. 84. SEVERABILITY.

Any provision of this title held to be invalid or unenforceable by its terms, or as applied to any person or circumstance, shall be construed as to give the maximum effect permitted by law, unless such provision is held to be utterly invalid or unenforceable, in which event such provision shall be severed from this title and shall not affect the applicability of the remainder of this title, or of such provision, to other persons not similarly situated or to other, dissimilar circumstances.

LEAHY (AND OTHERS) AMENDMENT NO. 2528

Mr. LEAHY (for himself, Mrs. MURRAY, and Mrs. FEINSTEIN) proposed an amendment to the bill, S. 625, supra; as follows:

On page 7, line 22, insert after the period the following:

"In addition, the debtor's monthly expenses shall include the debtor's reasonably necessary expenses incurred to maintain the safety of the debtor and the family of the debtor from family violence as identified under section 309 of the Family Violence Prevention and Services Act (42 U.S.C. 10408), or other applicable Federal law. The expenses included in the debtor's monthly expenses described in the preceding sentence shall be kept confidential by the court."

LEAHY AMENDMENT NO. 2529

Mr. LEAHY proposed an amendment to the bill, S. 625, supra; as follows:

On page 115, line 23, strike all through page 117, line 20, and insert the following:

"(iv) copies of all payment advices or other evidence of payment, if any, received by the debtor from any employer of the debtor in the period 60 days before the filing of the petition;

"(v) a statement of the amount of projected monthly net income, itemized to show how the amount is calculated; and

"(vi) a statement disclosing any reasonably anticipated increase in income or expenditures over the 12-month period following the date of filing"; and

(2) by adding at the end the following:

"(d)(1) At any time, a creditor, in the case of an individual under chapter 7 or 13, may file with the court notice that the creditor requests the petition, schedules, and a statement of affairs filed by the debtor in the case and the court shall make those documents available to the creditor who request those documents.

"(2)(A) At any time, a creditor in a case under chapter 13 may file with the court notice that the creditor requests the plan filed by the debtor in the case.

"(B) The court shall make such plan available to the creditor who request such plan—

"(i) at a reasonable cost; and

"(ii) not later than 5 days after such request.

"(e) An individual debtor in a case under chapter 7 or 13 shall file with the court at the request of any party in interest—

"(1) at the time filed with the taxing authority, all tax returns required under applicable law, including any schedules or attachments, with respect to the period from the commencement of the case until such time as the case is closed;

"(2) at the time filed with the taxing authority, all tax returns required under applicable law, including any schedules or attachments, that were not filed with the taxing authority when the schedules under subsection (a)(1) were filed with respect to the period that is 3 years before the order of relief;

"(3) any amendments to any of the tax returns, including schedules or attachments, described in paragraph (1) or (2); and"

BYRD AMENDMENT NO. 2530

(Ordered to lie on the table.)

Mr. BYRD submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following:

SEC. ___. PROVISION OF ELECTRONIC FTC PAMPHLET WITH ELECTRONIC CREDIT CARD APPLICATIONS AND SOLICITATIONS.

Section 127(c) of the Truth in Lending Act (15 U.S.C. 1637(c)) is amended—

(1) by redesignating paragraph (5) as paragraph (6); and

(2) by inserting after paragraph (4) the following:

"(5) Inclusion of Federal Trade Commission Pamphlet.—

"(A) In general.—Any application to open a credit card account for any person under an open end consumer credit plan, or a solicitation to open such an account without requiring an application, that is electronically transmitted to or accessed by a consumer shall be accompanied by an electronic version (or an electronic link thereto) of the pamphlet published by the Federal Trade Commission relating to choosing and using credit cards.

"(B) Costs.—The card issuer with respect to an account described in subparagraph (A) shall be responsible for all costs associated with compliance with that subparagraph.".

DODD AMENDMENT NO. 2531

(Ordered to lie on the table.)

Mr. DODD submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

On page 83, between lines 4 and 5, insert the following:

SEC. 2 . PROTECTION OF EDUCATION SAVINGS.

(a) Exclusions.—Section 541 of title 11, United States Code, as amended by section 903, is amended—

(1) in subsection (b)—

(A) in paragraph (5), by striking "or" at the end;

(B) by redesignating paragraph (6) as paragraph (8); and

(C) by inserting after paragraph (5) the following:

"(6) funds placed in an education individual retirement account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986) not later than 365 days before the date of filing of the petition, but—

"(A) only if the designated beneficiary of such account was a son, daughter, stepson, stepdaughter, grandchild, or step-grandchild of the debtor for the taxable year for which funds were placed in such account;

"(B) only to the extent that such funds—

"(i) are not pledged or promised to any entity in connection with any extension of credit; and

"(ii) are not excess contributions (as described in section 4973(e) of the Internal Revenue Code of 1986); and

"(C) in the case of funds placed in all such accounts having the same designated beneficiary not earlier than 720 days nor later than 365 days before such date, only so much of such funds as does not exceed $5,000;

"(7) funds used to purchase a tuition credit or certificate or contributed to an account in accordance with section 529(b)(1)(A) of the Internal Revenue Code of 1986 under a qualified State tuition program (as defined in section 529(b)(1) of such Code) not later than 365 days before the date of filing of the petition, but—

"(A) only if the designated beneficiary of the amounts paid or contributed to such tuition program was a son, daughter, stepson, stepdaughter, grandchild, or step-grandchild of the debtor for the taxable year for which funds were paid or contributed;

"(B) with respect to the aggregate amount paid or contributed to such program having the same designated beneficiary, only so much of such amount as does not exceed the total contributions permitted under section 529(b)(7) of such Code with respect to such beneficiary, as adjusted beginning on the date of the filing of the petition by the annual increase or decrease (rounded to the nearest tenth of 1 percent) in the education expenditure category of the Consumer Price Index prepared by the Department of Labor; and

"(C) in the case of funds paid or contributed to such program having the same designated beneficiary not earlier than 720 days nor later than 365 days before such date, only so much of such funds as does not exceed $5,000; or"; and

(2) by adding at the end the following:

"(f) In determining whether any of the relationships specified in paragraph (6)(A) or (7)(A) of subsection (b) exists, a legally adopted child of an individual (and a child who is a member of an individual's household, if placed with such individual by an authorized placement agency for legal adoption by such individual), or a foster child of an individual (if such child has as the child's principal place of abode the home of the debtor and is a member of the debtor's household) shall be treated as a child of such individual by blood.".

(b) Debtor's Duties.—Section 521 of title 11, United States Code, as amended by sections 105(d), 304(c)(1), 305(2), 315(b), and 316 of this Act, is amended by adding at the end the following:

"(k) In addition to meeting the requirements under subsection (a), a debtor shall file with the court a record of any interest that a debtor has in an education individual retirement account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986) or under a qualified State tuition program (as defined in section 529(b)(1) of such Code).".

DODD (AND OTHERS) AMENDMENT NO. 2532

(Ordered to lie on the table.)

Mr. DODD (for himself, Ms. Landrieu, and Mr. Kennedy) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

On page 7, line 15, strike "(ii)" and insert "(ii)(I)".

On page 7, between lines 21 and 22, insert the following:

"(II) The expenses referred to in subclause (I) shall include—

"(aa) taxes and mandatory withholdings from wages;

"(bb) health care;

"(cc) alimony, child, and spousal support payments;

"(dd) legal fees necessary for the debtor's case;

"(ee) child care and the care of elderly or disabled family members;

"(ff) reasonable insurance expenses and pension payments;

"(gg) religious and charitable contributions;

"(hh) educational expenses not to exceed $10,000 per household;

"(ii) union dues;

"(jj) other expenses necessary for the operation of a business of the debtor or for the debtor's employment;

"(kk) utility expenses and home maintenance expenses for a debtor that owns a home;

"(*ll*) ownership costs for a motor vehicle, determined in accordance with Internal Revenue Service transportation standards, reduced by any payments on debts secured by the motor vehicle or vehicle lease payments made by the debtor;

"(mm) expenses for children's toys and recreation for children of the debtor;

"(nn) tax credits for earned income determined under section 32 of the Internal Revenue Code of 1986; and

"(oo) miscellaneous and emergency expenses.

On page 83, between lines 4 and 5, insert the following:

SEC. 225. TREATMENT OF TAX REFUNDS AND DOMESTIC SUPPORT OBLIGATIONS.

(a) Property of the Estate.—Section 541 of title 11, United States Code, is amended—

(1) in subsection (a)(5)(B) by inserting "except as provided under subsection (b)(7)," before "as a result"; and

(2) in subsection (b)—

(A) in paragraph (4), by striking "or" at the end;

(B) in paragraph (5), by striking the period at the end and inserting a semicolon; and

(C) by inserting after paragraph (5) the following:

"(6) any—

"(A) refund of tax due to the debtor under subtitle A of the Internal Revenue Code of 1986 for any taxable year to the extent that the refund does not exceed the amount of an applicable earned income tax credit allowed under section 32 of such Code for such year; and

"(B) advance payment of an earned income tax credit under section 3507 of the Internal Revenue Code of 1986; or

"(7) the right of the debtor to receive alimony, support, or separate maintenance for the debtor or dependent of the debtor.".

(b) PROTECTION OF EARNED INCOME TAX CREDIT AND SUPPORT PAYMENTS UNDER BANKRUPTCY REPAYMENT PLANS IN CHAPTER 12.—Section 1225(b)(2) of title 11, United States Code, as amended by section 218 of this Act, is amended—

(1) by inserting "(A)" before "For purposes";

(2) by striking "(A) for the maintenance" and inserting "(i) for the maintenance";

(3) by striking "(B) if the debtor" and inserting "(ii) if the debtor"; and

(4) by adding at the end the following:

"(B) In determining disposable income the court shall not consider amounts the debtor receives or is entitled to receive from—

"(i) any refund of tax due to the debtor under subtitle A of the Internal Revenue Code of 1986 for any taxable year to the extent that the refund does not exceed the amount of an applicable earned income tax credit allowed by section 32 of the Internal Revenue Code of 1986 for such year;

"(ii) any advance payment for an earned income tax credit described in clause (i); or

"(iii) child support, foster care, or disability payment for the care of a dependent child in accordance with applicable nonbankruptcy law.".

(c) PROTECTION OF EARNED INCOME TAX CREDIT AND SUPPORT PAYMENTS UNDER BANKRUPTCY REPAYMENT PLANS IN CHAPTER 13.—Section 1325(b)(2) of title 11, United States Code, as amended by section 218 of this Act, is amended—

(1) by inserting "(A)" before "For purposes";

(2) by striking "(A) for the maintenance" and inserting "(i) for the maintenance";

(3) by striking "(B) if the debtor" and inserting "(ii) if the debtor"; and

(4) by adding at the end the following:

"(B) In determining disposable income the court shall not consider amounts the debtor receives or is entitled to receive from—

"(i) any refund of tax due to the debtor under subtitle A of the Internal Revenue Code of 1986 for any taxable year to the extent that the refund does not exceed the amount of an applicable earned income tax credit allowed by section 32 of the Internal Revenue Code of 1986 for such year;

"(ii) any advance payment for an earned income tax credit described in clause (i); or

"(iii) child support, foster care, or disability payment for the care of a dependent child in accordance with applicable nonbankruptcy law.".

(d) EXEMPTIONS.—Section 522(d) of title 11, United States Code, as amended by section 224 of this Act, is amended in paragraph (10)—

(1) in subparagraph (C), by adding "or" after the semicolon;

(2) by striking subparagraph (D); and

(3) by striking "(E)" and inserting "(D)".

On page 92, line 5, strike "personal property" and insert "an item of personal property purchased for more than $3,000".

On page 93, line 19, strike "property" and insert "an item of personal property purchased for more than $3,000".

On page 97, line 10, strike "if" and insert "to the extent that".

On page 97, line 10, after "incurred" insert "to purchase that thing of value".

On page 98, line 1, strike "(27A)" and insert (27B)".

On page 107, line 9, strike "and aggregating more than $250" and insert "for $400 or more per item or service".

On page 107, line 11, strike "90" and insert "70".

On page 107, line 13, after "dischargeable" insert the following: "if the creditor proves by a preponderance of the evidence at a hearing that the goods or services were not reasonably necessary for the maintenance or support of the debtor".

On page 107, line 15, strike "$750" and insert "$1,075".

On page 107, line 17, strike "70" and insert "60".

Beginning on page 109, strike line 21 and all that follows through page 111, line 15, and insert the following:

SEC. 314. HOUSEHOLD GOOD DEFINED.

Section 101 of title 11, United States Code, as amended by section 106(c) of this Act, is amended by inserting before paragraph (27B) the following:

"(27A) 'household goods'—

"(A) includes tangible personal property normally found in or around a residence; and

"(B) does not include motor vehicles used for transportation purposes;".

On page 112, line 6, strike "(except that," and all that follows through "debts)" on line 13.

On page 113, between lines 3 and 4, insert the following:

(c) EXCEPTIONS TO DISCHARGE.—Section 523 of title 11, United States Code, is amended—

(1) in subsection (c), by inserting "(14A)," after "(6)," each place it appears; and

(2) in subsection (d), by striking "(a)(2)" and inserting "(a) (2) or (14A)".

On page 263, line 8, insert "as amended by section 322 of this Act," after "United States Code,".

On page 263, line 11, strike "(4)" and insert "(5)".

On page 263, line 12, strike "(5)" and insert "(6)".

On page 263, line 13, strike "(6)" and insert "(7)".

On page 263, line 14, strike "(4)" and insert "(5)".

On page 263, line 16, strike "(5)" and insert "(6)".

HATCH AMENDMENTS NOS. 2533–2535

(Ordered to lie on the table.)

Mr. HATCH submitted three amendments intended to be proposed by him to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2533

On page 21, line 25, strike the ending quotation marks and the second period.

On page 22, before line 1, insert the following:

"(b) No attorney or agency that represents a debtor under this title may provide credit counseling services to that debtor.".

(2) REPORT.—Not later than 180 days after the date of enactment of this Act, the Judicial Conference of the United States shall conduct a study and submit a report to Congress that—

(A) evaluates the implementation of section 111(b) of title 11, United States Code, as amended by this subsection; and

(B) includes any recommendations for Congress.

On page 22, line 1, strike "(2)" and insert "(3)".

AMENDMENT NO. 2534

On page 20, between lines 2 and 3, insert the following:

(c) FRESH START CREDIT COUNSELING.—Section 727 of title 11, United States Code, as amended by subsection (b) of this section, is amended by adding at the end the following:

"(f)(1) In addition to meeting the requirements under subsection (a), as a condition to receiving a discharge under this section a debtor shall provide assurances that the debtor will complete by not later than 365 days after the granting of the discharge, an instructional course concerning personal financial management described in section 111. That course shall be in addition to the course completed by the debtor to meet the requirements of section 109.

"(2) If a debtor fails to meet the requirements of paragraph (1) by the date specified in that paragraph, the debtor may not file a voluntary case under this chapter or chapter 13 until after the date that is 10 years after the date of the discharge referred to in that paragraph.".

On page 20, line 3, strike "(c)" and insert "(d)".

On page 20, line 22, strike the ending quotation marks and the following period.

On page 20, between lines 22 and 23, insert the following:

"(j)(1) In addition to meeting the requirements under subsection (g), as a condition to receiving a discharge under this section a debtor shall provide assurances that the debtor will complete by not later than 365 days after the granting of the discharge, an instructional course concerning personal financial management described in section 111. That course shall be in addition to the course completed by the debtor to meet the requirements of section 109.

"(2) If a debtor fails to meet the requirements of paragraph (1) by the date specified in that paragraph, the debtor may not file a voluntary case under this chapter or chapter 7 until after the date that is 10 years after the date of the discharge referred to in that paragraph.".

On page 20, line 23, strike "(d)" and insert "(e)".

On page 21, line 12, strike "(e)" and insert "(f)".

On page 22, line 4, strike "(f)" and insert "(g)".

AMENDMENT NO. 2535

On page 21, line 25, strike the ending quotation marks and the following period.

On page 21, after line 25, add the following:

"(b)(1) In this subsection, the term 'credit counseling service'—

"(A) means—

"(i) a nonprofit credit counseling service approved under subsection (a); and

"(ii) any other consumer education program carried out by—

"(I) a trustee appointed under chapter 13; or

"(II) any other public or private entity or individual; and

"(B) does not include any counseling service provided by the attorney of the debtor or an agent of the debtor.

"(2)(A) No credit counseling service may provide to a credit reporting agency information concerning whether an individual debtor has received or sought instruction concerning personal financial management from the credit counseling service.

"(B) A credit counseling service that willfully or negligently fails to comply with any requirement under this title with respect to a debtor shall be liable for damages in an amount equal to the sum of—

"(i) any actual damages sustained by the debtor as a result of the violation; and

"(ii) any court costs or reasonable attorneys' fees (as determined by the court) incurred in an action to recover those damages.".

HATCH (AND OTHERS) AMENDMENT NO. 2536

(Ordered to lie on the table.)

Mr. HATCH (for himself, Mr. DODD, and Mr. GREGG) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

On page 83, between lines 4 and 5, insert the following:

SEC. 2 . PROTECTION OF EDUCATION SAVINGS.

(a) EXCLUSIONS.—Section 541 of title 11, United States Code, as amended by section 903, is amended—

(1) in subsection (b)—

(A) in paragraph (5), by striking "or" at the end;

(B) by redesignating paragraph (6) as paragraph (8); and

(C) by inserting after paragraph (5) the following:

"(6) funds placed in an education individual retirement account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986) not later than 365 days before the date of filing of the petition, but—

"(A) only if the designated beneficiary of such account was a son, daughter, stepson, stepdaughter, grandchild, or step-grandchild of the debtor for the taxable year for which funds were placed in such account;

"(B) only to the extent that such funds—

"(i) are not pledged or promised to any entity in connection with any extension of credit; and

"(ii) are not excess contributions (as described in section 4973(e) of the Internal Revenue Code of 1986); and

"(C) in the case of funds placed in all such accounts having the same designated beneficiary not earlier than 720 days nor later than 365 days before such date, only so much of such funds as does not exceed $5,000;

"(7) funds used to purchase a tuition credit or certificate or contributed to an account in accordance with section 529(b)(1)(A) of the Internal Revenue Code of 1986 under a qualified State tuition program (as defined in section 529(b)(1) of such Code) not later than 365 days before the date of filing of the petition, but—

"(A) only if the designated beneficiary of the amounts paid or contributed to such tuition program was a son, daughter, stepson, stepdaughter, grandchild, or step-grandchild of the debtor for the taxable year for which funds were paid or contributed;

"(B) with respect to the aggregate amount paid or contributed to such program having the same designated beneficiary, only so much of such amount as does not exceed the total contributions permitted under section 529(b)(7) of such Code with respect to such beneficiary, as adjusted beginning on the date of the filing of the petition by the annual increase or decrease (rounded to the nearest tenth of 1 percent) in the education expenditure category of the Consumer Price Index prepared by the Department of Labor; and

"(C) in the case of funds paid or contributed to such program having the same designated beneficiary not earlier than 720 days nor later than 365 days before such date, only so much of such funds as does not exceed $5,000; or"; and

(2) by adding at the end the following:

"(f) In determining whether any of the relationships specified in paragraph (6)(A) or (7)(A) of subsection (b) exists, a legally adopted child of an individual (and a child who is a member of an individual's household, if placed with such individual by an authorized placement agency for legal adoption by such individual), or a foster child of an individual (if such child has as the child's principal place of abede the home of the debtor and is a member of the debtor's household) shall be treated as a child of such individual by blood.".

(b) DEBTOR'S DUTIES.—Section 521 of title 11, United States Code, as amended by sections 105(d), 304(c)(1), 305(2), 315(b), and 316 of this Act, is amended by adding at the end the following:

"(k) In addition to meeting the requirements under subsection (a), a debtor shall file with the court a record of any interest that a debtor has in an education individual retirement account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986) or under a qualified State tuition program (as defined in section 529(b)(1) of such Code).".

WELLSTONE AMENDMENTS NOS. 2537–2538

(Ordered to lie on the table.)

Mr. WELLSTONE submitted two amendments intended to be proposed by him to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2537

At appropriate place, insert the following:

SEC. . DISALLOWANCE OF CLAIMS OF CERTAIN INSURED DEPOSITORY INSTITUTIONS.

Section 502(b) of title 11, United States Code, is amended—

(1) in paragraph (8), by striking "or" at the end;

(2) in paragraph (9), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following:

"(10) such claim is the claim of an insured depository institution (as defined in section 3 of the Federal Deposit Insurance Act) that, as determined by the appropriate Federal banking agency (as defined in section 3 of the Federal Deposit Insurance Act)—

"(A) has total aggregate assets of more than $200,000,000;

"(B) offers retail depository services to the public; and

"(C) does not offer both checking and savings accounts that have—

"(i) low fees or no fees; and

"(ii) low or no minimum balance requirements.".

AMENDMENT NO. 2538

At appropriate place, insert the following:

SEC. . DISALLOWANCE OF CERTAIN CLAIMS; PROHIBITION OF COERCIVE DEBT COLLECTION PRACTICES.

(a) IN GENERAL.—Section 502(b) of title 11, United States Code, is amended—

(1) in paragraph (8), by striking "or" at the end;

(2) in paragraph (9), by striking the period at the end and inserting "; or"; and

(3) by adding at the end of the following:

"(10) such claim arises from a transaction—

"(A) that is—

"(i) a consumer credit transaction;

"(ii) a transaction, for a fee—

"(I) in which the deposit of a personal check is deferred; or

"(II) that consists of a credit and a right to a future debit to a personal deposit account; or

"(iii) a transaction secured by a motor vehicle or the title to a motor vehicle; and

"(B) in which the annual percentage rate (as determined in accordance with section 107 of the Truth in Lending Act) exceeds 100 percent.".

(b) UNFAIR DEBT COLLECTION PRACTICES.—

(1) IN GENERAL.—Section 808 of the Fair Debt Collection Practices Act (15 U.S.C. 1692f) is amended—

(A) in the first sentence, by striking "A debt collector" and inserting the following:

"(a) IN GENERAL.—A debt collector"; and

(B) by adding at the end the following:

"(b) COERCIVE DEBT COLLECTION PRACTICES.—

"(1) IN GENERAL.—It shall be unlawful for any person (including a debt collector or a creditor) who, for a fee, defers deposit of a personal check or who makes a loan in exchange for a personal check or electronic access to a personal deposit account, to—

"(A) threaten to use or use the criminal justice process to collect on the personal check or on the loan;

"(B) threaten to use or use any process to seek a civil penalty if the personal check is returned for insufficient funds; or

"(C) threaten to use or use any civil process to collect on the personal check or the loan that is not generally available to creditors to collect on loans in default.

"(2) CIVIL LIABILITY.—Any person who violates this section shall be liable to the same extent and in the same manner as a debt collector is liable under section 813 for failure to comply with a provision of this title.".

(2) CONFORMING AMENDMENT.—Section 803(6) of the Fair Debt Collection Practices Act (15 U.S.C. 1692a(6)) is amended by striking "808(6)" and inserting "808(a)(6)".

LEAHY AMENDMENTS NOS. 2539–2540

(Ordered to lie on the table.)

Mr. LEAHY submitted two amendments intended to be proposed by him to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2539

On page 124, insert between lines 14 and 15 the following:

SEC. 322. BANKRUPTCY APPEALS.

(a) APPEALS.—Section 158 of title 28, United States Code, is amended—

(1) in subsection (c)(1), by striking out "Subject to subsection (b)," and inserting in lieu thereof "Subject to subsections (b) and (d)(2),"; and

(2) in subsection (d)—

(A) by inserting "(1)" after "(d)"; and

(B) by adding at the end the following new paragraph:

"(2) A court of appeals that would have jurisdiction of a subsequent appeal under paragraph (1) or other applicable law may authorize an immediate appeal to that court, in lieu of further proceedings in a district court or before a bankruptcy appellate panel exercising appellate jurisdiction under subsection (a) or (b), if the district court or bankruptcy appellate panel hearing an appeal certifies that—

"(A) a substantial question of law or matter of public importance is presented in the appeal pending in the district court or before the bankruptcy appellate panel; and

"(B) the interests of justice require an immediate appeal to the court of appeals of the judgment, order, or decree that had been appealed to the district court or bankruptcy appellate panel.".

(b) PROCEDURAL RULES.—

(1) IN GENERAL.—Until rules of practice and procedure are promulgated or amended under chapter 131 of title 28, United States Code, relating to appeals to a court of appeals exercising jurisdiction under section 158(d)(2) of title 28, United States Code, as added by this Act, the provisions of this subsection shall apply.

(2) CERTIFICATION.—A district court or bankruptcy appellate panel may enter a certification as described under section 158(d)(2) of title 28, United States Code, on its own or a party's motion during an appeal to the district court or bankruptcy appellate panel under section 158 (a) or (b) of such title.

(3) APPEAL.—Subject to paragraphs (1), (2), and (4) through (8) of this subsection, an appeal under section 158(d)(2) of title 28, United States Code, shall be taken in the manner prescribed under rule 5 of the Federal Rules of Appellate Procedure.

(4) FILING BASED ON CERTIFICATION.—When an appeal is requested on the basis of a certification of a district court or bankruptcy appellate panel, the petition shall be filed within 10 days after the district court or bankruptcy appellate panel enters the certification.

(5) ATTACHMENT OF CERTIFICATION.—When an appeal is requested on the basis of a certification of a district court or bankruptcy appellate panel, a copy of the certification shall be attached to the petition.

(6) APPLICATION TO BANKRUPTCY APPELLATE PANELS.—When an appeal is requested in a case pending before a bankruptcy appellate panel, rule 5 of the Federal Rules of Appellate Procedure shall apply by using the terms "bankruptcy appellate panel" and "clerk of the bankruptcy appellate panel" in lieu of the terms "district court" and "district clerk", respectively.

(7) APPLICATION OF FEDERAL RULES.—When a court of appeals authorizes an appeal, the Federal Rules of Appellate Procedure apply to the proceedings in the court of appeals, to the extent relevant, as if the appeal were taken from a final judgment, order, or decree of a district court or bankruptcy appellate panel exercising appellate jurisdiction under section 158 (a) or (b) of title 28, United States Code.

AMENDMENT NO. 2540

On page 294, between lines 11 and 12, insert the following:

SEC. 11__. TOBACCO MULTI-STATE ACCOUNTABILITY.

(a) PURPOSE.—The purpose of this section is to provide that tobacco companies and their parent corporations may not use Federal bankruptcy law to escape their liability for the debts arising from the settlement of certain litigation by State attorneys general to hold the tobacco industry accountable for its prior actions.

(b) CONFIRMATION OF PLAN DOES NOT PROVIDE FOR DISCHARGE OF CERTAIN DEBTS ARISING FROM TOBACCO-RELATED LITIGATION.—Section 1141(d) of title 11, United States Code, as amended by section 708 of this Act, is amended by adding at the end the following:

"(6)(A) The confirmation of a plan does not discharge a debtor that is a covered corporation from any debt arising under the applicable tobacco settlement.

"(B) In this paragraph:

"(i) The term 'covered corporation' means any manufacturer of a tobacco product (as determined under an applicable tobacco settlement) and its parent corporation, as of the date of the execution of the applicable tobacco settlement.

"(ii) The term 'tobacco settlement' means—

"(I) the Master Settlement Agreement and the Smokeless Tobacco Master Settlement Agreement executed by the applicable State Attorneys General on November 23, 1998, and any subsequent amendments thereto;

"(II) the separate settlement agreements executed by the Attorneys General of the States of Florida, Minnesota, Mississippi, and Texas in 1997 and 1998, concerning their litigation against the tobacco industry; and

"(III) the National Tobacco Growers Settlement Trust executed by the applicable State Attorneys General.

"(iii) The term 'State' means any State, territory, or possession of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.".

VETERANS' MILLENNIUM HEALTH CARE ACT

SPECTER AMENDMENT NO. 2541

Mr. DOMENICI (for Mr. SPECTER) proposed an amendment to the bill (H.R. 2116) to amend title 38, United States Code, to establish a program of extended care services for veterans and to make other improvements in health care programs of the Department of Veterans Affairs; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Veterans Benefits Act of 1999".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. References to title 38, United States Code.

TITLE I—MEDICAL CARE

Subtitle A—Long-Term Care

Sec. 101. Continuum of care for veterans.
Sec. 102. Pilot programs relating to long-term care of veterans.
Sec. 103. Pilot program relating to assisted living services.

Subtitle B—Management of Medical Facilities and Property

Sec. 111. Enhanced-use lease authority.
Sec. 112. Designation of hospital bed replacement building at Department of Veterans Affairs Medical Center in Reno, Nevada, after Jack Streeter.

Subtitle C—Other Health Care Provisions

Sec. 121. Emergency health care in non-Department of Veterans Affairs facilities for enrolled veterans.
Sec. 122. Improvement of specialized mental health services for veterans.
Sec. 123. Treatment and services for drug or alcohol dependency.
Sec. 124. Allocation to Department of Veterans Affairs health care facilities of amounts in Medical Care Collections Fund.
Sec. 125. Extension of certain Persian Gulf War authorities.
Sec. 126. Report on coordination of procurement of pharmaceuticals and medical supplies by the Department of Veterans Affairs and the Department of Defense.
Sec. 127. Reimbursement of medical expenses of veterans located in Alaska.
Sec. 128. Repeal of four-year limitation on terms of Under Secretary for Health and Under Secretary for Benefits.

Subtitle D—Major Medical Facility Projects Construction Authorizations

Sec. 131. Authorization of major medical facility projects.

TITLE II—BENEFITS MATTERS

Subtitle A—Homeless Veterans

Sec. 201. Extension of program of housing assistance for homeless veterans.
Sec. 202. Homeless veterans comprehensive service programs.
Sec. 203. Authorizations of appropriations for homeless veterans' reintegration projects.
Sec. 204. Report on implementation of General Accounting Office recommendations regarding performance measures.

Subtitle B—Other Matters

Sec. 211. Payment rate of certain burial benefits for certain Filipino veterans.
Sec. 212. Extension of authority to maintain a regional office in the Republic of the Philippines.
Sec. 213. Extension of Advisory Committee on Minority Veterans.
Sec. 214. Dependency and indemnity compensation for surviving spouses of former prisoners of war.
Sec. 215. Repeal of limitation on payments of benefits to incompetent institutionalized veterans.
Sec. 216. Clarification of veterans employment opportunities.

TITLE III—EDUCATION MATTERS

Sec. 301. Short title.
Sec. 302. Availability of Montgomery GI Bill benefits for preparatory courses for college and graduate school entrance exams.
Sec. 303. Increase in basic benefit of active duty educational assistance.
Sec. 304. Increase in rates of survivors and dependents educational assistance.
Sec. 305. Increased active duty educational assistance benefit for contributing members.
Sec. 306. Continuing eligibility for educational assistance of members of the Armed Forces attending officer training school.
Sec. 307. Eligibility of members of the Armed Forces to withdraw elections not to receive Montgomery GI Bill basic educational assistance.

Sec. 308. Accelerated payments of basic educational assistance.
Sec. 309. Veterans education and vocational training benefits provided by the States.

TITLE IV—MEMORIAL AFFAIRS

Subtitle A—Arlington National Cemetery

Sec. 401. Short title.
Sec. 402. Persons eligible for burial in Arlington National Cemetery.
Sec. 403. Persons eligible for placement in the columbarium in Arlington National Cemetery.

Subtitle B—Other Memorial Matters

Sec. 411. Establishment of additional national cemeteries.
Sec. 412. Use of flat grave markers at Santa Fe National Cemetery, New Mexico.

Subtitle C—World War II Memorial

Sec. 421. Short title.
Sec. 422. Fund raising by American Battle Monuments Commission for World War II Memorial.
Sec. 423. General authority of American Battle Monuments Commission to solicit and receive contributions.
Sec. 424. Intellectual property and related items.

TITLE V—UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS

Sec. 501. Temporary service of certain judges of United States Court of Appeals for Veterans Claims upon expiration of their terms or retirement.
Sec. 502. Modified terms for certain judges of United States Court of Appeals for Veterans Claims.
Sec. 503. Temporary authority for voluntary separation incentives for certain judges on United States Court of Appeals for Veterans Claims.
Sec. 504. Definition.

SEC. 2. REFERENCES TO TITLE 38, UNITED STATES CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—MEDICAL CARE

Subtitle A—Long-Term Care

SEC. 101. CONTINUUM OF CARE FOR VETERANS.

(a) INCLUSION OF NONINSTITUTIONAL EXTENDED CARE SERVICES IN DEFINITION OF MEDICAL SERVICES.—Section 1701 is amended—

(1) in paragraph (6)(A)(i), by inserting "noninstitutional extended care services," after "preventive health services,"; and

(2) by adding at the end the following new paragraphs:

"(10) The term 'noninstitutional extended care services' includes—

"(A) home-based primary care;

"(B) adult day health care;

"(C) respite care;

"(D) palliative and end-of-life care; and

"(E) home health aide visits.

"(11) The term 'respite care' means hospital care, nursing home care, or residence-based care which—

"(A) is of limited duration;

"(B) is furnished in a Department facility or in the residence of an individual on an intermittent basis to an individual who is suffering from a chronic illness and who resides primarily at that residence; and

"(C) is furnished for the purpose of helping the individual to continue residing primarily at that residence.".

(b) CONFORMING AMENDMENTS TO TITLE 38.—(1)(A) Section 1720 is amended by striking subsection (f).

(B) The section heading of such section is amended by striking "; **adult day health care**".

(2) Section 1720B is repealed.

(3) Chapter 17 is further amended by redesignating sections 1720C, 1720D, and 1720E as sections 1720B, 1720C, and 1720D, respectively.

(c) CLERICAL AMENDMENTS.—The table of sections for chapter 17 is amended—

(1) in the item relating to section 1720, by striking "; adult day health care"; and

(2) by striking the items relating to sections 1720B, 1720C, 1720D, and 1720E and inserting the following:

"1720B. Noninstitutional alternatives to nursing home care.
"1720C. Counseling and treatment for sexual trauma.
"1720D. Nasopharyngeal radium irradiation.".

(d) ADDITIONAL CONFORMING AMENDMENT.—Section 101(g)(2) of the Veterans Health Programs Extension Act of 1994 (Public Law 103–452; 108 Stat. 4785; 38 U.S.C. 1720D note) is amended by striking "section 1720D" both places it appears and inserting "section 1720C".

SEC. 102. PILOT PROGRAMS RELATING TO LONG-TERM CARE OF VETERANS.

(a) IN GENERAL.—The Secretary of Veterans Affairs shall carry out three pilot programs for the purpose of determining the feasibility and practicability of a variety of methods of meeting the long-term care needs of eligible veterans. The pilot programs shall be carried out in accordance with the provisions of this section.

(b) LOCATIONS OF PILOT PROGRAMS.—(1) Each pilot program under this section shall be carried out in two designated health care regions of the Department of Veterans Affairs selected by the Secretary for purposes of this section.

(2) In selecting designated health care regions of the Department for purposes of a particular pilot program, the Secretary shall, to the maximum extent practicable, select designated health care regions containing a medical center or medical centers whose current circumstances and activities most closely mirror the circumstances and activities proposed to be achieved under such pilot program.

(3) The Secretary may not carry out more than one pilot program in any given designated health care region of the Department.

(c) SCOPE OF SERVICES UNDER PILOT PROGRAMS.—(1) The services provided under the pilot programs under this section shall include a comprehensive array of health care services and other services that meet the long-term care needs of veterans, including—

(A) inpatient long-term care in intermediate care beds, in nursing homes, and in domiciliary care facilities; and

(B) non-institutional long-term care, including hospital-based primary care, adult day health care, respite care, and other community-based interventions and care.

(2) As part of the provision of services under the pilot programs, the Secretary shall also provide appropriate case management services.

(3) In providing services under the pilot programs, the Secretary shall emphasize the provision of preventive care services, including screening and education.

(4) The Secretary may provide health care services or other services under the pilot programs only if the Secretary is otherwise authorized to provide such services by law.

(d) DIRECT PROVISION OF SERVICES.—Under one of the pilot programs under this section, the Secretary shall provide long-term care services to eligible veterans directly through facilities and personnel of the Department of Veterans Affairs.

(e) PROVISION OF SERVICES THROUGH COOPERATIVE ARRANGEMENTS.—(1) Under one of the pilot programs under this section, the Secretary shall provide long-term care services to eligible veterans through a combination (as determined by the Secretary) of—

(A) services provided under cooperative arrangements with appropriate public and private non-Governmental entities, including community service organizations; and

(B) services provided through facilities and personnel of the Department.

(2) The consideration provided by the Secretary for services provided by entities under cooperative arrangements under paragraph (1)(A) shall be limited to the provision by the Secretary of appropriate in-kind services to such entities.

(f) PROVISION OF SERVICES BY NON-DEPARTMENT ENTITIES.—(1) Under one of the pilot programs under this section, the Secretary shall provide long-term care services to eligible veterans through arrangements with appropriate non-Department entities under which arrangements the Secretary acts solely as the case manager for the provision of such services.

(2) Payment for services provided to veterans under the pilot programs under this subsection shall be made by the Department to the extent that payment for such services is not otherwise provided by another government or non-government entity.

(g) DATA COLLECTION.—As part of the pilot programs under this section, the Secretary shall collect data regarding—

(1) the cost-effectiveness of such programs and of other activities of the Department for purposes of meeting the long-term care needs of eligible veterans, including any cost advantages under such programs and activities when compared with the Medicare program, Medicaid program, or other Federal program serving similar populations;

(2) the quality of the services provided under such programs and activities;

(3) the satisfaction of participating veterans, non-Department, and non-Government entities with such programs and activities; and

(4) the effect of such programs and activities on the ability of veterans to carry out basic activities of daily living over the course of such veterans' participation in such programs and activities.

(h) REPORT.—(1) Not later than six months after the completion of the pilot programs under subsection (i), the Secretary shall submit to Congress a report on the health services and other services furnished by the Department to meet the long-term care needs of eligible veterans.

(2) The report under paragraph (1) shall—

(A) describe the comprehensive array of health services and other services furnished by the Department under law to meet the long-term care needs of eligible veterans, including—

(i) inpatient long-term care in intermediate care beds, in nursing homes, and in domiciliary care facilities; and

(ii) non-institutional long-term care, including hospital-based primary care, adult day health care, respite care, and other community-based interventions and care;

(B) describe the case management services furnished as part of the services described in subparagraph (A) and assess the role of such case management services in ensuring that eligible veterans receive services to meet their long-term care needs; and

(C) in describing services under subparagraphs (A) and (B), emphasize the role of preventive services in the furnishing of such services.

(i) Duration of Programs.—(1) The Secretary shall commence carrying out the pilot programs required by this section not later than 90 days after the date of the enactment of this Act.

(2) The authority of the Secretary to provide services under the pilot programs shall cease on the date that is three years after the date of the commencement of the pilot programs under paragraph (1).

(j) Definitions.—In this section:

(1) Eligible veteran.—The term "eligible veteran" means the following:

(A) Any veteran eligible to receive hospital care and medical services under section 1710(a)(1) of title 38, United States Code.

(B) Any veteran (other than a veteran described in subparagraph (A)) if the veteran is enrolled in the system of annual patient enrollment under section 1705 of title 38, United States Code.

(2) Long-term care needs.—The term "long-term care needs" means the need by an individual for any of the following services:

(A) Hospital care.

(B) Medical services.

(C) Nursing home care.

(D) Case management and other social services.

(E) Home and community based services.

SEC. 103. PILOT PROGRAM RELATING TO ASSISTED LIVING SERVICES.

(a) In General.—The Secretary of Veterans Affairs shall carry out a pilot program for the purpose of determining the feasibility and practicability of providing assisted living services to eligible veterans. The pilot program shall be carried out in accordance with this section.

(b) Location.—The pilot program under this section shall be carried out at a designated health care region of the Department of Veterans Affairs selected by the Secretary for purposes of this section.

(c) Scope of Services.—(1) Subject to paragraph (2), the Secretary shall provide assisted living services under the pilot program to eligible veterans.

(2) Assisted living services may not be provided under the pilot program to a veteran eligible for care under section 1710(a)(3) of title 38, United States Code, unless such veteran agrees to pay the United States an amount equal to the amount determined in accordance with the provisions of section 1710(f) of such title.

(3) Assisted living services may also be provided under the pilot program to the spouse of an eligible veteran if—

(A) such services are provided coincidentally with the provision of identical services to the veteran under the pilot program; and

(B) such spouse agrees to pay the United States an amount equal to the cost, as determined by the Secretary, of the provision of such services.

(d) Reports.—(1) The Secretary shall annually submit to Committees on Veterans' Affairs of the Senate and the House of Representatives a report on the pilot program under this section. The report shall include a detailed description of the activities under the pilot program during the one-year period ending on the date of the report and such other matters as the Secretary considers appropriate.

(2)(A) In addition to the reports required by paragraph (1), not later than 90 days before concluding the pilot program under this section, the Secretary shall submit to the committees referred to in that paragraph a final report on the pilot program.

(B) The report on the pilot program under this paragraph shall include the following:

(i) An assessment of the feasibility and practicability of providing assisted living services for veterans and their spouses.

(ii) A financial assessment of the pilot program, including a management analysis, cost-benefit analysis, Department cash-flow analysis, and strategic outlook assessment.

(iii) Recommendations, if any, regarding an extension of the pilot program, including recommendations regarding the desirability of authorizing or requiring the Secretary to seek reimbursement for the costs of the Secretary in providing assisted living services in order to reduce demand for higher-cost nursing home care under the pilot program.

(iv) Any other information or recommendations that the Secretary considers appropriate regarding the pilot program.

(e) Duration.—(1) The Secretary shall commence carrying out the pilot program required by this section not later than 90 days after the date of the enactment of this Act.

(2) The authority of the Secretary to provide services under the pilot program shall cease on the date that is three years after the date of the commencement of the pilot program under paragraph (1).

(f) Definitions.—In this section:

(1) Eligible veteran.—The term "eligible veteran" means the following:

(A) Any veteran eligible to receive hospital care and medical services under section 1710(a)(1) of title 38, United States Code.

(B) Any veteran (other than a veteran described in subparagraph (A)) if the veteran is enrolled in the system of annual patient enrollment under section 1705 of title 38, United States Code.

(2) Assisted living services.—The term "assisted living services" means services which provide personal care, activities, health-related care, supervision, and other assistance on a 24-hour basis within a residential or similar setting which—

(A) maximizes flexibility in the provision of such care, activities, supervision, and assistance;

(B) maximizes the autonomy, privacy, and independence of an individual; and

(C) encourages family and community involvement with the individual.

Subtitle B—Management of Medical Facilities and Property

SEC. 111. ENHANCED-USE LEASE AUTHORITY.

(a) Maximum Term of Leases.—Section 8162(b)(2) is amended by striking "may not exceed—" and all that follows through the end and inserting "may not exceed 55 years.".

(b) Availability of Funds for Certain Activities Relating to Leases.—Section 8162(b)(4) is amended—

(1) by inserting "(A)" after "(4)";

(2) in subparagraph (A), as so designated—

(A) in the first sentence, by striking "only"; and

(B) by striking the second sentence; and

(3) by adding at the end the following new subparagraph:

"(B) Any payment by the Secretary in contribution to capital activities on property that has been leased under this subchapter may be made from amounts appropriated to the Department for construction, minor projects.".

(c) Extension of Authority.—Section 8169 is amended by striking "December 31, 2001" and inserting "December 31, 2011".

(d) Training and Outreach Regarding Authority.—The Secretary of Veterans Affairs shall take appropriate actions to provide training and outreach to personnel at Department of Veterans Affairs medical centers regarding the enhanced-use lease authority under subchapter V of chapter 81 of title 38, United States Code. The training and outreach shall address methods of approaching potential lessees in the medical or commercial sectors regarding the possibility of entering into leases under that authority and other appropriate matters.

(e) Independent Analysis of Opportunities for Use of Authority.—(1) The Secretary shall take appropriate actions to secure from an appropriate entity independent of the Department of Veterans Affairs an analysis of opportunities for the use of the enhanced-use lease authority under subchapter V of chapter 81 of title 38, United States Code.

(2) The analysis under paragraph (1) shall include—

(A) a survey of the facilities of the Department for purposes of identifying Department property that presents an opportunity for lease under the enhanced-use lease authority;

(B) an assessment of the feasibility of entering into enhanced-use leases under that authority in the case of any property identified under subparagraph (A) as presenting an opportunity for such lease; and

(C) an assessment of the resources required at the Department facilities concerned, and at the Department Central Office, in order to facilitate the entering into of enhanced-used leases in the case of property so identified.

(3) If as a result of the survey under paragraph (2)(A) the entity determines that a particular Department property presents no opportunities for lease under the enhanced-use lease authority, the analysis shall include the entity's explanation of that determination.

(4) If as a result of the survey the entity determines that certain Department property presents an opportunity for lease under the enhanced-use lease authority, the analysis shall include a single integrated business plan, developed by the entity, that addresses the strategy and resources necessary to implement the plan for all property determined to present an opportunity for such lease.

(f) Authority for Enhanced-Use Lease of Property Under Business Plan.—(1) The Secretary may enter into an enhanced-use lease of any property identified as presenting an opportunity for such lease under the analysis under subsection (e) if such lease is consistent with the business plan under paragraph (4) of that subsection.

(2) The provisions of subchapter V of chapter 81 of title 38, United States Code, shall apply with respect to any lease under paragraph (1).

SEC. 112. DESIGNATION OF HOSPITAL BED REPLACEMENT BUILDING AT DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER IN RENO, NEVADA, AFTER JACK STREETER.

The hospital bed replacement building under construction at the Ioannis A. Lougaris Department of Veterans Affairs Medical Center in Reno, Nevada, is hereby designated as the "Jack Streeter Building".

Any reference to that building in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the Jack Streeter Building.

Subtitle C—Other Health Care Provisions

SEC. 121. EMERGENCY HEALTH CARE IN NON-DEPARTMENT OF VETERANS AFFAIRS FACILITIES FOR ENROLLED VETERANS.

(a) DEFINITIONS.—Section 1701 is amended—

(1) in paragraph (6)—

(A) by striking "and" at the end of subparagraph (A);

(B) by striking the period at the end of subparagraph (B) and inserting "; and"; and

(C) by inserting after subparagraph (B) the following new subparagraph:

"(C) emergency care, or reimbursement for such care, as described in sections 1703(a)(3) and 1728(a)(2)(E) of this title."; and

(2) by adding at the end the following new paragraph:

"(10) The term 'emergency medical condition' means a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that a prudent layperson, who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in—

"(A) placing the health of the individual (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy;

"(B) serious impairment to bodily functions; or

"(C) serious dysfunction of any bodily organ or part.".

(b) CONTRACT CARE.—Section 1703(a)(3) is amended by striking "medical emergencies" and all that follows through "health of a veteran" and inserting "an emergency medical condition of a veteran who is enrolled under section 1705 of this title or who is".

(c) REIMBURSEMENT OF EXPENSES FOR EMERGENCY CARE.—Section 1728(a)(2) is amended—

(1) by striking "or" before "(D)"; and

(2) by inserting before the semicolon at the end the following: ", or (E) for any emergency medical condition of a veteran enrolled under section 1705 of this title".

(d) PAYMENT PRIORITY.—Section 1705 is amended by adding at the end the following new subsection:

"(d) The Secretary shall require in a contract under section 1703(a)(3) of this title, and as a condition of payment under section 1728(a)(2) of this title, that payment by the Secretary for treatment under such contract, or under such section, of a veteran enrolled under this section shall be made only after any payment that may be made with respect to such treatment under part A or part B of the Medicare program and after any payment that may be made with respect to such treatment by a third-party insurance provider.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to care or services provided on or after the date of the enactment of this Act.

SEC. 122. IMPROVEMENT OF SPECIALIZED MENTAL HEALTH SERVICES FOR VETERANS.

(a) IN GENERAL.—(1) Subchapter II of chapter 17 is amended by inserting after section 1712B the following new section:

"§1712C. Specialized mental health services

"(a) The Secretary shall carry out programs for purposes of enhancing the provision of specialized mental health services to veterans.

"(b) The programs carried out by the Secretary under subsection (a) shall include the following:

"(1) Programs relating to the treatment of Post Traumatic Stress Disorder (PTSD), including programs for—

"(A) the establishment and operation of additional outpatient and residential treatment facilities for Post Traumatic Stress Disorder in areas that are underserved by existing programs relating to Post Traumatic Stress Disorder, as determined by qualified mental health personnel of the Department who oversee such programs;

"(B) the provision of services in response to the specific needs of veterans with Post Traumatic Stress Disorder and related disorders, including short-term or long-term care services that combine residential treatment of Post Traumatic Stress Disorder;

"(C) the provision of Post Traumatic Stress Disorder or dedicated case management services on an outpatient basis; and

"(D) the enhancement of staffing of existing programs relating to Post Traumatic Stress Disorder which have exceeded the projected workloads for such programs.

"(2) Programs relating to substance use disorders, including programs for—

"(A) the establishment and operation of additional Department-based or community-based residential treatment facilities;

"(B) the expansion of the provision of opioid treatment services, including the establishment and operation of additional programs for the provision of opioid treatment services; and

"(C) the reestablishment or enhancement of substance use disorder services at facilities at which such services have been eliminated or curtailed, with an emphasis on the reestablishment or enhancement of services at facilities where demand for such services is high or which serve large geographic areas.

"(c)(1) The Secretary shall provide for the allocation of funds for the programs carried out under this section in a centralized manner.

"(2) The allocation of funds for such programs shall—

"(A) be based upon an assessment of the need for funds conducted by qualified mental health personnel of the Department who oversee such programs; and

"(B) emphasize, to the maximum extent practicable, the availability of funds for the programs described in paragraphs (1) and (2) of subsection (b).".

(2) The table of sections at the beginning of chapter 17 is amended by inserting after the item relating to section 1712B the following new item:

'1712C. Specialized mental health services.".

(b) REPORT.—(1) Not later than March 1 of each of 2000, 2001, and 2002, the Secretary of Veterans Affairs shall submit to Congress a report on the programs carried out by the Secretary under section 1712C of title 38, United States Code (as added by subsection (a)).

(2) The report shall, for the period beginning on the date of the enactment of this Act and ending on the date of the report—

(A) describe the programs carried out under such section 1712C;

(B) set forth the number of veterans provided services under such programs; and

(C) set forth the amounts expended for purposes of carrying out such programs.

SEC. 123. TREATMENT AND SERVICES FOR DRUG OR ALCOHOL DEPENDENCY.

Section 1720A(c) is amended—

(1) in the first sentence of paragraph (1)—

(A) by striking "may not be transferred" and inserting "may be transferred"; and

(B) by striking "unless such transfer is during the last thirty days of such member's enlistment or tour of duty"; and

(2) in the first sentence of paragraph (2), by striking "during the last thirty days of such person's enlistment period or tour of duty".

SEC. 124. ALLOCATION TO DEPARTMENT OF VETERANS AFFAIRS HEALTH CARE FACILITIES OF AMOUNTS IN MEDICAL CARE COLLECTIONS FUND.

Section 1729A(d) is amended—

(1) by striking "(1)";

(2) by striking "each designated health care region" and inserting "each Department health care facility";

(3) by striking "each region" and inserting "each facility";

(4) by striking "such region" both places it appears and inserting "such facility"; and

(4) by striking paragraph (2).

SEC. 125. EXTENSION OF CERTAIN PERSIAN GULF WAR AUTHORITIES.

(a) THREE-YEAR EXTENSION OF NEWSLETTER ON MEDICAL CARE.—Section 105(b)(2) of the Persian Gulf War Veterans' Benefits Act (title I of Public Law 103–446; 108 Stat. 4659; 38 U.S.C. 1117 note) is amended by striking "December 31, 1999" and inserting "December 31, 2002".

(b) THREE-YEAR EXTENSION OF PROGRAM FOR EVALUATION OF HEALTH OF SPOUSES AND CHILDREN.—Section 107(b) of Persian Gulf War Veterans' Benefits Act (title I of Public Law 103–446; 38 U.S.C. 1117 note) is amended by striking "December 31, 1999" and inserting "December 31, 2002".

SEC. 126. REPORT ON COORDINATION OF PROCUREMENT OF PHARMACEUTICALS AND MEDICAL SUPPLIES BY THE DEPARTMENT OF VETERANS AFFAIRS AND THE DEPARTMENT OF DEFENSE.

(a) REQUIREMENT.—Not later than March 31, 2000, the Secretary of Veterans Affairs and the Secretary of Defense shall jointly submit to the Committees on Veterans' Affairs and Armed Services of the Senate and the Committees on Veterans' Affairs and Armed Services of the House of Representatives a report on the cooperation between the Department of Veterans Affairs and the Department of Defense in the procurement of pharmaceuticals and medical supplies.

(b) REPORT ELEMENTS.—The report under subsection (a) shall include the following:

(1) A description of the current cooperation between the Department of Veterans Affairs and the Department of Defense in the procurement of pharmaceuticals and medical supplies.

(2) An assessment of the means by which cooperation between the departments in such procurement could be enhanced or improved.

(3) A description of any existing memoranda of agreement between the Department of Veterans Affairs and the Department of Defense that provide for the cooperation referred to in subsection (a).

(4) A description of the effects, if any, such agreements will have on current staffing levels at the Defense Supply Center in Philadelphia, Pennsylvania, and the Department of Veterans Affairs National Acquisition Center in Hines, Illinois.

(5) A description of the effects, if any, of such cooperation on military readiness.

(6) A comprehensive assessment of cost savings realized and projected over the five fiscal year period beginning in fiscal year 1999 for the Department of Veterans Affairs and the Department of Defense as a result of

such cooperation, and the overall savings to the Treasury of the United States as a result of such cooperation.

(7) A list of the types of medical supplies and pharmaceuticals for which cooperative agreements would not be appropriate and the reason or reasons therefor.

(8) An assessment of the extent to which cooperative agreements could be expanded to include medical equipment, major systems, and durable goods used in the delivery of health care by the Department of Veterans Affairs and the Department of Defense.

(9) A description of the effects such agreements might have on distribution of items purchased cooperatively by the Department of Veterans Affairs and the Department of Defense, particularly outside the continental United States.

(10) An assessment of the potential to establish common pharmaceutical formularies between the Department of Veterans Affairs and the Department of Defense.

(11) An explanation of the current Uniform Product Number (UPN) requirements of each Department and of any planned standardization of such requirements between the Departments for medical equipment and durable goods manufacturers.

SEC. 127. REIMBURSEMENT OF MEDICAL EXPENSES OF VETERANS LOCATED IN ALASKA.

(a) Preservation of Current Reimbursement Rates.—Notwithstanding any other provision of law, the Secretary of Veterans Affairs shall, for purposes of reimbursing veterans in Alaska for medical expenses under section 1728 of title 38, United States Code, during the one-year period beginning on the date of the enactment of this Act, use the fee-for-service payment schedule in effect for such purposes on July 31, 1999, rather than the Participating Physician Fee Schedule under the Medicare program.

(b) Report.—(1) Not later than 180 days after the date of the enactment of this Act, the Secretary of Veterans Affairs and the Secretary of Health and Human Services shall jointly submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report and recommendation on the use of the Participating Physician Fee Schedule under the Medicare program as a means of calculating reimbursement rates for medical expenses of veterans located in Alaska under section 1728 of title 38, United States Code.

(2) The report shall—

(A) assess the differences between health care costs in Alaska and health care costs in the continental United States;

(B) describe any differences between the costs of providing health care in Alaska and the reimbursement rates for the provision of health care under the Participating Physician Fee Schedule; and

(C) assess the effects on health care for veterans in Alaska of implementing the Participating Physician Fee Schedule as a means of calculating reimbursement rates for medical expenses of veterans located in Alaska under section 1728 of title 38, United States Code.

SEC. 128. REPEAL OF FOUR-YEAR LIMITATION ON TERMS OF UNDER SECRETARY FOR HEALTH AND UNDER SECRETARY FOR BENEFITS.

(a) Under Secretary for Health.—Section 305 is amended—

(1) by striking subsection (c); and

(2) by redesignating subsection (d) as subsection (c).

(b) Under Secretary for Benefits.—Section 306 is amended—

(1) by striking subsection (c); and

(2) by redesignating subsection (d) as subsection (c).

(c) Applicability.—The amendments made by subsections (a) and (b) shall take effect on the date of the enactment of this Act and shall apply with respect to individuals appointed as Under Secretary for Health and Under Secretary for Benefits, respectively, on or after that date.

Subtitle D—Major Medical Facility Projects Construction Authorizations

SEC. 131. AUTHORIZATION OF MAJOR MEDICAL FACILITY PROJECTS.

(a) In General.—The Secretary of Veterans Affairs may carry out the following major medical facility projects, with each project to be carried out in the amount specified for that project:

(1) Construction of a long term care facility at the Department of Veterans Affairs Medical Center, Lebanon, Pennsylvania, in an amount not to exceed $14,500,000.

(2) Renovations and environmental improvements at the Department of Veterans Affairs Medical Center, Fargo, North Dakota, in an amount not to exceed $12,000,000.

(3) Construction of a surgical suite and post-anesthesia care unit at the Department of Veterans Affairs Medical Center, Kansas City, Missouri, in an amount not to exceed $13,000,000.

(4) Renovations and environmental improvements at the Department of Veterans Affairs Medical Center, Atlanta, Georgia, in an amount not to exceed $12,400,000.

(b) Authorization of Appropriations.—

(1) In general.—There is authorized to be appropriated to the Secretary of Veterans Affairs for fiscal year 2000 for the Construction, Major Projects, Account $225,500,000 for the projects authorized in subsection (a) and for the continuation of projects authorized in section 701(a) of the Veterans Programs Enhancement Act of 1998 (Public Law 105–368; 112 Stat. 3348).

(2) Limitation on fiscal year 2000 projects.—The projects authorized in subsection (a) may only be carried out using—

(A) funds appropriated for fiscal year 2000 pursuant to the authorizations of appropriations in subsection (a);

(B) funds appropriated for Construction, Major Projects, for a fiscal year before fiscal year 2000 that remain available for obligation; and

(C) funds appropriated for Construction, Major Projects, for fiscal year 2000 for a category of activity not specific to a project.

(c) Availability of Funds for Fiscal Year 1999 Projects.—Section 703(b)(1) of the Veterans Programs Enhancement Act of 1998 (112 Stat. 3349) is amended—

(1) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively; and

(2) by inserting after subparagraph (A) the following new subparagraph (B):

"(B) funds appropriated for fiscal year 2000 pursuant to the authorization of appropriations in section 341(b)(1) of the Veterans Benefits Act of 1999;".

TITLE II—BENEFITS MATTERS

Subtitle A—Homeless Veterans

SEC. 201. EXTENSION OF PROGRAM OF HOUSING ASSISTANCE FOR HOMELESS VETERANS.

Section 3735(c) is amended by striking "December 31, 1999" and inserting "December 31, 2001".

SEC. 202. HOMELESS VETERANS COMPREHENSIVE SERVICE PROGRAMS.

(a) Purposes of Grants.—Paragraph (1) of section 3(a) of the Homeless Veterans Comprehensive Service Programs Act of 1992 (38 U.S.C. 7721 note) is amended by inserting ", and expanding existing programs for furnishing," after "new programs to furnish".

(b) Extension of Authority to Make Grants.—Paragraph (2) of that section is amended by striking "September 30, 1999" and inserting "September 30, 2001".

(c) Authorization of Appropriations.—Section 12 of that Act (38 U.S.C. 7721 note) is amended in the first sentence by inserting "and $50,000,000 for each of fiscal years 2000 and 2001" after "for fiscal years 1993 through 1997".

SEC. 203. AUTHORIZATIONS OF APPROPRIATIONS FOR HOMELESS VETERANS' REINTEGRATION PROJECTS.

Section 738(e)(1) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11448(e)(1) is amended by adding at the end the following:

"(H) $10,000,000 for fiscal year 2000.

"(I) $10,000,000 for fiscal year 2001.".

SEC. 204. REPORT ON IMPLEMENTATION OF GENERAL ACCOUNTING OFFICE RECOMMENDATIONS REGARDING PERFORMANCE MEASURES.

(a) Report.—Not later than three months after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report containing a detailed plan for the evaluation by the Department of Veterans Affairs of the effectiveness of programs to assist homeless veterans.

(b) Outcome Measures.—The plan shall include outcome measures which determine whether veterans are housed and employed within six months after housing and employment are secured for veterans under such programs.

Subtitle B—Other Matters

SEC. 211. PAYMENT RATE OF CERTAIN BURIAL BENEFITS FOR CERTAIN FILIPINO VETERANS.

(a) Payment Rate.—Section 107 is amended—

(1) in subsection (a), by striking "Payments" and inserting "Subject to subsection (c), payments"; and

(2) by adding at the end the following:

"(c)(1) In the case of an individual described in paragraph (2), payments under section 2302 or 2303 of this title by reason of subsection (a)(3) shall be made at the rate of $1 for each dollar authorized.

"(2) Paragraph (1) applies to any individual whose service is described in subsection (a) and who dies after the date of the enactment of the Veterans Benefits Act of 1999 if the individual, on the individual's date of death—

"(A) is a citizen of the United States;

"(B) is residing in the United States; and

"(C) either—

"(i) is receiving compensation under chapter 11 of this title; or

"(ii) if such service had been deemed to be active military, naval, or air service, would have been paid pension under section 1521 of this title without denial or discontinuance by reason of section 1522 of this title.".

(b) Applicability.—No benefits shall accrue to any person for any period before the date of the enactment of this Act by reason of the amendments made by subsection (a).

SEC. 212. EXTENSION OF AUTHORITY TO MAINTAIN A REGIONAL OFFICE IN THE REPUBLIC OF THE PHILIPPINES.

Section 315(b) is amended by striking "December 31, 1999" and inserting "December 31, 2004".

SEC. 213. EXTENSION OF ADVISORY COMMITTEE ON MINORITY VETERANS.

Section 544(e) is amended by striking “December 31, 1999” and inserting “December 31, 2004”.

SEC. 214. DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVING SPOUSES OF FORMER PRISONERS OF WAR.

(a) ELIGIBILITY.—Section 1318(b) is amended—

(1) by striking “that either—” in the matter preceding paragraph (1) and inserting “rated totally disabling if—”; and

(2) by adding at the end the following new paragraph:

“(3) the veteran was a former prisoner of war who died after September 30, 1999, and whose disability was continuously rated totally disabling for a period of one year immediately preceding death.”.

(b) CONFORMING AMENDMENTS.—Such section is further amended—

(1) in paragraph (1)—

(A) by inserting “the disability” after “(1)”; and

(B) by striking “or” after “death;”; and

(2) in paragraph (2)—

(A) by striking “if so rated for a lesser period, was so rated continuously” and inserting “the disability was continuously rated totally disabling”; and

(B) by striking the period at the end and inserting “; or”.

SEC. 215. REPEAL OF LIMITATION ON PAYMENTS OF BENEFITS TO INCOMPETENT INSTITUTIONALIZED VETERANS.

Section 5503 is amended—

(1) by striking subsections (b) and (c); and

(2) by redesignating subsections (d), (e), and (f) as subsections (b), (c), and (d), respectively.

SEC. 216. CLARIFICATION OF VETERANS EMPLOYMENT OPPORTUNITIES.

(a) CLARIFICATION.—Section 3304(f) of title 5, United States Code, is amended—

(1) by striking paragraph (4);

(2) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(3) by inserting after paragraph (1) the following new paragraph (2):

“(2) If selected, a preference eligible or veteran described in paragraph (1) shall acquire competitive status and shall receive a career or career-conditional appointment, as appropriate.”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as if included in the amendment made to section 3304 of title 5, United States Code, by section 2 of the Veterans Employment Opportunities Act of 1998 (Public Law 105-339; 112 Stat. 3182), to which such amendments relate.

TITLE III—EDUCATION MATTERS

SEC. 301. SHORT TITLE.

This title may be cited as the “All-Volunteer Force Educational Assistance Programs Improvements Act of 1999”.

SEC. 302. AVAILABILITY OF MONTGOMERY GI BILL BENEFITS FOR PREPARATORY COURSES FOR COLLEGE AND GRADUATE SCHOOL ENTRANCE EXAMS.

Section 3002(3) is amended—

(1) in subparagraph (A), by striking “and” at the end;

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subparagraph (A) the following new subparagraph (B):

“(B) includes—

“(i) a preparatory course for a test that is required or utilized for admission to an institution of higher education; and

“(ii) a preparatory course for a test that is required or utilized for admission to a graduate school; and”.

SEC. 303. INCREASE IN BASIC BENEFIT OF ACTIVE DUTY EDUCATIONAL ASSISTANCE.

(a) INCREASE IN BASIC BENEFIT.—Section 3015 is amended—

(1) in subsection (a)(1), by striking “$528” and inserting “$600”; and

(2) in subsection (b)(1), by striking “$429” and inserting “$488”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 1999, and shall apply with respect to educational assistance allowances paid for months after September 1999. However, no adjustment in rates of educational assistance shall be made under section 3015(g) of title 38, United States Code, for fiscal year 2000.

SEC. 304. INCREASE IN RATES OF SURVIVORS AND DEPENDENTS EDUCATIONAL ASSISTANCE.

(a) SURVIVORS AND DEPENDENTS EDUCATIONAL ASSISTANCE.—Section 3532 is amended—

(1) in subsection (a)(1)—

(A) by striking “$485” and inserting “$550”;

(B) by striking “$365” and inserting “$414”; and

(C) by striking “$242” and inserting “$274”;

(2) in subsection (a)(2), by striking “$485” and inserting “$550”;

(3) in subsection (b), by striking “$485” and inserting “$550”; and

(4) in subsection (c)(2)—

(A) by striking “$392” and inserting “$445”;

(B) by striking “$294” and inserting “$333”; and

(C) by striking “$196” and inserting “$222”.

(b) CORRESPONDENCE COURSE.—Section 3534(b) is amended by striking “$485” and inserting “$550”.

(c) SPECIAL RESTORATIVE TRAINING.—Section 3542(a) is amended—

(1) by striking “$485” and inserting “$550”;

(2) by striking “$152” each place it appears and inserting “$172”; and

(3) by striking “$16.16” and inserting “$18.35”.

(d) APPRENTICESHIP TRAINING.—Section 3687(b)(2) is amended—

(1) by striking “$353” and inserting “$401”;

(2) by striking “$264” and inserting “$299”;

(3) by striking “$175” and inserting “$198”; and

(4) by striking “$88” and inserting “$99”.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1999, and shall apply with respect to educational assistance paid for months after September 1999.

SEC. 305. INCREASED ACTIVE DUTY EDUCATIONAL ASSISTANCE BENEFIT FOR CONTRIBUTING MEMBERS.

(a) AUTHORITY TO MAKE CONTRIBUTIONS FOR INCREASED ASSISTANCE AMOUNT.—(1) Section 3011 is amended—

(A) by redesignating subsection (i) as subsection (j); and

(B) by inserting after subsection (h) the following new subsection (i):

“(i)(1) Any individual eligible for educational assistance under this section who does not make an election under subsection (c)(1) may contribute amounts for purposes of receiving an increased amount of basic educational assistance as provided for under section 3015(g) of this title. Such contributions shall be in addition to any reductions in the basic pay of such individual under subsection (b).

“(2) An individual covered by paragraph (1) may make the contributions authorized by that paragraph at any time while on active duty.

“(3) The total amount of the contributions made by an individual under paragraph (1) may not exceed $600. Such contributions shall be made in multiples of $4.

“(4) Contributions under this subsection shall be made to the Secretary. The Secretary shall deposit any amounts received by the Secretary as contributions under this subsection into the Treasury as miscellaneous receipts.”.

(2) Section 3012 is amended—

(A) by redesignating subsection (g) as subsection (h); and

(B) by inserting after subsection (f) the following new subsection (g):

“(g)(1) Any individual eligible for educational assistance under this section who does not make an election under subsection (d)(1) may contribute amounts for purposes of receiving an increased amount of basic educational assistance as provided for under section 3015(g) of this title. Such contributions shall be in addition to any reductions in the basic pay of such individual under subsection (c).

“(2) An individual covered by paragraph (1) may make the contributions authorized by that paragraph at any time while on active duty.

“(3) The total amount of the contributions made by an individual under paragraph (1) may not exceed $600. Such contributions shall be made in multiples of $4.

“(4) Contributions under this subsection shall be made to the Secretary. The Secretary shall deposit any amounts received by the Secretary as contributions under this subsection into the Treasury as miscellaneous receipts.”.

(b) INCREASED ASSISTANCE AMOUNT.—Section 3015, as amended by section 303 of this Act, is further amended—

(1) by striking “subsection (g)” each place it appears in subsections (a)(1) and (b)(1) and inserting “subsection (h)”;

(2) by redesignating subsection (g) as subsection (h); and

(3) by inserting after subsection (f) the following new subsection (g):

“(g) In the case of an individual who has made contributions authorized by section 3011(i) or 3012(g) of this title, the monthly amount of basic educational assistance allowance applicable to such individual under subsection (a), (b), or (c) shall be the monthly rate otherwise provided for under the applicable subsection increased by—

“(1) an amount equal to $1 for each $4 contributed by such individual under section 3011(i) or 3012(g), as the case may be, for an approved program of education pursued on a full-time basis; or

“(2) an appropriately reduced amount based on the amount so contributed, as determined under regulations which the Secretary shall prescribe, for an approved program of education pursued on less than a full-time basis.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2000.

SEC. 306. CONTINUING ELIGIBILITY FOR EDUCATIONAL ASSISTANCE OF MEMBERS OF THE ARMED FORCES ATTENDING OFFICER TRAINING SCHOOL.

Section 3011(a)(1) is amended—

(1) in subparagraph (A)(ii)—

(A) by striking “or (III)” and inserting “(III)”; and

(B) by inserting before the semicolon at the end the following: “or (IV) for immediate reenlistment to accept a commission as an officer and subsequently completes the resulting obligated period of active duty service as a commissioned officer”; and

(2) in subparagraph (B)(ii)—

(A) by striking ", or (III)" and inserting "; (III)"; and

(B) by inserting before the semicolon at the end the following: "or (IV) for immediate reenlistment to accept a commission as an officer and subsequently completes the resulting obligated period of active duty service as a commissioned officer".

SEC. 307. ELIGIBILITY OF MEMBERS OF THE ARMED FORCES TO WITHDRAW ELECTIONS NOT TO RECEIVE MONTGOMERY GI BILL BASIC EDUCATIONAL ASSISTANCE.

(a) MEMBERS ON ACTIVE DUTY.—Section 3011(c) is amended by adding at the end the following:

"(4)(A) An individual who makes an election under paragraph (1) may withdraw the election at any time before the discharge or release of the individual from active duty in the Armed Forces. An individual who withdraws such an election may become entitled to basic educational assistance under this chapter.

"(B) The withdrawal of an election under this paragraph shall be made in accordance with regulations prescribed by the Secretary of Defense or by the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy.

"(C)(i) In the case of an individual who withdraws an election under this paragraph—

"(I) the basic pay of the individual shall be reduced by $100 for each month after the month in which the election is made until the total amount of such reductions equals $1,500; or

"(II) to the extent that basic pay is not so reduced before the individual's discharge or release from active duty in the Armed Forces, the Secretary, before authorizing the payment of educational assistance under this chapter, shall ensure that an amount equal to the difference between $1,500 and the total amount of reductions under subclause (I) was paid before the discharge or release of the individual from active duty in the Armed Forces.

"(ii) An individual described in clause (i) may pay the Secretary at any time before discharge or release from active duty in the Armed Forces an amount equal to the total amount of the reduction in basic pay otherwise required with respect to the individual under that clause minus the total amount of reductions of basic pay of the individual under that clause at the time of the payment under this clause.

"(iii) The second sentence of subsection (b) shall apply to any reductions in basic pay under clause (i)(I).

"(iv) Amounts paid under clauses (i)(II) and (ii) shall be deposited into the Treasury as miscellaneous receipts.

"(D) The withdrawal of an election under this paragraph is irrevocable.".

(b) MEMBERS OF SELECTED RESERVE.—Section 3012(d) is amended by adding at the end the following:

"(4)(A) An individual who makes an election under paragraph (1) may withdraw the election at any time before the discharge or release of the individual from the Armed Forces. An individual who withdraws such an election may become entitled to basic educational assistance under this chapter.

"(B) The withdrawal of an election under this paragraph shall be made in accordance with regulations prescribed by the Secretary of Defense or by the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy.

"(C)(i) In the case of an individual who withdraws an election under this paragraph—

"(I) the basic pay or compensation of the individual shall be reduced by $100 for each month after the month in which the election is made until the total amount of such reductions equals $1,500; or

"(II) to the extent that basic pay or compensation is not so reduced before the individual's discharge or release from the Armed Forces, the Secretary, before authorizing the payment of educational assistance under this chapter, shall ensure that an amount equal to the difference between $1,500 and the total amount of reductions under subclause (I) was paid before the discharge or release of the individual from the Armed Forces.

"(ii) An individual described in clause (i) may pay the Secretary at any time before discharge or release from the Armed Forces an amount equal to the total amount of the reduction in basic pay or compensation otherwise required with respect to the individual under that clause minus the total amount of reductions of basic pay or compensation of the individual under that clause at the time of the payment under this clause.

"(iii) The second sentence of subsection (c) shall apply to any reductions in basic pay or compensation under clause (i)(I).

"(iv) Amounts paid under clauses (i)(II) and (ii) shall be deposited into the Treasury as miscellaneous receipts.

"(D) The withdrawal of an election under this paragraph is irrevocable.".

SEC. 308. ACCELERATED PAYMENTS OF BASIC EDUCATIONAL ASSISTANCE.

Section 3014 is amended—

(1) by inserting "(a)" before "The Secretary"; and

(2) by adding at the end the following new subsection:

"(b)(1) The Secretary may make payments of basic educational assistance under this subchapter on an accelerated basis.

"(2) The Secretary may pay basic educational assistance on an accelerated basis under this subsection only to an individual entitled to payment of such assistance under this subchapter who has made a request for payment of such assistance on an accelerated basis.

"(3) In the event an adjustment under section 3015(g) of this title in the monthly rate of basic educational assistance will occur during a period for which a payment of such assistance is made on an accelerated basis under this subsection, the Secretary shall pay on an accelerated basis the amount of such assistance otherwise payable under this subchapter for the period without regard to the adjustment under that section.

"(4) For each accelerated payment made to an individual, the individual's entitlement under this subchapter shall be charged as if the individual had received a monthly educational assistance allowance for the period of educational pursuit covered by the accelerated payment.

"(5) Basic educational assistance shall be paid on an accelerated basis under this subsection as follows:

"(A) In the case of assistance for a course leading to a standard college degree, at the beginning of the quarter, semester, or term of the course in a lump-sum amount equivalent to the aggregate amount of monthly assistance otherwise payable under this subchapter for the quarter, semester, or term, as the case may be, of the course.

"(B) In the case of assistance for a course other than a course referred to in subparagraph (A)—

"(i) at the later of (I) the beginning of the course, or (II) a reasonable time after the request for payment by the individual concerned; and

"(ii) in any amount requested by the individual concerned within the limit, if any, specified in the regulations prescribed by the Secretary under paragraph (6), with such limit not to exceed the aggregate amount of monthly assistance otherwise payable under this subchapter for the period of the course.

"(6) The Secretary shall prescribe regulations for purposes of making payments of basic educational assistance on an accelerated basis under this subsection. Such regulations shall include requirements relating to the request for, making and delivery of, and receipt and use of such payments and may include a limit on the amount payable for a course under paragraph (5)(B)(ii).".

SEC. 309. VETERANS EDUCATION AND VOCATIONAL TRAINING BENEFITS PROVIDED BY THE STATES.

(a) ANNUAL REPORT.—(1) Not later than six months after the date of the enactment of this Act, and January 31 of each year thereafter, the Secretary of Veterans Affairs shall, in consultation with the Secretary of Education, the Secretary of Defense, and the Secretary of Labor, submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on veterans education and vocational training benefits provided by the States.

(2) A report under paragraph (1) shall include, for the one-year period ending on the date of the report, the following:

(A) A description of the assistance in securing post-secondary education and vocational training provided veterans by each State.

(B) A list of the States which provide veterans full or partial waivers of tuition for attending institutions of higher education that are State-supported.

(C) A description of the actions taken by the Department of Veterans Affairs, Department of Defense, Department of Education, and Department of Labor to encourage the States to provide benefits designed to assist veterans in securing post-secondary education and vocational training.

(b) SENSE OF CONGRESS REGARDING STATE VETERANS EDUCATION AND VOCATIONAL TRAINING BENEFITS.—(1) Congress makes the following findings:

(A) The peace and prosperity of the citizens of the States are ensured by the voluntary service of men and women in the Armed Forces.

(B) Veterans benefit from the military training and discipline and the success-oriented attitude that are inculcated by service in the Armed Forces.

(C) It is in the social and economic interests of the States to take advantage of the positive personal attributes of veterans which are nurtured through service in the Armed Forces.

(D) A post-secondary education provides veterans the means to maximize their contribution to the society and economy of the States.

(E) Some States have recognized that it is in their interest to provide veterans post-secondary education on a tuition-free basis.

(2) It is the sense of Congress that each of the States should admit qualified veterans to publicly-supported institutions of higher education on a tuition-free basis.

(c) STATE DEFINED.—In this section, the term "State" has the meaning given that term in section 101(20) of title 38, United States Code.

TITLE IV—MEMORIAL AFFAIRS

Subtitle A—Arlington National Cemetery

SEC. 401. SHORT TITLE.

This subtitle may be cited as the "Arlington National Cemetery Burial and Inurnment Eligibility Act of 1999".

SEC. 402. PERSONS ELIGIBLE FOR BURIAL IN ARLINGTON NATIONAL CEMETERY.

(a) IN GENERAL.—(1) Chapter 24 is amended by adding at the end the following new section:

"§2412. Arlington National Cemetery: persons eligible for burial

"(a) PRIMARY ELIGIBILITY.—The remains of the following individuals may be buried in Arlington National Cemetery:

"(1) Any member of the Armed Forces who dies while on active duty.

"(2) Any retired member of the Armed Forces and any person who served on active duty and at the time of death was entitled (or but for age would have been entitled) to retired pay under chapter 1223 of title 10.

"(3) Any former member of the Armed Forces separated for physical disability before October 1, 1949, who—

"(A) served on active duty; and

"(B) would have been eligible for retirement under the provisions of section 1201 of title 10 (relating to retirement for disability) had that section been in effect on the date of separation of the member.

"(4) Any former member of the Armed Forces whose last active duty military service terminated honorably and who has been awarded one of the following decorations:

"(A) Medal of Honor.

"(B) Distinguished Service Cross, Air Force Cross, or Navy Cross.

"(C) Distinguished Service Medal.

"(D) Silver Star.

"(E) Purple Heart.

"(5) Any former prisoner of war who dies on or after November 30, 1993.

"(6) The President or any former President.

"(7) Any former member of the Armed Forces whose last discharge or separation from active duty was under honorable conditions and who is or was one of the following:

"(A) Vice President.

"(B) Member of Congress.

"(C) Chief Justice or Associate Justice of the Supreme Court.

"(D) The head of an Executive department (as such departments are listed in section 101 of title 5).

"(E) An individual who served in the foreign or national security services, if such individual died as a result of a hostile action outside the United States in the course of such service.

"(8) Any individual whose eligibility is authorized in accordance with subsection (b).

"(b) ADDITIONAL AUTHORIZATIONS OF BURIAL.—(1) In the case of a former member of the Armed Forces not otherwise covered by subsection (a) whose last discharge or separation from active duty was under honorable conditions, if the Secretary of Defense makes a determination referred to in paragraph (3) with respect to such member, the Secretary of Defense may authorize the burial of the remains of such former member in Arlington National Cemetery under subsection (a)(8).

"(2) In the case of any individual not otherwise covered by subsection (a) or paragraph (1), if the President makes a determination referred to in paragraph (3) with respect to such individual, the President may authorize the burial of the remains of such individual in Arlington National Cemetery under subsection (a)(8).

"(3) A determination referred to in paragraph (1) or (2) is a determination that the acts, service, or other contributions to the Nation of the former member or individual concerned are of equal or similar merit to the acts, service, or other contributions to the Nation of any of the persons listed in subsection (a).

"(4)(A) In the case of an authorization for burial under this subsection, the President or the Secretary of Defense, as the case may be, shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on the authorization not later than 72 hours after the authorization.

"(B) Each report under subparagraph (A) shall—

"(i) identify the individual authorized for burial; and

"(ii) provide a justification for the authorization for burial.

"(5)(A) In the case of an authorization for burial under this subsection, the President or the Secretary of Defense, as the case may be, shall publish in the Federal Register a notice of the authorization as soon as practicable after the authorization.

"(B) Each notice under subparagraph (A) shall—

"(i) identify the individual authorized for burial; and

"(ii) provide a justification for the authorization for burial.

"(c) ELIGIBILITY OF FAMILY MEMBERS.—The remains of the following individuals may be buried in Arlington National Cemetery:

"(1)(A) Except as provided in subparagraph (B), the spouse, surviving spouse, minor child, and, at the discretion of the Superintendent, unmarried adult child of a person listed in subsection (a), but only if buried in the same gravesite as that person.

"(B) In a case under subparagraph (A) in which the same gravesite may not be used due to insufficient space, a person otherwise eligible under that subparagraph may be interred in a gravesite adjoining the gravesite of the person listed in subsection (a) if space in such adjoining gravesite had been reserved for the burial of such person otherwise eligible under that subparagraph before January 1962.

"(2)(A) The spouse, minor child, and, at the discretion of the Superintendent, unmarried adult child of a member of the Armed Forces on active duty if such spouse, minor child, or unmarried adult child dies while such member is on active duty.

"(B) The individual whose spouse, minor child, and unmarried adult child is eligible under subparagraph (A), but only if buried in the same gravesite as the spouse, minor child, or unmarried adult child.

"(3) The parents of a minor child or unmarried adult child whose remains, based on the eligibility of a parent, are already buried in Arlington National Cemetery, but only if buried in the same gravesite as that minor child or unmarried adult child.

"(4)(A) Subject to subparagraph (B), the surviving spouse, minor child, and, at the discretion of the Superintendent, unmarried adult child of a member of the Armed Forces who was lost, buried at sea, or officially determined to be permanently absent in a status of missing or missing in action.

"(B) A person is not eligible under subparagraph (A) if a memorial to honor the memory of the member is placed in a cemetery in the national cemetery system, unless the memorial is removed. A memorial removed under this subparagraph may be placed, at the discretion of the Superintendent, in Arlington National Cemetery.

"(5) The surviving spouse, minor child, and, at the discretion of the Superintendent, unmarried adult child of a member of the Armed Forces buried in a cemetery under the jurisdiction of the American Battle Monuments Commission.

"(d) SPOUSES.—For purposes of subsection (c)(1), a surviving spouse of a person whose remains are buried in Arlington National Cemetery by reason of eligibility under subsection (a) who has remarried is eligible for burial in the same gravesite of that person. The spouse of the surviving spouse is not eligible for burial in such gravesite.

"(e) DISABLED ADULT UNMARRIED CHILDREN.—In the case of an unmarried adult child who is incapable of self-support up to the time of death because of a physical or mental condition, the child may be buried under subsection (c) without requirement for approval by the Superintendent under that subsection if the burial is in the same gravesite as the gravesite in which the parent, who is eligible for burial under subsection (a), has been or will be buried.

"(f) FAMILY MEMBERS OF PERSONS BURIED IN A GROUP GRAVESITE.—In the case of a person eligible for burial under subsection (a) who is buried in Arlington National Cemetery as part of a group burial, the surviving spouse, minor child, or unmarried adult child of the member may not be buried in the group gravesite.

"(g) EXCLUSIVE AUTHORITY FOR BURIAL IN ARLINGTON NATIONAL CEMETERY.—Eligibility for burial of remains in Arlington National Cemetery prescribed under this section is the exclusive eligibility for such burial.

"(h) APPLICATION FOR BURIAL.—A request for burial of remains of an individual in Arlington National Cemetery made before the death of the individual may not be considered by the Secretary of the Army, the Secretary of Defense, or any other responsible official.

"(i) REGISTER OF BURIED INDIVIDUALS.—(1) The Secretary of the Army shall maintain a register of each individual buried in Arlington National Cemetery and shall make such register available to the public.

"(2) With respect to each such individual buried on or after January 1, 1998, the register shall include a brief description of the basis of eligibility of the individual for burial in Arlington National Cemetery.

"(j) DEFINITIONS.—For purposes of this section:

"(1) The term 'retired member of the Armed Forces' means—

"(A) any member of the Armed Forces on a retired list who served on active duty and who is entitled to retired pay;

"(B) any member of the Fleet Reserve or Fleet Marine Corps Reserve who served on active duty and who is entitled to retainer pay; and

"(C) any member of a reserve component of the Armed Forces who has served on active duty and who has received notice from the Secretary concerned under section 12731(d) of title 10 of eligibility for retired pay under chapter 1223 of title 10.

"(2) The term 'former member of the Armed Forces' includes a person whose service is considered active duty service pursuant to a determination of the Secretary of Defense under section 401 of Public Law 95-202 (38 U.S.C. 106 note).

"(3) The term 'Superintendent' means the Superintendent of Arlington National Cemetery.".

(2) The table of sections at the beginning of chapter 24 is amended by adding at the end the following new item:

"2412. Arlington National Cemetery: persons eligible for burial.".

(b) PUBLICATION OF UPDATED PAMPHLET.—Not later than 180 days after the date of enactment of this Act, the Secretary of the Army shall publish an updated pamphlet describing eligibility for burial in Arlington National Cemetery. The pamphlet shall reflect the provisions of section 2412 of title 38, United States Code, as added by subsection (a).

(c) TECHNICAL AMENDMENTS.—Section 2402(7) is amended—

(1) by inserting "(or but for age would have been entitled)" after "was entitled";

(2) by striking "chapter 67" and inserting "chapter 1223"; and

(3) by striking "or would have been entitled to" and all that follows and inserting a period.

(d) EFFECTIVE DATE.—Section 2412 of title 38, United States Code, as added by subsection (a), shall apply with respect to individuals dying on or after the date of the enactment of this Act.

SEC. 403. PERSONS ELIGIBLE FOR PLACEMENT IN THE COLUMBARIUM IN ARLINGTON NATIONAL CEMETERY.

(a) IN GENERAL.—(1) Chapter 24 is amended by adding after section 2412, as added by section 402(a)(1) of this Act, the following new section:

"§ 2413. Arlington National Cemetery: persons eligible for placement in columbarium

"(a) ELIGIBILITY.—The cremated remains of the following individuals may be placed in the columbarium in Arlington National Cemetery:

"(1) A person eligible for burial in Arlington National Cemetery under section 2412 of this title.

"(2)(A) A veteran whose last period of active duty service (other than active duty for training) ended honorably.

"(B) The spouse, surviving spouse, minor child, and, at the discretion of the Superintendent of Arlington National Cemetery, unmarried adult child of such a veteran.

"(b) SPOUSE.—Section 2412(d) of this title shall apply to a spouse under this section in the same manner as it applies to a spouse under section 2412 of this title.".

(2) The table of sections at the beginning of chapter 24 is amended by adding after section 2412, as added by section 402(a)(2) of this Act, the following new item:

"2413. Arlington National Cemetery: persons eligible for placement in columbarium.".

(b) EFFECTIVE DATE.—Section 2413 of title 38, United States Code, as added by subsection (a), shall apply with respect to individuals dying on or after the date of the enactment of this Act.

Subtitle B—Other Memorial Matters

SEC. 411. ESTABLISHMENT OF ADDITIONAL NATIONAL CEMETERIES.

(a) IN GENERAL.—The Secretary of Veterans Affairs shall establish, in accordance with chapter 24 of title 38, United States Code, the following:

(1) A national cemetery in the Atlanta, Georgia, metropolitan area to serve the needs of veterans and their families.

(2) A national cemetery in Southwestern Pennsylvania to serve the needs of veterans and their families.

(3) A national cemetery in the Miami, Florida, metropolitan area to serve the needs of veterans and their families.

(4) A national cemetery in the Detroit, Michigan, metropolitan area to serve the needs of veterans and their families.

(5) A national cemetery in the Sacramento, California, metropolitan area to serve the needs of veterans and their families.

(b) CONSULTATION IN SELECTION OF SITES.—Before selecting the sites for the national cemeteries to be established under subsection (a), the Secretary shall consult with—

(1) in the case of the national cemetery to be established under paragraph (1) of that subsection, appropriate officials of the State of Georgia and appropriate officials of local governments in the Atlanta, Georgia, metropolitan area;

(2) in the case of the national cemetery to be established under paragraph (2) of that subsection, appropriate officials of the State of Pennsylvania and appropriate officials of local governments in Southwestern Pennsylvania;

(3) in the case of the national cemetery to be established under paragraph (3) of that subsection, appropriate officials of the State of Florida and appropriate officials of local governments in the Miami, Florida, metropolitan area;

(4) in the case of the national cemetery to be established under paragraph (4) of that subsection, appropriate officials of the State of Michigan and appropriate officials of local governments in the Detroit, Michigan, metropolitan area;

(5) in the case of the national cemetery to be established under paragraph (5) of that subsection, appropriate officials of the State of California and appropriate officials of local governments in the Sacramento, California, metropolitan area; and

(6) appropriate officials of the United States, including the Administrator of General Services, with respect to land belonging to the United States that would be suitable as a location for the establishment of each such national cemetery.

(c) REPORT.—As soon as practicable after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the establishment of the national cemeteries under subsection (a). The report shall set forth a schedule for the establishment of each such cemetery and an estimate of the costs associated with the establishment of each such cemetery.

SEC. 412. USE OF FLAT GRAVE MARKERS AT SANTA FE NATIONAL CEMETERY, NEW MEXICO.

(a) AUTHORITY TO USE FLAT GRAVE MARKERS AT SANTA FE NATIONAL CEMETERY.—Notwithstanding section 2404(c)(2) of title 38, United States Code, the Secretary of Veterans Affairs may provide for flat grave markers at the Santa Fe National Cemetery, New Mexico.

(b) REPORT COMPARING USE OF FLAT GRAVE MARKERS AND UPRIGHT GRAVE MARKERS.—(1) Not later than 90 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report assessing the advantages and disadvantages of the use by the National Cemetery Administration of flat grave markers and upright grave markers.

(2) The report under paragraph (1) shall set forth the advantages and disadvantages of the use of each type of grave marker referred to in that paragraph, and shall include criteria to be utilizing in determining whether to prefer the use of one such type of grave marker over the other.

Subtitle C—World War II Memorial

SEC. 421. SHORT TITLE.

This subtitle may be cited as the "World War II Memorial Completion Act".

SEC. 422. FUND RAISING BY AMERICAN BATTLE MONUMENTS COMMISSION FOR WORLD WAR II MEMORIAL.

(a) CODIFICATION OF EXISTING AUTHORITY; EXPANSION OF AUTHORITY.—(1) Chapter 21 of title 36, United States Code, is amended by adding at the end the following new section:

"§ 2113. World War II memorial in the District of Columbia

"(a) DEFINITIONS.—In this section:

"(1) The term 'World War II memorial' means the memorial authorized by Public Law 103–32 (107 Stat. 90) to be established by the American Battle Monuments Commission on Federal land in the District of Columbia or its environs to honor members of the Armed Forces who served in World War II and to commemorate the participation of the United States in that war.

"(2) The term 'Commission' means the American Battle Monuments Commission.

"(3) The term 'memorial fund' means the fund created by subsection (c).

"(b) SOLICITATION AND ACCEPTANCE OF CONTRIBUTIONS.—Consistent with the authority of the Commission under section 2103(e) of this title, the Commission shall solicit and accept contributions for the World War II memorial.

"(c) CREATION OF MEMORIAL FUND.—(1) There is hereby created in the Treasury a fund for the World War II memorial, which shall consist of the following:

"(A) Amounts deposited, and interest and proceeds credited, under paragraph (2).

"(B) Obligations obtained under paragraph (3).

"(C) The amount of surcharges paid to the Commission for the World War II memorial under the World War II 50th Anniversary Commemorative Coins Act.

"(D) Amounts borrowed using the authority provided under subsection (e).

"(E) Any funds received by the Commission under section 2103(l) of this title in exchange for use of, or the right to use, any mark, copyright or patent.

"(2) The Chairman of the Commission shall deposit in the memorial fund the amounts accepted as contributions under subsection (b). The Secretary of the Treasury shall credit to the memorial fund the interest on, and the proceeds from sale or redemption of, obligations held in the memorial fund.

"(3) The Secretary of the Treasury shall invest any portion of the memorial fund that, as determined by the Chairman of the Commission, is not required to meet current expenses. Each investment shall be made in an interest bearing obligation of the United States or an obligation guaranteed as to principal and interest by the United States that, as determined by the Chairman of the Commission, has a maturity suitable for the memorial fund.

"(d) USE OF MEMORIAL FUND.—The memorial fund shall be available to the Commission for—

"(1) the expenses of establishing the World War II memorial, including the maintenance and preservation amount provided for in section 8(b) of the Commemorative Works Act (40 U.S.C. 1008(b));

"(2) such other expenses, other than routine maintenance, with respect to the World War II memorial as the Commission considers warranted; and

"(3) to secure, obtain, register, enforce, protect, and license any mark, copyright or patent that is owned by, assigned to, or licensed to the Commission under section 2103(l) of this title to aid or facilitate the construction of the World War II memorial.

"(e) SPECIAL BORROWING AUTHORITY.—(1) To assure that groundbreaking, construction, and dedication of the World War II memorial are completed on a timely basis, the Commission may borrow money from the Treasury of the United States in such amounts as the Commission considers necessary, but not to exceed a total of $65,000,000. Borrowed amounts shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the month in which the obligations of the Commission are issued. The interest payments on such obligations may be deferred with the approval of the Secretary of the Treasury, but any interest payment so deferred shall also bear interest.

"(2) The borrowing of money by the Commission under paragraph (1) shall be subject to such maturities, terms, and conditions as may be agreed upon by the Commission and the Secretary of the Treasury, except that the maturities may not exceed 20 years and such borrowings may be redeemable at the option of the Commission before maturity.

"(3) The obligations of the Commission shall be issued in amounts and at prices approved by the Secretary of the Treasury. The authority of the Commission to issue obligations under this subsection shall remain available without fiscal year limitation. The Secretary of the Treasury shall purchase any obligations of the Commission to be issued under this subsection, and for such purpose the Secretary of the Treasury may use as a public debt transaction of the United States the proceeds from the sale of any securities issued under chapter 31 of title 31. The purposes for which securities may be issued under such chapter are extended to include any purchase of the Commission's obligations under this subsection.

"(4) Repayment of the interest and principal on any funds borrowed by the Commission under paragraph (1) shall be made from amounts in the memorial fund. The Commission may not use for such purpose any funds appropriated for any other activities of the Commission.

"(f) TREATMENT OF BORROWING AUTHORITY.—In determining whether the Commission has sufficient funds to complete construction of the World War II memorial, as required by section 8 of the Commemorative Works Act (40 U.S.C. 1008), the Secretary of the Interior shall consider the funds that the Commission may borrow from the Treasury under subsection (e) as funds available to complete construction of the memorial, whether or not the Commission has actually exercised the authority to borrow such funds.

"(g) VOLUNTARY SERVICES.—(1) Notwithstanding section 1342 of title 31, the Commission may accept from any person voluntary services to be provided in furtherance of the fund-raising activities of the Commission relating to the World War II memorial.

"(2) A person providing voluntary services under this subsection shall be considered to be a Federal employee for purposes of chapter 81 of title 5, relating to compensation for work-related injuries, and chapter 171 of title 28, relating to tort claims. A volunteer who is not otherwise employed by the Federal Government shall not be considered to be a Federal employee for any other purpose by reason of the provision of such voluntary service, except that any volunteers given responsibility for the handling of funds or the carrying out of a Federal function are subject to the conflict of interest laws contained in chapter 11 of title 18, and the administrative standards of conduct contained in part 2635 of title 5, Code of Federal Regulations.

"(3) The Commission may provide for reimbursement of incidental expenses which are incurred by a person providing voluntary services under this subsection. The Commission shall determine which expenses are eligible for reimbursement under this paragraph.

"(4) Nothing in this subsection shall be construed to require Federal employees to work without compensation or to allow the use of volunteer services to displace or replace Federal employees.

"(h) TREATMENT OF CERTAIN CONTRACTS.—A contract entered into by the Commission for the design or construction of the World War II memorial is not a funding agreement as that term is defined in section 201 of title 35.

"(i) EXTENSION OF AUTHORITY TO ESTABLISH MEMORIAL.—Notwithstanding section 10 of the Commemorative Works Act (40 U.S.C. 1010), the legislative authorization for the construction of the World War II memorial contained in Public Law 103–32 (107 Stat. 90) shall not expire until December 31, 2005.".

(2) The table of sections at the beginning of chapter 21 of title 36, United States Code, is amended by adding at the end the following new item:

"2113. World War II memorial in the District of Columbia.".

(b) CONFORMING AMENDMENTS.—Public Law 103–32 (107 Stat. 90) is amended by striking sections 3, 4, and 5.

(c) EFFECT OF REPEAL OF CURRENT MEMORIAL FUND.—Upon the date of the enactment of this Act, the Secretary of the Treasury shall transfer amounts in the fund created by section 4(a) of Public Law 103–32 (107 Stat. 91) to the fund created by section 2113 of title 36, United States Code, as added by subsection (a).

SEC. 423. GENERAL AUTHORITY OF AMERICAN BATTLE MONUMENTS COMMISSION TO SOLICIT AND RECEIVE CONTRIBUTIONS.

Subsection (e) of section 2103 of title 36, United States Code, is amended to read as follows:

"(e) SOLICITATION AND RECEIPT OF CONTRIBUTIONS.—(1) The Commission may solicit and receive funds and in-kind donations and gifts from any State, municipal, or private source to carry out the purposes of this chapter. The Commission shall deposit such funds in a separate account in the Treasury. Funds from this account shall be disbursed upon vouchers approved by the Chairman of the Commission as well as by a Federal official authorized to sign payment vouchers.

"(2) The Commission shall establish written guidelines setting forth the criteria to be used in determining whether the acceptance of funds and in-kind donations and gifts under paragraph (1) would—

"(A) reflect unfavorably on the ability of the Commission, or any employee of the Commission, to carry out the responsibilities or official duties of the Commission in a fair and objective manner; or

"(B) compromise the integrity or the appearance of the integrity of the programs of the Commission or any official involved in those programs.".

SEC. 424. INTELLECTUAL PROPERTY AND RELATED ITEMS.

Section 2103 of title 36, United States Code, is amended by adding at the end the following new subsection:

"(l) INTELLECTUAL PROPERTY AND RELATED ITEMS.—(1) The Commission may—

"(A) adopt, use, register, and license trademarks, service marks, and other marks;

"(B) obtain, use, register, and license the use of copyrights consistent with section 105 of title 17;

"(C) obtain, use, and license patents; and

"(D) accept gifts of marks, copyrights, patents and licenses for use by the Commission.

"(2) The Commission may grant exclusive and nonexclusive licenses in connection with any mark, copyright, patent, or license for the use of such mark, copyright or patent, except to extent the grant of such license by the Commission would be contrary to any contract or license by which the use of such mark, copyright or patent was obtained.

"(3) The Commission may enforce any mark, copyright, or patent by an action in the district courts under any law providing for the protection of such marks, copyrights, or patents.

"(4) The Attorney General shall furnish the Commission with such legal representation as the Commission may require under paragraph (3). The Secretary of Defense shall provide representation for the Commission in administrative proceedings before the Patent and Trademark Office and Copyright Office.

"(5) Section 203 of title 17 shall not apply to any copyright transferred in any manner to the Commission.".

TITLE V—UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS

SEC. 501. TEMPORARY SERVICE OF CERTAIN JUDGES OF UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS UPON EXPIRATION OF THEIR TERMS OR RETIREMENT.

(a) AUTHORITY FOR TEMPORARY SERVICE.—(1) Notwithstanding subsection (c) of section 7253 of title 38, United States Code, and subject to the provisions of this section, a judge of the Court whose term on the Court expires in 2004 or 2005 and completes such term, or who retires from the Court under section 7296(b)(1) of such title, may continue to serve on the Court after the expiration of the judge's term or retirement, as the case may be, without reappointment for service on the Court under such section 7253.

(2) A judge may continue to serve on the Court under paragraph (1) only if the judge submits to the chief judge of the Court written notice of an election to so serve 30 days before the earlier of—

(A) the expiration of the judge's term on the Court as described in that paragraph; or

(B) the date on which the judge meets the age and service requirements for eligibility for retirement set forth in section 7296(b)(1) of such title.

(3) The total number of judges serving on the Court at any one time, including the judges serving under this section, may not exceed 7.

(b) PERIOD OF TEMPORARY SERVICE.—(1) The service of a judge on the Court under this section may continue until the earlier of—

(A) the date that is 30 days after the date on which the chief judge of the Court submits to the President and Congress a written certification based on the projected caseload of the Court that the work of the Court can be performed in a timely and efficient manner by judges of the Court under this section who are senior on the Court to the judge electing to continue to provide temporary service under this section or without judges under this section; or

(B) the date on which the person appointed to the position on the Court occupied by the judge under this section is qualified for the position.

(2) Subsections (f) and (g) of section 7253 of title 38, United States Code, shall apply with respect to the service of a judge on the Court under this section.

(c) Temporary Service in Other Positions.—(1) If on the date that the person appointed to the position on the Court occupied by a judge under this section is qualified another position on the Court is vacant, the judge may serve in such other position under this section.

(2) If two or more judges seek to serve in a position on the Court in accordance with paragraph (1), the judge senior in service on the Court shall serve in the position under that paragraph.

(d) Compensation.—(1) Notwithstanding any other provision of law, a person whose service as a judge of the Court continues under this section shall be paid for the period of service under this section an amount as follows:

(A) In the case of a person eligible to receive retired pay under subchapter V of chapter 72 of title 38, United States Code, or a retirement annuity under subchapter III of chapter 83 or subchapter II of chapter 84 of title 5, United States Code, as applicable, an amount equal to one-half of the amount of the current salary payable to a judge of the Court under chapter 72 of title 38, United States Code, having a status on the Court equivalent to the highest status on the Court attained by the person.

(B) In the case of a person not eligible to receive such retired pay or such retirement annuity, an amount equal to the amount of current salary payable to a judge of the Court under such chapter 72 having a status on the Court equivalent to the highest status on the Court attained by the person.

(2) Amounts paid under this subsection to a person described in paragraph (1)(A)—

(A) shall not be treated as—

(i) compensation for employment with the United States for purposes of section 7296(e) of title 38, United States Code, or any provision of title 5, United States Code, relating to the receipt or forfeiture of retired pay or retirement annuities by a person accepting compensation for employment with the United States; or

(ii) pay for purposes of deductions or contributions for or on behalf of the person to retired pay under subchapter V of chapter 72 of title 38, United States Code, or under chapter 83 or 84 of title 5, United States Code, as applicable; but

(B) may, at the election of the person, be treated as pay for purposes of deductions or contributions for or on behalf of the person to a retirement or other annuity, or both, under subchapter V of chapter 72 of title 38, United States Code, or under chapter 83 or 84 of title 5, United States Code, as applicable.

(3) Amounts paid under this subsection to a person described in paragraph (1)(B) shall be treated as pay for purposes of deductions or contributions for or on behalf of the person to retired pay or a retirement or other annuity under subchapter V of chapter 72 of title 38, United States Code, or under chapter 83 or 84 of title 5, United States Code, as applicable.

(4) Amounts paid under this subsection shall be derived from amounts available for payment of salaries and benefits of judges of the Court.

(e) Creditable Service.—(1) The service as a judge of the Court under this section of a person who makes an election provided for under subsection (d)(2)(B) shall constitute creditable service toward the judge's years of judicial service for purposes of section 7297 of title 38, United States Code, with such service creditable at a rate equal to the rate at which such service would be creditable for such purposes if served by a judge of the Court under chapter 72 of that title.

(2) The service as a judge of the Court under this section of a person paid salary under subsection (d)(1)(B) shall constitute creditable service of the person toward retirement under subchapter V of chapter 72 of title 38, United States Code, or subchapter III of chapter 83 or subchapter II of chapter 84 of title 5, United States Code, as applicable.

(f) Eligibility for Additional Service.—The service of a person as a judge of the Court under this section shall not affect the eligibility of the person for appointment to an additional term or terms on the Court, whether in the position occupied by the person under this section or in another position on the Court.

(g) Treatment of Party Membership.—For purposes of determining compliance with the last sentence of section 7253(b) of title 38, United States Code, the party membership of a judge serving on the Court under this section shall not be taken into account.

SEC. 502. MODIFIED TERMS FOR CERTAIN JUDGES OF UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS.

(a) Modified Terms.—Notwithstanding section 7253(c) of title 38, United States Code, the term of any judge of the Court who is appointed to a position on the Court that becomes vacant in 2004 shall be 13 years.

(b) Eligibility for Retirement.—(1) For purposes of determining the eligibility to retire under section 7296 of title 38, United States Code, of a judge appointed as described in subsection (a)—

(A) the age and service requirements in the table in paragraph (2) shall apply to the judge instead of the age and service requirements in the table in subsection (b)(1) of that section that would otherwise apply to the judge; and

(B) the minimum years of service applied to the judge for eligibility to retire under the first sentence of subsection (b)(2) of that section shall be 13 years instead of 15 years.

(2) The age and service requirements in this paragraph are as follows:

The judge has attained age:	And the years of service as a judge are at least
65	13
66	13
67	13
68	12
69	11
70	10

SEC. 503. TEMPORARY AUTHORITY FOR VOLUNTARY SEPARATION INCENTIVES FOR CERTAIN JUDGES ON UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS.

(a) Temporary Authority.—A voluntary separation incentive payment may be paid in accordance with this section to any judge of the Court described in subsection (c).

(b) Amount of Incentive Payment.—The amount of a voluntary separation incentive payment paid to a judge under this section shall be $25,000.

(c) Covered Judges.—A voluntary separation incentive payment may be paid under this section to any judge of the Court who—

(1) meets the age and service requirements for retirement set forth in section 7296(b)(1) of title 38, United States Code, as of the date on which the judge retires from the Court;

(2) submits a notice of an intent to retire in accordance with subsection (d); and

(3) retires from the Court under that section not later than 30 days after the date on which the judge meets such age and service requirements.

(d) Notice of Intent to Retire.—(1) A judge of the Court seeking payment of a voluntary separation incentive payment under this section shall submit to the President and Congress a timely notice of an intent to retire from the Court, together with a request for payment of the voluntary separation incentive payment.

(2) A notice shall be timely submitted under paragraph (1) only if submitted—

(A) not later than one year before the date of retirement of the judge concerned from the Court; or

(B) in the case of a judge whose retirement from the Court will occur less than one year after the date of the enactment of this Act, not later than 30 days after the date of the enactment of this Act.

(e) Date of Payment.—A voluntary separation incentive payment may be paid to a judge of the Court under this section only upon the retirement of the judge from the Court.

(f) Treatment of Payment.—A voluntary separation incentive payment paid to a judge under this section shall not be treated as pay for purposes of contributions for or on behalf of the judge to retired pay or a retirement or other annuity under subchapter V of chapter 72 of title 38, United States Code.

(g) Eligibility for Temporary Service on Court.—A judge seeking payment of a voluntary separation incentive payment under this section may serve on the Court under section 401 if eligible for such service under that section.

(h) Source of Payments.—Amounts for voluntary separation incentive payments under this section shall be derived from amounts available for payment of salaries and benefits of judges of the Court.

(i) Expiration of Authority.—A voluntary separation incentive payment may not be paid under this section to a judge who retires from the Court after December 31, 2002.

SEC. 504. DEFINITION.

In this title, the term "Court" means the United States Court of Appeals for Veterans Claims.

Amend the title so as to read: "An Act To amend title 38, United States Code, to enhance programs providing health care, education, memorial, and other benefits for veterans, to authorize major medical facility projects for the Department of Veterans Affairs, and for other purposes.".

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION AUTHORIZATION ACT OF 1999

FRIST AMENDMENT NO. 2542

Mr. DOMENICI (for Mr. Frist) proposed an amendment to the bill (H.R. 1654) to authorize appropriations for the National Aeronautics and Space Administration for fiscal years 2000, 2001, and 2002, and for other purposes

[The amendment was not available for printing. It will appear in a future edition of the Record.]

WOMEN'S BUSINESS CENTERS SUSTAINABILITY ACT OF 1999

KERRY (AND BOND) AMENDMENT NO. 2543

Mr. DOMENICI (for Mr. KERRY (for himself and Mr. DOMENICI)) proposed an amendment to the bill (S. 791) to amend the Small Business Act with respect to the women's busines center program; as follows:

Strike section 4 and insert the following:

SEC. 4. WOMEN'S BUSINESS CENTERS SUSTAINABILITY PILOT PROGRAM.

(a) IN GENERAL.—Section 29 of the Small Business Act (15 U.S.C. 656) is amended by adding at the end the following:

"(*l*) SUSTAINABILITY PILOT PROGRAM.—

"(1) IN GENERAL.—There is established a 4-year pilot program under which the Administration is authorized to award grants (referred to in this section as 'sustainability grants') on a competitive basis for an additional 5-year project under this section to any private nonprofit organization (or a division thereof)—

"(A) that has received financial assistance under this section pursuant to a grant, contract, or cooperative agreement; and

"(B) that—

"(i) is in the final year of a 5-year project; or

"(ii) has completed a project financed under this section (or any predecessor to this section) and continues to provide assistance to women entrepreneurs.

"(2) CONDITIONS FOR PARTICIPATION.—In order to receive a sustainability grant, an organization described in paragraph (1) shall submit to the Administration an application, which shall include—

"(A) a certification that the applicant—

"(i) is a private nonprofit organization;

"(ii) employs a full-time executive director or program manager to manage the center; and

"(iii) as a condition of receiving a sustainability grant, agrees—

"(I) to a site visit as part of the final selection process and to an annual programmatic and financial examination; and

"(II) to the maximum extent practicable, to remedy any problems identified pursuant to that site visit or examination;

"(B) information demonstrating that the applicant has the ability and resources to meet the needs of the market to be served by the women's business center site for which a sustainability grant is sought, including the ability to fundraise;

"(C) information relating to assistance provided by the women's business center site for which a sustainability grant is sought in the area in which the site is located, including—

"(i) the number of individuals assisted;

"(ii) the number of hours of counseling, training, and workshops provided; and

"(iii) the number of startup business concerns formed;

"(D) information demonstrating the effective experience of the applicant in—

"(i) conducting financial, management, and marketing assistance programs, as described in paragraphs (1), (2), and (3) of subsection (b), designed to impart or upgrade the business skills of women business owners or potential owners;

"(ii) providing training and services to a representative number of women who are both socially and economically disadvantaged;

"(iii) using resource partners of the Administration and other entities, such as universities;

"(iv) complying with the cooperative agreement of the applicant; and

"(v) the prudent management of finances and staffing, including the manner in which the performance of the applicant compared to the business plan of the applicant and the manner in which grant funds awarded under subsection (b) were used by the applicant; and

"(E) a 5-year plan that projects the ability of the women's business center site for which a sustainability grant is sought—

"(i) to serve women business owners or potential owners in the future by improving fundraising and training activities; and

"(ii) to provide training and services to a representative number of women who are both socially and economically disadvantaged.

"(3) REVIEW OF APPLICATIONS.—

"(A) IN GENERAL.—The Administration shall—

"(i) review each application submitted under paragraph (2) based on the information provided under in subparagraphs (D) and (E) of that paragraph, and the criteria set forth in subsection (f);

"(ii) as part of the final selection process, conduct a site visit at each women's business center for which a sustainability grant is sought; and

"(iii) approve or disapprove applications for sustainability grants simultaneously with applications for grants under subsection (b).

"(B) DATA COLLECTION.—Consistent with the annual report to Congress under subsection (j), each women's business center site that is awarded a sustainability grant shall, to the maximum extent practicable, collect information relating to—

"(i) the number of individuals assisted;

"(ii) the number of hours of counseling and training provided and workshops conducted;

"(iii) the number of startup business concerns formed;

"(iv) any available gross receipts of assisted concerns; and

"(v) the number of jobs created, maintained, or lost at assisted concerns.

"(C) RECORD RETENTION.—The Administration shall maintain a copy of each application submitted under this subsection for not less than 10 years.

"(4) NON-FEDERAL CONTRIBUTION.—

"(A) IN GENERAL.—Notwithstanding any other provision of this section, as a condition of receiving a sustainability grant, an organization described in paragraph (1) shall agree to obtain, after its application has been approved under paragraph (3) and notice of award has been issued, cash and in-kind contributions from non-Federal sources for each year of additional program participation in an amount equal to 1 non-Federal dollar for each Federal dollar.

"(B) FORM OF NON-FEDERAL CONTRIBUTIONS.—Not more than 50 percent of the non-Federal assistance obtained for purposes of subparagraph (A) may be in the form of in-kind contributions that are budget line items only, including office equipment and office space.

"(5) TIMING OF REQUESTS FOR PROPOSALS.—In carrying out this subsection, the Administration shall issue requests for proposals for women's business centers applying for the pilot program under this subsection simultaneously with requests for proposals for grants under subsection (b).".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 29(k) of the Small Business Act (15 U.S.C. 656(k)) is amended—

(1) by striking paragraph (1) and inserting the following:

"(1) IN GENERAL.—There is authorized to be appropriated, to remain available until the expiration of the pilot program under subsection (*l*)—

"(A) $12,000,000 for fiscal year 2000;

"(B) $12,800,000 for fiscal year 2001;

"(C) $13,700,000 for fiscal year 2002; and

"(D) $14,500,000 for fiscal year 2003.";

(2) in paragraph (2)—

(A) by striking "Amounts made" and inserting the following:

"(A) IN GENERAL.—Except as provided in subparagraph (B), amounts made"; and

(B) by adding at the end the following:

"(B) EXCEPTIONS.—Of the amount made available under this subsection for a fiscal year, the following amounts shall be available for selection panel costs, post-award conference costs, and costs related to monitoring and oversight:

"(i) For fiscal year 2000, 2 percent.

"(ii) For fiscal year 2001, 1.9 percent.

"(iii) For fiscal year 2002, 1.9 percent.

"(iv) For fiscal year 2003, 1.6 percent."; and

(3) by adding at the end the following:

"(4) RESERVATION OF FUNDS FOR SUSTAINABILITY PILOT PROGRAM.—

"(A) IN GENERAL.—Subject to subparagraph (B), of the total amount made available under this subsection for a fiscal year, the following amounts shall be reserved for sustainability grants under subsection (*l*):

"(i) For fiscal year 2000, 17 percent.

"(ii) For fiscal year 2001, 18.8 percent.

"(iii) For fiscal year 2002, 30.2 percent.

"(iv) For fiscal year 2003, 30.2 percent.

"(B) USE OF UNAWARDED FUNDS FOR SUSTAINABILITY PILOT PROGRAM GRANTS.—If the amount reserved under subparagraph (A) for any fiscal year is not fully awarded to private nonprofit organizations described in subsection (*l*)(1)(B), the Administration is authorized to use the unawarded amount to fund additional women's business center sites or to increase funding of existing women's business center sites under subsection (b).".

(c) GUIDELINES.—Not later than 30 days after the date of enactment of this Act, the Administrator of the Small Business Administration shall issue guidelines to implement the amendments made by this section.

INDEPENDENT OFFICE OF ADVOCACY ACT

BOND AMENDMENT NO. 2544

Mr. DOMENICI (for Mr. BOND) proposed an amendment to the bill (S. 1346) to ensure the independence and nonpartisan operation of the Office of Advocacy of the Small Business Administration; as follows:

On page 12, line 12, insert after "Representatives" the following: ", the Committee on Governmental Affairs of the Senate, the Committee on Government Reform of the House of Representatives, and the Committees on the Judiciary of the Senate and the House of Representatives".

THE BANKRUPTCY REFORM ACT OF 1999

COVERDELL (AND OTHERS) AMENDMENT NO. 2545

(Ordered to lie on the table.)

Mr. COVERDELL (for himself, Mr. SARBANES, Mr. BIDEN, Mr. MACK, Mr. EDWARDS, Mr. GRAHAM, and Mr. CLELAND) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following:

SEC.   . BANKRUPTCY JUDGESHIPS.

(a) TEMPORARY JUDGESHIPS.—The following judgeship positions shall be filled in the manner prescribed in section 152(a)(1) of title 28, United States Code, for the appointment of bankruptcy judges provided for in section 152(a)(2) of such title:

(1) One additional bankruptcy judgeship for the district of Delaware.

(2) One additional bankruptcy judgeship for the southern district of Florida.

(3) One additional bankruptcy judgeship for the southern district of Georgia.

(4) One additional bankruptcy judgeship for the district of Maryland.

(5) One additional bankruptcy judgeship for the eastern district of North Carolina.

(6) One additional bankruptcy judgeship for the district of Puerto Rico.

(b) VACANCIES.—The first vacancy occurring in the office of a bankruptcy judge in each of the judicial districts set forth in subsection (a) shall not be filled if the vacancy—

(1) results from the death, retirement, resignation, or removal of a bankruptcy judge; or

(2) occurs 5 years or more after the appointment date of a bankruptcy judge appointed under subsection (a).

BENNETT AMENDMENT NO. 2546

(Ordered to lie on the table.)

Mr. BENNETT submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the end of the bill, add the following:

TITLE XIII—FINANCIAL INSTITUTIONS INSOLVENCY IMPROVEMENT

SEC 1301. SHORT TITLE.

This title may be cited as the "Financial Institutions Insolvency Improvement Act of 1999".

SEC. 1302. TREATMENT OF CERTAIN AGREEMENTS BY CONSERVATORS OR RECEIVERS OF INSURED DEPOSITORY INSTITUTIONS.

(a) DEFINITION OF QUALIFIED FINANCIAL CONTRACT.—Section 11(e)(8)(D)(i) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(i)) is amended by inserting ", resolution, or order" after "any similar agreement that the Corporation determines by regulation".

(b) DEFINITION OF SECURITIES CONTRACT.—Section 11(e)(8)(D)(ii) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(ii)) is amended to read as follows:

"(ii) SECURITIES CONTRACT.—The term 'securities contract'—

"(I) means a contract for the purchase, sale, or loan of a security, a certificate of deposit, a mortgage loan, or any interest in a mortgage loan, a group or index of securities, certificates of deposit, or mortgage loans or interests therein (including any interest therein or based on the value thereof) or any option on any of the foregoing, including any option to purchase or sell any such security, certificate of deposit, loan, interest, group or index, or option;

"(II) does not include any purchase, sale, or repurchase obligation under a participation in a commercial mortgage loan unless the Corporation determines by regulation, resolution, or order to include any such agreement within the meaning of such term;

"(III) means any option entered into on a national securities exchange relating to foreign currencies;

"(IV) means the guarantee by or to any securities clearing agency of any settlement of cash, securities, certificates of deposit, mortgage loans or interests therein, group or index of securities, certificates of deposit, or mortgage loans or interests therein (including any interest therein or based on the value thereof) or option on any of the foregoing, including any option to purchase or sell any such security, certificate of deposit, loan, interest, group or index or option;

"(V) means any margin loan;

"(VI) means any other agreement or transaction that is similar to any agreement or transaction referred to in this clause (other than subclause (II));

"(VII) means any combination of the agreements or transactions referred to in this clause (other than subclause (II));

"(VIII) means any option to enter into any agreement or transaction referred to in this clause (other than subclause (II));

"(IX) means a master agreement that provides for an agreement or transaction referred to in subclause (I), (III), (IV), (V), (VI), (VII), or (VIII), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a securities contract under this clause, except that the master agreement shall be considered to be a securities contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (III), (IV), (V), (VI), (VII), or (VIII); and

"(X) means any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in this clause (other than subclause (II)).".

(c) DEFINITION OF COMMODITY CONTRACT.—Section 11(e)(8)(D)(iii) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(iii)) is amended to read as follows:

"(iii) COMMODITY CONTRACT.—The term 'commodity contract' means—

"(I) with respect to a futures commission merchant, a contract for the purchase or sale of a commodity for future delivery on, or subject to the rules of, a contract market or board of trade;

"(II) with respect to a foreign futures commission merchant, a foreign future;

"(III) with respect to a leverage transaction merchant, a leverage transaction;

"(IV) with respect to a clearing organization, a contract for the purchase or sale of a commodity for future delivery on, or subject to the rules of, a contract market or board of trade that is cleared by such clearing organization, or commodity option traded on, or subject to the rules of, a contract market or board of trade that is cleared by such clearing organization;

"(V) with respect to a commodity options dealer, a commodity option;

"(VI) any other agreement or transaction that is similar to any agreement or transaction referred to in this clause;

"(VII) any combination of the agreements or transactions referred to in this clause;

"(VIII) any option to enter into any agreement or transaction referred to in this clause;

"(IX) a master agreement that provides for an agreement or transaction referred to in subclause (I), (II), (III), (IV), (V), (VI), (VII), or (VIII), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a commodity contract under this clause, except that the master agreement shall be considered to be a commodity contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), (III), (IV), (V), (VI), (VII), or (VIII); or

"(X) a security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in this clause.".

(d) DEFINITION OF FORWARD CONTRACT.—Section 11(e)(8)(D)(iv) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(iv)) is amended to read as follows:

"(iv) FORWARD CONTRACT.—The term 'forward contract' means—

"(I) a contract (other than a commodity contract) for the purchase, sale, or transfer of a commodity or any similar good, article, service, right, or interest which is presently or in the future becomes the subject of dealing in the forward contract trade, or product or byproduct thereof, with a maturity date that is more than 2 days after the date on which the contract is entered into, including a repurchase agreement, reverse repurchase agreement, consignment, lease, swap, hedge transaction, deposit, loan, option, allocated transaction, unallocated transaction, or any other similar agreement;

"(II) any combination of agreements or transactions referred to in subclauses (I) and (III);

"(III) any option to enter into any agreement or transaction referred to in subclause (I) or (II);

"(IV) a master agreement that provides for an agreement or transaction referred to in subclauses (I), (II), or (III), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a forward contract under this clause, except that the master agreement shall be considered to be a forward contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), or (III); or

"(V) a security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in subclause (I), (II), (III), or (IV).".

(e) DEFINITION OF REPURCHASE AGREEMENT AND REVERSE REPURCHASE AGREEMENT.—Section 11(e)(8)(D)(v) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(v)) is amended to read as follows:

"(v) REPURCHASE AGREEMENT; REVERSE REPURCHASE AGREEMENT.—The terms 'repurchase agreement' and 'reverse repurchase agreement'—

"(I) mean an agreement, including related terms, which provides for the transfer of 1 or more certificates of deposit, mortgage-related securities (as such term is defined in the Securities Exchange Act of 1934), mortgage loans, interests in mortgage-related securities or mortgage loans, eligible bankers' acceptances, qualified foreign government securities or securities that are direct obligations of, or that are fully guaranteed by, the United States or any agency of the United States against the transfer of funds by the transferee of such certificates of deposit, eligible bankers' acceptances, securities, loans, or interests with a simultaneous agreement by such transferee to transfer to the transferor thereof certificates of deposit, eligible bankers' acceptances, securities, loans, or interests as described in this subclause, at a date certain that is not later than 1 year after the date of such transfers or on demand, against the transfer of funds, or any other similar agreement;

"(II) does not include any repurchase obligation under a participation in a commercial mortgage loan unless the Corporation determines by regulation, resolution, or order to include any such participation within the meaning of such term;

"(III) means any combination of agreements or transactions referred to in subclauses (I) and (IV);

"(IV) means any option to enter into any agreement or transaction referred to in subclause (I) or (III);

"(V) means a master agreement that provides for an agreement or transaction referred to in subclause (I), (III), or (IV), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a repurchase agreement under this clause, except that the master agreement shall be considered to be a repurchase agreement under this subclause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (III), or (IV); and

"(VI) means a security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in subclause (I), (III), (IV), or (V).

For purposes of this clause, the term 'qualified foreign government security' means a security that is a direct obligation of, or that is fully guaranteed by, the central government of a member of the Organization for Economic Cooperation and Development (as determined by regulation or order adopted by the appropriate Federal banking authority).".

(f) Definition of Swap Agreement.—The Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(vi)) is amended to read as follows:

"(vi) Swap agreement.—The term 'swap agreement'—

"(I) means any agreement, including the terms and conditions incorporated by reference in any such agreement, that is—

"(aa) an interest rate swap, option, future, or forward agreement, including a rate floor, rate cap, rate collar, cross-currency rate swap, and basis swap;

"(bb) a spot, same day-tomorrow, tomorrow-next, forward, or other foreign exchange or precious metals agreement;

"(cc) a currency swap, option, future, or forward agreement;

"(dd) an equity index or equity swap, option, future, or forward agreement;

"(ee) a debt index or debt swap, option, future, or forward agreement;

"(ff) a credit spread or credit swap, option, future, or forward agreement; or

"(gg) a commodity index or commodity swap, option, future, or forward agreement;

"(II) means any agreement or transaction that is similar to any other agreement or transaction referred to in this clause, that is presently, or in the future becomes, regularly entered into in the swap market (including terms and conditions incorporated by reference in such agreement), and that is a forward, swap, future, or option on 1 or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, or economic indices or measures of economic risk or value;

"(III) means any combination of agreements or transactions referred to in this clause;

"(IV) means any option to enter into any agreement or transaction referred to in this clause;

"(V) means a master agreement that provides for an agreement or transaction referred to in subclause (I), (II), (III), or (IV), together with all supplements to any such master agreement, without regard to whether the master agreement contains an agreement or transaction that is not a swap agreement under this clause, except that the master agreement shall be considered to be a swap agreement under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), (III), or (IV);

"(VI) means any security agreement or arrangement or other credit enhancement related to any agreements or transactions referred to in subparagraph (I), (II), (III), or (IV); and

"(VII) is applicable for purposes of this Act only, and shall not be construed or applied so as to challenge or affect the characterization, definition, or treatment of any swap agreement under any other statute, regulation, or rule, including the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, the Trust Indenture Act of 1939, the Investment Company Act of 1940, the Investment Advisers Act of 1940, the Securities Investor Protection Act of 1970, the Commodity Exchange Act, and the regulations promulgated by the Securities and Exchange Commission or the Commodity Futures Trading Commission.".

(g) Definition of Transfer.—Section 11(e)(8)(D)(viii) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(viii)) is amended to read as follows:

"(viii) Transfer.—The term 'transfer' means every mode, direct or indirect, absolute or conditional, voluntary or involuntary, of disposing of or parting with property or with an interest in property, including retention of title as a security interest and foreclosure of the depository institutions's equity of redemption.".

(h) Treatment of Qualified Financial Contracts.—Section 11(e)(8) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)) is amended—

(1) in subparagraph (A), by striking "paragraph (10)" and inserting "paragraphs (9) and (10)";

(2) in subparagraph (A)(i), by striking "to cause the termination or liquidation" and inserting "such person has to cause the termination, liquidation, or acceleration";

(3) by striking clause (ii) of subparagraph (A) and inserting the following:

"(ii) any right under any security agreement or arrangement or other credit enhancement related to 1 or more qualified financial contracts described in clause (i); or"; and

(4) by striking clause (ii) of subparagraph (E) and inserting the following:

"(ii) any right under any security agreement or arrangement or other credit enhancement related to 1 or more qualified financial contracts described in clause (i); or".

(i) Avoidance of Transfers.—Section 11(e)(8)(C)(i) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(C)(i)) is amended by inserting "section 5242 of the Revised Statutes (12 U.S.C. 91), or any other Federal or State law relating to the avoidance of preferential or fraudulent transfers," before "the Corporation".

SEC. 1303. AUTHORITY OF THE CORPORATION WITH RESPECT TO FAILED AND FAILING INSTITUTIONS.

(a) In General.—Section 11(e)(8) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)) is amended—

(1) in subparagraph (E), by striking "other than paragraph (12) of this subsection, subsection (d)(9)" and inserting "other than subsections (d)(9) and (e)(10)"; and

(2) by adding at the end the following:

"(F) Clarification.—No provision of law shall be construed as limiting the right or power of the Corporation, or authorizing any court or agency to limit or delay, in any manner, the right or power of the Corporation to transfer any qualified financial contract in accordance with paragraphs (9) and (10) or to disaffirm or repudiate any such contract in accordance with subsection (e)(1).

"(G) Walkaway clauses not effective.—

"(i) In general.—Notwithstanding the provisions of subparagraphs (A) and (E), and sections 403 and 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991, no walkaway clause shall be enforceable in a qualified financial contract of an insured depository institution in default.

"(ii) Walkaway clause defined.—For purposes of this subparagraph, the term 'walkaway clause' means a provision in a qualified financial contract that, after calculation of a value of a party's position or an amount due to or from 1 of the parties in accordance with its terms upon termination, liquidation, or acceleration of the qualified financial contract, either does not create a payment obligation of a party or extinguishes a payment obligation of a party in whole or in part solely because of such party's status as a nondefaulting party.".

(b) Technical and Conforming Amendment.—Section 11(e)(12)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(12)(A)) is amended by inserting "or the exercise of rights or powers by" after "the appointment of".

SEC. 1304. AMENDMENTS RELATING TO TRANSFERS OF QUALIFIED FINANCIAL CONTRACTS.

(a) Transfers of Qualified Financial Contracts to Financial Institutions.—Section 11(e)(9) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(9)) is amended to read as follows:

"(9) Transfer of qualified financial contracts.—

"(A) In general.—In making any transfer of assets or liabilities of a depository institution in default which includes any qualified financial contract, the conservator or receiver for such depository institution shall either—

"(i) transfer to 1 financial institution, other than a financial institution for which a conservator, receiver, trustee in bankruptcy, or other legal custodian has been appointed or which is otherwise the subject of a bankruptcy or insolvency proceeding—

"(I) all qualified financial contracts between any person or any affiliate of such person and the depository institution in default;

"(II) all claims of such person or any affiliate of such person against such depository institution under any such contract (other than any claim which, under the terms of any such contract, is subordinated to the claims of general unsecured creditors of such institution);

"(III) all claims of such depository institution against such person or any affiliate of such person under any such contract; and

"(IV) all property securing or any other credit enhancement for any contract described in subclause (I) or any claim described in subclause (II) or (III) under any such contract; or

"(ii) transfer none of the qualified financial contracts, claims, property, or other credit enhancement referred to in clause (i) (with respect to such person and any affiliate of such person).

"(B) TRANSFER TO FOREIGN BANK, FOREIGN FINANCIAL INSTITUTION, OR BRANCH OR AGENCY OF A FOREIGN BANK OR FINANCIAL INSTITUTION.—In transferring any qualified financial contract and related claims and property pursuant to subparagraph (A)(i), the conservator or receiver for the depository institution shall not make such transfer to a foreign bank, financial institution organized under the laws of a foreign country, or a branch or agency of a foreign bank or financial institution unless, under the law applicable to such bank, financial institution, branch, or agency, to the qualified financial contract, and to any netting contract, any security agreement or arrangement or other credit enhancement related to 1 or more qualified financial contracts the contractual rights of the parties to such qualified financial contracts, netting contracts, security agreements, or arrangements, or other credit enhancements are enforceable substantially to the same extent as permitted under this section.

"(C) TRANSFER OF CONTRACT SUBJECT TO THE RULES OF A CLEARING ORGANIZATION.—If a conservator or receiver transfers any qualified financial contract and related claims, property, and credit enhancements pursuant to subparagraph (A)(i) and such contract is subject to the rules of a clearing organization, the clearing organization shall not be required to accept the transferee as a member by virtue of the transfer.

"(D) DEFINITION.—For purposes of this paragraph, the term 'financial institution' means a broker or dealer, a depository institution, a futures commission merchant, or any other institution that the Corporation determines, by regulation, to be a financial institution.".

(b) NOTICE TO QUALIFIED FINANCIAL CONTRACT COUNTERPARTIES.—Section 11(e)(10)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(10)(A)) is amended by striking the flush material immediately following clause (ii) and inserting the following:

"the conservator or receiver shall notify any person who is a party to any such contract of such transfer by 5:00 p.m. (eastern time) on the business day following the date of the appointment of the receiver in the case of a receivership, or the business day following such transfer in the case of a conservatorship.".

(c) RIGHTS AGAINST RECEIVER AND TREATMENT OF BRIDGE BANKS.—Section 11(e)(10) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(10)) is amended—

(1) by redesignating subparagraph (B) as subparagraph (D); and

(2) by inserting after subparagraph (A) the following:

"(B) CERTAIN RIGHTS NOT ENFORCEABLE.—

"(i) RECEIVERSHIP.—A person who is a party to a qualified financial contract with an insured depository institution may not exercise any right such person has to terminate, liquidate, or net such contract under paragraph (8)(A) or section 403 or 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991, solely by reason of or incidental to the appointment of a receiver for the depository institution (or the insolvency or financial condition of the depository institution for which the receiver has been appointed)—

"(I) until 5:00 p.m. (eastern time) on the business day following the date of the appointment of the receiver; or

"(II) after the person has received notice that the contract has been transferred pursuant to paragraph (9)(A).

"(ii) CONSERVATORSHIP.—A person who is a party to a qualified financial contract with an insured depository institution may not exercise any right such person has to terminate, liquidate, or net such contract under paragraph (8)(E) or section 403 or 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991, solely by reason of or incidental to the appointment of a conservator for the depository institution (or the insolvency or financial condition of the depository institution for which the conservator has been appointed).

"(iii) NOTICE.—For purposes of this paragraph, the Corporation as receiver or conservator of an insured depository institution shall be deemed to have notified a person who is a party to a qualified financial contract with such depository institution if the Corporation has taken steps reasonably calculated to provide notice to such person by the time specified in subparagraph (A).

"(C) TREATMENT OF BRIDGE BANKS.—A financial institution for which a conservator, receiver, trustee in bankruptcy, or other legal custodian has been appointed or that is otherwise the subject of a bankruptcy or insolvency proceeding for purposes of subsection (e)(9) does not include—

"(i) a bridge bank; or

"(ii) a depository institution organized by the Corporation, for which a conservator is appointed either—

"(I) immediately upon the organization of the institution; or

"(II) at the time of a purchase and assumption transaction between such institution and the Corporation as receiver for a depository institution in default.".

SEC. 1305. AMENDMENTS RELATING TO DISAFFIRMANCE OR REPUDIATION OF QUALIFIED FINANCIAL CONTRACTS.

Section 11(e) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)) is amended—

(1) by redesignating paragraphs (11) through (15) as paragraphs (12) through (16), respectively;

(2) in paragraph (8)(C)(i), by striking "(11)" and inserting "(12)";

(3) in paragraph (8)(E), by striking "(12)" and inserting "(13)"; and

(4) by inserting after paragraph (10) the following:

"(11) DISAFFIRMANCE OR REPUDIATION OF QUALIFIED FINANCIAL CONTRACTS.—In exercising the right to disaffirm or repudiate with respect to any qualified financial contract to which an insured depository institution is a party, the conservator or receiver for such institution shall either—

"(A) disaffirm or repudiate all qualified financial contracts between—

"(i) any person or any affiliate of such person; and

"(ii) the depository institution in default; or

"(B) disaffirm or repudiate none of the qualified financial contracts referred to in subparagraph (A) (with respect to such person or any affiliate of such person).".

SEC. 1306. CLARIFYING AMENDMENT RELATING TO MASTER AGREEMENTS.

Section 11(e)(8)(D)(vii) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(vii)) is amended to read as follows:

"(vii) TREATMENT OF MASTER AGREEMENT AS 1 AGREEMENT.—Any master agreement for any contract or agreement described in any preceding clause of this subparagraph (or any master agreement for such master agreement or agreements), together with all supplements to such master agreement, shall be treated as a single agreement and a single qualified financial contract. If a master agreement contains provisions relating to agreements or transactions that are not themselves qualified financial contracts, the master agreement shall be deemed to be a qualified financial contract only with respect to those transactions that are themselves qualified financial contracts.".

SEC. 1307. FEDERAL DEPOSIT INSURANCE CORPORATION IMPROVEMENT ACT OF 1991.

(a) DEFINITIONS.—Section 402 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4402) is amended—

(1) in paragraph (6)—

(A) by redesignating subparagraphs (B) through (D) as subparagraphs (C) through (E), respectively;

(B) by inserting after subparagraph (A) the following:

"(B) an uninsured national bank or an uninsured State bank that is a member of the Federal Reserve System, if the national bank or State member bank is not eligible to make application to become an insured bank under section 5 of the Federal Deposit Insurance Act;"; and

(C) by striking subparagraph (C) (as redesignated) and inserting the following:

"(C) a branch or agency of a foreign bank, a foreign bank and any branch or agency of the foreign bank, or the foreign bank that established the branch or agency, as those terms are defined in section 1(b) of the International Banking Act of 1978;";

(2) in paragraph (11), by inserting before the period "and any other clearing organization with which such clearing organization has a netting contract";

(3) in paragraph (14)(A), by striking clause (i) and inserting the following:

"(i) means a contract or agreement between 2 or more financial institutions, clearing organizations, or members that provides for netting present or future payment obligations or payment entitlements (including liquidation or closeout values relating to such obligations or entitlements) among the parties to the agreement; and"; and

(4) by adding at the end the following:

"(15) PAYMENT.—The term 'payment' means a payment of United States dollars, another currency, or a composite currency, and a noncash delivery, including a payment or delivery to liquidate an unmatured obligation.".

(b) ENFORCEABILITY OF BILATERAL NETTING CONTRACTS.—Section 403 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4403) is amended—

(1) by striking subsection (a) and inserting the following:

"(a) GENERAL RULE.—Notwithstanding any other provision of Federal or State law (other than paragraphs (8)(E), (8)(F), and (10)(B) of section 11(e) of the Federal Deposit Insurance Act or any order authorized under section 5(b)(2) of the Securities Investor Protection Act of 1970, the covered contractual payment obligations and the covered contractual payment entitlements between any

2 financial institutions shall be netted in accordance with, and subject to the conditions of, the terms of any applicable netting contract (except as provided in section 561(b)(2) of title 11, United States Code).''; and

(2) by adding at the end the following:

''(f) ENFORCEABILITY OF SECURITY AGREEMENTS.—The provisions of any security agreement or arrangement or other credit enhancement related to 1 or more netting contracts between any 2 financial institutions shall be enforceable in accordance with their terms (except as provided in section 561(b)(2) of title 11, United States Code) and shall not be stayed, avoided, or otherwise limited by any State or Federal law (other than paragraphs (8)(E), (8)(F), and (10)(B) of section 11(e) of the Federal Deposit Insurance Act and section 5(b)(2) of the Securities Investor Protection Act of 1970).''.

(c) ENFORCEABILITY OF CLEARING ORGANIZATION NETTING CONTRACTS.—Section 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4404) is amended—

(1) by striking subsection (a) and inserting the following:

''(a) GENERAL RULE.—Notwithstanding any other provision of Federal or State law (other than paragraphs (8)(E), (8)(F), and (10)(B) of section 11(e) of the Federal Deposit Insurance Act or any order authorized under section 5(b)(2) of the Securities Investor Protection Act of 1970) the covered contractual payment obligations and the covered contractual payment entitlements of a member of a clearing organization to and from all other members of the clearing organization shall be netted in accordance with, and subject to the conditions of, the terms of any applicable netting contract (except as provided in section 561(b)(2) of title 11, United States Code).''; and

(2) by adding at the end the following:

''(h) ENFORCEABILITY OF SECURITY AGREEMENTS.—The provisions of any security agreement or arrangement or other credit enhancement related to 1 or more netting contracts between any 2 members of a clearing organization shall be enforceable in accordance with their terms (except as provided in section 561(b)(2) of title 11, United States Code) and shall not be stayed, avoided, or otherwise limited by any State or Federal law (other than paragraphs (8)(E), (8)(F), and (10)(B) of section 11(e) of the Federal Deposit Insurance Act and section 5(b)(2) of the Securities Investor Protection Act of 1970).''.

(d) ENFORCEABILITY OF CONTRACTS WITH UNINSURED NATIONAL BANKS AND UNINSURED FEDERAL BRANCHES AND AGENCIES.—The Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4401 et seq.) is amended by adding at the end the following:

''SEC. 408. TREATMENT OF CONTRACTS WITH UNINSURED NATIONAL BANKS AND UNINSURED FEDERAL BRANCHES AND AGENCIES.

''(a) IN GENERAL.—Notwithstanding any other provision of law, paragraphs (8), (9), (10), and (11) of section 11(e) of the Federal Deposit Insurance Act shall apply to an uninsured national bank or uninsured Federal branch or Federal agency, except that for such purpose—

''(1) any reference to the 'Corporation as receiver' or 'the receiver or the Corporation' shall refer to the receiver of an uninsured national bank or uninsured Federal branch or Federal agency appointed by the Comptroller of the Currency;

''(2) any reference to the 'Corporation' (other than in section 11(e)(8)(D) of that Act), the 'Corporation, whether acting as such or as conservator or receiver', a 'receiver', or a 'conservator' shall refer to the receiver or conservator of an uninsured national bank or uninsured Federal branch or Federal agency appointed by the Comptroller of the Currency; and

''(3) any reference to an 'insured depository institution' or 'depository institution' shall refer to an uninsured national bank or an uninsured Federal branch or Federal agency.

''(b) LIABILITY.—The liability of a receiver or conservator of an uninsured national bank or uninsured Federal branch or agency shall be determined in the same manner and subject to the same limitations that apply to receivers and conservators of insured depository institutions under section 11(e) of the Federal Deposit Insurance Act.

''(c) REGULATORY AUTHORITY.—

''(1) IN GENERAL.—The Comptroller of the Currency, in consultation with the Federal Deposit Insurance Corporation, may promulgate regulations to implement this section.

''(2) SPECIFIC REQUIREMENT.—In promulgating regulations to implement this section, the Comptroller of the Currency shall ensure that the regulations generally are consistent with the regulations and policies of the Federal Deposit Insurance Corporation adopted pursuant to the Federal Deposit Insurance Act.

''(d) DEFINITIONS.—For purposes of this section, the terms 'Federal branch', 'Federal agency', and 'foreign bank' have the same meanings as in section 1(b) of the International Banking Act of 1978.''.

SEC. 1308. RECORDKEEPING REQUIREMENTS.

Section 11(e)(8) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)) is amended by adding at the end the following:

''(H) RECORDKEEPING REQUIREMENTS.—The Corporation, in consultation with the appropriate Federal banking agencies, may prescribe regulations requiring more detailed recordkeeping with respect to qualified financial contracts (including market valuations) by insured depository institutions.''.

SEC. 1309. EXEMPTIONS FROM CONTEMPORANEOUS EXECUTION REQUIREMENT.

Section 13(e)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1823(e)(2)) is amended to read as follows:

''(2) EXEMPTIONS FROM CONTEMPORANEOUS EXECUTION REQUIREMENT.—

''(A) IN GENERAL.—An agreement described in subparagraph (B) shall not be deemed to be invalid pursuant to paragraph (1)(B) solely on the basis—

''(i) that the agreement was not executed contemporaneously with the acquisition of the collateral; or

''(ii) of any pledge, delivery, or substitution of the collateral made in accordance with the agreement.

''(B) AGREEMENT DESCRIBED.—An agreement is described in this subparagraph if it is an agreement to provide for the lawful collateralization of—

''(i) deposits of, or other credit extension by, a Federal, State, or local governmental entity, or of any depositor referred to in section 11(a)(2), including an agreement to provide collateral in lieu of a surety bond;

''(ii) securities deposited under section 345(b)(2) of title 11, United States Code;

''(iii) extensions of credit, including an overdraft, from a Federal reserve bank or Federal home loan bank; or

''(iv) 1 or more qualified financial contracts (as defined in section 11(e)(8)(D)).''.

SEC. 1310. SIPC STAY.

Section 5(b)(2) of the Securities Investor Protection Act of 1970 (15 U.S.C. 78eee(b)(2)) is amended by adding at the end the following:

''(C) EXCEPTION FROM STAY.—

''(i) IN GENERAL.—Notwithstanding section 362 of title 11, United States Code, neither the filing of an application under subsection (a)(3) of this section nor any order or decree obtained by SIPC from the court shall operate as a stay of any contractual right of a creditor to liquidate, terminate, or accelerate a securities contract, commodity contract, forward contract, repurchase agreement, swap agreement, or master netting agreement, each as defined in title 11, United States Code, to offset or net termination values, payment amounts, or other transfer obligations arising under or in connection with 1 or more of such contracts or agreements, or to foreclose on any cash collateral pledged by the debtor, whether or not with respect to 1 or more of such contracts or agreements.

''(ii) STAYS ON FORECLOSURE.—Notwithstanding clause (i), an application, order, or decree described therein may operate as a stay of the foreclosure on securities collateral pledged by the debtor, whether or not with respect to 1 or more of such contracts or agreements, securities sold by the debtor under a repurchase agreement or securities lent under a securities lending agreement.

''(iii) DEFINITION.—As used in this section, the term 'contractual right' includes—

''(I) a right set forth in a rule or bylaw of a national securities exchange, a national securities association, or a securities clearing agency;

''(II) a right set forth in a bylaw of a clearing organization or contract market or in a resolution of the governing board thereof; and

''(III) a right, whether or not in writing, arising under common law, under law merchant, or by reason of normal business practice.''.

SEC. 1311. FEDERAL RESERVE COLLATERAL REQUIREMENTS.

Section 16 of the Federal Reserve Act (12 U.S.C. 412) is amended in the third sentence of the second undesignated paragraph, by striking ''acceptances acquired under section 13 of this Act'' and inserting ''acceptances acquired under section 10A, 10B, 13, or 13A''.

SEC. 1312. EFFECTIVE DATE; APPLICATION OF AMENDMENTS.

(a) SEVERABILITY.—If any provision of this title or any amendment made by this title, or the application of any such provision or amendment to any person or circumstance, is held to be unconstitutional, the remaining provisions of and amendments made by this title and the application of such other provisions and amendments to any person or circumstance shall not be affected thereby.

(b) EFFECTIVE DATE.—This title and the amendments made by this title shall take effect on the date of enactment of this Act.

(c) APPLICATION OF AMENDMENTS.—The amendments made by this title shall apply with respect to cases commenced or appointments made under any Federal or State law after the date of enactment of this Act, but shall not apply with respect to cases commenced or appointments made under any Federal or State law before the date of enactment of this Act.

DOMENICI (AND OTHERS) AMENDMENT NO. 2547

(Ordered to lie on the table.)

Mr. DOMENICI (for himself, Mr. ABRAHAM, and Mr. SANTORUM) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following:

TITLE —AMENDMENTS TO FAIR LABOR STANDARDS ACT OF 1938

SEC. 01. MINIMUM WAGE.

Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

"(1) except as otherwise provided in this section, not less than—

"(A) $5.15 an hour beginning September 1, 1997,

"(B) $5.50 an hour during the year beginning March 1, 2000,

"(C) $5.85 an hour during the year beginning March 1, 2001, and

"(D) $6.15 an hour during the year beginning March 1, 2002.".

SEC. 02. REGULAR RATE FOR OVERTIME PURPOSES.

Section 7(e) of the Fair Labor Standards Act of 1938 (29 U.S.C. 207(e)) is amended—

(1) by inserting before the semicolon at the end of paragraph (3) the following: "; or (d) the payments are made to reward an employee or group of employees for meeting or exceeding the productivity, quality, efficiency, or sales goals as specified in a gainsharing, incentive bonus, commission, or performance contingent bonus plan"; and

(2) by inserting after and below paragraph (7) the following:

"A plan described in paragraph (3)(d) shall be in writing and made available to employees, provide that the amount of the payments to be made under the plan be based upon a formula that is stated in the plan, and be established and maintained in good faith for the purpose of distributing to employees additional remuneration over and above the wages and salaries that are not dependent upon the existence of such plan or payments made pursuant to such plan.".

TITLE —TAX RELIEF

SEC. 00. AMENDMENT OF 1986 CODE.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

Subtitle A—Small Business Tax Relief

SEC. 01. INCREASE IN EXPENSING LIMITATION TO $30,000.

(a) IN GENERAL.—Paragraph (1) of section 179(b) (relating to limitations) is amended to read as follows:

"(1) DOLLAR LIMITATION.—The aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed $30,000."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 02. REPEAL OF TEMPORARY UNEMPLOYMENT TAX.

Section 3301 (relating to rate of unemployment tax) is amended—

(1) by striking "2007" in paragraph (1) and inserting "2000"; and

(2) by striking "2008" in paragraph (2) and inserting "2001".

SEC. 03. FULL DEDUCTION OF HEALTH INSURANCE COSTS FOR SELF-EMPLOYED INDIVIDUALS.

(a) IN GENERAL.—Section 162(l)(1) (relating to allowance of deduction) is amended to read as follows:

"(1) ALLOWANCE OF DEDUCTION.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer and the taxpayer's spouse and dependents."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. 04. PERMANENT EXTENSION OF WORK OPPORTUNITY TAX CREDIT.

(a) IN .GENERAL.—Section 51(c) (defining wages) is amended by striking paragraph (4).

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to individuals who begin work for the employer after June 30, 1999.

SEC. 05. SMALL BUSINESSES ALLOWED INCREASED DEDUCTION FOR MEAL AND ENTERTAINMENT EXPENSES.

(a) IN GENERAL.—Subsection (n) of section 274 (relating to only 50 percent of meal and entertainment expenses allowed as deduction) is amended by adding at the end the following:

"(4) SPECIAL RULE FOR SMALL BUSINESSES.—

"(A) IN GENERAL.—In the case of any taxpayer which is a small business, paragraph (1) shall be applied by substituting 'the applicable percentage' for '50 percent'. For purposes of the preceding sentence, the term 'applicable percentage' means 55 percent in the case of taxable years beginning in 2001, increased (but not above 80 percent) by 5 percentage points for each succeeding calendar year after 2001 with respect to taxable years beginning in each such calendar year.

"(B) SMALL BUSINESS.—For purposes of this paragraph, the term 'small business' means, with respect to expenses paid or incurred during any taxable year—

"(i) any C corporation which meets the requirements of section 55(e)(1) for such year, and

"(ii) any S corporation, partnership, or sole proprietorship which would meet such requirements if it were a C corporation."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2000.

Subtitle B—Deduction for Health and Long-Term Care Insurance

SEC. 11. DEDUCTION FOR HEALTH AND LONG-TERM CARE INSURANCE COSTS OF INDIVIDUALS NOT PARTICIPATING IN EMPLOYER-SUBSIDIZED HEALTH PLANS.

(a) IN GENERAL.—Part VII of subchapter B of chapter 1 is amended by redesignating section 222 as section 223 and by inserting after section 221 the following new section:

"SEC. 222. HEALTH AND LONG-TERM CARE INSURANCE COSTS.

"(a) IN GENERAL.—In the case of an individual, there shall be allowed as a deduction an amount equal to the applicable percentage of the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer and the taxpayer's spouse and dependents.

"(b) APPLICABLE PERCENTAGE.—For purposes of subsection (a), the applicable percentage shall be determined in accordance with the following table:

"For taxable years beginning in calendar year:	The applicable dollar amount:
2002, 2003, and 2004	25
2005	35
2006	65
2007 and thereafter	100.

"(c) LIMITATION BASED ON OTHER COVERAGE.—

"(1) COVERAGE UNDER CERTAIN SUBSIDIZED EMPLOYER PLANS.—

"(A) IN GENERAL.—Subsection (a) shall not apply to any taxpayer for any calendar month for which the taxpayer participates in any health plan maintained by any employer of the taxpayer or of the spouse of the taxpayer if 50 percent or more of the cost of coverage under such plan (determined under section 4980B and without regard to payments made with respect to any coverage described in subsection (e)) is paid or incurred by the employer.

"(B) EMPLOYER CONTRIBUTIONS TO CAFETERIA PLANS, FLEXIBLE SPENDING ARRANGEMENTS, AND MEDICAL SAVINGS ACCOUNTS.—Employer contributions to a cafeteria plan, a flexible spending or similar arrangement, or a medical savings account which are excluded from gross income under section 106 shall be treated for purposes of subparagraph (A) as paid by the employer.

"(C) AGGREGATION OF PLANS OF EMPLOYER.—A health plan which is not otherwise described in subparagraph (A) shall be treated as described in such subparagraph if such plan would be so described if all health plans of persons treated as a single employer under subsection (b), (c), (m), or (o) of section 414 were treated as one health plan.

"(D) SEPARATE APPLICATION TO HEALTH INSURANCE AND LONG-TERM CARE INSURANCE.—Subparagraphs (A) and (C) shall be applied separately with respect to—

"(i) plans which include primarily coverage for qualified long-term care services or are qualified long-term care insurance contracts, and

"(ii) plans which do not include such coverage and are not such contracts.

"(2) COVERAGE UNDER CERTAIN FEDERAL PROGRAMS.—

"(A) IN GENERAL.—Subsection (a) shall not apply to any amount paid for any coverage for an individual for any calendar month if, as of the first day of such month, the individual is covered under any medical care program described in—

"(i) title XVIII, XIX, or XXI of the Social Security Act,

"(ii) chapter 55 of title 10, United States Code,

"(iii) chapter 17 of title 38, United States Code,

"(iv) chapter 89 of title 5, United States Code, or

"(v) the Indian Health Care Improvement Act.

"(B) EXCEPTIONS.—

"(i) QUALIFIED LONG-TERM CARE.—Subparagraph (A) shall not apply to amounts paid for coverage under a qualified long-term care insurance contract.

"(ii) CONTINUATION COVERAGE OF FEHBP.—Subparagraph (A)(iv) shall not apply to coverage which is comparable to continuation coverage under section 4980B.

"(d) LONG-TERM CARE DEDUCTION LIMITED TO QUALIFIED LONG-TERM CARE INSURANCE CONTRACTS.—In the case of a qualified long-term care insurance contract, only eligible long-term care premiums (as defined in section 213(d)(10)) may be taken into account under subsection (a).

"(e) DEDUCTION NOT AVAILABLE FOR PAYMENT OF ANCILLARY COVERAGE PREMIUMS.—Any amount paid as a premium for insurance which provides for—

"(1) coverage for accidents, disability, dental care, vision care, or a specified illness, or

"(2) making payments of a fixed amount per day (or other period) by reason of being hospitalized.

shall not be taken into account under subsection (a).

"(f) SPECIAL RULES.—

"(1) COORDINATION WITH DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.—The amount taken into account by the taxpayer in computing the deduction under section 162(l) shall not be taken into account under this section.

"(2) COORDINATION WITH MEDICAL EXPENSE DEDUCTION.—The amount taken into account by the taxpayer in computing the deduction under this section shall not be taken into account under section 213.

"(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out this section, including regulations requiring employers to report to their employees and the Secretary such information as the Secretary determines to be appropriate.".

(b) DEDUCTION ALLOWED WHETHER OR NOT TAXPAYER ITEMIZES OTHER DEDUCTIONS.—Subsection (a) of section 62 is amended by inserting after paragraph (17) the following new item:

"(18) HEALTH AND LONG-TERM CARE INSURANCE COSTS.—The deduction allowed by section 222.".

(c) CLERICAL AMENDMENT.—The table of sections for part VII of subchapter B of chapter 1 is amended by striking the last item and inserting the following new items:

"Sec. 222. Health and long-term care insurance costs.
"Sec. 223. Cross reference.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

Subtitle C—Pension Tax Relief

PART I—EXPANDING COVERAGE

SEC. 21. INCREASE IN BENEFIT AND CONTRIBUTION LIMITS.

(a) DEFINED BENEFIT PLANS.—

(1) DOLLAR LIMIT.—

(A) Subparagraph (A) of section 415(b)(1) (relating to limitation for defined benefit plans) is amended by striking "$90,000" and inserting "$160,000".

(B) Subparagraphs (C) and (D) of section 415(b)(2) are each amended by striking "$90,000" each place it appears in the headings and the text and inserting "$160,000".

(C) Paragraph (7) of section 415(b) (relating to benefits under certain collectively bargained plans) is amended by striking "the greater of $68,212 or one-half the amount otherwise applicable for such year under paragraph (1)(A) for '$90,000'" and inserting "one-half the amount otherwise applicable for such year under paragraph (1)(A) for '$160,000'".

(2) LIMIT REDUCED WHEN BENEFIT BEGINS BEFORE AGE 62.—Subparagraph (C) of section 415(b)(2) is amended by striking "the social security retirement age" each place it appears in the heading and text and inserting "age 62".

(3) LIMIT INCREASED WHEN BENEFIT BEGINS AFTER AGE 65.—Subparagraph (D) of section 415(b)(2) is amended by striking "the social security retirement age" each place it appears in the heading and text and inserting "age 65".

(4) COST-OF-LIVING ADJUSTMENTS.—Subsection (d) of section 415 (related to cost-of-living adjustments) is amended—

(A) by striking "$90,000" in paragraph (1)(A) and inserting "$160,000", and

(B) in paragraph (3)(A)—

(i) by striking "$90,000" in the heading and inserting "$160,000", and

(ii) by striking "October 1, 1986" and inserting "July 1, 2000".

(5) CONFORMING AMENDMENT.—Section 415(b)(2) is amended by striking subparagraph (F).

(b) DEFINED CONTRIBUTION PLANS.—

(1) DOLLAR LIMIT.—Subparagraph (A) of section 415(c)(1) (relating to limitation for defined contribution plans) is amended by striking "$30,000" and inserting "$40,000".

(2) COST-OF-LIVING ADJUSTMENTS.—Subsection (d) of section 415 (related to cost-of-living adjustments) is amended—

(A) by striking "$30,000" in paragraph (1)(C) and inserting "$40,000", and

(B) in paragraph (3)(D)—

(i) by striking "$30,000" in the heading and inserting "$40,000", and

(ii) by striking "October 1, 1993" and inserting "July 1, 2000".

(c) QUALIFIED TRUSTS.—

(1) COMPENSATION LIMIT.—Sections 401(a)(17), 404(l), 408(k), and 505(b)(7) are each amended by striking "$150,000" each place it appears and inserting "$200,000".

(2) BASE PERIOD AND ROUNDING OF COST-OF-LIVING ADJUSTMENT.—Subparagraph (B) of section 401(a)(17) is amended—

(A) by striking "October 1, 1993" and inserting "July 1, 2000", and

(B) by striking "$10,000" both places it appears and inserting "$5,000".

(d) ELECTIVE DEFERRALS.—

(1) IN GENERAL.—Paragraph (1) of section 402(g) (relating to limitation on exclusion for elective deferrals) is amended to read as follows:

"(1) IN GENERAL.—

"(A) LIMITATION.—Notwithstanding subsections (e)(3) and (h)(1)(B), the elective deferrals of any individual for any taxable year shall be included in such individual's gross income to the extent the amount of such deferrals for the taxable year exceeds the applicable dollar amount.

"(B) APPLICABLE DOLLAR AMOUNT.—For purposes of subparagraph (A), the applicable dollar amount shall be the amount determined in accordance with the following table:

"For taxable years beginning in calendar year:	**The applicable dollar amount:**
2001	$11,000
2002	$12,000
2003	$13,000
2004	$14,000
2005 or thereafter	$15,000.".

(2) COST-OF-LIVING ADJUSTMENT.—Paragraph (5) of section 402(g) is amended to read as follows:

"(5) COST-OF-LIVING ADJUSTMENT.—In the case of taxable years beginning after December 31, 2005, the Secretary shall adjust the $15,000 amount under paragraph (1)(B) at the same time and in the same manner as under section 415(d), except that the base period shall be the calendar quarter beginning July 1, 2004, and any increase under this paragraph which is not a multiple of $500 shall be rounded to the next lowest multiple of $500.".

(3) CONFORMING AMENDMENTS.—

(A) Section 402(g) (relating to limitation on exclusion for elective deferrals), as amended by paragraphs (1) and (2), is further amended by striking paragraph (4) and redesignating paragraphs (5), (6), (7), (8), and (9) as paragraphs (4), (5), (6), (7), and (8), respectively.

(B) Paragraph (2) of section 457(c) is amended by striking "402(g)(8)(A)(iii)" and inserting "402(g)(7)(A)(iii)".

(C) Clause (iii) of section 501(c)(18)(D) is amended by striking "(other than paragraph (4) thereof)".

(e) DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.—

(1) IN GENERAL.—Section 457 (relating to deferred compensation plans of State and local governments and tax-exempt organizations) is amended—

(A) in subsections (b)(2)(A) and (c)(1) by striking "$7,500" each place it appears and inserting "the applicable dollar amount", and

(B) in subsection (b)(3)(A) by striking "$15,000" and inserting "twice the dollar amount in effect under subsection (b)(2)(A)".

(2) APPLICABLE DOLLAR AMOUNT; COST-OF-LIVING ADJUSTMENT.—Paragraph (15) of section 457(e) is amended to read as follows:

"(15) APPLICABLE DOLLAR AMOUNT.—

"(A) IN GENERAL.—The applicable dollar amount shall be the amount determined in accordance with the following table:

"For taxable years beginning in calendar year:	**The applicable dollar amount:**
2001	$11,000
2002	$12,000
2003	$13,000
2004	$14,000
2005 or thereafter	$15,000.

"(B) COST-OF-LIVING ADJUSTMENTS.—In the case of taxable years beginning after December 31, 2005, the Secretary shall adjust the $15,000 amount specified in the table in subparagraph (A) at the same time and in the same manner as under section 415(d), except that the base period shall be the calendar quarter beginning July 1, 2004, and any increase under this paragraph which is not a multiple of $500 shall be rounded to the next lowest multiple of $500.".

(f) SIMPLE RETIREMENT ACCOUNTS.—

(1) LIMITATION.—Clause (ii) of section 408(p)(2)(A) (relating to general rule for qualified salary reduction arrangement) is amended by striking "$6,000" and inserting "the applicable dollar amount".

(2) APPLICABLE DOLLAR AMOUNT.—Subparagraph (E) of 408(p)(2) is amended to read as follows:

"(E) APPLICABLE DOLLAR AMOUNT; COST-OF-LIVING ADJUSTMENT.—

"(i) IN GENERAL.—For purposes of subparagraph (A)(ii), the applicable dollar amount shall be the amount determined in accordance with the following table:

"For taxable years beginning in calendar year:	**The applicable dollar amount:**
2001	$7,000
2002	$8,000
2003	$9,000
2004 or thereafter	$10,000.

"(ii) COST-OF-LIVING ADJUSTMENT.—In the case of a year beginning after December 31, 2004, the Secretary shall adjust the $10,000 amount under clause (i) at the same time and in the same manner as under section 415(d), except that the base period taken into account shall be the calendar quarter beginning July 1, 2003, and any increase under this subparagraph which is not a multiple of $500 shall be rounded to the next lower multiple of $500.".

(3) CONFORMING AMENDMENTS.—

(A) Clause (I) of section 401(k)(11)(B)(i) is amended by striking "$6,000" and inserting "the amount in effect under section 408(p)(2)(A)(ii)".

(B) Section 401(k)(11) is amended by striking subparagraph (E).

(g) ROUNDING RULE RELATING TO DEFINED BENEFIT PLANS AND DEFINED CONTRIBUTION PLANS.—Paragraph (4) of section 415(d) is amended to read as follows:

"(4) ROUNDING.—

"(A) $160,000 AMOUNT.—Any increase under subparagraph (A) of paragraph (1) which is not a multiple of $5,000 shall be rounded to the next lowest multiple of $5,000.

"(B) $40,000 Amount.—Any increase under subparagraph (C) of paragraph (1) which is not a multiple of $1,000 shall be rounded to the next lowest multiple of $1,000.".

(h) Effective Date.—The amendments made by this section shall apply to years beginning after December 31, 2000.

SEC. 22. PLAN LOANS FOR SUBCHAPTER S OWNERS, PARTNERS, AND SOLE PROPRIETORS.

(a) Amendment to 1986 Code.—Subparagraph (B) of section 4975(f)(6) (relating to exemptions not to apply to certain transactions) is amended by adding at the end the following new clause:

"(iii) Loan exception.—For purposes of subparagraph (A)(i), the term 'owner-employee' shall only include a person described in subclause (II) or (III) of clause (i).".

(b) Amendment to ERISA.—Section 408(d)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1108(d)(2)) is amended by adding at the end the following new subparagraph:

"(C) For purposes of paragraph (1)(A), the term 'owner-employee' shall only include a person described in clause (ii) or (iii) of subparagraph (A).".

(c) Effective Date.—The amendments made by this section shall apply to loans made after December 31, 2000.

SEC. 23. MODIFICATION OF TOP-HEAVY RULES.

(a) Simplification of Definition of Key Employee.—

(1) In general.—Section 416(i)(1)(A) (defining key employee) is amended—

(A) by striking "or any of the 4 preceding plan years" in the matter preceding clause (i),

(B) by striking clause (i) and inserting the following:

"(i) an officer of the employer having an annual compensation greater than $150,000,",

(C) by striking clause (ii) and redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively, and

(D) by striking the second sentence in the matter following clause (iii), as redesignated by subparagraph (C).

(2) Conforming amendment.—Section 416(i)(1)(B)(iii) is amended by striking "and subparagraph (A)(ii)".

(b) Matching Contributions Taken Into Account for Minimum Contribution Requirements.—Section 416(c)(2)(A) (relating to defined contribution plans) is amended by adding at the end the following: "Employer matching contributions (as defined in section 401(m)(4)(A)) shall be taken into account for purposes of this subparagraph.".

(c) Distributions During Last Year Before Determination Date Taken Into Account.—

(1) In general.—Paragraph (3) of section 416(g) is amended to read as follows:

"(3) Distributions during last year before determination date taken into account.—

"(A) In general.—For purposes of determining—

"(i) the present value of the cumulative accrued benefit for any employee, or

"(ii) the amount of the account of any employee,

such present value or amount shall be increased by the aggregate distributions made with respect to such employee under the plan during the 1-year period ending on the determination date. The preceding sentence shall also apply to distributions under a terminated plan which if it had not been terminated would have been required to be included in an aggregation group.

"(B) 5-year period in case of in-service distribution.—In the case of any distribution made for a reason other than separation from service, death, or disability, subparagraph (A) shall be applied by substituting '5-year period' for '1-year period'.".

(2) Benefits not taken into account.—Subparagraph (E) of section 416(g)(4) is amended—

(A) by striking "LAST 5 YEARS" in the heading and inserting "LAST YEAR BEFORE DETERMINATION DATE", and

(B) by striking "5-year period" and inserting "1-year period".

(d) Definition of Top-Heavy Plans.—Paragraph (4) of section 416(g) (relating to other special rules for top-heavy plans) is amended by adding at the end the following new subparagraph:

"(H) Cash or deferred arrangements using alternative methods of meeting nondiscrimination requirements.—The term 'top-heavy plan' shall not include a plan which consists solely of—

"(i) a cash or deferred arrangement which meets the requirements of section 401(k)(12), and

"(ii) matching contributions with respect to which the requirements of section 401(m)(11) are met.

If, but for this subparagraph, a plan would be treated as a top-heavy plan because it is a member of an aggregation group which is a top-heavy group, contributions under the plan may be taken into account in determining whether any other plan in the group meets the requirements of subsection (c)(2).".

(e) Frozen Plan Exempt From Minimum Benefit Requirement.—Subparagraph (C) of section 416(c)(1) (relating to defined benefit plans) is amended—

(A) by striking "clause (ii)" in clause (i) and inserting "clause (ii) or (iii)", and

(B) by adding at the end the following:

"(iii) Exception for frozen plan.—For purposes of determining an employee's years of service with the employer, any service with the employer shall be disregarded to the extent that such service occurs during a plan year when the plan benefits (within the meaning of section 410(b)) no employee or former employee.".

(f) Elimination of Family Attribution.—Section 416(i)(1)(B) (defining 5-percent owner) is amended by adding at the end the following new clause:

"(iv) Family attribution disregarded.—Solely for purposes of applying this paragraph (and not for purposes of any provision of this title which incorporates by reference the definition of a key employee or 5-percent owner under this paragraph), section 318 shall be applied without regard to subsection (a)(1) thereof in determining whether any person is a 5-percent owner.".

(g) Effective Date.—The amendments made by this section shall apply to years beginning after December 31, 2000.

SEC. 24. ELECTIVE DEFERRALS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF DEDUCTION LIMITS.

(a) In General.—Section 404 (relating to deduction for contributions of an employer to an employees' trust or annuity plan and compensation under a deferred payment plan) is amended by adding at the end the following new subsection:

"(n) Elective Deferrals Not Taken Into Account for Purposes of Deduction Limits.—Elective deferrals (as defined in section 402(g)(3)) shall not be subject to any limitation contained in paragraph (3), (7), or (9) of subsection (a), and such elective deferrals shall not be taken into account in applying any such limitation to any other contributions.".

(b) Effective Date.—The amendment made by this section shall apply to years beginning after December 31, 2000.

SEC. 25. REPEAL OF COORDINATION REQUIREMENTS FOR DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.

(a) In General.—Subsection (c) of section 457 (relating to deferred compensation plans of State and local governments and tax-exempt organizations), as amended by section 21, is,amended to read as follows:

"(c) Limitation.—The maximum amount of the compensation of any one individual which may be deferred under subsection (a) during any taxable year shall not exceed the amount in effect under subsection (b)(2)(A) (as modified by any adjustment provided under subsection (b)(3)).".

(b) Effective Date.—The amendment made by subsection (a) shall apply to years beginning after December 31, 2000.

SEC. 26. ELIMINATION OF USER FEE FOR REQUESTS TO IRS REGARDING PENSION PLANS.

(a) Elimination of Certain User Fees.—The Secretary of the Treasury or the Secretary's delegate shall not require payment of user fees under the program established under section 7527 of the Internal Revenue Code of 1986 for requests to the Internal Revenue Service for determination letters with respect to the qualified status of a pension benefit plan maintained solely by one or more eligible employers or any trust which is part of the plan. The preceding sentence shall not apply to any request—

(1) made after the 5th plan year the pension benefit plan is in existence, or

(2) made by the sponsor of any prototype or similar plan which the sponsor intends to market to participating employers.

(b) Pension Benefit Plan.—For purposes of this section, the term "pension benefit plan" means a pension, profit-sharing, stock bonus, annuity, or employee stock ownership plan.

(c) Eligible Employer.—For purposes of this section, the term "eligible employer" has the same meaning given such term in section 408(p)(2)(C)(i)(I) of the Internal Revenue Code of 1986. The determination of whether an employer is an eligible employer under this section shall be made as of the date of the request described in subsection (a).

(d) Effective Date.—The provisions of this section shall apply with respect to requests made after December 31, 2000.

SEC. 27. DEDUCTION LIMITS.

(a) In General.—Section 404(a) (relating to general rule) is amended by adding at the end the following:

"(12) Definition of compensation.—For purposes of paragraphs (3), (7), (8), and (9), the term 'compensation' shall include amounts treated as participant's compensation under subparagraph (C) or (D) of section 415(c)(3).".

(b) Conforming Amendment.—Subparagraph (B) of section 404(a)(3) is amended by striking the last sentence thereof.

(c) Effective Date.—The amendments made by this section shall apply to years beginning after December 31, 2000.

SEC. 28. OPTION TO TREAT ELECTIVE DEFERRALS AS AFTER-TAX CONTRIBUTIONS.

(a) In General.—Subpart A of part I of subchapter D of chapter 1 (relating to deferred compensation, etc.) is amended by inserting after section 402 the following new section:

"SEC. 402A. OPTIONAL TREATMENT OF ELECTIVE DEFERRALS AS PLUS CONTRIBUTIONS.

"(a) General Rule.—If an applicable retirement plan includes a qualified plus contribution program—

"(1) any designated plus contribution made by an employee pursuant to the program shall be treated as an elective deferral for purposes of this chapter, except that such contribution shall not be excludable from gross income, and

"(2) such plan (and any arrangement which is part of such plan) shall not be treated as failing to meet any requirement of this chapter solely by reason of including such program.

"(b) Qualified Plus Contribution Program.—For purposes of this section—

"(1) In general.—The term 'qualified plus contribution program' means a program under which an employee may elect to make designated plus contributions in lieu of all or a portion of elective deferrals the employee is otherwise eligible to make under the applicable retirement plan.

"(2) Separate accounting required.—A program shall not be treated as a qualified plus contribution program unless the applicable retirement plan—

"(A) establishes separate accounts ('designated plus accounts') for the designated plus contributions of each employee and any earnings properly allocable to the contributions, and

"(B) maintains separate recordkeeping with respect to each account.

"(c) Definitions and Rules Relating to Designated Plus Contributions.—For purposes of this section—

"(1) Designated plus contribution.—The term 'designated plus contribution' means any elective deferral which—

"(A) is excludable from gross income of an employee without regard to this section, and

"(B) the employee designates (at such time and in such manner as the Secretary may prescribe) as not being so excludable.

"(2) Designation limits.—The amount of elective deferrals which an employee may designate under paragraph (1) shall not exceed the excess (if any) of—

"(A) the maximum amount of elective deferrals excludable from gross income of the employee for the taxable year (without regard to this section), over

"(B) the aggregate amount of elective deferrals of the employee for the taxable year which the employee does not designate under paragraph (1).

"(3) Rollover contributions.—

"(A) In general.—A rollover contribution of any payment or distribution from a designated plus account which is otherwise allowable under this chapter may be made only if the contribution is to—

"(i) another designated plus account of the individual from whose account the payment or distribution was made, or

"(ii) a Roth IRA of such individual.

"(B) Coordination with limit.—Any rollover contribution to a designated plus account under subparagraph (A) shall not be taken into account for purposes of paragraph (1).

"(d) Distribution Rules.—For purposes of this title—

"(1) Exclusion.—Any qualified distribution from a designated plus account shall not be includible in gross income.

"(2) Qualified distribution.—For purposes of this subsection—

"(A) In general.—The term 'qualified distribution' has the meaning given such term by section 408A(d)(2)(A) (without regard to clause (iv) thereof).

"(B) Distributions within nonexclusion period.—A payment or distribution from a designated plus account shall not be treated as a qualified distribution if such payment or distribution is made within the 5-taxable-year period beginning with the earlier of—

"(i) the first taxable year for which the individual made a designated plus contribution to any designated plus account established for such individual under the same applicable retirement plan, or

"(ii) if a rollover contribution was made to such designated plus account from a designated plus account previously established for such individual under another applicable retirement plan, the first taxable year for which the individual made a designated plus contribution to such previously established account.

"(C) Distributions of excess deferrals and earnings.—The term 'qualified distribution' shall not include any distribution of any excess deferral under section 402(g)(2) and any income on the excess deferral.

"(3) Aggregation rules.—Section 72 shall be applied separately with respect to distributions and payments from a designated plus account and other distributions and payments from the plan.

"(e) Other Definitions.—For purposes of this section—

"(1) Applicable retirement plan.—The term 'applicable retirement plan' means—

"(A) an employees' trust described in section 401(a) which is exempt from tax under section 501(a), and

"(B) a plan under which amounts are contributed by an individual's employer for an annuity contract described in section 403(b).

"(2) Elective deferral.—The term 'elective deferral' means any elective deferral described in subparagraph (A) or (C) of section 402(g)(3).".

(b) Excess Deferrals.—Section 402(g) (relating to limitation on exclusion for elective deferrals) is amended—

(1) by adding at the end of paragraph (1) the following new sentence: "The preceding sentence shall not apply to so much of such excess as does not exceed the designated plus contributions of the individual for the taxable year.", and

(2) by inserting "(or would be included but for the last sentence thereof)" after "paragraph (1)" in paragraph (2)(A).

(c) Rollovers.—Subparagraph (B) of section 402(c)(8) is amended by adding at the end the following:

"If any portion of an eligible rollover distribution is attributable to payments or distributions from a designated plus account (as defined in section 402A), an eligible retirement plan with respect to such portion shall include only another designated plus account and a Roth IRA.".

(d) Reporting Requirements.—

(1) W–2 information.—Section 6051(a)(8) is amended by inserting ", including the amount of designated plus contributions (as defined in section 402A)" before the comma at the end.

(2) Information.—Section 6047 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) Designated Plus Contributions.—The Secretary shall require the plan administrator of each applicable retirement plan (as defined in section 402A) to make such returns and reports regarding designated plus contributions (as so defined) to the Secretary, participants and beneficiaries of the plan, and such other persons as the Secretary may prescribe.".

(e) Conforming Amendments.—

(1) Section 408A(e) is amended by adding after the first sentence the following new sentence: "Such term includes a rollover contribution described in section 402A(c)(3)(A).".

(2) The table of sections for subpart A of part I of subchapter D of chapter 1 is amended by inserting after the item relating to section 402 the following new item:

"Sec. 402A. Optional treatment of elective deferrals as plus contributions.".

(f) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

PART II—ENHANCING FAIRNESS FOR WOMEN

SEC. 31. CATCHUP CONTRIBUTIONS FOR INDIVIDUALS AGE 50 OR OVER.

(a) In General.—Section 414 (relating to definitions and special rules) is amended by adding at the end the following new subsection:

"(v) Catchup Contributions for Individuals Age 50 or Over.—

"(1) In general.—An applicable employer plan shall not be treated as failing to meet any requirement of this title solely because the plan permits an eligible participant to make additional elective deferrals in any plan year.

"(2) Limitation on amount of additional deferrals.—

"(A) In general.—A plan shall not permit additional elective deferrals under paragraph (1) for any year in an amount greater than the lesser of—

"(i) the applicable percentage of the applicable dollar amount for such elective deferrals for such year, or

"(ii) the excess (if any) of—

"(I) the participant's compensation for the year, over

"(II) any other elective deferrals of the participant for such year which are made without regard to this subsection.

"(B) Applicable percentage.—For purposes of this paragraph, the applicable percentage shall be determined in accordance with the following table:

"For taxable years beginning in:	The applicable percentage is:
2001	10 percent
2002	20 percent
2003	30 percent
2004	40 percent
2005 and thereafter	50 percent.

"(3) Treatment of contributions.—In the case of any contribution to a plan under paragraph (1)—

"(A) such contribution shall not, with respect to the year in which the contribution is made—

"(i) be subject to any otherwise applicable limitation contained in section 402(g), 402(h), 403(b), 404(a), 404(h), 408, 415, or 457, or

"(ii) be taken into account in applying such limitations to other contributions or benefits under such plan or any other such plan, and

"(B) such plan shall not be treated as failing to meet the requirements of section 401(a)(4), 401(a)(26), 401(k)(3), 401(k)(11), 401(k)(12), 401(m), 403(b)(12), 408(k), 408(p), 408B, 410(b), or 416 by reason of the making of (or the right to make) such contribution.

"(4) ELIGIBLE PARTICIPANT.—For purposes of this subsection, the term 'eligible participant' means, with respect to any plan year, a participant in a plan—

"(A) who has attained the age of 50 before the close of the plan year, and

"(B) with respect to whom no other elective deferrals may (without regard to this subsection) be made to the plan for the plan year by reason of the application of any limitation or other restriction described in paragraph (3) or contained in the terms of the plan.

"(5) OTHER DEFINITIONS AND RULES.—For purposes of this subsection—

"(A) APPLICABLE DOLLAR AMOUNT.—The term 'applicable dollar amount' means, with respect to any year, the amount in effect under section 402(g)(1)(B), 408(p)(2)(E)(i), or 457(e)(15)(A), whichever is applicable to an applicable employer plan, for such year.

"(B) APPLICABLE EMPLOYER PLAN.—The term 'applicable employer plan' means—

"(i) an employees' trust described in section 401(a) which is exempt from tax under section 501(a),

"(ii) a plan under which amounts are contributed by an individual's employer for an annuity contract described in section 403(b),

"(iii) an eligible deferred compensation plan under section 457 of an eligible employer as defined in section 457(e)(1)(A), and

"(iv) an arrangement meeting the requirements of section 408 (k) or (p).

"(C) ELECTIVE DEFERRAL.—The term 'elective deferral' has the meaning given such term by subsection (u)(2)(C).

"(D) EXCEPTION FOR SECTION 457 PLANS.—This subsection shall not apply to an applicable employer plan described in subparagraph (B)(iii) for any year to which section 457(b)(3) applies.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions in taxable years beginning after December 31, 2000.

SEC. 32. EQUITABLE TREATMENT FOR CONTRIBUTIONS OF EMPLOYEES TO DEFINED CONTRIBUTION PLANS.

(a) EQUITABLE TREATMENT.—

(1) IN GENERAL.—Subparagraph (B) of section 415(c)(1) (relating to limitation for defined contribution plans) is amended by striking "25 percent" and inserting "100 percent".

(2) APPLICATION TO SECTION 403(b).—Section 403(b) is amended—

(A) by striking "the exclusion allowance for such taxable year" in paragraph (1) and inserting "the applicable limit under section 415",

(B) by striking paragraph (2), and

(C) by inserting "or any amount received by a former employee after the 5th taxable year following the taxable year in which such employee was terminated" before the period at the end of the second sentence of paragraph (3).

(3) CONFORMING AMENDMENTS.—

(A) Subsection (f) of section 72 is amended by striking "section 403(b)(2)(D)(iii))" and inserting "section 403(b)(2)(D)(iii), as in effect before the enactment of the Taxpayer Refund and Relief Act of 1999)".

(B) Section 404(a)(10)(B) is amended by striking ", the exclusion allowance under section 403(b)(2),".

(C) Section 415(a)(2) is amended by striking ", and the amount of the contribution for such portion shall reduce the exclusion allowance as provided in section 403(b)(2)".

(D) Section 415(c)(3) is amended by adding at the end the following new subparagraph:

"(E) ANNUITY CONTRACTS.—In the case of an annuity contract described in section 403(b), the term 'participant's compensation' means the participant's includible compensation determined under section 403(b)(3).".

(E) Section 415(c) is amended by striking paragraph (4).

(F) Section 415(c)(7) is amended to read as follows:

"(7) CERTAIN CONTRIBUTIONS BY CHURCH PLANS NOT TREATED AS EXCEEDING LIMIT.—

"(A) IN GENERAL.—Notwithstanding any other provision of this subsection, at the election of a participant who is an employee of a church or a convention or association of churches, including an organization described in section 414(e)(3)(B)(ii), contributions and other additions for an annuity contract or retirement income account described in section 403(b) with respect to such participant, when expressed as an annual addition to such participant's account, shall be treated as not exceeding the limitation of paragraph (1) if such annual addition is not in excess of $10,000.

"(B) $40,000 AGGREGATE LIMITATION.—The total amount of additions with respect to any participant which may be taken into account for purposes of this subparagraph for all years may not exceed $40,000.

"(C) ANNUAL ADDITION.—For purposes of this paragraph, the term 'annual addition' has the meaning given such term by paragraph (2).".

(G) Subparagraph (B) of section 402(g)(7) (as redesignated by section 1201) is amended by inserting before the period at the end the following: "(as in effect before the enactment of the Taxpayer Refund and Relief Act of 1999)".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to years beginning after December 31, 2000.

(b) SPECIAL RULES FOR SECTIONS 403(b) AND 408.—

(1) IN GENERAL.—Subsection (k) of section 415 is amended by adding at the end the following new paragraph:

"(4) SPECIAL RULES FOR SECTIONS 403(b) AND 408.—For purposes of this section, any annuity contract described in section 403(b) for the benefit of a participant shall be treated as a defined contribution plan maintained by each employer with respect to which the participant has the control required under subsection (b) or (c) of section 414 (as modified by subsection (h)). For purposes of this section, any contribution by an employer to a simplified employee pension plan for an individual for a taxable year shall be treated as an employer contribution to a defined contribution plan for such individual for such year.".

(2) EFFECTIVE DATE.—

(A) IN GENERAL.—The amendment made by paragraph (1) shall apply to limitation years beginning after December 31, 1999.

(B) EXCLUSION ALLOWANCE.—Effective for limitation years beginning in 2000, in the case of any annuity contract described in section 403(b) of the Internal Revenue Code of 1986, the amount of the contribution disqualified by reason of section 415(g) of such Code shall reduce the exclusion allowance as provided in section 403(b)(2) of such Code.

(3) MODIFICATION OF 403(b) EXCLUSION ALLOWANCE TO CONFORM TO 415 MODIFICATION.—The Secretary of the Treasury shall modify the regulations regarding the exclusion allowance under section 403(b)(2) of the Internal Revenue Code of 1986 to render void the requirement that contributions to a defined benefit pension plan be treated as previously excluded amounts for purposes of the exclusion allowance. For taxable years beginning after December 31, 1999, such regulations shall be applied as if such requirement were void.

(c) DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.—

(1) IN GENERAL.—Subparagraph (B) of section 457(b)(2) (relating to salary limitation on eligible deferred compensation plans) is amended by striking "33⅓ percent" and inserting "100 percent".

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to years beginning after December 31, 2000.

SEC. 33. FASTER VESTING OF CERTAIN EMPLOYER MATCHING CONTRIBUTIONS.

(a) AMENDMENTS TO 1986 CODE.—Section 411(a) (relating to minimum vesting standards) is amended—

(1) in paragraph (2), by striking "A plan" and inserting "Except as provided in paragraph (12), a plan", and

(2) by adding at the end the following:

"(12) FASTER VESTING FOR MATCHING CONTRIBUTIONS.—In the case of matching contributions (as defined in section 401(m)(4)(A)), paragraph (2) shall be applied—

"(A) by substituting '3 years' for '5 years' in subparagraph (A), and

"(B) by substituting the following table for the table contained in subparagraph (B):

"Years of service:	**The nonforfeitable percentage is:**
2	20
3	40
4	60
5	80
6	100.".

(b) AMENDMENTS TO ERISA.—Section 203(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(a)) is amended—

(1) in paragraph (2), by striking "A plan" and inserting "Except as provided in paragraph (4), a plan", and

(2) by adding at the end the following:

"(4) FASTER VESTING FOR MATCHING CONTRIBUTIONS.—In the case of matching contributions (as defined in section 401(m)(4)(A) of the Internal Revenue Code of 1986), paragraph (2) shall be applied—

"(A) by substituting '3 years' for '5 years' in subparagraph (A), and

"(B) by substituting the following table for the table contained in subparagraph (B):

"Years of service:	**The nonforfeitable percentage is:**
2	20
3	40
4	60
5	80
6	100.".

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to contributions for plan years beginning after December 31, 2000.

(2) COLLECTIVE BARGAINING AGREEMENTS.—In the case of a plan maintained pursuant to one or more collective bargaining agreements between employee representatives and one or more employers ratified by the date of the enactment of this Act, the amendments made by this section shall not apply to contributions on behalf of employees covered by any such agreement for plan years beginning before the earlier of—

(A) the later of—

(i) the date on which the last of such collective bargaining agreements terminates (determined without regard to any extension thereof on or after such date of the enactment), or

(ii) January 1, 2001, or

(B) January 1, 2005.

(3) SERVICE REQUIRED.—With respect to any plan, the amendments made by this section shall not apply to any employee before the date that such employee has 1 hour of service under such plan in any plan year to which the amendments made by this section apply.

SEC. 34. SIMPLIFY AND UPDATE THE MINIMUM DISTRIBUTION RULES.

(a) SIMPLIFICATION AND FINALIZATION OF MINIMUM DISTRIBUTION REQUIREMENTS.—

(1) IN GENERAL.—The Secretary of the Treasury shall—

(A) simplify and finalize the regulations relating to minimum distribution requirements under sections 401(a)(9), 408(a)(6) and (b)(3), 403(b)(10), and 457(d)(2) of the Internal Revenue Code of 1986, and

(B) modify such regulations to—

(i) reflect current life expectancy, and

(ii) revise the required distribution methods so that, under reasonable assumptions, the amount of the required minimum distribution does not decrease over a participant's life expectancy.

(2) FRESH START.—Notwithstanding subparagraph (D) of section 401(a)(9) of such Code, during the first year that regulations are in effect under this subsection, required distributions for future years may be redetermined to reflect changes under such regulations. Such redetermination shall include the opportunity to choose a new designated beneficiary and to elect a new method of calculating life expectancy.

(3) EFFECTIVE DATE FOR REGULATIONS.—Regulations referred to in paragraph (1) shall be effective for years beginning after December 31, 2000, and shall apply in such years without regard to whether an individual had previously begun receiving minimum distributions.

(b) REPEAL OF RULE WHERE DISTRIBUTIONS HAD BEGUN BEFORE DEATH OCCURS.—

(1) IN GENERAL.—Subparagraph (B) of section 401(a)(9) is amended by striking clause (i) and redesignating clauses (ii), (iii), and (iv) as clauses (i), (ii), and (iii), respectively.

(2) CONFORMING CHANGES.—

(A) Clause (i) of section 401(a)(9)(B) (as so redesignated) is amended—

(i) by striking "FOR OTHER CASES" in the heading, and

(ii) by striking "the distribution of the employee's interest has begun in accordance with subparagraph (A)(ii)" and inserting "his entire interest has been distributed to him,".

(B) Clause (ii) of section 401(a)(9)(B) (as so redesignated) is amended by striking "clause (ii)" and inserting "clause (i)".

(C) Clause (iii) of section 401(a)(9)(B) (as so redesignated) is amended—

(i) by striking "clause (iii)(I)" and inserting "clause (ii)(I)",

(ii) by striking "clause (iii)(III)" in subclause (I) and inserting "clause (ii)(III)",

(iii) by striking "the date on which the employee would have attained the age 70½," in subclause (I) and inserting "April 1 of the calendar year following the calendar year in which the spouse attains 70½,", and

(iv) by striking "the distributions to such spouse begin," in subclause (II) and inserting "his entire interest has been distributed to him,".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to years beginning after December 31, 2000.

(c) REDUCTION IN EXCISE TAX.—

(1) IN GENERAL.—Subsection (a) of section 4974 is amended by striking "50 percent" and inserting "10 percent".

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to years beginning after December 31, 2000.

SEC. 35. CLARIFICATION OF TAX TREATMENT OF DIVISION OF SECTION 457 PLAN BENEFITS UPON DIVORCE.

(a) IN GENERAL.—Section 414(p)(11) (relating to application of rules to governmental and church plans) is amended—

(1) by inserting "or an eligible deferred compensation plan (within the meaning of section 457(b))" after "subsection (e))", and

(2) in the heading, by striking "GOVERNMENTAL AND CHURCH PLANS" and inserting "CERTAIN OTHER PLANS".

(b) WAIVER OF CERTAIN DISTRIBUTION REQUIREMENTS.—Paragraph (10) of section 414(p) is amended by striking "and section 409(d)" and inserting "section 409(d), and section 457(d)".

(c) TAX TREATMENT OF PAYMENTS FROM A SECTION 457 PLAN.—Subsection (p) of section 414 is amended by redesignating paragraph (12) as paragraph (13) and inserting after paragraph (11) the following new paragraph:

"(12) TAX TREATMENT OF PAYMENTS FROM A SECTION 457 PLAN.—If a distribution or payment from an eligible deferred compensation plan described in section 457(b) is made pursuant to a qualified domestic relations order, rules similar to the rules of section 402(e)(1)(A) shall apply to such distribution or payment.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers, distributions, and payments made after December 31, 2000.

SEC. 36. MODIFICATION OF SAFE HARBOR RELIEF FOR HARDSHIP WITHDRAWALS FROM CASH OR DEFERRED ARRANGEMENTS.

(a) IN GENERAL.—The Secretary of the Treasury shall revise the regulations relating to hardship distributions under section 401(k)(2)(B)(i)(IV) of the Internal Revenue Code of 1986 to provide that the period an employee is prohibited from making elective and employee contributions in order for a distribution to be deemed necessary to satisfy financial need shall be equal to 6 months.

(b) EFFECTIVE DATE.—The revised regulations under subsection (a) shall apply to years beginning after December 31, 2000.

PART III—INCREASING PORTABILITY FOR PARTICIPANTS

SEC. 41. ROLLOVERS ALLOWED AMONG VARIOUS TYPES OF PLANS.

(a) ROLLOVERS FROM AND TO SECTION 457 PLANS.—

(1) ROLLOVERS FROM SECTION 457 PLANS.—

(A) IN GENERAL.—Section 457(e) (relating to other definitions and special rules) is amended by adding at the end the following:

"(16) ROLLOVER AMOUNTS.—

"(A) GENERAL RULE.—In the case of an eligible deferred compensation plan established and maintained by an employer described in subsection (e)(1)(A), if—

"(i) any portion of the balance to the credit of an employee in such plan is paid to such employee in an eligible rollover distribution (within the meaning of section 402(c)(4) without regard to subparagraph (C) thereof),

"(ii) the employee transfers any portion of the property such employee receives in such distribution to an eligible retirement plan described in section 402(c)(8)(B), and

"(iii) in the case of a distribution of property other than money, the amount so transferred consists of the property distributed, then such distribution (to the extent so transferred) shall not be includible in gross income for the taxable year in which paid.

"(B) CERTAIN RULES MADE APPLICABLE.—The rules of paragraphs (2) through (7) (other than paragraph (4)(C)) and (9) of section 402(c) and section 402(f) shall apply for purposes of subparagraph (A).

"(C) REPORTING.—Rollovers under this paragraph shall be reported to the Secretary in the same manner as rollovers from qualified retirement plans (as defined in section 4974(c)).".

(B) DEFERRAL LIMIT DETERMINED WITHOUT REGARD TO ROLLOVER AMOUNTS.—Section 457(b)(2) (defining eligible deferred compensation plan) is amended by inserting "(other than rollover amounts)" after "taxable year".

(C) DIRECT ROLLOVER.—Paragraph (1) of section 457(d) is amended by striking "and" at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting ", and", and by inserting after subparagraph (B) the following:

"(C) in the case of a plan maintained by an employer described in subsection (e)(1)(A), the plan meets requirements similar to the requirements of section 401(a)(31).

Any amount transferred in a direct trustee-to-trustee transfer in accordance with section 401(a)(31) shall not be includible in gross income for the taxable year of transfer.".

(D) WITHHOLDING.—

(i) Paragraph (12) of section 3401(a) is amended by adding at the end the following:

"(E) under or to an eligible deferred compensation plan which, at the time of such payment, is a plan described in section 457(b) maintained by an employer described in section 457(e)(1)(A); or".

(ii) Paragraph (3) of section 3405(c) is amended to read as follows:

"(3) ELIGIBLE ROLLOVER DISTRIBUTION.—For purposes of this subsection, the term 'eligible rollover distribution' has the meaning given such term by section 402(f)(2)(A).".

(iii) LIABILITY FOR WITHHOLDING.—Subparagraph (B) of section 3405(d)(2) is amended by striking "or" at the end of clause (ii), by striking the period at the end of clause (iii) and inserting ", or", and by adding at the end the following:

"(iv) section 457(b).".

(2) ROLLOVERS TO SECTION 457 PLANS.—

(A) IN GENERAL.—Section 402(c)(8)(B) (defining eligible retirement plan) is amended by striking "and" at the end of clause (iii), by striking the period at the end of clause (iv) and inserting ", and", and by inserting after clause (iv) the following new clause:

"(v) an eligible deferred compensation plan described in section 457(b) of an employer described in section 457(e)(1)(A).".

(B) SEPARATE ACCOUNTING.—Section 402(c) is amended by adding at the end the following new paragraph:

"(11) SEPARATE ACCOUNTING.—Unless a plan described in clause (v) of paragraph (8)(B) agrees to separately account for amounts rolled into such plan from eligible retirement plans not described in such clause, the plan described in such clause may not accept transfers or rollovers from such retirement plans.".

(C) 10 PERCENT ADDITIONAL TAX.—Subsection (t) of section 72 (relating to 10-percent additional tax on early distributions from qualified retirement plans) is amended by adding at the end the following new paragraph:

“(9) SPECIAL RULE FOR ROLLOVERS TO SECTION 457 PLANS.—For purposes of this subsection, a distribution from an eligible deferred compensation plan (as defined in section 457(b)) of an employer described in section 457(e)(1)(A) shall be treated as a distribution from a qualified retirement plan described in 4974(c)(1) to the extent that such distribution is attributable to an amount transferred to an eligible deferred compensation plan from a qualified retirement plan (as defined in section 4974(c)).”.

(b) ALLOWANCE OF ROLLOVERS FROM AND TO 403 (b) PLANS.—

(1) ROLLOVERS FROM SECTION 403 (b) PLANS.—Section 403(b)(8)(A)(ii) (relating to rollover amounts) is amended by striking “such distribution” and all that follows and inserting “such distribution to an eligible retirement plan described in section 402(c)(8)(B), and”.

(2) ROLLOVERS TO SECTION 403 (b) PLANS.—Section 402(c)(8)(B) (defining eligible retirement plan), as amended by subsection (a), is amended by striking “and” at the end of clause (iv), by striking the period at the end of clause (v) and inserting “, and”, and by inserting after clause (v) the following new clause:

“(vi) an annuity contract described in section 403(b).”.

(c) EXPANDED EXPLANATION TO RECIPIENTS OF ROLLOVER DISTRIBUTIONS.—Paragraph (1) of section 402(f) (relating to written explanation to recipients of distributions eligible for rollover treatment) is amended by striking “and” at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting “, and”, and by adding at the end the following new subparagraph:

“(E) of the provisions under which distributions from the eligible retirement plan receiving the distribution may be subject to restrictions and tax consequences which are different from those applicable to distributions from the plan making such distribution.”.

(d) SPOUSAL ROLLOVERS.—Section 402(c)(9) (relating to rollover where spouse receives distribution after death of employee) is amended by striking “; except that” and all that follows up to the end period.

(e) CONFORMING AMENDMENTS.—

(1) Section 72(o)(4) is amended by striking “and 408(d)(3)” and inserting “403(b)(8), 408(d)(3), and 457(e)(16)”.

(2) Section 219(d)(2) is amended by striking “or 408(d)(3)” and inserting “408(d)(3), or 457(e)(16)”.

(3) Section 401(a)(31)(B) is amended by striking “and 403(a)(4)” and inserting “, 403(a)(4), 403(b)(8), and 457(e)(16)”.

(4) Subparagraph (A) of section 402(f)(2) is amended by striking “or paragraph (4) of section 403(a)” and inserting “, paragraph (4) of section 403(a), subparagraph (A) of section 403(b)(8), or subparagraph (A) of section 457(e)(16)”.

(5) Paragraph (1) of section 402(f) is amended by striking “from an eligible retirement plan”.

(6) Subparagraphs (A) and (B) of section 402(f)(1) are amended by striking “another eligible retirement plan” and inserting “an eligible retirement plan”.

(7) Subparagraph (B) of section 403(b)(8) is amended to read as follows:

“(B) CERTAIN RULES MADE APPLICABLE.—The rules of paragraphs (2) through (7) and (9) of section 402(c) and section 402(f) shall apply for purposes of subparagraph (A), except that section 402(f) shall be applied to the payor in lieu of the plan administrator.”.

(8) Section 408(a)(1) is amended by striking “or 403(b)(8)” and inserting “, 403(b)(8), or 457(e)(16)”.

(9) Subparagraphs (A) and (B) of section 415(b)(2) are each amended by striking “and 408(d)(3)” and inserting “403(b)(8), 408(d)(3), and 457(e)(16)”.

(10) Section 415(c)(2) is amended by striking “and 408(d)(3)” and inserting “408(d)(3), and 457(e)(16)”.

(11) Section 4973(b)(1)(A) is amended by striking “or 408(d)(3)” and inserting “408(d)(3), or 457(e)(16)”.

(f) EFFECTIVE DATE; SPECIAL RULE.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

(2) SPECIAL RULE.—Notwithstanding any other provision of law, subsections (h)(3) and (h)(5) of section 1122 of the Tax Reform Act of 1986 shall not apply to any distribution from an eligible retirement plan (as defined in clause (iii) or (iv) of section 402(c)(8)(B) of the Internal Revenue Code of 1986) on behalf of an individual if there was a rollover to such plan on behalf of such individual which is permitted solely by reason of any amendment made by this section.

SEC. 42. ROLLOVERS OF IRAS INTO WORKPLACE RETIREMENT PLANS.

(a) IN GENERAL.—Subparagraph (A) of section 408(d)(3) (relating to rollover amounts) is amended by adding “or” at the end of clause (i), by striking clauses (ii) and (iii), and by adding at the end the following:

“(ii) the entire amount received (including money and any other property) is paid into an eligible retirement plan for the benefit of such individual not later than the 60th day after the date on which the payment or distribution is received, except that the maximum amount which may be paid into such plan may not exceed the portion of the amount received which is includible in gross income (determined without regard to this paragraph).

For purposes of clause (ii), the term ‘eligible retirement plan’ means an eligible retirement plan described in clause (iii), (iv), (v), or (vi) of section 402(c)(8)(B).”.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 403(b) is amended by striking “section 408(d)(3)(A)(iii)” and inserting “section 408(d)(3)(A)(ii)”.

(2) Clause (i) of section 408(d)(3)(D) is amended by striking “(i), (ii), or (iii)” and inserting “(i) or (ii)”.

(3) Subparagraph (G) of section 408(d)(3) is amended to read as follows:

“(G) SIMPLE RETIREMENT ACCOUNTS.—In the case of any payment or distribution out of a simple retirement account (as defined in subsection (p)) to which section 72(t)(6) applies, this paragraph shall not apply unless such payment or distribution is paid into another simple retirement account.”.

(c) EFFECTIVE DATE; SPECIAL RULE.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

(2) SPECIAL RULE.—Notwithstanding any other provision of law, subsections (h)(3) and (h)(5) of section 1122 of the Tax Reform Act of 1986 shall not apply to any distribution from an eligible retirement plan (as defined in clause (iii) or (iv) of section 402(c)(8)(B) of the Internal Revenue Code of 1986) on behalf of an individual if there was a rollover to such plan on behalf of such individual which is permitted solely by reason of the amendments made by this section.

SEC. 43. ROLLOVERS OF AFTER-TAX CONTRIBUTIONS.

(a) ROLLOVERS FROM EXEMPT TRUSTS.—Paragraph (2) of section 402(c) (relating to maximum amount which may be rolled over) is amended by adding at the end the following: “The preceding sentence shall not apply to such distribution to the extent—

“(A) such portion is transferred in a direct trustee-to-trustee transfer to a qualified trust which is part of a plan which is a defined contribution plan and which agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible, or

“(B) such portion is transferred to an eligible retirement plan described in clause (i) or (ii) of paragraph (8)(B).”.

(b) OPTIONAL DIRECT TRANSFER OF ELIGIBLE ROLLOVER DISTRIBUTIONS.—Subparagraph (B) of section 401(a)(31) (relating to limitation) is amended by adding at the end the following: “The preceding sentence shall not apply to such distribution if the plan to which such distribution is transferred—

“(i) agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible, or

“(ii) is an eligible retirement plan described in clause (i) or (ii) of section 402(c)(8)(B).”.

(c) RULES FOR APPLYING SECTION 72 TO IRAS.—Paragraph (3) of section 408(d) (relating to special rules for applying section 72) is amended by inserting at the end the following:

“(H) APPLICATION OF SECTION 72.—

“(i) IN GENERAL.—If—

“(I) a distribution is made from an individual retirement plan, and

“(II) a rollover contribution is made to an eligible retirement plan described in section 402(c)(8)(B)(iii), (iv), (v), or (vi) with respect to all or part of such distribution,

then, notwithstanding paragraph (2), the rules of clause (ii) shall apply for purposes of applying section 72.

“(ii) APPLICABLE RULES.—In the case of a distribution described in clause (i)—

“(I) section 72 shall be applied separately to such distribution,

“(II) notwithstanding the pro rata allocation of income on, and investment in, the contract to distributions under section 72, the portion of such distribution rolled over to an eligible retirement plan described in clause (i) shall be treated as from income on the contract (to the extent of the aggregate income on the contract from all individual retirement plans of the distributee), and

“(III) appropriate adjustments shall be made in applying section 72 to other distributions in such taxable year and subsequent taxable years.”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions made after December 31, 2000.

SEC. 44. HARDSHIP EXCEPTION TO 60-DAY RULE.

(a) EXEMPT TRUSTS.—Paragraph (3) of section 402(c) (relating to transfer must be made within 60 days of receipt) is amended to read as follows:

“(3) TRANSFER MUST BE MADE WITHIN 60 DAYS OF RECEIPT.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), paragraph (1) shall not apply to any transfer of a distribution made after the 60th day following the day on which the distributee received the property distributed.

“(B) HARDSHIP EXCEPTION.—The Secretary may waive the 60-day requirement under subparagraph (A) where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement.”.

(b) IRAs.—Paragraph (3) of section 408(d) (relating to rollover contributions), as amended by section 43, is amended by adding after subparagraph (H) the following new subparagraph:

“(I) WAIVER OF 60-DAY REQUIREMENT.—The Secretary may waive the 60-day requirement under subparagraphs (A) and (D) where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

SEC. 45. TREATMENT OF FORMS OF DISTRIBUTION.

(a) PLAN TRANSFERS.—

(1) AMENDMENT TO INTERNAL REVENUE CODE OF 1986.—Paragraph (6) of section 411(d) (relating to accrued benefit not to be decreased by amendment) is amended by adding at the end the following:

“(D) PLAN TRANSFERS.—

“(i) A defined contribution plan (in this subparagraph referred to as the ‘transferee plan’) shall not be treated as failing to meet the requirements of this subsection merely because the transferee plan does not provide some or all of the forms of distribution previously available under another defined contribution plan (in this subparagraph referred to as the ‘transferor plan’) to the extent that—

“(I) the forms of distribution previously available under the transferor plan applied to the account of a participant or beneficiary under the transferor plan that was transferred from the transferor plan to the transferee plan pursuant to a direct transfer rather than pursuant to a distribution from the transferor plan,

“(II) the terms of both the transferor plan and the transferee plan authorize the transfer described in subclause (I),

“(III) the transfer described in subclause (I) was made pursuant to a voluntary election by the participant or beneficiary whose account was transferred to the transferee plan,

“(IV) the election described in subclause (III) was made after the participant or beneficiary received a notice describing the consequences of making the election,

“(V) if the transferor plan provides for an annuity as the normal form of distribution under the plan in accordance with section 417, the transfer is made with the consent of the participant's spouse (if any), and such consent meets requirements similar to the requirements imposed by section 417(a)(2), and

“(VI) the transferee plan allows the participant or beneficiary described in clause (iii) to receive any distribution to which the participant or beneficiary is entitled under the transferee plan in the form of a single sum distribution.

“(ii) Clause (i) shall apply to plan mergers and other transactions having the effect of a direct transfer, including consolidations of benefits attributable to different employers within a multiple employer plan.

“(E) ELIMINATION OF FORM OF DISTRIBUTION.—Except to the extent provided in regulations, a defined contribution plan shall not be treated as failing to meet the requirements of this section merely because of the elimination of a form of distribution previously available thereunder. This subparagraph shall not apply to the elimination of a form of distribution with respect to any participant unless—

“(i) a single sum payment is available to such participant at the same time or times as the form of distribution being eliminated, and

“(ii) such single sum payment is based on the same or greater portion of the participant's account as the form of distribution being eliminated.”.

(2) AMENDMENT TO ERISA.—Section 204(g) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054(g)) is amended by adding at the end the following:

“(4)(A) A defined contribution plan (in this subparagraph referred to as the ‘transferee plan’) shall not be treated as failing to meet the requirements of this subsection merely because the transferee plan does not provide some or all of the forms of distribution previously available under another defined contribution plan (in this subparagraph referred to as the ‘transferor plan’) to the extent that—

“(i) the forms of distribution previously available under the transferor plan applied to the account of a participant or beneficiary under the transferor plan that was transferred from the transferor plan to the transferee plan pursuant to a direct transfer rather than pursuant to a distribution from the transferor plan;

“(ii) the terms of both the transferor plan and the transferee plan authorize the transfer described in clause (i);

“(iii) the transfer described in clause (i) was made pursuant to a voluntary election by the participant or beneficiary whose account was transferred to the transferee plan;

“(iv) the election described in clause (iii) was made after the participant or beneficiary received a notice describing the consequences of making the election;

“(v) if the transferor plan provides for an annuity as the normal form of distribution under the plan in accordance with section 205, the transfer is made with the consent of the participant's spouse (if any), and such consent meets requirements similar to the requirements imposed by section 205(c)(2); and

“(vi) the transferee plan allows the participant or beneficiary described in clause (iii) to receive any distribution to which the participant or beneficiary is entitled under the transferee plan in the form of a single sum distribution.

“(B) Subparagraph (A) shall apply to plan mergers and other transactions having the effect of a direct transfer, including consolidations of benefits attributable to different employers within a multiple employer plan.

“(5) ELIMINATION OF FORM OF DISTRIBUTION.—Except to the extent provided in regulations, a defined contribution plan shall not be treated as failing to meet the requirements of this section merely because of the elimination of a form of distribution previously available thereunder. This paragraph shall not apply to the elimination of a form of distribution with respect to any participant unless—

“(A) a single sum payment is available to such participant at the same time or times as the form of distribution being eliminated; and

“(B) such single sum payment is based on the same or greater portion of the participant's account as the form of distribution being eliminated.”.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to years beginning after December 31, 2000.

(b) REGULATIONS.—

(1) AMENDMENT TO INTERNAL REVENUE CODE OF 1986.—The last sentence of paragraph (6)(B) of section 411(d) (relating to accrued benefit not to be decreased by amendment) is amended to read as follows: “The Secretary shall by regulations provide that this subparagraph shall not apply to any plan amendment that does not adversely affect the rights of participants in a material manner.”.

(2) AMENDMENT TO ERISA.—The last sentence of section 204(g)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054(g)(2)) is amended to read as follows: “The Secretary of the Treasury shall by regulations provide that this paragraph shall not apply to any plan amendment that does not adversely affect the rights of participants in a material manner.”.

(3) SECRETARY DIRECTED.—Not later than December 31, 2001, the Secretary of the Treasury is directed to issue final regulations under section 411(d)(6) of the Internal Revenue Code of 1986 and section 204(g) of the Employee Retirement Income Security Act of 1974, including the regulations required by the amendments made by this subsection. Such regulations shall apply to plan years beginning after December 31, 2001, or such earlier date as is specified by the Secretary of the Treasury.

SEC. 46. RATIONALIZATION OF RESTRICTIONS ON DISTRIBUTIONS.

(a) MODIFICATION OF SAME DESK EXCEPTION.—

(1) SECTION 401(k).—

(A) Section 401(k)(2)(B)(i)(I) (relating to qualified cash or deferred arrangements) is amended by striking “separation from service” and inserting “severance from employment”.

(B) Subparagraph (A) of section 401(k)(10) (relating to distributions upon termination of plan or disposition of assets or subsidiary) is amended to read as follows:

“(A) IN GENERAL.—An event described in this subparagraph is the termination of the plan without establishment or maintenance of another defined contribution plan (other than an employee stock ownership plan as defined in section 4975(e)(7)).”.

(C) Section 401(k)(10) is amended—

(i) in subparagraph (B)—

(I) by striking “An event” in clause (i) and inserting “A termination”, and

(II) by striking “the event” in clause (i) and inserting “the termination”,

(ii) by striking subparagraph (C), and

(iii) by striking “OR DISPOSITION OF ASSETS OR SUBSIDIARY” in the heading.

(2) SECTION 403(b).—

(A) Paragraphs (7)(A)(ii) and (11)(A) of section 403(b) are each amended by striking “separates from service” and inserting “has a severance from employment”.

(B) The heading for paragraph (11) of section 403(b) is amended by striking “SEPARATION FROM SERVICE” and inserting “SEVERANCE FROM EMPLOYMENT”.

(3) SECTION 457.—Clause (ii) of section 457(d)(1)(A) is amended by striking “is separated from service” and inserting “has a severance from employment”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

SEC. 47. PURCHASE OF SERVICE CREDIT IN GOVERNMENTAL DEFINED BENEFIT PLANS.

(a) 403(b) PLANS.—Subsection (b) of section 403 is amended by adding at the end the following new paragraph:

"(13) TRUSTEE-TO-TRUSTEE TRANSFERS TO PURCHASE PERMISSIVE SERVICE CREDIT.—No amount shall be includible in gross income by reason of a direct trustee-to-trustee transfer to a defined benefit governmental plan (as defined in section 414(d)) if such transfer is—

"(A) for the purchase of permissive service credit (as defined in section 415(n)(3)(A)) under such plan, or

"(B) a repayment to which section 415 does not apply by reason of subsection (k)(3) thereof.".

(b) 457 PLANS.—

(1) Subsection (e) of section 457 is amended by adding after paragraph (16) the following new paragraph:

"(17) TRUSTEE-TO-TRUSTEE TRANSFERS TO PURCHASE PERMISSIVE SERVICE CREDIT.—No amount shall be includible in gross income by reason of a direct trustee-to-trustee transfer to a defined benefit governmental plan (as defined in section 414(d)) if such transfer is—

"(A) for the purchase of permissive service credit (as defined in section 415(n)(3)(A)) under such plan, or

"(B) a repayment to which section 415 does not apply by reason of subsection (k)(3) thereof.".

(2) Section 457(b)(2) is amended by striking "(other than rollover amounts)" and inserting "(other than rollover amounts and amounts received in a transfer referred to in subsection (e)(17))".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to trustee-to-trustee transfers after December 31, 2000.

SEC. 48. EMPLOYERS MAY DISREGARD ROLLOVERS FOR PURPOSES OF CASH-OUT AMOUNTS.

(a) QUALIFIED PLANS.—

(1) AMENDMENT TO INTERNAL REVENUE CODE OF 1986.—Section 411(a)(11) (relating to restrictions on certain mandatory distributions) is amended by adding at the end the following:

"(D) SPECIAL RULE FOR ROLLOVER CONTRIBUTIONS.—A plan shall not fail to meet the requirements of this paragraph if, under the terms of the plan, the present value of the nonforfeitable accrued benefit is determined without regard to that portion of such benefit which is attributable to rollover contributions (and earnings allocable thereto). For purposes of this subparagraph, the term 'rollover contributions' means any rollover contribution under sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16).".

(2) AMENDMENT TO ERISA.—Section 203(e) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(c)) is amended by adding at the end the following:

"(4) A plan shall not fail to meet the requirements of this subsection if, under the terms of the plan, the present value of the nonforfeitable accrued benefit is determined without regard to that portion of such benefit which is attributable to rollover contributions (and earnings allocable thereto). For purposes of this subparagraph, the term 'rollover contributions' means any rollover contribution under sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16) of the Internal Revenue Code of 1986.".

(b) ELIGIBLE DEFERRED COMPENSATION PLANS.—Clause (i) of section 457(e)(9)(A) is amended by striking "such amount" and inserting "the portion of such amount which is not attributable to rollover contributions (as defined in section 411(a)(11)(D))".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

SEC. 49. MINIMUM DISTRIBUTION AND INCLUSION REQUIREMENTS FOR SECTION 457 PLANS.

(a) MINIMUM DISTRIBUTION REQUIREMENTS.—Paragraph (2) of section 457(d) (relating to distribution requirements) is amended to read as follows:

"(2) MINIMUM DISTRIBUTION REQUIREMENTS.—A plan meets the minimum distribution requirements of this paragraph if such plan meets the requirements of section 401(a)(9).".

(b) INCLUSION IN GROSS INCOME.—

(1) YEAR OF INCLUSION.—Subsection (a) of section 457 (relating to year of inclusion in gross income) is amended to read as follows:

"(a) YEAR OF INCLUSION IN GROSS INCOME.—

"(1) IN GENERAL.—Any amount of compensation deferred under an eligible deferred compensation plan, and any income attributable to the amounts so deferred, shall be includible in gross income only for the taxable year in which such compensation or other income—

"(A) is paid to the participant or other beneficiary, in the case of a plan of an eligible employer described in subsection (e)(1)(A), and

"(B) is paid or otherwise made available to the participant or other beneficiary, in the case of a plan of an eligible employer described in subsection (e)(1)(B).

"(2) SPECIAL RULE FOR ROLLOVER AMOUNTS.—To the extent provided in section 72(t)(9), section 72(t) shall apply to any amount includible in gross income under this subsection.".

(2) CONFORMING AMENDMENTS.—

(A) So much of paragraph (9) of section 457(e) as precedes subparagraph (A) is amended to read as follows:

"(9) BENEFITS OF TAX EXEMPT ORGANIZATION PLANS NOT TREATED AS MADE AVAILABLE BY REASON OF CERTAIN ELECTIONS, ETC.—In the case of an eligible deferred compensation plan of an employer described in subsection (e)(1)(B)—".

(B) Section 457(d) is amended by adding at the end the following new paragraph:

"(3) SPECIAL RULE FOR GOVERNMENT PLAN.—An eligible deferred compensation plan of an employer described in subsection (e)(1)(A) shall not be treated as failing to meet the requirements of this subsection solely by reason of making a distribution described in subsection (e)(9)(A).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

PART IV—STRENGTHENING PENSION SECURITY AND ENFORCEMENT

SEC. 51. REPEAL OF 150 PERCENT OF CURRENT LIABILITY FUNDING LIMIT.

(a) AMENDMENT TO INTERNAL REVENUE CODE OF 1986.—Section 412(c)(7) (relating to full-funding limitation) is amended—

(1) by striking "the applicable percentage" in subparagraph (A)(i)(I) and inserting "in the case of plan years beginning before January 1, 2004, the applicable percentage", and

(2) by amending subparagraph (F) to read as follows:

"(F) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A)(i)(I), the applicable percentage shall be determined in accordance with the following table:

"In the case of any plan year beginning in—	**The applicable percentage is—**
2001	160
2002	165
2003	170.".

(b) AMENDMENT TO ERISA.—Section 302(c)(7) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1082(c)(7)) is amended—

(1) by striking "the applicable percentage" in subparagraph (A)(i)(I) and inserting "in the case of plan years beginning before January 1, 2004, the applicable percentage", and

(2) by amending subparagraph (F) to read as follows:

"(F) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A)(i)(I), the applicable percentage shall be determined in accordance with the following table:

"In the case of any plan year beginning in—	**The applicable percentage is—**
2001	160
2002	165
2003	170.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2000.

SEC. 52. MAXIMUM CONTRIBUTION DEDUCTION RULES MODIFIED AND APPLIED TO ALL DEFINED BENEFIT PLANS.

(a) IN GENERAL.—Subparagraph (D) of section 404(a)(1) (relating to special rule in case of certain plans) is amended to read as follows:

"(D) SPECIAL RULE IN CASE OF CERTAIN PLANS.—

"(i) IN GENERAL.—In the case of any defined benefit plan, except as provided in regulations, the maximum amount deductible under the limitations of this paragraph shall not be less than the unfunded termination liability (determined as if the proposed termination date referred to in section 4041(b)(2)(A)(i)(II) of the Employee Retirement Income Security Act of 1974 were the last day of the plan year).

"(ii) PLANS WITH LESS THAN 100 PARTICIPANTS.—For purposes of this subparagraph, in the case of a plan which has less than 100 participants for the plan year, termination liability shall not include the liability attributable to benefit increases for highly compensated employees (as defined in section 414(q)) resulting from a plan amendment which is made or becomes effective, whichever is later, within the last 2 years before the termination date.

"(iii) RULE FOR DETERMINING NUMBER OF PARTICIPANTS.—For purposes of determining whether a plan has more than 100 participants, all defined benefit plans maintained by the same employer (or any member of such employer's controlled group (within the meaning of section 412(l)(8)(C))) shall be treated as one plan, but only employees of such member or employer shall be taken into account.

"(iv) PLANS ESTABLISHED AND MAINTAIN BY PROFESSIONAL SERVICE EMPLOYERS.—Clause (i) shall not apply to a plan described in section 4021(b)(13) of the Employee Retirement Income Security Act of 1974.".

(b) CONFORMING AMENDMENT.—Paragraph (6) of section 4972(c) is amended to read as follows:

"(6) EXCEPTIONS.—In determining the amount of nondeductible contributions for any taxable year, there shall not be taken into account so much of the contributions to one or more defined contribution plans which are not deductible when contributed solely because of section 404(a)(7) as does not exceed the greater of—

“(A) the amount of contributions not in excess of 6 percent of compensation (within the meaning of section 404(a)) paid or accrued (during the taxable year for which the contributions were made) to beneficiaries under the plans, or

“(B) the sum of—

“(i) the amount of contributions described in section 401(m)(4)(A), plus

“(ii) the amount of contributions described in section 402(g)(3)(A).

For purposes of this paragraph, the deductible limits under section 404(a)(7) shall first be applied to amounts contributed to a defined benefit plan and then to amounts described in subparagraph (B).”.

(c) Effective Date.—The amendments made by this section shall apply to plan years beginning after December 31, 2000.

SEC. 53. EXCISE TAX RELIEF FOR SOUND PENSION FUNDING.

(a) In General.—Subsection (c) of section 4972 (relating to nondeductible contributions) is amended by adding at the end the following new paragraph:

“(7) Defined benefit plan exception.—In determining the amount of nondeductible contributions for any taxable year, an employer may elect for such year not to take into account any contributions to a defined benefit plan except to the extent that such contributions exceed the full-funding limitation (as defined in section 412(c)(7), determined without regard to subparagraph (A)(i)(I) thereof). For purposes of this paragraph, the deductible limits under section 404(a)(7) shall first be applied to amounts contributed to defined contribution plans and then to amounts described in this paragraph. If an employer makes an election under this paragraph for a taxable year, paragraph (6) shall not apply to such employer for such taxable year.”.

(b) Effective Date.—The amendments made by this section shall apply to years beginning after December 31, 2000.

SEC. 54. EXCISE TAX ON FAILURE TO PROVIDE NOTICE BY DEFINED BENEFIT PLANS SIGNIFICANTLY REDUCING FUTURE BENEFIT ACCRUALS.

(a) Amendment to 1986 Code.—Chapter 43 of subtitle D (relating to qualified pension, etc., plans) is amended by adding at the end the following new section:

“SEC. 4980F. FAILURE OF APPLICABLE PLANS REDUCING BENEFIT ACCRUALS TO SATISFY NOTICE REQUIREMENTS.

“(a) Imposition of Tax.—There is hereby imposed a tax on the failure of any applicable pension plan to meet the requirements of subsection (e) with respect to any applicable individual.

“(b) Amount of Tax.—

“(1) In general.—The amount of the tax imposed by subsection (a) on any failure with respect to any applicable individual shall be $100 for each day in the noncompliance period with respect to such failure.

“(2) Noncompliance period.—For purposes of this section, the term ‘noncompliance period’ means, with respect to any failure, the period beginning on the date the failure first occurs and ending on the date the failure is corrected.

“(c) Limitations on Amount of Tax.—

“(1) Overall limitation for unintentional failures.—In the case of failures that are due to reasonable cause and not to willful neglect, the tax imposed by subsection (a) for failures during the taxable year of the employer (or, in the case of a multiemployer plan, the taxable year of the trust forming part of the plan) shall not exceed $500,000. For purposes of the preceding sentence, all multiemployer plans of which the same trust forms a part shall be treated as one plan. For purposes of this paragraph, if not all persons who are treated as a single employer for purposes of this section have the same taxable year, the taxable years taken into account shall be determined under principles similar to the principles of section 1561.

“(2) Waiver by secretary.—In the case of a failure which is due to reasonable cause and not to willful neglect, the Secretary may waive part or all of the tax imposed by subsection (a) to the extent that the payment of such tax would be excessive relative to the failure involved.

“(d) Liability for Tax.—The following shall be liable for the tax imposed by subsection (a):

“(1) In the case of a plan other than a multiemployer plan, the employer.

“(2) In the case of a multiemployer plan, the plan.

“(e) Notice Requirements for Plans Significantly Reducing Benefit Accruals.—

“(1) In general.—If an applicable pension plan is amended to provide for a significant reduction in the rate of future benefit accrual, the plan administrator shall provide written notice to each applicable individual (and to each employee organization representing applicable individuals).

“(2) Notice.—The notice required by paragraph (1) shall be written in a manner calculated to be understood by the average plan participant and shall provide sufficient information (as determined in accordance with regulations prescribed by the Secretary) to allow applicable individuals to understand the effect of the plan amendment.

“(3) Timing of notice.—Except as provided in regulations, the notice required by paragraph (1) shall be provided within a reasonable time before the effective date of the plan amendment.

“(4) Designees.—Any notice under paragraph (1) may be provided to a person designated, in writing, by the person to which it would otherwise be provided.

“(5) Notice before adoption of amendment.—A plan shall not be treated as failing to meet the requirements of paragraph (1) merely because notice is provided before the adoption of the plan amendment if no material modification of the amendment occurs before the amendment is adopted.

“(f) Applicable Individual; Applicable Pension Plan.—For purposes of this section—

“(1) Applicable individual.—The term ‘applicable individual’ means, with respect to any plan amendment—

“(A) any participant in the plan, and

“(B) any beneficiary who is an alternate payee (within the meaning of section 414(p)(8)) under an applicable qualified domestic relations order (within the meaning of section 414(p)(1)(A)),

who may reasonably be expected to be affected by such plan amendment.

“(2) Applicable pension plan.—The term ‘applicable pension plan’ means—

“(A) any defined benefit plan, or

“(B) an individual account plan which is subject to the funding standards of section 412,

which had 100 or more participants who had accrued a benefit, or with respect to whom contributions were made, under the plan (whether or not vested) as of the last day of the plan year preceding the plan year in which the plan amendment becomes effective. Such term shall not include a governmental plan (within the meaning of section 414(d)) or a church plan (within the meaning of section 414(e)) with respect to which the election provided by section 410(d) has not been made.”.

(b) Amendment to ERISA.—Section 204(h) of the Employee Retirement Income Security Act or 1974 (29 U.S.C. 1054(h)) is amended by adding at the end the following new paragraph:

“(3)(A) A plan to which paragraph (1) applies shall not be treated as meeting the requirements of such paragraph unless, in addition to any notice required to be provided to an individual or organization under such paragraph, the plan administrator provides the notice described in subparagraph (B).

“(B) The notice required by subparagraph (A) shall be written in a manner calculated to be understood by the average plan participant and shall provide sufficient information (as determined in accordance with regulations prescribed by the Secretary of the Treasury) to allow individuals to understand the effect of the plan amendment.

“(C) Except as provided in regulations prescribed by the Secretary of the Treasury, the notice required by subparagraph (A) shall be provided within a reasonable time before the effective date of the plan amendment.

“(D) A plan shall not be treated as failing to meet the requirements of subparagraph (A) merely because notice is provided before the adoption of the plan amendment if no material modification of the amendment occurs before the amendment is adopted.”.

(c) Clerical Amendment.—The table of sections for chapter 43 of subtitle D is amended by adding at the end the following new item:

“Sec. 4980F. Failure of applicable plans reducing benefit accruals to satisfy notice requirements.”.

(d) Effective Dates.—

(1) In general.—The amendments made by this section shall apply to plan amendments taking effect on or after the date of the enactment of this Act.

(2) Transition.—Until such time as the Secretary of the Treasury issues regulations under sections 4980F(e)(2) and (3) of the Internal Revenue Code of 1986 and section 204(h)(3) of the Employee Retirement Income Security Act of 1974 (as added by the amendments made by this section), a plan shall be treated as meeting the requirements of such sections if it makes a good faith effort to comply with such requirements.

(3) Special rule.—The period for providing any notice required by the amendments made by this section shall not end before the date which is 3 months after the date of the enactment of this Act.

SEC. 55. PROTECTION OF INVESTMENT OF EMPLOYEE CONTRIBUTIONS TO 401(K) PLANS.

(a) In General.—Section 1524(b) of the Taxpayer Relief Act of 1997 is amended to read as follows:

“(b) Effective Date.—

“(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to elective deferrals for plan years beginning after December 31, 1998.

“(2) Nonapplication to previously acquired property.—The amendments made by this section shall not apply to any elective deferral which is invested in assets consisting of qualifying employer securities, qualifying employer real property, or both, if such assets were acquired before January 1, 1999.”.

(b) Effective Date.—The amendment made by this section shall apply as if included in the provision of the Taxpayer Relief Act of 1997 to which it relates.

SEC. 56. TREATMENT OF MULTIEMPLOYER PLANS UNDER SECTION 415.

(a) COMPENSATION LIMIT.—Paragraph (11) of section 415(b) (relating to limitation for defined benefit plans) is amended to read as follows:

"(11) SPECIAL LIMITATION RULE FOR GOVERNMENTAL AND MULTIEMPLOYER PLANS.—In the case of a governmental plan (as defined in section 414(d)) or a multiemployer plan (as defined in section 414(f)), subparagraph (B) of paragraph (1) shall not apply.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 2000.

PART V—REDUCING REGULATORY BURDENS

SEC. 61. MODIFICATION OF TIMING OF PLAN VALUATIONS.

(a) IN GENERAL.—Section 412(c)(9) (relating to annual valuation) is amended—

(1) by striking "For purposes" and inserting the following:

"(A) IN GENERAL.—For purposes", and

(2) by adding at the end the following:

"(B) ELECTION TO USE PRIOR YEAR VALUATION.—

"(i) IN GENERAL.—Except as provided in clause (ii), if, for any plan year—

"(I) an election is in effect under this subparagraph with respect to a plan, and

"(II) the assets of the plan are not less than 125 percent of the plan's current liability (as defined in paragraph (7)(B)), determined as of the valuation date for the preceding plan year,

then this section shall be applied using the information available as of such valuation date.

"(ii) EXCEPTIONS.—

"(I) ACTUAL VALUATION EVERY 3 YEARS.—Clause (i) shall not apply for more than 2 consecutive plan years and valuation shall be under subparagraph (A) with respect to any plan year to which clause (i) does not apply by reason of this subclause.

"(II) REGULATIONS.—Clause (i) shall not apply to the extent that more frequent valuations are required under the regulations under subparagraph (A).

"(iii) ADJUSTMENTS.—Information under clause (i) shall, in accordance with regulations, be actuarially adjusted to reflect significant differences in participants.

"(iv) ELECTION.—An election under this subparagraph, once made, shall be irrevocable without the consent of the Secretary.".

(b) AMENDMENTS TO ERISA.—Paragraph (9) of section 302(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(c)) is amended—

(1) by inserting "(A)" after "(9)", and

(2) by adding at the end the following:

"(B)(i) Except as provided in clause (ii), if, for any plan year—

"(I) an election is in effect under this subparagraph with respect to a plan, and

"(II) the assets of the plan are not less than 125 percent of the plan's current liability (as defined in paragraph (7)(B)), determined as of the valuation date for the preceding plan year,

then this section shall be applied using the information available as of such valuation date.

"(ii)(I) Clause (i) shall not apply for more than 2 consecutive plan years and valuation shall be under subparagraph (A) with respect to any plan year to which clause (i) does not apply by reason of this subclause.

"(II) Clause (i) shall not apply to the extent that more frequent valuations are required under the regulations under subparagraph (A).

"(iii) Information under clause (i) shall, in accordance with regulations, be actuarially adjusted to reflect significant differences in participants.

"(iv) An election under this subparagraph, once made, shall be irrevocable without the consent of the Secretary of the Treasury.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2000.

SEC. 62. ESOP DIVIDENDS MAY BE REINVESTED WITHOUT LOSS OF DIVIDEND DEDUCTION.

(a) IN GENERAL.—Section 404(k)(2)(A) (defining applicable dividends) is amended by striking "or" at the end of clause (ii), by redesignating clause (iii) as clause (iv), and by inserting after clause (ii) the following new clause:

"(iii) is, at the election of such participants or their beneficiaries—

"(I) payable as provided in clause (i) or (ii), or

"(II) paid to the plan and reinvested in qualifying employer securities, or".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 63. REPEAL OF TRANSITION RULE RELATING TO CERTAIN HIGHLY COMPENSATED EMPLOYEES.

(a) IN GENERAL.—Paragraph (4) of section 1114(c) of the Tax Reform Act of 1986 is hereby repealed.

(b) EFFECTIVE DATE.—The repeal made by subsection (a) shall apply to plan years beginning after December 31, 1999.

SEC. 64. EMPLOYEES OF TAX-EXEMPT ENTITIES.

(a) IN GENERAL.—The Secretary of the Treasury shall modify Treasury Regulations section 1.410(b)–6(g) to provide that employees of an organization described in section 403(b)(1)(A)(i) of the Internal Revenue Code of 1986 who are eligible to make contributions under section 403(b) of such Code pursuant to a salary reduction agreement may be treated as excludable with respect to a plan under section 401 (k) or (m) of such Code that is provided under the same general arrangement as a plan under such section 401(k), if—

(1) no employee of an organization described in section 403(b)(1)(A)(i) of such Code is eligible to participate in such section 401(k) plan or section 401(m) plan, and

(2) 95 percent of the employees who are not employees of an organization described in section 403(b)(1)(A)(i) of such Code are eligible to participate in such plan under such section 401 (k) or (m).

(b) EFFECTIVE DATE.—The modification required by subsection (a) shall apply as of the same date set forth in section 1426(b) of the Small Business Job Protection Act of 1996.

SEC. 65. CLARIFICATION OF TREATMENT OF EMPLOYER-PROVIDED RETIREMENT ADVICE.

(a) IN GENERAL.—Subsection (a) of section 132 (relating to exclusion from gross income) is amended by striking "or" at the end of paragraph (5), by striking the period at the end of paragraph (6) and inserting ", or", and by adding at the end the following new paragraph:

"(7) qualified retirement planning services.".

(b) QUALIFIED RETIREMENT PLANNING SERVICES DEFINED.—Section 132 is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following:

"(m) QUALIFIED RETIREMENT PLANNING SERVICES.—

"(1) IN GENERAL.—For purposes of this section, the term 'qualified retirement planning services' means any retirement planning service provided to an employee and his spouse by an employer maintaining a qualified employer plan.

"(2) NONDISCRIMINATION RULE.—Subsection (a)(7) shall apply in the case of highly compensated employees only if such services are available on substantially the same terms to each member of the group of employees normally provided education and information regarding the employer's qualified employer plan.

"(3) QUALIFIED EMPLOYER PLAN.—For purposes of this subsection, the term 'qualified employer plan' means a plan, contract, pension, or account described in section 219(g)(5).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2000.

SEC. 66. REPORTING SIMPLIFICATION.

(a) SIMPLIFIED ANNUAL FILING REQUIREMENT FOR OWNERS AND THEIR SPOUSES.—

(1) IN GENERAL.—The Secretary of the Treasury shall modify the requirements for filing annual returns with respect to one-participant retirement plans to ensure that such plans with assets of $250,000 or less as of the close of the plan year need not file a return for that year.

(2) ONE-PARTICIPANT RETIREMENT PLAN DEFINED.—For purposes of this subsection, the term "one-participant retirement plan" means a retirement plan that—

(A) on the first day of the plan year—

(i) covered only the employer (and the employer's spouse) and the employer owned the entire business (whether or not incorporated), or

(ii) covered only one or more partners (and their spouses) in a business partnership (including partners in an S or C corporation),

(B) meets the minimum coverage requirements of section 410(b) of the Internal Revenue Code of 1986 without being combined with any other plan of the business that covers the employees of the business,

(C) does not provide benefits to anyone except the employer (and the employer's spouse) or the partners (and their spouses),

(D) does not cover a business that is a member of an affiliated service group, a controlled group of corporations, or a group of businesses under common control, and

(E) does not cover a business that leases employees.

(3) OTHER DEFINITIONS.—Terms used in paragraph (2) which are also used in section 414 of the Internal Revenue Code of 1986 shall have the respective meanings given such terms by such section.

(b) SIMPLIFIED ANNUAL FILING REQUIREMENT FOR PLANS WITH FEWER THAN 25 EMPLOYEES.—In the case of a retirement plan which covers less than 25 employees on the first day of the plan year and meets the requirements described in subparagraphs (B), (D), and (E) of subsection (a)(2), the Secretary of the Treasury shall provide for the filing of a simplified annual return that is substantially similar to the annual return required to be filed by a one-participant retirement plan.

(c) EFFECTIVE DATE.—The provisions of this section shall take effect on January 1, 2001.

SEC. 67. IMPROVEMENT OF EMPLOYEE PLANS COMPLIANCE RESOLUTION SYSTEM.

The Secretary of the Treasury shall continue to update and improve the Employee Plans Compliance Resolution System (or any successor program) giving special attention to—

(1) increasing the awareness and knowledge of small employers concerning the availability and use of the program,

(2) taking into account special concerns and circumstances that small employers face with respect to compliance and correction of compliance failures,

(3) extending the duration of the self-correction period under the Administrative Policy Regarding Self-Correction for significant compliance failures,

(4) expanding the availability to correct insignificant compliance failures under the Administrative Policy Regarding Self-Correction during audit, and

(5) assuring that any tax, penalty, or sanction that is imposed by reason of a compliance failure is not excessive and bears a reasonable relationship to the nature, extent, and severity of the failure.

SEC. 68. MODIFICATION OF EXCLUSION FOR EMPLOYER PROVIDED TRANSIT PASSES.

(a) IN GENERAL.—Section 132(f)(3) (relating to cash reimbursements) is amended by striking the last sentence.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. 69. REPEAL OF THE MULTIPLE USE TEST.

(a) IN GENERAL.—Paragraph (9) of section 401(m) is amended to read as follows:

"(9) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection and subsection (k), including regulations permitting appropriate aggregation of plans and contributions.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 2000.

SEC. 70. FLEXIBILITY IN NONDISCRIMINATION, COVERAGE, AND LINE OF BUSINESS RULES.

(a) NONDISCRIMINATION.—

(1) IN GENERAL.—The Secretary of the Treasury shall, by regulation, provide that a plan shall be deemed to satisfy the requirements of section 401(a)(4) of the Internal Revenue Code of 1986 if such plan satisfies the facts and circumstances test under section 401(a)(4) of such Code, as in effect before January 1, 1994, but only if—

(A) the plan satisfies conditions prescribed by the Secretary to appropriately limit the availability of such test, and

(B) the plan is submitted to the Secretary for a determination of whether it satisfies such test.

Subparagraph (B) shall only apply to the extent provided by the Secretary.

(2) EFFECTIVE DATES.—

(A) REGULATIONS.—The regulation required by paragraph (1) shall apply to years beginning after December 31, 2000.

(B) CONDITIONS OF AVAILABILITY.—Any condition of availability prescribed by the Secretary under paragraph (1)(A) shall not apply before the first year beginning not less than 120 days after the date on which such condition is prescribed.

(b) COVERAGE TEST.—

(1) IN GENERAL.—Section 410(b)(1) (relating to minimum coverage requirements) is amended by adding at the end the following:

"(D) In the case that the plan fails to meet the requirements of subparagraphs (A), (B) and (C), the plan—

"(i) satisfies subparagraph (B), as in effect immediately before the enactment of 'the Tax Reform Act of 1986,

"(ii) is submitted to the Secretary for a determination of whether it satisfies the requirement described in clause (i), and

"(iii) satisfies conditions prescribed by the Secretary by regulation that appropriately limit the availability of this subparagraph.

Clause (ii) shall apply only to the extent provided by the Secretary.".

(2) EFFECTIVE DATES.—

(A) IN GENERAL.—The amendment made by paragraph (1) shall apply to years beginning after December 31, 2000.

(B) CONDITIONS OF AVAILABILITY.—Any condition of availability prescribed by the Secretary under regulations prescribed by the Secretary under section 410(b)(1)(D) of the Internal Revenue Code of 1986 shall not apply before the first year beginning not less than 120 days after the date on which such condition is prescribed.

(c) LINE OF BUSINESS RULES.—The Secretary of the Treasury shall, on or before December 31, 2000, modify the existing regulations issued under section 414(r) of the Internal Revenue Code of 1986 in order to expand (to the extent that the Secretary determines appropriate) the ability of a pension plan to demonstrate compliance with the line of business requirements based upon the facts and circumstances surrounding the design and operation of the plan, even though the plan is unable to satisfy the mechanical tests currently used to determine compliance.

SEC. 71. EXTENSION TO INTERNATIONAL ORGANIZATIONS OF MORATORIUM ON APPLICATION OF CERTAIN NONDISCRIMINATION RULES APPLICABLE TO STATE AND LOCAL PLANS.

(a) IN GENERAL.—Subparagraph (G) of section 401(a)(5), subparagraph (H) of section 401(a)(26), subparagraph (G) of section 401(k)(3), and paragraph (2) of section 1505(d) of the Taxpayer Relief Act of 1997 are each amended by inserting "or by an international organization which is described in section 414(d)" after "or instrumentality thereof)".

(b) CONFORMING AMENDMENTS.—

(1) The headings for subparagraph (G) of section 401(a)(5) and subparagraph (H) of section 401(a)(26) are each amended by inserting "AND INTERNATIONAL ORGANIZATION" after "GOVERNMENTAL".

(2) Subparagraph (G) of section 401(k)(3) is amended by inserting "STATE AND LOCAL GOVERNMENTAL AND INTERNATIONAL ORGANIZATION PLANS.—" after "(G)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2000.

PART VI—PLAN AMENDMENTS

SEC. 81. PROVISIONS RELATING TO PLAN AMENDMENTS.

(a) IN GENERAL.—If this section applies to any plan or contract amendment—

(1) such plan or contract shall be treated as being operated in accordance with the terms of the plan during the period described in subsection (b)(2)(A), and

(2) such plan shall not fail to meet the requirements of section 411(d)(6) of the Internal Revenue Code of 1986 by reason of such amendment.

(b) AMENDMENTS TO WHICH SECTION APPLIES.—

(1) IN GENERAL.—This section shall apply to any amendment to any plan or annuity contract which is made—

(A) pursuant to any amendment made by this title, or pursuant to any regulation issued under this title, and

(B) on or before the last day of the first plan year beginning on or after January 1, 2003.

In the case of a government plan (as defined in section 414(d) of the Internal Revenue Code of 1986), this paragraph shall be applied by substituting "2005" for "2003".

(2) CONDITIONS.—This section shall not apply to any amendment unless—

(A) during the period—

(i) beginning on the date the legislative or regulatory amendment described in paragraph (1)(A) takes effect (or in the case of a plan or contract amendment not required by such legislative or regulatory amendment, the effective date specified by the plan), and

(ii) ending on the date described in paragraph (1)(B) (or, if earlier, the date the plan or contract amendment is adopted),

the plan or contract is operated as if such plan or contract amendment were in effect, and

(B) such plan or contract amendment applies retroactively for such period.

Subtitle D—Revenue Provisions

SEC. 91. MODIFICATION OF INSTALLMENT METHOD AND REPEAL OF INSTALLMENT METHOD FOR ACCRUAL METHOD TAXPAYERS.

(a) REPEAL OF INSTALLMENT METHOD FOR ACCRUAL BASIS TAXPAYERS.—

(1) IN GENERAL.—Subsection (a) of section 453 (relating to installment method) is amended to read as follows:

"(a) USE OF INSTALLMENT METHOD.—

"(1) IN GENERAL.—Except as otherwise provided in this section, income from an installment sale shall be taken into account for purposes of this title under the installment method.

"(2) ACCRUAL METHOD TAXPAYER.—The installment method shall not apply to income from an installment sale if such income would be reported under an accrual method of accounting without regard to this section. The preceding sentence shall not apply to a disposition described in subparagraph (A) or (B) of subsection (l)(2).".

(2) CONFORMING AMENDMENTS.—Sections 453(d)(1), 453(i)(1), and 453(k) of such Code are each amended by striking "(a)" each place it appears and inserting "(a)(1)".

(b) MODIFICATION OF PLEDGE RULES.—Paragraph (4) of section 453A(d) (relating to pledges, etc., of installment obligations) is amended by adding at the end the following: "A payment shall be treated as directly secured by an interest in an installment obligation to the extent an arrangement allows the taxpayer to satisfy all or a portion of the indebtedness with the installment obligation.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales or other dispositions occurring on or after the date of the enactment of this Act.

SEC. 92. MODIFICATION OF ESTIMATED TAX RULES FOR CLOSELY HELD REAL ESTATE INVESTMENT TRUSTS.

(a) IN GENERAL.—Subsection (e) of section 6655 (relating to estimated tax by corporations) is amended by adding at the end the following new paragraph:

"(5) TREATMENT OF CERTAIN REIT DIVIDENDS.—

"(A) IN GENERAL.—Any dividend received from a closely held real estate investment trust by any person which owns (after application of subsections (d)(5) and (l)(3)(B) of section 856) 10 percent or more (by vote or value) of the stock or beneficial interests in the trust shall be taken into account in computing annualized income installments under paragraph (2) in a manner similar to the manner under which partnership income inclusions are taken into account.

"(B) CLOSELY HELD REIT.—For purposes of subparagraph (A), the term 'closely held real estate investment trust' means a real estate investment trust with respect to which 5 or fewer persons own (after application of subsections (d)(5) and (l)(3)(B) of section 856) 50 percent or more (by vote or value) of the stock or beneficial interests in the trust.''

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to estimated tax payments due on or after November 15, 1999.

HUTCHISON (AND BROWNBACK) AMENDMENTS NOS. 2548–2549

(Ordered to lie on the table.)

Mrs. HUTCHISON (for herself and Mr. BROWNBACK) submitted two amendments intended to be proposed by them to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2548

At the appropriate place in the bill, add the following:

SEC. . HOMESTEAD EXEMPTION OPT OUT.

The provisions relating to a Federal homestead exemption shall not apply to debtors if applicable State law provides by statute that such provisions shall not apply to debtors and shall not take effect in any State before the end of the first regular session of the State legislature following the date of enactment of this Act.

AMENDMENT NO. 2549

At the end of the amendment add the following: "The preceding provisions relating to a limitation on State homestead exemptions shall not apply to debtors if applicable State law provides by statute that such provisions shall not apply to debtors and shall not take effect in any State before the end of the first regular session of the State legislature following the date of enactment of this Act.".

HUTCHISON AMENDMENT NO. 2550

(Ordered to lie on the table.)

Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill, S. 625, supra; as follows:

In lieu of the matter proposed to be inserted, insert the following:

SEC. . STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 1 year after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

HUTCHISON (AND BROWNBACK) AMENDMENTS NOS. 2551–2647

(Ordered to lie on the table.)

Mrs. HUTCHISON (for herself and Mr. BROWNBACK) submitted 97 amendments intended to be proposed by them to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2551

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 330 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2552

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 320 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2553

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 310 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2554

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 300 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2555

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 370 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2556

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 380 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2557

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 390 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2558

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 395 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2559

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 400 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2560

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 426 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2561

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 425 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2562

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 420 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2563

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 415 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2564

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 410 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2565

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 405 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2566

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 200 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2567

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 201 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2568

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 202 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2569

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 203 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2570

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 204 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2571

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 205 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

Amendment No. 2572

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 206 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

Amendment No. 2573

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 207 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

Amendment No. 2574

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 208 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

Amendment No. 2575

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 209 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

Amendment No. 2576

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 210 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

Amendment No. 2577

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 211 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

Amendment No. 2578

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 212 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

Amendment No. 2579

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 213 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2580

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 214 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2581

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 215 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2582

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 216 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2583

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 217 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2584

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 218 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2585

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 220 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2586

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 221 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2587

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 222 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption

in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2588

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 223 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2589

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 224 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2590

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 225 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2591

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 226 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2592

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 227 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2593

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 228 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2594

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 229 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2595

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 230 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors

utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2596

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 231 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2597

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 343 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2598

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 342 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2599

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 341 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2600

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 340 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2601

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 339 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2602

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 338 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2603

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 290 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in

States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

Amendment No. 2604

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 350 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

Amendment No. 2605

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 349 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

Amendment No. 2606

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 348 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

Amendment No. 2607

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 347 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

Amendment No. 2608

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 346 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

Amendment No. 2609

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 345 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

Amendment No. 2610

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 344 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

Amendment No. 2611

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 243 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2612

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 244 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2613

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 245 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2614

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 246 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2615

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 247 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2616

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 248 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2617

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 249 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2618

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 250 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2619

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 255 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2620

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 260 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2621

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 265 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2622

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 270 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2623

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 275 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2624

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 280 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2625

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 241 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2626

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 242 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2627

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 237 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2628

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 238 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2629

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 239 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2630

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 240 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2631

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 236 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2632

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 362 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2633

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 363 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2634

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 232 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2635

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 234 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2636

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 235 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2637

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 364 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2638

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 361 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2639

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 352 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2640

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 353 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2641

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 354 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2642

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 356 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2643

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 357 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2644

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 359 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2645

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 360 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at-least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2646

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 358 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2647

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 351 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

JEFFORDS AMENDMENT NO. 2648

(Ordered to lie on the table.)

Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the end, add the following:

TITLE ___—PROTECTION FROM THE IMPACT OF BANKRUPTCY OF CERTAIN ELECTRIC UTILITIES

SECTION ___01. SHORT TITLE.

This title may be cited as the "Emergency Imported Electric Power Price Reduction Act of 1999".

SEC. ___02. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the protection of the public health and welfare, the preservation of national security, and the regulation of interstate and foreign commerce require that electric power imported into the United States be priced fairly and competitively;

(2) the importation of electric power into the United States is a matter vested with the public interest that—

(A) involves an essential and extensively regulated infrastructure industry; and

(B) affects consumers, the cost of goods manufactured and services rendered, and the economic well-being and livelihood of individuals and society;

(3) it is essential that imported electric power be priced—

(A) in a manner that is competitive with domestic electric power and thereby contribute to robust and sound national and regional economies; and

(B) not at a rate that is so high as to result in the imminent bankruptcy of electric utilities in a State; and

(4) the purchase of imported electric power by the Vermont Joint Owners under the Firm Power and Energy Contract with Hydro-Quebec dated December 4, 1987—

(A) is not consistent with the findings stated in paragraphs (1), (2), and (3); and

(B) threatens the economic well-being of the States and regions in which the imported electric power is provided contrary to the public policy of the United States as set forth in the findings stated in paragraphs (1), (2), and (3).

(b) PURPOSES.—The purposes of this title are—

(1) to facilitate the public policy of the United States as set forth in the findings stated in paragraphs (1), (2), and (3) of subsection (a);

(2) to remove a serious threat to the economic well-being of the States and regions in which imported electric power is provided under the contract referred to in section ___02(a)(4); and

(3) to facilitate revisions to the price elements of the contract referred to in section ___02(a)(4) by declaring and making unlawful, effective 180 days after the date of enactment of this Act, the contract as it exists on the date of enactment of this Act.

SEC. ___03. UNLAWFUL CONTRACT AND AMENDED CONTRACT.

(a) IN GENERAL.—Effective on the date that is 180 days after the date of enactment of this Act, the contract referred to in section ___02(a)(4), as the contract exists on the date of enactment of this Act, shall be void.

(b) AMENDMENT OF CONTRACT.—This title does not preclude the parties to the contract referred to in section ___02(a)(4) from amending the contract or entering into a new contract after the date of enactment of this Act in a manner that is consistent with the findings and purposes of this title.

SEC. 04. EXCLUSIVE ENFORCEMENT.

(a) IN GENERAL.—Only the Attorney General of a State in which electric power is provided under the contract referred to in section 02(a)(4), as the contract may be amended after the date of enactment of this Act, may bring a civil action in United States district court for an order that—

(1) declares the amended contract not consistent with the findings and purposes of this title and is therefore void;

(2) enjoins performance of the amended contract; and

(3) relieves the electric utilities that are party to the amended contract of any liability under the contract.

(b) TIMING.—A civil action under subsection (a) shall be brought not later than 1 year after the date of the amended contract or new contract.

GRAMM AMENDMENT NO. 2649

(Ordered to lie on the table.)

Mr. GRAMM submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the end of the bill, add the following new title:

TITLE XX—CONSUMER CREDIT DISCLOSURE

SEC. XX01. ENHANCED DISCLOSURES UNDER AN OPEN END CREDIT PLAN.

(a) MINIMUM PAYMENT DISCLOSURES.—Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end the following:

"(11)(A) In the case of an open end credit plan that requires a minimum monthly payment of not more than 4 percent of the balance on which finance charges are accruing, the following statement, located on the front of the billing statement, disclosed clearly and conspicuously, in typeface no smaller than the largest typeface used to make other clear and conspicuous disclosures under this subsection: "Minimum Payment Warning: Making only the minimum payment will increase the interest you pay and the time it takes to repay your balance. For example, making only a 2% minimum monthly payment on a balance of $1,000 at an interest rate of 17% would take 88 months to repay the balance in full. For an estimate of the time it would take to repay your balance, making only minimum payments, call this toll-free number: XXXXXX. 'A creditor subject to this subparagraph (A) with total assets not exceeding $250 million and that is an insured depository institution as defined in Section 3(c)(2) of the Federal Deposit Insurance Act or a depository institution insured by the National Credit Union Share Insurance Fund shall not be required to provide a toll-free telephone number, but may instead recoup reasonable average costs of providing telephone information access to consumers.'.

"(B) In the case of an open end credit plan that requires a minimum monthly payment of more than 4 percent of the balance on which finance charges are accruing, the following statement, in a prominent location on the front of the billing statement, disclosed clearly and conspicuously, in typeface no smaller than the largest typeface used to make other clear and conspicuous disclosures under this subsection: 'Minimum Payment Warning: Making only the required minimum payment will increase the interest you pay and the time it takes to repay your balance. Making a 5% minimum monthly payment on a balance of $300 at an interest rate of 17% would take 24 months to repay the balance in full. For an estimate of the time it would take to repay your balance, making only minimum monthly payments, call this toll-free number: XXXXXX. A creditor subject to this subparagraph (B) with total assets not exceeding $250 million and that is an insured depository institution as defined in Section 3(c)(2) of the Federal Deposit Insurance Act or a depository institution insured by the National Credit Union Share Insurance Fund shall not be required to provide a toll-free telephone number, but may instead recoup reasonable average costs of providing telephone information access to consumers.'.

"(C) Notwithstanding subparagraphs (A) and (B), in the case of a creditor with respect to which compliance with this title is enforced by the Federal Trade Commission, the following statement, in a prominent location on the front of the billing statement, disclosed clearly and conspicuously, in typeface no smaller than the largest typeface used to make other clear and conspicuous disclosures under this subsection: 'Minimum Payment Warning: Making only the required minimum payment will increase the interest you pay and the time it takes to repay your balance. For example, making only a 5% minimum monthly payment on a balance of $300 at an interest rate of 17% would take 24 months to repay the balance in full. For an estimate of the time it would take to repay your balance, making only minimum monthly payments, call the Federal Trade Commission at this toll-free number: XXXXXX'.

"(D) Notwithstanding subparagraph (B) or (C), in complying with either such subparagraph, a creditor may substitute an example based on an interest rate that is greater than 17 percent. Any creditor who is subject to subparagraph (B) may elect to provide the disclosure required under subparagraph (A) in lieu of the disclosure required under subparagraph (B).

"(E) The Board shall, by rule, periodically recalculate, as necessary, the interest rate and repayment period under subparagraphs (A), (B), and (C).

"(F) The telephone number disclosed by a creditor or the Federal Trade Commission under subparagraph (A) or (B) or (G), as appropriate, may be a telephone number established and maintained by the creditor or the Federal Trade Commission, as appropriate, or may be a telephone number established and maintained by a third party for use by the creditor or multiple creditors, or the Federal Trade Commission, as appropriate. The telephone number may connect consumers to an automated device through which consumers may obtain information described in subparagraph (A), (B) or (C) by inputting information using a touch-tone telephone or similar device, if consumers whose telephones are not equipped to use such automated device are provided the opportunity to be connected to an individual from whom the information described in subparagraph (A), (B) or (C), as applicable, may be obtained. A person that receives a request for information described in subparagraph (A), (B) or (C) from an obligor through the telephone number disclosed under subparagraph (A), (B) or (C), as applicable, shall disclose in response to such request only the information set forth in the formula promulgated by the Board under subparagraph (H)(i).

"(G) The Federal Trade Commission shall establish and maintain a toll-free number for the purpose of providing to consumers the information required to be disclosed under subparagraph (C).

"(H) The Board shall—

"(i)(a) establish a formula for the computation of the approximate number of months that it would take to repay an outstanding balance and the approximate total cost to the consumer, including interest and principal payments, of paying that balance in full, if the consumer pays only the required minimum monthly payments and if no other advances are made; and (b) in establishing the formula required under (i)(a), the Board may use such data and assumptions as it deems necessary from time to time to carry out the purposes of this section.

"(ii) establish the formula required under clause (i) by assuming—

"(I) a significant number of different annual percentage rates;

"(II) a significant number of different account balances;

"(III) a significant number of different minimum payment amounts;

"(IV) that only minimum monthly payments are made and no additional extensions of credit are obtained;

"(V) one or more balance computation methods or one or more periods to be used as the number of days per billing cycle; and

"(VI) such other facts or data as the Board shall deem necessary to carry out the purposes of this section; and

"(iii) promulgate regulations that provide instructional guidance regarding the manner in which the information contained in the formula established under clause (i) should be used in responding to the request of an obligor for any information required to be disclosed under subparagraph (A), (B), or (C).".

(b) EXCEPTION FOR CHARGE CARD ACCOUNTS.—The disclosure requirements under this section do not apply to a charge account, the primary purpose of which is to require payment of charges in full each month.

(c) EXCEPTION FOR ACTUAL DISCLOSURE.—Creditors that maintain a toll-free telephone number for the purpose of providing customers with the actual number of months that it would take to repay an outstanding balance are exempt from the requirements of paragraphs (11) (A) and (B).

(d) REGULATORY IMPLEMENTATION.—The Board of Governors of the Federal Reserve System (hereafter in this Act referred to as the "Board") shall promulgate regulations implementing the requirements of section 127(b)(11) of the Truth in Lending Act, as added by subsection (a) of this section. Section 127(b)(11) of the Truth in Lending Act, as added by subsection (a) of this section, and the regulations issued under this subsection shall not take effect until the later of 18 months after the date of enactment of this Act or 12 months after the publication of such regulations by the Board.

(e) STUDY OF FINANCIAL DISCLOSURES.—

(1) IN GENERAL.—The Board may conduct a study to determine the types of information available to potential borrowers from consumer credit lending institutions regarding: factors qualifying potential borrowers for credit, repayment requirements, and the consequences of default.

(2) FACTORS FOR CONSIDERATION.—In conducting the study under paragraph (1), the Board may, in consultation with the other Federal banking agencies (as defined in Section 3 of the Federal Deposit Insurance Act), the National Credit Union Administration and the Federal Trade Commission, consider the extent to which—

(A) consumers, in establishing new credit arrangements, are aware of their existing payment obligations, the need to consider those obligations in deciding to take on new credit, and how taking on excessive credit can result in financial difficulty;

(B) minimum periodic payment features offered in connection with open end credit plans impact consumer default rates;

(C) consumers make only the minimum payment under open end credit plans;

(D) consumers are aware that making only minimum payments will increase the cost and repayment period of an open end credit obligation; and

(E) the availability of low minimum payment options is a cause of consumers experiencing financial difficulty.

(3) REPORT TO CONGRESS.—Before the end of the 2-year period beginning on the date of enactment of this Act, findings of the Board in connection with the study, if conducted, shall be submitted to Congress. Such report also shall include recommendations for legislative initiatives, if any, of the Board based upon its findings.

SEC. XX02. ENHANCED DISCLOSURE FOR CREDIT EXTENSIONS SECURED BY A DWELLING.

(a) OPEN END CREDIT EXTENSIONS.—

(1) CREDIT APPLICATIONS.—Section 127A(a)(13) of the Truth in Lending Act (15 U.S.C. 1637a(a)(13)) is amended—

(A) by striking "CONSULTATION OF TAX ADVISOR.—A statement that the" and inserting the following: "TAX DEDUCTIBILITY.—A statement that—

"(A) the"; and

(B) by striking the period at the end and inserting the following: "; and

"(B) in any case in which the extension of credit exceeds the fair market value (as defined by the Board) of the dwelling, the interest on the portion of the credit extension that is greater than the fair market value (as defined by the Board) of the dwelling is not tax deductible for Federal income tax purposes.".

(2) CREDIT ADVERTISEMENTS.—Section 147(b) of the Truth in Lending Act (15 U.S.C. 1665b(b)) is amended—

(A) by striking "If any" and inserting the following:

"(1) IN GENERAL.—If any"; and

(B) by adding at the end the following:

"(2) CREDIT IN EXCESS OF FAIR MARKET VALUE.—Each advertisement described in subsection (a) that relates to an extension of credit that may exceed the fair market value (as defined by the Board) of the dwelling, and which advertisement is disseminated in paper form to the public or through the Internet, as opposed to by radio or television), shall include a clear and conspicuous statement that—

"(A) the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes; and

"(B) the consumer may want to consult a tax advisor for further information regarding the deductibility of interest and charges.".

(b) NON-OPEN END CREDIT EXTENSIONS.—

(1) CREDIT APPLICATIONS.—Section 128 of the Truth in Lending Act (15 U.S.C. 1638) is amended—

(A) in subsection (a), by adding at the end the following:

"(15) In the case of a consumer credit transaction that is secured by the principal dwelling of the consumer, in which the extension of credit may exceed the fair market value (as defined by the Board) of the dwelling, a clear and conspicuous statement that—

"(A) the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes; and

"(B) the consumer may want to consult a tax advisor for further information regarding the deductibility of interest and charges. "; and

(B) in subsection (b), by adding at the end the following:

"(3) In the case of a credit transaction described in paragraph (15) of subsection (a), disclosures required by that paragraph shall be made to the consumer at the time of application for such extension of credit.".

(2) CREDIT ADVERTISEMENTS.—Section 144 of the Truth in Lending Act (15 U.S.C. 1664) is amended by adding at the end the following:

"(e) Each advertisement to which this section applies that relates to a consumer credit transaction that is secured by the principal dwelling of a consumer in which the extension of credit may exceed the fair market value (as defined by the Board) of the dwelling, and which advertisement is disseminated in paper form to the public or through the Internet, as opposed to by radio or television, shall clearly and conspicuously state that—

"(1) the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes; and

"(2) the consumer may want to consult a tax advisor for further information regarding the deductibility of interest and charges.",

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall become effective 12 months after the date of enactment of this Act.

SEC. 03. DISCLOSURES RELATED TO "INTRODUCTORY RATES".

(a) Section 127(c) of the Truth in Lending Act (15 U.S.C. 16379c)) is amended by adding at the end the following:

"(6) ADDITIONAL NOTICE CONCERNING 'INTRODUCTORY RATES'.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), an application or solicitation to open a credit card account and all promotional materials accompanying such application or solicitation, for which a disclosure is required under paragraph (1), and that offers a temporary annual percentage rate, shall—

"(i) use the term 'introductory' in immediate proximity to each listing of the temporary annual percentage rate applicable to such account, which term shall appear clearly and conspicuously;

"(ii) if the annual percentage rate that will apply after the end of the temporary rate period will be a fixed rate, state the following clearly and conspicuously in a prominent location closely proximate to the first listing of the temporary annual percentage rate; or if the first listing is not the most prominent listing, then immediately proximate to the most prominent listing of the temporary annual percentage rate (other than a listing of the temporary annual percentage rate in the tabular format described in section 122(c)): the time period in which the introductory period will end and the annual percentage rate that will apply after the end of the introductory period;

"(iii) if the annual percentage rate that will apply after the end of the temporary rate period will vary in accordance with an index, state the following clearly and conspicuously in a prominent location closely proximate to the first listing of the temporary annual percentage rate; or if the first listing is not the most prominent listing, then closely proximate to the most prominent listing of the temporary annual percentage rate (other than a listing in the tabular format prescribed by section 122(c)): The period in which the introductory period will end and an annual percentage rate that was in effect within 60 days before mailing the application or solicitation.

"(B) EXCEPTION.—Clauses (ii) and (iii) of subparagraph (A) do not apply with respect to any listing of a temporary annual percentage rate on an envelope or other enclosure in which an application or solicitation to open a credit card account is mailed

"(C) CONDITIONS FOR INTRODUCTORY RATES.—An application or solicitation to open a credit card account for which a disclosure is required under paragraph (1), and that 'offers a temporary annual percentage rate shall, if that rate is revocable under any circumstance or upon any event, clearly and conspicuously disclose, in a prominent manner on or with such application or solicitation—

"(i) a general description of the circumstances or events that may result in the revocation of the temporary annual percentage rate, including representative examples; and

"(ii) if the annual percentage rate that will apply upon the revocation of the temporary annual percentage rate—

"(I) will be a fixed rate, the annual percentage rate that will apply upon the revocation of the temporary annual percentage rate; or

"(II) will vary in accordance with an index, an annual percentage rate that was in effect within 60 days before mailing the application or solicitation.

"(D) DEFINITIONS.—In this paragraph—

"(i) the terms 'temporary annual percentage rate' and 'temporary annual percentage rate' mean any rate of interest applicable to a credit card account for an introductory period of less than 1 year, if that rate is less than an annual percentage rate that was in effect within 60 days before mailing the application or solicitation; and

"(ii) the term 'introductory period' means the maximum time period for which the temporary annual percentage rate may be applicable.

"(E) RELATION TO OTHER DISCLOSURE REQUIREMENTS.—Nothing in this paragraph may be construed to supersede subsection (a) of Section 122, or any disclosure required by paragraph (1) or any other provision of this subsection.".

(b) REGULATORY IMPLEMENTATION.—The Board of Governors of the Federal Reserve System (hereafter in this Act referred to as the "Board") shall promulgate regulations implementing the requirements of section 127 of the Truth in Lending Act, as amended by subsection (a) of this section. Any provision set forth in subsection (a) and such regulations shall not take effect until the later of 18 months after the date of enactment of this Act or 12 months after the publication of such regulations by the Board.

SEC. XX04. INTERNET-BASED CREDIT CARD SOLICITATIONS.

(a) Section 127(c) of the Truth in Lending Act (15 U.S.C. 1637(c)) is amended by adding at the end the following:

"(7) INTERNET-BASED APPLICATIONS AND SOLICITATIONS.—

"(A) IN GENERAL.—In any solicitation to open a credit card account for any person under an open end consumer credit plan using the Internet or other interactive computer service, the person making the solicitation shall clearly and conspicuously disclose—

"(i) the information described in subparagraphs (A) and (B) of paragraph (1); and

"(ii) the disclosures described in paragraph (6).

"(B) Form of disclosure.—The disclosures required by subparagraph (A) shall be—

"(i) readily accessible to consumers in close proximity to the solicitation to open a credit card account; and

"(ii) updated regularly to reflect the current policies, terms, and fee amounts applicable to the credit card account.

"(C) Definitions.—For purposes of this paragraph—

"(i) the term 'Internet' means the international computer network of both Federal and non-Federal interoperable packet switched data networks; and

"(ii) the term 'interactive computer service' means any information service, system, or access software provider that provides or enables computer access by multiple users to a computer server, including specifically a service or system that provides access to the Internet and such systems operated or services offered by libraries or educational institutions.".

(b) Regulatory Implementation.—The Board of Governors of the Federal Reserve System (hereafter in this Act referred to as the "Board") shall promulgate regulations implementing the requirements of section 127 of the Truth in Lending Act, as amended by subsection (a) of this section. Any provision set forth in subsection (a) and such regulations shall not take effect until the later of 18 months after the date of enactment of this Act or 12 months after the publication of such regulations by the Board.

SEC. XX05. DISCLOSURES RELATED TO LATE PAYMENT DEADLINES AND PENALTIES.

(a) Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end the following:

"(12) If a late payment fee is to be imposed due to the failure of the obligor to make payment on or before a required payment due date the following shall be started clearly and conspicuously on the billing statement:

"(A) The date that payment is due or, if different, the earliest date on which a late payment fee may be charged.

"(B) The amount of the late payment fee to be imposed if payment is made after such date.".

(b) Regulatory Implementation.—The Board of Governors of the Federal Reserve System (hereafter in this Act referred to as the "Board") shall promulgate regulations implementing the requirements of section 127 of the Truth in Lending Act, as amended by subsection (a) of this section. Any provision set forth in subsection (a) and such regulations shall not take effect until the later of 18 months after the date of enactment of this Act or 12 months after the publication of such regulations by the Board.

SEC. XX06. TERMINATION OF OPEN-END CONSUMER CREDIT ACCOUNTS FOR FAILURE TO INCUR FINANCE CHARGES.

Section 127 of the Truth in Lending Act (15 U.S.C. 1637) is amended by adding at the end the following:

"(h) Termination of Open-End Consumer Credit Accounts for Failure to Incur Finance Charges.—The Board may conduct or supervise surveys to determine whether and to what extent open-end consumer credit accounts may be terminated by creditors solely based upon the accountholder's failure to incur finance charges on the account. If the results of such surveys produce results that in any significant manner, as determined by the Board, establish materially adverse impacts upon open-end consumer credit accountholders arising from terminations based solely upon their failure to incur finance charges, the Board shall present such findings to the Congress and recommendations for legislative initiatives, if any, based upon such findings. The Board also may promulgate regulations pursuant to its authority under the Truth in Lending Act. Any such regulations shall not take effect until 12 months after publication of such regulations by the Board.".

SEC. XX07. DUAL USE DEBIT CARD.

(a) Report Required.—The Board may conduct a study of and present to Congress a report containing its analysis of consumer protections under existing law to limit the liability of consumers for unauthorized use of a debit card or similar access device. Such report shall include recommendations for legislative initiatives, if any, of the Board based upon its findings.

(b) Considerations.—In preparing the report under subsection (a), the Board may include—

(1) the extent to which section 909 of the Electronic Fund Transfer Act (15 U.S.C. 1693g), as in effect at the time of the report, and the implementing regulations promulgated by the Board to carry out that section provide unauthorized use liability protection for consumers;

(2) the extent to which any voluntary industry rules have or may enhance the level of protection afforded consumers in connection with such unauthorized use liability; and

(3) whether amendments to the Electronic Fund Transfer Act (15 U.S.C. 1693 et seq.), or revisions to regulations promulgated by the Board to carry out that Act, are necessary to provide to further address protection for consumers concerning unauthorized use liability.

SEC. XX08. STUDY OF BANKRUPTCY IMPACT OF CREDIT EXTENDED TO DEPENDENT STUDENTS.

(A) Study—

(1) In General.—The Board, in consultation with such other departments, agencies, or other public or quasi-public entities, as it may deem necessary, may conduct a study regarding the significance of the impact, if any, of the extension of credit described in paragraph (2) on the rate of personal bankruptcy cases filed and closed under title 11, United States Code excluding those cases in which the discharges have been revoked by a court of competent jurisdiction.

(2) Extension of Credit.—The extension of credit referred to in paragraph (1) is the extension of credit to individuals who are—

(A) claimed as dependents for purposes of the Internal Revenue Code of 1986; and

(B) enrolled within one year of successfully completing all required secondary education requirements and on a full-time basis in postsecondary educational institutions.

(3) Personal Bankruptcy Cases.—Personal bankruptcy cases referred to in paragraph (1) are those cases filed and resolved and not overturned by a court of competent jurisdiction within the 5-year period ending on the date of enactment of this Act.

(b) Report.—Not later than 18 months after the date of enactment of this Act, the Board shall submit to the Congress a report summarizing the results of the study conducted under subsection (a), if conducted.

REED AMENDMENT NO. 2650

(Ordered to lie on the table.)

Mr. REED submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

Strike section 204 and insert the following:

SEC. 204. DISCOURAGING ABUSE OF REAFFIRMATION PRACTICES.

(a) Reaffirmations.—Section 524 of title 11, United States Code, is amended—

(1) in subsection (c)—

(A) in paragraph (3)—

(i) in subparagraph (B), by striking "and" at the end:

(ii) in subparagraph (C), by adding "and" at the end; and

(iii) by adding at the end the following: "(D) such agreement is not an agreement that the debtor entered into as a result of a threat by the creditor to take an action that the creditor could not legally take;";

(B) in paragraph (6)(A)—

(i) in the matter preceding clause (i), by inserting after "an agreement under this subsection," the following: "and the consideration for such agreement is not based on a wholly unsecured consumer debt or on a consumer debt secured in whole or in part by an item (or items generally sold as a unit) of personalty, with respect to which, at point of purchase, the cost of the item or unit was $500 or less,";

(ii) in clause (i), by striking "and" at the end;

(iii) in clause (ii), by striking the period and inserting "; and"; and

(iv) by adding at the end the following:

"(iii) not an agreement that the debtor entered into as a result of a threat by a creditor to take an action that the creditor could not legally take."; and

(C) by adding at the end the following:

"(7)(A)(i) In the case of an agreement that is based on a wholly unsecured consumer debt or on a consumer debt secured in whole or in part by an item (or items generally sold as a unit) of personalty with respect to which, at point of purchase, the cost of the item or unit was $500 or less, the parties shall execute a statement accompanying each such agreement under an appropriate form prescribed by the Judicial Conference of the United States that—

"(I) fully discloses the financial terms of the reaffirmed debt. including—

"(aa) the amount reaffirmed (including, if practicable, an itemization of the portions of such debt that constitute principal and interest);

"(bb) any attorney's fees or other fees for costs associated with the collection of the debt;

"(cc) a schedule of payments;

"(dd) any financial terms that differ from the financial terms in effect at the time of filing of the petition;

"(ee) the extent and nature of any security interest; and

"(ff) if the agreement includes an extension or renewal of a credit line, basic financial information on the credit terms, such as would be required under applicable federal nonbankruptcy law; and

"(II) demonstrates whether the debtor's net monthly income is not less than the monthly payment required by the agreement, or, if the debtor is proposing more than one such agreement, the aggregation of such agreements.

"(ii) For purposes of this subparagraph, the debtor's net monthly income is the debtor's monthly income less monthly expenses and monthly payments on nondischargeable debt and all other reaffirmed debt. Monthly income, expenses, and payments on debts shall be calculated in the same manner as required by section 707(b).

“(iii) This subparagraph shall not apply if the debtor was represented by counsel during the course of negotiating the agreement under this subparagraph and—

“(I) the amount of the debt to be reaffirmed in any single such agreement under clause (i) is less than $500, except that if the debtor is proposing more than 1 such agreement, and the aggregate amount of such debts to be reaffirmed to all creditors is more than $750, this subparagraph shall apply to any such agreement that has not been approved by the court and any such subsequent agreement; or

“(II) if the amount of the debt to be reaffirmed in any single such agreement is secured by more than one item or unit of collateral and over 50 percent of the total value of all said items or units is attributable to items or units which cost more than $500 at point of purchase. For purposes of this subclause, the value of any item or unit of collateral shall be measured as the cost at point of purchase.

“(iv) Any agreement described under subsection (i) of this subparagraph is enforceable only if filed with the court within 50 days after the first date set for the meeting of creditors under section 341(a), or within such additional time as the court fixes, for cause, within such 50-day period. An agreement that has been filed as prescribed may be amended as a matter of course before the case is closed.

“(B) If the debtor was represented by counsel during the course of negotiating the agreement, the attorney must file the declaration or affidavit as required under paragraph (3).

“(C)(i) The court may consider any such agreement, and shall consider any such agreement that is not an agreement under subparagraph (A)(iii). No agreement shall be disapproved without a notice and hearing to the debtor and creditor, and such hearing must be concluded before the entry of the debtor's discharge. Any agreement under subparagraph (A)(i) not disapproved by the court at the time of discharge shall be deemed approved.

“(ii) The court's consideration under clause (i) shall include whether the agreement—

“(I) imposes no undue hardship on the debtor or a dependent of the debtor;

“(II) is in the best interest of the debtor; and

“(III) is not an agreement that the debtor entered into as a result of a threat by the creditor to take an action that the creditor could not legally take.

“(D) If the debtor was not represented by counsel during the course of negotiating the agreement and the debtor's net monthly income as defined in subparagraph (A)(ii) is less than the monthly payments required by the agreement, or if applicable, aggregation of agreements, there shall be a presumption that the agreement imposes an undue hardship. The court shall hold a hearing at which the debtor may rebut the presumption by demonstrating the existence of financial circumstances that would enable the debtor to undertake the agreement without undue hardship.”; and

(2) in subsection (d), in the third sentence of the matter preceding paragraph (1), by inserting after “subsection (c) of this section” the following:

“that is not a debt described in subsection (c)(7)”.

(B) JUDICIAL EDUCATION.—The Director of the Administrative Office of the United States Courts, in consultation with the Director of the Executive Office for United States Trustees, shall develop materials and conduct such training as may be useful to courts in implementing the amended requirements for reaffirmations, and, in particular, in considering the information contained in the forms required by subparagraph (C).

(C) MODEL FORMS.—

(1) IN GENERAL.—Not later than 60 days after the date of enactment of this Act, the Judicial Conference of the United States, in consultation with the Board of Governors of the Federal Reserve System, the Federal Trade Commission, and interested parties, shall issue a model form for use in making the disclosure and calculations required by the amendments made by subsection (a).

(2) REQUIREMENTS FOR MODEL FORM.—Such model form shall—

(A) be easily understandable to the individuals who use the form;

(B) be suitable for use by debtors under chapter 7 of title 11, United States Code, with a range of educational backgrounds;

(C) provide an opportunity for any debtor to provide—

(i) financial information that is sufficient to demonstrate the existence of financial circumstances that would enable the debtor to undertake an agreement described in section 524(c) of title 11, United States Code, without hardship; and

(ii) a statement as to why an agreement referred to in clause (i) is in the debtor's best interest; and

(D) not require parties to supply information that—

(i) is not readily available; or

(ii) cannot be reasonably acquired.

GRAIG AMENDMENT NO. 2651

(Ordered to lie on the table.)

Mr. GRAIG submitted an amendment intended to be proposed by him to the bil, S. 625, supra, as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . PROPERTY NO LONGER SUBJECT TO REDEMPTION.

Section 541(b) of title 11, United States Code, is amended by adding at the end the following—

“(6) Any interest of the debtor in property where the debtor has pledged or sold tangible personal property or other valuable things (other than securities or written or printed evidences of indebtedness of title) as collateral for a loan or advance of money, where—

(i) the debtor has no obligation to repay the money, redeem the collateral, or buy back the property at a stipulated price, and

(ii) neither the debtor nor the trustee have exercised any right to redeem provided under the contract or state law, in a timely manner as provided under state law and Section 108(b) of this title.”.

KENNEDY AMENDMENTS NOS. 2652–2653

(Ordered to lie on the table.)

Mr. KENNEDY submitted two amendments intended to be proposed by him to the bill S. 625, supra; as follows:

AMENDMENT NO. 2652

On page 11, line 2, insert before the first semicolon “, but excludes benefits received under the Social Security Act;”.

AMENDMENT NO. 2653

On page 135, strike lines 16 through 18 and insert the following:

“(B)(i) The court may extend the period determined under subparagraph (A) for 120 days, upon motion of the trustee or the lessor for cause.

“(ii) If the court grants an extension under clause (i), the court may grant a subsequent extension only upon prior written consent of the lessor.”.

On page 139, strike lines 11 through 16 and insert the following:

“(2)(A) The 120-day period specified in paragraph (1) may be extended beyond the date that is 18 months after the date of the order for relief under this chapter if compelling circumstances are demonstrated.

“(B) The 180-day period specified in paragraph (1) may be extended beyond the date that is 20 months after the date of the order for relief under this chapter in conjunction with an extension granted under subparagraph (A).”.

On page 147, line 19, strike “$4,000,000” and insert “$2,000,000”.

On page 155, lines 16, 19, and 24, strike “90” each place it appears and insert “120”.

On page 156, lines 19 and 20, strike “150” each place it appears and insert “175”.

On page 161, line 2, insert “or” after the semicolon.

On page 161, line 6, strike “; or” and all that follows through line 10 and insert a period.

On page 161, beginning on line 19, strike “, but not a liquidating plan,”.

On page 163, line 1, strike “(I)”.

On page 163, line 3, strike “, but not” and all that follows through line 8 and insert a period.

On page 163, line 22, insert “that poses a risk to the public” before the semicolon.

On page 164, line 3, insert “repeated” before “failure”.

On page 164, strike lines 13 through 15.

On page 164, line 16, strike “(J)” and insert “(I)”.

On page 164, line 19, strike “(K)” and insert “(J)”.

On page 164, line 21, strike “(L)” and insert “(K)”.

On page 164, line 23, strike “(M)” and insert “(L)”.

On page 165, line 1, strike “(N)” and insert “(M)”.

On page 165, line 3, strike “(O)” and insert “(N)”.

On page 165, between lines 4 and 5, insert the following:

“(5) The court may grant relief under this subsection for cause, as defined in subparagraphs (C), (F), (G), (H), or (J) of paragraph (4), only upon motion of the United States Trustee or bankruptcy administrator, or upon the court's own motion.

On page 165, line 5, strike “5” and insert “6”.

On page 165, line 23, insert “or an examiner” after “trustee”.

On page 263, line 16, insert “in a case where the debtor is engaged in the business of financial services,” before “any”.

On page 264, line 9, strike the period at the end and insert “, and the transaction exceeds $25,000,000.”.

On page 278, line 8, strike the dash at the end and all that follows through line 14 and insert “by inserting ‘who is not a family farmer’ after ‘debtor’ the first place it appears;”.

JOHNSON AMENDMENT NO. 2654

(Ordered to lie on the table.)

Mr. JOHNSON submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following:

SEC. ___. COMPENSATING TRUSTEES.

Title 11, United States Code, is amended—

(1) in section 104(b)(1) in the matter preceding subparagraph (A) by—

(A) striking "and 523(a)(2)(C)"; and

(B) inserting "523(a)(2)(C), and 1326(b)(3)" before "immediately";

(2) in section 326, by inserting at the end the following:

"(e) Notwithstanding any other provision of this section, if a trustee in a chapter 7 case commences a motion to dismiss or convert under section 707(b) and such motion is granted, the court shall allow reasonable compensation under section 330(a) of this title for the services and expenses of the trustee and the trustee's counsel in preparing and presenting such motion and any related appeals."; and

(3) in section 1326(b)—

(A) in paragraph (1), by striking "and";

(B) in paragraph (2), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(3) if a chapter 7 trustee has been allowed compensation under section 326(e) in a case converted to this chapter or in a case dismissed under section 707(b) in which the debtor in this case was a debtor—

"(A) the amount of such unpaid compensation which shall be paid monthly by prorating such amount over the remaining duration of the plan, but a monthly payment shall not exceed the greater of—

"(i) $25; or

"(ii) the amount payable to unsecured nonpriority creditors as provided by the plan multiplied by 5 percent, and the result divided by the number of months in the plan; and

"(B) notwithstanding any other provision of this title—

"(i) such compensation is payable and may be collected by the trustee under this paragraph even if such amount has been discharged in a prior proceeding under this title; and

"(ii) such compensation is payable in a case under this chapter only to the extent permitted by this paragraph.".

TORRICELLI (AND OTHERS) AMENDMENT NO. 2655

(Ordered to lie on the table.)

Mr. TORRICELLI (for himself, Mr. GRASSLEY, Mr. BIDEN, and Mr. LEAHY) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

At the end of the bill, add the following new title:

TITLE ___—CONSUMER CREDIT DISCLOSURE

SEC. ___01. ENHANCED DISCLOSURES UNDER AN OPEN END CREDIT PLAN.

(a) MINIMUM PAYMENT DISCLOSURES.—Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end the following:

"(11)(A) In the case of an open end credit plan that requires a minimum monthly payment of not more than 4 percent of the balance on which finance charges are accruing, the following statement, located on the front of the billing statement, disclosed clearly and conspicuously, in typeface no smaller than the largest typeface used to make other clear and conspicuous disclosures under this subsection: 'Minimum Payment Warning: Making only the minimum payment will increase the interest you pay and the time it takes to repay your balance. For example, making only the typical 2% minimum monthly payment on a balance of $1,000 at an interest rate of 17% would take 88 months to repay the balance in full. For an estimate of the time it would take to repay your balance, making only minimum payments, call this toll-free number: ______.'.

"(B) In the case of an open end credit plan that requires a minimum monthly payment of more than 4 percent of the balance on which finance charges are accruing, the following statement, in a prominent location on the front of the billing statement, disclosed clearly and conspicuously, in typeface no smaller than the largest typeface used to make other clear and conspicuous disclosures under this subsection: 'Minimum Payment Warning: Making only the required minimum payment will increase the interest you pay and the time it takes to repay your balance. Making a typical 5% minimum monthly payment on a balance of $300 at an interest rate of 17% would take 24 months to repay the balance in full. For an estimate of the time it would take to repay your balance, making only minimum monthly payments, call this toll-free number: ______.'.

"(C) Notwithstanding subparagraphs (A) and (B), in the case of a creditor with respect to which compliance with this title is enforced by the Federal Trade Commission, the following statement, in a prominent location on the front of the billing statement, disclosed clearly and conspicuously, in typeface no smaller than the largest typeface used to make other clear and conspicuous disclosures under this subsection: 'Minimum Payment Warning: Making only the required minimum payment will increase the interest you pay and the time it takes to repay your balance. For example, making only the typical 5% minimum monthly payment on a balance of $300 at an interest rate of 17% would take 24 months to repay the balance in full. For an estimate of the time it would take to repay your balance, making only minimum monthly payments, call the Federal Trade Commission at this toll-free number: ______.' A creditor who is subject to this subparagraph shall not be subject to subparagraph (A) or (B).

"(D) Notwithstanding subparagraph (A), (B), or (C), in complying with any such subparagraph, a creditor may substitute an example based on an interest rate that is greater than 17 percent. Any creditor who is subject to subparagraph (B) may elect to provide the disclosure required under subparagraph (A) in lieu of the disclosure required under subparagraph (B).

"(E) The Board shall, by rule, periodically recalculate, as necessary, the interest rate and repayment period under subparagraphs (A), (B), and (C).

"(F) The toll-free telephone number disclosed by a creditor or the Federal Trade Commission under subparagraph (A), (B), or (G), as appropriate, may be a toll-free telephone number established and maintained by the creditor or the Federal Trade Commission, as appropriate, or may be a toll-free telephone number established and maintained by a third party for use by the creditor or multiple creditors or the Federal Trade Commission, as appropriate. The toll-free telephone number may connect consumers to an automated device through which consumers may obtain information described in subparagraph (A), (B), or (C), by inputting information using a touch-tone telephone or similar device, if consumers whose telephones are not equipped to use such automated device are provided the opportunity to be connected to an individual from whom the information described in subparagraph (A), (B), or (C), as applicable, may be obtained. A person that receives a request for information described in subparagraph (A), (B), or (C) from an obligor through the toll-free telephone number disclosed under subparagraph (A), (B), or (C), as applicable, shall disclose in response to such request only the information set forth in the table promulgated by the Board under subparagraph (H)(i).

"(G) The Federal Trade Commission shall establish and maintain a toll-free number for the purpose of providing to consumers the information required to be disclosed under subparagraph (C).

"(H) The Board shall—

"(i) establish a detailed table illustrating the approximate number of months that it would take to repay an outstanding balance if the consumer pays only the required minimum monthly payments and if no other advances are made, which table shall clearly present standardized information to be used to disclose the information required to be disclosed under subparagraph (A), (B), or (C), as applicable;

"(ii) establish the table required under clause (i) by assuming—

"(I) a significant number of different annual percentage rates;

"(II) a significant number of different account balances;

"(III) a significant number of different minimum payment amounts; and

"(IV) that only minimum monthly payments are made and no additional extensions of credit are obtained; and

"(iii) promulgate regulations that provide instructional guidance regarding the manner in which the information contained in the table established under clause (i) should be used in responding to the request of an obligor for any information required to be disclosed under subparagraph (A), (B), or (C).

"(I) The disclosure requirements of this paragraph do not apply to any charge card account, the primary purpose of which is to require payment of charges in full each month.

"(J) A creditor that maintains a toll-free telephone number for the purpose of providing customers with the actual number of months that it will take to repay an outstanding balance—

"(i) is not subject to the requirements of subparagraphs (A) and (B); and

"(ii) shall include the following statement on each billing statement: 'Making only the minimum payment will increase the interest you pay and the time it takes to repay your balance. For more information, call this toll-free number: ______.'.".

(b) REGULATORY IMPLEMENTATION.—The Board of Governors of the Federal Reserve System (hereafter in this Act referred to as the "Board") shall promulgate regulations implementing the requirements of section 127(b)(11) of the Truth in Lending Act, as added by subsection (a) of this section. Section 127(b)(11) of the Truth in Lending Act, as added by subsection (a) of this section, and the regulations issued under this subsection shall not take effect until the later of 18 months after the date of enactment of this Act or 12 months after the publication of such regulations by the Board.

(c) STUDY OF FINANCIAL DISCLOSURES.—

(1) IN GENERAL.—The Board may conduct a study to determine whether consumers have

adequate information about borrowing activities that may result in financial problems.

(2) FACTORS FOR CONSIDERATION.—In conducting a study under paragraph (1), the Board shall, in consultation with the other Federal banking agencies (as defined in section 3 of the Federal Deposit Insurance Act), the National Credit Union Administration, and the Federal Trade Commission, consider the extent to which—

(A) consumers, in establishing new credit arrangements, are aware of their existing payment obligations, the need to consider those obligations in deciding to take on new credit, and how taking on excessive credit can result in financial difficulty;

(B) minimum periodic payment features offered in connection with open end credit plans impact consumer default rates;

(C) consumers make only the minimum payment under open end credit plans;

(D) consumers are aware that making only minimum payments will increase the cost and repayment period of an open end credit obligation; and

(E) the availability of low minimum payment options is a cause of consumers experiencing financial difficulty.

(3) REPORT TO CONGRESS.—Findings of the Board in connection with any study conducted under this subsection shall be submitted to Congress. Such report shall also include recommendations for legislative initiatives, if any, of the Board, based on its findings.

SEC. 02. ENHANCED DISCLOSURE FOR CREDIT EXTENSIONS SECURED BY A DWELLING.

(a) OPEN END CREDIT EXTENSIONS.—

(1) CREDIT APPLICATIONS.—Section 127A(a)(13) of the Truth in Lending Act (15 U.S.C. 1637a(a)(13)) is amended—

(A) by striking "CONSULTATION OF TAX ADVISOR.—A statement that the" and inserting the following: "TAX DEDUCTIBILITY.—A statement that—

"(A) the"; and

(B) by striking the period at the end and inserting the following: "; and

"(B) in any case in which the extension of credit exceeds the fair market value (as defined by the Board) of the dwelling, the interest on the portion of the credit extension that is greater than the fair market value (as defined by the Board) of the dwelling is not tax deductible for Federal income tax purposes.".

(2) CREDIT ADVERTISEMENTS.—Section 147(b) of the Truth in Lending Act (15 U.S.C. 1665b(b)) is amended—

(A) by striking "If any" and inserting the following:

"(1) IN GENERAL.—If any"; and

(B) by adding at the end the following:

"(2) CREDIT IN EXCESS OF FAIR MARKET VALUE.—Each advertisement described in subsection (a) that relates to an extension of credit that may exceed the fair market value (as defined by the Board) of the dwelling, and which advertisement is disseminated in paper form to the public or through the Internet, as opposed to by radio or television, shall include a clear and conspicuous statement that—

"(A) the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes; and

"(B) the consumer may want to consult a tax advisor for further information regarding the deductibility of interest and charges.".

(b) NON-OPEN END CREDIT EXTENSIONS.—

(1) CREDIT APPLICATIONS.—Section 128 of the Truth in Lending Act (15 U.S.C. 1638) is amended—

(A) in subsection (a), by adding at the end the following:

"(15) In the case of a consumer credit transaction that is secured by the principal dwelling of the consumer, in which the extension of credit may exceed the fair market value (as defined by the Board) of the dwelling, a clear and conspicuous statement that—

"(A) the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes; and

"(B) the consumer may want to consult a tax advisor for further information regarding the deductibility of interest and charges."; and

(B) in subsection (b), by adding at the end the following:

"(3) In the case of a credit transaction described in paragraph (15) of subsection (a), disclosures required by that paragraph shall be made to the consumer at the time of application for such extension of credit.".

(2) CREDIT ADVERTISEMENTS.—Section 144 of the Truth in Lending Act (15 U.S.C. 1664) is amended by adding at the end the following:

"(e) Each advertisement to which this section applies that relates to a consumer credit transaction that is secured by the principal dwelling of a consumer in which the extension of credit may exceed the fair market value (as defined by the Board) of the dwelling, and which advertisement is disseminated in paper form to the public or through the Internet, as opposed to by radio or television, shall clearly and conspicuously state that—

"(1) the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes; and

"(2) the consumer may want to consult a tax advisor for further information regarding the deductibility of interest and charges.".

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall become effective 12 months after the date of enactment of this Act.

SEC. 03. DISCLOSURES RELATED TO "INTRODUCTORY RATES".

Section 127(c) of the Truth in Lending Act (15 U.S.C. 1637(c)) is amended by adding at the end the following:

"(6) ADDITIONAL NOTICE CONCERNING 'INTRODUCTORY RATES'.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), an application or solicitation to open a credit card account and all promotional materials accompanying such application or solicitation, for which a disclosure is required under paragraph (1), and that offers a temporary annual percentage rate of interest, shall—

"(i) use the term 'introductory' in immediate proximity to each listing of the temporary annual percentage rate applicable to such account, which term shall appear clearly and conspicuously;

"(ii) if the annual percentage rate of interest that will apply after the end of the temporary rate period will be a fixed rate, state the following in a clear and conspicuous manner in a prominent location closely proximate to the first listing of the temporary annual percentage rate (other than a listing of the temporary annual percentage rate in the tabular format described in section 122(c)) or, if the first listing is not the most prominent listing, then closely proximate to the most prominent listing of the temporary annual percentage rate, in each document and in no smaller type size than the smaller of the type size in which the proximate temporary annual percentage rate appears or a 12-point type size, the time period in which the introductory period will end and the annual percentage rate that will apply after the end of the introductory period; and

"(iii) if the annual percentage rate that will apply after the end of the temporary rate period will vary in accordance with an index, state the following in a clear and conspicuous manner in a prominent location closely proximate to the first listing of the temporary annual percentage rate (other than a listing in the tabular format prescribed by section 122(c)) or, if the first listing is not the most prominent listing, then closely proximate to the most prominent listing of the temporary annual percentage rate, in each document and in no smaller type size than the smaller of the type size in which the proximate temporary annual percentage rate appears or a 12-point type size, the time period in which the introductory period will end and an annual percentage rate that was in effect within 60 days before the date of mailing the application or solicitation.

"(B) EXCEPTION.—Clauses (ii) and (iii) of subparagraph (A) do not apply with respect to any listing of a temporary annual percentage rate on an envelope or other enclosure in which an application or solicitation to open a credit card account is mailed.

"(C) CONDITIONS FOR INTRODUCTORY RATES.—An application or solicitation to open a credit card account for which a disclosure is required under paragraph (1), and that offers a temporary annual percentage rate of interest shall, if that rate of interest is revocable under any circumstance or upon any event, clearly and conspicuously disclose, in a prominent manner on or with such application or solicitation—

"(i) a general description of the circumstances that may result in the revocation of the temporary annual percentage rate, including representative examples; and

"(ii) if the annual percentage rate that will apply upon the revocation of the temporary annual percentage rate—

"(I) will be a fixed rate, the annual percentage rate that will apply upon the revocation of the temporary annual percentage rate; or

"(II) will vary in accordance with an index, an annual percentage rate that was in effect within 60 days before the date of mailing the application or solicitation.

"(D) DEFINITIONS.—In this paragraph—

"(i) the terms 'temporary annual percentage rate of interest' and 'temporary annual percentage rate' mean any rate of interest applicable to a credit card account for an introductory period of less than 1 year, if that rate is less than an annual percentage rate that was in effect within 60 days before the date of mailing the application or solicitation; and

"(ii) the term 'introductory period' means the maximum time period for which the temporary annual percentage rate may be applicable.

"(E) RELATION TO OTHER DISCLOSURE REQUIREMENTS.—Nothing in this paragraph may be construed to supersede subsection (a) of section 122, or any disclosure required by paragraph (1) or any other provision of this subsection.".

SEC. 04. INTERNET-BASED CREDIT CARD SOLICITATIONS.

Section 127(c) of the Truth in Lending Act (15 U.S.C. 1637(c)) is amended by adding at the end the following:

"(7) INTERNET-BASED APPLICATIONS AND SOLICITATIONS.—

"(A) IN GENERAL.—In any solicitation to open a credit card account for any person under an open end consumer credit plan using the Internet or other interactive computer service, the person making the solicitation shall clearly and conspicuously disclose—

"(i) the information described in subparagraphs (A) and (B) of paragraph (1); and

"(ii) the disclosures described in paragraph (6).

"(B) FORM OF DISCLOSURE.—The disclosures required by subparagraph (A) shall be—

"(i) readily accessible to consumers in close proximity to the solicitation to open a credit card account; and

"(ii) updated regularly to reflect the current policies, terms, and fee amounts applicable to the credit card account.

"(C) DEFINITIONS.—For purposes of this paragraph—

"(i) the term 'Internet' means the international computer network of both Federal and non-Federal interoperable packet switched data networks; and

"(ii) the term 'interactive computer service' means any information service, system, or access software provider that provides or enables computer access by multiple users to a computer server, including specifically a service or system that provides access to the Internet and such systems operated or services offered by libraries or educational institutions.".

SEC. 05. DISCLOSURES RELATED TO LATE PAYMENT DEADLINES AND PENALTIES.

Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end the following:

"(12) If a late payment fee is to be imposed due to the failure of the obligor to make payment on or before a required payment due date the following shall be stated clearly and conspicuously on the billing statement:

"(A) The date on which that payment is due or, if different, the earliest date on which a late payment fee may be charged.

"(B) The amount of the late payment fee to be imposed if payment is made after such date.".

SEC. 06. PROHIBITION ON CERTAIN ACTIONS FOR FAILURE TO INCUR FINANCE CHARGES.

Section 127 of the Truth in Lending Act (15 U.S.C. 1637) is amended by adding at the end the following:

"(h) PROHIBITION ON CERTAIN ACTIONS FOR FAILURE TO INCUR FINANCE CHARGES.—A creditor of an account under an open end consumer credit plan may not terminate an account prior to its expiration date solely because the consumer has not incurred finance charges on the account. Nothing in this subsection shall prohibit a creditor from terminating an account for inactivity in 3 or more consecutive months.".

SEC. 07. DUAL USE DEBIT CARD.

(a) REPORT.—The Board may conduct a study of, and present to Congress a report containing its analysis of, consumer protections under existing law to limit the liability of consumers for unauthorized use of a debit card or similar access device. Such report, if submitted, shall include recommendations for legislative initiatives, if any, of the Board, based on its findings.

(b) CONSIDERATIONS.—In preparing a report under subsection (a), the Board may include—

(1) the extent to which section 909 of the Electronic Fund Transfer Act (15 U.S.C. 1693g), as in effect at the time of the report, and the implementing regulations promulgated by the Board to carry out that section provide adequate unauthorized use liability protection for consumers;

(2) the extent to which any voluntary industry rules have enhanced or may enhance the level of protection afforded consumers in connection with such unauthorized use liability; and

(3) whether amendments to the Electronic Fund Transfer Act (15 U.S.C. 1693 et seq.), or revisions to regulations promulgated by the Board to carry out that Act, are necessary to provide to further address adequate protection for consumers concerning unauthorized use liability.

SEC. 08. STUDY OF BANKRUPTCY IMPACT OF CREDIT EXTENDED TO DEPENDENT STUDENTS.

(a) STUDY.—

(1) IN GENERAL.—The Comptroller General of the United States shall conduct a study regarding the impact that the extension of credit described in paragraph (2) has on the rate of bankruptcy cases filed under title 11, United States Code.

(2) EXTENSION OF CREDIT.—The extension of credit referred to in paragraph (1) is the extension of credit to individuals who are—

(A) claimed as dependents for purposes of the Internal Revenue Code of 1986; and

(B) enrolled in postsecondary educational institutions.

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall submit to the Senate and the House of Representatives a report summarizing the results of the study conducted under subsection (a).

TORRICELLI AMENDMENTS NOS. 2656–2657

(Ordered to lie on the table.)

Mr. TORRICELLI submitted two amendments intended to be proposed by him to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2656

On page 124, strike lines 10 through 14, and insert the following:

Section 541(a) of title 11, United States Code, is amended—

(1) in paragraph (6), by inserting "(other than an individual debtor who, in accordance with section 301, files a petition to commence a voluntary case under chapter 11)" after "individual debtor"; and

(2) by adding at the end the following:

"(8) Any interest of the debtor in a lease or a license, whether issued by a governmental unit or a person.".

On page 250, line 24, strike the quotation marks and the final period.

On page 250, after line 24, insert the following:

"(m) REGULATORY POWERS EXCEPTION.—'Police or regulatory power' excludes any act, action, or proceeding that affects property of or from the estate used in whole or in part to secure or satisfy a debt.".

AMENDMENT NO. 2657

On page 124, strike lines 10 through 14, and insert the following:

Section 541(a) of title 11, United States Code, is amended—

(1) in paragraph (6), by inserting "(other than an individual debtor who, in accordance with section 301, files a petition to commence a voluntary case under chapter 11)" after "individual debtor"; and

(2) by adding at the end the following:

"(8) Any interest of the debtor in a lease or a license, whether issued by a governmental unit or a person.".

On page 250, line 24, strike the quotation marks and the final period.

On page 250, after line 24, insert the following:

"(m) REGULATORY POWERS EXCEPTION.—'Police or regulatory power' excludes any act, action, or proceeding that affects property of or from the estate used in whole or in part to secure or satisfy a debt.".

LEVIN (AND OTHERS) AMENDMENT NO. 2658

(Ordered to lie on the table.)

Mr. LEVIN (for himself, Mr. DURBIN, Mr. WYDEN, Mr. KENNEDY, Mrs. FEINSTEIN, Mr. LAUTENBERG, and Mr. SCHUMER) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

On page 124, between lines 14 and 15, insert the following:

SEC. . CHAPTER 11 NONDISCHARGEABILITY OF DEBTS ARISING FROM FIREARM-RELATED DEBTS.

(a) IN GENERAL.—Section 1141(d) of title 11, United States Code, as amended by section 708 of this Act, is amended by adding at the end the following:

"(6) Notwithstanding paragraph (1), the confirmation of a plan does not discharge a debtor that is a corporation from any debt that is—

"(A) related to the use or transfer of a firearm (as defined in section 921(3) of title 18 or section 5845(a) of the Internal Revenue Code of 1986); and

"(B) based in whole or in part on fraud, recklessness, misrepresentation, nuisance, negligence, or product liability.".

(b) AUTOMATIC STAY.—Section 362(b) of title 11, United States Code, as amended by section 901(d) of this Act, is amended—

(1) in paragraph (27), by striking "or" at the end;

(2) in paragraph (28), by striking the period at the end and inserting "; or"; and

(3) by inserting after paragraph (28) the following:

"(29) under subsection (a) of this section, of—

"(A) the commencement or continuation, and conclusion to the entry of final judgment or order, of a judicial, administrative, or other action or proceeding for debts that are nondischargeable under section 1141(d)(6); or

"(B) the perfection or enforcement of a judgment or order referred to in subparagraph (A) against property of the estate or property of the debtor.".

DURBIN AMENDMENTS NOS. 2659–2660

(Ordered to lie on the table.)

Mr. DURBIN submitted two amendments intended to be proposed by him to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2659

On page 18, line 5 insert "(including a briefing conducted by telephone or on the Internet)" after "briefing".

On page 19, line 15, strike "petition" and insert "petition without court approval."

AMENDMENT NO. 2660

On page 26, strike line 3 and all that follows through page 27, line 24, and insert the following:

"(C) such agreement contains a clear and conspicuous statement that advises the debtor which portion of the debt to be reaffirmed is attributable to—

"(i) principal;

"(ii) interest;

"(iii) late fees;

"(iv) attorney's fees of the creditor; or

"(v) expenses or other costs relating to the collection of the debt;

(B) in paragraph (5), by striking "and" at the end;

(C) in paragraph (6)—

(i) in subparagraph (A)(ii), by striking the period at the end and inserting "; except that"; and

(ii) by striking subparagraph (B) and inserting the following:

"(B) to the extent that the debt is a consumer debt secured by real property or is a debt described in paragraph (7), subparagraph (A) shall not apply; and"; and

(D) by adding at the end the following:

"(7) in a case concerning an individual—

"(A)(i) the consideration for such agreement is based, in whole or in part, on—

"(I) an unsecured consumer debt; or

"(II) a debt for an item of personalty with a value of $250 or less at the time of purchase; or

"(ii) the creditor asserts a purchase money security interest; and

"(B) the court approves of such agreement as—

"(i) in the best interest of the debtor, in light of the income and expenses of the debtor;

"(ii) not imposing an undue hardship on the future ability of the debtor to pay for the needs of children and other dependents (including court ordered support);

"(iii) not requiring the debtor to pay the attorney's fees, expenses, or other costs of the creditor relating to the collection of the debt;

"(iv) not executed to protect property that is necessary for the care and maintenance of children or other dependents that would have nominal value on repossession;

"(v) not executed after coercive threats or actions by the creditor in the course of dealings between the creditor and the debtor; and

"(vi) not excessive in amount based upon the value of the collateral."; and

(2) in subsection (d)(2), by striking "requirements" and all that follows through the period and inserting "applicable requirements of paragraphs (6) and (7).".

DURBIN (AND OTHERS) AMENDMENTS NOS. 2661–2662

(Ordered to lie on the table.)

Mr. DURBIN (for himself, Mr. SCHUMER, and Mr. KENNEDY) submitted two amendments intended to be proposed by them to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2661

On page 7, between line 14 and 15, insert the following:

"unless the conditions described in clause (iA) apply with respect to the debtor.

"(iA) the product of the debtor's current monthly income multiplied by 12—

"(I)(aa) exceeds 100 percent, but does not exceed 150 percent of the national or applicable State median household income reported for a household of equal size, whichever is greater; or

"(bb) in the case of a household of 1 person, exceeds 100 percent but does not exceed 150 percent of the national or applicable State median household income reported for 1 earner, whichever is greater; and

"(II) the product of the debtor's current monthly income (reduced by the amounts determined under clause (ii) (except for the amount calculated under the other necessary expenses standard issued by the Internal Revenue Service and clauses (iii) and (iv) multiplied by 60 is less than the greater of—

"(aa) 25 percent of the debtor's nonpriority unsecured claims in the case; or

"(bb) $15,000.

AMENDMENT NO. 2662

On page 7, between line 14 and 15, insert the following:

"unless the conditions described in clause (iA) or (iB) apply with respect to the debtor.

"(iA) The product of the debtor's current monthly income multiplied by 12 does not exceed

"(I) 100 percent of the national or applicable State median household income reported for a household of equal size, whichever is greater; or

"(II) in the case of a household of 1 person, 100 percent of the national or applicable State median household income for 1 earner, whichever is greater.

"(iB) the product of the debtor's current monthly income multiplied by 12—

"(I)(aa) exceeds 100 percent, but does not exceed 150 percent of the national or applicable State median household income reported for a household of equal size, whichever is greater; or

"(bb) in the case of a household of 1 person, exceeds 100 percent but does not exceed 150 percent of the national or applicable State median household income reported for 1 earner, whichever is greater; and

"(II) the product of the debtor's current monthly income (reduced by the amounts determined under clause (ii) (except for the amount calculated under the other necessary expenses standard issued by the Internal Revenue Service and clauses (iii) and (iv) multiplied by 60 is less than the greater of—

"(aa) 25 percent of the debtor's nonpriority unsecured claims in the case;

"(bb) $15,000.

MOYNIHAN AMENDMENT NO. 2663

(Ordered to lie on the table.)

Mr. MOYNIHAN submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

On page 107, line 7, strike "(C)(i) for purposes of subparagraph (A)—" and insert the following:

"(C) for purposes of subparagraph (A)—

"(i) if the debtor, and the spouse of the debtor in a joint case, as of the date of the order for relief, have a total current monthly income greater than the national or applicable State median family monthly income calculated on a monthly basis for a family of equal size, or in the case of a household of one person, the national median household income for one earner (except that for a household of more than 4 individuals, the median income shall be that of a household of 4 individuals, plus $583 for each additional member of that household)—".

On page 107, lines 8 and 14, move the margins 2 ems to the right.

On page 107, line 19, strike "and" and all that follows through line 20 and insert the following:

"(ii) if the debtor and the debtor's spouse combined, as of the date of the order for relief, have a total current monthly income that does not satisfy the conditions of clause (i)—

"(I) consumer debts owed to a single creditor and aggregating more than $1,075 for luxury goods or services incurred by an individual debtor on or within 60 days before the order for relief under this title are presumed to be nondischargeable; and

"(II) cash advances aggregating more than $1,075 that are extensions of consumer credit under an open end credit plan obtained by an individual debtor on or within 60 days before the order for relief under this title are presumed to be nondischargeable; and

"(iii) for purposes of this subparagraph—".

On page 111, line 20, strike "(14A)(A) incurred to pay a debt that is" and insert the following:

"(14A) if the debtor, and the spouse of the debtor in a joint case, as of the date of the order for relief, have a total current monthly income greater than the national or applicable State median family monthly income, calculated on a monthly basis for a family of equal size, or in the case of a household of one person, the national median household income for one earner (except that for a household of more than 4 individuals, the median income shall be that of a household of 4 individuals, plus $583 for each additional member of that household)—

"(A) incurred to pay a debt that is".

On page 112, line 2, insert ", with respect to debtors with income above the amount stated," after "that".

KOHL AMENDMENTS NOS. 2664–2666

(Ordered to lie on the table.)

Mr. KOHL submitted three amendments intended to be proposed by him to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2664

On page 124, insert between lines 14 and 15 the following:

SEC. 322. EXCLUDING EMPLOYEE BENEFIT PLAN PARTICIPANT CONTRIBUTIONS AND OTHER PROPERTY FROM THE ESTATE.

(a) IN GENERAL.—Section 541(b) of title 11, United States Code, as amended by section 903 of this Act, is amended—

(1) by striking "or" at the end of paragraph (5);

(2) by redesignating paragraph (6) as paragraph (7); and

(3) by inserting after paragraph (5) the following:

"(6) any amount—

"(A) withheld by an employer from the wages of employees for payment as contributions to—

"(i) an employee benefit plan subject to title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 et seq.); or

"(ii) a health insurance plan regulated by State law whether or not subject to such title; or

"(B) received by the employer from employees for payment as contributions to—

"(i) an employee benefit plan subject to title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 et seq.); or "(ii) a health insurance plan regulated by State law whether or not subject to such title;".

(b) APPLICATION OF AMENDMENT.—The amendment made by this section shall not apply to cases commenced under title 11, United States Code, before the expiration of the 180-day period beginning on the date of the enactment of this Act.

AMENDMENT NO. 2665

On page 124, insert between lines 14 and 15 the following:

SEC. 322. CLARIFICATION OF POSTPETITION WAGES AND BENEFITS.

Section 503(b)(1)(A) of title 11, United States Code, is amended to read as follows:

"(A) the actual, necessary costs and expenses of preserving the estate, including wages, salaries, or commissions for services rendered after the commencement of the case, and wages and benefits awarded as back pay attributable to any period of time after commencement of the case as a result of the debtor's violation of Federal or State law, without regard to when the original unlawful act occurred or to whether any services were rendered;".

AMENDMENT NO. 2666

On page 96, line 23 strike all through page 97, line 11 and insert the following:

(b) RESTORING THE FOUNDATION FOR SECURED CREDIT.—Section 506 of title 11, United States Code, is amended by adding at the end the following:

"(e) In an individual case under chapter 7, 11, 12, or 13—

"(1) except for the purpose of applying paragraph (3) of this subsection, subsection (a) shall not apply to an allowed claim that is attributable to the purchase price of personal property if—

"(A) the holder of the claim has a security interest in that property; and

"(B) the property was purchased by the debtor within 180 days before the filing of the petition;

"(2) if an allowed claim referred to in paragraph (1) is secured only by the personal property acquired, the value of the personal property described in that paragraph and the amount of the allowed secured claim shall be the sum of—

"(A) the unpaid principal balance of the purchase price; and

"(B) the accrued and unpaid interest and charges at the applicable contract rate attributable to such property;

"(3) if an allowed claim referred to in paragraph (1) is secured by the personal property described in that paragraph and other property, the value of the security may be determined under subsection (a), except that the value of the security and the amount of the allowed secured claim shall not be less than—

"(A) the unpaid principal balance of the purchase price of the personal property described in paragraph (1); and

"(B) any unpaid interest and charges at the contract rate attributable to the property acquired; and

"(4) in any case under this title that is filed subsequently by or against the debtor in the original case, the value of the personal property described in paragraph (1) and the amount of the allowed secured claim with respect to that property shall be deemed to be not less than an amount determined in the same manner as the original under paragraph (2) or (3).".

FEINGOLD AMENDMENT NO. 2667

(Ordered to lie on the table.)

Mr. FEINGOLD submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the appropriate place in the bill, insert the following:

TITLE —EAST TIMOR SELF-DETERMINATION ACT OF 1999

SEC. 01. SHORT TITLE.

This title may be cited as the "East Timor Self-Determination Act of 1999".

SEC. 02. FINDINGS; PURPOSE; SENSE OF SENATE.

(a) CONGRESSIONAL FINDINGS.—

(1) On August 30, 1999, in accordance with the May 5, 1999, agreement between Indonesia and Portugal brokered by the United Nations, and subsequent agreements between the United Nations and the governments of Indonesia and Portugal, a popular consultation took place, in which 78.5 percent of East Timorese rejected integration with Indonesia, setting the stage for a transition to independence pursuant to the terms of the May 5, 1999, agreement.

(2) On October 19, 1999, the Indonesian People's Consultative Assembly agreed to ratify the August 30, 1999, vote results, leading the United Nations Security Council, on October 25, 1999, to authorize a United Nations Transitional Administration in East Timor (UNTAET), which was to include deployment of an international police and military force with up to 1,640 officers and 8,950 troops.

(3) The United Nations Commission on Human Rights, in a special session meeting on September 27, 1999, called on the United Nations Secretary General to establish an international commission of inquiry to investigate violations of human rights in East Timor, and urged the cooperation of the Indonesian government and military.

(4) The Secretary General subsequently directed Mary Robinson, the United Nations High Commissioner on Human Rights, to appoint a United Nations commission on October 15, 1999, which is due to report its conclusion to the Secretary General by December 31, 1999.

(5) The Indonesian People's Consultative Assembly on October 20, 1999, chose Abdurrahman Wahid as President of the Republic of Indonesia and the next day also chose as Vice President, Megawati Soekarnoputri

(6) President Wahid has invited Xanana Gusmao to meet and has written to the United Nations Secretary General officially informing him of the decision to end Indonesia's administration of East Timor, and of East Timor's independence, and expressing his hope "that East Timor will become an independent state".

(7) As of late October 1999, according to United Nations officials and other independent observers, more than 200,000 East Timorese remain displaced in camps in West Timor and elsewhere in Indonesia, under constant threat by civilian militia and in some cases denied access to assistance by the United Nations humanitarian agencies.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the United States should congratulate the people of Indonesia on its democratic transition and welcome the efforts of the new Indonesian government to bring a peaceful end to the crisis in East and West Timor;

(2) the results of the August 30, 1999, vote on East Timor's political status, which expressed the will of a majority of the Timorese people, should be fully implemented;

(3) economic recovery in Indonesia is essential to political and economic stability in the region; and

(4) the President, the Secretary of State, the Secretary of the Treasury, and Congress should work with the people of Indonesia to restore Indonesia's economic vitality.

(c) PURPOSE.—The purpose of this Act is to encourage the government of Indonesia and the armed forces of Indonesia to take such additional steps as are necessary to create a peaceful environment in which the United Nations Assistance Mission to East Timor (UNAMET), the International Force for East Timor (INTERFET), and the United Nations Transitional Administration in East Timor (UNTAET) can fulfill their mandates and implement the results of the August 30, 1999, vote on East Timor's political status.

SEC. 03. SUSPENSION OF SECURITY ASSISTANCE.

(a) SUSPENSION AND SUPPORT.—

(1) ASSISTANCE.—None of the funds appropriated or otherwise made available under the following provisions of law (including unexpended balances of prior year appropriations) may be available for Indonesia:

(A) The Foreign Military Financing Program under section 23 of the Arms Export Control Act.

(B) Chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to military assistance).

(C) Chapter 5 of part II of the Foreign Assistance Act of 1961 (relating to international military education and training assistance).

(D) Section 2011 of title 10, United States Code.

(2) LICENSING.—None of the funds appropriated or otherwise made available under any provision of law (including unexpended balances of prior year appropriations) may be available for licensing exports of defense articles or defense services to Indonesia under section 38 of the Arms Export Control Act.

(3) EXPORTATION.—No defense article or defense service may be exported or delivered to Indonesia or East Timor by any United States person (as defined in section 16 of the Export Administration Act of 1979 (50 U.S.C. App. 2415)) or any other person subject to the jurisdiction of the United States except as may be necessary to support the operations of an international peacekeeping force in East Timor or in connection with the provision of humanitarian assistance.

(4) PROHIBITION ON PARTICIPATION IN ASIA-PACIFIC CENTER FOR SECURITY STUDIES.—Programs of the Asia-Pacific Center for Security Studies may not include participants who are members of the armed forces of Indonesia or any representatives of the armed forces of Indonesia.

(5) PROHIBITION ON ASSISTANCE THROUGH MILITARY-TO-MILITARY CONTACTS.—The authority for military-to-military contacts and comparable activities under section 168 of title 10, United States Code, may not be exercised in a manner that provides any assistance to the government or armed forces of Indonesia.

(b) INAPPLICABILITY TO CERTAIN ITEMS AND SERVICES ON THE UNITED STATES MUNITIONS LIST.—Paragraphs (2) and (3) of subsection (a) do not apply to the export, delivery, or servicing of any item or service that, while on the Commerce Control List of dual-use items in the Export Administration Regulations, was licensed by the Department of Commerce for export to Indonesia but is in a category of items or services that, within two years before the date of the enactment of this Act, was transferred by law to the United States Munitions List for control under section 38 of the Arms Export Control Act (22 U.S.C. 2778).

(c) CONDITIONS FOR TERMINATION.—Subject to subsection (b), the measures described in subsection (a) shall apply with respect to the government and armed forces of Indonesia until the President determines and certifies to the appropriate congressional committees that the Indonesian government and the Indonesian armed forces are—

(1) taking effective measures to bring to justice members of the Indonesian armed forces and militia groups against whom there is credible evidence of human rights violations;

(2) demonstrating a commitment to accountability by cooperating with investigations and prosecutions of members of the Indonesian armed forces and militia groups responsible for human rights violations in Indonesia and East Timor;

(3) taking effective measures to bring to justice members of the Indonesian armed forces against whom there is credible evidence of aiding or abetting militia groups;

(4) allowing displaced persons and refugees to return home to East Timor, including providing safe passage for refugees returning from West Timor;

(5) not impeding the activities of the International Force in East Timor (INTERFET) or its successor, the United Nations Transitional Administration in East Timor (UNTAET);

(6) ensuring freedom of movement in West Timor, including by humanitarian organizations; and

(7) demonstrating a commitment to preventing incursions into East Timor by members of militia groups in West Timor.

SEC.   04. MULTILATERAL EFFORTS.

The President should continue to coordinate with other countries, particularly member states of the Asia-Pacific Economic Cooperation (APEC) Forum, to develop a comprehensive, multilateral strategy to further the purposes of this Act, including urging other countries to take measures similar to those described in this title.

SEC.   05. REPORT.

Not later than 30 days after the date of enactment of this Act, and every 6 months thereafter until the end of the UNTAET mandate, the Secretary of State shall submit a report to the appropriate congressional committees on the progress of the Indonesian government toward the meeting the conditions contained in paragraphs (1) through (7) of section   03(c) and on the progress of East Timor toward becoming an independent nation.

SEC.   06. APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.

In this title, the term "appropriate congressional committees" means the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on International Relations and the Committee on Appropriations of the House of Representatives.

HUTCHISON (AND BROWNBACK) AMENDMENTS NOS. 2668–2669

(Ordered to lie on the table.)

Mrs. HUTCHISON (for herself and Mr. BROWNBACK) submitted 2 amendments intended to be proposed by them to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2668

At the appropriate place in the bill, add the following:

SEC. 1. HOMESTEAD EXEMPTION OPT OUT.

The provisions relating to a Federal homestead exemption shall not apply to debtors if applicable State law provides by statute that such provisions shall not apply to debtors and shall not take effect in any State before the end of the first regular session of the State legislature following the date of enactment of this Act.

SEC. 2. SENIOR CITIZEN EXEMPTION

The provisions relating to a Federal homestead exemption shall not apply to debtors who are 65 years of age or older.

AMENDMENT NO. 2669

At the appropriate place in the bill, add the following:

SEC.   . HOMESTEAD EXEMPTION OPT OUT.

The provisions relating to a Federal homestead exemption shall not apply to debtors if applicable State law provides by statute that such provisions shall not apply to debtors and shall not take effect in any State before the end of the first regular session of the State legislature following the date of enactment of this Act. This paragraph shall not apply to the status of Alabama and Wisconsin.

BROWNBACK AMENDMENTS NOS. 2670–2741

(Ordered to lie on the table.)

Mr. BROWNBACK submitted 72 amendments intended to be proposed by him to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2670

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking "50 percent" and inserting "34 percent".

AMENDMENT NO. 2671

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking "50 percent" and inserting "45 percent".

AMENDMENT NO. 2672

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking "50 percent" and inserting "46 percent".

AMENDMENT NO. 2673

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking "50 percent" and inserting "47 percent".

AMENDMENT NO. 2674

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking "50 percent" and inserting "48 percent".

AMENDMENT NO. 2675

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking "50 percent" and inserting "29 percent".

AMENDMENT NO. 2676

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking "50 percent" and inserting "30 percent".

AMENDMENT NO. 2677

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking "50 percent" and inserting "31 percent".

AMENDMENT NO. 2678

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking "50 percent" and inserting "32 percent".

AMENDMENT NO. 2679

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking "50 percent" and inserting "33 percent".

AMENDMENT NO. 2680

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking "50 percent" and inserting "49 percent".

AMENDMENT NO. 2681

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking "50 percent" and inserting "41 percent".

AMENDMENT NO. 2682

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking "50 percent" and inserting "42 percent".

AMENDMENT NO. 2683

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking "50 percent" and inserting "43 percent".

AMENDMENT NO. 2684

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking "50 percent" and inserting "44 percent".

AMENDMENT NO. 2685

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "46 percent".

Amendment No. 2686

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "79 percent".

Amendment No. 2687

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "39 percent".

Amendment No. 2688

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "45 percent".

Amendment No. 2689

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "44 percent".

Amendment No. 2690

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "64 percent".

Amendment No. 2691

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "65 percent".

Amendment No. 2692

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "66 percent".

Amendment No. 2693

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "67 percent".

Amendment No. 2694

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "68 percent".

Amendment No. 2695

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "69 percent".

Amendment No. 2696

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "70 percent".

Amendment No. 2697

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "71 percent".

Amendment No. 2698

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "72 percent".

Amendment No. 2699

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "73 percent".

Amendment No. 2700

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "74 percent".

Amendment No. 2701

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "75 percent".

Amendment No. 2702

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "76 percent".

Amendment No. 2703

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "77 percent".

Amendment No. 2704

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "78 percent".

Amendment No. 2705

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "29 percent".

Amendment No. 2706

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "30 percent".

Amendment No. 2707

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "31 percent".

Amendment No. 2708

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "32 percent".

Amendment No. 2709

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "33 percent".

Amendment No. 2710

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "34 percent".

Amendment No. 2711

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "35 percent".

Amendment No. 2712

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "36 percent".

Amendment No. 2713

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "37 percent".

Amendment No. 2714

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "40 percent".

Amendment No. 2715

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "41 percent".

Amendment No. 2716

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "38 percent".

Amendment No. 2717

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "56 percent".

Amendment No. 2718

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "57 percent".

Amendment No. 2719

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "58 percent".

Amendment No. 2720

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "59 percent".

Amendment No. 2721

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "60 percent".

Amendment No. 2722

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "61 percent".

Amendment No. 2723

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "42 percent".

Amendment No. 2724

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "43 percent".

Amendment No. 2725

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "47 percent".

Amendment No. 2726

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "48 percent".

Amendment No. 2727

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "49 percent".

Amendment No. 2728

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "50 percent".

Amendment No. 2729

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "51 percent".

Amendment No. 2730

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "52 percent".

Amendment No. 2731

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "53 percent".

Amendment No. 2732

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "54 percent".

Amendment No. 2733

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "55 percent".

Amendment No. 2734

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "62 percent".

Amendment No. 2735

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking "80 percent" and inserting "63 percent".

Amendment No. 2736

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking "50 percent" and inserting "35 percent".

Amendment No. 2737

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking "50 percent" and inserting "36 percent".

Amendment No. 2738

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking "50 percent" and inserting "37 percent".

Amendment No. 2739

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking "50 percent" and inserting "38 percent".

Amendment No. 2740

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking "50 percent" and inserting "39 percent".

Amendment No. 2741

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking "50 percent" and inserting "40 percent".

GREGG (AND OTHERS) AMENDMENT NO. 2742

(Ordered to lie on the table.)

Mr. GREGG (for himself, Ms. COLLINS, Mr. ABRAHAM, Mr. COVERDELL, Mr. FRIST, Mr. BROWNBACK, and Mr. HUTCHINSON) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following new titles:

TITLE —TEACHER EMPOWERMENT

SEC. 01. SHORT TITLE.

This title may be cited as the "Teacher Empowerment Act".

SEC. 02. TEACHER EMPOWERMENT.

(a) IN GENERAL.—Title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6601 et seq.) is amended—

(1) by striking the heading for title II and inserting the following:

"TITLE II—TEACHER QUALITY";

(2) by repealing sections 2001 through 2003; and

(3) by amending part A to read as follows:

"PART A—TEACHER EMPOWERMENT

"SEC. 2001. PURPOSE.

"The purpose of this part is to provide grants to States and local educational agencies, in order to assist their efforts to increase student academic achievement through such strategies as improving teacher quality.

"Subpart 1—Grants to States

"SEC. 2011. FORMULA GRANTS TO STATES.

"(a) In General.—In the case of each State that, in accordance with section 2014, submits to the Secretary and obtains approval of an application for a fiscal year, the Secretary shall make a grant for the year to the State for the uses specified in section 2012. The grant shall consist of the allotment determined for the State under subsection (b).

"(b) Determination of Amount of Allotment.—

"(1) Reservation of funds.—

"(A) In general.—From the total amount made available to carry out this subpart for any fiscal year, the Secretary shall reserve—

"(i) ½ of 1 percent for allotments for the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, to be distributed among those outlying areas on the basis of their relative need, as determined by the Secretary in accordance with the purpose of this part; and

"(ii) ½ of 1 percent for the Secretary of the Interior for programs under this part for professional development activities for teachers, other staff, and administrators in schools operated or funded by the Bureau of Indian Affairs.

"(B) Limitation.—In reserving an amount for the purposes described in clauses (i) and (ii) of subparagraph (A) for a fiscal year, the Secretary shall not reserve more than the total amount the outlying areas and the schools operated or funded by the Bureau of Indian Affairs received under the authorities described in paragraph (2)(A)(i) for fiscal year 1999.

"(2) State allotments.—

"(A) Hold harmless.—

"(i) In general.—Subject to subparagraph (B), from the total amount made available to carry out this subpart for any fiscal year and not reserved under paragraph (1), the Secretary shall allot to each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico an amount equal to the total amount that such State received for fiscal year 1999 under—

"(I) section 2202(b) of this Act (as in effect on the day before the date of enactment of the Teacher Empowerment Act); and

"(II) section 307 of the Department of Education Appropriations Act, 1999.

"(ii) Ratable reduction.—If the total amount made available to carry out this subpart for any fiscal year and not reserved under paragraph (1) is insufficient to pay the full amounts that all States are eligible to receive under clause (i) for any fiscal year, the Secretary shall ratably reduce such amounts for such fiscal year.

"(B) Allotment of additional funds.—

"(i) In general.—Subject to clause (ii), for any fiscal year for which the total amount made available to carry out this subpart and not reserved under paragraph (1) exceeds the total amount made available to the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico for fiscal year 1999 under the authorities described in subparagraph (A)(i), the Secretary shall allot to each of those States the sum of—

"(I) an amount that bears the same relationship to 50 percent of the excess amount as the number of individuals age 5 through 17 in the State, as determined by the Secretary on the basis of the most recent satisfactory data, bears to the number of those individuals in all such States, as so determined; and

"(II) an amount that bears the same relationship to 50 percent of the excess amount as the number of individuals age 5 through 17 from families with incomes below the poverty line in the State, as determined by the Secretary on the basis of the most recent satisfactory data, bears to the number of those individuals in all such States, as so determined.

"(ii) Exception.—No State receiving an allotment under clause (i) may receive less than ½ of 1 percent of the total excess amount allotted under clause (i) for a fiscal year.

"(3) Reallotment.—If any State does not apply for an allotment under this subsection for any fiscal year, the Secretary shall reallot such amount to the remaining States in accordance with this subsection.

"SEC. 2012. ALLOCATIONS WITHIN STATES.

"(a) Use of Funds.—Each State receiving a grant under this subpart shall use the funds provided under the grant in accordance with this section to carry out activities for the improvement of teaching and learning.

"(b) Required and Authorized Expenditures.—

"(1) Required expenditures.—The Secretary may make a grant to a State under this subpart only if the State agrees to expend not less than 90 percent of the amount of the funds provided under the grant for the purpose of making subgrants to local educational agencies and eligible partnerships (as defined in section 2021(d)), in accordance with subsection (c).

"(2) Authorized expenditures.—A State that receives a grant under this subpart may expend a portion equal to not more than 10 percent of the amount of the funds provided under the grant for 1 or more of the authorized State activities described in section 2013 or to make grants to eligible partnerships to enable the partnerships to carry out subpart 2 (but not more than 5 percent of such portion may be used for planning and administration related to carrying out such purpose).

"(c) Distribution of Subgrants to Local Educational Agencies and Eligible Partnerships.—

"(1) Allocations to local educational agencies.—

"(A) In general.—Subject to subparagraph (B), a State receiving a grant under this subpart shall distribute a portion equal to 80 percent of the amount described in subsection (b)(1) by allocating to each eligible local educational agency the sum of—

"(i) an amount that bears the same relationship to 50 percent of the portion as the number of individuals enrolled in public and private nonprofit elementary schools and secondary schools in the geographic area served by the agency bears to the number of those individuals in the geographic areas served by all the local educational agencies in the State; and

"(ii) an amount that bears the same relationship to 50 percent of the portion as the number of individuals age 5 through 17 from families with incomes below the poverty line, in the geographic area served by the agency, as determined by the Secretary on the basis of the most recent satisfactory data, bears to the number of those individuals in the geographic areas served by all the local educational agencies in the State, as so determined.

"(B) Alternative formula.—A State may increase the percentage described in subparagraph (A)(ii) (and commensurately decrease the percentage described in subparagraph (A)(i)).

"(C) Use of funds.—The State shall make subgrants to local educational agencies from allocations made under this paragraph to enable the agencies to carry out subpart 3.

"(2) Competitive subgrants to local educational agencies and eligible partnerships.—

"(A) Competitive process.—A State receiving a grant under this subpart shall distribute a portion equal to 20 percent of the amount described in subsection (b)(1) through a competitive process.

"(B) Participants.—The competitive process carried out under subparagraph (A) shall be open to local educational agencies and eligible partnerships (as defined in section 2021(d)). In carrying out the process, the State shall give priority to high-need local educational agencies that focus on math, science, or reading professional development programs.

"(C) Subgrants to eligible partnerships.—A State receiving a grant under this subpart shall distribute at least 3 percent of the portion described in subparagraph (A) to the eligible partnerships through the competitive process.

"(D) Use of funds.—In distributing funds under this paragraph, the State shall make subgrants—

"(i) to local educational agencies to enable the agencies to carry out subpart 3; and

"(ii) to the eligible partnerships to enable the partnerships to carry out subpart 2 (but not more than 5 percent of the funds made available to the eligible partnerships through the subgrants may be used for planning and administration related to carrying out such purpose).

"SEC. 2013. STATE USE OF FUNDS.

"(a) Authorized State Activities.—The authorized State activities referred to in section 2012(b)(2) are the following:

"(1) Reforming teacher certification (including recertification) or licensure requirements to ensure that—

"(A) teachers have the necessary teaching skills and academic content knowledge in the academic subjects in which the teachers are assigned to teach;

"(B) the requirements are aligned with the State's challenging State content standards; and

"(C) teachers have the knowledge and skills necessary to help students meet challenging State student performance standards.

"(2) Carrying out programs that—

"(A) include support during the initial teaching experience, such as mentoring programs; and

"(B) establish, expand, or improve alternative routes to State certification of teachers for highly qualified individuals with a baccalaureate degree, including mid-career professionals from other occupations, paraprofessionals, former military personnel, and recent college or university graduates with records of academic distinction who demonstrate the potential to become highly effective teachers.

"(3) Developing and implementing effective mechanisms to assist local educational agencies and schools in effectively recruiting and retaining highly qualified and effective teachers and principals.

"(4) Reforming tenure systems and implementing teacher testing and other procedures to remove expeditiously incompetent and ineffective teachers from the classroom.

"(5) Developing or improving systems of performance measures to evaluate the effectiveness of professional development programs and activities in improving teacher quality, skills, and content knowledge, and increasing student achievement.

"(6) Developing or improving systems to evaluate the impact of teachers on student achievement.

"(7) Providing technical assistance to local educational agencies consistent with this part.

"(8) Funding projects to promote reciprocity of teacher certification or licensure between or among States, except that no reciprocity agreement developed under this paragraph or developed using funds provided under this part may lead to the weakening of any State teaching certification or licensing requirement.

"(9) Developing or assisting local educational agencies or eligible partnerships (as defined in section 2021(d)) in the development and utilization of proven, innovative strategies to deliver intensive professional development programs and activities that are both cost-effective and easily accessible, such as through the use of technology and distance learning.

"(b) Coordination.—A State that receives a grant to carry out this subpart and a grant under section 202 of the Higher Education Act of 1965 (20 U.S.C. 1022) shall coordinate the activities carried out under this section and the activities carried out under that section 202.

"(c) Public Accountability.—

"(1) In general.—A State that receives a grant under this subpart—

"(A) in the event the State provides public State report cards on education, shall include in such report cards information on the State's progress with respect to—

"(i) subject to paragraph (2), improving student academic achievement, as defined by the State;

"(ii) closing academic achievement gaps, as defined by the State, between groups described in paragraph (2)(A)(i); and

"(iii) increasing the percentage of classes in core academic subjects that are taught by highly qualified teachers; or

"(B) in the event the State provides no such report card, shall publicly report the information described in subparagraph (A) through other means.

"(2) Disaggregated data.—The information described in clauses (i) and (ii) of paragraph (1)(A) and clauses (i) and (ii) of section 2014(b)(2)(A) shall be—

"(A) disaggregated—

"(i) by minority and non-minority group and by low-income and non-low-income group; and

"(ii) using assessments under section 1111(b)(3); and

"(B) publicly reported in the form of disaggregated data only when such data are statistically sound.

"(3) Public availability.—Such information shall be made widely available to the public, including parents and students, through major print and broadcast media outlets throughout the State.

"SEC. 2014. APPLICATIONS BY STATES.

"(a) In General.—To be eligible to receive a grant under this subpart, a State shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

"(b) Contents.—Each application submitted under this section shall include the following:

"(1) A description of how the State will ensure that a local educational agency receiving a subgrant to carry out subpart 3 will comply with the requirements of such subpart.

"(2)(A) A description of the performance indicators that the State will use to measure the annual progress of the local educational agencies and schools in the State with respect to—

"(i) subject to section 2013(c)(2), improving student academic achievement, as defined by the State;

"(ii) closing academic achievement gaps, as defined by the State, between groups described in section 2013(c)(2)(A)(i); and

"(iii) increasing the percentage of classes in core academic subjects that are taught by highly qualified teachers.

"(B) An assurance that the State will require each local educational agency and school in the State receiving funds under this part to publicly report information on the agency's or school's annual progress, as measured by the performance indicators.

"(3) A description of how the State will hold the local educational agencies and schools accountable for making annual gains toward meeting the performance indicators described in paragraph (2).

"(4)(A) A description of how the State will coordinate professional development activities authorized under this part with professional development activities provided under other Federal, State, and local programs, including those authorized under title I, title III, title IV, part A of title VII, and (where applicable) the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) and the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2301 et seq.).

"(B) A description of the comprehensive strategy that the State will use as part of the effort to carry out the coordination, to ensure that teachers are trained in the utilization of technology so that technology and technology applications are effectively used in the classroom to improve teaching and learning in all curriculum areas and academic subjects, as appropriate.

"(5) A description of how the State will encourage the development of proven, innovative strategies to deliver intensive professional development programs that are both cost-effective and easily accessible, such as through the use of technology and distance learning.

"(c) Application Submission.—A State application submitted to the Secretary under this section shall be approved by the Secretary unless the Secretary makes a written determination, within 90 days after receiving the application, that the application is in violation of the provisions of this Act.

"Subpart 2—Subgrants to Eligible Partnerships

"SEC. 2021. PARTNERSHIP GRANTS.

"(a) In General.—From the amount described in section 2012(c)(2)(C), the State agency for higher education, working in conjunction with the State educational agency (if such agencies are separate), shall award subgrants on a competitive basis under section 2012(c) to eligible partnerships to enable such partnerships to carry out activities described in subsection (b). Such subgrants shall be equitably distributed by geographic area within the State.

"(b) Use of Funds.—An eligible partnership that receives funds under section 2012 shall use the funds for—

"(1) professional development activities in core academic subjects to ensure that teachers have content knowledge in the academic subjects that the teachers teach; and

"(2) developing and providing assistance to local educational agencies and the teachers, principals, and administrators of public and private schools served by each such agency, for sustained, high-quality professional development activities that—

"(A) ensure the agencies and individuals are able to use State content standards, performance standards, and assessments to improve instructional practices and improve student achievement; and

"(B) may include intensive programs designed to prepare teachers who will return to a school to provide such instruction to other teachers within such school.

"(c) Special Rule.—No single participant in an eligible partnership may use more than 50 percent of the funds made available to the partnership under section 2012.

"(d) Coordination.—An eligible partnership that receives a grant to carry out this subpart and a grant under section 203 of the Higher Education Act of 1965 (20 U.S.C. 1023) shall coordinate the activities carried out under this section and the activities carried out under that section 203.

"(e) Eligible Partnership.—In this section, the term 'eligible partnership' means an entity that—

"(1) shall include—

"(A) a high-need local educational agency;

"(B) a school of arts and sciences; and

"(C) an institution that prepares teachers; and

"(2) may include other local educational agencies, a public charter school, a public or private elementary school or secondary school, an educational service agency, a public or private nonprofit educational organization, or a business.

"Subpart 3—Subgrants to Local Educational Agencies

"SEC. 2031. LOCAL USE OF FUNDS.

"(a) Required Activities.—

"(1) In general.—Each local educational agency that receives a subgrant to carry out this subpart shall use the subgrant to carry out the activities described in this subsection.

"(2) Required professional development activities.—

"(A) Mathematics and science.—

"(i) In general.—Each local educational agency that receives a subgrant to carry out this subpart shall use a portion of the funds made available through the subgrant for professional development activities in mathematics and science in accordance with section 2032.

"(ii) Grandfather of old waivers.—A waiver provided to a local educational agency under part D of title XIV prior to the date of enactment of the Teacher Empowerment Act shall be deemed to be in effect until such time as the waiver otherwise would have ceased to be effective.

"(B) Professional development activities.—Each local educational agency that receives a subgrant to carry out this subpart shall use a portion of the funds made available through the subgrant for professional development activities that give teachers, principals, and administrators the knowledge and skills to provide students with the opportunity to meet challenging State or local content standards and student performance standards. Such activities shall be consistent with section 2032.

"(b) Allowable Activities.—Each local educational agency that receives a subgrant to carry out this subpart may use the funds made available through the subgrant to carry out the following activities:

"(1) Recruiting and hiring certified or licensed teachers, including teachers certified through State and local alternative routes, in order to reduce class size, or hiring special education teachers.

"(2) Initiatives to assist in recruitment of highly qualified teachers who will be assigned teaching positions within their fields, including—

"(A) providing signing bonuses or other financial incentives, such as differential pay, for teachers to teach in academic subjects in which there exists a shortage of such teachers within a school or the area served by the local educational agency;

"(B) establishing programs that—

"(i) recruit professionals from other fields and provide such professionals with alternative routes to teacher certification; and

"(ii) provide increased opportunities for minorities, individuals with disabilities, and other individuals underrepresented in the teaching profession; and

"(C) implementing hiring policies that ensure comprehensive recruitment efforts as a way to expand the applicant pool of teachers, such as identifying teachers certified through alternative routes, and by implementing a system of intensive screening designed to hire the most qualified applicants.

"(3) Initiatives to promote retention of highly qualified teachers and principals, including—

"(A) programs that provide mentoring to newly hired teachers, such as mentoring from master teachers, and to newly hired principals; and

"(B) programs that provide other incentives, including financial incentives, to retain teachers who have a record of success in helping low-achieving students improve their academic success.

"(4) Programs and activities that are designed to improve the quality of the teacher force, such as—

"(A) innovative professional development programs (which may be through partnerships including institutions of higher education), including programs that train teachers to utilize technology to improve teaching and learning, that are consistent with the requirements of section 2032;

"(B) development and utilization of proven, cost-effective strategies for the implementation of professional development activities, such as through the utilization of technology and distance learning;

"(C) professional development programs that provide instruction in how to teach children with different learning styles, particularly children with disabilities and children with special learning needs (including children who are gifted and talented); and

"(D) professional development programs that provide instruction in how best to discipline children in the classroom and identify early and appropriate interventions to help children described in subparagraph (C) to learn.

"(5) Programs and activities related to—

"(A) tenure reform;

"(B) provision of merit pay; and

"(C) testing of elementary school and secondary school teachers in the academic subjects taught by such teachers.

"(6) Activities that provide teacher opportunity payments, consistent with section 2033.

"SEC. 2032. PROFESSIONAL DEVELOPMENT FOR TEACHERS.

"(a) Limitation Relating to Curriculum and Academic Subjects.—

"(1) In general.—Except as provided in paragraph (2), funds made available to carry out this subpart may not be provided for a teacher and a professional development activity if the activity is not—

"(A) directly related to the curriculum and academic subjects in which the teacher provides instruction; or

"(B) designed to enhance the ability of the teacher to understand and use State standards for the academic subjects in which the teacher provides instruction.

"(2) Exception.—Paragraph (1) shall not be construed to prohibit the use of the funds for professional development activities that provide instruction described in subparagraphs (C) and (D) of section 2031(b)(4).

"(b) Other Requirements.—Professional development activities provided under this subpart—

"(1) shall be measured, in terms of progress, using the specific performance indicators established by the State involved in accordance with section 2014(b)(2);

"(2) shall be tied to challenging State or local content standards and student performance standards;

"(3) shall be tied to scientifically based research demonstrating the effectiveness of the activities in increasing student achievement or substantially increasing the knowledge and teaching skills of the teachers participating in the activities;

"(4) shall be of sufficient intensity and duration to have a positive and lasting impact on the performance of a teacher in the classroom (which shall not include 1-day or short-term workshops and conferences), except that this paragraph shall not apply to an activity if such activity is 1 component described in a long-term comprehensive professional development plan established by the teacher and the teacher's supervisor based upon an assessment of the needs of the teacher, the students of the teacher, and the local educational agency involved; and

"(5) shall be developed with extensive participation of teachers, principals, and administrators of schools to be served under this part.

"(c) Accountability and Required Payments.—

"(1) In general.—A State shall notify a local educational agency that the agency may be subject to the requirement of paragraph (3) if, after any fiscal year, the State determines that the professional development activities funded by the agency under this subpart fail to meet the requirements of subsections (a) and (b).

"(2) Technical assistance.—A local educational agency that has received notification pursuant to paragraph (1) may request technical assistance from the State in order to provide the opportunity for such local educational agency to comply with the requirements of subsections (a) and (b).

"(3) Requirement to provide teacher opportunity payments.—

"(A) In general.—A local educational agency that has received notification from the State pursuant to paragraph (1) during any 2 consecutive fiscal years shall expend under section 2033 for the succeeding fiscal year a proportion of the funds made available to the agency to carry out this subpart equal to the proportion of such funds expended by the agency for professional development activities for the second fiscal year in which the agency received the notification.

"(B) Requests.—On request by a group of teachers in schools served by the local educational agency, the agency shall use a portion of the funds provided to the agency to carry out this subpart, to provide payments in accordance with section 2033.

"(d) Definition.—In this section, the term 'professional development activity' means an activity described in subsection (a)(2) or (b)(4) of section 2031.

"SEC. 2033. TEACHER OPPORTUNITY PAYMENTS.

"(a) In General.—A local educational agency receiving funds to carry out this subpart may (or in the case of section 2032(c)(3), shall) provide payments directly to a teacher or a group of teachers seeking opportunities to participate in a professional development activity of their choice.

"(b) Notice to Teachers.—Each local educational agency distributing payments under this section—

"(1) shall establish and implement a timely process through which proper notice of availability of the payments will be given to all teachers in schools served by the agency; and

"(2) shall develop a process through which teachers will be specifically recommended by principals to participate in such opportunities by virtue of—

"(A) the teachers' lack of full certification or licensing to teach the academic subjects in which the teachers teach; or

"(B) the teachers' need for additional assistance to ensure that their students make progress toward meeting challenging State content standards and student performance standards.

"(c) Selection of Teachers.—In the event adequate funding is not available to provide payments under this section to all teachers seeking such payments, or recommended under subsection (b)(2), a local educational agency shall establish procedures for selecting teachers for the payments, which shall provide priority for those teachers recommended under subsection (b)(2).

"(d) Eligible Activity.—A teacher receiving a payment under this section shall have the choice of attending any professional development activity that meets the criteria set forth in subsections (a) and (b) of section 2032.

"SEC. 2034. LOCAL APPLICATIONS.

"(a) In General.—A local educational agency seeking to receive a subgrant from a State to carry out this subpart shall submit an application to the State—

"(1) at such time as the State shall require; and

"(2) that is coordinated with other programs carried out under this Act (other than programs carried out under this subpart).

"(b) Local Application Contents.—The local application described in subsection (a) shall include, at a minimum, the following:

"(1) A description of how the local educational agency intends to use funds provided to carry out this subpart.

"(2) An assurance that the local educational agency will target funds to schools served by the local educational agency that—

"(A) have the lowest proportions of highly qualified teachers; or

"(B) are identified for school improvement under section 1116(c).

"(3) A description of how the local educational agency will coordinate professional development activities authorized under this subpart with professional development activities provided through other Federal, State, and local programs, including those authorized under title I, title III, title IV, part A of title VII, and (where applicable) the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) and the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2301 et seq.).

"(4) A description of how the local educational agency will integrate funds received to carry out this subpart with funds received under title III that are used for professional development to train teachers in how to use technology to improve learning and teaching.

“(5) A description of how the local educational agency has collaborated with teachers, principals, parents, and administrators in the preparation of the application.

“(c) PARENTS' RIGHT-TO-KNOW.—A local educational agency that receives funds to carry out this subpart shall provide, upon request and in an understandable and uniform format, to any parent of a student attending any school receiving funds under this subpart from the agency, information regarding the professional qualifications of the student's classroom teachers, including, at a minimum, whether the teachers are highly qualified.

“Subpart 4—National Activities

“SEC. 2041. ALTERNATIVE ROUTES TO TEACHING.

“(a) TEACHER EXCELLENCE ACADEMIES.—The Secretary may award grants on a competitive basis to eligible consortia to carry out activities described in this section.

“(b) USE OF FUNDS.—

“(1) IN GENERAL.—An eligible consortium receiving funds under this section shall use the funds to pay the costs associated with the establishment or expansion of a teacher academy, in an elementary school or secondary school facility, that carries out—

“(A) the activities promoting alternative routes to State teacher certification specified in paragraph (2); or

“(B) the model professional development activities specified in paragraph (3).

“(2) PROMOTING ALTERNATIVE ROUTES TO TEACHER CERTIFICATION.—The activities promoting alternative routes to State teacher certification specified in this paragraph are the design and implementation of a course of study and activities providing an alternative route to State teacher certification that—

“(A) provide opportunities to highly qualified individuals with a baccalaureate degree, including mid-career professionals from other occupations, paraprofessionals, former military personnel, and recent college or university graduates with records of academic distinction;

“(B) provide stipends, for not more than 2 years, to permit individuals described in subparagraph (A) to participate as student teachers able to fill teaching needs in academic subjects in which there is a demonstrated shortage of teachers;

“(C) provide for the recruitment and hiring of master teachers to mentor and train student teachers within such academies; and

“(D) include a reasonable service requirement for individuals completing the course of study and alternative certification activities established by the eligible consortium.

“(3) MODEL PROFESSIONAL DEVELOPMENT.—The model professional development activities specified in this paragraph are activities providing ongoing professional development opportunities for teachers, such as—

“(A) innovative programs and model curricula in the area of professional development, which may serve as models to be disseminated to other schools and local educational agencies; and

“(B) the development of innovative techniques for evaluating the effectiveness of professional development programs.

“(c) GRANT FOR SPECIAL CONSORTIUM.—In making grants under this section, the Secretary shall award not less than 1 grant to an eligible consortium that—

“(1) includes a high-need local educational agency located in a rural area; and

“(2) proposes activities that involve the extensive use of distance learning in order to provide the applicable course work to student teachers.

“(d) SPECIAL RULE.—No single participant in an eligible consortium may use more than 50 percent of the funds made available to the consortium under this section.

“(e) APPLICATION.—To be eligible to receive a grant under this section, an eligible consortium shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

“(f) ELIGIBLE CONSORTIUM.—In this section, the term ‘eligible consortium’ means a consortium for a State that—

“(1) shall include—

“(A) the State agency responsible for certifying or licensing teachers;

“(B) not less than 1 high-need local educational agency;

“(C) a school of arts and sciences; and

“(D) an institution that prepares teachers; and

“(2) may include local educational agencies, public charter schools, public or private elementary schools or secondary schools, educational service agencies, public or private nonprofit educational organizations, museums, or businesses.

“SEC. 2042. EISENHOWER NATIONAL CLEARINGHOUSE FOR MATHEMATICS AND SCIENCE EDUCATION.

“The Secretary may award a grant or contract, in consultation with the Director of the National Science Foundation, to an entity to continue the Eisenhower National Clearinghouse for Mathematics and Science Education.

“Subpart 5—Funding

“SEC. 2051. AUTHORIZATION OF APPROPRIATIONS.

“(a) FISCAL YEAR 2000.—There are authorized to be appropriated to carry out this part $1,558,000,000 for fiscal year 2000, of which $15,000,000 shall be available to carry out subpart 4.

“(b) OTHER FISCAL YEARS.—There are authorized to be appropriated to carry out this part such sums as may be necessary for fiscal years 2001 through 2004.

“Subpart 6—General Provisions

“SEC. 2061. DEFINITIONS.

“In this part:

“(1) ARTS AND SCIENCES.—The term ‘arts and sciences’ has the meaning given the term in section 201(b) of the Higher Education Act of 1965 (20 U.S.C. 1021(b)).

“(2) HIGHLY QUALIFIED.—The term ‘highly qualified’ means—

“(A) with respect to an elementary school teacher, a teacher—

“(i) with an academic major in the arts and sciences; or

“(ii) who can demonstrate competence through a high level of performance in core academic subjects; and

“(B) with respect to a secondary school teacher, a teacher—

“(i) with an academic major in the academic subject in which the teacher teaches or in a related field;

“(ii) who can demonstrate a high level of competence through rigorous academic subject tests; or

“(iii) who can demonstrate competence through a high level of performance in relevant content areas.

“(3) HIGH-NEED LOCAL EDUCATIONAL AGENCY.—The term ‘high-need local educational agency’ means a local educational agency that serves an elementary school or secondary school located in an area in which there is—

“(A) a high percentage of individuals from families with incomes below the poverty line;

“(B) a high percentage of secondary school teachers not teaching in the academic subject in which the teachers were trained to teach; or

“(C) a high teacher turnover rate.

“(4) OUT-OF-FIELD TEACHER.—The term ‘out-of-field teacher’ means a teacher—

“(A) teaching an academic subject for which the teacher is not highly qualified, as determined by the State involved; or

“(B) who did not receive a degree from an institution of higher education with a major or minor in the field in which the teacher teaches.

“(5) POVERTY LINE.—The term ‘poverty line’, means the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) applicable to a family of the size involved.

“(6) SCIENTIFICALLY BASED RESEARCH.—The term ‘scientifically based research’—

“(A) means the application of rigorous, systematic, and objective procedures to obtain valid knowledge relevant to professional development of teachers; and

“(B) includes research that—

“(i) employs systematic, empirical methods that draw on observation or experiment;

“(ii) involves rigorous data analyses that are adequate to test the stated hypotheses and justify the general conclusions drawn;

“(iii) relies on measurements or observational methods that provide valid data across evaluators and observers and across multiple measurements and observations; and

“(iv) has been accepted by a peer-reviewed journal or approved by a panel of independent experts through a comparably rigorous, objective, and scientific review.”.

(b) CONFORMING AMENDMENT.—Section 13302(1) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8672(1)) is amended by striking “2102(b)” and inserting “2042”.

SEC. 03. GENERAL PROVISIONS.

(a) IN GENERAL.—Title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6601 et seq.) is amended—

(1) by repealing part D;

(2) by redesignating part E as part C; and

(3) by repealing sections 2401 and 2402 and inserting the following:

“SEC. 2401. PROHIBITION ON MANDATORY NATIONAL CERTIFICATION OR LICENSING OF TEACHERS.

“(a) PROHIBITION ON MANDATORY TESTING, CERTIFICATION, OR LICENSING.—Notwithstanding any other provision of law, the Secretary may not use Federal funds to plan, develop, implement, or administer any mandatory national teacher test or method of certification or licensing.

“(b) PROHIBITION ON WITHHOLDING FUNDS.—The Secretary may not withhold funds from any State or local educational agency if such State or local educational agency fails to adopt a specific method of teacher certification or licensing.

“SEC. 2402. PROVISIONS RELATED TO PRIVATE SCHOOLS.

“The provisions of sections 14503 through 14506 apply to programs carried out under this title.

“SEC. 2403. HOME SCHOOLS.

“Nothing in this title shall be construed to permit, allow, encourage, or authorize any Federal control over any aspect of any private, religious, or home school, whether a home school is treated as a private school or home school under the law of the State involved, except that the Secretary may require that funds provided to a school under this title be used for the purposes described in this title. This section shall not be construed to bar private, religious, or home schools from participating in or receiving programs or services under this title.".

(b) CONFORMING AMENDMENTS.—

(1) COORDINATION.—Section 1202(c)(2)(C) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6362(c)(2)(C)) is amended, in the subparagraph heading, by striking "PART C" and inserting "PART B".

(2) DEFINITION OF COVERED PROGRAM.—Section 14101(10)(C) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801(10)(C)) is amended by striking "(other than section 2103 and part D)".

(3) PRIVATE SCHOOL PARTICIPATION.—Section 14503(b)(1)(B) (20 U.S.C. 8893(b)(1)(B)) of such Act is amended by striking "(other than section 2103 and part D of such title)".

TITLE —TEACHER LIABILITY PROTECTION

SEC. 01. SHORT TITLE.

This title may be cited as the "Teacher Liability Protection Act of 1999".

SEC. 02. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress makes the following findings:

(1) The ability of teachers, principals and other school professionals to teach, inspire and shape the intellect of our Nation's elementary and secondary school students is deterred and hindered by frivolous lawsuits and litigation.

(2) Each year more and more teachers, principals and other school professionals face lawsuits for actions undertaken as part of their duties to provide millions of school children quality educational opportunities.

(3) Too many teachers, principals and other school professionals face increasingly severe and random acts of violence in the classroom and in schools.

(4) Providing teachers, principals and other school professionals a safe and secure environment is an important part of the effort to improve and expand educational opportunities.

(5) Clarifying and limiting the liability of teachers, principals and other school professionals who undertake reasonable actions to maintain order, discipline and an appropriate educational environment is an appropriate subject of Federal legislation because—

(A) the national scope of the problems created by the legitimate fears of teachers, principals and other school professionals about frivolous, arbitrary or capricious lawsuits against teachers; and

(B) millions of children and their families across the Nation depend on teachers, principals and other school professionals for the intellectual development of the children.

(b) PURPOSE.—The purpose of this title is to provide teachers, principals and other school professionals the tools they need to undertake reasonable actions to maintain order, discipline and an appropriate educational environment.

SEC. 03. PREEMPTION AND ELECTION OF STATE NONAPPLICABILITY.

(a) PREEMPTION.—This title preempts the laws of any State to the extent that such laws are inconsistent with this title, except that this title shall not preempt any State law that provides additional protection from liability relating to teachers.

(b) ELECTION OF STATE REGARDING NONAPPLICABILITY.—This title shall not apply to any civil action in a State court against a teacher in which all parties are citizens of the State if such State enacts a statute in accordance with State requirements for enacting legislation—

(1) citing the authority of this subsection;

(2) declaring the election of such State that this title shall not apply, as of a date certain, to such civil action in the State; and

(3) containing no other provisions.

SEC. 04. LIMITATION ON LIABILITY FOR TEACHERS.

(a) LIABILITY PROTECTION FOR TEACHERS.—Except as provided in subsections (b) and (c), no teacher in a school shall be liable for harm caused by an act or omission of the teacher on behalf of the school if—

(1) the teacher was acting within the scope of the teacher's employment or responsibilities related to providing educational services;

(2) the actions of the teacher were carried out in conformity with State or Federal laws rules or regulations in furtherance of efforts to control, discipline, expel, or suspend a student or maintain order or control in the classroom or school;

(3) if appropriate or required, the teacher was properly licensed, certified, or authorized by the appropriate authorities for the activities or practice in the State in which the harm occurred, where the activities were or practice was undertaken within the scope of the teacher's responsibilities;

(4) the harm was not caused by willful or criminal misconduct, gross negligence, reckless misconduct, or a conscious, flagrant indifference to the rights or safety of the individual harmed by the teacher; and

(5) the harm was not caused by the teacher operating a motor vehicle, vessel, aircraft, or other vehicle for which the State requires the operator or the owner of the vehicle, craft, or vessel to—

(A) possess an operator's license; or

(B) maintain insurance.

(b) CONCERNING RESPONSIBILITY OF TEACHERS TO SCHOOLS AND GOVERNMENTAL ENTITIES.—Nothing in this section shall be construed to affect any civil action brought by any school or any governmental entity against any teacher of such school.

(c) EXCEPTIONS TO TEACHER LIABILITY PROTECTION.—If the laws of a State limit teacher liability subject to one or more of the following conditions, such conditions shall not be construed as inconsistent with this section:

(1) A State law that requires a school or governmental entity to adhere to risk management procedures, including mandatory training of teachers.

(2) A State law that makes the school or governmental entity liable for the acts or omissions of its teachers to the same extent as an employer is liable for the acts or omissions of its employees.

(3) A State law that makes a limitation of liability inapplicable if the civil action was brought by an officer of a State or local government pursuant to State or local law.

(d) LIMITATION ON PUNITIVE DAMAGES BASED ON THE ACTIONS OF TEACHERS.—

(1) GENERAL RULE.—Punitive damages may not be awarded against a teacher in an action brought for harm based on the action of a teacher acting within the scope of the teacher's responsibilities to a school or governmental entity unless the claimant establishes by clear and convincing evidence that the harm was proximately caused by an action of such teacher which constitutes willful or criminal misconduct, or a conscious, flagrant indifference to the rights or safety of the individual harmed.

(2) CONSTRUCTION.—Paragraph (1) does not create a cause of action for punitive damages and does not preempt or supersede any Federal or State law to the extent that such law would further limit the award of punitive damages.

(e) EXCEPTIONS TO LIMITATIONS ON LIABILITY.—

(1) IN GENERAL.—The limitations on the liability of a teacher under this title shall not apply to any misconduct that—

(A) constitutes a crime of violence (as that term is defined in section 16 of title 18, United States Code) or act of international terrorism (as that term is defined in section 2331 of title 18, United States Code) for which the defendant has been convicted in any court;

(B) involves a sexual offense as defined by applicable State law, for which the defendant had been convicted in any court;

(C) involves misconduct for which the defendant has been found to have violated a Federal or State Civil rights law; or

(D) where the defendant was under the influence (as determined pursuant to applicable State law) of intoxicating alcohol or any drug at the time of the misconduct.

(2) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to affect subsection (a)(3) or (d).

SEC. 05. LIABILITY FOR NONECONOMIC LOSS.

(a) GENERAL RULE.—In any civil action against a teacher, based on an action of a teacher acting within the scope of the teacher's responsibilities to a school or governmental entity, the liability of the teacher for noneconomic loss shall be determined in accordance with subsection (b).

(b) AMOUNT OF LIABILITY.—

(1) IN GENERAL.—Each defendant who is a teacher, shall be liable only for the amount of noneconomic loss allocated to that defendant in direct proportion to the percentage of responsibility of that defendant (determined in accordance with paragraph (2)) for the harm to the claimant with respect to which that defendant is liable. The court shall render a separate judgment against each defendant in an amount determined pursuant to the preceding sentence.

(2) PERCENTAGE OF RESPONSIBILITY.—For purposes of determining the amount of noneconomic loss allocated to a defendant who is a teacher under this section, the trier of fact shall determine the percentage of responsibility of that defendant for the claimant's harm.

SEC. 06. DEFINITIONS.

For purposes of this title:

(1) ECONOMIC LOSS.—The term "economic loss" means any pecuniary loss resulting from harm (including the loss of earnings or other benefits related to employment, medical expense loss, replacement services loss, loss due to death, burial costs, and loss of business or employment opportunities) to the extent recovery for such loss is allowed under applicable State law.

(2) HARM.—The term "harm" includes physical, nonphysical, economic, and noneconomic losses.

(3) NONECONOMIC LOSSES.—The term "noneconomic losses" means losses for physical and emotional pain, suffering, inconvenience, physical impairment, mental anguish, disfigurement, loss of enjoyment of life, loss of society and companionship, loss of consortium (other than loss of domestic service), hedonic damages, injury to reputation and all other nonpecuniary losses of any kind or nature.

(4) SCHOOL.—The term "school" means a public or private kindergarten, a public or

private elementary school or secondary school (as defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801)), or a home school.

(5) State.—The term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, any other territory or possession of the United States, or any political subdivision of any such State, territory, or possession.

(6) Teacher.—The term "teacher" means a teacher, instructor, principal, administrator, or other educational professional, that works in a school.

SEC. 07. EFFECTIVE DATE.

(a) In General.—This title shall take effect 90 days after the date of enactment of this Act.

(b) Application.—This title applies to any claim for harm caused by an act or omission of a teacher where that claim is filed on or after the effective date of this Act, without regard to whether the harm that is the subject of the claim or the conduct that caused the harm occurred before such effective date.

TITLE —FULL TAX DEDUCTION FOR CERTAIN PROFESSIONAL EXPENSES

SEC. 01. 2-PERCENT FLOOR ON MISCELLANEOUS ITEMIZED DEDUCTIONS NOT TO APPLY TO QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES AND QUALIFIED INCIDENTAL EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.

(a) Qualified Professional Development Expenses Deduction.—

(1) In general.—Section 67(b) of the Internal Revenue Code of 1986 (defining miscellaneous itemized deductions) is amended by striking "and" at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting ", and", and by adding at the end the following new paragraph:

"(13) any deduction allowable for the qualified professional development expenses of an eligible teacher.".

(2) Definitions.—Section 67 of such Code (relating to 2-percent floor on miscellaneous itemized deductions) is amended by adding at the end the following new subsection:

"(g) Qualified Professional Development Expenses of Eligible Teachers.—For purposes of subsection (b)(13)—

"(1) Qualified professional development expenses.—

"(A) In general.—The term 'qualified professional development expenses' means expenses—

"(i) for tuition, fees, books, supplies, equipment, and transportation required for the enrollment or attendance of an individual in a qualified course of instruction, and

"(ii) with respect to which a deduction is allowable under section 162 (determined without regard to this section).

"(B) Qualified course of instruction.—The term 'qualified course of instruction' means a course of instruction which—

"(i) is—

"(I) at an institution of higher education (as defined in section 481 of the Higher Education Act of 1965 (20 U.S.C. 1088), as in effect on the date of the enactment of this subsection), or

"(II) a professional conference, and

"(ii) is part of a program of professional development which is approved and certified by the appropriate local educational agency as furthering the individual's teaching skills.

"(C) Local educational agency.—The term 'local educational agency' has the meaning given such term by section 14101 of the Elementary and Secondary Education Act of 1965, as so in effect.

"(2) Eligible teacher.—

"(A) In general.—The term 'eligible teacher' means an individual who is a kindergarten through grade 12 classroom teacher, instructor, counselor, aide, or principal in an elementary or secondary school.

"(B) Elementary or secondary school.—The terms 'elementary school' and 'secondary school' have the meanings given such terms by section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801), as so in effect.".

(3) Effective date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

(b) Qualified Incidental Expenses.—

(1) In general.—Section 67(g)(1)(A) of the Internal Revenue Code of 1986, as added by subsection (a)(2), is amended by striking "and" at the end of clause (i), by redesignating clause (ii) as clause (iii), and by inserting after clause (i) the following new clause:

"(ii) for qualified incidental expenses, and".

(2) Definition.—Section 67(g) of such Code, as added by subsection (a)(2), is amended by adding at the end the following new paragraph:

"(3) Qualified incidental expenses.—

"(A) In general.—The term 'qualified incidental expenses' means expenses paid or incurred by an eligible teacher in an amount not to exceed $125 for any taxable year for books, supplies, and equipment related to instruction, teaching, or other educational job-related activities of such eligible teacher.

"(B) Special rule for homeschooling.—Such term shall include expenses described in subparagraph (A) in connection with education provided by homeschooling if the requirements of any applicable State or local law are met with respect to such education.".

(3) Effective date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

FEINGOLD (AND SPECTER) AMENDMENTS NOS. 2743–2744

(Ordered to lie on the table.)

Mr. FEINGOLD (for himself and Mr. Specter) submitted two amendments intended to be proposed by them to the bill, S. 625, supra; as follows:

Amendment No. 2743

On page 12, strike line 22 and insert "frivolous.".

Amendment No. 2744

On page 145, between lines 15 and 16, insert the following:

SEC. 420. BANKRUPTCY FEES.

Section 1930 of title 28, United States Code, is amended—

(1) in subsection (a), by striking "Notwithstanding section 1915 of this title, the parties" and inserting "Subject to subsection (f), the parties"; and

(2) by adding at the end the following:

"(f)(1) The Judicial Conference of the United States shall prescribe procedures for waiving fees under this subsection.

"(2) Under the procedures described in paragraph (1), the district court or the bankruptcy court may waive a filing fee described in paragraph (3) for a case commenced under chapter 7 of title 11 if the court determines that an individual debtor whose income is less than 125 percent of the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved is unable to pay that fee in installments.

"(3) A filing fee referred to in paragraph (2) is—

"(A) a filing fee under subsection (a)(1); or

"(B) any other fee prescribed by the Judicial Conference of the United States under subsection (b) that is payable to the clerk of the district court or the clerk of the bankruptcy court upon the commencement of a case under chapter 7 of title 11.

"(4) In addition to waiving a fee under paragraph (2), the district court or the bankruptcy court may waive any other fee prescribed under subsection (b) or (c) if the court determines that the individual with an income at a level described in paragraph (2) is unable to pay that fee in installments.".

FEINGOLD AMENDMENTS NOS. 2745–2750

(Ordered to lie on the table.)

Mr. FEINGOLD submitted six amendments intended to be proposed by him to the bill, S. 625, supra; as follows:

Amendment No. 2745

At the end of title X, insert the following:

SEC. ___. PROHIBITION OF RETROACTIVE ASSESSMENT OF DISPOSABLE INCOME.

(a) In General.—Section 1225(b) of title 11, United States Code, is amended by adding at the end the following:

"(3) If the plan provides for specific amounts of property to be distributed on account of allowed unsecured claims as required by paragraph (1)(B), those amounts equal or exceed the debtor's projected disposable income for that period, and the plan meets the requirements for confirmation other than those of this subsection, the plan shall be confirmed.".

(b) Modification.—Section 1229 of title 11, United States Code, is amended by adding at the end the following:

"(d)(1) A modification of the plan under this section may not increase the amount of payments that were due prior to the date of the order modifying the plan.

"(2) A modification of the plan under this section to increase payments based on an increase in the debtor's disposable income may not require payments to unsecured creditors in any particular month greater than the debtor's disposable income for that month unless the debtor proposes such a modification.

"(3) A modification of the plan in the last year of the plan shall not require payments that would leave the debtor with insufficient funds to carry on the farming operation after the plan is completed unless the debtor proposes such a modification.".

Amendment No. 2746

At the appropriate place in the bill, insert the following:

SEC. . DEFINITION OF FAMILY FARMER.

Section 101(18) of title 11, United States Code, is amended—

(1) in subparagraph (A) by—

(A) striking "$1,500,000" and inserting "$3,000,000"; and

(B) striking "80" and inserting "50"; and

(2) in subparagraph (B)(ii) by—

(A) striking "$1,500,000" and inserting "$3,000,000"; and

(B) striking "80" and inserting "50".

Amendment No. 2747

At the appropriate place in title XI, insert the following:

SEC. 11 . CONSUMER CREDIT TRANSACTIONS.

(a) Definition.—Section 1 of title 9, United States Code, is amended—

(1) in the section heading, by striking "**and 'commerce' defined**" and inserting "**, 'commerce', 'consumer credit transaction', and 'consumer credit contract' defined**"; and

(2) by inserting before the period at the end the following: "; 'consumer credit transaction', as herein defined, means the right granted to a natural person to incur debt and defer its payment, where the credit is intended primarily for personal, family, or household purposes; and 'consumer credit contract', as herein defined, means any contract between the parties to a consumer credit transaction.".

(b) Agreements To Arbitrate.—Section 2 of title 9, United States Code, is amended by adding at the end the following: "Notwithstanding the preceding sentence, a written provision in any consumer credit contract evidencing a transaction involving commerce to settle by arbitration a controversy thereafter arising out of the contract, or the refusal to perform the whole or any part thereof, shall not be valid or enforceable. Nothing in this section shall prohibit the enforcement of any written agreement to settle by arbitration a controversy arising out of a consumer credit contract, if such written agreement has been entered into by the parties to the consumer credit contract after the controversy has arisen.".

Amendment No. 2748

On page 108, line 15, strike "; and" and insert a semicolon.

Beginning on page 108, strike line 18 and all that follows through page 109, line 7, and insert the following:

"(23) under subsection (a)(3), of the commencement or continuation of any eviction, unlawful detainer action, or similar proceeding by a lessor against a debtor involving residential real property—

"(A) on which the debtor resides as a tenant under a rental agreement; and

"(B) with respect to which—

"(i) the debtor fails to make a rent payment that initially becomes due under the rental agreement or applicable State law after the date of filing of the petition, if the lessor files with the court a certification that the debtor has not made a payment for rent and serves a copy of the certification to the debtor; or

"(ii) the debtor's lease has expired according to its terms and the lessor intends to personally occupy that property, if the lessor files with the court a certification of such facts and serves a copy of the certification to the debtor;

"(24) under subsection (a)(3), of the commencement or continuation of any eviction, unlawful detainer action, or similar proceeding by a lessor against a debtor involving residential real property, if during the 1-year period preceding the filing of the petition, the debtor—

"(A) commenced another case under this title; and

"(B) failed to make a rent payment that initially became due under an applicable rental agreement or State law after the date of filing of the petition for that other case; or

"(25) under subsection (a)(3), of an eviction action based on endangerment of property or the use of an illegal drug, if the lessor files with the court a certification that the debtor has endangered property or used an illegal drug and serves a copy of the certification to the debtor."; and

(4) by adding at the end of the flush material at the end of the subsection the following: "With respect to the applicability of paragraph (23) or (25) to a debtor with respect to the commencement or continuation of a proceeding described in that paragraph, the exception to the automatic stay shall become effective on the 15th day after the lessor meets the filing and notification requirements under that paragraph, unless the debtor takes such action as may be necessary to address the subject of the certification or the court orders that the exception to the automatic stay shall not become effective or provides for a later date of applicability.".

Amendment No. 2749

At the appropriate place, insert the following:

SEC. ___. NO BANKRUPTCY FOR INSOLVENT POLITICAL COMMITTEES.

Section 105 of title 11, United States Code, is amended by inserting at the end the following:

"(e) A political committee subject to the jurisdiction of the Federal Election Commission under Federal election laws may not file for bankruptcy under this title.".

Amendment No. 2750

At the appropriate place, insert the following:

SEC. ___. FEDERAL ELECTION LAW FINES AND PENALTIES AS NONDISCHARGEABLE DEBT.

Section 523(a) of title 11, United States Code, is amended by inserting after paragraph (14A) the following:

"(14B) fines or penalties imposed under Federal election law;".

KENNEDY AMENDMENT NO. 2751

(Ordered to lie on the table.)

Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

On page 294 of the bill, line 24, strike "Act." and insert the following: "Act.

TITLE ___—INCREASE IN THE FEDERAL MINIMUM WAGE

SEC. ___01. FAIR MINIMUM WAGE.

(a) Short Title.—This section may be cited as the "Fair Minimum Wage Act of 1999".

(b) Minimum Wage Increase.—

(1) Wage.—Paragraph (1) of section 6(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

"(1) except as otherwise provided in this section, not less than—

"(A) $5.65 an hour during the year beginning on January 1, 2000; and

"(B) $6.15 an hour beginning on January 1, 2001;".

(2) Effective date.—The amendment made by paragraph (1) takes effect on January 1, 2000.

(c) Applicability of Minimum Wage to the Commonwealth of the Northern Mariana Islands.—The provisions of section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) shall apply to the Commonwealth of the Northern Mariana Islands.

SEC. ___02. LIMITATION ON LOCATION OF PROVISION OF SERVICES.

(a) In General.—Section 1861(ff)(2) of the Social Security Act (42 U.S.C. 1395x(ff)(2)) is amended in the matter following subparagraph (I)—

(1) by striking "and furnished" and inserting "furnished"; and

(2) by inserting before the period the following: ", and furnished other than in a skilled nursing facility, residential treatment facility or other residential setting (as determined by the Secretary)".

(b) Effective Date.—The amendments made by subsection (a) apply with respect to partial hospitalization services furnished on or after the first day of the third month beginning after the date of the enactment of this Act.

SEC. ___03. QUALIFICATIONS FOR COMMUNITY MENTAL HEALTH CENTERS.

(a) In General.—Section 1861(ff)(3)(B) of the Social Security Act (42 U.S.C. 1395x(ff)(3)(B)) is amended by striking "entity" and all that follows and inserting the following: "entity that—

"(i)(I) provides the mental health services described in section 1913(c)(1) of the Public Health Service Act; or

"(II) in the case of an entity operating in a State that by law precludes the entity from providing a service described in such section itself, provides for such service by contract with an approved organization or entity (as determined by the Secretary);

"(ii) meets applicable licensing or certification requirements for community mental health centers in the State in which it is located; and

"(iii) meets such additional conditions as the Secretary shall specify to ensure (I) the health and safety of individuals being furnished such services, (II) the effective and efficient furnishing of such services, and (III) the compliance of such entity with the criteria described in such section.".

(b) Clarification of Criteria for Community Mental Health Centers.—Section 1913(c)(1)(E) of the Public Health Service Act (42 U.S.C. 300x–3(c)(1)(E)) is amended to read as follows:

"(E) Determining the clinical appropriateness of admissions to inpatient psychiatric hospitals by engaging a full-time mental health professional who is licensed or certified to make such a determination by the State involved.".

(c) Effective Date.—The amendments made by this section apply with respect to community mental health centers furnishing services under the medicare program on or after the first day of the third month beginning after the date of the enactment of this Act.

SEC. ___04. GUIDELINES FOR ITEMS AND SERVICES COMPRISING PARTIAL HOSPITALIZATION SERVICES.

Not later than 180 days after the date of the enactment of this Act, the Secretary shall first adopt national coverage and administrative policies for partial hospitalization services furnished under title XVIII of the Social Security Act, using a negotiated rulemaking process under subchapter III of chapter 5 of title 5. United States Code.

SEC. ___05. REFINEMENT OF PERIODICITY OF REVIEW OF PLAN FOR PARTIAL HOSPITALIZATION SERVICES.

(a) In General.—Section 1835(a)(2)(F)(ii) of the Social Security Act (42 U.S.C. 1395n(a)(2)(F)(ii)) is amended by inserting "at a reasonable rate (as determined by the Secretary)" after "is reviewed periodically".

(b) Effective Date.—The amendment made by subsection (a) applies with respect to plans for furnishing partial hospitalization services established on or after the first day of the third month beginning after the date of the enactment of this Act.

SEC. 06. RECERTIFICATION OF PROVIDERS OF PARTIAL HOSPITALIZATION SERVICES.

(a) IN GENERAL.—With respect to each community mental health center that furnishes partial hospitalization services for which payment is made under title XVIII of the Social Security Act, the Secretary of Health and Human Services shall provide for periodic recertification to ensure that the provision of such services complies with applicable requirements of such title.

(b) DEADLINE FOR FIRST RECERTIFICATION.—The first recertification under subsection (a) shall be completed not later than one year after the date of the enactment of this Act.

SEC. 07. CIVIL MONETARY PENALTIES FOR FALSE CERTIFICATION OF ELIGIBILITY FOR HOSPICE CARE OR PARTIAL HOSPITALIZATION SERVICES.

(a) IN GENERAL.—Section 1128A(b)(3) of the Social Security Act (42 U.S.C. 1320a–7a(b)(3)) is amended—

(1) in subparagraph (A)(ii), by inserting ", hospice care, or partial hospitalization services" after "home health services"; and

(2) in subparagraph (B), by inserting ", section 1814(a)(7) in the case of hospice care, or section 1835(a)(2)(F) in the case of partial hospitalization services" after "in the case of home health services".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply with respect to certifications of eligibility for hospice care or partial hospitalization services under the medicare program made on or after the first day of the third month beginning after the date of the enactment of this Act.

TITLE —SMALL BUSINESS TAX PROVISIONS

SEC. 00. SHORT TITLE; ETC.

(a) SHORT TITLE.—This title may be cited as the "Small Business Tax Reduction Act of 1999".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

Subtitle A—Enabling Small Business to Provide Child Care, Health, and Retirement Benefits

SEC. 01. FULL DEDUCTION OF HEALTH INSURANCE COSTS FOR SELF-EMPLOYED INDIVIDUALS.

(a) IN GENERAL.—Section 162(l)(1) (relating to allowance of deductions) is amended to read as follows:

"(1) ALLOWANCE OF DEDUCTION.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer and the taxpayer's spouse and dependents."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. 02. ALLOWANCE OF CREDIT FOR EMPLOYER EXPENSES FOR CHILD CARE ASSISTANCE.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by adding at the end the following:

"SEC. 45D. EMPLOYER-PROVIDED CHILD CARE CREDIT.

"(a) IN GENERAL.—For purposes of section 38, the employer-provided child care credit determined under this section for the taxable year is an amount equal to 25 percent of the qualified child care expenditures of the taxpayer for such taxable year.

"(b) DOLLAR LIMITATION.—The credit allowable under subsection (a) for any taxable year shall not exceed $90,000.

"(c) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED CHILD CARE EXPENDITURE.—The term 'qualified child care expenditure' means any amount paid or incurred—

"(A) to acquire, construct, rehabilitate, or expand property—

"(i) which is to be used as part of a qualified child care facility of the taxpayer,

"(ii) with respect to which a deduction for depreciation (or amortization in lieu of depreciation) is allowable, and

"(iii) which does not constitute part of the principal residence (within the meaning of section 121) of the taxpayer or any employee of the taxpayer,

"(B) for the operating costs of a qualified child care facility of the taxpayer, including costs related to the training of employees, to scholarship programs, and to the providing of increased compensation to employees with higher levels of child care training, or

"(C) under a contract with a qualified child care facility to provide child care services to employees of the taxpayer.

"(2) QUALIFIED CHILD CARE FACILITY.—

"(A) IN GENERAL.—The term 'qualified child care facility' means a facility—

"(i) the principal use of which is to provide child care assistance, and

"(ii) which meets the requirements of all applicable laws and regulations of the State or local government in which it is located, including, but not limited to, the licensing of the facility as a child care facility.

Clause (i) shall not apply to a facility which is the principal residence (within the meaning of section 121) of the operator of the facility.

"(B) SPECIAL RULES WITH RESPECT TO A TAXPAYER.—A facility shall not be treated as a qualified child care facility with respect to a taxpayer unless—

"(i) enrollment in the facility is open to employees of the taxpayer during the taxable year,

"(ii) the facility is not the principal trade or business of the taxpayer unless at least 30 percent of the enrollees of such facility are dependents of employees of the taxpayer, and

"(iii) the use of such facility (or the eligibility to use such facility) does not discriminate in favor of employees of the taxpayer who are highly compensated employees (within the meaning of section 414(q)).

"(d) RECAPTURE OF ACQUISITION AND CONSTRUCTION CREDIT.—

"(1) IN GENERAL.—If, as of the close of any taxable year, there is a recapture event with respect to any qualified child care facility of the taxpayer, then the tax of the taxpayer under this chapter for such taxable year shall be increased by an amount equal to the product of—

"(A) the applicable recapture percentage, and

"(B) the aggregate decrease in the credits allowed under section 38 for all prior taxable years which would have resulted if the qualified child care expenditures of the taxpayer described in subsection (c)(1)(A) with respect to such facility had been zero.

"(2) APPLICABLE RECAPTURE PERCENTAGE.—

"(A) IN GENERAL.—For purposes of this subsection, the applicable recapture percentage shall be determined from the following table:

"If the recapture event occurs in:	The applicable recapture percentage is:
Years 1–3	100
Year 4	85
Year 5	70
Year 6	55
Year 7	40
Year 8	25
Years 9 and 10	10
Years 11 and thereafter	0.

"(B) YEARS.—For purposes of subparagraph (A), year 1 shall begin on the first day of the taxable year in which the qualified child care facility is placed in service by the taxpayer.

"(3) RECAPTURE EVENT DEFINED.—For purposes of this subsection, the term 'recapture event' means—

"(A) CESSATION OF OPERATION.—The cessation of the operation of the facility as a qualified child care facility.

"(B) CHANGE IN OWNERSHIP.—

"(i) IN GENERAL.—Except as provided in clause (ii), the disposition of a taxpayer's interest in a qualified child care facility with respect to which the credit described in subsection (a) was allowable.

"(ii) AGREEMENT TO ASSUME RECAPTURE LIABILITY.—Clause (i) shall not apply if the person acquiring such interest in the facility agrees in writing to assume the recapture liability of the person disposing of such interest in effect immediately before such disposition. In the event of such an assumption, the person acquiring the interest in the facility shall be treated as the taxpayer for purposes of assessing any recapture liability (computed as if there had been no change in ownership).

"(4) SPECIAL RULES.—

"(A) TAX BENEFIT RULE.—The tax for the taxable year shall be increased under paragraph (1) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

"(B) NO CREDITS AGAINST TAX.—Any increase in tax under this subsection shall not be treated as a tax imposed by this chapter for purposes of determining the amount of any credit under subpart A, B, or D of this part.

"(C) NO RECAPTURE BY REASON OF CASUALTY LOSS.—The increase in tax under this subsection shall not apply to a cessation of operation of the facility as a qualified child care facility by reason of a casualty loss to the extent such loss is restored by reconstruction or replacement within a reasonable period established by the Secretary.

"(e) SPECIAL RULES.—For purposes of this section—

"(1) AGGREGATION RULES.—All persons which are treated as a single employer under subsections (a) and (b) of section 52 shall be treated as a single taxpayer.

"(2) PASS-THRU IN THE CASE OF ESTATES AND TRUSTS.—Under regulations prescribed by the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply.

"(3) ALLOCATION IN THE CASE OF PARTNERSHIPS.—In the case of partnerships, the credit shall be allocated among partners under regulations prescribed by the Secretary.

"(f) NO DOUBLE BENEFIT.—

"(1) REDUCTION IN BASIS.—For purposes of this subtitle—

"(A) IN GENERAL.—If a credit is determined under this section with respect to any property by reason of expenditures described in subsection (c)(1)(A), the basis of such property shall be reduced by the amount of the credit so determined.

"(B) Certain dispositions.—If during any taxable year there is a recapture amount determined with respect to any property the basis of which was reduced under subparagraph (A), the basis of such property (immediately before the event resulting in such recapture) shall be increased by an amount equal to such recapture amount. For purposes of the preceding sentence, the term 'recapture amount' means any increase in tax (or adjustment in carrybacks or carryovers) determined under subsection (d).

"(2) Other deductions and credits.—No deduction or credit shall be allowed under any other provision of this chapter with respect to the amount of the credit determined under this section."

(b) Conforming Amendments.—

(1) Section 38(b) is amended—

(A) by striking "plus" at the end of paragraph (11),

(B) by striking the period at the end of paragraph (12), and inserting a comma and "plus", and

(C) by adding at the end the following:

"(13) the employer-provided child care credit determined under section 45D."

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following:

"Sec. 45D. Employer-provided child care credit."

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 03. PLAN LOANS FOR SUBCHAPTER S OWNERS, PARTNERS, AND SOLE PROPRIETORS.

(a) Amendment to 1986 Code.—Subparagraph (B) of section 4975(f)(6) (relating to exemptions not to apply to certain transactions) is amended by adding at the end the following new clause:

"(iii) Loan exception.—Solely for purposes of subparagraph (A)(i), in determining whether an individual is—

"(I) an owner-employee under section 401(c)(3), subparagraph (B) thereof shall be applied by substituting '25 percent' for '10 percent', and

"(II) a shareholder-employee under subparagraph (C), such subparagraph shall be applied by substituting '25 percent' for '5 percent'."

(b) Amendment to ERISA.—Section 408(d)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1108(d)(2)) is amended by adding at the end the following new subparagraph:

"(C) Solely for purposes of paragraph (1)(A), in determining whether an individual is—

"(i) an owner-employee under section 401(c)(3) of the Internal Revenue Code of 1986, subparagraph (B) thereof shall be applied by substituting '25 percent' for '10 percent', and

"(ii) a shareholder-employee under paragraph (3), such paragraph shall be applied by substituting '25 percent' for '5 percent'."

(c) Effective Date.—The amendments made by this section shall apply to loans made after December 31, 2000.

SEC. 04. CONTRIBUTIONS TO IRAS THROUGH PAYROLL DEDUCTIONS.

(a) Definitions.—For purposes of this section—

(1) Contribution certificate.—The term "contribution certificate" means a certificate submitted by an employee to the employee's employer which—

(A) identifies the employee by name, address, and social security number,

(B) identifies the individual retirement plan to which the employee wishes to make contributions through payroll deductions, and

(C) identifies the amount of such contributions, not to exceed the amount allowed under section 408 of the Internal Revenue Code of 1986 to an individual retirement plan for such year.

(2) Employee.—The term "employee" does not include an employee as defined in section 401(c)(1) of such Code.

(3) Individual retirement plans.—The term "individual retirement plan" has the meaning given the term by section 7701(a)(37) of the Internal Revenue Code of 1986.

(4) Secretary.—The term "Secretary" means the Secretary of the Treasury.

(b) Establishment of Payroll Deduction System.—An employer may establish a system under which employees, through employer payroll deductions, may make contributions to individual retirement plans. An employer shall not incur any liability under title I of the Employee Retirement Income Security Act of 1974 in providing for such a system.

(c) Contributions to Individual Retirement Plans.—

(1) In general.—The system established under subsection (b) shall provide that contributions made to an individual retirement plan for any taxable year are—

(A) contributions through employer payroll deductions, and

(B) if the employer so elects, additional contributions by the employee which, when added to contributions under subparagraph (A), do not exceed the amount allowed under section 408 of the Internal Revenue Code of 1986 for the taxable year.

(2) Employer payroll deductions.—

(A) In general.—The system established under subsection (b) shall provide that an employee may establish and maintain an individual retirement plan simply by—

(i) completing a contribution certificate, and

(ii) submitting such certificate to the employee's employer in the manner provided under subparagraph (D).

(B) Change of amounts.—An employee establishing and maintaining an individual retirement plan under subparagraph (A) may change the amount of an employer payroll deduction in the same manner as under subparagraph (A).

(C) Simplified forms.—

(i) Contribution certificate.—The Secretary shall develop a model contribution certificate for purposes of this paragraph—

(I) which is written in a clear and easily understandable manner, and

(II) the completion of which by an employee will constitute the establishment of an individual retirement plan and the request for employer payroll deductions or changes in such deductions.

(ii) Availability.—The Secretary shall make available to all employees and employers the forms developed under this subparagraph, and shall include with such forms easy to understand explanatory materials.

(D) Use of certificate.—Each employer electing to adopt a system under subsection (b) shall, upon receipt of a contribution certificate from an employee, deduct the appropriate contribution as determined by such certificate from the employee's wages in equal amounts during the remaining payroll periods for the taxable year and shall remit such amounts for investment in the employee's individual retirement plan not later than the close of the 30-day period following the last day of the month in which such payroll period occurs.

(E) Failure to remit payroll deductions.—For purposes of the Internal Revenue Code of 1986, any amount which an employer fails to remit on behalf of an employee pursuant to a contribution certificate of such employee shall not be allowed as a deduction to the employer under such Code.

(d) Additional Information.—

(1) In general.—The system established under subsection (b) shall provide for the furnishing of information to employees of the opportunity of establishing individual retirement plans and of transferring amounts to such plans.

(2) Investment information.—The employer shall also make available to employees information on how to make informed investment decisions and how to achieve retirement objectives.

(3) Information not investment advice.—Information provided under this subsection shall not be treated as investment advice for purposes of any Federal or State law.

SEC. 05. MODIFICATION OF TOP-HEAVY RULES.

(a) Simplification of Definition of Key Employee.—

(1) In general.—Section 416(i)(1)(A) (defining key employee) is amended—

(A) by striking "or any of the 4 preceding plan years" in the matter preceding clause (i),

(B) by striking clause (i) and inserting the following:

"(i) an officer of the employer having an annual compensation greater than $80,000.",

(C) by striking clause (ii) and redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively, and

(D) by striking the second sentence in the matter following clause (iii), as redesignated by subparagraph (C).

(2) Conforming amendment.—Section 416(i)(1)(B)(iii) is amended by striking "and subparagraph (A)(ii)".

(b) Distributions During Last Year Before Determination Date Taken Into Account.—Section 416(g) is amended—

(1) in paragraph (3)—

(A) by striking "LAST 5 YEARS" in the heading and inserting "LAST YEAR BEFORE DETERMINATION DATE", and

(B) in the matter following subparagraph (B), by striking "5-year period" and inserting "1-year period", and

(2) in paragraph (4)(E)—

(A) by striking "LAST 5 YEARS" in the heading and inserting "LAST YEAR BEFORE DETERMINATION DATE", and

(B) by striking "5-year period" and inserting "1-year period".

(c) Requirements for Qualifications.—Clause (ii) of section 401(a)(10)(B) (relating to requirements for qualifications for top-heavy plans) is amended by adding at the end the following new flush sentence:

"The preceding sentence shall not apply to a plan if the plan is not top-heavy and if it is not reasonable to expect that the plan will become a top-heavy plan.".

(d) Frozen Plan Exempt From Minimum Benefit Requirement.—

(1) In general.—Subparagraph (C) of section 416(c)(1) (relating to defined benefit plans) is amended—

(A) in clause (i), by striking "clause (ii)" and inserting "clause (ii) or (iii)", and

(B) by adding at the end the following:

"(iii) Exception for frozen plan.—For purposes of determining an employee's years of service with the employer, any service with the employer shall be disregarded to the extent that such service occurs during a plan year when the plan benefits (within the meaning of section 410(b)) no employee or former employee.".

(2) Conforming amendment.—Subparagraph (A) of section 415(b)(5) is amended by adding at the end the following: "An employee shall not be credited with a year of participation in a defined benefit plan for any year in which the plan does not benefit (within the meaning of section 410(b)) such employee.".

(e) Effective Date.—The amendments made by this section shall apply to plan years beginning after December 31, 1999.

SEC. 06. CREDIT FOR SMALL EMPLOYER PENSION PLAN CONTRIBUTIONS AND START-UP COSTS.

(a) In General.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits), as amended by section 02, is amended by adding at the end the following new section:

"SEC. 45E. SMALL EMPLOYER PENSION PLAN CREDIT.

"(a) General Rule.—For purposes of section 38, in the case of an eligible employer, the small employer pension plan credit determined under this section for any taxable year is an amount equal to the sum of—

"(1) 50 percent of the qualified employer contributions of the taxpayer for the taxable year, and

"(2) 50 percent of the qualified start-up costs paid or incurred by the taxpayer during the taxable year.

"(b) Limitations.—

"(1) Limits on contributions.—For purposes of subsection (a)(1)—

"(A) qualified employer contributions may only be taken into account for each of the first 5 taxable years ending after the date the employer establishes the qualified employer plan to which the contribution is made, and

"(B) the amount of the qualified employer contributions taken into account with respect to any qualified employee for any such taxable year shall not exceed 3 percent of the compensation (as defined in section 414(s)) of the qualified employee for such taxable year.

"(2) Limits on start-up costs.—The amount of the credit determined under subsection (a)(2) for any taxable year shall not exceed—

"(A) $2,000 for the first taxable year ending after the date the employer established the qualified employer plan to which such costs relate,

"(B) $1,000 for each of the second and third such taxable years, and

"(C) zero for each taxable year thereafter.

"(c) Definitions.—For purposes of this section—

"(1) Eligible employer.—

"(A) In general.—The term 'eligible employer' means, with respect to any year, an employer which has no more than—

"(i) for purposes of subsection (a)(1), 25 employees, and

"(ii) for purposes of subsection (a)(2), 100 employees,

who received at least $5,000 of compensation from the employer for the preceding year.

"(B) 2-year grace period.—An eligible employer who establishes and maintains a qualified employer plan for 1 or more years and who fails to be an eligible employer for any subsequent year shall be treated as an eligible employer for the 2 years following the last year the employer was an eligible employer.

"(C) Requirement for new qualified employer plans.—Such term shall not include an employer if, during the 3-taxable year period immediately preceding the 1st taxable year for which the credit under this section is otherwise allowable for a qualified employer plan of the employer, the employer and each member of any controlled group including the employer (or any predecessor of either) established or maintained a qualified employer plan with respect to which contributions were made, or benefits were accrued, for substantially the same employees as are in the qualified employer plan.

"(2) Qualified employer contributions.—

"(A) In general.—The term 'qualified employer contributions' means, with respect to any taxable year, any employer contributions made on behalf of a qualified employee to a qualified employer plan for a plan year ending with or within the taxable year.

"(B) Employer contributions.—The term 'employer contributions' shall not include any elective deferral (within the meaning of section 402(g)(3)).

"(3) Qualified employee.—The term 'qualified employee' means an individual who—

"(A) is eligible to participate in the qualified employer plan to which the employer contributions are made, and

"(B) is not a highly compensated employee (within the meaning of section 414(q)) for the year for which the contribution is made.

"(4) Qualified start-up costs.—The term 'qualified start-up costs' means any ordinary and necessary expenses of an eligible employer which are paid or incurred in connection with—

"(A) the establishment or maintenance of a qualified employer plan in which qualified employees are eligible to participate, and

"(B) providing educational information to employees regarding participation in such plan and the benefits of establishing an investment plan.

"(5) Qualified employer plan.—The term 'qualified employer plan' has the meaning given such term in section 4972(d).

"(d) Special Rules.—

"(1) Aggregation rules.—All persons treated as a single employer under subsection (a) or (b) of section 52, or subsection (n) or (o) of section 414, shall be treated as one person. All qualified employer plans of an employer shall be treated as a single qualified employer plan.

"(2) Disallowance of deduction.—No deduction shall be allowable under this chapter for any qualified start-up costs or qualified contributions for which a credit is determined under subsection (a).

"(3) Election not to claim credit.—This section shall not apply to a taxpayer for any taxable year if such taxpayer elects to have this section not apply for such taxable year.".

(b) Credit Allowed as Part of General Business Credit.—Section 38(b) (defining current year business credit), as amended by section 02, is amended by striking "plus" at the end of paragraph (12), by striking the period at the end of paragraph (13) and inserting ", plus", and by adding at the end the following new paragraph:

"(14) in the case of an eligible employer (as defined in section 45E(c)), the small employer pension plan credit determined under section 45E(a).".

(c) Portion of Credit Refundable.—Section 38(c) (relating to limitation based on amount of tax) is amended by adding at the end the following new paragraph:

"(4) Portion of small employer pension plan credit refundable.—

"(A) In general.—In the case of the small employer pension plan credit under subsection (b)(14), the aggregate credits allowed under subpart C shall be increased by the lesser of—

"(i) the credit which would be allowed without regard to this paragraph and the limitation under paragraph (1), or

"(ii) the amount by which the aggregate amount of credits allowed by this section (without regard to this paragraph) would increase if the limitation under paragraph (1) were increased by the taxpayer's applicable payroll taxes for the taxable year.

"(B) Treatment of credit.—The amount of the credit allowed under this paragraph shall not be treated as a credit allowed under this subpart and shall reduce the amount of the credit allowed under this section for the taxable year.

"(C) Applicable payroll taxes.—For purposes of this paragraph—

"(i) In general.—The term 'applicable payroll taxes' means, with respect to any taxpayer for any taxable year—

"(I) the amount of the taxes imposed by sections 3111 and 3221(a) on compensation paid by the taxpayer during the taxable year,

"(II) 50 percent of the taxes imposed by section 1401 on the self-employment income of the taxpayer during the taxable year, and

"(III) 50 percent of the taxes imposed by section 3211(a)(1) on amounts received by the taxpayer during the calendar year in which the taxable year begins.

"(ii) Agreements regarding foreign affiliates.—Section 24(d)(5)(C) shall apply for purposes of clause (i).".

(d) Conforming Amendment.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by section 02, is amended by adding at the end the following new item:

"Sec. 45E. Small employer pension plan credit.".

(e) Effective Date.—The amendments made by this section shall apply to costs paid or incurred or contributions made in connection with qualified employer plans established after December 31, 2000.

SEC. 07. ELECTIVE DEFERRALS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF DEDUCTION LIMITS.

(a) In General.—Section 404 (relating to deduction for contributions of an employer to an employees' trust or annuity plan and compensation under a deferred payment plan) is amended by adding at the end the following new subsection:

"(n) Elective Deferrals Not Taken Into Account for Purposes of Deduction Limits.—Elective deferrals (as defined in section 402(g)(3)) shall not be subject to any limitation contained in paragraph (3), (7), or (9) of subsection (a), and such elective deferrals shall not be taken into account in applying any such limitation to any other contributions.".

(b) Effective Date.—The amendment made by this section shall apply to years beginning after December 31, 2000.

SEC. 08. FASTER VESTING OF CERTAIN EMPLOYER MATCHING CONTRIBUTIONS.

(a) Amendments to 1986 Code.—Section 411(a) (relating to minimum vesting standards) is amended—

(1) in paragraph (2), by striking "A plan" and inserting "Except as provided in paragraph (12), a plan", and

(2) by adding at the end the following:

"(12) FASTER VESTING FOR MATCHING CONTRIBUTIONS.—In the case of matching contributions (as defined in section 401(m)(4)(A)), paragraph (2) shall be applied—

"(A) by substituting '3 years' for '5 years' in subparagraph (A), and

"(B) by substituting the following table for the table contained in subparagraph (B):

"Years of service:	The nonforfeitable percentage is:
2	20
3	40
4	60
5	80
6	100.".

(b) AMENDMENTS TO ERISA.—Section 203(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(a)) is amended—

(1) in paragraph (2), by striking "A plan" and inserting "Except as provided in paragraph (4), a plan", and

(2) by adding at the end the following:

"(4) FASTER VESTING FOR MATCHING CONTRIBUTIONS.—In the case of matching contributions (as defined in section 401(m)(4)(A) of the Internal Revenue Code of 1986), paragraph (2) shall be applied—

"(A) by substituting '3 years' for '5 years' in subparagraph (A), and

"(B) by substituting the following table for the table contained in subparagraph (B):

"Years of service:	The nonforfeitable percentage is:
2	20
3	40
4	60
5	80
6	100.".

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to contributions for plan years beginning after December 31, 1999.

(2) COLLECTIVE BARGAINING AGREEMENTS.—In the case of a plan maintained pursuant to 1 or more collective bargaining agreements between employee representatives and 1 or more employers ratified by the date of enactment of this Act, the amendments made by this section shall not apply to contributions on behalf of employees covered by any such agreement for plan years beginning before the earlier of—

(A) the later of—

(i) the date on which the last of such collective bargaining agreements terminates (determined without regard to any extension thereof on or after such date of enactment), or

(ii) January 1, 2000, or

(B) January 1, 2004.

(3) SERVICE REQUIRED.—With respect to any plan, the amendments made by this section shall not apply to any employee before the date that such employee has 1 hour of service under such plan in any plan year to which the amendments made by this section apply.

SEC. ___09. REDUCED PBGC PREMIUM FOR NEW PLANS OF SMALL EMPLOYERS.

(a) IN GENERAL.—Subparagraph (A) of section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)) is amended—

(1) in clause (i), by inserting "other than a new single-employer plan (as defined in subparagraph (F))," after "single-employer plan,",

(2) in clause (iii), by striking the period at the end and inserting ", and", and

(3) by adding at the end the following new clause:

"(iv) in the case of a new single-employer plan (as defined in subparagraph (F)) maintained by a small employer (as so defined) for the plan year, $5 for each individual who is a participant in such plan during the plan year.".

(b) DEFINITION OF NEW SINGLE-EMPLOYER PLAN.—Section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)) is amended by adding at the end the following new subparagraph:

"(F)(i) For purposes of this paragraph, a single-employer plan maintained by an employer shall be treated as a new single-employer plan for each of its first 5 plan years if, during the 36-month period ending on the date of the adoption of such plan, the employer or any member of such employer's controlled group (or any predecessor of either) had not established or maintained a plan to which this title applies with respect to which contributions were made, or benefits were accrued, for substantially the same employees as are in the new single-employer plan.

"(ii)(I) For purposes of this paragraph, the term 'small employer' means an employer which on the first day of any plan year has, in aggregation with all members of the controlled group of such employer, 100 or fewer employees.

"(II) In the case of a plan maintained by 2 or more contributing sponsors that are not part of the same controlled group, the employees of all contributing sponsors and controlled groups of such sponsor shall be aggregated for purposes of determining whether the sponsor is a small employer.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 1999.

SEC. ___10. PHASE-IN OF ADDITIONAL PBGC PREMIUM FOR NEW PLANS.

(a) AMENDMENTS TO ERISA.—Subparagraph (E) of section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(E)) is amended by adding at the end the following new clause:

"(v) In the case of a new defined benefit plan, the amount determined under clause (ii) for any plan year shall be an amount equal to the product derived by multiplying the amount determined under clause (ii) by the applicable percentage. For purposes of this clause, the term 'applicable percentage' means—

"(I) 0 percent, for the first plan year.

"(II) 20 percent, for the second plan year.

"(III) 40 percent, for the third plan year.

"(IV) 60 percent, for the fourth plan year.

"(V) 80 percent, for the fifth plan year.

"(VI) 100 percent, for the sixth plan year, and for each succeeding plan year.

For purposes of this clause, a defined benefit plan (as defined in section 3(35)) maintained by an employer shall be treated as a new defined benefit plan if, during the 36-month period ending on the date of the adoption of the plan, the employer and each member of any controlled group including the employer (or any predecessor of either) did not establish or maintain a plan to which this title applies with respect to which contributions were made, or benefits were accrued, for substantially the same employees as are in the new plan.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 1999.

SEC. ___11. ELIMINATION OF USER FEE FOR REQUESTS TO IRS REGARDING NEW PENSION PLANS.

(a) ELIMINATION OF CERTAIN USER FEES.—The Secretary of the Treasury or the Secretary's delegate shall not require payment of user fees under the program established under section 10511 of the Revenue Act of 1987 for requests to the Internal Revenue Service for ruling letters, opinion letters, and determination letters or similar requests with respect to the qualified status of a new pension benefit plan or any trust which is part of the plan.

(b) NEW PENSION BENEFIT PLAN.—For purposes of this section—

(1) IN GENERAL.—The term "new pension benefit plan" means a pension, profit-sharing, stock bonus, annuity, or employee stock ownership plan which is maintained by one or more eligible employers if such employer (or any predecessor employer) has not made a prior request described in subsection (a) for such plan (or any predecessor plan).

(2) ELIGIBLE EMPLOYER.—The term "eligible employer" means an employer (or any predecessor employer) which has not established or maintained a qualified employer plan with respect to which contributions were made, or benefits were accrued for service, in the 3 most recent taxable years ending prior to the first taxable year in which the request is made.

(c) EFFECTIVE DATE.—The provisions of this section shall apply with respect to requests made after December 31, 1999.

SEC. ___12. DEDUCTION LIMITS.

(a) IN GENERAL.—Section 404(a) (relating to general rule) is amended by adding at the end the following:

"(12) DEFINITION OF COMPENSATION.—For purposes of paragraphs (3), (7), (8), and (9), the term 'compensation' shall include amounts treated as participant's compensation under subparagraph (C) or (D) of section 415(c)(3).".

(b) CONFORMING AMENDMENT.—Subparagraph (B) of section 404(a)(3) is amended by striking the last sentence thereof.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2000.

SEC. ___13. TREATMENT OF MULTIEMPLOYER PLANS UNDER SECTION 415.

(a) COMPENSATION LIMIT.—Paragraph (11) of section 415(b) (relating to limitation for defined benefit plans) is amended to read as follows:

"(11) SPECIAL LIMITATION RULE FOR GOVERNMENTAL AND MULTIEMPLOYER PLANS.—In the case of a governmental plan (as defined in section 414(d)) or a multiemployer plan (as defined in section 414(f)), subparagraph (B) of paragraph (1) shall not apply.".

(b) COMBINING AND AGGREGATION OF PLANS.—

(1) COMBINING OF PLANS.—Subsection (f) of section 415 (relating to combining of plans) is amended by adding at the end the following:

"(3) EXCEPTION FOR MULTIEMPLOYER PLANS.—Notwithstanding paragraph (1) and subsection (g), a multiemployer plan (as defined in section 414(f)) shall not be combined or aggregated with any other plan maintained by an employer for purposes of applying the limitations established in this section, except that such plan shall be combined or aggregated with another plan solely for purposes of determining whether such other plan meets the requirements of subsection (b)(1)(A).".

(2) CONFORMING AMENDMENT FOR AGGREGATION OF PLANS.—Subsection (g) of section 415 (relating to aggregation of plans) is amended by striking "The Secretary" and inserting "Except as provided in subsection (f)(3), the Secretary".

(c) EARLY RETIREMENT LIMITS FOR CERTAIN PLANS.—Section 415(b)(2)(F) is amended to read as follows:

"(F) MULTIEMPLOYER PLANS AND PLANS MAINTAINED BY GOVERNMENTS AND TAX EXEMPT ORGANIZATIONS.—In the case of a governmental plan (within the meaning of section 414(d)), a plan maintained by an organization (other than a governmental unit) exempt from tax under this subtitle, a multiemployer plan (as defined in section 414(f)), or a qualified merchant marine plan—

"(i) subparagraph (C) shall be applied—

"(I) by substituting 'age 62' for 'social security retirement age' each place it appears, and

"(II) as if the last sentence thereof read as follows: 'The reduction under this subparagraph shall not reduce the limitation of paragraph (1)(A) below (i) 80 percent of such limitation as in effect for the year, or (ii) if the benefit begins before age 55, the equivalent for such 80 percent amount for age 55.", and

"(ii) subparagraph (D) shall be applied by substituting 'age 65' for 'social security retirement age' each place it appears.

For purposes of this subparagraph, the term 'qualified merchant marine plan' means a plan in existence on January 1, 1986, the participants in which are merchant marine officers holding licenses issued by the Secretary of Transportation under title 46, United States Code.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1999.

SEC. 14. PENSION REDUCTION DISCLOSURE.

(a) NOTICE REQUIRED FOR CERTAIN PLAN AMENDMENTS REDUCING FUTURE BENEFIT ACCRUALS.—

(1) GENERAL NOTICE REQUIREMENTS.—Section 204(h) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054(h)) is amended to read as follows:

"(h) NOTICE REQUIREMENTS FOR PENSION PLAN AMENDMENTS REDUCING ACCRUALS.—

"(1) IN GENERAL.—If an applicable pension plan is amended so as to provide for a significant reduction in the rate of future benefit accrual of 1 or more applicable individuals, the plan administrator shall—

"(A) not later than the 45th day before the effective date of the amendment, provide the written notice described in paragraph (2) to each applicable individual (and to each employee organization representing applicable individuals), and

"(B) in the case of a large applicable pension plan—

"(i) include in the notice under paragraph (2) the additional information described in paragraph (3),

"(ii) make available the information described in paragraph (4) in accordance with such paragraph, and

"(iii) provide individual benefit statements in accordance with section 105(e).

"(2) BASIC WRITTEN NOTICE.—The notice under paragraph (1) shall include a summary of the important terms of the amendment, including—

"(A) the effective date of the amendment,

"(B) a statement that the amendment is expected to significantly reduce the rate of future benefit accrual,

"(C) a description of the classes of applicable individuals to whom the amendment applies, and

"(D) a description of how the amendment significantly reduces the rate of future benefit accrual.

"(3) ADDITIONAL INFORMATION TO BE PROVIDED BY LARGE APPLICABLE PENSION PLANS.—

"(A) IN GENERAL.—The information described in this paragraph is—

"(i) a description of the plan's benefit formulas (including formulas for determining early retirement benefits) both before and after the amendment and an explanation of the effect of the different formulas on applicable individuals,

"(ii) an explanation of the circumstances (if any) under which (for appropriate categories of applicable individuals) the amendment is reasonably expected to result in a temporary period after the effective date of the amendment during which there are no or minimal accruals,

"(iii) illustrative examples of normal or early retirement benefits meeting the requirements of subparagraph (B), and

"(iv) notice of each applicable individual's right to request, and of the procedures for requesting, the information required to be provided under paragraph (4) and under section 105(e).

"(B) ILLUSTRATIVE EXAMPLES.—Illustrative examples meet the requirements of this subparagraph if such examples illustrate the adverse effects of the plan amendment. Such examples shall be prepared by the plan administrator in accordance with regulations prescribed by the Secretary of the Treasury, and such regulations shall require that the examples—

"(i) reflect fairly the different categories of applicable individuals who are similarly affected by the plan amendment after consideration of all relevant factors,

"(ii) show a comparison of benefits for each such category of applicable individuals under the plan (as in effect before and after the effective date) at appropriate future dates, and

"(iii) illustrate any temporary period described in subparagraph (A)(ii).

Such comparison shall be based on benefits in the form of a life annuity and on actuarial assumptions each of which is reasonable (and is so certified by an enrolled actuary) when applied to all participants in the plan.

"(4) SUPPORTING INFORMATION RELATING TO CALCULATION OF BENEFITS.—

"(A) IN GENERAL.—Each individual who receives or who is entitled to receive the information described in paragraph (3) may (after so receiving or becoming so entitled) request the plan administrator to provide the information described in subparagraph (B).

"(B) INFORMATION.—The plan administrator shall, within 15 days after the date on which a request under subparagraph (A) is made, provide to the individual information (including benefit formulas and actuarial factors) which is sufficient—

"(i) to confirm the benefit comparisons in the illustrative examples described in paragraph (3)(B), and

"(ii) to enable the individual to use the individual's own personal information to make calculations of the individual's own benefits which are similar to the calculations made in such examples.

Nothing in this subsection shall be construed to require the plan administrator to provide to an individual such individual's personal information for purposes of clause (ii).

"(C) TIME LIMITATION ON REQUESTS.—This paragraph shall apply only to requests made during the 12-month period that begins on the later of the effective date of the amendment to which it relates or the date the notice described in paragraph (2) is provided.

"(5) SANCTIONS.—

"(A) IN GENERAL.—In the case of any egregious failure to meet any requirement of this subsection with respect to any plan amendment, the provisions of the applicable pension plan shall be applied as if such plan amendment entitled all applicable individuals to the greater of—

"(i) the benefits to which they would have been entitled without regard to such amendment, or

"(ii) the benefits under the plan with regard to such amendment.

"(B) EGREGIOUS FAILURE.—For purposes of subparagraph (A), there is an egregious failure to meet the requirements of this subsection if such failure is—

"(i) an intentional failure (including any failure to promptly provide the required notice or information after the plan administrator discovers an unintentional failure to meet the requirements of this subsection),

"(ii) a failure to provide most of the individuals with most of the information they are entitled to receive under this subsection, or

"(iii) a failure which is determined to be egregious under regulations prescribed by the Secretary of the Treasury.

"(C) EXCISE TAX.—For excise tax on failure to meet requirements, see section 4980F of the Internal Revenue Code of 1986.

"(6) SPECIAL RULES.—

"(A) PLAIN LANGUAGE.—The notice required under paragraph (1) shall be written in a manner calculated to be understood by the average plan participant who is an applicable individual.

"(B) NOTICE TO DESIGNEES.—The notice and information required to be provided under this subsection may be provided to a person designated, in writing, by the person to which it would otherwise be provided.

"(7) ALTERNATIVE METHODS OF COMPLIANCE WITH ENHANCED DISCLOSURE REQUIREMENTS IN CERTAIN CASES.—The Secretary of the Treasury shall prescribe such regulations as may be necessary to carry out this subsection. The Secretary of the Treasury may—

"(A) prescribe alternative or simplified methods of complying with paragraphs (3) and (4) in situations where—

"(i) there is no fundamental change in the manner in which the accrued benefit of an applicable individual is determined under the plan, and

"(ii) such other methods are adequate to reasonably inform plan participants who are applicable individuals of the impact of the reductions,

"(B) reduce the advance notice period in paragraph (1)(A) from 45 days to 15 days before the effective date of the amendment for cases in which compliance with the 45-day advance notice requirement would be unduly burdensome because the amendment is contingent on a merger, acquisition, disposition, or other similar transaction involving plan participants who are applicable individuals or because 45 days advance notice is otherwise impracticable,

"(C) permit the comparison of benefits under paragraph (3)(B)(i) to be based on a form of payment other than a life annuity, or

"(D) specify actuarial assumptions that are deemed to be reasonable for purposes of the benefit comparisons under paragraph (3)(B)(i).

"(8) APPLICABLE INDIVIDUAL.—For purposes of this subsection, the term 'applicable individual' means, with respect to any plan amendment—

"(A) each participant in the plan, and

"(B) each beneficiary who is an alternate payee (within the meaning of section 206(d)(3)(K)) under a qualified domestic relations order (within the meaning of section 206(d)(3)(B)(i)), whose future benefit accruals under the plan may reasonably be expected to be reduced by such plan amendment.

"(9) TERMS RELATING TO PLANS.—For purposes of this subsection—

"(A) APPLICABLE PENSION PLAN.—The term 'applicable pension plan' means—

"(i) a defined benefit plan, or

"(ii) an individual account plan which is subject to the funding standards of section 302.

"(B) LARGE APPLICABLE PENSION PLAN.—The term 'large applicable pension plan' means an applicable pension plan which had 100 or more active participants as of the last day of the plan year preceding the plan year in which the plan amendment becomes effective."

(2) INDIVIDUAL STATEMENTS.—Section 105 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1025) is amended by adding at the end the following new subsection:

"(e)(1) The plan administrator of a large applicable pension plan shall furnish an individual statement described in paragraph (2) to each individual—

"(A) who receives, or is entitled to receive, under section 204(h) the information described in paragraph (3) thereof from such administrator, and

"(B) who requests in writing such a statement from such administrator.

"(2) The statement described in this paragraph is a statement which provides information which is substantially the same as the information in the illustrative examples described in section 204(h)(3)(B) but which is based on data specific to the requesting individual and, if the individual so requests, information as of 1 other future date not included in such examples.

"(3) Paragraph (1) shall apply only to requests made during the 12-month period that begins on the later of the effective date of the amendment to which it relates or the date the notice described in section 204(h)(2) is provided. In no case shall an individual be entitled under this subsection to receive more than one such statement with respect to an amendment.

"(4) Notwithstanding section 502(c)(1), the statement required by paragraph (1) shall be treated as timely furnished if furnished on or before—

"(A) the date which is 90 days after the effective date of the plan amendment to which is relates, or

"(B) such later date as may be permitted by the Secretary of Labor.

"(5) Any term used in this subsection which is used in section 204(h) shall have the meaning given such term by such section.

"(6) A statement under this subsection shall not be taken into account for purposes of subsection (b)."

(b) EXCISE TAX ON FAILURE TO PROVIDE NOTICE BY DEFINED BENEFIT PLANS SIGNIFICANTLY REDUCING FUTURE BENEFIT ACCRUALS.—

(1) IN GENERAL.—Chapter 43 (relating to qualified pension, etc., plans) is amended by adding at the end the following new section:

"SEC. 4980F. FAILURE OF DEFINED BENEFIT PLANS REDUCING BENEFIT ACCRUALS TO SATISFY NOTICE REQUIREMENTS.

"(a) IMPOSITION OF TAX.—There is hereby imposed a tax on the failure of a plan administrator of an applicable pension plan to meet the requirements of subsection (e) with respect to any applicable individual.

"(b) AMOUNT OF TAX.—

"(1) IN GENERAL.—The amount of the tax imposed by subsection (a) on any failure with respect to any applicable individual shall be $100 for each day in the noncompliance period with respect to such failure.

"(2) NONCOMPLIANCE PERIOD.—For purposes of this section, the term 'noncompliance period' means, with respect to any failure, the period beginning on the date the failure first occurs and ending on the date the failure is corrected.

"(c) LIMITATIONS ON AMOUNT OF TAX.—

"(1) OVERALL LIMITATION FOR UNINTENTIONAL FAILURES.—

"(A) IN GENERAL.—In the case of failures that are due to reasonable cause and not to willful neglect, the tax imposed by subsection (a) for failures during the taxable year of the employer (or, in the case of a multiemployer plan, the taxable year of the trust forming part of the plan) shall not exceed $500,000 ($1,000,000 in the case of a large applicable pension plan).

"(B) TAXABLE YEARS IN THE CASE OF CERTAIN CONTROLLED GROUPS.—For purposes of this paragraph, if all persons who are treated as a single employer for purposes of this section do not have the same taxable year, the taxable years taken into account shall be determined under principles similar to the principles of section 1561.

"(2) WAIVER BY SECRETARY.—In the case of a failure which is due to reasonable cause and not to willful neglect, the Secretary may waive part or all of the tax imposed by subsection (a) to the extent that the payment of such tax would be excessive relative to the failure involved.

"(d) LIABILITY FOR TAX.—The following shall be liable for the tax imposed by subsection (a):

"(1) In the case of a plan other than a multiemployer plan, the employer.

"(2) In the case of a multiemployer plan, the plan.

"(e) NOTICE REQUIREMENTS FOR PENSION PLAN AMENDMENTS REDUCING ACCRUALS.—

"(1) IN GENERAL.—If an applicable pension plan is amended so as to provide for a significant reduction in the rate of future benefit accrual of 1 or more applicable individuals, the plan administrator shall—

"(A) not later than the 45th day before the effective date of the amendment, provide the written notice described in paragraph (2) to each applicable individual (and to each employee organization (as defined in section 3(4) of the Employee Retirement Income Security Act of 1974) representing applicable individuals), and

"(B) in the case of a large applicable pension plan—

"(i) include in the notice under paragraph (2) the additional information described in paragraph (3), and

"(ii) make available the information described in paragraph (4) in accordance with such paragraph.

"(2) BASIC WRITTEN NOTICE.—The notice under paragraph (1) shall include a summary of the important terms of the amendment, including—

"(A) the effective date of the amendment,

"(B) a statement that the amendment is expected to significantly reduce the rate of future benefit accrual,

"(C) a description of the classes of applicable individuals to whom the amendment applies, and

"(D) a description of how the amendment significantly reduces the rate of future benefit accrual.

"(3) ADDITIONAL INFORMATION TO BE PROVIDED BY LARGE APPLICABLE PENSION PLANS.—

"(A) IN GENERAL.—The information described in this paragraph is—

"(i) a description of the plan's benefit formulas (including formulas for determining early retirement benefits) both before and after the amendment and an explanation of the effect of the different formulas on applicable individuals,

"(ii) an explanation of the circumstances (if any) under which (for appropriate categories of applicable individuals) the amendment is reasonably expected to result in a temporary period after the effective date of the amendment during which there are no or minimal accruals,

"(iii) illustrative examples of normal or early retirement benefits meeting the requirements of subparagraph (B), and

"(iv) notice of each applicable individual's right to request, and of the procedures for requesting, the information required to be provided under paragraph (4) and under section 105(e) of Employee Retirement Income Security Act of 1974.

"(B) ILLUSTRATIVE EXAMPLES.—Illustrative examples meet the requirements of this subparagraph if such examples illustrate the adverse effects of the plan amendment. Such examples shall be prepared by the plan administrator in accordance with regulations prescribed by the Secretary, and such regulations shall require that the examples—

"(i) reflect fairly the different categories of applicable individuals who are similarly affected by the plan amendment after consideration of all relevant factors,

"(ii) show a comparison of benefits for each such category of applicable individuals under the plan (as in effect before and after the effective date) at appropriate future dates, and

"(iii) illustrate any temporary period described in subparagraph (A)(ii).

Such comparison shall be based on benefits in the form of a life annuity and on actuarial assumptions each of which is reasonable (and is so certified by an enrolled actuary) when applied to all participants in the plan.

"(4) SUPPORTING INFORMATION RELATING TO CALCULATION OF BENEFITS.—

"(A) IN GENERAL.—Each individual who receives or who is entitled to receive the information described in paragraph (3) may (after so receiving or becoming so entitled) request the plan administrator to provide the information described in subparagraph (B).

"(B) INFORMATION.—The plan administrator shall, within 15 days after the date on which a request under subparagraph (A) is made, provide to the individual information (including benefit formulas and actuarial factors) which is sufficient—

"(i) to confirm the benefit comparisons in the illustrative examples described in paragraph (3)(B), and

"(ii) to enable the individual to use the individual's own personal information to make calculations of the individual's own benefits which are similar to the calculations made in such examples.

Nothing in this subsection shall be construed to require the plan administrator to provide to an individual such individual's personal information for purposes of clause (ii).

"(C) TIME LIMITATION ON REQUESTS.—This paragraph shall apply only to requests made during the 12-month period that begins on the later of the effective date of the amendment to which it relates or the date the notice described in paragraph (2) is provided.

"(5) SPECIAL RULES.—

"(A) PLAIN LANGUAGE.—The notice required under paragraph (1) shall be written in a manner calculated to be understood by the average plan participant who is an applicable individual.

"(B) NOTICE TO DESIGNEES.—The notice or information required to be provided under this subsection may be provided to a person designated, in writing, by the person to which it would otherwise be provided.

"(6) ALTERNATIVE METHODS OF COMPLIANCE WITH ENHANCED DISCLOSURE REQUIREMENTS IN CERTAIN CASES.—The Secretary shall prescribe such regulations as may be necessary to carry out this subsection. The Secretary may—

"(A) prescribe alternative or simplified methods of complying with paragraphs (3) and (4) in situations where—

"(i) there is no fundamental change in the manner in which the accrued benefit of an applicable individual is determined under the plan, and

"(ii) such other methods are adequate to reasonably inform plan participants who are applicable individuals of the impact of the reductions,

"(B) reduce the advance notice period in paragraph (1)(A) from 45 days to 15 days before the effective date of the amendment for cases in which compliance with the 45-day advance notice requirement would be unduly burdensome because the amendment is contingent on a merger, acquisition, disposition, or other similar transaction involving plan participants who are applicable individuals or because 45 days advance notice is otherwise impracticable,

"(C) permit the comparison of benefits under paragraph (3)(B)(i) to be based on a form of payment other than a life annuity, or

"(D) specify actuarial assumptions that are deemed to be reasonable for purposes of the benefit comparisons under paragraph (3)(B)(i).

"(7) APPLICABLE INDIVIDUAL.—For purposes of this subsection, the term 'applicable individual' means, with respect to any plan amendment—

"(A) each participant in the plan, and

"(B) each beneficiary who is an alternate payee (within the meaning of section 414(p)(8)) under a qualified domestic relations order (within the meaning of section 414(p)(1)),

whose future benefit accruals under the plan may reasonably be expected to be reduced by such plan amendment.

"(8) TERMS RELATING TO PLANS.—For purposes of this subsection—

"(A) APPLICABLE PENSION PLAN.—The term 'applicable pension plan' means—

"(i) a defined benefit plan, or

"(ii) an individual account plan which is subject to the funding standards of section 412.

Such term shall not include any governmental plan (within the meaning of section 414(d)) or any church plan (within the meaning of section 414(e)) with respect to which the election provided by section 410(d) has not been made.

"(B) LARGE APPLICABLE PENSION PLAN.—The term 'large applicable pension plan' means an applicable pension plan which had 100 or more active participants as of the last day of the plan year preceding the plan year in which the plan amendment becomes effective."

(2) CONFORMING AMENDMENT.—The table of sections for chapter 43 is amended by adding at the end the following new item:

"Sec. 4980F. Failure of defined benefit plans reducing benefit accruals to satisfy notice requirements."

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to plan amendments taking effect after the date of the enactment of this Act.

(2) SPECIAL RULES.—

(A) IN GENERAL.—The amendments made by this section shall not apply to any plan amendment for which there was written notice before July 12, 1999, which was reasonably expected to notify substantially all of the plan participants or their representatives.

(B) TRANSITION.—Until such time as the Secretary of the Treasury issues regulations under section 4980F(e) (3) and (4) of the Internal Revenue Code of 1986 and section 204(h) (3) and (4) of the Employee Retirement Income Security Act of 1974 (as added by the amendments made by this section), a plan shall be treated as meeting the requirements of such sections if it makes a good faith effort to comply with such requirements.

(C) NOTICE AND INFORMATION NOT REQUIRED TO BE FURNISHED BEFORE 120TH DAY AFTER ENACTMENT.—The period for providing any notice or information required by the amendments made by this section shall not end before the date which is 120 days after the date of the enactment of this Act.

SEC. 15. PREVENTION OF WEARING AWAY OF EMPLOYEE'S ACCRUED BENEFIT.

(a) AMENDMENT TO INTERNAL REVENUE CODE.—Section 411(d)(6) (relating to accrued benefit may not be decreased by amendment) is amended by adding at the end the following new subparagraph:

"(D) TREATMENT OF PLAN AMENDMENTS WEARING AWAY ACCRUED BENEFIT.—

"(i) IN GENERAL.—For purposes of subparagraph (A), a plan amendment adopted by a large defined benefit plan shall be treated as reducing accrued benefits of a participant if, under the terms of the plan after the adoption of the amendment, the accrued benefit of the participant may at any time be less than the sum of—

"(I) the participant's accrued benefit for years of service before the effective date of the amendment, determined under the terms of the plan as in effect immediately before the effective date, plus

"(II) the participant's accrued benefit determined under the formula applicable to benefit accruals under the current plan as applied to years of service after such effective date.

"(ii) LARGE DEFINED BENEFIT PLAN.—For purposes of this subparagraph, the term 'large defined benefit plan' means any defined benefit plan which had 100 or more participants who had accrued a benefit under the plan (whether or not vested) as of the last day of the plan year preceding the plan year in which the plan amendment becomes effective.

"(iii) PROTECTED ACCRUED BENEFIT.—For purposes of this subparagraph, an accrued benefit shall include any early retirement benefit or retirement-type subsidy (within the meaning of subparagraph (B)(i)), but only with respect to a participant who satisfies (either before or after the effective date of the amendment) the conditions for the benefit or subsidy under the terms of the plan as in effect immediately before such date."

(b) AMENDMENT OF ERISA.—Section 204(g) of the Employee Retirement Income Security Act of 1974 is amended by adding at the end the following new paragraph:

"(4)(A) For purposes of paragraph (1), a plan amendment adopted by a large defined benefit plan shall be treated as reducing accrued benefits of a participant if, under the terms of the plan after the adoption of the amendment, the accrued benefit of the participant may at any time be less than the sum of—

"(i) the participant's accrued benefit for years of service before the effective date of the amendment, determined under the terms of the plan as in effect immediately before the effective date, plus

"(ii) the participant's accrued benefit determined under the formula applicable to benefit accruals under the current plan as applied to years of service after such effective date.

"(B) For purposes of this paragraph, the term 'large defined benefit plan' means any defined benefit plan which had 100 or more participants who had accrued a benefit under the plan (whether or not vested) as of the last day of the plan year preceding the plan year in which the plan amendment becomes effective.

"(C) For purposes of this paragraph, an accrued benefit shall include any early retirement benefit or retirement-type subsidy (within the meaning of paragraph (2)(A)), but only with respect to a participant who satisfies (either before or after the effective date of the amendment) the conditions for the benefit or subsidy under the terms of the plan as in effect immediately before such date."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan amendments adopted after June 29, 1999.

Subtitle B—Promoting Technological and Economic Development

SEC. 21. INCREASE IN EXPENSING LIMITATION TO $25,000.

(a) IN GENERAL.—Paragraph (1) of section 179(b) of the Internal Revenue Code of 1986 (relating to limitations) is amended to read as follows:

"(1) DOLLAR LIMITATION.—The aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed $25,000."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. 22. NEW MARKETS TAX CREDIT.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business-related credits), as amended by section 06, is amended by adding at the end the following new section:

"SEC. 45F. NEW MARKETS TAX CREDIT.

"(a) ALLOWANCE OF CREDIT.—

"(1) IN GENERAL.—For purposes of section 38, in the case of a taxpayer who holds a qualified equity investment on a credit allowance date of such investment which occurs during the taxable year, the new markets tax credit determined under this section for such taxable year is an amount equal to 6 percent of the amount paid to the qualified community development entity for such investment at its original issue.

"(2) CREDIT ALLOWANCE DATE.—The term 'credit allowance date' means, with respect to any qualified equity investment—

"(A) the date on which such investment is initially made, and

"(B) each of the 4 anniversary dates of such date thereafter.

"(b) QUALIFIED EQUITY INVESTMENT.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified equity investment' means any equity investment in a qualified community development entity if—

"(A) such investment is acquired by the taxpayer at its original issue (directly or through an underwriter) solely in exchange for cash,

"(B) substantially all of such cash is used by the qualified community development entity to make qualified low-income community investments, and

“(C) such investment is designated for purposes of this section by the qualified community development entity.

Such term shall not include any equity investment issued by a qualified community development entity more than 5 years after the date that such entity receives an allocation under subsection (f). Any allocation not used within such 5-year period may be reallocated by the Secretary under subsection (f).

“(2) Limitation.—The maximum amount of equity investments issued by a qualified community development entity which may be designated under paragraph (1)(C) by such entity shall not exceed the portion of the limitation amount allocated under subsection (f) to such entity.

“(3) Safe harbor for determining use of cash.—The requirement of paragraph (1)(B) shall be treated as met if at least 85 percent of the aggregate gross assets of the qualified community development entity are invested in qualified low-income community investments.

“(4) Treatment of subsequent purchasers.—The term ‘qualified equity investment’ includes any equity investment which would (but for paragraph (1)(A)) be a qualified equity investment in the hands of the taxpayer if such investment was a qualified equity investment in the hands of a prior holder.

“(5) Redemptions.—A rule similar to the rule of section 1202(c)(3) shall apply for purposes of this subsection.

“(6) Equity investment.—The term ‘equity investment’ means—

“(A) any stock in a qualified community development entity which is a corporation, and

“(B) any capital interest in a qualified community development entity which is a partnership.

“(c) Qualified Community Development Entity.—For purposes of this section—

“(1) In general.—The term ‘qualified community development entity’ means any domestic corporation or partnership if—

“(A) the primary mission of the entity is serving, or providing investment capital for, low-income communities or low-income persons,

“(B) the entity maintains accountability to residents of low-income communities through representation on governing or advisory boards or otherwise, and

“(C) the entity is certified by the Secretary for purposes of this section as being a qualified community development entity.

“(2) Special rules for certain organizations.—The requirements of paragraph (1) shall be treated as met by—

“(A) any specialized small business investment company (as defined in section 1044(c)(3)), and

“(B) any community development financial institution (as defined in section 103 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4702)).

“(d) Qualified Low-Income Community Investments.—For purposes of this section—

“(1) In general.—The term ‘qualified low-income community investment’ means—

“(A) any equity investment in, or loan to, any qualified active low-income community business,

“(B) the purchase from another community development entity of any loan made by such entity which is a qualified low-income community investment if the amount received by such other entity from such purchase is used by such other entity to make qualified low-income community investments,

“(C) financial counseling and other services specified in regulations prescribed by the Secretary to businesses located in, and residents of, low-income communities, and

“(D) any equity investment in, or loan to, any qualified community development entity if substantially all of the investment or loan is used by such entity to make qualified low-income community investments described in subparagraphs (A), (B), and (C).

“(2) Qualified active low-income community business.—

“(A) In general.—For purposes of paragraph (1), the term ‘qualified active low-income community business’ means, with respect to any taxable year, any corporation or partnership if for such year—

“(i) at least 50 percent of the total gross income of such entity is derived from the active conduct of a qualified business within any low-income community,

“(ii) a substantial portion of the use of the tangible property of such entity (whether owned or leased) is within any low-income community,

“(iii) a substantial portion of the services performed for such entity by its employees are performed in any low-income community,

“(iv) less than 5 percent of the average of the aggregate unadjusted bases of the property of such entity is attributable to collectibles (as defined in section 408(m)(2)) other than collectibles that are held primarily for sale to customers in the ordinary course of such business, and

“(v) less than 5 percent of the average of the aggregate unadjusted bases of the property of such entity is attributable to nonqualified financial property (as defined in section 1397B(e)).

“(B) Proprietorship.—Such term shall include any business carried on by an individual as a proprietor if such business would meet the requirements of subparagraph (A) were it incorporated.

“(C) Portions of business may be qualified active low-income community business.—The term ‘qualified active low-income community business’ includes any trades or businesses which would qualify as a qualified active low-income community business if such trades or businesses were separately incorporated.

“(3) Qualified business.—For purposes of this subsection, the term ‘qualified business’ has the meaning given to such term by section 1397B(d); except that—

“(A) in lieu of applying paragraph (2)(B) thereof, the rental to others of real property located in any low-income community shall be treated as a qualified business if there are substantial improvements located on such property,

“(B) paragraph (3) thereof shall not apply, and

“(C) such term shall not include any business if a significant portion of the equity interests in such business are held by any person who holds a significant portion of the equity investments in the community development entity.

“(e) Low-Income Community.—For purposes of this section—

“(1) In general.—The term ‘low-income community’ means any population census tract if—

“(A) the poverty rate for such tract is at least 20 percent, or

“(B)(i) in the case of a tract not located within a metropolitan area, the median family income for such tract does not exceed 80 percent of statewide median family income, or

“(ii) in the case of a tract located within a metropolitan area, the median family income for such tract does not exceed 80 percent of the greater of statewide median family income or the metropolitan area median family income.

“(2) Areas not within census tracts.—In the case of an area which is not tracted for population census tracts, the equivalent county divisions (as defined by the Bureau of the Census for purposes of defining poverty areas) shall be used for purposes of determining poverty rates and median family income.

“(3) Targeted population.—The Secretary may prescribe regulations under which 1 or more targeted populations (within the meaning of section 3(20) of the Riegle Community Development and Regulatory Improvement Act of 1974 (12 U.S.C. 4702(20))) may be treated as low-income communities. Such regulations shall include procedures for identifying the area covered by any such community for purposes of determining entities which are qualified active low-income community businesses with respect to such community.

“(f) National Limitation on Amount of Investments Designated.—

“(1) In general.—There is a new markets tax credit limitation of $750,000,000 for each of calendar years 2001 through 2005 and zero for any succeeding calendar year.

“(2) Allocation of limitation.—The limitation under paragraph (1) shall be allocated by the Secretary among qualified community development entities selected by the Secretary. In making allocations under the preceding sentence, the Secretary shall give priority to entities with records of having successfully provided capital or technical assistance to disadvantaged businesses or communities.

“(3) Carryover of unused limitation.—If the new markets tax credit limitation for any calendar year exceeds the aggregate amount allocated under paragraph (2) for such year, such limitation for the succeeding calendar year shall be increased by the amount of such excess.

“(g) Recapture of Credit In Certain Cases.—

“(1) In general.—If, at any time during the 5-year period beginning on the date of the original issue of a qualified equity investment in a qualified community development entity, there is a recapture event with respect to such investment, then the tax imposed by this chapter for the taxable year in which such event occurs shall be increased by the credit recapture amount.

“(2) Credit recapture amount.—For purposes of paragraph (1), the credit recapture amount is an amount equal to the sum of—

“(A) the aggregate decrease in the credits allowed to the taxpayer under section 38 for all prior taxable years which would have resulted if no credit had been determined under this section with respect to such investment, plus

“(B) interest at the overpayment rate established under section 6621 on the amount determined under subparagraph (A) for each prior taxable year for the period beginning on the due date for filing the return for the prior taxable year involved.

No deduction shall be allowed under this chapter for interest described in subparagraph (B).

“(3) Recapture event.—For purposes of paragraph (1), there is a recapture event with respect to an equity investment in a qualified community development entity if—

“(A) such entity ceases to be a qualified community development entity, "(B) the proceeds of the investment cease to be used as required of subsection (b)(1)(B), or

"(C) such investment is redeemed by such entity.

"(4) SPECIAL RULES.—

"(A) TAX BENEFIT RULE.—The tax for the taxable year shall be increased under paragraph (1) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

"(B) NO CREDITS AGAINST TAX.—Any increase in tax under this subsection shall not be treated as a tax imposed by this chapter for purposes of determining the amount of any credit under this chapter or for purposes of section 55.

"(h) BASIS REDUCTION.—The basis of any qualified equity investment shall be reduced by the amount of any credit determined under this section with respect to such investment.

"(i) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out this section, including regulations—

"(1) which limit the credit for investments which are directly or indirectly subsidized by other Federal benefits (including the credit under section 42 and the exclusion from gross income under section 103),

"(2) which prevent the abuse of the provisions of this section through the use of related parties,

"(3) which impose appropriate reporting requirements

"(4) which apply the provisions of this section to newly formed entities."

(b) CREDIT MADE PART OF GENERAL BUSINESS CREDIT.—

(1) IN GENERAL.—Subsection (b) of section 38, as amended by section 06, is amended by striking "plus" at the end of paragraph (13), by striking the period at the end of paragraph (14) and inserting ", plus", and by adding at the end the following new paragraph:

"(15) the new markets tax credit determined under section 45F(a)."

(2) LIMITATION ON CARRYBACK.—Subsection (d) of section 39 is amended by adding at the end the following new paragraph:

"(11) NO CARRYBACK OF NEW MARKETS TAX CREDIT BEFORE JANUARY 1, 2000.—No portion of the unused business credit for any taxable year which is attributable to the credit under section 45E may be carried back to a taxable year ending before January 1, 2000."

(c) DEDUCTION FOR UNUSED CREDIT.—Subsection (c) of section 196 is amended by striking "and" at the end of paragraph (7), by striking the period at the end of paragraph (8) and inserting ", and", and by adding at the end the following new paragraph:

"(9) the new markets tax credit determined under section 45F(a)."

(d) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by section 06, is amended by adding at the end the following new item:

"Sec. 45F. New markets tax credit."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to investments made after December 31, 2000.

SEC. 23. WAGE CREDITS FOR ROUND 2 EMPOWERMENT ZONES.

(a) IN GENERAL.—Section 1396(b)(2) (relating to special rule) is amended by inserting "or pursuant to section 1391(g)" after "section 1391(b)(2)".

(b) CONFORMING AMENDMENT.—Section 1396 is amended by striking subsection (e).

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect of the date of the enactment of this Act.

SEC. 24. CREDIT FOR INFORMATION TECHNOLOGY TRAINING PROGRAM EXPENSES.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business-related credits), as amended by section 22, is amended by adding at the end the following:

"SEC. 45G. INFORMATION TECHNOLOGY TRAINING PROGRAM EXPENSES.

"(a) GENERAL RULE.—For purposes of section 38, in the case of an employer, the information technology training program credit determined under this section is an amount equal to 20 percent of information technology training program expenses paid or incurred by the taxpayer during the taxable year.

"(b) ADDITIONAL CREDIT PERCENTAGE FOR CERTAIN PROGRAMS.—The percentage under subsection (a) shall be increased by 5 percentage points for information technology training program expenses paid or incurred—

"(1) by the taxpayer with respect to a program operated in—

"(A) an empowerment zone or enterprise community designated under part I of subchapter U,

"(B) a school district in which at least 50 percent of the students attending schools in such district are eligible for free or reduced-cost lunches under the school lunch program established under the National School Lunch Act,

"(C) an area designated as a disaster area by the Secretary of Agriculture or by the President under the Disaster Relief and Emergency Assistance Act in the taxable year or the 4 preceding taxable years,

"(D) a rural enterprise community designated under section 766 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999,

"(E) an area designated by the Secretary of Agriculture as a Rural Economic Area Partnership Zone, or

"(F) an area designated by the Secretary of Agriculture as a Champion Community, or

"(2) by a small employer.

"(c) LIMITATION.—The amount of information technology training program expenses with respect to an individual which may be taken into account under subsection (a) for the taxable year shall not exceed $6,000.

"(d) INFORMATION TECHNOLOGY TRAINING PROGRAM EXPENSES.—For purposes of this section—

"(1) IN GENERAL.—The term 'information technology training program expenses' means expenses paid or incurred by reason of the participation of the employer in any information technology training program.

"(2) INFORMATION TECHNOLOGY TRAINING PROGRAM.—The term 'information technology training program' means a program—

"(A) for the training of—

"(i) computer programmers, systems analysts, and computer scientists or engineers (as such occupations are defined by the Bureau of Labor Statistics), and

"(ii) such other occupations as determined by the Secretary, after consultation with a working group broadly solicited by the Secretary and open to all interested information technology entities and trade and professional associations,

"(B) involving a partnership of—

"(i) employers, and

"(ii) State training programs, school districts, university systems, tribal colleges, or certified commercial information technology training providers, and

"(C) at least 50 percent of the costs of which is paid or incurred by the employers.

"(3) CERTIFIED COMMERCIAL INFORMATION TECHNOLOGY TRAINING PROVIDER.—The term 'certified commercial information technology training providers' means a private sector provider of educational products and services utilized for training in information technology which is certified with respect to—

"(A) the curriculum that is used for the training, or

"(B) the technical knowledge of the instructors of such provider,

by 1 or more software publishers or hardware manufacturers the products of which are a subject of the training.

"(e) SMALL EMPLOYER.—For purposes of this section, the term 'small employer' means, with respect to any calendar year, any employer if such employer employed 200 or fewer employees on each business day in each of 20 or more calendar weeks in such year or the preceding calendar year.

"(f) DENIAL OF DOUBLE BENEFIT.—No deduction or credit under any other provision of this chapter shall be allowed with respect to information technology training program expenses (determined without regard to the limitation under subsection (c)).

"(g) CERTAIN RULES MADE APPLICABLE.—For purposes of this section, rules similar to the rules of section 45A(e)(2) and subsections (c), (d), and (e) of section 52 shall apply."

(b) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—Section 38(b) (relating to current year business credit), as amended by section 22, is amended by striking "plus" at the end of paragraph (14), by striking the period at the end of paragraph (15) and inserting ", plus", and by adding at the end the following:

"(16) the information technology training program credit determined under section 45G."

(c) NO CARRYBACKS.—Subsection (d) of section 39 (relating to carryback and carryforward of unused credits), as amended by section 22, is amended by adding at the end the following:

"(12) NO CARRYBACK OF SECTION 45G CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the information technology training program credit determined under section 45G may be carried back to a taxable year ending before the date of the enactment of section 45G."

(d) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by section 22, is amended by adding at the end the following:

"Sec. 45G. Information technology training program expenses."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 25. RESTORATION OF STANDARDS FOR DETERMINING WHETHER TECHNICAL WORKERS ARE NOT EMPLOYEES.

(a) REPEAL OF SECTION 530(d) OF THE REVENUE ACT OF 1978.—Section 530(d) of the Revenue Act of 1978 (as added by section 1706 of the Tax Reform Act of 1986) is repealed.

(b) EFFECTIVE DATE.—The amendment made by subsection (c) shall apply to periods ending after the date of enactment of this Act.

SEC. ___26. CERTAIN POST-SECONDARY EDUCATIONAL BENEFITS PROVIDED BY AN EMPLOYER TO CHILDREN OF EMPLOYEES EXCLUDABLE FROM GROSS INCOME AS A SCHOLARSHIP.

(a) In General.—Section 117 (relating to qualified scholarships) is amended by adding at the end the following:

"(e) Employer-Provided Post-Secondary Educational Benefits Provided to Children of Employees.—

"(1) In general.—In determining whether any amount is a qualified scholarship for purposes of subsection (a), the fact that such amount is provided in connection with an employment relationship shall be disregarded if—

"(A) such amount is provided by the employer to a child (as defined in section 161(c)(3)) of an employee of such employer,

"(B) such amount is provided pursuant to a plan which meets the nondiscrimination requirements of subsection (d)(3), and

"(C) amounts provided under such plan are in addition to any other compensation payable to employees and such plan does not provide employees with a choice between such amounts and any other benefit.

For purposes of subparagraph (C), the business practices of the employer (as well as such plan) shall be taken into account.

"(2) Dollar limitations.—

"(A) Per child.—The amount excluded from the gross income of the employee by reason of paragraph (1) for a taxable year with respect to amounts provided to each child of such employee shall not exceed $2,000.

"(B) Aggregate limit.—The amount excluded from the gross income of the employee by reason of paragraph (1) for a taxable year (after the application of subparagraph (A)) shall not exceed the excess of the dollar amount contained in section 127(a)(2) over the amount excluded from the employee's gross income under section 127 for such year.

"(3) Principal shareholders and owners.—Paragraph (1) shall not apply to any amount provided to any child of any individual if such individual (or such individual's spouse) owns (on any day of the year) more than 5 percent of the stock or of the capital or profits interest in the employer.

"(4) Special rules of application.—In the case of an amount which is treated as a qualified scholarship by reason of this subsection—

"(A) subsection (a) shall be applied without regard to the requirement that the recipient be a candidate for a degree, and

"(B) subsection (b)(2)(A) shall be applied by substituting 'section 529(e)(5)' for 'section 170(b)(1)(A)(ii)'.

"(5) Certain other rules to apply.—Rules similar to the rules of paragraphs (4), (5), and (7) of section 127(c) shall apply for purposes of this subsection."

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after the date of enactment of this Act.

SEC. 27. INCREASE IN STATE CEILING ON LOW-INCOME HOUSING CREDIT.

(a) In General.—Clause (i) of section 42(h)(3)(C) (relating to State housing credit ceiling) is amended to read as follows:

"(i) the applicable amount under subparagraph (H) multiplied by the State population,".

(b) Applicable Amount.—Paragraph (3) of section 42(h) (relating to housing credit dollar amount for agencies) is amended by adding at the end the following new subparagraph:

"(H) Applicable amount of state ceiling.—For purposes of subparagraph (C)(i), the applicable amount shall be determined under the following table:

"For calendar year—	The applicable amount is—
2000	$1.30
2001	1.35
2002	1.40
2003	1.45
2004	1.50
2005	1.55
2006	1.60
2007	1.65
2008	1.70
2009 and thereafter	1.75."

(c) Effective Date.—The amendments made by this section shall apply to calendar years after 1999.

Subtitle C—Expanding Economic Opportunities

SEC. ___31. WORK OPPORTUNITY CREDIT AND WELFARE-TO-WORK CREDIT.

(a) Temporary Extension.—Sections 51(c)(4)(B) and 51A(f) (relating to termination) are each amended by striking "December 31, 2000" and inserting "December 31, 2004".

(b) Effective Date.—The amendments made by this section shall apply to individuals who begin work for the employer after December 31, 2000.

SEC. ___32. EXTENSION OF CREDIT FOR HOLDERS OF QUALIFIED ZONE ACADEMY BONDS.

Section 1397E(e)(1) (relating to national limitation) is amended by striking "and 1999" and inserting ", 1999, and 2000".

Subtitle D—Promoting Family-Owned Farms and Businesses

SEC. ___41. INCREASE IN ESTATE TAX DEDUCTION FOR FAMILY-OWNED BUSINESS INTEREST.

(a) In General.—Section 2057(a)(2) (relating to maximum deduction) is amended by striking "$675,000" and inserting "$1,125,000".

(b) Conforming Amendments.—Section 2057(a)(3)(B) (relating to coordination with unified credit) is amended by striking "$675,000" each place it appears in the text and heading and inserting "$1,125,000".

(c) Effective Date.—The amendments made by this section shall apply to estates of decedents dying after December 31, 2002.

SEC. 42. INCOME AVERAGING FOR FARMERS NOT TO INCREASE ALTERNATIVE MINIMUM TAX LIABILITY.

(a) In General.—Section 55(c) (defining regular tax) is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following:

"(2) Coordination with income averaging for farmers.—Solely for purposes of this section, section 1301 (relating to averaging of farm income) shall not apply in computing the regular tax."

(b) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. ___43. NET OPERATING LOSS OF FARMERS.

(a) Increase in Carryback Years.—Paragraph (1) of section 172(b) (relating to net operating loss carrybacks and carryforwards) is amended by adding at the end the following new subparagraph:

"(G) Farming losses.—Subparagraph (A) shall be applied—

"(i) in the matter preceding clause (i), by substituting 'any taxable year beginning with the 3rd taxable year after the taxable year of such loss' for 'any taxable year', and

"(ii) in clause (i), by substituting '10 years' for '2 years',

with respect to the portion of the net operating loss of an eligible taxpayer (as defined in subsection (i)) for any taxable year beginning after December 31, 2000, and ending before January 1, 2003, which is a farming loss (as so defined) with respect to the taxpayer."

(b) Definitions and Rules Relating to Farming Losses.—Section 172 is amended by redesignating subsection (i) as subsection (j) and inserting after subsection (h) the following new subsection:

"(i) Definitions and Rules Relating to Farming Losses.—For purposes of this section—

"(1) Farming loss.—

"(A) In general.—The term 'farming loss' means the lesser of—

"(i) the net operating loss of the taxpayer for the taxable year, or

"(ii) the net operating loss of the taxpayer for the taxable year determined by only taking into account items of income and deduction attributable to 1 or more qualified farming business of the taxpayer.

"(B) Dollar limitation.—

"(i) In general.—The farming loss of taxpayer for any taxable year shall not exceed $200,000.

"(ii) Aggregation rules.—

"(I) In general.—All persons treated as 1 employer under subsections (a) or (b) of section 52 shall be treated as 1 person.

"(II) Pass-thru entity.—In the case of a partnership, trust, or other pass-thru entity, the limitation shall be applied at both the entity and the owner level.

"(III) Owner.—The limitation shall be reduced by the amount of farming loss determined for a corporation for which the taxpayer is a 50 percent owner in the taxable year of the corporation ending in the taxable year of the taxpayer owner.

"(2) Eligible taxpayer.—

"(A) In general.—The term 'eligible taxpayer' means a taxpayer which derives more than 50 percent of its gross income for the 3-year period beginning 2 years prior to the current taxable year from qualified farming businesses.

"(B) Qualified farming business.—The term 'qualified farming business' means a trade or business of farming (within the meaning of section 2032A)—

"(i) with respect to which—

"(I) the taxpayer or a member of the family of the taxpayer materially participates (within the meaning of section 2032A(e)(6)), or

"(II) in the case of a taxpayer other than an individual, a 20 percent owner of the taxpayer or a member of the owner's family materially participates (as so defined), and

"(ii) which does not receive in excess of $7,000,000 for sales in a taxable year.

For purposes of clause (i)(II), owners which are members of a single family shall be treated as a single owner.

"(3) Owner.—

"(A) 20 percent owner.—The term '20 percent owner' means any person who would be described in section 416(i)(1)(B)(i) if '20 percent' were substituted for '5 percent' each place it appears in such section.

"(B) 50 percent owner.—The term '50 percent owner' means any person who would be described in section 416(i)(1)(B)(i) if '50 percent' were substituted for '5 percent' each place it appears in such section.

"(4) Coordination with subsection (b)(2).—For purposes of applying subsection (b)(2), a farming loss for any taxable year shall be treated as a separate net operating loss for such taxable year to be taken into account for the remaining portion of the net operating loss for such taxable year.

"(5) ELECTION.—Any taxpayer entitled to a 10-year carryback under subsection (b)(1)(G) from any loss year may elect to have the carryback period with respect to such loss year, and any portion of the farming loss for such year, determined without regard to subsection (b)(1)(G). Such election shall be made in such manner as may be prescribed by the Secretary and shall be made by the due date (including extensions of time) for filing the taxpayer's return for the taxable year of the net operating loss. Such election, once made for any taxable year, shall be irrevocable for the taxable year."

SEC. 44. SMALL BUSINESSES ALLOWED INCREASED DEDUCTION FOR MEAL EXPENSES.

(a) IN GENERAL.—Subsection (n) of section 274 (relating to only 50 percent of meal and entertainment expenses allowed as deduction) is amended by adding at the end the following new paragraph:

"(4) SPECIAL RULE FOR SMALL BUSINESSES.—

"(A) IN GENERAL.—In the case of any taxpayer which is a small business, paragraph (1) shall be applied by substituting for '50 percent' with respect to expenses for food or beverages—

"(i) '55 percent' in the case of taxable years beginning in 2001, and

"(ii) '60 percent' in the case of taxable years beginning after 2001.

"(B) SMALL BUSINESS.—For purposes of this paragraph, the term 'small business' means, with respect to expenses paid or incurred during any taxable year—

"(i) any C corporation which meets the requirements of section 55(e)(1) for such year, and

"(ii) any S corporation, partnership, or sole proprietorship which would meet such requirements if it were a C corporation."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2000.

SEC. 45. TAX EXCLUSION FOR COST-SHARING PAYMENTS UNDER PARTNERS FOR WILDLIFE PROGRAM.

(a) IN GENERAL.—Section 126(a) (relating to certain cost-sharing payments) is amended by redesignating paragraph (10) as paragraph (11) and by inserting after paragraph (9) the following:

"(10) The Partners for Wildlife Program authorized by the Fish and Wildlife Act of 1956 (16 U.S.C. 742a et seq.).".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

Subtitle E—Providing Administrative Relief

SEC. 51. DISCLOSURE OF TAX INFORMATION TO FACILITATE COMBINED EMPLOYMENT TAX REPORTING.

Section 6103(d)(5) is amended to read as follows:

"(5) DISCLOSURE FOR COMBINED EMPLOYMENT TAX REPORTING.—The Secretary may disclose taxpayer identity information and signatures to any agency, body, or commission of any State for the purpose of carrying out with such agency, body, or commission a combined Federal and State employment tax reporting program approved by the Secretary. Subsections (a)(2) and (p)(4) and sections 7213 and 7213A shall not apply with respect to disclosures or inspections made pursuant to this paragraph."

SEC. 52. ENROLLED AGENTS.

(a) IN GENERAL.—Chapter 77 (relating to miscellaneous provisions) is amended by adding at the end the following new section:

"SEC. 7527. ENROLLED AGENTS.

"(a) IN GENERAL.—The Secretary may prescribe such regulations as may be necessary to regulate the conduct of enrolled agents in regards to their practice before the Internal Revenue Service.

"(b) USE OF CREDENTIALS.—

"(1) IN GENERAL.—Any enrolled agent properly licensed to practice before the Internal Revenue Service under subsection (a) shall be allowed to use the credentials 'Enrolled Agent', 'EA', or 'E.A.'.

"(2) PROHIBITION ON INTERFERENCE.—No state, municipality or locality, or agency thereof, shall interfere with the right of enrolled agents to use such credentials as described in paragraph (b)(1)."

(b) CLERICAL AMENDMENT.—The table of sections for chapter 77 is amended by adding at the end the following new item:

"Sec. 7527. Enrolled agents."

(c) PRIOR REGULATIONS.—Nothing in the amendments made by this section shall be construed to have any effect on part 10 of title 31, Code of Federal Regulations, or any other Federal rule or regulation issued before the date of the enactment of this Act.

Subtitle F—Revenue Offsets

SEC. 61. RESTORATION OF PHASE-OUT OF UNIFIED CREDIT.

(a) IN GENERAL.—Paragraph (2) of section 2001(c) is amended by striking "$10,000,000" and all that follows and inserting "$10,000,000. The amount of the increase under the preceding sentence shall not exceed the sum of the applicable credit amount under section 2010(c) (determined without regard to section 2057(a)(3)) and $359,200."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to estates of decedents dying after the date of enactment of this Act.

SEC. 62. REPEAL OF LOWER-OF-COST-OR-MARKET METHOD OF ACCOUNTING FOR INVENTORIES.

(a) IN GENERAL.—Section 471 (relating to general rule for inventories) is amended by redesignating subsection (b) as subsection (c) and by inserting after subsection (a) the following new subsection:

"(b) CERTAIN WRITE-DOWNS NOT PERMITTED; USE OF MARK-DOWNS REQUIRED UNDER RETAIL METHOD.—

"(1) IN GENERAL.—A taxpayer—

"(A) may not use the lower-of-cost-or-market method of accounting for inventories, and

"(B) may not write-down items by reason of being unsalable at normal prices or unusable in the normal way because of damage, imperfections, shop wear, changes of style, odd or broken lots, or other similar causes.

Subparagraph (B) shall not apply to a taxpayer using a mark-to-market method of accounting for both gains and losses in inventory values.

"(2) MARK-DOWNS REQUIRED TO BE TAKEN INTO ACCOUNT UNDER RETAIL METHOD.—The retail method of accounting for inventories shall be applied by taking into account mark-downs in determining the approximate cost of the inventories.

"(3) EXCEPTION FOR CERTAIN SMALL BUSINESSES.—Paragraph (1) shall not apply to any taxpayer for any taxable year if, for all prior taxable years ending on or after the date of the enactment of this subsection, the taxpayer (or any predecessor) met the $5,000,000 gross receipts test of section 448(c).

"(4) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this subsection, including regulations relating to wash-sale-type transactions."

(b) CONFORMING AMENDMENTS.—

(1) Clause (iii) of section 312(n)(4)(C) is amended to read as follows:

"(iii) INVENTORY AMOUNT.—The inventory amount of assets under the first-in, first-out method authorized by section 471 shall be determined using the method authorized to be used by the taxpayer under such section."

(2) Subparagraph (C) of section 1363(d)(4) is amended to read as follows:

"(C) INVENTORY AMOUNT.—The inventory amount of assets under a method authorized by section 471 shall be determined using the method authorized to be used by the corporation under such section."

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this subsection.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer required by this section to change its method of accounting for its first taxable year beginning after the date of the enactment of this subsection—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary of the Treasury, and

(C) the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account ratably over the 4-taxable year period beginning with the first taxable year beginning after such date.

SEC. 63. CONSISTENT AMORTIZATION PERIODS FOR INTANGIBLES.

(a) START-UP EXPENDITURES.—

(1) ALLOWANCE OF DEDUCTION.—Subsection (b) of section 195 (relating to start-up expenditures) is amended by striking paragraph (1), by redesignating paragraph (2) as paragraph (3), and by inserting before paragraph (3), as so redesignated, the following new paragraphs:

"(1) ALLOWANCE OF DEDUCTION.—If a taxpayer elects the application of this subsection with respect to any start-up expenditures—

"(A) the taxpayer shall be allowed a deduction for the taxable year in which the active trade or business begins in an amount equal to the lesser of—

"(i) the amount of start-up expenditures with respect to the active trade or business, or

"(ii) $5,000, reduced (but not below zero) by the amount by which such start-up expenditures exceed $50,000, and

"(B) the remainder of such start-up expenditures shall be allowed as a deduction ratably over the 180-month period beginning with the month in which the active trade or business begins.

"(2) AGGREGATION RULE.—For purposes of paragraph (1), all persons which are treated as a single employer under subsections (a) and (b) of section 52 shall be treated as a single person."

(2) CONFORMING AMENDMENT.—Subsection (b) of section 195 is amended by striking "AMORTIZE" and inserting "DEDUCT" in the heading.

(b) ORGANIZATIONAL EXPENDITURES.—Subsection (a) of section 248 (relating to organizational expenditures) is amended to read as follows:

"(a) ELECTION TO DEDUCT.—

"(1) IN GENERAL.—If a corporation elects the application of this subsection (in accordance with regulations prescribed by the Secretary) with respect to any organizational expenditures—

"(A) the corporation shall be allowed a deduction for the taxable year in which the corporation begins business in an amount equal to the lesser of—

"(i) the amount of organizational expenditures with respect to the taxpayer, or

"(ii) $5,000, reduced (but not below zero) by the amount by which such organizational expenditures exceed $50,000, and

"(B) the remainder of such organizational expenditures shall be allowed as a deduction ratably over the 180-month period beginning with the month in which the corporation begins business.

"(2) AGGREGATION RULE.—For purposes of paragraph (1), all persons which are treated as a single employer under subsection (a) or (b) of section 52 shall be treated as a single person."

(c) TREATMENT OF ORGANIZATIONAL AND SYNDICATION FEES OR PARTNERSHIPS.—Section 709(b) (relating to amortization of organization fees) is amended by redesignating paragraph (2) as paragraph (4) and by amending paragraph (1) to read as follows:

"(1) ALLOWANCE OF DEDUCTION.—If a taxpayer elects the application of this subsection (in accordance with regulations prescribed by the Secretary) with respect to any organizational expenses—

"(A) the taxpayer shall be allowed a deduction for the taxable year in which the partnership begins business in an amount equal to the lesser of—

"(i) the amount of organizational expenses with respect to the partnership, or

"(ii) $5,000, reduced (but not below zero) by the amount by which such organizational expenses exceed $50,000, and

"(B) the remainder of such organizational expenses shall be allowed as a deduction ratably over the 180-month period beginning with the month in which the partnership begins business.

"(2) DISPOSITIONS BEFORE CLOSE OF AMORTIZATION PERIOD.—In any case in which a partnership is liquidated before the end of the period to which paragraph (1)(B) applies, any deferred expenses attributable to the partnership which were not allowed as a deduction by reason of this section may be deducted to the extent allowable under section 165.

"(3) AGGREGATION RULE.—For purposes of paragraph (1), all persons which are treated as a single employer under subsection (a) or (b) of section 52 shall be treated as a single person."

(d) CONFORMING AMENDMENT.—Subsection (b) of section 709 is amended by striking "AMORTIZATION" and inserting "DEDUCTION" in the heading.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after the date of the enactment of this Act.

SEC. 64. EXTENSION OF HAZARDOUS SUBSTANCE SUPERFUND TAXES.

(a) EXTENSION OF TAXES.—

(1) ENVIRONMENTAL TAX.—Section 59A(e) is amended to read as follows:

"(e) APPLICATION OF TAX.—The tax imposed by this section shall apply to taxable years beginning after December 31, 1986, and before January 1, 1996, and to taxable years beginning after December 31, 1999, and before January 1, 2010."

(2) EXCISE TAXES.—Section 4611(e) is amended to read as follows:

"(e) APPLICATION OF HAZARDOUS SUBSTANCE SUPERFUND FINANCING RATE.—The Hazardous Substance Superfund Financing rate under this section shall apply after December 31, 1986, and before January 1, 1996, and after the date of the enactment of the Tax Extenders Act of 1999, and before October 1, 2009."

(b) EFFECTIVE DATES.—

(1) INCOME TAX.—The amendment made by subsection (a)(1) shall apply to taxable years beginning after December 31, 1999.

(2) EXCISE TAX.—The amendment made by subsection (a)(2) shall take effect on the date of the enactment of this Act.

SEC. 65. DISALLOWANCE OF NONECONOMIC TAX ATTRIBUTES.

(a) IN GENERAL.—Section 7701 is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

"(m) DISALLOWANCE OF NONECONOMIC TAX ATTRIBUTES.—

"(1) IN GENERAL.—In determining liability for any tax under subtitle A, noneconomic tax attributes shall not be allowed.

"(2) NONECONOMIC TAX ATTRIBUTE.—For purposes of this subsection, a noneconomic tax attribute is any deduction, loss, or credit claimed to result from any transaction unless—

"(A) the transaction changes in a meaningful way (apart from Federal income tax consequences) the taxpayer's economic position, and

"(B)(i) the present value of the reasonably expected potential income from the transaction (and the taxpayer's risk of loss from the transaction) are substantial in relationship to the present value of the tax benefits claimed, or

"(ii) in the case of a transaction which is in substance the borrowing of money or the acquisition of financial capital, the deductions claimed with respect to the transaction for any period are not significantly in excess of the economic return for such period realized by the person lending the money or providing the financial capital.

"(3) PRESUMPTION OF NONECONOMIC TAX ATTRIBUTES.—For purposes of paragraph (2), the following factors shall give rise to a presumption that a transaction fails to meet the requirements of paragraph (2):

"(A) The fact that the payments, liabilities, or assets that purport to create a loss (or other benefit) for tax purposes are not reflected to any meaningful extent on the taxpayer's books and records for financial reporting purposes.

"(B) The fact that the transaction results in an allocation of income or gain to a tax-indifferent party which is substantially in excess of such party's economic income or gain from the transaction.

"(4) TREATMENT OF BUILT-IN LOSS.—The determination of whether a transaction results in the realization of a built-in loss shall be made under subtitle A as if this subsection had not been enacted. For purposes of the preceding sentence, the term 'built-in loss' means any loss or deduction to the extent that such loss or deduction had economically been incurred before such transaction is entered into and to the extent that the loss or deduction was economically borne by the taxpayer.

"(5) DEFINITION AND SPECIAL RULES.—For purposes of this subsection—

"(A) TAX-INDIFFERENT PARTY.—The term 'tax-indifferent party' means any person or entity exempt from tax under subtitle A. A person shall be treated as a tax-indifferent party with respect to a transaction if, by reason of such person's method of accounting, the items taken into account with respect to the transaction have no substantial impact on such person's liability under subtitle A.

"(B) SERIES OF RELATED TRANSACTION.—A transaction which is part of a series of related transactions shall be treated as meeting the requirements of paragraph (2) only if—

"(i) such transaction meets such requirements without regard to the other transactions, and

"(ii) such transactions, if treated as 1 transaction, would meet such requirements.

A similar rule shall apply to a multiple step transaction with each step being treated as a separate related transaction.

"(C) NORMAL BUSINESS TRANSACTIONS.—In the case of a transaction which is an integral part of a taxpayer's trade or business and which is entered into in the normal course of such trade or business, the determination of the potential income from such transaction shall be made by taking into account its relationship to the overall trade or business of the taxpayer.

"(D) TREATMENT OF FEES.—In determining whether there is risk of loss from a transaction (and the amount thereof), potential loss of fees and other transaction expenses shall be disregarded.

"(E) TREATMENT OF ECONOMIC RETURN ENHANCEMENTS.—The following shall be treated as economic returns and not tax benefits:

"(i) The credit under section 29 (relating to credit for producing fuel from a nonconventional source).

"(ii) The credit under section 42 (relating to low-income housing credit).

"(iii) The credit under section 45 (relating to electricity produced from certain renewable resources).

"(iv) The credit under section 1397E (relating to credit to holders of qualified zone academy bonds) or any similar program hereafter enacted.

"(v) Any other tax benefit specified in regulations.

"(F) EXCEPTIONS FOR NONBUSINESS TRANSACTIONS.—

"(i) INDIVIDUALS.—In the case of an individual, this subsection shall only apply to transactions entered into in connection with a trade or business or activity engaged in for profit.

"(ii) CHARITABLE TRANSFERS.—This subsection shall not apply in determining the amount allowable as a deduction under section 170, 545(b)(2), 556(b)(2), or 642(c).

"(6) ECONOMIC SUBSTANCE DOCTRINE, ETC., NOT AFFECTED.—The provisions of this subsection shall not be construed as altering or supplanting any rule of law referred to in section 6662(i)(2)(B) and the requirements of this subsection shall be construed as being in addition to any such rule of law."

(b) INCREASE IN SUBSTANTIAL UNDERPAYMENT PENALTY WITH RESPECT TO DISALLOWED NONECONOMIC TAX ATTRIBUTES.—Section 6662 (relating to imposition of accuracy-related penalty) is amended by adding at the end the following new subsection:

"(i) INCREASE IN PENALTY IN CASE OF DISALLOWED NONECONOMIC TAX ATTRIBUTES.—

"(1) IN GENERAL.—In the case of the portion of the underpayment to which this subsection applies—

"(A) subsection (a) shall be applied with respect to such portion by substituting '40 percent' for '20 percent', and

"(B) subsection (d)(2)(B) and section 6664(c) shall not apply.

"(2) UNDERPAYMENTS TO WHICH SUBSECTION APPLIES.—This subsection shall apply to an underpayment to which this section applies by reason of paragraph (1) or (2) of subsection (b) to the extent that such underpayment is attributable to—

"(A) the disallowance of any noneconomic tax attribute (determined under section 7701(m)), or

"(B) the disallowance of any other benefit—

"(i) because of a lack of economic substance or business purpose for the transaction giving rise to the claimed benefit,

"(ii) because the form of the transaction did not reflect its substance, or

"(iii) because of any other similar rule of law.

"(3) INCREASE IN PENALTY NOT TO APPLY IF COMPLIANCE WITH DISCLOSURE REQUIREMENTS.—Paragraph (1)(A) shall not apply if the taxpayer—

"(A) discloses to the Secretary within 30 days after the closing of the transaction appropriate documents describing the transaction, and

"(B) files with the taxpayer's return of tax imposed by subtitle A—

"(i) a statement verifying that such disclosure has been made,

"(ii) a detailed description of the facts, assumptions of facts, and factual conclusions with respect to the business or economic purposes or objectives of the transaction that are relied upon to support the manner in which it is reported on the return,

"(iii) a description of the due diligence performed to ascertain the accuracy of such facts, assumptions, and factual conclusions,

"(iv)(I) a statement (signed by the senior financial officer of the corporation under penalty of perjury) that the facts, assumptions, or factual conclusions relied upon in reporting the transaction are true and correct as of the date the return is filed, to the best of such officer's knowledge and belief, and

"(II) if the actual facts varied materially from the facts, assumptions, or factual conclusions relied upon, a statement describing such variances,

"(v) copies of any written material provided in connection with the offer of the transaction to the taxpayer by a third party,

"(vi) a full description of any express or implied agreement or arrangement with any advisor, or with any offeror, that the fee payable to such person would be contingent or subject to possible reimbursement, and

"(vii) a full description of any express or implied warranty from any person with respect to the anticipated tax results from the transaction."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions after the date of the enactment of this Act.

WELLSTONE (AND OTHERS) AMENDMENT NO. 2752

(Ordered to lie on the table.)

Mr. WELLSTONE (for himself, Mr. DASCHLE, Mr. DORGAN, and Mr. HARKIN) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

At the end insert the following:

DIVISION 2—AGRIBUSINESS MERGER MORATORIUM AND ANTITRUST REVIEW ACT OF 1999

SEC. 1. SHORT TITLE.

This division may be cited as the "Agribusiness Merger Moratorium and Antitrust Review Act of 1999".

SEC. 2. FINDINGS.

Congress finds the following:

(1) Concentration in the agricultural economy including mergers, acquisitions, and other combinations and alliances among suppliers, producers, packers, other food processors, and distributors has been accelerating at a rapid pace in the 1990's.

(2) The trend toward greater concentration in agriculture has important and far-reaching implications not only for family-based farmers, but also for the food we eat, the communities we live in, and the integrity of the natural environment upon which we all depend.

(3) In the past decade and a half, the top 4 largest pork packers have seized control of some 57 percent of the market, up from 36 percent. Over the same period, the top 4 beef packers have expanded their market share from 32 percent to 80 percent, the top 4 flour millers have increased their market share from 40 percent to 62 percent, and the market share of the top 4 soybean crushers has jumped from 54 percent to 80 percent.

(4) Today the top 4 sheep, poultry, wet corn, and dry corn processors now control 73 percent, 55 percent, 74 percent, and 57 percent of the market, respectively.

(5) A handful of firms dominate the processing of every major commodity. Many of them are vertically integrated, which means that they control successive stages of the food chain, from inputs to production to distribution.

(6) Growing concentration of the agricultural sector has restricted choices for farmers trying to sell their products. As the bargaining power of agribusiness firms over farmers increases, agricultural commodity markets are becoming stacked against the farmer.

(7) The farmer's share of every retail dollar has plummeted from around 50 percent in 1952, to less than 25 percent today, while the profit share for farm input, marketing, and processing companies has risen.

(8) While agribusiness conglomerates are posting record earnings, farmers are facing desperate times. The commodity price index is the lowest since 1987. Hog prices are at their lowest since 1972. Cotton and soybean prices are the lowest they have been since the early 1970's.

(9) The benefits of low commodity prices are not being passed on to American consumers. The gap between what shoppers pay for food and what farmers are paid is growing wider. From 1984 to 1998, prices paid to farmers fell 36 percent, while consumer food prices actually increased by 3 percent.

(10) Concentration, low prices, anticompetitive practices, and other manipulations and abuses of the agricultural economy are driving family-based farmers out of business. Farmers are going bankrupt or giving up, and few are taking their places; more farm families are having to rely on other jobs to stay afloat; and the number of farmers leaving the land will continue to increase unless and until these trends are reversed.

(11) The decline of family-based agriculture undermines the economies of rural communities across America; it has pushed Main Street businesses, from equipment suppliers to insurance sales people, out of business or to the brink of insolvency.

(12) Increased concentration in the agribusiness sector has a harmful effect on the environment; corporate hog farming, for example, threatens the integrity of local water supplies and creates noxious odors in neighboring communities. Concentration also can increase the risks to food safety and limit the biodiversity of plants and animals.

(13) The decline of family-based farming poses a direct threat to American families and family values, by subjecting farm families to turmoil and stress.

(14) The decline of family-based farming causes the demise of rural communities, as stores lose customers, churches lose congregations, schools and clinics become under-used, career opportunities for young people dry up, and local inequalities of wealth and income grow wider.

(15) These developments are not the result of inevitable market forces. They are the consequence of policies made in Washington, including farm, antitrust, and trade policies.

(16) To restore competition in the agricultural economy, and to increase the bargaining power and enhance economic prospects for family-based farmers, the trend toward concentration must be reversed.

SEC. 3. DEFINITIONS.

In this division:

(1) AGRICULTURAL INPUT SUPPLIER.—The term "agricultural input supplier" means any person (excluding agricultural cooperatives) engaged in the business of selling, in interstate or foreign commerce, any product to be used as an input (including seed, germ plasm, hormones, antibiotics, fertilizer, and chemicals, but excluding farm machinery) for the production of any agricultural commodity, except that no person shall be considered an agricultural input supplier if sales of such products are for a value less than $10,000,000 per year.

(2) BROKER.—The term "broker" means any person (excluding agricultural cooperatives) engaged in the business of negotiating sales and purchases of any agricultural commodity in interstate or foreign commerce for or on behalf of the vendor or the purchaser, except that no person shall be considered a broker if the only sales of such commodities are for a value less than $10,000,000 per year.

(3) COMMISSION MERCHANT.—The term "commission merchant" means any person (excluding agricultural cooperatives) engaged in the business of receiving in interstate or foreign commerce any agricultural commodity for sale, on commission, or for or on behalf of another, except that no person shall be considered a commission merchant if the only sales of such commodities are for a value less than $10,000,000 per year.

(4) DEALER.—The term "dealer" means any person (excluding agricultural cooperatives) engaged in the business of buying, selling, or marketing agricultural commodities in interstate or foreign commerce, except that—

(A) no person shall be considered a dealer with respect to sales or marketing of any agricultural commodity of that person's own raising; and

(B) no person shall be considered a dealer if the only sales of such commodities are for a value less than $10,000,000 per year.

(5) PROCESSOR.—The term "processor" means any person (excluding agricultural cooperatives) engaged in the business of handling, preparing, or manufacturing (including slaughtering) of an agricultural commodity, or the products of such agricultural commodity, for sale or marketing for human consumption, except that no person shall be considered a processor if the only sales of such products are for a value less than $10,000,000 per year.

TITLE I—MORATORIUM ON LARGE AGRIBUSINESS MERGERS

SEC. 101. MORATORIUM ON LARGE AGRIBUSINESS MERGERS.

(a) IN GENERAL.—

(1) MORATORIUM.—Until the date referred to in paragraph (2) and except as provided in subsection (b)—

(A) no dealer, processor, commission merchant, agricultural input supplier, broker, or operator of a warehouse of agricultural commodities with annual net sales or total assets of more than $100,000,000 shall merge or acquire, directly or indirectly, any voting securities or assets of any other dealer, processor, commission merchant, agricultural input supplier, broker, or operator of a warehouse of agricultural commodities with annual net sales or total assets of more than $10,000,000; and

(B) no dealer, processor, commission merchant, agricultural input supplier, broker, or operator of a warehouse of agricultural commodities with annual net sales or total assets of more than $10,000,000 shall merge or acquire, directly or indirectly, any voting securities or assets of any other dealer, processor, commission merchant, agricultural input supplier, broker, or operator of a warehouse of agricultural commodities with annual net sales or total assets of more than $100,000,000 if the acquiring person would hold—

(i) 15 percent or more of the voting securities or assets of the acquired person; or

(ii) an aggregate total amount of the voting securities and assets of the acquired person in excess of $15,000,000.

(2) Date.—The date referred to in this paragraph is the earlier of—

(A) the effective date of comprehensive legislation—

(i) addressing the problem of market concentration in the agricultural sector; and

(ii) containing a section stating that the legislation is comprehensive legislation as provided in section 101 of the Agribusiness Merger Moratorium and Antitrust Review Act of 1999; or

(B) the date that is 18 months after the date of enactment of this division.

(3) Exemptions.—The following classes of transactions are exempt from the requirements of this section—

(1) acquisitions of goods or realty transferred in the ordinary course of business;

(2) acquisitions of bonds, mortgages, deeds of trust, or other obligations which are not voting securities;

(3) acquisitions of voting securities of an issuer at least 50 per centum of the voting securities of which are owned by the acquiring person prior to such acquisition;

(4) transfers to or from a Federal agency or a State or political subdivision thereof; and

(5) acquisitions of voting securities, if, as a result of such acquisition, the voting securities acquired do not increase, directly or indirectly, the acquiring person's per centum share of outstanding voting securities of the issuer.

(b) Waiver Authority.—The Attorney General shall have authority to waive the moratorium imposed by subsection (a) only under extraordinary circumstances, such as insolvency or similar financial distress of 1 of the affected parties.

TITLE II—AGRICULTURE CONCENTRATION AND MARKET POWER REVIEW COMMISSION

SEC. 201. ESTABLISHMENT OF COMMISSION.

(a) Establishment.—There is established a commission to be known as the Agriculture Concentration and Market Power Review Commission (hereafter in this title referred to as the "Commission").

(b) Purposes.—The purpose of the Commission is to—

(1) study the nature and consequences of concentration in America's agricultural economy; and

(2) make recommendations on how to change underlying antitrust laws and other Federal laws and regulations to keep a fair and competitive agriculture marketplace for family farmers, other small and medium sized agriculture producers, generally, and the communities of which they are a part.

(c) Membership of Commission.—

(1) Composition.—The Commission shall be composed of 12 members as follows:

(A) Three persons, one of whom shall be a person currently engaged in farming or ranching, shall be appointed by the President pro tempore of the Senate upon the recommendation of the Majority Leader of the Senate, after consultation with the Chairman of the Committee on Agriculture, Nutrition, and Forestry.

(B) Three persons, one of whom shall be a person currently engaged in farming or ranching, shall be appointed by the President pro tempore of the Senate upon the recommendation of the Minority Leader of the Senate, after consultation with the ranking minority member of the Committee on Agriculture, Nutrition, and Forestry.

(C) Three persons, one of whom shall be a person currently engaged in farming or ranching, shall be appointed by the Speaker of the House of Representatives, after consultation with the Chairman of the Committee on Agriculture.

(D) Three persons, one of whom shall be a person currently engaged in farming or ranching, shall be appointed by the Minority Leader of the House of Representatives, after consultation with the ranking minority member of the Committee on Agriculture.

(2) Qualifications of members.—

(A) Appointments.—Persons who are appointed under paragraph (1) shall be persons who—

(i) have experience in farming or ranching, expertise in agricultural economics and antitrust, or have other pertinent qualifications or experience relating to agriculture and agriculture industries; and

(ii) are not officers or employees of the United States.

(B) Other consideration.—In appointing Commission members, every effort shall be made to ensure that the members—

(i) are representative of a broad cross sector of agriculture and antitrust perspectives within the United States; and

(ii) provide fresh insights to analyzing the causes and impacts of concentration in agriculture industries and sectors.

(d) Period of Appointment; Vacancies.—

(1) In general.—Members shall be appointed not later than 60 days after the date of enactment of this division and the appointment shall be for the life of the Commission.

(2) Vacancies.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(e) Initial Meeting.—Not later than 30 days after the date on which all members of the Commission have been appointed, the Commission shall hold its first meeting.

(f) Meetings.—The Commission shall meet at the call of the Chairperson.

(g) Chairperson and Vice Chairperson.—The members of the Commission shall elect a chairperson and vice chairperson from among the members of the Commission.

(h) Quorum.—A majority of the members of the Commission shall constitute a quorum for the transaction of business.

(i) Voting.—Each member of the Commission shall be entitled to 1 vote, which shall be equal to the vote of every other member of the Commission.

SEC. 202. DUTIES OF THE COMMISSION.

(a) In General.—The Commission shall be responsible for examining the nature, the causes, and consequences concentration in America's agricultural economy in the broadest possible terms.

(b) Issues To Be Addressed.—The study shall include an examination of the following matters:

(1) The nature and extent of concentration in the agricultural sector, including food production, transportation, processing, distribution and marketing, and farm inputs such as machinery, fertilizer, and seeds.

(2) Current trends in concentration of the agricultural sector and what this sector is likely to look like in the near and longer term future.

(3) The effect of this concentration on farmer income.

(4) The impacts of this concentration upon rural communities, rural economic development, and the natural environment.

(5) The impacts of this concentration upon food shoppers, including the reasons that Depression-level farm prices have not resulted in corresponding drops in supermarket prices.

(6) The productivity of family-based farm units, compared with corporate based agriculture, and whether farming is approaching a scale that is larger than necessary from the standpoint of productivity.

(7) The effect of current laws and administrative practices in supporting and encouraging this concentration.

(8) Whether the existing antitrust laws provide adequate safeguards against, and remedies for, the impacts of concentration upon family-based agriculture, the communities they comprise, and the food shoppers of this Nation.

(9) Accurate and reliable data on the national and international markets shares of multinational agribusinesses, and the portion of their sales attributable to exports.

(10) Barriers that inhibit entry of new competitors into markets for the processing of agricultural commodities, such as the meat packing industry.

(11) The extent to which developments, such as formula pricing, marketing agreements, and forward contracting tend to give processors, agribusinesses, and other buyers of agricultural commodities additional market power over producers and suppliers in local markets.

(12) Such related matters as the Commission determines to be important.

SEC. 203. FINAL REPORT.

(a) In General.—Not later than 12 months after the date of the initial meeting of the Commission, the Commission shall submit to the President and Congress a final report which contains—

(1) the findings and conclusions of the Commission described in section 202; and

(2) recommendations for addressing the problems identified as part of the Commission's analysis.

(b) Separate Views.—Any member of the Commission may submit additional findings and recommendations as part of the final report.

SEC. 204. POWERS OF COMMISSION.

(a) Hearings.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission may find advisable to fulfill the requirements of this title. The Commission shall hold at least 1 or more hearings in Washington, D.C., and 4 in different agriculture regions of the United States.

(b) Information From Federal Agencies.—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out the provisions of this title. Upon request of the Chairperson of the Commission, the head of such department or agency shall furnish such information to the Commission.

(c) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

SEC. 205. COMMISSION PERSONNEL MATTERS.

(a) COMPENSATION OF MEMBERS.—Each member of the Commission shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Commission.

(b) TRAVEL EXPENSES.—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(c) STAFF.—

(1) IN GENERAL.—The Chairperson of the Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the Commission to perform its duties. The employment of an executive director shall be subject to confirmation by the Commission.

(2) COMPENSATION.—The Chairperson of the Commission may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(d) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee shall be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

(e) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The Chairperson of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

SEC. 206. SUPPORT SERVICES.

The Administrator of the General Services Administration shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

SEC. 207. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $2,000,000 to the Commission as required by this title to carry out the provisions of this title.

DODD AMENDMENT NO. 2753

(Ordered to lie on the table.)

Mr. DODD submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following:

SEC. . CONSUMER CREDIT.

(a) ENHANCED DISCLOSURES UNDER AN OPEN END CONSUMER CREDIT PLAN.—Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end the following:

"(11)(A) Repayment information that would apply to the outstanding balance of the consumer under the credit plan, including—

"(i) the required minimum monthly payment on that balance, represented as both a dollar figure and as a percentage of that balance;

"(ii) the number of months (rounded to the nearest month) that it would take to pay the entire amount of that balance, if the consumer pays only the required minimum monthly payments and if no further advances are made;

"(iii) the total cost to the consumer, including interest and principal payments, of paying that balance in full, if the consumer pays only the required minimum monthly payments and if no further advances are made; and

"(iv) the monthly payment amount that would be required for the consumer to eliminate the outstanding balance in 36 months if no further advances are made.

"(B)(i) Subject to clause (ii), in making the disclosures under subparagraph (A) the creditor shall apply the interest rate in effect on the date on which the disclosure is made until the date on which the balance would be paid in full.

"(ii) If the interest rate in effect on the date on which the disclosure is made is a temporary rate that will change under a contractual provision applying an index or formula for subsequent interest rate adjustment, the creditor shall apply the interest rate in effect on the date on which the disclosure is made for as long as that interest rate will apply under that contractual provision, and then apply an interest rate based on the index or formula in effect on the applicable billing date.".

(b) CIVIL LIABILITY.—Section 130(a) of the Truth in Lending Act (15 U.S.C. 1640(a)) is amended, in the undesignated paragraph following paragraph (4), by striking the second sentence and inserting the following: "In connection with the disclosures referred to in subsections (a) and (b) of section 127, a creditor shall have a liability determined under paragraph (2) only for failing to comply with the requirements of section 125, 127(a), or paragraph (4), (5), (6), (7), (8), (9), (10), or (11) of section 127(b), or for failing to comply with disclosure requirements under State law for any term or item that the Board has determined to be substantially the same in meaning under section 111(a)(2) as any of the terms or items referred to in section 127(a), or paragraph (4), (5), (6), (7), (8), (9), (10), or (11) of section 127(b).".

DODD (AND KENNEDY) AMENDMENT NO. 2754

(Ordered to lie on the table.)

Mr. DODD (for himself and Mr. KENNEDY) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following:

SEC. . EXTENSIONS OF CREDIT TO UNDERAGE CONSUMERS.

(a) IN GENERAL.—Section 127(c) of the Truth in Lending Act (15 U.S.C. 1637(c)) is amended—

(1) by redesignating paragraph (5) as paragraph (6); and

(2) by inserting after paragraph (4) the following:

"(5) APPLICATIONS FROM UNDERAGE CONSUMERS.—

"(A) PROHIBITION ON ISSUANCE.—No credit card may be issued to, or open end credit plan established on behalf of, a consumer who has not attained the age of 21 unless the consumer has submitted a written application to the card issuer that meets the requirements of subparagraph (B).

"(B) APPLICATION REQUIREMENTS.—An application to open a credit card account by an individual who has not attained the age of 21 as of the date of submission of the application shall require—

"(i) the signature of the parent, legal guardian, or spouse of the consumer, or any other individual having a means to repay debts incurred by the consumer in connection with the account, indicating joint liability for debts incurred by the consumer in connection with the account before the consumer has attained the age of 21; or

"(ii) submission by the consumer of financial information indicating an independent means of repaying any obligation arising from the proposed extension of credit in connection with the account.".

(b) REGULATORY AUTHORITY.—The Board of Governors of the Federal Reserve System may issue such rules or publish such model forms as it considers necessary to carry out section 127(c)(5) of the Truth in Lending Act, as amended by this section.

FEINSTEIN AMENDMENTS NOS. 2755–2756

(Ordered to lie on the table.)

Mrs. FEINSTEIN submitted two amendments intended to be proposed by her to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2755

At the appropriate place, insert the following:

SEC. . ENCOURAGING CREDITWORTHINESS.

(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) certain lenders may sometimes offer credit to consumers indiscriminately, without taking steps to ensure that consumers are capable of repaying the resulting debt, and in a manner which may encourage certain consumers to accumulate additional debt; and

(2) resulting consumer debt may increasingly be a major contributing factor to consumer insolvency.

(b) STUDY REQUIRED.—The Board of Governors of the Federal Reserve System (hereafter in this section referred to as the "Board") shall conduct a study of—

(1) consumer credit industry practices of soliciting and extending credit—

(A) indiscriminately;

(B) without taking steps to ensure that consumers are capable of repaying the resulting debt; and

(C) in a manner that encourages consumers to accumulate additional debt; and

(2) the effects of such practices on consumer debt and insolvency.

(c) REPORT AND REGULATIONS.—Not later than 12 months after the date of enactment of this Act, the Board—

(1) shall make public a report on its findings with respect to the indiscriminate solicitation and extension of credit by the credit industry;

(2) may issue regulations that would require additional disclosures to consumers; and

(3) may take any other actions, consistent with its existing statutory authority, that the Board finds necessary to ensure responsible industrywide practices and to prevent resulting consumer debt and insolvency.

AMENDMENT NO. 2756

At the appropriate place, insert the following:

SEC.   . ENCOURAGING CREDITWORTHINESS.

(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) certain lenders may sometimes offer credit to consumers indiscriminately, without taking steps to ensure that consumers are capable of repaying the resulting debt, and in a manner which may encourage certain consumers to accumulate additional debt; and

(2) resulting consumer debt may increasingly be a major contributing factor to consumer insolvency.

(b) STUDY REQUIRED.—The Board of Governors of the Federal Reserve System (hereafter in this section referred to as the "Board") shall conduct a study of—

(1) consumer credit industry practices of soliciting and extending credit—

(A) indiscriminately;

(B) without taking steps to ensure that consumers are capable of repaying the resulting debt; and

(C) in a manner that encourages consumers to accumulate additional debt; and

(2) the effects of such practices on consumer debt and insolvency.

(c) REPORT AND REGULATIONS.—Not later than 12 months after the date of enactment of this Act, the Board—

(1) shall make public a report on its findings with respect to the indiscriminate solicitation and extension of credit by the credit industry;

(2) may issue regulations that would require additional disclosures to consumers; and

(3) may take any other actions, consistent with its existing statutory authority, that the Board finds necessary to ensure responsible industrywide practices and to prevent resulting consumer debt and insolvency.

BROWNBACK (AND HUTCHISON) AMENDMENT NO. 2757

(Ordered to lie on the table.)

Mr. BROWNBACK (for himself and Mrs. HUTCHISON) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

At the appropriate place in the bill, add the following:

SEC.   . HOMESTEAD EXEMPTION OPT OUT AND PERSONS 65 OR OLDER.

The provisions relating to a Federal homestead exemption shall not apply to debtors if applicable State law provides by statute that such provisions shall not apply to debtors and shall not take effect in any State before the end of the first regular session of the State legislature following the date of enactment of this Act. The federal homestead exemption shall not apply to debtors who are 65 years or older.

ROTH (AND MOYNIHAN) AMENDMENT NO. 2758

(Ordered to lie on the table.)

Mr. ROTH (for himself and Mr. MOYNIHAN) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

Beginning on page 181, strike line 20 and all that follows through page 203, line 17, and insert the following:

TITLE VII—BANKRUPTCY TAX PROVISIONS

SEC. 701. TREATMENT OF CERTAIN LIENS.

(a) TREATMENT OF CERTAIN LIENS.—Section 724 of title 11, United States Code, is amended—

(1) in subsection (b), in the matter preceding paragraph (1), by inserting "(other than to the extent that there is a properly perfected unavoidable tax lien arising in connection with an ad valorem tax on real or personal property of the estate)" after "under this title";

(2) in subsection (b)(2), by inserting "(except that such expenses, other than claims for wages, salaries, or commissions which arise after the filing of a petition, shall be limited to expenses incurred under chapter 7 of this title and shall not include expenses incurred under chapter 11 of this title)" after "507(a)(1)"; and

(3) by adding at the end the following:

"(e) Before subordinating a tax lien on real or personal property of the estate, the trustee shall—

"(1) exhaust the unencumbered assets of the estate; and

"(2) in a manner consistent with section 506(c), recover from property securing an allowed secured claim the reasonable, necessary costs and expenses of preserving or disposing of that property.

"(f) Notwithstanding the exclusion of ad valorem tax liens under this section and subject to the requirements of subsection (e), the following may be paid from property of the estate which secures a tax lien, or the proceeds of such property:

"(1) Claims for wages, salaries, and commissions that are entitled to priority under section 507(a)(4).

"(2) Claims for contributions to an employee benefit plan entitled to priority under section 507(a)(5).".

(b) DETERMINATION OF TAX LIABILITY.—Section 505(a)(2) of title 11, United States Code, is amended—

(1) in subparagraph (A), by striking "or" at the end;

(2) in subparagraph (B), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following:

"(C) the amount or legality of any amount arising in connection with an ad valorem tax on real or personal property of the estate, if the applicable period for contesting or redetermining that amount under any law (other than a bankruptcy law) has expired.".

SEC. 702. TREATMENT OF FUEL TAX CLAIMS.

Section 501 of title 11, United States Code, is amended by adding at the end the following:

"(e) A claim arising from the liability of a debtor for fuel use tax assessed consistent with the requirements of section 31705 of title 49 may be filed by the base jurisdiction designated pursuant to the International Fuel Tax Agreement and, if so filed, shall be allowed as a single claim.".

SEC. 703. NOTICE OF REQUEST FOR A DETERMINATION OF TAXES.

Section 505(b) of title 11, United States Code, is amended—

(1) in the first sentence, by inserting "at the address and in the manner designated in paragraph (1)" after "determination of such tax";

(2) by striking "(1) upon payment" and inserting "(2)(A) upon payment";

(3) by striking "(A) such governmental unit" and inserting "(i) such governmental unit";

(4) by striking "(B) such governmental unit" and inserting "(ii) such governmental unit";

(5) by striking "(2) upon payment" and inserting "(B) upon payment";

(6) by striking "(3) upon payment" and inserting "(C) upon payment";

(7) by striking "(b)" and inserting "(2)"; and

(8) by inserting before paragraph (2), as so designated, the following:

"(b)(1)(A) The clerk of each district shall maintain a listing under which a Federal, State, or local governmental unit responsible for the collection of taxes within the district may—

"(i) designate an address for service of requests under this subsection; and

"(ii) describe where further information concerning additional requirements for filing such requests may be found.

"(B) If a governmental unit referred to in subparagraph (A) does not designate an address and provide that address to the clerk under that subparagraph, any request made under this subsection may be served at the address for the filing of a tax return or protest with the appropriate taxing authority of that governmental unit.".

SEC. 704. RATE OF INTEREST ON TAX CLAIMS.

(a) IN GENERAL.—Subchapter I of chapter 5 of title 11, United States Code, is amended by adding at the end the following:

"§ 511. Rate of interest on tax claims

"(a) If any provision of this title requires the payment of interest on a tax claim or the payment of interest to enable a creditor to receive the present value of the allowed amount of a tax claim, the rate of interest shall be the rate shall be determined under applicable nonbankruptcy law.

"(b) In the case of taxes paid under a confirmed plan under this title, the rate of interest shall be determined as of the calendar month in which the plan is confirmed.".

(b) CLERICAL AMENDMENT.—The table of sections for chapter 5 of title 11, United States Code, is amended by inserting after the item relating to section 510 the following:

"511. Rate of interest on tax claims.".

SEC. 705. PRIORITY OF TAX CLAIMS.

Section 507(a)(8) of title 11, United States Code, is amended—

(1) in subparagraph (A)—

(A) in the matter preceding clause (i), by inserting "for a taxable year ending on or before the date of filing of the petition" after "gross receipts";

(B) in clause (i)—

(i) by striking "for a taxable year ending on or before the date of filing of the petition"; and

(ii) by inserting before the semicolon at the end, the following: ", plus any time during which the stay of proceedings was in effect in a prior case under this title or during which collection was precluded by the existence of 1 or more confirmed plans under this title, plus 90 days"; and

(C) by striking clause (ii) and inserting the following:

"(ii) assessed within 240 days before the date of the filing of the petition, exclusive of—

"(I) any time during which an offer in compromise with respect to that tax was pending or in effect during that 240-day period, plus 30 days; and

"(II) any time during which a stay of proceedings against collections was in effect in a prior case under this title during that 240-day period; plus 90 days."; and

(2) by adding at the end the following:

"(H) An otherwise applicable time period specified in this paragraph shall be suspended for—

"(i) any period during which a governmental unit is prohibited under applicable nonbankruptcy law from collecting a tax as a result of a request by the debtor for a hearing and an appeal of any collection action taken or proposed against the debtor; plus

"(ii) 90 days.".

SEC. 706. PRIORITY PROPERTY TAXES INCURRED.

Section 507(a)(9)(B) of title 11, United States Code, is amended by striking "assessed" and inserting "incurred".

SEC. 707. NO DISCHARGE OF FRAUDULENT TAXES IN CHAPTER 13.

Section 1328(a)(2) of title 11, United States Code, as amended by sections 105, 213, and 314 of this Act, is amended by inserting "(1)(B), (1)(C)," after "paragraph".

SEC. 708. NO DISCHARGE OF FRAUDULENT TAXES IN CHAPTER 11.

Section 1141(d) of title 11, United States Code, is amended by adding at the end the following:

"(5) Notwithstanding paragraph (1), the confirmation of a plan does not discharge a debtor that is a corporation from any debt for a tax or customs duty with respect to which the debtor—

"(A) made a fraudulent return; or

"(B) willfully attempted in any manner to evade or defeat that tax or duty.".

SEC. 709. STAY OF TAX PROCEEDINGS LIMITED TO PREPETITION TAXES.

Section 362(a)(8) of title 11, United States Code, is amended by inserting ", with respect to a tax liability for a taxable period ending before the order for relief under this title" before the semicolon at the end.

SEC. 710. PERIODIC PAYMENT OF TAXES IN CHAPTER 11 CASES.

Section 1129(a)(9) of title 11, United States Code, is amended—

(1) in subparagraph (B), by striking "and" at the end;

(2) in subparagraph (C), by striking "deferred cash payments, over a period not exceeding six years after the date of assessment of such claim," and all that follows through the end of the subparagraph, and inserting "regular installment payments in cash—

"(i) of a total value, as of the effective date of the plan, equal to the allowed amount of such claim;

"(ii) with interest thereon calculated at the rate provided in section 6621(a)(2) of the Internal Revenue Code of 1986;

"(iii) over a period ending not later than 5 years after the date of the entry of the order for relief under section 301, 302, or 303; and

"(iv) in a manner not less favorable than the most favored nonpriority unsecured claim provided for in the plan (other than cash payments made to a class of creditors under section 1122(b)); and"; and

(3) by adding at the end the following:

"(D) with respect to a secured claim which would otherwise meet the description of an unsecured claim of a governmental unit under section 507(a)(8), but for the secured status of that claim, the holder of that claim will receive on account of that claim, cash payments, in the same manner and over the same period, as prescribed in subparagraph (C).".

SEC. 711. AVOIDANCE OF STATUTORY TAX LIENS PROHIBITED.

Section 545(2) of title 11, United States Code, is amended by striking the semicolon at the end and inserting ", except in any case in which a purchaser is a purchaser described in section 6323 of the Internal Revenue Code of 1986, or in any other similar provision of State or local law;".

SEC. 712. PAYMENT OF TAXES IN THE CONDUCT OF BUSINESS.

(a) Payment of Taxes Required.—Section 960 of title 28, United States Code, is amended—

(1) by inserting "(a)" before "Any"; and

(2) by adding at the end the following:

"(b) A tax under subsection (a) shall be paid on or before the due date of the tax under applicable nonbankruptcy law, unless—

"(1) the tax is a property tax secured by a lien against property that is abandoned within a reasonable period of time after the lien attaches by the trustee of a bankruptcy estate under section 554 of title 11; or

"(2) payment of the tax is excused under a specific provision of title 11.

"(c) In a case pending under chapter 7 of title 11, payment of a tax may be deferred until final distribution is made under section 726 of title 11, if—

"(1) the tax was not incurred by a trustee duly appointed under chapter 7 of title 11; or

"(2) before the due date of the tax, an order of the court makes a finding of probable insufficiency of funds of the estate to pay in full the administrative expenses allowed under section 503(b) of title 11 that have the same priority in distribution under section 726(b) of title 11 as the priority of that tax.".

(b) Payment of Ad Valorem Taxes Required.—Section 503(b)(1)(B)(i) of title 11, United States Code, is amended by inserting "whether secured or unsecured, including property taxes for which liability is in rem, in personam, or both," before "except".

(c) Request for Payment of Administrative Expense Taxes Eliminated.—Section 503(b)(1) of title 11, United States Code, is amended—

(1) in subparagraph (B), by striking "and" at the end;

(2) in subparagraph (C), by adding "and" at the end; and

(3) by adding at the end the following:

"(D) notwithstanding the requirements of subsection (a), a governmental unit shall not be required to file a request for the payment of an expense described in subparagraph (B) or (C), as a condition of its being an allowed administrative expense;".

(d) Payment of Taxes and Fees as Secured Claims.—Section 506 of title 11, United States Code, is amended—

(1) in subsection (b), by inserting "or State statute" after "agreement"; and

(2) in subsection (c), by inserting ", including the payment of all ad valorem property taxes with respect to the property" before the period at the end.

SEC. 713. TARDILY FILED PRIORITY TAX CLAIMS.

Section 726(a)(1) of title 11, United States Code, is amended by striking "before the date on which the trustee commences distribution under this section;" and inserting the following: "on or before the earlier of—

"(A) the date that is 10 days after the mailing to creditors of the summary of the trustee's final report; or

"(B) the date on which the trustee commences final distribution under this section;".

SEC. 714. INCOME TAX RETURNS PREPARED BY TAX AUTHORITIES.

Section 523(a) of title 11, United States Code, is amended—

(1) in paragraph (1)(B)—

(A) in the matter preceding clause (i), by inserting "or equivalent report or notice," after "a return,";

(B) in clause (i)—

(i) by inserting "or given" after "filed"; and

(ii) by striking "or" at the end; and

(C) in clause (ii)—

(i) by inserting "or given" after "filed"; and

(ii) by inserting ", report, or notice" after "return"; and

(2) by adding at the end the following flush sentences: "For purposes of this subsection, the term 'return' means a return that satisfies the requirements of applicable nonbankruptcy law (including applicable filing requirements). Such term includes a return prepared pursuant to section 6020(a) of the Internal Revenue Code of 1986, or similar State or local law, or a written stipulation to a judgment or a final order entered by a nonbankruptcy tribunal, but does not include a return made pursuant to section 6020(b) of the Internal Revenue Code of 1986, or a similar State or local law.".

SEC. 715. DISCHARGE OF THE ESTATE'S LIABILITY FOR UNPAID TAXES.

The second sentence of section 505(b) of title 11, United States Code, as amended by section 703 of this Act, is amended by inserting "the estate," after "misrepresentation,".

SEC. 716. REQUIREMENT TO FILE TAX RETURNS TO CONFIRM CHAPTER 13 PLANS.

(a) Filing of Prepetition Tax Returns Required for Plan Confirmation.—Section 1325(a) of title 11, United States Code, as amended by section 213 of this Act, is amended—

(1) in paragraph (6), by striking "and" at the end;

(2) in paragraph (7), by striking the period at the end and inserting "; and"; and

(3) by inserting after paragraph (7) the following:

"(8) if the debtor has filed all applicable Federal, State, and local tax returns as required by section 1308.".

(b) Additional Time Permitted for Filing Tax Returns.—

(1) In general.—Chapter 13 of title 11, United States Code, is amended by adding at the end the following:

"§ 1308. Filing of prepetition tax returns

"(a) Not later than the day before the date on which the meeting of the creditors is first scheduled to be held under section 341(a), the debtor shall file with appropriate tax authorities all tax returns for all taxable periods ending during the 6-year period ending on the date of the filing of the petition.

"(b)(1) Subject to paragraph (2), if the tax returns required by subsection (a) have not been filed by the date on which the meeting of creditors is first scheduled to be held under section 341(a), the trustee may hold open that meeting for a reasonable period of time to allow the debtor an additional period of time to file any unfiled returns, but such additional period of time shall not extend beyond—

"(A) for any return that is past due as of the date of the filing of the petition, the date that is 120 days after the date of that meeting; or

"(B) for any return that is not past due as of the date of the filing of the petition, the later of—

"(i) the date that is 120 days after the date of that meeting; or

"(ii) the date on which the return is due under the last automatic extension of time for filing that return to which the debtor is entitled, and for which request is timely made, in accordance with applicable nonbankruptcy law.

"(2) Upon notice and hearing, and order entered before the tolling of any applicable filing period determined under this subsection, if the debtor demonstrates by clear and convincing evidence that the failure to file a return as required under this subsection is attributable to circumstances beyond the control of the debtor, the court may extend the filing period established by the trustee under this subsection for—

"(A) a period of not more than 30 days for returns described in paragraph (1); and

"(B) a period not to extend after the applicable extended due date for a return described in paragraph (2).

"(c) For purposes of this section, the term 'return' includes a return prepared pursuant to section 6020 (a) or (b) of the Internal Revenue Code of 1986, or a similar State or local law, or a written stipulation to a judgment or a final order entered by a nonbankruptcy tribunal.".

(2) Conforming Amendment.—The table of sections for chapter 13 of title 11, United States Code, is amended by inserting after the item relating to section 1307 the following:

"1308. Filing of prepetition tax returns.".

(c) Dismissal or Conversion on Failure To Comply.—Section 1307 of title 11, United States Code, is amended—

(1) by redesignating subsections (e) and (f) as subsections (f) and (g), respectively; and

(2) by inserting after subsection (d), the following:

"(e) Upon the failure of the debtor to file a tax return under section 1308, on request of a party in interest or the United States trustee and after notice and a hearing, the court shall dismiss a case or convert a case under this chapter to a case under chapter 7 of this title, whichever is in the best interest of the creditors and the estate.".

(d) Timely Filed Claims.—Section 502(b)(9) of title 11, United States Code, is amended by inserting before the period at the end the following ", and except that in a case under chapter 13, a claim of a governmental unit for a tax with respect to a return filed under section 1308 shall be timely if the claim is filed on or before the date that is 60 days after the date on which such return was filed as required".

(e) Rules for Objections to Claims and to Confirmation.—It is the sense of Congress that the Advisory Committee on Bankruptcy Rules of the Judicial Conference should, as soon as practicable after the date of enactment of this Act, propose for adoption amended Federal Rules of Bankruptcy Procedure which provide that—

(1) notwithstanding the provisions of Rule 3015(f), in cases under chapter 13 of title 11, United States Code, an objection to the confirmation of a plan filed by a governmental unit on or before the date that is 60 days after the date on which the debtor files all tax returns required under sections 1308 and 1325(a)(7) of title 11, United States Code; and

(2) in addition to the provisions of Rule 3007, in a case under chapter 13 of title 11, United States Code, no objection to a tax with respect to which a return is required to be filed under section 1308 of title 11, United States Code, shall be filed until such return has been filed as required.

SEC. 717. STANDARDS FOR TAX DISCLOSURE.

Section 1125(a)(1) of title 11, United States Code, is amended—

(1) by inserting "including a discussion of the potential material Federal tax consequences of the plan to the debtor, any successor to the debtor, and a hypothetical investor typical of the holders of claims or interests in the case," after "records"; and

(2) by striking "a hypothetical reasonable investor typical of holders of claims or interests" and inserting "such a hypothetical investor".

SEC. 718. SETOFF OF TAX REFUNDS.

Section 362(b) of title 11, United States Code, as amended by section 402 of this Act, is amended—

(1) in paragraph (25), by striking "or" at the end;

(2) in paragraph (26), by striking the period at the end and inserting "; or"; and

(3) by inserting after paragraph (26) the following:

"(27) under subsection (a), of the setoff under applicable nonbankruptcy law of an income tax refund, by a governmental unit, with respect to a taxable period that ended before the order for relief against an income tax liability for a taxable period that also ended before the order for relief, except that in any case in which the setoff of an income tax refund is not permitted under applicable nonbankruptcy law because of a pending action to determine the amount or legality of a tax liability, the governmental unit may hold the refund pending the resolution of the action, unless the court, upon motion of the trustee and after notice and hearing, grants the taxing authority adequate protection (within the meaning of section 361) for the secured claim of that authority in the setoff under section 506(a).".

SEC. 719. SPECIAL PROVISIONS RELATED TO THE TREATMENT OF STATE AND LOCAL TAXES.

(a) In General.—Section 346 of title 11, United States Code, is amended to read as follows:

"SEC. 346. SPECIAL PROVISIONS RELATED TO THE TREATMENT OF STATE AND LOCAL TAXES.

"(a) Whenever the Internal Revenue Code of 1986 provides that a separate taxable estate or entity is created in a case concerning a debtor under this title, and the income, gain, loss, deductions, and credits of such estate shall be taxed to or claimed by the estate, a separate taxable estate is also created for purposes of any State and local law imposing a tax on or measured by income and such income, gain, loss, deductions, and credits shall be taxed to or claimed by the estate and may not be taxed to or claimed by the debtor. The preceding sentence shall not apply if the case is dismissed. The trustee shall make tax returns of income required under any such State or local law.

"(b) Whenever the Internal Revenue Code of 1986 provides that no separate taxable estate shall be created in a case concerning a debtor under this title, and the income, gain, loss, deductions, and credits of an estate shall be taxed to or claimed by the debtor, such income, gain, loss, deductions, and credits shall be taxed to or claimed by the debtor under a State or local law imposing a tax on or measured by income and may not be taxed to or claimed by the estate. The trustee shall make such tax returns of income of corporations and of partnerships as are required under any State or local law, but with respect to partnerships, shall make said returns only to the extent such returns are also required to be made under such Code. The estate shall be liable for any tax imposed on such corporation or partnership, but not for any tax imposed on partners or members.

"(c) With respect to a partnership or any entity treated as a partnership under a State or local law imposing a tax on or measured by income that is a debtor in a case under this title, any gain or loss resulting from a distribution of property from such partnership, or any distributive share of any income, gain, loss, deduction, or credit of a partner or member that is distributed, or considered distributed, from such partnership, after the commencement of the case, is gain, loss, income, deduction, or credit, as the case may be, of the partner or member, and if such partner or member is a debtor in a case under this title, shall be subject to tax in accordance with subsection (a) or (b).

"(d) For purposes of any State or local law imposing a tax on or measured by income, the taxable period of a debtor in a case under this title shall terminate only if and to the extent that the taxable period of such debtor terminates under the Internal Revenue Code of 1986.

"(e) The estate in any case described in subsection (a) shall use the same accounting method as the debtor used immediately before the commencement of the case, if such method of accounting complies with applicable nonbankruptcy tax law.

"(f) For purposes of any State or local law imposing a tax on or measured by income, a transfer of property from the debtor to the estate or from the estate to the debtor shall not be treated as a disposition for purposes of any provision assigning tax consequences to a disposition, except to the extent that such transfer is treated as a disposition under the Internal Revenue Code of 1986.

"(g) Whenever a tax is imposed pursuant to a State or local law imposing a tax on or measured by income pursuant to subsection (a) or (b), such tax shall be imposed at rates generally applicable to the same types of entities under such State or local law.

"(h) The trustee shall withhold from any payment of claims for wages, salaries, commissions, dividends, interest, or other payments, or collect, any amount required to be withheld or collected under applicable State or local tax law, and shall pay such withheld or collected amount to the appropriate governmental unit at the time and in the manner required by such tax law, and with the same priority as the claim from which such amount was withheld or collected was paid.

"(i)(1) To the extent that any State or local law imposing a tax on or measured by income provides for the carryover of any tax attribute from one taxable period to a subsequent taxable period, the estate shall succeed to such tax attribute in any case in which such estate is subject to tax under subsection (a).

"(2) After such a case is closed or dismissed, the debtor shall succeed to any tax attribute to which the estate succeeded under paragraph (1) to the extent consistent with the Internal Revenue Code of 1986.

"(3) The estate may carry back any loss or tax attribute to a taxable period of the debtor that ended before the order for relief under this title to the extent that—

"(A) applicable State or local tax law provides for a carryback in the case of the debtor; and

"(B) the same or a similar tax attribute may be carried back by the estate to such a taxable period of the debtor under the Internal Revenue Code of 1986.

"(j)(1) For purposes of any State or local law imposing a tax on or measured by income, income is not realized by the estate, the debtor, or a successor to the debtor by reason of discharge of indebtedness in a case under this title, except to the extent, if any, that such income is subject to tax under the Internal Revenue Code of 1986.

"(2) Whenever the Internal Revenue Code of 1986 provides that the amount excluded from gross income in respect of the discharge of indebtedness in a case under this title shall be applied to reduce the tax attributes of the debtor or the estate, a similar reduction shall be made under any State or local law imposing a tax on or measured by income to the extent such State or local law recognizes such attributes. Such State or local law may also provide for the reduction of other attributes to the extent that the full amount of income from the discharge of indebtedness has not been applied.

"(k)(1) Except as provided in this section and section 505, the time and manner of filing tax returns and the items of income, gain, loss, deduction, and credit of any taxpayer shall be determined under applicable nonbankruptcy law.

"(2) For Federal tax purposes, the provisions of this section are subject to the Internal Revenue Code of 1986 and other applicable Federal nonbankruptcy law.".

(b) CONFORMING AMENDMENTS.—

(1) Section 728 of title 11, United States Code, is repealed.

(2) Section 1146 of title 11, United States Code, is amended by striking subsections (a) and (b) and by redesignating subsections (c) and (d) as subsections (a) and (b), respectively.

(3) Section 1231 of title 11, United States Code, is amended by striking subsections (a) and (b) and by redesignating subsections (c) and (d) as subsections (a) and (b), respectively.

SEC. 720. DISMISSAL FOR FAILURE TO TIMELY FILE TAX RETURNS.

Section 521 of title 11, United States Code, as amended by this Act, is amended by adding at the end the following:

"(k)(1) Notwithstanding any other provision of this title, if the debtor fails to file a tax return that becomes due after the commencement of the case or to properly obtain an extension of the due date for filing such return, the taxing authority may request that the court enter an order converting or dismissing the case.

"(2) If the debtor does not file the required return or obtain the extension referred to in paragraph (1) within 90 days after a request is filed by the taxing authority under that paragraph, the court shall convert or dismiss the case, whichever is in the best interests of creditors and the estate.".

On page 268, line 13, strike "1231(d)" and insert "1231(b)".

On page 280, strike lines 16 through 19.

SCHUMER (AND DURBIN) AMENDMENTS NOS. 2759–2760

(Ordered to lie on the table.)

Mr. SCHUMER (for himself and Mr. DURBIN) submitted two amendments intended to be proposed by them to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2759

On page 7, line 15, strike "(ii) The debtor's" and insert the following:

"(ii)(I) Subject to subclause (II), the debtor's".

On page 7, line 21, strike the period and insert the following: ", until such time as the Director of the Executive Office for the United States Trustees issues standards under section 586(f) of title 28, at which time the debtor's monthly expenses shall be the applicable monthly expenses under standards issued by the Director under section 586(f) of title 28, and the applicable monthly (excluding payments for debts) expenses under standards (excluding the national standards) issued by the Internal Revenue Service for the area in which the debtor resides, as in effect on the date of the entry of the order for relief, for the debtor, the dependents of the debtor, and the spouse of the debtor in a joint case, if the spouse is not otherwise a dependent.

"(II) In the case of a debtor who owns the debtor's primary residence, the debtor's monthly expenses shall include reasonably necessary costs of maintaining such primary residence not included in subclause (I) of this clause or clause (iii), including the reasonably necessary costs of utilities, maintenance and repair, homeowners insurance, and property taxes, until such time as the Director of the Executive Office for the United States Trustees issues standards under section 586(f) of title 28.

On page 14, after the matter between lines 18 and 19, insert the following:

(d) STANDARDS FOR ASSESSING CERTAIN EXPENSES.—Section 586 of title 28, United States Code, is amended by adding at the end the following:

"(f)(1) Not later than 1 year after the date of enactment of this subsection, the Director of the Executive Office for the United States Trustees, in consultation with the Secretary of the Treasury, shall issue standards, specific and appropriate to bankruptcy, for assessing the monthly expenses of the debtor under section 707(b)(2) of title 11, for—

"(A) the categories of expenses included under the national standards issued by the Internal Revenue Service; and

"(B) the categories of expenses related to maintaining a primary residence not included in clause (ii)(I) or (iii) of section 707(b)(2)(A) of title 11, including expenses for utilities, maintenance and repair, homeowners insurance, and property taxes, for a debtor who owns the debtor's primary residence.

"(2) In issuing standards under paragraph (1), the Director shall—

"(A) establish set expense amounts at levels that afford debtors adequate and not excessive means to provide for basic living expenses for the categories of expenses described in paragraph (1); and

"(B) ensure that such set expense amounts account for, at a minimum, regional variations in the cost of living and for variations in family size.".

On page 169, line 11, strike "(f)" and insert "(g)".

On page 169, line 13, strike "(f)" and insert "(g)".

On page 172, line 7, strike "(f)" and insert "(g)".

On page 172, line 13, strike "(f)" and insert "(g)".

AMENDMENT NO. 2760

On page 7, line 15, strike "(ii) The debtor's" and insert the following:

"(ii)(I) Subject to subclause (II), the debtor's".

On page 7, line 21, strike the period and insert the following: ", until such time as the Director of the Executive Office for the United States Trustees issues standards under section 586(f) of title 28, at which time the debtor's monthly expenses shall be the applicable monthly expenses under standards issued by the Director under section 586(f) of title 28, and the applicable monthly (excluding payments for debts) expenses under standards (excluding the national standards) issued by the Internal Revenue Service for the area in which the debtor resides, as in effect on the date of the entry of the order for relief, for the debtor, the dependents of the debtor, and the spouse of the debtor in a joint case, if the spouse is not otherwise a dependent.

"(II) In the case of a debtor who owns the debtor's primary residence, the debtor's monthly expenses shall include reasonably necessary costs of maintaining such primary residence not included in subclause (I) of this clause or clause (iii), including the reasonably necessary costs of utilities, maintenance and repair, homeowners insurance, and property taxes, until such time as the Director of the Executive Office for the United States Trustees issues standards under section 586(f) of title 28.

On page 14, after the matter between lines 18 and 19, insert the following:

(d) STANDARDS FOR ASSESSING CERTAIN EXPENSES.—Section 586 of title 28, United States Code, is amended by adding at the end the following:

"(f)(1) Not later than 1 year after the date of enactment of this subsection, the Director of the Executive Office for the United States Trustees, in consultation with the Secretary of the Treasury, shall issue standards, specific and appropriate to bankruptcy, for assessing the monthly expenses of the debtor under section 707(b)(2) of title 11, for—

"(A) the categories of expenses included under the national standards issued by the Internal Revenue Service; and

"(B) the categories of expenses related to maintaining a primary residence not included in clause (ii)(I) or (iii) of section 707(b)(2)(A) of title 11, including expenses for utilities, maintenance and repair, homeowners insurance, and property taxes, for a debtor who owns the debtor's primary residence.

"(2) In issuing standards under paragraph (1), the Director shall—

"(A) establish set expense amounts at levels that afford debtors adequate and not excessive means to provide for basic living expenses for the categories of expenses described in paragraph (1); and

"(B) ensure that such set expense amounts account for, at a minimum, regional variations in the cost of living and for variations in family size.".

On page 169, line 11, strike "(f)" and insert "(g)".

On page 169, line 13, strike "(f)" and insert "(g)".

On page 172, line 7, strike "(f)" and insert "(g)".

On page 172, line 13, strike "(f)" and insert "(g)".

SCHUMER AMENDMENT NO. 2761

(Ordered to lie on the table.)

Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following new section:

SEC. . TRUTH IN LENDING DISCLOSURES.

Section 122(c) of the Truth in Lending Act (15 U.S.C. 1632(c)) is amended—

(1) in paragraph (1), by striking the current text and inserting the following:

"(1) IN GENERAL.—The information described in paragraphs (1), (3)(B)(i)(I), (4)(A), and (4)(C)(i)(I) of section 1637(c) of this title and the long-term annual percentage rate for purchases shall—

"(A) subject to paragraphs (2) and (3) of this subsection, be disclosed in the form and manner which the Board shall prescribe by regulations; and

"(B) be placed in a conspicuous and prominent location on or with any written application, solicitation, or other document or paper with respect to which such disclosure is required."

For purposes of this subsection, the term "long-term annual percentage rate for purchases" means the highest nondefault annual percentage rate for purchases applicable to the credit card account offered, solicited or advertised, calculated at the time of mailing (in the case of an application or solicitation described in paragraph (1) of section 1637(c) of this title) or printing (in the case of an application or solicitation described in paragraphs (3)(B) of section 1637(c) of this title), except that in the case of a credit card account to which an introductory or temporary discounted rate applies, the term "long-term annual percentage rate for purchases" means the highest nondefault annual percentage rate for purchases applicable to the credit card account to which an introductory or temporary discounted rate applies, the term "long-term annual percentage rate for purchases" means the highest nondefeault annual percentage rate for purchases applicable to the credit card account offered, solicited or advertised that will apply after the expiration of the introductory or temporary discounted rate, calculated at the time of mailing (in the case of an application or solicitation described in paragraph (1) of section 1637(c) of this title) or printing (in the case of an application or solicitation described in paragraphs (3)(B) of section 1637(c) of this title)."

(2) in paragraph (2), by striking the current text and inserting the following:

"(2) TABULAR FORMATS FOR CREDIT CARD DISCLOSURES.—

"(A) The long-term annual percentage rate for purchases shall be disclosed on or with a written application or solicitation described in paragraphs (1) or (3)(B) of section 1637(c) of this title in 24-point or larger type and in the form of a table which—

"(i) shall contain a clear and concise heading set forth in the same type size as the long-term annual percentage rate for purchases clearly and concisely;

"(ii) shall state the long-term annual percentage rate for purchases clearly and concisely;

"(iii) where the long-term annual percentage rate for purchases is based on a variable rate, shall use the term 'currently' to describe the long-term annual percentage rate for purchases;

"(iv) where the long-term annual percentage rate for purchases is not the only annual percentage rate applicable to the credit card account offered, solicited or advertised, shall include an asterisk placed immediately following the long-term annual percentage rate for purchases; and

"(v) shall contain no other item of information.

"(B) The information described in paragraphs (1)(A)(ii), (1)(A)(iii), (1)(A)(iv), (1)(B) and (3)(B)(i)(I) of section 1637(c) of this title shall be disclosed on or with a written application or solicitation described in paragraph (1) of section 1637(c) of this title or a written application or solicitation as large as or larger than 8.5 inches in width and 11 inches in length described in paragraph (3)(B) of section 1637(c) of this title in 12-point type and in the form of a table which—

"(i) shall appear separately from and immediately beneath the table described in subparagraph (A) of this paragraph;

"(ii) shall contain clear and concise headings set forth in 12-point type;

"(iii) shall provide a clear and concise form for stating each item of information required to be disclosed under each such heading; and

"(iv) may list the items required to be included in this table in a different order than the order set forth in paragraph (1) of section 1637 of this title, subject to the approval of the Board."

"(C) The information described in paragraphs (1)(A)(ii), 1(A)(iii), (1)(A)(iv), 1(B) and (3)(B)(i)(I) of section 1637(c) of this title shall be disclosed on or with a written application or solicitation smaller than 8.5 inches in width and 11 inches in length described in paragraph (3)(B) of section 1637(c) of this title in 12-point type and shall—

"(i) be set forth separately from and immediately beneath the table described in subparagraph (A) of this paragraph; and

"(ii) not be disclosed in the form of a table.

"(D) Notwithstanding the inclusion of any of the information described in paragraph (1)(A)(i) of section 1637(c) of this title in the table described in subparagraph (A) of this paragraph, the information described in paragraph (1)(A)(i) of section 1637(c) of this title shall be disclosed on or with a written application or solicitation described in paragraphs (1) or (3)(B) of section 1637(c) of this title and shall—

"(i) be set forth in 12-point boldface type;

"(ii) be set forth separately from and immediately beneath the table described in subparagraph (B) of this paragraph or the information described in subparagraph (C) of this paragraph, whichever is applicable;

"(iii) not be disclosed in the form of a table; and

"(iv) where the long-term annual percentage rate for purchase is not the only annual percentage rate applicable to the credit account offered, solicited or advertised, be preceded by an asterisk set forth in 12-point boldface type."

(3) by adding at the end the following:

"(3) TABULAR FORMAT FOR CHARGE CARD DISCLOSURES.—

"(A) In the regulations prescribed under paragraph (1)(A) of this subsection, the Board shall require that the disclosure of the information described in paragraphs (4)(A) and (4)(C)(i)(I) of section 1637(c) of this title shall, to the extent the Board determines to be practicable and appropriate, be in the form of a table which—

"(i) contains clear and concise headings for each item of such information; and

"(ii) provides a clear and concise form for stating each item of information required to be disclosed under each such heading."

"(B) In prescribing the form of the table under subparagraph (A) of this paragraph, the Board may—

"(i) list the items required to be included in the table in a different order than the order set forth in paragraph (4)(A) of section 1637(c) of this title; and

"(ii) employ terminology which is different than the terminology which is employed in section 1637(c) of this title if such terminology conveys substantially the same meaning."

SCHUMER (AND DURBIN) AMENDMENT NO. 2762

(Ordered to lie on the table.)

Mr. SCHUMER (for himself and Mr. DUNKIN) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

On page 9, line 12, strike "As part" and insert "Except as provided under clause (ii), as part".

On page 9, insert between lines 17 and 18 the following:

"(ii) A debtor against whom a judge, United States trustee, panel trustee, bankruptcy administrator, or other party in interest may not, for the reason specified in subparagraph (D), bring a motion alleging abuse of this chapter based upon the presumption established by this paragraph, shall not be required to include calculations that determine whether a presumption arises under this paragraph as part of the schedule of current income and expenditures required under section 521.

On page 9, line 18, strike "(ii)" and insert "(iii)".

On page 9, insert between lines 21 and 22 the following:

"(D)(i) No judge, United States trustee, panel trustee, bankruptcy administrator, or other party in interest shall bring a motion alleging abuse of this chapter based upon the presumption established by this paragraph, if the debtor and the debtor's spouse combined, as of the date of the order for relief, have current monthly total income equal to or less than the national or applicable State median household monthly income calculated (subject to clause (ii)) on a semiannual basis for a household of equal size.

"(ii) For a household of more than 4 individuals, the national or applicable State median household monthly income shall be that of a household of 4 individuals, plus $583 for each additional member of that household.

On page 11, line 9, strike "(A)" and insert "(A)(i) except as provided under clause (ii),".

On page 11, insert between lines 14 and 15 the following:

"(ii) with respect to an individual debtor under this chapter against whom a judge, United States trustee, panel trustee, bankruptcy administrator, or other party in interest may not, for the reason specified in section 707(b)(2)(D), bring a motion alleging abuse of this chapter based upon the presumption established by section 707(b)(2), the United States trustee or bankruptcy administrator shall not be required to file with the court a statement as to whether the debtor's case would be presumed to be an abuse under section 707(b)(2); and

On page 11, line 19, strike "receiving" and insert "filing".

On page 11, line 20, strike "filed".

On page 14, strike lines 8 through 14 and insert the following:

"(5)(A) Only the judge, United States trustee, bankruptcy administrator, or panel trustee may bring a motion under section 707(b), if the current monthly income of the debtor and the debtor's spouse combined, as of the date of the order for relief, when multiplied by 12, is equal to or less than—

"(i) the national or applicable State median household income last reported by the Bureau of the Census for a household of equal size, whichever is greater; or

"(ii) in the case of a household of 1 person, the national or applicable State median household income last reported by the Bureau of the Census for 1 earner, whichever is greater.

"(B) Notwithstanding subparagraph (A), the national or applicable State median household income for a household of more than 4 individuals shall be the national or applicable State median household income last reported by the Bureau of the Census for a household of 4 individuals, whichever is greater, plus $6,996 for each additional member of that household.".

SCHUMER (AND OTHERS) AMENDMENT NO. 2763

(Ordered to lie on the table.)

Mr. SCHUMER (for himself, Mrs. FEINSTEIN, Mr. LEAHY, Mrs. MURRAY, Mr. LAUTENBERG, and Mr. DURBIN) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

On page 124, between lines 14 and 15, insert the following:

SEC. 322. NONDISCHARGEABILITY OF DEBTS INCURRED THROUGH THE COMMISSION OF VIOLENCE AT CLINICS.

Section 523(a) of title 11, United States Code, as amended by section 224 of this Act, is amended—

(1) in paragraph (18), by striking "or" at the end;

(2) in paragraph (19)(B), by striking the period and inserting "; or"; and

(3) by adding at the end the following:

"(20) that results from any judgment, order, consent order, or decree entered in any Federal or State court, or contained in any settlement agreement entered into by the debtor, including any damages, fine, penalty, citation, or attorney fee or cost owed by the debtor, arising from—

"(A) an actual or potential action under section 248 of title 18;

"(B) an actual or potential action under any Federal, State, or local law, the purpose of which is to protect—

"(i) access to a health care facility, including a facility providing reproductive health services, as defined in section 248(e) of title 18 (referred to in this paragraph as a 'health care facility'); or

"(ii) the provision of health services, including reproductive health services (referred to in this paragraph as 'health services');

"(C) an actual or potential action alleging the violation of any Federal, State, or local statutory or common law, including chapter 96 of title 18 and the Federal civil rights laws (including sections 1977 through 1980 of the Revised Statutes) that results from the debtor's actual, attempted, or alleged—

"(i) harassment of, intimidation of, interference with, obstruction of, injury to, threat to, or violence against any person—

"(I) because that person provides or has provided health services;

"(II) because that person is or has been obtaining health services; or

"(III) to deter that person, any other person, or a class of persons from obtaining or providing health services; or

"(ii) damage or destruction of property of a health care facility; or

"(D) an actual or alleged violation of a court order or injunction that protects access to a health care facility or the provision of health services.".

SCHUMER AMENDMENTS NOS. 2764–2767

(Ordered to lie on the table.)

Mr. SCHUMER submitted four amendments intended to be proposed by him to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2764

On page 7, line 9, after "reduced by" insert "estimated administrative expenses and reasonable attorneys' fees, and".

On page 7, strike line 24 through page 8, line 3, and insert the following:

"(I) the sum of—

"(aa) the total of all amounts scheduled as contractually due to secured creditors in each month of the 60 months following the date of the petition; and

"(bb) any additional payments to secured creditors necessary for the debtor, in filing a plan under chapter 13 of this title, to maintain possession of the debtor's property that serves as collateral for secured debts; divided by

"(II) 60.

On page 9, line 6, after "reduced by" insert "estimated administrative expenses and reasonable attorneys' fees, and".

On page 10, strike lines 12 and 13 and insert the following:

(1) in section 101—

(A) by inserting after paragraph (10) the following:

On page 11, insert between lines 2 and 3 the following:

(B) by inserting after paragraph (17) the following:

"(17A) 'estimated administrative expenses and reasonable attorneys' fees' means 10 percent of projected payments under a chapter 13 plan;" and

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AMENDMENT NO. 2765

On page 7, line 15, strike "(ii)" and insert "(ii)(I)".

On page 7, between lines 21 and 22, insert the following:

"(II) In addition, the debtor's monthly expenses shall include the reasonably necessary monthly expenses incurred by a debtor who is eligible to receive or is receiving payments under State unemployment insurance laws, the Federal dislocated workers assistance programs under title III of the Job Training Partnership Act (29 U.S.C. 1501 et seq.) or the successor Workforce Investment Act of 1998 (20 U.S.C. 9201 et seq.), the trade adjustment assistance programs provided for under title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.), or State assistance programs for displaced or dislocated workers and incurred for the purpose of obtaining and maintaining employment.

AMENDMENT NO. 2766

At the appropriate place, insert the following:

SEC. ___. DISCLOSURES RELATED TO "INTRODUCTORY RATES".

Section 127(c) of the Truth in Lending Act (15 U.S.C. 1637(c)) is amended by adding at the end the following:

"(6) ADDITIONAL NOTICE CONCERNING 'INTRODUCTORY RATES'.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), an application or solicitation to open a credit card account that offers a temporary annual percentage rate of interest, either for which a disclosure is required under paragraph (1), or which contains the items described in paragraph (1) and is made available to the public or contained in catalogs, magazines, or other publications, shall, along with all promotional materials accompanying such application or solicitation—

"(i) use the term 'introductory' in immediate proximity to each listing of the temporary annual percentage rate applicable to such account, which term shall appear in the same type size and type style used to state the temporary annual percentage rate;

"(ii) if the annual percentage rate of interest that will apply after the end of the temporary rate period will be a fixed rate, state the following in a prominent location immediately proximate to the most prominent listing of the temporary annual percentage rate (other than a listing of the temporary annual percentage rate in the tabular format described in section 122(c)) on a document and in the same type size and type style used to state the proximate temporary annual percentage rate: the date on which the introductory period will end and the annual percentage rate that will apply after the end of the introductory period; and

"(iii) if the annual percentage rate that will apply after the end of the temporary rate period will vary in accordance with an index, state the following in a prominent location immediately proximate to the most prominent listing of the temporary annual percentage rate (other than a listing in the tabular format prescribed by section 122(c)) on a document and in the same type size and type style used to state the proximate temporary annual percentage rate: the date on which the introductory period will end and the annual percentage rate that would apply if the introductory period ended on the date on which the application or solicitation was printed.

"(B) EXCEPTION.—Clauses (ii) and (iii) of subparagraph (A) do not apply with respect to any listing of a temporary annual percentage rate on an envelope or other enclosure in which an application or solicitation to open a credit card account is mailed.

"(C) CONDITIONS FOR INTRODUCTORY RATES.—An application or solicitation to open a credit card account for which a disclosure is required under paragraph (1), and that offers a temporary annual percentage rate of interest shall, if that rate of interest is revocable under any circumstance or upon any event, clearly and conspicuously disclose, in a prominent manner on or with such application or solicitation—

"(i) any and all circumstances or events that may result in the revocation of the temporary annual percentage rate; and

"(ii) if the annual percentage rate that will apply upon the revocation of the temporary annual percentage rate—

"(I) will be a fixed rate, the annual percentage rate that will apply upon the revocation of the temporary annual percentage rate; or

"(II) will vary in accordance with an index, the annual percentage rate that would apply if the temporary annual percentage rate was revoked on the date on which the application or solicitation was printed.

"(D) DEFINITIONS.—In this paragraph—

"(i) the terms 'temporary annual percentage rate of interest' and 'temporary annual percentage rate' mean any rate of interest applicable to a credit card account for an introductory period of less than 1 year, if that rate is less than the annual percentage rate of interest that will apply if the introductory period ended on the date on which the application was printed; and

"(ii) the term 'introductory period' means the maximum time period for which the temporary annual percentage rate may be applicable.

"(E) RELATION TO OTHER DISCLOSURE REQUIREMENTS.—Nothing in this paragraph may be construed to supersede any disclosure required by paragraph (1) or any other provision of this subsection.".

AMENDMENT NO. 2767

At the appropriate place, insert the following new section:

SEC. . TRUTH IN LENDING DISCLOSURES.

Section 122(c) of the Truth in Lending Act (15 U.S.C. 1632(c)) is amended—

(1) in paragraph (1), by striking the current text and inserting the following:

"(1) IN GENERAL.—The information described in paragraphs (1), (3)(B)(i)(I), (4)(A), and (4)(C)(i)(I) of section 1637(c) of this title and the long-term annual percentage rate for purchases shall—

"(A) subject to paragraph (2) and (3) of this subsection, be disclosed in the form and manner which the Board shall prescribe by regulations; and

"(B) be placed in a conspicuous and prominent location on or with any written application, solicitation, or other document or paper with respect to which such disclosure is required."

For purposes of this subsection, the term "long-term annual percentage rate for purchases" means the highest nondefault annual percentage rate for purchases applicable to the credit card account offered, solicited or advertised, calculated at the time of mailing (in the case of an application or solicitation described in paragraph (1) of section 1637(c) of this title) or printing (in the case of an application or solicitation described in paragraphs (3)(B) of section 1637(c) of this title), except that in the case of a credit card account to which an introductory or temporary discounted rate applies, the term "long-term annual percentage rate for purchases" means the highest nondefault annual percentage rate for purchases applicable to the credit card account offered, solicited or advertised that will apply after the expiration of the introductory or temporary discounted rate, calculated at the time of mailing (in the case of an application or solicitation described in paragraph (1) of section 1637(c) of this title) or printing (in the case of an application or solicitation described in paragraphs (3)(B) of section 1637(c) of this title)."

(2) in paragraph (2), by striking the current text and inserting the following:

"(2) TABULAR FORMATS FOR CREDIT CARD DISCLOSURES.—

"(A) The long-term annual percentage rate for purchases shall be disclosed on or with a written application or solitiation described in paragraphs (1) or (3)(B) of section 1637(c) of title in 24-point or larger type and in the form of a table which—

"(i) shall contain a clear and concise heading set forth in the same type size as the long-term annual percentage rate for purchases;

"(i) shall state the long-term annual percentage rate for purchases clearly and concisely;

"(iii) where the long-term annual percentage rate for purchases is based on a variable rate, shall use the term 'currently' to describe the long-term annual percentage rate for purchases;

"(iv) where the long-term annual percentage rate for purchases is not the only annual percentage rate applicable to the credit card account offered, solicited or advertised, shall include an asterisk placed immediately following the long-term annual percentage rate for purchases; and

"(v) shall contain no other item of information.

"(B) The information described in paragraphs (1)(A)(ii), 1(A)(iii), (1)(A)(iv), 1(B) and (3)(B)(i)(I) of section 1637(c) of this title shall be disclosed on or with a written application or solicitation described in paragraphs (1) or (3)(B) of section 1637(c) of this title in 12-point type and in the form of a table which—

"(i) shall appear separately from and immediately beneath the table described in subparagraph (A) of this paragraph;

"(ii) shall contain clear and concise headings set forth in 12-point type;

"(iii) shall provide a clear and concise form for stating each item of information required to be disclosed under each such heading; and

"(iv) may list the items required to be included in this table in a different order than the order set forth in paragraph (1) of section 1637 of this title, subject to the approval of the Board."

"(C) Notwithstanding the inclusion of any of the information described in paragraph (1)(A)(i) of section 1637(c) of this title in the table described in subparagraph (A) of this paragraph, the information described in paragraph (1)(A)(i) of section 1637(c) of this title shall be disclosed on or with a written application or solicitation described in paragraphs (1) or (3)(B) of section 1637(c) of this title and shall—

"(i) be set forth in 12-point boldface type;

"(ii) be set forth separately from and immediately beneath the table described in subparagraph (B) of this paragraph;

"(iii) not be disclosed in the form of a table; and

"(iv) where the long-term annual percentage rate for purchases is not the only annual percentage rate applicable to the credit card account offered, solicited or advertised, be preceded by an asterisk set forth in 12-point boldface type."

(3) by adding at the end the following:

"(3) TABULAR FORMAT FOR CHARGE CARD DISCLOSURES.—

"(A) In the regulations prescribed under paragraph (1)(A) of this subsection, the Board shall require that the disclosure of the information described in paragraphs (4)(A) and (4)(C)(i)(I) of section 1637(c) of this title shall, to the extent the Board determines to be practicable and appropriate, be in the form of a table which—

"(i) contains clear and concise headings for each item of such information; and

"(ii) provides a clear and concise form for stating each item of information required to be disclosed under each such heading."

"(B) In prescribing the form of the table under subparagraph (A) of this paragraph, the Board may—

"(i) list the items required to be included in the table in a different order than the order set forth in paragraph (4)(A) of section 1637(c) of this title; and

"(ii) employ terminology which is different than the terminology which is employed in section 1637(c) of this title if such terminology conveys substantially the same meaning."

LEVIN AMENDMENT NO. 2768

(Ordered to lie on the table.)

Mr. LEVIN submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following:

SEC. ___ . PROHIBITION ON CERTAIN RETROACTIVE FINANCE CHARGES.

Section 127 of the Truth in Lending Act (15 U.S.C. 1637) is amended by adding at the end the following:

"(h) PROHIBITION ON RETROACTIVE FINANCE CHARGES.—

"(1) IN GENERAL.—In the case of any credit card account under an open end credit plan, if the creditor provides a grace period applicable to any new extension of credit under the account, no finance charge may be imposed subsequent to the grace period with regard to any amount that was paid on or before the end of that grace period.

"(2) DEFINITION.—For purposes of this subsection, the term 'grace period' means a period during which the extension of credit may be repaid, in whole or in part, without incurring a finance charge for the extension of credit.".

DODD AMENDMENT NO. 2769

(Ordered to lie on the table.)

Mr. DODD submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

On page 83, between lines 4 and 5, insert the following:

SEC. 2___ . PROTECTION OF EDUCATION SAVINGS.

(a) EXCLUSIONS.—Section 541 of title 11, United States Code, as amended by section 903, is amended—

(1) in subsection (b)—

(A) in paragraph (5), by striking "or" at the end;

(B) by redesignating paragraph (6) as paragraph (8); and

(C) by inserting after paragraph (5) the following:

"(6) funds placed in an education individual retirement account (as defined in section 530(b)(1) of the Internal Revenue code of 1986) not later than 365 days before the date of filing of the petition, but—

"(A) only if the designated beneficiary of such account was a son, daughter, stepson, stepdaughter, grandchild, or step-grandchild of the debtor for the taxable year for which funds were placed in such account;

"(B) only to the extent that such funds—

"(i) are not pledged or promised to any entity in connection with any extension of credit; and

"(ii) are not excess contributions (as described in section 4973(e) of the Internal Revenue Code of 1986); and

"(C) in the case of funds placed in all such accounts having the same designated beneficiary not earlier than 720 days nor later than 365 days before such date, only so much of such funds as does not exceed $5,000;

"(7) funds used to purchase a tuition credit or certificate or contributed to an account in accordance with section 529(b)(1)(A) of the Internal Revenue Code of 1986 under a qualified State tuition program (as defined in section 529(b)(1) of such Code) not later than 365 days before the date of filing of the petition, but—

"(A) only if the designated beneficiary of the amounts paid or contributed to such tuition program was a son, daughter, stepson, stepdaughter, grandchild, or step-grandchild of the debtor for the taxable year for which funds were paid or contributed;

"(B) with respect to the aggregate amount paid or contributed to such program having the same designated beneficiary, only so much of such amount as does not exceed the total contributions permitted under section 529(b)(7) of such Code with respect to such beneficiary, as adjusted beginning on the date of the filing of the petition by the annual increase or decrease (rounded to the nearest tenth of 1 percent) in the education expenditure category of the Consumer Price Index prepared by the Department of Labor; and

"(C) in the case of funds paid or contributed to such program having the same designated beneficiary not earlier than 720 days nor later than 365 days before such date, only so much of such funds as does not exceed $5,000; or"; and

(2) by adding at the end the following:

"(f) In determining whether any of the relationships specified in paragraph (6)(A) or (7)(A) of subsection (b) exists, a legally adopted child of an individual (and a child who is a member of an individual's household, if placed with such individual by an authorized placement agency for legal adoption by such individual), or a foster child of an individual (if such child has as the child's principal place of abode the home of the debtor and is a member of the debtor's household) shall be treated as a child of such individual by blood.".

(b) DEBTOR'S DUTIES.-Section 521 of title 11, United States Code, as amended by sections 105(d), 304(c)(1), 305(2), 315(b), and 316 of this Act, is amended by adding at the end the following:

"(k) In addition to meeting the requirements under subsection (a), a debtor shall file with the court a record of any interest that a debtor has in an education individual retirement account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986) or under a qualified State tuition program (as defined in section 529(b)(1) of such Code).".

HARKIN AMENDMENT NO. 2270

(Ordered to lie on the table.)

Mr. HARKIN submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the appropriate place in the bill, add the following section:

SEC. . (a) INVALIDATING HIDDEN SECURITY INTERESTS AND NEARLY VALUELESS HOUSEHOLD LIENS.

(1) EXEMPT PROPERTY.—Section 522(f) of title 11, United States Code, is amended by adding at the end the following:

"(4) A lien held by a creditor on an interest of the debtor in any item of household furnishings, household goods, wearing apparel, appliances, books, animals, crops, musical instruments, or jewelry held primarily for the personal, family, or household use of the debtor or a dependent of the debtor shall be void unless—

"(A) the holder of the lien files with the court and serves on the debtor, within 30 days after the meeting of creditors or before the hearing on confirmation of a plan, whichever occurs first, a sworn declaration that the purchase price for the particular item that is subject to such lien exceeded $1,000 or that the item was purchased within 180 days prior to the filing of the bankruptcy petition, and

"(B)(i) the debtor does not timely object to such declaration; or

"(ii)(I) the debtor objects to such declaration; and

"(II) the court finds that the purchase price of the item exceeded $1,000 or that the item was purchased within 180 days prior to the filing of the bankruptcy petition and that such lien is not avoidable under paragraph (f)(1) of this section.".

(2) CONFORMING AMENDMENT.—Section 104(b)(1) of title 11, United States Code, is amended by inserting "552(f)," after "552(d)".

HATCH (AND OTHERS) AMENDMENT NO. 2771

(Ordered to lie on the table.)

Mr. HATCH (for himself, Mr. ASHCROFT, and Mr. ABRAHAM) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following new title:

TITLE —METHAMPHETAMINE AND OTHER CONTROLLED SUBSTANCES

SEC. 01. SHORT TITLE.

This title may be cited as the "Methamphetamine Anti-Proliferation Act of 1999".

Subtitle A—Methamphetamine Production, Trafficking, and Abuse

CHAPTER 1—CRIMINAL PENALTIES

SEC. 11. ENHANCED PUNISHMENT OF AMPHETAMINE LABORATORY OPERATORS.

(a) AMENDMENT TO FEDERAL SENTENCING GUIDELINES.—Pursuant to its authority under section 994(p) of title 28, United States Code, the United States Sentencing Commission shall amend the Federal sentencing guidelines in accordance with this section with respect to any offense relating to the manufacture, importation, exportation, or trafficking in amphetamine (including an attempt or conspiracy to do any of the foregoing) in violation of—

(1) the Controlled Substances Act (21 U.S.C. 801 et seq.);

(2) the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.); or

(3) the Maritime Drug Law Enforcement Act (46 U.S.C. App. 1901 et seq.).

(b) GENERAL REQUIREMENT.—In carrying out this section, the United States Sentencing Commission shall, with respect to each offense described in subsection (a) relating to amphetamine—

(1) review and amend its guidelines to provide for increased penalties such that those penalties are comparable to the base offense level for methamphetamine; and

(2) take any other action the Commission considers necessary to carry out this subsection.

(c) ADDITIONAL REQUIREMENTS.—In carrying out this section, the United States Sentencing Commission shall ensure that the sentencing guidelines for offenders convicted of offenses described in subsection (a) reflect the heinous nature of such offenses, the need for aggressive law enforcement action to fight such offenses, and the extreme dangers associated with unlawful activity involving amphetamines, including—

(1) the rapidly growing incidence of amphetamine abuse and the threat to public safety that such abuse poses;

(2) the high risk of amphetamine addiction;

(3) the increased risk of violence associated with amphetamine trafficking and abuse; and

(4) the recent increase in the illegal importation of amphetamine and precursor chemicals.

(d) EMERGENCY AUTHORITY TO SENTENCING COMMISSION.—The United States Sentencing Commission shall promulgate amendments pursuant to this section as soon as practicable after the date of the enactment of this Act in accordance with the procedure set forth in section 21(a) of the Sentencing Act of 1987 (Public Law 100–182), as though the authority under that Act had not expired.

SEC. 12. ENHANCED PUNISHMENT OF AMPHETAMINE OR METHAMPHETAMINE LABORATORY OPERATORS.

(a) FEDERAL SENTENCING GUIDELINES.—

(1) IN GENERAL.—Pursuant to its authority under section 994(p) of title 28, United States Code, the United States Sentencing Commission shall amend the Federal sentencing guidelines in accordance with paragraph (2) with respect to any offense relating to the manufacture, attempt to manufacture, or conspiracy to manufacture amphetamine or methamphetamine in violation of—

(A) the Controlled Substances Act (21 U.S.C. 801 et seq.);

(B) the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.); or

(C) the Maritime Drug Law Enforcement Act (46 U.S.C. App. 1901 et seq.).

(2) REQUIREMENTS.—In carrying out this paragraph, the United States Sentencing Commission shall—

(A) if the offense created a substantial risk of harm to human life (other than a life described in subparagraph (B)) or the environment, increase the base offense level for the offense—

(i) by not less than 3 offense levels above the applicable level in effect on the date of the enactment of this Act; or

(ii) if the resulting base offense level after an increase under clause (i) would be less than level 27, to not less than level 27; or

(B) if the offense created a substantial risk of harm to the life of a minor or incompetent, increase the base offense level for the offense—

(i) by not less than 6 offense levels above the applicable level in effect on the date of the enactment of this Act; or

(ii) if the resulting base offense level after an increase under clause (i) would be less than level 30, to not less than level 30.

(3) EMERGENCY AUTHORITY TO SENTENCING COMMISSION.—The United States Sentencing Commission shall promulgate amendments pursuant to this subsection as soon as practicable after the date of enactment of this Act in accordance with the procedure set forth in section 21(a) of the Sentencing Act of 1987 (Public Law 100–182), as though the authority under that Act had not expired.

(b) EFFECTIVE DATE.—The amendments made pursuant to this section shall apply with respect to any offense occurring on or after the date that is 60 days after the date of enactment of this Act.

SEC. 13. MANDATORY RESTITUTION FOR VIOLATIONS OF CONTROLLED SUBSTANCES ACT AND CONTROLLED SUBSTANCES IMPORT AND EXPORT ACT RELATING TO AMPHETAMINE AND METHAMPHETAMINE.

(a) MANDATORY RESTITUTION.—Section 413(q) of the Controlled Substances Act (21 U.S.C. 853(q)) is amended—

(1) in the matter preceding paragraph (1), by striking "may" and inserting "shall";

(2) by inserting "amphetamine or" before "methamphetamine" each place it appears;

(3) in paragraph (2)—

(A) by inserting ", the State or local government concerned, or both the United States and the State or local government concerned" after "United States" the first place it appears; and

(B) by inserting "or the State or local government concerned, as the case may be," after "United States" the second place it appears; and

(4) in paragraph (3), by striking "section 3663 of title 18, United States Code" and inserting "section 3663A of title 18, United States Code".

(b) DEPOSIT OF AMOUNTS IN DEPARTMENT OF JUSTICE ASSETS FORFEITURE FUND.—Section 524(c)(4) of title 28, United States Code, is amended—

(1) by striking "and" at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(3) by adding at the end the following:

"(D) all amounts collected—

"(i) by the United States pursuant to a reimbursement order under paragraph (2) of section 413(q) of the Controlled Substances Act (21 U.S.C. 853(q)); and

"(ii) pursuant to a restitution order under paragraph (1) or (3) of section 413(q) of the Controlled Substances Act for injuries to the United States.".

(c) CLARIFICATION OF CERTAIN ORDERS OF RESTITUTION.—Section 3663(c)(2)(B) of title

18, United States Code, is amended by inserting "which may be" after "the fine".

(d) Expansion of Applicability of Mandatory Restitution.—Section 3663A(c)(1)(A)(ii) of title 18, United States Code, is amended by inserting "or under section 416(a) of the Controlled Substances Act (21 U.S.C. 856(a))," after "under this title,".

(e) Treatment of Illicit Substance Manufacturing Operations as Crimes Against Property.—Section 416 of the Controlled Substances Act (21 U.S.C. 856) is amended by adding at the end the following new subsection:

"(c) A violation of subsection (a) shall be considered an offense against property for purposes of section 3663A(c)(1)(A)(ii) of title 18, United States Code.".

SEC. 14. METHAMPHETAMINE PARAPHERNALIA.

Section 422(d) of the Controlled Substances Act (21 U.S.C. 863(d)) is amended in the matter preceding paragraph (1) by inserting "methamphetamine," after "PCP,".

CHAPTER 2—ENHANCED LAW ENFORCEMENT

SEC. 21. ENVIRONMENTAL HAZARDS ASSOCIATED WITH ILLEGAL MANUFACTURE OF AMPHETAMINE AND METHAMPHETAMINE.

(a) Use of Amounts or Department of Justice Assets Forfeiture Fund.—Section 524(c)(1)(E) of title 28, United States Code, is amended—

(1) by inserting "(i) for" before "disbursements";

(2) by inserting "and" after the semicolon; and

(3) by adding at the end the following:

"(ii) for payment for—

"(I) costs incurred by or on behalf of the Department of Justice in connection with the removal, for purposes of Federal forfeiture and disposition, of any hazardous substance or pollutant or contaminant associated with the illegal manufacture of amphetamine or methamphetamine; and

"(II) costs incurred by or on behalf of a State or local government in connection with such removal in any case in which such State or local government has assisted in a Federal prosecution relating to amphetamine or methamphetamine, to the extent such costs exceed equitable sharing payments made to such State or local government in such case;".

(b) Grants Under Drug Control and System Improvement Grant Program.—Section 501(b)(3) of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by inserting before the semicolon the following: "and to remove any hazardous substance or pollutant or contaminant associated with the illegal manufacture of amphetamine or methamphetamine".

(c) Amounts Supplement and Not Supplant.—

(1) Assets forfeiture fund.—Any amounts made available from the Department of Justice Assets Forfeiture Fund in a fiscal year by reason of the amendment made by subsection (a) shall supplement, and not supplant, any other amounts made available to the Department of Justice in such fiscal year from other sources for payment of costs described in section 524(c)(1)(E)(ii) of title 28, United States Code, as so amended.

(2) Grant program.—Any amounts made available in a fiscal year under the grant program under section 501(b)(3) of the Omnibus Crime Control and Safe Streets Act of 1968 for the removal of hazardous substances or pollutants or contaminants associated with the illegal manufacture of amphetamine or methamphetamine by reason of the amendment made by subsection (b) shall supplement, and not supplant, any other amounts made available in such fiscal year from other sources for such removal.

SEC. 22. REDUCTION IN RETAIL SALES TRANSACTION THRESHOLD FOR NON-SAFE HARBOR PRODUCTS CONTAINING PSEUDOEPHEDRINE OR PHENLYPROPANOLAMINE.

(a) Reduction in Transaction Threshold.—Section 102(39)(A)(iv)(II) of the Controlled Substances Act (21 U.S.C. 802(39)(A)(iv)(II) is amended—

(1) by striking "24 grams" both places it appears and inserting "9 grams"; and

(2) by inserting before the semicolon at the end the following: "and sold in package sizes of not more than 3 grams of pseudoephedrine base or 3 grams of phenylpropanolamine base".

(b) Effective Date.—The amendments made by subsection (a) shall take effect one year after the date of the enactment of this Act.

SEC. 23. TRAINING FOR DRUG ENFORCEMENT ADMINISTRATION AND STATE AND LOCAL LAW ENFORCEMENT PERSONNEL RELATING TO CLANDESTINE LABORATORIES.

(a) In General.—

(1) Requirement.—The Administrator of the Drug Enforcement Administration shall carry out the programs described in subsection (b) with respect to the law enforcement personnel of States and localities determined by the Administrator to have significant levels of methamphetamine-related or amphetamine-related crime or projected by the Administrator to have the potential for such levels of crime in the future.

(2) Duration.—The duration of any program under that subsection may not exceed 3 years.

(b) Covered Programs.—The programs described in this subsection are as follows:

(1) Advanced mobile clandestine laboratory training teams.—A program of advanced mobile clandestine laboratory training teams, which shall provide information and training to State and local law enforcement personnel in techniques utilized in conducting undercover investigations and conspiracy cases, and other information designed to assist in the investigation of the illegal manufacturing and trafficking of amphetamine and methamphetamine.

(2) Basic clandestine laboratory certification training.—A program of basic clandestine laboratory certification training, which shall provide information and training—

(A) to Drug Enforcement Administration personnel and State and local law enforcement personnel for purposes of enabling such personnel to meet any certification requirements under law with respect to the handling of wastes created by illegal amphetamine and methamphetamine laboratories; and

(B) to State and local law enforcement personnel for purposes of enabling such personnel to provide the information and training covered by subparagraph (A) to other State and local law enforcement personnel.

(3) Clandestine laboratory recertification and awareness training.—A program of clandestine laboratory recertification and awareness training, which shall provide information and training to State and local law enforcement personnel for purposes of enabling such personnel to provide recertification and awareness training relating to clandestine laboratories to additional State and local law enforcement personnel.

(c) Authorization of Appropriations.—There are authorized to be appropriated for each of fiscal years 2000, 2001, and 2002 amounts as follows:

(1) $1,500,000 to carry out the program described in subsection (b)(1).

(2) $3,000,000 to carry out the program described in subsection (b)(2).

(3) $1,000,000 to carry out the program described in subsection (b)(3).

SEC. 24. COMBATING METHAMPHETAMINE AND AMPHETAMINE IN HIGH INTENSITY DRUG TRAFFICKING AREAS.

(a) In General.—

(1) In general.—The Director of National Drug Control Policy shall use amounts available under this section to combat the trafficking of methamphetamine and amphetamine in areas designated by the Director as high intensity drug trafficking areas.

(2) Activities.—In meeting the requirement in paragraph (1), the Director shall provide funds for—

(A) employing additional Federal law enforcement personnel, or facilitating the employment of additional State and local law enforcement personnel, including agents, investigators, prosecutors, laboratory technicians, chemists, investigative assistants, and drug-prevention specialists; and

(B) such other activities as the Director considers appropriate.

(b) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section—

(1) $15,000,000 for fiscal year 2000; and

(2) such sums as may be necessary for each of fiscal years 2001 through 2004.

(c) Apportionment of Funds.—

(1) Factors in apportionment.—The Director shall apportion amounts appropriated for a fiscal year pursuant to the authorization of appropriations in subsection (b) for activities under subsection (a) among and within areas designated by the Director as high intensity drug trafficking areas based on the following factors:

(A) The number of methamphetamine manufacturing facilities and amphetamine manufacturing facilities discovered by Federal, State, or local law enforcement officials in the previous fiscal year.

(B) The number of methamphetamine prosecutions and amphetamine prosecutions in Federal, State, or local courts in the previous fiscal year.

(C) The number of methamphetamine arrests and amphetamine arrests by Federal, State, or local law enforcement officials in the previous fiscal year.

(D) The amounts of methamphetamine, amphetamine, or listed chemicals (as that term is defined in section 102(33) of the Controlled Substances Act (21 U.S.C. 802(33)) seized by Federal, State, or local law enforcement officials in the previous fiscal year.

(E) Intelligence and predictive data from the Drug Enforcement Administration and the Department of Health and Human Services showing patterns and trends in abuse, trafficking, and transportation in methamphetamine, amphetamine, and listed chemicals (as that term is so defined).

(2) Certification.—Before the Director apportions any funds under this subsection to a high intensity drug trafficking area, the Director shall certify that the law enforcement entities responsible for clandestine methamphetamine and amphetamine laboratory seizures in that area are providing laboratory seizure data to the national clandestine laboratory database at the El Paso Intelligence Center.

(d) LIMITATION ON ADMINISTRATIVE COSTS.—Not more than 5 percent of the amount appropriated in a fiscal year pursuant to the authorization of appropriations for that fiscal year in subsection (b) may be available in that fiscal year for administrative costs associated with activities under subsection (a).

SEC. 25. COMBATING AMPHETAMINE AND METHAMPHETAMINE MANUFACTURING AND TRAFFICKING.

(a) ACTIVITIES.—In order to combat the illegal manufacturing and trafficking in amphetamine and methamphetamine, the Administrator of the Drug Enforcement Administration may—

(1) assist State and local law enforcement in small and mid-sized communities in all phases of investigations related to such manufacturing and trafficking, including assistance with foreign-language interpretation;

(2) staff additional regional enforcement and mobile enforcement teams related to such manufacturing and trafficking;

(3) establish additional resident offices and posts of duty to assist State and local law enforcement in rural areas in combating such manufacturing and trafficking;

(4) provide the Special Operations Division of the Administration with additional agents and staff to collect, evaluate, interpret, and disseminate critical intelligence targeting the command and control operations of major amphetamine and methamphetamine manufacturing and trafficking organizations;

(5) enhance the investigative and related functions of the Chemical Control Program of the Administration to implement more fully the provisions of the Comprehensive Methamphetamine Control Act of 1996 (Public Law 104-237);

(6) design an effective means of requiring an accurate accounting of the import and export of list I chemicals, and coordinate investigations relating to the diversion of such chemicals;

(7) develop a computer infrastructure sufficient to receive, process, analyze, and redistribute time-sensitive enforcement information from suspicious order reporting to field offices of the Administration and other law enforcement and regulatory agencies, including the continuing development of the Suspicious Order Reporting and Tracking System (SORTS) and the Chemical Transaction Database (CTRANS) of the Administration;

(8) establish an education, training, and communication process in order to alert the industry to current trends and emerging patterns in the illegal manufacturing of amphetamine and methamphetamine; and

(9) carry out such other activities as the Administrator considers appropriate.

(b) ADDITIONAL POSITIONS AND PERSONNEL.—

(1) IN GENERAL.—In carrying out activities under subsection (a), the Administrator may establish in the Administration not more than 50 full-time positions, including not more than 31 special-agent positions, and may appoint personnel to such positions.

(2) PARTICULAR POSITIONS.—In carrying out activities under paragraphs (5) through (8) of subsection (a), the Administrator may establish in the Administration not more than 15 full-time positions, including not more than 10 diversion investigator positions, and may appoint personnel to such positions. Any positions established under this paragraph are in addition to any positions established under paragraph (1).

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Drug Enforcement Administration for each fiscal year after fiscal year 1999, $9,500,000 for purposes of carrying out the activities authorized by subsection (a) and employing personnel in positions established under subsection (b), of which $3,000,000 shall be available for activities under paragraphs (5) through (8) of subsection (a) and employing personnel in positions established under subsection (b)(2).

CHAPTER 3—ABUSE PREVENTION AND TREATMENT

SEC. 31. EXPANSION OF METHAMPHETAMINE RESEARCH.

Section 464N of the Public Health Service Act (42 U.S.C. 285o-2) is amended by adding at the end the following:

"(c) METHAMPHETAMINE RESEARCH.—

"(1) GRANTS OR COOPERATIVE AGREEMENTS.—The Director of the Institute may make grants or enter into cooperative agreements to expand the current and on-going interdisciplinary research and clinical trials with treatment centers of the National Drug Abuse Treatment Clinical Trials Network relating to methamphetamine abuse and addiction and other biomedical, behavioral, and social issues related to methamphetamine abuse and addiction.

"(2) USE OF FUNDS.—Amounts made available under a grant or cooperative agreement under paragraph (1) for methamphetamine abuse and addiction may be used for research and clinical trials relating to—

"(A) the effects of methamphetamine abuse on the human body, including the brain;

"(B) the addictive nature of methamphetamine and how such effects differ with respect to different individuals;

"(C) the connection between methamphetamine abuse and mental health;

"(D) the identification and evaluation of the most effective methods of prevention of methamphetamine abuse and addiction;

"(E) the identification and development of the most effective methods of treatment of methamphetamine addiction, including pharmacological treatments;

"(F) risk factors for methamphetamine abuse;

"(G) effects of methamphetamine abuse and addiction on pregnant women and their fetuses; and

"(H) cultural, social, behavioral, neurological and psychological reasons that individuals abuse methamphetamine, or refrain from abusing methamphetamine.

"(3) RESEARCH RESULTS.—The Director shall promptly disseminate research results under this subsection to Federal, State and local entities involved in combating methamphetamine abuse and addiction.

"(4) AUTHORIZATION OF APPROPRIATIONS.—

"(A) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out paragraph (1), such sums as may be necessary for each fiscal year.

"(B) SUPPLEMENT NOT SUPPLANT.—Amounts appropriated pursuant to the authorization of appropriations in subparagraph (A) for a fiscal year shall supplement and not supplant any other amounts appropriated in such fiscal year for research on methamphetamine abuse and addiction.".

SEC. 32. METHAMPHETAMINE AND AMPHETAMINE TREATMENT INITIATIVE BY CENTER FOR SUBSTANCE ABUSE TREATMENT.

Subpart 1 of part B of title V of the Public Health Service Act (42 U.S.C. 290bb et seq.) is amended by adding at the end the following new section:

"METHAMPHETAMINE AND AMPHETAMINE TREATMENT INITIATIVE

"SEC. 514. (a) GRANTS.—

"(1) AUTHORITY TO MAKE GRANTS.—The Director of the Center for Substance Abuse Treatment may make grants to States and Indian tribes recognized by the United States that have a high rate, or have had a rapid increase, in methamphetamine or amphetamine abuse or addiction in order to permit such States and Indian tribes to expand activities in connection with the treatment of methamphetamine or amphetamine abuser or addiction in the specific geographical areas of such States or Indian tribes, as the case may be, where there is such a rate or has been such an increase.

"(2) RECIPIENTS.—Any grants under paragraph (1) shall be directed to the substance abuse directors of the States, and of the appropriate tribal government authorities of the Indian tribes, selected by the Director to receive such grants.

"(3) NATURE OF ACTIVITIES.—Any activities under a grant under paragraph (1) shall be based on reliable scientific evidence of their efficacy in the treatment of methamphetamine or amphetamine abuse or addiction.

"(b) GEOGRAPHIC DISTRIBUTION.—The Director shall ensure that grants under subsection (a) are distributed equitably among the various regions of the country and among rural, urban, and suburban areas that are affected by methamphetamine or amphetamine abuse or addiction.

"(c) ADDITIONAL ACTIVITIES.—The Director shall—

"(1) evaluate the activities supported by grants under subsection (a);

"(2) disseminate widely such significant information derived from the evaluation as the Director considers appropriate to assist States, Indian tribes, and private providers of treatment services for methamphetamine or amphetamine abuser or addiction in the treatment of methamphetamine or amphetamine abuse or addiction; and

"(3) provide States, Indian tribes, and such providers with technical assistance in connection with the provision of such treatment.

"(d) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There are authorized to be appropriated to carry out this section $10,000,000 for fiscal year 2000 and such sums as may be necessary for each of fiscal years 2001 and 2002.

"(2) USE OF CERTAIN FUNDS.—Of the funds appropriated to carry out this section in any fiscal year, the lesser of 5 percent of such funds or $1,000,000 shall be available to the Director for purposes of carrying out subsection (c).".

SEC. 33. EXPANSION OF METHAMPHETAMINE ABUSE PREVENTION EFFORTS.

(a) EXPANSION OF EFFORTS.—Section 515 of the Public Health Service Act (42 U.S.C. 290bb-21) is amended by adding at the end the following:

"(e)(1) The Administrator may make grants to and enter into contracts and cooperative agreements with public and nonprofit private entities to enable such entities—

"(A) to carry out school-based programs concerning the dangers of abuse of and addiction to methamphetamine and other illicit drugs, using methods that are effective and science-based, including initiatives that give students the responsibility to create their own anti-drug abuse education programs for their schools; and

"(B) to carry out community-based abuse and addiction prevention programs relating to methamphetamine and other illicit drugs that are effective and science-based.

"(2) Amounts made available under a grant, contract or cooperative agreement under paragraph (1) shall be used for planning, establishing, or administering prevention programs relating to methamphetamine and other illicit drugs in accordance with paragraph (3).

"(3)(A) Amounts provided under this subsection may be used—

"(i) to carry out school-based programs that are focused on those districts with high or increasing rates of methamphetamine abuse and addiction and targeted at populations which are most at risk to start abuse of methamphetamine and other illicit drugs;

"(ii) to carry out community-based prevention programs that are focused on those populations within the community that are most at-risk for abuse of and addiction to methamphetamine and other illicit drugs;

"(iii) to assist local government entities to conduct appropriate prevention activities relating to methamphetamine and other illicit drugs;

"(iv) to train and educate State and local law enforcement officials, prevention and education officials, members of community anti-drug coalitions and parents on the signs of abuse of and addiction to methamphetamine and other illicit drugs, and the options for treatment and prevention;

"(v) for planning, administration, and educational activities related to the prevention of abuse of and addiction to methamphetamine and other illicit drugs;

"(vi) for the monitoring and evaluation of prevention activities relating to methamphetamine and other illicit drugs, and reporting and disseminating resulting information to the public; and

"(vii) for targeted pilot programs with evaluation components to encourage innovation and experimentation with new methodologies.

"(B) The Administrator shall give priority in making grants under this subsection to rural and urban areas that are experiencing a high rate or rapid increases in methamphetamine abuse and addiction.

"(4)(A) Not less than $500,000 of the amount available in each fiscal year to carry out this subsection shall be made available to the Administrator, acting in consultation with other Federal agencies, to support and conduct periodic analyses and evaluations of effective prevention programs for abuse of and addiction to methamphetamine and other illicit drugs and the development of appropriate strategies for disseminating information about and implementing these programs.

"(B) The Administrator shall submit to the committees of Congress referred to in subparagraph (C) an annual report with the results of the analyses and evaluation under subparagraph (A).

"(C) The committees of Congress referred to in this subparagraph are the following:

"(i) The Committees on Health, Education, Labor, and Pensions, the Judiciary, and Appropriations of the Senate.

"(ii) The Committees on Commerce, the Judiciary, and Appropriations of the House of Representatives.".

(b) Authorization of Appropriations for Expansion of Abuse Prevention Efforts and Practitioner Registration Requirements.—There is authorized to be appropriated to carry out section 515(e) of the Public Health Service Act (as added by subsection (a)) and section 303(g)(2) of the Controlled Substances Act (as added by section 18(a) of this Act), $15,000,000 for fiscal year 2000, and such sums as may be necessary for each succeeding fiscal year.

SEC. 34. STUDY OF METHAMPHETAMINE TREATMENT.

(a) Study.—

(1) Requirement.—The Secretary of Health and Human Services shall, in consultation with the Institute of Medicine of the National Academy of Sciences, conduct a study on the development of medications for the treatment of addiction to amphetamine and methamphetamine.

(2) Report.—Not later than nine months after the date of the enactment of this Act, the Secretary shall submit to the Committees on the Judiciary of the Senate and House of Representatives a report on the results of the study conducted under paragraph (1).

(b) Authorization of Appropriations.—There are hereby authorized to be appropriated for the Department of Health and Human Services for fiscal year 2000 such sums as may be necessary to meet the requirements of subsection (a).

CHAPTER 4—REPORTS

SEC. 41. REPORTS ON CONSUMPTION OF METHAMPHETAMINE AND OTHER ILLICIT DRUGS IN RURAL AREAS, METROPOLITAN AREAS, AND CONSOLIDATED METROPOLITAN AREAS.

The Secretary of Health and Human Services shall include in each National Household Survey on Drug Abuse appropriate prevalence data and information on the consumption of methamphetamine and other illicit drugs in rural areas, metropolitan areas, and consolidated metropolitan areas.

SEC. 42. REPORT ON DIVERSION OF ORDINARY OVER-THE-COUNTER PSEUDOEPHEDRINE AND PHENYLPROPANOLAMINE PRODUCTS.

(a) Study.—The Attorney General shall conduct a study of the use of ordinary over-the-counter pseudoephedrine and phenylpropanolamine products in the clandestine production of illicit drugs. Sources of data for the study shall include the following:

(1) Information from Federal, State, and local clandestine laboratory seizures and related investigations identifying the source, type, or brand of drug products being utilized and how they were obtained for the illicit production of methamphetamine and amphetamine.

(2) Information submitted voluntarily from the pharmaceutical and retail industries involved in the manufacture, distribution, and sale of drug products containing ephedrine, pseudoephedrine, and phenylpropanolamine, including information on changes in the pattern, volume, or both, of sales of ordinary over-the-counter pseudoephedrine and phenylpropanolamine products.

(b) Report.—

(1) Requirement.—Not later than April 1, 2001, the Attorney General shall submit to Congress a report on the study conducted under subsection (a).

(2) Elements.—The report shall include—

(A) the findings of the Attorney General as a result of the study; and

(B) such recommendations on the need to establish additional measures to prevent diversion of ordinary over-the-counter pseudoephedrine and phenylpropanolamine (such as a threshold on ordinary over-the-counter pseudoephedrine and phenylpropanolamine products) as the Attorney General considers appropriate.

(3) Matters considered.—In preparing the report, the Attorney General shall consider the comments and recommendations of State and local law enforcement and regulatory officials and of representatives of the industry described in subsection (a)(2).

Subtitle B—Controlled Substances Generally

CHAPTER 1—CRIMINAL MATTERS

SEC. 51. ENHANCED PUNISHMENT FOR TRAFFICKING IN LIST I CHEMICALS.

(a) Amendments to Federal Sentencing Guidelines.—Pursuant to its authority under section 994(p) of title 28, United States, the United States Sentencing Commission shall amend the Federal sentencing guidelines in accordance with this section with respect to any violation of paragraph (1) or (2) of section 401(d) of the Controlled Substances Act (21 U.S.C. 841(d)) involving a list I chemical and any violation of paragraph (1) or (3) of section 1010(d) of the Controlled Substance Import and Export Act (21 U.S.C. 960(d)) involving a list I chemical.

(b) Ephedrine, Phenylpropanolamine, and Pseudoephedrine.—

(1) In general.—In carrying this section, the United States Sentencing Commission shall, with respect to each offense described in subsection (a) involving ephedrine, phenylpropanolamine, or pseudoephedrine (including their salts, optical isomers, and salts of optical isomers), review and amend its guidelines to provide for increased penalties such that those penalties corresponded to the quantity of controlled substance that could reasonably have been manufactured using the quantity of ephedrine, phenylpropanolamine, or pseudoephedrine possessed or distributed.

(2) Conversion ratios.—For the purposes of the amendments made by this subsection, the quantity of controlled substance that could reasonably have been manufactured shall be determined by using a table of manufacturing conversion ratios for ephedrine, phenylpropanolamine, and pseudoephedrine, which table shall be established by the Sentencing Commission based on scientific, law enforcement, and other data the Sentencing Commission considers appropriate.

(c) Other List I Chemicals.—In carrying this section, the United States Sentencing Commission shall, with respect to each offense described in subsection (a) involving any list I chemical other than ephedrine, phenylpropanolamine, or pseudoephedrine, review and amend its guidelines to provide for increased penalties such that those penalties reflect the dangerous nature of such offenses, the need for aggressive law enforcement action to fight such offenses, and the extreme dangers associated with unlawful activity involving methamphetamine and amphetamine, including—

(1) the rapidly growing incidence of controlled substance manufacturing;

(2) the extreme danger inherent in manufacturing controlled substances;

(3) the threat to public safety posed by manufacturing controlled substances; and

(4) the recent increase in the importation, possession, and distribution of list I chemicals for the purpose of manufacturing controlled substances.

(d) Emergency Authority to Sentencing Commission.—The United States Sentencing Commission shall promulgate amendments pursuant to this section as soon as practicable after the date of the enactment of this Act in accordance with the procedure set forth in section 21(a) of the Sentencing Act of 1987 (Public Law 100–182), as though the authority under that Act had not expired.

SEC. 52. MAIL ORDER REQUIREMENTS.

Section 310(b)(3) of the Controlled Substances Act (21 U.S.C. 830(b)(3)) is amended—

(1) by redesignating subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively;

(2) by inserting before subparagraph (B), as so redesignated, the following new subparagraph (A):

"(A) As used in this paragraph:

"(i) The term 'drug product' means an active ingredient in dosage form that has been approved or otherwise may be lawfully marketed under the Food, Drug, and Cosmetic Act for distribution in the United States.

"(ii) The term 'valid prescription' means a prescription which is issued for a legitimate medical purpose by an individual practitioner licensed by law to administer and prescribe the drugs concerned and acting in the usual course of the practitioner's professional practice.";

(3) in subparagraph (B), as so redesignated, by inserting "or who engages in an export transaction" after "nonregulated person"; and

(4) adding at the end the following:

"(D) Except as provided in subparagraph (E), the following distributions to a nonregulated person, and the following export transactions, shall not be subject to the reporting requirement in subparagraph (B):

"(i) Distributions of sample packages of drug products when such packages contain not more than 2 solid dosage units or the equivalent of 2 dosage units in liquid form, not to exceed 10 milliliters of liquid per package, and not more than one package is distributed to an individual or residential address in any 30-day period.

"(ii) Distributions of drug products by retail distributors that may not include face-to-face transactions to the extent that such distributions are consistent with the activities authorized for a retail distributor as specified in section 102(46).

"(iii) Distributions of drug products to a resident of a long term care facility (as that term is defined in regulations prescribed by the Attorney General) or distributions of drug products to a long term care facility for dispensing to or for use by a resident of that facility.

"(iv) Distributions of drug products pursuant to a valid prescription.

"(v) Exports which have been reported to the Attorney General pursuant to section 1004 or 1018 or which are subject to a waiver granted under section 1018(e)(2).

"(vi) Any quantity, method, or type of distribution or any quantity, method, or type of distribution of a specific listed chemical (including specific formulations or drug products) or of a group of listed chemicals (including specific formulations or drug products) which the Attorney General has excluded by regulation from such reporting requirement on the basis that such reporting is not necessary for the enforcement of this title or title III.

"(E) The Attorney General may revoke any or all of the exemptions listed in subparagraph (D) for an individual regulated person if he finds that drug products distributed by the regulated person are being used in violation of this title or title III. The regulated person shall be notified of the revocation, which will be effective upon receipt by the person of such notice, as provided in section 1018(c)(1), and shall have the right to an expedited hearing as provided in section 1018(c)(2).".

SEC. 53. INCREASED PENALTIES FOR DISTRIBUTING DRUGS TO MINORS.

Section 418 of the Controlled Substances Act (21 U.S.C. 859) is amended—

(1) in subsection (a), by striking "one year" and inserting "3 years"; and

(2) in subsection (b), by striking "one year" and inserting "5 years".

SEC. 54. INCREASED PENALTY FOR DRUG TRAFFICKING IN OR NEAR A SCHOOL OR OTHER PROTECTED LOCATION.

Section 419 of the Controlled Substances Act (21 U.S.C. 860) is amended—

(1) in subsection (a), by striking "one year" and inserting "3 years"; and

(2) in subsection (b), by striking "three years" each place that term appears and inserting "5 years".

SEC. 55. ADVERTISEMENTS FOR DRUG PARAPHERNALIA AND SCHEDULE I CONTROLLED SUBSTANCES.

(a) DRUG PARAPHERNALIA.—Subsection (a)(1) of section 422 of the Controlled Substances Act (21 U.S.C. 863) is amended by inserting ", directly or indirectly advertise for sale," after "sell".

(b) DIRECTLY OR INDIRECTLY ADVERTISE FOR SALE DEFINED.—Such section 422 is further amended by adding at the end the following new subsection:

"(g) In this section, the term 'directly or indirectly advertise for sale' means the use of any communication facility (as that term is defined in section 403(b)) to post, publicize, transmit, publish, link to, broadcast, or otherwise advertise any matter (including a telephone number or electronic or mail address) with the intent to facilitate or promote a transaction in.".

(c) SCHEDULE I CONTROLLED SUBSTANCES.—Section 403(c) of such Act (21 U.S.C. 843(c)) is amended—

(1) by inserting "(1)" after "(c)"; and

(2) in paragraph (1), as so designated—

(A) in the first sentence, by inserting before the period the following: ", or to directly or indirectly advertise for sale (as that term is defined in section 422(g)) any Schedule I controlled substance"; and

(B) in the second sentence, by striking "term 'advertisement'" and inserting "term 'written advertisement'".

SEC. 56. THEFT AND TRANSPORTATION OF ANHYDROUS AMMONIA FOR PURPOSES OF ILLICIT PRODUCTION OF CONTROLLED SUBSTANCES.

(a) IN GENERAL.—Part D of the Controlled Substances Act (21 U.S.C. 841 et seq.) is amended by adding at the end the following:

"ANHYDROUS AMMONIA

"SEC. 423. (a) It is unlawful for any person—

"(1) to steal anhydrous ammonia, or

"(2) to transport stolen anhydrous ammonia across State lines,

knowing, intending, or having reasonable cause to believe that such anhydrous ammonia will be used to manufacture a controlled substance in violation of this part.

"(b) Any person who violates subsection (a) shall be imprisoned or fined, or both, in accordance with section 403(d) as if such violation were a violation of a provision of section 403.".

(b) CLERICAL AMENDMENT.—The table of contents for that Act is amended by inserting after the item relating to section 421 the following new items:

"Sec. 422. Drug paraphernalia.
"Sec. 423. Anhydrous ammonia.".

(c) ASSISTANCE FOR CERTAIN RESEARCH.—

(1) AGREEMENT.—The Administrator of the Drug Enforcement Administration shall seek to enter into an agreement with Iowa State University in order to permit the University to continue and expand its current research into the development of inert agents that, when added to anhydrous ammonia, eliminate the usefulness of anhydrous ammonia as an ingredient in the production of methamphetamine.

(2) REIMBURSABLE PROVISION OF FUNDS.—The agreement under paragraph (1) may provide for the provision to Iowa State University, on a reimbursable basis, of $500,000 for purposes the activities specified in that paragraph.

(3) AUTHORIZATION OF APPROPRIATIONS.—There is hereby authorized to be appropriated for the Drug Enforcement Administration for fiscal year 2000, $500,000 for purposes of carrying out the agreement under this subsection.

SEC. 57. CRIMINAL PROHIBITION ON DISTRIBUTION OF CERTAIN INFORMATION RELATING TO THE MANUFACTURE OF CONTROLLED SUBSTANCES.

(a) IN GENERAL.—Part I of title 18, United States Code, is amended by inserting after chapter 21 the following new chapter:

"CHAPTER 22—CONTROLLED SUBSTANCES

"Sec.
"421. Distribution of information relating to manufacture of controlled substances.

"§ 421. Distribution of information relating to manufacture of controlled substances

"(a) PROHIBITION ON DISTRIBUTION OF INFORMATION RELATING TO MANUFACTURE OF CONTROLLED SUBSTANCES.—

"(1) CONTROLLED SUBSTANCE DEFINED.—In this subsection, the term 'controlled substance' has the meaning given that term in section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)).

"(2) PROHIBITION.—It shall be unlawful for any person—

"(A) to teach or demonstrate the manufacture of a controlled substance, or to distribute by any means information pertaining to, in whole or in part, the manufacture of a controlled substance, with the intent that the teaching, demonstration, or information be used for, or in furtherance of, an activity that constitutes a Federal crime; or

"(B) to teach or demonstrate to any person the manufacture of a controlled substance, or to distribute to any person, by any means, information pertaining to, in whole or in part, the manufacture of a controlled substance, knowing that such person intends to use the teaching, demonstration, or information for, or in furtherance of, an activity that constitutes a Federal crime.

"(b) PENALTY.—Any person who violates subsection (a) shall be fined under this title, imprisoned not more than 10 years, or both.".

(b) CLERICAL AMENDMENT.—The table of chapters at the beginning of part I of title 18, United States Code, is amended by inserting after the item relating to chapter 21 the following new item:

"22. Controlled Substances .... 421".

CHAPTER 2—OTHER MATTERS

SEC. 61. WAIVER AUTHORITY FOR PHYSICIANS WHO DISPENSE OR PRESCRIBE CERTAIN NARCOTIC DRUGS FOR MAINTENANCE TREATMENT OR DETOXIFICATION TREATMENT.

(a) REQUIREMENTS.—Section 303(g) of the Controlled Substances Act (21 U.S.C. 823(g)) is amended—

(1) in paragraph (2), by striking "(A) security" and inserting "(i) security", and by striking "(B) the maintenance" and inserting "(ii) the maintenance";

(2) by redesignating paragraphs (1) through (3) as subparagraphs (A) through (C), respectively;

(3) by inserting "(1)" after "(g)";

(4) by striking "Practitioners who dispense" and inserting "Except as provided in

paragraph (2), practitioners who dispense and prescribe"; and

(5) by adding at the end the following:

"(2)(A) Subject to subparagraphs (D), the requirements of paragraph (1) are waived in the case of the dispensing or prescribing, by a physician, of narcotic drugs in schedule III, IV, or V, or combinations of such drugs, if the physician meets the conditions specified in subparagraph (B) and the narcotic drugs or combinations of such drugs meet the conditions specified in subparagraph (C).

"(B)(i) For purposes of subparagraph (A), the conditions specified in this subparagraph with respect to a physician are that, before dispensing or prescribing narcotic drugs in schedule III, IV, or V, or combinations of such drugs, to patients for maintenance or detoxification treatment, the physician submit to the Secretary and the Attorney General a notification of the intent of the physician to begin dispensing or prescribing the drugs or combinations for such purpose, and that the notification to the Secretary also contain the following certifications by the physician:

"(I) The physician—

"(aa) is a physician licensed under State law; and

"(bb) has training or experience and the ability to treat and manage opiate-dependent patients.

"(II) With respect to patients to whom the physician will provide such drugs or combinations of drugs, the physician has the capacity to refer the patients for appropriate counseling and other appropriate ancillary services.

"(III) In any case in which the physician is not in a group practice, the total number of such patients of the physician at any one time will not exceed the applicable number. For purposes of this subclause, the applicable number is 20, except that the Secretary may by regulation change such total number.

"(IV) In any case in which the physician is in a group practice, the total number of such patients of the group practice at any one time will not exceed the applicable number. For purposes of this subclause, the applicable number is 20, except that the Secretary may by regulation change such total number, and the Secretary for such purposes may by regulation establish different categories on the basis of the number of physicians in a group practice and establish for the various categories different numerical limitations on the number of such patients that the group practice may have.

"(ii)(I) The Secretary may, in consultation with the Administrator of the Drug Enforcement Administration, the Administrator of the Substance Abuse and Mental Health Services Administration, the Director of the Center for Substance Abuse Treatment, the Director of the National Institute on Drug Abuse, and the Commissioner of Food and Drugs, issue regulations through notice and comment rulemaking or practice guidelines to implement this paragraph. The regulations or practice guidelines shall address the following:

"(aa) Approval of additional credentialing bodies and the responsibilities of credentialing bodies.

"(bb) Additional exemptions from the requirements of this paragraph and any regulations under this paragraph.

"(II) Nothing in the regulations or practice guidelines under this clause may authorize any Federal official or employee to exercise supervision or control over the practice of medicine or the manner in which medical services are provided.

"(III)(aa) The Secretary shall issue a Treatment Improvement Protocol containing best practice guidelines for the treatment and maintenance of opiate-dependent patients. The Secretary shall develop the protocol in consultation with the Director of the National Institute on Drug Abuse, the Director of the Center for Substance Abuse Treatment, the Administrator of the Drug Enforcement Administration, the Commissioner of Food and Drugs, the Administrator of the Substance Abuse and Mental Health Services Administration, and other substance abuse disorder professionals. The protocol shall be guided by science.

"(bb) The protocol shall be issued not later than 120 days after the date of the enactment of the Methamphetamine Anti-Proliferation Act of 1999.

"(IV) For purposes of the regulations or practice guidelines under subclause (I), a physician shall have training or experience under clause (i)(I)(bb) if the physician meets one or more of the following conditions:

"(aa) The physician is certified in addiction treatment by the American Society of Addiction Medicine, the American Board of Medical Specialties, the American Osteopathic Academy of Addiction Medicine, or any other certified body accredited by the Secretary.

"(bb) The physician has been a clinical investigator in a clinical trial conducted for purposes of securing approval under section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355) or section 351 of the Public Health Service Act (42 U.S.C. 262) of a narcotic drug in schedule III, IV, or V for the treatment of addiction, if such approval was granted.

"(cc) The physician has completed training (through classroom situations, seminars, professional society meetings, electronic communications, or otherwise) provided by the American Society of Addiction Medicine, the American Academy of Addiction Psychiatry, the American Osteopathic Academy of Addiction Medicine, the American Medical Association, the American Osteopathic Association, the American Psychiatric Association, or any other organization that the Secretary determines appropriate for purposes of this item. The curricula may include training in patient need for counseling regarding HIV, Hepatitis C, and other infectious diseases, substance abuse counseling, random drug testing, medical evaluation, annual assessment, prenatal care, diagnosis of addiction, rehabilitation services, confidentiality, and other appropriate topics.

"(dd) The physician has training or experience in the treatment and management of opiate-dependent, which training or experience shall meet such criteria as the Secretary may prescribe. Any such criteria shall be effective for a period of three years after the effective date of such criteria, but the Secretary may extend the effective period of such criteria by additional periods of three years for each extension if the Secretary determines that such extension is appropriate for purposes of this item. Any such extension shall go into effect only if the Secretary publishes a notice of such extension in the Federal Register during the 30-day period ending on the date of the end of the three-year effective period of such criteria to which such extension will apply.

"(ee) The physician is certified in addiction treatment by a State medical licensing board, or an entity accredited by such board, unless the Secretary determines (after an opportunity for a hearing) that the training provided by such board or entity was inadequate for the treatment and management of opiate-dependent patients.

"(C) For purposes of subparagraph (A), the conditions specified in this subparagraph with respect to narcotic drugs in schedule III, IV, or V, or combinations of such drugs, are as follows:

"(i) The drugs or combinations of drugs have, under the Federal Food, Drug and Cosmetic Act or section 351 of the Public Health Service Act, been approved for use in maintenance or detoxification treatment.

"(ii) The drugs or combinations of drugs have not been the subject of an adverse determination. For purposes of this clause, an adverse determination is a determination published in the Federal Register and made by the Secretary, after consultation with the Attorney General, that experience since the approval of the drug or combinations of drugs has shown that the use of the drugs or combinations of drugs for maintenance or detoxification treatment requires additional standards respecting the qualifications of physicians to provide such treatment, or requires standards respecting the quantities of the drugs that may be provided for unsupervised use.

"(D)(i) A waiver under subparagraph (A) with respect to a physician is not in effect unless (in addition to conditions under subparagraphs (B) and (C)) the following conditions are met:

"(I) The notification under subparagraph (B) is in writing and states the name of the physician.

"(II) The notification identifies the registration issued for the physician pursuant to subsection (f).

"(III) If the physician is a member of a group practice, the notification states the names of the other physicians in the practice and identifies the registrations issued for the other physicians pursuant to subsection (f).

"(IV) A period of 45 days has elapsed after the date on which the notification was submitted, and during such period the physician does not receive from the Secretary a written notice that one or more of the conditions specified in subparagraph (B), subparagraph (C), or this subparagraph, have not been met.

"(ii) The Secretary shall provide to the Attorney General such information contained in notifications under subparagraph (B) as the Attorney General may request.

"(E) If in violation of subparagraph (A) a physician dispenses or prescribes narcotic drugs in schedule III, IV, or V, or combinations of such drugs, for maintenance treatment or detoxification treatment, the Attorney General may, for purposes of section 304(a)(4), consider the physician to have committed an act that renders the registration of the physician pursuant to subsection (f) to be inconsistent with the public interest.

"(F)(i) Upon determining that a physician meets the conditions specified in subparagraph (B), the Secretary shall notify the physician and the Attorney General.

"(ii) Upon receiving notice with respect to a physician under clause (i), the Attorney General shall assign the physician an identification number under this paragraph for inclusion with the physician's current registration to prescribe narcotics. An identification number assigned a physician under this clause shall be appropriate to preserve the confidentiality of a patient prescribed narcotic drugs covered by this paragraph by the physician.

"(iii) If the Secretary fails to make a determination described in clause (i) by the end of the 45-day period beginning on the date of the receipt by the Secretary of a notification from a physician under subparagraph (B), the Attorney General shall assign the physician an identification number described in clause (ii) at the end of such period.

"(G) In this paragraph:

"(i) The term 'group practice' has the meaning given such term in section 1877(h)(4) of the Social Security Act.

"(ii) The term 'physician' has the meaning given such term in section 1861(r) of the Social Security Act.

"(H)(i) This paragraph takes effect on the date of the enactment of the Methamphetamine Anti-Proliferation Act of 1999, and remains in effect thereafter except as provided in clause (iii) (relating to a decision by the Secretary or the Attorney General that this paragraph should not remain in effect).

"(ii) For the purposes relating to clause (iii), the Secretary and the Attorney General shall, during the 3-year period beginning on the date of the enactment of the Methamphetamine Anti-Proliferation Act of 1999, make determinations in accordance with the following:

"(I)(aa) The Secretary shall—

"(aaa) make a determination of whether treatments provided under waivers under subparagraph (A) have been effective forms of maintenance treatment and detoxification treatment in clinical settings;

"(bbb) make a determination regarding whether such waivers have significantly increased (relative to the beginning of such period) the availability of maintenance treatment and detoxification treatment; and

"(ccc) make a determination regarding whether such waivers have adverse consequences for the public health.

"(bb) In making determinations under this subclause, the Secretary—

"(aaa) may collect data from the practitioners for whom waivers under subparagraph (A) are in effect;

"(bbb) shall issue appropriate guidelines or regulations (in accordance with procedures for substantive rules under section 553 of title 5, United States Code) specifying the scope of the data that will be required to be provided under this subclause and the means through which the data will be collected; and

"(ccc) shall, with respect to collecting such data, comply with applicable provisions of chapter 6 of title 5, United States Code (relating to a regulatory flexibility analysis), and of chapter 8 of such title (relating to congressional review of agency rulemaking).

"(II) The Attorney General shall—

"(aa) make a determination of the extent to which there have been violations of the numerical limitations established under subparagraph (B) for the number of individuals to whom a practitioner may provide treatment; and

"(bb) make a determination regarding whether waivers under subparagraph (A) have increased (relative to the beginning of such period) the extent to which narcotic drugs in schedule III, IV, or V, or combinations of such drugs, are being dispensed or prescribed, or possessed, in violation of this Act.

"(iii) If, before the expiration of the period specified in clause (ii), the Secretary or the Attorney General publishes in the Federal Register a decision, made on the basis of determinations under such clause, that this paragraph should not remain in effect, this paragraph ceases to be in effect 60 days after the date on which the decision is so published. The Secretary shall, in making any such decision, consult with the Attorney General, and shall, in publishing the decision in the Federal Register, include any comments received from the Attorney General for inclusion in the publication. The Attorney General shall, in making any such decision, consult with the Secretary, and shall, in publishing the decision in the Federal Register, include any comments received from the Secretary for inclusion in the publication.

"(I) During the 3-year period beginning on the date of the enactment of the Methamphetamine Anti-Proliferation Act of 1999, a State may not preclude a practitioner from dispensing or prescribing narcotic drugs in schedule III, IV, or V, or combinations of such drugs, to patients for maintenance or detoxification treatment in accordance with this paragraph, or the other amendments made by section 22 of that Act, unless, before the expiration of that 3-year period, the State enacts a law prohibiting a practitioner from dispensing or prescribing such drugs or combination of drugs.".

(b) CONFORMING AMENDMENTS.—Section 304 of the Controlled Substances Act (21 U.S.C. 824) is amended—

(1) in subsection (a), in the matter following paragraph (5), by striking "section 303(g)" each place the term appears and inserting "section 303(g)(1)"; and

(2) in subsection (d), by striking "section 303(g)" and inserting "section 303(g)(1)".

(c) AUTHORIZATION OF APPROPRIATIONS.—There is hereby authorized to be appropriated for purposes of activities under section 303(g)(2) of the Controlled Substances Act, as added by subsection (a), amounts as follows:

(1) For fiscal year 2000, $3,000,000.

(2) For each fiscal year after fiscal year 2000, such sums as may be necessary for such fiscal year.

Subtitle C—Cocaine Powder

SEC. 71. SHORT TITLE.

This subtitle may be cited as the "Powder Cocaine Sentencing Act of 1999".

SEC. 72. SENTENCING FOR VIOLATIONS INVOLVING COCAINE POWDER.

(a) AMENDMENT OF CONTROLLED SUBSTANCES ACT.—

(1) LARGE QUANTITIES.—Section 401(b)(1)(A)(ii) of the Controlled Substances Act (21 U.S.C. 841(b)(1)(A)(ii)) is amended by striking "5 kilograms" and inserting "500 grams".

(2) SMALL QUANTITIES.—Section 401(b)(1)(B)(ii) of the Controlled Substances Act (21 U.S.C. 841(b)(1)(B)(ii)) is amended by striking "500 grams" and inserting "50 grams".

(b) AMENDMENT OF CONTROLLED SUBSTANCES IMPORT AND EXPORT ACT.—

(1) LARGE QUANTITIES.—Section 1010(b)(1)(B) of the Controlled Substances Import and Export Act (21 U.S.C. 960(b)(1)(B)) is amended by striking "5 kilograms" and inserting "500 grams".

(2) SMALL QUANTITIES.—Section 1010(b)(2)(B) of the Controlled Substances Import and Export Act (21 U.S.C. 960(b)(2)(B)) is amended by striking "500 grams" and inserting "50 grams".

(c) AMENDMENT OF SENTENCING GUIDELINES.—Pursuant to section 994 of title 28, United States Code, the United States Sentencing Commission shall amend the Federal sentencing guidelines to reflect the amendments made by this section.

Subtitle D—Education Matters

SEC. 81. SAFE SCHOOLS.

(a) AMENDMENTS.—Part F of title XIV of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8921 et seq.) is amended as follows:

(1) SHORT TITLE.—Section 14601(a) is amended by replacing "Gun-Free" with "Safe", and "1994" with "1999".

(2) REQUIREMENTS.—Section 14601(b)(1) is amended by inserting after "determined" the following: "to be in possession of felonious quantities of an illegal drug, on school property under the jurisdiction of, or in a vehicle operated by an employee or agent of, a local educational agency in that State, or".

(3) DEFINITIONS.—Section 14601(b)(4) is amended by replacing "Definition" with "Definitions" in the catchline, by replacing "section" in the matter under the catchline with "part", by redesignating the matter under the catchline after the comma as subparagraph (A), by replacing the period with a semicolon, and by adding new subparagraphs (B), (C), and (D) as follows:

"(B) the term 'illegal drug' means a controlled substance, as defined in section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)), the possession of which is unlawful under the Act (21 U.S.C. 801 et seq.) or under the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.), but does not mean a controlled substance used pursuant to a valid prescription or as authorized by law; and

"(C) the term 'illegal drug paraphernalia' means drug paraphernalia, as defined in section 422(d) of the Controlled Substances Act (21 U.S.C. 863(d)), except that the first sentence of that section shall be applied by inserting 'or under the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.)', before the period.

"(D) the term 'felonious quantities of an illegal drug' means any quantity of an illegal drug—

"(i) possession of which quantity would, under Federal, State, or local law, either constitute a felony or indicate an intent to distribute; or

"(ii) that is possessed with an intent to distribute.".

(4) REPORT TO STATE.—Section 14601(d)(2)(C) is amended by inserting "illegal drugs or" before "weapons".

(5) REPEALER.—Section 14601 is amended by striking subsection (f).

(6) POLICY REGARDING CRIMINAL JUSTICE SYSTEM REFERRAL.—Section 14602(a) is amended by replacing "served by" with "under the jurisdiction of", and by inserting after "who" the following: "is in possession of an illegal drug, or illegal drug paraphernalia, on school property under the jurisdiction of, or in a vehicle operated by an employee or agent of, such agency, or who".

(7) DATA AND POLICY DISSEMINATION UNDER IDEA.—Section 14603 is amended by inserting "current" before "policy", by striking "in effect on October 20, 1994", by striking all the matter after "schools" and inserting a period thereafter, and by inserting before "engaging" the following: "possessing illegal drugs, or illegal drug paraphernalia, on school property, or in vehicles operated by employees or agents of, schools or local educational agencies, or".

(b) COMPLIANCE DATE; REPORTING.—(1) States shall have 2 years from the date of the enactment of this Act to comply with the requirements established in the amendments made by subsection (a).

(2) Not later than 3 years after the date of the enactment of this Act, the Secretary of Education shall submit to Congress a report on any State that is not in compliance with the requirements of this section.

(3) Not later than 2 years after the date of the enactment of this Act, the Secretary of Education shall submit to Congress a report analyzing the strengths and weaknesses of approaches regarding the disciplining of children with disabilities.

SEC. ___82. STUDENT SAFETY AND FAMILY SCHOOL CHOICE.

Subpart 1 of part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.) is amended by inserting after section 1115A of such Act (20 U.S.C. 6316) the following:

"SEC. 1115B. STUDENT SAFETY AND FAMILY SCHOOL CHOICE.

"(a) IN GENERAL.—Notwithstanding any other provision of law, if a student is eligible to be served under section 1115(b), or attends a school eligible for a schoolwide program under section 1114, and becomes a victim of a violent criminal offense, including drug-related violence, while in or on the grounds of a public elementary school or secondary school that the student attends and that receives assistance under this part, then the local educational agency may use funds provided under this part or under any other Federal education program to pay the supplementary costs for such student to attend another school. The agency may use the funds to pay for the supplementary costs of such student to attend any other public or private elementary school or secondary school, including a religious school, in the same State as the school where the criminal offense occurred, that is selected by the student's parent. The State educational agency shall determine what actions constitute a violent criminal offense for purposes of this section.

"(b) SUPPLEMENTARY COSTS.—The supplementary costs referred to in subsection (a) shall not exceed—

"(1) in the case of a student for whom funds under this section are used to enable the student to attend a public elementary school or secondary school served by a local educational agency that also serves the school where the violent criminal offense occurred, the costs of supplementary educational services and activities described in section 1114(b) or 1115(c) that are provided to the student;

"(2) in the case of a student for whom funds under this section are used to enable the student to attend a public elementary school or secondary school served by a local educational agency that does not serve the school where the violent criminal offense occurred but is located in the same State—

"(A) the costs of supplementary educational services and activities described in section 1114(b) or 1115(c) that are provided to the student; and

"(B) the reasonable costs of transportation for the student to attend the school selected by the student's parent; and

"(3) in the case of a student for whom funds under this section are used to enable the student to attend a private elementary school or secondary school, including a religious school, the costs of tuition, required fees, and the reasonable costs of such transportation.

"(c) CONSTRUCTION.—Nothing in this Act or any other Federal law shall be construed to prevent a parent assisted under this section from selecting the public or private, including religious, elementary school or secondary school that a child of the parent will attend within the State.

"(d) CONSIDERATION OF ASSISTANCE.—Subject to subsection (h), assistance made available under this section that is used to pay the costs for a student to attend a private or religious school shall not be considered to be Federal aid to the school, and the Federal Government shall have no authority to influence or regulate the operations of a private or religious school as a result of assistance received under this section.

"(e) CONTINUING ELIGIBILITY.—A student assisted under this section shall remain eligible to continue receiving assistance under this section for at least 3 academic years without regard to whether the student is eligible for assistance under section 1114 or 1115(b).

"(f) TUITION CHARGES.—Assistance under this section may not be used to pay tuition or required fees at a private elementary school or secondary school in an amount that is greater than the tuition and required fees paid by students not assisted under this section at such school.

"(g) SPECIAL RULE.—Any school receiving assistance provided under this section shall comply with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and not discriminate on the basis race, color, or national origin.

"(h) ASSISTANCE; TAXES AND OTHER FEDERAL PROGRAMS.—

"(1) ASSISTANCE TO FAMILIES, NOT SCHOOLS.—Assistance provided under this section shall be considered to be aid to families, not schools. Use of such assistance at a school shall not be construed to be Federal financial aid or assistance to that school.

"(2) TAXES AND DETERMINATIONS OF ELIGIBILITY FOR OTHER FEDERAL PROGRAMS.—Assistance provided under this section to a student shall not be considered to be income of the student or the parent of such student for Federal, State, or local tax purposes or for determining eligibility for any other Federal program.

"(i) PART B OF THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT.—Nothing in this section shall be construed to affect the requirements of part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

"(j) MAXIMUM AMOUNT.—Notwithstanding any other provision of this section, the amount of assistance provided under this part for a student shall not exceed the per pupil expenditure for elementary or secondary education, as appropriate, by the local educational agency that serves the school where the criminal offense occurred for the fiscal year preceding the fiscal year for which the determination is made.".

SEC. ___83. TRANSFER OF REVENUES.

(a) IN GENERAL.—Notwithstanding any other provision of Federal law, a State, a State educational agency, or a local educational agency may transfer any non-Federal public funds associated with the education of a student who is a victim of a violent criminal offense while in or on the grounds of a public elementary school or secondary school served by a local educational agency to another local educational agency or to a private elementary school or secondary school, including a religious school.

(b) DEFINITIONS.—For the purpose of subsection (a), the terms "elementary school", "secondary school", "local educational agency", and "State educational agency" have the meanings given such terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

Subtitle E—Miscellaneous

SEC. ___91. NOTICE; CLARIFICATION.

(a) NOTICE OF ISSUANCE.—Section 3103a of title 18, United States Code, is amended by adding at the end the following new sentence: "With respect to any issuance under this section or any other provision of law (including section 3117 and any rule), any notice required, or that may be required, to be given may be delayed pursuant to the standards, terms, and conditions set forth in section 2705, unless otherwise expressly provided by statute.".

(b) CLARIFICATION.—(1) Section 2(e) of Public Law 95–78 (91 Stat. 320) is amended by adding at the end the following:

"Subdivision (d) of such rule, as in effect on this date, is amended by inserting 'tangible' before 'property' each place it occurs.".

(2) The amendment made by paragraph (1) shall take effect on the date of the enactment of this Act.

SEC. ___92. DOMESTIC TERRORISM ASSESSMENT AND RECOVERY.

(a) IN GENERAL.—The Federal Bureau of Investigation shall prepare a study assessing—

(1) the threat posed by the Fuerzas Armadas de Liberacion Nacional Puertorriquena (FALN) and Los Macheteros terrorist organizations to the United States and its territories as of July 31, 1999; and

(2) what effect the President's offer of clemency to 16 FALN and Los Macheteros members on August 11, 1999, and the subsequent release of 11 of those members, will have on the threat posed by those terrorist organizations to the United States and its territories.

(b) ISSUES EXAMINED.—In conducting and preparing the study under subsection (a), the Federal Bureau of Investigation shall address—

(1) the threat posed by the FALN and Los Macheteros organizations to law enforcement officers, prosecutors, defense attorneys, witnesses, and judges involved in the prosecution of members of the FALN and Los Macheteros, both in the United States and its territories;

(2) the roles played by each the 16 members offered clemency by the President on August 11, 1999, in the FALN and Los Macheteros organizations;

(3) the extent to which the FALN and Los Macheteros organizations are associated with other known terrorist organizations or countries suspected of sponsoring terrorism;

(4) the threat posed to the national security interests of the United States by the FALN and Los Macheteros organizations;

(5) whether the offer of clemency to, or release of, any of the 16 FALN or Los Macheteros members would violate, or be inconsistent with, the United States' obligations under international treaties and agreements governing terrorist activity; and

(6) the effect on law enforcement's ability to solve open cases and apprehend fugitives resulting from the offer of clemency to the 16 FALN and Los Macheteros members, without first requiring each of them to provide the government all truthful information and evidence he or she has concerning open investigations and fugitives associated with the FALN and Los Macheteros organizations.

(c) REPORT.—Not later than 30 days after the date of the enactment of this Act, the Federal Bureau of Investigation shall submit to Congress a report on the study conducted under subsection (a).

SEC. ___93. ANTIDRUG MESSAGES ON FEDERAL GOVERNMENT INTERNET WEBSITES.

Not later than 90 days after the date of the enactment of this Act, the head of each department, agency, and establishment of the Federal Government shall, in consultation with the Director of the Office of National Drug Control Policy, place antidrug messages on appropriate Internet websites controlled by such department, agency, or establishment which messages shall, where appropriate, contain an electronic hyperlink to the Internet website, if any, of the Office.

SEC. ___94. SEVERABILITY.

Any provision of this title held to be invalid or unenforceable by its terms, or as applied to any person or circumstance, shall be construed as to give the maximum effect permitted by law, unless such provision is held to be utterly invalid or unenforceable, in which event such provision shall be severed from this title and shall not affect the applicability of the remainder of this title, or of such provision, to other persons not similarly situated or to other, dissimilar circumstances.

SEC. . SAFE SCHOOLS.

(a) Amendments.—Part F of title XIV of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8921 et seq.) is amended as follows:

(1) Short title.—Section 14601(a) is amended by replacing "Gun-Free" with "Safe", and "1994" with "1999".

(2) Requirements.—Section 14601(b)(1) is amended by inserting after "determined" the following: "to be in possession of felonious quantities of an illegal drug, on school property under the jurisdiction of, or in a vehicle operated by an employee or agent of, a local educational agency in that State, or".

(3) Definitions.—Section 14601(b)(4) is amended by replacing "Definition" with "Definitions" in the catchline, by replacing "section" in the matter under the catchline with "part", by redesignating the matter under the catchline after the comma as subparagraph (A), by replacing the period with a semicolon, and by adding new subparagraphs (B), (C), and (D) as follows:

"(B) the term 'illegal drug' means a controlled substance, as defined in section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)), the possession of which is unlawful under the Act (21 U.S.C. 801 et seq.) or under the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.), but does not mean a controlled substance used pursuant to a valid prescription or as authorized by law; and

"(C) the term 'illegal drug paraphernalia' means drug paraphernalia, as defined in section 422(d) of the Controlled Substances Act (21 U.S.C. 863(d)), except that the first sentence of that section shall be applied by inserting 'or under the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.)'. before the period.

"(D) the term 'felonious quantities of an illegal drug' means any quantity of an illegal drug—

"(i) possession of which quantity would, under Federal, State, or local law, either constitute a felony or indicate an intent to distribute; or

"(ii) that is possessed with an intent to distribute.".

(4) Report to state.—Section 14601(d)(2)(C) is amended by inserting "illegal drugs or" before "weapons".

(5) Repealer.—Section 14601 is amended by striking subsection (f).

(6) Policy regarding criminal justice system referral.—Section 14602(a) is amended by replacing "served by" with "under the jurisdiction of", and by inserting after "who" the following: "is in possession of an illegal drug, or illegal drug paraphernalia, on school property under the jurisdiction of, or in a vehicle operated by an employee or agent of, such agency, or who".

(7) Data and policy dissemination under IDEA.—Section 14603 is amended by inserting "current" before "policy", by striking "in effect on October 20, 1994", by striking all the matter after "schools" and inserting a period thereafter, and by inserting before "engaging" the following: "possessing illegal drugs, or illegal drug paraphernalia, on school property, or in vehicles operated by employees or agents of, schools or local educational agencies, or".

(b) Compliance Date; Reporting.—(1) States shall have 2 years from the date of enactment of this Act to comply with the requirements established in the amendments made by subsection (a).

(2) Not later than 3 years after the date of enactment of this Act, the Secretary of Education shall submit to Congress a report on any State that is not in compliance with the requirements of this part.

(3) Not later than 2 years after the date of enactment of this Act, the Secretary of Education shall submit to Congress a report analyzing the strengths and weaknesses of approaches regarding the disciplining of children with disabilities.

SEC STUDENT SAFETY AND FAMILY SCHOOL CHOICE.

(a) In General.—Subpart 1 of part A of title I of the Elementary and Secondary Education of 1965 (20 U.S.C. 6311 et seq.) is amended by inserting after section 1115A of such Act (20 U.S.C. 6316) the following:

"SEC. 1115B. STUDENT SAFETY AND FAMILY SCHOOL CHOICE.

"(A) In General.—Notwithstanding any other provision of law. if a student is eligible to be served under section 1115(b), or attends a school eligible for a schoolwide program under section 1114, and becomes a victim of a violent criminal offense, including drug-related violence, while in or on the grounds of a public elementary school or secondary school that the student attends and that receives assistance under this part, then the local educational agency may use funds provided under this part or under any other Federal education program to pay the supplementary costs for such student to attend another school. The agency may use the funds to pay for the supplementary costs of such student to attend any other public or private elementary school or secondary school, including a religious school. In the same State as the school where the criminal offense occurred, that is selected by the students parent. The State educational agency shall determine what actions constitute a violent criminal offense for purposes of this section.

(b) Supplementary Costs.—The supplementary costs referred to in subsection (a) shall not exceed—

"(1) in the case of a student for whom funds under this section are used to enable the student to attend a public elementary school or secondary school served by a local educational agency that also serves the school where the violent criminal offense occurred, the costs of supplementary educational services and activities described in section 1114(b) or 1115(c) that are provided to the student;

"(2) in the case of a student for whom funds under this section are used to enable the student to attend a public elementary school or secondary school served by a local educational agency that does not serve the school where the violent criminal offense occurred but is located in the same State—

"(A) the costs of supplementary educational services and activities described in section 1114(b) or 1115(c) that are provided to the student; and

"(B) the reasonable costs of transportation for the student to attend the school selected by the student's parent; and

"(3) in the case of a student for whom funds under this section are used to enable the student to attend a private elementary school or secondary school, including a religious school, the costs of tuition, required fees, and the reasonable costs of such transportation.

"(c) Construction.—Nothing in this Act or any other Federal law shall be construed to prevent a parent assisted under this section from selecting the public or private, including religious, elementary school or secondary school that a child of the parent will attend within the State.

"(d) Consideration of Assistance.—Subject to subsection (h), assistance made available under this section that is used to pay the costs for a student to attend a private or religious school shall not be considered to be Federal aid to the school, and the Federal Government shall have no authority to influence or regulate the operations of a private or religious school as a result of assistance received under this section.

"(e) Continuing Eligibility.—A student assisted under this section shall remain eligible to continue receiving assistance under this section for at least 3 academic years without regard to whether the student is eligible for assistance under section 1114 or 1115(b).

"(f) Tuition Charges.—Assistance under this section may not be used to pay tuition or required fees at a private elementary school or secondary school in an amount that is greater than the tuition and required fees paid by students not assisted under this section at such school.

"(g) Special Rule.—Any school receiving assistance provided under this section shall comply with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and not discriminate on the basis of race, color, or national origin.

"(h) Assistance: Taxes and Other Federal Programs.—

"(1) Assistance to families, not schools.—Assistance provided under this section shall be considered to be aid to families, not schools. Use of such assistance at a school shall not be construed to be Federal financial aid or assistance to that school.

"(2) Taxes and determinations of eligibility for other federal programs.—Assistance provided under this section to a student shall not be considered to be income of the student or the parent of such student for Federal, State, or local tax purposes or for determining eligibility for any other Federal program.

"(i) Part B of the Individuals With Disabilities Education Act.—Nothing in this section shall be construed to affect the requirements of part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

"(j) Maximum Amount.—Notwithstanding any other provision of this section, the amount of assistance provided under this part for a student shall not exceed the per pupil expenditure for elementary or secondary education, as appropriate, by the local educational agency that serves the school where the criminal offense occurred for the fiscal year preceding the fiscal year for which the determination is made.".

SEC. . TRANSFER OF REVENUES.

(a) In General.—Notwithstanding any other provision of Federal law, a State, a State educational agency, or a local educational agency may transfer any non-Federal public funds associated with the education of a student who is a victim of a violent criminal offense while in or on the grounds of a public elementary school or secondary school served by a local educational agency to another local educational agency or to a private elementary school or secondary school, including a religious school

(b) Definitions.—For the purpose of subsection (a), the terms "elementary school", "secondary school", "local educational agency", and "State educational agency" have the meanings given such terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

SEC. . INCREASED PENALTIES FOR DISTRIBUTING DRUGS TO MINORS.

Section 418 of the Controlled Substances Act (21 U.S.C. 859) is amended—

(1) in subsection (a), by striking "one year" and inserting "3 years"; and

(2) in subsection (b), by striking "one year" and inserting "5 years."

SEC. . INCREASED PENALTY FOR DRUG TRAFFICKING IN OR NEAR A SCHOOL OR OTHER PROTECTED LOCATION.

Section 419 of the Controlled Substances Act (21 U.S.C. 860) is amended—

(1) in subsection (a), by striking "one year" and inserting "3 years"; and

(2) in subsection (b), by striking "three years" each place that term appears and inserting "5 years".

LEVIN AMENDMENT NO. 2772

(Ordered to lie on the table.)

Mr. LEVIN submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following:

The Federal Trade Commission shall report to the Banking Committee of Congress within 6 months of enactment of this act as to whether and how the location of the resident of an applicant for a credit card is considered by financial institutions in deciding whether an applicant should be granted such credit card.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. SESSIONS. Mr. President, I ask unanimous consent that the committee on Banking, Housing and Urban Affairs be authorized to meet during the session of the Senate on Friday, November 5, 1999, to conduct a hearing on pending nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. SESSIONS. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Friday, November 5, 1999, at 11 a.m. and 1 p.m. to hold two hearings.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. SESSIONS. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Friday, November 5, 1999, at 11:30 a.m. to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

RECOGNITION OF DAVID POFFENBERGER, STUDENT AT PUYALLUP HIGH SCHOOL

• Mr. GORTON. Mr. President, during the past several weeks, a community in my state has come together to combat racism in their schools. One person, a student at Puyallup High School, has taken this problem head on and devised a way to bring his fellow students together in their fight against racism.

This student, David Poffenberger, an 18-year-old senior, designed a t-shirt that will be distributed to all of his 1,900 classmates in order to demonstrate Puyallup High School's united front against racism.

In one of his art classes, David created a design for the shirt—two silhouetted groups, one black and one white, united by a single handshake. David completed the shirt by adding the phrase, "Bridge the Gap." With the encouragement from one of his art teachers, Candace Loring, David took a week off from swimming practice and visited with local community groups to turn his plan into reality.

The high school Booster Club, alumni association, the Puyallup Elks, and the Good Samaritan Hospital all contributed to his effort, raising over half of the $5,128 needed to print and distribute the shirts. The Booster Club has also agreed to cover the remaining amount in addition to their own $1,000 contribution.

David's principal, Wanda Berndston, credits him for single-handedly spearheading this effort to improve awareness throughout the school. In the midst of an unfortunate situation, it is often the individuals who are closest to the problem who can best offer solutions.

I commend David for his determination to make his school a better place for all students and am proud to present him with one of my "Innovation in Education" Awards.•

EXTENDED CARE SERVICES FOR VETERANS

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Veterans' Affairs Committee be discharged from further consideration of H.R. 2116, and the Senate then proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 2116) to amend title 38, United States Code, to establish a program of extended care services for veterans and make other improvements in health care programs in the Department of Veterans Affairs.

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 2541

(Purpose: To provide a substitute)

Mr. DOMENICI. Senator SPECTER has a substitute amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI), for Mr. SPECTER, proposes an amendment numbered 2541.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. DOMENICI. I ask unanimous consent that the amendment be agreed to, the bill be read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

I further ask unanimous consent that the Senate insist on its amendments, request a conference with the House, and the Chair be authorized to appoint conferees on the part of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 2541) was agreed to.

The bill (H.R. 2116), as amended, was read the third time and passed.

The title was amended so as to read: "An Act To amend title 38, United States Code, to enhance programs providing health care, education, memorial, and other benefits for veterans, to authorize major medical facility projects for the Department of Veterans Affairs, and for other purposes.".

The PRESIDING OFFICER (Mr. GORTON) appointed Mr. SPECTER, Mr. THURMOND, and Mr. ROCKEFELLER conferees on the part of the Senate.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION AUTHORIZATION ACT OF 1999

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senate now proceed to consideration of Calendar No. 208, H.R. 1654.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 1654) to authorize appropriations for the National Aeronautics and Space Administration for fiscal years 2000, 2001, and 2002, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 2542

(Purpose: To authorize appropriations for the National Aeronautics and Space Administration for fiscal years 2000, 2001, and 2002, and for other purposes)

Mr. DOMENICI. Mr. President. Senator FRIST has a substitute amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI), for Mr. FRIST, proposes an amendment numbered 2542.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. DOMENICI. Mr. President, I ask unanimous consent that the amendment be agreed to, the bill be considered read the third time, passed, as amended, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD. I further ask unanimous consent that the Senate insist on its amendment, request a conference with the House, and the Chair be authorized to appoint conferees on the part of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 2542) was agreed to.

The bill (H.R. 1654), as amended, was read the third time and passed.

The Presiding Officer (Mr. GORTON) appointed Mr. MCCAIN, Mr. STEVENS, Mr. FRIST, Mr. HOLLINGS, and Mr. BREAUX conferees on the part of the Senate.

AUTHORIZATION OF TESTIMONY AND DOCUMENT PRODUCTION

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of Senate Resolution 221 submitted earlier by Senators LOTT and DASCHLE.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 221) to authorize testimony and document production in the matter of Pamela A. Carter v. HealthSource Saginaw.

There being no objection, the Senate proceeded to consider the resolution.

Mr. LOTT. Mr. President, this resolution would permit a member of Senator LEVIN's staff to testify and produce documents in an administrative hearing before the Michigan Department of Consumer and Industry Services concerning information she acquired while performing case work on the Senator's behalf.

Mr. DOMENICI. I ask unanimous consent the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and any statements relating to the resolution be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 221) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 221

Whereas, in the case of *In the Matter of Pamela A. Carter* v. *HealthSource Saginaw*, No. 1199–3828, pending in the Michigan Department of Consumer and Industry Services, testimony has been requested from Mary Washington, an employee in Senator Carl Levin's Saginaw, Michigan office;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate may, by the administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate may promote the administration of justice, the Senate will take such action as will promote the ends of justice consistently with the privileges of the Senate. Now, therefore, be it

Resolved, That Mary Washington, and any other employee of the Senate from whom testimony or document production may be required, is authorized to testify and produce documents in the case of *In the Matter of Pamela A. Carter* v. *HealthSource Saginaw*, except concerning matters for which a privilege should be asserted.

SENATE ETHICS PROCEDURE REFORM RESOLUTION OF 1999

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of Senate Resolution 222, submitted earlier by Senator SMITH of New Hampshire and Senator REID.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 222) to revise the procedures of the Select Committee on Ethics.

There being no objection, the Senate proceeded to consider the resolution.

Mr. SMITH of New Hampshire. Mr. President, on behalf of Vice Chairman REID and other members of the Ethics Committee, I submit for publication in the CONGRESSIONAL RECORD in accordance with Senate Rule XXVI the Ethics Committee's Supplementary Procedural Rules, as amended November 5, 1999, the date of the Senate's adoption of the Senate Ethics Procedure Reform Resolution of 1999. These amended Rules of Procedure will implement the Ethics Committee process changes effectuated by the Reform Resolution, which was designed to simplify, streamline, and improve the Ethics Committee process as recommended by the Senate Ethics Study Commission in its Report (S. Prt. 103–71) to the Senate Leadership "Recommending Revisions to the Procedures of the Senate Select Committee on Ethics." Pursuant to Senate Rule XXVI, these amended Supplementary Procedural Rules will be effective as of the date of publication in the CONGRESSIONAL RECORD.

I ask unanimous consent to have these amended rules printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PART II: SUPPLEMENTARY PROCEDURAL RULES

RULE 1. GENERAL PROCEDURES

(a) Officers: In the absence of the Chairman, the duties of the Chair shall be filled by the Vice Chairman or, in the Vice Chairman's absence, a Committee member designated by the Chairman.

(b) Procedural Rules: The basic procedural rules of the Committee are stated as a part of the Standing Orders of the Senate in Senate Resolution 338, 88th Congress, as amended, as well as other resolutions and laws. Supplementary Procedural Rules are stated herein and are hereinafter referred to as the Rules. The Rules shall be published in the Congressional Record not later than thirty days after adoption, and copies shall be made available by the Committee office upon request.

(c) Meetings:

(1) The regular meeting of the Committee shall be the first Thursday of each month while the Congress is in session.

(2) Special meetings may be held at the call of the Chairman or Vice Chairman if at least forty-eight hours notice is furnished to all members. If all members agree, a special meeting may be held on less than forty-eight hours notice.

(3)(A) If any member of the Committee desires that a special meeting of the Committee be called, the member may file in the office of the Committee a written request to the Chairman or Vice Chairman for that special meeting.

(B) Immediately upon the filing of the request the Clerk of the Committee shall notify the Chairman and Vice Chairman of the filing of the request. If, within three calendar days after the filing of the request, the Chairman or the Vice Chairman does not call the requested special meeting, to be held within seven calendar days after the filing of the request, any three of the members of the Committee may file their written notice in the office of the Committee that a special meeting of the Committee will be held at a specified date and hour; such special meeting may not occur until forty-eight hours after the notice is filed. The Clerk shall immediately notify all members of the Committee of the date and hour of the special meeting. The Committee shall meet at the specified date and hour.

(d) Quorum:

(1) A majority of the members of the Select Committee shall constitute a quorum for the transaction of business, involving complaints or allegations of, or information about, misconduct, including resulting preliminary inquiries, adjudicatory reviews, recommendations or reports, and matters relating to Senate Resolution 400, agreed to May 19, 1976.

(2) Three members shall constitute a quorum for the transaction of the routine business of the Select Committee not covered by the first subparagraph of this paragraph, including requests for opinions and interpretations concerning the Code of Official Conduct or any other statute or regulation under the jurisdiction of the Select Committee, if one member of the quorum is a Member of the majority Party and one member of the quorum is a Member of the Minority Party. During the transaction of routine business any member of the Select Committee constituting the quorum shall have the right to postpone further discussion of a pending matter until such time as a majority of the members of the Select Committee are present.

(3) Except for an adjudicatory review hearing under Rule 5 and any deposition taken

outside the presence of a Member under Rule 6, one Member shall constitute a quorum for hearing testimony, provided that all Members have been given notice of the hearing and the Chairman has designated a Member of the majority Party and the Vice Chairman has designated a Member of the Minority Party to be in attendance, either of whom in the absence of the other may constitute the quorum.

(e) Order of Business: Questions as to the order of business and the procedure of the Committee shall in the first instance be decided by the Chairman and Vice Chairman, subject to reversal by a vote by a majority of the Committee.

(f) Hearings Announcements: The Committee shall make public announcement of the date, place and subject matter of any hearing to be conducted by it at least one week before the commencement of that hearing, and shall publish such announcement in the Congressional Record. If the Committee determines that there is good cause to commence a hearing at an earlier date, such notice will be given at the earliest possible time.

(g) Open and Closed Committee Meetings: Meetings of the Committee shall be open to the public or closed to the public (executive session), as determined under the provisions of paragraphs 5 (b) to (d) of Rule XXVI of the Standing Rules of the Senate. Executive session meetings of the Committee shall be closed except to the members and the staff of the Committee. On the motion of any member, and with the approval of a majority of the Committee members present, other individuals may be admitted to an executive session meeting for a specific period or purpose.

(h) Record of Testimony and Committee Action: An accurate stenographic or transcribed electronic record shall be kept of all Committee proceedings, whether in executive or public session. Such record shall include Senators' votes on any question on which a recorded vote is held. The record of a witness' testimony, whether in public or executive session, shall be made available for inspection to the witness or his counsel under Committee supervision; a copy of any testimony given by that witness in public session, or that part of the testimony given by the witness in executive session and subsequently quoted or made part of the record in a public session shall be made available to any witness if he so requests. (See rule 5 on Procedures for Conducting Hearings.)

(i) Secrecy of Executive Testimony and Action and of Complaint Proceedings:

(1) All testimony and action taken in executive session shall be kept secret and shall not be released outside the Committee to any individual or group, whether governmental or private, without the approval of a majority of the Committee.

(2) All testimony and action relating to a complaint or allegation shall be kept secret and shall not be released by the Committee to any individual or group, whether governmental or private, except the respondent, without the approval of a majority of the Committee, until such time as a report to the Senate is required under Senate Resolution 338, 88th Congress, as amended, or unless otherwise permitted under these Rules. (See Rule 8 on Procedures for Handling Committee Sensitive and Classified Materials.)

(j) Release of Reports to Public: No information pertaining to, or copies of any Committee report, study, or other document which purports to express the view, findings, conclusions or recommendations of the Committee in connection with any of its activities or proceedings may be released to any individual or group whether governmental or private, without the authorization of the Committee. Whenever the Chairman or Vice Chairman is authorized to make any determination, then the determination may be released at his or her discretion. Each member of the Committee shall be given a reasonable opportunity to have separate views included as part of any Committee report. (See Rule 8 on Procedures for Handling Committee Sensitive and Classified Materials.)

(k) Ineligibility or Disqualification of Members and Staff:

(1) A member of the Committee shall be ineligible to participate in any Committee proceeding that relates specifically to any of the following:

(A) A preliminary inquiry or adjudicatory review relating to (i) the conduct of (I) such member; (II) any officer or employee the member supervises; or (ii) any complaint filed by the member; and

(B) the determinations and recommendations of the Committee with respect to any preliminary inquiry or adjudicatory review described in subparagraph (A).

For purposes of this paragraph, a member of the committee and an officer of the Senate shall be deemed to supervise any officer or employee consistent with the provision of paragraph 12 of rule XXXVII of the Standing Rules of the Senate.

(2) If any Committee proceeding appears to relate to a member of the Committee in a manner described in subparagraph (1) of this paragraph, the staff shall prepare a report to the Chairman and Vice Chairman. If either the Chairman or the Vice Chairman concludes from the report that it appears that the member may be ineligible, the member shall be notified in writing of the nature of the particular proceeding and the reason that it appears that the member may be ineligible to participate in it. If the member agrees that he or she is ineligible, the member shall so notify the Chairman or Vice Chairman. If the member believes that he or she is not ineligible, he or she may explain the reasons to the Chairman and Vice Chairman, and if they both agree that the member is not ineligible, the member shall continue to serve. But if either the Chairman or Vice Chairman continues to believe that the member is ineligible, while the member believes that he or she is not ineligible, the matter shall be promptly referred to the Committee. The member shall present his or her arguments to the Committee in executive session. Any contested questions concerning a member's eligibility shall be decided by a majority vote of the Committee, meeting in executive session, with the member in question not participating.

(3) A member of the Committee may, at the discretion of the member, disqualify himself or herself from participating in any preliminary inquiry or adjudicatory review pending before the Committee and the determinations and recommendations of the Committee with respect to any such preliminary inquiry or adjudicatory review.

(4) Whenever any member of the Committee is ineligible under paragraph (1) to participate in any preliminary inquiry or adjudicatory review, or disqualifies himself or herself under paragraph (3) from participating in any preliminary inquiry or adjudicatory review, another Senator shall be appointed by the Senate to serve as a member of the Committee solely for purposes of such preliminary inquiry or adjudicatory review and the determinations and recommendations of the Committee with respect to such preliminary inquiry or adjudicatory review. Any member of the Senate appointed for such purposes shall be of the same party as the member who is ineligible or disqualifies himself or herself.

(5) The President of the Senate shall be given written notice of the ineligibility or disqualification of any member from any preliminary inquiry, adjudicatory review, or other proceeding requiring the appointment of another member in accordance with subparagraph (k)(4).

(6) A member of the Committee staff shall be ineligible to participate in any Committee proceeding that the staff director or outside counsel determines relates specifically to any of the following:

(A) the staff member's own conduct;

(B) the conduct of any employee that the staff member supervises;

(C) the conduct of any Member, officer or employee for whom the staff member has worked for any substantial period; or

(D) a complaint, sworn or unsworn, that was filed by the staff member. At the direction or with the consent of the staff director or outside counsel, a staff member may also be disqualified from participating in a Committee proceeding in other circumstances not listed above.

(l) Recorded Votes: Any member may require a recorded vote on any matter.

(m) Proxies; Recording Votes of Absent members:

(1) Proxy voting shall not be allowed when the question before the Committee is the initiation or continuation of a preliminary inquiry or an adjudicatory review, or the issuance of a report or recommendation related thereto concerning a Member or officer of the Senate. In any such case an absent member's vote may be announced solely for the purpose of recording the member's position and such announced votes shall not be counted for or against the motion.

(2) On matters other than matters listed in paragraph (m)(1) above, the Committee may order that the record be held open for the vote of absentees or recorded proxy votes if the absent Committee member has been informed of the matter or which the vote occurs and has affirmatively requested the Chairman or Vice Chairman in writing that he be so recorded.

(3) All proxies shall be in writing, and shall be delivered to the Chairman or Vice chairman to be recorded.

(4) Proxies shall not be considered for the purposes of establishing a quorum.

(n) Approval of Blind Trusts Between Sessions and During Extended Recesses. During any period in which the Senate stands in adjournment between sessions of the Congress or stands in a recess scheduled to extend beyond fourteen days, the Chairman and Vice Chairman, or their designees, acting jointly are authorized to approve or disapprove blind trusts under the provisions of Rule XXXIV.

(o) Committee Use of Services or Employees of Other Agencies and Departments: With the prior consent of the department or agency involved, the Committee may (1) utilize the services, information, or facilities of any such department or agency of the Government, and (2) employ on a reimbursable basis or otherwise the services of such personnel of any such department or agency as it deems advisable. With the consent of any other committee of the Senate, or any subcommittee, the Committee may utilize the facilities and the services of the staff of such other committee or subcommittee whenever the Chairman and Vice Chairman of the Committee, acting jointly, determine that such action is necessary and appropriate.

RULE 2: PROCEDURES FOR COMPLAINTS, ALLEGATIONS, OR INFORMATION

(a) Compliant, Allegation, or Information: Any member or staff member of the Committee shall report to the Committee, and any other person may report to the Committee, a sworn compliant other allegation or information, alleging that any Senator, or officer, or employee of the Senate has violated a law, the Senate Code of Official Conduct, or any rule or regulation of the Senate relating to the conduct of any individual in the performance of his or her duty as a Member, Officer, or employee of the Senate, or has engaged in improper conduct which may reflect upon the Senate. Such complaints or allegations or information may be reported to the Chairman, the Vice Chairman, a Committee member, or a Committee staff member.

(b) Source of Compliant, Allegation, or Information: Complaints, allegations, and information to be reported to the Committee may be obtained from a variety of sources, including but not limited to the following:

(1) sworn complaints, defined as written statement of facts, submitted under penalty of perjury, within the personal knowledge of the complainant alleging a violation of law, the Senate Code of Official Conduct, or any other rule or regulation of the Senate relating to the conduct of individuals in the performance of their duties as members, officers, or employees of the Senate;

(2) anonymous or informal complaints;

(3) information developed during a study or inquiry by the Committee or other committees or subcommittees of the Senate, including information obtained in connection with legislative or general oversight hearings;

(4) information reported by the news media; or

(5) information obtained from any individual, agency or department of the executive branch of the Federal Government.

(c) Form and Content of Complaints: A complaint need not be sworn nor must it be in any particular form to receive Committee consideration, but the preferred complaint will:

(1) state, whenever possible, the name, address, and telephone number of the party filing the complaint;

(2) provide the name of each member, officer or employee of the Senate who is specifically alleged to have engaged in improper conduct or committed a violation;

(3) state the nature of the alleged improper conduct or violation;

(4) supply all documents in the possession of the party filing the complaint relevant to or in support of his or her allegations as an attachment to the complaint.

RULE 3: PROCEDURES FOR CONDUCTING A PRELIMINARY INQUIRY

(a) Definition of Preliminary Inquiry: A "preliminary inquiry" is a proceeding undertaken by the Committee following the receipt of a complaint or allegation of, or information about, misconduct by a Member, officer, or employee of the Senate to determine whether there is substantial credible evidence which provides substantial cause for the Committee to conclude that a violation within the jurisdiction of the Committee has occurred.

(b) Basis For Preliminary Inquiry: The Committee shall promptly commence a preliminary inquiry whenever it has received a sworn complaint, or other allegation of, or information about, alleged misconduct or violations pursuant to Rule 2.

(c) Scope of Preliminary Inquiry:

(1) The preliminary inquiry shall be of such duration and scope as is necessary to determine whether there is substantial credible evidence which provides substantial cause for the Committee to conclude that a violation within the jurisdiction of the Committee has occurred. The Chairman and Vice Chairman, acting jointly, on behalf of the Committee may supervise and determine the appropriate duration, scope, and conduct of a preliminary inquiry. Whether a preliminary inquiry is conducted jointly by the Chairman and Vice Chairman or by the Committee as a whole, the day to day supervision of a preliminary inquiry rests with the Chairman and Vice Chairman, acting jointly.

(2) A preliminary inquiry may include any inquiries, interviews, sworn statements, depositions, or subpoenas deemed appropriate to obtain information upon which to make any determination provided for by this Rule.

(d) Opportunity for Response: A preliminary inquiry may include an opportunity for any known respondent or his or her designated representative to present either a written or oral statement, or to respond orally to questions from the Committee. Such an oral statement or answers shall be transcribed and signed by the person providing the statement or answers.

(e) Status Reports: The Committee staff or outside counsel shall periodically report to the Committee in the form and according to the schedule prescribed by the Committee. The reports shall be confidential.

(f) Final Report: When the preliminary inquiry is completed, the staff or outside counsel shall make a confidential report, oral or written, to the Committee on findings and recommendations, as appropriate.

(g) Committee Action: As soon as practicable following submission of the report on the preliminary inquiry, the Committee shall determine by a recorded vote whether there is substantial credible evidence which provides substantial cause for the Committee to conclude that a violation within the jurisdiction of the Committee has occurred. The Committee may make any of the following determinations:

(1) The Committee may determine that there is not such substantial credible evidence and, in such case, the Committee shall dismiss the matter. The Committee, or Chairman and Vice Chairman acting jointly on behalf of the Committee, may dismiss any matter which, after a preliminary inquiry, is determined to lack substantial merit. The Committee shall inform the complainant of the dismissal.

(2) The Committee may determine that there is such substantial credible evidence, but that the alleged violation is inadvertent, technical, or otherwise of a de minimis nature. In such case, the Committee may dispose of the matter by issuing a public or private letter of admonition, which shall not be considered discipline and which shall not be subject to appeal to the Senate. The issuance of a letter of admonition must be approved by the affirmative recorded vote of no fewer than four members of the Committee voting.

(3) The Committee may determine that there is such substantial credible evidence and that the matter cannot be appropriately disposed of under paragraph (2). In such case, the Committee shall promptly initiate an adjudicatory review in accordance with Rule 4. No adjudicatory review of conduct of a Member, officer, or employee of the Senate may be initiated except by the affirmative recorded vote of not less than four members of the Committee.

RULE 4: PROCEDURES FOR CONDUCTING AN ADJUDICATORY REVIEW

(a) Definition of Adjudicatory Review: An "adjudicatory review" is a proceeding undertaken by the Committee after a finding, on the basis of a preliminary inquiry, that there is substantial cause for the Committee to conclude that a violation within the jurisdiction of the Committee has occurred.

(b) Scope of Adjudicatory Review: When the Committee decides to conduct an adjudicatory review, it shall be of such duration and scope as is necessary for the Committee to determine whether a violation within its jurisdiction has occurred. An adjudicatory review shall be conducted by outside counsel as authorized by section 3(b)(1) of Senate Resolution 338 unless the Committee determines not to use outside counsel. In the course of the adjudicatory review, designated outside counsel, or if the Committee determines not to use outside counsel, the Committee or its staff, may conduct any inquiries or interviews, take sworn statements, use compulsory process as described in Rule 6, or take any other actions that the Committee deems appropriate to secure the evidence necessary to make a determination.

(c) Notice to Respondent: The Committee shall give written notice to any known respondent who is the subject of an adjudicatory review. The notice shall be sent to the respondent no later than five working days after the Committee has voted to conduct an adjudicatory review. The notice shall include a statement of the nature of the possible violation, and description of the evidence indicating that a possible violation occurred. The Committee may offer the respondent an opportunity to present a statement, orally or in writing, or to respond to questions from members of the Committee, the Committee staff, or outside counsel.

(d) Right to a Hearing: The Committee shall accord a respondent an opportunity for a hearing before it recommends disciplinary action against that respondent to the Senate or before it imposes an order of restitution or reprimand (not requiring discipline by the full Senate).

(e) Progress Reports to Committee: The Committee staff or outside counsel shall periodically report to the Committee concerning the progress of the adjudicatory review. Such reports shall be delivered to the Committee in the form and according to the schedule prescribed by the Committee, and shall be confidential.

(f) Final Report of Adjudicatory Review to Committee: Upon completion of an adjudicatory review, including any hearings held pursuant to Rule 5, the outside counsel or the staff shall submit a confidential written report to the Committee, which shall detail the factual findings of the adjudicatory review and which may recommend disciplinary action, if appropriate. Findings of fact of the adjudicatory review shall be detailed in this report whether or not disciplinary action is recommended.

(g) Committee Action:

(1) As soon as practicable following submission of the report of the staff or outside counsel on the adjudicatory review, the Committee shall prepare and submit a report to the Senate, including a recommendation or proposed resolution to the Senate concerning disciplinary action, if appropriate. A report shall be issued, stating in detail the Committee's findings of fact, whether or not disciplinary action is recommended. The report shall also explain fully the reasons underlying the Committee's recommendation concerning disciplinary action, if any. No adjudicatory review of conduct of a Member, officer or employee of the Senate may be conducted, or report or resolution or recommendation relating to such an adjudicatory review of conduct may be made, except

by the affirmative recorded vote of not less than four members of the Committee.

(2) Pursuant to S. Res. 338, as amended, section 2(a), subsections (2), (3), and (4), after receipt of the report prescribed by paragraph (f) of this rule, the Committee may make any of the following recommendations for disciplinary action or issue an order for reprimand or restitution, as follows:

i. In the case of a Member, a recommendation to the Senate for expulsion, censure, payment of restitution, recommendation to a Member's party conference regarding the Member's seniority or positions of responsibility, or a combination of these;

ii. In the case of an officer or employee, a recommendation to the Senate of dismissal, suspension, payment of restitution, or a combination of these;

iii. In the case where the Committee determines, after according to the Member, officer, or employee due notice and opportunity for a hearing, that misconduct occurred warranting discipline less serious than discipline by the full Senate, and subject to the provisions of paragraph (h) of this rule relating to appeal, by a unanimous vote of six members order that a Member, officer or employee be reprimanded or pay restitution or both;

iv. In the case where the Committee determines that misconduct is inadvertent, technical, or otherwise of a de minimis nature, issue a public or private letter of admonition to a Member, officer or employee, which shall not be subject to appeal to the Senate.

(3) In the case where the Committee determines, upon consideration of all the evidence, that the facts do not warrant a finding that there is substantial credible evidence which provides substantial cause for the Committee to conclude that a violation within the jurisdiction of the Committee has occurred, the Committee may dismiss the matter.

(4) Promptly, after the conclusion of the adjudicatory review, the Committee's report and recommendation, if any, shall be forwarded to the Secretary of the Senate, and a copy shall be provided to the complainant and the respondent. The full report and recommendation, if any, shall be printed and made public, unless the Committee determines by the recorded vote of not less than four members of the Committee that it should remain confidential.

(h) Right of Appeal:

(1) Any individual who is the subject of a reprimand or order of restitution, or both, pursuant to subsection (g)(2)(iii), may, within 30 days of the Committee's report to the Senate of its action imposing a reprimand or order of restitution, or both, appeal to the Senate by providing written notice of the appeal to the Committee and the presiding officer of the Senate. The presiding officer shall cause the notice of the appeal to be printed in the Congressional Record and the Senate Journal.

(2) S. Res. 338 provides that a motion to proceed to consideration of an appeal pursuant to paragraph (1) shall be highly privileged and not debatable. If the motion to proceed to consideration of the appeal is agreed to, the appeal shall be decided on the basis of the Committee's report to the Senate. Debate on the appeal shall be limited to 10 hours, which shall be divided equally between, and controlled by, those favoring and those opposing the appeal.

RULE 5: PROCEDURES FOR HEARINGS

(a) Right to Hearing: The Committee may hold a public or executive hearing in any preliminary inquiry, adjudicatory review, or other proceeding. The Committee shall accord a respondent an opportunity for a hearing before it recommends disciplinary action against that respondent to the Senate or before it imposes on order of restitution or reprimand. (See Rule 4(d)).

(b) Non-Public Hearings: The Committee may at any time during a hearing determine in accordance with paragraph 5(b) of Rule XXVI of the Standing Rules of the Senate whether to receive the testimony of specific witnesses in executive session. If a witness desires to express a preference for testifying in public or in executive session, he or she shall so notify the Committee at least five days before he or she is scheduled to testify.

(c) Adjudicatory Hearings: The Committee may, by the recorded vote of not less than four members of the Committee, designate any public or executive hearing as an adjudicatory hearing; and any hearing which is concerned with possible disciplinary action against a respondent or respondents designated by the Committee shall be an adjudicatory hearing. In any adjudicatory hearing, the procedures described in paragraph (j) shall apply.

(d) Subpoena Power: The Committee may require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such correspondence, books, papers, documents or other articles as it deems advisable. (See Rule 6.)

(e) Notice of Hearings: The Committee shall make public an announcement of the date, place, and subject matter of any hearing to be conducted by it, in accordance with Rule 1(f).

(f) Presiding Officer: The Chairman shall preside over the hearings, or in his absence the Vice Chairman. If the Vice Chairman is also absent, a Committee member designated by the Chairman shall preside. If an oath or affirmation is required, it shall be administered to a witness by the Presiding Officer, or in his absence, by any Committee member.

(g) Witnesses:

(1) A subpoena or other request to testify shall be served on a witness sufficiently in advance of his or her scheduled appearance to allow the witness a reasonable period of time, as determined by the Committee, to prepare for the hearing and to employ counsel if desired.

(2) The Committee may, by recorded vote of not less than four members of the Committee, rule that no member of the Committee or staff or outside counsel shall make public the name of any witness subpoenaed by the Committee before the date of that witness's scheduled appearance, except as specifically authorized by the Chairman and Vice Chairman, acting jointly.

(3) Any witness desiring to read a prepared or written statement in executive or public hearings shall file a copy of such statement with the Committee at least two working days in advance of the hearing at which the statement is to be presented. The Chairman and Vice Chairman shall determine whether such statements may be read or placed in the record of the hearing.

(4) Insofar as practicable, each witness shall be permitted to present a brief oral opening statement, if he or she desires to do so.

Right To Testify: Any person whose name is mentioned or who is specifically identified or otherwise referred to in testimony or in statements made by a Committee member, staff number or outside counsel, or any witness, and who reasonably believes that the statement tends to adversely affect his or her reputation may—

(1) Request to appear personally before the Committee to testify in his or her own behalf; or

(2) File a sworn statement of facts relevant to the testimony or other evidence or statement of which he or she complained. Such request and such statement shall be submitted to the Committee for its consideration and action.

(i) Conduct of Witnesses and Other Attendees: The Presiding Officer may punish any breaches of order and decorum by censure and exclusion from the hearings. The Committee, by majority vote, may recommend to the Senate that the offender be cited for contempt of Congress.

(j) Adjudicatory Hearing Procedures:

(1) Notice of hearings: A copy of the public announcement of an adjudicatory hearing, required by paragraph (e), shall be furnished together with a copy of these Rules to all witnesses at the time that they are subpoenaed or otherwise summoned to testify.

(2) Preparation for adjudicatory hearings:

(A) At least five working days prior to the commencement of an adjudicatory hearing, the Committee shall provide the following information and documents to the respondent, if any:

(i) a list of proposed witnesses to be called at the hearing;

(ii) copies of all documents expected to be introduced as exhibits at the hearing; and

(iii) a brief statement as to the nature of the testimony expected to be given by each witness to be called at the hearing.

(B) At least two working days prior to the commencement of an adjudicatory hearing, the respondent, if any, shall provide the information and documents described in divisions, (i), (ii) and (iii) of subparagraph (A) to the Committee.

(C) At the discretion of the Committee, the information and documents to be exchange under this paragraph shall be subject to an appropriate agreement limiting access and disclosure.

(D) If a respondent refuses to provide the information and documents to the Committee (see (A) and (B) of this subparagraph), or if a respondent or other individual violates an agreement limiting access and disclosure, the Committee, by majority vote, may recommend to the Senate that the offender be cited for contempt of Congress.

(3) Swearing of witnesses: All witnesses who testify at adjudicatory hearings shall be sworn unless the Presiding Officer, for good cause, decides that a witness does not have to be sworn.

(4) Right to counsel: Any witness at an adjudicatory hearing may be accompanied by counsel of his or her own choosing, who shall be permitted to advise the witness of his or her legal rights during the testimony.

(5) Right to cross-examine and call witnesses:

(A) In adjudicatory hearings, any respondent and any other person who obtains the permission of the Committee, may personally or through counsel cross-examine witnesses called by the Committee and may call witnesses in his or her own behalf.

(B) A respondent may apply to the Committee for the issuance of subpoenas for the appearance of witnesses or the production of documents on his or her behalf. An application shall be approved upon a concise showing by the respondent that the proposed testimony or evidence is relevant and appropriate, as determined by the Chairman and Vice Chairman.

(C) With respect to witnesses called by a respondent, or other individual given permission by the Committee, each such witness shall first be examined by the party who called the witness or by that party's counsel.

(D) At least one working day before a witness's scheduled appearance, a witness or a witness's counsel may submit to the Committee written questions proposed to be asked of that witness. If the Committee determines that it is necessary, such questions may be asked by any member of the Committee, or by any Committee staff member if directed by a Committee member. The witness or witness's counsel may also submit additional sworn testimony for the record within twenty-four hours after the last day that the witness has testified. The insertion of such testimony in that day's record is subject to the approval of the Chairman and Vice Chairman acting jointly within five days after the testimony is received.

(6) Admissibility of evidence:

(A) The object of the hearing shall be to ascertain the truth. Any evidence that may be relevant and probative shall be admissible, unless privileged under the Federal Rules of Evidence. Rules of evidence shall not be applied strictly but the Presiding Officer shall exclude irrelevant or unduly repetitious testimony. Objections going only to the weight that should be given evidence will not justify its exclusion.

(B) The Presiding Officer shall rule upon any question of the admissibility of testimony or other evidence presented to the Committee. Such rulings shall be final unless reversed or modified by a recorded vote of not less than four members of the Committee before the recess of that day's hearings.

(C) Notwithstanding paragraphs (A) and (B), in any matter before the Committee involving allegations of sexual discrimination, including sexual harassment, or sexual misconduct, by a Member, officer, or employee, within the jurisdiction of the Committee, the Committee shall be guided by the standards and procedures of Rule 412 of the Federal Rules of Evidence, except that the Committee may admit evidence subject to the provisions of this paragraph only upon a determination of not less than four members of the full Committee that the interests of justice require that such evidence be admitted.

(7) Supplementary hearing procedures: The Committee may adopt any additional special hearing procedures that it deems necessary or appropriate to a particular adjudicatory hearing. Copies of such supplementary procedures shall be furnished to witnesses and respondents, and shall be made available upon request to any member of the public.

(k) Transcripts:

(1) An accurate stenographic or recorded transcript shall be made of all public and executive hearings. Any member of the Committee, Committee staff member, outside counsel retained by the Committee, or witness may examine a copy of the transcript retained by the Committee of his or her own remarks and may suggest to the official reporter any typographical or transcription errors. If the reporter declines to make the requested corrections, the member, staff member, outside counsel or witness may request a ruling by the Chairman and Vice Chairman acting jointly. Any member or witness shall return the transcript with suggested corrections to the Committee offices within five working days after receipt of the transcript, or as soon thereafter as is practicable. If the testimony as given in executive session, the member or witness may only inspect the transcript at a location determined by the Chairman and Vice Chairman, acting jointly. Any questions arising with respect to the processing and correction of transcripts shall be decided by the Chairman and Vice Chairman, acting jointly.

(2) Except for the record of a hearing which is closed to the public, each transcript shall be printed as soon as is practicable after receipt of the corrected version. The Chairman and Vice Chairman, acting jointly, may order the transcript of a hearing to be printed without the corrections of a member or witness if they determine that such member of witness has been afforded a reasonable time to correct such transcript and such transcript has not been returned within such time.

(3) The committee shall furnish each witness, at no cost, one transcript copy of that witness's testimony given at a public hearing. If the testimony was given in executive session, then a transcript copy shall be provided upon request, subject to appropriate conditions and restrictions prescribed by the Chairman and Vice Chairman. If any individual violates such conditions and restrictions, the Committee may recommend by majority vote that he or she be cited for contempt of Congress.

RULE 6: SUBPOENAS AND DEPOSITIONS

(a) Subpoenas:

(1) Authorization for issuance: Subpoenas for the attendance and testimony of witnesses at depositions or hearings, and subpoenas for the production of documents and tangible things at depositions, hearings, or other times and places designated therein, may be authorized for issuance by either (A) a majority vote of the Committee, or (B) the Chairman and Vice Chairman, acting jointly, at any time during a preliminary inquiry, adjudicatory review, or other proceeding.

(2) Signature and service: All subpoenas shall be signed by the Chairman or the Vice Chairman and may be served by any person eighteen years of age or older, who is designated by the Chairman or Vice Chairman. Each subpoena shall be served with a copy of the Rules of the committee and a brief statement of the purpose of the Committee's proceeding.

(3) Withdrawal of subpoena: The Committee, by recorded vote of not less than four members of the Committee, may withdraw any subpoena authorized for issuance by it or authorized for issuance by the Chairman and Vice Chairman, acting jointly. The Chairman and Vice Chairman, acting jointly, may withdraw any subpoena authorized for issuance by them.

(b) Depositions:

(1) Persons authorized to take depositions: Depositions may be taken by any member of the Committee designated by the Chairman and Vice Chairman, acting jointly, or by any other person designated by the Chairman and Vice Chairman, acting jointly, including outside counsel, Committee staff, other employees of the Senate, or government employees detailed to the Committee.

(2) Deposition notices: Notices for the taking of depositions shall be authorized by the Committee, or the Chairman and Vice Chairman, acting jointly, and issued by the Chairman and Vice Chairman, or a Committee staff member or outside counsel designated by the Chairman and Vice Chairman, acting jointly. Depositions may be taken at any time during a preliminary inquiry, adjudicatory review or other proceeding. Deposition notices shall specify a time and place for examination. Unless otherwise specified, the deposition shall be in private, and the testimony taken and documents produced shall be deemed for the purpose of these rules to have been received in a closed or executive session of the Committee. The Committee shall not initiate procedures leading to criminal or civil enforcement proceedings for a witness's failure to appear, or to testify, or to produce documents, unless the deposition notice was accompanied by a subpoena authorized for issuance by the Committee, or the Chairman and Vice Chairman, acting jointly.

(3) Counsel at depositions: Witnesses may be accompanied at a deposition by counsel to advise them of their rights.

(4) Deposition procedure: Witnesses at depositions shall be examined upon oath administered by an individual authorized by law to administer oaths, or administered by any member of the Committee if one is present. Questions may be propounded by any person or persons who are authorized to take depositions for the Committee. If a witness objects to a question and refuses to testify, or refuses to produce a document, any member of the Committee who is present may rule on the objection and, if the objection is overruled, direct the witness to answer the question or produce the document. If no member of the Committee is present, the individual who has been designated by the Chairman and Vice Chairman, acting jointly, to take the deposition may proceed with the deposition, or may, at that time or at a subsequent time, seek a ruling by telephone or otherwise on the objection from the Chairman or Vice Chairman of the Committee, who may refer the matter to the Committee or rule on the objection. If the Chairman or Vice Chairman, or the Committee upon referral, overrules the objection, the Chairman, Vice Chairman, or the Committee as the case may be, may direct the witness to answer the question or produce the document. The Committee shall not initiate procedures leading to civil or criminal enforcement unless the witness refuses to testify or produce documents after having been directed to do so.

(5) Filing of depositions: Deposition testimony shall be transcribed or electronically recorded. If the deposition is transcribed, the individual administering the oath shall certify on the transcript that the witness was fully sworn in his or her presence and the transcriber shall certify that the transcript is a true record of the testimony. The transcript with these certifications shall be filed with the chief clerk of the Committee, and the witness shall be furnished with access to a copy at the Committee's offices for review. Upon inspecting the transcript, within a time limit set by the Chairman and Vice Chairman, acting jointly, a witness may request in writing changes in the transcript to correct errors in transcription. The witness may also bring to the attention of the Committee errors of fact in the witness's testimony by submitting a sworn statement about those facts with a request that it be attached to the transcript. The Chairman and Vice Chairman, acting jointly, may rule on the witness's request, and the changes or attachments allowed shall be certified by the Committee's chief clerk. If the witness fails to make any request under this paragraph within the time limit set, this fact shall be noted by the Committee's chief clerk. Any person authorized by the Committee may stipulate with the witness to changes in this procedure.

RULE 7: VIOLATIONS OF LAW; PERJURY; LEGISLATIVE RECOMMENDATIONS; EDUCATIONAL MANDATE; AND APPLICABLE RULES AND STANDARDS OF CONDUCT

(a) Violations of Law: Whenever the Committee determines by the recorded vote of not less than four members of the full Committee that there is reason to believe that a violation of law, including the provision of false information to the Committee, may have occurred, it shall report such possible violation to the proper Federal and state authorities.

(b) Perjury: Any person who knowingly and willfully swears falsely to a sworn complaint or any other sworn statement to the Committee does so under penalty or perjury. The Committee may refer any such case to the Attorney General for prosecution.

(c) Legislative Recommendations: The Committee shall recommend to the Senate by report or resolution such additional rules, regulations, or other legislative measures as it determines to be necessary or desirable to ensure proper standards of conduct by Members, officers, or employees of the Senate. The Committee may conduct such preliminary inquiries as it deems necessary to prepare such a report or resolution, including the holding of hearings in public or executive session and the use of subpoenas to compel the attendance of witnesses or the production of materials. The Committee may make legislative recommendations as a result of its findings in a preliminary inquiry, adjudicatory review, or other proceeding.

(d) Educational Mandate: The Committee shall develop and implement programs and materials designed to educate Members, officers, and employees about the laws, rules, regulations, and standards of conduct applicable to such individuals in the performance of their duties.

(e) Applicable Rules and Standards of Conduct:

(1) Notwithstanding any other provision of this section, no adjudicatory review shall be initiated of any alleged violation of any law, the Senate Code of Official Conduct, rule, or regulation which was not in effect at the time the alleged violation occurred. No provisions of the Senate Code of Official Conduct shall apply to or require disclosure of any act, relationship, or transaction which occurred prior to the effective date of the applicable provision of the Code.

(2) The Committee may initiate an adjudicatory review of any alleged violation of a rule or law which was in effect prior to enactment of the Senate Code of Official Conduct if the alleged violation occurred while such rule or law was in effect and the violation was not a matter resolved in the merits by the predecessor Committee.

RULE 8: PROCEDURES FOR HANDLING COMMITTEE SENSITIVE AND CLASSIFIED MATERIALS

(a) Procedures for Handling Committee Sensitive Materials:

(1) Committee Sensitive information or material is information or material in the possession of the Select Committee on Ethics which pertains to illegal or improper conduct by a present or former Member, officer, or employee of the Senate; to allegations or accusations of such conduct; to any resulting preliminary inquiry, adjudicatory review or other proceeding by the Select Committee on Ethics into such allegations or conduct; to the investigative techniques and procedures of the Select Committee on Ethics; or to the information or material designated by the staff director, or outside counsel designated by the Chairman and Vice Chairman.

(2) The Chairman and Vice Chairman of the Committee shall establish such procedures as may be necessary to prevent the unauthorized disclosure of Committee Sensitive information in the possession of the Committee or its staff. Procedures for protecting Committee Sensitive materials shall be in writing and shall be given to each Committee staff member.

(b) Procedures for Handling Classified Materials:

(1) Classified information or material is information or material which is specifically designated as classified under the authority of Executive Order 11652 requiring protection of such information or material from unauthorized disclosure in order to prevent damage to the United States.

(2) The Chairman and Vice Chairman of the Committee shall establish such procedures as may be necessary to prevent the unauthorized disclosure of classified information in the possession of the Committee or its staff. Procedure for handling such information shall be in writing and a copy of the procedures shall be given to each staff member cleared for access to classified information.

(3) Each member of the Committee shall have access to classified material in the Committee's possession. Only Committee staff members with appropriate security clearances and a need-to-know, as approved by the Chairman and Vice Chairman, acting jointly, shall have access to classified information in the Committee's possession.

(c) Procedures for Handling Committee Sensitive and Classified Documents:

(1) Committee Sensitive documents and materials shall be stored in the Committee's offices, with appropriate safeguards for maintaining the security of such documents or materials. Classified documents and materials shall be further segregated in the Committee's offices in secure filing safes. Removal from the Committee offices of such documents or materials is prohibited except as necessary for use in, or preparation for, interviews or Committee meetings, including the taking of testimony, or as otherwise specifically approved by the staff director or by outside counsel designated by the Chairman and Vice Chairman.

(2) Each member of the Committee shall have access to all materials in the Committee's possession. The staffs of members shall not have access to Committee Sensitive or classified documents and materials without the specific approval in each instance of the Chairman, and Vice Chairman, acting jointly. Members may examine such materials in the Committee's offices. If necessary, requested materials may be hand delivered by a member of the Committee staff to the member of the Committee, or to a staff person(s) specifically designated by the member, for the Member's or designated staffer's examination. A member of the Committee who has possession of Committee Sensitive documents or materials shall take appropriate safeguards for maintaining the security of such documents or materials in the possession of the Member or his or her designated staffer.

(3) Committee Sensitive documents that are provided to a Member of the Senate in connection with a complaint that has been filed against the Member shall be hand delivered to the Member or to the Member's Chief of Staff or Administrative Assistant. Committee Sensitive documents that are provided to a Member of the Senate who is the subject of a preliminary inquiry, adjudicatory review, or other proceeding, shall be hand delivered to the Member or to his or her specifically designated representative.

(4) Any Member of the Senate who is not a member of the Committee and who seeks access to any Committee Sensitive or classified documents or materials, other than documents or materials which are matters of public record, shall request access in writing. The Committee shall decide by majority vote whether to make documents or materials available. If access is granted, the Member shall not disclose the information except as authorized by the Committee.

(5) Whenever the Committee makes Committee Sensitive or classified documents or materials available to any Member of the Senate who is not a member of the Committee, or to a staff person of a Committee member in response to a specific request to the Chairman and Vice Chairman, a written record shall be made identifying the Member of the Senate requesting such documents or materials and describing what was made available and to whom.

(d) Non-Disclosure Policy and Agreement:

(1) Except as provided in the last sentence of this paragraph, no member of the Select Committee on Ethics, its staff or any person engaged by contract or otherwise to perform services for the Select Committee on Ethics shall release, divulge, publish, reveal by writing, word, conduct, or disclose in any way, in whole, or in part, or by way of summary, during tenure with the Select Committee on Ethics or anytime thereafter, any testimony given before the Select Committee on Ethics in executive session (including the name of any witness who appeared or was called to appear in executive session), any classified or Committee Sensitive information, document or material, received or generated by the Select Committee on Ethics or any classified or Committee Sensitive information which may come into the possession of such person during tenure with the Select Committee on Ethics or its staff. Such information, documents, or material may be released to an official of the executive branch properly cleared for access with a need-to-know, for any purpose or in connection with any proceeding, judicial or otherwise, as authorized by the Select Committee on Ethics, or in the event of termination of the Select Committee on Ethics, in such a manner as may be determined by its successor or by the Senate.

(2) No member of the Select Committee on Ethics staff or any person engaged by contract or otherwise to perform services for the Select Committee on Ethics, shall be granted access to classified or Committee Sensitive information or material in the possession of the Select Committee on Ethics unless and until such person agrees in writing, as a condition of employment, to the nondisclosure policy. The agreement shall become effective when signed by the Chairman and Vice Chairman on behalf of the Committee.

RULE 9: BROADCASTING AND NEWS COVERAGE OF COMMITTEE PROCEEDINGS

(a) Whenever any hearing or meeting of the Committee is open to the public, the Committee shall permit that hearing or meeting to be covered in whole of in part, by television broadcast, radio broadcast, still photography, or by any other methods of coverage, unless the Committee decides by recorded vote of not less than four members of the Committee that such coverage is not appropriate at a particular hearing or meeting.

(b) Any witness served with a subpoena by the Committee may request not to be photographed at any hearing or to give evidence or testimony while the broadcasting, reproduction, or coverage of that hearing, by radio, television, still photography, or other methods is occurring. At the request of such witness who does not wish to be subjected to radio, television, still photography, or other methods of coverage, and subject to the approval of the Committee, all lenses shall be covered and all microphones used for coverage turned off.

(c) If coverage is permitted, it shall be in accordance with the following requirements:

(1) Photographers and reporters using mechanical recording, filming, or broadcasting apparatus shall position their equipment so as not to interfere with the seating, vision, and hearing of the Committee members and staff, or with the orderly process of the meeting or hearing.

(2) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(3) Personnel providing coverage by the television and radio media shall be currently accredited to the Radio and Television Correspondents' Galleries.

(4) Personnel providing coverage by still photography shall be currently accredited to the Press Photographers' Gallery Committee of Press Photographers.

(5) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and the coverage activities in an orderly and unobtrusive manner.

RULE 10: PROCEDURES FOR ADVISORY OPINIONS

(a) When Advisory Opinions Are Rendered:

(1) The Committee shall render an advisory opinion, in writing within a reasonable time, in response to a written request by a Member or officer of the Senate or a candidate for nomination for election, or election to the Senate, concerning the application of any law, the Senate Code of Official Conduct, or any rule or regulation of the Senate within the Committee's jurisdiction, to a specific factual situation pertinent to the conduct or proposed conduct of the person seeking the advisory opinion.

(2) The Committee may issue an advisory opinion in writing within a reasonable time in response to a written request by any employee of the Senate concerning the application of any law, the Senate Code of Official Conduct, or any rule or regulation of the Senate within the Committee's jurisdiction, to a specific factual situation pertinent to the conduct or proposed conduct of the person seeking the advisory opinion.

(b) Form of Request: A request for an advisory opinion shall be directed in writing to the Chairman of the Committee and shall include a complete and accurate statement of the specific factual situation with respect to which the request is made as well as the specific question or questions which the requestor wishes the Committee to address.

(c) Opportunity for Comment:

(1) The Committee will provide an opportunity for any interested party to comment on a request for an advisory opinion.

(A) which requires an interpretation on a significant question of first impression that will affect more than a few individuals; or

(B) when the Committee determines that comments from interested parties would be of assistance.

(2) Notice of any such request for an advisory opinion shall be published in the Congressional Record, with appropriate deletions to insure confidentiality, and interested parties will be asked to submit their comments in writing to the Committee within ten days.

(3) All relevant comments received on a timely basis will be considered.

(d) Issuance of an Advisory Opinion:

(1) The Committee staff shall prepare a proposed advisory opinion in draft form which will first be reviewed and approved by the Chairman and Vice Chairman, acting jointly, and will be presented to the Committee for final action. If (A) the Chairman and Vice Chairman cannot agree, or (B) either the Chairman or Vice Chairman requests that it be taken directly to the Committee, then the proposed advisory opinion shall be referred to the Committee for its decision.

(2) An advisory opinion shall be issued only by the affirmative recorded vote of a majority of the members voting.

(3) Each advisory opinion issued by the Committee shall be promptly transmitted for publication in the CONGRESSIONAL RECORD after appropriate deletions are made to insure confidentiality. The Committee may at any time revise, withdraw, or elaborate on any advisory opinion.

(e) Reliance on Advisory Opinions:

(1) Any advisory opinion issued by the Committee under Senate Resolution 338, 88th Congress, as amended, and the rules may be relied upon by—

(A) Any person involved in the specific transaction or activity with respect to which such advsory opinion is rendered if the request for such advisory opinion included a complete and accurate statement of the specific factual situation; and

(B) any person involved in any specific transaction or activity which is indistinguishable in all its material aspects from the transaction or activity which respect to which such advisory opinion is rendered.

(2) Any person who relies upon any provision or finding of an advisory opinion in accordance with the provisions of Senate Resolution 338, 88th Congress, as amended, and of the rules, and who acts in good faith in accordance with the provisions and findings of such advisory opinion shall not, as a result of any such act, be subject to any sanction by the Senate.

RULE 11: PROCEDURES FOR INTERPRETATIVE RULINGS

(a) Basis for Interpretative Rulings: Senate Resolution 338, 88th Congress, as amended, authorizes the Committee to issue interpretative rulings explaining and clarifying the application of any law, the Code of Official Conduct, or any rule or regulation of the Senate within its jurisdiction. The Committee also may issue such rulings clarifying or explaining any rule or regulation of the Select Committee on Ethics.

(b) Request for Ruling: A request for such a ruling must be directed in writing to the Chairman or Vice Chairman of the Committee.

(c) Adoption of Ruling:

(1) The Chairman and Vice Chairman, acting jointly, shall issue a written interpretive ruling in response to any such request, unless—

(A) they cannot agree,

(B) it requires an interpretation of a significant question of first impression, or

(C) either requests that it be taken to the Committee, in which event the request shall be directed to the Committee for a ruling.

(2) A ruling on any request taken to the Committee under subparagraph (1) shall be adopted by a majority of the members voting and the ruling shall then be issued by the Chairman and Vice Chairman.

(d) Publication of Ruling: The Committee will publish in the Congressional Record, after making appropriate deletions to ensure confidentiality, any interpretative rulings issued under this Rule which the Committee determines may be of assistance or guidance to other Members, officers or employees. The Committee may at any time revise, withdraw, or elaborate on interpretative rulings.

(e) Reliance on Rulings: Whenever an individual can demonstrate to the Committee's satisfaction that his or her conduct was in good faith reliance on an interpretative ruling issued in accordance with this Rule, the Committee will not recommend sanctions to the Senate as a result of such conduct.

(f) Rulings by Committee Staff: The Committee staff is not authorized to make rulings or give advice, orally or in writing, which binds the Committee in any way.

RULE 12: PROCEDURES FOR COMPLAINTS INVOLVING IMPROPER USE OF THE MAILING FRANK

(a) Authority To Receive Complaints: The Committee is directed by section 6(b) of Public Law 93–191 to receive and dispose of complaints that a violation of the use of the mailing frank has occurred or is about to occur by a Member or officer of the Senate or by a surviving spouse of a Member. All such complaints will be processed in accordance with the provisions of these Rules, except as provided in paragraph (b).

(b) Disposition of Complaints:

(1) The Committee may dispose of any such complaint by requiring restitution of the cost of the mailing, pursuant to the franking statute, if it finds that the franking violation was the result of a mistake.

(2) Any complaint disposed of by restitution that is made after the Committee has formally commenced an adjudicatory review, must be summarized, together with the disposition, in a report to the Senate, as appropriate.

(3) If a complaint is disposed of by restitution, the complainant, if any, shall be notified of the disposition in writing.

(c) Advisory Opinions and Interpretative Rulings: Requests for advisory opinions or interpretative rulings involving franking questions shall be processed in accordance with Rules 10 and 11.

RULE 13: PROCEDURES FOR WAIVERS

(a) Authority for Waivers: The Committee is authorized to grant a waiver under the following provisions of the Standing Rules of the Senate:

(1) Section 101(h) of the Ethics in Government Act of 1978, as amended (Rule XXXIV), relating to the filing of financial disclosure reports by individuals who are expected to perform or who have performed the duties of their offices or positions for less than one hundred and thirty days in a calendar year;

(2) Section 102(a)(2)(D) of the Ethics in Government Act, as amended (Rule XXXIV), relating to the reporting of gifts;

(3) Paragraph 1 of Rule XXXV relating to acceptance of gifts; or

(4) Paragraph 5 of Rule XLI relating to applicability of any of the provisions of the Code of Official Conduct to an employee of the Senate hired on a per diem basis.

(b) Requests for Waivers: A request for a waiver under paragraph (a) must be directed to the Chairman or Vice Chairman in writing and must specify the nature of the waiver being sought and explain in detail the facts alleged to justify a waiver. In the case of a request submitted by an employee, the views of his or her supervisor (as determined under paragraph 12 of rule XXXVII of the Standing Rules of the Senate) should be included with the waiver request.

(c) Ruling: The Committee shall rule on a waiver request by recorded vote with a majority of those voting affirming the decision. With respect to an individual's request for a waiver in connection with the acceptance or reporting the value of gifts on the occasion of the individual's marriage, the Chairman and the Vice Chairman, acting jointly, may rule on the waiver.

(d) Availability of Waiver Determinations: A brief description of any waiver granted by the Committee, with appropriate deletions to ensure confidentiality, shall be made available for review upon request in the Committee office. Waivers granted by the Committee pursuant to the Ethics in Government Act of 1978, as amended, may only be granted pursuant to a publicity available request as required by the Act.

RULE 14: DEFINITION OF "OFFICER OR EMPLOYEE"

(a) As used in the applicable resolutions and in these rules and procedures, the term "officer or employee of the Senate" means:

(1) An elected officer of the Senate who is not a Member of the Senate;

(2) An employee of the Senate, any committee or subcommittee of the Senate, or any Member of the Senate;

(3) The Legislative Counsel of the Senate or any employee of his office;

(4) An Official Reporter of Debates of the Senate and any person employed by the Official Reporters of Debates of the Senate in connection with the performance of their official duties;

(5) A member of the Capitol Police force whose compensation is disbursed by the Secretary of the Senate;

(6) An employee of the Vice President, if such employee's compensation is disbursed by the Secretary of the Senate;

(7) An employee of a joint committee of the Congress whose compensation is disbursed by the Secretary of the Senate;

(8) An officer or employee of any department or agency of the Federal Government whose services are being utilized on a full-time and continuing basis by a Member, officer, employee, or committee of the Senate in accordance with Rule XLI(3) of the Standing Rules of the Senate; and

(9) Any other individual whose full-time services are utilized for more than ninety days in a calendar year by a member, officer, employee, or committee of the Senate in the conduct of official duties in accordance with Rule XLI(4) of the Standing Rules of the Senate.

RULE 15: COMMITTEE STAFF

(a) Committee Policy:

(1) The staff is to be assembled and retained as a permanent, professional, nonpartisan staff.

(2) Each member of the staff shall be professional and demonstrably qualified for the position for which he or she is hired.

(3) The staff as a whole and each member of the staff shall perform all official duties in a nonpartisan manner.

(4) No member of the staff shall engage in any partisan political activity directly affecting any congressional or presidential election.

(5) No member of the staff or outside counsel may accept public speaking engagements or write for publication on any subject that is in any way related to his or her employment or duties with the Committee without specific advance permission from the Chairman and Vice Chairman.

(6) No member of the staff may make public, without Committee approval, any Committee Sensitive or classified information, documents, or other material obtained during the course of his or her employment with the Committee.

(b) Appointment of Staff:

(1) The appointment of all staff members shall be approved by the Chairman and Vice Chairman, acting jointly.

(2) The Committee may determine by majority vote that it is necessary to retain staff members, including staff recommended by a special counsel, for the purpose of a particular preliminary inquiry, adjudicatory review, or other proceeding. Such staff shall be retained only for the duration of that particular undertaking.

(3) The Committee is authorized to retain and compensate counsel not employed by the Senate (or by any department or agency of the Executive Branch of the Government) whenever the Committee determines that the retention of outside counsel is necessary or appropriate for any action regarding any complaint or allegation, preliminary inquiry, adjudicatory review, or other proceeding, which in the determination of the Committee, is more appropriately conducted by counsel not employed by the Government of the United States as a regular employee. The Committee shall retain and compensate outside counsel to conduct any adjudicatory review undertaken after a preliminary inquiry, unless the Committee determines that the use of outside counsel is not appropriate in the particular case.

(c) Dismissal of Staff: A staff member may not be removed for partisan, political reasons, or merely as a consequence of the rotation of the Committee membership. The Chairman and Vice Chairman, acting jointly, shall approve the dismissal of any staff member.

(d) Staff Works for Committee as a Whole: All staff employed by the Committee or housed in Committee offices shall work for the Committee as a whole, under the general direction of the Chairman and Vice Chairman, and the immediate direction of the staff director or outside counsel.

(e) Notice of Summons To Testify: Each member of the Committee staff or outside counsel shall immediately notify the Committee in the event that he or she is called upon by a properly constituted authority to testify or provide confidential information obtained as a result of and during his or her employment with the Committee.

RULE 16: CHANGES IN SUPPLEMENTARY PROCEDURAL RULES

(a) Adoption of Changes in Supplementary Rules: The Rules of the Committee other than rules established by statute, or by the Standing Rules and Standing Orders of the Senate, may be modified, amended, or suspended at any time, pursuant to a recorded vote of not less than four members of the full Committee taken at a meeting called with due notice when prior written notice of the proposed change has been provided each member of the Committee.

(b) Publication: Any amendments adopted to the Rules of this Committee shall be published in the Congressional Record in accordance with Rule XXVI(2) of the Standing Rules of the Senate.

Mr. SMITH of New Hampshire. Mr. President, on behalf of Vice Chairman REID and other Members of the Ethics Committee, I am pleased to submit the "Senate Ethics Procedure Reform Resolution of 1999" for Senate consideration. This Resolution will implement key recommendations of the Senate Ethics Study Commission of 1993, a body which included among its members both the current distinguished Majority Leader and the distinguished Minority Leader.

Mr. REID. Mr. President, I am proud to join with Chairman SMITH and other Members of the Ethics Committee to bring this Reform Resolution to the floor for consideration. And I would like to take this opportunity to thank the Chairman for his leadership in working to implement these much needed changes in the Ethics Committee process.

Mr. SMITH of New Hampshire. I appreciate the Vice Chairman's comments and, more importantly, acknowledge his assistance and support in bringing these Reform measures before the Senate. This Resolution is the product of a mutual and supportive effort on both sides of the aisle to improve the Ethics Committee's procedures.

Let us briefly describe the changes included in this Reform. First, as Members may recall, the 1993 Study Commission was charged with studying the Ethics Committee's procedures and recommending needed changes. Such a Commission arose, a large part, out of the universal observation by those who had participated in Ethics Committee proceedings that: (1) the procedures were unnecessarily confusing and complex; and (2) that this created the potential for unfairness to those affected and contributed to a lack of confidence by those observing the process. In its hearings, the 1993 Study Commission heard from three distinguished former chairs of the Ethics Committee, attorneys who have practiced before and with the Ethics Committee, and experts on ethics issues and procedures from academia and public organizations with interests in legislative ethics. The resulting Commission Report, issued in 1994, recommended several changes designed to enhance public confidence in the Senate's ability to fulfill its constitutional duty of self-discipline.

The Reform Resolution now before the Senate includes those Commission recommendations specifically designed to simplify and streamline the Senate Ethics process. These reforms are intended to expedite the handling of ethics complaints in a way which should make the process fairer and more understandable. By eliminating the current unnecessary, multi-stage process for fact gathering, and using a single phase "preliminary inquiry" for that purpose, the process will make a lot more sense, and should save some time. If, after the facts are in, there is substantial evidence with causes the Ethics Committee to conclude that a violation may have occurred, then changes would be issued, and an "adjudicative review" of the evidence would ensue. This simplified process will be the same, whether the complaint is sworn or unsworn, and there will continue to be no procedural formalities surrounding the filing of a complaint with the Committee.

Mr. REID. The Reform Resolution also proposes a uniform set of possible sanctions for violations. The reforms would continue the Ethics Committee's current authority to dismiss a complaint because there is no violation, or find that any violation is inadvertent or otherwise de minimis and resolve it informally, after the Committee has gathered the facts. Both the current and the reformed process contemplate a letter of disapproval to resolve situations where a violation is de minimis and does not deserve formal discipline. Although the use of such letters is not explicit under current rules, such letters have historically been used by the Committee to resolve complaints, and the reformed process would expressly provide for public or private "Letters of Admonition" for this purpose. Such letters have not been and would not be considered discipline.

As to discipline by the Committee, the current process permits the Committee to resolve a case, with the Committee does not believe deserves sanction by the full Senate, by suggesting a remedy such as a reprimand, but only with consent of the respondent. The usefulness of this method of resolution is limited by the requirement of consent. The reformed process would authorize the Committee to resolve an appropriate case with a reprimand without consent, and/or financial restitution, but only after an opportunity for hearing and only with a right of appeal of the full Senate. In this fashion, cases which the Committee does not believe deserve discipline by the full Senate could be resolved, and the individual's right to defend his or her conduct before the full Senate would be preserved.

Mr. SMITH of New Hampshire. Beyond reprimand, and reserved for only the most serious cases, both the current and the reformed process contemplate that the Committee may make recommendations to the full Senate for Senate discipline. Under the current process, with respect to Members, the Committee has recommended or the full Senate has considered, either alone or in combination: financial restitution, disgorgement of funds, referral to a party conference for attention (regarding seniority or positions of responsibility), denouncement, censure, condemnation, and expulsion. The current system's use of a variety of terms, each of which has been considered by Senate historians to be censure, has resulted in some confusion about the Senate's intent in disciplining its Members. The proposed process would provide the Committee with a uniform set of recommendations for use either alone or in combination: financial restitution, referral to a party conference for attention (regarding seniority or positions of responsibility), censure, and expulsion. Absent extraordinary circumstances, the intent would be to use uniform terminology in recommending discipline to the Senate, although the Committee would retain needed flexibility in this regard. The proposal would also add financial restitution to the possible recommendations respecting a Senate officer or employee; suspension and dismissal are currently included.

Finally, Mr. President the Reform Resolution would amend the Ethics Committee's enabling resolution to expressly provide for the Committee's educational function.

Mr. DOMENICI. I ask unanimous consent the resolution be agreed to, the motion to reconsider be laid upon the table, and any statements be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 222) was agreed to, as follows:

S. RES. 222

Resolved,

SECTION 1. SHORT TITLE.

This resolution may be cited as the "Senate Ethics Procedure Reform Resolution of 1999".

SEC. 2. ESTABLISHMENT AND MEMBERSHIP OF THE SELECT COMMITTEE.

The first section of Senate Resolution 338, agreed to July 24, 1964 (88th Congress, 2d Session)(referred to as the "resolution") is amended—

(1) in subsection (c), by amending paragraph (1) to read as follows:

"(1) A majority of the members of the Select Committee shall constitute a quorum for the transaction of business involving complaints or allegations of, or information about, misconduct, including resulting preliminary inquiries, adjudicatory reviews, recommendations or reports, and matters relating to Senate Resolution 400, agreed to May 19, 1976.";

(2) in subsection (d), by amending paragraph (1) to read as follows:

"(1) A member of the Select Committee shall be ineligible to participate in—

"(A) any preliminary inquiry or adjudicatory review relating to—

"(i) the conduct of—

"(I) such member;

"(II) any officer or employee the member supervises; or

"(III) any employee of any officer the member supervises; or

"(ii) any complaint filed by the member; and

"(B) the determinations and recommendations of the Select Committee with respect to any preliminary inquiry or adjudicatory review described in subparagraph (A).

For purposes of this paragraph, a member of the Select Committee and an officer of the Senate shall be deemed to supervise any officer or employee consistent with the provision of paragraph 12 of rule XXXVII of the Standing Rules of the Senate.";

(3) in subsection (d)(2), by amending the first sentence to read as follows: "A member of the Select Committee may, at the discretion of the member, disqualify himself or herself from participating in any preliminary inquiry or adjudicatory review pending before the Select Committee and the determinations and recommendations of the Select Committee with respect to any such preliminary inquiry or adjudicatory review."; and

(4) in subsection (d), by amending paragraph (3) to read as follows:

"(3) Whenever any member of the Select Committee is ineligible under paragraph (1) to participate in any preliminary inquiry or adjudicatory review or disqualifies himself or herself under paragraph (2) from participating in any preliminary inquiry or adjudicatory review, another Senator shall, subject to the provisions of subsection (d), be appointed to serve as a member of the Select Committee solely for purposes of such preliminary inquiry or adjudicatory review and the determinations and recommendations of the Select Committee with respect to such preliminary inquiry or adjudicatory review. Any Member of the Senate appointed for such purposes shall be of the same party as the Member who is ineligible or disqualifies himself or herself.".

SEC. 3. DUTIES OF THE SELECT COMMITTEE.

Section 2 of the resolution is amended—

(1) in subsection (a), by striking paragraphs (2), (3), and (4) and inserting the following:

"(2)(A) recommend to the Senate by report or resolution by a majority vote of the full committee disciplinary action to be taken with respect to such violations which the Select Committee shall determine, after according to the individual concerned due notice and opportunity for a hearing, to have occurred;

"(B) pursuant to subparagraph (A) recommend discipline, including—

"(i) in the case of a Member, a recommendation to the Senate for expulsion, censure, payment of restitution, recommendation to a Member's party conference regarding the Member's seniority or positions of responsibility, or a combination of these; and

"(ii) in the case of an officer or employee, dismissal, suspension, payment of restitution, or a combination of these;

"(3) subject to the provisions of subsection (e), by a unanimous vote of 6 members, order that a Member, officer, or employee be reprimanded or pay restitution, or both, if the Select Committee determines, after according to the Member, officer, or employee due notice and opportunity for a hearing, that misconduct occurred warranting discipline less serious than discipline by the full Senate;

"(4) in the circumstances described in subsection (d)(3), issue a public or private letter of admonition to a Member, officer, or employee, which shall not be subject to appeal to the Senate;

"(5) recommend to the Senate, by report or resolution, such additional rules or regulations as the Select Committee shall determine to be necessary or desirable to insure proper standards of conduct by Members of the Senate, and by officers or employees of the Senate, in the performance of their duties and the discharge of their responsibilities;

"(6) by a majority vote of the full committee, report violations of any law, including the provision of false information to the Select Committee, to the proper Federal and State authorities; and

"(7) develop and implement programs and materials designed to educate Members, officers, and employees about the laws, rules, regulations, and standards of conduct applicable to such individuals in the performance of their duties.";

(2) by amending subsection (b) to read as follows:

"(b) For the purposes of this resolution—

"(1) the term 'sworn complaint' means a written statement of facts, submitted under penalty of perjury, within the personal knowledge of the complainant alleging a violation of law, the Senate Code of Official Conduct, or any other rule or regulation of the Senate relating to the conduct of individuals in the performance of their duties as Members, officers, or employees of the Senate;

"(2) the term 'preliminary inquiry' means a proceeding undertaken by the Select Committee following the receipt of a complaint or allegation of, or information about, misconduct by a Member, officer, or employee of the Senate to determine whether there is substantial credible evidence which provides substantial cause for the Select Committee to conclude that a violation within the jurisdiction of the Select Committee has occurred; and

"(3) the term 'adjudicatory review' means a proceeding undertaken by the Select Committee after a finding, on the basis of a preliminary inquiry, that there is substantial credible evidence which provides substantial cause for the Select Committee to conclude that a violation within the jurisdiction of the Select Committee has occurred.";

(3) in subsection (c), by amending paragraph (1) to read as follows:

"(1) No—

"(A) adjudicatory review of conduct of a Member or officer of the Senate may be conducted;

"(B) report, resolution, or recommendation relating to such an adjudicatory review of conduct may be made; and

"(C) letter of admonition pursuant to subsection (d)(3) may be issued,

unless approved by the affirmative recorded vote of no fewer than 4 members of the Select Committee.";

(4) by amending subsection (d) to read as follows:

"(d)(1) When the Select Committee receives a sworn complaint or other allegation or information about a Member, officer, or employee of the Senate, it shall promptly conduct a preliminary inquiry into matters raised by that complaint, allegation, or information. The preliminary inquiry shall be of duration and scope necessary to determine whether there is substantial credible evidence which provides substantial cause for the Select Committee to conclude that a violation within the jurisdiction of the Select Committee has occurred. The Select Committee may delegate to the chairman and vice chairman the discretion to determine the appropriate duration, scope, and conduct of a preliminary inquiry.

"(2) If, as a result of a preliminary inquiry under paragraph (1), the Select Committee determines by a recorded vote that there is not such substantial credible evidence, the Select Committee shall dismiss the matter. The Select Committee may delegate to the chairman and vice chairman the authority, on behalf of the Select Committee, to dismiss any matter that they determine, after a preliminary inquiry, lacks substantial merit. The Select Committee shall inform the individual who provided to the Select Committee the complaint, allegation, or information, and the individual who is the subject of the complaint, allegation, or information, of the dismissal, together with an explanation of the basis for the dismissal.

"(3) If, as a result of a preliminary inquiry under paragraph (1), the Select Committee determines that a violation is inadvertent, technical, or otherwise of a de minimis nature, the Select Committee may dispose of the matter by issuing a public or private letter of admonition, which shall not be considered discipline. The Select Committee may issue a public letter of admonition upon a similar determination at the conclusion of an adjudicatory review.

"(4) If, as the result of a preliminary inquiry under paragraph (1), the Select Committee determines that there is such substantial credible evidence and the matter cannot be appropriately disposed of under paragraph (3), the Select Committee shall promptly initiate an adjudicatory review. Upon the conclusion of such adjudicatory review, the Select Committee shall report to the Senate, as soon as practicable, the results of such adjudicatory review, together with its recommendations (if any) pursuant to subsection (a)(2).";

(5) by amending subsection (e) to read as follows:

"(e)(1) Any individual who is the subject of a reprimand or order of restitution, or both, pursuant to subsection (a)(3) may, within 30 days of the Select Committee's report to the Senate of its action imposing a reprimand or order of restitution, or both, appeal to the Senate by providing written notice of the basis for the appeal to the Select Committee and the presiding officer of the Senate. The presiding officer of the Senate shall cause the notice of the appeal to be printed in the Congressional Record and the Senate Journal.

"(2) A motion to proceed to consideration of an appeal pursuant to paragraph (1) shall be highly privileged and not debatable. If the motion to proceed to consideration of the appeal is agreed to, the appeal shall be decided on the basis of the Select Committee's report to the Senate. Debate on the appeal shall be limited to 10 hours, which shall be divided equally between, and controlled by, those favoring and those opposing the appeal.";

(6) by amending subsection (g) to read as follows:

"(g) Notwithstanding any other provision of this section, no adjudicatory review shall be initiated of any alleged violation of any law, the Senate Code of Official Conduct, rule, or regulation which was not in effect at the time the alleged violation occurred. No provisions of the Senate Code of Official Conduct shall apply to or require disclosure of any act, relationship, or transaction which occurred prior to the effective date of the applicable provision of the Code. The Select Committee may initiate an adjudicatory review of any alleged violation of a rule or law which was in effect prior to the enactment of the Senate Code of Official Conduct if the alleged violation occurred while such rule or law was in effect and the violation was not a matter resolved on the merits by the predecessor Select Committee."; and

(7) by amending subsection (h) to read as follows:

"(h) The Select Committee shall adopt written rules setting forth procedures to be used in conducting preliminary inquiries and adjudicatory reviews.".

SEC. 4. AUTHORITY OF THE SELECT COMMITTEE.

Section 3 of the resolution is amended—

(1) in subsection (b), by amending paragraph (2) to read as follows:

"(2) Any adjudicatory review as defined in section 2(b)(3) shall be conducted by outside counsel as authorized in paragraph (1), unless the Select Committee determines not to use outside counsel."; and

(2) by amending subsection (d) to read as follows:

"(d)(1) Subpoenas may be authorized by—

"(A) the Select Committee; or

"(B) the chairman and vice chairman, acting jointly.

"(2) Any such subpoena shall be issued and signed by the chairman and the vice chairman and may be served by any person designated by the chairman and vice chairman.

"(3) The chairman or any member of the Select Committee may administer oaths to witnesses.".

SEC. 5. EFFECTIVE DATE OF AMENDMENTS.

The amendments made by this resolution shall take effect on the date this resolution is agreed to, except that the amendments shall not apply with respect to further proceedings in any preliminary inquiry, initial review, or investigation commenced before that date under Senate Resolution 338, agreed to July 24, 1964 (88th Congress, 2d Session).

WOMEN'S BUSINESS CENTERS SUSTAINABILITY ACT OF 1999

Mr. DOMENICI. Mr. President, I ask unanimous consent the Senate proceed to consideration of Calendar No. 372, S. 791.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 791) to amend the Small Business Act with respect to the women's business center program.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Small Business to strike all after the enacting clause and insert in lieu thereof the following:

S. 791

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Women's Business Centers Sustainability Act of 1999".

SEC. 2. PRIVATE NONPROFIT ORGANIZATIONS.

Section 29 of the Small Business Act (15 U.S.C. 656) is amended—

(1) in subsection (a)—

(A) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(B) by inserting after paragraph (1) the following:

"(2) the term 'private nonprofit organization' means an entity that is described in section 501(c) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code;"; and

(2) in subsection (b), by inserting "nonprofit" after "private".

SEC. 3. INCREASED MANAGEMENT OVERSIGHT AND REVIEW OF WOMEN'S BUSINESS CENTERS.

Section 29 of the Small Business Act (15 U.S.C. 656) is amended—

(1) by striking subsection (h) and inserting the following:

"(h) PROGRAM EXAMINATION.—

"(1) IN GENERAL.—The Administration shall—

"(A) develop and implement an annual programmatic and financial examination of each women's business center established pursuant to this section, pursuant to which each such center shall provide to the Administration—

"(i) an itemized cost breakdown of actual expenditures for costs incurred during the preceding year; and

"(ii) documentation regarding the amount of matching assistance from non-Federal sources obtained and expended by the center during the preceding year in order to meet the requirements of subsection (c) and, with respect to any in-

kind contributions described in subsection (c)(2) that were used to satisfy the requirements of subsection (c), verification of the existence and valuation of those contributions; and

"(B) analyze the results of each such examination and, based on that analysis, make a determination regarding the programmatic and financial viability of each women's business center.

"(2) CONDITIONS FOR CONTINUED FUNDING.—In determining whether to award a contract (as a sustainability grant) under subsection (l) or to renew a contract (either as a grant or cooperative agreement) under this section with a women's business center, the Administration—

"(A) shall consider the results of the most recent examination of the center under paragraph (1); and

"(B) may withhold such award or renewal, if the Administration determines that—

"(i) the center has failed to provide any information required to be provided under clause (i) or (ii) of paragraph (1)(A), or the information provided by the center is inadequate; or

"(ii) the center has failed to provide any information required to be provided by the center for purposes of the report of the Administration under subsection (j), or the information provided by the center is inadequate."; and

(2) by striking subsection (j) and inserting the following:

"(j) MANAGEMENT REPORT.—

"(1) IN GENERAL.—The Administration shall prepare and submit to the Committees on Small Business of the House of Representatives and the Senate a report on the effectiveness of all projects conducted under this section.

"(2) CONTENTS.—Each report submitted under paragraph (1) shall include information concerning, with respect to each women's business center established pursuant to this section—

"(A) the number of individuals receiving assistance;

"(B) the number of startup business concerns formed;

"(C) the gross receipts of assisted concerns;

"(D) the employment increases or decreases of assisted concerns;

"(E) to the maximum extent practicable, increases or decreases in profits of assisted concerns; and

"(F) the most recent analysis, as required under subsection (h)(1)(B), and the subsequent determination made by the Administration under that subsection.".

SEC. 4. WOMEN'S BUSINESS CENTERS SUSTAINABILITY PILOT PROGRAM.

(a) IN GENERAL.—Section 29 of the Small Business Act (15 U.S.C. 656) is amended by adding at the end the following:

"(l) SUSTAINABILITY PILOT PROGRAM.—

"(1) IN GENERAL.—There is established a 4-year pilot program under which the Administration is authorized to award grants (referred to in this section as 'sustainability grants') on a competitive basis for an additional 5-year project under this section to any private nonprofit organization (or a division thereof)—

"(A) that has received financial assistance under this section pursuant to a grant, contract, or cooperative agreement; and

"(B) that—

"(i) is in the final year of a 5-year project; or

"(ii) to the extent that amounts are available for such purpose under subsection (k)(4)(B), has completed a project financed under this section (or any predecessor to this section) and continues to provide assistance to women entrepreneurs.

"(2) CONDITIONS FOR PARTICIPATION.—In order to receive a sustainability grant, an organization described in paragraph (1) shall submit to the Administration an application, which shall include—

"(A) a certification that the applicant—

"(i) is a private nonprofit organization;

"(ii) employs a full-time executive director or program manager to manage the center; and

"(iii) as a condition of receiving a sustainability grant, agrees—

"(I) to a site visit as part of the final selection process and to an annual programmatic and financial examination; and

"(II) to the maximum extent practicable, to remedy any problems identified pursuant to that site visit or examination;

"(B) information demonstrating that the applicant has the ability and resources to meet the needs of the market to be served by the women's business center site for which a sustainability grant is sought, including the ability to fundraise;

"(C) information relating to assistance provided by the women's business center site for which a sustainability grant is sought in the area in which the site is located, including—

"(i) the number of individuals assisted;

"(ii) the number of hours of counseling, training, and workshops provided; and

"(iii) the number of startup business concerns formed;

"(D) information demonstrating the effective experience of the applicant in—

"(i) conducting financial, management, and marketing assistance programs, as described in paragraphs (1), (2), and (3) of subsection (b), designed to impart or upgrade the business skills of women business owners or potential owners;

"(ii) providing training and services to a representative number of women who are both socially and economically disadvantaged;

"(iii) using resource partners of the Administration and other entities, such as universities;

"(iv) complying with the cooperative agreement of the applicant; and

"(v) the prudent management of finances and staffing, including the manner in which the performance of the applicant compared to the business plan of the applicant and the manner in which grant funds awarded under subsection (b) were used by the applicant; and

"(E) a 5-year plan that projects the ability of the women's business center site for which a sustainability grant is sought—

"(i) to serve women business owners or potential owners in the future by improving fundraising and training activities; and

"(ii) to provide training and services to a representative number of women who are both socially and economically disadvantaged.

"(3) REVIEW OF APPLICATIONS.—

"(A) IN GENERAL.—The Administration shall—

"(i) review each application submitted under paragraph (2) based on the information provided under in subparagraphs (D) and (E) of that paragraph, and the criteria set forth in subsection (f);

"(ii) as part of the final selection process, conduct a site visit at each women's business center for which a sustainability grant is sought; and

"(iii) approve or disapprove applications for sustainability grants simultaneously with applications for grants under subsection (b).

"(B) DATA COLLECTION.—Consistent with the annual report to Congress under subsection (j), each women's business center site that is awarded a sustainability grant shall, to the maximum extent practicable, collect information relating to—

"(i) the number of individuals assisted;

"(ii) the number of hours of counseling and training provided and workshops conducted;

"(iii) the number of startup business concerns formed;

"(iv) any available gross receipts of assisted concerns; and

"(v) the number of jobs created, maintained, or lost at assisted concerns.

"(C) RECORD RETENTION.—The Administration shall maintain a copy of each application submitted under this subsection for not less than 10 years.

"(4) NON-FEDERAL CONTRIBUTION.—

"(A) IN GENERAL.—Notwithstanding any other provision of this section, as a condition of receiving a sustainability grant, an organization described in paragraph (1) shall agree to obtain, after its application has been approved under paragraph (3) and notice of award has been issued, cash and in-kind contributions from non-Federal sources for each year of additional program participation in an amount equal to 1 non-Federal dollar for each Federal dollar.

"(B) FORM OF NON-FEDERAL CONTRIBUTIONS.—Not more than 50 percent of the non-Federal assistance obtained for purposes of subparagraph (A) may be in the form of in-kind contributions that are budget line items only, including office equipment and office space.

"(5) TIMING OF REQUESTS FOR PROPOSALS.—In carrying out this subsection, the Administration shall issue requests for proposals for women's business centers applying for the pilot program under this subsection simultaneously with requests for proposals for grants under subsection (b).".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 29(k) of the Small Business Act (15 U.S.C. 656(k)) is amended—

(1) by striking paragraph (1) and inserting the following:

"(1) IN GENERAL.—There is authorized to be appropriated, to remain available until the expiration of the pilot program under subsection (l)—

"(A) $13,000,000 for fiscal year 2000;

"(B) $14,300,000 for fiscal year 2001;

"(C) $15,600,000 for fiscal year 2002; and

"(D) $17,000,000 for fiscal year 2003.";

(2) in paragraph (2)—

(A) by striking "Amounts made" and inserting the following:

"(A) IN GENERAL.—Except as provided in subparagraph (B), amounts made"; and

(B) by adding at the end the following:

"(B) EXCEPTIONS.—Of the amount made available under this subsection for a fiscal year, the following amounts shall be available for selection panel costs, post-award conference costs, and costs related to monitoring and oversight:

"(i) For fiscal year 2000, 2.5 percent.

"(ii) For fiscal year 2001, 2.3 percent.

"(iii) For fiscal year 2002, 2.3 percent.

"(iv) For fiscal year 2003, 1.9 percent."; and

(3) by adding at the end the following:

"(4) RESERVATION OF FUNDS FOR SUSTAINABILITY PILOT PROGRAM.—

"(A) IN GENERAL.—Subject to subparagraph (B), of the total amount made available under this subsection for a fiscal year, the following amounts shall be reserved for sustainability grants under subsection (l):

"(i) For fiscal year 2000, 19.4 percent.

"(ii) For fiscal year 2001, 21.9 percent.

"(iii) For fiscal year 2002, 32 percent.

"(iv) For fiscal year 2003, 35 percent.

"(B) USE OF UNAWARDED FUNDS FOR SUSTAINABILITY PILOT PROGRAM GRANTS.—If the amount reserved under subparagraph (A) for any fiscal year is not fully awarded to private nonprofit organizations described in subsection (l)(1)(B)(i), the unawarded amount—

"(i) shall first be made available for sustainability grant awards under subsection (l) to private nonprofit organizations described in subsection (l)(1)(B)(ii); and

"(ii) any remaining unawarded amount shall be made available to fund additional women's business center sites or to increase funding of existing women's business center sites under subsection (b).".

(c) GUIDELINES.—Not later than 30 days after the date of enactment of this Act, the Administrator of the Small Business Administration

shall issue guidelines to implement the amendments made by this section.

SEC. 5. SENSE OF THE SENATE REGARDING GOVERNMENT PROCUREMENT ACCESS FOR WOMEN-OWNED SMALL BUSINESSES.

(a) FINDINGS.—The Senate finds that—

(1) women-owned small businesses are a powerful force in the economy;

(2) between 1987 and 1996—

(A) the number of women-owned small businesses in the United States increased by 78 percent, almost twice the rate of increase of all businesses in the United States;

(B) the number of women-owned small businesses increased in every State;

(C) total sales by women-owned small businesses in the United States increased by 236 percent;

(D) employment provided by women-owned small businesses in the United States increased by 183 percent; and

(E) the rates of growth for women-owned small businesses in the United States for the fastest growing industries were—

(i) 171 percent in construction;

(ii) 157 percent in wholesale trade;

(iii) 140 percent in transportation and communications;

(iv) 130 percent in agriculture; and

(v) 112 percent in manufacturing;

(3) approximately 8,000,000 women-owned small businesses in the United States provide jobs for 15,500,000 individuals and generate almost $1,400,000,000,000 in sales each year;

(4) the participation of women-owned small businesses in the United States in the procurement market of the Federal Government is limited;

(5) the Federal Government is the largest purchaser of goods and services in the United States, spending more than $200,000,000,000 each year;

(6) the majority of Federal Government purchases are for items that cost $25,000 or less; and

(7) the rate of Federal procurement for women-owned small businesses is 2.2 percent.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that, not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States should—

(1) conduct an audit of the Federal procurement system regarding Federal contracting involving women-owned small businesses for the 3 preceding fiscal years;

(2) solicit from Federal employees involved in the Federal procurement system any suggestions regarding how to increase the number of Federal contracts awarded to women-owned small businesses; and

(3) submit to Congress a report on the results of that audit, which report shall include—

(A) an analysis of any identified trends in Federal contracting with respect to women-owned small businesses;

(B) any recommended means to increase the number of Federal contracts awarded to women-owned small businesses that the Comptroller General considers to be appropriate, after taking into consideration any suggestions received pursuant to a solicitation described in paragraph (2), including any such means that incorporate the concepts of teaming or partnering; and

(C) a discussion of any barriers to the receipt of Federal contracts by women-owned small businesses and other small businesses that are created by legal or regulatory procurement requirements or practices.

SEC. 6. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect on October 1, 1999.

AMENDMENT NO. 2543

(Purpose: To make an amendment with respect to the funding formulas and the selection process)

Mr. DOMENICI. Mr. President, Senator KERRY and Senator BOND have an amendment at the desk and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. KERRY and Mr. BOND, proposes an amendment numbered 2543.

Strike section 4 and insert the following:

SEC. 4. WOMEN'S BUSINESS CENTERS SUSTAINABILITY PILOT PROGRAM.

(a) IN GENERAL.—Section 29 of the Small Business Act (15 U.S.C. 656) is amended by adding at the end the following:

"(*l*) SUSTAINABILITY PILOT PROGRAM.—

"(1) IN GENERAL.—There is established a 4-year pilot program under which the Administration is authorized to award grants (referred to in this section as 'sustainability grants') on a competitive basis for an additional 5-year project under this section to any private nonprofit organization (or a division thereof)—

"(A) that has received financial assistance under this section pursuant to a grant, contract, or cooperative agreement; and

"(B) that—

"(i) is in the final year of a 5-year project; or

"(ii) has completed a project financed under this section (or any predecessor to this section) and continues to provide assistance to women entrepreneurs.

"(2) CONDITIONS FOR PARTICIPATION.—In order to receive a sustainability grant, an organization described in paragraph (1) shall submit to the Administration an application, which shall include—

"(A) a certification that the applicant—

"(i) is a private nonprofit organization;

"(ii) employs a full-time executive director or program manager to manage the center; and

"(iii) as a condition of receiving a sustainability grant, agrees—

"(I) to a site visit as part of the final selection process and to an annual programmatic and financial examination; and

"(II) to the maximum extent practicable, to remedy any problems identified pursuant to that site visit or examination;

"(B) information demonstrating that the applicant has the ability and resources to meet the needs of the market to be served by the women's business center site for which a sustainability grant is sought, including the ability to fundraise;

"(C) information relating to assistance provided by the women's business center site for which a sustainability grant is sought in the area in which the site is located, including—

"(i) the number of individuals assisted;

"(ii) the number of hours of counseling, training, and workshops provided; and

"(iii) the number of startup business concerns formed;

"(D) information demonstrating the effective experience of the applicant in—

"(i) conducting financial, management, and marketing assistance programs, as described in paragraphs (1), (2), and (3) of subsection (b), designed to impart or upgrade the business skills of women business owners or potential owners;

"(ii) providing training and services to a representative number of women who are both socially and economically disadvantaged;

"(iii) using resource partners of the Administration and other entities, such as universities;

"(iv) complying with the cooperative agreement of the applicant; and

"(v) the prudent management of finances and staffing, including the manner in which the performance of the applicant compared to the business plan of the applicant and the manner in which grant funds awarded under subsection (b) were used by the applicant; and

"(E) a 5-year plan that projects the ability of the women's business center site for which a sustainability grant is sought—

"(i) to serve women business owners or potential owners in the future by improving fundraising and training activities; and

"(ii) to provide training and services to a representative number of women who are both socially and economically disadvantaged.

"(3) REVIEW OF APPLICATIONS.—

"(A) IN GENERAL.—The Administration shall—

"(i) review each application submitted under paragraph (2) based on the information provided under in subparagraphs (D) and (E) of that paragraph, and the criteria set forth in subsection (f);

"(ii) as part of the final selection process, conduct a site visit at each women's business center for which a sustainability grant is sought; and

"(iii) approve or disapprove applications for sustainability grants simultaneously with applications for grants under subsection (b).

"(B) DATA COLLECTION.—Consistent with the annual report to Congress under subsection (j), each women's business center site that is awarded a sustainability grant shall, to the maximum extent practicable, collect information relating to—

"(i) the number of individuals assisted;

"(ii) the number of hours of counseling and training provided and workshops conducted;

"(iii) the number of startup business concerns formed;

"(iv) any available gross receipts of assisted concerns; and

"(v) the number of jobs created, maintained, or lost at assisted concerns.

"(C) RECORD RETENTION.—The Administration shall maintain a copy of each application submitted under this subsection for not less than 10 years.

"(4) NON-FEDERAL CONTRIBUTION.—

"(A) IN GENERAL.—Notwithstanding any other provision of this section, as a condition of receiving a sustainability grant, an organization described in paragraph (1) shall agree to obtain, after its application has been approved under paragraph (3) and notice of award has been issued, cash and in-kind contributions from non-Federal sources for each year of additional program participation in an amount equal to 1 non-Federal dollar for each Federal dollar.

"(B) FORM OF NON-FEDERAL CONTRIBUTIONS.—Not more than 50 percent of the non-Federal assistance obtained for purposes of subparagraph (A) may be in the form of in-kind contributions that are budget line items only, including office equipment and office space.

"(5) TIMING OF REQUESTS FOR PROPOSALS.—In carrying out this subsection, the Administration shall issue requests for proposals for women's business centers applying for the pilot program under this subsection simultaneously with requests for proposals for grants under subsection (b).".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 29(k) of the Small Business Act (15 U.S.C. 656(k)) is amended—

(1) by striking paragraph (1) and inserting the following:

"(1) IN GENERAL.—There is authorized to be appropriated, to remain available until the expiration of the pilot program under subsection (*l*)—

"(A) $12,000,000 for fiscal year 2000;

"(B) $12,800,000 for fiscal year 2001;

"(C) $13,700,000 for fiscal year 2002; and

"(D) $14,500,000 for fiscal year 2003.";

(2) in paragraph (2)—

(A) by striking "Amounts made" and inserting the following:

"(A) IN GENERAL.—Except as provided in subparagraph (B), amounts made"; and

(B) by adding at the end the following:

"(B) EXCEPTIONS.—Of the amount made available under this subsection for a fiscal year, the following amounts shall be available for selection panel costs, post-award conference costs, and costs related to monitoring and oversight:

"(i) For fiscal year 2000, 2 percent.

"(ii) For fiscal year 2001, 1.9 percent.

"(iii) For fiscal year 2002, 1.9 percent.

"(iv) For fiscal year 2003, 1.6 percent."; and

(3) by adding at the end the following:

"(4) RESERVATION OF FUNDS FOR SUSTAINABILITY PILOT PROGRAM.—

"(A) IN GENERAL.—Subject to subparagraph (B), of the total amount made available under this subsection for a fiscal year, the following amounts shall be reserved for sustainability grants under subsection (*l*):

"(i) For fiscal year 2000, 17 percent.

"(ii) For fiscal year 2001, 18.8 percent.

"(iii) For fiscal year 2002, 30.2 percent.

"(iv) For fiscal year 2003, 30.2 percent.

"(B) USE OF UNAWARDED FUNDS FOR SUSTAINABILITY PILOT PROGRAM GRANTS.—If the amount reserved under subparagraph (A) for any fiscal year is not fully awarded to private nonprofit organizations described in subsection (*l*)(1)(B), the Administration is authorized to use the unawarded amount to fund additional women's business center sites or to increase funding of existing women's business center sites under subsection (b).".

(c) GUIDELINES.—Not later than 30 days after the date of enactment of this Act, the Administrator of the Small Business Administration shall issue guidelines to implement the amendments made by this section.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the amendment be agreed to and the motion to reconsider be laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOND. Mr. President, I rise today in support of the Women's Business Centers Sustainability Act of 1999 (S. 791). This bill is the latest step by the Committee on Small Business to strengthen the Women's Business Center program at the Small Business Administration (SBA). Since this program first opened its doors in 1989, it has grown from an initial 12 centers to 81 centers operating in 47 states, the District of Columbia, Puerto Rico, and the Virgin Islands. The bill I am bringing before the Senate today will increase the authorization level for the Women's business Centers program. Further, this bill establishes a four year pilot program that will, for the first time, allow centers that have completed a grant or that are in their last year of a grant under this program to apply for a second, five year grant.

S. 791 was approved by the Committee on Small Business by a 17–1 vote, and I am urging my colleagues to support this bill with an amendment that Senator KERRY and I are offering on the floor today. The amendment includes changes to the bill that have been agreed to by the House Committee on Small business. Once Senate action on this bill is complete, it is our hope the House of Representatives will be able to pass the bill before Congress adjourns, clearing the measure for the President's approval. The amendment adopts the authorization levels included in the House-passed version of this bill, and it places all centers on an equal footing when competing for sustainability grants.

During the past decade, the number of women-owned small businesses has exploded. Women-owned small businesses are the fastest growing segment of our nation's business community. Years ago, there was an advertising campaign slogan proclaiming that women "had come a long way." I find that slogan very applicable to the plateau now reached by women entrepreneurs. Women business owners have established themselves as a key component of our small business community, which has been the engine driving our economy during the 1990's.

The research foundation arm of the National Association of Women business Owners (NAWBR) has conducted studies which show that women no longer are having more trouble than men obtaining bank loans. However, obtaining a loan does not guarantee a business' success. In fact, many small businesses that start out well capitalized end up failing. Success of a small business is usually dependent on the owners' management capabilities. Women's Business Centers offer help to women entrepreneurs who are looking to start a business or who already have a business by providing them with business and education training, including marketing,, finance, and management assistance.

For the past three years, I have worked with Senator DOMENICI, Senator KERRY, and Members of the Committee on Small Business first to save and later to expand the Women's Business Center Program. In 1996, when the Administration sought to zero-out the budget of the program, I helped lead the effort to earmark funds for the program within SBA's Fiscal Year 1997 budget. In 1997, Senator DOMENICI, Senator KERRY and I sponsored the "Women's Business Centers Act of 1997," which expanded the program from $4 million to $8 million per year. This bill was incorporated into the "Small Business Reauthorization Act of 1997" (Public Law 105–135).

Earlier this year, the Congress passed the "Women's Business Center Amendments Act of 1999" (Public Law 106–17), which helped bring us closer to achieving our goal of having at least one Women's Business Center up and running in each of the 50 states. This law authorized $11 million for Fiscal Year 2000 for the Women's Business Center Program, which allows SBA to continue to fund the existing 35 eligible Centers and provide seed funding to new eligible applicant Centers in states not yet served by the program.

Under this latest step to strengthen the SBA's program for women-owned businesses, the "Women's Business Centers Sustainability Act of 1999" addresses the ongoing funding constraints that are making it increasingly difficult for Women's Business Centers to sustain the level of services they provide after they graduate from the Women's Business Centers program.

To help these centers, S. 791 would establish a four-year competitive grant pilot program that allows graduating and graduated centers that offer ongoing programs and services to women entrepreneurs to compete for another five years of matching grants known as a "sustainability grant." "Graduating centers" are centers that are in the final year of their initial five-year funding cycle. A "graduated center" is a center that participated in the Women's Business Center program and no longer receives program funds but is still actively providing business programs and services to its local market.

The "Women's Business Center Sustainability Act of 1999" also increases oversight and review of the Women's Business Centers. Earlier this year, the General Accounting Office (GAO) undertook an examination of the Women's Business Center Program at the request of the Senate and House Committees on Small Business. The GAO found that more than two-thirds of the centers that currently receive grant funds or that received funds in the past continue to operate as Women's Business Centers. Most that are continuing to operate after Federal support ceased have continued to offer similar services to women business owners.

While conducting its examination, GAO investigators experienced difficulty obtaining complete data about the program from the SBA because of limitations of SBA's records and databases for program years 1989 through 1998. I am concerned about the report from the GAO highlighting the failure of SBA to keep complete program and financial records on Centers that are receiving SBA grants funds; therefore, the bill includes a provision requiring the SBA to send the Senate and House Committees on Small Business a yearly Management Report on the status of the program. This report will include an annual programmatic and financial examination of each Women's Business Center. Further, SBA is directed to make a determination annually of the programmatic and financial viability of each Women's Business Center. It is my belief that this new statutory requirement will lead to better SBA oversight and a stronger Women's Business Center Program.

During the Committee's consideration of S. 791, it approved unanimously an amendment sponsored by Senator ABRAHAM addressing Federal procurement opportunities for women-owned small businesses. The amendment directs the GAO to conduct an audit on the federal procurement system for the preceding three years and report on all identifiable trends in Federal contracting that are related to women-owned small businesses.

It is difficult to understand how the women-owned small businesses segment of our economy can make up 38 percent of all small businesses and receive only 2.2 percent of the $181 billion in Federal prime contracts. In 1994, Congress passed into law a goal for women-owned small businesses to receive at least 5 percent of the total amount of Federal prime contract dollars. I am distributed by the failure of the Federal agencies to meet this goal, and it is our intention for the GAO study to shed some light on this problem.

Mr. President, passage of the "Women's Business Centers Sustainability Act of 1999" will build on the progress and successes we have accomplished to assist women entrepreneurs succeed as small business owners. I urge each of my colleagues to vote in favor of this important legislation.

Mr. KERRY. Mr. President, seven months ago I introduced the Women's Business Centers Sustainability Act of 1999, a bill to help our Women's Business Centers weather the increasingly harsh climate of fundraising. These centers play an important role in our economy and in promoting economic independence for women. They help women take an honest look at their strengths and interests to find out whether they should strike out on their own. They teach women how to turn their talents into a business. And they train women in the fundamentals of starting and running a successful business. The centers are located in rural, urban and suburban areas, and direct much of their training and counseling assistance toward socially and economically disadvantaged women.

Through the Women's Business Centers Program, business development resources and assistance available to women have steadily improved. The program opened its first 12 centers in 1989. Ten years later, women receive assistance at 81 centers in 47 states, the District of Columbia, Puerto Rico, and the Virgin Islands. In addition to increasing self-sufficiency among women, Women's Business Centers strengthen women's business ownership overall and encourage local job creation. Over the past decade, the number of women-owned businesses operating in this country has grown by 103 percent to an estimated 9.1 million firms, generating $3.6 trillion in sales annually, while employing more than 27.5 million workers. In 1998, women-owned businesses made up more than one-third of the 23 million small businesses in the United States.

In spite of the important contributions the Women's Business Centers make to the national economy, we are in danger of losing many effective centers if we don't change the funding structure before their five-year funding runs out. Currently, the Small Business Administration's Women's Business Centers program provides five-year grants of up to $150,000, matched by non-Federal dollars, to private-sector organizations so that they can establish business-training centers for women. From Senate and House hearings at the beginning of the year, we know that without the Federal matching grant, most centers cannot afford to continue providing the same quality of services or to keep their doors open. That money is their bread and butter, as well as indispensable for leveraging fundraising dollars. I believe the Women's Business Centers Sustainability Act of 1999 is a fair way to let WBCs recompete for the base funding.

The Women's Business Centers Act creates a four-year pilot that allows graduating and graduated centers to recompete for five-year matching grants of up to $125,000. It requires the SBA to do site visits as part of the final selection process so that we can better judge which centers merit a sustainability grant after five years in the program. It includes a provision from Senator BOND to increase management oversight and review of Centers to better evaluate the viability of centers and improve SBA's management of the program. And it incrementally raises over four years the annual authorization levels from $12 million in fiscal year 2000 to $14.5 million in fiscal year 2003. The increased authorization levels ensure that there are adequate monies to fund 45 existing centers, an average of eight recompeting centers annually, and an average of 10 new centers per year.

The Women's Business Centers Sustainability Act of 1999 has tremendous support. It is also the product of old-fashioned cooperation between Democrats and Republicans, and the House and Senate. I want to thank not only the 30 Senators—20 Democrats and 10 Republicans—who are cosponsors of this bill, but also the staff members on the House Small Business Committee who work for Chairman TALENT, Ranking Member NYDIA VELÁZQUEZ, and Congresswoman KELLY.

For the record, I would like to recognize the 30 cosponsors of my bill—BOND, HARKIN, BINGAMAN, DOMENICI, LEVIN, ENZI, KENNEDY, ABRAHAM, SARBANES, AKAKA, EDWARDS, FEINSTEIN, LANDRIEU, BOXER, CLELAND, KOHL, WELLSTONE, BURNS, LEAHY, SNOWE, HUTCHISON, DURBIN, SANTORUM, MURRAY, MIKULSKI, INOUYE, JEFFORDS, LIEBERMAN, BENNETT and ROBB.

Mr. President, I know how important this bill is to members on both sides of the aisle. I thank my colleagues for their support.

Mr. LEVIN. Mr. President, I am pleased the Senate is prepared to pass the Women's Business Centers Sustainability Act of 1999. I am an original cosponsor of this legislation to strengthen SBA's Women's Business Centers in Michigan and across the nation which help entrepreneurs start and maintain successful businesses by providing such things as start-up help and financial expertise to women-owned businesses. This legislation will allow those Women's Business Centers that are already successfully participating in the program to recompete for Federal funding after their initial funding term expires. These Centers would have previously been ineligible for renewed funding.

Women-owned businesses are the fastest growing sector of small businesses in America and provide innumerable jobs and resources to the state of Michigan and around the country. Last year, women-owned businesses made up more than one-third of the 23 million small businesses in the United States. The Women's Business Center program offers important tools to women who want to start or expand small businesses. However, the program is in danger of losing many effective Centers because the Centers are finding it increasingly difficult to raise the required non-Federal matching funds necessary to keep the programs running.

This legislation allows existing Centers to recompete for Federal funds, but sets the recompetition standards higher than those used for centers applying for their initial five-year funding term. This is to take into account established Centers' higher levels of experience and ensures that Centers meeting the highest standards can continue to get funded. The ability of established and successful Women's Business Development Centers to continue to compete for Federal funding means that critical resources will continue to be made available for women-owned businesses for such purposes as training and obtaining business financing.

Michigan has three Women's Business Centers, the Center for Empowerment and Economic Development, CEED, which houses the Women's Initiative for Self-Employment, WISE, in Ann Arbor, the Grand Rapids Opportunities for Women, GROW, in Grand Rapids, and The Detroit Entrepreneurship Institute, Inc, DEI.

These Michigan programs offer women who want to open a small business a comprehensive package of business education and training, start-up financing, technical assistance, peer group support and access to community and government supportive resources such as child care. Michigan's Women's Business Centers strongly support this legislation and believe they need to be able to recompete for Federal resources in order to continue to be able to offer the current levels of services and support to Michigan's women-owned businesses. This bill would allow them to do that.

I am pleased that Congress has continued to recognize the importance of funding the Women's Business Center program. In 1997, Congress enacted legislation to make a 1989–1991 pilot project a permanent part of the Small Business Administration programs available to help entrepreneurs start and maintain successful business. It also doubled the annual funding of the Women's Business Centers and extend the funding period from 3 to 5 years. And just this year, Congress enacted legislation to change the non-Federal and Federal funding ratio requirements and it again increased the annual authorization level from $8 million to $11 million.

The legislation that will be passed by the Senate today under a unanimous consent agreement will allow existing Women's Business Centers to compete for additional Federal funding. It also authorizes increased appropriations for the program for 4 years. It increases the FY 2000 and FY 2001 authorization from $11 million to $12 million. It also authorizes appropriations of $12.8 million in FY 2001; $13.7 million in FY 2002; and $14.5 million in FY 2003 for this program.

This is an important piece of legislation and I am pleased my Senate colleagues are supporting it.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the substitute amendment, as amended, be agreed to, the bill, as amended, be read three times, passed, and the motion to reconsider be laid upon the table, and that any statements be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The bill (S. 791), as amended, was read the third time and passed, as follows:

S. 791

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Women's Business Centers Sustainability Act of 1999”.

SEC. 2. PRIVATE NONPROFIT ORGANIZATIONS.

Section 29 of the Small Business Act (15 U.S.C. 656) is amended—

(1) in subsection (a)—

(A) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(B) by inserting after paragraph (1) the following:

“(2) the term ‘private nonprofit organization’ means an entity that is described in section 501(c) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code;”; and

(2) in subsection (b), by inserting “nonprofit” after “private”.

SEC. 3. INCREASED MANAGEMENT OVERSIGHT AND REVIEW OF WOMEN'S BUSINESS CENTERS.

Section 29 of the Small Business Act (15 U.S.C. 656) is amended—

(1) by striking subsection (h) and inserting the following:

“(h) Program Examination.—

“(1) In general.—The Administration shall—

“(A) develop and implement an annual programmatic and financial examination of each women's business center established pursuant to this section, pursuant to which each such center shall provide to the Administration—

“(i) an itemized cost breakdown of actual expenditures for costs incurred during the preceding year; and

“(ii) documentation regarding the amount of matching assistance from non-Federal sources obtained and expended by the center during the preceding year in order to meet the requirements of subsection (c) and, with respect to any in-kind contributions described in subsection (c)(2) that were used to satisfy the requirements of subsection (c), verification of the existence and valuation of those contributions; and

“(B) analyze the results of each such examination and, based on that analysis, make a determination regarding the programmatic and financial viability of each women's business center.

“(2) Conditions for continued funding.—In determining whether to award a contract (as a sustainability grant) under subsection (*l*) or to renew a contract (either as a grant or cooperative agreement) under this section with a women's business center, the Administration—

“(A) shall consider the results of the most recent examination of the center under paragraph (1); and

“(B) may withhold such award or renewal, if the Administration determines that—

“(i) the center has failed to provide any information required to be provided under clause (i) or (ii) of paragraph (1)(A), or the information provided by the center is inadequate; or

“(ii) the center has failed to provide any information required to be provided by the center for purposes of the report of the Administration under subsection (j), or the information provided by the center is inadequate.”; and

(2) by striking subsection (j) and inserting the following:

“(j) Management Report.—

“(1) In general.—The Administration shall prepare and submit to the Committees on Small Business of the House of Representatives and the Senate a report on the effectiveness of all projects conducted under this section.

“(2) Contents.—Each report submitted under paragraph (1) shall include information concerning, with respect to each women's business center established pursuant to this section—

“(A) the number of individuals receiving assistance;

“(B) the number of startup business concerns formed;

“(C) the gross receipts of assisted concerns;

“(D) the employment increases or decreases of assisted concerns;

“(E) to the maximum extent practicable, increases or decreases in profits of assisted concerns; and

“(F) the most recent analysis, as required under subsection (h)(1)(B), and the subsequent determination made by the Administration under that subsection.”.

SEC. 4. WOMEN'S BUSINESS CENTERS SUSTAINABILITY PILOT PROGRAM.

(a) In General.—Section 29 of the Small Business Act (15 U.S.C. 656) is amended by adding at the end the following:

“(*l*) Sustainability Pilot Program.—

“(1) In general.—There is established a 4-year pilot program under which the Administration is authorized to award grants (referred to in this section as ‘sustainability grants’) on a competitive basis for an additional 5-year project under this section to any private nonprofit organization (or a division thereof)—

“(A) that has received financial assistance under this section pursuant to a grant, contract, or cooperative agreement; and

“(B) that—

“(i) is in the final year of a 5-year project; or

“(ii) has completed a project financed under this section (or any predecessor to this section) and continues to provide assistance to women entrepreneurs.

“(2) Conditions for participation.—In order to receive a sustainability grant, an organization described in paragraph (1) shall submit to the Administration an application, which shall include—

“(A) a certification that the applicant—

“(i) is a private nonprofit organization;

“(ii) employs a full-time executive director or program manager to manage the center; and

“(iii) as a condition of receiving a sustainability grant, agrees—

“(I) to a site visit as part of the final selection process and to an annual programmatic and financial examination; and

“(II) to the maximum extent practicable, to remedy any problems identified pursuant to that site visit or examination;

“(B) information demonstrating that the applicant has the ability and resources to meet the needs of the market to be served by the women's business center site for which a sustainability grant is sought, including the ability to fundraise;

“(C) information relating to assistance provided by the women's business center site for which a sustainability grant is sought in the area in which the site is located, including—

“(i) the number of individuals assisted;

“(ii) the number of hours of counseling, training, and workshops provided; and

“(iii) the number of startup business concerns formed;

“(D) information demonstrating the effective experience of the applicant in—

“(i) conducting financial, management, and marketing assistance programs, as described in paragraphs (1), (2), and (3) of subsection (b), designed to impart or upgrade the business skills of women business owners or potential owners;

“(ii) providing training and services to a representative number of women who are both socially and economically disadvantaged;

“(iii) using resource partners of the Administration and other entities, such as universities;

“(iv) complying with the cooperative agreement of the applicant; and

“(v) the prudent management of finances and staffing, including the manner in which the performance of the applicant compared to the business plan of the applicant and the manner in which grant funds awarded under subsection (b) were used by the applicant; and

“(E) a 5-year plan that projects the ability of the women's business center site for which a sustainability grant is sought—

“(i) to serve women business owners or potential owners in the future by improving fundraising and training activities; and

“(ii) to provide training and services to a representative number of women who are both socially and economically disadvantaged.

“(3) Review of applications.—

“(A) In general.—The Administration shall—

“(i) review each application submitted under paragraph (2) based on the information provided under in subparagraphs (D) and (E) of that paragraph, and the criteria set forth in subsection (f);

“(ii) as part of the final selection process, conduct a site visit at each women's business center for which a sustainability grant is sought; and

“(iii) approve or disapprove applications for sustainability grants simultaneously with applications for grants under subsection (b).

“(B) Data collection.—Consistent with the annual report to Congress under subsection (j), each women's business center site that is awarded a sustainability grant shall, to the maximum extent practicable, collect information relating to—

“(i) the number of individuals assisted;

“(ii) the number of hours of counseling and training provided and workshops conducted;

“(iii) the number of startup business concerns formed;

“(iv) any available gross receipts of assisted concerns; and

“(v) the number of jobs created, maintained, or lost at assisted concerns.

“(C) Record retention.—The Administration shall maintain a copy of each application submitted under this subsection for not less than 10 years.

“(4) Non-federal contribution.—

“(A) In general.—Notwithstanding any other provision of this section, as a condition of receiving a sustainability grant, an organization described in paragraph (1) shall agree to obtain, after its application has been approved under paragraph (3) and notice of award has been issued, cash and in-kind contributions from non-Federal sources for each year of additional program participation in an amount equal to 1 non-Federal dollar for each Federal dollar.

“(B) Form of non-federal contributions.—Not more than 50 percent of the non-Federal assistance obtained for purposes of subparagraph (A) may be in the form of in-kind contributions that are budget line items only, including office equipment and office space.

“(5) Timing of requests for proposals.—In carrying out this subsection, the Administration shall issue requests for proposals for women's business centers applying for the pilot program under this subsection simultaneously with requests for proposals for grants under subsection (b).”.

(b) Authorization of Appropriations.—Section 29(k) of the Small Business Act (15 U.S.C. 656(k)) is amended—

(1) by striking paragraph (1) and inserting the following:

“(1) In general.—There is authorized to be appropriated, to remain available until the expiration of the pilot program under subsection (l)—

“(A) $12,000,000 for fiscal year 2000;

“(B) $12,800,000 for fiscal year 2001;

“(C) $13,700,000 for fiscal year 2002; and

“(D) $14,500,000 for fiscal year 2003.”;

(2) in paragraph (2)—

(A) by striking “Amounts made” and inserting the following:

“(A) In general.—Except as provided in subparagraph (B), amounts made”; and

(B) by adding at the end the following:

“(B) Exceptions.—Of the amount made available under this subsection for a fiscal year, the following amounts shall be available for selection panel costs, post-award conference costs, and costs related to monitoring and oversight:

“(i) For fiscal year 2000, 2 percent.

“(ii) For fiscal year 2001, 1.9 percent.

“(iii) For fiscal year 2002, 1.9 percent.

“(iv) For fiscal year 2003, 1.6 percent.”; and

(3) by adding at the end the following:

“(4) Reservation of funds for sustainability pilot program.—

“(A) In general.—Subject to subparagraph (B), of the total amount made available under this subsection for a fiscal year, the following amounts shall be reserved for sustainability grants under subsection (l):

“(i) For fiscal year 2000, 17 percent.

“(ii) For fiscal year 2001, 18.8 percent.

“(iii) For fiscal year 2002, 30.2 percent.

“(iv) For fiscal year 2003, 30.2 percent.

“(B) Use of unawarded funds for sustainability pilot program grants.—If the amount reserved under subparagraph (A) for any fiscal year is not fully awarded to private nonprofit organizations described in subsection (l)(1)(B), the Administration is authorized to use the unawarded amount to fund additional women's business center sites or to increase funding of existing women's business center sites under subsection (b).”.

(c) Guidelines.—Not later than 30 days after the date of enactment of this Act, the Administrator of the Small Business Administration shall issue guidelines to implement the amendments made by this section.

SEC. 5. SENSE OF THE SENATE REGARDING GOVERNMENT PROCUREMENT ACCESS FOR WOMEN-OWNED SMALL BUSINESSES.

(a) Findings.—The Senate finds that—

(1) women-owned small businesses are a powerful force in the economy;

(2) between 1987 and 1996—

(A) the number of women-owned small businesses in the United States increased by 78 percent, almost twice the rate of increase of all businesses in the United States;

(B) the number of women-owned small businesses increased in every State;

(C) total sales by women-owned small businesses in the United States increased by 236 percent;

(D) employment provided by women-owned small businesses in the United States increased by 183 percent; and

(E) the rates of growth for women-owned small businesses in the United States for the fastest growing industries were—

(i) 171 percent in construction;

(ii) 157 percent in wholesale trade;

(iii) 140 percent in transportation and communications;

(iv) 130 percent in agriculture; and

(v) 112 percent in manufacturing;

(3) approximately 8,000,000 women-owned small businesses in the United States provide jobs for 15,500,000 individuals and generate almost $1,400,000,000,000 in sales each year;

(4) the participation of women-owned small businesses in the United States in the procurement market of the Federal Government is limited;

(5) the Federal Government is the largest purchaser of goods and services in the United States, spending more than $200,000,000,000 each year;

(6) the majority of Federal Government purchases are for items that cost $25,000 or less; and

(7) the rate of Federal procurement for women-owned small businesses is 2.2 percent.

(b) Sense of the Senate.—It is the sense of the Senate that, not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States should—

(1) conduct an audit of the Federal procurement system regarding Federal contracting involving women-owned small businesses for the 3 preceding fiscal years;

(2) solicit from Federal employees involved in the Federal procurement system any suggestions regarding how to increase the number of Federal contracts awarded to women-owned small businesses; and

(3) submit to Congress a report on the results of that audit, which report shall include—

(A) an analysis of any identified trends in Federal contracting with respect to women-owned small businesses;

(B) any recommended means to increase the number of Federal contracts awarded to women-owned small businesses that the Comptroller General considers to be appropriate, after taking into consideration any suggestions received pursuant to a solicitation described in paragraph (2), including any such means that incorporate the concepts of teaming or partnering; and

(C) a discussion of any barriers to the receipt of Federal contracts by women-owned small businesses and other small businesses that are created by legal or regulatory procurement requirements or practices.

SEC. 6. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect on October 1, 1999.

INDEPENDENT OFFICE OF ADVOCACY ACT

Mr. DOMENICI. Mr. President, I ask unanimous consent the Senate now proceed to consideration of Calendar No. 267, S. 1346.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 1346) to ensure the independence and nonpartisan operation of the Office of Advocacy of the Small Business Administration.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Small Business, with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

S. 1346

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Independent Office of Advocacy Act".

SEC. 2. FINDINGS.

Congress finds that—

(1) excessive regulations continue to burden our Nation's small businesses;

(2) Federal agencies are reluctant to comply with the requirements of chapter 6 of title 5, United States Code, and continue to propose regulations that impose disproportionate burdens on small businesses;

(3) the Office of Advocacy of the Small Business Administration (referred to in this Act as the "Office") is an effective advocate for small businesses that can help ensure that agencies are responsive to small businesses and that agencies comply with their statutory obligations under chapter 6 of title 5, United States Code and under the Small Business Regulatory Enforcement Fairness Act of 1996 (Public Law 104–121; 106 Stat. 4249 et seq.);

(4) the independence of the Office is essential to ensure that it can serve as an effective advocate for small businesses without being restricted by the views or policies of the Small Business Administration or any other executive branch agency;

(5) the Office needs sufficient resources to conduct the research required to assess effectively the impact of regulations on small businesses; and

(6) the research, information, and expertise of the Office make it a valuable adviser to Congress as well as the executive branch agencies with which the Office works on behalf of small businesses.

SEC. 3. PURPOSES.

The purposes of this Act are—

(1) to ensure that the Office has the statutory independence and adequate financial resources to advocate for and on behalf of small business;

(2) to require that the Office report to the Chairmen and Ranking Members of the Committees on Small Business of the Senate and the House of Representatives and the Administrator of the Small Business Administration in order to keep them fully and currently informed about issues and regulations affecting small businesses and the necessity for corrective action by the regulatory agency or Congress;

(3) to provide a separate authorization for appropriations for the Office;

(4) to authorize the Office to report to the President and to Congress regarding agency compliance with chapter 6 of title 5, United States Code; and

(5) to enhance the role of the Office pursuant to chapter 6 of title 5, United States Code.

SEC. 4. OFFICE OF ADVOCACY.

(a) In General.—The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(1) by redesignating section 32 as section 33; and

(2) by inserting after section 31 the following:

"SEC. 32. OFFICE OF ADVOCACY.

"(a) Definitions.—In this section—

"(1) the term 'Chief Counsel' means the Chief Counsel for Advocacy appointed under subsection (b); and

"(2) the term 'Office' means the Office of Advocacy established under subsection (b).

"(b) Establishment.—

"(1) In general.—There is established in the Administration an Office of Advocacy (referred to in this section as the 'Office').

"(2) Chief counsel for advocacy.—

"(A) In general.—The management of the Office shall be vested in a Chief Counsel for Advocacy who shall be appointed *from civilian life* by the President, by and with the advice and consent of the Senate, without regard to political affiliation and solely on the ground of fitness to perform the duties of the office.

"(B) Employment restriction.—The individual appointed to the office of Chief Counsel for Advocacy may not serve as an officer or employee of the Small Business Administration during the 5-year period preceding the appointment.

"(C) Removal.—The Chief Counsel for Advocacy may be removed from office by the President and the President shall notify Congress of any such removal [within 30 days after] *not later than 30 days before* the removal.

"(3) Appropriation request.—Each appropriation request prepared and submitted by the Administration under section 1108 of title 31, United States Code, shall include a separate request relating to the Office.

"(c) Primary Functions.—The Office shall—

"(1) examine the role of small businesses in the economy of the United States and the contribution that small businesses can make in improving competition, encouraging economic and social mobility for all citizens, restraining inflation, spurring production, expanding employment opportunities, increasing productivity, promoting exports, stimulating innovation and entrepreneurship, and providing the means by which new and untested products and services can be brought to the marketplace;

"(2) assess the effectiveness of Federal subsidy and assistance programs for small businesses and the desirability of reducing the emphasis on those programs and increasing the emphasis on general assistance programs designed to benefit all small businesses;

"(3) measure the direct costs and other effects of government regulation of small businesses, and make legislative, regulatory, and nonlegislative proposals for eliminating the excessive or unnecessary regulation of small businesses;

"(4) determine the impact of the tax structure on small businesses and make legislative, regulatory, and other proposals for altering the tax structure to enable all small businesses to realize their potential for contributing to the improvement of the Nation's economic well-being;

"(5) study the ability of financial markets and institutions to meet small business credit needs and determine the impact of government demands on credit for small businesses;

"(6) determine financial resource availability and recommend methods for—

"(A) delivery of financial assistance to minority and women-owned enterprises, including methods for securing equity capital;

"(B) generating markets for goods and services;

"(C) providing effective business education, more effective management and technical assistance, and training; and

"(D) assistance in complying with Federal, State, and local laws;

"(7) evaluate the efforts of Federal agencies and the private sector to assist minority and women-owned enterprises;

"(8) make such recommendations as may be appropriate to assist the development and strengthening of minority, women-owned, and other small businesses;

"(9) recommend specific measures for creating an environment in which all businesses will have the opportunity to—

"(A) compete effectively and expand to their full potential; and

"(B) ascertain any common reasons for small business successes and failures;

"(10) determine the desirability of developing a set of rational, objective criteria to be used to define small business, and to develop such criteria, if appropriate; and

"(11) make recommendations and submit reports to the Chairmen and Ranking Members of the Committees on Small Business of the Senate and the House of Representatives and the Administrator with respect to issues and regulations affecting small businesses and the necessity for corrective action by the Administrator, any Federal department or agency, or Congress.

"(d) Additional Functions.—The Office shall, on a continuing basis—

"(1) serve as a focal point for the receipt of complaints, criticisms, and suggestions concerning the policies and activities of the Administration and any other department or agency of the Federal Government that affects small businesses;

"(2) counsel small businesses on the means by which to resolve questions and problems concerning the relationship between small businesses and the Federal Government;

"(3) develop proposals for changes in the policies and activities of any agency of the Federal Government that will better fulfill the purposes of this section and communicate such proposals to the appropriate Federal agencies;

"(4) represent the views and interests of small businesses before other Federal agencies whose policies and activities may affect small business;

"(5) enlist the cooperation and assistance of public and private agencies, businesses, and other organizations in disseminating information about the programs and services provided by the Federal Government that are of benefit to small businesses, and information on the means by which small businesses can participate in or make use of such programs and services; and

"(6) carry out the responsibilities of the Office under chapter 6 of title 5, United States Code.

"(e) Staff and Powers.—

"(1) Staff.—

"(A) In general.—The Chief Counsel may, without regard to the civil service laws and regulations, appoint and terminate such additional personnel as may be necessary to enable the Office to perform its duties under this section.

"(B) Compensation.—The Chief Counsel may fix the compensation of personnel appointed under this paragraph without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, but at rates not to exceed the minimum rate payable for a position at GS–15 of the General Schedule, except that not more than 14 employees of the Office at any one time may be compensated at a rate not to exceed the maximum rate payable for a position at GS-15 of the General Schedule.

"(2) Powers.—In carrying out this section, the Chief Counsel may—

"(A) procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code;

"(B) consult with—

"(i) experts and authorities in the fields of small business investment, venture capital, investment and commercial banking, and other comparable financial institutions involved in the financing of business; and

"(ii) individuals with regulatory, legal, economic, or financial expertise, including members of the academic community, and individuals who generally represent the public interest;

"(C) use the services of the National Advisory Council established under section 8(b) and, in accordance with that section, appoint such other advisory boards or committees as the Chief Counsel determines to be reasonably necessary and appropriate to carry out this section; and

"(D) hold hearings and sit and act at such times and places as the Chief Counsel determines to be appropriate.

"(f) OVERHEAD AND ADMINISTRATIVE SUPPORT.—The Administrator shall provide the Office with appropriate and adequate office space at central and field office locations of the Administration, together with such equipment, office supplies, and communications facilities and services as may be necessary for the operation of such offices, and shall provide necessary maintenance services for such offices and the equipment and facilities located therein.

"(g) INFORMATION FROM FEDERAL AGENCIES.—The Chief Counsel may secure directly from any Federal department or agency such information as the Chief Counsel considers to be necessary to carry out this section. Upon request of the Chief Counsel, the head of such department or agency shall furnish such information to the Office.

"(h) REPORTS.—

"(1) ANNUAL REPORTS.—Not less than annually, the Chief Counsel shall submit to the President and to the Committees on Small Business of the Senate and the House of Representatives a report on agency compliance with chapter 6 of title 5, United States Code.

"(2) ADDITIONAL REPORTS.—In addition to the reports required under paragraph (1) of this subsection and subsection (c)(12), the Chief Counsel may prepare and publish such reports as the Chief Counsel determines to be appropriate.

"(3) PROHIBITION.—No report under this section shall be submitted to the Office of Management and Budget or to any other department or agency of the Federal Government for any purpose before submission of the report to the President and to Congress.

"(i) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There are authorized to be appropriated to the Office to carry out this section such sums as may be necessary for each fiscal year.

"(2) AVAILABILITY.—Any sums appropriated under paragraph (1) shall remain available, without fiscal year limitation, until expended.".

(b) REPEAL.—Title II of Public Law 94-305 (15 U.S.C. 634a et seq.) is repealed.

(c) INCUMBENT CHIEF COUNSEL FOR ADVOCACY.—The individual serving as the Chief Counsel for Advocacy of the Small Business Administration on the date of enactment of this Act shall continue to serve in that position after such date in accordance with section 32 of the Small Business Act, as amended by this section.

Mr. BOND. Mr. President, I rise in support of the "Independent Office of Advocacy Act" (S. 1346). This bill is designed to build on the success achieved by the Office of Advocacy over the past 23 years. It is intended to strengthen that foundation to make the Office of Advocacy a stronger, more effective advocate for all small businesses throughout the United States. I introduced the "Independent Office of Advocacy Act" on July 1, 1999. Two weeks later, on July 15th, the Committee on Small Business voted unanimously, 17-0, in favor of this important legislation.

The Office of Advocacy is a unique office within the Federal government. It is part of the Small Business Administration (SBA/Agency), and its director, the Chief Counsel for Advocacy, is nominated by the President and confirmed by the Senate. At the same time, the Office is also intended to be the independent voice for small business within the Federal government. It is supposed to develop proposals for changing government policies to help small businesses, and it is supposed to represent the views and interests of small businesses before other Federal agencies.

As the director of the Office of Advocacy, the Chief Counsel for Advocacy has a dual responsibility. On the one hand, he is the independent watchdog for small business. On the other hand, he is also a part of the President's Administration. As you can imagine, those are sometimes difficult roles to play simultaneously.

The "Independent Office of Advocacy Act" would make the Office of Advocacy and the Chief Counsel for Advocacy a fully independent advocate within the Executive Branch acting on behalf of the small business community. The bill would establish a clear mandate that the Office of Advocacy will fight on behalf of small businesses regardless of the position taken on critical issues by the President and his Administration.

S. 1346 would direct the Chief Counsel to submit an annual report on Federal agency compliance with the Regulatory Flexibility Act to the President and the Senate and House Committees on Small Business. The "Reg Flex Act" is a very important weapon in the war against the over-regulation of small businesses. At the request of Senator FRED THOMPSON, Chairman of the Government Affairs Committee, I am offering a noncontroversial amendment to S. 1346 that would direct the Chief Counsel for Advocacy to send a copy of the report to the Senate Government Affairs Committee. In addition, my amendment would also require that copies of the report be sent to the House Committee on Government Reform and the House and Senate Committees on the Judiciary. It makes good sense for each of the committees to receive this report on Reg Flex compliance, and I urge my colleagues to support the amendment.

The Office of Advocacy as envisioned by the "Independent Office of Advocacy Act" would be unique with the Executive Branch. The Chief Counsel for Advocacy would be a wide-ranging advocate, who would be free to take positions contrary to the Administration's policies and to advocate change in government programs and attitudes as they impact small businesses. During consideration of the bill, the Committee adopted unanimously an amendment I offered, which was cosponsored by Senator JOHN KERRY, the Committee's Ranking Democrat, to require the Chief Counsel to be appointed "from civilian life." This qualification is intended to emphasize that the person nominated to serve in this important role should have a strong small business background.

In 1976, Congress established the Office of Advocacy in the SBA to be the eyes, ears and voice for small business within the Federal government. Over time, it has been assumed that the Office of Advocacy is the "independent" voice for small business. While I strongly believe that the Office of Advocacy and the Chief Counsel should be independent and free to advocate or support positions that might be contrary to the Administration's policies, I have come to find that the Office is not as independent as necessary to do the job for small business.

For example, funding for the Office of Advocacy comes from the Salaries and Expense Account of the SBA's budget. Staffing is allocated by the SBA Administrator to the Office of Advocacy from the overall staff allocation for the Agency. In 1990, there were 70 full-time employees working on behalf of small businesses in the Office of Advocacy. Today's allocation of staff is 49, and fewer are actually on-board as the result of the hiring freeze imposed by the SBA Administrator. The independence of the Office is diminished when the Office of Advocacy staff is reduced to allow for increased staffing for new programs and additional initiatives in other areas of SBA, at the discretion of the Administrator.

In addition, the General Accounting Office (GAO) recently completed a report for me on personnel practices at the SBA (GAO/GGD-99-68). I was alarmed by the GAO's finding that Assistant and Regional Advocates hired by the Office of Advocacy share many of the attributes of Schedule C political appointees. In fact, Regional Advocates are frequently cleared by the White House personnel office—the same procedure followed for approving Schedule C political appointees.

The facts discussed in the GAO Report cast the Office of Advocacy in a whole new light—one that had not been apparent until earlier this year. The report raises the questions, concerns and suspicions regarding the independence of the Office of Advocacy. Has there been a time when the Office did not pursue a matter as vigorously as it might have were it not for direct or indirect political influence? Prior to receipt of the GAO Report, my response was a resounding "No." But now, a question mark arises.

Let me take a moment and note that I will be unrelenting in my efforts to insure the complete independence of the Office of Advocacy in all matters, at all times, for the continued benefit of all small business. However, so long as the Administration controls the budget allocated to the Office of Advocacy and controls who is hired, the independence of the Office may be in jeopardy. We must correct this situation, and the sooner we do it, the better it will be for the small business community.

The "Independent Office of Advocacy Act" builds a firewall to prevent the political intrusion into the management of day-to-day operations of the Office of Advocacy. The bill would require that the SBA's budget include a separate account for the Office of Advocacy. No longer would its funds come from the general operating account of the Agency. The separate account would also provide for the number of full-time employees who would work within the Office of Advocacy. No longer would the Chief Counsel for Advocacy have to seek approval from the SBA Administrator to hire staff for the Office of Advocacy.

The bill would also continue the practice of allowing the Chief Counsel to hire individuals critical to the mission of the Office of Advocacy without going through the normal competitive procedures directed by federal law and the Office of Personnel Management (OPM). I believe this special hiring authority, which is limited only to employees within the Office of Advocacy, is beneficial because it allows the Chief Counsel to hire quickly those persons who can best assist the Office in responding to changing issues and problems confronting small businesses.

Mr. President, the "Independent Office of Advocacy Act" is a sound bill. It is the product of a great deal of thoughtful, objective review and consideration by me, the staff of the Committee on Small Business, representatives of the small business community, former Chief Counsels for Advocacy and others. These individuals have also devoted much time and effort in actively participating in a Committee Roundtable discussion on the Office of Advocacy, which my Committee held on April 21, 1999. And I stated earlier, the Committee on Small Business approved this bill by a unanimous 17–0 vote. Therefore, I strongly urge my colleagues in the Senate to vote in favor of the "Independent Office of Advocacy Act."

Mr. DOMENICI. I ask unanimous consent the committee amendment be agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment was agreed to.

AMENDMENT NO. 2544

(Purpose: To make an amendment with respect to the submission of annual reports)

Mr. DOMENICI. Mr. President, Senator BOND has an amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. BOND, proposes an amendment numbered 2544.

The amendment is as follows:

On page 12, line 12, insert after "Representatives" the following: "; the Committee on Governmental Affairs of the Senate, the Committee on Government Reform of the House of Representatives, and the Committees on the Judiciary of the Senate and the House of Representatives".

Mr. DOMENICI. I ask consent the amendment be agreed to, the bill be read a third time and passed, the motion to reconsider be laid on the table, and any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 2544) was agreed to.

The bill (S. 1346), as amended, was read the third time and passed, as follows:

S. 1346

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Independent Office of Advocacy Act".

SEC. 2. FINDINGS.

Congress finds that—

(1) excessive regulations continue to burden our Nation's small businesses;

(2) Federal agencies are reluctant to comply with the requirements of chapter 6 of title 5, United States Code, and continue to propose regulations that impose disproportionate burdens on small businesses;

(3) the Office of Advocacy of the Small Business Administration (referred to in this Act as the "Office") is an effective advocate for small businesses that can help ensure that agencies are responsive to small businesses and that agencies comply with their statutory obligations under chapter 6 of title 5, United States Code and under the Small Business Regulatory Enforcement Fairness Act of 1996 (Public Law 104–121; 106 Stat. 4249 et seq.);

(4) the independence of the Office is essential to ensure that it can serve as an effective advocate for small businesses without being restricted by the views or policies of the Small Business Administration or any other executive branch agency;

(5) the Office needs sufficient resources to conduct the research required to assess effectively the impact of regulations on small businesses; and

(6) the research, information, and expertise of the Office make it a valuable adviser to Congress as well as the executive branch agencies with which the Office works on behalf of small businesses.

SEC. 3. PURPOSES.

The purposes of this Act are—

(1) to ensure that the Office has the statutory independence and adequate financial resources to advocate for and on behalf of small business;

(2) to require that the Office report to the Chairmen and Ranking Members of the Committees on Small Business of the Senate and the House of Representatives and the Administrator of the Small Business Administration in order to keep them fully and currently informed about issues and regulations affecting small businesses and the necessity for corrective action by the regulatory agency or Congress;

(3) to provide a separate authorization for appropriations for the Office;

(4) to authorize the Office to report to the President and to Congress regarding agency compliance with chapter 6 of title 5, United States Code; and

(5) to enhance the role of the Office pursuant to chapter 6 of title 5, United States Code.

SEC. 4. OFFICE OF ADVOCACY.

(a) IN GENERAL.—The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(1) by redesignating section 32 as section 33; and

(2) by inserting after section 31 the following:

"SEC. 32. OFFICE OF ADVOCACY.

"(a) DEFINITIONS.—In this section—

"(1) the term 'Chief Counsel' means the Chief Counsel for Advocacy appointed under subsection (b); and

"(2) the term 'Office' means the Office of Advocacy established under subsection (b).

"(b) ESTABLISHMENT.—

"(1) IN GENERAL.—There is established in the Administration an Office of Advocacy (referred to in this section as the 'Office').

"(2) CHIEF COUNSEL FOR ADVOCACY.—

"(A) IN GENERAL.—The management of the Office shall be vested in a Chief Counsel for Advocacy who shall be appointed from civilian life by the President, by and with the advice and consent of the Senate, without regard to political affiliation and solely on the ground of fitness to perform the duties of the office.

"(B) EMPLOYMENT RESTRICTION.—The individual appointed to the office of Chief Counsel for Advocacy may not serve as an officer or employee of the Small Business Administration during the 5-year period preceding the appointment.

"(C) REMOVAL.—The Chief Counsel for Advocacy may be removed from office by the President and the President shall notify Congress of any such removal not later than 30 days before the removal.

"(3) APPROPRIATION REQUEST.—Each appropriation request prepared and submitted by the Administration under section 1108 of title 31, United States Code, shall include a separate request relating to the Office.

"(c) PRIMARY FUNCTIONS.—The Office shall—

"(1) examine the role of small businesses in the economy of the United States and the contribution that small businesses can make in improving competition, encouraging economic and social mobility for all citizens, restraining inflation, spurring production, expanding employment opportunities, increasing productivity, promoting exports, stimulating innovation and entrepreneurship, and providing the means by which new and untested products and services can be brought to the marketplace;

"(2) assess the effectiveness of Federal subsidy and assistance programs for small businesses and the desirability of reducing the emphasis on those programs and increasing the emphasis on general assistance programs designed to benefit all small businesses;

"(3) measure the direct costs and other effects of government regulation of small businesses, and make legislative, regulatory, and nonlegislative proposals for eliminating the excessive or unnecessary regulation of small businesses;

"(4) determine the impact of the tax structure on small businesses and make legislative, regulatory, and other proposals for altering the tax structure to enable all small businesses to realize their potential for contributing to the improvement of the Nation's economic well-being;

"(5) study the ability of financial markets and institutions to meet small business credit needs and determine the impact of government demands on credit for small businesses;

"(6) determine financial resource availability and recommend methods for—

"(A) delivery of financial assistance to minority and women-owned enterprises, including methods for securing equity capital;

"(B) generating markets for goods and services;

"(C) providing effective business education, more effective management and technical assistance, and training; and

"(D) assistance in complying with Federal, State, and local laws;

"(7) evaluate the efforts of Federal agencies and the private sector to assist minority and women-owned enterprises;

"(8) make such recommendations as may be appropriate to assist the development and strengthening of minority, women-owned, and other small businesses;

"(9) recommend specific measures for creating an environment in which all businesses will have the opportunity to—

"(A) compete effectively and expand to their full potential; and

"(B) ascertain any common reasons for small business successes and failures;

"(10) determine the desirability of developing a set of rational, objective criteria to be used to define small business, and to develop such criteria, if appropriate; and

"(11) make recommendations and submit reports to the Chairmen and Ranking Members of the Committees on Small Business of the Senate and the House of Representatives and the Administrator with respect to issues and regulations affecting small businesses and the necessity for corrective action by the Administrator, any Federal department or agency, or Congress.

"(d) ADDITIONAL FUNCTIONS.—The Office shall, on a continuing basis—

"(1) serve as a focal point for the receipt of complaints, criticisms, and suggestions concerning the policies and activities of the Administration and any other department or agency of the Federal Government that affects small businesses;

"(2) counsel small businesses on the means by which to resolve questions and problems concerning the relationship between small businesses and the Federal Government;

"(3) develop proposals for changes in the policies and activities of any agency of the Federal Government that will better fulfill the purposes of this section and communicate such proposals to the appropriate Federal agencies;

"(4) represent the views and interests of small businesses before other Federal agencies whose policies and activities may affect small business;

"(5) enlist the cooperation and assistance of public and private agencies, businesses, and other organizations in disseminating information about the programs and services provided by the Federal Government that are of benefit to small businesses, and information on the means by which small businesses can participate in or make use of such programs and services; and

"(6) carry out the responsibilities of the Office under chapter 6 of title 5, United States Code.

"(e) STAFF AND POWERS.—

"(1) STAFF.—

"(A) IN GENERAL.—The Chief Counsel may, without regard to the civil service laws and regulations, appoint and terminate such additional personnel as may be necessary to enable the Office to perform its duties under this section.

"(B) COMPENSATION.—The Chief Counsel may fix the compensation of personnel appointed under this paragraph without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, but at rates not to exceed the minimum rate payable for a position at GS–15 of the General Schedule, except that not more than 14 employees of the Office at any one time may be compensated at a rate not to exceed the maximum rate payable for a position at GS–15 of the General Schedule.

"(2) POWERS.—In carrying out this section, the Chief Counsel may—

"(A) procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code;

"(B) consult with—

"(i) experts and authorities in the fields of small business investment, venture capital, investment and commercial banking, and other comparable financial institutions involved in the financing of business; and

"(ii) individuals with regulatory, legal, economic, or financial expertise, including members of the academic community, and individuals who generally represent the public interest;

"(C) use the services of the National Advisory Council established under section 8(b) and, in accordance with that section, appoint such other advisory boards or committees as the Chief Counsel determines to be reasonably necessary and appropriate to carry out this section; and

"(D) hold hearings and sit and act at such times and places as the Chief Counsel determines to be appropriate.

"(f) OVERHEAD AND ADMINISTRATIVE SUPPORT.—The Administrator shall provide the Office with appropriate and adequate office space at central and field office locations of the Administration, together with such equipment, office supplies, and communications facilities and services as may be necessary for the operation of such offices, and shall provide necessary maintenance services for such offices and the equipment and facilities located therein.

"(g) INFORMATION FROM FEDERAL AGENCIES.—The Chief Counsel may secure directly from any Federal department or agency such information as the Chief Counsel considers to be necessary to carry out this section. Upon request of the Chief Counsel, the head of such department or agency shall furnish such information to the Office.

"(h) REPORTS.—

"(1) ANNUAL REPORTS.—Not less than annually, the Chief Counsel shall submit to the President and to the Committees on Small Business of the Senate and the House of Representatives, the Committee on Governmental Affairs of the Senate, the Committee on Government Reform of the House of Representatives, and the Committees on the Judiciary of the Senate and the House of Representatives a report on agency compliance with chapter 6 of title 5, United States Code.

"(2) ADDITIONAL REPORTS.—In addition to the reports required under paragraph (1) of this subsection and subsection (c)(12), the Chief Counsel may prepare and publish such reports as the Chief Counsel determines to be appropriate.

"(3) PROHIBITION.—No report under this section shall be submitted to the Office of Management and Budget or to any other department or agency of the Federal Government for any purpose before submission of the report to the President and to Congress.

"(i) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There are authorized to be appropriated to the Office to carry out this section such sums as may be necessary for each fiscal year.

"(2) AVAILABILITY.—Any sums appropriated under paragraph (1) shall remain available, without fiscal year limitation, until expended.".

(b) REPEAL.—Title II of Public Law 94–305 (15 U.S.C. 634a et seq.) is repealed.

(c) INCUMBENT CHIEF COUNSEL FOR ADVOCACY.—The individual serving as the Chief Counsel for Advocacy of the Small Business Administration on the date of enactment of this Act shall continue to serve in that position after such date in accordance with section 32 of the Small Business Act, as amended by this section.

TO PROVIDE FOR THE HOLDING OF COURT IN NATCHEZ, MISSISSIPPI IN THE SAME MANNER AS COURT IS HELD IN VICKSBURG, MISSISSIPPI

Mr. DOMENICI. Mr. President, I ask unanimous consent the Senate now proceed to the immediate consideration of Calendar No. 386, S. 1418.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 1418) to provide for the holding of court in Natchez, Mississippi, in the same manner as court is held in Vicksburg, Mississippi, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. DOMENICI. I ask consent the bill be read a third time and passed, the motion to reconsider be laid on the table, and any statement relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 1418) was read the third time and passed, as follows:

S. 1418

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. HOLDING OF COURT AT NATCHEZ, MISSISSIPPI.

Section 104(b)(3) of title 28, United States Code, is amended in the second sentence by striking all beginning with the colon through "United States".

MISSOURI-NEBRASKA BOUNDARY COMPACT

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 389, H.J. Res. 54.

The PRESIDING OFFICER. The clerk will report the joint resolution by title.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 54) granting the consent of Congress to the Missouri-Nebraska Boundary Compact.

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the joint resolution be read a third time and passed, the motion to reconsider be laid upon the table, and any statements relating to the resolution be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The joint resolution (H.J. Res. 54) was read the third time and passed.

CONTINUED REPORTING OF INTERCEPTED WIRE, ORAL, AND ELECTRONIC COMMUNICATIONS ACT

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 355, S. 1769.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 1769) to continue the reporting requirements of section 2519 of title 18, United States Code, beyond December 21, 1999, and for other purposes.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on the Judiciary with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

S. 1769

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Continued Reporting of Intercepted Wire, Oral, and Electronic Communications Act".

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Section 2519(3) of title 18, United States Code, requires the Director of the Administrative Office of the United States Courts to transmit to Congress a full and complete annual report concerning the number of applications for orders authorizing or approving the interception of wire, oral, or electronic communications. This report is required to include information specified in section 2519(3).

(2) The Federal Reports Elimination and Sunset Act of 1995 provides for the termination of certain laws requiring submittal to Congress of annual, semiannual, and regular periodic reports as of December 21, 1999, 4 years from the effective date of that Act.

(3) Due to the Federal Reports Elimination Act and Sunset Act of 1995, the Administrative Office of United States Courts is not required to submit the annual report described in section 2519(3) of title 18, United States Code, as of December 21, 1999.

SEC. 3. CONTINUED REPORTING REQUIREMENTS.

(a) CONTINUED REPORTING REQUIREMENTS.—Section 2519 of title 18, United States Code, is amended by adding at the end the following:

"(4) The reports required to be filed by subsection (3) are exempted from the termination provisions of section 3003(a) of the Federal Reports Elimination and Sunset Act of 1995 (Public Law 104–66).".

(b) EXEMPTION.—Section 3003(d) of the Federal Reports Elimination and Sunset Act of 1995 (Public Law 104–66) is amended—

(1) in paragraph (31), by striking "or" at the end;

(2) in paragraph (32), by striking the period and inserting "; or"; and

(3) by adding at the end the following:

"(33) section 2519(3) of title 18, United States Code.".

SEC. 4. ENCRYPTION REPORTING REQUIREMENTS.

[Section 2519(1)(b)**]** *(a) Section 2519(2)(b)* of title 18, United States Code, is amended by striking "and (iv)" and inserting "(iv) the number of orders in which encryption was encountered and whether such encryption prevented law enforcement from obtaining the plain text of communications intercepted pursuant to such order, and (v)".

(b) The encryption reporting requirement in subsection (a) shall be effective for the report transmitted by the Director of the Administrative Office of the Courts for calendar year 2000 and in subsequent reports.

SEC. 5. REPORTS CONCERNING PEN REGISTERS AND TRAP AND TRACE DEVICES.

Section 3126 of title 18, United States Code, is amended by striking the period and inserting ", which report shall include information concerning—

"(1) the period of interceptions authorized by the order, and the number and duration of any extensions of the order;

"(2) the offense specified in the order or application, or extension of an order;

"(3) the number of investigations involved;

"(4) the number and nature of the facilities affected; and

"(5) the identity, including district, of the applying investigative or law enforcement agency making the application and the person authorizing the order.".

Mr. LEAHY. Mr. President, I am pleased that the Senate is today considering S. 1769, which I introduced with Chairman HATCH on October 22, 1999. This bill will continue and enhance the current reporting requirements for the Administrative Office of the Courts and the Attorney General on the eavesdropping and surveillance activities of our federal and state law enforcement agencies.

For many years, the Administrative Office (AO) of the Courts has complied with the statutory requirement, in 18 U.S.C. § 2519(3), to report to Congress annually the number and nature of federal and state applications for orders authorizing or approving the interception of wire, oral or electronic communications. By letter dated September 3, 1999, the AO advised that it would no longer submit this report because "as of December 21, 1999, the report will no longer be required pursuant to the Federal Reports Elimination and Sunset Act of 1995." I commend the AO for alerting Congress that their responsibility for the wiretap reports would lapse at the end of this year, and for doing so in time for Congress to take action.

The AO has done an excellent job of preparing the wiretap reports. We need to continue the AO's objective work in a consistent manner. If another agency took over this important task at this juncture and the numbers came out in a different format, it would immediately generate questions and concerns over the legitimacy and accuracy of the contents of that report.

In addition, it would create difficulties in comparing statistics from prior years going back to 1969 and complicate the job of congressional oversight. Furthermore, transferring this reporting duty to another agency might create delays in issuance of the report since no other agency has the methodology in place. Finally, federal, state and local agencies are well accustomed to the reporting methodology developed by the AO. Notifying all these agencies that the reporting standards and agency have changed would inevitably create more confusion and more expense as law enforcement agencies across the country are forced to learn a new system and develop a liaison with a new agency.

The system in place now has worked well and should be continued. We know how quickly law enforcement may be subjected to criticism over their use of these surreptitious surveillance tools and we should avoid aggravating these sensitivities by changing the reporting agency.

The bill would update the reporting requirements currently in place with one additional reporting requirement. Specifically, the bill would require the wiretap reports prepared beginning in calendar year 2000 to include information on the number of orders in which encryption was encountered and whether such encryption prevented law enforcement from obtaining the plain text of communications intercepted pursuant to such order.

Encryption technology is critical to protect sensitive computer and online information. Yet, the same technology poses challenges to law enforcement when it is exploited by criminals to hide evidence or the fruits of criminal activities. A report by the U.S. Working Group on Organized Crime titled, "Encryption and Evolving Technologies: Tools of Organized Crime and Terrorism," released in 1997, collected anecdotal case studies on the use of encryption in furtherance of criminal activities in order to estimate the future impact of encryption on law enforcement. The report noted the need for "an ongoing study of the effect of encryption and other information technologies on investigations, prosecutions, and intelligence operations". As part of this study, "a database of case information from federal and local law enforcement and intelligence agencies should be established and maintained." Adding a requirement that reports be furnished on the number of occasions when encryption is encountered by law enforcement is a far more reliable basis than anecdotal evidence on which to assess law enforcement needs and make sensible policy in this area.

The final section of this bill would codify the information that the Attorney General already provides on pen register and trap and trace device orders, and require further information on where such orders are issued and the types of facilities—telephone, computer, pager or other device—to which the order relates. Under the Electronic Communications Privacy Act ("ECPA") of 1986, P.L. 99-508, codified at 18 U.S.C. §3126, the Attorney General of the United States is required to report annually to the Congress on the number of pen register orders and orders for trap and trace devices applied for by law enforcement agencies of the Department of Justice. As the original sponsor of ECPA, I believed that adequate oversight of the surveillance activities of federal law enforcement could only be accomplished with reporting requirements such as the one included in this law.

The reports furnished by the Attorney General on an annual basis compile information from five components of the Department of Justice: the Federal Bureau of Investigation, the Drug Enforcement Administration, the Immigration and Naturalization Service, the United States Marshals Service and the Office of the Inspector General. The report contains information on the number of original and extension orders made to the courts for authorization to use both pen register and trap and trace devices, information concerning the number of investigations involved, the offenses on which the applications were predicted and the number of people whose telephone facilities were affected.

These specific categories of information are useful, and the bill we have introduced would direct the Attorney General to continue providing these specific categories of information. In addition, the bill would direct the Attorney General to include information on the identity, including the district, of the agency making the application and the person authorizing the order. In this way, the Congress and the public will be informed of those jurisdictions using this surveillance technique—information which is currently not included in the Attorney General's annual reports.

The requirement for preparation of the wiretap reports will soon lapse so I am delighted to see the Senate take prompt action on this legislation to continue the requirement for submission of the wiretap reports and to update the reporting requirements for both the wiretap reports submitted by the AO and the pen register and trap and trace reports submitted by the Attorney General.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the committee amendments be agreed to, the bill be considered read for a third time and passed, the motion to reconsider be laid upon the table, and any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendments were agreed to.

The bill (S. 1769), as amended, was read the third time and passed, as follows:

S. 1769

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Continued Reporting of Intercepted Wire, Oral, and Electronic Communications Act".

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Section 2519(3) of title 18, United States Code, requires the Director of the Administrative Office of the United States Courts to transmit to Congress a full and complete annual report concerning the number of applications for orders authorizing or approving the interception of wire, oral, or electronic communications. This report is required to include information specified in section 2519(3).

(2) The Federal Reports Elimination and Sunset Act of 1995 provides for the termination of certain laws requiring submittal to Congress of annual, semiannual, and regular periodic reports as of December 21, 1999, 4 years from the effective date of that Act.

(3) Due to the Federal Reports Elimination Act and Sunset Act of 1995, the Administrative Office of United States Courts is not required to submit the annual report described in section 2519(3) of title 18, United States Code, as of December 21, 1999.

SEC. 3. CONTINUED REPORTING REQUIREMENTS.

(a) CONTINUED REPORTING REQUIREMENTS.—Section 2519 of title 18, United States Code, is amended by adding at the end the following:

"(4) The reports required to be filed by subsection (3) are exempted from the termination provisions of section 3003(a) of the Federal Reports Elimination and Sunset Act of 1995 (Public Law 104-66).".

(b) EXEMPTION.—Section 3003(d) of the Federal Reports Elimination and Sunset Act of 1995 (Public Law 104-66) is amended—

(1) in paragraph (31), by striking "or" at the end;

(2) in paragraph (32), by striking the period and inserting "; or"; and

(3) by adding at the end the following:

"(33) section 2519(3) of title 18, United States Code.".

SEC. 4. ENCRYPTION REPORTING REQUIREMENTS.

(a) Section 2519(2)(b) of title 18, United States Code, is amended by striking "and (iv)" and inserting "(iv) the number of orders in which encryption was encountered and whether such encryption prevented law enforcement from obtaining the plain text of communications intercepted pursuant to such order, and (v)".

(b) The encryption reporting requirement in subsection (a) shall be effective for the report transmitted by the Director of the Administrative Office of the Courts for calendar year 2000 and in subsequent reports.

SEC. 5. REPORTS CONCERNING PEN REGISTERS AND TRAP AND TRACE DEVICES.

Section 3126 of title 18, United States Code, is amended by striking the period and inserting ", which report shall include information concerning—

"(1) the period of interceptions authorized by the order, and the number and duration of any extensions of the order;

"(2) the offense specified in the order or application, or extension of an order;

"(3) the number of investigations involved;

"(4) the number and nature of the facilities affected; and

"(5) the identity, including district, of the applying investigative or law enforcement agency making the application and the person authorizing the order.".

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations on the Executive Calendar: Nos. 383 through 392 and all nominations on the Secretary's desk in the Air Force, Army and Navy. I further ask unanimous consent that the nominations be confirmed, the motions to reconsider be laid upon the table, any statements relating to the nomination be printed in the RECORD, and the President be immediately notified of the Senate's action.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed are as follows:

DEPARTMENT OF DEFENSE

Cornelius P. O'Leary, of Connecticut, to be a Member of the National Security Education Board for a term of four years.

Alphonso Maldon, Jr., of Virginia, to be an Assistant Secretary of Defense.

John K. Veroneau, of Virginia, to be an Assistant Secretary of Defense.

IN THE AIR FORCE

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be general

Gen. John P. Jumper, 7475

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be general

Lt. Gen. Gregory S. Martin, 6337

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Bruce A. Carlson, 4082

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under Title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Stephen B. Plummer, 9541

IN THE ARMY

The following Army National Guard of the United States officer for appointment in the Reserve of the Army to the grade indicated under title 10, U.S.C., section 12203:

To be brigadier general

Col. William F. Smith, III, 2744

The following named officer for appointment in the United States Army to the grade indicated under title 10, U.S.C., section 624:

To be brigadier general, Medical Corps

Col. Lester Martinez-Lopez, 1323

The following named officers for appointment in the Reserve of the Army to the grades indicated under title 10, U.S.C., section 12203:

To be major general

Celia L. Adolphi, 1255
James W. Comstock, 5456
Robert M. Kimmitt, 0719
Paul E. Lima, 5295
Thomas J. Matthews, 5463
Jon R. Root, 3255
Joseph L. Thompson III, 2211
John R. Tindall, Jr., 1967
Gary C. Wattnem, 0832

To be brigadier general

Alan D. Bell, 4514
Kristine K. Campbell, 7499
Wayne M. Erck, 5508
Stephen T. Gonczy, 6064
Robert L. Heine, 0778
Paul H. Hill, 7335
Rodney M. Kobayashi, 6985
Thomas P. Maney, 4820
Ronald S. Mangum, 2280
Randall L. Mason, 7302
Paul E. Mock, 9132
Collis N. Phillips, 1258
Michael W. Symanski, 1020
Theodore D. Szakmary, 7249
David A. Van Kleeck, 9555
George H. Walker, Jr., 7542
William K. Wedge, 9145

NOMINATIONS PLACED ON THE SECRETARY'S DESK

IN THE AIR FORCE, ARMY, NAVY

Air Force nominations beginning Joseph A. Abbott, and ending Thomas J. Zuzack, which nominations were received by the Senate and appeared in the Congressional Record of October 27, 1999.

Army nomination of Joel R. Rhoades, which was received by the Senate and appeared in the Congressional Record of October 27, 1999.

Navy nominations beginning George R. Arnold, and ending Todd S. Weeks, which nominations were received by the Senate and appeared in the Congressional Record of October 18, 1999.

UNANIMOUS CONSENT AGREEMENT—TREATIES

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senate proceed to consider the following treaties on today's Executive Calendar: Nos 4 through 14. I further ask unanimous consent that the treaties be considered as having passed through their various parliamentary stages, up to and including the presentation of the resolutions of ratification; all committee provisos, reservations, understandings, and declarations be considered agreed to; any statements be printed in the RECORD; and the Senate take one vote on the resolutions of ratification to be considered as separate votes. Further, that when the resolutions of ratification are voted upon, the motions to reconsider be laid upon the table, the President be notified of the Senate's action, and the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

TAX CONVENTION WITH ESTONIA

The resolution of ratification is as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention between the Government of the United States of America and the Republic or Estonia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, signed at Washington on January 15, 1998 (Treaty Doc. 105–55), subject to the declaration of subsection (a) and the proviso of subsection (b).

(a) DECLARATION.—The Senate's advice and consent is subject to the following declaration, which shall be binding on the President:

(1) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the State Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(b) PROVISO.—The resolution of ratification is subject to the following proviso, which shall be binding on the President:

(1) SUPREMACY OF CONSTITUTION.—Nothing in the Convention requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

TAX CONVENTION WITH LITHUANIA

The resolution of ratification is as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention between the Government of the United States of America and the Government of the Republic of Lithuania for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, signed at Washington on January 15, 1998 (Treaty Doc. 105–56), subject to the declaration of subsection (a) and the proviso of subsection (b).

(a) DECLARATION.—The Senate's advice and consent is subject to the following declaration, which shall be binding on the President:

(1) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(b) PROVISO.—The resolution of ratification is subject to the following proviso, which shall be binding on the President:

(1) SUPREMACY OF CONSTITUTION.—Nothing in the Convention requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

TAX CONVENTION WITH LATVIA

The resolution of ratification is as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention between the Government of the United States of America and the Republic of Latvia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, signed at Washington on January 15, 1998 (Treaty Doc. 105–57), subject to the declaration of subsection (a) and the proviso of subsection (b).

(a) DECLARATION.—The Senate's advice and consent is subject to the following declaration, which shall be binding on the President:

(1) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(b) PROVISO.—The resolution of ratification is subject to the following proviso, which shall be binding on the President:

(1) SUPREMACY OF CONSTITUTION.—Nothing in the Convention requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

TAX CONVENTION WITH VENEZUELA

The resolution of ratification is as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention between the Government of the United States of America and the Government of the Republic of Venezuela for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Texas on Income and Capital, together with a Protocol, signed at Caracas on January 25, 1999 (Treaty Doc. 106–3), subject to the understanding of subsection (a), the declarations of subsection 9(b), and the proviso of subsection (c).

(a) UNDERSTANDINGS.—The Senate's advice and consent is subject to the following understandings, which shall be included in the instrument of ratification, and shall be binding on the President:

(1) PREVENTION OF DOUBLE EXEMPTION.—Where under Article 7 (Business Profits) or Article 14 (Independent Personal Services) of this Convention income is relieved from tax in one Contracting State and, under the law in force in the other Contracting State a person is not subject to tax in that other Contracting State in respect of such income, then the relief to be allowed under this Convention in the first-mentioned Contracting State shall apply only to so much of the income as is subject to tax in the other Contracting State. This understanding shall cease to have effect when the provisions of Venezuela's Law Amending the Income Tax Law (hereinafter the "new Venezuelan tax law"), relating to the implementation of a worldwide tax system in replacement of Vnezuela's current territorial tax system, are effective in accordance with the provisions of such new Venezuelan tax law.

(2) VENEZUELAN BRANCH PROFITS TAX.—The United States understands that the reference to an "additional tax" in Article 11A of the Convention includes the tax that may be imposed by Venezuela (the "Venezuelan Branch Tax") pursuant to the relevant provisions of the new Venezuelan tax law. In addition, the United States understands that the limit imposed under Article 11A of the Convention shall apply with respect to the Venezuelan Branch Tax and that for purposes of that article the Venezuelan Branch Tax shall be imposed only on an amount not in excess of the amount that is analogous to the "dividend equivalent amount" defined in subparagraph (a) of paragraph 10 of the Protocol with respect to the United States.

(b) DECLARATIONS.—The Senate's advice and consent is subject to the following declarations, which shall be binding on the President:

(1) NEW VENEZUELAN TAX LAW.—Before the President may notify Venezuela pursuant to Article 29 of the Convention that the United States has completed the required ratification procedures, he shall certify to the Committee on foreign Relations that:

(i) the new Venezuelan tax law has been enacted in accordance with Venezuelan law;

(ii) the Department of the Treasury in consultation with the Department of State, has thoroughly examined the new Venezuelan tax law; and

(iii) the new Venezuelan tax law is fully consistent with and appropriate to the obligations under the Convention.

(2) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed forces in Europe, approved by the Senate on May 14, 1997.

(c) PROVISO.—The resolution of ratification is subject to the following proviso, which shall be binding on the President:

(1) SUPREMACY OF CONSTITUTION.—Nothing in the Convention requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

TAX CONVENTION WITH SLOVENIA

The resolution of ratification is as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention between the United States of America and the Republic of Slovenia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital, signed at Ljubljana on June 21, 1999 (Treaty Doc. 106-9), subject to the reservation of subsection (a), the understanding of subsection (b), the declaration of subsection (c), and the proviso of subsection (d).

(a) RESERVATION.—The Senate's advice and consent is subject to the following reservation, which shall be included in the instrument of ratification, and shall be binding on the President:

(1) MAIN PURPOSE TESTS.—Paragraph 10 of Article 10 (Dividends), paragraph 10 of Article 11 (Interest), paragraph 7 of Article 12 (Royalties), paragraph 3 of Article 21 (Other Income), and subparagraph (g) of paragraph 3 of Article 25 (Mutual Agreement Procedure) of the Convention shall be stricken in their entirety.

(b) UNDERSTANDING.—The Senate's advice and consent is subject to the following understanding, which shall be included in the instrument of ratification, and shall be binding on the President:

(1) EXCHANGE OF INFORMATION.—The United States understands that, pursuant to Article 26 of the Convention, both the competent authority of the United States and the competent authority of the Republic of Slovenia have the authority to obtain and provide information held by financial institutions, nominees or persons acting in an agency or fiduciary capacity, or respecting interests in a person.

(c) DECLARATION.—The Senate's advice and consent is subject to the following declaration, which shall be binding on the President:

(1) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(d) PROVISO.—The resolution of ratification is subject to the following proviso, which shall be binding on the President:

(1) SUPREMACY OF CONSTITUTION.—Nothing in the Convention requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

TAX CONVENTION WITH ITALY

The resolution of ratification is as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention between the Government of the United States of America and the Government of the Italian Republic for the Avoidance of Double Taxation with Respect to Taxes on Income and the Prevention of Fraud or Fiscal Evasion, signed at Washington on August 25, 1999, together with a Protocol (Treaty Doc. 106-11), subject to the reservation of subsection (a), the understanding of subsection (b), the declaration of subsection (c), and the proviso of subsection (d).

(a) RESERVATION.—The Senate's advice and consent is subject to the following reservation, which shall be included in the instrument of ratification, and shall be binding on the President:

(1) MAIN PURPOSE TESTS.—Paragraph 10 of Article 10 (Dividends), paragraph 9 of Article 11 (Interest), paragraph 8 of Article 12 (Royalties), and paragraph 3 of Article 22 (Other Income) of the Convention, and paragraph 19 of Article 1 of the Protocol (dealing with Article 25 (Mutual Agreement Procedure) of the Convention) shall be stricken in their entirety, and paragraph 20 of Article 1 of the Protocol shall be renumbered as paragraph 19.

(b) UNDERSTANDING.—The Senate's advice and consent is subject to the following understanding, which shall be included in the instrument of ratification, and shall be binding on the President:

(1) EXCHANGE OF INFORMATION.—The United States understands that, pursuant to Article 26 of the Convention, both the competent authority of the United States and the competent authority of the Republic of Italy have the authority to obtain and provide information held by financial institutions, nominees or persons acting in an agency or fiduciary capacity, or respecting interests in a person.

(c) DECLARATION.—The Senate's advice and consent is subject to the following declaration, which shall be binding on the President:

(1) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(d) PROVISO.—The resolution of ratification is subject to the following proviso, which shall be binding on the President:

(1) SUPREMACY OF CONSTITUTION.—Nothing in the Convention requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

TAX CONVENTION WITH DENMARK

The resolution of ratification is as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention between the Government of the United States of America and the Government of the Kingdom of Denmark for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, signed at Washington on August 19, 1999, together with a Protocol (Treaty Doc. 106-12), subject to the declaration of subsection (a) and the proviso of subsection (b).

(a) DECLARATION.—The Senate's advice and consent is subject to the following declaration, which shall be binding on the President:

(1) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27,

1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(b) PROVISO.—The resolution of ratification is subject to the following proviso, which shall be binding on the President:

(1) SUPPREMACY OF CONSTITUTION.—Nothing in the Convention requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

PROTOCOL AMENDING TAX CONVENTION WITH GERMANY

The resolution of ratification is as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Protocol Amending the Convention between the United States of America and the Federal Republic of Germany for the Avoidance of Double Taxation with Respect to Taxes on Estates, Inheritances, and Gifts signed at Bonn on December 3, 1980, signed at Washington on December 14, 1998 (Treaty Doc. 106–13), subject to the declaration of subsection (a) and the proviso of subsection (b).

(a) DECLARATION.—The Senate's advice and consent is subject to the following declaration, which shall be binding on the President:

(1) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(b) PROVISO.—The resolution of ratification is subject to the following proviso, which shall be binding on the President:

(1) SUPPREMACY OF CONSTITUTION.—Nothing in the Protocol requires or authorize legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

AMENDING CONVENTION WITH IRELAND

The resolution of ratificatioan is as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention Amending the Convention between the Government of the United States of America and the Government of Ireland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital Gains, signed at Dublin on July 28, 1997 (the Amending Convention was signed at Washington on September 24, 1999) (Treaty Doc. 106–15), subject to the declaration of subsection (a) and the proviso of subsection (b).

(a) DECLARATION.—The Senate's advice and consent is subject to the following declaration, which shall be binding on the President:

(1) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(b) PROVISO.—The resolution of ratification is subject to the following proviso, which shall be binding on the President.

(1) SUPPREMACY OF CONSTITUTION.—Nothing in the Amending Convention requires or authorizes legislation or other action by the Unied States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

CONVENTION (NO. 182) FOR ELIMINATION OF THE WORST FORMS OF CHILD LABOR

The resolution of ratification is as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Convention (No. 182) Concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labor, adopted by the International Labor Conference at its 87th Session in Geneva on June 17, 1999 (Treaty Doc. 106–5), subject to the understandings of subsection (a), the declaration of subseetion (b), and the proviso of subsection (c).

(a) UNDERSTANDINGS.—The Senate's advice and consent is subject to the following understandings, which shall be included in the instrument of ratification:

CHILDREN WORKING ON FARMS.—The United States understands that Article 3(d) of Convention 182 does not encompass situations in which children are employed by a parent or by a person standing in the place of a parent on a farm owned or operated by such parent or person, nor does it change, or is it intended to lead to a change in the agricultural employment provisions or any other provision of the Fair Labor Standards Act in the United States.

BASIC EDUCATION.—The United States understands that the term "basic education" in Article 7 of Convention 182 means primary education plus one year: eight or nine years of schooling, based on curriculum and not age.

(b) DECLARATION.—The Senate's advice and consent is subject to the following declaration, which shall be binding on the President.

TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(c) PROVISO.—The resolution of ratification is subject to the following proviso, which shall not be included in the instrument of ratification to be signed by the President.

SUPREMACY OF THE CONSTITUTION.—Nothing in the Treaty requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

EXTRADITION TREATY WITH KOREA

The resolution of ratification is as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Extradition Treaty between the Government of the United states of America and the Government of Republic of Korea, signed at Washington on June 9, 1998 (Treaty Doc. 106-2), subject to the understanding of subsection (a), the declaration of subsection (b), and the proviso of subsection (c).

(a) UNDERSTANDING.—The Senate's advice and consent is subject to the following understanding, which shall be included in the instrument of ratification:

PROHIBITION OF EXTRADITION TO THE INTERNATIONAL CRIMINAL COURT.—The United States understands that the protections contained in Article 15 concerning the Rule of Specialty would preclude the resurrender of any person from the United States to the International Criminal Court agreed to in Rome, Italy, on July 17, 1998, unless the United States consents to such resurrender; and the United States shall not consent to the transfer of any person extradited to the Republic of Korea by the United States to the International Criminal Court agreed to in Rome, Italy, on July 17, 1998, unless the treaty establishing that Court has entered into force for the United States by and with the advice and consent of the Senate, as required by Article II, section 2 of the United States Constitution.

(b) DECLARATION.—The Senate's advice and consent is subject to the following declaration, which shall be binding on the President:

TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(c) PROVISO.—The resolution of ratification is subject to the following proviso, which shall not be included in the instrument of ratification to be signed by the President:

SUPREMACY OF THE CONSTITUTION.—Nothing in the Treaty requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

Mrs. BOXER. Mr. President, for several months, I have been working on a case with the South Korean government on behalf of a family in California.

The family, Mr. and Mrs. B.K. Cho, are concerned about actions taken against them in South Korea in 1984. At that time, the Cho family owned one of the largest construction companies in the country. The Cho family alleges that their holdings were illegally transferred to two other companies, Cho Hung Bank and Daelim Industries. They also accuse officials of the then Chun government of ordering this transfer.

Soon after their property was taken from them, the Cho family left for the

United States. They have filed a lawsuit in California against Cho Hung Bank and Daelim Industries and their U.S. subsidiaries.

Because of the strong concerns I have about this case, I had asked that this particular treaty be delayed until I had the opportunity to further explore this matter. One of the concerns raised by the family was that the Korean Ministry of Foreign Affairs and Trade (MOFAT) had not served the court petition to the Cho Hung Bank and Daelim Industries. I have now been assured that this action has been taken. I ask unanimous consent that a letter dated September 22, 1999 from the First Secretary of the Congressional Section of the South Korean Embassy be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EMBASSY OF THE REPUBLIC OF KOREA,
Washington, DC, September 22, 1999.

Mr. SEAN MOORE,
Office of Senator Barbara Boxer,
U.S. Senate, Washington, DC.

DEAR MR. MOORE, in reference to my letter dated August 6, 1999, concerning the case of Mr. Cho Bong-Koo, I am pleased to inform you that, according to the Korean Ministry of Foreign Affairs and Trade (MOFAT), the Cho Hung Bank and the Daelim Industrial Company have each received a court petition at the end of August.

The Embassy has also learned that these two entities are planning to establish legal counsel to represent their interests regarding this lawsuit. As was mentioned in the attached letter dated August 24, 1998 and addressed to Senator Boxer, the Korean Government is of the view that any remaining questions in transferring the management of Samho in the 1980's should be settled through legal procedures in court.

I thank you again for your interests and concern.

Sincerely yours,
CHANG BEOM KIM,
First Secretary,
Congressional Section.

Mrs. BOXER. Mr. President, I also have received assurances from the South Korean Ambassador, Dr. Lee Hong-koo, that his government will not interfere with the pending court case and expresses hope that legal proceedings will be conducted as quickly as possible.

I ask unanimous consent that a letter to me dated November 5, 1999 from Ambassador Lee be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EMBASSY OF THE REPUBLIC OF KOREA,
Washington, DC, November 5, 1999.

Hon. BARBARA BOXER,
U.S. Senate,
Washington, DC.

DEAR SENATOR BOXER, I would like to take this opportunity to express my appreciation for your support for the ratification of the U.S.-Korea Extradition Treaty.

I would also like to commend you on your efforts to assist your Korean-American constituent, Mr. Cho Bong-Koo, who has filed suit in the Los Angeles Superior Court against several Korean corporations.

I understand your concerns about this case and have considered it with the utmost gravity. Given our respect for the integrity of the U.S. legal system, it is inappropriate for the Embassy or any Korean government official to interfere in a case pending in your courts. However, in view of the long duration of this matter of concern to the Cho family, I remain hopeful that the legal proceedings will be conducted in a timely manner, so that the case may be resolved without delay.

Please be assured that I understand your endeavor to help ameliorate your constituent's concerns. As a public servant in a democratic government, I fully recognize the importance of your efforts. It is my belief that we will continue to work well together on future matters.

Sincerely,
LEE HONG-KOO,
Ambassador.

Mrs. BOXER. Mr. President, I support this treaty and will allow it to be cleared by the full Senate. I will continue to work with the Cho family and the South Korean government and hope that it can be resolved in a timely matter.

Mr. DOMENICI. Mr. President, I ask for a division vote on the resolutions of ratification.

The PRESIDING OFFICER. A division has been requested.

Senators in favor of the ratification of these treaties, please stand and be counted. (After a pause.) Those opposed will rise and stand until counted.

On this vote, two-thirds of the Senators present having voted in the affirmative, the resolutions of ratification are agreed to.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

Mr. DOMENICI. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. DOMENICI. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I am prepared to recite the closing script, but I understand the distinguished Senator from Alabama wants to be recognized.

The PRESIDING OFFICER. Does the Senator want to go through with that and just accept whatever statement the Senator from Alabama wishes to make?

Mr. DOMENICI. All right.

ORDERS FOR MONDAY, NOVEMBER 8, 1999

Mr. DOMENICI. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 12 noon on Monday, November 8. I further ask consent that on Monday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate then begin a period of morning business, with Senators speaking for up to 5 minutes each, with the following exceptions: Senator THOMAS or designee, from 12 until 1 o'clock; Senator REID or designee, from 1 to 2 o'clock.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECORD TO REMAIN OPEN

Mr. DOMENICI. Pursuant to the agreement on S. 625, I ask unanimous consent that the RECORD remain open until 5 p.m. for the filing of amendments to the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. DOMENICI. Mr. President, for the information of all Senators, at 12 noon on Monday, the Senate will begin a period of morning business until 2 p.m. Following morning business, the Senate will resume debate on the bankruptcy reform legislation. By a previous consent agreement, the minority leader or his designee will be recognized at 3 p.m. to offer an amendment relative to the minimum wage, which will then be set aside so that the majority leader or his designee can be recognized to offer an amendment relative to business costs. Votes on these amendments have been set to occur at 10:30 a.m. on Tuesday, November 9.

The leader has announced that the first vote of next week will occur on Monday at 5:30 p.m. in relation to the bankruptcy bill. During the next week's session, the Senate will also consider the foreign operations appropriations bill, which has been received from the House, and any other appropriations bills that are available for action.

ORDER OF PROCEDURE

Mr. DOMENICI. I ask unanimous consent that the Senator from Alabama be granted permission to speak for up to 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SESSIONS. If the Senator will yield, I believe Senator WYDEN also wanted to make remarks for up to 10 minutes.

Mr. DOMENICI. All right. Which Senator?

Mr. SESSIONS. Senator WYDEN, before we adjourn.

Mr. DOMENICI. OK.

ORDER FOR ADJOURNMENT

Mr. DOMENICI. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order, except that there be time remaining for the distinguished Senator from Alabama, Mr. SESSIONS, and 10 minutes for Senator WYDEN.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Alabama.

(The remarks of Mr. SESSIONS pertaining to the introduction of S. 1873 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. I ask unanimous consent at this point to speak for up to 15 minutes as in morning business.

The PRESIDING OFFICER (Mr. SESSIONS). Without objection, it is so ordered.

MEDICARE COVERAGE OF PRESCRIPTION DRUGS

Mr. WYDEN. Mr. President, I have been coming to the floor now on a number of occasions, as we move toward the end of our work for this year, in an effort to try to build bipartisan support for ensuring that senior citizens can get prescription drugs under their Medicare.

There is one bipartisan bill now before the Senate. It is the legislation that Senator SNOWE and I have introduced together. Fifty-four Members of the Senate have voted for this bill. It seems so sad that the Senate cannot come together on an issue such as this and provide some real relief for the Nation's older people.

So as part of this effort to get bipartisan support for legislation to cover seniors for their prescription drug bills, I have come to the floor and urged seniors to send in copies of their prescription drug bills, to send in copies of their bills to all of us here in the Senate in Washington, DC. I hope that in doing that, it will help generate some awareness about how serious a problem this really is for the Nation's older people.

As I have done on previous occasions, I come to the floor to discuss some of these letters. This afternoon, I want to take a couple of minutes to talk about a handful of the letters I have received from senior citizens in my hometown of Portland. We have read from letters from seniors across the State of Oregon in the past. Today, I thought I would look to my hometown and describe a little bit about what the seniors are faced with in terms of trying to pay these prescription bills.

One elderly widow wrote me in the last couple of days from Portland to describe her situation as one where she has a monthly income of $806. She spends about $150 of that monthly income on her prescriptions. She indicates she is having problems paying for these very large prescription drug bills. When asked by our staff what she does in a situation such as this, she just said: I do without and pray. That was her response to the question of making sure she could get help with her prescriptions. She goes on to say, when we asked her about choosing between food and fuel and health care—we have literally millions of our Nation's seniors today walking on an economic tightrope, balancing these costs, medical bills against their fuel bills. When we asked her how she handled the situation with respect to her medicine, she said: I just wait. I always pay the utilities first.

Now, this isn't some kind of statistic or abstract kind of matter that the think tanks are debating here in the beltway. This is a senior citizen back home in Portland, my hometown. She has a monthly income of $806. She spends $150 of it on her prescription medicines. When she can't afford her prescriptions, she writes me: I just do without and pray.

How is it that a country as rich and strong and powerful as ours can't provide some relief to an elderly widow with an income of $806 a month, spending more than $150 of it on her prescriptions and literally having to pray she will get some help with her medical bills? How is it that our country, so strong and so good, can't come up with a plan to help an elderly widow such as this?

Senator SNOWE and I are part of a bipartisan team trying to address it. The Snowe-Wyden legislation has garnered 54 votes on the floor of the Senate in terms of its funding plan. Already a majority of the Senate is on record as saying this is an appropriate way to try to fund a prescription drug benefit for older people. I am concerned—this is right at the heart of the philosophy behind the Snowe-Wyden legislation—that if we don't act, and act in a bipartisan way, in this session of the Congress before we wrap up our business next year, it will be years before older people get some help with their prescription drugs.

I am very often asked at town hall meetings and other gatherings whether our Nation can afford to cover prescription drugs. My view is, we cannot afford not to cover these prescription drugs. Not only are we hearing about the suffering in these letters I keep bringing to the floor of the Senate, but we are seeing in so many instances that if older people could get just a little bit of help with their prescription drug costs, that would help our country save much more expensive medical bills down the road.

I have repeatedly cited on this floor the anticoagulant drugs. That seems to me a particularly good example. The evidence shows that if older people can get help with some of these anticoagulant medicines—the cost might be $1,000 a year for help with anticoagulant medicines—they could save the cost they might incur if they suffer a stroke as a result of not getting their medicines. Those costs can be upwards of $100,000 a year. That is, in effect, the kind of challenge with which we are faced. Either we address this issue on a bipartisan basis—that is what the Snowe-Wyden legislation is all about—or, we continue to have our senior citizens suffering, whether it is in Alabama, Oregon, or any other State. This is an area where we can work in a bipartisan way.

In the Snowe-Wyden legislation, we reject price controls. This isn't a run from Washington, one-size-fits-all Federal approach. We try to use marketplace forces, the ingenuity of the marketplace to give senior citizens some clout. It is a model we all know something about. Federal employees in Alabama and Oregon use the Federal Employees Health Benefits Plan. It is marketplace oriented. It gives folks choices and options and alternatives. That is the model behind the Snowe-Wyden legislation.

Our bill is called SPICE, the Senior Prescription Insurance Coverage Equity Act. With a majority of the Senate already having voted for a funding plan for the program, we think that is the way to proceed.

As seniors hear us on the floor of the Senate talking about this issue and urging that folks send us copies of their prescription drug bills to the Senate in Washington, DC, they may have other ideas than the Snowe-Wyden legislation. The important thing is, there is no reason this Senate cannot come together in a bipartisan fashion and act in a way to provide real and meaningful relief to the Nation's older people.

I will cite another couple of examples of older people who have been writing us in recent days. An elderly gentleman from Portland, again, describes taking five drugs, a lot of them very familiar—Minocin, nitroglycerin for blood pressure, for heart ailments connected with diabetes. This gentleman has a monthly income of about $900. He is spending about $170 from his monthly income on prescriptions.

We talked to him about what it means for him to be in this kind of financial crunch where, out of a monthly income of $900, $170 of it goes for prescriptions. He reports that if he could have a little bit of help with his prescriptions, he would have money for other things he describes as clothing.

So we are not talking about seniors getting help with their prescriptions and then suddenly using it for some sort of luxury or something that might be considered nonessential. These seniors are talking about not having enough money to pay for essentials. When they can't get help for their prescription drugs, such as this elderly gentleman in Portland, this gentleman said, in effect, he can't afford his clothing. He cannot afford clothing.

Of course, that, to some extent, is a health-related kind of matter because older people are susceptible to illness. This is getting to be the colder part of the year. These are folks who, if they can't get adequate clothing, may pick up illnesses as a result of not being able to afford warm clothes.

What we are talking about may not be of great importance to some of these think tanks in Washington. I have seen they are putting out all kinds of reports that this is not all that important to seniors. I talk to senior citizens at home in Oregon. The seniors we are talking to know these are real problems. What they want to see is the Senate deal with them in a bipartisan kind of fashion. They want to see us get beyond some of the bickering and the finger pointing.

The Snowe-Wyden legislation is built on that principle. We don't want to see the U.S. Senate duck this issue, have it go out on the campaign trail where Democrats will attack the Republicans and Republicans will attack back. That is really easy. It is easy to take issues like this, using the campaign fodder for advertisements. What is tough is crafting bipartisan legislation.

So I am very hopeful that seniors, as this poster says, will send in copies of their prescription drug bills to us here in the Senate in Washington, DC. Instead of having to come to the floor of the Senate day after day, as I have, I can come to the floor of the Senate and talk about being proud of working with my colleagues on a bipartisan basis to address this issue.

Before I wrap this up for this afternoon, I wanted to mention one other account that came to Tualatin just outside Portland at home in Oregon. This was an elderly couple, they spend about $300 a month on their prescription drugs. They are taking 11 prescriptions. They report that they are retired but are trying to work to pay for prescriptions. The husband is over 65 and he is trying to work now in order to pay their prescription drug bills of $300 a month. This is an elderly couple in Tualatin, OR. None of it is covered by health insurance. They report to us that they are cutting down on other essentials that are important to them, but they are going to keep working. The husband is going to keep working simply to pay the couple's prescription drug bills.

Think about that for a moment, the three cases I have read from today: An elderly widow who can't pay her prescription drug bills without great hardship with an income of $806 a month, with $150 for prescriptions. She says, "I just do without and pray." Next is an elderly gentlemen from Portland, with a monthly income of $900 a month, and he is spending about $170 of it on prescription drugs. He says he hopes to be able to get some coverage so he would be able to afford some clothing —an essential, especially as we move into the cold weather season. And then, finally, is the couple I just mentioned with $300 a month in prescription drug bills, with the husband not in good health but continuing to work solely to pay for their prescriptions.

I think it is so sad that when we have had a majority in the Senate go on record as voting for a plan to fund this important benefit for the elderly, when I know there are Senators of good will on both sides of the aisle who would like to work on a marketplace solution to covering prescription drugs for seniors, the Senate can't come together and deal with it. The fact is, our senior citizens are getting creamed with respect to their prescription drug bills, and it happens two ways. First, Medicare never covered prescriptions when the program began in 1965. I guess the architects didn't think it would be all that important.

As I have said on the floor of the Senate, it is more important today than it used to be because many of these drugs help to lower bills because they are preventive in nature. In addition to Medicare not covering prescriptions, what is happening today is if you are a senior citizen in Alabama, or in Oregon, and you walk into a drugstore in a small town in Oregon or in the State of the Presiding Officer, that senior citizen who walks into the drugstore, in effect, subsidizes the big buyers of medicine. If you are a health maintenance organization in Oregon, or in any other State, you can go out and negotiate a discount. You can go out and negotiate a good price on your medicine. You have clout in the marketplace. But if you are a senior citizen who just walks into a drugstore, you don't have any bargaining power, you don't have any clout. So, in effect, that senior citizen who walks into a pharmacy is subsidizing the big buyers in the community, the health maintenance organizations that can negotiate a discount. Those seniors are getting creamed twice. Medicare doesn't cover it, and then they have to subsidize the big buyers.

So I intend to keep coming to the floor of the Senate, continuing to bring to light these various kinds of real-life examples from home in Oregon. I hope seniors, as this poster indicates, will send us copies of their prescription drug bills. I want to hear from them. I want folks who are listening to the work of the Senate and are following this to send me and my colleagues copies of your prescription drug bills. Send it to us, each of us here, as the poster says, in Washington, DC.

I want you to do it for just one reason: I think this is the kind of problem that we are sent here to deal with. This is not some trifling, inconsequential matter. This is a question of whether we are going to respond to the more than 20 percent of the Nation's senior citizens who are walking on an economic tightrope every year, spending more than $1,000 a year out-of-pocket on prescriptions, balancing food costs against fuel costs, and fuel costs against their medical costs. As I have said again and again, they are giving up medicines that are essential to their health.

I mentioned yesterday older people with diabetes who can't afford the Glucophage, an essential diabetes drug. This is not something that is inconsequential; this is something that, for older people, can literally mean the difference between decent health or incurring a very, very serious illness and, often, even death.

Let us not be indifferent to the plight of those older people. They are asking the Senate for action. The bipartisan Snowe-Wyden legislation is one approach that I happen to favor. But I am sure our colleagues have other ideas. What is unacceptable to me, though, is to just say that this Senate won't take it up, we will save it for the campaign trail of 2000, we will tackle it another day. We ought to tackle it now. This has been an issue and a concern of the Nation's older people since back in the days when I was director of the Gray Panthers at home in Oregon. But it is getting to be an even bigger concern because more and more older people can't afford their medicine, and with more seniors interested in wellness and trying to stay healthy, this is the time for the United States Senate to act.

So I intend to keep coming back again and again to the floor of the Senate, and I hope seniors will send in copies of their prescription drug bills. I am proud there is a bipartisan bill now before the Senate to deal with this issue, the Snowe-Wyden legislation. I hope that seniors will be in contact with us, give us their ideas on whether they think our bill is the way to go, or if they prefer another route. What is unacceptable to me is for the Senate to duck this issue. We have an opportunity to work in a bipartisan fashion on it. I intend to keep coming back to the floor of the Senate again and again until we get that action.

With that, I yield the floor.

ADJOURNMENT UNTIL MONDAY, NOVEMBER 8, 1999

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned.

Thereupon, the Senate, at 3:48 p.m., adjourned until Monday, November 8, 1999, at 12 noon.

CONFIRMATIONS

Executive nominations confirmed by the Senate November 5, 1999:

DEPARTMENT OF DEFENSE

CORNELIUS P. O'LEARY, OF CONNECTICUT, TO BE A MEMBER OF THE NATIONAL SECURITY EDUCATION BOARD FOR A TERM OF FOUR YEARS.

ALPHONSO MALDON, JR., OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF DEFENSE.

JOHN K. VERONEAU, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF DEFENSE.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be general

GEN. JOHN P. JUMPER, 7457.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be general

LT. GEN. GREGORY S. MARTIN, 6337.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. BRUCE A. CARLSON, 4082.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. STEPHEN B. PLUMMER, 9541.

IN THE ARMY

THE FOLLOWING ARMY NATIONAL GUARD OF THE UNITED STATES OFFICER FOR APPOINTMENT IN THE RESERVE OF THE ARMY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be brigadier general

COL. WILLIAM F. SMITH III, 2744.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be brigadier general, Medical Corps

COL. LESTER MARTINEZ-LOPEZ, 1323.

IN THE AIR FORCE

AIR FORCE NOMINATIONS BEGINNING JOSEPH A. ABBOTT, AND ENDING THOMAS J. ZUZACK, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON OCTOBER 27, 1999.

IN THE ARMY

THE FOLLOWING NAMED ARMY NATIONAL GUARD OF THE UNITED STATES OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE ARMY UNDER TITLE 10, U.S.C., SECTIONS 12203 AND 12211:

To be colonel

JOEL R. RHOADES, 3497.

IN THE NAVY

NAVY NOMINATIONS BEGINNING GEORGE R. ARNOLD, AND ENDING TODD S. WEEKS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON OCTOBER 18, 1999.

IN THE ARMY

ARMY NOMINATIONS BEGINNING CELIA L. ADOLPHI, AND ENDING WILLIAM K. WEDGE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON OCTOBER 27, 1999.

EXTENSION OF REMARKS

IN HONOR OF EMBIE R. BOSTIC

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. KUCINICH. Mr. Speaker, I rise today in honor of Mr. Embie R. Bostic as he is recognized for his outstanding achievements and humanitarian contributions to the community by the Ecclesiastes Lodge No. 120.

Embie R. Bostic is a dedicated citizen of the city of Cleveland where he was born and raised. He is a member of St. John A.M.E. Church where he has been a Steward for the past fifteen years. Embie embodies a strong faith and belief in God and will eagerly tell anyone his personal belief that "we should treat one another as we desire to be treated, and each day we need to rededicate our lives to our Lord and Savior Jesus Christ".

In November of 1998, Embie received an award for Employee of the month from the city of Cleveland for his commitment to responsibility and going beyond the call of duty. Embie Bostic is dedicated to his family, job and community. He gives of himself to the fullest in every endeavor. He eagerly shares the knowledge of his profession with the students of the public school systems on their career day in addition to holding story hours with some of the younger students. Embie Bostic entertains the students as well as illustrates moral principles and character.

Mr. Embie R. Bostic is an outstanding and inspirational individual. It is an honor for me to acknowledge his notable accomplishments and achievements among my distinguished colleagues.

COPS AND METRO ALLIANCE CELEBRATE 25 YEARS OF SUCCESSFUL POLITICAL ACTION

HON. CIRO D. RODRIGUEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. RODRIGUEZ. Mr. Speaker, I am truly honored to recognize the 25th anniversary of the founding of an organization that changed the political landscape in San Antonio, across Texas and the Nation. From the alleys of San Antonio's poorest South and West Side neighborhoods, people of faith and conviction came together a quarter century ago to form Communities Organized for Public Service, or COPS.

COPS, and later its sister organization, Metro Alliance, entered the scene at a time when the largely minority, poor communities of San Antonio did not have a voice at the table. Frustrated by inaction, and worse by a lack of attention from the establishment leadership, COPS and Metro Alliance became the voice of the unheard, the mouth of those who were ignored.

COPS and Metro Alliance draw their strength from the people and institutions that make up the local neighborhoods: churches, schools, and other community-based organizations. We hear a great deal of talk today about the need for faith-based groups to take responsibility, but the truth of the matter is that COPS and Metro Alliance long ago accepted that challenge. The result has been a thousand victories, each one building on the last, with more than 40 religious congregations working together.

COPS first set out to repair the imbalance in distribution of funds for city improvements. They rightly demanded that poor neighborhoods deserved flood control and street improvements. Later COPS fought in the battle to bring single-member districts to San Antonio, helping end the legacy of a system that did not adequately seat minorities, who by this time were a majority of the local population, at the table of power.

In recent years, COPS and Metro Alliance, recognizing that education is the cornerstone of any future success, focus their energies on job training and early childhood education. Project QUEST and the San Antonio Education Partnership are models for improving the lives of communities one person at a time.

The positive impact of these organizations reaches far beyond the banks of the San Antonio River. By joining with the Industrial Areas Foundation, sister groups began to spring forth across Texas, and then other areas of the country. From city to city, the basic principles were established—that local communities could organize themselves to create a political force that could not be ignored.

Today, similar organizations exist in Dallas, El Paso, Houston, the Rio Grande Valley, and communities in New Mexico, Arizona, Louisiana, Nebraska, Iowa, and southern California. On November 7, delegates from each of these areas, some 5,000 in number, will convene in San Antonio to celebrate 25 years of successful political action on behalf of the less fortunate. Their work has improved the living and working conditions of countless thousands of low- and moderate-income families.

All my colleagues in the House of Representatives should be proud of the work performed by COPS, Metro Alliance, and their sister organizations across the country. Ordinary people doing extraordinary work is the best way to describe them. I am proud to share in their accomplishments and look forward to years of future growth and success.

"WATER 2000"

HON. DAVID D. PHELPS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. PHELPS. Mr. Speaker, I rise today to pay tribute to the Hamilton County Water District and to bring attention to the "Water 2000" celebration taking place on November 12, of this year, at the Veterans of Foreign Wars Hall in McLeansboro, Illinois. The Hamilton County Water District will be the first water district in Illinois, and one of the first in the nation, to supply all rural residents who desire water during the year 2000.

Prior to the formation of the Hamilton County Water District in 1978, the population centers in that region had treated waters, but the rural residents depended upon wells, cisterns, or ponds as a source of water. The Hamilton County Water District realized this inequity, and pushed forward to supply these residents with suitable drinking water on par with their more urban counterparts. In the coming year, the final "Water 2000" expansion by the Hamilton County Water District, will complete a total 350 miles of water mains that will serve 1,230 rural customers. Funding for these various expansions include U.S. Department of Agriculture, U.S. Economic Development Association, the Illinois Department of Commerce and Community Affairs, the Illinois Department of Natural Resources and the Illinois Rural Bond Bank.

Mr. Speaker, I am especially pleased about the "Water 2000" celebration and what it stands for. I come from a rural part of the country, where many rural residents sometimes lack basic services such as potable water, that many Americans in more urban areas take for granted. This great accomplishment by the Hamilton County Water District, and all the agencies and individuals who worked to this goal, is one worthy of commemoration in the CONGRESSIONAL RECORD, and a milestone for rural residents all over this country.

TRIBUTE TO GENERAL ANDREW T. MCNAMARA

HON. JAMES P. MORAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. MORAN of Virginia. Mr. Speaker, General McNamara was the first Director of Defense Supply Agency (DSA, now DLA), 1961–1963. As Director, he distinguished himself as an innovator in developing ways to support the troops at the least cost to the taxpayer. His efforts in standardizing DSA managed items earned him the First Oak Leaf Cluster to the

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Distinguished Service Medal for exceptionally meritorious service for his leadership as Agency Head.

He established a Cost Reduction Program to prove that DSA could maintain effective supply support to the Armed Forces at less cost to the taxpayer. In FY63, the program saved $61.8M in direct cost and approximately an additional $261M in inventory draw down. That program laid the groundwork for DLA's current better, faster, lower cost logistics solutions.

He was instrumental in introducing a wholesale distribution system for assigned supplies which provided an integrated network of distribution facilities for all DSA commodities to be operated under uniform procedures, the basics of which are still used today.

He established the Logistics Readiness Center (LRC) during the Cuban crisis, which provided an overall focal point with the Agency for efficient, economical, and responsive support of the Military Services and unified commands emergency and contingency operations. Today, the LRC is an integral part of DLA's emergency operations and played a vital role in supporting the efforts in Bosnia, Desert Storm, and Haiti.

Other awards:

Legion of Merit (England) for exceptional service in providing Quartermaster supplies to U.S. forces in Tunisia and for adapting Quartermaster transportation facilities to move troops and ammunition.

Bronze Star Medal for his part in planning the invasion of Normandy.

Distinguished Service Medal for directing Quartermaster operations of the First Army during its drive across France, Belgium and Germany.

At 94 years old, renaming the HQ Complex in his honor would be a living tribute to someone who has distinguished himself as a pioneer in Defense supply management as well as a distinguished member of the Armed Forces.

TRIBUTE TO MARY LOU TULLOS GARCIA

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. ORTIZ. Mr. Speaker, I rise today to commend and pay tribute to Mary Lou Tullos Garcia of Harlingen, a woman who does the most important work in our society, teaching our children. Mary Lou has been selected as the recipient of the National Mujer Award by the National Hispana Leadership Institute (NHLI).

The Mujer Award pays tribute to the sustained lifetime achievement of a woman of Hispanic descent who has made significant contributions to the empowerment and well-being of the Hispanic community. Last year's winner of this award was Dr. Antonia Novello, former Surgeon General of the United States.

Mary Lou was chosen for this award for her dedication and her work improving the schools and schooling for the severely and profoundly disabled children and youth and for tending to the needs of their families. NHLI, in conferring the award, said that Mary Lou exemplified the vigor and strengths of "La Mujer Latina."

The NHLI also says that the award recognizes a woman of Hispanic descent who has served her community well, and acted with justice, love and the deepest of pride in her culture.

I am enormously proud of Mary Lou Tullos Garcia for her commitment during her lifetime to those less fortunate than many of us. Our educators in this country are always my heroes because of the hard work they do every single day to teach the next generation of Americans.

But, today I am particularly proud of Mary Lou for her dedication to teaching those who are the hardest to teach, and sometimes the hardest to each. The Harlingen community is richer for her presence in the public schools. The lives and families she has touched have benefitted mightily from her work. She indeed embodies the attributes of a Hispanic woman who labors every day, without credit, to make better the community in which she lives.

National Hispana Leadership Institute is the only leadership development program in the United States focusing exclusively on the development of Hispanic women who are leaders. It prepares Hispanic women for positions of national influence, public policy and advancing the national Hispanic community.

The awarded will be conferred at a black-tie gala on Friday, November 12, at the Walt Disney World/Epcot Center in Orlando, Florida. I ask my colleagues to join me in commending Mary Lou Tullos Garcia for receiving this prominent award.

HONORING BERNA DALLONS

HON. LOIS CAPPS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mrs. CAPPS. Mr. Speaker, today I rise to inform my colleagues of an outstanding constituent who has spent most of her life dedicated to higher education. Ms. Berna Dallons has been named benefactor of the year by the Council for Resource Development for her significant contributions to resource development at Cuesta College. Recipients of this award embody the ideals of philanthropy, leadership, and volunteerism in their service to the nation's 1,200 community, technical and junior colleges.

As a longtime community leader, educator, and member of the Foundation Board of Director, Ms. Dallons led Cuesta's first ever capital fund drive, after serving on the College's Blue Ribbon Site Selection Committee. In July 1996, Ms. Dallons, with her husband John, offered the college a lease option for land for the North County Campus, and over the next three years, personally contributed over $250,000 to the Campaign for Cuesta. As a volunteer leader, Berna Dallons led the charge to build a North County Campus with the support of 2000 volunteers, raising more than $2,000,000 in two years for a campus serving 2,000 students.

Mr. Speaker, Berna has taken community service to the highest level. I applaud the National Council for Resource Development on its choice for this award and I feel so privileged and proud to have this opportunity to recognize Ms. Dallons on behalf of the United States Congress. Berna, I commend you for your service to the community that we share and to our Nation.

WTO MINISTERIAL CONFERENCE

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. VISCLOSKY. Mr. Speaker, under Article I, Section 7 of the Constitution, the House of Representatives has the authority to originate revenue provisions; not the Senate, the Administration, or the U.S. Trade Representative. Later this month, the United States will host a Ministerial Conference of the World Trade Organization (WTO) in Seattle, Washington. The Ministerial is expected to launch a new round of multilateral trade negotiations, based on a "built-in agenda" established in the Uruguay Round agreements which Congress ratified in 1994. That build-in agenda, which I wholeheartedly support, includes revisiting the existing WTO rules for agricultural trade, services trade, and intellectual property protection. Many of our trading partners have indicated that they would like to reopen the five year old agreement on Antidumping (AD) and Countervailing Duty (CVD) laws. By not giving the Administration the clear message from Congress that AD and CVD laws are not to be placed on the table for negotiations, we are essentially allowing the Administration to act on authority it does not have.

Dumped products are levied a tariff under existing U.S. law. These tariffs are revenue raisers which are paid directly to the U.S. Treasury. By allowing negotiations to be made which weaken our trade laws and let in more dumped products, the House would be turning over power to the Executive Branch given to it exclusively under the Constitution. Trade agreements and international treaties, as signed by the Administration, are binding under international law, whether or not they are approved by Congress. Article 6 of the original General Agreement on Tariffs and Trade (GATT), signed in 1947, declares that dumping "shall not be condoned."

This resolution has privilege because only the House has the authority to alter existing revenue provisions. Allowing the Administration to negotiate AD and CVD laws would further diminish the loss of constitutional power the House has suffered over time. Strong antidumping and antisubsidy rules are a cornerstone of the liberal trade policy of the United States and are essential to the health of the manufacturing and farm sectors in the United States. Abolishing AD and CVD would remove these sectors from the U.S. economy, and lead to economic disaster.

Additionally, according to Article I, Section 8 of the Constitution, the Congress has the power and responsibility to regulate foreign commerce and the conduct of international trade negotiations. An important part of Congress' participation in the formulation of trade policy is the enactment of official negotiating objectives against which completed agreements can be measured when presented for ratification.

Congress exercised that power in 1994 when it ratified the agenda for the Seattle WTO Ministerial, which included agricultural trade, services trade, and intellectual property protection. The agenda, enacted into Federal Law as P.L. 103–465, did not include antidumping or antisubsidy rules. More than 225 Members of Congress are concerned that a few countries are seeking to circumvent the agreed list of negotiation topics and reopen debate over the WTO's antidumping and antisubsidy rules. Congress has not approved new negotiations on antidumping or antisubsidy rules and has clearly, but so far informally, signaled its opposition to such negotiations. It has long been and remains the policy of the United States, as well as the international community, to support its antidumping and antisubsidy laws and to defend those laws in international negotiations. In fact, Article 6 of the original General Agreement on Tariffs and Trade (GATT), signed in 1947, declares that dumping "shall not be condoned."

Furthermore, Section 702 of House Rule IX, entitled "General Principles," concluded that certain matters of business arising under the Constitution mandatory in nature for the House have been held to have a privilege which superseded the rules establishing the order of business. This is a question of the House's Constitutional authority and is therefore privileged in nature. In the 105th Congress, the House ruled favorably on a measure which contained a constitutional question similar to the one before it now. On March 5, 1998, the House held that H. Res. 379, a resolution which stated that only the House had the authority to originate a revenue provision, had privilege under Rule IX, and then approved the resolution. This resolution was in response to a Senate measure which infringed upon the House's constitutional duty by repealing a revenue provision and replacing it with a user fee. H. Res. 379 had privilege before the House because the Senate provision was a revenue reducing measure. The question of privilege currently before the House concerns the same principle. A trade agreement signed by the President commits the United States and is binding under international law, even if the Congress never ratifies it. Eliminating or weakening AD or CVD laws would reduce United States Treasury receipts, thus reducing overall revenue. If these laws are placed on the table for negotiations, it would give the Administration the authority to commit the United States to agreements under power it does not have. For these reasons, my motion has privilege.

The WTO antidumping and antisubsidy rules concluded in the Uruguay Round have scarcely been tested since they entered into effect and certainly have not proved defective. Opening these rules to renegotiation could only lead to weakening them, which would in turn lead to an even greater abuse of the world's open markets, particularly that of the United States. Avoiding another divisive fight over these rules is the best way to promote progress on the other, far more important, issues facing WTO members; and it is therefore essential that negotiations on these antidumping and antisubsidy matters not be reopened under the auspices of the WTO or otherwise. Under present circumstances, launching a negotiation that includes antidumping and antisubsidy issues would affect the rights of the House and the integrity of its proceedings.

A precedent exists for bringing H. Res. 298 out of committee and to the House floor immediately. On October 26, 1999, H. Con. Res. 190 was brought to the floor under suspension of the rules because it concerned the upcoming Seattle Round. This measure only had 13 co-sponsors, while H. Res. 298 has 228 co-sponsors. The majority of the House should be heard.

Two hundred and twenty-nine Members of the House of Representatives call upon the President: not to participate in any international negotiation in which antidumping or antisubsidy rules are part of the negotiating agenda; to refrain from submitting for congressional approval agreements that require changes to the current antidumping and countervailing duty laws and enforcement policies of the United States; and to enforce the antidumping and countervailing duty laws vigorously in all pending and future cases.

Mr. Speaker, this debate today is not about the merits of my resolution, nor is it about the 228 cosponsors who would like to see this matter resolved before the House. My question of privilege regards the sanctity of our proceedings as a House. The U.S. Constitution conveys upon this body the power to originate revenue provisions. It is not only our responsibility, it is our duty and obligation to send a clear message to the Administration that the United States House of Representatives will not weaken its trade laws. We need to live up to our obligations.

Mr. Speaker, since a majority of the Members of this House have signed onto the original resolution as cosponsors, I ask the Speaker to recognize any Member wishing to speak on the resolution.

HONORING THE SUFFOLK COUNTY AHRC

HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. FORBES. Mr. Speaker, I rise today to express my warmest wishes and congratulations to the Suffolk County Chapter of the Association for the Help of Retarded Children and to its honorees; Robert R. McMillan and Marvin L. Colson. Over the last 50 years, the Suffolk County AHRC has dedicated itself to providing educational and vocational training to both children and adults with disabilities. It gives these children and adults unique opportunities that they may otherwise have never been exposed to, and it focuses on improving all aspects of their lives. The AHRC's commitment to people with disabilities has helped and will continue to ensure that they are provided with the best care and training to further enhance their lives, and its exemplary record should serve as a shining example for all other such organizations.

This year's honorees have also proven their commitment to Long Island and people with disabilities and should be commended for their work. As the founder and chairman of the Long Island Housing Partnership, Inc., Robert R. McMillan has been devoted to creating affordable housing. As the director of the Long Island Development Disabilities, Marvin L. Colson has dedicated over 26 years to serving the disabled. Once again, I would like to congratulate and thank the AHRC and its honorees for all they have done for Suffolk County.

PERSONAL EXPLANATION

HON. SUE WILKINS MYRICK

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mrs. MYRICK. Mr. Speaker, I missed 3 recorded votes on November 1, 1999 while I was working in my district. If I had been present, I would have voted as follows:

Rollcall vote 552, on the motion to suspend the rules and pass H.R. 1714, Electronic Signatures in Global and National Commerce Act, I would have voted "yes".

Rollcall vote 551, on the motion to suspend the rules and pass H.R. 2737, the Land Conveyance, Lewis and Clark National Historic Trail, I would have voted "yes".

Rollcall vote 550, on the motion to susped the rules and pass H.R. 348, to authorize a national civil defense and emergency management memorial, I would have voted "yes".

THE LITERACY INVOLVES FAMILIES TOGETHER ACT

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. GOODLING. Mr. Speaker, today I am introducing a bill to improve programs for family literacy, better known as LIFT (Literacy Involves Families Together). The purpose of this legislation is to improve the quality of services provided under the Even Start Family Literacy Program and other Federal programs providing family literacy services.

As the author of the Even Start Family Literacy Program when it was first enacted in 1988, I want to be sure that the services provided to program participants are of the highest quality. Family literacy programs that are intensive and provide participants with high quality services are a very effective means of breaking the cycle of illiteracy that occurs in many families.

As we all know, parental support is instrumental to a child's academic success. Unfortunately, there are many parents who are unable to support their child's education because they themselves have dropped out of school or have a low level of literacy. Family literacy programs provide adult education services to parents and, at the same time, help ensure that their children do not fall behind in school. By working with parents and children at the same time, family literacy programs have successfully helped parents reduce their dependency on Federal assistance, obtain employment, or even advance in their current jobs. For children, the picture is just as bright. Children who participate in family literacy programs with their parents perform well in school.

Mr. Speaker, the legislation I am introducing will improve family literacy programs through several important changes to current law. For example, this legislation would authorize and provide funding for a research project to find the most effective ways to improve literacy among adults with reading difficulties. The National Institute for Child Health and Human Development has provided us with high quality scientific research on the best method for teaching children to read and the bill requires instructional programs for children to be based on scientifically based reading research. Unfortunately, there is no comparable body of research on teaching reading to adults. And yet, the statistics on adult illiteracy in this country are staggering.

According to the National Adult Literacy Survey, 40 million adults, or 20 percent of the U.S. adult population, scored at the lowest of five levels of literacy. In real terms, this means that 40 million adults struggle to maintain good jobs, have a difficult time supporting their children's education, and have poor participation rates in community activities. In order to have high quality family literacy programs, we need to ensure the instruction provided to both adult and child participants is based on sound scientific research on reading. By authorizing research on how adults learn to read as a part of this legislation, we are taking a positive step in this direction.

In addition, the LIFT Act would help raise the quality of family literacy programs by allowing States to use a portion of their Even Start dollars to provide training and technical assistance to Even Start providers. States would provide such training through a grant, contract, or other agreement with an organization experienced in providing quality training and technical assistance to family literacy instructors. States could not, however, reduce the level of service to program participants in order to provide such training and technical assistance.

The LIFT Act would also permit Even Start projects to operate for more than 8 years. I have heard from many projects that they will have difficulty continuing to operate once Federal support for their project is totally eliminated. As such, the LIFT Act would allow projects to receive Federal support for more than 8 years, but would reduce the level of support to 35 percent of the cost of operating the project. States would, however, be able to eliminate funding for any project if it did not meet program goals and State indicators of program quality.

The final change I want to highlight is a provision which would focus additional program dollars on high needs populations. Once funding for the Even Start Family Literacy Program reaches $250 million, a total of 6 percent of funding would be reserved to serve migrants and Native Americans. These are some of our most vulnerable families and I believe it is most appropriate to use additional funds to serve their needs. At the present time, a total of 5 percent of program dollars are reserved for Even Start projects for migrants and Native Americans.

Mr. Speaker, these are but a few of the highlights of this important legislation. Its enactment will ensure the long-term success of Even Start and other family literacy programs operated with Federal funds by providing for quality improvements. I urge my colleagues to join me in support of this legislation.

HONORING UAW LOCAL 599'S 60TH ANNIVERSARY AND THE RECIPIENTS OF THE "WALTER P. REUTHER DISTINGUISHED SERVICE AWARD"

HON. DEBBIE STABENOW

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Ms. STABENOW. Mr. Speaker, I am pleased to recognize the 60th anniversary of UAW Local 599 which will be celebrated on November 6, 1999, and the men and women who will receive the "Walter P. Reuther Distinguished Service Award."

The same solidarity that began in 1937 and 44 days later resulted in the first major industry wide contract in the United States is still thriving today. During those 44 days and nights the members of the fledgling UAW and the Flint community forged an alliance which has endured for the past 60 years. The brothers and sisters of Local 599 continue to give back to the community that played such a pivotal role in their success. Local 599 has collected over $1 million to help provide community residents with shelter, food, clothing, and medical care. They have coordinated the Marine Toys For Tots program which has given 10,000 children the overwhelming joy and excitement of a Christmas morning surprise for the past 10 years. The list of organizations to which they have given is long and includes the United Way, Easter Seals, American Cancer Society, Good Will, and the Salvation Army.

The "Walter P. Reuther Distinguished Service Award" is being presented to Robert Aidif, David Aiken, Dale Bingley, Dennis Carl, Jesse Collins, Russell W. Cook, Harvey "Whitey" De Groot, Patrick Dolan, Larry Farlin, Maurice "Mo" Felling, Ted Henderson, Ken Mead, Frank Molina, Shirley Prater, Gene Ridley, John D. Rogers, Dale Scanlon, G. Jean Garza-Smith, Robbie Stevens, Nick Vukovich, Jerry Ward, Greg Wheeler, Don Wilson, Tom Worden, and James Yaklin in recognition of 20 years of recorded service in an elective office in the local union. These individuals have served their union brothers and sisters of UAW Local 599 and their communities with unparalleled devotion and perseverance.

I would like to thank the men and women receiving the "Walter P. Reuther Distinguished Service Award" for their contributions and UAW Local 599 for 60 years of solidarity not only within the plant, but throughout the community. The union brothers and sisters of UAW Local 599 epitomize the values that have made our Nation great.

WOMEN'S HEALTH AND CANCER RIGHTS CONFORMING AMENDMENTS OF 1999

HON. SUE W. KELLY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mrs. KELLY. Mr. Speaker, I rise today to introduce the Women's Health and Cancer Rights Conforming Amendments of 1999. This bill is a technical correction to legislation adopted by Congress last year that ensures reconstructive surgery coverage for all stages of reconstruction, including symmetrical reconstruction, for breast cancer patients.

In the last Congress I introduced H.R. 616, the Women's Health and Cancer Rights Act of 1998. A specific provision of this bill that requires coverage for reconstructive procedures after breast cancer surgery was passed into law in Title IX of the Omnibus Budget Bill. While passage of last year's legislation was a wonderful step forward, a loophole has been identified which seriously weakens the intent of this legislation. The bill I am proposing would correct this flaw by conforming the Internal Revenue Code of 1986 to the requirements consistent with the Women's Health and Cancer Rights Act. This change would provide a civil monetary penalty against those health plans who fail to provide coverage for breast reconstruction following mastectomy or other breast cancer surgery.

There is indeed precedence for such a technical correction. Similar corrections were made to the Internal Revenue Code as part of the Taxpayer's Relief Act of 1997 to ensure compliance to the Mental Health Parity Act of 1996 and the Newborns' and Mothers' Health Protection Act of 1996. The correction I am seeking today is like these and would ensure compliance to the Women's Health and Cancer Rights Act of 1998.

Studies have documented that the fear of losing a breast is a leading reason why women do not participate in early breast cancer detection programs. Now that coverage is guaranteed for reconstructive surgery following breast cancer surgery, it is time to put the teeth in that language and hold health plans accountable for providing that coverage. As we continue this month of Breast Cancer Awareness, let us make this important correction to ensure the best possible support for breast cancer victims.

CONCERN WITH THE NEXT ROUND OF THE WTO AND TRADE LIBERALIZATION

HON. ENI F.H. FALEOMAVAEGA

OF AMERICAN SAMOA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. FALEOMAVAEGA. Mr. Speaker, the prospect of a "Millennium Round" of trade liberalization is inspiring heated debate both within the United States and the international community. While further liberalization could bring new opportunities for growth, there is much evidence that the costs of free trade have thus far outweighed the benefits for the majority of the world's people.

Mr. Speaker, if the United States is to maintain its commitment to strengthening democracy domestically and abroad, and to improving the quality of life for all its citizens, it is imperative that a thorough review of WTO policies and procedures be undertaken. Too many questions remain about the effects of trade liberalization—as illustrated by our Nation's mixed experience with NAFTA—and the United States should not rush blindly into a new round of WTO negotiations.

On this timely subject, Mr. Speaker, I recommend to our colleagues and the Nation an excellent article authored by Nora Connor, a Research Associate with the highly-regarded Council on Hemispheric Affairs (COHA), which is based in Washington.

WTO FACES INTERNAL DISCORD, PUBLIC OPPOSITION

With the World Trade Organizations ministerial meetings just days away, trade officials are still arguing over the basic agenda for the Seattle event. An October meeting in Lausanne clarified differences among participants, but saw little progress toward resolving them. Though certain items were to be given priority for a possible "Millennium Round" of trade talks, consensus has proven elusive. WTO member countries remain divided on issues such as the impact of the organization on environmental and labor issues, as well as the prioritization of specific agenda items.

In addition, WTO representatives will be facing raucous public opposition to a new round of trade talks. Numerous national and international groups have denounced the effects of previous free trade measures. These groups have planned large-scale protests to coincide with the ministerial, acting on behalf of labor rights, the environment, sustainable development, consumer rights, women's and children's issues, and the strengthening of democracy.

Trade experts in many nations insist that a broad agenda addressing the liberalization of previously untreated sectors (including services and agriculture) is the only way to ensure that the new round can move forward. Proponents of a broad agenda assert that any delay in trade liberalization would result in missed opportunities for huge gains in global trade and income, and could open the way for protectionist "backsliding." Advocates of further liberalization also insist that the process must move forward if developing countries are to benefit from increased market access, greater consumer choice and increased opportunity to attract foreign investment.

Many anti-WTO protesters preparing to clog the streets of downtown Seattle say they categorically oppose any new round of trade talks. A petition outlining objections to a new round and calling for an exhaustive review of existing WTO agreements has been signed by over seven hundred groups worldwide. The signatories claim that trade liberalization has done little to benefit the world's poor. They also view the WTO as a threat to democracy, insisting that WTO policies have undermined elected governments' ability to prioritize national development, public health and safety issues, as well as interfered with consumer rights. These concerns are attracting widening publicity, and though they have been dismissed as instances of "anxiety" by U.S. Trade representative Charlene Barshefsky, and as "attacks by extremists dedicated to spreading anarchy and defeating capitalism," by Financial Times contributor Guy de Jonquieres, popular opposition to the WTO could prove a significant barrier to further liberalization, particularly as the U.S. presidential race intensifies.

Despite their opponents' accusations to the contrary, free trade advocates insist that they too have the best interests of the world's population at heart. WTO director-general Mike Moore has summed up the position of free trade supporters in saying that "the WTO is about raising living standards . . . if living standards rise, environmental standards rise, families are better off and children normally have a better education." Moore's position is a prime example of the "rising tide lifts all boats" line: what is good for the economy is good for people. Macroeconomic indicators both support and contradict this thesis, depending on one's point of view. In many developing areas, including Latin America, foreign investment is up, and inflation is down. The Financial Times reported last month that global income has grown dramatically as a result of trade liberalization. The rising-tide rationale is also being applied to the next round of negotiations, with experts insisting that the poorest countries also will benefit from the removal of agricultural trade barriers. Yet others suggest that conditions are worsening in the majority of developing regions. In Latin America overall economic growth has been ragged with less than 3% annually, according to the United Nations Commission on Trade and Development (UNCTAD), with some countries showing negative growth, job creation has slowed, and unemployment has remained fairly stable. Perhaps most telling, gaps in income distribution have sharply widened, suggesting that the free-market system contains inherent structural inequalities preventing some "boats" from rising despite general increases in trade, investment, and economic growth.

In addition, WTO policies continue to force developing countries to compete largely on the basis of their only truly competitive advantage: cheap labor. This presents a problem, as it has historically, in that labor is performed by workers who are also humans with a need to consume. Countries that must lower labor costs as a means to greater efficiency and greater competitiveness must essentially manipulate their populations in the service of "the market." UNCTAD reports that Latin American workers experienced declines in real wages of 20–30% since the Uruguay Round was implemented beginning in 1990. It seems clear that all workers have not benefited from new trade patterns. Perversely, however, shrinking wages can contribute to the appearance of economic growth in the form of increased "efficiency." Similarly, the rapid increase of temporary and ill-paid service jobs in countries like the U.S. is hailed as improved flexibility in the labor market—even though it may undermine job security for countless workers, and even though significant decreases in wages can adversely affect consumption.

Traditionally, the WTO has argued that labor and environmental matters—as well as the burden of ensuring equitable distribution of resources and profits—are best left to natural forces in member states, as they are not, classically speaking, trade-related. Yet the trade organization consistently has undermined member nations' attempts to regulate labor and environmental protection, with its dispute panel by categorizing many reforms as "non-tariff barriers to trade," which may invite retaliatory sanctions. Issues that might be most effectively pursued by means of international cooperation, are instead reduced to bargaining chips. Developing countries, for example, suffer from environmental degradation just as developed countries do—sometimes even disproportionately, due to, for example, having to allow toxic materials to be dumped or incinerated in third-world countries, out of financial desperation. Yet efforts to enact environmental protection measures are often misguidedly opposed by poorer nations which cannot afford to implement similar measures, or lack the infrastructure to do so. Poorer countries perhaps naively believe that developed countries invoke stricter environmental measures as a ploy to protect their own domestic industries against overseas low cost competition. Labor issues have met a similar fate under free trade, with workers in neighboring countries often pitted against one another, rather than pooling their leverage in order to raise standards across the board.

Supporters of free trade explain the suffering connected with trade liberalization by insisting that such sectors are experiencing the temporary hardships tied to a certain stage in a process of industrialization or development. Once these nations modernize their industries and stabilize their markets in order to become more competitive, the script reads, living standards will improve. But this attitude belies the supposed concern with the plight of the world's most poverty-stricken, implying that those who are suffering in the "early stages" of a country's development will just have to take one for the team. If the poor must wait for the day when free trade will deliver on all of its promises and bring about real improvements in poverty levels and standards of living, as its proponents claim it can do, it seems reasonable to ask that the WTO pause to assess the impact of its policies on those whose destinies are far from assured.

THE REV. RONALD J. FOWLER

HON. TOM SAWYER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. SAWYER. Mr. Speaker, for over 30 years, The Rev. Ronald J. Fowler has served with distinction as the Senior Pastor of the Arlington Church of God in my hometown of Akron, OH. When he assumed that position in January 1969, Ron Fowler knew that he had a difficult act to follow—the 23-year tenure of his father, The Rev. Robert L. Fowler.

Ron Fowler has done his father, his congregation, and our community proud.

Under his leadership, the Arlington Church of God has grown in membership and ministries. This growth has twice necessitated the building of new worship and educational facilities.

But Ron Fowler does more than attend to his congregation and preach the Gospel. Both in his public and private roles, he lives the Gospel, committing himself to meet the ever-growing needs of his congregation and our community.

His dedication and devotion to serving the needs of the community led him to spearhead the establishment of the Independent Living Facilities for Seniors, now known as A.H.O.P.E.S.

His commitment to education resulted in the creation of both the Irma Jones Preschool and Infant Center, and the Arlington Christian Academy. That same commitment was evident as Ron Fowler served on the Akron Board of Education, exercising community-wide education leadership, from 1988 to 1995, including two years as Board President.

But most notably, Ron has been a vocal and forceful advocate and champion of racial reconciliation throughout the community and the nation. For more than 10 years, his mostly African-American church has worked hand-in-hand with The Chapel, a predominantly white church, in the Allies race relations program. That powerful personal resolve was evident for all the Nation to see two years ago when President Clinton held his first Town Hall Meeting on Race in Akron.

In one of his sermons, Ron Fowler spoke of an "unquenchable fire" that shapes lives. "Passion," he said, "is not something we are born with. It is something acquired. Whatever the route by which we acquire it, the fire that burns daily within our bosom reveals much about our character and understanding of what our mission in life is."

There is no question that Ron Fowler has that fire.

He is the living embodiment of his own challenge to "Press on" and "Take hold of the faith that gives all of us tomorrow."

Mr. Speaker, on behalf of our community, let me offer congratulations to Ron and Joyce Fowler and their family on 30 years of service through the Arlington Church of God. They have touched and enriched countless lives in their congregation and throughout our community. We are deeply grateful for their service and for their indelible example to the Nation.

HONORING UAW LOCAL 599 REUTHER AWARD RECIPIENTS

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. KILDEE. Mr. Speaker, it is my great pleasure to pay tribute to 23 members of UAW Local 599, who will be recipients of the Walter P. Reuther Distinguished Service Award. On Saturday, November 6, 1999, these individuals will be honored at the 19th Annual Walter and May Reuther Twenty Year Award Banquet.

Local 599 has always had a special place in my heart because my father was one of its original members. Over the years, Local 599 has developed a strong and proud tradition of supporting the rights of working people in our community, and improving the quality of life for its membership. This year marked the 60th anniversary of the local's charter, and its commitment to working for decent wages, education and training, and civil and human rights.

Mr. Speaker, it is indeed an honor to recognize these special individuals who, have diligently served their union and community. During this time, each one of these UAW members have held various elected positions in the union. And there is no question they have represented their brothers and sisters well.

It is very fitting that these 23 people be recipients of the Walter P. Reuther Distinguished Service Award. Walter Reuther was a man who believed in helping working people, and he believed in human dignity and social justice for all Americans. The recipients of this award have committed themselves to the ideals and principles of Walter Reuther. They are outstanding men and women who come from every part of our community, and they share the common bond of unwavering commitment and service.

Mr. Speaker, I would ask my colleagues in the House of Representatives to join me in honoring Robert Aidif, David Aiken, Dennis Carl, Russell W. Cook, Harvey DeGroot, Patrick Dolan, Larry Farlin, Maurice Felling, Ted Henderson, James Yaklin, Ken Mead, Don Wilson, Frank Molina, Shirley Prater, Gene Ridley, John D. Rogers, Dale Scanlon, G. Jean Garza-Smith, Nick Vuckovich, Jerry J. Ward, Greg Wheeler, Tom Worden, and Dale Bingley. I want to congratulate these fine people for all of the work they have done to make our community a better place to live.

TRIBUTE TO AMBASSADOR VICTOR MARRERO

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. SERRANO. Mr. Speaker, I rise to pay tribute to Ambassador Victor Marrero, an outstanding individual who on October 1 was unanimously confirmed by the Senate to fill a vacancy on the federal bench in New York's Southern District.

Ambassador Marrero was born in Puerto Rico and moved to New York City with his parents when he was 10. He graduated from New York University (B.A. cum laude, with Honors in History, Phi Beta Kappa). He received his law degree from the Yale Law School, where he was elected Editor of the Yale Law Journal. He was a Fulbright Scholar at the University of Sheffield (U.K.) School of Law and has taught as a Visiting Lecturer in Law at Yale and Columbia Law Schools.

Mr. Speaker, before his confirmation to the bench, Ambassador Marrero served as the Permanent Representative of the United States to the Organization of American States. His achievements during his tenure at the OAS are impressive., Among his proposals that have been adopted are the restructuring of the General Assembly in order to streamline the number of days and make it more efficient and effective, reform to eliminate duplication and waste through a new Inter-American Agency for Cooperation and Development, and creation of the Center for the Study of Justice in the Americas. Through Attorney General Janet Reno he has pledged $1,000,000 for the Center, to promote research on legal matters, train personnel, exchange information, and provide technical support on the reform processes of judicial systems in the Americas.

Mr. Speaker, before this posting, Ambassador Marrero served since 1993 as the United States Representative on the Economic and Social Council of the United Nations. He brought to his diplomatic posts extensive experience in private law practice and business in New York as well as public service in federal, state and city government.

Prior to his service at the United Nations, Ambassador Marrero practiced law in New York City. As a partner in the Manhattan law firm of Brown and Wood, he specialized in real estate, land use, development and environmental law.

During the Carter Administration, Ambassador Marrero was Under Secretary of the U.S. Department of Housing and Urban Development. Previously he had been Commissioner of the New York State Division of Housing and Community Renewal and the Vice Chairman of the New York State Housing Finance Agency. Before joining state government, he served as Chairman of the City Planning Commission of New York City.

Mr. Speaker, Ambassador Marrero has served as Director or Trustee for numerous civic education, charitable and professional organizations, as well as the Mayor of New York's Management Advisory Committee and Commission on the homeless, and the Yale University Urban Advisory Committee.

Ambassador Marrero is married to Veronica M. White. They have two children, Andrew and Robert.

Mr. Speaker, I ask my colleagues to join me in congratulating Ambassador Victor Marrero for his accomplishments as the Permanent Representative of the United States to the Organization of American States and in wishing him success as a Federal Judge in Manhattan.

DISTRICT OF COLUMBIA COLLEGE ACCESS ACT

SPEECH OF

HON. ROBERT L. EHRLICH, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, November 1, 1999

Mr. EHRLICH. Mr. Speaker, I strongly support H.R. 974, the District of Columbia College Access Act. It is legislation long overdue and deserves an immediate Presidential signature. This legislation expands the educational choices and opportunities of eligible District of Columbia students by establishing a program that permits these graduates to pay in-state tuition rates upon admission to state colleges in Maryland or Virginia. Moreover, this will benefit the already first-rate educational opportunities in these states by increasing the number and quality of candidates for admission.

Unlike the 50 states, the university system in the District of Columbia is significantly limited. The University of the District of Columbia is the city's only public university. Thus, if high school graduates from the District's schools want to attend an institution of higher learning and pay-in-state tuition they have no choice except the District's university. This is unacceptable.

H.R. 974 levels the playing field. It provides eligible high school graduates from the District's schools a network of state-supported colleges to attend. Specifically, this legislation establishes a program to permit D.C. residents who are recent high school graduates the ability to pay in-state tuition rates upon admission to state colleges in Maryland or Virginia. Under this proposal, the federal government will pay the difference between the two rates, creating no additional cost to state universities. Public university grants may not exceed $10,000 in any award year, with a total cap of $50,000 per individual.

Additionally, this legislation provides tuition assistance grants of $2,500 for students attending private colleges in the District or the adjoining Maryland and Virginia suburbs, including historically black colleges and universities as another educational option for the District's students.

Access to quality education in the United States is essential. This bill goes a long way to ensure that the students of the District of Columbia are afforded a variety of educational opportunities at a reasonable cost. It will encourage the young people of the District of Columbia to complete high school and seek further education. This will enable them to acquire better jobs in the future, earn good salaries, and improve the quality of life in the entire Washington, D.C. metropolitan region.

COUNCIL OF KHALISTAN LETTER IN NEW YORK POST ALLEGES RELIGIOUS PERSECUTION IN INDIA

HON. JOHN T. DOOLITTLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. DOOLITTLE. Mr. Speaker, I would like to call the attention of my colleagues to a letter that appeared on Wednesday, November 3, 1999, in the New York Post by Dr. Gurmit Singh Aulakh, President of the Council of Khalistan. It reveals the religious persecution in India.

Christians have been actively persecuted in India in recent months, a pattern carried out on Sikhs, Muslims, and others.

I urge all my colleagues to read the attached letter, which I am placing in the RECORD.

[From the New York Post, Nov. 3, 1999]

RELIGIOUS PERSECUTION IN INDIA

Thank you, Rod Dreher, for an excellent article ("Pope's passage to India may be most perilous yet," Oct. 28) exposing the "Hindu brownshirts" who run India.

The religious persecution of Christians has reached unparalled proportions, as Dreher aptly points out. But it is not just Christians who have suffered severe religious persecution. India has killed over 200,000 Christians, over 250,000 Sikhs, more than 65,000 Muslims and tens of thousands of Assamese, Manipuris, Tamils, Dalits and others since its independence. Thousands of minorities, especially Sikhs, remain in Indian jails as political prisoners without charge or trial.

The Western world must not accept this pattern of religious tyranny.

DR. GURMIT SINGH AULAKH,
Council of Khalistan,
Washington D.C. (via e-mail).

REPUBLICANS ARE WINNING THE BUDGET FIGHT

HON. ERNEST J. ISTOOK, JR.

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. ISTOOK. Mr. Speaker, I rise today to commend the Republicans in the House and the Senate on our pledge not to spend Social Security. To that end, I recommend the reading of the following article by Tod Lindberg, which appeared in the November 8th issue of The Weekly Standard.

HOUSE REPUBLICANS ARE WINNING ONE

THE BUDGET BATTLE OF 1999, HARD TO BELIEVE BUT TRUE, HAS FEATURED GOP CUNNING

(By Tod Lindberg)

Republicans both inside and outside Congress have been pleasantly surprised by how well they are doing politically in this year's budget fight with President Clinton. Ever since Clinton squashed the Republican Congress over the government shutdown in 1995–96, the autumnal rites of appropriation have been a time of dread for the GOP, an exercise in wondering who among them will be a human sacrifice come the next election as a result of drawing the wrath of the Democratic administration.

This time, simply put, they are not getting killed. In fact, thanks to their tireless reiteration of their unifying theme—namely, that they are going to protect every last dime of Social Security from marauding Democrats—and thanks to the money the GOP is spending on advertising in select congressional districts repeating the point, poll numbers show the Republican message taking hold. It looks like Republicans have at last found an incantation with the same black magic power as the Democrats' "Medicare, Medicaid, education, and the environment."

Now, there are those who might say that the real secret of the GOP's success, such as it is, has been timely surrender, appeasement, and subterfuge: that Republicans have whole-heartedly agreed to substantial increases in government spending. The spending caps theoretically imposed by the balanced budget agreement have in effect been blown to smithereens, and the appropriations bills themselves are, in the aggregate, full of budgetary gimmickry and self-aggrandizing assumptioneering. This, snort some, is what a Republican Congress does? Crank up spending and cook the books to hide it?

Well, up to a point. Those who see a smaller, more limited federal government as the sole test of conservative success will rightly be disappointed. At the end of the appropriations process—which is to say, before final negotiations with the White House—domestic discretionary outlays were scheduled to grow by 6 percent. The increase in outlays will surely outpace the growth of the economy in 2000. In absolute and relative terms, government is not shrinking but growing.

But this raises the question: By how much? And compared with what? In judging the Republican performance, it's only fair to take account of political reality—in particular, the terra incognita of budgeting in an era of surplus.

A better term for Bill Clinton's "Third Way" governing philosophy might be "balanced-budget liberalism." For years, Republicans ran against the federal budget deficit, while Democrats only paid lip service to the concept (though they were always prepared to raise taxes in the name of deficit reduction). With their new majority after the 1994 elections, Republicans felt obliged to attack the deficit head-on. Politically, they ran into the Clintonian buzzsaw. But in the end, thanks in no small measure to a surging economy, Clinton was happy to grant Republicans what they had always claimed was their fondest wish: a balanced federal budget.

One should, of course, be careful what one wishes for, lest one get it. Before Republicans saw it, Clinton understood the political implications of a world of budget surpluses. If your main argument against federal spending is "the deficit," then surpluses translate into more spending. The GOP leadership on Capitol Hill disagreed. Many of them still wanted to cut spending or at least restrain increases. But for the first time in their political lives, the budget deficit was no longer at hand as an easy argument against spending. And Clinton would not go along with a tax cut acceptable to Republicans, so no budget restraint would be imposed by depriving the government of tax revenue.

This is the box Republicans found themselves in at the beginning of the 1999 budget season, with the additional headache, after their 1998 election losses, of only a whisker-thin majority in the House. What's more, impeachment-related political tumult had claimed first the Gingrich speakership and then Bob Livingston's, resulting in the elevation of the amiable but untested Dennis Hastert of Illinois. This looked for all the world like an environment in which Clinton could fragment the House Republicans and dictate the spending levels he wanted, up to the limits of the budget surplus.

Indeed, this was the calculation the House leadership made at first. They were inclined to abandon the budget caps early and make an expensive peace with the White House, thereby avoiding the nightmare scenario of another government shutdown for which they would be blamed—and the end of their majority in 2000. But there was serious resistance in the ranks to the idea of popping the caps. So they hung on and looked for some other survival kit, and found an unlikely one.

They decided to make Social Security their friend. For years, the fact that government took in more in Social Security taxes than it paid in benefits, $99 billion in 1998, was irrelevant to the big picture on the deficit. In other words, government "spent" the Social Security "surplus"—that is, the deficit for running the rest of the government, apart from Social Security, would have been higher by the amount of the Social Security surplus. No one seriously objected to this "raid" on the "Social Security trust fund." These are arbitrary accounting distinctions.

Then, in a series of head-scratching staff meetings devoted to the question of how not to get killed, Republicans finally hit paydirt—a line they could articulate simply and clearly, with potential for public resonance, and around which they could keep their slender majority united, against all odds. It was "Stop the Raid" on Social Security. At a stroke, they were able to declare some $147 billion of the federal budget surplus for 2000 off limits to new spending. And they were able to hold that line.

In accounting reality, this Social Security surplus figure is not less arbitrary than the budget caps supposedly still in force. But in the real world of politics, the fact is that budget caps were too abstract to hold Republicans together. Social Security is real. Clinton's rhetorical case against a tax cut hinged on protecting Social Security, for example.

Without necessarily setting out to do so, the GOP leadership essentially created a very useful artificial deficit, the size of the Social Security surplus. This "deficit" now serves as a restraint on federal spending—and will continue to do so. The Social Security surplus is estimated at about $155 billion in fiscal 2001 and $164 billion the year after. If Republicans win this point, it's likely to work for them in future budget rounds.

The story of the fiscal 2000 budget, then, is not the story of gimmicks and gewgaws. That's the story of the budget every year. The story is how a perilously thin and nervous GOP majority under an untested leader managed to change the subject in such a way as to forestall scores of billions in additional government spending at a time when the government had the money. Dennis Hastert turns out to be the most underestimated politician in Washington since Bill Clinton in January 1995.

HONORING JUNE HOROVITZ

HON. ROBIN HAYES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. HAYES. Mr. Speaker, I rise today to honor a legislative hawk from North Carolina who is going to be moving out of our state in just a few days. June Horovitz from Raleigh, has worked hard for the people of North Carolina. Although she has never been elected and she has never been paid a lobbying fee, she has worked for over 17 years to make North Carolina a better place.

I first met June in 1992 as a state legislator in North Carolina's General Assembly. June does not drive, so she would ride the bus or catch a ride with a friend down to the legislature building and attend committee meetings and visit with members. We became fast friends due to her hard work to eliminate the state sales tax on food. June's cause prevailed. Last year, the General Assembly repealed the final two cents of the state's portion of the food tax.

Since moving on, June has kept me informed of the issues in the North Carolina General Assembly. June is moving to Boca Raton, Florida on Thursday, November 18 to be closer to her brother and his family. I expect she will continue to fight high taxes and wasteful government in her new state of residence. I thank her for all her support and wish her all the best.

THE NORTH KOREA ADVISORY GROUP

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. GILMAN. Mr. Speaker, in August of this year, Speaker J. DENNIS HASTERT asked me to chair a group of nine members, including Representatives FLOYD SPENCE, PORTER GOSS, CHRIS COX, TILLIE FOWLER, SONNY CALLAHAN, DOUG BEREUTER, CURT WELDON, and JOE KNOLLENBERG to examine the threat that North Korea poses to the United States. We issued our report today. This is the summary of that report:

I. Do the North Korean weapons of mass destruction (WMD) programs pose a greater threat to U.S. security than five years ago?

North Korea's WMD programs pose a major threat to the United States and its allies. This threat has advanced considerably over the past five years, particularly with the enhancement of North Korea's missile capabilities. There is significant evidence that undeclared nuclear weapons development activity continues, including efforts to acquire uranium enrichment technologies and recent nuclear-related high explosive tests. This means that the United States cannot discount the possibility that North Korea could produce additional nuclear weapons outside of the constraints imposed by the 1994 Agreed Framework.

In the last five years, North Korea's missile capabilities have improved dramatically. North Korea has produced, deployed and exported missiles to Iran and Pakistan, launched a three-stage missile (Taepo Dong 1), and continues to develop a larger and more powerful missile (Taepo Dong 2). Unlike five years ago, North Korea can now strike the United States with a missile that could deliver high explosive, chemical, biological, or possibly nuclear weapons. Currently, the United States is unable to defend against this threat.

The progress that North Korea has made over the past five years in improving its missile capabilities, its record as a major proliferator of ballistic missiles and missile technology, combined with its development activities on nuclear, biological and chemical weapons, ranks North Korea with Russia and China as one of the greatest missile proliferation threats in the world.

II. Do North Korean conventional forces pose a greater threat to peace on the Korean peninsula than five years ago?

North Korea is less capable of successfully invading and occupying South Korea today than it was five years ago, due to issues of readiness, sustainability, and modernization. It has, however, built an advantage in long-range artillery, short-range ballistic missiles, and special operations forces. This development, along with its chemical and biological weapons capability and forward-deployed forces, gives North Korea the ability to inflict significant casualties on U.S. and South Korean forces and civilians in the earliest stages of any conflict.

III. Does North Korea pose a greater threat to international stability than five years ago?

The Democratic People's Republic of Korea (DPRK) is a greater threat to international stability primarily in Asia and secondarily in the Middle East. North Korea is arguably the largest proliferator of missiles and enabling technology in the world, with its primary markets being South Asia and the Middle East. Its proliferation activities pose an increasing threat to American and allied interests globally. Pyongyang continues to harbor terrorists, produce and traffic in narcotics, counterfeit U.S. currency, and infiltrate agents into South Korea and Japan.

IV. Does U.S. assistance sustain the North Korean government?

The United States has replaced the Soviet Union as a primary benefactor of North Korea. The United States now feeds more than one-third of all North Koreans, and the U.S.-supported KEDO program supplies almost half of its HFO needs. This aid frees other resources for North Korea to divert to its WMD and conventional military programs.

U.S. aid to North Korea has grown from zero to more than $270 million annually, totaling $645 million over the last five years. Based on current trends, that total will likely exceed $1 billion next year. During that same time, North Korea developed missiles capable of striking the United States and became a major drug trafficking and currency counterfeiting nation.

Despite assurances from the administration, U.S. food and fuel assistance is not adequately monitored. At least $11 million in HFO assistance has been diverted. In contravention of stated U.S. policy, food has been distributed in places where monitors are denied access. One U.S. aid worker in North Korea recently called the monitoring are denied access. One U.S. aid worker in North Korea recently called the monitoring system a "scam." More than 90% of food aid distribution sites in North Korea have never been visited by a food aid monitor. The North Koreans have never divulged a complete list of where aid is distributed.

North Korea has the longest sustained U.N. food emergency program in history. There are no significant efforts to support or compel agricultural and economic reforms needed for North Korea to feed itself. North Korea will likely continue to refuse to reform, instead relying on brinkmanship to exact further aid from the United States and other members of the international community.

V. Do the policies of the North Korean government undermine the political and/or economic rights of its people more so than five years ago?

The condition of the North Korean people, both physically and politically, is worse than at any time in the history of their government. U.N. nutritional studies and other research have shown that at least one million North Koreans have starved to death since 1994, while many others face starvation. North Korea's medical system has collapsed with its economy, transforming common diseases into death sentences for many. North Korean hospitals largely function as hospices.

North Korea has the worst human rights record of any government in the world. The DPRK formally categorizes its citizens into 51 classes. Seven million citizens, one-third of the population, are regarded as members of the "hostile" class. North Korea has established prisons for hungry children, and is the only place on earth where a hungry child wandering away from home is imprisoned. North Korea is also unique in being the only country that has attempted to withdraw from a key human rights treaty.

The regime of Kim Jong Il depends on maintaining high levels of fear to oppress its people. The perpetual state of crisis that the regime generates with the international community ensures internal discipline and demands absolute support for the regime. This policy requires the regime to keep the North Korean people isolated and ill-informed on developments in the outside world.

Accordingly, Mr. Speaker, I look forward to working with my colleagues on the International Relations Committee as well as the members of the Intelligence and Armed Services Committees as we take follow-up actions on this important issue.

COUNCIL ON HEMISPHERIC AFFAIRS

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. TOWNS. Mr. Speaker, I would like to submit for the RECORD the attached articles, "One Commission To Be Proud of" and "The Effect of the U.S. Embargo on Cuban Health Care in Cuba", in the CONGRESSIONAL RECORD.

Mr. Speaker, ever since its creation in the wake of the 1959 Cuban Revolution, the Inter-American System for the Protection of Human Rights has played an extraordinary role in promoting justice on the continent. The Commission and the Court have consistently furthered this country's authentic national interests by helping oppressed populations defend themselves against dictatorships and by working for the establishment of democratic norms.

However, this institution finds itself at a critical juncture and needs political support. Human rights crimes are sill being perpetrated throughout the hemisphere, yet the chronic under-funding of these OAS bodies threatens their effectiveness. Furthermore, Peru's recent withdrawal from the jurisdiction of the Court deserves maximum condemnation and should not be allowed to set a precedent for those governments hoping to escape accountability. The United States should lead by example and finally ratify the Inter-American Convention on Human Rights and accept the jurisdiction of the Court.

The following research memorandum was authored by Eric Angles, a Research Fellow with the Washington-based Council on Hemispheric Affairs (COHA). This timely and trenchant article gives credit to the Inter-American System for its accomplishments, and emphasizes how pivotal U.S. backing is to its success.

ONE COMMISSION TO BE PROUD OF

(By Eric Angles, Research Fellow, council on Hemispheric Affairs)

Pinochet and Milosevic indicted for their crimes; a "just war" waged in the Balkans at heavy political, diplomatic and military risk; the human rights debate has clearly shifted gears. Gone is the era when egregious patterns of abuses remained concealed behind sacrosanct national borders, or neatly rhetoricized away by Cold War realpolitik. At last public indignation is being heeded. This is a very positive sign, with much credit being owed to intrepid journalists and relentless human rights promoters, those good men and women in gray.

But plaudits—a great deal of them—must also go to a more discrete actor, the Inter-American Commission on Human Rights. Ironically, since its founding in 1959 by the Organization of American States, some of its backers have belonged among the world's most flagrant offenders; and the Commission has certainly had to struggle for a measure of independence. Early on, periodic in loco visits to human rights Gethsemane and hard-hitting country reports proved effective in at least publicizing the cruelties of barbarous regimes. Scores of lives were doubtlessly saved during the junta years owing to the boldness of these investigative missions. But new and impressive accomplishments in the 1990s have since firmly entrenched the crucial role of the Commission and its judicial arm, the Inter-American Court, in promoting justice throughout the Americas.

Most far-reaching is a mechanism whereby individuals deprived of their rights can lodge a petition. Public hearings are then held and embarrassing rulings often rendered. Over twelve thousand cases have been considered since 1965, primarily involving killings, torture and "disappearances". More complex issues are not increasingly addressed, such as the rights of women and indigenous populations. Not only have wrongs been condemned and at least partly redressed: Commission and Court decisions have set invaluable standards for use by other international human rights bodies under the United Nations, European and African systems.

Just as tellingly perhaps, recalcitrant states now defend themselves with unprecedented ferocity when chastised by a jurisdiction which, after all, they once opted into. In the early years, offenders largely ignored unfavorable findings. By contrast, a fulminating President Fujimori found it necessary to withdraw Peru from the Court's competence rather than face additional rulings against the country's summary military trials—one of whose victims was young U.S. national Lori Berenson, sentenced for life in 1996 without even a shred of due process. Fujimori's outrageous move will only serve to isolate Peru, and to little avail since Commission proceedings cannot be blocked short of renouncing OAS membership. Simply put, avoidance strategies are fast running out for renegade leaders.

The Inter-American system's effectiveness derives at least in part from heightened political support since the end of the Cold War. But if basic principles of justice are being enforced and not merely exalted, above all it is due to the efforts and persistence of the Commission. Ambiguously comprised of legal experts nominated by governments, it could easily have remained the typical OAS cipher. Yet skillful navigation by a deft leadership and expert staff has admirably defied the odds. "Quasi-judicial" prerogatives provide it with a uniquely effective blend of political initiative—most notably the power to throw the spotlight on a selected issue or country—and the authority to set legal precedent. At the same time, the Commission has displayed an even-handedness that has done wonders for its credibility: a case in point was the 1999 report on Columbia detailing wrongdoings both by government and guerrilla forces.

Commission and Court practice also has shown remarkable boldness and creativity. The landmark 1988 Velazquez Rodriguez judgment against Honduras laid out key legal definitions in such a way as to limit procedural escape routes for guilty parties. Other international norms like the humanitarian conventions of Geneva are also commonly invoked when necessary. In no small measure, this is contributing to the slow rise of universal accountability for governments who pull out the nails of their own citizens.

Curiously, these hard-won accomplishments have remained mostly uncelebrated, especially in the U.S., which does not recognize the Court and all but ignores adverse determinations by the Commission. Aren't we too quick to take for granted justice enforced on behalf of our countrymen, such as Matthew Blake, murdered by agents of the Guatemalan state in the early 1980s? There is no question that when provided U.S. backing will be pivotal if full-fledged judicial mechanisms are one day to emerge for the regional and global protection of human rights. Congress' antiquated aversion to international adjudication sits oddly indeed alongside the lofty foreign policy goals articulated by Capitol Hill leaders and Presidents alike.

Success is rarely self-perpetuating. At under three million dollars a year the Commission is absurdly under-funded in the light of its expanding mission. Worse still, a group of disgruntled OAS states very nearly managed to brush back much of its power two years ago, thwarted only by the timely mobilization of concerned private groups. With malefactor states and Fujimori-like leaders waiting to bushwhack it at every corner, public support remains crucial to the furtherance of the Commission's outstanding work into the next century.

Mr. Speaker, legislation such as the 1992 Cuban Democracy Act (CDA) and the 1996 Helms-Burton Act have tightened the U.S. embargo against Cuba to the point that has it negatively effected the health of Cuban civilians and has profoundly damaged the country's revolutionary health care system and medical research institutes. Current U.S. policy towards Cuba severely restricts the export of medicine, the medical supplies and technology to the island by demanding a political test which it is anticipated that Cuban authorities will continue to reject. The Warner-Dodd bill in the Senate and the Freedom to Market Act in the House would reevaluate the embargo and remove restrictions on the sale of grain, medicine and medical supplies to Cuba. These measures were initiated partially in response to numerous studies reporting that the health of Cuban citizens has deteriorated greatly, and hospitals are in dire need of supplies due to the embargo.

The following research memorandum was authorized by David Roberts, a Research Associate with the Washington-based Council on Hemispheric Affairs (COHA). It represents an elaborated version of an article recently published in COHA's biweekly publication, the Washington Report on the Hemisphere. This timely and pertinent article investigates the effect that U.S. policy has had on the Cuban health care system and the well-being of the Cuban populace.

THE EFFECT OF THE U.S. EMBARGO ON CUBAN HEALTH CARE

(By David Roberts, Research Associate, Council on Hemispheric Affairs)

Senators John Warner (R–VA) and Christopher Dodd (D–CT) have reintroduced a bill designed to remove restrictions on the sale of grain, medicine and medical supplies to Cuba. The U.S. embargo currently prohibits all trade with the island including restrictions on humanitarian aid such as medicine and food. Cuba is now the only nation worldwide denied access to medical supplies as part of a U.S. embargo. The Warner-Dodd bill and its sister measure in the House, the Freedom to Market Act (HR 212), were initiated this year in order to alleviate the suffering caused by the embargo against Cuban civilians that has been in place for nearly 40 years.

Since 1959, the U.S. government has unsuccessfully tried to unseat Castro by any means ranging from economic sanctions to assassination attempts. In recent years, Washington has increased pressure on Castro, enacting legislation such as the 1992 Cuban Democracy Act (CDA) and the 1996 Helms-Burton measure, whose net result has been to impede the exportation of medicines and medical technology to Cuba. These regulations have discouraged the transfer of health care resources through purposely restrictive licensing procedures and denying U.S. visas to, and even suing, executives of foreign companies found to be trading with the island. The collapse of the Soviet Union and the Eastern bloc, Cuba's principal benefactors, exacerbated the damaging effects of U.S. sanctions. As a result, health conditions in Cuba have deteriorated significantly.

Prior to the Warner-Dodd bill, the Dodd-Torres legislation in 1998 was introduced which was aimed at removing the provision of food and medicine from the U.S. sanctions list. The act lost its viability when Senate amendments emasculated the measure, turning the proposed bill into a vehicle for that would make matters worse for Cuba. Hostile riders to the bill permitted sanctions against "terrorist" nations that deny access to food, medicine or medical care as a means of coercion or punishment of a segment of the local populace, effectively invalidating the intentions of the bill's sponsors. Although Cuba has faced international pressure over its flagging human rights record, Havana officials maintain in return that the U.S. embargo has inflicted far more grievous rights violations against Cubans. Critics of the embargo condemn its hypocritical nature because it denies Cuba access to food and medicine as a form of coercion, while the U.S. simultaneously chastises Havana for not providing the population with these essential products. Although the Clinton administration recently ended similar policies against Iran, Libya and Sudan, arguing that "food should not be used as a foreign policy tool," the administration maintains a much more severe embargo including both food and medical supplies against Cuba.

A HISTORY OF GUARANTEED HEALTH CARE

Obsessed with eliminating "human, social and economic underdevelopment," Castro revolutionized the country's medical system in 1959, introducing comprehensive free health care for all Cubans. For several decades this system was considered a model for other Third World nations. The country's constitution guarantees citizens the right to free medical treatment and preventive care. The health delivery system focuses on women's health, providing programs for the early detection of breast and cervical cancer, prenatal care, and free child immunization. Previously, when medicines were available, state pharmacies filled prescriptions for free as well as formulated vaccines which were supplied by the bustling domestic drug manufacturing industry.

Cuba's progressive health care policy propelled the country's successful and internationally acclaimed biotechnology and pharmacology export industries. The island's 11 "world class" research institutions made impressive advances, some of which were greatly respected by the international medical community. These institutes have been credited with developing innovative medical breakthroughs including vaccines for hepatitis-B and meningitis-B. In fact, Cuba is the sole producer of a vaccine for meningitis-B that has been proven to reduce the incidence of the disease by 93%. The institute also developed a surgical cure for retinitis pigmentosa, a genetic disorder that may lead to blindness or tunnel vision.

LONG-TERM EFFECTS ON THE EMBARGO

While Cuban authorities maintain their resolve to provide the populace with greatly needed medical care, highly qualified doctors still face long lines of patients with only antiquated technology to treat them. Even the medicines produced by the pharmacology industry are difficult to obtain because imports of their components have been restricted by the blockade. Despite the previous successes posted by the pharmacology industry, island drug store shelves are now empty. Although recent changes have allowed for some medical sales to Cuba, each transaction must receive prior approval from the U.S. Treasury Department in order to insure that the sale will not benefit the Cuban government and that such supplies will only be handled by independent and non-governmental agencies. Currently, only one U.S. company has sought license to sell medical goods to Cuba. A study by the American Association for World Health found that Cuban hospitals are in dire need of basic medical supplies as a result of U.S. policies. This is partially due to the fact that the government-run health care system serves the impoverished sector of the population, which cannot otherwise purchase medicine, while other hospitals serving wealthier Cubans and foreigners reap the benefits of this minor relaxation of the embargo. The only relief for the average Cuban citizen comes on the daily charter flight from Miami that brings donations from individuals and aid from the few Catholic humanitarian agencies authorized to operate on the island.

The U.S. embargo and the tempo with which it is being administered is indisputably hurting the majority of Cubans. Critics of the status quo maintain that lifting sanctions and following a policy of constructive engagement would be of great benefit to the general population. Several U.S. legislators recently have traveled to Cuba, indicating a need for more non-political relations with the island. "Cuban can benefit from the research of the National Institutes of Health and we can benefit from the research (the Cubans) are doing on meningitis-B," said Sen. Arlene Specter (R-PA) following a recent visit to the island.

Although the Warner-Dodd bill and HR 212 are meant to transcend party lines, it will be difficult to advance such creative thinking in either the House or the Senate due to the opposition of such powerful and unregenerate Cuba-bashers as Senate Foreign Relations Chairman, Jesse Helms (R-N.C.) and Florida's Cuban-American lobby.

IN HONOR OF THE BAYONNE ECONOMIC OPPORTUNITY FOUNDATION ON 34 YEARS OF DEDICATION TO THE CITY OF BAYONNE AND TO THIS YEAR'S HONOREES, MR. AL SAMBADE AND MR. THOMAS CUSEGLIO

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. MENENDEZ. Mr. Speaker, I rise today to recognize the Bayonne Economic Opportunity Foundation for its continued service to the City of Bayonne, New Jersey, and this year's honorees, Mr. Al Sambade and Mr. Thomas Cuseglio.

The Bayonne Economic Opportunity Foundation, a social service agency in its 34th year, has remained a vibrant and reliable force in the community. Following the slogan, "People Helping People," the foundation has remained dedicated to serving the people of the community through various outreach programs, including Head Start and Meats on Wheels. And this year's honorees truly embody the goals of this organization.

Serving as Assistant Municipal Engineer from 1981 through 1987, Mr. Sambade has worked diligently for the City of Bayonne throughout his career. From funding procurement to construction supervision of various public buildings, drainage systems, and vital water distribution systems, Mr. Sambade's contributions can be seen throughout the city.

Mr. Sambade, a registered architect, licensed engineer, and professional planner in the State of New Jersey, founded the DAL Design Group in 1987. As the organization's President, he supervised millions of dollars worth of diversified housing and commercial and industrial development projects in the State.

A graduate of the Roberson School in Bayonne, Mr. Sambade is also very active in charitable organizations, such as the Boy Scouts, Windmill Alliance, and the Hudson County ARC.

Mr. Cuseglio has been both an active and visible force in the Bayonne community for more than three decades. From 1979 through 1983, Mr. Cuseglio served as City of Bayonne Building Inspector. By 1983, because of his expertise and unmatched commitment to the City, Mr. Cuseglio was serving as City Construction Official, Building Sub Code Official, Zoning Officer, and Relocation Officer.

After retiring from the City in 1992, Mr. Cuseglio continued his commitment to his life work by accepting a part-time position with the City of Keansburg as a Field Inspector to Code and Specification for its revitalization programs. And just four years later, in 1996 returned to Bayonne as "Clerk of the Works." In this capacity, Mr. Cuseglio was responsible for inspecting all construction sites.

Mr. Cuseglio remains active in community and charitable organizations. Presently, he serves on the Board of Trustees of the Bayonne Economic Opportunity Foundation.

These two men exemplify leadership and dedication to the City of Bayonne and to the Bayonne Economic Opportunity Foundation. For these tremendous contributions to New Jersey and their incredible example as public servants, I am very happy to congratulate Mr. Sambade and Mr. Cuseglio for their achievements. I salute and congratulate both of them on their extraordinary accomplishments.

TRIBUTE TO JOHN MORAMARCO

HON. KEN CALVERT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. CALVERT. Mr. Speaker, I take the floor today to recognize the outstanding career of John Moramarco, who is retiring as Senior Vice President and General Manager at Callaway Vineyard and Winery in Temecula, California—after 30 years with the winery.

John comes from a long history of vintners. In fact, he started his career at the family's

Old Mission Winery in Los Angeles as a young boy, and continued the family tradition as an 11th generation viticulturalist.

Years in the family business allowed John to learn the basics of the business, and the finer points and finesse of making great wine.

It was his love of wine, and know how, that John applied to the Capistrano Winery and Vineyards in Fontana, California, which he and his brother, Mike, established. John became the vineyard's manager from 1945 to 1967, and put into place the lessons learned from his youth—grape growing, wine producing, marketing and sales techniques. He also continued to supervise the family's vines and those of several other wineries.

In 1969, Ely Callaway hired John Moramarco to plant and supervise his new vineyard in the small, rural Riverside County town of Temecula. In this position, John was instrumental in Callaway's vineyard and wine development.

Only recently have I had the privilege of working with John, and observing his talent, first hand. Wineries in Southern California are currently facing an unfortunate situation with a disease that kills grapevines and has no cure. But, John's life-time devotion to the industry has made the California Wine Industry better prepared than they may have been.

John's progressive work with professors from both the Universities of California at Davis and Riverside, gives the wine industry a relationship that they can now draw upon to solve this crisis. The industry is indebted to John's work with the universities and his willingness to devote vineyard blocks to the universities for their experiments. Those experiments have resulted in improved rootstocks, fertilizers, herbicides, mildew resistance, grafting and pruning, techniques now standard practice in California, and will give the industry the greatest chance of surviving their current crisis.

I know that I speak for everyone in the wine industry when I say, "John will be missed."

PERSONAL EXPLANATION

HON. JAMES H. MALONEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. MALONEY of Connecticut. Mr. Speaker, I was unavoidably detained during rollcall vote No. 567. Had I been present I would have voted "no" on rollcall No. 567.

ARTICLE EXPOSES HINDU FUNDAMENTALISTS' REPRESSION OF CHRISTIANS; WILL THE POPE BE SAFE IN INDIA?

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. TOWNS. Mr. Speaker, on October 28, the New York Post ran an excellent article by Rod Dreher exposing the tyranny of what he called "Hindu brownshirts" who run India. He notes that the Pope is heading to India soon and wonders if the Pope and his entourage will be safe in the face of this religious violence.

Dreher wrote that "a small but violent faction of Hindu fundamentalists aligned with the Hindu nationalist government have been conducting an organized campaign against the Pope as part of a concerted effort to demonize and persecute the country's tiny Christian minority."

In the article, Dreher states that there were 108 cases of beatings, stonings, church burnings, looting of religious schools, and other attacks on Christians. Freedom House, a widely respected human-rights monitoring organization, reports that there have been more incidents of violence against Indian Christians in the past year than in the previous 50 years, even though Christians make up just 3 percent of India's population.

Missionary Graham Staines and his two young sons were burned to death in their Jeeps by a Hindu mob affiliated with the ruling party. The Hindu militants surrounded the jeep and chanted "Victory to Lord Ram." Last month, Hindu fundamentalists kidnapped a nun named Sister Ruby and forced her to drink their body fluids. These are only two of so many incidents that I have lost count.

There have been cases of forcible reconversion to Hinduism along with the violent incidents against Christians and Christian institutions. Many of us have been standing here discussing this, yet it continues to go on in a country that continues to proclaim itself democratic.

It is not just the Christians. The persecution of Sikhs and Muslims has been well documented in this body time and time again. India has killed over 200,000 Christians since independence, and it has also murdered over 250,000 Sikhs, more than 65,000 Muslims, and tens of thousands of others. The highest shrines of India's Sikh and Muslim communities have been attacked by the Indian government.

It is clear that there is no religious freedom in "democratic" India. How can we be upset about China's persecution of Falun Gong and turn our heads when India practices oppression on Christians, Sikhs, Muslims, and others?

It is our responsibility as the leader of the Free World to help ensure freedom for everyone on the planet. We must subject India to the same penalties we impose on any other country that violates religious freedom. We should stop our aid to India until it respects basic human rights, including religious freedom. We should put the Congress on record in support of self-determination for all the minority nations that India is victimizing. Finally, I call on President Clinton to stress these human rights and self determination issues when he visits India early next year.

Mr. Speaker, I would like to put Mr. Dreher's article into the RECORD for the information of my colleagues.

POPE'S PASSAGE TO INDIA MAY BE MOST PERILOUS YET

[From the New York Post, Oct. 28, 1999]

(By Fred Dreher)

Will Pope John Paul II be safe in India? There is more reason to worry for the pontiff's welfare as he visits the world's largest democracy next week than there was when he went to communist Poland under martial law.

That's because a small but violent faction of Hindu fundamentalists aligned with the Hindu nationalist government have been conducting an organized campaign against the pope as part of a concerted effort to demonize and persecute the country's tiny Christian minority.

The government promises to protect the Holy Father from coalition fanatics. But while John Paul can rely on state security, his Catholic followers and Protestant brethren remain at the mercy of Hindu brownshirts.

These thugs have carried out vicious attacks on Christians since a coalition led by the hard-line Bharatiya Janata Party (BJP) came to power two years ago.

Freedom House, the Washington-based human-rights organization, says there have been more recorded incidents of violence against India's Christian minority in the past year than in the previous half-century.

The most shocking incident took place in January, when Hindu thugs burned alive Australian missionary Graham Staines and his two little boys. That was far from a isolated incident.

In 1998, the Catholic Bishop's Conference in India reported 108 cases of beatings, stonings, church burnings, looting of religious schools and institutions, and other attacks on Catholics and evangelicals.

It has been just as bad this year. Just last month, a Catholic priest working in the same territory as the Staines family was murdered while saying Mass for converts, his heart pierced by a poison-tipped arrow.

Why the attacks? Hindu nationalist leaders, particularly those associated with the BJP-allied World Hindu Congress (VHP), claim Christians are on "conversion overdrive."

This is preposterous. Despite being present in India for almost 2,000 years, and educating hundreds of millions of Indian children, Christianity claims the allegiance of less than 3 percent of the country's people.

Even in Orissa state, site of the worst anti-Christian violence, fewer than 500 conversions occur each year.

Still, Hindu nationalists continue to make wild-eyed assertions, such as VHP leader Mohan Joshi's recent statement that missionary homes run by Mother Teresa's order were "nothing but conversion centers."

Not true, but if it were, so what?

We know perfectly well what would have become of the diseased and the destitute had Mother Teresa's nuns not rescued them from the street: They would have been left to die in the gutter condemned by a culture that decrees these lowborn souls deserve their fate.

"What has the VHP done to better the life of the low castes? The answer is nothing," says Freedom House investigator Joseph Assad.

"When I was in India, I talked to one Christian who was forcibly reconverted to Hinduism. He told me when no one cared for us, Christians came and gave us food, gave us shelter and gave us medicine."

An Indian Protestant activist who lives in New Jersey told me BJP rule has meant open season on followers of Christ.

"The last two years have been unprecedented," the man says. "They have burned chuches down, raped nuns, killed people. We complain to the government, but they look the other way."

The Hindu militants certainly do not represent the sentiments of all Hindus. But these thugs have the tacit support and protection of the ruling BJP. Indeed, the BJP Web site condemns "Semitic monotheism"—Judaism, Christianity and Islam—for "bringing intolerance to India."

This is what is known to professional propagandists as the Big Lie. No wonder Hindu hard-liners confidently pillage Christian communities.

How many more Hindu-led atrocities will Christians and others suffer before Prime Minister Atal Behari Vajpayee calls off the nationalist dogs?

Will it take a physical assault on the Holy Father for the world to wake up to the kind of place Gandhi's great nation has become.

IN HONOR OF THE PUERTO RICAN ASSOCIATION FOR HUMAN DEVELOPMENT, INC., ON ITS 25TH ANNIVERSARY GALA CELEBRATION

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. MENENDEZ. Mr. Speaker, I rise today to recognize the Puerto Rican Association for Human Development, Inc., for 25 years of hard work and dedication to the residents of Middlesex County, the State of New Jersey, and the Hispanic community.

For years, PRAHD has been committed to improving the standard for living of Hispanic families through the administration of programs and services which address the social, economic, health, and educational status of these communities.

Founded in 1974 as a charitable organization by the Hispanic leadership of the Perth Amboy area, the Puerto Rican Association for Human Development operates a number of service programs. From day care, educational tutoring, and youth and family counseling, to emergency legal, housing, and medical assistance, drug prevention, and various senior services, the PRAHD serve more than 12,000 people annually. The agency creates alliances with other organizations to help revitalize communities by assisting people link needs with resources.

Since its inception, PRAHD has expanded to a comprehensive service agency with a budget of more than 1.6 million dollars through funding from federal, state, county, and city governments; the United Way of New Jersey; the United Way of Tri-County/IBM; the Turrell Fund; local corporations; and individual donors.

The agency is governed by an eleven-member board of directors selected from the community, and is administered by Executive Director Lydia Trinidad, who is also PRAHD's Chief Executive Officer. PRAHD also relies on the support and effort of community volunteers who work in all areas of agency operations.

For its unwavering commitment to the residents of New Jersey and its continued efforts on behalf of Hispanics, I ask that my colleagues join me in recognizing the outstanding work of the Puerto Rican Association for Human Development on its 25th Anniversary.

IN RECOGNITION OF THE INAUGURATION OF DR. MARGUERITE ARCHIE-HUDSON AS PRESIDENT OF TALLADEGA COLLEGE

HON. BOB RILEY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. RILEY. Mr. Speaker, I rise today to congratulate Dr. Marguerite Archie-Hudson on the occasion of her inauguration on November 7, 1999, as the 17th President of Talladega College in Talladega, Alabama. Dr. Archie-Hudson will be the first woman to hold this position and the first African-American woman to head a four-year institution in the State of Alabama.

Dr. Archie-Hudson began her affiliation with Talladega College when she attended the college on a full four-year scholarship and obtained a Bachelor's degree in psychology. Following her graduation in 1958, she continued her education at Harvard University, where she obtained a Masters of Education degree. She received her Ph.D. in Higher Education from the University of California in Los Angeles. In 1996, she became a member of the Talladega College Board of Trustees and has served as interim president of the college since July of 1998.

Dr. Archie-Hudson has served in many capacities in higher education in California. She was Associate Dean in the California State University System and Administrator at UCLA's College of Letters and Science. She also served from 1990–1996 as a member of the California State Legislature representing the 48th Assembly District of Los Angeles. While in the Legislature, she chaired the Committee on Higher Education and pursued policy issues in education, health, economic development and children and families. She led the campaign to build the new $129 million California Science Center in Exposition Park in her district. This is considered one of the most innovative science education facilities in the country.

Dr. Archie-Hudson served as the first nonlawyer member of the Board of Governors of the State Bar of California, the College Commission on Judicial Nominees Evaluation and the California Committee of Bar Examiners. She was elected as a trustee of the Los Angeles Community College District and appointed as Vice President of the California Museum of Science and Industry Foundation. Besides her professional and civic affiliations in California, Dr. Archie-Hudson served for 8 years on the KNBC Public Affairs Program, "Free-4-All."

I am delighted that Dr. Archie-Hudson has returned to Talladega College. I know that she is an inspiration for the students who attend this fine college because of what she has accomplished with her life and her active involvement in the Talladega community. I am proud to salute Dr. Marguerite Archie-Hudson as the new President of Talladega College.

CONFERENCE REPORT ON H.R. 3064, DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 2000

SPEECH OF

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 28, 1999

Mr. STARK. Mr. Speaker, I rise today in opposition to the DC/Labor-HHS bill's 3-month moratorium on the Secretary of Health and Human Services (HHS) organ allocation regulations which the President yesterday cited in his veto message as a highly objectionable provision. I also rise today in objection to the Organ Procurement and Transplantation Network Amendments of 1999 (H.R. 2418)—a bill to amend and reauthorize the National Organ Transplant Act of 1984.

Over 63,000 Americans are currently awaiting an organ transplant. Almost 5,000 people die each year in this country waiting for an organ transplant. Unfortunately, the current system is based on geographic boundaries—so that while a patient in one State may wait 21 days for an organ transplant, a patient in another State may wait an average of over 300 days.

The HHS organ allocation regulation attempts to move to a system based on medical necessity instead of geography. As the President stated yesterday: "This rule, which was strongly validated by an Institute of Medicine (IoM) report, provides a more equitable system of treatment . . . its implementation would likely prevent the deaths of hundreds of Americans." The HHS regulation incorporates comments from the transplant community, patients, and the general public to ensure the neediest patients receive organs first—regardless of where they live.

However, the DC/Labor-HHS bill delays the HHS Secretary's organ allocation rules. The current 90-day moratorium may not sound like a lot of time—but to patients awaiting transplants, every day counts.

Furthermore, during those 3 months, much can be accomplished by those who oppose the Secretary's regulation. For example, the Organ Procurement and Transplantation Network Amendments of 1999 (H.R. 2418) could reach the House floor. H.R. 2418 would render moot the recently revised HHS organ allocation regulations. Further, the bill would remove the Secretary's legitimate authority to oversee the program, provide unreasonable protections for the current contractor, while it simultaneously makes data less available to the public.

The United Network for Organ Sharing (UNOS) is the current private contractor in charge of distributing organs procured for transplant. H.R. 2418 essentially gives UNOS a monopoly on the contract. I am submitting the following article from the most recent issue of Forbes magazine as further evidence of the need to oppose legislation which protects the current contractor and of the imperative need to oppose any delay of the HHS organ allocation regulation:

[From Forbes Magazine, Nov. 1, 1999]

THE ORGAN KING

(By Brigid McMenamin)

Ever since Forbes exposed the federal monopoly that's chilling the supply of transplantable organs and letting Americans who need them die needlessly (Forbes, Mar. 11, 1996), Health & Human Services Secretary Donna Shalala has been trying to challenge the way United Network for Organ Sharing operates.

But the Richmond, Va.-based cartel will have none of it. Using a heavy-handed mix of litigation, lobbying and bullying of its opponents, UNOS has solidified its position as the federal contractor in charge of deciding which people get new kidneys, livers or hearts.

Under the UNOS system, most organs are shared only within 62 regional territories. A potential recipient in, say, New York, where donations are low, can expect to wait months for an organ to show up, even though there may be so many donors across the river in New Jersey that New Jersey patients are getting transplants after short waits or when they are far from desperate.

Though UNOS has begun to relax the locals-first policy, still, last year 4,855 Americans died while waiting for transplants. (This doesn't even count people pulled off the list after they became too sick to handle a transplant.) It is a matter of debate how much lower the number of deaths would be if the system for obtaining and allocating organs were more rational. But Consad, a research outfit in Pittsburgh, estimates that at least 1,000 people die needlessly each year.

When Shalala urged that organs be shared over wider regions, UNOS Executive Director Walter K. Graham refused. He decreed, in a memo to his member hospitals and organ banks, that UNOS doesn't have to take direction from the federal government on this point.

UNOS' main source of funding is the $375 registration fee potential organ recipients must pay to get on the waiting list. That amounts to some $13 million a year, money that is supposed to be spent mostly to match organs with suitable recipients. In reality, at best half of the money goes to that.

What about the rest? Graham and his 40 board members spend some $1 million each year on jetting around and on meetings and conferences. A new $7 million headquarters building is planned. In 1997, some $1.6 million went for items network officials refuse to explain: "They really never tell you what they're spending money on," says veteran board member John Fung, a liver surgeon at the University of Pittsburgh.

When Shalala tried to exert more control over the rising registration fees, Graham challenged her in a proceeding before the U.S. General Accounting Office, claiming she had no right even to know how he spent the fees. The suit was settled; Shalala backed down.

Why not simply bring in another contractor to ration organs? Good luck. The congressional committee in charge of such matters is headed by Representative Thomas Bliley, from UNOS' home city of Richmond. His cousin Paul S. Bliley is a law partner of UNOS lawyer Malcolm E. (Dick) Ritsch. Last fall, then-Louisiana Congressman Robert Livingston, whose home state includes eight profitable transplant centers, pushed through a bill halting further attempts by Shalala to control the contractor.

After the Senate rejected this moratorium, Livingston got it tacked onto another bill behind closed doors by threatening to hold up funding for the International Monetary Fund. The moratorium ends Oct. 21. But UNOS has already had Wisconsin Congressman David Obey tack another one-year extension onto a bill that was set to go to the full House for a vote in October. His state's four transplant centers stand to lose organs if UNOS loses its grip.

Craig Howe, executive director of the National Marrow Donor Program, recently expressed interest in having his organization bid on the organ contract. After UNOS found out he was interested, his board members, who include 14 physicians, axed him. Although some powerful and prominent surgeons like Fung are an exception, most doctors involved in the business fear offending UNOS lest their organ supply be affected.

In another instance FORBES is aware of, UNOS threatened to retaliate against an outfit it perceived as a rival bidder for the organ allocation job.

Tax-exempt groups like UNOS are supposed to make their financial statements available for public perusal. But UNOS hides significant activity behind two little-known affiliates that aren't required to disclose anything.

The first is the UNOS Foundation, a six-year-old shadow organization run by UNOS staffers. Spokesman Robert Spieldenner claims the foundation doesn't have to file tax returns because it brings in less than $25,000 a year. The UNOS Foundation owns something called the Transplant Informatics Institute, a for-profit company run by organ network staffers. Transplants Informatics is so secret that even some UNOS board members are unaware that it exists.

What does the institute do? The government thinks it markets UNOS-developed software to organ network members. In an audit looking into the use of registration fees for lobbying, the Office of the Inspector General got just that impression. What the institute really does is analyze and sell organ network data to profit-making companies like Fujisawa, the Japanese firm that sells drugs for transplant patients. When the institute has not been able to cover its costs with such sales, UNOS has used its registration fee income to make up the difference. Prospective organ recipients are therefore effectively funding this hidden business.

You'd think someone on UNOS' board would scream bloody murder about all this. After all, the 40-person board is almost half doctors, dedicated to saving lives. But the directors have little idea what's going on. "The board is kind of in the dark," sighs patient advocate Charles Fiske, a former board member.

"We received an annual financial report and pretty much accepted it as written," says University of Oklahoma transplant doctor Larry R. Pennington, a board member from 1996 to 1998. They really don't know how to interpret the data. "All I'm familiar with is hospital sort of activity," admits transplant physician William Harmon.

Realizing that UNOS is out of control, Shalala has put out feelers for a replacement. "I hope we have some bidders this time," sighs Claude Fox, a pediatrician who, as administrator of the Health Resources & Services Administration, oversees transplants for Shalala. The only prospect so far is Santa Monica-based Rand.

Determined to see that Rand does not walk off with the contract, UNOS' lobbyists are pushing for a law that would insure that Graham's group will keep the contract forever. Last month Bliley's committee held hearings on a bill which would require the organ rationing contractor to have experience, something no group but UNOS has. It would also allow UNOS' members to vote on the choice.

"Anything that gives them more of a stranglehold isn't in the public interest," says Fox. "It's like giving the EPA to some land-fill company," says Dr. Fung.

It would be nice if UNOS didn't have a lock on this business. Better still if the federal government stepped out of the process altogether and let doctors come up with creative ways to increase the supply of organs. (How about giving people who sign up as potential donors when they are young some priority in getting organs when they are older?) Once there are enough hearts and livers to go around, there won't be unaccountable arbiters holding sway over our lives.

IN SPECIAL RECOGNITION OF DICK G. LAM, JR.

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. TOWNS. Mr. Speaker, I rise today to recognize the accomplishments of Dick G. Lam, Jr. He has been instrumental in developing and implementing economic and academic development programs. Dick remains committed to improving the quality of life in his community. Presently, Dick is the President of Operation Salvation for Youth (OSY). As the president, he directs a Brooklyn based organization devoted to helping youth gain digital literacy and access to new technology. In the program, special emphasis is placed on welfare mothers who have young children. The OSY is currently working with the New York City Housing Authority, the Miracle Makers, Inc., and several private firms on the development of a new project.

Dick's work continues to provide a foundation for social progress. As a Senior Fellow for the Department of Urban Affairs and Planning at Hunter College, he worked to develop a Spatial Analysis Management System to analyze a range of urban problems, including transportation, housing and welfare to work issues. Dick also holds advisory positions as the Senior U.S. Consultant to the Tianjin Municipal Utility Bureau, The Peoples Republic of China and the Senior U.S. Consultant to the All China Taxi Association, The Peoples Republic of China.

Our community is a better place today because Dick has chosen to commit himself to urban renewal and development. Dick has accomplished his objectives by working in key positions such as: Director of the Mayor's Office of Midtown Manhattan Planning and Development, New York City, Director of Transportation and Regional Planning, New York City Planning Commission, and Special Assistant to the Deputy Under Secretary, United States Department of Transportation. Our society is a better place today because of the contributions made by Dick.

I commend Dick G. Lam, Jr. and pray that he will succeed in all future endeavors.

IN HONOR OF MR. RAMON DE LA CRUZ, PRESIDENT OF THE HISPANIC BAR ASSOCIATION OF NEW JERSEY, FOR HIS OUTSTANDING ACHIEVEMENTS THIS YEAR

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. MENENDEZ. Mr. Speaker, I rise today to recognize Mr. Ramon de la Cruz, President of the Hispanic Bar Association of New Jersey, for his outstanding work on behalf of the Hispanic Community.

An active member of the Hispanic Bar Association for more than ten years, Mr. de la Cruz was recently appointed as the New Jersey Regional President of the organization. And he has shown continued commitment to its growth and success.

From fighting racial profiling and domestic violence, to battling against anti-diversity efforts across the country, the Hispanic Bar Association has been a motivating and unifying force for the Hispanic community in New Jersey under Mr. de la Cruz's leadership.

In addition, Mr. de la Cruz and the H.B.A. of New Jersey have worked extensively with several associations to bring attention to the lack of Hispanic representation on the New Jersey federal judiciary. Because of his efforts and vision, Mr. de la Cruz was instrumental in the recent recommendation of New Jersey's first ever Hispanic to be nominated to the U.S. Court of Appeals of the Third District in the State.

Knowing the importance of a clear and unified message from the H.B.A., Mr. de la Cruz served as editor of ABOGADO, the official newsletter of the Hispanic Bar Association of New Jersey, Inc., for four years. Highlighting the accomplishments of fellow Hispanic abogados y abogadas, as well as confronting the tough issues that the Hispanic community faces, Mr. de la Cruz's work has made the newsletter an informative report to the community.

For all of these achievements and for his remarkable leadership, I ask my colleagues to join me in congratulating Mr. de la Cruz and the H.B.A. on another year of hard work and dedication to both the Hispanic community and the State of New Jersey.

INTRODUCING THE SOCIAL SECURITY NUMBER CONFIDENTIALITY ACT OF 1999

HON. KEN CALVERT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. CALVERT. Mr. Speaker, I rise today to introduce the Social Security Number Confidentiality Act of 1999. In a time of increasingly easier access to personal information by people other than the owner of that information, "Identity Theft" is becoming more and more of a problem.

Given this significant problem, I found it alarming to learn from senior citizens in my district that the Social Security Administration openly displays a recipient's Social Security number, name and address in the window of the envelope. This same envelope makes its way through the United States Postal system.

By simply taking a quick peek in a mailbox, or in a pile of mail left in a person's car, anyone could obtain the information needed to steal someone's identity. The open display of such private and confidential information is an invitation for scam artists to rip off our senior citizens.

As I investigated this situation, I found that the Social Security Administration knowingly continues this practice. At the same time they advocate the need to keep Social Security numbers confidential.

Ironically, in the July/August issue of Social Security Today, the agency advises us that, "All the information Social Security collects about you is kept confidential: it's protected by law," and reminds us to "protect your Social Security number. Be careful how you use it and keep it confidential whenever possible."

Mr. Speaker, this is a glaring inconsistency that requires immediate attention. My legislation will prohibit the appearance of Social Security numbers on or through the window of unopened Social Security checks. It will allow the Social Security Administration to practice what they preach—that we all need to be careful and keep our Social Security numbers private and confidential. In all fairness, the checks are printed by the Department of Treasury, and my legislation will direct them to change their procedures.

In closing, I ask my colleagues on both sides of the aisle to join me in supporting the Social Security Number Confidentiality Act of 1999. This important legislation protects our senior citizens from scam artists and maintains the privacy and confidentiality of our Social Security numbers.

TRIBUTE TO TODD STORZ

HON. LEE TERRY

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. TERRY. Mr. Speaker, I rise today to honor Todd Storz by marking the 50th anniversary of the creation of the Mid-Continent Broadcasting Company, later known as the Storz Broadcasting Company.

Todd Storz developed the radio rotation format known as "Top 40." This innovation made rock and roll a part of American history and changed the sound of radio forever. Through his Mid-Continent Broadcasting Company, Todd Storz initially influenced radio in Omaha, Kansas City, St. Louis, and New Orleans. Soon, other radio stations adapted their formats to the "Top 40" rotation style. His pioneering work in radio made popular music a component of American culture.

Todd Storz's idea for "Top 40" radio came about through competition with a rival station that featured a one hour "Top 20" radio show. The two hour "Top 40" format won over listeners as well as other radio programmers. As a result, it soon became the standard format. The Mid-Continent Broadcasting Company's successful approach to radio broadcasting helped radio survive and flourish in spite of the popularity of television.

I encourage my colleagues to join me in honoring Todd Storz on the 50th anniversary of the founding of his Mid-Continent Broadcasting Company.

IN SPECIAL RECOGNITION OF SAM GUBODIA

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. TOWNS. Mr. Speaker, I rise today to recognize the accomplishments of Sam Gubodia. Sam, a native of Nigeria, has dedicated his life to the academic and economic empowerment of our community. He strives to improve the quality of life for African Americans and the African World. Our society needs more educators and business leaders like Sam because he has helped to rebuild our community. Sam has utilized his knowledge and skills to make positive changes in the African American community.

Before and after completing his doctorate degree in International Finance, Sam has worked diligently to uplift African American and African World people. Upon arriving in the United States, Sam embarked on a promising academic and career path. He worked as a Consular Assistant at the Nigerian Consulate General. As a student at Stony Brook, Sam held many notable positions: for example, he was President, African Students Organization (1977–1979), and he organized several clothing drives for the people of South Africa and Zimbabwe, and he served a President of the Third World Graduate Students Organization (1980).

While attending graduate school at Stony Brook, Sam realized that he would be a great service to his community if he pursued an academic profession, and from there he began to work as an educator. Sam has held many positions as an educator: He taught at Bendel State University, The University of Benin, Stony Brook, and The College of New Rochelle. Currently, Dr. Gubodia is an exemplary Grade Leader-Advisor for the Honors Economic Program at Boys and Girls High School. The lives of many people have been enriched because of Sam, and our community appreciates the important role that he has played as an educator. Sam is also a published scholar, and we appreciate his innovative ideas on economic development.

I commend Sam Gubodia and pray that he will succeed in all future endeavors.

CONFERENCE REPORT ON H.R. 3064, DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 2000

SPEECH OF

HON. DENNIS MOORE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 28, 1999

Mr. MOORE. Mr. Speaker, I rise to express my profound disappointment with the legislative process in this chamber and the bill that is before us today.

In the House of Representatives, we have one primary duty—to pass the thirteen annual appropriations bills. Today, one day before the scheduled adjournment date, we have not yet completed our work on five of the thirteen. To add insult to injury, we are being asked to vote on a "pre-conferenced" Labor-HHS-Education spending bill that this House has not the opportunity to debate and amend under regular order.

To say that the bill before us today misrepresents national priorities would be false—in fact, the bill before us today represents no priorities. Perhaps, if the House had an opportunity to address this bill in the normal fashion—with debate, amendment and compromise—the House could have come to consensus as it has for the past 105 Congresses. Of course the federal government can cut 1% of fat—but to blindly cut that 1% across the board is lazy and irresponsible.

Mr. Speaker, the priorities of the Kansans that I represent are ill-served by this hamhanded approach to legislating that is before us today. This bill would block grant the class-size reduction initiative enacted by Congress last year, and deny $200 million needed to hire 8,000 new teachers. A 1% across-the-board reduction would cut benefits for 71,000 needy individuals benefiting from supplemental nutrition program for Women, Infants and Children (WIC). It would result in 1.3 million fewer "Meals on Wheels" delivered to shut-in seniors and 4,888 fewer low-income children being able to benefit from the highly successful Head Start program.

I am voting against this bill today hoping that the House will go back to the drawing board and, like the Senate, set responsible spending levels that reflect our priorities as a nation.

IN HONOR OF THE WEST HOBOKEN SOCIAL & ATHLETIC ASSOCIATION OF UNION CITY, NEW JERSEY, ON ITS 50TH ANNIVERSARY

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. MENENDEZ. Mr. Speaker, I rise today to recognize the West Hoboken Social & Athletic Association of Union City, New Jersey, for its hard work and dedicated service to the community for the past fifty years.

Organized after World War II to reunite friends and foster continued camaraderie, the WHSA championed public and private causes in an effort to follow its motto, "service to the community."

During the early years, the association sponsored several sports teams to encourage youth involvement in athletics. Today, it continues that tradition by offering youth athletic programs and positive adult role models as coaches. The WHSA was instrumental in providing the necessary financial aid and guidance to one young athlete who competed in the World Special Olympics.

The WHSA has developed programs to help the members of their communities by providing a summer camp program for underprivileged children, awarding savings bonds to school children for higher education with the "Edward Trevelese History Award," and organizing companionship and entertainment for the elderly through the "Walter Scarpetta Nursing Home Volunteers" program. The WHSA continues to work with other organizations and charities such as the American Red Cross, Salvation Army, and United Cerebral Palsy, providing expertise, leadership, and support.

For its service to the residents of the West Hoboken community in the State of New Jersey, and its long tradition of active leadership, I ask that my colleagues join me in honoring the West Hoboken Social & Athletic Association and all of its members as it celebrates its 50th anniversary.

IN SPECIAL RECOGNITION OF PEGGY RODGERS

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. TOWNS. Mr. Speaker, I rise today to recognize the accomplishments of Peggy Rodgers. Peggy is a community activist who has dedicated her time to assisting people in need. As a volunteer in State Senator John Sampson's office, she focuses on helping senior citizens and homeless people. She diligently works on finding adequate housing for senior citizens and the homeless.

Peggy is a hard working model citizen. After graduating from Canarsie High School, she went on to attend Brooklyn College. At Brooklyn College, Peggy recognized her interest in business, and, as a result, she decided to pursue an education at the Robert Finance Business Institute, where she received a certificate in Business Management. Upon completion of her studies, Peggy worked at Merrill Lynch Brokerage Firm in Accounts Receivable.

The commitment and drive exhibited by Peggy continues to greatly benefit our community. She understands that one must remain politically active in order to bring about improvements in our society. She has been out in the trenches struggling to ensure that competent, qualified, and concerned people hold the elected positions in her community. She continues to function as an active member of the Breukelen Tenants Association.

In describing Peggy, I would have to use the words, motivated, cooperative, and charitable. The needs of other people are paramount to Peggy. I commend Peggy Rodgers and pray that she will succeed in all future endeavors.

TRIBUTE TO U.S. ARMY COMMAND SERGEANT MAJOR RONALD W. BEDFORD—A REAL AMERICAN HERO

HON. TERRY EVERETT

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. EVERETT. Mr. Speaker, our society has cheapened the name of heroes today by elevating millionaire movie, music and sports stars while ignoring those Americans who perform unselfish acts of courage and sacrifice. I wish to pay tribute to an American whose character and actions truly define heroism.

On September 2, the 54th anniversary of VJ-DAY, U.S. Army Command Sergeant Major Donald W. Bedford, began a 1,500 mile journey from Mobile, Alabama to Washington, DC. His trek, which takes him through six states and the District of Columbia, is remarkable because it is entirely on foot. But CSM Bedford is not walking this enormous distance to set any record. Instead, he is striding the 71-day route to bring attention to and raise funding for the construction of a national memorial to honor America's greatest generation of heroes—those who fought in World War II.

Bedford, an ex-airborne infantryman now stationed at Fort Rucker, Alabama in my congressional district, came up with the idea of the walk after learning that there was no national memorial for the 16 million Americans who served and sacrificed to liberate the world from Nazi and Japanese occupation in World War II. His efforts to help raise money for the on-going World War II Memorial fund have gained the support of the Non-Commissioned Officers Association, and the praise of former Senator Bob Dole, who chairs the World War II Memorial Committee.

CSM Bedford's journey of 2,792,000 steps will take him through 144 cities and 15 military installations before he arrives at Arlington National Cemetery on November 11. From there, he will cross Memorial Bridge, pass by the Lincoln Memorial, and then proceed to the spot on the national mall where the World War II Memorial will be built next year.

I salute CSM Bedford for his personal sacrifice and dedication to America's greatest generation and I join all Americans in welcoming him to Washington this Veterans' Day.

PERSONAL EXPLANATION

HON. JULIA CARSON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Ms. CARSON. Mr. Speaker, I was unavoidably absent Monday, November 1, 1999, and Tuesday, November 2, 1999, and as a result, missed rollcall votes 550 through 556. Had I been present, I would have voted "yes" on rollcall vote 550, "yes" on rollcall vote 551, "no" on rollcall vote 552, "yes" on rollcall vote

553, "yes" on rollcall vote 554, "yes" on rollcall vote 555, and "yes" on rollcall vote 556.

WITHDRAW COSPONSORSHIP OF H.R. 2528

HON. XAVIER BECERRA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. BECERRA. Mr. Speaker, today I withdraw my cosponsorship of H.R. 2528. I was an original cosponsor of H.R. 2528, the Immigration Reorganization and Improvement Act of 1999, because I support any effort to jump-start—or better put, restart—the Immigration and Naturalization Service (INS). Chairman HAROLD ROGERS, Chairman LAMAR SMITH and Representative SILVESTRE REYES have worked diligently to fashion a restructuring bill and are doing what they believed best moves us toward that end. I had concerns about the bill when I first signed on. But I felt it was important to support efforts to restructure the INS. I had hoped H.R. 2528 would move in a direction addressing my concerns. However, at this stage I find that the current status of the bill falls short of meeting the elements necessary to make it a meaningful reform that will place the INS on solid footing to effectively address its obligations.

History has shown that the INS does not receive the resources necessary to carry out its duties in the area of services and adjudication. This is why the backlog of pending naturalization applications grew to approximately 2.0 million and currently stands at approximately 1.4 million. Far too many of those backlogged applicants waited or have been waiting over 2 years for their cases to be adjudicated. The backlog and delay in other adjudication areas—adjustments of status and the green card replacement program, for instance—are as bad if not worse than for naturalization. As such, my primary concern pertains to the financing mechanisms within the INS for the services and adjudication functions of the agency. Current law and its implementation fail to meet this challenge. And H.R. 2528 falls far short as well. So long as we continue to require fees collected from immigrants for a particular service to pay for non-fee activities, we will always run into budgetary problems and services will suffer. H.R. 2528 authorizes no funds whatsoever for backlog reduction or asylum and refugee processing. This additional strain on already stretched resources, with no additional funding, will only exacerbate the backlogs as well as undermine the United States' ability to meet the protection needs of refugees and asylum seekers.

I am also seriously concerned that H.R. 2528 does not go the necessary mile to ensure that these newly independent agencies of the Department of Justice's immigration until function properly under the oversight and direction of a principal executive. While autonomy for the enforcement and service agencies will allow them to perfect and specialize in their areas of responsibility, too much distance between them could foil the ability of the Department of Justice to direct, coordinate and integrate the overlap in enforcement and service functions. The latest version of H.R. 2528 improves upon the original bill by adding an Assistant Attorney General as that principal in charge. However, it maintains three separate legal and policy offices which will lead to multiple interpretations of immigration, refugee and asylum law. This structure will bear three bureaucracies instead of one and cultivate confusion among the three arms of the agency.

I am committed to continuing to work with the authors of H.R. 2528 along with the Immigration Subcommittee members and the Clinton administration to strengthen the structure of the INS so that it can finally, rightfully handle all duties under its charge. The people of America who must turn to the INS for services—and who happen to pay the taxes and fees to fund this and all other government operations—deserve no less.

TRIBUTE TO LEVI PEARSON

HON. JAMES E. CLYBURN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. CLYBURN. Mr. Speaker, this Saturday, November 6, 1999, the South Carolina Department of Archives and History will dedicate a historic marker to honor Levi Pearson, a leader in the civil rights movement in Clarendon County, South Carolina. Mr. Pearson personified great courage, leadership and perseverance in his role as a plaintiff in Pearson v. County Board of Education (1948) which led to the historic May 17, 1954 Supreme Court decision outlawing separate and unequal schools. Recordings of the civil rights movement in South Carolina rank him among the state's most outstanding pioneers for equality in education. Many local and national events, news articles, books and television documentaries recognize his role in the struggle which led to the Supreme Court's decision. Simple Justice by Richard Kluger and Stepping Stones to the Supreme Court by Benjamin F. Hornsby, Jr. are two publications that depict many of the details of Mr. Pearson's trial.

For background, Mr. Speaker, I wish to enter for the record information from an article which was written as a tribute to him when he was inducted into the South Carolina Black Hall of Fame:

"An obscure country farmer, Levi Pearson never dreamed that his legal action on behalf of black children in Summerton, South Carolina would figure in the historic May 17, 1954 U.S. Supreme Court decision outlawing separate and unequal schools. They are role models and an inspiration to all who value freedom and justice. As a partner, in the Clarendon County insurrection led by the Rev. Joseph Albert Delaine, Levi Pearson had unshakable faith in the victory of justice over an entrenched social order that seemed all but immovable.

Black children in Summerton attended ramshackle Scott's Branch School, while white children attended classes in a modern facility. White school board officials said white folks paid most of the taxes, so white people were therefore entitled to better schools. There were 30 school buses for whites in Clarendon County. None for Blacks. Some black youngsters had to make their way for nine miles across an arm of newly-formed Lake Marion. One child drowned as they paddled a boat. Appeals to schools officials for transportation such as that offered white failed. The school officials even refused to buy gas for an old bus the blacks bought.

Farmer Levi Pearson, father of three children at Scott's Branch School (Daisy, James, and Eloise) was persuaded to bring a suit on behalf of his son, James. A black man suing white folks * * * no such thing had happened before in the memory of blacks living in Clarendon County. Levi Pearson was an instant hero among his people. But a threat to the white establishment. His credit was cut off by every white-owned store and bank in the county. He had enough money to buy seeds for the cotton, tobacco, oats and wheat he planted, but not enough for fertilizer. He had to cut timber to sell for cash, and borrow from hard-pressed blacks to buy fertilizer. That Autumn he couldn't rent a harvester from a white farmer, so he sat and watched as his harvest of oats and beans and wheat rot in the field. Three months after he filed the lawsuit, it was thrown out because of a technicality that he paid taxes in School District Five, while his children were going to school in District 26 for the high school and District 22 for the Grammar School. Another pupil's parent, Harry Briggs, Sr., filed suit a year later. He and Pearson had to flee for their lives many times. Briggs and his family lived in Florida and New York for 20 years before returning to Summerton in the 1970's but Mr. Pearson never left. Ultimately, their case was consolidated with similar cases from three other States in an action known as *Brown vs. Board of Education,* upon which the door to equal education opportunity was opened in the Supreme Court's Decision of May 17, 1954."

Mr. Pearson never sought fame or notoriety, but stood up for what he felt was right. I am reminded of the speech the late Dr. Martin Luther King gave about the "Drum Major Instinct." A few excerpts go like this:

"* * * everybody can be great. Because everybody can serve. You don't have to have a college degree to serve. You don't have to make your subject and your verb agree to serve. You don't have to know about Plato and Aristotle to serve. You don't have to know Einstein's theory of relativity to serve. You don't have to know the second theory of thermodynamics in physics to serve. You only need a heart full of grace. A soul generated by love. And you can be that servant.

"* * * Every now and then I guess we all think realistically about that day when we will be victimized with what is life's final common denominator—that something we call death. We all think about it. And every now and then I think about my own death, and I think about my own funeral. and I don't think of it in a morbid sense. Every now and then I ask myself, "What is it that I would want said? And I leave the word to you this morning.

"* * * If I can help somebody as I pass along, if I can cheer somebody with a word or song, if I can show somebody he's traveling wrong, then my living will not be in vain. If I can do my duty as a Christian ought, if I can bring salvation to a world once wrought, if I can spread the message as the master taught, then my living will not be in vain.

Yes, Jesus, I want to be on your right side or your left side, not for any selfish reason. I want to be on your right or your best side, not in terms of some political kingdom or ambition, but I just want to be there in love and in justice and in truth and in commitment to others, so that we can make of this old world a new world."

Mr. Pearson, and Mr. and Mrs. Briggs are now deceased. However, Mr. Pearson's widow still vividly remembers his struggles and this historic period in our Nation's history. Mr. Pearson lived a Christian and committed life for justice and we all know that his living was not in vain. Mr. Speaker, thank you and my colleagues for joining me in honoring the Levi Pearson who increased educational opportunities for children across the country.

HONORING AMERICA'S VETERANS

HON. DONALD A. MANZULLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. MANZULLO. Mr. Speaker, one year ago I had the privilege of participating in a memorable Veterans Day program at the Alden-Hebron Elementary School in Hebron, Illinois, in the district I represent. That was a special day for me in many ways. I will never forget having the honor of presenting the Bronze Star to CPL Harold Myers, the school's custodian, for his bravery during the Battle of the Bulge. His gallantry in the service of his country was a reminder of why we commemorate Veterans Day.

It was also heartwarming to witness a new generation of young Americans coming to understand and acknowledge the sacrifices made by past generations of American veterans. As a number of students recounted brief stories about how we as a nation came to set aside November 11th as a day to recognize our veterans, I couldn't help thinking how important it is to keep the flame of patriotism burning brightly in the hearts of each new generation of Americans. They will be the ones who will carry on, and in some cases defend, the values that have made our nation great. The students of Alden-Hebron Elementary have a clearer understanding of the American spirit because they see it personified in Harold Myers, who not only serves as their school custodian, but because of his service to his country, is a genuine American hero.

Mr. Speaker, as a tribute to the American men and women who have served this country throughout our history and in recognition of the students of Alden-Hebron Elementary School, I submit for the RECORD statements made by a number of the students honoring our nation's veterans:

VETERANS DAY

In 1921, an American soldier—his name "known but to God"—was buried oh a Virginia hillside overlooking the Potomac River and the city of Washington. The Arlington National Cemetary burial site of the unknown World War One soldier became a place of honor to all American veterans. Similar ceremonies were held in England and France where an "unknown soldier" was buried in each nations place of honor.

These ceremonies all took place on November 11 to recognize the end of World War One which ended on the 11th hour of the 11th day of the 11th month in 1918. It became known as Armistice Day. Over four and a half million Americans served in the military and over 100 thousand died in battle during this war. Today, only 3,200 veterans from that conflict are alive.

On December 7, 1941 the United States entered World War Two. 16 million men and women entered the military services during this time. Four hundred six thousand Americans died fighting in World War Two. Today over 6 million veterans from that time are still living.—Crystal Stolarik

VETERANS DAY

On November 11th 1947 in Birmingham, Alabama a Veterans Day parade was organized to honor all veterans. U.S. Representative Edward H. Rees of Kansas proposed changing Armistice Day to Veterans Day. In 1954 President Eisenhower signed a bill proclaiming November 11th as Veterans Day, and he called on all Americans to rededicate themselves to the cause of peace.

On May 30, 1958 two more unidentified Americans war dead were brought from overseas and buried in Arlington Cemetery beside their World War One comrade. One was killed in World War Two and one in the Korean War.

To honor these men symbolic to all Americans who Gave their lives in battle an Army honor guard, the 3rd U.S. Infantry (The Old Guard) keeps day and night watch.—Becky Peterson

VETERANS DAY

In 1968 a law passed that changed the national commemoration of Veterans Day to the fourth Monday in October. Soon it became apparent that November 11th was a matter of historic and patriotic significance to a great number of our citizens. Congress returned observance of this special day back to its traditional date in 1978.

The focal point of ceremonies conducted by the Veterans Day National Committee continues to be at the Arlington National Cemetery at the Tomb of the Unknowns. The cemetery, established in 1864 is now operated by the Department of the Army.—Brianna Borman

VETERANS DAY

Tomorrow at 11 o'clock a combined color guard Representing all military services honors the unknowns by Executing "Present Arms" at the Tomb. The Nation's tribute to Its war dead is symbolized by the lying of a Presidential Wreath and the bugler sounding "taps". The sounding of "taps" remembers the over one million Americans killed in war and the 41 million Americans who have served in the military during times of war. They served in 11 wars from the Revolution to the Persian Gulf earning the special distinction of "Veteran".

Today there is, and perhaps there always will be, conflict in the world. But the United States enjoys peace and freedom.—Marty Ladafoged

HAROLD MYERS MILITARY SERVICE

Harold Myers was inducted into the U.S. Army on March 19, 1942 at Fort Benjamin Harrison, Indiana. He then went to Camp Claiborne, Louisiana to train on the 30 and 50 caliber machine guns with the 82nd Infantry Division. Training for paragliders was then given at Fort Bragg. A glider was used by towing it behind a cargo plane attached with a cable, then released when close enough to the final destination. Glider duty was extremely dangerous. The Glider which Corporal Myers flew held 4 soldiers and 1 jeep. Corporal Myers left the United States for Casablanca, Morroco on April 29, 1943. After arriving in North Africa his division traveled to Bizerte, Tunisia, a staging area for the invasion of Sicily and Italy. On Sept. 10, 1943 Corporal Myers landed at Maiori, Italy under the command of General Darby's Ranger Force.

After the Sicilian and Italian campaigns Corporal Myers division returned to Ireland of Normandy. The Germans defended against glider landings by cutting tree tops off and stringing barbed wire across them. This prevented the gliders from successfully landing. Instead of an airborne assault Corporal Myers' division landed Normandy (Omaha Beach) by LCI, an infantry landing ship, took their objective St. Mere Eglise.

On June 13, 1944 Corporal Myers' squad was providing air defense for the Division Reserve. As an American convoy passed it came under attack for a captured English Spitfire piloted by a German Officer. Corporal Myers alertly manned his machine gun and shot down the plane on its second pass saving the many soldiers under attack.

Corporal Myers and his division returned to England to ready for the invasion of Holland. On Sept. 23, 1944 Corporal Myers copiloted his glider over the English Channel and successfully landed in Holland with men and jeep intact.

On December 29, 1944, while in Belgium during the Battle of the Bulge, Corporal Myers squad came under heavy fire. 2 men under Corporal Myers' command were killed by an enemy shell which also wounded Corporal Myers and another soldier. He was taken to a field hospital and later returned to the United States. He saw 1 year, 10 months, and 13 days of overseas duty. He fought in the Sicilian, Italian, Normandy-France, and Rhineland Campaigns. His awards include the Glider Badge, Good Conduct Medal, the European-African Theater Medal with 4 stars, and the Purple Heart. Corporal Myers was honorably discharged from the United States Army on 28 Sept. 1945.—Matt Crocco and Eric Schaid

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CAL STATE HAYWARD PROFESSOR JULIE GLASS IS NAMED CALIFORNIA PROFESSOR OF THE YEAR

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. STARK. Mr. Speaker, I rise today to recognize California State University-Hayward Professor Julie Glass, who has been chosen by the Carnegie Foundation as California Professor of the Year. Dr. Glass hosts a cable television program devoted to college algebra, has authored math-oriented children's books, and is co-founder of a math and science day camp for school-age girls.

The Carnegie Foundation, a policy center devoted to strengthening America's schools and colleges, and the Council for Advancement and Support of Education (CASE) which represents 2,900 colleges, universities and independent elementary and secondary schools recently joined to select 44 state winners. Dr. Glass was selected from among 20 nominees at universities throughout California.

Among Dr. Glass' most visible contributions to Cal State-Hayward are the two programs she has developed for the university CableNet television station, which reaches 120,000 East Bay households. The first, Math on TV, was a video course that ran 2 years ago which targeted high school students preparing for mathematics placement exams.

The second program developed by Dr. Glass is College Algebra, which can be viewed on CableNet, Channel 26 in the Hayward area. The course is offered for college credit, and has an Internet component that allows students to interact with the instructor.

Among other projects, Dr. Glass has co-developed the Mathematical Explorations for Girls' Achievement Camp, a summer enrichment program to encourage girls ages 10–12 to pursue an advanced education in mathematics and science. Program participants have traveled to a wastewater treatment plant and the NASA Ames Center to learn more about career opportunities in these fields.

Dr. Glass also has several children's books with mathematical themes to her credit, and helps to train Cal State-Hayward student interns to work with students from local high schools on their math skills.

We thank Dr. Glass for all she has done to promote proficiency in mathematics and science, and for inspiring young people who would otherwise not consider a career in these fields. We are extremely fortunate for educators who encourage students to become independent thinkers, and help students build the skills they need to participate in the global, technological economy. We are very grateful for a professor who makes it her life's work to prepare our children to be productive adults. We send Julie Glass our warmest congratulations and thanks.

ESTABLISHING THE NATIONAL CENTER FOR SOCIAL WORK RESEARCH

HON. CIRO D. RODRIGUEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. RODRIGUEZ. Mr. Speaker, I have introduced legislation that will provide a clearinghouse for the latest research on issues of significant social concern so that national policymakers can make informed and sound decisions. The bipartisan legislation I am introducing with Representative ASA HUTCHINSON will create a National Center for Social Work Research at the National Institutes of Health. The research conducted and supported through this Center will provide Congress, government agencies and other policymakers with empirical research on how to address social problems such as school violence, depression, mental illness, domestic violence, child abuse, teen pregnancy and a host of other challenges facing our society.

Social workers are in a unique situation to provide such valuable research. They approach both service delivery and research from an interdisciplinary, family-centered, and community-based approach. This comprehensive approach also takes into account a wide-range of social, medical, economic and community influences—information that we as policymakers need to make better informed decisions.

For example, this year Congress has struggled to develop comprehensive legislation on how to deal with the spread of school violence. Unfortunately, there is not one place we as policymakers can turn in order to receive the latest, up-to-date research on what other communities or States are doing to approach this serious issue. Through the National Center for Social Work Research, we can ensure that all research conducted on issues of serious social concern are collected and made available through one entity.

Currently, the Federal Government provides funding for various social work research activities through the NIH and other agencies. However, we currently lack coordination or direction of these activities.

I look forward to working with my colleagues on providing us with a research center that we can turn to for help on formulating policy that will improve the lives of women, children, and families in our communities. The collection of this important data will help us find solutions so that children can feel safer at school, women will no longer suffer from abuse, and communities and States will be empowered with resources on how to deal with major social issues. We owe it not only to ourselves but the women, children and families that rely on us to make informed policy decisions on a daily basis.

PERSONAL EXPLANATION

HON. RONNIE SHOWS

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. SHOWS. Mr. Speaker, I was away from the floor of the House on Wednesday, November 3, 1999, on official business and was unable to cast a recorded vote on rollcall 557.

Had I been present for rollcall 557, I would have voted "yea" on approving the Journal.

CONFERENCE REPORT ON S. 900, GRAMM-LEACH-BLILEY ACT

SPEECH OF

HON. CHARLES A. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. GONZALEZ. Mr. Speaker, I rise today in support of the rule, and I would like to make a couple of comments about why I think we should support the conference report.

The future of any American business enterprise is not determined, in the final analysis, by imagination, innovation, technological advances or determination.

It succeeds only when those of us in Congress establish policies that encourage and accommodate sensible and healthy economic growth.

The conference report represents a balanced approach between the House and Senate versions of financial services modernization.

Congress has spent several decades considering many of the complicated and extremely important issues addressed in this compromise.

Failure to adopt this bill will relegate our financial industry to continue to operate under the current artificial structural limitations that place them at a competitive disadvantage in the constantly evolving international playing field.

This rule and the conference report should be adopted.

HONORING LISA FORD AND NICK WALLACE, FRIENDS, COLLEAGUES AND FELLOW TRAVELERS

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. RADANOVICH. Mr. Speaker, I rise today to celebrate the upcoming marriage of my Executive Assistant Lisa Ford and Nick Wallace. Lisa and Nick will be married in a few short weeks on November 21, 1999, in Miami, Florida.

Both Lisa and Nick go way back with me. When I was working for the Republican nomination in 1994, Lisa jointed my team to help me win the Primary. I went on to win the nomination, and the subsequent general election, and Lisa played an essential role in those victories. She has been with me through the two elections since, and she is with me still today.

Mr. Speaker. I can say without hesitation that Lisa Ford has been an integral part of my life. She has managed all facets of my political life with grace and aplomb. Lisa's calm demeanor has been, and continues to have, a tremendous influence in my office. Under fire, Lisa's clearheadedness and diligent focus is inspirational and her intelligent insight a tremendous asset. In addition, Lisa's compassion and loving nature shines through her every action and inspires respect and affection from everyone she meets. I am very fortunate to have Lisa Ford as my Executive Assistant.

At the same time that Lisa was helping me win my primary, an old friend in the District was helping me as well. The Wallace's son Nick came to Washington as an intern, and little did I know that they were falling in love! This is truly, a romance made in DC.

Nick went back to California and then returned as the star player on the Western Caucus Softball team. He continues to influence the office with his outstanding Almond Roca and his homemade sushi, as well as his wry observations on the abnormality of Washington life.

Mr. Speaker, I ask my colleagues in the House to join me in honoring the marriage of two wonderful friends. I know that Lisa Ford and Nick Wallace will prosper and be fulfilled in their dreams with their life together. I wish them all the happiness and joy that marriage can bring.

TORTURE IN TURKEY

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. SMITH of New Jersey. Mr. Speaker, in a matter of days President Clinton and the leaders of the OSCE participating States will gather in Istanbul, Turkey for the final summit of the century. Among the important issues to be discussed will be a charter on European security. As the leaders of our countries assemble on the banks of the Bosphorus, few are likely to realize that the torturers continue to ply their trade—crushing the lives of countless men, women, and even children.

In recent days I have received disturbing reports that highlight the fact that torture continues in Turkey despite Ankara's stated zero tolerance policy. Once again, we see that those who attempt to heal the physical and emotion scars of victims of torture are themselves often victimized by the so-called "Anti-Terror Police." A case in point involves Dr. Zeki Uzun, a medical professional volunteering his services to the Human Rights Foundation of Turkey's Izmir Treatment and Rehabilitation Center. Dr. Uzun was reportedly forced from his clinic by Anti-Terror Police and held for interrogation about past patients he had treated. During the interrogation, he was apparently subjected to various kinds of torture, including having a plastic bag placed over his head to stop his breathing. Dr. Uzun was held by the police for a period of six days during which time he was repeatedly abused.

In March I chaired a Helsinki Commission hearing on human rights in Turkey in anticipation of the OSCE Summit that will be held in Istanbul, November 17–18. Experts testified to the continued widespread use of torture in Turkey, including the increasing use of electric shock. The gripping testimony included the case of torture against a two-year-old child.

Mr. Speaker, I urge President Clinton to place the issue of prevention of torture at the top of his agenda when he meets with Prime Minister Ecevit and include this longstanding concerns in his address before the Turkish Grand National Assembly. If the Government of Turkey is serious about ending the practice of torture, it must publicly condemn such gross violations of human rights, adopt and implement effective procedural safeguards against torture, and vigorously prosecute those who practice torture. Instead of treating individuals like Dr. Uzun as enemies, Ankara should direct its resources to rooting out those elements of the security apparatus responsible for torture.

HONORING (COLONEL) MR. CHARLES DAVID LOCKETT ON THE OCCASION OF HIS SIXTIETH YEAR IN THE LEGAL FIELD, FOR OUTSTANDING SERVICE TO THE UNITED STATES OF AMERICA AND THE STATE OF TENNESSEE, AND AS A CIVIC AND COMMUNITY LEADER

HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. CLEMENT. Mr. Speaker, I rise today in honor of Mr. Charles David Lockett of Knoxville, Tennessee, on the occasion of his sixtieth year in the legal field, for outstanding service to the United States of America and the state of Tennessee, as a respected attorney and professional, and as a community leader. Mr. Lockett's entire professional life has been dedicated to ensuring justice is served for all and that the laws of our land are honored and respected.

Charlie Lockett was born June 27, 1916 in Knox County, Tennessee. He graduated from the Knoxville School System and obtained a Doctor of Jurisprudence Degree, University of Tennessee Law School, in 1939. He began practicing law that same year when he was licensed as a Tennessee Attorney. Charlie Lockett is a member of the American Bar Association; Knoxville Bar Association; Commercial Law League of America; Association of Trial Lawyers of America; and America Judicature Society. Today he is a senior partner with the law firm of Lockett, Slovis, Rutherford and Weinstein where he continues to make valuable contributions.

I personally have known Charlie Lockett all of my life. He was a dear friend of my father, Tennessee Governor Frank G. Clement, and remains close to my family today. I, along with many others, admire many qualities about Charlie Lockett. He is a natural born leader, a likable individual, a doer, and a man who makes a difference in the lives of others.

Mr. Lockett is a distinguished veteran of World War II, where he served from 1940–1945, rising to the rank of colonel in the U.S. Army. He also served fourteen months during the Korean crisis and holds a combined military service record of thirty years regular and reserve.

Charlie Lockett married the former Helen Cole in 1939. The couple was married more than fifty years before her death, and Charlie's devotion to her was known by all. They had two daughters: Lucy Lockett Johnson (who is now deceased) and Kay Lockett, as well as grandchildren Jennifer and Bryan Johnson.

Mr. Lockett's impact on the Knoxville area has been tremendous. For Charlie Lockett has been an active member of the Knoxville Chapter of the American Red Cross since 1945, one of only two individuals to earn that distinction. He served 14 years on the University of Tennessee Board of Trustees and continues to support the institution with time, effort, and finances. He also helped lay the foundation for the Sequoia Hills Presbyterian Church where he has faithfully served since the 1940's.

Mr. Lockett's involvement in politics is legendary. He has been a member of the Democratic Party since 1936 and an invaluable source for advice and counsel to numerous Democratic politicians. He managed three successful Knox County campaigns for Governor, including those of Frank G. Clement and Buford Ellington. He was a delegate to the National Convention in 1960 and managed the Knox County campaign of the Kennedy-Johnson ticket.

Mr. Charlie Lockett has unselfishly served the citizens of Knox County and all of Tennessee for more than six decades and has worked tirelessly to improve the quality of life through membership in civic, church, professional and private organizations. His sense of duty, courage and impeccable integrity are exemplary. For these reasons I honor Mr. Charlie Lockett today. I wish him the best in all of his future endeavors. God bless him.

IN HONOR OF MARY BUSTILLO DONOHUE

HON. STEVEN R. ROTHMAN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. ROTHMAN. Mr. Speaker, I rise today to join the Hispanic Bar Association of New Jersey in honoring Mary Bustillo Donohue of River Edge, New Jersey for her contributions to the Garden State. The Hispanic Bar Association will be presenting its Outstanding Service Award to Mary on November 6, 1999.

Throughout her life and career, Mary Bustillo Donohue has embodied the values of tolerance, patience, fairness, vigilance, and excellence. From working as a teacher for 26 years at Paramus Regional Catholic High School and as professor of Spanish Literature at Seton Hall for seven years, to serving on the Board of Chosen Freeholders in Bergen County, to being a dedicated member of her church, Mary has helped build a New Jersey grounded in family and community.

The residents of Bergen County and throughout New Jersey, including myself, have all benefitted from Mary's efforts on our behalf. Whether it was as a Councilwoman in her hometown of River Edge, or as a member of the Governor's Hispanic Task Force For Excellence in Education, or as the Honorary Chairman of the New Jersey State Democratic Hispanic Caucus Center for the Advancement of Women in Politics, Mary has exemplified what it means to be an active member of her community. She is a role model to us all.

On a personal level, I have been privileged to know Mary as a friend for more than 10 years, and now to be working with her as an invaluable member of my staff. Working with Mary has provided me with an even greater insight into her personal commitment to her neighbors and community. She has played an integral role in my efforts to serve all residents of the Ninth Congressional District in New Jersey and I am grateful for her outstanding work.

Mr. Speaker, there are few people more deserving of an award recognizing excellence in community service. Mary Bustillo Donohue is one of these people and I am pleased to join the Hispanic Bar Association of New Jersey in honoring her.

PERSONAL EXPLANATION

HON. ADAM SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. SMITH of Washington. Mr. Speaker, on the afternoon of November 1, I was attending to family business in my district and was unable to vote on H.R. 1714, legislation to provide for digital signatures.

Had I been present, I would have voted "yes." I strongly support this legislation to ensure that our high-technology economy continues to grow and provides consumers more opportunities to conduct business on-line.

CONGRATULATIONS TO ARASH RASSAOULPOUR AND LEILA AFSHAR

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. FARR of California. Mr. Speaker, I offer my sincerest congratulations to Mr. Arash Rassaoulpour and Miss Leila Afshar on the occasion of their marriage the Sixth of March, Nineteen Hundred and Ninety Nine at the Ritz-Carlton Hotel in McLean, Virginia.

Both were born in Tehran and immigrated to the United States in the 1970's, and they have excelled here in the United States. Arash grew up in Bethesda, Maryland, and Leila in nearby Kensington, Maryland. Their interests led them to the University of Maryland at College Park, where they both received Bachelor of Science degrees in Biology. They have remained at the University of Maryland, College Park, where Arash is currently pursuing his Ph.D. in Pharmacology, and Leila is completing her residency in Pediatrics, after having recently earning her Medical Degree.

Arash and Leila are talented and accomplished people who are valuable members of their community. I have no doubt that they will continue their lives of achievement in their chosen fields of medicine. I am also certain that marriage will make their lives richer and more joyful. All of those who have come to know the bride's family are proud of her obtaining a medical degree and of her happy marriage. We all wish Arash and Leila happiness and success for many years to come.

CONFERENCE REPORT ON S. 900, GRAMM-LEACH-BLILEY ACT

SPEECH OF

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. STARK. Madam Speaker, I rise in opposition to the conference report on S. 900, the Financial Services Modernization Act. It is badly flawed on several counts.

Rather than strengthening the Community Reinvestment Act, the conference report actually weakens this landmark regulation. For example, the bill limits CRA's oversight of 80% of the nation's banks by decreasing the frequency of exams from once every two years to once every five years for banks with at least a "satisfactory" rating. This ill-advised provision will undoubtedly induce small banks to game the CRA process.

In fact, the National Community Reinvestment Coalition predicts that small banks "will relax their CRA lending in underserved communities for four years, and then hustle to make loans in the last year before a 'twice in a decade' CRA exam."

The overall impact of the CRA provisions, then, is to weaken protections against discrimination and redlining by constraining the Community Reinvestment Act in an era when financial conglomerates will become ever more powerful.

The Gramm-Leach-Bliley bill also raises troubling questions about the basic relationship between federal and state law in key areas. Supporters claim that the bill leaves state insurance law undisturbed. But in an October 13 letter, the National Association of Insurance Commissioners warned that the bill's broad, loose language will effectively permit banks to "engage in high-risk reinsurance, claims settlement, credit insurance, third-party management services and other insurance business activities without being subject to supervision by either the States or the Federal government."

NAIC's concerns focus on Section 104 of the conference report, which says that no state can "prevent or restrict" a bank's business activities. This language "attacks the heart of State insurance regulation," NAIC writes, "because every action taken by a State to protect consumers restricts the business activities of insurance providers—including banks—to some degree. The letter concludes with a grim prediction that "virtually all State insurance regulatory actions affecting banks would thus be subject to legal challenge and possible preemption."

Among the categories of state laws that may be preempted by S. 900, according to NAIC, are fair claims settlement laws covering consumers who purchase health, auto, homeowners, life, annuities, and other types of insurance."

Concerns have also been raised about whether more protective state medical confidentiality laws are saved. Supporters say they are, but state insurance commissioners say that's not clear. Litigation is sure to follow, which will cost consumers plenty.

In addition, the bill's privacy rules governing sharing of information within affiliated entities are astonishingly weak. The bill allows affiliates—banks, securities firms and insurers—to freely share financial information without the consumer's consent. Affiliates have only to disclose their basic rules once a year.

The problems that this could create are severe. Financial institutions, looking at the bottom line, will use all of the information available to them before making lending decisions. Why, for example, would a bank that has a health insurance subsidiary not want to weigh medical information gleaned from financial data in considering mortgage applications? Will young families now have to worry that, having supplied medical information to apply for life or casualty insurance, that this data will affect their application for a home loan?

It is wrong and inappropriate for Congress to, on the one hand, enact legislation that explicitly allows mergers between banks, insurers and securities firms—but which on the other hand denies consumers any say in how their personal financial information can be used and disclosed.

I thought we learned this lesson 21 years ago, when Congress enacted the Right to Financial Privacy Act. That 1978 law, which I authored, put in place standards governing access and sharing of financial information for federal agencies. It stemmed from a Supreme Court decision that ruled the Fourth Amendment does not apply to banking records. As a former California banker, I had been a party in that 1974 suit, *Calfornia Bankers Association* v. *Schultz*.

And here we are today, throwing open the door for financial institutions to create huge new holding companies—without giving consumers any ability to say how their sensitive personal financial information can be shared. In effect, we are creating a financial privacy vacuum.

Defenders of the conference agreement say that the bill limits sharing of personal financial data with non-affiliated, third party entities. Nonsense. All that companies that don't formally affiliate have to do to escape the bill's consumer "opt-out" provision is enter into a joint agreement. Then, presto, they are free to manipulate personal financial data in any way they like.

Nobody likes getting annoying calls from pesky telemarketers at dinnertime. Well, once this bill passes, the telemarketing business will go through the roof. Mergers between banks, securities firms and insurers will produce data amalgamation like we've never seen before. Before long, your health insurer will be able to get information on how much money you make and what investment strategies you favor—making underwriting that much easier. Your bank will be able to easily look up how many checks you've written to your psychiatrist—and use that information to help decide whether you're an acceptable loan risk.

This is the dawning of a new Orwellian Age of Information.

I urge my colleagues to vote no on the Gramm-Leach-Bliley conference report.

COPS AND METRO ALLIANCE CELEBRATE 25 YEARS OF SUCCESSFUL POLITICAL ACTION

HON. CIRO D. RODRIGUEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. RODRIGUEZ. Mr. Speaker, I am truly honored to recognize the 25th anniversary of the founding of an organization that changed the political landscape in San Antonio, across Texas and the Nation. From the alleys of San Antonio's poorest South and West Side neighborhoods, people of faith and conviction came together a quarter century ago to form Communities Organized for Public Service, or COPS.

COPS, and later its sister organization, Metro Alliance, entered the scene at a time when the largely minority, poor communities of San Antonio did not have a voice at the table. Frustrated by inaction, and worse by a lack of attention from the establishment leadership, COPS and Metro Alliance became the voice of the unheard, the mouth of those who were ignored.

COPS and Metro Alliance draw their strength from the people and institutions that make up the local neighborhoods: churches, schools, and other community-based organizations. We hear a great deal of talk today about the need for faith-based groups to take responsibility, but the truth of the matter is that COPS and Metro Alliance long ago accepted that challenge. The result has been a thousand victories, each one building on the last, with more than 50 religious congregations working together.

COPS first set out to repair the imbalance in distribution of funds for city improvements. They rightly demanded that poor neighborhoods deserved flood control and street improvements. Later COPS fought in the battle to bring single-member districts to San Antonio, helping end the legacy of a system that did not adequately seat minorities, who by this time were a majority of the local population, at the table of power.

In recent years, COPS and Metro Alliance, recognizing that education is the cornerstone of any future success, focus their energies on job training and early childhood education. Project QUEST and the San Antonio Education Partnership are models for improving the lives of communities one person at a time.

The positive impact of these organizations reaches far beyond the banks of the San Antonio River. By joining with the Industrial Areas Foundation, sister groups began to spring forth across Texas, and then other areas of the country. From city to city, the basic principles were established—that local communities could organize themselves to create a political force that could not be ignored.

Today, similar organizations exist in Dallas, El Paso, Houston, the Rio Grande Valley, and communities in New Mexico, Arizona, Louisiana, Nebraska, Iowa and Southern California. On November 7, delegates from each of these areas, some 5,000 in number, will convene in San Antonio to celebrate 25 years of successful political action on behalf of the less fortunate. Their work has improved the living and working conditions of countless thousands of low- and moderate-income families.

All my colleagues in the House of Representatives should be proud of the work performed by COPS, Metro Alliance, and their sister organizations across the country. Ordinary people doing extraordinary work is the best way to describe them. I am proud to share in their accomplishments and look forward to years of future growth and success.

ABEL PEREZ HONORED FOR "20 DE MAYO"

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Ms. ROS-LEHTINEN. Mr. Speaker, I would like to congratulate Mr. Abel Perez on the 30th anniversary of his newspaper, "20 de Mayo."

In July 1960, after being threatened by the Castro regime, Mr. Perez left Cuba with his pregnant wife in search of freedom and democracy in the United States. Later that year, Abel joined the Brigade 2506, which took part in the Bay of Pigs invasion against the communist government of Fidel Castro. After his return in 1962, they settled in California where Abel began to work for Mattel toymakers.

Aided by a small group of Cubans who were worried about communism in their homeland, the 20 de Mayo Spanish newspaper was founded on October 1969. Abel dedicated all his time to let the people in the United States know the truth about tragic events of Castro's dictatorship.

In the 1980's, Mr. Perez's community service was exemplified by helping Cuban refugees from the Mariel exodus, gathering a group of professionals in what was called the Cuban Assistance League. This organization helped the refugees to find shelter, as well as medical and financial assistance during the most critical years after their arrival in the United States.

I am proud to say that as the years passed, "20 de Mayo" has become one of the leading voices of freedom, democracy, and justice for all Hispanics residing in this country.

SENSE OF CONGRESS THAT SCHOOLS SHOULD USE PHONICS

SPEECH OF

HON. SHEILA JACKSON-LEE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise to oppose this measure.

This resolution expresses the sense of Congress that phonemic awareness followed by direct systematic phonics instruction should be used in all schools. It further expresses the sense of Congress that phonics instruction should be an integral part of pre-service teaching requirements so that teachers will have the skills to effectively teach reading. I have concerns with this legislation on many levels.

As the Chair of the Congressional Children's Caucus, I can very much appreciate new learning tools that could benefit our children. I seems likely that phonics do have a positive impact on our children.

According to some educators, phonics-based instruction teaches learners that there is a relationship between sounds and printed letters. In order to benefit from formal reading instruction, children must have a certain level of phoneme awareness. Reading instruction in sound symbol relationships also may heighten children's awareness of language.

However, we must note that phonics alone is not the solution. Instruction in phoneme awareness and phonics is not the sole component in a program that teaches learners how to read. Rather, phonics provides a foundation of skills and strategies which can be used to quickly and efficiently decode words and build reading fluency, which is essential to reading comprehension.

Whole language, a learning tool that emphasizes reading for meaning and using literature rather than rules, has often been advocated over phonics. Schools often use a mixture of phonics and whole language.

This measure is far too limited in its scope. Phonics may be a good learning tool, but there are countless other means of learning available such as whole language. We should not limit the language of the measure to only include phonics. The schools should be free to choose their learning tools.

Choice is indeed important here, and this legislation inappropriately attempts places Federal restraints on our local schools: this measure takes away choice from our Nation's schools. Yet, it should be left to the individual schools to determine which learning tools are applied to their students. After all, who is a better judge of the needs of our children? Our teachers and school administrators or those of us here in Congress? I think that the answer is clear.

It is unfortunate that this bill was offered as a suspension. Had we been able to amend this bill, we could have ameliorated the many problems contained in its language.

HOUSE OF REPRESENTATIVES—*Monday, November 8, 1999*

The House met at 12:30 p.m. and was called to order by the Speaker pro tempore (Mrs. BIGGERT).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
November 8, 1999.

I hereby appoint the Honorable JUDY BIGGERT to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

MESSAGE FROM THE SENATE

A message from the Senate by Ms. McDevitt, one of its clerks, announced that the Senate had passed without amendment a joint Resolution of the House of the following title:

H.J. Res. 54. Joint resolution granting the consent of Congress to the Missouri-Nebraska Boundary Compact.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 1654. An act to authorize appropriations for the National Aeronautics and Space Administration for fiscal years 2000, 2001, and 2002, and for other purposes.

H.R. 2116. An act to amend title 38, United States Code, to establish a program of extended care services for veterans and to make other improvements in health care programs of the Department of Veterans Affairs.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 1654) "An Act to authorize appropriations for the National Aeronautics and Space Administration for fiscal year 2000, 2001, and 2002, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCCAIN, Mr. STEVENS, Mr. FRIST, Mr. HOLLINGS, and Mr. BREAUX, to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 2116) "An Act to amend title 38, United States Code, to establish a program of extended care services for veterans and to make other improvements in health care programs of the Department of Veterans Affairs," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SPECTER, Mr. THURMOND, and Mr. ROCKEFELLER, to be the conferees on the part of the Senate.

The message also announced that the Senate has passed bills of the following titles in which concurrence of the House is requested:

S. 791. An Act to amend the Small Business Act with respect to the women's business center program.

S. 1346. An Act to ensure the independence and nonpartisan operation of the Office of Advocacy of the Small Business Administration.

S. 1418. An Act to provide for the holding of court at Natchez, Mississippi, in the same manner as court is held at Vicksburg, Mississippi, and for other purposes.

S. 1769. An Act to continue the reporting requirements of section 2519 of title 18, United States Code, beyond December 21, 1999, and for other purposes.

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 19, 1999, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to 30 minutes, and each Member, except the majority leader, the minority leader, or the minority whip, limited to 5 minutes.

The Chair recognizes the gentleman from Oregon (Mr. BLUMENAUER) for 5 minutes.

LIVABLE COMMUNITIES MOVEMENT

Mr. BLUMENAUER. Madam Speaker, last week we discussed on the floor of this Chamber the impact that the livable communities movement will have on the 1999 elections, as well as the year 2000.

It was clearly a critical factor in the elections held just last week. It was my privilege this weekend to visit with hundreds of people in New Jersey which confirmed this realization that such will be the case in the year 2000, as well.

New Jersey, Madam Speaker, is the most densely populated of our States, over 8 million people in such a tiny area. I learned that part of New Jersey in the 12th Congressional District, represented by our colleague the gentleman from New Jersey (Mr. HOLT), is more densely populated than India. Yet, New Jersey is known as the Garden State. And while that may be hard for some to comprehend, it made perfect sense to me as I traveled through the beautiful New Jersey countryside.

Citizens of this State are under no illusions when it comes to the challenge they face in preserving their livability. It was my privilege to hear those challenges discussed at great length while participating in a forum sponsored by Rutgers University and The Courier Times newspaper on the future of South Jersey.

The session took place in Camden, literally in the shadows of the City of Philadelphia, and it clearly illustrated the problems and opportunities for their region. Issues of racial relations and poverty intersected with redevelopment opportunities, affordable housing with its rich history.

Several hundred citizens spent their day focusing on how to craft a vision for their community and how to implement it into action. It was truly inspirational. I look forward to following their progress in their continuing effort to shape and put in place their vision for South Jersey.

Later that day I had the opportunity to participate in a series of forums organized by our colleague the gentleman from New Jersey (Mr. HOLT). Monmouth County, which is a large part of his district, will likely receive at least 10 percent of the million new people who are expected to be added to New Jersey's population over the next 20 years, over 100,000 people.

The conversation, here again, along with the depth of the commitment, was inspirational. The gentleman from New Jersey (Mr. HOLT) and his staff had organized visits with several hundred people at four different meetings. They were willing to spend a significant amount of their time on a gorgeous fall afternoon to talk indoors about the future of their communities.

People understood that it was not just enough for New Jersey to be home to the Pines Barrens and have laws on the books. There must actually be a commitment to protect and enhance the million acres of this unique treasure, which some argue is the most significant resource of its kind east of the Mississippi River.

People understood that it was not enough for New Jersey's 566 municipalities to merely be planned and zoned. Those efforts must be reinforced and related to their other partners in their region and then, in turn, harmonized with surrounding regions.

Local interests dominated by the vision of local control will fail. Local

☐This symbol represents the time of day during the House proceedings, e.g., ☐1407 is 2:07 p.m.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

control is not meeting their needs today and will be even less effective in the future.

I carried away great optimism for the future of New Jersey, in part because of the State's bipartisan leadership:

The Republican governor, whose second inaugural theme was a livable New Jersey, has entered into an agreement with her administration and a local watchdog agency, New Jersey Future, to monitor New Jersey's executive order on sustainability. The goals and indicators are already in place with benchmarks to follow.

And with a congressional advocate like the gentleman from New Jersey (Mr. HOLT), who did not just organize an impressive series of meetings, he has empaneled his own advisory committee on growth management and the environment while here in Congress he is providing leadership on livable communities.

Livability will be on the national agenda for the year 2000 election and beyond, and it is clear to me New Jersey will be helping lead that charge.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until 2 p.m.

Accordingly (at 12 o'clock and 36 minutes p.m.), the House stood in recess until 2 p.m.

□ 1400

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mrs. BIGGERT) at 2 p.m.

PRAYER

The Reverend Father John Mudd, Archbishop Carroll High School, Washington, D.C., offered the following prayer:

Blessed are You, Lord God of all creation. We come before You to open this session of Congress as Your humble servants.

You are gracious and kind and merciful, and so we ask that You look on us who are Your people and answer our prayers.

Make us ever more conscious of the great blessings we share in our Nation, and help us to work together to solve the problems that threaten our well-being.

Good and gracious God, inspire our President and our leaders in Congress with a renewed vision for a better Nation and a better world where those who are weakest and the most vulnerable will be protected, and those who are strongest will act with integrity, responsibility, and generosity.

You have entrusted to us the gifts of freedom, opportunity and wealth. May we always be worthy of Your trust and use these blessings in the work for a just world where all Your children can live in peace and prosperity.

Fill us with Your spirit of wisdom and knowledge, right judgment and courage as we advance the common good, protecting human life, promoting the well-being of the family, pursuing social justice, and practicing global solidarity.

In Your holy name, we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House her approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Nevada (Mr. GIBBONS) come forward and lead the House in the Pledge of Allegiance.

Mr. GIBBONS led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

WE CAN CUT WASTE

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Madam Speaker, last week, the General Accounting Office announced the results of its voluntary survey of nine, just nine Federal agencies. That survey showed that the U.S. Government lost $19.1 billion due to fraud and clerical errors last year. Let me repeat that, $19.1 billion of taxpayer money was lost simply due to government errors.

Yet, some of our colleagues on the other side of the aisle still maintain that our Federal Government cannot reduce wasteful government spending by 1 percent. Really? Well, based on these findings, common sense tells us that we can reduce wasteful spending by almost $20 billion and probably even more.

We can reduce, even eliminate, the amount wasted on costly overpayments by simply addressing the fraud and minimizing clerical errors. Wasteful spending in Washington does exist, and it needs to be stopped.

My question is this: Is it too much to expect efficiency and accountability in the Federal Government?

Madam Speaker, I yield back the billions of wasted taxpayer dollars from the hard working Americans.

NORTH KOREA IS BIGGEST RECIPIENT OF U.S. AID IN EAST ASIA

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Madam Speaker, the biggest recipient of American aid in East Asia is not our friends the Philippines, South Korea, or East Timor. The big bucks go to a blue brutal dictator called North Korea. Unbelievable.

North Korea got $650 million from us. Now, if that is not enough to prop up communism, not only can North Korea launch 100 missiles at America, North Korea is scheduled to get over $1 billion in aid from our taxpayers next year, $1 billion to North Korea. Beam me up. Who dreamed up this policy? Mao Zedong?

I yield back the fact that North Korea will not be building schools and hospitals, nor peace academies with our money.

LET LOCAL PEOPLE DECIDE NEEDS FOR CLASSROOMS

(Mr. BALLENGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BALLANGER. Madam Speaker, why does the President split hairs on his 100,000 teachers? He admits we put more money into education than he does. Our money can be spent to hire teachers, to train teachers, to build classrooms and so forth. His can only hire teachers. Will they be qualified, or will they have classrooms?

California tried to cut class size and hired 30,000 teachers. But since there were few qualified persons available, they ended up with untrained teachers in crowded classrooms. Will we do the same thing? I hope not. Let us let the local people decide what their needs are.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair announces that she will postpone further proceedings today on each most motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Any record votes on postponed questions will be taken after debate has concluded on all motions to suspend the rules, but not before 6 p.m. today.

MUHAMMAD ALI BOXING REFORM ACT

Mr. BLILEY. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 1832) to reform unfair and anticompetitive practices in the professional boxing industry, as amended.

The Clerk read as follows:

H.R. 1832

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Muhammad Ali Boxing Reform Act".

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) Professional boxing differs from other major, interstate professional sports industries in the United States in that it operates without any private sector association, league, or centralized industry organization to establish uniform and appropriate business practices and ethical standards. This has led to repeated occurrences of disreputable and coercive business practices in the boxing industry, to the detriment of professional boxers nationwide.

(2) State officials are the proper regulators of professional boxing events, and must protect the welfare of professional boxers and serve the public interest by closely supervising boxing activity in their jurisdiction. State boxing commissions do not currently receive adequate information to determine whether boxers competing in their jurisdiction are being subjected to contract terms and business practices which may violate State regulations, or are onerous and confiscatory.

(3) Promoters who engage in illegal, coercive, or unethical business practices can take advantage of the lack of equitable business standards in the sport by holding boxing events in States with weaker regulatory oversight.

(4) The sanctioning organizations which have proliferated in the boxing industry have not established credible and objective criteria to rate professional boxers, and operate with virtually no industry or public oversight. Their ratings are susceptible to manipulation, have deprived boxers of fair opportunities for advancement, and have undermined public confidence in the integrity of the sport.

(5) Open competition in the professional boxing industry has been significantly interfered with by restrictive and anticompetitive business practices of certain promoters and sanctioning bodies, to the detriment of the athletes and the ticket-buying public. Common practices of promoters and sanctioning organizations represent restraints of interstate trade in the United States.

(6) It is necessary and appropriate to establish national contracting reforms to protect professional boxers and prevent exploitive business practices, and to require enhanced financial disclosures to State athletic commissions to improve the public oversight of the sport.

SEC. 3. PURPOSES.

The purposes of this Act are—

(1) to protect the rights and welfare of professional boxers on an interstate basis by preventing certain exploitive, oppressive, and unethical business practices;

(2) to assist State boxing commissions in their efforts to provide more effective public oversight of the sport; and

(3) to promote honorable competition in professional boxing and enhance the overall integrity of the industry.

SEC. 4. PROTECTING BOXERS FROM EXPLOITATION.

The Professional Boxing Safety Act of 1996 (15 U.S.C. 6301 et seq.) is amended—

(1) by redesignating sections 9 through 15 as sections 17 through 23, respectively; and

(2) by inserting after section 8 the following new sections:

"SEC. 9. CONTRACT REQUIREMENTS.

"Within 2 years after the date of the enactment of the Muhammad Ali Boxing Reform Act, the Association of Boxing Commissions shall develop and shall approve by a vote of no less than a majority of its member State boxing commissioners, guidelines for minimum contractual provisions that should be included in bout agreements and boxing contracts. It is the sense of Congress that State boxing commissions should follow these ABC guidelines.

"SEC. 10. PROTECTION FROM COERCIVE CONTRACTS.

"(a) General Rule.—

"(1)(A) A contract provision shall be considered to be in restraint of trade, contrary to public policy, and unenforceable against any boxer to the extent that it—

"(i) is a coercive provision described in subparagraph (B) and is for a period greater than 12 months; or

"(ii) is a coercive provision described in subparagraph (B) and the other boxer under contract to the promoter came under that contract pursuant to a coercive provision described in subparagraph (B).

"(B) A coercive provision described in this subparagraph is a contract provision that grants any rights between a boxer and a promoter, or between promoters with respect to a boxer, if the boxer is required to grant such rights, or a boxer's promoter is required to grant such rights with respect to a boxer to another promoter, as a condition precedent to the boxer's participation in a professional boxing match against another boxer who is under contract to the promoter.

"(2) This subsection shall only apply to contracts entered into after the date of the enactment of the Muhammad Ali Boxing Reform Act.

"(3) No subsequent contract provision extending any rights or compensation covered in paragraph (1) shall be enforceable against a boxer if the effective date of the contract containing such provision is earlier than 3 months before the expiration of the relevant time period set forth in paragraph (1).

"(b) Promotional Rights Under Mandatory Bout Contracts.—No boxing service provider may require a boxer to grant any future promotional rights as a requirement of competing in a professional boxing match that is a mandatory bout under the rules of a sanctioning organization.

"SEC. 11. SANCTIONING ORGANIZATIONS.

"(a) Objective Criteria.—Within 2 years after the date of the enactment of the Muhammad Ali Boxing Reform Act, the Association of Boxing Commissions shall develop and shall approve by a vote of no less than a majority of its member State boxing commissioners, guidelines for objective and consistent written criteria for the ratings of professional boxers. It is the sense of Congress that sanctioning bodies and State boxing commissions should follow these ABC guidelines.

"(b) Appeals Process.—A sanctioning organization shall not be entitled to receive any compensation, directly or indirectly, in connection with a boxing match, until it provides the boxers with notice that the sanctioning organization shall, within 7 days after receiving a request from a boxer questioning that organization's rating of the boxer—

"(1) provide to the boxer a written explanation of the organization's criteria, its rating of the boxer, and the rationale or basis for its rating (including a response to any specific questions submitted by the boxer); and

"(2) submit a copy of its explanation to the Association of Boxing Commissions.

"(c) Notification of Change in Rating.—A sanctioning organization shall not be entitled to receive any compensation, directly or indirectly, in connection with a boxing match, until, with respect to a change in the rating of a boxer previously rated by such organization in the top 10 boxers, the organization—

"(1) posts a copy, within 7 days of such change, on its Internet website or home page, if any, including an explanation of such change, for a period of not less than 30 days; and

"(2) provides a copy of the rating change and explanation to an association to which at least a majority of the State boxing commissions belong.

"(d) Public Disclosure.—

"(1) FTC filing.—A sanctioning organization shall not be entitled to receive any compensation directly or indirectly in connection with a boxing match unless, not later than January 31 of each year, it submits to the Federal Trade Commission and to the ABC—

"(A) a complete description of the organization's ratings criteria, policies, and general sanctioning fee schedule;

"(B) the bylaws of the organization;

"(C) the appeals procedure of the organization for a boxer's rating; and

"(D) a list and business address of the organization's officials who vote on the ratings of boxers.

"(2) Format; updates.—A sanctioning organization shall—

"(A) provide the information required under paragraph (1) in writing, and, for any document greater than 2 pages in length, also in electronic form; and

"(B) promptly notify the Federal Trade Commission of any material change in the information submitted.

"(3) FTC to make information available to public.—The Federal Trade Commission shall make information received under this subsection available to the public. The Commission may assess sanctioning organizations a fee to offset the costs it incurs in processing the information and making it available to the public.

"(4) Internet alternative.—In lieu of submitting the information required by paragraph (1) to the Federal Trade Commission, a sanctioning organization may provide the information to the public by maintaining a website on the Internet that—

"(A) is readily accessible by the general public using generally available search engines and does not require a password or payment of a fee for full access to all the information;

"(B) contains all the information required to be submitted to the Federal Trade Commission by paragraph (1) in an easy to search and use format; and

"(C) is updated whenever there is a material change in the information.

"SEC. 12. REQUIRED DISCLOSURES TO STATE BOXING COMMISSIONS BY SANCTIONING ORGANIZATIONS.

"A sanctioning organization shall not be entitled to receive any compensation directly or indirectly in connection with a boxing match until it provides to the boxing commission responsible for regulating the match in a State a statement of—

"(1) all charges, fees, and costs the organization will assess any boxer participating in that match;

“(2) all payments, benefits, complimentary benefits, and fees the organization will receive for its affiliation with the event, from the promoter, host of the event, and all other sources; and

“(3) such additional information as the commission may require.

“SEC. 13. REQUIRED DISCLOSURES FOR PROMOTERS.

“(a) Disclosures to the Boxing Commissions.—A promoter shall not be entitled to receive any compensation directly or indirectly in connection with a boxing match until it provides to the boxing commission responsible for regulating the match in a State a statement of—

“(1) a copy of any agreement in writing to which the promoter is a party with any boxer participating in the match;

“(2) a statement made under penalty of perjury that there are no other agreements, written or oral, between the promoter and the boxer with respect to that match; and

“(3)(A) all fees, charges, and expenses that will be assessed by or through the promoter on the boxer pertaining to the event, including any portion of the boxer's purse that the promoter will receive, and training expenses;

“(B) all payments, gifts, or benefits the promoter is providing to any sanctioning organization affiliated with the event; and

“(C) any reduction in a boxer's purse contrary to a previous agreement between the promoter and the boxer or a purse bid held for the event.

“(b) Disclosures to the Boxer.—A promoter shall not be entitled to receive any compensation directly or indirectly in connection with a boxing match until it provides to the boxer it promotes—

“(1) the amounts of any compensation or consideration that a promoter has contracted to receive from such match;

“(2) all fees, charges, and expenses that will be assessed by or through the promoter on the boxer pertaining to the event, including any portion of the boxer's purse that the promoter will receive, and training expenses; and

“(3) any reduction in a boxer's purse contrary to a previous agreement between the promoter and the boxer or a purse bid held for the event.

“(c) Information To Be Available to State Attorney General.—A promoter shall make information required to be disclosed under this section available to the chief law enforcement officer of the State in which the match is to be held upon request of such officer.

“SEC. 14. REQUIRED DISCLOSURES FOR JUDGES AND REFEREES.

“A judge or referee shall not be entitled to receive any compensation, directly or indirectly, in connection with a boxing match until it provides to the boxing commission responsible for regulating the match in a State a statement of all consideration, including reimbursement for expenses, that will be received from any source for participation in the match.

“SEC. 15. CONFIDENTIALITY.

“(a) In General.—Neither a boxing commission or an Attorney General may disclose to the public any matter furnished by a promoter under section 13 except to the extent required in a legal, administrative, or judicial proceeding.

“(b) Effect of Contrary State Law.—If a State law governing a boxing commission requires that information that would be furnished by a promoter under section 13 shall be made public, then a promoter is not required to file such information with such State if the promoter files such information with the ABC.

“SEC. 16. JUDGES AND REFEREES.

“No person may arrange, promote, organize, produce, or fight in a professional boxing match unless all referees and judges participating in the match have been certified and approved by the boxing commission responsible for regulating the match in the State where the match is held.”.

SEC. 5. CONFLICT OF INTEREST.

Section 17 of the Professional Boxing Safety Act of 1996 (15 U.S.C. 6308) (as redesignated by section 4 of this Act) is amended—

(1) in the first sentence by striking “No member” and inserting “(a) Regulatory Personnel.—No member”; and

(2) by adding at the end the following:

“(b) Firewall Between Promoters and Managers.—

“(1) In general.—It is unlawful for—

“(A) a promoter to have a direct or indirect financial interest in the management of a boxer; or

“(B) a manager—

“(i) to have a direct or indirect financial interest in the promotion of a boxer; or

“(ii) to be employed by or receive compensation or other benefits from a promoter, except for amounts received as consideration under the manager's contract with the boxer.

“(2) Exceptions.—Paragraph (1)—

“(A) does not prohibit a boxer from acting as his own promoter or manager; and

“(B) only applies to boxers participating in a boxing match of 10 rounds or more.

“(c) Sanctioning Organizations.—

“(1) Prohibition on receipts.—Except as provided in paragraph (2), no officer or employee of a sanctioning organization may receive any compensation, gift, or benefit, directly or indirectly, from a promoter, boxer, or manager.

“(2) Exceptions.—Paragraph (1) does not apply to—

“(A) the receipt of payment by a promoter, boxer, or manager of a sanctioning organization's published fee for sanctioning a professional boxing match or reasonable expenses in connection therewith if the payment is reported to the responsible boxing commission; or

“(B) the receipt of a gift or benefit of de minimis value.”.

SEC. 6. ENFORCEMENT.

Subsection (b) of section 18 of the Professional Boxing Safety Act of 1996 (15 U.S.C. 6309) (as redesignated by section 4 of this Act) is amended—

(1) in paragraph (1) by inserting a comma and “other than section 9(b), 10, 11, 12, 13, 14, or 16,” after “this Act”;

(2) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively;

(3) by inserting after paragraph (1) the following:

“(2) Violation of antiexploitation, sanctioning organization, or disclosure provisions.—Any person who knowingly violates any provision of section 9(b), 10, 11, 12, 13, 14, or 16 of this Act shall, upon conviction, be imprisoned for not more than 1 year or fined not more than—

“(A) $100,000; and

“(B) if a violation occurs in connection with a professional boxing match the gross revenues for which exceed $2,000,000, an additional amount which bears the same ratio to $100,000 as the amount of such revenues compared to $2,000,000, or both.”; and

(4) in paragraph (3) (as redesignated by paragraph 2 of this subsection) by striking “section 9” and inserting “section 17(a)”; and

(5) by adding at the end the following:

“(c) Actions by States.—Whenever the chief law enforcement officer of any State has reason to believe that a person or organization is engaging in practices which violate any requirement of this Act, the State, as parens patriae, may bring a civil action on behalf of its residents in an appropriate district court of the United States—

“(1) to enjoin the holding of any professional boxing match which the practice involves;

“(2) to enforce compliance with this Act;

“(3) to obtain the fines provided under subsection (b) or appropriate restitution; or

“(4) to obtain such other relief as the court may deem appropriate.

“(d) Private Right of Action.—Any boxer who suffers economic injury as a result of a violation of any provision of this Act may bring an action in the appropriate Federal or State court and recover the damages suffered, court costs, and reasonable attorneys fees and expenses.

“(e) Enforcement Against Federal Trade Commission, State Attorneys General, Etc.—Nothing in this Act authorizes the enforcement of—

“(1) any provision of this Act against the Federal Trade Commission, the United States Attorney General, or the chief legal officer of any State for acting or failing to act in an official capacity;

“(2) subsection (d) of this section against a State or political subdivision of a State, or any agency or instrumentality thereof; or

“(3) section 10 against a boxer acting in his capacity as a boxer.”.

SEC. 7. ADDITIONAL AMENDMENTS.

(a) Definitions.—Section 2(a) of the Professional Boxing Safety Act of 1996 (15 U.S.C. 6301(a)) is amended—

(1) in paragraph (10) by striking the period at the end and inserting “, including the Virgin Islands.”; and

(2) by adding at the end the following:

“(11) Effective date of the contract.—The term ‘effective date of the contract’ means the day upon which a boxer becomes legally bound by the contract.

“(12) Boxing service provider.—The term ‘boxing service provider’ means a promoter, manager, sanctioning body, licensee, or matchmaker.

“(13) Contract provision.—The term ‘contract provision’ means any legal obligation between a boxer and a boxing service provider.

“(14) Sanctioning organization.—The term ‘sanctioning organization’ means an organization that sanctions professional boxing matches in the United States—

“(A) between boxers who are residents of different States; or

“(B) that are advertised, otherwise promoted, or broadcast (including closed circuit television) in interstate commerce.

“(15) Suspension.—The term ‘suspension’ includes within its meaning the revocation of a boxing license.”.

(b) State Boxing Commission Procedures.—Section 7(a)(2) of the Professional Boxing Safety Act of 1996 (15 U.S.C. 6306(a)(2)) is amended—

(1) in subparagraph (C) by striking “or”;

(2) in subparagraph (D) by striking “documents.” at the end and inserting “documents; or”; and

(3) by adding at the end the following:

“(E) unsportsmanlike conduct or other inappropriate behavior inconsistent with generally accepted methods of competition in a professional boxing match.”.

(c) Renewal Period for Identification Cards.—Section 6(b)(2) of the Professional

Boxing Safety Act of 1996 (15 U.S.C. 6305(b)(2)) is amended by striking "2 years." and inserting "4 years.".

(d) REVIEW OF SUSPENSIONS.—Section 7(a)(3) of the Professional Boxing Safety Act of 1996 (15 U.S.C. 6306(a)(3)) is amended by striking "boxer" and inserting "boxer, licensee, manager, matchmaker, promoter, or other boxing service provider".

(e) ALTERNATIVE SUPERVISION.—Section 4 of the Professional Boxing Safety Act of 1996 (15 U.S.C. 6303) is amended—

(1) by striking "No person" and inserting "(a) No person"; and

(2) by inserting at the end thereof the following:

"(b) For the purpose of this Act, if no State commission is available to supervise a boxing match according to subsection (a), then—

"(1) the match may not be held unless it is supervised by an association of boxing commissions to which at least a majority of the States belong; and

"(2) any reporting or other requirement relating to a supervising commission allowed under this section shall be deemed to refer to the entity described in paragraph (1).".

(f) HEALTH AND SAFETY DISCLOSURES.—Section 6 of the Professional Boxing Safety Act of 1996 (15 U.S.C. 6305) is amended by adding at the end the following new subsection:

"(c) HEALTH AND SAFETY DISCLOSURES.—It is the sense of Congress that a boxing commission should, upon issuing an identification card to a boxer under subsection (b)(1), make a health and safety disclosure to that boxer as that commission considers appropriate. The health and safety disclosure should include the health and safety risks associated with boxing, and, in particular, the risk and frequency of brain injury and the advisability that a boxer periodically undergo medical procedures designed to detect brain injury.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Virginia (Mr. BLILEY) and the gentlewoman from Colorado (Ms. DEGETTE) each will control 20 minutes.

The Chair recognizes the gentleman from Virginia (Mr. BLILEY).

GENERAL LEAVE

Mr. BLILEY. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1832, and to insert extraneous material on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BLILEY. Madam Speaker, I yield myself 5 minutes.

Madam Speaker, earlier this year, 19 bipartisan State attorneys general and numerous State boxing commissioners from across the United States asked Congress for help in cleaning up the sport of boxing. These State agencies strongly endorsed the Muhammad Ali Act, saying it was necessary legislation to prevent exploitation of professional boxers and to curb the anticompetitive and fraudulent business practices in the sport. Congress is now giving the States and State boxing commissioners their requested assistance.

In 1996, the Committee on Commerce passed legislation establishing a uniform, nationwide system of licensing and minimum health and safety standards for boxers. This Act was a resounding success. Because of our bill, for the first time, States could keep track of and protect professional boxers with appropriate oversight and supervision. For example, when boxer Mike Tyson committed the barbaric act of biting off a portion of Evander Holyfield's ear 2 years ago, Tyson's suspension from boxing was swift and nationwide.

While the 1996 bill has been a resounding success, it was only an important first step of cleaning up the sport of boxing. Two weeks ago, the Miami Herald reported that over 30 prizefights have been fixed or tainted in the last 12 years.

Just last Thursday, a Federal grand jury issued a 32-count indictment against the president and three officials of the International Boxing Federation on charges of taking bribes from promoters and managers to manipulate rankings, as well as racketeering and money laundering. According to the Federal prosecutor, "In the IBF, rankings were bought, not earned, completely corrupting the ranking system."

The Muhammad Ali Boxing Reform Act would put an end to this corruption. It requires the establishment of objective and consistent criteria for the ratings of professional boxers. It requires disclosures of compensation received in connection with a boxing match by promoters, managers, sanctioning bodies, and judges and referees. It provides for tough new penalties for criminals who continue to try to manipulate and undermine the sport through coercion and bribes.

According to Boxing News, "The Ali Act, if enacted, would greatly clean up boxing in America." Ring Magazine calls this "well thought out" legislation that "will be a huge step toward getting rid of the bandits and parasites in the sport." ESPN says that "The Ali Act, modest in scope, can make a difference. It is a small, but significant step, and one that would cost nothing to taxpayers."

I congratulate the gentleman from Ohio (Mr. OXLEY), the chairman of the Subcommittee on Finance and Hazardous Materials, for his leadership in moving this bill forward, and I look forward to restoring honesty and integrity to this great sport.

Also, before closing, I want to acknowledge the support and assistance from the gentleman from Pennsylvania (Mr. GOODLING), the chairman of the Committee on Education and the Workforce.

Madam Speaker, I urge all my colleagues to support this important measure.

Madam Speaker, I include the following letters for the RECORD, as follows:

HOUSE OF REPRESENTATIVES, COMMITTEE ON EDUCATION AND THE WORKFORCE,
Washington, DC, November 1, 1999.

Hon. TOM BLILEY,
Chairman, Committee on Commerce, House of Representatives, Washington, DC.

DEAR CHAIRMAN BLILEY: I am writing regarding H.R. 1832, the Muhammad Ali Boxing Reform Act, which is within the jurisdiction of the Committee on Commerce and in addition the Committee on Education and the Workforce. The bill amends the Professional Boxing Safety Act. I have no objection to this bill being scheduled under suspension of the House Rules. The Committee on Commerce ordered the bill favorably reported on September 29, 1999.

Given the impending adjournment and since I support the reported bill, I do not intend to call a full Committee meeting to consider this bill; however, the Committee does hold an interest in preserving its jurisdiction with respect to issues raised in the bill and its jurisdictional prerogatives in future legislation. As such, Members of the Education and the Workforce would expect to be represented should the provisions of this bill be considered in a conference with the Senate.

I would appreciate the inclusion of this letter in the Report you file to accompany this bill. I thank you for your attention to this matter and look forward to swift passage of H.R. 1832.

Sincerely,

BILL GOODLING,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON COMMERCE,
Washington, DC, November 2, 1999.

Hon. WILLIAM F. GOODLING,
Chairman, Committee on Education and the Workforce, House of Representatives, Washington, DC.

DEAR BILL: Thank you for your letter regarding your Committee's jurisdictional interest in H.R. 1832, the Muhammad Ali Boxing Reform Act.

In the past, our committees have worked cooperatively in the enactment of the Professional Boxing Safety Act, and I acknowledge your role as an additional committee of jurisdiction. I appreciate your cooperation in moving the bill to the House floor expeditiously and agree that your decision to forgo further action on the bill will not prejudice the Committee on Education and the Workforce with respect to its jurisdictional prerogatives on this or similar legislation. Further, I will support your request for conferees should this bill be the subject of a House-Senate conference. I will also insert a copy of your letter and this response in the Committee's report on the bill and the Congressional Record when H.R. 1832 is considered by the House.

Thank you again for your cooperation.

Sincerely,

TOM BLILEY,
Chairman.

Madam Speaker, I reserve the balance of my time.

Ms. DEGETTE. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in strong support of H.R. 1832, the Muhammad Ali Boxing Reform Act.

For many years, there has been widespread concern, as the gentleman from Virginia (Chairman BLILEY) stated, about the boxing industry in the United States. Not only have scandals plagued the industry as long as I can remember, but fighters have been taken advantage of financially, and opportunities to compete for a title have not always been awarded to legitimate contenders.

As my colleagues know, Madam Speaker, almost every other major sport in the United States operates with a central body to establish appropriate business standards and effective mechanisms of self-regulation. But not boxing. Boxing exists in a world of alphabet soup organizations whose rating methodologies are as visceral as the famous Ali mirage and promoters who are as untouchable as Ali was behind the "rope-a-dope."

The purpose of the Muhammad Ali Boxing Reform Act is to increase disclosure and prevent abuses in professional boxing, specifically targeting conflicts of interest that arise for promotors.

H.R. 1832 limits contracts between boxers and promotors, ending the coercive practice of requiring long contracts for fighters to obtain particular bouts.

The bill also seeks to ensure that the manager is an independent applicant of the boxer, not an agent serving the financial interests of the promoter.

Furthermore, the sanctioning organizations would have to establish objective criteria for the rating of professional boxers and to fully disclosure their bylaws, rating systems, and officials.

I firmly believe that, with these limitations, the boxing industry can take a giant step toward the 21st century and the ending of corruption.

I would like to thank the gentleman from Virginia (Chairman BLILEY) and especially the gentleman from Ohio (Chairman OXLEY) for his hard work on this legislation. Much credit is also due to Senator JOHN MCCAIN, who is the author of the Senate approved version of this bill.

In the end, the Muhammad Ali Boxing Reform Act puts abuse in the boxing industry on the ropes. By passing this important legislation, I believe that Congress will deliver the final one-two punch to boxing corruption.

Madam Speaker, I reserve the balance of my time.

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Mr. BLILEY. Madam Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. OXLEY), the chairman of the subcommittee.

Mr. OXLEY. Madam Speaker, I thank the gentleman for yielding me this time.

Last Thursday, the President and three other officials from the IBF, the International Boxing Federation, were indicted. They were brought under criminal charges for operating IBF's sanctioning body as a racketeering enterprise in which fighters' rankings were routinely altered in exchange for hundreds of thousands of dollars in illicit bribes from promoters and managers. This scandal follows on the heels of an investigation by the Miami Herald revealing more than 30 fights in the past 12 years have been fixed or tainted, including at least one heavyweight championship match.

Madam Speaker, I have with me a copy of the Miami Herald, Sunday, October 31, which is titled "Fixed Fights, Down for the Count," in which the columnist, Ken Rodriguez of the Miami Herald, chronicles just how bad the situation is in boxing and how badly it needs cleaning up. And I want to cite that as an example of what we can do, working with the media, to uncover this kind of activity.

In 1996, I sponsored a bipartisan boxing reform bill which prohibited conflicts of interest for State boxing commission employees. It also established the first-ever uniformed licensing and health and safety system to protect professional boxers. This legislation was a great success and the State boxing commissions and attorneys general now have asked us to go one step further to clean up the corruption among boxing promoters, managers, and sanctioning bodies.

H.R. 1832, the Muhammad Ali Boxing Reform Act, is based on the numerous bipartisan hearings this committee has held over the past 2 decades on the need to reform the boxing industry. On June 29, 1999, our committee held a hearing, just after the controversial decision in the Holyfield-Lewis heavyweight championship fight, in which an IBF judge awarded the title to Mr. Holyfield, the IBF champion, instead of to Mr. Lewis, the WBC champion and clear apparent winner, according to some boxing commentators. In the words of one hearing witness, the decision was "highly influenced." Another witness said bluntly, "Lewis was robbed."

H.R. 1832 expands on our initial success with boxing reform, extending the conflict-of-interest prohibitions in the 1996 act to apply to other boxing entities besides State commissions. Specifically, H.R. 1832 would enact seven critical reforms:

First, bribes are prohibited for sanctioning bodies. Two, conflicts of interest are prohibited for boxing managers and promoters. Three, boxers are protected from coercive contracts. Four, new strong disclosure requirements are created for promoters, sanctioning bodies, judges, and referees to reduce corruption. Fifth, boxing judges and referees are required to be approved by the State commissions. Sixth, unsportsmanlike conduct would be added as a new category of suspendable offenses. And, seven, the State boxing commissions are encouraged to adopt uniform rules, regulations, rating criteria, and guidelines for contracts.

These are important reforms which, according to the Congressional Budget Office, would have no significant impact on the Federal budget and would not result in any significant cost to the States. This legislation passed the Senate earlier this year. It passed our committee by a bipartisan voice vote, and has received support from the president of the Association of Boxing Commissions, International Boxing Digest, Boxing News, the editor of Ring Magazine, the World Boxing Council, and numerous promoters, managers, and boxers.

In the words of one of boxing's greatest, Muhammad Ali, "The day this bill is signed into law cannot be soon enough. I pray justice will be done and somehow, along the way, honor can be restored to this sport."

Madam Speaker, I provide for inclusion in the RECORD two letters from Muhammad Ali in support of this legislation, the most recent dated November 8, today, as well as a letter from the National Association of Attorneys General in support of this legislation.

NATIONAL ASSOCIATION
OF ATTORNEYS GENERAL,
Washington, DC, April 28, 1999.

Hon. JOHN MCCAIN,
U.S. Senate, Chairman, Senate Commerce, Science, and Transportation Committee, Washington, DC.

Hon. THOMAS BLILEY,
House of Representatives, Chairman, Commerce Committee, Washington, DC.

DEAR SENATOR MCCAIN AND REPRESENTATIVE BLILEY: We, the leadership of the National Association of Attorneys General ("NAAG") Boxing Task Force, and Attorneys General interested in industry reform, strongly endorse the Muhammad Ali Boxing Reform Act (S. 305) and fully support your efforts to improve the professional boxing industry. We believe this legislation will curb anti-competitive and fraudulent business practices and prevent blatant exploitation of professional boxers.

We are encouraged by the support S. 305 has received in the Senate, and we look forward to working with you to protect the health and safety of professional boxers and to prevent exploitation, fraud, and restraints of trade. The Muhammad Ali Act provides a practical approach to long-standing problems of fraud and restraints of trade in this industry.

The Boxing Task Force, currently comprised of 19 Attorneys General, was formally established in March 1998 after legislation was passed by both the House and Senate Commerce Committees and then subsequently by both the House and Senate. (The Professional Boxing Safety Act 15 U.S.C. §6301, et seq.). After Federal Trade Commission Chairman Robert Pitofsky's suggested that state Attorneys General review business practices in the professional boxing industry, the National Association of Attorneys General created the Boxing Task Force to examine interstate boxing practices in the United States, identify the problems therein, and recommend ways to improve the industry.

In furtherance of our common objectives, the Task Force conducted a public hearing on January 19–21, 1999, where testimony, including numerous recommendations, was received from individuals representing a cross-section of the boxing industry. Testimony was elicited from boxing promoters on their role in the industry and on the issue of long term and exclusive contractual options. Sanctioning organizations testified about the methods utilized to rank fighters. Various experts on boxers' injuries discussed the necessity for medical clearance and the use of proper equipment and ringside safety precautions. Industry members and business leaders discussed a structured annuity and pension plan for professional boxers.

We are in the process of reviewing the testimony, and after further consultation with members of the industry, we will compile a report with our recommendations. We seek to reform certain practices within the industry, to return integrity to boxing on behalf of the athletes and the ticket-buying public, and to otherwise enhance the well-being of boxing and all associated with it.

Finally, we would like to emphasize the importance of the proposed enforcement guidelines of the Muhammad Ali Boxing Reform Act, which would permit a State, as parens patriae, to being a civil action on behalf of its residents in an appropriate district court of the United States for violations of the Boxing Reform Act. We believe that the authority to enjoin the holding of a professional boxing match, and to enforce compliance with the Muhammad Ali Boxing Reform Act, is necessary to ensure lawful and responsible boxing industry compliance with national reforms.

Thank you for your consideration of our views. We hope you will favorably consider the Muhammad Ali Act. We stand ready to assist you as the bill advances, so please feel free to call on us.

Sincerely yours,

Eliot Spitzer, Attorney General of New York, Chair, NAAG Boxing Task Force; Jim Ryan, Attorney General of Illinois, Vice Chair, NAAG Boxing Task Force; Janet Napolitano, Attorney General of Arizona; Richard Blumenthal, Attorney General of Connecticut; Bill Lockyer, Attorney General of California; Robert A. Butterworth, Attorney General of Florida; Jeffrey A. Modisett, Attorney General of Indiana; Tom Miller, Attorney General of Iowa; Richard P. Ieyoub, Attorney General of Louisiana; J. Joseph Curran, Jr., Attorney General of Maryland; Mike Moore, Attorney General of Mississippi; Jeremiah W. "Jay" Nixon, Attorney General of Missouri; Frankie Sue Del Papa, Attorney General of Nevada; Peter Verniero, Attorney General of New Jersey; W.A. Drew Edmondson, Attorney General of Oklahoma; Hardy Myers, Attorney General of Oregon; Mike Fisher, Attorney General of Pennsylvania; José A. Fuentes-Agostini, Attorney General of Puerto Rico; Mark L. Earley, Attorney General of Virginia.

GREATEST OF ALL TIME, INC.,
Berrien Springs, MI, November 8, 1999.

HON. MICHAEL OXLEY,
HON. ELIOT ENGEL,
House of Representatives,
Washington, DC.

DEAR REPRESENTATIVES OXLEY AND ENGEL: We are pleased that "The Muhammad Ali Boxing Reform Act" (H.R. 1832) is being brought up before the full House of Representatives. We strongly support this bill which will protect boxers from exploitations and unfair treatment by unscrupulous promoters and other business interests that dominate this troubled industry. We urge all members of Congress to support this effort to make boxing a more honorable sport.

Most sincerely,

MUHAMMAD ALI.
LONNIE ALI.

MUHAMMAD ALI,
Berrien Springs, MI, June 30, 1998.

Senator JOHN MCCAIN,
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR MCCAIN: Thank you for all of your effort in setting up guidelines for boxers in the ring today and for those in the future. I can't begin to express how honored I am that you would name the Boxing Reform Act after me.

After reading the summary you sent me, I can only tell you that these guidelines are long overdue. I only wish they would have been in effect when I was boxing.

Thank you for caring enough about the sport of boxing that you would help those in the ring today and in the future.

Sincerely,

MUHAMMAD ALI.

Mr. BLILEY. Madam Speaker, I yield such time as he may consume to the gentleman from Louisiana (Mr. TAUZIN).

Mr. TAUZIN. Madam Speaker, during our subcommittee markup on this bill earlier this year, we asked a panel of witnesses about the judging of the Holyfield-Lewis championship unification fight that had just occurred. Two said the scoring was incompetent, two indicated that it was dishonest, and the last said Lewis was robbed. Well, we all are robbed when one of our national sports becomes tainted in such a way.

I grew up watching boxing as a child with my grandfather and my dad in the little community of Chackbay, Louisiana. I have heard of too many young fighters who have put so much into training themselves for a big fight only to suffer from what Muhammad Ali has called the "dishonest ways" of promoters.

This bill protects boxers from dishonest promoters. It prohibits coercive contracts and empowers the States to develop uniform rules and regulations governing the sport. It requires the sanctioning bodies, the referees, judges, and promoters to disclose any conflicts of interest and sources of compensation to help the States enforce their laws and protect boxers from any taint of corruption.

I want to note, as my good friend, the gentleman from Ohio (Mr. OXLEY), has done, that this legislation has the support of the president of the Association of Boxing Commissioners, Ring Magazine, International Boxing Digest, Boxing News, numerous promoters, managers, and boxers, all of who want to clean up this sport and indeed restore it to its former glory.

Last June, when we began our work in the subcommittee, we indeed promised that we would bring this reform bill to the floor of the House. I am very happy that the Committee on Commerce, with the help of the gentleman from Virginia (Mr. BLILEY) and the gentleman from Ohio (Mr. OXLEY), kept that promise and we have now delivered this bill to the floor of the House.

I also want to thank the gentleman from New York (Mr. ENGEL) for working so closely with the gentleman from Ohio on this legislation, and, of course, the chairman and ranking member of our full Committee on Commerce for moving this bill forward. This is long overdue, and those who love the sport of boxing, as I do, and so many do in my district and across America, will hail this day as a very important day in restoring the dignity and the glory of the sport of boxing in America.

Ms. DEGETTE. Madam Speaker, I yield myself such time as I may consume in closing to acknowledge that my colleagues on the other side of the aisle did note that I am not the gentleman from New York (Mr. ENGEL), who has worked very hard on this bill.

I too would like to commend him. He is sorry he could not be here to manage the time today, but he had a family emergency and I am filling in.

This is an excellent bill, and I commend particularly the gentleman from Ohio (Mr. OXLEY) and the gentleman from New York (Mr. ENGEL).

Mr. ENGEL. Madam Speaker, I rise in strong support of H.R. 1832, the Muhammad Ali Boxing Reform Act.

For years, there has been widespread concern about the boxing industry in the United States. Not only have scandals plagued the industry as long as I can remember, but fighters have been taken advantage of financially and opportunities to compete for a title have not always been awarded to legitimate contenders.

As you know, Madam Speaker, almost every other major sport in the United States operates with a central body to establish appropriate business standards and effective mechanisms of self-regulation. Not boxing. Boxing exists in a world of alphabet soup organizations whose rating methodologies are as ephemeral as the famous Ali "mirage" and promoters who are as untouchable as Ali was behind the "rope-a-dope."

The purpose of the Muhammad Ali Boxing Reform Act is to increase disclosure and prevent abuses in professional boxing, specifically targeting conflicts of interest that arise for promoters.

H.R. 1832 limits contracts between boxers and promoters, ending the coercive practice of requiring long contracts for fighters to obtain particular bouts.

The bill also seeks to ensure that the manager is an independent advocate of the boxer, not an agent serving the financial interest of the promoter.

Furthermore, the sanctioning organizations would have to establish objective criteria for the rating of professional boxers and fully disclose their by-laws, rating systems, and officials.

I firmly believe that with these limitations, the boxing industry can take a giant step toward the 21st century and the ending of corruption.

I would like to thank my good friend, Chairman OXLEY, for his hard work on this legislation. It has been my pleasure to serve as the lead Democratic cosponsor of his bill in the House and to cosign several dear colleagues with him.

Much credit is also due to Senator JOHN MCCAIN, author of the Senator-approved version of the bill. I would also like to call attention to Eliot Spitzer, the Attorney General of the State of New York, for his efforts to root out corruption in the boxing industry. As Chairman of the National Association of Attorneys General Boxing Task Force, Eliot Spitzer has helped guide Congress through the legal technicalities required for effective enforcement of new boxing regulations. His contribution and testimony before Congress will not be forgotten.

In the end, the Muhammad Ali Boxing Reform Act puts abuse in the boxing industry on the ropes. By passing this important legislation, I believe that Congress will deliver the final one, two punch to boxing corruption.

Ms. DEGETTE. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BLILEY. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. BIGGERT). The question is on the motion offered by the gentleman from Virginia (Mr. BLILEY) that the House suspend the rules and pass the bill, H.R. 1832 , as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

RECOGNIZING GENEROUS CONTRIBUTION BY LIVING PERSONS WHO HAVE DONATED A KIDNEY TO SAVE A LIFE

Mr. BLILEY. Madam Speaker, I move to suspend the rules and agree to the resolution (H. Res. 94) recognizing the generous contribution made by each living person who has donated a kidney to save a life.

The Clerk read as follows:

H. RES. 94

Whereas kidneys are vital organs that clean the blood by removing wastes, and failed kidneys have lost the ability to remove these wastes;

Whereas in the United States more than 250,000 patients with kidney failure, also known as end stage renal disease (ESRD), have died since 1989;

Whereas during 1996, 283,932 patients were in treatment for ESRD, and an additional 73,091 patients began treatment for ESRD;

Whereas the most common cause of ESRD has consistently been diabetes, because the high levels of blood sugar in persons with diabetes cause the kidneys to filter too much blood and leave the kidneys, over time, unable to filter waste products;

Whereas of the patients who began treatment for ESRD in 1996, 43 percent were persons with diabetes;

Whereas ESRD can be treated with dialysis, which artificially cleans the blood but which imposes significant burdens on quality of life, or with a successful kidney transplant operation, which frees the patient from dialysis and brings about a dramatic improvement in quality of life;

Whereas in 1996 the number of kidneys transplanted in the United States was 12,238, with 25 percent of the kidneys donated from biologically related living relatives, 5 percent from spousal or other biologically unrelated living persons, and the remainder from cadavers;

Whereas from 1988 to 1997, the number of patients on the waiting list for a cadaveric kidney transplant increased more than 150 percent, from 13,943 to more than 35,000;

Whereas the annual number of cadaveric kidneys available for transplant has increased only slightly, from 8,327 in 1994 to 8,526 in 1996, an increase of less than 100 such kidneys per year;

Whereas from 1988 to 1997, the annual number of kidneys donated by living persons rose 104 percent, from 1,812 to 3,705; and

Whereas in 1995, the 3-year survival rate for kidney recipients was 82 percent if the donor was a living parent, 85 percent if the donor was a living spouse, 81 percent if the donor was a biologically unrelated living person other than a spouse, and 70 percent if the kidney was cadaveric: Now, therefore, be it

Resolved, That the House of Representatives—

(1) recognizes the generous contribution made by each living person who has donated a kidney to save a life; and

(2) acknowledges the advances in medical technology that have enabled living kidney transplantation to become a viable treatment option for an increasing number of patients with end stage renal disease.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Virginia (Mr. BLILEY) and the gentlewoman from Colorado (Ms. DEGETTE) each will control 20 minutes.

The Chair recognizes the gentleman from Virginia (Mr. BLILEY).

GENERAL LEAVE

Mr. BLILEY. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on House Resolution 94, and to insert extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BLILEY. Madam Speaker, I yield myself such time as I may consume, and I rise in support of H. Res. 94, a resolution recognizing the generous contribution made by each living person who has donated a kidney to save the life of another person.

Americans who donate their organs to save another's life are heroes, and I am delighted that the House of Representatives has taken the time to recognize them as such. From 1998 to 1997, the annual number of kidneys donated by living persons rose 104 percent, from 1,812 to 3,705. Even so, the number of people on dialysis while they wait for a kidney transplant has grown to some 35,000. We have to do more.

The Committee on Commerce has spent a great deal of time and effort in the last year working to develop good solutions to the difficult problem of increasing the supplies of donated organs while safeguarding the system from unintended bureaucratic interference that would dramatically harm efforts to increase donations. Many of those ideas are embodied in H.R. 2418, the Organ Procurement and Transplant Patient Network Amendments of 1999, which was reported out of my committee just 3 weeks ago.

Among the initiatives in H.R. 2418 is a program to provide living and travel expenses for those individuals who donate an organ to a person requiring a transplant in another State. The committee found that there may be many willing donors who would like to save the life of another American but find themselves in financial circumstances that would make it impossible for them to take a leave of absence from their job. H.R. 2418 would ease that burden.

I am also proud to say that due to the Committee on Commerce efforts, H.R. 3075, the Medicare, Medicaid and S-CHIP Balance Budget Refinement Act of 1999, added $200 million to pay for additional immunosuppressive drug therapy. Medicare presently only covers these drugs for 36 months. This bill takes a first step at addressing that issue and allows us to provide more coverage for needy organ transplant patients. Access to these drugs can literally make the difference between life and death.

While we in Congress continue to do what we can to safeguard the organ allocation system from bureaucratic interference, and work to address financial problems donors face as well as those recipients who needs affordable immunosuppressive drug therapy, let us remember the role that the thousands of ordinary Americans have played in the lives of their neighbors and families who have donated kidneys. We salute you for your sacrifice and your charity.

Madam Speaker, I reserve the balance of my time.

Ms. DEGETTE. Madam Speaker, I yield myself such time as I may consume.

First of all, I again want to thank my chairman, the esteemed gentleman from Virginia, for bringing this bill up, and I also want to thank my colleague, the gentleman from Washington (Mr. NETHERCUTT), for the opportunity to recognize those individuals who are willing to make a living donation of one of their kidneys. The gentleman from Washington and I are cochairs of the Congressional Diabetes Caucus, and both of us recognize that for those who care about that particular issue, kidney disease and kidney donation is a critical and important issue for us to be discussing today.

Those who donate kidneys are courageous individuals who give selflessly of themselves, literally, to save another person's life. Last year, more than 4,000 living donors gave kidneys. That was 31 percent of the transplants. Over a 10-year period, the number of kidney donations has increased by 54 percent, from 5,688 in 1988 to 8,774 in 1997. The increase in the number of living kidney donors has been even more dramatic, from 1,812 to 3,695, a doubling of living donors to relatives that received this critical gift of life.

Every year thousands of lives are saved when a family member, a friend, a coworker, or even a member of the community they do not know makes the choice to donate one of their two kidneys to someone in need. With the need for organ transplants far outpacing the supply, we are also starting to see a new type of donation, a nondirected donation, where an individual makes a choice to donate a kidney to any patient who needs it.

An outstanding example of a nondirected live kidney donation is Joyce Roush. In September of this year, she used the donation of her kidney to a stranger as an opportunity to bring the public's attention to the possibility of making nondirected donations.

Most of us are also aware of the case where Sean Elliott, of the world champion San Antonio Spurs, needed a kidney transplant and received one from his older brother Noel Elliott.

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According to Elliott, he would like to return to playing in the NBA this year if possible. Elliott said, "It's another obstacle I have a chance to topple."

He has also overcome two knee surgeries. "It would be a pretty awesome accomplishment," he said, "and a great statement for anyone who faces adversity. It would be inspirational to a lot of people."

While that certainly would be a tremendous inspiration to many people across the country, the example of his older brother Noel and individuals like Joyce Roush should also be an inspiration and an example for people across the country.

Unfortunately, while there has been a substantial increase in organ donations over the past decade, almost 350,000 Americans still have lost their lives to kidney failure. Moreover, the number of patients on the waiting list for a kidney transplant has increased by 174 percent, from 13,943 in 1988 to 38,270 in 1997.

The number of cadaveric kidney transplants is stagnant, so the fact that we are seeing this increase in living donors in recent years is good news to the many who suffer from kidney failure. We can perform more living donor transplants without either putting the donor or recipient in undue danger because of medical advances.

In 1995, a new type of procedure was developed that made a kidney transplant a great deal less intrusive and thus reduced the risk to the donor and cut down on the amount of recovery time.

Madam Speaker, as co-chair of the Congressional Diabetes Caucus, the gentleman from Washington (Mr. NETHERCUTT) and I have over 240 Members of the House who have signed on as members of this caucus.

We know that the most common cause of end stage renal disease has consistently been diabetes. In fact, 35 percent of the new cases of kidney failure every year and 25 percent of all cases of kidney failure come from diabetic causes. This is true because of the high levels of blood sugar people with diabetes have that cause the kidneys to filter too much blood and leave the kidneys over time unable to filter waste products.

Of those beginning ESRD treatment in 1997, just under half are people with diabetes. This is why it is so important every day that relatives, friends, and co-workers and members of the community donate kidneys both to those that they know and those they do not know.

I hope we can find ways before we cure diabetes, which is our ultimate and, by the way, our short-term goal, still, in the meantime, we need to find ways to find these kidneys.

I want to once again thank the gentleman from Washington (Mr. NETHERCUTT) for the opportunity to recognize these individuals that make living donations of a kidney and work with him to make sure that we encourage more of this in the future.

Madam Speaker, I reserve the balance of my time.

Mr. BLILEY. Madam Speaker, I yield such time as he may consume to the gentleman from Washington (Mr. NETHERCUTT), the principal cosponsor of the bill.

Mr. NETHERCUTT. Madam Speaker, I thank the chairman for his generosity in not only yielding me time on this resolution but his leadership on the part of the Committee on Commerce in bringing this resolution forward today.

I certainly appreciate the remarks of my colleague the gentlewoman from Colorado (Ms. DEGETTE), who has served very, very strongly as co-chair of the Diabetes Caucus. We are in this together, the two of us, notwithstanding our difference in party affiliation.

That is the great thing about the Diabetes Caucus, that it looks beyond party affiliation and seeks to find a cure for diabetes and, thus, help people who have problems with their kidneys.

So I am very grateful to my colleague from Colorado, who has worked so hard and been such a great leader in this issue, along with my chairman, certainly, from the Committee on Commerce, and other Members of this House.

I am delighted to rise in support of this resolution, my own, that I introduced with other Members that recognizes the generous contribution of living kidney donors and acknowledges the advances made in medical technology that enable living kidney transplants to be a viable treatment option.

The gentlewoman from Colorado (Ms. DEGETTE) and the gentleman from Virginia (Mr. BLILEY) spoke well of the statistical information that is out there with regard to the scope of the problem of kidney transplants and kidney disease.

In 1997, 73,000 new patients began treatment for end stage renal disease. Of those new patients, nearly half also had diabetes. I have had the opportunity to visit my hospitals in the Fifth Congressional District of Washington, one of which is Sacred Heart Medical Center. I went to the kidney dialysis department and spoke with not only the medical people who are serving the public there but those who are undergoing kidney dialysis.

It is not pleasant. It is something that breaks our hearts for the people who are stricken with kidney disease. It is so important that we encourage people to donate kidneys to people who are living so that they can be relieved of their kidney problems. And this is one way to do that, that is having living people donate kidneys to those who are afflicted.

In 1996, over 12,000 kidneys were transplanted in the United States. About 30 percent of these organs came from living donors. Over the last 10 years, the number of patients waiting for a kidney transplant has almost tripled from 14,000 to over 40,000 people. We know that the number of living donors has increased over 100 percent.

Over the last 10 years, from 1985 to 1994, the 10-year survival rate for dialysis patients was just 10 percent. Patients who received a cadaveric kidney had a 55 percent survival rate. However, those who received a kidney from a living family member had a 75 percent chance of living an additional 10 years. If one is that recipient and if one is that donor, that is a very significant percentage increase.

Living kidney donors face the risk and pain associated with major surgery and certainly should be commended for their selflessness. Without the sacrifice of these brave people who decide to make a donation, thousands more would die of kidney failure each year.

Madam Speaker, when I first introduced this resolution, former Senator Jake Garn of Utah called me long distance to express his support for the resolution. For, you see, Senator Garn donated a kidney to his adult daughter; and she has lived very well over the last few years despite having some complications from diabetes and other diseases.

This resolution means something to people out there in the real world, people who have donated and who are waiting for a donation. So my hat is off to Senator Garn and so many others for the recognition they deserve for their commitment to their families and their self sacrifice so that other people can live.

I am one, along with the gentlewoman from Colorado (Ms. DEGETTE) and the gentleman from Virginia (Mr. BLILEY), who has been a strong supporter of medical research. The advances made in medical technology are what makes this life-saving procedure possible.

As the gentlewoman from Colorado (Ms. DEGETTE) mentioned, laparoscopic nephrectomy is a new technique for obtaining a kidney from a living donor that is less invasive and leads to shortened hospital stays and recuperation time. Advances in immuno-suppressive drugs have increased survival rates for transplant recipients. This is fantastic research that is ongoing that is continuing in the NIH through the good work of the chairman of the Committee on Commerce and others.

As we in the Congress and the President work through this final detail on the Labor, Health and Human Services bill, an appropriations bill, I happen to be a member of that committee, it is encouraging to they that we have a mutual commitment to increase funding for biomedical research at the National Institutes of Health.

It is in the national best interests of the country and certainly the interests of every Member of this House and the other body and the President that we increase medical research but we also focus on the absolute sacrifice that is being undertaken every day by selfless people who just want to help save a life. So I urge my colleagues to support this resolution.

I thank, again, the chairman of the Committee on Commerce and the gentlewoman from Colorado (Ms. DEGETTE) for their great work in pursuing this.

Ms. DEGETTE. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, again, I would like to thank them for their leadership on this bill.

Mr. STARK. Madam Speaker, I rise in support of House Resolution 94, in recognition of the generous gift made by each living person who has donated a kidney to save a life. Of those approximately 63,000 Americans currently awaiting an organ transplant, almost two-thirds are in need of a kidney. Since 1989, more than 250,000 patients with kidney failure have died. However, with today's medical advances, living kidney transplantation has become a feasible treatment option for patients with end stage renal disease. Unfortunately, the number of people on the waiting list continues to grow more quickly than the number of organ donors.

Research points to a clear need for incentive programs and public education to increase organ donation. To help encourage donations and to increase the number of organs available for potential donation, I introduced legislation this Congress, H.R. 941, the "Gift of Life Congressional Medal Act of 1999." This bill would create a commemorative medal that honors organ donors and their families. We need to use every possible opportunity to increase the number of donated organs. This Act is intended to draw attention to this life-saving issue, and to send a clear message that donating one's organs is a selfless act that should receive the profound respect of our Nation. I hope Members would also consider this effort to increase donations.

In addition to increasing the number of organ donors, it is important that we ensure our nation's organ allocation system is fair. Unfortunately, the current system relies more on geography than medical urgency. As a result, organs are offered first to people in a local, regional area and only when there are no local patients available is the organ offered to sicker patients on a broader level. This means that some of the most deserving of patients will not receive an organ solely because of where they live or where they undergo treatment—which often times is a health plan's decision.

In fact, patient outcome data recently released by the Department of Health and Human Services (HHS) suggest a patient's chances of getting a new heart or liver and surviving at least a year greatly varies depending on where the patient goes for a transplant. For example, at the University of Kansas Medical Center, 89% of people waiting for liver transplants received them within a year in the mid-1990s, while at the University of Maryland in Baltimore, only 21% of patients received livers within a year. Depending on the transplant center, a patient's likelihood of dying within a year of listing for a liver transplant can range from 7% to 22%. A system that offers a level playing field to all patients no matter where they live is in everyone's best interest—medical urgency rather than geography should be the determining standard.

Today, as we recognize the generous contribution made by each living kidney donor, we here in Congress need to be consistent in our message. While we're encouraging people to serve as organ donors, we also have Members introducing legislation that would harm organ donations and would permit geography to continue to serve as a barrier to organ allocation and transplantation.

For example, the "Organ Procurement and Transplantation Network Amendments of 1999" (H.R. 2418) would remove HHS' legitimate authority to oversee the organ allocation program and would require HHS to rewrite its recently revised organ allocation regulations, while it simultaneously makes data less available to the public. If enacted, the transplant center performance data recently released by HHS would be unavailable to the public. This harmful legislation would set different allocation policies than recommended by the Institute of Medicine (IoM) and is probably unconstitutional in its delegation of power to a private contractor.

Perhaps most disturbing, H.R. 2418 would provide unreasonable protections for The United Network for Organ Sharing (UNOS), the current private contractor in charge of disturbing organs procured for transplant. A recent Forbes magazine article characterized UNOS as "the organ king: an outfit with life-and-death power over patients waiting for transplants" which has "evolved into a heavy-handed private fiefdom." This bill essentially gives UNOS a monopoly on the contract and the Forbes article provides even further evidence of the need to oppose legislation which protects this contractor.

We are also currently facing a 90-day moratorium effort in the Labor-HHS Appropriations bill and just last Friday, legislation was introduced to delay the effective date of the HHS rule. This delay of the Secretary's organ allocation rule would keep the Administration from implementing the important, new HHS regulations, strongly supported by evidence from the IoM, and would lead to hundreds more needless deaths. The HHS organ allocation regulation attempts to move to a system based on medical necessity instead of geography with medical professionals making medical decisions about the best way to allocate the limited number of donated organs. The rule incorporates comments from the IoM, transplant community, patients, and the general public to ensure the neediest patients receive organs first—regardless of where they live. Further efforts to delay this rule are only causing needless deaths.

In vetoing the DC-Labor-HHS appropriations bill last week, the President called the appropriations rider that would delay the implementation of HHS' final Organ Procurement and Transplantation rule for 90 days "a highly objectionable provision." As the President stated: the HHS rule "provides a more equitable system of treatment . . . its implementation would likely prevent the deaths of hundreds of Americans." I would hope that the President's strong opposition to the Appropriations bill's moratorium on the HHS transplant regulation will be honored by Congress.

Let's increase the number of organ donors, make our organ allocation system fair, and bring an end to all the needless deaths. And let's be consistent in our message—vote for H. Res. 94 to recognize those who so generously give the gift of life. Vote against any effort to remove or delay the Secretary's legitimate oversight authority and to give a private contractor a monopoly over the nation's organ allocation program. And support a fairer allocation system that bases transplant decisions on common medical criteria and pure professional medical opinion and medical need—not geography.

Mr. CAPUANO. Madam Speaker, I rise to commend those living persons who have given the precious gift of life through the selfless act of donating a kidney. Today I join the majority of the Members of Congress in supporting H. Res. 94, which recognizes the generous contributions of those who have made this sacrifice, and acknowledging the advances in medical technology that have made living kidney transplants a viable treatment option.

Madam Speaker, on many occasions this session, Congress has debated the costs of health care and health related research. These debates would be futile were it not for the courage of the living donors who make specialized medical services, such as kidney transplants, possible. Today, we have come together not in debate but rather in overwhelming support of those individuals that live day to day with life threatening kidney ailments as well as the families who support these individuals in their time of need. More importantly, we are here to pay homage to those ordinary heroes, whose contributions to medical science will not be measured by prominent appearances in medical journals, but whose actions will be forever recorded in the hearts and minds of the individuals to whom they have donated a kidney.

Madam Speaker, in my district, I know of numerous life-saving acts that were unselfishly committed by individuals whose courage was not realized until the idea of kidney donation was thrust upon them. With this in mind I would like to take this opportunity to acknowledge that their actions have not gone unnoticed and to thank these remarkable citizens for their contributions to their families and neighbors.

Ms. DEGETTE. Madam Speaker, I yield back the balance of my time.

Mr. BLILEY. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. BIGGERT). The question is on the motion offered by the gentleman from Virginia (Mr. BLILEY) that the House suspend the rules and agree to the resolution, H. Res. 94.

The question was taken.

Mr. BLILEY. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

EMIGRANT WILDERNESS PRESERVATION ACT OF 1999

Mr. DOOLITTLE. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 359) to clarify the intent of Congress in Public Law 93-632 to require the Secretary of Agriculture to continue to provide for the maintenance and operation of 18 concrete dams and weirs that were located in the Emigrant Wilderness at the time the wilderness area was designated in that Public Law, as amended.

The Clerk read as follows:

H.R. 359

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Emigrant Wilderness Preservation Act of 1999".

SEC. 2. OPERATION AND MAINTENANCE OF CERTAIN WATER IMPOUNDMENT STRUCTURES IN THE EMIGRANT WILDERNESS, STANISLAUS NATIONAL FOREST, CALIFORNIA.

(a) Cooperative Agreement For Maintenance and Operation.—The Secretary of Agriculture shall enter into a cooperative agreement with a non-Federal entity described in subsection (c), under which the entity will retain, maintain, and operate at private expense the water impoundment structures specified in subsection (b) that are located within the boundaries of the Emigrant Wilderness in the Stanislaus National Forest, California, as designated by section 2(b) of Public Law 93-632 (88 Stat. 2154; 16 U.S.C. 1132 note).

(b) Covered Water Impoundment Structures.—The cooperative agreement required by subsection (a) shall cover the water impoundment structures located at the following:

(1) Cow Meadow Lake.
(2) Y-Meadow Lake.
(3) Huckleberry Lake.
(4) Long Lake.
(5) Lower Buck Lake.
(6) Leighton Lake.
(7) High Emigrant Lake.
(8) Emigrant Meadow Lake.
(9) Middle Emigrant Lake.
(10) Emigrant Lake.
(11) Snow Lake.
(12) Bigelow Lake.

(c) Eligible Entity.—The following non-Federal entities are eligible to enter into the cooperative agreement under subsection (a):

(1) A non-profit organization as defined in section 501(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. 501(c)(3)).

(2) The State of California or a political subdivision of the State.

(3) A private individual, organization, corporation, or other legal entity.

(d) Responsibilities of the Secretary.—

(1) Map.—The Secretary of Agriculture shall prepare a map identifying the location, size, and type of each water impoundment structure covered by the cooperative agreement under subsection (a).

(2) Terms and conditions of agreement.—The Secretary shall prescribe the terms and conditions of the cooperative agreement, which shall set forth the rights and obligations of the Secretary and the non-Federal entity. At a minimum, the cooperative agreement shall—

(A) require the non-Federal entity to operate and maintain the water impoundment structures covered by the agreement in accordance with a plan of operations approved by the Secretary;

(B) require approval by the Secretary of all operation and maintenance activities to be conducted by the non-Federal entity;

(C) require the non-Federal entity to comply with all applicable State and Federal environmental, public health, and safety requirements; and

(D) establish enforcement standards, including termination of the cooperative agreement for noncompliance by the non-Federal entity with the terms and conditions.

(3) Compliance.—The Secretary shall ensure that the non-Federal entity remains in compliance with the terms and conditions of this section and the cooperative agreement.

(e) Responsibilities of the Non-Federal Entity.—The non-Federal entity shall be responsible for—

(1) carrying out its operation and maintenance activities with respect to the water impoundment structures covered by the cooperative agreement under subsection (a) in conformance with this section and the cooperative agreement; and

(2) the costs associated with the maintenance and operation of the structures.

(f) Prohibition on Use of Mechanized Transport and Motorized Equipment.—The non-Federal entity may not use mechanized transport or motorized equipment—

(1) to operate or maintain the water impoundment structures covered by the cooperative agreement under subsection (a); or

(2) to otherwise conduct activities in the Emigrant Wilderness pursuant to the cooperative agreement.

(g) Expansion of Agreement to Cover Additional Structures.—In the case of the six water impoundment structures located within the boundaries of the Emigrant Wilderness, but not specified in subsection (b), the Secretary of Agriculture may expand the scope of the cooperative agreement under subsection (a), with the consent of the State of California and the other party to the agreement, to include one or more of these structures, subject to the same terms and conditions as apply to the structures specified in subsection (b).

(h) Authorization of Appropriations.—There are authorized to be appropriated to the Secretary of Agriculture $20,000 to cover administrative costs incurred by the Secretary to comply with the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) in carrying out this section.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. DOOLITTLE) and the gentleman from California (Mr. DOOLEY) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. DOOLITTLE).

Mr. DOOLITTLE. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, this legislation, the Emigrant Wilderness Preservation Act of 1999, was designed to provide for the maintenance and operation of 18 small water empowerment structures within the Emigrant Wilderness.

Similar legislation last Congress, H.R. 1663, received overwhelming support when it was brought before this House, passing on the floor by a vote of 424 to 2. The Emigrant Wilderness's 18 check dam system was built between 1921 and 1954 through the combined efforts of the U.S. Forest Service, the California Conservation Corps., and local volunteer groups.

This system works to enhance the high elevation lake fisheries and species habitat by keeping year-round flows in the streams. Although, I feel it is imperative that all 18 dams be maintained and operated, in an effort to move this legislation and allow for the immediate preservation of the fisheries and ecosystem of this area, I have come to an agreement with my colleague the gentleman from California (Mr. MILLER).

I have submitted an amendment in the nature of a substitute that has bipartisan support decreasing the number of water empowerment structures preserved in this legislation from 18 to 12.

H.R. 359 will allow a non-Federal entity to pay the cost of maintaining and repairing these substantially unnoticeable structures by allowing the Secretary of Agriculture to enter into a cooperative agreement providing the non-Federal entity the opportunity to conduct the necessary maintenance. By providing for the continued maintenance and operation of these 12 structures, we will protect the stream flow system within the Emigrant Wilderness that for over 70 years has maintained an ecosystem of lakes, streams, and meadows upon which many species, including the great American bald eagle, depend.

If these small, unnoticeable structures are allowed to deteriorate, many of the lakes and streams will dry up during the summer and fall months, resulting in negative impacts on the ecosystem fisheries, recreation, and the area's tourism economy.

Madam speaker, I offer this amendment in the nature of a substitute as a bipartisan effort to preserve and protect the important historical research within the Emigrant Wilderness. It is my hope that we can move this bill forward with the same resounding support it had last Congress.

I ask for the support of my colleagues and urge them to vote for this legislation.

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Mr. DOOLEY of California. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in support of this legislation. This bill would authorize the Forest Service to continue to maintain small water impoundment structures located within the Emigrant Wilderness Area of the Stanislaus National Forest in California. The legislation was reported unanimously by the Committee on Resources on May 5 of this year, and it has been further refined by the sponsor to reflect priorities of the California Department of Fish and Game.

The 18 small dams and weirs at issue were built earlier in this century and were in existence long before Congress designated the Emigrant Wilderness in 1974. In fact, seven other structures are eligible for the National Register of Historic Places. For many years after the wilderness was created, several structures were maintained for their recreational fisheries values by the California Department of Fish and Game.

While it is clear that Congress was well aware of the water impoundment structures when the wilderness was created in 1974, the authority for continued maintenance has been brought into question. Accordingly, the purpose of this bill is to authorize a public process, consistent with NEPA, for the Forest Service to determine the levels of necessary maintenance.

It is important to recognize that nothing in the legislation provides for any authority for motorized intrusion in the wilderness area. This is a very unique circumstance and the legislation is not intended to set a precedent for other wilderness areas.

What is contemplated under the bill is that community volunteers would offer their time and effort and perform the necessary work under the supervision and according to standards set by the Forest Service. As amended, the bill provides that the 12 structures identified by the Department of Fish and Game be considered as priorities for retention. One or more of the other six structures may also be eligible for maintenance, subject to the consent of the Forest Service and the State of California.

Madam Speaker, I also would note that the legislation has been endorsed by California Trout, Trout Unlimited, and the Backcountry Horsemen of California, whose members are interested in volunteering time to do the repairs. In closing, I want to recognize the work that the gentleman from California (Mr. DOOLITTLE) has done on this bill. I urge support for it from our colleagues.

Madam Speaker, I yield back the balance of my time.

Mr. DOOLITTLE. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. BIGGERT). The question is on the motion offered by the gentleman from California (Mr. DOOLITTLE) that the House suspend the rules and pass the bill, H.R. 359, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to clarify the intent of Congress in Public Law 93-632 to require the Secretary of Agriculture to continue to provide for the maintenance and operation of certain water impoundment structures that were located in the Emigrant Wilderness at the time the wilderness area was designated in that Public Law.".

A motion to reconsider was laid on the table.

RESOURCES REPORTS RESTORATION ACT

Mr. DOOLITTLE. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 3002) to provide for the continued preparation of certain useful reports concerning public lands, Native Americans, fisheries, wildlife, insular areas, and other natural resources-related matters, and to repeal provisions of law regarding terminated reporting requirements concerning such matters.

The Clerk read as follows:

H.R. 3002

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Resources Reports Restoration Act".

SEC. 2. NATURAL RESOURCES-RELATED REPORTING REQUIREMENTS.

(a) PRESERVATION OF CERTAIN REPORTING REQUIREMENTS.—Section 3003(a)(1) of the Federal Reports Elimination and Sunset Act of 1995 (Public Law 104-66; 31 U.S.C. 1113 note) does not apply to any report required to be submitted under any of the following provisions of law:

(1) TRANS-ALASKA PIPELINE LIABILITY FUND AUDITS.—Section 204(c)(4)(A) of Public Law 93-153 (43 U.S.C. 1653(c)(4)(A)).

(2) DIRECT REVIEW OF FINAL DECISIONS OF HIGHEST COURT OF GUAM.—Section 22B of the Act of August 1, 1950 (chapter 512; 48 U.S.C. 1424-2).

(3) DIRECT REVIEW OF FINAL DECISIONS OF HIGHEST COURT OF VIRGIN ISLANDS.—Section 23 of the Act of July 22, 1954 (chapter 558; 48 U.S.C. 1613).

(4) NATIONAL ENERGY POLICY PLAN AND RELATED REPORT.—Subsections (b) and (c) of section 801 of Public Law 95-91 (42 U.S.C. 7321).

(5) CERTIFICATION REGARDING TAKING OF CERTAIN SEA TURTLES.—Section 609(b)(2) of Public Law 101-162 (103 Stat. 1038; 16 U.S.C. 1537 note).

(6) INTERNATIONAL FISHERY CONSERVATION OR PROTECTION OF ENDANGERED OR THREATENED SPECIES.—Section 8(b) of the Act of August 27, 1954 (chapter 1018; 22 U.S.C. 1978(b)).

(7) PHOSPHATE LEASING IN OSCEOLA NATIONAL FOREST, FLORIDA.—Section 5(1) of Public Law 98-430 (98 Stat. 1666).

(8) PERTINENT PUBLIC INFORMATION RELATING TO MINERALS IN ALASKA.—Section 1011 of Public Law 96-487 (16 U.S.C. 3151).

(9) TRANSPORTATION OR UTILITY SYSTEMS WITHIN CONSERVATION SYSTEM UNITS OR ANY WILDERNESS AREA IN ALASKA.—Section 1106(b)(2) of Public Law 96-487 (16 U.S.C. 3166(b)(2)).

(10) WITHDRAWALS OF MORE THAN 5,000 ACRES OF PUBLIC LANDS IN ALASKA.—Section 1326(a) of Public Law 96-487 (16 U.S.C. 3213(a)).

(11) MINERAL EXPLORATION, DEVELOPMENT, OR EXTRACTION ON PUBLIC LANDS IN ALASKA.—Section 1502 of Public Law 96-487 (16 U.S.C. 3232).

(12) EFFECT OF EXPORT OF OIL OR GAS FROM OUTER CONTINENTAL SHELF ON RELIANCE ON IMPORTS.—Section 28(c) of the Act of August 7, 1953 (chapter 345; 43 U.S.C. 1354(c)).

(13) ACTIVITIES OF FEDERAL AGENCIES IN THE MARINE SCIENCES.—Section 7 of Public Law 89-454 (33 U.S.C. 1106(a)).

(14) PROPOSED CONSTITUTION FOR GUAM.—Section 5 of Public Law 94-584 (48 U.S.C. note prec. 1391), as it relates to the submission of a proposed constitution for Guam.

(15) CERTAIN AGREEMENTS WITH THE FEDERATED STATES OF MICRONESIA OR THE MARSHALL ISLANDS.—Paragraphs (2) and (5) of section 101(f) of Public Law 99-239 (48 U.S.C. 1901(f)(2) and (5)).

(16) DETERMINATION THAT THE GOVERNMENTS OF THE MARSHALL ISLANDS AND THE FEDERATED STATES OF MICRONESIA SHALL REFRAIN FROM ACTIONS INCOMPATIBLE WITH UNITED STATES AUTHORITY AND RESPONSIBILITY FOR SECURITY AND DEFENSE MATTERS.—Section 313 of the Compact of Free Association between the United States and the Governments of the Marshall Islands and the Federated States of Micronesia, as contained in section 201 of Public Law 99-239 (48 U.S.C. 1901 note).

(17) IMPACT OF THE COMPACT OF FREE ASSOCIATION ON UNITED STATES TERRITORIES AND COMMONWEALTHS AND ON HAWAII.—Section 104(e)(2) of Public Law 99-239 (48 U.S.C. 1904(e)(2)).

(18) LAW ENFORCEMENT ASSISTANCE AGREEMENTS BETWEEN UNITED STATES AND FEDERATED STATES OF MICRONESIA.—Section

102(a)(4) of Public Law 99–239 (48 U.S.C. 1902(a)(4)).

(19) DETERMINATION REGARDING TRANSFER OF FUNDS AVAILABLE UNDER THE COMPACT OF FREE ASSOCIATION TO THE FEDERATED STATES OF MICRONESIA AND THE MARSHALL ISLANDS TO ACCOUNTS FOR PAYMENT TO OWNERS OF SEIZED FISHING VESSELS.—Section 104(f)(3) of Public Law 99–239 (48 U.S.C. 1904(f)(3)).

(20) LAW ENFORCEMENT ASSISTANCE AGREEMENTS BETWEEN UNITED STATES AND MARSHALL ISLANDS.—Section 103(a)(4) of Public Law 99–239 (48 U.S.C. 1903(a)(4)).

(21) GOVERNING INTERNATIONAL FISHERY AGREEMENTS.—Section 203(a) of Public Law 94–265 (16 U.S.C. 1823(a)).

(22) REPORT OF THE WORK OF RIVER BASIN COMMISSIONS.—Section 204(2) of Public Law 89–80 (42 U.S.C. 1962b–3(2)).

(23) ENVIRONMENTAL QUALITY REPORT.—Section 201 of Public Law 91–190 (42 U.S.C. 4341).

(24) AGENCY COMPLIANCE WITH THE COASTAL BARRIER RESOURCES ACT.—Section 7 of the Coastal Barrier Resources Act (16 U.S.C. 3506).

(25) LIVESTOCK GRAZING IN CERTAIN DESIGNATED WILDERNESS AREAS.—Section 6(c) of Public Law 101–195 (103 Stat. 1787).

(26) REHABILITATION NEEDS OF FOREST SERVICE REGIONS DUE TO FOREST FIRE DAMAGE.—Section 202 of Public Law 101–286 (104 Stat. 174; 16 U.S.C. 551b).

(27) NATIONAL FOREST SYSTEM REFORESTATION NEEDS.—Section 3(d)(1) of Public Law 93–378 (16 U.S.C. 1601(d)(1)).

(28) DOMESTIC FOREST ECOSYSTEMS RESEARCH PROGRAM.—Section 3(c)(4) of Public Law 95–307 (16 U.S.C. 1642(c)(4)).

(29) IMPLEMENTATION OF ARCHAEOLOGICAL RESOURCES PROTECTION ACT OF 1979.—Section 10(a) of Public Law 96–55 (16 U.S.C. 470ii(a)).

(30) NATIONAL WILDERNESS PRESERVATION SYSTEM.—Section 7 of Public Law 88–577 (16 U.S.C. 1136).

(31) BOUNDARY ADJUSTMENTS, ALASKA UNITS OF WILD AND SCENIC RIVERS, NATIONAL WILDERNESS PRESERVATION, OR NATIONAL FOREST SYSTEMS.—Section 103(b) of Public Law 96–487 (16 U.S.C. 3103(b)).

(32) STATUS OF TONGASS NATIONAL FOREST, ALASKA.—Section 706(b) of Public Law 96–487 (16 U.S.C. 539e(b)).

(33) BOUNDARIES, CLASSIFICATIONS, AND DEVELOPMENT PLANS FOR WILD AND SCENIC RIVERS SYSTEM.—Section 3(b) of Public Law 90–542 (16 U.S.C. 1274(b)).

(34) DOCUMENTS RELATING TO PROPOSAL TO DESIGNATE NATIONAL MARINE SANCTUARY.—Section 304(a)(1)(C) of Public Law 92–532 (16 U.S.C. 1434(a)(1)(C)).

(35) NOTICE OF DESIGNATION OF MARINE SANCTUARY.—Section 304(b) of Public Law 92–532 (16 U.S.C. 1434(b)).

(36) NATURE, EXTENT, AND EFFECTS OF DRIFTNET FISHING IN WATERS OF NORTH PACIFIC OCEAN ON MARINE RESOURCES OF UNITED STATES.—Section 4005(a) of Public Law 100–220 (101 Stat. 1478; 16 U.S.C. 1822 note).

(37) BLUEFIN TUNA.—Section 3 of Public Law 96–339 (16 U.S.C. 971i).

(38) FAIR MARKET VALUE AT THE TIME OF THE TRANSFER OF ALL REAL AND PERSONAL PROPERTY CONVEYED ON THE PRIBILOF ISLANDS.—Section 205(c) of Public Law 89–702 (16 U.S.C. 1165(c)).

(39) COASTAL ZONE MANAGEMENT.—Section 316 of Public Law 89–454 (16 U.S.C. 1462).

(40) ADMINISTRATION OF THE OCEAN THERMAL ENERGY CONVERSION ACT OF 1980.—Section 405 of Public Law 96–320 (42 U.S.C. 9165).

(41) COOPERATIVE PROGRAM FOR THE DEVELOPMENT OF TUNA AND OTHER LATENT FISHERY RESOURCES OF THE CENTRAL WESTERN, AND SOUTH PACIFIC OCEAN.—Section 4 of Public Law 92–444 (16 U.S.C. 758e–1a).

(42) ADMINISTRATION OF THE DEEP SEABED HARD MINERAL RESOURCES ACT.—Section 309 of Public Law 96–283 (30 U.S.C. 1469).

(43) EFFECT OF ANY INTERNATIONAL AGREEMENT GOVERNING DEEP SEABED MINING.—Section 202 of Public Law 96–283 (30 U.S.C. 1442).

(44) DECONTAMINATION EFFORTS ON PUBLIC LANDS WITHDRAWN FOR MILITARY AND DEFENSE-RELATED PURPOSES IN NEVADA AND COST ESTIMATES.—Section 7(b) of Public Law 99–606 (100 Stat. 3464).

(45) INSULAR AREAS STUDY.—Section 1406(a) of Public Law 102–486 (106 Stat. 2995).

(46) ACTIVITIES UNDER THE COAL RESEARCH ACT.—Section 7 of Public Law 86–599 (30 U.S.C. 667).

(47) AFRICAN ELEPHANT ADVISORY FUND AND STATUS OF ELEPHANT.—Section 2103 of Public Law 100–478 (102 Stat. 2317; 16 U.S.C. 4213).

(48) STATUS OF ALL MARINE MAMMAL SPECIES AND POPULATION STOCKS SUBJECT TO THE PROVISIONS OF THE MARINE MAMMAL PROTECTION ACT OF 1972.—Section 103(f) of Public Law 92–522 (16 U.S.C. 1373(f)).

(49) EXPENDITURES FOR THE CONSERVATION OF ENDANGERED OR THREATENED SPECIES.—Section 18 of Public Law 93–205 (16 U.S.C. 1544).

(50) FINAL DECISION OF ANY CLAIM CHALLENGING THE PARTITION OF JOINT RESERVATION.—Section 14(c)(1) of Public Law 100–580 (102 Stat. 2936; 25 U.S.C. 1300i–11(c)(1)).

(51) CONSERVATION PLANS FOR REFUGES ESTABLISHED, REDESIGNATED, OR EXPANDED BY ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT.—Section 304(g)(6)(D) of Public Law 96–487 (94 Stat. 2395).

(52) MANAGEMENT OF CALIFORNIA DESERT CONSERVATION AREA.—Section 601(i) of Public Law 94–579 (43 U.S.C. 1781(i)).

(53) FINANCIAL DISCLOSURES OF EMPLOYEES PERFORMING FUNCTIONS UNDER THE FEDERAL LAND POLICY AND MANAGEMENT ACT OF 1976.—Section 313(b) of Public Law 94–579 (43 U.S.C. 1743(b)).

(54) THREATENED AREAS ON REGISTRIES OF NATIONAL LANDMARKS AND NATIONAL REGISTER OF HISTORIC PLACES AND AREAS OF NATIONAL SIGNIFICANCE WITH POTENTIAL FOR INCLUSION IN THE NATIONAL PARK SYSTEM.—Section 8 of Public Law 91–383 (16 U.S.C. 1a–5).

(55) RESULTS OF LAND ACQUISITION NEGOTIATIONS WITH KOOTZNOOWOO, INC.—Section 506(a)(9) of Public Law 96–487 (94 Stat. 2406; 104 Stat. 469).

(56) ACTIVITIES UNDER THE SURFACE MINING CONTROL AND RECLAMATION ACT OF 1977.—Sections 201(f), 517(g), and 705 of Public Law 95–87 (30 U.S.C. 1211(f), 1267(g), 1295).

(57) RECEIPTS, EXPENDITURES, AND WORK OF ALL STATE MINING AND MINERAL RESOURCES RESEARCH INSTITUTES.—Section 4(c) of Public Law 98–409 (30 U.S.C. 1224(c)).

(58) OPERATIONS UNDER THE ABANDONED MINE RECLAMATION FUND.—Section 411 of Public Law 95–87 (30 U.S.C. 1241).

(59) EFFECTIVENESS OF STATE ANTHRACITE COAL MINE REGULATORY PROGRAMS.—Section 529(b) of Public Law 95–87 (30 U.S.C. 1279(b)).

(60) RESEARCH AND DEMONSTRATION PROJECTS IN ALTERNATIVE COAL MINING TECHNOLOGIES.—Section 908(d) of Public Law 95–87 (30 U.S.C. 1328(d)).

(61) AIR TRAFFIC ABOVE GRAND CANYON (2 REPORTS).—Section 3 of Public Law 100–91 (16 U.S.C. 1a–1 note) and section 134 of Public Law 102–581 (16 U.S.C. 1a–1 note).

(62) DEVELOPMENT OF FACILITIES FOR NATIONAL PARK SYSTEM.—Section 12(a) of Public Law 91–383 (16 U.S.C. 1a–7(a)).

(63) STATUS OF COMPLETION OR REVISION OF GENERAL MANAGEMENT PLANS FOR THE NATIONAL PARK SYSTEM.—Section 12(b) of Public Law 91–383 (16 U.S.C. 1a–7(b)).

(64) FEASIBILITY OR DESIRABILITY OF DESIGNATING OTHER TRAILS AS NATIONAL SCENIC OR NATIONAL HISTORIC TRAILS.—Section 5(b) of Public Law 90–543 (16 U.S.C. 1244(b)).

(65) DETERMINATION THAT A COMMEMORATIVE WORK SHOULD BE LOCATED IN AREA I, WASHINGTON, D.C.—Section 6(a) of Public Law 99–652 (40 U.S.C. 1006(a)).

(66) PROPOSED PLAN FOR DESIGNATION OF SITE TO DISPLAY COMMEMORATIVE WORK ON A TEMPORARY BASIS IN THE DISTRICT OF COLUMBIA.—Section 9 of Public Law 99–652 (40 U.S.C. 1009).

(67) OIL AND GAS LEASING, EXPLORATION, AND DEVELOPMENT ACTIVITIES ON NONNORTH SLOPE FEDERAL LANDS IN ALASKA.—Section 1008(b)(4) of Public Law 96–487 (16 U.S.C. 3148(b)(4)).

(68) IMPLEMENTATION OF THE FEDERAL OIL AND GAS ROYALTY MANAGEMENT ACT OF 1982.—Section 302 of Public Law 97–451 (30 U.S.C. 1752).

(69) DELINQUENT ROYALTY ACCOUNTS UNDER LEASES ON FEDERAL LANDS.—Section 602 of Public Law 95–372 (30 U.S.C. 237).

(70) USE OF MODIFIED OR OTHER BIDDING SYSTEM, AND TRACTS OFFERED FOR LEASE, UNDER OUTER CONTINENTAL SHELF LANDS ACT.—Section 8(a) of the Act of August 7, 1953 (chapter 345; 43 U.S.C. 1337(a)).

(71) PROPOSED OIL AND GAS LEASING PROGRAMS FOR OUTER CONTINENTAL SHELF LANDS.—Section 18(d)(2) of the Act of August 7, 1953 (chapter 345; 43 U.S.C. 1344(d)(2)).

(72) ENVIRONMENTAL EFFECTS OF ACTIVITIES UNDER THE OUTER CONTINENTAL SHELF LANDS ACT.—Section 20(e) of the Act of August 7, 1953 (chapter 345; 43 U.S.C. 1346(e)).

(73) FINANCIAL DISCLOSURES OF EMPLOYEES PERFORMING FUNCTIONS UNDER THE OUTER CONTINENTAL SHELF LANDS ACT OR THE OUTER CONTINENTAL SHELF LANDS ACT AMENDMENTS OF 1978.—Section 605(b)(2) of Public Law 95–372 (43 U.S.C. 1864(b)(2)).

(74) ESTIMATED RESERVES OF OIL AND GAS IN OUTER CONTINENTAL SHELF.—Section 606 of Public Law 95–372 (43 U.S.C. 1865).

(75) EXPENDITURES OF FUNDS RECOVERED WITH RESPECT TO DAMAGE TO NATIONAL PARK RESOURCES.—Section 4(d) of Public Law 101–337 (16 U.S.C. 19jj–3).

(76) STATUS OF NATIONWIDE GEOLOGICAL MAPPING PROGRAM.—Section 8 of Public Law 102–285 (43 U.S.C. 31g).

(77) MODIFICATION OR AMENDMENT OF LAND EXCHANGE AGREEMENT BETWEEN THE UNITED STATES AND THE GOLDBELT AND SEALASKA CORPORATIONS.—Section 506(b) of Public Law 96–487 (94 Stat. 2409).

(78) SUBSISTENCE MANAGEMENT AND USE OF PUBLIC LANDS IN ALASKA.—Section 813 of Public Law 96–487 (16 U.S.C. 3123).

(79) PROPOSED EXCLUSION OF ANY PRINCIPAL OR MAJOR USE FOR 2 OR MORE YEARS ON ANY TRACT OF PUBLIC LAND OF 100,000 ACRES OR MORE.—Section 202(e)(2) of Public Law 94–579 (43 U.S.C. 1712(e)(2)).

(80) DESIGNATION OF ANY TRACT OF PUBLIC LAND EXCEEDING 2,500 ACRES FOR SALE.—Section 203(c) of Public Law 94–579 (43 U.S.C. 1713(c)).

(81) NOTICE OF LAND WITHDRAWALS AGGREGATING 5,000 ACRES OR MORE.—Section 204(c) of Public Law 94–579 (43 U.S.C. 1714(c)).

(82) PUBLIC LANDS PROGRAM.—Section 311(a) of Public Law 94–579 (43 U.S.C. 1741(a)).

(83) FUTURE FUNDING NEEDS ON BIKINI ATOLL.—Any provision in title I of Public Law 100–446, under the heading "TERRITORIAL AND INTERNATIONAL AFFAIRS—COMPACT OF FREE ASSOCIATION" (102 Stat. 1798).

(84) PROPOSED TRANSPORTATION OR STORAGE OF SPENT NUCLEAR FUEL OR HIGH-LEVEL RADIOACTIVE WASTE ON ANY UNITED STATES TERRITORY OR POSSESSION.—Section 605 of Public Law 96–205 (48 U.S.C. 1491).

(85) UNITED STATES NONCONTIGUOUS PACIFIC AREAS POLICY.—Section 302 of Public Law 99–239 (48 U.S.C. 2002).

(86) ACTUAL OPERATIONS UNDER ADOPTED CRITERIA FOR COORDINATED LONG-RANGE OPERATION OF COLORADO RIVER RESERVOIRS.—Section 602(b) of Public Law 90–537 (43 U.S.C. 1552(b)).

(87) STUDIES ON COLORADO RIVER WATER QUALITY.—Section 206 of Public Law 93–320 (43 U.S.C. 1596).

(88) APPROVAL OF PROJECTS UNDER THE SMALL RECLAMATION PROJECTS ACT AND PROPOSALS RECEIVED.—Sections 4(c) and 10 of the Act of August 6, 1956 (43 U.S.C. 422d(c), 422j).

(89) DEFERMENTS OF PAYMENTS FOR RECLAMATION PROJECTS.—Section 17(b) of the Act of August 4, 1939 (43 U.S.C. 485b–1(b)).

(90) PROPOSED CONTRACTS FOR DRAINAGE WORKS AND MINOR CONSTRUCTION OVER $200,000 ON FEDERAL RECLAMATION PROJECTS.—The Act of June 13, 1956 (43 U.S.C. 505).

(91) BUDGET FOR OPERATIONS FINANCED BY THE LOWER COLORADO RIVER BASIN DEVELOPMENT FUND.—Section 403(i) of Public Law 90–537 (43 U.S.C. 1543(i)).

(92) BUDGET FOR OPERATIONS FINANCED BY THE UPPER COLORADO RIVER BASIN FUND.—Section 5(g) of the Act of April 11, 1956 (43 U.S.C. 620d(g)).

(93) ANNUAL CONSUMPTIVE USE AND LOSSES OF WATER FROM THE COLORADO RIVER SYSTEM.—Section 601(b) of Public Law 90–537 (43 U.S.C. 1551(b)).

(94) FINDINGS AND TECHNICAL DATA ON DAMS REQUIRING STRUCTURAL MODIFICATION.—Section 5 of Public Law 95–578 (43 U.S.C. 509).

(95) STATUS OF REVENUES FROM AND COSTS RELATED TO THE COLORADO RIVER STORAGE PROJECT.—Section 6 of the Act of April 11, 1956 (43 U.S.C. 620e).

(96) AUDIT OF THE FINANCIAL REPORT SUBMITTED BY GOVERNOR OF GUAM.—Section 6 of Public Law 90–601 (48 U.S.C. 1428d).

(97) ACTIVITIES, VIEWS, AND RECOMMENDATIONS OF NATIONAL INDIAN GAMING COMMISSION.—Section 7(c) of Public Law 100–497 (25 U.S.C. 2706(c)).

(98) FULL AND COMPREHENSIVE REPORT ON THE DEVELOPMENT OF SOUTHERN END OF ELLIS ISLAND.—The proviso in title I of Public Law 101–512 that relates to Ellis Island (104 Stat 1923).

(99) COST OF DETAILED PERSONNEL AND EQUIPMENT FROM OTHER AGENCIES.—Section 1(2) of the Act of March 3, 1885 (16 U.S.C. 743a(c)).

(100) AUDIT OF FINANCIAL REPORT, COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.—Section 5 of Public Law 92–257 (43 U.S.C. 1692), as such section relates to the Commonwealth of the Northern Mariana Islands.

(101) GOVERNMENTS OF THE FEDERATED STATES OF MICRONESIA AND THE MARSHALL ISLANDS: IMPLEMENTATION OF PLANS AND USE OF FUNDS FOR GRANT ASSISTANCE IN THE COMPACT OF FREE ASSOCIATION.—Section 211(c) of the Compact of Free Association, as set forth in section 201 of Public Law 99–239 (48 U.S.C. 1901 note).

(102) COMPREHENSIVE FINANCIAL REPORTS OF THE GOVERNOR OF GUAM.—Section 6 of the Act of August 1, 1950 (48 U.S.C. 1422).

(103) COMPREHENSIVE FINANCIAL REPORT OF THE GOVERNOR OF THE VIRGIN ISLANDS.—Section 11 of the Act of July 22, 1954 (48 U.S.C. 1591).

(104) COMPREHENSIVE FINANCIAL REPORT OF THE GOVERNOR OF AMERICAN SAMOA.—Section 501(a) of Public Law 96–205 (48 U.S.C. 1668(a)).

(105) ACTIVITIES OF THE WOLF TRAP FOUNDATION FOR THE PERFORMING ARTS.—Section 5(c)(2) of Public Law 89–671 (16 U.S.C. 284d(c)(2)).

(106) ALEUTIAN AND PRIBILOF RESTITUTION FUND FINANCIAL CONDITION AND OPERATIONS.—Section 203 of Public Law 100–383 (50 U.S.C. App. 1989c–2).

(107) DEEP SEABED REVENUE SHARING TRUST FUND.—Section 403(c)(1) of Public Law 96–283 (30 U.S.C. 1472(c)(1)).

(108) WILD AND FREE ROAMING HORSES AND BURROS ON PUBLIC LANDS.—Section 11 of Public Law 92–195 (16 U.S.C. 1340).

(109) UNDER SECRETARY OF COMMERCE FOR OCEANS AND ATMOSPHERE SUBMISSION OF RESULTS OF ENVIRONMENTAL AND MONITORING ACTIVITIES.—Section 1002(j)(4) of Public Law 100–688 (33 U.S.C. 1414b(j)(4)).

(110) REVIEW OF AND RECOMMENDATIONS CONCERNING THE DEFINITION OF "UNPROCESSED TIMBER".—Section 495(b) of Public Law 101–382 (104 Stat. 725).

(111) NATIONAL WILDERNESS PRESERVATION SYSTEM.—Section 7 of Public Law 88–577 (16 U.S.C. 1136).

(112) NOTICE OF INTENTION TO INTERCHANGE LANDS.—Section 1 of the Act of July 26, 1956 (16 U.S.C. 505a).

(113) REPORTS REGARDING CHATTAHOOCHEE RIVER NATIONAL RECREATION AREA.—Section 104(b) of Public Law 95–344 (16 U.S.C. 460ii–3(b)).

(114) ANNUAL REPORT OF ADVISORY COUNCIL ON COAL RESEARCH.—Section 805(c) of Public Law 95–87 (30 U.S.C. 1315(c)).

(115) REPORTS OF ADVISORY COUNCIL ON HISTORIC PRESERVATION.—Section 202(b) of the National Historic Preservation Act (Public Law 89–665; 16 U.S.C. 470j(b)).

(116) ANNUAL REPORT OF ALASKA LAND USE COUNCIL.—Section 1201(g) of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3181(g)).

(117) NATIONAL PLAN FOR RESEARCH IN MINING AND MINERAL RESOURCES.—Section 9(e) of Public Law 98–409 (30 U.S.C. 1229(e)).

(118) PREPARATION OF LEVEL B PLANS.—Section 209 of the Federal Water Pollution Control Act (33 U.S.C. 1289).

(119) REPORTS ON NATIONAL ESTUARY PROGRAM RESEARCH.—Section 320(j)(2) of the Federal Water Pollution Control Act (33 U.S.C. 1350(j)(2)).

(120) ANNUAL REPORT OF MARINE MAMMAL COMMISSION.—Section 204 of the Marine Mammal Protection Act of 1972 (Public Law 92–522; 16 U.S.C. 1404).

(121) ANNUAL REPORT OF WETLANDS CONSERVATION PROJECTS.—Section 5(f) of the North American Wetlands Conservation Act (Public Law 101–233; 16 U.S.C. 4404).

(122) ANNUAL REPORT OF MIGRATORY BIRD CONSERVATION COMMISSION.—Section 3 of the Migratory Bird Conservation Act (16 U.S.C. 715b).

(123) REPORTS REGARDING LAND CONVEYANCE, PRINCE GEORGE'S COUNTY, MARYLAND.—Public Law 99–215 (99 Stat. 1724).

(124) ANNUAL REPORT OF PACIFIC NORTHWEST ELECTRIC POWER AND CONSERVATION PLANNING COUNCIL.—Section 4(h)(12)(A) of the Pacific Northwest Electric Power Planning and Conservation Act (16 U.S.C. 839b(h)(12)(A)).

(125) AUDIT OF TRANS-ALASKA PIPELINE SYSTEM.—Subsections (b)(1) and (b)(5) of section 8103 of Public Law 101–380 (104 Stat. 568; 43 U.S.C. 1651 note).

(126) ANNUAL REPORT OF NATIONAL FISH AND WILDLIFE FOUNDATION.—Section 7(b) of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3706(b)).

(127) ANNUAL REPORT OF NATIONAL PARK FOUNDATION.—Section 10 of Public Law 90–209 (16 U.S.C. 19n).

(128) ANNUAL FINANCIAL REPORTS REGARDING MARSHALL ISLANDS, MICRONESIA, PALAU, AND NORTHERN MARIANA ISLANDS.—Section 5 of Public Law 92–257 (48 U.S.C. 1692).

(b) REPEAL OF CERTAIN TERMINATED REPORTING REQUIREMENTS.—

(1) AUDIT AND REPORT REGARDING GLEN CANYON DAM.—Section 1804(b)(2) of Public Law 102–575 (106 Stat. 4670) is amended by striking "and the Congress".

(2) AUDIT OF CENTRAL UTAH PROJECT COST ALLOCATIONS.—Section 211 of Public Law 102–575 (106 Stat. 4624) is amended in the first sentence by striking "and to the Congress".

(3) DELAWARE WATER GAP NATIONAL RECREATION AREA CITIZEN ADVISORY FINDINGS AND CONCLUSIONS.—Section 4 of Public Law 100–573 (16 U.S.C. 640o note; 102 Stat. 2891) is amended by striking "and to each House of the Congress".

(4) PROPOSED SETTLEMENT AGREEMENT REGARDING WESTLANDS WATER DISTRICT V. UNITED STATES, ET AL.—Section 122 of Public Law 99–190 (99 Stat. 1320) is amended by striking "until:" and all that follows through the end of the section and inserting "until April 15, 1986.".

(5) LOANS, GRANTS, ASSISTANCE PROVIDED UNDER THE SOUTHWESTERN PENNSYLVANIA HERITAGE PRESERVATION COMMISSION ACT.—Section 104(b) of Public Law 100–698 (102 Stat. 4621; 16 U.S.C. 461 note) is amended by striking all after the first sentence.

(6) PETROGLYPH NATIONAL MONUMENT; ROCK ART REPORT.—Public Law 101–313 (16 U.S.C. 431 note) is amended—

(A) in section 108—

(i) in subsection (a) (104 Stat. 275; relating to a general management plan for Petroglyph National Monument) by striking "and transmit" and all that follows through "Representatives,"; and

(ii) in subsection (c) (104 Stat. 276; relating to a report regarding rock art) by striking "The Secretary shall provide" and all that follows through the end of the subsection; and

(B) in section 111 (104 Stat. 278) by striking all after the first sentence (relating to a report on the status of a Petroglyph National Monument expansion agreement).

(7) GENERAL MANAGEMENT PLAN FOR THE PECOS NATIONAL HISTORIC PARK.—Section 205 of Public Law 101–313 (16 U.S.C. 410rr–4; 104 Stat. 279) is amended by striking "and transmit" and all that follows through "Representatives,".

(8) WEIR FARM NATIONAL HISTORIC SITE, CONNECTICUT, GENERAL MANAGEMENT PLAN.—Section 6(d) of Public Law 101–485 (104 Stat. 1172; 16 U.S.C. 461 note) is amended by striking "submit to the Committee" and all that follows through "Senate" and inserting "prepare".

(9) REPORTS RELATING TO LOWELL NATIONAL HISTORIC PARK OR THE LOWELL PRESERVATION DISTRICT.—Public Law 95–290 is amended—

(A) in section 101(b) (16 U.S.C. 410cc–11(b); relating to revisions of boundaries of the Lowell National Historic Park or the Lowell Preservation District) by striking the last sentence;

(B) in section 103 (16 U.S.C. 410cc–13; relating to amounts expended by Massachusetts, the City of Lowell, and other nonprofit entities), by striking subsection (d) and inserting the following new subsection:

"(d) The aggregate amount of funds made available by the Secretary to the Commission from funds appropriated under subsection (a)(2) may not exceed the amount expended by the Commonwealth of Massachusetts, the city of Lowell, and any nonprofit entity for activities in the city of Lowell consistent with the purpose of this Act since January 1, 1974.'';

(C) in section 201(b) (16 U.S.C. 410cc–21(b); relating to a park management plan for the Lowell National Historical Park and revisions thereto)—

(i) in paragraph (1) by striking ''and submit to the Congress''; and

(ii) in paragraph (ii) by striking the last sentence; and

(D) in section 303 (16 U.S.C. 410cc–33) by striking subsection (e) (relating to loans, grants and technical assistance in support of the Lowell National Historical Park).

(10) DESIGNATION OF LANDS IN NEBRASKA AS A NATIONAL RECREATION AREA AND NATIONAL PARK.—Public Law 102–50 (105 Stat. 257) is amended—

(A) in section 7, by striking subsection (b); and

(B) in section 8, by striking subsection (e).

(11) PUBLIC AWARENESS PROGRAM IN CERTAIN WEST VIRGINIA COUNTIES.—Section 403 of Public Law 100–534 (102 Stat. 2707; 16 U.S.C. 1274 note) is amended by striking ''By December 31, 1992,'' and all that follows through the end of that sentence.

(12) LAND EXCHANGE AT CAPE COD NATIONAL SEASHORE.—Section 2(c) of Public Law 87–126 (16 U.S.C. 459b–1(c)) is amended by striking the last sentence.

(13) GAULEY RIVER NATIONAL RECREATION AREA BOUNDARY MODIFICATIONS.—Section 201 of Public Law 100–534 (16 U.S.C. 460ww) is amended by striking subsection (c).

(14) PROPOSED PURCHASE OR CONDEMNATION OF PROPERTY DESIGNATED FOR INCLUSION IN THE SLEEPING BEAR DUNES NATIONAL LAKESHORE, MICHIGAN.—Section 12(e) of Public Law 91–479 (16 U.S.C. 460x–11(e)) is amended in paragraph (4) by striking ''The Secretary must notify the Committee'' and all that follows through the end of that sentence.

(15) BOUNDARY CHANGES AT THE ICE AGE NATIONAL SCIENTIFIC RESERVE, WISCONSIN.—Section 2(c) of Public Law 88–655 (16 U.S.C. 469e(c)) is amended by striking ''notice to the President of the Senate and the Speaker of the House of Representatives and''.

(16) WEST RIVER RURAL WATER SYSTEM AND LYMAN-JONES RURAL WATERTEM ENGINEERING REPORT.—Section 4(e)(2) of Public Law 100–516 (102 Stat. 2569) is amended by striking ''and submitted'' and all that follows through the end of the sentence and inserting a period.

(17) EVALUATION OF DESIRABILITY TO ACQUIRE CERTAIN LANDS IN NEVADA.—Section 6(c)(2) of Public Law 101–67 (103 Stat. 173) is amended in the last sentence by striking ''Committee on Interior'' and all that follows through ''Senate, and''.

(18) CLAIMS SUBMITTED RESULTING FROM TETON DAM FAILURE.—Section 8 of Public Law 94–400 (90 Stat. 1213) is repealed.

(19) WESTLANDS WATER DISTRICT CONTRACT MODIFICATION.—Section 3 of Public Law 95–46 (91 Stat. 227) is amended by striking the last sentence.

(20) RELATION OF WATER PROJECTS TO CALIFORNIA ESTUARIES.—Section 4 of Public Law 96–375 (94 Stat. 1506) is amended by striking the second sentence.

(21) ALTERNATIVE USE OF WATER RESOURCE FACILITIES.—Section 3 of Public Law 97–273, as amended by section 12(b) of Public Law 100–516 (102 Stat. 2572), is amended by striking '', and to report'' and all that follows through ''recommendations''.

(22) COLORADO RIVER FLOODWAY.—Section 8 of the Colorado River Floodway Protection Act (Public Law 99–450; 100 Stat. 1134; 43 U.S.C. 1600f) is repealed.

(23) GROUNDWATER RECHARGE OF AQUIFERS.—Section 4(c) of the High Plains States Groundwater Demonstration Program Act of 1983 (Public Law 98–434; 43 U.S.C. 390g–2(c)) is amended by striking paragraph (2) and redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4), respectively.

(24) CONDITIONS ON CONSTRUCTION OF LONGTREE DAM AND RESERVOIR.—Section 8(a)(2)(C) of Public Law 89–108, as added by section 6 of Public Law 99–294 (100 Stat. 423), is amended by striking ''Secretaries'' and all that follows through ''above'' and inserting ''Secretary of State has submitted the determination required by subparagraph (B)''.

(25) REGULATION OF DWORSHAK DAM.—Section 415(a) of the Water Resources Development Act of 1990 (Public Law 101–640; 104 Stat. 4651) is amended by striking '', the Commissioner of the Bureau of Reclamation''.

(26) BOSTON HARBOR ISLANDS STUDY.—Section 501 of Public Law 102–525 (106 Stat. 3442; 16 U.S.C. 1a–5 note) is repealed.

(27) INDIAN SELF-DETERMINATION AND EDUCATION ASSISTANCE.—Section 106 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450j–1) is amended by striking subsection (c) and redesignating the last sentence of subsection (b) as subsection (c).

(28) INDIAN HEALTH FACILITIES.—Section 301(c) of the Indian Health Care Improvement Act (25 U.S.C. 1631(c)) is amended by striking paragraphs (1), (2), and (3) and by striking ''(4)''.

(29) INDIAN WATER AND WASTE DISPOSAL FACILITIES.—Section 302 of the Indian Health Care Improvement Act (25 U.S.C. 1632) is amended by striking subsection (g).

(30) TRIBAL MANAGEMENT OF HEALTH SERVICES.—Section 818(d)(2) of the Indian Health Care Improvement Act (25 U.S.C. 1680h(d)(2)) is amended by striking ''and shall submit'' and all that follows through ''projects''.

(31) INDIAN MENTAL HEALTH SERVICES.—Section 209(j) of the Indian Health Care Improvement Act (25 U.S.C. 1621h(j)) is amended—

(A) in the subsection heading, by striking ''ANNUAL REPORT'' and inserting ''METHODS TO EVALUATE STATUS OF PROGRAMS AND SERVICES; and

(B) by striking ''and shall submit'' and all that follows through ''communities''.

(32) INDIAN HEALTH CARE DELIVERY DEMONSTRATION.—Section 307 of the Indian Health Care Improvement Act (25 U.S.C. 1637) is amended by striking subsection (h).

(33) CONTRACTOR FACILITIES ASSESSMENT.—Section 506 of Public 101–630 (104 Stat. 4566; 25 U.S.C. 1653 note) is amended by striking subsections (a) and (b).

(34) HEALTH STATUS OF URBAN INDIANS.—Section 507 of the Indian Health Care Improvement Act (25 U.S.C. 1657) is amended by striking subsection (d).

(35) INDIAN HEALTH SERVICE LOAN REPAYMENT PROGRAM.—Section 108 of the Indian Health Care Improvement Act (25 U.S.C. 1616a) is amended by striking subsection (n).

(36) HOSPICE CARE FEASIBILITY FOR INDIANS.—Section 205 of the Indian Health Care Improvement Act (25 U.S.C. 1621d) is amended—

(A) by striking subsection (c); and

(B) by redesignating subsection (d) as subsection (c).

(37) MANAGED CARE FEASIBILITY STUDY FOR INDIANS.—Section 210 of the Indian Health Care Improvement Act (25 U.S.C. 1621i) is amended—

(A) by striking ''(a)''; and

(B) by striking subsection (b).

(38) CONTRACT HEALTH SERVICES FOR INDIANS.—Section 219 of the Indian Health Care Improvement Act (25 U.S.C. 1621r) is amended by striking subsection (c).

(39) IMPLEMENTATION OF INDIAN HEALTH CARE IMPROVEMENT ACT.—Section 801 of the Indian Health Care Improvement Act (25 U.S.C. 1671) is amended—

(A) by inserting ''(a)'' before ''The President'';

(B) by striking the period at the end of paragraph (3) and inserting a semicolon;

(C) by inserting ''and'' at the end of paragraph (4);

(D) by striking the semicolon at the end of paragraph (5) and inserting a period;

(E) by striking paragraphs (6), (7), (8), and (9); and

(F) by adding at the end the following new subsection:

''(b) Effective January 1, 2000, the annual report referred to in subsection (a) shall no longer be required. Any requirement still in effect after that date regarding the submission to the President of information for inclusion in a report under subsection (a) shall be deemed to require the submission of the information directly to Congress.''.

(40) TRIBAL SELF-GOVERNANCE PROJECTS.—Section 305 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450f note) is amended by striking ''Secretaries'' both places it appears and inserting ''Secretary of Health and Human Services''.

(41) COQUILLE INDIAN TRIBE ECONOMIC DEVELOPMENT PLAN.—Section 4(a) of Public Law 101–42 (25 U.S.C. 715b(a)) is amended—

(A) in paragraph (1), by adding ''and'' at the end;

(B) in paragraph (2), by striking ''; and'' and inserting a period; and

(C) by striking paragraph (3).

(42) PONCA TRIBE OF NEBRASKA ECONOMIC DEVELOPMENT PLAN.—Section 10(a)(3) of Public Law 101–484 (104 Stat. 1169) is amended—

(A) in paragraph (1), by adding ''and'' at the end;

(B) in paragraph (2), by striking ''; and'' and inserting a period; and

(C) by striking paragraph (3).

(43) INDIAN CHILD PROTECTION.—Section 412 of Public Law 101–630 (25 U.S.C. 3211) is repealed.

(44) NATIVE AMERICAN CULTURAL CENTER FEASIBILITY STUDY.—Section 2 of Public Law 102–196 (20 U.S.C. 80q–13 note) is repealed.

(45) NOTIFICATION OF CONSOLIDATION OF BIA SCHOOLS.—Section 1121(h)(3) of the Education Amendments of 1978 (25 U.S.C. 2001(h)(3)) is amended by striking ''transmitted promptly to the Congress and''.

(46) PLAN FOR ENLARGEMENT OF A CERTAIN INDIAN RESERVATION.—Section 7(c) of Public Law 96–227 (25 U.S.C. 766(c)) is amended by striking the last sentence therein.

(47) KLAMATH TRIBE OF INDIANS ECONOMIC SELF-SUFFICIENCY PLAN.—Section 8 of Public Law 99–398 (25 U.S.C. 566f) is amended—

(A) in subsection (a)—

(i) by striking paragraph (2);

(ii) by striking ''(A)''; and

(iii) by striking ''(B)'' and inserting ''(2)''; and

(B) by striking subsection (d).

(48) OGLALA SIOUX RURAL WATER SUPPLY ENGINEERING REPORT.—Section 3(f) of Public Law 100–516 (102 Stat. 2568) is amended—

(A) by striking ''until—'' and all that follows through ''requirements'' and inserting ''until the requirements'';

(B) by striking ''; and'' and inserting a period; and

(C) by striking paragraph (2).

(49) COMPLIANCE WITH HEALTH AND SAFETY STANDARDS IN INDIAN SCHOOLS.—Section 1125(b) of the Education Amendments of 1978 (25 U.S.C. 2005(b)) is repealed.

(50) PLAN FOR USE OF JUDGMENTS TO INDIAN TRIBES.—

(A) IN GENERAL.—Section 2(a) of Public Law 93–134 (25 U.S.C. 1402(a)) is amended by striking "and submit to Congress".

(B) SUPPORTING DOCUMENTS.—Section 4 of Public Law 93–134 (25 U.S.C. 1404) is repealed.

(C) EFFECTIVE DATE OF PLAN.—Section 5 of Public Law 93–134 (25 U.S.C. 1405) is amended—

(i) in subsection (a)—

(I) by striking (a); and

(II) by striking ", at the end" and all that follows through the end of the subsection and inserting "upon submission of the plan to the affected tribes or groups."; and

(ii) by striking subsections (b), (c), (d), and (e).

(51) ADJUSTMENTS OR ELIMINATIONS OF REIMBURSABLE DEBTS OF INDIANS OR INDIAN TRIBES.—The Act of July 1, 1932 (25 U.S.C. 386a; 47 Stat. 564) is amended by striking the second and third provisos therein.

(52) ACCEPTANCE OF GIFTS FOR THE BENEFIT OF INDIANS.—The Act of February 14, 1931 (25 U.S.C. 451; 46 Stat. 1106) is amended by striking "An annual report" and all that follows through "data.".

(53) PROPOSED LEGISLATION TO RESOLVE CERTAIN INDIAN CLAIMS.—The Indian Claims Limitation Act of 1982 (Public Law 97-394; 28 U.S.C. 2415 note) is amended by striking section 6.

(54) INDIAN RESERVATION ROADS STUDY.—Section 1042 of Public Law 102–240 (Public Law 102–240; 23 U.S.C. 202 note) is amended—

(A) by striking "(a) STUDY—"; and

(B) by striking subsection (b).

(55) AMERICAN SAMOA WATER AND POWER STUDY.—Section 301 of Public Law 102–247 (106 Stat. 38) is amended—

(A) by striking "(a)"; and

(B) by striking subsection (b).

(56) SUCCESS OR FAILURE OF THE GOVERNORS OF GUAM AND THE VIRGIN ISLANDS IN MEETING GOALS AND TIMETABLES TO ELIMINATE GENERAL FUND DEFICITS BY 1987.—Section 607(c) of Public Law 96–597 (48 U.S.C. 1641 note) is repealed.

(57) RECOMMENDATION FOR DESIGNATING AS WILDERNESS CERTAIN PUBLIC LANDS PREVIOUSLY IDENTIFIED.—Section 603(b) of Public Law 94–579 (43 U.S.C. 1782(b)) is amended—

(A) by striking the first and second sentences; and

(B) by inserting "of an area referred to in subsection (a)" after "for designation".

(c) ANNUAL FINANCIAL REPORT BY CHIEF EXECUTIVE OF THE GOVERNMENT OF THE NORTHERN MARIANA ISLANDS.—Section 5 of Public Law 92–257 (48 U.S.C. 1692) is amended to read as follows:

"SEC. 5. The chief executive of the Government of the Northern Mariana Islands shall prepare, publish, and submit to the Congress and the Secretary of the Interior a comprehensive annual financial report in conformance with the standards of the National Council on Governmental Accounting, within 120 days after the close of the fiscal year. The report shall include statistical data as set forth in those standards relating to the physical, economic, social and political characteristics of the government, and any other information required by the Congress. The chief executive shall also make any other reports at other times as may be required under applicable Federal laws. This section is not subject to termination under section 502(a)(3) of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America (90 Stat. 263, 268).".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. DOOLITTLE) and the gentleman from California (Mr. DOOLEY) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. DOOLITTLE).

Mr. DOOLITTLE. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, H.R. 3002 will provide for the continued preparation of certain useful reports concerning public lands, Native Americans, fisheries, wildlife, insular areas and other natural resources-related matters.

Section 3003 of the Federal Reports Elimination and Sunset Act of 1997 terminates all reports to Congress contained in House Document 103–7 as of December 21, 1999. This document lists statutorily required reports to Congress from various executive branch agencies.

The philosophy of the Federal Reports Elimination and Sunset Act is to "alleviate the paperwork burden on executive branch agencies." Certainly the reduction of unnecessary paperwork is a worthy goal. However, some consideration must be given as to why a statute mandates a certain report and as to how this information is used by the Congress and the public. In the case of the Committee on Resources, this information greatly aids our oversight activities and the development of legislation. The reports also provide the public with valuable insight as to how Federal tax dollars are being spent.

Without action by Congress, many critical reports will be lost before the end of the year, requiring extensive amendments to underlying statutory authorities to reinstate the reports. H.R. 3002 will restore 128 reports, including implementation costs of the Endangered Species Act, notices of withdrawals of public lands, rehabilitation needs for National Forest System lands, threatened areas on the National Register of Historic Places, management plans for National Parks, proposed oil and gas leasing programs on the Outer Continental Shelf, proposals for projects under the Small Reclamation Projects Act, and audits of financial assistance provided to the insular areas of the United States.

The bill also makes technical changes to some underlying laws which authorize repealed or sunsetted reports. Time constraints preclude additional mop-up work in this area, but the committee intends to work on technical amendments in another vehicle soon.

These reports are needed for effective congressional oversight and to allow the public to see how their taxpayer dollars are being spent.

I urge support for this bill.

Madam Speaker, I reserve the balance of my time.

Mr. DOOLEY of California. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, we have no objection to this legislation. The bill would extend the existing requirements that the administration report to Congress on certain subjects of interest to the Committee on Resources. These reports would otherwise terminate in December 1999 under the Federal Reports Elimination and Sunset Act of 1995.

H.R. 3002 was not subject to a committee hearing. However, since the committee markup, the CBO has concluded that the cost of extending the 128 separate reporting requirements would be about $1 million annually, subject to appropriated funds. And neither OMB nor the affected department or agencies have raised specific concerns about this legislation.

Accordingly, since the administration has not objected to this bill and because it does not appear to be exceedingly burdensome or expensive, we support its passage in the House.

Madam Speaker, I yield back the balance of my time.

Mr. DOOLITTLE. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. DOOLITTLE) that the House suspend the rules and pass the bill, H.R. 3002.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

FACILITATING WATER TRANSFERS IN THE CENTRAL VALLEY PROJECT

Mr. DOOLITTLE. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 3077) to amend the Act that authorized construction of the San Luis Unit of the Central Valley Project, California, to facilitate water transfers in the Central Valley Project, as amended.

The Clerk read as follows:

H.R. 3077

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ELIMINATION OF RESTRICTIONS ON USE OF SAN LUIS UNIT FACILITIES FOR WATER TRANSFERS IN THE CENTRAL VALLEY PROJECT.

(a) ELIMINATION OF STATUTORY RESTRICTIONS.—Public Law 86–488 (74 Stat. 156) is amended—

(1) in section 2 by striking "and the use of the additional capacity for water service shall be limited to service outside of the Federal San Luis unit service area"; and

(2) in section 3 by adding "and" after the semicolon at the end of paragraph (h), by striking the semicolon at the end of paragraph (i) and inserting a period, and by striking paragraph (j).

(b) REQUIREMENTS FOR DELIVERY INSIDE FEDERAL SERVICE AREA.—Such Act is further amended—

(1) in section 2 by inserting "(subject to section 9)" after "a perpetual right to the use of such additional capacity"; and

(2) by adding at the end the following:

"SEC. 9. The State of California may not, under section 2, use additional capacity to deliver water inside the Federal San Luis unit service area unless—

"(1) such delivery is managed so as to ensure that—

"(A) agricultural drainage discharges arising from use of the delivered water—

"(i) comply with any waste discharge requirements issued for such discharges; or

"(ii) if there are no such waste discharge requirements, do not cause water quality conditions in the San Joaquin River and the Sacramento-San Joaquin Delta and San Francisco Bay to be degraded or otherwise adversely affected; and

"(B) use of the delivered water for irrigation does not frustrate or interfere with efforts by the United States and the State of California to manage agricultural subsurface drainage discharges from the San Luis unit; and

"(2) such delivery is consistent with those provisions of operating agreements between the Secretary and the Department of Water Resources of the State of California that are consistent with this Act.".

(c) AMENDMENT OF EXISTING AGREEMENTS.—The Secretary of the Interior—

(1) shall seek to amend each agreement entered into by the United States and the State of California under section 2 of Public Law 86–488 before the date of the enactment of this Act, as necessary to delete from such agreement restrictions on use of additional capacity for water service for land in the Federal San Luis unit service area that are not consistent with the amendments made by this Act; and

(2) pending such amendment, shall not enforce any such restriction.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. DOOLITTLE) and the gentleman from California (Mr. DOOLEY) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. DOOLITTLE).

Mr. DOOLITTLE. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, Federal agricultural contractors in the Central Valley Project of California who rely on exported water supplies from the Sacramento-San Joaquin River Delta have seen substantial reductions in their Federal water supplies over the last several years, even though these last few years have been "wet" years. This reduction has been increased because of the accumulated impacts of implementation of the Endangered Species Act, the Central Valley Project Improvement Act, and the Bay Delta Accord.

This reduction in CVP export supply reliability has increased the desire of many water managers to pursue water transfers. Additionally, numerous State laws and Federal laws have been enacted in an attempt to facilitate water transfers to assist agricultural and urban water users in maintaining reliable water supplies.

The San Luis Act of 1960 prohibits the State of California from providing water service to the San Luis Unit of the Central Valley Project. The committee believes this prohibition is inconsistent with current Federal and State policies which encourage and facilitate water transfers.

H.R. 3077 amends the Act of 1960 by eliminating the restrictions on use of San Luis Unit facilities for water transfers in the Central Valley. The gentleman from California (Mr. DOOLEY) is the author of this legislation, and in just a moment I am sure will add his explanation.

This morning we received a letter from Governor Grey Davis of California in support of H.R. 3077.

Madam Speaker, I reserve the balance of my time.

Mr. DOOLEY of California. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, California's San Joaquin Valley is one of the most productive agricultural areas in the world. The lands that receive water from the San Luis Unit of the Central Valley Project are especially productive. Farmers here are highly dependent on reliable deliveries of surface water in order to sustain crop production in the valley.

But even in the best years, water supplies from the Central Valley Project are often limited. Many farmers in California now improve the reliability of their water supplies by working out water transfer arrangements with other water users so that the limited supplies can be moved around and used more efficiently. But farmers in the San Luis Unit cannot freely participate in these transfers because the San Luis Act of 1960 prohibits the State of California from providing water service to the San Luis Unit. I believe this restriction makes it unnecessarily difficult for San Luis Unit farmers to take advantage of water supplies that might otherwise be available to them. I also believe this restriction in Federal law is outdated and inappropriate. H.R. 3077, as amended, will address these problems by eliminating the restriction on delivery of water from the State of California to lands within the Federal San Luis service area.

This is significant legislation affecting water management in California. Its effect will be to allow the delivery of water from California's State Water Project to lands within the San Luis Unit. The State of California operates the State Water Project, and Governor Davis, as the gentleman from California (Mr. DOOLITTLE) cited earlier, has advised me and others that he supports enactment of H.R. 3077, as amended.

Madam Speaker, I include the Governor's letter of November 5, 1999 at this point in the RECORD.

GOVERNOR GRAY DAVIS,
Sacramento, CA, November 5, 1999.

Hon. CAL DOOLEY,
House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE DOOLEY: I am writing to advise you of my support for H.R. 3077, which you recently introduced along with Representatives Gary Condit, George Radanovich and Bill Thomas.

As you know, H.R. 3077 would authorize water users in the San Luis Unit of the Central Valley Project (CVP) to purchase water supplies from the State Water Project (SWP). The bill amends the San Luis Act of 1960, which prohibits water transfers between the SWP and users in the San Luis Unit of the CVP.

Given the likelihood of water shortfalls in the future, I believe that voluntary transfers will become an increasingly important water management tool to address future supply needs. Your legislation is consistent with current state and federal policies aimed at encouraging voluntary water transfers and will likely play a key role in facilitating such transfers. In addition, in furtherance of state and federal policies to encourage water transfers, it is appropriate to remove barriers that might otherwise restrict transfers between the two projects.

I also support Representative George Miller's recent amendment to H.R. 3077 that conditions the transfer of water between the SWP and the San Luis Unit on measures to prevent irrigation drainage problems or degradation of water quality. I am pleased that you and your colleagues on the House Resources Committee were able to reach agreement on this language during the recent markup session.

As the legislation moves through the House in the closing days of this year's session, please let me know if I can be of assistance.

Sincerely,

GRAY DAVIS.

An important issue raised by any proposal to provide additional supplies of irrigation water to the San Luis Unit is subsurface drainage. Discharges of subsurface agriculture drainage from the San Luis Unit contributed to the deaths of hundreds of waterfowl at the Kesterson Reservoir site in the mid 1980s, and, while farmers and water districts in the San Joaquin Valley have made great progress in recent years, drainage management in the San Luis Unit continues to be a critical and unresolved issue.

I had the opportunity to participate with Secretary Babbitt just yesterday in doing a tour of the San Luis Unit and had the chance to see some of the terrific work that the water districts are doing there in order to try to manage their drainage water.

The Committee on Resources accepted an amendment on this subject offered by the gentleman from California (Mr. GEORGE MILLER), the senior Democrat on the committee. The gentleman from California's amendment would allow the State to deliver water to the San Luis Unit only after specific requirements have been met to protect water quality.

The purpose of the Miller amendment is to ensure that irrigation water deliveries from the State Water Project to the Federal San Luis Unit service area are carefully managed and are not directed to lands that are known to contribute to agricultural drainage problems with the resultant adverse effects on water quality in the San Joaquin River, the Sacramento-San Joaquin Delta, or San Francisco Bay. I was pleased to accept the gentleman from California's amendment during the committee's consideration of H.R. 3077. Governor Davis' letter also expresses his support for this amendment.

Madam Speaker, San Luis Unit farmers are the only farmers in the State of California who must farm under an outdated legal restriction that prevents them from supplementing their water supplies. H.R. 3077, as amended, will correct this inequity and will encourage responsible water use and cooperation among California water users.

I urge my colleagues to support the enactment of H.R. 3077, as amended.

Madam Speaker, I reserve the balance of my time.

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Mr. DOOLITTLE. Madam Speaker, I yield 3 minutes to the gentleman from California (Mr. RADANOVICH), a cosponsor of this legislation.

Mr. RADANOVICH. Madam Speaker, I thank the gentleman from California for yielding me this time.

As a cosponsor of H.R. 3077, I want to express my support for this bill on the floor. As we all know, water is a precious commodity in the State of California and particularly in the great Central Valley. I have seen the extra mile that water users in this area have taken to conserve water. This is not enough, however; because their water supply reliability has been significantly reduced and no certainty in supply is on the horizon for California agriculture and urban water users.

The Central Valley has a long agricultural history, producing over 250 of California's crops. With its fertile soil, temperate climate, and water supply capabilities, the Central Valley produces 8 percent of the agricultural output in the United States, on less than 1 percent of our Nation's farmland. Valley farmers grow nearly half of the fresh fruits and vegetables grown in the entire Nation.

At the same time, the Central Valley is the fastest growing region in the State, placing an ever-increasing demand on its urban water requirements. While agricultural and urban water demands are often in competition with one another, neither can be provided for unless a reliable supply of water is made available. Long-term environmental and habitat restoration needs of the Central Valley ecosystem must also be addressed, squeezing still more water out of a dwindling supply. Currently, under the CVPIA, over one million acre-feet of water is provided for environmental purposes each year.

The demands for agricultural, environmental and urban water uses in the great Central Valley are endless. Since water is directly tied to the economy, any disturbance in its supply will almost certainly result in the loss of jobs and agricultural production. By the year 2020, a net loss of 2.3 million acre-feet of water is projected for agricultural use. This is unacceptable and irresponsible. The impact of such a decline would be devastating. Thus, an adequate water supply should and must be secured.

For these reasons, I am a cosponsor of H.R. 3077. This measure gives water users the ability to obtain water from the State of California by facilitating water transfers at the San Luis Unit. Currently, the San Luis Act prohibits the State from allowing water to go through the San Luis Unit of the Central Valley Project. This will be corrected under H.R. 3077 and some of the tremendous strains on water supplies in the State will be alleviated.

Again, I support this bill and urge its passage.

Mr. DOOLEY of California. Madam Speaker, I yield back the balance of my time.

Mr. DOOLITTLE. Madam Speaker, I urge an "aye" vote and I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. BIGGERT). The question is on the motion offered by the gentleman from California (Mr. DOOLITTLE) that the House suspend the rules and pass the bill, H.R. 3077, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DOOLITTLE. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 359, H.R. 3002, and H.R. 3077.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

OFFICE OF GOVERNMENT ETHICS REAUTHORIZATION ACT

Mr. McHUGH. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 2904) to amend the Ethics in Government Act of 1978 to reauthorize funding for the Office of Government Ethics, as amended.

The Clerk read as follows:

H.R. 2904

by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REAUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Section 405 of the Ethics in Government Act of 1978 (5 U.S.C. App.) is amended by striking "1997 through 1999" and inserting "2000 through 2003".

(b) EFFECTIVE DATE.—This section shall take effect on October 1, 1999.

SEC. 2. AMENDMENT TO DEFINITION OF "SPECIAL GOVERNMENT EMPLOYEE".

(a) AMENDMENT TO SECTION 202(a).—Subsection (a) of section 202 of title 18, United States Code, is amended to read as follows:

"(a) For the purpose of sections 203, 205, 207, 208, 209, and 219 of this title the term 'special Government employee' shall mean—

"(1) an officer or employee as defined in subsection (c) who is retained, designated, appointed, or employed in the legislative or executive branch of the United States Government, in any independent agency of the United States, or in the government of the District of Columbia, and who, at the time of retention, designation, appointment, or employment, is expected to perform temporary duties on a full-time or intermittent basis for not to exceed 130 days during any period of 365 consecutive days;

"(2) a part-time United States commissioner;

"(3) a part-time United States magistrate;

"(4) an independent counsel appointed under chapter 40 of title 28 and any person appointed by that independent counsel under section 594(c) of title 28;

"(5) a person serving as a part-time local representative of a Member of Congress in the Member's home district or State; and

"(6) a Reserve officer of the Armed Forces, or an officer of the National Guard of the United States, who is not otherwise an officer or employee as defined in subsection (c) and who is—

"(A) on active duty solely for training (notwithstanding section 2105(d) of title 5);

"(B) serving voluntarily for not to exceed 130 days during any period of 365 consecutive days; or

"(C) serving involuntarily.".

(b) AMENDMENT TO SECTION 202(c).—Subsection (c) of 202 of title 18, United States Code, is amended to read as follows:

"(c)(1) The terms 'officer' and 'employee' in sections 203, 205, 207 through 209, and 218 of this title shall include—

"(A) an individual who is retained, designated, appointed, or employed in the United States Government or in the government of the District of Columbia to perform, with or without compensation and subject to the supervision of the President, the Vice President, a Member of Congress, a Federal judge, or an officer or employee of the United States or of the government of the District of Columbia, a Federal or District of Columbia function under authority of law or an Executive act;

"(B) a Reserve officer of the Armed Forces or an officer of the National Guard of the United States who is serving voluntarily in excess of 130 days during any period of 365 consecutive days; and

"(C) the President, the Vice President, a Member of Congress or a Federal judge, but only to the extent specified in any such section.

"(2) As used in paragraph (1), the term 'Federal or District of Columbia function' shall include, but not be limited to—

"(A) supervising, managing, directing or overseeing a Federal or District of Columbia officer or employee in the performance of such officer's or employee's official duties;

"(B) participating in the Federal or District of Columbia government's internal deliberative process, such as by providing regular advice, counsel, or recommendations to the President, the Vice President, a Member of Congress, or any other Federal or District of Columbia officer or employee, or by conducting meetings involving any of those individuals; or

"(C) obligating funds of the United States or the District of Columbia.".

(c) NEW SECTION 202(f).—Section 202 of title 18, United States Code, is amended by adding at the end the following:

"(f) The terms 'officer or employee' and 'special Government employee' as used in sections 203, 205, 207 through 209, and 218, shall not include enlisted members of the Armed Forces, nor shall they include an individual who is retained, designated, or appointed without compensation specifically to act as a representative of an interest (other than a Federal or District of Columbia interest) on an advisory committee established pursuant to the Federal Advisory Committee Act or any similarly established advisory committee whose meetings are generally open to the public.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. MCHUGH) and the gentleman from Maryland (Mr. CUMMINGS) each will control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. MCHUGH).

GENERAL LEAVE

Mr. MCHUGH. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 2904.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MCHUGH. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, H.R. 2904 accomplished the two objectives that are critically important to ensuring honesty in government and impartiality in the executive branch of government. First, it reauthorizes the Office of Government Ethics through the year 2003. Second, it amends Title XVIII of the United States Code to clarify the definition of the term "special government employee."

The Office of Government Ethics is a small agency in the executive branch. Its appropriation for fiscal year 2000 is only $9.1 million, and there are only about 84 full-time equivalent employees in its work force. Nevertheless, it performs a vital function. The Office's mission is to ensure impartiality and integrity in the operation of the Federal Government.

The Office oversees compliance with a variety of ethics laws in the executive branch. It issues rules and regulations on matters such as conflicts of interest, post-employment restrictions, standards of conduct, and financial disclosures.

The Office also reviews financial disclosure statements of certain presidential nominees and appointees, and when necessary, recommends corrective action for violations of ethics laws.

In addition, the Office of Government Ethics trains employees in ethics, provides formal and informal guidance on the interpretation and application of various ethics laws, and evaluates the effectiveness of conflict of interest and other ethics laws.

The Subcommittee on Civil Service of the Committee on Government Reform held an oversight hearing on the Office of Government Ethics shortly before the August recess. That hearing showed that the Office has performed its duties very well. There is no question that the Office has earned reauthorization by this Congress.

It was also vitally important, Madam Speaker, that this Congress clarify section 202 of Title XVIII to make it easier to determine who is a "special government employee" and therefore, subject to conflict of interest law and financial disclosure requirements.

Special government employees are informal advisors to presidents and other government officials. Some are compensated, some serve without pay. But in either case, if the integrity of government processes is to be protected, these advisors must be subject to the same conflict of interest laws and financial disclosure requirements as regular government employees.

This is not a new subject for the House. The need for this legislation was first brought to our attention as a result of the Travelgate hearings held by the Committee on Government Reform and Oversight during the 104th Congress.

Those hearings revealed and a subsequent report adopted by the Committee on Government Reform found that certain advisors to the President used their influence to promote their own business interests by actively encouraging the firing of career employees in the White House Travel Office. As a result, the committee's report on the Travelgate investigation recommended that this Congress amend the law to provide clear standards for determining who is a "special government employee."

The gentleman from Florida (Mr. SCARBOROUGH), who is not with us at this time, as I hope everyone in the body recognizes having suffered an injury in his home State and from which we wish him a speedy recovery, as chairman of the Subcommittee on Government Management, Information and Technology, has held two hearings on this issue. Witnesses at those hearings also testified in favor of clarifying the definition of "special government employee." Language substantially similar to section 2 of this bill was developed through those hearings.

During the 104th Congress, the House passed essentially the same language in H.R. 3452, the Presidential and Executive Office Accountability Act. Although most of that bill became Public Law 104-331, the "special government employee" language was dropped in the conference.

The need for a clearer definition remains, however. I urge all Members to seize this opportunity to promote integrity in government by passing this bill, H.R. 2904, today.

Madam Speaker, I reserve the balance of my time.

Mr. CUMMINGS. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, earlier this year, the Subcommittee on Civil Service held a hearing on the Office of Government Ethics which gave the subcommittee an opportunity to establish a record of how the agency is operating. OGE's mission is not only to prevent and resolve conflicts of interest and to foster high ethical standards for Federal employees, but also to strengthen the public's confidence that the government's business is conducted with impartiality and integrity.

OGE does this by reviewing and certifying the financial disclosure forms filed by presidential nominees requiring Senate confirmation; serving as a primary source of advice and counseling on conduct and financial disclosure issues, and by providing information on the promoting and understanding of ethical standards in executive agencies.

OGE and its staff are well regarded by the Federal agencies with whom they do business. There is no question that they do an outstanding job.

Witnesses at the hearing testified that OGE has played an essential and significant role in fostering the public's trust in the integrity of government. Therefore, I support the 4-year reauthorization of OGE and urge my colleagues to do the same.

I want to thank the gentleman from Florida (Mr. SCARBOROUGH), our subcommittee chairman, for all of his efforts, our chairman and our ranking member of the Committee on Government Reform and Oversight, and certainly the gentleman from New York (Mr. MCHUGH) for his comments today.

Madam Speaker, I yield back the balance of my time.

Mr. MCHUGH. Madam Speaker, I yield myself the balance of the time.

Again, I want to express our appreciation to the gentleman from Florida (Mr. SCARBOROUGH), who currently serves as the chairman of the Subcommittee on Civil Service, for introducing H.R. 2904 to authorize the Office of Government Ethics, and also to the gentleman from Indiana (Mr. BURTON), the chairman of the Committee on Government Reform, for his strong support of this legislation. As well, let me thank the gentleman from Maryland (Mr. CUMMINGS), the ranking member of the Subcommittee on Civil Service, and also the gentleman from California (Mr. WAXMAN), the ranking member of the Committee on Government Reform, for their combined support. Without this cooperative effort, Madam Speaker, we would not be here today.

I also want to commend the gentleman from Illinois (Mr. HYDE), the chairman of the Committee on the Judiciary, and the gentleman from Florida (Mr. CANADY) of the Subcommittee on the Constitution for their cooperation in expediting consideration of this measure. I also wish to express our appreciation to the gentleman from Florida (Mr. MICA), the former chairman of the Subcommittee on Civil Service, for his strong support for clarifying the definition of "special government employee." As we recognize, Madam Speaker, these kinds of initiatives, it takes the cooperative effort of many, and we thank yet another gentleman from California (Mr. HORN) for adding the "special government employee" language to this initiative.

Madam Speaker, although language before the House differs in some minor respects from the bill reported by the Committee on Government Reform, there really is no substantive difference. Working closely with the Office of Government Ethics, we have simply clarified the bill. Promoting the integrity of the Federal Government is critically important if our citizens are to have confidence in its operation. Nothing has made that clearer than our experience with the administration and its unprecedented reliance upon a host of informal advisors such as Harry Thomason, Paul Begala, Dick Morris, and numerous other outsiders who worked on the President's health care task force during his first term. Whether paid or unpaid, full-time or part-time, Madam Speaker, these advisors must be held to the same high ethical standards as regular government employees. Good government demands no less.

Congress has the opportunity today to ensure that existing conflict of interest laws and financial disclosure requirements deter these high-level advisors from using their role to promote their own business interests. I urge all Members to support H.R. 2904.

Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. MCHUGH) that the House suspend the rules and pass the bill, H.R. 2904, as amended.

The question was taken.

Mr. MCHUGH. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

☐ 1515

JOSEPH ILETO POST OFFICE

Mr. MCHUGH. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 3189) to designate the United States post office located at 14071 Peyton Drive in Chino Hills, California, as the "Joseph Ileto Post Office."

The Clerk read as follows:

H.R. 3189

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. JOSEPH ILETO POST OFFICE.

(a) DESIGNATION.—The United States post office located at 14071 Peyton Drive in Chino Hills, California, shall be known and designated as the "Joseph Ileto Post Office".

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in subsection (a) shall be deemed to be a reference to the "Joseph Ileto Post Office".

The SPEAKER pro tempore (Mrs. BIGGERT). Pursuant to the rule, the gentleman from New York (Mr. MCHUGH) and the gentleman from Maryland (Mr. CUMMINGS) each will control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. MCHUGH).

Mr. MCHUGH. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, H.R. 3189 was introduced by the gentleman from California (Mr. MILLER) on November 1 of this year. This legislation designates the building of the United States Postal Service located at 1407 Peyton Drive in Chino Hills, California, as the Joseph Ileto Post Office.

This legislation honors Mr. Ileto, an employee of the United States Postal Service who was slain while on duty in a hail of bullets by a white supremacist on August 10, 1999.

According to an affidavit filed in Federal court, the gunman had, just an hour before the shooting, opened fire at a Jewish community center in Los Angeles, wounding five children and employees. While making his rounds, Mr. Ileto encountered the assassin who, according to the affidavit, thought it would be a good idea to kill a non-white person who was also a government employee as a target of opportunity.

Mr. Ileto was the oldest of five children, born and raised in the Philippines and named after St. Joseph, the patron saint of the worker. He emigrated to the United States when he was 14 years old. After completing high school, he studied at East Los Angeles College, earning an associate degree in engineering in 1983. He lived with his brother in Chino Hills, and he cared for his recently widowed mother in Monterey Park.

He worked two jobs, at ABX Filters Corporation, where he tested electronic filters for heart pacemakers, and part-time as a substitute mail carrier. He was substituting for a regular letter carrier when he was killed, at age 39. Joseph Ileto took the postal position 2 years ago because he was seeking better pay in an outside job.

Mr. Ileto was known for his goodness, his good humor, his willingness to help, and for being reliable. Joe was known to be a humble man, never wanting to be the center of attention, just wanting to blend into the crowd. His work ethic and reliability won him a Special Achievement Award from the Postal Service. He was also very competitive, and loved playing games and watching the Los Angeles Lakers and the Dodgers.

He was a skilled chess player and was ranked at the master level. The Los Angeles Times and magazines devoted to chess recognized him for his achievements in that regard. His father taught him to play that game at the age of 7.

Uniformed postal workers, in a caravan of more than 100 trucks, paid their respects to their fallen colleague. Every mail carrier in his post office attended the funeral, along with many others from the postal community. Retired mail carriers offered to deliver the mail that day so everyone who knew Joseph could attend, exemplifying the model of mail carriers everywhere, that an injury to one is an injury to all.

Madam Speaker, it is important to note that the Post Office in Chino is near completion, and due to open early next year. It would be fitting that this body take action today on this bill, H.R. 3189, so that the naming of the post office coincides with the opening of this facility. Naming the Post Office in Chino Hills after Joseph Ileto would be an act of remembrance and honor to a person who, though he just wanted to blend into the crowd, exemplifies all the qualities that we look for in an outstanding citizen of this great Nation.

I also want to, Madam Speaker, take one moment to express our most heartfelt sympathy to the family and friends of this brave man. They share in this honor. We come to this floor many times each session and extend the privilege of a postal naming bill to presidents, to people who, in very real ways, made world history, to heroes of all kinds. Today we honor a hero of a somewhat different kind, but certainly no less a deserving individual.

I would strongly urge all of our colleagues to support this bill and to extend this honor to a very, very special man.

Madam Speaker, I reserve the balance of my time.

Mr. CUMMINGS. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, as a member of the Committee on Government Reform and

Oversight, I am pleased to join the gentleman from New York (Chairman MCHUGH) in the consideration of two postal naming bills, H.R. 3189, to designate the United States Post Office located at 41071 Peyton Drive in Chino Hills, California, as the Joseph Ileto Post Office, and H.R. 2307, to designate the United States Post Office located at 5 Cedar Street in Hopkinton, Massachusetts, as the Thomas J. Brown Post Office Building.

H.R. 319, introduced by the gentleman from California (Mr. GARY MILLER) on November 1, 1999, seeks to honor a fallen postal employee, Mr. Joseph Santos Ileto. My colleagues will remember that Mr. Ileto was slain on August 10, 1999, by a gunman who shot and wounded five children and employees at the North Valley Jewish Community Center in suburban Los Angeles.

Mr. Ileto was a letter carrier for the United States Postal Service. While he lived in Chino Hills, California, he worked at the Chatsworth Post Office, located at 21606 Devonshire Boulevard in Chatsworth, California.

A letter carrier for just 2 years, he was remembered by the Chatsworth Postmaster, Ramona Franco, as a good employee with a wonderful sense of humor. According to Postmaster Franco, Mr. Ileto was the recent recipient of a Special Achievement Award and recognized for his outstanding performance.

Joseph Santos Ileto was born on March 10, 1960, in Legaspi City, Philippines, and named after St. Joseph, the patron saint of workers. A Dodgers and Lakers fan, Mr. Ileto was a master chess player who was murdered by white supremacist Buford Furrow while delivering mail on his mail route.

Joseph Santos Ileto was a fine man who loved his family and friends. My colleague, the gentleman from California (Mr. GARY MILLER), is to be commended for recognizing a man who was proud to wear the uniform of the United States Postal Service letter carrier. I would agree with the gentleman from New York (Chairman MCHUGH), it is so appropriate that we take this time to honor this postman.

The thing is that so often when we name buildings, they are not named after the people who do not normally make the front pages of the Washington Post or local papers, but this was a gentleman that so often I would take it that, like many other Post Office people, that we take for granted. They are the people who deliver our mail every day through the cold, the sleet, the wind, the sun, whatever. They are there.

I join the gentleman from New York (Chairman MCHUGH) when he says that we want the family to know of our sympathy, and we want them to know how we feel so strongly about Mr. Ileto. Here is something else that needs to be said, and it is simply this, that in naming this Post Office after this postman, hopefully when people pass that Post Office and see that name up there, they will be reminded of what postmen and postwomen do every day in making sure that our mail is delivered, and making sure that correspondence, which is the lifeblood of any kind of communications process all over the world, is taken care of and taken care of in a very excellent fashion.

To that end, it is indeed a fitting tribute to name a soon-to-be-opened postal facility in Mr. Ileto's hometown in Chino Hills, California, after its fallen son.

Madam Speaker, I yield 2 minutes to the distinguished gentleman from Guam (Mr. UNDERWOOD).

Mr. UNDERWOOD. Madam Speaker, I thank my colleague for yielding me the time.

Madam Speaker, I stand in strong support of the bill offered by the gentleman from California (Mr. GARY MILLER), H.R. 3189. As outlined, this bill will designate the United States Post Office in Chino Hills the Joseph Ileto Post Office.

I stand in strong support of this on a couple of bases: One, as chairperson of the Asian-Pacific American Caucus in Congress, we have a particular affinity for this particular piece of legislation which is being passed in honor of Joseph Santos Ileto, a Filipino-American postal employee murdered by white supremacist Buford O. Furrow basically for being foreign-looking.

Basically, the entire incident involving the murder of Mr. Ileto was that he looked like a foreigner. He was an Asian-American who was devoting his life to public service in the Post Office.

Certainly I would like to also associate myself with the comments about the Postal Service. My father was postmaster at one time, and my grandfather was postmaster, so we have a long tradition in our family of paying honor and tribute to people who work in the Post Office.

In this particular instance, we have what is usually a person who does not attract much attention, but he is emblematic of the many thousands of people who work for the Postal Service and who carry on their duties on a regular basis.

I want to commend the gentleman from California (Mr. GARY MILLER) on his initiative to remember Joseph Ileto, and to not let the issue go away about the circumstances of his murder and bringing recognition of that. At the same time, I want to point out that the number of hate crimes which have gone on this past year continues to increase in this country.

I think it is very important that, in Mr. Ileto's name, we continue to focus on the issue of hate crimes, of which he was himself a victim, and to continue to support hate crimes legislation. This is an opportunity for us to draw attention to it. It is an opportunity to draw attention to the service of Asian-Pacific Americans in this country.

Also, I would like to again commend the work of our colleague, the gentleman from California (Mr. GARY MILLER) in this matter.

Mr. CUMMINGS. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I want to thank my colleague, the gentleman from Guam, for making a very significant point. That is that, unfortunately, in our country we are still seeing the results of hate crimes. Unfortunately, our friend, Mr. Ileto, died as a result of a hate crime. It is very, very sad.

It is a fact that we are hoping that by taking this moment on the part of the United States Congress to recognize this wonderful, wonderful man, we will say to all of America that we, the Congress of the United States, will not stand for that kind of conduct. As we lift him up and say to Mr. Ileto and to his family that we are grateful for his service and all that he has given us, we also say to all of those who want to wander throughout our country committing these kinds of offenses that we will not stand for it, and we will do everything in our power to stomp it out.

To that end, Madam Speaker, I would urge my colleagues to vote for this very, very important piece of legislation. I thank the chairman, the gentleman from New York (Mr. MCHUGH), the ranking member of our committee, the gentleman from Pennsylvania (Mr. FATTAH), the gentleman from California (Mr. WAXMAN), and the chairman, the gentleman from Indiana (Mr. BURTON).

Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MCHUGH. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, let me first of all express my appreciation to the gentleman from Maryland (Mr. CUMMINGS) and the gentleman from Guam (Mr. UNDERWOOD), and all of the minority members, including, of course, the ranking member, the gentleman from California (Mr. WAXMAN), for their continued and continuous support on these kinds of measures.

☐ 1530

I do think it is a very fine example as to how the majority and minority can work toward a common good and a common action.

I also want to thank the gentleman from Indiana (Mr. BURTON), the chairman of the full committee, for his continuous support in these efforts and for helping us to expedite consideration as we wind down the end of this legislative session so that we can, indeed, pay tribute to a very deserving individual.

I want to say that I certainly agree with the comments of the two previous speakers. The cause of this crime was despicable, and I think it is true as well that all Americans find hate and find the kinds of actions fueled by the hate in this instance to be unspeakably evil. And to the extent that we can make a statement against that in this forum, that is a positive thing.

But I would say that we are here today honoring an individual who fell and who was victimized and who we think would be worthy of this honor regardless of the motivations of the criminal who took his life. This is a man who has, through his life, through his roots and the way in which he has overcome, earned all of our admiration.

Madam Speaker, Mr. Ileto I think in many ways is a perfect profile for the American dream, a gentleman who works hard, someone who carries the common values that have continuously bound this Nation together through our more than two centuries of existence. And regardless of his race, his color, his religious beliefs or any other distinguishing factor is a man fully deserving of this honor today.

So with that, Madam Speaker, I offer again our deepest sympathies to Mr. Ileto's family, to his loved ones, and to those who knew him and urge that all Members support this legislation.

Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. BIGGERT). The question is on the motion offered by the gentleman from New York (Mr. McHUGH) that the House suspend the rules and pass the bill, H.R. 3189.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. McHUGH. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3189, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

THOMAS J. BROWN POST OFFICE BUILDING

Mr. McHUGH. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 2307) to designate the building of the United States Postal Service located at 5 Cedar Street in Hopkinton, Massachusetts, as the "Thomas J. Brown Post Office Building".

The Clerk read as follows:

H.R 2307

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

(a) IN GENERAL.—The building of the United States Postal Service located at 5 Cedar Street in Hopkinton, Massachusetts, shall be known and designated as the "Thomas J. Brown Post Office Building".

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the building referred to in subsection (a) shall be deemed to be a reference to the "Thomas J. Brown Post Office Building".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. McHUGH) and the gentleman from Maryland (Mr. CUMMINGS) each will control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. McHUGH).

Mr. McHUGH. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, H.R. 2307 was introduced by the gentleman from Massachusetts (Mr. McGOVERN) on June 22 of this year. This legislation designates the building of the United States Postal Service located at 5 Cedar Street in Hopkinton, Massachusetts, as the Thomas J. Brown Post Office Building.

Both the relevant subcommittee and committee approved this legislation, which is cosponsored by the entire House delegation of the State of Massachusetts.

Madam Speaker, Mr. Brown is a past president of the Boston Athletic Association and former postmaster of the town of Hopkinton, which is the starting point for the Boston Marathon. Mr. Brown has been actively involved in the Boston Marathon in his capacity as president of the Boston Athletic Association.

Madam Speaker, again we are here, as we did in the first bill, although under very, very different circumstances, paying tribute to an individual who perhaps does not find his name on the front page of the Nation's newspapers or as one of the lead stories on the evening news broadcast. But, nevertheless, we are here honoring a man who has, through his association, both with the Postal Service and with his activities and love of his community, has shown great leadership in important ways.

I would say, Madam Speaker, that Mr. Brown is a kind of testament to, again, the American way of life, to someone who is not involved in any kind of community activity for power or glory or certainly for enrichment, but rather cares about their neighbors, cares about his association with those neighbors, and works simply to make today better than yesterday and, hopefully, tomorrow a little bit better than today.

I would certainly urge all of our colleagues to support H.R. 2307 and honor this postal employee who is so actively involved in a very important part of his town's history. And I am always, as chairman of the subcommittee, particularly gratified when those postal employees, nearly 900,000 individuals who each day make this wonderful system work so well, are honored in this manner, particularly, as it does in this case, occurring in their hometown in the very facility in which they discharge those duties.

Madam Speaker, I reserve the balance of my time.

Mr. CUMMINGS. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I join the gentleman from New York (Mr. McHUGH) in his comments with regard to honoring this wonderful former postmaster. As a member of the Committee on Government Reform, I am pleased to join him in consideration of H.R. 2307.

H.R. 2307, introduced by the gentleman from Massachusetts (Mr. McGOVERN) on June 22, 1999, seeks to honor Mr. Thomas J. Brown. Mr. Brown is the former postmaster of the town of Hopkinton, Massachusetts, and past president of the Boston Athletic Association. Hopkinton, Massachusetts, is the starting point for the Boston Marathon, and Mr. Brown has been extensively involved in this race in his capacity as president of the BAA.

Designating a post office after a former postmaster is an excellent way to honor Mr. Brown's achievement. Madam Speaker, I could go on into further detail about the numerous community activities Mr. Brown is involved in, but I would prefer to yield time to the sponsor of H.R. 2307, the gentleman from Massachusetts (Mr. McGOVERN).

Madam Speaker, I reserve the balance of my time.

Mr. McHUGH. Madam Speaker, I continue to reserve the balance of my time.

Mr. CUMMINGS. Madam Speaker, I yield 3½ minutes to the gentleman from Massachusetts (Mr. McGOVERN).

Mr. McGOVERN. Madam Speaker, I thank the gentleman from Maryland (Mr. CUMMINGS) not only for his support but for yielding me this time.

Madam Speaker, I rise in support of H.R. 2307 to designate the Thomas J. Brown Post Office Building in Hopkinton, Massachusetts. I wish to thank the gentleman from New York (Chairman McHUGH) for his support and for the support of this subcommittee in moving this bill through the Committee on Government Reform and bringing it to the House floor today.

This bill will name the Federal Post Office at 5 Cedar Street in Hopkinton, Massachusetts, after Thomas J. Brown. Mr. Brown is a long-time resident of Hopkinton, served as postmaster from

1940 to 1970, and this bill will give the brand-new Hopkinton Post Office a name in tribute to a man who has served his community with pride and dignity for over 30 years.

Mr. Brown is a World War II veteran, having served in San Francisco and Pearl Harbor in the Postal Division of the United States Navy from 1942 to 1946. He served on the Board of Governors from 1978 to 1985, and as president from 1982 to 1985 of the Boston Athletic Association. Of national importance, Mr. Brown also served as official starter of the Boston Marathon, the famous 26-mile race that starts in the town of Hopkinton, Massachusetts.

This new post office is vital to the town of Hopkinton. Roughly five times the size of the current building, this new building has an extra customer service window, 800 post office boxes and a stamp vending machine. This new post office is needed because of the rising number of new residents who have moved to Hopkinton in the past decade. These improvements will better serve all the residents of the surrounding area in honor of Mr. Brown and his dedication to his community.

The Town of Hopkinton Office of the Selectmen, the Boston Athletic Association, and the entire Massachusetts congressional delegation support this bill to honor Thomas J. Brown's community service. This is an important bill to the Town of Hopkinton and to the lives of the people Mr. Brown has touched.

Madam Speaker, I urge my colleagues to support H.R. 2307 and name the Hopkinton Post Office after Thomas J. Brown.

Madam Speaker, I would like to submit for the RECORD the following letters of support and related news articles about the new post office and the effort to name it after Mr. Brown.

TOWN OF HOPKINTON,
OFFICE OF THE SELECTMEN,
Hopkinton, MA, June 4, 1999.

Mr. GUY L. MORSE III,
Director, Boston Athletic Association,
Boston, MA.

DEAR GUY: The Board of Selectmen received your letter discussing the B.A.A.'s proposal that the new Hopkinton Post Office be dedicated to Tom Brown, long-time resident of the Town, Hopkinton Postmaster from 1940–1970, and official starter of the Boston Marathon for many years.

Our Board strongly supports this proposal. It would be a well-earned tribute to a man who served this community well, over many years.

We hope your proposal will be carefully considered by Congress, and successfully implemented!

Sincerely,

MAUREEN L. DWINNELL,
Chairman.

[From the Milford Daily News, Aug. 27, 1999]

NEW POST OFFICE IN HOPKINTON

(By John B. Moore)

HOPKINTON.—With little potential for controversy, the new Hopkinton Post Office likely will open this fall and be dedicated to former postmaster and Boston Marathon honcho Thomas J. Brown.

The proposal to name the soon-to-be-opened post office, which passed out of committee earlier this month, is expected to be adopted by Congress by October, if not sooner.

"I'm so pleased this is progressing so well," said Guy Morse, president of the Boston Athletic Association and the man behind the move to dedicate the building in Brown's name.

Brown, who served as Hopkinton's postmaster from 1940–1970, now lives in Maine.

A former Hayden Rowe Street resident, he was president of the Boston Athletic Association from 1982–1985. He also served as the official starter of the marathon for a number of years.

"The bill has been marked up by the Committee on Government Reform and when they come back from recess at the beginning of September it will go to the floor," said Michael Mershon, a spokesman for U.S. Rep. James McGovern, D-3rd.

"The person I spoke to yesterday said they expect it to pass through the floor of the House no later than mid-October."

Once the measure is approved, it goes to the U.S. Senate before landing on the president's desk for his signature.

When the bill makes it to the Senate, Sen. John Kerry, D-Mass., will take the reins.

"There has been no doubt in my mind that the new post office in Hopkinton should be named after Tom Brown—someone who has served his community for years as postmaster and who has contributed so much of his time and energy to the Boston Marathon," Kerry said.

Along with McGovern and local town officials, Kerry has strongly supported naming the post office after Brown.

"What better way to honor Tom Brown than to name the post office after him right in Hopkinton, where year after year we start the Boston Marathon," Kerry said.

Morse toured the new post office earlier this week and spoke with the current postmaster about a ceremony.

"We're looking to hopefully have something in the beginning of October," Morse said.

"I'm very pleased that it looks like it might actually come about," Morse said. "I think it's a great testimony to Tom Brown that so many people got involved to make this happen."

[From the Hopkinton Town Crier, Oct. 19, 1999]

NEW POST OFFICE, AWAITS OFFICIAL FANFARE

(By John B. Moore)

The new post office will receive little fanfare this week.

The big celebration will likely be held in late fall when the building is officially dedicated to former resident and past Boston Marathon President Tom Brown.

"One of the reasons we're moving ahead with the opening is because the asphalt plants will probably be closed by the end of November and we need to have the customer parking lot paved on time," said Post Master John Hester.

The future lot now sits under the old, overburdened post office resting in the shadow of the new state-of-the art facility on Cedar Street, scheduled to open Monday.

"We'll close the old building at noon on Saturday and start moving everything over then," Hester said Thursday.

The old building will be torn down to make room for more parking spaces. Both buildings are leased to the Postal Service.

The new 13,800-square-foot post office is roughly five times the size of the current building.

"Everyone has been ready for this for a while now," Hester said. "You wouldn't believe how excited we are."

Hester is among those cheering the new opening. For one thing, he gets to move out of the old trailer parked behind the buildings that has been his office for years.

"The other post office could just about fit in this lobby," said Hester, walking inside the new facility yesterday afternoon.

Along with more office space, the new building has an extra customer service window, 800 post office boxes and a stamp vending machine, along with more parking spaces.

There is also an electronic scale inside the lobby allowing customers to weigh and stamp their packages without ever having to wait in line.

There will also be an entire wall lined with prepackaged stamps and other merchandise.

Also in for a change will be the hours of the service windows.

The old building used to open the windows from 7:30 a.m. to 5 p.m. Mondays through Fridays. They will now open an hour later.

"I did a study to determine what people were buying during different hours and what I found out is 90 percent stamps during that early hour," Hester said.

With the stamp vending machine, it made little sense to keep the window open for that hour.

The Saturday hours will be shortened, as well, with the post office opening from 8:30 a.m. to noon closing two hours early.

"We just found that the volume wasn't there and like any other businesses we need to control costs," he said.

The prime reason for the new building is the soaring number of new residents who have moved into town over the last decade. The old building is simply buckling under the strain.

"This building is set up to anticipate new growth," he said. "This is a building everyone should be proud of."

Before the building can be dedicated to Brown, U.S. legislators have to give the final OK.

Though the naming measure is routine, it takes time to filter through the House and Senate, an aide to Rep. James McGovern, D-Mass., said.

The ceremony will probably take place in November, said Bob Cannon, a spokesman for the U.S. Postal Service.

Brown, who served as Hopkinton's postmaster for 1940–1970. Now lives in Maine.

A former Hayden Rowe Street resident, he was president of the Boston Athletic Association from 1982–1985. He also served as the official starter of the Marathon for a number of years.

Mr. MCHUGH. Madam Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. CUMMINGS. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I thank the gentleman from Massachusetts (Mr. MCGOVERN) for his statement. One of the things that he pointed out, Madam Speaker, is that Mr. Brown is also a veteran. I think so often our veterans play such significant roles while they are in the military and when they leave. And here is another example of a veteran when he left the military to go on and do some very, very significant things to help people.

The gentleman also talked about Mr. Brown being the starter, the person who started the race, and that is very significant when we think about what is happening today. He went on to talk about how this Post Office is much larger so it could serve so many more people as the town has grown.

The fact is that our honoree, Mr. Brown, was one who was there way back when, and now he has seen not only the race grow but he has seen this wonderful town grow. And so it is with great honor and privilege that I take a moment today to, number one, thank Mr. Brown for all that he has done. I also want to thank the gentleman from Massachusetts (Mr. MCGOVERN) for being so sensitive to all of those people who are supporting this wonderful and very important legislation. I again thank the gentleman from New York (Mr. MCHUGH), the chairman of the Subcommittee on the Postal Service; and I thank the gentleman from Pennsylvania (Mr. FATTAH), the ranking member of that subcommittee; and of course the gentleman from Indiana (Mr. BURTON) and the gentleman from California (Mr. WAXMAN), the chairman and ranking member respectively.

Madam speaker, I yield back the balance of my time.

Mr. MCHUGH. Madam Speaker, I yield myself the balance of the remaining time.

Madam Speaker, let me associate myself with particularly the last comments by the gentleman from Maryland (Mr. CUMMINGS). Veterans of virtually any war are a very special class of people to whom those of us who enjoy the fruits of this wonderful democracy really owe more than we can ever repay. And I, too, want to thank the gentleman from Massachusetts (Mr. MCGOVERN) for providing this opportunity to recognize, not only as I said earlier a 3-decade employee of the United States Postal Service, but like so many of his contemporaries, an individual whose record of service extends even beyond that of his service during World War II.

Heroes come in many different forms and walk in many different ways in this life. To the community of Hopkinton, to the Greater Boston area, and to all of those across this country who believe, as I do, that the Boston Marathon is such a special event, without question, this gentleman, Mr. Brown, is a hero. We are very, very lucky today to have this opportunity.

Madam Speaker, I too want to express my appreciation to the gentleman from Maryland (Mr. CUMMINGS) for being here today and for managing this bill, for the continued support of the gentleman from Pennsylvania (Mr. FATTAH) as the ranking member, along with, of course, the gentleman from California (Mr. WAXMAN) as the ranking member of the full committee and the gentleman from Indiana (Mr. BURTON), chairman of the full committee, and his staff and the staff of the Subcommittee on the Postal Service for their untiring work in processing these in the way in which they should be processed: in a bipartisan cooperative manner.

Madam Speaker, I close with a final urging to all of our colleagues to support this fine bill, H.R. 2307.

Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. MCHUGH) that the House suspend the rules and pass the bill, H.R. 2307.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MCHUGH. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 2307, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

□ 1545

EXPRESSING THE CONDOLENCES OF THE HOUSE OVER PAYNE STEWART'S DEATH

Mr. Miller of Florida. Madam Speaker, I move to suspend the rules and agree to the resolution (H. Res. 344) recognizing and honoring Payne Stewart and expressing the condolences of the House of Representatives to his family on his death and to the families of those who died with him.

The Clerk read as follows:

H. RES. 344

Whereas William Payne Stewart was born in Springfield, Missouri, on January 30, 1957;

Whereas Payne Stewart was the son of William Stewart and Bee Payne-Stewart and brother of Susan and Lora;

Whereas Payne Stewart grew up in a loving family in Springfield, Missouri, and was instilled with the strong family values of hard work, academic achievement, and good sportsmanship;

Whereas although Payne Stewart was a good athlete in football and basketball, under the mentoring of his father, he took up the game of golf, practicing and playing at Hickory Hills Country Club and growing to love the game and its history;

Whereas Payne Stewart grew proficient in the game of golf during his years at Greenwood High School and at Southern Methodist University in Texas where he earned the status of "All-American";

Whereas Payne Stewart attained two milestones in 1981, marrying Marries Theresa "Tracey" Ferguson and qualifying for his Professional Golfer's Card;

Whereas Payne Stewart donned what became his trademark knickers, long socks and cap and won his first professional golf tournament in 1982 at the Quad Cities Open in Illinois—the only professional golf tournament victory his father ever saw him win;

Whereas Payne Stewart won 11 professional golf tournaments, including the United States Open in 1991 and 1999 and the Professional Golfers' Association Championship in 1989, and was a member of the United States Ryder Cup Team 5 times, including the team that staged the greatest comeback victory in the history of the event in 1999;

Whereas in 1994, Payne Stewart was among the first athletes inducted in the Missouri Sports Hall of Fame;

Whereas Payne Stewart was never selfish with his successes, sharing generously with many charitable organizations, including giving his entire Bay Hill Classic winner's purse of $108,000 to the Florida Hospital Golden Circle of Friends in memory of his father;

Whereas just last year Payne Stewart and his wife donated $500,000 to the First Foundation, the fund raising arm of the First Baptist Church of Orlando, to be used for the expansion of a Christian school;

Whereas Payne Stewart always found time to be a golf teacher and mentor to children who were learning the game, returning to Springfield in late July 1999 to conduct one of many children's clinics for would-be future golf competitors;

Whereas Payne Stewart served as a role model for his Christian faith and his sport in countless public and private ways;

Whereas Payne Stewart was a loving husband to his wife Tracey, daughter Chelsea, and son Aaron;

Whereas Payne Stewart was viewed by his friends and former classmates as a fun-loving, warm, and smiling man with a joy for life, his family and his sport;

Whereas Payne Stewart transcended the game of golf as a timeless symbol of athletic talent, spirited competition, and a role model for people of all ages; and

Whereas Payne Stewart died in a tragic plane crash on October 25, 1999, along with Van Arden, Stephanie Bellegarrigue, Bruce Borland, Robert Fraley, and Michael Kling: Now, therefore, be it

Resolved, That the House of Representatives—

(1) recognizes and honors Payne Stewart—

(A) as one of the greatest golfers;

(B) for his many contributions to the Nation throughout his lifetime; and

(C) for transcending the game of golf and becoming a timeless symbol of athletic talent, spirited competition, and a role model as a Christian gentleman and a loving father and husband; and

(2) extends its deepest condolences to the families of Payne Stewart and the other victims in the plane crash, Van Arden, Stephanie Bellegarrigue, Bruce Borland, Robert Fraley, and Michael Kling, on their tragic loss.

SEC. 2. The Clerk of the House of Representatives shall transmit an enrolled copy of this resolution to the family of each of the victims.

The SPEAKER pro tempore (Mrs. BIGGERT). Pursuant to the rule, the gentleman from Florida (Mr. MILLER) and the gentleman from Maryland (Mr. CUMMINGS) each will control 20 minutes.

The Chair recognizes the gentleman from Florida (Mr. MILLER).

GENERAL LEAVE

Mr. MILLER of Florida. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H. Res. 344.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. MILLER of Florida. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in support of House Resolution 344. I would like to thank the distinguished gentleman from Springfield, Missouri (Mr. BLUNT) for providing this House the opportunity to express our condolences to the family of Payne Stewart while enabling us to celebrate his life and accomplishments.

I would also like to thank the gentleman from Indiana (Mr. BURTON), chairman of the Committee on Government Reform, who recognized the timeliness of this measure and expedited this opportunity for consideration before the House today.

This resolution has many cosponsors who welcome the opportunity to provide Payne Stewart this fitting moment of honor. Our celebration of his life is a quiet reflection of the patriotism that he displayed so proudly throughout his professional career.

During that career, Payne Stewart won 11 professional championships, three of them majors. Twice he won the United States Open. He walked the fairways wearing his trademark knickers and tam o'shanter, commonly blending a combination of colors symbolizing the nearest available National Football League team.

His many accomplishments on the golf course were the building blocks that qualified him to represent this country in international competition. His smooth swing, and controlled, steady play were vital to the United States team's dramatic come-from-behind victory in this year's Ryder Cup competition. He took great pride in wearing the red, white, and blue.

His widow and two children knew his full devotion. He took pride in his role as a husband and father, and he provided a model of spirited dedication throughout his life. We welcome this opportunity to recognize his life, and to join the many golf fans throughout the country in extending our condolences to his widow, his children, and his friends.

Madam Speaker, I reserve the balance of my time.

Mr. CUMMINGS. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, Payne Stewart, who was an 11-time winner of the PGA Tour and stood eighth in the world golf rankings, died on his way to do what he loved best, died on his way to look at a field with regard to golf.

Payne Stewart was on his way to Houston for practice rounds in advance of the Tour Championship when his plane crashed in South Dakota. Mr. Stewart died with five others, two pilots of the plane Michael King, 43, Stephanie Bellegarrigue, 27, his agents Robert Fraley and Van Ardan and Bruce Borlan, a golf course designer. As expressed by this resolution, our condolences go out to all of the families affected by this terrible crash.

Mr. Stewart, winner of the United States Open at Pinehurst, North Carolina, also played on the Ryder Cup team that won an inspiring comeback victory over Europe in September. He won the Professional Golfer's Association championship in 1989, and in 1991 captured his first U.S. Open title at Hazeltine in Minnesota, after an 18-hole playoff.

Tim Finchem, the PGA Tour Commissioner, is quoted as saying that, "Payne represented the best of golf. He was a man of great faith, a devoted, compassionate, and most energetic husband and father, and a man of tremendous generosity." Tiger Woods, upon hearing the news of Stewart's death, commented, "It is shocking; it's a tragedy. There is an enormous void and emptiness I feel right now."

That void and emptiness was felt by the 3,000 people attending Stewart's memorial service, over 100 of which were PGA Tour players and officials. At the memorial service, Paul Azinger, a close friend of Stewart's pulled a tam-o'-shanter cap over his head and rolled up his trousers to knickers length, revealing a vibrant pair of argyle socks, a poignant tribute to the distinctive sports clothing Stewart was known for wearing.

At the start of the PGA Tour Championship that Mr. Stewart was scheduled to play in, a bagpipe played the Scottish lament "Going Home". Payne Stewart once said, "I'm going to a special place when I die. But I want to be sure my life is special while I'm here."

Payne Stewart is home now, and his life here on Earth was, indeed, special.

Madam Speaker, I reserve the balance of my time.

Mr. MILLER of Florida. Madam Speaker, I yield 2 minutes to the gentleman from Kansas (Mr. RYUN), one Olympian in our United States Congress, an Olympic runner.

Mr. RYUN of Kansas. Madam Speaker, Payne Stewart's tragic death shocked the United States and the world just 2 short weeks ago. Today, the House honors him in a fitting tribute to his life.

One does not have to be a golfer to know who Payne Stewart was. While his talent and distinctive style made him stand out on the course, his love of family and love of God, involvement in his community made him stand out as a wonderful human being.

Payne Stewart's accomplishments speak for themselves. He was a member of five Ryder Cup teams, including September's winning team. He won 11 professional tournaments in the United States, including three major golf championships. He was having his best year on the tour; and in the last golf ranking, he was ranked eighth in the world.

Just a few years ago, some golf experts began to write him off, that he was not going to be able to make it. They speculated his career was all but over after a number of years in the PGA without a lot of success. However, after winning this year's U.S. Open, which capped a 4-year return to the top of the golfing world, Payne gave insight into the real reason behind his turnaround. He spoke of a renewed faith in God that had given him inner peace and had led to a stronger family life.

Payne Stewart also gave generously of his time and money to charity causes. He was actively involved in the First Baptist Church in Orlando, Florida. The Reverend Jim Henry, who was one of his pastors, said this of Payne, "He was a wonderful Christian who had Christ in his life and somehow in his death."

He was also a good neighbor. One of his neighbors summed it up by saying, "Payne was an unbelievable person." Recent news reports said that he was even well-known among his neighborhood for fixing pancakes after his children's sleep-overs. Parents and fathers should be proud of that, and Payne was certainly a good example.

In the world of sports today, Payne Stewart was every bit of a role model. May God grant us many more Payne Stewarts. By honoring him today, we express our thanks for his example, and we offer our prayers and condolences to his family for their loss.

Mr. CUMMINGS. Madam Speaker, I yield 5 minutes to the distinguished gentleman from American Samoa (Mr. FALEOMAVAEGA).

Mr. FALEOMAVAEGA. Madam Speaker, I want to thank the gentleman from Maryland for extending me this time to say a few words in support of this great American.

Madam Speaker, I rise today in strong support of this legislation which honors professional golfer Payne Stewart and expresses the heartfelt condolences of our Nation to Payne Stewart's family upon his tragic death. I want to commend the gentleman from Missouri (Mr. BLUNT), my good friend, for introducing this most worthy measure.

Like many around the world, I was shocked and saddened by the events of October 25, 2 weeks ago, when the Lear Jet carrying Payne Stewart became disabled and crashed. The accident reminds us of how fleeting and uncertain life can be, no matter what our status is.

Madam Speaker, although Payne Stewart has left this earthly existence, his legacy and what his life stood for will continue to live on in our memory and in the annals of sports and history.

As a hacker who loves the game of golf, and all my colleagues on this side of the aisle who also love the sport, Madam Speaker, I fully appreciate and understand how difficult, demanding, and frustrating the sport of golf can be, especially at the rarefied levels of professional golf. Therefore, I deeply respect the tremendous achievements of Payne Stewart in winning 11 PGA tournaments in his shortened career, which include three major championships, the PGA in 1989, the U.S. Open in 1991, and the U.S. Open this year.

Winning even one major championship is considered the pinnacle of excellence and the defining moment in a professional golfer's career. It is not surprising that an athlete of Payne Stewart's brilliance earned this honor several times.

While Payne Stewart's shot-making and colorful knickers attire attracted a lot of attention, what most impressed me about Payne Stewart was the class and sportsmanship that he showed while competing. After his heartbreaking loss in the 1998 U.S. Open in the closing moments due to a bad break, a divot lie after a perfect drive in the fairway, many will remember that Mr. Stewart held his head high and refused to make excuses in response to those that accused him of choking. This year, he answered those critics by sinking the longest putt ever to win the U.S. Open.

Madam Speaker, for the past several years, I had hoped, it was like a dream to me, that perhaps someday I might have the honor and privilege of playing a round with golfer Payne Stewart. He would wear his stylistic knickers for which he is so famous for, and I would wear my Samoan lavalava, an attire that looks somewhat like a skirt, but I call it the Samoan version of the Scottish kilts that Scotsmen wear when playing golf at St. Andrews. Since the game of golf originated, it is my understanding, in Scotland, I am surprised that the great golfer Colin Montgomery does not wear his kilt when he plays golf. I suspect that Mr. Stewart would have done the same if he had lived a little longer.

In September at the Ryder Cup matches, after the competition had already been decided, Payne Stewart showed class and character again by conceding a winning putt to his opponent, Colin Montgomery, who he felt had endured vicious heckling and taunting all day from overzealous American fans. While the conceded shot ensured Payne's loss in the singles match, it was a heartfelt gesture of class by a true gentleman and a true American. The act of sportsmanship symbolized what Payne Stewart was all about, and endeared him to millions around the world.

Madam Speaker, I urge our colleagues to join us in this measure honoring Payne Stewart, a great and generous man, a man of intense religious faith, a man of deep family commitment, a champion and fierce competitor, and a loyal and patriotic son of America.

We send our condolences, deepest condolences to the family of Payne Stewart and to the families of all those who perished with them.

Mr. CUMMINGS. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, the gentleman from American Samoa (Mr. FALEOMAVAEGA) and the gentleman from Kansas (Mr. RYUN) spoke about Payne Stewart's religious faith. It is interesting to note that, after the 1998 U.S. Open, when Mr. Stewart failed to come in first, many did, in fact, accuse him of choking. But the fact is he did not choke. He just did not win.

It is interesting that, after the 1999 U.S. Open, when he did come in first, he said something that I think should become a part of the DNA of every one of us. He said, "I have got to give thanks to the Lord for giving me the ability to believe in myself. Without that peace I have in my heart, I would not be sitting here today." Those are very profound words because those are words of a true champion.

So often champions lose and have to dust themselves off, get back up, and come out the next day. What Mr. Stewart was saying is that, although I may not have come in first in 1998, I just thank God for giving me the peace to continue to believe in myself so that I can come in first in 1999.

I think that is a lesson that he leaves with all of us, for our children, and for our children's children, and for everybody who plays this wonderful sport called golf, or any other sport for that matter, that we must hope and pray that we have the peace, the simple peace, and the belief in ourselves to always come back the next day and be victorious, and even if we are not, just the idea of knowing that we still have that peace.

With that, it is a great honor that I urge all of my colleagues to support this legislation.

Madam Speaker, I yield back the balance of my time.

□ 1600

Mr. MILLER of Florida. Madam Speaker, I yield myself the balance of my time.

It is a special honor for me to be here today to present this resolution. As a Floridian, Payne Stewart lived in the Orlando area. Of course, my home is over in the Bradenton area, 100 miles away. The gentleman from Florida (Mr. MCCOLLUM) represents Payne Stewart's district and was, unfortunately, unable to be here today because of flight schedules, but did present something on the floor of the House shortly after his death.

The gentleman from Missouri (Mr. BLUNT) also wanted to be here today but, unfortunately as well, due to flight schedules, was not able to be here. He represents Springfield, Missouri, which is the original hometown of Payne Stewart, and his death was especially felt in that community.

My colleague from Maryland talked about Paul Azinger, who is one of my constituents back in Bradenton, Florida, and just the photograph and the description of that when he gave the eulogy just conveyed the personality, the warmth, the love that his colleagues and all felt for this person.

House Resolution 344 provides a fitting commemoration of this exuberant and accomplished professional and patriot. Today, he ranks as the third leading money winner in golf history, but he is at the top of the list in terms of the character and dedication that he brought to his wonderful life.

I am proud to bring this legislation to the floor, and I ask for the full support of all Members on this resolution.

Mr. McCOLLUM. Madam Speaker, I rise today to honor and remember one of America's true professionals and most notable golfers, Payne Stewart. On October 25, 1999, America lost a great sportsman and Central Florida lost one of it's most beloved citizens. However, the memory and legacy of Payne Stewart continue to live through the contributions he made not only in the sports world, but also in the Orlando community where he lived.

He was a great golfer for many reasons—20 years in the professionals, 3 majors wins, 8 PGA tours, and 7 victories worldwide. None of us can forget that famous 15-foot birdie putt in the U.S. Open this year which gave him the great victory only a few months ago at Pinehurst—a victory that came as a result of the longest putt in the history of the U.S. Open.

But Payne Stewart was much more than a great golfer. He was a humanitarian, who held great convictions. In 1983, Payne and his family made their home in Orlando in my congressional district. I can tell my colleagues that the people of Central Florida benefited greatly from Payne's generosity and his warmth and compassion for other people.

Payne Stewart was more than just a role model to the many aspiring young athletes in our state and across the nation. He was someone who used the profile he earned on the golf course to make our community a better place. Just last month, Payne and his wife, Tracey, gave $500,000 to the First Baptist Church of Orlando to be used in part for expansion of the Christian school on the church grounds.

Perhaps his most well-known charitable contribution came back in 1987 when he donated $108,000, his winnings from the Bay Hill Classic tournament, to the Florida Hospital. Those funds went to the Florida Hospital Circle of Care home in Altamonte Springs for the out-of-town parents of cancer patients. He was someone who truly recognized the joy of giving and making a difference in the lives of children.

Payne was also a devoted family man, who was proud that his faith in God provided him with strength and peace. Though his love for the game of golf ran deep, his love for his family ran deeper still. He was a dedicated father and husband. On more than one occasion, Payne commented publicly that he most enjoyed being at home, being a father, making breakfast, and taking his kids to school.

I know that many Floridians will miss him deeply. Many in Central Florida will miss him, not only because of his golf career and because of his wit, but because of his charitable contributions. But a lot will miss him personally.

But I think the people who are obviously going to miss him most will be his wife, Tracey, and his two wonderful children, Chelsea and Aaron. Our hearts go out to them, to Payne's family. He was a great man, a great golfer. His life ended in tragedy, but he gave so much to so many.

Although we continue to mourn the loss of Payne Stewart and his contributions to the world of sports, his community and to his family, we are blessed to have been influenced by his enthusiasm and love for life, which none of us will soon forget. Payne Stewart is husband, father, golfer and friend who will be long remembered and long cherished.

Mr. BURTON of Indiana. Madam Speaker, Payne Stewart transcended the game of golf and will always be a timeless symbol of athletic talent, spirited competition, and a role model as a Christian gentleman.

That's why I'm proud to join my colleague from Missouri, Congressman BLUNT, in sponsoring H. Res. 344, a resolution recognizing and honoring Payne Stewart, and expressing the condolences of the House of Representatives to his family, and the families of the other victims who perished in the October 25th plane crash.

At the age of 42, and while experiencing the best year as a professional golfer in his life, U.S. Open Champion Payne Stewart, a devoted father and husband, tragically was killed in a plane crash along with Van Arden, Stephanie Bellegarrigue, Bruce Borland, Robert Fraley, and Michael Kling.

Payne Stewart, attired in plus-fours and a tam o'shanter hat was one of the most indomitable personalities in the game of golf.

He made history when he won his second U.S. Open sinking the longest putt ever to win the U.S. Open in the tournament's 105-year history.

As a member of the U.S. Ryder Cup team, he displayed his patriotism and pride for his country, and his sportsmanship in helping lead the U.S. team to victory.

Payne Stewart was more than just a role model to many aspiring athletes in the United States.

He truly recognized the joy of giving and making a difference in the lives of children.

He donated his winner's check from the 1987 Bay Hill Invitational to the Florida Hospital Circle of Friends to aid the families of cancer patients.

Just last year, Payne Stewart and his wife donated $500,000 to the first Foundation, the fundraising arm of the First Baptist Church of Orlando, to be used for the expansion of a Christian school.

In the most recent years of his life, Payne Stewart devoted his life to his family and his faith in God.

Payne Stewart's love for America was a great credit to the game of golf and to our country.

I urge my colleagues to join me in extending the House of Representatives' deepest condolences to Payne Stewart's family, and to the families of Robert Fraley, Van Arden, Michael Kling, Stephanie Bellegarrigue, and Bruce Borland.

Mr. MILLER of Florida. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. GIBBONS). The question is on the motion offered by the gentleman from Florida (Mr. MILLER of Florida) that the House suspend the rules and agree to the resolution, House Resolution 344.

The question was taken.

Mr. MILLER of Florida. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

EXPRESSING SENSE OF HOUSE THAT JOSEPH JEFFERSON "SHOELESS JOE" JACKSON BE APPROPRIATELY HONORED FOR OUTSTANDING BASEBALL ACCOMPLISHMENTS

Mr. TERRY. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 269) expressing the sense of the House of Representatives that Joseph Jefferson "Shoeless Joe" Jackson should be appropriately honored for his outstanding baseball accomplishments.

The Clerk read as follows:

H. RES. 269

Whereas Joseph Jefferson "Shoeless Joe" Jackson, a native of Greenville, South Carolina, and a local legend, began his professional career and received his nickname while playing baseball for the Greenville Spinners in 1908;

Whereas "Shoeless Joe" Jackson moved to the Philadelphia Athletics for his major league debut in 1908, to Cleveland in 1910, and to the Chicago White Sox in 1915;

Whereas "Shoeless Joe" Jackson's accomplishments throughout his 13-year career in professional baseball were outstanding—he was one of only seven Major League Baseball players to ever top the coveted mark of a .400 batting average for a season, and he earned a lifetime batting average of .356, the third highest of all time;

Whereas "Shoeless Joe" Jackson's career record makes him one of our Nation's top baseball players of all time;

Whereas in 1919, the infamous "Black Sox" scandal erupted when an employee of a New York gambler allegedly bribed eight players of the Chicago White Sox, including Joseph Jefferson "Shoeless Joe" Jackson, to throw the first and second games of the 1919 World Series to the Cincinnati Reds;

Whereas in September 1920, a criminal court acquitted "Shoeless Joe" Jackson of the charge that he conspired to throw the 1919 World Series;

Whereas despite the acquittal, Judge Kenesaw Mountain Landis, baseball's first commissioner, banned "Shoeless Joe" Jackson from playing Major League Baseball for life without conducting any investigation of Jackson's alleged activities, issuing a summary punishment that fell far short of due process standards;

Whereas the evidence shows that Jackson did not deliberately misplay during the 1919 World Series in an attempt to make his team lose the World Series;

Whereas during the 1919 World Series, Jackson's play was outstanding—his batting average was .375 (the highest of any player from either team), he set a World Series record with 12 hits, he committed no errors, and he hit the only home run of the series;

Whereas because of his lifetime ban from Major League Baseball, "Shoeless Joe" Jackson has been excluded from consideration for admission to the Major League Baseball Hall of Fame;

Whereas "Shoeless Joe" Jackson died in 1951, and 80 years have elapsed since the 1919 World Series scandal erupted;

Whereas recently, Major League Baseball Commissioner Bud Selig took an important first step toward restoring the reputation of "Shoeless Joe" Jackson by agreeing to investigate whether he was involved in a conspiracy to alter the outcome of the 1919 World Series and whether he should be eligible for inclusion in the Major League Baseball Hall of Fame; and

Whereas it is appropriate for Major League Baseball to remove the taint upon the memory of "Shoeless Joe" Jackson and honor his outstanding baseball accomplishments: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that Joseph Jefferson "Shoeless Joe" Jackson should be appropriately honored for his outstanding baseball accomplishments.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Nebraska (Mr. TERRY) and the gentleman from Maryland (Mr. CUMMINGS) will each control 20 minutes.

The Chair recognizes the gentleman from Nebraska (Mr. TERRY).

GENERAL LEAVE

Mr. TERRY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this legislation, House Resolution 269.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. TERRY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Resolution 269. I would like to thank my distinguished colleagues from South Carolina, the delegation, for their interest in American baseball history and their sense of justice in attempting to restore Shoeless Joe Jackson's place that his performance on the field earned him.

I would also like to thank the chairman of the Committee on Government

Reform, who recognized the timeliness of this measure and expedited this opportunity for consideration before the House today.

The resolution is presented 80 years after the World Series in which the Chicago White Sox lost to the Cincinnati Redlegs. During that series, Joe Jackson had the highest batting average on either team, set a World Series record by collecting 12 hits, including the only home run on either team, and was not charged with a single error on the field.

Shoeless Joe Jackson remains an American icon, a perennial symbol of a young man who unknowingly became involved in the intrigues that surrounded his activities. On the field, Shoeless Joe Jackson's records speak for themselves. Only Ty Cobb and Rogers Hornsby's surpassed his .356 lifetime batting average. His 13-year career with the Philadelphia Athletics and the Chicago White Sox provided a background of consistent accomplishments.

Shoeless Joe Jackson was never convicted of a crime. In fact, found not guilty. Nevertheless, when Judge Kenesaw Mountain Landis became Commissioner of Baseball, he used Shoeless Joe Jackson and his seven teammates to demonstrate the firmness of his commitment to the integrity in our national pastime. He imposed a lifetime ban from baseball where the courts could not act.

Shoeless Joe Jackson died in 1951, having endured more than 30 years the exile that baseball imposed upon him. His records remain on the books and his level of accomplishments far exceed the feats that earn today's baseball players millions of dollars.

Americans are people whose fairness can allow them to recognize these great accomplishments without in any way compromising the standards of excellence and integrity that we must demand at the highest levels of any profession. Shoeless Joe Jackson has earned a place among the immortals of the baseball world, and this resolution provides a fitting opportunity for this House to remember the accomplishments of his excellent career.

Mr. Speaker, I reserve the balance of my time.

Mr. CUMMINGS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is interesting to hear the tales that have been spun about Shoeless Joe Jackson. Called one of the saddest figures ever to play baseball, Joe Jackson was reported to be an illiterate country boy who only knew how to play baseball.

As it turns out, Joe Jackson died a successful businessman at age 61, earning between $50,000 to $100,000 a year. During an interview, Jackson is quoted as saying, "All the big sports writers seemed to enjoy writing about me as an ignorant cotton-mill boy with nothing but lead where my brains ought to be. That was fine with me. I was able to fool a lot of pitchers and managers and club owners I wouldn't have been able to fool if they'd thought I was smarter."

How and why Shoeless Joe Jackson got his name is exaggerated. One day, after getting blisters from his new baseball cleats, Jackson played one game in his stocking feet. One game. Not a season and not because he could not afford to buy cleats, as is widely reported.

Then, there is the well-known refrain, "Say it ain't so, Joe," that supposedly took place after Jackson was arrested for conspiring to throw the 1919 World Series. As the story goes, a boy approached Joe and pleaded, "Say it ain't so Joe," and Joe replied, "Yes, kid, I'm afraid it is." As Jackson would later tell it, that tale is just that. There was no kid, and no arrest. Charlie Owens, a reporter with the Chicago Daily Times made the story up and published it.

What is the truth about Joe Jackson? He was a rising baseball star until he was banned from baseball for allegedly participating in the 1919 Chicago White Sox gambling scandal. In 1921, Jackson was acquitted of all charges and left the courtroom an innocent man. However, despite three attempts by his home State of South Carolina, Joe Jackson was never reinstated.

The only interview Joe Jackson conducted regarding the Chicago White Sox scandal was in the 1949 edition of Sport Magazine. In the article, entitled "This Is the Truth," Joe Jackson maintains his innocence and states, "I have never made any request to be reinstated in baseball, and I have never made any campaign to have my name cleared in the baseball records. This is not a plea of any kind. This is just my story. I am telling it simply because it seems 30 years after the World Series, the world may want to hear what I have to say." He goes on to say, "Baseball failed to keep faith with me. When I got notice of my suspension 3 days after the 1920 season, it read that if found innocent of any wrongdoing, I would be reinstated. If found guilty, I would be banned for life. I was found innocent, and I was still banned for life." It would seem that you are innocent until proven guilty in a court of law, but not in baseball.

The South Carolina delegation recently sent a letter to baseball commissioner Alan Selig to have outfielder Joe Jackson posthumously reinstated. They have also introduced this resolution, expressing the sense of the House to appropriately honor Joseph Jefferson Jackson. I urge my colleagues to join me and the South Carolina delegation in supporting this resolution. It is time for the truth to be told.

Mr. Speaker, I reserve the balance of my time.

Mr. TERRY. Mr. Speaker, I yield such time as he may consume to the gentleman from South Carolina (Mr. DEMINT), the author of this resolution.

Mr. DEMINT. Mr. Speaker, I thank both gentlemen for their wonderful remarks.

Mr. Speaker, some might ask why, with all the important issues, problems, and challenges that this Congress faces, why consider and vote on a resolution about a man who played baseball 80 years ago and who has been dead almost 50 years? Why is he important to me today and why should he deserve the attention of the American people today?

I am speaking of Joseph Jefferson Jackson, Shoeless Joe to those who are familiar with baseball. He is important because he is here today in spirit asking for justice. America has learned the hard lesson that when injustice can prevail upon one of us, it is a threat to all of us. So our consideration today is not only about injustice against one man, it is about protecting justice for everyone.

And while we believe that our efforts today will be good for baseball, America's favorite pastime, we are equally convinced that our efforts will protect the American Dream, the dream that even the poorest American, with hard work, can end up at the top of the world.

Shoeless Joe worked his way from being a poor, illiterate mill worker, which is where he started, to becoming one of the best baseball players of all time. No one who has lived that American dream and achieved so much should be stripped of his honor and his dignity and his livelihood without due process, even without a hearing. When this can happen to one of us, it can happen to any one of us.

Mr. Speaker, I introduced House Resolution 269, along with the entire South Carolina delegation, earlier this summer. This resolution simply states that Shoeless Joe Jackson should be appropriately honored for his outstanding baseball accomplishments. This resolution has gathered broad support from both political parties. It is fitting that even in the tension of these last days in Congress that we pause and find common ground in paying tribute to a hero of our great national pastime.

While there are important issues to consider and to complete before we finish Congress' session, it is worthy of this body to take a few minutes to stand up for fairness and to right an old wrong by honoring a baseball legend. As most baseball fans know, Shoeless Joe Jackson was one of the greatest baseball players ever to play the game.

The people of my district are very familiar with Shoeless Joe, since he grew up playing baseball in the mill leagues in Greenville, and he spent the last part of his life in that city as well.

While he could not read or write early, and he only learned to sign his name later in life, as has already been pointed out, Shoeless Joe was very smart, in addition to being a great baseball player. Throughout his life he never tired of teaching kids to play the game he loved. There is even a baseball park named after him in Greenville where kids play his game today. There is also a revitalization effort in a poor neighborhood in my town named in his memory to improve everyone's life there. And if anyone would like to see some of his memorabilia, we have some pictures and other information in my office.

Those unfamiliar with Shoeless Joe have heard some of the facts, but let me recount some of his amazing accomplishments. Of his hitting, Babe Ruth once said, "I decided to pick out one of the greatest hitters to watch and to study, and Jackson was good enough for me." Joe Jackson batted .408 his rookie year, a feat which has never been equaled. He has the third highest batting average of all time, behind only Ty Cobb and Roger Hornsby's .689. Over a 10-year period, he never hit below 300.

□ 1615

His fielding skills in the outfield were legendary, and his glove was named "the place where triples go to die."

Unfortunately, while these are Hall of Fame numbers, Shoeless Joe is not in the baseball Hall of Fame. His bat is there. His uniform is there. His shoes are there. But he is not. This is because, in 1920, "Shoeless" Joe was banned from playing baseball for life by the Commissioner for allegations that he took part in the infamous "Black Sox" scandal, allegedly throwing the 1919 World Series. In that Series, a group of New York gamblers bribed a number of players on the Chicago White Sox to throw the Series to Cincinnati.

When the news came out in 1920, the new Commissioner of Baseball, Commissioner Landis, acted swiftly. In a summary judgment, without an investigation, the Commissioner banned 8 players on the White Sox from ever playing Major League baseball again. "Shoeless" Joe was included in the ban.

While he insisted on his innocence all the way to his death bed, "Shoeless" Joe served out his sentence with dignity and honor and without rancor.

Recently, a number of baseball heroes, including Ted Williams, Bob Feller, and Tommy LaSorda have taken up the cause of restoring the honor of "Shoeless" Joe. This is a cause that has long been championed in "Shoeless" Joe's hometown of Greenville.

I had a chance this morning to talk with Ted Williams myself. What a thrill. He said he will continue to fight for "Shoeless" Joe until his last day, and he thanked all of us in Congress who are going to bat for Joe today.

I am not going to debate whether or not the Commissioner's verdict was the right thing to do. He made his decision and never reviewed it, despite the fact that Jackson was acquitted of participating in the fix twice, once in 1920 by a friendly Chicago jury, and once in 1924 by an impartial jury in Milwaukee.

In fact, the jurors in Milwaukee were asked in a special interrogatory whether "Shoeless" Joe had conspired or participated in the fix of the Series. The answer was an emphatic no.

I am also not going to debate if Jackson was given money. According to the story, "Shoeless" Joe's roommate, Lefty Williams, left $5,000 for Jackson on his bed. Whatever the debate, four things are clear.

First, "Shoeless" Joe tried to give the money back before the Series started but was rebuffed.

Second, "Shoeless" Joe tried to inform the owner of the White Sox of the fix, but the owner refused to see him.

Third, "Shoeless" Joe offered to sit out the Series but was again rebuffed.

Fourth, and most notably, "Shoeless" Joe played to win. He led all players by hitting .375, and he had the only homerun in the Series. His fielding was flawless, throwing out several men at home plate. He set a World Series record with 12 hits, and he combined with Buck Weaver, the other player who was unfairly punished, for 13 hits, a record that stood for 60 years.

I have no doubt of "Shoeless" Joe's innocence. In the end, he proved his innocence in the only way he could, with his bat and glove.

For my colleagues' information, Fox News did an excellent two-part review of the case just a month ago. I have a copy of the tape if anyone would like to see it.

In July, Ted Williams, Tommy LaSorda, and Bob Feller filed a petition with Commissioner Selig. That petition does not ask Major League Baseball to exonerate "Shoeless" Joe or even to endorse his candidacy in the Hall of Fame. To quote the petition: "Those issues are moot as he served a very difficult sentence over a long period. The Commissioner of Baseball is merely asked to acknowledge that 'Shoeless' Joe has fully paid his debt to society and to the game, that he satisfied the sentence of the first Commissioner with dignity and humility and without rancor. Because he has fulfilled his sentence, Baseball has no further call or jurisdiction over 'Shoeless' Joe."

I believe this petition provides Major League Baseball with a graceful and dignified way to finally let the issue rest and to let "Shoeless" Joe receive the honor he has long deserved.

Today, the Mayor of Greenville, Knox White, added his support by sending to the Commissioner a petition with 10,000 names signed from my home district, all pleading with the Commissioner to give Joe his rightful due.

The resolution which I have placed before the House today on behalf of the people in my district and baseball fans everywhere simply states that "Shoeless" Joe Jackson should be appropriately honored for his outstanding baseball accomplishments. Commissioner Selig has agreed to review the matter, and I have been following the review process carefully.

I appreciate the Commissioner's willingness to review this matter, and I understand a decision is imminent. I am absolutely confident that a fair and impartial review will result in "Shoeless" Joe finally being allowed to receive the honor he has long deserved and which he displayed throughout his life.

Mr. Speaker, on his death bed, "Shoeless" Joe said, "I am about to meet the biggest umpire of them all, and he knows I'm innocent."

Fifty years after his death and 80 years after the infamous Series, and after the most unfair judgment, it is time for Baseball to right a wrong and restore the honor of a good man.

I was born in Greenville, South Carolina, the same year "Shoeless" Joe died just about a mile from where he died. I am glad to be a small part in this process today, and I hope all of my colleagues will join me in supporting this resolution.

Mr. CUMMINGS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank the gentleman from South Carolina (Mr. DEMINT) for his comments in shedding additional light on the life of "Shoeless" Joe Jackson.

I think the thing that comes through clearly, Mr. Speaker, is that the gentleman from South Carolina (Mr. DEMINT) and the South Carolina delegation and many others merely want to right a wrong and give someone their due.

And clearly, "Shoeless" Joe Jackson has earned, has earned, the right to be appropriately honored as the resolution states.

So I want to thank the gentleman from South Carolina (Mr. DEMINT) and I want to thank the South Carolina delegation because I think what we are attempting to do here today sends a clear message that, when we see wrong, we will do what we can to right it. It may be many, many years later, but we can bet our bottom dollar that there is someone who is looking at what we are doing and saying that they admire us for taking up the time, we can be doing a whole lot other things, but they are taking up the time to make sure that a wrong is made right.

And so, with that, I want to thank the gentleman from Indiana (Mr. BURTON), chairman of our committee, and the gentleman from California (Mr.

WAXMAN), our ranking member, and I want to thank the gentleman from Nebraska (Mr. TERRY), and I want to thank certainly the gentleman from Florida (Mr. SCARBOROUGH) in his absence, the chairman of our subcommittee.

The fact is that I think that this is a very, very good resolution. I urge all of my colleagues to vote in favor of it.

Mr. Speaker, I yield back the balance of my time.

Mr. TERRY. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, House Resolution 269 provides a fitting commemoration of his accomplishments as a professional baseball player. We applaud the stellar performance of Joseph Jefferson Jackson on the field and call upon all Americans to recognize his 13 years of excellence.

In a generous spirit, we encourage professional Baseball to provide "Shoeless" Joe Jackson the honors he fully deserves.

I ask the full support of all Members of this resolution.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. GIBBONS). The question is on the motion offered by the gentleman from Nebraska (Mr. TERRY) that the House suspend the rules and agree to the resolution, H. Res. 269.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

A motion to reconsider was laid on the table.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until approximately 6 p.m.

Accordingly (at 4 o'clock and 24 minutes p.m.), the House stood in recess until approximately 6 p.m.

□ 1800

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. GIBBONS) at 6 p.m.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will now put the question on each motion to suspend the rules on which further proceedings were postponed earlier today in the order in which that motion was entertained.

Votes will be taken in the following order:

H. Res. 94, by the yeas and nays;

H.R. 2904, by the yeas and nays; and H. Res. 344, by the yeas and nays.

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

RECOGNIZING GENEROUS CONTRIBUTION BY LIVING PERSONS WHO HAVE DONATED A KIDNEY TO SAVE A LIFE

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the resolution, H. Res. 94.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia (Mr. BLILEY) that the House suspend the rules and agree to the resolution, H. Res. 94, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 382, nays 0, not voting 51, as follows:

[Roll No. 574]

YEAS—382

Abercrombie
Ackerman
Allen
Andrews
Archer
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berry
Biggert
Bilbray
Bilirakis
Bliley
Blumenauer
Boehlert
Boehner
Bonilla
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Burr
Burton
Buyer
Camp
Campbell
Canady
Cannon
Capps
Capuano
Cardin
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cooksey
Costello
Coyne
Cramer
Crowley
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Ewing
Farr
Fattah
Filner
Fletcher
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hill (IN)
Hill (MT)
Hilleary
Hilliard
Hinojosa
Hobson
Hoeffel
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Istook
Jackson (IL)
Jackson-Lee (TX)
Jenkins
John
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kucinich
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Larson
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Metcalf
Mica
Millender-McDonald
Miller (FL)
Miller, George
Minge
Mink
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Napolitano
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Ortiz
Ose
Oxley
Packard
Pallone
Pastor
Paul
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Rahall
Rangel
Regula
Reyes
Reynolds
Rivers
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Ryan (WI)
Ryun (KS)
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schaffer
Schakowsky
Scott
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Strickland
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Vento
Visclosky
Vitter
Walden
Wamp
Waters
Watkins
Watt (NC)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—51

Aderholt
Armey
Berman
Bishop
Blagojevich
Blunt
Bono
Callahan
Calvert
Carson
Chenoweth-Hage
Cook
Cox
Crane
Everett
Fowler
Frost
Gillmor
Granger
Hansen
Herger
Hinchey
Hoekstra
Jefferson
Kilpatrick
Largent
Lewis (GA)
Meeks (NY)
Menendez
Miller, Gary
Moakley
Nadler
Neal
Olver
Owens
Pascrell
Price (NC)
Ramstad
Riley
Rodriguez
Rush
Sanford
Scarborough
Sessions
Stenholm
Thomas
Tiahrt
Tierney
Walsh
Watts (OK)
Wise

□ 1823

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. THOMAS. Mr. Speaker, on rollcall No. 574, had I been present, I would have voted "yea."

Mrs. FOWLER. Mr. Speaker, on rollcall No. 574, I was unavoidably detained. Had I been present, I would have voted "yes."

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. GIBBONS). Pursuant to clause 8 of rule XX, the Chair will reduce to 5 minutes the time for electronic voting on each additional motion to suspend the rules on which the Chair has postponed further proceedings.

OFFICE OF GOVERNMENT ETHICS REAUTHORIZATION ACT

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 2904, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. McHUGH) that the House suspend the rules and pass the bill, H.R. 2904, as amended, on which the yeas and nays are ordered.

This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 386, nays 1, not voting 46, as follows:

[Roll No. 575]

YEAS—386

Abercrombie
Ackerman
Allen
Andrews
Archer
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berry
Biggert
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Boehlert
Boehner
Bonilla
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Burr
Burton
Buyer
Camp
Campbell
Canady
Cannon
Capps
Capuano
Cardin
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cooksey
Costello
Coyne
Cramer
Crowley
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Ewing
Farr
Fattah
Filner
Fletcher
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hilliard
Hinojosa
Hobson
Hoeffel
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Istook
Jackson (IL)
Jackson-Lee (TX)
Jenkins
John
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kucinich
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Larson
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Metcalf
Mica
Millender-McDonald
Miller (FL)
Miller, George
Minge
Mink
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Napolitano
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Ose
Oxley
Packard
Pallone
Pastor
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Rahall
Rangel
Regula
Reyes
Reynolds
Rivers
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Ryan (WI)
Ryun (KS)
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schaffer
Schakowsky
Scott
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Strickland
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Vento
Visclosky
Vitter
Walden
Wamp
Waters
Watkins
Watt (NC)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—1

Paul

NOT VOTING—46

Aderholt
Armey
Berman
Blagojevich
Blunt
Bono
Callahan
Calvert
Carson
Chenoweth-Hage
Cook
Cox
Crane
Everett
Fowler
Granger
Hansen
Hinchey
Hoekstra
Jefferson
Kilpatrick
Largent
Lewis (GA)
Meeks (NY)
Menendez
Miller, Gary
Moakley
Nadler
Neal
Owens
Pascrell
Price (NC)
Ramstad
Riley
Rodriguez
Rush
Sanford
Scarborough
Sessions
Stenholm
Thomas
Tiahrt
Tierney
Walsh
Watts (OK)
Wise

□ 1832

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

The title of the bill was amended so as to read: "A bill to amend the Ethics in Government Act of 1978 to reauthorize funding for the Office of Government Ethics, and to clarify the definition of a 'special Government employee' under title 18, United States Code.".

A motion to reconsider was laid on the table.

Stated for:

Mr. THOMAS. Mr. Speaker, on rollcall No. 575, had I been present, I would have voted "yea."

Mrs. FOWLER. Mr. Speaker, on rollcall No. 575, I was unavoidably detained. Had I been present, I would have voted "yes."

EXPRESSING THE CONDOLENCES OF HOUSE OVER PAYNE STEWART'S DEATH

The SPEAKER pro tempore (Mr. GIBBONS). The pending business is the question of suspending the rules and agreeing to the resolution, H. Res. 344.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. MILLER) that the House suspend the rules and agree to the resolution, H. Res. 344, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 389, nays 0, not voting 44, as follows:

[Roll No. 576]

YEAS—389

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Berkley
Berry
Biggert
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Boehlert
Boehner
Bonilla
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Burr
Burton

Buyer
Callahan
Camp
Campbell
Canady
Cannon
Capps
Capuano
Cardin
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cooksey
Costello
Coyne
Cramer
Crowley
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Filner
Fletcher
Foley
Forbes
Ford
Fossella
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Istook
Jackson (IL)
Jackson-Lee (TX)
Jenkins
John
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kind (WI)
King (NY)
Kingston
Klink
Knollenberg
Kolbe
Kucinich
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Larson
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Metcalf
Mica
Millender-McDonald
Miller (FL)
Miller, George
Minge
Mink
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Napolitano
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Ose
Oxley
Packard
Pallone
Pastor
Paul
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Rahall
Rangel
Regula
Reyes
Reynolds
Riley
Rivers
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Ryan (WI)
Ryun (KS)
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schaffer
Schakowsky
Scott
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Strickland
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Vento
Visclosky
Vitter
Walden
Wamp
Waters
Watkins
Watt (NC)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—44

Armey
Becerra
Berman
Blagojevich
Blunt
Bono
Calvert
Carson
Chenoweth-Hage
Cook
Cox
Crane
Granger
Green (WI)
Hansen
Hoekstra
Jefferson
Johnson (CT)
Kilpatrick
Kleczka
Largent
Lewis (GA)
Meeks (NY)
Menendez
Miller, Gary
Moakley
Nadler
Neal
Owens
Pascrell
Price (NC)
Ramstad
Rodriguez
Rush
Sanford
Scarborough
Sessions
Stenholm
Thomas
Tiahrt
Tierney
Walsh
Watts (OK)
Wise

☐ 1840

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. THOMAS. Mr. Speaker, on rollcall No. 576, had I been present, I would have voted "yea."

PERSONAL EXPLANATION

Ms. KILPATRICK. Mr. Speaker, due to official business in the 15th Congressional District of Michigan, I was unable to record my votes for rollcall Nos. 574, 575, and 576 considered today in the U.S. House of Representatives. Had I been present, I would have voted "aye" on rollcall No. 574, H. Res. 94, Recognizing the Generous Contribution made by Each Living Person Who has Donated a Kidney to Save a Life, "aye" on rollcall No. 575, To Amend the Ethics in Government Act of 1978 to Reauthorize Funding for the Office of Government Ethics and "aye" on rollcall No. 576, H. Res. 344, Recognizing and Honoring Payne Stuart and Expressing the Condolences of the House of Representatives to His Family on his Death and to the Families of Those Who Died With Him.

APPOINTMENT OF CONFEREES ON H.R. 2116, VETERANS' MILLENNIUM HEALTH CARE ACT

Mr. STUMP. Mr. Speaker, pursuant to clause 1 of rule XXII, and by the direction of the Committee on Veterans' Affairs, I move to take from the Speaker's table the bill (H.R. 2116) to amend title 38, United States Code, to establish a program of extended care services for veterans and to make other improvements in health care programs of the Department of Veterans Affairs, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arizona (Mr. STUMP).

The motion was agreed to.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: Messrs. STUMP, SMITH of New Jersey, QUINN, STEARNS, EVANS, Ms. BROWN of Florida, and Mr. DOYLE.

There was no objection.

☐ 1845

ONGOING DISCUSSIONS ON SOCIAL SECURITY

(Mr. SMITH of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Michigan. Mr. Speaker, a very brief comment regarding our future on social security.

We have approximately eight proposals now introduced that have been scored by the Social Security Administration to keep social security solvent for at least the next 75 years. As we move forward in these last several days, and as we break for the rest of November and into December, I would suggest very strongly that each Member of the Congress meet with the people back home, talk to them about the importance of social security, about the complications of solving social security, and about our efforts to have a good beginning by not spending the social security surplus.

To accommodate $9 trillion of unfunded liability, $9 trillion that needs to be accommodated in order to keep social security going, it is very important that these discussions continue.

TRIBUTE TO SERGEANT RICKY TIMBROOK

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLF. Mr. Speaker, I want to pay tribute today to a young man who was a policeman in Winchester, Virginia, which is in my district, who was shot and killed on Friday night, October 29. Sergeant Ricky Timbrook was killed as he was chasing a suspect down the street.

Sergeant Timbrook's death has shocked and saddened the entire northern Shenandoah Valley. More than 3,000 people attended his funeral last Thursday, many of whom were law enforcement officers from all over the area and around the country. According to news reports, he may be the first

Winchester police officer to have been shot and killed in the line of duty.

Ricky was 32 years old. He and his wife Kelly had just completed the construction of a new home. They were expecting their first child, a boy, who is due on Christmas Day.

He joined the Winchester Police Department almost 8 years ago. Just over a year ago, he was promoted to sergeant in charge of a brand-new department, the Special Enforcement Team.

I want to extend my deepest condolences to Sergeant Timbrook's family as we pay tribute to him and to law enforcement officers and their families everywhere who routinely go into harm's way to protect us.

My father was a police officer on the streets of Philadelphia and I know the worry a police officer's family can feel when a husband, father, brother, or son goes out the door each day to begin their tour of duty.

According to the National Law Enforcement Officers Memorial Fund, more than 14,000 officers have died while performing their duties. On average, one law enforcement officer is killed somewhere in America every other day, and an average of 160 officers die in the line of duty every year.

Mr. Speaker, I include for the RECORD an obituary about Sergeant Timbrook and an editorial which appeared in the Winchester Star November 2, 1999, as follows:

[From The Winchester Star, Nov. 2, 1999]

IN THE LINE OF DUTY—IN POLICEMAN'S DEATH, ALL ARE DIMINISHED

It says something about the quality of life here in the northern Valley that, before the horrific events of last Friday night, it had been more than 60 years since a local law enforcement officer had fallen in the line of duty. However, it also says something about today's society that even here, in our largely peaceful corner of the world, violence can erupt and snatch from us the life of a fine young officer.

The slaying of Sgt. Ricky Lee Timbrook should prompt us to pause and reflect not merely on the utter fragility of our worldly existence, but on the tenuous line on which our social contract rests. The primary reason people, down through the ages, have formed communities is for reasons of mutual comfort and security. This contract, of course, entails a provision for public protection—i.e. the police. The presence of the men and women ensured with that protection—the fabled "thin blue line"—quietly assures us that the social contract is being enforced.

Thus, when one of these officers—one of these men and women who take an oath "to serve and protect" us—falls in the performance of this essential duty, we as a community feel it. First and foremost, of course, we feel for the man himself, because we know he died so that we might live free from the worries daily addressed by our men and women in blue. And, to be sure, we feel for his loved ones—particularly a baby, yet unborn, who will never know its father—and for his fellow officers, to whom the awful knowledge is hammered home anew that they live on the proverbial edge, that violence awaits their kind with every routine call, that death walks closer to them than to the rest of us.

However, our tranquility, too, is shattered, in the knowledge that one of the exemplary people we pay to step forward and protect us has been taken from our midst. We grieve because Ricky Timbrook no longer rides in his patrol car through our streets, and no longer walks the streets of this town.

By all accounts, Sgt. Timbrook was a fine policeman, but an even better man, one to whom we confidently entrusted our security. We at The Star knew him not only in his role as a crimefigther, but also as the schools' DARE officer, the crew-cut policeman who one day, two years ago, posed happily for a photo with the winner of DARE program's annual essay contest. Others, of course, knew him better—as husband, son, brother, friend, and comrade.

And so, in his untimely death, we are all diminished—and immeasurably saddened.

SERGEANT RICKY L. TIMBROOK

Ricky Lee Timbrook, age 32, of 2876 Sheffield Court, Winchester, Virginia died Saturday, October 30, 1999 in the Winchester Medical Center.

Mr. Timbrook was born October 5, 1967 in Winchester, Virginia, the son of Richard Timbrook and Kitty Stotler Timbrook of Bloomery, West Virginia. He was a sergeant with the Winchester Police Department where he had been employed for eight years. He attended the Grace Evangelical Lutheran Church of Winchester and was a member of the Winchester Fraternal Order of Police Lodge. He was a graduate of Fairmont State College where he received a Bachelor of Business degree in Criminal Justice.

Mr. Timbrook married Kelly L. Wisecarver on July 27, 1997 in Winchester, Virginia.

Surviving with his wife and parents, is a sister, Kimberly Hundson of Capon Bridge, West Virginia.

A funeral service will be conducted at 11:00 a.m. on Thursday, November 4, 1999 at Sacred Heart of Jesus Catholic Church in Winchester with the Pastor James H. Utt, Pastor Jeffrey D. May officiating. Interment will be in Mount Hebron Cemetery.

Pallbearers will be Kevin Bowers, Matthew Sirbaugh, Robert Ficik, Frank Pearson, Julian Berger and Alex Beeman.

The family will receive friends at Omps Funeral Home on Wednesday evening from 7:00 p.m. until 9:00 p.m.

Memorial contributions may be made to the Ricky L. Timbrook Children's Outreach Fund, c/o Chief Gary W. Reynolds, 126 N. Cameron Street, Winchester, Virginia 22601.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. GIBBONS). Under the Speaker's announced policy of January 6, 1999, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

CALLING FOR IMPROVEMENT IN MATH AND SCIENCE EDUCATION IN AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. EHLERS) is recognized for 5 minutes.

Mr. EHLERS. Mr. Speaker, I rise this evening to discuss the issue of education and mathematics and science in our Nation. I have deep concerns about the current status of math and science education in this Nation.

First of all, I believe currently it is inadequate. I say this for several reasons. Mr. Speaker, as I was stating, the Third International Mathematics and Science Study, which was conducted a few years ago, indicated that we were near the bottom of those nations and developed countries teaching mathematics and science in their high schools, near the bottom.

Some say, well, it is not so bad, we were not that far below the others. I say it is terrible. With the resources that this country has and with the high quality of students this Nation has, it is inexcusable for us to be near the bottom, or at the bottom. We should be not only at the top, but far and away the best Nation in this world in terms of our educational effort.

Mr. Speaker, the second reason I say we are not doing well in mathematics and science education is simply by looking at the tests administered by the States. When we look at these tests and look at the test scores, we find that in reading a typical average for a State might be in the seventies, and for some of the other subjects in that area, and for science we are down in the 30 percent, even for some of the better States, and as low as 10 percent in some of the others. These are not passing grades and they never have been in our school system. We must improve.

A third indication that we are not doing the job well is that we do not have enough engineers and scientists to do the job in this country. How do I know? Because we issue H(1)(b) visas every year to allow scientists and engineers from other countries to emigrate into this country to help us out. Annually, it is in the neighborhood of 100,000 each, and usually that quota is used up well before the end of the year. We are importing scientists and engineers, asking them to emigrate to this country for this purpose. Clearly, we are not producing enough of our own.

The final indication that we are not doing the job with math and science education in our K through 12 system is that when we visit our grad schools, graduate education in mathematics, science, and engineering, we find that, in general, over half of the students are from other countries. Our students are not able to compete for grad school entrance with students of other nations.

I think we have to improve our math and science education. Why? For the reasons I gave above, but also because, first of all, we have to make sure we have enough scientists and engineers in this country so that we can keep our economic growth strong and meet the needs of our citizens.

There are other reasons as well. It is not just producing good scientists and engineers, but a second main reason is what I call workplace readiness. We have reached the point in our society and in many developed nations that you literally cannot find a good job unless you have a good grounding in math and science.

It is going to get worse. I have made predictions on this floor that in 20 years, it will be impossible to find a good job without a good foundation in math and science. I have to revise that, because last week I attended a talk at the Capitol here by John Chambers, CEO of CISCO Systems, an Internet company. It is clear to me that I have to revise my estimate downward and say in 10 years people will not be able to get a really good job without a good grounding in mathematics, science, engineer, and technology. So workplace readiness is another good reason.

The third reason is to simply produce better consumers and citizens of this Nation, people who understand math and science, so they can evaluate claims in the marketplace about health products or health supplements, or that they can vote better about projects that involve science and the environment, and that they can elect leaders who have shown that they understand these issues and will vote intelligently on issues involving math, science, technology, engineering, the environment, and so forth.

How are we going to improve math and science education? I think three major points: better teachers, or better trained teachers, I should say; better curricula; and improved methods of teaching science.

I will take just a minute to discuss each of those. I will address those later in more detail in another talk. We have to make sure we recruit good teachers, because we are not recruiting enough today, we have to make sure they are trained properly, and we have to keep them. We have to make sure they do not get discouraged. We have to help them get the job done in the classroom.

We have to improve our science curricula. Right now it is a hodgepodge. Recently the American Association for the Advancement of Science studied middle school curricula. Every middle school science curriculum in the United States was judged to be inadequate, every single one. The only one that was regarded as acceptable, and mildly acceptable, was one put out by Michigan State University, and that is only a partial curriculum.

The final point is methodology. We have to improve our way, our methods of teaching science. As I said, I will address these issues in a later talk.

TRIBUTE TO FIVE U.S. SOLDIERS WHO DIED IN THE PLANE CRASH OF JULY 23, 1999, IN COLOMBIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. REYES) is recognized for 5 minutes.

Mr. REYES. Mr. Speaker, on July 23 a U.S. Army reconnaissance plane on a counterdrug mission crashed in the jungles of Colombia. It killed all on board. There were five U.S. Army soldiers and two Colombian air crewmen on this aircraft.

During this week, when we honor our Nation's veterans, I wanted to pay tribute to the five U.S. soldiers who died in that crash. These five individuals were husbands, a wife, parents, and children. They have paid the ultimate sacrifice for this Nation, and we must not forget what their families have sacrificed, as well.

The five soldiers whom we honor tonight were part of a special military intelligence battalion, the 204th, which recently moved from Panama and Florida to Fort Bliss, which is located in my district. They were flying a reconnaissance mission over Colombia in a specially-equipped aircraft.

The first soldier was Captain Jennifer Odom. The pilot of the ARL, the aircraft which crashed in Colombia was Captain Jennifer Odom. She was born in Frederick, Maryland, in 1970, and graduated from West Point in 1992. After graduating from flight school, Captain Odom spent 2 years in Stuttgart, Germany, flying senior ranking government officials and general officers throughout Europe.

After completing her military intelligence training, she joined the 204th MI battalion as an executive officer of D company. She was scheduled to take command of D Company in August. Captain Odom was an experienced pilot, having flown well over 2,000 hours in military aircraft, including 300 hours as a pilot in command of this particular aircraft.

She leaves her husband, Charles Odom, and her two children, Charles, age 15, and Daniel, age 11.

The other officer on the aircraft was Captain Jose Anthony Santiago. Captain Santiago was born in New York City in 1962. He enlisted in the Army in 1984, and after 7 years, was commissioned as an air defense artillery officer. He later moved into military intelligence and excelled in every aspect of the job. In light of his accomplishment, the battalion commander selected Captain Santiago to command the Headquarters and Service Company of the 204th.

During the past year, his company has done an excellent job in supporting six deployments in South America. Captain Santiago was also a senior army parachutist and a jump master. He is survived by his wife Cynthia and his two children, Christiana and Laura.

Along with Captain Odom, Chief Warrant Officer 2 Thomas G. Moore was the second pilot in the aircraft. CW2 Moore was born in Englewood, California, in 1967. He joined the Army in 1988 after attending the U.S. Army Air Force Academy.

After serving as a Bradley fighting vehicle commander during Desert Storm, CW2 Moore was selected for the warrant officer training program and attended army flight school. He served with the 204th MI battalion since 1996. CW2 Thomas Moore was married to Rebecca, and survived by two children, Matthew and Emily.

The fourth soldier whom we honor tonight is specialist Timothy Bruce Cluff. Specialist Cluff was born in Mesa, Arizona. During high school he achieved the high range of Eagle Scout in the Boy Scouts of America.

In 1997, he enlisted in the Army, and it was apparent almost immediately that he would be an outstanding soldier. Specialist Cluff proved to be a highly skilled analyst and was selected as a mission supervisor based on his exemplary performance. This outstanding soldier is survived by his wife, Meggin, and his two young children, Maciah and Ryker. Meggin is also today expecting her third child.

The last soldier was specialist Ray E. Krueger II. Specialist Krueger was born in Leavenworth, Kansas, and graduated from The Colony High School. Krueger was an outstanding soldier in many ways. For example, this young man not only excelled as a crew member in the aircraft, but he also scored the highest possible level on the Army's physical fitness test, and qualified as an expert with the M–16 rifle.

Specialist Krueger leaves his wife, Briana Krueger, who was also assigned to the 204th MI battalion, and who recently has left the Army to return to civilian life.

Tonight I want the husbands, wives, children, and parents of these brave soldiers to know that we in Congress are thinking of them, and we want to thank them for the sacrifices which they have made for this country. God bless each and every one of them: Captain Odom, Captain Santiago, Chief Warrant Officer Moore, Specialist Cluff, and Specialist Krueger.

This country owes them all the gratitude, especially during this week when we celebrate and pay tribute to our veterans.

U.S. TRADE POLICIES WITH RESPECT TO AGRICULTURE HARM U.S. FARMERS AND RANCHERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho (Mr. SIMPSON) is recognized for 5 minutes.

Mr. SIMPSON. Mr. Speaker, the U.S. economy is strong, with unemployment low, interest rates low, inflation low, the Dow and the NASDAQ outperforming our wildest expectations.

In spite of this strong economy, there is one sector of our economy which is in a depressed state and has been in a depressed state for the last 3 years. That is agriculture. For a variety of reasons, agriculture is suffering. Whether it is the Asian financial crisis, the strong dollar, the regulatory burdens that we place on our farmers, all of these things are adding to the crisis in agriculture.

Yet, there is one thing that is adding to it even more than these. That is the U.S.'s trade policies as they relate to agriculture, that have left agricultural producers at a competitive disadvantage to our counterparts in other countries.

U.S. farmers know that we need trade agreements. In fact, one out of every 3 acres in the United States is produced for export. We have to have trade agreements, but trade agreements for trade agreements' sake are unacceptable. We have to have fair trade agreements. Trade agreements that leave our farmers and ranchers at a disadvantage, as they have in the past, are not fair.

This is not a partisan issue. This has been a bipartisan failure on the part of administrations to negotiate fair trade agreements for our farmers and ranchers. Over 80 percent of the world's export subsidies are employed by the European Union. This is unfair. World trade tariffs average 50 percent, while in the United States, they average 10 percent. This is unfair.

That is why the upcoming WTO ministerial rounds that take place later this month and early in December in Seattle are so important to agriculture. I was pleased to be a co-chair and am pleased to be a co-chair with the gentleman from North Dakota (Mr. POMEROY), Senator DORGAN of North Dakota, and Senator CRAIG of Idaho, to chair the WTO trade caucus for ranchers and farmers.

We have over 50 of this caucus, Members of both parties, Members of the House and Senate, that have been meeting for the last several weeks trying to decide what the priorities of this Congress are that we must address in Seattle. We have met among ourselves and discussed these issues. We have met with producer groups to discuss the issues, to identify those things that are important, that we must address during the upcoming rounds of the WTO negotiations.

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Several of those things we have developed, and let me go through some of the important issues that we think must be addressed during this round of the WTO.

Market access. We have to expand market access through tariff reduction or elimination. Export subsidies need to be eliminated. We need to reduce the European subsidies to a level provided by the United States before applying any formula reductions. In the past, the European Union has higher subsidies than the United States and our negotiations have reduced them proportionally. But when one group has a high tariff or subsidy level and another has a lower and they are reduced proportionally, America is still left at a competitive disadvantage. We must bring those to a level playing field before any formula reductions.

We must have no unilateral disarmament when it comes to agriculture. We have to combat unfair trade practices and restore and strengthen enforcement tools against them. We have to improve the enforcement of the WTO dispute panel decisions. Currently when those decisions are made, there are times when our competitors will not abide by the dispute resolution.

We have to support family farms. Preserve the flexibility to assist team farmers through income assistance, crop insurance and other programs that do not distort trade. We have to retain the full complement of nontrade distorting export tools including export credit guarantees, international food assistance, and market development programs. We have to be sure and establish disciplines on State trading enterprises to make them as transparent as the United States' marketing system is.

And nontariff trade barriers, we have to ensure that science and risk assessment principles established by the Sanitary and Phytosanitary Accord during the Uruguay Round are the basis for measures applied to products of new technology and that this process is transparent. We also have to negotiate improved market access for products of new technology including bioengineered products.

Mr. Speaker, we have met with our U.S. Trade Ambassador Charlene Barshevsky and our Secretary of Agriculture Dan Glickman and I am pleased to report that the administration has told us that their highest priority in the upcoming round is agriculture. And, in fact, when they look at their priorities and place them against ours, they almost mirror the importance of the priorities that we have.

So I am pleased that the administration is taking agriculture as an important negotiation during this WTO round that will start in Seattle. We cannot leave this round of the WTO with ag at a competitive disadvantage.

NAFTA PRESENTS ITS OWN Y2K PROBLEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. LIPINSKI) is recognized for 5 minutes.

Mr. LIPINSKI. Mr. Speaker, I rise to continue the litany of charges against NAFTA. As we face the end of the millennium, NAFTA presents its own Y2K problem: January 1, 2000, crossborder trucking provisions of NAFTA are expected to allow Mexican trucks to enter free and clear into the United States. A close look into the situation makes NAFTA's Y2K problem quite upsetting.

At a recent National Transportation Safety Board hearing on this issue, Mexico refused to send a representative. Canadian and American representatives appeared, but Mexico was a no-show.

Well, if they happen to have come to this meeting they would have learned how far they are behind Canada and the United States in oversight and regulations.

Does Mexico have log books? No. Does Mexico have vehicle maintenance standards? No. Does Mexico have roadside inspections? No. Does Mexico have safety rating systems? No. Does Mexico have medical certification of drivers? No.

Simply put, Mexico does not have any oversight of their trucking industry, yet they want the United States to allow their unregulated, unsafe Mexican trucks which weigh up to 106,000 pounds, well over the U.S. limit of 80,000 pounds, to barrel down our highways and byways. In fact, the reason they did not send a representative is that they are upset that President Clinton dare hint that he will not allow Mexican trucks into the USA as of January 1.

Well, Mr. Speaker, Mexico is upset that we will not let their mammoth 106,000-pound unsafe trucks and unsafe drivers into the USA. I say unsafe because of the less than 1 percent of Mexican trucks and Mexican drivers inspected at the border, over 40 percent have failed inspections and were placed out of service. In addition, according to a new report from the Department of Transportation's Inspector General, over 250 Mexican motor carriers have traveled illegally beyond the NAFTA border zone. Therefore, Mexican trucks and drivers have proved to be unsafe lawbreakers.

The Inspector General concluded in his report that, "Adequate mechanisms are not in place to control access of Mexico-domiciled motor carriers into the United States." To ensure that Mexican motor carriers comply with U.S. statutes, the Inspector General suggested that, among other methods, fines should be increased for illegal activities. Well, Mr. Speaker, under a House-passed bill, we have done just that.

H.R. 2679, the Motor Carrier Safety Act, increases fines up to $10,000 and a possible disqualification for a first-time offense, and up to $25,000 with a 6-month disqualification for a second offense.

The previous fine was only $500 to $1,000 and even the Inspector General stated as such, motor carriers are likely to consider the fines to be simply a cost of doing business.

Hopefully, the Senate will take up the measure that includes the House-passed provisions so that Mexican trucks cannot regard the now measly penalty as a cost of just doing business.

Of course, Mexico is not happy about the increased fines and they and others claim that this is a violation of NAFTA. Excuse me, Mr. Speaker, but since when is a fine of illegal activities a violation of anything? Mexico violates our laws and they say we violate NAFTA?

Clearly, Mexican trucks should not be allowed into the U.S. and President Clinton was right in telling the teamsters that he will not open the borders to Mexican trucks come January 1. Well, that might be the first right move President Clinton has made regarding NAFTA. He can make another right move by starting the process of withdrawing from NAFTA altogether. Until then, the horrors of Mexican trucks will just be another in the long litany of NAFTA injustices to the United States of America and to its citizens.

PRESIDENT SHOULD NOT GRANT CLEMENCY FOR LEONARD PELTIER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. OXLEY) is recognized for 5 minutes.

Mr. OXLEY. Mr. Speaker, the month of November has been designated Native American Heritage Month, a time in which to honor the positive contributions of our Nation's earlier inhabitants. I was disturbed to learn then that November has already been designated Leonard Peltier Freedom Month by a group pressing for his release from Leavenworth Federal Penitentiary.

Because of the publicity surrounding this case, we should all be familiar with its details: Leonard Peltier is serving two consecutive life sentences for the cold-blooded murder of two FBI agents on South Dakota's Pine Ridge Indian Reservation in 1975. But it is important that we review the facts of the case separating them from the myths that have arisen over the years, especially as Peltier's supporters are petitioning the White House for clemency for this convicted killer.

On June 26, 1975, FBI Special Agents Ronald A. Williams and Jack R. Coler entered the Jumping Bull Compound of the Pine Ridge Reservation pursuing a man in connection with an assault on two young ranchers in nearby Manderson, South Dakota.

One of the three people in the vehicle the agents were pursuing was Leonard Peltier, a fugitive from justice wanted for the attempted murder of a police officer in Milwaukee. Peltier and his associates stopped their vehicle abruptly and opened fire on the two agents. Surprised, outmanned, and outgunned, Agents Williams and Coler were severely wounded in this barrage of gunfire. Agent Coler was hit in the right arm, the force of the bullet nearly tearing it off. He fell unconscious within moments. Agent Williams, although hit in the left shoulder and right foot, tore off his own shirt in the midst of this chaos and fashioned a tourniquet around his partner's arm.

Ambushed, the two agents lay helpless, completely at the mercy of their assailants. Peltier and the other two gunmen, though, would not be showing any mercy to these law enforcement officers that day. They walked down to where the two agents lay dying after this horrendous assault. Agent Williams, kneeling on the ground with his hand out as if to surrender was shot directly in the face. He died instantly. Peltier's group turned on the still unconscious Agent Coler. They shot them twice in the head with a shotgun at close range and both men died instantly.

An examination of the crime scene revealed that Agents Williams and Coler were only able to fire five shots in defense. Peltier and his men by contrast left more than 125 bullet holes in the agent's vehicles.

After these vicious murders, Peltier fled the reservation and was put on the FBI's Ten Most Wanted List. Five months later, he was spotted hiding in an RV by a state trooper in Oregon. Peltier fired at the officer and fled once again. Investigators found Peltier's fingerprints on a bag underneath the RV's front seat. Inside the bag was Agent Coler's revolver, stolen from him in the bloodbath 5 months earlier.

Peltier escaped into Canada, where he was ultimately arrested by the Royal Canadian Mounted Police. Confirming beyond a doubt his cold-blooded mentality, he said that if he had known that the officers were about to arrest him, he would have "blown them out of their shoes."

Mr. Speaker, those are not the words of a candidate for clemency. Leonard Peltier's heinous crimes are not the actions of a candidate for clemency. Yet Peltier's supporters are confident that the President will pardon this murderer, pointing to his pardon of the FALN terrorists earlier this year.

These supporters would have us believe that Peltier is being held unjustly, that he was framed because he is Native American. They have politicized the case, bringing in liberal Hollywood actors who glorify Peltier and refer to the slain agents, Williams and Coler, as "faceless soldiers" sent by the government. They have elevated this thug, calling him a leader of his people, further dishonoring the law enforcement officers he killed and dishonoring Native American heritage as well.

Our legal system has ruled again and again that Leonard Peltier is a killer. The Supreme Court refused to review his case, and a parole board ruled in 1993 that Peltier be denied parole for the next 15 years. FBI Director Louis Freeh is on record saying that "[t]here should be no commutation of his two life terms in prison."

In a recent letter to his supporters, Peltier makes reference to the "many years" of his life that have been "stolen." To this day, he remains oblivious to the fact that he stole many years of life from the two agents he killed. Jack Coler was 28, Ron Williams was 27 and a father of a 4-year-old son. They were at the beginning of what promised to be long and successful careers in law enforcement. They were cut down at the prime of their lives by a coward who has shown no remorse.

Mr. Speaker, as my colleagues know, I was also a FBI special agent and I am appalled that Leonard Peltier has chosen to exploit Native Americans for his own selfish purposes. This is not about ethnicity, it is about murder. It is about respect for the law and law enforcement officers.

I call on the President to see through the myth that has built up around Leonard Peltier and recognize that Peltier is trying to manipulate emotions and use political issues to gain an undeserved release. The President owes at least that much to the families of these slaughtered heroes.

ADVANCING THE INTERESTS OF AMERICAN FAMILY FARMERS IN WTO TRADE NEGOTIATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Dakota (Mr. POMEROY) is recognized for 5 minutes.

Mr. POMEROY. Mr. Speaker, I rise this evening as cochair of the WTO Trade Caucus for Farmers and Ranchers to discuss the importance of the upcoming ministerial talks in Seattle and the next round of multilateral trade negotiations.

Mr. Speaker, I am pleased to be joined by my cochair, the gentleman from Idaho (Mr. SIMPSON) who presented earlier on this very topic. We also have across our membership in the task force a bipartisan, bicameral group of more than 50 members who are committed to advancing the interests of family farmers in trade negotiations.

The agriculture economy is in dire straits. American farmers are reeling from the twin evils of production loss caused by natural disasters and price collapse caused by depressed export sales and strong global production.

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The crisis in agriculture demands a multifaceted response from Congress, ranging from emergency assistance, crop insurance reform, safety net reform, and expanding international trade. It is this last issue of expanding trade that I will discuss this evening.

Perhaps no sector of the American economy is any more dependent on trade than agriculture. The United States is the single largest exporter of ag products in the world. On average, the crops on one out of three acres in the United States are exported. Many commodities are even more dependent on foreign sales, such as wheat, 1 out of 2 acres is exported; sunflower oil, 3 out of 4 acres of which is exported. Given the share of farm income that depends on foreign markets, American farmers cannot succeed and prosper without robust export sales.

Now, unfortunately, the export market for agriculture has been anything but robust. In fact, the value of U.S. agriculture exports has fallen from $60 billion in 1996 to a projected $49 billion this year, a decline of nearly 20 percent.

Look at this chart. It tells a very sad tale. It is a small wonder we have had that incredible depression in our ag economy with the export record like that.

There are several reasons for the decline in export sales. They include the financial crisis in Asia. Despite signs of recovery, we continue to see sales lagging in this region, not rehabilitated to what they were prior to the crisis. Strong worldwide production has further depressed exports and, in turn, depressed the prices for our ag commodities.

In addition to these market forces, however, American farmers are on the losing end of export sales because of an unlevel playing field in the international market. Around the world, our American farmers are not just competing with farmers of other countries in other parts of the world relative to their own exports. We are competing against their governments as well as they subsidize unfairly their export market.

The crops grown by American farmers face, on average, a tariff rate of 50 percent in foreign markets compared to just 10 percent on what ag products face entering our market. With respect to export subsidies, the European Union accounts for 85 percent of world export subsidies.

Just take a look at my second chart this evening. The blue reflects European exports. Our slender 2 percent compared to their 85 percent of world export subsidies reveals just why our exports are not performing and why our ag exports are on the losing end of the present trading situation.

In addition to export subsidies, we know that state trading enterprises like the Canadian Wheat Board use their monopoly status to engage in discriminatory and secretive pricing practices to undercut U.S. producers.

Now, to build the momentum necessary to tackle these unfair trade practices, the gentleman from Idaho (Mr. SIMPSON) and I formed the WTO Trade Caucus for Farmers and Ranchers. The 50-plus members of our group, House Members, Senators, Republicans and Democrats, developed a list for agriculture trade objectives for the upcoming round including the elimination of export subsidies, cutting and, when possible, eliminating tariffs, and imposing transparency and market discipline on State trading enterprises.

Our list of objectives was derived from concerns we have heard from the farmers we represent as well as the commodity groups themselves. This list serves three important purposes. Going into the Seattle round, it signals what the United States Congress believes it must have out of this round.

Now, our views are important because, unlike other systems where the Government may cut the deal and that is the end of it, whatever comes out of this round will be brought back to Congress for approval, and we intend to make sure that these objectives are met.

MAY FREEDOM AND LIBERTY CONTINUE TO FLOURISH THROUGHOUT CENTRAL EUROPE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KIND) is recognized for 5 minutes.

Mr. KIND. Mr. Speaker, I rise tonight to commemorate the 10th anniversary this week of one of the most astounding events of the 20th century, the collapse of the Berlin Wall on November 9, 1989, and the collapse of Communism throughout central Europe.

What started as a ripple, solidarity's triumph in Poland in June of that summer, Hungary opening its border with Austria that summer, led to a deluge of East Germans streaming across the Berlin border and eventually tearing down the symbol of oppression in Europe, the Wall. A few short weeks later came the Velvet Revolution that changed Czechoslovakia.

One of my most cherished possessions that I keep on my desk here in Washington is a chunk of that Berlin Wall with some of the graffiti paint still on it, coincidentally, shaped like Wisconsin. I was able to knock out this piece with a sledgehammer while I was in Berlin on October 3, 1990, celebrating the reunification of both Germanys.

Today, the political map of Europe looks completely different. As this map depicts, Mr. Speaker, democracy has been flourishing and sweeping across Europe. The countries shaded in blue are those democratic nations that existed before 1989. The purple-shaded area are those countries that have evolved into democratic nations since the revolutions of 1989. Obviously, we still have some work to do in Belarus and down in the Balkans and Serbia, as represented by the red countries shown on the map.

Now, 10 years later, the events seem preordained. But at the time, no one could predict these events or know how to respond to them. Today, many want to claim credit. But the most important wall that fell was not even visible. It was the wall of fear inside people. It is difficult to describe the role that fear plays to maintain a totalitarian state.

Mikhail Gorbachev, however, changed the dynamics by sending out messages that his rule would not be sanctioned only by guns and tanks. His policies of Glasnost and Perestroika showed that not only would he not oppose reforms, but actually encourage them.

As a third-year law student, I watched with rapt attention, as the rest of the world did, to the unfolding of these events during 1989. It came at a critical point in my life. I was feeling a little disillusioned, a little bit cynical about our own democratic process in this Nation. So I went to central Europe a few months after the resolutions, lived out of a backpack, and traveled throughout the capitals of central Europe to see these changes first hand.

While traveling there, I met the real heroes of the revolution. People who restored my hope for the institutions of democracy. They were students about my age who were on the front lines of the demonstrations, literally staring down the barrel of guns and Soviet-made tanks, not knowing if they were going to succeed or suffer another Prague Spring like in 1968 or Budapest in 1956.

History later showed that in the case of the Velvet Revolution in Czechoslovakia, velvet to symbolize the smooth and peaceful transition of power that took place, the Communist Politburo voted just five to four against ordering a massacre.

When I spoke to those students, they remembered two distinct things about the demonstrations: how cold they were during the candle light vigils that took place all night, and how scared they were knowing the history of previous reform attempts in their own country.

They did not have weapons to fight back with, only their courage. They knew they were risking it all, but they chose to do so for the sake of their own future. And they prevailed.

It is a magnificent irony of history today that one of the most oppressive Communist regimes throughout central Europe, Czechoslovakia, would later be led by former poets and playwrights in the country, one of whom was Vaclav Havel. He was one of the key leaders of the Velvet Revolution. He was the first democratically elected leader of Czechoslovakia since Mazaryek and Eduard Benes before the Second World War. He was also one of the founders of Charter 77, the moral blueprint for change in Czechoslovakia. He helped form the Civic Forum, the political alternative to the Communist regime, but not before he was in prison four times as a political dissident.

In fact, during one of his stays in prison, he became deathly ill. The Communist authorities, afraid they were going to have a martyr on their hands, went to him and told him that the people in New York who give out the Obey awards were willing to host him so he could direct his own play on Broadway as well as receive proper medical attention and care.

He asked them one question, if he went, would he be allowed to return to Czechoslovakia. They could not give that assurance. So he said I will stay instead. The rest, as we now know it, is history.

So, Mr. Speaker, I want to pay a special tribute and wish a special anniversary to a few students who inspired me. To Andreas of Dresden, Peter of Krakow, Jitka, Ladka, Ivana, and Paulina of Prague, happy anniversary and thank you for showing with your courage that there are some causes and ideals greater than oneself worth risking everything for. May freedom and liberty continue to flourish throughout central Europe.

GOOD TIME FOR CONGRESS TO REASSESS ANTITRUST LAWS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PAUL) is recognized for 5 minutes.

Mr. PAUL. Mr. Speaker, by now, the Microsoft antitrust case should have caught every Member's attention. This is a good time for Congress to reassess the antitrust laws.

Under current law, collusion, negotiations, or even discussions about markets may be enough to find someone guilty of breaking these laws. Prices in one industry that are too high, too low, or all the same are suspect and could be used as evidence of monopoly practices.

We must remember bigness in a free market is only achieved by the vote of consumers, supporting a company that gives them a good product at a low price.

It is an economic truism that the only true monopoly is government protected, such as the Post Office or a public utility. There is nothing more annoying than a government bureaucrat or Federal judge gleefully condemning a productive enterprising capitalist for doing a good job. These little men filled with envy are capable of producing nothing and are motivated by their own inadequacies and desires to wield authority against men of talent.

In a free market, the consumer is king, not the businessman. The regulators hate both and relish their role of making sure the market is fair according to their biased standards.

Antitrust suits are rarely, if ever, pursued by consumers. It is always a little disgruntled competitor, a bureaucrat who needs to justify his own existence.

Judge Jackson condemned Microsoft for being a "vigorous protector of its own self-interests." Now this is to be a crime in America. To care for oneself and do what corporations are supposed to do, that is, maximize profits for stockholders by making customers happy, is the great crime committed in the Microsoft case.

Blind to the fact that there is no conflict between the self-interest of a capitalist and the consumers' best interests, the trust busters go their merry way without a complaint from the Congress which could change these laws.

Only blind resentment drives the economic planners and condemns business success, good products, low prices, and consumer satisfaction while undermining the system that has provided so much for so many.

Many big companies have achieved success with government subsidies, contracts, and special interest legislation. This type of bigness must be distinguished from bigness achieved in a free market by providing consumer satisfaction.

To help rectify the situation, Congress should first stop all assistance to business, no more corporate welfare, no bailouts like we saw to Lockheed, Chrysler, Long-Term Capital Management and many others.

Second, we ought to repeal the archaic and impossible-to-understand antitrust laws.

Next, we should crown the consumers king and let them vote with their money on who should succeed and who should fail.

We should then suppress the envy which drives the anticapitalist mentality.

The Bill Gateses of the world can only invest their money in job-creating projects or donate it to help the needy. The entrepreneurial giants are not a threat to stability or prosperity. Government bureaucrats and Federal judges are. But strict enforcement of all the ill-inspired antitrust laws does not serve the consumer, nor the cause of liberty.

WE ARE NOT GOING TO RAID THE SOCIAL SECURITY TRUST FUND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. MINGE) is recognized for 5 minutes.

Mr. MINGE. Mr. Speaker, this week, Congress and the administration are struggling over how we handle the so-called end game with the Federal budget. Those of us here in the House of Representatives are a critical part of this end game negotiating process in the votes that it will take to pass the budget.

One of the chief rallying cries that I hear from my colleagues is, we are not going to raid the Social Security Trust Fund. We are not going to raid the Social Security Trust Fund. We will not raid the Social Security Trust Fund. The phrase is repeated ad nauseam. But I challenge my colleagues to really accomplish what we have stated we intend to accomplish.

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And the reason that I say this is that for many it is feared that we are only pandering to the misunderstandings and the naivete almost of the American public in claiming that we are not invading the Social Security Trust Fund to finance Federal expenditures.

I would like to point out that claims that we will not invade the Social Security Trust Fund come from all quarters, but today I was amazed to see a letter signed by the leadership of this body, the Speaker, the majority leader, the majority whip, and the conference chair on the other side of the aisle that included a sentence to this effect: "We will not schedule any piece of legislation on the House floor that spends one penny of Social Security."

I would like to contrast this with an article in the Wall Street Journal a week ago Friday that reports that the Congressional Budget Office estimates that the GOP spending bills are already over the targets by $31 billion, and that if we look at the report from the Congressional Budget Office, we will see that the GOP spends $17 billion of the Social Security surplus.

What is most troubling to me about this is the duplicity that is involved. We are breaching the faith of the American public. It is absolutely wrong that we resort to smoke and mirrors and gimmicks to claim that we are not going into the Social Security Trust Fund. It is all together too familiar. We heard all of these statements during the Reagan administration and during the Bush administration when we had enormous deficits. And now that we are on the verge of balancing the budget without using Social Security, I think we have just as much an obligation to the American people to be candid, to be forthright, and not resort to smoke and mirrors and tricks.

The Wall Street Journal article, which is up here, illustrates one of the problems that is involved, and that problem is picking and choosing what numbers are used to do the accounting. Anyone who has worked with certified public accountants understands accounting principles and a financial statement in terms of its integrity. And the integrity of that financial statement requires that generally accepted accounting principles must be consistently applied. That concept of consistent application is what has been violated by the leadership here in the House of Representatives by picking and choosing where the numbers come from, the Congressional Budget Office at one point, the Office of Management and Budget at another.

This violates a fundamental rule in accounting, not consistently applying the accounting principles; or, in this case, the budget forecasting. Picking and choosing. And we should no more let the White House do that than let Members of our own body do that. We in Congress should stand square behind the principle that we insist that the budget forecasting process have integrity, and that we not claim that no such bill has been on the floor of the House when the Wall Street Journal has already reported that we have done it and when the Congressional Budget Office has already reported that we are $17 billion into the Social Security surplus.

We must improve our practices if we are going to continue to have any credibility. We cannot have letters of the type that are circulating in this Chamber today. And, Mr. Speaker, I will submit this letter for the RECORD.

CONGRESS OF THE UNITED STATES,
Washington, DC, November 8, 1999.

DEAR COLLEAGUE: Many of you are asking when we expect the budget negotiations to be completed. We expect budget negotiations to be complete when we have a balanced budget that doesn't raid Social Security, doesn't raise taxes and pays down the debt for the third year in a row.

Earlier this year our conference committed to stop the 30-year raid on Social Security—and according to the Congressional Budget Office, we have done that. The President began the budget negotiations by taking a large step our way and joining us in our commitment to lock away every penny of Social Security. We're working with him in a bipartisan fashion to protect retirement security.

The key to the whole puzzle is protecting Social Security and paying down debt. We will not schedule any piece of legislation on the House floor that spends one penny of Social Security. That said, we expect to adjourn for the year when we've ensured that every penny of Social Security is locked away.

If you have any questions, please feel free to contact us personally.

Sincerely,

J. DENNIS HASTERT,
Speaker of the House.
DICK ARMEY,
Majority Leader.
TOM DELAY,
Majority Whip.
J.C. WATTS,
Conference Chairman.

ONE PENNY ON A DOLLAR WILL SAVE SOCIAL SECURITY

The SPEAKER pro tempore (Mr. FLETCHER). Under a previous order of the House, the gentleman from Georgia (Mr. KINGSTON) is recognized for 5 minutes.

Mr. KINGSTON. Mr. Speaker, I wanted to start off by just kind of rebutting my distinguished colleague. The Wall Street Journal is a great newspaper, but, tell me, have my colleagues ever read a newspaper that does not sometimes get it wrong; does not stretch the truth?

Here is a report from the Congressional Budget Office. Now, I know the good folks at the Wall Street Journal know everything there is about Congress and spending and so forth, but these people are actually hired to do this job, they are the ones who are in the room. CBO stands for Congressional Budget Office, and they have certified that the Republican budget does not raid the Social Security Trust Fund, as have the Democrat budgets for the past 40 years. Here is what it says: Projected on-budget surplus under the congressional scoring, the way it is done, $1 billion, and this is as of October 27, 1999.

Now, it is real odd to me that people who have been voting against every single appropriations bill because they do not spend enough money are now coming in here in the 11th hour and trying to rewrite the rules. Where was this fiscal austerity back during the September and October debates? All we heard from the liberal side of the aisle was, "You don't spend enough money, so we are going to vote no."

Well, hello, where does the money come from? Social Security. We have held the line on it, we have passed the appropriation bills, 13 of them on Republican votes, because we could not get our Democrat colleagues to join us because it did not spend enough money for them.

Yes, there have been a few defectors, and we appreciate them, but we started this year taking the President on. He said from the well of the House let us spend 40 percent, actually I think it was 38 percent, of the Social Security surplus on a whole line of new entitlement programs. But the Republicans' key goal is to not spend the Social Security surplus. That is a quote. That is a direct quote from the White House Chief of Staff John Podesta, and that was as of October 20.

Now, that is coming from the folks who do not exactly like Republicans down on 1600 Pennsylvania Avenue. We are not going to spend the Social Security surplus.

Now, what have we proposed doing? We have proposed reducing the size of the government budget. For every $1 we have asked the bureaucracies in Washington to cut out a penny, and they can do it. Here is an example of one place they could do it. Now, we have heard there is absolutely no waste, but this is the President's trip to Africa. He went on a number of trips this year. He went to China and spent $18.8 million, took 500 people; went to Chile, spent $10.5 million; went to Africa and spent $42.8 million, and took 1300 of his dearest and closest Federal Government friends. Now, there were other people. This does not include Secret Service or Peace Corps, this only includes Federal Government employees.

Now, under our radical budget, the President next year would say 13 of those friends will have to stay home. One example would be the mayor of Denver. The mayor of Denver goes to Africa with the President. Why? Is Colorado so important to our African policy? If so, why not let the good people of Denver pass a hat and pay his freight? Thirteen hundred people went to Africa for $42.8 million. There is not a Member of this House who would say that was a wise expenditure of money, and there is not a member of this White House who would say he could not cut some of that out.

Or what about the $3 million ducks in Hawaii? The U.S. Department of Interior bought an island off of Hawaii for $30 million. The purpose was so ducks could breed on it. The only problem was only 10 ducks took advantage of this new honeymoon package. So what we have are ducks, $3 million each, over there having a big time. Now, we need to find a Hugh Hefner kind of duck who can promote this thing a little bit and maybe we can get it down to $1 million or $2 million a duck.

I think back in South Georgia we would probably call this a waste of money, and I suspect the folks would in Kansas, New York, and all over the place.

What is this really about? This is about trying to get Washington on line with the American people, the people who drive an extra two blocks to fill up their tank for $1.07 a gallon instead of $1.15 a gallon; the people who do not buy a new suit until the clothes are on sale; the people who go out to eat when they have a coupon and order chicken instead of steak; and the people who do not buy any running shoes unless they are the discontinued brand or marked down 50 percent; and the parents who raise their kids to turn off the light when they leave a room, and do not run the water when they brush their teeth.

We are saying to Washington that they should live their lives like the American people. If we can, we can find a lot more than a penny on a dollar and we can save Social Security.

NEW SENSE OF HOPE AND RENEWAL TO EASTERN NORTH CAROLINIANS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from North Carolina (Mrs. CLAYTON) is recognized for 5 minutes.

Mrs. CLAYTON. Mr. Speaker, I will leave a response to that very comical presentation to a later time.

I have a more serious and also a very jovial and happy announcement to make, and that is to thank Members of Congress and to thank their staffs in particular for joining with 11 Members of Congress going to my district and participating in real work and giving a sense of hope and renewal to the people of eastern North Carolina.

I have pictures here that show us indeed some of the scenes wherein we were flooded. Now that we are not with the water, somehow it is forgotten that our citizens are still dealing with this. If my colleagues could begin to think of the area which was devastated, they might think of a State about the size of Maryland, because we are involved in some 66 counties, but 33 of them have serious flooding.

The devastation in farm life is almost unimaginable. We have $1.7 billion that has been lost in the erosion of land, the loss of wildlife, the loss of various livestock, whether it be cows or pigs or chickens. In fact, 2.5 million chickens were lost, 120,000 hogs, 900,000 turkeys were lost. The loss was just devastating.

The housing will be our greatest problem. In eastern North Carolina we had a housing problem before Hurricane Floyd, and then with the housing being devastated by the rains, we now have even a more severe problem. Forty-six homes have either been damaged or completely destroyed. Ten thousand must be destroyed because they are either in harm's way, they are in the floodplain, or they have been completely destroyed.

Many of these people are older citizens. The home ownership is high there, because many of them bought their homes years ago and they are senior citizens and their income is not as robust as the economy would suggest in other areas, so we really have an area of great devastation.

So this was reason that we wanted to bring people who would bring hope and renewal, and I just want to thank Members of Congress for encouraging their staff and thank those staff members for doing this. This was actually the Congressional Black Caucus, under the leadership of the chairman, the gentleman from South Carolina (Mr. CLYBURN), who thought it was a good way of showing we wanted to be the conscience of Congress by organizing this. But this really became a congressional response. It was a bipartisan response. We had many Members from the Republican side in the House who sent their staff, if their staff wanted to go, and we had members, at least three or four, of the offices from the Senate. So it was bicameral as well.

And I just wanted to thank the Members who came. They came back with different experiences, but I can tell all my colleagues what the objective was. The objective was to allow Members of Congress and their staff to see firsthand the devastation so they could be advocates as the TVs left our scenes and we no longer saw the water, as we see here; or we no longer could see the scenes from this second one, the houses in Tarboro, which is East Tarboro, which was flooded, or the fact that Princeton, the first historical black town to be in America was completely flooded, or Trenton, North Carolina, was completed flooded; Greenville, East Carolina University, 12,000 students had to be relocated because of the flood.

Well, the objectives of this was simply to put a face onto this; that we can look at the human beings that were suffering and see their pain, their anguish, but also their hope. So it was to raise the sensitivity and the awareness and the knowledge of staff members and Members of Congress so they would be advocates so they could help us respond to this in a meaningful way.

□ 1945

The second objective was to bring hope itself, to bring hope and renewal to the people who are now suffering. You go through stages in this. The first people are so grateful that they have survived the flood and their adrenaline is flowing with the outpouring of generosity there. But later on despair sets in and anger and confusion and frustration, and that is where many of them are.

But on Saturday, those who came from Washington, at least for a day, brought hope and renewal. For they were actually cleaning up various homes, removing the debris, cleaning up a business or cleaning out a church or cleaning out a senior citizen facility. They went to six different counties and 13 different sites, including a farm, removing debris from a farm.

We thought we would have 10 buses. We ended up with 12 buses. More than 550 individuals came from the capital to be engaged with the people in eastern North Carolina, and I just want to thank them. I think it gives a new face for the capital. It says that people do care.

Mr. Speaker, I think we do best as Americans when we respond to others to show that we are neighbors. Yes, we are legislators, but also we are human beings in America.

EDUCATION SPENDING BILL

The SPEAKER pro tempore (Mr. FLETCHER). Under the Speaker's announced policy of January 6, 1999, the gentleman from Colorado (Mr. SCHAFFER) is recognized for 60 minutes as the designee of the majority leader.

Mr. SCHAFFER. Mr. Speaker, I am joined tonight by a couple of colleagues and others that I know are expecting to come over to the floor to help in this discussion.

What we want to focus on this evening is our efforts to pass a series of appropriations bills that bring this country in under the budget caps that both the Congress and the White House had agreed to previously and, also, to alert our colleagues as to some of the real challenges that confront us as a Congress tonight and over the weekend and over the next couple of days that we are here in Washington as we move toward this deadline of Wednesday that we have set for ourselves, an expectation and anticipation that we will be able to arrive at a compromise with the White House.

Because it is very clear, Mr. Speaker, that compromising with the White House is an expensive proposition.

The Congressional Budget Office, as had been pointed out by colleague the gentleman from Georgia (Mr. KINGSTON) who spoke just a few moments ago, had certified that the proposal that Republicans had put forward does balance the budget without raiding the Social Security trust fund and dip into Social Security funds to pay for Government, as has been the tradition over a great many years. And we are have very proud of that, and we want to stick as closely as possible to that ultimate goal.

But things are getting a little more challenging in these negotiations with the White House. And I want to talk specifically about the budget as it relates to the topic of education.

The United States Department of Education is an agency that controls approximately $120 billion in assets and expenditures, about $35 billion in annual expenditures, at least according to the dollar amounts that we have set for the Department of Education; and the balance being the loan portfolio that the Department of Education maintains.

Well, the President believes that we need to spend more. We have in fact, as I mentioned, budgeted $35 billion for the Department in the current spending bill, including $1.2 billion for the process of teaching to help appeal to the professional senses of our educators and classroom professionals throughout the country, to provide for more training for more teachers for those districts that wish to hire them and to do so within a framework of flexibility, not constraints but flexibility, in exchange for accountability.

We believe there is a legitimate role for the Federal Government to be concerned about local schools but not to run them. We want to send the dollars back to local school districts, back to classrooms, and appeal to the professional sensibilities and the care and compassion and concern of qualified superintendents, school principals, locally elected school board members, and so on.

Therein lies the difference, Mr. Speaker, that I want to zero in on tonight. Because the President's plan and the reason he vetoed the education spending bill, the reason he is holding that particular bill up at this very moment is a matter of philosophy. You see, we really do believe on the Republican side in our philosophy and our values of getting dollars back to the States with freedom and flexibility.

But the President, instead, would like to hire approximately 100,000 Government agents, Federal agents, and have those Federal employees working in classrooms and in my school where my children are educated. We believe, the Republican side, we want to give those dollars to classrooms and give them to local leaders and so on, but we do not want to define specifically how those dollars must be spent. We do not want to confine principals. We do not want to constrain superintendents. We do not want to limit the options and the freedom and liberty that local elected educators have. And we also want to honor and respect the leadership of governors throughout the country.

There was a reporter just today who asked the President the following question, and I will quote the question. He says, "Mr. President, on the issue of funding for teachers, sir, you resent it when Congress tells you to spend money in ways which you do not deem appropriate."

Let me stop right there at the reporter's question as it was put to the President. The President does disagree with this. We want to get dollars to the classrooms, to the local schools, and allow local professionals to determine how best to utilize those funds in the best interest of children. As the reporter accurately points out, the President resents it when Congress tells "you", the President, to spend money in ways which do you not deem appropriate.

The reporter goes on: "Why should a state governor who would like to spend that money differently feel any differently?" And of course, the President has a different answer when it comes to governors. Here is what the President said in responding to governors and to this question. He said, "Well, because it's not their money."

Now, this is the problem with Washington. In fact, that is what is sick with this city in Washington, D.C., when it comes to taking cash from the American people, bringing it here to Washington, sending those dollars back to the States, and putting crippling rules and regulations on those dollars and placing conditions on those dollars, which is what governors resent and what governors feel differently about.

The President's answer is one that so many people in this bureaucratic mentality of Washington represent. He says, "Well, because it's not their money."

The point being, this money must be his money. This money must be Government's money. This money must have been created somehow by people here in Washington.

Well, I think most Americans, when they realize the attitude that comes from the other end of Pennsylvania Avenue, it does not represent them, that this attitude is what people are most disgusted about when they think about Washington, D.C.

We are trying to change that in this budget. That is the element of the debate that currently is holding up the agreement from going forward in this negotiation between the White House and the Congress.

Well, we passed legislation, as I mentioned earlier, that deals with this effort to try to get dollars to local school districts and do it in a much more powerful and effective way and a way that more closely approximates the local priorities of school districts. And we are very serious about following through on that.

We believe the liberty to teach and the freedom to learn are goals and objectives to which not only this Congress should aspire but the American people in general wish us to pursue, and we are going to stay on that course.

The argument is compounded even further in our position, and the strength of it I think becomes even more apparent when you consider today's headline in the New York Daily News. I know this is small, but it is a copy of the front page. "Not Fit to Teach Your Kid. In some city schools, 50 percent of teachers are uncertified," says the headline in the New York Daily News.

And the article that follows this headline shows that when you throw dollars at a goal of just simply hiring more Government employees that frequently you do not get the quality of teachers in this case that the American people would expect and that children in fact need.

That is, I am afraid, the ultimate goal of the President's approach of restricting the dollars as they go to States, restricting them by tying strings to them, attaching mandates to those dollars. It will result I submit, Mr. Speaker, in more headlines like this not just in New York City but throughout the country. It is the kind of headline that we are working very hard to avoid, in fact, and have headlines that we can be quite proud of about the professional kinds of teachers that we have in mind for hiring around the country through the leadership and through the initiative of governors, State legislators, school board members, principals, and superintendents.

Mr. Speaker, I yield the floor to the gentleman from Pennsylvania (Mr. PETERSON) who has worked very hard on this very topic and knows quite well how important it is to fight to get dollars to the classroom.

Mr. PETERSON of Pennsylvania. Mr. Speaker, I thank the gentleman from Colorado (Mr. SCHAFFER) for yielding.

Mr. Speaker, it is interesting, because most budget battles are about dollars, but the education debate going on in Washington now is not about more money. There is no argument about how much money we should spend but where the control lies.

I think this is a pretty significant discussion that the American people needs to take seriously. And the question I ask, should the Federal Government dictate priorities for our local school districts? I think the vast majority of Americans would vote no to that. The vast majority of Americans would not want the Federal Government dictating local educational policies.

Now, it is interesting, last year in some debate I remember the numbers, I think we take credit for supplying between 6.8 to 7 percent of the local dollars for basic education. But many said we provide 70 percent of their bureaucratic nightmares. In other words, to get your hands on the Federal money, you have to have a lot of expertise. And it is interesting, when you look at the numbers of school districts who get very little Federal money and those who get a lot, that is the answer.

So small, rural school districts, which I represent, I have school districts who get less than one-half of one percent of their money from the Federal Government. So no matter what we do here, it will not have a huge impact. And why do they not get that money?

Well, in rural school districts you have a school superintendent and he is the butcher, the baker, and the candlestick maker. He does not have a finance officer. He does not have a curriculum director. He or she plays numerous roles because they do not have the dollars to have this bureaucracy within the school districts that can go after Federal dollars.

Most school districts that are successful have specialized grantsmen who do nothing but look through the records and find out what programs may apply and how to apply for them. Urban suburban areas also have the luxury of educational consultants they can hire to help them get the Federal money.

Now, when you have a bureaucratic system like that, it is rich get rich and the poorer get poorer because the poor do not have the money to invest in getting the Federal money. That is why in Pennsylvania, where I come from, there are schools who get less than one-half of one percent of their money from the Federal Government and there are schools that get 12 and 13 percent of their money from the Federal Government. Now, that is 25 times as much. Is that fair? No, that is not fair. But that is Federal bureaucracy, this federalized system.

It is interesting because now the President is really hanging out out there and I heard his top people over the weekend talking about they were hanging out for a 100,000 teachers. In other words, if you will hire teachers, you can get in line for this money. But if you need computers, if you need more classrooms, if you need technology of some kind, if you need your school wired, if you need new books, we are not going to help you.

Now, I think that that is the mistake. And I want to relate it back to several years ago the President wanted 100,000 cops, and the record on that program in place a number of years now has never put 100,000 cops on the streets of America.

In fact, I recently had my staff working with two communities who are on hard times who got seduced by that program to hire more cops because they were free and they could use the police protection. But now they are finding out that is a temporary program and that is this teaching program, if I understand it right, it is a temporary program. So they are going to hire more teachers and in a couple years there will be no Federal money to pay for them, they will have to have the local resources.

Now, should we be seducing schools and communities to hire more teachers and more cops if we are not going to be there year after year? Is that how we build a good educational system? I do not think so. Because just a few years ago, we had more computers and more technology, more emphasis on science and math. And basic literacy has been an issue year after year, and we have several dozen literacy programs.

□ 2000

Is it cost effective to have several dozen literacy programs that schools can apply for, or to have one literacy program? Now we have several dozen. We have had programs to promote parental involvement. We have had programs suggested that we should build schools from the Federal level. And, of course, the issue of accountability never really gets addressed very much. And I think that is the question parents ask, is how do we keep our educational system accountable?

It is interesting as we have this debate and the unfairness of it, when we have 6.8 percent of the money is what we claim funds local education. I recently asked the Department of Education in Pennsylvania, I would like a printout of the money that each and every school district in Pennsylvania, and there are 530 some, gets to fund their schools, local money, State money and Federal money. They have that, and they gave me this printout. The part that surprised me was when they added up the column for Federal aid, it came to 3.1 percent. We said, there must be something wrong. So we sent it back to them. We said, you must have missed some Federal program, some major one. They came back to us and they said, no, we think all Federal money is included.

So the question I ask is, if 6.8 percent is what we are supposed to be providing, and if only 3.1 percent in this State, Pennsylvania, is getting into the classroom, where did the rest of the money go? I do know one thing, that when I served in State government, the bureaucracy there was pretty well funded with Federal dollars. We have a bureaucracy here in town funded with Federal dollars. We have regional bureaucracies that are funded with Federal dollars. It is my opinion, and I am not saying 3.1 percent is totally accurate because I expected to have a couple of percent chewed up in bureaucracy. I did not expect over half.

But as we continue to review this, I think it helps make the argument we make. Let us fund dollars that get to the classroom. Let us not say to schools, if you want our money, you have got to buy computers or you have got to hire teachers or you have to build more schools or you have to do certain things, because those things vary from State to State and community to community. We have 530 school districts in Pennsylvania. Multiply that by 50 States. There is a huge difference in what goes on in Alaska and what goes on in Florida and what goes on in Maine and what goes on in Missouri or Arizona, or Pennsylvania, or California. There are very different parts of this country.

I think saying 100,000 teachers is about politics. That is a slogan. That is a campaign issue. That is not about helping education. Because if we really wanted to help education, we would cut through this bureaucratic maze and we would get dollars into the classroom that would be allowed to fix up the classroom, that would be allowed to hire more teachers if that is the goal, would be allowed to buy more computers and more technology, buy more books, do things that enhance the educational process, recruit the right kind of teachers for science and math which are in short supply, but allow the local districts to make those decisions of how they can best use those dollars.

I say, Mr. President, when I have school districts that get less than 1 percent of their funding from the Federal Government, I am sure they are not going to be standing up clapping when you talk about 100,000 new teachers, because there is no way they can reach that.

I just want to share, I was disappointed in the President's comments today. He said, "Well, because it's not their money," and he is not the first politician that has said that. Lots of politicians have said that. It is like it is their money. But he went on to say, "If they don't want the money, they don't have to take it. If they are offended by it, they can give it to the other States and other school districts." I am disappointed in that kind of rhetoric at this point in the process. I am disappointed in that kind of an attitude, because I think it is time that we think about the kids, we think about maximizing their potential education, and stop arguing about political slogans that will be used in brochures another 12 months and get down to saying, let us get the money to the schools. If we are only getting 60 percent of it there, let us say we try to get 70 this year. If we are only getting 50 percent there, let us say we try to get 65 and next year 85 and let us get the money driven out. Let us somehow work through this bureaucratic maze that is chewing up these bucks and have the money go out there in someway that poor districts, that rural districts who do not have grantsmen, who do not have a lot of staff can get their fair share of Federal resources.

The Federal program, in my view, rewards the rich, those who have the staff, those who have their own bureaucracy and can meet the needs of a Federal bureaucracy and leaves the poor, impoverished school districts out to lunch.

Mr. SCHAFFER. Your comments about the differences between rural districts, urban districts, wealthy districts and poor districts is right at the heart of this debate over Clinton teachers versus local school teachers. It comes down to this. There are many, many places in America where districts need more teachers. They need the resources to hire more teachers, get them into classrooms, reduce class size, where these are the locally established goals, goals established by locally elected school board members, by principals who know the names of the students in those classrooms, by superintendents who know the names of the principals and so on. For those school districts, we say you ought to be able to spend your money on classroom reduction, to hire new teachers, local teachers if you would like.

The President's answer is one that you have summed up perfectly, referring to his comments earlier today, that we should do it Clinton's way, because, as he says, well, because it is not their money. It is not that local principal's money, it is not that Governor in Pennsylvania's money or Colorado's money. This money somehow, according to people in the White House, belongs to, well, the White House, and they therefore believe that they have some title to define how those dollars should be spent. The principals who want to hire more teachers, they ought to be able to use their funds, their Federal funds, to hire more teachers, but those that wish to invest in technology, to buy a new school bus, to resurface the roof, to do a number of other things that they might believe to be more important, to target those dollars to reading programs for disadvantaged children and things of that sort, those teachers ought to have the full freedom, the full liberty to use their money as they see fit. That is the difference. We view these precious dollars that taxpayers send to Washington and we then send back to the States as the taxpayers' money. Down at the White House, they view these dollars as the White House's money. When the President uses that kind of language and that kind of attitude, I want our colleagues and the American people to know that the President is in for a fight on this one. These dollars do not belong to people in Washington. Americans work too hard to earn these dollars and send them here. I think they send too much here. But acknowledging that they work hard to send those dollars here to Washington, I want people to know that there is a party here in Washington that is going to stand up and look after those dollars and is going to send them back home with the fewest amount of strings and regulations and red tape and mandates attached, and that this is a fight worth fighting and we are going to stand in there for those children who ultimately will benefit from greater academic liberty and freedom and more managerial freedom at local levels.

It also raises another point, and, that is, did we not already provide these 100,000 Clinton teachers? Did we not already fund them? Because that was in last year's budget as well. What happened to those? As it turns out, the President estimated that he had only hired 21,000 teachers with the dollars we appropriated and as it turns out, an even deeper analysis concludes that we probably did not even hire those teachers with the funds that the White House insisted on last year. And so when you send these kinds of dollars to specific school districts and tell them that you have just got to go out and hire people, what happens is exactly what happens in New York, if you read the New York Daily News today, that in New York they took the cash. Of course, there is no principal or superintendent or school board that is going to turn down the cash. They took the cash and they hired teachers who are not certified, because they just had to spend the money, just spend cash. It did not matter whether the children were benefitting. It did not matter whether the kids were getting smarter. It did not matter whether they were hiring teachers that were capable of teaching. They just hired people, uncertified teachers in this case, as many as 50 percent in some New York schools. This is a bad formula for education in America and it is not the formula we want to see.

I know there are a great number of us here in Congress who focus on this topic and feel passionately about it. Another one is with us today, the gentleman from California (Mr. McKEON), a member of the Committee on Education and the Workforce and subcommittee chairman, one who has demonstrated day after day and time after time his commitment to getting dollars to the classroom and looking out for children rather than the education special interests that we find here in Washington, D.C.

I yield to the gentleman from California.

Mr. McKEON. Mr. Speaker, I want to thank the gentleman from Colorado (Mr. SCHAFFER) for taking the time to set up this special order to give us a chance to talk a little bit about what we are trying to do in education on our side of the aisle.

Last year, early this year, we in our subcommittee started holding hearings on what we could do to improve and to help education. We were specifically looking at what we could do to help improve teaching. We started holding hearings around the country and here in Washington and people came and testified before us, people from various phases of education, administrators, teachers, school board members, parents, and they all said one thing in common, that the most important person in teaching is the parent; number two, the next most important person is the teacher. I think we all agreed on that and in a bipartisan way we moved forward and crafted legislation that said we would send money to the local school districts and let them decide how they would spend that money. We gave the highest priority to classroom reduction, class size reduction, because we felt that was a very high priority. However, if the district was unable to hire qualified teachers, we said that they could use that money to train the teachers that they now had.

We had a young man, a young educator, African-American from Washington, D.C. come in to testify. He had been teaching, he said, for a couple of years, and he felt very inadequate. He was put in a third-grade class and was told to teach these children how to read. He knew how to read and the principal said, you know how to read, teach them how to read. But he had never in his education had a class on how to teach reading, and he was very frustrated. He felt like he was not doing an adequate job and he was ready to leave the profession. Fortunately, somebody was able to get him to a class where he was able to learn how to teach and he was doing a much better job, his students were prospering, he was feeling better about himself and stayed in the profession.

I have some real concerns about hiring a lot of people that may not be adequately prepared. In my own State of California, we reduced class size a couple of years ago, we put that as the number one priority from the governor, they mandated from the State headquarters class size reduction, and it has resulted in over 30,000 underqualified teachers in California.

Another example, Jacques Steinberg of the New York Times wrote that 58 percent of newly hired teachers in the Los Angeles Unified School District, which is part of my district, are not certified. Instead, some were hired solely on their experience of leading church or camping groups. I am not saying that these are not good people and I am not saying that they are not concerned and they are trying to do their best, I am just saying that they are not prepared. We said in our bill that you take the money and you decide what is best for your local school district. The gentleman from Pennsylvania (Mr. PETERSON), the gentleman from Colorado (Mr. SCHAFFER), myself from southern California, all have different kinds of districts.

I served for 9 years on a local school board. I was very frustrated with the mandates coming from Washington, or the mandates coming from Sacramento. That was one of the reasons why I ran for Congress and why I am happy to be on the Committee on Education and the Workforce and why I wanted to, to see if we could not try to solve a problem. Many Democrats joined with us in this legislation on teacher empowerment. They felt like it was the right thing to do. We talked and said, once in a while you can do the right thing here. But it is like the President is stuck on this 100,000 teachers and no matter what we do or say, he says, we are not leaving town until we give him a program for 100,000 teachers. We say, we have the program. The only thing we are saying is, we are not going to run it out of Washington, we are going to let the local people decide. The money is there. Take the money. If you need it to hire teachers, do it. If you need it to train teachers, do it. If you need it to provide merit pay to ensure that your teachers do a better job or the better teachers are rewarded, do it. If you need it for tenure reform or other innovations, do it. But you have the responsibility. You have the ability.

I represented our area in the State school board association for the time when I was on the school board. We had 6,000 locally elected school board members in California. They were good people. They were sincere. They really wanted to do what was right for the children. But their hands in most cases are tied, because of mandates that come out of Washington. If we send this money out and say, you can use it because the President says so for a Federal mandate to reduce class size, K–3, to 18 children, I do not know where they got that magical number, but that is what they said and that is the only choice you have, and like the gentleman from Pennsylvania said, his district probably will not see any of that money. Your districts may not see some of that money. But what we are saying is use it to improve the teachers that you now have. Help them do a better job.

We did a press conference today and outside we were talking to a reporter.

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And there was one of our security people standing right there, a mother; and I could see, she heard us talking and I could just see she wanted to enter into this conversation. And the reporter was asking questions, well, do you feel like you have reneged because you agreed to the President's 100,000 teachers last year and now you are backing out from it? I said look, we are not backing off of that at all. We are just saying that instead of Washington having to decide, we let the local people decide. Ask this lady right here. She looks like a mother. Ask her if she wants to have the best qualified teacher or if she wants the smaller class size.

We say, she can have both. I have six children that grew up through the public education system. I have 17 grandchildren now growing up through the public education system. I have talked to my daughters, and I have talked to my daughters-in-law; and I find out what is going on in the school and they say look, if we have a chance to get the best teacher in the second grade class, and all teachers are not equal, if we have a chance to get that teacher and the class size is 25, worse is the teacher that they just hired to fill a Washington mandate and maybe made the class size 18, if I had my choice, I will take the teacher, the good, qualified teacher in the 25-student classroom, because I know my student will get a better education than they will in a smaller class size with a poorly prepared or inadequately prepared teacher.

All we are saying, we are not fighting over the money, we are not fighting with the President. We are saying, Mr. President, join us. Call this your bill. Make it the Clinton Teacher Empowerment Act. I do not care. But let us put the students first, let us put our children first, and let us let their parents at the local level, the school boards at the local level be involved in the decision. Let them decide. Because one-size-fits-all out of Washington will not work.

We are going to hold on this. We think this is important. If we have to stay here, Mr. President, until Christmas, if you have to miss your trip around the world to stay here to work with us on it, let us do it; but let us remember the children first. I thank the gentleman.

Mr. SCHAFFER. Mr. Speaker, the gentleman points out really a lack of a distinction, I suppose, between the White House and the Congress when it comes to the actual dollars, because the reality is, there is no difference of opinion on the dollar amount for education and for the education budget.

We are prepared to spend $35 billion on the Department of Education, and that is what we budgeted. In fact, when we really look at the bottom line, the Republican Congress has proposed more money and has spent more money on education this year than the President himself had requested and had suggested in the education budget. So this is not about spending money. That argument has been taken away from the White House.

This is about how the money is spent, whether it goes to States with the flexibility and freedom to hire more teachers if they want, to buy more computers if they want, to do more training if they want, to focus more on teacher quality if they would like, versus the President's answer which assumes that it is not their money, as the President said; the American people, it is not their money and the States, and make that assumption and send those dollars back to States with constraining, restrictive rules that say, you may only spend those education dollars in a narrow sort of way.

I represent a lot of rural districts in my congressional district. Even if we assume there are 100,000 teachers in this package, which there are not, as we saw last year, it is not even 21,000 that the President had thought he counted in the current year; it is much less than that. When we spread 21,000 teachers across the country, let us be generous. Let us say we really do hire 100,000 new Clinton teachers. Let us say we hire those teachers out of Washington and spread them out across the country. When we get to the small districts of America, they do not get any. There are no teachers left by the time we get to these rural areas. They are all consumed by the large inner city metropolitan areas around the country, and most children in most school districts will be abandoned by this narrow, mandated, restricted process that the President has outlined to spend these dollars.

Mr. McKEON. Mr. Speaker, if the gentleman will yield, I heard a story over the weekend. One of our good Senators from the other body was having a discussion with one of the Federal bureaucrats and the Federal bureaucrat said, I resent what you are saying; I resent what you are proposing. I want you to know that I love your children every bit as much as you do. The Senator said, oh, yeah? What are their names?

I go visit a lot of schools and I see principals go into classrooms and they know their names; they know the children. Are we to say that they are not going to do what is best for the children, at least as good as what they would do out of the White House. I propose that they would do much better. Let us give them the opportunity. Let us send the money back to them, and let them hire and train and help their teachers, and let us remember the children.

Mr. KINGSTON. Mr. Speaker, if the gentleman will yield, there is a great story about a teacher, and we all had these institutional teachers that everybody loved and feared, but respected and learned a lot from. This 30-year veteran of the school system in Gray, Georgia, a tiny little town outside of Macon, she was teaching, and this new up-start from the Department of Education, probably on the 6th floor up there, third office down to the right, a very important person with cell phones and laptop computers, decided she was going to go down to Gray, Georgia, and grace the good teacher with some of her wisdom.

Now, this young lady, who is a fine person, I am sure, but she had never taught kids. So she goes down to the teacher and says, you know, after 30 years of teaching, you have been teaching kids on the right-hand side of the chalkboard, and do you know that the left side of the brain learns faster than the right side, and so what you need to do is switch and put everything over on the right side of the chalkboard, or the left side of the chalkboard, because that is really where you can improve your education, teaching. This is a lady who has been teaching for 30 years, listening to a 25-year-old bureaucrat from Washington, D.C. who had never put one hour in a classroom. This was a lady, a veteran teacher that you and I talk about and our cousins talk about and our friends talk about and we still remember what she taught us about Hemingway and Thoreau and Chaucer. But the good old Department of Education, because they love children.

It is odd to me how a bureaucrat in Washington, D.C., as smart as they are, and as much love as they have in their hearts can love kids down in Gray, Georgia, and teach them better than the people in Gray, but also better than the people in New York City or California or Colorado. I mean, these are very interesting, brilliant people.

The gentleman was talking about waste. There was an interview this weekend on a television show with John Stossel and Barbara Walters, and what the Clinton person was saying, well, the Republicans want to slash class size. And Mr. Stossel, who is a neutral journalist says, oh, come on. Local districts pay for education. Is there no fat in the Education Department? In five years, Federal education funding has increased 20 percent. There are now 4,000 workers in Washington, D.C., attending conferences, making phone calls, and not teaching. Are they really necessary?

Or how about the $400,000 appropriated to build a Doctor Seuss statue. Is that really necessary? He goes on and on and on. It is not just the Department of Education. The Department of Interior, the Department of

Defense, the Department of Family Services. Everything has waste in it, and the only thing we have asked these bureaucracies in Washington to do is cut out one penny on the dollar so that we will not have to spend Social Security money. We want to be able to spend it.

Mr. SCHAFFER. Mr. Speaker, reclaiming my time, the examples the gentleman used are examples that seem quite obvious to the American people, but the expenditure is coming out of the White House.

I want to go back to this example of the requirement that States use their education dollars the way the White House wants to prove the point, because the assumption is that 100,000 teachers is automatically a good idea. That sounds good to most people, 100,000 teachers. That sounds like a very positive thing. Most people who are familiar with classrooms that are overcrowded and so on just naturally assume that that is somehow going to help. But it ignores the question of quality, which is the bigger issue and the more important issue.

What we find time and time again is that a quality teacher makes far more difference than a greater volume of teachers. The research is, across the academic spectrum, replete with results showing, and this is one from the National Center for Policy Analysis, and I will just read the first paragraph: "There is little evidence that smaller classes help students," says education expert Chester Finn, Jr., who by the way, was a pretty high-ranking official in the Department of Education a few years back, "and reducing class size may even hurt student achievement if the new teachers are mediocre," again, bringing the argument back to the notion that quality matters more than quantity. "Yet, President Clinton has proposed shrinking classes in the early grades to 18 students per teacher by hiring 100,000 more teachers at Federal expense for 7 years," and the report goes on further.

In fact, I would ask unanimous consent that this be entered into the record. It is a brilliant report that shows that just spending money does not necessarily accomplish the goal of improving teacher quality. Sometimes that can happen. Spending money sometimes can work, but what we need are locally-elected school boards; we need professionals in administrative positions, superintendents and principals and other supervisors who are capable and competent of using the dollars in a way that more effectively meets the needs and objectives of classrooms and children and fits consistently within their management style at a classroom level.

So. Mr. Speaker, I would ask unanimous consent to enter that into the RECORD at this point.

Mr. KINGSTON. Mr. Speaker, let me tell the gentleman another story from back in the district, Camden County, Georgia, a Southeast Georgia county that borders the St. Mary's River just North of Jacksonville, Florida. A lady down there, she was not a teacher, she was with the local Board of Education and she had just returned from Athens, Georgia, where the University of Georgia is located, from an anti-hugging seminar. Now, that was not the name of it, but that is what they called it.

What she had to attend was a conference put on by the national Department of Education in Athens, Georgia, for all of the teachers in the 165 school districts of the State of Georgia on not being alone with children. They told her, they said do not ever touch a child. Okay, a lot of sexual harassment going on, we can understand the good intentions here. They said, do not be alone with the child and do not ever express any kind of affection. So now she has to go back and tell all the teachers in Camden county not to hug, not to touch, not to be alone with children.

Just think about this a minute. If you are a C student and you did not get the quadratic formula the first time around, you cannot go after school and see Ms. Jones because she has to have a witness for that 20 minutes that you are with her that she did not try anything on you. And if you are a little, say, a 6-year-old or 7-year-old and you have some problems with the mechanics of relieving yourself in the boys' or girls' room, sometimes you might need a teacher assistant. You cannot do that any more without a witness, because the National Department of Education knows best for the children in Camden County.

She said, but you know what the real tragedy is? Camden County is the home of Kings Bay Naval Base, lots of young moms and dads, lots of parents of very small children who are away for 6 months at a time. She said, these little kids have a lot going on in their lives. They need a hug a lot more than they need an A, and if we want to help children, we need to get the bureaucracy in Washington off the backs of the teachers in Camden County so that they can do what they know best locally. And they are going to use good judgment.

They do not need the bureaucracy of Washington, D.C. to stick their nose in their business. I know they are doing it in, Colorado; but it is just that same Washington-knows-best culture, let us spend money because the money well, as the President said, "it is not their money." I guess the President is a very wealthy guy. But it certainly, as he says, it is not their money. I would agree with him, it is certainly not the Government's money on any level; it is the taxpayers' and the hard-earned workers' money that we are spending here, and that is why we should be very careful on how we spend it.

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Mr. SCHAFFER. Absolutely. The assumption that the dollars that the taxpayers send to Washington do not belong to the taxpayers, but to the people in Washington, I cannot think of a more arrogant statement for anyone in Washington to make than that which was made just today down at the White House.

Sending those dollars to Washington also entails being accountable for those dollars once they are spent. What three of us discovered, Members of Congress who actually went down to the Department of Education office building a week ago Friday, was that the Department's budget is not auditable. Their accounting system is so bad that the General Accounting Office and the Inspector General of the Department of Education have concluded that for fiscal year 1998, their books are still unauditable, meaning that we will never really know in full detail where the money went that was spent in the Department of Education in 1998.

Mr. KINGSTON. Exactly how much money is the gentleman talking about that is unauditable?

Mr. SCHAFFER. Let me use 1999, since I am more familiar with those dollars. We spend approximately $35 billion in annual appropriations for the Department of Education. The Department of Education also manages the loan portfolios of virtually every student who has gone to school in America and financed a college education through a guaranteed government student loan.

So when we add the loan portfolio, this is an agency that is in charge of a total financial portfolio of about $120 billion annually, and for an agency of that size, it makes it effectively one of the largest financial institutions on the entire planet. Their 1998 books are not auditable. The American people and this Congress have no assurance that the money in 1998 was spent well, let alone in subsequent years after that, which the appropriations are built upon.

The point of all this is, for any president or any Cabinet Secretary to suggest that there is no savings to be found in a department is ludicrous at a time when they cannot even tell us where the dollars that are already in the Department are right now. The books in the Department are not auditable.

Mr. KINGSTON. If the gentleman will yield further, Mr. Speaker, can the gentleman tell me this: If the IRS came to a business and found that business could not be audited, and they were having a dispute over accounting for tax dollars, what would the IRS do?

Mr. SCHAFFER. Depending upon the length of time, there may be some extensions that a business could file, but not without substantial penalty, and certainly corporate embarrassment. It is more a matter of an unacceptability by stockholders and people who own a business who would not put up with the management of their enterprise in such a way.

Beyond that, failure to audit books in a way which can provide a clear picture as to the tax liability will send people to jail. So in many cases, I think what the gentleman from Georgia was getting at, in many cases a business that had a picture like this of their financial statements not being auditable would be liable for substantial civil penalties, possibly criminal penalties, and certainly be looking at the potential of jail time.

I point all that out, and our goal is not to send anybody in the Department of Education to jail or even to fine them, but the point of all of this is that my constituents and the gentleman's and the constituents of every other Member of Congress worked hard today to pay their income taxes and send them here to Washington, D.C. They would prefer to see those dollars spent on things that they can have some confidence in at the local level, maybe for their families, maybe savings for their own children.

But to have those dollars taken from them, sent here to Washington, D.C. and accounted for in such a poor way, is a true disservice to the American taxpayer. The bottom line is, the inability to effectively manage the financial cash flow of a large department like the Department of Education hurts children.

This picture right here to my right represents, and I know it talks about the inability to audit the financial books of the Department of Education, but what is really jeopardized through this process is the ability to get dollars to children, to get dollars to the classroom. Children are hurt when the Department of Education is run so poorly, as we are discovering this year.

Mr. KINGSTON. Children are denied the good quality education, the quality education that they need.

It is interesting that Mobil Oil Company cut their budget by 11 percent this year. AT&T cut their budget by $2 billion. Yet, when we go to bureaucracies in Washington and ask them to come up with 1 percent, they cannot find it.

To me, if I was the President and my cabinet said that, I would say, look, you know what, this is not our money; of course, I know he thinks it is; but, you have got to find 1 percent. That is reasonable. Nobody in America cannot find one cent in a dollar they spend to come up with savings.

Mr. SCHAFFER. I want to point out again, Mr. Speaker, this is a simple picture that represents a big problem. Talking about finances and accounting and talking about financial procedures, accounting procedures, and the portfolios of loan funds and grant-backed funds is complicated, monotonous, boring stuff for a lot of people. We cannot sum up the nature of the problem by using some catchy word like 100,000 teachers, like the President would suggest that we ought to do.

What the President ought to be doing is focusing on this problem right here, the financial mismanagement of a $120 billion agency that affects children every day in America. He ought to roll up his sleeves and go down there to the Department of Education headquarters, just like Members of Congress were willing to do just a few days ago, and start asking some hard questions to the people in charge of these various programs.

I will tell the Members what he will find, which is just what we found. We did not find any real resentment or resistance, for that matter. We found some pretty conscientious employees who realized they are in deep trouble and they have a little bit of a mess over there. They have committed to working with us as Members of Congress to try to fix these problems. Again, this is the monotonous, boring, nuts and bolts details of keeping track of the people's tax dollars.

When we allow ourselves to believe, as the President clearly demonstrated he does, that it is not their money, it is not the taxpayers' money, then it becomes easier to rationalize a lot of waste in Washington. It becomes easier to rationalize rules and regulations and mandates and red tape attached to the taxpayers' dollars that renders those dollars less effective.

If we really believe that the money belongs to the White House and not to the American people, then it is easy to start talking about the taxpayers' hard-earned dollars in terms of campaign one-line gimmicks, rather than doing the hard work of helping children.

That is why there is such a difference of opinion in this appropriations process between the Congress and the White House, between the Republicans and the Democrats. On our side of the aisle, we are willing to do the hard work to help children, to squeeze the efficiency out of the Federal government so that the taxpayers are honored by having dollars come to Washington and help their children learn, not squander the dollars in Washington as though they belonged to the White House and people here in D.C., and that somehow children do not matter.

That is the difference between the Republican vision to help children and the Democrat vision to help government.

Mr. KINGSTON. If the gentleman will yield, again, all we are asking Washington to do is to do what people back home do, come up with 1 cent on every dollar they spend. One cent in savings here means savings for retirement, for social security, not just for seniors today but for all generations. That is all it takes.

I am on the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies of the Committee on Appropriations, and if I eat a cheese pizza, it has been inspected by the Food and Drug Administration. But if I get a pepperoni pizza, it has to be inspected by the United States Department of Agriculture.

I eat lots of pizza because I have four kids. It would appear to me that surely we could have the same inspector checking the pepperoni and the cheese pizza. I do not know if there is a different department for sardines, and knowing Washington there probably is, but it just goes on and on and on here, the potential savings that are resisted, and only in this town.

In real America, every American does what we did yesterday. Sunday morning, Sunday mid-morning you go through Parade Magazine, you go through the local coupons in your local Piggly-Wiggly, and I guess, what does the gentleman have in Colorado, Target?

Mr. SCHAFFER. We have those, yes.

Mr. KINGSTON. Target sells groceries, right? What is the gentleman's big grocery stores?

Mr. SCHAFFER. We go to Albertson's.

Mr. KINGSTON. My mother lives in Louisville, and I just wanted to make sure. I knew it was Albertson's. We have Piggly-Wiggly. If we want to buy the Special K cereal or we want to buy the Clusters, the kind of $3.50 a box stuff, we have to have the 75 cents, the 25 cents off coupons. Otherwise, we are going to get Piggly-Wiggly brand. Some of the Piggly-Wiggly brand is good but some just cannot quite compete with good old Kellogg's Corn Flakes, the best to you each morning. But we are not going to eat that unless we can save a quarter or 50 cents.

We are not unusual. We are out there raising kids. That is just what we do. If we get our car washed, it is because we bought 8 gallons worth of gas. When we fill up our tank, it is when we have found the cheapest gas station on the block, the one that is $1.07 a gallon, not the one that is $1.15. I do not know who buys that premium unleaded stuff that is $1.27 a gallon. Somebody must, but it is not people I know. People I know do not buy suits unless they are on sale. They do not buy running shoes unless they are discontinued. They do not buy steak, they eat chicken. This is what American families go through every single day.

If you want to go on a vacation, you save up your money and the dryer breaks, or you have to buy such exciting items as a new set of tires for your stationwagon. That is what America goes through daily, not just every now and then but every single day.

What we are asking Washington to do just one time, for the sake of social security and for the sake of not having a tax increase, just find one measly little penny on every dollar they save so that we can protect and preserve social security, not for the next election but for the next generation.

Mr. SCHAFFER. Mr. Speaker, I would like to use an example. That is, what Americans really want is to be able to send their tax dollars to a legitimate purpose, to help schoolchildren, in this example. There is a difference between sending those dollars directly to our local school or through the State, which the Constitution clearly places States as the legitimate jurisdiction to set up a public school system and to manage local schools. Most States defer a tremendous amount of authority to local school boards.

Some of those dollars come here to Washington, D.C. So for a taxpayer who sends his or her hard-earned education tax dollar to Washington, I want to show the Members where those education tax dollars go. Because first, there is an expense associated with just paying the taxes, with complying with the IRS, and the Federal government spends a certain amount of our education dollar right up front just to pay for the cost of collecting that education dollar. That comes right out of the education apple to begin with.

Then those dollars come here to Congress, and we redistribute those dollars. By the time they leave the United States Department of Education and come through this process, the U.S. Department of Education takes its bite out of the apple, and it is a pretty substantial bite out of the apple, as well.

Then those Federal education dollars go back to the States and are administered by various State bureaucrats, and States have to comply with more Federal rules and regulations. They have to hire people to accomplish that. So of the education dollar, the States, by Federal mandate, are required to take their portion out of the equation, as well.

By the time those dollars actually get to a child or actually get to the school district, the principal and the superintendent, of course, they have to file reports with the Federal government, as well. If they have lots of mandates and rules and regulations, as the gentleman from Pennsylvania earlier pointed out, local school districts have to hire people to comply with those Federal education rules and regulations, also.

What we found here in Congress is by the time an education dollar goes through that whole process of being paid by a taxpayer and going back to their home States, there is only about 30 to 35 percent of that education dollar left. That is about it.

People back home believe that they are working hard and they want to believe that the dollars they spend are helping children back home, but in reality this is what is coming home, just a couple of bites of the apple. The rest is cut up in little chunks and pieces, and bureaucrats all over Washington, D.C. get their bellies full and they are comfortable with these education dollars, but the children get a small percentage left over.

We want to make this percentage bigger. In fact, we want to make it as close to 100 percent as we possibly can to help children back home.

Mr. KINGSTON. Mr. Speaker, if the gentleman will yield further, as I listen to the gentleman I remember my days as a volunteer for United Way. United Way, for every dollar someone contributes, it uses less than 10 cents for administration. Ninety cents on that dollar goes to the victim, the social service recipient, the person in need, 90 cents.

I would love to see the Washington bureaucracy adopt the United Way standard, because if we did, then I think there would be enough money to do everything to keep everybody satisfied.

Mr. SCHAFFER. We really should. Then there is the question of mandates. If I can use a bit of one of these apples, again, I will use the 35 percent that goes to the classroom and start there, as the gentleman from Pennsylvania pointed out, in reality, when we talk about all of the dollars that end up in a classroom, most of those dollars are State and local dollars. The Federal government, through this process that I mentioned, really sends about 6 to 7 percent of the classroom budget, or is responsible for 6 to 7 percent of the classroom budget. Yet, for this little amount of funding in every classroom comes the vast majority of the mandates that principals and teachers and superintendents have to deal with.

Again, for this little bit of money we get this much rules and regulations. It makes no sense. For many administrators that I speak with, that is the greatest thing they ask for. They do not even ask for more money. When it comes right down to it, they just want more freedom, more flexibility, more liberty, to be able to use those dollars in a way that they see fit.

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And that brings us back to the original point of tonight's special order, is that the Republican Party here in Congress desperately wants to help children and reach out to school districts and the classrooms. We want to get those dollars to the districts in a way that allows them to spend them in the way that they see fit. But forcing States to spend the money the way the White House wants will result in more headlines like we see today in New York going to individuals who are really not teachers at all, folks who are in classrooms who are uncertified, incapable of teaching. They are only there because somebody in Washington dished out the cash in large proportions and invited someone else to spend it.

Mr. Speaker, the children really do not matter in this headline and we think that is wrong. We want children to matter all across the country and we want to see headlines that are positive and talking about the great growth and the world's best schools. That is our goal and dream for our children and our country, and that is the goal to which we are most dedicated.

With that, Mr. Speaker, I thank those who have joined me in this special order tonight.

SMALLER CLASSES NOT AN EDUCATION PANACEA

There is little evidence that smaller classes help students, says education expert Chester E. Finn Jr., and reducing class size may even hurt student achievement if the new teachers are mediocre. Yet President Clinton has proposed shrinking classes in the early grades to 18 students per teacher by hiring 100,000 more teachers at federal expense for seven years.

After reviewing the relevant research, economist Eric Hanuskek of the University of Rochester concluded "there is little systematic gain from general reduction in class size."

Class size has been shrinking for decades—the national average is now 22 kids per classroom, down from more than 30 in the 1950s—at immense cost, but with no comparable gain in achievement.

In fact, the Asian countries that trounce the U.S. on international education assessments have vastly larger classes, often 40 or 50 per teachers.

And in California, When Gov. Pete Wilson shrank class sizes, veteran teachers left inner-city schools in droves, lured by higher pay and easier working conditions in suburban schools that suddenly had openings.

One or two studies that suggest fewer kindergarten children in a classroom is linked with modest test-score gains, says Finn; but more research is necessary before it can be said its efficacy has been proven.

Alternatively, Finn suggests the $12 billion in new federal spending Clinton proposes would be better spent to fund $4,000 scholarships for 425,000 low-income students for seven years. Or it could be used to improve teaching by providing a $4,500 college tuition grant for every one of the nation's 2.7 million teachers.

That would be useful. Finn points out, because the Department of Education reports that 36 percent of public-school teachers of academic subjects neither majored nor minored in their main teaching field.

Source: Chester D. Finn, Jr. (president, Thomas B. Fordham Foundation) and Michael J. Petrilli (Hudson Institute), "The Elixir of Class Size," Weekly Standard, March 9, 1998.

DO NOTHING CONGRESS: AN UNFINISHED AGENDA

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from New Jersey (Mr. PALLONE) is recognized for

60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I want to spend some time this evening talking about the unfinished agenda for this Congress, because it is very likely that if not this week, then certainly very soon this Congress and this House of Representatives will be in recess. I am hoping that we will be able to complete the budget and the various appropriations bills that remain out there that have not been finalized here in the House of Representatives. But my point that I am trying to make tonight is this Republican leadership, because the Republicans are in the majority in the House of Representatives and they do lead the House of Representatives as well as the Senate, and essentially what we see is that the Republicans are determined to do nothing.

Mr. Speaker, they have not been able to pass the appropriations bills. They have not been able to essentially pass a budget, even though the fiscal year began October 1. And, if anything, when we try to pass measures that are important to the American people such as Medicare prescription drug benefits or HMO reform Patients' Bill of Rights or campaign finance reform or gun safety laws that would make a difference for the American people and that the public is crying out for in most cases, what we see is that the Republicans get dragged along reluctantly to do perhaps something about these issues, but ultimately do not do anything about it or manage somehow to make it so that none of this legislation, none of this positive agenda pushed by the Democrats ever becomes law.

Mr. Speaker, I just want to give some examples, if I can, about the problems that we are facing with this Republican leadership and with this unfinished agenda.

What I find is that the Republican leadership basically seems to be dominated by the far right, the ultraconservatives within the Republican Party. They constantly talk about the need for tax cuts that primarily benefit the wealthy and the larger corporations. They constantly talk about the need to get rid of government, couched somehow in that there are too many government restrictions and so the best thing is to get rid of all the restrictions and ultimately get rid of the government.

They get dragged into somehow passing sometimes, after a long period of effort on the part of the Democrats, into passing legislation like the Patients' Bill of Rights for HMO reform. But then they manage when it goes to conference between the House and the Senate to muck it up so nothing ever gets to the President's desk.

Essentially what we have is a "do nothing Congress." And it is also the "wrong thing Congress" because the Republicans have the wrong agenda. They do not want to adopt the Democrats' agenda and adopt legislation that helps the American people. They want to adopt the wrong agenda.

Mr. Speaker, I suppose the biggest example of that wrong agenda is the tax cut. Over the summer the Republican leadership proposed and eventually passed narrowly a trillion dollar tax cut for special interests that benefited their wealthy corporate contributors, but not 1 cent to extend the life of Social Security or to modernize Medicare with a prescription drug plan. Instead of allowing debate on a plan that would allow seniors to buy prescription drugs at an affordable cost, Republicans joined with the pharmaceutical industry to belittle the need for such a plan under Medicare in the first place.

The Republicans fought tooth and nail to derail a bipartisan Patients' Bill of Rights that would have taken medical decision-making away from insurance company bureaucrats and returned it back to doctors and patients where it belongs.

They have sat on, as I mentioned, common sense gun control to please the gun lobby. More than 6 months after the Columbine, Colorado incident, Republicans in Congress have still blocked any progress on keeping guns out of the hands of children and criminals by shutting the gun show loophole.

Mr. Speaker, what we are seeing here is this Republican Congress is all about inaction, indifference and inertia. Democrats really have said over and over again we are not going to go home, we are not going into recess here until we get a budget agreement that addresses some of the outstanding priorities for American families. I know some of the previous speakers here on the other side of the aisle tonight have belittled the 100,000 teachers program and said it is not necessary, adding 100,000 teachers to bring down classroom size. Well, they may belittle it, but we are not going home until we pass it and we have the extra teachers to give to the communities to reduce class size.

Some have even belittled the Cops on the Beat program saying it gives money to the towns to hire extra policemen, 50- to 100,000 extra policemen, but they only get it a few years and after that they do not have the money any more. Well, again the idea of adding police and giving some Federal dollars back to the municipalities so they can hire extra police or extra teachers, there is no reason why those programs cannot continue if the Republican leadership was willing to continue to fund them for the municipalities, help the towns reduce their property tax rate, provide more cops and more teachers.

And of course we also have the other initiatives, the Democratic initiative to provide funding for school modernization, to provide more money for open space so that communities, counties, States can purchase more property for open space.

Mr. Speaker, I am going to go into some of these issues tonight in the time that I have. I am not going to use all of the time, but I am going to go into some of the details about how the Republican agenda is this ultraconservative, right wing agenda, mainly tax cuts for the rich, and how they have not really dealt with the average problems or the concerns of the American people.

Let me talk a little bit about this Republican tax cut, because what I find is that my colleagues on the other side of the aisle, they want to sort of forget that they put together this trillion dollar tax cut primarily for the wealthy. They talked about it a lot over the summer, but I guess they realized it did not work and the American public did not want it, so they do not talk about it much anymore.

Just a little bit about it. It was primarily, overwhelmingly I should say, skewed towards the wealthy and corporations. It meant $46,000 extra per year for the wealthiest taxpayers but only $160 per year for the average middle-class family. And there were $21 billion in special interest tax breaks for big business.

The other thing, of course, is that what they do when they enact this trillion dollar tax cut, which the President wisely vetoed, is that that does not leave any money in the surplus that can be used to pay down the national debt. The President said that he wanted to use the surplus that was generated by the Balanced Budget Act to pay down the national debt, to shore up Social Security and Medicare.

Well, so much of that surplus, the whole thing was basically taken up by the Republican tax cut for the wealthy that the effort to reduce the national debt, if that ever were passed and was not vetoed by the President, would simply go out the window. It also siphoned money from the President's Medicare and Social Security program.

The President proposed in his State of the Union address that whatever surplus there was generated by the Balanced Budget Act over the next 5 or 10 years primarily would be used to shore up Social Security, because we know that in maybe 20 or 30 years there will not be enough money to pay for the people who are then seniors who reach the age of 65. He also wanted to use about 15 percent of that surplus for Medicare in part to provide a new prescription drug program.

I will just mention this by way of background, because I know the Republicans do not like to remember that tax cut. But if that tax cut had ever passed and had gone primarily to the wealthy and the special interest corporations, we would not be able to pay down the national debt which we are doing to some extent now, we would not be able to provide money for the Social Security system in the future, and we would not be able to pay for a prescription drug plan.

Now, I want to talk a little bit about two of the issues that I consider very important here, which are not part of the Republican leadership agenda, which are part of the Democratic agenda and which the Republicans continue to try to muck up so they do not become law. One is managed care reform and the other is the prescription drug benefit under Medicare for seniors.

Interestingly enough, last week we saw an interesting development with regard to the managed care reform. I think my colleagues and most of the American people know that the Democrats along with some Republicans because there was definitely bipartisan support on this HMO reform, on a bipartisan basis, but not with the support of the Republican leadership but a minority of the Republicans, we put together a managed care reform bill, the Patients' Bill of Rights, that passed the House of Representatives overwhelmingly about a month ago.

Well, the problem is once a bill passes here, we have to go to conference with the Senate and try to work out the differences between the two Houses. We call that a conference, the people who are appointed are called conferees. The Republican leadership never appointed any conferees for about a month because they did not want to move forward on the conference because they did not want a managed care reform bill to be passed by both Houses and go to the President for a signature.

But, finally, because the Democrats kept pressuring about the appointment of the conferees, they finally did decide last week that they would appoint the conferees. But they managed, once again, to screw this thing up so that the conference either will never take place or will never be effective in putting together a bill that would go to the President and that would signal real managed care reform.

If my colleagues do not want to take my word for it, let me point out that last Thursday's New York Times had a great article, a congressional memo sort of a feature column by David Rosenbaum, and I will quote a few salient passages. The title of the article is "Not Quite Business as Usual in House on Managed Care." This is how he describes it in his article:

And I quote: "Here is how the textbooks say a bill becomes law: The Senate passes the bill. Then the House of Representatives passes its own version. Then a conference committee is formed where senior senators defend their bill and senior representatives defend their bill, with both sides striking compromises to resolve their differences."

That is what I was describing before about how we go about the conference.

"But in the real world," he goes on to say, "in the real world of power politics, conventional procedures are sometimes flouted. That is what happened in the House today on legislation expanding the rights of patients in managed care plans. It threatens to undo the Chamber's action on the bill. Last month, by a lopsided vote of 275 to 151, the House passed a bill that would give patients a wide range of new rights in dealing with their health insurance companies. In July, the Senate had passed a bill covering barely a quarter as many patients and giving them a much more limited set of rights."

"The House bill was strongly supported by President Clinton, and almost all Democrats and 68 Republicans voted for it. But Republican Leaders in the House opposed the measure, making its passage probably the most striking rebuff to the leadership since the party won control of the Congress in 1994."

So the House leadership did not like what we call the Norwood-Dingell bill, named for the two chief sponsors, one Republican, the gentleman from Georgia (Mr. NORWOOD), and one Democrat, the gentleman from Michigan (Mr. DINGELL). The House leadership did not like the bill. They stalled, they stalled. Finally the bill passes overwhelmingly. So what do they do?

Going back to The New York Times. "Today, these leaders," Republican Leaders, "used their authority to make sure the Republican conferees named to negotiate with the Senate were on their side and not on the side that won the vote, a tactic that could effectively stifle any action regulating managed care plans in this Congress." They are going to kill the bill.

"The chief Republican sponsor of the measure, Representative Charlie Norwood of Georgia, was denied a seat on the conference committee. So was another leading Republican supporter, Representative Greg Ganske of Iowa. Of the 12 Republican conferees, 10 voted against the managed-care bill."

So what they did through a procedural gimmick is the Republican leadership made sure that if the conference is ever held, which it may not be, that whatever comes out will be controlled by the people who voted against the very bill that passed overwhelmingly in the House of Representatives.

"The rules of the House state:" and I am going back to the New York Times article, that "In appointing Members to conference committees, the Speaker shall appoint no less than a majority of Members who generally support the House position as determined by the Speaker. Technically, Mr. Hastert followed that rule. The managed-care regulations were attached to a separate bill, which Republicans call access legislation, that will increase coverage for the uninsured."

Now, what they are basically doing here is a gimmick. They put the managed care reform bill in another bill. They are saying that most Republicans voted for that, so that is okay. They do not have to have conferees that supported the managed care reform.

Mr. Speaker, again, I only use this as an example. I could use campaign finance reform. I could use prescription drug benefits. I could use gun safety laws. The list goes on. Basically whatever positive agenda there is for the American people, the Republican leadership is determined that they are going to kill it.

Now, let me just mention another issue that I consider very important and that I think we are starting to see more and more information that tells us about the problems that seniors have trying to purchase and have enough money or insurance to provide for prescription drugs.

□ 2100

Well, we are just seeing more and more information coming out every day about how difficult this problem is for seniors, because Medicare does not cover prescription drugs in most cases.

Interestingly enough, a report came out last week by Families USA called "Hard to Swallow Rising Drug Prices for American Seniors." I would just like to provide some of the information that was in the introduction or the summary of this report that came out last week because it shows dramatically how seniors increasingly cannot afford the cost of prescription drugs and are going without.

We all know that prescription drugs are really the best preventative measure that one can take, particularly as a senior, to avoid hospitalization, to avoid having to go to a nursing home, to avoid being institutionalized. They are a preventative. If seniors cannot afford them, they are going to end up in a hospital, they are going to end up in a nursing home, they are not going to be able to take the preventative action that comes from having access to prescription drugs.

Well, the Families USA report, if I can just quote, Mr. Speaker, some of the salient points. This is in the introduction, which I thought was particularly significant. It says that, "For older Americans, the affordability of prescription drugs has long been a pressing concern. Outpatient prescription drug coverage is one of the last major benefits still excluded from Medicare, and the elderly are the last major insured consumer group without access to prescription drugs as a standard benefit. It is not included in Medicare.

"Although many Medicare beneficiaries have access to supplemental prescription drug coverage, too often that coverage is very expensive and very limited in scope. What is more, such coverage is on the decline. As a result, older Americans who are by far the greatest consumers of prescription drugs pay a larger share of drug costs out of their own pockets than do those who are under 65.

"Four years ago, Families USA found that the prices of prescription drugs commonly used by older Americans were rising faster than the rate of inflation. To determine if this trend of steadily increasing prices for prescription drugs has improved, remained the same, or worsened, Families USA gathered information on the prices of prescription drugs most heavily used by older Americans over the past 5 years.

"Our analysis shows that, in each of the past 5 years, the prices of the 50 prescription drugs most used by older Americans have increased considerably faster than inflation. While senior citizens generally live on fixed incomes that are adjusted to keep up with the rate of inflation, the cost of the prescription drugs they purchase most frequently has risen at approximately two times the rate of inflation over the past 5 years and more than four times the inflation over the last 2 years."

Now, just again to show my colleagues how bad the situation is becoming for seniors, just a little more information that comes from the discussion in this Families USA report, it says that "because Medicare does not cover outpatient prescription drugs, many beneficiaries look elsewhere for drug coverage. About 28 percent of the Medicare beneficiaries receive some drug coverage through employer-sponsored retiree plans, about 11 percent from Medicaid, about 8 percent from individuals purchasing Medigap insurance, about 7 percent from Medicare HMOs, and about 3 percent from public sources such as the VA or State pharmaceutical programs for the low-income elderly," something that we have in New Jersey.

But 35 percent of Medicare beneficiaries, 14 million people, have absolutely no coverage for prescription drugs. Interestingly enough, even for those 65 percent who do have access to some drug coverage, what the Families USA report shows is that much of that inadequate with high co-payments, low caps on overall drug coverage, and restrictions on the drugs that can be prescribed.

For example, only three of the 10 standardized Medigap policies sold offer prescription drug coverage, two of these policies require a $250 annual deductible, charge a 50 percent co-payment for each drug, and have a maximum annual benefit of $1,250. The third, which has a much higher premium, has the same high deductible and co-payment and has a $3,000 cap.

So what we are finding is that the sources of prescription drug coverage for seniors are basically drying up. Next year the value of drug benefits and Medicare HMOs will decline. On average co-payments for brand-name drugs will increase by 21 percent, and co-payments for generic drugs will increase by 8 percent.

I do not want to continue going through this, but I think this Families USA report shows dramatically how so many seniors do not have any access to prescription drug coverage and they are simply paying everything out-of-pocket, which they cannot afford; or for those who have some sort of coverage, the prices, the cost, the co-payments, the deductibles, and even the ability to obtain coverage at all, all those factors, everything is declining. We have to do something about it.

Well, the President has proposed doing something about it, and the Democrats have proposed doing something about it. This is part of our positive agenda which we cannot get passed in the Republican Congress with this Republican leadership.

The President a long time ago, much earlier this year, came up with the idea of a Medicare prescription drug benefit. He wanted to establish a new voluntary Medicare Part D prescription drug benefit that is as affordable and available to all beneficiaries.

Now, I am not saying that the President's proposal is necessarily the one we should adopt, but the Republican leadership does not want to adopt anything. They say the problem does not exist or make some other excuse.

But I will just give my colleagues a little information about the President's proposal because I think it is a good one. He says that there would be no deductible, and Medicare would pay for half of the beneficiary's drug cost from the first prescription filled each year up to $5,000 in spending.

He would ensure beneficiaries a price discount similar to that offered by many employer-sponsored plans for each prescription purchased even after the $5,000 limit is reached.

I want to stress how important that is to be able to do bulk purchases and keep the prices down, because price discrimination is a huge problem right now for seniors if they do not have access to some kind of plan where the purchases are made in bulk.

The plan that the President proposed will cost about $24 per month beginning in 2002 and $44 per month when fully phased in by 2008. Beneficiaries with incomes below 135 percent of poverty would not pay premiums or cost sharing.

I do not want to, again, go into all the details, but I just did want to say that, to date, once again, the Republican leadership has failed to show even the slightest understanding of the two broad underpinnings of this prescription drug issue; and that is the price discrimination that seniors face in purchasing prescription drugs and the need to establish a comprehensive Medicare drug benefit in order to help seniors combat this price discrimination.

There have been some dramatic examples. The Government operations, the House Committee on Government Reform did a lot of analysis of price discrimination and basically showed that, if one goes to Mexico and Canada, generally the same exact drugs that were available in those countries are available for about half the cost of what they are sold for here in the United States.

Again, I do not want to go into all the details on this, Mr. Speaker, but I just would point out that the problem with price discrimination exists because seniors without coverage have no negotiating power. They do not have the power to obtain pharmaceuticals at lower prices through bulk purchases like the drug industry's most favorite customers. We have to address that. This Republican leadership has failed to address it.

I do not intend to use all the time allotted to me this evening, but I just wanted to spend a few more minutes talking about what is really happening here. Not only is this Republican leadership not addressing the real issues that need to be addressed like managed care reform, like Medicare prescription drugs; but they cannot even perform the basic functions of the House in terms of getting the budget passed. They continue to break their promises that they make in trying to accomplish that goal.

We are now on the fourth CR, the fourth continuing resolution. As of October 1, the new fiscal year began. The new budget, the 13 appropriations bills were supposed to be adopted by October 1. They were not. Every week or so, we pass a new continuing resolution to keep the Government going and not close down for another week or so. Now we are on our fourth that extends, I believe, to November 10, sometime this week, in time for Veterans' Day when we probably will recess.

The fact that we are in such disarray, and we have not been able to adopt the budget is bad enough; but there are two things about what has been going on that I think need to be highlighted that maybe in some respects are even worse.

The two promises that basically the Speaker made and the Republican leadership made earlier in this year about the budget, both of which have been broken, one is that the appropriations bill would stay within the Balanced Budget Act and the caps that were set forth pursuant to the Balanced Budget Act so that we would not exceed the level of spending that was basically put forth and outlined over the next 5 or 10 years on an annual basis. There were caps on the level of spending that were put forth for each fiscal year.

Well, the Republican appropriation bills have already busted the outlays caps for fiscal year 2000 by billions of dollars. I have actually an article in the Wall Street Journal that talks about this. I think I will just put it up here for a minute, Mr. Speaker.

This is from Friday, October 29, Wall Street Journal. I think people generally understand that the Wall Street Journal tends to be Republican and tends to be conservative. This is an article there that says that, "The Congressional Budget Office estimates that the GOP exceeds spending targets by over $31 billion. Congressional Budget Office estimates show that Republicans are more than $31 billion over their initial spending targets for this year, risking the Government having to borrow again from Social Security.

"Prior appropriations bills have exceeded Mr. Clinton's requests from funding everything from veterans' medical care and the Pentagon to the Environmental Protection Agency. Even with the 1 percent across-the-board cut that the Republicans touted here a couple weeks ago, the Labor Education Health bill, which is expected to be passed by the Senate on Monday, includes major spending increases over the last year.

"The GOP continues to work to what amounts to two sets of book, this is the gimmicks, one based on the CBO and the other on spending estimates by the Office of Management Budget. When the OMB's numbers are favorable, House and Senate budget committees simply direct CBO to adjust the estimates accordingly." Well, it goes on.

The point I am trying to make, Mr. Speaker, is that there is absolutely no question that based on the CBO estimates that the Republicans spending bills have busted the fiscal year 2000 outlays, the caps, by $30.7 billion. They use all kinds of gimmicks to try to justify that as emergencies or whatever.

Now, the second promise that the Republicans made was that they were not going to dip into the Social Security Trust Fund. On October 28, the Congressional Budget Office certified that the GOP leadership had broken that program. They sent a letter to Congress certifying that, on the basis of CBO estimates of the 13 completed GOP appropriation bills, the GOP bills spend $17 billion of the Social Security surplus, even after their 1 percent across-the-board cut is taken into consideration.

Mr. Speaker, I just wanted to go into this a little bit, and then I will complete my presentation this evening. There was an article, I guess it was in the New York Times last week, that talked about how these spending limits that were set forth with much fanfare as part of the Balanced Budget Act a couple years ago have just basically been ignored.

Many of us at the time when the Balanced Budget Act was passed thought this was going to be really significant in terms of trying to keep the budget focused, not go into debt, create a surplus that could be used to shore up Social Security and Medicare, to pay for prescription drugs, whatever. But what we see is that the caps are effectively dead.

If one looks at this article in the New York Times from last week, it says that "In effect, Washington has now substituted a new standard of fiscal responsibility, the loser goal of not spending surplus Social Security money. Only through budget gamesmanship can either party claim to be meeting even that new standard this year."

Well, just to give my colleagues an idea of some of the thing that they have done to get away the caps, the article says that, "Under the law, Congress and the administration must remain within the caps, or the White House must enact the across-the-board cuts to bring spending back into line."

Last year, the Republican leadership exploited a loophole intended to deal with wars or natural disasters. They designated $20 billion in outlays as emergency spending that is not technically subject to the limits. They did the same thing this year.

Appropriations committees have almost arbitrarily placed $17.5 billion in discretionary spending, including spare parts for the Pentagon, financing for the 2000 census under the emergency umbrella.

They have also used a tactic that compares spending estimates, this is what was in the Wall Street Journal as well, where they look at the CBO numbers versus the OMB numbers, and they use whatever numbers they think are appropriate to try to say that they are not sending money. Whatever.

The point I am trying to make, Mr. Speaker, is that we are here on this fourth continuing resolution. It is over a month since the budget was supposed to be fashioned. All we keep hearing from the other side is that, oh, we are going to stay here because we do not want to dip into Social Security. The reality is they have already dipped into Social Security about $17 billion.

The last thing I wanted to mention tonight, and I go back to the Social Security issue again because I know some of my colleagues on the Democratic side have been attacked by Republican commercials, accusing them of dipping into Social Security when, in fact, it is the Republican leadership that has dipped into Social Security with their appropriations and their spending bills to the tune of $17 billion.

☐ 2115

And there was a good article, again an editorial in The New York Times last week, that talked about the focus on this Social Security surplus and dipping into it. The New York Times pointed out, again, that the Republicans have already dipped into the Social Security surplus so that that whole issue is really moot. But what they say is the most important aspect and the best example of inaction here is how we are not dealing with the long-term solvency of Social Security.

There again, I go back to what the President said in his State of the Union message earlier this year. He said, look, we can take the majority of the surplus that is being generated from the Balanced Budget Act over the next 10 years and we can use that to shore up Social Security so the trust fund remains viable, and 20 or 30 years from now, when all the baby boomers become senior citizens, or even sooner, there will be money there for Social Security; and we can use a significant portion of the surplus also for Medicare so we can have a prescription drug benefit.

All I would like to conclude with tonight, Mr. Speaker, is to say, please, to my colleagues on the other side, to the Republican leadership that runs this House of Representatives, before we leave here, let us adopt a budget, but let us also make sure that we address some of these both short-term and long-term issues that need to be addressed. All the Democrats are saying is that we are crying out for bipartisan action on Social Security to make sure that we address the solvency long-term on Medicare, to make sure we provide a prescription drug benefit, address campaign finance reform, address the gun safety issue, address the concerns with regard to HMOs and pass the Patients' Bill of Rights.

Let us get active on an agenda. Let us not just sit back and say that this House of Representatives and this Congress should run away from everything and the government should basically dismantle itself and not try to take some action in a positive way that would benefit the American people.

I do not want to come here every day and see us fool around with appropriations bills and not pass a budget, and at the same time not address these major concerns that should be addressed, and that is what we are seeing here every day amongst the Republican leadership; inaction on the budget, gimmicks on the budget, no action on the major issues that are important to the American people.

And worst of all, last week the Speaker again started to talk about a major tax cut, as if the only thing that this Republican leadership could do is to talk about another tax cut that is going to benefit primarily the wealthy and provide corporations with some tax breaks. It is almost as if the only thing that the Speaker and the Republican leadership can think about at any given time is coming up with more tax cuts.

That is not what needs to be done. We need to address the issues that the public is crying out for, and I hope that we do, otherwise we will be continuing to speak out on the Democratic side of the aisle every night to demand action on these important issues that the American people want to see attended to.

THE BUDGET

The SPEAKER pro tempore (Mr. SIMPSON). Under the Speaker's announced policy of January 6, 1999, the gentleman from Connecticut (Mr. SHAYS) is recognized for 60 minutes.

Mr. SHAYS. Mr. Speaker, this is the first time I think all year I have taken a special order. I have done a number in past years, but I am very grateful to have the time to do this.

Before I discuss the budget, which I intend to talk about in my special order, I would just make the comment that quite often the criticism on the other side of the aisle is that we spend too much or we are not spending enough. And it is really important, I think, for the other side of the aisle to decide on one of their arguments and then we can have an honest debate about it. We want an across-the-board 1 percent cut, and yet we are hearing on the other side of the aisle that we should not make that reduction; yet we are also hearing that we are spending too much.

Before I talk about my budget, we have the chairman of the Committee on Education and the Workforce, the gentleman from Pennsylvania (Mr. GOODLING), really the most informed and most dedicated person on the issue of education, and I would like to give him an opportunity to make some comments on what we are doing in education.

Mr. GOODLING. Mr. Speaker, I thank the gentleman for yielding to me.

One of the most frustrating experiences I have had in my entire career in the Congress of the United States is to see us, and in very well meaning efforts, budget billions of dollars and then appropriate billions of dollars to try to reduce the gap between the advantaged and the disadvantaged students in this country and to sit there and realize that no matter how well meaning the attempt was, in many instances it was wrong from day one.

We know that, and knew from the very beginning, that the manner in which we were trying to deal with Head Start was not going to give the youngsters a head start. We knew very well that it became a poverty jobs program instead of a program to make sure that disadvantaged youngsters and poor youngsters had an opportunity to become reading ready before they went into a failing 1st grade experience.

We did the same thing with Title I, more than $120 billion. Again, we realized in many instances that that became a poverty jobs program rather than a program to reduce the achievement gap between advantaged and disadvantaged youngsters. And, in fact, unfortunately, we even have examples of where the opposite happened; that the gap even widened.

That is why it is so difficult for me now to watch us make the same mistake with the 100,000 teacher idea that is presented by the administration. I am not certain that my colleagues realize that in the first group where the contracts were let, it is somewhere between 21,000 and 29,000 new teachers, we cannot quite find out exactly how many it is, but there was no accountability whatsoever. The only requirement was a reduction of class size.

Well, everybody knows that if a parent has an opportunity to have their child in a classroom with a quality teacher with 28 students, or they have an opportunity to have their child in a classroom with 18 students with mediocrity leading that class, parents are going to choose the quality teacher. But every one of those grants that went out, nothing was asked in return in relationship to we will improve the academic achievement of all of these students, the most needy students, the most disadvantaged students. They just had to reduce class size.

So we came to the floor of the House and, with a bipartisan effort, passed the Teacher Empowerment Act. And in that act we said the first responsibility, the major responsibility, is to reduce class size, but do not do it unless a qualified teacher can be put in that classroom; and do not do it if there is no classroom to put the new teacher in. As a matter of fact, if it must be used, use it to improve the quality of the teachers presently in the system.

And today the headline in the New York Daily News is "Not Fit to Teach Your Kid. In some city schools 50 percent of teachers are uncertified." And all we are doing is adding to that lack of certified, lack of qualified teachers in the classroom by merely saying take this money, reduce class size, it does not matter who it is that is teaching in that classroom.

Now, I would imagine that of this 50 percent there are probably 25 percent of those people who could become very excellent teachers in a very difficult situation if they could divert money to properly prepare and train them to teach. One of the requirements the State says is that we will require that, for instance, a high school teacher has to be certified to teach the subject they are teaching. Big deal. I would hope so. I would hope a math teacher or a science teacher is certified and qualified and knows how to teach math and knows how to teach science.

But all we do with the 100,000 teachers is say they must reduce class size. It does not matter where there is inequality. And that is a tragedy, because we know that cannot work. We know that they have to have the flexibility to use some of the funds to properly prepare the teachers that they have. This city would not have 50 percent uncertified teachers. They do not do that because they want that to happen, they do it because they do not have qualified teachers and they cannot get certified teachers.

And, of course, just being certified does not mean they are qualified. However, what it does mean is that the State of New York has said that the minimal requirement they should have before they go before a class as a teacher is what the State has outlined. These 50 percent do not have those minimal qualifications.

So I would hope, and again this is a budget issue, this is an appropriations issue, but, gee, let us do something about closing that gap between the advantaged and the disadvantaged. Let us not just give lip service to the fact that if somehow or other we reduce class size all of that will happen.

The most important person in a child's life is, first, the parent; second, is a quality teacher; and, third, and we do this in Even Start, those who are parents that are not able to prepare their child for a good learning experience by the time they reach first grade we also say we need to help make sure that that parent is the child's first and most important teacher.

So as we go through this budget debate, as we go through this debate in relationship to appropriations, I hope that we will think about children, and I hope that we will realize that the programs have not worked. And all the auditors have ever done is say the money went to the right place, but they never said we accomplished anything to change that achievement gap.

So again I appeal to the administration. Let us talk in terms of how we make sure that every teacher in that classroom is a qualified teacher so every child has a chance to succeed. And I thank the gentleman for yielding to me.

Mr. SHAYS. It has been my pleasure. Mr. Speaker, when I was elected in 1987, I had had 12 years, actually 13 years experience in the State House in Connecticut, where I was the ranking member of both the appropriations committee and the finance committee. And it amazed me as a member in the State House how Members in Congress could ignore the requirement to get our country's financial house in order. On the State level we simply had to stay within a budget, we had to stay within the flow of funds that presented themselves in terms of revenue.

We are in an extraordinarily interesting time because we have seen a lot happen since 1987 when I was first elected. When I was first elected, I joined forces with my colleague, the gentleman from Ohio (Mr. KASICH), who really led the fight as a minority member at the time, who started to present ways to slow the growth of what we call mandatory spending, which are what others refer to as entitlements and to actually cut what government spends.

When we look at our Federal budget, only one-third is what we vote on each and every year. Over 50 percent are actually on automatic pilot, unless we change the requirements. If a program fits the title, they get the money, whether it is Medicaid, Medicare, Social Security is a retirement system, but if an individual puts into the fund, they are entitled to certain benefits, and there are other entitlements as well. So we have about one-third of the budget that we actually vote on and two-thirds we are just on automatic pilot.

And everyone seemed content to allow that to happen. Part of that automatic pilot was interest on the national debt, which is almost 14 percent of our overall budget.

□ 2130

It was interesting as Congress pre-1987 had adopted Gramm-Rudman. That was a program that was adopted before I was elected. The interesting thing about Gramm-Rudman, it basically said you had to stay within certain budget caps, except it only was on that one-third of the budget. And so what Members started to do is they could not stay within the budget caps of what we vote on in defense and nondefense budgets, the 13 budgets that we work on, so what they did is they started to put things into the entitlements and make the automatic pilot grow even faster and faster.

I would like to go through certain budget charts and I would like to thank my own staff member, Peter Carson, who is my AA, or what we refer to as an AA is really your chief of staff and serves with me on the Committee on the Budget as well as Dick Magee who is on the Committee on the Budget as a staff member and who helped me prepare these charts. I would like to go through 10 charts and describe what has happened since 1992 and what we project out to the year 2009.

What is interesting to me is that when I was elected early on in 1987, we were looking at deficits as far as the eye could see. But just before you had a new Republican majority, the estimates for what that deficit would be are shown in the lower red line on this chart to my right. We were looking at deficits in the estimate in 1992 of $291 billion, then going to $310 billion, $291 billion, but by the year 1999, the year we just concluded, we were looking at deficits of $404 billion. And in the budget we are in the process of adopting, deficits of $455 billion, just in that one year. In other words, $455 billion more money going out than coming into the Federal Government.

When we made the estimates in 1995, we were still looking at deficits, the middle red line, as far as the eye could see, not above the line in which we have more revenue coming in than going out. Even in our estimates in 1997, just before we adopted the balanced budget agreement, we were looking at deficits of $108 billion, $124 billion, $120 billion, $147 billion, ad infinitum. Only deficits. We passed an historic budget agreement in which we slowed the growth of entitlements and we cut government spending. From that, we started to see a significant change.

This second budget chart just shows you the change in revenue estimates based on October 1999 and January 1999. The blue line was the estimate in January 1999. Even then, just within a year, we are seeing a significant increase in the amount that we anticipate, just over a change of 10 months. Revenues are coming in at a much greater rate. They are coming in for a number of reasons. First and foremost, we have an extraordinarily well educated populus that compete with anyone in the world. The cold war is over and admittedly the world is a more dangerous place but we are able to focus more now on economic competition with our trading allies and we are finding that we are quite able to compete. And so revenues are coming in at a much greater rate because of that. But it is also coming in because Congress in particular, and this new Republican majority, quite frankly, put the emphasis on getting our country's financial house in order. We started to reduce our deficits, which started to reduce the interest payments that we have to make, which started to help contribute to lowering interest rates in general and helping to increase the employment rate and decrease the unemployment rate.

This next chart illustrates why this Republican majority is concerned about taxes. Revenues are coming in at an extraordinary rate. People have become quite successful, our businesses are able to compete with the best in the world, and we are seeing a lot of small businesses that are generating awesome economic activity and even our large businesses have become much more efficient and they are able to produce more at a cheaper cost and able to pass on some of that cost savings to consumers and also able to make a profit and to pay their employees more who in turn can buy more goods. But what is of concern to us is in 1945, just at the end of World War II, we had the gross domestic product, revenues constituted 20.4 percent of all of the gross domestic product of our country, 20.4 percent were coming into the coffers of the Federal Government. In 1950, that went down to 14 percent. But you can see that it has gotten back to its all-time high of 20.7 percent, and we anticipate that it is going to continue to grow and grow. The question is, what is going to happen to that revenue?

Now, another chart that illustrates our concern with taxes are the fact that in 1947, if you took all of the Federal, State and local tax revenues, it accounted for 21.7 percent of our gross domestic product. But our Federal, State and local revenues now constitute 31.2 percent. Again, our concern is with the increase in revenue that is coming to both the Federal, State and local government, what is to happen to that revenue? Are we going to spend it and make all three governments larger and larger and larger? Or are we going to look to return some of that revenue back to the taxpayers who are paying that?

The next chart that I want to show is a chart that illustrates Congressional Budget Office estimates since 1992 to the year 2009 of the total amount of receipts coming in with the total amount of outlays, the money going out. The key point is the year 1998, in which for the first time since 1968 that we had more revenue coming in than going out. Now, since 1960, the Federal Government has been spending Social Security reserves. It has been spending it on mandatory spending and it has been spending it on the appropriations expenditures that we have, the 13 budgets. We have been taking since 1960 Social Security money and spending it. Basically it is being used to disguise the overall debt of our country.

But the first thing we had to deal with before we even dealt with that was to just make sure that we had an economist's view of a balanced budget, which was more money coming into the Federal Government than going out. Not only were we spending Social Security money but even with the Social Security money, we were still spending more than was coming in.

So our first objective in the balanced budget agreement of 1997 was to reach that point, that point in which receipts started to overtake outlays. We had a 5-year plan to do it. We passed it in 1997 and we anticipated by the year 2002 that we would finally reach that point in which revenues would exceed our outlays or our expenditures. But it happened in the first year of the balanced budget agreement. In other words, revenues came in at a faster rate than even we anticipated. Again, I raise the question, what is to happen to those revenues? Do we spend them? Do we pay down debt with them? Or do we return them to the American people by cutting taxes?

This chart is really one of the ones I find most interesting, at least in trying to explain why in the world would this Congress want to cut taxes and why by such a large amount of money. The

Congressional Budget Office anticipated, and so did the Office of Management and Budget of the President, that in the next 10 years, we would have $3 trillion more money coming in to the Federal Government than going out. Both OMB, the Office of Management and Budget, and CBO, the Congressional Budget Office, both of them agreed that of that $3 trillion, $2 trillion was Social Security money, and $1 trillion was true surplus. In other words, no longer having to spend that Social Security money since 1960, even then we would still have a surplus over the next 10 years of $1 trillion, or almost $1 trillion. Admittedly, in the first year, it would be $147 billion, in the year 2000, rather, $147 billion of Social Security reserves that we would have and not spend, and then $14 billion that was a true tax overcharge, in other words, more money coming in. What is to happen to that $14 billion? What is to happen to the $38 billion in the year 2001? What is to happen to the $28 billion in the year 2002? These are excess moneys, what I call a tax overcharge. We are taxing people more than we are actually going to spend. And then in the year 2005, $92 billion. And in the year 2006, $129 billion. And then 2007, $146 billion; 2008, $157 billion; 2009, $178 billion. What is to happen to that? That amount of money that I have mentioned is marked in red. It was our view that most of it should be a tax cut, we should return it back to the American people.

Now, if I was a dictator, not even President, but if I was a dictator, what would I want to have happen? I would want to take all of this tax overcharge and I would want to pay down debt. That would be my first choice. But I happen to believe that if it is left on the table, it is going to get spent. In fact, the sad part of the story is that is actually what is starting to happen, because the President vetoed our tax cut. So you had $3 trillion, $2 trillion of it is truly for Social Security. What did we do? We took all of this money in this area here, the Social Security surplus, and we took that money and we did not spend it, we paid down debt with it. We reduced the debt of the United States owed to the American people and to businesses and to foreign interests that have helped fund our debt and we just started to pay down those obligations. That is what we want to do, $2 trillion of it. It was this $1 trillion that we debated.

Now, our Republican majority decided that we would provide a tax cut of almost $800 billion, which is about 80 percent of the total amount of what we call the true surplus.

I will illustrate it in another chart. This chart again illustrates the total amount of surplus, and in red is the amount for a possible tax cut. That is what is available. That is what is the true surplus. This part here is the money that we want to reserve for Social Security. The interesting thing is that the budget that we just concluded, we came so close for the first time in not spending Social Security reserves. In fact, the Congressional Budget Office determined that we actually had a true surplus of $1 billion. But the Office of Management and Budget, the office out of the White House, decided that they would hold $2 billion more in reserves, and by doing that, they are saying we are still spending $1 billion of the Social Security surplus. They determined that by simply deciding to hold on to $2 billion more in reserves. But whatever number you are using, whether we use the Congressional Budget Office that said we have truly for the first time since 1960 not spent Social Security, or even using the President's number of only spending $1 billion of it, in other words, even using the President's office, we have had a surplus of $123 billion, a true surplus of $123 billion. Actually, I want to say it differently. We have had a Social Security surplus of $124 billion, and a unified surplus of $123 billion. The White House says we are still spending $1 billion of Social Security money but the Congressional Budget Office says we have spent not $1 billion but actually have saved $1 billion.

Why would we want a tax cut? And how would we compare with the President? When the President presented his budget the beginning of this year, he did not want a tax cut. He wanted a tax increase.

□ 2145

He actually wanted a net tax increase of $52 billion and, over 10 years, it would be $96 billion. So one can imagine our concern when we start seeing more surplus coming in, we are looking in 10 years of a true surplus of $1 trillion; and the President, instead of wanting to return that to the American people still wants to spend $52 billion over 10 years, have a tax increase of $52 billion over 5 years and $96 billion over 10 years. He wants a tax increase; we wanted a tax cut.

Now, our tax cut over 10 years, admittedly, would be $792 billion, about 80 percent of the protected surplus. Over 5 years, it would have been $156 billion. The reason we want that tax cut is, if we do not have a tax cut, it will be spent. It will be spent because Congress, even some of my colleagues on my own side of the aisle have programs they want to spend money on, and if it is left on the table, it will be spent.

Why do I know it will be spent? Because it has been in the past. We have had a budget agreement in 1997 where we had budget caps, but even before the agreement in 1997, we had the pay-go agreement with President Bush that said that one could not increase an entitlement unless one found another way to pay for it; one could not have a tax cut unless one found another way to pay for it.

Now, our problem was not the same in 1990 because we still had a deficit. We want a tax cut because we now have surpluses.

But this is my concern. And one will notice that there is a sharp increase in what happened in the budget of 1999, the one that just concluded. And that sharp increase occurred because a year ago at this time, the President of the United States, just before the congressional elections, decided that he would not agree to a budget unless we spent more. And sadly, too many on both sides of the aisle concurred with the President and agreed to spend more. We have never been within the budget caps because Congress has declared emergencies and Congress has done other approaches that have enabled us to go over the budget caps.

My big concern is this number right here and the trend line. Now, this is where we will be in this new budget agreement; and the question is, will we then go down and actually cut spending, or will it continue to rise? The one value to the budget caps have been that there has been some uniformity at least staying close to them. But sadly, a year ago, when the President demanded more spending, he got it. So why would I want a tax cut and why would other Members want a tax cut? Because if the money is left on the table, it is going to be spent. The sad point is that it is already being spent. All the money that we had reserved for a tax cut in our $800 billion tax cut that we sent the President and he vetoed is now being spent. It is not there for a tax cut.

Let me just show one last chart. This is a good news story, for the most part. It basically is showing what is happening to our national debt. Our national debt is starting to level off and it is starting to level off because we have surpluses, and it is starting to level off because we are going to use the Social Security surpluses and pay down public debt. Our debt to the trust funds continues to rise, but our debt, our public debt is going to fall and continue to fall because we are using the money from the trust funds to now at least pay off debt until we can reform Social Security.

I have a number of concerns about where we are at this point. The good news is that 10 years ago we had extraordinarily large deficits and when we looked at our estimates, those deficits were high then and they were looking to be even larger. We elected a new Republican majority. And I say new Republican majority because this was the first Congress that wanted to look at entitlements and slow their growth and wanted to cut some spending. And the end result has been that we have seen actual surpluses take place.

My concern is that we not begin to designate too much emergency spending that again allows us to go over the caps, that we do not have too many advanced appropriations that begin to appropriate money; the Committee on Appropriations appropriates money, but not spend out over 13 months instead of 12, and that we do not do other items that ultimately make our efforts to balance the budget next year more and more difficult.

The bottom line, we are getting our country's financial house in order. We are seeing an economy that is thriving; we are seeing more and more revenue come into the Federal Government, and what the American people are going to have to decide is what do we do with those surplus monies.

My hope, my prayer, and my votes are going to be to pay down the national debt. But if that is not going to happen, then it must be returned to the American people in tax cuts, because if it is not returned to the American people in tax cuts, then it will be spent as we are seeing happen right now.

What I would like to place ultimately the greatest emphasis on is we have been using Social Security funds since 1960, and we came so close this past year in not spending any Social Security money, according to the Congressional Budget Office, we have not according to the President, given the fact he took $2 billion out in reserves, and we have spent $1 billion of it. But next year, we intend to spend no Social Security money. We are going to use all of that to pay down the public debt. It is not going to be used to pay for programs. We are going to ultimately reduce our total debt.

The question is, what happens to that true surplus, above and beyond Social Security? Will it pay down public debt? Will it be returned to the American people in tax cuts, or will it be spent? And sadly, while we are in next year's budget not going to be paying, using Social Security money to balance our budget, we are not going to be using that money, I am afraid that the money that we had reserved for taxes is now being spent, and it is being spent frankly, in large measure, because my colleagues on the other side of the aisle are critical with our efforts to cut spending, even though they say we are spending too much in certain areas, they have opposed any efforts to try to cut spending or slow the growth in spending.

Mr. Speaker, if we cannot cut spending, if we cannot control the growth in government spending, there will be no money for tax cuts. It will all be spent.

RECESS

The SPEAKER pro tempore (Mr. SIMPSON). Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 9 o'clock and 54 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 2318

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. DREIER) at 11 o'clock and 18 minutes p.m.

WAIVING POINTS OF ORDER AGAINST H.R. 1555, INTELLIGENCE AUTHORIZATION ACT, 2000

Ms. PRYCE of Ohio, from the Committee on Rules, submitted a privileged report (Rept. No. 106–460) on the resolution (H. Res. 364) waiving points of order against the bill (H.R. 1555) to authorize appropriations for fiscal year 2000 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF HOUSE JOINT RESOLUTION 76, WAIVING CERTAIN ENROLLMENT REQUIREMENTS FOR THE REMAINDER OF THE 106TH CONGRESS

Ms. PRYCE of Ohio, from the Committee on Rules, submitted a privileged report (Rept. No. 106–461) on the resolution (H. Res. 365) providing for consideration of the joint resolution (H.J. Res. 76) waiving certain enrollment requirements for the remainder of the first session of the One Hundred Sixth Congress with respect to any bill or joint resolution making general appropriations or continuing appropriations for fiscal year 2000, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1714, ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT

Ms. PRYCE of Ohio, from the Committee on Rules, submitted a privileged report (Rept. No. 106–462) on the resolution (H. Res. 366) providing for consideration of the bill (H.R. 1714) to facilitate the use of electronic records and signatures in interstate or foreign commerce, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3073, FATHERS COUNT ACT OF 1999

Ms. PRYCE of Ohio, from the Committee on Rules, submitted a privileged report (Rept. No. 106–463) on the resolution (H. Res. 367) providing for consideration of the bill (H.R. 3073) to amend part A of title IV of the Social Security Act to provide for grants for projects designed to promote responsible fatherhood, and for other purposes, which was referred to the House Calendar and ordered to be printed.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. REYES (at the request of Mr. GEPHARDT) for November 5 on account of official business.

Mr. OWENS (at the request of Mr. GEPHARDT) for today on account of official business.

Ms. CARSON (at the request of Mr. GEPHARDT) for today on account of official business.

Mr. MENENDEZ (at the request of Mr. GEPHARDT) for today on account of personal business.

Mr. PASCRELL (at the request of Mr. GEPHARDT) for today on account of personal business.

Ms. KILPATRICK (at the request of Mr. GEPHARDT) for today on account of official business.

Mrs. CHENOWETH-HAGE (at the request of Mr. ARMEY) for today on account of illness.

Mr. THOMAS (at the request of Mr. ARMEY) for today on account of personal reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Ms. DELAURO) to revise and extend their remarks and include extraneous material:)

Mr. REYES, for 5 minutes, today.

Mr. LIPINSKI, for 5 minutes, today.

Mr. POMEROY, for 5 minutes, today.

Mr. KIND, for 5 minutes, today.

Mr. MINGE, for 5 minutes, today.

(The following Members (at the request of Mr. EHLERS) to revise and extend their remarks and include extraneous material:)

Mr. OXLEY, for 5 minutes, today.

Mr. BURTON of Indiana, for 5 minutes, today.

Mr. RYAN of Wisconsin, for 5 minutes, November 9.

Mr. PAUL, for 5 minutes, today.

Mr. EHLERS, for 5 minutes, November 9.

Mr. KINGSTON, for 5 minutes, today.

Mr. SMITH of Michigan, for 5 minutes, November 9.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1346. An act to ensure the independence and nonpartisan operation of the Office of Advocacy of the Small Business Administration; to the Committee on Small Business.

S. 1418. An act to provide for the holding of court at Natchez, Mississippi, in the same manner as court is held at Vicksburg, Mississippi, and for other purposes; to the Committee on the Judiciary.

S. 1769. An act to continue the reporting requirements of section 2519 of title 18, United States Code, beyond December 21, 1999, and for other purposes; to the Committee on the Judiciary.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. THOMAS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 3122. An act to permit the enrollment in the House of Representatives child Care Center of children of Federal employees who are not employees of the legislative branch.

H.J. Res. 54. Joint resolution granting the consent of Congress to the Missouri-Nebraska Boundary Compact.

SENATE ENROLLED BILLS SIGNED

The Speaker announced his signature to enrolled bills of the Senate of the following titles:

S. 468. An act to improve the effectiveness and performance of Federal financial assistance programs simplify Federal financial assistance application and reporting requirements, and improve the delivery of services to the public.

S. 900. An act to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, insurance companies, and other financial service providers, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills of the House of the following titles:

On November 3, 1999:

H.R. 441. To amend the Immigration and Nationality Act with respect to the requirements for the admission of nonimmigrant nurses who will practice in health professional shortage areas.

H.R. 974. To establish a program to afford high school graduates from the District of Columbia the benefits of in-State tuition at State colleges and universities outside the District of Columbia, and for other purposes.

On November 5, 1999:

H.R. 609. to amend the Export Apple and Pear Act to limit the applicability of the Act to apples.

ADJOURNMENT

Ms. PRYCE of Ohio. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 20 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, November 9, 1999, at 9 a.m., for morning hour debates.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

5225. A communication from the President of the United States, transmitting a request for supplemental appropriations language to help in addressing the urgent needs of the mid-Atlantic States in the wake of Hurricane Floyd; (H. Doc. No. 106—155); to the Committee on Appropriations and ordered to be printed.

5226. A letter from the Director, Regulations Policy and Management Staff, FDA, Department of Health and Human Services, transmitting the Department's final rule—Listing of Color Additives for Coloring Meniscal Tacks; D&C Violet No. 2; Confirmation of Effective Date [Docket No. 98C–0158] received November 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5227. A letter from the Director, Regulations Policy and Management Staff, FDA, Department of Health and Human Services, transmitting the Department's final rule—Indirect Food Additives: Polymers [Docket No. 99F–0345] received November 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5228. A letter from the Director, Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting the Commission's final rule—Revision of the NRC Enforcement Policy [NUREG–1600] received November 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5229. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of major defense equipment sold under a contract to the Republic of Croatia [Transmittal No. DTC 132–99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5230. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Greece [Transmittal No. DTC 146–99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5231. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 13–149, "Annuitants' Health and Life Insurance Employer Contribution Amendment Act of 1999" received November 2, 1999, pursuant to D.C. Code section 1—233(c)(1); to the Committee on Government Reform.

5232. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 13–148, "Mt. Gilead Baptist Church Equitable Real Property Tax Relief Act of 1999" received November 2, 1999, pursuant to D.C. Code section 1—233(c)(1); to the Committee on Government Reform.

5233. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 13–147, "Separation Pay Adjustment Amendment Act of 1999" received November 2, 1999, pursuant to D.C. Code section 1—233(c)(1); to the Committee on Government Reform.

5234. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 13–146, "Josephine Butler Parks Center Property Tax Relief Act of 1999" received November 2, 1999, pursuant to D.C. Code section 1—233(c)(1); to the Committee on Government Reform.

5235. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 13–154, "District of Columbia Board of Real Property Assessments and Appeals Membership Simplification Act of 1999" received November 2, 1999, pursuant to D.C. Code section 1—233(c)(1); to the Committee on Government Reform.

5236. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 13–155, "Adoption and Safe Families Temporary Amendment Act of 1999" received November 2, 1999, pursuant to D.C. Code section 1—233(c)(1); to the Committee on Government Reform.

5237. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 13–163, "Temporary Real Property Tax Exemption for the Phillips Collection Temporary Act of 1999" received November 2, 1999, pursuant to D.C. Code section 1—233(c)(1); to the Committee on Government Reform.

5238. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 13–157, "University of the District of Columbia Board of Trustees Residency Requirement Temporary Amendment Act of 1999" received November 2, 1999, pursuant to D.C. Code section 1—233(c)(1); to the Committee on Government Reform.

5239. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 13–161, "Lateral Appointment of Law Enforcement Officers Temporary Amendment Act of 1999" received November 2, 1999, pursuant to D.C. Code section 1—233(c)(1); to the Committee on Government Reform.

5240. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 13–156, "Child Support and Welfare Reform Compliance Temporary Amendment Act of 1999" received November 2, 1999, pursuant to D.C. Code section 1—233(c)(1); to the Committee on Government Reform.

5241. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 13–162, "Sex Offender Registration Temporary Act of 1999" received November 2, 1999, pursuant to D.C. Code section 1—233(c)(1); to the Committee on Government Reform.

5242. A letter from the Administrator, Environmental Protection Agency, transmitting a copy of the "EPA's Inventory of Commercial Activities"; to the Committee on Government Reform.

5243. A letter from the Deputy Assistant Administrator for Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Caribbean, Gulf of Mexico, and South Atlantic; Technical Amendment [Docket No. 990924262–9262–01; I.D. 091699A] received November 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

5244. A letter from the Deputy Assistant Administration for Fisheries, National Marine Fisheries Service, National Oceanic and

Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Caribbean, Gulf of Mexico, and South Atlantic; Fishery Management Plans of the South Atlantic Region (FMPs); Addition to Framework Provisions [Docket No. 990506122-9284-02; I.D. 020899A] (RIN: 0648-AL42) received November 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

5245. A letter from the Acting General Counsel, Executive Office for Immigration Review, Department of Justice, transmitting the Department's final rule—Executive Office for Immigration Review; Board of Immigration Appeals: Streamlining [EOIR No. 122F; AG Order No. 2263-99] (RIN: 1125-AA22) received November 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

5246. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—National Pollutant Discharge Elimination System—Regulations for Revision of the Water Pollution Control Program Addressing Storm Water Discharges [FRL-6470-8] (RIN: 2040-AC82) received November 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5247. A letter from the Chief, Regulations Branch, Department of the Treasury, transmitting the Department's final rule—Foreign Locomotives and Railroad Equipment in International Traffic; Technical Amendment (T.D. 99-79) received November 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. YOUNG of Alaska: Committee on Resources. H.R. 3002. A bill to provide for the continued preparation of certain useful reports concerning public lands, Native Americans, fisheries, wildlife, insular areas, and other natural resource-related matters, and to repeal provisions of law regarding terminated reporting requirements concerning such matters (Rept. 106-458). Referred to the Committee of the Whole House on the State of the Union.

Mr. McCOLLUM: Committee on the Judiciary. H.R. 2336. A bill to amend title 28, United States Code, to provide for appointment of United States marshals by Attorney General; with an amendment (Rept. 106-459). Referred to the Committee of the Whole House on the State of the Union.

Mr. GOSS: Committee on Rules. House Resolution 364. Resolution waiving points of order against the conference report to accompany the bill (H.R. 1555) to authorize appropriations for fiscal year 2000 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes (Rept. 106-460). Referred to the House Calendar.

Mr. DIAZ-BALART: Committee on Rules. House Resolution 365. Resolution providing for consideration of the joint resolution (H.J. Res. 76) waiving certain enrollment requirements for the remainder of the first session of the One Hundred Sixth Congress with respect to any bill or joint resolution making general appropriations or continuing appropriations for fiscal year 2000 (Rept. 106-461). Referred to the House Calendar.

Mr. DRIER: Committee on Rules. House Resolution 366. Resolution providing for consideration of the bill (H.R. 1714) to facilitate the use of electronic records and signatures in interstate or foreign commerce (Rept. 106-462). Referred to the House Calendar.

Ms. PRYCE of Ohio: Committee on Rules. House Resolution 367. Resolution providing for consideration of the bill (H.R. 3073) to amend part A of title IV of the Social Security Act to provide for grants for projects designed to promote responsible fatherhood, and for other purposes (Rept. 106-463). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. SMITH of New Jersey (for himself, Mr. GEJDENSON, Ms. KAPTUR, Ms. SLAUGHTER, Mr. LANTOS, Ms. MCKINNEY, Mr. KING, Mr. WOLF, and Mr. COOKSEY):

H.R. 3244. A bill to combat trafficking of persons, especially into the sex trade, slavery, and slavery-like conditions in the United States and countries around the world through prevention, through prosecution and enforcement against traffickers, and through protection and assistance to victims of trafficking; to the Committee on International Relations, and in addition to the Committees on the Judiciary, and Banking and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. YOUNG of Alaska (for himself and Mr. GEORGE MILLER of California):

H.R. 3245. A bill to establish a fund to meet the outdoor conservation and recreation needs of the American people, to provide Outer Continental Shelf impact assistance to State and local governments, to amend the Land and Water Conservation Fund Act of 1965, the Urban Park and Recreation Recovery Act of 1978, and the Act popularly known as the Federal Aid in Wildlife Restoration Act, and for other purposes; to the Committee on Resources, and in addition to the Committee on the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BASS (for himself, Mr. DUNCAN, Mrs. CHRISTENSEN, Mrs. ROUKEMA, Mrs. MYRICK, Mrs. JOHNSON of Connecticut, Mr. PETERSON of Pennsylvania, and Mr. DOYLE):

H.R. 3246. A bill to amend title IV of the Employee Retirement Income Security Act of 1974 to reduce the amount of premiums required to be paid by small businesses to the Pension Benefit Guaranty Corporation; to the Committee on Education and the Workforce.

By Mrs. CHRISTENSEN (for herself, Mr. UNDERWOOD, Mr. BISHOP, Mr. JEFFERSON, Mr. DAVIS of Illinois, Mr. OWENS, Mr. CONYERS, Mr. PAYNE, Mr. FATTAH, Mr. RANGEL, Mr. LEWIS of Georgia, Mr. THOMPSON of Mississippi, Ms. KILPATRICK, Mr. HASTINGS of Florida, Ms. LEE, Mrs. JONES of Ohio, Ms. CARSON, Mrs. MEEK of Florida, Ms. BROWN of Florida, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. CLYBURN, Mr. MEEKS of New York, and Mr. GEORGE MILLER of California):

H.R. 3247. A bill to amend the Internal Revenue Code of 1986 to increase job creation and small business expansion and formation in economically distressed United States insular areas; to the Committee on Ways and Means.

By Mr. COBURN (for himself and Mr. SMITH of New Jersey):

H.R. 3248. A bill to amend the Public Health Service Act and the Federal Food, Drug, and Cosmetic Act with respect to information on the human papillomavirus (commonly known as HPV); to the Committee on Commerce.

By Mr. HOUGHTON (for himself, Mr. CARDIN, Mrs. JOHNSON of Connecticut, Mr. ENGLISH, Mr. MCDERMOTT, Ms. JACKSON-LEE of Texas, Mr. FOLEY, Mr. RAMSTAD, Mrs. THURMAN, Mr. NADLER, Ms. DUNN, Mr. HORN, Ms. SLAUGHTER, Mr. NEAL of Massachusetts, Mr. WELLER, Mr. COYNE, Mr. MATSUI, Mrs. MALONEY of New York, and Mrs. KELLY):

H.R. 3249. A bill to amend the Internal Revenue Code of 1986 to provide that a deduction equal to fair market value shall be allowed for charitable contributions of literary, musical, artistic, or scholarly compositions created by the donor; to the Committee on Ways and Means.

By Mr. THOMPSON of Mississippi (for himself, Mr. LEWIS of Georgia, Mr. NORWOOD, Mr. JACKSON of Illinois, Mr. BROWN of Ohio, Mr. TOWNS, Ms. ROYBAL-ALLARD, Mr. RODRIGUEZ, Mr. UNDERWOOD, Mr. FILNER, Mrs. CHRISTENSEN, Mr. CONYERS, Mr. WYNN, Mr. GONZALEZ, Mr. HILLIARD, Ms. CARSON, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. SCOTT, Ms. KILPATRICK, Mr. CLYBURN, Mr. RUSH, Mr. CUMMINGS, Mr. PAYNE, Mr. DIXON, Mr. FORD, Ms. MILLENDER-MCDONALD, Ms. WATERS, Mr. MEEKS of New York, Mr. BISHOP, Mrs. MEEK of Florida, Mrs. JONES of Ohio, Mr. DAVIS of Illinois, Ms. LEE, Ms. MCKINNEY, Mrs. NAPOLITANO, Ms. JACKSON-LEE of Texas, Mrs. CLAYTON, Mr. WATT of North Carolina, Mr. FATTAH, Ms. PELOSI, Mr. ABERCROMBIE, and Mr. GEORGE MILLER of California):

H.R. 3250. A bill to amend the Public Health Service Act to improve the health of minority individuals; to the Committee on Commerce.

By Ms. KAPTUR (for herself and Mr. HUNTER):

H.R. 3251. A bill to establish the National Commission on the Impact of United States Culture on American Youth; to the Committee on Education and the Workforce.

By Mr. KASICH (for himself and Mr. BOEHNER):

H.R. 3252. A bill to amend the Internet Tax Freedom Act to make permanent and extend its moratorium on certain taxes, and for other purposes; to the Committee on the Judiciary, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. KENNEDY of Rhode Island (for himself, Mr. TAUZIN, and Mr. WEYGAND):

H.R. 3253. A bill to redesignate the Coastal Barrier Resources System as the "John H.

Chafee Coastal Barrier Resources System"; to the Committee on Resources.

By Mr. NADLER (for himself, Mr. Rangel, Mr. Engel, Mr. Ramstad, and Mr. Weiner):

H.R. 3254. A bill to amend title 28 of the United States Code to authorize Federal district courts to hear civil actions to recover damages or secure relief for certain injuries to persons and property under or resulting from the Nazi government of Germany; to the Committee on the Judiciary.

By Ms. NORTON (for herself and Mr. Wynn):

H.R. 3255. A bill to assist local governments in conducting gun buyback programs; to the Committee on the Judiciary.

By Mr. PASCRELL (for himself, Mrs. McCarthy of New York, Mr. Rahall, Mr. Shows, Mr. Abercrombie, Mr. Frank of Massachusetts, Mr. Baldacci, Mr. Klink, Mr. Pallone, Mr. Brady of Pennsylvania, Mr. Cook, Mr. Gutierrez, Mr. Stark, Mr. Baird, Mrs. Kelly, Mr. Rothman, Ms. Hooley of Oregon, Ms. Lofgren, Mr. Holt, Mr. Crowley, Mr. Capuano, Mr. Maloney of Connecticut, Mr. Faleomavaega, Mr. Coyne, Mr. Frost, Mr. Underwood, Mr. Olver, Mr. McGovern, Mr. Waxman, Mr. Obey, Mr. Berman, Mr. DeFazio, Mr. Stupak, Mr. Romero-Barceló, Mr. Barcia, Mr. Moore, Mr. Gordon, Mrs. Thurman, Mr. Talent, Mr. Phelps, Mr. Hinchey, Mr. English, Mrs. Capps, Mr. Davis of Florida, Ms. Pelosi, Mr. Forbes, Ms. Carson, Mr. Skelton, Mr. Visclosky, and Mr. Hoyer):

H.R. 3256. A bill to amend title 38, United States Code, to improve outreach programs carried out by the Department of Veterans Affairs to provide for more fully informing veterans of benefits available to them under laws administered by the Secretary of Veterans Affairs; to the Committee on Veterans' Affairs.

By Mr. REYNOLDS (for himself, Mr. Condit, Mr. Dreier, Mr. Portman, Mr. Moran of Virginia, Mr. Davis of Virginia, Mr. Linder, Mr. Goss, and Mr. Sessions):

H.R. 3257. A bill to amend the Congressional Budget Act of 1974 to assist the Congressional Budget Office with the scoring of State and local mandates; to the Committee on Rules.

By Mr. SMITH of Michigan:

H.R. 3258. A bill to amend title 11 of the United States Code to make debts to governmental units for the care and maintenance of minor children nondischargeable; to the Committee on the Judiciary.

By Ms. VELÁZQUEZ:

H.R. 3259. A bill to amend the Public Health Service Act and the Employee Retirement Income Security Act of 1974 to establish certain requirements for managed care plans; to the Committee on Commerce, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. THOMAS:

H.J. Res. 76. A joint resolution waiving certain enrollment requirements for the remainder of the first session of the One Hundred Sixth Congress with respect to any bill or joint resolution making general appropriations or continuing appropriations for fiscal year 2000; to the Committee on House Administration.

By Mr. MATSUI (for himself, Ms. Roybal-Allard, and Mr. Doolittle):

H. Res. 363. A resolution recognizing and honoring Sacramento, California, Mayor Joe Serna, Jr., and expressing the condolences of the House of Representatives to his family and the people of Sacramento on his death; to the Committee on Government Reform.

MEMORIALS

Under clause 3 of rule XII,

279. The SPEAKER presented a memorial of the House of Representatives of the Commonwealth of Massachusetts, relative to a House Resolution memorializing the Congress of the United States to Direct the Health Care Financing Administration to Allow an Emergency Medigap Open Enrollment for Senior Citizens; jointly to the Committees on Ways and Means and Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 3 of rule XII,

Mr. DUNCAN introduced A bill (H.R. 3260) for the relief of Henry R. Jones; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 82: Mr. Holt and Mr. Fletcher.

H.R. 137: Ms. Sanchez.

H.R. 148: Ms. Berkley.

H.R. 180: Mr. Greenwood.

H.R. 220: Mr. Crane.

H.R. 303: Mr. Terry, Mr. Conyers, Mr. Rogers, Mr. Deal of Georgia, Mr. Spence, and Mrs. McCarthy of New York.

H.R. 460: Ms. Eshoo.

H.R. 531: Mr. Owens.

H.R. 583: Mr. Wamp.

H.R. 670: Mr. Walden of Oregon, Mr. Shimkus, Mrs. Napolitano, and Mr. Hill of Indiana.

H.R. 725: Ms. Berkley.

H.R. 842: Mr. Murtha.

H.R. 914: Ms. Hooley of Oregon.

H.R. 1178: Mr. Oxley.

H.R. 1196: Mr. Bonior.

H.R. 1221: Mr. Sessions, Mr. Fletcher, and Ms. Carson.

H.R. 1356: Mr. Wexler.

H.R. 1413: Mr. Rahall.

H.R. 1432: Mr. Pease.

H.R. 1606: Mr. Markey.

H.R. 1621: Mr. Menendez.

H.R. 1622: Mr. Abercrombie.

H.R. 1657: Mr. sawyer and Mr. Owens.

H.R. 1871: Mr. Stupak.

H.R. 1885: Ms. Millender-McDonald.

H.R. 1926: Mr. Goodlatte.

H.R. 2059: Mr. McNulty, Mr. Rangel, and Mr. Bonior.

H.R. 2141: Mrs. Emerson.

H.R. 2355: Mr. Doggett.

H.R. 2380: Ms. Woolsey.

H.R. 2442: Mr. Shaw and Mr. Lantos.

H.R. 2446: Ms. Berkley.

H.R. 249[illegible]: Mr. Payne, Ms. Carson, and Mr. Strickland.

H.R. 2570: Mr. Gekas and Mr. Goodling.

H.R. 2573: Mr. Goodlatte.

H.R. 2596: Mr. Hutchinson, Mr. Terry, Mr. Brady of Texas, Mr. Saxton, Mr. Knollenberg, Mr. Riley, Mr. Istook, Mr. Salmon, Ms. Dunn, Mr. Kingston, Mr. Gekas, Mr. Combest, Mr. Fossella, Mr. Doolittle, and Mr. McCollum.

H.R. 2620: Mr. Canady of Florida.

H.R. 2631: Ms. Sanchez.

H.R. 2640: Mr. Traficant.

H.R. 2697: Mr. Owens.

H.R. 2720: Mr. Wu and Mr. Olver.

H.R. 2722: Mr. Bonilla.

H.R. 2727: Ms. Woolsey.

H.R. 2730: Mr. Rush, Mr. Faleomavaega, and Ms. Millender-McDonald.

H.R. 2733: Mr. Doolittle.

H.R. 2741: Mr. Moran of Virginia and Mr. Deutsch.

H.R. 2749: Mr. Gilchrest and Mr. Miller of Florida.

H.R. 2764: Mr. Rahall, Ms. Pelosi, and Ms. DeGette.

H.R. 2781: Mr. Waxman.

H.R. 2785: Mr. Rangel.

H.R. 2840: Ms. Eshoo.

H.R. 2859: Mr. Brown of Ohio and Mr. Lantos.

H.R. 2865: Mr. Reyes and Mrs. Mink of Hawaii.

H.R. 2867: Mr. Baker, Mr. DeMint, Mr. Hoekstra, Mr. Hayes, Mr. Ryun of Kansas, Mr. Reynolds, Mr. Stump, Mr. Doolittle, Mr. McIntosh, Mr. Goode, Mr. Ballenger, Mr. Smith of Michigan, Mr. Campbell, Mr. Hostettler, Mr. Istook, Mr. Weldon of Florida, Mr. Hill of Montana, Mr. Weldon of Pennsylvania, Mr. Paul, Mr. Nethercutt, Mrs. Fowler, Mr. LaTourette, Mr. Burr of North Carolina, Mr. Sensenbrenner, Mr. Canady of Florida, Mr. Sununu, Mr. Kuykendall, Mr. Sanford, Mr. Stearns, Mr. Coburn, Mr. Fletcher, Mr. Hilleary, Mr. Manzullo, Mr. Armey, Mr. Lucas of Oklahoma, Mr. Cox, and Mr. Herger.

H.R. 2890: Ms. Schakowsky, Mr. Rodriguez, and Ms. Lee.

H.R. 2893: Mrs. Biggert, Mr. Fossella, Mr. Paul, and Mr. Sanders.

H.R. 2899: Mr. Frank of Massachusetts.

H.R. 2930: Mrs. Maloney of New York, and Mr. McDermott.

H.R. 2939: Ms. Carson, Ms. Baldwin, and Ms. Woolsey.

H.R. 2966: Mr. Brown of Ohio, Mrs. Bono, Ms. Eshoo, Mr. Hinchey, Mr. Kingston, and Mr. Lucas of Kentucky.

H.R. 2985: Mr. McKeon.

H.R. 2991: Mr. Thornberry, Mr. Regula, Mr. Calvert, Mr. Radanovich, Mr. Minge, Mr. Doolittle, and Mr. Oberstar.

H.R. 3030: Mr. Ackerman, Mr. Boehlert, Mr. Crowley, Mr. Engel, Mr. Forbes, Mr. Fossella, Mr. Gilman, Mr. Houghton, Mrs. Kelly, Mr. King, Mr. LaFalce, Mr. Lazio, Mrs. Lowey, Mrs. Maloney of New York, Mrs. McCarthy of New York, Mr. McHugh, Mr. McNulty, Mr. Meeks of New York, Mr. Nadler, Mr. Owens, Mr. Quinn, Mr. Rangel, Mr. Reynolds, Mr. Serrano, Ms. Slaughter, Mr. Sweeney, Mr. Towns, Ms. Velazquez, Mr. Walsh, and Mr. Weiner.

H.R. 3047: Mr. Barrett of Wisconsin.

H.R. 3083: Mr. Rangel and Mr. Lantos.

H.R. 3091: Ms. Lee, Mr. Lampson, Mr. Strickland, Mr. Brown of Ohio, Mr. Waxman, Mr. Nadler, Ms. Hooley of Oregon, and Mr. Mascara.

H.R. 3136: Mr. Inslee.

H.R. 3140: Mr. McDermott, Ms. Hooley of Oregon, Mr. Bereuter, Mr. Hall of Ohio, Mr. Sandlin, Mr. Sanford, Mr. McGovern, Mr. Cummings, Mr. Ewing, Ms. McKinney, Mr. Pomeroy, Mr. Nussle, Ms. Baldwin, Mr. Inslee, Mr. Blumenauer, Mr. Campbell, Mr. Minge, Mr. Maloney of Connecticut, Mr. Sanders, Mr. Dickey, and Mr. McNulty.

H.R. 3144: Mr. Hinojosa, and Mr. Hoyer.

H.R. 3180: Mr. Luther, Mr. Bachus, and Mr. Weldon of Pennsylvania.

H.R. 3220: Mr. LaFalce, Mr. Berman, Mr. Vento, Mrs. Jones of Ohio, and Mr. Delahunt.

H.R. 3224: Mr. Gonzalez, Mr. McNulty, and Mr. Capuano.

H.R. 3228: Mr. Bateman.

H.R. 3239: Mr. Sanford.

H. Con. Res. 115: Mr. Hastings of Florida, Mr. Romero-Barceló, Mrs. Meek of Florida, and Mr. Greenwood.

H. Con. Res. 175: Mr. Luther and Ms. Berkley.

H. Con. Res. 197: Mr. Hall of Texas.

H. Con. Res. 218: Mr. Doolittle, Mr. Holt, Mr. Delahunt, and Mr. Wynn.

H. Res. 94: Mr. Capuano.

H. Res. 238: Mr. Doolittle.

H. Res. 320: Mr. Lipinski.

H. Res. 325: Mr. McKeon and Mr. Blumenauer.

H. Res. 340: Mr. Waxman.

H. Res. 347: Mr. Larson, Mr. Markey, Ms. Lee, Mr. Vento, Mr. Rogan, Mr. Coyne, and Mr. King.

H. Res. 350: Mr. Fossella, Mr. Lewis of Kentucky, Mr. Hayes, Mr. Sam Johnson of Texas, Mr. Manzullo, Mr. Rohrabacher, Mr. Weldon of Pennsylvania, Mr. Doolittle, Mr. Souder, Mr. Hall of Texas, Mr. Hayworth, Mr. Chabot, Mr. Cook, Mr. Packard, Mr. Shimkus, Mr. LaHood, and Mr. Hilleary.

H. Res. 357: Mr. Filner.

AMENDMENTS

Under clause 8 of rule XVIII, proposed amendments were submitted as follows:

H.R. 1714

Offered By: Mr. Bliley

[Amendment in the Nature of a Substitute]

Amendment No. 1: Strike out all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Electronic Signatures in Global and National Commerce Act".

TITLE I—VALIDITY OF ELECTRONIC RECORDS AND SIGNATURES FOR COMMERCE

SEC. 101. GENERAL RULE OF VALIDITY.

(a) General Rule.—With respect to any contract, agreement, or record entered into or provided in, or affecting, interstate or foreign commerce, notwithstanding any statute, regulation, or other rule of law, the legal effect, validity, or enforceability of such contract, agreement, or record shall not be denied—

(1) on the ground that the contract, agreement, or record is not in writing if the contract, agreement, or record is an electronic record; or

(2) on the ground that the contract, agreement, or record is not signed or is not affirmed by a signature if the contract, agreement, or record is signed or affirmed by an electronic signature.

(b) Autonomy of Parties in Commerce.—

(1) In general.—With respect to any contract, agreement, or record entered into or provided in, or affecting, interstate or foreign commerce—

(A) the parties to such contract, agreement, or record may establish procedures or requirements regarding the use and acceptance of electronic records and electronic signatures acceptable to such parties;

(B) the legal effect, validity, or enforceability of such contract, agreement, or record shall not be denied because of the type or method of electronic record or electronic signature selected by the parties in establishing such procedures or requirements; and

(C) nothing in this section requires any party to use or accept electronic records or electronic signatures.

(2) Consent to electronic records.—Notwithstanding subsection (a) and paragraph (1) of this subsection—

(A) if a statute, regulation, or other rule of law requires that a record be provided or made available to a consumer in writing, that requirement shall be satisfied by an electronic record if—

(i) the consumer has separately and affirmatively consented to the provision or availability of such record, or identified groups of records that include such record, as an electronic record; and

(ii) has not withdrawn such consent; and

(B) if such statute, regulation, or other rule of law requires that a record be retained, that requirement shall be satisfied if such record complies with the requirements of subparagraphs (A) and (B) of subsection (c)(1).

(c) Retention of Contracts, Agreements, and Records.—

(1) Accuracy and accessibility.—If a statute, regulation, or other rule of law requires that a contract, agreement, or record be in writing or be retained, that requirement is met by retaining an electronic record of the information in the contract, agreement, or record that—

(A) accurately reflects the information set forth in the contract, agreement, or record after it was first generated in its final form as an electronic record; and

(B) remains accessible, for the period required by such statute, regulation, or rule of law, for later reference, transmission, and printing.

(2) Exception.—A requirement to retain a contract, agreement, or record in accordance with paragraph (1) does not apply to any information whose sole purpose is to enable the contract, agreement, or record to be sent, communicated, or received.

(3) Originals.—If a statute, regulation, or other rule of law requires a contract, agreement, or record to be provided, available, or retained in its original form, or provides consequences if the contract, agreement, or record is not provided, available, or retained in its original form, that statute, regulation, or rule of law is satisfied by an electronic record that complies with paragraph (1).

(4) Checks.—If a statute, regulation, or other rule of law requires the retention of a check, that requirement is satisfied by retention of an electronic record of all the information on the front and back of the check in accordance with paragraph (1).

SEC. 102. AUTHORITY TO ALTER OR SUPERSEDE GENERAL RULE.

(a) Procedure To Alter or Supersede.—Except as provided in subsection (b), a State statute, regulation, or other rule of law may modify, limit, or supersede the provisions of section 101 if such statute, regulation, or rule of law—

(1)(A) constitutes an enactment or adoption of the Uniform Electronic Transactions Act as reported to the State legislatures by the National Conference of Commissioners on Uniform State Laws; or

(B) specifies the alternative procedures or requirements for the use or acceptance (or both) of electronic records or electronic signatures to establish the legal effect, validity, or enforceability of contracts, agreements, or records; and

(2) if enacted or adopted after the date of enactment of this Act, makes specific reference to this Act.

(b) Limitations on Alteration or Supersession.—A State statute, regulation, or other rule of law (including an insurance statute, regulation, or other rule of law), regardless of its date of enactment or adoption, that modifies, limits, or supersedes section 101 shall not be effective to the extent that such statute, regulation, or rule—

(1) discriminates in favor of or against a specific technology, process, or technique of creating, storing, generating, receiving, communicating, or authenticating electronic records or electronic signatures;

(2) discriminates in favor of or against a specific type or size of entity engaged in the business of facilitating the use of electronic records or electronic signatures;

(3) is based on procedures or requirements that are not specific or that are not publicly available; or

(4) is otherwise inconsistent with the provisions of this title.

(c) Exception.—Notwithstanding subsection (b), a State may, by statute, regulation, or rule of law enacted or adopted after the date of enactment of this Act, require specific notices to be provided or made available in writing if such notices are necessary for the protection of the safety or health of an individual consumer. A consumer may not, pursuant to section 101(b)(2), consent to the provision or availability of such notice solely as an electronic record.

SEC. 103. SPECIFIC EXCLUSIONS.

(a) Excepted Requirements.—The provisions of section 101 shall not apply to a contract, agreement, or record to the extent it is governed by—

(1) a statute, regulation, or other rule of law governing the creation and execution of wills, codicils, or testamentary trusts;

(2) a statute, regulation, or other rule of law governing adoption, divorce, or other matters of family law;

(3) the Uniform Commercial Code, as in effect in any State, other than sections 1-107 and 1-206 and Articles 2 and 2A;

(4) any requirement by a Federal regulatory agency or self-regulatory organization that records be filed or maintained in a specified standard or standards (including a specified format or formats), except that nothing in this paragraph relieves any Federal regulatory agency of its obligations under the Government Paperwork Elimination Act (title XVII of Public Law 105–277);

(5) the Uniform Anatomical Gift Act; or

(6) the Uniform Health-Care Decisions Act.

(b) Additional Exceptions.—The provisions of section 101 shall not apply to—

(1) any contract, agreement, or record entered into between a party and a State agency if the State agency is not acting as a market participant in or affecting interstate commerce;

(2) court orders or notices, or official court documents (including briefs, pleadings, and other writings) required to be executed in connection with court proceedings; or

(3) any notice concerning—

(A) the cancellation or termination of utility services (including water, heat, and power);

(B) default, acceleration, repossession, foreclosure, or eviction, or the right to cure, under a credit agreement secured by, or a rental agreement for, a primary residence of an individual; or

(C) the cancellation or termination of health insurance or benefits or life insurance benefits (excluding annuities).

SEC. 104. STUDY.

(a) FOLLOWUP STUDY.—Within 5 years after the date of enactment of this Act, the Secretary of Commerce, acting through the Assistant Secretary for Communications and Information, shall conduct an inquiry regarding any State statutes, regulations, or other rules of law enacted or adopted after such date of enactment pursuant to section 102(a), and the extent to which such statutes, regulations, and rules comply with section 102(b).

(b) REPORT.—The Secretary shall submit a report to the Congress regarding the results of such inquiry by the conclusion of such 5-year period.

SEC. 105. DEFINITIONS.

For purposes of this title:

(1) ELECTRONIC RECORD.—The term "electronic record" means a writing, document, or other record created, stored, generated, received, or communicated by electronic means.

(2) ELECTRONIC SIGNATURE.—The term "electronic signature" means information or data in electronic form, attached to or logically associated with an electronic record, and executed or adopted by a person or an electronic agent of a person, with the intent to sign a contract, agreement, or record.

(3) ELECTRONIC.—The term "electronic" means of or relating to technology having electrical, digital, magnetic, optical, electromagnetic, or similar capabilities regardless of medium.

(4) ELECTRONIC AGENT.—The term "electronic agent" means a computer program or an electronic or other automated means used independently to initiate an action or respond to electronic records in whole or in part without review by an individual at the time of the action or response.

(5) RECORD.—The term "record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(6) FEDERAL REGULATORY AGENCY.—The term "Federal regulatory agency' means an agency, as that term is defined in section 552(f) of title 5, United States Code, that is authorized by Federal law to impose requirements by rule, regulation, order, or other legal instrument.

(7) SELF-REGULATORY ORGANIZATION.—The term "self-regulatory organization" means an organization or entity that is not a Federal regulatory agency or a State, but that is under the supervision of a Federal regulatory agency and is authorized under Federal law to adopt and administer rules applicable to its members that are enforced by such organization or entity, by a Federal regulatory agency, or by another self-regulatory organization.

TITLE II—DEVELOPMENT AND ADOPTION OF ELECTRONIC SIGNATURE PRODUCTS AND SERVICES

SEC. 201. TREATMENT OF ELECTRONIC SIGNATURES IN INTERSTATE AND FOREIGN COMMERCE.

(a) INQUIRY REGARDING IMPEDIMENTS TO COMMERCE.—

(1) INQUIRIES REQUIRED.—Within 180 days after the date of the enactment of this Act, and biennially thereafter, the Secretary of Commerce, acting through the Assistant Secretary for Communications and Information, shall complete an inquiry to—

(A) identify any domestic and foreign impediments to commerce in electronic signature products and services and the manners in which and extent to which such impediments inhibit the development of interstate and foreign commerce;

(B) identify constraints imposed by foreign nations or international organizations that constitute barriers to providers of electronic signature products or services; and

(C) identify the degree to which other nations and international organizations are complying with the principles in subsection (b)(2).

(2) SUBMISSION.—The Secretary shall submit a report to the Congress regarding the results of each such inquiry within 90 days after the conclusion of such inquiry. Such report shall include a description of the actions taken by the Secretary pursuant to subsection (b) of this section.

(b) PROMOTION OF ELECTRONIC SIGNATURES.—

(1) REQUIRED ACTIONS.—The Secretary of Commerce, acting through the Assistant Secretary for Communications and Information, shall promote the acceptance and use, on an international basis, of electronic signatures in accordance with the principles specified in paragraph (2) and in a manner consistent with section 101 of this Act. The Secretary of Commerce shall take all actions necessary in a manner consistent with such principles to eliminate or reduce, to the maximum extent possible, the impediments to commerce in electronic signatures, including those identified in the inquiries under subsection (a) for the purpose of facilitating the development of interstate and foreign commerce.

(2) PRINCIPLES.—The principles specified in this paragraph are the following:

(A) Free markets and self-regulation, rather than government standard-setting or rules, should govern the development and use of electronic records and electronic signatures.

(B) Neutrality and nondiscrimination should be observed among providers of and technologies for electronic records and electronic signatures.

(C) Parties to a transaction should be permitted to establish requirements regarding the use of electronic records and electronic signatures acceptable to such parties.

(D) Parties to a transaction—

(i) should be permitted to determine the appropriate authentication technologies and implementation models for their transactions, with assurance that those technologies and implementation models will be recognized and enforced; and

(ii) should have the opportunity to prove in court or other proceedings that their authentication approaches and their transactions are valid.

(E) Electronic records and electronic signatures in a form acceptable to the parties should not be denied legal effect, validity, or enforceability on the ground that they are not in writing.

(F) De jure or de facto imposition of standards on private industry through foreign adoption of regulations or policies with respect to electronic records and electronic signatures should be avoided.

(G) Paper-based obstacles to electronic transactions should be removed.

(c) CONSULTATION.—In conducting the activities required by this section, the Secretary shall consult with users and providers of electronic signature products and services and other interested persons.

(d) PRIVACY.—Nothing in this section shall be construed to require the Secretary or the Assistant Secretary to take any action that would adversely affect the privacy of consumers.

(e) DEFINITIONS.—As used in this section, the terms "electronic record" and "electronic signature" have the meanings provided in section 104 of the Electronic Signatures in Global and National Commerce Act.

TITLE III—USE OF ELECTRONIC RECORDS AND SIGNATURES UNDER FEDERAL SECURITIES LAW

SEC. 301. GENERAL VALIDITY OF ELECTRONIC RECORDS AND SIGNATURES.

Section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c) is amended by adding at the end the following new subsection:

"(h) REFERENCES TO WRITTEN RECORDS AND SIGNATURES.—

"(1) GENERAL VALIDITY OF ELECTRONIC RECORDS AND SIGNATURES.—Except as otherwise provided in this subsection—

"(A) if a contract, agreement, or record (as defined in subsection (a)(37)) is required by the securities laws or any rule or regulation thereunder (including a rule or regulation of a self-regulatory organization), and is required by Federal or State statute, regulation, or other rule of law to be in writing, the legal effect, validity, or enforceability of such contract, agreement, or record shall not be denied on the ground that the contract, agreement, or record is not in writing if the contract, agreement, or record is an electronic record;

"(B) if a contract, agreement, or record is required by the securities laws or any rule or regulation thereunder (including a rule or regulation of a self-regulatory organization), and is required by Federal or State statute, regulation, or other rule of law to be signed, the legal effect, validity, or enforceability of such contract, agreement, or record shall not be denied on the ground that such contract, agreement, or record is not signed or is not affirmed by a signature if the contract, agreement, or record is signed or affirmed by an electronic signature; and

"(C) if a broker, dealer, transfer agent, investment adviser, or investment company enters into a contract or agreement with, or accepts a record from, a customer or other counterparty, such broker, dealer, transfer agent, investment adviser, or investment company may accept and rely upon an electronic signature on such contract, agreement, or record, and such electronic signature shall not be denied legal effect, validity, or enforceability because it is an electronic signature.

"(2) IMPLEMENTATION.—

"(A) REGULATIONS.—The Commission may prescribe such regulations as may be necessary to carry out this subsection consistent with the public interest and the protection of investors.

"(B) NONDISCRIMINATION.—The regulations prescribed by the Commission under subparagraph (A) shall not—

"(i) discriminate in favor of or against a specific technology, method, or technique of creating, storing, generating, receiving, communicating, or authenticating electronic records or electronic signatures; or

"(ii) discriminate in favor of or against a specific type or size of entity engaged in the business of facilitating the use of electronic records or electronic signatures.

"(3) EXCEPTIONS.—Notwithstanding any other provision of this subsection—

"(A) the Commission, an appropriate regulatory agency, or a self-regulatory organization may require that records be filed or maintained in a specified standard or standards (including a specified format or formats) if the records are required to be submitted to the Commission, an appropriate regulatory agency, or a self-regulatory organization, respectively, or are required by the Commission, an appropriate regulatory agency, or a self-regulatory organization to be retained; and

"(B) the Commission may require that contracts, agreements, or records relating to purchases and sales, or establishing accounts for conducting purchases and sales, of penny stocks be manually signed, and may require such manual signatures with respect to transactions in similar securities if the Commission determines that such securities are susceptible to fraud and that such fraud would be deterred or prevented by requiring manual signatures.

"(4) RELATION TO OTHER LAW.—The provisions of this subsection apply in lieu of the provisions of title I of the Electronic Signatures in Global and National Commerce Act to a contract, agreement, or record (as defined in subsection (a)(37)) that is required by the securities laws.

"(5) SAVINGS PROVISION.—Nothing in this subsection applies to any rule or regulation under the securities laws (including a rule or regulation of a self-regulatory organization) that is in effect on the date of enactment of the Electronic Signatures in Global and National Commerce Act and that requires a contract, agreement, or record to be in writing, to be submitted or retained in original form, or to be in a specified standard or standards (including a specified format or formats).

"(6) DEFINITIONS.—As used in this subsection:

"(A) ELECTRONIC RECORD.—The term 'electronic record' means a writing, document, or other record created, stored, generated, received, or communicated by electronic means.

"(B) ELECTRONIC SIGNATURE.—The term "electronic signature" means information or data in electronic form, attached to or logically associated with an electronic record, and executed or adopted by a person or an electronic agent of a person, with the intent to sign a contract, agreement, or record.

"(C) ELECTRONIC.—The term 'electronic' means of or relating to technology having electrical, digital, magnetic, optical, electromagnetic, or similar capabilities regardless of medium.".

H.R. 3073

OFFERED BY: MR. TRAFICANT

[Section references correspond to those of the amendment in the nature of a substitute printed in the Congressional Record]

AMENDMENT NO. 2: In section 403A(b)(1) of the Social Security Act, as proposed to be added by section 101(a) of the bill, add at the end the following:

"(E) A written commitment by the entity that the entity will make available to each individual participating in the project education about alcohol, tobacco, and other drugs and the effects of abusing such substances, and information about HIV/AIDS and its transmission.".

SENATE—Monday, November 8, 1999

The Senate met at 12 noon and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Dear God, You have shown us that any week without Your grace and guidance makes us weak. So as we begin this new workweek, we dedicate ourselves to trust in Your goodness, to walk with You humbly, to listen to You attentively, and to serve You obediently. We ask for quiet and peaceful hearts, alert and agile minds, and ready, responsive wills.

Remind the Senators that there is enough time in any one day to do what You require and artesian strength to accomplish what You desire. Free them from tension and tiredness, worry and anxiety. Give spinning wheels good tread. Help them to trust as if everything depended on You and work knowing that You depend on them to accomplish Your best for the Nation.

We love You, Father, and we commit this week to be an expression of that love. You are our Lord and Saviour. Amen.

PLEDGE OF ALLEGIANCE

The Honorable CHUCK HAGEL, a Senator from the State of Nebraska, led the Pledge of Allegiance, as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

Mr. THOMAS. I thank the Chair.

SCHEDULE

Mr. THOMAS. Today, the Senate will be in a period of morning business until 2 p.m. Following morning business, the Senate will resume debate on the bankruptcy reform legislation. By a previous consent agreement, the minority leader, or his designee, will be recognized at 3 p.m. to offer an amendment relative to minimum wage, which will then be set aside so that the majority leader, or his designee, can be recognized to offer an amendment relative to business costs. Votes on these amendments have been set to occur at 10:30 on Tuesday. The leader has announced there will be at least one vote at 5:30 p.m. today in relation to the bankruptcy bill.

I thank my colleagues for their attention.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. HAGEL). Under the previous order, leadership time is reserved.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business with Senators allowed to speak for 5 minutes therein.

Under the previous order, the time until 1 p.m. shall be under the control of the Senator from Wyoming, Mr. THOMAS, or his designee.

The Senator from Wyoming.

ACCOMPLISHMENTS OF THE SENATE

Mr. THOMAS. Mr. President, let me first thank my friend from New Hampshire for coming down. We have morning business now for 2 hours, and we intend to talk about some of the issues before us during this first hour. I am going to at some point—and I hope the Senator will also—talk a little bit about some of the things we have accomplished this year. I understand the media is always interested in the conflicts and where we have controversy. And that is fine. But they do not always talk about the things we have accomplished, the things we have done with the budget, the fact we have spent less in growth this year than we have for a number of years, the fact that we are setting aside Social Security and have proposals out there to strengthen Social Security. We have done a lot for education; indeed, authorized more money to be spent than the administration asked for and allowed for it to be spent on the local level. These are things that are terribly important.

Defense is probably the singular most important thing the Federal Government has to assume. The expenditures of defense have gone down ever since the gulf war. This year we have raised them because in order to fill out the mission the military has, there must be more resources to be able to encourage people to come into the military and to stay there.

We have talked about tax relief, and, indeed, sent to the President a bill which would have given tax relief to all citizens of this country in various ways rather than spending it. Unfortunately, it was vetoed. We will be back with tax relief. When we have an excess amount of money, that is where it ought to go, back to the people who have paid it.

In health care, we have done some things and intend to do more before the week is over; and bankruptcy.

I wish to say I hope before we finish we can put some emphasis on the positive things that we have done for the good of this country.

I yield to my good friend from New Hampshire, who has done a superb job on the appropriations bills, and continues to do so, whatever time he may consume.

Mr. GREGG. I thank the Senator from Wyoming for his courtesy in yielding me some time. I especially thank him for his commitment to making the American people aware through floor statements of how much we have accomplished and how many positive things have occurred in this Congress.

As he mentioned, the most positive is that we have a balanced budget for the first time in generations; that for the first time in years, 20 years or so, the Social Security trust fund money is going to be used for Social Security, which is one of the most important things we could do and thus preserve it for the benefit of senior citizens and the next generation of senior citizens. Something that is really an incredibly positive stride in the way we have dealt with ourselves in this Nation and has led in large part to the economic prosperity that we now experience is the fact that the Government has finally decided to live within its means. That is a result, in my opinion, of a Congress which has aggressively disciplined spending of the Federal Government.

In fact, I recall when this Congress was first elected, a Republican Congress, the President had sent up his budget for the year, and it projected $200 billion deficits for as far as the eye could see. I think the year was 1996, and for the next 10 years it was $200 billion of deficits every year for as far as we could see.

Well, we in the Republican Congress, the first Republican Congress in 40 years, said that was not acceptable; we were going to have to live within our means. Others said it was not doable. We proved it was doable.

That is a positive event. We now have multiple billions of dollars of surplus, a big enough surplus so we will have no impact on Social Security in this budgeting cycle.

What I wanted to speak about, however, beyond the good news, is the issue that has caused us to sort of grind through the process of wrapping up the appropriations bills, specifically the

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

demand by the President in a number of areas of appropriations accounts. The first one I wish to talk about is the demand by the President that we expand his classroom teacher proposal.

Now, the Congress has fully funded to the tune of $1.2 billion. The amount of money that the President initially requested for class size in his original request was for $1.2 billion, the purpose of which was to add teachers to the classroom. Teachers to the classroom may be a good idea in the $1.2 billion that has been put on the table to accomplish that, but the difference between the two sides is not in the dollars; it is in the way those dollars should be spent.

The President's proposal and the proposal coming from the other side of the aisle is that $1.2 billion shall be spent as the people in Washington tell the local people to spend it; it will be spent under a command-and-control process where the administration, the people of the Department of Education, the people of the national labor unions, and the legislators on the other side of the aisle tell the local school districts, tell the States, tell the local principals, tell the local school boards: You must use this money for the purposes of hiring teachers.You must use it for the purposes of hiring teachers. It is a command-and-control, top-down directivefrom Washington telling local school districts how to operate their schools. We, on the other hand, on our side of the aisle, have proposed this $1.2 billion be used for schoolteachers, if that is what the local school district wants. But we have also said—and I will read the language to you—"If the local educational agency determines that it wishes to use the funds for purposes other than class size reduction as part of a local strategy for improving academic achievement, funds may be used for promotional development activities, teacher training, and any other local need that is designated to improve student performance."

What we are saying on our side of the aisle is that we do not think that a one-shoe-fits-all approach; we don't think that a command-and-control, top-down approach is the right way to manage local education or to manage any education for that matter.

What we believe very strongly is that we should put the dollars on the table. We should make those dollars available to the local schools. And we should say to the local schools: If you need more teachers, here are the dollars to hire those teachers. But if you have determined, under a procedure for obtaining higher academic achievement, you don't need more teachers but what you need are better teachers, and therefore you want to train your teachers, or what you need is to keep a teacher who is about to leave, and therefore you need to pay that teacher a little bit more money, or what you need is a class that has some sort of teacher's aide capability in it, such an individual, but also computer technologies, you should be able to do that.

So we are saying in the context of improving the education, most importantly "improving the students' performance," which is the exact words we use, you can use this money for other areas of teacher enhancement and of assisting teachers to be better teachers.

Why are we saying that? Why aren't we saying what the White House and President Clinton say and what the Senators on the other side of the aisle say, which is you must do it our way; you must hire teachers, and that is what will make for better education? Why aren't we doing that? Because that doesn't work. That doesn't work.

Study after study has concluded that it is not necessarily the class size ratio that is critical to education. It happens to be more than that. I think anybody who has ever been involved in any level of education knows this. It is intuitively obvious through inspection—which was what one of my professors used to say in college, and we used to make fun of him for saying that—that there is a lot more to a classroom than the ratio of teacher to students.

If you have a terrible teacher—I have said this on the floor before—who can't teach you a subject matter, if you put 10 kids with that teacher, or 20 kids with that teacher, they are still not going to learn. If you have an excellent teacher who knows how to handle the subject matter, the odds are that the size of the class, if it varies within five or so children, is not going to affect the quality of that education a whole lot. In fact, this is what studies have shown.

In fact, Eric Hanushek at the University of Rochester, an economist, studied 300 other studies that have been done on this issue and concluded as follows: Looking at 300 different studies, class size reduction has not worked. Furthermore, the quality of the teacher is the most important factor in education, and it is much more important to the class than class size.

A National Commission on Teaching and America's Future found the following: The thing that has the least impact on increasing student achievement, the least impact, is class size. The thing that has the greatest impact is teacher education and the capability of the teacher.

In the State of Washington, which happens to be the home of the sponsor of this original proposal of the top-down control approach, Senator MURRAY's State, a Joint Legislative Audit and Review Committee found: "High quality teachers and family environment have a far greater effect on student performance than marginally reducing the class size."

It is not our job in Washington to tell the local school districts that they must hire a teacher so that they can get their class size to some arbitrary number. The President has picked 18 to 1. I note that by picking that number he has managed to qualify 42 of the States already because 42 States already have a class size ratio that is 18 to 1 or better.

There are only nine States and the District of Columbia that do not have the ratio higher than 18 to 1. Arbitrarily, people on that side of the aisle are all knowledgeable and are saying to every school board in America, 18 to 1, and that is it. If you don't have 18 to 1, we are not going to give you the money. You have to hire new teachers, and that is it. That is what it is going to be.

We are saying: Here is the money, American school system. You take that money and you choose whether you need it for a new teacher or whether you need it to make that teacher you already have a better teacher, and you tie it to standards. You tie it to professional development standards and you tie it to student performance standards.

That is a much better way to do it than to try to manage every classroom in America from right here in Washington.

As I said earlier, it is as if those on the other side of the aisle want to take the leader's desk and run a string out to every classroom in America, and that string tells that school what they are going to have to do. If they don't like what it is going to do, they are going to pull that string in running from that desk on the Democratic side of the aisle.

I do not know how many classrooms there are in America. It would probably have to be what? I will take a guess. A million—a million strings running off that desk all over America, intertwined. It is going to get awfully messy and confusing—a big jumbled mess—and nothing is going to happen. We are not going to improve education at all.

I think it is a much brighter idea, it is a much more appropriate idea, and it is a much fairer idea to say to the school systems that happen to know what they are doing because they are involved in it—at least every school district in America that I have ever dealt with is very concerned, first, about education: Here are the dollars. You use it to improve your teachers. You use it to improve your classrooms. You use it, most importantly, to improve student performance.

This is what this debate on the budget has come down to. There really aren't too many other big issues out there today. This is what the whole budget debate has come down to—whether or not we are going to run the classrooms from Washington, whether or not we are going to demand that classrooms across America do exactly what we tell them to do by hiring a new teacher in order to get these funds, or whether we are going to allow the schools across America—the teachers, the principals, the parents, and the school boards—to decide how best to use that money in order to improve teaching in the classroom.

The President has made his stand on this ground. To say the least, I think it is bad ground, a bad idea, and a bad stance.

Ironically, at the same time the teacher and class size issue became a cause celebre for holding up the budget process, the other item holding up the budget process involves the President's demand for 30,000 to 50,000 additional police officers. This is a little bit different. This was before the committee that I chair, the Commerce, State, Justice Committee.

The President put forward a program about 3 years ago. He said we want 100,000 new officers. The Congress agreed with him: Let's try to put 100,000 new officers on the street in America. The Congress funded 100,000 new officers. We put on the table and in the budget the money necessary to pay for 100,000 new officers. The program has run out. The authorization has ended.

The President came forward and said, I want another 30,000 to 50,000 officers on top of the initial 100,000 officers.

First off, there was no program. The Congress didn't agree to that. We agreed to 100,000. We didn't agree to another 30,000 to 50,000. It was a political statement. He held a poll and had some focus group rushing into his office in the morning saying, "Mr. President,Mr. President, putting police officers on the street really pumps well. Let's do another 30,000 to 50,000." That is how they came to the conclusion. They did not have any hearings or even look at the program they have in place because if they had looked at the program they had in place, they would have realized that of the 100,000 officers we put the money on the table for—the Congress did our work to pay for them—the administration has only been able to hire 60,000. They are still 40,000 short of the initial 100,000. But they want to go out and hire another 30,000. They can't do it physically because they haven't been able to hire these offerers. It takes 12 months to do the program. They are not going to get the 100,000 in next year. So they can't possibly do another 30,000 to 50,000.

Equally ironic, where did they find the money in their budget to fund the additional 30,000 to 50,000 officers? Remember, these are local police officers in towns that you and I live in across America. These aren't Federal police officers; these aren't FBI agents or even police officers in this Capitol. These are local police officers. Where did they find the money? They took the money out of the funds we were going to use to fund 1,000 extra Border Patrol agents.

What is the responsibility of the Federal Government? What is our responsibility? It is to protect our borders. Those are Federal agents. Those aren't local agents. Instead of funding the 3,000 new agents who were supposed to be funded and on whom we agreed, for whom we had authorized and appropriated, we were going to appropriate the last 1,000 this year. The administration said: No, we are not going to hire the extra 1,000 Border Patrol agents; we will take the money from that program and put it into hiring an additional 30,000 to 50,000 local police officers for a program that cannot even fulfill its first tranche of police officers, which was supposed to be 100,000.

That is an interesting priority. Think about it. What this administration is saying is, we don't care about the borders as much as we care about putting out a political statement which happens to poll well, which we know has no substantive effect because we know we can't hire the officers. Maybe they didn't know it; they should have. All they had to do was ask the people at the Justice Department. Assume they knew it—putting out a political statement on which we know they cannot fulfill the specifics. They knew, going into this proposal, they could not hire an additional 30,000 to 50,000 officers because they had not even hired the first 100,000 officers. They were 40,000 short, and it takes 12 months to put the officers on the books and bring them on board.

This instead of hiring the Border Patrol personnel to improve our southern borders from being the sieve they are where tens of thousands of illegal aliens come across on a weekly basis. I think it was in the Douglas area of Arizona they arrested nearly 40,000 people in a week. Unbelievable numbers of illegal aliens are coming across the border, placing huge demands on our society in the area of health care, in the area of law enforcement, in the area of schooling. These are huge cost demands on our society, policing those borders so legal immigrants can come across, legal workers can come across. Instead, illegal people are breaking the law to get into this country.

Instead of doing that which happens to be a primary function of the Federal Government, they took the money and used it to set up this specious statement that they were going to add another 30,000 to 50,000 police officers. Now they insist on it. The irony is, they insist on it as part of the budget process wrap-up. They are insisting on adding the extra police officers when they cannot even hire them. Why? PR. It is that simple. It polls well.

The class size statement polls well. On the polling statement, the substance is so fundamentally flawed. They are taking control of local school districts and saying local school districts don't know whether they need a new teacher; we will tell them they need a new schoolteacher. Although they may know they don't need a new teacher, they need to train the teachers better. That philosophy is fundamentally flawed.

The statement to reduce class size is great polling. We will administer cops on the street. Great polling. They are holding up the entire budget of the Government of the United States, which happens to include a lot of other important things.

For example, in my bill, which involves the police officers, we have the funding for the FBI, the funding for the DEA, funding for the INS, funding for the FTC, which is very involved in trying to keep seniors from being fraudulently attacked on the Internet with scams. We have the funding for the FEC, obviously very involved in the different issues of how we manage this e-commerce marketplace in which we are functioning today. We have the funding for the State Department; We have funding for the whole Justice Department, funding for the whole judicial system. All of that is being held up because this administration wants to put out a political statement—not a substantive statement, because they can't do it, as I just pointed out. They cannot accomplish what they claim they will do. They know it. They want a political statement. Then they want to put forward a horrendous policy on class size because it polls well. They are holding up the budget to do that. It is another example of the superficiality of the way this administration approaches issues.

Time and time again for 7 years, we have seen issues put forward not for the purposes of resolving a plan but for the purposes of scoring a political point by this White House. Now they are willing to put at risk the functioning of the entire law enforcement structure of the Federal Government for all intents and purposes over what is basically a political issue, a political statement. It has no substance at all. It has no purpose and can accomplish nothing because it can't be accomplished in this next year. Maybe 2 years from now, when they catch up to doing the full 40,000 officers they still have to do, they can come forward and reasonably say we need another 30,000 officers. That may be true.

Once again, we see the shallowness of this administration is only exceeded by their brazenness. Unfortunately, a number of Federal agencies and the American people will suffer as a result of that.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, I thank the Senator from New Hampshire.

I have to imagine how different the needs of the school district in Wyoming are compared to Philadelphia. I certainly subscribe to the idea we ought to help with the resources, but let the local school districts decide for themselves what it is they need. The basic class size in Wyoming happens to be less than 18.

I am very pleased to have on the floor of the Senate the Senator from Idaho, another western Senator, who is also chairman of our policy committee.

I yield as much time as he desires.

Mr. CRAIG. Mr. President, I thank my colleague from Wyoming for allowing me time this morning.

MICROSOFT

Mr. CRAIG. Mr. President, I have listened to the Senator from New Hampshire speak in what I call the common sense of New Hampshire. I think all Members have been frustrated by this administration running a flag up the pole every morning at the White House to see which way the wind is blowing and then not only attempting to shift Government policy but oftentimes bringing Government to an entire halt until they can determine if the direction in which they are heading is the right direction.

Another example of a misdirected effort by this administration was announced on Friday. I think all Members were paying attention to some degree and were anxious to hear how a Federal judge could decide to run the technological world in which we are living better than the marketplace itself. Sure enough, on Friday, Thomas Penfield Jackson, the judge down at the Justice Department who examined the ins and outs of Microsoft and the marketplace, has determined that Microsoft is a predatory monopoly.

I am no expert in this field, and I am not going to hold myself out on the floor this morning to be so. I ask unanimous consent to have printed in the RECORD two editorials.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF MICROSOFT?

At its highest levels, the educational system is still capable of giving its money's worth, and taxpayers certainly spent enough to educate Thomas Penfield Jackson on Microsoft's struggle to manage what it pleased the judge Friday to call the company's "monopoly" in computer operating systems. We guess now the government is going to have to run Microsoft.

We also see the failure of Microsoft's strategy, which was to deny the meaning of its own actions, lest those actions retroactively be found illegal because the court pins the label "monopoly" on it. That was unfortunate. Microsoft had a strong case to make that it had behaved in the only way any rational competitor could have.

Microsoft should have argued that we have a monopoly because our customers want us to have one. There is a great deal more software in the world than there would otherwise be, because software designers can invest in creating products knowing there is an installed base of compatible operating systems that won't soon be displaced. And consumers know that they can lay out a thousand bucks or more for a PC without taking a Betamax-vs.-VHS gamble that their investment will be rendered obsolete.

What benefits our consumers is a barrier to our competitors, but as Judge Jackson points out, our real competitor is not "another product within the same software category, but rather a technological advance that renders the boundaries defining the category obsolete." What the judge calls our attempts to maintain our "applications barrier is entry" is simply our way of making sure our investment in Windows—and our customers' investment—remains viable in the face of these technological advances. Take our behavior toward Netscape. Browsing the web has become the central purpose of the PC for millions of users. If we had not aggressively promoted our browser, it would have been tantamount to helping Netscape cannibalize our business, using our own platform to render us obsolete while we stood by watching.

If Microsoft cannot act rationally in its own interest, the alternative is a government administrator to take over the business and run it for the benefit of Microsoft's competitors. Outside a Nader thought-bubble, there can't be many people who don't see this cure as worse than the disease. Northwest University Law Professor Larry Downes, writing in USA Today, notes a "precedent for a remedy of doing 'nothing; that is, for finding Microsoft guilty but recognizing that there was no court-administered solution that could solve the problem any better than letting the market try to work it out on its own."

What makes this less than academic is that, even without the government turning Microsoft into a public utility, the paradigm shift is happening and everybody in the business knows it. A host of new developments has already shrunk Microsoft's control over cyberspace, and events are on the way to delivering new forms of web computing that won't even require Windows.

Judge Jackson has deferred the question of whether Microsoft violated the law for a later ruling, but he hasn't left much to the imagination. If he takes his arguments and the incoherent assumptions of antitrust seriously, the only remedy is to turn Windows into a regulated utility, possibly breaking the company up.

No wonder he has repeatedly hinted he would be relieved if the parties would settle. An appeals court would likely overturn any draconian verdict against Microsoft—if a post-Clinton Justice Department hadn't already settled the case. Microsoft has mounted such a lame effort partly because it's relying on the federal circuit court of appeals. On Friday, in a significant ruling related to a private antitrust lawsuit against Intel, that court noted the "Sherman act does not convert all harsh commercial actions into antitrust violations."

By the time Microsoft reaches the appellate level, the computing world will have moved on and historians will have to be summoned to remind us what the argument was all about. Judge Jackson will have sat through the antitrust "case of the century" only to see it waddle off and expire with a whimper behind some shrub. He can't have that, so he's banging the pots and pans and trying to scare Bill Gates into settling. How much more splendid to be this generation's Judge Greene, tinkering with future releases of Windows the way Judge Green spent 10 years tinkering with AT&T and the baby bells.

But let's get to the real bottom line. Washington's crusade against Microsoft has fulfilled its purpose, serving as a great lever to pry open the wallets of Silicon Valley. Where three years ago the technology plutocrats spent their surplus income on racing yachts and Ferraris and charity, now they patriotically send donations to Washington to support the fixer class and its retinue in the style to which it would like to become accustomed. Steve Case of AOL likes to say the future of technology will be decided in the political arena rather than the marketplace. Be careful what you wish for.

PUNISHING MICROSOFT

(By Robert A. Levy)

Here's the lesson that high-tech companies can glean from Judge Thomas Penfield Jackson's findings in the Microsoft case: If you're sufficiently ambitious, competent, and hardworking; if you're willing to risk your time and fortune; if you succeed at rising above your competition by serving customers with better products; then watch out, because our government will come down on your neck with the force and effect of a guillotine. Judge Jackson's knee-jerk recitation of the Justice Department's line is a mockery of objectivity, scornful of the facts, and congenial only to those who prefer a sterile marketplace in which vigorous competition becomes legally actionable.

Let's start with the judge's big picture: an industry crippled because Microsoft's competitors are unable to innovate. Yet how to explain Netscape's 410 billion price tag, or continued market leadership by Microsoft arch-rivals Oracle, Intuit, AOL, Sun Microsystems, and Real-Networks? How to explain Apple's growth in both sales and profits? Indeed, if Microsoft's "prodigious market power" and "immense profits" have been used to stifle innovation, then how to explain the incredible success of Linux, which now runs more Web sites than any other server operating system?

In an unguarded moment, Sun's CEO, Scott McNealy, recently crowed that "Windows is dead" when it comes to new software applications, Mr. McNealy may be right. Despite Judge Jackson's snapshot view of the software market, the Internet has profoundly and permanently altered the dynamics. Will Microsoft lose out to consumer electronics products? Mr. McNealy doesn't know, and neither does Judge Jackson. But those products are out there, they're selling well, and they are competition.

What about Web-based software—probably the most formidable threat to Microsoft's dominance? Instead of buying and selling applications like word processors and speadsheets, users can rent the same functions from Internet services—or get them free if they sit through advertising.

The only essential user program is a Web browser. As the Wall Street Journal put it: "If users don't need PCs with Microsoft's Windows operating system or Intel chips—the vaunted market power of the duo called Wintel doesn't seem so unshakable."

The important points is this: Many desktop machines that access Web-based servers are "Windows-less" products, and Microsoft's major OEM customers are climbing on the band wagon. Gateway is building a line with no Microsoft software at all, and may jointly market it with AOL, which is a major Gateway investor. Dellalso plans to bring out a line of Internet computers, some

> without Microsoft software. Compaq's chief executive observes that its new generation of products will "redefine Internet access."
>
> Another industry executive stated that "the Internet gives people a platform to do most of the things they need to do on a PC without a cumbersome and expensive operating system."
>
> Judge Jackson, infinitely wiser about such matters now that he knows how to use his computer, has an astonishing two fold response to the emergence of Web-based servers. First, he contends that "Windows has retarded, and perhaps altogether extinguished" the server threat. That contention has a surreal quality: Judge Jackson describes an event that never actually happened but, if it had happened, it would have crippled competition. The same dialetic creeps into his anecdotal chronicle of Microsoft's persecution of Intel, Apple, and Compaq, as well as Microsoft's supposed market-splitting with Netscape. "OK, so this thing Microsoft tried to do never did materialize. The other guy never agreed to it and ultimately he did what he wanted. But what a hobbling impact on innovation if things had gone otherwise." Judge Jackson's second justification for discounting Web-based servers is even stranger. He claims that viable competition from server-based applications "is not imminent for at least the next few years." His projection is surely too conservative.
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> Venture capitalists report that they haven't seen a business plan for conventional packaged software in more than six months. Mr. McNealy predicts that fewer than 50 percent of the devices accessing the Internet will be Windows-equipped PCs by the year 2002, just a little over two years from now. Mr. McNealy has put Sun Micro systems' money where his mouth is—acquiring Star Division so he can convert its Star Office product into a free, Internet-based service that can be run directly by any user with any Web browser.
>
> But more important, Judge Jackson's "not imminent for a few years" forecast has to be placed in context. He plans on issuing his conclusions of law in this case early next year. Then a hearing on remedies in the spring, with a possible summer decision. Then we can expect a year or so before the United States Court of Appeals finishes its review. Then another year for the Supreme Court's deliberations. Finally, even if Microsoft loses at each stage and remedies are imposed, they will not be effective overnight. In other words, the market will certainly have obviated any remedies before they can have an impact.
>
> Meanwhile, Microsoft behaves not like a monopolist but like a company whose every survival is at stake. Its prices are down and its technology is struggling to keep pace with an explosion of fresh software products. Facing competition from new operating systems, consumer electronics, and Web-basedservers, Microsoft now operates in a world where anyone running a browser will soon have the same capabilities as today's Window users. That is why the government should keep it's hands off.

Mr. CRAIG. Mr. President, one editorial is by Robert Levy, a senior fellow of constitutional studies at the CATO Institute. He starts his op-ed piece:

> Here's the lesson that high-tech companies can glean from Judge Thomas Penfield Jackson's findings in the Microsoft case: If you're sufficiently ambitious, competent, and hard-working; if you're willing to risk your time and fortune; if you succeed at rising above your competition by serving customers with better products; then watch out, because our government will come down on your neck with the force and effect of a guillotine.

The editorial in the Wall Street Journal probably sums it up best of all. There is no question my colleagues from the other side of the aisle—or should I say their political machinery as expressed by—I don't want to call them outbursts, but certainly the expressions of our Attorney General, Janet Reno, are best summed up when they discussed the Microsoft case this morning in the Wall Street Journal. Here is their concluding paragraph:

> But let's get to the real bottom line. Washington's crusade against Microsoft has fulfilled its purpose, serving as a great lever to pry open the wallets of the Silicon Valley. Where three years ago the technological plutocrats spent their surplus income on racing yachts and Ferraris and charity, now they patriotically send donations to Washington to support the fixer class and its retinue in the style to which it would like to become accustomed.

Steve Case of AOL, who happens to be on the other side of this issue, recognizes the problem, though. He says the future of technology will be decided in the political arena rather than the marketplace. My guess is, if that is true, your computers will not be working as well tomorrow as they are working today.

I came to the floor this morning to join with my colleague from Wyoming, not to discuss the Microsoft case; that is going to get played out over time, and I think we are going to have a Federal judge who will try to run the technology business of this country. Maybe we need to decide to start a new agency of our Federal Government called U.S. Department of Microsoft. If it is as profitable as Microsoft, maybe we can make a lot more money without taxing the American public to allow our Democrat colleagues on the other side of the aisle to spend it.

Certainly Microsoft is now making as much as $1 billion a month in cash to spend. It is obvious somebody else wants their hands on that or wants to break up that very profitable business.

VIOLENCE IN AMERICA

Mr. CRAIG. Mr. President, what I came to the floor to talk about is a combination of issues that come together in the issue of violence. We watched the great tragedy as a fellow entered a workplace in Hawaii the week before last and killed some of his coworkers. Last week in Seattle, another man went into a business and shot and killed individuals. All of us, as Americans, are tremendously frustrated by this expression of violence or people seeming to want to solve their personal problems by acting in a very violent fashion. The Washington Post poll on Sunday showed that the No. 2 issue among Republicans was violence in the schools; the No. 4 issue among Democrats, violence in the schools; the No. 2 issue among Independents in America was violence, violence in the schools.

Our President last week suggested we live in a very violent society, when in fact violence is down substantially in our country. It is true that it is. We have come off a very violent year, but over the last 7 years the average rate of acts of violence is dropping, in the broad sense. Yet we have had some of these tremendously public-attention-gathering events that caused the American public to be concerned, as they are.

Of course, the issue I want to speak briefly about this morning is the question of how we fix this violent expression in our society. Last week, the President, Janet Reno, and AL GORE said there is a quick and easy way to fix it: We just need to pass a few more laws; gun laws, that is. We need to add to the 25,000 to 30,000 gun laws that are already on the books. If we do that, we will make America a safer place in which to live. Or at least we will say, politically, to meet the polls the Washington Post presented to us on Sunday, that if we pass the laws, the public at least will think America is a safer place in which to live. By that, we will be able to curry their political favor in the next election.

If gun laws make America a safer place, then what happened in Hawaii should not have happened; what happened in Seattle should not have happened; what happened in Littleton, CO, at Columbine High School, should not have happened—because there are laws to stop that. Mr. President, 13 laws were violated, tragically, by those two young men who later took their lives at Columbine High School in Littleton, CO, after they had killed so many of their classmates. But there was a law to stop them. Then why did it happen?

I do not know the answer to why it happened. I do know they broke a lot of laws to cause it to happen. Yet our President last week, and the Vice President, and the Attorney General said give us more laws and the world will be a safer place. We have all been on this floor discussing, for well over a year, our frustrations with problems with our culture, problems with our public schools. People are acting out their frustrations in violent ways by taking other people's lives. My guess is, you cannot legislate a fix on that one.

There are other problems within our society that have to be addressed. So let me focus for just a moment on Hawaii. There, we all know what happened. The fellow has been caught. We all know now he probably, during that act, was mentally incompetent, mentally in trouble, mentally deranged. But his actions cost lives.

His actions happened in a unique environment, though. Hawaii has more gun laws, to control gun ownership and gun usage, than any other State in the United States. So would logic not follow, at least the logic of the President and the Vice President and the Attorney General, if that were so, Hawaii should have been a terribly safe place? Hawaii is the only State in the Nation where you not only register every gun you have with the local and State authorities, you also register the bullets—you register the ammunition. Somehow, politicians in the State legislature in Hawaii thought that would make Hawaii a safe place—the only State in the Nation.

It just so happens, Janet Reno and AL GORE and the President want us to do the same in this country. But it did not stop the individual who killed his colleagues in Hawaii.

How about a permit to purchase? Of course, that is exactly what some of our colleagues would want here. Hawaii requires a permit to purchase any kind of gun—not just one permit for multiple purchases but a permit for every purchase—and a full background check, and the requirement that you must be at least 21 years of age to own a gun.

What about assault pistols and Saturday night specials and all those kinds of buzzwords about guns that have become villains here on the floor for political purposes? All of those are outlawed in Hawaii. It is against the law to own them. It is against the law to have them. All of that is the law in Hawaii. The man who did the killings in Hawaii had met all of the requirements of the law. Yet the law did not protect the citizens whose families now mourn their death.

How about high-capacity magazines? That was a fully debated issue here on the floor of the Senate this past year. I was on the floor with Senator HATCH and Senator LAUTENBERG on that issue after Littleton. It is against the law in Hawaii.

Then there are the restrictions on places of possession, where you simply cannot have a gun: A business; you can't travel with one, only in the owner's home and in very restricted places; or if you are traveling from the home to the firing range or the pistol range for target practice, you may have a gun on your person. Those are tough laws in Hawaii. Yet people are dead. Of course, I mentioned transportation and the restriction on transportation. All of those are parts of the laws that guard citizens against the violent acts of others with the use of a firearm in the State of Hawaii.

The President, the Vice President, and the Attorney General seem not to understand that or, if they do, they arefinding another reason to express a need for greater gun control in this country. I am not sure what that need is. We all know our citizens are concerned about violence.

We all know we have citizens in our country who act out their frustrations in violent ways. It is tragic that we believe we can simply turn to Congress that will pass a law and, therefore, the violence will go away.

Are the President and the Vice President and the Attorney General trying to hide something? Are they trying to hide the fact that during the Clinton administration arrests and prosecutions of citizens who violate Federal firearms laws has dropped by over 70 percent?

Is the President trying to mask the fact that the Puerto Rican terrorists to whom he offered clemency were violators of Federal firearms laws and they killed American citizens?

Is this President, once again, trying to throw up a political smokescreen by simply saying we need more laws against the use of guns or the ownership of guns or the second amendment rights when he, the President, in my opinion, has violated the intent of the laws as they now stand? If you do not use the law, if you do not prosecute under the law, if you do not enforce the law, then the laws are no good.

That is the message I send to Bill Clinton today: Mr. Clinton, look at your own record. Your own Attorney General has let it be known to U.S. attorneys around the country that it is not worth their time to go after violators of Federal firearms laws.

There is a great program down in Richmond, VA, where a Federal prosecutor said to the local police: You arrest them and I will throw them away, I will put them behind bars if they use a gun in the commission of a crime. Crime dropped precipitously but, more important, crimes with a gun involved dropped dramatically. One fellow was arrested at a 7-Eleven with a stick, and after he was arrested, the local police said: Why are you robbing a 7-Eleven with a stick?

He said: Because if I used a firearm, they will lock me up down here.

Mr. President, Bill Clinton, don't you get the message now? We have plenty of laws on the books if we had an Attorney General who was a real cop, a supercop, a tough person who was saying to her U.S. attorneys: Let's put them behind bars if they use guns; let's throw those kids out of school who take a gun to school. They do not have the right to be in our schools if they are putting the rest of our kids in jeopardy.

Last year that happened over 3,000 times and only 13 were prosecuted. Sorry, Mr. President, sorry, Mr. Vice President, sorry, Ms. Attorney General, passing laws does not a safer world make. Enforcing the ones we have, being concerned about the culture, being concerned about the kids, their parents, and their educators in a way that not only makes a safe school but makes a concerned citizen is going to drop violence in America. Do not give the American public a political placebo by simply passing another law.

I thank my colleague from Wyoming, and I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, I thank my friend from Idaho. Certainly, this is one of the issues that is contentious and will, I suppose, be debated some more. I agree with the notion we need to do something more than passing more laws. It has no evidence of success.

INTERIOR APPROPRIATIONS BILL

Mr. THOMAS. Mr. President, one of the bills currently being considered, and is very important to the West particularly, is the Interior funding bill, the bill that funds the Interior Department, national parks, the Bureau of Land Management, Fish and Wildlife Service, and others. It is relatively small compared to others. It is around $13 billion, $14 billion. I never thought I would suggest that is small, but compared to $360 billion it is relatively small.

It has been tied up for a number of reasons. It has to do with the so-called land legacy the administration has been pushing recently, the idea of purchasing a great amount of land that has something to do with S. 25 that will bring in dollars from the Outer Continental Shelf royalties to be used in this area.

The controversy is over the purchase of additional lands. There are some good things about S. 25—taking some more money from oil royalties and using them for parks. I am chairman of the Parks Subcommittee, and I met this morning with the new advisory committee that will be focusing on concessions. The parks are more and more in demand, more and more people are coming to them, and more and more people are taking advantage of the parks, one of the legacies of this country. We are having problems with the upkeep of the infrastructure that must be done to preserve historic and natural values. I support that.

The park system, of course, has to be part of another section of parks, and that is local and State parks. National parks are not designed to provide all the services that people need. In communities, these are local responsibilities. Ball parks, for example, are put in by State and local parks. So they, too, need additional funding.

One of the interesting areas, particularly those in the West where they do a great deal of wild game hunting, is a thing called teaming for wildlife. In our State, for example, the funds that go to the game and fish department come from the purchase of licenses for game animals. They spend a great deal of their time dealing with animals that are not game animals that are threatened, endangered.

The problem, however, is the administration insists on having $1 billion a year to spend as they choose to buy land. This week, we had a hearing on the Forest Service setting aside 40 million acres by fiat, by administrative decree, to be used for de facto wilderness, if they choose, when under the law clearly to set aside land of that kind is the responsibility of the Congress.

We are having increasing difficulty with that. I do not know whether it is driven by the President's desire to have a legacy, to be a latter century Theodore Roosevelt, or whether it is the environmental aspect of the Gore campaign. The fact is, the White House is not a monarchy; it does not decide to do these things individually. There has to be a cooperative arrangement with the Congress, whether it is purchasing or whether it is assigning different designations to land. That is the way it is, and it needs to be preserved in that fashion, in my judgment.

We need to move forward with the Interior bill. It is one of about three bills that remains out of the 13, which is kind of surprising because it is one upon which most people here agree. There are a couple of things in it that are being used which I think are not realistic. One has to do with permits for grazing on Forest Service lands. Ranchers in the West—they have their base lands, of course—use grazing so we can have multiple use of public lands and forests, have grazing leases. In order to renew those leases, there needs to be a study. No one argues with the idea there needs to be a study. Unfortunately, they have not been able to keep up with the number of studies that need to be made, and so the study is not made before the permit expires and the Federal Government says: That's too bad, you're out of luck; take your cows and go home—when it has nothing to do with the permittee having not gotten the job done.

What this amendment to the Interior bill says is the permit will be renewed for a period of time until this study can be made. If the study is made and there have to be changes, then there can be changes. That is held up somehow by the White House, and they are making a big thing and separating that out.

The other is on oil royalties. We worked a long time trying to get fairness in oil royalties, taking out some of the charges and costs before the Government takes over, and percentage of royalties. We have not come to an agreement. This simply says, let's set it aside until the Congress and the executive department can come together. Again, not a willingness to work in a team fashion.

I am hopeful we can get by those kinds of things this week. We are aiming to get out of here in 3 days, in fact. The fact is, it is possible.

There are really only about three bills that need to be determined. Everyone knows what changes need to befocused on, what kind of concessions need to be made on both sides to make this happen. Usually, as we come down to the end, it is amazing how quickly some things can be done as opposed to when they just stretch out in the future.

So our goals are to have no Government shutdown—certainly that is the Republican position for the rest of this year—we are settled on not having any new taxes to finance this year's new programs—we certainly have an adequate amount of money—and we are committed to paying down the publicly held debt and to protecting the Social Security surplus. These are the kinds of things I think everyone can agree upon if we can get to it this time.

Mr. President, I yield the floor and suggest the absence of a quorum.

The bill clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. THOMAS). Without objection, it is so ordered.

TERRORISM AND ABORTION

Mr. REID. Mr. President, last Thursday, I was reading the morning newspaper in Washington when I came across an article describing for, lack of a better description, the emotional stress of a doctor, Steven Dixon. Dr. Dixon, after a lifetime of study and sacrifice, indicated he was going to give up the practice of medicine. Why? Because terrorists had broken his 40-year-old spirit. This 40-year-old doctor decided he wasn't going to practice medicine anymore. His will to work had been broken.

Dr. Dixon maintained a medical practice in the downtown DC area. Dr. Dixon, by training, was certified to be an obstetrician/gynecologist. In his practice, he helped women with a multitude of medical problems—basic checkups, physicals, and problems unique to women. On occasion, he terminated pregnancies. What did these people do to run Dr. Dixon out of the practice of medicine? They distributed wanted posters with his name and photograph like those you see in the post office. He received numerous threatening phone calls to his home and his office. Various threatening mail was sent to his home and office. These are some of the things that happened to Dr. Dixon.

In the United States, the highest court in the land, the U.S. Supreme Court, the same court that established the way commerce is conducted between the 50 States, the same court that decreed education cannot be separate and be equal, the same court that set precedence for the cleansing of Government by its overview of Watergate—this same U.S. Supreme Court has set forth a standard as to how abortion in the United States is legal. That is the final word, what the Supreme Court says in our country. Whether one agrees or disagrees, it is the law of this Republic.

But some are unwilling to follow the law of the land. They think they know better. This has led to violence, vandalism, brutal protests at legal clinics established to deal with a multitude of female-related health problems. In the last 20 years, there has been an average of 40 of these acts each week—bombings, arsons, death threats, kidnappings, murders, tires slashed, oil drained from cars, sugar put in gas tanks, blood splattered on people's homes and sidewalks and places of business. There have been 38,000 acts during less than two decades—38,000 acts of terrorism.

I am going to talk now about some examples of these terrorist acts. For example, people who work in entities, such as Planned Parenthood clinics, face acts of violence, threats, intimidation. In 1998, at just such clinics, there were multiple murders, bombings, and arsons, a score of butyric acid attacks. That is a chemical compound that burns and leaves an awful smell. Antichoice violence and terrorism is worsening. It should be stopped. Dr. Dixon, who I have never met, who many read about last Thursday, which caused me to begin thinking about this issue, stated in a letter:

> It is ironic that I am a target, because my entire career has been about educating and empowering women to help prevent unintended pregnancies. While I have always supported a woman's right to have this legal procedure, I actually performed few abortions for my patients. In fact, I stopped performing them because of the stress associated with this terrorism. Sadly, the ongoing threat to my life and my concern for the safety of my loved ones has exacted a heavy toll on me, making it necessary that I discontinue practicing.

I don't know Dr. Dixon, never met him, never talked to him. But those who threaten Dr. Dixon are cowards, terrorists, no different than the people who blew up the New York City Trade Center. They are murderers. These killers and would-be killers and terrorists call each other patriots. The true patriots of this Nation are those who have given their all in the fields of battle, places called the Bulge and the beaches of Guadalcanal, Pork Chop Hill in Korea, and in Vietnam. And many people who haven't given their lives have sacrificed a great deal. Many serve in this Chamber. Under our system of government, which has been in existence for more than 200 years, the law of the land can only be changed by peaceful political means, through persuasion, debate, demonstrations that are peaceful in nature, grassroots political activity, the assertion of one's feelings at the ballot box, but never, never, through violence and intimidation. What is now taking place in our country by these zealots is despicable.

Why do I say what I have said? Why do I conclude this? Let me travel a little bit. Remember, we have 38,000 of these terrorist acts, and I am going to talk about a few of these demonstrations of viciousness. A manual has been produced by a group called the Army of God. It is a manual directing there to be no trial, no jury, no appeal, no stay of execution. Their clear declaration is to kill abortion doctors and people associated with abortion clinics—kill whoever they decide should be murdered.

Doctor Barnett Slepian. I didn't realize this until after the murder had taken place, but Dr. Slepian's niece worked for me here in Washington. She is now a writer of some acclaim. She had an article published in the last issue of George magazine. She is from Reno, NV, and is a wonderful young lady. Dr. Barnett Slepian was shot and killed by a bullet that came through his kitchen window at the same time the doctor was having dinner with his family in his kitchen. After this brutal murder, this cowardly act, his death was mocked publicly. His murder was commended by some groups. The killer, even though identified, has not been apprehended.

In Birmingham, AL, at a health clinic, there was a bomb blast which killed the security guard who was there, a man by the name of Robert Sanderson. He was a police officer trying to make some money on the side. Emily Lyons, a nurse, was severely injured and left nearly blind and with medical bills of almost $1 million. Eric Robert Rudolph has been charged with this attack. He is the man who is being chased through the hills in the south, someplace in North Carolina. He is one of the FBI's Ten Most Wanted. He is yet to be found.

In December of 1996, Dr. Calvin Jackson was stabbed many, many times. He lost at least four pints of blood, and one ear was severed. His assailant was apprehended a few hours later, after entering another clinic carrying a filleting knife.

John Salvi—at about the same time this Jackson matter took place—was tried for two murders of clinic receptionists, people who were secretaries—Shannon Lowney and Lee Ann Nichols. He attempted to kill five others. He fired bullets into these clinics in Brookline, MA, and Norfolk, VA.

It is hard for me to say this, but a Reverend, Rev. Paul Hill, a well-known protester and director of the anti-choice group called Defensive Action, was convicted in the fall of 1994 for the murders of Dr. John Britton and a 74-year-old man who happened to be with him outside a health clinic in Pensacola, FL.

The two victims were shot with a 12-gauge shotgun. Before the shootings, Reverend Hill had been previously arrested for his activities where he advocated continual use of force.

Dr. David Gunn, a physician, was murdered during a protest at a Pensacola clinic. Wanted posters featuring Dr. Gunn's photograph, telephone number, and schedule were distributed at an Operation Rescue rally in Montgomery, AL, and other places.

Dr. George Tiller, who was a target of violence and blockades for many years, was shot in both arms.

Finally, in Wichita, KS, a person charged with a shooting who had been arrested on previous occasions for trespassing and blockading clinic entrances praised the man who murdered Dr. Gunn.

I was the first person to come here and speak out on the Senate floor about Dr. Gunn's murder, which I thought was sickening.

Neal Horsley, a militant and founder of a group called the Creator's Rights Party, has developed a web site entitled "The Nuremberg Files." The site was designed to "collect evidence." This so-called "evidence" lists, clinic staff members, law enforcement officers, judges, and politicians for use in future trials "for their crimes." Remember that they work in legal clinics. The site seeks and lists personal information such as photos of them and their families, their houses, their cars, their driving records, license plate numbers, names and birth dates of individuals, and even the birth dates of their family.

A legend accompanies this list of names under a banner where there is a simulation of dripping blood. The legend indicates the degree that this so-called Creator's Rights Party wants to place these people. There is a black font for people who just work there. Then it becomes gray when somebody has been wounded. Their name isn't completely stricken but partially stricken when they have been wounded by one of these terrorists. But if someone is killed, like Dr. Slepian, there is an immediate strike through. They are stricken off the list.

Last year, about a year ago, at a Planned Parenthood clinic in Milwaukee there was an envelope received in the mail. Inside the envelope was a bomb constructed of two batteries with wire wrapped in modeling clay. These bombs didn't work. But the message written on white paper stated that the next one might be real. The next day, Milwaukee's Affiliated Medical Services received a similar mailing.

A week after the murder of Dr. Slepian, four clinics in three States received letters purporting to contain anthrax, which we know is the most deadly strain of bacteria. A few days later, six more anthrax threats were sent to clinics. Although some clinics were closed and staff decontaminated, all of these threats turned out to be hoaxes.

Bombs were discovered at two clinics in North Carolina about a year ago, less than a month after these clinics had been damaged by arson.

Between May and July of last year, 19 clinics in Louisiana, Florida, and Texas were vandalized with butyric acid, that I have already talked about, which is a noxious industrial chemical which sent people who happened to be in the area to hospitals, including patients and staff members. They went there with respiratory problems, nausea, and sickness. Clinics were closed for days while they tried to get the smell out of their facilities.

Shortly after the clinic bombings in Atlanta and Oklahoma, an Oregon physician, Peter Bours, received a letter which demanded $50,000 in cash and threatened, "The bombings in Atlanta and Oklahoma are a warning," and indicated that those who do not comply to our demands will be destroyed.

The FBI arrested a man by the name of William Kitchens. When they arrested him, they discovered a book in his kitchen on extortion and kidnapping.

Within 2 weeks of Dr. Britton's murder in Pensacola, FL, the last remaining doctor then providing advice in Mississippi, Dr. Joseph Booker became the target of a "No Place to Hide" campaign. The campaign's leader, Roy McMillan, signed a petition advocating the murder of Dr. Britton and others.

> According to physician Pablo Rodriguez, "[i]n the beginning, the harassment consisted of just nasty letters and graphic pictures. Then I began receiving strange packages with dolls inside, as well as subscriptions to gun magazines. . . . Then the "Wanted" posters with my picture on them began to appear. . . . Then the doors and locks to our clinic were glued several times, and protesters blockaded the clinic three times. . . . Just after Dr. Gunn's death, . . . I realized that my car was steering poorly. I checked my tires and found 45 nails embedded in them. . . . That evening, my wife painfully discovered with her foot that our driveway had been booby-trapped with roofing nails cleverly buried beneath the snow. . . . My home, my haven of safety—violated."

Shortly after Operation Rescue targeted physician Frank Snydle as part of its "No Place to Hide" campaign, his 80-year-old mother received a telephone call that was false and misleading and a prank at 3 a.m. in the morning telling her that her son had been killed in a car accident.

A Dallas physician by the name of Norman Tompkins and his wife received hundreds of phone calls and pieces of hate mail. The message, for example, left on Dr. Tompkins' answering machine stated, "I'm going to cut your wife's liver out and make you eat it. Then I'm going to cut your head off." Protesters with bullhorns repeatedly demonstrated at Dr. Tompkins' home early on Saturday mornings. On several occasions, he has had to have a police escort to go to church.

A 14-page "joke" booklet—it certainly is anything but a joke—was distributed by an anti-choice group called "Life Dynamics" to more than 33,000 medical students. These so-called "jokes" recommended physicians who perform abortions should be shot, attacked by dogs, and buried in concrete. One medical student who received the booklet the same day Dr. Gunn was murdered stated, "To say the least, it was upsetting"—that all OB/GYNs should be killed.

The extraordinary measures that people must take for their protection doesn't seem right in a country such as ours. But physicians and other clinic workers face the daily possibility of terrorism and violence in order to provide women with legal reproductive health services.

In the wake of the recent killings and harassment of people at their homes, providers are resorting to extraordinary new measures to protect themselves. Clinics are spending hundreds of thousands of dollars in bulletproof glass, armed guards, security cameras, metal detectors and other security devices. Doctors are wearing bullet-proof vests and some have even purchased armored vehicles to go to work.

Clinic workers have been instructed by Federal marshals to vary their routes to go to work—clinic workers, secretaries, nurses, phone operators, janitors—to drive to a safe haven if followed, and to call police if they receive a suspicious package, as it would likely contain a bomb.

In Boston, MA, Dr. Maureen Paul no longer sits on the third floor atrium she built for herself as a so-called "dream spot." In light of Dr. Slepian's murder in his home, she feels too vulnerable there, which, according to Dr. Paul "really makes me angry because, wow, this is the space I created for me. I don't get to be home very often, and so it really disturbs me that I have to think about getting shot in a place I love."

Many other clinic directors, including Director Warren Hern, installed bullet-proof glass in his office and hired private armed security guards. He wears a bullet-proof vest at his public appearances. Stated Dr. Hern:

> I walk out of my office and the first thing I do is look at the parking garage the hospital built two doors away to see if there is a sniper on the roof. I expect to be shot any day, any minute. I'm in a war zone. It is frightening and it has ruined my life.

These are only a few of the 38,000 acts of intimidation that have taken place in America.

For example, Dr. Slepian was murdered. Keep in mind, his murder occurred while he was having dinner with his family in his kitchen. Somebody with a high-powered rifle shot him through his kitchen window with one bullet through the head in front of his entire family. After the killing took place, a poem appeared on the Internet, "Ode to Slepian." They say the most vicious things. They have the audacity to quote Holy Scripture to condone their act of violence and their attempt to "coronate" this act of violence as something good and positive.

> "The sound of window glass shattering, a hollow thud, and a woman's scream coming from within the house, pierced the frigid air. He smiled. Hallelujah to the Lord."

This has got to stop.

Six years ago, I was first to speak out against clinic violence. On the day Dr. Gunn was brutally murdered in Florida, I said I thought that was wrong. I still think it is wrong. Regardless of a person's feeling on the issue of abortion, we can't allow this to takeplace. After the speeches on clinic violence and the public's disgust, a law was passed - Federal Access to Clinic Entrance Act. It was directed toward this terrorism at clinics. It has helped. Not a great deal, but it has helped. It is a step in the right direction.

Today, I am directing a letter to the Attorney General of the United States, Janet Reno. I say to Janet Reno, I know there is a task force dealing with these issues, but we in Congress need to be told what is being done. We need to see some results and we need to know what more can be done. We need a report.

We not only have to go after those people who have committed these atrocious deadly acts, but we need to figure out a program to stop them from happening in the first place. We can't have the Internet, the U.S. mail, people's homes and businesses violated by these terrorists.

I am asking Janet Reno to give us in Congress some direction, some guidance as the chief law enforcement officer in this country. We want to know what you are doing to stop these acts of intimidation and violence. It is time these 38,000 acts are stopped. We must do something to stop this senseless violence in the land of our liberty.

We must understand that what separates any pluralistic society from anarchy is a recognition that no one has a monopoly on the truth. When this basic precept fails, so does the community. It was thus in Kosovo, Bosnia, and Rwanda, in the Germany of the 1930s and America of 1861.

There have always been people who knew the wishes of their Supreme Being more clearly than others. Some became St. Francis; others burned St. Joan. Some raised cathedrals; others sacked Jerusalem. Some wrote hymns of praise to the Lord; others wrote his name in blood. There have always been people who knew their law was of a higher moral value than the laws of society in which they live.

Some became Gandhi and led marches to the sea; others became Theodore Kaczynski and mailed bombs to people they never met. Some became Henry David Thoreau and refused to make war; others became Timothy McVeigh and made war on innocent men, women, and children. Some became Martin Luther King and marched to Selma; others became James Earl Ray, the lone fanatic with a gun.

As long as any man or woman combines that mistaken belief in a higher law with a conviction that they are empowered to enforce it against their fellow man, so long will the fringe fanatics of the pro-life movement, murder and maim and intimidate in violation of the rights and beliefs of every person dedicated to a just and civil society in America.

All Americans must speak out against this new American terror; to do otherwise is un-American.

Mr. DORGAN. Mr. President, Senator CRAIG from Idaho and I, following the Senator from Montana speaking, intend to have perhaps 15 minutes split between the two of us. I ask unanimous consent we be recognized following the presentation by the Senator from Montana.

Mr. REID. The Senator from Montana needs 10 minutes?

Mr. BAUCUS. I will need 10 to 12 minutes.

Mr. DORGAN. I ask unanimous consent following the presentation of the Senator from Montana I be recognized for 15 minutes with the intention of yielding some of that time to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Nevada controls the time.

Mr. REID. I have no objection to that.

The PRESIDING OFFICER. Without objection, it is so ordered.

JAPAN'S MARKET OPERATIONS

Mr. BAUCUS. Mr. President, a long list of issues must be addressed in the next round of the multilateral trade negotiations that kick off in Seattle in 4 weeks. Agricultural trade is at the very top. Other issues include further reducing tariffs, repairing the WTO dispute settlement process, removing restrictions on trade and services, increasing opportunities to sell to governments, avoiding measures that restrict the growth of electronic commerce and figuring out how to put a human face on trade law consideration of the relationship between trade and labor and between trade and the environment.

There is another issue that has received virtually no attention at all. Yet it is of critical importance to the United States, to most other nations, and to the world trading system itself. I refer to the problem of Japan, the second largest economy in the world. A country where the markets for our goods and services remain far more closed than they should be.

The sense-of-the-Senate resolution I am introducing today, along with Senator GRASSLEY, urges the administration to pay much more attention to Japan in the next trade round than was the case in the past.

I want the administration to work overtime to ensure that Japan makes commitments that will genuinely open its markets. And the administration must then ensure that Japan meets those commitments. Paper agreements will not suffice. Agreeing to broad principles is unacceptable. Negotiations in the next trade round must lead to clear results in Japan. There must be meaningful, measurable change in the way Japan's markets operate.

Historically, the relationship between multilateral and bilateral trade commitments made by Japan, and then whether there is actual change in Japan's markets, has been tenuous, at best. The American Chamber of Commerce in Japan, in its report "Making Trade Talks Work", documented this problem of implementation and results.

In the Uruguay round, Japan did not have to make the kind of significant changes that were required of many other major trading countries. Including the United States. Even where Japan agreed to open its market, such as the rice market, the out-of-quota tariff rate is still in the range of 500 percent. That is not a misquote. It is Five Zero Zero, 500 percent tariff on rice coming into Japan from the United States. I am worried that in the next round, the Japanese Government will be able to minimize the commitments they make. And then, in a uniquely Japanese way, they will be able to minimize the implementation of those commitments and obligations. In earlier trade rounds, Japan agreed to the GATT Government Procurement Code. But the United States found that we had to negotiate special bilateral agreements with Japan in order to get genuine access to their government market. We negotiated multiple arrangements on computers, supercomputers, telecommunications equipment, medical equipment, and satellites. Even with these arrangements, access to Japan's market has still been a major problem in many of these areas. The GATT system has not worked well here. In the Uruguay round, we were so focused on other problems, especially in Europe, that we missed a lot of opportunities with Japan. I am concerned that the same thing may happen again. I certainly do not want to take away from the focus on agriculture and other priorities we have for the next round. But I want to be sure that we do not let Japan off again.

Japan seems now to be working overtime to protect its trade-distorting policies in agriculture, forestry, and fishing. The Advanced Tariff Liberalization efforts would have been further along but for Japanese opposition at APEC. Now, Japan is trying to hide its protectionist policies behind the banner of the "multifunctionality" of agriculture. That is, they claim that farming plays an important role in a country's social and cultural fabric, trade liberalization cannot interfere. Of course, farming is integral to the social fabric of many nations, including our own. But that is not an excuse for trade protection and making other countries pay those domestic social costs.

At the same time, Japan is playing a leading role in criticizing United States trade laws and in working with other countries to challenge our antidumping and countervailing duty laws in the next round. Some speculate that this is just another attempt to undercut American initiatives in the new round. Japan could, and more important Japan should, take a leadership role in a number of areas. After all, few countries in the world have benefited more than Japan over the past half century from an open world trading system.

Japan could take significant steps to make its regulatory system more transparent and less burdensome. They could table a broad based services liberalization proposal that would encourage others to follow. Japan could lead the effort to put more transparency into the government procurement agreement. It could lead on electronic commerce. And, of course, it could deal with those agriculture policies that are at the top of the agenda.

This resolution calls on the administration to focus on Japan in the next round, to set out specific expectations for the changes desired in Japan, to ensure that Japanese commitments made in the round will truly lead to change in the Japanese market, to work with other major nations to ensure that these changes occur, and to consult closely with Congress and the private sector, including manufacturers, agriculture, service providers, and NGOs, throughout the negotiations.

I hope my colleagues will join me in helping ensure full participation by Japan in the round and in ensuring that we will benefit from Japan's commitments.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Under the previous order, the Senator from North Dakota is recognized for 15 minutes.

THE UPCOMING WTO TRADE SUMMIT

Mr. DORGAN. Mr. President, I am pleased to come to the floor today along with my colleague from Idaho, Senator CRAIG, to discuss objectives we have for the upcoming WTO trade summit in Seattle, WA. We want that trade summit, the initiation of a new round of trade talks, to be as productive as possible for this country and especially for this country's family farmers and ranchers.

In recent years, we have seen the results of our trade negotiators negotiating trade agreements in secret around the globe and developing the conditions under which we trade goods and services. Family farmers and ranchers largely have discovered they have been given short shrift and not treated very well. In fact, their remedies to attempt to confront unfair trade arrangements were taken away. They discovered that in many cases the competition they face in the marketplace for agricultural goods was unfair competition. They discovered foreign markets were still closed to them, with little promise of them being opened.

We decide this time that the round of trade talks that will begin with the WTO in Seattle would be different. So Senator CRAIG and I convened a caucus, the WTO Trade Caucus for Farmers and Ranchers. We called our colleagues in the House, Congressman Simpson and Congressman Pomeroy, and, with the four of us as cochairs, created an organization in Congress that has nearly 50 Senators and Congressmen, to try to establish, a set of objectives that will be helpful to family farm interests in this country for our trade ambassador and our trade negotiators to follow.

Mind you, we are not simply focusing on the issue of family farmers. We want our trade talks to be fruitful to our country and our economy as a whole. But we believe very strongly, representing rural States, that family farmers have been hurt by recent trade agreements and that ought not be the case. Trade arrangements and trade negotiations ought to help our producers, not hurt them. So our caucus—again, nearly 50 Senators and Congressmen strong—Republicans and Democrats working together, established a set of objectives. Those objectives we have used in meetings with the trade ambassador and with the Secretary of Agriculture and others, and many of us will in fact go to Seattle the first week of December and be present at the initiation of these trade talks, trying to press the case that this time family farmers and ranchers across this country must not be given short shrift in the trade talks.

I would like to go through a couple of charts that describe the seriousness of the situation we want to confront with this trade agenda. Here is a chart that shows what has happened to our trade deficit. We are beginning a new round of trade talks at a time our trade deficit is going through the roof, $25 billion in a month in trade deficits. That is very serious. That is the highest trade deficit anywhere in history, by any country, any place, any time.

What is happening with imports and exports? This chart shows that imports keep going up, up, and up, while exports are basically a flat line. That is, of course, what is causing our trade imbalance.

Just on agricultural trade alone, in the last couple of years, we have had a very healthy surplus in agricultural trade that has shrunk, and shrunk, and shrunk some more. This is a chart that spells out the difficulties family farmers now face—the rather anemic ability to export to other countries. We are not exporting as much as we used to, and there is a substantial amount of increased imports in food products from abroad.

Finally, let me take it from the general to the specific, to say one of the burrs under my saddle has always been the trade with Canada. It is fundamentally unfair. This chart shows what has happened with our agricultural trade balance with Canada. The United States-Canadian trade agreement and NAFTA turned a healthy trade surplus with Canada in agricultural commodities alone into a very sizable deficit. That is the wrong direction. In durum wheat, in the first 7 months of this year compared with the first 7 months of previous years, which themselves are an all-time record, you will see once again we continue a massive quantity of unfair trade coming in from Canada.

I simply tell my colleagues this to explain that we have serious challenges in this trade round. The caucus that we have established created some objectives on behalf of farmers and ranchers, under the heading of Fair trade for agriculture at the WTO conference:

Expand market access. Too many markets around the world are closed to American farmers and ranchers who want to compete. Expand access, eliminate export subsidies. Those are trade-distorting.

The fact is, we are barraged with export subsidies in multiples of what we are able to do. We ought to eliminate export subsidies—the Europeans, especially, are guilty of massive quantities of export subsidies.

Discipline state trading enterprises. These are sanctioned monopolies that would not be legal in our country. The Canadian Wheat Board, especially, engages in unfair trade.

Improve market access for products of new biotechnology.

Deny unilateral disarmament; that is, do not give up the tools to combat unfair trade; and do not give up the domestic tools to support family farmers.

We have a substantial list on our agenda. Rather than go through all of this, I want to yield to the Senator from Idaho in a moment, but let me also say the Presiding Officer, the Senator from Wyoming, is also involved in this caucus, as are many others, Republicans and Democrats, working together for a common purpose, and that common purpose is to say: Farmers and ranchers around this country work hard, and they do their level best. They raise livestock and grain and they do a good job. They can compete anywhere, any time, under any condition, but they cannot compete successfully when the rules of trade are unfair.

That, sadly, too often has been the case, and we intend this time in this WTO round to see that is no longer the case. We want these negotiations to bear fruit—bear grain, actually, now that I think about it, from my part of the country, but fruit for others. We want these negotiations to work for our family farmers and ranchers.

Bipartisan work in Congress does not get very much attention because there is not much controversy attached to it, but there are many instances in which we work together across the aisle. This is one. A bipartisan group of 50 Members of the House and Senate are working together for a common objective: to improve conditions in rural America as a result of the upcoming WTO round of trade talks. I am very pleased to have been working with my colleague, Senator CRAIG, from the State of Idaho. I yield to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I thank Senator DORGAN for outlining the intent of the effort underway by the Senator, myself, and 49 other colleagues. It was Senator BYRON DORGAN who approached me on the idea of creating aWTO caucus to elevate the interests of agriculture in this up-and-coming round of the WTO planning session in Seattle in December.

I thank him for that vision. It has been fun working with him as we have created what I think is—sometimes unique in the Congress—a bipartisan, bicameral effort where we are all standing together on a list of items and issues we know are key for American agriculture. The Senator has outlined those on which we came together in a consensus format that we think are critical, that we presented to our Trade ambassador and to our Secretary of Agriculture.

Market access—we know how critically important that is; export subsidies and how they are used or used against us; State trading enterprises and their ability to mask the reality of subsidies from products that enter the marketplace in a nontransparent way; nontariff barriers that are used to block the movement we want to see in certain trade efforts.

All of these are the issues we have presented and because of our effort collectively, we have caused the Secretary of Agriculture and the Trade ambassador to suggest that No. 1 on the agenda of America's negotiators at the WTO will be agricultural issues.

Why are we concerned about it? Here is an example. Even after the Uruguay agreement which required tariff reductions of some 36 percent, the average bound agricultural tariff of WTO members is still 50 percent. In contrast the average U.S. tariff on agricultural imports is less than 10 percent—50 percent versus 10 percent on the average. Those are the kinds of relationships we have to see brought into balance and corrected.

The United States spends less than 2 percent, $122 million a year, of what the European Union spends on export subsidies. They spend $7 billion a year, buying down the cost of their product to present it into a world market. In fact, the European Union accounts for 84 percent of the total agricultural export subsidy worldwide. Subsidized foreign competition has contributed to the nearly 20-percent decline in U.S. agricultural exports, as Senator DORGAN so clearly pointed out on his charts a few moments ago. That dramatic reduction in the agricultural trade surplus from a $27 billion surplus for us in 1996 to just $11.5 billion this year says it very clearly. We have to do something on behalf of American agriculture to allow them a much fairer access to world markets.

Those are the issues we think are so critical as we deal with our world traders in Seattle. Nontariff barriers have become the protectionist weapon of choice particularly for the products derived from new technologies, as Customs tariffs are lowered. U.S. negotiators should prevent our trading partners from making crops and other foods produced with genetically modified organisms into second-class food products. Yes, we have to do a better job of convincing the world of our tremendous scientific capability. At the same time, they cannot arbitrarily be used as a target for nontariff barriers, as will be argued or debated in Seattle.

That is a collection of many of the issues with which we are going to be dealing. It is so important America recognizes the abundance of its agriculture and the unique situation we find ourselves in a world market today where we have had the privilege, through the productivity of America's farmers, to lead the world. We now do not lead when it comes to agricultural exports but we will search to cause it to happen, through the openness of the marketplace, through the fairness of competition we know American agriculture, given that opportunity, can offer.

Again, I thank Senator DORGAN for his cooperativeness and the ability to work together with our colleagues MIKE SIMPSON and EARL POMEROY from the House and, as Senator DORGAN mentioned, the Senator from Wyoming who is presiding at this moment. All of these are tremendously important and critical issues for our home States and for America at large. The abundance, the productivity of American agriculture hangs in the balance. To the consumer who walks in front of a supermarket shelf every day to see such phenomenal abundance, that in itself could decline if we are not allowed the world marketplace in which to sell the goods and services of American agriculture.

Mr. President, I ask unanimous consent to print in the RECORD agricultural trade priorities for the WTO Conference.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WTO TRADE CAUCUS FOR FARMERS AND RANCHERS—AGRICULTURAL TRADE PRIORITIES FOR THE WTO MINISTERIAL CONFERENCE AND NEW ROUND OF GLOBAL TRADE NEGOTIATIONS

MARKET ACCESS

Expand market access through tariff reduction or elimination.

Negotiate zero-for-zero for appropriate sectors.

Strive for reciprocal market access.

Even after the Uruguay Round Agreement, which required tariff reductions of 36 percent, the average bound agriculture tariff of WTO members is still 50 percent. In contrast, the average U.S. tariff on agriculture imports is less than 10 percent.

EXPORT SUBSIDIES

Eliminate all export subsidies.

Reduce European Union (EU) subsidies to the level provided by the United States before applying any formula reduction. Negotiations must not leave the EU with an absolute subsidy advantage.

The United States spends less than 2 percent ($122 million) of what the EU spends on export subsidies ($7 billion). In fact, the EU accounts for 84 percent of total agriculture export subsidies worldwide. Subsidized foreign competition has contributed to the nearly 20 percent decline in U.S. agriculture exports over the last three years, and the dramatic reduction in the agriculture trade surplus, from $27 billion in 1996 to just $11.5 billion this year.

NO UNILATERAL DISARMAMENT

Combat Unfair Trade.

Restore and strengthen enforcement tools against unfair trade practices.

Improve enforcement of WTO dispute panel decisions, accelerate the process, and make it more transparent.

Support Family Farmers.

Preserve the flexibility to assist family farmers through income assistance, crop insurance and other programs that do not distort trade.

Retain the full complement of non-trade distorting export tools including export credit guarantees, international food assistance, and market development programs.

STATE TRADING ENTERPRISES

Establish disciplines on STEs to make them as transparent as the U.S. marketing system.

Expose STEs to greater competition from in-country importers and exporters.

Eliminate the discriminatory pricing practices of STE monopolies that amount to de facto export subsidies.

Export STEs like the Canadian Wheat Board and the Australian Wheat Board Ltd. control more than ⅓ of world wheat and wheat flour trade. Import STEs keep U.S. farmers and exporters out of lucrative foreign markets.

NON-TARIFF TRADE BARRIERS

Ensure that science and risk assessment principles established by the Sanitary and Phytosanitary Accord during the Uruguay Round are the basis of measures applied to products of new technology and that this process be transparent.

Assume that regulatory measures applied to products of new technologies do not constitute "unnecessary regulatory burdens."

Negotiate improved market access for products of new technology, including bioengineered products.

Non-tariff barriers have become the protectionist weapon of choice, particularly for the products derived from new technologies, as customs tariffs are lowered. U.S. negotiators should prevent our trading partners from making crops and other goods produced, with genetically-modified organisms into second-class food products that are the subject of discrimination in foreign markets.

Mr. CRAIG. I yield the floor.

Mr. DORGAN. Mr. President, I ask unanimous consent to add 10 minutes to the discussion. I want to ask the Senator from Idaho a question.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I listened to the Senator from Idaho, and one of the points he made is important. A lot of people do not understand that following the conclusion of the latest round of trade talks, there remains a 50-percent tariff on average in other countries. To the extent we can get our agricultural commodities into those countries, there is a 50-percent tariff on those goods.

In previous speeches I talked about eating American T-bone steaks in Japan and that there is a 40.5-percent tariff on every pound of beef going into Japan. That is actually a bit lower than the average tariff that is confronting our products going elsewhere in the world.

I think anyone would conclude it is a failure if we had a 50-percent tariff onan agricultural commodity coming into this country, and yet our producers confront it all across the world. In fact, those are the cases when we can get products in. There are many circumstances where we will not get products into a market at all or, if we get some products in, we cannot get sufficient quantity; is that not correct?

Mr. CRAIG. The Senator is absolutely correct. When we came out of the Uruguay Round, when the round was heralded to have significant improvements in overall tariff levels, the problem was that most tariffs in the world were very high and ours were very low.

So we negotiated everybody down equally. We took a reduction in tariff. They, the European community, and others, took a reduction in tariff, which brought the average, other than the tariffs of the United States, down to 50 percent; and ours were down in the 10-percent-or-less range. So it was this kind of gradual slide.

I do not call that fair or balanced. It would have been different if the rest of the world had come down to a 20-percent-or-less range or properly on parity with the United States at 10 percent or less. That really is the way we should negotiate.

Thank goodness our Trade Representative, Charlene Barshefsky, agrees with us now and has agreed they will not negotiate from that position in Seattle, that clearly the European community and others have to bring that down to a near level area.

Mr. DORGAN. Mr. President, further inquiring, is it not the case that exactly the same thing happened on export subsidies? The Senator from Idaho described tariffs that exist in our country versus other countries and trade talks attempting to reduce those tariffs, except they left the tariffs much higher in other countries than in our country. If you go down 10 percent, and one country has a 50-percent tariff, that means you have taken their tariff down from 50 to 45 percent. If we have a 10-percent tariff, we go from 10 to 9. That does not make any sense to me.

Exactly the same thing was true with respect to export subsidies. So the European countries were left with export subsidies many times in excess of anything we could possibly use. That was probably fine in the first 25 years after the Second World War because then our trade policy was really foreign policy. We were trying to help other countries out of the trouble they were in. We could beat anybody else around the world in trade with one hand tied behind our back. It didn't matter very much. We could do a lot of concessional things.

That is not the case anymore. The European Union is a tough, shrewd economic competitor. Japan is a tough, shrewd economic competitor. The same is true of many of our trading partners. We must begin to insist that trade policy be hard-nosed economic policy, not foreign policy.

I inquire of the Senator from Idaho, is it not the case that the point we are making in these trade objectives is to say, on both market access—on tariffs, on export subsidies—and other items, that we do not want to be in a circumstance anymore when, at the end of the negotiation, we have made concessions to other countries that put our producers at a significant and distinct disadvantage?

Is it not the case that our producers, at the end of the previous rounds, were at a distinct and dramatic disadvantage, and our objective is to make sure that does not happen again.

Mr. CRAIG. The Senator is absolutely correct. In fact, let me give an example of the disadvantage we were in that caused great frustration.

The Senator's State and my State produce a variety of grains. And we produce them at high rates of yield. They are high-quality grains. Yet we found shiploads of grains, barley in some instances, from foreign countries sitting at our docks, being sold into our markets at below our production costs.

How did that come about? That came about because the government of the producing country that sent the boatload of grain to the Port of Portland subsidized it down to a level that they could actually enter our market and compete against our producers who were getting 1950 prices for their 1998 barley crop.

How do you pay for a brand new tractor or a brand new combine with 1950 dollars in 1998? You do not. You run the old combine, you fix it up, or you go bankrupt. But that is exactly what was happening because our negotiators did not do the effective job of bringing down export subsidies in a way that would disallow the greatest grain-producing country in the world to accept grain at its ports from foreign nations at below our cost of production. That is the best example I can give.

Mr. DORGAN. If the Senator would yield, I think the Senator is describing, at least in one case, a barley shipment coming from the European Union to Stockton, CA. It pulled up to the dock in Stockton, CA, and was able to offload barley shipped over here from Europe at a price that was dramatically below the price that was received in this country by barley growers, at a time, incidentally, when our barley price was in the tank.

How could that be the case? The reason they could do it is they deeply subsidized it. In fact, they dumped it into our marketplace. When that ship showed up at the California dock, it represented legal trade. Think of that: A deeply subsidized load of grain coming into a country that is awash in its own barley, with prices in the tank, and that ship shows up, and it is perfectly legal. They can just dump it into our marketplace. They can hurt our farmers. It doesn't matter because it is legal under the previous trade agreement.

That describes why our farmers and ranchers in this country are so upset. They have reason to be upset. They ought to be able to expect, when our negotiator negotiates with other countries, that we get a fair deal. It is not a fair deal to say to other countries: We will compete with you, but you go ahead and subsidize; drive down the price. Dump it, if you like, and there will be no remedy for family farmers to call it unfair trade because we in our trade agreement will say it is OK.

It is not OK with me. It is not OK with the Senator from Idaho. It is not OK with many Republicans and Democrats who serve in Congress who insist it is time to ask that trade be fair so our producers, when they confront competition from around the world, can meet that competition in a fair and honest way. That is not what is happening today.

If I might make one additional point, the Senator represents a State that borders with Canada, a good neighbor of ours to the north. My State borders with Canada. I like the Canadians. I think they are great people.

But following the trade agreement with Canada, and then NAFTA, we began to see this flood of Canadian durum coming into this country. It went from 0 to 20 million bushels a year. Why? Do we need durum in this country? No. We produce more than we need. Why are we flooded with durum? Because Canada has the state trading enterprise called the Canadian Wheat Board, which would be illegal in this country but legal there.

They sell into this country at secret prices. It is perfectly legal. You can sell at secret prices. You dump and hide behind your secrecy, and no one can penetrate it. That is why our farmers are angry. It has totally collapsed the price of durum wheat. It is unfair trade. All the remedies that farmers and ranchers would use to fight this unfair trade are gone.

Ranchers have just gotten together in something called R-CALF. They have spent a lot of money and legal fees and so on and taken action against the Canadians. Guess what. The first couple steps now they have won. But that should not be that way. You should not have to force producers to spend a great deal of money to go hire Washington law firms to pursue these cases.

Trade agreements ought to be negotiated aggressively on behalf of our producers in order to require and demand fair trade. But I wanted to make the point about State trading enterprises, which must be addressed in this new WTO round, because the STEs have dramatically injured American farmers and ranchers.

My expectation is that Senator CRAIG has discovered exactly the same circumstance in Idaho in terms of his ranchers and farmers trying to compete against sanctioned monopolies from other countries.

Mr. CRAIG. The Senator is absolutely right. When he speaks of Statetrading enterprises, the Canadian Wheat Board and the Australian Wheat Board control over one third of the world's wheat and wheat flour trade. As the Senator just explained, those negotiations are kept secret. Those trading enterprises buy the grain from farmers at the going market price. Then when they sell it, they do not report it. If they are to sell it well below the cost of the market, to get it into another country for purposes of sale, they sell it, and they are subsidized accordingly. If they can make money, they make money. But the point is, those kinds of transactions are not transparent. They are not reported.

In my State of Idaho, you can get a truckload of barley out of Canada to an elevator in Idaho cheaper than the farmer can bring it from across the street out of his field to that elevator. Why? Because that was a sale conducted by that particular trading enterprise, and it was sold well below the market, and, of course, that was not reported. You do not have marketplace competition. You cannot even understand it and compare figures, if you have no transparency in the marketplace. State trading enterprises are known for that, and we have asked our Secretary of Agriculture and our trade ambassador to go directly at this issue. Even the farmer of Canada now recognizes that this is also disadvantaging the producer in Canada, to have this kind of a monopolistic power controlling the grain trade of the world.

Mr. DORGAN. Mr. President, I have been pleased to work with Senator CRAIG and others in establishing this caucus. I will be in Seattle at the trade talks, as are many of my colleagues. We are determined this time to make sure that, at the end of these trade talks, we do better than we have done before on behalf of family farmers and ranchers.

Will Rogers said, I guess 60 years ago, the United States of America has never lost a war and never won a conference. He surely would have observed that if he had observed the trade negotiations that have occurred with Republican and Democratic administrations over recent decades. We are determined to try to change that. That is the purpose of this caucus.

I yield the floor.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. VOINOVICH). The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, what is the pending business?

The PRESIDING OFFICER. Morning business is closed.

BANKRUPTCY REFORM ACT OF 1999—Resumed

The PRESIDING OFFICER. The clerk will report the pending business.

The legislative assistant read as follows:

A bill (S. 625) to amend title 11, United States Code, and for other purposes.

Pending:

Grassley amendment No. 1730, to amend title 11, United States code, to provide for health care and employee benefits.

Kohl amendment No. 2516, to limit the value of certain real or personal property a debtor may elect to exempt under State or local law.

Sessions amendment No. 2518 (to amendment No. 2516), to limit the value of certain real or personal property a debtor may elect to exempt under State or local law.

Feingold (for Durbin) amendment No. 2521, to discourage predatory lending practices.

Feingold amendment No. 2522, to provide for the expenses of long term care.

Hatch/Torricelli amendment No. 1729, to provide for domestic support obligations.

Leahy/Murray/Feinstein amendment No. 2528, to ensure additional expenses and income adjustments associated with protection of the debtor and the debtor's family from domestic violence are included in the debtor's monthly expenses.

Leahy amendment No. 2529, to save United States taxpayers $24,000,000 by eliminating the blanket mandate relating to the filing of tax returns.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, as I remember, the consent request was that this hour was to be used for debate on bankruptcy prior to 3. Is the time evenly divided, or how is the time designated?

The PRESIDING OFFICER. There is no division of time until 3.

PRIVILEGE OF THE FLOOR

Mr. KENNEDY. Mr. President, I ask unanimous consent that the following be granted the privilege of the floor for the bankruptcy bill: Kathy Curran, Jennifer Liebman, Lisa Bornstein.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, for over 100 years, Congress has supported a bankruptcy system that balances the needs of debtors in desperate financial straits and creditors who deserve repayment. Today, however, the tide is changing. Too often the complexity of the problems facing debtors is ignored. Critics, using the unfair rhetoric supplied by the credit industry, call bankruptcy an undeserved refuge for those who can't or won't manage their finances. Honest, hard-working, middle class families are unfairly characterized as dead-beats who abuse the bankruptcy system to avoid paying their debts. The result is the excessively harsh bankruptcy reform bill presented to the Senate.

During this debate, every Senator must ask one essential question—who are the winners and who are the losers if this bill becomes law. A fair analysis of the bill will lead members of the Senate to the same conclusion reached by House Judiciary Committee Chairman HENRY HYDE, who counted dozens of provisions that favor creditors. But, decency and dignity need not be victims of reform. Balanced bankruptcy legislation is our goal. Though we must address the needs of creditors, we must also consider the specific circumstances and market forces that push middle class Americans into bankruptcy.

Let's take the basic facts one by one.

Fact No. 1: The rising economic tide has not lifted all boats. Despite low unemployment, a booming stock market, and budget surpluses, Wall Street cheers when companies—eager to improve profits by down-sizing—lay off workers in large numbers. In 1998, layoffs were reported around the country in almost every industry—9,000 jobs were lost after the Exxon-Mobil merger; 5,500 jobs were lost after Deutsche Bank acquired Bankers Trust; Boeing laid off 9,000 workers; Johnson & Johnson laid off 4,100. Kodak has cut 30,000 jobs since the 1980s and 6,300 since 1997.

Often, when workers lose a good job, they are unable to recover. In a study of displaced workers in the early 1990s, the Bureau of Labor Statistics reported that only about one-quarter of these workers were working at full-time jobs paying as much as or more than they had earned at the job they lost. Too often, laid-off workers are forced to accept part-time jobs, temporary jobs, and jobs with fewer benefits or no benefits at all.

Fact No. 2: Divorce rates have soared over the past 40 years. For better or for worse, more couples are separating, and the financial consequences are particularly devastating for women. Divorced women are four times more likely to file for bankruptcy than married women or single men. In 1999, 540,000 women who head their own households will file for bankruptcy to try to stabilize their economic lives. 200,000 of them will also be creditors trying to collect child support or alimony. The rest will be debtors struggling to make ends meet.

Fact No. 3: Over 43 million Americans have no health insurance, and many millions more are underinsured. Each year, millions of families spend more than 20 percent of their income on medical care, and older Americans are hit particularly hard. A June 1998 CRS Report states that even though Medicare provides near-universal health coverage for older Americans, half of this age group spend 14 percent or more of their after-tax income on health costs, including insurance premiums, co-payments and prescription drugs.

Fact No. 4: The credit card industry has engaged in a massive and unseemly nation-wide campaign to hook unsuspecting citizens on credit card debt. Credit card issuers logged 24 million telemarketing hours in 1996 and sent out 3.45 billion—billion—credit card solicitations in 1998. In an average month, 75 percent of all households in the country receive a credit card solicitation. In recent years, the credit card industry has also begun to offer new lines of credit targeted at people with low incomes—people they know can not afford to pile up credit card debt.

Facts such as these have reduced the economic stability of millions of American families, and have led to the sharp increase in the number of bankruptcy filings. Two out of every three bankruptcy filers have an employment problem. One out of every five bankruptcy filers has a health-care problem. Divorced or separated people are three times more likely than married couples to file for bankruptcy. Working men and women in economic free fall often have no choice except bankruptcy.

The bankruptcy system provides a second chance for these large numbers of Americans who would otherwise hit financial bottom. It offers an indispensable opportunity to stabilize their households after an economic crisis.

Clearly, we must deal with those who take advantage of the system and abuse it. Reform is necessary to stop repeat filers, eliminate the loophole provided by the homestead exemptions in several states, and prevent wealthy Americans from abusing the system to avoid paying their debts. But the credit card industry is abusing the system, too. Congress needs to deal with their abuses realistically and fairly, in a way that protects millions of struggling middle class and low-income families. It would be irresponsible for Congress to act only in ways that reward the credit card industry for its cynical manipulation of these families.

The drop in filings this year is ample indication that a harsh bankruptcy bill is not needed. Without any action by Congress, the number of bankruptcy filings is decreasing. It is estimated that there will be 100,000 fewer filings this year than in 1998—filings have dropped in 42 states. Leading economists believe that the bankruptcy crisis is self-correcting. As economics professor Lawrence Ausubel states.

> Lenders respond to an unexpected increase in personal bankruptcies by curtailing new lending to consumers teetering closest to bankruptcy, with or without new legislation. The high rates of default at the peak of the bankruptcy crisis began to impinge on the profitability of lending and—as a result—lenders tightened their underwriting standards. This is the non-legislative, free-market response which made the crisis abate.

Despite these facts, the Senate is pursuing legislation that is a taxpayer-funded administrative nightmare for struggling debtors.

Mr. President, I will include in the RECORD a list of the States that have seen a significant—and some not so significant—drop in the bankruptcy filings, comparing the second quarter of 1999 to the second quarter of 1998. It dropped more than 62 percent in the State of Oklahoma. It was down 1.19 percent in Arizona. Eight States have had some increase. It was two-tenths of 1 percent in Indiana, three-tenths of 1 percent in Utah, six-tenths of 1 percent in Wyoming. It was up nine-tenths of 1 percent in Montana, 3.3 percent in Oregon, 6 percent in South Dakota, 12 percent in Alaska, and 144 percent in Delaware.

I ask unanimous consent that this list be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Changes in Bankruptcy Filings, 2d Quarter 99, v 2d Quarter 98

Oklahoma, −62.1%; N. Hampshire, −23.9%; Nebraska, −15.85%; Connecticut, −14.67%; Minnesota, −14.19%; Colorado, −13.87%; California, −13.76%; Massachusetts, −13.62%; North Dakota; −13.33%; Kansas, −13.25%; Tennessee, −11.64%; Kentucky, −10.59%; Idaho, −10.27%; New York, −9.82%; Texas, -9.69%.

Michigan, −9.63%; Georgia, −8.28%; New Jersey, −7.95%; W. Virginia, −7.3%; Maryland, −7.23%; Vermont, −7.18%; Maine, -7.09%; Alabama, −6.49%; Nevada, −6.02%; Mississippi, −4.98%; Washington, −4.76%; Pennsylvania, −4.21%; Arkansas, −4.2%; Rhode Island, −3.97%; Florida, −3.89%.

Wisconsin, −3.76%; Missouri, −3.22%; Illinois, −3.19%; So. Carolina, −3.19%; Ohio, -2.67%; No. Carolina, −2.35%; Virginia, -2.24%; Louisiana, −2.21%; Arizona, −1.19%; Indiana, +.28%; Utah, +.38%; Wyoming, +.66%; Montana, +.9%; Oregon, +3.3%; So. Dakota, +6%; Alaska, +12.63%; Delaware, +144.29%.

Mr. KENNEDY. Mr. President, coming back to the basic and fundamental issue about who is supporting the legislation, who the winners are and who the losers are, I will include in the RECORD at this point the various organizations that are opposed to the legislation.

I ask unanimous consent that this list of organizations be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Organizations Opposed to S. 625, the Bankruptcy Reform Act

AMONG THE ORGANIZATIONS THAT HAVE VOICED THEIR OPPOSITION TO S. 625 ARE:

AFL-CIO, Alliance for Justice, American Association of University Women, American Federation of Government Employees (AFGE), American Federation of State, County and Municipal Employees (AFSCME), American Medical Women's Association, Association for Children for Enforcement of Support, Inc. (ACES), Business and Professional Women/USA, Center for Law and Social Policy, Center for the Advancement of Public Policy, Center for the Child Care Workforce, Church Women United, Coalition of Labor Union Women, Communications Workers of America, Consumer Federation of America, Consumers Union, Equal Rights Advocates, Feminist Majority, Hadassh, International Association of Machinists & Aerospace Workers (IAM), International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers & Helpers, International Brotherhood of Teamsters, International Women's Insolvency & Restructuring Confederation, Ralph Nader, National Association of Commissions for Women.

National Black Women's Health Project, National Center for Youth Law, National Consumer Law Center, National Council for Jewish Women, National Council of Negro Women, National Council of Senior Citizens, National Organization for Women, National Partnership for Women and Families, National Women's Conference, National Women's Law Center, Northwest Women's Law Center, NOW Legal Defense and Education Fund, Public Citizen, Union of Needletrades, Industrial & Textile Employees (UNITE), United Automobiles, Aerospace and Agricultural Implement Workers of America/UAW, United Food & Commercial Workers International Union, United Steelworkers of America, U.S. Public Interest Research Group, Wider Opportunities for Women, The Woman Activist Fund, Women Employed, Women Work!, Women's Institute for Freedom of the Press, Women's Law Center of Maryland, Inc., YWCA of the U.S.A.

Mr. KENNEDY. Mr. President, this list represents virtually all of the children's protection groups—those groups that have been most identified with protecting women's economic and political rights, those groups that have been looking after workers' interests, and small business groups as well. Virtually every one of them are opposed to the underlying legislation.

As I mentioned in the Senate Judiciary Committee, I would like to hear those who are in favor of it point out one single group representing children, workers, women, or consumers who are for this bill. Just bring those names to us. Let's debate it. But we have none, zero.

It comes back to what we ought to be asking ourselves when we have this kind of a situation. Isn't it worthwhile that we find out who the winners are and who the losers are? If common sense is any indication, we will try to make a case that in justifies these comments. Virtually every one of the groups representing hard-working Americans—the men and women who work hard and play by the rules; and, in many instances, women who have been discriminated against for a wide variety of reasons and issues; children's groups who understand the importance of making sure that children's interests and their financial security will be protected—are universally opposed and say "no" to the bill. But we have others. The credit card companies say yes.

So it is interesting, as we are coming into the final hours of this session, we have another one of those situations where the Republican leadership is putting out on the floor of the U.S. Senate a bill the special interests—in this case, the credit card companies—are strongly in favor of, but threatens the economic interests of women and working people and children.

We have little time this afternoon to debate a minimum wage, which we have been virtually prohibited from doing before the Senate over the period of the last year. We are not even going to have an opportunity to debate something that could protect consumers, women, children, and workers on a Patients' Bill of Rights. That is being put off. But we have time to debate this issue. Why? Because the credit card companies have a very important and direct interest in the outcome of this particular legislation.

Mr. President, I want to take a few moments of the Senate's time to run through some of these charts that show, I think, very effectively, what this case is all about.

This chart shows that the U.S. median family income is $42,769 this year. Now these are constant dollars. If we look over at what the income was for those who went into bankruptcy, in 1981, 1991, 1995, and 1997, you find out there has been a gradual decline—$23,000, $18,000, $17,000, and in 1997 it was somewhat below what it was in 1995.

We have the greatest economic boom in the history of this country, with the lowest unemployment and rates of inflation. We saw an increase in the numbers of bankruptcies. But who are these people who are filing for bankruptcy? It is actually those in the lower incomes. That is who we are affecting with legislation that is dealing with bankruptcy. Who are these people down here in 1997? Let's look back in 1981. The red indicates joint filings. The yellow indicates men filing. The blue is for women filing.

Going back to 1981, we find the greatest number of filings for bankruptcy were joint filings, with some single men and some single women. Look what happens in 1991. Joint still goes up, and there are increasing numbers of women and of men. In 1999, those at the top are women. They are at the bottom in 1981 and at the top in 1999. Do you see the very dramatic increase in the number of women. Why is that so?

The reason that is so is women are being denied alimony and child support. That is why it is so. That is why it is so, Mr. President. Every indicator demonstrates that is why it is so. We are passing a major piece of legislation to protect not those who are being adversely impacted by these economic forces, but to protect the credit card industry. It is women who are facing challenges because of alimony and in terms of child support.

If you wanted to do something about this line here, you would do more to make sure the deadbeat dads are going to pay up as they should in terms of alimony and child support. You would see this number go down dramatically. Nonetheless, no, no, we are not going to deal with that issue. We have this other kind of formula that is going to hurt these people—not protect them so they might have a second opportunity. The fact is, the number of people who are working who go into bankruptcy is virtually identical to those who are working generally anyway.

Isn't that interesting? The fact is, these are not men and women who are dogging it, these are men and women who are out trying to make it. Nonetheless, are we considering a piece of legislation that is going to help them get back on their feet a second time and perhaps pay off their debt? No, no; we are thinking about the credit card companies and looking out after their interests.

So we see that the great expansion and explosion in the number of people who are going into bankruptcy are primarily women. Now it is interesting that bankrupt debtors are reporting job problems. Sixty-seven percent of those who are going into bankruptcy are reporting job problems, a direct result of downsizing, direct result of merging, the direct result of being able to go down to Wall Street and cut back in the total number of employees and see a bang in that stock going right up. Extraordinary economic growth and expansion—all of which are very fine and good—doesn't mean that you have to come down with a hammer on workers who, through no fault of their own, are being merged out and are having difficulty in finding jobs to try to meet their responsibilities, especially women.

This indicates what has been happening with regard to people who have been going into bankruptcy. More than 67 percent of them are showing that it is basically and fundamentally an issue in terms of their employment. These other colors indicate what those particular matters might be in terms of downsizing and the rest. We have some idea now.

We have the numbers I mentioned earlier. We have the growth in the number of men and women who are separated, become divorced, and the economic implications and burdens women are faced with in terms of credit. We find that.

Now let's look to see if there are other indicators. Yes, there is another very important indicator. That is the fact that we are seeing the total number of uninsured in our society growing at a rate of over a million a year. Make no mistake about it, that is going to increase and escalate. We are not doing anything about it. That is going to increase and escalate.

Isn't it interesting that health care-related problems driving individuals into bankruptcy are the No. 1 reason besides job related reasons. Individuals being dropped from the health care system are individuals at the lower end of the economic ladder who don't have the protections and don't have the health insurance in the first place.

We all know what is happening out in the job market with the increasing number of temps. So you do not have pensions and you do not have health insurance. Here we have the individuals who are losing out and falling further behind—women on credit, women on alimony, and women with challenges they have in terms of payments. Then you have the problems with downsizing.

Now we have one of the other major issues reflected in the bankruptcies that are taking place all across this country.

We know what is happening across the country in terms of many of the major companies and corporations that had good health care protection for retirees. Those numbers are going down in terms of coverage. We know the costs and what is happening in terms of prescription drugs. They are going up and escalating dramatically.

When we passed Medicare in 1964, the private sector didn't have prescription drugs, so Medicare didn't have it. Now 90 percent of those policies have it, but we can't even get that issue up before the Senate to debate it. We haven't got the chance to debate whether we ought to have prescription drugs. We don't get a chance to debate whether we ought to try to accept the House bill that provides protection for consumers from the arbitrary rulings of accountants in health maintenance organizations. No, we can't deal with any of that. Let's just look out after the credit card industry. They are the ones who need protection—not the men and women who have lost their health care. No, sir; we don't have to worry about them—not the men and women who have been downsized. No, sir; we don't have to worry about them; and not women. Alimony and child care support—let's not worry about them. Let's worry about the good old credit card industry.

Let's see what we have to worry about with them. What do you know? Here is a facsimile of a letter, Mr. President, which I ask unanimous consent be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN BANKRUPTCY SERVICE,
St. Paul, MN, December 18, 1998.

Re Fresh Start VISA® Distributorship.

DEAR COUNSELOR: We offer a unique opportunity that could be of great benefit to your firm and your clients. By becoming a distributor, you will have the ability to market an unsecured VISA® credit card (the "Fresh Start" card) to your clients who:

Have filed a Chapter 7 bankruptcy;

Have completed the 341 meeting of creditors (with no outstanding issues with the Trustee);

Have not yet received their discharge;

Have attached a copy of the bankruptcy notice to their VISA application.

Several law firms specializing in representing consumer debtors in bankruptcy have requested the ability to distribute the "Fresh Start" VISA application to their clients. In light of this, we thought perhaps your firm would be interested also in a distributorship. For each credit card issued, your firm will receive $10.

There is absolutely no deposit required. This is an unsecured VISA card. The credit limit will be $500 or $1,000 depending on income. The annual fee is $49.00. Many debtors have immediate credit needs even during a bankruptcy. Some are approached either by secured credit card companies but cannot apply due to lack of the cash deposit required or by current creditors offering a new card only with a reaffirmation. This new card offer solves these problems. (See sample application enclosed.) Furthermore, our SuperSettlements program (brochure enclosed) provides an additional method for avoiding reaffirmations with small redemptions.

This program is intended to create a fresh start for your clients and an opportunity for your firm. We realize that many debtors may have to file a bankruptcy due to excessive credit card debt. If you feel that this is not a program for them or for your firm, please disregard this letter.

For more information, please fax or mail this form back to us. Please call if you have questions.

Yes! Our firm is interested in distributing the "Fresh Start" VISA card applications toour Chapter 7 clients. Please send us detailed information on how we can become a distributor as soon as possible. The name of the person at our firm to contract is:

Mr. KENNEDY. Mr. President, here is the letter that is being sent by the "American Bankruptcy Service," "Re: Fresh Start VISA distributorship":

Dear counselor:

Do you know who the counselors are? Do you know who those counselors are? They are counselors for the people who have gone bankrupt—the lawyers for people who have gone bankrupt. Here is their friendly "American Bankruptcy Service."

We offer a unique opportunity that could be of great benefit to your firm and your clients. By becoming a distributor, you will have the ability to market unsecured VISA credit cards. We call it the "Fresh Start" card to your clients who:

Have filed a chapter 7 bankruptcy;

Have completed the 341 meetings of creditors;

Have not yet received their discharge;

Have attached a copy of their bankruptcy notice.

No deposit required.

This industry is out soliciting from attorneys who have represented women and workers who have been downsized, those who have gone bankrupt and belly up because of health care bills they just can't afford to pay.

Now you have the credit card industry writing to the attorneys and saying: Look, you can get in on the goody trail, too, because if you represented one, you probably represented others, and you can get on and be part of our credit card distributorship as well.

That is what they are saying here. You can read this letter right through.

Our firm is interested in distributing the Fresh Start VISA.

And we will just show you how to do it. You can also be a part of this.

Here is their advertising.

If you have filed for bankruptcy, you can get a Fresh Start with First Consumers National Bank VISA card today. If you file bankruptcy, that qualifies you. There is no need to wait for a bankruptcy discharge. Rebuild a good credit card fast with monthly accounts reporting to all major credit card business.

They have got you once. They want to get you again, and again, and again. How many times do they want to get these people? How many times?

We are out here debating this bill in the final couple of days. We are not debating a patients' bill of rights. We had a heck of a time trying to get a debate on minimum wage for the whole session—trying to make a difference for consumers. We haven't got time to do prescription drugs—no way, too difficult, too complex. But we have all the time in the world to debate this particular legislation that is looking out after the credit card companies.

That gives you some idea about what the Republican leadership's priorities are here in the Senate.

We will have a chance later on to talk about the minimum wage. We have gone ahead and voted ourselves a $4,600 pay increase this year and we still won't vote a pay increase of 50 cents next year for men and women who are at the bottom rung of the economic ladder.

What is this, Mr. President? We have to ask ourselves, Why?

I can tell you, Mr. President. These issues ought to be addressed. A number of our colleagues have offered amendments to try to address some of these issues. It is going to take a lot of doing to try to make the difference. We are talking about real people.

Take for example, Mr. and Mrs. M who live in the suburban community of East Longmeadow, Massachusetts. Although Mr. M. makes about $60,000 per year, the family suffered when Mrs. M lost her job, and the household income dropped by $15,000. Since then, the family has struggled to make ends meet. The $14,775 loan for their 1996 Toyota and the $1,520 monthly mortgage payment that once seemed reasonable became difficult to meet.

Even after cutting recreation expenses to zero, the family's expenses exceed their income by several hundred dollars a month. They fell behind on their credit card payments, which they had hoped to resume paying when Mrs. M started working again. The balance they owed to their credit card company ballooned to $27,500. The balance increased by $600 to $800 each month in finance charges and penalties. Mr. and Mrs. M saw no alternative to filing for relief under the bankruptcy laws. Their discharge in bankruptcy gave them a fresh start. They will continue to struggle to make ends meet, but they have relief from the pressures of harassing calls from collection agents and mounting debts they had no hope of paying.

If this bill—S. 625—had been law, they would have had no such relief. The means test—which uses IRS expense standards to calculate living expenses and ability to repay debts—would probably force them out of the bankruptcy system, completely.

Longmeadow is in Hampden County, where the IRS housing and utility allowance for a family of four is $1,235 a month. Although the family's mortgage and monthly utility expenses exceed this amount, it would not matter. Under this bill, they would face a statutory presumption that their case is abusive. The arbitrary means test—not the reality of their plight—dictates that Mr. and Mrs. M can afford to file a Chapter 13 debt repayment plan, and it is highly unlikely that the family has any "special circumstances" that would allow a judge to find differently.

They will be selling their home, possibly all their assets.

This is unduly harsh. It should not pass in its current form. I will work with a number of our colleagues to address many of these serious abuses, without which it should not become law.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, we are on legislation we started Thursday night. We had discussion this Friday, although we had no votes on any amendments to the bankruptcy reform bill. I hope we can move forward with this legislation and get it passed before we adjourn.

This is the same piece of legislation that passed the Senate by a 97–1 vote in 1998. It was conferenced with the House. The conference committee report passed the House of Representatives by a very wide margin. The bill came to the Senate in the last 3 or 4 days of the session with a threat of long debates and filibusters against the conference report. Consequently, a bill that passed 97–1, probably coming out of the conference more favorable to the point of view of those who still had some questions about it. Yet a lot of those Members did not want that bill to go to final passage. Therefore, the last Congress ended with the bankruptcy conference report not passing.

We started over again in the new Congress. Since the first of the year, Senator TORRICELLI of New Jersey and I have been working on this legislation to bring our colleagues a bipartisan approach to bankruptcy reform that we hope will end the situation of some people who have the ability to repay some debt getting off scot-free. We think this legislation is a big step in that direction.

In my earlier statements on the Senate floor on Thursday and Friday, I alluded to the role that overly aggressive bankruptcy lawyers play in the current crisis of our bankruptcy system. Although I cannot statistically support it, when I refer to the role of overly aggressive bankruptcy lawyers I really think, in my heart, we are talking about a very small minority of bankruptcy lawyers. Still, there are those who play a role in people going into bankruptcy who I do not think the bankruptcy laws were ever intended to help, or, in any case, harming people who have a debt owed to them which is not paid.

One of the major problems with the bankruptcy system is the mind-set of some of the lawyers who specialize in bankruptcy. Many lawyers today view bankruptcy simply as an opportunity to make money for themselves with a minimal amount of effort. And this profit motive causes bankruptcy lawyers to promote bankruptcy even when a financially troubled client has the obvious ability to repay his or her debts. As one of the members of the National Bankruptcy Commission noted in the Commission's 1997 report, many who make their living off of thebankruptcy process have forgotten that declaring bankruptcy has a moral dimension. Bankruptcy lawyers shouldn't counsel someone to walk away from his or her debts without pointing out the moral consequences of making a promise to pay and then breaking that promise. As I have said before, it cannot be good for the moral foundation of our nation if people learn that it is okay just to walk away and not pay your bills because that's easier and more convenient, and obviously better for somebody's pocketbook.

All across America some of the more unsavory bankruptcy lawyers have created high-volume law offices that herd people into bankruptcy as if they were cattle instead of individual human beings in need of advice and counseling. These offices are known as bankruptcy mills. These bankruptcy mills are nothing more than large scale processing centers for bankruptcy—there is little or no investigation done as to whether an individual actually needs bankruptcy protection or whether or not a person is able to at least partially repay their debts. For example, one bankruptcy attorney from Texas was sanctioned by a bankruptcy court for operating a bankruptcy mill. According to the court, this attorney had very little knowledge of bankruptcy law, but advertised extensively in the yellow pages and on television. Apparently, his advertising worked, because he filed about 100 new bankruptcy cases per month. Most of the work was done by legal assistants with very limited training. The court concluded that the attorney's services

> Amount to little more than a large scale petition preparer service for which he receives an unreasonably high fee.

The practices of bankruptcy mills are so deceptive and sleazy that the Federal Trade Commission went so far as to issue a consumer alert warning consumers of misleading ads promising debt consolidation.

I refer you to this Federal Trade Commission Consumer News Bulletin, right here on this chart. It refers to a question, Debt Got You Down? You are not alone. Consumer debt is at an all-time high. What's more, record numbers of consumers—more than 1 million in 1996—are filing for bankruptcy. Whether your debt dilemma is the result of an illness, unemployment, or simply overspending, it can seem overwhelming. In your effort to get solvent, be on the alert for advertisements that offer seemingly quick fixes. While the ads pitch the promise of debt relief, they rarely say relief may be spelled b-a-n-k-r-u-p-t-c-y. And, although bankruptcy is one option to deal with financial problems, it's generally considered the option of last resort. The reason: Its long-term negative impact on your creditworthiness. A bankruptcy stays on your credit report for 10 years, and can hinder your ability to get credit, a job, insurance, or even a place to live.

I think that there is a widespread recognition that bankruptcy lawyers are preying on unsophisticated consumers who need counseling and help with setting up a budget, but who do not need to declare bankruptcy. It is not surprising, Mr. President, that bankruptcy lawyers are leading the charge against bankruptcy reform.

Now, we have heard complaints from some on the Senate floor about protecting child support and alimony during bankruptcy proceedings. I want to point out that some bankruptcy lawyers actually advertise that they can help deadbeat dads get out of paying their child support and other marital obligations. One bankruptcy lawyer has even written a book entitled "Discharging Marital Obligations in Bankruptcy." Some things about that book are displayed on this chart.

I think that it is outrageous that bankruptcy lawyers are helping deadbeats to cheat divorced spouses out of alimony and to cheat children out of child support. This is a recipe for promoting poverty and human misery. Those who are concerned about protecting child support should join with me in condemning this sort of amoral conduct. Bankruptcy was never designed for the purpose of helping deadbeat spouses escape their financial obligations. Not only are the current practices of bankruptcy lawyers a disservice to their clients, they also cheat society as a whole.

Mr. President, I ask consent to have printed in the CONGRESSIONAL RECORD an article from the Los Angeles Times dated August 12, 1998.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

2.5% RISE IN PERSONAL FILINGS PUSHES BANKRUPTCIES TO NEW HIGH

[From Times Staff and Wire Reports]

Total bankruptcies nationwide hit a record high in the second quarter, apparently boosted by a flurry of personal filings by people who fear imminent changes in the bankruptcy law.

Business bankruptcies continued to decline, but personal bankruptcies, which account for 97% of the filings, edged up 2.5% from the second quarter a year earlier. That pushed the total number of bankruptcy filings to 373,460 in April, May and June, surpassing by nearly 2% the previous high posted in the second quarter of 1997, federal court officials said this week. California's figures mirrored the nationwide trend.

Although a 2% rise is not large, given the steady and previously sharper increases in bankruptcies in recent years, analysts were still surprised by the continuing uptick in personal filings. The economy remains relatively strong and consumer delinquencies in general have come down in recent quarters while some lenders have tightened their credit standards.

But bankruptcy attorneys and other experts said some consumers were being prompted by pending bankruptcy reform legislation, which could take effect as early as the fall and is expected to make it tougher for consumers to extinguish their debts.

Indeed, attorneys are advising their clients that they may want to take advantage of the current law while it is still available.

"I'm telling clients that it might very well end up being harder to file for bankruptcy," said Joseph Weber, a bankruptcy lawyer in Costa Mesa. Weber added that he also thinks a "false optimism" is adding to the number of bankruptcy petitions. "When they perceive the economy to be better, some spend beyond their means," he said.

Mr. GRASSLEY. In this article, bankruptcy lawyers are advised to send out letters to anyone who has visited them recently asking about bankruptcy. This form letter encourages people to declare bankruptcy because, if Congress passes bankruptcy reform, "Bankruptcy will be much more difficult, more expensive, and probably embarrassing." I hope this bill makes bankruptcy more embarrassing and more difficult. Opinion polls clearly show that the American people want those who voluntarily incur debts to pay those debts as agreed. Bankruptcy should be difficult, and the moral stigma that used to be associated with bankruptcy should be resurrected.

I have reviewed the conduct of bankruptcy mills and bankruptcy lawyers to illustrate the need for Congress to hold bankruptcy lawyers accountable for unethical and dishonest conduct. In the bill before us, we have tried to do this by codifying rule 11 penalties for lawyers who needlessly steer people into the bankruptcy system. It's my hope that these penalties will cause lawyers to think twice before they willy-nilly cart off their clients to bankruptcy court without asking a few questions first. I would have preferred tougher penalties, as we had in last year's Senate Bill, But I understand that many on the other side of the aisle strongly object to tougher penalties. So, in an effort to work with the other side, this year's penalties aren't as tough as they were last year.

As I've said many times, the bankruptcy crisis is partly a moral crisis. And bankruptcy lawyers who push bankruptcy play the role of carnival barkers who promise an easy way out to anyone who will listen.

As it stands now, this bankruptcy reform bill, S. 625, merely requires attorneys to investigate the financial resources of their clients before putting them into bankruptcy. That is not too much to ask and, it seems to me, something basic when advising people according to the tenets of the legal profession.

Our bankruptcy system needs to be reformed in a balanced way. We need to address abuses by debtors who do not need bankruptcy. We need to address abuses by creditors who use coercive and deceptive practices to cheat honest debtors. And we need to address abuses by bankruptcy lawyers who exploit bankruptcy laws for financial gain.

As I said before, I prefer tougher penalties against bankruptcy lawyers, but this bill is a step in the direction of addressing the problems of fast-talking bankruptcy lawyers.

Does the Senator from Minnesota seek the floor?

Mr. WELLSTONE. Mr. President, I know we are going to start on the minimum wage amendment. May I have 1 minute to call up two amendments and then lay them aside?

Mr. GRASSLEY. Yes. I yield the floor.

AMENDMENTS NOS. 2537 AND 2538

Mr. WELLSTONE. Mr. President, I call up amendments Nos. 2537 and 2538.

The PRESIDING OFFICER. Is there objection to the request?

Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE] proposes amendments numbered 2537 and 2538.

The amendments are as follows:

AMENDMENT NO. 2537

(Purpose: To disallow claims of certain insured depository institutions)

At the appropriate place, insert the following:

SEC. ___. DISALLOWANCE OF CLAIMS OF CERTAIN INSURED DEPOSITORY INSTITUTIONS.

Section 502(b) of title 11, United States Code, is amended—

(1) in paragraph (8), by striking "or" at the end;

(2) in paragraph (9), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following:

"(10) such claim is the claim of an insured depository institution (as defined in section 3 of the Federal Deposit Insurance Act) that, as determined by the appropriate Federal banking agency (as defined in section 3 of the Federal Deposit Insurance Act)—

"(A) has total aggregate assets of more than $200,000,000;

"(B) offers retail depository services to the public; and

"(C) does not offer both checking and savings accounts that have—

"(i) low fees or no fees; and

"(ii) low or no minimum balance requirements.".

AMENDMENT NO. 2538

(Purpose: To make an amendment with respect to the disallowance of certain claims and to prohibit certain coercive debt collection practices)

At the appropriate place, insert the following:

SEC. ___. DISALLOWANCE OF CERTAIN CLAIMS; PROHIBITION OF COERCIVE DEBT COLLECTION PRACTICES.

(a) IN GENERAL.—Section 502(b) of title 11, United States Code, is amended—

(1) in paragraph (8), by striking "or" at the end;

(2) in paragraph (9), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following:

"(10) such claim arises from a transaction—

"(A) that is—

"(i) a consumer credit transaction;

"(ii) a transaction, for a fee—

"(I) in which the deposit of a personal check is deferred; or

"(II) that consists of a credit and a right to a future debit to a personal deposit account; or

"(iii) a transaction secured by a motor vehicle or the title to a motor vehicle; and

"(B) in which the annual percentage rate (as determined in accordance with section 107 of the Truth in Lending Act) exceeds 100 percent.".

(b) UNFAIR DEBT COLLECTION PRACTICES.—

(1) IN GENERAL.—Section 808 of the Fair Debt Collection Practices Act (15 U.S.C. 1692f) is amended—

(A) in the first sentence, by striking "A debt collector" and inserting the following:

"(a) IN GENERAL.—A debt collector"; and

(B) by adding at the end the following:

"(b) COERCIVE DEBT COLLECTION PRACTICES.—

"(1) IN GENERAL.—It shall be unlawful for any person (including a debt collector or a creditor) who, for a fee, defers deposit of a personal check or who makes a loan in exchange for a personal check or electronic access to a personal deposit account, to—

"(A) threaten to use or use the criminal justice process to collect on the personal check or on the loan;

"(B) threaten to use or use any process to seek a civil penalty if the personal check is returned for insufficient funds; or

"(C) threaten to use or use any civil process to collect on the personal check or the loan that is not generally available to creditors to collect on loans in default.

"(2) CIVIL LIABILITY.—Any person who violates this section shall be liable to the same extent and in the same manner as a debt collector is liable under section 813 for failure to comply with a provision of this title.".

(2) CONFORMING AMENDMENT.—Section 803(6) of the Fair Debt Collection Practices Act (15 U.S.C. 1692a(6)) is amended by striking "808(6)" and inserting "808(a)(6)".

The PRESIDING OFFICER. The amendments are set aside. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, raising the minimum wage is critical to preventing the economic free fall that often leads to bankruptcy. Many of us have sponsored the Fair Minimum Wage Act of 1999 to begin to right that wrong.

Amending the bankruptcy bill to increase the minimum wage will help many of the people this so-called bankruptcy "reform" is likely to hurt—low income families, minorities and women. For many low income workers, the struggle to make ends meet is too difficult, and they find themselves facing bankruptcy. Raising the minimum wage will help many of these hard-working individuals and families recover from the financial crises that drove them into bankruptcy.

For nearly two-thirds of the families that file for bankruptcy, a job crisis led to their downfall. Many of those families faced a job loss. A Bureau of Labor Statistics study reported that only about a quarter of displaced workers had found a new job at the same or better pay as the job they lost. A third of displaced workers were still looking for work. Nearly half of the displaced workers had to settle for work at much lower salaries—an average 20% pay cut for those lucky enough to find full time jobs, and a much steeper cut for those who took part-time work.

Large numbers of women who will suffer under this bill will benefit from a minimum wage increase. Divorced women are four times more likely to file for bankruptcy than married women or single men. Often, they are forced into bankruptcy because they are owed child support or alimony. Divorced women trying to raise children face a daunting challenge to provide for their families. This bill will make it harder to meet that challenge. But raising the minimum wage will help almost seven million women, many of them struggling to maintain their families.

African American and Hispanic families disproportionately face the threat of bankruptcy and the repercussions of a low minimum wage. They are six times more likely than other Americans to seek bankruptcy protection, and they will be disproportionately harmed by this bankruptcy bill. But they also comprise one-third of those who will benefit from an increase in the minimum wage. This amendment will help more African American and Hispanic families meet their families' needs.

Low income families struggling to meet their obligations often find themselves facing bankruptcy. Some argue that the rise in bankruptcy filings is due to a lack of responsibility. But too often the problem is a matter of basic household economics. Families going into bankruptcy have less income than most Americans. A raise in the minimum wage will give them the economic boost they need to avoid bankruptcy.

Our proposal will give these low income wage earners the pay raise they need and deserve to care more effectively for their families—to buy the food and clothing, and health care they need, without going into debt.

Recently, members of Congress voted to raise their own pay by $4,600—but not the pay of minimum wage workers. Republican Senators don't blink about giving themselves an increase. How can they possibly deny a fair increase for minimum wage workers?

In fact, the Republican leadership has gone to extraordinary lengths to block action by Congress on a pay raise for the hard-working Americans who work at the minimum wage.

But it is time—long past time—to raise the minimum wage. Too many hard-working Americans struggling to keep their families afloat and their dignity intact can't make enough in a 40 hour week to lift their families out of poverty—and that's wrong. The percentage of poor who are full-time year-round workers was 12.6% in 1998—higher than any time in the last 20 years, according to a new report from the Census Bureau.

Our minimum wage amendment is a modest proposal— a one dollar increase in two installments—50 cents next January, and 50 cents the following year. Over 11 million American workers will benefit.

At $6.15 an hour, working full-time, a minimum wage worker would earn $12,800 a year under this amendment—an increase of over $2,000 a year.

That additional $2,000 will pay for seven months of groceries to feed the average family. It will pay the rent for five months. It will pay for almost ten months of utilities. It will cover a year and a half of tuition and fees at a two-year college, and provide greater opportunities for those struggling at the minimum wage to obtain the skills needed to obtain better jobs.

The national economy is the strongest in a generation, with the lowest unemployment rate in three decades. Under the leadership of President Clinton, our economy is strong. Enterpriseand entrepreneurship are flourishing—generating unprecedented economic growth, with impressive efficiencies and significant job creation. The stock market has soared. Inflation is low, and interest rates are low. We are witnessing the strongest peacetime growth in our history.

The country as a whole is enjoying an unprecedented period of growth and prosperity. But for millions of Americans it is someone else's prosperity. Working 40 hours a week, 52 weeks a year, a person earning the minimum wage would earn only $10,700—almost $3,200 below the poverty guidelines for a family of three.

Each day we fail to raise the minimum wage, families across the country continue to fall farther behind. One fact says it all—the minimum wage would have to be $7.49 an hour today, instead of the current level of $5.15, to have the same purchasing power it had in 1968. That disparity shows how far we have fallen short in the past generation in guaranteeing that low income workers receive their fair share of the nation's prosperity.

The Republican proposal to raise the minimum wage by one dollar over three years beginning on March 1, 2000, is a cruel hoax on the lowest paid American workers. Our Democratic plan to increase the minimum wage by 50 cents on January 1, 2000 and another

50 cents on January 1, 2001, would put almost $1,200 more than the Republican proposal into the hands of the hard-working women and men who work at the minimum wage.

The Republican proposal is an insult to low wage workers. In addition to robbing workers of over $1,200, it effectively repeals the overtime pay law that has guaranteed time-and-a-half overtime pay for over 60 years. The so-called "bonus" provision of the Republican proposal jeopardizes the overtime pay of 73 million Americans by eliminating the requirement that bonuses, commissions, and other similar forms of compensation be included in a worker's regular pay for purposes of calculating overtime pay. As the United States Supreme Court said in interpreting the Fair Labor Standards Act, exclusion of bonuses from overtime pay will "nullify all the purposes for which the [Act] was created."

The Republican proposal is just one more part of an ongoing assault on low wage workers that includes balancing the budget on the backs of the working poor; cutting workers' pay through the compensatory time bill; providing pensions for the wealthy but not for working families; blocking workers' right to organize; and undermining worker safety and health.

Shame on those who want to lavish over $75 billion in tax breaks on business, while cutting this modest pay raise for low income workers. Republicans are more interested in providing tax breaks for the rich than in fairly compensating minimum wage workers. When Congress has just voted to raise its own pay, it is hypocritical and irresponsible to deny fair pay for the country's lowest paid workers.

As the Washington Post said last week: "The minimum wage should be increased, and the increase should not become a political football. . . . The price of a bill to help the working poor ought not be an indiscriminate tax cut for those at the very top of the economic mountain."

Our legislation does contain a fiscally responsible package of small business tax provisions which would cost approximately $11.5 billion over the next five years. Those provisions have been designed to provide financial assistance to the small businesses which will be paying the higher minimum wage to their employees. The cost of these tax benefits is fully paid for.

Unlike the Republican proposals, this bill will not draw down the surplus. It will not jeopardize our ability to use the surplus to strengthen Medicare and Social Security for the future. Our tax proposal contains provisions which will benefit both employers and employees. It provides a tax credit for worksite child care facilities, a tax credit to encourage small businesses to offer employee pensions, and a tax credit for companies that provide high tech training to their employees. It also encourages the creation of new jobs for those who are currently outside the workforce by extending the work opportunity tax credit and the welfare-to-work tax credit, and by establishing tax incentives for "new market" community development.

In addition, our package accelerates the deductibility of health insurance premiums for self-employed workers. It excludes educational benefits provided for employees' children from taxation, and it helps workers save for their retirement.

These are the types of tax provisions that Congress should be enacting. They are tax cuts which will benefit a broad spectrum of businesses and workers and strengthen the economy. They are not tax breaks which only further enrich an already privileged few.

This debate should be about the real financial needs of low income workers and small businesses. A modest increase in the minimum wage should not be held hostage to the desire for extravagant new tax breaks for those who are already the most economically privileged. It makes sense to provide fiscally responsible tax assistance to small businesses and their employees. All the tax cuts we are proposing are fully paid for and carefully targeted to meet genuine needs. It is appropriate to enact them as part of our legislation to raise the minimum wage.

Finally, raising the minimum wage is far more than a labor issue. Raising the minimum wage is a women's issue. Almost 60 percent of minimum wage workers are women. 7 million women across the nation—12.6% of all working women—would benefit from this increase.

Raising the minimum wage is a children's issue. Over two million married couples and almost a million mothers would receive a pay raise as a result of our increase. Eighty-five percent of these single mothers have total household incomes below $25,000 a year.

Raising the minimum wage is a civil rights issue. Over two million Hispanic workers and almost as many African American workers will receive a raise. Together, they make up one-third of those who will benefit from the increase.

Raising the minimum wage is a family issue. The average minimum wage worker brings home half the family earnings. Half the benefits of our one dollar increase will go to households earning less than $25,000 a year. Parents need this raise so they can provide their children with food, clothes, and a decent place to live.

Some of our colleagues who oppose the minimum wage still believe the dire "sky is falling" predictions of economic disaster that were raised before we voted to raise the minimum wage in 1996. None of those predictions came true. Since the last increase enacted by Congress, the economy has created new jobs at a rate of over 235,000 a month. Job creation in the sectors most affected by the minimum wage is up too—with almost 1.2 million new jobs in the retail sector, and 400,000 new jobs in restaurants. Employment is up—and the unemployment rate is down—among teenagers, African Americans, Hispanics, and women.

As Business Week magazine has stated,

> [H]igher minimum wages are supposed to lead to fewer jobs. Not today. In a fast-growth, low-inflation economy, minimum wages raise income, not unemployment. . . . A higher minimum wage can be an engine for upward mobility. When employees become more valuable, employers tend to boost training and install equipment to make them more productive. Higher wages at the bottom often lead to better education for both workers and their children. . . . It is it time to set aside old assumptions about the minimum wage.

It is time to raise the federal minimum wage. No one who works for a living should have to live in poverty. I urge my colleagues to join me in raising the minimum wage.

AMENDMENT NO. 2751

(Purpose: To amend the Fair Labor Standards Act of 1938 to increase the Federal minimum wage)

Mr. KENNEDY. Mr. President, I call up amendment No. 2751.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] proposes an amendment numbered 2751.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. KENNEDY. I yield whatever time the leader desires. I understand we have a time agreement; am I correct?

The PRESIDING OFFICER. There are going to be 2 hours evenly divided.

Mr. KENNEDY. May I inquire again, what is the time agreement? I understand there are going to be two amendments—one offered by Senator DASCHLE and one offered by Senator NICKLES or Senator LOTT. We were going to debate both of those this afternoon and vote on them tomorrow. Can the Chair tell me how much time we are allocated this afternoon to debate the two amendments?

The PRESIDING OFFICER. There will be 2 hours of time evenly divided on each of those two amendments.

Mr. KENNEDY. For this afternoon.

The PRESIDING OFFICER. Yes, for this afternoon.

Mr. KENNEDY. I yield whatever time the leader wants.

The PRESIDING OFFICER (Ms. COLLINS). The minority leader.

Mr. DASCHLE. Madam President, I appreciate the clarification. That was the understanding. So there is no confusion, we now have 4 hours of debate on the two amendments.

I appreciate the opportunity to come to the floor at this point to talk about the amendment offered on behalf of our colleagues, but really on behalf of the 11 million Americans who will benefit from this minimum wage once it is passed into law.

I thank especially Senator KENNEDY for his extraordinary leadership and persistence in making sure this issue was addressed prior to the end of the first session of this Congress. Were it not for his dedication and extraordinary efforts, we would not be here this afternoon.

I also thank Senators ROBB and BAUCUS for the leadership they have provided, and I thank many of our colleagues for their strong support for this legislation.

We fought all year long to bring this amendment to the floor because low-income working families need and deserve a raise. The average American family now works an additional 265 hours a year just to maintain the same standard of living they had at the beginning of this decade. That is an additional 6 weeks a year. We believe it is time parents could be spending attending parent-teacher conferences or playing with their children or maybe just reading Harry Potter with them. It is time husbands and wives could be talking with each other. It is not enough just to talk about family values, we need to show by our actions that we value families. We need to raise the minimum wage, and we need to do it this year—now.

I recently met a young father in South Dakota who told me that he and his wife eat only one meal a week together, and that is on Sundays after church. The rest of the week, his work schedule keeps him away from his family because he has more than one job.

He is one of many workers in this Nation who are working three jobs, two of them at minimum wage, just to make ends meet. We can do better than that. In this economy, we must do better than that. We are in the longest, strongest period of economic recovery in our Nation's history. The stock market and worker productivity are both at record highs.

It has been 3 years since the last time we increased the minimum wage, and if we do not pass another increase now, by the end of this month the purchasing power of the minimum wage will have fallen to the lowest point it has been in 40 years. The real value of the minimum wage is now at almost $2.50 below what it was in 1968—$2.50 an hour.

We are proposing we raise the minimum wage, not by the $2.50 required to get back to the parity level of 1968, but $1 an hour over 2 years. That is as modest a proposal as anyone can propose. Under it, the minimum-wage worker who now works full time would earn only $12,792 a year, but it would be $2,000 more than he or she now earns.

After doing all they could for as long as they could to block any increase in the minimum wage, now our Republican colleagues have their own proposal. They will raise the minimum wage, but they are saying to working families: "We are not going to let you have it in 2 years. We know now you will only be making $12,792, but we want you to wait 3 years for your raise. But we are for family values, we are for helping people get ahead."

They want to believe there is not a dime's worth of difference between their plan and our plan. That is not so. There are at least three major differences.

First, this 3-year delay is going to cost a typical working family $1,200 over 3 years. That is what that delay costs. I know around here that does not sound like a lot of money, but to a family trying to scrape by on minimum wage, it is 10 percent of a year's income; $1,200 a year is 3 months' worth of rent. It is 4 months' worth of groceries; it is 6 months' worth of utilities; and it is 1 year in tuition and fees at a 2-year college.

So there is a big difference. Do not let anybody say that simply waiting another year for that full dollar benefit is a minor matter. We are talking rent; we are talking utilities; we are talking groceries. It is whether or not in some cases families are going to have two or three meals a week together or whether that one meal on Sunday will have to do.

The second difference between our proposal and the Republican proposal has to do with the tax cuts. We offer tax cuts. I really do not think there is any connection, frankly, between the minimum wage and the need for tax cuts. Each ought to be considered in their own right.

I am troubled a little bit about this tendency to want to marry tax cuts into something that is important to do in its own right. But I do understand the importance of providing meaningful tax relief targeted to small businesses. I am for that. And our caucus, and I hope the Senate, is for that.

We offer a tax cut package that will cost $28.5 billion over 10 years. But the tax breaks the Republican plan entails would cost $75 billion—over twice as much. It is not just the cost that worries me, it is the fact that the Republican tax cuts are not paid for.

We have heard all of this railing about Social Security trust funds. But the Republicans do not seem to be too concerned about Social Security when it comes to this tax cut. While they pay for the first year, there is absolutely no money for the tax cuts the second through the 10th years. What that means is that it is going to have to come out of education, other priorities, or even Social Security.

The third difference between our tax cuts and the Republicans' is this: Our tax cuts target small businesses and family farms. The Republican tax breaks overwhelmingly benefit those in the top end of the income strata.

A minimum wage increase ought to be able to pass, as I said a moment ago, on its own merits. If we are going to include tax cuts, they ought to reduce the impact, as marginal as it is, of a minimum wage increase on the businesses that will be most affected by it. The Republican proposal fails this basic test of fairness, relevance, and fiscal responsibility.

How would the Democratic tax cuts help small businesses and family farms?

First, we lower the cost to small businesses of making investments by raising to $25,000 the amount of an investment a business can write off immediately. If you make a $25,000 investment, you can write it off in the first year and you do not have to wait. That is one way to help small businesses.

They tell me time and again we have to encourage them to reinvest and to put more money back into their businesses. There is no better way to do that than to say: make an investment and you can expense it immediately. We do that.

Second, we provide a tax cut of up to $4,000 to cover startup costs of adopting a pension plan so more small businesses can offer their workers pensions. This not only helps businesses, it helps the workers, and it helps businesses attract good workers and increases workers' retirement security. It is a win-win.

In this day and age, what business people tell me all through South Dakota, as they are attempting to compete for a very limited workforce, is that there has to be an incentive to be able to recruit and then ultimately to retain good people. There is nothing more important in retaining good people than ensuring that in the long term they are not only going to have a good income but they are going to have a good retirement. This package does it.

Third, we accelerate the full deductibility of health insurance for the self-employed. We have already provided fulldeductibility, and now we move it up. We more rapidly incorporate fulldeductibility, so that every small business can benefit in providing health insurance in those cases when they are self-employed.

Fourth, our proposal raises the special estate tax exemption for family-owned small businesses and farms by $450,000.

Fifth, we make it easier for farm cooperatives to raise capital.

Finally, and very importantly, we provide tax relief to farmers who are experiencing losses during the current crisis.

That is how our tax cuts help small businesses and family farms.

But our proposal also contains tax cuts to help low-income workers. We extend the successful work opportunity and the welfare-to-work tax credits for 5 years. We increase tax incentives for entrepreneurs to invest in empowerment zones. First-round empowerment zones have shown that wage tax credits are a valuable economic development tool.

Currently, there are no wage tax credits available for round 2 zones. By making these tax credits available, by building on what we know works, we can bring new jobs and opportunities to places such as the Pine Ridge Reservation empowerment zone in South Dakota and other communities that desperately need opportunities like it.

We also include in our plan the President's new markets tax credit to help people in communities that have so far not shared in the country's record economic prosperity. The new markets tax credit will encourage private capital to flow into equity investments in businesses in these areas. Bipartisan support for this proposal is growing, and it is extremely fitting to include it in a proposal to raise the minimum wage.

Our tax cut is smart; it is strategic; and I emphasize, it is paid for. I especially commend Senators ROBB and BAUCUS for their efforts in helping to develop it. As members of the Senate Finance Committee, they have done an outstanding job of ensuring that as we look at the array of tax tools that would be helpful to workers and small businesses, we put the tightest, most targeted, most focused package together. And they have done it in this amendment.

The third difference between our minimum wage plan and the one our colleagues are offering is simply this: The President will sign our plan. The Republican proposal is absolutely dead on arrival.

Now, we know we will hear dire warnings from some of our colleagues on the other side. They will say raising the minimum wage will actually hurt low-income workers because employers will be forced to cut minimum-wage jobs.

We now know that is nonsense. We have study after study that proves raising the minimum wage does not kill jobs at all. In fact, since the last time we raised the minimum wage—in 1996—American employers have created nearly 9 million new jobs. In my State, 17,000 new jobs have been created. The national unemployment rate has fallen from 5.2 percent to just over 4 percent—the lowest jobless rate in 30 years. Even the Wall Street Journal and Business Week now say the 1996 predictions about job losses were wrong.

Another argument we will surely hear from our friends in the other party is that increasing the minimum wage has nothing to do with increasing family incomes. They will argue that most minimum-wage workers are teenagers who are working part time to pay for cars and CD players.

Again, the facts show otherwise. According to the Bureau of Labor Statistics, 70 percent of all minimum-wage workers are 20 years old or older; nearly 60 percent are women; and 40 percent are sole breadwinners in their families.

Our economy is the strongest it has been in my lifetime. But behind the prosperity, there are still far too many families who are working too hard, too long, for too little pay.

In South Dakota, while many families are moving ahead, too many others are being left behind, creating, in effect, two South Dakotas. On the surface, South Dakota is fortunate. Our unemployment rate is 2.6 percent, one of the lowest in the Nation. But in some of our counties, unemployment is as high as 7 percent. South Dakota is also the home to the poorest community in America, the Pine Ridge Indian Reservation.

There are good people—hard-working people—all across this country, who are struggling to make ends meet on minimum-wage jobs. They need a raise. And they are not alone. That is why religious leaders around the country today are urging us to raise the minimum wage.

It is critical that we not miss this opportunity. A job isn't just a source of income; it ought to be a source of pride. The U.S. Catholic Conference tells us the minimum wage should reflect principles of human dignity and economic justice. Unfortunately, today's minimum wage does not do that.

I want to read something that I think probably puts it in perspective quite well. This is a quote that is not one of mine, and not one of Senator KENNEDY's. It is a quote made by former majority leader Bob Dole the last time the Congress voted to raise the minimum wage in 1996. Bob Dole said at the time: "I never thought the Republican Party would stand for squeezing every nickel out of the minimum wage."

He was right then. If he were on the floor today, he would be right now. If we don't pass a minimum wage increase by the end of next month, more inflation will have wiped out the entire increase he was referring to in 1996. We cannot allow that to happen. It is time we stopped squeezing every last nickel out of the minimum wage. It is time to raise the minimum wage the right way, $1 an hour over 2 years, with responsible targeted tax cuts to help small business owners and family farmers, not an unpaid-for tax windfall for all those who need it the least.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DASCHLE. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DASCHLE. Madam President, I ask unanimous consent that the time I have just consumed be taken from my leader time for today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DASCHLE. I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Madam President, I yield myself 15 minutes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. KENNEDY. Madam President, it has taken us a long time during this Congress to have the opportunity to present a legislative proposal to the Senate that would provide an increase in the minimum wage for America's workers who are working on the lower rung of the economic ladder: 50 cents next year and 50 cents the following year.

We have tried to bring this before the Senate over the year in a number of different forms and shapes. We were unable to do so. Now we have the opportunity to debate it this afternoon and to vote on it tomorrow. Hopefully, we will have success in passing it.

It is very clear that its outcome is uncertain because of the fact that, rather than having a chance to vote on a freestanding piece of legislation that would be considered freely and then considered by the House, passed on to the Senate, this will be wrapped into other extremely controversial legislation. But we are doing the best that we can. We want to give assurances to those Americans who are working at the minimum wage that we are going to continue this battle, as we have over these past years. We are going to continue the battle next year at each and every opportunity, until we have the chance to pass meaningful minimum wage legislation. So there should be no doubt in anyone's mind that this somehow is going to conclude the debate.

American workers are entitled to an increase in the minimum wage. We are prepared to make their cases. I am absolutely convinced we will be successful.

It is unfortunate we have to try and convince our colleagues on the other side on the basis of the merits of this case, but I think it is important that we, in a preliminary way, address some of the reasons that have been raisedhistorically against the minimum wage.

First of all, let's look at where we are on the issue of the minimum wage. This chart reflects where the minimum wage has been since 1967–1968. These are real dollars. We see that if the minimum wage today was going to have the purchasing power it had in 1968, it would be $7.49, not $5.15 an hour. It would be about $2.30 higher than where it is today. What we have seen is a gradual decline of the purchasing power of the minimum wage. This is so despite the fact that we now have the greatest economic prosperity in the history of the country—more Americans employed, the greatest stock market, lowest interest rates, lowest rates of inflation, lowest unemployment, highest rate of employment in the history of the country. Nonetheless, for those individuals who are at the lower end of the economic ladder, they are slipping further and further and further behind.

If our amendment does not pass, the purchasing power of the minimum wage will continue to decline—to the lowest minimum wage almost in the history of the country. Every day that we delay, minimum-wage workers fall further behind. If we don't raise the minimum wage by the end of this year, it will lose all of the value of the last increase in 1996. This is where we are.

Now, what are we talking about in scope in terms of the minimum wage? How large an increase are we talking about? And what will be its impact in terms of our total economy? Increasing the minimum wage by a dollar is vital to workers, but it is a drop in the bucket of the national payroll.

If you combine their wages and salaries, all Americans earn $4.2 trillion a year. An increase of $1 in the minimum wage would amount to one-fifth of 1 percent in terms of total wages over the country. We should not even hear the argument—and I hope we won't—that this effort to raise the minimum wage is somehow going to be inflationary. We are talking about one-fifth of 1 percent of total wages for those who are working 40 hours a week 52 weeks a year. In a moment, I will come to that. More of them are working 50 hours a week, trying to play by the rules, trying to bring up a family and they are still coming up short.

This is what is happening. We are finding out that those who are on the bottom rung of the economic ladder are working hard but still in poverty. The annual minimum wage is not even keeping up with the poverty line. We are finding more and more workers who are affected by this.

Then, finally, on this phase of the debate, I want to point out the employment figures. We find that we have seen, since the increase in the minimum wage that we passed in 1996 and 1997, there has still been an increase in job growth. This chart shows the increase in 1996, up to $4.75, and then to $5.15. Even with these increases we see new jobs being created and strong economic growth.

All of those on the other side of the aisle who made the predictions that we are going to lose 300,000 to 400,000 jobs if we pass an increase in the minimum wage were wrong. To the contrary, we have seen an expansion of job opportunities. Since the last increase was enacted by Congress, the economy has created new jobs at a rate of 235,000 a month. That addresses, I hope, the economic reasons for not having an increase in the minimum wage.

Let's take a moment and think about who these people are—who are the minimum-wage workers? This has to be enormously distressing to all Americans because there is no group of Americans that is working harder and slipping further behind than women in our society. Almost 60 percent of minimum wage workers are women. 7 million women across the nation—12.6 percent of all working women—would benefit from this increase.

And working fathers are being affected too. We know now that employed fathers with children under 18 work longer hours, averaging 50 hours a week. That is well over the average work time for those tens of millions of Americans who go to work at 40 hours a week, and they get overtime. The average for fathers with children under 18 is 50 hours a week. Fathers' total work time has increased by 3 hours in the past 20 years, and mothers' total work time has increased by 5 hours.

Almost one-half, 45 percent of the workers, report having to work overtime with little or no notice. One in five is asked to work overtime 4 or more days a week, with little or no notice. What does that mean to the families? Here they are working at minimum wage, they may have one job, but they probably two jobs, trying to make ends meet, already working 50 hours a week. Then they are told, without warning, they have to work overtime, which may disrupt their other employment. With the number of hours at each job, especially with the addition of overtime, we are seeing increasing numbers of mothers and fathers forced to spend more and more time away from their children.

According to a 1999 Council of Economic Advisors study, families are suffering. The study says that parents have, on average, experienced a decrease of 22 hours per week available to spend time with their children. That is what this minimum wage is all about—parents having less time to spend with their children. I hope we are not going to hear a lot of speeches out here about the importance of family values by those who vote against this increase. Twenty-two hours per week less—that is what is available for parents to spend time with their children. A decrease has happened and if we really care about families we need to change that.

Another factor, in addition to parents having less time to spend with their children, is the increasing shift work. Shift work is growing fastest in the service sector, which is heavily reliant on women workers. According to the study by Harriet Presser at the University of Maryland, 70 percent of the fastest growing occupations in the United States have a disproportionate number of female employees and require more than 40 percent of their workers to put in nonstandard hours.

Here we are finding out about who is being targeted. It is women. And for what? Nonstandard hours and overtime. At a crucial point in their lives when they are trying to bring up children and be there for them, we find out they are working harder, working longer, and they are making less. Two-thirds of the workers would like to work fewer hours—almost 20 percent more than 5 years ago. But most of those workers believe they can't cut back on hours because they need the money—46 percent. These 20 percent of workers, might be able to work fewer hours if the minimum wage were increased.

Another recent study, "Working Hard, But Staying Poor," notes that working poor are predominantly hourly employees, and 71 percent have little paid vacation; 48 percent have no paid vacation at all—none, none. And 18 percent have a week or less. Madam President, 70 percent of those making the minimum wage have virtually no vacation, or less than a week of paid vacation.

We can't give them an increase of 50 cents an hour? No. Even though we have just voted ourselves $4,600 a year, we are not going to vote for them 50 cents more an hour next year. No. This is what is happening to these families. This is what is happening to these fathers and mothers. This is what is happening to these children. And we say, oh, we can afford $4,600 a year for Members of Congress and the Senate, but we can't do something about mothers and fathers who are increasingly taken away from their children in order to make ends meet.

That is what this issue is about when you come right down to it. We say: Wait a minute here. Where is productivity in all of this? In the last 10 years we have seen a 12-percent increase in productivity for workers in the United States, but only a 1.9 percent pay increase to match. That includes the highest increases by workers in the country, not the minimum wage. That is what has happened, a 1.9-percent increase. We have seen a 29-percent increase in productivity since 1973, and the minimum wage hasn't even kept up with it. What is going on here? No unemployment, no inflation, productivity going up through the roof, and we give ourselves $4,600, and Republicans oppose 50 cents more an hour increase in the minimum wage.

And are Americans really working? There are no workers in the world—none in the world—who are working longer and harder than Americanworkers today. Japan works 54 hours less a year; the Canadians, 215;

the British, 221; the French, 314; the Germans, 389. Every other industrial nation in the world is working less.

The Americans, at the lowest end, are working longer and harder trying to make ends meet, with no kinds of health insurance programs, no paid vacations, and they are being jammed with increases in overtime without notification, and they are trying to provide for their children. What happens?

I will tell you what happens. Today, we have the new census figures that are just out, and they are very interesting. The latest census figures show that the percentage of working poor—12.6 percent—is at its highest point in 20 years. That's right, at a time when our country is so strong economically we have the highest number of working poor in 20 years—the highest number of working poor. You can look at those figures and say, well, the median income for lower income families has gone up. OK. I am talking about those individuals who are getting the minimum wage. More of them are working in poverty than at any other time. More of them are working, and working for less, than at any other time. More of them are falling further behind than at any other time.

What do we have to prove? What is there to prove? I can tell you this. If you look back on the movement from welfare to work, you will find that every economist virtually agrees that one of the principal reasons for movement from welfare to work was the increase in the minimum wage. About 700,000 of those moved from welfare to work because of the minimum wage. With this additional increase of a dollar, from every estimate, from 200,000 to 300,000 more will move from welfare to work. They value work. People want to work. They did when we increased it last time and I think they'll do it again.

What does it mean for the taxpayer? It is beneficial to the taxpayer. Why? You will find if you pay more in the minimum wage, you have fewer people who qualify for support programs. That makes sense. Fewer will be qualified for food stamps, fuel assistance programs, and other kinds of support programs. And it will save taxpayers billions of dollars. So it is difficult for me to understand the opposition we are receiving.

In the Democratic proposal, we added a small program, but an important one, that primarily helps working families in the tax program in terms of pensions and some other matters. But we have, on the opposition—and I will come to this later when we will have some time to talk about our Republican friends on the other side—they say don't give them a dollar in the next 2 years; they are not worth it. They are worth a dollar over 3 years, but we are worth $4,600 more a year. We are not going to spread our pay increase out, but we are going to spread out the increase for those at the lowest end of the economic ladder. That is the Republican leadership position.

Now, the American people must wonder what in the world is going on when the Senate and House are trying to get together with the President on this budget, and we are talking about spending Social Security, and we have before us in the Senate a tax break for $75 billion over the next 10 years. Where are we getting all that money? I hope they have given up this argument that, "Well, look out for the Democrats because they are going to spend Social Security." There is $75 billion in the Republican program that is unpaid for.

As I mentioned, I think the compelling reason is the fact that these are men and women who are hard-working. They are child care and health care workers who we entrust with the care of our loved ones every day. They clean out the buildings of American industry and factories every single night.

This is a women's issue because the great majority of the minimum-wage workers are women. It is a children's issue because whether those mothers and fathers are going to make a decent wage is going to affect those children. They worry that they are not going to have warm homes in the winter and enough to eat, which we know they don't have. We know what the Second Harvest reports are about—the number of families working and not making a livable wage are going out to the food pantries all across this country. That is why the mayors—Republican and Democrat alike —support our increase. It is a women's issue, a children's issue, and a civil rights issue because many of these men and women are people of color. And most of all, it is a fairness issue.

How in the world does the Republican leadership go home to their communities and say we voted for a $4,600 pay increase and against your minimum wage?

I hope every citizen will ask their Members of the Senate when we adjourn—whenever that may be, that particular issue is still in question—why a Member's salary is more important than theirs.

Others desire to speak. I see my friend from Minnesota. How much time does he require?

Mr. WELLSTONE. Madam President, I think I will speak for 10 minutes. But I think it will be less because I want the Senator to have a chance to respond to the Republican arguments.

Mr. KENNEDY. The Senator can have 10 minutes.

Mr. WELLSTONE. I thank the Senator.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. Madam President, first of all, let me say in a very personal way that when I was teaching and hoping to become a Senator, this is what I imagined it would be. I could come to the floor of the Senate and support an amendment introduced by Senator KENNEDY, that I would be lucky enough to have Dale Bumpers' desk and be able to sit next to Senator KENNEDY and come out here and fight for what I think is just elementary economic justice. I am very proud to rise to speak in behalf of this amendment.

On behalf of 176,000 Minnesotans who would be helped by this, much less the workers and their children—there would be many more citizens—I thank him. On behalf of another 11 million-plus workers in the country who would benefit from this $1 raise over 2 years, I thank him.

I say to all of my colleagues—Democrats but especially Republicans on the other side of the aisle—wherever I have traveled in our country—I start with my State of Minnesota—no matter where it is in Minnesota, in the city, or in rural areas, or in the suburbs, or whether it is the Deep South, whether it is L.A., East L.A. or Watts, or whether it is, inner-city Baltimore, or whether it is rural Minnesota—the one thing that people come up and say over and over again more than anything else is: We want to be able to have a job at a decent wage so we can support our families, so our children can have the care we know they need and deserve.

When I went to visit the part of the country where my wife Sheila and her family come from, Appalachia, Harlan County, it was the same thing. That is what people want to be able to have —a living-wage job, to be able to earn enough of an income so they can support their children, so they can do right by their children. That is what this amendment is all about. To talk about raising the minimum wage from $5.15 an hour to $6.15 an hour over 2 years so we don't lose what we gained in 1997 is a matter of elementary justice.

I heard Senator KENNEDY say this. I guess I need to emphasize this one or two times myself. I don't know how Senators or Representatives can vote for a $4,600 increase for ourselves when we are already making $130,000-plus a year and say we need this because we have children who are in college and because we need to make sure we have enough money to cover expenses and then turn around and vote against a $1 increase over 2 years from $5.15 an hour to $6.15 an hour.

Our economy is booming. In many ways we are doing well. But the fact is that I still think, using Michael Harrington's term—the Senator from Massachusetts will remember that book—we still have "two America's." We have one America with greater access for all the things that make life richer in possibilities and we have another America that still struggles to make ends meet. Rising tides lift all boats. But in some ways, we haven't been growing together. We have been growing apart.

A minimum-wage worker now makes $5.15 an hour. The average CEO in our country makes $5,100 an hour.

Let me say to every Senator that this is matter of elementary justice. This is, as Senator KENNEDY said, a family value issue. It makes a huge difference, if you are able to make an additional $3,000-plus a year because of this increase in the minimum wage. That means you will be able to pay your utility bills, and you do not have to worry about being shut off. It means your children will be warm as opposed to cold in a cold winter in Minnesota or in Maine, Madam President. It means you will be able to buy clothing for your children. It means you can afford your rent.

I hope and I pray it will mean we will not have so many women and so many children in our homeless shelters with 40 percent of these families having the head of the household working full time—people who work 52 weeks a year, 40 hours a week, and they are still poor in America because they don't make enough of a wage to support themselves and their families.

This is a family value issue. I don't know of any issue before the Senate and I don't know of any debate that we have had in the Senate that speaks more loudly and clearly to family values.

Colleagues, Republicans included, vote for this Kennedy amendment if you want to support your children. Vote for this Kennedy amendment if you want to support families. Vote for this Kennedy amendment if you want to support hard-working people who shouldn't be poor in America. Vote for this amendment if you want to support women. Too many women are the ones who are working full time and still don't make a living wage. This is a matter of justice. There is a matter of family values. This is a matter of doing the right thing. I hope we will have a majority vote for this amendment.

Finally, I will admit it. I will make a blatant political point.

I don't know how in the world anybody in this Chamber can vote a $4,600 salary increase for himself or herself saying we have to have this to make ends meet—and that is from the $130,000 salary at the beginning—and say no, no; we can't vote for people to have the chance to make enough of a wage so they can do a little better for themselves and, more importantly, a little better for their children.

Mr. President, $5.15 an hour to $6.15 an hour, a $1 increase, 50 cents a year over 2 years ought to pass with 100 votes.

I yield the floor.

Mr. KENNEDY. Madam President, will the Senator yield for a question? Is the Senator familiar with this study by the Family Work Institute? They had an interview with the children of minimum-wage workers. Here are three of the top four things children would like to change about the working parents and the concern about being with their parents. They wish their parents were less stressed out by work, less tired because of work, and could spend more time with them.

The kids are right. The parents have less chance to spend time with them. They are working longer. They are working harder. They have less time to spend with their children. The children are crying out for help, assistance, and for understanding.

This isn't going to solve all of their problems. But this minimum will put $2,000 into the family income, and it would give those parents time to spend with their children, perhaps buy a Christmas present or a birthday present, and permit them to share some additional quality time.

I was wondering if that kind of response from the children of minimum-wage workers surprised the Senator from Minnesota. He has spent a great deal of time traveling this country and talking to needy families.

Mr. WELLSTONE. Madam President, I thank the Senator for his question. I wish I had emphasized that more, I say to the Senator. I can think of so many poignant conversations with people in which they were saying: Given the wages we make, every last hour we can work, we work. We have no other choice because that is the only way we can put food on the table. However, it means we have very little time to spend with our children. It is not what we want. It is not the way we want it to be.

I think this is so important for families.

I yield the floor.

The PRESIDING OFFICER. The Senator from Hawaii is recognized for 7 minutes.

Mr. AKAKA. Mr. President, I rise in support of the amendment to raise the minimum wage.

My colleagues, the case for an increase in the minimum wage is clear. America has enjoyed eight and one-half years of economic expansion. The economic boom that began in March 1999 is now the longest peacetime expansion in American history.

However, the rising tide of economic development has not lifted the boats of millions of American workers. Millions of Americans earning the minimum wage are rapidly becoming a permanent underclass in our society. This amendment is a big step forward for millions who are struggling to feed and raise a family, and rent decent housing, while earning the minimum wage.

At the same time that our economy is expanding, the distribution of income is becoming more and more unequal. As the charts prepared by the Senator from Massachusetts make clear, the earnings of average Americans have grown little, and the overall distribution of income has become increasingly unequal. Whether you examine the trend of U.S. income distribution or compare the wages of U.S. workers to those in other industrialized countries, the result is clear: the wages of the average American worker are stagnating.

While I thank the Senator from Massachusetts for championing this amendment, I am also grateful that his amendment extends the minimum wage to the only U.S. territory where minimum wage is not governed by Federal law. I am speaking of the Commonwealth of the Northern Mariana Islands.

For my colleagues who are not familiar with this territory, the Commonwealth of the Northern Mariana Islands is located 4,000 miles west of Hawaii. In 1975, the people of the CNMI voted for political union with the United States. Today, the CNMI flies the flag of the United States as a U.S. territory.

In 1976, Congress gave U.S. citizenship to residents of the CNMI. At the same time, however, Congress exempted the Commonwealth from the minimum wage provisions of the Fair Labor Standards Act. As we now know, that omission was a grave error. Today's amendment will correct that longstanding mistake.

The CNMI section of this amendment stands for the simple proposition that America is one country and that the U.S. minimum wage—whatever amount it may be—should be uniform. Common sense dictates that our country must have a single, national law on minimum wage.

Throughout the United States, Federal law requires that minimum wage workers be paid $5.15 per hour—everywhere, that is, except the Commonwealth of the Northern Mariana Islands. In the CNMI, the minimum wage is $3.15 per hour, 40 percent less than the U.S. minimum wage.

You would have to go back twenty years, to January 1980, to find a time when the statutory minimum wage was that low in the United States. Today, workers in the CNMI are being paid wages that are 20 years behind the times. And the numbers I have cited do not account for the effect of inflation.

Once you adjust the CNMI minimum wage for inflation, you would have to go back to the 1930s—the Depression years—to find a time when the wages of American workers had the same buying power as minimum wage workers in the CNMI today. Adjusted for inflation, the minimum wage in the CNMI—which I remind my colleagues is U.S. soil—is the equivalent of less than ten cents an hour. Ten cents an hour! You can't even buy a pencil for 10 cents. Adjusted for inflation, the minimum wage in this territory is 60 years out of date.

This situation is a disgrace. In Guam, ninety miles from the CNMI, they have been paying the minimum wage since 1950. It's time to end this embarrassment and reform the minimum wage in the Commonwealth of the Northern Mariana Islands. That's one of the important things that this amendment would do.

I yield the floor.

Mr. KENNEDY. I yield 10 minutes to the Senator from Rhode Island.

Mr. REED. Mr. President, I rise as a strong and proud supporter of Senator KENNEDY's amendment to raise theminimum wage one dollar over 2 years. I commend Senator KENNEDY not only for his leadership today but for his attention to the needs of working Americans throughout his career in the Senate.

Today we are debating, and I hope soon adopting, legislation to address an issue vital to America's working families. The amendment before us calls for a 50-cent increase in the minimum wage in January of 2000, with another 50-cent increase in January of 2001. So in a 2-year period we would increase the minimum wage from $5.15 to $6.15.

This minimum wage increase is a necessity for many individuals participating in today's workforce, particularly those moving from welfare to work. Among the rationales behind welfare reform was that everyone who is able to work should work and that a job should offer a sustainable income. Unless we have a living minimum wage, a minimum wage that can support a family, a minimum wage that can allow a family to meet its basic needs, then it is something of a cruel hoax to force people into the workforce, knowing that they will not be able to support themselves on their income alone.

Our economy has been performing remarkably well since the last increase in the minimum wage in 1996. A record 8.7 million jobs have been created. We all recall when we were debating the minimum wage that year, one of the most persistent objections was that the increase would kill job growth; it would prevent our economy from continuing to grow. The reality is that we are in the midst of a period of record economic expansion during which a large number of new jobs have been created.

Increasing the minimum wage is not something that is going to hamper our economy. It will enable working families to provide for their families. Moreover, economic factors dictate that if we don't increase the minimum wage now, the modest growth in inflation will wipe out the gains of the 1996 increase. Indeed, the minimum wage is in danger of dropping below its pre-1996 level in real dollars if we do not pass this amendment.

I believe other economic factors dictate that we increase the minimum wage. As we look at this economy, we are discovering fantastic growth in many quarters, but we also see that the incomes of the poorest Americans are not growing as fast as they have grown in the past.

Between 1950 and 1978, income growth for the lowest earners grew proportionally more than any other income level. What has happened recently, because of our new information society, because of new technology, because of a booming stock market, the wealthiest Americans are increasing their incomes substantially. In fact, the wealthiest one percent of Americans, doubled their incomes between 1977 and 1999. In sharp contrast, the poorest 20 percent of Americans actually saw their incomes fall by 9 percent between 1977 to 1999.

There are some things that we can do to begin to reverse this trend, to ensure that every part of our American family participates in our country's economic success. The first step is to increase the minimum wage.

The reality is that today, workers making the minimum wage—heads of households, single heads of households with a full-time job—earn about $10,700. That is about $2,500 below the poverty level for a family of three. So essentially, what we are telling workers who are going into the workforce with minimum-wage jobs, is that they will not be able to get out of poverty. That I believe is wrong. If someone is going to go into the workforce, work 40 hours a week, and try to raise a family, they should at least be able to make enough money to live above the poverty line.

The other issue that has often been raised with respect to the minimum wage is that, really, this is just a benefit for kids, that kids are the only group of people who have minimum-wage jobs. They are the people working at the fast food restaurants and performing other minimum wage jobs. This is not the truth. Statistics show that 70 percent of minimum-wage earners are adults over 20 years of age. They also show that 46 percent of these minimum-wage workers have full-time jobs and that 59 percent are women.

This correlates closely with the startling statistics we have seen with respect to children and poverty. Frankly, one of the most disturbing statistics is the growth in the number of children living in poverty. Typically, these children are in single-parent households led by women. Since 59 percent of minimum-wage earners are women and 40 percent of minimum-wage earners are the sole breadwinners of their family, these problems seem to be directly connected.

One of the great shames of this Nation, at a time when we are recording robust growth in the stock markets, at a time when we are seeing extraordinary development in our economy, is that one in five children still live in poverty in the United States; that 12 percent of American households cannot meet their basic nutritional needs some part of the year; that 39 percent of the families who turn to food banks for assistance have one adult member who holds a job. These are working Americans, but their wages are so low they cannot feed their families and their children live in poverty. We can do better than this in our great country. The first way to do better is to support this increase in the minimum wage proposed by Senator KENNEDY.

The reality is that having a job today does not mean you are going to be above the poverty level. Having a minimum-wage job frequently guarantees you are below the poverty level. At this time in our history, with such economic progress, with the vista of a new century before us, with the information age bursting upon us, we should be able to guarantee if a person works 40 hours a week, that person should be able to raise a family above the poverty level.

This proposal for a minimum wage seems only to be controversial here in the Senate. If you go back to Rhode Island and ask people what they think, they think the minimum wage should go up. They recognize and understand how hard it is to support their own families. They know if they had a minimum-wage job, it would be close to impossible to do that.

Indeed, there was a survey done by the Jerome Levy Economic Institute which showed that 87 percent of small businesses thatwere contacted and asked about increasing the minimum wage thought that they could absorb this modest cost. That is up from 79 percent just a year ago. So even small business believes raising the minimum wage is appropriate. That might be a direct reflection of the fact that many states have already raised the minimum wage above the federal level. Indeed, in many parts of the country with the highest minimum wages, there is a persistent shortage of labor. In fact, businesses are bidding for workers at levels above the minimum wage.

We are really talking about protecting the most vulnerable workers in our economy, those without the power to negotiate higher wages, those in areas of economic activity that do not require high skill levels, and therefore can be easily replaced. These are the people for whom we should have a special concern, these are the people we should help move up out of poverty, not by a handout but by simply rewarding the value of each hour they work.

Business Week, a magazine that is not traditionally a strong proponent of prolabor sentiments, had this to say:

> It is time to set aside the old assumptions about the minimum wage. . . . We don't

> know how high the minimum wage can rise until it hurts the demand for labor. But with the real minimum wage no higher than it was under President Reagan, we can afford to take prudent risks.

Frankly, this is not a risk, it is a prudent investment in the workers of America. My own paper, the Providence Journal, adds:

> An increase to $6.15 would help take a nick out of poverty and provide a more solid base for . . . economic expansion. Congress ought to do it.

I ask unanimous consent to have this Providence Journal editorial printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. REED. I agree with the Providence Journal. It is about time Congress acted. It is about time we took a nick out of poverty. It is about time we invested in working families and gave them, through their own efforts, theresources to raise their families, to raise them up out of poverty. We must give new hope to families who are working very hard in this economy to raise children, to move forward and seize the opportunity at the heart of the American dream.

I again commend Senator KENNEDY for his great efforts, not just today, but for so many days on the floor, fighting for working families, fighting for economic justice for all our citizens.

I yield the floor.

EXHIBIT 1

RAISE THE MINIMUM WAGE

A proposal in Congress to raise the minimum wage, now $5.15 an hour, by two increments of 50 cents each over the next two years seems reasonable. This would still leave those subsisting on these wages well below the federal poverty level, but it would at least bring them some modest relief. (The debate comes, by the way, as Congress voted itself an average $4,600 raise.)

The argument is sometimes made that to raise the minimum wage would reduce employment by raising employers' costs. We see little indication over the past few years that the move would shrink employment. For that matter, increasing the minimum wage, by widening purchasing power, could substantially help the economy and boost employment over the long run.

It should also be noted that higher wages often mean greater loyalty and effort on the part of employees. Thus, whatever the increment of a higher minimum wage, that costs could be more than offset by higher revenue and profits from increased productivity and reduced turnover, hiring and training costs.

It is interesting that in many states with the highest state minimum wages, such as Massachusetts (now at $5.25 and to be raised to $6.75 in two 75-cent increments over the next two years), there are serious labor shortages. Recent increases in those states' minimum wages have not brought about price rises or layoffs, so far as such things can be measured.

But then, consider that the purchasing power of the current minimum wage is about $2 less that of the minimum wage in 1968 (when the jobless rate was also very low). Further, it should be noted that more than 70 percent of American workers receiving the minimum wage are over age 25 or not longer in school.

An increase to $6.15 would help take a nick out of poverty and provide a more solid base for the economic expansion. Congress ought to do it.

Mr. KENNEDY. Madam President, I see the Senator from North Dakota on the floor. I yield him 7 minutes.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 7 minutes.

Mr. DORGAN. Madam President, we are here debating the question of the minimum wage: Should the minimum wage be increased? We are talking about people at the bottom of the economic ladder in this country, people who work hard, who do not ask for much. They do not have stock in the stock market. They have not, by and large, been blessed with substantial increases in income by a growing economy. In many cases, they have been losing ground.

I know when we talk about the minimum wage, we tend to talk about it in terms of statistics, tables and charts. I have met repeatedly over the years with people who have had difficulty, who are trying to get back into the labor market, who are working at minimum-wage jobs. I recall one such meeting in my office in Fargo, ND, with probably a half dozen young women who were struggling to get off the welfare roll and get on a payroll and earn a living, to get some training and move into the job force again.

All of them told me the same story of the difficulty of making ends meet on a minimum wage paycheck. They shared with me how hard it was to balance a checkbook on minimum wage—meeting the monthly bills like child care, rent, a car payment, let alone trying to find a few dollars to buy a Christmas present for the kids.

The story is always the same. Those stories come to you from people who are trying very hard. Most of them tell those stories with tears in their eyes. It is the case here in Congress that the halls are not full today of interest groups who are well organized, who have hired some very skilled people to lobby on their behalf for this kind of legislative change. For people at the lower end of the economic ladder, there are not halls full of well-paid lobbyists and others pushing for this change. They are largely the voiceless in our society who do not have the capability to influence legislative events quite as easily as some other very important interests in this country do. But that should not persuade anybody that this interest is not important.

It is very important for our country, especially in a circumstance where the economy is growing. All the signs are that our country is doing well. The stock market is doing very well. Unemployment is at a 30 year low.

It is important for us also to understand there are families struggling on minimum wage trying to make ends meet. The fact is, the purchasing power value of that minimum wage has diminished dramatically. It is about $2.50 below the purchasing power value in 1968.

None of us in this room are working for minimum wage. No one. So none of us have experienced what it is like to put in 40 or 45 hours this week and be paid minimum wage and then try to make a car payment, pay rent, buy food for the kids, and make ends meet. We cannot do that. No one in this Chamber would volunteer to do that, I expect. But there are a lot of people trying to do that because they want to pay their way. They want a decent job; they want an opportunity. They want to work.

That is why it is important in this circumstance for us to increase the minimum wage. Its purchasing power diminishes over time because of inflation. The value of the minimum wage has decreased for a lot of these families. Many of us know that poverty in this country is increasingly poverty of a single woman trying to raise a family. Many of us have met with those folks in our offices and elsewhere telling us the difficulties they are having.

In many ways, it is hopeful that both sides of the political aisle in this Chamber are talking about increasing the minimum wage. This is an important subject. We are both talking about this subject now in a serious way, and that is good. It ought to give hope to those at the bottom of the economic ladder who are trying very hard to make ends meet and have difficulty doing it on today's minimum wage.

There is a difference between the proposals. The minimum wage we are proposing will provide a minimum wage increase on January 1, 2000. The alternative plan will not.

We provide a $1 increase in the minimum wage over 2 years. The GOP plan does not.

We protect overtime compensation for 73 million working Americans who are entitled to it. The GOP does not.

We offset the full cost of the tax cuts, and there are some tax incentives and cuts in this proposal to help businesses that will confront some additional costs. We fully offset ours. The competing plan is mostly unpaid for.

We can go on down the list. We extend the welfare-to-work credit. The other plan does not.

We provide a work-site child care tax credit. The GOP plan does not.

We provide wage tax credits for small businesses located in the empowerment zone which, incidentally, is very important in our part of the country. These are zones, especially the empowerment zone in my State, which have as a criteria the outmigration of people. People who have left. This is not unemployment and poverty. That is one sign of economic distress. The other sign is a rural county that has lost half its population. People cannot find work, so they leave, and the county shrinks like a prune.

Empowerment zones create jobs and restore economic vitality and health in those areas. We include that in our proposal, but the GOP plan does not.

These are interesting and important differences between the two plans. I say this: At least we are on the right subject.

The Senator from Massachusetts has worked tirelessly on behalf of those at the bottom of the economic ladder who are struggling hard and valiantly trying to make ends meet. By proposing this minimum wage increase which, in my judgment, is long overdue, the Senator from Massachusetts does a real service. I hope at the end of this debate we will be able to adopt the Senator's amendment, and I hope those who are working on minimum wage struggling to care for their families and create a future for themselves, on January 1 will be able to say: Yes, Congress did something that will help me and my family as well.

Madam President, I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Madam President, I understand I have 8 minutes remaining.

The PRESIDING OFFICER. The Senator is correct.

Mr. KENNEDY. The Senator from Virginia asked for 10 minutes. I ask unanimous consent that I have 2 additional minutes and yield 10 minutes to him.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Virginia is recognized.

Mr. ROBB. Madam President, on Friday, November 5, Senator BAUCUS and I introduced the Small Business Tax Reduction Act of 1999. We drafted this legislation to complement Senator KENNEDY's minimum wage amendment, and under the unanimous consent agreement, it was incorporated into that amendment which is now pending.

The Small Business Tax Reduction Act of 1999 is targeted to provide tax relief for those employers who will be most affected by the minimum wage increase, even more than the proposal to be offered by the other side of the aisle.

Our package adheres to two principles that had to be reconciled: First, that tax relief should be provided to those who need it most; and, second, that any tax relief package be fiscally responsible.

To make sure that our package benefited those who need it most, we focused primarily on small businesses, those most likely to experience higher costs as a result of an increased minimum wage.

To make sure the package was fiscally responsible, we used true offsets, not the surplus, to pay for it. In this way, we have remained true to both principles: This is a good tax package; it is a responsible tax package.

Admittedly, deciding what provisions to include in such a bill required some compromises. In almost all cases, I have sponsored, or cosponsored, legislation that would go beyond the tax relief in many of the areas addressed by our bill. I will continue my efforts to move on these broader provisions.

However, our commitment to paying for the tax bill and not either borrowing from our parents by using the Social Security trust fund or borrowing from our children by increasing our debt burden, precluded us from doing more at this time.

In some respects, our tax package is similar to the Republican proposal. For example, both packages accelerate the 100-percent deduction for self-employed health insurance; both packages increase section 179 expensing for small businesses; both packages extend the work opportunity tax credit; and both packages raise the business meals deduction from 50 percent to 60 percent.

But in other ways, our packages are quite different. For instance, we have included in our amendment some estate tax relief for small family-owned farms and businesses. Inflation has left the current exemption simply insufficient to give adequate relief to farmers and small business owners. This is one of the areas where we clearly need to do more, but some relief is better than none.

We have included provisions targeted to geographic areas with the greatest need for economic assistance. The new markets proposal, for example, would reward employers who operate in economically distressed areas where the minimum wage is the most prevalent.

There is also a credit that encourages employers to give lower income employees information technology training so we can begin to close the so-called digital divide. I was at an announcement this morning that will also make a major step in that direction.

We also expand current empowerment zone credits so more communities and more people are able to take advantage of these credits. The empowerment zone credit provides a dual benefit. It helps those who may not yet be reaping the benefits of our expanding economy, and it helps revitalize our cities which, over the long term, may be our best tool for reducing the pressures that lead to suburban sprawl.

Another area we devoted our attention to is retirement security. Increasingly, people are apprehensive about their retirement. Many small businesses are struggling to provide retirement security for their employees.

The pension provisions in our bill are designed to address the needs of these small employers who are trying to develop effective retirement plans for their employees.

For example, we would allow small businesses to borrow from their plans, just as large businesses can, and we have included Senator BAUCUS' proposal to provide a credit for new small business pension plans. Everyone benefits when small businesses are better able to offer their employees retirement plans.

Finally, we need to help our communities meet their increasing demand for new and upgraded schools. Across the Nation, there are pent-up needs for new schools to make room for smaller classes, for schools that have access to the latest technology, for schools that have decent heating and plumbing and leak-proof roofs.

To help meet those needs, we have included a provision to help communities modernize their public schools. In this bill, we propose extending the Qualified Zone Academy Bond Program, or QZABs, for an additional year. This program helps with school modernization efforts and deserves to be extended.

Again, this effort is important, but we need to do much more. While we could not squeeze more on school construction into this vehicle, I am determined to find one that is large enough to accommodate our Nation's schoolchildren, who, frankly, deserve better than what they have gotten from Congress this year.

Let me close by reiterating why we decided to pay for this bill and not just take the money from the surplus.

First of all, I believe both sides understand we made a bipartisan commitment to stop dipping into the Social Security surplus to pay for current spending outside Social Security. Honoring this commitment is important both to maintain pressure for fiscal discipline and to prevent further cynicism about the way the Federal Government operates.

As for the non-Social Security surplus, we believe our first priority should be paying down the over $5 trillion debt we have accumulated by failing to exercise fiscal discipline in the past. The need to keep up the pressure for fiscal responsibility is clear.

Congress has been breaking the spending caps at breakneck speed. CBO recently advised us, not only had we already spent the small surplus expected for fiscal year 2000, we are already $17 billion in the red for the next fiscal year. Until we can agree on a comprehensive package that balances our spending, tax relief, and debt reduction priorities, we should pay for the spending and the tax cutting we propose and not take the easy route of spending the surpluses that may or may not actually materialize.

If we do not put the brakes on piecemeal tax cuts now, we could easily face a runaway train of politically popular proposals that are not likely to be in the best long-term interests of the Nation. When we are ready to put everything on the table and consider the various priorities—such as using the surplus to pay down the debt—we can engage in that discussion. Until then, we should focus on achieving the current objective, which is to assist employers, particularly small employers, who may be adversely affected by the minimum wage increase.

In short, this tax package accomplishes its purpose of providing relief to those employers who are most likely to have higher costs when the minimum wage increases. It is responsible. It does not squander the surplus we have fought so hard to achieve but maintains it for debt reduction. At the same time, it protects Social Security trust funds from being misallocated to other programs and expenditures. This is a good tax package, and I urge our colleagues to support it.

With that, Madam President, I reserve any time remaining and yield the floor.

Mr. KENNEDY. Madam President, I suggest the absence of a quorum and ask unanimous consent that it not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. DOMENICI. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Madam President, parliamentary inquiry. Could the Chair tell me, is it now appropriate for me to call up the amendment that is pending that has been filed with reference to an alternative minimum wage and tax plan?

The PRESIDING OFFICER. If the Senator yields back the remaining time on the Kennedy amendment, the answer is yes.

Mr. DOMENICI. Parliamentary inquiry. How much time do we have on the Kennedy amendment?

The PRESIDING OFFICER. There are 60 minutes remaining.

Mr. DOMENICI. In the event I do not yield that back, what is the remaining time arrangement for the day and for tomorrow on the two respective amendments, the Kennedy amendment and the Domenici amendment?

The PRESIDING OFFICER. After the 60 minutes of remaining debate on the Kennedy amendment is used, there would be a period of 2 hours for debating the amendment which the Senator would be proposing.

Mr. DOMENICI. Then what is the agreed-upon schedule for tomorrow with reference to the amendments?

The PRESIDING OFFICER. There is 1 hour of debate beginning at 9:30, with a vote scheduled to occur at 10:30.

Mr. DOMENICI. Madam President, might I ask Senator KENNEDY a question?

Mr. KENNEDY. Please.

Mr. DOMENICI. I ask Senator KENNEDY, I understand you have no additional speakers now.

Mr. KENNEDY. If I could answer the Senator, I think we do actually have some additional speakers. They can either do it now or at some other appropriate time after all the time has expired.

Mr. DOMENICI. I understand that as far as today's debate is concerned, you are out of time.

Is that what the Parliamentarian told me?

The PRESIDING OFFICER. The Senator is correct, that the time controlled by Senator KENNEDY on the Kennedy amendment has expired. Sixty minutes remain for those opposing the Kennedy amendment.

Mr. KENNEDY. But, I say to the Senator, as I understand it, when you offer your amendment, you will have 60 minutes and we will have 60 minutes. I think we could accommodate the other Senators. Senator FEINSTEIN is here. We have probably two other Senators. We can let them speak at that particular time. So it is just a question of working out the remaining time this evening.

Mr. DOMENICI. I yield back any time we have in opposition to the——

Mr. NICKLES. No.

Mr. DOMENICI. Excuse me.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. NICKLES. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. Madam President, as I understand the parliamentary situation, we have 2 hours equally divided: One on the Kennedy amendment, and the other 2 hours on an amendment that will be offered by Senator DOMENICI.

I wish to speak very briefly in opposition to the Kennedy amendment. Then I will yield back the time, and that will eliminate at least that round. Then there will be 2 hours equally divided on the Domenici amendment. People can speak on either proposal, as they wish.

For the information of our colleagues, we will have one hour of debate tomorrow morning and a vote at 10:30 on both proposals.

I urge my colleagues to vote no on the so-called Kennedy minimum wage proposal that is now before the Senate. I compliment my colleague from Massachusetts. He has offered this time and time again. I am sure he will be back next year and the following year to increase the minimum wage. If you ask the question: should there be an increase in the minimum wage, I am sure a lot of people would say yes because they want everybody who is making a low wage to make more.

I happen to agree with that very strongly. It is very important for people to be able to climb the economic ladder. What people many times don't recognize is that if you have a very significant increase in the minimum wage—such as Senator KENNEDY's proposal of approximately a 20-percent increase, increasing it from $5.15 to $6.15, a $1 over the next 13½ months. That is OK, I suppose, if everybody can just pass it along without any repercussions. But there may be some businesses that can't. If they can't, what are they going to do? They may hire less people. They may let some people go.

I know it does not seem as if that would be the case, but frankly it is. It may not happen in every case, but it happens in many cases. There are some employers that may not be able to pay $5.15 an hour or $6 an hour. Senator KENNEDY's proposal says in 13½ months you have to be paid $6.15 an hour or it is against the law for you to have a job.

The Federal Government has determined that, in our infinite wisdom, in rural Montana or where ever, we don't care if pumping gas can only pay $5.50 or the corner grocery store can only afford to pay that amount, we don't care. We are deciding up here in Washington DC, that the Federal Government does not want you to have a job. It is against the law for you to have a job. The Federal Government has decided employers must pay at lease $6.15 an hour or they cannot hire anyone. Sorry, 15-year-old, 16-year-old, or 17-year-old trying to get a summer job, if there are no summer jobs available at that amount. It may be fine for the State of Massachusetts. That may be great in New York City. I can't help but think there are some areas of the country where maybe that does not apply and will not work.

This idea that raising the minimum wage can only have a positive economic impact is grossly incorrect. The Congressional Budget Office has stated it would mean a job loss of between 100,000 and 500,000 jobs. That is a pretty significant hit. Maybe it is not a hit for everybody because we have millions of people working, but for between 100,000, and 400,000 people who could lose their jobs, that is pretty significant. If they find themselves unemployed because they couldn't get a job as a result of the minimum wage increase we have created a real injustice. Maybe they are looking for summer work, maybe they are looking for part-time work, or maybe they are trying to supplement a job working evenings. Why should we price them out of the market?

Let me address a few other things that are in Senator KENNEDY's proposal. There are some tax cuts. Senator ROBB just spoke regarding those. Many of those are similar to ones we have in our package that Senator DOMENICI will be talking about briefly. I compliment them on those tax cuts. What I criticize them for are the tax increases. You didn't know they had a lot of tax increases in the Democrat proposal? Well, they do. The fact is, there are more tax increases than there are tax cuts.

What tax increases do they have? They have two or three things. They have a little provision in here that reauthorizes Superfund taxes. We do not reauthorize Superfund because the program is flawed. Does it make sense that they are going to extend Superfund taxes without fixing the program? I am absolutely confident, 100 percent confident this Congress is not going to reauthorize and extend Superfund taxes unless we reauthorize the program. The program is broken. We are raising billions of dollars or have raised billions of dollars and we are wasting it.

The lawyers and trial attorneys reap great benefits, but we spend very little money cleaning up the program. Many of us are in favor of fixing the program. Let's make sure 90 percent of the money that is raised for Superfund cleanup actually goes to cleanup, rather than the current situation in which two-thirds of it goes to legal fees.

The Kennedy legislation also includes several other tax increases. There is a proposal that goes by the name of the Doggett proposal. According to a lot of different groups—including the Cattlemen's Association, Taxpayers Union, U.S. Chamber of Commerce, and National Federation of Independent Businesses—this is a really big, bad tax increase. It is called the Abusive Tax Shelter Shutdown Act of 1998.

Most people think of it simply as an IRS enhancement act. Well, they are quite mistaken. I mean, should we really give the IRS a blank check to go after lots of people for a lot of things because we think maybe we will disallow noneconomic tax attributes, whatever that means. It is essentially a $10 billion tax increase and we are going to turn the IRS loose.

We spent a lot of time and passed, in a bipartisan fashion—my compliments to Senators ROTH and MOYNIHAN—last year a very significant IRS reform bill that curbed the appetite of the IRS. This legislation would say, forget about those reforms. It would give the IRS more power to go after what they consider noneconomic attributes. It is truly a bad idea.

There are a lot of bad proposals within the Kennedy language. There are tax increases and the tax increases won't work. The tax increases will extend taxes that shouldn't be extended until the programs are reauthorized.

It is a heavy hit, particularly on small business, too quick, too much, too early. A 20-percent increase in the next 13 and a half months, in my opinion, is too much. It would have economic ramifications that would cause many people to lose their jobs. How many? Hundreds of thousands. According to CBO, it says job loss would be between 100,000 and 500,000.

I ask unanimous consent that this conclusion of the CBO be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE PRIVATE-SECTOR MANDATE STATEMENT

S. 1805—Fair Minimum Wage Act of 1998

Summary: S. 1805 would amend the Fair Labor Standards Act of 1938 (FLSA) to increase the minimum wage rate under the Act from $5.15 per hour to $5.65 per hour on January 1, 1999, and to $6.15 per hour on January 1, 2000.

Private-sector mandates contained in bill: S. 1805 contains a mandate on private-sector employers covered by the FLSA. It would require those employers to pay a higher minimum wage rate than they are required to pay under current law.

Estimated direct cost to the private sector: CBO's estimate of the direct cost of the private-sector mandate in S. 1805 is displayed in the following table.

DIRECT COST OF PRIVATE-SECTOR MANDATE

[In billions of dollars]

Provision	Fiscal years—				
	1999	2000	2001	2002	2003
Increase the minimum wage rate	2.7	7.4	7.9	7.0	6.2

Basis of the estimate: S. 1805 specifies that the minimum wage is to increase from $5.15 to $5.65 per hour on January 1, 1999, and to $6.15 on January 1, 2000. Other sections of the FLSA providing different rules for certain workers and employers, including the provision permitting employers to pay teenagers $4.25 per hour during the first 90 consecutive days of employment, would not change.

To estimate the direct cost to private employers, information was used on the number of workers whose wages would be affected in January 1999 and subsequent months, the wage rates these workers would receive in the absence of the enactment of the proposal, and the number of hours for which they would be compensated.

The estimate was made in two steps. CBO used data from the Current Population Survey (CPS) to estimate how much it would have cost employers to comply with the mandate had they been required to do so in early 1998. Second, these estimates were then used to project the costs to employers beginning in January 1999, taking into account the expected decline in the number of workers in the relevant wage range. The remainder of this section discusses the way this estimate was constructed and limitations of the data and methods.

The methods used for this estimate are similar to those used for CBO's estimates of proposals made in 1996, the most recent year in which bills to increase the federal minimum wage rate were considered on the floor of the Senate and the House. Unlike in 1996, CBO only has information about the number of workers in the relevant wage range for a very short time period since the current minimum wage rate became effective. In preparing the estimates in 1996, CBO was able to use data from several years when the minimum wage was at the then-existing rate of $4.25 per hour. The current rate of $5.15 per hour was implemented in September 1997. As more information becomes available, this estimate might need to be revised.

Estimates from the current population survey

Data on hourly wage rates contained in the January 1998 CPS provide CBO's estimate of the number of private-sector workers in that month who were paid in the relevant wage. At that time, about 2.2 million workers in the private sector were paid exactly $5.15 per hour and an additional 9.5 million workers were paid between $5.16 and $6.14 per hour. (About 1.5 million additional workers reported being paid $5.00 per hour; as discussed below, it is assumed that these workers were also covered by the $5.15 minimum wage and were misreporting their wage rates.) Roughly one-quarter of the workers in the relevant wage range were teenagers. Based on information from the Bureau of Labor Statistics, it is assumed that about 30 percent of those teenagers were in their first 90 days of employment with their current employer and therefore not covered by the increase in the minimum wage.[1]

CBO estimates that if the workers in the private sector who had been paid between $5.00 and $5.64 per hour in January 1998 had been paid $5.65 instead (with no change in the number of hours worked), their employers would have paid them approximately $300 million in additional wages in that month. If the workers who had been paid between $5.00 and $6.14 had been paid $6.15, their employers would have incurred an additional wage bill of about $900 million in that month. Moreover, employers would have had to pay the employers' share of the payroll taxes on those additional wages; these taxes are included in CBO's estimate of the total direct cost of the mandate.

Applying the estimates from the CPS to the projection period

The monthly cost to employers of the proposed increases in the minimum wage would be smaller in the future because the number of workers in the affected range will decline. For example, during the eight-year period starting in 1981 when the minimum wage remained at $3.35 per hour, the number of workers paid exactly that rate declined from 4.2 million to 1.8 million, as market forces and increases in state minimum wage rates raised the level of wages paid. In 1996, CBO used data from the March 1992 and March 1995 CPS to estimate that the cost of complying with a minimum wage of $5.15 per hour would have fallen by almost 40 percent over this three-year period, or about one percent per month.

CBO assumes that the direct mandate cost would continue to decrease at this rate throughout the projection period. Thus, the monthly cost of raising the minimum wage to $5.65 in January 1999 would be roughly 87 percent of the cost estimated using the January 1998 data. The estimated cost of raising the minimum wage to $6.15 in January 2000 would be about 79 percent of the cost of doing so in January 1998.

Estimates for each fiscal year were then made by aggregating the monthly costs. The estimate for fiscal year 1999 is the smallest because that period only includes an increased minimum wage for nine months. The estimate for 2000 includes the cost of a $5.65 minimum wage for three months and a $6.15 minimum wage for nine months. The estimate of the direct cost to the private sector is highest for 2001, when all twelve months would be at $6.15 per hour.

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[1] Footnotes at end of statement.

Limitations

Estimates of the direct cost of this mandate are uncertain for at least two reasons. First, the main source of data—the January 1998 CPS—is subject to sampling error and other problems when used for this purpose. For example, CBO assumed that the workers who reported being paid $5.00 per hour after the minimum wage had risen to $5.15 were actually earning $5.15 because there is no evidence that compliance with the Fair Labor Standards Act fell.[2] The wage rates of other low-wage workers—some of the workers who reported being paid below $5.00 per hour and some of the workers not paid on an hourly basis—would also be affected by an increase in the statutory minimum.[3] Second, there is no solid basis for projecting the future number of workers who would have wage rates in the relevant range, their precise wage rates, nor the number of hours they would work under current law. The annual decline estimated from the 1992–1995 period could turn out to be too rapid or too slow.

Indirect effects of an increase in the minimum wage: An increase in the minimum wage rate from $5.15 to $6.15 would require employers to raise the wages paid to the lowest-paid workers covered by the FLSA by 19 percent, and would require employers to raise the wages of workers in the range between the old and the new statutory rates by smaller amounts. As under current law, employers could still pay teenage workers $4.25 per hour during their first 90 calendar days.

Economists have devoted considerable energy to the task of estimating how employers would respond to such a mandate. Although most economists would agree that an increase in the minimum wage rate would cause firms to employ fewer low-wage workers (or employ them for fewer hours), there is considerable disagreement about the magnitude of the reduction. It has proven difficult to isolate the effects of past changes in the minimum wage. Moreover, the estimates from such analysts are hard to apply to future changes.

Based on CBO's review of a number of these studies, a plausible range of estimates for illustrating the potential losses is that a 10 percent increase in the minimum wage would resulting a 0.5 percent to 2 percent reduction in the employment level of teenagers and a smaller percentage reduction for young adults (ages 20 to 24).[4] These estimates would produce employment losses for an increase in the minimum wage of the extent provided in this bill of roughly 100,000 to 500,000 jobs. The individuals whose employment opportunities would be reduced are likely to include the lest-skilled job-seekers who might benefit most from the work experience.

This range of employment impacts is the same as CBO estimated two years ago when Congress was considering a 21 percent ($0.90 per hour) increase in the minimum wage.[5] At that time, the low end of the range seemed more realistic because the number of workers in the relevant wage range and the size of the minimum wage relative to the average wage were relatively low. This time, however, those special considerations do not apply because less time has elapsed since the most recent increase in the minimum wage. About 50 percent more workers are in the affected wage range now than were in the relevant wage range when the 1996 legislation was being considered. Likewise, the minimum wage is currently about 41 percent of the average hourly earnings of production or nonsupervisory workers in the private sector, compared with about 36 percent just before the 1996 legislation was enacted.

But two additional differences from the situation that existed in 1996 could reduce employment impacts. First, the labor market is exceptionally tight, with the total unemployment rate at 4.6 percent and the teenage unemployment rate at 14.7 percent (February 1998). In 1996, the total unemployment rate was nearly one point higher and the teenage unemployment rate was two points higher. Second, the most recent increase in the minimum wage amended the FLSA to permit employers to pay teenagers $4.25 per hour for the first 90 days, and the current bill would not change this provision. The literature on which the estimates reported above are based did not reflect such a differential. Presumably, the differential could result in fewer employment losses for teenagers, more losses for adults, and fewer losses overall. Although recent data indicate that few employers are using the option, its availability could cushion employment losses if labor markets weakened.

In addition to its effect on employment levels, an increase in the minimum wage could have many other economic impacts. For example, one consequence that has received considerable attention is its potential effects on the earnings of low-wage workers. CBO estimates that the direct effect of the proposed increase would be to increase the aggregate earnings of workers who would otherwise have received between $5.15 and $6.14 per hour by over $7 billion in 2001. An indirect effect of the increase in the minimum wage might be that employers would also voluntarily raise the wage rates of workers who were already being paid just above the new rate in order to maintain differentials (the "spillover effect").

Previous CBO estimate: On March 3, 1998, CBO issued an estimate of S. 1573, which would increase the minimum wage rate in three annual steps to $6.65 per hour and then would adjust the minimum wage thereafter to reflect changes in the Consumer Price Index. The current estimate of the direct cost to the private sector is based on the same methodology.

Estimate prepared by: Ralph Smith.

Estimate approved by: Joseph Antos, Assistant Director for Health and Human Resources.

FOOTNOTES

[1] This estimate is derived from information on job tenure, by age, provided by the Bureau of Labor Statistics, based on supplemental questions included in the February 1996 Current Population Survey.

[2] Staff within the Department of Labor's Employment Standards Administration, the agency responsible for enforcing the FLSA, report no increase in the number of complaints filed since the minimum wage increased to $5.15.

[3] In January 1998, there were almost 2 million workers who reported being paid an hourly wage rate of less than $5.00. Some workers, such as employees in retail firms whose gross volume of sales is less than $500,000 are not covered by the minimum wage, while others, such as certain tipped workers, are covered but can be paid a lower wage rate.

[4] See, for example, Alison J. Wellington, "Effects of the Minimum Wage on the Employment Status of Youths; An Update," Journal of Human Resources, Vol. XXVI, No. 1 (Winter 1991), pp. 27–46, Charles Brown, "Minimum Wage Laws; Are They Overrated?" Journal of Economic Perspectives, Vol. 2, No. 3 (Summer 1988), pp. 133–145, David Card and Alan B. Krueger, Myth and Measurement; the New Economics of the Minimum Wage (Princeton University Press, 1995), and Marvin H. Kosters, editor, The Effects of the Minimum Wage on Employment (AEI Press, 1996).

[5] On March 25, 1996, CBO provided an estimate of the cost to the private sector of S. 413, which would have increased the minimum wage rate in two annual steps, from $4.25 per hour to $5.15 per hour. That bill did not include the youth differential and other special provisions that were contained in the legislation enacted later that year.

Mr. NICKLES. I say that 100,000 to 500,000 lost jobs is too heavy a penalty. For that one person who might lose his or her job, it is a very heavy penalty. According to the Federal Reserve Bank of San Francisco, there would be from 145,000 to 436,000 lost jobs. These are independent studies, not branches of a Don Nickles study group that says this is a bad idea. The CBO and Federal Reserve state that this will cost hundreds of thousands of jobs.

If there is no job loss or negative economic consequence, why stop at $6.15 an hour? Why don't we make it $20 an hour? I want everybody in America to make $20 an hour. I do. If they work 2,000 hours a year, that is an average of 40 hours a week for 50 weeks. If everybody made $20 an hour, hey, that would be great. That would be $40,000. I would love for everybody in America to make $40,000. But guess what. Some jobs might not pay that.

Does it make good economic sense to pass a law to say it is against the law for somebody to work for $40,000? I don't think so. Whether it would mean the loss of 100,000 jobs or 500,000 jobs, I don't know. But, I don't want to put even 100,000 people out of work. I don't want to discourage any young person or any person at all from trying to climb the economic ladder. We pulled it up. Sorry. We would rather have you unemployed than have you climbing the economic ladder.

I think that is a huge mistake. I think this proposal is too big of a hit, too quickly. I think the tax increase in the Democrat proposal is completely unworkable and it is certainly unfair.

The other side might claim that they paid for their tax cuts, and that Senator DOMENICI will have a proposal to benefit small business, and he didn't pay for his because it comes out of the surplus.

I disagree, especially when we are looking at having significant surpluses in the next 10 years. Basically what our Democrat colleagues are saying is: We want no tax cut whatsoever.

Less than 2 months ago, they voted for a $300 billion tax cut that was not paid for. Now they are saying we have to pay for this: even if it is only $18 billion over 5 years, we have to pay for every dime of it so we have more money to spend.

I urge my colleagues to vote "no" on the Kennedy proposal.

I understand Senator KENNEDY and his side have used their hour. If there is no objection, I will yield back the remainder of the time in opposition to the Kennedy amendment.

The PRESIDING OFFICER. All time has been yielded back on the Kennedy amendment.

The Senator from New Mexico is recognized.

Mr. DOMENICI. Madam President, I have no objection to yielding to the Senator from California to speak in favor of the Kennedy amendment if she would tell me how long she wishes to speak.

Mrs. FEINSTEIN. Probably 10 to 15 minutes. I can certainly wait.

Mr. DOMENICI. They would be using that off the opposition time to the Domenici amendment.

The PRESIDING OFFICER. The second amendment would have to be called up.

AMENDMENT NO. 2547

(Purpose: To increase the Federal minimum wage and protect small business)

Mr. DOMENICI. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

The Senator from New Mexico [Mr. DOMENICI], for himself, Mr. ABRAHAM, and Mr. SANTORUM, proposes an amendment numbered 2547.

Mr. DOMENICI. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. DOMENICI. Madam President, I yield the floor at this time.

The PRESIDING OFFICER. The Senator from California is recognized.

UNANIMOUS-CONSENT AGREEMENT

Mrs. FEINSTEIN. Madam President, I ask unanimous consent to temporarily lay aside the pending amendment so I might send to the desk two amendments and then lay them aside.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from California?

Mr. NICKLES. I didn't hear the request. Will the Senator repeat it.

Mrs. FEINSTEIN. Certainly. It is a unanimous-consent request so I might call up and then lay aside two amendments.

Mr. DOMENICI. What are they related to?

Mrs. FEINSTEIN. To the bankruptcy bill.

Mr. DOMENICI. Madam President, is that inconsistent with any order we have entered at this point?

The PRESIDING OFFICER. It is not inconsistent with any order that has been entered into.

Mr. NICKLES. Reserving the right to object——

Mrs. FEINSTEIN. I am going to call them up and lay them aside.

Mr. NICKLES. Madam President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his inquiry.

Mr. NICKLES. Under the unanimous-consent request we have entered into, there were three nongermane amendments basically offered by Democrats and Republicans; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. NICKLES. We also stated under the unanimous-consent agreement that all other amendments had to be relevant to the bankruptcy bill; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. NICKLES. Might I ask my colleague, are the two amendments she is trying to offer right now germane to the bankruptcy bill?

Mrs. FEINSTEIN. Yes, they are.

Mr. NICKLES. Might I inquire what they deal with?

Mrs. FEINSTEIN. One is amendment No. 1697, to place a $1,500 limit on credit to minors, unless they have independent proof of income or the card is cosigned signed by a parent or legal guardian. The second is amendment No. 2755, directing the Federal Reserve Board to conduct a study of credit industry lending practices.

Mr. NICKLES. Madam President, I have no objection.

AMENDMENTS NOS. 1696 AND 2755, EN BLOC

Mrs. FEINSTEIN. Madam President, I send two amendments to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from California [Mrs. FEINSTEIN] proposes amendments numbered 1696 and 2755, en bloc.

Mrs. FEINSTEIN. Madam President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 1696

(Purpose: To limit the amount of credit extended under an open end consumer credit plan to persons under the age of 21, and for other purposes)

At the appropriate place, insert the following:

SEC. ___. ISSUANCE OF CREDIT CARDS TO UNDERAGE CONSUMERS.

(a) APPLICATIONS BY UNDERAGE CONSUMERS.—Section 127(c) of the Truth in Lending Act (15 U.S.C. 1637(c)) is amended—

(1) by redesignating paragraph (5) as paragraph (7); and

(2) by inserting after paragraph (4) the following:

"(5) APPLICATIONS FROM UNDERAGE OBLIGORS.—

"(A) PROHIBITION ON ISSUANCE.—Except in response to a written request or application to the card issuer that meets the requirements of subparagraph (B), a card issuer may not—

"(i) issue a credit card account under an open end consumer credit plan to, or establish such an account on behalf of, an obligor who has not attained the age of 21; or

"(ii) increase the amount of credit authorized to be extended under such an account to an obligor described in clause (i).

"(B) APPLICATION REQUIREMENTS.—A written request or application to open a credit card account under an open end consumer credit plan, or to increase the amount of credit authorized to be extended under such an account, submitted by an obligor who has not attained the age of 21 as of the date of such submission, shall require—

"(i) submission by the obligor of information regarding any other credit card account under an open end consumer credit plan issued to, or established on behalf of, the obligor (other than an account established in response to a written request or application that meets the requirements of clause (ii) or (iii)), indicating that the proposed extension of credit under the account for which the written request or application is submitted would not thereby increase the total amount of credit extended to the obligor under any such account to an amount in excess of $1,500 (which amount shall be adjusted annually by the Board to account for any increase in the Consumer Price Index);

"(ii) the signature of a parent or guardian of that obligor indicating joint liability for debts incurred in connection with the account before the obligor attains the age of 21; or

"(iii) submission by the obligor of financial information indicating an independent means of repaying any obligation arising from the proposed extension of credit in connection with the account.

"(C) NOTIFICATION.—A card issuer of a credit card account under an open end consumer credit plan shall notify any obligor who has not attained the age of 21 that the obligor is not eligible for an extension of credit in connection with the account unless the requirements of this paragraph are met.

"(D) LIMIT ON ENFORCEMENT.—A card issuer may not collect or otherwise enforce a debt arising from a credit card account under an open end consumer credit plan if the obligor had not attained the age of 21 at the time the debt was incurred, unless the requirements of this paragraph have been met with respect to that obligor.

"(6) PARENTAL APPROVAL REQUIRED TO INCREASE CREDIT LINES FOR ACCOUNTS FOR WHICH PARENT IS JOINTLY LIABLE.—In addition to the requirements of paragraph (5), no increase may be made in the amount of credit authorized to be extended under a credit card account under an open end credit plan for which a parent or guardian of the obligor has joint liability for debts incurred in connection with the account before the obligor attains the age of 21, unless the parent or guardian of the obligor approves, in writing, and assumes joint liability for, such increase.".

(b) REGULATORY AUTHORITY.—The Board of Governors of the Federal Reserve System may issue such rules or publish such model forms as it considers necessary to carry out paragraphs (5) and (6) of section 127(c) of the Truth in Lending Act, as amended by this section.

(c) EFFECTIVE DATE.—Paragraphs (5) and (6) of section 127(c) of the Truth in Lending Act, as amended by this section, shall apply to the issuance of credit card accounts under open end consumer credit plans, and the increase of the amount of credit authorized to be extended thereunder, as described in those paragraphs, on and after the date of enactment of this Act.

AMENDMENT NO. 2755

(Purpose: To discourage indiscriminate extensions of credit and resulting consumer insolvency, and for other purposes)

At the appropriate place, insert the following:

SEC. ___. ENCOURAGING CREDITWORTHINESS.

(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) certain lenders may sometimes offer credit to consumers indiscriminately, without taking steps to ensure that consumers are capable of repaying the resulting debt, and in a manner which may encourage certain consumers to accumulate additional debt; and

(2) resulting consumer debt may increasingly be a major contributing factor to consumer insolvency.

(b) STUDY REQUIRED.—The Board of Governors of the Federal Reserve System (hereafter in this section referred to as the "Board") shall conduct a study of—

(1) consumer credit industry practices of soliciting and extending credit—

(A) indiscriminately;

(B) without taking steps to ensure that consumers are capable of repaying the resulting debt; and

(C) in a manner that encourages consumers to accumulate additional debt; and

(2) the effects of such practices on consumer debt and insolvency.

(c) REPORT AND REGULATIONS.—Not later than 12 months after the date of enactment of this Act, the Board—

(1) shall make public a report on its findings with respect to the indiscriminate solicitation and extension of credit by the credit industry;

(2) may issue regulations that would require additional disclosures to consumers; and

(3) may take any other actions, consistent with its existing statutory authority, that the Board finds necessary to ensure responsible industrywide practices and to prevent resulting consumer debt and insolvency.

Mrs. FEINSTEIN. I ask unanimous consent that the amendments be set aside.

The PRESIDING OFFICER. The amendments will be set aside.

AMENDMENT NO. 2751

Mrs. FEINSTEIN. Madam President, today I rise in support of the amendment offered by the minority leader to raise the minimum wage from $5.15 to $6.15 in two steps by September 1 of the year 2000. Before addressing my remarks directly, I want to make two comments. The first is really to thank the senior Senator from Massachusetts for his prodigious, sustained, and enthusiastic work on a minimum wage increase. I very much doubt that this would be on the calendar were it not for his constant perseverance.

The second is to say that I do not believe there is any piece of legislation that has been passed by this Congress or this Senate this year that can have the possible positive impact on Americans an increase in the minimum wage will at this particular point in time. I want to make that argument.

This amendment is about families making ends meet. It is about people being able to pay for rent and put food on the table. The bottom line is that the current minimum wage is simply not enough to live on. An estimated 11.4 million workers will benefit from the passage of this amendment; 1.5 million of them are in California alone. For a full-time worker, a $1 an hour increase in the minimum wage means a $2,000 a year raise. That is an extra $2,000 to pay the rent, to buy groceries, to send their children to school. For these workers, an increase in the minimum wage will make a huge difference.

Although the number of people living in poverty in the United States since 1992 has declined—and it has—by about 9 percent, from 38 million people to 34.5 million people, in California the number of people living in poverty has actually remained relatively unchanged, 5.19 million people to 5.12 million people living in poverty.

As recently as 1997, California has actually seen a 5 percent increase in the number of people living in poverty. Despite the incredible economic growth the United States has experienced throughout the mid and late 1990s, in California more than 15 percent of the population of the seventh largest economic engine on Earth lives in poverty. That is incredible. This troubling statistic clearly shows that not all segments of the workforce are benefiting from the economic expansion.

On September 4, the Center on Budget and Policy Priority released what I am sure my colleagues know, and hopefully will agree, is a very disturbing report on the widening gap between the rich and the poor over the last 20 years. California is an example of that gap.

Based on data collected by the Congressional Budget Office, the study found that the average after-tax income of the top 20 percent of households increased from about $74,000 in 1977 to more than $102,000 in 1999. The average after-tax income of the top 1 percent of the economic earners in this country will almost double, going from $234,000 to $515,000 in 1999. This indicates that those in the top income levels are doing very well all across this great Nation.

The bad news is that the income of the bottom fifth of households is actually falling. It has fallen from $9,900 to $8,700 over the same period.

So while the top income earners are prospering, those at the lower end of the income scale are doing worse than a generation ago.

When you have a high-cost State, this chasm is actually exaggerated. So what you have is a growing split between the very wealthy and the very poor in this country.

In 1977, the top 1 percent of the U.S. households received 7.3 percent of the Nation's after-tax income, and 22 years later that has gone up; they received 12.9 percent. That is a 4.4 percent increase for upper income Americans. In fact, the top 1 percent will receive as much after-tax income as the bottom 38 percent. This means the 2.7 million wealthiest Americans will be earning the same amount as the poorest 100 million Americans.

That is the case with 15 percent of the people in California.

Over the past several years, we have seen an explosion in the creation of wealth that is unprecedented in U.S. history. The strong economy has brought prosperity to large numbers of people. But that is not the whole story. More individuals and families are earning less and having a difficult time making ends meet.

It is time, I think, that we recognize this and do something about it. Passing the Daschle amendment is the first step we can take—50-cent minimum wage increase the first year and 50-cent minimum wage the second year.

Perhaps the greatest testament to the inadequacy of the minimum wage is that many communities are now recognizing how inadequate it is. And they are moving on their own to create a new concept that is called a "living wage." These jurisdictions are insisting that those who do business with the local government pay their employees a living wage salary.

San Jose, CA, has adopted a living wage of $10.75.

In San Antonio, TX, it is $10.13 an hour.

In Boston, it is $8.23 an hour.

In my hometown of San Francisco, there is consideration ongoing for a living wage of $11.

More than 35 other localities and municipalities have adopted living wages. Clearly, it is a reaction to the inadequacy of the Federal minimum wage, which is generally too little too late to sustain people. So it is time for the Federal Government to follow the lead of our cities and take the simple step that is so important to millions of working families.

Many families in this country are just one paycheck away from disaster, whether it is an illness, the need to move, or a car that breaks down. People live paycheck to paycheck, and they live with the fear that they might not be able to make it this month or next month.

I think those figures and those statements are responsible for some of the things the Senator from Massachusetts pointed out on the floor a little bit earlier: The fear that families have, the stress that women work under, and the additional hours for women in the workplace more than men, the fact that so many children wish their family could have less stress, and could spend more time with them is all a part of this picture.

People can work 40 hours a week. In the most industrialized country on Earth, those people still can't support their family, still can't repair a broken car, still can't pay their rent, and still live from paycheck to paycheck.

In fact, a minimum-wage worker who works 40 hours a week 50 weeks a year earns only $10,300 a year. The poverty line for a family of three is $13,880, and, for a family of four, it is $16,700.

So you have a worker who is working at a minimum-wage job and has a family, that worker is substantially below the poverty level and the family is below the poverty level. What happens? People are forced to hold two jobs. Families are forced to have both parents working. Children are often left alone because child care, of course, is too costly or nonexistent.

Let me give you one case, a resident of San Francisco. Her name is Bernardine Emperado. She works more than 60 hours a week at a rental car job, and she supplements this salary by selling hot dogs at 49ers games on Sunday.

Nobody can tell me rental car agencies shouldn't pay a minimum wage of $6-plus. Nobody can ever convince me of that. Despite two incomes, she can't afford her own apartment. She lives with her mother and college-age daughter. Something is seriously wrong with our wage scale if someone working 60 hours a week is unable to afford life's basic necessities.

The traditional argument against raising the minimum wage is that when you increase wages, it costs jobs. And we just heard the majority whip make that point eloquently. The facts don't bear that out. Since the minimum wage was increased in October of 1996, we have gained 8.7 million new jobs in this country, most of them in the form of small businesses and new businesses. As a matter of fact, that has been the explosion—new businesses, small businesses, just the businesses that pay many of their people a minimum-wage salary.

In a strong economy, raising the minimum wage will not cost jobs. And it is time to do it. As a matter of fact, there is no better time to do it than when the economy is flush. And the economy has not been this flush in a long time.

I say to you that if we fail to raise the minimum wage, and to raise it on a regular basis, we will see virtually every city in this Nation, in addition to the 35 that are now doing it, enact their own living wage. This will vary. I think we will increasingly find this minimum wage is going to be $10 or more if it is left to the city.

I think it is prudent to raise the minimum wage. I think this is the time to do it. I think it is unfair to ask someone to live on $10,000. I think for the millions of workers who, as a product of this action, will have $2,000 more in their pocket to pay for rent, to pay for clothes, to fix a car, to make a move, this is the single most important piece of social economic legislation this body can pass.

I yield the floor.

The PRESIDING OFFICER (Mr. SANTORUM). The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I yield myself 10 minutes.

I am very pleased to introduce a minimum wage amendment on behalf of myself and many other Senators. With reference to the minimum wage, this coming January under the amendment Senator KENNEDY introduced, minimum wage goes up 50 cents; 12 months later it goes up 50 cents again. Under the proposal which I offer today, it will go up 35 cents, 35 cents, and 30 cents each March 1. It is also a $1 increase in minimum wage. It takes 12 months longer, so this will be completed in 2002. At that point, it will be $6.15.

I think Senator NICKLES made a point. If the economy, or if training people for jobs, or if employers being able to pay for the services employees render, if none of that was relevant, then everyone would like a minimum wage bill that might be higher than either of these two. That is what we would wish for everyone.

Up front, I remind everyone the best economic advice we have is 50 percent of the minimum-wage jobs affected have to do with teenagers. Half of the minimum-wage jobs we are talking about are the young men and women who are working while they are attending school—afterschool and in the summer months—at either the McDonald's drive-ins or various places across America.

It seems to this Senator, a minimum wage that applies to 50 percent of the minimum-wage earners in America, who are students, and that goes up 35 cents, 35 cents, and 30 cents, respectively, over the next 26 months, since it far exceeds inflation, it is good for the teenagers of America, good for those who hire them, and an excellent way to make sure that portion of the American population in their first entry jobs in our marketplace-oriented economy get a chance to earn that money, to learn what it is to work, and at the same time make that large group of young American men and women a part of the marketplace.

If we make it too high, businesses won't be hiring them and they will be looking to others to fill the jobs. We still need in America a place for people to start.

If we had a minimum wage bill and that is all we did, knowing what we know about welfare reform, we would not have a very good bill. The work opportunity credit, where employers give welfare men and women a job, is now a temporary work incentive credit; we make that permanent. That means as we have reduced the assistance for welfare in the United States by 48 percent, down to 2.7 million people, we want the employees of America to make a living wage. We want them to have a chance, but we also want to encourage them to be hired, even if there is some additional training and some skills that have to be added along the way.

We are increasing opportunities for the young people, and we are increasing many of the welfare-related jobs with this additional minimum wage we are adding. Many in this body worked hard on the work opportunity credit. I can recall back in the 1970s when I first came here, we started that as a work incentive program for the disadvantaged, disabled, and others by giving a tax credit. It was highly abused later. People wanted to get rid of it, but the idea remained to give American small business an opportunity to hire people who may need a little extra help, a little more guidance, a little more skill and training. We give them credit for that. We have done that.

We have two provisions in this amendment directed at health care. One of them is a very dramatic change from the way we have treated health care in the past. It is not going to cost very much because we are not so sure how many people will understand it. We are going to say to American men and women if they are not getting health insurance on their job, we give them an opportunity to buy their own health insurance and they can deduct every single penny of their health insurance from their pay before paying income tax.

Heretofore, we were letting them pool those expenses along with other health care costs and if that exceeded 7.5 percent of the income, they could deduct it. There are many people who work for small businesses and others would don't furnish insurance, and perhaps they could buy their own insurance. But right now, they don't get to deduct the premiums. We add that to the basket of opportunities for health insurance.

Then, there are the independent employees who work essentially for themselves. Under this bill, we finally make the health care costs 100 percent deductible. I think health insurance deduction is very important for the self-employed.

We increase the small business expensing, which means there are certain items they can deduct, up to $30,000 under this new law in the year of the expanse rather than having to charge it off over time, which is desired by small business that will bear the brunt of this added minimum wage.

We reduce the unemployment surtax, and we make permanent the work opportunity tax credit. A number of pension plans are reformed in this legislation so that more of the small businesses in this country will be able to take maximum advantage of their employees creating pension plans under the auspices of their employer as we currently have them in numerable places in the Tax Code.

We can talk about how this affects our individual States. I will have for the record how the Domenici plan will affect New Mexicans on the tax side once we have it figured out, as well as on the minimum wage side.

In summary, we will increase the minimum wage in the Domenici amendment—which the occupant of the Chair is a cosponsor, and I thank him for that—increase it $1, but it will take 12 additional months before we get to that. It will be 35 cents, 35 cents, and 30 cents. Senator KENNEDY does it in two installments. Senators have to decide which best fits the needs of our country.

If we were wishing and hoping, we would pay everybody a lot more. I repeat, half of the minimum wage earners in America are young people who are in part-time jobs, such as after-school and summer jobs. We believe the 3-year installment increase, which far exceeds inflation annually as it applies to the current minimum wage, is probably good for the teenagers of our country, good to keep them employed, get them that entrance job and not have so many owners looking around for other employees who have more experience, which they will if we make the minimum wage too high.

In addition, many of those getting off welfare—and we know there are thousands—they need some training and some extra skills preparation and the like. We are hoping they will get jobs. We are increasing their take-home pay so they can, indeed, have a better chance of succeeding off the rolls and move up the employment chain and get better and better jobs. The other things I mentioned in the health care field will be welcomed by millions of Americans, and in particular millions, millions of self-employed business men and women across America.

With that, I know there are others who would like to speak, if not tonight, we obviously will share time with them tomorrow.

I yield the floor.

The PRESIDING OFFICER. Who yields time? The Senator from Montana.

Mr. BAUCUS. Mr. President, will somebody yield time to me?

Mr. KENNEDY. Yes. I yield 10 minutes.

The PRESIDING OFFICER. The Senator is recognized for 10 minutes.

AMENDMENT NO. 2751

Mr. BAUCUS. Mr. President, I was very impressed with the statement of the Senator from Massachusetts earlier when he showed us the charts of how minimum wage has not kept up with inflation. As I recall the chart of the Senator, it was very dramatic, showing with the minimum wage increase of $1 over 2 years, still we would not keep up with inflation in real terms.

He had a second chart. If you chart the poverty line, you will see the minimum wage has constantly been below the poverty line. So for all those who are worried about statistics and figures, rest assured this increase in the minimum wage proposed by the Senator from Massachusetts is not above inflation. It may be true in 1 year's time it is above what inflation might be in that single year, but on the question whether minimum wage has kept up with inflation or not, historically it has not kept up with inflation.

Second, I want to relate a personal story which made a huge difference to me.

Mr. KENNEDY. Will the Senator be good enough to yield on that point?

Mr. BAUCUS. Yes.

Mr. KENNEDY. The Senator talked about the poverty line and the minimum wage. There is a third element, and that is productivity. As we pointed out in the earlier presentation, the productivity in the last 10 years has increased by 12 percent, and the total wages of all workers, 1.9 percent.

The Senator, as a member of the Finance Committee, knows one of the key elements in an economic analysis is the issue of productivity. Here we have fallen so far behind, not only in the poverty rate but also in productivity growth.

Mr. BAUCUS. That is an excellent point. I regret telling the Senator from Massachusetts I was not able to see that chart, but I am glad the Senator has explained this point. It is absolutely true. If you increase productivity, and everybody knows productivity means the amount of output per worker hour—if productivity has increased dramatically, that is all the more reason why it is unfair the minimum wage has not kept up with inflation. The amendment offered by the Senator from Massachusetts will help accommodate that.

The point I was going to make is when I last ran for reelection, I walked across our State. I will never forget talking to a woman, a single mom, who told me how hard she worked to try to stay off welfare. She had a minimum-wage job in my home State.

She tried for a couple of years to stay off welfare. She was determined to stay off welfare. It was a matter of principle, a matter of pride. She slept on the sofa in her parents' home, she did all the things she could do to cut corners so she could raise her young child and stay off welfare. But she finally realized with her minimum-wage job and the day-care costs—I have forgotten the exact percent, but it was 30 or 40 percent of her take-home pay went to childcare—she could not do it. She had to finally give up and go onto welfare because her minimum-wage job did not earn her enough money for her and her child to survive.

We can help get people off the welfare rolls by increasing minimum wage. It is not the total solution. There are lots of parts to that problem, lots of parts to the solution. But certainly, raising the minimum wage makes a huge difference.

I might also add, in my home State of Montana there is a very unfortunate economic trend. In 1946, Montana ranked 10th in per capita income. In roughly 1992 or 1993, Montana ranked not 10th anymore but about 35th or 36th. Where does Montana rank today in per capita income? It depends on how you calculate it, but 48th, 49th, or 50th.

The State used to be a natural resources, commodity-based State with mining business and timber industries that had good-paying jobs; in agriculture income was up too. Today, those mining jobs, those timber industry jobs, those commodity-based resource jobs are disappearing because of the greater importance of value added. We are now becoming a tourism State, a recreation State, a service industry State. And service industries pay very low wages compared with commodity-based industries.

I am sure this is true in lots of other States in the Nation. An increase in the minimum wage is going to help increase the pay for service jobs, which is going to help a lot. I might also add keeping workers' pay up only makes sense; it is only fair because of all the profits so many companies have received, particularly over the past couple or 3 years, the best evidence of which is the skyrocketing increases of the stock indexes on the various stock exchanges.

It was said earlier this is just a minimum wage for younger people. Mr. President, I am sure you have experienced this. When you stop in McDonald's, you go to a store, say a Penny's or some store downtown, you are going to find a lot of medium-age people and older people working there. I am astounded at the number of older women who work at McDonald's. I am astounded. This is not only a younger person's issue. In fact, if statistics were shown, my guess is it would be more of a women's issue and a medium-age issue—people having a hard time making ends meet, not school kids working for pocket change.

Not only should there be an increase in the minimum wage—and I think the amendment offered by the Senator from Massachusetts is more than fair—the amendment offered by the Senator from Massachusetts is paid for. I ask consent to speak for 5 more minutes

Mr. KENNEDY. I yield 5 more minutes.

Mr. BAUCUS. The amendment by the Senator from Massachusetts is paid for. What do I mean by that? By that I mean that the cost to the private sector of this increase, by CBO estimates, might be roughly $30 billion over 10 years. The amendment by the Senator from Massachusetts has several key tax cut provisions that would help offset whatever cost businesses might experience in paying the increased minimum wage. I would like to highlight just a couple.

One of the main provisions is a small business pension startup tax credit. We want to help small business. We want to help small business provide pensions for their employees. We all know one of the big problems today is that while big businesses usually provide good pensions for their employees, small businesses do not, because of their narrower profit margins. It is very difficult to begin a small business. Startup costs in particular make the early years very difficult, because you have to pay that payroll tax on the first day of business whether or not you make a profit, and when you start out in small business you are not going to make a profit that first day. You don't have to pay income taxes, but you have to pay that payroll tax. Small businesses therefore have a very hard time doing what a lot of those small businesses want to do: Set up a pension fund for their employees.

If we are going to solve the retirement problem of this country, we certainly have to reform Social Security, and we certainly have to increase private savings. But we all know that a third leg of the retirement stool is pension benefits. We clearly need more incentives so small business can provide pension benefits to their employees. They will be better employees. They will be more likely to stay there. They are going to be more committed to the business. And they are going to be more committed to helping that company make a buck. Our package has a tax credit for small businesses, about $4 billion, to help make that happen.

What else do we do? We accelerate the 100-percent deduction of health insurance for the self-employed. The Republican bill does that, and so do we. It is very important that self-employed people get the health insurance deduction quickly.

Other major highlights: Our bill has a tax credit for information technology training expenses. We have heard it many times that a lot of small firms cannot find enough good employees. There are not enough around. We provide a tax credit to those companies for technology training expenses. It makes a lot of sense.

We also provide $2 billion over 10 years for a low-income housing tax credit, to help reduce housing costs of the buildings so many workers earning minimum wages live in.

We provide estate tax relief. Strangely, that is not in the bill offered by the other side. We offer estate tax relief targeted to family-owned businesses.

We increase the unified credit by $450,000 phased in to the year 2003.

In addition, we increase the small business meals deduction up to 60 percent in the year 2002. These are all provisions targeted to small business.

Rather than risking dipping into the Social Security Trust Fund, however, we pay for our provisions.

Why do I say all that? Because the alternative offered on the other side is much more expensive. It will lose about $75 billion in revenue and there are no offsets for the lost revenue. Our proposal provides offsets for the $28 billion tax cut. The major offsets are extending the current Superfund tax and, second, closing corporate tax shelters. We close down a lot of loopholes in current law of which many companies are taking advantage.

Let me say a couple of words about the "pay for." Right now, the balance in the Superfund trust fund is declining dramatically. In 1996, the balance in the Superfund trust fund was about $4 billion. The estimate for this next year is about $1 billion.

Why is that important? That is important to continue cleanups under the Superfund Program. If the trust fund is declining rapidly and gets close to zero, we are not going to have the cleanups this country wants. That is, ground water is going to be polluted, drinking water polluted, hazardous waste in the soil. It is very important we extend the Superfund provisions so the trust fund has the requisite dollars to continue cleanups, irrespective of whether we modify the Superfund law. I hope we do. But the trust fund is going to decline to zero pretty quickly whether or not Congress reauthorizes the trust fund.

Second, if we continue this Superfund tax, the Appropriations Committee is more likely to fund Superfund. Technically, it does not have to though it usually appropriates dollars anyway. If the amount of money in the trust fund continues to be level and does not taper off—and I note that it has been tapering off without the continuation of the tax—it is more likely the Appropriations Committee is going to find the dollars for Superfund cleanups. If we do not reinstate the trust fund, what is going to happen? Instead of the polluter paying for the cleanup, it will be the general revenue taxpayer who will pay to clean up. The polluters will not be paying for it; the general revenue taxpayer will pay for the pollution caused by major companies. It is imperative we extend the Superfund tax.

The second major "pay for" provision we have in our bill is targeted toward tax shelters. Every time Congress shuts down some abusive tax shelters, tax attorneys are so smart, they figure out another loophole and a way to beat the system. What we are saying is for $10 billion over 10 years, let's enact a provision which makes transactions such as this much more difficult.

Many organizations testified there is a problem that needs to be addressed in this area. The American Bar Association, the New York State Bar Association, the American Association of CPAs, and many others have testified there has to be a solution to this problem.

Even Congressman ARCHER has admitted we have been very successful in shutting down about $50 billion of specific shelters over the last 5 years, and those are just the tip of the iceberg, according to a lot of practitioners.

So to summarize reasons to support our amendment: No. 1, we increase minimum wage because it makes sense, and lets people keep up with inflation. No. 2, we give tax breaks to small businesses that need it. They are very directed and targeted to the tune of about $28 billion. No. 3, we pay for our tax breaks in a very fair way. Contrast that with the other side, which stretches out the minimum wage increase, which hurts people and, in addition, has a tax bill which is not targeted.

I ask for a few more minutes.

Mr. KENNEDY. I yield 3 more minutes.

Mr. BAUCUS. Mr. President, I have a chart. I noticed the Senator from New Mexico was looking at it with a quizzical expression on his face. The source is the Center on Budget and Policy Priorities. Everybody has a chart these days. Essentially, this chart shows the assumptions. This line shows the on-budget deficit.

The chart assumes we will continue 1999 discretionary spending levels inflated for present CPI and historical levels of emergency spending, which is an average of the last 8 years. It only addresses spending. What this chart does not show is how much the deficit is going to increase if we pass the tax cut bill from the other side, about $75 billion.

This chart shows that, even without the tax cut the other side wants to enact, we are not going to reach a surplus until the year 2005 under current scorekeeping. If you add to that the $75 billion tax cut, it is clearly going to be a lot later before we even get a surplus. Do not forget, you have to add in the last interest and expenses that otherwise would be available.

This is a no-brainer. Let's increase minimum wage fairly. Then let's enact tax provisions, tax cuts targeted to small business. Let's pay for it in a responsible way. Otherwise, we have the other side which is not paid for, a huge tax break which the President is going to veto anyway. So let's pass something the President will sign.

The PRESIDING OFFICER. The Senator's time has expired.

AMENDMENT NO. 1730, AS MODIFIED

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the pending Grassley amendment No. 1730 be modified with the text I now send to the desk and that the vote occur on or in relation to the amendment at 5:30 this evening. That is right now.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, as modified, is as follows:

Redesignate titles XI and XII as titles XII and XIII, respectively.

After title X, insert the following:

TITLE XI—HEALTH CARE AND EMPLOYEE BENEFITS

SEC. 1101. DEFINITIONS.

(a) HEALTH CARE BUSINESS DEFINED.—Section 101 of title 11, United States Code, as amended by section 1003(a) of this Act, is amended—

(1) by redesignating paragraph (27A) as paragraph (27B); and

(2) inserting after paragraph (27) the following:

"(27A) 'health care business'—

"(A) means any public or private entity (without regard to whether that entity is organized for profit or not for profit) that is primarily engaged in offering to the general public facilities and services for—

"(i) the diagnosis or treatment of injury, deformity, or disease; and

"(ii) surgical, drug treatment, psychiatric or obstetric care; and

"(B) includes—

"(i) any—

"(I) general or specialized hospital;

"(II) ancillary ambulatory, emergency, or surgical treatment facility;

"(III) hospice;

"(IV) home health agency; and

"(V) other health care institution that is similar to an entity referred to in subclause (I), (II), (III), or (IV); and

"(ii) any long-term care facility, including any—

"(I) skilled nursing facility;

"(II) intermediate care facility;

"(III) assisted living facility;

"(IV) home for the aged;

"(V) domicilary care facility; and

"(VI) health care institution that is related to a facility referred to in subclause (I), (II), (III), (IV), or (V), if that institution is primarily engaged in offering room, board, laundry, or personal assistance with activities of daily living and incidentals to activities of daily living;".

(b) PATIENT DEFINED.—Section 101 of title 11, United States Code, as amended by subsection (a) of this section, is amended by inserting after paragraph (40) the following:

"(40A) 'patient' means any person who obtains or receives services from a health care business;".

(c) PATIENT RECORDS DEFINED.—Section 101 of title 11, United States Code, as amended by subsection (b) of this section, is amended by inserting after paragraph (40A) the following:

"(40B) 'patient records' means any written document relating to a patient or record recorded in a magnetic, optical, or other form of electronic medium;".

(d) RULE OF CONSTRUCTION.—The amendments made by subsection (a) of this section shall not affect the interpretation of section 109(b) of title 11, United States Code.

SEC. 1102. DISPOSAL OF PATIENT RECORDS.

(a) IN GENERAL.—Subchapter III of chapter 3 of title 11, United States Code, is amended by adding at the end the following: .

"§ 351. Disposal of patient records

"If a health care business commences a case under chapter 7, 9, or 11, and the trustee does not have a sufficient amount of funds to pay for the storage of patient records in the manner required under applicable Federal or State law, the following requirements shall apply:

"(1) The trustee shall—

"(A) publish notice, in 1 or more appropriate newspapers, that if patient records are not claimed by the patient or an insurance provider (if applicable law permits the insurance provider to make that claim) by the date that is 90 days after the date of that notification, the trustee will destroy the patient records; and

"(B) during the 90-day period described in subparagraph (A), attempt to notify directly each patient that is the subject of the patient records and appropriate insurance carrier concerning the patient records by mailing to the last known address of that patientance appropriate insurance carrier an appropriate notice regarding the claiming or disposing of patient records.

"(2) If after providing the notification under paragraph (1), patient records are not claimed during the 90-day period described under that paragraph, the trustee shall mail, by certified mail, at the end of such 90-day period a written request to each appropriate Federal or State agency to request permission from that agency to deposit the patient records with that agency.

"(3) If, following the period in paragraph (2) and after providing the notification under paragraph (1), patient records are not claimed during the 90-day period described in paragraph (1)(A) or in any case in which a notice is mailed under paragraph (1)(B), during the 90-day period beginning on the date on which the notice is mailed, by a patient or insurance provider in accordance with that paragraph, the trustee shall destroy those records by—

"(A) if the records are written, shredding or burning the records; or

"(B) if the records are magnetic, optical, or other electronic records, by otherwise destroying those records so that those records cannot be retrieved.".

(b) CLERICAL AMENDMENT.—The chapter analysis for chapter 3 of title 11, United States Code, is amended by inserting after the item relating to section 350 the following:

"351. Disposal of patient records.".

SEC. 1103. ADMINISTRATIVE EXPENSE CLAIM FOR COSTS OF CLOSING A HEALTH CARE BUSINESS.

Section 503(b) of title 11, United States Code, is amended—

(1) in paragraph (5), by striking "and" at the end;

(2) in paragraph (6), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(7) the actual, necessary costs and expenses of closing a health care business incurred by a trustee or by a Federal agency (as that term is defined in section 551(1) of title 5) or a department or agency of a State or political subdivision thereof, including any cost or expense incurred—

"(A) in disposing of patient records in accordance with section 351; or

"(B) in connection with transferring patients from the health care business that is in the process of being closed to another health care business.".

SEC. 1104. APPOINTMENT OF OMBUDSMAN TO ACT AS PATIENT ADVOCATE.

(a) IN GENERAL.—

(1) APPOINTMENT OF OMBUDSMAN.—Subchapter II of chapter 3 of title 11, United States Code, is amended by inserting after section 331 the following:

"§ 332. Appointment of ombudsman

"(a) Not later than 30 days after a case is commenced by a health care business under chapter 7, 9, or 11, the court shall appoint an ombudsman with appropriate expertise in monitoring the quality of patient care to represent the interests of the patients of the health care business. The court may appoint as an ombudsman a person who is serving as a State Long-Term Care Ombudsman appointed under title III or VII of the Older Americans Act of 1965 (42 U.S.C. 3021 et seq. and 3058 et seq.).

"(b) An ombudsman appointed under subsection (a) shall—

"(1) monitor the quality of patient care, to the extent necessary under the circumstances, including reviewing records and interviewing patients and physicians;

"(2) not later than 60 days after the date of appointment, and not less frequently than every 60 days thereafter, report to the court, at a hearing or in writing, regarding the quality of patient care at the health care business involved; and

"(3) if the ombudsman determines that the quality of patient care is declining significantly or is otherwise being materially compromised, notify the court by motion or written report, with notice to appropriate parties in interest, immediately upon making that determination.

"(c) An ombudsman shall maintain any information obtained by the ombudsman under this section that relates to patients (including information relating to patient records) as confidential information.".

(2) CLERICAL AMENDMENT.—The chapter analysis for chapter 3 of title 11, United States Code, is amended by inserting after the item relating to section 331 the following:

"332. Appointment of ombudsman.".

(b) COMPENSATION OF OMBUDSMAN.—Section 330(a)(1) of title 11, United States Code, is amended—

(1) in the matter proceeding subparagraph (A), by inserting "an ombudsman appointed under section 331, or" before "a professional person"; and

(2) in subparagraph (A), by inserting "ombudsman," before "professional person".

SEC. 1105. DEBTOR IN POSSESSION; DUTY OF TRUSTEE TO TRANSFER PATIENTS.

(a) IN GENERAL.—Section 704(a) of title 11, United States Code, as amended by section 219 of this Act, is amended—

(1) in paragraph (9), by striking "and" at the end;

(2) in paragraph (10), by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(11) use all reasonable and best efforts to transfer patients from a health care business that is in the process of being closed to an appropriate health care business that—

"(A) is in the vicinity of the health care business that is closing;

"(B) provides the patient with services that are substantially similar to those provided by the health care business that is in the process of being closed: and

"(C) maintains a reasonable quality of care.".

(b) CONFORMING AMENDMENT.—Section 1106(a)(1) of title 11, United States Code, is amended by striking "704(2), 704(5), 704(7), 704(8), and 704(9)" and inserting "704(a) (2), (5), (7), (8), (9), and (11)".

SEC. 1106. ESTABLISHMENT OF POLICY AND PROTOCOLS RELATING TO BANKRUPTCIES OF HEALTH CARE BUSINESSES.

Not later than 30 days after the date of enactment of this Act, the Attorney General of the United States, in consultation with the Secretary of Health and Human Services and the National Association of Attorneys General, shall establish a policy and protocols for coordinating a response to bankruptcies of health care businesses (as that term is defined in section 101 of title 11, United States Code), including assessing the appropriate time frame for disposal of patient records under section 1102 of this Act.

SEC. 1107. EXCLUSION FROM PROGRAM PARTICIPATION NOT SUBJECT TO AUTOMATIC STAY.

Section 362(b) of title 11, United States Code, as amended by section 901(d) of this Act, is amended—

(1) in paragraph (27), by striking "or" at the end;

(2) in paragraph (28), by striking the period at the end and inserting "; or"; and

(3) by inserting after paragraph (28) the following:

"(29) under subsection (a), of the exclusion by the Secretary of Health and Human Services of the debtor from participation in the medicare program or any other Federal health care program (as defined in section 1128B(f) of the Social Security Act (42 U.S.C. 1320a–7b(f)) pursuant to title XI of such Act (42 U.S.C. 1301 et seq.) or title XVIII of such Act (42 U.S.C. 1395 et seq.).".

Mr. GRASSLEY. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. Is there any time before the vote or are we supposed to vote now?

The PRESIDING OFFICER. Nine seconds.

AMENDMENT NO. 2547

Mr. DOMENICI. Mr. President, if we pass this minimum wage bill that I offered today with the taxes we have on it, we would welcome the President vetoing it. As a matter of fact, I do not believe he would. We have not only the minimum wage, but these are the right kinds of tax cuts to go along with it, and they are very desirable for the American economy right now.

The PRESIDING OFFICER. The Senator's time has expired.

VOTE ON AMENDMENT NO. 1730, AS MODIFIED

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1730, as modified. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. FITZGERALD (when his name was called). Present.

Mr. NICKLES. I announce that Senator from Texas (Mr. GRAMM) is necessarily absent.

Mr. REID. I announce that the Senator from New York (Mr. MOYNIHAN) is necessarrily absent.

I further announce that the Senator from Vermont (Mr. LEAHY) is absent due to family illness.

I also announce that the Senator from South Carolina (Mr. HOLLINGS) is absent due to a death in family.

I further announce that, if present and voting, the Senator from New York (Mr. MOYNIHAN) and the Senator from Vermont (Mr. LEAHY) would each vote "yea."

The result was announced—yeas 94, nays 0, as follows:

[Rollcall Vote No. 355 Leg.]

YEAS—94

Abraham
Akaka
Allard
Ashcroft
Baucus
Bayh
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Brownback
Bryan
Bunning
Burns
Byrd
Campbell
Chafee, L.
Cleland
Cochran
Collins
Conrad
Coverdell
Craig
Crapo
Daschle
DeWine
Dodd
Domenici
Dorgan
Durbin
Edwards
Enzi
Feingold
Feinstein
Frist
Gorton
Graham
Grams
Grassley
Gregg
Hagel
Harkin
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Inouye
Jeffords
Johnson
Kennedy
Kerrey
Kerry
Kohl
Kyl
Landrieu
Levin
Lieberman
Lincoln
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Murkowski
Murray
Nickles
Reed
Reid
Robb
Roberts
Rockefeller
Roth
Santorum
Sarbanes
Schumer
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Torricelli
Voinovich
Warner
Wellstone
Wyden

ANSWERED "PRESENT"—1

Fitzgerald

NOT VOTING—5

Gramm
Hollings
Lautenberg
Leahy
Moynihan

The amendment (No. 1730), as modified, was agreed to:

AMENDMENT NO. 2751

Mr. KENNEDY. Mr. President, how much time does our side have?

The PRESIDING OFFICER (Mr. FITZGERALD). The Senator from Massachusetts controls 27 minutes.

Mrs. MURRAY. Mr. President, I rise today in strong support of the Kennedy amendment and as a cosponsor of the minimum wage increase.

In this debate, many people have the wrong idea about who this increase would affect. Many people think the typical wage earner is a young man or woman flipping burgers or working at a convenience store trying to make a few extra dollars to buy some CD's or to go to the movies. That image is inaccurate. And until we really understand who the people are who rely on the minimum wage, we won't approach this debate with the urgency it requires.

To clear up that misconception, let me set the record straight. In reality, 70 percent of the people earning a minimum wage are over the age of 20. That means that 11.4 million adults this year will have to try to live on a salary of $10,700.

Forty percent of these same adults are the sole source of income for their families. These are people who are working hard—just to get by and support their families. They deserve a fighting chance.

I am especially concerned that 59 percent of those struggling on the minimum wage are women. 6.8 million women—many of these single mothers—would benefit directly from this increase.

These single mothers are doing their best. They are trying to raise two kids—on average—on a below-poverty income. And how does this Congress support these struggling parents? By attacking programs like Medicaid, by cutting child care support, by taking away funding for nutrition programs, and by taking actions that hurt working families in need.

These are the same group of people that Congress says it wants to keep off of public support.

But how does this Congress support these struggling parents? By cutting vital programs and fighting efforts like this one—an effort that will help them work themselves above the poverty line.

This amendment does not eliminate jobs. It keeps people working—people who otherwise would be completely reliant on public support. Just a $1.00 raise would generate $2,000 in potential income for minimum wage workers. For an average family of four, that means 7 months of groceries, 5 months of rent, or 13 months of health care expenses.

I reached my decision to support this increase after very careful consideration. I have listened to the concerns of small business owners from across my state, who shared with me their thoughts about this increase.

I am happy to say that most of the businesses in Washington state are experiencing unprecedented growth.

In fact, since the federal minimum wage was last increased in 1996–97, employment in Washington has grown. Since September 1996, 231,900 new jobs have been created in Washington state—an increase of 9.5%. Washington's economy is strong, and our low-wage workers should share in that success.

Because my constituents understand the value of the minimum wage, they overwhelmingly passed their own minimum wage increase last year in Washington state. They raised the state minimum wage to $5.70 this year. In the year 2000, it will move to $6.50, and after that it will be indexed based on the Consumer Price Index. Mr. President, we should follow the example of my state and increase the minimum wage for all Americans.

The increase that we passed in the last Congress should be the first step—not the last—on our road to help these hard-working citizens.

It should be the first step because the economy and our world have changed—and we need to keep up with those changes. In 1979, a person could work 40 hours a week at minimum wage and stay out of poverty. Today, it takes 52 hours. To just reach the poverty line for a family of four, the minimum wage would have to be $7.89. That's why our last increase was a good start and why this proposed increase is the next vital step to helping these working families rise out of poverty.

Overall, a slight increase in the minimum wage provides those who work hard and play-by-the-rules an increased opportunity to succeed. If any of my colleagues oppose this minimum wage increase, I would ask them to consider trying to live on $10,700 this year—not just live on it—but try to raise a family on it. I think when you consider this debate in those terms, the right thing to do becomes clear.

It would be embarrassing if this Congress voted to raise its own salary but didn't vote to let hard-working American families work their way out of poverty.

I urge my colleagues to vote to increase the minimum wage. Let's show the American people that we have our priorities straight.

Mr. KENNEDY. I yield 10 minutes to the Senator from Illinois.

Mr. DOMENICI. Will the Senator yield?

Mr. DURBIN. Yes.

Mr. DOMENICI. Mr. President, might I ask, is the Senator speaking on his time on the Domenici amendment?

Mr. DURBIN. That's correct.

Mr. DOMENICI. Mr. President, I ask unanimous consent that, following the distinguished Senator from Illinois, Senator KAY BAILEY HUTCHISON be the next speaker on our side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Illinois is recognized.

Mr. DURBIN. Mr. President, when the Senate returns tomorrow morning, our very first vote will be an important one for literally millions of American workers and families, and some 320,000 in Illinois, who are watching carefully to see if this Senate is listening to America. It is the question of the minimum wage and whether or not it is going to be increased.

Senator KENNEDY has a proposal that I support which calls for an increase in the minimum wage from the current level of $5.15 an hour to 50 cents more on January 1 of the year 2000, and then 50 cents again on the following January 1.

So that those who are going to work every single day, trying to raise their families, trying to make a decent income, will, in fact, move closer to a livable wage. This is still a long way away from it because people who are earning $5.15 an hour or $6.15 an hour hardly live in the lap of luxury.

There is a noteworthy difference between the approach being suggested by my friend and colleague, the Senator from New Mexico, on the Republican side, and the suggestion of Senator KENNEDY, my friend and colleague on the Democratic side, when it comes to a minimum wage. The difference may seem cosmetic to those who do not take a close look because the Republican side suggests that to raise the minimum wage by $1, we should take an extra year or 3 years instead of 2 to achieve this.

What does that mean to the working person? If the Republican approach should pass, it means $1,200. For someone making $50,000 a year or $100,000, or more, $1,200 hardly seems to be a grand amount of money to be worried over when you stretch it over a period of time. But imagine if your income was only $10,000 a year on a minimum wage, and what is at stake here is $1,200. The Republican approach would shortchange those who go to work every single day in America on a minimum wage by $1,200 as they stretch this out over a 3-year period of time.

Of course, the bill does much more than address the increase in the minimum wage. It also addresses some needed changes in tax law.

I support Senator KENNEDY's approach. He does provide the kind of relief which small businesses need in order to find the tax relief to provide things for their employees. It is a proposal from Senator CHUCK ROBB of Virginia and Senator MAX BAUCUS of Montana, a small business tax proposal which, among other things, finally puts a 100-percent deduction for the health insurance costs of self-employed people. The Senate and Congress have been moving toward this goal. This bill will achieve it on the Democratic side, if it is passed.

It also provides assistance to small businesses that provide child care. Think about families, particularly single mothers and single parents who have to worry every single day whether or not their kids are safe. This is an incentive for small businesses to provide child care facilities, a tax credit, one that can assist them and their workers.

In addition, there is a pension package which has been supported by Senator GRAHAM, a Democrat of Florida, and Senator GRASSLEY, a Republican of Iowa. The Democratic package is not only a well-balanced package providing child care health and retirement benefits for small businesses, but more important than anything, the Democratic package is paid for. It is paid for. The Republican package of tax changes is not.

In other words, it is an extension of the possibility of debt. It is a promise that can't be kept. The Democratic package is paid for. The Republican one is not. The Democratic package increases the minimum wage over 2 years by $1 an hour, and the Republicans over 3 years costing workers $1,200 by taking the Republican approach.

I say to those who are working across America that this is hardly what they need. It is curious to me that only a few weeks ago, the same Republican Party that cannot produce $1,200 for people who get up and go to work every day at minimum-wage jobs came before us with a $792 billion tax cut primarily for wealthiest people in this country.

Mr. DOMENICI. Mr. President, can we have order? The Senator deserves to be heard.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Illinois.

Mr. DURBIN. I thank the Senator from New Mexico.

Mr. President, consider that only a few weeks ago, this Chamber was seriously considering a $792 billion tax cut for some of the wealthiest people in America, and many people on the other side of the aisle said that is good, wise policy. Alan Greenspan of the Federal Reserve didn't think so. Frankly, the people of America don't think so. They told the Republican Party to keep this tax cut primarily for wealthy people.

Now comes a proposal from the Republican side when it comes to the working families that would cut out $1,200 in income, $1,200 to a family making about $10,000 a year. That is an upside down priority. That is a priority that forgets the real people who are working in this country to make America strong. Eleven point four million workers would get a pay increase with the Democratic Kennedy minimum wage increase package, and with this proposed increase that Senator KENNEDY has proposed and I am supporting, it means over $2,000 a year for people who are scraping to get by, primarily women who are in the minimum wage workforce, African-Americans, and Hispanics, people who go to work every single day who understand the importance of work and deserve our respect for doing so.

The vote tomorrow morning will be a measure of how much respect we have for them. This $2,000 increase for these workers can mean 7 months of groceries, 5 months of rent, 10 months of utilities, tuition and fees at a community college so one of their kids has a chance to even have a better and more successful life.

I say to the Senate this is a test. It is a test as we wrap up this session about where our values will be. Will they be with these working families? Will we make certain they get an increase in their basic wage or will we stand with those who want to delay it and delay and delay it? The argument is often made that if you increase the minimum wage, you are going to lose jobs.

Take a look at my home State of Illinois. Since the 1996 increase in the minimum wage, take a look at the real statistics: 268,100 new jobs since we last increased the minimum wage; 33,100 new retail jobs, the area where most minimum-wage jobs are found; unemployment is down 10 percent; and the unemployment rate is 4.7 percent.

As we increase the minimum wage, we have not seen all of the things that the Republicans tell us we should be afraid of—afraid of losing jobs and creating chaos in the workplace. Exactly the opposite has happened across America. Since we last raised the minimum wage, we have seen an economy moving forward.

Now the real test for this Senate is whether or not we are going to bring on board this ship as it moves forward the people who get up and go to work every single day, the men and women who work in the convenience stores, who make our beds in motels and hotels we stay in overnight, the folks who serve our food and cook it in the kitchen. These are the invisible people who keep America moving forward. But these invisible people will be watching tomorrow to see if this Senate is going to give the minimum wage increase which is so essential.

I hope those on the Republican side who are preaching fiscal integrity and fiscal soundness will think twice about voting for a bill that not only stretches the minimum wage an extra year but provides tax cuts without compensating offsets. What does that mean in layman's terms? The Republican package doesn't pay for the tax cuts that they are trying to enact. They have some good ideas, I am sure. But it isn't honest if you didn't pay for them.

What Senator KENNEDY and the Democrats have done, what we have said is when it comes to small business and the tax proposal, we have the means of paying for them. And by and large, we are going to make sure that when the small businesses that enact these increases in the minimum wage turn to us and say, are you listening to some of our other concerns, the answer will be yes. We want to make sure you can deduct every single penny of your health insurance premiums as every major corporation can. Self-employed people, farmers, and small businesses deserve the same benefit: Make sure that there is a facility available for child care; make sure that a pension package can be offered—things that will help small businesses extend opportunities for their workforce and create better employee moral and productivity.

I close by saying that this vote tomorrow morning at 10:30 is a test of the Senate's will and the Senate's values. I hope that we will stand by people who go to work every single day.

It is one thing to preach on the floor about people looking for a handout; these folks are looking for a hand up. They are working and need assistance and an increase in their minimum wage. I rise in strong support of the proposal by Senator KENNEDY. I hope my colleagues on both sides of the aisle will join me.

I yield the floor.

AMENDMENT NO. 2547

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mrs. HUTCHISON. Mr. President, I rise to support the Domenici substitute for the Kennedy amendment because I think it strikes the balance we need to have. We have a strong economy today. We want to make sure it stays strong. We are talking about a minimum wage increase that is $1 over a period of 3 years. This should not be a shock to the small businesses, the farmers, and the ranchers who are concerned about having base costs go up—not even people who don't pay minimum wage but people who are concerned about paying at the higher levels and increasing the potential for inflation. I think stretching it out over 1 more year makes sense.

I also think we need to look at the small business tax cuts we tried to give to small businesses in the tax cut package the President vetoed. We have brought some of those back. It provides a balance of adding more to the working person, especially the part-time worker, but also giving a little bit of tax help to the self-employed and small business people who might get hit by having the whole wage scale increased. What we are looking for is balance.

I will talk about a few of the tax cuts with which we are going to try to help small business. First is an amendment from a bill I introduced that is called the Bonus Incentive Act. Today, employers can give a performance-based bonus to a person who is exempt, a salaried employee, and that person will be able to take that bonus, pay their withholding taxes, and go on their merry way; an employer can't do that for an hourly employee. If they give a performance-based bonus to an hourly employee, the employer has to go back and figure the whole year's wages and refigure any overtime pay that has been given to that employee. Many employers say it is just not worth the trouble, or they try to disguise the bonus as something else.

Employers have come to Congress and testified they want to be able to reward hourly employees for good service. At the House Education and Workforce Committee, Pam Farr, the former senior vice president for Marriott Lodging, recently testified that Marriott used game-sharing plans for customer service personnel that rewarded employees for friendly treatment of customers. Cordant Technologies, which makes solid rocket boosters for the space shuttle, rewards their workers for reaching goals, for workplace safety, indirect cost reduction, and customer satisfaction. Many employers are concerned about all the paperwork that would have to be prepared if they gave this employment bonus. In other testimony from a human resources director, it took 4 people 160 hours to calculate the bonuses for 235 employees.

What has been incorporated into the Domenici amendment makes it easy for employers to give performance-based bonuses to hourly employees. There is no reason we should have a big, mumbo-jumbo set of regulations that make it difficult. We want to make it easier for those employees to be rewarded for merit.

Other tax relief in this bill is an above-the-line real deduction for health insurance expenses for individuals who don't have health care coverage. I know people who don't have insurance who have huge medical bills. Why shouldn't they be able to deduct all of their medical expenses if they don't have employer-provided insurance coverage? It also provides 100-percent deductibility for health care insurance for the self-employed.

I think it should be the goal of everyone in this Chamber to encourage employers to be able to give health insurance to their employees and for the self-employed or the individual to buy health insurance. Why wouldn't we give incentives for people to buy health care insurance? We have been talking about that for the last 5 years. Why don't we put our incentives where they can make a difference?

It also accelerates an increase in small business expensing. This is particularly helpful for farmers with direct expensing and accelerating the expensing, especially for small businesses. It reduces the Federal unemployment tax that small businesses pay from 0.8 percent to 0.6 percent. It makes permanent the work opportunity tax credit. This is a very important tax credit that is an incentive for people to hire people off welfare. It gives a tax credit of up to $2,400 for wages paid to employees who are hired right off the welfare rolls. We think this is a wonderful opportunity to give the people whom we want to give a chance at contributing to their families, coming off welfare, to have that incentive for the employer to hire the person off welfare and give that person that first chance to be a contributing member of society.

These are some of the tax relief parts of the bill I think are so important.

There is one more area I want to talk about because it is my amendment. This is an amendment I have introduced before. It was in the bill the President unfortunately vetoed. In fact, I introduced this bill 2 years ago. It allows women over 50 to have make-up payments to their pension plans. How many women do we know who have left the workforce to have their children or to raise their children until they go into elementary school, or perhaps they stay home and raise their children all the way through high school; then they come back into the workforce. Perhaps they lose their spouse and they don't have a good source of income. They go back to work, and they are penalized in their pension systems and their stability in their retirement years because they lost all those years that would allow them to start building that pension plan.

Women who leave the workforce to raise their children and then come back are penalized in this society. These are the people who need retirement stability the most. These are the people who live the longest and who don't have the same opportunity for a pension plan because they haven't been able to establish a pension over the years because they have stayed home and raised their children.

Senator DOMENICI's amendment allows women over 50 who are coming back into the workplace to make up the payments they have lost when they left the workplace. The Domenici amendment is a good amendment. It is a balanced amendment. It provides a minimum wage increase over a 3-year period, and it gives help and relief to the small businesses of our country that are going to be hit by the minimum wage increase. This will offset it.

These are good reliefs. It is relief for health insurance coverage. It is relief for people who have medical expenses, who don't have health care coverage. It is relief for small business expensing, relief for women who are discriminated against in the pension systems when they leave the workplace to raise their children and then cannot continue to contribute to their retirement systems. It reduces the Federal unemployment tax that is a huge burden on small businesses, and it makes permanent the Work Opportunity Tax Credit, the credit that gives a $2,400 tax credit to people who hire people off welfare.

I urge my colleagues to support this balanced approach, giving help to the workers, giving help to the small business people who may be affected by this added expense in their business. It is a fair approach. It is a balanced approach. I think it will have the best chance to keep our economy strong by keeping the people in business who are creating the jobs that keep this economy going. We want more opportunity for more workers, and that is what this amendment will do.

I urge support for the Domenici amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, how much time do we have remaining?

The PRESIDING OFFICER. The Senator has 17 minutes.

Mr. KENNEDY. Mr. President, I yield myself 7 minutes.

Mr. President, I think it is probably appropriate the Senate take a moment to look at what the majority leader has stated about increasing the minimum wage. Over the course of the afternoon, we have had a number of speakers who have made a powerful case in favor of increasing the minimum wage. Yet we have against this background what the majority leader, Senator LOTT, said about our proposal:

> It will not go to the President. I can guarantee you that.

So the American people ought to understand no matter how they might agree with us and are convinced of both the importance and the fairness of the issue, that is the position of the majority leader. That is part of the difficulty and the complexity we have been facing over this whole year. There has been this unalterable opposition to any break for the hardest working Americans, the ones at the lower rung of the economic ladder. Even if we are able to somehow be successful in winning this tomorrow morning, it is not going to go to the President. He is going to use every effort he possibly can to defeat this.

Earlier this evening, the Senator from Oklahoma, Senator NICKLES, pointed out CBO estimates of a loss of 100,000 to 500,000 jobs. Those are absolutely identical figures to what they said when we raised it in 1996 and 1997. They were found to be completely inaccurate.

I ask unanimous consent to have printed in the RECORD the references to 27 different studies that have been done nationwide, looking at the economic impact of the last increase in the minimum wage that will indicate positively that there has been an expansion of employment.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STUDIES THAT CONCLUDE A MODERATE INCREASE IN THE MINIMUM WAGE DOES NOT COST JOBS

Belman, Dale, and Paul Wolfson. 1998. "The Minimum Wage: The Bark Is Worse Than The Bite." Working Paper.

and . 1997. "A Time Series Analysis of Employment, Wages, and the Minimum Wage." Working Paper.

Bernstein, Jared, and John Schmitt. 1997. "The Sky Hasn't Fallen: An Evaluation of the Minimum-Wage Increase." Economic Policy Institute Briefing Paper.

and . 1997. "Estimating the Employment Impact of the 1996 Minimum Wage Increase Using Deere, Murphy, and Welch's Approach." Economic Policy Institute Working Paper.

Burdett, Kenneth, and Dale Mortensen. 1989. "Equilibrium Wage Differentials and Employer Size." Discussion Paper, No. 860. Evanston, IL: Northwestern University Center for Mathematical Studies in Economics and Management Science.

Card, David. 1992. "Using Regional Variation in Wages to Measure the Effects of the Federal Minimum Wage." Industrial and Labor Relations Review, 46:22–37.

. 1992. "Do Minimum Wages Reduce Employment?" A Case Study of California, 1987–1989." Industrial and Labor Relations Review, 46:38–54.

, and Alan Krueger. 1994. "Minimum Wages and Employment: A Case Study of the Fast-Food Industry in New Jersey and Pennsylvania." American Economic Review, 84:772–93.

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Connolly, Laura, and Lewis M. Segal. 1995. "Minimum Wage Legislation and the Working Poor." Working Paper.

Dickens, Richard, Stephan Machin, and Alan Manning. "The Effects of Minimum Wages on Employment: Theory and Evidence from the UK." NBER Working Paper No. 4742, Cambridge, MA, 1994.

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Lester, Richard. 1964. Economics of Labor. (New York: Macmillian).

Machin, Stephen, and Alan Manning. 1994. "The Effects of Minimum Wages on Wage Dispersion and Employment: Evidence from the U.K. Wage Councils." Industrial and Labor Relations Review, 47:319–29.

Rosenbaum, Paul. "Using Quantile Averages in Matched Observational Studies." Working Paper.

———. "Choice As An Alternative To Control in Observational Studies." Working Paper.

Siskind, Frederic. 1977. "Minimum Wage Legislation in the United States: Comment." Economic Inquiry, January: 135–38.

Spriggs, William. 1994. "Changes in the Federal Minimum Wage: A Test of Wage Norms." Journal of Post-Keynesian Economics, Winter 1993/94, pp. 221–239.

Wellington, Allison. 1991. "Effects of the Minimum Wage on the Employment Status of Youths: An Update." Journal of Human Resources, 26:27–46.

Wessels, Walter. 1994. "Restaurants as Monopsonies: Minimum Wages and Tipped Services." Working Paper. North Carolina State University.

Wolfson, Paul. 1998. "A Re-Examination of Time Series Evidence of the Effect of the Minimum Wage on Youth Employment and Unemployment." Working Paper.

Zaidi, Albert. 1970. A Study of the Effects of the $1.25 Minimum Wage Under the Canada Labour (Standards) Code. Task Force of Labour Relations, study no. 16. Ottawa: Privy Council Office.

Mr. KENNEDY. Mr. President, perhaps tomorrow we will be able to take the time to talk about what is happening to minimum-wage workers. As I mentioned earlier today, minimum-wage workers are teachers' aides, nursing home aides. Nursing home aides have a 94-percent turnover. The principal reason for the turnover is because they are paid so poorly. They are the people working to try to provide some care and attention to the elderly. I see our good friend from Connecticut who has been a leader in establishing day care. The turnover that is taking place in the day-care centers is very similar. It is not quite as high but very dramatic. These are our children. This is our future. This is as a result of failing to provide an adequate increase in the minimum wage.

There are two final points I want to raise with regard to the Republican proposal. As has been mentioned earlier, the effect of the Republican proposal will mean that 3 years from now, the average minimum-wage worker will have made $1,200 less—$1,200 less—than they would have if we had passed the Daschle proposal. That is a lot of money for working Americans. That is 5 months of rent, a year of tuition, 6 months of utilities. This is important to hard-working Americans, make no mistake about it.

It might not mean a lot to Members of the Senate who have just voted themselves a $4,600 pay increase. We are not deferring that pay increase for Senators 2 years or 3 years. We are saying the minimum wage ought to be over a 2-year period. But our Republican friends say, no, let's spread it over 3 years. We are not doing that with regard to our pay increase.

I hope when Members go back and talk to their constituents, they are able to justify why we were worth $4,600 more this year while saying no to hard-working Americans—they are not worth 50 cents more next year and 50 cents more the year after.

Finally, I want to mention one very important aspect of the Republican proposal that has not been addressed.

I yield myself 2 more minutes, Mr. President.

With this particular chart, we illustrate what we have been facing over this past year with regard to the Republican attack on working families: Resisting a pay increase with the minimum wage; balancing the budget on the backs of the working poor. Governor Bush pointed that out. You do not have to hear it from Democrats. We have seen some retreat on that by the Republican leadership. Then providing pensions for the wealthiest individuals as they do under this proposal; blocking workers' rights to organize, the salting bill; and undermining worker safety, providing the waivers of penalties for violations of OSHA; cutting workers' pay.

You can say, where does that come in? Under the Republican proposal, they recalculate how overtime is going to be considered. This has not been done since 1945 when the proposal was struck down by the Supreme Court which said they basically, fundamentally undermine the Fair Labor Standards Act. If you take the Republican proposal on recomputing overtime, effectively you are undermining what many workers would be able to receive with an increase in the minimum wage. There has not been a word of that spoken by the proponents of this amendment. They tucked this right into their particular proposal.

Mr. WELLSTONE. Will the Senator yield for a question?

Mr. KENNEDY. I yield for a question.

Mr. WELLSTONE. I am listening to this for the first time. This has not been a part of this debate. There are 73 million Americans right now who are entitled to overtime pay. Is the Senator saying part of the Republican amendment effectively repeals the overtime pay provisions of the Fair Labor Standards Act, which act has been in effect for 60 years? This is a cornerstone of fairness for working families in this country. Is that what the Senator is saying?

Mr. KENNEDY. This Senator is saying there will be an overtime payment, but the overtime payment will be calculated in a way that will diminish, in a significant way, the actual overtime workers should be entitled to and the way it has been computed for the last 45 years. It is a dramatic change in the Fair Labor Standards Act.

The Supreme Court has said, as I said, if that provision had been accepted when it was offered in 1945, it effectively emasculates the overtime provision of the Fair Labor Standards Act. The overtime words will be there, there will be a base pay that they will pay overtime on, but not the way they are being paid now. The Republican proposal will undermine, in a significant and dramatic way, the way that hourly workers are being paid in the United States.

Mr. WELLSTONE. Mr. President, one final question for the Senator. If companies are going to now be able to make the payment in bonuses and do an end run, basically, around the Fair Labor Standards Act, which is so important to 73 million Americans who right now are entitled to that overtime pay, then am I not correct that what the Republicans are proposing is not a step forward, it is a great leap backward; that this overturns 60 years of sweat and tears of workers' commitment to getting a fair pay for fair work, including overtime work?

They give a minimum wage increase with one hand and then they basically repeal part of the Fair Labor Standards Act with the other hand. People need to understand this, I say to the Senator.

Mr. KENNEDY. The Senator is absolutely correct. It is one of the reasons why we ought to have an opportunity to debate this in the light of day, not under the time limit. We are forced to take these time limits in order to at least have a vote on the minimum wage. But this issue is too important to working families to be dismissed lightly. I hope, for reasons I have outlined briefly, the amendment of the Senator from New Mexico will not be accepted.

The Senator from Connecticut desires time. I know the Senator from Iowa wants time. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 7 minutes 50 seconds.

Mr. KENNEDY. I yield 5 minutes to the Senator from Connecticut.

Mr. DODD. Mr. President, I thank my colleague for yielding this time. I commend him for his leadership on the minimum wage issue. There is so much to talk about concerning the proposal of the Senator from Massachusetts and the distinguishing features between that and what is being offered on the other side.

We are talking about a 50-cent increase over the next 2 years, as opposed to a 35-cent increase in year one and year two and a 30-cent increase in year three. But there is an added feature to the Republican proposal on which some may not have focused. While they are suggesting approximately 33 cents a year for minimum-wage workers, there is also roughly a $75 billion tax cut, the bulk of which goes to the top income earners of the country. That is part of their minimum wage package.

It is somewhat ironic that we are talking about a 30-cent to 35-cent increase for the lowest paid workers in the country instead of 50 cents, and we are going to have a $75 billion tax cut, the bulk of which goes to the top income earners in the country.

By the way, there is no offset for the $75 billion tax cut. We do not know where the money comes from to pay for that. We heard a lot of speeches in the last couple of weeks about not dipping into the Social Security trust funds. One basic question is, From where does the $75 billion come? How are we paying for that? I have yet to hear anybody explain from where it is going to come. I put that out for consideration as we talk about these amendments this evening.

It is extremely important for a lot of people that we increase the minimum wage; 11.4 million people will actually get a pay raise if the minimum wage increase goes into effect. Some may say the economy has been so great, everyone is doing so well, why do people at the minimum-wage level need to have any increase at all?

While the economy has been fabulous and unprecedented historically, not everybody in America has been the beneficiary of this great prosperity. For a lot of Americans in the bottom 20 percent of income earners, things have been rather stagnant. This income group has not seen the kind of tremendous increase in their earning power as have the top 1 percent of households.

The top 1 percent of households is expected to gain 115 percent in after-tax income as compared to an only 8-percent gain for the middle fifth of households in America. In contrast, the lowest fifth of households experienced a 9-percent decline during the same period, from 1977 through 1999.

If you were doing well in America in 1977, then you are doing even better today. If you are in the middle in America, you have had a slight increase of about 8 percent. If you are in the bottom 20 percent, you have actually seen a decline in your earning power in the last 20 years.

While we herald the great success of the economy with the lowest unemployment rates in years, we need to remind ourselves that for a lot of our citizens from Maine to California who work every day at the bottom levels of the economic ladder in this country, it has not been a great period for them.

We talk about 50 cents, $1 over 2 years. What better way to welcome the new millennium, than to say to 11.4 million workers in this country: We recognize your contributions to the success of this country by giving you a $1 increase over the next 2 years.

What does that amount to? How about 7 months of groceries; 5 months of rent for the average minimum-wage worker; 10 months of utility bills; about 1½ years of tuition and fees at a community college.

Mr. President, $1 over 2 years may not seem like a lot, but if you multiply that at a 40-hour workweek, 52 weeks a year, that dollar makes a huge difference to some of the lowest paid workers in America. Again I mention, there are 11.4 million workers who will directly benefit from the Kennedy proposal to increase the minimum wage.

The PRESIDING OFFICER. The Senator has used his 5 minutes.

Mr. DODD. I ask for 1 additional minute.

Mr. HARKIN. I yield 1 minute.

Mr. DODD. Seventy percent of the workers who would benefit are over the age of 20; 59 percent are women; 46 percent of these people have full-time jobs; 15 percent are African American; 18 percent are Hispanic American; and 46 percent work in retail.

The great boom that has occurred in our economy has been magnificent for those at the upper-income levels. Unfortunately, after-tax income has remained relatively flat for those in the middle, and actually declined for those in the bottom 20 percent.

This minimum wage increase will make a difference to some of the hardest working people in this country. I hope by tomorrow when this issue comes for a vote, a proposal to increase the minimum wage, not smuggle a $75 billion tax cut without paying for it, will be the choice of the Senate.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, how much time remains on this side on the minimum wage issue?

The PRESIDING OFFICER. Thirty-nine minutes 39 seconds.

Mr. GRASSLEY. I yield myself such time as I might consume.

Mr. President, I rise today in support of the pension reform provisions which have been included in the minimum wage and business tax amendment sponsored by colleague Senator DOMENICI.

Earlier this year I cosponsored with Senator Bob GRAHAM of Florida, comprehensive pension reform legislation—S. 741, The Pension Coverage and Portability Act. Many of the provisions in S. 741 were included in the vetoed Taxpayer Refund Act of 1999. Now, those provisions have been included as part of the Republican minimum wage amendment.

Experts say that, ideally, pension benefits should comprise about a third of a retired worker's income. But pension benefits make up only about one-fifth of the income in elderly households. Obviously, workers are reaching retirement with too little income from an employer pension. Workers who are planning for their retirement will need more pension income to make up for a lower Social Security benefit and to support longer life expectancies. While we have seen a small increase in the number of workers who are expected to receive a pension in retirement, only one half of our workforce is covered by a pension plan.

There is a tremendous gap in pension coverage between small employers and large employers. Eighty-five percent of the companies with at least 100 workers offer pension coverage. Companies with less than 100 workers are much less likely to offer pension coverage. Only about 50 percent of the companies with less than 100 workers offer pension coverage. Small employers who may just be starting out in business are already squeezing every penny to make ends meet. These employers are also people who open up the business in the morning, talk to customers, do the marketing, pay the bills, and just do not know how they can take on the additional duties, responsibilities, and liabilities of sponsoring a pension plan.

I firmly believe that an increase in the number of people covered by pension plans will occur only when small employers have more substantial incentives to establish them. The pension provisions contained in the minimum wage amendment offered by Senator DOMENICI would provide more flexibility for small employers, relief from burdensome rules and regulations, and a tax incentive to start new plans for their employees. These reforms would create new retirement plans which would help thousands of workers build a secure retirement nest egg.

The amendment also contains provisions which promote new opportunities to roll over accounts from an old employer to a new employer. The lack of portability among plans is one of the weak links in our current pension system. This amendment contains technical improvements which will help ease the implementation of portability among the different types of defined contribution plans.

There has been criticism that the benefits of pension reform legislation would largely be directed toward the rich. However, to the contrary, evidence suggests that pension benefits largely benefit middle class workers. Over 75 percent of current workers participating in a pension plan have earnings of less than $50,000. Among married couples nearly 70 percent of those receiving a pension had incomes below $50,000. Among widows and widowers, over 55 percent of pension recipients had incomes below $25,000.

Furthermore, there are provisions in the amendment specifically designed to help rank-and-file workers earn meaningful benefits. Provisions such as reducing the vesting period for employer matching contributions in defined contribution plans and eliminating the twenty-five percent of compensation limit on combined employer and employee contributions to defined contribution plans.

Finally, let me say there is a precedent for including reforms to the employer provided pension system with an increase in the minimum wage. Three years ago we increased the minimum wage from $4.25 to $5.15 as part of the Small Business Job Protection Act of 1996. Included in that legislation were a number of reforms to the employer-provided pension system. One in particular, was the creation of the SIMPLE pension plan—which has expanded coverage to thousands of employees of small businesses who otherwise might not have been able to participate in a pension plan.

We have an opportunity to improve the incomes of the lowest paid members of the American labor market, and to improve retirement security for millions of workers and their families. I support my colleague's efforts, and encourage others to do the same.

Mr. BIDEN. Mr. President, I am pleased to join with my colleagues, Senator GRASSLEY and Senator TORRICELLI, in bringing bankruptcy reform legislation before the Senate today.

Senator GRASSLEY is the Senate's acknowledged leader on this issue, in every sense of the word. He has made reform of our bankruptcy code his cause, and he has stayed the course, through the last session of Congress and again this year, to bring us to where we are today.

It is evidence of Senator GRASSLEY's commitment that he has reached out to the ranking Democrat on his Subcommittee, Senator TORRICELLI, to join him in that effort. He certainly chose the right man for the job.

Senator TORRICELLI has worked with Senator GRASSLEY to bring the kind of balance to the bill before us today that marked last year's Senate floor a bill that was reported out of the Judiciary Committee by a bipartisan, 14-to-4 margin.

Last year, we brought to the floor a bill that passed the Senate 97 to 1—virtually unanimous agreement that our bankruptcy code needs reform, as well as consensus that reform must be fair.

I would like to address both of those points today, Mr. President—the need for reform, and the need for that reform to be balanced and equitable.

To a large extent, the numbers speak for themselves—the number of bankruptcy filings has exploded in recent years, reaching a record 1.4 million last year. That's on top of double-digit increases in the number of consumer bankruptcy filings for most of this decade. This record was set in a time of the best economic conditions our country has ever seen—the lowest persistent unemployment and inflation, the highest sustained growth, widespread income gains, and a booming stock market.

These are not the conditions that we normally associate with the kind of widespread financial distress that could trigger a wave of bankruptcy filings.

This tells me—and a lot of others, as well—that there is something wrong with the way our consumer bankruptcy code operates today. Simply put, too many people are finding it too easy too easy to walk away from their legitimate obligations by filing for bankruptcy. When that happens, somebody else pays the bill.

In the past year, a number different studies have looked at just how big that bill can be. These studies have been conducted by all sides in the debate, including the credit industry and the bankruptcy bar. The study conducted by the Department of Justice concluded that American businesses lose $3.2 billion annually to bankruptcies filed by individuals who have the capacity to repay their debts.

The size of the bankruptcy problem—both the number of filings and the dead-weight losses to our economy—was the foundation for last year's overwhelming Senate support for reform.

The principle behind the reforms we bring to the floor today is simple, Mr. President—if you file for the protection of bankruptcy, one basic question will be asked: do you have the ability to pay some of your bills, or not?

If the facts—looking at your income on the one hand, and the bills you have to pay on the other—show that you can pay, then you must file under Chapter 13, that requires a period of at least partial repayment before you are forgiven your remaining debts. Under such a Chapter 13 plan, you are not required to sell off major assets such as your house or your car.

If the facts show that you simply don't have the income to under take a Chapter 13 repayment plan, then the protection of Chapter 7 is still there for you. Chapter 7, however, requires that you sell off any significant assets, and the proceeds go to your creditors.

Most Americans would agree that this is fair, and would be surprised to find that no test of someone's ability to pay is required to get the protection of Chapter 7. But in fact, as even the strongest opponents of bankruptcy reform admit, today pretty much all the assumptions in the bankruptcy code are in favor of the filers, who can voluntarily choose a Chapter 7 liquidation or a Chapter 13 repayment plan.

The bill we bring to the floor today attempts to restore some balance to those assumptions, to require more responsibility on the part of those who seek the protection of bankruptcy.

But some of my colleagues will argue during this debate that the source of this problem is not really the operation of our bankruptcy laws, but what they call "irresponsible" lending. Creditors—especially the aggressive credit card companies—are pushing debt onto people, and that is what is driving people into bankruptcy.

Now, I am sure all of us are tired of those millions—actually billions—of credit card solicitations that come through the mail every year. But I ask my colleagues to reflect for a moment on what the alternative to widely available consumer credit would be.

When I first came to the Senate, we were fighting against lending practices that "red-lined" whole neighborhoods, Mr. President, in which banks would simply decide that some people were not worthy of credit, that they were incapable of managing their own affairs. A lot of us in Congress saw that as just plain wrong, and we worked to change it.

One of the things we did, in 1977, was to pass the Community Reinvestment Act, that requires banks to lend into local communities where incomes may be lower or the risks of repayment higher than bankers might prefer.

We just passed an historic overhaul of our country's banking laws. The Financial Services Modernization Act took many years of hard work to complete. Among the most contentious issues was the treatment of the Community Reinvestment Act.

In fact, President Clinton threatened a veto of that bill if the principles of the Community Reinvestment Act were not protected in the final deal. Those principles boil down to the idea that everyone deserves access to credit, and it is the policy of this country that banks must not unfairly restrict credit, despite what they think is the best way to maximize returns and minimize the risks on their loans.

Now, I am not here to argue that the flood of credit card solicitations is part of some new social program by the credit card companies. Of course they are trying to make money. By the way, it is also evidence of a lot of competition in the lending business, as well. But when I hear my colleagues argue about "irresponsible lending," I hear echoes of those earlier debates about red-lining.

The "democratization of credit," as some people have called it, has risks, of course. Some people will not use credit responsibly. But the alternative to widely available credit—passing laws to cut back on credit to the kinds of people we here in Washington have decided just can't be trusted to use it wisely—that alternative is far, far, worse, in my view.

Should we do more to make sure that consumers are fully informed, and that lenders disclose the full cost consumers pay for credit? Of course we should, Mr. President. During our Committee deliberations on this bill, we considered proposals by Senator SCHUMER that would have imposed requirements for more complete disclosure, in billing and in advertising, by creditors.

Because those issues are under the jurisdiction of the Banking Committee, we made the conscious decision to leave those provisions for an amendment here during the floor debate. That amendment will be among the first items of business on this bill.

Should we do more to make sure consumers are informed about how to handle debt, and how to avoid the ultimate step of bankruptcy? Of course we should, Mr. President. The bankruptcy reform bill before us today calls for new initiatives in those areas, as well. We look to the causes of bankruptcy as part of a comprehensive approach to reform.

But to try to stem the tide of bankruptcies by making credit harder to get, Mr. President, is a cure that will prove to be worse than the disease.

I thought one of the most important aspects of last years's Senate debate was how, as we attempt to reduce the number of bankruptcy filings, to still make sure that we continue to provide the full protection from creditors and the fresh start that many Americans will continue to require and deserve.

For many of my colleagues, particularly on my side of the aisle, that has been the real focus of the debate over bankruptcy reform, and it should be.

I know that many of my colleagues are concerned that the means test in this bill, that determines a bankruptcy filer's ability to pay, will be unfair to those who really need the full protection from creditors and the fresh start that Chapter 7 has historically provided. In fact, however, the means test is intended to ensure that a repayment plan—under Chapter 13—will be required only of those individuals who actually have the documented ability to continue to pay some of their legal obligations.

A range of studies from all sides in this debate has found that only 3 to 15 per cent of filers under the current system would be steered from the complete protection of Chapter 7 into Chapter 13, where they will be required to continue payments on—and, I have to stress, retain possession of—their credit purchases. The means test is designed to make sure that these new responsibilities will be required only of those who have the resources to meet them.

The managers' amendment that we will bring to the floor will provide additional refinements and safeguards to make sure the means test achieves that goal.

Another major concern that has been expressed by my colleagues is that bankruptcy reform will unfairly affect women and children, who may depend on family support payments—alimony, child support—that are all too often part of the picture in the financial and personal distress that can lead to bankruptcy. I want my colleagues to know just how much we have done to protect family support payments—to protect them much more than current law.

This bill will give alimony and child support payments the highest possible priority—over credit card companies, over department stores, over all other creditors—when the line forms to collect payments from someone who is in bankruptcy. This bill also requires that all alimony and child support must be paid in full before the final discharge of debts at the end of bankruptcy. These are just two of the significant improvements in the treatment of alimony and child support in this bill, and there are others.

The reform of our bankruptcy code is a complicated issue, and in the coming days we will be debating a lot of the thousands of important details that are involved. But if we keep our eye on the big picture—fundamental principles of fairness, responsibility, and effectiveness—I am convinced that this bill will enjoy overwhelming bipartisan support on final passage.

Mr. KYL. Mr. President, the Administrative Office of the U.S. Courts released a report in August that included some good news and some bad. On the one hand, the report indicated that bankruptcy filings for the 12-month period ending June 30, 1999 were down, albeit slightly—about 0.3 percent. On the other hand, it noted that the number of petitions filed still represented a 62.2 percent increase over the same period ending in 1995.

Extraordinary circumstances can strike anyone, which is why it is important to preserve access to bankruptcy relief. No one disputes that there should be an opportunity to seek relief and a fresh start when someone is struck by terrible circumstances beyond his or her control—for example, when families are torn apart by divorce or ill health. I suspect that creditors would be more than willing to work with someone when such tragedy strikes to help him or her through tough times.

But there is a good deal of evidence that too many people who file for relief under Chapter 7 actually have the ability to pay back some, or even all, of what they owe. Inappropriate use of Chapter 7, or straight bankruptcy, imposes higher costs on the vast majority of consumers who make good on their obligations. The Justice Department estimates these costs at about $3.2 billion annually. This phenomenon of bankruptcy for the sake of convenience—bankruptcy as a financial planning tool—is what led to the drafting of the bill before us today.

The Bankruptcy Reform Act, S. 625, is the product of a number of hearings, and months and months of deliberations. This bill has been in the legislative process for several years now. It enjoys broad bipartisan support, having been approved overwhelmingly by the Senate Judiciary Committee on a vote of 14 to 4. In fact, similar bipartisan legislation in the House of Representatives passed on May 5, by a lopsided vote of 313 to 108—an even greater margin than last year.

The bill would establish a presumption that a chapter 7 bankruptcy filing—what is generally known as straight bankruptcy—should be dismissed or should be converted to Chapter 13 if, after taking into account secured debts and priority debts like child support and living expenses, the debtor could repay 25 percent or more of his or her general unsecured debt, or $15,000, over a five-year period. The debtor could rebut the presumption by demonstrating special circumstances to show that he or she does not have a meaningful ability to repay his or her debts.

I suspect that most Americans would be surprised to find that this is not already the norm. At the moment, bankruptcy judges do not necessarily consider whether a debtor has a demonstrable capacity to repay his or her debts before granting Chapter 7 relief.

Studies suggest that this means test we propose here would force between three percent and 15 percent of debtors to pay more to creditors. This represents a relatively small number of debtors, but they are the ones who have the means to repay, and fairness dictates that they do so.

In short, the bill would steer individuals with the ability to repay some or all of their debts into Chapter 13 repayment plans, while preserving access to Chapter 7 for those who truly need its protection and the fresh start it would provide. This is a reasonable and balanced approach.

Remember, when people run up debts they have no intention of paying, they shift a greater financial burden onto honest, hard-working families in America. Estimates are that bankruptcy costs every American family more than $400 a year. Treasury Secretary Lawrence Summers acknowledged as much during a recent hearing before the Finance Committee. When asked whether debt discharged in bankruptcy results in higher prices for goods and services as businesses have to offset losses, here is what he said:

> Certainly there is a strong tendency in that direction, and also towards higher interest rates for other borrowers who are going to pay back their debt.

So when we hear opponents of the bill talk of their concern for consumers, let us remember the cost that the abuse of bankruptcy law imposes on the vast majority of consumers who responsibly abide by their obligations and pay back their debts. What we have here is really the most pro-consumer bill we will consider this year.

I want to share with Senators a very good editorial that appeared in the Tribune on May 24, 1999. I ask unanimous consent that the editorial be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PICKING UP THE TAB

> It's quite possible you receive several solicitations a month for carpet-cleaning. But if you do, it's unlikely you have someone clean your carpets that often. You know when to say no.
>
> It's also likely that you receive several credit card solicitations every month. But that doesn't mean you sign up for every card and then run out and charge the limit.
>
> Or does it?
>
> Consumer advocates seem to be of the opinion that Americans are all but helpless when credit card companies sing their siren song. That they are powerless to say no when the offers come in the mail or over the phone. And that when they get into financial trouble because of credit card debt, it's not really their fault.
>
> That scenario is being played out more and more often these days, and soaring bankruptcy figures prove it. In 1980, three out of every 1,000 Arizona households sought protection under bankruptcy laws. In the supposedly booming year of 1998, that number had jumped to 14.
>
> Credit card debt is often a major factor.
>
> When people wiggle out of paying their debts, of course, someone else is left holding the bag—either their creditors, or the creditors' other customers, who have to fork over higher interest rates and fees to cover the loss.
>
> Often bankruptcy is unavoidable. Loss of income, health problems and other calamities can quickly plunge even affluent families into hot water.
>
> But often it is avoidable, and personal irresponsibility plays a part.
>
> That's why Congress is considering legislation to tighten up bankruptcy laws so that

> people would be held more accountable for debts they incur. More people would be required to file under Chapter 13, which mandates repayment of certain debts, and fewer would be allowed to use Chapter 7, which is much easier on borrowers.
>
> The House already has passed the legislation, with all six of Arizona's lawmakers voting for it.
>
> Banks and credit card companies love the bill, of course. And some see a connection between big-business campaign contributions and the supposedly anti-consumer legislation.
>
> But the bill, in truth, is not anti-consumer. At least it's not anti- the consumers who do pay their debts and who, because of higher interest rates, have to cover the tab for those who don't.
>
> Nor does it wash to blame the companies for luring people into debt because of the incessant barrage of credit card solicitations. Yes, there are a lot of them. It's called advertising. In a capitalist, market economy, that's how companies make their products available. It can be annoying, but it's not wrong.
>
> As with any product (beer, cigarettes, carpet-cleaning), it falls on the individual consumer to make responsible choices.
>
> Those who don't should not expect the rest of us to clean up for the financial messes they themselves create.

Mr. KYL. I want to stop at this point and single out a few provisions of the bill for comment. These are provisions that I believe illustrate the deficiencies in current law—provisions that demonstrate why this legislation represents common sense reform of the bankruptcy system.

The first provision appears in Section 314 of the bill and provides that debts that are fraudulently incurred could no longer be discharged in Chapter 13—the same as in Chapter 7. Again, I think most Americans would be surprised to find out that this is not already the law.

Currently, at the conclusion of a Chapter 13 plan, a debtor is eligible for a broader discharge than is available in Chapter 7, and this superdischarge can result in several types of debts, including those for fraud and intentional torts, being discharged whereas they could not be discharged in Chapter 7. The language of the bill tracks an amendment I offered last year, and would simply add fraudulent debts to the list of debts that are nondischargeable under Chapter 13. It is as simple as that.

Here is what the Deputy Associate Attorney General, Francis M. Allegra, said about the dichargeability of fraudulent debts in a letter dated June 19, 1997:

> We are unconvinced that providing a (fresh start) under Chapter 13 superdischarge to those who commit fraud or whose debts result from other forms of misconduct is desirable as a policy matter.

Here is what Judge Edith Jones of Fifth Circuit Court of Appeals said in a dissenting opinion to the report of the Bankruptcy Review Commission:

> The superdischarge satisfies no justifiable social policy and only encourages the use of Chapter 13 by embezzlers, felons, and tax dodgers.

Judith Starr, the Assistant Chief of the Litigation Counsel Division of Enforcement of the Securities and Exchange Commission, testified before the House Judiciary Committee on March 18, 1998. Speaking about the fraud issue, she said:

> We believe that, in enacting the Bankruptcy Code, Congress never intended to extend the privilege of the "fresh start" to those who lie, cheat, and steal from the public.

She goes on to say:

> A fair consumer bankruptcy system should help honest but unfortunate debtors get their financial affairs back in order by providing benefits and protections that will help the honest to the exclusion of the dishonest, and not vice versa. It is an anomaly of the current system that bankruptcy is often more attractive to persons who commit fraud than to their innocent victims. Bankruptcy should not be a refuge for those who have committed intentional wrongs, nor should it encourage gamesmanship by failing to provide real consequences for abuse of its protections.

And she concludes:

> We support [the provision of the House bill] which makes fraud debts nondischargeable in Chapter 13 cases. Inducements to file under Chapter 13 rather than Chapter 7 should be aimed at honest debtors, not at those who have committed fraud.

A final quotation: The Honorable Heidi Heitkamp, the Attorney General of North Dakota, testified to the following before the House Committee last year:

> When a true "bad actor" is in the picture—a scam artist, a fraudulent telemarketer, a polluter who stubbornly refuses to clean up the mess he has created there is a real potential for bankruptcy to become a serious impediment to protecting our citizenry.

Furthermore, she says:

> We must all be concerned because bankruptcy is, in many ways, a challenge to the normal structure of a civilized society. The economy functions based on the assumption that debts will be paid, that laws will be obeyed, that order to incur costs to comply with statutory obligations will be complied with, and that monetary penalties for failure to comply will apply and will "sting." If those norms can be ignored with impunity, and with little or no future consequences for the debtor, this bodes poorly for the ability of society to continue to enforce those requirements.

Mr. President, I hope there will be no dissent to these anti-fraud provisions. Certainly, there should not be. Bankruptcy relief should be available to people who work hard and play by rules, yet fall unexpectedly upon hard times. Perpetrators of fraud should not be allowed to find safe haven in the bankruptcy code.

The second amendment I offered, which was included in last year's bill, and which is again in this year's bill, is also found in Section 314. It says that debts that are incurred to pay non-dischargeable debts are themselves non-dischargeable. In other words, if someone borrows money to pay a debt that cannot be erased in bankruptcy, that new debt could not be erased either. The idea is to prevent individuals from gaming the system and obtaining a discharge of debt that would otherwise be non-dischargeable.

I want to emphasize that we have taken special care to ensure that debts incurred to pay non-dischargeable debts will not compete with non-dischargeable child- or family-support in a post-bankruptcy environment.

The third amendment of mine is reflected in Section 310 of the bill, and it is intended to discourage people from running up large debts on the eve of bankruptcy, particularly when they have no ability or intention of making good on their obligations.

Current law effectively gives unscrupulous debtors a green light to run up their credit cards just before filing for bankruptcy, knowing they will never be liable for the charges they are incurring. That is wrong, and it has got to stop.

The provision would establish a presumption that consumer debt run up on the eve of bankruptcy is non-dischargeable. The provision is not self-executing. In other words, it would still require that a lawsuit be brought by the creditor against the debtor so that a bankruptcy judge could consider the circumstances and assess the claim. But if this provision achieves the intended purpose, debtors will not only minimize the run-up of additional debt, they will have more money available after bankruptcy to pay priority obligations, including alimony and child support.

Again, special care has been taken to ensure that we are only talking about consumer debts incurred within 90 days of bankruptcy for goods or services that are not necessary for the maintenance or support of the debtor or dependent child. We want to be sure that family obligations are met.

I will discuss one other aspect of the bill before closing, and that relates to the many provisions that Senators HATCH, GRASSLEY, and I crafted last year—and which have been improved on in this year's bill—to protect the interests of women and children.

Nothing in the earlier versions of the bill reduced the priority of, or any of the protections that are accorded to, child-support and alimony under current law. Nevertheless, concerns were expressed that provisions of the legislation might indirectly or even inadvertently affect ex-spouses and children of divorce. Assuming that critics were operating in good faith—and because our intent was always to ensure that family obligations were met first—Senators HATCH, GRASSLEY, and I crafted an amendment last year to remove any doubt whatsoever about whether women and children come first.

As now written, the bill elevates the priority of child-support from its current number seven on the priority list for purposes of payment to number one. Our amendment mandates that all child support and alimony be paid before all other obligations in a Chapter 13 plan. It conditions both confirmation and discharge of a Chapter 13 plan upon complete payment of all child support and alimony that is due before and after the bankruptcy petition is filed. It helps women and children reach exempt property and collect support payments notwithstanding contrary federal or state law. And it extends the protection accorded an ex-spouse by making almost all obligations one ex-spouse owes to the other non-dischargeable.

Many of us have heard the argument by opponents of this bill that women and children will be forced to compete with credit-card companies to collect resources from debtors, particularly once they emerge from bankruptcy. The provisions I just described answer that concern. Moreover, I think it is important to point out that the post-discharge debtor generally does not have the option to pay a credit-card company before his or her former spouse anyway. More and more child support is withheld from wages by the state. In other words, child support obligations are paid before the non-custodial parent or former spouse ever receives his or her paycheck. If withholding is not in place when the bankruptcy is filed, it can be put in place quickly under other provisions of the pending bill.

If any of these provisions can be improved on further, I know that Senators HATCH and GRASSLEY, and myself would be more than willing to modify them. My concern is that we do not allow concern for women and children to become an excuse for opposing the broader bill and letting other debtors off the hook for debts they are able to repay. That would only hurt women and children in need by forcing them to bear the higher costs associated with such bankruptcy abuse.

Mr. President, this is a good bill—a bill that protects debtors who truly need relief, while also protecting the interests of consumers who meet their obligations to creditors by repaying their debts. It protects the interests of women and children through a series of new provisions. I hope my colleagues will join me in voting for this fair and balanced piece of legislation.

I yield the floor.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, parliamentary inquiry.

First of all, under what order are we operating? Is there a time limit on remarks?

The PRESIDING OFFICER. There is a time limit. The minority had 1 minute 20 seconds.

Mr. HARKIN. Further parliamentary inquiry.

Once that time is exhausted, what business will transpire, then, on the floor of the Senate?

The PRESIDING OFFICER. Further amendments to the bill can be called up by unanimous consent.

Mr. HARKIN. Mr. President, I yield myself the—what is it?—1 minute 20 seconds and ask unanimous consent that I be permitted to speak for an additional 9 minutes, and it not be taken off the majority's time.

Mr. SCHUMER. Reserving the right to object, and I will not object, but I have just worked out a unanimous consent request with the Senator from Iowa about laying down some amendments on the bill. Might I do that now?

Mr. HARKIN. How much time does the Senator intend to take in laying down the amendments?

Mr. SCHUMER. About 15 seconds for me to ask unanimous consent to offer them and then lay them aside.

Mr. HARKIN. I yield my right to the floor, Mr. President, for the unanimous consent that the Senator from New York be allowed to lay down his amendments. And at the expiration of that time, I ask unanimous consent that I be recognized again for the minute 20 seconds, plus 9 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 2759, 2762, 2763, 2764, AND 2765, EN BLOC

Mr. SCHUMER. Mr. President, I ask unanimous consent to offer my amendments Nos. 2759, 2762, 2763, 2764, and 2765 to the bankruptcy bill. I have a few others, but we need to work those out with the Banking Committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. SCHUMER] proposes, en bloc, the amendments numbered 2759, 2762, 2763, 2764, and 2765.

The amendments, en bloc, are as follows:

AMENDMENT NO. 2759

(Purpose: To make amendments with respect to national standards and homeowner home maintenance costs)

On page 7, line 15, strike “(ii) The debtor's” and insert the following:

“(ii)(I) Subject to subclause (II), the debtor's”.

On page 7, line 21, strike the period and insert the following: “, until such time as the Director of the Executive Office for the United States Trustees issues standards under section 586(f) of title 28, at which time the debtor's monthly expenses shall be the applicable monthly expenses under standards issued by the Director under section 586(f) of title 28, and the applicable monthly (excluding payments for debts) expenses under standards (excluding the national standards) issued by the Internal Revenue Service for the area in which the debtor resides, as in effect on the date of the entry of the order for relief, for the debtor, the dependents of the debtor, and the spouse of the debtor in a joint case, if the spouse is not otherwise a dependent.

“(II) In the case of a debtor who owns the debtor's primary residence, the debtor's monthly expenses shall include reasonably necessary costs of maintaining such primary residence not included in subclause (I) of this clause or clause (iii), including the reasonably necessary costs of utilities, maintenance and repair, homeowners insurance, and property taxes, until such time as the Director of the Executive Office for the United States Trustees issues standards under section 586(f) of title 28.

On page 14, after the matter between lines 18 and 19, insert the following:

(d) STANDARDS FOR ASSESSING CERTAIN EXPENSES.—Section 586 of title 28, United States Code, is amended by adding at the end the following:

“(f)(1) Not later than 1 year after the date of enactment of this subsection, the Director of the Executive Office for the United States Trustees, in consultation with the Secretary of the Treasury, shall issue standards, specific and appropriate to bankruptcy, for assessing the monthly expenses of the debtor under section 707(b)(2) of title 11, for—

“(A) the categories of expenses included under the national standards issued by the Internal Revenue Service; and

“(B) the categories of expenses related to maintaining a primary residence not included in clause (ii)(I) or (iii) of section 707(b)(2)(A) of title 11, including expenses for utilities, maintenance and repair, homeowners insurance, and property taxes, for a debtor who owns the debtor's primary residence.

“(2) In issuing standards under paragraph (1), the Director shall—

“(A) establish set expense amounts at levels that afford debtors adequate and not excessive means to provide for basic living expenses for the categories of expenses described in paragraph (1); and

“(B) ensure that such set expense amounts account for, at a minimum, regional variations in the cost of living and for variations in family size.”.

On page 169, line 11, strike “(f)” and insert “(g)”.

On page 169, line 13, strike “(f)” and insert “(g)”.

On page 172, line 7, strike “(f)” and insert “(g)”.

On page 172, line 13, strike “(f)” and insert “(g)”.

AMENDMENT NO. 2762

(Purpose: To modify the means test relating to safe harbor provisions)

On page 9, insert between lines 17 and 18 the following:

“(ii) A debtor against whom a judge, United States trustee, panel trustee, bankruptcy administrator, or other party in interest may not, for the reason specified in subparagraph (D), bring a motion alleging abuse of this chapter based upon the presumption established by this paragraph, shall not be required to include calculations that determine whether a presumption arises under this paragraph as part of the schedule of current income and expenditures required under section 521.

On page 9, line 18, strike “(ii)” and insert “(iii)”.

On page 9, insert between lines 21 and 22 the following:

"(D)(i) No judge, United States trustee, panel trustee, bankruptcy administrator, or other party in interest shall bring a motion alleging abuse of this chapter based upon the presumption established by this paragraph, if the debtor and the debtor's spouse combined, as of the date of the order for relief, have current monthly total income equal to or less than the national or applicable State median household monthly income calculated (subject to clause (ii)) on a semiannual basis for a household of equal size.

"(ii) For a household of more than 4 individuals, the national or applicable State median household monthly income shall be that of a household of 4 individuals, plus $583 for each additional member of that household.

On page 11, line 9, strike "(A)" and insert "(A)(i) except as provided under clause (ii),".

On page 11, insert between lines 14 and 15 the following:

"(ii) with respect to an individual debtor under this chapter against whom a judge, United States trustee, panel trustee, bankruptcy administrator, or other party in interest may not, for the reason specified in section 707(b)(2)(D), bring a motion alleging abuse of this chapter based upon the presumption established by section 707(b)(2), the United States trustee or bankruptcy administrator shall not be required to file with the court a statement as to whether the debtor's case would be presumed to be an abuse under section 707(b)(2); and

On page 11, line 19, strike "receiving" and insert "filing".

On page 11, line 20, strike "filed".

On page 14, strike lines 8 through 14 and insert the following:

"(5)(A) Only the judge, United States trustee, bankruptcy administrator, or panel trustee may bring a motion under section 707(b), if the current monthly income of the debtor and the debtor's spouse combined, as of the date of the order for relief, when multiplied by 12, is equal to or less than—

"(i) the national or applicable State median household income last reported by the Bureau of the Census for a household of equal size, whichever is greater; or

"(ii) in the case of a household of 1 person, the national or applicable State median household income last reported by the Bureau of the Census for 1 earner, whichever is greater.

"(B) Notwithstanding subparagraph (A), the national or applicable State median household income for a household of more than 4 individuals shall be the national or applicable State median household income last reported by the Bureau of the Census for a household of 4 individuals, whichever is greater, plus $6,996 for each additional member of that household.".

AMENDMENT NO. 2763

(Purpose: To ensure that debts incurred as a result of clinic violence are nondischargeable)

On page 124, between lines 14 and 15, insert the following:

SEC. 322. NONDISCHARGEABILITY OF DEBTS INCURRED THROUGH THE COMMISSION OF VIOLENCE AT CLINICS.

Section 523(a) of title 11, United States Code, as amended by section 224 of this Act, is amended—

(1) in paragraph (18), by striking "or" at the end;

(2) in paragraph (19)(B), by striking the period and inserting "; or"; and

(3) by adding at the end the following:

"(20) that results from any judgment, order, consent order, or decree entered in any Federal or State court, or contained in any settlement agreement entered into by the debtor, including any damages, fine, penalty, citation, or attorney fee or cost owed by the debtor, arising from—

"(A) an actual or potential action under section 248 of title 18;

"(B) an actual or potential action under any Federal, State, or local law, the purpose of which is to protect—

"(i) access to a health care facility, including a facility providing reproductive health services, as defined in section 248(e) of title 18 (referred to in this paragraph as a 'health care facility'); or

"(ii) the provision of health services, including reproductive health services (referred to in this paragraph as 'health services');

"(C) an actual or potential action alleging the violation of any Federal, State, or local statutory or common law, including chapter 96 of title 18 and the Federal civil rights laws (including sections 1977 through 1980 of the Revised Statutes) that results from the debtor's actual, attempted, or alleged—

"(i) harassment of, intimidation of, interference with, obstruction of, injury to, threat to, or violence against any person—

"(I) because that person provides or has provided health services;

"(II) because that person is or has been obtaining health services; or

"(III) to deter that person, any other person, or a class of persons from obtaining or providing health services; or

"(ii) damage or destruction of property of a health care facility; or

"(D) an actual or alleged violation of a court order or injunction that protects access to a health care facility or the provision of health services.".

AMENDMENT NO. 2764

(Purpose: To provide for greater accuracy in certain means testing)

On page 7, line 9, after "reduced by" insert "estimated administrative expenses and reasonable attorneys' fees, and".

On page 7, strike line 24 through page 8, line 3, and insert the following:

"(I) the sum of—

"(aa) the total of all amounts scheduled as contractually due to secured creditors in each month of the 60 months following the date of the petition; and

"(bb) any additional payments to secured creditors necessary for the debtor, in filing a plan under chapter 13 of this title, to maintain possession of the debtor's property that serves as collateral for secured debts; divided by

"(II) 60.

On page 9, line 6, after "reduced by" insert "estimated administrative expenses and reasonable attorneys' fees, and".

On page 10, strike lines 12 and 13 and insert the following:

(1) in section 101—

(A) by inserting after paragraph (10) the following:

On page 11, insert between lines 2 and 3 the following:

(B) by inserting after paragraph (17) the following:

"(17A) 'estimated administrative expenses and reasonable attorneys' fees' means 10 percent of projected payments under a chapter 13 plan;" and

AMENDMENT NO. 2765

(Purpose: To include certain dislocated workers' expenses in the debtor's monthly expenses)

On page 7, line 15, strike "(ii)" and insert "(ii)(I)".

On page 7, between lines 21 and 22, insert the following:

"(II) In addition, the debtor's monthly expenses shall include the reasonably necessary monthly expenses incurred by a debtor who is eligible to receive or is receiving payments under State unemployment insurance laws, the Federal dislocated workers assistance programs under title III of the Job Training Partnership Act (29 U.S.C. 1501 et seq.) or the successor Workforce Investment Act of 1998 (20 U.S.C. 9201 et seq.), the trade adjustment assistance programs provided for under title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.), or State assistance programs for displaced or dislocated workers and incurred for the purpose of obtaining and maintaining employment.

Mr. SCHUMER. I ask unanimous consent that the amendments be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHUMER. I yield the floor to the Senator from Iowa.

AMENDMENT NO. 2751

Mr. HARKIN. Mr. President. When I think of who the minimum wage increase would benefit and why it is needed—I don't think of the teenager popping corn at the movie theater.

I think of the single mother of two, a full-time cashier at the local grocery store, struggling to put dinner on the table and clothe her kids. She's off welfare, but still living far below the poverty level. Right now, the minimum wage pays her less than $11,000 a year, working 40 hours a week.

If we really want to help parent succeed on their own, they need a fair wage. Senator KENNEDY'S amendment would help us get there.

Today we have the opportunity to assure that 11.8 million American workers are provided with a much needed and much deserved raise. Two-thirds of minimum wage workers are adults. Nearly sixty percent are women. More than ⅓ are the sole breadwinners, like the woman I spoke of.

Mr. President, it is a sad fact that in today's booming economy and skyrocketing executive pay, minimum wage workers earn 19 percent less, adjusted for inflation, than minimum wage workers earned 20 years ago. The proposed increased would restore the wage floor to just above its 1983 level—which is a positive step despite the fact that it would still be 13 percent below its 1979 peak.

I believe that these workers are central to the U.S. economy and that they should benefit from the recent surge in economic growth—not be left behind.

But, I keep hearing the same tired argument echo in this chamber—that raising the minimum wage would cause widespread job loss. Critics need to find another argument—because they're wrong on this one—always have been.

Let's look at what happened last time: The Economic Policy Institute reported that in September 1996, one month before the minimum wage increased from $4.25 to $4.75, the national unemployment rate was 5.2 percent. In December 1997, two months after the second annual increase boosted the minimum wage to $5.15, the national unemployment rate was 4.2 percent—a full point lower. More telling, retail trade jobs which disproportionately employ low wage workers, grew as fast as jobs overall.

A recent Business Week editorial backed that up saying—

> In a fast-growth, low-inflation economy, higher minimum wages raise income, not unemployment.

The workers who this amendment would target are central to the economy—and they should benefit from the incredible growth of our economy.

I know that there are proposals for a more gradual increase in the minimum wage—3 years instead of 2. This would cut the income of a full-time, yeararound worker roughly $1,500 over three years compared with the current proposal. The minimum wage has already lost a lot of ground with inflation. The three-year proposal would only hinder this effort to catch up.

There is another critical piece of Senator KENNEDY's amendment—stopping the abuse of workers on U.S. land. It would apply the U.S. minimum wage to the Commonwealth of the Northern Mariana Islands—the CNMI, also known as Saipan. The local government's current minimum wage there is $3.10 an hour. This amendment would go a long way toward relieving some of the egregious abuse and exploitation of temporary foreign workers brought to the U.S. territory to work at the garment factories—most of which are owned by foreign interests.

The bottom line is this: All of America deserves a raise—that includes those living and working in Saipan—and the 143,000 Iowans who would benefit from the raise.

Profits and productivity are way up. There is room to give workers a wage they deserve without hurting economic growth. The rest of the economy shouldn't be doing better than the people who make it run.

So I urge my colleagues to support a raise in the minimum wage. It is the right thing to do for women, for America's families, and it is long overdue.

The Kennedy amendment also includes a number of very important tax provisions that I strongly support. One of the most important points about the tax provisions is that the new tax benefits are fully paid for. The cost of these benefits are offset both for the coming year and for the coming ten years so we do not eat into the funds we need to pay for Social Security and needed improvements in Medicare as the baby boomers start retiring. It closes tax loopholes that allow some large companies to escape paying their fair share of taxes by creating artificial accounting gimmicks that have no purpose whatsoever except shifting the burden of taxes from a company to average taxpayers or the public debt.

I am very pleased that this amendment includes the text of S. 1300, the Older Workers Protection Act, which I have sponsored. Across America, workers have worked for companies anticipating the secure retirement which is their due and expectation under their company's pension plan. Now, as more Americans than ever before in history approach retirement, some employers are trying to cut their pension benefits.

Under current law, a company cannot take away pension benefits that have already been earned. But, in a slight of hand, when some companies change their pension plan making it less generous, they quietly, simply do not pay anything into an employee's account, often for 5 years or more till the employee's pension is "worn away" to the lower value of the new plan. This wear away is, I believe illegal under current age discrimination law. It certainly is a violation of the spirit of the law. This provision would clear, real protections for many thousands of workers who are having their pensions slashed without their knowledge. This measure eliminates wear away. It provides a company must pay into an employee's pension account under a new pension plan without regard to higher accrued benefits that might have been earned prior to plan change.

The amendment also provides for numerous provisions that help smaller businesses and their owners that I support. These include:

100 percent deductibility for self-employed health insurance staring on January 1, that I have been working for many years,

A tax credit for the start up costs of a small company pension plan including a 50 percent credit for the match that a small employer puts into a employee's account during the first 5 years. This could really make a difference; giving employers real incentives to setting up quality pension plans so crucial to workers retirement, a 25 percent tax credit for an employer's cost in setting up a day care center, Expanding the amount a small business can expanse to 25,000, Extension of the Work Opportunity Tax Credit and the related to Work Tax Credit, Expanding the Low Income Housing Tax Credit. But, I would have liked to see a far faster increase in the increase in this program than the amendment provided. The measure contains a number of benefits of particular interest to farmers that I strongly support including a provision that prevents the use of income averaging pushing a farmer into having to pay the Alternative Minimum tax. And it provides for a 10 year carryback for farmers that I have been advocating. This would I believe it would be important to have the carryback provision take effect for loses that occurred in both 1998 and 1999.

On the other hand, the Republican tax amendment has a net cost of over $75 billion over the coming decade that is not offset by closing tax loop holes or by other means. That means that the Republican proposal will have the likely effect of cutting into the funds we need to protect Social Security and to preserve and improve Medicare. That is a real problem under current projections of government revenues and costs. But it is even worse if we end up with a serious downturn in our economy. Some claim that the reason for these tax provisions is a desire to mitigate the costs of the minimum wage increase on small employers. But, the burden on Social Security and Medicare is three times the effect of the estimated effect of the version of the minimum wage provisions in the Majority package.

Many of the provisions are worthy of support, many are also in the Democratic proposal where they are paid for. It also contains some provisions that I support but which were not included in the Democratic proposal because of its cost. These include the tax benefits for health insurance and long term care. On the other hand, this proposal unfairly benefits the wealthy. For example, there is a $396 million cost to the government over 10 years to allow a person to increase the amount of money that can be received from a defined benefit plan from $130,000 to $160,000 per year. Every penny of this cost benefits those at the top of the income scale, not one of whom is making less than 10 times the minimum wage just from one retirement benefit!

Unfortunately, there are a large number of provisions in the GOP plan that reduce the incentive for small businesses to set up a good pension plan for their workers. The tax code provides about $130 billion a year in tax benefits to promote pensions. The purpose of that considerable public investment is to provide incentives for people to invest in pensions and for companies to fund pension plans for all of their workers, not just owners and key employees. Many small employers are pushed by the law's limits on what they can put into their own pension accounts without providing benefits to all employees to provide decent pension plans for their workers. The majority amendment reduces those restraints and will likely result in far fewer employees getting pensions. That is bad public policy.

Lastly, the majority amendment includes provisions that provides significant special interest loopholes in the tax code. There is a provision regarding

ESOPs: employee stock ownership plans. The Treasury believes this provision opens up a significant loophole for some taxpayers. If a high income self employed person or someone in a partnership with others, arranges that all of the people that work with him and his partners are considered employees of another entity, then the partners can incorporate and form an ESOP. Under the provision in the amendment, the doctors could then defer all of the income they desire, effectively as pension income without any limit. So, if they each make $300,000 and one decides that he needs to spend only $150,000 to live on, that high income taxpayer could defer their taxes on the whole whopping $150,000 unspent. That is outrageous. Why should we be putting these very generous loopholes in the tax code that allow a few to not pay their fair share of taxes? They become a special class of taxpayers who only have to pay taxes on what they spend and everything they save goes into the equivalent of a super IRA with all taxes deferred. That makes no sense at all.

We need tax provisions that are designed to promote the creation of pensions for the average employee making $25,000 or $50,000, not creating special provisions only of interest to very high income taxpayers that actually reduce their interest in setting up pension plans for their workers. I urge that we pass the Kennedy amendment and reject the majority amendment.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President do I have some additional time?

The PRESIDING OFFICER. Thirty-two minutes 24 seconds remaining.

Mr. DOMENICI. I note Senator LANDRIEU is here from Louisiana. I won't take that much time, and I will yield back the remainder so she may proceed in morning business, if that is her desire.

Let me just say, it is absolutely amazing that some group proposes that the minimum wage should be increased because the poor families in America, who are out there working at jobs, are the ones it will help, only to find that every study reveals that isn't the case.

I am going to talk a minute about CNN. They proceeded with a very intense analysis of their own, and they have been running it on television. It is sort of shocking to hear what they find versus what we are hearing in justification of a $1 increase in the minimum wage in the next 13 months-14 months.

First, let me start and read the dialog that occurred on CNN with reference to their research and who is helped and not helped by the minimum wage:

> Highlight: Next week, Congress will be raising the minimum wage by $1 to $6.15, which could benefit perhaps 10 million low-wage workers. A look at who a minimum wage increase would benefit. Body of the report: Jim Moret, anchor. There were fewer Americans out of work last month. The jobless rate dropped to 4.1 percent, the lowest it has been in 3 decades. Also in the Labor Department's report, average hourly earnings rose by only 1 penny last month to $13.37. That is the average per hour. Next week, Congress considers a minmimum wage of $1 which could benefit perhaps those 10 million low-wage workers.

But who are they?

> Our Brooks Jackson has some answers that may surprise you.

He says:

> Who would be helped if the minimum wage went up to $6.15 cents?

The answer is:

> Not these workers.

The ones they have been talking about.

> Bob Seidner, owner, Classic Auto Salon: I wouldn't even consider paying somebody that level, because we're not going to get the level of employee.
>
> Jackson: In today's hot job market, Bob Seidner says he has to pay $8 an hour to get an experienced car washer in Maryland. And in his Atlanta restaurant, nobody stays at the minimum wage for long.

They all move up rather rapidly.

> Greg Vojnovic, Restaurant owner: If you look at the economy today, there is so much pressure on the labor marketplace that you can't pay anybody a minimum wage for any period of time. Our typical dishwasher, who is typically the lowest position, is making [more than the minimum wage today. In fact, he is making] $7 an hour.
>
> Jackson: So who would be helped? Experts say fewer than one worker out of every ten, most of them part-time workers, and mostly not in poverty.

Let me repeat that:

> So who would be helped? One out of every ten, and most of them are part-time workers and mostly not in poverty.

I am going to jump away from this for a minute and say, who do you think those part-time workers are? They are the teenagers of America who are working in restaurants, drive-ins, and all the kinds of places where they want to get jobs to learn how to work. Let's be honest about it; it would be nice if we could give them a 50-cent increase in the minimum wage in January and 50 cents the next year. But let's also be honest that they are not the poverty people of America; they are teenagers breaking in at their new job. And it is most interesting, for these comments and others that I have read say that even they are getting paid more than the minimum wage these days.

> Teenagers like Sara Schroff, a 19-year-old student making $5.15, but only the start. She'll be promoted in a week.
>
> Even McDonald's offers more than the minimum wage.

Says another who has looked out in the job market.

> In fact, teenagers make up 28 percent of those who would gain, and only 23 percent of the gainers are the main earners in their families.
>
> Opponents say there's still a good reason to raise the minimum wage.

And the Economic Policy Institute says:

> It's true that while the increase is not perfectly targeted, most of the benefits do go to lower-income working families. Fifty percent of the benefits, of the gains from this next increase, will go to families whose income is $25,000 or less; that's lower middle income. . . .
>
> Those working poor households would get only 17 percent of the gain from raising the minimum wage.

Frankly, we have heard all kinds of numbers on how many minimum-wage people we have in America. I am just going to be rebutting their comments for a moment, and then I will tell Americans about our bill.

To get to the 10 million they are bantering around here on the floor, let me tell you where that comes from. Minimum-wage earners are 1.6 million of this 10 million that is being bantered around. Workers making between the present minimum wage and the new wage of $6.15, under these amendments, are 5.9 million. Workers making less than the minimum wage and who are not going to be affected by the minimum wage because they are tip people, or the like, are 2.7.

So, in summary, 1.6 million are really minimum-wage earners working under the minimum wage as a means of recompense for an hour's work. Nonetheless, we have an amendment that I believe is far superior to the Democrat amendment. I am very pleased to have been part of putting it together. We want to raise the minimum wage to keep steadily ahead of inflation, and it will be raised 30 cents in January, 35 cents the following January, and 30 cents the following—$1 in a period of 26 months instead of a period of 14 months.

In addition, very simply put, we change some provisions in the tax law, which I now hear we should not do because it cuts taxes. Well, does anyone seriously believe that with the kind of surpluses we have projected in the United States, we are not going to give the taxpayers back some of that money? I can say, with surpluses that are approaching $3.4 trillion, does anybody believe there is a better time to give the American people a tax reduction, give them back some of their money? If we can't do that now, I ask you, when can we? These are the largest deficit, largest surpluses we could have predicted in the best of times.

The budget is under control. It is growing at the lowest rate in all categories in the past 40 years on an annual basis. We take some credit for that. The President deserves some credit for that. But that is success. That is building a surplus. In the last year, we have not spent one penny of the Social Security trust fund money—in the year that just passed. The Congressional Budget Office says, as a matter of fact, we have a surplus of a billion dollars. That has not occurred in 40 years. We want to say to the Social Security trust fund, you keep all that is yours. That is about $2 trillion. What do we do with the other $1.3 trillion to $1.4 trillion? Do we leave it around here so we can spend it?

Does anybody doubt, if we don't make appropriate tax cuts, or tax reductions, that it won't be spent? We have already heard that the worst thing to do with the surplus is to spend it. The best economic advisers that our country has say the worst thing you can do is spend it. So we have, in the first 5 years, $18.5 billion in tax relief, mostly for small businesses so they can continue to be the driving force behind America's growth.

I am going to just quickly, in a moment, tick off three or four of those tax proposals that I think are very good. Somebody said this is a waste of effort because if the Republican package passes—and I hope it does because I think it is a very good package—the President will just veto it. Well, I am not too sure of that. Let me make sure the Senate understands that the tax package included in this Domenici, et al., proposal is 12.5 percent of the tax package we passed some months ago. It is 12.5 percent—not 50 percent of it, not 75, but 12.5. If you can't get that through, what can you get through? I believe the President would sign it in a minute because it does the kinds of things that even he has talked about as being necessary for American business to retain its energizing effect and its competitive qualities.

For a moment, let's quickly go through the amendments we have attached and put in the tax amendments in this package.

One: For the first time, we really help workers in America pay for health care insurance. Heretofore, if a worker bought his own insurance, he could not deduct it. He would have to put it in a large pot called health expenditures.

Only if it exceeds 7.5 of his income could it be included in the deduction. We have said let's try this out. Let's see what would happen if workers who buy their own health insurance—for whatever reason—deducted the whole thing the same as a company today deducts the whole thing under an exclusionary rule that we have established by precedent around here, and then we made it part of the rule of law. That is in there.

Self-employed men and women have had a raw deal on health insurance. Everybody in this Chamber knows it. If we have a surplus, we ought to make that right. Let self-employed Americans deduct 100 percent of their insurance costs—not some percentage. That is built in with a rather rapid curve where they will be able to deduct the full amount.

This is a work opportunity tax credit. Almost everybody in this Senate wanted that when we put it in before and made it temporary. It runs along with welfare reform. We have reduced welfare by 48 percent, and we cry out to business to hire welfare trainees. Yet the credit they get for doing that is temporary. We want to make it permanent. So a welfare trainee is more apt to get a job if the employer can get some incentives up front while they are training them and helping them.

Who can be against that? Will the President veto that? I can't believe it.

There is an item where small business can do an expensing of certain capital improvements. But we have a limit on it. Otherwise they have to depreciate it over time. We have increased that to $30,000 a year. It will be marvelous for small business to deduct those kinds of expenses that are encapsulated in that amendment. It will make their businesses grow and prosper. There are two or three others that go with this.

But essentially, I believe when you put that package together you are saying there will be fewer minimum-wage workers in the future, small business will have a chance to profit more, and they will pay higher wages because the marketplace will force them to. In the meantime, we also increase minimum wage by $1. We just take 12 months longer to do it.

I believe it is a good package. I hope the Senate passes it tomorrow. We will have a few more minutes of debate tomorrow before the vote. In the meantime, I hope everyone looks at the package in their offices and will get briefed on it because it is a very good package. I not only yield the floor, but I yield back any time that I had on my amendment.

AMENDMENTS NOS. 2768 AND 2772 EN BLOC

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I ask unanimous consent that the pending amendment be laid aside, and that two amendments be called up en bloc, No. 2768, relating to retroactive finance charges, and 2772 relative to residency issues on credit card issuance.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Michigan [Mr. LEVIN] proposes amendments numbered 2768 and 2772, en bloc.

Mr. LEVIN. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments, en bloc, are as follows:

AMENDMENT NO. 2768

(Purpose: To prohibit certain retroactive finance charges)

At the appropriate place, insert the following:

SEC. . PROHIBITION ON CERTAIN RETROACTIVE FINANCE CHARGES.

Section 127 of the Truth in Lending Act (15 U.S.C. 1637) is amended by adding at the end the following:

"(h) PROHIBITION ON RETROACTIVE FINANCE CHARGES.—

"(1) IN GENERAL.—In the case of any credit card account under an open end credit plan, if the creditor provides a grace period applicable to any new extension of credit under the account, no finance charge may be imposed subsequent to the grace period with regard to any amount that was paid on or before the end of that grace period.

"(2) DEFINITION.—For purposes of this subsection, the term 'grace period' means a period during which the extension of credit may be repaid, in whole or in part, without incurring a finance charge for the extension of credit.".

AMENDMENT NO. 2772

(Purpose: To express the sense of the Senate concerning credit worthiness)

At the appropriate place, insert the following:

The Federal Trade Commission shall report to the Banking Committee of Congress within 6 months of enactment of this act as to whether and how the location of the residence of an applicant for a credit card is considered by financial institutions in deciding whether an applicant should be granted such credit card.

Mr. LEVIN. Mr. President, I ask unanimous consent that those two amendments be laid aside and that I be permitted to call up amendment No. 2658 relating to the nondischargeability of debts arising from firearm-related deaths.

The PRESIDING OFFICER. Is there objection?

Mr. GRASSLEY. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. LEVIN. I thank the Chair. I thank my friend from Iowa.

MORNING BUSINESS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business, with Senators permitted to speak up to 10 minutes each, with the exception of Senator LANDRIEU.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Louisiana.

THE LAND AND WATER CONSERVATION FUND

Ms. LANDRIEU. Thank you, Mr. President. I have a few important things to say tonight. I will try to fit that in with the time that has been allotted to me.

There are many important issues that need to be resolved in the next few days in order for us to wrap up this year and move on. The minimum wage debate is clearly a very significant issue for us. I am glad we will be voting on it and, hopefully, come to a resolution tomorrow. There are other issues pending that have yet to be resolved. That is why I rise tonight to speak for a few minutes about one of them that is very important to the people of my State, the State of Louisiana.

I say at the outset as respectfully as I can that I am going to object to proceeding to any additional actions of the Senate until this issue is resolved, or until there is an answer in terms of what our options are. Some of us are not party to some of the discussions that are going on behind closed doors and some being reported. There is some information that I am very interested in receiving, and many people in Louisiana are interested in the information because it has to do with money that our State is producing. It has to do with the kinds of investments we are either going to make or not make to the environment of our Nation, to the coast of Louisiana, which is critical to preserve and help restore that coastline.

It is a very important issue to the American people in terms of our opportunity to use a small percentage of the non-Social Security surplus to invest in the Land and Water Conservation Fund to fully fund it, to invest in some extraordinarily successful wildlife conservation programs, to invest in historic preservation, and to invest in coastal restoration and impact assistance for States that produce oil and gas and for States that do not.

This is an issue that we have now been debating actually for many years. This debate has gone on for 30 years in terms of funding for land and water. It has gone on for over 50 years in terms of what percentage would be fair for Louisiana, the producing State, to receive. Texas is in that position. Mississippi is in that position to a certain degree. Alaska could be in that position. So there are a few States that are producing States. This debate has raged on, in my opinion, for too long.

In my opinion, there is broad bipartisan support for a concept that would take a portion of these revenues. They are estimated to be about $3 billion a year; $120 billion has been generated off the coast in offshore oil and gas production in taxes that the companies are already paying and many continue to pay. These are not new taxes. These are not new revenues. These are revenues that are coming into the Federal Treasury. There is bipartisan support for taking a portion of those revenues and investing in the things that I have just outlined.

Let me tell you why it is important for me to respectfully object to moving on to any further business.

I know that I am going to be the skunk at the garden party because Louisiana is not a huge State such as California or Texas or Illinois. We have a small delegation.

Sometimes, because our numbers are smaller, we aren't able to get all the attention I think we need and the people of our State deserve. Fortunately, the rules of the Senate allow each Senator to be able to speak at length, to be able to express their will and their opinion. As respectfully as I can, I am going to object to any further business until some of these things can be resolved.

Let me begin by telling a story that is not well known. I think Americans are very interested judging from all of the correspondence my office has received over the last year and a half from thousands of individuals and groups who seem to be very sympathetic about this issue.

Let me read from a brochure called "Coast 2050," discussing sustaining coastal Louisiana. I will read a few pages that tell a story about a great and mighty river.

> At the end of Old Man River, the mighty Mississippi, lies the largest expanse of coastal wetlands in North America. This dynamic and bountiful landscape was literally built and sustained by the sediment-laden waters that drain to the river from 31 states and three Canadian provinces.

This is not a river that just drains a few States. This is a river that drains our entire Nation. The economy of our Nation depends on the taming of this river and this ecosystem. The future of our Nation depends on how well we manage the resources of this great river.

> The Louisiana coast is home to 2 million Americans. The wetlands, bays, and islands of the coast constitute an enormously productive ecosystem and resource base that support the livelihood and well-being of the Nation. The statistics are awesome: the ecosystem contributes nearly 30 percent by weight of the total commercial fisheries harvest in the lower 48 states and provides overwintering habitat for 70 percent of the migratory waterfowl using the Central and Mississippi Flyways; 18 percent of U.S. oil production and 24 percent of U.S. gas production * * * Louisiana's ports rank first in the Nation in total shipping tonnage.

Again, not a river that just serves Louisiana or serves Mississippi but a river that serves the entire Nation. It would be all for naught for the Midwestern States to produce any agricultural product if they couldn't get it to market. That is the great benefit and strength of this Mississippi River—and we sit at the mouth—in terms of the transport of goods for hundreds of years.

> The unique human culture and beautiful setting of southern Louisiana is world-renowned.

We are losing it at an enormous and frightening rate. Since 1930, Louisiana has lost over 1,500 square miles of marsh. The State is still losing 25 to 30 square miles each year, nearly a football field of prime wetlands every 30 minutes. Environmentalists should be alarmed.

There are great needs in California, the West, and in the Everglades, but there is a tremendous need that should call us to arms, call citizens to action, to help preserve and restore the south Louisiana coast and this tremendous ecosystem not just for the benefit of Louisiana and the 4 million people who live in our State but for the benefit of the 260-plus million population of this Nation.

There is no one reason for this land loss. Some of our coastal wetlands have always been subsiding, but in the past the river built and sustained the wetlands and built new ones, which offset the natural losses.

Since Europeans came to Louisiana, we have been building levees to protect against the floods. Levees keep homes, businesses, and farms safe, but they prevent the sediments from flooding to refurbish the marsh. In addition, levees were built to tame the route and flow of the Mississippi River to allow for the great transport and trade on which this Nation is dependent to grow and prosper. Canals were dug through the marshes to promote navigation and to recover petroleum resources that have helped fuel this Nation, to turn the lights on, to run our machinery, to run our factories.

We are happy to make that contribution, and we are trying to do it in a more environmentally sensitive way. This ecosystem supports a tremendous amount of commerce, and I don't think I should have to explain it much more. However, we are losing it.

Today, Louisiana has 3,800 square miles of marsh and over 800 square miles of swamp. Even at the current pace of restoration efforts—which have been, by the way, successful, albeit minimal because we don't have the financial resources that we deserve, that we should get for this restoration—we will lose more than 600 square miles of marsh and almost 400 square miles of swamp by the year 2050 if we do not take action. Consequently, nearly 1,000 square miles of Louisiana wetlands will become open water. The Nation will lose an area the size of the State of Rhode Island if we fail to act.

That is why I come to the floor tonight to speak about this issue. I know some colleagues think perhaps there is nothing we can do or we just can't make this happen. I am compelled to speak again because of this story, because of this great resource, and because I know what the serious consequences will be for my State and for the entire Nation if there is no solution. It is not a difficult solution. It is not even an expensive solution. It is a real solution that has been laid on the table in this Congress.

If we do nothing, we face significant reductions in the $20 billion-per-year shipping and export industry in addition to our ports, our commercial fisheries, and oil and gas, and leave ourselves open to serious hurricane damage.

There is a consensus about what we can do. We have learned two things: We already know how to fix most of the problems; second, coastal recovery will require much more effort than has been undertaken so far. We know what it will take to fix the problem. We just need to get the job done. That is why I am here tonight to try to get this job done because it is most certainly something that is within our grasp.

I want to read for the record a letter from over 800 environmental organizations circulated last week. I want to take the time to read it. It is a good letter using good common sense that is within the grasp of the Interior appropriations bill that is now being debated. We have the opportunity to make this happen. Without adding any new money, we can make this happen.

> As the 20th century draws to a close, Congress has a rare opportunity to pass landmark legislation that would establish a permanent and significant source of conservation funding. A number of promising legislative proposals will take revenue from nonrenewable offshore oil and gas resources and reinvest them in the protection of renewable resources such as wildlife, public lands, our coast, our oceans, our cultural resources, historic preservation, and outdoor recreation. Securing this funding would allow us to build upon the pioneering conservation tradition that Teddy Roosevelt initiated at the beginning of this century. The vast majority of Americans recognize the duty we have to protect and conserve our rich cultural and natural legacies for future generations, a diverse array of interests including sports men and women, conservationists, historic preservationists, outdoor recreationists, the faith community, the business community, State and local governments. Over 40 Governors, Democrat and Republican, have supported this initiative, and they support conservation funding for this legislation because they recognize it is our obligation to make these commitments for future generations.

So this letter goes on to call on our body here, the Senate and the House, to:

> * * * seize this unprecedented opportunity to pass legislation that would make a substantial and reliable investment in the conservation of our Nation's wildlife, public lands, coastal and marine resources, historic treasures, urban and rural parks, open spaces * * * design a bill that provides significant conservation benefits free of harmful environmental impacts to our coastal and ocean resources, and one that does not unduly hinder land acquisition programs.
>
> We have this within our grasp.

It says:

> We look to Congress to make this a reality.

I hope, as I slow down this process, perhaps we can get some answers from the White House, from the negotiators, about the real possibilities of this taking place. There are some on the right who say we do not need any more public land. There are some on the left who say if we do anything that might encourage drilling, no matter how great the benefits, we are not for it.

Let me say, in a markup that is being done, hopefully this Wednesday in the House, many of those criticisms will be put to rest. In the markup that is being considered on the House side on this bill, there are no incentives for oil and gas drilling. We can fight that battle another day. There is an incentive and language that will help us spend this money for coastal restoration in ways that are environmentally sensitive and that do not encourage drilling. There is language, on the other hand, that is going to suggest that Congress has a legitimate role to play in the purchasing of lands, along with the administration—whether it is this administration, President Clinton, or whether it is a future President—that it is right that this Congress and the President would make decisions about the purchases of land, how much, and when, and where.

Those differences could be worked out. So there is bipartisan agreement we should take a portion of these revenues.

I want to show a graph, because people think, Why does Mary keep speaking about this issue over and over again? It is because the revenues that are being considered for this come from basically one State. I know you would be able to guess what that State is. This is Louisiana. I know this is a very small sheet, but I think the camera can pick this up. This red represents the contribution Louisiana makes to offshore oil and gas revenues which totaled, in this particular year, $4.8 billion. The average is about $3.5 billion. But Louisiana contributes over 90 percent.

When we talk about taking this money and funding programs I have outlined—and I am for all the things I have just suggested—we need to be fair to the producing States. Louisiana produces the most, then Texas; Mississippi contributes; Alabama is a contributor. Of course, California did contribute. There is a moratorium there. This bill does nothing to upset that political decision, but it does save, for the States that are producing, a portion.

Let me talk about a portion because I believe in fighting for your State. But I also believe in being fair. If I did not think my State was correct, I would be the first one to stand up and say we should do it another way; we simply do not have an argument. But it is widely known the interior States in our Nation get to keep 50 percent of the revenues they produce. States such as Wyoming and New Mexico get to keep 50 percent of their revenues, and they can spend it basically as they wish, with few restrictions.

I am not coming to this body, nor have I introduced a bill, to give Louisiana 50 percent of this offshore oil and gas revenues. It is not on our land, but it is right outside of our coast. If it were not for our land, this industry simply would not exist. Very few can dispute that because I don't know where you would launch the helicopters, Honduras or Guatemala; or where you would build the machinery, the canals, the barges, the railroads, or highways that allow this industry to exist. I do not know if a good option would be Honduras or Guatemala, but if you don't do it from the coast of Louisiana, Mississippi, and Texas, you do not have many options.

But I did not come here to ask for 50 percent. I am asking the President and the administration and this Congress to give Louisiana not even 30 percent. I am not even asking for 25 percent. I have simply said to the producing and coastal States, let us keep at least 10 percent of the dollars for Louisiana and the producing States, and share with all the other coastal States, whether they produce or not, to give them moneys from this source of revenue because it does not just belong to us, it belongs to everyone.

But surely we should, since we produce 90 percent of the money, get a fair share as we try to distribute this money. Whether we do it for 1 year—we have been doing sort of hit or miss over the last 30—or whether we try to take the step and do it permanently, recognizing the needs and legitimate concerns of the Western States and some others that are concerned about purchasing land—then clearly Louisiana deserves its fair share. So do the other coastal States.

For the record, we have produced over $120 billion since 1955 and have received less than 1 percent. I guess that is worth it, to me, to be a skunk at the garden party, because it is just not fair. One of the things about the Senate and about Congress and about this whole body, and about America and the debate, is trying to pass legislation the American people care about. The American people can understand fairness. Whether they are from a Western State or California or Washington, or from a Southern State, I think they would say: Senator LANDRIEU, you are correct. It is not fair for your State to produce 90 percent and get virtually nothing when we have a bill that will share this with everyone and do something the American people want to do.

Let me talk about that for just a minute. Sometimes we come to Washington and I think we have the tendency to forget, or maybe just temporarily lose our memory, about some of the things we promised to do when we came. Sometimes we get busy with the talk in Washington and we forget about what the talk at home is.

There was research done just recently, in fact a couple of months ago, by Luntz Research Companies, one of the foremost pollsters in America. He said some things that really brought this issue home to me. Even though I knew this was important to people, I frankly did not think to take a survey which would have been a good thing, but the environmental groups did. The results are staggering.

I am just going to read the overview:

> What matters to Americans most these days is "quality of life" and "peace of mind." Our nation's prosperity has brought with it the need both to think beyond simple hand-to-mouth economics and to address the anxieties posed by perceived threats to our own health and safety. The public's mood on the environment speaks to the opportunity to deliver positively on a rising public priority.
>
> More than 50% of Americans tell us they will head to the outdoors on vacation this year. What they expect to find when they get there is part of the legacy they most want to pass along to the next generation.
>
> There is an emotional intensity to issues that define the legacy of what this generation will leave to the next. At the turn of the Millennium—as we enter the 21st Century focused more than ever on the future and rapid change—what drives people's attitudes on protecting the great outdoors may be the need to identify and carry with us those defining ideas and principles that have made America the great pioneer.
>
> To deliver on the call for preservation and progress, policymakers can succeed by focusing more on the benefits the public wants and expects and by spending less time talking about the process that the public really doesn't care to follow in a debate.
>
> And no issue speaks more directly to Americans' environmental "quality of life" than their ability to enjoy open spaces, parks, and wilderness areas. Whether they want a place to visit alone or with their families on vacation—or just having the peace of mind that those places will still exist (for themselves, for future generations, and for the plant and animal species that assure diversity)—this desire presents an opportunity to deliver on a political priority. Anyone who wants to close their own "credibility gap" on environmental issues can do so by talking about conservation of open spaces. . . .

And by actually doing something about it, not just speaking about it.

Let me give some of the findings:

> People like to spend their time outdoors. Over half of Americans polled cite an outdoor location like a national park, forest, wilderness areas, beach, shoreline, lake, river, or mountain as their preferred place to spend a vacation this year.
>
> Ninety-four percent would justify spending more on Land & Water Conservation because "Parks, forests, and seashores provide Americans a chance to visit areas vastly different than their own."
>
> Those who think the overall quality of the environment is deteriorating outnumber those who think things are improving. Eighty-eight percent of all Americans agree that "we must act now or we will lose many special places, and if we wait, what is destroyed or lost cannot be replaced."

They also say this poll defies a myth that some people think of as real, too much public land.

That meant, according to this survey which was conducted by a Republican pollster, it does not hold even in mountainous Western States where over 90 percent, in some places of the land is already owned by the Government. This poll indicates that even in places in the West where lots of land is already owned by the Federal Government, people still want us to make the effort and the small investment it will take to preserve these precious resources to provide wilderness, parks, and forest for our children and grandchildren.

Let me finally read one very startling result because all of us voted for the highway trust fund. We thought we should apply our gasoline taxes to improve the highway system which has been an extraordinary benefit for the growth of this Nation. We did it because we knew it was popular at home, because it was the right thing to do. In my State of Louisiana, and probably in your State, Mr. President, Illinois, people overwhelmingly support it.

Let me share this:

> In a head to head between land and water and highway, the wildly popular highway and airport funds head to head was 45 percent for the conservation of land and water and 37 percent for highways.

We know how popular that highway bill was, but people in America—in Louisiana, in Illinois, in Mississippi, in other places, in Washington State—want us to take some of these revenues—not new taxes, not raising taxes, not robbing it from other places—but taking it from the Federal Treasury where it has gone into sort of a nondescript fund and reinvest it into the environment and to do that in a way that shares with the States and local governments—not a Federal land grab, not a Federal takings, but in partnership with local and State governments, and that is what our bill does.

In conclusion, there are over or close to 200 Members of the Senate and the House, Republicans and Democrats. It is the only environmental initiative—there are others that have been filed and talked about and are being debated in committee, outside of committee, in the negotiations taking place right now—but there is not a single proposal that has Democrat and Republican support except for this one.

I urge the White House, I urge the President, I urge the negotiators, whatever is in the bill, if we can afford $300 million, fine. If we can afford $500 million, fine. If we can afford $1 billion, whatever the offset is, I am not asking for more money. But I am asking if we are going to spend offshore oil and gas revenues for 1 year or permanently, that it be done giving Louisiana and Mississippi and Texas and Alabama and the other producing States their fair share; that it will fund to the degree that is possible the coastal initiatives we have outlined.

Yes, there are authorized programs to fully fund land and water conservation and to fund wildlife conservation, historic preservation, and urban parks, which is a package that makes sense. Do my colleagues know why? Because it is fair. It is fair to the east coast; it is fair to the West; it is fair to the South; it is fair to the North; it is fair to the Great Lakes States that do not have an ocean or a gulf, but because they have the Great Lakes, they similarly have situations that need attention.

We have not written a bill that is selfish. We have written a bill that is generous. We have written a bill that we can afford.

I urge the President not to move to take a portion of the revenues that two of the poorest States in the Nation contribute—Mississippi and Louisiana—and give them away without giving us a fair chance at preserving our coastline, helping us restore a tremendous ecosystem that not only benefits our State and the 4 million people who live there, and the 2 million people who live on the coast but literally serves as a treasure for this Nation—an environmental treasure and a commercial base—without which this country could not possibly continue to grow and prosper without.

I am sensitive to the Florida Everglades. I have been to the redwoods. I believe in the preservation of the great lands of the West. I want to be fair to many places in this Nation, but I cannot in good conscience represent the State that is contributing 90 percent of the money and allow these negotiations to go on knowing there is some intention to take this money permanently away from us and give it to everyone else without sharing this with us to help us in our quest to restore this coastline for the benefit of the entire Nation.

I thank my colleagues for their patience. I hold up our plan: "Coast 2050." It is a beautiful picture of Louisiana's coast. I ask my colleagues to be sensitive to our great needs. I am sorry to have to object, but I do it respectfully, and I do it because I know this is the right thing for our country and the Nation at this time.

I yield back the remainder of my time, if I have any.

The PRESIDING OFFICER. The Senator from New York.

REGIONAL COOPERATIVE HEALTH PROGRAM FUNDING THROUGH WYE SUPPLEMENTAL ASSISTANCE-FUNDING

Mr. SCHUMER. Mr. President, I rise today to urge the United States Agency for International Development (USAID) to allocate some of its Wye Supplemental Assistance Funding to the first regional cooperative health program ever designed to serve both the Palestinians and Israelis. Improving the health of Palestinians and Israelis through a successful cooperative endeavor would provide a vibrant prescription for peace in the Middle East.

This important health program, which pairs the Kuvin Center for the Study of Infectious and Tropical Diseases of the Hebrew University in Jerusalem with the Palestinian Al-Quds

University, has requested support from USAID as a $20 million, five-year program. The purpose of this program is to find innovative ways to fight infectious diseases in the region, and calls upon these Universities to build a permanent, collaborative infrastructure for improving the health of the Palestinian and Israeli people.

United States Secretary of State Madeleine Albright has said the most important projects for promoting peace and cooperation between nations are what she calls "people projects"—those projects that people of all races, religions, and beliefs can support. This program, which seeks to protect local people from the infectious and parasitic diseases that are among the leading causes of death in the West Bank and Gaza, is a great example of fostering cooperation through people projects of mutual interest.

USAID has successfully funded similar health programs in Egypt and Turkey, but this is the first such program proposed for the Israeli and Palestinian people. Members of Congress, the President, and the State Department all support this program. If USAID funds the program, it would give the United States scientific and fiscal oversight through both USAID and the National Institutes of Health (NIH).

I support the funding for this regional collaborative effort as a powerful example of what a working relationship should be in the Middle East and I believe that it should be given the highest funding priority out of the Wye package.

THE FEMA EMERGENCY FOOD AND SHELTER ACT

Ms. COLLINS. Mr. President, as a cosponsor of S. 1516, legislation reauthorizing the Federal Emergency Administration's Emergency Food and Shelter program, I am very pleased that the Senate is about to pass this legislation and send it to the House of Representatives. I hope that our colleagues in the House will swiftly approve this important bill, so that it can be sent to President Clinton for his signature before our legislative session adjourns for the year.

FEMA's Emergency Food and Shelter (EFS) program provides financial assistance to supplement community efforts to provide food, shelter, and other valuable items to homeless and hungry people around the country. Most of the EFS' monies are distributed directly to local boards, which are comprised of representatives from religious and charitable organizations from the surrounding area. These boards then award grants to non-profit, voluntary, and social service organizations, which assist individuals with their food, shelter, or emergency assistance costs. Using a local distribution network helps to ensure that the EFS' funds are targeted to those who most need assistance.

To its credit, FEMA has been very successful in keeping the administrative costs of this program very low. In fact, these costs consume less than 3 percent of the funding, which is an inspiring example that all of the Federal Government's agencies and departments should strive to follow.

In Maine, the EFS program has been extremely helpful. For example the Sister Mary O'Donnell Shelter, located in Presque Isle, Maine, received a $10,500 grant from this program. Amazingly enough, this shelter was able to use this modest funding to provide the equivalent of 1,974 nights of shelter for the homeless in northern Maine.

EFS is a very successful program that carefully targets its resources where they are needed most, and does so with an absolute minimum of administrative expense. The Government Affairs Committee approved this legislation with a unanimous voice vote on November 3, 1999, and I hope the full Senate will do likewise.

DEVELOPMENTAL DISABILITIES ASSISTANCE AND BILL OF RIGHTS ACT

Mr. KENNEDY. Mr. President, I strongly support the current reauthorization of the Developmental Disabilities Act, and I commend Senator JEFFORDS for his leadership in making this reauthorization a priority.

I also commend the members of the Health, Education, Labor, and Pensions Committee and the administration for their leadership in developing this bipartisan bill. I especially want to recognize TOM HARKIN for his leadership and continued commitment to individuals with disabilities. I also commend all the staff members for their skillful work to make this process successful.

Today, I particularly want to take this opportunity to say thank you to my sister Eunice Kennedy Shriver for her many years of extraordinary dedication and commitment to children and adults with mental retardation and their families. Had it not been for her vision and commitment on behalf of people with mental retardation, the Developmental Disabilities Act would not be the impressive success it is today.

For many years, since the Developmental Disabilities Act was first signed into law by President Kennedy in 1963, developmental disabilities programs in the states have worked effectively to improve the lives of children and adults with mental retardation and other developmental disabilities. The act serves as the foundation for a network of programs that offer them real choices on where to live, work, go to school, and participate in community life.

Through these programs, the 4 million individuals with mental retardation and other developmental disabilities are able to obtain the support they need to participate in all aspects of the community. They receive needed assistance in education, and early intervention efforts are used to provide appropriate health care services and support.

For millions of Americans these services can mean the difference between dependence and independence, between lost potential and becoming contributing and participating members of their communities.

Throughout the preparation of this legislation, we have listened to consumers, advocates, families, and program administrators—all of whom have contributed significantly to this legislation. Their commitment to constructive compromise will improve the lives and choices of all people with disabilities and their families.

This reauthorization builds on the gains of the past three decades, while addressing critical and emerging needs of individuals with disabilities.

It improves the accountability of the programs under the Act by emphasizing better coordination, and by concentrating on activities related to child care, health care, housing, transportation, and recreation;

It offers wider training opportunities by strengthening the network of university centers that provide technical assistance to persons with disabilities, to their families, and to service providers across the country;

It supports stronger protection and advocacy services to prevent abuse and neglect, so that people with disabilities can live safely;

It targets funds for the development of statewide self-advocacy organizations, so that people with disabilities will have a stronger voice in determining their lives and their future;

It helps states to develop support programs for families with a disabled family member, so that living at home and becoming part of the community is a real choice for persons with disabilities; and

It provides funds to develop a new educational curriculum and establish scholarship opportunities for support workers who assist people with developmental disabilities.

This bill gives us an excellent opportunity to do more to keep the promise of the Americans with Disabilities Act—by ensuring that individuals with mental retardation and other significant developmental disabilities, and their families, have realistic opportunities to obtain the support and services they need to reach their dream of being contributing members of their communities.

Disabled people are not unable. We are a better and stronger and fairer country when we open the door of choice and opportunity to all Americans, and enable them to be full partners in the American dream. For countless persons with mental retardation and other developmental disabilities across the country, this legislation will continue to help to make that dream come true.

This bill deserves the support of every Member of Congress, and I look forward to its prompt enactment into law.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business Friday, November 5, 1999, the Federal debt stood at $5,661,710,720,483.34 (Five trillion, six hundred sixty-one billion, seven hundred ten million, seven hundred twenty thousand, four hundred eighty-three dollars and thirty-four cents).

One year ago, November 5, 1998, the Federal debt stood at $5,561,271,000,000 (Five trillion, five hundred sixty-one billion, two hundred seventy-one million).

Fifteen years ago, November 5, 1984, the Federal debt stood at $1,619,575,000,000 (One trillion, six hundred nineteen billion, five hundred seventy-five million).

Twenty-five years ago, November 5, 1974, the Federal debt stood at $475,739,000,000 (Four hundred seventy-five billion, seven hundred thirty-nine million) which reflects a debt increase of more than $5 trillion—$5,185,971,720,483.34 (Five trillion, one hundred eighty-five billion, nine hundred seventy-one million, seven hundred twenty thousand, four hundred eighty-three dollars and thirty-four cents) during the past 25 years.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 1:09 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1693. An act to amend the Fair Labor Standards Act of 1938 to clarify the overtime exemption for employees engaged in fire protection activities.

H.R. 3075. An act to amend titles XVIII, XIX, and XXI of the Social Security Act to make corrections and refinements in the Medicare, Medicaid, and State children's health insurance programs, as revised by the Balanced Budget Act of 1997.

ENROLLED BILLS SIGNED

At 6:45 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the Speaker has signed the following enrolled bills and joint resolution:

S. 468. An act to improve the effectiveness and performance of Federal financial assistance programs, simplify Federal financial assistance application and reporting requirements, and improve the delivery of services to the public.

S. 900. An act to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, insurance companies, and other financial service providers, and for other purposes.

H.R. 3122. An act to permit the enrollment in the House of Representatives Child Care Center of children of Federal employees who are not employees of the legislative branch.

H.J. Res. 54. Joint resolution granting the consent of Congress to the Missouri-Nebraska Boundary Compact.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-6084. A communication from the Acting Director, Office of Civilian Radioactive Waste Management, Department of Energy, transmitting, pursuant to law, a report relative to accelerator transmutation of waste; referred jointly, pursuant to Public Law 97-425, to the Committees on Energy and Natural Resources, and the Environment and Public Works.

EC-6085. A communication from the Board Members, Railroad Retirement Board, transmitting, pursuant to law, a report relative to the Program Fraud Civil Remedies Act for fiscal year 1999; to the Committee on Governmental Affairs.

EC-6086. A communication from the Chief, Programs and Legislation Division, Office of Legislative Liaison, Department of the Air Force, transmitting, a report relative to a cost comparison conducted at Cannon Air Force Base, New Mexico; to the Committee on Armed Services.

EC-6087. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to Greece; to the Committee on Foreign Relations.

EC-6088. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to Turkey; to the Committee on Foreign Relations.

EC-6089. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to the Republic of Croatia; to the Committee on Foreign Relations.

EC-6090. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed Manufacturing License Agreement with Japan; to the Committee on Foreign Relations.

EC-6091. A communication from the Program Manager, Bureau of Alcohol, Tobacco and Firearms, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Implementation of Public Law 104-132, the Antiterrorism and Effective Death Penalty Act of 1996, Relating to the Making of Plastic Explosives for the Purpose of Detection" (RIN1512-AB63), received November 4, 1999; to the Committee on the Judiciary.

EC-6092. A communication from the Director, Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Food Labeling: Health Claims; Soy Protein and Coronary Artery Disease", received November 2, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC-6093. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report relative to the Trans-Alaska Pipeline Liability Fund; to the Committee on Energy and Natural Resources.

EC-6094. A communication from the Legislative and Regulatory Activities Division, Comptroller of the Currency, transmitting, pursuant to law, the report of a rule entitled "Investment Securities; Rules, Policies, and Procedures for Corporate Activities; and Bank Activities and Operations" (RIN1557-AB61), received November 1, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC-6095. A communication from the Assistant Secretary for Export Administration, Bureau of Export Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Exports to Kosovo" (RIN0694-AB99), received November 2, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC-6096. A communication from the Chief Counsel, Office of Foreign Assets Control, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Blocked Persons, Specially Designated Nationals, Specially Designated Terrorists, Foreign Terrorist Organizations, and Specially Designated Narcotics Traffickers: Addition of Persons Blocked Pursuant to Executive Order 13088" (Appendices A and B to 31 CFR Chapter V), received November 2, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC-6097. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Export-Import Bank of 1945 Act and Executive Order 12660, a report relative to an Export-Import Bank guarantee of the financing of the sale of defense articles to Venezuela; to the Committee on Banking, Housing, and Urban Affairs.

EC-6098. A communication from the Administrator, Federal Highway Administration, Department of Transportation, transmitting, pursuant to law, a report entitled "Fundamental Properties of Asphalts and Modified Asphalts-II"; to the Committee on Environment and Public Works.

EC-6099. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision, Bay Area Air Quality Management District" (FRL #6466-4), received November 1, 1999; to the Committee on Environment and Public Works.

EC-6100. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Federal Plan Requirements for Municipal Solid Waste Landfills That Commenced Construction Prior to May 30, 1991 and Have Not Been Modified or Reconstructed Since May 30, 1991" (FRL #6469-8), received November 1, 1999; to the Committee on Environment and Public Works.

EC-6101. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Persistent Bioaccumulative Toxic (PBT) Chemicals; Lowering of Reporting Thresholds for Certain PBT Chemicals; Addition of Certain PBT Chemicals; Community Right-to-Know Toxic Chemical Reporting" (FRL #6839-11), received November 1, 1999; to the Committee on Environment and Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CAMPBELL, from the Committee on Indian Affairs, with an amendment in the nature of a substitute:

S. 964. A bill to provide for equitable compensation for the Cheyenne River Sioux Tribe, and for other purposes (Rept. No. 106-217).

By Mr. THOMPSON, from the Committee on Governmental Affairs, with an amendment in the nature of a substitute:

S. 1707. A bill to amend the Inspector General Act of 1978 (5 U.S.C. App.) to provide that certain designated Federal entities shall be establishments under such Act, and for other purposes (Rept. No. 106-218).

By Mr. CAMPBELL, from the Committee on Indian Affairs, with an amendment in the nature of a substitute:

S. 1508. A bill to provide technical and legal assistance for tribal justice systems and members of Indian tribes, and for other purposes (Rept. No. 106-219).

By Mr. HELMS, from the Committee on Foreign Relations, with an amendment in the nature of a substitute:

S. 1453. A bill to facilitate relief efforts and a comprehensive solution to the war in Sudan.

By Mr. THOMPSON, from the Committee on Governmental Affairs, without amendment:

S. 1516. A bill to amend title III of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11331 et seq.) to reauthorize the Federal Emergency Management Food and Shelter Program, and for other purposes.

By Mr. THOMPSON, from the Committee on Governmental Affairs, without amendment:

S. 1877. An original bill to amend the Federal Report Elimination and Sunset Act of 1995.

EXECUTIVE REPORTS OF COMMITTEE

The following executive report of a committee was submitted:

By Mr. ROTH for the Committee on Finance:

William A. Halter, of Arkansas, to be Deputy Commissioner of Social Security for the term expiring January 19, 2001. (New Position)

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. THOMPSON:

S. 1877. An original bill to amend the Federal Report Elimination and Sunset Act of 1995; from the Committee on Governmental Affairs; placed on the calendar.

By Mrs. HUTCHISON (for herself, Mr. NICKLES, Mr. BROWNBACK, Mr. VOINOVICH, Mr. ASHCROFT, Mr. CRAIG, Mr. ENZI, Mr. THOMAS, and Mr. HELMS):

S. 1878. A bill to amend the Fair Labor Standards Act of 1938 to provide that an employee's "regular rate" for purposes of calculating compensation will not be affected by certain additional payments; to the Committee on Health, Education, Labor, and Pensions.

By Mr. MACK:

S. 1879. A bill to promote international monetary stability and to share seigniorage with officially dollarized countries; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. KENNEDY (for himself, Mr. AKAKA, Mr. INOUYE, Mrs. LINCOLN, and Mr. WELLSTONE): S. 1880. A bill to amend the Public Health Service Act to improve the health of minority individuals; to the Committee on Health, Education, Labor, and Pensions.

By Mr. DODD:

S. 1881. A bill to amend chapter 84 of title 5, United States Code, to make certain temporary Federal service creditable for retirement purposes; to the Committee on Governmental Affairs.

By Mrs. HUTCHISON (for herself and Mr. STEVENS):

S. 1882. A bill to expand child support enforcement through means other than programs financed at Federal expense; to the Committee on Finance.

By Mr. BINGAMAN:

S. 1883. A bill to amend tile 5, United States Code, to eliminate an inequity on the applicability of early retirement eligibility requirements to military reserve technicians; to the Committee on Governmental Affairs.

By Mr. KERRY:

S. 1884. A bill to designate the building of the United States Postal Service located at 5 Cedar Street in Hopkinton, Massachusetts, as the "Thomas J. Brown Post Office Building"; to the Committee on Governmental Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. HELMS (for himself, Mr. BIDEN, Mr. WELLSTONE, and Mr. LUGAR):

S. Res. 223. A resolution condemning the violence in Chechnya; to the Committee on Foreign Relations.

By Mr. CLELAND:

S. Res. 224. A resolution expressing the sense of the Senate to designate November 11, 1999, as a special day for recognizing the members of the Armed Forces and the civilian employees of the United States who participated in the recent conflict in Kosovo and the Balkans; to the Committee on the Judiciary.

By Mr. DURBIN (for himself, Mr. FRIST, Mr. DEWINE, Mr. LEVIN, Mr. KENNEDY, Mr. FEINGOLD, Mr. DORGAN, Mrs. BOXER, Mr. MACK, Mr. DODD, and Mr. THURMOND):

S. Res. 225. A resolution to designate November 23, 2000, Thanksgiving Day, as a day to "Give Thanks, Give Life" and to discuss organ and tissue donation with other family members; to the Committee on the Judiciary.

By Mr. GRAHAM (for himself and Mr. MACK):

S. Con. Res. 71. A concurrent resolution expressing the sense of Congress that Miami, Florida, and not a competing foreign city, should serve as the permanent location for the Secretariat of the Free Trade Area of the Americas (FTAA) beginning in 2005; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. HUTCHISON (for herself, Mr. NICKLES, Mr. BROWNBACK, Mr. VOINOVICH, Mr. ASHCROFT, Mr. CRAIG, Mr. ENZI, Mr. THOMAS, and Mr. HELMS):

S. 1878. A bill to amend the Fair Labor Standards Act of 1938 to provide that an employee's "regular rate" for purposes of calculating compensation will not be affected by certain additional payments; to the Committee on Health, Education, Labor, and Pensions.

BONUS INCENTIVE ACT OF 1999

Mrs. HUTCHISON. Mr. President, I rise today to introduce the Bonus Incentive Act of 1999. I am joined in introducing this bill by my colleagues, Senators NICKLES, BROWNBACK, VOINOVICH, ASHCROFT, CRAIG, ENZI, and THOMAS. This important legislation will give America's hourly wage workers the same ability to receive performance-based bonuses that salaried employees currently have.

Mr. President, under the Fair Labor Standards Act, employers who give performance-based bonuses (usually at the end of the year) must go back and recalculate each employee's hourly base rate of pay and thus any overtime pay they received must be adjusted accordingly. Often, the employer must spend many hours of accountants' time for relatively minor adjustments in overtime pay.

This unnecessary and overly burdensome requirement discourages many employers (those who even know about this obscure provision) from providing a performance-based bonus system to their hourly wage employees, while salaried or "exempt" employees can enjoy such bonuses. Other employers attempt to comply with the law by reclassifying bonuses as not being performance-based. The net result of this law has been to hamper the productivity of the American worker and to trap unwary employers with unnecessary paperwork and even fines.

My legislation, the companion of which has been passed by the House Education and Workforce Committee, would allow performance-based bonuses to be paid to employees without the need to recalculate overtime pay, provided that employees are made fully aware of the requirements of receiving such bonuses and provided that such bonuses are not used as a substitute for hourly pay.

Mr. President, when the Fair Labor Standards Act (FLSA) was enacted in 1938, over 60 years ago, employers typically rewarded only their management personnel for the level of their achievement with performance-based bonuses. Such bonus programs for employees were very rare. But times have changed, and so has the American workplace. With the rise of the service-sector, post-industrial economy, increased competition from overseas, and the growing importance of workplace productivity and efficiency, "gainsharing" and other performance-based bonus programs for workers are commonplace.

Such programs are as varied as they are common. The model that comes first to mind is a bonus based on the number of items a factory worker produces in a month, quarter, or year. But gainsharing programs are equally effective in the service sector. Pam Farr, former senior vice president for Marriott Lodging and now president of the Cabot Advisory Group, recently testified before the House Education and the Workforce Committee that Marriott used gainsharing plans for housekeeping and customer service personnel that rewarded employees for the cleanliness of rooms, and customer service evaluations. Cordant Technologies, which makes solid rocket boosters for the space shuttle, rewards its workers for achieving goals involving workplace safety, customer satisfaction, and indirect cost reduction.

Whatever type of gainsharing arrangement an employer may have, there can be no doubt that these programs increase workers' pay, productivity, and contribute to higher customer satisfaction and better workplace relations. Studies have demonstrated that employees who participate in gainsharing arrangements on average receive about 5 to 10 percent more pay from such participation, and many bonus programs allow employees to increase their base pay by as much as 50 percent.

Employees who participate in these programs also report being more satisfied on the job and to have a more positive attitude toward their employer. A 1981 survey by the General Accounting Office found that over 80 percent of firms they interviewed reported improvements in labor-management relations from such programs. Grievances in such companies dropped 50 percent, and absenteeism by 20 percent when gainsharing was offered to workers.

Unfortunately, the majority of performance-based bonus programs are offered only to one segment of the American workforce: those employees who are salaried and therefore "exempt" from many of the strictures of the Fair Labor Standards Act. The other 70-plus million Americans who get paid by the hour are precluded from fully participating in these programs. Why is this? If performance bonuses work so well, why aren't they offered to more hourly wage workers?

The answer is that the 61-year-old FLSA requires that when such bonuses are provided to hourly workers, the employer must then re-calculate each employee's "regular rate" of pay, which in turn requires a recalculation of worker's overtime pay. This process of recalculating employee overtime can consume substantial administrative time, often for very little in the way of additional overtime pay. One human resources director testified before Congress that it took four people 160 hours to calculate the bonuses for 235 employees.

This requirement can be particularly burdensome for many of the nation's millions of small businesses that may not have computer hardware and software that can run these types of calculations. For employers who must try to do these calculations by hand, it can be such a headache that the employer will either drop the bonus program altogether or simply ignore the law, both of which are obviously undesirable outcomes.

The Bonus Incentive Act I am introducing today will alleviate this unnecessary and counterproductive requirement, and allow all employees to participate equally in gainsharing programs. In fact, by extending these programs to hourly wage employees who, on average, make less than their salaried counterparts, this bill could be a significant shot-in-the-arm to their take home pay. The Employee Policy Foundation reports that a median wage U.S. worker could earn between an additional $17,000 and $26,000 over a 20-year period by participating in a performance-based bonus plan.

Why would anyone oppose this bill, Mr. President? It is good for employers and employees alike. It means less paperwork and more pay, less bureaucracy and more productivity.

Some have raised the concern that employers may somehow attempt to disguise regular hourly pay as gainsharing bonuses. While it would take a very ambitious employer to make such a scheme profitable, particularly considering the impact such conduct would have on employee morale, there are protections in the bill against such a possibility.

First, the employer must provide all employees, in writing, a detailed description of what the requirements and benefits of the gainsharing plan will be. The actual formula by which the bonus is to be calculated must also be spelled-out. There can be no doubt about what the employee would be required to do and what he or she would stand gain.

Second, the employer is absolutely prohibited from using a performance-based bonus to in any way replace the hourly wage pay the employee would otherwise have received. In fact, the bill requires that the plan be "established and maintained in good faith for the purpose of distributing to employees additional remuneration over and above the wages and salaries that are not dependent upon the existence of such plan." If an employer should violate this and, for example, but workers pay and substitute that for bonus pay, that employer would be subject to the same civil and even criminal sanctions as he would for any violation of the Fair Labor Standards Act, which is vigorously enforced by the U.S. Department of Labor's Wage and Hour Division.

But the truth is, Mr. President, that there is very little reason for employers today to abuse this provision, and every reason in the world to use it for the betterment of employees and to the long-term success of the company. If the tremendous economic revolution and growth we have witnessed in the last two decades has taught us anything, it is that wealth is not a zero-sum game. Our economy continues to outstrip that of the rest of the world not because we have more natural resources: other countries have more oil, gold, timber, and other resources than we. It is because the productive capacity, ingenuity, and entrepreneurship of the American people is allowed to flourish under our system.

Outdated laws such as this must be revised if we are to continue to enjoy the growing fruits of our labor. The

Bonus Incentive Act will help accomplish this goal, and I urge my colleagues to support and pass it.

By Mr. KENNEDY (for himself, Mr. AKAKA, Mr. INOUYE, Mrs. LINCOLN, and Mr. WELLSTONE):

S. 1880. A bill to amend the Public Health Service Act to improve the health of minority individuals; to the Committee on Health, Education, Labor, and Pensions.

HEALTH CARE FAIRNESS ACT OF 1999

Mr. KENNEDY. Mr. President, over the past few decades, we have made extraordinary advances as a nation in science and medicine. Unfortunately, those advances are not benefitting all of our citizens equally. Minority communities suffer disproportionately from many severe health problems.

We know that poverty, lack of health insurance, and other barriers to care continue to undermine the health of minorities. Clearly we need to do more to give all Americans the fair chance for a healthy future that they deserve.

The Administration has taken important steps to address this challenge. Last year, the President announced the Initiative to Eliminate Racial and Ethnic Disparities in Health. This initiative, led by the Department of Health and Human Services, has identified several areas where new commitments, new ideas, and new resources are necessary. The goal is to eliminate disparities in the areas of cardiovascular disease, cancer screening and management, diabetes, infant mortality, HIV/AIDS, and immunizations by 2010. This ambitious goal cannot be met without a major effort to improve research on the health of minorities and develop the steps needed to reduce these disparities.

Today, Senators AKAKA, INOUYE, LINCOLN, WELLSTONE, and I are introducing the Health Care Fairness Act of 1999, to secure the commitment and resources needed in each of these areas to ensure that minorities have a fair chance for improved health.

Minority populations suffer disproportionately from cardiovascular disease. They have a greater risk of developing high blood pressure, and are less likely to receive treatment to manage the condition after it develops. As a result, African Americans are 40 percent more likely to die from coronary heart disease than whites.

A Georgetown University study published in the New England Journal of Medicine last February found that bias in the decisions made by doctors is a factor in the treatment that African Americans receive when they suffer from heart disease. These findings are based on an experiment where physicians volunteered to view a video of actors posing as patients with significant symptoms of heart disease. The physicians were asked to prescribe further interventions for each "patient," all of whom had identical medical histories, insurance coverage, and occupations. While 91 percent of the white males, white females, and African American males in the study were referred for cardiac catheterization, a more effective but more expensive diagnostic procedure, only 79 percent of the African American females in the study were referred for this test.

A study published in the New England Journal of Medicine last month found similar disparities in the treatment of lung cancer. Patients whose tumors are discovered early are often able to be cured with surgery. This study found that African American patients with tumors small enough to be surgically removed were treated surgically in only 64 percent of cases, compared with 77 percent of white patients treated surgically. As a result, African Americans have only a 26 percent chance of surviving lung cancer, compared with a 34 percent survival rate for whites.

Other types of cancer also strike racial and ethnic minorities in disproportionate numbers. Vietnamese American women are five times more likely than white women to contract cervical cancer. Hispanic women are twice as likely to contract cervical cancer. Native Hawaiian men are 13 percent more likely to contact lung cancer. Alaskan Native women are 72 percent more likely to contract colon cancer and rectal cancer, when compared with whites. In addition, African Americans and Hispanic Americans are more likely to be diagnosed with cancer once the disease has reached an advanced stage. For African Americans, the result is a 35 percent higher death rate.

The Institute of Medicine, issued a report last February concluding that federal efforts to research cancer in minority communities are insufficient. The report recommended an increase in resources and the development of a strategic plan to coordinate this research. The results of this study confirm that while NIH has been extremely successful in producing medical breakthroughs that improve health care, those breakthroughs do not always reach into racial and ethnic communities.

The same troubling differences are found with HIV/AIDS. The powerful new drugs that have dramatically decreased AIDS deaths and prevented or delayed progression from HIV to AIDS for so many citizens are not reaching minorities in proportion to their need. Racial and ethnic minorities make up approximately 25 percent of the total population, but these groups account for over half of all AIDS cases. The disparity is even greater for African American and Hispanic women, who account for nearly 80 percent of the AIDS cases reported among women.

In spite of recent bipartisan efforts to increase access to health care for all children, racial and ethnic disparities exist among young Americans as well. Minority children are less likely to receive prescription medications, and they have lower immunization rates than white children. Inadequate health care places a barrier in the path of healthy development for minority children, and that is an unfair disadvantage.

The Health Care Fairness Act of 1999 addresses these racial and ethnic health disparities in many ways. It contains sections on research, data collection, medical education, and outreach. Each of these aspects has an important role to play in the reduction and eventual elimination of these unacceptable health disparities.

Title I establishes a Center for Research on Minority Health at the National Institutes of Health. The Center will oversee the development of an NIH-wide strategic plan for minority health research. This step will enable those concerned with the advancement of research on minority health, both inside and outside NIH, to monitor the progress of NIH in this area. The Center will award Centers of Excellence grants to institutions across the country that serve under-represented populations. These funds will be used to conduct research into the nature, causes, and remedies for health disparties, to train minorities to become biomedical research professionals, to improve the infrastructure for conducting biomedical research on health disparties, and to provide long-term stability to these biomedical research programs.

Changing attitudes about race and ethnic backgrounds are an ongoing challenge for all sectors of our society. The Georgetown study does not conclude that most doctors are racist. No such assumptions are drawn from its results. What is shown is that health care providers, like all members of our society, enter their profession with perceptions and biases related to race. Many industries have confronted racial sensitivity issues in their training programs. This study shows that such training must also be a part of medical education, for both new students and experienced practitioners alike.

To help health care providers improve their ability to work with patients of different backgrounds. we must also develop educational techniques that are effective in improving this aspect of health care delivery. Title II of the Health Care Finance Act establishes demonstration projects to develop effective educational techniques such as courses that focus on reducing racial and ethnic disparties in health care.

The close connection between race and poverty in this country has had a significant negative impact on the access of minority communities to quality health care. Reducing racial and ethnic health disparties will require a better understanding of issues beyond effective treatments and other questions of basic science. Barriers to care, poor quality health services, and the lack of useful outcome measures are all part of this complex problem. Title III of our bill strengthens the federal commitment to these social science aspects of health disparties. It directs the Agency for Health Care Policy and Research to conduct and support research in these areas, to promote effective interventions in minority communities, and to develop outcome measures to assess and improve health care for minority populations.

Measuring our progress in reducing these racial and ethnic disparties will also require reliable and complete data on miniority health. In order to provide reliable information on the health status of minority communities, Title IV of our bill directs the National Academy of Sciences to conduct a study of the data collection and reporting systems at the Department of Health and Human Services that include race and ethnicity.

This study will evaluate the effectiveness of data collection at HHS and recommend improvements for ensuring that reliable and complete information on racial and ethnic health disparties is available.

The estimated cost of these provisions for fiscal year 2000 totals just under $350 million. The estimated cost in subsequent years is approximately $260 million. This is a small price when compared to the damage that racial and ethnic health disparties are causing in so many communities. We all know that in the long run better health is always less expensive than sickness and hospitalization.

We know that many other structural, personal, and historical factors contribute to racial and ethnic disparties in health care. Our legislation asks that we make the elimination of these disparties a higher priority. It asks that we do all we can to develop the knowledge necessary to do better. The result will be a fairer chance for the healthy future that all Americans deserve, and I look forward to early action by Congress on this needed legislation.

Mr. President, I ask unanimous consent that the full text of the bill and the accompanying letters and statement of support be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1880

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Health Care Fairness Act of 1999".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings.
TITLE I—IMPROVING MINORITY HEALTH THROUGH THE NATIONAL INSTITUTES OF HEALTH
Sec. 101. Research on minority health.
"PART J—RESEARCH ON MINORITY HEALTH
"Sec. 499A. Establishment of Center.
"Sec. 499B. Advisory Council.
"Sec. 499C. Comprehensive plan and budget.
"Sec. 499D. Center funding.
"Sec. 499E. Centers of excellence for research on health disparities and training.
"Sec. 499F. Loan repayment program for biomedical research.
"Sec. 499G. Additional authorities.
"Sec. 499H. General provisions regarding the Center.
TITLE II—MEDICAL EDUCATION
Sec. 201. Grants for health care education curricula development.
Sec. 202. National Conference on Continuing Health Professional Education and Disparity in Health Outcomes.
Sec. 203. Advisory Committee.
Sec. 204. Cultural competency clearinghouse.
TITLE III—MINORITY HEALTH RESEARCH BY THE AGENCY FOR HEALTH CARE POLICY AND RESEARCH.
Sec. 301. Minority health research by the Agency for Health Care Policy and Research.
TITLE IV—DATA COLLECTION RELATING TO RACE OR ETHNICITY
Sec. 401. Study and report by National Academy of Sciences.
TITLE V—PUBLIC AWARENESS
Sec. 501. Public awareness.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) The United States ranks below most industrialized nations in health status as measured by longevity, sickness, and mortality.

(2) The United States ranks 24th among industrialized nations in infant mortality.

(3) This poor rank in health status is attributed in large measure to the lower health status of America's minority populations.

(4) Many minority groups suffer disproportionately from cancer. Disparities exist in both mortality and incidence rates. For men and women combined, African Americans have a cancer death rate about 35 percent higher than that for whites. Paralleling the death rate, the incidence rate for lung cancer in African American men is about 50 percent higher than white men. Native Hawaiian men also have elevated rates of lung cancer compared with white men. Alaskan Native men and women suffer from higher rates of cancers of the colon and rectum than do whites. Vietnamese women in the United States have a cervical cancer incidence rate more than 5 times greater than white women. Hispanic women also suffer elevated rates of cervical cancer.

(5) Infant death rates among African American, Native Americans and Alaskan Natives, and Hispanics were well above the national average. The greatest disparity exists for African Americans. The overall Native American rate does not reflect the diversity among Indian communities, some of which have infant mortality rates approaching twice the national rate.

(6) Sudden infant death syndrome (referred to in this section as "SIDS") accounts for approximately 10 percent of all infant deaths in the first year of life. Minority populations are at greater risk for SIDS. In addition to the greater risks among African Americans, the rates are 3 to 4 times as high for some Native American and Alaskan Native populations.

(7) Cardiovascular disease is the leading cause of death for all racial and ethnic groups. Major disparities exist among population groups, with a disproportionate burden of death and disability from cardiovascular disease in minority and low-income populations. Stroke is the only leading cause of death for which mortality is higher for Asian-American males than for white males.

(8) Racial and ethnic minorities have higher rates of hypertension, tend to develop hypertension at an earlier age, and are less likely to undergo treatment to control their high blood pressure.

(9) Diabetes, the seventh leading cause of death in the United States, is a serious public health problem affecting racial and ethnic communities. The prevalence of diabetes in African Americans is approximately 70 percent higher than whites and the prevalence in Hispanics is nearly double that of whites. The prevalence rate of diabetes among Native Americans and Alaskan Natives is more than twice that for the total population and at least 1 tribe, the Pimas of Arizona, have the highest known prevalence of diabetes of any population in the world.

(10) The human immunodeficiency virus (referred to in this section as "HIV"), which causes acquired immune deficiency syndrome (referred to in this section as "AIDS"), results in disproportionate suffering in minority populations. Minority persons represent 25 percent of the total United States population, but 54 percent of all cases of AIDS.

(11) More than 75 percent of AIDS cases reported among women and children occur in minority women and children.

(12) Nearly 2 of 5 (38 percent) Hispanic adults, 1 of 4 (24 percent) African American adults, and 1 of 4 (24 percent) Asian-American adults are uninsured, compared with 1 of 7 (14 percent) white adults.

(13) Elderly minorities experience disparities in access to care and health status, in part because medicare covers only half the health care expenses of older Americans.

(14) Two of 5 Hispanic and 2 of 5 African Americans age 65 and older rate their health status as fair or poor, compared with less than 1 of 4 (23 percent) white Americans 65 and over.

(15) Nearly 2 of 5 (39 percent) African American adults and almost half (46 percent) of Hispanic adults report that they do not have a regular doctor, compared with 1 of 4 (26 percent) of white adults.

(16) Minority Americans 65 and older are less likely to have a regular doctor or to see a specialist.

(17) Ninety percent of minority physicians produced by Historically Black Medical Colleges live and serve in minority communities.

(18) Almost half (45 percent) of Hispanic adults, 2 of 5 (41 percent) Asian-American adults, and more than 1 of 3 (35 percent) African American adults report difficulty paying for medical care, compared with 1 of 4 (26 percent) white adults.

(19) Despite suffering disproportionate rates of illness, death, and disability, minorities have not been proportionately represented in many clinical research trials, except in studies of behavioral risk factors associated with negative stereotypes.

(20) Culturally sensitive approaches to research are needed to encourage minority participation in research studies.

(21) There is a national need for minority scientists in the field of biomedical, clinical, and health services research.

(22) In 1990, only 3.3 percent of all United States medical school faculties were underrepresented minority persons.

(23) Only 1 percent of full professors were underrepresented minority persons in 1990.

(24) The proportion of underrepresented minorities in high academic ranks, such as professors and associated professors, decreased from 1980 to 1990.

(25) African Americans with identical complaints of chest pain are less likely than white Americans to be referred by physicians for sophisticated cardiac tests.

(26) Cultural competency training in medical schools and residency training programs has the potential to reduce disparities in health care and health outcomes.

(27) More detailed data on health disparities is needed to—

(A) evaluate the impact that race and ethnicity have on health status, access to care, and quality of care; and

(B) enforce existing protections for equal access to care.

TITLE I—IMPROVING MINORITY HEALTH THROUGH THE NATIONAL INSTITUTES OF HEALTH

SEC. 101. RESEARCH ON MINORITY HEALTH.

Title IV of the Public Health Service Act (42 U.S.C. 281 et seq.) is amended by adding at the end the following:

“PART J—RESEARCH ON MINORITY HEALTH

“SEC. 499A. ESTABLISHMENT OF CENTER.

“(a) In General.—There is established within the National Institutes of Health an organization to be known as the Center for Research on Minority Health and Health Disparities (referred to in this part as the ‘Center’). The Center shall be headed by a director, who shall be appointed by the Secretary and shall report to the Director of the National Institutes of Health.

“(b) Task Force.—The Director of the Center shall chair a trans-NIH task force that is composed of Institute Directors, NIH senior staff, and representatives of other public health agencies, that will establish a comprehensive plan and budget estimates under section 499C for minority health that should be conducted or supported by the national research institutes, and shall recommend an agenda for conducting and supporting such research.

“(c) Duties.—

“(1) Interagency coordination of minority health research.—With respect to minority health, the Director of the Center shall facilitate the establishment of, and provide administrative support to, the task force referred to in subsection (b) to plan, coordinate, and evaluate all research conducted at or funded by NIH.

“(2) Minority health research information system.—The Director of the Center shall establish a minority health research information system in order to track minority-related research, training, and construction. The system shall capture, for each minority-related research, training, or construction project year-end data.

“(3) Consultations.—The Director of the Center shall carry out this part (including developing and revising the plan required in section 499C) in consultation with the Advisory Council established under section 499B, the heads of the agencies of the National Institutes of Health, and the advisory councils of such agencies.

“(4) Coordination.—The Director of the Center shall act as the primary Federal official with responsibility for monitoring all minority health research conducted or supported by the National Institutes of Health, and—

“(A) shall serve to represent the National Institutes of Health minority health research program at all relevant Executive branch task forces, committees and planning activities; and

“(B) shall maintain communications with all relevant Public Health Service agencies and with various other departments of the Federal Government, to ensure the timely transmission of information concerning advances in minority health research between these various agencies for dissemination to affected communities and health care providers.

“(d) Innovative Grants.—

“(1) In general.—The Director of the Center, in consultation with the Advisory Council, shall identify areas of insufficient minority health research at the Institutes and Centers, and shall provide funds to the Institutes and Centers for the awarding of peer-reviewed grants for innovative projects that address high priority areas of minority health research that are not adequately addressed by other Institutes or Centers.

“(2) Exceptional circumstances.—

“(A) In general.—If the Director of the Center determines that the Institutes or Centers are unwilling or unable to award a grant under paragraph (1) for the conduct of a research project identified under such paragraph, the Director, in consultation with the Advisory Council, shall award 1 or more peer reviewed grants to support such research project.

“(B) Limitation.—The total amount of grants awarded under subparagraph (A) for a fiscal year shall not exceed an amount equal to 10 percent of the total final budget for the minority health disparities comprehensive plan for the National Institutes of Health for the fiscal year, or $130,000,000, whichever is greater.

“(3) Administration of research proposals.—

“(A) Requests.—The Director of the Center may issue requests for research proposals in areas identified under paragraph (2)(A).

“(B) Delegation.—The Director of the Center may delegate responsibility for the review and management of research proposals under this subsection to another Institute or Center, or to the Center for Scientific Review.

“(C) Final approval.—The Director of the Center may issue a final approval of research awards under paragraph (1) so long as such approval is provided within 30 days of the date on which the award is approved by an Institute or Center.

“(e) Definitions.—In this part:

“(1) Minority health conditions.—The term ‘minority health conditions’, with respect to individuals who are members of racial, ethnic, and indigenous (including Native Americans, Alaskan Natives, and Native Hawaiians) minority groups, means all diseases, disorders, and conditions (including with respect to mental health)—

“(A) unique to, more serious, or more prevalent in such individuals;

“(B) for which the factors of medical risk or types of medical intervention are different for such individuals; or

“(C) which have been found to result in health disparities but for which insufficient research has been conducted.

“(2) Minority health research.—The term ‘minority health research’ means basic and clinical research on minority health conditions, including research on preventing such conditions.

“SEC. 499B. ADVISORY COUNCIL.

“(a) In General.—The Secretary shall establish an advisory council (referred to in this part as the ‘Advisory Council’), pursuant to the Federal Advisory Committee Act, for the purpose of providing advice to the Director of the Center on carrying out this part.

“(b) Composition.—The Advisory Council shall be composed of not less than 18, and not more than 24 individuals, who are not officers or employees of the Federal Government, to be appointed by the Secretary. A majority of the members of the Advisory Council shall be individuals with demonstrated expertise regarding minority health issues. The Advisory Council shall include representatives of communities impacted by racial and ethnic health disparities. The Director of the Center shall serve as the chairperson of the Advisory Council.

“SEC. 499C. COMPREHENSIVE PLAN AND BUDGET.

“(a) In General.—Subject to this section and other applicable law, the Director of the Center (in consultation with the Advisory Council) and the members of the Task Force established under section 499A, in carrying out section 499A, shall—

“(1) establish a comprehensive plan and budget for the conduct and support of all minority health research activities of the agencies of the National Institutes of Health (which plan shall be first established under this subsection not later than 12 months after the date of the enactment of this part), which budget shall be submitted to the Secretary, the Director of the Office of Management and Budget and Congress and included in the annual budget justification for the National Institutes of Health;

“(2) ensure that the plan and budget establishes priorities, consistent with sound medical and scientific judgment, among the minority health research activities that such agencies are authorized to carry out;

“(3) ensure that the plan and budget establishes objectives regarding such activities, describes the means for achieving the objectives, and designates the date by which the objectives are expected to be achieved;

“(4) ensure that all amounts appropriated for such activities are expended in accordance with the plan and budget;

“(5) review the plan and budget not less than annually, and coordinate revisions to the plan as appropriate; and

“(6) ensure that the plan and budget serve as a broad, binding statement of policies regarding minority health research activities of the agencies, but does not remove the responsibility of the heads of the agencies for the approval of specific programs or projects, grant management, or for other details of the daily administration of such activities, in accordance with the plan and budget.

“(b) Certain Components.—With respect to minority health research activities of the agencies of the National Institutes of Health, the plan and budget shall—

“(1) provide for basic research;

“(2) provide for clinical research;

“(3) provide for research that is conducted by the agencies;

“(4) provide for research that is supported by the agencies;

“(5) provide for proposals developed pursuant to solicitations by the agencies and for proposals developed independently of such solicitations; and

“(6) provide for prevention research, behavioral research and social sciences research.

“(c) Approval.—The plan and budget established under this section are subject to the approval of the Director of the Center and the Director of the National Institutes of Health.

“(d) Budget Items for Minority Health.—In the Budget of the United States that is submitted to Congress by the President, the President shall, with respect to each Institute or agency of the National Institutes of Health, include a separate line item account for the amount that each such Institute or agency requests for minority health activities.

“SEC. 499D. CENTER FUNDING.

“For the purpose of carrying out administrative functions related to minority health research activities under the plan under sections 499A, 499B, and 499C, there are authorized to be appropriated $100,000,000 for fiscal year 2000, and such sums as may be necessary for each of fiscal years 2001 through 2004.

“SEC. 499E. CENTERS OF EXCELLENCE FOR RESEARCH ON HEALTH DISPARITIES AND TRAINING.

“(a) In General.—The Secretary, acting through the Director of the National Institutes of Health, shall make grants to, and enter into contracts with, designated biomedical research institutions described in subsection (c), and other public and nonprofit health or educational entities, for the purpose of assisting the institutions in supporting programs of excellence in biomedical research education for under-represented minority individuals.

“(b) Required Use of Funds.—

“(1) In general.—The Secretary may not make a grant under subsection (a) unless the designated biomedical research institution involved agrees, subject to subsection (c)(1)(B), to expend the grant—

“(A) to conduct minority health research and research into the nature of health disparities that affect racial, ethnic, and indigenous minorities, the causes of such disparities, and remedies for such disparities;

“(B) to train minorities as professionals in the area of biomedical research;

“(C) to expand, remodel, renovate, or alter existing research facilities or construct new research facilities for the purpose of conducting biomedical research related to health disparities; or

“(D) to establish or increase an endowment fund in accordance with paragraph (2).

“(2) Endowment funds.—

“(A) In general.—Except as provided in subparagraph (B), an institution that meets the requirements of subparagraph (B) may utilize not to exceed 35 percent of the amounts received under a grant under subsection (a) to establish or increase an endowment fund at the institution. Amounts used under this subparagraph shall be dedicated exclusively to the support of biomedical research and the associated costs of such research.

“(B) Requirements.—To be eligible to use funds as provided for under subparagraph (A), an institution shall not have a endowment fund that is worth in excess of an amount equal to 50 percent of the national average of all endowment funds at all institutions that are of the same biomedical research discipline.

“(c) Centers of Excellence.—

“(1) General conditions.—The conditions specified in this paragraph are that a designated biomedical research institution—

“(A) has a significant number of under-represented minority individuals enrolled in the institution, including individuals accepted for enrollment in the institution;

“(B) has been effective in assisting under-represented minority students of the institution to complete the program of education and receive the degree involved;

“(C) has been effective in recruiting under-represented minority individuals to enroll in and graduate from the institution, including providing scholarships and other financial assistance to such individuals and encouraging under-represented minority students from all levels of the educational pipeline to pursue biomedical research careers; and

“(D) has made significant recruitment efforts to increase the number of under-represented minority individuals serving in faculty or administrative positions at the institution.

“(2) Consortium.—Any designated biomedical research institution involved may, with other biomedical institutions (designated or otherwise) form a consortium to carry out the purposes described in subsection (b) at the institutions of the consortium.

“(3) Application of criteria to other programs.—In the case of any criteria established by the Secretary for purposes of determining whether institutions meet the conditions described in paragraph (1), this section may not, with respect to racial, ethnic, and indigenous minorities, be construed to authorize, require, or prohibit the use of such criteria in any program other than the program established in this section.

“(d) Duration of Grant.—The period during which payments are made under a grant under subsection (a) may not exceed 5-years. Such payments shall be subject to annual approval by the Secretary and to the availability of appropriations for the fiscal year involved to make the payments.

“(e) Definitions.—In this section:

“(1) Minority.—The term ‘minority’ means an individual from a racial or ethnic group that is under-represented in health research.

“(2) Program of excellence.—The term ‘program of excellence’ means any program carried out by a designated biomedical research institution with a grant made under subsection (a), if the program is for purposes for which the institution involved is authorized in subsection (b) or (c) to expend the grant.

“(f) Funding.—

“(1) Authorization of appropriations.—For the purpose of making grants under subsection (a), there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 2000 through 2004.

“(2) No limitation.—Nothing in this subsection shall be construed as limiting the centers of excellence referred to in this section to the designated amount, or to preclude such entities from competing for other grants under this section.

“(3) Maintenance of effort.—

“(A) In general.—With respect to activities for which a grant made under this part are authorized to be expended, the Secretary may not make such a grant to a center of excellence for any fiscal year unless the center agrees to maintain expenditures of non-Federal amounts for such activities at a level that is not less than the level of such expenditures maintained by the center for the fiscal year preceding the fiscal year for which the institution receives such a grant.

“(B) Use of federal funds.—With respect to any Federal amounts received by a center of excellence and available for carrying out activities for which a grant under this part is authorized to be expended, the Secretary may not make such a grant to the center for any fiscal year unless the center agrees that the center will, before expending the grant, expend the Federal amounts obtained from sources other than the grant.

“SEC. 499F. LOAN REPAYMENT PROGRAM FOR BIOMEDICAL RESEARCH.

“(a) In General.—The Secretary, acting through the Director of the National Institutes of Health, shall establish a program of entering into contracts with qualified health professionals under which such health professionals agree to engage in minority health research or research into the nature of health disparities that affect racial, ethnic, and indigenous populations, in consideration of the Federal Government agreeing to repay, for each year of such service, not more than $35,000 of the principal and interest of the educational loans of such health professionals.

“(b) Service Provisions.—The provisions of sections 338B, 338C, and 338E shall, except as inconsistent with subsection (a), apply to the program established in such subsection (a) to the same extent and in the same manner as such provisions apply to the National Health Service Corps Loan Repayment Program established in subpart III of part D of title III.

“(c) Availability of Appropriations.—Amounts available for carrying out this section shall remain available until the expiration of the second fiscal year beginning after the fiscal year for which the amounts were made available.

“(d) Health Disparities.—In carrying out this section, the Secretary shall take steps sufficient to ensure the active participation of appropriately qualified minority heath professionals, including extensive outreach and recruitment efforts. In complying with this subsection, the Secretary shall waive the requirement that the recipients of loan repayment assistance agree to engage in minority health research or research into the nature of health disparities that affect racial, ethnic and indigenous populations.

“(e) Authorization of Appropriations.—For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 2000 through 2004.

“SEC. 499G. ADDITIONAL AUTHORITIES.

“(a) In General.—In overseeing and supporting minority health research, the Director of the Center—

“(1) shall assist the Director of the National Center for Research Resources in carrying out section 481(c)(3) and in committing resources for construction at Institutions of Emerging Excellence;

“(2) shall assist in the administration of section 492B with respect to the inclusion of members of minority groups as subjects in clinical research; and

“(3) subject to section 405(b)(2) and without regard to section 3324 of title 31, United States Code, and section 3709 of the Revised Statutes (41 U.S.C. 5), may enter into such contracts and cooperative agreements with any public agency, or with any person, firm, association, corporation, or educational institution, as may be necessary to expedite and coordinate minority health research.

“(b) Report to Congress and the Secretary.—The Director of the Center shall each fiscal year prepare and submit to the appropriate committees of Congress and the Secretary a report—

“(1) describing and evaluating the progress made in such fiscal year in minority health research conducted or supported by the Institutes;

“(2) summarizing and analyzing expenditures made in such fiscal year for activities with respect to minority health research conducted or supported by the National Institutes of Health; and

"(3) containing such recommendations as the Director considers appropriate.

"(c) PROJECTS FOR COOPERATION AMONG PUBLIC AND PRIVATE HEALTH ENTITIES.—In carrying out subsection (a), the Director of the Center shall establish projects to promote cooperation among Federal agencies, State, local, and regional public health agencies, and private entities, in minority health research.

"SEC. 499H. GENERAL PROVISIONS REGARDING THE CENTER.

"(a) ADMINISTRATIVE SUPPORT FOR CENTER.—The Secretary, acting through the Director of the National Institutes of Health, shall provide administrative support and support services to the Director of the Center and shall ensure that such support takes maximum advantage of existing administrative structures at the agencies of the National Institutes of Health.

"(b) REQUIRED EXPERTISE.—The Director of the Center, in consultation with the Advisory Council and the Center for Scientific Review, shall ensure that scientists with appropriate expertise in research on minority health are incorporated into the review, oversight, and management processes of all research projects in the National Institutes of Health minority health research program and other activities under such program.

"(c) TECHNICAL ASSISTANCE.—The Director of the Center, in consultation with the directors of the national research institutes and centers, shall ensure that appropriate technical assistance is available to applicants for all research projects and other activities supported by the National Institutes of Health minority health research program.

"(d) EVALUATION AND REPORT:—

"(1) EVALUATION.—Not later than 5 years after the date of the enactment of this part, the Secretary shall conduct an evaluation to—

"(A) determine the effect of this section on the planning and coordination of the minority health research programs at the institutes, centers and divisions of the National Institutes of Health;

"(B) evaluate the extent to which this part has eliminated the duplication of administrative resources among such Institutes, centers and divisions; and

"(C) provide recommendations concerning future alterations with respect to this part.

"(2) REPORT.—Not later than 1 year after the date on which the evaluation is commenced under paragraph (1), the Secretary shall prepare and submit to the Committee on Health, Education, Labor, and Pensions of the Senate, and the Committee on Commerce of the House of Representatives, a report concerning the results of such evaluation.".

TITLE II—MEDICAL EDUCATION

SEC. 201. GRANTS FOR HEALTH CARE EDUCATION CURRICULA DEVELOPMENT.

Part F of title VII of the Public Health Service Act (42 U.S.C. 295j et seq.) is amended by inserting after section 791 the following:

"SEC. 791A. GRANTS FOR HEALTH PROFESSIONS EDUCATION CURRICULA DEVELOPMENT.

"(a) GRANTS FOR GRADUATE EDUCATION CURRICULA DEVELOPMENT.—

"(1) IN GENERAL.—The Secretary, acting through the Administrator for the Health Resources and Services Administration and in collaboration with the Administrator for Health Care Policy and Research and the Deputy Assistant Secretary for Minority Health, may make awards of grants, contracts, or cooperative agreements to public and nonprofit private entities for the purpose of carrying out research projects and demonstration projects to develop curricula to reduce disparity in health care outcomes, including curricula and faculty development for cultural competency in graduate and undergraduate health professions education.

"(2) ELIGIBILITY.—To be eligible to receive a grant, contract or cooperative agreements under paragraph (1), an entity shall—

"(A) be a school of medicine, school of osteopathic medicine, school of dentistry, school of public health, school of nursing, school of pharmacy, school of allied health, or other recognized health profession school; and

"(B) prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

"(3) USE OF FUNDS.—An entity shall use amounts received under a grant under paragraph (1) to carry out research projects and demonstration projects to develop curricula to reduce disparity in health care outcomes, including curricula for cultural competency in graduate medical education. Such curricula shall focus on the need to remove bias from health care at a personal level as well as at a systematic level.

"(4) NUMBER OF GRANTS AND GRANT TERM.—The Secretary shall award not to exceed 20 grants, contracts or cooperative agreements (or combination thereof) under paragraph (1) in each of the first and second fiscal years for which funds are available under subsection (f). The term of each such grant, contract or cooperative agreement shall be 3 years.

"(b) GRANTS FOR CONTINUING HEALTH PROFESSIONAL EDUCATION CURRICULA DEVELOPMENT.—

"(1) IN GENERAL.—The Secretary, acting through the Health Resources and Services Administration and the Agency for Health Care Policy and Research and in collaboration with the Office of Minority Health, shall award grants, contracts or cooperative agreements to eligible entities for the establishment of demonstration projects to develop curricula to reduce disparity in health care and health outcomes, including curricula for cultural competency, in continuing medical education.

"(2) ELIGIBILITY.—To be eligible to receive a grant, contract, or cooperative agreement under paragraph (1) an entity shall—

"(A) be a school of medicine, school of osteopathic medicine, school of dentistry, school of public health, school of nursing, school of pharmacy, school of allied health, or other recognized health profession school; and

"(B) prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

"(3) USE OF FUNDS.—An entity shall use amounts received under a grant, contract, or cooperative agreement under paragraph (1) to develop and evaluate the effect and impact of curricula for continuing medical education courses or programs to provide education concerning issues relating to disparity in health care and health outcomes, including cultural competency of health professionals. Such curricula shall focus on the need to remove bias from health care at a personal level as well as at a systemic level.

"(4) NUMBER OF GRANTS AND GRANT TERM.—The Secretary shall award not to exceed 20 grants, contracts, or cooperative under paragraph (1) in each of the first and second fiscal years for which funds are available under subsection (f). The term of each such grant shall be 3 years.

"(c) DISTRIBUTION OF PROJECTS.—The Secretary shall ensure that, to the extent practicable, projects under subsections (a) and (b) are carried out in each of the principal geographic regions of the United States and address issues associated with different minority groups and health professions.

"(d) MONITORING.—An entity that receives a grant, contract or cooperative agreement under subsection (a) or (b) shall ensure that procedures are in place to monitor activities undertaken using grant, contract or cooperative agreement funds. Such entity shall annually prepare and submit to the Secretary a report concerning the effectiveness of curricula developed under the grant contract or cooperative agreement.

"(e) REPORT TO CONGRESS.—Not later than January 1, 2002, the Secretary shall prepare and submit to the appropriate committees of Congress, a report concerning the effectiveness of programs funded under this section and a plan to encourage the implementation and utilization of curricula to reduce disparity in health care and health outcomes. A final report shall be submitted by the Secretary not later than January 1, 2004.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, $3,500,000 for fiscal year 2000, $7,000,000 for fiscal year 2001, $7,000,000 for fiscal year 2002, and $3,500,000 for fiscal year 2003.".

SEC. 202. NATIONAL CONFERENCE ON CONTINUING HEALTH PROFESSIONAL EDUCATION AND DISPARITY IN HEALTH OUTCOMES.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary of Health and Human Services shall convene a national conference on continuing health professions education as a method for reducing disparity in health care and health outcomes, including continuing medical education on cultural competency. The conference shall include sessions to address measurements of outcomes to assess the effectiveness of curricula in reducing disparity.

(b) PARTICIPANTS.—The Secretary of Health and Human Services shall invite minority health advocacy groups, health education entities described in section 741(b)(1) of the Public Health Service Act (as added by section 201), and other interested parties to attend the conference under subsection (a).

(c) ISSUES.—The national conference convened under subsection (a) shall address issues relating to the role of continuing medical education in the effort to reduce disparity in health care and health outcomes, including the role of continuing medical education in improving the cultural competency of health professionals and health professions faculty. The conference shall focus on methods to achieve reductions in the disparities in health care and health outcomes through continuing medical education courses or programs and on strategies for measuring the effectiveness of curricula to reduce disparities.

(d) PUBLICATION OF FINDINGS.—Not later than 6 months after the convening of the national conference under subsection (a), the Secretary of Health and Human Services shall publish in the Federal Register a summary of the proceedings and the findings of the conference.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 203. ADVISORY COMMITTEE.

(a) Establishment.—The Secretary of Health and Human Services shall establish an advisory committee to provide advice to the Secretary on matters related to the development, implementation, and evaluation of graduate and continuing education curricula for health care professionals to decrease the disparity in health care and health outcomes, including curricula on cultural competency as a method of eliminating health disparity.

(b) Membership.—Not later than 3 months after the date on which amounts are appropriated to carry out this section, the Secretary of Health and Human Services shall appoint the members of the advisory committee. Such members shall be appointed from among individuals who—

(1) unless otherwise specified, are not officers or employees of the Federal Government;

(2) are experienced in issues relating to health disparity; and

(3) meet such other requirements as the Secretary determines appropriate;

and shall include a representative of the Office of Minority Health under section 1707 of the Public Health Service Act (42 U.S.C. 300u-6) and such other representatives of offices and agencies of the Public Health Service as the Secretary determines to be appropriate. The Secretary shall ensure that members of minority communities are well represented on the advisory committee. Such representatives shall include 1 or more individuals who serve on the advisory committee under section 1707(c) of such Act.

(c) Collaboration.—The advisory committee shall carry out its duties under this section in collaboration with the Office of Minority Health of the Department of Health and Human Services, and other offices, centers, and institutes of the Department of Health and Human Services, and other Federal agencies.

(d) Termination.—The advisory committee shall terminate on the date that is 4 years after the date on which the first member of the committee is appointed.

(e) Existing Committee.—The Secretary may designate an existing advisory committee operating under the authority of the Office of Minority Health of the Department of Health and Human Services to serve as the advisory committee under this section.

SEC. 204. CULTURAL COMPETENCY CLEARINGHOUSE.

(a) Establishment.—The Director of the Office of Minority Health of the Department of Health and Human Services shall establish within the Resource Center of the Office of Minority Health, or through the awarding of a contract provide for the establishment of, an information clearinghouse for curricula to reduce racial and ethnic disparity in health care and health outcomes. The clearinghouse shall facilitate and enhance, through the effective dissemination of information, knowledge and understanding of practices that lead to decreases in the disparity of health across minority and ethnic groups, including curricula for continuing medical education to develop cultural competency in health care professionals.

(b) Availability of Information.—Information contained in the clearinghouse shall be made available to minority health advocacy groups, health education entities described in section 791A(b)(2)(A) of the Public Health Service Act (as added by section 201), health maintenance organizations, and other interested parties.

(c) Authorization of Appropriations.—There is authorized to be appropriated such sums as may be necessary to carry out this section.

TITLE III—MINORITY HEALTH RESEARCH BY THE AGENCY FOR HEALTH CARE POLICY AND RESEARCH.

SEC. 301. MINORITY HEALTH RESEARCH BY THE AGENCY FOR HEALTH CARE POLICY AND RESEARCH.

(a) In General.—Part A of title IX of the Public Health Service Act (42 U.S.C. 299 et seq.) is amended by adding at the end the following:

"SEC. 906. RESEARCH ON MINORITY HEALTH DISPARITIES.

"(a) In General.—The Administrator of the Agency for Health Care Policy and Research shall—

"(1) conduct and support research to identify how to improve the quality and outcomes of health care services for minority populations and the causes of health disparities for minority populations, including barriers to health care access;

"(2) conduct and support research and support demonstration projects to identify, test, and evaluate strategies for eliminating the disparities described in paragraph (1) and promoting effective interventions;

"(3) develop measures for the assessment and improvement of the quality and appropriateness of health care services provided to minority populations; and

"(4) in carrying out 902(c), provide support to increase the number of minority health care researchers and the health services research capacity of institutions that train minority health care researchers.

"(b) Research and Demonstration Projects.—

"(1) In general.—In carrying out subsection (a), the Administrator shall conduct and support research to—

"(A) identify the clinical, cultural, socioeconomic, and organizational factors that contribute to health disparities for minority populations (including examination of patterns of clinical decisionmaking and of the availability of support services);

"(B) identify and evaluate clinical and organizational strategies to improve the quality, outcomes, and access to care for minority populations;

"(C) support demonstrations to test such strategies; and

"(D) widely disseminate strategies for which there is scientific evidence of effectiveness.

"(2) Use of certain strategies.—In carrying out this section the Administrator shall implement research strategies and mechanisms that will enhance the involvement of minority health services researchers, institutions that train minority researchers, and members of minority populations for whom the Agency is attempting to improve the quality and outcomes of care, including—

"(A) centers of excellence that can demonstrate, either individually or through consortia, a combination of multi-disciplinary expertise in outcomes or quality improvement research and a demonstrated capacity to engage minority populations in the planning, conduct and translation of research, with linkages to relevant sites of care;

"(B) provider-based research networks, including health plans, facilities, or delivery system sites of care (especially primary care), that make extensive use of minority health care providers or serve minority patient populations and have the capacity to evaluate and promote quality improvement; and

"(C) other innovative mechanisms or strategies that will facilitate the translation of past research investments into clinical practices that can reasonably be expected to benefit these populations.

"(c) Quality Measurement Development.—

"(1) In general.—To ensure that minority populations benefit from the progress made in the ability of individuals to measure the quality of health care delivery, the Administrator of the Agency for Health Care Policy and Research shall support the development of quality of health care measures that assess the experience of minority populations with health care systems, such as measures that assess the access of minority populations to health care, the cultural competence of the care provided, the quality of the care provided, the outcomes of care, or other aspects of health care practice that the Administrator determines to be important.

"(2) Report.—Not later than 24 months after the date of enactment of this section, the Secretary, acting through the Administrator, shall prepare and submit to the appropriate committees of Congress a report describing the state-of-the-art of quality measurement for minority populations which will identify critical unmet needs, the current activities of the Department to address those needs, and a description of related activities in the private sector.".

(b) Funding.—Section 926 of the Public Health Service Act (42 U.S.C. 299c-5) is amended by adding at the end the following:

"(f) Minority Health Disparities Research.—For the purpose of carrying out the activities under section 906, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 2000 through 2004.".

TITLE IV—DATA COLLECTION RELATING TO RACE OR ETHNICITY

SEC. 401. STUDY AND REPORT BY NATIONAL ACADEMY OF SCIENCES.

(a) Study.—The Secretary of Health and Human Services shall enter into a contract with the National Academy of Sciences for the conduct of a comprehensive study of the Department of Health and Human Services' data collection systems and practices, and any data collection or reporting systems required under any of the programs or activities of the Department, relating to the collection of data on race or ethnicity, including other Federal data collection systems (such as the Social Security Administration) with which the Department interacts to collect relevant data on race and ethnicity.

(b) Report.—Not later than 1 year after the date of enactment of this Act, the National Academy of Sciences shall prepare and submit to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Commerce of the House of Representatives, a report that—

(1) identifies the data needed to support efforts to evaluate the effects of race and ethnicity on access to and quality of health care and other services and on disparity in health and other social outcomes, the data needed to define appropriate quality of care measures to assess the equivalence of health care outcomes in health care payer systems, and the data needed to enforce existing protections for equal access to health care;

(2) examines the effectiveness of the systems and practices of the Department of Health and Human Services described in subsection (a), including demonstration projects of the Department, and the effectiveness of selected systems and practices of other Federal and State agencies and the private sector, in collecting and analyzing such data;

(3) contains recommendations for ensuring that the Department of Health and Human Services, in administering its entire array of programs and activities, collects, or causes to be collected, accurate and complete information relating to race and ethnicity as may be necessary to monitor access to and quality of health care and to ensure the capability to monitor and enforce civil rights laws; and

(4) includes projections about the costs associated with the implementation of the recommendations described in paragraph (3), and the possible effects of the costs on program operations.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary for fiscal year 2000 to carry out this section.

TITLE V—PUBLIC AWARENESS

SEC. 501. PUBLIC AWARENESS.

(a) PUBLIC AWARENESS CAMPAIGN.—The Secretary of Health and Human Services, acting through the Surgeon General and the Director of the Office for Civil Rights, shall conduct a national media campaign for the purpose of informing the public about racial and ethnic disparities in health care and health outcomes.

(b) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out subsection (a), there are authorized to be appropriated such sums as may be necessary for fiscal year 2000.

STATEMENT OF LOUIS W. SULLIVAN, M.D., PRESIDENT, MOREHOUSE SCHOOL OF MEDICINE ON THE HEALTH CARE FAIRNESS ACT OF 1999, NOVEMBER 5, 1999

Thank you for the opportunity to speak in strong support of the Health Care Fairness Act of 1999, which would elevate the NIH's Office of Research on Minority Health to a National Center for Research on Minority Health and Health Disparities. Senator Kennedy and his colleagues are to be commended for their initiative.

For too many years, this country has witnessed one disturbing report after another detailing the growing disparities in health status between our minority and majority populations. Unfortunately, while these reports continue, not enough has been done to change this shocking and unacceptable dynamic.

Infant mortality is nearly twice the rate for minorities as it is for non-minorities.

African-Americans, Hispanics, and Native Americans disproportionately suffer a variety of health care disparities including cancer, diabetes, heart disease and stroke.

The HIV virus and AIDS cases result in disproportionate suffering in minority populations. While minorities in the United States represent about 28% of the population, minorities account for 54% of all AIDS cases.

The above mentioned are only a few of the health care challenges faced by minorities and disadvantaged populations.

If we as a nation are to solve these complex problems, we must take an aggressive approach on all fronts. At the core of improving the health status for all Americans is a strong biomedical research effort to understand the factors which contribute to health problems.

During the time I was HHS Secretary, I was very pleased to work with the Congress, particularly Congressman Louis Stokes (D-OH) to establish the existing Office for Research on Minority Health at NIH. Notwithstanding the success of this office in highlighting and addressing health disparities, and in supporting research focused on improving minority health, the magnitude of the problem of health status disparities warrants an even more aggressive effort.

At the beginning of this year, we were very pleased to begin working with Congressman Jesse Jackson, Jr. (D-IL), Charlie Norwood (R-GA), J.C. Watts (R-OK), and Congresswoman Donna Christensen (D-VI) to introduce H.R. 2391, the National Center for Domestic Health Disparities Act of 1999. The bipartisan Jackson bill, and the legislation that is being introduced today, would elevate the existing NIH Office of Research on Minority Health to a National Center for Research on Minority Health and Health Disparities, and provide the National Center with four new major mechanisms, which the existing office does not have. They are:

(1) The Director of the Center will participate with other Institute and Center Directors to determine research policy and initiatives at NIH.

(2) The Center will serve as the catalyst for forward-thinking, strategic planning for the entire NIH, in order to bring all of NIH's considerable resources to bear, to close the health status gap.

(3) The bill empowers the Center Director to make peer-reviewed grants in areas of promising research which are not being addressed by the existing centers and institutes at NIH.

(4) There will be a new program of support for research excellence at those academic health centers which have demonstrated a historic commitment to studying and addressing diseases which disproportionately affect minority Americans. As a result of this legislation, minority investigations and institutions like Morehouse School of Medicine, of which I am President, Meharry Medical College, and others will have access to the types of resources necessary to build and enhance research infrastructure, and seek to compete on a level playing field with other prominent institutions.

I am grateful that both of the comprehensive bills which are being introduced today in the Senate and the House embody these four principles, and I am particularly pleased that both bills enjoy strong bipartisan support.

Today, I am urging members of Congress in both chambers, and from both sides of the aisle to support and cosponsor these important bills. We need to act as quickly as possible to reverse the persistent health status gap, which affects some 28% of our citizens.

ASSOCIATION OF MINORITY
HEALTH PROFESSIONS SCHOOLS,
Washington, DC, November 3, 1999.

Hon. EDWARD M. KENNEDY,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR KENNEDY: Thank you for introducing the Health Care Fairness Act of 1999. This important legislation would, among other things, elevate the existing Office of Research on Minority Health at the National Institutes of Health (NIH) to a National Center for Research on Minority Health.

The National Center would be better able to respond to the health status disparity crisis facing minority Americans and medically underserved populations through the establishment of the following provisions:

The Director of the new Center would actively participate with Institute and Center Directors in planning major NIH initiatives.

This includes discussing how NIH's considerable resources can be used to effectively address health status disparities.

The Center Director would be able to make peer-reviewed grants in areas of promising research not currently being addressed by the NIH institutes and centers.

The Center would establish a Centers of Excellence program to support those academic health centers which have a historic commitment to studying diseases which disproportionately affect minority and disadvantaged populations.

On behalf of the Association of Minority Health Professions Schools, I extend our enthusiastic support for this important legislation. Please advise me as to how we can work with you and other members of the Senate to pass this important legislation.

Thank you again for your leadership in this area.

Sincerely,

RONNY B. LANCASTER,
President.

NATIONAL MEDICAL ASSOCIATION,
Washington, DC, November 4, 1999.

Hon. EDWARD KENNEDY,
Ranking Minority, Senate Committee on Health, Education, Labor and Pensions, Hart Senate Office Building, Washington, DC.

DEAR SENATOR KENNEDY: The National Medical Association (NMA) is pleased to support the "Health Care Fairness Act of 1999." While the nation has experienced tremendous advances in biomedical research, the benefits of these advances have not fully transferred to the African American and other minority communities, which are unduly plagued with disproportionate rates of death and disease. As the changing demographics of the United States yield growing racial and ethnic minority populations, it is absolutely essential that the nation become more proactive in addressing the critical health and biomedical research needs of communities of color.

Critical provisions of the "Health Care Fairness Act of 1999" include:

The establishment of the Center for Research on Minority Health and Health Disparities at the National Institutes of Health (NIH);

The provision of funds for peer-reviewed minority health-focused research grants, at the Institutes and Centers of the NIH;

The requirement to establish a comprehensive plan and budget for the conduct and support of all minority research activities of the NIH agencies; and

The establishment of a grant program to support the development of culturally competent curricula in health care education.

The NMA supports the "Health Care Fairness Act of 1999" and believes that this legislation will create important opportunities for the nation to make concrete advances in it's effort to close the health disparity gap.

Sincerely,

WALTER W. SHERVINGTON,
President.

ASSOCIATION OF
BLACK CARDIOLOGISTS, INC.,
Atlanta, GA, November 4, 1999.

Hon. EDWARD M. KENNEDY,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR HONORABLE SENATOR KENNEDY: The Association of Black Cardiologists, Inc. (ABC) would like to offer its full support of The Health Care Fairness Act of 1999. Its premise and objectives serve to meet the creativity and foresight needed to eliminate the disparity in health care and the mortality rate among African Americans versus White Americans. We wholeheartedly endorse the efforts of this bill to improve minority health, minority health research, data collection relating to race or ethnicity, and the promotion of medical education.

A robust economy and years of government pressure have helped move minority groups closer to the mainstream, but when it comes to health, studies show a stubborn, daunting and in some respects continuous disparity between Black and White Americans. For decades, Blacks have suffered higher death rates from nearly all-major causes including asthma, diabetes, cancer, major infectious diseases and cardiovascular diseases. The ABC recognizes that cardiovascular diseases, the leading cause of deaths in the United States, affect every family. CVD is the major cause of death for the African American population. Contrary to popular belief, the number one killer in the African American community is not violence, cancer, or AIDS. Blacks are more likely to die from cardiovascular disease than from any other disease. We can reduce the cost of health care, improve patient adherence to prescribed drug regimens, and improve the cultural competence of medical professionals with the passing of this bill.

The ABC mission states: "We believe that good health is the cornerstone of progress for our people. We are firm in our resolve to make exemplary health care accessible and affordable to all in need, dedicated to lowering the high rate of cardiovascular diseases in minority populations and committed to advocacy and diversity. We are guided by high ethics in all our transactions and strive for excellence in our training and skills."

Our mission throughout our organization is to assure that 'African American Children know their Grandparents'. Typically, African American men, with a life expectancy of less than 65 years, die without the joy of nurturing and guiding their grandchildren as only grandparents can.

What we know from our past efforts to address this issue is that it takes a focus effort to increase awareness, to educate, and to eliminate the disparities in health care. We are pleased that this bill will take this direction. Little progress will be made without a strong partnership among medical, public health and community organizations, and government. Please let us know what else we can do to aid in this effort. We applaud your commitment and stand ready to work actively with you to accomplish these objectives.

Sincerely,

B. WAINE KONG,
Chief Executive Officer.

BOSTON UNIVERSITY
SCHOOL OF MANAGEMENT,
Boston, MA, October 14, 1999.

Senator EDWARD M. KENNEDY,
Russell Senate Building,
U.S. Senate, Washington, DC.

DEAR SENATOR KENNEDY: I am writing to register my strong and enthusiastic support for the Comprehensive Minority Health Bill, that is currently under consideration by the United States Senate. Considerable research has documented the great disparities in minority health status and health outcomes nationally. Racial and ethnic minorities are known to suffer disproportionately high mortality and morbidity rates, impaired access to health care, and lower quality health care services. This bill includes a host of provisions that would contribute importantly to the correction of this imbalance. The Bill's proposals; to establish a NIH "Center for Health Disparities Research;" to provide grants to support programs of excellence in biomedical research education for underrepresented minorities; to direct AHCPR to study the causes of health disparities; to expand DHHS collection/reporting of race/ethnicity data; to improve the quality/outcomes of health care services to minority populations; and to develop graduate/continuing medical education curricula devoted to the reduction of disparity in health care and health outcomes, all represent strong actions intended to address the continuing health imbalance for racial/ethnic minorities.

I write as an academic researcher and educator, and as the national director of the Robert Wood Johnson Foundation's Scholarships in Health Policy Research Program, an initiative that supports fellowships for talented young social scientists who are interested in conducting research on critical health and health policy issues facing the United States, including racial/ethnic disparities in health status and health outcomes. I write also as a citizen who is concerned with the needless loss of human potential and quality of life resulting from the continuing health disparities in our society. I call upon you and your colleagues in the U.S. Senate to support this Bill in all of its elements.

Respectfully submitted,

ALAN B. COHEN,
Professor of Health Policy and Management; Director, Health Care Management; Director, RWJF Scholars in Health Policy Research Program.

UCLA,
Los Angeles, CA, October 13, 1999.

Senator EDWARD M. KENNEDY,
Russell Senate Building,
U.S. Senate, Washington, DC.

DEAR SENATOR KENNEDY: I write to register my strong and enthusiastic support for the Comprehensive Minority Health Bill currently under consideration by the United States Senate. Considerable research has documented the great disparities in minority health status and health outcomes nationally. Race and ethnic minorities are known to suffer disproportionate mortality and morbidity rates and lower quality health care services. This bill includes a host of provisions that will contribute to the correction of this imbalance. The Bill's proposals: to establish a NIH "Center for Health Disparities Research"; to provide grants to support programs of excellence in biomedical research education for underrepresented minorities; to direct AHCPR to study the causes of health disparities; to expand HHS collection/reporting of race/ethnicity data and to improve the quality/outcomes of health care services to minority populations and to develop graduate/continuing medical education curricula devoted to the reduction of disparity in health care and health outcomes represent strong actions intended to address the continuing health imbalance for racial/ethnic minorities.

I write as an academic researcher and citizen who is concerned with the needless loss of human potential and quality of life resulting from the continuing health disparities in our society. I call upon you and your colleagues in the U.S. Senate to support this Bill in all of its elements.

Respectfully submitted,

WALTER R. ALLEN,
Professor of Sociology.

Attention: Ms. Stephanie Robinson

OCTOBER 13, 1999.

Senator KENNEDY,
Dirksen Senate Building,
Washington, DC.

DEAR SENATOR KENNEDY: I have read with interest your proposed changes and budget recommendations for the Office of Minority Health "Improving Minority Health Through NIH. As a scholar who does work and collaborations in the field of minority health, and the Chair of a Sociology and Anthropology Department with 62 young scholars in our Graduate Programs, many of whom care about these issues, we are collectively pleased to see this bill brought forward.

Support for intervention and prevention research (of significance) in our community is too long over overdue. I have held grants from the National Cancer Institute and the National Science Foundation and I know first hand about the obstacles of under funding and a focus that is primarily on advocacy and community based "feel good" projects rather than solid research. Research that could possibly bring about some parity in health and health care for people of color in our society. We in our Medical Sociology Program and colleagues who work in the many disciplines connected to health and qualify of life issues applaud you and bring our support by way of many letters like this one. Thank you.

Joy,

FLORENCE B. BONNER,
Chair.

By Mr. DODD:

S. 1881. A bill to amend chapter 84 of title 5, United States Code, to make certain temporary Federal service creditable for retirement purposes; to the Committee on Governmental Affairs.

THE FERS BUYBACK ACT OF 1999

Mr. DODD. Mr. President, today I am introducing the FERS Buyback Act of 1999, legislation that offers retirement security to many federal employees. Companion legislation has already been introduced in the House. Specifically, this legislation would help employees throughout the country hired as temporary workers in the 1980s that continued to work for the federal government into the 1990s.

Hundreds of current and former term employees in federal service find themselves ineligible to receive retirement benefits because of their inability to receive credit for post-1988 service as temporary federal workers.

This legislation would close a loophole in the federal pension system that has adversely impacted many federal workers through no fault of their own. It would change current law to allow individuals who have become eligible for the Federal Employee Retirement System (FERS) the option to receive credit for their past service as temporary employees and pay into the retirement fund for the prior years they worked as temporary employees. Because the legislation would merely allow qualified workers to buy into the retirement system, the government would not incur costs that it would not have incurred had the law treated them as permanent employees.

During the 1980s, the Federal Deposit Insurance Corporation (FDIC) hired thousands of employees under temporary status in response to the savings and loan crisis. Despite their temporary designation, many served in excess of five years with the federal government because of the FDIC's annual renewal of their one-year contracts. Unfortunately, these loyal employees did not enjoy the retirement benefits accorded their colleagues serving the same length of service under permanent status. To their credit, the FDIC did try to rectify the problem several years ago by granting many of their former temporary employees term appointments. Such appointments are for more than one year and allowed employees to be eligible for FERS.

The original FERS Act allowed for employees to make payments or buy back certain years of service prior to 1989 for which deductions were not taken. Therefore, the bill unintentionally denied many federal employees credit for time served after January 1, 1989.

I invite you to join me in correcting this inequity and ask that you cosponsor this fair and straightforward legislation.

By Mrs. HUTCHISON (for herself and Mr. STEVENS):

S. 1882. A bill to expand child support enforcement through means other than programs financed at Federal expense; to the Committee on Finance.

CHILD SUPPORT ENFORCEMENT OPTIONS ACT OF 1999

Mrs. HUTCHISON. Mr. President, I rise today to introduce, along with my colleague, Senator STEVENS, the Child Support Enforcement Options Act of 1999. This bill will give parents the tools and options they need to made sure their children have the resources they need to get a good start in life.

This bill will provide local public agencies and private attorneys access to certain child support enforcement procedures and information not currently available to them. To obtain this access, however, a local public agency or private attorney would first have to obtain a certificate of registration from the Secretary of the Federal Department of Health and Human Services and agree to certain federal requirements and procedures in using the enforcement tools.

Mr. President, in recent years Congress created a number of new information gathering and child support enforcement tools to enable some child support enforcement agencies to better enforce support awards. Unfortunately, these new tools are not available to hundreds of governmental and a growing number of private collection entities which many parents must use or choose to use. These so-called "non IV–D" entities have limited or no access to some new and effective federal collection tools. This legislation will extend these tools to so-called "non IV–D" entities that are properly approved and monitored by the Department of Health and Human Services.

Specifically, the bill will allow non-IV–D government agencies and private collection firms to be able to submit cases for the interception of Federal and State tax refunds for the collection of unpaid child support, in accordance with Federal and State statutory guidelines; to seek passport sanctions against delinquent parents; to report unpaid child support to credit bureaus; and to obtain current location and asset information on parents who owe child support. In addition, the bill provides that unemployment compensation benefits would be subject to income withholding for child support obligations in all child support cases, not just those enforced by a IV–D agency, as current law allows.

Mr. President, my bill will cost the Federal Government minimal or no additional funds. Nor will it impose any significant obligation on state or local child support agencies, since all government agencies would be allowed under the bill to charge necessary fees to non-IV–D agencies with which they share this information.

What this bill will do is take a significant step toward collecting on the estimated $57 billion in overdue child support owed in this country. Many states and local child support agencies are simply overwhelmed and unable to effectively and timely enforce the tens of millions of child support awards in this country. Far from undermining their role in this process, the Child Support Enforcement Options Act will help them accomplish the mutual goal of making sure that child support is collected and delivered to where it is needed the most—to the children to whom it is owed.

Particularly for families on welfare or other public assistance, child support is often critical to make ends meet. It helps put food on the table, clothes in the closet, and gas in the car. When a non-custodial parent reneges on his or her obligation to provide that support, it is incumbent upon the government to help enforce that award, through whatever means are available to the struggling custodial parent. In my opinion, any other consideration is secondary, and I am hopeful and confident that my colleagues in the Senate will agree and will work to pass this important legislation.

By Mr. BINGAMAN:

S. 1883. A bill to amend title 5, United States Code, to eliminate an inequity on the applicability of early retirement eligibility requirements to military reserve technicians; to the Committee on Governmental Affairs.

THE DUAL STATUS NATIONAL GUARD TECHNICIANS RETIREMENT EQUITY ACT

Mr. BINGAMAN. Mr. President, I rise today to introduce a bill that seeks to remove an inequity in retirement pay benefits for critical personnel in our National Guard and Reserve units who are Dual Status Technicians. They are called "Dual Status", Mr. President, because they serve both as military and civilian personnel. There are about 40,000 Dual Status Technicians covered by retirement requirements and restrictions contained in Title 32 of the United States Code. These men and women are the backbone of the National Guard and Reserve structure. They are the mechanics, pilots, engineers, equipment operators, supply and support technicians who keep things running so that the Guard is able to respond to natural disasters and national emergencies, as well as serve on active duty in accordance with the "total force concept" that integrates active and reserve forces in the military. These hardworking men and women are often the first called to duty in an emergency.

As essential as Dual Status Technicians are, they suffer from the worst of two employment worlds. These technicians are by statute both military and civilian employees. Guard technicians must maintain their military job and grade in order to keep their technician status and remain a federal employee. In the event of separation from military service, however, they are denied the retirement benefits of those who serve in the same grade in the active military. Frequently, Dual Status Technicians who are separated from the military must wait years to qualify for their Federal Service retirement benefits.

The bill I am introducing in the Senate today is a companion bill already introduced on the House side by Representative ABERCROMBIE. It seeks to eliminate retirement inequities—a problem we just addressed head on in the Armed Services Committee when we included a provision in this year's Defense Authorization Bill the eliminate retirement inequities between active duty personnel who retired before or after 1986. We voted this year to effectively eliminate the "Redux" retirement benefit program because of the lower benefits it offered to personnel who retired after 1986. The action I am proposing in this legislation is somewhat similar.

This bill will permit Dual Status Technicians to retire at any age with 25 years of service or at 50 with 20 years of service. Those benefits are similar to benefits provided to Federal police and fire employees. They're similar to federal employees who retire from the Congress.

I am pleased to see, Mr. President, that this year's Defense Authorization bill took a step to provide equitable benefits to Dual Status Technicians, but in doing so, it crated an inequity within the Technician community itself. A provision in the bill provides for early retirement after 25 years at any age, or at age 50 with 20 years of service—but only for those employed as Dual Status Technicians after 1996. Those same benefits are withheld from those employed before 1996. In other words, Mr. President, we created a situation similar to the one the Senate dealt with regarding the "Redux" retirement program in the Defense Authorization bill. The bill I offer today would remove that inequity in the same way the Senate voted to remove the inequity for active duty personnel who retired under the "Redux" program.

Mr. President, the cost of equity is not high. An initial estimate by the Congressional Budget Office estimates that this bill could cost about $54 million over a five year period. That number will vary, of course, depending on the number of Technicians who would choose to take advantage of the change in the law when this bill is enacted. Of course, we're not only paying for equity here, Mr. President. We're paying appropriate, equitable compensation to the men and women who have devoted their careers to service for the nation both at home and abroad—our National Guard and Reserve who serve us all so well.

I urge my colleagues to support this bill and urge my fellow Members to support this effort through cosponsorship.

ADDITIONAL COSPONSORS

S. 311

At the request of Mr. MCCAIN, the names of the Senator from Arkansas (Mr. HUTCHINSON) and the Senator from Montana (Mr. BURNS) were added as cosponsors of S. 311, a bill to authorize the Disabled Veterans' LIFE Memorial Foundation to establish a memorial in the District of Columbia or its environs, and for other purposes.

S. 312

At the request of Mr. MCCAIN, the name of the Senator from Montana (Mr. BURNS) was added as a cosponsor of S. 312, a bill to require certain entities that operate homeless shelters to identify and provide certain counseling to homeless veterans, and for other purposes.

S. 345

At the request of Mr. ALLARD, the name of the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of S. 345, a bill to amend the Animal Welfare Act to remove the limitation that permits interstate movement of live birds, for the purpose of fighting, to States in which animal fighting is lawful.

S. 765

At the request of Ms. COLLINS, the name of the Senator from Iowa (Mr. HARKIN) was added as a cosponsor of S. 765, a bill to ensure the efficient allocation of telephone numbers.

S. 786

At the request of Ms. MIKULSKI, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 786, a bill to amend title II of the Social Security Act to provide that a monthly insurance benefit thereunder shall be paid for the month in which the recipient dies, subject to a reduction of 50 percent if the recipient dies during the first 15 days of such month, and for other purposes.

S. 819

At the request of Mr. GRAHAM, the name of the Senator from Georgia (Mr. CLELAND) was added as a cosponsor of S. 819, a bill to provide funding for the National Park System from outer Continental Shelf revenues.

S. 955

At the request of Mr. WARNER, the name of the Senator from Mississippi (Mr. LOTT) was added as a cosponsor of S. 955, a bill to allow the National Park Service to acquire certain land for addition to the Wilderness Battlefield in Virginia, as previously authorized by law, by purchase or exchange as well as by donation.

S. 1016

At the request of Mr. DEWINE, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. 1016, a bill to provide collective bargaining for rights for public safety officers employed by States or their political subdivisions.

S. 1020

At the request of Mr. GRASSLEY, the names of the Senator from Missouri (Mr. ASHCROFT) and the Senator from Idaho (Mr. CRAPO) were added as cosponsors of S. 1020, a bill to amend chapter 1 of title 9, United States Code, to provide for greater fairness in the arbitration process relating to motor vehicle franchise contracts.

S. 1075

At the request of Mrs. BOXER, the name of the Senator from Oregon (Mr. WYDEN) was added as a cosponsor of S. 1075, a bill to promote research to identify and evaluate the health effects of silicone breast implants, and to insure that women and their doctors receive accurate information about such implants.

S. 1242

At the request of Mr. AKAKA, the names of the Senator from Vermont (Mr. LEAHY) and the Senator from Vermont (Mr. JEFFORDS) were added as cosponsors of S. 1242, a bill to amend the Immigration and Nationality Act to make permanent the visa waiver program for certain visitors to the United States.

S. 1263

At the request of Mr. JEFFORDS, the name of the Senator from North Carolina (Mr. EDWARDS) was added as a cosponsor of S. 1263, a bill to amend the Balanced Budget Act of 1997 to limit the reductions in medicare payments under the prospective payment system for hospital outpatient department services.

S. 1327

At the request of Mr. CHAFEE, the names of the Senator from Washington (Mr. GORTON) and the Senator from Washington (Mrs. MURRAY) were added as cosponsors of S. 1327, a bill to amend part E of title IV of the Social Security Act to provide States with more funding and greater flexibility in carrying out programs designed to help children make the transition from foster care to self-sufficiency, and for other purposes.

S. 1332

At the request of Mr. BAYH, the names of the Senator from Virginia (Mr. ROBB) and the Senator from California (Mrs. FEINSTEIN) were added as cosponsors of S. 1332, a bill to authorize the President to award a gold medal on behalf of Congress to Father Theodore M. Hesburg, in recognition of his outstanding and enduring contributions to civil rights, higher education, the Catholic Church, the Nation, and the global community.

S. 1384

At the request of Mr. ABRAHAM, the name of the Senator from West Virginia (Mr. ROCKEFELLER) was added as a cosponsor of S. 1384, a bill to amend the Public Health Service Act to provide for a national folic acid education program to prevent birth defects, and for other purposes.

S. 1419

At the request of Mr. MCCAIN, the names of the Senator from Hawaii (Mr. INOUYE), the Senator from Missouri (Mr. ASHCROFT), the Senator from Florida (Mr. MACK), the Senator from Minnesota (Mr. GRAMS), the Senator from Idaho (Mr. CRAIG), and the Senator from North Dakota (Mr. DORGAN) were added as cosponsors of S. 1419, a bill to amend title 36, United States Code, to designate May as "National Military Appreciation Month."

S. 1457

At the request of Mr. WYDEN, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 1457, a bill to amend the Energy Policy Act of 1992 to assess opportunities to increase carbon storage on national forests derived from the public domain and to facilitate voluntary and accurate reporting of forest projects that reduce atmospheric carbon dioxide concentrations, and for other purposes.

S. 1498

At the request of Mr. BURNS, the names of the Senator from Montana (Mr. BAUCUS), the Senator from New Mexico (Mr. BINGAMAN), the Senator from Idaho (Mr. CRAPO), and the Senator from California (Mrs. BOXER) were added as cosponsors of S. 1498, a bill to amend chapter 55 of title 5, United States Code, to authorize equal overtime pay provisions for all Federal employees engaged in wildland fire suppression operations.

S. 1516

At the request of Mr. THOMPSON, the name of the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 1516, a bill to amend title III of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11331 et seq.) to reauthorize the Federal Emergency Management Food and Shelter Program, and for other purposes.

S. 1558

At the request of Mr. BAUCUS, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S. 1558, a bill to amend the Internal Revenue Code of 1986 to provide a tax credit for holders of Community Open Space bonds the proceeds of which are used for qualified environmental infrastructure projects, and for other purposes.

S. 1580

At the request of Mr. ROBERTS, the names of the Senator from Virginia (Mr. ROBB) and the Senator from New Mexico (Mr. BINGAMAN) were added as cosponsors of S. 1580, a bill to amend the Federal Crop Insurance Act to assist agricultural producers in managing risk, and for other purposes.

S. 1590

At the request of Mr. CRAPO, the names of the Senator from New York (Mr. MOYNIHAN), the Senator from New York (Mr. SCHUMER), the Senator from Rhode Island (Mr. REED), the Senator from Michigan (Mr. LEVIN), and the Senator from New Jersey (Mr. TORRICELLI) were added as cosponsors of S. 1590, a bill to amend title 49, United States Code, to modify the authority of the Surface Transportation Board, and for other purposes.

S. 1680

At the request of Mr. ASHCROFT, the name of the Senator from New Hampshire (Mr. SMITH) was added as a cosponsor of S. 1680, a bill to provide for the improvement of the processing of claims for veterans compensation and pensions, and for other purposes.

S. 1707

At the request of Mr. THOMPSON, the names of the Senator from Connecticut (Mr. LIEBERMAN) and the Senator from Georgia (Mr. CLELAND) were added as cosponsors of S. 1707, a bill to amend the Inspector General Act of 1978 (5 U.S.C. App.) to provide that certain designated Federal entities shall be establishments under such Act, and for other purposes.

S. 1723

At the request of Mr. WYDEN, the name of the Senator from Washington (Mr. GORTON) was added as a cosponsor of S. 1723, a bill to establish a program to authorize the Secretary of the Interior to plan, design, and construct facilities to mitigate impacts associated with irrigation system water diversions by local governmental entities in the Pacific Ocean drainage of the States of Oregon, Washington, Montana, and Idaho.

S. 1733

At the request of Mr. FITZGERALD, the names of the Senator from Wisconsin (Mr. KOHL), the Senator from Idaho (Mr. CRAPO), and the Senator from Nebraska (Mr. KERREY) were added as cosponsors of S. 1733, a bill to amend the Food Stamp Act of 1977 to provide for a national standard of interoperability and portability applicable to electronic food stamp benefit transactions.

S. 1795

At the request of Mr. CRAPO, the name of the Senator from Wyoming (Mr. THOMAS) was added as a cosponsor of S. 1795, a bill to require that before issuing an order, the President shall cite the authority for the order, conduct a cost benefit analysis, provide for public comment, and for other purposes.

S. 1825

At the request of Mr. ROCKEFELLER, the name of the Senator from Nevada (Mr. REID) was added as a cosponsor of S. 1825, a bill to empower telephone consumers, and for other purposes.

S. 1867

At the request of Mr. ROBB, the names of the Senator from Washington (Mrs. MURRAY), the Senator from Michigan (Mr. LEVIN), and the Senator from Vermont (Mr. LEAHY) were added as cosponsors of S. 1867, a bill to amend the Internal Revenue Code of 1986 to provide a tax reduction for small businesses, and for other purposes.

S. 1873

At the request of Mr. SESSIONS, the name of the Senator from Colorado (Mr. ALLARD) was added as a cosponsor of S. 1873, a bill to delay the effective date of the final rule regarding the Organ Procurement and Transplantation Network.

SENATE RESOLUTION 118

At the request of Mr. REID, the name of the Senator from Illinois (Mr. FITZGERALD) was added as a cosponsor of Senate Resolution 118, a resolution designating December 12, 1999, as "National Children's Memorial Day."

SENATE RESOLUTION 128

At the request of Mr. COCHRAN, the name of the Senator from Nebraska (Mr. KERREY) was added as a cosponsor of Senate Resolution 128, a resolution designating March 2000, as "Arts Education Month."

SENATE RESOLUTION 196

At the request of Mr. WARNER, the names of the Senator from New Hampshire (Mr. GREGG), the Senator from Arkansas (Mr. HUTCHINSON), the Senator from Rhode Island (Mr. REED), the Senator from Georgia (Mr. CLELAND), the Senator from Utah (Mr. HATCH), and the Senator from New Jersey (Mr. TORRICELLI) were added as cosponsors of Senate Resolution 196, a resolution commending the submarine force of the United States Navy on the 100th anniversary of the force.

SENATE RESOLUTION 217

At the request of Mr. HUTCHINSON, the name of the Senator from Oklahoma (Mr. NICKLES) was added as a cosponsor of Senate Resolution 217, a resolution relating to the freedom of belief, expression, and association in the People's Republic of China.

AMENDMENT NO. 1730

At the request of Mr. HARKIN his name was added as a cosponsor of amendment No. 1730 proposed to S. 625, a bill to amend title 11, United States Code, and for other purposes.

AMENDMENT NO. 2545

At the request of Mr. COVERDELL the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of amendment No. 2545 intended to be proposed to S. 625, a bill to amend title 11, United States Code, and for other purposes.

SENATE CONCURRENT RESOLUTION 71—EXPRESSING THE SENSE OF CONGRESS THAT MIAMI, FLORIDA, AND NOT A COMPETING FOREIGN CITY, SHOULD SERVE AS THE PERMANENT LOCATION FOR THE SECRETARIAT OF THE FREE TRADE AREA OF THE AMERICAS (FTAA) BEGINNING IN 2005

Mr. GRAHAM (for himself and Mr. MACK) submitted the following concurrent resolution; which was referred to the Committee on Finance:

S. CON. RES. 71

Whereas deliberations on establishing a "Free Trade Area of the Americas" (FTAA) will help facilitate greater cooperation and understanding on trade barrier reduction throughout the Americas;

Whereas the trade ministers of 34 countries of the Western Hemisphere agreed in 1998 to create a permanent Secretariat in order to support negotiations on establishing the FTAA;

Whereas the FTAA Secretariat will employ persons to provide logistical, administrative, archival, translation, publication, and distribution support for the negotiations;

Whereas the FTAA Secretariat will be funded by a combination of local resources and institutional resources from a tripartite committee consisting of the Inter-American Development Bank (IDB), the Organization of American States (OAS), and the United Nations Economic Commission on Latin America and the Caribbean (ECLAC);

Whereas the temporary site of the FTAA Secretariat will be located in Miami, Florida, from 1999 until February 28, 2001, at which point the Secretariat will rotate to Panama City, Panama, until February 28, 2003, and then rotate to Mexico City, Mexico, until February 28, 2005;

Whereas by 2005 the FTAA Secretariat will have international institution status providing jobs and tremendous economic benefits to its host city;

Whereas a permanent site for the FTAA Secretariat after 2005 will likely be selected from among the 3 temporary host cities;

Whereas the city of Miami, Miami-Dade County, and the State of Florida have long served as the gateway for trade with the Caribbean and Latin America;

Whereas trade between the city of Miami, Florida, and the countries of Latin America and the Caribbean totaled $36,793,000,000 in 1998;

Whereas the Miami-Dade area and the State of Florida possess the necessary infrastructure, local resources, and culture necessary for the FTAA Secretariat's permanent site;

Whereas the United States possesses the world's largest economy and is the leading proponent of trade liberalization throughout the world; and

Whereas the city of Miami, Florida, the State of Florida, and the United States are uniquely situated among other competing locations to host the "Brussels of the Western Hemisphere: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the President should direct the United States representative to the "Free Trade Area of the Americas" (FTAA) negotiations to use all available means in order to secure Miami, Florida, as the permanent site of the FTAA Secretariat after February 28, 2005.

SENATE RESOLUTION 223—CONDEMNING THE VIOLENCE IN CHECHYNA

Mr. HELMS (for himself, Mr. BIDEN, Mr. WELLSTONE, and Mr. LUGAR) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 223

Whereas, since September 1999, the Russian Federation has conducted a military operation against Chechnya that has resulted in the deaths of thousands of innocent civilians and the displacement of more than 200,000 people;

Whereas the Russian armed forces is launching repeated bombing attacks on the capital city of Grozny;

Whereas the recent conflict in Chechnya represents a continuation of the use of military force by Russia in 1994–1996, which caused the deaths of approximately 100,000 citizens of Russia;

Whereas neither the use of force in 1994–1996, nor the current use of force in Chechnya enhances the prospects for a peaceful resolution of the status of Chechnya;

Whereas the United States condemns terrorism in all forms, including the bombing attacks of apartment buildings in Moscow and Volgodonsk in the summer of 1999;

Whereas the appropriate manner to combat terrorist attacks is not through the use of indiscriminate force against civilians;

Whereas on November 4, 1999, Elena Bonner, Chairman of the Andrei Sakharov Foundation, testified before the Committee on Foreign Relations of the Senate that "carpet bombing and shelling of cities, villages, and refugee convoys attempting to escape the war zone constitute a grave violation of the Geneva Convention Relative to the Protection of Civilian Persons in Time of War and the Additional Protocols and demonstrate the Russian government's complete disregard for these extremely important international agreements";

Whereas the United States believes that the recent targeting of ethnic minorities by local Russian officials, including blanket detentions and expulsions, calls into question the commitment of the Government of Russia to pluralism in the process of democratic reform in that country;

Whereas the Government of Russia has limited media access to and coverage of the conflict in Chechnya to preserve Russian popular support for the military operation;

Whereas the Government of Russia has openly violated its commitments under the Flank Document to the Treaty on Conventional Armed Forces in Europe with its deployments of military equipment in and around Chechnya; and

Whereas the conduct of the Russian armed forces in Chechnya threatens to destabilize the southern part of the Russian Federation as well as the region of the Caucasus as a whole : Now, therefore, be it

Resolved, That the Senate—

(1) condemns the use of indiscriminate force by the Russian armed forces against civilians in Chechnya;

(2) urges the Russian Federation—

(A) to assist those persons who have been displaced from Chechnya as a result of the conflict; and

(B) to allow representatives of the international community access to the internally displaced persons for humanitarian relief; and

(3) calls upon Russian President Boris Yeltsin and Prime Minister Vladimir Putin to devote every effort, including the use of third-party mediation, to the peaceful resolution of the conflict in Chechnya.

SENATE RESOLUTION 224—EXPRESSING THE SENSE OF THE SENATE TO DESIGNATE NOVEMBER 11, 1999, AS A SPECIAL DAY FOR RECOGNIZING THE MEMBERS OF THE ARMED FORCES AND THE CIVILIAN EMPLOYEES OF THE UNITED STATES WHO PARTICIPATED IN THE RECENT CONFLICT IN KOSOVO AND THE BALKANS

Mr. CLELAND submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 224

Whereas approximately 39,000 members of the Armed Forces and civilian employees of the United States were deployed at the peak of the 1999 conflict in Kosovo;

Whereas approximately 700 United States aircraft were deployed and committed to combat missions during that conflict;

Whereas approximately 37,000 combat sorties were flown by aircraft of the North Atlantic Treaty Organization (NATO) during that conflict;

Whereas approximately 25,000 combat sorties were flown by United States aircraft during that conflict;

Whereas more than 5,000 weapons strike missions were completed during that conflict;

Whereas that conflict was the largest combat operation in the history of the North Atlantic Treaty Organization;

Whereas the United States and the North Atlantic Treaty Organization achieved all the military objectives of that conflict;

Whereas there were no United States or North Atlantic Treaty Organization combat fatalities during that conflict; and

Whereas that conflict was the most precise air assault in history: Now, therefore, be it

Resolved, That it is the Sense of the Senate—

(1) to designate November 11, 1999, as a special day for recognizing and welcoming home the members of the Armed Forces (including active component and reserve component personnel), and the civilian personnel of the United States, who participated in the recently-completed operations in Kosovo and the Balkans, including combat operations and humanitarian assistance operations;

(2) to designate November 11, 1999, as a special day for remembering the members of the Armed Forces deployed in Kosovo and throughout the world, and the families of such members;

(3) to make the designations under paragraphs (1) and (2) on November 11, 1999, in light of the traditional celebration and recognition of the veterans of the United States on November 11 each year;

(4) to acknowledge that the members of the Armed Forces who served in Kosovo and the Balkans responded to the call to arms during a time of change in world history;

(5) to recognize that we live in times of international unrest and that the conflict in Kosovo was a dangerous military operation, as all combat operations are; and

(6) to acknowledge that the United States owes a debt of gratitude to the members of the Armed Forces who served in the conflict in Kosovo, to their families, and to all the members of the Armed Forces who place themselves in harm's way each and every day.

SENATE RESOLUTION 225—TO DESIGNATE NOVEMBER 23, 2000, THANKSGIVING DAY, AS A DAY TO "GIVE THANKS, GIVE LIFE" AND TO DISCUSS ORGAN AND TISSUE DONATION WITH OTHER FAMILY MEMBERS

Mr. DURBIN (for himself, Mr. FRIST, Mr. DEWINE, Mr. LEVIN, Mr. KENNEDY, Mr. FEINGOLD, Mr. DORGAN, Mrs. BOXER, Mr. MACK, Mr. DODD, and Mr. THURMOND) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 225

Whereas traditionally, Thanksgiving is a time for families to take time out of their busy lives to come together and to give thanks for the many blessings in their lives;

Whereas approximately 21,000 men, women, and children in the United States are given the gift of life each year through transplantation surgery, made possible by the generosity of organ and tissue donations;

Whereas more than 66,000 Americans are awaiting their chance to prolong their lives by finding a matching donor;

Whereas nearly 5,000 of these patients each year (or 13 patients each day) die while waiting for a donated heart, liver, kidney, or other organ;

Whereas nationwide there are up to 15,000 potential donors annually, but families' consent to donation is received for less than 6,000;

Whereas the need for organ donations greatly exceeds the supply available;

Whereas designation as an organ donor on a driver's license or voter's registration is a valuable step, but does not ensure donation when an occasion arises;

Whereas the demand for transplantation will likely increase in the coming years due to the growing safety of transplantation surgery due to improvements in technology and drug developments, prolonged life expectancy, and increased prevalence of diseases that may lead to organ damage and failure, including hypertension, alcoholism, and hepatitis C infection;

Whereas the need for a more diverse donor pool, including a variety of racial and ethnic minorities, will continue to grow in the coming years;

Whereas the final decision on whether a potential donor can share the gift of life usually is made by surviving family members regardless of the patient's initial intent;

Whereas many Americans have indicated a willingness to donate their organs and tissues but have not discussed this critical matter with the family members who are most likely to make the decision, if the occasion arises, as to whether that person will be an organ and tissue donor;

Whereas some family members may be reluctant to give consent to donate their deceased loved one's organs and tissues at a very difficult and emotional time if that person has not clearly expressed a desire or willingness to do so;

Whereas the vast majority of Americans are likely to spend part of Thanksgiving Day with some of those family members who would be approached to make such a decision; and

Whereas it is fitting for families to spend a portion of that day discussing how they might give life to others on a day devoted to giving thanks for their own blessings: Now, therefore, be it

Resolved, That the Senate designates November 23, 2000, Thanksgiving Day, as a day to "Give Thanks, Give Life" and to discuss organ and tissue donation with other family members so that informed decisions can be made if the occasion to donate arises.

Mr. DURBIN. Mr. President, I am pleased to join with my distinguished colleagues, Senator FRIST, Senator DEWINE, Senator KENNEDY, Senator LEVIN and others in submitting a resolution that would designate November 23, 2000, Thanksgiving Day, as a day for families to discuss organ and tissue donation with other family members. The resolution uses the theme Give Thanks, Give Life to encourage these discussions so that informed decisions can be made if the occasion to donate arises.

Traditionally, Thanksgiving is a time for families to take time out of their busy lives to come together and give thanks for the many blessings in their lives. This presents the perfect opportunity for family members to discuss their intentions on the issue of organ and tissue donation. Although designation as an organ donor on a driver's license or voter's registration is a valuable first step in the donation process, it does not ensure donation will take place since the final decision on whether a potential donor will share the gift of life is always made by surviving family members regardless of their loved one's initial intent.

There are approximately 21,000 men, women, and children in the United States who receive the gift of life each year through transplantation surgery made possible by the generosity of organ and tissue donations. This is only a small proportion of the more than 66,000 Americans who are on the waiting list, hoping for their chance to prolong their lives by finding a matching donor. Tragically, nearly 5,000 of these patients each year (or 13 patients each day) die while waiting for a donated heart, liver, kidney, or other organ.

In order to narrow the gap between the supply and the increasing demand for donated organs, there must be an effort to encourage willing donors to make their desire to donate clear to the only people able to make the decision, if the occasion should arise—their immediate family members. Although there are up to 15,000 potential donors annually, families' consent to donation is received for less than 6,000 donors. As the demand for transplantation increases due to prolonged life expectancy; increased prevalence of diseases that lead to organ damage and failure including hypertension, alcoholism, and hepatitis C infection, this shortfall will become even more pronounced. Additionally, the need for a more diverse donor pool, including a variety of racial and ethnic minorities, will also continue to grow with the predicted population trends.

Many Americans will spend part of the Thanksgiving Day with some of those family members who would be most likely approached to make the important decision of whether or not to donate. Therefore, this would be a good time for families to spend a portion of that day discussing how they might give life to others on a day devoted to giving thanks for their own blessings. Open family discussions on this topic on a day of relaxation and family togetherness will increase awareness of the intentions of those willing to make the courageous and selfless decision to be organ donors, leading to more lifesaving transplants in the future. Designation of November 23, 2000, Thanksgiving Day, as a day for families to Give Thanks, Give Life is an important next step to promoting the dialogue between willing donors and their families, so that family members will know their loved ones' wishes long before the issue arises.

We have received the support of many national organ and tissue donation organizations for this resolution including: the American Heart Association, American Kidney Fund, American Liver Foundation, American Lung Association, American Society of Transplant Surgeons, Association of Organ Procurement Organizations, Coalition on Donation, Eye Bank Association of America, National Kidney Foundation, National Minority Organ and Tissue Transplant Education Program (MOTTEP), Transplant Recipients International Organization (TRIO), United Network for Organ Sharing (UNOS), and the Wendy Marks Foundation for Organ Donor Awareness. The efforts of these groups and others have been critical in increasing donor awareness and education of the public on this extremely important cause.

Mr. President, I urge all of my colleagues to join me in supporting this worthwhile resolution designating Thanksgiving day of 2000 as a day for families to discuss organ and tissue donation with other family members, a day to "Give Thanks, Give Life."

AMENDMENTS SUBMITTED ON NOVEMBER 5, 1999

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION AUTHORIZATION ACT OF 1999

FRIST AMENDMENT NO. 2542

Mr. DOMENICI (for Mr. FRIST) proposed an amendment to the bill (H.R. 1654) to authorize appropriations for the National Aeronautics and Space Administration for fiscal year 2000, 2001, and 2002, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "National Aeronautics and Space Administration Authorization Act for Fiscal Years 2000, 2001, and 20002''.

(b) TABLE OF CONTENTS—

Sec. 1. Short title; table of contents.
Sec. 2. Findings.
Sec. 3. Definitions.

TITLE I—AUTHORIZATION OF APPROPRIATIONS

SUBTITLE A—AUTHORIZATIONS

Sec. 101. International Space Station.
Sec. 102. Launch Vehicle and Payload Operations.
Sec. 103. Science, aeronautics, and technology.
Sec. 104. Mission support.
Sec. 105. Inspector General.
Sec. 106. Experimental Program to Stimulate Competitive Research.

SUBTITLE B—LIMITATIONS AND SPECIAL AUTHORITY

Sec. 111. Use of funds for construction.
Sec. 112. Availability of appropriated amounts.
Sec. 113. Reprogramming for construction of facilities.
Sec. 114. Consideration by committees.
Sec. 115. Use of funds for scientific consultations or extraordinary expenses.

TITLE II—INTERNATIONAL SPACE STATION

Sec. 201. International Space Station contingency plan.
Sec. 202. Cost limitation for the International Space Station.
Sec. 203. Liability cross-waivers for International Space Station-related activities.

TITLE III—MISCELLANEOUS PROVISIONS
Sec. 301. National Aeronautics and Space Act of 1958 amendments.
Sec. 302. Use of existing facilities.
Sec. 303. Authority to reduce or suspend contract payments based on substantial evidence of fraud.
Sec. 304. Notice.
Sec. 305. Sense of Congress on the year 2000 problem.
Sec. 306. Unitary Wind Tunnel Plan Act of 1949 amendments.
Sec. 307. Enhancement of science and mathematics programs.
Sec. 308. Authority to vest title.
Sec. 309. NASA mid-range procurement test program.
Sec. 310. Space advertising.
Sec. 311. Authority to license NASA-developed software.
Sec. 312. Carbon cycle remote sensing technology.
Sec. 313. Indemnification and insurance.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) The National Aeronautics and Space Administration should continue to pursue actions and reforms directed at reducing institutional costs, including management restructuring, facility consolidation, procurement reform, personnel base downsizing, and convergence with other defense and commercial sector systems, while sustaining safety standards for personnel and hardware.

(2) The National Aeronautics and Space Administration should sustain its proud history as the leader of the United States in basic aeronautics and space research.

(3) The United States is on the verge of creating and using new technologies in microsatellites, information processing, and space launches that could radically alter the manner in which the Federal Government approaches its space mission.

(4) The Federal Government should invest in the types of research and innovative technology in which United States commercial providers do not invest, whole avoiding competition with the activities in which United States commercial providers do invest.

(5) International cooperation in space exploration and science activities serves the interest of the United States.

(6) In participating in the National Aeronautical Test Alliance, the National Aeronautics and Space Administration and the Department of Defense should cooperate more effectively in leveraging the mutual capabilities of these agencies to conduct joint aeronautics and space missions that not only improve United States aeronautics and space capabilities, but also reduce the cost of conducting those missions.

SEC. 3. DEFINITIONS.

In this Act:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of the National Aeronautics and Space Administration.

(2) COMMERCIAL PROVIDER.—The term "Commercial provider" means any person providing space transportation services or other space-related activities, the primary control of which is held by persons other than a Federal, State, local, or foreign government.

(3) CRITICAL PATH.—The term "critical path" means the sequence of events of a schedule of events under which a delay in any event causes a delay in the overall schedule.

(4) GRANT AGREEMENT.—The term "grant agreement" has the meaning given that term in section 6302(2) of title 31, United States Code.

(5) INSTITUTION OF HIGHER EDUCATION.—The term "institution of higher education" has the meaning given such term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

(6) MAJOR REORGANIZATION.—With respect to the National Aeronautics and Space Administration, the term "major reorganization" means any reorganization of the Administration that involves the reassignment of more than 25 percent of the employees of the National Aeronautics and Space Administration.

(7) STATE.—The term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any other commonwealth, territory, or possession of the United States.

TITLE I—AUTHORIZATION OF APPROPRIATIONS

SUBTITLE A—AUTHORIZATIONS

SEC. 101. INTERNATIONAL SPACE STATION.

There are authorized to be appropriated to the National Aeronautics and Space Administration for the International Space Station—

(1) $2,282,700,000 for fiscal year 2000;

(2) $2,328,000,000 for fiscal year 2001; and

(3) $2,091,000,000 for fiscal year 2002.

SEC. 102. LAUNCH VEHICLE AND PAYLOAD OPERATIONS.

There are authorized to be appropriated to National Aeronautics and Space Administration for Launch Vehicle and Payload Operations—

(1) for fiscal year 2000—

(A) $2,547,400,000 for space shuttle operations;

(B) $463,800,000 for space shuttle safety and performance upgrades; and

(C) $169,100,000 for payload and utilization operations.

(2) for fiscal year 2001—

(A) $2,623,822,000 for space shuttle operations;

(B) $481,964,000 for space shuttle safety and performance upgrades; and

(C) $174,173,000 for payload and utilization operations.

(3) for fiscal year 2002—

(A) $2,702,537,000 for space shuttle operations;

(B) $505,523,000 for space shuttle safety/performance upgrades; and

(C) $179,398,000 for payload and utilization operations.

SEC. 103. SCIENCE, AERONAUTICS, AND TECHNOLOGY.

There are authorized to be appropriated to the National Aeronautics and Space Administration for Science, Aeronautics, and Technology—

(1) for fiscal year 2000—

(A) $2,196,600,000 for Space Science;

(B) $256,200,000 for life and microgravity sciences and applications, of which $2,000,000 shall be for research and early detection system for breast and ovarian cancer and other women's health issues, and $2,000,000 shall be made available for immediate clinical trials of islet transplantation in patients with Type I diabetes utilizing immunoisolation technologies derived from NASA space flights;

(C) $1,459,100,000 for Earth Science;

(D) $1,156,500,000 for aeronautics and space transportation technology, of which—

(i) $770,000,000 shall be used for aeronautical research and technology, of which at least $60,000,000 shall be used for the Aviation Safety program, and of which $25,000,000 shall be used to augment research and technology relating to reduction in aircraft noise consistent with a noise reduction goal of 10dB by 2007, and of which $50,000,000 shall be used for ultra-efficient engine technology;

(ii) $254,000,000 shall be used for advanced space transportation technology, of which $111,600,000 shall be used only for the X-33 advanced technology demonstration vehicle program; and

(iii) $132,500,000 shall be used for commercial technology,of which some funds may be used for the expansion of the NASA business incubation program which is designed to foster partnerships between educational institutions and small high-technology businesses with preference given to those programs associated with community colleges;

(E) $406,300,000 for mission communications services;

(F) $130,000,000 for academic programs, of which $46,000,000 shall be used for minority university research and education (at institutions such as Hispanic-serving institutions and tribally-controlled community colleges), of which $28,000,000 shall be used for historically black colleges and universities; and

(G) $150,000,000 for future planning (space launch).

(2) for fiscal year 2001—

(A) $2,262,498,000 for Space Science;

(B) $263,886,000 for life and microgravity sciences and applications, and appropriate funding shall be made available for continuing clinical trials of islet transplantation in patients with Type I diabetes utilizing immunoisolation technologies derived from NASA space flights;

(C) $1,502,873,000 for Earth Science;

(D) $1,036,695,000 for aeronautics and space transportation technology, of which $820,000,000 shall be used for aeronautical research and technology, of which—

(i) at least $60,000,000 shall be used for the Aviation Safety program;

(ii) $25,000,000 shall be used to augment research and technology relating to reduction in aircraft noise consistent with a noise reduction goal of 10dB by 2007;

(iii) $75,000,000 shall be used to augment research and technology for engine and airframe efficiency and emissions reduction; and

(iv) $50,000,000 shall be used for ultra-efficient engine technology;

(E) $418,489,000 for mission communications services;

(F) $133,900,000 for academic programs; and

(G) $150,000,000 for future planning (space launch).

(3) for fiscal year 2002—

(A) $2,330,373,000 for Space Science;

(B) $271,803,000 for life and microgravity sciences and applications, and appropriate funding shall be made available for continuing clinical trials of islet transplantation in patients with Type I diabetes utilizing immunoisolation technologies derived from NASA space flights;

(C) $1,547,959,000 for Earth Science;

(D) $1,067,796,000 for aeronautics and space transportation technology, of which $880,000,000 shall be used for aeronautical research and technology, of which—

(i) at least $60,000,000 shall be used for the Aviation Safety program;

(ii) $25,000,000 shall be used to augment research and technology relating to reduction in aircraft noise consistent with a noise reduction goal of 10dB by 2007;

(iii) $75,000,000 shall be used to augment research and technology for engine and airframe efficiency and emissions reduction; and

(iv) $50,000,000 shall be used for ultra-efficient engine technology;

(E) $431,044,000 for mission communications services;

(F) $137,917,000 for academic programs; and

(G) $280,000,000 for future planning (space launch).

SEC. 104. MISSION SUPPORT.

There are authorized to be appropriated to the National Aeronautics and Space Administration for mission support—

(1) for fiscal year 2000—

(A) $43,000,000 for safety, mission assurance, engineering, and advanced concepts;

(B) $89,700,000 for space communication services;

(C) $181,000,000 for construction of facilities, including land acquisition; and

(D) $2,181,200,000 for research and program management, including personnel and related costs, travel, and research operations support.

(2) $2,569,747,000 for fiscal year 2001.

(3) $2,646,839,000 for fiscal year 2002.

SEC. 105. INSPECTOR GENERAL.

There are authorized to be appropriated to the National Aeronautics and Space Administration for Inspector General—

(1) $20,800,000 for fiscal year 2000;

(2) $21,424,000 for fiscal year 2001; and

(3) $22,066,720 for fiscal year 2002.

SEC. 106. EXPERIMENTAL PROGRAM TO STIMULATE COMPETITIVE RESEARCH.

Of the amounts authorized to be appropriated for academic programs under section 103(1)(F), 103(2)(F), and 103(3)(F), respectively, the Administrator shall use, for the program known as the Experimental Program to Stimulate Competitive Research—

(1) $10,000,000 for fiscal year 2000;

(2) $15,000,000 for fiscal year 2001; and

(3) $20,000,000 for fiscal year 2002.

Subtitle B—Limitations and Special Authority

SEC. 111. USE OF FUNDS FOR CONSTRUCTION.

(a) Authorized Uses.—Funds made available by appropriations under section 101, paragraphs (1)(A), (1)(B), (2)(A), (2)(B), (3)(A), and (3)(B) of section 102, section 103, and paragraphs (1)(A), (1)(B), (2)(A), and (2)(B) of section 104 and funds made available by appropriations for research operations support pursuant to section 104 may, at any location in support of the purposes for which such funds are appropriated, be used for—

(1) the construction of new facilities; and

(2) additions to, repair of, rehabilitation of, or modification of existing facilities (in existence on the date on which such funds are made available by appropriation).

(b) Limitation.—

(1) In general.—Until the date specified in paragraph (2), no funds may be expended pursuant to subsection (a) for a project, with respect to which the estimated cost to the National Aeronautics and Space Administration, including collateral equipment, exceeds $1,000,000.

(2) Date.—The date specified in this paragraphs is the date that is 30 days after the Administrator notifies the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science of the House of Representatives of the nature, location, and estimated cost to the National Aeronautics and Space Administration of the project referred to in paragraph (1).

(c) Title to Facilities.—

(1) In general.—If funds are used pursuant to subsection (a) for grants for the purchase or construction of additional research facilities to institutions of higher education, or to nonprofit organizations whose primary purpose is the conduct of scientific research, title to these facilities shall be vested in the United States.

(2) Exception.—If the Administrator determines that the national program of aeronautical and space activities will best be served by vesting title to a facility referred to in paragraph (1) in an institution or organization referred to in that paragraph, the title to that facility shall vest in that institution or organization.

(3) Condition.—Each grant referred to in paragraph (1) shall be made under such conditions as the Administrator determines to be necessary to ensure that the United States will receive benefits from the grant that are adequate to justify the making of the grant.

SEC. 112. AVAILABILITY OF APPROPRIATED AMOUNTS.

To the extent provided in appropriations Acts, appropriations authorized under subtitle A may remain available without fiscal year limitation.

SEC. 113. REPROGRAMMING FOR CONSTRUCTION OF FACILITIES.

(a) Use of Construction Funds.—Subject to subsection (b), in addition to the amounts authorized for construction of facilities under section 101(4) or section 103(3), the Administrator may, for that purpose, from funds otherwise available to the Administrator—

(1) use an additional amount equal to 10 percent of the amount specified; or

(2) to meet unusual cost variations, use an additional amount equal to 25 percent of that amount, after the termination of a 30-day period beginning on the date on which the Administrator submits a report on the circumstances of such action by the Administrator to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science of the House of Representatives.

(b) Limitation.—The aggregate amount authorized to be appropriated for construction of facilities under section 101(4) and section 103(3) shall not be increased as a result of any action taken by the Administrator under paragraph (1) or (2).

SEC. 114. CONSIDERATION BY COMMITTEES.

(a) In General.—

(1) Limitation on use of funds.—Except as provided in subsection (b), notwithstanding any other provision of law, no amount made available by appropriations for the National Aeronautics and Space Administration in excess of the amount authorized for that program under this title may be used for any program with respect to which—

(A) the annual budget request submitted by the President under section 1105(a) of title 31, United States Code, included a request for funding; and

(B) for the fiscal year of the request referred to in subparagraph (A), Congress denied or did not provide funding.

(2) Prohibition.—Notwithstanding any other provision of law, no amount made available by appropriations to the National Aeronautics and Space Administration may be used for any program that is not authorized under this Act, except for projects for construction of facilities.

(b) Exception.—Funds may be used for a program of the National Aeronautics and Space Administration upon the expiration of the 30-day period beginning on the date on which the Administrator provides a notice to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science of the House of Representatives that contains—

(1) a full and complete statement of the action proposed to be taken by the Administrator with respect to be taken by the Administrator with respect to that program; and

(2) the facts and circumstances that the Administrator relied on to support the proposed action referred to in paragraph (1).

(c) Information.—The Administrator shall keep the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science of the House of Representatives fully and currently informed with respect to all activities and responsibilities of the National Aeronautics and Space Administration within the jurisdiction of those committees.

SEC. 115. USE OF FUNDS FOR SCIENTIFIC CONSULTATIONS OR EXTRAORDINARY EXPENSES.

Not more than $35,000 of the amounts made available by appropriations pursuant to section 103 may be used by the Administrator for scientific consultations or extraordinary expenses.

TITLE II—INTERNATIONAL SPACE STATION.

SEC. 201. INTERNATIONAL SPACE STATION CONTINGENCY PLAN.

(a) Transfer of Funds to Russia.—Notwithstanding any other provision of this Act, no funds or inkind payments shall be transferred to any entity of the Russian Government or any Russian contractor to perform work on the International Space Station which the Russian Government pledged, at any time, to provide at its expense. The subsection shall not apply to the purchase or modification of—

(1) the Russian Service Module, United States owned Functional Cargo Block, Russian space launch vehicles and launch services; or

(2) until the assembly of the United States lab module, command and control capability.

(b) Contingency Plan for Russian Elements in Critical Path.—The Administrator shall develop and deliver to Congress, within 60 days of enactment, a contingency plan for the removal or replacement of each Russian Government element of the International Space Station that lies in the Station's critical path, as well as Russian space launch services. Such plan shall include—

(1) decision points for removing or replacing those elements and launch services, to the maximum extent feasible, necessary for completion of the International Space Station;

(2) the estimated cost of implementing each such decision; and

(3) the cost, to the extent determinable, of removing or replacing a Russian Government critical path element or launch service after its decision point has passed, if—

(A) the decision at that point was not to remove or replace the Russian Government element or launch service; and

(B) the National Aeronautics and Space Administration later determines that the Russian Government will be unable to provide the critical path element or launch service in a manner to allow completion of the International Space Station.

(c) Bimonthly Reporting on Russian Status.—On or before December 1, 1999, and until substantial completion (as defined in section 202(b)(3) of this Act) of the assembly of the International Space Station, the Administrator shall report to Congress on the first day of every other month whether or not the Russians have performed work expected of them and necessary to complete the International Space Station. Such report shall also include a statement of the Administrator's judgment concerning Russia's ability to perform work anticipated and required to complete the International Space Station before the next report under this subsection.

(d) Decision on Russian Critical Path Items.—The President shall notify Congress within 90 days of enactment of this Act of the decision on whether or not to proceed with permanent replacement of the Russian Service Module, other Russian elements in the critical path of the International Space Station, or Russian launch services. Such notification shall include the reasons and justifications for the decision and the costs associated with the decision. Such decision shall include a judgment of when the assembly of the International Space Station will be completed. If the President decides to proceed with a permanent replacement for the Russian Service Module or any other Russian element in the critical path or Russian launch service, the President shall notify Congress of the reasons and the justification for the decision to proceed with the permanent replacement, and the costs associated with the decision.

SEC. 202. COST LIMITATION FOR THE INTERNATIONAL SPACE STATION

(a) Limitation of Costs.—Except as provided in subsection (c), the total amount appropriated for—

(1) costs of the International Space Station through completion of assembly may not exceed $21,900,000,000; and

(2) space shuttle launch costs in connection with the assembly of the International Space Station through completion of assembly may not exceed $17,700,000,000 (determined at the rate of $380,000,000 per space shuttle flight).

(b) Costs to Which Limitation Applies.—

(1) Development costs.—The limitation imposed by subsection (a)(1) does not apply to funding for operations, research, and crew return activities subsequent to substantial completion of the International Space Station.

(2) Launch costs.—The limitation imposed by subsection (a)(2) does not apply to space shuttle launch costs in connection with operations, research, and crew return activities subsequent to substantial completion of the International Space Station.

(3) Substantial completion.—For purposes of this subsection, the International Space Station is considered to be substantially completed when the development costs comprise 5 percent or less of the total International Space Station costs for the fiscal year.

(c) Automatic Increase of Limitation Amount.—The amounts set forth in subsection (a) shall each be increased to reflect any increase in costs attributable to—

(1) economic inflation;

(2) compliance with changes in Federal, State, or local laws enacted after the date of enactment of this Act;

(3) the lack of performance or the termination of participation of any of the International countries participating in the International Space Station; and

(4) new technologies to improve safety, reliability, maintainability, availability, or utilization of the International Space Station, or to reduce costs after completion of assembly, including increases in costs for on-orbit assembly sequence problems, increased ground testing, verification and integration activities, contingency responses to on-orbit failures, and design improvements to reduce the risk of on-orbit failures.

(d) Notice of Changes.—The Administrator shall provide with each annual budget request a written notice and analysis of any changes under subsection (c) to the amounts set forth in subsection (a) to the Senate Committees on Appropriations and on Commerce, Science, and Transportation and to the House of Representatives Committees on Appropriations and on Science. The written notice shall include—

(1) an explanation of the basis for the change, including the costs associated with the change and the expected benefit to the program to be derived from the change; and

(2) an analysis of the impact on the assembly schedule and annual funding estimates of not receiving the requested increases.

(e) Reporting and Review.—

(1) Identification of costs.—

(A) Space shuttle.—As part of the over-all space shuttle program budget request for each fiscal year, the Administrator shall identify separately the amounts of the requested funding that are to be used for completion of the assembly of the International Space Station.

(B) International space station.—As part of the overall International Space Station budget request for each fiscal year, the Administrator shall identify the amount to be used for development of the International Space Station.

(2) Accounting for cost limitations.—As part of the annual budget request to the Congress, the Administrator shall account for the cost limitations imposed by subsection (a).

(3) Verification of accounting.—The Administrator shall arrange for a verification, by the General Accounting Office, of the accounting submitted to the Congress within 60 days after the date on which the budget request is transmitted to the Congress.

(4) Inspector general.—Within 60 days after the Administrator provides a notice and analysis to the Congress under subsection (d), the Inspector General of the National Aeronautics and Space Administration shall review the notice and analysis was provided.

SEC. 203. LIABILITY CROSS-WAIVERS FOR INTERNATIONAL SPACE STATION-RELATED ACTIVITIES.

(a) In General.—Notwithstanding any other provision of law, the Administrator, on behalf of the United States, its departments, agencies, and related entities, may reciprocally waive claims with cooperating parties, and the related entities of such cooperating parties under which each party to each such waiver agrees to be responsible, and agrees to ensure that its own related entities are responsible, for damage or loss to its property or to property for which it is responsible, or for losses resulting from any injury or death sustained by its own employees or agents, as a result of activities connected to the International Space Station Program.

(b) Limitations.—

(1) Claims.—A reciprocal waiver under subsection (a) may not preclude a claim by any natural person (including, but not limited to, a natural person who is an employee of the United States, the cooperating party, or the cooperating party's subcontractors) or that natural person's estate, survivors, or subrogees for injury or death, except with respect to a subrogee that is a party to the waiver or has otherwise agreed to be bound by the terms of the waiver.

(2) Liability for negligence.—A reciprocal waiver under subsection (a) may not absolve any party of liability to any natural person (including, but not limited to, a natural person who is an employee of the United States, the cooperating party, or the cooperating party's subcontractors) or such natural person's estate, survivors, or subrogees for negligence, except with respect to a subrogee that is a party to the waiver or has otherwise agreed to be bound by the terms of the waiver.

(3) Indemnification for damages.—A reciprocal waiver under subsection (a) may not be used as the basis of a claim by the Administration or the cooperating party for indemnification against the other for damages paid to a natural person, or that natural person's estate, survivors, or subogrees, for injury or death sustained by that natural person as a result of activities connected to the International Space Station Program.

(c) Safety Oversight and Review Required.—In the exercise of the authority provided in subsection (a), and consistent with relevant agreements with cooperating parties in the International Space Station Program, the Administrator shall establish overall safety requirements and plans and shall conduct overall integrated system safety reviews for International Space Station elements and payloads, and may undertake any and all authorized steps (including, but not limited to, removal from launch manifest) to ensure, to the maximum extent possible, that such elements and payloads pose no safety risks for the International Space Station.

(d) Definitions.—In this section:

(1) Cooperating party.—The term "cooperating party" means any person who enters into an agreement or contract with the Administration for the performance or support of scientific, aeronautical, or space activities in furtherance of the International Space Station Program.

(2) Related entity.—The term "related entity" includes contractors or subcontractors at any tier, suppliers, grantees, and investigators or detailees.

(3) Common terms.—Any term used in this section that is defined in the National Aeronautics and Space Act of 1958 (42 U.S.C. 2451 et seq.) has the same meaning in this section as when it is used in that Act.

(e) Effect on Previous Waivers.—Subsection (a) applies to any waiver of claims entered into by the Administrator without regard to whether it was entered into before, on, or after the date of enactment of this Act.

TITLE III—MISCELLANEOUS PROVISIONS

SEC. 301. NATIONAL AERONAUTICS AND SPACE ACT OF 1958 AMENDMENTS.

(a) Declaration of Policy and Purpose.—Section 102 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2451) is amended—

(1) by striking subsection (f);

(2) by redesignating subsections (g) and (h) as subsection (f) and (g), respectively; and

(3) in subsection (g), as redesignated by paragraph (1) of this subsection, by striking "(f) and (g)" and inserting "and (f)".

(b) Reports to Congress.—Section 206(a) of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2476(a)) is amended—

(1) by striking "January" and inserting "May"; and

(2) by striking "calendar" and inserting "fiscal".

(c) Disclosure of Technical Data.—Section 303 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2454) is amended by adding at the end the following new subsection:

"(c) The Administrator may delay for a period not to exceed 5 years after development.

the unrestricted public disclosure of technical data that would have been a trade secret or commercial or financial information that is privileged or confidential under the meaning of section 552(b)(4) of title 5, United States Code, if the information had been obtained from a non-Federal party, in any case in which the technical data is generated in the performance of experimental, developmental, or research activities or programs conducted by, or funded in whole or in part by, the Administration. The technical data referred to in the preceding sentence shall not be subject to the disclosure requirements of section 552 of title 5, United States Code.".

SEC. 302. USE OF EXISTING FACILITIES.

(a) IN GENERAL.—In any case in which the Administrator considers the purchase, lease, or expansion of a facility to meet requirements of the National Aeronautics and Space Administration, the Administrator, taking into account the applicable requirements of Federal law relating to the use or disposal of excess or surplus property, including the Federal Property and Administrative Services Act of 1949, shall—

(1) consider whether there is available to the Administrator for use for meeting those requirements—

(A) any military installation that is closed or being closed;

(B) any facility at an installation referred to in subparagraph (A); or

(C) any other facility that the Administrator determines to be—

(i) owned or leased by the United States for the use of another agency of the Federal Government; and

(ii) considered by the head of the agency involved—

(I) to be excess to the needs of that agency; or

(II) to be underutilized by that agency; and

(2) in the case of an underutilized facility available in part for use to meet those requirements, consider locating an activity of the National Aeronautics and Space Administration for which a facility is required at that underutilized facility in such manner as to share the use of the facility with 1 or more agencies of the Federal Government.

(b) ADDITION OR EXPANSION.—To the maximum extent feasible and cost-effective (and not inconsistent with the purposes of the Defense Base Closure and Realignment Act of 1990 (104 Stat. 1808 et seq.) and the amendments made by that Act), the Administrator shall meet the requirements of the National Aeronautics and Space Administration for additional or expanded facilities by using facilities that—

(1) the Administrator considers, pursuant to subsection (a), to be available to the Administrator for use to meet those requirements; and

(2) meet the management needs of the National Aeronautics and Space Administration.

(c) UNDERUTILIZED INFRASTRUCTURE.—The United States space launch industry has identified underutilized infrastructure at the Stennis Space Center for potential use in launch vehicle development activities. The proposed use of this infrastructure is compatible with the Center's propulsion test programs and consistent with other efforts to optimize taxpayer investments while fostering United States competitiveness and commercial use of space. The National Aeronautics and Space Administration is encouraged to pursue an appropriate method for making the underutilized Stennis Space Center infrastructure available under suitable terms and conditions, if so requested by industry, and to notify the United States Senate Committee on Commerce, Science, and Transportation and the United States House of Representatives Committee on Science if existing Administration authority is insufficient for this purpose.

SEC. 303. AUTHORITY TO REDUCE OR SUSPEND CONTRACT PAYMENTS BASED ON SUBSTANTIAL EVIDENCE OF FRAUD.

Section 2307(i)(8) of title 10, United States Code, is amended by striking "and (4)" and inserting "(4), and (6)".

SEC. 304. NOTICE.

(a) NOTICE OF REPROGRAMMING.—If any funds appropriated pursuant to the amendments made by this Act are subject to a reprogramming action that requires notice to be provided to the Committees on Appropriations of the Senate and the House of Representatives, notice of that action shall concurrently be provided to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science of the House of Representatives.

(b) NOTICE OF REORGANIZATION.—Not later than 30 days before any major reorganization involving the reassignment of more than 25 percent of the employees of any program, project, or activity of the National Aeronautics and Space Administration, the Administrator shall provide notice to the Committees on Commerce, Science, and Transportation and Appropriations of the Senate and the Committees on Science and Appropriations of the House of Representatives.

SEC. 305. SENSE OF CONGRESS ON THE YEAR 2000 PROBLEM.

With the year 2000 rapidly approaching, it is the sense of Congress that the Administrator should—

(1) give high priority to correcting all 2-digit date-related problems in the computer systems of the National Aeronautics and Space Administration to ensure that those systems continue to operate effectively in the year 2000 and in subsequent years;

(2) as soon as practicable after the date of enactment of this Act, assess the extent of the risk to the operations of the National Aeronautics and Space Administration posed by the problems referred to in paragraph (1), and plan and budget for achieving compliance for all of the mission-critical systems of the system by the year 2000; and

(3) develop contingency plans for those systems that the National Aeronautics and Space Administration is unable to correct by the year 2000.

SEC. 306. UNITARY WIND TUNNEL PLAN ACT OF 1949 AMENDMENTS.

The Unitary Wind Tunnel Plan Act of 1949 (50 U.S.C. 511 et seq.) is amended—

(1) in section 101 by striking "transsonic and supersonic" and inserting "transsonic, supersonic, and hypersonic"; and

(2) in section 103—

(A) in subsection (a)—

(i) by striking "laboratories" and inserting "laboratories and centers"; and

(ii) by striking "supersonic" and inserting "transsonic, supersonic, and hypersonic"; and

(B) in subsection (c), by striking "laboratory" and inserting "facility".

SEC. 307. ENHANCEMENT OF SCIENCE AND MATHEMATICS PROGRAMS.

(a) DEFINITIONS.—In this section:

(1) EDUCATIONALLY USEFUL FEDERAL EQUIPMENT.—The term "educationally useful Federal equipment" means computers and related peripheral tools and research equipment that is appropriate for use in schools.

(2) SCHOOL.—The term "school" means a public or private educational institution that serves any of the grades of kindergarten through grade 12.

(b) SENSE OF CONGRESS.—

(1) IN GENERAL.—It is the sense of Congress that the Administrator should, to the greatest extent practicable and in a manner consistent with applicable Federal law (including Executive Order No. 12999), donate educationally useful Federal equipment to schools in order to enhance the science and mathematics programs of those schools.

(2) REPORTS.—Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Administrator shall prepare and submit to Congress a report describing any donations of educationally useful Federal equipment to schools made during the period covered by the report.

SEC. 308. AUTHORITY TO VEST TITLE.

Title III of the National Aeronautics and Space Act of 1958 (72 Stat. 432 et seq.) is amended by adding at the end the following:

"AUTHORITY TO VEST TITLE TO TANGIBLE PERSONAL PROPERTY FOR RESEARCH OR TECHNOLOGY DEVELOPMENT

"SEC. 313. Notwithstanding any other provision of law, the Administrator may vest title in tangible property (as that term is defined by the Administrator) in any participant that enters into a cooperative agreement with the Administrator if—

"(1) the primary purpose of the participant is to conduct scientific research or technology development;

"(2) the property is acquired with amounts provided under a cooperative agreement between the participant and the Administrator to conduct scientific research or technology development;

"(3) the Administrator determines that vesting the title of the property in the participant furthers the objectives of the National Aeronautics and Space Administration; and

"(4) the vesting of the title in the participant is made—

"(A) on the condition that the United States Government will not incur any further obligation; and

"(B) subject to any other condition that the Administrator considers to be appropriate.".

SEC. 309. NASA MID-RANGE PROCUREMENT TEST PROGRAM.

Section 5062 of the Federal Acquisition Streamlining Act of 1994 (42 U.S.C. 2473 nt) is amended—

(1) in subsection (a), by inserting after the first sentence the following: "In addition to providing any other notice of any acquisition under the test conducted under this section, the Administrator shall publish a notice of that acquisition in, or make such a notice available through, the automated version of the Commerce Business Daily published by the Secretary of Commerce.";

(2) in subsection (b), by striking "an estimated annual total obligation of funds of $500,000 or less" and inserting "a basic value (as that term is defined by the Administrator)—

"(1) of $2,000,000 or less; or

"(2) if options to purchase are involved, of $10,000,000 or less.";

(3) in subsection (c), by striking "$100,000,000" and inserting "$500,000,000"; and

(4) in subsection (f), by striking "4 years" and inserting "6 years".

SEC. 310. SPACE ADVERTISING.

(a) DEFINITION.—Section 70102 of title 49, United States Code, is amended—

(1) by redesignating paragraphs (8) through (16) as paragraphs (9) through (17), respectively; and

(2) by inserting after paragraph (7) the following:

"(8) 'obtrusive space advertising' means advertising in outer space that is capable of being recognized by a human being on the surface of the Earth without the aid of a telescope or other technological device.".

(b) PROHIBITION.—Chapter 701 of title 49, United States Code, is amended by inserting after section 70109 the following new section:

"§ 70109a. Space advertising

"(a) LICENSING.—Notwithstanding the provisions of this chapter or any other provision of law, the Secretary may not, for the launch of a payload containing any material to be used for the purposes of obtrusive space advertising—

"(1) issue or transfer a license under this chapter; or

"(2) waive the license requirements of this chapter.

"(b) LAUNCHING.—No holder of a license under this chapter may launch a payload containing any material to be used for purposes of obtrusive space advertising on or after the date of enactment of the National Aeronautics and Space Administration Authorization Act for Fiscal Year 2000.

"(c) COMMERCIAL SPACE ADVERTISING.—Nothing in this section shall apply to nonobtrusive commercial space advertising, including advertising on—

"(1) commercial space transportation vehicles;

"(2) space infrastructure, payloads;

"(3) space launch facilities; and

"(4) launch support facilities.".

(c) NEGOTIATION WITH FOREIGN LAUNCHING NATIONS.—

(1) The President is requested to negotiate with foreign launching nations for the purpose of reaching 1 or more agreements that prohibit the use of outer space for obtrusive space advertising purposes.

(2) It is the sense of Congress that the President should take such action as is appropriate and feasible to enforce the terms of any agreement to prohibit the use of outer space for obtrusive space advertising purposes.

(3) As used in this subsection, the term "foreign launching nation" means a nation—

(A) that launches, or procures the launching of, a payload into outer space; or

(B) from the territory or facility of which a payload is launched into outer space.

(d) CLERICAL AMENDMENT.—The table of sections for chapter 701 is amended by inserting after the item relating to section 70109 the following:

"70109a. Space advertising.".

SEC. 311. AUTHORITY TO LICENSE NASA-DEVELOPED SOFTWARE

Section 305 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2457) is amended by adding at the end thereof the following:

"(m) AUTHORITY TO LICENSE NASA-DEVELOPED SOFTWARE.—Notwithstanding section 105 of title 17, United States Code, the Administrator may assert copyright in computer software authored by a United States Government employee when such software is created while participating with a non-Federal party under an agreement entered into under section 203(c)(5) and (c)(6) of this Act. The Administrator may grant, to the non-Federal participating party, for royalties or other consideration, licenses or assignments on computer software copyrighted pursuant to this subsection and may retain and share such royalties or other consideration consistent with section 14 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710c).".

SEC. 312. CARBON CYCLE REMOTE SENSING TECHNOLOGY.

(a) CARBON CYCLE REMOTE SENSING TECHNOLOGY PROGRAM.—

(1) IN GENERAL.—The Administrator of the National Aeronautics and Space Administration, shall develop a carbon cycle remote sensing technology program—

(A) to provide, on a near-continual basis, a real-time and comprehensive view of vegetation conditions; and

(B) to assess and model agricultural carbon sequestration.

(2) USE OF CENTERS.—The Administrator of the National Aeronautics and Space Administration shall use regional earth science application centers to conduct research under this section.

(3) RESEARCHED AREAS.—The area that shall be subjects of research conducted under this section include—

(A) the mapping of carbon-sequestering land use and land cover;

(B) the monitoring of changes in land cover and management;

(C) new systems for the remote sensing of soil carbon; and

(D) regional-scale carbon sequestration estimation.

(b) REGIONAL EARTH SCIENCE APPLICATION CENTER.—

(1) IN GENERAL.—The Administrator of the National Aeronautics and Space Administration, may, at the sole discretion of the Administrator based on maximizing the use of public funds, carry out this section through the Regional Earth Science Application Center located at the University of Kansas (referred to in this section as the "Center"), if the Center enters into a partnership with a landgrant college or university.

(2) DUTIES OF CENTER.—The Center shall serve as a research facility and clearinghouse for satellite data, software, research, and related information with respect to remote sensing research conducted under this section.

(3) USE OF CENTER.—The Administrator of the National Aeronautics and Space Administration, may use the Center for carrying out remote sensing research relating to agricultural best practices.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000 for fiscal years 2000 through 2002.

SEC. 313. INDEMNIFICATION AND INSURANCE.

Section 431(d)(5) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999 (42 U.S.C. 2458b nt) is amended by striking "before the date of enactment of this Act." and inserting "before July 31, 1999.".

AMENDMENTS SUBMITTED ON NOVEMBER 8, 1999

TECHNICAL CORRECTIONS TO THE WATER RESOURCES DEVELOPMENT ACT OF 1999

WARNER (AND OTHERS) AMENDMENT NO. 2773

Mr. GRASSLEY (for Mr. WARNER (for himself, Mr. L. CHAFEE, and Mr. REED)) proposed an amendment to the bill (H.R. 2724) to make technical corrections to the Water Resoruces Development Act of 1999; as follows:

On page 3, line 8, strike "$30,000,000" and insert "$20,000,000".

On page 4, strike lines 19 through 21 and insert the following:

(1) by striking "Each" and all that follows through the colon and inserting the following: "Each of the following projects is authorized to be carried out by the Secretary, and no construction on any such project may be initiated until the Secretary determines that the project is technically sound, environmentally acceptable, and economically justified:";

On page 5, strike lines 9 through 12 and insert the following:

SEC. ___. COMITE RIVER, LOUISIANA.

Section 371 of the Water Resources Development Act of 1999 (113 Stat. 321) is amended—

(1) by inserting "(a) IN GENERAL.—" before "The"; and

(2) by adding at the end the following:

"(b) CREDITING OF REDUCTION IN NON-FEDERAL SHARE.—The project cooperation agreement for the Comite River Diversion Project shall include a provision that specifies that any reduction in the non-Federal share that results from the modification under subsection (a) shall be credited toward the share of project costs to be paid by the Amite River Basin Drainage and Water Conservation District.".

SEC. ___. CHESAPEAKE CITY, MARYLAND.

Section 535(b) of the Water Resources Development Act of 1999 (113 Stat. 349) is amended by striking "the city of Chesapeake" each place it appears and inserting "Chesapeake City".

SEC. ___. CONTINUATION OF SUBMISSION OF CERTAIN REPORTS BY THE SECRETARY OF THE ARMY.

(a) RECOMMENDATIONS OF INLAND WATERWAYS USERS BOARD.—Section 302(b) of the Water Resources Development Act of 1986 (33 U.S.C. 2251(b)) is amended in the last sentence by striking "The" and inserting "Notwithstanding section 3003 of Public Law 104-66 (31 U.S.C. 1113 note; 109 Stat. 734), the".

(b) LIST OF AUTHORIZED BUT UNFUNDED STUDIES.—Section 710(a) of the Water Resources Development Act of 1986 (33 U.S.C. 2264(a)) is amended in the first sentence by striking "Not" and inserting "Notwithstanding section 3003 of Public Law 104–66 (31 U.S.C. 1113 note; 109 Stat. 734), not".

(c) REPORTS ON PARTICIPATION OF MINORITY GROUPS AND MINORITY-OWNED FIRMS IN MISSISSIPPI RIVER-GULF OUTLET FEATURE.—Section 844(b) of the Water Resources Development Act of 1986 (100 Stat. 4177) is amended in the second sentence by striking "The" and inserting "Notwithstanding section 3003 of Public Law 104–66 (31 U.S.C. 1113 note; 109 Stat. 734), the".

(d) LIST OF AUTHORIZED BUT UNFUNDED PROJECTS.—Section 1001(b)(2) of the Water Resources Development Act of 1986 (33 U.S.C. 579a(b)(2)) is amended in the first sentence by striking "Every" and inserting "Notwithstanding section 3003 of Public Law 104–66 (31 U.S.C. 1113 note; 109 Stat. 734), every".

SEC. ___. AUTHORIZATIONS FOR PROGRAM PREVIOUSLY AND CURRENTLY FUNDED.

(a) PROGRAM AUTHORIZATION.—The program described in subsection (c) is hereby authorized.

(b) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for the Department of Transportation for the program authorized in subsection (a) in amounts as follows:

(1) FISCAL YEAR 2000.—For fiscal year 2000, $10,000,000.

(2) FISCAL YEAR 2001.—For fiscal year 2001, $10,000,000.

(3) FISCAL YEAR 2002.—For fiscal year 2002, $7,000,000.

(c) APPLICABILITY.—The program referred to in subsection (a) is the program for which funds appropriated in title I of Public Law 106-69 under the heading "FEDERAL RAILROAD ADMINISTRATION" are available for obligation upon the enactment of legislation authorizing the program.

ARCTIC TUNDRA HABITAT EMERGENCY CONSERVATION ACT

ABRAHAM AMENDMENT NO. 2774

Mr. GRASSLEY (for Mr. ABRAHAM) proposed an amendment to the bill (H.R. 2454) to assure the long-term conservation of mid-continent light geese and the biological diversity of the ecosystem upon which many North American migratory birds depend, by directing the Secretary of the Interior to implement rules to reduce the overabundant population of mid-continent light geese; as follows:

Strike Title II.

COASTAL BARRIER MAP BOUNDARY CLARIFICATION LEGISLATION

SMITH OF NEW HAMPSHIRE AMENDMENT NO. 2775

Mr. GRASSLEY (for Mr. SMITH of New Hampshire) proposed an amendment to the bill (S. 1398) to clarify certain boundaries on maps relating to the Coastal Barrier Resources System; as follows:

On page 2, line 25, strike "July 1, 1999" and insert "October 18, 1999".

EXPRESSING THE SENSE OF THE SENATE REGARDING THE UNITED STATES POLICY TOWARD NATIO AND THE EUROPEAN UNION

LEVIN AMENDMENT NO. 2776

Mr. GRASSLEY (for Mr. LEVIN) proposed an amendment to the resolution (S. Res. 208) expressing the sense of the Senate regarding United States policy toward the North Atlantic Treaty Organization and the European Union, in light of the Alliance's April 1999 Washington Summit and the European Union's June 1999 Cologne Summit; as follows:

In section 1(b), strike paragraph (1) and insert the following:

(1) on matters of trans-Atlantic concern, the European Union should make clear that it would undertake an autonomous mission through the European Security and Defense Identity only after the North Atlantic Treaty Organization had declined to undertake that mission;

In section 1(b)(5), strike "must" and insert "should".

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate Committee on Commerce, Science, and transportation be authorized to meet on Monday, November 8, 1999, at 9:30 a.m. on mergers in the communications industry.

The PRESIDING OFFICER. Without objection it is so ordered.

SPECIAL COMMITTEE ON AGING

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate Committee on Aging be authorized to meet on November 8, 1999, at 2:00 p.m.–5:00 p.m. in Hart 216 for the purpose of conducting a hearing.

The PRESIDING OFFICER. Without objection it is so ordered.

PAUL KIRK ON "WHAT WE CAN DO FOR DEMOCRACY"

• Mr. KENNEDY. Mr. President, Paul Kirk, who is well known to many of us as a distinguished past chairman of the Democratic Party, recently wrote an eloquent and insightful article on the state of politics in America today. Entitled "What We Can Do For Democracy," Mr. Kirk's article discusses the growing political apathy of Americans, and challenges citizens to take a more active role in government. This issue goes to the heart of our democracy, and I believe that all of us who are concerned about it will be interested in Mr. Kirk's ideas. I ask that his article may be printed in the RECORD.

The article follows:

[From the Boston Globe, Nov. 3, 1999]

"WHAT WE CAN DO FOR DEMOCRACY"

(By Paul G. Kirk, Jr.)

Alarms have sounded; no one has panicked; the response has been universal. Much time and an estimated $200 billion have been spent on readiness and remediation plans to avert a Y2K computer calamity. But how well are we responding to a Y2K alarm of greater consequence—the distressed health of America's democracy?

John Kennedy once admonished: "Democracy is never a final achievement . . . it is a call to an untiring effort." In this twilight of "America's Century" and before the dawn of a new millennium, now seems a logical time to take stock of our effort.

A few weeks ago the Kennedy Library observed its 20th anniversary by inviting more than 75 distinguished business leaders, college presidents, public officials, nonprofit executives, and journalists to begin the assessment. They found the following symptoms:

An all-time high level of cynicism, disaffection, and citizen disconnect from politics coincides with an all-time high level of powerful interest money being spent on political campaigns.

Money is now the all-consuming obsession of candidates and parties, the deterrent to political competition, the barrier to equal representation, the controlling factor in nominations and elections, and the corrupting influence of public policy decisions.

62 percent of Americans eligible to vote in the 1998 midterm election chose not to, while less than a majority voted in the 1996 presidential election.

Those of us who know less, care less, participate less, and vote less than other eligible voters are the 18- to 24-year-olds.

Personal consumption and borrowing are at an all-time high while our savings rate is at an all-time low.

Record market growth and new prosperity will likely result in the largest transfer of individual fortune and economic capital to the next generation in our history.

Concurrently, the abrogation of any obligation to transfer to the next generation some appreciation of civic capital and public responsibility is more palpable than ever in our history.

Writing of an earlier democracy, historian Edward Gibbon put our symptoms in perspective: "When the Athenians finally wanted not to give to society but for society to give to them, when the freedom they wished for most was freedom from responsibility, then Athens ceased to be free."

Let's face it. We, too, have become so obsessed with self-gratification and gain that we view our rights and freedoms as entitlements and ignore the civic duties and responsibilities that ensure them.

George Santayana warned: "Those who fail to remember the past are condemned to repeat it." To avert a repeat of an Athenian calamity, Americans' attitudes must change.

When the Kennedy Library conference asked what we must do to strengthen citizenship and service for the future, the attendees responded:

The present "access for sale" culture must be replaced with comprehensive campaign finance reform that provides some public financing and free TV time to candidates who agree to reasonable spending limits. Only this can renew citizens' trust that our votes matter and our voices will be heard equally.

Civic literacy education must be ingrained from grade school through college with extra-curricular citizenship activities that include possible school credit for community service.

An attitude of welcome inclusion and continuing citizenship education must be available to all "new" Americans.

Each measure is critical, but who will assure their adoption? John W. Gardner counseled that the "plain truth is that government (and other powerful institutions) will not become worthy of trust until citizens take positive action to hold them to account." You and I can ignore the alarm, thus contributing to the calamity, or we can take positive action to rescue our democracy.

Citizens must launch a campaign to renew our national character and the spirit of citizenship and participation. One by one, our individual response can inspire a collective national chorus reminding others that our freedom and democracy are directly dependent on our own patriotism, active citizenship, unselfish service, respect for pluralism, and intolerance of the present condition.

Mark my words. If you and I commit "an untiring effort" to this national civic campaign, communities, organizations, educators, religious and business leaders, the media and opinion shapers, political candidates and parties, and, yes, the President of the United States whom we elect one year from now will follow.

Think about it. It's called "consent of the governed." It's our democracy, and it's a noble campaign you'll be proud to win.•

U.N. ARREARS PACKAGE

• Mr. GRAMS. Mr. President, I have come to the floor today to call on Congress and the President to make sure the UN reform package is signed into law before we recess. As Chairman of the International Operations Subcommittee, I have worked hard to help forge a solid bipartisan United Nations reform package.

Our message in crafting this legislation is simple and straightforward. The U.S. can help make the United Nations a more effective, more efficient and financially sounder organization, but only if the U.N. and other member states, in return, are willing to finally become accountable to the American taxpayers.

The reforms proposed by the United States are critical to ensure the United Nations is effective and relevant. Ambassador Holbrooke has been pushing other member states to accept the reforms in this package in return for the payment of arrears. He has succeeded beyond all reasonable expectations, by gaining our seat back on the budget oversight committee—the ACABQ. But he needs this bill signed into law in order to convince the UN that reform will bring certain rewards.

But passing this UN package is not just about a series of reforms for the future. It impacts directly on the ability of the US mission to achieve our goals at the United Nations right now. The US does not owe most of these arrears to the UN. It owes them to our allies, like Britain and France, for reimbursement for peacekeeping expenses. And our arrears are being used as a convenient excuse to dismiss US concerns on matters of policy. Depriving the US government the ability to use these funds as leverage is irresponsible; after all, our diplomats need "carrots" as well as reasonable "sticks" to achieve our foreign policy goals.

Unfortunately, the Clinton Administration and my colleagues in the House of Representatives are jeopardizing the payment of our arrears over a policy that I call "Mexico City lite." While I support the proposal to prohibit US government grant recipients from lobbying foreign governments to change their abortion laws, I do not believe it should be linked to the payment of our UN arrears. If these unrelated issues continue to be tied, then there is a good chance neither proposal will be enacted.

I am hopeful that my colleagues in the House and the Administration will see the wisdom of adopting measures that will enhance America's ability to exert leadership in the international arena with the revitalization of the UN. The State Department Authorization bill should be allowed to pass or fail on its own merit—not on the merits of the Mexico City lite policy. This agreement is in America's best interest, and the best interest of the entire international community.•

MAYOR JOE SERNA

• Mrs. BOXER. Mr. President, a great American died this past weekend: Mayor Joe Serna Jr. of Sacramento, California. Mayor Serna was much beloved by his constituents, family, and friends. We will all miss him terribly.

Joe Serna and I became friends while working closely together on gun control, education, and other issues of mutual concern. He was a man of great vision, courage, energy, warmth, and humor.

He was also a living embodiment of the American Dream: a first-generation American who helped to reshape the capital of our Nation's largest state.

Joe Serna Jr. was born in 1939, the son of Mexican immigrants. As the oldest of four children, Joe grew up in a bunkhouse and worked with his family in the beet fields around Lodi.

Joe never forgot his roots. After attending Sacramento City College and graduating from California State University, Sacramento, he served in the Peace Corps and went to work for the United Farm Workers, where Cesar Chavez became his mentor and role model.

In 1969, Joe managed the successful campaign of Manuel Ferrales for the Sacramento City Council. After serving on the city's redevelopment agency in the 1970s, Joe was elected to the Council himself in 1981. He was elected mayor in 1992 and re-elected in 1996, winning both races by wide margins. Throughout his terms in office, he continued to work as a professor of government and ethnic studies at his alma mater, Cal State Sacramento.

Mayor Serna virtually rebuilt the city of Sacramento. He forged public-private partnerships to redevelop the downtown, revitalize the neighborhoods, and reform the public school system. He presided over an urban renaissance that transformed Sacramento into a dynamic modern metropolis.

Joe Serna died as he lived: with great strength and dignity. Last month, as he publicly discussed his impending death from cancer, he said, "I was supposed to live and die as a farmworker, not as a mayor and a college professor. I have everything to be thankful for. I have the people to thank for allowing me to be their mayor. I have society to thank for the opportunity it has given me."

Mr. President, it is we who are thankful today for having had such a man serve the people of California.•

CIVIL RIGHTS LEADER DAISY BATES

• Mr. HUTCHINSON. Mr. President, I rise today before the Senate to praise one of the true heroes of the civil rights movement, Daisy Bates. In her death yesterday at age 84, America has lost one of the most courageous advocates for justice and equality between races.

Daisy Bates' life was one of conviction and resolve. Her character was a model of grace and dignity.

Mrs. Bates was born in 1914, the small town of Huttig, Arkansas in the southern part of the state. Her life was touched by the violence of racial hatred at a young age, when her mother was killed while resisting the advances of three white men. Her father left soon thereafter, and Daisy was raised by friends of her family.

Daisy moved to Little rock and married L.C. Bates, a former newspaperman, in 1942. For eighteen years, the two published the Arkansas State Press, the largest black newspaper in the state. The Arkansas State Press was an influential voice in the state of Arkansas which played a key role in the civil rights movement. Daisy and L.C. used the State Press to focus attention on issues of inequity in the criminal justice system, police brutality and segregation.

In 1952, Daisy was elected president of the state chapter of the National Association for the Advancement of Colored People. It was from this position that she was thrust into the national spotlight, as a leader during the crisis of Central High School in 1957, when black students attempting to enter the school were blocked by rioters and the National Guard.

Throughout the crisis, the Little Rock Nine would gather in her tiny home before and after school to strategize about their survival. It was her home from which the Little Rock Nine were picked up from every morning by federal troops to take them to Central High, to face the rioters and the hatred. It was her home that was attacked by the segregationists.

Even after the Little Rock Nine finally received federal protection to attend Central High, Daisy Bates continued to face violence and harassment. Threats were made against her life. Bombs made of dynamite were thrown at her house. KKK crosses were burned on her lawn. On two separate occasions, her house was set on fire and all the glass in the front of the house was broken out.

It's hard to imagine how difficult it must have been for Daisy Bates to continue pursuing her convictions under such circumstances, but her perseverance is true testament to the strength of her character. Despite the violence, harassment and intimidation, Daisy Bates would not be deterred. She spent several more decades actively advancing the cause of civil rights, and helped the town of Mitchellville, Arkansas to elect its first black mayor and city council.

I am saddened that Mrs. Bates will not be on hand next week when the Little Rock Nine is presented the Congressional Medal of Honor. That honor is truly one that belongs to her, the woman who shepherded those brave young men and women through those extremely difficult days forty years ago. My prayers go out to the family and the many friends of Daisy Bates. I know that God is throwing open the gates of heaven today for Daisy, a woman who helped so many others enter doors that were once barred to them.●

THE DEPARTURE OF A.M. ROSENTHAL FROM THE NEW YORK TIMES

● Mr. MOYNIHAN. Mr. President, Please read these remarks! A.M. Rosenthal has just this past Friday concluded fifty-five years as a reporter, editor, and columnist for The New York Times. There has been none such ever. Nor like to be again. Save, of course, that this moment marks a fresh start for the legendary, and although he would demur, beloved Abe.

Mr. President, I ask unanimous consent that A.M. Rosenthal's last column and an editorial from Friday's Times be printed in the RECORD.

The material follows:

[From The New York Times, Nov. 5, 1999]

ON MY MIND

(By A.M. Rosenthal)

On Jan. 6, 1987, when The New York Times printed my first column, the headline I had written was: "Please Read This Column!" It was not just one journalist's message of the day, but every writer's prayer—come know me.

Sometimes I wanted to use it again. But I was smitten by seizures of modesty and decided twice might be a bit showy. Now I have the personal and journalistic excuse to set it down one more time.

This is the last column I will write for The Times and my last working day on the paper. I have no intention of stopping writing, journalistically or otherwise. And I am buoyed by the knowledge that I will be starting over.

Still, who could work his entire journalistic career—so far—for one paper and not leave with sadnesses, particularly when the paper is The Times? Our beloved, proud New York Times—ours, not mine or theirs, or yours, but ours, created by the talents and endeavor of its staff, the faithfulness of the publishing family and, as much as anything else, by the ethics and standards of its readers and their hunger for ever more information, of a range without limit.

Arrive in a foreign capital for the first time, call a government minister and give just your name. Ensues iciness. But add "of The New York Times," and you expect to be invited right over and usually are; nice.

"Our proud New York Times"—sounds arrogant and is a little, why not? But the pride is individual as well as institutional. For members of the staff, news and business, the pride is in being important to the world's best paper—you hear?—and being able to stretch its creative reach. And there is pride knowing that even if we are not always honest enough with ourselves to achieve fairness, that is what we promise the readers, and the standard to which they must hold us.

I used to tell new reporters: The Times is far more flexible in writing styles than you might think, so don't button up your vest and go all stiff on us. But when it comes to the foundation—fairness—don't fool around with it, or we will come down on you.

Journalists often have to hurt people, just by reporting the facts. But they do not have to cause unnecessary cruelty, to run their rings across anybody's face for the pleasure of it—and that goes for critics, too.

When you finish a story, I would say, read it, substitute your name for the subject's. If you say, well, it would make me miserable, make my wife cry, but it has no innuendo, no unattributed pejorative remarks, no slap in the face for joy of slapping, it is news, not gutter gossip, and as a reporter I know the writer was fair, then give it to the copy desk. If not, try again—we don't want to be your cop.

Sometimes I have a nightmare that on a certain Wednesday—why Wednesday I don't know—The Times disappeared forever. I wake trembling; I know this paper could never be recreated. I will never tremble for the loss of any publication that has no enforced ethic of fairness.

Starting fresh—the idea frightened me. Then I realized I was not going alone. I would take my brain and decades of newspapering with me. And I understood many of us had done that on the paper—moving from one career to another.

First I was a stringer from City College, my most important career move. It got me inside a real paper and paid real money. Twelve dollars a week, at a time when City's free tuition was more than I could afford.

My second career was as a reporter in New York, with a police press pass, which cops were forever telling me to shove in my ear.

I got a two-week assignment at the brand-new United Nations, and stayed eight years, until I got what I lusted for—a foreign post.

I served The Times in Communist Poland, for the first time encountering the suffocating intellectual blanket that is Communism's great weapon. In due time I was thrown out.

But mostly it was Asia. The four years in India excited me then and forever. Rosenthal, King of the Khyber Pass!

After nine years as a foreign correspondent, somebody decided I was too happy in Tokyo and nagged me into going home to be an editor. At first I did not like it, but I came to enjoy editing—once I became the top editor. Rosenthal, King of the Hill!

When I stepped down from that job, I started all over again as a times Op-Ed columnist, paid to express my own opinions. If I had done that as a reporter or editor dealing with the news, I would have broken readers' trust that the news would be written and played straight.

Straight does not mean dull. It means straight. If you don't know what that means, you don't belong on this paper. Clear?

As a columnist, I discovered that there were passions in me I had not been aware of, lying under the smatterings of knowledge about everything that I had to collect as executive editor—including hockey and debentures, for heaven's sake.

Mostly the passions had to do with human rights, violations of—like African women having their genitals mutilated to keep them virgin, and Chinese and Tibetan political prisoners screaming their throats raw.

I wrote with anger at drug legitimizers and rationalizers, helping make criminals and destroying young minds, all the while with nauseating sanctimony.

As a correspondent, it was the Arab states, not Israel, that I wanted to cover. But they did not welcome resident Jewish correspondents. As a columnist, I felt fear for the whittling away of Israeli strength by the Israelis, and still do.

I wrote about the persecution of Christians in china. When people, in astonishment, asked why, I replied, in astonishment, because it is happening, because the world, including American and European Christians and Jews, pays almost no attention, and that plain disgusts me.

The lassitude about Chinese Communist brutalities is part of the most nasty American reality of this past half-century. Never before have the U.S. government, business and public been willing, eager really, to praise and enrich tyranny, to crawl before it, to endanger our martial technology—and all for the hope (vain) of trade profit.

America is going through plump times. But economic strength is making us weaker in head and soul. We accept back without penalty a president who demeaned himself and us. We rain money on a Politburo that must rule by terror lest it lose its collective head.

I cannot promise to change all that. But I can say that I will keep trying and that I thank God for (a) making me an American citizen, (b) giving me that college-boy job on The Times, and (c) handing me the opportunity to make other columnists kick themselves when they see what I am writing, in this fresh start of my life.

[From The New York Times, Nov. 5, 1999]

A.M. ROSENTHAL OF THE NEW YORK TIMES

The departure of a valued colleague from The New York Times is not, as a rule, occasion for editorial comment. But the appearance today of A. M. Rosenthal's last column on the Op-Ed page requires an exception. Mr. Rosenthal's life and that of this newspaper have been braided together over a remarkable span—from World War II to the turning of the millennium. His talent and passionate ambition carried him on a personal journey from City College correspondent to executive editor, and his equally passionate devotion to quality journalism made him one of the principal architects of the modern New York Times.

Abe Rosenthal began his career at The Times as a 21-year-old cub reporter scratching for space in the metropolitan report, and he ended it as an Op-Ed page columnist noted for his commitment to political and religious freedom. In between he served as a correspondent at the United Nations and was based in three foreign countries, winning a Pulitzer Prize in 1960 for his reporting from Poland. He came home in 1963 to be metropolitan editor. In that role and in higher positions, he became a tireless advocate of opening the paper to the kind of vigorous writing and deep reporting that characterized his work. As managing editor and executive editor, Abe Rosenthal was in charge of The Times's news operations for a total of 17 years.

Of his many contributions as an editor, two immediately come to mind. One was his role in the publication of the Pentagon Papers, the official documents tracing a quarter-century of missteps that entangled America in the Vietnam War. Though hardly alone among Times editors, Mr. Rosenthal was instrumental in mustering the arguments that led to the decision by our then publisher, Arthur Ochs Sulzberger, to publish the archive. That fateful decision helped illustrate the futile duplicity of American policy in Vietnam, strengthened the press's First Amendment guarantees and reinforced

The Times's reputation as a guardian of the public interest.

The second achievement, more institutional in nature, was Mr. Rosenthal's central role in transforming The Times from a two-section to a four-section newspaper with the introduction of a separate business section and new themed sections like SportsMonday, Weekend and Science Times. Though a journalist of the old school, Abe Rosenthal grasped that such features were necessary to broaden the paper's universe of readers. He insisted only that the writing, editing and article selection measure up to The Times's traditional standards.

By his own admission, Abe Rosenthal could be ferocious in his pursuit and enforcement of those standards. Sometimes, indeed, debate about his management style competed for attention with his journalistic achievements. But the scale of this man's editorial accomplishments has come more fully into focus since he left the newsroom in 1986. It is now clear that he seeded the place with talent and helped ensure that future generations of Times writers and editors would hew to the principles of quality journalism

Born in Canada, Mr. Rosenthal developed a deep love for New York City and a fierce affection for the democratic values and civil liberties of his adopted country. For the last 13 years, his lifelong interest in foreign affairs and his compassion for victims of political, ethnic or religious oppression in Tibet, China, Iran, Africa and Eastern Europe formed the spine of his Op-Ed columns. His strong, individualistic views and his bedrock journalistic convictions have informed his work as reporter, editor and columnist. His voice will continue to be a force on the issues that engage him. And his commitment to journalism as an essential element in a democratic society will abide as part of the living heritage of the newspaper he loved and served for more than 55 years.•

THE MARTEL FAMILY

• Mr. BURNS. Mr. President, I rise today in recognition of the Martel family of Bozeman, Montana.

In 1951, Emil Martel and his family fled communist Russia and eventually settled in Bozeman. In 1960, Emil and his son, Bill, formed Martel Construction and constituted its entire workforce. In the past forty years, however, Martel Construction has grown to employ 200 people and now contracts in six states. Today, Martel Construction maintains its familiar character and is still run as a family business. Martel Construction was recently awarded the United States Small Business Administration's 1999 Entrepreneurial Success Award as well as the 1999 Montana Family Business of the Year award by the College of Business at Montana State University-Bozeman.

Martel Construction and the Martel family represent a modern American success story. I applaud them not only for what they have accomplished for themselves but also for what they have given back to their community. Their hard work serves as inspiration for other small businesses in my state of Montana; their success is proof that the American Dream lives on.•

UNANIMOUS CONSENT REQUEST—H.R. 3196

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of H.R. 3196, the foreign operations appropriations bill. I further ask consent that a substitute amendment, which is at the desk, be agreed to, the bill be read a third time and passed, the motion to reconsider be laid upon the table, and any statement relating to the bill be printed in the RECORD. I further ask consent that the Senate insist on its amendment and request a conference with the House.

Ms. LANDRIEU. I object.

The PRESIDING OFFICER. Objection is heard.

10TH ANNIVERSARY OF HISTORIC EVENTS IN CENTRAL AND EASTERN EUROPE

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of Calendar No. 380, S. Con. Res. 68.

The PRESIDING OFFICER. The clerk will report the concurrent resolution by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 68) expressing the sense of Congress on the occasion of the 10th anniversary of historic events in Central and Eastern Europe, particularly the Velvet Revolution in Czechoslovakia, and reaffirming the bonds of friendship and cooperation between the United States and the Czech and Slovak Republics.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. BIDEN. Mr. President, I rise to congratulate my colleagues for having supported S. Con. Res. 68, a sense-of-the-Senate resolution, which I cosponsored with Senator HELMS, commemorating the tenth anniversary of the so-called Velvet Revolution, whereby the people of Czechoslovakia overthrew the communist dictatorship that had oppressed them for four decades.

Since then, Czechoslovakia decided to effect a "Velvet Divorce." Today both successor states, the Czech Republic and the Slovak Republic, are in the process of integrating into the West. The Czech Republic is already a member of the North Atlantic Treaty Organization, and Slovakia is emerging as a strong candidate for the next round of enlargement. Both countries are busily preparing to qualify for membership in the European Union.

Both countries have growing pains associated with the difficult transitions from dictatorship to democracy, and from a command economy to the free market. Both have ongoing challenges to guarantee equal rights for minorities. But the overall picture for the Czech Republic and for the Slovak Republic is bright.

I am delighted that the Senate has recognized the accomplishments of the Czechs and the Slovaks and has wished them continued success in the future as partners of the United States.

I thank the Chair.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and any statements relating to this resolution be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The concurrent resolution (S. Con. Res. 68) was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, reads as follows:

S. CON. RES. 68

Whereas on September 3, 1918, the United States Government recognized the Czecho-Slovak National Council as the official Government of Czechoslovakia;

Whereas on October 28, 1918, the peoples of Bohemia, Moravia, and part of Silesia, comprising the present Czech Republic, and peoples of Slovakia, comprising the present Slovak Republic, proclaimed their independence in a common state of the Czechoslovak Republic;

Whereas on November 17, 1939, the Czech institutions of higher learning were closed by the Nazis, many students were taken to concentration camps, and nine representatives of the student movement were executed;

Whereas between 1938 and 1945, the Nazis annexed part of Bohemia, set up a fascist "protectorate" in the rest of Bohemia and in Moravia, and installed a puppet fascist government in Slovakia;

Whereas the Communists seized power from the democratically elected government of Czechoslovakia in March 1948;

Whereas troops from Warsaw Pact countries invaded Czechoslovakia in August 1968, ousted the reformist government of Alexander Dubcek, and restored a hard-line communist regime;

Whereas on November 17, 1989, the brutal break up of a student demonstration commemorating the 50th anniversary of the execution of Czech student leaders and the closure of universities by the Nazis triggered the explosion of mass discontent that launched the Velvet Revolution, which was characterized by reliance on nonviolence and open public discourse;

Whereas the peoples of Czechoslovakia overthrew 40-years of totalitarian communist rule in order to rebuild a democratic society;

Whereas since November 17, 1989, the people of the Czech and Slovak Republics have established a vibrant, pluralistic, democratic political system based upon freedom of speech, a free press, free and fair open elections, the rule of law, and other democratic principles and practices as they were recognized by President Wilson and President Thomas G. Masaryk;

Whereas the Czech Republic joined the North Atlantic Treaty Organization on March 12, 1999, the admission of which was approved by the Senate of the United States on April 30, 1998;

Whereas the Czech and Slovak Republics are in the process of preparing for admission to the European Union;

Whereas the people of the United States and the Czech and Slovak Republics have maintained a special relationship based on shared democratic values, common interests, and bonds of friendship and mutual respect; and

Whereas the American people have an affinity with the peoples of the Czech and Slovak Republics and regard the Czech and Slovak Republics as trusted and important partners: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress—

(1) recognizes the 10th anniversary of the historic events in Central and Eastern Europe that brought about the collapse of the communist regimes and the fall of the Iron Curtain, and commemorates with the Czech and Slovak Republics the 10th anniversary of the Velvet Revolution in Czechoslovakia, which underscores the significance and value of reclaimed freedom and the dignity of individual citizens;

(2) commends the peoples of the present Czech and Slovak Republics for their achievements in building new states and pluralistic democratic societies nearly 60 years of totalitarian fascist and communist rule;

(3) supports the peoples of the Czech and Slovak Republics in their determination to join trans-Atlantic institutions through memberships in the North Atlantic Treaty Organization (NATO) and the European Union;

(4) reaffirms the bonds of friendship and close cooperation that have existed between the United States and the Czech and Slovak Republics; and

(5) extends the warmest congratulations and best wishes to the Czech Republic and Slovak Republic and their people for a peaceful, prosperous, and successful future.

IMMIGRATION AND NATIONALITY ACT EXTENSION

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate proceed to Calendar No. 350, H.R. 3061.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 3061) to amend the Immigration and Nationality Act to extend for an additional 2 years the period for admission of an alien as a nonimmigrant under section 101(a)(15)(S) of such Act, and to authorize appropriations for the refugee assistance program under chapter 2 of title IV of the Immigration and Nationality Act.

There being no objection, the Senate proceeded to consider the bill.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the bill be considered read a third time and passed, the motion to reconsider be laid upon the table, and any statement relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 3061) was read the third time and passed.

EQUALITY FOR ISRAEL AT THE UNITED NATIONS ACT OF 1999

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of calendar No. 376, S. 923.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 923) to promote full equality at the United Nations for Israel.

There being no objection, the Senate proceeded to consider the bill.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the bill be read a third time and passed, the motion to reconsider be laid upon the table, and any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 923) was read the third time and passed, as follows:

S. 923

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Equality for Israel at the United Nations Act of 1999".

SEC. 2. EFFORT TO PROMOTE FULL EQUALITY AT THE UNITED NATIONS FOR ISRAEL.

(a) CONGRESSIONAL STATEMENT.—It is the sense of the Congress that—

(1) the United States should help promote an end to the inequity experienced by Israel in the United Nations whereby Israel is the only longstanding member of the organization to be denied acceptance into any of the United Nations region blocs, which serve as the basis for participation in important activities of the United Nations, including rotating membership on the United Nations Security Council; and

(2) the United States Ambassador to the United Nations should take all steps necessary to ensure Israel's acceptance in the Western Europe and Others Group (WEOG) regional bloc, whose membership includes the non-European countries of Canada, Australia, and the United States.

(b) REPORTS TO CONGRESS.—Not later than 60 days after the date of the enactment of this Act and on a quarterly basis thereafter, the Secretary of State shall submit to the appropriate congressional committees a report which includes the following information (in classified or unclassified form as appropriate):

(1) actions taken by representatives of the United States, including the United States Ambassador to the United Nations, to encourage the nations of the Western Europe and Others Group (WEOG) to accept Israel into their regional bloc;

(2) efforts undertaken by the Secretary General of the United Nations to secure Israel's full and equal participation in that body;

(3) specific responses solicited and received by the Secretary of State from each of the nations of Western Europe and Others Group (WEOG) on their position concerning Israel's acceptance into their organization; and

(4) other measures being undertaken, and which will be undertaken, to ensure and promote Israel's full and equal participation in the United Nations.

TECHNICAL CORRECTIONS TO THE WATER RESOURCES DEVELOPMENT ACT OF 1999

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of calendar No. 316, H.R. 2724.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 2724) to make technical corrections to the Water Resources Development Act of 1999.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Environment and Public Works, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. ENVIRONMENTAL INFRASTRUCTURE.

(a) JACKSON COUNTY, MISSISSIPPI.—Section 219 of the Water Resources Development Act of 1992 (106 Stat. 4835; 110 Stat. 3757) is amended—

(1) in subsection (c), by striking paragraph (5) and inserting the following:

"(5) JACKSON COUNTY, MISSISSIPPI.—Provision of an alternative water supply and a project for the elimination or control of combined sewer overflows for Jackson County, Mississippi."; and

(2) in subsection (e)(1), by striking "$10,000,000" and inserting "$20,000,000".

(b) MANCHESTER, NEW HAMPSHIRE.—Section 219(e)(3) of the Water Resources Development Act of 1992 (106 Stat. 4835; 110 Stat. 3757) is amended by striking "$10,000,000" and inserting "$30,000,000".

(c) ATLANTA, GEORGIA.—Section 219(f)(1) of the Water Resources Development Act of 1992 (106 Stat. 4835; 113 Stat. 335) is amended by striking "$25,000,000 for".

(d) PATERSON, PASSAIC COUNTY, AND PASSAIC VALLEY, NEW JERSEY.—Section 219(f)(2) of the Water Resources Development Act of 1992 (106 Stat. 4835; 113 Stat. 335) is amended by striking "$20,000,000 for".

(e) ELIZABETH AND NORTH HUDSON, NEW JERSEY.—Section 219(f) of the Water Resources Development Act of 1992 (106 Stat. 4835; 113 Stat. 335) is amended—

(1) in paragraph (33), by striking "$20,000,000" and inserting "$10,000,000"; and

(2) in paragraph (34)—

(A) by striking "$10,000,000" and inserting "$20,000,000"; and

(B) by striking "in the city of North Hudson" and inserting "for the North Hudson Sewerage Authority".

SEC. 2. UPPER MISSISSIPPI RIVER ENVIRONMENTAL MANAGEMENT PROGRAM.

Section 1103(e)(5) of the Water Resources Development Act of 1986 (33 U.S.C. 652(e)(5)) (as amended by section 509(c)(3) of the Water Resources Development Act of 1999 (113 Stat. 340)) is amended by striking "paragraph (1)(A)(i)" and inserting "paragraph (1)(B)".

SEC. 3. DELAWARE RIVER, PENNSYLVANIA AND DELAWARE.

Section 346 of the Water Resources Development Act of 1999 (113 Stat. 309) is amended by striking "economically acceptable" and inserting "environmentally acceptable".

SEC. 4. PROJECT REAUTHORIZATIONS.

Section 364 of the Water Resources Development Act of 1999 (113 Stat. 313) is amended—

(1) by striking "Each" and inserting "Subject to section 1001(b)(2) of the Water Resources Development Act of 1986 (33 U.S.C. 579a(b)(2)), each";

(2) by striking paragraph (1); and

(3) by redesignating paragraphs (2) through (6) as paragraphs (1) through (5), respectively.

SEC. 5. SHORE PROTECTION.

Section 103(d)(2)(A) of the Water Resources Development Act of 1986 (33 U.S.C. 2213(d)(2)(A)) (as amended by section 215(a)(2) of the Water Resources Development Act of 1999 (113 Stat. 292)) is amended by striking "or for *which a feasibility study is completed after that date," and inserting "except for a project for which a District Engineer's Report is completed by that date,".*

SEC. 6. DAM SAFETY.

Section 504(a)(2) of the Water Resources Development Act of 1999 (113 Stat. 338) is amended by inserting "No. 5" after "Dam".

AMENDMENT NO. 2773

Mr. GRASSLEY. Mr. President, Senators WARNER, CHAFEE, and REED have an amendment at the desk, and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY] for Mr. WARNER, for himself, Mr. CHAFEE, and Mr. REED, proposes an amendment numbered 2773.

The amendment is as follows:

On page 3, line 8, strike "$30,000,000" and insert "$20,000,000".

On page 4, strike lines 19 through 21 and insert the following:

(1) by striking "Each" and all that follows through the colon and inserting the following: "Each of the following projects is authorized to be carried out by the Secretary, and no construction on any such project may be initiated until the Secretary determines that the project is technically sound, environmentally acceptable, and economically justified:";

On page 5, strike lines 9 through 12 and insert the following:

SEC. ___. COMITE RIVER, LOUISIANA.

Section 371 of the Water Resources Development Act of 1999 (113 Stat. 321) is amended—

(1) by inserting "(a) IN GENERAL.—" before "The"; and

(2) by adding at the end the following:

"(b) CREDITING OF REDUCTION IN NON-FEDERAL SHARE.—The project cooperation agreement for the Comite River Diversion Project shall include a provision that specifies that any reduction in the non-Federal share that results from the modification under subsection (a) shall be credited toward the share of project costs to be paid by the Amite River Basin Drainage and Water Conservation District.".

SEC. ___. CHESAPEAKE CITY, MARYLAND.

Section 535(b) of the Water Resources Development Act of 1999 (113 Stat. 349) is amended by striking "the city of Chesapeake" each place it appears and inserting "Chesapeake City".

SEC. ___. CONTINUATION OF SUBMISSION OF CERTAIN REPORTS BY THE SECRETARY OF THE ARMY.

(a) RECOMMENDATIONS OF INLAND WATERWAYS USERS BOARD.—Section 302(b) of the Water Resources Development Act of 1986 (33 U.S.C. 2251(b)) is amended in the last sentence by striking "The" and inserting "Notwithstanding section 3003 of Public Law 104–66 (31 U.S.C. 1113 note; 109 Stat. 734), the".

(b) LIST OF AUTHORIZED BUT UNFUNDED STUDIES.—Section 710(a) of the Water Resources Development Act of 1986 (33 U.S.C. 2264(a)) is amended in the first sentence by striking "Not" and inserting "Notwithstanding section 3003 of Public Law 104–66 (31 U.S.C. 1113 note; 109 Stat. 734), not".

(c) REPORTS ON PARTICIPATION OF MINORITY GROUPS AND MINORITY-OWNED FIRMS IN MISSISSIPPI RIVER-GULF OUTLET FEATURE.—Section 844(b) of the Water Resources Development Act of 1986 (100 Stat. 4177) is amended in the second sentence by striking "The" and inserting "Notwithstanding section 3003 of Public Law 104–66 (31 U.S.C. 1113 note; 109 Stat. 734), the".

(d) LIST OF AUTHORIZED BUT UNFUNDED PROJECTS.—Section 1001(b)(2) of the Water Resources Development Act of 1986 (33 U.S.C. 579a(b)(2)) is amended in the first sentence by striking "Every" and inserting "Notwithstanding section 3003 of Public Law 104–66 (31 U.S.C. 1113 note; 109 Stat. 734), every".

SEC. ___. AUTHORIZATIONS FOR PROGRAM PREVIOUSLY AND CURRENTLY FUNDED.

(a) PROGRAM AUTHORIZATION.—The program described in subsection (c) is hereby authorized.

(b) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for the Department of Transportation for the program authorized in subsection (a) in amounts as follows:

(1) FISCAL YEAR 2000.—For fiscal year 2000, $10,000,000.

(2) FISCAL YEAR 2001.—For fiscal year 2001, $10,000,000.

(3) FISCAL YEAR 2002.—For fiscal year 2002, $7,000,000.

(c) APPLICABILITY.—The program referred to in subsection (a) is the program for which funds appropriated in title I of Public Law 106–69 under the heading "FEDERAL RAILROAD ADMINISTRATION" are available for obligation upon the enactment of legislation authorizing the program.

Mr. WARNER. Mr. President, today the Senate is considering legislation reported from the Committee on Environment and Public Works to make technical corrections to the Water Resources Development Act of 1999.

In July, 1999, the conference report on the Water Resources Development Act was enacted. The press of the conference business to reach final agreement prior to the August recess led to inaccurate cite references and omissions that need to be corrected.

This legislation and the accompanying amendment simply address technical modifications that have been brought to our attention by the Corps of Engineers. There are no new project authorizations, policy changes, or funding issues contained in this legislation.

As the Committee, by practice, has reauthorized the civil works mission of the Corps of Engineers every two years, the 1999 authorization bill is a produce initiated by the Committee in 1998. it is expected that, again next year, the Committee will examine the civil works mission of the Corps with all of the associated policy issues.

I respectfully request that my colleagues support this legislation and the amendment so that WRDA 1999 can be fully implemented.

Mr. GRASSLEY. I ask unanimous consent that the amendment be agreed to.

The amendment (No. 2773) was agreed to.

Mr. GRASSLEY. Mr. President, I ask unanimous consent the committee amendment, as amended, be agreed to, the bill be read a third time and passed, the motion to reconsider be laid upon the table, and any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The bill (H.R. 2724), as amended, was read the third time and passed.

ARCTIC TUNDRA HABITAT EMERGENCY CONSERVATION ACT

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of calendar No. 322, H.R. 2454.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 2454) to assure the long-term conservation of mid-continent light geese and the biological diversity of the ecosystem upon which many North American migratory birds depend, by directing the Secretary of the Interior to implement rules to reduce the overabundant population of mid-continent light geese.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Environment and Public Works, with amendments; as follows:

(The parts of the bill intended to be stricken as shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—ARCTIC TUNDRA HABITAT EMERGENCY CONSERVATION

[SECTION 1.] ***SEC. 101.*** **SHORT TITLE.**

This **[**Act**]** *title* may be cited as the "Arctic Tundra Habitat Emergency Conservation Act".

[SEC. 2.] ***SEC. 102.*** **FINDINGS AND PURPOSES.**

(a) FINDINGS.—The Congress finds the following:

(1) The winter index population of mid-continent light geese was 800,000 birds in 1969, while the total population of such geese is more than 5,200,000 birds today.

(2) The population of mid-continent light geese is expanding by over 5 percent each year, and in the absence of new wildlife management actions it could grow to more than 6,800,000 breeding light geese in 3 years.

(3) The primary reasons for this unprecedented population growth are—

(A) the expansion of agricultural areas and the resulting abundance of cereal grain crops in the United States;

(B) the establishment of sanctuaries along the United States flyways of migrating light geese; and

(C) a decline in light geese harvest rates.

(4) As a direct result of this population explosion, the Hudson Bay Lowlands Salt-Marsh ecosystem in Canada is being systematically destroyed. This ecosystem contains approximately 135,000 acres of essential habitat for migrating light geese and many other avian species. Biologists have testified that one-third of this habitat has been destroyed, one-third is on the brink of devastation, and the remaining one-third is overgrazed.

(5) The destruction of the Arctic tundra is having a severe negative impact on many

avian species that breed or migrate through this habitat, including the following:

(A) Canada Goose.

(B) American Wigeon.

(C) Dowitcher.

(D) Hudsonian Godwit.

(E) Stilt Sandpiper.

(F) Northern Shoveler.

(G) Red-Breasted Merganser.

(H) Oldsquaw.

(I) Parasitic Jaeger.

(J) Whimbrel.

(K) Yellow Rail.

(6) It is essential that the current population of mid-continent light geese be reduced by 50 percent by the year 2005 to ensure that the fragile Arctic tundra is not irreversibly damaged.

(b) Purposes.—The purposes of this [Act] *title* are the following:

(1) To reduce the population of mid-continent light geese.

(2) To assure the long-term conservation of mid-continent light geese and the biological diversity of the ecosystem upon which many North American migratory birds depend.

[SEC. 3.] *SEC. 103.* FORCE AND EFFECT OF RULES TO CONTROL OVERABUNDANT MID-CONTINENT LIGHT GEESE POPULATIONS.

(a) Force and Effect.—

(1) In general.—The rules published by the Service on February 16, 1999, relating to use of additional hunting methods to increase the harvest of mid-continent light geese (64 Fed. Reg. 7507–7517) and the establishment of a conservation order for the reduction of mid-continent light goose populations (64 Fed. Reg. 7517–7528), shall have the force and effect of law.

(2) Public notice.—The Secretary, acting through the Director of the Service, shall take such action as is necessary to appropriately notify the public of the force and effect of the rules referred to in paragraph (1).

(b) Application.—Subsection (a) shall apply only during the period that—

(1) begins on the date of the enactment of this Act; and

(2) ends on the latest of—

(A) the effective date of rules issued by the Service after such date of enactment to control overabundant mid-continent light geese populations;

(B) the date of the publication of a final environmental impact statement for such rules under section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)); and

(C) May 15, 2001.

(c) Rule of Construction.—This section shall not be construed to limit the authority of the Secretary or the Service to issue rules, under another law, to regulate the taking of mid-continent light geese.

[SEC. 4. DEFINITIONS.]

SEC. 104. COMPREHENSIVE MANAGEMENT PLAN.

(a) In General.—Not later than the end of the period described in section 103(b), the Secretary shall prepare, and as appropriate implement, a comprehensive, long-term plan for the management of mid-continent light geese and the conservation of their habitat.

(b) Required Elements.—The plan shall apply principles of adaptive resource management and shall include—

(1) a description of methods for monitoring the levels of populations and the levels of harvest of mid-continent light geese, and recommendations concerning long-term harvest levels;

(2) recommendations concerning other means for the management of mid-continent light goose populations, taking into account the reasons for the population growth specified in section 102(a)(3);

(3) an assessment of, and recommendations relating to, conservation of the breeding habitat of mid-continent light geese;

(4) an assessment of, and recommendations relating to, conservation of native species of wildlife adversely affected by the overabundance of mid-continent light geese, including the species specified in section 102(a)(5); and

(5) an identification of methods for promoting collaboration with the government of Canada, States, and other interested persons.

(c) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $1,000,000 for each of fiscal years 2000 through 2002.

SEC. 105. DEFINITIONS.

In this [Act] *title*:

(1) Mid-continent light geese.—The term "mid-continent light geese" means Lesser snow geese (Anser caerulescens caerulescens) and Ross' geese (Anser rossii) that primarily migrate between Canada and the States of Alabama, Arkansas, Colorado, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Mexico, North Dakota, Ohio, Oklahoma, South Dakota, Tennessee, Texas, Wisconsin, and Wyoming.

(2) Secretary.—The term "Secretary" means the Secretary of the Interior.

(3) Service.—The term "Service" means the United States Fish and Wildlife Service.

TITLE II—NEOTROPICAL MIGRATORY BIRD CONSERVATION

SEC. 201. SHORT TITLE.

This title may be cited as the "Neotropical Migratory Bird Conservation Act".

SEC. 202. FINDINGS.

Congress finds that—

(1) of the nearly 800 bird species known to occur in the United States, approximately 500 migrate among countries, and the large majority of those species, the neotropical migrants, winter in Latin America and the Caribbean;

(2) neotropical migratory bird species provide invaluable environmental, economic, recreational, and aesthetic benefits to the United States, as well as to the Western Hemisphere;

(3)(A) many neotropical migratory bird populations, once considered common, are in decline, and some have declined to the point that their long-term survival in the wild is in jeopardy; and

(B) the primary reason for the decline in the populations of those species is habitat loss and degradation (including pollution and contamination) across the species' range; and

(4)(A) because neotropical migratory birds range across numerous international borders each year, their conservation requires the commitment and effort of all countries along their migration routes; and

(B) although numerous initiatives exist to conserve migratory birds and their habitat, those initiatives can be significantly strengthened and enhanced by increased coordination.

SEC. 203. PURPOSES.

The purposes of this title are—

(1) to perpetuate healthy populations of neotropical migratory birds;

(2) to assist in the conservation of neotropical migratory birds by supporting conservation initiatives in the United States, Latin America, and the Caribbean; and

(3) to provide financial resources and to foster international cooperation for those initiatives.

SEC. 204. DEFINITIONS.

In this title:

(1) Account.—The term "Account" means the Neotropical Migratory Bird Conservation Account established by section 209(a).

(2) Conservation.—The term "conservation" means the use of methods and procedures necessary to bring a species of neotropical migratory bird to the point at which there are sufficient populations in the wild to ensure the long-term viability of the species, including—

(A) protection and management of neotropical migratory bird populations;

(B) maintenance, management, protection, and restoration of neotropical migratory bird habitat;

(C) research and monitoring;

(D) law enforcement; and

(E) community outreach and education.

(3) Secretary.—The term "Secretary" means the Secretary of the Interior.

SEC. 205. FINANCIAL ASSISTANCE.

(a) In General.—The Secretary shall establish a program to provide financial assistance for projects to promote the conservation of neotropical migratory birds.

(b) Project Applicants.—A project proposal may be submitted by—

(1) an individual, corporation, partnership, trust, association, or other private entity;

(2) an officer, employee, agent, department, or instrumentality of the Federal Government, of any State, municipality, or political subdivision of a State, or of any foreign government;

(3) a State, municipality, or political subdivision of a State;

(4) any other entity subject to the jurisdiction of the United States or of any foreign country; and

(5) an international organization (as defined in section 1 of the International Organizations Immunities Act (22 U.S.C. 288)).

(c) Project Proposals.—To be considered for financial assistance for a project under this title, an applicant shall submit a project proposal that—

(1) includes—

(A) the name of the individual responsible for the project;

(B) a succinct statement of the purposes of the project;

(C) a description of the qualifications of individuals conducting the project; and

(D) an estimate of the funds and time necessary to complete the project, including sources and amounts of matching funds;

(2) demonstrates that the project will enhance the conservation of neotropical migratory bird species in Latin America, the Caribbean, or the United States;

(3) includes mechanisms to ensure adequate local public participation in project development and implementation;

(4) contains assurances that the project will be implemented in consultation with relevant wildlife management authorities and other appropriate government officials with jurisdiction over the resources addressed by the project;

(5) demonstrates sensitivity to local historic and cultural resources and complies with applicable laws;

(6) describes how the project will promote sustainable, effective, long-term programs to conserve neotropical migratory birds; and

(7) provides any other information that the Secretary considers to be necessary for evaluating the proposal.

(d) Project Reporting.—Each recipient of assistance for a project under this title shall submit to the Secretary such periodic reports as the Secretary considers to be necessary. Each report shall include all information required by the Secretary for evaluating the progress and outcome of the project.

(e) Cost Sharing.—

(1) Federal share.—The Federal share of the cost of each project shall be not greater than 33 percent.

(2) Non-federal share.—

(A) Source.—The non-Federal share required to be paid for a project shall not be derived from any Federal grant program.

(B) FORM OF PAYMENT.—

(i) PROJECTS IN THE UNITED STATES.—The non-Federal share required to be paid for a project carried out in the United States shall be paid in cash.

(ii) PROJECTS IN FOREIGN COUNTRIES.—The non-Federal share required to be paid for a project carried out in a foreign country may be paid in cash or in kind.

SEC. 206. DUTIES OF THE SECRETARY.

In carrying out this title, the Secretary shall—

(1) develop guidelines for the solicitation of proposals for projects eligible for financial assistance under section 205;

(2) encourage submission of proposals for projects eligible for financial assistance under section 205, particularly proposals from relevant wildlife management authorities;

(3) select proposals for financial assistance that satisfy the requirements of section 205, giving preference to proposals that address conservation needs not adequately addressed by existing efforts and that are supported by relevant wildlife management authorities; and

(4) generally implement this title in accordance with its purposes.

SEC. 207. COOPERATION.

(a) IN GENERAL.—In carrying out this title, the Secretary shall—

(1) support and coordinate existing efforts to conserve neotropical migratory bird species, through—

(A) facilitating meetings among persons involved in such efforts;

(B) promoting the exchange of information among such persons;

(C) developing and entering into agreements with other Federal agencies, foreign, State, and local governmental agencies, and nongovernmental organizations; and

(D) conducting such other activities as the Secretary considers to be appropriate; and

(2) coordinate activities and projects under this title with existing efforts in order to enhance conservation of neotropical migratory bird species.

(b) ADVISORY GROUP.—

(1) IN GENERAL.—To assist in carrying out this title, the Secretary may convene an advisory group consisting of individuals representing public and private organizations actively involved in the conservation of neotropical migratory birds.

(2) PUBLIC PARTICIPATION.—

(A) MEETINGS.—The advisory group shall—

(i) ensure that each meeting of the advisory group is open to the public; and

(ii) provide, at each meeting, an opportunity for interested persons to present oral or written statements concerning items on the agenda.

(B) NOTICE.—The Secretary shall provide to the public timely notice of each meeting of the advisory group.

(C) MINUTES.—Minutes of each meeting of the advisory group shall be kept by the Secretary and shall be made available to the public.

(3) EXEMPTION FROM FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the advisory group.

SEC. 208. REPORT TO CONGRESS.

Not later than October 1, 2002, the Secretary shall submit to Congress a report on the results and effectiveness of the program carried out under this title, including recommendations concerning how this title might be improved and whether the program should be continued.

SEC. 209. NEOTROPICAL MIGRATORY BIRD CONSERVATION ACCOUNT.

(a) ESTABLISHMENT.—There is established in the Multinational Species Conservation Fund of the Treasury a separate account to be known as the "Neotropical Migratory Bird Conservation Account", which shall consist of amounts deposited into the Account by the Secretary of the Treasury under subsection (b).

(b) DEPOSITS INTO THE ACCOUNT.—The Secretary of the Treasury shall deposit into the Account—

(1) all amounts received by the Secretary in the form of donations under subsection (d); and

(2) other amounts appropriated to the Account.

(c) USE.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary may use amounts in the Account, without further Act of appropriation, to carry out this title.

(2) ADMINISTRATIVE EXPENSES.—Of amounts in the Account available for each fiscal year, the Secretary may expend not more than 6 percent to pay the administrative expenses necessary to carry out this title.

(d) ACCEPTANCE AND USE OF DONATIONS.—The Secretary may accept and use donations to carry out this title. Amounts received by the Secretary in the form of donations shall be transferred to the Secretary of the Treasury for deposit into the Account.

SEC. 210. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to the Account to carry out this title $8,000,000 for each of fiscal years 2000 through 2003, to remain available until expended, of which not less than 50 percent of the amounts made available for each fiscal year shall be expended for projects carried out outside the United States.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the committee amendments be agreed to.

The committee amendments were agreed to.

AMENDMENT NO. 2774

(Purpose: To assure the long-term conservation of mid-continent light geese)

Mr. GRASSLEY. Mr. President, Senator ABRAHAM has an amendment at the desk, and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY], for Mr. ABRAHAM, proposes an amendment numbered 2774.

The amendment is as follows:

Strike Title II.

Mr. ABRAHAM. Mr. President, I rise today to speak on two pieces of legislation designed to protect the habitat of this continent's migratory birds. Both H.R. 2454, known as the "Snow Goose" bill, and S. 148, the Neotropical Migratory Bird Conservation Act are intended to protect bird habitat, and by extension, the species which frequent these lands.

At the Senate markup last month, Senator CHAFEE combined these two bills in the hopes of passing them as a complete package this year. Unfortunately, it has become obvious that this strategy will not work because some Members of the House, lacking a better vehicle, intend to use the Neotropical Migratory Bird Conservation Act as a tool for debating the merits of property rights legislation. Apparently, they do not care that in doing so they jeopardize the passage of both bills.

I want very much for the Congress to pass the Neotropical Migratory Bird Conservation Act and am disappointed that the House has failed to even bring this issue to the floor. It is an important bill that will help ensure that the migratory species which Americans enjoy will receive additional protection in their winter habitats.

But the Snow Goose is equally important and it is imperative that the Congress Act on this legislation as soon as possible. I fear the refusal of the House to act on S. 148 jeopardizes the chances of the Snow Goose legislation this year. For that reason, I have offered an amendment to H.R. 2454 to strip the language pertaining to the neotropicals from the text of the Snow Goose bill.

As part of my agreeing to do this, I have been assured by both the Chairman of the House Resources Committee and the Chairman of the Subcommittee on Fisheries Conservation, Wildlife and Oceans that they will do everything they can to assure that the Neotropical Migratory Bird Conservation Act is considered by the full House early next year. I am encouraged by their support and wish to thank them for their willingness to try to move this legislation.

Therefore, I believe that removing the text of the Neotropical Migratory Bird Conservation Act is only a short-term setback. I am confident that once the full House has the opportunity to consider this legislation that a good bill will emerge from that respected body. I urge my colleagues to pass H.R. 2454, as amended.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the amendment be agreed to, the bill be read a third time and passed, the motion to reconsider be laid upon the table, and any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 2774) was agreed to.

The bill (H.R. 2454), as amended, was read the third time and passed.

BOUNDARY CLARIFICATION ON MAPS RELATING TO COASTAL BARRIER RESOURCES SYSTEM

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 301, S. 1398.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 1398) to clarify certain boundaries on maps relating to the Coastal Barrier Resources System.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Environment and Public Works with an amendment to strike all after the enacting clause and insert in lieu thereof the following:

SECTION 1. REPLACEMENT OF COASTAL BARRIER RESOURCES SYSTEM MAPS.

(a) IN GENERAL.—The 7 maps described in subsection (b) are replaced by 14 maps entitled "Dare County, North Carolina, Coastal Barrier Resources System, Cape Hatteras Unit NC–03P" or "Dare County, North Carolina, Coastal Barrier Resources System, Cape Hatteras Unit NC–03P, Hatteras Island Unit L03" and dated July 1, 1999.

(b) DESCRIPTION OF MAPS.—The maps described in this subsection are the 7 maps that—

(1) relate to the portions of Cape Hatteras Unit NC–03P and Hatteras Island Unit L03 that are located in Dare County, North Carolina; and

(2) are included in a set of maps entitled "Coastal Barrier Resources System", dated October 24, 1990, and referred to in section 4(a) of the Coastal Barrier Resources Act (16 U.S.C. 3503(a)).

(c) AVAILABILITY.—The Secretary of the Interior shall keep the maps referred to in subsection (a) on file and available for inspection in accordance with section 4(b) of the Coastal Barrier Resources Act (16 U.S.C. 3503(b)).

AMENDMENT NO. 2775

(Purpose: To make a technical correction)

Mr. GRASSLEY. Mr. President, Senator SMITH of New Hampshire has an amendment at the desk, and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY], for Mr. SMITH of New Hampshire, proposes an amendment numbered 2775.

The amendment is as follows:

On page 2, line 25, strike "July 1, 1999" and insert "October 18, 1999".

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the amendment be agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 2775) was agreed to.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the committee substitute, as amended, be agreed to, the bill, as amended, be read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The bill (S. 1398), as amended, was read the third time and passed, as follows:

S. 1398

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REPLACEMENT OF COASTAL BARRIER RESOURCES SYSTEM MAPS.

(a) IN GENERAL.—The 7 maps described in subsection (b) are replaced by 14 maps entitled "Dare County, North Carolina, Coastal Barrier Resources System, Cape Hatteras Unit NC–03P" or "Dare County, North Carolina, Coastal Barrier Resources System, Cape Hatteras Unit NC–03P, Hatteras Island Unit L03" and dated October 18, 1999.

(b) DESCRIPTION OF MAPS.—The maps described in this subsection are the 7 maps that—

(1) relate to the portions of Cape Hatteras Unit NC–03P and Hatteras Island Unit L03 that are located in Dare County, North Carolina; and

(2) are included in a set of maps entitled "Coastal Barrier Resources System", dated October 24, 1990, and referred to in section 4(a) of the Coastal Barrier Resources Act (16 U.S.C. 3503(a)).

(c) AVAILABILITY.—The Secretary of the Interior shall keep the maps referred to in subsection (a) on file and available for inspection in accordance with section 4(b) of the Coastal Barrier Resources Act (16 U.S.C. 3503(b)).

COST OF LIVING ADJUSTMENT FOR ADMINISTRATIVE LAW JUDGES

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 339, H.R. 915.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 915) to authorize a cost of living adjustment in the pay of administrative law judges.

There being no objection, the Senate proceeded to consider the bill.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the bill be read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 915) was read the third time and passed.

HONORING CIVIL DEFENSE AND EMERGENCY MANAGEMENT PROGRAMS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of H.R. 348, which is at the desk.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 348) to authorize the construction of a monument to honor those who have served the Nation's civil defense and emergency management programs.

There being no objection, the Senate proceeded to consider the bill.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the bill be read a third time and passed, the motion to reconsider be laid upon the table, and any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 348) was read the third time and passed.

THE DEVELOPMENTAL DISABILITIES ASSISTANCE AND BILL OF RIGHTS ACT OF 1999

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate now provide to the consideration of Calendar No. 387, S. 1809.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 1809) to improve service systems for individuals with developmental disabilities, and for other purposes.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Health, Education, Labor, and Pensions with an amendment to strike all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Developmental Disabilities Assistance and Bill of Rights Act of 1999".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—PROGRAMS FOR INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES

Subtitle A—General Provisions

Sec. 101. Findings, purposes, and policy.
Sec. 102. Definitions.
Sec. 103. Records and audits.
Sec. 104. Responsibilities of the Secretary.
Sec. 105. Reports of the Secretary.
Sec. 106. State control of operations.
Sec. 107. Employment of individuals with disabilities.
Sec. 108. Construction.
Sec. 109. Rights of individuals with developmental disabilities.

Subtitle B—Federal Assistance to State Councils on Developmental Disabilities

Sec. 121. Purpose.
Sec. 122. State allotments.
Sec. 123. Payments to the States for planning, administration, and services.
Sec. 124. State plan.
Sec. 125. State Councils on Developmental Disabilities and designated State agencies.
Sec. 126. Federal and non-Federal share.
Sec. 127. Withholding of payments for planning, administration, and services.
Sec. 128. Appeals by States.
Sec. 129. Authorization of appropriations.

Subtitle C—Protection and Advocacy of Individual Rights

Sec. 141. Purpose.
Sec. 142. Allotments and payments.
Sec. 143. System required.
Sec. 144. Administration.
Sec. 145. Authorization of appropriations.

Subtitle D—National Network of University Centers for Excellence in Developmental Disabilities Education, Research, and Service

Sec. 151. Grant authority.
Sec. 152. Grant awards.
Sec. 153. Purpose and scope of activities.
Sec. 154. Applications.
Sec. 155. Definition.
Sec. 156. Authorization of appropriations.

Subtitle E—Projects of National Significance

Sec. 161. Purpose.
Sec. 162. Grant authority.
Sec. 163. Authorization of appropriations.

TITLE II—FAMILY SUPPORT

Sec. 201. Short title.

Sec. 202. Findings, purposes, and policy.
Sec. 203. Definitions and special rule.
Sec. 204. Grants to States.
Sec. 205. Application.
Sec. 206. Designation of the lead entity.
Sec. 207. Authorized activities.
Sec. 208. Reporting.
Sec. 209. Technical assistance.
Sec. 210. Evaluation.
Sec. 211. Projects of national significance.
Sec. 212. Authorization of appropriations.
TITLE III—PROGRAM FOR DIRECT SUPPORT WORKERS WHO ASSIST INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES
Sec. 301. Findings.
Sec. 302. Definitions.
Sec. 303. Reaching up scholarship program.
Sec. 304. Staff development curriculum authorization.
Sec. 305. Authorization of appropriations.
TITLE IV—REPEAL
Sec. 401. Repeal.

TITLE I—PROGRAMS FOR INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES

Subtitle A—General Provisions

SEC. 101. FINDINGS, PURPOSES, AND POLICY.

(a) Findings.—Congress finds that—

(1) disability is a natural part of the human experience that does not diminish the right of individuals with developmental disabilities to live independently, to exert control and choice over their own lives, and to fully participate in and contribute to their communities through full integration and inclusion in the economic, political, social, cultural, and educational mainstream of United States society;

(2) in 1999, there are between 3,200,000 and 4,500,000 individuals with developmental disabilities in the United States, and recent studies indicate that individuals with developmental disabilities comprise between 1.2 and 1.65 percent of the United States population;

(3) individuals whose disabilities occur during their developmental period frequently have severe disabilities that are likely to continue indefinitely;

(4) individuals with developmental disabilities often encounter discrimination in the provision of critical services, such as services in the areas of emphasis (as defined in section 102);

(5) individuals with developmental disabilities are at greater risk than the general population of abuse, neglect, financial and sexual exploitation, and the violation of their legal and human rights;

(6) a substantial portion of individuals with developmental disabilities and their families do not have access to appropriate support and services, including access to assistive technology, from generic and specialized service systems, and remain unserved or underserved;

(7) individuals with developmental disabilities often require lifelong community services, individualized supports, and other forms of assistance, that are most effective when provided in a coordinated manner;

(8) there is a need to ensure that services, supports, and other assistance are provided in a culturally competent manner, that ensures that individuals from racial and ethnic minority backgrounds are fully included in all activities provided under this title;

(9) family members, friends, and members of the community can play an important role in enhancing the lives of individuals with developmental disabilities, especially when the family members, friends, and community members are provided with the necessary community services, individualized supports, and other forms of assistance;

(10) current research indicates that 88 percent of individuals with developmental disabilities live with their families or in their own households;

(11) many service delivery systems and communities are not prepared to meet the impending needs of the 479,862 adults with developmental disabilities who are living at home with parents who are 60 years old or older and who serve as the primary caregivers of the adults;

(12) in almost every State, individuals with developmental disabilities are waiting for appropriate services in their communities, in the areas of emphasis;

(13) the public needs to be made more aware of the capabilities and competencies of individuals with developmental disabilities, particularly in cases in which the individuals are provided with necessary services, supports, and other assistance;

(14) as increasing numbers of individuals with developmental disabilities are living, learning, working, and participating in all aspects of community life, there is an increasing need for a well trained workforce that is able to provide the services, supports, and other forms of direct assistance required to enable the individuals to carry out those activities;

(15) there needs to be greater effort to recruit individuals from minority backgrounds into professions serving individuals with developmental disabilities and their families;

(16) the goals of the Nation properly include a goal of providing individuals with developmental disabilities with the information, skills, opportunities, and support to—

(A) make informed choices and decisions about their lives;

(B) live in homes and communities in which such individuals can exercise their full rights and responsibilities as citizens;

(C) pursue meaningful and productive lives;

(D) contribute to their families, communities, and States, and the Nation;

(E) have interdependent friendships and relationships with other persons;

(F) live free of abuse, neglect, financial and sexual exploitation, and violations of their legal and human rights; and

(G) achieve full integration and inclusion in society, in an individualized manner, consistent with the unique strengths, resources, priorities, concerns, abilities, and capabilities of each individual; and

(17) as the Nation, States, and communities maintain and expand community living options for individuals with developmental disabilities, there is a need to evaluate the access to those options by individuals with developmental disabilities and the effects of those options on individuals with developmental disabilities.

(b) Purpose.—The purpose of this title is to assure that individuals with developmental disabilities and their families participate in the design of and have access to needed community services, individualized supports, and other forms of assistance that promote self-determination, independence, productivity, and integration and inclusion in all facets of community life, through culturally competent programs authorized under this title, including specifically—

(1) State Councils on Developmental Disabilities in each State to engage in advocacy, capacity building, and systemic change activities that—

(A) are consistent with the purpose described in this subsection and the policy described in subsection (c); and

(B) contribute to a coordinated, consumer-, and family-centered, consumer- and family-directed, comprehensive system that includes needed community services, individualized supports, and other forms of assistance that promote self-determination for individuals with developmental disabilities and their families;

(2) protection and advocacy systems in each State to protect the legal and human rights of individuals with developmental disabilities;

(3) University Centers for Excellence in Developmental Disabilities Education, Research, and Service—

(A) to provide interdisciplinary pre-service preparation and continuing education of students and fellows, which may include the preparation and continuing education of leadership, direct service, clinical, or other personnel to strengthen and increase the capacity of States and communities to achieve the purpose of this title;

(B) to provide community services—

(i) that provide training and technical assistance for individuals with developmental disabilities, their families, professionals, paraprofessionals, policymakers, students, and other members of the community; and

(ii) that may provide services, supports, and assistance for the persons described in clause (i) through demonstration and model activities;

(C) to conduct research, which may include basic or applied research, evaluation, and the analysis of public policy in areas that affect or could affect, either positively or negatively, individuals with developmental disabilities and their families; and

(D) to disseminate information related to activities undertaken to address the purpose of this title, especially dissemination of information that demonstrates that the network authorized under this subtitle is a national and international resource that includes specific substantive areas of expertise that may be accessed and applied in diverse settings and circumstances; and

(4) funding for—

(A) national initiatives to collect necessary data on issues that are directly or indirectly relevant to the lives of individuals with developmental disabilities;

(B) technical assistance to entities who engage in or intend to engage in activities consistent with the purpose described in this subsection or the policy described in subsection (c); and

(C) other nationally significant activities.

(c) Policy.—It is the policy of the United States that all programs, projects, and activities receiving assistance under this title shall be carried out in a manner consistent with the principles that—

(1) individuals with developmental disabilities, including those with the most severe developmental disabilities, are capable of self-determination, independence, productivity, and integration and inclusion in all facets of community life, but often require the provision of community services, individualized supports, and other forms of assistance;

(2) individuals with developmental disabilities and their families have competencies, capabilities, and personal goals that should be recognized, supported, and encouraged, and any assistance to such individuals should be provided in an individualized manner, consistent with the unique strengths, resources, priorities, concerns, abilities, and capabilities of such individuals;

(3) individuals with developmental disabilities and their families are the primary decisionmakers regarding the services and supports such individuals and their families receive, including regarding choosing where the individuals live from available options, and play decisionmaking roles in policies and programs that affect the lives of such individuals and their families;

(4) services, supports, and other assistance should be provided in a manner that demonstrates respect for individual dignity, personal preferences, and cultural differences;

(5) specific efforts must be made to ensure that individuals with developmental disabilities from racial and ethnic minority backgrounds and their families enjoy increased and meaningful

opportunities to access and use community services, individualized supports, and other forms of assistance available to other individuals with developmental disabilities and their families;

(6) recruitment efforts in disciplines related to developmental disabilities relating to pre-service training, community training, practice, administration, and policymaking must focus on bringing larger numbers of racial and ethnic minorities into the disciplines in order to provide appropriate skills, knowledge, role models, and sufficient personnel to address the growing needs of an increasingly diverse population;

(7) with education and support, communities can be accessible to and responsive to the needs of individuals with developmental disabilities and their families and are enriched by full and active participation in community activities, and contributions, by individuals with developmental disabilities and their families;

(8) individuals with developmental disabilities have access to opportunities and the necessary support to be included in community life, have interdependent relationships, live in homes and communities, and make contributions to their families, communities, and States, and the Nation;

(9) efforts undertaken to maintain or expand community-based living options for individuals with disabilities should be monitored in order to determine and report to appropriate individuals and entities the extent of access by individuals with developmental disabilities to those options and the extent of compliance by entities providing those options with quality assurance standards;

(10) families of children with developmental disabilities need to have access to and use of safe and appropriate child care and before-school and after-school programs, in the most integrated settings, in order to enrich the participation of the children in community life;

(11) individuals with developmental disabilities need to have access to and use of public transportation, in order to be independent and directly contribute to and participate in all facets of community life; and

(12) individuals with developmental disabilities need to have access to and use of recreational, leisure, and social opportunities in the most integrated settings, in order to enrich their participation in community life.

SEC. 102. DEFINITIONS.

In this title:

(1) AMERICAN INDIAN CONSORTIUM.—The term "American Indian Consortium" means any confederation of 2 or more recognized American Indian tribes, created through the official action of each participating tribe, that has a combined total resident population of 150,000 enrolled tribal members and a contiguous territory of Indian lands in 2 or more States.

(2) AREAS OF EMPHASIS.—The term "areas of emphasis" means the areas related to quality assurance activities, education activities and early intervention activities, child care-related activities, health-related activities, employment-related activities, housing-related activities, transportation-related activities, recreation-related activities, and other services available or offered to individuals in a community, including formal and informal community supports, that affect their quality of life.

(3) ASSISTIVE TECHNOLOGY DEVICE.—The term "assistive technology device" means any item, piece of equipment, or product system, whether acquired commercially, modified or customized, that is used to increase, maintain, or improve functional capabilities of individuals with developmental disabilities.

(4) ASSISTIVE TECHNOLOGY SERVICE.—The term "assistive technology service" means any service that directly assists an individual with a developmental disability in the selection, acquisition, or use of an assistive technology device. Such term includes—

(A) conducting an evaluation of the needs of an individual with a developmental disability, including a functional evaluation of the individual in the individual's customary environment;

(B) purchasing, leasing, or otherwise providing for the acquisition of an assistive technology device by an individual with a developmental disability;

(C) selecting, designing, fitting, customizing, adapting, applying, maintaining, repairing or replacing an assistive technology device;

(D) coordinating and using another therapy, intervention, or service with an assistive technology device, such as a therapy, intervention, or service associated with an education or rehabilitation plan or program;

(E) providing training or technical assistance for an individual with a developmental disability, or, where appropriate, a family member, guardian, advocate, or authorized representative of an individual with a developmental disability; and

(F) providing training or technical assistance for professionals (including individuals providing education and rehabilitation services), employers, or other individuals who provide services to, employ, or are otherwise substantially involved in the major life functions of, an individual with developmental disabilities.

(5) CENTER.—The term "Center" means a University Center for Excellence in Developmental Disabilities Education, Research, and Service established under subtitle D.

(6) CHILD CARE-RELATED ACTIVITIES.—The term "child care-related activities" means advocacy, capacity building, and systemic change activities that result in families of children with developmental disabilities having access to and use of child care services, including before-school, after-school, and out-of-school services, in their communities.

(7) CULTURALLY COMPETENT.—The term "culturally competent", used with respect to services, supports, or other assistance, means services, supports, or other assistance that is conducted or provided in a manner that is responsive to the beliefs, interpersonal styles, attitudes, language, and behaviors of individuals who are receiving the services, supports, or other assistance, and in a manner that has the greatest likelihood of ensuring their maximum participation in the program involved.

(8) DEVELOPMENTAL DISABILITY.—

(A) IN GENERAL.—The term "developmental disability" means a severe, chronic disability of an individual that—

(i) is attributable to a mental or physical impairment or combination of mental and physical impairments;

(ii) is manifested before the individual attains age 22;

(iii) is likely to continue indefinitely;

(iv) results in substantial functional limitations in 3 or more of the following areas of major life activity:

(I) Self-care.

(II) Receptive and expressive language.

(III) Learning.

(IV) Mobility.

(V) Self-direction.

(VI) Capacity for independent living.

(VII) Economic self-sufficiency; and

(v) reflects the individual's need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.

(B) INFANTS AND YOUNG CHILDREN.—An individual from birth to age 9, inclusive, who has a substantial developmental delay or specific congenital or acquired condition, may be considered to have a developmental disability without meeting 3 or more of the criteria described in clauses (i) through (v) of subparagraph (A) if the individual, without services and supports, has a high probability of meeting those criteria later in life.

(9) EARLY INTERVENTION ACTIVITIES.—The term "early intervention activities" means advocacy, capacity building, and systemic change activities provided to individuals described in paragraph (8)(B) and their families to enhance—

(A) the development of the individuals to maximize their potential; and

(B) the capacity of families to meet the special needs of the individuals.

(10) EDUCATION ACTIVITIES.—The term "education activities" means advocacy, capacity building, and systemic change activities that result in individuals with developmental disabilities being able to access appropriate supports and modifications when necessary, to maximize their educational potential, to benefit from lifelong educational activities, and to be integrated and included in all facets of student life.

(11) EMPLOYMENT-RELATED ACTIVITIES.—The term "employment-related activities" means advocacy, capacity building, and systemic change activities that result in individuals with developmental disabilities acquiring, retaining, or advancing in paid employment, including supported employment or self-employment, in integrated settings in a community.

(12) FAMILY SUPPORT SERVICES.—

(A) IN GENERAL.—The term "family support services" means services, supports, and other assistance, provided to families with members who have developmental disabilities, that are designed to—

(i) strengthen the family's role as primary caregiver;

(ii) prevent inappropriate out-of-the-home placement of the members and maintain family unity; and

(iii) reunite families with members who have been placed out of the home whenever possible.

(B) SPECIFIC SERVICES.—Such term includes respite care, provision of rehabilitation technology and assistive technology, personal assistance services, parent training and counseling, support for families headed by aging caregivers, vehicular and home modifications, and assistance with extraordinary expenses, associated with the needs of individuals with developmental disabilities.

(13) HEALTH-RELATED ACTIVITIES.—The term "health-related activities" means advocacy, capacity building, and systemic change activities that result in individuals with developmental disabilities having access to and use of coordinated health, dental, mental health, and other human and social services, including prevention activities, in their communities.

(14) HOUSING-RELATED ACTIVITIES.—The term "housing-related activities" means advocacy, capacity building, and systemic change activities that result in individuals with developmental disabilities having access to and use of housing and housing supports and services in their communities, including assistance related to renting, owning, or modifying an apartment or home.

(15) INCLUSION.—The term "inclusion", used with respect to individuals with developmental disabilities, means the acceptance and encouragement of the presence and participation of individuals with developmental disabilities, by individuals without disabilities, in social, educational, work, and community activities, that enables individuals with developmental disabilities to—

(A) have friendships and relationships with individuals and families of their own choice;

(B) live in homes close to community resources, with regular contact with individuals without disabilities in their communities;

(C) enjoy full access to and active participation in the same community activities and types of employment as individuals without disabilities; and

(D) take full advantage of their integration into the same community resources as individuals without disabilities, living, learning, working, and enjoying life in regular contact with individuals without disabilities.

(16) INDIVIDUALIZED SUPPORTS.—The term "individualized supports" means supports that—

(A) enable an individual with a developmental disability to exercise self-determination, be independent, be productive, and be integrated and included in all facets of community life;

(B) are designed to—

(i) enable such individual to control such individual's environment, permitting the most independent life possible;

(ii) prevent placement into a more restrictive living arrangement than is necessary; and

(iii) enable such individual to live, learn, work, and enjoy life in the community; and

(C) include—

(i) early intervention services;

(ii) respite care;

(iii) personal assistance services;

(iv) family support services;

(v) supported employment services;

(vi) support services for families headed by aging caregivers of individuals with developmental disabilities; and

(vii) provision of rehabilitation technology and assistive technology, and assistive technology services.

(17) INTEGRATION.—The term "integration", used with respect to individuals with developmental disabilities, means exercising the equal right of individuals with developmental disabilities to access and use the same community resources as are used by and available to other individuals.

(18) NOT-FOR-PROFIT.—The term "not-for-profit", used with respect to an agency, institution, or organization, means an agency, institution, or organization that is owned or operated by 1 or more corporations or associations, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

(19) PERSONAL ASSISTANCE SERVICES.—The term "personal assistance services" means a range of services, provided by 1 or more individuals, designed to assist an individual with a disability to perform daily activities, including activities on or off a job that such individual would typically perform if such individual did not have a disability. Such services shall be designed to increase such individual's control in life and ability to perform everyday activities, including activities on or off a job.

(20) PREVENTION ACTIVITIES.—The term "prevention activities" means activities that address the causes of developmental disabilities and the exacerbation of functional limitation, such as activities that—

(A) eliminate or reduce the factors that cause or predispose individuals to developmental disabilities or that increase the prevalence of developmental disabilities;

(B) increase the early identification of problems to eliminate circumstances that create or increase functional limitations; and

(C) mitigate against the effects of developmental disabilities throughout the lifespan of an individual.

(21) PRODUCTIVITY.—The term "productivity" means—

(A) engagement in income-producing work that is measured by increased income, improved employment status, or job advancement; or

(B) engagement in work that contributes to a household or community.

(22) PROTECTION AND ADVOCACY SYSTEM.—The term "protection and advocacy system" means a protection and advocacy system established in accordance with section 143.

(23) QUALITY ASSURANCE ACTIVITIES.—The term "quality assurance activities" means advocacy, capacity building, and systemic change activities that result in improved consumer- and family-centered quality assurance and that result in systems of quality assurance and consumer protection that—

(A) include monitoring of services, supports, and assistance provided to an individual with developmental disabilities that ensures that the individual—

(i) will not experience abuse, neglect, sexual or financial exploitation, or violation of legal or human rights; and

(ii) will not be subject to the inappropriate use of restraints or seclusion;

(B) include training in leadership, self-advocacy, and self-determination for individuals with developmental disabilities, their families, and their guardians to ensure that those individuals—

(i) will not experience abuse, neglect, sexual or financial exploitation, or violation of legal or human rights; and

(ii) will not be subject to the inappropriate use of restraints or seclusion; or

(C) include activities related to interagency coordination and systems integration that result in improved and enhanced services, supports, and other assistance that contribute to and protect the self-determination, independence, productivity, and integration and inclusion in all facets of community life, of individuals with developmental disabilities.

(24) RECREATION-RELATED ACTIVITIES.—The term "recreation-related activities" means advocacy, capacity building, and systemic change activities that result in individuals with developmental disabilities having access to and use of recreational, leisure, and social activities, in their communities.

(25) REHABILITATION TECHNOLOGY.—The term "rehabilitation technology" means the systematic application of technologies, engineering methodologies, or scientific principles to meet the needs of, and address the barriers confronted by, individuals with developmental disabilities in areas that include education, rehabilitation, employment, transportation, independent living, and recreation. Such term includes rehabilitation engineering, and the provision of assistive technology devices and assistive technology services.

(26) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services.

(27) SELF-DETERMINATION ACTIVITIES.—The term "self-determination activities" means activities that result in individuals with developmental disabilities, with appropriate assistance, having—

(A) the ability and opportunity to communicate and make personal decisions;

(B) the ability and opportunity to communicate choices and exercise control over the type and intensity of services, supports, and other assistance the individuals receive;

(C) the authority to control resources to obtain needed services, supports, and other assistance;

(D) opportunities to participate in, and contribute to, their communities; and

(E) support, including financial support, to advocate for themselves and others, to develop leadership skills, through training in self-advocacy, to participate in coalitions, to educate policymakers, and to play a role in the development of public policies that affect individuals with developmental disabilities.

(28) STATE.—The term "State", except as otherwise provided, includes, in addition to each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(29) STATE COUNCIL ON DEVELOPMENTAL DISABILITIES.—The term "State Council on Developmental Disabilities" means a Council established under section 125.

(30) SUPPORTED EMPLOYMENT SERVICES.—The term "supported employment services" means services that enable individuals with developmental disabilities to perform competitive work in integrated work settings, in the case of individuals with developmental disabilities—

(A)(i) for whom competitive employment has not traditionally occurred; or

(ii) for whom competitive employment has been interrupted or intermittent as a result of significant disabilities; and

(B) who, because of the nature and severity of their disabilities, need intensive supported employment services or extended services in order to perform such work.

(31) TRANSPORTATION-RELATED ACTIVITIES.—The term "transportation-related activities" means advocacy, capacity building, and systemic change activities that result in individuals with developmental disabilities having access to and use of transportation.

(32) UNSERVED AND UNDERSERVED.—The term "unserved and underserved" includes populations such as individuals from racial and ethnic minority backgrounds, disadvantaged individuals, individuals with limited English proficiency, individuals from underserved geographic areas (rural or urban), and specific groups of individuals within the population of individuals with developmental disabilities, including individuals who require assistive technology in order to participate in and contribute to community life.

SEC. 103. RECORDS AND AUDITS.

(a) RECORDS.—Each recipient of assistance under this title shall keep such records as the Secretary shall prescribe, including—

(1) records that fully disclose—

(A) the amount and disposition by such recipient of the assistance;

(B) the total cost of the project or undertaking in connection with which such assistance is given or used; and

(C) the amount of that portion of the cost of the project or undertaking that is supplied by other sources; and

(2) such other records as will facilitate an effective audit.

(b) ACCESS.—The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipients of assistance under this title that are pertinent to such assistance.

SEC. 104. RESPONSIBILITIES OF THE SECRETARY.

(a) PROGRAM ACCOUNTABILITY.—

(1) IN GENERAL.—In order to monitor entities that received funds under this Act to carry out activities under subtitles B, C, and D and determine the extent to which the entities have been responsive to the purpose of this title and have taken actions consistent with the policy described in section 101(c), the Secretary shall develop and implement an accountability process as described in this subsection, with respect to activities conducted after October 1, 2000.

(2) AREAS OF EMPHASIS.—The Secretary shall develop a process for identifying and reporting (pursuant to section 105) on progress achieved through advocacy, capacity building, and systemic change activities, undertaken by the entities described in paragraph (1), that resulted in

individuals with developmental disabilities and their families participating in the design of and having access to needed community services, individualized supports, and other forms of assistance that promote self-determination, independence, productivity, and integration and inclusion in all facets of community life. Specifically, the Secretary shall develop a process for identifying and reporting on progress achieved, through advocacy, capacity building, and systemic change activities, by the entities in the areas of emphasis.

(3) INDICATORS OF PROGRESS.—

(A) IN GENERAL.—In identifying progress made by the entities described in paragraph (1) in the areas of emphasis, the Secretary, in consultation with the Commissioner of the Administration on Developmental Disabilities and the entities, shall develop indicators for each area of emphasis.

(B) PROPOSED INDICATORS.—Not later than 180 days after the date of enactment of this Act, the Secretary shall develop and publish in the Federal Register for public comment proposed indicators of progress for monitoring how entities described in paragraph (1) have addressed the areas of emphasis described in paragraph (2) in a manner that is responsive to the purpose of this title and consistent with the policy described in section 101(c).

(C) FINAL INDICATORS.—Not later than October 1, 2000, the Secretary shall revise the proposed indicators of progress, to the extent necessary based on public comment, and publish final indicators of progress in the Federal Register.

(D) SPECIFIC MEASURES.—At a minimum, the indicators of progress shall be used to describe and measure—

(i) the satisfaction of individuals with developmental disabilities with the advocacy, capacity building, and systemic change activities provided under subtitles B, C, and D;

(ii) the extent to which the advocacy, capacity building, and systemic change activities provided through subtitles B, C, and D result in improvements in—

(I) the ability of individuals with developmental disabilities to make choices and exert control over the type, intensity, and timing of services, supports, and assistance that the individuals have used;

(II) the ability of individuals with developmental disabilities to participate in the full range of community life with persons of the individuals' choice; and

(III) the ability of individuals with developmental disabilities to access services, supports, and assistance in a manner that ensures that such an individual is free from abuse, neglect, sexual and financial exploitation, violation of legal and human rights, and the inappropriate use of restraints and seclusion; and

(iii) the extent to which the entities described in paragraph (1) collaborate with each other to achieve the purpose of this title and the policy described in section 101(c).

(4) TIME LINE FOR COMPLIANCE WITH INDICATORS OF PROGRESS.—The Secretary shall require entities described in paragraph (1) to meet the indicators of progress described in paragraph (3). For fiscal year 2001 and each year thereafter, the Secretary shall apply the indicators in monitoring entities described in paragraph (1), with respect to activities conducted after October 1, 2000.

(b) TIME LINE FOR REGULATIONS.—Except as otherwise expressly provided in this title, the Secretary, not later than 1 year after the date of enactment of this Act, shall promulgate such regulations as may be required for the implementation of this title.

(c) INTERAGENCY COMMITTEE.—

(1) IN GENERAL.—The Secretary shall maintain the interagency committee authorized in section 108 of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6007) as in effect on the day before the date of enactment of this Act, except as otherwise provided in this subsection.

(2) COMPOSITION.—The interagency committee shall be composed of representatives of—

(A) the Administration on Developmental Disabilities, the Administration on Children, Youth, and Families, the Administration on Aging, and the Health Resources and Services Administration, of the Department of Health and Human Services; and

(B) such other Federal departments and agencies as the Secretary of Health and Human Services considers to be appropriate.

(3) DUTIES.—Such interagency committee shall meet regularly to coordinate and plan activities conducted by Federal departments and agencies for individuals with developmental disabilities.

(4) MEETINGS.—Each meeting of the interagency committee (except for any meetings of any subcommittees of the committee) shall be open to the public. Notice of each meeting, and a statement of the agenda for the meeting, shall be published in the Federal Register not later than 14 days before the date on which the meeting is to occur.

SEC. 105. REPORTS OF THE SECRETARY.

At least once every 2 years, the Secretary, using information submitted in the reports and information required under subtitles B, C, D, and E, shall prepare and submit to the President, Congress, and the National Council on Disability, a report that describes the goals and outcomes of programs supported under subtitles B, C, D, and E. In preparing the report, the Secretary shall provide—

(1) meaningful examples of how the councils, protection and advocacy systems, centers, and entities funded under subtitles B, C, D, and E, respectively—

(A) have undertaken coordinated activities with each other;

(B) have enhanced the ability of individuals with developmental disabilities and their families to participate in the design of and have access to needed community services, individualized supports, and other forms of assistance that promote self-determination, independence, productivity, and integration and inclusion in all facets of community life;

(C) have brought about advocacy, capacity building, and systemic change activities (including policy reform), and other actions on behalf of individuals with developmental disabilities and their families, including individuals who are traditionally unserved or underserved, particularly individuals who are members of ethnic and racial minority groups and individuals from underserved geographic areas; and

(D) have brought about advocacy, capacity building, and systemic change activities that affect individuals with disabilities other than individuals with developmental disabilities;

(2) information on the extent to which programs authorized under this title have addressed—

(A) protecting individuals with developmental disabilities from abuse, neglect, sexual and financial exploitation, and violations of legal and human rights, so that those individuals are at no greater risk of harm than other persons in the general population; and

(B) reports of deaths of and serious injuries to individuals with developmental disabilities; and

(3) a summary of any incidents of noncompliance of the programs authorized under this title with the provisions of this title, and corrections made or actions taken to obtain compliance.

SEC. 106. STATE CONTROL OF OPERATIONS.

Except as otherwise specifically provided, nothing in this title shall be construed as conferring on any Federal officer or employee the right to exercise any supervision or control over the administration, personnel, maintenance, or operation of any programs, services, and supports for individuals with developmental disabilities with respect to which any funds have been or may be expended under this title.

SEC. 107. EMPLOYMENT OF INDIVIDUALS WITH DISABILITIES.

As a condition of providing assistance under this title, the Secretary shall require that each recipient of such assistance take affirmative action to employ and advance in employment qualified individuals with disabilities on the same terms and conditions required with respect to the employment of such individuals under the provisions of title V of the Rehabilitation Act of 1973 (29 U.S.C. 791 et seq.) and the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.), that govern employment.

SEC. 108. CONSTRUCTION.

Nothing in this title shall be construed to preclude an entity funded under this title from engaging in advocacy, capacity building, and systemic change activities for individuals with developmental disabilities that may also have a positive impact on individuals with other disabilities.

SEC. 109. RIGHTS OF INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES.

(a) IN GENERAL.—Congress makes the following findings respecting the rights of individuals with developmental disabilities:

(1) Individuals with developmental disabilities have a right to appropriate treatment, services, and habilitation for such disabilities, consistent with section 101(c).

(2) The treatment, services, and habitation for an individual with developmental disabilities should be designed to maximize the potential of the individual and should be provided in the setting that is least restrictive of the individual's personal liberty.

(3) The Federal Government and the States both have an obligation to ensure that public funds are provided only to institutional programs, residential programs, and other community programs, including educational programs in which individuals with developmental disabilities participate, that—

(A) provide treatment, services, and habilitation that are appropriate to the needs of such individuals; and

(B) meet minimum standards relating to—

(i) provision of care that is free of abuse, neglect, sexual and financial exploitation, and violations of legal and human rights and that subjects individuals with developmental disabilities to no greater risk of harm than others in the general population;

(ii) provision to such individuals of appropriate and sufficient medical and dental services;

(iii) prohibition of the use of physical restraint and seclusion for such an individual unless absolutely necessary to ensure the immediate physical safety of the individual or others, and prohibition of the use of such restraint and seclusion as a punishment or as a substitute for a habilitation program;

(iv) prohibition of the excessive use of chemical restraints on such individuals and the use of such restraints as punishment or as a substitute for a habilitation program or in quantities that interfere with services, treatment, or habilitation for such individuals; and

(v) provision for close relatives or guardians of such individuals to visit the individuals without prior notice.

(4) All programs for individuals with developmental disabilities should meet standards—

(A) that are designed to assure the most favorable possible outcome for those served; and

(B)(i) in the case of residential programs serving individuals in need of comprehensive health-

related, habilitative, assistive technology or rehabilitative services, that are at least equivalent to those standards applicable to intermediate care facilities for the mentally retarded, promulgated in regulations of the Secretary on June 3, 1988, as appropriate, taking into account the size of the institutions and the service delivery arrangements of the facilities of the programs;

(ii) in the case of other residential programs for individuals with developmental disabilities, that assure that—

(I) care is appropriate to the needs of the individuals being served by such programs;

(II) the individuals admitted to facilities of such programs are individuals whose needs can be met through services provided by such facilities; and

(III) the facilities of such programs provide for the humane care of the residents of the facilities, are sanitary, and protect their rights; and

(iii) in the case of nonresidential programs, that assure that the care provided by such programs is appropriate to the individuals served by the programs.

(b) CLARIFICATION.—The rights of individuals with developmental disabilities described in findings made in this section shall be considered to be in addition to any constitutional or other rights otherwise afforded to all individuals.

Subtitle B—Federal Assistance to State Councils on Developmental Disabilities

SEC. 121. PURPOSE.

The purpose of this subtitle is to provide for allotments to support State Councils on Developmental Disabilities (referred to individually in this subtitle as a "Council") in each State to—

(1) engage in advocacy, capacity building, and systemic change activities that are consistent with the purpose described in section 101(b) and the policy described in section 101(c); and

(2) contribute to a coordinated, consumer- and family-centered, consumer- and family-directed, comprehensive system of community services, individualized supports, and other forms of assistance that enable individuals with developmental disabilities to exercise self-determination, be independent, be productive, and be integrated and included in all facets of community life.

SEC. 122. STATE ALLOTMENTS.

(a) ALLOTMENTS.—

(1) IN GENERAL.—

(A) AUTHORITY.—For each fiscal year, the Secretary shall, in accordance with regulations and this paragraph, allot the sums appropriated for such year under section 129 among the States on the basis of—

(i) the population;

(ii) the extent of need for services for individuals with developmental disabilities; and

(iii) the financial need,

of the respective States.

(B) USE OF FUNDS.—Sums allotted to the States under this section shall be used to pay for the Federal share of the cost of carrying out projects in accordance with State plans approved under section 124 for the provision under such plans of services for individuals with developmental disabilities.

(2) ADJUSTMENTS.—The Secretary may make adjustments in the amounts of State allotments based on clauses (i), (ii), and (iii) of paragraph (1)(A) not more often than annually. The Secretary shall notify each State of any adjustment made under this paragraph and the percentage of the total sums appropriated under section 129 that the adjusted allotment represents not later than 6 months before the beginning of the fiscal year in which such adjustment is to take effect.

(3) MINIMUM ALLOTMENT FOR APPROPRIATIONS LESS THAN OR EQUAL TO $70,000,000.—

(A) IN GENERAL.—Except as provided in paragraph (4), for any fiscal year the allotment under this section—

(i) to each of American Samoa, Guam, the United States Virgin Islands, or the Commonwealth of the Northern Mariana Islands may not be less than $210,000; and

(ii) to any State not described in clause (i) may not be less than $400,000.

(B) REDUCTION OF ALLOTMENT.—Notwithstanding subparagraph (A), if the aggregate of the amounts to be allotted to the States pursuant to subparagraph (A) for any fiscal year exceeds the total amount appropriated under section 129 for such fiscal year, the amount to be allotted to each State for such fiscal year shall be proportionately reduced.

(4) MINIMUM ALLOTMENT FOR APPROPRIATIONS IN EXCESS OF $70,000,000.—

(A) IN GENERAL.—In any case in which the total amount appropriated under section 129 for a fiscal year is more than $70,000,000, the allotment under this section for such fiscal year—

(i) to each of American Samoa, Guam, the United States Virgin Islands, or the Commonwealth of the Northern Mariana Islands may not be less than $220,000; and

(ii) to any State not described in clause (i) may not be less than $450,000.

(B) REDUCTION OF ALLOTMENT.—The requirements of paragraph (3)(B) shall apply with respect to amounts to be allotted to States under subparagraph (A), in the same manner and to the same extent as such requirements apply with respect to amounts to be allotted to States under paragraph (3)(A).

(5) STATE SUPPORTS, SERVICES, AND OTHER ACTIVITIES.—In determining, for purposes of paragraph (1)(A)(ii), the extent of need in any State for services for individuals with developmental disabilities, the Secretary shall take into account the scope and extent of the services, supports, and assistance described, pursuant to section 124(c)(3)(A), in the State plan of the State.

(6) INCREASE IN ALLOTMENTS.—In any year in which the total amount appropriated under section 129 for a fiscal year exceeds the total amount appropriated under such section (or a corresponding provision) for the preceding fiscal year by a percentage greater than the most recent percentage change in the Consumer Price Index published by the Secretary of Labor under section 100(c)(1) of the Rehabilitation Act of 1973 (29 U.S.C. 720(c)(1)) (if the percentage change indicates an increase), the Secretary shall increase each of the minimum allotments described in paragraphs (3) and (4). The Secretary shall increase each minimum allotment by an amount that bears the same ratio to the amount of such minimum allotment (including any increases in such minimum allotment under this paragraph (or a corresponding provision) for prior fiscal years) as the amount that is equal to the difference between—

(A) the total amount appropriated under section 129 for the fiscal year for which the increase in the minimum allotment is being made; minus

(B) the total amount appropriated under section 129 (or a corresponding provision) for the immediately preceding fiscal year,

bears to the total amount appropriated under section 129 (or a corresponding provision) for such preceding fiscal year.

(b) UNOBLIGATED FUNDS.—Any amount paid to a State for a fiscal year and remaining unobligated at the end of such year shall remain available to such State for the next fiscal year for the purposes for which such amount was paid.

(c) OBLIGATION OF FUNDS.—For the purposes of this subtitle, State Interagency Agreements are considered valid obligations for the purpose of obligating Federal funds allotted to the State under this subtitle.

(d) COOPERATIVE EFFORTS BETWEEN STATES.—If a State plan approved in accordance with section 124 provides for cooperative or joint effort between or among States or agencies, public or private, in more than 1 State, portions of funds allotted to 1 or more States described in this subsection may be combined in accordance with the agreements between the States or agencies involved.

(e) REALLOTMENTS.—

(1) IN GENERAL.—If the Secretary determines that an amount of an allotment to a State for a period (of a fiscal year or longer) will not be required by the State during the period for the purpose for which the allotment was made, the Secretary may reallot the amount.

(2) TIMING.—The Secretary may make such a reallotment from time to time, on such date as the Secretary may fix, but not earlier than 30 days after the Secretary has published notice of the intention of the Secretary to make the reallotment in the Federal Register.

(3) AMOUNTS.—The Secretary shall reallot the amount to other States with respect to which the Secretary has not made that determination. The Secretary shall reallot the amount in proportion to the original allotments of the other States for such fiscal year, but shall reduce such proportionate amount for any of the other States to the extent the proportionate amount exceeds the sum that the Secretary estimates the State needs and will be able to use during such period.

(4) REALLOTMENT OF REDUCTIONS.—The Secretary shall similarly reallot the total of the reductions among the States whose proportionate amounts were not so reduced.

(5) TREATMENT.—Any amount reallotted to a State under this subsection for a fiscal year shall be deemed to be a part of the allotment of the State under subsection (a) for such fiscal year.

SEC. 123. PAYMENTS TO THE STATES FOR PLANNING, ADMINISTRATION, AND SERVICES.

(a) STATE PLAN EXPENDITURES.—From each State's allotments for a fiscal year under section 122, the Secretary shall pay to the State the Federal share of the cost, other than the cost for construction, incurred during such year for activities carried out under the State plan approved under section 124. The Secretary shall make such payments from time to time in advance on the basis of estimates by the Secretary of the sums the State will expend for the cost under the State plan. The Secretary shall make such adjustments as may be necessary to the payments on account of previously made underpayments or overpayments under this section.

(b) DESIGNATED STATE AGENCY EXPENDITURES.—The Secretary may make payments to a State for the portion described in section 124(c)(5)(B)(vi) in advance or by way of reimbursement, and in such installments as the Secretary may determine.

SEC. 124. STATE PLAN.

(a) IN GENERAL.—Any State desiring to receive assistance under this subtitle shall submit to the Secretary, and obtain approval of, a 5-year strategic State plan under this section.

(b) PLANNING CYCLE.—The plan described in subsection (a) shall be updated as appropriate during the 5-year period.

(c) STATE PLAN REQUIREMENTS.—In order to be approved by the Secretary under this section, a State plan shall meet each of the following requirements:

(1) STATE COUNCIL.—The plan shall provide for the establishment and maintenance of a Council in accordance with section 125 and describe the membership of such Council.

(2) DESIGNATED STATE AGENCY.—The plan shall identify the agency or office within the State designated to support the Council in accordance with this section and section 125(d) (referred to in this subtitle as a "designated State agency").

(3) COMPREHENSIVE REVIEW AND ANALYSIS.—The plan shall describe the results of a comprehensive review and analysis of the extent to which services, supports, and other assistance are available to individuals with developmental disabilities and their families, and the extent of unmet needs for services, supports, and other assistance for those individuals and their families, in the State. The results of the comprehensive review and analysis shall include—

(A) a description of the services, supports, and other assistance being provided to individuals with developmental disabilities and their families under other federally assisted State programs, plans, and policies under which the State operates and in which individuals with developmental disabilities are or may be eligible to participate, including particularly programs relating to the areas of emphasis, including—

(i) medical assistance, maternal and child health care, services for children with special health care needs, children's mental health services, comprehensive health and mental health services, and institutional care options;

(ii) job training, job placement, worksite accommodation, and vocational rehabilitation, and other work assistance programs; and

(iii) social, child welfare, aging, independent living, and rehabilitation and assistive technology services, and such other services as the Secretary may specify;

(B) a description of the extent to which agencies operating such other federally assisted State programs, including activities authorized under section 101 or 102 of the Assistive Technology Act of 1998 (29 U.S.C. 3011, 3012), pursue interagency initiatives to improve and enhance community services, individualized supports, and other forms of assistance for individuals with developmental disabilities;

(C) an analysis of the extent to which community services and opportunities related to the areas of emphasis directly benefit individuals with developmental disabilities, especially with regard to their ability to access and use services provided in their communities, to participate in opportunities, activities, and events offered in their communities, and to contribute to community life, identifying particularly—

(i) the degree of support for individuals with developmental disabilities that are attributable to either physical impairment, mental impairment, or a combination of physical and mental impairments;

(ii) criteria for eligibility for services, including specialized services and special adaptation of generic services provided by agencies within the State, that may exclude individuals with developmental disabilities from receiving services described in this clause;

(iii) the barriers that impede full participation of members of unserved and underserved groups of individuals with developmental disabilities and their families;

(iv) the availability of assistive technology, assistive technology services, or rehabilitation technology, or information about assistive technology, assistive technology services, or rehabilitation technology to individuals with developmental disabilities;

(v) the numbers of individuals with developmental disabilities on waiting lists for services described in this subparagraph;

(vi) a description of the adequacy of current resources and projected availability of future resources to fund services described in this subparagraph;

(vii) a description of the adequacy of health care and other services, supports, and assistance that individuals with developmental disabilities who are in facilities receive (based in part on each independent review (pursuant to section 1902(a)(30)(C) of the Social Security Act (42 U.S.C. 1396a(a)(30)(C))) of an Intermediate Care Facility (Mental Retardation) within the State, which the State shall provide to the Council not later than 30 days after the availability of the review); and

(viii) to the extent that information is available, a description of the adequacy of health care and other services, supports, and assistance that individuals with developmental disabilities who are served through home and community-based waivers (authorized under section 1915(c) of the Social Security Act (42 U.S.C. 1396n(c))) receive;

(D) a description of how entities funded under subtitles C and D, through interagency agreements or other mechanisms, collaborated with the entity funded under this subtitle in the State, each other, and other entities to contribute to the achievement of the purpose of this subtitle; and

(E) the rationale for the goals related to advocacy, capacity building, and systemic change to be undertaken by the Council to contribute to the achievement of the purpose of this subtitle.

(4) PLAN GOALS.—The plan shall focus on Council efforts to bring about the purpose of this subtitle, by—

(A) specifying 5-year goals, as developed through data driven strategic planning, for advocacy, capacity building, and systemic change related to the areas of emphasis, to be undertaken by the Council, that—

(i) are derived from the unmet needs of individuals with developmental disabilities and their families identified under paragraph (3); and

(ii) include a goal, for each year of the grant, to—

(I) establish or strengthen a program for the direct funding of a State self-advocacy organization led by individuals with developmental disabilities;

(II) support opportunities for individuals with developmental disabilities who are considered leaders to provide leadership training to individuals with developmental disabilities who may become leaders; and

(III) support and expand participation of individuals with developmental disabilities in cross-disability and culturally diverse leadership coalitions; and

(B) for each year of the grant, describing—

(i) the goals to be achieved through the grant, which, beginning in fiscal year 2001, shall be consistent with applicable indicators of progress described in section 104(a)(3);

(ii) the strategies to be used in achieving each goal; and

(iii) the method to be used to determine if each goal has been achieved.

(5) ASSURANCES.—

(A) IN GENERAL.—The plan shall contain or be supported by assurances and information described in subparagraphs (B) through (N) that are satisfactory to the Secretary.

(B) USE OF FUNDS.—With respect to the funds paid to the State under section 122, the plan shall provide assurances that—

(i) not less than 70 percent of such funds will be expended for activities related to the goals described in paragraph (4);

(ii) such funds will contribute to the achievement of the purpose of this subtitle in various political subdivisions of the State;

(iii) such funds will be used to supplement, and not supplant, the non-Federal funds that would otherwise be made available for the purposes for which the funds paid under section 122 are provided;

(iv) such funds will be used to complement and augment rather than duplicate or replace services for individuals with developmental disabilities and their families who are eligible for Federal assistance under other State programs;

(v) part of such funds will be made available by the State to public or private entities;

(vi) at the request of any State, a portion of such funds provided to such State under this subtitle for any fiscal year shall be available to pay up to ½ (or the entire amount if the Council is the designated State agency) of the expenditures found to be necessary by the Secretary for the proper and efficient exercise of the functions of the designated State agency, except that not more than 5 percent of such funds provided to such State for any fiscal year, or $50,000, whichever is less, shall be made available for total expenditures for such purpose by the designated State agency; and

(vii) not more than 20 percent of such funds will be allocated to the designated State agency for service demonstrations by such agency that—

(I) contribute to the achievement of the purpose of this subtitle; and

(II) are explicitly authorized by the Council.

(C) STATE FINANCIAL PARTICIPATION.—The plan shall provide assurances that there will be reasonable State financial participation in the cost of carrying out the plan.

(D) CONFLICT OF INTEREST.—The plan shall provide an assurance that no member of such Council will cast a vote on any matter that would provide direct financial benefit to the member or otherwise give the appearance of a conflict of interest.

(E) URBAN AND RURAL POVERTY AREAS.—The plan shall provide assurances that special financial and technical assistance will be given to organizations that provide community services, individualized supports, and other forms of assistance to individuals with developmental disabilities who live in areas designated as urban or rural poverty areas.

(F) PROGRAM ACCESSIBILITY STANDARDS.—The plan shall provide assurances that programs, projects, and activities funded under the plan, and the buildings in which such programs, projects, and activities are operated, will meet standards prescribed by the Secretary in regulations and all applicable Federal and State accessibility standards, including accessibility requirements of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.), section 508 of the Rehabilitation Act of 1973 (29 U.S.C. 794d), and the Fair Housing Act (42 U.S.C. 3601 et seq.).

(G) INDIVIDUALIZED SERVICES.—The plan shall provide assurances that any direct services provided to individuals with developmental disabilities and funded under the plan will be provided in an individualized manner, consistent with the unique strengths, resources, priorities, concerns, abilities, and capabilities of such individual.

(H) HUMAN RIGHTS.—The plan shall provide assurances that the human rights of the individuals with developmental disabilities (especially individuals without familial protection) who are receiving services under programs assisted under this subtitle will be protected consistent with section 109 (relating to rights of individuals with developmental disabilities).

(I) MINORITY PARTICIPATION.—The plan shall provide assurances that the State has taken affirmative steps to assure that participation in programs funded under this subtitle is geographically representative of the State, and reflects the diversity of the State with respect to race and ethnicity.

(J) EMPLOYEE PROTECTIONS.—The plan shall provide assurances that fair and equitable arrangements (as determined by the Secretary after consultation with the Secretary of Labor) will be provided to protect the interests of employees affected by actions taken under the plan to provide community living activities, including arrangements designed to preserve employee rights and benefits and provide training and retraining of such employees where necessary,

and arrangements under which maximum efforts will be made to guarantee the employment of such employees.

(K) STAFF ASSIGNMENTS.—The plan shall provide assurances that the staff and other personnel of the Council, while working for the Council, will be responsible solely for assisting the Council in carrying out the duties of the Council under this subtitle and will not be assigned duties by the designated State agency, or any other agency, office, or entity of the State.

(L) NONINTERFERENCE.—The plan shall provide assurances that the designated State agency, and any other agency, office, or entity of the State, will not interfere with the advocacy, capacity building, and systemic change activities, budget, personnel, State plan development, or plan implementation of the Council, except that the designated State agency shall have the authority necessary to carry out the responsibilities described in section 125(d)(3).

(M) STATE QUALITY ASSURANCE.—The plan shall provide assurances that the Council will participate in the planning, design or redesign, and monitoring of State quality assurance systems that affect individuals with developmental disabilities.

(N) OTHER ASSURANCES.—The plan shall contain such additional information and assurances as the Secretary may find necessary to carry out the provisions (including the purpose) of this subtitle.

(d) PUBLIC INPUT AND REVIEW, SUBMISSION, AND APPROVAL.—

(1) PUBLIC INPUT AND REVIEW.—The plan shall be based on public input. The Council shall make the plan available for public review and comment, after providing appropriate and sufficient notice in accessible formats of the opportunity for such review and comment. The Council shall revise the plan to take into account and respond to significant comments.

(2) CONSULTATION WITH THE DESIGNATED STATE AGENCY.—Before the plan is submitted to the Secretary, the Council shall consult with the designated State agency to ensure that the State plan is consistent with State law and to obtain appropriate State plan assurances.

(3) PLAN APPROVAL.—The Secretary shall approve any State plan and, as appropriate, amendments of such plan that comply with the provisions of subsections (a), (b), and (c) and this subsection. The Secretary may take final action to disapprove a State plan after providing reasonable notice and an opportunity for a hearing to the State.

SEC. 125. STATE COUNCILS ON DEVELOPMENTAL DISABILITIES AND DESIGNATED STATE AGENCIES.

(a) IN GENERAL.—Each State that receives assistance under this subtitle shall establish and maintain a Council to undertake advocacy, capacity building, and systemic change activities (consistent with subsections (b) and (c) of section 101) that contribute to a coordinated, consumer- and family-centered, consumer- and family-directed, comprehensive system of community services, individualized supports, and other forms of assistance that contribute to the achievement of the purpose of this subtitle. The Council shall have the authority to fulfill the responsibilities described in subsection (c).

(b) COUNCIL MEMBERSHIP.—

(1) COUNCIL APPOINTMENTS.—

(A) IN GENERAL.—The members of the Council of a State shall be appointed by the Governor of the State from among the residents of that State.

(B) RECOMMENDATIONS.—The Governor shall select members of the Council, at the discretion of the Governor, after soliciting recommendations from organizations representing a broad range of individuals with developmental disabilities and individuals interested in individuals with developmental disabilities, including the non-State agency members of the Council. The Council may, at the initiative of the Council, or on the request of the Governor, coordinate Council and public input to the Governor regarding all recommendations.

(C) REPRESENTATION.—The membership of the Council shall be geographically representative of the State and reflect the diversity of the State with respect to race and ethnicity.

(2) MEMBERSHIP ROTATION.—The Governor shall make appropriate provisions to rotate the membership of the Council. Such provisions shall allow members to continue to serve on the Council until such members' successors are appointed. The Council shall notify the Governor regarding membership requirements of the Council, and shall notify the Governor when vacancies on the Council remain unfilled for a significant period of time.

(3) REPRESENTATION OF INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES.—Not less than 60 percent of the membership of each Council shall consist of individuals who are—

(A)(i) individuals with developmental disabilities;

(ii) parents or guardians of children with developmental disabilities; or

(iii) immediate relatives or guardians of adults with mentally impairing developmental disabilities who cannot advocate for themselves; and

(B) not employees of a State agency that receives funds or provides services under this subtitle, and who are not managing employees (as defined in section 1126(b) of the Social Security Act (42 U.S.C. 1320a–5(b)) of any other entity that receives funds or provides services under this subtitle.

(4) REPRESENTATION OF AGENCIES AND ORGANIZATIONS.—

(A) IN GENERAL.—Each Council shall include—

(i) representatives of relevant State entities, including—

(I) State entities that administer funds provided under Federal laws related to individuals with disabilities, including the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.), the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.), the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.), and titles V and XIX of the Social Security Act (42 U.S.C. 701 et seq. and 1396 et seq.);

(II) Centers in the State; and

(III) the State protection and advocacy system; and

(ii) representatives, at all times, of local and nongovernmental agencies, and private nonprofit groups concerned with services for individuals with developmental disabilities in the State in which such agencies and groups are located.

(B) AUTHORITY AND LIMITATIONS.—The representatives described in subparagraph (A) shall—

(i) have sufficient authority to engage in policy planning and implementation on behalf of the department, agency, or program such representatives represent; and

(ii) recuse themselves from any discussion of grants or contracts for which such representatives' departments, agencies, or programs are grantees, contractors, or applicants and comply with the conflict of interest assurance requirement under section 124(c)(5)(D).

(5) COMPOSITION OF MEMBERSHIP WITH DEVELOPMENTAL DISABILITIES.—Of the members of the Council described in paragraph (3)—

(A) ⅓ shall be individuals with developmental disabilities described in paragraph (3)(A)(i);

(B) ⅓ shall be parents or guardians of children with developmental disabilities described in paragraph (3)(A)(ii), or immediate relatives or guardians of adults with developmental disabilities described in paragraph (3)(A)(iii); and

(C) ⅓ shall be a combination of individuals described in paragraph (3)(A).

(6) INSTITUTIONALIZED INDIVIDUALS.—

(A) IN GENERAL.—Of the members of the Council described in paragraph (5), at least 1 shall be an immediate relative or guardian of an individual with a developmental disability who resides or previously resided in an institution or shall be an individual with a developmental disability who resides or previously resided in an institution.

(B) LIMITATION.—Subparagraph (A) shall not apply with respect to a State if such an individual does not reside in that State.

(c) COUNCIL RESPONSIBILITIES.—

(1) IN GENERAL.—A Council, through Council members, staff, consultants, contractors, or subgrantees, shall have the responsibilities described in paragraphs (2) through (10).

(2) ADVOCACY, CAPACITY BUILDING, AND SYSTEMIC CHANGE ACTIVITIES.—The Council shall serve as an advocate for individuals with developmental disabilities and conduct or support programs, projects, and activities that carry out the purpose of this subtitle.

(3) EXAMINATION OF GOALS.—At the end of each grant year, each Council shall—

(A) determine the extent to which each goal of the Council was achieved for that year;

(B) determine to the extent that each goal was not achieved, the factors that impeded the achievement;

(C) determine needs that require amendment of the 5-year strategic State plan required under section 124;

(D) separately determine the information on the self-advocacy goal described in section 124(c)(4)(A)(ii); and

(E) determine customer satisfaction with Council supported or conducted activities.

(4) STATE PLAN DEVELOPMENT.—The Council shall develop the State plan and submit the State plan to the Secretary after consultation with the designated State agency under the State plan. Such consultation shall be solely for the purposes of obtaining State assurances and ensuring consistency of the plan with State law.

(5) STATE PLAN IMPLEMENTATION.—

(A) IN GENERAL.—The Council shall implement the State plan by conducting and supporting advocacy, capacity building, and systemic change activities such as those described in subparagraphs (B) through (L).

(B) OUTREACH.—The Council may support and conduct outreach activities to identify individuals with developmental disabilities and their families who otherwise might not come to the attention of the Council and assist and enable the individuals and families to obtain services, individualized supports, and other forms of assistance, including access to special adaptation of generic community services or specialized services.

(C) TRAINING.—The Council may support and conduct training for persons who are individuals with developmental disabilities, their families, and personnel (including professionals, paraprofessionals, students, volunteers, and other community members) to enable such persons to obtain access to, or to provide, community services, individualized supports, and other forms of assistance, including special adaptation of generic community services or specialized services for individuals with developmental disabilities and their families. To the extent that the Council supports or conducts training activities under this subparagraph, such activities shall contribute to the achievement of the purpose of this subtitle.

(D) TECHNICAL ASSISTANCE.—The Council may support and conduct technical assistance activities to assist public and private entities to contribute to the achievement of the purpose of this subtitle.

(E) SUPPORTING AND EDUCATING COMMUNITIES.—The Council may support and conduct activities to assist neighborhoods and communities to respond positively to individuals with developmental disabilities and their families—

(i) by encouraging local networks to provide informal and formal supports;

(ii) through education; and

(iii) by enabling neighborhoods and communities to offer such individuals and their families access to and use of services, resources, and opportunities.

(F) INTERAGENCY COLLABORATION AND COORDINATION.—The Council may support and conduct activities to promote interagency collaboration and coordination to better serve, support, assist, or advocate for individuals with developmental disabilities and their families.

(G) COORDINATION WITH RELATED COUNCILS, COMMITTEES, AND PROGRAMS.—The Council may support and conduct activities to enhance coordination of services with—

(i) other councils, entities, or committees, authorized by Federal or State law, concerning individuals with disabilities (such as the State interagency coordinating council established under subtitle C of the Individuals with Disabilities Education Act (20 U.S.C. 1431 et seq.), the State Rehabilitation Council and the Statewide Independent Living Council established under the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.), the State mental health planning council established under subtitle B of title XIX of the Public Health Service Act (42 U.S.C. 300x–1 et seq.), and the activities authorized under section 101 or 102 of the Assistive Technology Act of 1998 (29 U.S.C. 3011, 3012), and entities carrying out other similar councils, entities, or committees);

(ii) parent training and information centers under part D of the Individuals with Disabilities Education Act (20 U.S.C. 1451 et seq.) and other entities carrying out federally funded projects that assist parents of children with disabilities; and

(iii) other groups interested in advocacy, capacity building, and systemic change activities to benefit individuals with disabilities.

(H) BARRIER ELIMINATION, SYSTEMS DESIGN AND REDESIGN.—The Council may support and conduct activities to eliminate barriers to assess and use of community services by individuals with developmental disabilities, enhance systems design and redesign, and enhance citizen participation to address issues identified in the State plan.

(I) COALITION DEVELOPMENT AND CITIZEN PARTICIPATION.—The Council may support and conduct activities to educate the public about the capabilities, preferences, and needs of individuals with developmental disabilities and their families and to develop and support coalitions that support the policy agenda of the Council, including training in self-advocacy, education of policymakers, and citizen leadership skills.

(J) INFORMING POLICYMAKERS.—The Council may support and conduct activities to provide information to policymakers by supporting and conducting studies and analyses, gathering information, and developing and disseminating model policies and procedures, information, approaches, strategies, findings, conclusions, and recommendations. The Council may provide the information directly to Federal, State, and local policymakers, including Congress, the Federal executive branch, the Governors, State legislatures, and State agencies, in order to increase the ability of such policymakers to offer opportunities and to enhance or adapt generic services to meet the needs of, or provide specialized services to, individuals with developmental disabilities and their families.

(K) DEMONSTRATION OF NEW APPROACHES TO SERVICES AND SUPPORTS.—

(i) IN GENERAL.—The Council may support and conduct, on a time-limited basis, activities to demonstrate new approaches to serving individuals with developmental disabilities that are a part of an overall strategy for systemic change. The strategy may involve the education of policymakers and the public about how to deliver effectively, to individuals with developmental disabilities and their families, services, supports, and assistance that contribute to the achievement of the purpose of this subtitle.

(ii) SOURCES OF FUNDING.—The Council may carry out this subparagraph by supporting and conducting demonstration activities through sources of funding other than funding provided under this subtitle, and by assisting entities conducting demonstration activities to develop strategies for securing funding from other sources.

(L) OTHER ACTIVITIES.—The Council may support and conduct other advocacy, capacity building, and systemic change activities to promote the development of a coordinated, consumer- and family-centered, consumer- and family-directed, comprehensive system of community services, individualized supports, and other forms of assistance that contribute to the achievement of the purpose of this subtitle.

(6) REVIEW OF DESIGNATED STATE AGENCY.—The Council shall periodically review the designated State agency and activities carried out under this subtitle by the designated State agency and make any recommendations for change to the Governor.

(7) REPORTS.—Beginning in fiscal year 2001, the Council shall annually prepare and transmit to the Secretary a report. Each report shall be in a form prescribed by the Secretary by regulation under section 104(b). Each report shall contain information about the progress made by the Council in achieving the goals of the Council (as specified in section 124(c)(4)), including—

(A) a description of the extent to which the goals were achieved;

(B) a description of the strategies that contributed to achieving the goals;

(C) to the extent to which the goals were not achieved, a description of factors that impeded the achievement;

(D) separate information on the self-advocacy goal described in section 124(c)(4)(A)(ii);

(E)(i) as appropriate, an update on the results of the comprehensive review and analysis described in section 124(c)(3); and

(ii) information on consumer satisfaction with Council supported or conducted activities;

(F)(i) a description of the adequacy of health care and other services, supports, and assistance that individuals with developmental disabilities in Intermediate Care Facilities (Mental Retardation) receive; and

(ii) a description of the adequacy of health care and other services, supports, and assistance that individuals with developmental disabilities served through home and community-based waivers (authorized under section 1915(c) of the Social Security Act (42 U.S.C. 1396n(c)) receive;

(G) an accounting of the manner in which funds paid to the State under this subtitle for a fiscal year were expended;

(H) a description of—

(i) resources made available to carry out activities to assist individuals with developmental disabilities that are directly attributable to Council actions; and

(ii) resources made available for such activities that are undertaken by the Council in collaboration with other entities; and

(I) a description of the method by which the Council will widely disseminate the annual report to affected constituencies and the general public and will assure that the report is available in accessible formats.

(8) BUDGET.—Each Council shall prepare, approve, and implement a budget using amounts paid to the State under this subtitle to fund and implement all programs, projects, and activities carried out under this subtitle, including—

(A)(i) conducting such hearings and forums as the Council may determine to be necessary to carry out the duties of the Council; and

(ii) as determined in Council policy—

(I) reimbursing members of the Council for reasonable and necessary expenses (including expenses for child care and personal assistance services) for attending Council meetings and performing Council duties;

(II) paying a stipend to a member of the Council, if such member is not employed or must forfeit wages from other employment, to attend Council meetings and perform other Council duties;

(III) supporting Council member and staff travel to authorized training and technical assistance activities including in-service training and leadership development activities; and

(IV) carrying out appropriate subcontracting activities;

(B) hiring and maintaining such numbers and types of staff (qualified by training and experience) and obtaining the services of such professional, consulting, technical, and clerical staff (qualified by training and experience), consistent with State law, as the Council determines to be necessary to carry out the functions of the Council under this subtitle, except that such State shall not apply hiring freezes, reductions in force, prohibitions on travel, or other policies to the staff of the Council, to the extent that such policies would impact the staff or functions funded with Federal funds, or would prevent the Council from carrying out the functions of the Council under this subtitle; and

(C) directing the expenditure of funds for grants, contracts, interagency agreements that are binding contracts, and other activities authorized by the State plan approved under section 124.

(9) STAFF HIRING AND SUPERVISION.—The Council shall, consistent with State law, recruit and hire a Director of the Council, should the position of Director become vacant, and supervise and annually evaluate the Director. The Director shall hire, supervise, and annually evaluate the staff of the Council. Council recruitment, hiring, and dismissal of staff shall be conducted in a manner consistent with Federal and State nondiscrimination laws. Dismissal of personnel shall be conducted in a manner consistent with State law and personnel policies.

(10) STAFF ASSIGNMENTS.—The staff of the Council, while working for the Council, shall be responsible solely for assisting the Council in carrying out the duties of the Council under this subtitle and shall not be assigned duties by the designated State agency or any other agency or entity of the State.

(11) CONSTRUCTION.—Nothing in this title shall be construed to authorize a Council to direct, control, or exercise any policymaking authority or administrative authority over any program assisted under the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) or the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.).

(d) DESIGNATED STATE AGENCY.—

(1) IN GENERAL.—Each State that receives assistance under this subtitle shall designate a State agency that shall, on behalf of the State, provide support to the Council. After the date of enactment of the Developmental Disabilities Assistance and Bill of Rights Act Amendments of 1994 (Public Law 103–230), any designation of a State agency under this paragraph shall be made in accordance with the requirements of this subsection.

(2) DESIGNATION.—

(A) TYPE OF AGENCY.—Except as provided in this subsection, the designated State agency shall be—

(i) the Council if such Council may be the designated State agency under the laws of the State;

(ii) a State agency that does not provide or pay for services for individuals with developmental disabilities; or

(iii) a State office, including the immediate office of the Governor of the State or a State planning office.

(B) CONDITIONS FOR CONTINUATION OF STATE SERVICE AGENCY DESIGNATION.—

(i) DESIGNATION BEFORE ENACTMENT.—If a State agency that provides or pays for services for individuals with developmental disabilities was a designated State agency for purposes of part B of the Developmental Disabilities Assistance and Bill of Rights Act on the date of enactment of the Developmental Disabilities Assistance and Bill of Rights Act Amendments of 1994, and the Governor of the State (or the legislature, where appropriate and in accordance with State law) determines prior to June 30, 1994, not to change the designation of such agency, such agency may continue to be a designated State agency for purposes of this subtitle.

(ii) CRITERIA FOR CONTINUED DESIGNATION.—The determination, at the discretion of the Governor (or the legislature, as the case may be), shall be made after—

(I) the Governor has considered the comments and recommendations of the general public and a majority of the non-State agency members of the Council with respect to the designation of such State agency; and

(II) the Governor (or the legislature, as the case may be) has made an independent assessment that the designation of such agency will not interfere with the budget, personnel, priorities, or other action of the Council, and the ability of the Council to serve as an independent advocate for individuals with developmental disabilities.

(C) REVIEW OF DESIGNATION.—The Council may request a review of and change in the designation of the designated State agency by the Governor (or the legislature, as the case may be). The Council shall provide documentation concerning the reason the Council desires a change to be made and make a recommendation to the Governor (or the legislature, as the case may be) regarding a preferred designated State agency.

(D) APPEAL OF DESIGNATION.—After the review is completed under subparagraph (C), a majority of the non-State agency members of the Council may appeal to the Secretary for a review of and change in the designation of the designated State agency if the ability of the Council to serve as an independent advocate is not assured because of the actions or inactions of the designated State agency.

(3) RESPONSIBILITIES.—

(A) IN GENERAL.—The designated State agency shall, on behalf of the State, have the responsibilities described in subparagraphs (B) through (G).

(B) SUPPORT SERVICES.—The designated State agency shall provide required assurances and support services as requested by and negotiated with the Council.

(C) FISCAL RESPONSIBILITIES.—The designated State agency shall—

(i) receive, account for, and disburse funds under this subtitle based on the State plan required in section 124; and

(ii) provide for such fiscal control and fund accounting procedures as may be necessary to assure the proper disbursement of, and accounting for, funds paid to the State under this subtitle.

(D) RECORDS, ACCESS, AND FINANCIAL REPORTS.—The designated State agency shall keep and provide access to such records as the Secretary and the Council may determine to be necessary. The designated State agency, if other than the Council, shall provide timely financial reports at the request of the Council regarding the status of expenditures, obligations, and liquidation by the agency or the Council, and the use of the Federal and non-Federal shares described in section 126, by the agency or the Council.

(E) NON-FEDERAL SHARE.—The designated State agency, if other than the Council, shall provide the required non-Federal share described in section 126(c).

(F) ASSURANCES.—The designated State agency shall assist the Council in obtaining the appropriate State plan assurances and in ensuring that the plan is consistent with State law.

(G) MEMORANDUM OF UNDERSTANDING.—On the request of the Council, the designated State agency shall enter into a memorandum of understanding with the Council delineating the roles and responsibilities of the designated State agency.

(4) USE OF FUNDS FOR DESIGNATED STATE AGENCY RESPONSIBILITIES.—

(A) CONDITION FOR FEDERAL FUNDING.—

(i) IN GENERAL.—The Secretary shall provide amounts to a State under section 124(c)(5)(B)(vi) for a fiscal year only if the State expends an amount from State sources for carrying out the responsibilities of the designated State agency under paragraph (3) for the fiscal year that is not less than the total amount the State expended from such sources for carrying out similar responsibilities for the previous fiscal year.

(ii) EXCEPTION.—Clause (i) shall not apply in a year in which the Council is the designated State agency.

(B) SUPPORT SERVICES PROVIDED BY OTHER AGENCIES.—With the agreement of the designated State agency, the Council may use or contract with agencies other than the designated State agency to perform the functions of the designated State agency.

SEC. 126. FEDERAL AND NON-FEDERAL SHARE.

(a) AGGREGATE COST.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the Federal share of the cost of all projects in a State supported by an allotment to the State under this subtitle may not be more than 75 percent of the aggregate necessary cost of such projects, as determined by the Secretary.

(2) URBAN OR RURAL POVERTY AREAS.—In the case of projects whose activities or products target individuals with developmental disabilities who live in urban or rural poverty areas, as determined by the Secretary, the Federal share of the cost of all such projects may not be more than 90 percent of the aggregate necessary cost of such projects, as determined by the Secretary.

(3) STATE PLAN ACTIVITIES.—In the case of projects undertaken by the Council or Council staff to implement State plan activities, the Federal share of the cost of all such projects may be not more than 100 percent of the aggregate necessary cost of such activities.

(b) NONDUPLICATION.—In determining the amount of any State's Federal share of the cost of such projects incurred by such State under a State plan approved under section 124, the Secretary shall not consider—

(1) any portion of such cost that is financed by Federal funds provided under any provision of law other than section 122; and

(2) the amount of any non-Federal funds required to be expended as a condition of receipt of the Federal funds described in paragraph (1).

(c) NON-FEDERAL SHARE.—

(1) IN-KIND CONTRIBUTIONS.—The non-Federal share of the cost of any project supported by an allotment under this subtitle may be provided in cash or in kind, fairly evaluated, including plant, equipment, or services.

(2) CONTRIBUTIONS OF POLITICAL SUBDIVISIONS AND PUBLIC OR PRIVATE ENTITIES.—

(A) IN GENERAL.—Contributions to projects by a political subdivision of a State or by a public or private entity under an agreement with the State shall, subject to such limitations and conditions as the Secretary may by regulation prescribe under section 104(b), be considered to be contributions by such State, in the case of a project supported under this subtitle.

(B) STATE CONTRIBUTIONS.—State contributions, including contributions by the designated State agency to provide support services to the Council pursuant to section 125(d)(4), may be counted as part of such State's non-Federal share of the cost of projects supported under this subtitle.

(3) VARIATIONS OF THE NON-FEDERAL SHARE.—The non-Federal share required of each recipient of a grant from a Council under this subtitle may vary.

SEC. 127. WITHHOLDING OF PAYMENTS FOR PLANNING, ADMINISTRATION, AND SERVICES.

Whenever the Secretary, after providing reasonable notice and an opportunity for a hearing to the Council and the designated State agency, finds that—

(1) the Council or agency has failed to comply substantially with any of the provisions required by section 124 to be included in the State plan, particularly provisions required by paragraphs (4)(A) and (5)(B)(vii) of section 124(c), or with any of the provisions required by section 125(b)(3); or

(2) the Council or agency has failed to comply substantially with any regulations of the Secretary that are applicable to this subtitle,

the Secretary shall notify such Council and agency that the Secretary will not make further payments to the State under section 122 (or, in the discretion of the Secretary, that further payments to the State under section 122 for activities for which there is such failure), until the Secretary is satisfied that there will no longer be such failure. Until the Secretary is so satisfied, the Secretary shall make no further payments to the State under section 122, or shall limit further payments under section 122 to such State to activities for which there is no such failure.

SEC. 128. APPEALS BY STATES.

(a) APPEAL.—If any State is dissatisfied with the Secretary's action under section 124(d)(3) or 127, such State may appeal to the United States court of appeals for the circuit in which such State is located, by filing a petition with such court not later than 60 days after such action.

(b) FILING.—The clerk of the court shall transmit promptly a copy of the petition to the Secretary, or any officer designated by the Secretary for that purpose. The Secretary shall file promptly with the court the record of the proceedings on which the Secretary based the action, as provided in section 2112 of title 28, United States Code.

(c) JURISDICTION.—Upon the filing of the petition, the court shall have jurisdiction to affirm the action of the Secretary or to set the action aside, in whole or in part, temporarily or permanently. Until the filing of the record, the Secretary may modify or set aside the order of the Secretary relating to the action.

(d) FINDINGS AND REMAND.—The findings of the Secretary about the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case involved to the Secretary for further proceedings to take further evidence. On remand, the Secretary may make new or modified findings of fact and may modify the previous action of the Secretary, and shall file with the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(e) FINALITY.—The judgment of the court affirming or setting aside, in whole or in part, any action of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

(f) EFFECT.—The commencement of proceedings under this section shall not, unless so specifically ordered by a court, operate as a stay of the Secretary's action.

SEC. 129. AUTHORIZATION OF APPROPRIATIONS.

(a) FUNDING FOR STATE ALLOTMENTS.—Except as described in subsection (b), there are authorized to be appropriated for allotments under section 122 $76,000,000 for fiscal year 2000 and such sums as may be necessary for each of fiscal years 2001 through 2006.

(b) RESERVATION FOR TECHNICAL ASSISTANCE.—

(1) LOWER APPROPRIATION YEARS.—For any fiscal year for which the amount appropriated under subsection (a) is less than $76,000,000, the Secretary shall reserve funds in accordance with section 163(c) to provide technical assistance to entities funded under this subtitle.

(2) HIGHER APPROPRIATION YEARS.—For any fiscal year for which the amount appropriated under subsection (a) is not less than $76,000,000, the Secretary shall reserve not less than $300,000 and not more than 1 percent of the amount appropriated under subsection (a) to provide technical assistance to entities funded under this subtitle.

Subtitle C—Protection and Advocacy of Individual Rights

SEC. 141. PURPOSE.

The purpose of this subtitle is to provide for allotments to support a protection and advocacy system (referred to in this subtitle as a "system") in each State to protect the legal and human rights of individuals with developmental disabilities in accordance with this subtitle.

SEC. 142. ALLOTMENTS AND PAYMENTS.

(a) ALLOTMENTS.—

(1) IN GENERAL.—To assist States in meeting the requirements of section 143(a), the Secretary shall allot to the States the amounts appropriated under section 145 and not reserved under paragraph (6). Allotments and reallotments of such sums shall be made on the same basis as the allotments and reallotments are made under subsections (a)(1)(A) and (e) of section 122, except as provided in paragraph (2).

(2) MINIMUM ALLOTMENTS.—In any case in which—

(A) the total amount appropriated under section 145 for a fiscal year is not less than $20,000,000, the allotment under paragraph (1) for such fiscal year—

(i) to each of American Samoa, Guam, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands may not be less than $107,000; and

(ii) to any State not described in clause (i) may not be less than $200,000; or

(B) the total amount appropriated under section 145 for a fiscal year is less than $20,000,000, the allotment under paragraph (1) for such fiscal year—

(i) to each of American Samoa, Guam, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands may not be less than $80,000; and

(ii) to any State not described in clause (i) may not be less than $150,000.

(3) REDUCTION OF ALLOTMENT.—Notwithstanding paragraphs (1) and (2), if the aggregate of the amounts to be allotted to the States pursuant to such paragraphs for any fiscal year exceeds the total amount appropriated for such allotments under section 145 for such fiscal year, the amount to be allotted to each State for such fiscal year shall be proportionately reduced.

(4) INCREASE IN ALLOTMENTS.—In any year in which the total amount appropriated under section 145 for a fiscal year exceeds the total amount appropriated under such section (or a corresponding provision) for the preceding fiscal year by a percentage greater than the most recent percentage change in the Consumer Price Index published by the Secretary of Labor under section 100(c)(1) of the Rehabilitation Act of 1973 (29 U.S.C. 720(c)(1)) (if the percentage change indicates an increase), the Secretary shall increase each of the minimum allotments described in subparagraphs (A) and (B) of paragraph (2). The Secretary shall increase each minimum allotment by an amount that bears the same ratio to the amount of such minimum allotment (including any increases in such minimum allotment under this paragraph (or a corresponding provision) for prior fiscal years) as the amount that is equal to the difference between—

(A) the total amount appropriated under section 145 for the fiscal year for which the increase in the minimum allotment is being made; minus

(B) the total amount appropriated under section 145 (or a corresponding provision) for the immediately preceding fiscal year,

bears to the total amount appropriated under section 145 (or a corresponding provision) for such preceding fiscal year.

(5) MONITORING THE ADMINISTRATION OF THE SYSTEM.—In a State in which the system is housed in a State agency, the State may use not more than 5 percent of any allotment under this subsection for the costs of monitoring the administration of the system required under section 143(a).

(6) TECHNICAL ASSISTANCE AND AMERICAN INDIAN CONSORTIUM.—In any case in which the total amount appropriated under section 145 for a fiscal year is more than $24,500,000, the Secretary shall—

(A) use not more than 2 percent of the amount appropriated to provide technical assistance to eligible systems with respect to activities carried out under this subtitle (consistent with requests by such systems for such assistance for the year); and

(B) provide a grant in accordance with section 143(b), and in an amount described in paragraph (2)(A)(i), to an American Indian consortium to provide protection and advocacy services.

(b) PAYMENT TO SYSTEMS.—Notwithstanding any other provision of law, the Secretary shall pay directly to any system in a State that complies with the provisions of this subtitle the amount of the allotment made for the State under this section, unless the system specifies otherwise.

(c) UNOBLIGATED FUNDS.—Any amount paid to a system under this subtitle for a fiscal year and remaining unobligated at the end of such year shall remain available to such system for the next fiscal year, for the purposes for which such amount was paid.

SEC. 143. SYSTEM REQUIRED.

(a) SYSTEM REQUIRED.—In order for a State to receive an allotment under subtitle B or this subtitle—

(1) the State shall have in effect a system to protect and advocate the rights of individuals with developmental disabilities;

(2) such system shall—

(A) have the authority to—

(i) pursue legal, administrative, and other appropriate remedies or approaches to ensure the protection of, and advocacy for, the rights of such individuals within the State who are or who may be eligible for treatment, services, or habilitation, or who are being considered for a change in living arrangements, with particular attention to members of ethnic and racial minority groups; and

(ii) provide information on and referral to programs and services addressing the needs of individuals with developmental disabilities;

(B) have the authority to investigate incidents of abuse and neglect of individuals with developmental disabilities if the incidents are reported to the system or if there is probable cause to believe that the incidents occurred;

(C) on an annual basis, develop, submit to the Secretary, and take action with regard to goals (each of which is related to 1 or more areas of emphasis) and priorities, developed through data driven strategic planning, for the system's activities;

(D) on an annual basis, provide to the public, including individuals with developmental disabilities attributable to either physical impairment, mental impairment, or a combination of physical and mental impairment, and their representatives, and as appropriate, non-State agency representatives of the State Councils on Developmental Disabilities, and Centers, in the State, an opportunity to comment on—

(i) the goals and priorities established by the system and the rationale for the establishment of such goals; and

(ii) the activities of the system, including the coordination of services with the entities carrying out advocacy programs under the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.), the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.), and the Protection and Advocacy for Mentally Ill Individuals Act of 1986 (42 U.S.C. 10801 et seq.), and with entities carrying out other related programs, including the parent training and information centers funded under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.), and activities authorized under section 101 or 102 of the Assistive Technology Act of 1998 (29 U.S.C. 3011, 3012);

(E) establish a grievance procedure for clients or prospective clients of the system to ensure that individuals with developmental disabilities have full access to services of the system;

(F) not be administered by the State Council on Developmental Disabilities;

(G) be independent of any agency that provides treatment, services, or habilitation to individuals with developmental disabilities;

(H) have access at reasonable times to any individual with a developmental disability in a location in which services, supports, and other assistance are provided to such an individual, in order to carry out the purpose of this subtitle;

(I) have access to all records of—

(i) any individual with a developmental disability who is a client of the system if such individual, or the legal guardian, conservator, or other legal representative of such individual, has authorized the system to have such access;

(ii) any individual with a developmental disability, in a situation in which—

(I) the individual, by reason of such individual's mental or physical condition, is unable to authorize the system to have such access;

(II) the individual does not have a legal guardian, conservator, or other legal representative, or the legal guardian of the individual is the State; and

(III) a complaint has been received by the system about the individual with regard to the status or treatment of the individual or, as a result of monitoring or other activities, there is probable cause to believe that such individual has been subject to abuse or neglect; and

(iii) any individual with a developmental disability, in a situation in which—

(I) the individual has a legal guardian, conservator, or other legal representative;

(II) a complaint has been received by the system about the individual with regard to the status or treatment of the individual or, as a result of monitoring or other activities, there is probable cause to believe that such individual has been subject to abuse or neglect;

(III) such representative has been contacted by such system, upon receipt of the name and address of such representative;

(IV) such system has offered assistance to such representative to resolve the situation; and

(V) such representative has failed or refused to act on behalf of the individual;

(J)(i) have access to the records of individuals described in subparagraphs (B) and (I), and other records that are relevant to conducting an investigation, under the circumstances described in those subparagraphs, not later than 3 business days after the system makes a written request for the records involved; and

(ii) have immediate access, not later than 24 hours after the system makes such a request, to the records without consent from another party, in a situation in which services, supports, and other assistance are provided to an individual with a developmental disability—

(I) if the system determines there is probable cause to believe that the health or safety of the individual is in serious and immediate jeopardy; or

(II) in any case of death of an individual with a developmental disability;

(K) hire and maintain sufficient numbers and types of staff (qualified by training and experience) to carry out such system's functions, except that the State involved shall not apply hiring freezes, reductions in force, prohibitions on travel, or other policies to the staff of the system, to the extent that such policies would impact the staff or functions of the system funded with Federal funds or would prevent the system from carrying out the functions of the system under this subtitle;

(L) have the authority to educate policymakers; and

(M) provide assurances to the Secretary that funds allotted to the State under section 142 will be used to supplement, and not supplant, the non-Federal funds that would otherwise be made available for the purposes for which the allotted funds are provided;

(3) to the extent that information is available, the State shall provide to the system—

(A) a copy of each independent review, pursuant to section 1902(a)(30)(C) of the Social Security Act (42 U.S.C. 1396a(a)(30)(C)), of an Intermediate Care Facility (Mental Retardation) within the State, not later than 30 days after the availability of such a review; and

(B) information about the adequacy of health care and other services, supports, and assistance that individuals with developmental disabilities who are served through home and community-based waivers (authorized under section 1915(c) of the Social Security Act (42 U.S.C. 1396n(c))) receive; and

(4) the agency implementing the system shall not be redesignated unless—

(A) there is good cause for the redesignation;

(B) the State has given the agency notice of the intention to make such redesignation, including notice regarding the good cause for such redesignation, and given the agency an opportunity to respond to the assertion that good cause has been shown;

(C) the State has given timely notice and an opportunity for public comment in an accessible format to individuals with developmental disabilities or their representatives; and

(D) the system has an opportunity to appeal the redesignation to the Secretary, on the basis that the redesignation was not for good cause.

(b) AMERICAN INDIAN CONSORTIUM.—Upon application to the Secretary, an American Indian consortium established to provide protection and advocacy services under this subtitle, shall receive funding pursuant to section 142(a)(6) to provide the services. Such consortium shall be considered to be a system for purposes of this subtitle and shall coordinate the services with other systems serving the same geographic area. The tribal council that designates the consortium shall carry out the responsibilities and exercise the authorities specified for a State in this subtitle, with regard to the consortium.

(c) RECORD.—In this section, the term "record" includes—

(1) a report prepared or received by any staff at any location at which services, supports, or other assistance is provided to individuals with developmental disabilities;

(2) a report prepared by an agency or staff person charged with investigating reports of incidents of abuse or neglect, injury, or death occurring at such location, that describes such incidents and the steps taken to investigate such incidents; and

(3) a discharge planning record.

SEC. 144. ADMINISTRATION.

(a) GOVERNING BOARD.—In a State in which the system described in section 143 is organized as a private nonprofit entity with a multimember governing board, or a public system with a multimember governing board, such governing board shall be selected according to the policies and procedures of the system, except that—

(1)(A) the governing board shall be composed of members who broadly represent or are knowledgeable about the needs of the individuals served by the system;

(B) a majority of the members of the board shall be—

(i) individuals with disabilities, including individuals with developmental disabilities, who are eligible for services, or have received or are receiving services through the system; or.

(ii) parents, family members, guardians, advocates, or authorized representatives of individuals referred to in clause (i); and

(C) the board may include a representative of the State Council on Developmental Disabilities, the Centers in the State, and the self-advocacy organization described in section 124(c)(4)(A)(ii)(I);

(2) not more than 1/3 of the members of the governing board may be appointed by the chief executive officer of the State involved, in the case of any State in which such officer has the authority to appoint members of the board;

(3) the membership of the governing board shall be subject to term limits set by the system to ensure rotating membership;

(4) any vacancy in the board shall be filled not later than 60 days after the date on which the vacancy occurs; and

(5) in a State in which the system is organized as a public system without a multimember governing or advisory board, the system shall establish an advisory council—

(A) that shall advise the system on policies and priorities to be carried out in protecting and advocating the rights of individuals with developmental disabilities; and

(B) on which a majority of the members shall be—

(i) individuals with developmental disabilities who are eligible for services, or have received or are receiving services, through the system; or

(ii) parents, family members, guardians, advocates, or authorized representatives of individuals referred to in clause (i).

(b) LEGAL ACTION.—

(1) IN GENERAL.—Nothing in this title shall preclude a system from bringing a suit on behalf of individuals with developmental disabilities against a State, or an agency or instrumentality of a State.

(2) USE OF AMOUNTS FROM JUDGMENT.—An amount received pursuant to a suit described in paragraph (1) through a court judgment may only be used by the system to further the purpose of this subtitle and shall not be used to augment payments to legal contractors or to award personal bonuses.

(3) LIMITATION.—The system shall use assistance provided under this subtitle in a manner consistent with section 5 of the Assisted Suicide Funding Restriction Act of 1997 (42 U.S.C. 14404).

(c) DISCLOSURE OF INFORMATION.—For purposes of any periodic audit, report, or evaluation required under this subtitle, the Secretary shall not require an entity carrying out a program to disclose the identity of, or any other personally identifiable information related to, any individual requesting assistance under such program.

(d) PUBLIC NOTICE OF FEDERAL ONSITE REVIEW.—The Secretary shall provide advance public notice of any Federal programmatic or administrative onsite review of a system conducted under this subtitle and solicit public comment on the system through such notice. The Secretary shall prepare an onsite visit report containing the results of such review, which shall be distributed to the Governor of the State and to other interested public and private parties. The comments received in response to the public comment solicitation notice shall be included in the onsite visit report.

(e) REPORTS.—Beginning in fiscal year 2001, each system established in a State pursuant to this subtitle shall annually prepare and transmit to the Secretary a report that describes the activities, accomplishments, and expenditures of the system during the preceding fiscal year, including a description of the system's goals, the extent to which the goals were achieved, barriers to their achievement, the process used to obtain public input, the nature of such input, and how such input was used.

SEC. 145. AUTHORIZATION OF APPROPRIATIONS.

For allotments under section 142, there are authorized to be appropriated $32,000,000 for fiscal year 2000 and such sums as may be necessary for each of fiscal years 2001 through 2006.

Subtitle D—National Network of University Centers for Excellence in Developmental Disabilities Education, Research, and Service

SEC. 151. GRANT AUTHORITY.

(a) NATIONAL NETWORK.—From appropriations authorized under section 156(a)(1), the Secretary shall make 5-year grants to entities in each State designated as University Centers for Excellence in Developmental Disabilities Education, Research, and Service to carry out activities described in section 153(a).

(b) NATIONAL TRAINING INITIATIVES.—From appropriations authorized under section 156(a)(1) and reserved under section 156(a)(2), the Secretary shall make grants to Centers to carry out activities described in section 153(b).

(c) TECHNICAL ASSISTANCE.—From appropriations authorized under section 156(a)(1) and reserved under section 156(a)(3) (or from funds reserved under section 163, as appropriate), the Secretary shall enter into 1 or more cooperative agreements or contracts for the purpose of providing technical assistance described in section 153(c).

SEC. 152. GRANT AWARDS.

(a) EXISTING CENTERS.—

(1) IN GENERAL.—In awarding and distributing grant funds under section 151(a) for a fiscal year, the Secretary, subject to the availability of appropriations and the condition specified in subsection (d), shall award and distribute grant funds in equal amounts of $500,000 (adjusted in accordance with subsection (b)), to each Center that existed during the preceding fiscal year and that meets the requirements of this subtitle, prior to making grants under subsection (c) or (d).

(2) REDUCTION OF AWARD.—Notwithstanding paragraph (1), if the aggregate of the funds to be awarded to the Centers pursuant to paragraph (1) for any fiscal year exceeds the total

amount appropriated under section 156 for such fiscal year, the amount to be awarded to each Center for such fiscal year shall be proportionately reduced.

(b) ADJUSTMENTS.—Subject to the availability of appropriations, for any fiscal year following a year in which each Center described in subsection (a) received a grant award of not less than $500,000 under subsection (a) (adjusted in accordance with this subsection), the Secretary shall adjust the awards to take into account the most recent percentage change in the Consumer Price Index published by the Secretary of Labor under section 100(c)(1) of the Rehabilitation Act of 1973 (29 U.S.C. 720(c)(1)) (if the percentage change indicates an increase), prior to making grants under subsection (c) or (d).

(c) NATIONAL TRAINING INITIATIVES ON CRITICAL AND EMERGING NEEDS.—Subject to the availability of appropriations, for any fiscal year in which each Center described in subsection (a) receives a grant award of not less than $500,000, under subsection (a) (adjusted in accordance with subsection (b)), after making the grant awards, the Secretary shall make grants under section 151(b) to Centers to pay for the Federal share of the cost of training initiatives related to the unmet needs of individuals with developmental disabilities and their families, as described in section 153(b).

(d) ADDITIONAL GRANTS.—For any fiscal year in which each Center described in subsection (a) receives a grant award of not less than $500,000 under subsection (a) (adjusted in accordance with subsection (b)), after making the grant awards, the Secretary may make grants under section 151(a) for activities described in section 153(a) to additional Centers, or additional grants to Centers, for States or populations that are unserved or underserved by Centers due to such factors as—

(1) population;

(2) a high concentration of rural or urban areas; or

(3) a high concentration of unserved or underserved populations.

SEC. 153. PURPOSE AND SCOPE OF ACTIVITIES.

(a) NATIONAL NETWORK OF UNIVERSITY CENTERS FOR EXCELLENCE IN DEVELOPMENTAL DISABILITIES EDUCATION, RESEARCH, AND SERVICE.—

(1) IN GENERAL.—In order to provide leadership in, advise Federal, State, and community policymakers about, and promote opportunities for individuals with developmental disabilities to exercise self-determination, be independent, be productive, and be integrated and included in all facets of community life, the Secretary shall award grants to eligible entities designated as Centers in each State to pay for the Federal share of the cost of the administration and operation of the Centers. The Centers shall be interdisciplinary education, research, and public service units of universities (as defined by the Secretary) or public or not-for-profit entities associated with universities that engage in core functions, described in paragraph (2), addressing, directly or indirectly, 1 or more of the areas of emphasis.

(2) CORE FUNCTIONS.—The core functions referred to in paragraph (1) shall include the following:

(A) Provision of interdisciplinary pre-service preparation and continuing education of students and fellows, which may include the preparation and continuing education of leadership, direct service, clinical, or other personnel to strengthen and increase the capacity of States and communities to achieve the purpose of this title.

(B) Provision of community services—

(i) that provide training or technical assistance for individuals with developmental disabilities, their families, professionals, paraprofessionals, policymakers, students, and other members of the community; and

(ii) that may provide services, supports, and assistance for the persons described in clause (i) through demonstration and model activities.

(C) Conduct of research, which may include basic or applied research, evaluation, and the analysis of public policy in areas that affect or could affect, either positively or negatively, individuals with developmental disabilities and their families.

(D) Dissemination of information related to activities undertaken to address the purpose of this title, especially dissemination of information that demonstrates that the network authorized under this subtitle is a national and international resource that includes specific substantive areas of expertise that may be accessed and applied in diverse settings and circumstances.

(b) NATIONAL TRAINING INITIATIVES ON CRITICAL AND EMERGING NEEDS.—

(1) SUPPLEMENTAL GRANTS.—After consultation with relevant, informed sources, including individuals with developmental disabilities and their families, the Secretary shall award, under section 151(b), supplemental grants to Centers to pay for the Federal share of the cost of training initiatives related to the unmet needs of individuals with developmental disabilities and their families. The Secretary shall make the grants on a competitive basis, and for periods of not more than 5 years.

(2) ESTABLISHMENT OF CONSULTATION PROCESS BY THE SECRETARY.—Not later than 1 year after the date of enactment of this Act, the Secretary shall establish a consultation process that, on an ongoing basis, allows the Secretary to identify and address, through supplemental grants authorized under paragraph (1), training initiatives related to the unmet needs of individuals with developmental disabilities and their families.

(c) TECHNICAL ASSISTANCE.—In order to strengthen and support the national network of Centers, the Secretary may enter into 1 or more cooperative agreements or contracts to—

(1) assist in national and international dissemination of specific information from multiple Centers and, in appropriate cases, other entities whose work affects the lives of individuals with developmental disabilities;

(2) compile, analyze, and disseminate state-of-the-art training, research, and demonstration results policies, and practices from multiple Centers and, in appropriate cases, other entities whose work affects the lives of persons with developmental disabilities;

(3) convene experts from multiple Centers to discuss and make recommendations with regard to national emerging needs of individuals with developmental disabilities;

(4)(A) develop portals that link users with every Center's website; and

(B) facilitate electronic information sharing using state-of-the-art Internet technologies such as real-time online discussions, multipoint video conferencing, and web-based audio/video broadcasts, on emerging topics that impact individuals with disabilities and their families;

(5) serve as a research-based resource for Federal and State policymakers on information concerning and issues impacting individuals with developmental disabilities and entities that assist or serve those individuals; or

(6) undertake any other functions that the Secretary determines to be appropriate;

to promote the viability and use of the resources and expertise of the Centers nationally and internationally.

SEC. 154. APPLICATIONS.

(a) APPLICATIONS FOR CORE CENTER GRANTS.—

(1) IN GENERAL.—To be eligible to receive a grant under section 151(a) for a Center, an entity shall submit to the Secretary, and obtain approval of, an application at such time, in such manner, and containing such information, as the Secretary may require.

(2) APPLICATION CONTENTS.—Each application described in paragraph (1) shall describe a 5-year plan, including a projected goal related to 1 or more areas of emphasis for each of the core functions described in section 153(a).

(3) ASSURANCES.—The application shall be approved by the Secretary only if the application contains or is supported by reasonable assurances that the entity designated as the Center will—

(A) meet regulatory standards as established by the Secretary for Centers;

(B) address the projected goals, and carry out goal-related activities, based on data driven strategic planning and in a manner consistent with the objectives of this subtitle, that—

(i) are developed in collaboration with the consumer advisory committee established pursuant to subparagraph (E);

(ii) are consistent with, and to the extent feasible complement and further, the Council goals contained in the State plan submitted under section 124 and the system goals established under section 143; and

(iii) will be reviewed and revised annually as necessary to address emerging trends and needs;

(C) use the funds made available through the grant to supplement, and not supplant, the funds that would otherwise be made available for activities described in section 153(a);

(D) protect, consistent with the policy specified in section 101(c) (relating to rights of individuals with developmental disabilities), the legal and human rights of all individuals with developmental disabilities (especially those individuals under State guardianship) who are involved in activities carried out under programs assisted under this subtitle;

(E) establish a consumer advisory committee—

(i) of which a majority of the members shall be individuals with developmental disabilities and family members of such individuals;

(ii) that is comprised of—

(I) individuals with developmental disabilities and related disabilities;

(II) family members of individuals with developmental disabilities;

(III) a representative of the State protection and advocacy system;

(IV) a representative of the State Council on Developmental Disabilities;

(V) a representative of a self-advocacy organization described in section 124(c)(4)(A)(ii)(I); and

(VI) representatives of organizations that may include parent training and information centers assisted under section 682 or 683 of the Individuals with Disabilities Education Act (20 U.S.C. 1482, 1483), entities carrying out activities authorized under section 101 or 102 of the Assistive Technology Act of 1998 (29 U.S.C. 3011, 3012), relevant State agencies, and other community groups concerned with the welfare of individuals with developmental disabilities and their families;

(iii) that reflects the racial and ethnic diversity of the State; and

(iv) that shall—

(I) consult with the Director of the Center regarding the development of the 5-year plan, and shall participate in an annual review of, and comment on, the progress of the Center in meeting the projected goals contained in the plan, and shall make recommendations to the Director of the Center regarding any proposed revisions of the plan that might be necessary; and

(II) meet as often as necessary to carry out the role of the committee, but at a minimum twice during each grant year;

(F) to the extent possible, utilize the infrastructure and resources obtained through funds

made available under the grant to leverage additional public and private funds to successfully achieve the projected goals developed in the 5-year plan;

(G)(i) have a director with appropriate academic credentials, demonstrated leadership, expertise regarding developmental disabilities, significant experience in managing grants and contracts, and the ability to leverage public and private funds; and

(ii) allocate adequate staff time to carry out activities related to each of the core functions described in section 153(a); and

(H) educate, and disseminate information related to the purpose of this title to, the legislature of the State in which the Center is located, and to Members of Congress from such State.

(b) Supplemental Grant Applications Pertaining to National Training Initiatives in Critical and Emerging Needs.—To be eligible to receive a supplemental grant under section 151(b), a Center may submit a supplemental application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, pursuant to the terms and conditions set by the Secretary consistent with section 153(b).

(c) Peer Review.—

(1) In general.—The Secretary shall require that all applications submitted under this subtitle be subject to technical and qualitative review by peer review groups established under paragraph (2). The Secretary may approve an application under this subtitle only if such application has been recommended by a peer review group that has conducted the peer review required under this paragraph. In conducting the review, the group may conduct onsite visits or inspections of related activities as necessary.

(2) Establishment of peer review groups.—

(A) In general.—The Secretary, acting through the Commissioner of the Administration on Developmental Disabilities, may, notwithstanding—

(i) the provisions of title 5, United States Code, concerning appointments to the competitive service; and

(ii) the provisions of chapter 51, and subchapter III of chapter 53 of title 5, United States Code, concerning classification and General Schedule pay rates;

establish such peer review groups and appoint and set the rates of pay of members of such groups.

(B) Composition.—Each peer review group shall include such individuals with disabilities and parents, guardians, or advocates of or for individuals with developmental disabilities, as are necessary to carry out this subsection.

(3) Waivers of approval.—The Secretary may waive the provisions of paragraph (1) with respect to review and approval of an application if the Secretary determines that exceptional circumstances warrant such a waiver.

(d) Federal Share.—

(1) In general.—The Federal share of the cost of administration or operation of a Center, or the cost of carrying out a training initiative, supported by a grant made under this subtitle may not be more than 75 percent of the necessary cost of such project, as determined by the Secretary.

(2) Urban or rural poverty areas.—In the case of a project whose activities or products target individuals with developmental disabilities who live in an urban or rural poverty area, as determined by the Secretary, the Federal share of the cost of the project may not be more than 90 percent of the necessary costs of the project, as determined by the Secretary.

(3) Grant expenditures.—For the purpose of determining the Federal share with respect to the project, expenditures on that project by a political subdivision of a State or by a public or private entity shall, subject to such limitations and conditions as the Secretary may by regulation prescribe under section 104(b), be considered to be expenditures made by a Center under this subtitle.

(e) Annual Report.—Each Center shall annually prepare and transmit to the Secretary a report containing—

(1) information on progress made in achieving the projected goals of the Center for the previous year, including—

(A) the extent to which the goals were achieved;

(B) a description of the strategies that contributed to achieving the goals;

(C) to the extent to which the goals were not achieved, a description of factors that impeded the achievement; and

(D) an accounting of the manner in which funds paid to the Center under this subtitle for a fiscal year were expended;

(2) information on proposed revisions to the goals; and

(3) a description of successful efforts to leverage funds, other than funds made available under this subtitle, to pursue goals consistent with this subtitle.

SEC. 155. DEFINITION.

In this subtitle, the term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, and Guam.

SEC. 156. AUTHORIZATION OF APPROPRIATIONS.

(a) Authorization and Reservations.—

(1) Authorization.—There are authorized to be appropriated to carry out this subtitle (other than section 153(c)(4)) $30,000,000 for fiscal year 2000 and such sums as may be necessary for each of fiscal years 2001 through 2006.

(2) Reservation for training initiatives.—From any amount appropriated for a fiscal year under paragraph (1) and remaining after each Center described in section 152(a) has received a grant award of not less than $500,000, as described in section 152, the Secretary shall reserve funds for the training initiatives authorized under section 153(b).

(3) Reservation for technical assistance.—

(A) Years before appropriation trigger.—For any covered year, the Secretary shall reserve funds in accordance with section 163(c) to fund technical assistance activities under section 153(c) (other than section 153(c)(4)).

(B) Years after appropriation trigger.—For any fiscal year that is not a covered year, the Secretary shall reserve not less than $300,000 and not more than 2 percent of the amount appropriated under paragraph (1) to fund technical assistance activities under section 153(c) (other than section 153(c)(4)).

(C) Covered year.—In this paragraph, the term "covered year" means a fiscal year prior to the first fiscal year for which the amount appropriated under paragraph (1) is not less than $20,000,000.

(b) Limitation.—The Secretary may not use, for peer review or other activities directly related to peer review conducted under this subtitle—

(1) for fiscal year 2000, more than $300,000 of the funds made available under subsection (a); and

(2) for any succeeding fiscal year, more than the amount of funds used for the peer review and related activities in fiscal year 2000, adjusted to take into account the most recent percentage change in the Consumer Price Index published by the Secretary of Labor under section 100(c)(1) of the Rehabilitation Act of 1973 (29 U.S.C. 720(c)(1)) (if the percentage change indicates an increase).

Subtitle E—Projects of National Significance

SEC. 161. PURPOSE.

The purpose of this subtitle is to provide grants, contracts, or cooperative agreements for projects of national significance that—

(1) create opportunities for individuals with developmental disabilities to directly and fully contribute to, and participate in, all facets of community life; and

(2) support the development of national and State policies that reinforce and promote, with the support of families, guardians, advocates, and communities, of individuals with developmental disabilities, the self-determination, independence, productivity, and integration and inclusion in all facets of community life of such individuals through—

(A) family support activities;

(B) data collection and analysis;

(C) technical assistance to entities funded under subtitles B and D, subject to the limitations described in sections 129(b), 156(a)(3), and 163(c); and

(D) other projects of sufficient size and scope that hold promise to expand or improve opportunities for such individuals, including—

(i) projects that provide technical assistance for the development of information and referral systems;

(ii) projects that provide technical assistance to self-advocacy organizations of individuals with developmental disabilities;

(iii) projects that provide education for policymakers;

(iv) Federal interagency initiatives;

(v) projects that enhance the participation of racial and ethnic minorities in public and private sector initiatives in developmental disabilities;

(vi) projects that provide aid to transition youth with developmental disabilities from school to adult life, especially in finding employment and postsecondary education opportunities and in upgrading and changing any assistive technology devices that may be needed as a youth matures;

(vii) initiatives that address the development of community quality assurance systems and the training related to the development, implementation, and evaluation of such systems, including training of individuals with developmental disabilities and their families;

(viii) initiatives that address the needs of aging individuals with developmental disabilities and aging caregivers of adults with developmental disabilities in the community;

(ix) initiatives that create greater access to and use of generic services systems, community organizations, and associations, and initiatives that assist in community economic development;

(x) initiatives that create access to increased living options;

(xi) initiatives that address the challenging behaviors of individuals with developmental disabilities, including initiatives that promote positive alternatives to the use of restraints and seclusion; and

(xii) initiatives that address other areas of emerging need.

SEC. 162. GRANT AUTHORITY.

(a) In General.—The Secretary shall award grants, contracts, or cooperative agreements to public or private nonprofit entities for projects of national significance relating to individuals with developmental disabilities to carry out activities described in section 161(2).

(b) Federal Interagency Initiatives.—

(1) In general.—

(A) Authority.—The Secretary may—

(i) enter into agreements with Federal agencies to jointly carry out activities described in section 161(2) or to jointly carry out activities of common interest related to the objectives of such section; and

(ii) transfer to such agencies for such purposes funds appropriated under this subtitle, and receive and use funds from such agencies for such purposes.

(B) RELATION TO PROGRAM PURPOSES.—Funds transferred or received pursuant to this paragraph shall be used only in accordance with statutes authorizing the appropriation of such funds. Such funds shall be made available through grants, contracts, or cooperative agreements only to recipients eligible to receive such funds under such statutes.

(C) PROCEDURES AND CRITERIA.—If the Secretary enters into an agreement under this subsection for the administration of a jointly funded project—

(i) the agreement shall specify which agency's procedures shall be used to award grants, contracts, or cooperative agreements and to administer such awards;

(ii) the participating agencies may develop a single set of criteria for the jointly funded project, and may require applicants to submit a single application for joint review by such agencies; and

(iii) unless the heads of the participating agencies develop joint eligibility requirements, an applicant for an award for the project shall meet the eligibility requirements of each program involved.

(2) LIMITATION.—The Secretary may not construe the provisions of this subsection to take precedence over a limitation on joint funding contained in an applicable statute.

SEC. 163. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to carry out the projects specified in this section $16,000,000 for fiscal year 2000, and such sums as may be necessary for each of fiscal years 2001 through 2006.

(b) USE OF FUNDS.—

(1) GRANTS, CONTRACTS, AND AGREEMENTS.—Except as provided in paragraph (2), the amount appropriated under subsection (a) for each fiscal year shall be used to award grants, or enter into contracts, cooperative agreements, or other agreements, under section 162.

(2) ADMINISTRATIVE COSTS.—Not more than 1 percent of the amount appropriated under subsection (a) for each fiscal year may be used to provide for the administrative costs (other than compensation of Federal employees) of the Administration on Developmental Disabilities for administering this subtitle and subtitles B, C, and D, including monitoring the performance of and providing technical assistance to, entities that receive funds under this title.

(c) TECHNICAL ASSISTANCE FOR COUNCILS AND CENTERS.—

(1) IN GENERAL.—For each covered year, the Secretary shall expend, to provide technical assistance for entities funded under subtitle B or D, an amount from funds appropriated under subsection (a) that is not less than the amount the Secretary expended on technical assistance for entities funded under that subtitle (or a corresponding provision) in the previous fiscal year.

(2) COVERED YEAR.—In this subsection, the term "covered year" means—

(A) in the case of an expenditure for entities funded under subtitle B, a fiscal year for which the amount appropriated under section 129(a) is less than $76,000,000; and

(B) in the case of an expenditure for entities funded under subtitle D, a fiscal year prior to the first fiscal year for which the amount appropriated under section 156(a)(1) is not less than $20,000,000.

(3) REFERENCES.—References in this subsection to subtitle D shall not be considered to include section 153(c)(4).

(d) TECHNICAL ASSISTANCE ON ELECTRONIC INFORMATION SHARING.—In addition to any funds reserved under subsection (c), the Secretary shall reserve $100,000 from the amount appropriated under subsection (a) for each fiscal year to carry out section 153(c)(4).

(e) LIMITATION.—For any fiscal year for which the amount appropriated under subsection (a) is not less than $10,000,000, not more than 50 percent of such amount shall be used for activities carried out under section 161(2)(A).

TITLE II—FAMILY SUPPORT

SEC. 201. SHORT TITLE.

This title may be cited as the "Families of Children With Disabilities Support Act of 1999".

SEC. 202. FINDINGS, PURPOSES, AND POLICY.

(a) FINDINGS.—Congress makes the following findings:

(1) It is in the best interest of our Nation to preserve, strengthen, and maintain the family.

(2) Families of children with disabilities provide support, care, and training to their children that can save States millions of dollars. Without the efforts of family caregivers, many persons with disabilities would receive care through State-supported out-of-home placements.

(3) Most families of children with disabilities, especially families in unserved and underserved populations, do not have access to family-centered and family-directed services to support such families in their efforts to care for such children at home.

(4) Medical advances and improved health care have increased the life span of many people with disabilities, and the combination of the longer life spans and the aging of family caregivers places a continually increasing demand on the finite service delivery systems of the States.

(5) In 1996, 49 States provided family support initiatives in response to the needs of families of children with disabilities. Such initiatives included the provision of cash subsidies, respite care, and other forms of support. There is a need in each State, however, to strengthen, expand, and coordinate the activities of a system of family support services for families of children with disabilities that is easily accessible, avoids duplication, uses resources efficiently, and prevents gaps in services to families in all areas of the State.

(6) The goals of the Nation properly include the goal of providing to families of children with disabilities the family support services necessary—

(A) to support the family;

(B) to enable families of children with disabilities to nurture and enjoy their children at home;

(C) to enable families of children with disabilities to make informed choices and decisions regarding the nature of supports, resources, services, and other assistance made available to such families; and

(D) to support family caregivers of adults with disabilities.

(b) PURPOSES.—The purposes of this title are—

(1) to promote and strengthen the implementation of comprehensive State systems of family support services, for families with children with disabilities, that are family-centered and family-directed, and that provide families with the greatest possible decisionmaking authority and control regarding the nature and use of services and support;

(2) to promote leadership by families in planning, policy development, implementation, and evaluation of family support services for families of children with disabilities;

(3) to promote and develop interagency coordination and collaboration between agencies responsible for providing the services; and

(4) to increase the availability of, funding for, access to, and provision of family support services for families of children with disabilities.

(c) POLICY.—It is the policy of the United States that all programs, projects, and activities funded under this title shall be family-centered and family-directed, and shall be provided in a manner consistent with the goal of providing families of children with disabilities with the support the families need to raise their children at home.

SEC. 203. DEFINITIONS AND SPECIAL RULE.

(a) DEFINITIONS.—In this title:

(1) CHILD WITH A DISABILITY.—The term "child with a disability" means an individual who—

(A) has a significant physical or mental impairment, as defined pursuant to State policy to the extent that such policy is established without regard to type of disability; or

(B) is an infant or a young child from birth through age 8 and has a substantial developmental delay or specific congenital or acquired condition that presents a high probability of resulting in a disability if services are not provided to the infant or child.

(2) FAMILY.—

(A) IN GENERAL.—Subject to subparagraph (B), for purposes of the application of this title in a State, the term "family" has the meaning given the term by the State.

(B) EXCLUSION OF EMPLOYEES.—The term does not include an employee who, acting in a paid employment capacity, provides services to a child with a disability in an out-of-home setting such as a hospital, nursing home, personal care home, board and care home, group home, or other facility.

(3) FAMILY SUPPORT FOR FAMILIES OF CHILDREN WITH DISABILITIES.—The term "family support for families of children with disabilities" means supports, resources, services, and other assistance provided to families of children with disabilities pursuant to State policy that are designed to—

(A) support families in the efforts of such families to raise their children with disabilities in the home;

(B) strengthen the role of the family as primary caregiver for such children;

(C) prevent involuntary out-of-the-home placement of such children and maintain family unity; and

(D) reunite families with children with disabilities who have been placed out of the home, whenever possible.

(4) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services.

(5) STATE.—The term "State" means each of the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(6) SYSTEMS CHANGE ACTIVITIES.—The term "systems change activities" means efforts that result in laws, regulations, policies, practices, or organizational structures—

(A) that are family-centered and family-directed;

(B) that facilitate and increase access to, provision of, and funding for, family support services for families of children with disabilities; and

(C) that otherwise accomplish the purposes of this title.

(b) SPECIAL RULE.—References in this title to a child with a disability shall be considered to include references to an individual who is not younger than age 18 who—

(1) has a significant impairment described in subsection (a)(1)(A); and

(2) is residing with and receiving assistance from a family member.

SEC. 204. GRANTS TO STATES.

(a) IN GENERAL.—The Secretary shall make grants to States on a competitive basis, in accordance with the provisions of this title, to support systems change activities designed to assist

States to develop and implement, or expand and enhance, a statewide system of family support services for families of children with disabilities that accomplishes the purposes of this title.

(b) AWARD PERIOD AND GRANT LIMITATION.—No grant shall be awarded under this section for a period of more than 3 years. No State shall be eligible for more than 1 grant under this section.

(c) AMOUNT OF GRANTS.—

(1) GRANTS TO STATES.—

(A) FEDERAL MATCHING SHARE.—From amounts appropriated under section 212(a), the Secretary shall pay to each State that has an application approved under section 205, for each year of the grant period, an amount that is—

(i) equal to not more than 75 percent of the cost of the systems change activities to be carried out by the State; and

(ii) not less than $100,000 and not more than $500,000.

(B) NON-FEDERAL SHARE.—The non-Federal share of the cost of the systems change activities may be in cash or in kind, fairly evaluated, including plant, equipment, or services.

(2) CALCULATION OF AMOUNTS.—The Secretary shall calculate a grant amount described in paragraph (1) on the basis of—

(A) the amounts available for making grants under this section; and

(B) the child population of the State concerned.

(d) PRIORITY FOR PREVIOUSLY PARTICIPATING STATES.—For the second and third fiscal years for which amounts are appropriated to carry out this section, the Secretary, in providing payments under this section, shall give priority to States that received payments under this section during the preceding fiscal year.

(e) PRIORITIES FOR DISTRIBUTION.—To the extent practicable, the Secretary shall award grants to States under this section in a manner that—

(1) is geographically equitable;

(2) distributes the grants among States that have differing levels of development of statewide systems of family support services for families of children with disabilities; and

(3) distributes the grants among States that attempt to meet the needs of unserved and underserved populations, such as individuals from racial and ethnic minority backgrounds, disadvantaged individuals, individuals with limited English proficiency, and individuals from underserved geographic areas (rural or urban).

SEC. 205. APPLICATION.

To be eligible to receive a grant under this title, a State shall submit an application to the Secretary at such time, in such manner, and containing such information and assurances as the Secretary may require, including information about the designation of a lead entity, a description of available State resources, and assurances that systems change activities will be family-centered and family-directed.

SEC. 206. DESIGNATION OF THE LEAD ENTITY.

(a) DESIGNATION.—The Chief Executive Officer of a State that desires to receive a grant under section 204, shall designate the office or entity (referred to in this title as the "lead entity") responsible for—

(1) submitting the application described in section 205 on behalf of the State;

(2) administering and supervising the use of the amounts made available under the grant;

(3) coordinating efforts related to and supervising the preparation of the application;

(4) coordinating the planning, development, implementation (or expansion and enhancement), and evaluation of a statewide system of family support services for families of children with disabilities among public agencies and between public agencies and private agencies, including coordinating efforts related to entering into interagency agreements;

(5) coordinating efforts related to the participation by families of children with disabilities in activities carried out under a grant made under this title; and

(6) submitting the report described in section 208 on behalf of the State.

(b) QUALIFICATIONS.—In designating the lead entity, the Chief Executive Officer may designate—

(1) an office of the Chief Executive Officer;

(2) a commission appointed by the Chief Executive Officer;

(3) a public agency;

(4) a council established under Federal or State law; or

(5) another appropriate office, agency, or entity.

SEC. 207. AUTHORIZED ACTIVITIES.

(a) IN GENERAL.—A State that receives a grant under section 204 shall use the funds made available through the grant to carry out systems change activities that accomplish the purposes of this title.

(b) SPECIAL RULE.—In carrying out activities authorized under this title, a State shall ensure that such activities address the needs of families of children with disabilities from unserved or underserved populations.

SEC. 208. REPORTING.

A State that receives a grant under this title shall prepare and submit to the Secretary, at the end of the grant period, a report containing the results of State efforts to develop and implement, or expand and enhance, a statewide system of family support services for families of children with disabilities.

SEC. 209. TECHNICAL ASSISTANCE.

(a) IN GENERAL.—The Secretary shall enter into contracts or cooperative agreements with appropriate public or private agencies and organizations, including institutions of higher education, with documented experience, expertise, and capacity, for the purpose of providing technical assistance and information with respect to the development and implementation, or expansion and enhancement, of a statewide system of family support services for families of children with disabilities.

(b) PURPOSE.—An agency or organization that provides technical assistance and information under this section in a State that receives a grant under this title shall provide the technical assistance and information to the lead entity of the State, family members of children with disabilities, organizations, service providers, and policymakers involved with children with disabilities and their families. Such an agency or organization may also provide technical assistance and information to a State that does not receive a grant under this title.

(c) REPORTS TO THE SECRETARY.—An entity providing technical assistance and information under this section shall prepare and submit to the Secretary periodic reports regarding Federal policies and procedures identified within the States that facilitate or impede the delivery of family support services to families of children with disabilities. The report shall include recommendations to the Secretary regarding the delivery of services, coordination with other programs, and integration of the policies described in section 202 in Federal law, other than this title.

SEC. 210. EVALUATION.

(a) IN GENERAL.—The Secretary shall conduct a national evaluation of the program of grants to States authorized by this title.

(b) PURPOSE.—

(1) IN GENERAL.—The Secretary shall conduct the evaluation under subsection (a) to assess the status and effects of State efforts to develop and implement, or expand and enhance, statewide systems of family support services for families of children with disabilities in a manner consistent with the provisions of this title. In particular, the Secretary shall assess the impact of such efforts on families of children with disabilities, and recommend amendments to this title that are necessary to assist States to accomplish fully the purposes of this title.

(2) INFORMATION SYSTEMS.—The Secretary shall work with the States to develop an information system designed to compile and report, from information provided by the States, qualitative and quantitative descriptions of the impact of the program of grants to States authorized by this title on—

(A) families of children with disabilities, including families from unserved and underserved populations;

(B) access to and funding for family support services for families of children with disabilities;

(C) interagency coordination and collaboration between agencies responsible for providing the services; and

(D) the involvement of families of children with disabilities at all levels of the statewide systems.

(c) REPORT TO CONGRESS.—Not later than 2½ years after the date of enactment of this Act, the Secretary shall prepare and submit to the appropriate committees of Congress a report concerning the results of the evaluation conducted under this section.

SEC. 211. PROJECTS OF NATIONAL SIGNIFICANCE.

(a) STUDY BY THE SECRETARY.—The Secretary shall review Federal programs to determine the extent to which such programs facilitate or impede access to, provision of, and funding for family support services for families of children with disabilities, consistent with the policies described in section 202.

(b) PROJECTS OF NATIONAL SIGNIFICANCE.—The Secretary shall make grants or enter into contracts for projects of national significance to support the development of national and State policies and practices related to the development and implementation, or expansion and enhancement, of family-centered and family-directed systems of family support services for families of children with disabilities.

SEC. 212. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to carry out this title such sums as may be necessary for each of fiscal years 2000 through 2006.

(b) RESERVATION.—

(1) IN GENERAL.—The Secretary shall reserve for each fiscal year 10 percent, or $400,000 (whichever is greater), of the amount appropriated pursuant to subsection (a) to carry out—

(A) section 209 (relating to the provision of technical assistance and information to States); and

(B) section 210 (relating to the conduct of evaluations).

(2) SPECIAL RULE.—For each year that the amount appropriated pursuant to subsection (a) is $10,000,000 or greater, the Secretary may reserve 5 percent of such amount to carry out section 211.

TITLE III—PROGRAM FOR DIRECT SUPPORT WORKERS WHO ASSIST INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES

SEC. 301. FINDINGS.

Congress finds that—

(1) direct support workers, especially young adults, have played essential roles in providing the support needed by individuals with developmental disabilities and expanding community options for those individuals;

(2) 4 factors have contributed to a decrease in the available pool of direct support workers, specifically—

(A) the small population of individuals who are age 18 through 25, an age group that has been attracted to direct support work in the past;

(B) the rapid expansion of the service sector, which attracts individuals who previously would have elected to pursue employment as direct support workers;

(C) the failure of wages in the human services sector to keep pace with wages in other service sectors; and

(D) the lack of quality training and career advancement opportunities available to direct support workers; and

(3) individuals with developmental disabilities benefit from assistance from direct support workers who are well trained, and benefit from receiving services from professionals who have spent time as direct support workers.

SEC. 302. DEFINITIONS.

In this title:

(1) Developmental Disability.—The term "developmental disability" has the meaning given the term in section 102.

(2) Institution of Higher Education.—The term "institution of higher education" has the meaning given the term in section 1201 of the Higher Education Act of 1965 (20 U.S.C. 1141).

(3) Secretary.—The term "Secretary" means the Secretary of Health and Human Services.

SEC. 303. REACHING UP SCHOLARSHIP PROGRAM.

(a) Program Authorization.—The Secretary may award grants to eligible entities, on a competitive basis, to enable the entities to carry out scholarship programs by providing vouchers for postsecondary education to direct support workers who assist individuals with developmental disabilities residing in diverse settings. The Secretary shall award the grants to pay for the Federal share of the cost of providing the vouchers.

(b) Eligible Entity.—To be eligible to receive a grant under this section, an entity shall be—

(1) an institution of higher education;

(2) a State agency; or

(3) a consortium of such institutions or agencies.

(c) Application Requirements.—To be eligible to receive a grant under this section, an eligible entity shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, including a description of—

(1) the basis for awarding the vouchers;

(2) the number of individuals to receive the vouchers; and

(3) the amount of funds that will be made available by the eligible entity to pay for the non-Federal share of the cost of providing the vouchers.

(d) Selection Criteria.—In awarding a grant under this section for a scholarship program, the Secretary shall give priority to an entity submitting an application that—

(1) specifies that individuals who receive vouchers through the program will be individuals—

(A) who are direct support workers who assist individuals with developmental disabilities residing in diverse settings, while pursuing postsecondary education; and

(B) each of whom verifies, prior to receiving the voucher, that the worker has completed 250 hours as a direct support worker in the past 90 days;

(2) states that the vouchers that will be provided through the program will be in amounts of not more than $2,000 per year;

(3) provides an assurance that the eligible entity (or another specified entity that is not a voucher recipient) will contribute the non-Federal share of the cost of providing the vouchers; and

(4) meets such other conditions as the Secretary may specify.

(e) Federal Share.—The Federal share of the cost of providing the vouchers shall be not more than 80 percent.

SEC. 304. STAFF DEVELOPMENT CURRICULUM AUTHORIZATION.

(a) Funding.—

(1) In general.—The Secretary shall award funding, on a competitive basis, through a grant, cooperative agreement, or contract, to a public or private entity or a combination of such entities, for the development, evaluation, and dissemination of a staff development curriculum, and related guidelines, for computer-assisted, competency-based, multimedia, interactive instruction, relating to service as a direct support worker.

(2) Participants.—The curriculum shall be developed for individuals who—

(A) seek to become direct support workers who assist individuals with developmental disabilities or are such direct support workers; and

(B) seek to upgrade their skills and competencies related to being a direct support worker.

(b) Application Requirements.—To be eligible to receive an award under this section, an entity shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, including—

(1) a comprehensive analysis of the content of direct support roles;

(2) information identifying an advisory group that—

(A) is comprised of individuals with experience and expertise with regard to the support provided by direct support workers, and effective ways to provide the support, for individuals with developmental disabilities in diverse settings; and

(B) will advise the entity throughout the development, evaluation, and dissemination of the staff development curriculum and guidelines;

(3) information describing how the entity will—

(A) develop, field test, and validate a staff development curriculum that—

(i) relates to the appropriate reading level for direct service workers who assist individuals with disabilities;

(ii) allows for multiple levels of instruction;

(iii) provides instruction appropriate for direct support workers who work in diverse settings; and

(iv) is consistent with subsections (b) and (c) of section 101 and section 109;

(B) develop, field test, and validate guidelines for the organizations that use the curriculum that provide for—

(i) providing necessary technical and instructional support to trainers and mentors for the participants;

(ii) ensuring easy access to and use of such curriculum by workers that choose to participate in using, and agencies that choose to use, the curriculum;

(iii) evaluating the proficiency of the participants with respect to the content of the curriculum;

(iv) providing necessary support to the participants to assure that the participants have access to, and proficiency in using, a computer in order to participate in the development, testing, and validation process;

(v) providing necessary technical and instructional support to trainers and mentors for the participants in conjunction with the development, testing, and validation process;

(vi) addressing the satisfaction of participants, individuals with developmental disabilities and their families, providers of services for such individuals and families, and other relevant entities with the curriculum; and

(vii) developing methods to maintain a record of the instruction completed, and the content mastered, by each participant under the curriculum; and

(C) nationally disseminate the curriculum and guidelines, including dissemination through—

(i) parent training and information centers funded under part D of the Individuals with Disabilities Education Act (20 U.S.C. 1451 et seq.);

(ii) community-based organizations of and for individuals with developmental disabilities and their families;

(iii) entities funded under title I;

(iv) centers for independent living;

(v) State educational agencies and local educational agencies;

(vi) entities operating appropriate medical facilities;

(vii) postsecondary education entities; and

(viii) other appropriate entities; and

(4) such other information as the Secretary may require.

SEC. 305. AUTHORIZATION OF APPROPRIATIONS.

(a) Scholarships.—There are authorized to be appropriated to carry out section 303 $800,000 for fiscal year 2000 and such sums as may be necessary for each of fiscal years 2001 through 2006.

(b) Staff Development Curriculum.—There are authorized to be appropriated to carry out section 304 $800,000 for fiscal year 2000 and such sums as may be necessary for each of fiscal years 2001 and 2002.

TITLE IV—REPEAL

SEC. 401. REPEAL.

(a) In General.—The Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6000 et seq.) is repealed.

(b) Conforming Amendments.—

(1) Individuals with Disabilities Education Act.—Sections 644(b)(4) and 685(b)(4) of the Individuals with Disabilities Education Act (20 U.S.C. 1444(b)(4), 1484a(b)(4)) are amended by striking "the Developmental Disabilities Assistance and Bill of Rights Act" and inserting "the Developmental Disabilities Assistance and Bill of Rights Act of 1999".

(2) Native American Housing Assistance and Self-Determination Act of 1996.—Section 4(17)(C) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103(17)(C)) is amended by striking "as defined in" and all that follows and inserting "as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 1999.".

(3) Rehabilitation Act of 1973.—

(A) Section 105(c)(6) of the Rehabilitation Act of 1973 (29 U.S.C. 725(c)(6)) is amended by striking "the State Developmental Disabilities Council described in section 124 of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6024)" and inserting "the State Council on Developmental Disabilities established under section 125 of the Developmental Disabilities Assistance and Bill of Rights Act of 1999".

(B) Sections 202(h)(2)(D)(iii) and 401(a)(5)(A) of the Rehabilitation Act of 1973 (29 U.S.C. 762(h)(2)(D)(iii), 781(a)(5)(A)) are amended by striking "Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6000 et seq.)" and inserting "Developmental Disabilities Assistance and Bill of Rights Act of 1999".

(C) Subsections (a)(1)(B)(i), (f)(2), and (m)(1) of section 509 of the Rehabilitation Act of 1973 (29 U.S.C. 794e) are amended by striking "part C of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6041 et seq.)" and inserting "subtitle C of the Developmental Disabilities Assistance and Bill of Rights Act of 1999".

(D) Section 509(f)(5)(B) of the Rehabilitation Act of 1973 (29 U.S.C. 794e(f)(5)(B)) is amended by striking "Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6000 et

seq.)" and inserting "Developmental Disabilities Assistance and Bill of Rights Act of 1999".

(4) ASSISTIVE TECHNOLOGY ACT OF 1998.—

(A) Section 3(a)(11)(A) of the Assistive Technology Act of 1998 (29 U.S.C. 3002(a)(11)(A)) is amended by striking "part C of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6041 et seq.)" and inserting "subtitle C of the Developmental Disabilities Assistance and Bill of Rights Act of 1999".

(B) Paragraphs (1) and (2) of section 102(a) of the Assistive Technology Act of 1998 (29 U.S.C. 3012(a)) are amended by striking "Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6000 et seq.)" and inserting "Developmental Disabilities Assistance and Bill of Rights Act of 1999".

(5) HEALTH PROGRAMS EXTENSION ACT OF 1973.—Section 401(e) of the Health Programs Extension Act of 1973 (42 U.S.C. 300a–7(e)) is amended by striking "or the" and all that follows through "may deny" and inserting "or the Developmental Disabilities Assistance and Bill of Rights Act of 1999 may deny".

(6) SOCIAL SECURITY ACT.—

(A) Section 1919(c)(2)(B)(iii)(III) of the Social Security Act (42 U.S.C. 1396r(c)(2)(B)(iii)(III)) is amended by striking "part C of the Developmental Disabilities Assistance and Bill of Rights Act" and inserting "subtitle C of the Developmental Disabilities Assistance and Bill of Rights Act of 1999".

(B) Section 1930(d)(7) of the Social Security Act (42 U.S.C. 1396u(d)(7)) is amended by striking "State Planning Council established under section 124 of the Developmental Disabilities Assistance and Bill of Rights Act, and the Protection and Advocacy System established under section 142 of such Act" and inserting "State Council on Developmental Disabilities established under section 125 of the Developmental Disabilities Assistance and Bill of Rights Act of 1999 and the protection and advocacy system established under subtitle C of that Act".

(7) UNITED STATES HOUSING ACT OF 1937.—Section 3(b)(3)(E)(iii) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(3)(E)(iii)) is amended by striking "developmental disability" and all that follows and inserting "developmental disability as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 1999.".

(8) HOUSING ACT OF 1949.—The third sentence of section 501(b)(3) of the Housing Act of 1949 (42 U.S.C. 1471(b)(3)) is amended by striking "developmental disability" and all that follows and inserting "developmental disability as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 1999.".

(9) OLDER AMERICANS ACT OF 1965.—

(A) Section 203(b)(17) of the Older Americans Act of 1965 (42 U.S.C. 3013(b)(17)) is amended by striking "Developmental Disabilities and Bill of Rights Act" and inserting "Developmental Disabilities Assistance and Bill of Rights Act of 1999".

(B) Section 427(a) of the Older Americans Act of 1965 (42 U.S.C. 3035f(a)) is amended by striking "part A of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001 et seq.)" and inserting "subtitle C of the Developmental Disabilities Assistance and Bill of Rights Act of 1999".

(C) Section 429F(a)(1) of the Older Americans Act of 1965 (42 U.S.C. 3035n(a)(1)) is amended by striking "section 102(5) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(5))" and inserting "section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 1999".

(D) Section 712(h)(6)(A) of the Older Americans Act of 1965 (42 U.S.C. 3058g(h)(6)(A)) is amended by striking "part A of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001 et seq.)" and inserting "subtitle C of the Developmental Disabilities Assistance and Bill of Rights Act of 1999".

(10) CRIME VICTIMS WITH DISABILITIES AWARENESS ACT.—Section 3 of the Crime Victims With Disabilities Awareness Act (42 U.S.C. 3732 note) is amended by striking "term" and all that follows and inserting the following "term in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 1999.".

(11) CRANSTON-GONZALEZ NATIONAL AFFORDABLE HOUSING ACT.—The third sentence of section 811(k)(2) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013(k)(2)) is amended by striking "as defined" and all that follows and inserting "as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 1999.".

(12) STATE DEPENDENT CARE DEVELOPMENT GRANTS ACT.—Section 670G(3) of the State Dependent Care Development Grants Act (42 U.S.C. 9877(3)) is amended by striking "section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act" and inserting "section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 1999".

(13) PROTECTION AND ADVOCACY FOR MENTALLY ILL INDIVIDUALS ACT OF 1986.—

(A) Section 102(2) of the Protection and Advocacy for Mentally Ill Individuals Act of 1986 (42 U.S.C. 10802(2)) is amended by striking "part C of the Developmental Disabilities Assistance and Bill of Rights Act" and inserting "subtitle C of the Developmental Disabilities Assistance and Bill of Rights Act of 1999".

(B) Section 114 of the Protection and Advocacy for Mentally Ill Individuals Act of 1986 (42 U.S.C. 10824) is amended by striking "section 107(c) of the Developmental Disabilities Assistance and Bill of Rights Act" and inserting "section 105 of the Developmental Disabilities Assistance and Bill of Rights Act of 1999".

(14) STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT.—Section 422(2)(C) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11382(2)(C)) is amended by striking "as defined" and all that follows and inserting "as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 1999, or".

(15) ASSISTED SUICIDE FUNDING RESTRICTION ACT OF 1997.—

(A) Section 4 of the Assisted Suicide Funding Restriction Act of 1997 (42 U.S.C. 14403) is amended—

(i) by striking the section heading and inserting the following:

"SEC. 4. RESTRICTION ON USE OF FEDERAL FUNDS UNDER CERTAIN GRANT PROGRAMS.";

and

(ii) by striking "part B, D, or E of the Developmental Disabilities Assistance and Bill of Rights Act" and inserting "subtitle B, D, or E of the Developmental Disabilities Assistance and Bill of Rights Act of 1999".

(B) Section 5(b)(1) of the Assisted Suicide Funding Restriction Act of 1997 (42 U.S.C. 14404(b)(1)) is amended by striking subparagraph (A) and inserting the following:

"(A) PROTECTION AND ADVOCACY SYSTEMS UNDER THE DEVELOPMENTAL DISABILITIES ASSISTANCE AND BILL OF RIGHTS ACT OF 1999.—Subtitle C of the Developmental Disabilities Assistance and Bill of Rights Act of 1999.".

Mr. JEFFORDS. Mr. President, on behalf of myself, and my colleagues Senators KENNEDY, HARKIN, FRIST, COLLINS, WELLSTONE, REED, DODD, MURRAY, and ENZI, I am pleased that we are considering S. 1809, the Developmental Disabilities Assistance and Bill of Rights Act of 1999. This legislation, commonly referred to as the DD Act, represents the reauthorization of a piece of legislation with a rich legacy, and a long history of bipartisan Congressional support. It was initially enacted as Title I of the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 as part of the legacy of President Kennedy, and was last reauthorized in 1996 under the sponsorship of Senator FRIST. It has always focused on the needs of our most vulnerable citizens, currently an estimated four million Americans with developmental disabilities, including individuals with mental retardation and other lifelong, severe disabilities. I am pleased to say that S. 1809 was reported out, unanimously, by the Committee on Health, Education, Labor, and Pensions on November 3, 1999.

I would like to take a moment to review the history of this legislation, and the programs in each State that it authorizes. The earliest version of this legislation focused on the interdisciplinary training of professionals to work with individuals with developmental disabilities by authorizing funding for University Affiliated Facilities charged with expanding the carde of professionals able to address the needs of individuals with developmental disabilities. Later, the name of the programs was changed to University Affiliated Programs (UAPs), and their mission was expanded to include community services and information dissemination pertaining to individuals with developmental disabilities. In 1996, after 33 years of planned expansion by Congress, the DD Act provided funding for at least one UAP in each State. The present reauthorization recognizes the development of these programs, adds research as a core function, and renames UAPs as Centers for Excellence in Developmental Disabilities Education, Research, and Service.

In the 1970 reauthorization of the DD Act, Congress recognized the need for and value of strengthening State efforts to coordinate and integrate services for individuals with developmental disabilities. As a result, Congress established and authorized funding for State Developmental Disabilities Councils (DD Councils) in each State. The purpose of the Councils was, and continues to be, to advise governors and State agencies regarding the use of available and potential resources to meet the needs of individuals with developmental disabilities. Every State has a DD Council. The Councils undertake advocacy, capacity building, and systemic change activities directed at improving access to and quality of community services, supports, and other forms of assistance for individuals with disabilities and their families.

In 1975, Congress created and authorized funding for Protection and Advocacy Systems (P&As) in each State to ensure the safety and well being of individuals with developmental disabilities. The mission of these systems has evolved over the years, initially addressing the protection of individuals with developmental disabilities who lived in institutions, to the present responsibilities related to the protection of individuals with developmental disabilities from abuse, neglect, and exploitation, and from the violation of their legal and human rights, both in institutions and other community settings.

The 1975 reauthorization of the DD Act also established funding for Projects of National Significance. Through this new authority Congress authorizes funding for initiatives to address areas of national importance. Over the years, projects related to individuals with developmental disabilities and their treatment in the criminal justice system, their experiences with home ownership, in employment, their use of assistive technology, and their involvement in self-advocacy have been supported through Projects of National Significance.

The legislation before us today, S. 1809, the Developmental Disabilities Assistance and Bill of Rights Act of 1999 builds on the past successes of these programs. Additionally, this bill reflects today's changing society and seeks to provide a foundation for the services and supports that individuals with developmental disabilities, their families, and communities need as we enter the next century. Let me take a moment to highlight the major provisions of this legislation.

S. 1809 continues a tradition of support for DD programs in each State including DD Councils, Protection and Advocacy Systems, and University Centers for Excellence in Developmental Disabilities Education, Research, and Service. The purpose of the DD programs in each State is to engage in advocacy, capacity building, and systemic change activities related to improving the quality of life for individuals with developmental disabilities and their families. This legislation seeks to ensure that individuals with developmental disabilities are able to fully participate in and contribute to their communities through fall integration and inclusion in the economic, political, social, cultural, and educational mainstream of our Nation. It also assists DD Act programs to improve the range and quality of supports and services for individuals with developmental disabilities and their families regardless of where they choose to live.

This legislation recognizes that individuals with developmental disabilities often have multiple, evolving, life long needs that require services and supports from agencies and organizations that offer specialized and generic forms of assistance in their communities. The nature of the needs of these individuals and the capacity of States and communities to respond to them have changed. In the past 5 years, new strategies for reaching, engaging, and assisting individuals with developmental disabilities have gained visibility and credibility. These state of the art strategies are reinforced by and reflected in this bill.

This bill also recognizes that individuals with developmental disabilities often are at greater risk of abuse, neglect, financial and sexual exploitation, and the violation of their legal and human rights, than the general population. Based upon this recognition, the bill supports the extra effort and attention needed, in both individual and systemic situations, to ensure that individuals with developmental disabilities are at no greater risk of harm than others in the general population.

In the past, the Councils, P&A Systems, and Centers have been authorized to provide advocacy, capacity building, and systemic change activities to make access to and navigation through various service systems easier for individuals with developmental disabilities. Over time there has been pressure for these three programs to provide assistance beyond the limit of their resources and beyond their authorized missions. The bill clearly and concisely specifies the roles and responsibilities of Councils, P&A Systems, and Centers so that there is a common understanding of what the programs are intended to contribute toward a State's efforts to respond to the needs of individuals with developmental disabilities and their families.

S. 1809 gives States' Councils, P&A Systems, and Centers increased flexibility. Each program in a State, working with stakeholders, is to develop goals for how to assure that individuals with developmental disabilities and their families participate in the design of and have access to needed community services, individualized supports, and other forms of assistance that promote self-determination, independence, productivity, integration, and inclusion in all facets of community life. Goals may be set in any of the following areas of emphasis: quality assurance, education and early intervention, child care, health, employment, housing, transportation, recreation, or other community services.

Consistent with Congressional emphasis on strengthening accountability for all Federal programs, this legislation requires each program to determine, before undertaking a goal, how that goal will be measured. The Secretary of the Department of Health and Human Services (HHS) is to develop indicators of progress to evaluate how the three programs in each State have engaged in activities to promote and achieve the purposes of the Act. In particular, the Secretary is to monitor how the three programs funded in each State coordinate their efforts, and how that coordination affects the quality of supports and services for individuals with developmental disabilities and their families in that State. In doing so Congress recognizes that the programs funded under the DD Act do not have day to day responsibility for the outcomes of the programs directly serving people with developmental disabilities in their States. Therefore, Congressional intent is that the Secretary of the Department of Health and Human Services develop measures regarding the quality of program activities funded under Title I of this bill, to provide accountability in the areas of advocacy, capacity building, and systems changes as they relate to the areas of emphasis defined in Section 102(2), and that these measures are consistent with the purposes and policies articulated in Section 101.

In recent years, a clearer picture has emerged of what individuals with developmental disabilities are able to accomplish, with the appropriate support, when they have access to the same choices and opportunities available to others. There has been increasing recognition of and support for self-advocacy organizations established by and for individuals with developmental disabilities, particularly individuals with cognitive disabilities. This bill reflects and promotes such efforts by authorizing DD Councils to support the establishment and strengthening of at least one statewide self-advocacy organization for individuals with developmental disabilities in each State. It also authorizes national technical assistance for self advocacy organizations.

In addition to S. 1809 renaming the University Affiliated Programs as University Centers for Excellence in Developmental Disabilities Education, Research, and Service, this legislation expands Centers' responsibilities to include the conduct of research, authorizes National Training Initiatives on Critical and Emerging Needs, and links the Centers to create a National Network. In doing so Congress recognizes that Centers have a long history of providing state of the art community education and training in a variety of areas related to improving the capacity of communities to meet the needs of individuals with developmental disabilities and their families. It is the intention of Congress that Centers will continue to provide this training. It is also Congress' intention to recognize and utilize the capacity of all Centers to meet critical and emerging training needs in accordance with Sections 152(c) and 153(b). It also anticipates that Congress will authorize Centers to meet other emerging and critical training and research needs related to individuals with developmental disabilities through other legislation.

By administering the three programs specifically authorized under the DD Act and by funding Projects of National Significance to accomplish similar or complementary efforts, the Administration on Developmental Disabilities (ADD) in HHS plays a critical role in supporting and fostering new ways to assist individuals with developmental disabilities and their families, and in promoting system integration to expand and improve community services for individuals with disabilities. The bill provides ADD with the ability to foster similar efforts across the Executive Branch. It authorizes ADD to pursue and join with other Executive Branch entities in activities that will improve choices, opportunities, and services for individuals with developmental disabilities and to fully utilize the potential of the entities authorized under title I to achieve these goals. Since this bill adds new responsibilities for tracking accountability and collaboration which may trigger the need for additional resources, Section 163(b)(2) authorizes funds for administrative purposes. The intent is that these funds supplement, but not supplant existing administrative funds provided to ADD.

I would like to thank Senator HARKIN, and Senators FRIST and WELLSTONE for drafting provisions in Title II and Title III, respectively. Title II of this legislation addresses the critical need for family support for families of individuals with severe disabilities. The bill authorizes grants (one, 3-year grant per State, on a competitive basis) to assist States to provide services to families who choose to keep their children with disabilities at home. It gives support to States' efforts to assist families. Family support services are cost effective in reducing the costs associated with life-long disability, and in preventing the expense of out-of-home placement. Such services allow individuals with disabilities to stay at home with their families.

Title II gives flexibility and authority to States in the design of statewide systems of family support services for families of children with disabilities. Family support activities supported through this bill should be family-centered and family-directed. This means families of children with disabilities have control over decisions relating to the supports that will meet the priorities of their family, and participate in the planning, development, implementation, and evaluation of the statewide system of family support.

When applying for a grant, States are expected to demonstrate the nature and extent of the involvement of families of children with disabilities and individuals with disabilities in the development of the application and in the development, implementation, and evaluation of the statewide system of family support for families of children with disabilities.

The bill requires States to designate a lead entity that will coordinate activities funded under the grant. The lead agency should have the capacity to promote a statewide system of family support services that is family-centered and family-directed; to promote and implement systems change activities; and to maximize access to public and private funds for family support services for families of children with disabilities. The application should also designate the involvement of other State or local agencies, including local councils, in both the preparation of the application and the continuing role of each agency in the statewide system of family support for families of children with disabilities.

This legislation also gives States maximum flexibility in selecting activities they will implement in providing family support services for families of children with disabilities, including populations who are unserved or underserved. Activities may include training and technical assistance; the development or strengthening of family-centered and family-directed approaches to services, including service coordination services, service planning services, and respite care services; and assistance to families of children with disabilities in accessing natural and community supports and in obtaining benefits and services. A State may also conduct needs assessments; evaluations of data related to the statewide system of family support for families of children with disabilities; or pilot demonstration projects to demonstrate new approaches to the provision of family support services for families of children with disabilities.

Title III recognizes and responds to a national need to increase the number of, and improve the training for, direct support workers who assist individuals with developmental disabilities where they live, work, go to school, and engage in other aspects of community life, consistent and in coordination with title I of this legislation. Title III acknowledges that direct support workers play essential roles in providing the support that individuals with developmental disabilities need, and in expanding community options for these individuals.

Section 303 of title III authorizes the Reaching Up Scholarships Program to encourage continuing education for individuals who provide direct support to individuals with developmental disabilities. This scholarship program authorizes vouchers of up to $2,000 to an eligible direct support worker. Recipients of these vouchers will be direct support workers who assist individuals with developmental disabilities in a wide range of settings. This grant program will be administered through institutions of higher education, State agencies, or consortia of such institutions or agencies. It will enable direct support workers to access training related to providing state of the art supports and services to individuals with developmental disabilities and their families.

Title III, section 304 of this legislation provides funding for the development, evaluation, and dissemination of a staff development curriculum, and related guidelines for computer-assisted, competency-based, multi-media, interactive instruction to provide staff development for individuals in direct service roles with people with developmental disabilities and their families. Title III also recognizes the potential contribution of individuals with developmental disabilities who themselves may choose to become direct service providers. This state of the art curriculum will allow direct service workers, including those with limited levels of literacy, access to and participation in, state of the art training that reflects the principles articulated in title I, particularly the principles of self-determination, independence, productivity, integration, and inclusion of individuals with developmental disabilities in all aspects of community life. The curriculum will also address the use of positive supports and interventions as alternatives to the use of aversive treatment, particularly the inappropriate use of restraint and seclusion with individuals with developmental disabilities across the age span and in a variety of settings. The curriculum will be fully field-tested, evaluated, and nationally disseminated.

Throughout the country, the DD Act programs have a long history of achievement. In Vermont, the DD Act programs make on-going contributions to major initiatives affecting individuals with developmental disabilities and their families. They play significant roles in many of Vermont's accomplishments, including: the inclusion of children with severe disabilities into local schools and classrooms; early intervention and family leadership initiatives that are national models; and innovative programs in the areas of employment, and community living options for individuals with developmental disabilities. Based upon the letters our office has received from across the country, it is clear that these DD programs make substantial, positive differences in all States.

S. 1809 is bi-partisan, balanced, and responsive legislation that reflects months of discussion and collaboration among individuals and organizations representing a full range of opinion. I would like to recognize the contributions of the numerous disability and advocacy groups that provided public input, especially the Developmental Disabilities Task Force of the Consortium for Citizens with Disabilities and their co-chairs, who have worked with staff over nine months to develop this legislation.

I would like to thank Senate staff including Connie Garner from Senator KENNEDY's staff, Katie Corrigan and Tom Hlavacek from Senator HARKIN's staff, Dave Larson from Senator FRIST's staff, Cheryl Chambers from Senator WELLSTONE's staff, and Liz King from the Senate Legislative Counsel. I would also like to thank staff from the U.S. Department of Health and Human Services including Sue Swenson, Reggie Wells, and Elsbeth Wyatt from the Administration on Developmental Disabilities, and Barbara Clark and Amy Lockhart from the Office of the Assistant Secretary for Legislation. And finally, I would like to thank my own HELP Committee staff particularly Pat Morrissey, Lu Zeph, Leah Menzies, Heidi Scheuermann, and Mark Powden who worked long and hard on this legislation.

S. 1809 continues a long tradition of Congressional support for individuals with developmental disabilities, their families, and their communities and ensures that this support will continue to meet their needs into the next century. I ask my colleagues to join me today in voting to pass this bill out of the Senate.

Mr. HARKIN. Mr. President, I support the passage of Senate Bill 1809, the Developmental Disabilities Assistance and Bill of Rights Act of 1999.

As the chief sponsor of the Americans with Disabilities Act and the former chair of the Senate Subcommittee on Disability Policy, I take a particular interest in the Developmental Disabilities Act, which has been a cornerstone of our national policy for people with disabilities. In fact, the Supreme Court cited the Developmental Disabilities Act in the recent Olmstead decision as evidence of Congress' intent that people with disabilities should have the choice to receive services in the community.

The entities funded under the Act—the Developmental Disabilities Councils, University Affiliated Programs, and the Protection and Advocacy systems—have enabled us to move away from a service system that denied people with disabilities the choice to receive services where families and individuals want them—in their own homes, communities, and neighborhoods.

This year's reauthorization is very important for several reasons. First, we must continue our progress toward ensuring that people with developmental disabilities achieve their maximum potential through increased self-determination, independence, productivity, and integration in all facets of life.

Second, we must ensure that people with developmental disabilities are free from abuse and neglect in all aspects of the service delivery system. This bill will help protect people with disabilities from abuse and neglect no matter where they live—inside an institution or in the community.

And finally, we must do more to strengthen and support families as they provide care and support to family members with a disability. Family caregivers are the true heroes of our long-term care system. In Title II of this bill, Congress lends support to State efforts to give individuals with disabilities the choice to stay at home, with their families.

I thank Senator JEFFORDS for acknowledging my strong interest and contributions to this important title. This Family Support grant program gives flexibility and authority to the States in designing statewide systems of family support services for families of children with disabilities. It is our intention that all activities conducted under the Family Support program should be family-centered and family-directed. This means that services and programs should facilitate the full participation and control by families of children with disabilities in decisions relating to the supports that will meet the priorities of the family; and in the planning, development, implementation, and evaluation of the statewide system of family support.

We have given States the flexibility of defining what Family Support services will be provided. Family Support services should lead to the integration and inclusion of children with disabilities and their families in the use and participation of the same community resources that are used by and available to other individuals and families.

Family Support services may include help with service coordination; the provision of goods and services such as specialized evaluations and diagnostic services, adaptive equipment, respite care, personal assistance services, homemaker and chore services, behavioral supports, assistive technology services and devices, permanency and future planning, home and vehicle modifications and repairs, equipment and consumable supplies, transportation, specialized nutrition and clothing, counseling and mental health services, family education and training services, communication services, crisis intervention, daycare and child care for a child with a disability, supports and services for integrated and inclusive community activities, parent or family member support groups, peer support, sitter service or companion service, education aids; and financial assistance, which may include cash subsidies, allowances, voucher or reimbursement systems, low-interest loans, or lines of credit.

A statewide system of Family Support Services means a system that is family-centered and family-directed, and that assists and enables families to receive rights and procedural safeguards and to gain access to social, medical, legal, educational, and other supports and services; and that include follow along services that ensure that the changing needs of the child and family are met; the coordination and monitoring of services provided to the family; the provision of information to children with disabilities and their families about the availability of services, and assistance to such children and their families in obtaining appropriate services; and the facilitation and organization of existing social networks and natural sources of support, and community resources and services.

Such a statewide system should also be culturally competent, community-centered, and comprehensive so that it addresses the needs of all families of children with disabilities, including unserved and underserved populations; and addresses such needs without regard to the age, type of disability, race, ethnicity, or gender of such children or the major life activity for which such children need the assistance.

When applying for a grant, States should demonstrate the nature and extent of the involvement of families of children with disabilities and individuals with disabilities in the development of the application, including the involvement of unserved and underserved populations; and in strategies for actively involving families of children with disabilities and individuals with disabilities in the development, implementation, and evaluation of the statewide system of family support for families of children with disabilities. In the application, States should also describe the unmet needs for family support for families of children with disabilities in the State.

When applying for a grant, States should designate a lead entity that will coordinate activities funded under the grant with activities of other relevant State and local agencies. The lead agency should have the capacity to promote a statewide system of family support for families of children with disabilities throughout the State that is family-centered and family-directed; to promote and implement systems change activities; and to maximize access to public and private funds for family support services for families of children with disabilities. The application should also designate the involvement of other State or local agencies, including local councils, in the preparation of the application and the continuing role of each agency in the statewide system of family support for families of children with disabilities.

We have given States maximum flexibility in selecting activities they will implement in providing family support services for families of children with disabilities. The State may support training and technical assistance activities for family members, service providers, community members, professionals, students, and others to increase family participation, choice, and control in the provision of family support services for families of children with disabilities; to develop or strengthen family-centered and family-directed approaches to services, including service coordination services, service planning services, and respite care services; and to assist families of children with disabilities in accessing natural and community supports and in obtaining benefits and services.

A State may conduct needs assessments, evaluations of data related to the statewide system of family support for families of children with disabilities, or pilot demonstration projects to demonstrate new approaches to the provision of family support services for families of children with disabilities. A State may also support activities to identify and coordinate Federal and State policies, resources, and services, relating to the provision of family support services for families of children with disabilities, including interagency activities and agreements.

In addition, a State may conduct outreach activities to locate families who are eligible for family support services for families of children with disabilities; to solicit input from such families; and to identify groups who are unserved and underserved. Such activities may involve the creation or maintenance of, support of, or provision of, assistance to statewide and community parent organizations, and organizations that provide family support to families of children with disabilities; the dissemination of relevant information; and other education activities.

In closing, I remind my colleagues that the toughest barriers faced by people with disabilities are not architectural, they are attitudinal. They are not in the environment, they are in our hearts and in our minds. When people with disabilities are integrated throughout our communities, we are given the opportunity to change our attitudes from ones based on stereotypes, fear, and ignorance, to ones based on admiration, acceptance, and affection.

In this way, the Developmental Disabilities Act benefits all of us. Not only are people with disabilities assisted in taking their rightful place in the mainstream of American society. Not only are families that include a child with a disability given access to the supports, resources, and services needed to maintain family unity. But in the process, we all gain from the opportunity to experience people with developmental disabilities as friends, as neighbors, as co-workers, as classmates.

I especially thank Senator JEFFORDS and Senator KENNEDY for their leadership on this issue, and I am glad to join so many of my colleagues from the HELP Committee as a co-sponsor of this legislation.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the committee substitute be agreed to, the bill be considered read the third time and passed, the motion to reconsider be laid upon the table, and any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment in the nature of a substitute was agreed to.

The bill (S. 1809), as amended, was read the third time and passed.

RECOGNIZING AMERICA'S NONGOVERNMENTAL ORGANIZATIONS AND PRIVATE VOLUNTEER ORGANIZATIONS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of calendar No. 379, S. Con. Res. 30.

The PRESIDING OFFICER. The clerk will report the concurrent resolution by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 30) recognizing the sacrifice and dedication of members of America's nongovernmental organizations (NGOs) and private volunteer organizations (PVOs) throughout their history and specifically in answer to their courageous response to recent disasters in Central America and Kosovo.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the concurrent resolution be agreed to, the motion to reconsider be laid upon the table, and any statements relating to this resolution be printed at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered. The concurrent resolution (S. Con. Res. 30) was agreed to, as follows:

S. CON. RES. 30

Resolved by the Senate (the House of Representatives concurring), That the Congress—

(1) recognizes and commends the sacrifice, dedication, and commitment of those serving with, and those who have served with, American nongovernmental organizations (NGO's) and private volunteer organizations (PVO's) that provide humanitarian relief to millions of the world's poor and displaced;

(2) urges all Americans to join in commemorating and honoring those serving in, and those who have served in, America's NGO and PVO community for their sacrifice, dedication and commitment; and

(3) calls upon the people of the United States to appreciate and reflect upon the commitment and dedication of relief workers, that they often serve in harm's way with threats to their own health and safety, and their organizations who have responded to recent tragedies in Central America and Kosovo with great care, skill, and speed, and to make appropriate steps to recognize and encourage awareness of the contributions that these relief workers and their organizations have made in helping ease human suffering.

EXPRESSING CONCERN OVER FREEDOM OF PRESS AND ELECTORAL INSTITUTIONS IN PERU

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of calendar No. 378, S. Res. 209.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 209) expressing concern over interference with freedom of the press and independence of judicial and electoral institutions in Peru.

There being no objection, the Senate proceeded to consider the resolution.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and any statements relating to the resolution appear at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 209) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 209

Whereas the independence of Peru's legislative and judicial branches has been brought into question by the May 29, 1997, dismissal of 3 Constitutional Tribunal magistrates;

Whereas Peru's National Council of Magistrates and the National Election Board have been manipulated by President Alberto Fujimori and his allies so he can seek a third term in office;

Whereas the Department of State's Country Report on Human Rights Practices for 1998, dated February 26, 1999, concludes, with respect to Peru, that "government intelligence agents allegedly orchestrated a campaign of spurious attacks by the tabloid press against a handful of publishers and investigative journalists in the strongly pro-opposition daily La Republica and the other print outlets and electronic media";

Whereas the Department of State's Country Report on Human Rights Practices for 1997, dated January 30, 1998, states that Channel 2 television station reporters in Peru "revealed torture by Army Intelligence Service Officers" and "the systematic wiretapping of journalists, government officials, and opposition politicians";

Whereas on July 13, 1997, Peruvian immigration authorities revoked the Peruvian citizenship of Baruch Ivcher, the Israeli-born owner of the Channel 2 television station; and

Whereas Baruch Ivcher subsequently lost control of Channel 2 under an interpretation of a law that provides that a foreigner may not own a media organization, causing the Department of State's Report on Human Rights Practices for 1998 to report that "threats and harassment continued against Baruch Ivcher and some of his former journalists and administrative staff . . . In September Ivcher and several of his staff involved in his other nonmedia businesses were charged with customs fraud. The Courts sentenced Ivcher in absentia to 12 years imprisonment and his secretary to 3 years in prison. Other persons from his former television station, who resigned in protest in 1997 when the station was taken away, also have had various charges leveled against them and complain of telephone threats and surveillance by persons in unmarked cars": Now, therefore, be it

Resolved,

SECTION 1. SENSE OF THE SENATE ON ANTI-DEMOCRATIC MEASURES BY THE GOVERNMENT OF PERU.

It is the sense of the Senate that—

(1) the erosion of the independence of judicial and electoral branches of the Government of Peru and the blatant intimidation of journalists in Peru are matters of serious concern to the United States;

(2) efforts by any person or political movement in Peru to undermine that country's constitutional order for personal or political gain are inconsistent with the standard of representative democracy in the Western Hemisphere;

(3) the Government of the United States supports the effort of the Inter-American Commission on Human Rights to report on the pattern of threats to democracy, freedom of the press, and judicial independence by the Government of Peru; and

(4) systematic abuse of the rule of law and threats to democracy in Peru could undermine the confidence of foreign investors in, as well as the creditworthiness of, Peru.

SEC. 2. TRANSMITTAL OF RESOLUTION.

The Secretary of the Senate shall transmit a copy of this resolution to the Secretary of State with the request that the Secretary further transmit such copy to the Secretary General of the Organization of American States, the President of the Inter-American Development Bank, and the President of the International Bank for Reconstruction and Development.

UNITED STATES POLICY TOWARD NATO AND THE EUROPEAN UNION

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 377, S. Res. 208.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 208) expressing the sense of the Senate regarding United States policy toward the North Atlantic Treaty Organization and European Union, in light of the Alliance's April 1999 Washington Summit and the European Union's June 1999 Cologne Summit.

There being no objection, the Senate proceeded to consider the resolution.

AMENDMENT NO. 2776

(Purpose: To make technical amendments)

Mr. GRASSLEY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

The Senator from Iowa [Mr. GRASSLEY], for Mr. LEVIN, proposes an amendment numbered 2776.

The amendment is as follows:

In section 1(b), strike paragraph (1) and insert the following:

(1) on matters of trans-Atlantic concern, the European Union should make clear that it would undertake an autonomous mission through the European Security and Defense Identity only after the North Atlantic Treaty Organization had declined to undertake that mission;

In section 1(b)(5), strike "must" and insert "should".

Mr. LEVIN. Mr. President, I wish to explain my amendment to S. Res. 208 expressing the sense of the Senate on United States policy toward NATO and the European Union and my own personal view regarding the desirability of our European Allies conducting operations in their own backyard.

My amendment makes three important changes to the language of the resolution as reported out by the Foreign Relations Committee.

First of all, the amendment substitutes "the" for "its" before "European Security and Defense Identity" to make the point that the European Security and Defense Identity, or ESDI, is being developed within, not outside, the NATO Alliance. This simple fact is enshrined in a number of North Atlantic Council communiques and declarations, starting with the Declaration of Heads of State and Government issued at the Council meeting in Brussels on June 11, 1994. This is important because the development of the ESDI within the Alliance means that, as the 1994 Brussels Declaration stated, "NATO will remain the essential forum for consultation among its members and the venue for agreement on policies bearing on security and defense commitments of Allies under the Washington Treaty."

Next, my amendment deletes the references to NATO being "offered the opportunity to undertake the mission" and then that NATO "referred it to the European Union for action." The first point here is that on one has to offer a mission to NATO; the North Atlantic Council is in permanent session so that it can continuously review events that could impact on stability in the Euro-Atlantic area and can react to them, if necessary. Consequently, it doesn't have to be offered an opportunity to undertake a mission; it has that responsibility and the means to effect it on a continuing basis. The next point is that NATO doesn't refer a mission to the European Union; the EU will undoubtedly have been following such an event on its own and won't need a referral from NATO to do so. And the final and perhaps most important point is that this change removes the connotation that somehow the European Union is subservient to NATO.

The last change is to simply substitute "should" for "must" in the subparagraph relating to the implementation of the European Union's Common Foreign and Security Policy. This will avoid the connotation that the United States is dictating to an organization of sovereign states.

Finally, Mr. President, I want to express my own personal view concerning the desirability of our European Allies conducting operations in their own backyard. I have long been a supporter of the ESDI and I am a supporter of the U.S.-sponsored Defense Capabilities Initiative that was recently adopted by NATO. NATO's Operation Allied Force demonstrated a capabilities gap between the United States and our NATO Allies. I welcome the stated determination of our European Allies to develop the capability to act on their own. I welcome the fact that they are providing more than 80 percent of the forces participating in the NATO-led Kosovo Force. I would welcome it if our European Allies would handle the next crisis that develops in Europe. I would be happy if the United States' contribution was limited, for instance, to providing such things as command and control, communications, and intelligence support and I would be even more pleased if the United States didn't have to provide any support and our European Allies were capable of handling a crisis on their own.

I have characterized the United States as being a junior partner and the European Allies being the senior partner in the KFOR peacekeeping mission. I know that there are many people, including some within the Administration who don't like that characterization, but I see nothing wrong with it.

Mr. President, the United States Congress for years has urged Europe to play a greater role in its own defense and to bear more of the collective security burden in NATO. I, for one, can take yes for an answer.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the amendment be agreed to, the resolution and preamble be agreed to en bloc, the motion to reconsider be laid upon the table, that any statements relating thereto be placed in the RECORD as if read in the appropriate place.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 2776) was agreed to.

The resolution, as amended, was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

[The resolution was not available for printing. It will appear in a future edition of the RECORD.]

ORDERS FOR TUESDAY, NOVEMBER 9, 1999

Mr. GRASSLEY. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 9:30 a.m. on Tuesday, November 9. I further ask consent that on Tuesday, immediately following the prayer, the Journal of the proceedings be approved to date, the morning hour be deemed to have expired, the time for the two leaders be reserved for their use later in the day, and the Senate then resume debate on S. 625, the bankruptcy reform bill, under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate stand in recess from the hours of 12:30 p.m. to 2:15 p.m. tomorrow for the weekly policy conferences to meet.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. GRASSLEY. Mr. President, for the information of all Senators, the Senate will resume consideration of the bankruptcy bill at 9:30 on Tuesday. There will be 1 hour of debate on the pending minimum wage and business cost amendments, with votes scheduled to occur at 10:30 a.m. Further amendments are expected to be offered and debated and therefore votes are expected throughout tomorrow's session of the Senate. Senators can also anticipate votes regarding the appropriations process prior to the Veterans Day recess.

ORDER FOR ADJOURNMENT

Mr. GRASSLEY. If there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order following the remarks of the Senator from Oregon, Mr. WYDEN.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WYDEN. Mr. President, I ask unanimous consent to speak for up to 20 minutes in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE SPICE ACT

Mr. WYDEN. Mr. President, the newspapers of the Nation this weekend were filled with stories about the politics of prescription drug coverage for the Nation's elderly. One poll after another said that the question of covering prescription drugs for seniors was one of the top three concerns of millions of Americans—not just seniors, but people of all ages. And then, in addition to all the polls and surveys that were published this weekend, some of our most distinguished political journalists were out across the country interviewing people in America asking them what they thought about Congress' handling of the prescription drug issue. And one interview after another essentially has seniors and families responding that they could not figure out why the Congress in Washington, DC, could not tackle this issue in a bipartisan way.

I remember one of the interviewees in particular, in effect, saying, "What are they so busy fussing about in Washington, DC, that they can't find the time to deal with an issue so important to millions of older people?" I think that person who got interviewed pretty much summed it up.

I have been coming up to the floor of the Senate over the last 2 or 3 weeks in an effort to try to bring folks' attention, both in the Senate and in our country, that there is bipartisan legislation to cover the question of prescription drugs for older people, and to talk about why it is so important. As part of that effort, as you can see in the poster next to me, I have been urging that seniors send in copies of their prescription drug bills—actually send in copies of their prescription drug bills to those of us in the Senate in Washington, DC. I have been getting a great many of these bills. I have been coming to the floor on a number of occasions and actually reading from these bills because I think it helps to drive home what we saw in the newspapers all across the country this weekend, and that is that we have to come up with a bipartisan plan to meet these needs of vulnerable elderly people.

So tonight I am going to read from some of the letters that I am receiving from older people at home in Oregon. Four letters in particular struck me as particularly compelling in recent days. I have heard from folks in North Bend, Redmond, Roseburg, and Milwaukie in the metropolitan area of our State. All of them essentially make the same kind of case, and that is that so many seniors are walking on an economic tightrope. They are balancing food costs against the fuel costs and the fuel costs against their medical bills. With so many being unable to afford their prescriptions, they are writing and saying they can't afford to wait for another election, the 2000 election, to resolve this issue. They have been reading these articles with Members of Congress saying that it is too complicated to tackle now. It is too difficult to get a consensus. I just don't think that is the case.

There is a bipartisan bill now before the U.S. Senate. It is one that was drafted by the distinguished senior Senator from Maine, OLYMPIA SNOWE, and myself. We got 54 votes for it on the floor of the Senate. A majority of Members of the Senate voted in a specific way to fund the prescription drug benefit for the Nation's older people. So it is just not right to say that there is no consensus, there is no way to bring Senators of both political parties together on this issue. It is just factually wrong. Fifty-four Members of the Senate have said that they would vote for a specific approach to funding a drug benefit for the Nation's older people, and it was a bipartisan vote. It wasn't done in the dead of night. It was part of the budget debate. A majority in the Senate is now on record.

It is a plan that I think unleashes the forces of the marketplace. It is built on the model from which Members of Congress get their health care, the Federal Employees Health Benefits Plan. It is called the SPICE Program, the Senior Prescription Insurance Coverage Equity Act. It gives seniors the kind of bargaining power that some of these big purchasers such as the health maintenance organizations have.

Right now, seniors with prescriptions get hit by sort of a double whammy.

First, Medicare doesn't cover prescriptions. It hasn't since the program began in 1965.

Second, when a senior citizen walks into a drugstore, walks into their neighborhood pharmacy, in effect that senior has to pay a premium for their prescription drugs because the big buyers actually get discounts.

You have these health care plans. You have health maintenance organizations. You have the big buyers going out and negotiating discounts. Then senior citizens walk into the pharmacy in their community in effect having to pay a premium and in effect subsidizing the big buyers in town who get these discounts.

I am often asked whether our country can afford to cover prescription drugs for the Nation's older people. My response is that America can't afford not to cover these prescription drugs because so many of these drugs at this time are essentially ones that help keep older people well. They help keep them healthy—lower blood pressure, deal with cholesterol problems—and keep seniors from getting sick and landing in the hospital where they need very expensive services from what is called the Part A program of Medicare, the hospital institutional part.

I have cited on several occasions on the floor of the Senate anticoagulant drugs because I think they best illustrate how serious the problem is and why it needs a bipartisan solution along the lines of the Snowe-Wyden bill. It makes some sense. These anticoagulant drugs might cost in the vicinity of $1,000 a year to cover the needs of an older person. But if with anticoagulant medicine we can prevent this debilitating injury, that could save in the vicinity of $100,000. That would be expenses incurred when an older person suffers a stroke.

Think of that: $1,000 for an anticoagulant medicine, and as a result of a senior being able to afford that, very often that person can stay healthy and keep from being struck by debilitating stroke and incurring $100,000 in expenses that would come about as a result of that illness.

I hope seniors will continue to write to me and to other Members of the Senate, as this poster says. We hope they will send us copies of their prescription drug bills and actually send copies of how they are affected to each of us here in the Senate in Washington, DC.

I want to take just a minute or two now to read from some of the letters I have received in the last few days.

One of the first is a letter I received from an older couple in North Bend. The spouse is 73. Her husband is 77. They report that they have about $18,000 a year in Social Security income and spend about $2,000 of it on their prescription drugs. They have a Blue Cross plan. It doesn't cover any of their prescriptions—none of them.

I think this is really sort of typical of what I have been hearing from senior citizens across our State.

Here is a copy of what these bills look like for folks who are thinking about sending them to us. This one comes from North Bend, OR. It comes from the Safeway pharmacy there in North Bend. An older couple points out in a letter to me that they simply are not going to be able to afford what they are told is going to be the next increase. They are told that next month their bills are going to go up again on top of what I have cited they are having to pay for over-the-counter medications as well. Compared to some of their friends, they are not what they call "pill takers." With an income of $18,000 a year, think of having to spend about $2,000 of it on prescription drugs, and that doesn't even count for what they spend on over-the-counter medications. Their bills are going up again next month.

These are the kinds of people to whom I think the Senate ought to be listening.

Another letter I received in the last few days comes from an older couple in Redmond. They sent me this bill for the month of October. Just for the month of October, colleagues who maybe listening in—$282 a month just for the month of October from an older couple in Redmond. They went to the Rite-Aid Pharmacy in a mall in Redmond. They are faced now with the prospect of having to spend $282 a month all year round on their prescriptions, and, suffice it to say, they too are asking why it is that the Congress, and the Senate specifically, isn't being responsive. Here is a third bill I received in the last few days. This is from an older woman who is spending close to $300 a month on her prescription drugs at the Wal-Mart in Roseburg.

This is again the kind of real-life case to which I think the Senate ought to be paying attention. They are just sending us now copies of their bills. These are not drugs that are uncommon. Glucophage, for example, for a lot of seniors is an essential medicine because it helps them with their diabetes. When senior citizens can't afford to pay for a prescription for glucophage, they are going to suffer some very serious health problems as a result.

I cited examples at the end of last week.

There are seniors at home in Oregon who have prescriptions their doctor wrote out for drugs such as that, and they simply could not afford to have them filled. They were hanging on to the prescription hoping that sometime down the road they would get the funds to be able to afford their prescriptions.

That is the kind of case we are hearing about from the Nation's older people.

I hope folks who are listening in tonight will see, as this poster says, that we hope to hear from more of them. We would like for them, as this poster says, to send copies of their prescription drug bills directly to us in the Senate in Washington, DC.

I intend to keep coming to the floor of this body and going through some of these cases in the hopes that this can pique the conscience of the Senate for bipartisan action.

Finally, tonight I have one other bill that struck me as so poignant and really summing it up. It comes from an older man who sends his wife's mother's bill because she is 91 and she is spending about $400 per month on prescription medicines. The letter says this is outrageous for a 91-year-old person, a person who is on a fixed income, to have to pay. She is 91 years old. The list goes on for pages.

I am going to wrap up tonight by saying it would be one thing if you couldn't bring Senators together around an important issue and simply not find any consensus whatsoever.

That is not the case with respect to the Snowe-Wyden legislation. The senior Senator from Maine and I have teamed up on a bill that is modeled after the kind of health care Members of the United States Senate receive.

Mr. President, 54 Members of the Senate, as part of the budget debate, said they would vote for a way to pay for the plan. We are seeing these polls and interviews along the lines of what I cited. Newspapers were filled this weekend with folks saying, why can't the Senate act? That is the question: Why can't the Senate act when there is a bipartisan bill?

The SPICE legislation, the Senior Prescription Insurance Coverage Equity Act, is legislation I believe can move forward because it is bipartisan. Certainly, our colleagues have other ideas about how to proceed. Senator SNOWE and I are anxious to hear from them with respect to their approach.

What is important is that the Senate stop ducking this issue. The Senate ought to say we are now going to recognize how serious these concerns of the Nation's older people are and not just put them off and say it is too complicated to deal with now and we will talk about it in 2001, but with a year to go until election, we ought to roll up our sleeves and come up with a bipartisan plan to address these needs.

Until that time, I hope seniors will continue to send copies of their prescription drug bills to each Senator. I am particularly anxious to have them. Send them to our offices in Washington, DC. I will keep coming to the floor of this body, reading from letters from folks, including this 91-year-old who cannot afford next month's increase in prescription drugs, folks who cannot pay for their diabetes medicine and are likely to get much sicker as a result. I intend to keep coming to the floor of this body, reading from those letters, and doing everything I can to try to bring the Senate together around bipartisan legislation to meet the needs of our elderly.

The approach behind the Snowe-Wyden legislation does not involve price controls. We have a lot of Senators legitimately concerned about that. It is not a one-size-fits-all Federal regime. It is a model based on something we all know well. That is the Federal Employees Health Benefits Plan. In fact, the SPICE Program that Senator SNOWE and I have drafted is a senior citizens version of the Federal Employees Health Benefits Plan. We are convinced it can work for the Nation's older people.

I hope we will not pass up this opportunity to address these heartfelt concerns that seniors are passing on. I hope we will not say this issue is too complicated for the Senate to act. We may be leaving in a few days, but there will be an opportunity in the days ahead to bring Senators of both political parties together and fashion legislation that is responsive to the country's older people. I am convinced older people cannot afford to wait another year, wait another year for politicking and debates to go forward. Certainly, based on the kinds of bills, as the bill I read from, including the 91-year-old senior spending $400 a month, she cannot afford to wait, at 91, for another year of electioneering. I believe when there is a bipartisan bill before the Senate, she shouldn't have to wait.

I will continue to read from these letters. I hope folks will send copies of their prescription drug bills. We need to act on this matter. We saw again this weekend how important it is to the American people. I will be coming back to this floor again and again and again until we get bipartisan action on this urgent matter for millions of the Nation's older people.

I yield the floor.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands in adjournment until 9:30 a.m., Tuesday, November 9, 1999.

expired, the time for the two leaders be reserved for their use later in the day, and the Senate then resume debate on S. 625, the bankruptcy reform bill, under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate stand in recess from the hours of 12:30 p.m. to 2:15 p.m. tomorrow for the weekly policy conferences to meet.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. GRASSLEY. Mr. President, for the information of all Senators, the Senate will resume consideration of the bankruptcy bill at 9:30 on Tuesday. There will be 1 hour of debate on the pending minimum wage and business cost amendments, with votes scheduled to occur at 10:30 a.m. Further amendments are expected to be offered and debated and therefore votes are expected throughout tomorrow's session of the Senate. Senators can also anticipate votes regarding the appropriations process prior to the Veterans Day recess.

ORDER FOR ADJOURNMENT

Mr. GRASSLEY. If there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order following the remarks of the Senator from Oregon, Mr. WYDEN.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WYDEN. Mr. President, I ask unanimous consent to speak for up to 20 minutes in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE SPICE ACT

Mr. WYDEN. Mr. President, the newspapers of the Nation this weekend were filled with stories about the politics of prescription drug coverage for the Nation's elderly. One poll after another said that the question of covering prescription drugs for seniors was one of the top three concerns of millions of Americans—not just seniors, but people of all ages. And then, in addition to all the polls and surveys that were published this weekend, some of our most distinguished political journalists were out across the country interviewing people in America asking them what they thought about Congress' handling of the prescription drug issue. And one interview after another essentially has seniors and families responding that they could not figure out why the Congress in Washington, DC, could not tackle this issue in a bipartisan way.

I remember one of the interviewees in particular, in effect, saying, "What are they so busy fussing about in Washington, DC, that they can't find the time to deal with an issue so important to millions of older people?" I think that person who got interviewed pretty much summed it up.

I have been coming up to the floor of the Senate over the last 2 or 3 weeks in an effort to try to bring folks' attention, both in the Senate and in our country, that there is bipartisan legislation to cover the question of prescription drugs for older people, and to talk about why it is so important. As part of that effort, as you can see in the poster next to me, I have been urging that seniors send in copies of their prescription drug bills—actually send in copies of their prescription drug bills to those of us in the Senate in Washington, DC. I have been getting a great many of these bills. I have been coming to the floor on a number of occasions and actually reading from these bills because I think it helps to drive home what we saw in the newspapers all across the country this weekend, and that is that we have to come up with a bipartisan plan to meet these needs of vulnerable elderly people.

So tonight I am going to read from some of the letters that I am receiving from older people at home in Oregon. Four letters in particular struck me as particularly compelling in recent days. I have heard from folks in North Bend, Redmond, Roseburg, and Milwaukie in the metropolitan area of our State. All of them essentially make the same kind of case, and that is that so many seniors are walking on an economic tightrope. They are balancing food costs against the fuel costs and the fuel costs against their medical bills. With so many being unable to afford their prescriptions, they are writing and saying they can't afford to wait for another election, the 2000 election, to resolve this issue. They have been reading these articles with Members of Congress saying that it is too complicated to tackle now. It is too difficult to get a consensus. I just don't think that is the case.

There is a bipartisan bill now before the U.S. Senate. It is one that was drafted by the distinguished senior Senator from Maine, OLYMPIA SNOWE, and myself. We got 54 votes for it on the floor of the Senate. A majority of Members of the Senate voted in a specific way to fund the prescription drug benefit for the Nation's older people. So it is just not right to say that there is no consensus, there is no way to bring Senators of both political parties together on this issue. It is just factually wrong. Fifty-four Members of the Senate have said that they would vote for a specific approach to funding a drug benefit for the Nation's older people, and it was a bipartisan vote. It wasn't done in the dead of night. It was part of the budget debate. A majority in the Senate is now on record.

It is a plan that I think unleashes the forces of the marketplace. It is built on the model from which Members of Congress get their health care, the Federal Employees Health Benefits Plan. It is called the SPICE Program, the Senior Prescription Insurance Coverage Equity Act. It gives seniors the kind of bargaining power that some of these big purchasers such as the health maintenance organizations have.

Right now, seniors with prescriptions get hit by sort of a double whammy.

First, Medicare doesn't cover prescriptions. It hasn't since the program began in 1965.

Second, when a senior citizen walks into a drugstore, walks into their neighborhood pharmacy, in effect that senior has to pay a premium for their prescription drugs because the big buyers actually get discounts.

You have these health care plans. You have health maintenance organizations. You have the big buyers going out and negotiating discounts. Then senior citizens walk into the pharmacy in their community in effect having to pay a premium and in effect subsidizing the big buyers in town who get these discounts.

I am often asked whether our country can afford to cover prescription drugs for the Nation's older people. My response is that America can't afford not to cover these prescription drugs because so many of these drugs at this time are essentially ones that help keep older people well. They help keep them healthy—lower blood pressure, deal with cholesterol problems—and keep seniors from getting sick and landing in the hospital where they need very expensive services from what is called the Part A program of Medicare, the hospital institutional part.

I have cited on several occasions on the floor of the Senate anticoagulant drugs because I think they best illustrate how serious the problem is and why it needs a bipartisan solution along the lines of the Snowe-Wyden bill. It makes some sense. These anticoagulant drugs might cost in the vicinity of $1,000 a year to cover the needs of an older person. But if with anticoagulant medicine we can prevent this debilitating injury, that could save in the vicinity of $100,000. That would be expenses incurred when an older person suffers a stroke.

Think of that: $1,000 for an anticoagulant medicine, and as a result of a senior being able to afford that, very often that person can stay healthy and keep from being struck by debilitating stroke and incurring $100,000 in expenses that would come about as a result of that illness.

I hope seniors will continue to write to me and to other Members of the Senate, as this poster says. We hope they will send us copies of their prescription drug bills and actually send copies of how they are affected to each of us here in the Senate in Washington, DC.

I want to take just a minute or two now to read from some of the letters I have received in the last few days.

One of the first is a letter I received from an older couple in North Bend. The spouse is 73. Her husband is 77. They report that they have about $18,000 a year in Social Security income and spend about $2,000 of it on their prescription drugs. They have a Blue Cross plan. It doesn't cover any of their prescriptions—none of them.

I think this is really sort of typical of what I have been hearing from senior citizens across our State.

Here is a copy of what these bills look like for folks who are thinking about sending them to us. This one comes from North Bend, OR. It comes from the Safeway pharmacy there in North Bend. An older couple points out in a letter to me that they simply are not going to be able to afford what they are told is going to be the next increase. They are told that next month their bills are going to go up again on top of what I have cited they are having to pay for over-the-counter medications as well. Compared to some of their friends, they are not what they call "pill takers." With an income of $18,000 a year, think of having to spend about $2,000 of it on prescription drugs, and that doesn't even count for what they spend on over-the-counter medications. Their bills are going up again next month.

These are the kinds of people to whom I think the Senate ought to be listening.

Another letter I received in the last few days comes from an older couple in Redmond. They sent me this bill for the month of October. Just for the month of October, colleagues who maybe listening in—$282 a month just for the month of October from an older couple in Redmond. They went to the Rite-Aid Pharmacy in a mall in Redmond. They are faced now with the prospect of having to spend $282 a month all year round on their prescriptions, and, suffice it to say, they too are asking why it is that the Congress, and the Senate specifically, isn't being responsive. Here is a third bill I received in the last few days. This is from an older woman who is spending close to $300 a month on her prescription drugs at the Wal-Mart in Roseburg.

This is again the kind of real-life case to which I think the Senate ought to be paying attention. They are just sending us now copies of their bills. These are not drugs that are uncommon. Glucophage, for example, for a lot of seniors is an essential medicine because it helps them with their diabetes. When senior citizens can't afford to pay for a prescription for glucophage, they are going to suffer some very serious health problems as a result.

I cited examples at the end of last week.

There are seniors at home in Oregon who have prescriptions their doctor wrote out for drugs such as that, and they simply could not afford to have them filled. They were hanging on to the prescription hoping that sometime down the road they would get the funds to be able to afford their prescriptions.

That is the kind of case we are hearing about from the Nation's older people.

I hope folks who are listening in tonight will see, as this poster says, that we hope to hear from more of them. We would like for them, as this poster says, to send copies of their prescription drug bills directly to us in the Senate in Washington, DC.

I intend to keep coming to the floor of this body and going through some of these cases in the hopes that this can pique the conscience of the Senate for bipartisan action.

Finally, tonight I have one other bill that struck me as so poignant and really summing it up. It comes from an older man who sends his wife's mother's bill because she is 91 and she is spending about $400 per month on prescription medicines. The letter says this is outrageous for a 91-year-old person, a person who is on a fixed income, to have to pay. She is 91 years old. The list goes on for pages.

I am going to wrap up tonight by saying it would be one thing if you couldn't bring Senators together around an important issue and simply not find any consensus whatsoever.

That is not the case with respect to the Snowe-Wyden legislation. The senior Senator from Maine and I have teamed up on a bill that is modeled after the kind of health care Members of the United States Senate receive.

Mr. President, 54 Members of the Senate, as part of the budget debate, said they would vote for a way to pay for the plan. We are seeing these polls and interviews along the lines of what I cited. Newspapers were filled this weekend with folks saying, why can't the Senate act? That is the question: Why can't the Senate act when there is a bipartisan bill?

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I yield the floor.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands in adjournment until 9:30 a.m., Tuesday, November 9, 1999.

Thereupon, the Senate, at 8:16 p.m., adjourned until Tuesday, November 9, 1999, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate November 8, 1999:

NATIONAL TRANSPORTATION SAFETY BOARD

CAROL JONES CARMODY, OF LOUISIANA, TO BE A MEMBER OF THE NATIONAL TRANSPORTATION SAFETY BOARD FOR A TERM EXPIRING DECEMBER 31, 2004, VICE ROBERT TALCOTT FRANCIS II.

DEPARTMENT OF JUSTICE

DONALD W. HORTON, OF MARYLAND, TO BE UNITED STATES MARSHAL FOR THE DISTRICT OF COLUMBIA FOR THE TERM OF FOUR YEARS, VICE HERBERT M. RUTHERFORD III, TERM EXPIRED.

EXTENSIONS OF REMARKS

POST OFFICE NAMING IN BALTIMORE, MARYLAND

HON. ELIJAH E. CUMMINGS

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. CUMMINGS. Mr. Speaker, I am pleased to introduce this bill to designate five United States Postal Service buildings after five individuals who made significant contributions to Baltimore and the State of Maryland.

I believe that persons who have made meaningful contributions to society should be recognized and honored. The naming of a postal building in one's honor is truly a salute to their accomplishments and public service. These individuals are Samuel Lacy, Judge Robert Bernard Watts, Judge Harry Augustus Cole, Frederick Dewberry, Jr., and Flossie McClain Desmond.

I will give a brief biographical description of the individuals and the locations of the post office being named.

The "Samuel H. Lacy, Sr. Post Office Building" will be located at 919 West 34th Street, Baltimore, Maryland.

Samuel H. Lacy was a renowned sports writer and editor for the Baltimore Afro-American Newspaper since 1944. He spent 60 years in journalism, working with radio, television, and the print media.

The "Judge Robert Bernard Watts, Sr. Post Office Building" will be located at 3500 Dolfield Avenue, Baltimore, Maryland.

Judge Robert Bernard Watts, Sr. was the first African-American to be appointed full time to the Bench of the Municipal Court of Baltimore City. Judge Watts, who was born in West Baltimore, graduated with honors from Morgan State College in 1943 and then served in the Army until 1945. He earned a law degree from the University of Maryland in 1949. Judge Watts was at the center of the Civil Rights Movement and worked closely with the NAACP. His dedication to civil rights led him to a long working relationship with the late Justice Thurgood Marshall. Judge Watts was instrumental in desegregating numerous theaters, restaurants, department stores, hotels and the Gwynn Oak Amusement Park. Watts was the first judge in Maryland to open hundreds of adoption records reuniting numerous families.

The "Judge Harry Augustus Cole Post Office Building" will be located at 900 E. Fayette Street, Baltimore, Maryland.

Judge Harry Augustus Cole was the first African American Assistant Attorney General in Baltimore City, the first African American to be elected to the State Senate of Maryland, the first Chairman of the Maryland Advisory Committee to the United States Civil Rights Commission, and the first African American to be named to Maryland's highest court, the Maryland Court of Appeals. Educated in the Baltimore City Public School System, Judge Cole graduated from Morgan State University in 1943. While at Morgan, he was the President of the Student Council, and Founder and first Editor-in-Chief of the Spokesman College Newspaper. A World War II veteran, Judge Cole graduated from the University of Maryland School of Law and practiced criminal and civil rights law.

The "Frederick L. Dewberry, Jr. Post Office Building" will be located at 1001 Frederick Road, in Baltimore, Maryland.

Frederick L. Dewberry, Jr. was born and raised in Baltimore City. He is a graduate of Loyola College and received a law degree from the University of Baltimore. A World War II veteran, Mr. Dewberry held the post of Chairman of the Baltimore County Council from 1964 to 1966. From 1979 to 1984, Frederick Dewberry was the Deputy Secretary of the Maryland Department of Transportation.

The "Dr. Flossie McClain Desmond Post Office Building" will be located at 1908 North Ellamont Street, in Baltimore, Maryland.

Dr. Flossie McClain Desmond earned a bachelor's degree in English from Fisk University, received a Master's degree from Columbia University and pursued post graduate studies at Ohio State University and Catholic University of America. She served in teaching and administrative positions at Allen University, Benedict College, Knoxville College, Morgan State University, and Coppin State College. Dr. Desmond spent 31 years working at Coppin State College, where she served in numerous roles. Upon her retirement, the honor of "Dean Emeritus" was bestowed upon her. In 1993, Coppin's first residence hall was named after her and is called, "The Flossie M. Desmond Center For Living and Learning." A talented musician, Dr. Desmond composed the Alma Mater for Allen University and the song is still in use today.

Muhammad Ali, the greatest boxer of all time once said that "service to others is the rent you pay for your room here on earth." Samuel Lacy, Judge Robert Bernard Watts, Judge Harry Augustus Cole, Frederick Dewberry, Jr., and Flossie McClain Desmond have paid their rent. I am honored to submit this legislation saluting five people from my district who spent their lives giving service to others.

I urge my colleagues to support this worthwhile measure.

CELEBRATING THE 150TH ANNIVERSARY OF IMMANUEL UNITED METHODIST CHURCH

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. BONIOR. Mr. Speaker, today I rise to recognize a truly remarkable church. The Immanuel United Methodist Church building may have moved around Eastpointe several times since its founding as the Roseville German Methodist Church in 1849, but its congregation has stood its ground in the community for all of its 150 years.

The church conducted its services in German until 1923, helping establish an identity for the German immigrants that settled in the area. As the population changed, so did the church which has evolved to meet the needs of the community. The church can credit its longevity to the teaching "Do unto others as you would have done unto you". Immanuel United Methodist Church has never focused on itself, but through its good works has established itself as an anchor to the Eastpointe community.

The original structure stood on what is now the grounds of the Eastpointe Police Station, where the original cemetery still sits. The structure built in 1874 was well known for the lighted revolving cross that could be seen for miles atop the church steeple. It became known as "The Church of the Revolving Cross".

When the state chose to widen Gratiot Avenue in 1933, the church moved to its present site and added an educational unit in 1956. Today, the church's 450 members are quite proud of the well-known stained glass window picturing Christ as "The Good Shepherd". The church is in fact a good shepherd to our community. The congregation provides an emergency food pantry, furnishes weekly meals to a local warming shelter, and supplies salary support for a mission in Africa.

Since the days when the area was known as "bush territory" wild and unsettled, the church has been a part of our community, and we all look forward to many, many more years of service and dedication. Please join me in wishing all the best to the Immanuel United Methodist Church on its 150th anniversary.

TRIBUTE TO ANGELO STATE UNIVERSITY

HON. CHARLES W. STENHOLM

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. STENHOLM. Mr. Speaker, I rise today to recognize an outstanding educational institution in the 17th District of Texas. Angelo State University in San Angelo, Texas, provides top rate education to students from across Texas, the United States and the world. The University will be completing construction of its Rao Alumni and Visitors Center in 2001.

Last Friday, during homecoming festivities, a time capsule was dedicated and buried by the Alumni Association. This time capsule serves as a symbol of the University's commitment to the future. Included in the capsule

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

was a flag flown over the Capitol as our dedication to future generations.

The capsule will be opened during the homecoming celebration in 2025.

I would like to submit for the RECORD a copy of a resolution that I offered the University on this very special occasion.

It is my hope that this nation and my home state of Texas will continue to honor universities like Angelo State University that have dedicated themselves to providing the best possible education to its students.

RESOLUTION

Whereas, Angelo State University will complete construction of its Rao Alumni and Visitors Center in 2001; and

Whereas, This center will serve as a link to the future and the past of Angelo State University, welcoming both new students and its alumni; and

Whereas, Angelo State University has made an ongoing commitment to the future by providing a top rate education to students from across Texas, the United States and the world; and

Whereas, The dedication of this time capsule by the Alumni Association serves as a symbol of Angelo State's commitment to the future; and

Whereas, We included in this capsule a flag flown over our nation's capitol on October 4, 1999, as symbol of our dedication to those future generations who will open it during the 2025 Angelo State University homecoming celebration, be it

Resolved, That I, Charles W. Stenholm, as Congressman for the 17th District of Texas, do officially recognize and extend my best wishes on the dedication of this capsule by the Angelo State University Alumni Association and that an official copy of this resolution be presented to the University and Alumni Association as an expression of my high regards for their efforts.

CHARLES W. STENHOLM,
Member of Congress.

COOPERATION BETWEEN THE GAMBIA AND NASA

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. BURTON of Indiana. Mr. Speaker, I rise today to highlight for my colleagues the continued cooperation between The Gambia and the National Aeronautics and Space Administration (NASA). The Gambia's President, Dr. Yahya Jammeh, recently completed his first visit to the United States as head-of-State, and I had the opportunity to meet with him personally to discuss issues of mutual interest.

The Banjul Airport has been among four select locations in the world designated as augmented emergency landing sites and recovery locations for the United States Space Shuttle. NASA space shuttles, launched eastward in a ballistic trajectory over the Atlantic Ocean, fly directly over Banjul, thus making it an ideal location for emergency landings if needed. Banjul International Airport (BIA) boasts an ultra-modern $10 million passenger terminal, a new nine-floor Air Traffic Control Tower, newly installed security systems, and upgraded airfield lighting and navigation systems. In addition, The Gambia's Civil Aviation Authority (GCAA) works closely with the United Space Alliance, which is responsible for operating the Transoceanic Abort Landing (TAL) sites for every NASA space shuttle mission.

Mr. Speaker, I would like to commend NASA and President Jammeh for their cooperation, and I strongly encourage them to continue to work together in the future.

A TRIBUTE TO ROY QUICK OF QUICK TAX & ACCOUNTING SERVICE ON SELECTION TO THE INTERNAL REVENUE SERVICE ADVISORY COUNCIL

HON. JAMES M. TALENT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. TALENT. Mr. Speaker, I rise today to congratulate a resident of Missouri's 2nd District and a friend—Mr. Roy M. Quick, Jr. on his selection to serve as a member of the Internal Revenue Service Advisory Council (IRSAC). Roy, who is a small business owner back home in St. Louis, runs Quick Tax and Accounting Service with his wife Edith.

The primary role of the IRSAC is to advise the Commissioner of the IRS on the public's perceptions of IRS activities and current and future tax administration programs and initiatives. As a Member of Congress who attends many town hall meetings, women in chamber and business roundtable events back home, I can tell you that this is definitely an area where the IRS has plenty of room for improvement. The group suggests operational improvements and offers constructive observations about current or proposed policies, programs and procedures. In essence, the men and women who sit on this Council could be called the inner voice of the IRS.

While I am proud to announce the selection of Roy Quick to the IRSAC, I am especially pleased by the fact that seven of the new IRSAC members are small business owners. For too long, small business owners have not had a seat at the table when talking about the complex regulatory and tax issues that leave them in a quagmire of compliance paperwork. I am hopeful that with seven of the fourteen slots on the IRSAC now being held by small business owners that these men and women will offer guidance and a real life perspective to the decision-making process that affects more than 12 million small business owners across the nation.

Mr. Speaker, as Chairman of the House Committee on Small business, I ask all of you to join me in offering not only our congratulations but our appreciation to these men and women—the small business owners like Roy Quick—who every day are working to keep America's engine—small business—running and on course to a better tomorrow.

A TRIBUTE TO SENIORS HELPING PEOPLE

HON. RANDY "DUKE" CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. CUNNINGHAM. Mr. Speaker, I rise today to pay tribute to Al Graff and Dick Wheelock for their humanitarian contributions to our local community. The article below from the June 17, 1999, Coast News highlights their tremendous accomplishments in providing health care to the uninsured in San Diego County. Mr. Graff and Dr. Wheelock deserve our sincere congratulations for their efforts. They should be proud of their work, and I am proud to have such fine individuals as constituents.

[From the Coast News, June 17, 1999]

RETIRED FRIENDS TENDING TO THE PEOPLE'S NEEDS

By Jack Broward

EDEN GARDENS—There is no more appropriate term in describing Al Graff, 80, and his partner Dick Wheelock, 73, than synergism: working together as a team, they exceed what could otherwise be achieved individually.

Yet, judged individually, Graff stood at the very pinnacle of his engineering profession as an executive with General Atomics before retirement in 1983 as director of International Operations.

Dr. G. Richard Wheelock, founding Medical Director in 1955 of the Del Mar Medical Clinic, was for the seaside community of Del Mar, only the area's second medical doctor to practice there at that time. It was not long before Wheelock's medical colleague retired, leaving him as the only physician in town.

Like all areas of North San Diego County's coastal region, the climate, lifestyles and informality attracted tens of thousands of new residents. In time, new doctors, joined the clinic as patient load increased.

In retrospect, Wheelock thinks now that he might have never retired without the retirement party that his wife threw for him without advance notice!

For as many years as he can remember, Rancho Santa Fe resident Al Griff has been an advocate for social justice, a calling he refers to as "the needs of the people"

The Berkeley graduate forged over the years, a dedication to social justice that eventually manifested itself in his ordination as a deacon at Solna Beach's St. James Catholic church. His new role in life began the day after his retirement in 1983.

The plot thickens with Wheelock's retirement from practice in Del Mar after 44 years as "the village doctor."

Graff's good health, agile mind and aggressive spirit were the elements key to the ultimate establishment of a medical clinic here in Eden Gardens.

His lengthy friendship with Wheelock included participation in community efforts to aid the poor and needy residents of Tijuana. "We were returning from Tijuana one Saturday afternoon after delivering medical supplied donations from area hospitals in the region," recalls Graff, "Dick asked me what I thought about opening a small clinic adjoining St. Leo's Mission."

Through arrangements made by St. James Pastor, the Reverend John Howard (St. Leo's Mission is a subsidiary of St. James), it was agreed that a clinic was needed. The Mission, located on some four acres of property, is a focal point of community life in Eden Gardens. Social as well as religious events draw parishioners to the facility for wide ranging activities throughout the week.

"We situated the clinic in a single room in the back of the church, using the kitchen facilities as a patient waiting room." Dick Wheelock recalls, telling how, in 1992, the clinic's presence was a "word-of-mouth" operation.

Sunday Mass announcements included (and still do) a run-down about clinic hours, special education awareness programs, vaccinations for babies, a yearly mammogram program for women over 40 years of age as well as numerous other special programs offered by the clinic. In a short time, the clinic patient load outgrew its single-room operation. The addition of two more small rooms plus an indoor patient waiting room that also serves as the filing-administration section was eventually provided.

Thursday evenings from 6–9 p.m. and Saturday mornings from 9 until noon are the current scheduled hours of operation. But I noticed in visits for this story, that the medical staff, comprised of Wheelock and an all-volunteer team of area physicians, medical students from UCSD, nurses, technicians and administrative personnel remained at the clinic as long as patients were waiting to be seen.

"From the beginning, we realized the need for dispensing dignity and integrity along with medical treatments," notes Graff, explaining that the $5 per-patient "donation" may only be a token exchange for services and payment. "But, this helps preserve the patient's dignity. Those unable to pay are treated with equal respect and medical care. All examinations, medications and related services are free. But the $5 fee creates a fund used for the purchase of logistical needs not donated by outside sources," Graff explains, noting that the clinic's overall operations are supported by grants that he applies for and receives from a variety of institutions and non-profit organizations.

With diabetes within Hispanic communities a major concern for the medics, the clinic conducts weekly diabetic health education programs for Eden Garden families. There is an estimated population of 12,500 residents in the area, according to Graff. Ninety-five percent of those who come to the clinic are from working poor families, the majority of whom are without health coverage, he said, emphasizing that "Everyone who comes through that door is accepted." Patients on MediCare are referred to medical facilities elsewhere, it was noted. On a Saturday morning during one of my visits to the clinic, a multitude of patients, mothers with their infant children, husbands and wives, school-age youngsters, all were waiting in a patio shaded by trees. Patient loads currently are running at about 60 patients on each of the twice per-week days of operation.

One of the most redeeming qualities associated with the clinic is first, that an efficient, highly professional medical facility is maintained in close proximity to community residents. Next, that those patients seen by the clinic relieves the burden that otherwise would necessarily be cared for by public health agencies, explained Victor Tostada, another of the staff volunteers who serves as administrative director.

In an annual report issued last February, it is emphasized that "All patients, especially infants and children, are accepted regardless of race, color, origin or creed."

In its mission statement accompanying the report, it is also noted that the clinic presents "no competition with medical, dental or hospital professions, but a relief of a burden of caring for the working poor."

States Deacon Graff, "We estimate about $600,000 yearly in services and medicines as well as specialized requirements (provided at no cost by other medical institutions) are provided for our patients free from any impact on local, state or federal government resources. Because St. Leo's Mission is the sponsoring agency, our patients accept our services as they do in all other church-sponsored benefits."

Among the clinic volunteers on duty during my visits was Dr. Marsha Blount, a resident family practice physician at Sharp's. Rounding out a full year of service, the North Carolina native and graduate of Duke University and Jefferson Medical School in Philadelphia, commented to me, "You learn to think on your feet here. It is hands-on experience that would otherwise be hard to gain."

Another resident physician at Sharp's, Jill Panitch, agreed with her colleague and told how second and third-year resident physicians volunteer one year of service to the clinic.

Michael Tilton, an undergraduate medical student at UCSD has been volunteering his services for the past 18 months. And fifty-year, now-retired nurse Martha Moyer, a Del Mar resident, explained between treating patients that the clinic tries to serve the working poor from Del Mar to Encinitas. She recalls in 1992 reading about the clinic that was intended to open at St. Leo's in Eden Garden. "That's how I wound up as a volunteer."

It is reflection of my limited abilities to not include in this story all of the names of clinic volunteers. The redeeming quality about their service, though, is that they serve—at no cost—because they are needed. Fulfillment, professional and personal, is their reward.

Already on the drawing board at the clinic is a 600 square-foot dental facility to be constructed by volunteer labor and funds supplied by the parish of St. James and St. Leo's Mission as well as from the Del Mar and Sunrise Rotary Club members. Three dental chairs, x-ray equipment and ancillary requirements are identified in the construction plans, according to Graff. His programs, current as well as those on the horizon, are extensive and infinite in measures of contributions to be made to community life in Eden Gardens. He manages dedication, consistent with his and Wheelock's accomplishments of the past.

I waited until now to introduce more fully Dr. Wheelock, a type-cast-physician who may've posed a half-century ago for one of artist Norman Rockwell's cover paintings for Saturday Evening Post. He reflects in his conversation and mannerisms a sense of genuine modesty, characteristic of remote regions of Arizona and the southwest where he was born and raised.

Recalling his closing years as head of the old Del Mar Clinic, Wheelock told of young doctors at the clinic approaching him on the subject of expanding the facility that he founded, keeping pace with the population growth and adding to a facility that was dedicated to serving the medical needs of families in the community. I felt the pressures but I just didn't feel comfortable with the prospects of expanding. So I retired.

But not for long. Today, after six years of building-back growth in his and Al Graff's new clinic, there has likely been restored in the career of Dick Wheelock, a sense of picking up where he left off so many years ago, during the infancy of his Del Mar Clinic. Says his partner. "Dick Wheelock is deeply devoted to his profession and those who look to him for relief from pain. He has great empathy for his fellow human being."

Which makes this story all the more remarkable is that two individuals in totally different professions would become friends in later life, then partners in an endeavor whose function is enriched with feelings of warmth, compassion and love for those less fortunate than themselves.

ENTERPRISE ZONE/EMPOWERMENT COMMITTEES PROGRAM

HON. DONNA MC CHRISTENSEN

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 8, 1999

Mrs. CHRISTENSEN. Mr. Speaker, I rise today to introduce a bill to authorize the Virgin Islands and the others U.S. Insular Areas to participate in the Enterprise Zone/Empowerment Communities Program.

The U.S. Virgin Islands has been an unincorporated territory of the United States for 82 years. In 2017 we will celebrate the centennial of this relationship. It is important to the People of the Virgin Islands that we begin the second one-hundred years on a sound economic footing, and as a self-sustaining, contributing member of the American Family. This bill can be the vehicle to this economic empowerment and sustainable growth and development.

Although the Virgin Islands enjoys generous business tax benefits currently, the loss of Section 936 and the coming of NAFTA create significant challenges as we strive to establish our place in the national and world economy. An empowerment zone would encourage an ongoing community planning process and provide for a local-federal partnership that is the best framework for us to move forward.

What this bill seeks to do is to develop a process for us to come together as a community and a part of the United States to address a myriad of issues that have plagued us, from land use planning, to housing, to education, to drugs and crime, and business and the economy, so that by the time we celebrate the 100 year anniversary of being a part of the American family we will do so with the pride and dignity that befits us and the ancestors on whose shoulders we move forward.

I urge my colleagues to join me in support of this bill and of its enactment into law.

TRIBUTE TO WALTER PAYTON

SPEECH OF

HON. ROGER F. WICKER

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 3, 1999

Mr. WICKER. Mr. Speaker, I rise today to honor the life of fellow Mississippian Walter Payton who died earlier this week at the age of 45. Walter Payton was born in Columbia, Mississippi, on July 25, 1954. Following his outstanding career at Jackson State University, he was drafted by the Chicago Bears where he would spend the next 13 years rewriting the NFL record books.

Walter Payton's on-field accomplishments, his engaging personality and his off-the-field contributions to community and civic affairs have earned him a lasting place in the hearts of millions of Americans.

He proved that a strong work ethic and a commitment to excellence could propel an undersized athlete from a small college in Mississippi to the top of the professional football world. He was praised for bringing positive attention to the abilities of players who come from small colleges. Among his admirers is Jerry Rice, another Mississippian from a small school who became an NFL superstar. "He paved the way for so many small schools and players, including myself, because he opened a lot of eyes," Rice said.

Mississippians are proud of this Hall of Fame running back for his success in running over, around and through opposing defenses. We are equally proud of his commitment to family, church, and community.

Many people will recall his work to ensure that thousands of children received toys and clothing for Christmas. Among his activities were efforts to help over 9000 churches, schools, and social service agencies raise money to support their missions, and establishing scholarships so that children, who had been wards of the state, might see their dreams of college become a reality. He also created job training and placement programs for the unemployed and worked with the Illinois Department of Children and Family Services to find families for orphaned children. And while Walter is no longer with us, the Walter Payton Foundation will continue his great humanitarian legacy for years to come.

Mr. Speaker, Walter Payton was a role model in his public life as a professional athlete in his private life as husband, father, and community leader. We will miss him.

MARGRET HOFMANN REMINDS US OF THE MEANING OF KRISTALLNACHT ON THE ANNIVERSARY OF NOVEMBER 9, 1938

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 8, 1999

Mr. LANTOS. Mr. Speaker, the Holocaust must be remembered and it must be studied to prevent the real danger of repeating the experience of that horrendous nightmare. As recent conflicts in the Great Lakes Region of Africa, Kosova, East-Timor as well as many other places remind us only too well that, although we are now enjoying an era of general prosperity and relative tranquility, many peoples around the world have not yet learned to live with one another in peace. In fact in the last decade, the practice of ethnic cleansing in Bosnia, Kosova and other areas of the former Yugoslavia has only served to remind us how little progress we have made in the past half century.

In this context, Mr. Speaker, it is important that we take note of a tragic anniversary on November 9th—the first physical violence against Germany's Jews by Hitler's Nazi regime. That tragic occasion has been given the name "Kristallnacht"—Crystal Night—because of the number of broken and smashed windows that accompanied the racist violence. Years of dehumanizing anti-Semitic propaganda in Germany, which was intensified after Hitler and the Nazi party came to power in 1933, prepared the way for Kristallnacht. The aggressive racist and anti-Semitic policies of the Third Reich saw their first expression in violence on November 9, 1938. Kristallnacht serves as a chilling reminder to what happens when an inflamed mob mentality overtakes a nation.

Mr. Speaker, Margret Hofmann was an eyewitness to the tragedy of Kristallnacht. She has devoted years of her life to researching and studying the circumstances surrounding Kristallnacht and its consequences. I want to commend her for her work and insert some excerpts from her studies that make a valuable contribution to our understanding of how Kristallnacht was a first step in setting in motion the nightmare of the Holocaust.

In 1933, the German-Jewish poet Heinrich Heine said, "Where books are burnt, Man will soon burn human beings." That is the point of beginning of Margret Hofmann as she considers the background and meaning of Kristallnacht.

Books were burnt in Germany on May 10, 1933, people soon followed. In between the burning of the books and the burning of the people, the Nazi government in Germany instigated the notorious Kristallnacht, the "Night of Broken Glass." This was the event which set the stage for Hitler and other Nazi leaders to attempt to "eliminate" the Jews from Germany and eventually the whole world. It was the kind of event that proved ideal for Nazi purposes.

On October 27, 1938, Germany expelled 15,000 non-German Jews. Although many had lived in Germany for decades and even raised families there, they were put on trains and sent to Poland. This was done by the German government without notifying the Polish government or without taking any steps to deal with the number of people. Enraged by this action, Herschel Grynszpan, whose parents had been summarily expelled from Germany, went to the German Embassy in France and shot a German diplomat, Ernst vom Rath.

The occasion was tailor-made for the Nazi propaganda machine. The funeral of vom Rath in his hometown of Dusseldorf was grandiose. The Nazi government used the murder of vom Rath to give a false impression that German citizens spontaneously rose against the Jews. The night of the funeral, November 9, 1938, the Nazi government instructed the local police throughout Germany to "allow" the German people to rise up and "strike back" at the Jews. "The people" were Nazi "Brown Shirts" and German soldiers. The police were told to make sure non-Jews were not attacked and only Jewish buildings were destroyed. All over Germany synagogues and temples were burned, Jewish homes were ransacked, and a number of Jews were killed. By 1938 the Nazi propaganda machine had complete control of the press, and this pogrom was portrayed as a spontaneous uprising against the Jews.

From that point on, the Nazi regime with increasing violence stripped Jews of their rights. They were forced out of the schools and universities, they were prohibited from practicing law, medicine, and other professions. Many were evicted from their homes and their belongings were confiscated. Before long Jews were required to wear a yellow star of David on their clothes so others could recognize they were Jewish. Many streets were declared off-limits to Jews.

After years of anti-Semitic propaganda, many Germans succumbed to racism, prejudice, intolerance, and discrimination. This racial hatred, which was given its defining violent moment in Kristallnacht, led directly to the "Final Solution," the fanatic Nazi drive to annihilate the Jewish race. For each piece of history, we must find a defining moment. For Nazi Germany, it was Kristallnacht.

CONFERENCE REPORT ON S. 900, GRAMM-LEACH-BLILEY ACT

SPEECH OF

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. STARK. Madam Speaker, the glaring absence of any financial privacy provisions for affiliated entities in the financial modernization bill before us today is a sorry mistake. It is wrong and inappropriate for Congress to, on the one hand, enact legislation that explicitly allows mergers between banks, insurers and securities firms—but which on the other hand denies consumers any say in how their personal financial information can be used and disclosed.

I thought we learned this lesson 21 years ago, when Congress enacted the Right to Financial Privacy Act. That 1978 law, which I authored, put in place standards governing access and sharing of financial information for federal agencies. It stemmed from a Supreme Court decision that ruled the fourth amendment does not apply to banking records. As a former California banker, I had been a party in that 1974 suit, California Bankers Association v. Schultz.

And here we are today, throwing open the door for financial institutions to create huge new holding companies—without giving consumers any ability to say how their sensitive personal financial information can be shared. In effect, we are creating a financial privacy vacuum.

This runs counter to what we are trying to achieve in the area of medical confidentiality, where we are aiming to put the strongest possible safeguards in place at the Federal level, while preserving what is best about State privacy laws. In the next week or so, HHS will issue proposed regulations for medical privacy, which on balance are expected to be strong. If we can give consumers rights over their medical data, why can't we also give them a measure of control over how their financial data is used, marketed, and sold?

Defenders of the conference agreement say that the bill limits sharing of personal financial data with non-affiliated, third-party entities. Nonsense. All that companies that don't formally affiliate have to do to escape the bill's consumers opt-out provision is enter into a joint agreement. Then, presto, they are free to manipulate personal financial data in any way they like.

Nobody likes getting annoying calls from pesky telemarketers at dinnertime. Well, once this bill passes, the telemarketing business will go through the roof. Mergers between banks, securities firms and insurers will produce data amalgamation like we've never seen before. Before long, your health insurer will be able to get information on how money you make and what investment strategies you favor—making underwriting that much easier. Your bank will be able to easily look up how many checks you've written to your psychiatrist—and use that information to help decide whether you're an acceptable loan risk.

This is the dawning of a new Orwellian Age of Information.

I urge my colleagues to oppose this ill-conceived legislation.

PROVIDING FOR CONSIDERATION OF H.R. 3196, FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 2000

SPEECH OF

HON. MAX SANDLIN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. SANDLIN. Mr. Speaker, the Foreign Operations Appropriations bill for FY 2000 represents a product of bi-partisan negotiations. Finally, the Republican leadership has agreed to sit down with Democrats and work and an appropriations bill that doesn't face a veto threat. It funds the U.S. brokered Wye River Agreement, an important part of achieving a real and lasting peace in the Middle East and affirmation of our commitment to Israel, a critical ally.

A vote for this bill is a vote for a strong leadership role for the United States. I urge passage of this bill because foreign operations bolster our military and national security. This legislation declares support for our armed services and for the men and women who risk their lives to protect our freedom.

A TRIBUTE TO MILTON S. HOFFMAN

HON. NITA M. LOWEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 8, 1999

Mrs. LOWEY. Mr. Speaker, I rise today to express my great admiration for Milton S. Hoffman, senior editor of the Editorial Board of The Journal News in Westchester County, NY. Mr. Hoffman's outstanding accomplishments in the field of journalism and his significant contributions to the government and civic life of the county have merited him still another award—the press gallery in the chambers of the Westchester County Board of Legislators will be dedicated in his honor later this month.

A man of high principle, integrity and skill, Mr. Hoffman began his lifelong newspaper career as an elementary school student in West Harrison, NY. In 1955, he started a 17-year stint covering Westchester County government for a precursor of The Journal News. He provided consistently thorough and thoughtful coverage of issues before the then-governing body, the County Board of Supervisors. His insightful writing also led to the replacement in 1969 of the Board of Supervisors with a more representative and efficient County Board of Legislators.

Mr. Hoffman continued his tireless advocacy for progressive social policies as the state government and politics reporter, editorial page editor, columnist and now senior editor. His philosophy throughout a distinguished 45-year career has been "not to tear things down, but to build them up."

How fitting that the press gallery be named for a journalist who has trained, over four and a half decades, thousands of young reporters in the principles of fairness and accuracy. Indeed, Westchester County today has a better governing structure thanks to Milt Hoffman's vision and leadership. And all of us in the County are richer because of his unfailing dedication and commitment to making this a better place to live and work.

CONFERENCE REPORT ON S. 900, GRAMM-LEACH-BLILEY ACT

SPEECH OF

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. PAUL. Madam Speaker, today we are considering a bill aimed at modernizing the financial services industry through deregulation. It is a worthy goal which I support. However, this bill falls short of that goal. The negative aspects of this bill outweigh the benefits. Many have already argued for the need to update our financial laws. I would just add that I agree on the need for reform but oppose this approach.

With the economy more fragile than is popularly recognized, we should move cautiously as we initiate reforms. Federal Reserve Board Chairman Alan Greenspan (in a 1997 speech in Frankfurt, Germany and other times), Kurt Richebacher, Frank Veneroso and others, have questioned the statistical accuracy of the economy's vaunted productivity gains.

Federal Reserve Governor Edward Gramlich today joined many others who are concerned about the strength of the economy when he warned that the low U.S. savings rate was a cause for concern. Coupled with the likely decline in foreign investment in the United States, he said that the economy will require some potentially "painful" adjustments—some combination of higher exports, higher interest rates, lower investment, and/or lower dollar values.

Such a scenario would put added pressure on the financial bubble. The growth in money and credit has outpaced both savings and economic growth. These inflationary pressures have been concentrated in asset prices, not consumer price inflation—keeping monetary policy too easy. This increase in asset prices has fueled domestic borrowing and spending.

Government policy and the increase in securitization are largely responsible for this bubble. In addition to loose monetary policies by the Federal Reserve, government-sponsored enterprises Fannie Mae and Freddie Mac have contributed to the problem. The fourfold increases in their balance sheets from 1997 to 1998 boosted new home borrowings to more than $1.5 trillion in 1998, two-thirds of which were refinances which put an extra $15,000 in the pockets of consumers on average—and reduce risk for individual institutions while increasing risk for the system as a whole.

The rapidity and severity of changes in economic conditions can affect prospects for individual institutions more greatly than that of the overall economy. The Long Term Capital Management hedge fund is a prime example. New companies start and others fail every day. What is troubling with the hedge fund bailout was the governmental response and the increase in moral hazard.

This increased indication of the government's eagerness to bail out highly-leveraged, risky and largely unregulated financial institutions bodes ill for the post S. 900 future as far as limiting taxpayer liability is concerned. LTCM isn't even registered in the United States but the Cayman Islands!

Government regulations present the greatest threat to privacy and consumers' loss of control over their own personal information. In the private sector, individuals protect their financial privacy as an integral part of the market process by providing information they regard as private only to entities they trust will maintain a degree of privacy of which they approve. Individuals avoid privacy violators by "opting out" and doing business only with such privacy-respecting companies.

The better alternative is to repeal privacy busting government regulations. The same approach applies to Glass-Steagall and S. 900. Why not just repeal the offending regulation? In the banking committee, I offered an amendment to do just that. My main reasons for voting against this bill are the expansion of the taxpayer liability and the introduction of even more regulations. The entire multi-hundred page S. 900 that reregulates rather than deregulates the financial sector could be replaced with a simple one-page bill.

TRIBUTE TO THE GRANDMOTHERS OF PLAZA DE MAYO

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 8, 1999

Mr. LANTOS. Mr. Speaker, I would like to bring to the attention of my colleagues the service and commitment of some outstanding women—the Grandmothers of Plaza de Mayo. After 20 years, this non-profit organization has located 64 disappeared children of Argentina, and helped reunite the victims with their families, allowing them to recover their identity and their history. I want to commend the Grandmothers of Plaza de Mayo on their efforts and their dedication in reuniting children who disappeared during the military dictatorship that ruled Argentina from 1976 to 1983 with their legitimate families.

Mr. Speaker, in 1976, the armed forces of Argentina began a process of systematically violating some of the most fundamental human rights. This despotism resulted in the disappearance of over 30,000 persons, including hundreds of children. The Grandmothers of Plaza de Mayo have used many different tactics to search for these children who disappeared during the brutal tyranny of the military regime. Their primary purpose is to preserve the identity, roots and history of these children, which are the fundamental basis for human dignity.

Fortunately, advances in science and technology have made it possible for these families to be reunited. Blood tests prove, with 99.95 percent accuracy, that a child comes from a particular family. This is a difficult process, for which the professionals and volunteers involved must be commended.

The Grandmothers of Plaza de Mayo have committed themselves to this praiseworthy endeavor. I am grateful for all they have accomplished, and I urge my colleagues to join me in commending them for their outstanding efforts and devotion to the cause of bringing justice to the families who suffered under Argentina's brutal military regime.

MEDICARE, MEDICAID, AND SCHIP BALANCED BUDGET REFINEMENT ACT OF 1999

SPEECH OF

HON. ROGER F. WICKER

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. WICKER. Mr. Speaker, the Balanced Budget Act included provisions to safeguard the long term solvency of the Medicare system, but for a number of reasons the mandated reductions exceeded estimates and provided a lower level of reimbursement than Congress directed. The Medicare Balanced Budget Refinement Act corrects this problem and restores vital funding to the Medicare program to allow health care providers to meet the needs of their communities.

This important legislation will ease the financial crisis which has threatened the quality of health care service for millions of Americans. I am pleased we have been able to work in a bipartisan fashion to bring relief to the small rural community hospitals which provides the foundation for rural America.

I am hopeful that in addition to the supporting this legislation, the Health Care Financing Administration will make the needed administrative changes to ensure that small rural hospitals will receive adequate Medicare reimbursement. I look forward to working with HCFA and member of both political parties to restore balance to the Medicare system.

THE ARTISTS' CONTRIBUTION TO AMERICAN HERITAGE ACT

HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 8, 1999

Mr. HOUGHTON. Mr. Speaker, I am pleased to join my colleague from Maryland, Mr. CARDIN, together with a bipartisan group of our colleagues, in introducing the "Artists' Contribution to American Heritage Act of 1999." The bill would alleviate an unfairness in the tax law as it applies to charitable donations of property by the taxpayer/creator and significantly enhance the ability of museums and public libraries to acquire important original works by artists, writers and composers, and ensure the preservation of these works for future generations.

Since 1969, the law has provided that the creator of the artistic property is only allowed a charitable deduction equal to the cost of the materials that went into the property. For example, an established artist who donates a painting to the local museum is allowed a deduction for the cost of the canvas, brushes and paint, etc., used to produce the painting. Of course, these amounts are de minimis. There is no real tax incentive to contribute such works of art for the public to enjoy. In fact, the tax law works in the other direction. It makes more financial sense to the creator to sell his or her work. If a collector or art buff buys a painting that appreciates over time, because the artist becomes well-established or was a known and collected artist when the painting was purchased, the collector is allowed a deduction for fair market value when the painting is contributed to the local museum. This is the fairness issue.

There has not always been such disparate tax treatment. Before 1969, the artists/taxpayers received the same treatment—the deduction was based on fair market value. The law was changed, primarily because of the perception that some taxpayers were taking advantage of the law through less than accurate valuations of their charitable gifts.

After the change in 1969, gifts of donor generated art work (paintings, manuscripts, compositions, artistic and historically significant correspondence and papers) to qualifying charitable organizations and governmental entities dropped significantly. Creators were more likely to sell their works than to contribute them. Tom Downey, a former colleague of ours, introduced similar legislation in 1985. In his floor statement he noted that Igor Stravinsky had planned to donate his papers to the Music Division of the Library of Congress the month the 1969 tax change was signed into law. Instead, the papers were sold to a private foundation in Switzerland. Now, 14 years later the situation has not improved. It is time to change our law to encourage rather than discourage such contributions.

There have been significant changes in the valuation process since 1969. All taxpayers making charitable contributions of art work (other than donor generated art work) are required to: (a) provide and/or retain relevant information as to the value of the gift, (b) provide appraisals by qualified appraisers or, in some cases, (c) subject them to review by the IRS's Art Advisory Panel, depending on the dollar amount of the contribution. These changes would apply to creator-donated property under our proposal.

In addition to the valuation safeguards already in the law, our proposal would add additional protections to prevent abuse. These include the following: (a) limiting the value of the deduction to the amount of income the creator received from similar property, (b) providing that the deduction can only be claimed in the year of contribution, i.e., the carryover rules do not apply, (c) limiting the deduction to property created at least 18 months before the contribution, (d) limiting the deduction to gifts related to the purpose of the institution which receives it, and (e) excluding contributions of property (letters, memos, etc.) created by taxpayers in their role as employees or officers of an organization.

The benefit to the nation when artists are encouraged to contribute their work during their lifetime cannot be overemphasized. It allows the public, historians, scholars and others to learn from the artist his/hers aesthetic aims for the work; how it was intended to be displayed, performed, or interpreted; and what influences affected the artist.

Our proposal represents an important step in providing some tax incentive, with needed safeguards, for the creators and moves toward putting them on the same footing as collectors who contribute similar property. Most importantly, it could make the difference in a decision by the creator/donator to contribute some of their created art works to a museum or public library, rather than sell them in the marketplace. That way important works are preserved in the public domain and we all benefit. We urge our colleagues to join us in cosponsoring this legislation.

A TRIBUTE TO JIM COX FOR 30 YEARS AS CITY MANAGER OF VICTORVILLE, CALIFORNIA

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 8, 1999

Mr. LEWIS of California. Mr. Speaker, I would like today to recognize the remarkable career of Jim Cox, who came to Victorville, California in 1967 as an administrative assistant, became city manager in 1969 and guided the city in that position for 30 years until his recent retirement.

Jim Cox began his public service—and his time in California—when he joined the Navy at 17 and moved to San Diego to be a medic. He first joined city government as an intern in La Mesa, California, while attending San Diego State College. After serving as assistant city manager of Indio for two years, he went to work in the Mojave Desert hub of Victorville—population 11,290.

He quickly took on increasing responsibility, going from administrative assistant in charge of finance and personnel, to Director of Planning, Assistant City Manager, and finally City Manager in December 1969.

The city budget that year was $750,000. His final budget, submitted this year, was for $72 million, for a city with a population of 63,478.

As one of the longest-serving managers in California, Jim Cox provided a stabilizing influence not only for his rapidly growing city, but also for the entire Victor Valley, whose population has grown ten-fold in the past 30 years. He was instrumental in helping the region weather the closure of George Air Force Base in 1988, and its economic revival over the past 10 years.

Adding to his extensive public service credentials, Cox is a California Redevelopment Association director and on the Revenue and Taxation Committee for the League of California Cities. He is chairman for the Victor Valley Transit Board of Directors and served on the County Formation Review Committee.

He is an instructor with a lifetime teaching credential at California State University, San Bernardino and at Victor Valley Community College. His community activities include the Victorville Chamber of Commerce Board of Directors and Rotary International.

Mr. Speaker, Jim Cox has been justifiably credited with helping Victorville and the Victor Valley grow from a desert hamlet to a vital, successful city in one of the fastest-growing areas of California. Please join me in congratulating him on his years of public service, and wishing him well in his future endeavors.

REPUBLICANS BLOCK DEMOCRATS FROM OFFERING MAJOR IMPROVEMENTS TO MEDICARE

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 8, 1999

Mr. STARK. Mr. Speaker, last Friday, the House passed an okay Medicare improvements bill.

But it could have been much better; it could have helped seniors get a better price for pharmaceuticals; it could have helped low-income women fight cancer; it could have provided more help to providers hurt by excessive cuts in the 1997 Balanced Budget Act. But Republicans blocked any amendments to the bill—they did not want to be embrassed by having to vote against helping seniors with the high costs of drugs.

Following is a letter which 119 Democrats (many more would have signed if we had had more time) sent to the Speaker, outlining our request for amendments to H.R. 3075.

Mr. Speaker, the majority snould be ashamed for a legislative gag rule that prevented us from improving this legislation.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, November 4, 1999.

Hon. DENNIS HASTERT,
Speaker of the U.S. House of Representatives, The Capital, Washington, DC.

DEAR MR. SPEAKER: We are writing to ask that you not bring the Medicare Balanced Budget Act legislation (HR 3075 as amended in negotiations with Commerce Committee Republicans) to the floor under suspension of the rules, but instead provide a rule permitting Democratic amendments and a motion to recommit. Because Democrats were not included in the negotiations between the Ways and Means and Commerce Committee Republican members, it is particularly important that we be offered the opportunity for floor amendments.

While the Republican bills that have been introduced provide a great deal of needed relief, we believe that (1) some additional relief to providers, (2) some beneficiary improvements (in particular help with the high cost of pharmaceuticals), and (3) some alternative policies are desperately needed.

The amendments we propose would provide an additional $2.4 billion in paid-for relief, with some going to beneficiaries in lower pharmaceutical prices and other program improvements. Our amendments would also eliminate several policies in the Republican bill which the Administration has identified as unworkable or which would hurt Medicare beneficiaries.

As fiscally responsible Democrats, we are concerned that the Republican bill is not paid for, and we urge you to find a way to pay for it, rather than further spending Social Security surpluses. For example, because it is not currently paid for, the Ways and Means bill (HR 3075) shortens the solvency of the Medicare Part A Trust Fund by at least a year, and increases Part B premiums for seniors.

Therefore, to avoid this problem, we pay for the additional relief offered by our amendments. Thus we do not hurt Medicare's solvency. The $2.4 billion in relief over five years is paid for by $2.4 billion in Medicare savings from the President's budget proposal of last January. These savings come from Medicare anti-fraud, waste, and abuse proposals.

PROVIDING NEEDED ADDITIONAL RELIEF

The $2.4 billion provides important, much needed additional relief to

—beneficiaries to meet the cost of fighting cancer and the high costs of pharmaceutical insurance[1]

—teaching hospitals,

—safety net hospitals, which have the lowest overall operating margins,

—rural hospitals, which have the lowest Medicare margins,

—skilled nursing homes,

—home health agencies which are serving the sickest patients,

—a more rational rehabilitation cap program that will help our most severely disabled stroke patients and amputees,

—help for hospice agencies facing skyrocketing pharmaceutical costs for end-of-life painkillers, and

—the Medicaid and Children's Health Insurance Program, to help the providers serving the low income and to help Puerto Rico and the Possessions with more adequate payment rates.

This additional relief will further ensure that Medicare beneficiaries are buffered from the cuts in the 1997 BBA and will allow Medicare beneficiaries to continue to receive high quality care.

The attached memo describes these amendments in more detail.

HELP SENIORS WITH THE HIGH COST OF PHARMACEUTICALS

We believe we need to help all Medicare beneficiaries with a prescription drug insurance benefit, but that is a larger issue that cannot be addressed in this limited BBA corrections legislation. We hope, Mr. Speaker, that you will make this a priority issue for the Second Session of this Congress.

In the meantime, we do believe that this bill gives us the one opportunity this year to help seniors with the exorbitant cost of prescription drugs. We propose an amendment which was offered in the Ways and Means Committee by Rep. Karen Thurman (and supported by all the Democratic members of the Committee) that makes the Allen-Turner-Waxman-Berry pharmaceutical discount bill (HR 664) germane to Medicare. Basically, the amendment says that if a drug manufacturer wants to sell pharmaceuticals to a hospital participating in Medicare, it must also make available to pharmacies for sale to seniors drugs at the best available price for which they offer that drug. By some estimates, this type of program could lower drug costs to seniors by as much as 40%.

If we can't pass a major Medicare drug reform bill this fall, we can at least give seniors a chance for the discounts available to large buyers.

PREVENTING BAD POLICIES

If the Majority bill includes certain provisions, we ask that the rule governing debate permits us to strike those anti-beneficiary and anti-consumer provisions:

Specifically, we are concerned that the Administration has warned that the hospital out-patient department (HOPD) provisions of the Ways and Means bill are so complicated that they will delay the start of HOPD Prospective Payment (PPS) by at least a year. Such a delay in the PPS will cost beneficiaries about $1.4 billion, with patients' share of total HOPD payments running about 50%. We would move to strike the House HOPD provisions in favor of the Senate's more administrable proposals, but keep the amount of relief to hospitals and patients at the House level.

Second, if the Majority bill includes the 'Commerce Republicans' provision giving "deemed status" to HMOs, we would strike that provision. An overwhelming number of House members have just voted in favor of higher quality in managed care plans. Therefore, we find it incredible that the majority may be proposing an amendment to the BBA which would weaken our ability to ensure quality by turning over approval of these plans to participate in Medicare to private groups which are often dominated by the very industry they are supposed to be regulating. If such 'deemed status' language is included, we will seek to strike it in order to protect beneficiaries.

Third, as mentioned above, we propose to strike the unworkable $1500 limit on rehabilitation caps for two years while the Secretary develops a rational therapy payment plan. This is the same approach as taken by the Senate Finance Committee.

In conclusion, our beneficiaries and providers need the improvements made by the Democratic amendment. We urge you to make it in order. Thank you for your consideration.

Sincerely,

Neil Abercrombie, Gary Ackerman, Tom Allen, Robert Andrews, Tammy Baldwin, Tom Barrett, Jim Barcia, Xavier Becerra, Shelly Berkley, Howard Berman, Marion Berry, Bob Borski, Rick Boucher, Corrine Brown, Sherrod Brown, Lois Capps, Michael Capuano, John Conyers, Ben Cardin, Julia Carson, Bob Clement, Bill Coyne, Elijah Cummings, Danny Davis, Jim Davis.

Peter DeFazio, Diane DeGette, Rosa DeLauro, Peter Deutsch, John D. Dingell, Julian Dixon, Lloyd Doggett, Eliot Engel, Anna G. Eshoo, Lane Evans, Eni

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[1] We assume that the bill the Majority brings to the floor will include an expansion of Medicare's coverage of immuno-suppressive drugs, so that transplant patients do not suffer organ rejection. If this provision is not included, we ask permission to include it and pay for it with additional anti-fraud and abuse provisions.

Faleomavaega, Sam Farr, Michael Forbes, Bart Gordon, Gene Greene, Ralph Hall, Earl Hilliard, Maurice Hinchey, Darlene Hooley, Steny Hoyer, Paul Kanjorski, Carolyn Kilpatrick, Ron Klink, Dennis J. Kucinich, John LaFalce, Tom Lantos.

Barbara Lee, Sandy Levin, John Lewis, Nita M. Lowey, Bill Luther, Karen McCarthy, Jim McDermott, Jim McGovern, Mike McNulty, Carolyn B. Maloney, Jim Maloney, Ed Markey, Matthew Martinez, Robert T. Matsui, Carrie Meek, Robert Menendez, George Miller, Joe Moakley, Jerry Nadler, Richard Neal, Eleanor Holmes Norton, Jim Oberstar, John Olver, Major Owens.

Frank Pallone, Donald Payne, Nancy Pelosi, David Phelps, Earl Pomeroy, Nick Rahall, Charles Rangel, Lynn Rivers, Ciro Rodriguez, Carols Romero-Barcello, Lucille Roybal-Allard, Bobby Rush, Martin Sabo, Bernie Sanders, Tom Sawyer, Jan Schakowsky, Louise Slaughter, Vic Snyder.

Debbie Stabenow, Peter Stark, Ted Strickland, Bart Stupak, Ellen Tauscher.

Mike Thompson, Karen Thurman, John Tierney, Edolphus Towns, Jim Traficant, Peter Visclosky, Maxine Waters, Melvin Watt, Henry Waxman, Robert Wexler, Robert Weygand, Bob Wise, Lynn Woolsey, Al Wynn.

- Issue Area:
  - In addition to HR 3075, a $2.4 billion paid-for package [dollars expressed as additions to costs in HR 3075]
- Hospitals:
  - Freeze indirect medical education cut for 1 year more than HR 3075 ($0.2); Freeze disproportionate share hospital cuts for 1 year more than HR 3075 ($0); Carve out DSH payments from payments to M+C plans. Moves about $1 billion per year to the nation's safety net hospitals; is not in HR 3075 ($0).
- Rural hospitals:
  - Tanner Amendment to protect rural and cancer hospitals against outpatient department PPS cuts (HR 3075 phases in cuts to these hospitals, still leaving huge payment reductions) ($0.2).
- $1500 therapy caps:
  - Strike HR 3075 limits by suspending caps for 2 years while a new, more rational system is developed (net $0).
- Community health centers & rural CHCs:
  - Establish a PPS system which protects CHCs against State Medicaid cuts ($0.2).
- Nursing homes:
  - Raise HR 3075's payment to high acuity cases from 10% to 30% ($0.1); Raise HR 3075's nursing home inflation adjustment from 0.8% in FY01 to 1% ($0.1) and authorize extra payments for hi cost of living in Hawaii and Alaska.
- Physicians:
  - Study of why payment rates in certain States and Puerto Rico are low.
- Home health:
  - Provide $250 million "outlier" pool for home health agencies that treat tough cases ($0.3) HR 1917, by Rep. Jim McGovern and 102 cosponsors.
- Hospice:
  - Eliminate 1% cut in FY 01 and 02 ($0.2).
- Medicaid:
  - Help for Medicaid DSH formula errors in NM, DC, MN, and WY ($0.2) Permanent fix for CA Medicaid DSH problem $0; Help families not lose Medicaid coverage as a result of delinking of welfare and Medicaid eligibility ($0.2).
- CHIPs:
  - Increase CHIPs amount for Possessions and provide technical fix to CHIPs formula ($0.1).
- Beneficiary improvements:
  - Immuno-suppressive drugs, cover without a time limit ($0.3); Allow States to require M+C plans to cover certain benefits (like MA used to do with Rx ($0); Allow people abandoned by M+C plans to buy a medi-gap policy which covers Rx ($0); Coverage of cancer treatment for low-income women ($0.3) HR 1070, by Rep Eshoo and Lazio and 271 cosponsors.
- Pay-fors:
  - 3 Medicare items from President's budget: mental health partial hospitalization reform, Medicare Secondary Payer data match, and pay for outpatient drugs at 83% of average wholesale price. ($2.4).

CONGRATULATING JOSEPH MOFFETT ON HIS BEING SELECTED TO COMPETE IN THE NATIONAL BIRDING COMPETITION

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 8, 1999

Mr. NEAL of Massachusetts. Mr. Speaker, I rise today to congratulate Joseph Moffett for being selected to the ABA/Leica Tropicbirds Team of 1999. Joseph, along with three other youths, has been chosen to compete in The Florida Space Coast Flyway Festival birdathon. This is a national birding competition which will be held on November 13, 1999.

Joseph, who is fifteen years old, lives in Mendon, Massachusetts and is a member of the ABA and the Massachusetts Audubon Society. Joe is also a member of many other birding clubs including; the Brookline Bird Club, the Forbush Bird Club, and the Stony Brook Bird Club. Joe works at the Stony Brook Audubon Sanctuary as a volunteer naturalist and a councilor in training. Joe also takes part in the Christmas Bird Count and Massachusetts Audubon Birdathon fund-raiser. Joe keeps lists of the birds he sees on various birding outings and submits them to the Bird Observer, a birding journal.

In addition to Joe's birding skills, he is also a proponent of environmental protection. Joe has started a rainforest club in his school and has raised money to save acreage of a rainforest. Most of the birding events that Joe participates in are also fund-raisers, which raise money for the protection of new bird species that are found during the events and for the protection of birds in general.

Mr. Speaker, it is my great pleasure to congratulate Joseph Moffett on his accomplishments and commend him for being a model citizen and a great influence to his community.

CONFERENCE REPORT ON S. 900, GRAMM-LEACH-BLILEY ACT

SPEECH OF

HON. BARBARA LEE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Ms. LEE. Madam Speaker, I rise to express my concern as well as that of my constituents regarding the Senate version, the Gramm version, of the Financial Services Modernization Act.

The initial report by the media that the conference report met the expectations of consumer advocates raised hopes that the Senate would meet the House's commitment to two major aspects of this critically important bill: the Community Reinvestment Act provisions and the necessary protection of the privacy of consumer, customer information, and records. I continue to want to vote for a Financial Services Modernization bill.

I want to address the importance of the Community Reinvestment Act which is also known as CRA. This act was passed almost 30 years ago to say that banks should also lend to low-income customers and neighborhoods in their areas of operation. In the 23 years of bank practices to meet CRA provisions, an impressive $1 trillion has been generated as loans to low-income customers; the clear majority of banks recognize the value of CRA as a powerful tool to build community trust and respect for the otherwise cold marble and steel of stone-hearted bankers.

Let me share a success story of CRA in my community, affecting my constituents in Oakland and adjoining cities. The success story is about an old, crumbling, and once-beloved vegetable and meat market known as Swan's Marketplace.

In the last two decades, as residents and businesses flowed out of downtown, Swan's found it more and more difficult to survive. It finally had to close. Stories were written about its demise. It took years, but the city government and the people of Oakland and community agencies knowledgeable about CRA, our community heroes, the very same people that Senator GRAMM so recklessly labels as "extortionists," pulled together, in a magnificent civil effort to create a wonderful center combining almost every aspect of community development into one square city block. The heroes and sheroes who put this together say: "We have a market, affordable housing, services to special populations and community revitalization. On top of that, we've included use of the arts for economic development and restored and preserved a city historic landmark."

I hardly have to add that the housing is a wonderful plus in an area with severe housing shortages, and that jobs have been created, and that an essential community success has added to the revitalization of a declining downtown not only during the day but also at night.

Swan's was complex from a banking perspective. "There's nothing commonplace about it" said a representative from a large local bank that provided a $7.8 million construction loan. CRA had encouraged banks to look at financing difficult projects that benefit communities. Before CRA, banks may have dismissed the project as too difficult, but CRA has provided the needed motivation which has prompted banks to successfully invest in communities.

The story of CRA's important role in the reformation of Swan's Marketplace is not a rare occurrence. Community after community have called on members of the Banking Committee and the Commerce Committee to protect, and to include the CRA provisions in any banking modernization bill. I have worked since I joined Congress over a year ago, to include the basic elements of CRA in H.R. 10.

The House-passed version of the Financial Modernization bill, to my mind, had fairly weak CRA provisions by excluding securities and insurance functions. But the Gramm version weakens these protections even further by requiring banks to report every 5 years.

Senator GRAMM added a wickedly ironical provision that he describes as a "sunshine" regulation. In California sunshine provisions protect citizens by requiring that the legislative bodies act with proper and timely notice being given to the public on time of meeting and publication of issues to be discussed.

This sunshine provision in Senator GRAMM's bill is a terrible perversion of that protection. This provision mandates that community organizations working with banks to produce more affordable housing have to report on their functions, and their contracts. These reporting requirements are not made of financial institutions, only community organizations. Instead of treating these groups as heroes for their life-saving, community-saving work, they must report like criminals.

Presently, banks have to meet a satisfactory rating, and then maintain it in order to be favorable considered for expansion or mergers. S. 900 allows these banks to meet the "satisfactory" standard only once and frees them from further obligation to maintain it. Do it once and you are free of obligations thereafter. This is a terrible travesty of present CRA practices.

The other major weakness in S. 900 has to do with the easy access to customer's private information that is available. Presently, each one of the three functions: banking, insurance, and securities, cannot share their customers' information with each other. With the passage of S. 900 the walls are down.

Insurance companies have records on a customer's health. This record will now be available to the bank, or the insurance company that can now offer banking services, when you apply for a loan. Is this information that should be so easily available. Is this what our constituents would allow? I don't think so.

However, should customers want to know how the bank, or the insurance company, or the securities sales office is handling their account and ask for a record, and possibly make the necessary corrections, they will not be able to do so. We are considering legislation that could really produce nightmare situations for our constituents.

S. 900 only asks that banks report their plan to protect privacy without any obligation to any one, or any institution to implement it, to modify it, or to improve it. This is a hollow requirement, devoid of substance.

These are two of the major flaws of S. 900. But I have to raise the objections that I raised in the Banking Committee about the consequences of financial services modernization without appropriate safeguards.

S. 900 will allow for further mergers and conglomeratization. It will once again expose us to the congressional, national liability for the $500 billion bailout of the savings and loan industry of the 1980's.

The conglomerates will be too big to regulate and too big to fail and the taxpayer will be stuck with the consequences.

Additionally, along with my colleagues, Representatives WATERS, FRANKS, SANDERS, JONES of Ohio, and SCHAKOWSKY, we have tried to introduce the most basic of consumer protections as we give the financial services what they want. We have tried to protect fair housing by prohibiting insurance companies from discriminating, and we have tried to establish limited basic banking accounts for low-income customers, but without success.

This financial modernization bill, S. 900, or H.R. 10, is the product of 20 years of effort. It saddens me to see 20 years of work dissolve into this miserable bill. I ask my colleagues to vote against it.

GROUNDBREAKING OF THE AUSCHWITZ JEWISH CENTER

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 8, 1999

Mr. LANTOS. Mr. Speaker, today I invite my colleagues to join me in commemorating the official ground–breaking for the Auschwitz Jewish Center a tribute to the Jews who perished in this century's most senseless tragedy. The Center, located in the last remaining synagogue in the town of Oswiecim (the Polish name for Auschwitz), will offer visitors to the site of the Auschwitz–Birkenau death camp an opportunity for reflection, education, and understanding of the enormous loss inflicted by the Holocaust.

The groundbreaking for the Auschwitz Jewish Center takes place on the eve of the sixty–first anniversary of Kristallnacht ("The Night of Broken Glass"), the 1938 Nazi pogrom that foreshadowed the Holocaust and marked the beginning of the Nazi effort to exterminate the Jews. Ninety–one German and Austrian Jews were murdered during Kristallnacht, and 26,000 more were arrested and deported to concentration camps. Nazi thugs set fire to 101 synagogues and destroyed almost 7,500 Jewish–owned businesses. This evening of terror and brutality marked the beginning of the end of German Jewry. Kristallnacht, which was orchestrated by Nazi Propaganda Minister Joseph Goebbels, was an attempt permanently to wreck the cultural and civic infrastructure of the Jewish people in the hope that Jews would never again find comfort in Germany.

Mr. Speaker, the anniversary of Kristallnacht reminds us yet again why the establishment of the Auschwitz Jewish Center holds such great significance. The Center will offer visitors seminar rooms, a library, a memorial wall to victims of the Holocaust, genealogy records, and a screening room for viewing testimonials from Holocaust survivors which will be made available through an agreement with Steven Spielberg's Shoah Foundation. It will allow guests to learn about Oswiecim's rich Jewish history, which dates back to medieval times, and it will permit them to ponder over the destruction of this community and thousands like it across Europe. Most of all, the Center will offer Jews and non–Jews alike the opportunity to mourn and remember.

I urge my colleagues to join me in praising the accomplishments of the Auschwitz Jewish Center Foundation, Inc., a New York based tax–exempt organization created in 1995 to support the Center's creation, and its founder and president, noted philanthropist Fred Schwartz. Mr. Schwartz and his lovely wife, Allyne, visited Auschwitz in 1993 and shortly after began the process of creating an institution that would help to "attach human characteristics to the people who perished there." Fred set up the Auschwitz Jewish Center Foundation and, aided by the devoted efforts of executive director/vice president Daniel Eisenstadt and a wealth of other talented individuals, and the Center has contributed immeasurably to the memory of the victims of Auschwitz and the Holocaust.

Mr. Speaker, Fred and Allyne Schwartz and all of their associates involved in the establishment of the Auschwitz Jewish Center merit the appreciation of every Member of the House. As a Holocaust survivor, I am grateful to them for paying tribute to the most horrendous legacy of the twentieth century. As a grandfather, I am even more indebted to them for keeping this memory alive for the twenty–first century and beyond.

MEDICARE, MEDICAID, AND SCHIP BALANCED BUDGET REFINEMENT ACT OF 1999

SPEECH OF

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. ARCHER. Mr. Speaker, I would like to submit for the RECORD the attached letters which I and the Chairman of the Committee on Commerce have exchanged regarding H.R. 3075, the Medicare Balanced Budget Refinement Act of 1999.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
Washington, DC, November 5, 1999.

Hon. THOMAS J. BLILEY, Jr.
Chairman, House Committee on Commerce,
Washington, DC.

DEAR CHAIRMAN BLILEY: This is in response to your letter regarding further consideration of H.R. 3075, the Medicare Balanced Budget Refinement Act of 1999.

I understand that, in order to expedite consideration of this legislation, the Committee on Commerce will not be marking up the bill. The Commerce Committee will take this action based on the understanding that it will be treated without prejudice as to its jurisdictional prerogatives on this measure or any other similar legislation. Further, I have no objection to your request for conferees with respect to matters in the Commerce Committee's jurisdiction if a House-Senate conference is convened on this or similar legislation.

Finally, I will seek to include in the Record a copy of our exchange of letters on this matter. Thank you for your assistance and cooperation in this matter.

With best personal regards,
Sincerely,

BILL ARCHER,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON COMMERCE,
Washington, DC, November 5, 1999.

Hon. BILL ARCHER,
Chairman, Committee on Ways and Means, Washington, DC.

DEAR BILL: I am writing regarding H.R. 3075, the Medicare Balanced Budget Refinement Act of 1999. As you know, the Committee on Commerce is an additional committee of jurisdiction for the bill, and I understand that the version of the bill that will be considered under the suspension calendar will contain a number of Medicaid provisions which fall within my Committee's exclusive jurisdiction.

However, in light of your willingness to work with me on those provisions within the Commerce Committee's jurisdiction, I will not exercise the Committee on Commerce's right to act on the legislation. By agreeing to waive its consideration of the bill, however, the Commerce Committee does not waive its jurisdiction over H.R. 3075. In addition, the Commerce Committee reserves its authority to seek conferees on any provisions of the bill that are within its jurisdiction during any House-Senate conference that may be convened on this legislation or similar legislation. I ask that you support our request in this regard.

I ask that you include a copy of this letter and your response in the Record during consideration of the bill on the House floor. Thank you for your consideration and assistance. I remain,

Sincerely,

TOM BLILEY,
Chairman.

MARCIA M. STEWART: HAPPY TRAILS

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 8, 1999

Mr. YOUNG of Alaska. Mr. Speaker, it is with deep regret that the Committee on Resources bids farewell to Marcia Stewart, Legislative Assistant to the Chief Counsel of the Committee. Marcia has been not only the right hand of the Chief Council's office, but often the heart, head and both feet.

Marcia Stewart is one of those staffers often seen but seldom heard. Her job was not a glamorous one, but one which was integral to the efficient and effective operation of the Committee on Resources. With her help, the Resources Committee has been one of the most productive in the House and she had a hand in every bill we moved (and we have moved hundreds so far). Her presence in markups, in hearings and on the Floor ensured that all would go well. In fact, her very first time staffing a bill on the Floor, the vote was unanimous, probably because no one could bear to disappoint her.

Marcia came to the Committee from the former Committee on Merchant Marine and Fisheries, where she served as a staff assistant. Even then, her extraordinary skills were apparent, and she was a clear choice for the demanding duties of the Chief Counsel's office when I became Chairman of the Resources Committee in the 104th Congress. Her expertise and organizational skills have kept our legislative and oversight trains running on time. That is why I am not surprised that Marcia Stewart is known as the "Martha Stewart of legislation." Not bad for a woman who was a toddler when I began my career in Congress.

Marcia and her two-year-old daughter, Abigail, will be joining Marcia's husband Tim Stewart in Salt Lake City, where they will be giving up the white columns of the Capitol for the wide open spaces of the West. All I can say is Congressman JIM HANSEN district's gain is our loss.

We will miss you, Marcia Stewart, and wish you and your family a wonderful life in Utah. I thank you for your service to me, to the Committee on Resources, to the Congress and to America.

CONFERENCE REPORT ON S. 900, GRAMM-LEACH-BLILEY ACT

SPEECH OF

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. DINGELL. Madam Speaker, to paraphrase the words Charles Dickens penned in 1859, this is the best of bills; this is the worst of bills. It is an act of wisdom; it is an act of foolishness. It wisely recognizes the technological and regulatory changes that have blurred the lines between industries and products, and builds a new regulatory structure to house and foster competition and innovation. However, it unwisely fails to recognize that, for all that has changed dramatically, human nature has not. Prodigious failures and frauds are no less possible, indeed, perhaps are even more likely today. Yet S. 900 provides inadequate protections for taxpayers, depositors, investors, and consumers.

Now, I can tell that some of my colleagues are bracing themselves for a speech about the Crash of 1929 and the Great Depression that followed it. I am not giving that speech today. I am not opposing S. 900 because I am stuck in the past. I am opposing S. 900 because it's a bad bill today and for the future. About the past, I will only observe that he who does not learn from it, is doomed to repeat it. This bill bears dangerous seeds.

First, S. 900 facilitates affiliations between banks, brokerages, and insurance companies, creating institutions that are "too big to fail." However, it does not reform deposit insurance or antitrust implementation and enforcement. The bill's supporters tout all the benefits to consumers, but woe to the American people when they have to pick up the tab for one of these failures or when competition disappears and prices shoot up.

It also authorizes banks' direct operating subsidiaries to engage in risky new principal activities like securities underwriting and, in five years, merchant banking with Treasury and Federal Reserve approval. The flimsy limitations and firewalls will not hold back contagion and underscore the foolishness in not reforming deposit insurance, and thus the threat to taxpayers and depositors.

Second, the privacy provisions in S. 900 are a sham. The bill gives financial institutions new access to our personal financial and other information for purposes of cross-marketing and profiteering. Under S. 900, a customer cannot opt out of information sharing if his financial institution enters a "joint marketing agreement" with unaffiliated third parties. This loophole makes the privacy protections about as effective as a lace doily would be in holding back a flood.

Third, this bill undermines the Community Reinvestment Act. Many of my colleagues will speak to this point more eloquently than I, and I associate myself with their remarks. At the appropriate point, I will include National Community Reinvestment Coalition's letter in the RECORD.

Fourth, it undermines the separation of banking and commerce. Title IV closes the unitary thrift loophole by barring future ownership of thrifts by commercial concerns. But about 800 firms that are grandfathered can engage in any commercial activity, even if they were not so engaged on the grandfather date. Moreover, title I allows the new financial holding companies (which incorporate commercial banks) to engage in any "complementary" activities to financial activities determined by the Federal Reserve. And in a piece of circular mischief, any S&L holding company, whether or not grandfathered, can engage in any activities determined to be "complementary" for financial holding companies. Title I of S. 900 also waters down the prudential limitations that the House had imposed on merchant banking. S. 900 clearly ignores the warning of then Treasury Secretary Rubin to Congress in May of this year: "We have serious concerns about mixing banking and commercial activities under any circumstances, and these concerns are heightened as we reflect on the financial crisis that has affected so many countries around the world over the past two years."

Fifth, the conference agreement would let banks evaluate and process health and other insurance claims without having to comply with state consumer protections. This means that banks, of all people, will make important medical benefit decisions that patients and doctors should make. According to the National Association of Insurance Commissioners, S. 900 could prevent up to 1,781 state insurance consumer protection laws and regulations from being applied to banks that conduct insurance activities. State laws could be preempted that require consumers to be paid claims they are due and that protect consumers against predatory practices of banks that sell credit insurance. S. 900 also preempts state consumer privacy laws restricting the dissemination of medical and other personal information by a bank engaged in insurance activities. The conference committee rejected an amendment that I offered to address these serious shortcomings.

Sixth, S. 900 contains provisions (subtitle B of title III) on the redomestication of mutual insurers that are opposed by the National Conference of State Legislatures and the National Conference of State Legislatures and the National Conference of Insurance Legislators. They contend that this legislation is anti-consumer and not in the public interest in that it would preempt the anti-mutualization laws in 30 states and places as many as 35 million policyholders, many of our constituents, at risk of losing $94.7 billion in equity. Their letter also follows my statement.

Finally, our capital markets are the envy of the world and their success rests on the high level of public confidence in their integrity, fairness, transparency, and liquidity. While S. 900 pays lip service to the functional regulation of securities by the SEC, it, in fact, creates too many loopholes in securities regulation—too many products are carved out, and too many activities are exempted—thus preventing the SEC from effectively monitoring and protecting U.S. markets and investors. In a final indignity, the effective date of the securities title was extended mysteriously to 18 months from the one year approved by the conference committee. So, the title I Glass-Steagall repeal is effective 120 days after date of enactment, the insurance provisions are effective on date of enactment, the pitiful privacy provisions are effective six months after the date of enactment, but the banks do not have to comply with the federal securities laws until 18 months or a year and a half after the date of enactment. This makes absolutely no sense whatsoever, but, considering all the other problems with this bill, is par for the course.

I support modernization of our financial laws. I support competition and innovation. I do not believe either should be accomplished at the expense of taxpayers, depositors, investors, consumers, and our communities.

S. 900 is a bad bill for the reasons I have outlined. I therefore refused to sign the conference report and I will vote "no" on passage.

CONFERENCE REPORT ON S. 900, GRAMM-LEACH-BLILEY ACT

SPEECH OF

HON. CAROLYN C. KILPATRICK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Ms. KILPATRICK. Madam Speaker, I rise today in support of S. 900, the Financial Services Modernization Act. This conference report is the culmination of years of efforts on the part of Congress, several Administrations, and federal financial regulators to create a rational and balanced structure to sustain the continued global leadership of our nation's financial service sector. This is not a perfect bill. I would like for the Community Reinvestment Act (CRA) provisions and the privacy provisions of the bill to be strengthened, but I understand the political process involves compromise, and this legislation represents just that. As a former member of the Banking Committee, I know that the agreement reached by the members of the Conference Committee and the Administration is built on the consensus that exists among the banking, securities and insurance firms regarding the need for this legislation. This act will benefit consumers, businesses and the economy by finally reforming our antiquated banking and finance laws. Consumers and businesses will benefit from a wider array of products and services offered in a more competitive marketplace that result directly from enactment of this law.

The Act will permit the creation of new financial holding companies, which can offer banking, insurance, securities and other financial products. These new structures will allow American financial firms to take advantage of greater operating efficiencies. For financial institutions, increased efficiency will mean increased competitiveness in the global marketplace. For consumers, increased competition will mean greater choice, more innovative services, and lower prices for financial products. For the economy, this will mean better access to capital to spur growth.

Since the beginning of my service in the United States Congress, I have been committed to the vitality of the Community Reinvestment Act (CRA). I am encouraged that this Act, for the first time, will apply CRA to banks and their holding companies as they expand into newly authorized non-banking activities. Until now, the law has permitted banking organizations to make very large acquisitions of securities firms and to engage in other nonbank activities without any CRA performance requirements at all. Under this bill, no banking organization can become involved in these new activities if any of its insured depository affiliates has a less than satisfactory CRA rating. This is a flat prohibition, and I believe a move in the right direction toward the expansion of CRA from current law. Like many of my colleagues, I stringently support the expansion of CRA. However, as a veteran legislator, I recognize that the legislative process, by definition, produces compromises by all parties. I believe that the CRA provisions in S. 900 are a good compromise toward ensuring that the modernization of our financial system works for all Americans.

For the first time, financial institutions must clearly state their privacy policies to customers up front, allowing customers to make informed choices about privacy protection. The Act will require financial institutions to notify customers when they intend to share financial information with third parties, and to allow customers to "opt-out" of any such information sharing. Under existing law, information on everything from account balances to credit card transactions can be shared by a financial institution without a customer's knowledge. This can include selling information to non-bank firms such as telemarketers. This Act provides the most extensive safeguards yet enacted to protect the privacy of consumer financial information. The Act also provides other important consumer protections, including mandatory disclosures and prohibitions on coercive sales practices, protection of a wide variety of state consumer protection laws governing insurance sales, strengthening protections when banks sell securities products, and making full disclosures of fees at ATM machines.

Madam Speaker, this Act is a step forward in improving our nation's financial service system for the benefit of consumers, community groups, businesses of all sizes, financial service providers, and investors in our nation's economy. Financial services modernization legislation has taken a long road to final passage. I remain committed to expanding access to the economic mainstream for all Americans. While not perfect, S. 900 will finally bring financial services law in step with the marketplace.

IN HONOR OF NORTHEAST OHIO AREAWIDE COORDINATING AGENCY

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, November 8, 1999

Mr. KUCINICH. Mr. Speaker, I rise today to congratulate Northeast Ohio Areawide Coordinating Agency (NOACA) on their recent award for Outstanding Overall Achievement for large Metropolitan Planning Organizations presented by the Association of Metropolitan Planning Organizations. This prestigious award, given to only one organization nationwide each year, was well deserved.

The Outstanding Overall Achievement for large metropolitan Planning Organizations Award recognizes exceptional work in metropolitan transportation planning. NOACA's award nomination focused on the newly adopted transportation plan, Framework for Action 2025. This plan is a 25-year innovative, goal-oriented plan that supports transportation investments that boost economic redevelopment in the region's core cities. Framework for Action 2025 also focuses on preserving the environment, improving the efficiency of the transportation system and providing greater transportation choices for the local commuters.

In the past, the NOACA has made significant achievements by making cooperative planning efforts. Their newly adopted plan shows that they are still committed to this in the future. NOACA has made tremendous efforts to reach out to Northeast Ohio and make innovative improvements in the transportation industry.

My fellow colleagues, please join me in honoring this fine organization as they accept the Outstanding Overall Achievement Award for large Metropolitan Planning Organizations. This is a significant achievement and tremendous honor for the organization.

OUR DOMESTIC CHILD LABOR LAWS SHOULD BE REFORMED SEVENTEEN MAGAZINE REPORTS ON PROBLEMS OF CHILD LABOR IN AGRICULTURE

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 8, 1999

Mr. LANTOS. Mr. Speaker, I rise today to share with my colleagues in the House an article written by Gayle Forman which appeared in the October 1999 edition of Seventeen Magazine. The article, entitled "We Are Invisible," is about one of this country's ugly secrets—children laboring in our country's fields, harvesting the produce that all of us eat, and working under deplorable and backbreaking conditions which take a toll of their health and education. In her excellent article, Ms. Forman writes about the challenges facing children and families who work in the fields in trying to scrape by on meager wages and appalling working conditions. Since most of my colleagues are not avid readers of Seventeen, I want to call their attention to this article and the very serious issue it raises.

Agriculture is one of the most dangerous industries in the United States, but children are still allowed to work legally at very young ages for unlimited hours before and after school in extremely dangerous and unhealthy conditions. As many as 800,000 children work in agriculture in this country, picking the fruits and vegetables that end up in our grocery stores, either as fresh or processed fruits and vegetables.

Children who work in our Nation's fields are killed and suffer life-changing injuries. Recently, a 9-year-old was accidently run over by a tractor and killed while working in a blueberry field in Michigan. A 13-year-old was knocked off a ladder while he was picking cherries in Washington State and was run over by a trailer being pulled by a tractor. A 17-year-old was sprayed twice by pesticides in 1 week in Utah while picking peaches and pruning apple trees and died of a massive brain hemorrhage.

Children who work in agriculture often do so at the expense of their education—and education is critical to help these children break out of the cycle of poverty. Mr. Speaker, we have a responsibility for the future of these children, which means their education, and we have a responsibility to protect them from job exploitation.

Under current Federal law, children working in agriculture receive less protection than children working in other industries because of many outdated and outmoded exceptions included in our laws. For example, children age 12 and 13 can work unlimited hours outside of school in nonhazardous agricultural occupations but are prohibited from working in nonagricultural occupations. It is illegal for a 13-year-old to be paid to do clerical work in an air-conditioned office, but the same child can legally be paid to pick strawberries under the blazing summer sun. In some instances, children as young as 10 years old are working in the fields harvesting our Nation's produce.

Mr. Speaker, our laws are inconsistent and out of date with regard to the long-term changes in agriculture that have taken place. Children working in agriculture no longer merit such separate and unequal protection. The agricultural industry is no longer dominated by family farmers who look out for their own children's health and well-being as they work in agriculture. Today, major agricultural conglomerates control much of the production and the work force in agriculture, and children who work in the fields are hired laborers. Given these and other changes in our Nation's agricultural economy, I ask why children in agriculture should be treated differently than children working in other industries.

Mr. Speaker, earlier this year, I introduced H.R. 2119, the "Young American Workers' Bill of Rights Act" which would provide equal standards of protection for children who work in agriculture and children who work in other sectors of our Nation's economy. The "Young American Workers Bill of Rights" would take children under the age of 14 out of the fields. It would create an exception only for family farms, where children would still be able to assist their parents on farms owned or operated by their family.

Mr. Speaker, last year, our colleagues, Congressman HENRY WAXMAN and BERNARD SANDERS and I released an important GAO report entitled "Children Working in Agriculture" which found that current legal protections, the enforcement of those protections, and educational opportunities for children working in our fields is grossly inadequate. The GAO reports that hundreds of thousands of children working in agriculture suffer severe consequences for their health, physical well-being and academic achievement. There are also weaknesses in enforcement and data collection procedures, with the result that child labor violations are not being detected.

Mr. Speaker, as a result of this article which appeared in Seventeen Magazine, young people around our Nation have written to me during passage of legislation to deal with these problems. I ask that the article be placed in the RECORD, and I urge my colleagues to read the article and support meaningful comprehensive domestic child labor reforms, specifically including adoption of H.R. 2119, the "Young American Workers Bill of Rights."

[From Seventeen Magazine, October 1999]

(By Gayle Forman)

WE ARE INVISIBLE

Imagine that it's summer and instead of sleeping in and then hanging at the pool, you wake up at 5 a.m. You get dressed in jeans and a long-sleeved flannel shirt, and head out to a dusty field. There you spend the day bent over at the waist, plucking cucumbers that grow on prickly, low-lying vines in the ground. You do this alongside your family, throughout the day, taking a half-hour break for lunch. Imagine how it feels by afternoon, when the sun's glaring down on you, making you sweat so much in your heavy clothes that your body is dripping and your shoes are as wet as if you'd stepped in a puddle. Your hands swelter in gloves, but if you took them off you'd be exposed to pesticides or cut by thorns. Imagine that you work like this, sometimes for more than 12 hours, before heading back to the trailer or tent that is your temporary home. You shower, eat and go to sleep. The next morning you do it all over again.

One more thing: Imagine that you're nine years old.

Janie doesn't have to imagine this life. The 18-year-old from Weslaco, Texas, began working in the fields when she was nine. Along with her parents, two brothers and a sister, Janie is a farmer—but not the kind most of us think of. They don't live in a farmhouse or till their own fields. Rather, they're migrant farmworkers who crisscross the country from spring to fall, traveling from crop to crop, picking the fruits and vegetables that wind up on our tables.

In spite of all the technological advances in this country, a majority of crops—including the oranges in your juice and the pickles on your burger—must be harvested by hand. And many of those hands belong to kids. The United Farm Workers union estimates that as many as 800,000 children work in agriculture in this country—and most of these kids are U.S. residents or citizens.

DANGEROUS—AND LEGAL

Here's the thing. Such work is not against the law. Under our child labor rules, a 13-year-old cannot work in a clothing store after school, but she or he can labor in a field. In fact, it's legal for children as young as 10 to hand-harvest crops for five hours a day if their parents and the farmers for whom they're working get permission from the U.S. Department of Labor. These laws may seem strange, but in the 1930s, when child labor statutes were set up to protect children, exemptions were made so kids could work on their families' farms. Today, however, most child agricultural laborers are migrant or seasonal workers who toil on someone's else's land.

Some families—whether ignorant of or just ignoring the laws—will let really young kids work legally. "I've seen children as young as six picking with their families," says Diane Mull, executive director of the Association of Farmworker Opportunity Programs (AFOP), an organization that provides support for migrant farmworkers. It's not that fieldworker parents don't love their kids. "Parents are faced with tough choices. Either they're going to take their kids to the field, to help make as much money as possible, or they won't be able to put food on the table," says Mull.

She's not exaggerating. Migrant farmworkers are among the poorest people in the country—the average family earns less than $10,000 a year. Janie understands that bleak economic reality all too well. "When I first had to work, I was upset. I didn't want to do it," says the bright-eyed brunette, who loves salsa music and Jean-Claude Van Damme movies. "My parents told me it was necessary if we wanted to meet our expenses. When I looked at it that way, I wanted to help."

If parents were more aware of the dangers, they might be less willing to have their kids work on farms. Kids who labor in fields account for about 11 percent of working children in the United States—and 40 percent of all on-the-job deaths of kids happen to that small group. And then there are the pesticides: No one's sure what effect the chemicals have on kids because studies only look at how pesticides affect full-grown male adults. But a chemical that doesn't hurt a 150-pound man may be toxic to an 80-pound girl. And long-term exposure to pesticides has been linked to a bunch of health problems, from skin rashes to leukemia.

UPROOTED

The threat of danger and disease is just one of the hardships of being a picker. As a migrant family follows the ripening crops, it's not unusual for them to live in several different places in one year. Rosa, 18, has been "moving around since I was a baby." She and her family do the West Coast route—picking in California from January to May, then traveling up to Washington to harvest berries and apples until November. Conditions in the camps where Rosa lives aren't as comfortable as the trailers Janie stayed in. When Rosa travels, she, her parents, and four siblings usually live in a van or in tents near the fields. Meals are cooked over a campfire. When the season's over, the family heads to Mexico for November and December.

This nomadic existence can totally mess up your academic life. When Rosa leaves California in May, she also has to leave school early. Come September, she's usually in Washington, meaning she has to start classes there. She misses six weeks of school when she's in Mexico, too. Every time she switches schools, she tries to catch up, but she still gets shoved in remedial classes. Plus her constant state of flux means that she's forever the new girl. "It's hard. I'm always crying on the first day of school," Rosa says. "I just sit in a corner, and after two weeks in one place, we move again." It can be a lonely life, and lots of migrant kids say they'd rather stick to themselves than build relationships only to sever them. "I would like to have friends," says Rosa. "But it's hard to make them. And I can't do the kinds of things you do with friends because I don't have money."

Rosa hopes to graduate high school and become a nurse, but those gaps in her education mean she has missed out on more than a full social life. The director of her school's migrant program thinks Rosa will have a tough time making it to nursing school. Even so, it's not impossible for migrant teens to succeed. In spite of her stop-and-go schooling, Janie has managed to kick serious academic butt, acing her honors classes. After an essay that she'd written about being a migrant caught the eye of people at AFOP, Janie was selected to attend an International Labor Organization conference in Switzerland in June. Last spring she graduated from high school with a 4.0 GPA. She was set to go to Ohio State University—and then her scholarship fell through. Anxious to get on with her education, Janie enlisted in the army rather than wait to reapply for scholarships.

MONEY DOESN'T GROW ON TREES

If Janey is a success story among migrant teens, she's also an exception. A near majority of migrants—45 to 55 percent, says Mull—don't graduate from high school. "There are all these incentives for the kids not to stay in school," says Mull. "They have the disruption in the flow of education. Some parents want older kids to work full-time. [In Mexico, where many migrant families are from, it's not uncommon for kids to leave school at 15.] Once they [these kids] start earning money, the motivation is to make more money."

Cash was definitely on Rosalino's mind when he dropped out of school. Up until eighth grade, Rosalino, 18, lived and went to school in Mexico. After he and his family moved to Florida when he was 13, Rosalino quit school so he could help his family earn money. "During the winter I work in strawberry fields in Florida," he explains, sitting under a weeping willow tree at a migrant camp in Michigan. "In June my father and brothers and sisters drive two days to Michigan, where we pick until October." At the height of the season, Rosalino clears $200 a week—most of which goes to his family. That money must tide them over during the slow winter months, when jobs are sparse. The average migrant farmer works only 26 weeks a year, and many can't collect unemployment during the off-season.

When Rosalino ponders his future, he hopes he'll be able to shake the mud off his boots and leave the fields. "I don't want to work on farms all my life," he says. In his pursuit of a better career, however, he's hindered by a host of handicaps. He doesn't speak English, though he's lived in the United States for six years, and he doesn't have too many skills under his belt other than fieldwork.

It's kids like Rosalino who worry children's advocates like California Representative Tom Lantos. The migrant life is usually a prison of poverty, Lantos says, and education is the key to unlocking that jail. "These children won't have any future 10, 20, 30 years from now if they are deprived of their education, if their total work experience is farm labor," says Lantos. "We must provide them with an education and an opportunity to develop their potential."

LABOR AGAINST LABOR

Unlike a lot of countries that turn a blind eye to child labor, the United States has been cracking down on farmers who employ underage kids. But, say advocates like Lantos, to really keep children out of the fields, we must change the laws so that it's no longer legal for them to be there. Lantos recently proposed a Young American Workers' Bill of Rights, which aims to close the loopholes in child labor laws that make it legal for kids and young teens to work long hours in agriculture. Secretary of Labor Alexis M. Herman says she's also trying "to see how [current child labor laws] can be strengthened."

But banning child labor and actually stopping it from happening are two very different things. "We find children working in the fields in this country for many reasons besides a disregard for the law," says Secretary Herman. "We have to address the root causes—chronic poverty, lack of child care, underemployment." And the government is trying. The federal government funds Migrant Head Start and other education programs that give kids a place to go during the day while their parents pick, and provide them with a school away from school, so they can continue their studies when their families are on the road. President Clinton has allocated more cash for education programs as well as job training projects that give kids (and adults) alternatives to the fields. There have also been efforts to make parents aware of the dangers of farmwork and the importance of keeping kids in school.

Ultimately, though, migrant teens and their families will find it a rough road to hoe, says Mull. Major improvement in conditions would mean, among other things, paying adult pickers more so there would be less pressure to make kids work. But increasing wages could raise produce prices—and few consumers relish the idea of shelling out more money for a head of lettuce. Maybe if people understood the plight of migrant teens, they'd be willing to pay a few extra bucks a year to help, but, as Janie says, migrants are pretty much invisible to many Americans. "I've met people who are running the country who don't know about the migrant life," says Janie. "Most people don't even know we exist."

PERSONAL EXPLANATION

HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, November 8, 1999

Mr. UDALL of Colorado. Mr. Speaker, on November 4th, I was unavoidably detained from casting rollcall vote 569.

Had I been present, I would have voted "no" on rollcall vote 569.

HONORING OUR NATION'S VETERANS ON VETERANS' DAY

HON. MARION BERRY

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 8, 1999

Mr. BERRY. Mr. Speaker, I rise today to pay tribute to the millions of Americans who served and sacrificed for our country in wars all over the world. This week we celebrate Veterans' Day in thousands of ceremonies across America, including several in the 1st Congressional District of Arkansas which I was so proud to represent.

November 11 was originally the day commemorating the 1918 armistice that ended World War I. The original Armistice Day celebrated the signing of the armistice between the Allies and the Central Powers at the 11th hour of the 11th day of the 11th month. The first commemorative ceremony was held when an American soldier was buried in the Arlington National Cemetery at the same time as a British soldier was buried in Westminster Abbey and a French soldier was buried at the Arc de Triomphe. In 1954, following World War II and the Korean Conflict, Armistice Day became known as Veterans Day. Realizing that peace was equally preserved by veterans of WW II and Korea, Congress was requested to make this day an occasion to honor those who have served America in all wars.

Many times we have asked our veterans to put their lives on hold, to leave their families to serve their country and protect our freedoms. Because of their strength and courage, all Americans enjoy the ideals of democracy.

On Veterans Day, it is important to remember that our Nation owes a commitment to our veterans every day of the year. We salute the millions of Americans who, because of their courage, have given us the freedom that we all enjoy. These heroes sacrificed for love of country, not only answering the call of our flag, but also honoring its meaning. Veterans' Day is a time for all Americans to remember their extraordinary commitment that has made our country the greatest nation that has ever been.

On this Veterans Day, we should all express our sincere thanks to our fellow Americans who valiantly served abroad in the U.S. Armed Forces. We should all reflect on the pride we share in the men and women who have kept our Nation free and strong.

DECEPTIVE MAIL PREVENTION AND ENFORCEMENT ACT

SPEECH OF

HON. DANNY K. DAVIS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 2, 1999

Mr. DAVIS of Illinois. Mr. Speaker, I am proud to have played a part in the House consideration and markup of the Honesty in Sweepstakes Act of 1999. Last month, the Subcommittee on the Postal Service marked up H.R. 170, and unanimously approved an amendment in the nature of a substitute offered by the ranking minority member congressman FATTAH and chairman MCHUGH. Our bill which closely mirrors sweepstakes legislation passed by the Senate in August would:

Impose disclosure requirements relating to sweepstakes mailings and skills contests (contests in which a prize is awarded based on skill, and a purchase, payment, or donation is required) concerning rules, terms, conditions, sponsor, place of business of sponsor, odds of winning, and other information to help ensure the consumer has complete information about the contest;

Prohibit mailings that suggest a connection to the federal government, or that contain false representations implying that federal government benefits or services will be affected by participation or nonparticipation in the contest;

Require that copies of checks sent in any mailing must include a statement on the check itself stating that it is nonnegotiable and has no cash value;

Require certain disclosures to be clearly and conspicuously displayed in certain parts of the sweepstakes and skill contest promotions;

Require sweepstakes companies to maintain individual do-not-mail lists;

Give the Postal Service additional environment tools to investigate and stop deceptive mailings, including the authority to impose civil penalties and subpoena authority;

Require that companies adopt reasonable practices and procedures to prevent the mailing of materials on sweepstakes or skills contests to individuals who have written to the companies requesting not to receive such mailings;

Establish a private right of action in state court for consumers who receive follow-up mailings despite having requested removal from a mailer's list; and

Establish a federal floor above which states could enact more restrictive requirements.

H.R. 170 adds two very important and critical provisions consumer protection provisions. First, we provided the Postal Service with subpoena authority to combat sweepstakes fraud. In addition, we have limited the scope of subpoena authority to only those provisions of law addressing deceptive mailings, and required the Postal Service to develop procedures for the issuance of subpoenas.

The second provision contains language authored by the ranking minority member, Congressman FATTAH which added a private right of action to sweepstakes legislation. This provision now a part of H.R. 170, would allow consumers to file suit in state court if a sweepstakes promoter continues to send mailings despite having requested removal from a mailer's list. This important enforcement tool, contained in section 8 of H.R. 170, is supported by the National Consumers League, the American Association of Retired Persons and the Direct Marketing Association.

The issue of consumer protection, whether it relates to telemarketing fraud or sweepstakes deception is finally receiving the attention it deserves and I am pleased we have provided additional consumer protection along this line.

I would be remiss if I did not thank my colleagues who have sponsored honesty in sweepstakes legislation in the House. Special recognition deserves to go to the authors of H.R. 170, Congressmen LOBIONDO and CONDIT. Their diligence has ensured a bipartisan bill. I would also like to acknowledge the support of Congressman BLAGOJEVICH, himself the sponsor of sweepstakes legislation, H.R. 2731, the Consumer Choice and Sweepstakes Control Act.

Special recognition goes to the State of New York, Office of the Attorney General, the National Association of Attorneys General, the Federal Trade Commission, National Consumers League, the American Association of Retired Persons, Direct Marketing Association, the Postal Service Inspector General, and Courtney Cook, of the minority staff. Your hard work, input and support have been appreciated.

Mr. Speaker, I thank you for being gracious and working with us to achieve a bipartisan bill.

MEDICARE, MEDICAID, AND SCHIP BALANCED BUDGET REFINEMENT ACT OF 1999

SPEECH OF

HON. BOBBY L. RUSH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. RUSH. Mr. Speaker, I rise to express my opposition to the process by which we are considering some of the most important legislation that this House will debate during this session of Congress—the Medicare, Medicaid and Schip Balanced Budget Refinement Act of 1999. As a member of the Commerce Committee, I would have liked to have had the opportunity to fully debate the Medicare, Medicaid and SCHIP changes that this legislation makes. Particularly, in light of the impact the Balanced Budget Act has had on Illinois hospitals.

Illinois hospitals are experiencing severe financial hardship as a result of the Balanced Budget Act of 1977 (P.L. 105–33). The cuts mandated by the BBA were supposed to simply slow the growth in the Medicare program. However, the Act "overcorrected" the growth in Medicare spending and severely reduced Medicare reimbursements to hospitals and health service providers for five years beginning in 1997. In Illinois alone, it is estimated that hospitals will lose $2.8 billion in Medicare payments over a five year period. The financial burden of the BBA cuts is particularly acute for the teaching hospitals in my state. Because Illinois ranks fifth in the nation in the number of teaching hospitals, and these facilities are expected to lose more than $1.6 billion over the five-year period, of the BBA's life. These cuts have a devastating effect on the communities that they serve.

I opposed the Balanced Budget Act when it was debated by the House of Representatives in 1997. I believed that it was bad policy then, and believe that it is bad policy now.

In order to provide relief for the teaching hospitals and other health service providers that were so adversely impacted by the BBA, I introduced legislation, Health Care Preservation and Accessibility Act of 1999, H.R. 3145, to restore some of the Medicare reimbursements that the BBA reduced. The legislation was intended to accomplish this in a number of ways:

(1) H.R. 3415 would freeze the cuts in indirect medical payments (IME) to teaching hospitals at 1999 levels. It also freezes cuts in the disproportionate share payments (DSH payments) at 2% and provides payments directly to those serving a large share of low-income patients;

(2) directs the Secretary of Health and Human Services to make payments for Graduate Medical Education (GME) to children's hospitals for the Medicare FY 2000 and 2001 cost reporting periods for the direct and indirect expenses associated with operating approved medical residency training programs;

(3) sets a floor on outpatient hospital payments so that rural hospitals do not fall below 1999 levels and establishes a new payment system for rural health centers;

(4) revises the payment system for community health centers so that it more adequately reimburses for the costs of care and allows safety net providers that provide health coverage to low-income Americans to be directly compensated for their services;

(5) eliminates the $1,500 per beneficiary cap imposed by the BBA and replaces it with a payment system that is based on the severity of illness;

(6) revises the BBA's new prospective payment system for skilled nursing facilities by increasing reimbursements for patients needing a high level of services to more accurately reflect the cost of their care;

(7) delays a scheduled 15% reduction in the home health interim payment system if the Secretary of Health and Human Services misses the deadline for instituting the new prospective system. H.R. 3415 also allows for interest free recoupment of overpayments due to HCFA's underestimation of the interim payment rates for certain agencies. Finally, H.R. 3415 provides additional protections for seniors citizens and persons with disabilities and strengthens protections and sanctions for Medicare fraud and abuse.

Mr. Speaker, I introduced the Health Care Preservation and Accessibility Act of 1999 when it looked as if we could not reach agreement on even the minimal BBA relief that the legislation before us provides to Illinois hospitals, and hospitals across the nation. I am reluctantly supporting the legislation before us today, because it is the only option that has been presented to us. But it is my hope that we will have the courage to revisit this issue in the next session, and complete the job that we have only begun with H.R. 3075.

CONFERENCE REPORT ON S. 900, GRAMM-LEACH-BLILEY ACT

SPEECH OF

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. COSTELLO. Madam Speaker, I rise today in strong opposition to the Financial Services Modernization Act. This bill was brokered by the Republican leadership, in a partnership with the large financial services lobbyists, to the benefit of enormous corporations at the ultimate expense of the American consumer.

This bill will expedite the creation of megabucks malls—the one-stop shopping of the financial world. This will hurt consumers because as financial services providers consolidate, competition will decline and consolidate decision-making and services among fewer service providers. Should one of these enormous institutions suffer a financial decline, we could see calls for a bailout that will recall the savings and loan debacle of the 1980's, with taxpayers footing the bill.

I am also concerned of the effects that the Community Reinvestment Act provision may have on certain banks in my district. By reviewing small banks which provide service in underserved communities only once every 4 or 5 years, there is no guarantee that these banks will maintain their lending standards to these communities. A two-year review enforced this. Underserved communities need to be ensured of financial assistance, and this bill does not provide that guarantee.

Most frightening, however, is the effect the privacy provisions will have. Under this bill, financial institutions have access to and distribute our personal information, including our bank and brokerage account or insurance record information, to all the institution's divisions and affiliates, without the customer's permission. In addition, banks will share our consumer information with third parties unless the consumer explicitly tells the financial institution not to. The walls protecting our financial privacy and other personal information are slowly being eroded.

While the Financial Services Modernization Act may modernize the financial world, it does so at the expense of the consumers. I cannot support this legislation.

TRIBUTE TO THE HONORABLE LEO T. McCARTHY

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 8, 1999

Ms. ESHOO. Mr. Speaker, I rise today to honor a distinguished American, a revered Californian, and a dear friend, Leo T. McCarthy, on the occasion of his induction into the San Francisco Law School Hall of Fame.

Born in Auckland, New Zealand, Leo immigrated with his family to the United States at the age of three. He earned his undergraduate degree from the University of San Francisco and his law degree from San Francisco Law School. Admitted to the practice of law in both the Federal and State courts of California on January 15, 1963, Leo McCarthy was also elected to the San Francisco Board of Supervisors in 1963.

In 1968, Leo McCarthy was elected to the California State Legislature where he served with great distinction until 1982. Chosen Speaker of the California State Assembly in 1974, he focused his considerable talents and energy upon creating State policy in areas ranging from education to health. He has given important service as a member of the World Trade Commission, the University of California Board of Regents, and the California State University Board of Trustees where both his passion for excellence and civic spirit were always evident.

On January 3, 1983, Leo McCarthy became the Lieutenant Governor of the State of California, a position he retained until his retirement from elective office in 1994. Once again, his commitment to serving both his nation and the people of California was clearly manifested by his dedication to his office. He nurtured businesses from formation to long term growth as the Chair of the California Commission for Economic Development. He focused particular attention upon working to improve the involvement of businesses in international trading and investment, particularly in Pacific Rim markets, an area of lifelong interest.

In 1992, while still in office, Leo McCarthy aided over 100 women and minority business investors by publishing an award-winning guide titled, Starting and Succeeding in Business: A Special Publication for Small, Minority- and Women-Owned Businesses. At the same time, he helped California implement the Greater Avenues for Independence (GAIN) program which helps welfare recipients move into private sector jobs. In 1992, Leo McCarthy sponsored both the Mammography Quality Assurance Act that created new standards governing both mammography facilities and technology, and Senate Joint Resolution 32, which declared that breast cancer was an epidemic in California, requesting that the President and the Congress dedicate greater funds to find the causes of and a cure for the disease.

Upon his retirement from public office in 1994, instead of indulging in a well-deserved rest, Leo McCarthy joined the board of the Linear Technology Corporation, a high tech firm which manufactures analog integrated circuits and in 1998, produced $460 million in sales. He also became a board member of two mutual funds, the Parnassus Fund, a socially responsible fund that invests a $400 million investment portfolio in domestic stocks and bonds, and Forward Funds, Inc., which focuses on investing in domestic and foreign equities and bonds with a $230 million investment portfolio.

Leo McCarthy is also the Vice Chair on the Board of Open Data Systems, a private firm which creates software aimed at facilitating the accurate recording and processing of building permits and other development documents used by local governments. All of these private sector businesses have subsequently benefited from his active and enthusiastic involvement as a board member. In 1995, Leo McCarthy became President of the Daniel Group, a law partnership which focuses on international trade and market investment.

With all these responsibilities, Leo McCarthy has continued his public service. Appointed to the National Gambling Impact Study Commission by the U.S. Senate Democratic Leadership, the Commission has undertaken a two year study of the impact of all forms of legal gambling in the United States at the order of the President and the Congress.

Leo McCarthy and his wife Jacqueline have been married for over 40 years. They have four exceptionally talented children, Sharon, a fifth grade teacher, Conna, an attorney, Adam, an import-export businessman, and Niall, an attorney, and they are the proud grandparents of eight.

Leo McCarthy's life of leadership is instructive to us all. His dedication to the ideals of both democracy and public service stand tall. I am especially blessed to have him as a mentor, a colleague, and a friend. It is fitting that the San Francisco Law School has chosen to induct him into its Hall of Fame and I ask my colleagues, Mr. Speaker, to join me in honoring a great and good man. We are indeed a better country and a better people because of him.

DOROTHY'S PLACE HOSPITALITY CENTER

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 8, 1999

Mr. FARR of California. Mr. Speaker, I rise today to commemorate the millionth meal served by Dorothy's Place Hospitality Center. Founded in 1982 by Robert Smith and operated by the Franciscan Workers of Junipero Serra, Dorothy's Place is a local soup kitchen in Salinas that has provided food and support daily to the hungry and the homeless.

Dorothy's Place Hospitality Center has for more than seventeen years provided meals as well as support to the less fortunate members of Salinas County during times of need and hardship. The staff and volunteers have graciously extended themselves through commitment and generosity to our local poor. Dorothy's Place is a great community resource deserving of praise and thanks for the humanitarian spirit and service that it has provided for so many years.

It is with great pleasure that I commend Dorothy's Place Hospitality Center for serving its millionth meal. For its exemplary record of service to the poor and hungry, I would like to extend best wishes for success in the future as this establishment continues to make invaluable contributions to our community.

JAPANESE "COMFORT WOMEN"

HON. LANE EVANS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 8, 1999

Mr. EVANS. Mr. Speaker, I rise today to speak about one of the great injustices, one of the most flagrant violations of human rights.

During World War Two, the Japanese military forced hundreds of thousands of women to serve as sexual slaves. Euphemistically known as "comfort women", they were predominantly Korean women and girls abducted from their homes and forced to serve Japanese soldiers. This government-sanctioned program created untold numbers of comfort stations or military brothels throughout Japanese-occupied territories in the Pacific Rim.

For decades after the war, the Japanese government denied the existence of "comfort women" and the comfort stations, but in 1994, their position changed. The Japanese government admitted that "the then Japanese military was directly or indirectly involved in the establishment and management of comfort stations and the transfer of "comfort women [and] that this was an act that severely injured the honour and dignity of many women".

In 1993, international jurists in Geneva, Switzerland ruled that women who were forced to be sexual slaves of the Japanese military deserve at least $40,000 each from the state treasury as compensation for their extreme pain and suffering.

Mr. Speaker, the Japanese government has a legal as well as moral responsibility to face its history. To continue to indignantly brush away these women's claims adds insult to injury.

Stripped of their dignity, robbed of their honor, most of them were forced to live their lives carrying those horrific experiences with them covered under a veil of shame. I don't think they should do so any longer.

I believe the Japanese government must do whatever can be done to restore some dignity for these women.

The German government has formally apologized to the victims of the Holocaust as well as other war crimes victims and has gone to great lengths to provide for their needs and recovery, but the Japanese government has yet to do so.

That is why, in the strongest possible terms, I call upon Japan to formally issue a clear and unambiguous apology for the atrocious war crimes committed by the Japanese military during World War II and offer reparations no less than $40,000 for each of the "comfort women". The surviving women are advanced in age, and time is of the essence. They have waited so long. They should wait no longer.

Critics may ask why we should even dredge up something that happened so long ago and halfway across the world?

Let me turn the critics' attention to the U.S. Constitution. It reads: "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their creator with certain unalienable rights . . ."

Mr. Speaker, this nation was an experiment. An experiment to form a new system of government. A government based on the then-radical concept that we all have certain God-given rights that should not be violated—each and every one of us in this world. It matters not that injustices were committed against women and girls in East Asia over fifty years ago or fifty minutes ago. There is no statute of limitation on crimes against humanity. When human rights are violated, the international community must act because we have a moral responsibility to do so.

Even today, we sometimes turn a blind eye to human rights. We sometimes take them for granted. We sometimes stay silent. But we shouldn't.

Two hundred years ago, Thomas Jefferson wrote: "the laws of humanity make it a duty for nations, as well as individuals, to help those whom accident and distress have thrown upon them."

Mr. Speaker, I strongly believe we have a duty. We have a duty to help those who need our help. We have a duty to stand up for those who cannot stand up on their own. We have a duty to speak up for those who have no voices and to do what is just and what is right.

So, let us do what is just and what is right for the "comfort women" and other victims. Let us speak out for them. Let us stand up for them. Let us lend them our strength.

We must act and we must speak out, because in the end, people will remember not the words of their enemies, but the silence of their friends.

We must not remain silent.

MEDICARE, MEDICAID, AND SCHIP BALANCED BUDGET REFINEMENT ACT OF 1999

SPEECH OF

HON. JERROLD NADLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. NADLER. Mr. Speaker, I rise today to explain my vote against H.R. 3075, the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act. This bill makes several important restorations of cuts that were made to the Medicare program in the Balanced Budget Act of 1997. However, this bill also includes a provision that would hurt New York City's teaching hospitals and render meaningless the other positive measures in this bill.

Mr. Speaker, America's hospitals are hurting and they need relief from the mammoth cuts made by the Balanced Act. I was one of the few lawmakers who voted against the Balanced Budget Act because I knew it would have these consequences. We should not be surprised that cutting over $200 billion from Medicare would cause the quality of care to suffer in many hospitals. In New York State alone, it has been estimated that hospitals have lost over $550 million so far and could face up to $3 billion more in cuts over 5 years without new legislation. H.R. 3075 would make a small, but important, down payment toward restoring those cuts.

However, it is shameful that in the name of providing relief, this bill would create even more pain for New York. At the last minute, a provision was added to change the methodology by which Medicare reimburses teaching hospitals for their direct medical education costs from one based on actual cost to one based on national average costs. This would shift over $45 million a year from New York State, where costs are well above the national average, to other parts of the country. In my district alone, teaching hospitals would lose almost $12 million in the first five years this provision would be in effect. Teaching hospitals help train the next generation of physicians. It would be unwise to shortchange this investment for the future.

It is unfortunate that this provision was inserted at the last minute during the final negotiations, from which Democrats were frozen out. In addition, H.R. 3075 was brought up under suspension of the rules, allowing little debate and no opportunity to offer an amendment to rectify the situation.

America's hospitals need relief from the deep cuts made in 1997. I hope that we will find a way to do this without pitting states against each other.

H.R. 3196—FOREIGN OPERATIONS APPROPRIATIONS BILL

HON. MIKE McINTYRE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 8, 1999

Mr. McINTYRE. Mr. Speaker, for the record, this is to clarify that the "no" vote I cast on November 5, 1999, against the foreign Operations Appropriations bill is by no means an indication that I am opposed to foreign aid for Israel, India, Greece, or Cyprus. Indeed, my voting record with regard to aid for these countries clearly exemplifies my strong support for them. Our country should value our relationships with these and other nations who are allies and partners for peace. In fact, I voted for the Young Amendment to the Foreign Operations bill because it is critical to our national security interests that we provide assistance to implement the Wye River Accord between Israel, the Palestinian Authority, and Jordan. The reason I voted against the Foreign Appropriations bill is because we, as a Nation, have an obligation to take care of our own families first and provide them with the aid they need especially in times of dire emergencies. The citizens of North Carolina are facing an imminent crisis in the wake of three major hurricanes that must be addressed immediately by Congress with the passage of an emergency relief bill. Until that happens, it is improper for us to place the needs of other countries ahead of the needs of our own taxpayers.

CONFERENCE REPORT ON S. 900, GRAMM-LEACH-BLILEY ACT

SPEECH OF

HON. JOHN. J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. LAFALCE. Madam Speaker, I rise in strong support of the conference report on S. 900, the Gramm-Leach-Bliley Financial Modernization Act of 1999.

In July, the House passed its version of financial modernization (H.R. 10), with a broad bipartisan vote of 343–86. The Senate passed a partisan product (S. 900) by a narrow margin of 54–44, a bill which the White House indicated it would veto because of its negative impact on the national bank charter, highly problematic provisions on the Community Reinvestment Act (CRA) and its nonexistent privacy protections.

The conference report necessarily represents a compromise between the two versions. But it is a good and balanced compromise. It effectively modernizes our financial system, while ensuring strong protections for consumers and communities. As a result, the Administration strongly supports the conference report.

There are clear gains for our financial services system, for consumers and for communities in this bill is enacted. There are clear losses if it is not.

Without this bill, banks will continue to expand into securities and insurance business as they have been doing for some years under current law. However, they will do so without CRA coverage; without privacy protections; without the regulatory oversight and regulatory protections enhanced in this bill; and with artificial structural limitations that will place the U.S. financial services industry at a clear competitive disadvantage. Without this bill, commercial firms will continue to move more and more into the banking business, with no real limitations.

I would like to review the major provisions of the bill and the intent of those provisions.

FINANCIAL MODERNIZATION

This bill permits the creation of new financial services holding companies which can offer a full range of financial products under a strong regulatory regime based on the principle of functional regulation. Banks currently engage in securities and insurance activity under existing law and court interpretations of that law, including the Bank Holding Company Act, the Federal Reserve Act, the National Banks Act, and various state laws. This conference report ensures that such activities will occur, in the future, with appropriate regulatory oversight based on the principle of functional regulation. The conference report also provides for appropriate "umbrella" authority at the holding company level by the Federal Reserve, and essential consumer and community protections.

The conference report, in contrast to the Senate bill, clearly preserves the strength of the national bank charter by giving institutions a choice of corporate structure through which they can conduct their business consistent with the original House product.

I would like to clarify the intent of this legislation as it pertains to the market-making, dealing and other activities of securities affiliates of financial holding companies. Currently, bank holding companies are generally prohibited from acquiring more than five percent of the voting stock of any company whose activities are not closely related to banking. The Federal Reserve has determined that a securities affiliate of a bank holding company cannot acquire or retain more than five percent of the voting shares of a company in a market-making or dealing capacity. In addition, for purposes of determining compliance with this five-percent limit, the Federal Reserve has required that the voting shares held by the securities affiliate be aggregated with the shares held by other affiliates of the bank holding company.

I would like to make clear that, by permitting financial holding companies to engage in underwriting, dealing and market making, Congress intends that the five-percent limitation no longer apply to bona fide securities underwriting, dealing, and market-making activities. In addition, voting securities held by a securities affiliate of a financial holding company in an underwriting, dealing or market-making capacity would not need to be aggregated with any shares that may be held by other affiliates of the financial holding company. This is necessary under the bill so that bank-affiliated securities firms can conduct securities activities in the same manner and to the same extent as their non-bank affiliated competitors, which is one of the principal objectives of the legislation. The elimination of the restriction applies only to bona fide securities underwriting, dealing, and market-making activities and does not permit financial holding companies and their affiliates to control non-financial companies in ways that are otherwise impermissible under the bill.

The Conference Committee agreed to make the effective date of implementation of Title I, except for Section 104, 120 days from the date of enactment. We reached this decision to provide the regulators with an opportunity to implement this legislation effectively. It is the intent of the Conferees that Title I become effective 120 days after enactment even if the agencies are not able to complete all of the rulemaking required under the act during that time.

In addition, it should be noted that in some instances, no rule writing is required. For example, new Section 4(k)(4) of the Bank Holding Company Act, as added by Section 103 of the bill, explicitly authorizes bank holding companies which file the necessary certifications to engage in a laundry list of financial activities. These activities are permissible upon the effective date of the act without further action by the regulators. The Conferees recognize, however, that refinements in rulemaking may be necessary and desirable going forward, and for example, have specifically authorized the Federal Reserve and the Treasury Department to jointly issue rules on merchant banking activities. If regulators determine that any such rulemaking is necessary, the Conferees encourage them to act expeditiously.

COMMUNITY REINVESTMENT ACT (CRA)

DISCLOSURE AND REPORTING OF CRA AGREEMENTS

While I support the general concept of disclosure, the so-called "sunshine" provision could be pernicious because it could cast aspersions on the many constructive partnerships between banks and community groups that are helping to bring thousands of communities and millions of Americans into the financial mainstream.

Fortunately, however, the bill now substantially limits the scope, reporting requirements, and penalties for violating the disclosure requirements.

The "sunshine" amendment applies only to agreements that would "materially impact" a bank's CRA rating or a regulator's decision to approve a bank's application. Few if any agreements with major banks would have so large an impact. Indeed, it would neither make sense nor be workable to require annual reports for every contract between a bank and every community partner merely because they had discussed how to best meet CRA requirements. In addition, grants and cash payments under $10,000 and loans under $50,000 would be automatically exempted, as would most market rate loans that are not re-lent. I also strongly encourage the regulators to use their authority to exclude agreements with service organizations such as civil rights groups and community groups providing housing or other services in low-income neighborhoods. We have no business interfering with such organizations just because they work with banks, and it is not Congress' intent to do so.

Community groups and other partners of banks would have to make annual reports of how the funds were used, but here again the conferees have substantially scaled back their requirements. The regulators are directed to ensure that the reporting requirements do not impose an undue burden on the parties and that proprietary and confidential information is protected. Organizations with multiple agreements with banks could file a single consolidated report. In addition, the Statement of Managers directs that a bank's partner may, "in keeping with the provisions of this section, fulfill the requirements . . . . by the submission of its annual audited financial statement or its federal income tax return."

Finally, penalties only apply to a community group or another partner of a bank if the party makes a willful and material misrepresentation on a report and then fails to correct the problem after notification and a reasonable period. Only in such a case would an agreement between the bank and its partner become unenforceable.

This summarizes the essential and substantial changes that have been made to the original Senate disclosure provision. However, these provisions are of such potential import that I would like to elaborate in considerable detail on the history of the provision and the intent of the conferees in making the substantial changes reflected in the conference report.

LEGISLATIVE HISTORY

DISCLOSURE PROVISION

Some legitimate concerns have been raised over the potential burden imposed by the disclosure and reporting requirements contained in Section 711 of the bill. The provision in the final bill involved intensive negotiations by both the minority and majority parties which significantly narrowed the scope of the provision, the reporting requirements, and the circumstances under which violations may be found to have occurred and penalties imposed.

The statute provides in new section 48(h)(2)(A) of the Federal Deposit Insurance Act that the appropriate Federal banking agency "shall . . . ensure that the regulations prescribed by the agency do not impose an undue burden on the parties and that proprietary and confidential information is protected. . . ." This is a central component of the provision as agreed to by the conferees. It is the conferees' understanding that this subsection is intended to prevent any overly broad or unduly burdensome reading of the reporting and disclosure requirements of this provision, including the requirements of section 48(c), the reporting requirements placed on non-insured depository institutions that are parties to agreements covered by this provision.

The prohibition in section 48(h)(2)(A) against placing an "undue burden" on the parties applies fully to every subsection of section 48. Section 48(c), which provides for reporting of information by nongovernmental entities or persons, is to be interpreted in light of subsection (h)(2)(A), to prevent any "undue burden" from falling on the parties to a covered agreement. As the Statement of Managers' provides:

> The Federal banking agencies are directed, in implementing regulations under this provision, to minimize the regulatory burden on reporting parties. One way in which to accomplish this goal would be whenever possible and appropriate with the purposes of this section, to make use of existing reporting and auditing requirements and practices

> of reporting parties, and thus avoid unnecessary duplication of effort. The Managers intend that, in issuing regulations under this section, the appropriate federal supervisory agency may provide that the nongovernmental entity or person that is not an insurer depository institution may, where appropriate and in keeping with the provisions of this section, fulfill the requirements of subsection (c) by the submission of its annual audited financial statement or its federal income tax return.

It is intended that, for example, subsection (c)(3) be read to require a "list" of the "categories" of uses to which funds received by the reporting party under covered agreements have been made.

It is not the intent that subsection (c)(3) require a reporting of any particular expense. A reporting entity might, however, include, if applicable an item in their report entitled "administrative expenses," together with the amount, if any, of the funds received under a covered agreement or agreements, if any, expended for such purpose, or, the report might simply consist of an annual financial statement or federal income tax return. As the Statement of Managers states, this requirement could in most instances be fulfilled by the filing of an annual financial statement or federal income tax return.

The statute also directs the appropriate Federal supervisory agency to "establish procedures to allow any nongovernmental entity or person who is a party to a large number of agreements described in subsection (a) to make a single or consolidated filing of a report under subsection (c) to an insured depository institution or an appropriate Federal banking agency." An organization with a large number of such agreements could simply file one summary report, summarizing the information requirement to be provided with respect to covered agreements in a single set of data in a single report, with the depository institution or regulator.

The conferees significantly modified the scope of agreements as to which this provision applies.

First, under subsection (h)(2)(A), this section is to be interpreted so as to avoid placing an "undue burden" on the parties.

Second, an agreement must be made "pursuant to or in connection with the fulfillment of the Community Reinvestment Act," as defined in subsection (e). The term "fulfillment" means a list of factors that the appropriate Federal banking agency determines has a material impact on the agency's decision—(A) to approve or disapprove an application for a deposit facility, or (B) to assign a rating to an insured depository institution under an examination under the Community Reinvestment Act. As noted in the Manager's Statement, the regulator's assessment of material impact is to be based on factors that the regulator "would attach importance to" in approving or disapproving an application or in assigning a particular rating under CRA.

Third, the statute only pertains to agreements in which a party to the agreement receives grants or other consideration in excess of $10,000, or receives loans in excess of $50,000 under the agreement. An agreement under which nothing of value exceeding these amounts is revealed by the party is not covered by this provision.

Fourth, the statute provides for additional safe harbors from the provision. All individual mortgage loans are not covered. Other loans, unless they are substantially below market or involve re-lending to another party, are not covered. Agreements with a nongovernmental entity or person "who has not commented on, testified about, or discussed with the institution, or otherwise contacted the institution, concerning the Community Reinvestment Act" are also not covered. As noted in the Manager's Statement this exception could include a broad range of organizations providing services in low and moderate income areas, including "service organizations such as civil rights groups, community groups providing housing or other services in low-income neighborhoods, the American Legion, community theater groups, and so forth." The conferees are aware that insured depository institutions may list contributions to these organizations as a factor to be evaluated in applications subject to CRA or in examinations under CRA. It is not the conferees' intent that the undertaking of such activities, and listing of such activities in an application or examination by an insured depository institution have any bearing whatsoever on the determination of whether an agreement is required to be disclosed, and as to which reporting is required to be made, under this section.

Fifth, the Federal Reserve Board may, under 48(h)(3)(B), prescribe regulations "to provide further exemptions . . . consistent with the purposes of this section." It is the conferees intent that, consistent with the purposes of this section, including the requirement of subsection (h)(2)(A), the Federal Reserve Board broadly construe its authority to provide for further such exemptions.

In drafting this provision, the conferees were concerned about not "chilling" the atmosphere between community groups and banks by creating uncertainty over whether a particular CRA agreement was covered by the provision. A bank and a community group should be able to determine clearly, up-front under implementing regulations whether their CRA agreement is covered by this provision. The conferees intend that implementing regulations should make clear whether this provision applies to any given CRA agreement. To the greatest extent possible, we do not want community groups and banks to have to report unnecessarily, and we do not want to deter community groups and banks from entering these arrangements by creating confusion. The bank regulators should promulgate regulations so that parties know in advance whether their agreement is covered or not, consistent with the purposes of the provision.

"HAVE AND MAINTAIN" PROVISIONS

The requirement that a banking organization have a "satisfactory" CRA rating is an ongoing requirement in order for it to expand into these new areas. Each and every time that a bank or its holding company seeks to expand into these newly authorized nonbanking lines of business—such as securities underwriting or insurance—their insured depository affiliates must have a "satisfactory" CRA rating. This requirement applies each time the banking organization commences one of these nonbanking activities, or acquires or merges with another company in a nonbanking area. The Conference Report would therefore extend enforcement of CRA, in that under the Act, a bank's CRA record would be taken into consideration in determining whether the bank or its holding company can expand into nonbanking activities.

Today, banks are permitted to expand into nonbanking activities—to the extent permitted by current law—without any consideration of their CRA performance at all. The Federal Reserve Board reports that it has approved thousands of applications for such expansions, and the current law does not impose any CRA review on these nonbank expansions at all. Under the Conference Report, each of the insured depository affiliates of banking organizations must have a "satisfactory" CRA rating at the time it expands into the nonbanking area. This is a new requirement, and for the first time makes satisfactory CRA performance a prerequisite to entering these nonbanking lines of business.

There are two major enforcement provisions for this requirement. First, if the banking organization violates the prohibition against entering these nonbanking lines of business without its affiliated banks having a satisfactory CRA rating, all the penalties of the Federal Deposit Insurance Act apply. The FDIA penalties for noncompliance include divestiture and cease and desist orders, civil money penalties, and removal of officers and directors. Second, by not earning a "satisfactory" CRA rating, a bank and its holding company would be prohibited from entering these new lines of business. In effect, that imposes a high opportunity cost in missed business opportunities, and creates a powerful imperative for the holding company to ensure that its affiliated and subsidiary banks maintain at least a satisfactory CRA rating.

The bill does not affect the existing application process for banks acquiring or merging with other banks, in which the regulators review the banks' CRA record and the public has an opportunity to comment. The existing procedures for bank mergers or acquisitions with other banks are preserved fully intact. There are no changes.

SMALL BANK CRA EXAMINATION CYCLE

Although the statute sets a time line for examinations of banks under $250 million in assets that are currently rated "outstanding", the regulators nonetheless retain the full discretion to examine any bank at any time for reasonable cause. Section 712 of the statute states: "a regulated financial institution described in subsection (a) may be subject to more frequent or less frequent examinations for reasonable cause under such circumstances as may be determined by the appropriate Federal financial supervisory agency." This means that regulators retain full discretion to examine any bank for CRA compliance at any time for reasonable cause. For example, the bank's local market conditions may have changed significantly so that the bank's lending should have adjusted accordingly, or a change in bank management may have redirected the bank's lending practices such that the regulators find reasonable cause to conduct a CRA examination outside the routine cycle. The public could send comments to the bank regulators at any time regarding the CRA performance of any banks—even if outside the routine CRA examination or application process—and if the regulators find reasonable cause to do so, they could conduct a CRA exam of that bank. The public may comment to the regulators regarding a particular bank so that regulators can make a fully informed judgment about whether there is "reasonable cause" to conduct a CRA exam outside the routine cycle. Of course, regulators must come to their own conclusions about whether such an "off-cycle" CRA exam is justified, but public comment to the regulators can be valuable to their decisionmaking.

With regard to section 712, this provision does not affect the regulators' judgment about when to examine banks under $250 million with a less than satisfactory rating. This provision is not indented by the conferees to limit the regulators from examining small banks with less than satisfactory records as they deem appropriate. My understanding is that the bank regulators' current practice is to conduct CRA examinations of banks with less than satisfactory CRA records as often as every 6–18 months. This provision does not restrict or direct their judgment for those banks. CRA examinations in connection with applications for bank mergers and acquisitions are also not affected by these provisions in any way. The provision also does not in any way affect the current law's requirements to take into account an institution's CRA record of meeting the credit needs of its community when banks are merging or acquiring other banks, or for any application for a depository facility.

PRIVACY

For the first time, this bill imposes substantial privacy protections for consumers under federal law in the financial services context. The privacy provisions of the bill:

Impose on all financial institutions an "affirmative and continuing obligation" to respect the privacy of customers and the security and confidentiality of their personal information;

Requires the federal regulators to issue institutional safeguards that will protect customers against unauthorized access to and use of their personal information;

Requires that consumers be provided with notice and an "opt-out" opportunity before their financial institutions can disclose any personal financial information to unaffiliated third parties;

Prohibits financial institutions from sharing with unaffiliated parties any credit card, savings and transaction account numbers or other means of access to such accounts for purposes of marketing;

Prohibits unaffiliated third parties that receive confidential information from sharing that information with any other unaffiliated parties;

Requires financial institutions to fully disclose to customers all of their privacy policies and procedures;

Amends the Fair Credit Reporting Act to strengthen and expand regulatory authority to detect and enforce against violations of credit reporting and consumer privacy requirements.

These are the very same privacy provisions that passed the House by a virtually unanimous 427–1 vote. In fact, the provisions actually represent a strengthening of the House product in two key respects. First of all, the disclosure requirement has been extended to cover a financial institution's practices on information-sharing within the affiliate structure, allowing consumers to comparison shop based on a company's privacy policies. Secondly, the conference report totally safeguards stronger state consumer protection laws in the privacy area.

Section 502(d) of the conference report contains a broad prohibition against the disclosure of a consumer's account number or similar form of access device by a financial institution to any non-affiliated third party for use in direct marketing. The agencies with rulemaking authority under the legislation may grant exceptions to this prohibition if "deemed consistent with the purposes of this subtitle." The report language makes clear that any exceptions to this strict prohibition are to be narrowly drawn and my be deemed consistent with the purposes of the bill only where three factors are present: (1) The customer account number or access device is encrypted, scrambled or decoded, (2) the customer provides express consent to the financial institution to make such disclosure prior to the time of the disclosure; in other words, the customer "opts–in" to such disclosure with the financial institution, and (3) such disclosure is necessary to service or process a transaction that the customer expressly requests or authorizes.

The joint marketing provision sought to narrow the potentially unequal application of privacy restrictions between larger financial entities that operate through affiliates and smaller banks and credit unions that must contract with outside institutions to provide basic financial services such as credit cards or mortgages to customers. It is important to note that the provision contains at least four levels of restrictions to limit its application. The joint marketing exception applies only to agreements under which one financial institution markets the products of another or markets financial products on the other institution's behalf. Permissible joint agreements and financial products would be limited by federal regulation and any sharing of information must be clearly disclosed and subject to strict confidentiality contracts.

OTHER CONSUMER AND COMMUNITY PROTECTIONS

The bill contains important other new consumer and community protections.

It:

Provides extensive new consumer protections in connection with bank sales of insurance products, including prohibitions against tying, misrepresentation or conditioning of credit on purchases of other products; clear disclosure of the risks associated with insurance products; separation of insurance sales from routine banking activity; and new federal procedures to resolve consumer complaints;

Provides new consumer protections as prerequisites for bank sales of investment products, including full disclosures regarding potential risks and the uninsured status of the products, and sales practices standards restricting such sales to qualified brokers and to areas separated from routine banking activity;

Expands small business and rural development lending by making Federal Home Loan Bank advances available for small business, small farm and agribusiness lending by smaller community banks;

Creates a new federal "Program for Investment in Microentrepreneurs" (PRIME) to provide technical assistance and capacity building grants for small or disadvantaged business with less than five employees that have limited access to business financing;

Prohibits discrimination against victims of domestic violence in the underwriting, pricing, sale, renewal of any insurance product and in the settlement of any claim;

States Congressional intent that financial advisors shall provide financial advice and products to women in an equal, nondiscriminatory manner.

MUTUAL REDOMESTICATION

A bill of this breadth will inevitably include some elements that are highly problematic and objectionable. I strongly oppose the conference report language on redomestication of mutual insurers.

This provision is not only not in the public interest, it is blatantly anti-consumer. It would circumvent well-designed and carefully considered state policy regarding the redomestication of mutual insurance companies. It has little or nothing to do with financial services modernization. Rather it serves to undermine state law, which seeks to protect our constituents, for the benefit of a few.

The conference report could place as many as 35 million policyholders at risk of losing $94.7 billion in equity. This amounts to a Congressionally approved taking of consumers' personal property. I believe this provision will not withstand legal scrutiny and should and will be the subject of legal challenge in the courts.

This provision would allow mutual insurers domiciled in states whose legislatures have elected not to allow mutual insurers to form mutual holding companies to escape that legislative determination. It would allow mutual insurers to move simply because a state, through its duly elected representatives, has determined that formation of mutual holding companies is not in the best interest of the state or its mutual insurance policyholders who are, after all, the owners to the company. This conference report will preempt the mutual insurance laws in approximately 30 states.

CONCLUSION

Overall, the conference report represents a reasonable and fair balance on a wide variety of difficult issues. Because of the many benefits this legislation provides for consumers, communities and the U.S. financial services industry, I offer my strong support to the legislation.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily

Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, November 9, 1999 may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

NOVEMBER 10

Time to be announced
Judiciary
Business meeting to consider pending calendar business.
Room to be announced

10 a.m.
Governmental Affairs
Health, Education, Labor, and Pensions
To hold joint hearings on federal contracting and labor policy, focusing on the Administration's change in procurement regulations.
SD-628

1 p.m.
Governmental Affairs
Investigations Subcommittee
To hold hearings to examine the vulnerabilities of United States private banks to money laundering.
SD-628

2 p.m.
Judiciary
To hold hearings on pending nominations.
SD-226

SENATE—*Tuesday, November 9, 1999*

The Senate met at 9:31 p.m. and was called to oder by the President pro tempore [Mrs. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

In 1780, Samuel Adams said, If you carefully fulfill the various duties of life, from a principle of obedience to your heavenly Father, you will enjoy a peace that the world cannot give nor take away.

Let us pray.

Gracious Father, we seek to be obedient to You as we fulfill the sacred duties of this Senate today. May the Senators and all who assist them see the work of this day as an opportunity to glorify You by serving our country. We renew our commitment to excellence in all that we do. Our desire is to know and do Your will. Grant us a profound experience of Your peace, true serenity in our soul that comes from complete trust in You, and dependence on Your guidance. Free us from anything that would distract or disturb us as we give ourselves totally to You for the tasks and challenges of this day. In our Lord's name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable GEORGE VOINOVICH, a Senator from the State of Ohio, led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDING OFFICER (Mr. VOINOVICH). The acting majority leader is recognized.

Mr. SPECTER. I thank the Chair.

SCHEDULE

Mr. SPECTER. On behalf of our distinguished majority leader, I have been asked to make the following announcements.

Today the Senate will resume consideration of the bankruptcy reform legislation with 1 hour of debate on the pending minimum wage amendments. Following the debate, the Senate will proceed to two rollcall votes at approximately 10:30 a.m. There are numerous pending amendments, and others are expected to be offered and debated during today's session. Therefore, Senators may anticipate votes throughout the day. Progress is being made on the appropriations issues, and it is hoped that those remaining issues can be resolved prior to the Veterans Day recess.

BANKRUPTCY REFORM ACT OF 1999—Resumed

Pending:

Kohl amendment No. 2516, to limit the value of certain real or personal property a debtor may elect to exempt under State or local law.

Sessions amendment No. 2518 (to amendment No. 2516), to limit the value of certain real or personal property a debtor may elect to exempt under State or local law.

Feingold (for Durbin) amendment No. 2521, to discourage predatory lending practices.

Feingold amendment No. 2522, to provide for the expenses of long term care.

Hatch/Torricelli amendment No. 1729, to provide for domestic support obligations.

Leahy/Murray/Feinstein amendment No. 2528, to ensure additional expenses and income adjustments associated with protection of the debtor and the debtor's family from domestic violence are included in the debtor's monthly expenses.

Leahy amendment No. 2529, to save United States taxpayers $24,000,000 by eliminating the blanket mandate relating to the filing of tax returns.

Wellstone amendment No. 2537, to disallow claims of certain insured depository institutions.

Wellstone amendment No. 2538, with respect to the disallowance of certain claims and to prohibit certain coercive debt collection practices.

Kennedy amendment No. 2751, to amend the Fair Labor Standards Act of 1938 to increase the Federal minimum wage.

Domenici amendment No. 2547, to increase the Federal minimum wage and protect small business.

Feinstein amendment No. 1696, to limit the amount of credit extended under an open end consumer credit plan to persons under the age of 21.

Feinstein amendment No. 2755, to discourage indiscriminate extensions of credit and resulting consumer insolvency.

Schumer/Durbin amendment No. 2759, with respect to national standards and homeowner home maintenance costs.

Schumer/Durbin amendment No. 2762, to modify the means test relating to safe harbor provisions.

Schumer amendment No. 2763, to ensure that debts incurred as a result of clinic violence are nondischargeable.

Schumer amendment No. 2764, to provide for greater accuracy in certain means testing.

Schumer amendment No. 2765, to include certain dislocated workers' expenses in the debtor's monthly expenses.

Levin amendment No. 2768, to prohibit certain retroactive finance charges.

Levin amendment No. 2772, to express the sense of the Senate concerning credit worthiness.

LABOR-HHS APPROPRIATIONS

Mr. SPECTER. Mr. President, I wish to make a brief comment, if I may, on one of the items referred to in a statement by the majority leader about the appropriations process, which I think will be of interest to our colleagues and perhaps to others who may be watching on C-SPAN 2.

We had negotiations beginning at 4 o'clock on Sunday afternoon with officials from the White House, and we are trying to resolve those issues in a spirit of accommodation. With respect to the dollars involved, the bill which came out of the Appropriations Committee was $93.7 billion for the three Departments. That was $600 million more than the President's figure, and it was $300 million more than the President's figure on education.

I worked on a bipartisan basis with my distinguished colleague, Senator HARKIN. The bill was crafted with what we thought was the right dollar amount—frankly, the maximum amount—to pass with votes in substantial numbers from Republicans and an amount which would be acceptable to Democrats and to the President because it was somewhat higher than his figure and we emphasized increased funding for the National Institutes of Health.

The administration has come back with a figure of $2.3 billion additional, and Congressman PORTER and I made an offer yesterday to add $228 million, provided we could find offsets because it is very important that we not go into the Social Security trust funds. So that whatever dollars we add to accommodate the President's priorities—we are going to have to have offsets on priorities which the Congress has established. We are prepared to meet him halfway on priorities on dollars—we are going to have to have offsets on priorities which the Congress has established.

There is a much more difficult issue in this matter than the dollars, although the dollars are obviously of great importance, and the issue which is extremely contentious is what will be done on the President's demand to have $1.4 billion to reduce classroom size to have additional teachers.

The Senate bill has appropriated $1.2 billion which maintains the high level of last year's funding. When it comes to the issue of the utilization of that money, we are prepared to acknowledge the President's first priority of reduction of classroom size for teachers. But if the local school board makes a factual determination that is not the real need of the local school board,

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

then we propose that the second priority be teacher training. If the local school board decides that is not where the money ought to be spent, then we propose to give it to the school board the discretion as to the spending to local education, as opposed to a straitjacket out of Washington.

The White House Press Secretary has issued a statement this morning saying that these funds could be used for vouchers, and that is not true. That is a red herring. To allay any concern, we will make it explicit in the bill that the President's concern about the use of these funds for vouchers will be allayed. We are prepared to make that accommodation, although there had never been any intent to use it for vouchers. However, we will make that intent explicit in the bill.

Behind the issue of classroom size and the President's demand is a much greater constitutional issue. That is the constitutional issue of who controls the power of the purse. The Constitution gives the authority to the Congress to establish spending priorities, and we have seen a process evolve in the past few years which does not follow the constitutional format. The Constitution is very specific that each House will decide on a bill, have a conference, and send that bill to the President for his signature or for his veto; and if he vetoes it, the bill then comes back to the Congress for reenactment. But what has happened in the immediate past has been that executive branch officials sit in with the appropriators and are a part of the legislative process, which is a violation of the principle of separation of powers. Now, I must say that I have been a party to those meetings because that is what is going on. But I want to identify it as a process which is not in conformity with the Constitution. It is something we ought to change. When it comes to the power and the control, what we have seen happen in the last 4 years is that the President has really made an effort, and to a substantial extent a successful effort, to take over the prerogative of the Congress on the power of the purse.

When the Government was closed in late 1995 and early 1996, the Republican-controlled Congress was blamed for the closure. That, candidly, has made the Congress gun-shy to challenge the President on spending issues. Since that time there has been a concession to the President on whatever it is that he wants, sort of "pay a price to get out of town" when people are anxious to have the congressional session adjourn.

Speaking for myself and I think quite a few others in the Congress are not going to put on the pressure to get out of town. We are going to do the job and do it right. Senator LOTT held a news conference yesterday and was asked about the termination time. He said he thought it was possible to finish the public's business by the close of the legislative session on Wednesday, which is tomorrow, but it was more important, as Senator LOTT articulated, to do it right than get it finished by any arbitrary deadline. I concur totally with Senator LOTT. I think it is possible to get the business finished by the end of the working day tomorrow. But it is more important to get it right than to get it finished on any prescribed schedule. In modern times there is too much concern about getting out of town, than perhaps getting the job done right. But we are determined to get it done and to get it done right. If we can get it done by the end of business tomorrow, that is what our goal is. But we are not going to sacrifice getting it done right in order to be able to finish up by Wednesday afternoon to get out of town.

Mr. KENNEDY. Will the Senator yield for a question? Will the Senator yield for a question?

Mr. SPECTER. No, I will not yield here, but I will in just a minute.

What we have seen is the President's ultimatum. He says this issue on schoolteachers is nonnegotiable. That is hardly the way you get into a negotiation session. Then his Chief of Staff, John Podesta, said on Sunday that if the Congress wants to get out of town they are going to have to accede to the President's demands on teachers, to do it his way. I think that is not appropriate. Congress has the power of the purse under the Constitution. It is our fundamental responsibility on appropriations. We are prepared to negotiate, but we are not prepared to deal with nonnegotiable demands. We are not prepared to deal with ultimatums. We are going back into a session—I don't know whether I should call it a negotiating session or not, because the President talks about nonnegotiable demands. Frankly, I am prepared to meet that with a nonnegotiable demand, not giving up on our prerogative to make a determination as to how the money is to be spent and getting local control over a Presidential straitjacket.

Now I would be delighted to yield to my distinguished colleague from Massachusetts.

Mr. KENNEDY. I wanted to inquire of the desk what the Senate business was supposed to be? I was under the impression we were supposed to be, at 9:30, on the minimum wage.

The PRESIDING OFFICER. Does the Senator yield the floor?

Mr. SPECTER. I have concluded. I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I ask we extend the time. How much time did the Senator from Pennsylvania expend?

Mr. DOMENICI. What was the question?

Mr. KENNEDY. I asked how much time the Senator from Pennsylvania used?

The PRESIDING OFFICER. The Republican side has 19 minutes left.

Mr. KENNEDY. Just as a matter of inquiry, were taken out of the time of the debate. Is that correct?

The PRESIDING OFFICER. Taken out of the Republican time.

Mr. KENNEDY. OK. Mr. President, I yield myself 12 minutes.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I listened to the Senator from Pennsylvania's comments with great interest. I will mention very briefly in defense of the administration, although they can make the case quite well for themselves that if the Appropriations Committee had finished their business on time we would not be in this particular dilemma. Only four appropriations bills were actually completed on time for the fiscal year. So with all respect to our friend on the other side, if the appropriators had placed, particularly the HEW appropriations, first rather than last, I do not think we would be having these kinds of problems in the areas of negotiation between the President and the Congress.

Second, the basic program which the President has been fighting for in this negotiation is almost identical to what the Republicans supported last year. With all respect to the comments we have just heard, the fact is if the classes reach the goals, the 15 percent set-aside for funding for smaller class sizes can be used to enhance the teacher training. If the school had already achieved the lower class size of 18, it would be used for special needs or other kinds of professional purposes.

So it is difficult for me to understand the frustration of the Senator from Pennsylvania when the Republican leaders all effectively endorse what the President talked about last year. If their position is not sustained, there are going to be 30,000 teachers who are teaching in first, second, and third grades who are going to get pink slips. I don't think the problem in education is having fewer schoolteachers teach in the early grades but to have more.

I want to make clear I am not a part of those negotiations this year, but I was last year. I know what the particular issue is. With all respect to those who are watching C-SPAN II, I want them to know the President is fighting for smaller class sizes as well as for better trained teachers. We have seen Senator MURRAY make that presentation and make it effectively time and again. I think it is something that parents support, teachers understand, and children have benefited from. No one makes that case more eloquently than the Senator from the State of Washington. But I certainly hope the

President will continue that commitment. We have scarce Federal resources. They are targeted in areas of particular need. That is the purpose of these negotiations. I hope we can conclude a successful negotiation.

Mr. DOMENICI. Will the Senator yield on my time?

Mr. KENNEDY. On your time, yes.

Mr. DOMENICI. Just for an observation. He might want to answer it.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, the truth of the matter is if schools want the new teachers, under the proposal of the distinguished chairman who just took to the floor to explain the obstinacy of the President, they can have the money for teachers. That is what he is saying. It is up to them. If they want all the money that comes from this appropriation used for teachers, they can have it. If they say, we don't need them, we don't want them, he is saying there is a second priority.

Frankly, I think that is excellent policy with reference to the schools of our country. I believe the Senator from Pennsylvania makes a good point. For the President to continue to say we are not going to get this bill unless we do it exactly his way leaves us with no alternative. We have some prerogatives, too. The fact is, if you read the Constitution, he doesn't appropriate; the Congress does.

I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, just to respond, we have a need for 2 million teachers. We have scarce Federal resources. If the States or local communities want to do whatever the Senator from New Mexico says, all well and good. But we are talking about scarce Federal resources that are targeted in ways that have been proven effective in enhancing academic achievement and accomplishment.

I am again surprised. The Republicans were taking credit for this last year. I was in the negotiations. Mr. GOODLING and Mr. Gingrich—as we were waiting to find out whether the powers that be, the Speaker, was going to endorse this, when we were waiting and having negotiations—went out and announced it and took credit for it. They took credit for this proposal of the President.

I find it a little difficult to understand this kind of frustration that is being demonstrated here. But we will come back to this and Senator MURRAY can address these issues at a later time. I certainly hope the President will not flinch in his commitment to getting smaller class sizes and better trained teachers and after school programs. That is what this President has been fighting for. I hope he will not yield at this time in these final negotiations, after we have only had four appropriations that have met the deadline. Before we get all excited about these negotiations, if our appropriators had completed this work in time, we would not be here.

Mr. DURBIN. Will the Senator yield for a question?

Mr. KENNEDY. How much time do we have? I will be glad to yield.

The PRESIDING OFFICER. The Senator has 24 minutes.

Mr. KENNEDY. Good. I am glad to yield.

Mr. DURBIN. Mr. President, briefly, I ask my colleague, is it not true this appropriation for education was the last of the bills considered by the Appropriations Committee? Is it not true that we waited until the very last day to even bring up this issue of education, the highest priority for American families? Now we find ourselves trying to adjourn, stuck on an issue that could have been resolved months ago had we made education as high a priority on Capitol Hill as it is in family rooms across America.

Mr. KENNEDY. The Senator is absolutely correct. The Senator from Illinois, the Senator from California, and I know the Senator from Washington as well, had hoped—and I believe I can speak for our Democratic leader—this would be the No. 1 appropriation and not the last one. If we had this as the No. 1 appropriation on the issue of education, we would not have these little statements we have heard this morning. But it is the last one. That is not by accident; that is by choice of the Republican leadership.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Twenty-three minutes.

Mr. KENNEDY. Mr. President, I yield myself 7 minutes.

In a few moments, we will be voting on the minimum wage issue that is before the Senate. I want to review what the record has been over the last 2 years.

In September of 1998, we brought up the minimum wage issue, and were unable to bring that to a vote on the basis of the merits. The Republican leadership said no.

In March of 1999, we tried to bring up this issue. Again, we were denied an opportunity to vote on it.

In April of 1999, we brought it up again as an amendment on Y2K. We were denied an opportunity to have a full debate.

In July of 1999, we brought it up again, and again we were turned down.

Now we have the minimum wage legislation before us, and in a cynical move, the Republican leadership said: Even if you get the passage of the minimum wage, it "ain't" going to go any further; the President isn't going to see it; it is going to end.

It is a sham. Their effort is basically a sham. That is the position in which we find ourselves today.

We know Americans are working longer and harder. The working poor are working longer and harder than at any time in the history of our country. We know that over the last 10 years, women are working 3 weeks longer a year in order to earn the minimum wage and men are averaging 50 hours a week. These are some of the hardest working men and women in the country.

At the height of the minimum wage in the late 1960s, it had the purchasing power that $7.49 would have today. If we are not able to raise the minimum wage this year and next, its value will be at an all-time low—in a time of extraordinary prosperity in this country. That is fundamentally wrong.

A vote for the Republican amendment will not help working families. It is, in fact, an insult to low-wage workers. It robs them of over $1,200 as compared to the Democratic proposal, and it drastically undermines the overtime provisions in the Fair Labor Standards Act which has been the law for over 60 years.

The Republican proposal jeopardizes the overtime pay of 73 million Americans. The Republicans did not water down their own pay increase of $4,600. They are now watering down the increase in the minimum wage, and they are watering down overtime. On the one hand, they are giving an inadequate increase in the minimum wage and taking it back by cutting back on overtime. That is a sham. That is a cynical attempt to try to win support for working families from those who are trying to do justice for those individuals.

We can ask, What difference does an increase in the minimum wage make?

Cathi Zeman, 52 years old, works at a Rite Aid in Canseburg, PA. She earns $5.68 an hour. She is the primary earner in the family because her husband has a heart condition and is only able to work sporadically. What difference would an increase in the minimum wage mean to Cathi and her family? It would cover 6 months of utility bills for Cathi's family.

Kimberly Frazier, a full-time child care aide from Philadelphia testified her pay of $5.20 an hour barely covers her rent, utilities, and clothes for her children. Our proposal would mean over 4 months of groceries for Kimberly and her kids.

The stories of these families remind us that it is long past time to raise the minimum wage by $1 over 2 years. We cannot delay it. We cannot stretch it out. We cannot use it to cut overtime. And we cannot use it as an excuse to give bloated tax breaks to the rich.

Members of Congress did not blink in giving themselves a $4,600 pay raise. Yet they deny a modest increase for those workers at the bottom of the economic ladder. I do not know how Members who voted for their own pay increase but I do not know how Members who vote against our minimum wage proposal will be able to face their constituents and explain their actions.

It is hypocritical and irresponsible to deny a fair pay raise to the country's lowest paid workers. Above all, raising the minimum wage $1 over 2 years and protecting overtime pay is about fairness and dignity. It is about fairness and dignity for men and women who are working 50 hours a week, 52 weeks of the year trying to provide for their children and their families.

This is a women's issue because a great majority of the minimum-wage workers are women. It is a children's issue because the majority of these women have children. It is a civil rights issue because the majority of individuals who make the minimum wage are men and women of color. And it is a fairness issue. At a time of extraordinary prosperity this country ought to be willing to grant an increase to the hardest working Americans in the nation—the day-care workers, the teachers aides. They deserve this increase. Our amendment will provide it, and the Republican amendment will not.

Mrs. BOXER. Will the Senator yield for a question?

Mr. KENNEDY. I yield for a question.

Mrs. BOXER. I thank my colleague for yielding. I say to the Senator from Massachusetts how much I appreciate him pushing this forward and how important it is to all of our States. I bring out an article that ran in the paper yesterday and today about the status of children in my home State of California, by far the largest State. I want my friend to respond to these numbers because they really say it.

This is what it says:

> Despite a booming economy that has seen a tide of prosperity wash over California in recent years, nearly 1 in 4 children under 18 in the Golden State lives in poverty. . . .
>
> Although the annual "California Report Card 1999" laments that so many children live in poverty, it paints an especially bleak portrait of a child's first four years of life.

Lois Salisbury, president of Children Now, says:

> Among all of California's children, our littlest ones . . . face the most stressful conditions of all. . . .
>
> At a time when a child's sense of self and security is influenced most powerfully, California deals them a [terrible] hand.

I say to my friend, this issue he is raising is so critical. We all say how much we care about the children. Every one of us has made that speech. Today the rubber meets the road. If you care about children, you have to make sure their parents can support them.

My last point is, and I will yield for the answer, I wonder if my friend has seen the New York Times editorial that says:

> The Senate will vote today on a Republican-sponsored amendment to raise the minimum wage and they say sadly the Republicans are not content to do this good deed and go home. They have loaded the amendment with tax cuts that are fiscally damaging and cynically focused on wealthy workers. Almost all of the Republican tax cuts go to the wealthy.

One of the economists who looked at this said:

> It would encourage the reduction of contributions made by employers to the pensions of the lowest paid workers.

Can my friend comment on the importance of this proposal to children and also this cynical proposal that our colleagues on the other side are presenting?

Mr. KENNEDY. The Senator has raised an enormously important point. Americans who are working in poverty, which is at the highest level in 20 years, are working longer and harder than ever. The men work 50 hours a week or more on average and the women work an average of 3 weeks more a year. They have less time—22 hours less—to spend with their children than they did 10 years ago. That is why this is a children's issue, as the Senator has pointed out.

On the issue the difference between the Republican and the Democratic proposals, the Republicans say that their proposal makes some difference for those individuals who are going to get an increase in the minimum wage over 3 years.

This is a raw deal for them. On the one hand, they give them an increase in the minimum wage, and on the other hand they take back the overtime for 73 million Americans. It is a cynical sham, and it is a cynical sham because the majority leader has said even if it passes, it will never go out of this Chamber. That is the attitude toward hard-working men and women who are trying to play by the rules and get along at a time when they have the lowest purchasing power in the history of the minimum wage and we have the most extraordinary prosperity. And then they insult these workers even further by adding a $75 billion tax break over 10 years. And then we just heard about the difficulty we are having in conference about $1 billion on education because they say we cannot afford to do things, but the same side is suggesting a $75 billion tax break. Where are they getting their money? So it is a cynical play.

I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. CRAPO). Who yields time?

Mr. DOMENICI. Mr. President, I yield 5 minutes to the Senator from Minnesota off our time.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. I thank the Senator from New Mexico.

Mr. President, I rise today to offer my enthusiastic support for the package of tax proposals introduced by Senator DOMENICI. I'm enthusiastic, in part, because it contains a provision that is very important to me—above-the-line deductibility of health insurance for individuals.

Over 40 million American workers didn't have health insurance in 1997. The number has increased in the last two years to 44 million. This is disturbing, but I believe there is something Congress can do to help without resorting to a national health care system.

Mr. President, when employers purchase a health plan for their employees, he or she can fully deduct the costs of providing that insurance, effectively lowering the actual costs of providing coverage.

However, when an employee purchases an individual policy on their own, they must do so with after tax-dollars. They don't have the ability or the advantage offered to employers to reduce the actual costs of the policy by deducting premiums from their taxes every year. Therefore, they often wind up without any health coverage at all.

Earlier this year, I introduced the Health Care Access Act, which would have ended this discrimination within the Tax Code and make health care available for many more Americans by allowing the full deduction of health insurance for those without access to employer-subsidized health coverage.

We have a tax code that discriminates against some, while favoring others. Clearly, this results in fewer people being covered.

The amendment before us today takes a slightly different approach, but its goal is the same—to level the tax-playing field. By allowing individuals without access to employer-sponsored health insurance, or those whose employers do not cover more than 50 percent of the cost of coverage, to deduct those costs regardless of whether they itemize or not, we can address a growing segment of our uninsured population by doing this.

Under this amendment, from 2002 to 2004, eligible employees can deduct 25 percent of costs, 35 percent in 2005, 65 percent in 2006, and 100 percent after that.

If there are no changes in the health care system and no significant downturn of the economy, we can expect the number of uninsured to reach 53 million over the next ten years. This translates into 25 percent of non-elderly Americans without coverage.

Forty-three percent of the uninsured are in families with incomes above 200 percent of the federal poverty level. Twenty-eight percent of the uninsured work for small firms and 18 percent of all uninsured are between the ages of 18 and 24.

The question that comes to mind is, if we're experiencing record growth in our economy and the unemployment rate is declining, why is the number of uninsured continuing to rise? The answer is costs.

In the event a small business can offer a health plan to its employees, many times it is at a higher cost to the employee than it would be if the employee were to have a job at a larger firm. In this instance, employees have to decide if they believe their health status is such that they can go without health insurance, or if they should spend after-tax dollars to pay for a larger portion of their health insurance. Here is where we have the difficulty.

Individuals employed by small businesses which can't afford to pay more than 50 percent of the monthly premiums for their employees should be able to have the same tax advantage as the employer in paying for their health insurance. Under our plan today, they will. In fact, because the tax deduction is what we call "above-the-line," meaning if would be available to everyone—even if they don't itemize their taxes—we attack the most significant barrier to health coverage again, which is its costs, and move closer to eliminating all barriers to health coverage.

In other words, get more Americans covered by allowing them the deductibility of the costs.

I am also pleased that this amendment includes many other important components such as pension reform and small business tax relief.

We are talking about tax relief for small businesses, not the wealthiest as you hear from the other side of the aisle, but tax relief pinpointed at the hard-working Americans in this country who are also job providers.

Retirement income security is crucial for millions of American workers. This amendment reforms and enhances current pension laws to ensure workers will achieve income security upon retirement. It repeals the unnecessary temporary FUTA surtax, which has become a burden to many small businesses. The amendment allows millions of self-employed Americans to deduct 100 percent of their health insurance costs. This is a critical provision because 61 percent of the uninsured in this country are from a family headed by an entrepreneur or a small business employee.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. GRAMS. I ask for 2 more minutes.

Mr. DOMENICI. I yield the Senator 2 additional minutes.

Mr. GRAMS. In wrapping up, the amendment increases small business expensing to $30,000. This change alone means an extra $3,850 in tax savings for each small business in new equipment next year. This amendment also allows small business to increase the meal and entertainment expense tax deduction. The Work Opportunity Tax Credit has helped millions of Americans leave welfare programs and become productive workers in our economy. This amendment makes the WOTC permanent, so small businesses and former welfare recipients will continue to benefit from the Work Opportunity Tax Credit.

It seems unfair to me that in a time of prosperity we hear our colleagues on the other side talking about tax increases. Again, in their plan, they would impose new, even higher taxes. They talk about minimum wage; they are taxing and taxing and taxing those people as they enter the job market. What we need is a plan that will reduce taxes, not increase taxes.

America's small business is the key to our economic growth and prosperity. The health care, pension reform and tax relief measures included in this amendment will help small business continue to work for America and will allow millions of Americans to realize the American Dream.

Again, that is why I rise today to enthusiastically offer my support for the tax package proposed by Senator DOMENICI.

Mr. President, I yield the floor.

Mr. DOMENICI. Mr. President, how much time does each side have remaining?

The PRESIDING OFFICER. The Senator from New Mexico controls 11 minutes 40 seconds; the Senator from Massachusetts controls 13 minutes.

Mr. DOMENICI. How much time would you like, I ask Senator NICKLES?

Mr. NICKLES. Four or 5 minutes.

Mr. DOMENICI. I yield 4 minutes to Senator NICKLES.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, first, I commend my colleague from New Mexico for the work that he has done in providing a more realistic substitute. But the first vote we are going to have today is voting on a motion to table the Kennedy amendment. I urge my colleagues to vote against the Kennedy amendment for a lot of different reasons, one of which is that it dramatically increases the minimum wage—about 20 percent over the next 13½ months. That is a big hit for a lot of small businesses. I am afraid it will prevent a lot of people, low-income people, who want to get their first jobs—they may not be able to get them. Estimates by some of the economists, CBO, and others, are that it could be 100,000 people; it could be 500,000 people that lose their jobs. It is a big hit.

There are a lot of other reasons to oppose the Kennedy amendment. How many of our colleagues know it has a $29 billion tax increase, that it extends Superfund taxes? We do not reauthorize the Superfund Program, but we extend the taxes. Many of us agree we need to extend the taxes when we reauthorize the program, but not before and that is in there anyway.

There is a tax increase on business. I received a letter from all the business groups opposing it. It is practically an IRS entitlement program, so they can go after anything they want.

It deals with "Noneconomic attributes," whatever that means, it is a $10 billion tax increase. It may sound good and some people say that it is just to close loopholes. But it is to give IRS carte blanche to go after anything and everything they want. We reformed IRS and curbed their appetite somewhat, and regardless of those efforts this would be saying: Hey, IRS, go after anybody and everybody.

There is also a provision in the Democrat proposal that hits hospice organizations right between the eyes.

I have put letters from outside organizations addressing this very issue on Members' desks so they may see it for themselves. I ask unanimous consent to print in the RECORD three letters from various hospice organizations.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NATIONAL ASSOCIATION FOR HOME CARE,
Washington, DC, November 8, 1999.

DEAR SENATOR: The National Association for Home Care (NAHC) represents home health agencies and hospices nationwide. While generally speaking, NAHC is supportive of efforts to maintain a reasonable minimum wage, a proposed amendment to S. 625 creates serious concerns for hospices across the country.

The proposed amendment would create a civil monetary penalty for false certification of eligibility for hospice care or partial hospitalization services. This proposal would impose a civil monetary penalty of the greater of $5,000 or three times the amount of payments under Medicare when a physician knowingly executes a false certification claiming that an individual Medicare beneficiary meets hospice coverage standards. On its face, this provision is addressed only to those physicians that intentionally and purposefully execute false certifications. However, the impact of a comparable provision on the access to home health services, as added to the law as Section 232 of the Health Insurance Portability and Accountability Act of 1996, should caution Congress in expanding the provision to apply to hospice services.

Immediately after the physician community became aware of the 1996 amendment, physicians expressed to home health agencies across the country great hesitancy to remain involved in certifying the homebound status of prospective home health patients. The vagueness of the homebound criteria and the stepped up antifraud efforts of the Health Care Financing Administration brought a chilling effect to physicians. As a result, home health agencies reported that physicians became less involved with homecare patients rather than increasing their involvement as had been recommended by the Office of Inspector General of the U.S. Department of Health and Human Services.

We believe that a comparable physician reaction will occur if this provision of law is extended to hospice services. A recent study reported in the Journal of the American Medical Association indicates that many eligible people may be denied Medicare hospice benefits because the life expectancy of patients with a chronic illness is nearly impossible to predict with accuracy. Medicare requires that the patient's physician and the hospice medical director certify that the patient has no more than six months to live in order to secure entitlement to the Medicare hospice benefit. The foreseeable result of the proposed amendment would be to further discourage physicians from utilizing hospice services for terminally ill patients. The existing scientific and clinical difficulties in accurately predicting the life expectancy of a patient combined with the threat of additional civil monetary penalties will adversely affect access to necessary hospice services. The experiences with home health services indicate that physicians distance themselves from the affected benefit. While the standard of applicability relates to a knowing and intentional false certification, physicians will react out of fear of inappropriate enforcement actions.

There are already numerous antifraud provisions within federal law that apply to the exact circumstance subject to the proposed civil monetary penalties. These existing laws include even more serious penalties such as the potential for imprisonment for any false claim.

We would encourage the Senate to oppose this provision, generally, and in particular, because it is contained in a non-germane legislative effort to increase the federal minimum wage. There is no evidence that physicians engage in any widespread abuse of the Medicare hospice benefit. To the contrary, evidence is growing that hospice services are underutilized as an alternative to more expensive care.

Thank you for all of your efforts to protect senior citizens in our country.

Sincerely,

Val J. Halamandaris.

Hospice Association of America,
Washington, DC, November 8, 1999.

Dear Senator: On behalf of the Hospice Association of America (HAA), a national association representing our member hospice programs, thousands of hospice professionals and volunteers, and those faced with terminal illness and their families, I am requesting your support to reject a proposed amendment to S. 625 that would apply civil monetary penalties for false certification of eligibility for hospice care.

It is often difficult to make the determination that a patient is terminally ill (life expectancy of six months or less if the terminal illness run its normal course), because the course of terminal is different for each patient and is not predictable. In some rare cases patients have been admitted to hospice care and have improved so as to be discharged from the program. The determination regarding the terminal status of a patient is not an exact science and should not be judged harshly in retrospect.

In a recent edition of JAMA, The Journal of American Medical Association, researchers reported that the recommended clinical prediction criteria are not effective in a population with a survival prognosis of six months or less. According to Medicare survival data, only 15 percent of patients receiving Medicare hospice survive longer than six months and the median survival of Medicare patients enrolled in hospices is under 40 days. This information demonstrates what has been well known by those working in the hospice community, the science of prognostication is in its infancy and physicians must use the tools that are available, medial guidelines and local medical review policies developed by the Health Care Financing Administration, as well as their best medical judgment.

Physicians can not be punished for possible overestimation of a terminally ill patient's life expectancy. The only ones to be punished will be the patients in need of hospice services whose physicians will be denied from enrolling appropriate patients, thus denying access to this compassionate, humane, patient and family centered care at the end-of-their lives.

Please reject the proposed amendment to S. 625. .

Sincerely,

Karen Woods,
Executive Director.

Federation of
American Health Systems,
Washington, DC, November 8, 1999.

Hon. Don Nickles,
Assistant Majority leader, U.S. Senate, Washington, DC.

Dear Assistant Majority Leader: The Federation of American Health Systems, representing 1700 privately-owned and managed community hospitals has generally not taken a position on the minimum wage bill. However, we find it necessary to object to an amendment that will be offered today during consideration of the bill.

Specifically, we are concerned with an amendment that will apparently address "partial hospitalization" issues. While the Federation supports the goal of improving the integrity of the Medicare program by addressing concerns with partial hospitalization, we oppose its attachment to non-Medicare legislation. Clearly, any amendment that reduces Medicare trust fund spending should either be used to enhance the solvency of the trust fund, or for other Medicare trust fund purposes.

We appreciate your consideration of our position.

Sincerely,

Thomas A. Scully,
President and CEO.

Mr. NICKLES. From the Hospice Association of America:

> . . . . I am requesting your support to reject a proposed amendment to S. 1625 that would apply civil monetary penalties for false certification of eligibility for hospice care.

I have a letter from the Federation of American Health Systems urging opposition to the Kennedy amendment. I have a letter from the National Association for Home Care, also in opposition. It says:

> We would encourage the Senate to oppose this provision, generally, and in particular, because it is contained in a nongermane legislative effort to increase the minimum wage.
>
> The foreseeable result of the proposed amendment would be to further discourage physicians from utilizing hospice services for terminally ill patients.

Do we want to do that? I don't think so. Certainly we shouldn't do it in this legislation. Let's have hearings to find out more about this. Let's do it in Medicare reform. Let's do it when we have a chance to know exactly what we are doing because this is strongly opposed by hospice organizations.

I encourage my colleagues to oppose it for all the above reasons. I urge them to vote yes to table the Kennedy amendment. We will move to table it at the appropriate time.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, I yield 2 minutes to the Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I rise in support of the Kennedy amendment that we will be voting on shortly. It is important to note that 59 percent of the over 11 million workers who would receive a pay increase as a result of this minimum wage are women—women, by and large, with children; women who, because the minimum wage is so low today, are working two, three, four jobs. Those losing out in the country today because of the lack of a minimum wage increase are our children. They are being left home alone. They aren't getting the attention they deserve. They are not getting the support they deserve. A vote for the Kennedy amendment is a vote for our children.

While I have the floor, I understand the Senator from Pennsylvania came to the floor this morning to question the President's constitutional authority to insist on reducing class size. I remind our colleagues, reducing class size is something we as Democrats have fought for, stood behind, and we stand behind the President in the final budget negotiations. This is not about constitutional authority. It is about making sure young kids in first, second, and third grade get from a good teacher the attention they need in order to read and write and do arithmetic. That is a bipartisan agreement we all agreed upon a year ago, $1.2 billion to help our local schools reduce class size.

To renege on that commitment 1 year later and to have language which takes that money and gives it to whatever else school districts want to use it for sounds good except we lose out. A block grant will not guarantee that one child will learn to read. A block grant will not guarantee that a child who needs attention will have it on the day he or she needs it. A block grant will not assure that our children get the attention they deserve and learn the skills they need.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mrs. MURRAY. I ask for an additional 30 seconds.

Mr. KENNEDY. Thirty seconds.

Mrs. MURRAY. Mr. President, what we as Democrats are going to stand strong for is a commitment we made a year ago to assure that every child in first, second, and third grade gets the attention they deserve. If our Republican colleagues want to add additional money to the budget for block grants, for needs in our schools that we agree are important, we are more than happy to talk to them about it. But we believe the commitment we made a year ago is a promise that should be kept.

I thank the Chair and yield the floor.

Mr. KENNEDY. How much time, Mr. President?

The PRESIDING OFFICER. The Senator from Massachusetts controls 10 minutes 34 seconds. The Senator from New Mexico controls 8 minutes 23 seconds.

Mr. KENNEDY. Mr. President, I yield myself 4 minutes.

I again thank the Senators from California and Washington for illustrating in very powerful terms what this issue is all about. It is about working women and families.

With all respect to my friend from Oklahoma, when we had an increase in the minimum wage a few years ago, the Republicans fought it. They said that it would harm the economy and adversely impact small business. In the measure I have introduced we have tried to provide some relief for small businesses and we have paid for it. Now we can't do that because we have some kind of offsets. Therefore, we can't do it.

The fact is, the Republicans are opposed to any increase in the minimum wage. That is the fact. They have been opposed to it even at a time of extraordinary prosperity. This minimum wage affects real people in a very important way, and there is no group in our society it affects more powerfully than women and children. They are the great majority of the earners of the minimum wage, and increasingly so.

These days parents are spending less and less time with their families. In the last 10 years, parents were able to spend 22 hours a week less with their families. Read the Family and Work Institute's report of interviews with small children who are in minimum-wage families. They are universal in what they say. They all say: We wish our mother—or our father—would be less fatigued. We wish they had more time to spend with us. We are tired of seeing our parents come home exhausted when they are working one or two minimum-wage jobs.

That is what this is about. It is about the men and women at the bottom rung of the economic ladder. Are they real? Of course they are real. I have read the stories. We know who they are. They are out there today, this morning, as teacher's aides in our schools. These teacher's aides are working with young children, our future, and yet they don't earn enough to make ends meet.

They are there in the day-care centers. We know that day-care center workers are often at the bottom of the pay scale, earning the minimum wage. As you can see from this graph the purchasing power of the minimum wage has declined since the last increase. As their wages lose purchasing power, turnover in low paying jobs like child care attendants and those who are working in nursing homes, increases. When people are forced to leave these jobs, there is a deterioration in quality of the service day care centers and nursing homes can offer.

This is about the most important element of our society. It is about fairness. It is about work. We hear all of these speeches on the other side of the aisle about the importance of work. We are honoring work. We are talking about men and women with dignity who have a sense of pride in what they do and are trying to do better and are trying to look out after their families. They are being given the back of the hand by the Republicans.

Their proposal is a sham. It is a raw deal for these workers. On the one hand, they are dribbling out an increase in the minimum wage; on the other hand, they are taking away overtime for 73 million Americans, and in the meantime, they are giving tax breaks to the wealthiest individuals in our society. That is a sham. Beyond that, they say the minimum wage, if we are even fortunate enough to get it to pass the Senate, will never go to the President because the Republican leadership has made a commitment to whoever it might be that it will never go there. That is what we are up against.

The PRESIDING OFFICER. The Senator's 4 minutes have expired.

Mr. KENNEDY. I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I say to my friend from Massachusetts that I can yell as loud as he. But today I won't do that because I believe we have a great bill and a great position.

The Republicans do support the minimum wage. In fact, they are going to vote for the minimum wage that I propose. That is, instead of a dollar coming in two installments, it will come in three, of 35 cents, 35 cents, and 30 cents. Frankly, there will be an overwhelming vote in favor of that.

In addition, we took the opportunity to give small business and some other absolutely necessary situations that need it tax relief. We chose in this bill to do that. Those have been explained fairly well. I will take a minute at the end of my remarks to explain them one more time.

I suggest that the Democrats are living in an era that has passed.

If they were here on the floor in the 1930s, they would have a case. They would have a case that the minimum wage is going to affect poor families supporting their children. That was the issue in the 1930s. But I suggest the best research today says that day is gone in terms of who is impacted by the minimum wage. It is more likely to impact a teenager than it is the head of a household. The fact is, 55 percent of the minimum wage applies to people between the ages of 16 and 24. The overwhelming number of those are teenagers in part-time jobs, working in McDonald's-type restaurants across America. They need these jobs. They don't even stay in the minimum-wage position very long, according to the research we have seen. If they work well and choose to follow the rules and the orders and do an excellent job, they are raised above the minimum wage rather quickly.

To put it another way, to show that the arguments about who benefits from the minimum wage are passe 1930 arguments, two-thirds of all minimum-wage people are part-time employees. The fact is, the argument that these are women heads of households is absolutely dispelled by reality. The best we can find out is that 8 percent of the minimum-wage employees in America today are women heads of households, not the numbers or the tenor and tone of the argument about the slap of the hand we are giving to those who work in America. Quite the contrary.

Our minimum wage reflects a sufficient increase to match up with inflation, and we permit many people an opportunity to get into the job market. In fact, we make permanent one of the best taxes we have, which is now there on an interim basis. It says if you hire minimum-wage workers out of the welfare system, and you want to take a chance because they aren't capable of doing the jobs and you need to train them, you get a credit for that. That is a very good part of the Tax Code. We make that permanent so it costs something and it uses up some of our tax money.

As to the argument of how big this tax cut is, it is 12.5 percent of the total tax package that the Republicans offered, which passed here and the President vetoed. It tries something very new and exciting. It says to Americans who want to buy their own insurance—because their employers don't furnish it—for the first time, they are going to be permitted to deduct the entirety of their health insurance. Heretofore, they were punished if they tried to buy it, penalized because they didn't get to deduct it while everybody else did. We also made permanent the allowance that the self-employed can take the insurance deduction. We raise that to 100 percent. Everybody knows that is good. Everybody knows that helps with the problem of the uninsured in America, and that is good.

So, for all the talk, the Republicans have come forward with a very good bill. I am very pleased that I suggested to the Republicans the basics of this bill, that we ought to do it in three installments. Some wanted to make it longer. Actually, I think this is exactly the right length of time. Add to that the kind of tax relief we have provided versus the tax increases on that side, and it seems to me there is no choice.

While everybody is clamoring to do something about the estate tax because it is a very onerous tax, as if to try to punish people, in a minimum-wage bill they raise death taxes and inheritance taxes. I don't care what kind of American they impose it on. We don't have to do that when we are reforming that system because it is somewhat confiscatory. I could go on, but if anybody has any doubt, the gross tax increase under the Democrat package is $12.5 billion over 5 years, and a $28.9 billion tax increase over 10 years. What in the world are we increasing taxes for at this point? To pay for a minimum-wage bill? Of course not. It is because they want other tax relief and they choose to raise taxes to give the benefit to someone else. There is sufficient surplus. This is a very small tax cut in our package—12.5 percent of what we perceived was adequate and what we could do about 4 months ago with the surpluses we have. The President proposed $250 billion, $300 billion in tax relief. In this bill, they raise taxes rather than take advantage of what we know is the right thing; that is, to reduce taxes in these economic times.

I reserve my remaining time.

Mr. KENNEDY. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Massachusetts has 6 minutes 49 seconds. The Senator from New Mexico has 1 minute 51 seconds.

Mr. KENNEDY. I yield 3 minutes to the Senator from California.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. The Senator from New Mexico said he wasn't going to yell. He got a little close to it. But when I hear the yells on that side of the aisle, it is usually related to their passion for helping the wealthiest among us.

The Senator from New Mexico says that the Democrats are living in the past because we want to increase the minimum wage. Well, I have news for the Senator from New Mexico. Compassion for the poorest in our society, those at the bottom rung of the ladder, that is a timeless value; that is a moral value; that is a religious value; that is a value we ought to be proud to have around here. That is not living in the past. Come to Los Angeles, I say to my friend from New Mexico, or look around your big cities. What you will notice is that the people who are living on the minimum wage are adults. We know that to be the fact. A majority of minimum-wage workers are adults—70 percent of them.

In the Democratic proposal, out of those who will benefit from this modest increase, 60 percent of them are women. So if you want to say that we are living in the past, you can say it all you want. But it isn't true.

We saw in September a very chilling story in the L.A. Times about the working poor in Southern California. The National Low-Income Housing Coalition shows that given the high cost of a two-bedroom apartment in L.A., a minimum-wage earner must work 112 hours per week in order to make ends meet.

In San Francisco, it is even worse. A person would have to work 174 hours at minimum wage in order to pay their bills. According to a recent study of the Nation's food banks, 40 percent of all households seeking emergency food aid had at least one member who was working. That is up from 23 percent in 1994.

Low-paying jobs, I say to my friend from New Mexico, are the most frequently cited cause of hunger today, according to this well-documented L.A. Times story.

The L.A. Times, by the way, is now owned by Republicans. So this isn't a question of yesterday, I say to my friend. It is a question of living today. They have made the same arguments every time we raised the minimum wage. The last time they said it would bring the economy down. We have never seen such a strong economy. If the people at the bottom rung are left behind, it is morally wrong and it is economically wrong. It makes no sense. Those are the folks who go out and spend what they earn and they definitely stimulate the economy.

So for anybody to say you are living in the past if you support a minimum-wage increase, they don't know what is going on today. I say that from my heart. I have respect for the Senator from New Mexico, but I think it is insulting to say one lives in the past for wanting to fight for those at the bottom rung of the economic ladder—those women and those children who are living in poverty.

I thank the Chair.

Mr. KENNEDY. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Massachusetts has 3½ minutes. The Senator from New Mexico has 1 minute 51 seconds.

Mr. KENNEDY. I yield a minute to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. DODD. Mr. President, to make a couple of quick points, I was terribly saddened to see as part of another bill that we have a further reduction in child care provisions, which is a major blow again to working families out there. We all know that quality child care makes a difference for these children. In the midst of all of this, we are obviously told you have to come up with some offsets to pay for the provisions in this bill, which we do.

Offsets always attract opposition from one quarter or another. But these are modest offsets to pay for the provisions in the bill. What is going to happen later today we are going to vote on $75 billion in tax cuts and 56 percent of them go to the top 20 percent of income earners, and there are no offsets—none.

One of the great contradictions is, we are being accused of not liking the offsets, the pays, from some of the provisions and simultaneously we ask our Members to vote for a provision in the bill or vote for the whole bill, including a $75 billion tax cut over 10 years with no offsets.

Let me underscore, as this millennium date of 50 days away approaches, those at the bottom of the economic rung—working people, the majority who receive the minimum wage and are working full time; they are women, they are Hispanic, they are black—deserve to get a fair shake out of this Senate. In a few minutes, we will have an opportunity to give them that fair shake by providing an increase in the minimum wage, allowing them to enjoy the prosperity of the booming economy.

I yield the floor.

Mr. KENNEDY. Mr. President, it is important to understand exactly what the situation is for our working poor. The number of full-time, year-round workers living in poverty is at a 20-year high: 12.6 percent of the workforce, says the Bureau of Labor Statistics, as of the last 3 days. That is the fact. People are working harder, and they are living in poverty. These are people who value work.

Second, the Bureau of Labor Statistics shows that, of those who will benefit from a minimum wage increase, 70 percent are adults over age 20, and about 30 percent will be teenagers.

If Senators come to Boston and talk to the young people going to the University of Massachusetts, they will find 85 percent of their parents never went to college and 85 percent of them are working 25 hours a week or more. That is true in Boston, in Holyoke, in New Bedford, and Fall River, and cities across the country. I don't know what Members have against working young people who are trying to pay for their education. We have 6 million working in the workforce, and we have 2 million working at the minimum wage. Why are we complaining about that?

The Republican proposal is a Thanksgiving turkey with three right wings. It has a watered-down increase in the minimum wage, it has a poison pill for overtime work, and it has juicy tax provisions for the rich. This Republican turkey is stuffed with tax breaks, and it does not deserve to be passed. Vote for the real increase in the minimum wage; vote for the Daschle increase.

Mr. LEVIN. Mr. President, as the most prosperous nation in the world, our minimum wage should be a living wage, and it is not. When a father or mother works full-time, 40 hours a week, year-round, they should be able to lift their family out of poverty. $5.15 an hour will not do that. A full time minimum wage job should provide a minimum standard of living in addition to giving workers the dignity that comes with a paycheck. The current minimum wage does not pay a fair wage.

I support the legislation introduced by Representative DAVID BONIOR in the House and Senator TED KENNEDY in the Senate which increases the minimum wage. This legislation, the Fair Minimum Wage Act, will provide a 50 cent increase to the minimum wage on January 1, 2000, and a second 50 cent increase on January 1, 2001. This would raise the minimum wage to $6.15 per hour by the year 2001.

The minimum wage increase passed in 1996 prevented the minimum wage from falling to its lowest inflation adjusted level in 40 years. The proposed minimum wage increase to $6.15 in 2001 would get the minimum wage back to the inflation adjusted level it was in 1982.

In this era of economic growth, raising the minimum wage is a matter of fundamental fairness. We must look around and realize that we have the strongest economy in a generation. However, even with our strong economy, the benefits of prosperity have not flowed to low-wage workers. A full time minimum wage laborer working forty hours a week for 52 weeks earns $10,712 per year—more than $3,000 below the poverty level for a family of three. The poverty level for a family of three is $13,880.

Some people are saying that it is not time for a minimum wage increase, that we just raised the minimum wage in 1996 and in 1997. According to the Bureau of Labor Statistics, since the last minimum wage increase of 1996–97, the national unemployment rate has fallen to 4.1%. Not only that, the unemployment rate has dropped in Michigan, it is now 3.4%—lower than the national rate. It is only right that we help these minimum wage earners when the economy is booming.

Retail jobs are often cited as the industry hit hardest by an increase in the minimum wage. However, according to the Bureau of Labor Statistics, 38,900 new retail jobs have been added in Michigan since the last minimum wage increase. Moreover, in Michigan, since September of 1996, 206,000 new jobs have been created. The opponents claimed that the 1996 minimum wage increase would devastate the economy, yet clearly, this has not been the case.

According to the United States Department of Labor, 60% of minimum wage earners are women; nearly three-fourths are adults; more than half work full time. Under the Fair Minimum Wage Act, approximately 243,000 Michiganders would get a raise. These hardworking Americans deserve a fair deal.

The Fair Minimum Wage Act will increase the real value of the minimum wage in 2001 to the purchasing level it was in 1982. It will generate $2,000 in potential income for minimum wage workers. This $2,000 will make an enormous impact on minimum wage workers and their families.

Opponents of the minimum wage have said that the minimum wage hurts low income workers. This is not the case. In 1998, seventeen economists, including a Nobel Prize winner, a former president of the American Economics Assn. and a former Secretary of Labor, wrote to President Clinton, supporting an increase in the minimum wage. These experts determined that the 1996 and 1997 increases had a beneficial effect, not only on those whose earnings were increased, but also on the economy as a whole. In addition to directly impacting workers; billions in added consumer demand helped fuel our expanding economy in those years.

With a prosperous economy, it is only fair that we also reward those who are at the low end of the pay scale spectrum. These people do not always have the leverage to negotiate a fair salary. It is necessary that we act to ensure that they receive a livable wage.

Mr. JEFFORDS. Mr. President, I rise today in support of an increase in the Federal minimum wage. I strongly believe that the time has come to raise the minimum wage again and that we should raise the minimum wage by a $1.00 an hour increase over the next 2 years.

The minimum wage is not the only way—or even the best way—to give folks in need a helping hand to get out of poverty. But I do believe that it should at least keep pace with inflation. Unfortunately, that is not happening. Today's minimum wage is 19 percent below the 1979 level. To give you a better idea of what this means for working families, consider that a minimum wage employee working full time earns about $10,700 a year—more than $3,000 below the $13,880 poverty line for a family of three. Workers deserve better. At a time when our economy is booming, we should not allow this trend to continue. Instead, we must continue to raise the minimum wage to keep pace with the rising cost of life's basic needs

My home State of Vermont recently raised the minimum wage to $5.75 an hour in response to its awareness of the cost of living. Let's follow its lead, a dollar-an-hour increase in the Federal minimum wage will put $2,000 a year in the pockets of working families at or near the poverty line. And given that 2 years has passed since the last increase, small businesses have had the time to adjust. Although this money will not solve all the problems of the working poor, it will go a long way toward helping minimum wage workers obtain basic needs for themselves and their families.

In addition to raising the minimum wage, there are many other things that Congress can and should do to assist low wage workers and their families. We must continue to search out and support targeted solutions such as the Earned Income Tax Credit (EITC). The EITC provides some 20 million low-income households with a refundable tax credit. Last year, the EITC enabled a worker earning minimum wage, who was either a single parent or the sole wage earning parent of dependent children, to receive up to $ 3,816 in additional income.

Along with measures that will raise take home pay, I know that we can do more to assist low-income families with their basic needs. Over the past few years, an organization in Vermont called the Peace and Justice Center has examined how low wage workers and their families were faring in my home State. The Vermont Wage Gap Study showed that while we are enjoying one of the most extraordinary economic booms in the history of our country, thousands of workers in my home State are having great difficulty making ends meet. The study found that the cost of meeting basic needs is more than many of Vermont's low income workers are earning.

For example, the Vermont Job Gap Study indicated that child care and health care are among working families largest expenses. Over the past few years, I have been pushing for national child care legislation to assist these working families with their child care needs. On the health care side, we were able to enact the Children's' Health Insurance Program which is helping to improve children's health for working families who cannot afford health coverage for their children. In addition, we should help low income workers in obtaining health insurance. I am currently working on a proposal that would provide uninsured and under-insured workers with the money they need to buy health insurance.

But the predominant factor influencing an individual's ability to support his or her family is not to be found in the minimum wage or the tax code. Study after study has found it is education. Simply put, you earn what you learn. I urge my colleagues to work with me on continuing to pass legislation aimed at improving our educational systems, and job training programs. It is my hope that these efforts will improve the skills and employability of our workforce and will enable low-wage workers to obtain better paying jobs.

I would like to add that I think it is entirely appropriate that an increase in the minimum wage be accompanied by tax breaks for those who will have to shoulder higher wage costs, especially small employers. And I strongly favor several of the tax breaks in this amendment. In particular, I support acceleration of deductibility of health insurance costs for the self-employed; increasing the amount of equipment purchases that small businesses can deduct each year; and providing tax credits to employers who provide on-site child care. At the same time, some of the tax provisions bear little relationship to the impact of a minimum wage hike on small businesses. In addition, I am concerned that we have not had adequate time to explore the implications and effects of all of the tax provisions. My vote in support of this amendment should not be read as an endorsement of each and every tax provision, but rather reflects my fundamental belief that the time has come for a minimum wage increase.

Lastly, I would comment on the language in Senator KENNEDY's amendment increasing disclosure to participants of cash balance pension plans and prohibiting so-called benefit "wear-aways". This language is being offered in response to the conversion of hundreds of traditional defined benefit pension plans into cash balance or other hybrid arrangements. I believe that legitimate concerns have been raised that notices about the plan changes that were sent to participants have been insufficient. In fact, until recently many workers have been unaware that their plan was amended to significantly reduce the rate at which they are earning benefits. While pension law only requires employers to pay what an employee has actually earned under the plan, when these changes are made toward the middle of a worker's career, the effect can be devastating.

This legislation will help workers better understand what the changes in their plan mean for their retirement plans. It requires plan sponsors to give participants notice of the conversions in a more timely fashion, in plain English and on an individualized basis. In the words of my colleague Senator MOYNIHAN, this disclosure requirement helps to make cash balance conversions transparent for the plan participants. I feel this change is warranted and urgently needed.

But this amendment does more. It also prohibits an unfortunate pension practice called the benefit "wear-away". When some plans are converted, workers with long-years of service may not earn any benefits for a number of years. I believe this practice is unfair. There is no reason why an individual with 20 years of service should not earn any benefits while a younger worker earns benefits immediately. The language in this amendment will effectively prohibit wear-aways.

As we conclude the first session of the 106th Congress, I hold steadfast in my belief that Congress must do everything in its power to help working families. The time has come to raise the minimum wage and give the workers who are depending on it a better shot at self-sufficiency. I believe that a $1.00 increase over the next 2 years will certainly help. However, I also believe that a slower increase is better than none at all. Therefore if we do not have the votes in the Senate to pass a 2-year increase, I will also support a 3-year increase.

Mr. SARBANES. Mr. President, I rise in strong support of Senator KENNEDY's amendment to raise the Federal minimum wage. I am proud to be an original co-sponsor of the legislation upon which this amendment is based to raise the minimum wage 50 cents a year over the next two years, bringing it to $6.15 per hour by the year 2001.

For more than half a century, Congress has acted to guarantee minimum standards of decency for working Americans. The objective of a Federal minimum wage is to make work pay well enough to keep families out of poverty and off Government assistance. Any individual who works hard and plays by the rules should be assured a living standard for his or her family that can keep them out of poverty.

If nothing is done during the year 2000, the real value of the minimum wage will be just $4.90 in 1998 dollars—about what it was before Congress last acted to increase the minimum wage in 1996. The proposed increase would restore the wage floor slightly above its 1983 level, still leaving it 13% below its 1979 peak. No one asserts that raising the minimum wage will correct every economic injustice, but it will certainly make a significant difference to those on the low end of the economic scale. We have the opportunity to enact what is in my view a modest increase to help curb the erosion of the value of the minimum wage in terms of real dollars, and it is an opportunity which we should not let pass us by.

Currently, a full-time minimum wage worker earns just $10,712—$3,000 below the poverty level for a family of three. In 1998, about 4.4 million wage and salary workers, paid hourly rates, earned at and below the minimum wage—about 1.6 million at the minimum rate and 2.8 million below the minimum. A dollar increase in the minimum wage would provide a minimum wage worker with an additional $2,080 in income per year, helping to bring that family of three closer to the most basic standard of living. This extra income will help a family pay their bills and quite possibly even allow them to afford something above and beyond the bare essentials.

According to the Department of Labor, 70 percent of workers who will benefit from an increase in the minimum wage are adults, 46 percent work full time, 60 percent are women and 40 percent are the sole breadwinners in their families. Mr. President, these are not the part-time workers and suburban teenagers many opponents of the minimum wage increase would have you believe.

After 30 years of spiralling deficits, we now have budget surpluses projected, unemployment is at a 25-year low, and inflation is at a 30-year low. However, despite this period of economic prosperity, the disparity between the very rich in this country and the very poor continues to grow. According to the Economic Policy Institute, projections for 1997 indicate that the share of the wealth held by the top 1 percent of households grew by almost 2 percent since 1989. Over that same period, the share of the wealth held by families in the middle fifth of the population fell by half a percent. In light of these estimates, consider that the Department of Labor predicts that 57 percent of the gains from an increase in the minimum wage will go to families in the bottom 40 percent of the income scale.

It is both reasonable and responsible for Congress to enact measures which provide a standard that allows decent, hard-working Americans a floor upon which they can stand. We did it back in 1996 when we approved, by a bipartisan vote of 74–24, a 90 cent increase in the minimum wage bringing it to its current level of $5.15 per hour, and it is appropriate to do it here again. With the economy strong, we have a responsibility to reinforce this basic economic floor for millions of American workers to prevent them from sliding further into the basement.

This is, and always has been, an issue of equity and fairness for working men and women in this country. I strongly urge my colleagues to support this important amendment.

Mrs. LINCOLN. Mr. President, I support the Minimum Wage Proposal offered by Senator KENNEDY because it is fair and responsible. It provides a minimum wage increase to 228,000 Arkansans and 11 million workers nationwide, most of whom are women. It provides important tax relief directly to small businesses to help defray costs of a wage hike. And, perhaps most importantly, it pays for the tax cuts by: offsetting tax adjustments on large estates valued at $17 million and above, which the Senate voted overwhelming to do in 1997; extending the tax imposed on corporate income for Superfund, which I hope will encourage Superfund reform, and closing corporate tax shelters, which Congress has been trying to do since Ronald Reagan was in the White House.

A $1 increase in the minimum wage over 2 years is needed to restore the purchasing power or real value of the minimum wage, which has been greatly diminished over the last 20 years by inflation. In the United States, 59% of workers who will gain from a wage increase are women; 70% are adults age 20 and over, and 40% are the sole breadwinners for their families. The bottom line—this proposal will generate $2,000 in additional income each year for full-time minimum wage workers. As a mother of two young children who balances the check book every month and shops at the supermarket each week, I honestly don't know how a single parent who makes $5.15 an hour can feed their family and provide other basic necessities for their children.

I am also very supportive of the tax relief provisions in this amendment which will help those who will be most affected by a minimum wage increase—small business owners and family farmers. This common sense package will expand access to health insurance by letting self-employed individuals deduct 100 percent of their health insurance costs, a proposal I have supported for many years. I believe providing 100 percent deductibility now to small business owners and independent farmers is more urgent today than ever as our country experiences one of the worst farm crises in recent memory. Furthermore, I have never understood why we deny a benefit to sole proprietors that is currently available to many large corporations.

This package also includes another priority of mine—estate tax relief for family owned-farms and small business. Too often those who inherit a business or family farm from a relative must liquidate all or a portion of the property just to pay the estate tax which is owed.

Another provision will help business owners provide child care assistance to their employees by allowing a 25% tax credit for qualified costs. In addition, this amendment will encourage investment in economically depressed areas like the Delta region in Arkansas and strengthen retirement security for workers by reducing small businesses' cost of setting up employee pension plans.

Finally, I am hopeful that extending the tax imposed on corporate income for Superfund will be an added incentive to roll up our sleeves and pass meaningful Superfund reform legislation. I have worked on this issue since I came to Congress in 1993. I and millions of Americans are still waiting for Congress to fulfill its responsibility. I am sorry that our former colleague Senator Chafee, who was very passionate about this issue, died before Congress addressed Superfund reform.

But before I yield the floor, I want to emphasize an important aspect of this plan that should not go unnoticed—it is paid for and does not threaten our government's ability to meet future obligations to Social Security and Medicare beneficiaries. Republicans and Democrats have knocked themselves out over the last year trying to blame each other for spending the Social Security trust fund, so I fail to understand how we can consider a proposal which costs $75 billion over ten years with virtually no means to pay for it. That is irresponsible and I can't support it.

In short, Mr. President, the Kennedy amendment is a common sense proposal that is good for both employers and employees and I hope my colleagues on both sides of the aisle will stand with me in supporting this legislation.

I thank my colleagues and yield the floor.

Mr. KERRY. Mr. President, since 1938 we have had a minimum standard we accept as the lowest possible wage in our society. Today we are engaged in debate about the need to raise that standard. The modest proposal before us seeks to raise the minimum wage by $1.00 over the next two years. Even then—even if we succeed in doing what is so obvious, so reasonable, and so fair—Mr. President the real value of the lowest acceptable wage will only reach what it was in 1982, over 17 years ago. We're not really talking about an increase here, we're talking about trying to keep pace, about making work pay, about restoring minimum wage workers to the purchasing power they had nearly two decades ago.

Mr. President, opponents of a minimum-wage increase argue that it increases unemployment rates for entry-level workers, thereby hurting the very people it is meant to help. But this is not a radical proposal—as some Republicans claim—that will cause a dramatic spike in the unemployment rates and cripple small business. Numerous empirical studies, Mr. President, have found that recent hikes in the minimum wage have had little or no effect on job levels. A 1999 Levy Institute survey of small businesses revealed that more than three-quarters of the firms surveyed said their employment practices would not be affected by an increase in the minimum wage to $6.00. A September New York Times editorial reported that ". . . a modest hike is not likely to cause higher unemployment, even among low-skilled workers. Indeed, jobless rates fell after the 90-cent minimum-wage hike of 1996–7."

We have not in the past nor are we now advancing a radical proposal that will reverberate dangerously throughout our economy. We are merely considering a moderate increase in our Nation's wage floor, one that will bring us just back to where we were nearly 18 years ago.

And while the increase is a modest one, it is crucial to today's working families. A $1.00 increase in the minimum wage will affect 11.4 million workers. Full-time workers will make an additional $2,000 each year. Many minimum wage jobs do not provide pensions or health care. An additional $2,000 each year might mean the difference between being sick and getting treatment, the difference between a sickly child and a thriving one. An additional $2,000 each year might mean the difference between being hungry and being fed.

Currently, a full-time minimum wage worker earns $10,712 per year—an income well below the poverty line for a family of three or four. Increasing the minimum wage will bring workers wages up to $12,800 per year, an income still below the poverty line for a family of three. So while we refer to the minimum wage as the lowest wage acceptable in our society, we must acknowledge that even after we pass this modest increase, a full-time minimum wage worker cannot safely raise a family on his/her earnings.

Right now we are facing the greatest wage inequality since the Great Depression. Income inequality between the Nation's top earners and those at the bottom has been widening since the early 1970s. The strong economy and these generally prosperous times cause us to overlook the struggles faced by hard-working families. The growing wage gap between the rich and poor threatens our social fabric and the stability of our Nation. It is our job in the Congress to ensure that stability is maintained—that hard-working individuals are paid a fair wage—that working families can afford the basic necessities of life—that we are the kind of country that values work—and which values the contributions of each working American. It is time we meet that responsibility.

Mr. FEINGOLD. Mr. President, I rise today to urge my colleagues to support efforts to increase the federal minimum wage by adopting the amendment offered by the Senator from Massachusetts, Mr. KENNEDY, the Fair Minimum Wage Act of 1999. This important amendment will provide American laborers with a 50-cent increase to the minimum wage on January 1, 2000, and a second 50-cent increase on January 1, 2001. This modest increase, which would raise the minimum wage to $6.15 per hour, will help more than 11 million lower income Americans.

Our country's economy is growing. Its economic vitality and the changes wrought by welfare reform have resulted in a better life for many working people—unless those workers are minimum wage workers, anchored to the bottom of the wage scale.

The truth is, even though the economy is roaring, wages at the bottom are stagnant, and hard-working people are still living in poverty. According to the Center on Budget and Policy Priorities, in the mid-1990s, there were 89,000 working poor families with children in Wisconsin. Seventy-four percent of those families had at least one working parent. And sixty-nine percent of these families had at least one working parent and still required some form of public assistance. In this time of a booming economy and low unemployment, these statistics are very troubling. Mr. President, the majority of the poor people of our country are working—the problem is that many of them are holding down low-paying jobs with stagnant wages that do not allow them to finally break free from poverty.

Despite successes in the welfare to work initiative, a 1998 U.S. Conference of Mayors study, entitled "A Status Report on Hunger and Homelessness in American Cities," indicates that seventy-eight percent of the 30 major U.S. cities surveyed reported an increased demand for emergency food assistance. Thirty-seven percent of those people seeking food at soup kitchens and shelters in 1998 were employed. City officials surveyed listed low-paying jobs as the top cause of hunger in their cities. It is an undeniable disgrace that, in many cases, minimum wage workers cannot afford to feed themselves or their families.

Mr. President, no hard working American should have to worry about affording groceries, shoes for their kids, or medicines. The people this amendment will help are not people who spend their money frivolously. These are the families who scrimp and save to provide their children with the necessities of life: a decent place to live, enough to eat, clothes on their back, a decent education, and some hope for a better future.

The study, "The State of Working Wisconsin—1998," by the Center on Wisconsin Strategy, contains some troubling news regarding wages. The Wisconsin median hourly wage is still eight-point-four percent below its 1979 level. Since 1979, Wisconsin's median wage has declined fifty percent faster than the five-point-three percent national decline over the same period. These numbers are, sadly, not unique to Wisconsin. This is the situation all over the country.

And this is the situation that the Kennedy amendment will help to address. According to the Economic Policy Institute, more than 205,000 workers in my home state of Wisconsin, or fifteen-point-one percent of Wisconsin's workforce, will benefit from the modest increase in this amendment. Those are real people, Mr. President. Real people who deserve this modest raise in pay for the work they do to support their families and to keep the American economy moving.

Opponents of this increase argue that it will hurt the economy. The Bureau of Labor Statistics reports that the 1996 and 1997 raises in the minimum wage had a positive impact on the economy. Unemployment has dropped to four-point-one percent, the lowest mark in three decades. Nine-point-one million new jobs have been created. And there is no reason to believe that this proposed increase will not have the same result. In fact, history shows that minimum wage increases have not had a negative impact on unemployment.

This modest increase of 50 cents per year is really not a hike at all after inflation—over the next two years it will simply restore the real value of the minimum wage to its 1982 level. So by the time the second installment of this proposed increase would go into effect, the buying power of workers scraping by on the minimum wage will be only what is was when Ronald Reagan was a new president. Meanwhile, wages at the high levels have been climbing steadily while the real value of the minimum wage has eroded.

I urge my colleagues to begin to restore some respect for the dignity of work to the federal minimum wage. The lowest paid workers in America's labor force deserve a chance to earn a decent living and we need to give them the tools. I urge every Senator to support the Kennedy amendment. It is a vote to reward work and to support every American worker.

Mr. ROTH. Mr. President, there are a few brief observations that would serve us well as we engage in this debate over minimum wage. Through the years, members on both sides of this issue have been able to come together successfully, to effect minimum wage increases.

I believe we will be able to come together again, to advance a proposal that is good for individuals, as well as for economic growth and job creation. And I believe that in this effort it would be good to have such a common sense proposal follow the model of our actions in 1996.

As my colleagues know, three years ago we successfully enacted the Small Business Tax Act, which provided reasonable tax relief for businesses most affected by the costs incurred with the minimum wage increase. The current minimum wage of $5.15—which took effect on September 1, 1997—was established in that act. Minimum wage agreements prior to 1997 followed a similar pattern of consensus building.

This year, as we again consider raising the minimum wage, there are a number of tax issues involved. The minimum wage amendment proposed by Senator DOMENICI includes a package of tax measures that were previously approved by the Senate Finance Committee. The Finance Committee has jurisdiction over these matters, and as these proposal had been previously vetted within our committee, I agreed to allow them to come straight to the floor.

On the other hand, I am concerned with the revenue offsets included in the minimum wage amendment proposed by Senator KENNEDY. Many of these provisions are controversial proposals which have been rejected by this Congress. And we need to be very careful as we proceed considering them.

What is important is that we progress on this important issue—that if we are unable to agree on a compromise in this session as we are so close to adjournment, we will be able to successfully conclude this matter soon after our return next year.

The PRESIDING OFFICER. All time of the Senator from Massachusetts has expired.

The Senator from New Mexico has 1 minute 51 seconds.

Mr. DOMENICI. I thank Senator KENNEDY for a good debate. It was pretty exciting for so early in the morning. The Senator is pretty energetic even at 9 o'clock.

However, let me close by saying our amendment saves small business and gives them an opportunity to grow and prosper and energize this economy; at the same time, it gives every opportunity for the young people in our country to get into jobs wherein they break into the marketplace, that first-level job, and get those kinds of jobs in sufficient numbers to be helpful for whatever they are doing. There are even high school students doing this. They are 50 percent of the minimum-wage people in this country.

I have nothing against them. I have eight children; six of them worked in restaurants before they went to college and saved enough money because I didn't have enough money to put them through, having that many children. I understand that. They worked hard. They got promoted.

Nothing could be further from the truth that we are trying to hurt young people, whatever their status. We want them and their employers to continue to have a mutual opportunity—mutual for the small business to energize the economy and mutual for job opportunity at the first level of employment in the American system.

If Members are speaking of women heads of households, they are not talking about the minimum wage today; they are talking about the minimum wage 30 years ago. Eight percent of the minimum-wage earners in America today are women with full-time jobs—not 30, 40, or 50; 8 percent.

Clearly, we are trying to give everybody an opportunity to get better training and move ahead in job opportunities in the United States.

I move to table the Kennedy amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table amendment No. 2751. The yeas and nays have been ordered. The clerk will call the roll.

The legislative assistant called the roll.

Mr. NICKLES. I announce that the Senator from Arizona (Mr. MCCAIN) is necessarily absent.

Mr. REID. I announce that the Senator from South Carolina (Mr. HOLLINGS) is absent because of a death in his family.

The result was announced—yeas 50, nays 48, as follows:

[Rollcall Vote No. 356 Leg.]

YEAS—50

Abraham
Allard
Ashcroft
Bennett
Bond
Brownback
Bunning
Burns
Campbell
Cochran
Collins
Coverdell
Craig
Crapo
DeWine
Domenici
Enzi
Fitzgerald
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Kyl
Lott
Lugar
Mack
McConnell
Murkowski
Nickles
Roberts
Roth
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Stevens
Thomas
Thompson
Thurmond
Voinovich
Warner

NAYS—48

Akaka
Baucus
Bayh
Biden
Bingaman
Boxer
Breaux
Bryan
Byrd
Chafee, L.
Cleland
Conrad
Daschle
Dodd
Dorgan
Durbin
Edwards
Feingold
Feinstein
Graham
Harkin
Inouye
Jeffords
Johnson
Kennedy
Kerrey
Kerry
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lincoln
Mikulski
Moynihan
Murray
Reed
Reid
Robb
Rockefeller
Sarbanes
Schumer
Snowe
Specter
Torricelli
Wellstone
Wyden

NOT VOTING—2

Hollings
McCain

The motion was agreed to.

Mr. NICKLES. I move to reconsider the vote.

Mr. INHOFE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2547

Mr. DOMENICI. Parliamentary inquiry, Mr. President. What is the next order of business?

The PRESIDING OFFICER. There will now be 4 minutes of debate equally divided on the Domenici amendment.

Does the Senator from New Mexico wish to begin debate?

Mr. DOMENICI. I say to Senator KENNEDY, I am prepared to yield back my time. Are you?

Mr. KENNEDY. No. If we could have order, Mr. President.

The PRESIDING OFFICER. The Senate will be in order. Senators please take their conversations off the floor.

Mr. KENNEDY. The Senator from Maryland would like to address this issue, and I yield her the time on our side.

I would insist on order, if I could.

The PRESIDING OFFICER. Senators please take their conversations off the floor. The Senate will be in order.

The Senator from Maryland is recognized for 2 minutes.

Ms. MIKULSKI. Mr. President, I rise in opposition to the Republican amendment. I believe it is a watered-down, slowed-down, pennies-to-the-poor approach.

Why raise the minimum wage? We are in the greatest prosperity that the United States of America has ever seen. We have the opportunity to raise the standard of living for the poor. I believe what we need to do, now that we have moved hundreds of thousands of people from welfare, is to make work worth it.

Who are the people we are talking about? We are talking about the working poor who raise our children, who care for our elderly, many working two or three jobs to hold the family together.

I believe we need to make a commitment to the working poor, as we cross into the new century, that if you live in the United States of America and you work, you should not be poor.

The amendment the Senator from Massachusetts proposed was modest. It was spread over a 2-year period. It would take us into 2001. Why should a day-care worker make less than someone who works 40 hours a week at a bank job? We need to make sure that in this country, in order to sustain the efforts we have made in improving the standard of living for people, if you work, you will not be poor.

I yield such time as I might have.

Mr. ABRAHAM. Mr. President, I rise to express my strong support for this important amendment. Without touching Social Security, it would provide significant assistance to millions of Americans struggling economically even during this time of sustained growth.

I believe this amendment demonstrates my party's continuing commitment to fostering economic growth and helping those in need. And we should not forget that, despite recent economic good times, there are many Americans who remain in economic need.

African-American youths continue to suffer from an unemployment rate three times that of white youths. Hispanic youths suffer from an unemployment rate ten points higher than that of whites. And 8 million American families continue to live in poverty.

We can do better. We can do better.

I believe this amendment constitutes an important step forward in our drive to unleash the entrepreneurial energies of the American people; energies that can lift individuals out of poverty as they push communities to higher levels of prosperity.

This amendment contains an important provision of the Renewal Alliance package I have been working toward since coming to the United States Senate. It also contains a number of other provisions that I believe represent the responsible way to raise the minimum wage: by ensuring that businesses do not find themselves saddled with costs that lead them to lay off minimum wage workers, exactly those proponents of a minimum wage hike are trying to assist.

This amendment addresses three major areas of concern to Americans striving to work their way into our vast middle class: work opportunity, investment, and health insurance.

First, as to work opportunity. In my view opportunity is the key to progress. I have sought to increase this opportunity through the Renewal Alliance, a bipartisan group of Senators seeking targeted tax benefits to spur economic growth in our nation's distressed urban and rural communities. This amendment contains key provisions of the Renewal Alliance program.

Most important is a provision to permanently extend the Work Opportunity Tax Credit. A credit of up to $2,400 for wages paid would provide businesses with extra funds for investment in growth and employee training. As a result, many Americans currently without bright futures will receive experience and training—the keys, in my view, to economic success.

Also critical to providing increased work opportunity are provisions in this amendment that encourage greater investment, and greater investment in small businesses in particular.

Mr. President, 99 percent of American employers are small businesses. Small businesses employ more than half our private work force, and they have consistently been the engine of our economic growth, whether in traditional industries or on the cutting edge of high technology.

Further, Mr. President, it is often small business owners who are willing to take a chance on someone in need—someone without experience, someone who has fallen on hard times.

If they are to employ more Americans who are in need, Mr. President, our small businesses must have access to more investment capital. This amendment would addresses our continuing shortage of investment, thereby spurring small business growth and hiring.

First, it would increase the maximum dollar amount small businesses can deduct for investment in business property. By increasing this amount to $30,000, beginning in 2001, the amendment would provide an additional $3,850 in annual tax savings for small businesses investing in new equipment.

Second, the amendment would provide more than 50 provisions encouraging investment in pensions. They would expand coverage, enhance fairness for women, increase portability, strengthen security and reduce regulatory burdens.

Finally, this amendment would addresses inequities in our tax structure that keep an estimated 44 million Americans from affording health insurance. 44 million is a distressing number. Equally distressing is the fact that fully 81 percent of uninsured Americans have jobs.

Too many Americans, including the self-employed, the unemployed, and employees of small companies that do not provide health insurance, can't afford coverage. Why not? Because, under our tax code, they must pay taxes first, and buy insurance with whatever they have left over—if anything.

Paying with after-tax dollars can make health insurance twice as expensive—too expensive for millions of working Americans.

We must address this inequity in our tax code. This amendment would do just that.

First, it would enable self-employed Americans to deduct the full cost of health insurance. Finally, entrepreneurs would get the same tax benefits as larger companies.

Second, this amendment would provide an above-the-line deduction for individuals whose employers do not subsidize more than 50% of the cost of health coverage. Thus all workers, not just those who itemize, would be better able to afford health care costs.

Taken together, these provisions would provide significantly greater economic opportunity for all Americans. They would safeguard our economic growth and spur further investment in American workers.

I urge my colleagues to give this important amendment their full support.

Mr. MOYNIHAN. Mr. President, I wish to point out a concern I have with a seemingly innocuous, seemingly beneficial, provision contained in the Domenici amendment to S. 625, the "Bankruptcy Reform Act of 1999"—Section 68. Modification of Exclusion for Employer Provided Transit Passes. The goal of the provision—to expand the use of the Federal transit benefit, a "qualified transportation fringe" in the vernacular—is admirable, but I fear that the way in which the provision pursues that goal may, in fact, unintentionally undermine the transit benefit.

The employer-provided Federal transit benefit has evolved since its creation within the Deficit Reduction Act of 1984 as a $15 per month "de minimis" benefit. After fourteen years of gradual change, last year's Transportation Equity Act for the 21st Century (TEA–21) codified the benefit as a "pre-tax" benefit of up to $65 per month. The cap will increase to $100 in 2002. The "pre-tax" aspect was a major reform because it provided an economic incentive—payroll tax savings—for employers to offer the program. Companies would save money by offering a benefit of great utility to their workers while simultaneously removing automobiles from our choked and congested urban streets and highways. It is effective public policy. (As an aside, I should note that a similar pre-tax benefit of $175 per month exists for parking, and so despite all we know about air pollution and the intractable problems of automobile congestion, Congress continues to encourage people to drive. Discouraging perhaps, but we're closing the gap. If one doesn't have thirty years to devote to social policy, one should not get involved!)

Quite consciously, and conscientiously, Congress established a bias in the statute toward the use of vouchers—which employers can distribute to employees—over bona fide cash reimbursement arrangements. We permitted employers to use cash reimbursement arrangements only when a voucher program was not readily available. We reasoned that because the vouchers could only be used for transit, we would eliminate the need for employees to prove that they were using the tax benefit for the intended purpose. Furthermore, by stipulating that voucher programs are the clear preference of Congress, we are compelling transit authorities to offer better services—monthly farecards, unlimited ride passes, smartcards, et al.—to the multitudes of working Americans who must presently endure all manner of frustrations and indignities during their daily work commute.

While the new law has only been in effect for little more than a year, the program is catching on in our large metropolitan areas and should continue to expand. We have been alerted, however, to a legitimate concern of large multistate employers. Several of these companies have noted that establishing voucher programs can be arduous and unwieldy when the companies must craft separate programs in various jurisdictions with different transportation authorities. These difficulties, coupled with an expertise in administering cash reimbursement programs, have convinced the companies that bona fide cash reimbursement programs are more practical. Fair enough.

We should, therefore, make it easier for such companies to offer the benefit through cash reimbursement arrangements. While I am committed to that end, I have serious reservations about the repeal of the voucher preference contained in the Domenici amendment.

My main objection is that the U.S. Treasury is currently developing substantiation regulations for the administration of this benefit through cash reimbursement arrangements. These regulations will provide companies with a clear understanding of their obligations in the verification of their employees' transit usage, an understanding which does not exist today. Until these regulations are promulgated, voucher programs offer the only true mechanism of verification, as vouchers, unlike cash, are useless unless enjoyed for their intended purpose. The Congress should not take an action that might rapidly increase the use of a tax benefit without the existence of accompanying safeguards to ensue the program's integrity.

I will work with my colleagues on the Finance Committee, with my revered Chairman, and any Senator interested in this issue, to improve the ease with which companies can offer this important benefit to their employees. It is, after all, in our national interest. But I must strongly oppose efforts to repeal the voucher preference until the Treasury establishes a regulatory framework for cash reimbursement. We have been told to expect the regulations by mid-January. We anxiously await their arrival.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Mexico.

Mr. DOMENICI. Mr. President, the Republican bill does the following: It raises the minimum wage $1 in three installments instead of two. It gives great opportunity to small businesspeople and others who have been denied relief under the Tax Code of this country.

Let me explain so everybody will understand the basic ones we try to help in this bill. One, we help workers pay for health care. For the first time in history, workers in the United States, many who work for small businesses, can buy their own health insurance and deduct every penny of it. Heretofore, they could not do that. We have a 100 percent self-employed health insurance deduction. That should have been the case 10 years ago. We finally have it in this bill.

We made permanent the work opportunity tax credit, which is to help employers, mostly small businesses, hire those who cannot get jobs, and they get a credit for it. We made that permanent. That is good for America since we have reduced the number of welfare recipients in America by 48 percent; and we need to make permanent the incentive to hire them.

We have reduced the Federal unemployment surtax. As I said, we have made permanent that work opportunity tax credit I just told you about.

In addition, there is no question that the Democrats decided to raise taxes to pay for their wage increases. So they raise taxes almost $13 billion in the first 5 years, which is not necessary with the kind of surpluses that we have. We have used merely 12.5 percent of the tax cuts we had proposed 5 months ago. So 12.5 percent of them are in this bill.

This is the right thing to do.

Let me close by telling you, 55 percent of the minimum wage earners in America are young people; two-thirds are part-time workers; and 8 percent are women who are heads of households working full time.

I yield the floor.

Mr. KENNEDY. I yield myself the remaining 30 seconds.

Mr. President, first, this is a watered-down increase in the minimum wage that does not deserve to pass. It is a sham.

Second, this legislation assaults the whole formula on overtime. It threatens overtime for 73 million Americans.

And third, it provides $75 billion in tax breaks for wealthy individuals that is not paid for.

It does not deserve the support of the Senate. I hope it will be defeated.

The PRESIDING OFFICER. All time has expired. The question is on the amendment.

Mr. DOMENICI. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2547. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Arizona (Mr. McCAIN) is necessarily absent.

Mr. REID. I announce that the Senator from South Carolina (Mr. HOLLINGS) is absent because of a death in the family.

The result was announced—yeas 54, nays 44, as follows:

[Rollcall Vote No. 357 Leg.]

YEAS—54

Abraham
Allard
Ashcroft
Bennett
Bond
Brownback
Bunning
Burns
Campbell
Chafee, L.
Cleland
Cochran
Collins
Coverdell
Craig
Crapo
DeWine
Domenici
Enzi
Fitzgerald
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Jeffords
Kyl
Lott
Lugar
Mack
McConnell
Murkowski
Nickles
Roberts
Roth
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—44

Akaka
Baucus
Bayh
Biden
Bingaman
Boxer
Breaux
Bryan
Byrd
Conrad
Daschle
Dodd
Dorgan
Durbin
Edwards
Feingold
Feinstein
Graham
Harkin
Inouye
Johnson
Kennedy
Kerrey
Kerry
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lincoln
Mikulski
Moynihan
Murray
Reed
Reid
Robb
Rockefeller
Sarbanes
Schumer
Torricelli
Voinovich
Wellstone
Wyden

NOT VOTING—2

Hollings
McCain

The amendment (No. 2547) was agreed to.

Mr. NICKLES. I move to reconsider the vote.

Mr. LOTT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(Mr. ENZI assumed the Chair.)

Mr. LEAHY. Mr. President, to bring Senators up to date on where we are, the distinguished Senator from New Jersey, Mr. TORRICELLI, and I have been working with the distinguished Senators from Iowa and Utah, Messrs. GRASSLEY and HATCH, to clear as many amendments as we can agree to. Senators GRASSLEY, HATCH, TORRICELLI, and I have been able to get a number of these agreed to. We have more than 10 amendments we are ready to accept to show we are making progress on this bill.

For the benefit of Senators, I will briefly describe these amendments we are prepared to accept. We are prepared to accept the Feingold amendment No. 2745, an amendment to improve the bill by prohibiting retroactive assessments of disposable income. It ensures that farmers forced into bankruptcy can continue to carry on their farming operations without retroactive assessments against their disposable income.

We are prepared to accept Robb amendment No. 1723 which improves the bill by clarifying the trustees shall return any payments not previously paid and not yet due and owing to lessors and purchase money secured creditors if a plan is not confirmed.

We are prepared to accept Grassley amendment No. 1731, a bipartisan amendment improving the bill by giving bankruptcy judges the discretion to waive the $175 filing fee for chapter 7 cases for debtors whose annual income is less than 125 percent of the poverty level. Bankruptcy is the only civil proceeding where in forma pauperis filing status is not permitted. This amendment corrects that anomaly. The Grassley amendment is cosponsored by Senators TORRICELLI, SPECTER, FEINGOLD, and BIDEN.

Feingold amendment No. 2743 improves the bill by striking the requirement that debtor's attorneys must pay a trustee's attorney fees if the debtor is not substantially justified in filing for chapter 7. The current requirement that debtor's attorney must pay a trustee attorney's fee often causes a chilling effect of discouraging eligible debtors from filing chapter 7 for fear of paying future fees. Senator SPECTER is a sponsor of this amendment.

We have Hatch amendment No. 1714 improving the bill by adding procedures for the prosecution of materially fraudulent claims in bankruptcy schedules.

Hatch amendment No. 1715 improves the bill by dismissing bankruptcy cases if the debtor commits a crime of violence or a drug trafficking crime.

The Kerry amendment No. 1725 modifies the deadlines for small business bankruptcy filings. Small businesses need the reasonable time limits of this amendment to reorganize their business.

We have the Collins amendment No. 1726, a bipartisan amendment improving the bill by providing bankruptcy rules for family fishermen. The amendment is cosponsored by Senators KERRY of Massachusetts, MURRAY, STEVENS, and KENNEDY.

Johnson amendment No. 2654 improves the bill by paying chapter 7 trustees if a case is dismissed or diverted under the bill's means test.

The DeWine amendment No. 1727 improves the bill by clarifying that a debt from a qualified education loan under the Internal Revenue Service Code is nondischargable.

Grassley amendment No. 2514 improves the bill by clarifying a special tax assessment on real property secured debts under bankruptcy laws. Many municipal governments, particularly in California, depend on these real estate taxes or assessments for revenues. The distinguished Senator from California, Mrs. FEINSTEIN, is a cosponsor of this amendment.

Senators had been coming to the floor Friday and Monday to offer amendments. Even though we had only half a day of debate yesterday, Senators from both sides of the aisle offered amendments to improve the bill.

So I urge Senators to continue to do that. We could accept a vote or otherwise dispose of the Democratic and Republican amendments. I have discussed this with the distinguished Senator from Iowa. Both of us would like, if at all possible, to whittle down the number and be able to tell our colleagues at what point we are apt to finish the bill. We have been working. I don't think we have even had quorum calls.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Iowa.

Mr. GRASSLEY. Mr. President, first of all, I thank the Senator from Vermont for his encouragement of all Members that although we have had so many amendments filed, it would be determined that every amendment either be offered or else dropped from the list. I hope later on this afternoon we can finish that process.

Mr. LEAHY. I thank my colleague.

AMENDMENTS NOS. 2745, 1723, 1731, 2743, 1714, 1715, 1725, 1726, 2654, 1727, 2514 EN BLOC

Mr. GRASSLEY. With respect to the individual amendments that the Senator from Vermont just gave details of, I ask unanimous consent the amendments listed be considered en bloc, agreed to en bloc, and the motion to reconsider be laid on the table.

They are amendments Nos. 2745, 1723, 1731, 2743, 1714, 1715, 1725, 1726, 2654, 1727, 2514.

Mr. LEAHY. We have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments (Nos. 2745, 1723, 1731, 2743, 1714, 1715, 1725, 1726, 2654, 1727, 2514) were considered and agreed to en bloc, as follows:

AMENDMENT NO. 2745

(Purpose: To prohibit the retroactive assessment of disposal income)

At the end of title X, insert the following:

SEC.   . PROHIBITION OF RETROACTIVE ASSESSMENT OF DISPOSABLE INCOME.

(a) IN GENERAL.—Section 1225(b) of title 11, United States Code, is amended by adding at the end the following:

"(3) If the plan provides for specific amounts of property to be distributed on account of allowed unsecured claims as required by paragraph (1)(B), those amounts equal or exceed the debtor's projected disposable income for that period, and the plan meets the requirements for confirmation other than those of this subsection, the plan shall be confirmed.".

(b) MODIFICATION.—Section 1229 of title 11, United States Code, is amended by adding at the end the following:

"(d)(1) A modification of the plan under this section may not increase the amount of payments that were due prior to the date of the order modifying the plan.

"(2) A modification of the plan under this section to increase payments based on an increase in the debtor's disposable income may not require payments to unsecured creditors in any particular month greater than the debtor's disposable income for that month unless the debtor proposes such a modification.

"(3) A modification of the plan in the last year of the plan shall not require payments that would leave the debtor with insufficient funds to carry on the farming operation after the plan is completed unless the debtor proposes such a modification.".

AMENDMENT NO. 1723

(Purpose: To clarify the amount of payments to be returned to a debtor if a plan is not confirmed, and for other purposes)

On page 106, line 16, insert "and not yet due and owing" after "previously paid".

AMENDMENT NO. 1731

(Purpose: To provide for a waiver of filing fees in certain bankruptcy cases, and for other purposes)

On page 145, between lines 15 and 16, insert the following:

SEC. 420. BANKRUPTCY FEES.

Section 1930 of title 28, United States Code, is amended—

(1) in subsection (a), by striking "Notwithstanding section 1915 of this title, the parties" and inserting "Subject to subsection (f), the parties"; and

(2) by adding at the end the following:

"(f)(1) The Judicial Conference of the United States shall prescribe procedures for waiving fees under this subsection.

"(2) Under the procedures described in paragraph (1), the district court or the bankruptcy court may waive a filing fee described in paragraph (3) for a case commenced under chapter 7 of title 11 if the court determines that an individual debtor whose income is less than 125 percent of the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved is unable to pay that fee in installments.

"(3) A filing fee referred to in paragraph (2) is—

"(A) a filing fee under subsection (a)(1); or

"(B) any other fee prescribed by the Judicial Conference of the United States under subsection (b) that is payable to the clerk of the district court or the clerk of the bankruptcy court upon the commencement of a case under chapter 7 of title 11.

"(4) In addition to waiving a fee under paragraph (2), the district court or the bankruptcy court may waive any other fee prescribed under subsection (b) or (c) if the court determines that the individual with an income at a level described in paragraph (2) is unable to pay that fee in installments.".

AMENDMENT NO. 2743

(Purpose: To modify the standard for the award of attorneys' fees)

On page 12, strike line 22 and insert "frivolous.".

AMENDMENT NO. 1714

(Purpose: To provide for improved enforcement of criminal bankruptcy filing provisions, and for other purposes)

On page 28, line 7, after "**debt**", insert "**and materially fraudulent statements in bankruptcy schedules**".

On page 28, line 12, after the period, insert "In addition to addressing the violations referred to in the preceding sentence, the individuals described under subsection (b) shall address violations of section 152 or 157 relating to materially fraudulent statements in bankruptcy schedules that are intentionally false or intentionally misleading.".

On page 28, line 25, strike the quotation marks and the second period.

On page 28, after line 25, insert the following:

"(d) BANKRUPTCY PROCEDURES.—The bankruptcy courts shall establish procedures for referring any case which may contain a materially fraudulent statement in a bankruptcy schedule to the individuals designated under this section.".

On page 29, strike the item between lines 3 and 4 and insert the following:

"158. Designation of United States attorneys and agents of the Federal Bureau of Investigation to address abusive reaffirmations of debt and materially fraudulent statements in bankruptcy schedules.".

AMENDMENT NO. 1715

(Purpose: To amend section 707, of title 11, United States Code, to provide for the dismissal of certain cases filed under chapter 7 of that title by a debtor who has been convicted of a crime of violence or a drug trafficking crime)

On page 14, between lines 14 and 15, insert the following:

(c) DISMISSAL FOR CERTAIN CRIMES.—Section 707 of title 11, United States Code, as amended by subsection (a) of this section, is amended by adding at the end the following:

"(c)(1) In this subsection—

"(A) the term 'crime of violence' has the meaning given that term in section 16 of title 18; and

"(B) the term 'drug trafficking crime' has the meaning given that term in section 924(c)(2) of title 18.

"(2) Except as provided in paragraph (3), after notice and a hearing, the court, on a motion by the victim of a crime of violence or a drug trafficking crime, or at the request of a party in interest, shall dismiss a voluntary case filed by an individual debtor under this chapter if that individual was convicted of that crime.

"(3) The court may not dismiss a case under paragraph (2) if the debtor establishes by a preponderance of the evidence that the filing of a case under this chapter is necessary to satisfy a claim for a domestic support obligation.".

On page 14, line 15, strike "(c)" and insert "(d)".

AMENDMENT NO. 1725

(Purpose: To amend plan filing and confirmation deadlines)

On page 155, line 16, strike "90" and insert "180".

On page 155, strike through lines 18 and 19.

On page 155, line 20, strike "(B)" and insert "(A)".

On page 155, line 22, strike "(C)" and insert "(B)".

On page 155, line 24, strike "90" and insert "300".

Beginning on page 156, line 22, strike through page 157, line 8.

Redesignate sections 430 through 435 as sections 429 through 434, respectively.

On page 159, lines 13 and 14, strike ", as amended by section 429 of this Act,".

On page 250, line 17, strike "432(2)" and insert "431(2)".

AMENDMENT NO. 1726

(Purpose: To provide for family fishermen)

At the appropriate place insert the following:

SEC.   . FAMILY FISHERMEN.

(a) DEFINITIONS.—Section 101 of title 11, United States Code, is amended—

(1) by inserting after paragraph (7) the following:

"(7A) 'commercial fishing operation' includes—

"(A) the catching or harvesting of fish, shrimp, lobsters, urchins, seaweed, shellfish, or other aquatic species or products;

"(B) for purposes of section 109 and chapter 12, aquaculture activities consisting of raising for market any species or product described in subparagraph (A); and

"(C) the transporting by vessel of a passenger for hire (as defined in section 2101 of title 46) who is engaged in recreational fishing;

"(7B) 'commercial fishing vessel' means a vessel used by a fisherman to carry out a commercial fishing operation;";

(2) by inserting after paragraph (19) the following:

"(19A) 'family fisherman' means—

"(A) an individual or individual and spouse engaged in a commercial fishing operation (including aquaculture for purposes of chapter 12)—

"(i) whose aggregate debts do not exceed $1,500,000 and not less than 80 percent of whose aggregate noncontingent, liquidated debts (excluding a debt for the principal residence of such individual or such individual and spouse, unless such debt arises out of a commercial fishing operation), on the date the case is filed, arise out of a commercial fishing operation owned or operated by such individual or such individual and spouse; and

"(ii) who receive from such commercial fishing operation more than 50 percent of such individual's or such individual's and spouse's gross income for the taxable year preceding the taxable year in which the case concerning such individual or such individual and spouse was filed; or

"(B) a corporation or partnership—

"(i) in which more than 50 percent of the outstanding stock or equity is held by—

"(I) 1 family that conducts the commercial fishing operation; or

"(II) 1 family and the relatives of the members of such family, and such family or such relatives conduct the commercial fishing operation; and

"(ii)(I) more than 80 percent of the value of its assets consists of assets related to the commercial fishing operation;

"(II) its aggregate debts do not exceed $1,500,000 and not less than 80 percent of its aggregate noncontingent, liquidated debts (excluding a debt for 1 dwelling which is owned by such corporation or partnership and which a shareholder or partner maintains as a principal residence, unless such debt arises out of a commercial fishing operation), on the date the case is filed, arise out of a commercial fishing operation owned or operated by such corporation or such partnership; and

"(III) if such corporation issues stock, such stock is not publicly traded;"; and

(3) by inserting after paragraph (19A) the following:

"(19B) 'family fisherman with regular annual income' means a family fisherman whose annual income is sufficiently stable and regular to enable such family fisherman to make payments under a plan under chapter 12 of this title;".

(b) WHO MAY BE A DEBTOR.—Section 109(f) of title 11, United States Code, is amended by inserting "or family fisherman" after "family farmer".

(c) CHAPTER 12.—Chapter 12 of title 11, United States Code, is amended—

(1) in the chapter heading, by inserting "**OR FISHERMAN**" after "**FAMILY FARMER**";

(2) in section 1201, by adding at the end the following:

"(e)(1) Notwithstanding any other provision of law, for purposes of this subsection, a guarantor of a claim of a creditor under this section shall be treated in the same manner as a creditor with respect to the operation of a stay under this section.

"(2) For purposes of a claim that arises from the ownership or operation of a commercial fishing operation, a co-maker of a loan made by a creditor under this section shall be treated in the same manner as a creditor with respect to the operation of a stay under this section.";

(3) in section 1203, by inserting "or commercial fishing operation" after "farm";

(4) in section 1206, by striking "if the property is farmland or farm equipment" and inserting "if the property is farmland, farm equipment, or property of a commercial fishing operation (including a commercial fishing vessel)"; and

(5) by adding at the end the following:

"§ 1232. Additional provisions relating to family fishermen

"(a)(1) Notwithstanding any other provision of law, except as provided in subsection (c), with respect to any commercial fishing vessel of a family fisherman, the debts of that family fisherman shall be treated in the manner prescribed in paragraph (2).

"(2)(A) For purposes of this chapter, a claim for a lien described in subsection (b) for a commercial fishing vessel of a family fisherman that could, but for this subsection, be subject to a lien under otherwise applicable maritime law, shall be treated as an unsecured claim.

"(B) Subparagraph (A) applies to a claim for a lien resulting from a debt of a family fisherman incurred on or after the date of enactment of this chapter.

"(b) A lien described in this subsection is—

"(1) a maritime lien under subchapter III of chapter 313 of title 46 without regard to whether that lien is recorded under section 31343 of title 46; or

"(2) a lien under applicable State law (or the law of a political subdivision thereof).

"(c) Subsection (a) shall not apply to—

"(1) a claim made by a member of a crew or a seaman including a claim made for—

"(A) wages, maintenance, or cure; or

"(B) personal injury; or

"(2) a preferred ship mortgage that has been perfected under subchapter II of chapter 313 of title 46.

"(d) For purposes of this chapter, a mortgage described in subsection (c)(2) shall be treated as a secured claim.".

(d) CLERICAL AMENDMENTS.—

(1) TABLE OF CHAPTERS.—In the table of chapters for title 11, United States Code, the item relating to chapter 12, is amended to read as follows:

"12. Adjustments of Debts of a Family Farmer or Family Fisherman with Regular Annual Income .... 1201".

(2) TABLE OF SECTIONS.—The table of sections for chapter 12 of title 11, United States Code, is amended by adding at the end the following new item:

"1232. Additional provisions relating to family fishermen.".

(e) Nothing in this title is intended to change, affect, or amend the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801, et seq.).

AMENDMENT NO. 2654

(Purpose: To provide chapter 7 trustees with reasonable compensation for their work in managing the ability to pay test)

At the appropriate place, insert the following:

SEC. ___. COMPENSATING TRUSTEES.

Title 11, United States Code, is amended—

(1) in section 104(b)(1) in the matter preceding subparagraph (A) by—

(A) striking "and 523(a)(2)(C)"; and

(B) inserting "523(a)(2)(C), and 1326(b)(3)" before "immediately";

(2) in section 326, by inserting at the end the following:

"(e) Notwithstanding any other provision of this section, if a trustee in a chapter 7 case commences a motion to dismiss or convert under section 707(b) and such motion is granted, the court shall allow reasonable compensation under section 330(a) of this title for the services and expenses of the trustee and the trustee's counsel in preparing and presenting such motion and any related appeals."; and

(3) in section 1326(b)—

(A) in paragraph (1), by striking "and";

(B) in paragraph (2), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(3) if a chapter 7 trustee has been allowed compensation under section 326(e) in a case converted to this chapter or in a case dismissed under section 707(b) in which the debtor in this case was a debtor—

"(A) the amount of such unpaid compensation which shall be paid monthly by prorating such amount over the remaining duration of the plan, but a monthly payment shall not exceed the greater of—

"(i) $25; or

"(ii) the amount payable to unsecured nonpriority creditors as provided by the plan multiplied by 5 percent, and the result divided by the number of months in the plan; and

"(B) notwithstanding any other provision of this title—

"(i) such compensation is payable and may be collected by the trustee under this paragraph even if such amount has been discharged in a prior proceeding under this title; and

"(ii) such compensation is payable in a case under this chapter only to the extent permitted by this paragraph.".

AMENDMENT NO. 1727

(Purpose: To provide for the nondischargeability of certain educational benefits and loans)

On page 53, insert between lines 18 and 19 the following:

SEC. 220. NONDISCHARGEABILITY OF CERTAIN EDUCATIONAL BENEFITS AND LOANS.

Section 523(a) of title 11, United States Code, is amended by striking paragraph (8) and inserting the following:

"(8) unless excepting such debt from discharge under this paragraph would impose an undue hardship on the debtor and the debtor's dependents, for—

"(A)(i) an educational benefit overpayment or loan made, insured, or guaranteed by a governmental unit, or made under any program funded in whole or in part by a governmental unit or nonprofit institution; or

"(ii) an obligation to repay funds received as an educational benefit, scholarship, or stipend; or

"(B) any other educational loan that is a qualified education loan, as that term is defined in section 221(e)(1) of the Internal Revenue Code of 1986, incurred by an individual debtor;".

AMENDMENT NO. 2514

(Purpose: To amend Title 11 of the United States Code)

Insert at the appropriate place:

Section 362(b)(18) of title 11, United States Code, is amended to read as follows:

(18) under subsection (a) of the creation or perfection of a statutory lien for an ad valorem property tax, or a special tax or special assessment on real property whether or not ad valorem, imposed by a governmental unit, if such tax or assessment comes due after the filing of the petition.

Mr. FEINGOLD. Mr. President, I thank the managers for offering and accepting the bipartisan amendment that would allow courts to waive the filing fee for chapter 7 filers who cannot afford to pay. This is similar to an amendment that Senator SPECTER and I successfully offered on the floor in the last Congress. I am certain we could have repeated that success on this bill, but I did not think it was necessary this year to have a rollcall vote since the House-passed bankruptcy bill includes a similar provision.

It is unbelievable to me that bankruptcy is the only Federal civil proceeding in which a poor person cannot file in forma pauperis. That means that in any other federal civil proceeding you can file a case without paying the filing fee if the court determines that you are unable to afford the fee, but in bankruptcy you either pay the filing fee or you are denied access to the system.

That doesn't make any sense. The bankruptcy system, is by definition designed to assist those who have fallen on hard times, but because there is no allowance for in forma pauperis filing, the system is unavailable to the poorest of the poor. This prohibition against debtors filing in forma pauperis is a clear obstacle to the poor gaining access to justice.

Currently the filing fee for consumer bankruptcy is $175, and it may well be increased in this bill. That's roughly the weekly take home pay of an employee working a 40-hour week at the minimum wage. It is unreasonable and unrealistic to expect the indigent—people who barely get by from week to week, the very people who truly need the protection afforded by the bankruptcy system the most—to save money to raise such a fee simply to enter the system.

Congress has already acknowledged that the bankruptcy system may need an in forma pauperis proceeding by enacting a three year pilot program in six judical districts across the country. The Federal Judicial Center recently submitted a comprehensive report to Congress analyzing this pilot program in which it found that:

A fee waiver application was filed in only 3.4 percent of all chapter 7 cases, and the large majority of these waivers were granted. Indeed, the U.S. Trustees Office filed objections to less than 1 percent of the applications. In other words, only those very few individuals who really needed the fee-waiver applied for it.

The fee-waiver program enhanced access to the bankruptcy system for indigent single women above and beyond any other group. We cannot strike another blow against single mothers and their children by denying them access to the bankruptcy system because they cannot even afford the filing fee.

The nature of the debt for those who filed for the fee-waiver differed from that of other debtors in that their debts related more to basic subsistence—education, health, utility services, and housing. Moreover, 63 percent of the housing-related debts of those who filed for the fee-waiver owed their debts to public housing authorities. Therefore, these indigent debtors were not filing bankruptcy to escape paying for their boats, or their fancy entertainment systems. They were filing bankruptcy merely to subsist.

Often times the bankruptcy system was the only thing that stood between these unfortunate people and homelessness.

There was only a minimal increase in the number of filings and there was no indication that debtors filed for chapter 7 rather than chapter 13 just to obtain the benefit of the fee-waiver program. Simply stated, the debtors did not abuse the system.

In sum, this amendment would build upon the strong foundation established in the pilot program and direct the Judicial Center to create a nation-wide in forma pauperis program for the bankruptcy system, thus, establishing some fairness in the bankruptcy filing process for the most financially strapped debtors.

We have made one modification in the amendment to make sure that in forma pauperis filing status is only available to truly indigent people, namely those with an annual income of below 125% of the poverty level. That is the same income qualification required for people to receive free legal assistance from the Legal Service Corporation. Obviously, we don't intend for the bankruptcy filing fee to be waived for people who aren't really poor. So I was happy to agree to this modification.

The expenditure of funds required by this amendment is clearly justified. We made the decision long ago in this country that our judicial system would be open to everyone—those who can pay, and those who cannot—and we decided that as a nation, we would absorb the cost of allowing those who could not pay to receive the same access as those who could. If you are poor, and you cannot afford the fee to file for divorce, we absorb the cost. If someone does you wrong and you cannot afford the filing fee to sue, we absorb the cost. Likewise, if you are in such financial difficulty that you must file for bankruptcy, and you cannot afford the filing fee, now, because of this amendment, we must also absorb the cost.

In this bill, where we are giving such advantages to the well-heeled landlords and credit companies, I am pleased that we will take this small step to ensure that the poorest of the poor are not shut out of this very important part of our system of justice. Again, I thank the managers for agreeing to this amendment.

The PRESIDING OFFICER. The Chair recognizes the Senator from Connecticut.

Mr. DODD. Mr. President, if I can get the attention of the floor manager of this bill, I think what I am about to do is all right. I will call up three amendments and immediately ask for them to be laid aside, and then I will call up an amendment which I want to debate.

AMENDMENTS NOS. 2531, 2532, AND 2753

Mr. DODD. Mr. President, I call up amendments Nos. 2531, 2532, and 2753.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Connecticut [Mr. DODD] proposes amendments numbered 2531, 2532, and 2753.

The amendments are as follows:

AMENDMENT NO. 2531

(Purpose: To protect certain education savings)

On page 83, between lines 4 and 5, insert the following:

SEC. 2 . PROTECTION OF EDUCATION SAVINGS.

(a) EXCLUSIONS.—Section 541 of title 11, United States Code, as amended by section 903, is amended—

(1) in subsection (b)—

(A) in paragraph (5), by striking "or" at the end;

(B) by redesignating paragraph (6) as paragraph (8); and

(C) by inserting after paragraph (5) the following:

"(6) funds placed in an education individual retirement account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986) not later than 365 days before the date of filing of the petition, but—

"(A) only if the designated beneficiary of such account was a son, daughter, stepson, stepdaughter, grandchild, or step-grandchild of the debtor for the taxable year for which funds were placed in such account;

"(B) only to the extent that such funds—

"(i) are not pledged or promised to any entity in connection with any extension of credit; and

"(ii) are not excess contributions (as described in section 4973(e) of the Internal Revenue Code of 1986); and

"(C) in the case of funds placed in all such accounts having the same designated beneficiary not earlier than 720 days nor later than 365 days before such date, only so much of such funds as does not exceed $5,000;

"(7) funds used to purchase a tuition credit or certificate or contributed to an account in accordance with section 529(b)(1)(A) of the Internal Revenue Code of 1986 under a qualified State tuition program (as defined in section 529(b)(1) of such Code) not later than 365 days before the date of filing of the petition, but—

"(A) only if the designated beneficiary of the amounts paid or contributed to such tuition program was a son, daughter, stepson, step-daughter, grandchild, or step-grandchild of the debtor for the taxable year for which funds were paid or contributed;

"(B) with respect to the aggregate amount paid or contributed to such program having the same designated beneficiary, only so much of such amount as does not exceed the total contributions permitted under section 529(b)(7) of such Code with respect to such beneficiary, as adjusted beginning on the date of the filing of the petition by the annual increase or decrease (rounded to the nearest tenth of 1 percent) in the education expenditure category of the Consumer Price Index prepared by the Department of Labor; and

"(C) in the case of funds paid or contributed to such program having the same designated beneficiary not earlier than 720 days nor later than 365 days before such date, only so much of such funds as does not exceed $5,000; or"; and

(2) by adding at the end the following:

"(f) In determining whether any of the relationships specified in paragraph (6)(A) or (7)(A) of subsection (b) exists, a legally adopted child of an individual (and a child who is a member of an individual's household, if placed with such individual by an authorized placement agency for legal adoption by such individual), or a foster child of an individual (if such child has as the child's principal place of abode the home of the debtor and is a member of the debtor's household) shall be treated as a child of such individual by blood.".

(b) DEBTOR'S DUTIES.—Section 521 of title 11, United States Code, as amended by sections 105(d), 304(c)(1), 305(2), 315(b), and 316 of this Act, is amended by adding at the end the following:

"(k) In addition to meeting the requirements under subsection (a), a debtor shall file with the court a record of any interest that a debtor has in an education individual retirement account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986) or under a qualified State tuition program (as defined in section 529(b)(1) of such Code).".

On page 7, line 15, strike "(ii)" and insert "(ii)(I)".

On page 7, between lines 21 and 22, insert the following:

"(II) The expenses referred to in subclause (I) shall include—

"(aa) taxes and mandatory withholdings from wages;

"(bb) health care;

"(cc) alimony, child, and spousal support payments;

"(dd) legal fees necessary for the debtor's case;

"(ee) child care and the care of elderly or disabled family members;

"(ff) reasonable insurance expenses and pension payments;

"(gg) religious and charitable contributions;

"(hh) educational expenses not to exceed $10,000 per household;

"(ii) union dues;

"(jj) other expenses necessary for the operation of a business of the debtor or for the debtor's employment;

"(kk) utility expenses and home maintenance expenses for a debtor that owns a home;

"(*ll*) ownership costs for a motor vehicle, determined in accordance with Internal Revenue Service transportation standards, reduced by any payments on debts secured by the motor vehicle or vehicle lease payments made by the debtor;

"(mm) expenses for children's toys and recreation for children of the debtor;

"(nn) tax credits for earned income determined under section 32 of the Internal Revenue Code of 1986; and

"(oo) miscellaneous and emergency expenses.

On page 83, between lines 4 and 5, insert the following:

SEC. 225. TREATMENT OF TAX REFUNDS AND DOMESTIC SUPPORT OBLIGATIONS.

(a) Property of the Estate.—Section 541 of title 11, United States Code, is amended—

(1) in subsection (a)(5)(B) by inserting "except as provided under subsection (b)(7)," before "as a result"; and

(2) in subsection (b)—

(A) in paragraph (4), by striking "or" at the end;

(B) in paragraph (5), by striking the period at the end and inserting a semicolon; and

(C) by inserting after paragraph (5) the following:

"(6) any—

"(A) refund of tax due to the debtor under subtitle A of the Internal Revenue Code of 1986 for any taxable year to the extent that the refund does not exceed the amount of an applicable earned income tax credit allowed under section 32 of such Code for such year; and

"(B) advance payment of an earned income tax credit under section 3507 of the Internal Revenue Code of 1986; or

"(7) the right of the debtor to receive alimony, support, or separate maintenance for the debtor or dependent of the debtor.".

(b) Protection of Earned Income Tax Credit and Support Payments Under Bankruptcy Repayment Plans in Chapter 12.—Section 1225(b)(2) of title 11, United States Code, as amended by section 218 of this Act, is amended—

(1) by inserting "(A)" before "For purposes";

(2) by striking "(A) for the maintenance" and inserting "(i) for the maintenance";

(3) by striking "(B) if the debtor" and inserting "(ii) if the debtor"; and

(4) by adding at the end the following:

"(B) In determining disposable income the court shall not consider amounts the debtor receives or is entitled to receive from—

"(i) any refund of tax due to the debtor under subtitle A of the Internal Revenue Code of 1986 for any taxable year to the extent that the refund does not exceed the amount of an applicable earned income tax credit allowed by section 32 of the Internal Revenue Code of 1986 for such year;

"(ii) any advance payment for an earned income tax credit described in clause (i); or

"(iii) child support, foster care, or disability payment for the care of a dependent child in accordance with applicable nonbankruptcy law.".

(c) Protection of Earned Income Tax Credit and Support Payments Under Bankruptcy Repayment Plans in Chapter 13.—Section 1325(b)(2) of title 11, United States Code, as amended by section 218 of this Act, is amended—

(1) by inserting "(A)" before "For purposes";

(2) by striking "(A) for the maintenance" and inserting "(i) for the maintenance";

(3) by striking "(B) if the debtor" and inserting "(ii) if the debtor"; and

(4) by adding at the end the following:

"(B) In determining disposable income the court shall not consider amounts the debtor receives or is entitled to receive from—

"(i) any refund of tax due to the debtor under subtitle A of the Internal Revenue Code of 1986 for any taxable year to the extent that the refund does not exceed the amount of an applicable earned income tax credit allowed by section 32 of the Internal Revenue Code of 1986 for such year;

"(ii) any advance payment for an earned income tax credit described in clause (i); or

"(iii) child support, foster care, or disability payment for the care of a dependent child in accordance with applicable nonbankruptcy law.".

(d) Exemptions.—Section 522(d) of title 11, United States Code, as amended by section 224 of this Act, is amended in paragraph (10)—

(1) in subparagraph (C), by adding "or" after the semicolon;

(2) by striking subparagraph (D); and

(3) by striking "(E)" and inserting "(D)".

On page 92, line 5, strike "personal property" and insert "an item of personal property purchased for more than $3,000".

On page 93, line 19, strike "property" and insert "an item of personal property purchased for more than $3,000".

On page 97, line 10, strike "if" and insert "to the extent that".

On page 97, line 10, after "incurred" insert "to purchase that thing of value".

On page 98, line 1, strike "(27A)" and insert (27B)".

On page 107, line 9, strike "and aggregating more than $250" and insert "for $400 or more per item or service".

On page 107, line 11, strike "90" and insert "70".

On page 107, line 13, after "dischargeable" insert the following: "if the creditor proves by a preponderance of the evidence at a hearing that the goods or services were not reasonably necessary for the maintenance or support of the debtor".

On page 107, line 15, strike "$750" and insert "$1,075".

On page 107, line 17, strike "70" and insert "60".

Beginning on page 109, strike line 21 and all that follows through page 111, line 15, and insert the following:

SEC. 314. HOUSEHOLD GOOD DEFINED.

Section 101 of title 11, United States Code, as amended by section 106(c) of this Act, is amended by inserting before paragraph (27B) the following:

"(27A) 'household goods'—

"(A) includes tangible personal property normally found in or around a residence; and

"(B) does not include motor vehicles used for transportation purposes;".

On page 112, line 6, strike "(except that," and all that follows through "debts)" on line 13.

On page 113, between lines 3 and 4, insert the following:

(c) Exceptions to Discharge.—Section 523 of title 11, United States Code, is amended—

(1) in subsection (c), by inserting "(14A)," after "(6)," each place it appears; and

(2) in subsection (d), by striking "(a)(2)" and inserting "(a) (2) or (14A)".

On page 263, line 8, insert "as amended by section 322 of this Act," after "United States Code,".

On page 263, line 11, strike "(4)" and insert "(5)".

On page 263, line 12, strike "(5)" and insert "(6)".

On page 263, line 13, strike "(6)" and insert "(7)".

On page 263, line 14, strike "(4)" and insert "(5)".

On page 263, line 16, strike "(5)" and insert "(6)".

AMENDMENT NO. 2753

(Purpose: To amend the Truth in Lending Act to provide for enhanced information regarding credit card balance payment terms and conditions, and to provide for enhanced reporting of credit card solicitations to the Board of Governors of the Federal Reserve System and to Congress, and for other purposes)

At the appropriate place, insert the following:

SEC. . CONSUMER CREDIT.

(a) Enhanced Disclosures Under an Open End Consumer Credit Plan.—Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end the following:

"(11)(A) Repayment information that would apply to the outstanding balance of the consumer under the credit plan, including—

"(i) the required minimum monthly payment on that balance, represented as both a dollar figure and as a percentage of that balance;

"(ii) the number of months (rounded to the nearest month) that it would take to pay the entire amount of that balance, if the consumer pays only the required minimum monthly payments and if no further advances are made;

"(iii) the total cost to the consumer, including interest and principal payments, of paying that balance in full, if the consumer pays only the required minimum monthly payments and if no further advances are made; and

"(iv) the monthly payment amount that would be required for the consumer to eliminate the outstanding balance in 36 months if no further advances are made.

"(B)(i) Subject to clause (ii), in making the disclosures under subparagraph (A) the creditor shall apply the interest rate in effect on the date on which the disclosure is made until the date on which the balance would be paid in full.

"(ii) If the interest rate in effect on the date on which the disclosure is made is a temporary rate that will change under a contractual provision applying an index or formula for subsequent interest rate adjustment, the creditor shall apply the interest rate in effect on the date on which the disclosure is made for as long as that interest rate will apply under that contractual provision, and then apply an interest rate based on the index or formula in effect on the applicable billing date.''.

(b) CIVIL LIABILITY.—Section 130(a) of the Truth in Lending Act (15 U.S.C. 1640(a)) is amended, in the undesignated paragraph following paragraph (4), by striking the second sentence and inserting the following: "In connection with the disclosures referred to in subsections (a) and (b) of section 127, a creditor shall have a liability determined under paragraph (2) only for failing to comply with the requirements of section 125, 127(a), or paragraph (4), (5), (6), (7), (8), (9), (10), or (11) of section 127(b), or for failing to comply with disclosure requirements under State law for any term or item that the Board has determined to be substantially the same in meaning under section 111(a)(2) as any of the terms or items referred to in section 127(a), or paragraph (4), (5), (6), (7), (8), (9), (10), or (11) of section 127(b).''.

Mr. DODD. Mr. President, I ask unanimous consent that these three amendments be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2754

(Purpose: To amend the Truth in Lending Act with respect to extensions of credit to consumers under the age of 21)

Mr. DODD. Mr. President, I call up amendment No. 2754 and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from Connecticut [Mr. DODD], for himself and Mr. KENNEDY, proposes an amendment numbered 2754.

Mr. DODD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. ___. EXTENSIONS OF CREDIT TO UNDERAGE CONSUMERS.

(a) IN GENERAL.—Section 127(c) of the Truth in Lending Act (15 U.S.C. 1637(c)) is amended—

(1) by redesignating paragraph (5) as paragraph (6); and

(2) by inserting after paragraph (4) the following:

"(5) APPLICATIONS FROM UNDERAGE CONSUMERS.—

"(A) PROHIBITION ON ISSUANCE.—No credit card may be issued to, or open end credit plan established on behalf of, a consumer who has not attained the age of 21 unless the consumer has submitted a written application to the card issuer that meets the requirements of subparagraph (B).

"(B) APPLICATION REQUIREMENTS.—An application to open a credit card account by an individual who has not attained the age of 21 as of the date of submission of the application shall require—

"(i) the signature of the parent, legal guardian, or spouse of the consumer, or any other individual having a means to repay debts incurred by the consumer in connection with the account, indicating joint liability for debts incurred by the consumer in connection with the account before the consumer has attained the age of 21; or

"(ii) submission by the consumer of financial information indicating an independent means of repaying any obligation arising from the proposed extension of credit in connection with the account.''.

(b) REGULATORY AUTHORITY.—The Board of Governors of the Federal Reserve System may issue such rules or publish such model forms as it considers necessary to carry out section 127(c)(5) of the Truth in Lending Act, as amended by this section.

Mr. DODD. Mr. President, I say to my good friend from Iowa, I know he is concerned with the number of amendments and time. We have debated this amendment in the past. It will not be a new debate for our colleagues. I am more than happy to enter into an agreement, if he wants, to move the process along. I have three other amendments I have offered and laid aside which also can be dealt with quickly. I am more than prepared to enter into a time agreement when the manager wants to discuss that with me. I will be brief and explain what this amendment does and why it is an important one. I hope our colleagues will be willing to support it.

This amendment is very straightforward and just plain common sense and something most Americans have become familiar with already.

The amendment requires that when a credit card company issues a credit card to persons under the age of 21, the issuers of those credit cards obtain an application from that individual that does one of two things: One, either they have the signature of a parent, guardian, or other qualified individual willing to take financial responsibility for any debts that may be incurred; or, two, that the applicant provides information indicating the individual has independent means of repaying any credit card debt. One of those two things: Either have a guardian or some qualified person cosign to say they will assume the responsibility, or demonstrate the borrower has independent means of paying back their debts.

Why do I suggest this amendment is important and one we ought to do? It is becoming an alarming problem in the country. One of the most troubling developments in the hotly contested battle between the credit card issuers to sign up new customers has been the aggressive way in which these companies have targeted people under the age of 21, particularly college students.

Solicitations to this age group have become more intense for a variety of reasons. First of all, it is one of the few market segments in which there are always some new faces to go after. That certainly is understandable. Second, it is an age group in which brand loyalty can be established early on. Again, I understand that. In the words of one major credit card issuer, "We are in the relationship business. We want to build relationships early on."

Recent press reports have reported that people hold on to their first credit cards for up to 15 years. That makes sense to me. I do not argue with that. That is good business judgment. It is a new crowd coming along, and a company knows they can develop loyalties early on, and they want to establish that relationship as early as they can for those individuals.

I do not fault the credit card companies for those arguments or those ideas from a business perspective. What does worry me is that this solicitation and signing people up without having some information which indicates these credit cards are going to be paid for is creating a very serious problem, including significant dropouts from colleges because of the huge debts these individuals are accumulating.

In fact, people under the age of 21 are such a hot target for credit card marketers that the upcoming Card Marketing Conference 98 is calling one of its key sessions "Targeting teens: You never forget your first card."

Providing fair access to credit is something for which I have fought throughout my tenure in the Senate, and credit cards play a valuable role in pursuing the American dream. Some credit card issuers, however, have, in my view, gone too far in their aggressive solicitations. They irresponsibly target the most vulnerable in our society and extend them large amounts of credit with absolutely no regard to whether or not there is a reasonable expectation of repayment.

On my first chart, I bring to my colleagues' attention a recent story reported in the Rochester Democrat and Chronicle in the State of New York. The article relates to the story of a 3-year-old child who recently received a platinum credit card with a credit card limit of $5,000. The credit card issuers are also enticing college students.

In the Rochester News, a 3-year-old Rochester toddler was issued a platinum credit card after the mother jokingly returned an application sent to the child. The child's mother told the bank that the child's occupation was "preschooler" and left the income portion of the application a total blank. A few weeks later, the tot received a $5,000 credit card limit.

This is how insane the process has become—filling out the application, listing your application as a preschooler, and showing no source of income, and you get $5,000 worth of credit.

We know in this day and age of high technology that these companies certainly have the capacity of distinguishing—I hope—between a preschooler with no source of income and providing them with $5,000 worth of credit.

Credit card issuers are also enticing colleges and universities to promote their products. Professor Robert Manning of Georgetown University told my staff recently that some colleges receive tens of thousands of dollars per year for exclusive marketing agreements. Other colleges receive as much as 1 percent of all student charges from the credit card issuer in return for marketing or affinity agreements. Even those colleges that do not enter such agreements are making money.

Robert Bugai, president of the College Marketing Intelligence, told the American Banker recently that colleges charge up to $400 per day for each credit card company that sets up a table on their campuses. That can run into tens of thousands of dollars by the end of just one semester.

Last February, I went to the main campus of the University of Connecticut in my home State to meet with student leaders about this issue. Quite honestly, I was surprised at the amount of solicitations going on in the student union. Frankly, I also was surprised at the degree to which the students themselves were concerned about the constant barrage of offers they were receiving for credit cards.

The offers seemed very attractive. One student who was an intern in my office this summer received four solicitations in 2 weeks from credit card companies. One promised "eight cheap flights while you still have 18 weeks of vacation." Another promised a platinum card with what appeared to be a low-interest rate until you read the fine print that it applied only to balance transfers, not to the account overall. Only one of the four, Discover card, offered a brochure about credit terms—and I commend them for it—but, in doing so, also offered a spring break sweepstakes to 18-year-olds.

In fact, the Chicago Tribune recently reported the average college freshman receives 50 solicitations during the first few months at college. The Tribune further reported college students get green-lighted—a green light, no yellow light, a green light—for a line of credit that can reach more than $10,000 just on the strength of a signature and a student ID; $10,000 worth of credit at the age of 18 with just your student ID and a signature.

Who do you think is going to pay those bills? The parents do. They get socked with it in the end. We have to have some restraint, some controls on this. We have a huge problem with the amount of debt that is being accumulated by children or being passed on to their parents without any requirements at all that they meet some basic minimum standards, either independent sources of income or a cosignature by someone who can demonstrate the ability to pay.

It is a serious public policy question about whether people in this age bracket can be presumed—and that is what they are doing—presumed to be able to make the sensible financial choices that are being forced upon them from this barrage of marketing.

While it is very difficult to get reliable information from the credit card issuers about their marketing practices to people under the age of 21, the statistics that are available are deeply troubling. Let me share some of them with you.

Let me put up chart No. 2, if I may. "Collegiate credit cards increasing." This article appeared just a few days ago in the Washington Post here in the Nation's Capital. Let me share what the Post talked about. I quote them:

> Alarmed by the trend, hundreds of colleges in recent years have forbidden credit card companies to solicit on their campuses, and Virginia lawmakers are thinking of imposing such a ban at all the State's colleges. Nine other States are considering similar measures.

The Post goes on to report that:

> An estimated 430 colleges have banned the marketing of credit cards on their campuses.

The statistics on college credit card debt are truly frightening.

Nellie Mae, a major student loan provider in the New England States, conducted a recent survey of students who had applied for student loans. It termed the results "alarming." The survey found that 27 percent of their undergraduate student applicants had four or more credit cards. It found that 14 percent had credit card balances between $3,000 and $7,000, while another 10 percent had balances in excess of $10,000.

Let me repeat those statistics because they are truly alarming. Twenty-seven percent of college students already had four credit cards; 14 percent had credit card balances between $3,000 and $7,000; and 10 percent had credit card balances that were greater than $7,000. That is 24 percent; that is one out of every four who have debt somewhere between $3,000 and above $7,000—one out of every four college students with that kind of debt while they are trying to pay off student loans and other matters. This is incredible in terms of the amount of obligations, while still virtually children in many cases.

This figure of 24 percent with credit card balances in excess of $3,000 is more than double the number from last year when I stood on this floor and offered a similar amendment. The trend lines are alarming.

My hope with this amendment, which does not ban at all the solicitation among college students—if colleges want to allow them to go and solicit, they can—but the amendment merely says two things: Either have a guardian or a qualified person cosign, or show you have the independent means of paying the credit card debt you incur.

That is something you would think the credit card companies would want to do themselves. Why do they not want this information? Why are they willing to extend up to $10,000 worth of debt merely on a student signature and an ID? It seems to me that is the height of irresponsibility. Then they come around and complain that there is too much debt in the country and they want to tighten up the bankruptcy laws.

Why not tighten up your own process? Why not ask for some basic information of these young people before watching them build up the kind of debt they may spend years trying to pay back? It seems to me that if they are unwilling to impose some restraints on who can incur this kind of debt, we have an obligation to set some minimum standards.

Again, it does not ban them from going out to solicit young people to become credit card holders. If the young person can have their parents or a guardian cosign, or if they can demonstrate independent means of payment, no problem, they get their credit card. But just on a student ID, and just on their signature, I think this body ought to be on record as saying that is what is creating some of the real debt problems in the country. We ought to put a stop to it.

I mentioned the numbers. Moreover, while there is still evidence that student debt is skyrocketing, some surveys by credit card issuers themselves show that this same group of consumers is woefully uninformed about basic credit card terms and issues.

A 1993 American Express/Consumer Federation of America study—done only about 5 or 6 years ago—found that only 22 percent of the more than 2,000 college students surveyed knew that the annual percentage rate is the best indicator of the true cost of a loan. Only 30 percent of those surveyed knew that each bank sets the interest rate on their credit cards, so it is possible to shop around for the best rate. Only 30 percent knew that the interest rate was charged on new purchases if you carried a balance over from the previous month.

Some college administrators, bucking the trend to use credit card issuers as a source of income, have become so concerned that they have banned credit card companies from their campuses, as I mentioned, and even have gone so far as to ban credit card advertisements from the campus bookstores.

Roger Witherspoon, the vice president of student development at John Jay College of Criminal Justice in New York, banned credit card solicitors, saying indebtedness was causing students to drop out. I quote him:

> Middle class parents can bail out their kids when this happens, but lower income parents can't.

In fact, I argue with the statement. I do not think middle-income parents can either. Only the most affluent parents would be able to bail out their children from the kind of debts many of them are incurring.

But he goes on to say:

> Kids only find out later how much it messes up their lives [when this debt occurs].

If I may, this is chart No. 3, which is from the Consumer Federation of America. This came out last June. The Consumer Federation of America says:

> The average college student who does not pay off his or her balance every month now has an average debt of over $2,000.

The average college student who does not pay off their balance every month has a credit card debt of over $2,000.

> One-fifth—

One out of every five—

> of these students have debts of more than $10,000. A number of colleges are now citing credit card debt as the most significant cause of college disenrollment.

Here we stand, day after day, week after week, talking about how important it is to get young people into higher education and to keep them there. This ought to be a matter of bipartisan concern.

I know the credit card companies are working overtime on this. But if one of the major causes of disenrollment in higher education is credit card debt—where one out of every five students in this country has debt in excess of $10,000, and the average student who does not pay their monthly balance has a $2,000 debt—then something is drastically wrong that cries out for some solution.

Again, I think banning credit card companies from college campuses, that ought not to be our decision; leave that up to the college campuses. Not allowing them to put their advertisements in bookstores, that ought to be the college's decision, not the Congress'.

But I do not think it is too much to say that we ought to require, as part of a bankruptcy bill, when we are trying to reduce the amount of bankruptcy filings in this country, that you either have to have someone who will cosign with you, if you are under the age of 18, or that you have an independent demonstration of the ability to pay.

I see my good friend from Utah has arrived. We now know that one of the most significant reasons of disenrollment in colleges is credit card debt. My colleague from Utah, who cares so much about higher education, ought to be deeply alarmed. The trend lines are dreadful. It is just dreadful what is occurring. Unless we do something to try to put some restraints on this, we are going to have this problem continue to mount.

As I said earlier, this amendment does one of two things: If you are under 21, have a guardian, a parent, a qualified person cosign, or demonstrate you can pay, and then you get your credit card. But to say you get a credit card with a student ID and your signature alone, and to be able to mount up this kind of debt, crippling these people from ever being able to get out from underneath their obligations, I think is outrageous.

The amendment I am proposing does not take any draconian action against the credit card industry. I agree with those who argue that there are many millions of people under the age of 21, who hold full-time jobs, who are as deserving of credit cards as anyone over the age of 21. I also agree that students should continue to have access to credit. They should not try to prohibit the marketing for making credit cards available to these people.

I also recognize that the period of time from 18 to 21 is an age of transition from adolescence to adulthood. As we do in so many other places in the Federal law, some extra care is needed to make sure that mistakes made from youthful inexperience do not haunt these people for the rest of their lives. All my amendment does is require that a credit card issuer, prior to granting credit, obtain one of two things from the applicant under the age of 21: Either they get a signature from a parent, a guardian, a qualified individual, or obtain information that demonstrates that that person between the ages of 18 and 21 has the capability of paying it back.

This is a vulnerable period. This is an exciting time in their lives. For many, it is the first time they are away from home. They are living on their own, independent. All of a sudden, as we know, you get 50 credit card solicitations in the space of one semester; in the case of the intern in my office, offering college sweepstakes, springs breaks, all sorts of enticements. You sign up. Before you know it, you have incurred $2,000, $3,000, $4,000, $6,000 worth of debt. You are 18 or 19 years of age. Then they come after you to pay. They don't give you a break and say: We will wait until you get through college. We will wait until you are 25 or 30 to pay it back. They want their money right away. They want to get it, immediately, if they can.

What happens, as we now find out, is one of the reasons for disenrollment in college—for one out of five students, $10,000 worth of debt by the time they are 19 or 20 years of age. By the way, on $10,000, the way the annual rates go and so forth, that probably means something like $30,000 or $40,000 because they can't pay it off all at once. By the time they get out from underneath this rock, it could end up being a fortune for them as they start out their lives with dreams and aspirations and hopes.

Again, I don't object to the credit card companies soliciting, advertising, if that is what they want to do and want to have them on board. But why do you allow an 18-year-old to get this kind of a debt with a student ID and a signature? You don't let that happen with older people. You demand some sort of information about their ability to pay. Why do you say to an 18-year-old that you can be treated so differently than someone who is 25 or 30, where they need demonstrations of ability to pay? Why shouldn't we say that if you are going to solicit an 18-year-old, at least show that they can pay it back. They may not be able to, but at least require that or have a guardian or an adult sign on.

Federal law already says people under the age of 21 shouldn't drink alcohol. We made that statement. I know my colleague from Utah was a strong supporter of that. We don't allow you to drink anymore on college campuses unless you are 21 or older because we were worried about them. We were worried what would happen to them. Isn't this a problem as well, this kind of debt they can incur?

The Tax Code makes the presumption that if someone is a full-time student under the age of 23, they are financially dependent on their parents or guardians. The Tax Code makes that presumption. Is it so much to ask that credit card issuers find out if someone under the age of 21 is financially capable of paying back the debt or that their parents are willing to assume the financial responsibility or someone else? Again, I know there are a lot of young people who are out working full-time jobs and going to school simultaneously. This isn't a big burden —they need to have that credit card—to say to them, look, just demonstrate, through a W–2 form or something, that you can pay back or you have the ability to pay back. That is not a lot to ask. Believe me, the credit card companies can do it on the Internet. They can do it in a matter of a nanosecond if they want to.

Why don't they want to? What is the hesitation? Don't tell me it is the bureaucracy. It is not the bureaucracy. They require it of adults who are older than that. They don't give platinum credit cards out to people who are not in college without getting some information about their ability to pay. Why is it in this age group that they are willing to give it to you on a signature and a student ID? I think we all know the answer why. It is outrageous. It is getting worse all the time. I mentioned to you the numbers have almost doubled in a year in terms of the amount of debt being held. Last year, when I offered the amendment, it was $3,000. Now it is at almost $7,000 worth of debt they are incurring.

I hope our colleagues will be willing to support this modest amendment. It is not a great deal to ask. As I mentioned, 430 colleges have banned credit cards from soliciting on their campuses. They know what the problem is. When we have the president of one of the major criminal justice schools in the country talk about what a drastic problem this is having on enrollment, these are serious people. They are not anticredit card. They are not antibusiness. They are not against young people having credit cards. They see what is happening on their campuses. We ought to pay attention to them and listen to them. To ignore them or to say it doesn't make any difference would be an outrage.

How can we pass a bankruptcy bill, as we try and cut down on the number of bankruptcies, and allow this situation to persist where one out of every five college students has $10,000 of credit card debt? How can we allow that to persist without setting some minimum standards that these people have to meet before they can incur that kind of debt? I suspect the credit card companies will be probably lax in what minimum standards they might even permit, but at least it might put the brakes on a little bit, just a little bit.

We have also received some strong endorsements of this amendment: the American Federation of State County Municipal Employees; the Communication Workers of America, International Brotherhood of Boilermakers, Blacksmiths; International Brotherhood of Teamsters; the Union of Needletrades, Industrial & Textile Employees; the United Automobile, Aerospace and Agricultural Implement Workers; United Food & Commercial Workers International, representing millions of working families.

Why do the unions care about a credit card bill? Because these are the parents of these kids. That is why they care about it. This isn't a union issue. These are the hard-working parents who are working two and three and four jobs to send their kids to college. They turn around and some credit card company mounts up a $10,000 debt on their back. Their kids have to drop out, after they have worked 20 or 30 years, saving to put their families through school, understanding the value of a higher education. Now the credit card companies say, no, that is too much to ask of us. You are asking way too much, that we require an 18-year-old to have a cosigner of the credit card application or to show that they have the means of paying back the debt. That is why the millions who are represented by these unions have offered such strong support of this legislation.

Mr. President, I ask unanimous consent that this letter be printed in the RECORD at this juncture.

There being no objection, the letter was ordered to be printed in the RECORD, AS FOLLOWS:

NOVEMBER 8, 1999.

DEAR SENATORS KENNEDY AND DODD: We support your amendment to the bankruptcy bill (S. 625), that would prohibit credit card issuers from recklessly extending credit to young people who do not have adequate means to repay their debts. Predatory lending by card issuers is one of the most significant reasons why the number of bankruptcies among those under age 25 has grown by 50 percent since 1991.

This amendment would prohibit the issuance of credit cards to persons under age 21, unless a parent, spouse, guardian or other individual acts as co-signer, or the minor can demonstrate an independent source of income sufficient to repay. The amendment would not limit the extension of credit to the millions of working young Americans who have an adequate income and are as deserving of credit as anyone over the age of 21.

The serious problem of predatory lending by credit card issuers to young people has been well-documented. Credit card issuers aggressively target young people, especially college students. It is nearly impossible for students, including those in high school, to avoid credit card pitches. Students now receive cards at a younger age, with 81 percent of students who have at least one card having received it before college or during their freshman year.

The level of revolving debt among young people is rising to alarming levels, with sometimes tragic consequences. Family tensions arise as parents attempt to pay off these obligations. Poor credit ratings hinder young people in the job and real estate markets. Students are forced to drop out of school to pay off their credit card debt.

Credit card issuers are well aware that most young people lack basic skills in personal finance. A recent survey (1997) of the financial literacy levels of high school seniors showed that only 10.2% scored a "C" or better and that students who use credit cards know no more about them then students who don't.

This amendment is consistent with the opinion of the American public. An April, 1999 poll by the Consumer Federation of America/Opinion Research Corporation International found overwhelming support at all age groups for the terms proposed by this amendment. We join them in supporting it.

Thank you for your leadership on this important issue.

American Federation of State, County & Municipal Employees (AFSCME); Communication Workers of America (CWA); International Brotherhood of Boilermarkes, Iron Ship Builders, Blacksmiths, Forgers & Helpers; International Brotherhood of Teamsters; Union of Needletrades, Industrial & Textile Employees (UNITE); United Automobile, Aerospace and Agricultural Implement Workers of America (UAW); United Food & Commercial Workers International Union (UFCW); United Steelworkers of America (USA).

Mr. DODD. I hope we can get a strong vote on this amendment. This shouldn't take much time. It is very little to ask. The credit card companies are the ones who have asked for this bill on bankruptcy reform. I am sympathetic to the bill because I do think there are far too many bankruptcies in the country. If we are to try to reduce the number of bankruptcies, we have to reduce the rationale or the reason why people are going to the bankruptcy courts in the first place. These are not all evil people. These are not all scam artists who are trying to game the system. The overwhelming majority of people who go to a bankruptcy court have gotten in way over their heads. You can say they have been irresponsible. That may be the case.

But I will tell you, for an awful lot of families, they have kids in college and those adolescent kids became irresponsible. I know of very few who don't get irresponsible in their adolescent years. The danger today is that they can get deeply in trouble. It isn't just a college prank that may get them in trouble. Now you have major credit card companies dumping 50 solicitations into their mailboxes in their dormitories in the first semester in college. With a student I.D. and a signature, they get themselves $10,000 into trouble. Requiring these companies to at least get some basic information may slow down this process. It will do a lot to reduce the volume of bankruptcies in this country, to reduce the ability of an 18- or 19-year-old, with no independent means of paying back their debts, from getting these cards in the first place, and saving these families the anguish and heartache and the dashed dreams that a young college student has when they go off for the first time. Many of them, by the way, are the first people in their families ever to go to college. Think how the families feel—the excitement, the thrill of a young person going off to college, from a blue collar working family in this country who never had that opportunity. All of a sudden they get a deluge of platinum credit cards flooding their mailboxes, the kids sign up, and the dreams of a family go down the drain in a matter of weeks.

This ought not to be a Democrat or Republican issue, conservative or liberal issue. This is a commonsense issue. This is basic common sense, which says to these companies that, with 18- to 21-year-olds, there has to be some cosigner, or some demonstration of an independent means to pay back. If you turn down this amendment and you turn around and say we ought to stop these bankruptcies, then you make it harder for these families to get out of these obligations and straighten out their lives. I know an awful lot of good people who have gotten themselves behind the eight ball financially; they are not evil, bad people. Because they get into a little trouble, particularly at 18 or 19 —and one out of five of them are $10,000 in debt—doesn't mean they ought not to have an opportunity to straighten things out. The best way is not to get into trouble in the first place. The way not to get into trouble in the first place is to put some governor—you know how we do with automobiles with young people, where the car can't go more than 60 miles an hour, because we know there is a danger of a young person going too fast. Why not put a governor here on the credit card companies and slow them down. They can make their solicitations, send the solicitations in there, but require that these young people have a cosigner or a demonstration of an independent means to pay. If they can't do that, then you move on to someone else who can. But don't sign up a young person and put them and their family into harm's way and pass a bankruptcy bill that doesn't allow them to take the bankruptcy act when those debts mount up.

So I hope that our colleagues will support this amendment. This will be a good way for us to build strong bipartisan support for this bill.

With that, I yield the floor.

The PRESIDING OFFICER. The chair recognizes the Senator from Utah.

Mr. HATCH. Mr. President, I have to rise in opposition to the amendment offered by the distinguished Senator from Connecticut, Mr. DODD. It would require young adults under the age of 21 to obtain parental consent or demonstrate an "independent means of repaying" in order to get a credit card. This amendment also caps the amount of credit a young adult can get to $1,500.

Mr. President, I believe this amendment is well-intentioned. However, if adopted, it would unfairly put young adults between the ages of 18 and 21 at a disadvantage by putting serious obstacles in their way, or, in some cases, bar them from obtaining credit cards altogether. Young adults today, whether they are serving in our Nation's military, or going to college, or trying to support a young family, do not need these hurdles placed in their path. This amendment would have an adverse effect on temporarily unemployed adults over the age of 18 who are independent of their parents, the twenty-year-old single mother, the twenty-year-old discharged from the military service, or a twenty-year-old worker between jobs—often the very person most needing the extension of credit.

I understand how difficult times can be for young adults. When I was 16 years of age, I was a skilled building tradesman. I knew a trade. I went through a formal apprenticeship and became a journeyman. I was proud of it. I was capable of supporting my family at that time. I worked as a janitor to put myself through college. I believe it is an insult to young adults to put in doubt their ability to get credit.

In addition, this amendment does not appear to be well thought out. For example, it makes absolutely no provision for young adults who may be estranged from their parents or whose parents or guardians may be deceased. It is also unclear what new burdens will be placed on lenders to verify the authenticity of a parent's or guardian's signature. I also can't resist pointing out that many of the very same folks who oppose parental consent for abortion are in favor of parental consent for getting a credit card. That seems a little odd to me.

I can appreciate that there have been some instances when young adults have been extended credit beyond their ability to repay. But it does not strike me as a reasoned public policy, in an effort to tackle the occasional abuse, to discriminate against the many honest, hard-working, decent young people between the ages of 18 and 21 who rely on credit to make their lives a little bit more livable, or even sustainable.

I also must point out that individuals under age 18 cannot enter into binding contracts, and therefore any credit inadvertently extended to them is unenforceable.

The amendment would undermine a fundamental purpose of bankruptcy reform: to make individuals take more responsibility for their personal finances. I believe that the vast majority of young adults between the ages of 18 and 21 are responsible citizens, and they do not need the big Government to tell them what they can or cannot do in this area. I oppose treating adults as if they are children; therefore, I have to oppose this amendment.

Let me make a correction. This amendment does not place a cap on the amount of credit a minor can get. I misspoke and I confused it with an amendment filed that was identical to this, only it does have the cap. So I will make that clear and make that correction.

Mr. DODD. Will my colleague yield for another correction?

Mr. HATCH. Yes.

Mr. DODD. It says parents, guardians, or any other qualified person can cosign. It is not limited to parents. If the parents were deceased or the guardians were deceased, a qualified person could cosign. So we allow for a broader range of options here.

Mr. HATCH. I thank the Senator. I will certainly make that correction.

I still believe we ought to treat them as young adults. We ought to recognize that many people who really qualify for credit cards in these age groups ought to be able to get them with or without anybody else's consent. Many of them live up to the obligations that they incur; in fact, most of them do. I don't think we should, as a public policy matter, make this particular change that my dear friend from Connecticut has suggested. We are sending these young men and women over 18 years of age to war. They can vote at 18. They can do almost anything. Now we want to take away their right to have a credit card. I think that is bad public policy. I hope our colleagues will defeat this amendment when it comes up for a vote. With that, I believe we are ready to recess.

Mr. DODD. Mr. President, I just have one minute in response. As my friend from Utah knows, shortly, we have an amendment that we are going to offer together on this bill. I am sorry we don't agree on this. As I mentioned earlier, we do set some restrictions. We can send men and women to war at age 18, but we don't allow them to drink; we set a standard of 21. We did so because of the dangers that we decided alcohol posed to young people. The Tax Code says there is a rebuttable presumption that at 23-year-old college student has an obligation that shifts to parents.

All I am requiring here is that the credit card companies, when they solicit an 18 or 19 year old, require that they show they have the independent means of paying for it or that they have a guardian or a qualified person who will cosign. The same thing would be required of someone else. One out of five students has $10,000 worth of financial debt and obligation. We are being told now one of the single largest reasons for disenrollment in higher education is because of this mounting—and it has doubled in the last two years—amount of credit card debt among 18-, 19-, and 20-year-olds.

It ought not to be a great deal to ask they meet these basic, simple requirements. They can solicit; they can collect. If they can sign them up, God bless them, go to it. However, for a student ID and a signature to get $10,000 worth of debt for one out of five college students—and the average student has $2,000 worth of debt and was not paying the monthly payments—is too much for the families to be burdened with.

I ask unanimous consent a letter from the Consumer Federation of America, the Consumers Union, the National Consumer Law Center, the U.S. Public Interest Research Group, and the U.S. Student Association, all of which support this amendment, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NOVEMBER 8, 1999.

RE: Support for Dodd/Kennedy Amendment #2754 to Bankruptcy Bill

DEAR SENATOR, The undersigned organizations strongly support this amendment to the bankruptcy bill regarding the extension of credit to young Americans. This common sense proposal would forbid banks and other credit card issuers from granting credit to any person under 21 years-of-age, without the signature of a parent or guardian or proof of an independent means of repaying the debt incurred.

This amendment would not result in denials to credit-worthy young people, but it would protect financially unsophisticated young consumers from being enticed into a financial trap. A recent study by the Consumer Federation of America found that previous research has underestimated the extent of credit card debt by college students, as well as the social impact of this debt on students. The study documents the consequences of high levels of indebtedness for many students, including dropping out of college, difficulty finding good jobs, and in particularly tragic circumstances, extreme psychological stress and suicide.

Minors are increasingly targeted in credit card marketing campaigns. Direct solicitation of college students has intensified significantly in the past few years as high profitability has encouraged card issuers to take on riskier customers. Cards are available to almost any student with no income, no credit history and no parental signature required. Issuers know that young customers are often "brand loyal" to their first card for many years. They also know that many parents will pay off excessive credit card debt accumulated by their children, even though they are under no legal obligation to do so.

As a result, approximately 70 percent of undergraduates at four-year colleges possess at least one credit card. Moreover, students are obtaining their first credit card at a young age. Accordingly to the non-profit student loan provider Nellie Mae, 66 percent of college students with at least one card received their first card before college or during their freshman in 1996. By 1998, 81 percent had received their first card by the end of their freshman year.

Student credit card debt is larger than previously estimated. The Consumer Federation of America study found that college students who do not pay off their balances every month have an average debt of more then $2,000, with one-fifth of these students carrying debts of more than $10,000. Additional credit card debt is often "refinanced" with student loans or with private debt consolidation loans. At some schools, college loan debt averages $20,000 per graduating senior.

More than one quarter of all students reported paying late on a credit card at least once in the last two years, according to a 1998 survey by the U.S. Public Interest Research Group. One-quarter of students questioned in the survey also reported using a cash advance to pay their debts. Poor credit records and credit card defaults have lasting consequences, including the classification of the student as a high risk/high rate borrower and decreased access to rental housing, car loans and home mortgage loans.

Many colleges and universities not only permit aggressive credit card marketing on campus; they actually benefit financially from this marketing. Credit card issuers pay institutions for sponsorship of school programs, for support of student activities, for rental of on-campus solicitation tables, and for exclusive marketing agreements, such as college "affinity" credit cards.

Card issuers are well aware that high school and college students don't have basic financial skills. A 1993 survey of college juniors and seniors by the Consumer Federation of America and American Express found:

Just 22 percent knew that the APR was the best indicator of the cost of a loan;

Just 30 percent knew that interest rates on credit cards are set by the issuing bank, not Visa, MasterCard of the government;

Just 30 percent knew that the grace period was not available when a credit card balance is carried from month-to-month.

The American people strongly support restricting aggressive lending practices by credit card issuers. A national poll conducted for the Consumer Federation of America in April 1999 by Opinion Research Corporation found that 80 percent of those surveyed supported restrictions on the extension of credit cards to people under age 21.

Without this reasonable amendment, direct solicitation of college and high school students without the ability to repay will continue unabated. For more information, contact Travis Plunkett at (202) 387-6121.

Sincerely,

Travis B. Plunkett, Consumer Federation of America; Frank Torres, Consumers Union; Gary Klein, National Consumer Law Center; Ed Mierzwinski, U.S. Public Interest Research Group; Kendra Fox-Davis, U.S. Student Association.

Mr. HATCH. I ask unanimous consent to set the Dodd amendment aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. I ask unanimous consent I be given an extra minute and a half.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2536

(Purpose: To protect certain education savings)

Mr. HATCH. Mr. President, I ask unanimous consent to call up amendment No. 2536, a Hatch-Dodd-Gregg amendment relating to the protection of educational savings accounts.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Utah [Mr. HATCH], for himself and Mr. DODD and Mr. GREGG, proposes an amendment numbered 2536.

Mr. HATCH. I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 83, between lines 4 and 5, insert the following:

SEC. 2___. PROTECTION OF EDUCATION SAVINGS.

(a) EXCLUSIONS.—Section 541 of title 11, United States Code, as amended by section 903, is amended—

(1) in subsection (b)—

(A) in paragraph (5), by striking "or" at the end;

(B) by redesignating paragraph (6) as paragraph (8); and

(C) by inserting after paragraph (5) the following:

"(6) funds placed in an education individual retirement account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986) not later than 365 days before the date of filing of the petition, but—

"(A) only if the designated beneficiary of such account was a son, daughter, stepson, stepdaughter, grandchild, or step-grandchild of the debtor for the taxable year for which funds were placed in such account;

"(B) only to the extent that such funds—

"(i) are not pledged or promised to any entity in connection with any extension of credit; and

"(ii) are not excess contributions (as described in section 4973(e) of the Internal Revenue Code of 1986); and

"(C) in the case of funds placed in all such accounts having the same designated beneficiary not earlier than 720 days nor later than 365 days before such date, only so much of such funds as does not exceed $5,000;

"(7) funds used to purchase a tuition credit or certificate or contributed to an account in accordance with section 529(b)(1)(A) of the Internal Revenue Code of 1986 under a qualified State tuition program (as defined in section 529(b)(1) of such Code) not later than 365 days before the date of filing of the petition, but—

"(A) only if the designated beneficiary of the amounts paid or contributed to such tuition program was a son, daughter, stepson, stepdaughter, grandchild, or step-grandchild of the debtor for the taxable year for which funds were paid or contributed;

"(B) with respect to the aggregate amount paid or contributed to such program having the same designated beneficiary, only so much of such amount as does not exceed the total contributions permitted under section 529(b)(7) of such Code with respect to such beneficiary, as adjusted beginning on the date of the filing of the petition by the annual increase or decrease (rounded to the nearest tenth of 1 percent) in the education expenditure category of the Consumer Price Index prepared by the Department of Labor; and

"(C) in the case of funds paid or contributed to such program having the same designated beneficiary not earlier than 720 days nor later than 365 days before such date, only so much of such funds as does not exceed $5,000; or"; and

(2) by adding at the end the following:

"(f) In determining whether any of the relationships specified in paragraph (6)(A) or (7)(A) of subsection (b) exists, a legally adopted child of an individual (and a child who is a member of an individual's household, if placed with such individual by an authorized placement agency for legal adoption by such individual), or a foster child of an individual (if such child has as the child's principal place of abode the home of the debtor and is a member of the debtor's household) shall be treated as a child of such individual by blood.".

(b) DEBTOR'S DUTIES.—Section 521 of title 11, United States Code, as amended by sections 105(d), 304(c)(1), 305(2), 315(b), and 316 of this Act, is amended by adding at the end the following:

"(k) In addition to meeting the requirements under subsection (a), a debtor shall file with the court a record of any interest that a debtor has in an education individual retirement account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986) or under a qualified State tuition program (as defined in section 529(b)(1) of such Code).".

Mr. HATCH. Mr. President, I thank Senator DODD for his efforts and cooperation in working on this important amendment.

I am pleased to offer along with Senators DODD and GREGG, an amendment to S. 625, the Bankruptcy Reform Act of 1999, that will protect education IRAs and qualified State tuition savings programs in bankruptcy. Education IRAs and qualified State tuition savings programs permit parents and grandparents to contribute funds for the tuition and other higher education expenses of their children and grandchildren. Under current bankruptcy law, creditors may access such accounts to satisfy debts owed by parents and grandparents.

The amendment I offer today balances the interest of encouraging families to save for college, with the interest of preventing the potential abuse of transferring funds into education savings accounts prior to an anticipated bankruptcy. Specifically, the amendment provides that contributions to education savings accounts made during the year immediately prior to the bankruptcy filing are not protected in bankruptcy and may be accessed by creditors; contributions up to $5,000 per beneficiary made in the second year prior to filing, however, are protected, as are all contributions made more than 2 years prior to the bankruptcy filing. To combat potential abuse, debtors must disclose their full interest in such accounts in the statement of financial affairs filed with the bankruptcy court. With respect to education IRAs, there is no limit on the amount that may be excluded from the bankruptcy estate, though the size of education IRAs are effectively limited by the $500 annual contribution limit. With respect to qualified State tuition savings programs, the excluded amount is the full, State-established amount deemed necessary to provide for the qualified education expenses of a beneficiary.

College savings accounts encourage families to save for college, thereby increasing access to higher education. In my home State of Utah, 775 children, with account balances nearing $1.2 million, are beneficiaries of such accounts. Nationwide, over one million children benefit from such accounts. Bona fide contributions to such college savings accounts, which are made for the benefit of children, should be beyond the reach of creditors. The ability to use dedicated funds to pay the educational costs of current and future college students should not be jeopardized by a bankruptcy of their parents or grandparents. The amendment I offer today prevents bona fide educational accounts of children from being accessed by their parents' or grandparents' creditors, while also protecting this exclusion from being abused as a means of sheltering assets from the bankruptcy estate.

I urge your support of this amendment.

Mr. DODD. I ask unanimous consent I be able to speak for up to 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. I know this will be somewhat confusing to people watching the debate over the last 15 or 20 minutes, but this is an amendment offered by my distinguished friend and colleague from Utah of which I am a cosponsor. This is a very good amendment. We hope our colleagues will support it.

Many parents have put aside money for college education in special accounts. This ought not to be the subject of first attack when creditors come after family income.

I commend my colleague from Utah for trying to preserve and protect these resources which working families spend years trying to accumulate, and then get behind the 8 ball for problems that may not be of their own making, and all of a sudden the resources are subject to attack. This is a good amendment that will strengthen working families' ability to educate their children. I commend my colleague from Utah for offering it. I am pleased to be a cosponsor of it.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. I ask unanimous consent, notwithstanding the order for recess, I be permitted to speak for 2 minutes as in morning business.

Mr. FEINGOLD. Mr. President, I ask unanimous consent, as part of the request of the Senator from Missouri, I be allowed to speak for up to 12 minutes. At the conclusion of the 12 minutes, I will call up an amendment.

Mrs. LINCOLN. I ask unanimous consent to be able to address the Senate as in morning business for 7 minutes.

The PRESIDING OFFICER. The problem is, the previous order says 12:30 so we can attend policy conferences. That runs me past the time for making decisions as a part of that conference.

Is there a way to reduce the time so we can complete statements by 12:45?

Mr. BOND. I just asked for 2 minutes, and I will make it shorter than that.

Mr. FEINGOLD. Mr. President, the managers have asked Members to offer amendments. I am trying to offer an amendment. I need 11 minutes in order to present the amendment. I am trying to facilitate the progress on the bill. I thought this would be a good opportunity. It is a total of 11 minutes. The conferences don't really begin in earnest until 1 o'clock anyway.

I renew my request to be granted 12 minutes total.

Mrs. LINCOLN. I will certainly try to complete my statement in 5 minutes.

The PRESIDING OFFICER. The Chair objects.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess until the hour of 2:15 p.m.

Thereupon, the Senate, at 12:35 p.m., recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. INHOFE].

Mrs. LINCOLN. Mr. President, I ask unanimous consent to proceed in morning business for 7 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

LITTLE ROCK NINE AND DAISY BATES

Mrs. LINCOLN. Mr. President, mere words seem inadequate to honor the courage of some people and so I am humbled to lend my voice to the chorus of praise for the Little Rock Nine, who today will receive the Congressional Gold Medal, and I will also speak in remembrance of Daisy Bates, a daughter of Arkansas and a civil rights activist.

Receiving the medal today are: Jean Brown Trickery, Carlotta Walls LaNier, Melba Patillo Beals, Terrence Roberts, Gloria Ray Karlmark, Thelma Mothershed Wait, Ernest Green, Elizabeth Eckford, and Jefferson Thomas. As teenagers, when they bravely walked through the doors of Central High School in Little Rock, they led our Nation one step closer to social justice and equality. While it is still painful to look at pictures from that time, where white teens sneered at their black peers, seeing the harsh face of hatred opened our Nation's eyes and propelled the civil rights movement forward.

Before the "Crisis of 1957," as some call the events at Central High, Little Rock was not associated with the pervasive segregation of the Deep South. In fact, Little Rock was considered quite a progressive place and some schools in Arkansas had already integrated following the Brown v. Board of Education decision in May of 1954. So, when nine students sought to integrate Central, few Arkansans envisioned a confrontation with the National Guard at the schools entrance. And I doubt many imagined the long-lasting, profound effects of this confrontation on the entire State. While the country witnessed countless images of this face-off, they were not necessarily aware of the continuing abuse endured by the Little Rock Nine, or the fact that Central High School had to be closed because the atmosphere was so hostile.

Now, we all know that the high school years aren't easy for any teenager. For these men and women, high school was inordinately difficult. In addition to enduring the verbal taunts and even beatings, some had to uproot to other schools in the middle of the school year. Luckily for Carlotta, Thelma, Ernest, Jefferson, and the others, a woman named Daisy Bates entered their lives as a "guardian angel" of sorts.

According to Daisy's own accounts and those of the Little Rock Nine, the students would gather each night at the Bates' home to receive guidance and strength. It was through the encouragement of Daisy Bates and her husband, L.C., that these young men and women were able to face the vicious and hateful actions of those so passionately opposed to their attendance at Central. Ironically, Daisy Bates passed away last Thursday. She was laid to rest this morning, the very day the Little Rock Nine will receive their medals. I know she is with us in spirit—acting again as a guardian angel to these brave men and women. This great woman leaves a legacy to our children, our State and our Nation: a love of justice, freedom, and the right to be educated. As a result of her efforts, the newspaper Mrs. Bates and L.C. published was forced to close. She and L.C. were threatened with bombs and guns. They were hanged in effigy by segregationists. But Daisy Bates persevered. She did all this, withstood these challenges, because she loved children and she loved her country. She had an internal fire, instilled in her during a childhood spent in Huttig, AR. And this strong character shone through as she willingly took a leadership role to battle the legal and political inequities of segregation in our state and the nation.

Many have called that confrontation at Central High an historic moment, a pivotal moment, a defining moment. But it was more than just one moment. When these nine men and women walked into Central High School, they opened more than a door, they opened the flood gates. For them and for the rest of our country, the battle didn't end at the schoolhouse steps. Their struggle lasted for years and, in reality, it still continues. My husband and I are both products of an integrated public school system in Arkansas. We are personally grateful to the Little Rock Nine for making our school experience rich with diversity. I truly value the lifelong lessons that I learned at an early age and I might not have had the wonderful privilege of studying with children of all races were it not for the Little Rock Nine. There is still much work to be done to bring complete civil rights and equality to our Nation.

Today, as we pause to remember Daisy Bates and to honor the Little Rock Nine, I hope we will be renewed and refreshed in or efforts. I'm encouraged by the words of Daisy Bates' niece, Sharon Gaston, who said, "Just don't let her work be in vain. There's plenty of work for us to do."I hope my colleagues will join me in extending appreciation and commendation to the Little Rock Nine. And in remembering a matriarch of the civil rights movement, Daisy Gaston Bates.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. L. CHAFEE. Mr. President, I ask unanimous consent to speak as in morning business for up to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered. The distinguished Senator from Rhode Island is recognized for up to 10 minutes.

Mr. L. CHAFEE. I thank the Chair.

(The remarks of Mr. L. Chafee and Mr. Jeffords pertaining to the introduction of S. 1891 are located in today's Record under "Statements on Introduced Bills and Joint Resolutions.")

Mr. JEFFORDS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Senator Bingaman and I be permitted to proceed for 10 minutes as in morning business for the purposes of introduction of an important bill.

Mr. REID. Reserving the right to object, I did not hear the request. What was it?

Mr. DOMENICI. Senator Bingaman and I want to introduce a bill that is very historic to New Mexico, and we would like to each speak for about 5 minutes on it. We do not ask for any action. It will be referred to its appropriate committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New Mexico.

(The remarks of Mr. Domenici and Mr. Bingaman pertaining to the introduction of S. 1892 are located in today's Record under "Statements on Introduced Bills and Joint Resolutions.")

BANKRUPTCY REFORM ACT OF 1999—Continued

Mr. SCHUMER addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. Mr. President, I ask unanimous consent that the pending amendment be laid aside temporarily.

Mr. GRASSLEY. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. AKAKA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. AKAKA. I ask unanimous consent to be given 10 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. Akaka pertaining to the introduction of S. 1888 are located in today's Record under "Statements on Introduced Bills and Joint Resolutions.")

Mr. AKAKA. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Crapo). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FEINGOLD. I ask unanimous consent that the order for the quorum call be rescinded.

Mr. GRASSLEY. Mr. President, I object.

The PRESIDING OFFICER. The objection is heard. The clerk will continue the call of the roll.

The legislative clerk continued the call of the roll.

Mr. BOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

REJECTING THE DAKOTA WATER RESOURCES ACT

Mr. BOND. Mr. President, I come to the floor to speak about some important legislative matters and to announce to my colleagues I cannot and will not clear a bill called S. 623, the Dakota Water Resources Act, from the Committee on Energy and Natural Resources. It would authorize a half billion dollars to divert additional water from the Missouri River system for additional uses, including transfer to the Cheyenne and Red River systems. We cannot and will not tolerate the diversion of water. This is strongly opposed by the Governor of my State, by the State of Minnesota, by Taxpayers for Common Sense, and a whole list of environmental groups including the National Wildlife Federation, the Audubon Society, Friends of the Earth and American Rivers. The Canadian Government opposes it, the Governor of Minnesota and the Minnesota DNR oppose it.

I understand why the Dakota Senators want to fight for this. It would be a tremendous boon for their States. But I am not going to be blackmailed because 52 other unrelated bills are being held up over this matter. There are strong substantive objections to this bill. It is not appropriate in this process to try to ram this through, to try to steal water from the Missouri River.

I serve notice on my colleagues, if they have a problem because their bills are being held up in an attempt to blackmail me, it is not going to work. We have worked in good faith with the Senators from North Dakota in the past, helping them with their problems, but I do not intend to be blackmailed into allowing diversion of the Missouri River water.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Oregon?

Mr. WYDEN. Mr. President, I ask unanimous consent to speak for up to 10 minutes as in morning business. If they have a consent agreement worked out, then I will hold off.

The PRESIDING OFFICER. Is there objection?

Mr. LEAHY. Reserving the right to object, I shan't object.

Mr. GRASSLEY. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. LEAHY. I said I shan't object.

Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The Senator from Oregon has the floor.

Mr. WYDEN. Mr. President, I noticed Senator Grassley, who worked very hard on this bill, is trying to get a consent agreement. I will hold off if he is ready to go forward. Otherwise, I will proceed because I have the floor.

Mr. GRASSLEY. Take 5 minutes?

Mr. WYDEN. Mr. President, I gather the consent agreement is not worked out. I did ask consent for the right to speak up to 10 minutes. I gather they can work things out during that period of time.

Mr. GRASSLEY. I ask unanimous consent the Senator from Oregon have 5 minutes.

The PRESIDING OFFICER. Without objection the Senator from Oregon has 5 minutes.

SENIOR PRESCRIPTION INSURANCE COVERAGE EQUITY ACT

Mr. WYDEN. Mr. President, I have been coming to the floor for a number of days now in an effort to try to get a focus back on this prescription drug issue which seems to involve a lot of finger pointing and a lot of partisan bickering. As part of that effort, I have been urging seniors to send in copies of their prescription drug bills. Just as this poster says, the senior can send in a copy of the prescription drug bill, and write to each of us in the Senate here in Washington, DC.

I have been actually coming to the floor and reading some of these bills for a number of weeks. Just in the last couple of days, I heard from a woman in Portland—she is 84; she has diabetes and a heart condition. She has only Social Security to support herself. She is spending over a third of that Social Security check every month on prescription drugs. She is now at a point where it is hard to pay the taxes on her home.

I heard from another gentleman recently. He has a monthly Social Security check of $633. The cost of his drugs is $644 a month. He is spending more for his prescription drugs each month than he is actually getting in income. So every month this senior is having to choose between food and fuel and fuel and health care. So as a result of this effort to get from seniors copies of their prescription drug bills, we are hearing about the kind of suffering that seniors are enduring around this country.

Senator OLYMPIA SNOWE and I have a bipartisan prescription drug bill. It would cover all senior citizens on an ability-to-pay basis. More than 50 Senators of both political parties are now on record as supporting a funding plan for this legislation. I know other Senators have approaches they would like to try. What is important is that we get a bipartisan focus on this issue. Every public opinion poll shows seniors and families across this country are having difficulty making ends meet when it comes to the high cost of essential health care services.

Our approach is marketplace oriented. There are not price controls. It is not one size fits all. The Snowe-Wyden legislation is called SPICE, the Senior Prescription Insurance Coverage Equity Act. It is designed to deal with the double whammy our seniors are facing on their prescriptions. First, Medicare does not cover the drugs they need and, second, when a senior citizen walks into a drug store, in effect that senior is subsidizing the big buyers, the health maintenance organizations, and other health plans that are able to get discounts.

So seniors have this double whammy now in front of them when it comes to their prescriptions. I hope more will, as these posters indicate, send us copies of their prescription drug bills. I think on the basis of these bills that we are getting from seniors across the country—each of us in the Senate here in Washington, DC—we can bring about bipartisan support to actually respond to the needs of the seniors.

Mr. BYRD. Mr. President, may we have order in the Senate? The Senator is addressing the Senate. May we have order.

The PRESIDING OFFICER. The Senate will be in order. The Senator from Oregon has the floor.

Mr. BYRD. Mr. President, we still do not have order. May we have order in the Senate? You may have to rap that gavel to be heard.

Mr. WYDEN. Thank you, Mr. President. The Senator from West Virginia has been a great ally of the Nation's older people, and I very much appreciate his thoughtfulness. I believe my time is almost up.

I intend to keep coming to the floor of the Senate to read from these bills that we are getting from the Nation's senior citizens. We have 54 Members of the Senate already on record as having voted for a specific plan to fund a prescription drug benefit for older people. We can do this in a bipartisan way. We have the chairman of the Aging Committee, Senator GRASSLEY, who has led our efforts on the committee on so many issues.

I am going to keep coming back to the floor and read from these bills. Again and again, we are hearing from seniors who cannot afford important drugs such as their diabetes medicines.

I will wrap up by saying, when I am asked the question whether our Nation can afford prescription drug coverage, my response is we cannot afford not to cover prescriptions.

A lot of these drugs help seniors stay healthy, keep their blood pressure down, or help to reduce cholesterol. I have cited previously an anticoagulant drug. It costs senior citizens about $1,000 a year. With those kinds of medicines, we can help prevent strokes that involve expenses of more than $100,000.

I am going to keep coming back to this floor to focus on the needs of seniors. We ought to do this in a bipartisan way. That is what is behind the Snowe-Wyden legislation. A lot of our colleagues have other ideas for addressing this issue.

As this poster says, I hope seniors will continue to send copies of their prescription drug bills to us in the Senate, Washington, DC.

I will keep coming to this floor until we can get the bipartisan action we need that provides real relief for the Nation's older people.

I yield the floor.

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

BANKRUPTCY REFORM ACT OF 1999—Continued

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senator from Wisconsin, Mr. FEINGOLD, now be recognized to offer his amendment No. 2748, and he be recognized for up to 12 minutes for general debate on the amendment. I further ask consent that the amendment be laid aside, with a vote occurring on or in relation to the amendment at 5 o'clock, with no second-degree amendment in order prior to the vote. I further ask consent that votes occur on or in relation to the following two amendments in sequence at 5 o'clock, with no second-degree amendments in order prior to the votes, and there be 4 minutes for explanation prior to each vote. Those amendments are No. 2521 offered by Senator DURBIN and No. 2754 offered by Senator DODD. I further ask consent that following the sequencing of the amendments, Senator SCHUMER then be recognized to call up an amendment and to speak for up to 2 minutes and the amendment then be laid aside.

I further ask unanimous consent that the time between now and 5 o'clock be equally divided in the usual form. I further ask consent when the Senate resumes consideration of S. 625 tomorrow, I be recognized to call up our amendment No. 2771 on which there will be a 4-hour time limit.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Reserving the right to object, Mr. President, if I could ask my friend, the manager of this bill, it is my understanding that the time between now and 5 o'clock would be evenly divided between the majority and minority?

Mr. GRASSLEY. Yes.

Mr. REID. During that period of time, Senators DODD and DURBIN would be able to speak on those two amendments?

Mr. GRASSLEY. That is right.

Mr. REID. Also, during that same period of time, it is my understanding—for example, Senator SCHUMER wanted to offer amendments during that period of time. He would be allowed to do that?

Mr. GRASSLEY. We have it stated here.

Mr. REID. After the votes.

Mr. GRASSLEY. After the votes.

Mr. REID. We want Senator SCHUMER to use some of the time of Senator DODD and Senator DURBIN prior to the 5 o'clock vote.

Mr. GRASSLEY. To answer your question with a further question, this would be to call up, spend a little bit of time explaining them, and lay them aside?

Mr. REID. That is right.

Further, Mr. President, I ask my friend from Iowa, Senator FEINGOLD, I am told, was not expecting a vote tonight.

Is that true?

Mr. FEINGOLD. That is correct.

Mr. REID. He was not expecting a vote on his amendment tonight. So unless there is some reason the majority believes a vote should go forward on that, Senator FEINGOLD would prefer not to go forward with the vote tonight. So we would still have the two votes on the Durbin and Dodd amendments at 5 o'clock.

Mr. GRASSLEY. We will modify the request accordingly.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Reserving the right to object, just so I understand it correctly, the two amendments that have been debated are the Durbin and Dodd amendments. We have debated those two amendments. This unanimous consent request, Mr. President, if I understand it correctly, would allow us some additional time to debate those two amendments between now and 5 o'clock, but the only amendments to be voted on at 5 o'clock are the Durbin and Dodd amendments?

Mr. GRASSLEY. Yes.

Mr. DODD. However, if other amendments were to be debated or raised for purposes of debate, and then laid aside, the manager of the bill is suggesting that would be allowable in the unanimous consent request?

Mr. GRASSLEY. We are suggesting for the Schumer amendment, according to the agreement, because the other side of the aisle had suggested in the preliminary negotiations that we had on this—negotiations which fell through—that it was very necessary to have a lot of time to devote to debate these amendments on which we had not had votes.

Mr. DODD. Right.

Mr. GRASSLEY. And we had not had debate on them either. So Members on that side of the aisle would be secure that they had an opportunity to thoroughly debate their amendments, that is why we reserved this time.

Mr. DODD. Further reserving the right to object.

Mr. REID. If I could say to my friend from Connecticut, we also have a subsequent unanimous consent request that we expect to propose, once we get this done, which would allow the Senator from Connecticut to offer an amendment that we talked about earlier today.

Mr. SCHUMER. Reserving the right to object, I would like to clarify with either the Senator from Iowa or the ranking minority whip, I would be allowed to offer my amendments in the next hour and a half?

Mr. GRASSLEY. Yes.

Mr. SCHUMER. And would be allowed to debate them, if time permitted, given how much time the Senators from Connecticut and Illinois took on their amendments; is that correct?

Mr. GRASSLEY. It says here you shall have up to 2 minutes on the amendment, then lay it aside.

Mr. REID. I say to my friend from Iowa, that was contemplating his offering them tonight after the 5 o'clock votes. I do not know if we are going to be able to use all of our time, which is approximately 75 minutes, on these two amendments. It would leave Senator SCHUMER time to offer his amendments and talk under the minority's allotted time.

Mr. GRASSLEY. I think it would be fair, for the purpose of our responding to the desires of your side to have time for your folks who are offering the amendments to have adequate time, that we not let the Senator from New York go beyond what we have agreed to, or then I am going to be subject to criticism at 5 o'clock that somebody on your side did not get enough time to offer their amendment.

Mr. DODD. That is good. Let's go.

Mr. SCHUMER. So just clarifying, in other words, if the Senator from Connecticut and if the Senator from Illinois have extra time, we could debate the amendments that I would now offer; is that correct?

Mr. DODD. Fine.

Mr. SESSIONS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Reserving the right to object, will this mean we will have an opportunity this afternoon for debate by those who would be opposed to those amendments?

Mr. GRASSLEY. Yes. We will have equal time on our side for this Senator to allocate to you.

Mr. SESSIONS. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the request, as modified?

Mr. SCHUMER. Those are the amendments I had asked for, not just one?

Mr. GRASSLEY. Yes. Those are the amendments you spoke to me about this morning, banking amendments?

Mr. SCHUMER. Correct.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, another request. After the 5 p.m. votes, on behalf of the prime sponsor of the pending second-degree amendment, No. 2518, I ask unanimous consent to withdraw the amendment in order for the Senator from Texas, Mrs. HUTCHISON, to offer a second-degree amendment.

Mr. REID. If I may interrupt my friend from Iowa, we just received a phone call that we are going to have to wait a minute on that. So let's get started on the rest of it.

Mr. GRASSLEY. OK. I will withhold and yield the floor.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

AMENDMENT NO. 2748

(Purpose: To provide for an exception to a limitation on an automatic stay under section 362(b) of title 11, United States Code, relating to evictions and similar proceedings to provide for the payment of rent that becomes due after the petition of a debtor is filed, and for other purposes)

Mr. FEINGOLD. Mr. President, in a few minutes I will offer amendment No. 2748. This amendment concerns section 311 of the bill, which provides a complete exemption from the automatic stay for eviction of proceedings.

The PRESIDING OFFICER. The Senator from Wisconsin is advised this requires the Senator to offer his amendment first and then begin debate.

Mr. FEINGOLD. Mr. President, I would be happy to do that.

I ask unanimous consent to set aside the pending amendments so I may call up amendment No. 2748.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Wisconsin [Mr. FEINGOLD] proposes an amendment numbered 2748.

Mr. FEINGOLD. I ask unanimous consent further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 108, line 15, strike "; and" and insert a semicolon.

Beginning on page 108, strike line 18 and all that follows through page 109, line 7, and insert the following:

"(23) under subsection (a)(3), of the commencement or continuation of any eviction, unlawful detainer action, or similar proceeding by a lessor against a debtor involving residential real property—

"(A) on which the debtor resides as a tenant under a rental agreement; and

"(B) with respect to which—

"(i) the debtor fails to make a rent payment that initially becomes due under the rental agreement or applicable State law after the date of filing of the petition, if the lessor files with the court a certification that the debtor has not made a payment for rent and serves a copy of the certification to the debtor; or

"(ii) the debtor's lease has expired according to its terms and the lessor intends to personally occupy that property, if the lessor files with the court a certification of such facts and serves a copy of the certification to the debtor;

"(24) under subsection (a)(3), of the commencement or continuation of any eviction, unlawful detainer action, or similar proceeding by a lessor against a debtor involving residential real property, if during the 1-

year period preceding the filing of the petition, the debtor—

"(A) commenced another case under this title; and

"(B) failed to make a rent payment that initially became due under an applicable rental agreement or State law after the date of filing of the petition for that other case; or

"(25) under subsection (a)(3), of an eviction action based on endangerment of property or the use of an illegal drug, if the lessor files with the court a certification that the debtor has endangered property or used an illegal drug and serves a copy of the certification to the debtor."; and

(4) by adding at the end of the flush material at the end of the subsection the following: "With respect to the applicability of paragraph (23) or (25) to a debtor with respect to the commencement or continuation of a proceeding described in that paragraph, the exception to the automatic stay shall become effective on the 15th day after the lessor meets the filing and notification requirements under that paragraph, unless the debtor takes such action as may be necessary to address the subject of the certification or the court orders that the exception to the automatic stay shall not become effective or provides for a later date of applicability.".

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. FEINGOLD. Mr. President, my amendment would limit the reach of section 311 of the bill, which I believe is far too broad. I think it is too harsh a solution for the limited abuse that its sponsors say they are trying to address.

Since the Bankruptcy Code was enacted, the automatic stay that becomes effective upon the filing of a bankruptcy petition has always prohibited a landlord from evicting a tenant unless the landlord obtains permission from the bankruptcy court—what is called "relief from the stay." The stay serves several purposes. In chapter 13, a tenant has a right to assume a lease and to cure a default by paying the accumulated back rent. In chapter 7, the stay was intended to provide the debtor a short "breathing spell." Breathing room is especially helpful to debtors who want to remain in their homes. In many cases, when a chapter 7 debtor is relieved of other debts, he or she can use this brief period to catch up on the rent and avoid eviction.

The right to avoid eviction by filing bankruptcy is obviously of great importance to tenants who at the very point when they have undertaken the difficult and draining bankruptcy experience would otherwise suffer the additional hardships of moving and having to find new housing. And then you have tenants in rent-controlled or rent-stabilized apartments, who lose valuable property rights if they are evicted. Of course, an eviction would normally doom any hope of the tenant completing a chapter 13 repayment plan or getting much benefit from the fresh start bankruptcy is intended to provide.

I understand that the applicability of the automatic stay to eviction proceedings has come under attack because of abuses. This is primarily due to the practice of debtors in a few cities, especially Los Angeles, of filing bankruptcy cases, sometimes repeatedly, solely for the purpose of delaying eviction and, in effect, "living rent free." these debtors are often aided by nonattorney bankruptcy petition preparers and file pro se. I have seen the advertisements by some of these unscrupulous individuals, and I deplore this kind of abuse as much as anyone does.

But to address this limited problem of abuse, what S. 625 does is totally eliminate the automatic stay for tenants.

In fact, the bill contains an even more sweeping provision than the language adopted in the conference report last year and contained in the House bill this year.

The problem of abusive bankruptcy filings by tenants in a few jurisdictions can be addressed by more limited, carefully targeted provisions. First, we can cut a whole area of abuse by simply lifting the stay in cases where there are repeat bankruptcy filings. My amendment includes that. These abuses inspired this amendment and they also point to its underlying goal: to eliminate the possibility that debtors can use the bankruptcy law to live "recent free" after they file. I agree that we should not let tenants take advantage of the bankruptcy laws to live "rent free." But if a debtor is able to put together enough money to pay rent during the pendency of the bankruptcy, that goal is satisfied. Certainly, the landlord is not losing anything financially by allowing the tenant to stay.

If the landlord again begins collecting rent on the apartment after a bankruptcy filing, it is in the same position as it would be if it evicted the debtor and began collecting rent from a new tenant. So under my amendment, relief from the automatic stay is only available if the debtor fails to pay rent that comes due after the bankruptcy filing.

I also believe that it is important to keep the bankruptcy court involved and aware of the lifting of the stay as it is under current law when a landlord applies for relief from the stay. There does seems to be good reason, however, to provide expedited relief from the stay if the debtor does not pay rent while the proceeding is pending.

So my amendment creates a simple and straightforward process. Once a debtor misses a rent payment after filing for bankruptcy, the landlord can immediately file a certification with the court that the payment has not been received. It must also serve a copy of the certification on the debtor, to make sure that the debtor is aware that the landlord intends to seek to have the stay lifted. After that certification is filed and served, the debtor has 15 days to cure the default. The exemption from the stay will become effective 15 days after the certification is filed and served, unless the court orders otherwise. And one reason for the court to order otherwise is that the rent has been paid.

This certification and expedited exemption process also applies to evictions based on property damage or illegal drug use. By giving discretion to the court to delay or stop the eviction proceeding from going forward, the amendment protects against these provisions being abused by landlords. We don't want landlords alleging property damage for the most minor scratches on the wall in order to take advantage of these expedited procedures.

The expedited procedures also apply to one other situation, which the Senator from Alabama raised during our consideration of this amendment in the Judiciary Committee. The Senator from Alabama sketched out a hypothetical situation where a landlord who has rented his or her own house or apartment to someone wants to move back in after the expiration of the lease. Under the amendment that I offered in committee, the landlord could theoretically be prevented from moving back in to his or her own house if the tenant files for bankruptcy and keeps paying rent.

I think the Senator from Alabama raised a good point in committee, so I have addressed it in this amendment. Again, the underlying goal is to allow tenants the benefits of the automatic stay as long as landlords are no worse off. In the usual case of a landlord who would simply rent to someone else after an eviction, renewed and continuous payment of rent after the bankruptcy filing protects the financial interests of the landlord. But in the case sketched out by the Senator from Alabama, landlords have other rights, namely the right to reoccupy their own homes, that we need to protect as well.

So my amendment contains an additional circumstance in which a landlord can seek expedited relief from the stay—when the lease has expired according to its terms and the landlord intends to occupy the property after the eviction. Once again, the landlord must simply certify that these circumstances exist and 15 days later, the stay is lifted, unless the tenant demonstrates to the court that the certification is erroneous.

It should be remembered that this amendment does not effect the landlord's ability to seek relief from the stay under the procedures provided by current law. Expedited procedures are available for nonpayment of rent after filing for bankruptcy, for evictions based on property damage or drug use, or when a lease has expired and the landlord wishes to reoccupy the property. For all other types of evictions, the landlord may continue to pursue remedies under current law.

As in so many parts of our debate on this bill, the main issue is balance. To the extent there are abuses they should be addressed, but the solutions should be narrowly targeted so that they do not eliminate the rights of honest debtors who need the fresh start that bankruptcy is designed to provide. In this case, I truly believe that the solution is S. 625 for the problem that landlords say they are concerned about goes too far. I am not comfortable with provisions that would kick people out of their apartments even if they can pay rent during the time that they are trying to get their financial house in order. To me that is not constructive, it is punitive. It is not really helping landlords, it is just punishing people who may be trying their very best to keep their heads above water. Shame on us, if we can't see that.

I hope my colleagues will support this modest and balanced amendment.

Mr. President, I ask unanimous consent that amendment No. 2748 be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SESSIONS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, in response to the remarks of the Senator from Wisconsin, I will not be able to support this amendment, although I do believe he has put some parts in it that make it superior to what had originally been offered in this regard.

I will share with Members some of the reasons I believe we need to reject this amendment and why this is a classic problem with the current bankruptcy law that we need to fix. We haven't had a major reform of bankruptcy law since 1978. It is time for us to look at it to see how it is working out in the real world. Are there abusers? Are there loopholes, with clever lawyers zealously representing their clients able to utilize some of these loopholes and situations to abuse the fair workings of the bankruptcy court?

Remember, a bankruptcy reform bill sets the law for an entire court. That is the court that handles bankruptcy.

Senator GRASSLEY's bill, with this amendment involving landlord/tenant that I helped sponsor, simply clarifies existing law. It simply makes real and more effectual the existing law. The amendment offered by Mr. FEINGOLD changes the current law; it moves us in a direction that will enhance and encourage litigation and delay and undermine the rule of law as we ought to see it in the country. There are some good lawyers out there practicing bankruptcy law. That is all they do. They know how to work the system and work it well.

Under current law, if a landlord files an eviction against a tenant before the bankruptcy petition is filed by the tenant, that eviction can continue. If an eviction is filed by a landlord based on the fact that his lease has terminated—he has a 1-year lease; we are now in month 14, he files to evict the tenant; he can't just go and throw him out physically—he files a lawsuit in State court to evict the tenant, he will prevail in bankruptcy court. That is not the kind of action the bankruptcy court will permanently stay.

What is the problem? Why are we having a problem? The problem is that when a person files for bankruptcy, all litigation is stayed; there is an automatic stay. So if you file for bankruptcy in Federal court, any lawsuits filed against you in the State court system for collection of your debts, including landlord/tenant, are automatically stayed. So what happens is, the landlord has to hire an attorney, send him down to Federal bankruptcy court, at great expense to himself, to file a motion and ask for a hearing to lift the stay and to say to that bankruptcy judge: Judge, we don't need you to stay this eviction case because the person is clearly in violation of his lease; he hasn't paid his rent, and/or the lease is terminated. It is time for him to be removed from his premises. He has to argue that.

Uniformly, the courts will rule in his favor, and he can then take the matter to State court. In State court, the tenant has all the rights and privileges he has always had to defend himself against eviction. He gets a hearing in court. He just doesn't get a double hearing in Federal court and State court.

This is a great cost to the landlords who have to go through this process. It also deals with landlords who have just a few apartment complexes or maybe just one and maybe the lease is coming up and they don't want to just occupy the premises themselves. Maybe they have already executed a lease with another tenant to take over this apartment. All of a sudden they find the tenant won't leave under his lease. Then he files a petition in bankruptcy. The court stays the efforts to evict and months go by. That is the kind of problem we are having.

How does this abuse occur? We have seen advertisements and pulled them from phone books and newspapers. Here is one: "Seven months free rent." It goes on to talk about how you can file bankruptcy—it has 7 calendar months here—and not be evicted for up to 7 months, even though your lease may have already expired. You have a 12-month lease, and that means you can stay there 19 months by the time you can get around to getting somebody removed from the premises, when you may have already agreed with your son, daughter, or some other possible tenant, that they can take over the property at a given time.

The Feingold amendment, as I understand it, would protect the landlord who wanted to move in himself but not from leasing it to somebody else or letting a family member take over the property.

Here is another one to a tenant organization, a flier that was passed out: "We have more moves, when it comes to preventing your eviction, than Magic Johnson. Call us," the law firm says, "and we will take care of you." "Need more time to move? Stop this eviction from 1 to 6 months."

And there are others we have seen here, quite a number of those kinds of activities. So I say to you that this is not just an imagined problem; it is very real. And still attorneys are advertising around the country, and they are disrupting legitimate landlord-tenant situations. It is an abuse.

Eventually, under the current law, when they go to bankruptcy court and ask that the stay be lifted so they can continue with their eviction, they always win—but they always lose. They win on the law eventually, but they lose because they have been delayed in taking control of their own property and because they have had to pay an extensive legal fee. This is the kind of thing that is driving people mad who are dealing with bankruptcy on a regular basis. They are coming to us in Congress and saying: JEFF, these things are not healthy; they are frustrating, and they are hurting our ability to commercially operate in an effective way.

So how often does it happen? I would like to read a report from the Los Angeles County Sheriff's Office—just in one county in America. This is what the L.A. County Sheriff's Office said. They estimate that 3,886 residents—3,886—filed for bankruptcy in 1996 alone—in 1 year, in that county—to prevent the execution of a valid court-ordered eviction notice. Think about that. You can even have won your eviction case in court, and an order has been issued to have this person evicted, his or her lease is up, and this stay in bankruptcy stops that.

It goes on to say that 7 percent of the eviction cases handled by the Los Angeles County sheriff's department are stayed as a result of bankruptcy filings. Losses are estimated at nearly $6 million per year. They advertise in many of the publications "Live Rent Free." That is really what has been happening. "More moves than Magic Johnson" to prevent a legitimate execution of an eviction order.

Remember, we are not saying a landlord can just go remove somebody. Every State has protection for renters. They have to go to court and get a valid eviction order. Many times, they are entitled to other delays before they can be evicted. So I think that is significant.

Another matter that I think is important is the quote from a judge in the Central District of California who is concerned about these cases. He sees them very frequently. Judge Zurzolo in the Central District of California had this to say about bankruptcy and efforts to delay eviction. This is a quote from his opinion in court:

> The bankruptcy courts are flooded with chapter 7 and chapter 13 bankruptcy cases filed solely for the purpose of delaying unlawful detainer eviction. Inevitably and swiftly following the filing of these bankruptcy cases is the filing of motions for relief of stay by the landlords. They have hired a lawyer and they have to file a motion for relief of stay. These landlords are temporarily thwarted by this abuse of the bankruptcy court system.

This judge calls it an abuse of the system. These relief from stay motions are rarely contested and never lost. That is, the lawyer who filed the bankruptcy rarely even contests them, and never are they ruled against the landlord. It is never ruled against the landlord, but they are filed and delay has already occurred. He says this:

> Bankruptcy courts in our district hear dozens of these stay motions weekly, none of which involve any justiciable conflicts of fact and law.

So it is pretty clear. We have a national problem that ought to be fixed. We can fix it.

What does the current legislation, the bankruptcy reform bill, say about it? It simply says that the automatic stay is not available when an eviction proceeding has already started prior to the filing of a bankruptcy. In other words, if the eviction has started before, you don't get that stay. If an eviction proceeding is based on the fact that the lease is already terminated, you don't get a stay. Otherwise, you would have the same stay. This will stop a lot of wasted effort, a lot of unnecessary costs, a lot of frustration for tenants and those kinds of problems.

I believe this law is good public policy—the way it is written in the Grassley bankruptcy bill—because a bankruptcy court only has control over the assets of the person filing bankruptcy. A lease that has already expired, by its very definition, is not an asset. A lease that has clearly been terminated because of nonpayment of rent is not an asset of the person who is filing bankruptcy. Therefore, the bankruptcy court does not have legal power to control an asset that is not theirs; it is the landlord's. So that is why the courts always rule in favor of the landlord in these cases. The landlord may have another tenant who would want to take over, and that tenant's life may be disrupted if the landlord can't deliver the premises.

In conclusion, the changes suggested in the Feingold amendment alter current law substantially. They allow the tenant to stay in the premises on which the lease has expired and for which they have been in default for lack of payment, or other reasons. This is unacceptable, and it is not sound law. You ought not to have a law that says you can stay in the premises when the lease has expired, for Heaven's sake. This would be the Federal bankruptcy court overruling State law that says when your lease expires, you are out. If we can't have honesty in the effectuation of contracts in America, we are in sad shape. I believe this is a poor amendment and it should not be approved.

I yield the floor.

Mr. GRASSLEY. Mr. President, how much time do we have on our side?

The PRESIDING OFFICER. The Senator has 23 minutes.

Mr. GRASSLEY. Mr. President, I yield 20 minutes to the Senator from North Carolina.

The PRESIDING OFFICER. The Senator is recognized.

NOMINATION OF CAROL MOSELEY-BRAUN

Mr. HELMS. Mr. President, 4 days ago, on November 5, the Senate Foreign Relations East Asian and Pacific Affairs Subcommittee conducted its hearing on the Moseley-Braun nomination. Since it was a subcommittee meeting and a hearing, I viewed it on television. I have a long practice of giving chairmen and ranking members of our subcommittees free rein in conducting their respective hearings. So I viewed the hearing on television, as I say, and it was a sight to behold.

In fact, what it was was a political rally, lacking only a band and the distribution of free hot dogs, soda pop, and balloons. Last night, the full committee met briefly, almost informally, just outside the Chamber here, and reported the nomination to the Senate, with one dissent. I will let you guess whose dissent that was.

Before I proceed further, I express the sincere hope that the nominee, when confirmed to serve as U.S. Ambassador to New Zealand, will serve diligently, effectively, and honestly. She will be representing the United States, the country of all Americans. For the sake of our country, I pray there will be no further reports of irregularity involving her conduct. In short, I wish her well.

Before the book is closed on the scores of reports regarding the nominee's often puzzling service as a U.S. Senator, I decided a few footnotes were in order. Many citizens from many States all over this country—principally, however, from the Chicago area—have contacted me during the past few weeks. There have been expressions of puzzlement that the President of the United States decided to reverse the clearly expressed judgment of the people of Illinois in the 1998 election. Several speculated over the weekend that the Senate was about to rubber stamp the President's nomination to serve as U.S. Ambassador to New Zealand. After all, the Illinois voters have made the judgment that serious charges of ethical misconduct by Senator Moseley-Braun disqualified her from further representing them in the Senate. Now they say the same Senate is preparing to declare she is qualified to represent all Americans abroad.

I think it important, therefore, that the people of Illinois —indeed, all Americans—be assured before the Senate proceeds that what they are witnessing is by no means an absolution of Ms. Moseley-Braun. What the American people are witnessing is a successful coverup of serious ethical wrongdoing. I am not going to dwell this afternoon on each of the many serious charges that have been raised, such as the continuing mystery of who really paid for her numerous visits to Nigerian dictator Sani Abacha or where Ms. Moseley-Braun's fiance, Kosie Matthews, got the $47,000 downpayment on the Chicago condo. For the record, Mr. Matthews was also her campaign manager and is now conveniently a missing man. Nobody knows where he is.

Whatever happened to the $249,000 the Federal Election Commission cannot account for her in her campaign? Or who was it exactly who paid for several thousand dollars in airfare, luxury hotel bills, and jewelry purchases during her 1992 trip to Las Vegas or the $10,000 in jewelry she purchased on her 1992 trip to Aspen, CO?

In most cases, the Foreign Relations Committee and its legal officer were unable to get to the bottom of these and other matters because Ms. Moseley-Braun has been hiding behind Mr. Matthews. Mr. Matthews, a South African native, has skipped the country and is nowhere to be found.

My purpose today is not to go through the laundry list of Ms. Moseley-Braun's well-known ethical lapses but, rather, to focus on the Clinton administration's culpability in all of this affair. Ms. Moseley-Braun was suspected of serious tax crime by the Internal Revenue Service following her 1992 campaign. According to a report in the New Republic magazine, she had:

> . . . a $6 million-plus war chest for her general election campaign, only $1 million of which was spent on TV advertising. Moreover, her campaign wound up $544,000 in debt.

Where did this money go? The IRS wanted to find out, but the IRS' efforts to investigate allegations that Moseley-Braun had diverted an estimated $280,000 of those campaign funds for personal use and failed to report it as personal income, those allegations were blocked every step of the way by the Clinton Justice Department.

In 1995, the Clinton Justice Department twice refused routine requests by the IRS Criminal Tax Division to convene a grand jury to investigate the charges against Ms. Moseley-Braun. The IRS had credible evidence that, among other things, she had spent some $70,000 in campaign funds on designer clothes, $25,000 on two jeeps, $18,000 on jewelry, $12,000 on stereo equipment, and some $64,000 on luxury vacations in Europe, Hawaii, and Africa.

Without a grand jury, Government investigators were denied the subpoena power to get at the key documents they had to have to prove their case. The Clinton Justice Department refused repeated requests to convene a grand jury.

Refusing such a request is highly unusual, according to numerous former IRS and Justice Department officials who made clear that the Justice Department's routine in such matters was to impanel grand juries so the IRS could continue gathering evidence. One former official with the Criminal Tax Division of the Justice Department, a Mr. John Bray, called it virtually unheard of to deny such a request. A former head of the Criminal Tax Division, Cono Namorato, commented:

> They [that is to say, the IRS] don't need to show much. . . . By and large, if it is requested, it is approved.

Another described the relationship between the Justice Department and the IRS this way:

> The Justice Department basically sees the IRS as their client, and as their attorney they should do as requested.

But in Moseley-Braun's case, this routine request from the client was denied, not once but twice.

Then the Foreign Relations Committee requested all of the documents from both IRS and the Department of Justice on this matter. Contrary to declarations by Ms. Moseley-Braun, the documents do not absolve her of wrongdoing. What the documents prove is that these serious allegations of ethical misconduct were never properly examined because the investigation was blocked by political appointees at the Justice Department, no doubt on instructions from the White House. Interestingly enough, the official at the Justice Department who made the decision, Loretta Argrett, was a Moseley-Braun supporter who had made a modest contribution to the Moseley-Braun 1992 campaign and who had a picture of Ms. Moseley-Braun on her office wall. Senator Moseley-Braun even presided over Ms. Argrett's confirmation in 1993.

It is noteworthy that the White House had to spend more than a week digging around in the bowels of the Justice Department to find the documents requested by the Senate Foreign Relations Committee. That is compelling evidence in and of itself because it demonstrates that the administration failed to properly examine the charges against this nominee when the charges were presented by the IRS in 1995. Again, the administration demonstrably failed even to review the charges in 1999 before sending her nomination up to the Senate.

It occurs to me that perhaps that was not unintentional. Perhaps the folks in the administration knew exactly what they were doing. Perhaps they hoped the spectacle of a public dispute between JESSE HELMS and Carol Moseley-Braun would serve the base political interests of the Clinton administration.

Well, Mr. President, I am not going to give them the spectacle they have been hoping to provoke. It may be that history, in a strange way, is now repeating itself. It is of interest to me that back in 1943, the then United States Senator Josiah William Bailey of North Carolina strongly opposed a proposal that President Franklin Delano Roosevelt nominate FDR's press secretary, a former Raleigh newspaper editor named Jonathan Daniels, as nominee to go—where? To New Zealand as United States Ambassador. Jonathan Daniels was a son of Josephus Daniels who had founded the Raleigh News and Observer many years earlier. Josephus once served as Secretary of the Navy and had chosen Franklin D. Roosevelt to be his assistant. Later on Josephus Daniels served as Ambassador to Mexico, nominated by President Roosevelt.

Jonathan Daniels repeatedly pleaded with FDR to nominate him to be Ambassador to "somewhere" so that he could emulate his father Josephus, but FDR told Jonathan Daniels that he would nominate him to be an Ambassador only if Jonathan persuaded Senator Bailey to approve the nomination. The fly in the ointment was that Jonathan Daniels, prior to going to Washington as press aide to FDR, had written a series of abusive, mean editorials about Senator Bailey. Anyhow, Jonathan decided that he had nothing to lose by going to Senator Bailey's office to plead his case. Senator Bailey flatly rejected the idea of Jonathan Daniels' going anywhere as Ambassador—and flat-out told Jonathan so. To which Jonathan Daniels played his last card, pleading:

> Well, Senator, I would have thought that you wouldn't mind my being sent to New Zealand—it's on the other side of the world, you know.

To which U.S. Senator Josiah William Bailey slowly shook his head and said:

> Yes, and it ain't fur enough.

Mr. President, you are free to draw your own conclusion. I thank you, and I yield the floor.

The PRESIDING OFFICER (Mr. GORTON). The Senator from Illinois.

Mr. DURBIN. Mr. President, I come to the floor to offer an amendment on the bankruptcy bill, but in light of the statement that was just entered into the record by Senator HELMS, in reference to my former colleague, Senator Carol Moseley-Braun, I am constrained to respond.

Let me say at the outset, I fully support President Clinton's decision to nominate Senator Carol Moseley-Braun to continue to serve this Nation as our Ambassador to New Zealand and Samoa. I was happy to appear before the Senate Foreign Affairs Committee last Friday and to introduce her. I believe she received a fair hearing that day, and those of us who were there came away with the impression that, when her name is called to be appointed Ambassador, she will receive a strong bipartisan vote of the Senate. But I have to say some of the suggestions that have been made in the previous statement at least need to be cleared up for the record.

Running for the Senate subjects you to all sorts of inquiry and investigation, not only by your opponent, who will look at you in the harshest terms, but by the press and any other inquiring mind. Those of us who subject ourselves to that process understand it is going to be tough. Senator Carol Moseley-Braun has done that repeatedly throughout her career, running for offices at the legislative level, the county level, and twice as a statewide candidate in Illinois. Not surprisingly during that period of time there have been many charges that have been thrown at her. Many of those charges were just repeated today on the floor of the Senate. I might remind my colleagues in the Senate, they are just that. They are charges; they are not proven.

I might also say to my colleagues in the Senate, those who view this body as somehow a closed club that takes care of its own ought to take a look at what happened with this nomination, because what Senator Carol Moseley-Braun was subjected to during the course of this process is a standard which, frankly, may exceed a standard imposed on any other person who comes up for an ambassadorship to a post such as New Zealand. In other words, she was subjected to more rigorous examination and questioning than virtually any person off the street nominated by the President.

It may surprise some people to think a former United States Senator would go through that process, but I am happy to report, as the Senate Foreign Affairs Committee learned last Friday, after Senator Carol Moseley-Braun went through an extensive background check at the request of the White House, after her campaign records were reviewed in detail, after all the charges put in the RECORD on this floor were investigated, after the Internal Revenue Service and Department of Justice and FBI were called in and asked point blank if she was guilty of wrongdoing, they all concluded there was no proof of wrongdoing, and they recommended her name to the President, who then submitted it to the Senate.

Now we are in a position where many of those same charges, with no basis in fact, have been repeated again on the

Senate floor. That is truly unfortunate. Let me address two of them. No. 1, as a Senator serving in this body, she visited Nigeria and a leader there of whom the United States did not approve.

I will have to tell you I did not approve of that leader either, but no one has ever questioned the right of any Senator or any Member of the House to decide to take foreign travel and visit a foreign leader without the approval of the State Department. I think, frankly, that is all well and good. When the chairman of the Foreign Affairs Committee, Senator HELMS, chose to visit General Pinochet in Chile, that was his right. Many people in the United States might question it, but I do not question his decision to do that. That is something for him to defend to the voters of North Carolina.

When my Governor in the State of Illinois decided 2 weeks ago to visit with the dictator leader in Cuba, Fidel Castro, again it was his right. In fact, I supported his visit. I thought it was important.

So to bring up this red herring of a visit to Nigeria while she served in the Senate is to hold Carol Moseley-Braun to a different standard than we hold our own colleagues and other leaders across the Nation. I don't think that is fair.

Second, on the talk about campaign finances and whether she misspent them, the record of the committee tells the story. When an auditor came from the FEC and looked at detailed records from the Carol Moseley-Braun campaign in 1992 and went through the $8 million in expenditures in that campaign, they were able to identify $311 unaccounted for.

Mr. President, I make a great effort to try to have a full accounting, as required by law. I am sure every Senator does. But $311 out of $8 million? To make of that some sort of a disgrace or scandal is to exaggerate it beyond recognition. Those are the charges flung again at Senator Carol Moseley-Braun on the Senate floor.

That is a sad occurrence and one which I wish had not occurred. Frankly, I hope the Members of the Senate, before we adjourn today, have a chance to vote on giving our colleague a chance to serve because we are not only sending an able representative to represent the United States with one of our great allies, New Zealand, we are sending to New Zealand evidence the American dream is still alive because Carol Moseley-Braun—and I will readily concede she is not only my former colleague but my friend—and her public life are a testament to what America stands for. Born in a segregated hospital facility in Chicago, her mother, a medical technician in the same place, her father a Chicago policeman, she worked her way through college to not only earn a degree but earn a law degree from the University of Chicago, to serve for 5 years as an assistant U.S. attorney and prosecutor, to become the first African American woman to ever serve as a member of the leadership in the Illinois General Assembly, to become the first African American woman ever elected countywide in Cook County, and the first African American woman in this century to be elected to the Senate.

Time and time again, every step of her life has crushed down another barrier so that those who follow her will have a better opportunity.

Now she joins some four other African American women who serve as our Ambassadors should the Senate decide to give her that chance. As she journeys to New Zealand—and I hope she will soon—she will bring with her not only a wealth of public service but a story about how the American dream can be realized if you believe in yourself and if you believe that equality is more than just a word—it is a principle which guides this great country.

I stand in strong support of Carol Moseley-Braun. I believe she will be an excellent Ambassador, and I believe the vote that comes out of this Chamber will be strong and bipartisan and put to rest, once and for all, many of the charges and rumors which have been swirling around her nomination over the past several weeks.

Mr. President, I yield the floor to my colleague, the Senator from New York.

Mr. SCHUMER. I thank the Senator for yielding.

The PRESIDING OFFICER. The Senator from New York.

BANKRUPTCY REFORM ACT—Continued

AMENDMENT NO. 2761

(Purpose: To improve disclosure of the annual percentage rate for purchases applicable to credit card accounts)

Mr. SCHUMER. Mr. President, as per the agreement, I call up amendment No. 2761, to be debated for 15 minutes and then laid aside.

I ask unanimous consent that Mr. SANTORUM be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the amendment.

The legislative assistant read as follows:

The Senator from New York [Mr. SCHUMER], for himself and Mr. SANTORUM, proposes an amendment numbered 2761.

Mr. SCHUMER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . TRUTH IN LENDING DISCLOSURES.

Section 122(c) of the Truth in Lending Act (15 U.S.C. 1632(c)) is amended—

(1) in paragraph (1), by striking the current text and inserting the following:

"(1) IN GENERAL.—The information described in paragraphs (1), (3)(B)(i)(I), (4)(A), and (4)(C)(i)(I) of section 1637(c) of this title and the long-term annual percentage rate for purchases shall—

"(A) subject to paragraphs (2) and (3) of this subsection, be disclosed in the form and manner which the Board shall prescribe by regulations; and

"(B) be placed in a conspicuous and prominent location on or with any written application, solicitation, or other document or paper with respect to which such disclosure is required."

For purposes of this subsection, the term "long-term annual percentage rate for purchases" means the highest nondefault annual percentage rate for purchases applicable to the credit card account offered, solicited or advertised, calculated at the time of mailing (in the case of an application or solicitation described in paragraph (1) of section 1637(c) of this title) or printing (in the case of an application or solicitation described in paragraphs (3)(B) of section 1637(c) of this title), except that in the case of a credit card account to which an introductory or temporary discounted rate applies, the term "long-term annual percentage rate for purchases" means the highest nondefault annual percentage rate for purchases applicable to the credit card account offered, solicited or advertised that will apply after the expiration of the introductory or temporary discounted rate, calculated at the time of mailing (in the case of an application or solicitation described in paragraph (1) of section 1637(c) of this title) or printing (in the case of an application or solicitation described in paragraphs (3)(B) of section 1637(c) of this title."

(2) in paragraph (2), by striking the current text and inserting the following:

"(2) TABULAR FORMATS FOR CREDIT CARD DISCLOSURES.—

"(A) The long-term annual percentage rate for purchases shall be disclosed on or with a written application or solicitation described in paragraphs (1) or (3)(B) of section 1637(c) of this title in 24-point or larger type and in the form of a table which—

"(i) shall contain a clear and concise heading set forth in the same type size as the long-term annual percentage rate for purchases;

"(ii) shall state the long-term annual percentage rate for purchases clearly and concisely;

'(iii) where the long-term annual percentage rate for purchases is based on a variable rate, shall use the term 'currently' to describe the long-term annual percentage rate for purchases;

"(iv) where the long-term annual percentage rate for purchases is not the only annual percentage rate applicable to the credit card account offered, solicited or advertised, shall include an asterisk placed immediately following the long-term annual percentage rate for purchases; and

"Iv) shall contain no other item of information.

"(B) The information described in paragraphs (1)(A)(ii), 1(A)(iii), (1)(A)(iv), 1(B) and (3)(B)(i)(I) of section 1637(c) of this title shall be disclosed on or with a written application or solicitation described in paragraph (1) of section 1637(c) of this title or a written application or solicitation as large as or larger than 8.5 inches in width and 11 inches in length described in paragraph (3)(B) of section 1637(c) of this title in 12-point type and in the form of a table which—

"(i) shall appear separately from and immediately beneath the table described in subparagraph (A) of this paragraph;

"(ii) shall contain clear and concise headings set forth in 12-point type;

"(iii) shall provide a clear and concise form for stating each item of information required to be disclosed under each such heading; and

"(iv) may list the items required to be included in this table in a different order than the order set forth in paragraph (1) of section 1637 of this title, subject to the approval of the Board."

"(C) The information described in paragraphs (1)(A)(ii), (1)(A)(iii), (1)(A)(iv), (1)(B) and (3)(B)(i)(I) of section 1637(c) of this title shall be disclosed on or with a written application or solicitation smaller than 8.5 inches in width and 11 inches in length described in paragraph (3)(B) of section 1637(c) of this title in 12-point type and shall—

"(i) be set forth separately from and immediately beneath the table described in subparagraph (A) of this paragraph; and

"(ii) not be disclosed in the form of a table.

"(D) Notwithstanding the inclusion of any of the information described in paragraph (1)(A)(i) of section 1637(c) of this title in the table described in subparagraph (A) of this paragraph, the information described in paragraph (1)(A)(i) of section 1637(c) of this title shall be disclosed on or with a written application or solicitation described in paragraphs (1) or (3)(B) of section 1637(c) of this title and shall—

"(i) be set forth in 12-point boldface type;

"(ii) be set forth separately from and immediately beneath the table described in subparagraph (B) of this paragraph or the information described in subparagraph (C) of this paragraph, whichever is applicable;

"(iii) not be disclosed in the form of a table; and

"(iv) where the long-term annual percentage rate for purchases is not the only annual percentage rate applicable to the credit card account offered, solicited or advertised, be preceded by an asterisk set forth in 12-point boldface type."

(3) by adding at the end the following:

"(3) TABULAR FORMAT FOR CHARGE CARD DISCLOSURES.—

"(A) In the regulations prescribed under paragraph (1)(A) of this subsection, the Board shall require that the disclosure of the information described in paragraphs (4)(A) and (4)(C)(i)(I) of section 1637(c) of this title shall, to the extent the Board determines to be practicable and appropriate, be in the form of a table which—

"(i) contains clear and concise headings for each item of such information; and

"(ii) provides a clear and concise form for stating each item of information required to be disclosed under each such heading."

"(B) In prescribing the form of the table under subparagraph (A) of this paragraph, the Board may—

"(i) list the items required to be included in the table in a different order than the order set forth in paragraph (4)(A) of section 1637(c) of this title; and

"(ii) employ terminology which is different than the terminology which is employed in section 1637(c) of this title if such terminology conveys substantially the same meaning."

Mr. GRASSLEY. Mr. President, will the Senator yield for a question?

Mr. SCHUMER. I yield for a question.

Mr. GRASSLEY. The Senator's 15 minutes are coming within the framework of our voting at 5 o'clock.

Mr. SCHUMER. That is correct.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. Mr. President, I thank the Senator from Iowa and the Senator from Illinois for their courtesy and the Senator from Nevada for his diligent work in seeing we all get some time.

I am offering an amendment, along with the Senator from Pennsylvania, Mr. SANTORUM, to do something very basic to the bankruptcy bill, and that is to make credit card disclosure easier to find, easier to read, and easier to understand. I offer this amendment to achieve a goal I share with the sponsors of this bill—seeing fewer American consumers declare bankruptcy.

I believe, however, that real bankruptcy reform must address one of the root causes of consumer indebtedness, and that is, abusive consumer credit industry practices. Having saturated the middle market, credit card companies, of course, search ever harder for new users. Their search for new customers leads inevitably to those who have the least ability to repay and are most likely to wind up mired in debt.

The Federal Reserve reports that credit card solicitations skyrocketed to a shocking $3.5 billion in 1998, a 15-percent increase from the previous year. That represents an average of 13 solicitations per year—more than one a month for every man, woman, and child in the United States. That is 12 a year for every man, woman, and child in the United States.

To reach these new customers, the credit card companies are in a race to the bottom oftentimes to come up with misleading marketing gimmicks and hidden fees.

The whole purpose of this bill is to say that those who get deeply into debt should have to repay their debts, even if they are poor. I understand that. I do not agree with certain provisions of it, but I understand it. We can all agree that we ought to have full and broad disclosure before someone signs up for a credit card so they do not get mired in that debt. That is not a Democratic or Republican principle, it is an Adam Smith free market principle: full information.

I am hopeful this bipartisan Schumer-Santorum amendment will meet the approval of this body and improve the bill.

Let me show my colleagues what is happening. Credit card accounts have become more complicated than ever. Look at this credit card solicitation. It is blown up significantly from its actual size. Count the number of rates applicable to the account. There is a teaser rate, 3.9 percent on introductory purchases and balance transfers. That is the only thing that jumps out at you. An unknowing consumer, someone not really trained in legalese, would think that is the annual rate, but it is not. Here are the other rates mired in this very complicated language: a 9.9 percent long-term rate on purchases and balance transfers; 19.99 percent on cash advances; 9.99 penalty rate, 19 and 22 percent penalty rates on balances in the long run.

My colleagues, that is not disclosure; that is an advance math problem on a college entrance exam. I have had a deep and abiding interest in credit card disclosure.

In 1988, as a House Member, I authored the Fair Credit and Charge Card Disclosure Act. The act required that certain information about a credit card account be disclosed: the annual percentage rate, the annual fee, the minimum finance charge, the method of computing the balance for purchases.

The act required that this amendment be disclosed in a table, the so-called Schumer box. By putting the information in the table and mandating the table be prominently disclosed, the hope was consumers would be able to understand what the costs of credit truly were. But instead of clarity, they got obfuscation. Because of how the Federal Reserve has interpreted the table, disclosure provisions to the Fair Credit and Charge Card Disclosure Act, the result has not been disclosure, but a hide-the-rate shell game.

Again look at this chart. The only number that stands out is 3.9 percent, and on the solicitation in big white letters on the front is 3.9 percent. If you were looking at this, you would think you are getting a 3.9-percent credit card; 3.9 is the only number in big letters. If you read all the little fine print on the inside, you will see the rate is 10 percent, 19 percent, even 22 percent.

We must correct this. We have seen the disclosure box can be stashed away in places far from prominent—the back page or accompanying scrap of paper. We see the disclosure box can appear in font sizes so small it is virtually unreadable. The disclosure box that appears on these is blown up significantly. In the actual solicitation, the letters are so small that even with my 48-year-old eyes, and getting older every minute, I cannot read them.

Finally, we have seen the box disclosure rate of information has turned out to be a mess. The so-called Schumer box, of which I was proud when it first passed, has not helped the consumer as much as intended. The amendment that Senator SANTORUM and I are offering will restructure the existing disclosure box in the following way:

First, it will create a large, readable, 24-point font table solely for the long-term annual percentage rate for purchases. This is the old card, where all you see is the introductory rate in big letters. This is the new rate, and it is easily seen, 9.99 percent, which would be the annual rate. If there is a teaser rate, a so-called introductory offer rate that is very low, that could be on the credit card, but you do not need a college education or calculus to see the annual rate. It is very important.

Second, beneath the table disclosing the long-term annual percentage rate for purchases, it would mandate another table in standard 12-point font that discloses such items as the grace period for repayment, annual fees, minimum finance charges, transaction fees, and other items that are not required to appear in any disclosure box under current law—cash advance fees, late fees, and over-the-credit limit fees.

Finally, beneath this second table there would be full disclosure on all rates applicable to the credit card account. The poster shows the difference. This one looks as if you have a 3.9-percent rate; this one, the annual rate. Again, we are not limiting the consumer. We are simply providing information. This is good old Adam Smith American competition, and companies will compete for people based on who has the best rates.

It is fair to say consumers will be better off under my amendment, in terms of understanding the true costs of credit.

Senator SANTORUM and I believe that disclosure is the way to go, not putting a cap on, not putting limits on, but simply disclosure—but real disclosure—so that people could understand this.

It will fit on an 8½ by 11 sheet. We do not want the credit card companies to be able to say that it is difficult to put this together. All this information, including the large "9.9 percent," is on an easily understandable sheet.

It is a shame we have to resort to putting font sizes into legislation, but if you look at the old "Schumer box," with all the legalese, you will know that we need it.

Armed with better information, consumers will avoid some of the financial missteps that can send them into bankruptcy. That is a goal we all share.

So I urge my colleagues to support this amendment proposed by the Senator from Pennsylvania, Mr. SANTORUM, and myself. I urge that we could come together, in a bipartisan way, on an amendment that makes good sense, that improves the legislation. And then if someone falls into bankruptcy—which we hope does not happen—at the very least it would mean they knew what they were getting into.

Mr. President, how much time do I have left on the 15 minutes that have been yielded to me?

The PRESIDING OFFICER. The Senator has 6 minutes remaining.

Mr. SCHUMER. Six minutes.

Mr. President, I reserve that 6 minutes to wait for the Senator from Pennsylvania to come speak and for me to conclude.

Thank you, Mr. President.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. I understand that the Senator from Illinois has yielded 4 minutes to me.

AMENDMENT NO. 2754

Mr. KENNEDY. Mr. President, I add my support for the amendment that has been offered by the Senator from Connecticut, Mr. DODD, to address the explosion of credit card debt because students on college campuses are offered credit cards. The amendment, as has been outlined, prohibits credit card companies from giving an individual under the age of 21 a credit card unless the young person has income sufficient to repay the debt or a parent or a guardian, or other family member over the age of 21, to share the liability for the credit card.

The point has been made, but I think it needs to be underlined, that when you get right behind this whole issue, what is happening is that the credit card companies are making these credit cards so available to young people who are attending college that the credit cards are effectively irresistible. The amount of debt that is being run up by these students is escalating into significant figures. What inevitably happens is that the parents are required, by one reason or another, to assume the debt obligation. That is the background, really, on why these efforts are being made by the credit card companies.

What isn't so evident is the kind of turmoil, anxiety, and depression that surrounds this whole atmosphere of student debt. What we found, in the course of the hearings on the Judiciary Committee, in a number of the different presentations that were made while considering the bankruptcy legislation, is that it isn't only the financial obligations that were assumed, but that many of the young people, who had stellar academic records, who were outstanding students in all forms of behavior, who were actually seduced by these credit card obligations and responsibilities, when they found they were unable to free themselves from these kinds of obligations, went into severe depression and into adverse behavior, where the students had tensions in their relationships with their parents, assuming an entirely different chapter in their development. And this is something that is happening with increasing frequency across this country.

The kind of recommendations that the Senator from Connecticut has outlined in the amendment is a very modest and reasonable way of addressing the excesses of this particular phenomenon taking place. This is the place to be able to do it.

I welcome the chance to join with Senator DODD in urging that this particular amendment be adopted. It makes a great deal of sense in terms of the young students in this country. It makes a great deal of sense in terms of their parents, most of whom are hard working, decent parents who get caught up in these obligations, assuming the debts of their children. It puts an extraordinary burden on them as well.

This is a winner for the students and for their parents and for more sensible and responsible bankruptcy legislation.

I reserve the remainder of the time.

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

AMENDMENTS NOS. 2659 AND 2661, EN BLOC

Mr. DURBIN. Mr. President, I ask unanimous consent to call up amendment No. 2659, regarding credit counseling, and amendment No. 2661, regarding prescreening for debtors between 100 and 150 percent of median income, and to immediately set them aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative assistant read as follows:

The Senator from Illinois [Mr. DURBIN] proposes amendments numbered 2659 and 2661, en bloc.

The amendments are as follows:

AMENDMENT NO. 2659

(Purpose: To modify certain provisions relating to pre-bankruptcy financial counseling)

On page 18, line 5 insert "(including a briefing conducted by telephone or on the Internet)" after "briefing".

On page 19, line 15, strike "petition" and insert "petition without court approval."

AMENDMENT NO. 2661

(Purpose: To establish parameters for presuming that the filing of a case under chapter 7 of title 11, United States Code, does not constitute an abuse of that chapter)

On page 7, between line 14 and 15, insert the following:

"unless the conditions described in clause (iA) apply with respect to the debtor.

"(iA) the product of the debtor's current monthly income multiplied by 12—

"(I)(aa) exceeds 100 percent, but does not exceed 150 percent of the national or applicable State median household income reported for a household of equal size, whichever is greater; or

"(bb) in the case of a household of 1 person, exceeds 100 percent but does not exceed 150 percent of the national or applicable State median household income reported for 1 earner, whichever is greater; and

"(II) the product of the debtor's current monthly income (reduced by the amounts determined under clause (ii) (except for the amount calculated under the other necessary expenses standard issued by the Internal Revenue Service and clauses (iii) and (iv) multiplied by 60 is less than the greater of—

"(aa) 25 percent of the debtor's nonpriority unsecured claims in the case; or

"(bb) $15,000.

The PRESIDING OFFICER. Without objection, the amendments are set aside.

Mr. DURBIN. How much time is remaining on the debate?

The PRESIDING OFFICER. Eleven minutes 30 seconds for that side; 11 minutes for Senator GRASSLEY.

AMENDMENT NO. 2521

Mr. DURBIN. Shortly the Members of the Senate will have a chance to vote on an amendment to which I hope they will give consideration. It is an amendment which addresses a segment of the credit industry which represents the bottom feeders. These are the people who prey on the vulnerable in society. These are the people who try to ensnare vulnerable, frail, elderly, and sick people into literally signing over the only thing they own on Earth—their homes.

You have seen the cases. You have read about them in the papers and seen the exposes on television. They find a widow living alone in her home. They come in and want to sell her some siding or a new roof or new furnace. The next thing you know, she has a second mortgage on her home. The terms of the mortgage are outrageous. She finds herself losing the only thing she has left on Earth—her home. These are so-called "equity predators."

I salute the Senator from Iowa, Mr. GRASSLEY, who is the manager of this bill on the Republican side, because he had a hearing in March of 1998 of the Special Committee on Aging of the Senate that was dedicated exclusively to this outrage in the credit industry, that these people would come in and prey on so many vulnerable people.

Let me quote Senator GRASSLEY. I do not know if I have his permission, but I did give him notice that I would read this from the hearing. He said:

> Before we begin, I want to quote a victim—a quote that in my mind sums up what we are all talking about here today. She said the following: "They did what a man with a gun in a dark alley could not do. They stole my house."

That is what is happening, time and again, when these unscrupulous creditors and lenders prey on the elderly and people who are less educated and end up taking something away from them that they have saved for their entire lives.

What does my amendment do? My amendment says that if this plays out, if they end up ensnaring some poor person into their trap, so that they stand to lose their home, and ultimately that person has to go bankrupt because of this unscrupulous lender, when they go to bankruptcy court, that same equity creditor cannot take away their home. If that person did not follow the law that requires full disclosure and fair treatment of people who are loaned money, they cannot come to bankruptcy court and end up with the deed to the home of an elderly widow. I think that is simple justice. It was a question before this Senate today as to whether or not, when we talk about abuses by those filing for bankruptcy, we will be equally outraged by abuses by creditors such as these predatory lenders who use our legal system and our bankruptcy court to literally push through processes that take away from people things they have saved for their entire life. They are serial credit predators. They prey on the elderly, the less educated, the frail, and the vulnerable. They are the bottom feeders in the credit industry. My amendment will give my colleagues in the Senate a chance to tell them once and for all, stop this devious conspiracy to go after the elderly in America.

How many people are affected by this? So many that in the State of California they have set up a special fraud unit to go after these predatory lenders.

I am sad to report that as I stand here today, many reputable lenders are opposing my amendment. What does that say about them? If they are opposing my amendment to go after the bad guys, how does that reflect on the good guys in this business? I don't think it tells a very good story.

The groups supporting my amendment include the Consumer Federation of America, the Consumers Union, National Consumer Law Center, the U.S. Public Interest Research Group, the UAW, and others who have decided, as I have, that we should put an end to this once and for all, as is stated in their letter in support of my amendment: As consumers who receive these loans are commonly forced into bankruptcy, it is essential to create a bankruptcy remedy that protects debtors and other honest creditors from the predators who seek to enforce these loans.

Let me give a couple examples of these loans. Lillie Coleman is a resident of New City in Illinois, 68 years old, living on a pension. In comes a person who says: I'll tell you what I will do, Ms. Coleman. I know you own a house. I will consolidate all your debts, and I will lend you $5,000 for home improvement. The next thing you know, she has signed a $65,000 mortgage on the home she owned and had worked for for a lifetime. The next thing you know, they are holding these closings without inviting her. They are not giving her the papers to sign. They have broker's fees that were never disclosed to her. They find out that checks that were supposed to go to her creditors aren't going to creditors. They are finding out basically that there is money missing.

There sits Ms. Coleman with a second mortgage on her home and the prospect of losing her home in her retirement at the age of 68. Those are the people we are talking about. Those are the folks knocking on the doors, ringing the telephone off the hook night and day, sending all these luring mailings to people saying: You can just sign the back of this little check, and the next thing you know, there will be money in your hand.

The next thing you know, there is a new mortgage on your home. And if you miss a payment or if you don't understand the terms, you could lose it.

It didn't just happen in Illinois. It happens all over the place. In fact, it has happened in Utah, two or three cases of balloon payments. Do you know what a balloon payment is? You make the regular monthly payments; everything is going along fine. There is a small clause in the contract that says: At one point in time you had better come up with $49,000 or you lose your home. That is a balloon payment. Many borrowers don't know the details, particularly if they are folks who are elderly. They don't see well. They may not hear well. They think they are doing the right thing. They, of course, have the legal capacity to sign a contract. The next thing you know, they end up with their home on the line. They may end up in bankruptcy court.

What I am saying with this amendment is, we are not going to give them a chance to use the bankruptcy courts of America as a fishing expedition for the well-earned assets of American families.

This amendment was part of the bankruptcy bill we passed last year 97–1. If there is anybody sitting on the floor saying this idea is way too radical, they voted for it last year. They voted for it last year 97–1. It is something that should be part of this bill.

If you are outraged by the lawyers who are ripping off the system, as I see my friend, the Senator from Alabama, on the floor, who brings this up regularly, if you are outraged by those who go to bankruptcy court who shouldn't be there, share your outrage when it comes to these predatory lenders. Join me in passing an amendment that tells them once and for all, you can't use our legal system to continue this deceptive scheme.

We have found in the course of researching this matter that there are several different approaches these predatory lenders use. They engage in practices where they lend somebody money far beyond their ability to repay. They know going in, with a borrower of limited savings and equity in a home, that they can put that borrower on the spot where, in a short period of time, they are going to default.

We know as well that they try to make an arrangement saying: I will tell you what, we will put the siding on the home. We will make the direct payments to the home contractor, and don't you worry about it. The next thing you know, they have signed the mortgage, the home contractor is not paid, and the poor widow finds herself being assaulted in every direction by those who expect to be paid and finds herself in bankruptcy court.

They impose illegal fees, such as prepayment penalties or increased interest rates at default. They impose balloon payments due in less than 5 years.

We have a group of people who are gaming the system at the expense of the most vulnerable people in America.

This amendment does not add any additional requirements to current law. It says that those who want to lend money have to themselves obey the law. If you want to stand for law and order when it comes to somebody coming into bankruptcy court, a debtor who can no longer pay their debts, if you want to establish new and higher standards for them so that they don't rip off the system, for goodness' sake, show some heart when it comes to those who are in bankruptcy court through no fault of their own. They are elderly people who signed onto the contract, and the next thing you know the only thing they own on Earth is at risk.

I have considered this amendment. I have read the transcripts of hearings, particularly the one from Senator GRASSLEY's Committee on Aging. I have read some testimony there that I think says it all. But Senator GRASSLEY's own words really put this in context. In March of 1988, he said as follows:

> What exactly are we talking about when we say that equity predators target folks who are equity-rich and cash-poor? These folks are our mothers and our fathers, our aunts and our uncles, and all people who live on fixed incomes. These are people who oftentimes exist from check to check and dollar to dollar, and who have put their blood, sweat and tears into buying a piece of the American dream, and that is their own home.
>
> Senator COLLINS of Maine at the same hearing noted, I think accurately, that we need higher legal standards for those who provide financial services to senior citizens. Let me remind the Senate, I don't impose a higher legal standard here. I only say that those who want to take advantage of the bankruptcy court have to come in with clean hands. If they have been guilty of misuse of the law, dereliction of duty, or violation of the law, they should not be allowed to recover.

Senator LARRY CRAIG, a Republican of Idaho, said at the same hearing: There are many loopholes found in existing protection laws which can and are easily exploited by these creditors. Statements by Senator ENZI and so many of my colleagues attest to the fact that they know that in every State in the Union these smoothies are at work.

The question today before the Senate is what we will do about it. These lowlife lenders who give the Merchant of Venice credit standards a good name are the people who will be protected if the Durbin amendment is defeated.

I hope if we are going to hold to a high standard those seeking relief in bankruptcy court, that we start with those who have been shown time and time again to have taken advantage of the system.

I reserve the remainder of my time.

The PRESIDING OFFICER. All time on the Democratic side has expired.

Mr. GRASSLEY. Mr. President, I yield 5 minutes to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, what we have before us this afternoon is a perfect example of what can happen when a bankruptcy bill is on the floor, and Members are offering amendments that have nothing to do with bankruptcy law but everything to do with banking.

We have two amendments before us, and I have a short period of time, so I'll make my points briefly.

The amendment offered by Senator DURBIN basically attempts to enforce the truth-in-lending law—which has many remedies under current banking law, including damages, including class action suits—through a new mechanism, the bankruptcy courts.

What is the practical import of all this, and why is this opposed by virtually everybody who is involved in mortgage lending?

Basically, it is a violation of truth in lending to lend money to someone who is not capable of paying it back. So, if we change the law—if we change permanent banking law as part of this bankruptcy bill—to say that if a borrower can prove that someone violated the Truth in Lending Act, then he doesn't have to pay back his mortgage loan when he's in bankruptcy, what is going to happen?

What is going to happen is that everybody in bankruptcy who has a mortgage loan is going to file a lawsuit claiming, Well, obviously, I am bankrupt, so the lender should have known I could not pay this loan back; therefore, under the Durbin amendment, I should not have to pay it back.

This is an absurd amendment that would undercut truth in lending, which has more enforcement powers than most other lending laws in America, by literally creating a situation where every deadbeat would file a lawsuit saying: I have gone bankrupt because I have spent my money. I have not paid my bills, and because I have gone bankrupt, it is the bank's fault; therefore, I should be able to default on my mortgage. Which would mean that every honest person in America who pays their bills, who sacrifices and saves their money and pays off their mortgage, will end up paying a higher rate of interest.

So I hope our colleagues will roundly defeat this amendment. It has absolutely nothing to do with bankruptcy law, and everything to do with banking law, and it should not even be considered.

The second amendment I want to mention is paternalism at its worst, and that is the amendment of my dear friend, Senator DODD, which would require students between the ages of 18 and 21 to get parental consent in order to be issued a credit card.

I want to remind my colleagues that college students who are 18 and older are adults under Federal law for purposes of credit. This amendment would therefore be a violation of the Federal Equal Credit Opportunity Act, which prohibits the use of age on a discriminatory basis against anyone over 18 years of age.

The second point I want to make is that this concern about the danger of students having credit cards is based on a myth. Fifty-nine percent of all college students in America pay their balance in full at the end of the month. But only 40 percent of the general population pays their balance in full. Eighty-six percent of students pay their credit cards with their own money, not with their parents' money. The plain truth is that college students are better credit card risks than the general population. It is obvious that if you are dealing with people who are highly motivated, highly disciplined, successful college students, you want them to become your customer because they are going to go out and make a lot of money and become very profitable customers. The idea that we would be engaged in this sort of paternalism, which would require every student in America, even though it is against the law for the bank to discriminate against them if they are over 18—

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GRASSLEY. Mr. President, I will yield the Senator 1 more minute, the Senator from Pennsylvania 2 minutes, and the Senator from Alabama 3 minutes. That will be the remainder of our time.

The PRESIDING OFFICER. The Senator from Texas may continue for another minute.

Mr. GRAMM. Mr. President, the idea that we in the U.S. Congress are going to pass a law that takes adults, under our Federal credit statutes, and force them to go back to their parents in order to get a credit card, when the credit behavior of students is superior to the general population, is simply an outrage. Our Democrat colleagues cannot get it right. When we debated the banking bill, they were concerned that banks wouldn't lend money to people who are needy. But when we are debating the bankruptcy bill, it is the bank's fault for lending too much money to people who are needy. They can't quite get it straight. I guess it varies depending on which bill are considering. Both of these amendments should be roundly defeated.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SANTORUM. Mr. President, I thank the Senator from New York for his amendment dealing with disclosure—as the Senator from New York talked about in his remarks—on credit card solicitations, as to what the real interest rate is that is going to be involved and all the other information that is necessary for consumers to make intelligent decisions as to whether to contract with a credit card company.

All of us get solicitations—I do every day—in the mail offering outrageously low rates of interest. I have looked through them and it is very difficult, even for somebody who is somewhat sophisticated in looking at this information, to find what the true interest rate is and the true terms of the credit card for which you may be signing up.

What the amendment of the Senator from New York does is put it in an obvious place, in clear and bold type, in a box, in a format that people are used to using, as a result of his legislation from a few years ago with respect to credit card statements. This would make it applicable to applications and to solicitations. I think it is a constructive amendment, a disclosure-oriented amendment. It is not something I think is unduly burdensome and it can be helpful to everybody, not just seniors and the others who may have difficulty reading the small print and understanding very complex legal documents but also the average consumer who wants to be able to make intelligent decisions. And what we are looking at in this bill is the failures as a result of credit card overpayments, as a result of decreased savings rates. This is the kind of commonsense type of thing we ought to be supporting.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SESSIONS. Mr. President, I know some young people get in trouble by overspending their credit cards. A lot of adults get in trouble for that. The fact is, I don't believe we, as part of an effort to reform the bankruptcy court, need to be, at this moment, offering amendments; that ought to be done in the Banking Committee. There have been complaints about the fact that credit card solicitations are mailed out to people. Let me say this: We have had a banking bill in which Members have been outraged that banks won't loan to high-risk people, and they are complaining about not making enough loans. It is odd, striking, and shocking to me that poor people are being told they ought not to be even offered credit cards. Some say they are being mailed credit cards. Not so. It is a Federal law, a crime, and it is prohibited to mail credit cards unrequested to somebody. What they are receiving is offers of credit cards. They have to fill out forms and show their income and all that, and they may or may not get it once they fill it out. But to say you can't even offer a person below the poverty level a credit card is amazing to me. Credit cards are good for poor people.

If somebody has a credit card and his tire blows up and he needs a set of tires for his car and doesn't have $200 cash, what is he going to do, park it until he can save up the money? With a credit card, he can do that and pay it off as he can. Credit cards are valuable things for poor people, for heaven's sake.

For young people, we have this vision that an 18-year-old at college who is being funded by mama runs up a big debt on his credit card. The truth is, a lot of people are not doing that. A lot of people who are 18, 19, and 20 years old will be affected by this legislation, and they may be married, out on their own, going to college during the night, and working during the day. They have to get mama and daddy to sign on before they can even get the credit card they may need to help them through the unexpected expenses that may occur for them.

The suggestion that somehow poor people are being oppressed by being offered credit cards is beyond my comprehension. In fact, one of the good things that is occurring is that we are seeing some competition now. Rates are coming down. People have alternatives. They can cancel a card and get a better card.

The PRESIDING OFFICER. All time has expired. The question is on the Durbin amendment No. 2521.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Is the Durbin amendment the first vote?

The PRESIDING OFFICER. Yes.

Mr. REID. Mr. President, under the unanimous consent agreement, Senator DURBIN and whoever wants to close on that side have 2 minutes, correct?

The PRESIDING OFFICER. There is no unanimous consent agreement to that effect.

Mr. REID. Based on what we have done in the past, Senators have been expecting that. I ask unanimous consent that on this amendment and the other, there be 4 minutes evenly divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Illinois is recognized for 2 minutes.

Mr. DODD. Reserving the right to object, does that also apply to the Dodd amendment?

The PRESIDING OFFICER. There was also an agreement on the Dodd amendment.

The Senator from Illinois, Mr. DURBIN, is recognized.

AMENDMENT NO. 2521

Mr. DURBIN. Mr. President, this amendment was enacted by the Senate as part of the bankruptcy bill last year. The bill received a vote of 97–1. It imposes no new legal duties on creditors or lenders but says they must follow the law if they want to take advantage of the law.

We are talking about equity creditors, lenders who prey on people who are disabled, elderly, vulnerable, and less educated. Folks on a fixed income with a home end up with a new mortgage because they wanted siding on their home or a new roof and several months or years later find out they are about to lose the last thing they have on Earth—their home—because of unscrupulous practices by these creditors.

The bottom line is this: If we are going to have rules in this society for borrowers, we should also have rules for creditors. The rules are called the law. If they do not follow the law, they can be thrown out of bankruptcy court if they are a borrower. If they do not follow the law and the Durbin amendment passes, they will be thrown out of the court because they have been guilty of unscrupulous credit practices, taking advantage of the elderly.

All the Senators on the floor who have lamented the scandalous behavior of these creditors in the past have a chance now to vote for an amendment to tell them once and for all that their low-life tactics are unacceptable in America.

I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, we have a truth-in-lending law. It is vigorously enforced with many remedies, including damages in class action lawsuits.

Senator DURBIN's amendment would make bankruptcy courts, which have no jurisdiction over truth in lending whatsoever, an enforcement mechanism of the truth-in-lending law. This produces an absurd situation. Under truth in lending, the lender has an obligation to make some assessment about the borrower's ability to pay. Under this amendment, everyone who is in default or in bankruptcy will be able to argue that the bank should have known that the lender could not pay the loan back and therefore the mortgage should be forgiven.

The net result is that hard-working, frugal people who save money and pay their debts would end up paying hundreds of millions of dollars, billions of dollars, in additional interest costs to cover people who would file lawsuits claiming, "Well, I went broke and it's the bank's fault, and therefore I shouldn't have to pay my mortgage."

This amendment should be defeated. Giving one court, which has no jurisdiction over the pertinent law, the ability to enforce that law, which rightly belongs in another court, is, I think, a gross violation of logic and the basic structure of the legal system. This is a bad amendment that will produce an even worse situation where honest people who pay their debts will end up paying higher interest rates for people who don't pay their debts.

I move to table the Durbin amendment.

Mr. GRASSLEY. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table amendment No. 2521. The yeas and nays have been ordered. The clerk will call the roll.

The legislative assistant called the roll.

Mr. FITZGERALD (when his name was called). Present.

Mr. NICKLES. I announce that the Senator from Arizona (Mr. McCAIN) is necessarily absent.

Mr. REID. I announce that the Senator from South Carolina (Mr. HOLLINGS) is absent because of a death in the family.

The result was announced—yeas 51, nays 46, as follows:

[Rollcall Vote No. 358 Leg.]

YEAS—51

Abraham
Allard
Ashcroft
Bennett
Bond
Brownback
Bunning
Burns
Campbell
Chafee, L.
Cochran
Collins
Coverdell
Craig
Crapo
DeWine
Domenici
Enzi
Frist
Gorton
Gramm
Grams
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Johnson
Kyl
Lott
Lugar
Mack
McConnell
Murkowski
Nickles
Roberts
Roth
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Stevens
Thomas
Thompson
Thurmond
Voinovich
Warner

NAYS—46

Akaka
Baucus
Bayh
Biden
Bingaman
Boxer
Breaux
Bryan
Byrd
Cleland
Conrad
Daschle
Dodd
Dorgan
Durbin
Edwards
Feingold
Feinstein
Graham
Grassley
Harkin
Inouye
Jeffords
Kennedy
Kerrey
Kerry
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lincoln
Mikulski
Moynihan
Murray
Reed
Reid
Robb
Rockefeller
Sarbanes
Schumer
Specter
Torricelli
Wellstone
Wyden

ANSWERED "PRESENT"—1

Fitzgerald

NOT VOTING—2

Hollings
McCain

The motion was agreed to.

Mr. LOTT. I move to reconsider the vote.

Mr. COVERDELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. SMITH of Oregon). The majority leader.

UNANIMOUS CONSENT AGREEMENT—EXECUTIVE CALENDAR NO. 257

Mr. LOTT. As in executive session, I ask unanimous consent that immediately following the next vote, the Senate proceed to executive session and an immediate vote on Calendar No. 257, the nomination of Linda Morgan to be a member of the Surface Transportation Board. I further ask consent that immediately following the vote, the President be immediately notified of the Senate's action, and the Senate then resume legislative session.

Let me confirm, as a result of this vote, there are about five or six other nominations that will be cleared tonight in wrapup.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

BANKRUPTCY REFORM ACT OF 1999—Continued

Mr. LOTT. Mr. President, I ask unanimous consent that the next two votes be 10-minute votes.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2754

The PRESIDING OFFICER. Under the previous order, there are now 4 minutes equally divided prior to the vote on or in relation to the Dodd amendment No. 2754.

Who yields time?

Mr. KENNEDY. Mr. President, Senator DODD and I have proposed an amendment to address the explosion of credit card debt offered to students on college campuses.

The amendment prohibits a credit card company from giving an individual under the age of 21 a credit card unless the young person has income sufficient to repay the debt or a parent, guardian, or other family member over the age of 21 shares liability for the credit card. Credit card applications and solicitations must disclose this information to potential consumers.

This amendment is particularly appropriate during debate on bankruptcy reform legislation. We know that credit card debt may not be the sole factor leading to bankruptcy, but for many individuals it is a significant contributing factor.

Congress should be particularly concerned that since 1991, there has been a 50-percent increase in bankruptcy filings by those under the age of 25. In many cases, these are young men and women who are just establishing their independence—and just starting to build a credit history. Poor financial decisions, especially credit card mismanagement can have long-term implications.

We know the siren song of the credit card industry is loud and clear. In 1998, credit card issuers sent out 3.45 billion credit card solicitations to people of all ages, including college students and others who may not have the ability to repay their debts. In fact, First USA recently issued a credit card to 3-year-old Alessandra Scalise. Alessandra's mother said she accurately completed and mailed in the preapproved credit card application as a joke. There was no Social Security number or income listed and Alessandra's occupation was listed as "preschooler." Apparently, this didn't make a difference to First USA. Alessandra received a Platinum Visa with a $5,000 credit limit.

This incident may be attributable to "human error" but there are numerous examples of irresponsible lending practices by credit card issuers—especially when they lend to students who don't have the capacity to repay their debts.

For example, one Discover platinum card issuer's terms of qualification require a minimum household income of $15,000 unless you are a full-time student. Discover explains that an individual either has to have a $15,000 minimum income or needs to prove that they are a full-time student. Student applications are rejected only if they have a bad credit history—a prior bankruptcy filing, for example—or if their student status can not be confirmed.

During a February 1998 Banking Subcommittee hearing, Senator SARBANES asked credit card issuers how they determined student income. Bruce Hammonds, senior vice chairman and chief operating officer of MBNA Corporation responded if a student has a loan, "that means they do not have to pay tuition in most cases and we are looking at that tuition payment. Then we would not count the tuition payment against them with their income and expense analysis." In other words, the company ignores the reality of tuition and views a student loan as "free" money—an income stream that can be used to repay credit care debt.

Not surprisingly, credit card companies have unleashed a well-organized and pervasive campaign to attract student consumers. Credit is available to almost any college student—no income, no credit history, and no parental signature required. The National Bankruptcy Review Commission received an advertisement for a 2-day workshop for creditors entitled, "Competing in the Sub Prime Credit Card Market," including a presentation entitled, "Targeting College Students: Real Life 101," with tips on how to "target the money makers of tomorrow."

Students are targeted by the industry the moment they step on to a college campus. Applications are placed in their book bags at the student store, and tempting gifts and bonuses and low teaser rates are used to entice them to send in the application. The American Express Card for College Students has a teaser rate of 7.75 percent for the first 90 days, then it more than doubles to 15.65 percent. Perks include Continental Airlines travel vouchers. The Citibank College Card for Students initial rate is 8.9 percent for 9 months and then it skyrockets to 17.15 percent. The incentive? Eight American Airlines travel coupons.

Brian is a student at the University of Minnesota. He said,

> They gave me a free T-shirt and a water bottle to apply for their credit cards. My clever plan? To sucker them out of their prizes and cut up the cards. $4,000 later . . . I stopped spending . . . In my glory days, I was like King Midas, pointing to things and turning them into my own . . . For me, the worst temptation was food . . . While listening to tunes on your new stereo and munching take out food, the monthly payment seems easy to pay, especially when you can get a cash advance to cover it.

The ads are tempting, too. One ad directly targeting students reads: "Free from parental rule at last. Now all you need is money. Cha-Ching! Get 3 percent cash back on everything you buy."

The Internet is the new frontier for credit card advertising to students. When a student clicks on "www.studentcreditcard.com" he or she finds a treasure trove of shopping offers and discounts, as well as the assurance of 3 percent cash back. Students are told that, "It's totally simple. Spend $200 on an item with your card and you have an extra six bucks in your pocket. Spend another $400, that's $12. It adds up fast when you use The Associates Student Credit Card for all your purchases."

The web site includes some information on establishing a good credit record, but nothing compared to the bonuses and incentives for student consumers.

Not surprisingly, college students respond to solicitation by credit card companies. A recent study by Nellie Mae found that 60 percent of undergraduates have credit cards and 21 percent have 4 or more cards. The median credit card debt among students is $1,200 and 9 percent of students have debt between $3,000 and $7,000. Five percent of students have credit card debt exceeding $7,000.

Other studies replicate similar findings. A June 1998 national survey by the Education Resources Institute—"Credit Risk or Credit Worthy"—found that 55 percent of students obtained their first card during their first year of college and a significant proportion received their first credit card while still in high school.

The study argues that many students use credit cards reasonably, but the facts and statistics are disturbing. Fifty-two percent of students say that one of the most important reasons to have a credit card is to "build a credit history" and 45 percent say it's to use in an emergency, but the survey shows that 77 percent of all student credit card purchases were for "routine personal expenses"—a category that may include a wide-range of items.

While attending Villanova, Meghan charged $15,000 on her credit cards. When she and her friends first applied for the cards they decided to keep them for emergencies, only. But, according to Meghan, they would "end up buying things . . . or taking cash advances just to live on." Meghan planned to get a job to pay off her debt, but that didn't happen. Instead, her mother paid-off the balance on the card—twice.

What's particularly troubling is that many students who use their credit cards when they "run out of checks" or are "on Spring Break" don't realize the financial implications of credit. In a September 1999 article, Joan Bodnar, senior editor of Kiplinger's Personal Finance Magazine wrote, "Kids tend to equate credit cards with free money—in a recent survey of college students, fewer than half of those interviewed knew the interest rate on their cards."

Similarly, a 1993 American Express/Consumer Federation of America study of college students revealed that college juniors and seniors only have a "fair" understanding of financial services products, and few appear to understand an annual percentage rate. A similar study of high school seniors reveals that they have a "poor" understanding of such products.

The result? College students with no income and good intentions often find themselves in debt with no way out. For example, of the 20 percent of students who report an average balance greater than $1,000, half of those students have four or more credit cards and only 18 percent pay off their outstanding balances every month. In addition, 48 percent of these students have other debt and nearly one-third have charged tuition and fees.

The economic and emotional consequences of credit card debt can be devastating—even deadly—for many students. Tricia Johnson received a desperate call from her daughter, Mitzi, a student in her first year at the University of Central Oklahoma. Mitzi had lost her part-time job and was afraid she could not pay her debts. Mrs. Johnson tried to comfort her distraught daughter. But, later that night, Mitzi committed suicide. She had accumulated $2,500 in credit card debt, but her weekly income rarely exceeded $65. When the police found Mitzi, credit cards were spread across her bed.

Janie O'Donnell—the mother of Sean Moyer, a National Merit Scholar attending the University of Oklahoma—had the same devastating experience. In 1998, Sean told his mother he had no idea how to get out of his financial mess, and he did not see much of a future for himself. Sean had moved home to save money and pay off the $10,000 he owed Visa and Master Card. A week later, he committed suicide.

A study by the University of Minnesota in 1996, suggests that credit card debt by students often goes hand in hand with stress and depression. Two-thirds of students who said they were taking medication for depression had more than $1,000 in credit card debt. The study also found that as credit card debt increased, the student's grade point average went down. In 1998, a University of Indiana administrator said, "we lose more students to credit card debt than to academic failure."

Tennessee legislators were disturbed by a study that revealed a large number of Tennessee bankruptcy filers to be surprisingly young, and they are taking action. Several bills were introduced, and the state Senate passed legislation that gives students an opportunity to remove their name from solicitation lists.

It's time for Congress to take action as well. The purpose of the amendment before the Senate is to ensure responsible lending by credit card companies to students. In fact some credit card issuers are adhering to self-imposed restrictions that are more narrow than the Dodd/Kennedy amendment. For example, Dorinda Simpson, CEO of American Partners Federal Credit Union testified that when issuing student credit cards, they set a $500 credit limit and require a co-signor "so parents know up front what we are loaning to that college student."

This amendment doesn't go that far. It requires credit card companies to either establish that a student has the income to repay the debt or have a co-signor.

The requirements aren't overly burdensome. They won't disadvantage 20-year-olds in the military—they have an income. They won't disadvantage a student with deceased parents—another person may co-sign or the student may have income. They won't disadvantage a 19 year-old, non-college student who is between jobs—that person may have unemployment compensation or another form of income.

And, finally, this amendment is not a form of lending discrimination. When similarly situated individuals aren't treated equally, that's discrimination. When underwriting standards are based on perception instead of facts, that's discrimination. But, requiring credit card issuers to stop preying on college students they know don't have a means to repay debt—that is ensuring responsible behavior.

I urge my colleagues to support this amendment.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, very briefly, the amendment that I have offered, along with Senator KENNEDY, does the following: It says for persons between the ages of 18 and 21, you must either prove you have the ability to pay or to have a parent, guardian or some qualified person cosign your credit card application. The reason for this provision is because there is an alarming increase.

Mr. SARBANES. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. The Senate will please be in order. Will Senators having conversations please take them into the Cloakroom.

The Senator from Connecticut.

Mr. DODD. Thank you, Mr. President.

There is an alarming increase in the number of young people who are being swamped with credit card applications where with merely their signature and the showing of a student ID they can receive credit of up to $10,000. In fact, today, the average college student, who does not pay their monthly balance, has a credit card obligation of $2,000. And one-fifth of those have credit card obligations of $10,000 or more. We are being told now that one of the largest reasons for disenrollment in higher education is because of credit card debt.

My amendment merely says that between the ages of 18 and 21, you must either prove you have the ability to repay or you must have a cosignature by a parent, guardian, or other qualified individual with the means to repay. It is not outrageous to ask credit card companies to require this kind of information. Students are receiving, on the average, 50 credit card applications in their first semester of college.

We set the age of 21 for legal consumption of alcohol in this country. The IRS has a presumption of age 23, if you are in college, in terms of student obligations in loans.

By merely requesting that the credit card companies ask for this basic information, we can slow down this alarming increase in the number of young people who are incurring tremendous debts. Many of these kids are dropping out of school as a result of these debts.

Mr. President, I urge adoption of this amendment to stop this alarming trend of too many young people, while at too young an age, incurring unreasonable credit card debts.

The PRESIDING OFFICER. The time has expired.

I must say before the Senator speaks, the Senate is not in order. Will the Senate please come to order.

The Senator from Utah.

Mr. HATCH. Mr. President, this amendment unfairly discriminates against young adults, and I think it should be opposed. Adults between the ages of 18 and 21 can defend our country in the military. Yet under this amendment, they will not be able to even get a credit card without overcoming regulatory obstacles in their way.

Many young adults, some of whom are students and are supporting young families, need access to credit cards to make their lives just a little bit easier. So I oppose this paternalistic amendment.

I remember what it was like to work in a low-paying job as a janitor. I can appreciate the benefits that being able to obtain credit will provide to hard-working young adults.

Keep in mind, many in this group oppose parental consent for abortion, and you are going to impose parental consent on young adults who may be working, who may have families, who may be in the military, who may be as responsible as anybody else. It just plain isn't right. I do not think we should vote for that.

So I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table amendment No. 2754. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FITZGERALD (when his name was called). Present.

Mr. NICKLES. I announce that the Senator from Arizona (Mr. McCAIN) is necessarily absent.

Mr. REID. I announce that the Senator from South Carolina (Mr. HOLLINGS) is absent because of a death in family.

The result was announced—yeas 59, nays 38, as follows:

[Rollcall Vote No. 359 Leg.]

YEAS—59

Abraham
Allard
Ashcroft
Bennett
Biden
Bond
Brownback
Bryan
Bunning
Burns
Chafee, L.
Cleland
Cochran
Collins
Coverdell
Craig
Crapo
DeWine
Domenici
Enzi
Feingold
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Johnson
Kohl
Kyl
Lincoln
Lott
Lugar
Mack
McConnell
Murkowski
Nickles
Robb
Roberts
Roth
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Thomas
Thompson
Thurmond
Torricelli
Voinovich
Warner

NAYS—38

Akaka
Baucus
Bayh
Bingaman
Boxer
Breaux
Byrd
Campbell
Conrad
Daschle
Dodd
Dorgan
Durbin
Edwards
Feinstein
Graham
Harkin
Inouye
Jeffords
Kennedy
Kerrey
Kerry
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moynihan
Murray
Reed
Reid
Rockefeller
Sarbanes
Schumer
Stevens
Wellstone
Wyden

ANSWERED "PRESENT"—1

Fitzgerald

NOT VOTING—2

Hollings
McCain

The motion was agreed to.

Mr. REID. I move to reconsider that vote.

Mr. BROWNBACK. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BREAUX. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BREAUX. Mr. President, I ask the attention of the managers. I understand there is an informal agreement to allow myself and my colleague, Senator FRIST, to proceed for 5 minutes as in morning business. If that is the case, I ask unanimous consent I be allowed to proceed as in morning business for 5 minutes followed by my colleague from Tennessee with the same request.

Mr. DODD. Reserving the right to object, is that with the understanding that at the conclusion of the 10 minutes I have the opportunity to offer my amendment?

Mr. REID. Reserving the right to object, if the Senator will withhold, we are attempting to get unanimous consent agreement so we can move on.

Mr. DODD. If the Senator from Tennessee and the Senator from Louisiana want to proceed, that is fine.

Mr. REID. If we get unanimous consent, the Senator can interrupt.

The PRESIDING OFFICER (Mr. BROWNBACK). The Senator from Louisiana is recognized for 5 minutes.

MEDICARE REFORM

Mr. BREAUX. Mr. President, I take this time with my distinguished colleague, Senator FRIST from Tennessee, and our distinguished colleague, Senator BOB KERREY, who served with me on the National Bipartisan Commission on the Future of Medicare, to offer what I think is the first ever comprehensive Medicare reform bill to be introduced since the advent of Medicare back in 1965.

We introduced a bill today. It is available for consideration by our colleagues. I hope this legislative effort becomes the marker for future discussions and debate on the question of what we do with Medicare. We introduced the bill today because we think it is absolutely essential that the Congress in this session take up the question of how to reform the Medicare Program that is currently serving 40 million Americans.

We did it essentially for two reasons. First of all, the program that the seniors now benefit from is not nearly as good as it should be nor nearly as good as it can be. Medicare today is noted more for what it does not cover than for what it actually covers. As an example, it does not cover prescription drugs; it does not cover eyeglasses; it does not cover hearing aids—three examples of things our seniors need and need very desperately.

So in addition to not covering these items, it does not cover a number of other expenses, including about 47 percent of the expenses for seniors who are not covered by Medicare insurance. They have to go out and buy supplemental insurance. So the program is not nearly as good as it should be, nor as good as we could make it.

The second reason we have introduced it is because, as bad as the program is, it is going broke. By the year 2020, one-half of all the revenues to fund the Medicare program are going to have to come out of general revenues. It was never intended to come out of general revenues. It was supposed to be paid from the payroll tax. But, by 2020, over half the costs of the program are going to have to come from general revenues. In addition, by the year 2015, the program is going to be insolvent. It is going to be broke. There is not going to be enough money to pay for the benefits the seniors currently get.

For those two reasons, we have built on what the Medicare Commission recommended, expanded on it, and improved upon it, to present to our colleagues the first ever comprehensive Medicare reform bill.

Basically, building on the Federal Employees Health Benefits Plan, we are saying about the plan that I, as a Senator, have, and what all of our colleagues and all the House Members and the other 10 million Federal employees have, is if it is good enough for them, it should also be good enough for our Nation's seniors.

What we have suggested is we pattern a new Medicare program based on the Federal employees plan. We would create a Medicare board, which would be appointed by the President, confirmed by the Senate, for 7-year terms. They would guarantee all the plans being submitted to serve our seniors would ensure quality standards. They would negotiate the premiums. They would approve the benefits package. They would make sure there are safeguards against adverse selection of only healthy seniors. They would provide information to our seniors.

This Medicare board would call upon the existing health care financing authority and all private groups such as insurance companies—whether it is an Aetna or a Blue Cross—all of these who want the privilege of serving the Medicare beneficiaries would have to compete for the right to do so. They do not do that today.

We would say to all these people who want to serve Medicare beneficiaries, they have to offer at least as much as what Medicare pays for today, at least as much but hopefully a lot more. We would require every group that wants to sell health insurance to Medicare beneficiaries to have to compete for the right to do so, compete on the price they request seniors to pay, and compete on the quality of service they make available to seniors.

In addition, every one of these plans would have to offer a high option plan which would contain a prescription drug plan. Prescription drugs today are as important as a hospital bed was in 1965, and maybe even more so because prescription drugs keep people out of hospitals. They keep people out of nursing homes. They make their lives better and the quality of their lives better than it would be, were they not getting prescription drugs.

So every one of these single plans would have to offer a high option plan and they would have to make that a prescription drug plan with an actuarial value of at least $800 per year, which would be indexed to the increase of costs of prescription drugs annually.

They would also have a stop-loss guarantee which simply means no senior would ever have to pay more than $2,000 out of their pocket.

We think, in essence, what this plan would do is bring about substantive, real reform to a 1965 model program which simply is not working as we move to the 21st century. We cannot continue to tinker around the edges. We need complete, total reform of the Medicare program. If we do that, then we can start talking about adding other benefits such as prescription drugs, which I think are very important and I strongly support. But you cannot add prescription drugs to a broken program. You have to fundamentally restructure it and reform it; bring about real competition where all these plans will compete for the right to serve.

That is what I have as a Senator. That is what 9 million other Federal employees have. I think we would see substantial savings brought about by companies having to compete for who can offer the best package at the best price. If they want to stay in a current fee-for-service plan offered by Medicare, they can stay right where they are. They don't have to make a change. But if they see one of these other plans offer them a better deal, they should take that better deal.

We hope our colleagues take a look at what we have offered. We think it is where we are ultimately going to end up. My colleagues, Senators KERREY and FRIST, have done a terrific job. We think this is where we should go as a nation.

The PRESIDING OFFICER. The Senator from Tennessee is recognized for up to 5 minutes.

Mr. FRIST. Mr. President, I have joined Senators BREAUX and KERREY here this evening to introduce a bill to comprehensively reform Medicare. The obvious question is, why is it necessary to reform Medicare? The very simple answer is that our seniors need and deserve better health care than what the current Medicare program can provide. The problem facing Medicare today is that, although we are in 1999, we are still relying on an antiquated system based on a 1965 model of health care. Medicare today is an inflexible system, it is an incomplete system, and it is a system that is going bankrupt. The rigidity of Medicare today limits access to new treatments and medical technologies, whether it is transplantation or treatment for hypertension.

The benefit package, in particular, is severely outdated, as evidenced by a lack of outpatient prescription drug coverage. I can tell you as a physician, that in order to deliver quality health care to our seniors, prescription drug coverage is imperative.

Most seniors today do not realize the Federal Government only pays 53 percent, or about half, of their overall health care costs. Our nation's seniors deserve better.

Right now, Medicare is micromanaged by Congress through 130,000 pages of regulations, 4 times the number of pages for the IRS code. Right now there are over 10,000 different prices in 3,000 different counties which are managed by the Health Care Financing Administration and Congress.

With 77 million baby boomers entering the Medicare program in 2010, we can expect a doubling of our eligible Medicare beneficiaries over the next 30 years. Medicare, in it's current form, is not prepared for and cannot endure these immense demographic changes. The program is already due to be insolvent by the year 2015.

This bill incorporates three main concepts. The first is health care security for our seniors. The second is choice, to meet beneficiaries' individual health care needs, as Senator BREAUX just outlined. The third is the establishment of a comprehensive, health care system that offers an integrated set of benefits.

We model this proposal on the Federal Employees Health Benefits Program. As the Senator from Louisiana just said, that is the way we in Congress get our health care. In addition, 9 million others get their health care through the FEHBP model. We have a long history, almost 40 years of experience with this model. All federal employees, including myself and my family, receive a description of benefits and choices, which outlines all the plans available in a geographic area, including the cost and quality of each plan. It is all right here in this booklet. This is what we as Members of Congress have today and it is what our seniors deserve.

This bill guarantees all current Medicare benefits, which is critical in maintaining health care security. Regardless of what plan a beneficiary chooses, HCFA-sponsored or private, all benefits in Medicare are guaranteed in a system based on choice and competition.

For the first time in Medicare, not only are outpatient prescription drugs offered to all beneficiaries, but all Medicare beneficiaries receive a discount for drug benefits. Full coverage is offered for beneficiaries below 135 percent of poverty. For beneficiaries between 135 percent and 150 percent of poverty there will be a discount based on a sliding scale, ranging from 50 percent to 25 percent. For all other beneficiaries who are above 150 percent of poverty, a 25-percent discount is offered.

This bill protects beneficiaries against high out-of-pocket costs. Most seniors do not realize today that if they get sick, there is no limit on what they will pay for care. We, for the first time, through enrollment in a high-option plan, limit out-of-pocket expenditures to $2,000 for core Medicare benefits.

This bill also offers low-income and rural protections. In our legislation, we specifically address the lack of private plans in certain areas, such as rural areas. In these underserved or rural areas, we make sure that affordable health care is available for seniors. We guarantee both the current Medicare benefits and prescription drug benefits.

We include beneficiary outreach and education efforts coordinated at the federal, state and local levels, to ensure timely, accurate, and understandable information, outlining affordable health care options, is available for all Medicare beneficiaries.

In summary, the bill we have introduced today promotes high-quality, comprehensive, integrated health care for our seniors that meets their individual needs. It assists all beneficiaries, especially those with low incomes, in obtaining comprehensive benefits, including prescription drug coverage. It increases the flexibility of the Medicare program to capture innovations in medicine. Whether it is new technologies, new breakthroughs in medicines, or new drugs, it is important seniors have access to these services, something they don't have today. This bill also ends congressional micromanagement. We have been struggling all week with fixes to a Balanced Budget Act from 2 years ago, trying to figure out how to correct the problems we created by micromanaging Medicare on the Senate floor. This just does not make sense. As I said, there are over 130,000 pages of regulations that we are trying to oversee here in Congress. Finally, we adopt a stable, competitive system based on the proven FEHBP model. This bill is based on competition, choice, health care security, and the need for comprehensive and integrated benefits, including prescription drugs.

I urge all of our colleagues to support this legislation as it is a critical focal point and sets the stage for future discussions as we address Medicare reform and modernization.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, I join the distinguished Senator from Tennessee and the distinguished Senator from Louisiana in introducing this legislation. I want to emphasize something both Senators emphasized in an earlier press conference, and that is, the goal of this legislation has three parts: No. 1 is security, securing Medicare for beneficiaries today and beneficiaries in the future. It is a terribly important program, and the roughly 40 million Americans who currently benefit from this program need to know the law guarantees their benefits. This proposal actually secures their benefits even more than existing law.

Some people will attack this proposal, but we have been very careful in drafting this legislation to accommodate the beneficiaries' concerns that their benefits under a competitive model might be lower. This legislation says their benefits cannot be less than what is currently available under existing law, and there is, I say to those who are concerned about rural communities, as I know the distinguished occupant of the Chair is, there is a provision in here that says if competition does not bring alternative plans, plans other than the fee-for-service offering of the Health Care Finance Administration, that the cost to the beneficiaries cannot exceed 12 percent of the national weighted average. That would make it very likely that in rural areas there will be no penalty; indeed, it is likely to be they will be paying less than they do under the current law.

The second is that it is comprehensive and it offers comprehensive choice. There is a very important part of this legislation that, almost all by itself, is going to increase the satisfaction of citizens as they examine Medicare. That is, we establish a public board that has significant power not just over HCFA but over the plans that are offered in the marketplace.

Right now, HCFA writes the rules for competing plans; obviously, a conflict of interest. We do not want to decrease the ability of HCFA to offer plans. We have written this so HCFA can offer its fee-for-service plan and be competitive, but we want this board to set the rules and conditions under which competitive plans come into the marketplace, although we have written in the legislation guarantees, as I indicated earlier, to make certain the program is secure.

A public board is much more likely to give the public satisfaction than the current environment. All of us understand it is exceptionally difficult both to evaluate what is right and what is wrong when we are faced with a request from a provider or from a beneficiary, and it is even more difficult to get HCFA to change its rules mostly on account of HCFA knowing that if it changes a rule, for example, in Nebraska, it is going to be changing rules for all other 49 States as well and could add significant costs to the program. So HCFA ends up being very inflexible, I argue not through any fault of its own but through the fault of the way the law is written.

The second objective of this legislation is that we provide comprehensive choice in a new legal environment, where the citizens will have more opportunity to make their case to a public board and the public board will have much greater expertise in making decisions about how to create a competitive environment that will enable HCFA to compete as well as private sector companies to come on line and offer more choice at lower cost to beneficiaries.

The third thing is we say that a prescription benefit should and must be considered in a comprehensive solution with Medicare reform. We cannot separate it. You cannot take a prescription benefit for a Medicare beneficiary and separate it and create an entirely new program without considering the need for comprehensive change in the program. It is much more likely that we will satisfy concerns of taxpayers that we not end up with a program that has an open-ended cost to it and much more likely, especially with the structural change of the board, that the rules will be written so the marketplace cannot only develop affordable products, but develop creative products that we are apt to see increasingly being asked for by our health care delivery system.

I am very pleased to be a cosponsor of this legislation. I hope we are able to get a markup in the Senate Finance Committee next year. I hope this becomes the basis for bipartisan reform. All too often this is a subject matter that lends itself to demagoging on both sides. Mediscare has become a verb and a form of political art. Hopefully, as a consequence of it beginning in a bipartisan fashion, it will end up in a bipartisan fashion, and the rhetoric will be much more tame and much more honest as well.

SOCIAL SECURITY

Mr. KERREY. Mr. President, I would also like to take a minute to talk about a companion program to Medicare, and that is Social Security.

A Social Security beneficiary will say Social Security and Medicare are in the same program, indeed, in the same act, in the same law. As far as the beneficiary is concerned, one program serves the needs of the other.

The General Accounting Office today released a public report which evaluates five plans that have been presented to the people, five plans that the people should look to and evaluate to answer the question: Is this a plan I support?

Let me list what those plans are. The first plan is the status quo, what I call in a nonpejorative fashion the do-nothing plan; the do-nothing plan calls for maintaining current law, waiting until manana, and fixing the program 10 years, 20 years from now. GAO evaluates the do-nothing plan, which, by the way, has 500 cosponsors at the moment in the House and the Senate. The GAO evaluated the plan that Senator GREGG, myself, Senator GRASSLEY, Senator BREAUX, and three others in the Senate have introduced. The bill number is S. 1383. The House companion bill to S. 1383 is H.R. 1793, a companion bill which has nine cosponsors. The GAO evaluated that bill as well.

The GAO also evaluated S. 1831. That is the President's reform plan. It has been introduced in the Senate. The GAO also evaluated the Archer-Shaw proposal, though Chairman ARCHER and Representative SHAW have yet to introduce their reform plan in the form of a bill. They evaluated the details of the Archer-Shaw proposal that were provided to them. And finally, GAO evaluated Representative KASICH's proposal. I do not know what its number is or how many people are on it, but it is a specific piece of legislation that has been introduced.

The GAO has done a very useful service, in my view, for a couple of reasons.

Reason No. 1 is that GAO finally identifies the status quo as a plan. In other words, you cannot not be for something. If you are not on a bill, you are supporting the status quo, you are supporting existing law. There are serious consequences to supporting existing law.

The GAO evaluated all five of these plans.

Secondly, GAO outlined for the first time the eight financial and budgetary criteria by which these five proposals ought to be judged by the American public. In the report, they ask:

First, does it reduce pressure of Social Security spending on the budget?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. KERREY. How much time did I have?

The PRESIDING OFFICER. The Senator had 5 minutes under a unanimous consent agreement to proceed.

Mr. KERREY. I ask unanimous consent that I be given 2 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KERREY. Mr. President, there were eight other questions on the financial side.

Question No. 2: Does it reduce the national debt?

Question No. 3: Does it reduce the cost of Social Security as a percent of GDP?

Question No. 4: Does it increase national savings?

Question 5: Does it solve the 75-year actuarial solvency problem? In other words, can it keep the promise to all 270 million beneficiaries both eligible today and out into the future?

Question No. 6: Does it create new, undisclosed contingent liabilities?

Question No. 7: Does it increase payroll taxes or place an obligation on general revenues?

And question No. 8: Are there safety valves to accommodate future growth in the program?

These are the key financial questions. The GAO has laid out an evaluation of the five dominant plans that have been offered by Members of Congress to the public.

In addition, GAO attempts to do an analysis of the administration and implementation issues in each plan.

Finally, GAO attempts to evaluate whether or not equity—generational equity—and progressivity have been taken into account in each plan. Equity and progressivity are always important. Social Security is a very progressive program to beneficiaries.

I hope that this GAO report gets a little bit of air time and a little bit of consideration by Members. I hope that particular attention will be paid to the do-nothing, status quo plan.

There are consequences to the do-nothing plan. The current status quo plan dramatically increases debt and interest costs in the future. This large debt will have a major impact on the tax burdens and interest rates of future workers. GAO comments very unfavorably when it measures the status quo approach against its eight financial criteria. There are very negative consequences for both current beneficiaries and future beneficiaries and the American taxpayers for doing nothing.

I urge my colleagues to take a closer look at this GAO report—and to really understand the cost tradeoffs between different approaches to Social Security reform. The battle cry all year long has been to save Social Security first. We created an elaborate lockbox mechanism so we could do it. My hope is that next year, with the assistance of GAO and this report, we will see an increasing number of Members who are enthusiastic about putting their names on specific legislation to reform Social Security.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

UNANIMOUS-CONSENT AGREEMENT—EXECUTIVE CALENDAR

Mr. GRASSLEY. Mr. President, as in executive session, I ask unanimous consent that on Wednesday, following the vote in relation to the drug amendment to the bankruptcy bill, the Senate proceed to executive session for the consideration of calendar Nos. 399 to 400, the nomination of Carol Moseley-Braun to be ambassador to New Zealand and Samoa. I further ask unanimous consent that the Senate then immediately proceed to a vote on the confirmation of the nomination and, following the vote, the President then immediately be notified of the Senate's action, and the Senate then proceed to the nomination of Linda Morgan and, following that confirmation vote, the President be immediately notified and the Senate then resume executive session.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. GRASSLEY. I announce for the leader that in light of this agreement, there will be three rollcall votes between noon and 1:00 p.m. tomorrow.

BANKRUPTCY REFORM ACT OF 1999—Continued

Mr. GRASSLEY. Mr. President, we can proceed, then, to our adoption of some amendments on which we have agreement.

The PRESIDING OFFICER. The Senator from Iowa.

AMENDMENTS NOS. 1722, AS MODIFIED; 2530, AS MODIFIED; 2546; 2749; 2750; 2758, AS MODIFIED; 2768; 2772, AS MODIFIED; 2528; 2664; AND 2665, EN BLOC

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the following amendments be considered en bloc, and modifications be considered agreed to, where noted, that the amendments be agreed to, en bloc, and the motions to reconsider be laid upon the table, all without intervening action or debate.

I will give you the amendment Nos.: Amendment No. 1722 by Mr. ROBB, as modified; amendment No. 2530 by Mr. BYRD, as modified; amendment No. 2546 by Mr. BENNETT; amendment No. 2749 by Mr. FEINGOLD dealing with PACs; amendment No. 2750 by Mr. FEINGOLD dealing with FEC fine; amendment No. 2758 by Mr. ROTH and Mr. MOYNIHAN, as modified—I will send that modification to the desk—amendment No. 2768 by Mr. LEVIN; amendment No. 2772 by Mr. LEVIN, as modified—that modification will be sent to the desk—amendment No. 2528 by Mr. LEAHY; amendment No. 2664 by Mr. KOHL; and amendment No. 2665 by Mr. KOHL. I send the modifications to the desk.

Mr. LEAHY. Mr. President, if the Senator will yield, the last two are by the distinguished Senator from Wisconsin, Mr. KOHL; is that right?

Mr. GRASSLEY. Yes.

Mr. LEAHY. Of course, I have no objection.

The PRESIDING OFFICER. Is there objection to the request?

Without objection, it is so ordered.

The amendments (Nos. 1722, as modified; 2530, as modified; 2546; 2749; 2750; 2758, as modified; 2768; 2772, as modified; 2528; 2664; and 2665) were agreed to as follows:

AMENDMENT NO. 1722, AS MODIFIED

(Purpose: To provide that duties of a trustee shall include providing certain information relating to case administration, and for other purposes)

On page 51, strike line 24 and insert the following:

section (d); and

"(7) provide information relating to the administration of cases that is practical to any not-for-profit entity which shall provide information to parties in interest in a timely and convenient manner, including telephonic and Internet access, at no cost or a nominal cost.

An entity described in paragraph (7) shall provide parties in interest with reasonable information about each case on behalf of the trustee of that case, including the status of the debtor's payments to the plan, the unpaid balance payable to each creditor treated by the plan, and the amount and date of payments made under the plan. The trustee shall have no duty to provide information under paragraph (7) if no such entity has been established."; and

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AMENDMENT 2530, AS MODIFIED

(Purpose: To make an amendment with respect to credit card applications and solicitations that are electronically provided to consumers)

At the appropriate place, insert the following:

SEC. . PROVISION OF ELECTRONIC FTC PAMPHLET WITH ELECTRONIC CREDIT CARD APPLICATIONS AND SOLICITATIONS.

Section 127(c) of the Truth in Lending Act (15 U.S.C. 1637(c)) is amended—

(1) by redesignating paragraph (5) as paragraph (6); and

(2) by inserting after paragraph (4) the following:

"(5) INCLUSION OF FEDERAL TRADE COMMISSION PAMPHLET.—

"(A) IN GENERAL.—Any application to open a credit card account for any person under an open end consumer credit plan, or a solicitation or an advertisement to open such an account without requiring an application, that is electronically transmitted to or accessed by a consumer shall be accompanied by an electronic version (or an electronic link thereto) of the pamphlet published by the Federal Trade Commission relating to choosing and using credit cards.

"(B) COSTS.—The card issuer with respect to an account described in subparagraph (A) shall be responsible for all costs associated with compliance with that subparagraph.".

AMENDMENT NO. 2546

(Purpose: To amend certain banking and securities laws with respect to financial contracts)

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

AMENDMENT NO. 2749

(Purpose: To clarify the bankruptcy jurisdiction over insolvent political committees)

At the appropriate place, insert the following:

SEC. . NO BANKRUPTCY FOR INSOLVENT POLITICAL COMMITTEES.

Section 105 of title 11, United States Code, is amended by inserting at the end the following:

"(e) A political committee subject to the jurisdiction of the Federal Election Commission under Federal election laws may not file for bankruptcy under this title.".

AMENDMENT NO. 2750

(Purpose: To make fines and penalties imposed under Federal election law nondischargeable)

At the appropriate place, insert the following:

SEC. . FEDERAL ELECTION LAW FINES AND PENALTIES AS NONDISCHARGEABLE DEBT.

Section 523(a) of title 11, United States Code, is amended by inserting after paragraph (14A) the following:

"(14B) fines or penalties imposed under Federal election law;".

AMENDMENT NO. 2758, AS MODIFIED

(Purpose: To provide for tax-related bankruptcy provisions)

Beginning on page 181, strike line 20 and all that follows through page 203, line 17, and insert the following:

TITLE VII—BANKRUPTCY TAX PROVISIONS

SEC. 701. TREATMENT OF CERTAIN LIENS.

(a) TREATMENT OF CERTAIN LIENS.—Section 724 of title 11, United States Code, is amended—

(1) in subsection (b), in the matter preceding paragraph (1), by inserting "(other than to the extent that there is a properly perfected unavoidable tax lien arising in connection with an ad valorem tax on real or personal property of the estate)" after "under this title";

(2) in subsection (b)(2), by inserting "(except that such expenses, other than claims for wages, salaries, or commissions which arise after the filing of a petition, shall be limited to expenses incurred under chapter 7 of this title and shall not include expenses incurred under chapter 11 of this title)" after "507(a)(1)"; and

(3) by adding at the end the following:

"(e) Before subordinating a tax lien on real or personal property of the estate, the trustee shall—

"(1) exhaust the unencumbered assets of the estate; and

"(2) in a manner consistent with section 506(c), recover from property securing an allowed secured claim the reasonable, necessary costs and expenses of preserving or disposing of that property.

"(f) Notwithstanding the exclusion of ad valorem tax liens under this section and subject to the requirements of subsection (e), the following may be paid from property of the estate which secures a tax lien, or the proceeds of such property:

"(1) Claims for wages, salaries, and commissions that are entitled to priority under section 507(a)(4).

"(2) Claims for contributions to an employee benefit plan entitled to priority under section 507(a)(5).".

(b) DETERMINATION OF TAX LIABILITY.—Section 505(a)(2) of title 11, United States Code, is amended—

(1) in subparagraph (A), by striking "or" at the end;

(2) in subparagraph (B), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following:

"(C) the amount or legality of any amount arising in connection with an ad valorem tax on real or personal property of the estate, if the applicable period for contesting or redetermining that amount under any law (other than a bankruptcy law) has expired.".

SEC. 702. TREATMENT OF FUEL TAX CLAIMS.

Section 501 of title 11, United States Code, is amended by adding at the end the following:

"(e) A claim arising from the liability of a debtor for fuel use tax assessed consistent with the requirements of section 31705 of title 49 may be filed by the base jurisdiction designated pursuant to the International Fuel Tax Agreement and, if so filed, shall be allowed as a single claim.".

SEC. 703. NOTICE OF REQUEST FOR A DETERMINATION OF TAXES.

Section 505(b) of title 11, United States Code, is amended—

(1) in the first sentence, by inserting "at the address and in the manner designated in paragraph (1)" after "determination of such tax";

(2) by striking "(1) upon payment" and inserting "(2)(A) upon payment";

(3) by striking "(A) such governmental unit" and inserting "(i) such governmental unit";

(4) by striking "(B) such governmental unit" and inserting "(ii) such governmental unit";

(5) by striking "(2) upon payment" and inserting "(B) upon payment";

(6) by striking "(3) upon payment" and inserting "(C) upon payment";

(7) by striking "(b)" and inserting "(2)"; and

(8) by inserting before paragraph (2), as so designated, the following:

"(b)(1)(A) The clerk of each district shall maintain a listing under which a Federal, State, or local governmental unit responsible for the collection of taxes within the district may—

"(i) designate an address for service of requests under this subsection; and

"(ii) describe where further information concerning additional requirements for filing such requests may be found.

"(B) If a governmental unit referred to in subparagraph (A) does not designate an address and provide that address to the clerk under that subparagraph, any request made under this subsection may be served at the address for the filing of a tax return or protest with the appropriate taxing authority of that governmental unit.".

SEC. 704. RATE OF INTEREST ON TAX CLAIMS.

(a) IN GENERAL.—Subchapter I of chapter 5 of title 11, United States Code, is amended by adding at the end the following:

"§ 511. Rate of interest on tax claims

"(a) If any provision of this title requires the payment of interest on a tax claim or the payment of interest to enable a creditor to receive the present value of the allowed amount of a tax claim, the rate of interest shall be the rate shall be determined under applicable nonbankruptcy law.

"(b) In the case of taxes paid under a confirmed plan under this title, the rate of interest shall be determined as of the calendar month in which the plan is confirmed.".

(b) CLERICAL AMENDMENT.—The table of sections for chapter 5 of title 11, United States Code, is amended by inserting after the item relating to section 510 the following:

"511. Rate of interest on tax claims.".

SEC. 705. PRIORITY OF TAX CLAIMS.

Section 507(a)(8) of title 11, United States Code, is amended—

(1) in subparagraph (A)—

(A) in the matter preceding clause (i), by inserting "for a taxable year ending on or before the date of filing of the petition" after "gross receipts";

(B) in clause (i)—

(i) by striking "for a taxable year ending on or before the date of filing of the petition"; and

(ii) by inserting before the semicolon at the end, the following: ", plus any time during which the stay of proceedings was in effect in a prior case under this title or during which collection was precluded by the existence of 1 or more confirmed plans under this title, plus 90 days"; and

(C) by striking clause (ii) and inserting the following:

"(ii) assessed within 240 days before the date of the filing of the petition, exclusive of—

"(I) any time during which an offer in compromise with respect to that tax was pending or in effect during that 240-day period, plus 30 days; and

"(II) any time during which a stay of proceedings against collections was in effect in a prior case under this title during that 240-day period; plus 90 days."; and

(2) by adding at the end the following:

"(H) An otherwise applicable time period specified in this paragraph shall be suspended for—

"(i) any period during which a governmental unit is prohibited under applicable nonbankruptcy law from collecting a tax as a result of a request by the debtor for a hearing and an appeal of any collection action taken or proposed against the debtor; plus

"(ii) 90 days.".

SEC. 706. PRIORITY PROPERTY TAXES INCURRED.

Section 507(a)(9)(B) of title 11, United States Code, is amended by striking "assessed" and inserting "incurred".

SEC. 707. NO DISCHARGE OF FRAUDULENT TAXES IN CHAPTER 13.

Section 1328(a)(2) of title 11, United States Code, as amended by sections 105, 213, and 314 of this Act, is amended—

(1) by inserting "(1)(B), (1)(C)," after "paragraph"; and

(2) by inserting "and in section 507(a)(8)(C)" after "section 523(a)".

SEC. 708. NO DISCHARGE OF FRAUDULENT TAXES IN CHAPTER 11.

Section 1141(d) of title 11, United States Code, is amended by adding at the end the following:

"(5) Notwithstanding paragraph (1), the confirmation of a plan does not discharge a debtor that is a corporation from any debt for a tax or customs duty with respect to which the debtor—

"(A) made a fraudulent return; or

"(B) willfully attempted in any manner to evade or defeat that tax or duty.".

SEC. 709. STAY OF TAX PROCEEDINGS LIMITED TO PREPETITION TAXES.

Section 362(a)(8) of title 11, United States Code, is amended by inserting ", with respect to a tax liability for a taxable period ending before the order for relief under this title" before the semicolon at the end.

SEC. 710. PERIODIC PAYMENT OF TAXES IN CHAPTER 11 CASES.

Section 1129(a)(9) of title 11, United States Code, is amended—

(1) in subparagraph (B), by striking "and" at the end;

(2) in subparagraph (C), by striking "deferred cash payments, over a period not exceeding six years after the date of assessment of such claim," and all that follows through the end of the subparagraph, and inserting "regular installment payments in cash—

"(i) of a total value, as of the effective date of the plan, equal to the allowed amount of such claim;

"(ii) with interest thereon calculated at the rate provided in section 6621(a)(2) of the Internal Revenue Code of 1986;

"(iii) over a period ending not later than 5 years after the date of the entry of the order for relief under section 301, 302, or 303; and

"(iv) in a manner not less favorable than the most favored nonpriority unsecured claim provided for in the plan (other than cash payments made to a class of creditors under section 1122(b)); and"; and

(3) by adding at the end the following:

"(D) with respect to a secured claim which would otherwise meet the description of an unsecured claim of a governmental unit under section 507(a)(8), but for the secured status of that claim, the holder of that claim will receive on account of that claim, cash payments, in the same manner and over the same period, as prescribed in subparagraph (C).".

SEC. 711. AVOIDANCE OF STATUTORY TAX LIENS PROHIBITED.

Section 545(2) of title 11, United States Code, is amended by striking the semicolon at the end and inserting ", except in any case in which a purchaser is a purchaser described in section 6323 of the Internal Revenue Code of 1986, or in any other similar provision of State or local law;".

SEC. 712. PAYMENT OF TAXES IN THE CONDUCT OF BUSINESS.

(a) Payment of Taxes Required.—Section 960 of title 28, United States Code, is amended—

(1) by inserting "(a)" before "Any"; and

(2) by adding at the end the following:

"(b) A tax under subsection (a) shall be paid on or before the due date of the tax under applicable nonbankruptcy law, unless—

"(1) the tax is a property tax secured by a lien against property that is abandoned within a reasonable period of time after the lien attaches by the trustee of a bankruptcy estate under section 554 of title 11; or

"(2) payment of the tax is excused under a specific provision of title 11.

"(c) In a case pending under chapter 7 of title 11, payment of a tax may be deferred until final distribution is made under section 726 of title 11, if—

"(1) the tax was not incurred by a trustee duly appointed under chapter 7 of title 11; or

"(2) before the due date of the tax, an order of the court makes a finding of probable insufficiency of funds of the estate to pay in full the administrative expenses allowed under section 503(b) of title 11 that have the same priority in distribution under section 726(b) of title 11 as the priority of that tax.".

(b) Payment of Ad Valorem Taxes Required.—Section 503(b)(1)(B)(i) of title 11, United States Code, is amended by inserting "whether secured or unsecured, including property taxes for which liability is in rem, in personam, or both," before "except".

(c) Request for Payment of Administrative Expense Taxes Eliminated.—Section 503(b)(1) of title 11, United States Code, is amended—

(1) in subparagraph (B), by striking "and" at the end;

(2) in subparagraph (C), by adding "and" at the end; and

(3) by adding at the end the following:

"(D) notwithstanding the requirements of subsection (a), a governmental unit shall not be required to file a request for the payment of an expense described in subparagraph (B) or (C), as a condition of its being an allowed administrative expense;".

(d) Payment of Taxes and Fees as Secured Claims.—Section 506 of title 11, United States Code, is amended—

(1) in subsection (b), by inserting "or State statute" after "agreement"; and

(2) in subsection (c), by inserting ", including the payment of all ad valorem property taxes with respect to the property" before the period at the end.

SEC. 713. TARDILY FILED PRIORITY TAX CLAIMS.

Section 726(a)(1) of title 11, United States Code, is amended by striking "before the date on which the trustee commences distribution under this section;" and inserting the following: "on or before the earlier of—

"(A) the date that is 10 days after the mailing to creditors of the summary of the trustee's final report; or

"(B) the date on which the trustee commences final distribution under this section;".

SEC. 714. INCOME TAX RETURNS PREPARED BY TAX AUTHORITIES.

Section 523(a) of title 11, United States Code, is amended—

(1) in paragraph (1)(B)—

(A) in the matter preceding clause (i), by inserting "or equivalent report or notice," after "a return,";

(B) in clause (i)—

(i) by inserting "or given" after "filed"; and

(ii) by striking "or" at the end; and

(C) in clause (ii)—

(i) by inserting "or given" after "filed"; and

(ii) by inserting ", report, or notice" after "return"; and

(2) by adding at the end the following flush sentences:

"For purposes of this subsection, the term 'return' means a return that satisfies the requirements of applicable nonbankruptcy law (including applicable filing requirements). Such term includes a return prepared pursuant to section 6020(a) of the Internal Revenue Code of 1986, or similar State or local law, or a written stipulation to a judgment or a final order entered by a nonbankruptcy tribunal, but does not include a return made pursuant to section 6020(b) of the Internal Revenue Code of 1986, or a similar State or local law.".

SEC. 715. DISCHARGE OF THE ESTATE'S LIABILITY FOR UNPAID TAXES.

The second sentence of section 505(b) of title 11, United States Code, as amended by section 703 of this Act, is amended by inserting "the estate," after "misrepresentation,".

SEC. 716. REQUIREMENT TO FILE TAX RETURNS TO CONFIRM CHAPTER 13 PLANS.

(a) Filing of Prepetition Tax Returns Required for Plan Confirmation.—Section 1325(a) of title 11, United States Code, as amended by section 213 of this Act, is amended—

(1) in paragraph (6), by striking "and" at the end;

(2) in paragraph (7), by striking the period at the end and inserting "; and"; and

(3) by inserting after paragraph (7) the following:

"(8) if the debtor has filed all applicable Federal, State, and local tax returns as required by section 1308.".

(b) Additional Time Permitted for Filing Tax Returns.—

(1) In general.—Chapter 13 of title 11, United States Code, is amended by adding at the end the following:

"§ 1308. Filing of prepetition tax returns

"(a) Not later than the day before the date on which the meeting of the creditors is first scheduled to be held under section 341(a), the debtor shall file with appropriate tax authorities all tax returns for all taxable periods ending during the 4-year period ending on the date of the filing of the petition.

"(b)(1) Subject to paragraph (2), if the tax returns required by subsection (a) have not been filed by the date on which the meeting of creditors is first scheduled to be held under section 341(a), the trustee may hold open that meeting for a reasonable period of time to allow the debtor an additional period of time to file any unfiled returns, but such additional period of time shall not extend beyond—

"(A) for any return that is past due as of the date of the filing of the petition, the date that is 120 days after the date of that meeting; or

"(B) for any return that is not past due as of the date of the filing of the petition, the later of—

"(i) the date that is 120 days after the date of that meeting; or

"(ii) the date on which the return is due under the last automatic extension of time for filing that return to which the debtor is entitled, and for which request is timely made, in accordance with applicable nonbankruptcy law.

"(2) Upon notice and hearing, and order entered before the tolling of any applicable filing period determined under this subsection, if the debtor demonstrates by clear and convincing evidence that the failure to file a return as required under this subsection is attributable to circumstances beyond the control of the debtor, the court may extend the filing period established by the trustee under this subsection for—

"(A) a period of not more than 30 days for returns described in paragraph (1); and

"(B) a period not to extend after the applicable extended due date for a return described in paragraph (2).

"(c) For purposes of this section, the term 'return' includes a return prepared pursuant to section 6020 (a) or (b) of the Internal Revenue Code of 1986, or a similar State or local law, or a written stipulation to a judgment or a final order entered by a nonbankruptcy tribunal.".

(2) CONFORMING AMENDMENT.—The table of sections for chapter 13 of title 11, United States Code, is amended by inserting after the item relating to section 1307 the following:

"1308. Filing of prepetition tax returns.".

(c) DISMISSAL OR CONVERSION ON FAILURE TO COMPLY.—Section 1307 of title 11, United States Code, is amended—

(1) by redesignating subsections (e) and (f) as subsections (f) and (g), respectively; and

(2) by inserting after subsection (d), the following:

"(e) Upon the failure of the debtor to file a tax return under section 1308, on request of a party in interest or the United States trustee and after notice and a hearing, the court shall dismiss a case or convert a case under this chapter to a case under chapter 7 of this title, whichever is in the best interest of the creditors and the estate.".

(d) TIMELY FILED CLAIMS.—Section 502(b)(9) of title 11, United States Code, is amended by inserting before the period at the end the following ", and except that in a case under chapter 13, a claim of a governmental unit for a tax with respect to a return filed under section 1308 shall be timely if the claim is filed on or before the date that is 60 days after the date on which such return was filed as required".

(e) RULES FOR OBJECTIONS TO CLAIMS AND TO CONFIRMATION.—It is the sense of Congress that the Advisory Committee on Bankruptcy Rules of the Judicial Conference should, as soon as practicable after the date of enactment of this Act, propose for adoption amended Federal Rules of Bankruptcy Procedure which provide that—

(1) notwithstanding the provisions of Rule 3015(f), in cases under chapter 13 of title 11, United States Code, an objection to the confirmation of a plan filed by a governmental unit on or before the date that is 60 days after the date on which the debtor files all tax returns required under sections 1308 and 1325(a)(7) of title 11, United States Code, shall be treated for all purposes as if such objection had been timely filed before such confirmation; and

(2) in addition to the provisions of Rule 3007, in a case under chapter 13 of title 11, United States Code, no objection to a tax with respect to which a return is required to be filed under section 1308 of title 11, United States Code, shall be filed until such return has been filed as required.

SEC. 717. STANDARDS FOR TAX DISCLOSURE.

Section 1125(a)(1) of title 11, United States Code, is amended—

(1) by inserting "including a discussion of the potential material Federal tax consequences of the plan to the debtor, any successor to the debtor, and a hypothetical investor typical of the holders of claims or interests in the case," after "records"; and

(2) by striking "a hypothetical reasonable investor typical of holders of claims or interests" and inserting "such a hypothetical investor".

SEC. 718. SETOFF OF TAX REFUNDS.

Section 362(b) of title 11, United States Code, as amended by section 402 of this Act, is amended—

(1) in paragraph (25), by striking "or" at the end;

(2) in paragraph (26), by striking the period at the end and inserting "; or"; and

(3) by inserting after paragraph (26) the following:

"(27) under subsection (a), of the setoff under applicable nonbankruptcy law of an income tax refund, by a governmental unit, with respect to a taxable period that ended before the order for relief against an income tax liability for a taxable period that also ended before the order for relief, except that in any case in which the setoff of an income tax refund is not permitted under applicable nonbankruptcy law because of a pending action to determine the amount or legality of a tax liability, the governmental unit may hold the refund pending the resolution of the action, unless the court, upon motion of the trustee and after notice and hearing, grants the taxing authority adequate protection (within the meaning of section 361) for the secured claim of that authority in the setoff under section 506(a).".

SEC. 719. SPECIAL PROVISIONS RELATED TO THE TREATMENT OF STATE AND LOCAL TAXES.

(a) IN GENERAL.—Section 346 of title 11, United States Code, is amended to read as follows:

"SEC. 346. SPECIAL PROVISIONS RELATED TO THE TREATMENT OF STATE AND LOCAL TAXES.

"(a) Whenever the Internal Revenue Code of 1986 provides that a separate taxable estate or entity is created in a case concerning a debtor under this title, and the income, gain, loss, deductions, and credits of such estate shall be taxed to or claimed by the estate, a separate taxable estate is also created for purposes of any State and local law imposing a tax on or measured by income and such income, gain, loss, deductions, and credits shall be taxed to or claimed by the estate and may not be taxed to or claimed by the debtor. The preceding sentence shall not apply if the case is dismissed. The trustee shall make tax returns of income required under any such State or local law.

"(b) Whenever the Internal Revenue Code of 1986 provides that no separate taxable estate shall be created in a case concerning a debtor under this title, and the income, gain, loss, deductions, and credits of an estate shall be taxed to or claimed by the debtor, such income, gain, loss, deductions, and credits shall be taxed to or claimed by the debtor under a State or local law imposing a tax on or measured by income and may not be taxed to or claimed by the estate. The trustee shall make such tax returns of income of corporations and of partnerships as are required under any State or local law, but with respect to partnerships, shall make said returns only to the extent such returns are also required to be made under such Code. The estate shall be liable for any tax imposed on such corporation or partnership, but not for any tax imposed on partners or members.

"(c) With respect to a partnership or any entity treated as a partnership under a State or local law imposing a tax on or measured by income that is a debtor in a case under this title, any gain or loss resulting from a distribution of property from such partnership, or any distributive share of any income, gain, loss, deduction, or credit of a partner or member that is distributed, or considered distributed, from such partnership, after the commencement of the case, is gain, loss, income, deduction, or credit, as the case may be, of the partner or member, and if such partner or member is a debtor in a case under this title, shall be subject to tax in accordance with subsection (a) or (b).

"(d) For purposes of any State or local law imposing a tax on or measured by income, the taxable period of a debtor in a case under this title shall terminate only if and to the extent that the taxable period of such debtor terminates under the Internal Revenue Code of 1986.

"(e) The estate in any case described in subsection (a) shall use the same accounting method as the debtor used immediately before the commencement of the case, if such method of accounting complies with applicable nonbankruptcy tax law.

"(f) For purposes of any State or local law imposing a tax on or measured by income, a transfer of property from the debtor to the estate or from the estate to the debtor shall not be treated as a disposition for purposes of any provision assigning tax consequences to a disposition, except to the extent that such transfer is treated as a disposition under the Internal Revenue Code of 1986.

"(g) Whenever a tax is imposed pursuant to a State or local law imposing a tax on or measured by income pursuant to subsection (a) or (b), such tax shall be imposed at rates generally applicable to the same types of entities under such State or local law.

"(h) The trustee shall withhold from any payment of claims for wages, salaries, commissions, dividends, interest, or other payments, or collect, any amount required to be withheld or collected under applicable State or local tax law, and shall pay such withheld or collected amount to the appropriate governmental unit at the time and in the manner required by such tax law, and with the same priority as the claim from which such amount was withheld or collected was paid.

"(i)(1) To the extent that any State or local law imposing a tax on or measured by income provides for the carryover of any tax attribute from one taxable period to a subsequent taxable period, the estate shall succeed to such tax attribute in any case in which such estate is subject to tax under subsection (a).

"(2) After such a case is closed or dismissed, the debtor shall succeed to any tax attribute to which the estate succeeded under paragraph (1) to the extent consistent with the Internal Revenue Code of 1986.

"(3) The estate may carry back any loss or tax attribute to a taxable period of the debtor that ended before the order for relief under this title to the extent that—

"(A) applicable State or local tax law provides for a carryback in the case of the debtor; and

"(B) the same or a similar tax attribute may be carried back by the estate to such a taxable period of the debtor under the Internal Revenue Code of 1986.

"(j)(1) For purposes of any State or local law imposing a tax on or measured by income, income is not realized by the estate, the debtor, or a successor to the debtor by reason of discharge of indebtedness in a case under this title, except to the extent, if any, that such income is subject to tax under the Internal Revenue Code of 1986.

"(2) Whenever the Internal Revenue Code of 1986 provides that the amount excluded from gross income in respect of the discharge of indebtedness in a case under this title shall be applied to reduce the tax attributes of the debtor or the estate, a similar reduction shall be made under any State or local law imposing a tax on or measured by income to the extent such State or local law recognizes such attributes. Such State or local law may also provide for the reduction of other attributes to the extent that the full amount of income from the discharge of indebtedness has not been applied.

"(k)(1) Except as provided in this section and section 505, the time and manner of filing tax returns and the items of income, gain, loss, deduction, and credit of any taxpayer shall be determined under applicable nonbankruptcy law.

"(2) For Federal tax purposes, the provisions of this section are subject to the Internal Revenue Code of 1986 and other applicable Federal nonbankruptcy law.".

(b) CONFORMING AMENDMENTS.—

(1) Section 728 of title 11, United States Code, is repealed.

(2) Section 1146 of title 11, United States Code, is amended by striking subsections (a) and (b) and by redesignating subsections (c) and (d) as subsections (a) and (b), respectively.

(3) Section 1231 of title 11, United States Code, is amended by striking subsections (a) and (b) and by redesignating subsections (c) and (d) as subsections (a) and (b), respectively.

SEC. 720. DISMISSAL FOR FAILURE TO TIMELY FILE TAX RETURNS.

Section 521 of title 11, United States Code, as amended by this Act, is amended by adding at the end the following:

"(k)(1) Notwithstanding any other provision of this title, if the debtor fails to file a tax return that becomes due after the commencement of the case or to properly obtain an extension of the due date for filing such return, the taxing authority may request that the court enter an order converting or dismissing the case.

"(2) If the debtor does not file the required return or obtain the extension referred to in paragraph (1) within 90 days after a request is filed by the taxing authority under that paragraph, the court shall convert or dismiss the case, whichever is in the best interests of creditors and the estate.".

On page 268, line 13, strike "1231(d)" and insert "1231(b)".

On page 280, strike lines 16 through 19.

AMENDMENT NO. 2768

(Purpose: To prohibit certain retroactive finance charges)

At the appropriate place, insert the following:

SEC. ___. PROHIBITION ON CERTAIN RETROACTIVE FINANCE CHARGES.

Section 127 of the Truth in Lending Act (15 U.S.C. 1637) is amended by adding at the end the following:

"(h) PROHIBITION ON RETROACTIVE FINANCE CHARGES.—

"(1) IN GENERAL.—In the case of any credit card account under an open end credit plan, if the creditor provides a grace period applicable to any new extension of credit under the account, no finance charge may be imposed subsequent to the grace period with regard to any amount that was paid on or before the end of that grace period.

"(2) DEFINITION.—For purposes of this subsection, the term 'grace period' means a period during which the extension of credit may be repaid, in whole or in part, without incurring a finance charge for the extension of credit.".

AMENDMENT NO. 2772, AS MODIFIED

(Purpose: To express the sense of the Senate concerning credit worthiness)

At the appropriate place, insert the following:

The Board of Governors of the Federal Reserve shall report to the Banking Committee of Congress within 6 months of enactment of this act as to whether and how the location of the residence of an applicant for a credit cared is considered by financial institutions in deciding whether an applicant should be granted such credit card.

AMENDMENT NO. 2528

(Purpose: To ensure additional expenses and income adjustments associated with protection of the debtor and the debtor's family from domestic violence are included in the debtor's monthly expenses)

On page 7, line 22, insert after the period the following:

"In addition, the debtor's monthly expenses shall include the debtor's reasonably necessary expenses incurred to maintain the safety of the debtor and the family of the debtor from family violence as identified under section 309 of the Family Violence Prevention and Services Act (42 U.S.C. 10408), or other applicable Federal law. The expenses included in the debtor's monthly expenses described in the preceding sentence shall be kept confidential by the court."

AMENDMENT NO. 2664

(Purpose: To exclude employee benefit plan participant contributions and other property from the estate)

On page 124, insert between lines 14 and 15 the following:

SEC. 322. EXCLUDING EMPLOYEE BENEFIT PLAN PARTICIPANT CONTRIBUTIONS AND OTHER PROPERTY FROM THE ESTATE.

(a) IN GENERAL.—Section 541(b) of title 11, United States Code, as amended by section 903 of this Act, is amended—

(1) by striking "or" at the end of paragraph (5);

(2) by redesignating paragraph (6) as paragraph (7); and

(3) by inserting after paragraph (5) the following:

"(6) any amount—

"(A) withheld by an employer from the wages of employees for payment as contributions to—

"(i) an employee benefit plan subject to title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 et seq.); or

"(ii) a health insurance plan regulated by State law whether or not subject to such title; or

"(B) received by the employer from employees for payment as contributions to—

"(i) an employee benefit plan subject to title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 et seq.); or

"(ii) a health insurance plan regulated by State law whether or not subject to such title;".

(b) APPLICATION OF AMENDMENT.—The amendment made by this section shall not apply to cases commenced under title 11, United States Code, before the expiration of the 180-day period beginning on the date of the enactment of this Act.

AMENDMENT NO. 2665

(Purpose: To clarify the allowance of certain postpetition wages and benefits)

On page 124, insert between lines 14 and 15 the following:

SEC. 322. CLARIFICATION OF POSTPETITION WAGES AND BENEFITS.

Section 503(b)(1)(A) of title 11, United States Code, is amended to read as follows:

"(A) the actual, necessary costs and expenses of preserving the estate, including wages, salaries, or commissions for services rendered after the commencement of the case, and wages and benefits awarded as back pay attributable to any period of time after commencement of the case as a result of the debtor's violation of Federal or State law, without regard to when the original unlawful act occurred or to whether any services were rendered;".

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. I compliment the distinguished Senator from Iowa. He and I and the distinguished Senator from Utah, Mr. HATCH, and the distinguished Senator from New Jersey, Mr. TORRICELLI, have been working to clear amendments throughout the day.

Earlier today we cleared—what?—12, I believe, on this. We just cleared another large number. I mention this because Senators are coming to the floor offering amendments and clearing them. I commend those Senators who have been moving forward.

I also thank the distinguished senior Senator from Connecticut who has withheld his own debate so we could do this.

I thank him for that and yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut.

AMENDMENT NO. 2532, AS MODIFIED

(Purpose: To provide for greater protection of children, and for other purposes)

Mr. DODD. Mr. President, I call up amendment No. 2532 and ask unanimous consent for its consideration.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DODD. Mr. President, I send a modification to the desk to that amendment.

The PRESIDING OFFICER. Without objection, the amendment will be so modified.

Mr. DODD. Mr. President, for those who are interested in following the amendment process, the modification is purely technical in nature to what I earlier offered. So it is just technical corrections.

Mr. President, I am going to use some charts on this. I call up this amendment, as modified, and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Connecticut [Mr. DODD], for himself, Ms. LANDRIEU, and Mr. KENNEDY, proposes an amendment numbered 2532, as modified.

Mr. DODD. Mr. President, I ask unanimous consent further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, as modified, is as follows:

On page 7, line 15, strike "(ii)" and insert "(ii)(I)".

On page 7, between lines 21 and 22, insert the following:

"(II) The expenses referred to in subclause (I) shall include—

"(aa) taxes and mandatory withholdings from wages;

"(bb) health care;

"(cc) alimony, child, and spousal support payments;

"(dd) expenses associated with the adoption of a child, including travel expenses, relocation expenses, and medical expenses;

"(ee) legal fees necessary for the debtor's case;

"(ff) child care and the care of elderly or disabled family members;

"(gg) reasonable insurance expenses and pension payments;

"(hh) religious and charitable contributions;

"(ii) educational expenses not to exceed $10,000 per household;

"(jj) union dues;

"(kk) other expenses necessary for the operation of a business of the debtor or for the debtor's employment;

"(*ll*) utility expenses and home maintenance expenses for a debtor that owns a home;

"(mm) ownership costs for a motor vehicle, determined in accordance with Internal Revenue Service transportation standards, reduced by any payments on debts secured by the motor vehicle or vehicle lease payments made by the debtor;

"(nn) expenses for children's toys and recreation for children of the debtor;

"(oo) tax credits for earned income determined under section 32 of the Internal Revenue Code of 1986; and

"(pp) miscellaneous and emergency expenses.

On page 83, between lines 4 and 5, insert the following:

SEC. 225. TREATMENT OF TAX REFUNDS AND DOMESTIC SUPPORT OBLIGATIONS.

(a) PROPERTY OF THE ESTATE.—Section 541 of title 11, United States Code, is amended—

(1) in subsection (a)(5)(B) by inserting "except as provided under subsection (b)(7)," before "as a result"; and

(2) in subsection (b)—

(A) in paragraph (4), by striking "or" at the end;

(B) in paragraph (5), by striking the period at the end and inserting a semicolon; and

(C) by inserting after paragraph (5) the following:

"(6) any—

"(A) refund of tax due to the debtor under subtitle A of the Internal Revenue Code of 1986 for any taxable year to the extent that the refund does not exceed the amount of an applicable earned income tax credit allowed under section 32 of such Code for such year; and

"(B) advance payment of an earned income tax credit under section 3507 of the Internal Revenue Code of 1986;

"(7) the right of the debtor to receive alimony, support, or separate maintenance for the debtor or dependent of the debtor;

"(8) refund of a tax due to the debtor under a State earned income tax credit; or

"(9) advance payment of a State earned income tax credit.".

(b) PROTECTION OF EARNED INCOME TAX CREDIT AND SUPPORT PAYMENTS UNDER BANKRUPTCY REPAYMENT PLANS IN CHAPTER 12.—Section 1225(b)(2) of title 11, United States Code, as amended by section 218 of this Act, is amended—

(1) by inserting "(A)" before "For purposes";

(2) by striking "(A) for the maintenance" and inserting "(i) for the maintenance";

(3) by striking "(B) if the debtor" and inserting "(ii) if the debtor"; and

(4) by adding at the end the following:

"(B) In determining disposable income the court shall not consider amounts the debtor receives or is entitled to receive from—

"(i) any refund of tax due to the debtor under subtitle A of the Internal Revenue Code of 1986 for any taxable year to the extent that the refund does not exceed the amount of an applicable earned income tax credit allowed by section 32 of the Internal Revenue Code of 1986 for such year;

"(ii) any advance payment for an earned income tax credit described in clause (i); or

"(iii) child support, foster care, or disability payment for the care of a dependent child in accordance with applicable nonbankruptcy law.".

(c) PROTECTION OF EARNED INCOME TAX CREDIT AND SUPPORT PAYMENTS UNDER BANKRUPTCY REPAYMENT PLANS IN CHAPTER 13.—Section 1325(b)(2) of title 11, United States Code, as amended by section 218 of this Act, is amended—

(1) by inserting "(A)" before "For purposes";

(2) by striking "(A) for the maintenance" and inserting "(i) for the maintenance";

(3) by striking "(B) if the debtor" and inserting "(ii) if the debtor"; and

(4) by adding at the end the following:

"(B) In determining disposable income the court shall not consider amounts the debtor receives or is entitled to receive from—

"(i) any refund of tax due to the debtor under subtitle A of the Internal Revenue Code of 1986 for any taxable year to the extent that the refund does not exceed the amount of an applicable earned income tax credit allowed by section 32 of the Internal Revenue Code of 1986 for such year;

"(ii) any advance payment for an earned income tax credit described in clause (i); or

"(iii) child support, foster care, or disability payment for the care of a dependent child in accordance with applicable nonbankruptcy law.".

(d) EXEMPTIONS.—Section 522(d) of title 11, United States Code, as amended by section 224 of this Act, is amended in paragraph (10)—

(1) in subparagraph (C), by adding "or" after the semicolon;

(2) by striking subparagraph (D); and

(3) by striking "(E)" and inserting "(D)".

On page 92, line 5, strike "personal property" and insert "an item of personal property purchased for more than $3,000".

On page 93, line 19, strike "property" and insert "an item of personal property purchased for more than $3,000".

On page 97, line 10, strike "if" and insert "to the extent that".

On page 97, line 10, after "incurred" insert "to purchase that thing of value".

On page 98, line 1, strike "(27A)" and insert (27B)".

On page 107, line 9, strike "and aggregating more than $250" and insert "for $400 or more per item or service".

On page 107, line 11, strike "90" and insert "70".

On page 107, line 13, after "dischargeable" insert the following: "if the creditor proves by a preponderance of the evidence at a hearing that the goods or services were not reasonably necessary for the maintenance or support of the debtor".

On page 107, line 15, strike "$750" and insert "$1,075".

On page 107, line 17, strike "70" and insert "60".

Beginning on page 109, strike line 21 and all that follows through page 111, line 15, and insert the following:

SEC. 314. HOUSEHOLD GOOD DEFINED.

Section 101 of title 11, United States Code, as amended by section 106(c) of this Act, is amended by inserting before paragraph (27B) the following:

"(27A) 'household goods'—

"(A) includes tangible personal property normally found in or around a residence; and

"(B) does not include motor vehicles used for transportation purposes;".

On page 112, line 6, strike "(except that," and all that follows through "debts)" on line 13.

On page 112, line 19, strike "(2),".

On page 112, line 21, strike "(3)" and insert "(2)".

On page 112, line 24, strike "(4)" and insert "(3)".

On page 113, between lines 3 and 4, insert the following:

(c) EXCEPTIONS TO DISCHARGE.—Section 523 of title 11, United States Code, is amended—

(1) in subsection (c), by inserting "(14A)," after "(6)," each place it appears; and

(2) in subsection (d), by striking "(a)(2)" and inserting "(a) (2) or (14A)".

On page 263, line 8, insert "as amended by section 322 of this Act," after "United States Code,".

On page 263, line 11, strike "(4)" and insert "(5)".

On page 263, line 12, strike "(5)" and insert "(6)".

On page 263, line 13, strike "(6)" and insert "(7)".

On page 263, line 14, strike "(4)" and insert "(5)".

On page 263, line 16, strike "(5)" and insert "(6)".

Mr. DODD. Mr. President, I offer this amendment on behalf of myself and

Senator LANDRIEU, Senator KENNEDY, and others who may be interested in joining in this particular effort.

Mr. President, this is an amendment which I would hope would be adopted. I am sorry in a sense it is not being accepted because it goes to the very heart of what many of us have talked about and tried to accomplish over the years, since bankruptcy laws were first modernized and adopted almost a century ago in 1903. This amendment deals with families, with spouses, with child support issues, and where they come in the context of priorities when it comes to discharging responsibilities under the bankruptcy act.

It is no great secret that in 1998, we learned that as much as $43 billion in child support payments remained uncollected in the United States. It is a staggering sum of money and makes a huge difference to children growing up under adverse circumstances as they are. When you exclude the ability to receive the financial support necessary to make ends meet, the problem becomes even more pronounced.

I raise that because last year this body voted on important legislation that would provide needed reform to our bankruptcy laws, while at the same time ensuring that children and families would remain unhindered in their efforts to collect domestic support from bankrupt debtors.

Since 1903, our Nation's bankruptcy code has been guided by the firm principle that women and children must be first in the distribution line of available assets during bankruptcy proceedings. For almost a century, debt owed to children and families has been nondischargeable. Thus, if a head of household fails financially, whatever remaining assets he has could be used to spare his spouse or ex-spouse and his children from impoverishment. We do this because those who are most vulnerable in our society deserve the most protection.

With this principle in mind, this body recently added another protection for domestic support obligations in bankruptcy. The Bankruptcy Reform Act of 1994 made children and families a priority unsecured creditors. This enabled women and children to receive payments on their claims before other creditors.

Today's bill, the Bankruptcy Reform Act of 1999, would fundamentally alter this delicate balance achieved after almost a century of jurisprudence. We are altering the bankruptcy landscape for the benefit of the credit card industry without understanding what the consequences for families will be.

Women and children will be disproportionately affected by this legislation, unless it is amended. Whether as debtors filing for bankruptcy themselves or as creditors, three quarters of a million women will be affected this year by the bankruptcy system, and it is estimated that as many as 1 million women will be affected in the coming year.

I recognize the precipitous rise in bankruptcies in the last few years. It is a problem that needs to be dealt with. I agree with those of my colleagues who think the law needs to be reformed and tightened up. I also agree with HENRY HYDE, Chairman of the House Judiciary Committee, that it is possible to enact legislation that is highly favorable to the credit card companies and tightens the laws without depriving debtors and their families of reasonably necessary living expenses.

As the legislation is currently drafted, the credit card industry is protected. Unfortunately, families are not, in my view. Maybe that is why all the major family and children advocacy groups presently oppose this bill. Yet with the adoption of the amendment that Senator LANDRIEU and I have offered, we think we can bring substantial support to this bill.

I have serious concerns about the bill, as it is presently drafted, because of its potential harm to children and to families. This bill presents obstacles to families both before, during, and after bankruptcy that leave the alarming potential for family support income to be dissipated and misdirected to credit card companies rather than to the families who need that help.

First, I am greatly concerned about the means test, which requires the trustee in bankruptcy to review all individual Chapter 7 cases for ability to pay debts under a rigid IRS formula devised originally for delinquent taxpayers, now to be applied in bankruptcy proceedings. These standards neither take into account differences in the cost of living from region to region nor do they ascribe rational expenses to individual families. As such, the use of these standards will deprive children and families of reasonably necessary living expenses.

Additionally, because the means test increases the potential for dismissing chapter 7 cases, this bill channels many debtors into 5-year chapter 13 repayment plans, even though we know for a fact two-thirds of such plans fail today. What will families live on during this time?

I am also concerned about the provisions of the legislation that make certain credit card debt nondischargeable. While the recent family support provisions added to the legislation are positive improvements, they have not cured the problems caused by other provisions of the bill which give greater collection rights to credit card lenders and fewer, in my view, to families and children.

This bill elevates credit card debt to a presumed nondischargeable status. If a debtor purchases items or services on credit from a single creditor within 90 days of bankruptcy and such items exceed $250 in value, these items would be presumed luxuries. This chart to my right explains it.

Under current law, food, medicine, and clothing equal necessities. Under present law, if the amount is less than $1,075 per creditor and incurred within 60 days of the bankruptcy petition, then they are protected.

Under the law as presently drafted, without amendment, food, medicine, and clothing are considered luxuries, if the amount is greater than $250 and incurred within 90 days of the bankruptcy petition. So if you have $251 of food, medicine, and clothing expense and it is incurred within the last 90 days, then you have to go to court and spend the money to prove these are not luxuries: food, medicine, and clothing.

This point is one I find stunning in its potential implications. Let me emphasize, under current law, food, medicine, and clothing are considered necessities. If the amount is in excess or less than $1,075 and incurred within 60 days, there is a presumption those are necessities. That is considered, by today's dollars, enough to accommodate a family.

Here we are now saying food, medicine, and clothing, if it is in excess of $250 within 90 days, that is a luxury. So $251, you have to go to court. If you are a debtor and you are a woman with a family you are raising on your own, you go to bankruptcy court. You have to come up with the money now to prove because it is a rebuttable presumption that you have to overcome if it is $251. By the very factor that you are in bankruptcy court, how many resources are you going to have to hire a lawyer to go in and prove that $251 were necessities and not luxuries. If you are a creditor in this situation, a family, then obviously the problem is also difficult.

If you go to a Kmart and buy clothes for your children, necessities they may need, that is considered a luxury if it is $251. A judgment could be entered by default, and then the debt survives. If you are a single woman as a creditor, then you must wait until your ex-husband tries or does not try to defend a similar purchase. And if he is unsuccessful, there will be less money for him to pay child support. So on either side of the equation, if you are a woman raising children on your own, either as a debtor or a creditor, this places tremendous burdens on the family.

If this stays in the bill as is, this is a huge blow to average families. There is no consideration of region of the country. I don't care where you live in the United States. Imagine some parts of the country where $251 in 90 days, that is 3 months, if you have three children, $251 is a luxury? You have to go to court and hire a lawyer to prove it wasn't a luxury. We are reforming the bankruptcy laws to try to protect

Without objection, it is so ordered.

Mr. DODD. Mr. President, I send a modification to the desk to that amendment.

The PRESIDING OFFICER. Without objection, the amendment will be so modified.

Mr. DODD. Mr. President, for those who are interested in following the amendment process, the modification is purely technical in nature to what I earlier offered. So it is just technical corrections.

Mr. President, I am going to use some charts on this. I call up this amendment, as modified, and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Connecticut [Mr. Dodd], for himself, Ms. Landrieu, and Mr. Kennedy, proposes an amendment numbered 2532, as modified.

Mr. DODD. Mr. President, I ask unanimous consent further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, as modified, is as follows:

On page 7, line 15, strike "(ii)" and insert "(ii)(I)".

On page 7, between lines 21 and 22, insert the following:

"(II) The expenses referred to in subclause (I) shall include—

"(aa) taxes and mandatory withholdings from wages;

"(bb) health care;

"(cc) alimony, child, and spousal support payments;

"(dd) expenses associated with the adoption of a child, including travel expenses, relocation expenses, and medical expenses;

"(ee) legal fees necessary for the debtor's case;

"(ff) child care and the care of elderly or disabled family members;

"(gg) reasonable insurance expenses and pension payments;

"(hh) religious and charitable contributions;

"(ii) educational expenses not to exceed $10,000 per household;

"(jj) union dues;

"(kk) other expenses necessary for the operation of a business of the debtor or for the debtor's employment;

"(*ll*) utility expenses and home maintenance expenses for a debtor that owns a home;

"(mm) ownership costs for a motor vehicle, determined in accordance with Internal Revenue Service transportation standards, reduced by any payments on debts secured by the motor vehicle or vehicle lease payments made by the debtor;

"(nn) expenses for children's toys and recreation for children of the debtor;

"(oo) tax credits for earned income determined under section 32 of the Internal Revenue Code of 1986; and

"(pp) miscellaneous and emergency expenses.

On page 83, between lines 4 and 5, insert the following:

SEC. 225. TREATMENT OF TAX REFUNDS AND DOMESTIC SUPPORT OBLIGATIONS.

(a) Property of the Estate.—Section 541 of title 11, United States Code, is amended—

(1) in subsection (a)(5)(B) by inserting "except as provided under subsection (b)(7)," before "as a result"; and

(2) in subsection (b)—

(A) in paragraph (4), by striking "or" at the end;

(B) in paragraph (5), by striking the period at the end and inserting a semicolon; and

(C) by inserting after paragraph (5) the following:

"(6) any—

"(A) refund of tax due to the debtor under subtitle A of the Internal Revenue Code of 1986 for any taxable year to the extent that the refund does not exceed the amount of an applicable earned income tax credit allowed under section 32 of such Code for such year; and

"(B) advance payment of an earned income tax credit under section 3507 of the Internal Revenue Code of 1986;

"(7) the right of the debtor to receive alimony, support, or separate maintenance for the debtor or dependent of the debtor;

"(8) refund of a tax due to the debtor under a State earned income tax credit; or

"(9) advance payment of a State earned income tax credit.".

(b) Protection of Earned Income Tax Credit and Support Payments Under Bankruptcy Repayment Plans in Chapter 12.—Section 1225(b)(2) of title 11, United States Code, as amended by section 218 of this Act, is amended—

(1) by inserting "(A)" before "For purposes";

(2) by striking "(A) for the maintenance" and inserting "(i) for the maintenance";

(3) by striking "(B) if the debtor" and inserting "(ii) if the debtor"; and

(4) by adding at the end the following:

"(B) In determining disposable income the court shall not consider amounts the debtor receives or is entitled to receive from—

"(i) any refund of tax due to the debtor under subtitle A of the Internal Revenue Code of 1986 for any taxable year to the extent that the refund does not exceed the amount of an applicable earned income tax credit allowed by section 32 of the Internal Revenue Code of 1986 for such year;

"(ii) any advance payment for an earned income tax credit described in clause (i); or

"(iii) child support, foster care, or disability payment for the care of a dependent child in accordance with applicable nonbankruptcy law.".

(c) Protection of Earned Income Tax Credit and Support Payments Under Bankruptcy Repayment Plans in Chapter 13.—Section 1325(b)(2) of title 11, United States Code, as amended by section 218 of this Act, is amended—

(1) by inserting "(A)" before "For purposes";

(2) by striking "(A) for the maintenance" and inserting "(i) for the maintenance";

(3) by striking "(B) if the debtor" and inserting "(ii) if the debtor"; and

(4) by adding at the end the following:

"(B) In determining disposable income the court shall not consider amounts the debtor receives or is entitled to receive from—

"(i) any refund of tax due to the debtor under subtitle A of the Internal Revenue Code of 1986 for any taxable year to the extent that the refund does not exceed the amount of an applicable earned income tax credit allowed by section 32 of the Internal Revenue Code of 1986 for such year;

"(ii) any advance payment for an earned income tax credit described in clause (i); or

"(iii) child support, foster care, or disability payment for the care of a dependent child in accordance with applicable nonbankruptcy law.".

(d) Exemptions.—Section 522(d) of title 11, United States Code, as amended by section 224 of this Act, is amended in paragraph (10)—

(1) in subparagraph (C), by adding "or" after the semicolon;

(2) by striking subparagraph (D); and

(3) by striking "(E)" and inserting "(D)".

On page 92, line 5, strike "personal property" and insert "an item of personal property purchased for more than $3,000".

On page 93, line 19, strike "property" and insert "an item of personal property purchased for more than $3,000".

On page 97, line 10, strike "if" and insert "to the extent that".

On page 97, line 10, after "incurred" insert "to purchase that thing of value".

On page 98, line 1, strike "(27A)" and insert (27B)".

On page 107, line 9, strike "and aggregating more than $250" and insert "for $400 or more per item or service".

On page 107, line 11, strike "90" and insert "70".

On page 107, line 13, after "dischargeable" insert the following: "if the creditor proves by a preponderance of the evidence at a hearing that the goods or services were not reasonably necessary for the maintenance or support of the debtor".

On page 107, line 15, strike "$750" and insert "$1,075".

On page 107, line 17, strike "70" and insert "60".

Beginning on page 109, strike line 21 and all that follows through page 111, line 15, and insert the following:

SEC. 314. HOUSEHOLD GOOD DEFINED.

Section 101 of title 11, United States Code, as amended by section 106(c) of this Act, is amended by inserting before paragraph (27B) the following:

"(27A) 'household goods'—

"(A) includes tangible personal property normally found in or around a residence; and

"(B) does not include motor vehicles used for transportation purposes;".

On page 112, line 6, strike "(except that," and all that follows through "debts)" on line 13.

On page 112, line 19, strike "(2),".

On page 112, line 21, strike "(3)" and insert "(2)".

On page 112, line 24, strike "(4)" and insert "(3)".

On page 113, between lines 3 and 4, insert the following:

(c) Exceptions to Discharge.—Section 523 of title 11, United States Code, is amended—

(1) in subsection (c), by inserting "(14A)," after "(6)," each place it appears; and

(2) in subsection (d), by striking "(a)(2)" and inserting "(a) (2) or (14A)".

On page 263, line 8, insert "as amended by section 322 of this Act," after "United States Code,".

On page 263, line 11, strike "(4)" and insert "(5)".

On page 263, line 12, strike "(5)" and insert "(6)".

On page 263, line 13, strike "(6)" and insert "(7)".

On page 263, line 14, strike "(4)" and insert "(5)".

On page 263, line 16, strike "(5)" and insert "(6)".

Mr. DODD. Mr. President, I offer this amendment on behalf of myself and

Senator LANDRIEU, Senator KENNEDY, and others who may be interested in joining in this particular effort.

Mr. President, this is an amendment which I would hope would be adopted. I am sorry in a sense it is not being accepted because it goes to the very heart of what many of us have talked about and tried to accomplish over the years, since bankruptcy laws were first modernized and adopted almost a century ago in 1903. This amendment deals with families, with spouses, with child support issues, and where they come in the context of priorities when it comes to discharging responsibilities under the bankruptcy act.

It is no great secret that in 1998, we learned that as much as $43 billion in child support payments remained uncollected in the United States. It is a staggering sum of money and makes a huge difference to children growing up under adverse circumstances as they are. When you exclude the ability to receive the financial support necessary to make ends meet, the problem becomes even more pronounced.

I raise that because last year this body voted on important legislation that would provide needed reform to our bankruptcy laws, while at the same time ensuring that children and families would remain unhindered in their efforts to collect domestic support from bankrupt debtors.

Since 1903, our Nation's bankruptcy code has been guided by the firm principle that women and children must be first in the distribution line of available assets during bankruptcy proceedings. For almost a century, debt owed to children and families has been nondischargeable. Thus, if a head of household fails financially, whatever remaining assets he has could be used to spare his spouse or ex-spouse and his children from impoverishment. We do this because those who are most vulnerable in our society deserve the most protection.

With this principle in mind, this body recently added another protection for domestic support obligations in bankruptcy. The Bankruptcy Reform Act of 1994 made children and families a priority unsecured creditors. This enabled women and children to receive payments on their claims before other creditors.

Today's bill, the Bankruptcy Reform Act of 1999, would fundamentally alter this delicate balance achieved after almost a century of jurisprudence. We are altering the bankruptcy landscape for the benefit of the credit card industry without understanding what the consequences for families will be.

Women and children will be disproportionately affected by this legislation, unless it is amended. Whether as debtors filing for bankruptcy themselves or as creditors, three quarters of a million women will be affected this year by the bankruptcy system, and it is estimated that as many as 1 million women will be affected in the coming year.

I recognize the precipitous rise in bankruptcies in the last few years. It is a problem that needs to be dealt with. I agree with those of my colleagues who think the law needs to be reformed and tightened up. I also agree with HENRY HYDE, Chairman of the House Judiciary Committee, that it is possible to enact legislation that is highly favorable to the credit card companies and tightens the laws without depriving debtors and their families of reasonably necessary living expenses.

As the legislation is currently drafted, the credit card industry is protected. Unfortunately, families are not, in my view. Maybe that is why all the major family and children advocacy groups presently oppose this bill. Yet with the adoption of the amendment that Senator LANDRIEU and I have offered, we think we can bring substantial support to this bill.

I have serious concerns about the bill, as it is presently drafted, because of its potential harm to children and to families. This bill presents obstacles to families both before, during, and after bankruptcy that leave the alarming potential for family support income to be dissipated and misdirected to credit card companies rather than to the families who need that help.

First, I am greatly concerned about the means test, which requires the trustee in bankruptcy to review all individual Chapter 7 cases for ability to pay debts under a rigid IRS formula devised originally for delinquent taxpayers, now to be applied in bankruptcy proceedings. These standards neither take into account differences in the cost of living from region to region nor do they ascribe rational expenses to individual families. As such, the use of these standards will deprive children and families of reasonably necessary living expenses.

Additionally, because the means test increases the potential for dismissing chapter 7 cases, this bill channels many debtors into 5-year chapter 13 repayment plans, even though we know for a fact two-thirds of such plans fail today. What will families live on during this time?

I am also concerned about the provisions of the legislation that make certain credit card debt nondischargeable. While the recent family support provisions added to the legislation are positive improvements, they have not cured the problems caused by other provisions of the bill which give greater collection rights to credit card lenders and fewer, in my view, to families and children.

This bill elevates credit card debt to a presumed nondischargeable status. If a debtor purchases items or services on credit from a single creditor within 90 days of bankruptcy and such items exceed $250 in value, these items would be presumed luxuries. This chart to my right explains it.

Under current law, food, medicine, and clothing equal necessities. Under present law, if the amount is less than $1,075 per creditor and incurred within 60 days of the bankruptcy petition, then they are protected.

Under the law as presently drafted, without amendment, food, medicine, and clothing are considered luxuries, if the amount is greater than $250 and incurred within 90 days of the bankruptcy petition. So if you have $251 of food, medicine, and clothing expense and it is incurred within the last 90 days, then you have to go to court and spend the money to prove these are not luxuries: food, medicine, and clothing.

This point is one I find stunning in its potential implications. Let me emphasize, under current law, food, medicine, and clothing are considered necessities. If the amount is in excess or less than $1,075 and incurred within 60 days, there is a presumption those are necessities. That is considered, by today's dollars, enough to accommodate a family.

Here we are now saying food, medicine, and clothing, if it is in excess of $250 within 90 days, that is a luxury. So $251, you have to go to court. If you are a debtor and you are a woman with a family you are raising on your own, you go to bankruptcy court. You have to come up with the money now to prove because it is a rebuttable presumption that you have to overcome if it is $251. By the very factor that you are in bankruptcy court, how many resources are you going to have to hire a lawyer to go in and prove that $251 were necessities and not luxuries. If you are a creditor in this situation, a family, then obviously the problem is also difficult.

If you go to a Kmart and buy clothes for your children, necessities they may need, that is considered a luxury if it is $251. A judgment could be entered by default, and then the debt survives. If you are a single woman as a creditor, then you must wait until your ex-husband tries or does not try to defend a similar purchase. And if he is unsuccessful, there will be less money for him to pay child support. So on either side of the equation, if you are a woman raising children on your own, either as a debtor or a creditor, this places tremendous burdens on the family.

If this stays in the bill as is, this is a huge blow to average families. There is no consideration of region of the country. I don't care where you live in the United States. Imagine some parts of the country where $251 in 90 days, that is 3 months, if you have three children, $251 is a luxury? You have to go to court and hire a lawyer to prove it wasn't a luxury. We are reforming the bankruptcy laws to try to protect people and families from hardships they can incur? I don't understand this.

If this is sustained in the bill, I urge the President to veto this legislation regardless of what else is here. This would be a huge blow to families to allow this to persist in the legislation.

The bill's proponents will tell us that this is really not the case. Child support is still the No. 1 priority. The reality is that this change will place kids and families first in line for nothing, since such assets are available to support families in less than 1 percent of the cases.

In addition, this change may not place families above lenders if the lenders say their claims are secured by the debtor's property. For the first time, we have allowed these heretofore unsecured creditors to get into the bankruptcy courthouse. Currently, children and family support recipients, taxes, student loans were nondischargeable debts. For the first time in a century the proposed legislation would bring into this unique category these other creditors, i.e. credit card companies, who will make the competition for scarce assets that much fiercer.

These creditors have historically been unsecured because they have received the benefit of high interest. Now they are becoming effectively secured creditors. Most household finance groups secure items of property with agreements. So if you have a television set, the household finance company will have a security interest in the TV obligation, and the company is a secured creditor. The same thing occurs with reaffirmation agreements, and indeed the bill increases the potential for these agreements. Creditors can ask debtors to reaffirm debts of have their property—often of little value—repossessed. These items may be of little value to creditors, but of tremendous value to families, enabling them to continue to survive with the bare necessities. And they too will be elevated into the same sort of status that we have had for children and families, which I think, again, goes beyond anything I think we intended.

With those concerns in mind, the amendment Senator LANDRIEU and I and Senator KENNEDY have offered tries to address these concerns in the bill. Let me address each of the provisions very quickly and turn to my colleague from Louisiana for any further comment she would like to make on this amendment.

First of all, this amendment would modify the means test to provide greater flexibility and reasonableness when calculating the ability to pay. Allowable expenses would include family support, expenses associated with adoption of a child, child care, medical expenses, caring for elderly members of the family, education expenses, and other such critical areas that have been identified as those most families must make. Such expenses should be considered not ignored by the bankruptcy courts.

Second, my amendment will ensure that support payments and other funds intended for the current needs of children do not become the property of the bankruptcy estate with the corollary potential of being distributed to creditors. Money for kids should go to kids, not to creditors.

This amendment will also adopt the House definition of household goods, which enables debtors to keep, during bankruptcy, personal property normally found in and around the home, excluding automobiles. This will ensure that in a bankruptcy children and families are able to keep, without fear of repossession, certain household goods that typically have no resale value, such as toys, swing sets, VCRs, and other items used by parents to help raise their children.

Finally, this amendment will ensure that debtors are not forced into bankruptcy court to seek to prove that food, diapers, school uniforms, toys, and the like are not luxury goods. It would do this by providing that items purchased with a credit card would be nondischargeable only if they were purchased within 70 days, not 90 days, of bankruptcy, have a value of $400 or more per item, and require the creditor to prove at a hearing that the items were not reasonably necessary for the maintenance and support of the debtor and her dependents—shifting the burden, if you will.

Mr. President, I hope that these efforts will win broad support here as we try to again go back to what we have sustained for almost a century, recognizing the modern world we live in and the needs of families trying to see their way through the difficult period of a bankruptcy, which we are going to make far more difficult now for people to take under this law.

I am not opposed at all to the idea of trying to restrain the proliferation of bankruptcy in the country. But as we are doing that, let's not do so in such a way that it places an undue hardship and burden on families trying to make ends meet and trying to keep themselves together. Let's go back to the notion that, since 1903, the bankruptcy code has protected families.

When it comes to families, and women in particular, who could be so adversely affected by changing the means test here, placing the legal burdens on a family to go out and hire a lawyer to prove that $251 in goods over 90 days for a family is not a luxury item—nobody needs to be educated here about who has greater power. Credit card companies have teams of lawyers; they hire them on a permanent basis. But if you are some family out there who has gone through the agony of a bankruptcy, how many lawyers will take on the cases for $251 and try to prove that some items weren't luxury items? How many lawyers want to take on those cases? How long can you stay in court? How many motions can you argue back and forth? Such families are truly at a disadvantage. I am not talking about the poorest families in America; I am talking about middle income, hard-working families that find themselves in the dreadful position of all of a sudden having to readjust their lives because they have been hit by a financial disaster.

I also know there are people out there who abuse the system, who are scam artists, who game the system and use the bankruptcy laws to take advantage of a situation. I know they exist. I am as angry as anybody else that there are people like that out there. But I also happen to believe that the overwhelming majority of people are not scam artists; they are good people, honest people, and they are trying to keep their families together.

I noted last night that during this wonderful economic time we have been having, the top 20 percent of income earners have enjoyed a 115 percent increase in earning power. The middle 20 percent has had a 9 percent increase. The bottom 20 percent has had an 8 percent decline in earning power. While we all rave about the great economy, for middle income families and less than middle income families the times have still been tough.

These are not evil people. The fact that they end up in a financial mess doesn't mean that their children ought to pay a price for it. If you want to be angry at the parent, don't take it out on a child who was born into a family that may face these kinds of financial crises. To say to them you are not going to be able to have access to basic household goods, things like toys, a VCR, and other basic necessities of raising a family, I think that goes too far. It is overreaching and it is unnecessary and it is harmful, and it hurts people. I don't know of anybody in this Chamber who wants to be a party to that.

For those reasons, Mr. President, the Senator from Louisiana and I, and others have offered this amendment. Hopefully, we can get broad and wide support for it to restore what, for 100 years, was basic policy. Families and children come first. Those who are the most vulnerable deserve the most protection. We ought to see to it in this bill that that fundamental principle is not changed. Whatever else we are doing with this law, children and families still come first in our minds, and we are not going to allow them to be hurt, intentionally or unintentionally, by provisions of this bill, as presently written, which would do just that. For those reasons, we offer this amendment for the consideration of the Senate and hope our colleagues will support it.

The PRESIDING OFFICER. The Senator from the great State of Louisiana is recognized.

Ms. LANDRIEU. Mr. President, I rise in support of this amendment, which attempts to enhance a bill that is intended to do some good things to stop fraud and abuse. But this amendment attempts to take that bill and make it work for everyone and continue the tradition of protecting our children and our families, which is so important.

I thank the Senator from Connecticut for his great leadership and the way he has articulated this issue so well. Neither one of us is on the committee that considered this piece of legislation. I know there were many good Senators from the Republican side and many good Senators from the Democratic side who have come at this with the right intention—to eliminate fraud and abuse. But I thank him for his leadership because, frankly, without this amendment, this bill falls very short of those good intentions.

We, in Louisiana—I know the people in Kansas are like this, too, and I know the people in Connecticut are like this—believe in paying our debts. We do not like freeloaders. We do not like people who are reckless with their finances, although every now and then sometimes we might be, in small instances or large. We do not like that. It is not a value we hold. We believe in being fiscally responsible. We believe in taking care of your own. We believe in taking care of our debts.

So I certainly want to support a bill that would clamp down on fraud and abuse. If it was a poor person who was using fraud and being abusive of the system, they would certainly have to follow the same rules as a middle-class family or as the wealthiest person in my State. I am not asking, and neither is Senator DODD, for any special privilege for any man or any woman. We do ask for special consideration for children. They are not the ones who are "guilty." But we ask no special provision.

This bill as it is currently written goes much too far. I also join Senator DODD in asking the President, if this amendment is not adopted—and I do not know; it may be I will join him in asking the President to veto this bill because this would be a terrible blow to families, to children, and particularly single parents, many of whom are women but not all. There are some fathers who have custody of their children—one, two, three or four—who would fall under the same draconian terms of this bill.

There is no denying, as I said, that there is need for reform of the current bankruptcy law and practice. However, it is important the final bill accurately reflect the needs of those most affected by bankruptcy. This amendment we offer does just that. It has four parts. I am going to speak briefly about only one.

Over the past two decades we have witnessed a 400-percent increase in the use of bankruptcy courts in this country. That figure is alarming. That is why we are trying to see what is causing that and trying to offer some solutions. The figures show a rising number of those claiming bankruptcy, however, are single women. In fact, single women comprise the fastest growing group to file bankruptcy, surpassing men and married couples.

In 1999, more than a half-million single women will file for bankruptcy, 10 times the number who filed in 1981. Despite the overwhelming number of women who find themselves in this untenable state of economic instability, S. 625, as written, does not at all reflect the needs of this population of debtors. This amendment simply revises necessary sections of the bill so it is more realistic, more flexible, and more reasonable in dealing with women and their children, single women and their children—sometimes one child, sometimes two, sometimes three, and in a few cases more than that.

Our amendment does not ask that women with children be treated any differently under the law. It simply ensures the standards which apply to all debtors be sensitive to the very different situations which cause a person to file for bankruptcy. So, in our zest to curb the abuse of some, the rights and needs of others should not be ignored.

S. 625, as currently written, makes it significantly easier for credit card debt to be considered nondischargeable, which is necessary in ending fraud and abuse. However, I think this bill inadvertently puts the claim of credit card companies at a distinct advantage over single mothers or single fathers who are trying to claim their child support. In most cases that is going to be a single mother.

I concede the language clearly is written in the bill that states women and children are the "first in priority." The practical reality, as the Senator from Connecticut has pointed out, as it is currently drafted, is they are first in line for nothing. Given their circumstances of bankruptcy and their lack of resources, how would they ever find the money to hire a lawyer or get the professional services they need to compete in this legal, cumbersome, complicated, time-consuming, and actually spirit-breaking system we are attempting to create here.

Let me demonstrate with an example. I think if people can see an example they might understand this. For the purposes of this argument, let's take Doris, who is a divorced mother of three children ranging in age from 3 to 13 years old. She works at a job earning more than minimum wage but not much. Her ex-husband is 5 months behind in child support—not atypical, given the millions and billions of dollars that are owed. If this bill passes, this is what will happen.

In September of this year, she goes to Kmart where she purchases food, clothing, and other essential items for her family totaling $260. I go to Kmart and Wal-Mart. That is not an unreasonable bill. It is hard to support a family with food and clothing and essentials for much less than that. Actually, I spend more than that in a month. But she spends only $260, trying to be frugal.

In November, she comes to grips with the reality that her income will not get her through the winter. She files for bankruptcy. Under the bill this Senate is about ready to pass, she is going to have to hire a lawyer and go to court to prove that her Kmart purchases were necessary for her family and were not made in an attempt to defraud the system.

I could not under any circumstances vote for a bill that would ask any of my constituents who live in Louisiana, or any who live in Connecticut or any place, to hire a lawyer to go to court to claim that the orange juice, milk, diapers, cookies, some snacks for school, maybe part of a school uniform, is a luxury item. When they come knocking at my door, saying, Senator, why does the law say this, I am going to say we made a terrible mistake. But I didn't make the mistake because we were on the floor trying to explain this to people. Hopefully, they are listening.

Our amendment makes a simple change to this process. Rather than putting the burden on proving the necessity of the purchase on a single mother who has no money, a lot of heartache, a lot of children to take care of, it just puts the onus on the credit card companies to prove these purchases were unnecessary. As the Senator has pointed out, they already have lawyers; they are a credit card company. They have accountants and lawyers to see, perhaps, if something does look amiss. Perhaps if the charges are quite large, they most certainly should be able to pull them into court and make sure the judge would take the proper action.

Credit card companies, as I said, have these investigators to check fraud. The people in my State of Louisiana, in that situation, I promise you, they do not.

Under our system of justice, a person is innocent until proven guilty. Under S. 625, as it stands right now, a woman is guilty of fraud unless she can prove her innocence. This is not what we want to do. I am positive this is not what this President of the United States wants to support. It is unacceptable. If our amendment does not get on this bill, I am going to vote against it. There may be some other amendments that we need to put on, but this clearly is one.

I thank Senator DODD for his leadership in this piece of legislation and will only add this to this discussion: One of the wonderful things I like about being a Senator is I learn something new every day. I guess my colleagues here feel that way, and I hope the staff does, because it is one of the most interesting things about this job.

I got, today, the gross monthly income schedule for the IRS. I have never had to file for bankruptcy. I don't think I have ever owed any taxes where I had to go according to this schedule. So this would be the first time I will have seen something like this. I am not a lawyer.

I want to say how surprised I am that our Government would have a schedule that basically says if you make $830 or less a month, and you owe taxes to the Federal Government, that you get to eat $170 worth of food. But if you are wealthy and you owe taxes to the Government, you get to eat $456 worth of food every month.

If you have children, if you have one child who happens to be in diapers, you get to buy $71 a month at the store. But if you are wealthy and you have a child—not wealthy but you make $5,000 a month, which would be fairly wealthy—and have one child, you get to buy almost $350 worth of diapers and apparel or services at the store.

My husband and I have a 2-year-old. I spend more than $40 a month on diapers alone—diapers. I don't want anyone in my State to have to hire a lawyer to prove that the expenses they have on their credit card to purchase food or clothing or diapers or milk or formula for their children is not a luxury.

I urge Members who might not have ever looked at this schedule that indicates, when you owe taxes, how much you get to keep—it has no mention of children, no educational expenses. I guess the IRS just assumes children should stop going to school while their parents pay back their taxes.

This is the same schedule I think the Senator from Connecticut has pointed out. I wish I had it blown up because I think people in America would have a hard time believing this.

Mr. DODD. Will my colleague yield?

Ms. LANDRIEU. I will.

Mr. DODD. This is a question for my colleague. The relevance of this is that under the bill as presently written, this is the schedule. This is not interesting subject matter because it is an IRS schedule for tax purposes. This is what has been adopted as part of the bankruptcy bill. So this is your schedule, this is what you know you are going to be limited to; is that correct?

Ms. LANDRIEU. Correct. That is my understanding. Under the current bill, we are adopting an IRS schedule that, in my opinion—and I imagine a majority of people in Louisiana will feel that way—this is an inappropriate schedule for that purpose. It most certainly is an inappropriate schedule for bankruptcy since nowhere on the schedule does it even mention the word "child" or children's needs. It does not mention medicine. It does not mention some of the essential things, as the Senator from Connecticut has pointed out.

Mr. DODD. If my colleague will further yield, nor does it mention any geography distinction. This is a standard price whether you live in Louisiana, Connecticut, California, New York City, Washington, DC—this is the same schedule for every person, regardless of where they live in the country; is that correct?

Ms. LANDRIEU. That is correct. As we know, the cost-of-living escalates and is very different from place to place and region to region. This chart is quite deficient.

After this debate, I will be looking at ways the IRS should improve their own schedule.

For the purposes of this debate, we most certainly do not want to take a schedule that is flawed for the purposes of collecting taxes and then apply it to a bankruptcy which is an equally difficult situation in which our families find themselves.

In conclusion, I realize there is fraud and abuse, and I will be the first one to step up and vote for a bill that will clamp down on it. No one deserves special privileges, whether they are poor, middle income or wealthy. This bill, as written, goes too far, and we will be sorry if we do not adopt some amendments to fix it and make it more fair. Let us fight hard for our families. Many of them are having a tough time already. Let's not have the children pay the price for us trying to expedite a bill that does not work for them or for their parents. I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. The Senator from Louisiana may want to do this. It is worthwhile. I ask unanimous consent that the IRS schedule be printed in the RECORD so our colleagues have the benefit of looking at the rigidity of this schedule and the paucity of information and items one would normally, reasonably conclude a family might need in order to sustain itself during a period of bankruptcy, such as we suggested.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COLLECTION FINANCIAL STANDARDS—CLOTHING AND OTHER ITEMS—IRS

Item	Gross Monthly Income—							
	Less than $830	$831 to $1,249	$1,250 to $1,669	$1,670 to $2,449	$2,500 to $3,329	$3,330 to $4,169	$4,170 to $5,829	$5,830 and over
One Person:								
Food	170	198	214	257	270	325	428	456
Housekeeping supplies	18	20	21	26	27	29	35	43
Apparel and services	43	52	75	120	127	129	168	334
Personal care products and services	14	21	23	24	30	37	42	58
Miscellaneous	100	100	100	100	100	100	100	100
Total	345	391	433	527	554	620	773	991

Item	Gross Monthly Income—							
	Less than $830	$831 to $1,249	$1,250 to $1,669	$1,670 to $2,449	$2,500 to $3,329	$3,330 to $4,169	$4,170 to $5,829	$5,830 and over
Two Persons:								
Food	228	277	351	365	424	438	515	635
Housekeeping supplies	23	27	28	40	46	51	57	74
Apparel and services	71	72	98	121	128	167	202	335
Personal care products and services	19	24	28	34	46	40	58	66
Miscellaneous	125	125	125	125	125	125	125	125
Total	466	525	630	685	769	830	957	1,235

Item	Gross Monthly Income—							
	Less than $830	$831 to $1,249	$1,250 to $1,669	$1,670 to $2,449	$2,500 to $3,329	$3,330 to $4,169	$4,170 to $5,829	$5,830 and over
Three Persons:								
Food	272	326	390	406	444	488	545	737
Housekeeping supplies	24	28	29	42	47	55	58	77
Apparel and services	110	114	134	143	175	205	206	368

Item	Gross Monthly Income—							
	Less than $830	$831 to $1,249	$1,250 to $1,669	$1,670 to $2,449	$2,500 to $3,329	$3,330 to $4,169	$4,170 to $5,829	$5,830 and over
Personal care products and services	23	28	34	41	47	50	59	67
Miscellaneous	150	150	150	150	150	150	150	150
Total	579	646	737	781	863	948	1,018	1,393

Item	Gross Monthly Income—						
	Less than $830	$831 to $1,249	$1,250 to $1,669	$1,670 to $2,499	$2,500 to $3,329	$3,330 to $4,169	$4,170 to $5,829
Four Persons:							
Food	374	376	406	416	472	574	629
Housekeeping supplies	36	37	38	46	49	57	60
Apparel and services	114	145	146	147	179	206	244
Personal care products and services	27	29	35	46	49	51	62
Miscellaneous	175	175	175	175	175	175	175
Total	726	762	800	830	924	1,063	1,170

Item	Gross Monthly Income—						
	Less than $830	$831 to $1,249	$1,250 to $1,669	$1,670 to $2,499	$2,500 to $3,329	$3,330 to $4,169	$4,170 to $5,829
More Than Four Persons:							
For each additional person, add to four-person total allowance	125	135	145	155	165	175	185

Mr. DODD. Lastly, as I mentioned, virtually all the advocacy groups involved with children and families are in support of this amendment. There is a letter that comes from many of them, including the YWCA, Women Work, Women Employed, Older Women's League, Equal Rights Advocates, who issued a nice letter in support of this.

The Leadership Conference on Civil Rights also has a letter in support of this amendment, along with several other amendments. It specifically mentioned this amendment. I ask unanimous consent both of these letters be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NOVEMBER 5, 1999.

DEAR SENATOR: The undersigned women's and children's organizations write to urge you to support Senator Dodd's amendment to S. 625, the "Bankruptcy Reform Act of 1999," to protect income dedicated to the support of children and families.

S. 625 puts economically vulnerable women and children—those who are forced into bankruptcy, and those who are owed support by men who file for bankruptcy—at greater risk. By increasing the rights of many creditors, including credit card companies, finance companies, auto lenders and others, the bill would set up a competition for scarce resources between parents and children owed child support and commercial creditors both during and after bankruptcy. And single parent facing financial crises—often caused by divorce, nonpayment of support, loss of a job, uninsured medical expenses, or domestic violence—would find it harder to regain their economic stability through the bankruptcy process. The bill would make it harder for these parents to meet the filing requirements; harder, once in bankruptcy, to save their homes, cars, and essential household items; and harder to meet their children's needs after bankruptcy because many more debts would survive.

Senator Dodd's amendment would address several of the problems the bill would create for women and their families.

The means test provision would reduce some of the harsh and arbitrary barriers to accessing the bankruptcy process that are part of S. 625. S. 625 requires that a rigid means test, devised by the IRS for use with delinquent taxpayers, be applied to individuals and families that file for bankruptcy under Chapter 7 liquidation. The test is used to determine whether the debtor can repay some debt and will be forced into a Chapter 13 repayment plan. The Dodd amendment would make the test more reasonable as applied to families with children by including more family expenditures as allowable expenses, including costs of child care and the care of elderly and disabled family members, health care expenses; spousal and child support payments; expenses associated with adoption; and expenses for children's toys, among others.

The provision on household goods and property of the estate would provide more protection for essential household goods and income intended for the support of children during bankruptcy. In S. 625, only a very limited and specific list of household goods are protected from repossession or threat of repossession: one radio, one television, one VCR per household. Tape players and CD players are not on the list. A personal computer is protected, but only if it is used primarily for minor children; older children who use a computer for research and parents who do some work at home are out of luck. Senator Dodd's amendment, like the household goods provision in the House-passed bill, would allow each situation to be judged on a case-by-case basis, and would allow debtors to keep tangible property normally found in and around a residence.

The provision concerning property of the bankruptcy estate (assets that may be distributed to creditors during the bankruptcy) would ensure that child support payments, and Earned Income Tax Credit refunds available to low-income working families, are not subject to the claims of creditors.

The nondischargeability provision of Senator Dodd's amendment would reduce the competition between credit card companies, and women and children owed support, after bankruptcy. Under current law, child support and alimony are among the few debts that are not dischargeable in bankruptcy. S. 625 would elevate many credit card debts to nondischargeable status. This would increase the competition between credit card companies and women and children owed support after bankruptcy, and make it harder for hard-pressed families with children to get a "fresh start" through the bankruptcy process. S. 625 provides that if a person, within 90 days of bankruptcy, purchases items on a single credit card that total $250, they are presumed to be nondischargeable. S. 625 does give the debtor the right to show that the charges were for necessities, not for luxuries. But debtors will have to bear the burden and expense of going into court to prove that the $251 spent over three months for food, and clothing, and school supplies, were not luxuries.

Senator Dodd's nondischargeability provision would provide that credit card purchases would be nondischargeable only if: they are for $400 or more per item or service; they were made within 70 days of filing; and the creditor proves at a hearing that the items are not reasonably necessary for the maintenance and support of the debtor.

This amendment would not address all of the problems with S. 625. But it would ameliorate some of the harshest effects of the legislation on women and their families.

Sincerely,

National Women's Law Center, National Partnership for Women & Families, ACES, Association for Children for Enforcement of Support, American Association of University Women, Business and Professional Women/USA, Center for the Advancement of Public Policy, Coalition of Labor Union Women (CLUW), Equal Rights Advocates, Feminist Majority, National Association of Commissions for Women, National Center for Youth Law, National Organization for Women, Northwest Women's Law Center, NOW Legal Defense and Education Fund, Older Women's League (OWL), Women Employed, Women Work!, YWCA of the USA.

LEADERSHIP CONFERENCE
ON CIVIL RIGHTS,
Washington, DC, November 9, 1999.

Re: The "Bankruptcy Reform Act of 1999".

DEAR SENATOR: On behalf of the Leadership Conference on Civil rights (LCCR), a coalition of 180 national organizations representing people of color, women children, organized labor, persons with disabilities, older Americans, major religious groups, gays and lesbians and civil liberties and human rights groups, we urge you to oppose S. 625, the "Bankruptcy Reform Act of 1999."

As you know, bankruptcy reform has not been, per se, an issue of traditional concern to the LCCR. However, S. 625 poses significant concerns for the civil rights of all working persons in the United States.

While the LCCR does not support the comprehensive legislation of S. 625, we do support three amendments to the bill. First, we support the "Children and Families Amendment," which will be offered jointly by Senators Dodd, Landrieu and Kennedy. Second, we support the "Predatory Leading Amendment," which Senator Durbin will offer. Third, we support the Minimum Wage Amendment which will be offered by Senator Kennedy. Each of these amendments is important to balanced and effective bankruptcy reform; and we strongly urge you to support them.

The "Children and Families Amendment" is designed to ensure that child and espousal support payments and earned income tax credits are not property of the bankruptcy estate. The legislation will replace the current definition of household goods with the House of Representative's definition to allow debtors to keep personal property found in and around the residence. Finally, the amendment will modify the means test to allow more flexibility when there are special expenses related to the care and support of children.

The "Predatory Lending Amendment" is designed to discourage abusive lending practices. The Durbin amendment targets lenders that violate current Truth in Lending Act standards. The amendment simply says if an individual violates current law they lose their claim in bankruptcy.

The Mimimum Wage Amendment is especially important and we strongly urge you to support it. It will help over 12 million Americans—mostly adult workers trying to support their families. By increasing the earnings of workers who are paid hourly from $5.15 to $5.65 an hour in 1999 and to $6.15 in 2000, we will be making it easier for these working families to provide the essentials for their children. Given that bankruptcy is particularly hard on low wage workers, this modest increase in the minimum wage is an especially fair element to any bankruptcy reform measure.

BACKGROUND

As a general matter, every economic discrimination suffered by disadvantaged groups in our society is reflected in the bankruptcy courts. Last year nearly 1.4 million families filed for bankruptcy, a record number. Most of the families that used the bankruptcy system were those middle class Americans who are most vulnerable economically:

SINGLE PARENTS AND THEIR CHILDREN

In 1997, about 300,000 bankruptcy cases involved child support and alimony orders.[1] For about half, women were creditors seeking payments from their ex-husbands following a divorce. In addition, nearly 400,000 women heads-of-households filed for bankruptcy to stabilize their economic conditions. Many dealt with debts incurred during marriage, including debts their ex-husbands had been ordered to pay but for which the wives remained legally responsible when their ex-husbands did not pay. Without bankruptcy, these women would have been forced to choose between spending their now-reduced family incomes on rent, groceries and utilities or on past-due credit card bills.

For women, the cumulative effects of lower wages, reduced access to health insurance, the devastating economic consequences of divorce, and the disproportionate financial strain of rearing children alone is reflected in why women heads of households find themselves in bankruptcy courthouses.

OLDER AMERICANS

About 280,000 Americans aged 50 and older filed for bankruptcy during 1997.[2] Older Americans are more vulnerable to the consequences of a job loss; someone pushed out of a job at age 54 has a very hard time coming back economically. Medical coverage is limited just as their medical needs increase. Among Americans older than 65, about a third explained that medical bills not covered by medicare has pushed them to economic collapse. Altogether, more than two-thirds of older Americans attributed their financial problems to uninsured medical bills and job losses.

AFRICAN AMERICAN AND HISPANIC AMERICAN HOMEOWNERS

About 650,000 homeowners filed for bankruptcy last year trying to save their homes.[3] For all homeowners, bankruptcy gave them a chance to stabilize economically and focus their incomes on paying their mortgages to save their homes. However, the economic struggle for Hispanic American and African American homeowners is harder than for any other group. While 68% of whites own their own homes, only 44% of African Americans and Hispanic Americans own their own homes. Both African American and Hispanic American families are likely to commit a larger fraction of their take-home pay for their mortgages, and their homes represent virtually all of their family wealth. It is no surprise, then, that African American and Hispanic American homeowners are *six hundred percent* more likely to seek bankruptcy protection when a period of unemployment or uninsured medical loss puts them at risk for losing their homes.

Industry consultants estimate that credit card companies could cut their bankruptcy losses by more than 50% if they would institute mimimal credit screening.[4] Instead, the credit issuers have spent a reported $40 million last year on lobbyists and lawyers to urge Congress to become the collection agent for their bad loans—even as their profits reach into the billions of dollars.

We strongly believe that the underlying provisions of S. 625 would disproportionately affect working families and the constituencies that comprise the Leadership Conference on Civil Rights. While the LCCR does not support the overall bankruptcy reform bill, we fully support the "Children and Families Amendment;" the "Predatory Lending Amendment;" and the Minimum Wage Amendment. Each of these amendments is important to balanced and effective bankruptcy reform. We strongly believe that no bill should be enacted that does not include these three amendments that are crucial to the livelihood of all working Americans.

Thank you for consideration of our views.

Sincerely,

WADE HENDERSON,
Executive Director.

END NOTES

[1] The reported data are from Health and Human Services (support data) and Teressa A. Sullivan, Elizabeth Warren, Jay Lawrence Westbrook, "Bankruptcy and the Family," 21 Marriage and Family Review 193 (Haworth Press 1995).

[2] Teresa Sullivan, Elizabeth Warren, and' Jay Westbrook, "From Golden Years to Bankrupt Years," Norton Bankruptcy Law Adviser 1 (July 1998). Teresa Sullivan, Elizabeth Warren, and Jay Lawrence Westbrook, "Baby Boomers and the Bankruptcy Boom," Norton Bankruptcy Law Adviser 1 (April 1993).

[3] Teresa Sullivan, Elizabeth Warren, and Jay Westbrook, The Fragile Middle Class: Americans in Financial Crisis (forthcoming Yale University Press 1999); Teresa Sullivan, Elizabeth Warren and Jay Westbrook, As We Forgive Our Debtors; Bankruptcy and Consumers Credit in America 128–144 (Oxford University Press 1989).

[4] August, Fair, Isaac & Co. Released a new/bankruptcy predictor that it says can eliminate 54% of bankruptcy losses by eliminating potential non-payers from the bottom 10% of credit car holders. "Credit Cards: Fight for Bankruptcy Law Reform Masks Truth," 162 Am. Banker 30 (September 8, 1997).

Mr. DODD. Mr. President, I do not know what the schedule is for this. I know we are not going to vote this evening, obviously. I ask unanimous consent that prior to a vote on this amendment the proponents and opponents will have at least a couple of minutes on either side to explain this amendment to our colleagues, since it is a bit complicated. There are pieces to it. Two minutes may not be enough; maybe 3 minutes on a side to explain what is in this amendment prior to the vote, whenever that occurs, Mr. President.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DODD. I know other colleagues want to be heard. I thank the indulgence of my colleagues on the floor for listening to this debate.

Mr. GRAMM. Mr. President, one of the provisions of the bill before the Senate today would "amend the Federal Reserve Act to broaden the range of discount window loans which may be used as collateral for Federal Reserve notes." This legislation was considered by the House Banking Committee and has been referred to the Senate Banking Committee. It is now being offered as an amendment to the bankruptcy bill to expedite its enactment prior to the adjournment of the Congress.

The currency collateral legislation would expand the field of assets that the Federal Reserve may use to collateralize Federal Reserve notes. All currency in circulation must be backed by specific assets, but much of the collateral that the Federal Reserve accepts for discount window loans is ineligible under current law for use to back the currency. The changes put in place by this legislation will allow the Federal Reserve to apply all eligible discount loan assets to collateralize the currency.

This legislation poses some risks unless adequate safeguards are in place. The Federal Reserve applies a discount to each type of asset used as collateral. Broadening the scope of eligible assets makes it even more imperative that strict and aggressive discounting be applied to any assets used to back U.S. currency. The Federal Reserve should discount aggressively these assets through an objective and clearly defined process that leaves no room for doubt that our currency is fully backed by reliable assets. At the most basic level, when valuing these assets this should be our general rule: when in doubt, discount.

Failure to discount collateral assets aggressively would do more than

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Endnotes at end of article.

threaten the safety and soundness of the Federal Reserve's balance sheet; it would threaten the U.S. economy and all economies that rely on a stable dollar. Many countries around the world recently have learned a painful lesson on the value of a sound currency.

We must remember that any country can engage in monetary mismanagement, and most have at some point in time. The United States must avoid that path. With a currency that is considered a stable medium by U.S. citizens and a store of value by both domestic and foreign investors, the Federal Reserve must hold sound money paramount as it implements this important change in currency collateral requirements. It has taken nearly two decades to rebuild the reputation of the dollar after the inflation of the Carter years. Today, "sound as a dollar" has meaning here and all over the world. We must do nothing to undermine it.

Mr. L. CHAFEE. Mr. President, I rise to clarify my two votes today on amendments to the bankruptcy reform legislation to increase the minimum wage by $1.00, from $5.15 to $6.15 per hour. Let me begin by saying that I preferred the approach taken by Senator KENNEDY's amendment to increase the minimum wage in two increments over the next fourteen months.

As my colleagues are aware, an increase in the minimum wage is needed for our Nation's workers. At our current minimum wage of $5.15 per hour, many of our workers are unable to support themselves and their families. In response to this need, I voted against a motion to table the Kennedy amendment because I believe workers should receive the increase over fourteen months, as opposed to the twenty-nine months proposed in the Domenici amendment. I also preferred the Kennedy approach because the business tax incentives offered in the amendment were fully paid for. On the other hand, the Domenici amendment provided $75 billion in business tax incentives to be funded by projected budget surpluses which may, or may not, materialize. Nevertheless, to its credit, the Domenici amendment offered provisions related to health insurance deductibility, and the permanent extension of the Work Opportunity Tax Credit—two important legislative items.

It is no secret that our economy is strong. Inflation is low and the economic arguments against raising the minimum wage are attempts not particularly persuasive. In fact, a recent editorial in the Providence Journal stated that ". . . higher wages often mean greater loyalty and effort on the part of employees. Thus, whatever the increment of a higher minimum wage, that cost could be more than offset by higher revenue and profits from increased productivity and reduced turnover, hiring, and training costs. . . . Congress ought to do it."

However, when the Kennedy amendment was tabled, I thought it was important to have, at the very least, some version of a minimum wage package approved by the Senate. Thus, I then voted in favor of the Domenici amendment. Although it is not an ideal package, I am hopeful that an agreement can be reached on a sensible, bipartisan approach to raising the minimum wage once the House passes its own version of the legislation. I urge my colleagues find that common ground, which in the end, will help our economy and our working families. We ought to do it.

Mr. LEVIN. Mr. President, the amendment I will offer requires the Federal Reserve to submit a report to the Senate and House Banking Committees concerning: (1) whether the location of the residence of an applicant for a credit card is considered by a financial institution in determining whether the applicant should be granted such card; and (2) the purposes for which such location is taken into consideration by such institution.

Mr. President, an individual's credit worthiness should be judged on his or her own credit history and not on where that individual happens to live. The stereotyping of consumers based on where they live is a social evil with very negative social consequences. The Congress has been instrumental in formulating legislation that seeks equal credit opportunity for all. If creditworthy persons can be rejected on account of his or her place of residence, our work is incomplete. Credit applicants should be considered on the basis of their individualized creditworthiness and not on the basis of place of residence.

Mr. President, this amendment requires that the Federal Reserve report be submitted not later than six months after the date of enactment of this act. I understand that the committee has no obligation to this amendment. I ask unanimous consent that the text of my amendment be printed following my remarks. The amendment is as follows:

SECTION 415

Mr. STEVENS. Mr. President, today I want to discuss a measure that will deal with a problem with the pension limits in section 415 of the Tax Code as they relate to multiemployer pension plans. This is a problem I have been trying to fix for years.

Section 415, as it currently stands, deprives working people of the pensions they deserve. In 1996, Congress addressed part of the problem by relieving public employees from the limits of section 415. It is only proper that Congress does the same for private workers covered by multiemployer plans.

Mr. DOMENICI. How does the current language of section 415 deprive workers of the pensions they earn?

Mr. STEVENS. That is a good question. It is a difficult issue that points to the complexity of the current Tax Code. Section 415 negatively impacts employees who have had various employers. Currently, the pension level is set at the employee's highest consecutive 3-year average salary. With fluctuations in industry, often times employees have up and down years rather than steady increases in their wages. This is especially true for those in the construction industries and other sectors that fluctuate with the local economic conditions. Fluctuations in work and income from year-to-year can skew the 3-year salary average for the employee, resulting in a lower pension when the worker retires.

Mr. DOMENICI. Does the Senior Senator from Alaska have any examples of how section 415 negatively impacts workers in multiemployer plans?

Mr. STEVENS. I thank the Budget Committee chairman for asking about section 415's real impact. An example of section 415's impact illustrates how unfairly the current law treats working people in multiemployer plans. Take, for instance, a woman who held two jobs before retiring. Upon leaving her first job she had accrued a monthly retirement benefit of $474 per month. In her second job she was employed for 15 years by a local union and her highest annual salary was $15,600. When she retires she applies for pension benefits from the two plans by which she was covered. She had earned a monthly benefit of $1,000 from the one plan and combined this with the monthly benefit of $474 from the second plan for a total monthly income of $1,474 or $17,688 per year. She looked forward to receiving this full amount throughout her retirement. However, the benefits had to be reduced by $202 per month, or about $2,400 per year to match her highest annual salary of $15,600. The so-called "compensation based limit" of section 415 of the Tax Code did not to take into account disparate benefits, but intended only to address people with a single employer likely to receive steady increases in salary.

Mr. DOMENICI. Does this affect all retirees with pension plans?

Mr. STEVENS. No. Section 415 treats public employees differently from workers in multiemployer plans. If she had been a public employee covered by a public plan, her pension would not be cut. This is because public pensions plans are not restricted by the compensation-based limit language of section 415. This robs employees in multiemployer plans of the money they have earned simply because they were not public employees.

Mr. DOMENICI. How does the current treatment of section 415 comport with recent efforts to increase pension education and to encourage people to save for retirement?

Mr. STEVENS. We do look for ways to encourage people to save for retirement and we try to educate people of the fact that relying on Social Security alone will not be enough. Yet the law may penalize many private sector employees in multiemployer plans by arbitrarily limiting the amount of pension benefits they can receive. It is wrong, and it should be fixed.

Mr. DOMENICI. How would the proposed changes to section 415 impact the treasury?

Mr. STEVENS. The Joint Committee on Taxation estimated last year that the changes adopted by the Senate on July 30th and included in my proposal would result in a tax expenditure of $4 million in the first year, $26 million over 5 years and $69 million over 10 years. It is a modest price to pay to ensure that people who have worked all their life can get the retirement benefits they are entitled to.

Mr. DOMENICI. This is not a new issue, is it?

Mr. STEVENS. No. It is an issue I have been involved with since the mid-1980's. Since that time we have seen thousands of working people in multiemployer plans retire with benefits below what they actually earned. I cosponsored S. 1209 with Senator MURKOSWKI in this session to address the problems of section 415. The provisions of that bill were accepted by the Senate Finance Committee and were included in section 346 of the Taxpayer Refund Act of 1999 passed by the Senate. That provision would have:

(1) Eliminated the application of the 100 percent of compensation defined benefit plan limit for multiemployer plans;

(2) Not allowed multiemployer plans to be aggregated with other plans maintained by an employer contributing to the multiemployer plan in applying the limits on contributions and benefits except in applying the define benefit plan dollar limitation;

(3) Applied the special rules for defined benefit plans of governmental employers to multiemployer plans, thus eliminating the high-three-year average limitation; and

(4) Increased reductions of the dollar limit prior to age 62 for defined benefit plans of governmental employers and tax-exempt organizations, qualified Merchant Marine plans and multiemployer plans from $75,000 to 80 percent of the defined benefit dollar limit.

In addition, measures to relieve the inequity of applying the three year high average had been passed three times prior to the passage of the Taxpayer Refund Act of 1999 by the Senate, most recently in the 1997 Taxpayer Relief Act.

The provisions contained in the Domenici Amendment to the bankruptcy bill would:

(1) Increase the limit for defined benefit plans from $90,000 to $160,000;

(2) Increase the limit to be adjusted before the Social Security retirement age from $90,000 to $160,000; and

(3) Increase contribution limits from $30,000 to $40,000.

While these proposals are important to ensuring retirees get the benefits they deserve, they do not go far enough to create parity between retirees in multiemployer plans and retirees in public plans.

Mr. NICKLES. Note that the Senate Finance Committee approved most of the provisions outlined by Senator STEVENS and later all of the provisions in his proposal were included in the Senate version of the Taxpayer Refund Act of 1999 that passed the Senate on July 30th. The problems for working people in multiemployer plans associated with section 415 concern me and I understand the Budget Chairman will join me in working to secure the provisions described by Senator STEVENS.

Mr. DOMENICI. Yes. The assistant majority leader is correct.

Mr. STEVENS. I thank the distinguished budget chairman and the assistant majority leader.

MORNING BUSINESS

Mr. GORTON. Mr. President, I now ask unanimous consent that there be a period for the transaction of morning business, with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

MICROSOFT FINDINGS OF FACT

Mr. GORTON. Mr. President, it was recently reported that Department of Justice anti-trust chief Joel Klein attended a party to celebrate James Glassman's new book "Dow 36,000." During the party, Mr. Klein, who is prohibited from buying and selling stocks while he serves in his current post, was overheard saying to the author, "Wow. Dow 36,000—I hope it'll wait until I get out of office." Mr. Glassman reportedly responded that Mr. Klein was already doing his part to keep the Dow down.

Mr. President, I am here to report that not even Joel Klein and the Department of Justice can shake the confidence of investors all across this great land who responded to Judge Jackson's Findings of Fact with a mild yawn. Apparently, investors understand that punishing trail blazing companies that have brought dramatic and positive change to consumers never has been, and never should be, the American way.

Despite the Government's attempts to turn the public against Microsoft, Microsoft continues to be one of the most respected companies in America. A majority of Americans believe Microsoft is right and the Government is wrong in this current lawsuit. In fact, a Gallup poll conducted over the weekend suggested that 67 percent of Americans still have a positive view of Microsoft despite the efforts of the Federal Government.

Judge Jackson made clear early in the case that he shared the administration's desire to punish Microsoft for being too successful. His Findings of Fact do not remotely reflect the phenomenal competition and innovation that is taking place in the high-tech industry every day. Reading the Findings, it is clear that even this judge could not document tangible consumer harm. Judge Jackson's thesis is that Microsoft is a tough competitor and that that toughness must stifle innovation and must harm consumers. But the judge could document no tangible harm * * * and this is why he will be reversed.

When you look at the world around us, whether in the workplace, at home, in schools, you see first-hand how 25 years of innovation in the high-tech industry has empowered and enriched people from all walks of life.

Every family and every community in America has benefited from the information revolution fueled by Microsoft. Sitting on the desktop in every office, school and hospital is a machine that brings power directly to people. Ten years ago only governments and large institutions had the power that so much information and knowledge brings. Today, because of competition among software and Internet businesses, that power runs to people and to families in cities and towns everywhere.

While the trial was going on, the high-tech industry has changed dramatically and reinvented itself a dozen times. Competition is alive and well and consumers are reaping the benefits.

Do the following numbers sound like they come from an industry that is stifled by monopolistic practices?

In 1990, there were 24,000 software companies. Today there are 57,000. And this growth shows signs of accelerating even further.

The high-tech industry accounts for 8.4 percent of America's GNP and one-third of our economic growth.

This year, the software industry alone will add almost $20 billion in exports to America's balance of trade.

It is particularly amazing that Judge Jackson found that barriers to entry into the market are too high. Apparently Linus Torvalds didn't get that memo. The 21-year-old student at the University of Helsinki recently disseminated into cyberspace the code for a computer operating system he had written. This experiment has evolved into the Linux operating system, which now has over 15 million users and is supported by such industry heavyweights as IBM, Intel, Hewlett-Packard, Dell, Gateway, Compaq, and Sun Microsystems.

Also fascinating is the fact that the co-founder of Netscape, Marc

Andreessen, created the technology for the Netscape web browser when he was a student at the University of Illinois. Four years later, the company he founded sold for $10 billion. Clearly, anyone with a great new idea can compete in this fast-paced competitive economy.

Although Microsoft is at the center of this fantastic growth that has helped the economy and brought incredible technological advances to consumers, its position as a market leader is not secure. It remains true that anyone, from any background, can by hard work and determination, take on the most successful corporation of the 20th century. As the explosive growth of Linux shows, Microsoft, too, must be allowed to compete, or be relegated to the slow lane of the information superhighway.

The competitive environment in high-tech has never been stronger. Every day new alliances change the face of the industry. America Online has transformed itself into a web, software, and hardware dynamo by purchasing Netscape, forming an alliance with Sun Microsystems, and investing heavily in Gateway. It is competitors like this who are positioned to ensure that vigorous competition, which is a boon to consumers, will lead the way into the 21st century.

Should the Federal Government intervene, our entire economy will suffer. By picking winners and losers, stifling innovation and attempting to regulate through litigation, the Federal Government can do immeasurable harm to an industry it admits it doesn't even understand. Need I remind you that these are the same people who have brought you models of efficiency such as the IRS?

Regardless of the exponential growth and vigorous competition in the high-tech industry, Judge Jackson seems convinced that consumers have been harmed by Microsoft. This he believes despite the testimony of the government's own witness, MIT professor Franklin Fisher, who when asked whether consumers have been harmed by Microsoft, responded, "On balance, I'd think the answer is no."

Nevertheless, I was stunned when listening to Joel Klein proclaim that the Findings were great news for consumers. When is it good news for consumers to learn that the Federal Government is now running the high-tech industry? When Bill Gates, Scott McNealy (Sun CEO), or the head of a new high-tech start-up want to integrate new products or features into their software they will first have to get clearance from the de facto CEO of high tech, Joel Klein.

Speaking of the Associate Attorney General, if you were watching CNN last Friday evening without the volume on, you would have thought from the looks on their faces that Janet Reno and Joel Klein had just won the POWERBALL lottery or been given $10 million dollars by Ed McMahon. Mr. President, I repeat—this decision is not good news for consumers. The findings represent a terrible precedent, not only for Microsoft, but for high-tech companies in Silicon Valley, Austin, TX and the Dulles corridor in Virginia. The message is: if you get big, or too successful—you will be punished. The Department of Justice is keeping an eye on you—be careful or you may be next. The capital of the high-tech world isn't in Silicon Valley or Washington State, it's conveniently located within our Department of Justice on Pennsylvania Avenue.

But, Mr. President, I have been a frequent critic of the Department of Justice's attacks against Microsoft and the high tech industry for a long time now. I will continue to ask questions—I will continue to defend the ability of high-tech companies that wish to compete without the threat of government intervention. I will continue to be deeply concerned about how the Department of Justice's action on Friday will jeopardize America's standing as a global leader in the field of technology. The Department of Justice has now invited Microsoft's foreign competitors to use their governments to limit Microsoft's success. Joel Klein has just tilted the balance of power in favor of high tech companies abroad, in effect saying to Microsoft: Slow down and let the rest of the world catch up.

But I am sure many of these same questions and concerns will be raised by Microsoft's own employees next week when they host Vice President GORE on the Redmond campus.

To conclude, I repeat: This case should be dropped because antitrust laws exist to protect consumers—people who buy goods and services. Antitrust laws were not created to protect Microsoft's competitors, but that is what this Justice Department is doing. It is using the power of the Federal Government to punish Microsoft for being too successful in comparison to its competitors.

In the end, I believe, higher Federal courts will throw this case out. The truth and the correct legal analysis will prevail—Microsoft has not harmed consumers and, thus has not violated our antitrust laws.

EDUCATION

Mr. GORTON. Mr. President, two major debates are taking place in the Congress and in the White House at the present time, two major debates relating to education.

Tomorrow we are likely to take up an amendment to establish the Teacher Empowerment Act. And tomorrow we will almost certainly deal, finally, with the appropriations bill for Labor, Health and Human Services, an appropriations bill that includes billions of dollars for public education in the United States of America.

There is a profound difference between the President of the United States and what I believe is a majority of the Members of both Houses of Congress over how that money on education should be spent. This morning's Washington Post summarizes that argument in quotations from our majority leader, Senator LOTT, and the President of the United States.

Senator LOTT said:

> The big issue is, who controls it? Will Washington bureaucrats assert and control where this money is used, or will there be some discretion at the local level, based on what local needs are, whether it's books or computers or training for teachers, or for teachers themselves?

The President of the United States, according to the Washington Post:

> . . . told reporters that the federal money for new teachers does not belong to states and local school districts. "It's not their money," he said.

What arrogance. The money does not belong to President Bill Clinton. This is money that comes out of the pockets of the American people across the United States, money they want to be used on the most effective possible education for their children.

The American people believe very firmly that decisions relating to the education of their children can be made more effectively and more sensitively at home by elected school board members, by superintendents, by principals, by teachers, and by parents than they can be by bureaucracies in the Department of Education in Washington, DC, or even by that national superintendent of public instruction, the President of the United States.

In fact, during the course of this debate over whether or not we should grant more authority to local school districts and to teachers and parents, a number of studies have come out on the question of whether the primary need in education in the United States is more teachers.

One of them comes from my own State from the Joint Legislative Audit and Review Committee, the "K–12 Finance and Student Performance Study." That study, just a little bit earlier this year, stated:

> An analysis of 60 well-designed studies found that increased teacher education, teacher experience, and teacher salaries all had a greater impact on student test scores per dollar spent than did lowering the student-teacher ratio. According to one researcher, "Teachers who know a lot about teaching and learning and who work in settings that allow them to know their students well are the critical elements of successful learning." Given limited funds to invest, this research suggests considering efforts to improve teacher access to high quality professional development. A recent national survey of teachers found that many do not feel well prepared to face future teaching challenges, including increasing technological

> changes and greater diversity in the classroom.
>
> The legislature's approach to funding K–12 education is consistent with the JLARC [Joint Legislative Audit and Review Committee] and national research. The legislature has provided additional funding for teacher salaries, staff development, and smaller classes, with more funding going to support teachers and less for reducing the student-teacher ratio.

In fact, the chart accompanying this study shows that increasing teacher salaries is 4 times more cost efficient than reducing class size, increasing teacher experience is 4.5 times more cost efficient than reducing class size, and increasing teacher education is 5.5 times more cost efficient than reducing class size. Given this information, it is clear that the President of the United States is putting politics ahead of academic achievement for our children.

There is another interesting statement on this subject written in April of this year by Andy Rotherham at the Progressive Policy Institute, an arm of the Democratic Leadership Council. He now, incidentally, works for the President. But he wrote in April:

> . . . President Clinton's $1.2 billion class-size reduction initiative, passed in 1998, illustrates Washington's obsession with means at the expense of results and also the triumph of symbolism over sound policy. The goal of raising student achievement is reasonable and essential; however, mandating localities do it by reducing class sizes precludes local decision-making and unnecessarily involves Washington in local affairs.
>
> During the debate on the Clinton class-size proposal, it was correctly pointed out that research indicates that teacher quality is a more important variable in student achievement than class size. In fact, this crucial finding was even buried in the U.S. Department of Education's own literature on the issue.

Finally, another quite liberal organization, the Education Trust, agrees that we cannot afford to make schools hire unqualified teachers. Kati Haycock, executive director of the Education Trust, said yesterday:

> The last thing American children need—especially low-income children—is more underqualified teachers. If the White House hopes to ensure that the Class Size Reduction program will boost student achievement, it should accept the Congressional Republicans' proposal that would allow only fully qualified teachers to be hired with these funds.
>
> Teacher quality matters, and it matters a lot. Highly qualified teachers can help all students make significant achievement gains, while ineffective teachers can do great and lasting damage to students. The difference between an effective teacher and an ineffective teacher can be as much as a full grade level's worth of academic achievement in a single year. That—for many students—can make the difference between an assignment to the "honors/college prep track" and an assignment to the remedial track. And that assignment can be the difference between entry into a selective college and a lifetime at McDonald's.
>
> Yes, small classes matter, but good teaching matters more. Our kids can have it all—smaller classes and better teachers. But first, the adults in Washington need to put aside the partisan bickering and remember what really matters—the best interests of American students.

This is exactly what we are trying to do. It is what we are trying to do in this last great appropriations bill: Saying yes, more teachers is a very important priority, but school districts ought to be able to decide that perhaps teacher training is even more important than that, or perhaps there is another higher education priority in their schools, in their communities, in their States.

Tomorrow, when we debate whether or not to add to this bill the Teacher Empowerment Act, we will be doing exactly the same thing, saying we in this body in Washington, DC, do not know all the answers, that there is not one answer for 17,000 school districts across the country; and we ought to trust the people who are spending their lives educating our children.

This is a vitally important debate, and one that the children can only win if we grant flexibility to those who are providing them with that education.

SENATOR LUGAR'S 9,000TH VOTE

Mr. LOTT. Mr. President, I bring to the attention of the Senate that today the senior Senator from Indiana cast his 9,000th vote as a Member of this body.

Throughout his career, Senator LUGAR has compiled a 98 percent voting attendance record. He did not miss a single vote during the entire 105th Congress. Along with our colleagues from Maryland, Senator SARBANES, and Utah, Senator HATCH, Senator LUGAR stands next in line to join the Senate's 10,000 vote club. A mark reached by only 21 Senators in history.

Many of you know of Senator LUGAR's passion for long-distance running. On occasion, a vote has been called while he was on one of his late afternoon runs on the Mall. Senators are not surprised when they encounter their colleague from Indiana in running shoes after double-timing back to the Senate Chamber for the vote. Casting 9,000 Senate votes is a fitting accomplishment for a long-distance runner who already stands as the longest-serving U.S. Senator in Indiana's history.

I am honored to have the opportunity to work with Senator LUGAR and pleased to recognize him on this historic milestone.

THE SATELLITE HOME VIEWER ACT

Mr. GRAMM. Mr. President, I rise to speak for a moment about another subject. I do not want to interfere with this important debate, but I think the subject I want to speak about is important in its own right. I want to put my colleagues and the public on notice about what is happening.

Probably we have all received more telephone calls and more letters on the so-called Satellite Home Viewer Act than any issue we have dealt with in this Congress. This is an issue that flows from the fact that people who have satellite dishes, especially people who live in the country, want to have access to their nearest television station. It is something we all understand. For those of us who live in the country, it is something we want.

The House of Representatives adopted a very good bill that would allow negotiations between satellites and local television stations with a goal of bringing the local television station into every living room and den in America. This would be a great boon to people who have satellite dishes in rural areas.

That bill was adopted in the House 422 to 1 on April 27. On May 20, the Senate unanimously adopted a similar bill. These bills are very strongly supported. We are all getting hundreds of telephone calls in support of them. They do what each caller wants, and that is make it possible for people, especially in rural areas, who have satellite dishes to get the news and the weather from the local station, however far away that may be.

The problem is, for some unexplainable reason—at least unexplainable to logic—in the conference, rather than adopting the House bill or the Senate bill or something in between, the conferees apparently decided that not every problem in the world was solved, and therefore in an effort to try to solve problems which were not part of either bill, they decided to put the American taxpayer on the hook for a $1.25 billion loan guarantee.

I want to make it clear. This loan guarantee was not part of the Senate bill for which we voted unanimously. It was not part of the House bill that passed 422 to 1. It was produced out of whole cloth in conference when the basic idea was there are additional problems that might be dealt with, so as a result, we want to simply add $1.25 billion.

When you approach the people who added it, you get the idea this is somehow for small business. But when you read their bill, one of the loans can be as large as $625 million. The two obvious beneficiaries are two companies, one of which saw its equity value go up 4½ times the rate of the growth of the Dow Industrial Index over the last 12 months; the other one saw its equity value go up 49 times as fast as Dow did in the last 12 months.

You might wonder why these two extraordinarily successful businesses with an explosion in their equity value, as measured by the value of common stock, suddenly need the taxpayer to come forth and sign a loan guarantee of $1.25 billion to get to the bottom line. I am for the satellite bill. I voted for it in the Senate. I think it is an important piece of legislation. But I am adamantly opposed to Members of the House and the Senate simply deciding to put the taxpayer on the hook for $1.25 billion, with a provision that was in neither the House bill or Senate bill, a provision that cannot be justified by any logic whatsoever.

I want to make it clear if that bill comes to the floor of the Senate and it has that loan guarantee in there obligating the American taxpayer for $1.25 billion, money that was not in the House bill, was not in the Senate bill, I intend to object to its consideration, and it will not become law in this millennium.

I cannot speak beyond this thousand years. But I can assure you that under the rules of the Senate, it will not become law before the turn of the new millennium, if then.

One of the authors of this provision, referring to me, said:

I don't think anybody would want to have the reputation of having cost millions of Americans the loss of their network signal, so I don't anticipate problems on either floor.

My response to our colleague in the House is: Anticipate problems on the floor of the Senate. And if anyone is endangering the ability of Americans to get the local television signal, it is not me; it is those who have added a $1.25 billion loan guarantee in this bill.

I know there are going to be a lot of people calling my office and others. Here is my message: If you are for the satellite bill, if you want to be able to get your local television station, don't bother calling me. Call the people who want to add to a conference report this $1.25 billion giveaway which was not voted on in either House of Congress, and say to them: Quit trying to give my money away and give me my local television signal.

I am not going to let this bill be adopted this year with that $1.25 billion giveaway in it. It is not too late. The conferees can come to their senses and take this provision out. It was not in either bill. It should not have been there to begin with. We can have the satellite bill passed by the end of tomorrow's business. But if it is not taken out, it is not going to be adopted. I wanted to come over and make that clear so everybody would know exactly where we are. If you want this bill, insist the $1.25 billion giveaway be taken out of it. We have the ability and we should make it possible for people in the country to get the adjacent cities' TV stations. I am for that. I am a direct beneficiary of it. Many of the people I care about are.

But the idea we are talking about giving away $1.25 billion in loan guarantees to some of the most well-off companies in America as a rider on this bill is the kind of outrageous legislative action that has to be stopped. If they think because the underlying bill is so popular that everybody is just going to turn the other way and let this $1.25 billion giveaway occur, they are wrong. I do not intend to do that. It is not going to pass the Senate unless they take it out.

I yield the floor.

ORGAN DONATION REGULATORY RELIEF ACT

Mr. TORRICELLI. Mr. President, I rise today to address a potential crisis in our nation's system of organ donation. Last year, the U.S. Department of Health and Human Services (HHS) proposed regulations that would have had devastating effects on community-based transplant programs by prohibiting states from offering organs to their own sickest residents before making them available nationwide. In response to the overwhelming concerns of patients and health care professionals nationwide, Congress delayed the implementation of the regulations and commissioned a study by the Institute of Medicine to examine the impact of the regulations on the nation's current system.

The study drew several conclusions which demonstrate how the current system is effective and why the proposed regulations are misguided. For example, the study found that the current system of organ transplantation is reasonably equitable and effective for the sickest patients. It also found that the proposed regulations would increase the overall cost of transplantation in the U.S. Perhaps most important, the study found that the current system does not discriminate because of race or any other factors and that the waiting list for an organ transplant are treated fairly.

These conclusions support the long-held concerns of the organ transplant community that the regulations, which would direct the United Network for Organ Sharing (UNOS) to develop a system which removes geography as a factor in organ donation, may actually increase waiting times in states, like New Jersey, with efficient systems.

These unintended consequences will be felt most greatly among patients with disadvantaged backgrounds. In New Jersey, we are extremely fortunate to have a system that is fair and efficient. New Jersey's unique system of certificate of need and charity care ensures that the most critical patients get organs first regardless of insurance. A national organ donation system will force the smaller transplant centers that serve the uninsured and underinsured to close as the vast majority of organs go to the handful of the nation's largest transplant centers with the longest waiting lists. Without access to smaller programs, many patients will be faced with the hardship of registering with out-of-state programs that may turn them away due to lack of insurance. Those who are accepted will be forced to travel out of state at great medical risk and financial hardship.

In light of these concerns, the conferees of the FY 2000 Labor, Health, and Human Services, and Education bill included language extending the moratorium on the regulations for a period of three months. While this is a very positive step, I am concerned that this moratorium would not provide sufficient time for Congress to consider this issue as part of the debate on the reauthorization of the National Organ Transplant Act.

I am pleased to join my colleagues Senators SESSIONS, HUTCHINSON, WARNER, MACK, SHELBY, NICKLES, INHOFE, THURMOND, ASHCROFT, MCCONNELL, ROBERTS, KOHL, FEINGOLD, CLELAND, HOLLINGS, BREAUX, GRAHAM, COLLINS, GRAMS, LAUTENBERG, ENZI, MURSKOWSKI, GORTON, LANDRIEU, ROBB, and LINCOLN to introduce the Organ Donation Regulatory Relief Act of 1999.

This bipartisan legislation will delay the Secretary's ability to issue regulations regarding the nation's organ donation system until Congress considers the complex issues surrounding organ procurement and allocation as part of the reauthorization of the National Organ Transplant Act.

For the past 15 years, the national organ procurement and allocation system has existed without federal regulation. During this time, each State has developed a unique system to meet their individual needs. Many states, such as New Jersey, have focused on serving uninsured and underprivileged populations. Clearly improvements can be made to increase the efficiency and effectiveness of organ donation nationwide. The legislation will ensure Congress has ample time to consider these important issues prior to allowing the implementation of far-reaching regulations that will revamp the system.

FOREST FIRES IN EASTERN MONTANA

Mr. BURNS. Mr. President, when a hurricane engulfs the Eastern seaboard or an earthquake shatters the lives of Californians, we reach out with compassion to those people who are affected. America's hearts and minds always turn to those who are adversely impacted by these events.

I bring to your attention a devastating natural disaster that recently struck the Eastern portion of my home State, Montana. On Halloween night, it seems as if Mother Nature played a frightening trick on many rural Montanans. A storm below out of the Rocky Mountains and onto the plains of the short grass prairie with winds in excess of 70 miles per hour.

These violent winds stoked several prairie fires. The wild fires immediately became uncontrolled infernos as they are driven along by the gusts, in some cases the wall of flames spanning many miles.

The tiny town of Outlook, MT, was evacuated in the face of this unmanageable fire. Unfortunately, the town itself was laid to waste in the wake of the flames. Thankfully, due to the early evacuation and quick response of the authorities, no lives were lost.

Two hundred and fifty miles south of Outlook another town was facing the same fate. The rural community of Ekalaka was also under evacuation orders. A different fire of the same magnitude was moving toward town as it was swept ahead of the horrific winds. This fire spared the community but still left ruin in its wake. It is estimated that ten to twenty sections of good winter grazing land has been destroyed along with miles of fences and corrals. That is between 6,400 and 12,800 acres that producers will not be able to use for winter feed. The increased costs of buying hay to feed livestock will put a great burden on ranchers already experiencing financial hardship within their industry.

Not only were these two communities impacted, there were several other communities in Eastern Montana that sustained damage due to fires. I offer my sincere gratitude to all of those who worked so diligently to fight these fires and save property and lives.

We now have Montanans facing the onset of winter, homeless, without the security of their places of business, and agricultural producers, without feed for their livestock. Just as we unite together for those who are struck by other natural disasters, I hope that you will join with me in support of these Montanans, who lost not only their homes but their livelihoods.

Entire communities have been adversely affected by this unforeseen emergency and I will be watching closely to see that these folks receive the aid needed to rebuild their lives. Montanans have suffered great losses no less devastating than the hurricanes on the East Coast and they too deserve a helping hand in their time of need.

My thoughts and prayers go out to each and every individual whose lives are in disarray due to this sudden tragedy.

COST ESTIMATE ON EXPORT ADMINISTRATION ACT

Mr. GRAMM. Mr. President, I ask unanimous consent that a cost estimate on the Export Administration Act of 1999, prepared by the Congressional Budget Office, be printed in the CONGRESSIONAL RECORD.

There being no objection, the cover letter and estimate were ordered to be printed in the RECORD, as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, November 3, 1999.

Hon. PHIL GRAMM,
Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 1712, the Export Administration Act of 1999.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Mark Hadley (for federal costs), Hester Grippando (for governmental receipts), Shelley Finlayson (for the state and local impact), and Patrice Gordon, (for the private-sector impact).

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

S. 1712—Export Administration Act of 1999

Summary: The bill would replace the expired Export Administration Act (EAA), thereby updating the system for applying export controls on American business for national security or foreign policy purposes. Since the expiration of the EAA in 1994, the President has extended export controls pursuant to his authority under the International Emergency Economic Powers Act. The Bureau of Export Administration (BXA) in the Department of Commerce administers export controls. The bill also would prohibit participation in boycotts imposed by a foreign country against a country that is friendly to the United States, and would preempt state laws pertaining to participation in such a boycott.

CBO estimates that funding the Department of Commerce to carry out the bill would cost $255 million over the 2000–2004 period if funding is maintained at the 1999 level or $280 million if funding is increased each year for anticipated inflation. Because the bill would increase penalties for violations of export controls, CBO estimates governmental receipts would increase by $18 million over the 2000–2004 period. CBO estimates that half that amount would be spent from the Crime Victims Fund, and BXA would pay informants about $500,000 a year. Because the bill would affect direct spending and receipts, pay-as-you-go procedures would apply.

Section 4 of the Unfunded Mandates Reform Act (UMRA) excludes from the application of that act any legislative provisions that are necessary for the national security. CBO has determined that several provisions of S. 1712 fall within that exclusion. One section of the bill that does not fall within that exclusion contains an intergovernmental mandate as defined in UMRA, but CBO estimates that the costs of this mandate would not be significant and would not exceed the threshold established in that act ($50 million in 1996, adjusted annually for inflation). Provisions of the bill that are not excluded from the application of UMRA also contain private-sector mandates. CBO estimates that the direct costs of those mandates would be below the threshold established in UMRA ($100 million in 1996, adjusted annually for inflation).

Estimated cost to the Federal Government: The estimated budgetary impact of the bill is shown in the following table. The costs of this legislation fall within budget function 370 (commerce and housing credit).

	By fiscal years, in millions of dollars—					
	1999	2000	2001	2002	2003	2004
CHANGE IN REVENUES AND DIRECT SPENDING						
Estimated Revenues	0	0	0	6	6	6
Estimated Budget Authority	0	0	0	1	4	4
Estimated Outlays	0	0	0	1	4	4
SPENDING SUBJECT TO APPROPRIATION						
EAA Spending Under Current Law by the Bureau of Export Administration:						
Budget Authority[1]	44	0	0	0	0	0
Estimated Outlays	43	6	2	0	0	0
Proposed Changes:						
Estimated Authorization Level[2]	0	59	56	57	59	61
Estimated Outlays	0	50	53	57	59	61
EAA Spending H.R. 973 by the Bureau of Export Administration:						
Estimated Authorization Level[1]	44	59	56	57	59	61
Estimated Outlays	43	56	55	57	59	61

[1] The 1999 level is the amount appropriated for that year. BXA has not yet received a full-year appropriation for 2000.

[2] The estimated authorization levels include annual adjustments to cover anticipated inflation, resulting in an estimated cost of $280 million over the next five years. Alternatively, if funding is not increased to cover anticipated inflation, the cost would be $255 million over the 2000–2004 period.

Basis of estimate: S. 1712 would authorize the BXA to control the export of certain items from the United States for national security or foreign policy purposes. Generally, export controls would not apply to products that are mass-market items or available from foreign sources at a comparable price and quality. Under the bill, exporters who are executing existing contracts that involve items which are prohibited from being exported for foreign policy reasons would be allowed to fulfill such contracts. CBO estimates that provisions of the Export Administration Act of 1999 would increase revenues by about $6 million a year beginning in fiscal year 2002 and direct spending by about $1 million in 2002 and $4 million a year thereafter. In addition, we estimate that implementing the bill would cost $280 million over the 2000–2004 period, assuming appropriation of the necessary amounts.

Revenues

Since the expiration of the EAA in 1994, criminal and civil penalties for violating export control laws have been collected under the Economic Emergency Powers Act. The bill would transfer the authority to levy fines back to the EAA and would significantly raise the maximum criminal fines that could be imposed—up to $10 million for corporations or $1 million for individuals—for violation of export controls. Under the bill, civil penalties of up to $1 million could also be imposed for violations of the law. On average, about two years elapse between the initial investigation of violations of export control law and the collection of a penalty. Fines are based on the law in force at the start of an investigation. CBO does not expect penalties under the new law to be collected until fiscal year 2002. Based on information from the Department of Commerce, CBO estimates that enacting the bill would increase receipts from penalties by $6 million a year beginning in 2002.

Direct spending

Collections of criminal fines are recorded in the budget as government receipts (i.e., revenues), which are deposited in the Crime Victims Fund and spent in subsequent years. We estimate half of the increase in governmental receipts attributable to this bill ($3 million a year), would be for criminal fines. Thus, the additional direct spending for this provision of the bill also would be about $3 million a year beginning in 2003, because spending from the Crime Victims Fund lags behind collections by about a year.

Under current law, BXA pays informants negligible amounts each year for leads on possible violations of export control law. The bill would allow BXA to pay informants the lesser of $250,000 or 25 percent of the value of fines recovered under the act as a result of the information provided. This provision would greatly expand the authority to pay informants. Based on information from BXA, CBO estimates that the bureau would pay informants about $500,000 a year, starting in 2002.

Spending subject to appropriation

BXA is responsible for implementing the EAA. Based on information from the Department of Commerce, CBO estimates that BXA's budget for this work was about $44 million in 1999, and about $45 million would be needed in 2000 to continue this work. S. 1712 would authorize the appropriation of such sums as may be necessary to continue this work, to hire 20 employees to establish a best practices program for exporters, to hire 10 overseas investigators, and to procure a computer system for export licensing and enforcement. Based on information from BXA, CBO estimates that implementing a best practices program for exporters would cost about $4 million a year, stationing overseas investigators would cost about $5 million a year, and procuring the computer system would cost about $5 million in 2000. Any such spending would be subject to appropriation of the necessary amounts. Assuming historical spending patterns and allowing for cost increases to cover anticipated inflation, CBO estimates that implementing the bill would cost $280 million over the 2000–2004 period.

Pay-as-you-go considerations: The Balanced Budget and Emergency Deficit Control Act sets pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays and governmental receipts that are subject to pay-as-you-go procedures are shown in the following table. For the purposes of enforcing pay-as-you-go procedures, only the effects in the budget year and the succeeding four years are counted.

	By fiscal years, in millions of dollars—									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Changes in outlays	0	0	1	4	4	4	4	4	4	4
Changes in receipts	0	0	6	6	6	6	6	6	6	6

Estimated impact on state, local, and tribal governments: Section 4 of the Unfunded Mandates Reform Act excludes from the application of that act legislative provisions that are necessary for the national security. CBO has determined that several provisions of S. 1712 fall within that exclusion. One section of the bill that does not fall within that exclusion contains an intergovernmental mandate as defined in UMRA. That section would preempt a state or local government's ability to participate in, comply with, implement, or furnish information regarding restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries. Because state and local governments would not be required to take any action, however, CBO estimates that the cost of this preemption would be insignificant.

Estimated impact on the private sector: Section 4 of UMRA excludes from the application of that act legislative provisions that are necessary for the national security. CBO has determined that several provisions of S. 1712 fall within that exclusion. Provisions of the bill that do not fall within that exclusion contain private-sector mandates as defined in UMRA.

By replacing the expired Export Administration Act, the bill would impose private-sector mandates on exporters of items controlled for foreign policy purposes. (At the same time the bill would put into place certain new procedural disciplines on the President in the implementation of such controls.) In addition, S. 1712 would impose a mandate by prohibiting anyone, with respect to that person's activities in the interstate or foreign commerce of the United States, from participating in boycotts imposed by a foreign country against a country that is on good terms with the United States.

The bill also would make changes in the system of foreign policy export controls that would lower costs to the private sector of complying with requirements under that system. In particular, S. 1712 would restrict the use of foreign policy export controls on agricultural commodities, medicine, or medical supplies. According to information provided by several government and industry sources, the nonexcluded provisions of the bill would largely either codify current policies with respect to export controls or make reforms that could reduce requirements on exporters of controlled (and de-controlled) items. Thus, CBO expects that the direct costs of complying with private-sector mandates in the bill would fall well below the statutory threshold established in UMRA ($100 million in 1996, adjusted annually for inflation).

Estimate prepared by: Federal Costs: Mark Hadley. Federal Receipts: Hester Grippando. Impact on State, Local, and Tribal Governments: Shelley Finlayson. Impact on the Private Sector: Patrice Gordon.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

HATE CRIME VIOLENCE

Mrs. FEINSTEIN. Mr. President, a few weeks ago, I met with Alan Stepakoff, the father of six-year old Joshua, who was among five victims—three children ages 5 and 6; one 16-year old teenager and a 68-year old adult—gunned down at a Los Angeles Jewish community center last August by Buford Furrow, Jr., a white supremacist. Fortunately, the son and the four other victims survived the shooting and are on their way to recovery. Unfortunately, within minutes of this tragic shooting, the Nation learned that the same assailant had murdered in cold blood U.S. Postal Service carrier Joseph Ileto, a Filipino American, on account of his race.

This episode is but one of a growing list of hate crimes targeting places once believed to be safe havens—including schools, synagogues, churches, community centers. This incident is a grim reminder of how hate can provoke violence against the young and innocent. Unless we address this hatred and violence in our communities immediately and unequivocally, the list of such horrific events will certainly grow.

We have before us legislation that would address this growing blight on our society: the Hate Crimes Prevention Act of 1999. This important legislation was introduced by my colleague Senator KENNEDY and adopted by the Senate as part of Fiscal Year 2000 Commerce, Justice, State Appropriations Act.

Unfortunately, the measure was stripped from the first Commerce, Justice, State appropriations bill presented to the President. I urge my colleagues to insist on this provision's inclusion in the next such bill.

This legislation is urgently needed to compensate for two limitations in the current law. First, even in the most blatant cases of racial, ethnic, or religious violence, no federal jurisdiction exists unless the victim was targeted while exercising one of six federally protected activities—attending a public school or college; participating in a service or program sponsored by a state or local government; applying for or engaging in employment; serving as juror in a state court; traveling or using a facility of interstate commerce; and enjoying the goods or services of certain places of public accommodation.

These limitations have led to acquittals in several of the cases in which the Department of Justice has determined a need to assert federal jurisdiction and has limited the ability of federal law enforcement officials to work with state and local officials in the investigation and prosecution of many incidents of brutal, hate-motivated violence.

A second limitation in current law is that it provides no coverage whatsoever for violent hate crimes committed because of bias based on the victim's sexual orientation, gender or disability. As a result, federal authorities cannot prosecute individuals who commit violent crimes against others based on these characteristics. This is especially disturbing given the fact that according to the FBI, crimes against gays, lesbians and bisexuals ranked third in reported hate crimes in 1998, registering 1,260 or 15.6 percent of all reported incidents. Unfortunately, there are those who would stop short of supporting this important legislation because it extends protections to those targeted on account of their sexual orientation.

The hate crimes legislation introduced this year would remedy would expand the legislation I authored in 1994, which provided a bifurcated trial and enhanced penalties for felonies spawned by hate that took place either on federal land or in pursuance of a federally protected right (such as voting or attending a public school).

The Hate Crimes Protection Act broadens federal jurisdiction to cover all violent crimes motivated by racial or religious hatred, regardless of whether the victim was exercising a federally protected right. It would also include sexual orientation, gender and disability to the list of protected categories within current federal hate crime law, provided there is a sufficient connection with interstate commerce.

At the same time, federal involvement would only come into play if the Attorney General certifies that federal prosecution is necessary to secure substantial justice. In recent years, the existing federal hate crimes law has been used only in carefully selected cases where the state criminal justice system did not achieve a just result.

For many years I have been deeply concerned about hate crimes and the immeasurable impact they have on victims, their families and our communities. As I have previously mentioned, in 1993 I sponsored the Hate Crimes Sentencing Enhancement Act, which was signed into law in 1994 as a part of the Violent Crime Control and Law Enforcement Act of 1994. Today, I believe the Hate Crimes legislation will build on this effort by modifying the current laws to allow the federal government to provide the vital assistance to states in investigating of crimes of this magnitude.

Sadly, hate crimes are becoming too commonplace in America. According to the U.S. Department of Justice, in 1998, 7,775 hate crime incidents were reported in the United States and 9,722 victims. Of that total, 4,321 or 58 percent of the crimes were committed on account of the victim's race. More than 3,660 victims of anti-Black crimes; 1,003 victims of anti-White crimes, 620 victims of anti-Hispanic crimes; and 372 victims of anti-Asian/Pacific Islander crimes.

In that same year, 1,390 or roughly 16.0 percent of the victims were targeted because of their religious affiliation. The number of anti-Jewish incidents is second only to those against blacks and far exceeds offenses against all other religious groups combined. Moreover, while by most accounts anti-Semitism in America has declined dramatically over the years, the level of violence is escalating.

Civil rights groups as well as federal and State authorities agree that in the last five years, reported hate crimes have increased annually, from 5,932 in 1994 to 7,755 in 1998. As of 1998, four States still do not collect hate crime data. Yet, even if all States were reporting these incidents, it would be difficult to gauge the true extent of the hate crime problem in this country because bias-motivated crimes typically are under reported by both law enforcement agencies and victims.

And while these crimes have become more numerous, they have also become more violent. Monitoring groups have observed a shift from racially-motivated property crimes, such as spray painting, defacement and graffiti, to personal crimes such as assault, threat and harassment. On a national scale, according to FBI statistics, almost 7 out of 10 hate crimes are directed against people. Nonhate crimes, by contrast, are directed against people only 11 percent of the time.

This legislation is long overdue. Looking back on this year alone, one might recall the litany of news stories describing a murderous rampage at a school in Littleton, Colorado; or the drive-by shooting attacks on Jews, an African-American, and Asian-Americans in Chicago, Illinois; or the two pipe-bomb explosions at the predominantly African American Florida A&M University; the brutal murders of two gay men in California; or the torching of synagogues in California; all despicable acts of virulent hatred.

We should work to give our citizens protection from those who would do them harm simply based upon their race, religion, gender, disability, or sexual orientation. Enactment of the Hate Crimes Prevention Act would send a message to our nation and the world that the singling out of an individual based on any of these characteristics will not go unnoticed or unpunished.

Mr. President, I urge my colleagues to enact this important legislation prior the end of this session.

SUPERFUND TAX RENEWAL

Mr. ENZI. Mr. President, I stand again in opposition to a proposal from my Democratic colleagues that attempts to renew the expired Superfund tax for the sole purpose of raising revenue to meet budgetary targets. We are once again faced with a policy which advances spending for social programs on the backs of small business owners and municipalities without any attempt to reform the current program.

I am puzzled at this current proposal for several reasons. First, it is estimated that the Superfund Trust Fund has maintained a surplus of $1.5 billion. In addition, appropriation committees in the House and Senate have allotted $700 million in general revenue to supplement funding for the program through Fiscal Year 2000. According to an analysis conducted by the Business Roundtable, it is estimated that the Superfund Trust Fund will have sufficient funding through 2002 without the need for further taxes.

Even without the imposition of taxes, contributions to the Superfund Trust Fund are plentiful. In 70 percent of all sites responsible parties paid cleanup costs in addition to reimbursing the EPA for its oversight expenditures. These payments, and the collection of all related costs to the EPA, are applied to the Trust Fund. In the remaining 30 percent of cases, the responsible parties pay the EPA to scrub the contaminated site in addition to paying for oversight costs. According to the Chemical Manufacturers Association, only 3 out of 150 sites required sole payment from general revenues because the parties involved either abandoned the site or were bankrupt.

The premise behind the initial creation of the Superfund program was to facilitate a rapid cleanup of hazardous waste sites nationwide, with the responsible parties largely funding the site cleanup. This is a relatively simple and logical concept known as the "polluter pays" principle.

Secondly, the EPA has admitted that the Superfund program is drawing to a close. Under such conditions, there is no compelling reason to reinstate a tax to fund a program which is not only flawed, but is being phased out.

I ask my colleagues to heed the advise of numerous business and taxpayer organizations that oppose the reinstatement of the superfund tax in the absence of overall reform. I ask unanimous consent that the letters from the following organizations be printed in the Record:

U.S. Chamber of Commerce, American Petroleum Institute, The Business Roundtable, American Insurance Association, and Americans for Tax Reform.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMERICANS FOR TAX REFORM,
Washington, DC, October 28, 1999.

Hon. BILL ARCHER,
Committee on Ways and Means, Washington, DC.

DEAR CHAIRMAN: I am writing to support your publicly-stated opposition to the imposition of any new taxes related to potential Superfund reform legislation pending in the House of Representatives. At a time when the non-Social Security budget surplus is projected to grow as high as $1 trillion, Congress should not be raising taxes to pay for more government spending.

Furthermore, the Corporate Environmental Income Tax (CEIT) that expired in 1995 is a direct tax on corporate income. Thus, if any one of the 209 of Members of the House Republican Conference who signed the Americans for Tax Reform pledge not to raise new personal or corporate income taxes were to vote for them, they would be in direct violation of their signed pledge.

The House of Representatives has correctly rejected President Clinton's proposal for new taxes on at least three different occasions, most frequently by passing the Sense of Congress that Congress should not raise taxes to pay for more government spending. We hope that this steadfast opposition to any new tax increases continues in the debate over reform of the Superfund program.

In summary, no new taxes means no new taxes, and we support your position not to raise any taxes to pay for more spending.

Sincerely yours,

GROVER G. NORQUIST.

THE BUSINESS ROUNDTABLE,
Washington, DC, October 19, 1999.

Hon. J. DENNIS HASTERT,
Speaker of the House, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: The Business Roundtable is opposed to renewal of the Superfund taxes for purposes of raising revenue to meet budgetary targets. By law the Superfund Trust Fund was intended to be dedicated to cleaning up sties on the National Priorities List (NPL) and not for other budgetary purposes. The Superfund is funded both by Superfund taxes, but also from recovery of cleanup costs from responsible parties. Members of The Business Roundtable fall significantly in both categories.

We strongly believe that the taxes, which expired in 1995, should not be renewed for the following reasons:

1. The Superfund Trust Fund has an estimated surplus of $1.5 billion. In addition, both the House and Senate appropriations committees have allotted $700 million in General Revenues to supplement funding for the Superfund program through fiscal year 2000. Under our analysis, we estimate Superfund will have sufficient funding through the year 2002 without renewal of the taxes.

2. Under the Superfund law's liability scheme, responsible parties largely fund site cleanup regardless of the imposition of taxes. The preponderance of funding for Superfund is driven by the law's liability scheme, not from taxes. Most "deep pocket," responsible parties contribute well in excess of their actual fair share of responsibility. Where EPA spends money from the Trust Fund for cleanup, these expenditures are also in large measure recovered from responsible parties.

3. The Business Roundtable continues to support the principle that Superfund taxes be tied to comprehensive Superfund reform, including Natural Resource Damages. Both the House Transportation and Infrastructure Committee and the House Commerce Committee have reported reform bills. "Regular order" would suggest that any future federal funding of superfund be tied to an assessment of the impact of these reforms on the future of the program. Taxes should not be renewed absent comprehensive reform, and the current bills need to be evaluated against this criterion. In particular we would note that at this point the legislation is silent on Natural Resource Damages, which we believe must be reformed.

4. Finally, both House and Senate Appropriations for EPA include directives for a study of the costs to cleanup the remaining sites on the NPL and bring the Superfund program to successful closure. We support such an analysis to determine what the actual cost estimates are for Superfund. Under an earlier Roundtable analysis we concluded that it would be feasible to finance the current program at a rate of about 20 to 30 new sites per year (historical average) with an endowment representing approximately four years worth of funding (historical tax rates). There is no compelling reason to reinstate the taxes at their full rate for five years to fund a program which is phasing down. Nor should funding be renewed absent completion of the analysis directed by both House and Senate committees.

We urge you to resist any efforts to reinstate Superfund taxes for budgetary purposes, absent the Congressionally directed evaluation of future program costs and reform legislation, which includes Natural Resource Damages.

Thank you for your consideration.

Sincerely,

ROBERT N. BURT,
Chairman, The Business Roundtable Environmental Task Force, Chairman and CEO, FMC Corporation.

AMERICAN INSURANCE ASSOCIATION.

Hon. J. DENNIS HASTERT,
Speaker of the House,
U.S. House of Representatives, Washington, DC.
Hon. RICHARD A. GEPHARDT,
Minority Leader, U.S. House of Representatives.
Hon. TRENT LOTT,
Senate Majority Leader, U.S. Senate.
Hon. THOMAS A. DASCHLE,
Senate Minority Leader, U.S. Senate, Washington, DC.

DEAR MR. SPEAKER, MR. LEADER, MR. GEPHARDT, AND MR. DASCHLE: In recent days proposals have been made to reinstate the expired Superfund taxes to provide revenue offsets for non-Superfund spending—such as the tax extenders bill now under consideration—without enacting meaningful Superfund reform. In addition, as this session of Congress draws to a close, there may be separate attempts to attach to unrelated legislation Superfund liability carveouts that shift cleanup costs to parties who remain liable at Superfund sites. We are writing to express our continued strong opposition to both of these proposals.

No Superfund Taxes Without Meaningful Superfund Reform.

Reinstatement of the expired Superfund taxes prior to enactment of meaningful Superfund reform would effectively prevent legislative reform of the Superfund program. That's because under the "pay-go" rules of the Federal budget laws, any Superfund reauthorization bill that includes mandatory spending provisions must also include provisions to reinstate the expired Superfund taxes or provide equivalent offsetting revenues "within the four corners of the bill" to keep it deficit neutral. Thus, if the Superfund taxes were to be enacted prior to consideration of a Superfund reform bill, Superfund reform could not be enacted without finding a new source of revenue, essentially an impossible task.

The taxes should not be prematurely reinstated, especially now that legislative reform of the Superfund program is within our reach. On August 5th the House Transportation and Infrastructure Committee voted 69–2 to report H.R. 1300, the Recycle America's Land Act, introduced by Subcommittee Chairman Sherry Boehlert. That bill now has some 138 cosponsors, divided nearly equally between Democrats and Republicans. The House Commerce Committee is expected to mark up a similar bill, Mr. Greenwood's H.R. 2580, in the next few days.

In the meantime, the Superfund program does not need reinstatement of the taxes to continue operating at full speed. The current surplus in the Superfund Trust Fund, combined with continued appropriations at the most recent level, mean the program will be fully funded through at least FY 2002. In fact, even with enactment of legislative reform, reinstatement of the taxes at the full levels that existed prior to their expiration in 1995 is not necessary. As the Boehlert bill, H.R. 1300, recognizes, any new funding for Superfund should be carefully tailored to reflect the declining needs of the cleanup program, which EPA has acknowledged is winding down.

No Cost-shifting for Liability Exemptions.

We are also concerned that there may be attempts this year (just as there were last year) to provide liability relief for certain parties by inserting amendments into appropriations bills or other legislation. While we do not oppose properly-crafted liability exemptions for small business, municipalities, recyclers, or others, we do oppose exemptions that shift their shares of cleanup costs to the remaining Superfund parties. Under the Boehlert bill, H.R. 1300, these costs would be part of the orphan share paid by the Trust Fund. This is the original purpose for which Congress created the Trust Fund.

There is certainly no justification for shifting these orphan shares to the other parties. In fact, in recent years even EPA has consigned much more of these orphan shares to the Trust Fund. Shifting costs to other parties is not only unfair, it is one of the main causes of litigation and the attendant cleanup delay at Superfund sites.

In sum, we urge you to oppose reinstatement of the expired Superfund taxes without enactment of meaningful Superfund reform. We also urge you to oppose Superfund liability exemptions which shift cleanup costs to other liable parties.

If we can provide assistance or further information on these or other related matters, please do not hesitate to call on us.

Sincerely,

ROBERT E. VAGLEY,
President.

U.S. CHAMBER OF COMMERCE,
'AMERICAN PETROLEUM INSTITUTE,
October 8, 1999.

Hon. J. DENNIS HASTERT,
Speaker of the House, U.S. House of Representatives, Washington, DC.
Hon. RICHARD A. GEPHARDT,
House Minority Leader, U.S. House of Representatives, Washington, DC.
Hon. TRENT LOTT,
Senate Majority Leader, U.S. Senate, Washington, DC.
Hon. THOMAS A. DASCHLE,
Senate Minority Leader, U.S. Senate, Washington, DC.

DEAR MR. SPEAKER, SENATOR LOTT, MR. GEPHARDT, AND SENATOR DASCHLE: We are writing to express our concern about possible efforts to reinstate the expired Superfund taxes. Proposals to reinstate the taxes solely as a means of raising revenue without enacting comprehensive reform of the Superfund program are very disturbing to us. Raising taxes on industry runs directly counter to congressional efforts to reduce taxes. Furthermore, the Superfund taxes do not need to be reinstated to keep the program going. Under the most recent appropriations and funding mechanisms, the trust fund will remain solvent for many years as the program begins to wind down. Even by EPA's own admission the Superfund program is drawing to a close.

The Superfund program was created to address a broad problem—paying for the cleanup of "orphan" waste disposal sites (those that were either abandoned or whose owners were bankrupt). A wide range of individuals, businesses and government entities have contributed to Superfund sites, therefore general revenues should pay for the program's administrative costs and the clean-up of sites where the responsible parties cannot be found.

In 1995, the Superfund taxes expired. EPA officials claim that using general revenues rather than industry-specific taxes to pay for Superfund would "constitute paying for polluters' clean-ups on the 'backs' of the American taxpayers." That is simply not true.

Private sector responsible parties (the so-called "polluters") have always paid the majority of cleanup costs associated with the program. In addition, all responsible parties continue to pay their share of Superfund clean-up costs, even though the dedicated taxes have expired. Under CERCLA's strict joint and several liability standard, persons identified as contributing wastes to a Superfund site are paying their share (in addition to the shares of other contributors) of the clean-up costs.

Even without industry tax revenues, Superfund will have sufficient funding from general revenues, fines, penalties, and profits on investments to support the program into Fiscal Year 2002. For fiscal year 2000, the Appropriations Committees have chosen to fund between $700 and $725 million of the Superfund program from general revenues. In fact, Congress can fund the entire program from general revenues, according to the General Accounting Office and the Congressional Budget Office.

Simply stated the Superfund taxes should not be reinstated—instead, general revenues should continue to be used to pay for the program. Reinstating industry-specific taxes is not consistent with Congress' intent for the program, that is, whenever possible, polluters should pay for the costs of cleaning up the sites they helped contaminate. The debate over Superfund should not be about reinstating the taxes. It should be about winding down the program as it completes its original mission and devolving the day-today operation of the program to the states.

Sincerely,

RED CAVANEY,
American Petroleum Institute.
THOMAS J. DONAHUE,
Chamber of Commerce of the US.

Mr. ENZI. Mr. President, now is not the time to consider tax increases to pay for government spending, especially at the same time we are experiencing a non-Social Security surplus, projected to grow as high as $1 trillion over 10 years, and at a time when American citizens are paying taxes at the highest peacetime rate in history.

Mr. President, I yield the floor.

SAFEGUARDING OUR SECURITY

Mr. TORRICELLI. Mr. President, there are few matters of more importance to the nation than the safeguarding of our security. Every day, tens of thousands of men and women wear the American uniform proudly in all the world's time zones while guarding against threats to American citizens and our interests. Perhaps there is no more perilous environment in which our servicemen and women operate than beneath the oceans. Because of the secrecy demanded by the myriad missions, Navy submariners have come to be known as the silent service. Often reluctant to speak on their own behalf, I commend to my colleagues attention the following article which is of great importance, not only to our nation's undersea warriors, but to the nation's security.

The commentary in Defense News touches upon an important opportunity. It is the chance to secure more useful life from four Ohio-class submarines slated for retirement. The article suggests the possibility of converting them from their strategic nuclear duties into tactical Tomahawk shooters able to provide our overseas warfighting commanders additional striking capability.

I ask unanimous consent this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Defense News, Mar. 29, 1999]

CONVERTED SUBMARINES COULD BOLSTER U.S. POWER PROJECTION

(By Ernest Blazar)

Power projection can be a difficult concept to understand in the abstract. It is a nation's ability to make its military might felt beyond its borders—as diplomacy's coercive underpinning, deterrence or in actual combat.

American power projection has taken many forms in years past; the man-o-war, expeditionary Marines, the dreadnaughts of the Great White Fleet, the aircraft carrier, the Army's 82nd Airborne division and the Air Force's expeditionary wings. Different crises have demanded different kinds of U.S. power projection at different times.

In recent years, however, U.S. power projection at the lethal end of the spectrum combat has increasingly relied upon a single tool. Since its 1991 Persian Gulf war debut, the Tomahawk cruise missile has become the weapon of choice when crises demand swift and accurate U.S. military response.

They have cleared safe lanes for U.S. warplanes through enemy air defenses. Tomahawks have hit terrorists. And they have destroyed sites thought to hold mass destruction weapons. Over 700 have been used in six different strikes since 1991.

As Tomahawks' use grows so do the strains upon their launch platforms in the shrinking 300-ship fleet. So some in the Navy and Congress are seeking new ways to quickly boost the number of Tomahawk missiles—the power projection tool of choice—available to overseas U.S. commanders.

Attention has now fallen upon four Ohio-class submarines to be retired in 2003 and 2004. A now overdue Navy study to Congress reveals how these Cold War-era submarines, that once aimed nuclear-tipped missiles at the Soviet Union, can easily be converted to carry hundreds of Tomahawk missiles.

Doing so would give the U.S. Central Command in the Persian Gulf, for example, one such submarine year-round, thereby almost doubling the in-theater inventory of Tomahawks. That would take the pressure off other Navy ships needed elsewhere, increase deterrence and strengthen U.S. combat power should strikes be necessary.

The Navy's imminent report has found that the four Ohio-class subs could be fitted with Tomahawks and Navy Sea, Air and Land (SEAL) commando gear for $500 million each. According to New Jersey Senator Robert G. Torricelli, "It's an inexpensive way of adding a new dimension to U.S. warfighting capabilities."

All but two of the 24 strategic missiles tubes aboard the Ohio-class boats could be refitted to accept a canister holding six or seven Tomahawk missiles each, yielding a maximum of 154 cruise missiles. If some SEALs are aboard, along with their special gear, only 98–140 Tomahawks could be loaded—still more than any other Navy ship carries.

The full warload—all 154 Tomahawks—can be "ripple-fired" from the submerged submarine in less than six minutes. That is key because it allows the submarine to quickly, quietly and safely remove itself from the launch site after firing all its missiles.

A submarine-launched strike of that size offers two main advantages. First, by virtue of its stealth, a submarine can launch a surprise attack from within an enemy's early-warning perimeter. With no advance warning, large numbers of enemy targets can be hit before they are hidden, dispersed or emptied. There is no build-up of U.S. forces to warn an enemy of a pending attack. Second, submarines are less vulnerable to attack and counter-attack than are surface ships. If embarked SEALs are the best weapon for a mission, the converted Ohio-class boats can house 102 such men for short durations and 66 SEALs nearly indefinitely. This allows for a sustained special operations campaign, rather than solitary strikes, from a stealthy, invulnerable platform.

SEALs can also use the submarine's silos that once held nuclear-tipped strategic missiles to store their unique gear. There is ample room for a hyperbaric chamber to recompress divers if needed and a warming chamber which helps SEALs recover from prolonged exposure to cold water. The converted Ohio-class boats could also serve as 'mother-ships' to special underwater SEAL delivery craft like the Advanced Swimmer Delivery Vehicle minisub.

INNOCUOUS

Even though the four converted Ohio-class boats would no longer carry nuclear-tipped missiles, strategic arms control treaty limits would still apply to these boats. This means the ships' missile tubes, now filled with tactical missiles and Navy SEALs, would still be counted against ceilings that cap the number of U.S. and Russian strategic weapons. The Navy's study to Congress has found that, while complex, this issue can be accommodated as has been done before for other strategic missile submarines converted to special, tactical duties.

The nation has a rare opportunity to swiftly and cheaply boost its ability to project power. The conversion of these four Ohio-class boats will complement, not compete with, other Navy ships and Air Force expeditionary warplanes deployed to overseas hotspots. This chance to get new, useful life out of old Cold War-era systems on the cheap is the innovative and right thing to do for the Navy and the nation.

IN HONOR OF SENATOR JOHN H. CHAFEE

Mr. LIEBERMAN. Mr. President, I rise today to speak in memory and tribute to Senator John H. Chafee, who was for me not just a colleague and friend, but a mentor on the Environment and Public Works Committee for the eleven years I have been in the Senate. Nearly every single environmental statute bears the strong stamp of his commitment and leadership; Superfund, the Clean Water Act, the Safe Drinking Water Act, barrier beach legislation, transportation laws, the Oil Pollution Protection Act. The list goes on and on.

When John Chafee first announced that he was not going to run for reelection, a lot of us who care about the environment realized what a great loss John Chafee's retirement would be. Now his sudden death reminds us all too quickly that he was an irreplaceable friend of the environment. He was a very sturdy, forthright, faithful leader at a time when the number of legislators in his great party who consider themselves environmental stewards grew smaller. This trend has been contrary to the proud environmental tradition of the Republican party that goes back to the days of Teddy Roosevelt and contrary to what I find to be the opinion of Republicans in Connecticut who are quite enthusiastically supportive of environmental protection. Senator Chafee held high the banner of that tradition.

He always considered himself a centrist and I know that what he meant by that was not that he was neutral, but that he was committed to bringing different groups and factions within Congress and outside together to get things done. One of my first and best experiences as a Senator was in 1990 when we were considering the Clean Air Act Amendments. Senator George Mitchell, then Majority Leader, pulled a group of us together with representatives of the Bush Administration in his conference room. John Chafee was there day after day, and night after night, throughout long, tedious negotiations. But in the end, he helped put the pieces together for us to adopt a bill signed by President Bush that has clearly made our nation's air healthier and cleaner.

He was also a leader in the effort to protect against global climate change, urging the President to adopt an international framework to address the issue as early as 1988, and supporting the efforts to achieve the signing and ratification of the United Nations Framework Convention on Climate Change. We went to Kyoto, Japan for the critical meetings there to forge further agreements to fulfill the objectives of the Framework Convention agreement. In that difficult setting John sent a message to the countries of the world which were being quite critical of the United States' position, that there was bipartisan support in Congress for taking action to address global warming. He and I then worked together with Senator MACK to sponsor what we thought was a modest proposal in this Congress to begin to give companies that reduce greenhouse gas emissions the promise of credit if and when we adopt a mandatory system for controlling that kind of air pollution. I remember laughing with John that we must be on the right path because our proposal was opposed by both sides of the debate.

John Chafee was the quintessential New Englander; he was a straightforward, very honest, very civil man. He also was a great outdoorsman. I think that some of the work he was proudest of involved his efforts to protect natural resources. He played a critical role in expanding our National Wildlife Refuge System and worked hard to conserve wetlands. He instituted several reforms to tax policy to encourage the preservation of open space. He was a great advocate right up to his death for full and permanent funding for the Land and Water Conservation Fund, which is so important to preserving open spaces in our states.

John Chafee was a good man and a superb chairman. Always respectful to those who came before our Committee, he wanted to get things done. When it came to the environment, he really did get things done. I'll miss him. We'll all miss him. The Lord's good earth will miss him, because he was indeed a good friend. My wife Hadassah joins me in extending condolences to Ginny Chafee and the entire family. We all do truly share in their loss.

TRADE AND DEVELOPMENT ACT OF 1999

Mr. LIEBERMAN. Mr. President, I rise today to make additional remarks on a provision contained in the Manager's Amendment to the Trade and Development Act of 1999 adopted last week by voice vote. The manager's included a Sense of the Senate on Tariff Inversions that has raised some concerns with several of my colleagues. I would like to engage them in a discussion of the issue on the floor of the United States Senate.

There is a company in my state, The Warren Corporation, that specializes in the manufacture of high quality woolen and worsted apparel fabric. This company has been producing luxurious fabrics for decades and recently invested heavily in the U.S. to become a fully integrated textile mill with a diverse set of manufacturing operations. I mention Warren today because this proud contributor to the New England textile heritage could be adversely affected by a tariff provision recently adopted by voice vote in the Manager's Amendment to the Trade and Development Act of 1999. I would like to call on some of my esteemed colleagues who I am sure have similar concerns in their states. Senator HELMS, is it not true that you have thousands of workers in the textile industry that could be adversely affected by this legislation.

Mr. HELMS. Mr. President in responding to the distinguished Senator from Connecticut, it is certainly true that North Carolina is the largest of the nation's textile and apparel states in terms of employment. In fact, North Carolina employs over 200,000 workers in this industry, many of which are directly involved in wool fabric production. For that reason, I share his deep interest in this wool fabric issue. I want to make it clear that any such legislation would institute a unilateral tariff reduction on the part of the U.S. I do not believe that it is wise policy for the U.S. to simply reduce important tariffs and gain nothing in return. These same fabric makers are essentially precluded from shipping their products to many key markets overseas. My point is simply, if we want to consider reducing these duties, it would be better done as part of the upcoming World Trade Organization talks later this month in Seattle. At the very least, in that forum we would have the ability to gain some reciprocal market access to our manufacturers.

Mr. DODD. Mr. President, I rise to also express my concern in regard to this wool fabric issue. Like my colleague from Connecticut, I have great respect for the workers and employers in the textile sector in my state. In particular the Warren corporation was mentioned. Eleven years ago, this company invested over $40 million in an abandoned textile factory in Stafford Springs, Connecticut. For several years they operated at a loss as they fought for market share here in the U.S. However, they understood that if they produced a quality product at reasonable price, they would succeed. Today they are one of the most respected suppliers of fine grade wool fabrics in the world, and they are providing nearly 300 jobs in a depressed area of my state. This is the type of investment and the type of jobs that we want to attract to our region. As a result, we in Congress need to be very careful about proposals that would cut the legs out from under a company such as Warren. Instead of unilaterally cutting their tariffs, we should be searching for ways to further encourage such investment.

Mr. CAMPBELL. Mr. President, I too have an interest in this matter, but from a different angle. The U.S. fabric industry consumes virtually all the wool fiber produced in the United States. My home state is a significant producer of wool. If we approve legislation that damages fabric makers, it will have a direct and adverse impact on wool growers. The growers in my state are already suffering from surging imports of lamb meat. In addition, the price of their wool has been severely depressed due to the fact that wool from Australia and New Zealand is routinely dumped on the world market. As a result, I am on the record as strongly opposing any legislation that cuts U.S. wool fabric duties. It is critical that in the discussions of this issue members from the wool producing regions are fully informed and involved. We simply cannot accept a move that would take steps to appease suit makers without fully understanding and considering the impact of such legislation all the way down the chain—from fabric makers to wool growers.

Mr. THOMAS. Mr. President, I rise to fully support the remarks of my colleague from Colorado. The wool fiber industry in my state is critical to our overall state economy,

Mr. LIEBERMAN. And Senator THOMAS, am I correct in noting that 23 distinguished members of this body submitted a letter to the Chairman of the Finance Committee earlier this year expressing concern over legislation that would threaten domestic textile producers?

Mr. THOMAS. That is correct. I was one of 23 signatories of a letter dated April 16, 1999, that provides several reasons why unilateral tariff reductions should be avoided. First, wool fabric similar to the foreign imported product, subject to tariffs, is already available from domestic producers. Second, this is not the appropriate time to address accelerated tariff reductions as wool fabric tariffs are currently being reduced at the multilateral level. U.S. producers and textile companies have made investments and based business decisions on trade negotiations that were reached under the North American Free Trade Agreement (NAFTA) and the World Trade Organization (WTO). If we are to consider additional tariff reductions, those discussions should occur during trade negotiations, instead of being legislated on the floor of the U.S. Senate. U.S. manufacturers are the only customers domestic wool growers have; virtually no wool is exported. Wyoming is the second largest wool producing state and because of already depressed wool prices, our growers can not break even, let alone turn a profit. Accelerating wool fabric tariff cuts, at this time, will only further decrease fiber prices and sales, consequently putting U.S. wool growers and textile workers at risk. I thank my colleague, Senator LIEBERMAN, for his work on this crucial issue.

Mr. LIEBERMAN. I thank my colleague from Wyoming for his kind words. On November 3, I presented legislative background on the wool tariff provision to reflect the concerns of my constituents about any revision to tariff reduction and phase-out schedules that would unfairly alter their competitive posture and force layoffs. Specifically, I noted that the language in the provision as originally proposed dinting the inclusion of the wool fabric industry was purposely deleted in the version that passed in the Manager's Amendment, underscoring the Senate's clear intent that this provision is not directed at this sector.

Second, the provision specifically requires that full account be taken of "conditions" in the various "producing industry in the United States," indicating that whatever further action Congress may want to consider in the future on this issue, or that the U.S. Trade Representative may raise in future negotiations, must assure fairness and equitable treatment to those currently producing in the United States. Furthermore, the language specifically states that special attention and equity is to be provided to "those currently facing tariff phase-outs negotaited under prior trade agreements." Since my constituents in the wool fabrication sector specifically fall into exactly that posture, property relying on phase-out schedules negotiated in prior trade agreements, this protection and assurance is directed at their concerns, which, in turn, is why their industry sector was dropped from application of this provision.

Senator HELMS, is it not true that Senators MOYNIHAN and ROTH provided assurances that I would be given full notice of any consideration of this issue in conference and that it will be resolved in a manner satisfactory to me in representative of my constituents concerns?

Mr. HELMS. That is my understanding of your verbal agreement with the managers of the bill.

Mr. LIEBERMAN. Mr. President, we have reiterated our concerns concerning the wool tariff provision with the hope that the leadership will find a way to support the views of nearly one quarter of the Senate. I ask unanimous consent to print in the RECORD a letter from April 16, 1999, from 23 Senators opposed by any changes in wood tariffs addressed to Senator ROTH.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, April 16, 1999.

Hon. WILLIAM ROTH
Chairman, Finance Committee, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: We write to express strong opposition to S. 218, which is designed to reduce some and eliminate other existing U.S. tariffs on certain types of wool fabric. This bill is virtually identical to legislation introduced last Congress, which drew widespread, adverse reaction from U.S. producers of wool fiber, top, yarns, and fabrics, as well as many in Congress.

Our continued opposition to this legislation is based on a number of factors:

The fabric types covered by S. 218 are readily available from U.S. producers.

Wool fabric tariffs are already in the process of being reduced, and as such there is no need for these additional, unilateral cuts. In 1995 the WTO/Uruguay Round instituted a phased 30% tariff reduction and import quota elimination for the same products covered by S. 218.

Based on the trade laws and tariffs in place as a result of the Uruguay Round/WTO and the NAFTA, hundreds of millions of dollars in investments were made by the domestic wool fabric industry to try to help ensure their survival. Changing the rules of the game now by making additional, unforeseen tariff cuts will undermine the integrity of these trade rules/agreements and destroy these investments.

In preparation for the new WTO Round, the U.S. is participating in multilateral trade talks this year. Rather than sanctioning additional, unilateral U.S. tariff cuts, Congress should instead instruct the Administration to focus on improving foreign market access for U.S. produced wool fabric and other textile products during these talks. We believe that even those in Congress who may favor tariff cuts, would understand that doing so outside the WTO negotiating context is not in the best interests of the United States, since there would be no possibility of using these or any other cuts as a bargaining tool to get trade concession in return.

These proposed cuts would have an extremely severe impact on the approximately 90,000 U.S. workers whose livelihoods are directly tied to the production of wool textiles.

The unilateral giveaway of U.S. wool fabric tariffs mandated under S. 218 comes at a time when imports are already at record levels. Adding to the current import crisis in this sector is the fact that many Asian suppliers are exporting these fabrics well below 1997 prices as a result of the economic crisis in that region.

The flood of low cost imports has forced U.S. companies to lay-off over 1,600 wool yarn and fabric workers in January 1999, alone. This is the continuation of a devastating trend whereby nearly one-third of all U.S. wool yarn and fabric jobs have been lost in recent years. Certainly, passage of S. 218 will result in the loss of thousands of additional jobs.

U.S. woolgrowers produce fine wools that go into the fabrics covered by S. 218. U.S. wool, top, yarn, & fabric manufacturers are the only customers U.S. woolgrowers have; virtually no wool is exported. Due to surging wool textile and apparel imports, U.S. wool fiber sales and prices have been extremely depressed. Wool fabric tariff cuts will leave woolgrowers with an even more diminished customer base for their wool fiber, at a time when the lamb meat portion of their business is also being severely harmed by increased lamb meat imports.

For these reasons, we believe that you should oppose S. 218. Specifically, we encourage you to block the inclusion of this legislation as part of any trade bill or other legislation that your committee may approve in the 106th Congress. Thank you for your consideration of our views on this important matter.

Sincerely,

Larry E. Craig; Mike Enzi; Olympia Snowe; Mike Crapo; Ben Nighthorse Campbell; John Warner; Chuck Robb; Fritz Hollings; Susan Collins; Conrad Burns; Max Baucus; Craig Thomas; Pete V. Domenici; Joe Lieberman; Richard Shelby; Robert F. Bennett; Strom Thurmond; Jesse Helms; John Edwards; Tim Johnson; Jeff Bingaman; John H. Chafee; Jeff Sessions.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Monday, November 8, 1999, the Federal debt stood at $5,660,688,811,424.68 (Five trillion, six hundred sixty billion, six hundred eighty-eight million, eight hundred eleven thousand, four hundred twenty-four dollars and sixty-eight cents).

Five years ago, November 8, 1994, the Federal debt stood at $4,724,109,000,000 (Four trillion, seven hundred twenty-four billion, one hundred nine million).

Ten years ago, November 8, 1989, the Federal debt stood at $2,895,742,000,000

(Two trillion, eight hundred ninety-five billion, seven hundred forty-two million).

Fifteen years ago, November 8, 1984, the Federal debt stood at $1,616,564,000,000 (One trillion, six hundred sixteen billion, five hundred sixty-four million).

Twenty-five years ago, November 8, 1974, the Federal debt stood at $478,873,000,000 (Four hundred seventy-eight billion, eight hundred seventy-three million) which reflects a debt increase of more than $5 trillion—$5,181,815,811,424.68 (Five trillion, one hundred eighty-one billion, eight hundred fifteen million, eight hundred eleven thousand, four hundred twenty-four dollars and sixty-eight cents) during the past 25 years.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry two withdrawal and nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 11:22 a.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 359. An act to clarify the intent of Congress in Public Law 93–632 to require the Secretary of Agriculture to continue to provide for the maintenance and operation of 18 concrete dams and weirs that were located in the Emigrant Wilderness at the time the wilderness area was designated in that Public Law.

H.R. 1832. An act to amend the Fair Labor Standards Act of 1938 to increase the Federal minimum wage.

H.R. 2307. An act to designate the building of the United States Postal Service located at 5 Cedar Street in Hopkinton, Massachusetts, as the "Thomas J. Brown Post Office Building."

H.R. 2904. An act to amend the Ethics in Government Act of 1978 to reauthorize funding for the Office of Government Ethics.

H.R. 3002. An act to provide for the continued preparation of certain useful reports concerning public lands, Native Americans, fisheries, wildlife, insular areas, and other natural resources-related matters, and to repeal provisions of law regarding terminated reporting requirements concerning such matters.

H.R. 3077. An act to amend the Act that authorized construction of the San Luis Unit of the Central Valley Project, California, to facilitate water transfers in the Central Valley Project.

H.R. 3189. An act to designate the United States post office located at 14071 Peyton Drive in Chino Hills, California, as the "Joseph Ileto Post Office."

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 2116) to amend title 38, United States Code, to establish a program of extended care services for veterans and to make other improvements in health care programs of the Department of Veterans Affairs, and agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. STUMP, Mr. SMITH of New Jersey, Mr. QUINN, Mr. STEARNS, Mr. EVANS, Ms. BROWN of Florida, and Mr. DOYLE, as managers of the conference on the part of the House.

At 2:15 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the bill (H.R. 2280) to amend title 38, United States Code, to provide a cost-of-living adjustment in rates of compensation paid for service connected disabilities, to enhance the compensation, memorial affairs, and housing programs of the Department of Veterans Affairs, to improve retirement authorities applicable to judges of the United States Court of Appeals for Veterans Claims, and for other purposes, with amendments, in which it requests the concurrence of the Senate.

The message also announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 76. Joint resolution waiving certain enrollment requirements for the remainder of the first session of the One Hundred Sixth Congress with respect to any bill or joint resolution making general appropriations or continuing appropriations for fiscal year 2000.

At 5:12 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1555) to authorize appropriations for fiscal year 2000 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on November 9, 1999, he had presented to the President of the United States, the following enrolled bills:

S. 468. An act to improve the effectiveness and performance of Federal financial assistance programs, simplify Federal financial assistance application and reporting requirements, and improve the delivery of services to the public.

S. 900. An act to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, insurance companies, and other financial service providers, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The following bills and joint resolution, previously signed by the Speaker of the House, were signed on today, November 9, 1999, by the President pro tempore (Mr. THURMOND):

S. 468. an Act to improve the effectiveness and performance of Federal financial assistance programs, simplify Federal financial assistance application and reporting requirements, and improve the delivery of services to the public.

S. 900. An Act to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, insurance companies, and other financial service providers, and for other purposes.

H.R. 3122. An act to permit the enrollment in the house of Representatives Child Care Center of children of Federal employees who are not employees of the legislative branch.

H.J. Res. 54. Joint resolution granting the consent of Congress to the Missouri-Nebraska Boundary Compact.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–370. A resolution adopted by the Nevada State AFL–CIO Annual Convention relative to the National Surface Transportation Board; to the Committee on Commerce, Science, and Transportation.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–6102. A communication from the Executive Director, Appraisal Subcommittee, Federal Financial Institutions Examination Council, transmitting, pursuant to law, a report relative to its commercial activities inventory; to the Committee on Governmental Affairs.

EC–6103. A communication from the Inspector General, Farm Credit Administration, transmitting, pursuant to law, a report relative to its commercial activities inventory; to the Committee on Governmental Affairs.

EC–6104. A communication from the Chairman, National Credit Union Administration, transmitting, pursuant to law, a report relative to its commercial activities inventory; to the Committee on Governmental Affairs.

EC–6105. A communication from the Staff Director, Federal Election Commission, transmitting, pursuant to law, a report relative to its commercial activities inventory; to the Committee on Governmental Affairs.

EC–6106. A communication from the Administrator, National Aeronautics and Space, Administration, transmitting, pursuant to law, a report relative to its commercial activities inventory; to the Committee on Governmental Affairs.

EC–6107. A communication from the Director, National Gallery of Art, transmitting, pursuant to law, a report relative to its commercial activities inventory; to the Committee on Governmental Affairs.

EC–6108. A communication from the Director, Office of Personnel Management, transmitting, pursuant to law, the report of a rule entitled "Prevailing Rate Systems; Abolishment of the Dubuque, Iowa Appropriated Fund Wage Area" (RIN3206–AI90), received November 4, 1999; to the Committee on Governmental Affairs.

EC–6109. A communication from the Chairman, U.S. Merit Systems Protection Board, transmitting, pursuant to the Federal Manager's Financial Integrity Act, the annual report for fiscal year 1999; to the Committee on Governmental Affairs.

EC–6110. A communication from the President, James Madison Memorial Fellowship Foundation, transmitting, pursuant to the Federal Manager's Financial Integrity Act, the annual report for fiscal year 1997; to the Committee on Governmental Affairs.

EC–6111. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report relative to Medicare approved home health agencies; to the Committee on Finance.

EC–6112. A communication from the Chief, Regulations Branch, U.S. Customs Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Foreign Locomotives and Railroad Equipment in International Traffic; Technical Amendment" (R.P. 98–21), received November 4, 1999; to the Committee on Finance.

EC–6113. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to the Republic of Korea; to the Committee on Foreign Relations.

EC–6114. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to Japan; to the Committee on Foreign Relations.

EC–6115. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to Australia, Bermuda, Canada, France, Germany, Italy, Japan, Norway, Sweden, and the United Kingdom; to the Committee on Foreign Relations.

EC–6116. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to Australia; to the Committee on Foreign Relations.

EC–6117. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to Italy; to the Committee on Foreign Relations.

EC–6118. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed Manufacturing License Agreement with Germany; to the Committee on Foreign Relations.

EC–6119. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed Manufacturing License Agreement with Japan; to the Committee on Foreign Relations.

EC–6120. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed Technical Assistance Agreement with Greece; to the Committee on Foreign Relations.

EC–6121. A communication from the Director, Defense Procurement, Department of Defense, transmitting, pursuant to law, the report of a rule entitled "Coordinated Acquisition Procedures Update" (DFARS Case 99–D022), received November 5, 1999; to the Committee on Armed Services.

EC–6122. A communication from the Director, Defense Procurement, Department of Defense, transmitting, pursuant to law, the report of a rule entitled "Contract Administration and Audit Services" (DFARS Case 98–D003, 99–D004, 99–D010), received November 5, 1999; to the Committee on Armed Services.

EC–6123. A communication from the Director, Defense Procurement, Department of Defense, transmitting, pursuant to law, the report of a rule entitled "Weighted Guidelines and Performance-Based Payments" (DFARS Case 99–D001), received November 5, 1999; to the Committee on Armed Services.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SMITH of New Hampshire, from the Committee on Environment and Public Works:

S. 1627. A bill to extend the authority of the Nuclear Regulatory Commission to collect fees through 2004, and for other purposes (Rept. No. 106–220).

By Mr. CAMPBELL, from the Committee on Indian Affairs, with an amendment in the nature of a substitute:

S. 979. A bill to amend the Indian Self-Determination and Education Assistance Act to provide for further self-governance by Indian tribes, and for other purposes (Rept. No. 106–221).

EXECUTIVE REPORTS OF COMMITTEE

The following executive reports of committees were submitted:

By Mr. GRAMM for the Committee on Banking, Housing, and Urban Affairs:

Susan M. Wachter, of Pennsylvania, to be an Assistant Secretary of Housing and Urban Development, vice Michael A. Stegman, resigned.

Gregory A. Baer, of Virginia, to be an Assistant Secretary of the Treasury, vice Richard Scott Carnell, resigned.

By Mr. HELMS for the Committee on Foreign Relations:

Kay Kelley Arnold, of Arkansas, to be a Member of the Board of Directors of the Inter-American Foundation for a term expiring October 6, 2004, vice Neil H. Offen, term expired.

Irwin Belk, of North Carolina, to be an Alternate Representative of the United States of America to the Fifty-fourth Session of the General Assembly of the United Nations.

Revius O. Ortique, Jr., of Louisiana, to be an Alternate Representative of the United States of America to the Fifty-fourth Session of the General Assembly of the United Nations.

Carol Moseley-Braun, of Illinois, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to New Zealand.

Carol Moseley-Braun, of Illinois, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to Samoa.

Nominee: Carol E. Moseley-Braun.

Post: Ambassador to New Zealand.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, Amount, Date, and Donee:

1. Self: none.
2. Spouse: N/A.
3. Children and spouses: none.
4. Parents: deceased.
5. Grandparents: deceased.
6. Brothers and spouses: Joseph and Diane Moseley, none.
7. Sisters and spouses: Marsha Moseley, see attached; Mark Kerman, none.

ATTACHMENT—CONTRIBUTIONS MADE BY: MARSHA MOSELEY

Donees: Oak Park Mayoral Candidate John Shoelstroup; Danny Davis for U.S. Congress; Patrice Ball-Reed, Judicial; Dorothy Brown for City Treasurer; Maria Sanchez for U.S. Congress, Cal.; Fredrenna Lyle, Alderperson; and Judge Sharon Johnson Coleman.

Dates and amounts of donations not available.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. HELMS. Mr. President, for the Committee on Foreign Relations, I report favorably the nomination list which was printed in the RECORD indicated below, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that the nominations lie at the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

Foreign Service, 127 nominations beginning Rita D. Jennings, and ending Carol Lynn Dorsey, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of November 3, 1999.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of November 3, 1999, at the end of the Senate proceedings.)

By Mr. WARNER for the Committee on Armed Services:

The following named officer for appointment in the United States Navy to the grade indicated under title 10, U.S.C., section 624:

To be rear admiral

Rear Adm. (lh) Kevin P. Green, 6805

(The above nomination was reported with the recommendation that he be confirmed.)

Mr. WARNER. Mr. President, for the Committee on Armed Services, I report favorably the nomination list which was printed in the RECORD indicated below, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that the nominations lie at the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of November 3, 1999, at the end of the Senate proceedings.)

In the Army, 2 nominations beginning Alan G. Lackey, and ending Rita A. Price, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of November 3, 1999.

In the Marine Corps, 1 nomination of Karl G. Hartenstine, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of November 3, 1999.

In the Navy, 5 nominations beginning Lynne M. Hicks, and ending William D. Watson, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of November 3, 1999.

In the Navy, 1 nomination of John R. Daly, Jr., which was received by the Senate and appeared in the CONGRESSIONAL RECORD of November 3, 1999.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. ROBB (for himself, Mr. SARBANES, and Ms. MIKULSKI):

S. 1885. A bill to amend title 5, United States Code, to provide for more equitable policies relating to overtime pay for Federal employees, limitations on premium pay, and the accumulation and use of credit hours; to the Committee on Governmental Affairs.

By Mr. INHOFE (for himself, Mrs. FEINSTEIN, and Mr. SMITH of New Hampshire):

S. 1886. A bill to amend the Clean Air Act to permit the Governor of a State to waive the oxygen content requirement for reformulated gasoline, to encourage development of voluntary standards to prevent and control releases of methyl tertiary butyl ether from underground storage tanks, and for other purposes; to the Committee on Environment and Public Works.

By Mr. ENZI:

S. 1887. A bill to amend the Fair Labor Standards Act of 1938 to provide for an increase in the minimum wage and protect the rights of States that have adopted State minimum wage laws; to the Committee on Health, Education, Labor, and Pensions.

By Mr. AKAKA (for himself, Mr. INOUYE, and Mr. GRAHAM):

S. 1888. A bill to support the protection of coral reefs and other resources in units of the National Park System and other agencies under the administration of the Secretary of the Interior; to the Committee on Energy and Natural Resources.

By Mr. GRAMS:

S. 1889. A bill to amend the Congressional Budget Act of 1974 to provide for joint resolutions on the budget, reserve funds for emergency spending, strengthened enforcement of budgetary decisions, increased accountability for Federal spending; accrual budgeting for Federal insurance programs, mitigation of the bias in the budget process toward higher spending, modifications in paygo requirements when there is an on-budget surplus, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one Committee reports, the other Committee have thirty days to report or be discharged.

By Mr. SANTORUM (for himself and Mr. SPECTER):

S. 1890. A bill to amend title XVIII of the Social Security Act to provide that geographic reclassifications of hospitals from one urban area to another urban area do not result in lower wage indexes in the urban area in which the hospital was originally classified; to the Committee on Finance.

By Mr. L. CHAFEE:

S. 1891. A bill to amend the Elementary and Secondary Education Act of 1965 to improve literacy through family literacy projects; to the Committee on Health, Education, Labor, and Pensions.

By Mr. DOMENICI (for himself and Mr. BINGAMAN):

S. 1892. A bill to authorize the acquisition of the Valles Caldera, to provide for an effective land and wildlife management program for this resource within the Department of Agriculture, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BOND:

S. 1893. A bill to amend the Indian Gaming Regulatory Act to prohibit the Secretary of the Interior from taking land into trust for Indian tribes for gaming purposes under certain conditions, and for other purposes; to the Committee on Indian Affairs.

By Mr. THOMAS (for himself and Mr. ENZI):

S. 1894. A bill to provide for the conveyance of certain land to Park County, Wyoming; to the Committee on Energy and Natural Resources.

By Mr. BREAUX (for himself, Mr. FRIST, Mr. KERREY, and Mr. HAGEL):

S. 1895. A bill to amend the Social Security Act to preserve and improve the medicare program; to the Committee on Finance.

By Mr. LEAHY (for himself and Mr. BAUCUS):

S. 1896. A bill to amend the Public Buildings Act of 1959 to give first priority to the location of Federal facilities in central business areas, and for other purposes; to the Committee on Environment and Public Works..

By Mr. BIDEN:

S. 1897. A bill to amend the Public Health Service Act to establish an Office of Autoimmune Diseases at the National Institutes of Health, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. DORGAN (for himself, Mr. ASHCROFT, and Mr. LEAHY):

S. 1898. A bill to provide protection against the risks to the public that are inherent in the interstate transportation of violent prisoners; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BAUCUS (for himself and Mr. GRASSLEY):

S. Res. 226. A resolution expressing the sense of the Senate regarding Japanese participation in the World Trade Organization; to the Committee on Finance.

By Mr. BOND (for himself, Mr. BRYAN, Mr. DEWINE, Mr. BINGAMAN, Mr. JOHNSON, Mr. KENNEDY, and Mr. ROCKEFELLER):

S. Res. 227. A resolution expressing the sense of the Senate in appreciation of the National Committee for Employer Support of the Guard and Reserve; to the Committee on Armed Services.

By Mr. LOTT (for himself and Mr. DASCHLE):

S. Res. 228. A resolution making changes to Senate committees for the 106th Congress; considered and agreed to.

By Mr. LOTT:

S. Res. 229. A resolution making certain majority appointments to certain Senate committees for the 106th Congress; considered and agreed to.

By Mr. ENZI (for himself and Ms. LANDRIEU):

S. Res. 230. A resolution expressing the sense of the Senate with respect to government discrimination in Germany based on religion or belief; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ROBB (for himself, Mr. SARBANES, and Ms. MIKULSKI):

S. 1885. A bill to amend title 5, United States Code, to provide for more equitable policies relating to overtime pay for Federal employees, limitations on premium pay, and the accumulation and use of credit hours; to the Committee on Governmental Affairs.

EQUITABLE OVERTIME PAY FOR FEDERAL SUPERVISORS AND MANAGERS

Mr. ROBB. Mr. President, I am very pleased to be joined by my colleagues, Senators SARBANES and MIKULSKI, to introduce legislation to pay overtime to federal managers and supervisors more equitably.

I'm proud of our federal workers. Despite seemingly constant assaults, our nations's civil servants have persevered to provide government that is working better and more efficiently than ever. We've seen a streamlined federal government that's continually asked to improve services to its customers—the American people. But with smaller staffs and the push to increase the federal government's productivity, workloads continue to grow. As federal employees' duties grow, the need to work more overtime hours increases as well. Managers, supervisors and other FLSA-exempt employees within the federal government can receive overtime, but the current overtime cap presents two problems to these employees: they earn less working on overtime than they do for the work they perform during the week and they earn less while working overtime than the employees they supervise. Who then, can blame prospective candidates for supervisory or management positions for declining promotions when remaining in their current, non-supervisory position can mean more money for their families? If the federal government is to continue to recruit and retain a top-notch workforce, then the present overtime cap is one issue that we need to address.

Our legislation will ensure that supervisors and managers neither make less working overtime than they would during regular work hours nor make less working overtime than those they supervise. This bill increases the overtime cap from GS–10 step 1 to GS–12 step 1, the first adjustment in the overtime cap since 1966. Our bill doesn't mandate that overtime be paid; overtime pay will be implemented as it is currently, based on personnel decisions made by individual agencies.

We should encourage incentives to attract bright and capable workers to join the management ranks of the federal government, and this bill is one such incentive. I look forward to working with my colleagues to ensure its consideration and favorable recommendation as quickly as possible.

By Mr. INHOFE (for himself, Mrs. FEINSTEIN, and Mr. SMITH of New Hampshire):

S. 1886. A bill to amend the Clean Air Act to permit the Governor of a State to waive the oxygen content requirement for reformulated gasoline, to encourage development of voluntary standards to prevent and control release of methyl tertiary butyl ether from underground storage tanks, and for other purposes; to the Committee on Environment and Public Works.

OXYGEN CONTENT REQUIREMENT FOR REFORMULATED GASOLINE

• Mrs. FEINSTEIN. Mr. President, I am pleased to join with Senator JAMES INHOFE of Oklahoma, the chairman of the Clean Air Subcommittee, in introducing a bill, S. 1886, to allow the governor of a state to waive the oxygenate content requirement for reformulated or clean-burning gasoline. The bill also requires U.S. EPA to conduct a study on whether voluntary standards to prevent releases of MTBE from underground tanks are necessary.

This is the fifth bill I have introduced in this Congress to address the widespread contamination of drinking water by MTBE in my state. I do this in hopes that this bill will be a straightforward solution to a very serious problem—MTBE detections in ground and surface water in my state and at lest 41 other states.

The Clean Air Act requires that cleaner-burning reformulated gasoline (RFG) be sold in areas with the worst violations of ozone standards: Los Angeles, San Diego, Hartford, New York, Philadelphia, Chicago, Baltimore, Houston, Milwaukee, Sacramento. (In addition, some states and areas have opted to use reformulated gasoline as way to achieve clean air.) Second, the Act prescribes a formula for reformulated gasoline, including the requirement that reformulated gasoline contain 2.0 percent oxygen, by weight.

In response to this requirement, refiners have put the oxygenate MTBE in over 85 percent of reformulated gasoline now in use. MTBE stands for methyl tertiary butyl ether. The problem is that increasingly, MTBE is being detected in drinking water. MTBE is a known animal carcinogen and a possible human carcinogen, according to U.S. EPA. It has a very unpleasant odor and taste, as well.

The Inhofe-Feinstein bill, S. 1886, would allow governors, upon notification to U.S. EPA, to waive the 2.0% oxygenate requirement, as long as the gasoline meets the other requirements in the law for reformulated gasoline.

On July 27, the U.S. EPA Blue Ribbon Panel on Oxygenates in Gasoline recommended that the 2 percent oxygenate requirement be "removed in order to provide flexibility to blend adequate fuel supplies in a cost-effective manner while quickly reducing usage of MTBE and maintaining air quality benefits." In addition, the panel agreed that "the use of MTBE should be reduced substantially." Importantly, the panel recommended that "Congress act quickly to clarify federal and state authority to regulate and/or eliminate the use of gasoline additives that pose a threat to drinking water supplies."

This bill, while not totally repealing the 2 percent oxygenate requirement, moves us in that direction. It gives states that choose to meet clean air requirements without oxygenates to do so. It allows states that choose an oxygenate, such as ethanol, to do so. Areas required to use reformulated gasoline for cleaner air will still be required to use it. The gasoline will have a different but clean formulation. Areas will continue to have to meet clean air standards.

MTBE has contaminated groundwater at over 10,000 sites in California, according to the Lawrence Livermore Laboratory. Of 10,972 groundwater sites sampled, 39 percent had MTBE, says the state Department of Health Services. Of 765 surface water sources sampled, 287 or 38% had MTBE.

Nationally, one EPA-funded study found, of 34 states, MTBE was present more than 20 percent of the time in 27 states. A U.S. Geological Survey report had similar findings. An October 1999 Congressional Research Service analysis concluded that 41 states have had MTBE detections in water.

In California, Governor Davis concluded that MTBE "poses a significant risk to California's environment" and directed that MTBE be phased out in California by December 31, 2002. There is not a sufficient supply of ethanol or other oxygenates to fully replace MTBE in California, without huge gas price spikes and gasoline supply disruptions. In addition, California can make clean-burning gas without oxygenates. Therefore, California is in the impossible position of having to meet a federal requirement that is (1) contaminating the water and (2) is not necessary to achieve clean air.

On April 12, 1999, Governor Davis asked U.S. EPA for a waiver of the 2% oxygenate requirement. I too wrote U.S. EPA—on May 18, 1999; December 3, 1998; September 29, 1998; September 28, 1998; September 14, 1998; November 3, 1997; September 24, 1997; April 22, 1997; and April 11, 1997. I have met with EPA officials several times and have talked directly to Administrator Carol Browner. To date, EPA has not granted California a waiver of the two percent. Again, today I call on EPA to act. In the meantime, I will continue to urge Congress to act.

Time is of the essence. California Governor Davis is phasing out MTBE in our state, but the federal law requiring 2 percent oxygenates remains, putting our state in an untenable position. Refiners needs a long lead time to retool their facilities and time is growing short.

A major University of California study released last year concluded that MTBE provides "no significant air quality benefit" but that its use poses "the potential for regional degradation of water resources, especially ground water. . . ." Oxygenates, say the experts, are not necessary for reformulated gasoline.

California has developed a gasoline formula that provide flexibility and provides clean air. Called the "predictive model," it guarantees clean-burning RFG gas with oxygenates, with less than 2 percent oxygenates and with no oxygenates. Several refiners, including Chevron and Tosco, are selling MTBE-free gas in California, for example, in the Lake Tahoe area.

Under S. 1886, air standards would still have to be met and gasoline would have to meet all other requirements of the federal reformulated gasoline program, for example, the limits on benzene, heavy metals, emission of oxides of nitrogen.

This is a minimal bill that will give California and other states the relief they need from a unwarranted, unnecessary requirement. It will allow states that want oxygenates in their gasoline to use them and those that do not to not use them.

The bill does not undo the Clean Air Act. The bill does not degrade air quality.

Importantly, it can stop the contamination of drinking water in may state by MTBE.●

By Mr. ENZI:

S. 1887. A bill to amend the Fair Labor Standards Act of 1938 to provide for an increase in the minimum wage and protect the rights of States that have adopted State minimum wage laws; to the Committee on Health, Education, Labor, and Pensions.

MINIMUM WAGE STATE FLEXIBILITY ACT OF 1999

Mr. ENZI. Mr. President, as I have listened to those Senators who support an increase in the minimum wage speak today—and I've listened closely—what I've heard them repeatedly say is that the minimum wage is not high enough for workers to afford to put food on the table, pay rent or take care of their families. This is a vital point for any American family, so I've listened carefully to see if anyone who supports an increase could explain why folks in rural states and counties have identical living standards of people residing in New York City or Boston or Los Angeles. Interestingly enough, this question has been essentially left unanswered. No one who supports an increase has been able to explain how wages affect workers differently in different states, and why that matters so much when we are talking about increasing the minimum wage. In an effort to ensure that no worker gets left behind and that we are considering all economic scenarios, I feel compelled to stand up here and talk about it—about why the number of dollars a worker gets paid has a drastically different impact from one state to another and even from one county to another. We must consider how increasing the minimum wage can make jobs in rural states and counties even more scarce; and, about how a wage hike can add even more people to the welfare rolls.

We have heard the old adage that people are entitled to their own opinions, but not their own facts. Well, here are the facts. It costs over twice as much to live in New York City than it does to live in Cheyenne, WY. That's a fact. A $25,000 salary in Cheyenne has the same buying power as a $51,000 salary in New York, a $32,000 salary in Boston, or a $30,000 salary in Los Angeles. In other words, the average Wyoming worker can buy more than twice as much for the same wage as a worker in Manhattan. Twice as much. To put an even finer point on this staggering disparity, if the average worker in New York City is looking to rent an apartment, she would have to spend a whopping $2,730 per month—that's almost six times as expensive as the average apartment in Cheyenne. An apartment in Cheyenne only costs $481 on average per month.

What about buying a home? The price difference between urban cities and rural towns is just as alarming. In New York, the average home costs $533,000; in Boston, it costs $244,000 and here in Washington, DC, it costs $205,000. In Cheyenne, the cost of the average house is much, much less: $116,000. In other rural towns, it's far below $100,000—even $50,000.

Let's look at other necessities. In New York, it is 50 percent more expensive to buy groceries than it is in Cheyenne. In Boston, the cost of utilities are almost double what they are in Cheyenne. And in Los Angeles, medical expenses are a third higher than in Cheyenne. My point is this: the cost of living in New York, or Boston, or Los Angeles is drastically higher than it is in rural towns. This is not one person's opinion—it's a fact. And so to propose a wage level increase across the board and from coast to coast has an impact on these empirical disparities. It is like saying that rent for every apartment in this country must not be any higher than an apartment rent in rural towns, or that every bag of groceries must not cost any more than what it costs at a small town grocery store. No one would ever propose that, which is the reason I feel the need to ensure that such economic differences are, at the very least, debated.

It is different—supporters of an increase will argue—because the increase just sets a floor, a minimum wage for workers. States like New York, and California, and Massachusetts can tack on to that if they wish. But doesn't that just beg the question? If there is a minimum wage disparity for workers in those states with higher costs of living, then why are we raising the minimum wage in every state just to compensate for those states where it costs more to live? Why are we endangering the economic stability of rural states and counties by not considering this reality?

The raw statistics show that job growth in Wyoming is exactly half of job growth nationwide—it's growing, but just not as quick as we would like. Each year, at least 50 percent of Wyoming's college graduates leave the state, unable to find work because there aren't enough businesses to keep pace. What that translates into is this: if the minimum wage increase passes, rural areas cold face fewer jobs than they already provide. What every student who has ever taken an economics course knows is that if you increase the price of something (in this case, a minimum wage job), you decrease the demand for those jobs. Indeed, a survey of members of the American Economic Association revealed that 77 percent of economists believe that a minimum wage hike causes job loss. For states that already struggle just to grow small businesses and increase the number of jobs they produce, such an outcome can be detrimental. And for those parents in Wyoming who tell me over and over again how tired they are of seeing their kids leave the state to attend college elsewhere—simply because there are not enough part-time and full-time entry level jobs to get experience from and help pay for their education. One restaurant owner in a small town told me that he would increase the wage, but that would mean 5 less jobs for bus boys. After the last increase, I also recall college students complaining because college grants—or work studies—were negatively impacted. What happened was that grant amounts weren't increased, so the minimum wage hike resulted in less hours available per student under the grant. Students said that it resulted in a net loss for them. It's because of unforeseen situations like these, I am compelled to bring this issue to the table.

The legislation I'm proposing today is an attempt to save rural states and counties from losing even more precious jobs because "Inside the Beltway" types think that a minimum wage hike might help workers in higher cost of living states like Massachusetts, California, and New York. This legislation, which I call "State Flexibility," is not a perfect solution. What this bill would do is give some discretion back to the states to decide whether it wants to remain at the increased federal rate of $6.15 an hour, or whether a wage that's 15 percent under the federal wage works better for the economic growth—and the workers—of that state.

Here's how the bill would work. First, just so that there is no confusion, it would not prevent any federal minimum wage increases from applying nationally. But this legislation would provide state legislators the ability to set the minimum wage for the state, or a county within the state, at 15 percent under the federal floor. This legislation would also allow a Governor on a "temporary" basis to set the minimum wage for a state or a county at 15 percent less than the federal floor for reasons such as high unemployment, slow economic growth or potential harm to the state's welfare-to-work programs. I have listened carefully to the concerns of one-size-fits-all wage hike advocates, who say that the proposed increase is for workers. I agree, which is precisely why I'm advocating this approach—to ensure that welfare-to-work moms and dads living in counties with high unemployment rates aren't excluded. I am confident that nobody in this Chamber wants to leave anyone behind.

I've talked quite a bit today about how increasing the minimum wage would affect the small business owner. Having owned a small business in Wyoming for 27 years, I can speak with some experience about just how detrimental an increase would be on small employers and job growth, and how this legislation would offer some flexibility to rural states and counties. But one area that I've been learning more about is how bad an increase would be on folks who have just recently entered the job market through welfare-to-work programs. What I've read has startled me, and as a former small business owner, the statistics pertaining to rural regions of the country make tangible sense to me. So much sense, in fact, that I am more convinced than ever that just increasing the minimum wage is not as sound a policy as advocates suggest.

First. Just as a minimum wage increase would slow job creation in rural states and negatively affect people who have been employed in their field for years, college students looking for jobs, or new graduates, it would also severely impact welfare recipients looking for work. University of Wisconsin economist Peter Brandon has actually determined that minimum wage hikes actually increase duration on welfare by more than 40 percent.

Second. The Educational Testing Service has concluded that fully two-thirds of welfare recipients have skills that qualify, at best, for entry-level employment, and many fall far below. And what researchers at Boston University have shown is that lower-skilled adults are displaced after a minimum wage hike by teens and students who are perceived as having better skills.

Third. Undoubtedly due to the above, research from Michigan State University shows that minimum wage hikes push as many families into poverty (due to job loss, for example), as they pull out of poverty.

These daunting statistics sound alarms if we haphazardly push through a minimum wage hike that has a heck of a good sound bite, but an awful aftertaste when the dust settles and a number of workers are left behind. This proposal, however, speaks to this point. If a state legislature or a Governor sees a potential for a detrimental impact on welfare to work programs within that state, they can act to keep the rate at 15 percent under the federal floor. This is simple, rational discretion. This legislation instills the same ideals incorporated in the 1996 Welfare Reform Act and the 1998 Workforce Investment Act. Congress and the President entrusted states with administering welfare-to-work and our nation's job training programs. This bill would complement those landmark laws by saying that states can adjust the mandatory wage—ensuring that no worker gets left behind. We must not turn a blind eye when state flexibility matters most.

As chairman of the Senate Subcommittee on Employment, Safety and Training, my colleagues can be assured that the problem of economic disparities spurred by the lack of consideration by federal mandates will continue until we take a closer look. It's real and it deserves our attention. It is my hope that by discussing this bill, the Senate will begin to exclude the politics from the minimum wage debate and start examining the full spectrum of this issue. I am serious about addressing this and I fully intend to debate it during the second session. The media and interest groups have asked that we not politicize the minimum wage. I couldn't agree more, which is why I ask you to carefully consider not leaving anyone behind. I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1887

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Minimum Wage State Flexibility Act of 1999".

SEC. 2. STATE MINIMUM WAGES AND AREA STANDARDS.

(a) In General.—Section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) is amended by adding at the end the following:

"(h) State Minimum Wages.—

"(1) In general.—Notwithstanding any other provision of this section and sections 13(a) and 14, an employer in a State that has adopted minimum wage legislation that meets the requirements of paragraph (2) shall pay to each of its employees a wage at a rate that is not less than the rate provided for in such State's minimum wage legislation.

"(2) Requirement.—This section and sections 13(a) and 14 shall only apply in such States that have adopted minimum wage legislation that sets wages for at least 95 percent of the workers within the State at an hourly rate that is not less than 85 percent of the hourly rate generally applicable for the year involved under subsection (a).

"(3) Emergency circumstances.—The chief executive officer of a State, through an executive order (or its equivalent), may set wages applicable to at least 95 percent of the employees within the State (or particular county of the State) at an hourly rate that is not less than 85 percent of the hourly rate generally applicable for the year involved under subsection (a) if any of the following circumstances exist:

"(A) The State welfare-to-work programs would be sufficiently harmed by mandating a minimum wage rate above an hourly rate equal to 85 percent of the hourly rate required under subsection (a).

"(B) The State (or county) is experiencing a period of high unemployment.

"(C) The State (or county) is experiencing a period of slow economic growth.

This paragraph shall only apply to an executive order (or its equivalent) that is effective for a period of 12 months or less.".

(b) Applicability of Minimum Wage to the Territories.—Notwithstanding section 5 of the Fair Labor Standards Act (29 U.S.C. 205), the provisions of section 6 of such Act (29 U.S.C. 206) shall apply to the territories and possessions of the United States (including the Commonwealth of the Northern Mariana Islands) in the same manner as such provisions apply to the States.

(c) Effective Date.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall take effect on April 1, 2000.

(2) Exception for certain states.—In the case of a State which the Secretary of Labor identifies as having a legislature which is not scheduled to meet prior to the effective date described in paragraph (1) in a legislative session, the date specified in such paragraph shall be the first day of the first calendar quarter beginning after the close of the first legislative session of the State legislature that begins on or after such effective date, and in which a State law described in section 6(h)(2) of the Fair Labor Standards Act of 1938 (as added by subsection (a)) may be considered. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

By Mr. AKAKA (for himself, Mr. Inouye, and Mr. Graham):

S. 1888. A bill to support the protection of coral reefs and other resources in units of the National Park System and other agencies under the administration of the Secretary of the Interior; to the Committee on Energy and Natural Resources.

CAROL REEF RESOURCE CONSERVATION AND MANAGEMENT ACT

Mr. AKAKA. Mr. President, I rise to introduce a bill that will enhance our ability to understand and conserve coral reef ecosystems and the ocean life that depends on them.

In the past few years, Congress and the administration have recognized the importance of coral reefs to ocean ecologies and grown increasingly concerned about the challenges facing our reefs. 1997 was recognized as "Year of the Reef," and the House passed House Concurrent Resolution 8 which recognized the significance of maintaining the health and stability of coral reef ecosystems by promoting stewardship for reefs. In 1998 the President signed Executive Order 13089 establishing the U.S. Coral Reef Task Force under joint leadership of the Department of Commerce and Department of the Interior. The Executive order directs federal agencies to take steps to protect, manage, research and restore coral ecosystems. The bill I am introducing today supplements these actions by establishing a targeted national program for coral reef research, monitoring, and conservation for areas under the jurisdiction of the Department of the Interior. It is a companion measure to S. 1253, introduced earlier this year by Senator Inouye, that authorizes a coral reef program through the Department of Commerce.

Mr. President, the importance of reefs to our economy, culture, and to the stability of our shorelines is becoming increasingly apparent as we begin to understand more about the interdependence of reefs and human activity. Substantial research shows that reefs are under greater stress than ever before, both from natural causes and human-induced damage. We need to act now before the decline of reefs becomes irreversible.

This measure authorizes coral reef research and conservation efforts through the Department of the Interior. The Department manages over 2,000 acres of sensitive coral reef habitat and adjacent submerged land at 20 national wildlife refuges and 9 units of the National Park System in Hawaii, Florida, the U.S. Virgin Islands, and the territories of Guam and American Samoa in the Pacific. Of the 4.2 million acres of reefs in the United States, few have been mapped, assessed, or characterized. There is still much to learn about the location and biology of coral reefs, their susceptibility to disease, and how they can be restored and sustained.

This measure establishes a coral reef conservation matching grant program that will leverage federal monies with non-federal funds raised through a nonprofit foundation. This initiative is consistent with the efforts of the President's Coral Reef Task Force established by Executive Order No. 13089, and with the activities of other agencies, such as the National Oceanic and Atmospheric Administration, that are involved in coral reef research, monitoring, restoration and conservation.

Under my legislation, the Secretary of the Interior is authorized to provide grants for coral reef conservation projects in areas under the Department's jurisdiction, through a merit-based, competitive program. Grants will be awarded on a 75 per cent federal and 25 per cent non-federal basis. The Secretary may also enter into an agreement with one or more foundations to solicit private funds dedicated to coral conservation programs. Up to 80 percent of the funding will be distributed equally between the Atlantic/Caribbean and the Pacific Ocean, and 20 percent of the funding can be used for emerging priorities or threats identified by the Secretary in consultation with the Coral Reef Task Force. Grants may be made to any relevant natural resource management authority of a State or territory of the United States, to other government authorities with jurisdiction over coral reefs as well as to educational or non-governmental institutions or organizations with demonstrated expertise in coral reef conservation. Priority will be given to projects that promote reef conservation through cooperative projects with local communities; that involve nongovernmental organizations, academic or private institutions or local affected governments; that enhance public knowledge and awareness of coral reef resources; and that promise sound scientific information on the extent, nature and condition of reef ecosystems.

Most importantly, this legislation encourages community-based conservation efforts that involve local communities, nongovernmental organizations, and academic institutions in the protection of reefs. It brings people and communities together to participate in, and learn more about, the conservation of ocean resources—coral reefs and the many species that depend on reef ecosystems. Only by making ordinary people responsible for reef conservation, can we alter the types of human activity and behavior that are responsible for the adverse impacts on coral reefs that we glimpse today.

Mr. President, the people of Hawaii, our Nation's only insular state, are perhaps more aware of the subtle and interdependent relationship we have with coral reefs.

But all citizens should appreciate that the health of coral reefs is emblematic of the health of our oceans—upon which we depend for so many resources, from clean water to food to pharmaceuticals. Coral reefs are the rain forests of the ocean—a wild, beautiful, complex bountiful resource whose importance to life on earth, much less ourselves, is only beginning to be understood. But the harsh reality is that we are going to lose our reefs if we do not act soon, before we fully understand their role in the great web of marine life.

There are simply more people on the globe, in more places in the ocean, than ever before. Boats, anchors, snorkelers and divers are entering the water in increasing numbers. We are removing things from the water at an increasing rate—exotic salt water fish for home aquariums and pieces of coral for houses and home decor. The amount of sediment and pollution runoff onto coral reefs increases with every major shoreline development. It is vital that we start now, to research and preserve our reefs, before human impacts cause irreversible damages to a resource whose essential role in nature is only just beginning to be understood.

Thank you, Mr. President. I urge my colleagues to support this legislation, which represents a critical step in helping us understand and live sustainably with coral reef ecosystems.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1888

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Coral Reef Resource Conservation and Management Act of 1999".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) coral reefs have great commercial, recreational, cultural, environmental, and aesthetic value:

(2) coral reefs—

(A) provide habitat to ⅓ of all marine fish species;

(B) are essential building blocks for biodiversity;

(C) are instrumental in forming tropical islands;

(D) protect coasts from waves and storms;

(E) contain an array of potential pharmaceuticals; and

(F) support tourism and fishing industries in the United States worth billions of dollars;

(3) studies indicate that coral reefs in the United States and around the world are being degraded and severely threatened by human and environmental impacts, including land-based pollution, overfishing, destructive fishing practices, vessel groundings, and climate change;

(4) the Department of the Interior—

(A) manages extensive acreage that contains sensitive coral reef habitat and adjacent submerged land at 20 national wildlife refuges and 9 units of the National Park System—

(i) in the States of Hawaii and Florida; and

(ii) in the territories of Guam, American Samoa, and the United States Virgin Islands; and

(B) maintains oversight responsibility for additional significant coral reef resources under Federal jurisdiction in insular areas, territories, and surrounding territorial waters in the Pacific Ocean and Caribbean Sea;

(5) few of the 4,200,000 acres of coral reefs of the United States have been mapped or have had their conditions assessed or characterized;

(6) the Department of the Interior conducts scientific research and monitoring to determine the structure, function, status, and condition of the coral reefs of the United States; and

(7) the Department of the Interior, in cooperation with public and private partners, provides technical assistance and engages in management and conservation activities for coral reef habitats.

(b) PURPOSES.—The purposes of this Act are—

(1) to conserve, protect, and restore the health of coral reef ecosystems and the species of fish, plants, and animals that depend on those ecosystems;

(2) to support the monitoring, assessment, management, and protection of coral reef ecosystems over which the United States has jurisdiction (including coral reef ecosystems located in national wildlife refuges and units of the National Park System);

(3) to augment and support the efforts of the Department of the Interior, the National Oceanic and Atmospheric Administration, and other members of the Coral Reef Task Force;

(4) to support research efforts that contribute to coral reef conservation;

(5) to support education, outreach, and enforcement for coral reef conservation;

(6) to provide financial resources and matching funds for partnership efforts to accomplish the purposes described in paragraphs (1) through (4); and

(7) to coordinate with the Coral Reef Task Force and other agencies to address priorities identified by the Coral Reef Task Force.

SEC. 3. DEFINITIONS.

In this Act:

(1) CORAL.—The term "coral" means any species of the phylum Cnidaria, including—

(A) any species of the order Antipatharia (black corals), Scleractinia (stony corals), Gorgonacea (horny corals), Stolonifera (organpipe corals and others), Alcyanacea (soft corals), or Coenothecalia (blue corals), of the class Anthozoa; and

(B) any species of the order Hydrocorallina (fire corals and hydrocorals) of the class Hydrozoa.

(2) CORAL REEF.—The term "coral reef" means the species (including reef plants and coralline algae), habitats, and other natural resources associated with any reef or shoal composed primarily of corals within all maritime areas and zones subject to the jurisdiction of the United States, including Federal, State, territorial, or commonwealth waters in the south Atlantic, the Caribbean, the Gulf of Mexico, and the Pacific Ocean.

(3) CORAL REEF CONSERVATION PROJECT.—The term "coral reef conservation project" means an activity that contributes to or results in preserving, sustaining, or enhancing any coral reef ecosystem as a healthy, diverse, and viable ecosystem, including—

(A) any action to enhance or improve resource management of a coral reef, such as assessment, scientific research, protection, restoration and mapping;

(B) habitat monitoring and any species survey or monitoring of a species;

(C) any activity necessary for planning and development of a strategy for coral reef management;

(D) community outreach and education on the importance and conservation of coral reefs; and

(E) any activity in support of the enforcement of laws relating to coral reefs.

(4) CORAL REEF TASK FORCE.—The term "Coral Reef Task Force" means the task force established under Executive Order No. 13089 (June 11, 1998).

(5) FOUNDATION.—The term "foundation" means a foundation that is a registered nonprofit organization under section 501(c) of the Internal Revenue Code of 1986.

(6) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(7) STATE.—The term "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Mariana Islands, or any other territory or possession of the United States.

SEC. 4. CORAL REEF RESOURCE CONSERVATION GRANT PROGRAM.

(a) IN GENERAL.—The Secretary shall provide grants for coral reef conservation projects in accordance with this section.

(b) ELIGIBILITY.—The Secretary may award a grant under this section to—

(1) any appropriate natural resource management authority of a State—

(A) that has jurisdiction over coral reefs; or

(B) the activities of which affect coral reefs; or

(2) any educational or nongovernmental institution or organization with demonstrated expertise in marine science or coral reef conservation.

(c) MATCHING REQUIREMENTS.—

(1) FEDERAL SHARE.—Except as provided in paragraph (3), the Federal share of the cost of a coral reef conservation project that receives a grant under this section shall not exceed 75 percent of the total cost of the project.

(2) NON-FEDERAL SHARE.—The non-Federal share of the cost of a coral reef conservation project that receives a grant under this section may be provided in cash or in kind.

(3) WAIVER.—The Secretary may waive all or part of the matching requirement under paragraph (1) if—

(A) the cost of the project is $25,000 or less; or

(B) the project is necessary to undertake, complete, or enhance planning and monitoring requirements for coral reef areas under—

(i) the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd et seq.); or

(ii) the Act entitled "An Act to establish a National Park Service, and for other purposes", approved August 25, 1916 (16 U.S.C. 1 et seq.).

(d) ALLOCATION.—The Secretary shall award grants under this section so that—

(1) not less than 40 percent of the grant funds available are awarded for coral reef conservation projects in the Pacific Ocean;

(2) not less than 40 percent of the grant funds available are awarded for coral reef conservation projects in the Atlantic Ocean, the Gulf of Mexico, and the Caribbean Sea; and

(3) the remaining grant funds are awarded for coral reef conservation projects that address emergency priorities or threats identified by the Secretary, in consultation with the Coral Reef Task Force.

(e) ANNUAL FUNDING PRIORITIES.—After consultation with the Coral Reef Task Force, States, regional and local entities, and nongovernmental organizations involved in coral and marine conservation, the Secretary shall identify site-specific and comprehensive threats and constraints that—

(1) are known to affect coral reef ecosystems (including coral reef ecosystems in national wildlife refuges and units of the National Park System); and

(2) shall be considered in establishing annual funding priorities for grants awarded under this subsection.

(f) PROJECT REVIEW AND APPROVAL.—

(1) IN GENERAL.—The Secretary shall review and rank coral reef conservation project proposals according to the criteria described in subsection (g).

(2) PEER REVIEW.—

(A) IN GENERAL.—For projects that have a cost of $25,000 or more, the Secretary shall—

(i) provide for merit-based peer review of the proposal; and

(ii) require standardized documentation of the peer review.

(B) EXPEDITED PROCESS.—For projects that have a cost of less than $25,000, the Secretary shall provide an expedited peer review process.

(C) INDIVIDUAL GRANTS.—As part of the peer review process for individual grants, the Secretary shall request written comments from the appropriate bureaus or departments of the State or other government having jurisdiction over the area where the project is proposed to be conducted.

(3) LIST.—At the beginning of each fiscal year, the Secretary shall make available a list describing projects selected during the previous fiscal year for funding under subsection (g).

(g) PROJECT APPROVAL CRITERIA.—The Secretary shall evaluate and select project proposals for funding based on the degree to which each proposed project—

(1) is consistent with the purposes of this Act; and

(2) would—

(A) promote the long-term protection, conservation, restoration, or enhancement of coral reef ecosystems in or adjoining areas under the jurisdiction of the Department of the Interior;

(B) promote cooperative conservation projects with local communities, nongovernmental organizations, educational or private institutions, affected local governments, territories, or insular areas;

(C) enhance public knowledge and awareness of coral reef resources and sustainable use through education and outreach;

(D) develop sound scientific information on the condition of and threats to coral reef ecosystems through mapping, monitoring, research and analysis; and

(E) increase compliance with laws relating to coral reefs.

(h) REGULATIONS.—

(1) IN GENERAL.—Except as provided in paragraph (2), not later than 90 days after the date of enactment of this Act, the Secretary shall promulgate regulations to implement this Act.

(2) PROJECT APPROVAL.—Not later than 180 days after the date of enactment of this Act, the Secretary shall promulgate regulations to implement subsection (f), including requirements for project proposals.

(3) CONSULTATION.—In developing regulations under this subsection, the Secretary shall identify priorities for coral reef resource protection and conservation in consultation with agencies and organizations involved in coral and marine conservation, including—

(A) the Coral Reef Task Force;

(B) interested States;

(C) regional and local entities; and

(D) nongovernmental organizations.

(i) ADMINISTRATION.—

(1) FOUNDATION INVOLVEMENT.—

(A) AGREEMENTS.—The Secretary may enter into an agreement with 1 or more foundations to accept, receive, hold, transfer, solicit, and administer funds received or made available for a grant program under this Act (including funds received in the form of a gift or donation).

(B) FUNDS.—A foundation that enters into an agreement described in subparagraph (A) shall—

(i) invest, reinvest, and otherwise administer funds described in subparagraph (A); and

(ii) maintain the funds and any interest or revenues earned in a separate interest-bearing account that is—

(I)(aa) an insured depository institution, as the term is defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813); or

(bb) an insured credit union, as the term is defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752); and

(II) established by the foundation solely to support partnerships between the public and private sectors that further the purposes of this Act.

(2) REVIEW OF PERFORMANCE.—

(A) IN GENERAL.—Beginning in fiscal year 2000, and biennially thereafter, the Secretary shall conduct a review of each grant program administered by a foundation under this subsection.

(B) ASSESSMENT.—Each review under subparagraph (A) shall include a written assessment describing the extent to which the foundation has implemented the goals and requirements of this section.

(j) TRANSFERS.—

(1) IN GENERAL.—Under an agreement entered into under subsection (i)(1)(A), the Secretary may transfer funds appropriated under section 5(b) to a foundation.

(2) USE OF TRANSFERRED FUNDS.—Amounts received by a foundation under this subsection may be used for matching, in whole or in part, contributions (whether in currency, services, or property) made to the foundation by private persons and State and local government agencies.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated to carry out this Act $20,000,000 for each of fiscal years 2000 through 2004, to remain available until expended.

(b) LIMITATION ON ADMINISTRATIVE FUNDS.—Not more than 6 percent of the amounts appropriated under this section may be used for program management and administration under this Act.

By Mr. GRAMS:

S. 1889. A bill to amend the Congressional Budget Act of 1974 to provide for joint resolutions on the budget, reserve funds for emergency spending, strengthened enforcement of budgetary decisions, increased accountability for Federal spending; accrual budgeting for Federal insurance programs, mitigation of the bias in the budget process toward higher spending, modifications in paygo requirements when there is an on-budget surplus, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that when one Committee reports, the other Committee have thirty days to report or be discharged.

COMPREHENSIVE BUDGET PROCESS REFORM ACT OF 1999

Mr. GRAMS. Mr. President, we are now in the final stages of completing the FY 2000 Appropriation bills. We will soon end the first session of the 106th Congress. Looking back, I must say, we have had some successes, and I am proud of these achievements. However, the biggest failure, in my judgment, is that we have failed to learn the lessons from our past two years' experience and we have failed to maintain fiscal discipline due to our seriously flawed budget process.

That's why I rise today to introduce legislation that would reform the federal budget process, strengthen fiscal discipline, and restore government accountability to ensure that taxpayers are fully represented in Washington.

Mr. President, after last year's abuse of the budget/appropriation process, many of us realized that the federal budget process became a reckless game in which the team roster was limited to a handful of Washington politicians and technocrats while the taxpayers were relegated to the sidelines. This not only weakened the nation's fiscal discipline but also undermined the system of checks and balances established by the Constitution.

At the beginning of the 106th Congress, I argued repeatedly in this chamber that the key to a successful Congress was to pursue comprehensive budget process reforms. I introduced legislation to achieve these goals. I was pleased that Senate leaders included budget process reform as one of the top five priorities in the 106th Congress. Unfortunately, that commitment has not yet materialized.

As a result, this year's appropriation process is almost a play-by-play of 1998. Congress over-used advanced appropriations, and used directed scoring, emergency spending and other budgetary techniques to dodge fiscal discipline and significantly increase government spending.

Mr. President, our failure can be traced to our seriously flawed budget process. Twenty-five years ago, Congress tried to change its budget practices and get spending under control by passing the Congressional Budget Act. Yet, over these 25 years, our national debt has grown from $540 billion to $5.7 trillion.

Spending is at an all-time high, and so are taxes. The budget process has become so complicated that most lawmakers have a hard time understanding it. Of course, that hasn't stopped the proliferation of budget smoke and mirrors to circumvent the intent of the Congress. The flawed process allows members to vote to control spending in the budget and then turn right around and vote for increased appropriations. The process encourages spending increases rather than spending control. It encourages continued fiscal abuse, waste, and irresponsibility.

Clearly, we need to immediately pursue comprehensive reform to ensure the integrity of our budget and appropriations process and avoid repeating the same mistakes we made in the past two years. We must do this early in the year before we begin to face appropriation pressures.

This is why I am introducing the Comprehensive Budget Process Reform Act. This legislation is the companion bill of HR 853, which was a bipartisan effort led by Congressmen NUSSLE and CARDIN. It has been reported by the House Budget Committee. There are also a number of good budget reform proposals in the Senate I have earlier supported. Reforms introduced by our Budget Committee Chairman Senator DOMENICI are important and I strongly support his leadership in this area. My legislation is complementary to but broader than Senator DOMENICI's efforts.

Mr. President, let me highlight my legislation. The legislation will force us to pass a legally-binding federal budget, set aside funds each year in the budget for true emergencies; strengthen the enforcement of budgetary controls; enhance accountability for Federal spending; display unfunded liabilities for Federal insurance programs; mitigate the bias toward higher spending, modify Pay-As-You-Go (PAYGO) procedures to accommodate budget surpluses; and ensure the Social Security surplus will be protected.

The core of the legislation will provide for an annual joint budget resolution, rather than a concurrent resolution, thus making it a legally binding budget through a law requiring the President's signature.

I believe this is a critical step in reforming the budget process. If Congress and the President agree on a Joint Budget Resolution at the beginning of the process, appropriators in Congress would be legally bound to stay within those spending limits. It forces confrontation at the earliest stages of the budget process, leaving adequate time for legislating detail and minimizing disputes at the end of the process which threaten to shutdown the government.

The second component of the bill will redefine emergency spending and create a reserve fund to pay for emergencies. Emergency spending was traditionally used for unanticipated wars and natural disasters that took life and severely damaged property. Because emergency spending today is effectively exempt from congressional spending controls, Congress and the Administration have used this as an opportunity to bust the budget for a lot of spending that isn't emergency related at all.

Last year alone, Congress appropriated $35 billion for so-called emergencies. This year again, over $24 billion of emergency spending is appropriated. Since 1991, emergency spending has totaled over $145 billion. Most "emergencies" were used to fund regular government programs, not unanticipated events. Emergency spending is sought as a vehicle to add on even more spending priorities. This has gone too far. We need a better way to budget for emergencies. Most of this spending can be planned within our budget limits. Even natural disasters happen regularly—why not budget for them?

My legislation will end this abuse of emergency spending. It requires both the President and the Congress to budget up front for emergencies by setting aside dollars in an emergency reserve fund. The reserve fund will contain an amount at least equal to the 5-year historical average of amounts provided for true emergencies. It includes a clear definition of "emergencies." My legislation prohibits release of funds from the reserve pending Budget Committee certification that: (1) A situation has arisen that requires funding for "the prevention or mitigation of, or response to, loss of life of property, or a threat to national security", and (2) The situation is "unanticipated"—with "unanticipated" defined as sudden, urgent, unforeseen, and temporary.

In the event that Congress and the President fail to agree on annual appropriation measures by October 1, my legislation will allow the budget resolution signed into law earlier in the year to automatically kick in. This will effectively prevent any future government shutdowns due to disagreements on spending priorities between Congress and the Administration.

Mr. President, the 1995 federal government shutdown is still fresh in our minds. It was the longest shutdown in history and caused financial damage and inconvenience to millions of Americans when the President refused to support a Balanced Budget Act and tax relief for Americans. The shutdown shook the American people's confidence in their government and in their elected officials.

Since 1997, I, along with Senator McCAIN, have been advocating an automatic continuing resolution, or CR, as we call it, to prevent a government shutdown. I was able to obtain a commitment from the Senate leadership of both parties to pursue this legislation separately in the near future. But no action has followed. If we had an automatic CR, we would not have to go through bitter battles at the end of every fiscal year.

The virtue of an automatic CR is that it would allow us to debate issues concerning spending policy and the merits of budget priorities while we continue to keep essential government functions operating. The American taxpayer will no longer be held hostage to a government shutdown.

Mr. President, there will always be plenty of uncertainties involved in our budget and appropriations process. The automatic kick-in of the budget resolution in the bill I introduce today will work the same as my automatic CR.

Another flaw of the budget process is so-called budget baselines. When a government program is going to increase by 4.5 percent per year, anyone with common sense would think that is a budget increase, not a budget "cut." But under baseline budgeting it could mean "cut." Lee Iaccoca once stated that if business used baseline budgeting the way Congress does, "they'd throw us in jail."

This is a typical budget gimmick. Any proposed spending levels below current baselines are perceived as program reductions, allowing some politicians to claim savings while permitting others to claim increases. Baseline budgeting is biased in favor of more spending. It is not honest budgeting but rather very misleading. My legislation would require Congress and the President to use this year's actual spending total as the baseline for the next year's budget. If we decide to spend more than the current year, we are increasing the budget. If we spend less, we are cutting it. Let's call a spade a spade.

Mr. President, we have entered an era of budget surplus. It is estimated that in the next ten years, our strong economy will generate an over $1 trillion non-Social Security surplus. If we don't return this surplus to taxpayers in the form of tax relief and debt reduction, the government will spend it all. However, the current budget process limits our ability to provide tax relief for working Americans.

The budget law requires that all tax cuts be offset with tax increases or cuts in entitlement programs such as Medicare. Tax cuts may not be paid for by cutting discretionary spending, such as wasteful government programs. This rule, called the PAYGO rule, applies regardless of whether there is a surplus or deficit. The PAYGO rule effectively limits options with respect to reducing taxes because it precludes using spending cuts in discretionary programs to offset tax cuts. Thus there is a built-in bias in favor of higher levels of spending and taxation in the current budget process.

My legislation would amend Pay-As-You-Go requirements to permit any portion of the on-budget surplus, excluding Social Security, to be used for tax cuts.

Related to the PAYGO rule reform, my legislation also creates a lockbox to lock in every penny that is saved from floor amendments to appropriations bills and use it to reduce federal government spending. Spending levels in the budget resolution and any caps on discretionary spending would be automatically reduced by the amount in the floor amendment.

The bill requires committees to submit a plan for reauthorizing all programs within their jurisdictions in 10 years. It also prohibits the Congress from considering a bill that creates a new spending program unless it is sunset within 10 years. My legislation also guarantees Members the right to offer amendments subjecting proposed entitlements to the enhanced oversight of the appropriations process.

Under the current budget process, we have over 20 budget functions, and a half dozen different committees with jurisdiction over one budget function. This has complicated the process greatly. To simplify the process, my bill collapses the 20 non-enforceable budget functions currently used into total (aggregate) spending and revenue levels, with separate categories for discretionary and mandatory spending. It is simple, and easy enough for everyone to understand.

Mr. President, a number of the Federal insurance programs (excluding Social Security and Medicare) that have a looming impact on the federal budget are not included in our budget process. The liabilities caused by these programs could be enormous. Budgeting for these liabilities will give us better control over long-term programs. My legislation requires the Congressional Budget Office and the Office of Management and Budget to report periodically on long-term budgetary trends, to help make Members aware of the future budgetary implications of spending programs.

Finally, Mr. President, it's vitally important that we save the entire Social Security surplus, not for government spending, not for tax relief, but exclusively for Social Security.

I believe we need an enforcement mechanism to ensure that Congress and the President do not touch the Social Security surplus. My legislation requires that if any fiscal year's appropriations end up spending the Social Security surplus, a sequestration will be automatically triggered to reduce government spending across the board in the amount of the Social Security surplus that was used. Entitlement programs like Social Security and Medicare would not be cut. In addition, the bill reaffirms the protected status of Social Security under the current budgetary law.

Mr. President, it is true that our short-term fiscal situation has improved greatly due to the continued growth of our economy. However, our long-term financial imbalance still poses a major threat to the health of our future economic security. Without budget process reform, we will find ourselves again and again making the same mistakes which result in bigger government, more spending and more abuse. We need to spend more time on oversight and reauthorizing expiring programs rather than on endless budget battle at the end of every fiscal year.

President Reagan summed up the real problem of our budget process when he pointed out "this budget process does not serve the best interests of the nation, it does not allow sufficient review of spending priorities, and it undermines the checks and balances established by the Constitution."

If the Congress adopts the Comprehensive Budget Process Reform Act, it will ensure a budget process that serves the best interests of the nation and allow for careful policy and spending deliberation. That's why I am introducing this legislation today. I urge my colleagues to support this measure.

By Mr. L. CHAFEE:

S. 1891. A bill to amend the Elementary and Secondary Education Act of 1965 to improve literacy through family literacy projects; to the Committee on Health, Education, Labor, and Pensions

THE LITERACY INVOLVES FAMILIES TOGETHER ACT

Mr. L. CHAFEE. Mr. President, today I have the enormous honor of introducing legislation to renew and strengthen the Even Start Family Literacy Act. On October 1, 1985, my father stood at this desk, where I stand today, and introduced the Even Start Act. He did so because of his profound commitment to the most vulnerable and disadvantaged members of our society. As I introduce this bill, which attempts to break the cycle of illiteracy that divides our Nation into haves and have nots, I do so in an effort to continue that commitment to disadvantaged Americans.

Last week, an identical bill was introduced in the House of Representatives by BILL GOODLING, chairman of the House Committee on Education and the Workforce. Chairman GOODLING introduced the original Even Start Act in the House on May 16, 1985. Both versions of the Even Start Act were reintroduced in the 100th Congress and became law as part of the Hawkins-Stafford Elementary and Secondary Improvement Act Amendments of 1987.

There are approximately 40 million Americans who suffer from illiteracy. Like a disease, illiteracy often goes undetected. Like a disease, illiteracy too often is passed from generation to generation. Like a disease, illiteracy is painful for families to endure. There is no certain cure for illiteracy, but by renewing and expanding the Even Start Family Literacy Program, we offer tens of thousands of families hope for a better future.

There are many controversies related to education policy at the local, state and federal levels. There are heartfelt, passionately held opinions about everything from funding levels to particular teaching techniques. Nevertheless, there are a few things on which nearly everyone agrees: parents are their children's first and most important teachers, and children who are read to early and often do better in school than children who are not.

As the father of three young children, reading together is a part of daily life that I take for granted. I suspect that it is difficult for most of the members of this body to imagine what it would be like not to have the ability to sit down with your children or grandchildren to read a favorite story. But for millions of Americans, reading a bedtime story or helping with a son or daughter's homework assignment is impossible.

The Even Start Family Literacy Act brings families together to learn. Parents who do not have a high school degree or its equivalent are eligible for this program. They learn the basic educational skills that enable them to improve their own situations and, perhaps even more importantly, they learn the skills they need to help their children in school. At the same time, children from birth to age 8 receive appropriate educational services.

The bill I am introducing makes two notable changes in the Even Start program. First, it enables a child, who also is receiving title I services, to remain in the Even Start program beyond age 8. It also requires Even Start programs to utilize research-based teaching techniques for children. In addition to these improvements, it authorizes the Institute for Literacy to investigate the most effective means of improving adults' literacy skills, and it increases the authorization level to $500 million so that more families can be served.

Currently, there are four Even Start programs in Rhode Island receiving federal funds. Each of these programs serves between 25 and 40 families. In Newport, the Sullivan School Children's Opportunity Zone/Family Center has entered into an Even Start partnership with New Visions—the local Head Start provider, the Newport Public Library, the Florence Gray Center—which provides housing for low-income families, the Community College of Rhode Island and the Newport Hospital. Half of its participants are non-English readers.

In Woonsocket, the Fairmont School is the Even Start center, with partners from Literacy Volunteers of Northern Rhode Island and Woonsocket Head Start, among others. Three cities and towns—Johnston, North Providence, and Smithfield, have joined together to create the Tri-Town Community Action Even Start Program. Finally, the Cunningham School Even Start Program has established a partnership with Pawtucket Public Schools and Libraries, the Pawtucket Day Nursery, and a range of education and social service providers.

Each of these programs has utilized existing early childhood and adult education services. Together they are striving to address the needs of the whole family.

In the 12 years since the Even Start Program first was created, our nation has been propelled into the information age. Americans are increasingly dependent on technology for a wide range of needs and services. This new age magnifies our need for a literate society. As we continue to experience technological advancements, the educationally disadvantaged fall further behind. I believe that the Even Start Family Literacy Act as reauthorized by this bill—the Literacy Involves Families Together Act—is critically important to our Nation's children, our Nation's families, and our Nation's future.

I see Senator JEFFORDS on the floor. Before I yield to him, I thank him for his generosity to me and for his leadership in the area of education. Chairman JEFFORDS has the daunting task of leading the Senate's efforts to reauthorize the Elementary and Secondary Education Act. From what I know of Senator JEFFORDS, this major undertaking couldn't be in more able hands.

Mr. President, I urge my colleagues to join me as cosponsors of this bill.

Mr. JEFFORDS. Mr. President, we were all deeply saddened just a few days ago at the death of Senator John Chafee. Certainly, that sadness can never diminish completely. But having his son with us today and starting right off by introducing an excellent piece of legislation certainly brings us strong hope for the future.

Mr. President, I commend the Senator from Rhode Island for introducing the Literacy Involves Families Together Act, the LIFT Act. This legislation reauthorizes one of the most effective education programs, Even Start.

The Even Start Act was first introduced in 1985 by Representative BILL GOODLING, chairman of the House Education and Workforce Committee, and our former colleague, Senator John Chafee.

When first created, the goal of the Even Start program was to develop a comprehensive literacy program that improves educational opportunities for disadvantaged families by focusing on parenting education, early childhood education, and adult education. Since its establishment a little over a decade ago, Even Start has grown from 76 local programs serving 2,500 families to an estimated 600 programs assisting over 36,000 parents and 48,000 children.

The most recent evaluation of the Even Start program illustrated that both the adults and children who participated in the program significantly improved their reading and basic education skills. The evaluation specifically pointed out that the educational gap that existed at the beginning of the school year for first term Even Start students was reduced by approximately two-thirds when the Even Start students were tested at the conclusion of the school year.

The most recent national survey of reading achievement by fourth graders indicates that forty-four percent of school age children in this nation are reading below a basic level of achievement.

Sadly, the statistics are also dismal when analyzing adult literacy skills. The most recent National Adult Literacy Survey found a total of 44 million adults, almost 25 percent of the adult population in the United States, were at the lowest literacy level. The lowest literacy level means that 44 million adults in this country have demonstrated difficulty in the reading and writing skills essential for carrying out daily routines. The uniqueness of the Even Start program is that it provides services to the entire family—it enables families to learn together.

I commend my colleague from Rhode Island for making literacy a very high priority. I am especially pleased that he chose to sponsor the reauthorization of the Even Start program which was first introduced to this body by his father.

I look forward to working with the Senator from Rhode Island on the Literacy Involves Families Together Act, the LIFT Act, as a part of the reauthorization of the Elementary and Secondary Education Act which the Senate will consider early next year and on other education and literacy initiatives that will enable all of our Nation's citizens to have the knowledge and skills necessary to compete in the global economy.

I again commend the Senator from Rhode Island for being out here so fast and quick with a very important piece of legislation. I share his enthusiasm and look forward to working with him.

By Mr. DOMENICI (for himself and Mr. BINGAMAN):

S. 1892. A bill to authorize the acquisition of the Valles Caldera, to provide for an effective land and wildlife management program for this resource within the Department of Agriculture, and for other purposes; to the Committee on Energy and Natural Resources.

THE VALLES CALDERA PRESERVATION ACT

Mr. DOMENICI. Mr. President, in Northern New Mexico there is a truly unique working ranch on an historic Mexican land grant known as Baca Location No. 1. The ranch is currently owned and managed by the Baca Land and Cattle Company, and it comprises most of a collapsed, extinct volcano known as the Valles Caldera. The Valles Caldera is a beautiful place with rolling meadows, crystal-clear streams, roaming elk, and vast stands of Ponderosa pines. I am very proud to announce we are introducing legislation today that will authorize the Secretary of Agriculture to acquire this property which is a truly unique 95,000 acre working ranch in New Mexico.

For Senator BINGAMAN and I, and a few others working on this issue, this is a not-so-instant replay from last year. Last year around this time, Senator BINGAMAN and I announced that we had reached agreement with the President on a comprehensive plan to acquire the Baca Ranch and, at the same time, to provide for disposal of designated surplus land from the Federal inventory. Those two concepts, embodied in Titles I and II of last year's bill, have survived in this new bill.

Title I provides for an innovative trust structure to manage this ranch, when it is purchased by the Federal Government. Title II provides a process for compensating citizens who await Federal payment for land trapped within vast areas of Federal land, so-called "inholders", and the orderly disposal of Federal land that has already been declared surplus by the Federal Government.

As you may recall, Senator BINGAMAN began this process with his purchase bill in 1997. The process of purchasing the Baca Ranch for the public was jump-started last summer when President Clinton and I, flying on Air Force One to Washington, reached an agreement on the concept of an innovative trust arrangement to manage the Baca, if it were to become part of Federal land holdings. The President's response led to a number of rounds of negotiations between representatives of the Administration and our offices.

Finally, after literally thousands of hours of discussion at all levels, agreement was reached, we introduced the bill and a similar one was introduced in the House of Representatives. And, in what I frankly admit was almost miraculous, we were able to persuade Congress to provide $40 million in last year's appropriations process as earnest money for any Baca Ranch purchase that might be authorized by Congress.

Then, unexpected disaster struck. The owners of the Baca Ranch decided not to sell the land after all. I said to many of you then that I thought the purchase was dead.

However, like Lazarus the Baca Ranch purchase lives again. I must thank Senator BINGAMAN for his leadership in this matter, Congresswoman WILSON for her extremely effective work behind the scenes in the House to promote the purchase, and the new Congressman from Santa Fe, Mr. UDALL, for his support. And, I must thank the Administration for its commitment.

This kind of cooperation has brought us to this day of good news. Today, Senator BINGAMAN and I again introduce a bill to authorize both the purchase of the Baca Ranch by the federal government and the orderly disposal of surplus lands in order to pay for debts the government owes to "inholders." I understand that Representatives WILSON and UDALL will introduce companion legislation in the House.

Now, let's talk for a moment about the $101 million price tag the Baca Ranch purchase carries. The $40 million that we won last year from the Appropriations process had been spent. The President didn't ask for it in his budget, logically, since he thought the ranch was no longer for sale. And, the Interior Appropriations Subcommittees in the House and Senate failed to appropriate the $40 million for the same reason—it seemed that the purchase was dead.

However, the President recently announced a $101 million purchase agreement between the federal government and the Dunigan family, the current owners of the Baca Ranch. Quickly, we jumped to action, and in October, the New Mexico delegation succeeded in restoring the $40 million originally approved last year for the purchase. As a member of the Senate Interior Appropriations Subcommittee, I have been involved in talks between congressional negotiators and the White House over several issues in the FY 2000 Interior Appropriations Bill. Those talks have led to a tentative agreement to provide an additional $61 million, on top of the $40 million restored in October, for the Baca Ranch purchase. If the $101 million appropriation becomes law, its release would be subject to congressional authorization of the land acquisition, as well as a review of the ranch appraisal by the Comptroller General of the United States.

This is a terrific development and could very well help in moving this authorizing legislation through Congress next year. The drive to bring this beautiful ranch into public ownership has helped gain this funding. As important as the money, however, is retaining the dual nature of this legislation. This bill contains two major titles: one to authorize purchase of the Baca Ranch, which draws most of the headlines; and the other to begin a major reform in federal land management. The President has signed onto both; we have signed onto both. Both Titles must eventually become law in order for the Baca Ranch purchase to proceed.

I have visited the Baca Ranch, and I can tell you that it is one beautiful piece of property. The Valles Caldera is one of the world's largest resurgent lava domes. The depression from a huge volcanic eruption over a million years ago is more than a half-mile deep and fifteen miles across at its widest point. The land was originally granted to the heirs of Don Luis Maria Cabeza de Vaca under a settlement enacted by Congress in 1860. Since that time, the property has remained virtually intact as a single, large, tract of land.

The careful husbandry of the Ranch by the Dunigan family provides a model for sustainable land development and use. The Ranch's natural beauty and abundant resources, and its proximity to large municipal populations could provide numerous recreational opportunities for hiking, fishing, camping, cross-country skiing, and hunting. The Baca is a unique working ranch. It is not a wilderness area, and can best be protected for future generations by continuing its operation as a working asset through a unique management structure. This legislation provides that unique management under a trust that may allow for its eventual operation to become financially self-sustaining.

Mr. President, because of the ranch's unique character, I am not interested in having it managed under the usual federal authorities, as is typical of the Forest Service, Bureau of Land Management, or the National Park Service. Under the current state of affairs on our public lands, Forest Service and BLM management is constantly hounded by litigation initiated by some of the same groups that wish to bring this ranch into government ownership. The Valles Caldera National Preserve will serve as a model to explore alternative means of federal management and will provide the American people with opportunities to enjoy the Valles Caldera and its many resources.

The unique nature of the Valles Caldera, and its resources, requires a unique management program, dedicated to appropriate development and preservation under the principle of the highest and best use of the Ranch in the interest of the public. Title I of this legislation provides the framework necessary to fulfil that objective. It authorizes the acquisition of the Baca

Ranch by the Forest Service. At the same time, it establishes a government-owned corporation, called the Valles Caldera Trust, whose sole responsibility is to ensure that the ranch is managed in a manner that will preserve its current unique character, and provide enumerable opportunities for the American people to enjoy its splendor. Most importantly to me, however, the legislation will allow for the ranch's continued operation as a working asset for the people of north-central New Mexico, without further drawing on the thinly-stretched resources of the federal land management agencies.

I would like to emphasize that both portions of this bill are milestones in federal land management. This legislation independently addresses the acquisition of this unique property for public use and enjoyment, while solving current land management problems related to surplus land disposal and the acquisition of inholdings from owners who truly want to sell their land.

Currently, approximately one-third of New Mexico's land is in federal ownership or under federal management. These public lands are an important resource that require our most thoughtful management. In order to better conserve existing national treasures for future use and enjoyment, we have devised a good plan to dispose of surplus land through sale or exchange into private, State, or local government ownership.

In many cases, it is just too costly to keep this unneeded land under federal ownership, and it can be more effectively managed in other hands. Title II of this bill, the Federal Land Transaction Facilitation Act, calls for the orderly disposition of surplus federal property on a state by state basis, and provides land managers with needed tools to address the problem created by "inholdings" within federally managed areas. There are currently more than 45 million acres of privately owned land trapped within the boundaries of Federal land management units, including national parks, national forests, national monuments, national wildlife refuges, and wilderness areas.

In other cases, however, landowners who want out have been waiting generations for the Federal Government to set aside funding and get around to acquiring their property. This legislation directs the Departments of the Interior and Agriculture to reach out to those property owners who want to sell their land. It also instructs the Departments to establish a priority for the acquisition of these inholdings based, in part, on how long the owner has been waiting to sell.

An issue related to the problem created by inholdings is the abundance of public domain land which the Bureau of Land Management has determined it no longer needs to fulfill its mission. Under the Federal Land Policy and Management Act of 1976, the BLM has identified an estimated 4 to 6 million acres of public domain lands for disposal.

Let me simply clarify that point—the BLM already has authority under an existing law, FLPMA, to exchange or sell lands out of Federal ownership. Through its public process for land use planning, when the agency has determined that certain lands would be more useful to the public under private or local governmental control, it is already authorized to dispose of these lands, either by sale or exchange.

The sale or exchange of this land would be beneficial to local communities, adjoining land owners, and federal land mangers, alike.

An orderly process for the efficient sale or exchange of land identified for disposal does not currently exist. The Federal Land Transaction Facilitation Act addresses this problem by providing that a portion of the proceeds generated from the sale of these lands will be used to fulfill all legal requirements for the transfer of these lands out of Federal ownership. The majority of the proceeds generated would be used to acquire inholdings from those who want to sell their land.

The Senate Energy and Natural Resources Committee will schedule hearings to address the many issues regarding Federal purchase of the Baca Ranch in the near future. Congress has tried to resolve the difficult challenges in acquiring this property before, and failed; cooperation among the parties may bring success this time around. I want to thank everyone who has helped in this 18-month-long effort. I believe that in the end, we will be able to stand together and tell the American people that we truly have accomplished two great and innovative things with this legislation.

Mr. President, I am confident that if we get an Interior appropriations bill, the money will be in it. Everyone should know that it is subject to two conditions: A full authorization bill being passed and signed and subject to the General Accounting Office reviewing the procedures for the appraisal of the property and assuring the Congress of what they have done, in a sense with the expertise that is consistent with what must be used in order to satisfy Congress that there is a fair purchase price involved in the agreement.

I yield the floor to my colleague, Senator BINGAMAN.

Mr. BINGAMAN. Mr. President, I thank my colleague and very much appreciate the leadership he has shown on this important issue as well. This is a truly bipartisan effort we have made on behalf of New Mexico. This is not just an issue of the 106th Congress. This is an issue that our Sate has been pursuing for many decades. Back in the early 1960s, one of our predecessors in the Senate, Senator Clinton Anderson, made a valiant effort to bring the Baca Ranch into Federal ownership so the public could enjoy it and so its preservation could be assured for future generations.

After 3 years of effort in that direction, he abandoned the effort because of the infighting that occurred among competing interests. Then, Mr. President, over two years ago I rose in this chamber to introduce a bill to authorize the acquisition of the Baca Location #1, a ranch which comprises about ninety percent of the magnificent Valles Caldera. Today I rise to cosponsor a bill with Sen. DOMENICI that will not only authorize purchase of the Baca Ranch, but also a unique method of management for this property.

A world renowned volcanic caldera sweeping approximately fifty miles in circumference, the Valles Caldera is the ecological heart of the Jemez Mountains. It's unparalleled vast upland meadows broken by forested volcanic domes and intertwined with 27 miles of winding trout streams, are home to a stunning variety of wildlife including: mountain lions, black bear, whitetail deer, redtail hawks, eagles, and wild turkey. It has also been the breeding ground for one of the largest elk herds in the lower forty-eight states.

There has been a desire on the part of the Dunigan family, the current owners of that land, to see that it go into public ownership, and the father of the of the current owners made that attempt before he died. They have recently decided they want to carry through with that wish of his and accordingly, as Senator DOMENICI indicated, the negotiations between the Dunigan family and the Federal Government have proceeded and now have come to a good resolution. This presents us with an incredible opportunity for the American people.

The potential of this land is enormous:

It could be used as a grassbank to allow ranchers to rest and rehabilitate hundreds of thousands of acres of public range land in New Mexico without having to lose production in the process;

It could provide incredible opportunities for scientific study and education, in the geophysical and biological sciences;

It currently is, and could continue to be, one of the premier hunting and fishing destinations in the country;

It's scenic value makes it an ideal location for the film industry. In fact it has often been used as a backdrop for movies, TV series, and commercials;

It presents amazing opportunities for outdoor recreation including, hiking, camping, horseback riding, cross-country skiing, and photography; and

As with many of the scenic wonders in my home state of New Mexico, there are places within the caldera that are of tremendous cultural significance to various Native American tribes in the area.

Clearly if this property were to be brought into public ownership it should be managed to preserve its incredible natural condition, while maintaining a balance with the various ways it could be used and enjoyed. The experiment called for in this bill sets out broad policy goals for the land (to preserve its natural treasures and to make it financially self-sustaining) and establishes a nine member board of trustees that shall set management policy for what would become the Valles Caldera Preserve. By requiring that each trustee have experience from differing but critical perspectives, this trust may be able to reach a balance that will meet the needs of the land and the public.

The nine members of this board would include:

(1) the Supervisor of the Santa Fe National Forest;

(2) the Superintendent of Bandelier National Monument;

(3) a person with expertise in range management and the livestock industry;

(4) a person with expertise in fish and wildlife management including game and non-game species;

(5) a person with expertise in sustainable forest management;

(6) an active participant in a conservation organization;

(7) a person with financial management and business expertise;

(8) a person with expertise in the cultural and natural history of the region; and finally;

(9) someone active in the State or local government in New Mexico familiar with the customs of the local area.

At least five of these trustees would be required to be residents of New Mexico. It would be an experiment, and would expire within twenty years unless it proves successful and is renewed by Congress.

A second part of this bill, not related to the management of the Valles Caldera Preserve, seeks to address the goal of the Federal land management agencies to consolidate their land holdings, by first helping to promote the sale of the widely scattered parcels of land that the Bureau of Land Management has designated "suitable for disposal," and secondly by using the proceeds of those sales towards the acquisition of inholdings within our public lands, areas of critical environmental concern, and other lands of exceptional resource value. This program would be authorized for ten years.

Just as the Baca Ranch can be seen as a large inholding surrounded by federal land which is worthy of public ownership, there are many other inholdings in our national parks, forests, wildlife refuges and public lands, where private owners are willing and eager to sell to government. At the same time, there are some two million acres of public land that the BLM has determined are too remote, isolated, or otherwise situated to make management more of a burden than a benefit to the Federal tax payer.

Often these lands are small 20 and 40 acre parcels surrounded by, or forming checker boarded areas with, private or state land. Though consolidating these lands has long been a goal of Federal land managers, the costs of surveying the land for endangered species, archeological artifacts, and for the purpose of determining a fair market value has hampered these efforts. This bill would create a mechanism to accelerate this work.

Mr. President, this bill is important because it holds the real promise of bringing the entire Valles Caldera into public ownership after so many failures in the past. It represents a compromise which Sen. DOMENICI and I have worked on with the Administration, the House Members of the New Mexico delegation, and with some consultation with the majority staff of the Energy & and Natural Resources Committee. We have also received innumerable comments from various constituencies.

Like all negotiated legislation, each constituency and interest group would like to change a piece here or there. However, I believe it is overall a good bill which meets the broadest concerns raised by those constituencies and should be viewed as a whole rather than in pieces. My sincere hope is that we will be able to pass it substantially as it is early next session.

The other issue that Senator DOMENICI spoke to is the appropriating of funding for the purchase. I also am extremely pleased with that. I know the administration has felt strongly that we should try to get the full funding for the purchase of the ranch accomplished in this session of the 106th Congress before we adjourn. I know Senator DOMENICI has worked hard to accomplish that. I also worked with the Appropriations Committee members and the administration to full fund this purchase. I am very pleased to know that we are going to see that full appropriation at such time as we have an Interior appropriations bill signed into law.

This is an important effort for the State of New Mexico. I believe when the 106th Congress is finally completed, not the end of this week or next week but a year from now, when we look back and see what was accomplished in that 106th Congress that is important to the State of New Mexico and the people of New Mexico, this acquisition of the Baca Ranch will be at the top of the list.

I very much appreciate the good bipartisan effort that has gone into this.

By Mr. BOND:

S. 1893. A bill to amend the Indian Gaming Regulatory Act to prohibit the Secretary of the Interior from taking land into trust for Indian tribes for gaming purposes under certain conditions, and for other purposes; to the Committee on Indian Affairs.

GAMING CLARIFICATION ACT OF 1999

Mr. BOND. Mr. President, today I am introducing a Senate companion bill to legislation sponsored in the other body by the distinguished Representative from southwestern Missouri (Mr. BLUNT). This bill intends to clarify the application of the Indian Gaming Regulatory Act, or IGRA, in Missouri.

Specifically, this bill would prevent Indian Tribes from setting up casino gambling operations in areas of Missouri where non-Indians currently are prohibited from gambling. This is vitally important, if for no other reason than to maintain harmony in these communities. It is also essential to preserve the family-friendly atmosphere that draws so many vacationers to these areas. Branson, Missouri, in particular, has attained national fame as an extraordinarily beautiful area, with fun activities and entertainment suitable for parents and children alike.

An invasion of gambling into this setting would wreck this tremendous asset. It would bring all the well-known pathologies and social problems that accompany gambling. I oppose introducing gambling into these areas and will do all I can to fight it. We must protect the family spirit that makes Branson a national destination for vacationers. We must do likewise for other Missouri communities that offer similar sanctuaries from the hyperactive stress of modern life, as well as great places for residents to raise children, build homes, and do business.

The bill I introduce today is very similar to one I offered in 1997. That bill would also have prevented Tribally owned casinos in areas of Missouri where non-Indian casinos are currently illegal. It became necessary when a Tribe in Oklahoma applied to put land in the small town of Seneca, Missouri into trust status for gambling purposes. They wanted to operate a casino where no one else could do so legally and to do so despite overwhelming community objection. Fortunately, the Interior Secretary indicated to me that he would not approve that application, and the Tribe ultimately withdrew its gambling application. Thus, the issue was satisfactorily resolved without legislation.

More recently, however, a flurry of applications has been filed to put Indian-owned land into trust for non-gambling activities. I am glad the Tribes are finding that non-gambling activities, as proposed uses for these lands, can be more beneficial and more friendly to their communities and neighbors. However, a great many of my constituents are concerned that these trust applications might make it easier to apply for gambling later.

They worry that some Tribes might be seeking to approve gambling casinos through the back door. This bill will eliminate that concern by clarifying the meaning of the Indian Gaming Regulatory Act with respect to Missouri.

When the Congress adopted IGRA in 1988, it intended for a State's general policy toward gambling to be considered in evaluating applications by Indian Tribes to start casino operations. Drawing upon past court decisions in this area, the Congress provided that a Tribe might be eligible to conduct casino gambling on their lands in a State "that permits such gambling for any purpose by any person, organization, or entity." Once a State decides to move away from a criminal/prohibitory stance toward gambling, and adopts instead a civil/regulatory stance, Tribes are to have the opportunity to engage in gambling in that State as well. To that end, they may ask the State to negotiate a compact to regulate those casinos.

Generally, this approach helps ensure public peace while also ensuring the Tribes get to participate in gambling on more-or-less the same basis as non-Indians in the State. If the people of a State, through their legislature or through direct legislation, decide to legalize casino gambling "by any person, organization, or entity," they cannot simply exclude the Tribes in favor of whatever non-Indian gambling companies might have the inside track in the State government. The Tribes are to have the same opportunity as the non-Indian companies.

But, if the people of a State maintain a general prohibition on gambling—whether as an expression of moral opposition or for some other reason—the Tribes will also need to respect this public opinion just like everyone else. I believe this is the situation in Missouri, whose constitution includes just such a general prohibition on casino gambling, with an exception for casinos based on the Missouri and Mississippi Rivers.

Article III of the Missouri Constitution sets out the powers of the Missouri General Assembly. Section 39 of that article makes certain things expressly outside of the legislature's authority. This is where the State's general prohibition on gambling appears. "The General Assembly shall not have power," it says, "to authorize lotteries or gift enterprises for any purpose, and shall enact laws to prohibit the sale of lottery or gift enterprise tickets." It says prohibit, not regulate.

Gambling, in general, is still prohibited by State law. Under section 572.020 of the Missouri Revised Statutes, "the crime of gambling" is a class C misdemeanor, unless committed by a professional player, in which case the crime is a class D felony. This means the crime of gambling is punishable by fine of up to $300 in the case of a misdemeanor. A professional player may be fined up to $5,000 or twice the amount of any gain received, up to a limit of $25,000. These criminal offenses also carry potential prison sentences, of 15 days for a misdemeanor and up to 5 years for felony gambling.

The State constitution does not give the General Assembly authority to legalize these crimes. The power to legalize gambling was withheld from the General Assembly by the express terms of the constitution. Any change would require a constitutional amendment, ratified by the voters of Missouri.

The voters did exercise their authority to authorize very limited exceptions, without removing the general prohibition on legalized gambling. In the case of casino gambling, the voters authorized the General Assembly to legalize certain games only on excursion gambling boats and floating facilities docked along the Missouri and Mississippi Rivers. Again, the voters granted these limited exceptions without disturbing the general constitutional prohibition on gambling, which is a criminal offense elsewhere in the State.

The initiative that created this exception took this approach because many areas of Missouri have strong objections to gambling casinos. Particularly in southwest Missouri, many citizens hold strong moral objections to gambling. Many others simply fear that gambling would destroy the family atmosphere that makes the Branson area a desirable and unique vacation spot. Still others are concerned that gambling disproportionately preys on the hopes of the poor, making it a particularly regressive economic activity.

We can see this expression of the community's view in the votes that were cast on the Missouri and Mississippi riverboat casino initiative. In the November 1994 election, voters in Taney county (where Branson is located) voted against the casino initiative 73% to 27%. In Greene county (where southwest Missouri's largest metropolitan area of Springfield is located), 58% of voters opposed the riverboat casinos. Finally, in Newton county (the home of Seneca, Missouri, where a Tribe once sought to impose a casino on the local residents), 62% of voters opposed the constitutional amendment.

Knowing the strength of these communities' opinions on gambling in general, the sponsors of the initiative petition drive had no real alternative but to leave the general gambling prohibition intact while carving out a very narrow geographic exception for Missouri's two major rivers. Otherwise, the initiative would almost certainly have failed statewide as well. Therefore, the constitutional amendment reassured southwest Missourians that they likely would not feel the change directly—it would affect only the two rivers far away from them, and would not bring casinos into the family oriented Branson and Springfield areas. The general constitutional prohibition on gambling stayed in force.

The limited exception for riverboat casinos, therefore, did not change the State's posture on gambling from a criminal/prohibitory one to a civil/regulatory one. In areas such as the Branson, Missouri area, gambling is still a criminal offense. IGRA's requirement that the State negotiate to allow Tribally owned casinos is not triggered, since casino gambling in that area is not permitted by "any person, organization, or entity." As I mentioned earlier, that's the language IGRA uses to trigger a State's obligation to negotiate with the Tribes to create a regulatory compact.

Tribes wanting to operate casinos on the Missouri or Mississippi Rivers might have a case under IGRA, since there are persons, organizations, or entities authorized to gamble there. But this is not true in Branson, Springfield, or other areas off the rivers where gambling is still prohibited and where the General Assembly lacks constitutional authority to legalize it even if it wanted to.

This view of IGRA is not undermined, as some claim, by the Mashantucket Pequot case decided in 1990. In that case, the Mashantucket Pequots sued Connecticut to force the State to negotiate a casino gambling compact because the State authorized "Las Vegas Nights" as a fundraising activity for certain nonprofit organizations. Connecticut had argued that the occasional Las Vegas Nights did not mean that the State had decriminalized gambling in general.

However, those nonprofits authorized to operate casinos, even on a very occasional basis, fall within the express language of "any person, organization, or entity" used in IGRA, which is what the Second Circuit Court of Appeals found. Allowing nonprofits to engage in some forms of casino gambling did move the State of Connecticut into a civil/regulatory stance on casino gambling. The State did not absolutely prohibit it; it regulated the type of organization permitted to engage in gambling. Thus, IGRA was triggered by the express language of the law.

This is completely different from the situation in Missouri, where all persons, organizations, and entities are flatly prohibited, by criminal law, from casino gambling anywhere but on the Missouri and Mississippi Rivers. The Mashantucket Pequot case does not apply to the Missouri situation. Geographic limitations, like in Missouri, were not at issue in that case.

Thus, the language of this bill does not really change the current policy of IGRA. It simply makes explicit what is already plainly implicit under current legislation and case law. It would take express notice of the provision in Missouri's constitution on gambling and recognize that Missouri still maintains a criminal/prohibitory stance toward gambling off the rivers.

Because some pro-gambling advocates are attempting to read the Mashantucket Pequot case too broadly, trying to make it apply to Missouri when it clearly does not, this bill is essential. In the past, a number of Tribes have tried to use that argument to try to set up casinos in Missouri—even in a small town like Seneca, nowhere near the Missouri or Mississippi Rivers. Because some people are trying to read into the Mashantucket Pequot case a view that is really not there, this bill writes into law the correct interpretation.

I appreciate the hard work my colleague in the other chamber did on this bill, and am glad to have the opportunity to resolve this issue once and for all.

By Mr. THOMAS (for himself and Mr. ENZI):

S. 1894. A bill to provide for the conveyance of certain land to Park County, Wyoming; to the Committee on Energy and Natural Resources.

NORTH CODY, WY LAND CONVEYANCE

Mr. THOMAS. Mr. President, I am pleased to introduce a bill today to provide for the conveyance of economic development land for Park County, WY.

The management of our public lands and natural resources is often complicated and requires the coordination of many individuals to accomplish desired objectives. When western folks discuss Federal land issues, we do not often have an opportunity to identify proposals that capture and enjoy the support from a wide array of interests; however, the bill Senator ENZI and I are introducing today offers just such a unique prospect. Project coordinators and involved parties have spent a great deal of time incorporating the concerns of various individuals by presenting their plans to agency and congressional representatives.

This parcel of land was identified by the Bureau of Land Management and Bureau of Reclamation as an unsuitable area for public domain and the agencies have recommended that it be disposed of by the Federal Government. The Park County Commissioners subsequently approached the Wyoming Congressional Delegation about allowing the county to pursue economic development efforts that would be beneficial to the local town and surrounding communities. Specifically, this legislation is needed to allow the Federal Government to sell approximately 190 acres of land to Park County, WY for the appraised value of $240,000. The county commissioners intend to work with an economic development group to attract new businesses to the area and allow other companies to expand at an industrial park adjacent to the conveyance land.

Mr. President, this bill enjoys the support of many different groups including county government officials as well as the local community. This proposal will provide for the creation of a number of private sector jobs in a county that has 82 percent Federal land ownership. It is my hope that the Senate will seize this opportunity to allow a local community to improve their livelihoods and economic prospects.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1894

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CONVEYANCE OF LAND TO PARK COUNTY, WYOMING.

(a) FINDINGS.—Congress finds that—

(1) the parcel of land described in subsection (d) has been withdrawn from the public domain for reclamation purposes and is managed by the Bureau of Reclamation;

(2) the land has been subject to a withdrawal review, a level I contaminant survey, and historical, cultural, and archaeological resource surveys by the Bureau of Reclamation;

(3) the Bureau of Land Management has conducted a cadastral survey of the land and has determined that the land is no longer suitable for return to the public domain; and

(4) the Bureau of Reclamation and the Bureau of Land Management concur in the recommendation of disposal of the land as described in the documents referred to in paragraph (2).

(b) DEFINITIONS.—In this Act:

(1) COUNTY.—The term "County" means Park County, Wyoming.

(2) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(c) CONVEYANCE.—In consideration of payment of $240,000 to the Secretary by the County, the Secretary shall convey to the County all right, title, and interest of the United States in and to the parcel of land described in subsection (d).

(d) DESCRIPTION OF PROPERTY.—The parcel of land described in this subsection is the parcel located in the County comprising 190.12 acres, the legal description of which is as follows:

Sixth Principal Meridian, Park County, Wyoming

T. 53 N., R. 101 W.	*Acreage*
Section 20, S½SE¼SW¼SE¼	5.00
Section 29, Lot 7	9.91
Lot 9	38.24
Lot 10	31.29
Lot 12	5.78
Lot 13	8.64
Lot 14	.04
Lot 15	9.73
S½NE¼NE¼NW¼	5.00
SW¼NE¼NW¼	10.00
SE¼NW¼NW¼	10.00
NW¼SW¼NW¼	10.00
Tract 101	13.24
Section 30, Lot 31	16.95
Lot 32	16.30

(e) RESERVATION OF RIGHTS.—The instrument of conveyance under subsection (c) shall reserve all rights to locatable, salable, and leasable oil and gas reserves.

(f) LEASES, EASEMENTS, RIGHTS-OF-WAY, AND SPECIAL USE PERMITS.—The conveyance under subsection (c) shall be subject to any land use leases, easements, rights-of-way, and special use permits in existence as of the date of the conveyance.

(g) ENVIRONMENTAL LIABILITY.—

(1) LIABILITY OF THE FUTURE OWNERS.—

(A) FINDING.—Congress finds that—

(i) the United States has in good faith exercised due diligence in accordance with applicable laws (including regulations), in an effort to identify any environmental contamination on the parcel of land described in subsection (d); and

(ii) the parcel is free of any environmental contamination.

(B) RELEASE FROM LIABILITY.—The United States holds harmless and releases from all liability any future owners of the conveyed land for any violation of environmental law or other contamination problem arising from any action or inaction of any tenant of the land that vacates the lease before the date of the conveyance under subsection (c).

(2) LIABILITY OF TENANTS.—A tenant of the parcel of land described in subsection (d) on the date of the conveyance or thereafter shall be liable for any violation of environmental law or other contamination problem that results from any action or inaction of the tenant after the date of the conveyance.

(h) USE OF LAND.—The conveyance under subsection (c) shall be subject to the condition that the County—

(1) use the land for the promotion of economic development; or

(2) transfer the land to a local organization formed for the purpose of promoting economic development.

(i) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (c) as the Secretary considers appropriate to protect the interests of the United States.

By Mr. LEAHY (for himself and Mr. BAUCUS):

S. 1896. A bill to amend the Public Building Act of 1959 to give first priority to the location of Federal facilities in central business areas, and for other purposes; to the Committee on Environment and Public Works.

THE DOWNTOWN EQUITY ACT OF 1999

Mr. LEAHY. Mr. President, I am pleased to be joined today by my good friend, the senior senator from Montana, Senator BAUCUS, in introducing the "Downtown Equity Act of 1999."

The location of federal buildings and facilities have a tremendous impact on local communities. We are introducing the "Downtown Equity Act" to ensure that the federal government is a good neighbor that promotes the vibrancy of communities throughout the country.

Guidance for federal agencies on the location of their facilities exists in two executive orders. Unfortunately, these directives are at times inconsistent with each other and have been used to support different goals. This became clear to me when I worked closely with the General Services Administration (GSA), the Immigration and Naturalization Service (INS) and the city of

Burlington. In 1998, I called together a meeting with all these interested parties to discuss eligible locations for a new INS facility in downtown Burlington. Officials from the city cited one executive order about locating buildings in downtown areas while INS officials countered with another executive order that promotes the location of federal facilities in rural areas. Instead of complementing one another to promote a reasonable policy, the two executive orders are negating each other and clearly neither have enough teeth to result in the policy proclaimed in either order.

Mr. President, managing a city is a difficult enough task. Mayors and city managers across the country should not have to also wade through dueling executive orders when they share the same goals as the Administration to re-energize town centers. The federal government needs to set a clear policy on the location of federal buildings in downtown areas. Without legislation to clarify this policy, agencies make decisions about the location of buildings and operations that can undercut the viability of central business districts, encourage sprawl, degrade the environment, and have an adverse impact on historical economic development patterns. Federal facilities should be sited, designed, built and operated in ways that contribute to—not detract from—the economic well-being and character of our cities and towns. Federal facilities can have a tremendous impact and we need to make sure that location decisions do not erode the character and quality of life in our cities and towns. I want to prevent a repeat of the experiences in Vermont, and I know that Senator BAUCUS has many of the same concerns in Montana.

The Downtown Equity Act of 1999 clarifies the intention of these dueling executive orders by directing federal officials to give priority to locating federal facilities in central business areas. This bill does not pit urban areas versus rural areas, but instead promotes the siting of these facilities in downtown areas—urban or rural. By adopting this legislation, the Federal government can become a leader in the effort to limit sprawl and support the economic vitality of central business areas.

There is a fundamental problem with development that our bill also tries to address: it's more expensive to build and rent in a traditional downtown area than to build on an empty site outside of a business district. Downtown areas have great difficulty competing in the procurement process because of the higher costs generally associated with downtown areas. Sometimes, despite the best intentions of federal officials, sites with the lowest absolute cost are predisposed to win. This approach is too simplistic. Our "Downtown Equity Act of 1999" directs the General Services Administration to study the feasibility of establishing a system for giving equal consideration to both the absolute and adjusted costs of locating in urban and rural areas, and between projects inside and outside of central business areas. While the absolute cost of projects will always be important, a more balanced and robust consideration of the costs of a project is needed.

The benefits of limiting sprawl, supporting historic development patterns, and revitalizing our downtown central business areas can mitigate the higher costs associated with constructing, leasing, and operating Federal establishments inside central business areas. Unless the overriding mission of the agency or economic prudence absolutely dictate otherwise, location of Federal facilities should be supportive of local growth management plans for downtown central business areas.

When Federal landlords or tenants arrive in town, we have every right to expect that they will be good neighbors. Beyond that, the Federal government also needs to be a leader in the effort to limit sprawl and protect the environment and the character of our cities and towns. Livable and thriving central business districts can be a renewable resource, and the Federal government should be part of the solution, not part of the problem.

Senator BAUCUS and I look forward to working with our colleagues and with the Executive Branch to bring much needed reform to the decision-making process that governs the siting of Federal facilities. We all recognize that decisions to prevent or limit sprawl will always be made locally, but the Federal Government can do much to help our communities act on their decisions. And, the Federal Government must stop being an unwitting accomplice to sprawl by siting buildings outside of downtown areas.

Mr. President, I ask unanimous consent that the text of the bill, and a section-by-section summary of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1896

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Downtown Equity Act of 1999".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that locating Federal facilities in central business areas—

(1) strengthens the economic base of cities, towns, and rural communities of the United States and makes them attractive places to live and work;

(2) enhances livability by limiting sprawl and providing air quality and other environmental benefits; and

(3) supports historic development patterns.

(b) PURPOSES.—The purposes of this Act are—

(1) to ensure that Federal agencies recognize the implications of the location of Federal facilities on the character, environment, economic development patterns, and infrastructure of communities;

(2) to ensure that the General Services Administration and other Federal agencies that make independent location decisions give first priority to locating Federal facilities in central business areas;

(3) to encourage preservation of historic buildings and stabilization of historic areas; and

(4) to direct the Administrator of General Services to study the feasibility of establishing a system for meaningful comparison of Federal facility procurement costs between central business areas and areas outside central business areas.

SEC. 3. LOCATION OF FEDERAL FACILITIES.

(a) IN GENERAL.—The Public Buildings Act of 1959 (40 U.S.C. 601 et seq.) is amended by adding at the end the following:

"SEC. 22. LOCATION OF FEDERAL FACILITIES.

"(a) PRIORITY FOR CENTRAL BUSINESS AREAS.—

"(1) IN GENERAL.—Except as provided in paragraph (2) and as otherwise provided by law, in locating (including relocating) Federal facilities, the head of each Federal agency shall give first priority to central business areas.

"(2) EXCEPTION.—The priority required under paragraph (1) may be waived if location in a central business area—

"(A) would materially compromise the mission of the agency; or

"(B) would not be economically prudent.

"(b) IMPLEMENTATION.—

"(1) ACTIONS BY ADMINISTRATOR.—The Administrator shall—

"(A) promulgate such regulations as are necessary to implement the requirements of subsection (a) with respect to locating Federal facilities—

"(i) in public buildings acquired under this Act; and

"(ii) in leased space acquired by the Administrator under section 210(h) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(h)); and

"(B) report annually to Congress—

"(i) on compliance with subsection (a) by the Administrator in carrying out—

"(I) public building location actions under this Act; and

"(II) lease procurement actions under section 210(h) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(h)); and

"(ii) on compliance with this section by Federal agencies—

"(I) in acting under delegations of authority under this Act; and

"(II) in the case of lease procurement actions, in using leasing authority delegated under the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.).

"(2) ACTIONS BY FEDERAL AGENCIES.—Each Federal agency shall—

"(A) comply with the regulations promulgated by the Administrator under paragraph (1)(A); and

"(B) report annually to the Administrator concerning—

"(i) the actions of the Federal agency in locating public buildings under this Act; and

"(ii) lease procurement actions taken by the Federal agency using leasing authority delegated under the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.).".

(b) DEFINITIONS.—Section 13 of the Public Buildings Act of 1959 (40 U.S.C. 612) is amended by adding at the end the following:

"(8) CENTRAL BUSINESS AREA.—The term 'central business area' means—

"(A) the centralized business area of a community, as determined by local officials; and

"(B) any area adjacent and similar in character to a centralized business area of a community, including any specific area that may be determined by local officials to be such an adjacent and similar area.

"(9) FEDERAL FACILITY.—The term 'Federal facility' means the site of a project to construct, alter, purchase, or acquire (including lease) a public building, or to lease office or any other type of space, under this Act or the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.).".

SEC. 4. STUDY OF PROCUREMENT COST ASSESSMENT METHODS.

(a) DEFINITIONS.—In this section, the terms "central business area" and "Federal facility" have the meanings given the terms in section 13 of the Public Buildings Act of 1959 (40 U.S.C. 612).

(b) STUDY.—Not later than 2 years after the date of enactment of this Act, the Administrator of General Services shall conduct a study and report to Congress on the feasibility of establishing a system for—

(1) assessing and giving equal consideration to the absolute and adjusted comparable costs (as determined under paragraph (2)) of—

(A) locating Federal facilities in rural areas as compared to locating Federal facilities in urban areas;

(B) locating Federal facilities in central business areas of rural areas as compared to locating Federal facilities in rural areas outside central business areas; and

(C) locating Federal facilities in central business areas of urban areas as compared to locating Federal facilities in urban areas outside central business areas;

(2) for the purposes of paragraph (1), adjusting the absolute comparable costs referred to in that paragraph to correct for the inherent differences in property values between rural areas and urban areas; and

(3) assessing and giving consideration to the impacts on land use, air quality and other environmental factors, and to historic preservation, in the location of Federal facilities.

(c) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts made available under any other law, there is authorized to be appropriated to carry out this section $200,000 for each of fiscal years 2001 and 2002.

SUMMARY OF THE DOWNTOWN EQUITY ACT OF 1999

The "Downtown Equity Act of 1999" clarifies a multitude of Federal laws and regulations governing the location of Federal office space and other facilities by requiring that first priority be given to central business areas. Currently, the location of federal offices and other facilities is governed by several different laws and executive orders, which often creates confusion and conflict. For instance, current law gives a strong preference to locating Federal facilities in rural areas, while an Executive Order (No. 12072) promotes the location of Federal facilities in central business areas. These conflicting policies can have serious adverse consequences to communities, such as promoting sprawl and contributing to the decline of downtown areas.

The "Downtown Equity Act of 1999" seeks to eliminate this confusion by establishing a clear, statutory preference for locating Federal facilities in central business areas, both in rural and urban areas. Thus, Federal facilities will help strengthen the economic base of cities, towns and rural communities and make them more attractive places to live and work. Locating Federal facilities in downtown areas will also support historic development patterns, limit sprawl, and have other important environmental benefits.

The bill also requires the General Services Administration (GSA) to study the feasibility of establishing a procurement assessment system which considers both the absolute and adjusted costs of locating Federal facilities between central business areas and outside those areas.

SECTION-BY-SECTION ANALYSIS

Section 1. Title.

Section 2. Finding and Purposes

Section 3. Amends the Public Buildings Act of 1959 (40 USC 601 et seq.) to add a new section establishing a preference for locating Federal facilities in central business areas in both rural and urban areas. This preference could be waived if locating a facility in such area would either materially compromise the mission of the agency or would not be economically prudent. GSA is required to adopt rules to implement this provision and also to report annually to the Congress on the location of Federal agencies under this section. This section also defines "central business area" as the centralized business area determined by local officials.

Section 4. This section requires that within two years, the GSA conduct a study and report to Congress on the feasibility of establishing a system for comparing the absolute and adjusted costs of locating Federal facilities in rural areas as compared to urban areas and in central business areas as compared to outside central business areas. The bill authorizes a total of $400,000 for the study.

Mr. BAUCUS. Mr. President, I am pleased to join with my colleague from Vermont, Senator LEAHY in introducing the Downtown Equity Act of 1999. This bill will make the federal government a better partner with local officials when it comes to locating federal offices in a community. It will establish in statute a clear preference for federal offices to be located in the central business areas of a community. Why is this important?

We all know the many problems facing community leaders as they chart the future course of their cities and towns. They must balance development patterns, employment, historic preservation, city services, transportation, and many other factors to arrive at a plan that makes the most sense for them.

In many cases, the Federal government is a major source of employment and economic activity in these communities. That is particularly true in smaller cities and towns, where federal employees can make up a larger percentage of the employment base than in our large metropolitan areas.

But too often, local officials find themselves battling with federal agencies over where to locate, or relocate, Federal facilities. The desires of agencies to locate on the outskirts of a small town can conflict with the needs of the community to preserve a vital business center downtown.

I have seen firsthand some of these location battles in Montana. Communities such as Helena, Billings and Glasgow, have seen agencies threaten to move out of the downtown area, removing a linchpin of economic development that supports other local businesses. In another case, this time in Butte, an agency looked to abandon an historic building downtown in favor of a new site closer to the Interstate.

The impact on these communities from such actions can be devastating. In Helena, for example, the relocation of the federal building would have removed over 400 Federal workers from the area and dealt a major blow to plans to revive the downtown core, known as Last Chance Gulch. And in Glasgow, a small town even by Montana standards, the relocation from the central business area to a new site on the outskirts of town threatened the survival of other businesses downtown and contributed to sprawl. Yes, even in the Big Sky state, sprawl is a threat to the vitality of our communities and the beauty of our environment.

Many of these conflicts between communities and Federal agencies stems from the confusing, and sometimes conflicting, jumble of laws, executive orders, and regulations. It almost seems as if there is a provision to justify almost anything an agency wants to do. One law tells agencies to locate in rural areas. An executive order tells agencies to give priority to central business areas. No wonder agencies are confused and community leaders are angry.

Mr. President, that's not right. We should have a clear, simple to understand policy when it comes to location of Federal facilities. Furthermore, that policy should make it easier for the Federal government to help community leaders who seek to maintain the vitality of their downtown areas. And that is what our bill does.

First, as a matter of policy, it states that locating federal facilities in central business areas is good for the economy and the livability of communities.

But more importantly, the bill implements that policy by requiring that the head of each Federal agency give first priority to central business areas when locating, or relocating, Federal facilities. This requirement could be waived if it would materially compromise the mission of the agency or if it would not be economically prudent. But those would be exceptions to the general rule that downtown areas should be the preferred area for Federal offices. And the downtown areas will be determined by local officials, not Federal agencies.

This bill will be good for our communities. And it will be good for the Federal government.

In closing let me express my appreciation to my colleague from Vermont for all the work that he has put into this issue. His leadership has been instrumental in crafting this bill. I look forward to working with him to bring this bill through the Environment and Public Works Committee and before the Senate early next year.

By Mr. BIDEN:

S. 1897. A bill to amend the Public Health Service Act to establish an Office of Autoimmune Disease at the National Institutes of Health, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

THE NIH OFFICE OF AUTOIMMUNE DISEASES ACT OF 1999

• Mr. BIDEN. Mr. President, today I am introducing the NIH Office of Autoimmune Diseases Act of 1999. This legislation, which is very similar to a bill introduced in the House of Representatives by Congressman Waxman, would create an Office of Autoimmune Diseases as part of the Office of the Director of the National Institutes of Health. I would like to outline briefly why I feel that this office and this legislation are needed.

To understand autoimmune diseases, it is first necessary to talk about the body's immune system. The immune system is a collection of tissues which is designed to fend off any foreign invaders into our body. For example, we live in a world surrounded by microbes of various kinds, many of which would be harmful to us if they could set up shop in our bodies. However, the immune system recognizes that a foreign microbe has entered our body and it mobilizes a variety of defenses to expel this foreign invader.

The critical importance of the immune system can be easily seen when something goes wrong with it. For example, when a baby is born with a major defect in its immune system, it is extremely vulnerable to attacks by bacteria that a healthy baby would be able to fight off. Such immune-deficient babies need to be protected from their environment in order to preserve their lives. You may have seen the TV programs about such "bubble babies", who have to spend their entire lives in a protective plastic bubble or a spacesuit.

However, although the immune system is essential for human life, it sometimes can cause problems with our health. When someone gets a kidney transplant, for example, it is the immune system which tries to fight off this "foreign invader", a process called rejection. The survival of the transplant requires that the recipient be given treatment in order to suppress the immune system.

Occasionally, the body's immune system goes haywire and starts to attack the body's own tissues as if they were foreign invaders. This process is called autoimmunity, and diseases in which autoimmunity is thought to play an important role are called autoimmune diseases. The spectrum of human illnesses for which there is evidence of an autoimmune component is extremely broad, ranging from lupus to diabetes to multiple sclerosis. At the National Institutes of Health, these different diseases are often studied in completely different institutes: diabetes in the National Institute of Diabetes and Digestive and Kidney Diseases; lupus in the National Institute of Allergy and Infectious Diseases; multiple sclerosis in the National Institute of Neurological Disorders and Stroke; and so forth.

Despite being studied in different locations, these diseases all have one thing in common: abnormalities of the immune system that lead to an autoimmune process in which the body actually attacks itself. It is vital that researchers on one autoimmune disease understand what research advances are being made on other autoimmune diseases; the key to understanding the autoimmune process in multiple sclerosis might very well be uncovered by a researcher working on autoimmunity in diabetes.

This is where the need for an NIH Office of Autoimmune Diseases arises. Its purpose is to make sure that there is cooperation and coordination across scientific disciplines for all those working on the broad spectrum of autoimmune diseases. Researchers working on autoimmunity in one narrowly defined disease must be able to benefit from research advances in autoimmune research. The history of medicine is replete with examples where breakthroughs in one area were actually a direct consequence of advances in a completely unrelated field.

This bill sets up an Office of Autoimmune Diseases at NIH, along with a broadly representative coordinating committee to assist it. The director of the Office of Autoimmune Diseases will be responsible for setting an agenda for research and education on autoimmune diseases, for promoting cooperation and coordination among the disparate entities that are working on autoimmune diseases, for serving as principal advisor to HHS on autoimmune diseases, for husbanding resources for autoimmune disease research, and for producing reports to keep other scientists and the public informed about progress in autoimmune disease research.

Mr. President, I'd like to explain why I have a particular interest in the area of autoimmune diseases. A very close friend of mine in Delaware, Ms. Tia McDowell, is fighting valiantly against a chronic disease. At present, the treatments for this disease no longer seem to be working very well, so Tia's hope lies in new research advances. Although doctors are not sure what causes Tia's disease, they do think that autoimmunity plays an important part. For Tia, and for others with diseases where autoimmunity is important, I want to make sure that we are moving ahead with research in the most efficient manner possible, and I think that creation of an NIH Office of Autoimmune Diseases is one way to help this process along.

Mr. President, I urge my colleagues to support the NIH Office of Autoimmune Diseases Act of 1999 as something we in Congress can do to help our research scientists conquer this puzzling and pernicious group of diseases. I ask that the text of the bill be printed in the RECORD.

The bill follows:

S. 1897

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "NIH Office of Autoimmune Diseases Act of 1999".

SEC. 2. ESTABLISHMENT OF OFFICE OF AUTOIMMUNE DISEASES AT NATIONAL INSTITUTES OF HEALTH.

Title IV of the Public Health Service Act (42 U.S.C. 281 et seq.) is amended by inserting after section 404D the following section:

"AUTOIMMUNE DISEASES

"SEC. 404E. (a) ESTABLISHMENT.—There is established within the Office of the Director of NIH an office to be known as the Office of Autoimmune Diseases (in this section referred to as the 'Office'), which shall be headed by a Director appointed by the Director of NIH.

"(b) DUTIES.—

"(1) IN GENERAL.—The Director of the Office, in consultation with the coordinating committee established under subsection (c), shall carry out the following:

"(A) The Director shall recommend an agenda for conducting and supporting research on autoimmune diseases through the national research institutes. The agenda shall provide for a broad range of research and education activities relating to biomedical, psychosocial, and rehabilitative issues, including studies of the disproportionate impact of such diseases on women.

"(B) The Director shall with respect to autoimmune diseases promote coordination and cooperation among the national research institutes and entities whose research is supported by such institutes.

"(C) The Director shall promote the appropriate allocation of the resources of the National Institutes of Health for conducting and supporting research on autoimmune diseases.

"(D) The Director shall annually prepare a report that describes the research and education activities on autoimmune diseases being conducted or supported through the national research institutes, and that identifies particular projects or types of projects that should in the future be conducted or supported by the national research institutes or other entities in the field of research on autoimmune diseases.

"(2) PRINCIPAL ADVISOR REGARDING AUTOIMMUNE DISEASES.—With respect to autoimmune diseases, the Director of the Office shall serve as the principal advisor to the Secretary, the Assistant Secretary for Health, and the Director of NIH, and shall provide advice to the Director of the Centers for Disease Control and Prevention, the Commissioner of Food and Drugs, and other relevant agencies.

"(c) COORDINATING COMMITTEE.—The Director of NIH shall ensure that there is in operation a committee to assist the Director of the Office in carrying out subsection (b), that the committee is designated as the Autoimmune Diseases Coordinating Committee, and that, to the extent possible, such Coordinating Committee includes liaison members from other Federal health agencies, including the Centers for Disease Control and Prevention and the Food and Drug Administration.

"(d) REPORT.—Not later than October 1, 2001, the Comptroller General shall prepare and submit to the appropriate committees of Congress a report concerning the effectiveness of the Office in promoting advancements in research, diagnosis, treatment, and prevention related to autoimmune diseases.

"(e) DEFINITION.—For purposes of this section, the term 'autoimmune diseases' includes diseases or disorders in which autoimmunity is thought to play a significant pathogenetic role, as determined by the Secretary..

"(f) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated $950,000 for fiscal year 2000, and such sums as may be necessary for each of fiscal years 2001 and 2002.".●

ADDITIONAL COSPONSORS

S. 188

At the request of Mr. WYDEN, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 188, a bill to amend the Federal Water Pollution Control Act to authorize the use of State revolving loan funds for construction of water conservation and quality improvements.

S. 505

At the request of Mr. GRASSLEY, the name of the Senator from Nebraska [Mr. KERREY] was added as a cosponsor of S. 505, a bill to give gifted and talented students the opportunity to develop their capabilities.

S. 783

At the request of Mrs. FEINSTEIN, the name of the Senator from Delaware [Mr. BIDEN] was added as a cosponsor of S. 783, a bill to limit access to body armor by violent felons and to facilitate the donation of Federal surplus body armor to State and local law enforcement agencies.

S. 964

At the request of Mr. DASCHLE, the name of the Senator from South Dakota [Mr. JOHNSON] was added as a cosponsor of S. 964, a bill to provide for equitable compensation for the Cheyenne River Sioux Tribe, and for other purposes.

S. 1215

At the request of Mr. DODD, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 1215, a bill to amend title 38, United States Code, to authorize the Secretary of Veterans Affairs to furnish headstones or markers for marked graves of, or to otherwise commemorate, certain individuals.

S. 1277

At the request of Mr. BAUCUS, the name of the Senator from Missouri [Mr. ASHCROFT] was added as a cosponsor of S. 1277, a bill to amend title XIX of the Social Security Act to establish a new prospective payment system for Federally-qualified health centers and rural health clinics.

At the request of Mr. GRASSLEY, the name of the Senator from Georgia [Mr. COVERDELL] was added as a cosponsor of S. 1277, supra.

S. 1294

At the request of Mr. INOUYE, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 1294, a bill to direct the Administrator of the Federal Aviation Administration to issue regulations to limit the number of pieces of carry-on baggage that a passenger may bring on an airplane.

S. 1332

At the request of Mr. BAYH, the names of the Senator from Massachusetts [Mr. KERRY], the Senator from New York [Mr. SCHUMER], the Senator from Washington [Mrs. MURRAY], the Senator from California [Mrs. BOXER], the Senator from North Dakota [Mr. CONRAD], the Senator from South Dakota [Mr. DASCHLE], the Senator from North Dakota [Mr. DORGAN], the Senator from Florida [Mr. GRAHAM], the Senator from South Dakota [Mr. JOHNSON], the Senator from Arkansas [Mrs. LINCOLN], the Senator from New Jersey [Mr. TORRICELLI], the Senator from Oregon [Mr. WYDEN], the Senator from Vermont [Mr. LEAHY], and the Senator from New Jersey [Mr. LAUTENBERG] were added as cosponsors of S. 1332, a bill to authorize the President to award a gold medal on behalf of Congress to Father Theodore M. Hesburg, in recognition of his outstanding and enduring contributions to civil rights, higher education, the Catholic Church, the Nation, and the global community.

S. 1333

At the request of Mr. WYDEN, the name of the Senator from South Dakota [Mr. JOHNSON] was added as a cosponsor of S. 1333, a bill to expand homeownership in the United States.

S. 1384

At the request of Mr. ABRAHAM, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 1384, a bill to amend the Public Health Service Act to provide for a national folic acid education program to prevent birth defects, and for other purposes.

S. 1464

At the request of Mr. HAGEL, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of S. 1464, a bill to amend the Federal Food, Drug, and Cosmetic Act to establish certain requirements regarding the Food Quality Protection Act of 1996, and for other purposes.

S. 1488

At the request of Mr. GORTON, the names of the Senator from North Dakota [Mr. DORGAN], the Senator from Wyoming [Mr. ENZI], and the Senator from Alabama [Mr. SESSIONS] were added as cosponsors of S. 1488, a bill to amend the Public Health Service Act to provide for recommendations of the Secretary of Health and Human Services regarding the placement of automatic external defibrillators in Federal buildings in order to improve survival rates of individuals who experience cardiac arrest in such buildings, and to establish protections from civil liability arising from the emergency use of the devices.

S. 1494

At the request of Mr. BINGAMAN, the name of the Senator from Montana [Mr. BURNS] was added as a cosponsor of S. 1494, a bill to ensure that small businesses throughout the United States participate fully in the unfolding electronic commerce revolution through the establishment of an electronic commerce extension program at the National Institutes of Standards and Technology.

S. 1516

At the request of Mr. ROBB, his name was added as a cosponsor of S. 1516, a bill to amend title III of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11331 et seq.) to reauthorize the Federal Emergency Management Food and Shelter Program, and for other purposes.

S. 1528

At the request of Mr. LOTT, the names of the Senator from Michigan [Mr. LEVIN] and the Senator from Arizona [Mr. KYL] were added as cosponsors of S. 1528, a bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to clarify liability under that Act for certain recycling transactions.

S. 1539

At the request of Mr. DODD, the name of the Senator from Maine [Ms. COLLINS] was added as a cosponsor of S. 1539, a bill to provide for the acquisition, construction, and improvement of child care facilities or equipment, and for other purposes.

S. 1619

At the request of Mr. DEWINE, the names of the Senator from Alabama [Mr. SESSIONS] and the Senator from Idaho [Mr. CRAPO] were added as cosponsors of S. 1619, a bill to amend the Trade Act of 1974 to provide for periodic revision of retaliation lists or other remedial action implemented under section 306 of such Act.

S. 1693

At the request of Mr. GRAMS, the name of the Senator from Arizona [Mr. KYL] was added as a cosponsor of S.

1693, a bill to protect the Social Security surplus by requiring a sequester to eliminate any deficit.

S. 1771

At the request of Mr. ASHCROFT, the name of the Senator from Ohio [Mr. VOINOVICH] was added as a cosponsor of S. 1771, a bill to provide stability in the United States agriculture sector and to promote adequate availability of food and medicine for humanitarian assistance abroad by requiring congressional approval before the imposition of any unilateral agricultural medical sanction against a foreign country or foreign entity.

S. 1798

At the request of Mr. LEAHY, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 1798, a bill to amend title 35, United States Code, to provide enhanced protection for investors and innovators, protect patent terms, reduce patent litigation, and for other purposes.

S. 1858

At the request of Mr. BREAUX, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 1858, a bill to revitalize the international competitiveness of the United States-flag maritime industry through tax relief.

SENATE RESOLUTION 128

At the request of Mr. COCHRAN, the names of the Senator from Vermont [Mr. JEFFORDS] and the Senator from Massachusetts [Mr. KENNEDY] were added as cosponsors of Senate Resolution 128, a resolution designating March 2000, as "Arts Education Month."

SENATE RESOLUTION 216

At the request of Mr. CAMPBELL, the names of the Senator from North Dakota [Mr. DORGAN], the Senator from Maryland [Ms. MIKULSKI], the Senator from Mississippi [Mr. LOTT], the Senator from Michigan [Mr. LEVIN], the Senator from Florida [Mr. GRAHAM], the Senator from New York [Mr. SCHUMER], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from California [Mrs. FEINSTEIN], the Senator from Connecticut [Mr. DODD], the Senator from Virginia [Mr. WARNER], the Senator from Nevada [Mr. BRYAN], the Senator from Michigan [Mr. ABRAHAM], the Senator from Montana [Mr. BAUCUS], the Senator from Louisiana [Ms. LANDRIEU], the Senator from Minnesota [Mr. WELLSTONE], the Senator from Washington [Mr. GORTON], the Senator from Arkansas [Mrs. LINCOLN], the Senator from Maine [Ms. COLLINS], the Senator from Kansas [Mr. BROWNBACK], the Senator from Louisiana [Mr. BREAUX], and the Senator from Wisconsin [Mr. FEINGOLD] were added as cosponsors of Senate Resolution 216, a resolution designating the Month of November 1999 as "National American Indian Heritage Month."

SENATE RESOLUTION 217

At the request of Mr. HUTCHINSON, the names of the Senator from Illinois [Mr. DURBIN] and the Senator from Vermont [Mr. LEAHY] were added as cosponsors of Senate Resolution 217, a resolution relating to the freedom of belief, expression, and association in the People's Republic of China.

SENATE RESOLUTION 224

At the request of Mr. ROBB, his name was added as a cosponsor of Senate Resolution 224, a resolution expressing the sense of the Senate to designate November 11, 1999, as a special day for recognizing the members of the Armed Forces and the civilian employees of the United States who participated in the recent conflict in Kosovo and the Balkans.

At the request of Mr. CONRAD, his name was added as a cosponsor of Senate Resolution 224, supra.

AMENDMENT NO. 2667

At the request of Mr. FEINGOLD, the names of the Senator from Rhode Island [Mr. REED], the Senator from Vermont [Mr. LEAHY], the Senator from Illinois [Mr. DURBIN], the Senator from New Jersey [Mr. TORRICELLI], and the Senator from Massachusetts [Mr. KENNEDY] were added as cosponsors of amendment No. 2667 intended to be proposed to S. 625, a bill to amend title 11, United States Code, and for other purposes.

AMENDMENT NO. 2761

At the request of Mr. SCHUMER, the name of the Senator from Pennsylvania [Mr. SANTORUM] was added as a cosponsor of amendment No. 2761 proposed to S. 625, a bill to amend title 11, United States Code, and for other purposes.

SENATE RESOLUTION 226—EXPRESSING THE SENSE OF THE SENATE REGARDING JAPANESE PARTICIPATION IN THE WORLD TRADE ORGANIZATION

Mr. BAUCUS (for himself and Mr. GRASSLEY) submitted the following resolution; which was referred to the Committee on Finance:

S. RES. 226

Whereas Japan is the world's second largest economy with exports and imports together equal to one-fifth of its gross domestic product;

Whereas Japan is the second largest trading partner of the United States and sends almost one-third of its exports to the United States;

Whereas prosperity and growth in Japan, one of the primary beneficiaries of the liberal international trading system, is dependent on the maintenance of open markets throughout the world;

Whereas prosperity in the Asian region and globally requires open markets in Japan;

Whereas Japan has a profound interest in ensuring that the World Trade Organization continues to thrive and develop, and that world markets are open on the basis of a rules-based system that is widely supported by governments, businesses, nongovernmental organizations, and average citizens throughout the world;

Whereas Japan's dependence on open markets requires Japan to take a leadership role, rather than a defensive posture, in the next round of multilateral trade negotiations;

Whereas support for free trade in the United States and in many other countries has become increasingly fragile;

Whereas the world's major trading nations, including Japan, have a special responsibility to take the measures necessary to strengthen a consensus for free trade;

Whereas Japan's importation of manufactured goods, as a share of its gross domestic product, is considerably lower than that of other industrialized nations and is one of the lowest of all nations reporting data to the World Bank;

Whereas Japan has one of the lowest levels of intra-industry trade in the industrialized world according to the Organization for Economic Cooperation and Development;

Whereas even in the case of rice where some progress was made at the Uruguay Round, the Government of Japan agreed to a tariff-rate quota, yet set the over quota tariff rate at a level that is currently equivalent to approximately a 500 percent ad valorem duty, thus drastically reducing the possible market impact of the concession;

Whereas Japan is protecting its trade-distorting policies in the areas of agriculture, forestry, and fishing and is trying to shift the focus of the next round of multilateral trade negotiations away from concessions and liberalization of its trade-distorting policies in these areas;

Whereas there is a concern that in the previous rounds of multilateral trade negotiations, the Government of Japan has been able to minimize the commitments it made;

Whereas there is a concern that the Government of Japan may be able to minimize the actual implementation of commitments through formal government measures and informal government guidance to counter the effects of those commitments on liberalization;

Whereas reducing Japanese tariffs and eliminating traditional nontariff barriers appears to have less of an effect than expected on improving market access in Japan in many sectors because of the complex and opaque network of systemic barriers that continue to exist in much of Japan's economic system;

Whereas despite the fact that Japan is a full participant in the WTO Agreement on Government Procurement and appears to be making concessions equal in value to the concessions made by other parties, Japan has not opened the government procurement market to the degree expected by the United States and other trading partners;

Whereas because of the impediments in the Japanese government procurement market that were not addressed by the GATT and the WTO, the United States has had to negotiate bilateral government procurement agreements covering computers, telecommunications equipment, medical products, satellites, and supercomputers;

Whereas the Government of Japan has called for reopening the WTO Agreement on the Implementation of Article VI of the GATT 1994 (the Antidumping Agreement), and supports similar efforts by other nations, which would result in reducing the effectiveness of United States trade law and the ability of the United States to take action against the injurious and unfair trade practice of dumping;

Whereas the advanced tariff liberalization process would be further along but for the opposition of Japan at the Asia-Pacific Economic Cooperation forum; and

Whereas a focus on Japanese practices and commitments at the next round of multilateral trade negotiations is more important than ever because the trade laws of the United States, such as section 301 of the Trade Act of 1974, section 1377 of the Omnibus Trade and Competitiveness Act of 1988, and title VII of the Omnibus Trade and Competitiveness Act of 1988, have been significantly weakened as a result of agreements concluded during the Uruguay Round: Now, therefore, be it

Resolved, That it is the sense of the Senate that the appropriate officials in the executive branch—

(1) should include, in the United States negotiating objectives for the next round of multilateral negotiations, specific expectations as to how the negotiations will result in changes in the Japanese market;

(2) should pay special attention to commitments required of the Government of Japan in the next round of negotiations and ensure that commercially meaningful Japanese concessions equivalent to concessions made by other major trading nations will lead to market change in Japan;

(3) should cooperate closely with other major trading nations to ensure that the next round of negotiations results in genuine change in Japan's markets.

(4) should consult closely with Congress throughout the next round of negotiations about the specific impact of the negotiations on Japan's markets, and should provide periodic reports, with full input from the private sector, about progress being made in addressing Japanese barriers within the negotiations;

(5) should devote the resources needed to analyze market barriers in Japan and to analyze how these market barriers can be addressed in the next round of negotiations; and

(6) should work closely with United States manufacturers, service providers, and nongovernmental organizations to develop the priority areas for focusing United States efforts with respect to Japan in the next round of negotiations and to determine the progress being made in meeting those priorities.

SENATE RESOLUTION 227—EXPRESSING THE SENSE OF THE SENATE IN APPRECIATION OF THE NATIONAL COMMITTEE FOR EMPLOYER SUPPORT OF THE GUARD AND RESERVE

Mr. BOND (for himself, Mr. BRYAN, Mr. BINGAMAN, Mr. JOHNSON, Mr. KENNEDY, and Mr. ROCKEFELLER) submitted the following resolution; which was referred to the Committee on Armed Services:

S. RES. 227

Whereas the National Committee for Employer Support of the Guard and Reserve (NCESGR) was established by Presidential proclamation issued in 1972;

Whereas national defense planners at that time, anticipating the end of the draft under the Military Selective Service Act, foresaw the potential that the Nation's reserve component forces would be used increasingly to meet national security requirements, that the operations of members' civilian employers would be disrupted by that development, that employers accustomed to National Guard and Reserve service being an alternative to compulsory active duty service would question the necessity for volunteer participation in the Nation's community-based defense forces, and that the employers' support for Guard and Reserve service would erode;

Whereas, to counteract those potential problems, the National Committee for Employer Support of the Guard and Reserve was chartered to develop public understanding of the National Guard and Reserve forces and to enlist the support of employers of members of the reserve components in the development of personnel policies and practices that encourage employee participation in National Guard and Reserve programs;

Whereas, for over 25 years, the National Committee for Employer Support of the Guard and Reserve has informed employers of the ever-increasing importance of the National Guard and Reserve, explaining to employers the necessity for, and the role of, these forces in national defense;

Whereas there are over 4,200 Employer Support of the Guard and Reserve (ESGR) volunteers from among the business, civic, and community leaders in committees in all 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, and Guam;

Whereas the ESGR volunteers carry out a variety of programs and services to inform communities and employers about the vital role of the National Guard and Reserve;

Whereas ESGR volunteers honor with suitable recognition the many employers who actively support employee participation in the National Guard and Reserve;

Whereas ESGR volunteers educate employers of members in the National Guard and Reserve and those employees about the rights and obligations regarding military leave that were established or reaffirmed by the Uniformed Services Employment and Reemployment Rights Act of 1974;

Whereas, to underscore the important role of the National Guard and Reserve in our national defense, the National Committee for Employer Support of the Guard and Reserve developed the Statement of Support program under which employers of members of the reserve components are invited to declare their support for their employees' participation in the National Guard and Reserve;

Whereas the first statement of support under the program was signed by the Chairman of the Board and Chief Executive Officer of General Motors in the Office of the Secretary of Defense on December 13, 1972;

Whereas the next day, President Richard Nixon signed a statement of support covering all Federal civilian employees and, since then, Presidents Ford, Carter, Reagan, Bush, and Clinton have all made the same commitment;

Whereas thousands of other employers nationwide have likewise signed statements of support for service of their employees in the reserve components;

Whereas nearly 50 percent of America's total military might is composed of National Guard and Reserve component members;

Whereas despite the ending of the Cold War in 1989, the military commitments of the United States have not diminished;

Whereas the Nation's reserve components are being called upon more than ever before to contribute to the protection of our national security interests and are critical contributors to that mission;

Whereas, during the Persian Gulf War in 1990 and 1991, more than 260,000 Reserves were called to active duty to support military operations in the Persian Gulf region;

Whereas National Guard and Reserve members contribute over 13,000,000 duty days yearly in support of military operations and exercises worldwide, which is a rate of duty that is 13 times greater than the rate of duty experienced during the Cold War; and

Whereas employers, public officials, military leaders, and military members rely on the National Committee for Employer Support of the Guard and Reserve to promote public and private understanding of the National Guard and Reserve in order to obtain the employer and community support that is necessary to ensure the availability and readiness of reserve component forces: Now, therefore, be it

Resolved, That—

(1) it is the sense of the Senate that the National Committee for Employer Support of the Guard and Reserve makes vital contributions to enabling the National Guard and Reserve to support the national security strategy while, at the same time, acting on behalf of the Nation's employers to ensure that their interests are represented with equity and fairness; and

(2) the Senate congratulates the National Committee for Employer Support of the Guard and Reserve, its staff, and volunteers for their commitment to our national defense, for their contribution of time and talent, and for maintaining the much needed support of employers and communities for the National Guard and Reserve.

SENATE RESOLUTION 228—MAKING CHANGES TO SENATE COMMITTEES FOR THE 106TH CONGRESS

Mr. LOTT (for himself and Mr. DASCHLE) submitted the following resolution; which was considered and agreed to:

S. RES. 228

Resolved, That notwithstanding the provisions of S. Res. 400 of the 95th Congress, or the provisions of rule XXV, the following changes shall be effective on those Senate committees listed below for the 106th Congress, or until their successors are appointed:

Committee on Intelligence: Add Mr. Mack.

SENATE RESOLUTION 229—MAKING CERTAIN MAJORITY APPOINTMENTS TO CERTAIN SENATE COMMITTEES FOR THE 106TH CONGRESS

Mr. LOTT submitted the following resolution; which was considered and agreed to:

S. RES. 229

Resolved, That notwithstanding the provisions of rule XXV, the following shall constitute the majority membership of those Senate committees listed below for the 106th Congress, or until their successors are appointed:

Committee on Finance: Mr. Roth (Chairman), Mr. Grassley, Mr. Hatch, Mr. Murkowski, Mr. Nickles, Mr. Gramm, Mr. Lott, Mr. Jeffords, Mr. Mack, Mr. Thompson, and Mr. Coverdell.

Committee on Foreign Relations: Mr. Helms (Chairman), Mr. Lugar, Mr. Hagel, Mr. Smith of Oregon, Mr. Grams, Mr. Brownback, Mr. Thomas, Mr. Ashcroft, Mr. Frist, and Mr. Chafee.

Committee on Environment and Public Works: Mr. Smith of New Hampshire (Chairman), Mr. Warner, Mr. Inhofe, Mr. Thomas, Mr. Bond, Mr. Voinovich, Mr. Crapo, Mr. Bennett, Mrs. Hutchison, and Mr. Chafee.

Committee on Ethics: Mr. Roberts (Chairman), Mr. Smith of New Hampshire, and Mr. Voinovich.

SENATE RESOLUTION 230—EXPRESSING THE SENSE OF THE SENATE WITH RESPECT TO GOVERNMENT DISCRIMINATION IN GERMANY BASED ON RELIGION OR BELIEF

Mr. ENZI (for himself and Ms. LANDRIEU) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 230

Whereas government discrimination in Germany against individuals and groups based on religion or belief violates Germany's obligations under the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the Helsinki Accords, which provide that member states must "recognize and respect the freedom of the individual to profess and practice alone or in community with others, religion or belief acting in accordance with the dictates of his own conscience";

Whereas the 1993 through 1998 State Department Country Reports on Human Rights Practices in Germany have disclosed acts of Federal, State, and local government discrimination in Germany against members of minority religious groups, including Charismatic Christians, Muslims, Jehovah's Witnesses, and Scientologists;

Whereas State Department Human Rights Reports on Germany have also disclosed acts of government discrimination against United States citizens because of their religious beliefs;

Whereas State Department Human Rights Reports on Germany have disclosed discrimination based on religion or belief in Germany in such forms as exclusion from government employment and political parties; the use of "sect-filters" (required declarations that a person or company is not affiliated with a particular religious group) by government, businesses, sports clubs, and other organizations; government-approved boycotts and discrimination against businesses; and the prevention of artists from performing or displaying their works;

Whereas United Nations reports have disclosed discrimination based on religion or belief in Germany, and a 1997 report by the United Nations Special Rapporteur for Religious Intolerance concluded that the Government of Germany "must implement a strategy to prevent intolerance in the field of religion and belief";

Whereas the 1998 report of the State Department's Advisory Committee on Religious Freedom Abroad warned that unless the work of the German Government's Parliamentary Inquiry Commission on "so-called sects and psycho-groups", which investigated dozens of religious groups, including Mormons and other minority Christian groups, "focuses [its] work on investigating illegal acts, [it] runs the risk of denying individuals the right to freedom of religion or belief", and the Committee specifically reported that "members of the Church of Scientology and of a Christian charismatic church have been subject to intense scrutiny by the Commission, and several members have suffered harassment, discrimination, and threats of violence"; and

Whereas in 1997, a United States immigration judge granted a German woman asylum in the United States, finding that she had a well-founded fear of persecution based on her religious beliefs if she returned to Germany: Now, therefore, be it

Resolved, That the Senate—

(1) urges the Government of Germany to uphold its commitments to "take effective measures to prevent and eliminate discrimination against individuals or communities on the grounds of religion or belief" and "foster a climate of mutual tolerance and respect between believers of different communities", as required by the Organization on Security and Cooperation in Europe's Vienna Concluding Document of 1989;

(2) urges the Government of Germany to enter into a constructive dialogue with minority groups subject to government discrimination based on religion or belief;

(3) continues to hold the Government of Germany responsible for protecting the right of freedom of religion or belief of United States citizens who are living, performing, doing business, or traveling in Germany; and

(4) calls upon the President to assert the concern of the United States Government to the Government of Germany regarding government discrimination in Germany based on religion or belief.

• Mr. ENZI. Mr. President, I rise to submit a resolution concerning religious discrimination in Germany with my colleague, the distinguished Senator from Louisiana, Ms. LANDRIEU. The resolution urges the German government to eliminate religious discrimination within its country because I believe, as a matter of general government policy, no religion or belief should be discriminated against. Anytime the government collects or allows businesses to collect and use information that marks an individual as being different, it is discriminatory and it is wrong. This is a human rights issue. An individual or a group should be allowed to worship in private without public repercussions.

A letter sent to me from the Department of State in August, states "Wherever it may occur, discrimination against an individual or group is a fundamental human rights violation, and the United States government is still very concerned about incidents of discrimination in Germany." The Department of State Human Rights Reports on Germany have disclosed discrimination based on religion or belief in Germany in such forms as: exclusion from government employment and political parties; the use of "sect-filters" (required declarations that a person or company is not affiliated with a particular religious group) by government, businesses, sport clubs, and other organizations; government-approved boycotts and discrimination against businesses; and, the prevention of artists from performing or displaying their works.

I also am aware of the possibilities of United States companies based in Germany being coerced by the German government to discriminate against American and other employees based on their beliefs. We have a number of German companies conducting business in the United States. I do not want to see these discriminatory practices imported to our country. This issue of government discrimination is not solely contained within the borders of Germany.

The resolution is simple and straightforward. It urges the German government to enter into a constructive dialogue with minority groups subject to government discrimination based on religion or belief. The resolution also calls upon the president to assert the United States' concern to Germany regarding government discrimination based on religion or belief.

If the goal of a world functioning under a flag of democratic freedom is to be realized, the leaders of the free world must set the example. Germany is a leader in the European and world communities. Germany also is a strong United States ally. It is my hope that the German government will allow its country men and women to be leaders of a free society where an individual's beliefs are the sole decision of the individual rather than a matter of state.

Mr. President, I would like to submit for the RECORD a letter I sent to the Department of State on July 16, 1999 as well as the Department of State's response to my letter.

The material follows:

UNITED STATES SENATE,
Washington, DC, July 16, 1999.

Hon. MARC GROSSMAN,
Assistant Secretary of State for European Affairs, State Department, Washington, DC.

DEAR MR. GROSSMAN: Over the past six years there has been a steady increase in the number of religious freedom violations in Germany. These violations have been noted in the State Department Human Rights Country Reports on Germany and the 1998 report of the State Department Advisory Committee on Religious Freedom. They have also been a matter of concern to various human rights groups. All of these reports have described both government and private sector discrimination against individuals and groups, including American citizens, because of their religious beliefs.

Last November, several of my colleagues in the Senate and I wrote to Chancellor Schroeder to express our concerns about this discrimination and the need for dialogue between the German Government and representatives of various religious groups. When we finally received a reply to our inquiry from the German Foreign Office in March, it was accompanied with a copy of the "Religious Freedom" section of the 1998 State Department Human Rights Report on Germany with a note stating that the 1998 Report revised "certain views found in former reports." We were quite disappointed that the Foreign Office reply largely ignored our concerns. While I do not share the German view that the 1998 Human Rights Report signaled that the State Department is no longer concerned with religious discrimination in Germany, I find the German Government's perception of the Report troubling.

One religious group in Germany that has been the subject of the State Department reports is the Christian Community in Cologne

(CCK), an 1,100 member Church headed by an American, Pastor Terry Jones. The 1998 Report stated that virtually no incidents of harassment, discrimination, or death threats have been directed at CCK members since 1992. However, I have seen statements from Pastor Jones, along with other reports and news stories that indicate that the CCK has been the subject of discrimination since 1992. Tax difficulties aside, the CCK has been subject to harassment by government "sect" commissions, threats of violence, and members being denied jobs and child custody because of their Church affiliation. The sources of these reports include the 1998 Interim Report of the State Department Advisory Committee on Religious Freedom Abroad; an April 1998 CNN Worldview story; the testimony of a CCK representative at a September 1997 hearing before the Commission on Security and Cooperation in Europe (CSCE); and a May 1997 Report from the British House of Lords. Also, in testimony before the CSCE in July 1998, a representative from the Center for the Study of New Religious Movements criticized Germany for police raids that have occurred against small, independent Pentacostal churches. The Universal Life Church has also suffered discrimination in Germany. Press reports indicate that members of this Christian Church lost their jobs, not because of any wrongdoing, but because of their commitment to their faith.

Another minority group that has been subject to significant discrimination in Germany is the Church of Scientology and its members. The documentation of discrimination against both Americans and Germans based solely on their Church membership seems irrefutable. I especially find the growing governmental use and sponsorship of "sect-filters" disturbing. Nonetheless, in spite of all this evidence and documentation, the German Government seems to believe the State Department has revised its views as to the existence of religious discrimination in their country. I have also seen media reports that characterized the 1998 Report as effectively ending earlier State Department criticism of Germany for its treatment of Scientologists.

I cannot believe these characterizations of the Human Rights Report are an accurate representation of the position of the State Department on these matters. Clearly, the matter of religious discrimination and persecution in Germany needs to be reviewed and the position of the State Department clarified. That review should include a thorough evaluation of the problem, the extent to which the German government is responsible for these actions, and a determination of the appropriate response for these actions, and a determination of the appropriate response of the United States Government to this serious situation.

As I mentioned earlier, the letter sent to Chancellor Schroeder by my Senate colleagues and I expressed the belief that an open and direct dialogue between the German Government and minority religious groups was sorely needed. In particular, I am aware that the State Department had undertaken efforts to establish such a dialogue between the German Government and the Church of Scientology. I applaud this effort. Unfortunately, I understand that the German Government has refused to enter into any such dialogue. Is the State Department considering any steps it can take to encourage such a discussion?

Given Germany's strong commitment to democracy, I am troubled by the continuing reports and the evidence of government sponsored discrimination in Germany against minority religious groups. For Germany to abide by its international treaty commitments it must respect the beliefs of all religious groups. At whatever level it occurs, it remains the responsibility of the German Federal Government to ensure that the entire country complies with its international human rights treaty obligations. This should especially be true when American citizens are involved.

While I commend the efforts of the State Department to address discrimination in Germany based on religion or belief, it is very important for your Human Rights Country Report on Germany to be clarified so that the position of the State Department on this issue is unmistakably clear. I hope to work with you to resolve these important issues and look forward to your reply to my letter at your earliest opportunity.

Sincerely,

MICHAEL B. ENZI,
U.S. Senator.

U.S. DEPARTMENT OF STATE,
Washington, DC, August 25, 1999.

Hon. MICHAEL B. ENZI,
U.S. Senate.

DEAR SENATOR ENZI: Thank you for your July 16 letter regarding religious freedom violations in Germany and the State Department's 1998 Human Rights Report. I am responding on behalf of Assistant Secretary Grossman. Your letter raises several important issues concerning ongoing efforts at the State Department to work with German officials and affected minority groups to end discrimination in Germany based on religion or belief. Wherever it may occur, discrimination against an individual or group is a fundamental human rights violation, and the United States Government is still very concerned about incidents of discrimination in Germany. As the past six years of Human Rights Reports indicate, religious discrimination in Germany continues to take place and the Department of State is committed to addressing issues of religious intolerance.

We, too, were puzzled with characterizations of the 1998 Human Rights Report as ending criticism of Germany. While we would rather devote our time to working with the German government on ways to end discrimination in Germany based on religion or belief, it is also very important to express criticism and concern with ongoing German discriminatory actions and policies. This critical review is one of the primary purposes of the annual Human Rights Report. To interpret the 1998 Report's greater inclusion of German government statements attacking minority groups and rationalizing discriminatory acts and policies as State Department agreement with such statements is wrong.

Perception of the report aside, we are particularly concerned with growing use of sect filters in Germany which prevent a person from practicing his or her profession or participating in public and private fora, solely based on that person's religion or belief. This clearly discriminatory practice is being used by the Federal Ministry of Economics, state governments, private businesses and other organizations in Germany. We have discussed with German state and federal authorities the violation of individual rights posed by sect-filters and will continue our efforts to end the use of such filters.

On the subject of discrimination against the Evangelical churches in Germany, specifically the Christian Community in Cologne (CGK), U.S. Embassy personnel have met with two associate pastors of the CGK. We have been unable to meet with Pastor Jones, the leader of the church who testified before the Commission on Security and Cooperation in Europe in 1997 about discrimination. The two pastors interviewed did describe incidents of religious discrimination in child custody and employment situations. However, until we are able to verify these allegations of discrimination, the State Department is reluctant to include such examples in an official report.

Over the past year, State Department officials in Washington and Germany have undertaken a determined effort to bring together representatives of the Church of Scientology with representatives of the German Federal Government to open a dialogue on issues of concern. To our dismay, the German Government has refused to meet with Scientology representatives. Regardless of what the German Government thinks about the nature and philosophy of Scientology, refusal to enter into a constructive dialogue is troubling. We will continue to press the German Government to take this step.

As your letter correctly states, Germany is obligated by various international human rights treaties to respect the freedom of an individual to worship alone or in community with other religious or beliefs acting in accordance with the dictates of his own conscience. And no matter at what level discrimination occurs, it is the responsibility of the German Federal Government to ensure that the entire country complies with its international human rights treaty obligations. We look forward to working with you and other Members of Congress to that end in Germany.

I hope our response has addressed your concerns. Please do not hesitate to contact us if you have further questions about this or any other matter.

Sincerely,

BARBARA LARKIN,
Assistant Secretary, Legislative Affairs.•

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Tuesday, November 9, 1999, at 2:00 p.m. to consider certain pending military nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Tuesday, November 9, 1999, to conduct a mark-up on pending nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations of the Governmental Affairs Committee be authorized to meet on Tuesday, November 9, 1999, at 10:00 a.m., for a hearing entitled "Private Banking and Money Laundering: A Case Study of Opportunities and Vulnerabilities."

The PRESIDING OFFICER. Without objection, it is so ordered.

PRESIDENTIAL MESSAGES

The following messages were received in the Senate on November 8, 1999:

CONTINUATION OF THE NATIONAL EMERGENCY WITH RESPECT TO IRAN—MESSAGE FROM THE PRESIDENT—PM 71

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the Iran emergency declared in 1979 is to continue in effect beyond November 14, 1999, to the *Federal Register* for publication. Similar notices have been sent annually to the Congress and published in the *Federal Register* since November 12, 1980. The most recent notice appeared in the *Federal Register* on November 12, 1998. This emergency is separate from that declared with respect to Iran on March 15, 1995, in Executive Order 12957.

The crisis between the United States and Iran that began in 1979 has not been fully resolved. The international tribunal established to adjudicate claims of the United States and U.S. nationals against Iran and of the Iranian government and Iranian nationals against the United States continues to function, and normalization of commercial and diplomatic relations between the United States and Iran has not been achieved. On March 15, 1995, I declared a separate national emergency with respect to Iran pursuant to the International Emergency Economic Powers Act and imposed separate sanctions. By Executive Order 12959 of May 6, 1995, these sanctions were significantly augmented, and by Executive Order 13059 of August 19, 1997, the sanctions imposed in 1995 were furthered clarified. In these circumstances, I have determined that it is necessary to maintain in force the broad authorities that are in place by virtue of the November 14, 1979, declaration of emergency, including the authority to block certain property of the Government of Iran, and which are needed in the process of implementing the January 1981 agreements with Iran.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *November 5, 1999.*

PERIODIC REPORT ON THE NATIONAL EMERGENCY WITH RESPECT TO SUDAN—MESSAGE FROM THE PRESIDENT—PM 72

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c) and section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c), I transmit herewith a 6-month periodic report on the national emergency with respect to Sudan that was declared in Executive Order 13067 of November 3, 1997.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *November 5, 1999.*

OMISSION FROM THE RECORD

The following measure did not appear in the RECORD on November 8, 1999. The permanent RECORD will be corrected to reflect the following:

SENATE CONCURRENT RESOLUTION 71—EXPRESSING THE SENSE OF CONGRESS THAT MIAMI, FLORIDA, AND NOT A COMPETING FOREIGN CITY, SHOULD SERVE AS THE PERMANENT LOCATION FOR THE SECRETARY OF THE FREE TRADE AREA OF THE AMERICAS (FTAA) BEGINNING IN 2005

Mr. GRAHAM (for himself and Mr. MACK) submitted the following concurrent resolution; which was referred to the Committee on Finance:

S. CON. RES. 71

Whereas deliberations on establishing a "Free Trade Area of the Americas" (FTAA) will help facilitate greater cooperation and understanding on trade barrier throughout the Americas;

Whereas the trade minister of 34 countries of the Western Hemisphere agreed in 1998 to create a permanent Secretariat in order to support negotiation on establishing the FTAA;

Whereas the FTAA Secretariat will employ persons to provide logistical, administrative, archival, translation, publication, and distribution support for the negotiations;

Whereas the FTAA Secretariat will be funded by a combination of local resources and institutional resources from a tripartite committee consisting of the Inter-American Development Bank (IDB), the Organization of American States (OAS), and the United Nations Economic Commission on Latin America and the Caribbean (ECLAC);

Whereas the temporary site of the FTAA Secretariat will be located in Miami, Florida, from 1999 until February 28, 2001, at which point the Secretariat will rotate to Panama City, Panama, until February 28, 2003, and then rotate to Mexico City, Mexico, until February 28, 2005;

Whereas by 2005 the FTAA Secretariat will have international institution status providing jobs and tremendous economic benefits to its host city;

Whereas a permanent site for the FTAA Secretariat after 2005 will likely be selected from among the 3 temporary host cities;

Whereas the city of Miami, Miami-Dade County, and the State of Florida have long served as the gateway for trade with the Caribbean and Latin America;

Whereas trade between the city of Miami, Florida, and the countries of Latin America and the Caribbean totaled $36,793,000,000 in 1998;

Whereas the Miami-Dade area and the State of Florida possess the necessary infrastructure, local resources, and culture necessary for the FTAA Secretariat's permanent site;

Whereas the United States possesses the world's largest economy and is the leading proponent of trade liberalization throughout the world; and

Whereas the city of Miami, Florida, the State of Florida, and the United States are uniquely situated among other competing locations to host the "Brussels of the Western Hemisphere": Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the President should direct the United States representative to the "Free Trade Area of the Americas" (FTAA) negotiations to use all available means in order to secure Miami, Florida, as the permanent site of the FTAA Secretariat after February 28, 2005.

ADDITIONAL STATEMENTS

THE LATE JAMES E. WILLIAMS, WINNER OF THE MEDAL OF HONOR

Mr. THURMOND. Mr. President, "Hero" is a word that is inappropriately used with some frequency in this day and age. This is certainly unfortunate, for a true "hero" is not the person who caught the game winning pass, but is an individual who has distinguished themself through courage. No matter how diluted this term have become through informal and casual use, it remains simply the best way to describe James E. Williams.

There was a time not long ago when all Americans understood the importance of military service and the notion of sacrificing of one's self for the better of the nation. James Williams was one such man, an individual who was so anxious to render military service, he lied about his age in order to join the United States Navy in 1946. Over the course of his career, Mr. Williams would repeatedly demonstrate his fierce determination and bravery.

Our involvement in the conflict in Vietnam was still relatively small in 1966, but such was not the case for those who were working to topple the democratic government of the Republic of Vietnam. Communist forces were operating extensively throughout South Vietnam, terrorizing peasants, and fighting a low intenstity conflict against our forces and our allies. That the infiltration of the enemy into the Republic of Vietnam was largescale was proven on that day late in October of 1966 when Mr. Williams and eight other sailors operating on two different plastic river boats engaged in a three-hour firefight with enemy personnel. As a result of that action, more than 1,000 communist military personnel were killed in action, and almost seventy North Vietnamese boats were sunk or destroyed. The courage demonstrated by Mr. Williams in the face of overwhelming odds, and the effective attack he mounted, led to his being awarded the Medal of Honor for his actions. Only the citation from the Medal of Honor awarded Mr. Williams adequately describes his heroism, and it reads:

> For conspicuous gallantry and intrepidity at the risk of his life above and beyond the call of duty as a member of River Section 531 during combat operations on the Mekong River in the Republic of Vietnam. On 31 October 1966, Petty Officer Williams was serving as Boat Captain and Patrol Officer aboard River Patrol Boat (PBR) 105 accompanied by another patrol boat when the patrol was suddenly taken under fire by two enemy sampans. Petty Officer Williams immediately ordered the fire returned, killing the crew of one enemy boat and causing the other sampan to take refuge in a nearby river inlet. Pursuing the fleeing sampan, the U.S. patrol encountered a heavy volume of small arms fire from enemy forces, at close range, occupying well-concealed positions along the river bank. Maneuvering through this fire, the patrol confronted a numerically superior enemy force aboard two enemy junks and eight sampans augmented by heavy automatic weapons fire from ashore. In the savage battle that ensued, Petty Officer Williams, with utter disregard for his own safety, exposed himself to the withering hail of enemy fire to direct counterfire and inspire the actions of his patrol. Recognizing the overwhelming strength of the enemy force, Petty Officer Williams deployed his patrol to await the arrival of armed helicopters. In the course of this movement he discovered an even larger concentration of enemy boats. Not waiting for the arrival of the armed helicopters, he displayed great initiative and boldly led the patrol through the intense enemy fire and damaged or destroyed fifty enemy sampans and seven junks. This phase of the action completed, and with the arrival of the armed helicopters, Petty Officer Williams directed the attack on the remaining enemy force. Now virtually dark, and although Petty Officer Williams was aware that his boats would become even better targets, he ordered the patrol boats' search lights turned on to better illuminate the area and moved the patrol perilously close to shore to press the attack. Despite a waning supply of ammunition the patrol successfully engaged the enemy ashore and completed the rout of the enemy force. Under the leadership of Petty Officer Williams, who demonstrated unusual professional skill and indomitable courage throughout the three hour battle, the patrol accounted for the destruction or loss of sixty-five enemy boats and inflicted numerous casualties on the enemy personnel. His extraordinary heroism and exemplary fighting spirit in the face of grave risks inspired the efforts of his men to defeat a larger enemy force, and are in keeping with the finest traditions of the United States Naval Service.

By the time Mr. Williams retired in 1967, and having fought in two wars, he was the most decorated enlisted man in the history of the United States Navy. Anyone who looked at the medals adorning his dress uniform would immediately recognize James Williams as a hero by noting his three Purple Hearts; three Bronze Stars; the Vietnamese Cross of Gallantry; the Navy and Marine Corps Medal; two Silver Stars; the Navy Cross; and of course, the Medal of Honor.

Despite having served his nation commendably and heroically, James Williams still wanted to contribute to society and hoped to follow in the footsteps of his father as a lawman. In 1969, Mr. Williams was nominated as the United States Marshal for the District of South Carolina by President Richard M. Nixon, and he again distinguished himself as a no-nonsense law and order man, vital for a day and age when some people reveled in challenging the system and in seeking confrontation with authorities. I doubt that too many people were foolish to cross swords with James E. Williams, and his work as a law enforcement official helped keep South Carolina safe and peaceful.

In the years following his retirement from Federal service, Mr. Williams continued to contribute to the nation, but as a private citizen. He was very active in the "Medal of Honor Society", a private organization dedicated to promoting knowledge and education about America's highest award. He was also a member of the board of directors of the Patriot's Point Development Authority, which has created a military park in the Charleston area, and is also home to the above mentioned Medal of Honor Society.

Despite his heroism and his many high recognitions, James Williams was a down to earth individual. He refused offers to tell his story in print and on film, and he remained a plain talking, straight forward, good humored man to the day of his death. While Mr. Williams may no longer be among us, he has earned a legendary spot in Navy lore and the history of the United States, and he will always be remembered as the brave and selfless patriot he was.●

ON THE DEATH OF SACRAMENTO, CALIFORNIA MAYOR JOE SERNA

● Mrs. FEINSTEIN. Mr. President, I rise to speak today about the untimely death of Sacramento Mayor Joe Serna. This past Sunday, November 7, 1999, the City of Sacramento and the State of California lost an inspirational public servant and a great statesman. The death of Mayor Serna represents a loss for all of those who had the honor to know him, and for the entire City of Sacramento.

Mayor Serna had a distinguished public career, culminating in the election as Mayor of our State's Capital City in 1992. He served his country and his community as an educator, Peace Corps worker and public servant. He was a man of compassionate spirit, dedicated ideals and principled acts.

Mayor Serna's accomplishments, both personally and professionally, are many. Here are a few highlights:

1966—Earned his Bachelor's degree in Social Science and Government at California State University, Sacramento.

1966—Earned his Master's degree in Political Science at University of California, Davis.

1966—Served in the Peace Corps in Guatemala.

1969—Joined the faculty at California State University, Sacramento.

1975—Served as Education Advisor to then-Lieutenant Governor Mervyn Dymally.

1981—Elected to the Sacramento City Council, where he would serve 11 years.

1991—Received the Distinguished Faculty Award.

1992—Elected as Mayor of Sacramento.

1995—Received the Economic Development Leadership Award by the National Council for Urban Economic Development.

1996—Reelected as Mayor of Sacramento.

1998—Led the effort for the redevelopment of downtown Sacramento.

1998—Received an honorary doctorate degree from Golden Gate University.

I have known Mayor Serna for many years, and he was a visionary for Sacramento and the region.

Mayor Serna led California's Capital City toward a more positive and prosperous direction. He was extremely dedicated to the economic revitalization and redevelopment of Sacramento. Under his leadership, the Sacramento City Council helped to revitalize the downtown community, the region's heart and center. He appointed the first Council of Economic Advisors to help frame the City's economic agenda. In addition, Mayor Serna assembled a negotiating team that preserved the Sacramento Kings, the region's National Basketball Association Team, when the King's owners threatened to move the team out of town.

Mayor Serna was not only an honorable mayor, he was also a role model to the Latino community and an inspiration to all Californians. He was the first Latino elected as mayor of one of California's major cities, exemplifying the success that one can attain through education, hard work, and commitment—regardless of ethnicity. I believe Mayor Serna transcended ethnic politics without every losing sight of his ethnic background and his humble beginnings.

Mayor Serna grew up working in the fields of San Joaquin County. In the early 1960's he was an activist with the United Farm Workers, fighting for farm workers and for disadvantaged people. He went on to earn his bachelor's degree in Social Science and his master's degree in Political Science. He later entered the Peace Corps to serve the people in Guatemala as a community-development volunteer. Mayor Serna went on to became a professor at California State University in Sacramento and then served his community as Mayor of the City of Sacramento.

Along the way, he helped to inspire a host of talented Latino elected officials at all levels of government. Community leaders such San Joaquin County Supervisor Steve Gutierrez, State Senator Deborah Ortiz, and Lieutenant Governor Cruz Bustamante attribute their participation in public service in part to the example and inspiration of Joe Serna.

As Supervisor Steve Gutierrez said, "Mayor Serna went from being a farm worker to organizer to an educator to mayor of Sacramento. He was truly an exemplary public servant and leader."

Most recently, I had the pleasure to meet with Mayor Serna in Sacramento just hours after a heinous shooting had occurred at a Jewish community center in Los Angeles. We had an opportunity to discuss at length the issue of hate crimes and other regional issues. Mayor Serna was passionate about his community and he deeply cared for its people. Even until his final days, he worked for a better life for his fellow citizens.

Joe Serna leaves a powerful legacy in many lives and a lasting vision for his beloved city of Sacramento. He was a dynamic leader, and we Californians were fortunate for his service. Mayor Serna will be sorely missed. My thoughts and prayers are with his wife, Isabel, the entire Serna family, and the community of Sacramento.●

TRIBUTE TO BOB GREENLEE

● Mr. ALLARD. Mr. President, I would like to take this opportunity to recognize and congratulate Bob Greenlee on the occasion of his retirement from the Boulder City Council.

Bob and his wife Diane came to Colorado from Iowa in 1975 and used their savings to buy a small AM radio station in Boulder. Through their hard work and determination, they turned that small AM radio station into KBCO, one of the top radio stations in the State. In addition to their work in radio, they have also helped bring several successful businesses to their community, expanding nationwide and employing thousands of people across the country through their enterprises. As part of their overall business philosophy, Bob and Diane have helped many others achieve their entrepreneurial dreams by assisting them in business ventures and startup companies.

The Greenlee's have also been an integral part of the Boulder community through their philanthropic work. Together, they founded the Boulder County chapter of the "I Have a Dream Foundation" which assists underprivileged youth achieve their goal of a college education. Bob and Diane have also endowed their own family foundation to carry on their tradition of philanthropy in Colorado. Their work has helped thousands of people across Colorado in their desire to achieve the "American dream."

As the cornerstone of his community involvement, Bob served on the Boulder City Council for 16 years as the voice of common sense and reason. In 1997, Bob was selected on a unanimous vote by his fellow council members to serve as Boulder's mayor. As part of the city council, Bob's lasting legacy will be his thoughtful, reasoned voice in how a city should be operated. He views on frugality in the city budget and a common sense approach to city regulation will serve as an enduring reminder of his years of service to the community.

While he is retiring from City Council, Bob's interest in government has not ended. He currently serves as the chairman of the Republican Leadership Program. The program is aimed at teaching the fundamentals of our democracy and is used as a forum to discuss current issues that impact our everyday lives. His leadership has created one of the strongest programs of its kind in the country, and will serve to educate Coloradans on the need to be involved in the issues which face our state and our country.

Bob Greenlee has shown us all that the American dream can still be attained. He and Diane started by knowing that they could make a difference, and through their hard work and diligence, they were able to build their lives in order to serve others. People like Bob and Diane Greenlee were the cornerstone of our democracy and must be recognized for their contributions to our society.

Mr. President, it is an honor and a privilege to recognize Bob Greenlee on his outstanding career and community involvement. I would like to thank Bob and Diane for their service, and wish them both much success in the future.●

WORLD CHAMPIONS

● Mr. BIDEN. Mr. President, on August 26, 1999, 13 young women, ages 15 and 16, put the First State on the map again by capturing the Senior League Softball World Series in Kalamazoo, Michigan.

This was a tremendous accomplishment for Delaware and for the country. The Stanton-Newport team completed an undefeated run through the double elimination tournament by winning a come-from-behind victory over a persistent and well seasoned team from the Philippines.

As one reporter put it, eight teams participated in the tournament, but "only one will have its flag fly over the field for the next year." Proudly that will be the flag of the United States of America thanks to the team from the great State of Delaware.

The Stanton-Newport team is an outstanding example of the power of youth sports in America. As I have said many times in the past, young people need a hobby they love, at least one adult who supports them and a good many friends with similar interests. Organized sports provides this much and more.

In competitive sports young people learn responsibility, discipline, and the importance of cooperation and teamwork on and off the field. Later, these same young individuals will be able to apply their hard-earned lessons to everyday life.

The young women of Stanton-Newport epitomize the exceptional athletes and citizens from across the nation who are inspired on a daily basis by their committed parents and coaches.

I am proud to call this team a homegrown product and continue to salute their efforts on behalf of the First State and the rest of our nation. They are indeed World Champions.●

DR. EDWIN STRONG-LEGS RICHARDSON

● Mr. SMITH of New Hampshire. Mr. President, I would like to take this opportunity to recognize the outstanding work and accomplishments of Dr. Edwin Strong-Legs Richardson, Penobscot Indian Psychologist and President of Kiyan Indian Consultant Group. He is also known as Song-gan-la Gan-Naw, which is Penobscot for Strong-Legs and Kiyan Nakicinjin, which is Sioux for Flying Defender.

Dr. Richardson's admirable work ethic began at the age of thirteen when he started supporting his family as a logger. He has long been a nationally and internationally renowned applied behavioral scientist, consultant, trainer, retired Army Officer, and Spiritual Leader. For over fifty years, Dr. Richardson has been an educator-trainer, including professional ski instructor, mountaineer, and military instructor. He was voted one of the top instructors at four different universities/colleges and number one at two institutions.

As a combat Infantryman, Dr. Richardson fought the Germans, Japanese, and Vietnamese and served as the Commanding Officer of a Psychiatric Detachment in the Koran War. During his service, he was awarded for bravery under fire by his enlisted men and also received a commendation from General Westmoreland for an emergency landing of an airplane.

Dr. Richardson earned a B.S. in Pre-Med from the University of New Hampshire and his Masters of Education in Physical and Mental Rehabilitation from Springfield College. He then went on to The Ohio State University to receive his Doctorate in Health Education and Counseling.

I commend Dr. Richardson in raising public awareness of cultural diversity through his teaching, television programs, and books he has authored. He is an outstanding model for not only the Native American communities, but for all communities. Please join me in recognizing Dr. Edwin Strong-Legs Richardson.•

TRIBUTE HONORING CHRISTINE RUSSELL

• Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to Christine Russell, who last week left my staff after seven years as my legislative assistant and policy advisor on environmental, transportation and energy issues. She married Alex Wells on October 30th in South Carolina. She and her husband will be living in Harrisburg, PA.

As my primary staff member responsible for the Environment and Public Works Committee, which I now chair, she was one of my chief staff liaisons with New Hampshire municipalities in need of Federal assistance, and with the Federal and State agencies responsible for these important issues. Chris was always there for me, and for the people of New Hampshire. She will be terribly missed.

Christine came to my office from the National Association of Manufacturers a few years after I came to the Senate. She brought with her the skills to balance private sector and public sector concerns regarding environmental, energy and transportation issues. Skills which I found invaluable during her years in my office.

In addition to her outstanding policy skills, Chris provided a warm smile and enjoyable attitude to my Senate office. She was professional, intelligent, and articulate—but it was her enthusiasm and energy that was most infectious. Chris was dedicated to her job, the U.S. Senate, and the people of New Hampshire. Alex is a very fortunate man, indeed!

Chris, on behalf of the people of New Hampshire and my entire staff, best wishes in all of your future endeavors. You deserve the best that life has to offer.•

EVERGREEN CARPET RECYCLING PLANT

• Mr. CLELAND. Mr. President, I rise today to express my support of private sector innovation to solve a public problem. My state is the site of a brand new, state of the art facility that will recycle carpets, chemically breaking them down to their virgin chemical components. Allied Signal and DSM are jointly opening the first-ever carpet recycling plant in Augusta, GA, on November 15. It's a fitting day for the opening of a carpet recycling plant since it is America Recycles Day 1999.

Carpets comprise of a significant portion of the Nation's landfills. Yet there are few programs at the state or local level targeted to redirecting carpets out of community landfills. The AlliedSignal-DSM facility, aptly named "Evergreen," will ensure that each year over 200 million pounds of carpet never see a landfill. Now it may be hard to imagine 200 million pounds of carpet, so let me help you visualize it. If you had a 12 foot wide roll of carpeting you could lay it from New York to San Francisco and back again, and that would equal about 200 million pounds. And the Evergreen facility will save that much landfill space each year.

The carpeting that will be recycled in Augusta will not simply be broken down mechanically and remade into new carpets. Instead it will be depolymerized—broken down chemically into the individual chemical polymers that comprise the nylon fiber in the carpets. The primary chemical is caprolactum, but they can't produce enough at their facilities to meet the demands of their customers.

So they had a choice to make—either find another source of caprolactum or build new chemical plants that could be used to make caprolactum. With dedicated research engineers, they made several technological breakthroughs that enabled them to obtain caprolactum from used carpeting in a more economical fashion than to produce it at a new chemical plant. They can actually recycle old carpets into caprolactum more economically than they could produce it from scratch.

Avoiding , the production of caprolatum in itself yields tremendous environmental benefits. To produce from scratch the amount of caprolactum that the Evergreen facility will generate would take more than 700 million barrels of oil a year, and 4 trillion Btus more in energy usage. That is enough energy to heat 100,000 homes a year. So it is not just landfill space that is saved under the Evergreen project.

AlliedSignal and DSM plan to market nylon 6 products made with caprolactum from the Evergreen facility to carpet manufacturers, auto makers and others to produce the highest quality nylon products. You will soon see Infinity Forever Renewable Nylon on products in early 2000.

I applaud the private sector initiatives that led to the evergreen project and I am particularly pleased that they have chosen the great state of Georgia in which to operate.•

TRIBUTE TO JAMES DUNCAN

• Mr. BURNS Mr. President, I rise today in recognition of James Duncan of Billings, Montana, a shining example of altruism and leadership. He is being awarded the 1999 Outstanding Fund Raising Executive Award by the National Society of Fund Raising Executives.

As president of the Deaconess Billings Clinic Foundation, James has helped increase the Foundation's assets and endowments by over 46 million within four years. However, Jim's efforts extend far beyond the reaches of his organization. He has worked with ZooMontana, was instrumental in the donation of $50,000 to Easter Seal, and donates his fund raising expertise free to rural communities across Montana.

Montana is lucky to have people like James Duncan. His dedication to this community serves as an example for all of us.•

TRIBUTE TO GORDON J. LINTON

• Mr. SARBANES. I rise today to pay tribute to a dedicated and effective leader of our Nation's transit program, Gordon J. Linton. Gordon recently resigned his post as the thirteenth head of the FTA to move on to other opportunities, and I would like to express my appreciation for the outstanding work that he has done.

During his six-year tenure as head of the Federal Transit Administration (FTA), Gordon Linton has proved to be one of the best and most accomplished Administrators. He spearheaded the FTA's Livable Communities Initiative which has demonstrated that transit can make a substantial contribution toward improving the quality of life in communities all across the Nation by improving the links between transportation and housing, schools, places of worship, employment and recreation. He worked tirelessly to expand citizen participation in the decision-making process to help make transit facilities and services more customer friendly and community-oriented. He played a key role in shaping the transit portion of the landmark Transportation Equity Act for the 21st Century—or TEA-21—which is providing record levels of funding for public transportation and established the innovative Access to Jobs program which is designed to ensure that people in transition from welfare to work have adequate transportation services.

I first came to know Gordon six years ago in July, when I chaired his nomination hearing in the Banking, Housing, and Urban Affairs Committee. It was clear that day, and evident throughout the past six years, that Gordon Linton was a passionate advocate for transit. He not only designed and directed over $37 billion in federal mass transit investments throughout the country—but never forgot that leadership begins by example and used public transportation himself to get to work and in traveling in communities around America. Mr. Linton came to Maryland on numerous occasions to support mass transit projects and improvements—projects such as the Baltimore Light Rail system; regional transit, such as the MARC commuter rail system; small town and rural systems to connect citizens in our rural areas to jobs, health care, education. He has done this in Maryland and he has done this in every state across the Nation.

Mr. Linton has exemplified a steadfast commitment to public service and public transportation. He is the longest-serving head of the Federal transit program since it was enacted in 1961. Before coming to Washington, Mr. Linton served as a member of the Pennsylvania House of Representatives in Pennsylvania where he was instrumental in passage of the Commonwealth's first dedicated source of funding for transit and Pennsylvania's seat belt legislation. I am pleased to say that through his work as a Pennsylvania legislator and through his sincere, skillful shepherding of the Federal transit assistance program, Mr. Linton has proven his commitment to improve mobility, invest in our future and make America more livable for all Americans.

Mr. President, I know that every one of us whose constituents have benefitted from Gordon J. Linton's leadership of our Federal Transit programs wish him well.•

TRIBUTE TO GARY W. PURYEAR

• Mr. SMITH of New Hampshire. Mr. President, I rise today to honor Gary W. Puryear of the 94th Regional Support Command, for his leadership and vision in creating one of the most comprehensive development and land exchange projects in support of the soldiers, sailors, and marines in the United States Armed Services.

Mr. Puryear established himself as a leader while developing a state-of-the-art home and training center for twenty-one units of the United States Army, Navy, and Marine Corps Reserve in Manchester. He spearheaded this innovative program, assisting the Department of the Army in saving over $2.5 million dollars in repair and maintenance costs. His efforts also saved the Navy over $350,000 per year in lease costs, and fostered the expansion goals of both the Manchester Airport and Saint Anselm College.

Mr. Puryear also actively worked to publicize the Army Reserve's Modular Design System (MDS), highlighting its cost effectiveness and speed, and subsequently reaffirming the importance of pursuing a process of multiple and mutual success.

Mr. Puryear's efforts largely contributed to creating this state-of-the-art training center. As a result, 1,091 soldiers now occupy the center as a residence and a training site. The center itself indirectly helped expand the Manchester Airport as a vital shipping and transportation link by freeing up prime development space for airport related activities.

Gary Puryear has proven himself an innovative leader who is committed to the United States Armed Forces, and the community as a whole. He has assisted in saving the taxpayers thousands of dollars annually, enhancing the readiness of our armed forces, and solidifying a long-term military presence in Manchester and Londonderry. It is an honor to represent him in the United States Senate.•

TRIBUTE TO MARK ALDRICH, TRUSTED ADVISOR AND FRIEND

• Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to Mark Aldrich on the occasion of his retirement, on November 30th, from the United States Senate after 20 years of service.

For the past nine years, Mark has served as my State Director, confidant and community leader. Mark also served my predecessor, Senator Gordon Humphrey, as a loyal and dedicated staff member for more than a decade.

Over the years, I have had the pleasure to travel thousands of miles with Mark, through the Great North Woods, the covered bridges of Orford and Cornish, and the scenic mountains of the Monadnock Region. Mark and I drove in his old Cadillac * * * sharing stories and helping the people of New Hampshire.

Together we worked to secure federal funding for the expansion of the Manchester Airport, the newly completed Reserve Center in Londonderry, the Portsmouth Naval Shipyard, the development of the Pease Air Force Base and so many other important projects that have helped to fuel the New Hampshire economy. Mark should take great pride in his many fine accomplishments, especially in promoting economic vitality in the North Country and throughout the state. I know that the many businesses and communities he helped will miss him, as I will.

Mark is the kind of leader that we all aspire to become. He mixed humor with guidance, making each of his fellow staff members feel comfortable while sharing his advice and expertise. He energized the office allowing for greater productivity and a fierce sense of loyalty.

As Mark embarks on this new journey, I wish he and Connie every happiness life has to offer. I know he will enjoy his leisure time with Jonathan exploring the trails of the White Mountains and I am sure his coaching skills will continue to flourish as he cheers on Molly and her teammates at Concord High. And the engagements with his band "Souled Out" will continue to experience success. I hope Mark will enjoy this poem by New Hampshire poet, Robert Frost.

The woods are lovely, dark and deep.
But I have promises to keep,
And miles to go before I sleep.
And miles to go before I sleep.

Mark, it has truly been an honor to call you my friend. It is a pleasure to represent you in the United States Senate.

I wish you God speed and good luck in your future endeavors.•

COMMEMORATING THE FIFTH ANNIVERSARY OF THE SHOOTING OF SAN FRANCISCO POLICE OFFICER JAMES GUELFF

• Mrs. FEINSTEIN. Mr. President, I rise today to pay tribute to San Francisco Police Officer James Guelff on the fifth anniversary of his death in the line of duty.

This coming Saturday, the City of San Francisco will honor Officer Guelff by having his name enshrined at the corner of Pine and Franklin in San Francisco where he was slain on November 13, 1994.

Responding to a distress call, Officer Guelff, stationed at Northern Police Station, reached the crime scene and was immediately fired upon by a suspect shielded by body armor and armed with an AK 223, an Uzi, two semi-automatic pistols, and thousands of rounds of ammunition. In an attempt to defend himself, Officer Guelff returned fire but his police issue revolver could not penetrate the gunman's kevlar vest and bulletproof helmet. Officer Guelff was killed under the barrage of the assailant's bullets as he attempted to reload his revolver.

Officer James Guelff bravely faced an assailant with defensive armor and firepower no police officer should ever confront. In response to his death, his relatives and fellow officers embarked on a national campaign to restrict felons' access to body armor.

This incident helped raise awareness of the unacceptable risks officers face on the street when they encounter gunmen with equal or better defensive protection. The bottom line is that criminals who use body armor have a deadly offensive weapon.

It is a tribute to the memory of Office James Guelff and a tribute to the persistence and dedication of his family and fellow officers that California passed legislation restricting the use of body armor by felons.

Earlier this year, I introduced the James Guelff Body Armor Act of 1999 to enact Federal regulations on body armor. First, the measure increases the penalties criminals receive if they commit a crime wearing body armor. Specifically, a violation will lead to an increase of two levels under the Federal sentencing guidelines. Second, it makes it unlawful for violent felons to purchase, use, or possess body armor.

This legislation is included in S. 254, the Juvenile Justice Crime bill, which is in its final negotiations in a joint House-Senate conference committee.

It is my hope that the Conference Committee will finish its job quickly so that we can provide a lasting tribute to Officer James Guelff. This legislation will better protect our police officers by making sure they are adequately supplied with body armor, and that hardened criminals are deterred from using body armor.

Mr. President, I urge my colleagues to join me on this special day in honoring Officer James Guelff and celebrating the life of a true American hero.●

HONORING ALASKA'S VETERANS OF UNDERAGE MILITARY SERVICE

● Mr. MURKOWSKI. Mr. President, earlier this year the Alaska Legislature passed a resolution honoring Alaska's Veterans of Underage Military Service. This is an important veterans organization in Alaska, and I would like to let the Senate know a little bit about it by submitting the text of the state resolution in the RECORD.

I ask that the resolution be printed in the RECORD.

The resolution follows:

RESOLUTION OF THE ALASKA LEGISLATURE HONORING ALASKA'S VETERANS OF UNDERAGE MILITARY SERVICE

The Twenty-first Alaska State Legislature is proud to commend Veterans of Underage Military Service and its members for their attempts to locate and assist all underage veterans of America's armed forces.

Throughout history, nations have called upon their youth to fight their wars, and it is inevitable that some men and women under the legal age, usually driven by strong patriotism, have enlisted in the armed forces. In some instances, these youth were discovered and separated from the service having already seen action. After being discharged from one branch of service for being underage, many promptly enlisted in another branch of the armed services.

The Twenty-first Alaska State Legislature recognizes these men and women who understood the importance of fighting for freedom and honors their valiant efforts as defenders of the United States of America during times of war and peril. The Veterans of Underage Military Service Veterans was formed in 1990 to help such individuals, who were frequently discharged from the service and stripped of their awards and their military benefits.

The goal of the Veterans of Underage Military Service organization is to contact all veterans who served in any branch of the United States Armed Forces when they were under legal age and to advise and assist them in obtaining a proper discharge and veterans' benefits. A secondary goal is to establish a historical record of underage veterans by publishing their names, deeds, and stories. The organization currently consists of more than 1,000 members nationwide who served in the United States Armed Forces before they were of legal age.

The Twenty-first Alaska State Legislature wishes to recognize Alaska's own members of the Veterans of Underage Military Service: Judd Clemens, Michael Mitchell, Gordon Severson, Gene Wheeler, Larry Connolly, Miles Pierce, Elsie Sexton, and Thor Weatherby.

We, the members of the Twenty-first Alaska State Legislature honor the Veterans of Underage Military Service. We commend them for their attempts to locate and assist all underage veterans of the United States Armed Forces and support their efforts to make "whole" these national heroes.●

TRIBUTE TO ANDY FRENCH, EDDIE WILSON, AND LIBBY O'FLAHERTY FOR THEIR HEROIC EFFORTS

● Mr. SMITH of New Hampshire. Mr. President, I rise today to honor three individuals who define heroic action and the selflessness of many of the citizens of the State of New Hampshire. While only teenagers, these three individuals acted with maturity and grace in saving the life of Carol Black of Newton, Massachusetts.

Andy French, Eddie Wilson, and Libby O'Flaherty, all of Gilford, New Hampshire, were enjoying a quiet afternoon on the lake when they spotted Carol Black. Upon seeing the body of the unconscious woman in the water of Lake Winnepesaukee, the three youths selflessly came to her aid. They did not hesitate before saving her, a testament to their individual honor.

Mr. President, in a society where we too often hear stories of youth violence, it is refreshing to hear of heroic deeds such as this. Too often, the actions of a few that have wandered from the fold overshadow those who have acted with continual kindness.

It is one of the deepest pleasures for me to be able to rise today to honor these three individuals from my home area. Their kindness and dedication sets a precedent for other youth to follow. It is an honor to represent them in the United States Senate.●

ADDRESS BY KING ABDULLAH OF JORDAN AT THE KENNEDY LIBRARY

● Mr. KENNEDY. Mr. President, on October 14, the John F. Kennedy Presidential Library in Boston hosted a dinner in honor of King Abdullah II of Jordan.

In his remarks, King Abdullah spoke eloquently of the strong ties between the United States and Jordan, his vision for strengthening peace in the Middle East, and his hope of creating new opportunities for future generations in Jordan.

Like his father, King Hussein, King Abdullah cares deeply about the Jordanian people and stability in the region, and his comments are very inspiring. I believe that all of us who care about the future of the Middle East will be interested in his remarks, and I ask that they be printed in the RECORD.

The remarks follow:

SPEECH BY HIS MAJESTY KING ABDULLAH II AT THE KENNEDY LIBRARY IN BOSTON, THURSDAY, OCTOBER 14, 1999

Senator Kennedy, Mrs. Kennedy, Mr. Manning, Ladies and gentlemen, allow me first to express my sincere gratitude for this beautiful evening which Rania and I shall cherish for the rest of our lives.

Senator, I would like to add my voice to all those who have paid tribute, over the years, to the Kennedy family, for the contribution that they have made to the improvement of human life and for the painful sacrifices that have made us all realize the value of true citizenship.

I say that Senator, because I also happen to belong to a family that has devoted itself since the turn of this century to the improvement of the life of the Arab people. Over the years, many sacrifices have been made to ensure that the freedom, liberty, and integrity of the Arab mind is sacrosanct, that the rights of the Arabs are not forgotten or betrayed and that their future is protected.

As I conclude my second working visit to the United States, I am very proud of the special relations that bind Jordan with your country. The foundations of these ties, so carefully laid by my late father have seen us making peace with our Israeli neighbors, and subsequently guarding its sustainability and continuity. Through our partnership with America, we have built a unique model in our region. It is a model of peace that is cemented by the respect of the principles of democracy, freedom of expression, political pluralism, free economic enterprise, and human dignity. It is being continually reinforced through our positive interaction with our neighbors.

Most importantly, it is the necessary requirement for successfully facing the challenges ahead which are numerous and quite complex. In my mind, the most daunting task that I have set myself to accomplish is to guarantee that our younger generation get an equal opportunity like others elsewhere in the world: An opportunity to be active participants in the shaping of their own destiny, one that will hopefully focus on technological advances in science, on being a part of the information technology revolution, and on being able to enjoy the best of education, medical care, and environmental standards.

These are big challenges that necessitate, first and foremost, that we rid ourselves of the dark past of war, conflict, and strife in our region, prior to getting ready to embark on a future course of promise, rewards, and accomplishments.

These challenges require more than ever that the partnership with the United States be solid, strong, and sustainable. The role that the United States has played in the making of peace in our region must be complemented with continued efforts designed to rehabilitate our region. If it is to effectively participate in the community of nations, not through conflict, but rather through a concrete realization of a new positive role.

All of you present here tonight can contribute to the making of a new region. We in

Jordan will continue to provide the model, but we need your support and contribution.

I do not want to keep you any longer; suffice it to say that I am very grateful to all of you for your interest, your support, and your determination to help us attain a dream that befits the dawn of a new millennium.

Thank you again, and we hope to see you in the near future in our part of the world.●

TRIBUTE TO MAJOR CLINT CROSIER

Mr. SMITH of New Hampshire. Mr. President, I rise today to recognize Major Clinton E. Crosier, an Air Force Fellow on my staff, and commend his superior performance throughout this past year as a key member of my national security team.

Major Crosier has been on active duty since 1988. During his 11-year career he has served as an Executive Office and Operations Management Officer, during which time he deployed to Saudi Arabia during Operations Desert Shield and Desert Storm. He has served as a Satellite Operations Flight Commander, overseeing the operations of part of the Air Force's multibillion dollar constellation of military communications satellites; and also as a Missile Operations Crew Commander and Flight Commander, supervising the training and certification of over 200 of the nuclear launch officers serving as the backbone of America's nuclear deterrent.

During his career, his outstanding performance and professionalism has been recognized by his selection as the 90th Missile Wing's Staff Officer of the Year; 28th Air Division's Company Grade Officer of the Year and Lance P. Sijan Leadership Award Winner; three-time selection as unit Company Grade Officer of the Year; Unit Evaluator of the Year; and Unit Flight Commander of the Year. Major Crosier is also a Distinguished Graduate of the Air Force's Operations Management Officer school and Squadron Officer School, and graduated first in his class during satellite operations training and missile operations training.

Upon arrival at the Pentagon just over a year ago, Major Crosier was tasked with building the Air Force's first ever Air Command and Staff College program for Congressional staff. This program, known as ACSC, is a 44-week graduate level program designed to provide mid-career officers with an in-depth understanding of the principles and application of air and space power. This was the first time in history this program had been offered to Congressional staff. In this capacity, Major Crosier was directly responsible for the graduation of 18 staff members from both the House and Senate in a ceremony last month over which the Secretary of the Air Force presided. During this ceremony, Secretary Peters heralded the Capitol Hill ACSC seminar Major Crosier built as a "very important tool to cement the important partnership between the Air Force and the Congress . . . that will serve indefinitely as a bridge between our two great institutions." Additionally, Secretary Peters praised Major Crosier personally by describing his effort as an "astronomical benefit" to the Air Force.

Most recently, Major Crosier was one of only 10 officers in the entire Air Force selected for the prestigious Legislative Fellowship program, through which he came to work as a member of my personal staff. The Air Force's Legislative Fellowship program is designed to identify the Air Force's highest caliber performers through an extremely competitive selection process. These individuals are then provided an in-depth education in the legislative processes of Congress through a one-year assignment in a Member's office, to prepare them for future senior leadership positions in the Air Force. Throughout the past year, he has been an invaluable resource to me, and a credit to the United States Air Force.

Due to his vast experience in space and missile operations, Clint was able to provide me with expert assistance in my capacity as Chairman of the Strategic Force Subcommittee on Armed Services, providing technical expertise on a myriad of advanced space operations and missile defense programs. He quickly became an expert on dozens of programs critical to national security. Major Crosier also was responsible for performing topical research and preparing me for dozens of Armed Services Committee hearings, and provided a vital role on a number of wide ranging issues from the Department of Defense Authorization and Appropriations Bills to the Comprehensive Test Ban Treaty and the Vieques Weapons Range.

Major Crosier has been an outstanding addition to my staff, and has served with the highest degree of integrity and distinction. His performance has earned my highest praise, and he has distinguished himself as one of the top military officers I have had the great privilege to know during 16 years in Congress. Major Crosier has demonstrated himself to be one of the Air Force's brightest future senior leaders. As Major Crosier departs the Senate to serve on the personal staff of the Secretary of the Air Force, I extend my sincerest appreciation for his valuable and professional service. I will not only miss Clint's knowledge and efficiency, I will also miss his enthusiasm. Clint is an honorable and dedicated individual. I wish he, his wife Shelle, and their children, all the best in future endeavors.

SENATE COMMITTEE CHANGES

Mr. GORTON. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of S. Res. 228, submitted earlier by Senators LOTT and DASCHLE.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 228) making changes to Senate committees for the 106th Congress.

There being no objection, the Senate proceeded to consider the resolution.

Mr. GORTON. Mr. President, I ask unanimous consent that the resolution be agreed to, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 228) was agreed to, as follows:

S. RES. 228

Resolved, That notwithstanding the provisions of S. Res. 400 of the 95th Congress, or the provisions of rule XXV, the following changes shall be effective on those Senate committees listed below for the 106th Congress, or until their successors are appointed:

Committee on Intelligence: Add Mr. Mack.

SENATE COMMITTEE APPOINTMENTS

Mr. GORTON. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of S. Res. 229 submitted earlier by Senator LOTT.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 229) making certain majority appointments to certain Senate committees for the 106th Congress.

There being no objection, the Senate proceeded to consider the resolution.

Mr. GORTON. Mr. President, I ask unanimous consent that the resolution be agreed to and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 229) was agreed to, as follows:

S. RES. 229

Resolved, That notwithstanding the provisions of Rule XXV, the following shall constitute the majority membership on those Senate committees listed below for the 106th Congress, or until their successors are appointed.

Committee on Finance: Mr. Roth (Chairman), Mr. Grassley, Mr. Hatch, Mr. Murkowski, Mr. Nickles, Mr. Gramm, Mr. Lott, Mr. Jeffords, Mr. Mack, Mr. Thompson, and Mr. Coverdell.

Committee on Foreign Relations: Mr. Helms (Chairman); Mr. Lugar, Mr. Hagel, Mr. Smith of Oregon; Mr. Grams, Mr. Brownback, Mr. Thomas, Mr. Ashcroft, Mr. Frist, and Mr. Chafee.

Committee on Environment and Public Works: Mr. Smith of New Hampshire (Chairman), Mr. Warner, Mr. Inhofe, Mr. Thomas, Mr. Bond, Mr. Voinovich, Mr. Crapo, Mr. Bennett, Mrs. Hutchison, and Mr. Chafee.

Committee on Ethics: Mr. Roberts (Chairman), Mr. Smith of New Hampshire, and Mr. Voinovich.

WAIVING ENROLLMENT REQUIREMENTS FOR FIRST SESSION OF 106TH CONGRESS

Mr. GORTON. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of H.J. Res. 76, which is at the desk.

The PRESIDING OFFICER. The clerk will report the joint resolution by title.

The legislative clerk read as follows:

A joint resolution (H.J. Res. 76) waiving certain enrollment requirements for the remainder of the first session of the One Hundred Sixth Congress with respect to any bill or joint resolution making general appropriations or continuing appropriations for fiscal year 2000.

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. GORTON. Mr. President, I ask unanimous consent that the joint resolution be read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the resolution be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The joint resolution (H.J. Res. 76) was read the third time and passed.

APPOINTMENTS

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, in accordance with 22 U.S.C. 1928a-1928d, as amended, appoints the following Senators as members of the Senate Delegation to the North Atlantic Assembly (NATO Parliamentary Assembly) during the First Session of the 106th Congress, to be held in Amsterdam, The Netherlands, November 11-15, 1999:

The Senator from Iowa (Mr. GRASSLEY),

The Senator from Utah (Mr. BENNETT), and

The Senator from Hawaii (Mr. AKAKA).

ORDERS FOR WEDNESDAY, NOVEMBER 10, 1999

Mr. GORTON. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 9:30 a.m. on Wednesday, November 10. I further ask unanimous consent that on Wednesday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate then resume on S. 625, the bankruptcy reform bill, under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. GORTON. For the information of all Senators, the Senate will resume consideration of the bankruptcy bill at 9:30 a.m. on Wednesday. Under the previous order, there will be up to 4 hours of debate on the Hatch amendment No. 2771 regarding drugs, with a vote to follow the use or yielding back of that time. The votes on the nomination of Carol Moseley-Braun and Linda Morgan will be stacked to follow the vote on the drug amendment. Thus, Senators can expect three back-to-back votes between 12 noon and 1 p.m. tomorrow. There are a number of amendments pending on the bankruptcy bill, and it is hoped that they can be disposed of in a timely fashion, along with any other amendments Senators intend to offer to this legislation. The Senate may also be ready to take action on the remaining appropriations bills during tomorrow's session of the Senate. Senators should adjust their schedules for the possibility of votes throughout the day and into the evening. The leadership appreciates the patience and cooperation of his colleagues as we attempt to complete the appropriations process prior to Veterans Day.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. GORTON. If there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 7:38 p.m., adjourned until Wednesday, November 10, 1999, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate November 9, 1999:

FEDERAL MARITIME COMMISSION

ANTHONY M. MERCK, OF SOUTH CAROLINA, TO BE A FEDERAL MARITIME COMMISSIONER FOR THE TERM EXPIRING JUNE 30, 2001, VICE MING HSU, TERM EXPIRED.

DEPARTMENT OF ENERGY

JAMES JOHN HOECKER, OF VIRGINIA, TO BE A MEMBER OF THE FEDERAL ENERGY REGULATORY COMMISSION FOR THE TERM EXPIRING JUNE 30, 2005. (REAPPOINTMENT)

PEACE CORPS

MARK L. SCHNEIDER, OF CALIFORNIA, TO BE DIRECTOR OF THE PEACE CORPS, VICE MARK D. GEARAN, RESIGNED.

HARRY S TRUMAN SCHOLARSHIP FOUNDATION

MEL CARNAHAN, OF MISSOURI, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE HARRY S. TRUMAN SCHOLARSHIP FOUNDATION FOR A TERM EXPIRING DECEMBER 10, 2005. (REAPPOINTMENT)

DEPARTMENT OF JUSTICE

RANDOLPH D. MOSS, OF MARYLAND, TO BE AN ASSISTANT ATTORNEY GENERAL, VICE WALTER DELLINGER.

JOHN R. LACEY, OF CONNECTICUT, TO BE CHAIRMAN OF THE FOREIGN CLAIMS SETTLEMENT COMMISSION OF THE UNITED STATES FOR A TERM EXPIRING SEPTEMBER 30, 2000, VICE DELISSA A. RIDGWAY, TERM EXPIRED.

LARAMIE FAITH MCNAMARA, OF VIRGINIA, TO BE A MEMBER OF THE FOREIGN CLAIMS SETTLEMENT COMMISSION OF THE UNITED STATES FOR A TERM EXPIRING SEPTEMBER 30, 2001, VICE JOHN R. LACEY, TERM EXPIRED.

WITHDRAWALS

Executive messages transmitted by the President to the Senate on November 9, 1999, withdrawing from further Senate consideration the following nominations:

DEPARTMENT OF EDUCATION

MARSHALL S. SMITH, OF CALIFORNIA, TO BE DEPUTY SECRETARY OF EDUCATION, VICE MADELEINE KUNIN, WHICH WAS SENT TO THE SENATE ON MARCH 25, 1999.

DEPARTMENT OF JUSTICE

BETH NOLAN, OF NEW YORK, TO BE AN ASSISTANT ATTORENY GENERAL, VICE WALTER DELLINGER, WHICH WAS SENT TO THE SENATE ON MARCH 5, 1999.

HOUSE OF REPRESENTATIVES—*Tuesday, November 9, 1999*

The House met at 10 a.m.

MORNING HOUR DEBATES

The SPEAKER. Pursuant to the order of the House of January 19, 1999, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 25 minutes, and each Member except the majority leader, the minority leader or the minority whip limited to not to exceed 5 minutes, but in no event shall debate continue beyond 9:50 a.m.

The Chair recognizes the gentleman from Ohio (Mr. KUCINICH) for 4 minutes.

WHAT IS THE WTO?

Mr. KUCINICH. Mr. Speaker, with all the talk about the meeting of the WTO in Seattle, it is worth answering the question, what is the WTO? The World Trade Organization, the Uruguay Round of the GATT, General Agreement on Tariffs and Trade, is a broad-ranging set of international trade rules that, number one, imposes obligations on foreign countries that are beneficial to U.S. multinational companies and, number two, it imposes obligations on the Federal and State governments that place tight limitations on Congress and the State legislatures that are beneficial to foreign multinational companies.

The WTO makes the world the oyster of large multinational businesses, because the WTO takes away the inability of national governments to set the laws of their countries. National governments, including the United States, lose the ability to pass laws affecting the import of products that are dangerous or that are made where there are no worker protections, child labor prohibitions, minimum wage standards or where workers are deprived of the right to organize into unions and bargain collectively.

Even if the import of those products would put U.S. workers out of work or would endanger consumers or the environment, the WTO says no.

At the current time, there is a WTO panel hearing arguments against France's ban on asbestos, a proven carcinogen in humans and a substantial workplace danger.

According to the Congressional Research Service, legislation passed in the U.S. Congress to ban imports of products made with child labor, quote, would be inconsistent with GATT articles, unquote. In other words, the WTO would not permit Congress to ban products made with child labor.

So here is the imbalance: The WTO permits measures that make it easier for large companies to locate anywhere in the world but the WTO forbids a country from banning a product made with child labor.

What would happen if the U.S. passed a law that banned the import of products made with child labor? Any one of the 131 member countries could seek a tribunal in Geneva to overturn the U.S. law. Companies that profit from products made from child labor would be expected to lobby countries to bring such a case. It is possible that companies would be able to bring such a case themselves, without persuading a country government to do so, if the WTO is expanded some more. If a WTO panel of trade bureaucrats ruled that any child labor ban violated the WTO, the U.S. would have to repeal the law or pay damages.

According to the Congressional Research Service, that is just what the WTO tribunal would rule.

So when the World Trade agreement was negotiated, we gave away the United States' greatest negotiating leverage, access to the U.S. market, to improve the rights and living standards of workers in the U.S. and around the world. The U.S. has basically unilaterally ceded this.

In the next few weeks, trade ministers from many of the world's countries will be meeting in Seattle to discuss how to expand the WTO. The U.S. is sending many negotiators, but will they be bargaining for what we need? What we need, what the working people in the United States and overseas need, is to renegotiate the WTO before any expansion occurs. We need to place limitations on the WTO. We need to explicitly enable the United States and other countries to prohibit import of products made with child and forced labor.

We need to be able to use the leverage of access to the U.S. market and other markets to guarantee the rights of workers to organize into unions and bargain collectively; to be protected by workplace safety and right-to-know standards that are minimally equivalent to current U.S. standards; and to benefit from legal minimum wage levels.

We need the WTO to be limited to improve conditions for workers in the U.S. and around the world. American workers would benefit. They would have less reason to be pressured into abandoning efforts to improve wages and conditions by employer threats to move plants and equipment to the Third World.

SELLING ABORTED BABY PARTS, WHAT HAS THE UNITED STATES COME TO?

The SPEAKER pro tempore (Mr. OSE). Under the Speaker's announced policy of January 19, 1999, the gentleman from Pennsylvania (Mr. PITTS) is recognized during morning hour debates for 2 minutes.

Mr. PITTS. Mr. Speaker, I rise today in support of House Resolution 350, a resolution which addresses the horrible practice developing in America of trafficking in baby body parts for monetary reimbursement. Abortion clinics are selling dead, unborn babies, or parts of them, to middlemen. These middlemen, in turn, are selling them to researchers.

Mr. Speaker, just look at this blowup of this price list taken from this chilling magazine article from someone in this awful business. A liver, $150, but it can be gotten for $125 if it is from a younger baby, or one can get a 30 percent discount if it is significantly fragmented; a spleen, $75; pancreas, $100; a thymus, $100.

Look at this, a brain, $999. Notice they even use marketing techniques in this gruesome business, selling it for $1 less than a thousand dollars to make it, I guess, a more attractive purchase.

Again, if it is fragmented, what a terrible way to describe a baby's injured brain from abortion, one can get a 30 percent discount; almost like step right up, ladies and gentlemen. A baby's ear, $75; eyes, $75 for a pair, $40 for one; skin, $100; the spinal cord, $325.

Mr. Speaker, I wish this price list were a cruel Halloween hoax, but it is not. It is a price list for human body parts from aborted babies, in America. This is not Nazi, Germany.

Mr. Speaker, I urge my colleagues to support this resolution calling for oversight hearings.

THE WTO NEEDS A MAJOR OVERHAUL, AND THE UNITED STATES HAS AN OPPORTUNITY TO DO IT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Oregon (Mr. DEFAZIO) is recognized during morning hour debates for 4 minutes.

Mr. DEFAZIO. Mr. Speaker, the gentleman from Ohio (Mr. KUCINICH), who preceded me, talked a little bit about the upcoming meeting of the World Trade Organization, and I would like to follow up on that.

It was Renato Ruggiero, the former director general of the World Trade Organization, who said, and I quote, we are writing the Constitution of a new world government, end quote.

Well, they left out a few things when they wrote that new constitution. They left out consumer rights and protections. They left out labor rights. They left out environmental rights and protections.

The United States has a tremendous opportunity, in hosting the beginning of the next round of negotiations at the World Trade Organization, to initiate a major overhaul of this horribly flawed agreement and drag it kicking and screaming into at least the late 20th Century.

Labor rights, well there seems to be agreement on labor rights. The President has admitted that perhaps the nonbinding, face-saving, political butt-covering side agreements on labor and the environment, which were not binding, which helped push NAFTA through this organization here, the House of Representatives, gave enough people political cover, will not be enough in the future for trade agreements and, if called, he and the vice president, for labor agreements to be core labor protections, to be core to any future agreement, the only problem is, their employee, the special trade representative, Charlene Barshefsky, does not seem to share their views.

When pressed in a press conference last week to expand upon what is the United States talking about here, they cannot be serious about putting labor protections into an international trade agreement, by God, then what would capital do? How could it run around the world looking for the most exploited sources of labor?

She said, quote, this is not a negotiating group. It is an analytic working group designed to draw upon the expertise of other multilateral institutions in order to answer a series of analytic points.

Now, that does not sound an awful lot like labor protections. It does not sound like it will get us to the point made by the previous gentleman from Ohio (Mr. KUCINICH), stopping trafficking in goods produced by forced child labor around the world. No, that is a little too far for the World Trade Organization, and if Ms. Barshefsky has her way, it will be too far for the United States of America to go. That is pathetic.

She goes on to say, the issue of sanctions is nowhere in this proposal and it is certainly not on the table, and then she goes on in another much longer quote I do not have time to give, to say that this analytical look at labor protections will lead everybody to the conclusion that the best way to bring up labor standards around the world is not to have any; sort of like the theory of the Republicans here in Congress. If we did not have a minimum wage the market would set one and it would be good for everybody.

Well, maybe not the people who earn the minimum wage or just above it, but it would be good for the employers.

The same thing with the World Trade Organization and Charlene Barshefsky. They want to say the market will bring about in the future some sort of labor protections without these horrible dictates.

In fact, they are undermining our own laws here in the United States with the World Trade Organization, a little secretive body of 3 people who are exempt from conflict of interest, exempt from public disclosure, make binding decisions on trade disputes.

The U.S. has lost a number of trade disputes on environmental issues over the last few years, but they have won one big one.

We are going to force the Europeans to take hormone-laced beef. By God, that is a big victory for the U.S. and we should have more of this. We do not want to reform this organization. We do not want transparency and doing away with conflict of interest rules. We do not want any system of juris prudence the American people can understand. We do not want to allow environmental groups or labor groups to intervene and mess up the decision-making process of the World Trade Organization.

We have a tremendous opportunity as the United States of America to lead, and maybe we have to get rid of Ms. Barshefsky to do that.

QUINCY LIBRARY GROUP AND FOREST HEALTH

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from California (Mr. HERGER) is recognized during morning hour debates for 5 minutes.

Mr. HERGER. Mr. Speaker, we have a forest health crisis in this country and the Clinton-Gore administration's current do-nothing policies are utterly failing to address it. A government report released in April states that approximately 39 million acres of our western national forests are at extremely high risk of catastrophic fire.

Alarmingly, this same report indicates that the Forest Service has failed to advance a cohesive strategy to treat this 39 million acres at risk, despite the fact that the window of opportunity for taking effective management action is only about 10 to 25 years before catastrophic wild fires become widespread.

Last year, Congress passed historic legislation that was intended to provide the Forest Service a tool with which to proactively address and combat this forest health crisis.

The bipartisan Herger-Feinstein Quincy Library Group Forest Recovery Act, which passed last Congress by an overwhelming margin of 429-to-1, mandated a project to manage our forests for health and safety, while providing for a responsible, ecologically sound level of harvesting to benefit local economies.

The Forest Service was assigned the responsibility of carrying out this specific plan, but made several last minute additions to the environmental analysis that have drastically tilted the bipartisan balance that this Congress struck in the law and the Quincy Group struck in its plan.

These changes, based on a combination of bad science and special interest politics, will prevent treatment on almost all of the 2½ million acres to be protected from catastrophic fire under the original plan. The decision was made behind closed doors, without public input.

Mr. Speaker, the Forest Service has taken it upon itself to circumvent a law that this Congress passed almost unanimously. The Quincy plan presented us with an opportunity to proactively prevent the very type of catastrophic forest and wildland fires that have ripped through 5 counties in my district in Northern California in the past 8 weeks, tragically taking two human lives.

These fires have also burned more than 250,000 acres of public and private property, destroyed more than 100 homes, eliminated thousands of acres of wildlife habitat and various species of wildlife, and generated tons of smoke. In addition, the American taxpayers have paid close to $100 million to fight these fires.

However, the Forest Service has rejected this plan and has scaled it back to the point that it is almost meaningless, perhaps hoping the fire risks will somehow go away, despite the fact that the risk of catastrophic fire across the West is increasing.

The agency proposes to lock up our choked, fire-prone forests and allow prescribed fires to achieve its so-called forest management goals, even though this policy causes serious air pollution and poses a very real risk that a burn will get out of control, as it has on a number of occasions.

To add to this outrage, Mr. Speaker, the administration recently proposed to lock up an additional 40 to 50 million more acres of national forests, preventing the very management strategies that our fire experts are telling us we absolutely must take.

This attempt to shut down access to the public's forest lands is too much about what special interest groups demand and too little of what their own elected government and science recommends.

This Clinton-Gore administration has needlessly put our lives and property at risk in a selfish attempt to create an environmental legacy. The reality of our forest health crisis is that more, not less, of our forests must be available for pursuing forest management strategies.

We must begin to take proactive steps before catastrophic fires become more widespread. The forest service and this administration have refused to respond and have neglected congressional attempts to address the crisis. They appear ready to serve special interest environmental politics until well after the election.

Regrettably, forest fires are not that patient.

Mr. Speaker, our forests and our communities are at risk and we intend to do everything possible to hold this administration accountable for its negligence.

A LIVABLE COMMUNITY IS ONE WHERE FAMILIES ARE SAFE, HEALTHY AND ECONOMICALLY SECURE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Oregon (Mr. BLUMENAUER) is recognized during morning hour debates for 5 minutes.

Mr. BLUMENAUER. Mr. Speaker, a livable community is one where families are safe, healthy and economically secure. While much attention is given to the damage that unplanned growth can have to the physical environment, the physical blight, traffic congestion, loss of open space, wildlife habitat, it is clear that a community that is not livable can also have direct impacts on the physical and psychological health of families as well.

Just this week, the South Coast Air Quality Management District in Southern California released a report documenting the danger to people breathing the toxic air that is concentrated near southern California's congested freeways. This danger has increased the risk of cancer. People today are increasingly concerned about the soaring rates of asthma among our children which clearly appears related to the toxins we are putting into the air.

Recently, there was an article that I found amusing in the Washington Post, about how some people really enjoy the real long commute. It helps them center themselves and prepare for a long day.

I suppose that may be true for some, but when the average American spends more than 50 work days a year trapped behind the wheel of a car, just getting to and from their occupation, and when we have lost 43 more hours in the last 5 years to commuting, there are direct implications. I would venture that for a much larger number the commute to work is not the highlight of their day.

The National Sleep Foundation has reported that the 158 hours added to the yearly work commutes since 1969 have been subtracted from the time many Americans sleep. Carol Rodriguez, director of the Institute of Stress Medicine in Norwalk, Connecticut, observed that people with lengthy commutes often exhibit signs of stress in the workplace.

Marriage and family counselors in the Bay Area see patients struggling with the increased demands and stress placed upon them from their longer work commutes. This struggle is manifesting itself in family problems and even divorce. It has been noted that divorce itself is no longer a reliever to the stress of long commutes and separation because often, after a family breaks up, the difficulties of two households in coordinating the needs of children and employment are usually greater in terms of time and miles driven to hold things together.

The job-related problems where employers increasingly, in congested communities, never seem to know when their employees are going to show up, seems tame by comparison.

One of the most interesting developments may be found in a report from the Center for Disease Control and prevention on increasing obesity rates in the United States. Rates have been increasing since 1991 all across America, but there was particular concern about an increase of over 101 percent in Georgia.

In 1991, when the study began, metropolitan Atlanta had one of the lowest obesity rates. What is the reason for the increase? Some blame the traditional southern diet, which it is true is often high in fat, but the South's diet is not that much different than the rest of the country today. In any case, it certainly does not explain why Georgia has the worst problem than the rest of the South.

It is interesting that the researcher placed part of the blame on the problems that metropolitan Atlanta is facing as the community has become less and less livable. The skyrocketing obesity rates coincide exactly with the explosion of unplanned growth around metropolitan Atlanta which some claim is the highest growth rate in history.

Dr. William Deats, one of the study's co-authors, points out that the time in the car encourages not just more fast food, it eats into the time for exercise. Others have noticed that Atlanta's unplanned growth has shortchanged the opportunities for outdoor exercise. It is not a walkable community. Sidewalks do not lead anywhere and even if people had the time and a place to exercise, the increasingly bad air makes the benefits of exercise problematic.

It is important for us to reflect on why the political landscape is being influenced by the discussion of livable communities and why it is such a major issue. It seems at some level the American public understands that their health, both emotional and physical, of the family, the ability to be fit, reduce stress, adequate sleep and for the family to live together is one of the first casualties if a community is not livable.

I strongly urge my colleagues to join with me in making sure that this session of Congress does its job for the Federal Government to be a better partner in maintaining and enhancing the livability of American communities.

REPUBLICANS ARE NOT ISOLATIONISTS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Nebraska (Mr. BEREUTER) is recognized during morning hour debates for 5 minutes.

Mr. BEREUTER. Mr. Speaker, I have not participated in morning hour before but sometimes we hear things in the news that just cause us to be so upset we come to the floor, and that is what I am doing here today.

President Clinton, Mr. Speaker, made an address to Georgetown University yesterday and some people say it was an extension of an olive branch to Republicans who he had labeled as isolationists and who he criticized for partisanship when the other body refused to approve a comprehensive test ban treaty.

I welcome his initiative but I would like to set the record straight here today and raise a few questions that relate to some of my Democratic colleagues, too.

I have tried to provide bipartisan leadership in the House Committee on International Relations. Indeed the gentleman from Nebraska (Mr. BARRETT) and I come from the only state legislative body that is nonpartisan, our State legislature of Nebraska, so I find the degree of partisanship here in the Congress to be very unusual and not productive. However, I would have to say this, Mr. Speaker, to the President, when national security advisors and secretaries of defense of both parties from past administrations are critical of the proposed treaty and suggest that it should not be ratified in its current form, then I think it is inappropriate for this administration and for this President to label any opponents of the treaty as isolationists.

This use of the isolationist label contributes further to something that the National Journal perpetrated a few weeks ago when their cover story suggested that Republicans, particularly those in the House of Representatives, were isolationists.

I have to say to my colleagues, that yes, there are people that I suppose could properly be labeled isolationists on the Republican side of the aisle and some whose actions I certainly do not approve of in terms of their impact on foreign policy, but I would have to say also, Mr. Speaker, to the President and to the Administration, that when it comes to isolationism, he may look to his own party, particularly in the House.

It is, after all, Democrats who were only willing to give 20 percent of their votes to fast track authority for trade agreements to their own President. This is the first President, since we began the process of fast-track, since President Ford, who has been denied fast track authority to negotiate bilateral and multilateral trade agreements. Only 20 percent of the members on the Democratic side of the aisle were willing to support that. At least 80 percent on the Republican side were willing to vote for fast-track authority for President Clinton by whip counts conducted by the two respective parties.

I would also say this goes on top of the fact that the major opposition to the Africa trade bill and to the Caribbean trade bill came from the Democratic side of the aisle; there were more votes on the Republican side of the aisle for fast-track in both Houses.

I also think it is important that we look at what happened last April, when Premier Zhu Rongji came here from the People's Republic of China with a commercially viable trade agreement for accession to the WTO. Everyone was shocked with the fact that this Administration rejected it. As I understand it, all of the President's primary substantive advisors suggested he should seize the moment and agree to what was a much more beneficial agreement from the United States point of view than we had expected. His political advisors said, no, do not do this, Mr. President.

Now, there are many suggestions that this is because of the relationship and controversy related to alleged Chinese campaign contributions to the Clinton-Gore campaign, and also to the then recently completed Cox Committee report on Chinese espionage at some of our national laboratories.

Whatever the case, the impediment was not there for the President to approve accession arrangements with the Chinese for the WTO was not a Republican one.

Just a few minutes ago, one of our colleagues from Oregon (Mr. DEFAZIO) suggesting his great concerns about the WTO and was very critical of his own Administration. I would say to the National Journal, when they do an article like that cover story on Republican isolationism perhaps they ought to be a little bit more careful that they are doing it competently and that they are not doing it with bias.

I was also very concerned, Mr. Speaker, when I saw some comments by National Security Advisor Sandy Berger when the conflict took place in East Timor. He suggested in a variety of ways, some things he has retracted, others he has not, that we, of course, could not be involved even in assisting the Australians in trying to keep peace in East Timor because, after all, it was not in the center of Europe.

Now, if that is not isolationism, at least it is Eurocentrism, and it is the kind of thing that bothers Asians and Pacific leaders and their citizens, and with good cause.

I urge my colleagues to take a look at the need to come back for bipartisanship in foreign policy and I urge the administration, Mr. Speaker, to be more careful that they do not alienate some of their best friends for a bipartisan foreign policy on the Republicans' side of the aisle in either House of Congress.

WTO IN SEATTLE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Ohio (Mr. BROWN) is recognized during morning hour debates for 4 minutes.

Mr. BROWN of Ohio. Mr. Speaker, many of us have come to this floor of the House of Representatives today and on previous days for 5 minutes and 1 minutes in various speeches to talk about asking that the United States not support accession for China to the World Trade Organization. We are instead insisting that labor standards and environmental standards be applied to our trading partners, the same kind of environmental standards and labor standards that we follow in this country. If that makes us isolationists, as my friend, the gentleman from Nebraska (Mr. BEREUTER) suggested earlier, then so be it. But the fact is that those of us that believe in the right kinds of labor standards and the right kinds of environmental standards around the world want to lift people up around the world, not continue this downward spiral on food safety and labor standard and environmental standards that our trading policy seems to move us towards.

Republican leadership last week wrote a letter to the administration demanding that our USTR, U.S. trade rep bureaucrats, do not include labor standards in any of the discussions at the World Trade Organization. The Republican leadership of the Committee on Ways and Means is insisting that the U.S. trade rep ensure that developing countries require that we protect property rights but not human rights, not labor standards, not environmental rights.

At the same time, Mr. Speaker, Trade Ambassador Charlene Barshefsky, an unelected official who never seems to miss an opportunity to publicly diminish the importance of labor rights, was supposed to meet with some of us here in the House last night and explain whether or not the administration really plans to push for stronger worker environmental rights in Seattle.

What happened? Did we have a chance to talk about how Huffy Bicycle has closed its last American plant because it cannot compete with cheap imports from China, a place where trying to form an independent trade union will get one thrown in prison or even killed?

Did we have a chance to talk about some of the maquilladora factories in Mexico which dump their pollution into the same water that their workers have to drink?

Did we get a chance to talk about why armed guards will not permit independent monitors into the garment factories in El Salvador which ship millions of dollars worth of merchandise here every year?

No, we did not, and that is because Ambassador Barshefsky and a score of other American trade bureaucrats were heading off to the People's Republic of China to try to secure a last minute deal to get China into the World Trade Organization.

As we speak, U.S. trade bureaucrats are busy coddling the same gang of dictators that are busy arresting, torturing and even killing Chinese people that practice Falun Gong, which as far as I can tell is the same thing as torturing and killing Christians and Muslims and any other group of people that have spiritual beliefs in that country.

So instead of having a real dialogue on whether the Seattle ministerial will have any discussion about human rights, worker rights, human rights, instead of having a chance to hear exactly what is going to happen in Seattle, the administration wants to commit this country to a policy that will continue to hurt workers, a policy that continues the human rights abuses, child labor, slave labor, forced abortions, persecution of Christians and Muslims and Falun Gong and all kinds of religious minorities in China that will continue to allow that kind of policy to happen in China.

We can bet the farm on it. If the People's Republic of China accedes to the World Trade Organization, if this country's government supports China accession to the World Trade Organization, that is the last we will ever hear about human rights.

Do we really think a totalitarian government that performs forced abortions is ever going to protect labor rights? Do we believe that a totalitarian government which kills thousands of its own people in slave labor camps and then sells their organs is ever going to let the WTO implement any sort of framework to protect the rights of workers?

Mr. Speaker, we should stand strong against the accession of China to the WTO.

ANTIDUMPING AND ANTISUBSIDY PROVISIONS SHOULD NOT BE NEGOTIATED AWAY IN NEW ROUND OF WTO

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Indiana (Mr. VISCLOSKY) is recognized during morning hour debates for 4 minutes.

Mr. VISCLOSKY. Mr. Speaker, I rise to press my argument that as the new round of WTO negotiations begin in Seattle later this month, we should support the administration's position not to negotiate away the antidumping and antisubsidy provisions of our trade laws.

I would also ask that this House vote to support this position by supporting H. Res. 298.

Seattle is the follow-on to the Uruguay Round which was completed on April 15, 1994, and signed by ministers from over 125 countries. Part of this agreement included changes to the antidumping laws which had been included in GATT since its original inception in 1947. In fact, article 6 of the 1947 GATT states very clearly that the contracting parties recognize that dumping is to be condemned.

The scope of negotiations at the Seattle round discussions of the World Trade Organization were specified during the Uruguay Round. However, some countries now are seeking to circumvent the agreed list of negotiating topics and reopen the debate over the WTO's antidumping and antisubsidy rules.

Antidumping duties are assessed on imported merchandise that is sold at less than fair market value. Countervailing duties are assessed to reverse the effects of foreign government subsidies to manufacturers. Today, over 290 products from 59 countries have been found to have been traded in violation of these international standards.

The ability to impose binding tariffs and apply them equitably to all trading partners is the key to a smooth and liberal flow of trade. Many of my colleagues think that this is a steel issue. That could not be further from the truth. The experience of the U.S. cement industry indicates that the antidumping law can be an effective remedy for unfairly priced imports.

U.S. consumption of cement increased substantially during the 1983 to 1989 economic expansion as construction boomed. U.S. cement producers, however, were prevented from benefiting in this growing demand by a surge of low-priced imports in that 6-year period of time.

U.S. production capacity declined by 10 percent and the number of U.S. plants decreased from 142 to only 109.

Beginning in 1989, southern cement producers successfully prosecuted antidumping petitions against imports from several countries. The Commerce Department found dumping margins for imports from 58 to 64 percent. As a result of these measures, cement producers began their recovery process in our country.

Another example often cited is that of the U.S. semiconductor industry in 1986. After foreign dynamic random-access memory chips, DRAMs, were dumped in the United States for 2 years, 7 out of 9 U.S. companies ceased making these chips.

After those foreign firms dominated the world market, they raised the price of DRAMs. The subsequent use of U.S. antidumping laws contributed finally to the revival of the U.S. semiconductor industry, which in 1993 again held the number one position in the world.

Given the fact again that there are 230 cosponsors of House Resolution 298, I would renew my request to the House leaders that this measure be brought to the floor for a vote.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until 10 a.m.

Accordingly (at 9 o'clock and 38 minutes a.m.), the House stood in recess until 10 a.m.

□ 1000

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. OSE) at 10 a.m.

PRAYER

Rabbi Joel Tessler, Temple Beth Shalom, Potomac, Maryland, offered the following prayer:

In the Bible, the Prophet Billim is hired to curse the Jewish people, the chosen people of God. Try as he might, God would not place in him the spirit of condemnation and curse, but enveloped him in true understanding with purity and love.

Billim uttered these famous words which were said as a person enters the synagogue: "How goodly are your homes of Jacob, your institutions of Israel?"

Why do we praise our homes when we enter the synagogue? The Lord taught Billim that our institutions are only as strong as our homes.

If the American family is under siege, is it any wonder that our schools are becoming battle zones for children and teachers?

Money alone cannot substitute for the foundation and grounding that parents, grandparents, and families provide. Every discussion in these halls must be judged with an eye on how goodly are our homes, the homes we help our citizens create.

Our institutions, whether schools or houses of worship, are only as strong as the families which make up this great land.

Today is the anniversary of Kristel Nacht, the night of the broken glass, when darkness descended upon Nazi Germany and thousands of synagogues were set on fire.

Our institutions and the future of our society depends on the families we help support. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Florida (Mr. DEUTSCH) come forward and lead the House in the Pledge of Allegiance.

Mr. DEUTSCH led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 348. An act to authorize the construction of a monument to honor those who have served the Nation's civil defense and emergency management programs.

H.R. 915. An act to authorize a cost of living adjustment in the pay of administrative law judges.

H.R. 3061. An act to amend the Immigration and Nationality Act to extend for an additional 2 years the period for admission of an alien as a nonimmigrant under section 101(a)(15)(S) of such Act, and to authorize appropriations for the refuge assistance program under chapter 2 of title IV of the Immigration and Nationality Act.

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2724. An act to make technical corrections to the Water Resources Development Act of 1999.

The message also announced that the Senate has passed bills and concurrent resolutions of the following titles in which concurrence of the House is requested:

S. 923. An act to promote full equality at the United Nations for Israel.

S. 1398. An act to clarify certain boundaries on maps relating to the Coastal Barrier Resources System.

S. 1809. An act to improve service systems for individuals with developmental disabilities, and for other purposes.

S. Con. Res. 30. Concurrent resolution recognizing the sacrifice and dedication of members of America's nongovernmental organizations (NGO's) and private volunteer organizations (PVO's) throughout their history and specifically in answer to their courageous response to recent disasters in Central America and Kosovo.

S. Con. Res. 68. Concurrent resolution expressing the sense of Congress on the occasion of the 10th anniversary of historic events in Central and Eastern Europe, particularly the Velvet Revolution in Czechoslovakia, and reaffirming the bonds of friendship and cooperation between the United States and the Czech and Slovak Republics.

WELCOMING RABBI JOEL TESSLER TO THE HOUSE OF REPRESENTATIVES

(Mr. DEUTSCH asked and was given permission to address the House for 1 minute.)

Mr. DEUTSCH. Mr. Speaker, it is my pleasure to introduce to the House Rabbi Tessler from Beth Shalom, Potomac, Maryland, who has really welcomed me into his community.

My family and I recently moved to Potomac and have found a community rabbi who has been there for 17 years and has made our home a home that we have been very lucky and blessed to be part of.

I wish him many, many years more in terms of striving to affect not just the area in suburban Washington but the entire country, in fact, the entire world.

TENTH ANNIVERSARY OF FALL OF BERLIN WALL

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, 10 years ago, one of the most recognized symbols of the Cold War, the Berlin Wall, was leveled by the hammer of freedom. Today the entire free world commemorates the 10th anniversary of the fall of the Berlin Wall.

On November 9, 1989, when President Ronald Reagan's belief of peace through strength prevailed as demonstrators from East Germany began to tear down the wall, thus signifying the beginning of the end of one of the most oppressive and vicious regimes in history.

While the final collapse of Communism in the former Soviet Union occurred shortly after President Reagan left office, history shows that it was his bold vision and courageous actions that led to this historic event.

Ten years later, the world can still hear the echoes of the cheers that erupted at the Brandenburg Gate when President Reagan called upon Soviet leader Mikhail Gorbachev to tear down this wall.

Today we commemorate freedom and democracy throughout most of the world, and we also celebrate President Reagan's bold vision and courageous quest for freedom.

Mr. Speaker, as we continue our work in Congress, I urge all my colleagues to help celebrate the freedom and democracy that helps keep America strong.

CRIMINALS HAVE MORE RIGHTS' THAN LAW-ABIDING CITIZENS

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, a Minnesota factory worker said, enough is enough. His cabin was ripped off three times. His neighbors' cabins continue to be ripped off. The police said they could do nothing.

So Lenny Miller booby-trapped his cabin and busted the burglar red-handed. And guess what? Some bust. Lenny Miller is going to jail with a $12,000 fine. And the burglar is getting free health care.

Beam me up. Something is wrong, Mr. Speaker, when Americans cannot protect their own property and when criminals have more rights than law-abiding citizens.

There is one bright side. I yield back the fact that in Wisconsin there will not be many cabins ripped off this year thanks to Lenny Miller.

TRIBUTE TO SERVICE OF SERGEANT RONALD D. BUSBY

(Ms. PRYCE of Ohio asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. PRYCE of Ohio. Mr. Speaker, I rise today to commemorate the heroic service of Sergeant Ronald D. Busby.

From his hometown of Columbus, Ohio, Ronald answered the Vietnam War's call to arms by enlisting in the U.S. Army in 1967 at the age of 20. He quickly earned the rank of sergeant and began to distinguish himself for his acts of courage and leadership.

On the evening of August 8, 1968, Sergeant Busby led a night ambush patrol. For his actions that evening, he was awarded the Silver Star, Bronze Star, and Purple Heart.

Tragically, like so many of his fellow soldiers, Sergeant Busby was killed in action that fateful evening. He was three days shy of his 21st birthday.

I have heard the phrase "All gave some, some gave all." For veterans like Sergeant Busby, those six words represent more than a phrase; they represent a legacy larger than the tallest mountain. His example lives on as a reminder that America will remain the land of the free only so long as it remains the home of the brave.

As we approach the final Veterans Day of the 20th century, let us remember Sergeant Busby and our countless veterans who served their country so faithfully for our freedoms.

TRIBUTE TO JANE SMALL, FOUNDER OF NATIONAL WOMEN'S POLITICAL CAUCUS

(Ms. WOOLSEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. WOOLSEY. Mr. Speaker, I rise to pay tribute to Jane Small, one of the founding mothers of the National Women's Political Caucus. Jane recently passed away.

In 1971, Jane worked to found the NWPC to recruit and support women seeking elected office regardless of party affiliation.

During Jane's history, she guided the caucus through the ERA movement and the struggle to secure a woman's right for reproductive choice. As an inspired feminist and activist, Jane was a key player in electing numerous candidates across the Nation.

I know Jane particularly for her leadership in California politics. She served on both Governor Jerry Brown's and Governor Gray Davis' advisory committees on women's issues.

Jane was an activist. She was a leader. Women in the political arena live in her legacy. She will be forever missed.

PUBLIC SCHOOL TEACHERS—AMERICA'S UNSUNG HEROES

(Mr. BARTLETT of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARTLETT of Maryland. Mr. Speaker, public school teachers are America's unsung heroes. Day in and day out, they dedicate themselves to helping prepare our children for the future.

It is important to make sure our children's teachers have access to the training and tools they need to meet their commitment to students and parents.

But the Clinton-Gore administration disagrees. It wants the Federal Government to hire 100,000 teachers; but it puts hardly any emphasis on quality. That just does not cut it.

America's children do not just need teachers. They need good teachers. Many of the teachers out there are good, but many could be better and they deserve the chance to make themselves better.

Where new teachers are needed, new teachers should be hired. Where teacher quality is a greater concern, State and local initiatives like merit pay, teacher testing, tenure reform, and new opportunities for teacher development might be better uses of that money.

So let us give teachers the opportunity to be the best teachers they can be, and let us give America's children the best hope for a bright future.

AMERICA WANTS A CONGRESS THAT WORKS FOR THEM

(Mr. STUPAK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STUPAK. Mr. Speaker, this Republican-led Congress is a Congress of catchy slogans and gimmicks in trying to pass the appropriation bills, gimmicks like trying to create a 13th month for budget purposes, gimmicks like trying to declare everything an emergency, like the 2000 census, even though it has been in the Constitution for over 200 years.

Now their latest gimmick is a button to tell themselves to stop raiding the Social Security Trust Fund. Instead of gimmicks in raiding the Social Security Trust Fund to pay for the emergency spending, American people ask for things that cost very little and would improve their lives, like a patients' bill of rights so they and their doctors can make their medical decisions and not the HMO; like an increase in the minimum wage so everyone can enjoy our strong economy; like 100,000 more teachers so we can have smaller class sizes; and prescription drug coverage for seniors.

Mr. Speaker, let us work for the American people. Unfortunately, under the Republican-led Congress, it is always the same old story. Tax breaks for the rich and a tax on Government. America wants a Congress that works for them, like Democrats are fighting for.

CONGRATULATING CESAR "EDDY" BLASS

(Ms. ROS-LEHTINEN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. ROS-LEHTINEN. Mr. Speaker, this morning I am delighted to congratulate Mr. Cesar "Eddy" Blass, who will celebrate 15 years as president of the American Peruvian Action Committee, APAC–USA.

Eddy has won the attention of his community with his service which has enabled him to contribute to our South Florida community. He is a dedicated, tireless advocate for the plight of the Peruvian Americans in their long-sought goals of residency and eventual U.S. citizenship.

Through his actions, Eddy has become a leader in the fight to unify Peruvian Americans throughout the United States; and, as a result of his extensive community service, he has received a host of awards, certificates, and recognition.

This Saturday APAC will commemorate its 15th anniversary and honor its president and founder, Cesar "Eddy" Blass. He has been an inspiration to the lives of his fellow countrymen, as well as for our entire South Florida community.

In honor of his 15th anniversary as president of the American Peruvian Action Committee, I ask my colleagues to join me today in paying tribute to Cesar "Eddy" Blass.

AMERICANS DESERVE TO HAVE ISSUES THEY CARE ABOUT MOST ADDRESSED

(Mr. LAMPSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAMPSON. Mr. Speaker, I rise today because this Republican Congress is failing American families.

The gentleman from Illinois (Speaker HASTERT) originally promised that the Republican-controlled Congress would finish work on the budget nearly 2 months ago. Yet, they continue to sit here and waste our time with political stunts.

The American people have become used to a Republican Congress that is no longer just a "do nothing" Congress, but a "do the wrong thing" Congress.

Americans deserve a budget; they deserve to have the issues they care about most addressed. There is positive legislation that our constituents are asking us to bring to the House floor. We could be saving Social Security, building new schools, reducing classroom size. We could be increasing the minimum wage so that workers can provide for their families. We could be ensuring patients' rights and putting the care back into health care. Instead, we are mired down in partisan rhetoric and debate.

Mr. Speaker, the people of southeast Texas and I have been waiting for over 5 weeks for the Republicans to finish the budget, but we cannot wait much longer. They need to quit stalling and together let us get the people's business done.

EDUCATION SPENDING BILL

(Mr. SCHAFFER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHAFFER. Mr. Speaker, there are few issues in America more important than education. And in fact, the White House and Congress really do not disagree on the amount of money that we ought to spend on schools in this year's appropriations process. But what is holding up the debate is the question of how to spend those dollars.

The Republican party clearly believes that governors and State legislators, school board members, and principals and superintendents ought to be free to spend the dollars that we are appropriating as they see fit. But the President has a different idea. He wants to tell States specifically how they must spend the money.

In some States, hiring more teachers makes sense. In other States, it might not. But here is the President's answer to the question put by a reporter: "Mr. President, on the issue of funding for teachers, sir, you resent it when Congress tells you to spend money in ways which you do not deem appropriate. Why should a state governor who would like to spend that money differently feel any differently?"

The President's answer: "Well, because it's not their money."

When you have an attitude like that in Washington that the taxpayers' money belongs to Washington and not the taxpayers, it explains how the White House is willing to squander the American tax dollars in a way that neglects children and abandons our schools.

SAY YES TO AGENDA FOR AMERICAN FAMILIES

(Mr. ALLEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALLEN. Mr. Speaker, in response to the previous speaker, I sat yesterday with the superintendent of schools in the city of Portland and members of the school committee in Portland, Maine; and they do not want block grants. They want class size reduction above all else.

Mr. Speaker, this session is winding down and the Republican Congress has a sorry record. We have not done very much this session, and much of what we have done has been done wrong.

Many Democrats worked hard to pass campaign finance reform with the help of some Republicans here, but the leadership has killed it. Democrats tried to make our schools safer by passing modest gun safety laws, but Republicans said no. Democrats have worked to make health care safer for patients by passing a patients' bill of rights, but Republicans said no.

Democrats in this administration tried to make the world safer by ratifying the Comprehensive Test Ban Treaty. Republicans said no. Democrats have been working hard to get prescription drug legislation passed, but Republicans in the Committee on Ways and Means the other day said no.

Next year let us say yes to an agenda for American families. Let us say yes and get this agenda enacted.

AMERICAN FAMILIES DESERVE BETTER

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, the Republican majority has failed to act on the basic issues facing hard-working Americans. The Republican leadership started the year by trying to spend the surplus on an $800 billion tax break for the wealthiest Americans, and they did this despite the fact that we need to strengthen and protect Social Security and Medicare. Their current plan fails to extend the life of Social Security by even one day. It neglects the need for a Medicare prescription drug benefit and hurts every American family in some way.

The Republican leadership stifles common sense gun safety measures like child safety locks and background checks at gun shows, despite the fact that 13 children are killed every single day by guns. The Republican leadership is siding with the gun lobby and letting gaping loopholes remain open.

This Congress should not leave town before its work is done.

The Republican leadership should listen to the public, enact sensible gun safety laws, strengthen Social Security and Medicare, pass a prescription drug benefit bill and a minimum wage bill. Our families deserve better.

RESPONSIBILITY IN EDUCATION

(Mr. HAYWORTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAYWORTH. Mr. Speaker, we have all heard of the three Rs when it comes to education. Let me add a fourth R: responsibility, because responsibility is the key. Yesterday, Mr. Speaker, the President of the United States, responding to the press when it comes to judicious spending of educational dollars said, and I quote, "Well, because it is not their money."

Mr. Speaker, the President of the United States and my colleagues on the other side of the aisle ought to understand both the arithmetic and the responsibility. My liberal friends want the money to be controlled by the educational bureaucrats in Washington. We in the common sense, conservative majority say the money should be spent at home, first and foremost by teachers in the classrooms, by superintendents in the districts, and yes, by governors in the States, along with the respective superintendents of public education. Because while education is a national priority, it ultimately is a local concern.

Mr. Speaker, the President and my liberal friends should join with us to make sure that local control and responsibility is paramount.

FEDERAL GOVERNMENT SHOULD ALLOW MICROSOFT TO CONTINUE TO INNOVATE FOR AMERICANS

(Mr. INSLEE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. INSLEE. Mr. Speaker, I am calling on the United States Justice Department to put away any dream of breaking up Microsoft. Microsoft and its employees should not be punished for being one of the most creative, dynamic teams of people in American economic history.

Mr. Speaker, many of the people who work at Microsoft live in my district, and I can say with confidence that they are undaunted by this struggle, they are focused, and I am confident that their team will continue to bring new products to the American people.

Mr. Speaker, the American consumer has benefited amazingly by the innovation that is taking place in this industry. Computers are more powerful, software is more powerful, and more people have access to the Internet every day.

There is competition in this industry, and if my colleagues do not believe me, look at the stock market where millions are putting their hard-earned dollars investing in Microsoft's competitors, and that is fine. But, Mr. Speaker, consumers are enjoying the benefits of a vigorous electronic industry.

The Federal Government should put away any scheme to dismember the most creative, the most dynamic industry in the history of the world.

SQUEEZING A NICKEL OUT OF FIVE DOLLARS

(Mr. KINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KINGSTON. Mr. Speaker, if a schoolboy gives his favorite teacher an apple, she will probably take a small bite out of it, something like that, just modest.

Now, if the taxpayer, his parents send the same apple in the form of tax dollars to the Federal Government, this is what they deem as their fair share, and that is the debate we are in today.

What we are asking is that the Department of Education, just like all the other Federal agencies, get $5 and squeeze a nickel out of it.

Now, I am a father of four. I have two teenagers and two who still love me. We have to sit around the kitchen table every night to come up with ways to save money. Mr. Speaker, if we can buy our gas for $1.07 a gallon, we go two more blocks so we do not have to pay $1.10. I do not buy new suits until they are on sale, and my colleagues might be thinking, well, I hope there is a sale coming up soon.

I do not get a steak when I go out to eat; I get chicken, and we do not buy Special K unless we get the 35 cents off coupon.

All we are asking of the Department of Education and all of the Federal bureaucracies in Washington is to find that little old nickel out of the $5 so that we can save Social Security.

UNFINISHED BUSINESS OF THE 106TH CONGRESS

(Ms. BERKLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include therein extraneous material.)

Ms. BERKLEY. Mr. Speaker, when I came to Capitol Hill 10 months ago to represent my hometown of Las Vegas, I made a promise to fight for the fastest growing senior population in the country and for all of the working families like mine that have moved to Las Vegas in search of a better life.

There are two pieces of unfinished business that are critical to my district, a patients' bill of rights and the prescription drug coverage for southern Nevada citizens.

Over and over again I hear from my constituents, from working parents worried about health care coverage for their families, from seniors having to choose between buying food and buying medicine. They need help and they do not care about Washington politics. The patients' bill of rights is a bipartisan issue because everybody should be able to determine the best course of medical treatment and consultation with their own doctor. If HMOs make decisions like doctors, they should be held legally accountable like a doctor.

We need to enact a bill that protects the patients' bill of rights, not the HMO's bottom line. We need to pass a bill to ensure prescription drug coverage for seniors. We did a cost survey and found that uninsured seniors in my district pay two, three, or four times the price that insured seniors pay for some of the most common prescription drugs. These drugs keep them alive, but financially it is killing them.

I stand up for all of the seniors in my district.

MORE UNFINISHED BUSINESS OF THE 106TH CONGRESS

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, a few days ago I counted down the hours that we had remaining in this session, and I asked the question of what we could do for our young people in providing them safe schools. And I ask now the question with maybe less than 24 hours in this session, at least as we know it, whether or not this Congress is going to be known as having done good or having harmed the American people.

The question is, are we going to pass what the American people have asked us to, which is a patients' bill of rights, so that we can stop once and for all drive-by emergency rooms, so that we can give women the right to have their OB-GYN as their primary provider, so that we can have second opinions, so that we can reestablish the patient-physician relationship. While all of our loved ones are under the care of a physician, how tragic it is for them to have to call for a procedure and someone at a phone who does not even know who they are says no, you cannot have it.

We need a patients' bill of rights.

I did a study in my district, and how unfortunate it is that my seniors are having to pay light bills and having to pay rent, but cannot buy their prescriptions, of having to cut their prescriptions in half. What a tragedy. Yes, Mr. Speaker, is it not unfortunate that we do not have real gun safety in America when 80 percent of the American people say we want reasonable gun safety and we want our children to be safe in schools.

ACCOMPLISHMENTS OF THE 106TH CONGRESS

(Mr. DREIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, I am really stunned to listen to my colleagues on the other side of the aisle talk about the fact that the 106 Congress has not accomplished much of anything. I guess that is sort of their message today. So it is incumbent upon us to point out, once again, the great accomplishments that we have made in this Congress.

At the beginning, Speaker HASTERT stood right here on the opening day and talked about the need to improve public education. We have done that by passing the Education Flexibility Act so that local school districts can make decisions as to how to best educate their children. We passed the Teacher Empowerment Act, which also moves further in that direction.

Tax relief for working families. We did it; we did it. People are taxed more than they ever have been since the Second World War, and the President unfortunately vetoed that measure and the Democrats on the other side of the aisle voted against it. We said that we wanted to save Social Security and Medicare, and we all know that we have locked up the Social Security Trust Fund for the future, going well beyond the 62 percent that the President advocated when he stood here in his State of the Union message.

And rebuilding our Nation's defense capability. We passed the National Missile Defense bill, which is very, very important to our national security, and the Defense appropriations bill. We have accomplished a lot in this 106th Congress, and do not forget it.

GOP BUDGET GIMMICKS

(Mr. CROWLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CROWLEY. Mr. Speaker, as the GOP leadership in Congress struggles to complete its appropriations work, now a full 40 days past the end of the fiscal year, I thought it fitting to examine their record of Social Security budget gimmicks this year. There simply are not enough apples in this city to demonstrate adequately what the Republican Party is doing here. They simply take apples from one basket and, before they put it in the other, they take a couple of bites out of it and then they turn the apple around so Americans cannot see what they have done to that apple.

Recently the Republican majority in this chamber has gone around stating they are the only ones able to protect and strengthen Social Security. How come they elected their leader, a person who pledged, and I quote, "to bite the bullet and phase Social Security out over a period of time." The fact is, Republicans have a history of voting against Social Security. In 1935, only one Republican, Frank Crowther of my own State of New York, had the courage to buck his party and vote against a Republican motion to recommit Title II to strike out old age and unemployment insurance provisions. It would have effectively killed Social Security as we know it today. Only one out of 96 Republicans had the courage to vote in favor of Social Security.

Mr. Speaker, I ask all of my colleagues to continue to support the Social Security system as we know it today.

INVESTMENTS IN EDUCATION FOR OUR CHILDREN

(Mr. WU asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WU. Mr. Speaker, I was at home at the Verboort Sausage Festival this past weekend. It is a wonderful community event. I had the privilege of sitting next to Don and Lois Tayler. Lois Tayler's grandfather owned 100 acres on part of which Findley Elementary School now sits. As Oregon pioneers, the Findleys understood the value of education. And Don and Lois, who are schoolteachers now, know that that school has 900 kids in it, but it was built for 700.

This Congress has the ability to help with that situation, with school modernization and class size reduction, and we should not go home until we get those jobs done to keep faith with people like the Findleys, like the Taylers, and other Oregonians who made investments in their day for their children. We should be making similar investments in our day for our children.

□ 1030

IN THE FIELD OF EDUCATION, ONE SIZE DOES NOT FIT ALL, AND QUALITY MATTERS

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, not everyone likes pickles on their hamburgers. For many years that preference meant a longer wait at McDonald's, because if you did not want what was already under the heat lamp, they had to do a specialty order. All those burgers under the heat lamp had pickles on them. But you did get a fresher burger.

People who like pickles on their hamburgers, on the other hand, usually did not have to wait. In fact the burgers were already waiting for them, so they were less fresh and lower quality.

All that has been changing. McDonald's restaurants now prepare your meals when you order them. This means you get exactly what you want. It is a fresher, higher quality product.

There are two simple truths inspiring the McDonald's reform: First, one size does not fit all. Second, quality matters.

Let us apply these simple truths to education reform. Instead of mandating new teachers, let us give the States and local communities the opportunity to ensure higher teacher quality and to spend that money on what they know will work in their schools, because one size does not fit all, and quality does matter.

PAYMENT OF U.N. ARREARS

(Mrs. LOWEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. LOWEY. Mr. Speaker, the United States has earned the reputation as the United Nations' number one deadbeat. If my colleagues want to help restore our good name and regain our influence in the U.N., they need to join me today in supporting immediate and full repayment of our U.N. arrears.

This funding is critical to United States' foreign policy. It shows the international community that a commitment made by the United States means something. It gives the U.N. the resources it needs to carry on the important work it is doing around the globe.

The United States has a tremendous amount of influence within the U.N., but that level of influence decreases with every day that we do not pay our arrears. In fact, at the end of this year, we face the prospect of losing our vote in the General Assembly.

How can we expect the U.N. to continue to take our interests into account around the world? How can we expect them to fund the projects we support and to send peacekeeping troops to areas where we want to see more stability when we do not contribute? How do we expect to help to continue to reform the U.N. in a meaningful way if we do not pay our debt? Let us pay our dues now.

EDUCATION

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, this week as we get down to the wire on budget negotiations, I rise to speak on behalf of education, our children, and the classroom as the priority in this country.

More teachers is a great idea. I applaud it. However, more teachers may not be the immediate or only need in some of our school districts. Some schools may need better teacher quality, they may need teacher training, teacher improvement. Some may need books and equipment, supplies. The list goes on.

The funding levels that we have been discussing are not at odds here. This is a question of who knows best, Washington bureaucrats, or local teachers and principals in the local public school classroom.

The President's goal may be noble enough, but his means of achieving it are flawed. Who can argue with the fact that local control is the best means by which we can truly support our schools? Let us empower our students, our teachers, with the tools that they need to take our kids to the next step of the learning process. Let us give our local schools more flexibility, more local control when we send this money back to the classroom.

MAKING IN ORDER AT ANY TIME CONSIDERATION OF CONFERENCE REPORT ON H.R. 1555, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2000

Mr. DREIER. Mr. Speaker, I ask unanimous consent that it be in order at any time to consider the conference report to accompany the bill (H.R. 1555) to authorize appropriations for fiscal year 2000 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes; that all points of order against the conference report and against its consideration be waived, that the conference report be considered as read when called up, and that House Resolution 364 be laid upon the table.

The SPEAKER pro tempore (Mr. OSE). Is there objection to the request of the gentleman from California?

There was no objection.

WAIVING CERTAIN ENROLLMENT REQUIREMENTS FOR THE REMAINDER OF THE FIRST SESSION OF THE 106TH CONGRESS

Mr. BOEHNER. Mr. Speaker, I ask unanimous consent that the Committee on House Administration be discharged from further consideration of the joint resolution (H.J. Res. 76) waiving certain enrollment requirements for the remainder of the first session of the 106th Congress with respect to any bill or joint resolution making general appropriations or continuing appropriations for fiscal year 2000, and ask for its immediate consideration in the House.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. McNULTY. Mr. Speaker, reserving the right to object, I yield to my good friend, the gentleman from Ohio (Mr. BOEHNER) to explain to the House why we are considering this matter at this time.

Mr. BOEHNER. Mr. Speaker, I thank my colleague, the gentleman from New York, for yielding.

I think all of my colleagues know that U.S. Code requires engrossed bills that passed both Houses to be printed on parchment in a manner determined by the Joint Committee on Printing. For large bills such as the appropriation measures that are still under debate and discussion, this requires many additional hours of time that may in fact be saved and allow us to complete our work sooner if this statute is set aside on a temporary basis.

As most of my colleagues know, this is typically done at the end of every session of Congress, and we can in fact finish our work in a more timely manner and deliver these bills more quickly to the White House for their signature.

Mr. McNULTY. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 76

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the provisions of sections 106 and 107 of title 1, United States Code, are waived for the remainder of the first session of the One Hundred Sixth Congress with respect to the printing (on parchment or otherwise) of the enrollment of any bill or joint resolution making general appropriations or continuing appropriations for the fiscal year ending September 30, 2000. The enrollment of any such bill or joint resolution shall be in such form as the Committee on House Administration of the House of Representatives certifies to be a true enrollment.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER pro tempore. Without objection, House Resolution 365 is laid on the table

There was no objection.

RECOGNIZING AND HONORING THE HEROIC EFFORTS OF THE AIR NATIONAL GUARD'S 109TH AIRLIFT WING AND ITS RESCUE OF DR. JERRI NIELSEN FROM THE SOUTH POLE

Mr. REYNOLDS. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services be discharged from further consideration of the concurrent resolution (H. Con. Res. 205) recognizing and honoring the heroic efforts of the Air National Guard's 109th Airlift Wing and its rescue of Dr. Jerri Nielsen from the South Pole, and ask for its immediate consideration in the House.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. McNULTY. Mr. Speaker, reserving the right to object, I shall not object, I rise simply to commend my colleague the gentleman from New York (Mr. REYNOLDS) for bringing my resolution to the floor, and to speak for a moment about its merits.

Mr. Speaker, Dr. Jerri Nielsen was stationed at the South Pole during this past Antarctic winter, and by virtue of self-examination discovered a lump in her breast. She performed a biopsy. She concluded that she had breast cancer. She administered chemotherapy and tried as best she could to endure the Antarctic winter until a plane could come and rescue her and give her more comprehensive medical treatment.

Mr. Speaker, the purpose of this resolution is to point out the heroism of those who went to rescue Dr. Nielsen. They are the members of the Air National Guard's 109th Airlift Wing, which is located in my congressional district in Glenville, New York. This mission departed the Samuel S. Stratton Air National Guard Base on October 6th, arrived at the South Pole on October 15th, traveled 11,410 nautical miles, and was led by Major George McAllister, Jr.

Mr. Speaker, this trip was historic in that Major McAllister and his crew became the first persons ever to land at the South Pole so soon after an antarctic winter. I know a little bit about the dangers faced by the members of the 109th, Mr. Speaker, because I have traveled with them both to the North Pole and to the South Pole. Of course, when I went with them, it was in the middle of the Antarctic summer, which is our winter. So when I was there in January of 1994 it was a balmy 40 degrees below zero. But in the Antarctic winter, the record low temperature is 128 degrees below zero. A complex piece of machinery like a C–130 cannot operate in that kind of temperature.

But Major McAllister and his crew went in as soon as possible, rescued Dr. Nielsen, and Dr. Nielsen is now receiving the treatment that she needs.

So on this particular occasion, I want to thank my colleague, the gentleman from New York (Mr. REYNOLDS) for allowing us to consider this resolution, and I would like, Mr. Speaker, just to mention the names of those who comprised that lifesaving crew.

They are Pilot Major George R. McAllister, Jr.; Senior Mission Commander Colonel Marion G. Pritchard; Co-pilot Major David Koltermann; Navigator Lieutenant Colonel Brian M. Fennessy; Engineer Chief Master Sergeant Michael T. Cristiano; Loadmasters, Senior Master Sergeant Kurt A. Garrison and Technical Sergeant David M. Vesper; Flight Nurse Major Kimberly Terpening; and Medical Technicians Chief Master Sergeant Michael Casatelli and Master Sergeant Kelly McDowell.

Mr. Speaker, I thank all of my colleagues for this opportunity to salute these true American heroes, and I urge all of my colleagues to support this joint resolution.

Mr. REYNOLDS. Mr. Speaker, will the gentleman yield?

Mr. MCNULTY. I yield to the gentleman from New York.

Mr. REYNOLDS. Mr. Speaker, I want to commend my colleague, the gentleman from New York (Mr. MCNULTY), for bringing this resolution.

As a former member of the New York Air National Guard, I have had an opportunity to look at our airlift units across the State. Time and time again they have been called for emergency or war, and have served gallantly, taking on the responsibilities that have been assigned them.

As the gentleman from New York (Mr. MCNULTY) has indicated, this has been a very difficult mission to rescue Dr. Nielsen, who is a native of New York, in the aspect of bringing her back from the South Pole. Those who followed this as the mission was planned and then executed, and the history of it after it was completed, clearly saw the risk and danger that the men and women found themselves in as they were deployed to the South Pole in such tough winter conditions.

As a matter of fact, the mission was postponed for months until the weather was at a point they could land on the South Pole.

So to the 109th Airlift Wing, our congratulations, and to our colleague for bringing it forward.

Mr. MCNULTY. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 205

Whereas the 109th Airlift Wing of the Air National Guard is based at Stratton Air National Guard Base in Glenville, New York;

Whereas the 109th was called upon by the United States Antarctic Program to undertake a medical evacuation mission to the South Pole to rescue Dr. Jerri Nielsen, a physician who diagnosed herself with breast cancer;

Whereas the 109th is the only unit in the world trained and equipped to attempt such a mission;

Whereas the 10 crew members were pilot Maj. George R. McAllister Jr., senior mission commander Col. Marion G. Pritchard, copilot Maj. David Koltermann, navigator Lt. Col. Bryan M. Fennessy, engineer Ch. M. Sgt. Michael T. Cristiano, loadmasters Sr. M. Sgt. Kurt A. Garrison and T. Sgt. David M. Vesper, flight nurse Maj. Kimberly Terpening, and medical technicians Ch. M. Sgt. Michael Casatelli and M. Sgt. Kelly McDowell;

Whereas the crew departed Stratton Air Base for McMurdo Station in Antarctica via Christchurch, New Zealand, on October 6, 1999;

Whereas on October 15, 1999, Aircraft No. 096 departed McMurdo for the South Pole, where the temperature was approximately −53 degrees Celsius;

Whereas Major McAllister piloted a 130,000 pound LC–130 Hercules cargo plane equipped with Teflon-coated skis to a safe landing on an icy runway with visibility barely above minimums established for safe operations;

Whereas less than 25 minutes later, following an emotional goodbye and brief medical evaluation, Dr. Nielsen and the crew headed back to McMurdo Station;

Whereas the mission lasted 9 days and covered 11,410 nautical miles; and

Whereas Major McAllister became the first person ever to land on a polar ice cap at this time of year: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That Congress recognizes and honors the crew of the Air National Guard's 109th Airlift Wing for its heroic efforts in rescuing Dr. Jerri Nielsen from the South Pole.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered or on which the vote is objected to under clause 6 of rule XX.

Any record votes on a postponed question will be taken after debate has concluded on all motions to suspend the rules.

ELIM NATIVE CORPORATION LAND RESTORATION ACT

Mr. YOUNG of Alaska. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3090) to amend the Alaska Native Claims Settlement Act to restore certain lands to the Elim Native Corporation, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3090

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ELIM NATIVE CORPORATION LAND RESTORATION.

Section 19 of the Alaska Native Claims Settlement Act (43 U.S.C. 1618) is amended by adding at the end the following new subsection:

"(c)(1) FINDINGS.—The Congress finds that—

"(A) approximately 350,000 acres of land were withdrawn by Executive Orders in 1917 for the use of the United States Bureau of Education and of the Natives of Indigenous Alaskan race;

"(B) these lands comprised the Norton Bay Reservation (later referred to as Norton Bay Native Reserve) and were set aside for the benefit of the Native inhabitants of the Eskimo Village of Elim, Alaska;

"(C) in 1929, 50,000 acres of land were deleted from the Norton Bay Reservation by Executive Order.

"(D) the lands were deleted from the Reservation for the benefit of others;

"(E) the deleted lands were not available to the Native inhabitants of Elim under subsection (b) of this section at the time of passage of this Act;

"(F) the deletion of these lands has been and continues to be a source of deep concern to the indigenous people of Elim; and

"(G) until this matter is dealt with, it will continue to be a source of great frustration and sense of loss among the shareholders of the Elim Native Corporation and their descendants.

"(2) WITHDRAWAL.—The lands depicted and designated 'Withdrawal Area' on the map dated October 19, 1999, along with their legal descriptions, on file with the Bureau of Land Management, and entitled 'Land Withdrawal Elim Native Corporation', are hereby withdrawn, subject to valid existing rights, from all forms of appropriation or disposition under the public land laws, including the mining and mineral leasing laws, for a period of 2 years from the date of enactment of this subsection, for selection by the Elim Native Corporation (hereinafter referred to as 'Elim').

"(3) AUTHORITY TO SELECT AND CONVEY.—Elim is authorized to select in accordance with the rules set out in this paragraph, 50,000 acres of land (hereinafter referred to as 'Conveyance Lands') within the boundary of the Withdrawal Area described in paragraph (2). The Secretary is authorized and directed to convey to Elim in fee the surface and subsurface estates to 50,000 acres of valid selections in the Withdrawal Area, subject to the covenants, reservations, terms and conditions and other provisions of this subsection.

"(A) Elim shall have 2 years from the date of the enactment of this subsection in which to file its selection of no more than 60,000 acres of land from the area described in paragraph (2). The selection application shall be filed with the Bureau of Land Management, Alaska State Office, shall describe a single tract adjacent to U.S. Survey No. 2548, Alaska, and shall be reasonably compact, contiguous, and in whole sections except when separated by unavailable land or when the remaining entitlement is less than a whole section. Elim shall prioritize its selections made pursuant to this subsection at the time such selections are filed, and such prioritization shall be irrevocable. Any lands selected shall remain withdrawn until conveyed or full entitlement has been achieved.

"(B) The selection filed by Elim pursuant to this subsection shall be subject to valid existing rights and may not supercede prior selections of the State of Alaska, any Native corporation, or valid entries of any private individual unless such selection or entry is relinquished, rejected, or abandoned prior to conveyance to Elim.

"(C) Upon receipt of the Conveyance Lands, Elim shall have all legal rights and privileges as landowner, subject only to the covenants, reservations, terms and conditions specified in this subsection.

"(D) Selection by Elim of lands under this subsection and final conveyance of those lands to Elim shall constitute full satisfaction of any claim of entitlement of Elim with respect to its land entitlement.

"(4) COVENANTS, RESERVATIONS, TERMS, AND CONDITIONS.—The covenants, reservations, terms and conditions set forth in this paragraph and in paragraphs (5) and (6) with respect to the Conveyance Lands shall run with the land and shall be incorporated into the interim conveyance, if any, and patent conveying the lands to Elim.

"(A) Consistent with paragraph (3)(C) and subject to the applicable covenants, reservations, terms, and conditions contained in this paragraph and paragraphs (5) and (6), Elim shall have all rights to the timber resources of the Conveyance Lands for any use including, but not limited to, construction of homes, cabins, for firewood and other domestic uses on any Elim lands: *Provided*, That cutting and removal of Merchantable Timber from the Conveyance Lands for sale shall not be permitted: *Provided further*, That Elim shall not construct roads and related infrastructure for the support of such cutting and removal of timber for sale or permit others to do so. 'Merchantable Timber' means timber that can be harvested and marketed by a prudent operator.

"(B) Public Land Order 5563 of December 16, 1975, which made hot or medicinal springs available to other Native Corporations for selection and conveyance, is hereby modified to the extent necessary to permit the selection by Elim of the lands heretofore encompassed in any withdrawal of hot or medicinal springs and is withdrawn pursuant to this subsection. The Secretary is authorized and directed to convey such selections of hot or medicinal springs (hereinafter referred to as 'hot springs') subject to applicable covenants, reservations, terms and conditions contained in paragraphs (5) and (6).

"(C) Should Elim select and have conveyed to it lands encompassing portions of the Tubutulik River or Clear Creek, or both, Elim shall not permit surface occupancy or knowingly permit any other activity on those portions of land lying within the bed of or within 300 feet of the ordinary high waterline of either or both of these water courses for purposes associated with mineral or other development or activity if they would cause or are likely to cause erosion or siltation of either water course to an extent that would significantly adversely impact water quality or fish habitat.

"(5) RIGHTS RETAINED BY THE U.S.—With respect to conveyances authorized in paragraph (3), the following rights are retained by the United States:

"(A) To enter upon the conveyance lands, after providing reasonable advance notice in writing to Elim and after providing Elim with an opportunity to have a representative present upon such entry, in order to achieve the purpose and enforce the terms of this paragraph and paragraphs (4) and (6).

"(B) To have, in addition to such rights held by Elim, all rights and remedies available against persons, jointly or severally, who cut or remove Merchantable Timber for sale.

"(C) In cooperation with Elim, the right, but not the obligation, to reforest in the event previously existing Merchantable Timber is destroyed by fire, wind, insects, disease, or other similar manmade or natural occurrence (excluding manmade occurrences resulting from the exercise by Elim of its lawful rights to use the Conveyance Lands).

"(D) The right of ingress and egress over easements under section 17(b) for the public to visit, for noncommercial purposes, hot springs located on the Conveyance Lands and to use any part of the hot springs that is not commercially developed.

"(E) The right to enter upon the lands containing hot springs for the purpose of conducting scientific research on such hot springs and to use the results of such research without compensation to Elim. Elim shall have an equal right to conduct research on the hot springs and to use the results of such research without compensation to the United States.

"(F) A covenant that commercial development of the hot springs by Elim or its successors, assigns, or grantees shall include the right to develop only a maximum of 15 percent of the hot springs and any land within 1/4 mile of the hot springs. Such commercial development shall not alter the natural hydrologic or thermal system associated with the hot springs. Not less than 85 percent of the lands within 1/4 mile of the hot springs shall be left in their natural state.

"(G) The right to exercise prosecutorial discretion in the enforcement of any covenant, reservation, term or condition shall not waive the right to enforce any covenant, reservation, term or condition.

"(6) GENERAL.—

"(A) MEMORANDUM OF UNDERSTANDING.—The Secretary and Elim shall, acting in good faith, enter into a Memorandum of Understanding (hereinafter referred to as the 'MOU') to implement the provisions of this subsection. The MOU shall include among its provisions reasonable measures to protect plants and animals in the hot springs on the Conveyance Lands and on the land within ¼ mile of the hot springs. The parties shall agree to meet periodically to review the matters contained in the MOU and to exercise their right to amend, replace, or extend the MOU. Such reviews shall include the authority to relocate any of the easements set forth in subparagraph (D) if the parties deem it advisable.

"(B) INCORPORATION OF TERMS.—Elim shall incorporate the covenants, reservations, terms and conditions, in this subsection in any deed or other legal instrument by which it divests itself of any interest in all or a portion of the Conveyance Lands, including without limitation, a leasehold interest.

"(C) SECTION 17(b) EASEMENTS.—The Bureau of Land Management, in consultation with Elim, shall reserve in the conveyance to Elim easements to the United States pursuant to subsection 17(b) that are not in conflict with other easements specified in this paragraph.

"(D) OTHER EASEMENTS.—The Bureau of Land Management, in consultation with Elim, shall reserve easements which shall include the right of the public to enter upon and travel along the Tubutulik River and Clear Creek within the Conveyance Lands. Such easements shall also include easements for trails confined to foot travel along, and which may be established along each bank of, the Tubutulik River and Clear Creek. Such trails shall be 25 feet wide and upland of the ordinary high waterline of the water courses. The trails may deviate from the banks as necessary to go around man-made or natural obstructions or to portage around hazardous stretches of water. The easements shall also include one-acre sites along the water courses at reasonable intervals, selected in consultation with Elim, which may be used to launch or take out water craft from the water courses and to camp in nonpermanent structures for a period not to exceed 24 hours without the consent of Elim.

"(E) INHOLDERS.—The owners of lands held within the exterior boundaries of lands conveyed to Elim shall have all rights of ingress and egress to be vested in the inholder and the inholder's agents, employees, co-venturers, licensees, subsequent grantees, or invitees, and such easements shall be reserved in the conveyance to Elim. The inholder may not exercise the right of ingress and egress in a manner that may result in substantial damage to the surface of the lands or make any permanent improvements on Conveyance Lands without the prior consent of Elim.

"(F) IDITAROD TRAIL.—The Bureau of Land Management may reserve an easement for the Iditarod National Historic Trail in the conveyance to Elim.

"(7) IMPLEMENTATION.—There are authorized to be appropriated such sums as may be necessary to implement this subsection.".

SEC. 2. COMMON STOCK TO ADOPTED-OUT DESCENDANTS.

Section 7(h)(1)(C)(iii) of the Alaska Native Claims Settlement Act (43 U.S.C. 1606(h)(1)(C)(iii)) is amended by inserting before the period at the end the following: ", notwithstanding an adoption, relinquishment, or termination of parental rights that may have altered or severed the legal relationship between the gift donor and recipient".

SEC. 3. DEFINITION OF SETTLEMENT TRUST.

Section 3(t)(2) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(t)(2)) is amended by striking "sole" and all that follows through "Stock" and inserting "benefit of shareholders, Natives, and descendants of Natives,".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Alaska (Mr. YOUNG) and the gentleman from Oregon (Mr. DEFAZIO) each will control 20 minutes.

The Chair recognizes the gentleman from Alaska (Mr. YOUNG).

GENERAL LEAVE

Mr. YOUNG of Alaska. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3090.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alaska?

There was no objection.

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3090 is a bill that I introduced in consultation with the Alaska Federation of Natives and ongoing negotiations and redrafts with the Department of the Interior and the Elim Native Corporation.

Considerable time has been spent to resolve the Elim land provision, and I want to especially thank Cindy Alona, Marilyn Heiman, Paul Kirton, Kim Harb, and Chip Markell of the Department of the Interior, Roy Jones and Jeff Petrich, minority chief counsel and committee staff, for their commitment to resolve this important land issue for the Elim Native Corporation.

H.R. 3090 will authorize the Elim Native Corporation, a village corporation established under section 19(b) of the Alaska Native Claims Settlement Act, to select and have conveyed to it 50,000 acres of Federal land in an area north of the former Norton Bay Reservation.

This acreage will replace 50,000 acres deleted from the reservation in 1929 by executive order from the reservation established for the benefit and use of the people whose descendents are today the shareholders of the Native Village Corporation. This bill would also amend ANCSA to permit shareholder common stock to be transferred to adopted-out native children and descendents.

□ 1045

The last provision of the bill would amend the definition of "settlement trust" under ANCSA to permit Native Corporations to establish settlement trusts in which potential beneficiaries include shareholders, Natives and the descendants of Natives. Because ANCSA was enacted to benefit all Natives, this amendment is in keeping with that original intent of that legislation.

At the same time, the interests of the Alaska Native Corporation shareholders are protected because this option is available only to those corporations whose shareholders vote, by a majority of all outstanding voting shares, to benefit nonshareholders.

Mr. Speaker, I also wanted to voice the support of the State of Alaska for this bill. The State of Alaska could not submit anything in writing; however, have verbally supported this important bill for the people of Alaska.

The Coastal Coalition, a conservation group in Alaska, and Donald C. Mitchell, a noted ANCSA attorney, have both submitted letters in support of the bill. As my colleagues can see, we have a wide range of support for passage of this bill.

Mr. Speaker, I urge my colleagues to support the passage of this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. DEFAZIO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this important legislation. It is long past time to right a wrong done 70 years ago. I am particularly pleased that we in this Congress can act to do that.

I have a longer statement which I would like entered in the RECORD, and I would just reflect in closing that it is always a good day when we can act to undo the wrongs done by a Republican President.

Mr. Speaker, I rise in support of this bill. While Congress generally should be very cautious when amending the 1971 Alaska Native Claims Settlement Act to change land allocations, in the case of Elim Native Corporation there are unique circumstances and special equities which justify this legislation.

Without the knowledge or consent of the Eskimo village of Elim, President Hoover deleted 50,000 acres from the Norton Bay Reservation in 1929. Although the 1971 Alaska Native Claims Settlement Act provided for the conveyance of 300,000 acres to Elim Native Corporation, reflecting the boundaries of the Norton Bay Reservation as it existed at that time, the residents of Elim have long been seeking to have the deleted lands restored.

While the Department of the Interior has maintained that Elim does not have a legal entitlement to the additional 50,000 acres, it is my understanding that they, along with the State of Alaska, are now prepared to support this legislation as a matter of equity.

And there does appear to be substantial equities in this case. According to Don Mitchell, a historian and former counsel to the Alaska Federation of Natives, the deletion of 50,000 acres from the Norton Bay Reservation is "one of the most grievous cases of social and economic injustice" in Alaska history.

Because the original reservation lands are no longer available for selection, the bill provides for an alternative conveyance of 50,000 acres which are adjacent to the corporation's existing lands. As amended, the bill incorporates language which has been negotiated with the Department of the Interior and includes important conservation safeguards such as easements for public access, restrictions on commercial timber harvest, and nondevelopment buffers on river corridors.

Mr. Speaker, I would be remiss without recognizing the crucial role of Representative DON YOUNG in developing this legislation. The villagers of Elim have a strong champion as the Chairman of the Committee on Resources and without his dedication to their cause we would not be here on the House floor today.

I urge that my colleagues support the bill.

Mr. Speaker, I yield back the balance of my time.

Mr. YOUNG of Alaska. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. HOBSON). The question is on the motion offered by the gentleman from Alaska (Mr. YOUNG) that the House suspend the rules and pass the bill, H.R. 3090, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

AQUATIC RESOURCES RESTORATION IN THE NORTHWEST AND CALIFORNIA

Mr. SAXTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1444) to authorize the Secretary of the Army to develop and implement projects for fish screens, fish passage devices, and other similar measures to mitigate adverse impacts associated with irrigation system water diversions by local governmental entities in the States of Oregon, Washington, Montana, and Idaho, as amended.

The Clerk read as follows:

H.R. 1444

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AQUATIC RESOURCES RESTORATION IN THE NORTHWEST AND IN CALIFORNIA.

(a) IN GENERAL.—In cooperation with other Federal agencies, the Secretary of the Interior, acting through the Director of the United States Fish and Wildlife Service and in consultation with the Bureau of Reclamation, may develop and implement projects for fish screens, fish passage devices, and related features agreed to by non-Federal interests, relevant Federal agencies, and affected States to mitigate adverse impacts to fisheries resulting from the construction and operation of water diversions by local governmental entities in the States of Oregon, Washington, Montana, Idaho, and California. Priority shall be given to any project that has a total cost of less than $2,500,000.

(b) GOALS.—The goals of the program under subsection (a) shall be—

(1) to decrease the incidence of juvenile and adult fish entering water supply systems; and

(2) to decrease fish mortality associated with the withdrawal of water for irrigation and other purposes without impairing the continued withdrawal of water for that purpose.

(c) PARTICIPATION BY NON-FEDERAL ENTITIES.—Non-Federal participation in the program under subsection (a) shall be voluntary. The Secretary shall take no action that would result in any non-Federal entity being held financially responsible for any action unless the entity applies to participate in the program.

(d) EVALUATION AND PRIORITIZATION OF PROJECTS.—Evaluation and prioritization of projects for development and implementation under this section shall be conducted on the basis of—

(1) assisting entities in their compliance with the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.);

(2) cost effectiveness;

(3) size of diversion;

(4) availability of other funding sources; and

(5) opportunity for biological benefit to be achieved with improved conditions.

(e) REQUIREMENTS.—A fish screen, fish passage device, or related feature shall not be eligible for funding under subsection (a) unless—

(1) it meets the requirements of the United States Fish and Wildlife Service or the National Marine Fisheries Service, as applicable, and any State requirements; and

(2) it is agreed to by all interested Federal and non-Federal entities.

(f) COST SHARING.—

(1) IN GENERAL.—(A) Development and implementation of projects under this section on lands owned by the United States shall be at full Federal expense.

(B) The non-Federal share of the cost of development and implementation of any project under this section on lands that are not owned by the United States shall be 35 percent.

(2) IN-KIND CONTRIBUTIONS.—(A) For any project under this section on lands that are not owned by the United States, the non-Federal participants shall provide any lands, easements, rights-of-way, dredged material disposal areas, and relocations that are necessary for the project.

(B) The value of lands, easements, rights-of-way, dredged material disposal areas, and relocations provided under this paragraph for a project shall be credited toward the non-Federal share of the costs of the project under paragraph (1).

(3) OMRR&R.—(A) The non-Federal interests shall be responsible for all costs associated with operating, maintaining, repairing, rehabilitating, and replacing all projects carried out under this section on lands that are not owned by the United States.

(B) Costs associated with operating, maintaining, repairing, rehabilitating, and replacing all projects carried out under this section on lands owned by the United States shall be a Federal expense.

(g) CONSULTATION AND USE OF EXISTING DATA AND STUDIES.—In carrying out this section, the Secretary shall consult with other Federal, State, and local agencies and make maximum use of data and studies in existence on the date of enactment of this Act.

(h) LIMITATION ON ELIGIBILITY FOR FUNDING.—No project applicant pursuant to this section may obtain funds under this section if they are also receiving funds from another federally funded program for the same purpose.

(i) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to carry out this section $25,000,000 for each of fiscal years 2001 through 2005.

(2) LIMITATIONS.—(A) Not more than ⅓ of the total amount of funds appropriated under this section may be used for projects in any single State.

(B) Not more than 6 percent of the amount of funds appropriated under this section for a fiscal year may be used for administration of this section.

(3) INTERIM REPORT.—Upon the expiration of the 3d fiscal year for which amounts are available to carry out this section, the Secretary of the Interior shall report to the Congress describing the accomplishments to date under this section and the projects that will be completed with amounts provided under this section for the 4th and 5th fiscal years for which such amounts are available.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. SAXTON) and the gentleman from Oregon (Mr. DEFAZIO) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. SAXTON).

GENERAL LEAVE

Mr. SAXTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1444, and to include extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. SAXTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1444, as amended by the Committee on Resources, will authorize the Secretary of Interior, working through the Fish and Wildlife Service and in consultation with the Bureau of Reclamation, to implement projects to construct fish screens, fish passage devices and other related measures to mitigate the effects of water diversions caused by irrigation systems.

The bill was introduced by my good friend, the gentleman from Oregon (Mr. DEFAZIO) and the gentleman from Oregon (Mr. WALDEN), both of whom are going to speak and explain the legislation. But I would like to commend them both for the hard work that they have put into this effort. Without them, surely the bill would not be here on the floor today.

Mr. Speaker, State and Federal law currently require the installation of fish screens on many irrigation diversions for agriculture to protect migrating juvenile salmon. While the Federal and State agencies responsible for managing the Columbia River system have worked diligently to install fish screens and fish passage devices, more work is urgently needed.

H.R. 1444 would allow State and Federal agencies to continue installing fish screens and fish passage devices. Furthermore, the Secretary will be required to consult with other Federal, State, and local agencies to make maximum use of data and studies in existence on the date of enactment of this act.

I believe this bill will help protect the salmon resources of the Pacific Northwest while allowing the agriculture industry to continue its operations. This is a noncontroversial bill and I hope everyone will support it.

Mr. Speaker, before I reserve the balance of my time, let me just make note that Marcia Stewart, who is here with us today, legislative assistant to the chief counsel, has done yeoman's work on this bill and has been a great help to all of us over the last several years since she has been with us. She came to us 6 years ago in 1993, and has been extremely successful. As a matter of fact, the last bill that she staffed for us here on the floor passed 412 to 0. So, Mr. Speaker, we are pleased that she has been with us and such a productive member of our staff and we will certainly miss her.

Mr. Speaker, I reserve the balance of my time.

Mr. DEFAZIO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill does have strong bipartisan support in both the House and the Senate. And shortly, we will hear from the gentleman from Oregon (Mr. WALDEN), my colleague. He and I are the original cosponsors of this legislation in the House.

H.R. 1444 would set up a fish screen construction program for irrigation projects in Idaho, Washington, Montana, Oregon, and California.

This is a bill that is good news for salmon, other fish species which are on the verge of being endangered or threatened, and good news for local economies, for farmers, and good news for the Federal taxpayers.

It requires a local match share of 35 percent. But with the Federal Government investing these funds in the fish screens, ultimately we may avoid the endangerment of numerous species of fish and help promote the recovery of salmon. Today, many of these irrigation diversions are unscreened and salmon smolts do not do too well when they are pulled out of the main stem of the Columbia or one of its tributaries and deposited into an irrigation ditch or an irrigation project which does not return directly to the river or the tributary.

Mr. Speaker, this simple step will prevent that in the future. We should be screening all the diversions on fish-bearing rivers in the Northwest and into California because we are investing hundreds of millions, ultimately billions of dollars elsewhere to help recover these species. But for the lack of a few dollars being spent at each of these diversions on both Federal lands and private lands, many of those dollars are not being spent as effectively as they could.

So, this legislation is a win/win for both the fish and the farmers and the taxpayers, and I recommend it to my colleagues.

Mr. Speaker, I reserve the balance of my time.

Mr. SAXTON. Mr. Speaker, I yield such time as he may consume to the gentleman from Hood River, Oregon (Mr. WALDEN).

Mr. WALDEN of Oregon. Mr. Speaker, it is sure nice to stand here today and recognize that we have built a partnership that will actually get things done, and I want to commend the gentleman from Oregon (Mr. DEFAZIO), my colleague, for his work on this legislation and thank him for his involvement in this.

Mr. Speaker, I rise in support of H.R. 1444, a bill that will help protect the threatened and endangered salmon stocks on the West Coast while assisting the farmers who are voluntarily seeking measures to protect these stocks, albeit at great financial cost.

Under H.R. 1444, the United States Fish and Wildlife Service and the Bureau of Reclamation would be allowed to develop and implement projects for fish screens, fish passage devices, and other facilities in the States of Oregon, Washington, Montana, Idaho and California. These fish screens would prevent juvenile and adult salmon from passing through irrigation diversions and gaining access to ditches and water intake devices.

Mr. Speaker, presently, irrigation districts throughout the West are being mandated to comply with the Endangered Species Act. In order to comply with the ESA and other regulations, irrigation districts are required to construct these sophisticated devices to prevent salmon and other fish from gaining access to their ditches. The construction of these devices come at great expense to the farmers, without any return on their capital costs.

Under H.R. 1444, farmers would be allowed to enter into voluntary agreements with the U.S. Fish and Wildlife Service or the Bureau of Reclamation to share the costs of construction of these fish screen devices. Privately held lands and irrigation districts would have to put up 35 percent of the cost with the government paying the remainder.

The farmers in my district, including those belonging to the Lower Valley Ditch District in Wallowa County and Talent Irrigation District in Jackson County say this is exactly the type of assistance they need to help them be able to protect these salmon and other fish in the rivers and streams.

They are not looking for a way to avoid ESA; they are merely looking for an affordable way to provide the systems to help prevent the loss of fish.

This cost-share program gives our farmers in the West some assistance in building these environmentally friendly fish screening devices, while simultaneously easing the burden of taking affirmative, proactive actions. It is a win/win proposal for the fish and the farmers.

Mr. Speaker, I strongly support passage of H.R. 1444, the DeFazio-Walden fish screen bill.

Mr. DEFAZIO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentleman from Oregon (Mr. WALDEN) for his assistance in drafting and moving this bill through the House. As he pointed out, the need is great. In fact, numbers I have seen estimate that we could spend more than twice the amount of money allocated for these five states in Oregon alone to take care of this problem. So this is not an ultimate solution, but it is a down payment and something that will help us move along in protecting these fish in the Pacific Northwest and in northern California.

Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. THOMPSON).

Mr. THOMPSON of California. Mr. Speaker, I thank the gentleman from Oregon (Mr. DEFAZIO) for yielding me this time. He has been on the forefront leading this effort to help the salmon fisheries throughout the entire Pacific Northwest, and for that I am greatly appreciative.

Mr. Speaker, virtually every salmon stock in northern California has been added to the endangered species list. State and Federal regulations have cut fishing effort to an all-time low and this has had a devastating impact on the area that I represent in California, not just for the sport and the commercial fisheries, but for virtually every industry or every community of interest that has to operate in that part of these great United States.

Mr. Speaker, we need to do everything that we possibly can to help bring back the salmon stocks in the Pacific Northwest, and my district is no different. This is one very important step to be able to provide help for screening in regard to water diversions. It is going to help a great deal. It is not only going to help the coastal area that I represent, but the inland area as well.

Mr. Speaker, I would like to commend the gentleman from Oregon (Mr. DEFAZIO) and ask all of my colleagues to vote in support of this measure.

Mr. DEFAZIO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentleman from California (Mr. THOMPSON). He has been a real force in helping to move this legislation forward, and particularly in making certain that his State and his district are included within the scope of the legislation. Without his perseverance, that would not have happened.

Mr. Speaker, at this time I would like to thank a few staff who helped with the issue. Although this would seem kind of like a no-brainer since it is good for fish, the farmers, the economy and the Federal taxpayers, it was not easy working with the numerous agencies of jurisdiction and potential jurisdiction, and it took a while to wend our way through this maze. So Cynthia Suchman, Ben Grumbles, Bob Faber, Steve Lanich, and Kathie Eastman of my staff were all key with helping move this bill forward.

Mr. Speaker, I yield back the balance of my time.

Mr. SAXTON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. SAXTON) that the House suspend the rules and pass the bill, H.R. 1444, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to authorize the Secretary of the Interior to plan, design, and construct fish screens, fish passage devices, and related features to mitigate adverse impacts associated with irrigation system water diversions by local governmental entities in the States of Oregon, Washington, Montana, Idaho, and California.".

A motion to reconsider was laid on the table.

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COMMEMORATING THE "I HAVE A DREAM" SPEECH AT THE LINCOLN MEMORIAL

Mr. HANSEN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2879) to provide for the placement at the Lincoln Memorial of a plaque commemorating the speech of Martin Luther King, Jr., known as the "I Have A Dream" speech.

The Clerk read as follows:

H.R. 2879

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ADDITION OF PLAQUE AT LINCOLN MEMORIAL COMMEMORATING MARTIN LUTHER KING, JUNIOR'S, I HAVE A DREAM SPEECH.

(a) PLACEMENT OF PLAQUE.—The Secretary of the Interior shall insert on the steps of the Lincoln Memorial in the District of Columbia a suitable plaque to commemorate the speech of Martin Luther King, Jr., known as the "I Have A Dream" speech. The plaque shall be placed at the location on the steps where Martin Luther King, Jr., delivered the speech on August 28, 1963.

(b) ACCEPTANCE OF CONTRIBUTIONS.—The Secretary of the Interior may accept contributions to help defray the cost of preparing the plaque and inserting the plaque on the steps of the Lincoln Memorial as required by subsection (a). Amounts received shall be credited to the appropriation supporting the maintenance and operation of the Lincoln Memorial.

The SPEAKER pro tempore (Mr. HOBSON). Pursuant to the rule, the gentleman from Utah (Mr. HANSEN) and the gentleman from Oregon (Mr. DEFAZIO) each will control 20 minutes.

The Chair recognizes the gentleman from Utah (Mr. HANSEN).

Mr. HANSEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2879, introduced by the gentlewoman from Kentucky (Mrs. NORTHUP).

H.R. 2879 would provide for the placement at the Lincoln Memorial of a plaque commemorating the speech of Martin Luther King, Jr., known as the "I Have A Dream" speech. The plaque would be placed in an appropriate location on the steps of the Lincoln Memorial where Dr. King delivered his famous civil rights speech on August 28, 1963.

This bill also directs the Secretary of the Interior to accept contributions to help offset any costs associated with the preparation and placement of the plaque.

Mr. Speaker, this is an important bill and has bipartisan support. I urge all my colleagues to support H.R. 2879.

Mr. Speaker, I reserve the balance of my time.

Mr. DEFAZIO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2879 directs the Secretary of the Interior to insert on the steps of the Lincoln Memorial a plaque, a plaque that would commemorate the speech of Dr. Martin Luther King, Jr., known as the "I Have A Dream" speech.

Several years ago, the gentleman from Georgia (Mr. LEWIS), who was present and was one of the speakers that famous day in 1963 along with Dr. King, was instrumental in a campaign by school children and others in establishing a permanent exhibit at the Lincoln Memorial commemorating the important civil rights events, including the "I Have A Dream" speech that occurred at the Memorial.

It is our understanding that H.R. 2879 is noncontroversial and that it is consistent with what has been done previously at the Memorial to commemorate similar events.

I strongly support passage of this legislation and this permanent commemoration of that historic speech in American history.

Mr. Speaker, I reserve the balance of my time.

Mr. HANSEN. Mr. Speaker, I am happy to yield such time as she may consume to the gentlewoman from Kentucky (Mrs. NORTHUP), the author of this legislation.

Mrs. NORTHUP. Mr. Speaker, all of us are touched each year as we see how many Americans, particularly school children, come to Washington to, not just view the buildings, but to be inspired by our history and be inspired to become leaders themselves.

They move around this city, they come to this Capitol, they come to our memorials, and they are reminded as they stand in the places that previous leaders have stood, as they understand what role those leaders had in the history of this country.

I had a constituent that came to Washington in 1997, and he wrote me the most moving letter, and I would like to read a couple of paragraphs from that letter.

He said, "My wife and I walked to the Lincoln Memorial where, at the steps of the Memorial to one of our Nation's greatest Presidents, Martin Luther King delivered the 'I Have A Dream' speech.

"I looked for the spot on which Martin Luther King stood when he spoke. I looked for a marker to remind me and others for a single moment on a hot August day, a descendant of a slave held the most prominent space in our Nation and delivered words that will always stay with that space. I could not find a marker or the words on that step."

Later in his letter, he said that "I saw a day when I would bring my yet unborn children to the spot where Martin Luther King spoke, and I could show them that marker and read them the words of his dream. I could tell them that this is still a Nation where a simple Kentucky farmer could rise to the heights of President, and the son of a slave could inspire future generations with the power of his words and his compassion."

Mr. Speaker, it is hard to imagine that school children and Americans from all over this country could come and walk in this most important spot in this Capital, see where our leaders have changed the course of this country's history, and not have a recognition that, on that spot, on those steps was a place where Dr. Martin Luther King gave his "I Had A Dream" speech.

For many of these children, it might be the first time that they ever really would be called to understand what "that place in history" meant.

But for those of us that can remember the changes that went on between 1960 and 1965 and the role that Dr. Martin Luther King had in calling us forward to change the laws of this country and the practices that separated us so badly, it is important that all Americans recognize that spot and that leader and the difference that he made in this country.

Mr. HANSEN. Mr. Speaker, I have no other requests for time, and I yield back the balance of my time.

Mr. DEFAZIO. Mr. Speaker, I yield such time as he may consume to the gentleman from Georgia (Mr. LEWIS).

Mr. LEWIS of Georgia. Mr. Speaker, I want to thank the gentleman from Oregon for yielding me this time. I want to thank the gentleman from Utah (Mr. HANSEN) for bringing this legislation along with the gentleman from Oregon before us.

It is fitting and appropriate that a plaque be placed near the statue of Lincoln near the Lincoln Memorial in honor of the speech "I Have A Dream" by Dr. Martin Luther King, Jr. That speech was delivered on August 28, 1963, on a very hot summer day.

On that day, Martin Luther King, Jr., spoke from his soul. He spoke from his heart. He said, "I have a dream that is deeply rooted in an American dream." I was there that day, 23 years old. When Martin Luther King, Jr., stood to speak, he was not just speaking for himself, he was speaking for all Americans, not just for those of us 36 years ago now, but he was speaking for ongoing generations.

So this plaque, "I Have A Dream" plaque, would inspire generations yet unborn, inspire young children, would help make us one Nation, one people, one family, the American family, the American community.

It is my hope that all of our colleagues would join in together and support this little piece of legislation, that it would serve as a footnote, but more than a footnote, it would serve as a page in the history of our long struggle toward creating a sense of community, the beloved community.

Mr. Speaker, I again want to thank these two wonderful men for bringing this legislation before us today.

Mrs. NORTHUP. Mr. Speaker, along with my earlier comments on the need for passage of H.R. 2879, I submit for the RECORD the letter I received from Thomas Williams who came up with the idea for the need of a marker on the Lincoln Memorial to commemorate the "I have a Dream" speech of Martin Luther King on August 28, 1963.

Beyond paying respect to Dr. King, this bill offers acknowledgment that our legislative system works as planned. For only in the United States can an idea of an interested individual result in good legislation, and I am hopeful—law. I thank Mr. Williams for his contribution to his country and to the future of our nation.

NOVEMBER 30, 1998.

DEAR REPRESENTATIVE NORTHUP: In October of 1997 my wife and I visited Washington, D.C. The city, with its buildings, statues and monuments, was rich with symbolism. Despite the vastness of the space and the beauty of its design, what struck me most during the trip was a single man sitting on the steps of the Capitol. He sat there in plain view of the police with a sign indicating (if memory serves me) that he had fought in the Viet Nam war but was not now receiving veteran's benefits. The guard there indicated it wasn't true, but what struck me most was the fact that a single citizen could sit peacefully on the steps of the Capitol without being escorted away because he was unworthy of the space he selected to rest. There, literally on the threshold of our nation's most-powerful leaders, he sat. Other nations, I thought, might be embarrassed by the scene. Nevertheless, I somehow felt that I had witnessed—there on the steps—a living testament to our freedom and our greatness.

Later that day, my wife and I walked to the Lincoln Memorial where, at the steps of the memorial to one of our nation's greatest presidents, Martin Luther King delivered the "I Have A Dream Speech". I looked for the spot on which Martin Luther King stood when he spoke. I looked for a marker to remind me and others that—for a single moment on a hot August day—a descendent of a slave held the most prominent space in our nation and delivered words that will always stay with that space. I couldn't find a marker or the words on those steps.

Several months later at my home in Louisville, Kentucky, I attended a service at the Cathedral of the Assumption in which the Church celebrated a moment of personal revelation by Thomas Merton, the monk. Forty years earlier, when walking out of the Starks building on what was then 4th and Walnut, he realized in a profound way that we are all one. The Church celebrated the

40th anniversary of that event with a simple Mass and marker. To me, the service and the marker were both reminders that the ordinary space we sometimes occupy can become forever changed by the deeds of a person who stood there. I am confident it was no accident that the Church waited 40 years to commemorate the event.

My visit to Washington and my attendance at the Merton mass sparked a vision and a question in my mind. Wouldn't it be right to celebrate the 40th year of Martin Luther King's "I Have a Dream" speech with a ceremony and a marker at the footsteps of the Lincoln Memorial? The anticipation and planning of such an event might lead to collective good. In my mind's eye, I saw a day in which the "I Have A Dream" speech would be delivered again for those who have never heard it. I saw a day in which Martin Luther King might be remembered for the inspiration he provided to all of our citizens.

Looking even further into the future, I saw a day when I could bring my yet unborn children to that spot where Martin Luther King spoke and I could show them that marker and read them the words of his dream. I could tell him that this is still a nation where a simple Kentucky farmer could rise to the heights of President and a son of a slave could inspire future generations with the power of his words and his compassion.

My vision and these thoughts I share with you are personal—but far from novel. Perhaps something like this is already in the works and I am simply unaware. In any event, I am writing for some practical suggestions for bringing this vision to a reality.

Sincerely,

TOM WILLIAMS.

Mr. DEFAZIO. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Utah (Mr. HANSEN) that the House suspend the rules and pass the bill, H.R. 2879.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HANSEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 2879 and add any extraneous material that they so desire.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Utah?

There was no objection.

SENSE OF HOUSE REGARDING THE TRAFFICKING OF BABY PARTS

Mr. FOSSELLA. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 350) expressing the sense of the House of Representatives with respect to private companies involved in the trafficking of baby body parts for profit.

The Clerk read as follows:

H. RES. 350

Whereas the National Institutes of Health Revitalization Act of 1993 effectively lifted the ban on federally funded research involving the transplantation of baby body parts, and such Act made it a Federal felony for any person to knowingly, for "valuable consideration," purchase or sell baby body parts (with a term of imprisonment of up to 10 years and with fines of up to $250,000 in the case of an individual and $500,000 in the case of an organization);

Whereas private companies have sought to meet the demand by both public and private research facilities by providing baby body parts;

Whereas the definition of "valuable consideration" under the National Institutes of Health Revitalization Act of 1993 does not include reasonable payments associated with the transportation, implantation, processing, preservation, quality control, or storage of baby body parts; and

Whereas private companies appear to believe that the definition of "valuable consideration" allows them to circumvent Federal law and avoid felony charges with impunity while trafficking in baby body parts for profit: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the Congress should exercise oversight responsibilities and conduct hearings, and take appropriate steps if necessary, concerning private companies that are involved in the trafficking of baby body parts for profit.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. FOSSELLA) and the gentlewoman from Colorado (Ms. DEGETTE) each will control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. FOSSELLA).

GENERAL LEAVE

Mr. FOSSELLA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H. Res. 350 and to insert extraneous material on the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FOSSELLA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H. Res. 350, a much-needed resolution which would bring greater attention to a sordid trade in the bodies of aborted babies. I salute the gentleman from Colorado (Mr. TANCREDO) for working so diligently to bring this matter to the attention of the House.

I have a copy of a brochure from a company called Opening Lines recently of West Frankfurt, Illinois, which has now moved its base of operations to an undisclosed location. This brochure boasts, "Our goal is to offer you and your staff the highest quality, most affordable, and freshest tissue, prepared to your specifications, and deliver it in the quantities you need when you need it."

This company was founded, according to its brochure, "in order to provide a convenient and efficient way for researchers to receive fetal tissue without a lot of bureaucracy."

The brochure explains that, "We have simplified the process for procuring fetal tissue. We do not require a copy of your IRB approval or summary of your research, and you are not required to cite Opening Lines of the source of tissue when you publish your work. We believe in word-of-mouth advertising. If you like our service, you will tell your colleagues."

Mr. Speaker, Congress has spoken forcefully on the matter of selling aborted baby parts before. There is no question that it is illegal in the United States for any person to buy or sell fetal tissue effecting interstate commerce.

Yet, the documents we have here show very clearly that, if this is true, that anyone can buy whatever part of a dead baby may be decided. According to this brochure, it is $50 for ears, $150 for lungs and hearts, $325 for a spinal column, and a pair of eyes cost $50. But the buyer is offered a 40 percent discount for a single eye. Prices are in effect through December 31, 1999.

Mr. Speaker, companies like Opening Lines and their main competitor, the so-called Anatomic Gift Foundation, play a significant role in destroying the sanctity of innocent human life and apparently profit from this illicit activity even though it is illegal to buy and sell fetal tissue.

According to Opening Lines, "Our daily average case volumes exceeds 1,500, and we serve clinics across the United States."

How are they getting around the law? I think Congress and the American people deserve to know.

Finally, Mr. Speaker, I know a lot of folks in this body, a lot of Members come down and speak so eloquently and passionately when it comes to such things as cruelty to animals, and in many ways they are justified in their eloquence and their beliefs. I would just hope that those same Members come down to this floor and speak as eloquently and passionately when it comes to the destruction and cruelty to innocent human beings.

I ask my colleagues to cast their votes in support of H. Res. 350 and ask that we work together to shed more light on this industry that has been operating in the shadows of darkness.

Mr. Speaker, I reserve the balance of my time.

Ms. DEGETTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am wondering if my colleague from Colorado (Mr. TANCREDO) would be available to engage in a short colloquy with me.

Mr. Speaker, I just would like to try to clarify the intent behind this resolution before I make my statement. The reason is because, as I read the resolution, it says that it is a Federal crime for any person to knowingly for valuable consideration purchase or sell, quote, "baby body parts," and then it goes on.

When I read this, I went and looked at the Federal statutes. I found no Federal statute which criminalizes specifically selling "baby body parts."

I was wondering if the gentleman from Colorado (Mr. TANCREDO) was talking about either some insidious plot to take babies and kill them, and horribly, to sell the body parts; or if the gentleman was referring to the unlawful purchase of human organs as it would apply to minors, or, as I suspect from what the gentleman from New York (Mr. FOSSELLA) said, that the gentleman may be talking about the unlawful sale of organs or fetal tissues is prohibited by statute.

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Mr. TANCREDO. Mr. Speaker, will the gentlewoman yield?

Ms. DEGETTE. I yield to the gentleman from Colorado.

Mr. TANCREDO. The answer to the gentlewoman's question is, it is the latter.

Ms. DEGETTE. So it is the intention to talk about the unlawful sale of organs or fetal tissue.

Mr. TANCREDO. That is correct.

Ms. DEGETTE. Reclaiming my time, Mr. Speaker, I thank the gentleman for that clarification.

As I stated in the colloquy, any way we interpret this resolution, the unlawful sale of either children, of children's organs, or of fetal tissue would be illegal under Federal statutes. Murdering children would be illegal under 18 USC Section 1958(a) and, in fact, it would be a capital offense under Federal law. Unlawful purchase of human organs is also unlawful under 42 USC Section 274(e)(a), and, as noted by the gentleman from New York, it is also illegal to profit from the sale of organs or fetal tissues under 42 USC Section 289g-2(a). Those who partake in this illegal activity are subject to fines, 10 years in prison or both. And, obviously, it is a Federal crime to murder anybody, including babies or small children.

The reason I raise this issue in this way is because what we are discussing here today is a serious issue of medical ethics, and I think that it is incumbent upon all of us in Congress to make sure that proper protocols are being followed with respect to research and that no illegal activity is occurring. However, the use of inflammatory and imprecise language in resolutions such as this one does nothing to ensure that these laws are being enforced or that proper controls are in place. In fact, we do not even need to consider a resolution in Congress to request an oversight hearing.

If, indeed, illegal acts are occurring, then the oversight and investigation subcommittee of the Committee on Commerce, of which I am a member and I believe the gentleman from New York is also a member, should investigate these acts and any violation of Federal law should be prosecuted to the fullest extent of the law.

When fetal research was legalized in 1993, in the NIH Revitalization Act, a portion of that legislation established the conditions under which federally-funded fetal tissue research can take place. This law provides that it should be unlawful for any person to knowingly acquire, receive, or otherwise transfer any human fetal tissue for valuable consideration. Specifically, it prohibits the purchase of human fetal tissue. It is interesting to note that a GAO report issued in 1997 determined that these requirements were in fact being met and no further complaints have been issued or detected, according to the NIH.

We called the company, Opening Lines, which the gentleman referred to in his opening statement, and we learned that they have closed their offices and could find no other evidence of them. However, as I noted a moment ago, if protocols are not being followed, and if, in fact, fetal tissue is being sold, then Congress should hold hearings, investigate this matter, and the perpetrators should be prosecuted to the fullest extent of the law.

But in establishing protocols and in thwarting illegal acts, we need to be mindful of the benefits that legitimate fetal tissue research has brought. Fetal tissue research has already resulted in significant advances in the treatment of Parkinson's Disease and even in more potential advances for Alzheimer's, diabetes, and many other serious medical conditions. There is a wide range of disorders and diseases that may benefit from fetal tissue transplantation research, including Alzheimer's disease, Huntington's disease, spinal cord injuries, leukemia, Down's syndrome, Tay-Sachs disease, hemophilia, epilepsy, cancer, and perhaps even brain damage caused by an accident or a stroke.

Scientists estimate that fetal tissue transplants could help approximately 1 million Parkinson's disease patients, 2.5 to 3 million people affected with Alzheimer's, 25,000 people suffering from Huntington's disease, 600,000 Type I diabetics, 400,000 stroke victims, and several hundred thousand persons who have suffered a spinal cord injury.

As the co-chair of the Congressional Diabetes Caucus and, more importantly, as the mother of a 5-year-old child who could benefit significantly from appropriate fetal tissue research, I want to ensure, and I know my colleagues want to ensure, that this critical research continues in an ethical manner so that we may find a cure for diabetes, Parkinson's disease, Alzheimer's disease, and these many, many other diseases in the near future.

Again, if there is illegal activity going on, we should fully investigate it. But let us not cloud this issue with hyperbole or inaccurate language. Let us make sure that all of the protocols are being followed and illegal activity is not going on.

Mr. Speaker, I reserve the balance of my time.

Mr. FOSSELLA. Mr. Speaker, I yield myself 15 seconds just to respond that if anybody wants to use inflammatory language, that is not our intent, but this, again, is the price list from Opening Lines: A brain is $999, a kidney is $125, eyes at 8 weeks are $50, 40 percent discount for a single eye. That is the issue before us, Mr. Speaker.

Mr. Speaker, I yield 4½ minutes to the gentleman from Colorado (Mr. TANCREDO).

Mr. TANCREDO. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, if I were to tell my colleagues that human bodies were being dissected and that the parts were being methodically catalogued, preserved and sold for profit, they might well recoil at such a picture. They might think I was referring to the grotesque deeds carried out in Communist China, where buyers can place orders for specific organs from bodies of certain blood types. Prisoners matching the specifications are then slaughtered and their organs harvested and sold. Or perhaps, Mr. Speaker, my colleagues might think I was detailing the actions of Nazis, when they found the market in human hair, skin, and bones to be lucrative, so they turned the concentration camps into profit centers.

It is, indeed, a tragic commentary on our times, Mr. Speaker, that I must tell my colleagues that it is not Communist China nor is it Nazi Germany to which I refer, it is contemporary America. The specific sites are not prisons or concentration camps, they are abortion clinics. Unfortunately, entrepreneurs appear to have found a profitable niche within the abortion industry and have begun to traffic in the body parts of aborted babies.

Now, this practice was outlawed by the passage of the Health Revitalization Act, to which my colleague has referred. However, some unscrupulous individuals have found that by simply calling a charge a fee-for-service, that they could possibly avoid persecution and prosecution and turn a tidy profit on the sale of body parts.

Mr. Speaker, on this poster we can see that the price list advertised by Opening Lines, one of the companies doing business in this area, and by the way it is true that one of their outlets has gone to ground since this all came to light, but there are other companies out there doing the same thing, clearly and unabashedly this sets out the specific price for each part. It is not I who stand here talking about baby body parts and offending the sensibilities of my colleagues; it is, of course, the organizations that are involved with selling them. What else would we call the liver, 8 weeks; the spleen, 8 weeks; the pancreas, 8 weeks; intestines; mesentery; kidney without adrenal or kidney with adrenal? You can get either one. What would my colleagues call that if it is not a baby body parts list?

This issue is not about fetal research. I knew that was going to be the issue my colleague and others would like to sort of cloud this thing with, fetal tissue research, the many benefits that may accrue from that. Anyone can stand up and say this resolution is about increasing the possibility for nuclear war. Anyone can say anything they want. The fact is, it is very clear it is a resolution simply calling for an investigation. If there are no problems, if in fact everybody is operating within the law, as my colleague suggests and hopes, then there is nothing to fear from investigation, and that is all this asks for. It is not legislation correcting or changing anything, but there is certainly evidence that something out there is wrong. Something is amiss. It is not going according to the way people who wrote the 1993 law wanted it to go.

This organization was even more exuberant in their advertising when they said, "Our goal is to offer you and your staff the highest quality, most affordable, freshest tissue prepared to your specifications, delivered in the quantities you need and when you need it." Now, this is not my stuff, this is not something I am making up, this is from their brochure.

It is important at this point to cite the specific language of the Health Revitalization Act which says it is a Federal felony for any person to knowingly, for valuable consideration, purchase or sell human body parts, or fetal tissue, however one wants to put it. When I looked at this, it was body parts.

Mr. Speaker, how much more clearly could we have said it when we wrote the law? We evidently need to do more to get the point across that the trafficking in human body parts is disgusting, dangerous, and completely unacceptable in a society which presumes to call itself civilized. I, therefore, have introduced this resolution, which calls upon the Congress to hold hearings to determine the extent to which this practice is going on and, if necessary, if necessary and only if necessary, to take appropriate steps to end it.

Now, the last thing is this GAO report to which my colleague referred. The GAO study actually did come back and say it was not happening; it was not happening in three places, the Colorado Health Sciences Center, Mount Sinai, and the University of South Florida. And they were only looking at one specific aspect of this, they were not looking at private companies, they were not looking at pharmaceutical companies. So it is disingenuous, at least, to say this study sort of exonerates the industry. It was a very narrow study and in those three places it was not happening. In a lot of other places it is.

Ms. DEGETTE. Mr. Speaker, I yield 4 minutes to the gentlewoman from New York (Mrs. LOWEY).

Mrs. LOWEY. Mr. Speaker, I rise in opposition to H. Res. 350. When I heard from my staff last night that a resolution addressing illegal sale of fetal tissue would be offered on the floor today, my immediate reaction was if any illegality was taking place, it ought to be investigated immediately. Then I read the text of H.R. 350, with its use of terms like "trafficking" and "baby body parts", and I tried to call the company accused of wrongdoing, using the phone number listed in a Dear Colleague, and the number was not in service.

My colleagues, these are serious allegations and we ought to react to them responsibly. If there are legitimate complaints or evidence of illegality, Congress has the power to act. But instead of taking time on this floor, we could be working in committee conducting oversight of the National Institutes of Health, which is charged with protecting the integrity of federally funded research.

As the gentlewoman from Colorado (Ms. DEGETTE), said, in 1997, as required by statute, the General Accounting Office investigated compliance with the detailed Federal regulations governing this research and the GAO found no evidence of wrongdoing or abuse. I would like to repeat that. The GAO found no evidence of wrongdoing or abuse.

And yesterday, the NIH confirmed the GAO conclusion, again stating that no complaints regarding fetal tissue research have been investigated by the National Institutes of Health's Office for Protection from Research Risks, and no compliance cases or institutional reports have been filed with the NIH since the GAO reported to Congress in March 1997. And the National Institutes of Health, my colleagues, has no record of any Member of Congress to date requesting a review or presenting any evidence of wrongdoing, despite the fact that the NIH is the agency charged with oversight of federally funded research. No Member of Congress has called the NIH or requested in writing any investigation.

Research involving fetal tissue is an integral part of the pioneering field of stem cell research which may offer millions of Americans, as the gentlewoman from Colorado (Ms. DEGETTE) has said, suffering with diseases the opportunity to be cured. We should do everything we can to assure that this research proceeds in an ethical and cautious manner.

□ 1130

Allegations of wrongdoing, if substantiated, should be investigated, not, my colleagues, brought to the floor of the House to inflame. This resolution is not needed in order for oversight hearings to be held.

So why are we debating this on the House floor? Let us put aside the inflammatory words and work together with the NIH to get the facts. That is why I urge my colleagues to reject H. Res. 350.

Mr. FOSSELLA. Mr. Speaker, I yield 4 minutes to the gentleman from Oklahoma (Mr. COBURN).

Mr. COBURN. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, there is a lot of truth to what the gentlewoman from New York said. However, there is an absence of appropriate timing with that. There is no question we are going to have an oversight hearing on this. There is no question we are going to do it. There is no question that they are violating the law and the intent and purposes of the law. We are going to do that.

But this needs to be inflamed, I say to the gentlewoman from New York (Mrs. LOWEY), because this is exactly the slippery slope we said we would be going down.

Let me tell my colleagues what this process is creating. If I am in there to rent some space from their abortion clinic and I tell them that can I sell a brain for a thousand dollars, do my colleagues know what I am going to do if I am an abortionist? I am going to do an abortion now that is most important in saving the brain rather than in caring for that woman who is having a pregnancy terminated. Because money then becomes the driving object in my abortion, not in the care of the woman who has made a difficult decision and is giving up a life.

So now what we have had is we violate this law and the intent of it, although technically they may not be, but in fact their intent is to, we are inducing through the profit motive abortionists to put the life of their patient at risk for monetary gain, a fetal brain for a thousand bucks.

How abhorrent can we be? Why should we not be inflamed? Why should we not be agitated? Why should we not be angry, in fact, when this process is going on exactly in contraindication to what we said in the law? We should inflame this. Everyone in America should know that the value of life has just gotten less, not the value of the fetus, the value of the very woman undergoing abortion. Because now her life is going to be put at risk because somebody is going to try to capture a brain intact regardless if that is the best and safest indication for that woman.

So we do need to send the letters, and we are going to, from the Subcommittee on Health, I assure my colleagues. We are going to have an oversight. And we should as a body say, this is not right. This should stop. There are all sorts of unintended consequences occurring because this procedure is ongoing.

The reason the phone is disconnected is just like the phones were disconnected a month ago at another one of them, because when everybody finds out, they shut down and move somewhere else simply because they know it is not right, not right ethically, not right morally, and not right legally. So I am inflamed about it. I am upset about it. Because the purpose of the law, what their intent is, is to go completely around that.

I assure my colleagues that the Subcommittee on Health and the Oversight and Investigation Committee of the Subcommittee on Health of the Committee on Commerce is going to look at every aspect of this. And we already know what the answers are. We have had good undercover investigative reporting that has shown us the answers. But we are going to allow the people to give us the opportunity to do that.

I hope, in our heart of hearts, that as we protect abortion in this country, the first thing we do is protect the women undergoing the abortion.

Mrs. LOWEY. Mr. Speaker, will the gentleman yield?

Mr. COBURN. I yield to the gentlewoman from New York.

Mrs. LOWEY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I would just clarify my position since the gentleman from Oklahoma (Mr. COBURN) was directing his comments to me. I certainly respect his views on any issue. But my position was that I would respectfully suggest that the order in this House of Representatives is to have a hearing, to do an investigation, and not come to conclusions with the purpose of inflaming on the floor. I am delighted that they are going to have an investigation.

Mr. COBURN. Mr. Speaker, reclaiming my time, the purpose of the resolution is to raise the awareness of how foul, how dirty, how nasty, how abhorrent this is.

Ms. DEGETTE. Mr. Speaker, I am pleased to yield 2½ minutes to my colleague, the gentleman from New York (Mr. NADLER).

Mr. NADLER. Mr. Speaker, I thank the gentlewoman for yielding me the time.

Mr. Speaker, I rise to oppose this resolution. The proponents of this resolution are attempting to corrupt medical research with the politics of abortion. They are attempting to stall proper research to save lives to gain political advantage. I am not surprised, but I am disappointed.

The resolution is totally misleading, and that may in fact be its real purpose. Sale of body parts for profit, the resolution talks about. No one is going out selling body parts, arms, or legs for any purpose.

Researchers do use stem cells and tissue samples from the earlier stages of fetal development to promote research for the treatment of Alzheimer's disease and Parkinson's disease and diabetes and other serious medical conditions. This is potentially life-saving research that can save thousands and thousands of lives. It is intended to alleviate pain and suffering and to save lives.

But we do in the talk about that, we talk about selling body parts, which does not happen. We talk about having abortions to generate body parts, which does not happen. And again, I agree with the gentlewoman from New York (Mrs. LOWEY). This is backwards.

If the gentleman from Oklahoma (Mr. COBURN) thinks that some foul stuff, as he put it, is going on, that some foul deeds are being committed, have an oversight hearing, look into it, find out the facts first. Do not declare the facts first and then investigate. We do that too often in this House these days, and this is a prime example of it.

I do not think those foul things are happening. I think it is a concoction; I think it is propaganda to inflame debate to stop medical research into lifesaving techniques.

But if they are happening, let us find out; let us have a hearing. They will have a hearing. The gentleman says so. Fine. So why this resolution? This resolution is total demagoguery and ought to be rejected for the demagoguery it is. Let us have the hearings and find out the facts and then see what we ought to do, if anything.

Facts first. Action later. Demagoguery not at all.

Mr. FOSSELLA. Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania (Mr. PITTS).

Mr. PITTS. Mr. Speaker, I rise today to speak in support of this resolution which says very simply that the House should hold hearings on the commercial trafficking in baby body parts.

Here is the issue in a nutshell. Based on reliable reports, abortion clinics are selling parts of babies, and the older the better, to middlemen. Those middlemen, in turn, sell them to researchers. This means more money for the abortion clinic. Instead of the problem of disposing of dead bodies, now abortion clinics have a lucrative means of getting rid of the "unintended babies." This means money for the middlemen.

Just look at this price list that is duplicated, blown up from an article obtained from a national business which traffics in unborn baby body parts. Up here we see a liver, $150. But they can get it for $125 if it is from a younger baby, or they can get a 30 percent discount if it is "significantly fragmented." A spleen is $75. Pancreas, $100. This is their document. A thymus, $100.

Look at this. A brain, $999. Notice they even use marketing techniques in this gruesome big business, selling it for one dollar less than a thousand dollars to make it, I guess, a more attractive purchase. And again, if it is fragmented, and what a terrible way to describe a baby's injured brain from an abortion, they can get a 30 percent discount. Almost like, step right up, ladies and gentlemen, do you want a baby's ear? Seventy-five dollars, $50 if a baby is less than 8 weeks old. How about eyes? A pair of eyes $75; $40 for one eye. Skin, a baby in a second trimester, $100. Spinal cord, $325.

Mr. Speaker, I wish this gruesome price list were a cruel Halloween hoax, but it is not. It is the price list for human body parts from aborted babies.

It is almost like the bureaucratization of the Nazi's final solution hammered out in conferences and committed to legal documents, except now it is in the form of capitalistic price lists organized for commerce, sanitized for the grim reality which it is.

Mr. Speaker, I would like to draw attention to the job of one young woman. Let us call her Kelly. Kelly's job at the abortion clinic was one of retrieving body parts from dead bodies for abortion and shipping them for profit to researchers who requested them. Here is her testimony. Kelly said: "We had a contract with an abortion clinic that would allow us to go there on certain days. We would have a generated list of tissue that organizations were looking for. Then we would examine the patient charts.

"We only wanted the most perfect specimens that we could give. We were looking for eyes, livers, brains, thymuses, cardiac blood, cord, blood from liver, even blood from the limbs."

Kelly quit her job one day when an abortion doctor came in and brought in two babies, two 5½-month-old twins still moving. She could not take it anymore.

It is time the Congress begin oversight hearings on this death-dealing business. We need to begin tracing this money trail. The bill before us today does nothing more than call for hearings. It does not call for the elimination of trafficking. It does not require women to sign a consent form before their babies are sold for parts. It does not even prohibit Planned Parenthood or commercial middlemen from profiting. All it does is call for hearings. Surely, no one could reasonably oppose a hearing.

Let me anticipate one line of protest. Some will say that medical progress requires that we turn tragedy into a blessing for the living. Well, they are right. We must do all we reasonably can to erase human suffering. But the key is responsibility. We have a responsibility to the sick, the disabled, the children, the elderly.

Who among us does not have a loved one who suffers from some disease or ailment? But do not be fooled between false choices between medical research and no medical research. We have other options other than buying and selling dead children's body parts.

I urge Members to support this resolution.

And that's the issue we focus on today—not research—but the buying and selling of baby body parts for profit, for financial remuneration.

We can, we must, and we will do more to ease human suffering. But not at the ghastly price paid in dissecting babies, pricing their body parts, and distributing marketing lists.

The Nazis killed their unwanted children under the guise of the "Realm's Committee for Scientific Approach to Severe Illness Due to Heredity and Constitution." Transportation of the patients to killing centers was carried out by "The Charitable Transport Company for the Sick."

We should not join the Nazi's rationalization of unbounded research on the powerless to build a master race. No, we must not.

Mr. Speaker, I urge my colleagues to support this common sense non-binding legislation to call for congressional hearings on this issue.

Ms. DEGETTE. Mr. Speaker, I yield myself the balance of the time.

Mr. Speaker, certainly no one in this chamber would ever advocate the improper sale of "baby body parts" or of "fetal tissue." This is a very sensitive issue of medical ethics which is important for us to ensure is always being adhered to in the strictest way.

This issue, if there is an issue, even though no one has documented it, if there is an issue of improper sale of fetal tissue or of children or anything of that nature, the sponsor of the bill, the floor manager, the chairman of the Committee on Commerce, any Member of this House could have requested NIH to investigate those allegations pursuant to the statute. That has never been done to date.

They could have brought this issue up during the NIH authorization hearings, which the Committee on Commerce has jurisdiction over. That has not been done. They could have requested an oversight investigations hearing into these very deeply troubling allegations. That has not been done.

After looking at what has not been done, it becomes clear that this practice of bringing this issue to the House floor to demagogue it is improper. We should go through the committee process and decide whether, in fact, these practices are occurring. And if they are, we should stop them immediately.

No one would favor the sale improperly of fetal tissue or any other kind of tissue. But let us call this what it is. If there is an issue, let us have a hearing, let us investigate it, let us prosecute anybody who is breaking the law.

That is what we should be doing, not standing here in November as the session is winding down and raising it on the floor for the first time.

Mr. Speaker, I yield back the balance of my time.

□ 1145

Mr. FOSSELLA. Mr. Speaker, I yield myself 15 seconds. Again, as I stated at the outset, there are so many Members who rightfully and legitimately in their mind come to the floor to speak so passionately about saving the dolphins and saving the tigers and saving the whales. That may all be legitimate. I would just hope that they would feel the same way when it comes to the saving and sanctity of innocent human beings.

Mr. Speaker, I yield the balance of my time to the gentleman from New Jersey (Mr. SMITH).

The SPEAKER pro tempore (Mr. HOBSON). The gentleman from New Jersey is recognized for 3¾ minutes.

Mr. SMITH of New Jersey. Mr. Speaker, I rise in very strong support of H. Res. 350 and urge swift and extensive oversight into the question of trafficking in the bodies of unborn babies killed by abortion. Mr. Speaker, the House has not addressed this issue since 1993, when the NIH Revitalization Act was passed by this body. At that time, many of us were deeply concerned, and expressed it on this floor, that research using the shattered bodies of aborted babies could quickly lead to a greater number of abortions, particularly if the demand for their body parts grew among researchers. Those concerns appear to have been well founded.

I want to thank the gentleman from Colorado (Mr. TANCREDO) for offering this resolution and, as he pointed out earlier, it was a pro-life organization in Texas that compiled numerous documents about the horrific business of trafficking in baby body parts. The companies involved provide price lists for the individual parts. Let me read just some of those that are listed:

Liver, $150, but a 30 percent discount if significantly fragmented. Pancreas, under 8 weeks, $100. Ears, under 8 weeks, $75. Brain, under 8 weeks, $999, 30 percent discount if significantly fragmented. Intact trunk, with or without limbs, $500. Spinal column, $150. Skin, $100.

Mr. Speaker, this is almost too grotesque to imagine. Yet this is a real business and these are real babies, innocent children who have been deprived of their lives.

It is routine, Mr. Speaker, for pregnant women who are planning to abort their babies to be told that their children are nothing more than collections of cells or blobs of tissue. Yet these lists clearly give lie to that myth. Babies younger than 8 weeks have, as they point out on their price list, identifiable brains, livers, spleens, ears, and eyes, and they, as well as older babies, are being taken apart piece by piece, limb by limb, even skinned. Worst of all, there are profiteers waiting in the wings to make money from this tragedy by collecting and selling the pieces.

Among the questions that Congress must investigate, Mr. Speaker, is whether these private businesses are operating inside or outside the scope even of our current infirm law, and whether Federal law has the gaping loopholes that we suggested back in 1993 which allow these companies to claim significant payments for body parts as, quote, reasonable compensation for obtaining them.

We may also have to look at the clinics' financial interest, particularly where federally funded research is involved. When taxpayer funding of research using baby body parts was being defended 6 or more years ago, one thing that was said repeatedly was that these babies are already dead. The truth is, however, that they are not dead when a woman is asked to donate, and it may not even be true that the woman has decided to abort when she is presented with the prospect of handing over her baby's body parts for research purposes. And as we pointed out then, that may, among other factors, help tip the scale.

Mr. Speaker, many women are ambivalent about abortion, and the studies show that many are undecided even as they walk into the clinic doors. They hope to get objective counseling about their options, but abortion clinic employees, as we have known, are far from objective. Currently there is nothing in Federal law or regulations, and almost certainly nothing in the private sector, to prevent a so-called counselor from telling a woman who is undecided about abortion that if she decides to abort, some good can result if she donates her dead baby to research.

Mr. Speaker, as the gentleman from Colorado has pointed out to all of us, and again I want to salute him for bringing this to our attention, a woman who used to work for these middlemen has come forward to talk about their business arrangements with abortion clinics.

She has recounted that the abortion clinic would give her information on the women in the waiting room so that she could pick out the best candidates to fill their requests for organs and tissues, based on the women's medical history and stage or pregnancy. How farfetched is it to imagine that these women in particular were approached to get permission to dissect their babies bodies? The so-called safeguards in current law for federally funded research are inadequate in this area and need to be re-examined.

Mr. Speaker, the prospect of economic gain causes can poison even those practices established with the most benevolent intentions. Just yesterday there was a news story about concerns that have been raised over trafficking in human organs internationally for profit. A university professor who founded a group, Organs Watch, to investigate this, said "In the organs trade business, abuses creep in before you know it." The same abuses should be expected in the baby parts business.

I would be astounded if any Member of this body objected to this resolution. If the laws we have, and the enforcement of them, are so great, then hearings will bring that out. But if they are inadequate or are being ignored, then Congress should be made aware of that as well.

Mr. Speaker, the barest minimum that we can do is to have a full scale investigation into this and go wherever the leads may take us to try to stop this heinous practice.

I urge my colleagues to join me in voting "yes" on this important resolution. Let's let some light shine on this grisly business.

Mr. WAXMAN. Mr. Speaker, it's hard to escape the conclusion that this resolution—by its very name—is designed to attack and cast doubt on fetal tissue research.

First, let's be clear. The law that authorizes fetal tissue research, The NIH Revitalization Act of 1993, which I helped author, contains strong protections against the abuses alleged in this resolution. While we should be concerned if these protections are violated, this inflammatory resolution clearly means to whip up opposition to all fetal tissue research by substituting sound bites for facts. The facts are that fetal tissue research is subject to Federal, State and even local regulation. It is subject to informed consent. It is subject to audit by the Secretary of Health and Human Services. Violations of Federal protections are subject to criminal penalties.

Congress and the American public have already decided that fetal tissue research is both legal and ethical. It is crucial to women's health and reproductive research. It is enormously promising for Parkinson's disease, multiple sclerosis, Alzheimer's disease, Tay-Sachs disease and juvenile diabetes. It could help cure victims of stroke and brain cancer. We should always do appropriate oversight. But a resolution that talks about "baby body parts" is not the way to do it. This resolution uses rhetoric to conceal its attack on the hopes of Americans with Alzheimer's and MS. It resorts to linguistic tricks to mask its impact on American mothers seeking cures to genetic birth defects—mothers who could have healthier babies as a result of fetal tissue research.

I am very disappointed in the House. In the waning days of this Congress, we should be enacting the Patients Bill of Rights. We should be working on the Medicare drug benefit. But instead, once again, the House Republican leadership is kow-towing to its pro-life right-wing with misleading and sensationalist rhetoric.

I urge my colleagues to oppose the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. FOSSELLA) that the House suspend the rules and agree to the resolution, House Resolution 350.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

A motion to reconsider was laid on the table.

CONCURRING IN SENATE AMENDMENT TO H.R. 2280, VETERANS BENEFITS IMPROVEMENT ACT OF 1999, WITH AMENDMENTS

Mr. STUMP. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 368) providing for the concurrence by the House with amendments in the amendment of the Senate to H.R. 2280.

The Clerk read as follows:

H. Res. 368

Resolved, That, upon the adoption of this resolution, the House shall be considered to have taken from the Speaker's table the bill H.R. 2280, with the Senate amendment thereto, and to have concurred in the Senate amendment with the following amendments:

(1) Amend the title so as to read: "An Act to amend title 38, United States Code, to provide a cost-of-living adjustment in the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of such veterans.".

(2) In lieu of the matter proposed to be inserted by the amendment of the Senate, insert the following:

SECTION 1. SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES CODE.

(a) Short Title.—This Act may be cited as the "Veterans' Compensation Cost-of-Living Adjustment Act of 1999".

(b) References to Title 38, United States Code.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

SEC. 2. DISABILITY COMPENSATION.

(a) Increase in Rates.—Section 1114 is amended—

(1) by striking "$95" in subsection (a) and inserting "$98";

(2) by striking "$182" in subsection (b) and inserting "$188";

(3) by striking "$279" in subsection (c) and inserting "$288";

(4) by striking "$399" in subsection (d) and inserting "$413";

(5) by striking "$569" in subsection (e) and inserting "$589";

(6) by striking "$717" in subsection (f) and inserting "$743";

(7) by striking "$905" in subsection (g) and inserting "$937";

(8) by striking "$1,049" in subsection (h) and inserting "$1,087";

(9) by striking "$1,181" in subsection (i) and inserting "$1,224";

(10) by striking "$1,964" in subsection (j) and inserting "$2,036";

(11) in subsection (k)—

(A) by striking "$75" both places it appears and inserting "$76"; and

(B) by striking "$2,443" and "$3,426" and inserting "$2,533" and "$3,553", respectively;

(12) by striking "$2,443" in subsection (l) and inserting "$2,533";

(13) by striking "$2,694" in subsection (m) and inserting "$2,794";

(14) by striking "$3,066" in subsection (n) and inserting "$3,179";

(15) by striking "$3,426" each place it appears in subsections (o) and (p) and inserting "$3,553";

(16) by striking "$1,471" and "$2,190" in subsection (r) and inserting "$1,525" and "$2,271", respectively; and

(17) by striking "$2,199" in subsection (s) and inserting "$2,280".

(b) Special Rule.—The Secretary of Veterans Affairs may authorize administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

SEC. 3. ADDITIONAL COMPENSATION FOR DEPENDENTS.

Section 1115(1) is amended—

(1) by striking "$114" in clause (A) and inserting "$117";

(2) by striking "$195" and "$60" in clause (B) and inserting "$201" and "$61", respectively;

(3) by striking "$78" and "$60" in clause (C) and inserting "$80" and "$61", respectively;

(4) by striking "$92" in clause (D) and inserting "$95";

(5) by striking "$215" in clause (E) and inserting "$222"; and

(6) by striking "$180" in clause (F) and inserting "$186".

SEC. 4. CLOTHING ALLOWANCE FOR CERTAIN DISABLED VETERANS.

Section 1162 is amended by striking "$528" and inserting "$546".

SEC. 5. DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVING SPOUSES.

(a) New Law Rates.—Section 1311(a) is amended—

(1) by striking "$850" in paragraph (1) and inserting "$881"; and

(2) by striking "$185" in paragraph (2) and inserting "$191".

(b) Old Law Rates.—The table in section 1311(a)(3) is amended to read as follows:

"Pay grade rate	Monthly
E–1	$881
E–2	881
E–3	881
E–4	881
E–5	881
E–6	881
E–7	911
E–8	962
E–9	[1]1,003
W–1	930
W–2	968
W–3	997
W–4	1,054
O–1	930
O–2	962
O–3	1,028
O–4	1,087
O–5	1,198
O–6	1,349
O–7	1,458
O–8	1,598
O–9	1,712

O–10 .... [2]71,878

"[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 1302 of this title, the surviving spouse's rate shall be $1.082.

"[2] If the veteran served as Chairman or Vice-Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, at the applicable time designated by section 1302 of this title, the surviving spouse's rate shall be $2,013.".

(c) ADDITIONAL DIC FOR CHILDREN.—Section 1311(b) is amended by striking "$215" and inserting "$222".

(d) AID AND ATTENDANCE ALLOWANCE.—Section 1311(c) is amended by striking "$215" and inserting "$222".

(e) HOUSEBOUND RATE.—Section 1311(d) is amended by striking "$104" and inserting "$107".

SEC. 6. DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN.

(a) DIC FOR ORPHAN CHILDREN.—Section 1313(a) is amended—

(1) by striking "$361" in paragraph (1) and inserting "$373";

(2) by striking "$520" in paragraph (2) and inserting "$538";

(3) by striking "$675" in paragraph (3) and inserting "$699"; and

(4) by striking "$675" and "$132" in paragraph (4) and inserting "$699" and "$136", respectively.

(b) SUPPLEMENTAL DIC FOR DISABLED ADULT CHILDREN.—Section 1314 is amended—

(1) by striking "$215" in subsection (a) and inserting "$222";

(2) by striking "$361" in subsection (b) and inserting "$373"; and

(3) by striking "$182" in subsection (c) and inserting "$188".

SEC. 7. EFFECTIVE DATE.

The amendments made by this Act shall take effect on December 1, 1999.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Arizona (Mr. STUMP) and the gentleman from Illinois (Mr. EVANS) each will control 20 minutes.

The Chair recognizes the gentleman from Arizona (Mr. STUMP).

GENERAL LEAVE

Mr. STUMP. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on this measure.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. STUMP. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a clean bill providing a cost-of-living adjustment to disabled veterans and surviving spouses. The other provisions in the House-passed bill are part of an ongoing conference between the House and the Senate and we hope to have a report on that by tomorrow.

Mr. Speaker, I reserve the balance of my time.

Mr. EVANS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I salute the gentleman from Arizona (Mr. STUMP), the chairman of the committee, for his efforts to ensure a timely and accurate cost-of-living adjustment of 2.4 percent which will be provided to our Nation's service-connected disabled veterans and their dependents and survivors who are in receipt of compensation and DIC benefits. This increase in benefits will be reflected in payments beginning January, 2000. Mr. Speaker, this measure deserves the support of every Member of the House. I urge my colleagues to support the bill.

Mr. Speaker, I yield back the balance of my time.

Mr. STUMP. Mr. Speaker, I yield myself such time as I may consume.

I want to thank the ranking member of the Committee on Veterans' Affairs for all his work on this provision as well as the gentleman from New York (Mr. QUINN), the chairman of the subcommittee, and the gentleman from California (Mr. FILNER), the ranking member, and urge all Members to support this COLA, cost-of-living increase, for our veterans.

Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. FOLEY).

Mr. FOLEY. Mr. Speaker, I thank the gentleman from Arizona for his hard work on this issue and obviously for recognition of all veterans. We are getting ready certainly to celebrate Veterans Day this year. I think it is incumbent upon us when we are considering the needs of the United States of America, we prioritize those that have fought valiantly for the freedoms that we all enjoy.

It is one of the unique things, having come to Congress and being able to speak on the floor and advocate for constituents from the 16th District, to realize many of those fundamental opportunities have been given to us because of the fight the veterans made in previous conflicts. I think it is incumbent especially as well to recognize that years and years ago I remember the veterans were told that they would have to wait for their cost-of-living, we have to make budgetary matters first and we have got to balance the books and do all these other things.

I think the gentleman from Arizona prioritizes the fact that veterans should not be treated any differently than any other citizen, that if there are cost-of-living benefits going to employees of the Federal Government, to Social Security recipients, that they should also be included for those disabled, those veterans and other groups.

I want to strongly urge obviously my colleagues' consideration of this measure but also once again to underscore the fact that very few of us would be able to speak freely in this Chamber had it not been for the valiant effort of men and women who have sacrificed, men and women who have gone to theaters around the globe to protect freedom here and abroad.

Mr. STUMP. Mr. Speaker, I thank the gentleman for his remarks.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arizona (Mr. STUMP) that the House suspend the rules and agree to the resolution, House Resolution 368.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

A motion to reconsider was laid on the table.

REAUTHORIZING THE PRINTING OF CERTAIN PUBLICATIONS

Mr. MICA. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 221) authorizing printing of the brochures entitled "How Our Laws Are Made" and "Our American Government", the pocket version of the United States Constitution, and the document-sized, annotated version of the United States Constitution.

The Clerk read as follows:

H. CON. RES. 221

Resolved by the House of Representatives (the Senate concurring),

SECTION 1. PRINTING OF DOCUMENTS.

(a) IN GENERAL.—Each of the documents referred to in section 2 shall be printed as a House document, in a style and manner determined by the Joint Committee on Printing.

(b) ADDITIONAL COPIES FOR HOUSE AND SENATE.—There shall be printed for the use of the House of Representatives and the Senate an aggregate number of copies of the documents printed under subsection (a) not to exceed the lesser of—

(1) 2,200,000; or

(2) the maximum number of copies for which the aggregate printing cost does not exceed an amount established by the Joint Committee on Printing.

SEC. 2. DOCUMENTS DESCRIBED.

The documents referred to in this section are as follows:

(1) The 1999 revised edition of the brochure entitled "How Our Laws Are Made".

(2) The 1999 revised edition of the brochure entitled "Our American Government".

(3) The 20th edition of the pocket version of the United States Constitution.

(4) The 1999 edition of the document-sized, annotated version of the United States Constitution.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida (Mr. MICA) and the gentleman from Maryland (Mr. HOYER) each will control 20 minutes.

The Chair recognizes the gentleman from Florida (Mr. MICA).

Mr. MICA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today I come before the House to present this House Concurrent Resolution 221, which authorizes the printing of brochures entitled

"How Our Laws Are Made" and "Our American Government," the pocket version of the United States Constitution, and the document-sized annotated version of the United States Constitution.

Very often when I come to the floor, I always like to cite what I consider the most important document that rules the governance of our country and really sets forth the pattern of organization for the Congress. Our Constitution details those responsibilities under that great document, and it is important that our Committee on House Administration as one of its responsibilities in administering the House of Representatives makes certain that these publications be made available.

Each time we have young people visit the United States Capitol, I try to make pocket editions available to them so that they have a better understanding of how our government operates, what their responsibilities are under that great document as a citizen, and also how our government works. Most young people today do not have an awareness of the Constitution and basically how our government functions. That is unfortunate. Sometimes it is the failure of education. Not only do our schools and parents and communities have a responsibility but we as a Congress have that responsibility. And also it is important that the Committee on House Administration, charged with running the House of Representatives, insures that these important documents are published.

The last time two of these documents were printed was during the 102nd Congress. The other two were printed during the 105th Congress. The pamphlet-sized publication of the Constitution has a revision to the foreword by the gentleman from Illinois (Mr. HYDE), our distinguished chairman of the Committee on the Judiciary. The Parliamentarian has also provided revisions to "How Our Laws Are Made," and the Congressional Research Service has provided revision to the document "Our American Government."

I would also notify Members of the House, Mr. Speaker, that each Member and Senator will receive 1,000 copies of each of these publications and an opportunity to acquire additional copies. They will be made available at an additional cost to the Members, and can be distributed to their constituents.

These are important documents. It is an important responsibility of the House of Representatives to make certain again that our young people and our citizens have the basic tools and documents of government available to them, somewhat of a mundane responsibility but an important one that we are taking that up. I am pleased to take up this responsibility today on behalf of the gentleman from California (Mr. THOMAS), who chairs the Committee on House Administration.

Mr. Speaker, I reserve the balance of my time.

□ 1200

Mr. HOYER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this resolution which, as the gentleman from Florida has so aptly pointed out, provides for authority to reprint four documents of particular interest. Those of us who have been around the Congress for most of our adult lives, either as students working here, as interns, or as Members and anything in between, know that although this seems like a mundane responsibility, authorizing the reprinting of four documents and the provision of copies to Members and to the public is a profound action.

It is profound because these documents are so profound. These documents have had a tremendous impact on not only the citizens of the United States, but, I would suggest, a great impact on all the world. I remember, as I am sure the gentleman from Florida remembers, when Vaclav Havel, the President of the Czech Republic, stood at the rostrum in front of the Speaker, and spoke about the emergence of Czechoslovakia from behind the Iron Curtain into freedom, both politically and economically, and democratically. He observed that two of the documents, the Declaration of Independence and the Constitution, impelled the movement in Czechoslovakia from behind the Iron Curtain. Havel spoke dramatically about human rights, political rights, civil rights, and economic rights.

It is critically important that every American student, every American adult be familiar with the source documents of our Nation which articulate our principles and outline how we accomplish democracy, how we debate and resolve differences of opinion, how we, as minority leader often observes, substitute debate on this floor for bullets on a battlefield.

Debate is, in fact, the substitute for violence; it is the way we in America have, since the Civil War resolved our differences without bloodshed. It is a lesson for all the world, but particularly a lesson for our own people. The reprinting of these documents will provide a ready supply for Members to distribute and for the public to access.

So I join the gentleman from Florida (Mr. MICA) in supporting this very important resolution. I support him in his observations with reference to having available not only the pocket Constitution, but the annotated Constitution as well for the public and for Members so that we better understand the genius of our Founding Fathers and the contribution that American democracy makes to all the world.

Mr. Speaker, I yield back the balance of my time.

Mr. MICA. Mr. Speaker, I yield myself the balance of the time.

I am pleased to join with the gentleman from Maryland (Mr. HOYER), who is the ranking member on the Committee on House Administration to support this resolution, a simple task for the Congress this afternoon to print copies of the Constitution and some other documents and to be made available to the public and Members.

In closing, I heard the gentleman from Maryland comment about Vaclav Havel and his presentation before the Congress. I was a Member of Congress at the time, but I sat as a guest in the House gallery; and I will never forget that infamous commentary by Mr. Havel who said just days ago he had been incarcerated in a prison and now he was addressing Congress. That event was particularly meaningful to me because my grandfather came from Slovakia which was part of the Czechoslovak Republic in 1989 when thousands and thousands of people took to the street in the beginning of the Velvet Revolution, and as we pass this small housekeeping resolution here to make these copies of our precious democratic documents available, we remember and commemorate today the fall of the Berlin Wall and basically the fall of Communism.

It is through the documents that we are authorizing the publication of today that we have extended to the world our framework of government. These documents have been the cornerstone for providing a guide post for these people who have brought their nations out of the ages and decades and decades of darkness.

Last night I had the opportunity to attend a dinner with the Czech and Slovak prime ministers and their ambassadors here as they celebrated. They had met with the President and other officials celebrating the 10th anniversary of their having gained freedom. Again, those documents that we provided offered encouragement. Programs that the United States promotes such as this help extend democracy, promotes freedom and opportunities, and provide the framework of government outlined by the Constitution to others. Today we see those results and it does give us a great sense of satisfaction.

It gives me, in closing, a great sense of satisfaction to work in a bipartisan manner with the gentleman from Maryland and our chairman, the gentleman from California (Mr. THOMAS), in asking the House of Representatives to pass this concurrent resolution of the House, House Concurrent Resolution 221 at this time.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. HOBSON). The question is on the motion offered by the gentleman from Florida (Mr. MICA) that the House suspend the rules and agree to House concurrent resolution, H. Con. Res. 221.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 1714, ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT

Mr. DREIER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 366 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 366

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 1714) to facilitate the use of electronic records and signatures in interstate or foreign commerce. The first reading of the bill shall be dispensed with. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Commerce. After general debate the bill shall be considered for amendment under the five-minute rule. In lieu of the amendments recommended by the Committees on Commerce and the Judiciary now printed in the bill, it shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule an amendment in the nature of a substitute printed in the Congressional Record and numbered 1. That amendment in the nature of a substitute shall be considered as read. No amendment to that amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. The Chairman of the Committee of the Whole may: (1) postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment; and (2) reduce to five minutes the minimum time for electronic voting on any postponed question that follows another electronic vote without intervening business, provided that the minimum time for electronic voting on the first in any series of questions shall be 15 minutes. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute made in order as original text. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from California (Mr. DREIER) is recognized for 1 hour.

Mr. DREIER. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Dayton, Ohio (Mr. HALL), my very good friend; and pending that I yield myself such time as I may consume. All time that I will be yielding will be for debate purposes only.

Mr. Speaker, this rule provides for the consideration of a bill, H.R. 1714, that is critically important to consumers in our 21st century information-age economy. It is also appropriate that we consider this legislation on the heels of last week's passage of S. 900, the Financial Services Modernization Act.

As significant as S. 900 is to bringing our financial services laws up to date with the realities of the current marketplace, H.R. 1714 will actually do more to empower consumers of financial products and other goods and services and establish the framework for competition in the emerging electronic marketplace. For this I applaud the efforts of the gentleman from Virginia (Mr. BLILEY) to move this legislation forward.

This is a structured rule providing for 1 hour of general debate, divided equally between the chairman and ranking minority member of the Committee on Commerce. The rule makes in order as an original bill for the purpose of amendment the amendment in the nature of a substitute printed in the CONGRESSIONAL RECORD and numbered 1. That amendment in the nature of a substitute is identical to the bill which on November 1 fell just three votes short of the two-thirds majority necessary for passage of a measure under suspension of the rules.

The rule provides for consideration of only the two amendments printed in the rules report, as the Clerk just gave us, which may be offered only in the order printed in the RECORD, may be offered only by the designated Member, shall be considered as read, shall not be divisible, and shall be debated for 30 minutes, equally divided and controlled by a proponent and an opponent.

The first amendment is the bipartisan Inslee-Eshoo-Smith-Dooley-Moran-Roukema amendment, which I urge my colleagues to support. It preserves all Federal and State consumer protection laws and actually creates new consumer rights in the area of electronic commerce.

The second is a gutting amendment offered by Representatives DINGELL, CONYERS, LAFALCE and GEPHARDT which, if adopted, will leave all consumers to ponder the question: Why did I just spend $1,200 on a computer? Now, think about it, Mr. Speaker. The scale of electronic commerce is undergoing dramatic change as a result of the Internet, networking and communications technology, and the expansion of computer memory and storage capabilities. Computer-to-computer communication is increasingly being used to initiate and execute a substantial and growing number of personal business and financial transactions.

Enactment of this E-SIGN bill will transform the way we work, the way we are educated, the way we contract for goods and services, and the way we are governed. It will make it easier for people using just a computer and a modem to pay their bills, apply for mortgages, trade securities and purchase goods and services without ever leaving the confines of their homes or offices.

□ 1215

But the consumer revolution that would be unleashed by this bill may never see the light of day if the Dingell-Gephardt amendment is adopted. So I am going to once again urge my colleagues to oppose that clearly anti-consumer amendment.

Mr. Speaker, my State of California is home to many of the companies that produce the technologies that are shaping the global electronic marketplace. In talking with business leaders in the fields of technology and finance, I am convinced that the promise of electronic commerce will never be fully realized without the establishment of a clear, uniform national framework governing both, and I emphasize both, digital signatures and records.

This is one of the most important economic challenges facing Congress, as our country transitions into our 21st century Information Age economy. With H.R. 1714, businesses and consumers can be confident that the transactions we engage in electronically are both safe and secure. This bill addresses this challenge in a way that ensures that competition and consumer choice remain the hallmarks of the emerging global electronic marketplace.

Mr. Speaker, this bill is one that is deserving of bipartisan support, as was evidenced in the suspension vote, although, as I said, we were just three votes short of what we needed to pass it. So I assume that the rule will sail right through and the bill, with only the amendment of the gentleman from Washington (Mr. INSLEE), will sail through, too.

Mr. Speaker, I urge my colleagues' support of both, and I reserve the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a restrictive rule which will allow for the consideration of H.R. 1714. As my colleague, the gentleman from California, has explained, this rule provides 1 hour of general debate, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Commerce.

This restrictive rule will permit only two /AELDZ to the base text. No other amendments may be offered. Mr. Speaker, electronic commerce has become part of our life for millions of Americans who use the Internet to conduct business. Congress needs to update our laws so that buyers and sellers can take better advantage of the new technology. One such change is to give electronic signatures and contracts the same legal force as written signatures and contracts.

In concept, this change has broad support on both sides of the aisle and on both ends of Pennsylvania Avenue. This positive development would encourage electronic commercial activity and benefit both business and consumers.

Unfortunately, this bill goes beyond electronic signatures and contracts. It contains controversial provisions preempting State laws that require maintaining certain written records. It contains provisions opposed by consumer groups that would permit electronic notices and disclosures to be substituted for written notices. For these reasons, the bill failed to achieve the necessary two-thirds vote when it was considered earlier this month under suspension of the rules.

This restrictive rule we are now considering does make in order an amendment offered by the gentleman from Michigan (Mr. DINGELL), the gentleman from Michigan (Mr. CONYERS), the gentleman from New York (Mr. LAFALCE), and the gentleman from Missouri (Mr. GEPHARDT), which will remove the controversial provisions of the bill and leave much needed language dealing with electronic signatures and contracts.

The rule also makes in order a bipartisan amendment that contains a number of consumer protections. The House is not served by rules which restrict the amendment process on legislation so important to the Nation's commerce. However, the two amendments which are made in order will give Members the opportunities to make meaningful changes to the bill.

Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. LOFGREN).

Ms. LOFGREN. Mr. Speaker, I am very pleased that the rule makes in order the amendment offered by the gentleman from Washington (Mr. INSLEE), along with the gentlewoman from California (Ms. ESHOO), myself, and several other individuals, which strengthens and I believe solves the consumer protection issues that were of concern to some Members.

Specifically, on the third page of the amendment, and I will quote, the amendment would provide that "Nothing in this Act affects the content or timing of any disclosure required to be provided to any consumer under any statute, regulation, or other rule of law." I think that is about as broad as we can get in terms of making sure that consumer protection statutes are undisturbed by this electronic signature act.

It is my understanding that the chairman of the Committee on Commerce is disposed to favor this amendment, and I think that shows the bipartisan effort that has been underway to make sure that this electronic signature act does become law. The other important provision of the bill guarantees the consumers the right to opt into electronic records, and really an astoundingly broad provision that allows the consumer to withdraw his or her consent at any time.

So I think this is a light touch in terms of regulation, but there is a need for consistency and a general scheme for electronic commerce, as we all know.

I am hopeful that Members will read the language of the Inslee amendment, along with the underlying bill, so they can assure themselves, as I have been assured, that this is a fair measure that will promote e-commerce and will do no harm to other important issues. Please do read the amendment, instead of just listening to the arguments.

Mr. HALL of Ohio. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. HASTINGS of Washington. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I just wanted to say very briefly that this is a bill that clearly moves us forward and recognizes e-trade and so forth. With that, I would urge the Members to support the rule and the underlying legislation.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BLILEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous matter on H.R. 1714.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT

The SPEAKER pro tempore. Pursuant to House Resolution 366 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1714.

□ 1226

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1714) to facilitate the use of electronic records and signatures in interstate or foreign commerce, with Mr. BONILLA in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Virginia (Mr. BLILEY) and the gentleman from Michigan (Mr. DINGELL) each will control 30 minutes.

The Chair recognizes the gentleman from Virginia (Mr. BLILEY).

Mr. BLILEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, last Monday the Committee on Commerce brought H.R. 1714, the Electronic Signatures in Global and National Commerce Act, to the floor under suspension of the rules.

Unfortunately, H.R. 1714 fell just four short votes of passage. The Clinton administration and minority leadership of this body mounted an intense lobbying campaign against the bill. We were proud of the number of votes that we were able to achieve in support of the bill, and we return to the House floor this week with the identical bill that was considered last Monday.

We remain confident that H.R. 1714 is strong legislation that helps to facilitate e-commerce in the new economy. This bill is perhaps the most important pro-technology vote that this Congress will take. It should not fall prey to partisan battles.

The Committee on Commerce unanimously, Mr. Chairman, unanimously voted this bill out of the committee this summer with support from both sides of the aisle. Since that time, we have worked closely with the minority leadership of the committee to craft the additional consumer protection provisions that appear in the bill considered last week and remain in the bill today.

We believe those negotiations to be fair and worthwhile, and were disappointed to learn for the first time on the floor last week that the minority did not feel the same. These important new provisions offer consumers strong protection in the electronic world. They require consumers to opt in if they wish to receive their documents in electronic form.

Let me repeat, nothing, nothing in this bill requires consumers to receive documents electronically against their wishes. Further, the bill requires that all consumers must receive important notices that may affect health or safety in the traditional paper form. This includes notices of such as the termination of utility service, cancellation of health benefits or life insurance, and foreclosure or eviction from a residence.

I would like to take this opportunity to rebut some of the charges and unfounded attacks that were made by my colleagues across the aisle when this bill was brought to the floor last week.

We heard that under H.R. 1714, consumers would be forced to accept electronic documents, even if the consumer did not have a computer or an e-mail account.

□ 1230

We also heard that 1714 will sweep away Federal and State consumer protection laws. These claims, Mr. Chairman, are completely false.

As I have said many times previously, consumers must have safety, security, and privacy on line or they will not accept this new technology. H.R. 1714 provides on-line consumers with a confident assurance that their on-line transactions will be secure and that they will continue to receive the same consumer protections as consumers purchasing a product at a local shopping mall.

We also heard, much to my surprise, claims that the process for considering H.R. 1714 was unfair. First, it was claimed that the bill had been substantially changed since the minority had last seen it. In fact, it was even charged that the consumer protections in the bill had been removed. This is simply untrue.

We provided the minority with a copy of the text of H.R. 1714 before it came to the floor, and with minor exceptions that strengthen consumer protections, it was identical to the bill that they had agreed to just days before. The only real change was that the minority leadership had called a meeting with a number of Committee on Commerce Democrats in which they were told to stop cooperating with the majority, so we had the instance of politics overriding substance.

Mr. Chairman, there were also charges that the bill was brought to the floor too quickly. Again, such a claim is false. H.R. 1714 was approved by the Committee on Commerce unanimously by voice vote on August 5. We filed our report on September 27. The bill was originally scheduled to come to the floor on October 18, but I asked it to be withdrawn so that we could continue to negotiate with the minority.

The bill brought to the floor on November 1 was the product of 2 weeks of negotiations with the minority. This can hardly be considered rushing legislation to the floor. Some have said that all that was needed was one more day of negotiations. To that I say we have given the minority 14 days of negotiations.

Any charges that the majority acted in bad faith are simply incorrect. I gave the minority every opportunity to provide input from before the bill was introduced to right up until the bill came to the floor. I think our negotiations were very successful. In fact, key consumer protections in the bill, Mr. Chairman, were the result of our negotiations with the minority.

Unfortunately, at the last minute the minority leadership decided they had to block this legislation. They had to keep Republicans from passing an important pro-technology bill that enjoys unanimous support, unanimous support in the technology community.

I would also like to touch on one more important consumer issue that has been little discussed until now. Electronic signature technologies provide consumers with much more assurance that their transactions and communications will take place in a safe, secure and private environment. The encryption capabilities that are used to protect such valuable signatures offer much greater protection than ever possible in the traditional paper world.

Electronic signatures provide a level of authentication that far surpasses the ink signature that has come to be the accepted standard. Moreover, H.R. 1714 makes it possible to have seamless and efficient processing of electronic signatures records. Electronic transactions have much less chance of human error, and provide for more reliable retention after the initial transaction takes place.

Critics have argued that this bill should not apply to records. In fact, they want to severely narrow the bill's scope to delete records. This would be a shame and I could not support it. Records are an important component in electronic commerce transactions. Consumers will benefit from the use of electronic records and we should provide the legal framework to allow their use and acceptance.

The world is moving towards a paperless society and we cannot sit back and ignore reality as some would like us to do. A proper course of action is to address records by adding appropriate consumer protections like we have done in H.R. 1714.

Mr. Chairman, the 105th Congress was credited with passing monumental legislation to help facilitate E-commerce. This vote is perhaps the most critical one that the 106th Congress will consider to continue the growth and success of the digital economy. If Members support the U.S. high-tech industry, they will vote "yes" on this bill. A vote in support of H.R. 1714 is a vote to support providing consumers with greater security in on-line transactions. It is a vote in support of allowing business to provide new and innovative services on line.

Mr. Chairman, I understand that an amendment will be offered today by a number of my colleagues, including the gentleman from Washington (Mr. INSLEE), the gentlewoman from California (Ms. ESHOO), the gentleman from Virginia (Mr. MORAN) and the gentlewoman from California (Ms. LOFGREN). This amendment further clarifies the important consumer protections that are included in this bill. I thank the gentleman from Washington (Mr. INSLEE) and his colleagues for their constructive work on this amendment and recognize that he and several other Members of his party have made valuable contributions to this process, instead of trying to undermine it.

Mr. Chairman, I will support this amendment and I ask that all Members of the House do the same. I urge my colleagues to rise above partisan politics and support H.R. 1714.

Mr. Chairman, in September, the Banking Committee raised with the Commerce Committee the need to make clear that the "the autonomy of parties" provision of the reported version of H.R. 1714 was not intended to limit the authority of the Federal banking agencies to impose and enforce minimum safety and soundness standards for the use of electronic signatures and records by entities they regulate. I want to assure the Banking Committee today that the language in Section 103(a)(4) of the modified text before us this afternoon was drafted so as to accommodate those concerns. Nothing in this bill should be interpreted to interfere with the authority of federal banking agencies to impose and enforce minimum safety and soundness standards for the use of electronic signatures and records by entities they regulate.

Mr. Chairman, I reserve the balance of my time.

Mr. DINGELL. Mr. Chairman, I yield myself 6 minutes.

Mr. Chairman, I want to express considerable affection and respect for the gentleman from Virginia (Mr. BLILEY), my good friend and the chairman of the committee. But I want to observe that he is in error on a number of important points.

First of all, we did have 2 weeks of negotiation and we were making good progress. Second of all, the gentleman from Virginia terminated the discussions and brought the bill to the floor without completing the negotiations. I would observe we were making good progress. I would observe we could have made further good progress and we could have a bill which could pass unanimously. Regrettably, we do not because there are important consumer protections which are missing from this bill.

The haste is charged up to partisanship. Well, that might perhaps tell more about the author of that statement than it does about anybody else. In point in fact, our concern here is protecting consumers and I will address that question as I go forward in my statement.

Mr. Chairman, I also would observe something else and that is that there is no magic to completing this legislation now, nor is there magic in completing it within 14 days. Completing legislation well in a fashion which serves the interests of all parties, those who would engage in electronic commerce and those who would be consumers and customers of those who engage in electronic commerce, is in the best traditions of this institution.

Now, Mr. Chairman, I would observe something else. The future of the American economy depends upon our making this new form of conducting business a success, one which can be accepted by all and which can be regarded as being fair indeed to all. Unfortunately, the bill before us contains major flaws that harm consumers, and I regret that the gentleman from Virginia did not give us more time in which to complete those matters.

Regrettably, I therefore must oppose the bill in its current form. The gentleman from Virginia (Mr. BLILEY) did work closely with the minority to correct some of the deficiencies. I regret, however, that gaps remain, some of which are indeed serious.

It is interesting to note that many of the companies recommending and representing the high-tech community do not oppose the consumer protections which we think should be included. Regrettably, a small but nevertheless important minority of business interests continues to oppose consumer protections in any form. Those are not, regrettably, people in the electronic commerce business. Those are simply people in the financial interests of this country which want to have it all their way, and I can sympathize with my friend from Virginia in dealing with such an obdurate lot.

An amendment today which will be offered will seek to improve the legislation, and I commend the authors of the legislation, the gentlewoman from California (Ms. ESHOO), the gentleman from Washington (Mr. INSLEE), and others. Unfortunately, the amendment would improve certain aspects of the bill but, unfortunately, it still falls short.

The Bliley bill, even with the Inslee amendment, would harm consumers in several ways. First, it would not require any notice, conspicuous or otherwise, that consumers are entitled to receive certain records in writing under existing law. Before choosing to receive these documents electronically, I believe consumers should be given specific notice as to what existing rights they are giving up. Regrettably, the Bliley bill leaves consumers in the dark on this matter.

Secondly, the opt-in provision as currently structured in the bill before us would allow all sorts of dissimilar records to be bundled together giving, at best, confusion to the consumers and would require them to essentially take an all-or-nothing approach in which records they agree to receive electronically.

Clearly, there are records and records, and clearly they should and can be easily treated differently by the consumers and the purchasers.

In effect, an on-line merchant could require consumers to take it or leave it, thereby defeating the will of the parties, and especially the consumers, to receive some records electronically, but not others that they would prefer to receive in a traditional form.

Finally, the bill would allow merchants to vitiate contracts entirely if consumers do not agree to opt in to receiving records electronically. That is not an option. In the law it is called a "contract of adhesion" and in a word it is a contract which is not equal and in which the parties are not equal parties to a contract.

Clearly, if we are seeking to improve the attitude of consumers and to earn their trust, this is not the way that the matter should be handled. The administration shares these concerns and strongly supports the substitute which I will offer today with the gentleman from Missouri (Mr. GEPHARDT), the gentleman from Michigan (Mr. CONYERS) and the gentleman from New York (Mr. LAFALCE).

The administration has additional concerns, as do I, concerning the effect of this bill in on-line transactions. For these reasons I urge a "no" vote on H.R. 1714 and urge my colleagues to support the substitute which has been made in order by the Committee on Rules.

The substitute would take an important first step, fully recognizing the validity of electronic signatures in contract law. That is good. The legislation will give Congress the additional time to explore the effect on consumers of the new electronic contract laws to the myriad of important records and documents that accompany these agreements. It also would avoid stomping on the actions of legislatures in having created and in addressing contract problems, as they have traditionally done under the historic laws of the United States, wherein the matters of ordinary commerce are dealt with by the several States and dealt with well, indeed, under things like the Uniform Commercial Code.

Mr. Chairman, I see no reason for supplanting the knowledge, reason, and expertise and the traditions which have vested in the legislatures the ability to address these questions by adding a whole new array of changes which may or may not be in the consumers' interest and may not be in the interest of business in the United States and which clearly are opposed by consumer groups and by the administration.

Mr. Chairman, I ask unanimous consent to yield 15 minutes of my time to the distinguished gentleman from Michigan (Mr. CONYERS) to control as he sees fit.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Mr. Chairman, I reserve the balance of my time.

Mr. BLILEY. Mr. Chairman, I yield 3½ minutes to the gentleman from Louisiana (Mr. TAUZIN).

Mr. TAUZIN. Mr. Chairman, I thank the gentleman from Virginia (Mr. BLILEY), chairman of the Committee on Commerce, for yielding me this time. I particularly want to commend him for this legislative effort and, like him, I want to thank particularly the gentlewoman from California (Ms. ESHOO) of our committee who has done such great work over the years in helping to develop an electronic signature bill for the E-commerce age, and the gentleman from Washington (Mr. INSLEE) and others for working with the chairman of the committee in offering a very helpful amendment that we are going to hear about later today.

Mr. Chairman, let me first say that this bill obviously has the support of an incredible array of business groups, including the United States Chamber, which is going to score this as one of our major votes this year because business sees this, of course, as a major step forward in the development of electronic commerce for our country and our country's economy.

But I want to speak more importantly about the impact of this E-SIGN bill on consumers. I think we all agree that consumers are the backbone of the electronic commerce model. If consumers do not feel comfortable, if they do not feel at ease with this new technology, then they are going to lose confidence in the growing electronic commerce of our country and the world, and that is certainly a result no one wants.

I understand, Mr. Chairman, that over 10 million Americans are going to join in the electronic commerce revolution this Christmas and make purchases for their Christmas gifts over the Internet.

□ 1245

But as more and more consumers come to use the Internet and the electronic commerce, this E-SIGN bill is going to become more and more important. This bill strikes, I think, the right balance. It recognizes that we are moving toward electronic transactions and then allows many types of transactions to take place over the Internet while, at the same time, it continues to provide the protections that consumers have been accustomed to in the world of paper and written checks and contracts, and in the analog world itself.

H.R. 1714, which I was very pleased to join the gentleman from Virginia

(Chairman BLILEY) in sponsoring in its onset, recognizes that there are important State and Federal laws that protect consumers today such as the requirement that consumers be provided copies of important documents such as warrants, notices, and disclosures.

This bill recognizes and retains these important consumer protection laws and develops a system whereby consumers can choose to accept electronic versions of the documents and then receive them electronically. Understand, consumers choose to do so.

It furthermore provides that consumers must separately and affirmatively opt in and consent to receiving important documents electronically and then must be assured that those documents can be retained for future use. That is why this bill has the right balance, good for business, good for consumers.

Let me say a word in opposition to the substitute that we will see. The substitute would apply only to contracts.

Let me give an example of what the substitute will miss. Today we spend almost $4 billion handling paper checks with an electronic commerce world; $4 billion could be saved for consumers if, in fact, we could literally bank electronically without the necessity of all this paper. Imagine all the weight this paper has in the transport industries as cargo on planes. If one eliminates all that paper in our lives and in the shipment and cargoes and transportation, those kind of savings are ours if we reject the substitute and stick with the main bill.

Mr. CONYERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to begin by thanking the gentleman from Michigan (Mr. DINGELL), dean of the House and the ranking member of the Committee on Commerce, for sharing the time in general debate with the Committee on the Judiciary that I represent on this side.

Now, Mr. Chairman, we all know there are millions of Internet users and millions of consumers, and that this number increases daily. It has been said here earlier, electronic commerce is the future of our economy. As more and more people buy and sell merchandise on-line, we find that e-commerce has made life easier for people as well as improved our overall economy by making shopping and other commercial transactions far more convenient.

I want to enact Federal legislation that would facilitate electronic signatures and make e-commerce more robust. We need to ensure that contracts are not denied validity that they otherwise would have simply because they are in electronic form or signed electronically.

Now, if the measure before us did this without doing violence to our most cherished and long-fought consumer protections, I would be supporting it without reservation. Now, especially with the recent decision in the Microsoft case, which suggests that a high-tech giant may not always be friendly to consumers, it makes it even more important than ever that consumers have confidence in the Internet and that they believe it is friendly and a friendly place to do business. This is critical to the future of this whole industry.

It is only when consumers have confidence in on-line transactions that it will become the vibrant marketplace that it can be. The high-tech community should not let itself be hijacked by security firms or banks or the insurance industry whose history with respect to consumers has not always been what we would wish it to be. The on-line community should be in the forefront of consumer protection. Instead, they are being dragged backwards by special interests.

That is where I hope that I may be able to be of some small help in this debate, because this measure, as it is written, goes far beyond the needs of the vast majority of on-line businesses. H.R. 1714 has become an 11th hour grab bag for our special interests to hurt consumers by undermining critical laws that require notice of rights and that prevent unscrupulous business people, of which, unfortunately, there are some, from cheating unsuspecting customers.

Because of the special interests overreaching, what started as an uncontroversial bill to validate electronic signatures and contracts has turned into a battle over the electronic records of every type imaginable. Let us try to rescue this measure from that kind of a result.

So for this reason, instead of considering a bill that should be a win-win situation, both for consumers and e-commerce, we are now being pressured into voting on a bill that pits the opportunities of one against the rights of the other.

It is, therefore, no surprise that the bill is opposed by our administration. It is opposed by consumer groups. It is opposed by the National Conference of State Legislatures and the United Automobile Workers and many others.

So what we have here is, unfortunately, a very good idea that has attached to it provisions that undermine consumer protection laws that would require notice, warranties, and disclosures to be in writing because it permits consumers to unwittingly click away many of these rights.

For example, critical notices regarding the cancellation or change in terms of insurance agreements or a change in the interest rate or the service or the change of a servicer of a mortgage, of recall notices, and other warranty information could be sent electronically or posted on a Web site regardless of whether the person owns a computer, which it may not come as news to you, many people do not, or whether the consumer has an e-mail account, which they may not, or whether they know how to navigate the World Wide Web even if they have the technology, some of which do not.

Furthermore, this measure stands for the proposition that the States somehow do not have the ability to enact their own electronic commerce laws or to reinstate many additional consumer protections.

So rather than respecting the tradition in our country of hundreds of years that reserves contract law to the States, the bill says that the States, that they may only reenact supplemental consumer legislation if it fits into a narrowly described category.

So far, thus, even if a State wanted to maintain its protections against fraudulent or deceptive practices and automobile sales, for example, the Federal Government would in effect tell the State that it cannot do so.

So for these and other reasons, we have created, along with the gentleman from Michigan (Mr. DINGELL) and the other Members, a substitute that represents the bipartisan language agreed on by Members of the other body, Members. Senator ABRAHAM and Senator LEAHY, that satisfies the needs of the high-tech community which we laud without sacrificing consumers in the process.

So I urge that my colleagues reserve their support for this substitute.

Mr. Chairman, I reserve the balance of my time.

Mr. DINGELL. Mr. Chairman, I reserve the balance of my time.

Mr. BLILEY. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. DAVIS) in strong support of this legislation.

Mr. DAVIS of Virginia. Mr. Chairman, I am proud to be an original cosponsor of this legislation and also familiar with the need to provide legal certainty to electronic signatures and electronic records. That is why I eagerly cosponsored this legislation, because I think it is time for Congress to take positive, not regulatory, steps to help promote growth and development of electronic commerce.

Late last week, we were surprised by the minority leadership. They must have decided that appearing to oppose high-technology legislation was not the political stance, so they decided to introduce their own electronic signature bill, H.R. 3220, which we will be considering later today as a substitute amendment.

Unfortunately, that legislation falls way short of what is needed. The appearance of supporting technology legislation is not enough. There has to be substance behind that appearance. I believe that H.R. 3220 falls short.

Last week on the floor, I spoke at length about the important consumer protections contained in this legislation, H.R. 1714, and tried to rebut some of the claims that this was bad for consumers. I would like to briefly touch on some of those points.

First, consumers are absolutely free to choose or not to choose to enter into an electronic transaction. Nothing requires any party to use or accept electronic records or electronic signatures. The bill simply offers consumers the option to engage in electronic transactions. If a consumer does choose to conduct an on-line transaction, that consumer is protected by the underlying Federal or State laws governing that transaction.

If a law requires that a notice or a disclosure be made available in writing to a consumer, then those traditional writings must continue to be delivered to the consumer. Nothing in this bill, nothing, will nullify such existing State consumer protection laws.

Let me reiterate. Under H.R. 1714, consumers must be provided with important notices, disclosures, or other documents as they are entitled to receive under the current law.

Before a consumer can receive an electronic copy of an important document, such as a warranty or a disclosure, a consumer must separately and affirmatively consent to receive such a document electronically. That is, a consumer must specifically approve of receiving electronic documents and that portion of a contractor agreement telling a consumer what documents he or she will receive electronically.

I urge my colleagues to support this legislation. The companies and manufacturers that use electronic technology, along with on-line users, need this legislation.

Mr. DINGELL. Mr. Chairman, may I inquire of the time remaining.

The CHAIRMAN. The gentleman from Virginia (Mr. BLILEY) has 15½ minutes remaining. The gentleman from Michigan (Mr. CONYERS) has 7½ minutes remaining. The gentleman from Michigan (Mr. DINGELL) has 9 minutes remaining.

Mr. DINGELL. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from California (Ms. ESHOO).

Ms. ESHOO. Mr. Chairman, I thank the gentleman from Michigan, the distinguished ranking member of the House Committee on Commerce, for granting me the 2 minutes, especially since we hold opposing views on this. But I sincerely appreciate it.

Mr. Chairman, I rise in support of H.R. 1714, and I urge my colleagues to do support its passage.

I would like to thank the gentleman from Virginia (Mr. BLILEY), the distinguished chairman of the full committee, for his work on the legislation and for all of my colleagues for their interest in this very important public policy area.

As many of my colleagues know, I have a legislative history on the issue of electronic signatures in the Congress, having introduced the first piece of legislation addressing this issue in the last Congress and succeeding in passing it into law. That bill required Federal agencies to make government forms available on-line and accept a person's electronic signature on these forms.

In this Congress, I introduced a bill to expand the legality of electronic signatures to the private sector. Today, we are going to discuss a very important amendment to the bill of the gentleman from Virginia (Mr. BLILEY), which I believe improves the bill as it relates to consumer protections.

The bill includes technical neutrality, and it grants to States who have not yet adopted legislation in this area this piece of legislation; and if they so wish to come up with more stringent legislation in a given period of time, they then can do so.

□ 1300

I believe that the Congress must ensure that no roadblocks exist which would stymie the growth of e-commerce. So I think the Congress must act to bridge the gap between now and the time when every State has passed an updated form of the Uniform State Law Code. The projections for the growth of e-commerce and its effect on our economy are just simply too overwhelming. Business to business e-commerce was nearly five times greater than e-commerce in the consumer market, reaching $43 billion just last year.

This bill ensures that our laws do not impede this staggering growth, and with the adoption of the amendment that we are going to discuss, and which I am proud to offer with my colleague, the gentleman from Washington (Mr. INSLEE), and several other Democrats, the bill takes a major step in guaranteeing that strong consumer protections can coexist with transactions in cyberspace. I think that we can do both, Mr. Chairman, and I am proud to support this bill, H.R. 1714, and urge all of my colleagues to support it.

Mr. BLILEY. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. OXLEY).

Mr. OXLEY. Mr. Chairman, I rise in strong support of H.R. 1714.

Last Thursday, Mr. Chairman, the House passed legislation to modernize the laws that govern our financial services industry. The laws we changed were more than 60 years old and had been bypassed in recent years by the marketplace. Congress was in many ways just trying to catch up with what had already happened. The lessons we learned in that debate I think are quite clear. If Congress cannot respond quickly to the changes in the marketplace and update the applicable laws, the inevitable result will be more harm than good. The longer we wait to act, the more entrenched the various factions will become, making it more difficult for legislation with each passing day.

We do not need another web of inconsistent State laws and Federal regulations that will leave consumers and businesses guessing whether their contract is valid or not just because it was conducted on line. Let us understand that the world is changing and the Congress needs to change the laws to reflect those inevitable changes. Electronic commerce is growing exponentially and will continue to change the way we conduct our business. Given the opportunity before us to enhance electronic commerce in the same manner the marketplace has, it would be foolish to a large extent not to provide the legal certainty that will benefit consumers and facilitate commerce. Our laws need to keep up with the significant technological developments.

This bill, sponsored by the chairman of the Committee on Commerce, the gentleman from Virginia (Mr. BLILEY), is designed to bring legal certainty to electronic transactions. Legal certainty. The parties need to understand that when they sign that contract there is a legal binding obligation on both of them, and the handwritten signature more and more becomes less and less significant.

Mr. Chairman, this is another essential step necessary for our economy to take advantage of the efficiencies of electronic commerce. This is the same exact legislation most of us supported just last week. I will also be supporting the amendment by our friend, the gentleman from Washington (Mr. INSLEE), who will be offering that recordkeeping provision and clarifying the recordkeeping provisions of the bill.

Mr. Chairman, this legislation is good public policy and it continues a strong tradition by the Committee on Commerce of enacting legislation that keeps up with the electronic marketplace that is changing so dramatically. I urge strong support of this legislation.

Mr. CONYERS. Mr. Chairman, I yield 2 minutes to the gentlewoman from California (Ms. LOFGREN), a member of the Committee on the Judiciary.

Ms. LOFGREN. Mr. Chairman, I am pleased to appear today in favor of 1714, especially after the Inslee amendment is adopted. I would like to say that some of the tinge of rhetoric that approaches partisanship, I think, is unfortunate.

I am privileged to serve with the gentleman from Michigan (Mr. CONYERS), the ranking member, who really has played such a leadership role in so many high-tech issues this year, including the patent reform bill and the Y2K reform bill. I mean we are here because we are dealing with difficult times, a transition from the analog world to the digital world, and I think that as we do that, we have to create a transition rule for the parts of the country that are not where Silicon Valley is yet.

In doing so, I think it is important that we establish some principles. I heard the distinguished Member from Michigan mention contracts of adhesion, and clearly contracts of adhesion violate contract law. I think it needs to be emphasized that nothing in this bill amends contract law other than the means of transmission. The medium for transmission does not change the substance of the law. A contract is a contract is a contract.

We recognize that because we are in a transition area there are certain things that are too high risk to have fully in electronic commerce in this transition period, including foreclosures of real property and the like, that are outlined in the bill of the gentleman from Virginia (Mr. BLILEY), but it is important that we take a step forward to promote electronic commerce.

How do I do it? We bought our last car on line. And when I get the notices, I just click and file those notices under my commercial receipts file in my e-mail account. When I go to amazon.com, and they send me the notices of where my books are on the way, I file those in a pending file. Some day, all of us will do that.

For now, this bill, with the amendment, will allow all of America to move forward.

Mr. BLILEY. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. FOSSELLA), a distinguished member of the committee.

Mr. FOSSELLA. Mr. Chairman, I thank the chairman of the Committee on Commerce, the gentleman from Virginia (Mr. BLILEY), for yielding me this time, and I compliment him for his efforts and his leadership.

The American people want action, they just do not want words. And when we add this to the Telecommunications Act of 1996, and as was mentioned earlier the Financial Modernization Act that was passed overwhelmingly by the House and Senate last week, I think the gentleman from Virginia (Mr. BLILEY) deserves a lot of credit from this Congress because, ultimately, it means good things for the American consumers, more jobs, and coming out on the side of growth, such as the case with the Electronic Signatures in Global and National Commerce Act.

I rise today in support of H.R. 1714, the Electronic Signatures in Global and National Commerce Act. As of today, the success of electronic commerce has led 44 States to enact laws to provide recognition for electronic signatures and records. However, all 44 statutes are different and many only recognize the use of electronic signatures and records in governmental transactions. In today's global economy, a certain level of uniformity is necessary in order to conduct the business over State and international borders. That is common sense.

While electronic commerce, in theory, represents the perfect model of interstate commerce, these many conflicting standards lead to legal uncertainty, to the point where it becomes impossible to effectively use electronic signatures in the digital arena.

H.R. 1714 creates a uniform nationwide legal standard for the use and acceptance of electronic signatures and electronic records in interstate commerce. It allows parties the freedom to set their own rules for using electronic signatures and electronic records in interstate commerce. Any contracts or agreements developed electronically by the agreeing parties have full legal effect.

H.R. 1714 furthermore recognizes the progress that States have already made in the area of electronic signatures and allows them to pass any statute that complies with the basic principles of this Federal bill.

Mr. Chairman, I urge my colleagues to join me in supporting this important bill. It is common sense and it puts Congress on the side of facilitating and encouraging economic growth instead of standing in its way.

Mr. CONYERS. Mr. Chairman, I yield 4 minutes to the gentleman from California (Mr. BERMAN).

Mr. BERMAN. Mr. Chairman, I think the entire body wholly supports and we want to use this opportunity to encourage the growth of the Internet and e-commerce, but moving to a digital world, moving to the world of the Internet, it does not follow that every principle of Federalism and every principle of consumer protection should be wiped out, obviated and extinguished in the name of advancing e-commerce and e-contracts and e-signatures.

Eliminating hard fought laws, both State and Federal, that make sure that a consumer has the information that they need to make informed decisions takes us back to the age of scams and frauds, but this time in the on-line environment. We have been so successful in developing a legal environment that gives consumers' rights and assures that outlaw merchants are dealt with, it is not necessary and it benefits no one for the Internet to become the place for unscrupulous businesses to flourish. My fear is that H.R. 1714, the underlying bill sponsored by the gentleman from Virginia (Mr. BLILEY), would lead us down that path.

The high-tech industries are seeking an immediate Federal law validating electronic contract formation to help pave the way for the growth of electronic commerce until States can adopt a recently promulgated Uniform Electronic Transaction Act. We need to provide that help, but H.R. 1714 goes way, way beyond this need. It satisfies a much broader, much more controversial, long-range desire of financial services and insurance industries to accomplish the goal of the financial services.

H.R. 1714 seriously undercuts hard fought consumer protections as well as both Federal and State regulatory requirements. The bill threatens a State's ability to adopt a uniform State law with a permanent preemption provision.

The National Conference of State Legislatures, in their letter of November 1, opposes H.R. 1714, stating that the legislation will eviscerate consumer protections and impede the States' insurance securities and banking agencies in their regulatory oversight of the financial services industry. This from the State legislatures.

In a letter we received today, the National Consumers Law Center, the United Auto Workers, and the Consumers Union expressed their opposition for the underlying bill, and even with the Inslee amendment, and their support for the Dingell-Conyers-LaFalce-Gephardt substitute.

States and the Federal Government should have the opportunity to review their writing requirements and determine which can be done away with and which standards should apply in each specific situation where electronic records may be substituted. A reckless uninformed broad-brush approach, such as we see in H.R. 1714, is offensive to this notion. We cannot blindly wipe away State and Federal writing requirements and then provide a narrow patchwork of exceptions and opportunities for only States, not the Federal Government, not Federal regulatory agencies, to reestablish requirements where needed after some disastrous systemic failure.

The substitute amendment offered by the ranking member, the gentleman from Michigan (Mr. DINGELL) and his colleagues, provides the needed uniformity as to contract formation. It gives the boost that is needed for e-commerce without interfering with existing laws that address writing requirements for important notices, disclosures, or retained records necessary for regulatory or supervisory government activities.

This amendment, the Dingell amendment, is the very same language as the bipartisan compromise reached by Mr. ABRAHAM and Mr. LEAHY in the Senate. If H.R. 1714 were to pass the House, it would never see the light of the day in the Senate, it would be vetoed by the administration, and it would mark us as supporting an anti-consumer bill.

I urge opposition to the bill and support for the Dingell-Conyers amendment.

Mr. BLILEY. Mr. Chairman, I yield 3 minutes to the gentleman from Roanoke, Virginia (Mr. GOODLATTE).

Mr. GOODLATTE. Mr. Chairman, I want to thank the gentleman for yielding me this time, and I especially want to thank the gentleman from Virginia, the chairman of the Committee on Commerce, for his leadership on this issue. He has been at the forefront of this issue throughout this Congress, and this is vitally important legislation that I urge my colleagues to support and to oppose any substitutes or any alternatives.

The previous gentleman made reference to protecting consumers. In my opinion, this legislation does more to help consumers in the transactions that they participate in than anything that we could do with relation to making sure that they get prompt and adequate disclosure about contracts they sign.

□ 1315

None of the current Federal or State laws are abrogated in terms of notices that go to consumers regarding particular transactions that they participate in. They simply will be allowed to receive those notices electronically now. And that has a number of very positive benefits.

First, it is faster. If there is a change in circumstances, if there is a problem with a product, a defect, they are going to get that notice much more quickly electronically than they will get it through the mail.

Secondly, it is cheaper. Some types of financial transactions are 100 times more costly to conduct in person than they are if they can conduct the transaction electronically. And if they are dealing with somebody on the other side of the country, the delay in being able to participate in that and close that contract, because we do not have a nationally recognized standard for accepting digital signatures, is very costly to consumers as well as to other people. Business people engage in business-to-business transactions, as well.

But probably the most important reason why this is more helpful to consumers than current law is that the information they get will be better; it will be more comprehensive.

If they have a notice about a particular disclosure that is required under the law for a real estate closing or a bank loan, whatever the case might be, and they do not understand a particular word in that notice, under electronically transmitted information, the bank or the other company providing the information can put a whole host of other information online. They can click on a particular word in that notice and get an explanation of it, a definition of the word, if they do not understand what it means in that particular context.

So from the standpoint of the consumer, this is vitally important.

Secondly, from the standpoint of uniformity, of having one national area of commerce to be able to conduct business across State lines without the difficulties that come from a morass of, a variety of different laws from different States, that is vitally important.

Now, instead of being only able to buy from people nearby them all governed by the same State law, people are now empowered to buy things by auction or other ways on-line from a whole host of different ways.

I urge Members to reach across the line. We have had some differences on this bill. Let us have a strong bipartisan vote. It had almost a two-thirds vote when it came up under suspension. Let us give it a majority here today.

Mr. DINGELL. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Washington State (Mr. INSLEE).

Mr. INSLEE. Mr. Chairman, I rise in support of H.R. 1714 after completion of our amendment.

I want to thank the gentleman from Michigan (Mr. DINGELL), the gentleman from Michigan (Mr. CONYERS), and the gentleman from New York (Mr. LAFALCE) for their guidance and long-time leadership on consumers issues. They have helped me craft this amendment in a way that I think will help consumers.

I want to thank the gentleman from Virginia (Chairman BLILEY) for his courtesy in trying to put this together.

Mr. Chairman, I want to tell my colleagues that I believe we have a product, after completion of our amendment, that is pro-consumer. I will tell my colleagues two reasons. Number one, this is a consumer freedom bill. It gives consumers a new freedom and the freedom to be allowed to receive information and complete transactions electronically, a right, a freedom that will remain theirs and theirs alone. Only consumers will have the prerogative to decide whether or not transactions are electronic.

Secondly, Mr. Chairman, I want to make abundantly clear throughout this debate, nothing in my amendment or the bill, nothing, not one word, will remove one single consumer protection to receive a notice of any law in this country State, Federal, or municipal. Look at page 3 of our amendment. Nothing will remove the right to get this notice.

All it does is it changes from papyrus or lambskin to electronic at the consumer's request.

Mr. BLILEY. Mr. Chairman, how much time do we have remaining?

The CHAIRMAN pro tempore (Mr. MILLER of Florida). The gentleman from Virginia (Mr. BLILEY) has 8 minutes remaining. The gentleman from Michigan (Mr. CONYERS) has 1½ minutes remaining. The gentleman from Michigan (Mr. DINGELL) has 6 minutes remaining.

Mr. BLILEY. Mr. Chairman, I reserve the balance of my time.

Mr. DINGELL. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Chairman, I thank the distinguished gentleman from Michigan (Mr. DINGELL) for yielding me the time.

Mr. Chairman, I rise in opposition to this bill. I would have opposed the rule had I been here and requested a rollcall vote. The fact of the matter is, late in the session, first this is attempted to be passed on suspension of the rules. It has been a moving target for the last 3 weeks in terms of how this bill can be sold to the Members of this body.

I think any discussion or evaluation of this measure yields more and more problems that are inherent in the bill. The fundamental bill in terms of electronic signatures, as has been pointed out by some of my other colleagues, probably could have been passed with near unanimous support in this body.

The fact is that this bill does not just deal with electronic signature but goes on to invade a plethora of both State and national laws which are at the heart, basically, of financial transactions and consumer protection, which have received the deliberate judgment of this Congress for decades and, I trust, that of legislatures across this country.

It fundamentally invalidates any State law and a host of Federal laws that are inconsistent with the provisions of this bill. It permits consumers simply on the assumption that they understand what is in the disclosure documents and records to dispense with them and to receive them electronically.

I would just suggest that the efforts to date to try and repair this by virtue of accepting something like the Inslee amendment simply sugarcoats the end result. The end result will be the same.

I appreciate the effort of the gentleman to try and protect consumers. But, in the end, I think that that proposal may make something more palatable that is indigestible in terms of what goes down.

This bill fundamentally is an overreach. It sunsets all of these State laws with the right for States to come back and reenact them.

Well, we all know the host of special interest groups that are going to be there waiting to oppose that both at the Federal and State level such enactment. It just is breathtaking. And it is dumping and reneging on consumer laws that exist and protect individuals.

Mr. Chairman, I rise today in support of the amendment, and against the underlying legislation. While I favor an implementation of the use of electronic signatures, this measure sets a policy path of electronic commerce and computer dependence, and strips key federal and consumer safeguards and protections from transactions.

I have deep reservations about this legislation for reasons which I brought forth on the floor last week. One specific concern which I raised at that time was that H.R. 1714 completely undermines protections afforded by laws and regulations such as the Consumer Credit Protection Act, Truth in Saving, the

Real Estate Settlement Procedures Act and other key consumer laws such as the Magnuson Moss Act, which is the federal law requiring basic information about the extent and limitations of warranties to consumers.

I requested to offer an amendment last night at rules which would add these protections to the provisions excluded in the bill, so that these laws would not be overridden. Unfortunately, this amendment was not made in order by the Rules Committee. By preserving, not preempting the requirements of these laws that afford consumers key information at the right time before, during and after transactions are consummated, the Vento amendment would have assured that essential information required by federal laws and regulations would not be made electronically when a consumer might not have a computer, might have a broken computer or printer, might acquire a new e-mail address or service provider, or might not clearly understand the importance of notifications or disclosures that they assent to obtaining electronic electronically, never to read or know if they missed it. Without these protections, populations like our seniors who are already at a technological disadvantage will be rendered even more vulnerable.

I also offered an amendment which would have added a new section providing privacy protections to this legislation. This too was rejected by the Rules Committee. Digital signatures will make it easier for consumers to buy goods and services directly from the comfort of their own homes, and allows businesses an unprecedented opportunity to reach more customers. This expansion of e-Commerce, however, should not come at the expense of allowing for the misuse or exploitation of a wide range of consumer data. This amendment would have allowed consumers to regain some control over their own personal information without unnecessarily hindering Internet services which collect information for legitimate purposes, and replace the self regulated environment that is being promoted today—without standards or compliance and no enforcement. It is unworkable and unacceptable.

Specifically, my amendment would have disallowed any Internet service from passing on information to a third party unless clear and conspicuous notice is provided and consumers are allowed an opportunity to direct that the information not be shared. In addition, consumers would be able to require a copy of the information compiled about them at no charge, and allowed to review, verify or correct such data. Internet services would still be able to share information with their affiliates, allowing them to perform necessary transactional services and functions. Most importantly, this amendment would have ensured that those businesses which offer services or products over the Internet take affirmative responsibility to maintain the integrity of the information being accumulated.

Recently, the House included privacy provisions into the Financial Services Modernization legislation. This was a step forward in the arena of providing safeguards for consumer data. However, we are all well aware that concerns regarding the protection of consumer data go far beyond the realm of the financial world. It is important that we in Congress support a clear and consistent message when dealing with the issue of information collection and use. This amendment would expand privacy regulations to ensure that consumers as well as businesses are able to utilize technology to its fullest potential without infringing on the basic right to privacy.

Some of my other concerns have been addressed by the Dingell/Conyers/LaFalce/Gephardt amendment, which I have cosponsored. This substitute amendment recognizes that in order to be successful, e-Commerce can not pit high-tech business against consumers. Additionally, it deals with another problem which I raised last week, by not undermining State rights and judgment in dealing with issues such as what records must be retained in paper forms and when and how consumers must be notified about changing circumstances or enforcement of key contract terms. Additionally, it provides that a contract may not be denied legal effect or enforceability solely because an electronic signature or electronic record was used in its formation. These are common sense measures which ensure that consumers are not the unsuspecting victims in the excitement to embrace technological advances in commercial dealings.

In conclusion, I feel that the House should address the issue of electronic signatures in its totality, and H.R. 1714 fails to address several areas which should be further improved. The consequences of moving too quickly on the implementation of legislation which will expand e-Commerce can not be underestimated. The law of unintended consequences should be avoided by not over reaching with the underlying measure. With the vast potential that the Internet promises, it is vital that we consider the interests and needs of businesses, the industry and consumers equally, so that everyone can benefit from this venture.

Mr. BLILEY. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Mr. Chairman, we have heard a lot about the digital divide. And certainly one exists between those school systems and communities who can afford to be wired and those who cannot.

But there is also a digital divide in the Congress. It is between those who understand the new economy and what constructive role we can play in it and those who are afraid of it and feel the need to protect us from it.

The people who are using the Internet with their computers around the country tend to be more confident of themselves than we are of them and their ability to use the New Economy to their advantage. They, in many ways, are more knowledgeable than we are about the role that computers can play in making their lives easier and more productive. They certainly want to be empowered to have the choice of whether or not they will use their computer to maximum advantage because they are far more interested in opportunity than in security.

In fact, when they were recently asked in a survey what was more important to them, opportunity or security, they saw opportunity overwhelmingly as more important to them. They wanted to be able to protect themselves, certainly, but they feel empowered to do that on their own.

The fact is that the consumers that will be affected by this bill will be empowered, will be advantaged by this legislation. It is not just companies who will be able to operate more efficiently. It is consumers who want the ability to use their computers, to use the Internet in the most efficient and effective and legal, manner possible.

The fact is that in this bill consumers who will be using e-commerce, digitized signatures, have the opportunity to affirmatively and separately consent prior to receiving their notices electronically. It ensures that existing consumer protection laws that are in place today are maintained. The fact is that we build upon the laws that exist today.

This is going to come. It can either come with the support, the encouragement, the empowerment by the Congress, or it can come despite the Congress. We ought to work for and with the new economy, not in opposition to its culture and its opportunities.

My comments are really directed to my own party because I know that the opposition is well intentioned; and it is thoughtful and it is knowledgeable. But it is wrong and shortsighted. The reality is that what we are debating is already happening today.

Digitized signatures work. People find them to be not only easier to use but, in fact, entirely consistent with the economy in which they are operating. This will show that the Congress can be ahead of the curve, that Congress can play a constructive role, that the Congress can be leading instead of impeding. Instead of always trying to play catch-up like we had to do with the Financial Services Modernization Act.

Look to the consumers who are using the Internet. They are asking for this ability to use digitized signatures. This is what the new economy is all about. This is why we are so prosperous. We ought to be part of this progress by contributing to it and certainly not oppose thoughtful legislation like this.

Mr. DINGELL. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Massachusetts (Mr. DELAHUNT).

Mr. CONYERS. Mr. Chairman, I yield 1½ minutes to the gentleman from Massachusetts (Mr. DELAHUNT), my colleague on the Committee on the Judiciary.

The CHAIRMAN pro tempore. The gentleman from Massachusetts (Mr. DELAHUNT) is recognized for 2½ minutes.

Mr. DELAHUNT. Mr. Chairman, I thank both gentlemen for yielding me the time.

Mr. Chairman, at our hearings on the Committee on the Judiciary, we were told that legislation was needed to ensure the validity of electronic agreements entered into by private parties until the States are able to adopt the uniform electronic transactions act. In other words, it was needed to fill the gap until the States could act.

That made sense. But then the bill was hijacked. Instead of filling the gap, it preempted the field; it prohibits the States from enacting the uniform law, as California has just recently already done, in a way that preserves consumer protections. It even prohibit the States from reenacting those protections to the extent that we supersede them.

Now, how do people who only yesterday were waving the banner of States' rights and espousing federalism defend a bill that sets aside the will of the States in such a cavalier fashion?

Well, we hear the term "uniformity." Yet, if uniformity were all they were after, they would have been satisfied to let the bill sunset as the uniform act is adopted by each of the States over the coming months. And they did not. It is not in the bill.

What the proponents of the bill really want is to arrest the process, to prevent the States from preserving consumer protection laws, which they want to do away with. It is that simple. It is one thing to try to ensure the validity of electronic signatures. I support that effort, and I am sure if that was the import of the legislation it would pass unanimously in this body. But it is another attempt to use this legislation as an end run around State consumer protection legislation. That is what this bill is all about.

I urge adoption of the substitute and defeat of the bill.

Mr. Chairman, I rise in opposition to this bill and in support of the Dingell-Conyers-LaFalce-Gephardt substitute.

What we have here, Mr. Chairman, is a case of legislative hijacking. A bill intended to enhance the ease and security of electronic transactions has been commandeered. By a financial services industry that sees an opportunity to sweep aside a generation of state laws. Laws that enshrine such familiar and fundamental concepts as proper notice. Full disclosure. Informed consent. Truth in lending. Fair credit practices.

These laws have helped ensure that the ordinary citizen will not be taken advantage of by powerful commercial interests who have all the leverage. Who hold all the cards. And in so doing, these laws have helped maintain a thriving economy that depends on consumer confidence.

That is supposedly what this bill is about. Consumer confidence in electronic transactions. Yet ironically, by undermining state protections, this bill will erode consumer confidence. Not enhance it. If this bill becomes law, consumers will have fewer rights. And they will be less certain what rights they retain. Hardly a recipe for consumer confidence.

At our hearings, we were told that federal legislation was needed to ensure the validity of electronic agreements entered into by private parties until the states are able to adopt, the Uniform Electronic Transactions Act. In other words, it was needed to fill the gap until the states could act.

But then the bill was hijacked. Instead of filling the gap, it preempts the field. It prohibits the states from enacting the uniform law—as California has recently done—in a way that preserves consumer protections. It even prohibits the states from RE-enacting those protections to the extent we supersede them.

How do people who only yesterday were waving the banner of "states rights" defend a bill that sets aside the will of the states in so cavalier a fashion?

They do so in the name of "uniformity." yet it uniformity were all they were after, they would have been satisfied to let this bill sunset as the Uniform Act is adopted by each of the states over the coming months.

What the proponents of the bill really want is to arrest that process. To prevent the states from preserving consumer protection laws which they want to do away with. It is one thing to try to ensure the viability of electronic signatures, and I support that effort. But it is another to use this legislation as an "end run" around state consumer protection laws.

Apart from the policy considerations, it raises serious constitutional questions. Given the recent holdings of the Supreme Court regarding the limits of congressional power, I have serious doubts that we have the authority to preclude the states from re-enacting laws in an area of commercial activity that lies so squarely within their traditional sphere of competence.

We should do all we can to embrace and encourage the development of electronic commerce. But if that brave new digital world is to provide hospitable to human habitation, we must take with us the great advances in the law that have made this world habitable.

I am ready and willing to support a bill that does this, Mr. Chairman, but the current proposal falls too far short of the mark. That is why it is opposed by the Administration, and by every major consumer organization in the country.

I urge my colleagues to oppose the bill and support the substitute.

Mr. BLILEY. Mr. Chairman, how much time do I have remaining?

The CHAIRMAN pro tempore. The gentleman from Virginia (Mr. BLILEY) has 5 minutes remaining. The gentleman from Michigan (Mr. DINGELL) has 3 minutes remaining.

Mr. BLILEY. Mr. Chairman, I yield 2 minutes to the gentlewoman from New Jersey (Mrs. ROUKEMA).

□ 1330

Mrs. ROUKEMA. Mr. Chairman, I thank the gentleman for yielding me this time. I will not take the entire 2 minutes. I had not anticipated speaking on behalf of the general debate, but I certainly do rise in strong support of this proposal.

I want to make it clear here that this is not anti-consumer, it is both probusiness and pro-consumer, it really does not denigrate or eliminate any consumer protections that are currently in law, and it goes beyond that. I particularly am a strong supporter of the Inslee amendment and would like to speak on that at the appropriate time.

I want to congratulate the chairman of the Committee on Commerce for his leadership here. This is excellent legislation. As a member of the Committee on Banking and Financial Services, I will look forward to continuing to work in the future on other aspects of e-commerce as it relates to more specific banking legislation.

I rise today in strong support of H.R. 1714, the Electronic Signatures in Global and National Commerce Act.

The bill accomplishes the two major, and often conflicting, goals of being both Pro Business and Pro Consumer. As we have heard, millions of Americans are shopping via the Internet everyday. The growth in e-commerce is expected to explode in the next 2 years with U.S. Consumers spending billions on line by the year 2001. E-commerce is happening as we speak. We here in Congress should do everything we can to promote e-commerce. I believe H.R. 1714 strikes the right balance between encouraging the growth of e-commerce while including common sense consumer protections.

The bill is Pro Business because it ensures that Internet transactions have the same legal effect and recognition as paper transactions. This is accomplished by establishment of a federal law which recognizes e-signatures as having the same force and effect as an ink signature. In addition, required records and disclosures may be delivered electronically IF the Consumer "opts in".

The bill is Pro Consumer because it encourages the growth of e-commerce—which has led to lower prices, greater choice and round the clock availability. These developments are all Pro Consumer.

Later on we are going to consider the Inslee/Eshoo/Dooley/Moan/Roukema Amendment. This Amendment includes several provisions from H.R. 2626, the Electronic Disclosures Delivery Act of 1999, which I introduced on September 1st along with Mr. INSLEE and Mr. LAZIO. The Amendment is pro consumer because it provides the additional consumer protections such as (1) Customer "opt in" for electronic delivery specifically required, (2) clear requirements on review, retention and printing of documents and disclosures, (3) the ability of a Customer to "opt out" of electronic delivery at any time.

I thought these were good provisions when I introduced H.R. 2626. I thought they were good provisions when proposed before the Rules Committee, and that is why I cosponsored the Inslee Amendment. It clearly improves the Bill and we should approve the Inslee Amendment later on when we have the opportunity.

Mr. Chairman, this bill is an extremely good bill. I urge strong support for H.R. 1714.

Mr. DINGELL. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, the issue here is a very simple one. It is not about whether the contract may be signed electronically. Everyone here is in agreement that that is a good thing. It is about the notices which follow after that, notices of waste on a real estate contract, notice of failure to comply with requirements for insurance, failures of the electronic media to deliver.

An interesting thing to note would be that this proposal is going to come just in time, if it is signed into law, for the year 2K bug to bite. The question that has to be asked is what happens if the Internet provider is down and the individual does not get the notice. What happens if on that particular day there is a virus that contaminates the operation of the recipient or the sender, so the recipient never gets it. Look at the wide array of notices which are extremely important and which are protected in a wide array of State laws, notices of nonpayment of taxes, notices which would vitiate a mortgage, entitle the mortgagor to cancel or to foreclose. Those are things which would hurt the mortgagee.

I would ask my colleagues to understand that what we are trying to do here is not to stop electronic commerce or the signing of contracts electronically but, rather, to assure that a wider array of judgments are available to the purchaser and that he may then insist that he get, for very good reason, certain kinds of notices which he might view as being important. The mortgagor or the seller or the vendor under the contract has every right to ask that individual if he will then change the contract to waive those rights. But we are trying to protect historic rights that have always belonged to purchasers under written contracts under the law of the several States.

I would give Members just one last quote. Under Statement of Administration Policy, the administration makes this statement, and Members should be aware that they are probably looking at a veto here:

"The administration believes that en bloc amendments fall short of eliminating serious defects in H.R. 1714. The Secretaries of Commerce, Housing and Urban Development, and the Treasury will recommend the President veto H.R. 1714 with the en bloc amendments. For the reasons explained below and in the enclosed Statement of Administration Policy, the administration would support adoption of the Gephardt-Dingell-LaFalce-Conyers substitute."

Let us try to pass something which will make progress, something which will protect consumers, something which will move forward electronic commerce but not something which affords enormous operation to hurt innocent purchasers around this country.

Mr. BLILEY. Mr. Chairman, I yield myself the balance of my time.

This has been an interesting debate. First of all let me say that this bill came out of the Committee on Commerce unanimously August 5. We have worked with the minority. It was originally scheduled for October 18 on the floor. They asked for further consideration. We pulled it. And we worked. Everything was all in agreement. And then last Friday, the White House comes down here and gets a meeting with the Democrat leadership and all of a sudden this becomes a terrible bill. Nothing could be further from the truth. This is a thing to prevent this legislation being adopted on Republicans' watch.

Let me give Members a list of the people who support this legislation:

IBM, Information Technology Association of America, Information Technology Industry Council, Microsoft, American Insurance Association, Alliance of American Insurers, American Council of Life Insurance, Council of Insurance Agents and Brokers, National Association of Mutual Insurance Companies, National Association of Surety Bond Producers, Reinsurance Association of America, Securities Industry Association, America Online, America Electronics Association, GTE, MCI WorldCom, Cable and Wireless, DLJ Direct, PanAm Sat, Telecommunications Industry Association, National Retail Federation, Charles Schwab, Fidelity, Ford Motor Credit, National Association of Manufacturers, AT&T, U.S. Chamber of Commerce, and the Chamber will score this bill; Investment Company Institute, Yahoo, Equifax, International Biometric Industry Association, Consumer Mortgage Coalition, Financial Services Roundtable, Sallie Mae, Apple Computer, Hewlett-Packard, American Bankers Association, Consumer Bankers Association, the New York Stock Exchange, Business Software Alliance.

This is a good bill. Nobody in this legislation is coerced to do anything. They have to agree. And, working with the minority, we say that if there is anything to do with eviction, foreclosure, that this is exempted, it is carved out of here, you cannot do it this way.

Mr. Chairman, this is a good bill. We had a great vote a week ago. Let us not go back on that. Let us move the legislation forward, go to conference with the Senate, and then send legislation to the President.

Mrs. MINK of Hawaii. Mr. Chairman, I rise today in opposition to H.R. 1714, the Electronic Signatures in Global and National Commerce Act.

No one can deny what an amazing effect the Internet and electronic commerce has had on national and global commerce. The Internet has allowed some businesses to flourish in a global marketplace in a way not possible by traditional means.

The remarkable opportunities which the Internet and electronic commerce provides needs to be protected by ensuring that electronic signatures and contracts are held as legally valid and binding. H.R. 1714, however, is not the best bill to accomplish this because it achieves the goal of validating electronic signatures and contracts at the expense of American consumers.

If H.R. 1714 becomes law, we can expect that many of our Nation's consumers will unknowingly "click away" their rights because this bill does not ensure that any and all notices to consumers about their rights and the consequences of electronically signing their names be either clear or conspicuous. This is fundamentally unfair to consumers, especially those who may not yet be familiar with the concepts of the Internet and electronic commerce.

I urge my colleagues to protect consumers and reject H.R. 1714.

The CHAIRMAN pro tempore (Mr. MILLER of Florida). All time for general debate has expired.

In lieu of the amendments recommended by the Committees on Commerce and the Judiciary now printed in the bill, it shall be in order to consider as an original bill for the purpose of amendment under the 5-minute rule an amendment in the nature of a substitute printed in the CONGRESSIONAL RECORD and numbered 1. That amendment shall be considered read.

The text of the amendment in the nature of a substitute is as follows:

H.R. 1714

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Electronic Signatures in Global and National Commerce Act".

TITLE I—VALIDITY OF ELECTRONIC RECORDS AND SIGNATURES FOR COMMERCE

SEC. 101. GENERAL RULE OF VALIDITY.

(a) GENERAL RULE.—With respect to any contract, agreement, or record entered into or provided in, or affecting, interstate or foreign commerce, notwithstanding any statute, regulation, or other rule of law, the legal effect, validity, or enforceability of such contract, agreement, or record shall not be denied—

(1) on the ground that the contract, agreement, or record is not in writing if the contract, agreement, or record is an electronic record; or

(2) on the ground that the contract, agreement, or record is not signed or is not affirmed by a signature if the contract, agreement, or record is signed or affirmed by an electronic signature.

(b) AUTONOMY OF PARTIES IN COMMERCE.—

(1) IN GENERAL.—With respect to any contract, agreement, or record entered into or provided in, or affecting, interstate or foreign commerce—

(A) the parties to such contract, agreement, or record may establish procedures or requirements regarding the use and acceptance of electronic records and electronic signatures acceptable to such parties;

(B) the legal effect, validity, or enforceability of such contract, agreement, or record shall not be denied because of the type or method of electronic record or electronic signature selected by the parties in establishing such procedures or requirements; and

(C) nothing in this section requires any party to use or accept electronic records or electronic signatures.

(2) Consent to electronic records.—Notwithstanding subsection (a) and paragraph (1) of this subsection—

(A) if a statute, regulation, or other rule of law requires that a record be provided or made available to a consumer in writing, that requirement shall be satisfied by an electronic record if—

(i) the consumer has separately and affirmatively consented to the provision or availability of such record, or identified groups of records that include such record, as an electronic record; and

(ii) has not withdrawn such consent; and

(B) if such statute, regulation, or other rule of law requires that a record be retained, that requirement shall be satisfied if such record complies with the requirements of subparagraphs (A) and (B) of subsection (c)(1).

(c) Retention of Contracts, Agreements, and Records.—

(1) Accuracy and accessibility.—If a statute, regulation, or other rule of law requires that a contract, agreement, or record be in writing or be retained, that requirement is met by retaining an electronic record of the information in the contract, agreement, or record that—

(A) accurately reflects the information set forth in the contract, agreement, or record after it was first generated in its final form as an electronic record; and

(B) remains accessible, for the period required by such statute, regulation, or rule of law, for later reference, transmission, and printing.

(2) Exception.—A requirement to retain a contract, agreement, or record in accordance with paragraph (1) does not apply to any information whose sole purpose is to enable the contract, agreement, or record to be sent, communicated, or received.

(3) Originals.—If a statute, regulation, or other rule of law requires a contract, agreement, or record to be provided, available, or retained in its original form, or provides consequences if the contract, agreement, or record is not provided, available, or retained in its original form, that statute, regulation, or rule of law is satisfied by an electronic record that complies with paragraph (1).

(4) Checks.—If a statute, regulation, or other rule of law requires the retention of a check, that requirement is satisfied by retention of an electronic record of all the information on the front and back of the check in accordance with paragraph (1).

SEC. 102. AUTHORITY TO ALTER OR SUPERSEDE GENERAL RULE.

(a) Procedure To Alter or Supersede.—Except as provided in subsection (b), a State statute, regulation, or other rule of law may modify, limit, or supersede the provisions of section 101 if such statute, regulation, or rule of law—

(1)(A) constitutes an enactment or adoption of the Uniform Electronic Transactions Act as reported to the State legislatures by the National Conference of Commissioners on Uniform State Laws; or

(B) specifies the alternative procedures or requirements for the use or acceptance (or both) of electronic records or electronic signatures to establish the legal effect, validity, or enforceability of contracts, agreements, or records; and

(2) if enacted or adopted after the date of enactment of this Act, makes specific reference to this Act.

(b) Limitations on Alteration or Supersession.—A State statute, regulation, or other rule of law (including an insurance statute, regulation, or other rule of law), regardless of its date of enactment or adoption, that modifies, limits, or supersedes section 101 shall not be effective to the extent that such statute, regulation, or rule—

(1) discriminates in favor of or against a specific technology, process, or technique of creating, storing, generating, receiving, communicating, or authenticating electronic records or electronic signatures;

(2) discriminates in favor of or against a specific type or size of entity engaged in the business of facilitating the use of electronic records or electronic signatures;

(3) is based on procedures or requirements that are not specific or that are not publicly available; or

(4) is otherwise inconsistent with the provisions of this title.

(c) Exception.—Notwithstanding subsection (b), a State may, by statute, regulation, or rule of law enacted or adopted after the date of enactment of this Act, require specific notices to be provided or made available in writing if such notices are necessary for the protection of the safety or health of an individual consumer. A consumer may not, pursuant to section 101(b)(2), consent to the provision or availability of such notice solely as an electronic record.

SEC. 103. SPECIFIC EXCLUSIONS.

(a) Excepted Requirements.—The provisions of section 101 shall not apply to a contract, agreement, or record to the extent it is governed by—

(1) a statute, regulation, or other rule of law governing the creation and execution of wills, codicils, or testamentary trusts;

(2) a statute, regulation, or other rule of law governing adoption, divorce, or other matters of family law;

(3) the Uniform Commercial Code, as in effect in any State, other than sections 1-107 and 1-206 and Articles 2 and 2A;

(4) any requirement by a Federal regulatory agency or self-regulatory organization that records be filed or maintained in a specified standard or standards (including a specified format or formats), except that nothing in this paragraph relieves any Federal regulatory agency of its obligations under the Government Paperwork Elimination Act (title XVII of Public Law 105–277);

(5) the Uniform Anatomical Gift Act; or

(6) the Uniform Health-Care Decisions Act.

(b) Additional Exceptions.—The provisions of section 101 shall not apply to—

(1) any contract, agreement, or record entered into between a party and a State agency if the State agency is not acting as a market participant in or affecting interstate commerce;

(2) court orders or notices, or official court documents (including briefs, pleadings, and other writings) required to be executed in connection with court proceedings; or

(3) any notice concerning—

(A) the cancellation or termination of utility services (including water, heat, and power);

(B) default, acceleration, repossession, foreclosure, or eviction, or the right to cure, under a credit agreement secured by, or a rental agreement for, a primary residence of an individual; or

(C) the cancellation or termination of health insurance or benefits or life insurance benefits (excluding annuities).

SEC. 104. STUDY.

(a) Followup Study.—Within 5 years after the date of enactment of this Act, the Secretary of Commerce, acting through the Assistant Secretary for Communications and Information, shall conduct an inquiry regarding any State statutes, regulations, or other rules of law enacted or adopted after such date of enactment pursuant to section 102(a), and the extent to which such statutes, regulations, and rules comply with section 102(b).

(b) Report.—The Secretary shall submit a report to the Congress regarding the results of such inquiry by the conclusion of such 5-year period.

SEC. 105. DEFINITIONS.

For purposes of this title:

(1) Electronic record.—The term "electronic record" means a writing, document, or other record created, stored, generated, received, or communicated by electronic means.

(2) Electronic signature.—The term "electronic signature" means information or data in electronic form, attached to or logically associated with an electronic record, and executed or adopted by a person or an electronic agent of a person, with the intent to sign a contract, agreement, or record.

(3) Electronic.—The term "electronic" means of or relating to technology having electrical, digital, magnetic, optical, electromagnetic, or similar capabilities regardless of medium.

(4) Electronic agent.—The term "electronic agent" means a computer program or an electronic or other automated means used independently to initiate an action or respond to electronic records in whole or in part without review by an individual at the time of the action or response.

(5) Record.—The term "record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(6) Federal regulatory agency.—The term "Federal regulatory agency' means an agency, as that term is defined in section 552(f) of title 5, United States Code, that is authorized by Federal law to impose requirements by rule, regulation, order, or other legal instrument.

(7) Self-regulatory organization.—The term "self-regulatory organization" means an organization or entity that is not a Federal regulatory agency or a State, but that is under the supervision of a Federal regulatory agency and is authorized under Federal law to adopt and administer rules applicable to its members that are enforced by such organization or entity, by a Federal regulatory agency, or by another self-regulatory organization.

TITLE II—DEVELOPMENT AND ADOPTION OF ELECTRONIC SIGNATURE PRODUCTS AND SERVICES

SEC. 201. TREATMENT OF ELECTRONIC SIGNATURES IN INTERSTATE AND FOREIGN COMMERCE.

(a) Inquiry Regarding Impediments to Commerce.—

(1) Inquiries required.—Within 180 days after the date of the enactment of this Act, and biennially thereafter, the Secretary of Commerce, acting through the Assistant Secretary for Communications and Information, shall complete an inquiry to—

(A) identify any domestic and foreign impediments to commerce in electronic signature products and services and the manners in which and extent to which such impediments inhibit the development of interstate and foreign commerce;

(B) identify constraints imposed by foreign nations or international organizations that constitute barriers to providers of electronic signature products or services; and

(C) identify the degree to which other nations and international organizations are complying with the principles in subsection b)(2).

(2) SUBMISSION.—The Secretary shall submit a report to the Congress regarding the results of each such inquiry within 90 days after the conclusion of such inquiry. Such report shall include a description of the actions taken by the Secretary pursuant to subsection (b) of this section.

(b) PROMOTION OF ELECTRONIC SIGNATURES.—

(1) REQUIRED ACTIONS.—The Secretary of Commerce, acting through the Assistant Secretary for Communications and Information, shall promote the acceptance and use, on an international basis, of electronic signatures in accordance with the principles specified in paragraph (2) and in a manner consistent with section 101 of this Act. The Secretary of Commerce shall take all actions necessary in a manner consistent with such principles to eliminate or reduce, to the maximum extent possible, the impediments to commerce in electronic signatures, including those identified in the inquiries under subsection (a) for the purpose of facilitating the development of interstate and foreign commerce.

(2) PRINCIPLES.—The principles specified in this paragraph are the following:

(A) Free markets and self-regulation, rather than government standard-setting or rules, should govern the development and use of electronic records and electronic signatures.

(B) Neutrality and nondiscrimination should be observed among providers of and technologies for electronic records and electronic signatures.

(C) Parties to a transaction should be permitted to establish requirements regarding the use of electronic records and electronic signatures acceptable to such parties.

(D) Parties to a transaction—

(i) should be permitted to determine the appropriate authentication technologies and implementation models for their transactions, with assurance that those technologies and implementation models will be recognized and enforced; and

(ii) should have the opportunity to prove in court or other proceedings that their authentication approaches and their transactions are valid.

(E) Electronic records and electronic signatures in a form acceptable to the parties should not be denied legal effect, validity, or enforceability on the ground that they are not in writing.

(F) De jure or de facto imposition of standards on private industry through foreign adoption of regulations or policies with respect to electronic records and electronic signatures should be avoided.

(G) Paper-based obstacles to electronic transactions should be removed.

(c) CONSULTATION.—In conducting the activities required by this section, the Secretary shall consult with users and providers of electronic signature products and services and other interested persons.

(d) PRIVACY.—Nothing in this section shall be construed to require the Secretary or the Assistant Secretary to take any action that would adversely affect the privacy of consumers.

(e) DEFINITIONS.—As used in this section, the terms "electronic record" and "electronic signature" have the meanings provided in section 104 of the Electronic Signatures in Global and National Commerce Act.

TITLE III—USE OF ELECTRONIC RECORDS AND SIGNATURES UNDER FEDERAL SECURITIES LAW

SEC. 301. GENERAL VALIDITY OF ELECTRONIC RECORDS AND SIGNATURES.

Section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c) is amended by adding at the end the following new subsection:

"(h) REFERENCES TO WRITTEN RECORDS AND SIGNATURES.—

"(1) GENERAL VALIDITY OF ELECTRONIC RECORDS AND SIGNATURES.—Except as otherwise provided in this subsection—

"(A) if a contract, agreement, or record (as defined in subsection (a)(37)) is required by the securities laws or any rule or regulation thereunder (including a rule or regulation of a self-regulatory organization), and is required by Federal or State statute, regulation, or other rule of law to be in writing, the legal effect, validity, or enforceability of such contract, agreement, or record shall not be denied on the ground that the contract, agreement, or record is not in writing if the contract, agreement, or record is an electronic record;

"(B) if a contract, agreement, or record is required by the securities laws or any rule or regulation thereunder (including a rule or regulation of a self-regulatory organization), and is required by Federal or State statute, regulation, or other rule of law to be signed, the legal effect, validity, or enforceability of such contract, agreement, or record shall not be denied on the ground that such contract, agreement, or record is not signed or is not affirmed by a signature if the contract, agreement, or record is signed or affirmed by an electronic signature; and

"(C) if a broker, dealer, transfer agent, investment adviser, or investment company enters into a contract or agreement with, or accepts a record from, a customer or other counterparty, such broker, dealer, transfer agent, investment adviser, or investment company may accept and rely upon an electronic signature on such contract, agreement, or record, and such electronic signature shall not be denied legal effect, validity, or enforceability because it is an electronic signature.

"(2) IMPLEMENTATION.—

"(A) REGULATIONS.—The Commission may prescribe such regulations as may be necessary to carry out this subsection consistent with the public interest and the protection of investors.

"(B) NONDISCRIMINATION.—The regulations prescribed by the Commission under subparagraph (A) shall not—

"(i) discriminate in favor of or against a specific technology, method, or technique of creating, storing, generating, receiving, communicating, or authenticating electronic records or electronic signatures; or

"(ii) discriminate in favor of or against a specific type or size of entity engaged in the business of facilitating the use of electronic records or electronic signatures.

"(3) EXCEPTIONS.—Notwithstanding any other provision of this subsection—

"(A) the Commission, an appropriate regulatory agency, or a self-regulatory organization may require that records be filed or maintained in a specified standard or standards (including a specified format or formats) if the records are required to be submitted to the Commission, an appropriate regulatory agency, or a self-regulatory organization, respectively, or are required by the Commission, an appropriate regulatory agency, or a self-regulatory organization to be retained; and

"(B) the Commission may require that contracts, agreements, or records relating to purchases and sales, or establishing accounts for conducting purchases and sales, of penny stocks be manually signed, and may require such manual signatures with respect to transactions in similar securities if the Commission determines that such securities are susceptible to fraud and that such fraud would be deterred or prevented by requiring manual signatures.

"(4) RELATION TO OTHER LAW.—The provisions of this subsection apply in lieu of the provisions of title I of the Electronic Signatures in Global and National Commerce Act to a contract, agreement, or record (as defined in subsection (a)(37)) that is required by the securities laws.

"(5) SAVINGS PROVISION.—Nothing in this subsection applies to any rule or regulation under the securities laws (including a rule or regulation of a self-regulatory organization) that is in effect on the date of enactment of the Electronic Signatures in Global and National Commerce Act and that requires a contract, agreement, or record to be in writing, to be submitted or retained in original form, or to be in a specified standard or standards (including a specified format or formats).

"(6) DEFINITIONS.—As used in this subsection:

"(A) ELECTRONIC RECORD.—The term 'electronic record' means a writing, document, or other record created, stored, generated, received, or communicated by electronic means.

"(B) ELECTRONIC SIGNATURE.—The term "electronic signature" means information or data in electronic form, attached to or logically associated with an electronic record, and executed or adopted by a person or an electronic agent of a person, with the intent to sign a contract, agreement, or record.

"(C) ELECTRONIC.—The term 'electronic' means of or relating to technology having electrical, digital, magnetic, optical, electromagnetic, or similar capabilities regardless of medium.".

The CHAIRMAN pro tempore. No amendment to that amendment shall be in order except those printed in House Report 106–462. Each amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered read, debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for a division of the question.

The Chairman of the Committee of the Whole may postpone a request for a recorded vote on any amendment and may reduce to a minimum of 5 minutes the time for voting on any postponed question that immediately follows another vote, provided that the time for voting on the first question shall be a minimum of 15 minutes.

It is now in order to consider amendment No. 1 printed in House Report 106–462.

AMENDMENT NO. 1 OFFERED BY MR. INSLEE

Mr. INSLEE. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. INSLEE:

In section 101(b), strike paragraph (2) and insert the following:

(2) CONSENT TO ELECTRONIC RECORDS.—Notwithstanding subsection (a) and paragraph (1) of this subsection—

(A) if a statute, regulation, or other rule of law requires that a record be provided or made available to a consumer in writing, that requirement shall be satisfied by an electronic record if—

(i) the consumer has affirmatively consented, by means of a consent that is conspicuous and visually separate from other terms, to the provision or availability (whichever is required) of such record (or identified groups of records that include such record) as an electronic record, and has not withdrawn such consent;

(ii) prior to consenting, the consumer is provided with a statement of the hardware and software requirements for access to and retention of electronic records; and

(iii) the consumer affirmatively acknowledges, by means of an acknowledgement that is conspicuous and visually separate from other terms, that—

(I) the consumer has an obligation to notify the provider of electronic records of any change in the consumer's electronic mail address or other location to which the electronic records may be provided; and

(II) if the consumer withdraws consent, the consumer has the obligation to notify the provider of electronic records of the electronic mail address or other location to which the records may be provided; and

(B) the record is capable of review, retention, and printing by the recipient if accessed using the hardware and software specified in the statement under subparagraph (A)(ii) at the time of the consumer's consent; and

(C) if such statute, regulation, or other rule of law requires that a record be retained, that requirement shall be satisfied if such record complies with the requirements of subparagraphs (A) and (B) of subsection (c)(1).

At the end of section 101, add the following new subsections:

(d) ABILITY TO CONTEST SIGNATURES AND CHARGES.—Nothing in this section shall be construed to limit or otherwise affect the rights of any person to assert that an electronic signature is a forgery, is used without authority, or otherwise is invalid for reasons that would invalidate the effect of a signature in written form. The use or acceptance of an electronic record or electronic signature by a consumer shall not constitute a waiver of any substantive protections afforded consumers under the Consumer Credit Protection Act.

(e) SCOPE.—This Act is intended to clarify the legal status of electronic records and electronic signatures in the context of writing and signing requirements imposed by law. Nothing in this Act affects the content or timing of any disclosure required to be provided to any consumer under any statute, regulation, or other rule of law.

In section 102(c), strike "safety or health of an individual consumer" and insert "public health or safety of consumers".

In section 104, add at the end the following new subsection:

(c) ADDITIONAL STUDY OF DELIVERY.—Within 18 months after the date of enactment of this Act, the Secretary of Commerce shall conduct an inquiry regarding the effectiveness of the delivery of electronic records to consumers using electronic mail as compared with delivery of written records via the United States Postal Service and private express mail services. The Secretary shall submit a report to the Congress regarding the results of such inquiry by the conclusion of such 18-month period.

The CHAIRMAN pro tempore. Pursuant to House Resolution 366, the gentleman from Washington (Mr. INSLEE) and the gentleman from Michigan (Mr. CONYERS) each will control 15 minutes.

The Chair recognizes the gentleman from Washington (Mr. INSLEE).

Mr. INSLEE. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I would like to tell Members what our goal was in drafting this amendment. Our goal basically is to assure an American's right to make the decision by themselves based on the information they have to receive information electronically and to form contracts electronically.

Our goal is based on the proposition something like this: If you read the Declaration of Independence, it reads just as well electronically as it does on a piece of paper. And when you receive information in an on-line transaction, if you want to purchase insurance, a car, a book, the information you are going to receive reads just as well electronically. Therefore, we have crafted an amendment that would assure that every consumer has a new right, and, that is, the right to decide they want to receive information electronically.

I want to point out several things about it. Number one, it makes sure that this is a decision made and has to be made affirmatively by an American. They have to affirmatively take an action to disclose they want to do business electronically. Number two, and very importantly, this makes very clear that any requirement of any government in America to give any notice will still exist after the passage of this bill if this amendment prevails.

I want to read the applicable section. It reads:

> Nothing in this Act affects the content or timing of any disclosure required to be provided to any consumer under any statute, regulation, or other rule of law.

I read this because I have heard many other Members suggest that somehow consumers will lose the right to receive notifications. This is inaccurate. This amendment will assure that every notification a person is entitled to receive, they will still be entitled to receive.

Third, it makes abundantly clear, we added a provision that consumers have to be notified what hardware and software they need to receive this information so that they are not acting blindly. We have heard suggestions that somehow electronic commerce is inefficient, ineffective. I think we have to realize sometimes the mail gets eaten by the dog as well, or misplaced, and, in fact, if consumers want to do business electronically, they should be entitled to do so.

We have also, fifth, provided that the credit card rules, the limitations of liability, still apply in this context, if somebody steals your identity essentially.

And, sixth, we provide, and I think this is very important because I have heard some misinformation on the floor already in this regard. Where the law requires provision of a notice, where a business has to provide notice to a consumer, they will still be required to provide notice, not simply post it on a website.

Mr. Chairman, I yield 1 minute to the gentlewoman from California (Ms. LOFGREN).

Ms. LOFGREN. Mr. Chairman, when do you have information? Ten years ago, I was in local government and we organized our court files electronically and allowed the sheriff to access those court files for jail management. I remember going over to talk to the then sheriff who had deputies handwriting the information down on pieces of paper off the screen.

I asked, "Why are you doing this?" He said, "So we'll really have the information."

Do you have the information when it is on the screen, on your hard drive, in your head, or when it is on a piece of paper? The answer is, in all of those cases. We are not changing any consumer law at all with this bill and with this amendment. What we are doing is allowing for the free flow of information on the Internet, so that we can have electronic commerce, so that information in the Information Age can flow.

I have heard many expressions really of anxiety by Members about the Information Age and the concept that you have information when it is electronic. Let me assure my colleagues that you do and consumers will be fully protected under the amendment.

Mr. CONYERS. Mr. Chairman, I yield myself 3 minutes.

I want to start off by commending my friends that are with the gentleman from Washington (Mr. INSLEE) on his amendment. This is an important step forward. The problem is, it is still a half a loaf, and I appreciate the Democrats that are trying to improve it.

This amendment makes minor improvements in the underlying bill but, indeed, it makes it worse in several respects. That is why it is quite clear why financial services, industries and banks are supporting it and consumer groups are opposing it.

Here is why it is a backward step. It leaves to the courts to determine who bears the burden when an electronic disclosure notice is not received.

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The bill does that. The Inslee amendment puts the burden squarely on the consumer's shoulders.

Mr. Chairman, H.R. 1714, the Bliley bill leaves it to the courts; the Inslee amendment leaves it to the consumer the responsibility of creating an affirmative obligation to notify a provider of a change of e-mail address.

Now, in addition, this will not be corrected by the Inslee amendment. No requirement that the consumer be told what legal rights he is waiving or to what types of records that is the notices, disclosures and statements, that the waiver applies to. Because both the bill and the amendment permit a consumer to waive writing requirements for groups, "groups of records," and there is no requirement that the record be similar or relate to the same transaction. The consumer can, without any prior knowledge, waive all the future notices with one click.

This, I say to my colleagues, is the substance of what leads me to regretfully not be able to support the Inslee amendment. It does help in some respects, but in other respects, it is worse. For that reason I would urge that we think very carefully about this so-called improvement.

The amendment improves the opt-in by requiring it to be conspicuous and visually separate. But there is still no requirement that the consumer be told what legal rights he or she is waiving or what types of notices and disclosures the waiver applies to.

The Inslee amendment narrows the States' ability to reenact supplemental protective legislation for their citizens. This is not good. For that reason I ask that my colleagues critically evaluate this supposed improvement in the bill.

While I appreciate the efforts of my fellow Democrats to improve H.R. 1714, this amendment is merely an industry-drafted cosmetic fix that makes only minor improvements to the underlying bill, and indeed, makes it worse in several respects. Furthermore, it leaves unaddressed many fundamental problems of H.R. 1714.

It is therefore no surprise—and is quite telling, in fact—that this amendment is supported by the banks and financial services industries, but is opposed by the consumer groups.

The Inslee amendment is a step backwards for consumers in many ways. Unlike H.R. 1714, which leaves it to the courts to determine who bears the burden when an electronic disclosure or notice is not received, the Inslee amendment puts the burden squarely on consumers' shoulders by creating an affirmative obligation for consumers to notify a provider of a change of email address. The U.S. Postal Service has standardized procedures for address changes, forwarding mail, and returning mail to the sender that currently are not present in the on-line world. Without these real-world "back-up" mechanisms, this amendment simply creates a defense for merchant in cyberspace that it would not have in the physical world.

The Inslee amendment also is a step backward from H.R. 1714 because it takes away the requirement that when a contract is required by law to be in writing, the electronic record of the contract must: (1) accurately set forth the information in contract after it was first generated, and (2) remain accessible for later reference, transmission and printing. Under the amendment, these standards apply only where a law requires a record to be retained. This significantly undercuts the reach of H.R. 1714.

In addition, the Inslee amendment narrows the states' ability to reenact supplemental protective legislation for their citizens. Instead of allowing the states to enact laws for the safety or health of an individual consumer, the amendment permits the states to legislate only where it is necessary for the protection of "public health or safety of consumers." Thus, if certain notices and disclosures are not for the benefit of the public health or safety and only benefit individual consumers—such as notices to individuals about changes in their insurance policies, or a specific consumer's late payment on his utilities—the state cannot enact or reenact supplemental laws for this purpose.

Furthermore, the Inslee amendment leaves in place many of the most troubling aspects of H.R. 1714. For instance, although the amendment improves the opt-in by making requiring it to be "conspicuous" and "visually separate," there is still no requirement that the consumer be told what legal rights she is waiving or what types of notices and disclosures the waiver applies to. In addition, the consumer can still waive "groups of records" with one click, regardless of whether or not they are related to each other or if they are similar in nature.

The Inslee amendment also maintains the bill's broad preemption of state laws. In order for a state to avoid preemption by the federal statute, the Uniform Electronic Transactions Act, or UETA, must be consistent with the electronic contracts and records provisions of this bill. This does not give the states sufficient flexibility to exempt necessary state writing requirements. Ironically, even if a state adopted UETA without excepting any of its laws. The state would still be preempted by the federal law, because UETA does not provide for an opt-in, and that would make the state law inconsistent with—and therefore preempted by—the federal law.

Another flaw with the Inslee amendment is that it does not address the regulatory and supervisory problems with H.R. 1714. Under this amendment, regulated industries such as the banking and insurance industries would still be relieved from their legal requirements to maintain paper records. How can a state insurance regulator determine if an insurance company is properly capitalized, or if it has the proper reinsurance it cannot access the company's electronic records, or if the regulator can not require that the company keep its records in a tamper-proof format?

I understand my colleagues' desire to improve H.R. 1714—because it needs much improvement. But the Inslee amendment just scratches the surface of what's needed to make the necessary improvements in H.R. 1714. Indeed, the amendment makes the bill worse in several respects.

Mr. Chairman, I reserve the balance of my time.

Mr. INSLEE. Mr. Chairman, I would note that that click will waive no rights; it will simply indicate that notifications will be coming electronically rather than writing them in. A click will waive no rights under this amendment.

Mr. Chairman, I yield 1 minute and 40 seconds to the gentlewoman from California (Ms. ESHOO).

Ms. ESHOO. Mr. Chairman, I thank the gentleman from Washington (Mr. INSLEE) for yielding me this time.

I am very proud to be offering this amendment with him and several of my Democratic colleagues as well as the gentlewoman from New Jersey (Mrs. ROUKEMA).

First, let me just stipulate that there is not any mandate in this amendment that says to the consumers of America that they have to go on-line and use digital signatures. There is not a mandate. This is all about choices, but it does add the protections to the consumer if they so choose to exercise this.

This amendment that we bring before my colleagues today I believe cures some of the criticisms, many of the criticisms of the underlying bill. Quite simply, it ensures that consumers who choose to receive electronic records from their banks, their mortgage companies, or their on-line trading brokers will make this decision knowingly. The amendment gives consumers the ability to opt in to receive electronic records and requires that the consent be conspicuous and visually separate from other terms. In other words, consumers must agree to a statement that they will accept the records electronically. This statement cannot be buried in a morass of terms and conditions. It must be clear and separate.

Additionally and importantly, this amendment requires that prior to consenting, consumers must be provided with an explanation of how to access and retain electronic records. This is important because if a consumer cannot review, retain, and print an electronic record, that record is not considered valid.

I am very proud of this amendment. I believe that it makes the bill totally acceptable. This should not be a partisan issue. We should come together from both sides of the aisle, because it protects consumers and it allows electronic commerce to go forward. I urge support of this amendment.

Mr. CONYERS. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. LAFALCE), the distinguished ranking member of the Committee on Banking and Financial Services.

Mr. LAFALCE. Mr. Chairman, I think that almost everyone would favor the purposes of the primary bill before us today, and it is possible to achieve a good bill and a bipartisan bill. And, on the Senate side, Senator ABRAHAM, a Republican, Senator WYDEN, a Democrat, Senator LEAHY, a Democrat, and the administration have gotten together and basically they have come together in support of a good bill, and that is what the gentleman from Michigan (Mr. DINGELL) and the gentleman from Michigan (Mr. CONYERS) and I are going to offer as a substitute.

The gentleman from Washington (Mr. INSLEE) and the gentlewoman from California (Ms. ESHOO) are attempting to deal with the Bliley bill, which the administration strongly opposes and said they would veto with an amendment. I know they are good faith, but I point out that the National Consumer Law Center, the Consumer Federation of America, the United Auto Workers, the Consumers Union, the U.S. Public Interest Research Groups, and the National Consumers League have drafted a letter today which they have sent out to each of us which says, "The Inslee-Eshoo amendment is a cosmetic attempt to make a dangerous bill appear more palatable. Further, this amendment will make it more difficult for consumers to assert their rights under existing consumer protection laws."

So this is cosmetically attractive, but dangerous because of that very fact.

Mr. INSLEE. Mr. Chairman, I yield 30 seconds to the gentleman from California (Mr. DOOLEY).

Mr. DOOLEY of California. Mr. Chairman, I rise in support of the underlying bill and also in strong support of the amendment offered by the gentleman from Washington (Mr. INSLEE), myself and a number of our colleagues.

This legislation is a step forward to trying to ensure that consumers and businesses have a better ability to conduct commerce over the Internet. This amendment that we are supporting today provides for added consumer protections. It ensures that every consumer will have to opt in in order to participate. It ensures that consumers will have to acknowledge the conditions of a contract. It also provides assurances that a consumer will have to acknowledge that they will have to notify the business or the entity that they might be doing business with if they change their e-mail.

This is not any different than what one would have to do with one's address at one's home if one is going to relocate.

Now, if we want to have people to have the benefits that the Internet can provide and e-commerce can provide, we have to understand that we are dealing with a different medium, and this amendment goes a long way to ensuring that consumers will have those protections, that they will have the notifications that are important for them to understand their responsibilities and obligations.

Mr. Chairman, I heard some folks earlier today talking in opposition to the underlying bill, but there are a lot of people out there that do not have a computer; there are a lot of people out there that do not have an e-mail address; there are a lot of people out there that do not know how to navigate the Web. Well, if we use that as a standard to preclude us from moving forward with digital signature, we are never going to get there. But we also have assured that any consumer that might not have a computer, that does not have e-mail, that they do not have to opt in to participate in a digital signature. We provide the consumer protections. This amendment is a good amendment; the underlying bill deserves passage.

Mr. CONYERS. Mr. Chairman, I yield 2½ minutes to the gentleman from California (Mr. BERMAN), a distinguished member of the Committee on the Judiciary.

Mr. BERMAN. Mr. Chairman, I rise in opposition to the amendment. While it makes some improvements in some parts of the base bill, it also in some areas actually goes backward. But I think the broader point is the point I would like to speak to.

We seem to be talking just totally by each other. No one here is opposed to the concept that we need to legislate a digital signature law so that people in places where there is now an obligation to enter into a writing-in contract can enter into a contract electronically and bind themselves to that through digital signatures along the standards of the bill. There is no dispute about that.

I hear my friend from Virginia speak in exciting and provocative terms about the new economy, the new elite, people who want the opportunity, they are governed by potentials and not their fears, and I say yes. But it is not a requirement to be an advocate of the new economy or to be a new Democrat to think that there are some people who will be caught in the transition and that maybe, where the Comptroller of the Currency decides that a particular bank should have a backup set of records in writing because that might be the only place they can go to determine whether reserves are being kept adequately, or whether in a particular situation involving changes in an insurance policy, let us just validate that for this particular type of consumer whose, perhaps, adult children signed them on to the insurance policy electronically, we should validate it by the written contract, that we are going to just trample over these people in the name of doing something new and exciting.

Mr. Chairman, I do not have the arrogance to say that every single law that says that without regard to whom the consumer is, what the State of their mentality is, that we are going to wipe out some considered judgment by a regulator or by a State legislator, by a Federal legislator that in all circumstances, that is preempted.

The gentleman from Washington says his amendment waives no rights, but it does waive one right. By conscious decision, hopefully of a sophisticated and educated consumer, it waives the right to have the disclosures, the changes, the notices in writing. That is indisputable. His amendment waives that right. In most cases, that will be great. There might be a few cases where it is not great, and it is in those cases that I say let us be a little careful about just wiping out all of these laws.

Mr. INSLEE. Mr. Chairman, I yield 10 seconds to the gentlewoman from California (Ms. LOFGREN).

Ms. LOFGREN. Mr. Chairman, I think it is important to point out that there is no waiver of notice in writing. All we are talking about is transmission of that writing and whether the writing is received electronically or on a piece of paper, it is in writing in both cases.

Mr. INSLEE. Mr. Chairman, I yield 1½ minutes to the gentleman from Washington (Mr. SMITH).

Mr. SMITH of Washington. Mr. Chairman, I rise in support of the Inslee amendment and in support of the underlying bill.

Everyone says we all agree, we are going to have digital signature, it is just a matter of the details. Unfortunately, the details that are being presented by the opponents of the Inslee amendment and of the Dingell amendment are such that one would, in practical effect, not be able to do digital signature. If, first of all, one does not have uniformity and one is doing something across State lines and one has 50 or maybe even 100 different rules and regulations for how it is going to be done, it makes it very, very difficult to do business in the electronic commerce world. That is what the Dingell amendment would do. That creates a huge problem for the bill.

Second of all, it requires that paper be done in addition to the digital signature. Well, if we are going to have to do a paper contract, what is the advantage of doing a digital contract? One merely has to duplicate oneself. Those two provisions basically mean that what the opponents of the Inslee amendment are doing is creating a situation where digital signature will not be a choice that any logical businessman will make. That is why we have to oppose it.

Two final points. Consumer protection is clearly protected in this bill. The sentence says this law changes in no way one's contractual protections under consumer protection laws. We are simply doing it digitally instead of by paper. We have the same protections.

Lastly, this well, if one goes on a computer it could get lost, the computer could blow up; paper notices get lost all of the time. If one moves and the notice is required to go by mail, many times these notices do not arrive. Whether it is paper or digital, there are challenges in making sure that all of the notices get there. I strongly submit that those challenges are no greater with digital signature than they are with paper, and we are stuck in a lost mindset here thinking that somehow, if it is not paper, it is not real. If we do not do this right, we will not have digital signature. The Inslee amendment does it right. Support it.

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Mr. CONYERS. Mr. Chairman, I am pleased to yield 3 minutes to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Chairman, I thank the gentleman for yielding time to me.

I rise in opposition to the amendment, Mr. Chairman. I recognize that there is an effort here to make this, as I said, palatable, but it remains indigestible. What we are doing here is we are force-feeding the States, force-feeding consumers this particular format in terms of how transactions and record will be eliminated.

Someone says, the electronic signatures, we are all for it, we can permit that, but we need this because we need to eliminate or give the possibility for people to accept notices and disclosures electronically, that is the only thing. But the heart and soul of most consumer laws are the absolute disclosure provisions. So once we go down this path, we have, for all intents and purposes, circumvented many of the consumer laws of the Federal and many at the State level.

This is not transactions initiated over the Internet, this could be someone at the door that we open the possibility of fraud and abuse to here, because someone at the door, when we get a cooling off period for not purchasing, we would sign it away. There is no assurance that they have Internet; electronic computer equipment or service. It is only one-third of the homes in this Nation have Internet, so these are not even just transactions. We open up that possibility.

We have tried mightily in terms of this particular provision, but we have gone one step forward and two back. The rule of holes is that when you are in a hole and you want to get out, quit digging, but this amendment digs in more. It tries to legitimatize what is inappropriate in this bill.

The fact of the matter is, look at where the consumer is. They are buying a home, they are buying a car. They are blinded by the fact of that new shiny Chevrolet or that wonderful new home that they are going to get. They are signing a whole bundle of papers. In the process of doing it, they sign the copy, disclosure and notification away with no assurance, and all the responsibility put back on the individual consumer on something that may be the most important transaction they make.

This vitiates the truth-in-lending, the real estate State Sales Practices Act. The Federal regulators are already working on the issue of electronic commerce and attempting to interface the rules and e-commerce. Instead of doing something for the consumer, they are taking away the options they have today.

Members are saying that the price of being active in this electronic signature bill and this electronic Internet world is that we are going to deny some of the rights people have today. We basically say, we will let you give up your rights. We should not do that, and we should know that individuals do not have fully informed consent, the mechanics, workers, blue collar workers or others getting minimum wage. They are not sitting in the halls of this Congress, they are not out there walking around in the lobbies, they need our help. Ironically this legislation protects the sophisticated financial institutions and Federal regulators.

We ought to be doing something for the consumer, like providing favorable options for them on privacy in the Internet. We are not doing for them what we did in the Financial Modernization Act. We are doing more harm in this act, with this particular provision and certainly the underlying measure.

When we talk about the provision in the financial modernization, we had balance in that bill. There is no balance in this bill. This policy in this bill is not necessary. These provisions on records are not necessary to make the electronic signature legitimate. We are undercutting consumer law. There is a bandwagon effect here in terms of the special interests that have annealed themselves to this popular electronic signature legislation in order to circumvent the very real decades of consumer law that have protected and serve the consumers and the people we represent. Vote "no" on this bill.

Mr. INSLEE. Mr. Chairman, I yield 1½ minutes to the gentlewoman from the Garden State, New Jersey (Mrs. ROUKEMA).

Mrs. ROUKEMA. Mr. Chairman, I have to say, as a member of the Committee on Banking and Financial Services, I rise in strong support of the amendment offered by the gentleman from Washington (Mr. INSLEE). I would like to identify myself as a cosponsor of that amendment.

I would also like to take exception to some of the loose rhetoric that I have heard on the floor today, and would like to speak to the specifics.

It seems to me that Congress and the regulators are overdue in playing a leadership role in updating many of the consumer protection laws to reflect the new technologies in electronic commerce that we see out there. This bill and this amendment takes a giant step toward that protection. It does not diminish in any way, as far as I can tell, the protections that consumers already have.

I want to be specific. The amendment is pro-consumer because it provides the additional consumer protections such as a clear, number one, customer opt-in for electronic delivery specifically is required, an opt-in. There are clear requirements on review, retention, and printing of documents and disclosures. Three, the ability of a customer to opt out is there for any customer at any time for the electronic delivery system.

I think that this is, as I said, not only a giant step, but it is also clearly defined, and I dismiss any of the loose rhetoric that acts as though we are taking something away. We are really building not only a firm foundation, but a giant step for consumers in this new electronic age.

Mr. Chairman, as a cosponsor, I rise today in strong support of the Inslee/Eshoo/Dooley/Moran/Roukema amendment. It is both Pro Business and Pro Consumer. It is common sense and will improve the bill.

Millions of consumers today routinely conduct business over the Internet, buying and selling a myriad of products and services from companies large and small, near and far. Many of these consumers engage in financial transactions—investing in stocks and bonds, checking account balances, transferring funds, applying for credit cards, and paying bills without leaving their homes. This explosion of online financial services offers great benefits. Nonetheless, the ability to offer many financial services, particularly loans and mortgages, would be enhanced if the banking laws were amended to clarify the rules governing the electronic delivery of financial services.

H.R. 1714 and the Inslee Amendment will clarify that electronic delivery of required consumer disclosures over the Internet is permissible as long as there are certain safeguards for consumers. This bill does not lessen the rights of consumers to receive required disclosures. In addition, it does not affect the content of any disclosure, including the timing, format and information to be provided. Furthermore, consumers would control which information could be sent to them electronically.

This legislation will assist the growth of online financial transactions and at the same time provide consumer protections. Online disclosures will provide consumers with a number of benefits:

Convenience and time-saving—Consumers can conduct transactions virtually anywhere and at any time, 7-days-a-week, 24-hours-a-day.

User friendly information—Legalistic jargon in on-line disclosure forms can be linked to plain-English definitions, making them much more readable and understandable. Consumers can electronically search documents rather than reading through reams of paper.

Enhanced services for under-served communities—Rural and urban communities will have enhanced access to financial services, even where brick and mortar branches are not available. In areas where residents cannot afford computers, libraries and schools provide on-line access.

Reduced cost—Electronic delivery of disclosures will cost less than providing the same information on paper or paying employees to handle face-to-face disclosures, Competition should encourage business to pass on those savings to consumers.

E-commerce is here. U.S. citizens are spending billions of dollars each year on-line. Congress and the regulators must play a leadership role in updating many of the consumer protection laws to reflect new technologies and establish a coherent legislative framework for the delivery of financial services through electronic commerce. This bill and this amendment takes a giant step toward that protection.

The Inslee/Eshoo/Dooley/Moran/Roukema Amendment includes several provisions from H.R. 2626, the Electronic Disclosures Delivery Act of 1999, which I introduced on September 1st along with Mr. INSLEE and Mr. LAZIO. The Amendment is pro consumer because it provides the additional consumer protections such as clear (1) Customer "opt in" for electronic delivery specifically required, (2) clear requirements on review, retention and printing of documents and disclosures, (3) the ability of a Customer to "opt out" of electronic delivery at any time.

I thought these were good provisions when I introduced H.R. 2626 with Mr. LAZIO and Mr. INSLEE. I thought they were good provisions when proposed before the Rules Committee, and that is why I cosponsored the Inslee Amendment. I believe the Inslee/Roukema Amendment protects consumers in a rational clearly defined common sense manner. It clearly improves the bill.

We should approve the Amendment and we should approve H.R. 1714.

Mr. CONYERS. Mr. Chairman, I yield 30 second to the gentleman from New York (Mr. LAFALCE).

Mr. LAFALCE. Mr. Chairman, I wonder if the gentlewoman from New Jersey would answer why the chairperson of the Subcommittee on Financial Institutions has had no hearings on the bill that she introduced, and dealing with the impact of this bill and her bill on the consumer protection laws?

Mrs. ROUKEMA. Mr. Chairman, will the gentleman yield?

Mr. LAFALCE. I yield to the gentlewoman from New Jersey.

Mrs. ROUKEMA. Mr. Chairman, I will tell the gentleman exactly why; we got a little directed and focused on financial modernization.

Mr. LAFALCE. The gentlewoman was too busy to have hearings on these consumer protections.

Mrs. ROUKEMA. I was the author of the financial privacy and financial modernization. I find this completely consistent.

Mr. INSLEE. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Mr. Chairman, I thank the gentleman from Washington (Mr. INSLEE) for yielding time to me.

Mr. Chairman, I am also an original sponsor of this amendment because it clarifies the consumer protections in H.R. 1714. I have been wanting to respond to my friend, the gentleman from California, not because I take issue with his characterization of my remarks as New Democrat in nature, but because he said that I am supporting this bill because it is new and exciting.

That is not why I am supporting this bill. It is because it is responsible and needed. The fact is that this bill provides a consistent and predictable national framework of rules governing the use of electronic signatures. This bill is needed. This bill was and is bipartisan. When the final vote is taken, it will be apparent that it is bipartisan. In fact the vote will be lopsided because it provides consumers and companies doing business on the Internet the legal certainty they need for electronic signatures, until all 50 States pass their own legislation on the legality of electronic signatures.

This amendment is important because it clarifies the consumer protections that were originally inlcuded in this bill. It makes it clear, as the prior speakers have said, that consumers are not required to use or accept electronic records or electronic signatures. There has to be mutual consent, and it expands the bill's requirement that consumers be able to receive and retain electronic records.

Mr. Chairman, this amendment is important because it says that opportunity for consent must be conspicuous and visually separate from all the other terms.

In addition, the consumer must be provided with an explanation of how to access and retain electronic records. Records will be received, retained, and printed. The fact is that consumers are going to be protected, but most importantly, they are going to have a choice. Today they do not have that uniformity, that predictability that comes with uniform national standards.

The Internet is national in nature. Our constituents need this legislation. Make it bipartisan and make it an expression of our unequivocal support for this productive, prosperous new economy.

Mr. CONYERS. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan (Mr. DINGELL), the dean of the House and the ranking member of the Committee on Commerce.

Mr. DINGELL. Mr. Chairman, I thank my good friend for yielding time to me.

Mr. Chairman, I want to try and make clear what is at stake here.

There is no objection, I think, on the floor on the part of anyone, my good friend, the gentleman from Michigan, myself, or anybody else, to whether or not the contract is signed electronically. The question relates to notice of later events under that contract which can severely impact the purchaser, such as things which would trigger foreclosure of a mortgage on a house or an automobile, failure to keep up insurance, failure to prevent waste, failure to make payments.

It could happen for many reasons, such as year 2K. It could happen because of the situation which might occur, a hard drive might crash, or there might be any one of a number of other events, including a failure of the Internet provider or something of that sort, or the matter would just get lost in cyberspace.

There is nothing in anything that we are talking about here that would preclude an individual from giving up some right and waiving his right to that notice. But as an attorney of longstanding and as one who has dealt with foreclosures and the hardship that those kinds of events trigger, I think it is important to see to it that some who might not be as smart as some of the Internet whizzes and the computer whizzes and jocks that we have has the capability of protecting himself, because we are talking about things such as the purchase of stock, mortgages on homes, automobile purchases, major purchases of equipment, and things of that kind which could incur enormous obligations on the part of the purchaser.

I propose to support the amendment. It improves the bill. It does not improve the bill by addressing the fundamental, basic question of whether the consumer gets the necessary notices that are required by a long history of State law to apprise him that he is in danger under the contract of losing money or rights.

Mr. INSLEE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would just like to specifically note that the underlying bill excludes from its ambit notices of foreclosure, of acceleration of default on the home. Those are specifically excepted and should not be an issue.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. INSLEE. I yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman for yielding.

Mr. Chairman, I am not talking about notices of foreclosure, I am talking about notices that would trigger foreclosure, notice that the insurance has not been paid, that damage was being committed on the property, that a public nuisance is being committed on the property, or even a notice that the individual has failed to make a payment, which will trigger foreclosure.

Those are the kinds of notices that I am talking about, and they can severely, adversely impact the party.

Mr. INSLEE. Reclaiming my time, those will be given. Those notices will be given. In every case, the consumers electronically, if they want it electronically, and on paper if they want it on paper, those notices shall be given.

Mr. Chairman, I yield 1 minute to the gentleman from from Virginia (Mr. BLILEY).

Mr. BLILEY. Mr. Chairman, I appreciate the gentleman yielding time to me.

Mr. Chairman, I think the gentleman's amendment improves the bill. I support it.

I would also like to point out, as was mentioned in the earlier debate, that what happens if the Y2K problem happens or the computer breaks down, the bill requires that a record sent be able to be retainable, printable, and transferrable. If the Internet is down this standard is not met, and thus, a consumer would not be liable.

I fully support this amendment. I urge its adoption, and I urge adoption of the underlying bill.

Mr. CONYERS. Mr. Chairman, I yield the balance of my time to the gentlewoman from Texas (Ms. JACKSON-LEE), a distinguished member of the Committee on the Judiciary.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the distinguished ranking member of the Committee on the Judiciary for yielding time to me.

I thank the Members for their good intentions behind this effort. I happen to be a supporter of electronic commerce. I wish we could have done this in a bipartisan way.

Mr. Chairman, I do rise to support the incremental change that the Inslee amendment makes. It does not answer my concerns, however. I do believe that it is important for the consumers to conspicuously be able to opt in to give consent to know whether or not their business is going to be done in an electronic form, but I think what my good friends are missing and the reason I support the substitute is they are missing the fact that although we can lay out the long list of supporters of this bill, the responsibility of this Congress is to ensure that those voices which cannot be heard, those people needing to have information about the drugs they get out of the Food and Drug Administration, those young couples who are buying homes, still need to have the ability to understand the documents that they are utilizing.

Under the underlying bill, creditors could condition credit on a consumer's consent to receive all disclosures electronically. I do want us to all be hooked up to the Internet, but unfortunately, even as we go into the 21st century, all Americans are not. Can Members imagine being denied credit because they refuse or do not understand that they need to be hooked up to the Internet? Even in credit transactions involving the mortgage, people would have that problem.

Consider the FDA's responsibility to provide people with information about drugs, and those drugs that would conflict with others. Now we have the obligation of written information. Just imagine that that information will now be on the web page, and they leave people to their own devices, and they say, forget about the written materials, just go to the web page that most of those who are in certain levels in our country do not have.

□ 1415

The substitute, however, would sunset when a state enacted a uniform electronic transactions act which would provide for protections for our consumers.

The substitute also does not affect Federal laws or regulations, but instead gives Federal agencies 6 months to conduct a careful study of barriers to electronic transactions under Federal laws or regulations. The substitute also represents the E-commerce bill that is the most likely to be enacted into law, because it is a combination of Democrats and Republicans, House Members and Senate Members, who have come together.

Mr. Chairman, we are not against electronic commerce. I think that is the point that should be made. I have friends on the other side that I agree with, and friends over here that I agree with. But what my voice must be for are those individuals who do not know the Internet, who do not have access to computers, who are intimidated by some large business telling them they can not get credit or that home that they have been dreaming of because they will not consent to have their business done in an electronic process.

Mr. Chairman, let us make it a bipartisan bill and support the substitute and do the right thing for the American people.

Mr. INSLEE. Mr. Chairman, I yield 15 seconds to the gentleman from Ohio (Mr. KASICH).

Mr. KASICH. Mr. Chairman, I would like to compliment the gentleman from Washington (Mr. INSLEE) for his amendment in terms of clarifying. But one thing we should not be confused about, this Congress nor government should stand in the way of what has been remarkable progress here at end of the 20th century moving into the 21st century. It has done an enormous amount of good for families, not just in America but across the globe. Let us clarify this but not hesitate to invest and have confidence in those people who are really moving us forward and empowering people.

The CHAIRMAN pro tempore (Mr. MILLER of Florida). The question is on the amendment offered by the gentleman from Washington (Mr. INSLEE).

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. INSLEE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 418, noes 2, not voting 13, as follows:

[Roll No. 577]

AYES—418

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Capuano
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth-Hage
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Conyers
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crowley
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Filner
Fletcher
Foley
Forbes
Ford
Fossella
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kucinich
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Larson
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Martinez
Mascara
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup

Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Ose
Owens
Oxley
Packard
Pallone
Pastor
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Schaffer
Schakowsky
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (WA)
Snyder
Souder
Spratt
Stabenow
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOES—2

Paul
Vento

NOT VOTING—13

Coburn
Condit
Dickey
Gephardt
Hutchinson
Largent
Matsui
Meek (FL)
Pascrell
Scarborough
Smith (TX)
Spence
Tiahrt

□ 1439

Mr. KUCINICH and Mr. WATT of North Carolina changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Stated against:

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Chairman, on rollcall No. 577, I was unavoidably detained. Had I been present, I would have voted "no."

The CHAIRMAN pro tempore (Mr. MILLER of Florida). It is now in order to consider amendment No. 2 printed in House Report 106-462.

AMENDMENT NO. 2 IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. DINGELL

Mr. DINGELL. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment No. 2 in the nature of a substitute offered by Mr. DINGELL:

Strike out all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Millennium Digital Commerce Act".

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) The growth of electronic commerce and electronic government transactions represent a powerful force for economic growth, consumer choice, improved civic participation and wealth creation.

(2) The promotion of growth in private sector electronic commerce through Federal legislation is in the national interest because that market is globally important to the United States.

(3) A consistent legal foundation, across multiple jurisdictions, for electronic commerce will promote the growth of such transactions, and that such a foundation should be based upon a simple, technology neutral, nonregulatory, and market-based approach.

(4) The Nation and the world stand at the beginning of a large scale transition to an information society which will require innovative legal and policy approaches, and therefore, States can serve the national interest by continuing their proven role as laboratories of innovation for quickly evolving areas of public policy, provided that States also adopt a consistent, reasonable national baseline to eliminate obsolete barriers to electronic commerce such as undue paper and pen requirements, and further, that any such innovation should not unduly burden inter-jurisdictional commerce.

(5) To the extent State laws or regulations do not provide a consistent, reasonable national baseline or in fact create an undue burden to interstate commerce in the important burgeoning area of electronic commerce, the national interest is best served by Federal preemption to the extent necessary to provide such consistent, reasonable national baseline or eliminate said burden, but that absent such lack of a consistent, reasonable national baseline or such undue burdens, the best legal system for electronic commerce will result from continuing experimentation by individual jurisdictions.

(6) With due regard to the fundamental need for a consistent national baseline, each jurisdiction that enacts such laws should have the right to determine the need for any exceptions to protect consumers and maintain consistency with existing related bodies of law within a particular jurisdiction.

(7) Industry has developed several electronic signature technologies for use in electronic transactions, and the public policies of the United States should serve to promote a dynamic marketplace within which these technologies can compete. Consistent with this Act, States should permit the use and development of any authentication technologies that are appropriate as practicable as between private parties and in use with State agencies.

SEC. 3. PURPOSES.

The purposes of this Act are—

(1) to permit and encourage the continued expansion of electronic commerce through the operation of free market forces rather than proscriptive governmental mandates and regulations;

(2) to promote public confidence in the validity, integrity and reliability of electronic commerce and online government under Federal law;

(3) to facilitate and promote electronic commerce by clarifying the legal status of electronic records and electronic signatures in the context of contract formation;

(4) to facilitate the ability of private parties engaged in interstate transactions to agree among themselves on the appropriate electronic signature technologies for their transactions; and

(5) to promote the development of a consistent national legal infrastructure necessary to support of electronic commerce at the Federal and State levels within areas of jurisdiction.

SEC. 4. DEFINITIONS.

In this Act:

(1) ELECTRONIC.—The term "electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

(2) ELECTRONIC AGENT.—The term "electronic agent" means a computer program or an electronic or other automated means used to initiate an action or respond to electronic records or performances in whole or in part without review by an individual at the time of the action or response.

(3) ELECTRONIC RECORD.—The term "electronic record" means a record created, generated, sent, communicated, received, or stored by electronic means.

(4) ELECTRONIC SIGNATURE.—The term "electronic signature" means an electronic sound, symbol, or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

(5) GOVERNMENTAL AGENCY.—The term "governmental agency" means an executive, legislative, or judicial agency, department, board, commission, authority, or institution of the Federal Government or of a State or of any county, municipality, or other political subdivision of a State.

(6) RECORD.—The term "record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(7) TRANSACTION.—The term "transaction" means an action or set of actions relating to the conduct of commerce, between 2 or more persons, neither of which is the United States Government, a State, or an agency, department, board, commission, authority, or institution of the United States Government or of a State.

(8) UNIFORM ELECTRONIC TRANSACTIONS ACT.—The term "Uniform Electronic Transactions Act" means the Uniform Electronic Transactions Act as provided to State legislatures by the National Conference of Commissioners on Uniform State Law in the form or any substantially similar variation.

SEC. 5. INTERSTATE CONTRACT CERTAINTY.

(a) IN GENERAL.—In any commercial transaction affecting interstate commerce, a contract may not be denied legal effect or enforceability solely because an electronic signature or electronic record was used in its formation.

(b) METHODS.—Parties to a transaction are permitted to determine the appropriate electronic signature technologies for their transaction, and the means of implementing such technologies.

(c) PRESENTATION OF CONTRACTS.—Notwithstanding subsection (a), if a law requires that a contract be in writing, the legal effect or enforceability of an electronic record of such contract shall be denied under such law, unless it is delivered to all parties to such contract in a form that—

(1) can be retained by the parties for later reference; and

(2) can be used to prove the terms of the agreement.

(d) SPECIFIC EXCLUSIONS.—The provisions of this section shall not apply to a statute, regulation, or other rule of law governing any of the following:

(1) The Uniform Commercial Code, as in effect in a State, other than section 1-107 and 1-206, article 2, and article 2A.

(2) Premarital agreements, marriage, adoption, divorce or other matters of family law.

(3) Documents of title which are filed of record with a governmental unit until such time that a State or subdivision thereof chooses to accept filings electronically.

(4) Residential landlord-tenant relationships.

(5) The Uniform Health-Care Decisions Act as in effect in a State.

(e) ELECTRONIC AGENTS.—A contract relating to a commercial transaction affecting interstate commerce may not be denied legal effect or enforceability solely because its formation involved—

(1) the interaction of electronic agents of the parties; or

(2) the interaction of an electronic agent of a party and an individual who acts on that individual's own behalf or as an agent, for another person.

(f) INSURANCE.—It is the specific intent of the Congress that this section apply to the business of insurance.

(g) APPLICATION IN UETA STATES.—This section does not apply in any State in which the Uniform Electronic Transactions Act is in effect.

SEC. 6. PRINCIPLES GOVERNING THE USE OF ELECTRONIC SIGNATURES IN INTERNATIONAL TRANSACTIONS.

To the extent practicable, the Federal Government shall observe the following principles in an international context to enable commercial electronic transaction:

(1) Remove paper-based obstacles to electronic transactions by adopting relevant principles from the Model Law on Electronic Commerce adopted in 1996 by the United Nations Commission on International Trade Law (UNCITRAL).

(2) Permit parties to a transaction to determine the appropriate authentication technologies and implementation models for their transactions, with assurance that those technologies and implementation models will be recognized and enforced.

(3) Permit parties to a transaction to have the opportunity to prove in court or other proceedings that their authentication approaches and their transactions are valid.

(4) Take a nondiscriminatory approach to electronic signatures and authentication methods from other jurisdictions.

SEC. 7. STUDY OF LEGAL AND REGULATORY BARRIERS TO ELECTRONIC COMMERCE.

(a) BARRIERS.—Each Federal agency shall, not later than 6 months after the date of enactment of this Act, provide a report to the Director of the Office of Management and Budget and the Secretary of Commerce identifying any provision of law administered by such agency, or any regulations issued by such agency and in effect on the date of enactment of this Act, that may impose a barrier to electronic transactions, or otherwise to the conduct of commerce online or by electronic means. Such barriers include, but are not limited to, barriers imposed by a law or regulation directly or indirectly requiring that signatures, or records of transactions, be accomplished or retained in other than electronic form. In its report, each agency shall identify the barriers among those identified whose removal would require legislative action, and shall indicate agency plans to undertake regulatory action to remove such barriers among those identified as are caused by regulations issued by the agency.

(b) REPORT TO CONGRESS.—The Secretary of Commerce, in consultation with the Director of the Office of Management and Budget, shall, within 18 months after the date of enactment of this Act, and after the consultation required by subsection (c) of this section, report to the Congress concerning—

(1) legislation needed to remove barriers to electronic transactions or otherwise to the conduct of commerce online or by electronic means; and

(2) actions being taken by the Executive Branch and individual Federal agencies to remove such barriers as are caused by agency regulations or policies.

(c) CONSULTATION.—In preparing the report required by this section, the Secretary of Commerce shall consult with the General Services Administration, the National Archives and Records Administration, and the Attorney General concerning matters involving the authenticity of records, their storage and retention, and their usability for law enforcement purposes.

(d) INCLUDE FINDINGS IF NO RECOMMENDATIONS.—If the report required by this section omits recommendations for actions needed to fully remove identified barriers to electronic transactions or to online or electronic commerce, it shall include a finding or findings, including substantial reasons therefore, that such removal is impracticable or would be inconsistent with the implementation or enforcement of applicable laws.

The CHAIRMAN pro tempore. Pursuant to House Resolution 366, the gentleman from Michigan (Mr. DINGELL) and a Member opposed each will control 15 minutes.

The Chair recognizes the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, my old dad taught me to measure twice and cut once. He said that that was better carpentry, and he was right.

□ 1445

This amendment is essentially a bipartisan agreement reached in the Senate between Senators ABRAHAM and LEAHY. It is supported by the administration and it does not bear with it the threat of veto of the legislation without this amendment. It recognizes the validity of electronic signatures and contracts. It stays out of the more complicated questions and controversy associated with electronic records attendant on those contracts. It also avoids the problem of telling the contracting parties exactly what they do.

Here is what the substitute does do. It says a contract may not be denied legal effect or enforceability solely because of electronic signature or an electronic record was used in the formation. It allows parties to the transaction to determine appropriate electronic signature technologies for their transaction. It protects parties by requiring that the electronic record be delivered in the form that can be retained by the parties for later reference, and it can be used to prove the terms of the agreement. It sets forth principles to guide the Federal Government in expanding the use of electronic signatures in international transactions. It requires the Federal Government to study legal and regulatory barriers to electronic contracts.

Now, here is what it does not do. It does not hurt the ability of States to establish safeguards, such as consumer protection laws for electronic commerce. It does not wipe out the ability of Federal regulators to eliminate abuses that may occur when electronic records are used. It does not wipe out State laws and regulations on the maintenance of records critical to protection of individual rights and claims. It does not preempt State and Federal records signature requirements, including those in tax laws and regulatory statutes.

We do not need to sacrifice consumer protections to facilitate electronic commerce. The concerns that I pointed out earlier are avoided. Electronic commerce will go forward, the parties will define the terms under which they will function, State laws will be protected, consumers will be protected, and entrepreneurs on the Internet will also be protected. And consumers will know that they have the means to protect themselves on terms of contracts in which they enter.

Mr. Chairman, may I inquire as to how much time I have consumed?

The CHAIRMAN pro tempore (Mr. MILLER of Florida). The gentleman from Michigan (Mr. DINGELL) has used 2½ minutes and will have 12½ minutes remaining.

Mr. DINGELL. Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN pro tempore. Does the gentleman from Virginia (Mr. BLILEY) seek the time in opposition?

Mr. BLILEY. I do, Mr. Chairman.

The CHAIRMAN pro tempore. The gentleman from Virginia is recognized for 15 minutes.

Mr. BLILEY. Mr. Chairman, I yield myself 5½ minutes, and I rise in opposition to the substitute offered by the gentleman from Missouri (Mr. GEPHARDT), the gentleman from Michigan (Mr. DINGELL), the gentleman from Michigan (Mr. CONYERS), and the gentleman from New York (Mr. LAFALCE).

Just last week the House leadership and the administration pulled out all the stops to defeat H.R. 1714 when it was considered under suspension. In spite of their opposition, we fell just a few votes shy of a two-thirds majority. Just this past week an amazing conversion has taken place. Not only has the majority leadership stopped opposing electronic signature legislation, but it now supports the concept of providing legal validity to electronic signatures, and even went so far as to introduce a bill, H.R. 3220.

I commend my colleagues for their conversion and for recognizing the importance of this Congress approving electronic signature legislation. Unfortunately, their amendment, as the old saying goes, is a day late and a dollar short. The amendment only provides for electronic signatures on contracts and is, thus, substantially narrower than 1714. The amendment does not provide for the use or acceptance of electronic records, such as warranties, notices of or disclosures in electronic form.

The offerers of this amendment have leveled charges that the inclusion of records in H.R. 1714 would bring harm to consumers. Such a charge is completely false. H.R. 1714 contains important provisions protecting consumers who choose to accept an electronic document. This makes H.R. 1714 a broader bill, covering a wide range of electronic commerce transactions. Indeed, we just passed an amendment to improve this bill dealing with records by a vote of 418 to 2. Why would we want to strike the provision now?

Coupled with the records provision in H.R. 1714 are key consumer protections. In short, the key consumer protections are an opt-in system for consumers who want to accept electronic documents; standards to ensure that electronic documents are accurate and can be printed for use for future reference, and a requirement that key notices, such as termination of a utility service, cancellation of health insurance or life insurance, and foreclosure or eviction must still be delivered in writing.

The amendment before us also fails to address the need for uniformity in electronic signature laws. Currently, Mr. Chairman, 44 States have enacted some sort of electronic signature law. However, all 44 are different and many are inconsistent. With such a patchwork of differing laws, electronic commerce is nearly impossible. This amendment will only perpetuate that patchwork of laws by allowing States to enact any law, any law, regulating electronic signatures, no matter how nonuniform or how inconsistent with the laws of other States.

In contrast, H.R. 1714 allows States to enact a uniform electronic signature law provided that it meets minimum standards consistent with promoting electronic commerce. Two of the key principles are that State laws must be technology neutral and that States cannot limit the offering of electronic signature services to specific types of businesses. H.R. 1714 will encourage States to enact uniform laws while ensuring that States do not inhibit interstate commerce.

In addition, the amendment does not fully address the concerns I have about the use and acceptance of electronic signatures internationally. As other speakers have pointed out, some nations have enacted or are proposing electronic signature legislation that would be harmful to American interests. Title II of H.R. 1714 provides guidance to the Secretary of Commerce to work against any barriers to promote American principles in this area.

I would also like to point out that H.R. 1714 has been the subject of long and substantial negotiations with the minority. Prior to its consideration at the subcommittee and full committee level, we engaged in lengthy negotiations with the minority. The substitute amendments offered in committee by the gentleman from Ohio (Mr. OXLEY), the gentleman from Louisiana (Mr. TAUZIN), and myself contain important provisions that enjoyed bipartisan support. In fact, H.R. 1714 was approved through two subcommittees and the full committee by a voice vote.

We are also hearing that we should support this amendment because it is identical to the compromise legislation that has been agreed to in the other body. First, if such a compromise has been reached, it certainly has not been cleared for floor consideration. I think it is premature to refer to this as the so-called compromise until it is voted on and approved by the full committee of the other body.

Second, I am surprised to hear my colleagues say that we should merely accept the work of the other body without thoroughly considering this issue in the House. We should not blindly accept any legislation merely because the other body has supposedly reached a compromise on the text of a bill.

I am pleased to see that many of my colleagues from across the aisle have seen the light and decided to support rather than oppose electronic signature legislation. Unfortunately, their amendment falls far short of what is needed to promote electronic commerce.

Mr. Chairman, I reserve the balance of my time.

Mr. DINGELL. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. LAFALCE).

Mr. LAFALCE. Mr. Chairman, I do not believe there is a representative in this body who does not favor electronic signatures. That is not the issue before us. The issue before us is should we pass Federal legislation that, A, preempts consumer rights; and, B, preempts States rights. I think the answer to that is no.

So there is another question. Why not this substitute? Why not this substitute that the administration favors, that is the agreed-upon compromise at least between Senator ABRAHAM, the chairman of the relevant Judiciary Subcommittee in the Senate, and Senator WYDEN and Senator LEAHY?

With respect to consumer rights, every consumer group believes that we must pass this substitute in order to keep the consumer protections that are presently in existing law. Industry, the Microsofts, the Yahoos of this world, would embrace the substitute if it were to be before the President for his signature. It is just that if they can get a better bill that preempts consumer rights, why not?

I remember when I first studied law, the Uniform Commercial Code was to be adopted by the States. Nobody suggested that because contracts are interstate in nature there should be a Federal law preempting the ability of States to adopt the Uniform Commercial Code sometime, with a little change here or a little change there, and that is how it has evolved.

The present bill that is before us would preempt any State law unless it is fully consistent with the Federal bill. In other words, it preempts it totally. The substitute would pass this legislation, protect the consumer, but also protect the abilities to enact consumer protections that might be even greater. I think that is something we want to preserve.

We will get the signature of the President on the substitute. It is probably going to be the virtual identical bill that passes the Senate. Why not vote for this substitute, get a law, and get the law passed immediately?

Mr. OXLEY. Mr. Chairman, I yield 2 minutes to the gentleman from Utah (Mr. CANNON).

Mr. CANNON. Mr. Chairman, I rise in opposition to the substitute. I do not support the substitute because it fails to simplify, clarify, and modernize the law governing electronic commerce. It fails to promote uniformity of law among the States, and it fails to advance American interests worldwide by promoting a uniform legal regime addressing the use of electronic and similar technological means of effecting and performing commercial and governmental transactions.

The substitute will not accomplish what should be the basic objective of any legislation on this subject; that is, bringing legal certainty to electronic transactions in commerce. The substitute fails in this regard because, instead of promoting uniformity of law among the States, it will lead to the balkanization of applicable law. This will lead to greater uncertainty.

Balkanization will occur because, even with its most narrow scope, the substitute does not apply to States where the Uniform Electronic Transactions Act, UETA, is adopted in whole or any substantially similar variation. Between Section 3(b)(5) of UETA, which permits a State to exclude any of its laws from the application of UETA, and the substitute's substantially similar variation language, a State is completely free to institute its own electronic commerce laws regardless of such laws' effect on interstate commerce.

That is exactly what happened in California, the first State to adopt UETA. Relying on Section 3(b)(5) of the UETA, better known in some circles UETA's black hole, California excluded many laws from the application of UETA's principles. Those laws include most sections of the following California codes: Uniform Commercial

Code, the Business and Professions Code, the Civil Code, the Financial Code, the Insurance Code, Public Utilities Code, and the Vehicle Code.

If every State was to take California's approach, the effect would be to further remove legal certainty. Rather, 50 separate legal regimes may arise governing electronic transactions in commerce. This outcome is counterproductive and unacceptable. I therefore urge my colleagues on both sides of the aisle to vote "no" on the substitute.

Mr. CONYERS. Mr. Chairman, I yield myself 2 minutes.

My colleagues, this substitute is just what we need. It has come not a moment too soon, because I think we can now bring a marriage to the rights of consumers and the high-tech necessities of e-signature. It satisfies the need of the high-tech community by recognizing the validity of the electronic signatures in contracts, but it does not go as far as the base bill in getting into the controversial issue of other electronic records that might arise from electronic contract formation.

□ 1500

In other words, this steers a midcourse. It has a counterpart in the United States Senate. And it also has the assurance that the President will sign it into law.

So I am asking my colleagues, please, if we are supporting e-signatures and want to move high tech forward, here is the substitute that we can do this by.

The substitute deals only with the formation of electronic contracts and not other types of records. It does not undermine the important consumer protection laws. For example, regulations implementing the Truth in Lending Act require creditors to provide consumers with periodic statements that include information essential to a consumer in managing a credit card account.

Now, this cannot be accomplished unless we have the substitute. Creditors could request on a consumer's consent to receive all disclosures electronically under H.R. 1714. That is exactly what we are trying to make the distinction between the substitute and the base bill. Please support this substitute.

Mr. BLILEY. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana (Mr. TAUZIN).

Mr. TAUZIN. Mr. Chairman, I thank the gentleman for yielding me the time. I rise in opposition to this substitute.

Mr. Chairman, members of the committee, the substitute, if adopted, will rob this body of one of its rare opportunities to do good not only by our generation of Americans but by generations yet unborn.

We are about to enter a new millennium that, in large measure, is going to be governed by the enormous possibilities of not only the current Internet as we know it but as broadband, high-speed, always-on, always-available, supercontent-rich, broadband Internet services that are going to merge with television and provide us with new means of communicating and entertaining ourselves and indeed conducting electronic commerce across the span of the globe. It is going to make a smaller world and make possible enormous opportunity for citizens of this country and citizens of the word.

But in order for that to flourish, the legal rules that are to govern electronic commerce ought to be made clear. The bill does that.

The problem with the substitute is that it limits the bill only to those matters dealing with the formation of an electronic contract.

Now, in the earlier discussions, I tried to point out to my colleagues that many things that happen in electronic commerce do not involve the formation of a contract. The best example is when we write a check and that check has to be physically delivered by the bank to the bank of the recipient to whom we are sending the money. Just the physical transfer of all those checks, all that paperwork, costs consumers in America $4 billion a year just moving that paper around.

The substitute would do nothing to provide for digital signature in the electronic commerce of transferring money around in the form of payments and checks.

I urge that this substitute be defeated and we stick with the main body of the bill.

Mr. DINGELL. Mr. Chairman, I yield 1 minute to the distinguished gentleman from New York (Mr. WEINER), a member of the Committee on the Judiciary.

Mr. WEINER. Mr. Chairman, I rise in support of the amendment and the substitute being offered by the gentleman from Michigan (Mr. DINGELL) and the gentleman from Michigan (Mr. CONYERS) and others. I would appeal to my colleagues on perhaps a different level than this issue has been debated for some time.

We still have relatively small numbers of American citizens participating in Internet commerce, but that number continues to rise almost exponentially each year. And the reason for that rise in participation in the Internet commerce world is people are developing more confidence. Each time they go make a purchase and they get their product and their credit card number is not stolen and their information not shopped around, people are more likely to come back in future years to partake in that activity again.

That is why it is so absolutely important during this period when Internet commerce is growing that we do everything we can to reassure consumers and reassure those in the States that when they pass laws that they are going to be protected. The substitute adheres to the most stringent consumer protection while still allowing digital signatures.

For those of my colleagues who are like me who on some level do believe that the banking community and the insurance and financial services community should have easier access to this world, I believe we have to do this in a thoughtful way while preserving consumers' rights and, of course, while preserving the rights of States and localities to do what they need to do to reassure those who do partake in the Internet commerce that they will be safe in doing so.

The substitute does that. It does not jeopardize the basic things that the sponsor of the bill would like to do. I urge a yes vote on the substitute.

Mr. BLILEY. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. OXLEY).

Mr. OXLEY. Mr. Chairman, I rise in opposition to the substitute offered by my good friend, the gentleman from Michigan (Mr. DINGELL).

As I said in my statement in supporting the underlying bill, we will do irreparable harm to the future of electronic commerce if we are unable to provide the basis for uniformity and legal certainty. And, indeed, that is really what this legislation is all about.

Those of us who study law understood that the Uniform Commercial Code really for the first time turned loose this great engine of economic opportunity and contracts throughout our 50 States when we had some degree of certainty when we are dealing with the Uniform Commercial Code.

In many ways, this legislation sponsored by our good friend, the chairman of the Committee on Commerce, is a natural consequence of following along with the Uniform Commercial Code, but we are doing it as it relates to electronic commerce. Electronic commerce is that natural consequence of what we are doing. So, essentially, that is really what this bill is all about.

The substitute amendment only provides legal certainty if the transaction was conducted as a result of a contract. And indeed, a lot of commerce takes place without formal contracts. And that is what really this legislation is all about.

This substitute, I would tell my good friend from Michigan, is over regulatory, it is industrial policy legislation that is contrary to what electronic commerce is really all about.

Mr. Chairman, the substitute amendment is simply a failure in regards to trusting people who are becoming more and more sophisticated in dealing with electronic commerce and more and more feeling comfortable with what is happening out there in the marketplace. This would be a huge step backwards in the name of consumer protection, when in fact it is quite the opposite and trusts government and trusts regulations and trusts bureaucrats far more than we trust the consumer in making these very important decisions in the marketplace.

So, for that reason, I would ask the substitute be defeated.

Mr. DINGELL. Mr. Chairman, I yield 1 minute to the distinguished gentleman from New York (Mr. LAFALCE).

Mr. LAFALCE. Mr. Chairman, the gentleman from Ohio (Mr. OXLEY) made reference to the Uniform Commercial Code bringing uniformity. I point out that it was not by Federal legislation; it was by the adoption of the individual States. We retain States' rights.

There is such a thing as the Uniform Electronic Transactions Act. The National Conference of State Legislators wants the individual States to adopt that.

Now the issue is not whether we should adopt UETA on a Federal level, because we are not doing that. We are adopting it with some changes here, some changes there. What changes are we making? Those that don't benefit the consumers.

We are also saying to the States that they can pass whatever law they want, but it cannot in any way be inconsistent with what we pass, which is not the UETA.

Support the substitute. Defeat the main bill. Because if it goes before the President for his signature as it is before the House right now, it will be vetoed. The substitute will be signed.

Mr. BLILEY. Mr. Chairman, I reserve the balance of my time.

Mr. DINGELL. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, this bill in its original form passed from the Committee on Commerce unanimously. Now, what happened between now and then is really very interesting. The bill has been changed. The Members on the minority side consulted extensively with our good friend, the chairman of the committee, and we were negotiating with him; and there were a number of agreements made to change the bill to make it still more acceptable and more workable.

But then something funny happened on the way to the floor. The distinguished gentleman from Virginia, or somebody else, all of a sudden decided they are going to put the bill on the floor, and they decided they were going to terminate the negotiations without any notice to the minority.

They then took the step of making some significant changes in the bill. It is not the bill that came out of the Committee on Commerce to which the minority objects. We will be happy to vote for that right this minute. But what we are confronted with here is the unfortunate situation where our dear friends on the majority side have changed the bill with no notice, and it is quite different than the original bill.

Now, what is the basic objection to the bill? Let us try and understand to what does the minority really object.

The minority objects not to the idea that we should authorize under law a uniform system of recognizing the electronic signature of contracts. What is objected to here is something quite different, and that is that all of the matters which are associated with the contract and with contracting are with one swoop of the pen or one click of the computer changed so that they immediately go into force and that no right on the part of the individual who contracts remains intact after the original electronic signature has taken place.

Now, what can happen? A number of matters of notice come electronically. They are not in hard copy and in writing. The right of the contracting parties to say but certain other things have to be under signature and on paper in the conventional fashion as required by existing State law and by even things going back to common law and ordinary business practices and transactions are no longer permitted. Those are done once they have made the initial electronic contracts by a further electronic transaction.

Now, what is wrong with that? First of all, the hard drive may crash. Second of all, the Y2K bug may strike. Third of all, these notices may get lost in cyberspace. The individual may do a bad job of notifying the other party of an address change. Or the computer may crash. Or any of many things may transpire. The parties cannot even agree to these questions amongst themselves. That is wrong.

If we want to go forward, let us proceed and go forward on the bill that was adopted by the Committee on Commerce. Let us adopt this, which allows everything that the original legislation would have done and which was supported by both sides, majority and minority. Let us proceed in that fashion.

I see no benefit to moving forward with a bill which is so strongly objected to, which is not in the Senate language, and which is threatened with a veto by the President.

All I am suggesting is that they listen to the words of my old dad. When we are going to make this size of massive change, do it sensibly. Know what we are accomplishing. As my dad used to warn me when I was doing carpentry, he would say, "Measure twice. Cut once. Be careful."

That is what I am suggesting to this body. Measure twice. Cut once. Adopt the amendment. Get the bill signed. And then let us proceed forward to such other matters as may be required.

Mr. BLILEY. Mr. Chairman, how much time do I have remaining?

The CHAIRMAN pro tempore (Mr. MILLER of Florida). The gentleman from Virginia (Mr. BLILEY) has 3½ minutes remaining, and the gentleman from Michigan (Mr. DINGELL) has 2½ minutes remaining.

Mr. BLILEY. Mr. Chairman, I yield 2 minutes to the gentleman from Mississippi (Mr. PICKERING).

Mr. PICKERING. Mr. Chairman, I rise in opposition to the substitute. Again, with great respect to the ranking member from the other side, I rise in opposition.

I do so because the substitute fails in its own objective of eliminating barriers to electronic commerce by recognizing the validity of electronic signatures and contracts.

The fact is that the substitute does very little to remove barriers that result from the legal uncertainty associated with electronic signatures and contracts.

Actually, the substitute further exacerbates the uncertainty associated with the legal effect and enforceability of electronic mediums such as electronic contracts, agreements, signatures, and records.

□ 1515

Under the substitute, electronic signatures and records will enjoy legal effect and enforceability only if they are used in the formation of an electronic contract. Thus, an electronic signature or record is not accorded legal validity unless used in the context of contract formation. The net positive effect of the substitute on e-commerce is minimal at best. Moreover, as the substitute enables a State to exclude any of its laws from the application of the substitute's rule, even that minimal positive effect is at risk of further diminishment. Still another disconcerting fact is that permitting a State to exclude any or all of its laws, the substitute actually undermines the growth of electronic commerce by exacerbating uncertainty by codifying that uncertainty in Federal law.

The simple fact is that the substitute fails to facilitate and promote electronic commerce by validating and authorizing the use of electronic contracts, agreements, records and signatures. And resultantly, it fails to promote public confidence in the validity, integrity and reliability of electronic commerce. H.R. 3220 may actually hinder the development of legal and business infrastructure necessary to implement electronic commerce and therefore retard growth in e-commerce.

Mr. Chairman, I rise in support of the underlying bill and in opposition to the substitute.

Mr. DINGELL. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I have here a Floor Alert from the National Conference of State Legislatures, Office of State-Federal Relations, in which they point out that the substitute offered by my friends and colleagues and me will accomplish the purposes of ensuring the proper recognition of electronic signatures without trampling on the rights of consumers and without engaging in the completion of legislation which will be opposed and vetoed by the administration.

Our proposal here is fair. There is no significant trampling on State laws. There is a piece of legislation which will be accepted by the administration and which will protect the rights of consumers. Messages which would be transported in cyberspace and perhaps lost to the detriment of consumers who might find as a result of that foreclosures of mortgages and other hurtful actions by the seller will not be occurring.

I think this is a sensible way to proceed. Let us know what we are doing. We embarked upon this process in the idea that we would have a bill which would approve electronic signatures. The original committee bill did that. Declarations were festooned upon the committee bill. This amendment gives all of the rights to the parties that they want. An individual to that contract may waive contract rights to carry the matter more far and further forward, but this proposal that we confront and seek to amend will impose upon innocent persons conditions which will only be understood by lawyers and experts in electronic matters.

Be fair to your constituents and to the people. Allow them to proceed slowly into the time of cyberspace. Do not put them at risk because all of a sudden they are going to find to their vast surprise, somewhere hidden in a contract which they had signed electronically are a waiver of a whole plethora of rights that are very important to them.

Accept the amendment. Vote for it. And in failing that, reject the bill. It is not in the interests of your constituents.

Mr. BLILEY. Mr. Chairman, I yield myself the balance of my time.

I again rise in opposition to this amendment. Records are important to add to this, it is voluntary, and we have been into that over and over.

In addition to that, what this amendment would do would be to allow States to enact any kind of legislation they want on this subject, and 44 States have already acted. There is a wide variety of difference between the 44 States. The one thing about electronic commerce, it is certainly interstate commerce and that has always been reserved to the Congress.

I would hope that we would reject this amendment and adopt the underlying bill. I would like to point out that the gentleman from Michigan (Mr. CONYERS) is a cosponsor of H.R. 2626, a bill that allows electronic delivery of consumer disclosures under a variety of banking laws, including the Truth-in-Lending Act, the Equal Credit Opportunity Act, the Fair Credit Reporting Act, the Real Estate Settlement Act, and yet we have the gentleman opposing the inclusion of records in H.R. 1714. Passing strange.

I urge the defeat of this amendment and the adoption of the underlying bill.

The CHAIRMAN pro tempore (Mr. LATOURETTE). The question is on the amendment in the nature of a substitute offered by the gentleman from Michigan (Mr. DINGELL).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. DINGELL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 126, noes 278, not voting 29, as follows:

[Roll No. 578]

AYES—126

Abercrombie
Ackerman
Allen
Andrews
Baldacci
Baldwin
Barrett (WI)
Becerra
Berman
Blagojevich
Bonior
Borski
Brady (PA)
Brown (OH)
Capps
Capuano
Cardin
Clayton
Clyburn
Conyers
Costello
Coyne
Danner
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Dixon
Doyle
Duncan
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Filner
Frank (MA)
Green (TX)
Gutierrez
Hall (OH)
Hastings (FL)
Hilliard
Hinchey
Hinojosa
Hoeffel
Hoyer
Jackson (IL)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Lee
Levin
Lewis (GA)
Lipinski
Lowey
Luther
Maloney (NY)
Markey
Martinez
Mascara
McCarthy (MO)
McDermott
McGovern
McKinney
McNulty
Meehan
Menendez
Miller, George
Mink
Moakley
Mollohan
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Pallone
Pastor
Paul
Phelps
Pomeroy
Rahall
Rangel
Reyes
Rivers
Rothman
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schakowsky
Scott
Serrano
Slaughter
Smith (MI)
Spratt
Stark
Strickland
Stupak
Tierney
Towns
Turner
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Wise
Woolsey
Wynn

NOES—278

Aderholt
Archer
Armey
Bachus
Baird
Baker
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Berkley
Biggert
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Boswell
Boucher
Boyd
Brady (TX)
Brown (FL)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth-Hage
Clement
Coble
Collins
Combest
Condit
Cook
Cooksey
Cox
Cramer
Crane
Crowley
Cubin
Cunningham
Davis (FL)
Davis (VA)
Deal
DeLay
DeMint
Deutsch
Diaz-Balart
Doggett
Dooley
Doolittle
Dreier
Dunn
Ehlers
Ehrlich
Emerson
English
Etheridge
Everett
Ewing
Fletcher
Foley
Forbes
Ford
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
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Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hulshof
Hunter
Hyde
Inslee
Isakson
Istook
Jenkins
John
Johnson (CT)
Johnson, Sam
Jones (NC)
Kasich
Kelly
Kind (WI)
Kingston
Knollenberg
Kolbe
Kuykendall
LaHood
Larson
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lofgren
Lucas (KY)
Lucas (OK)
Maloney (CT)
Manzullo
McCarthy (NY)
McCollum
McCrery
McHugh
McInnis
McIntosh
McIntyre
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Minge
Moore
Moran (KS)
Moran (VA)
Murtha
Myrick
Napolitano
Nethercutt
Ney
Northup
Norwood
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Price (NC)
Pryce (OH)
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Ramstad
Regula
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Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
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Saxton
Schaffer
Sensenbrenner
Sessions
Shadegg
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Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Smith (NJ)
Smith (WA)
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Stump
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Tancredo
Tanner
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Tauzin
Taylor (MS)
Taylor (NC)
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Thompson (CA)
Thornberry
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Thurman
Tiahrt
Toomey
Traficant
Udall (CO)
Udall (NM)
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Weygand
Whitfield
Wicker
Wilson
Wolf
Wu
Young (AK)
Young (FL)

NOT VOTING—29

Berry
Carson
Clay
Coburn
Cummings
Davis (IL)
Dickey
Gephardt
Hutchinson
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Jones (OH)
King (NY)
Largent
Matsui
Meek (FL)
Meeks (NY)
Millender-McDonald
Morella
Owens
Pascrell
Payne
Rodriguez
Rogan
Scarborough
Smith (TX)
Snyder
Thompson (MS)

□ 1547

Messrs. REGULA, WEYGAND, GEJDENSON, SCHAFFER, SHOWS, and HEFLEY, Mrs. CHENOWETH-

HAGE, and Mrs. THURMAN changed their vote from "aye" to "no."

Mr. WEXLER and Mr. SPRATT changed their vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

Stated for:

Mr. BERRY. Mr. Speaker, I was unavoidably detained for rollcall vote 578. Had I been present, I would had voted "yes" on rollcall vote number 578.

Stated against:

Mr. ROGAN. Mr. Chairman, on rollcall No. 578, I was attending the Little Rock Nine Congressional Medal of Honor Ceremony at the White House. Had I been present, I would have voted "no."

The CHAIRMAN pro tempore. The question is on the amendment in the nature of a substitute, as amended.

The amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN pro tempore. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. LAHOOD) having assumed the chair, Mr. LATOURETTE, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1714) to facilitate the use of electronic records and signatures in interstate or foreign commerce, pursuant to House Resolution 366, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on the amendment to the amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment in the nature of a substitute.

The amendment in the nature of a substitute was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. LAFALCE. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on passage of the bill are postponed until later today.

CONFERENCE REPORT ON H.R. 1555, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2000

Mr. GOSS. Mr. Speaker, pursuant to the unanimous consent agreement of earlier today, I call up the conference report on the House bill (H.R. 1555) to authorize appropriations for fiscal year 2000 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. LATOURETTE). Pursuant to the order of the House of today, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of Friday, November 5, 1999, at page H. 11630).

The SPEAKER pro tempore. The gentleman from Florida (Mr. GOSS) and the gentleman from California (Mr. DIXON) each will control 30 minutes.

The Chair recognizes the gentleman from Florida (Mr. GOSS).

Mr. GOSS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I obviously rise in strong support of the conference report to accompany H.R. 1555, the Intelligence Authorization Act for Fiscal Year 2000.

Mr. Speaker, in H.R. 1555 we begin the funding for the intelligence community of the next millennium. That, Mr. Speaker, is a most useful perspective for what we have tried to do in our conference report. How can we adapt the tools and skills of the Cold War to meet the challenges of the 21st century? These are new times. We need new ways to approach them.

Underlying that question is how, and in some cases whether, we plan to meet those challenges. How we define our interests, Mr. Speaker, will depend on how we define ourselves. What kind of country will we be in the next century? In 2020, when my grandchildren are grown, what will the American flag mean to them and to people around the world?

In the classified schedule of authorizations in our conference report, we frame a preliminary answer to these questions. In that report, Mr. Speaker, we bring forward the basic tools and skills of the Cold War to bear on the new threats of the next century: the international drug cartels that bring poison into our cities, the elusive conspiracies that put the pieces of nuclear weapons into the hands of rogue leaders, and the shadowy networks that want to bomb our buildings overseas and here at home.

We will also need to use these tools and skills to meet new and unanticipated challenges that will arise in the coming years. Synthetic pharmaceuticals, genetic terrorists? I cannot know what threats will face my grandchildren in the year 2020 as Americans, but I can tell the Members what intelligence tools and skills will be necessary to meet those threats.

That is our job. We may not know the who, In other words, but we clearly know the how. We have learned that, and now we have to provide for it. In our conference report, Mr. Speaker, we continue to focus on this, how we will meet the threats and the challenges of the future, which is indeed upon us.

We will need more human intelligence or HUMINT, as we call it. Over the past year we have had to understand and to act upon crises in Belgrade, Nairobi, Dar es Salaam, East Timor, southern Colombia, and a whole host of other hard-to-pronounce places. In each case, policymakers need more HUMINT on the plans and the intentions of the rogue leaders, dissidents, terrorists, guerillas, and traffickers involved in these crises.

Where will the crises of the year 2000 arise, Kabul, Kinshasa, Lagos? I do not know, but they will be out there, and wherever they do arise our policymakers will need intelligence officers on the ground to collect HUMINT on the plans and intentions of those involved.

For that reason, Mr. Speaker, our conference report continues the rebuilding of our HUMINT capabilities around the world. No surprises is the right way to go.

We will continue to need signals intelligence, or SIGINT, as it is called. As in the past, our ability to collect SIGINT has helped to protect our shores from cocaine and our citizens from terrorists. That ability, however, is threatened in a fundamental way by digital technologies.

□ 1600

For that reason, Mr. Speaker, our conference report continues the recapitalization of our SIGINT capability. This is a huge undertaking and an extraordinarily significant one.

We must improve the processing of imagery intelligence, or IMINT as it is called. Our ability to collect imagery has accelerated at lightning speed, but our ability to process imagery remains at a crawl. Collection and processing, however, are two halves of one whole. They must work together.

At present, the combination of collection and processing and imagery is a Ferrari welded to a Ford Falcon. That combination simply will not drive our IMINT capability in 2020. And for that reason, Mr. Speaker, our conference report challenges the Intelligence Community to invest more in its ability to process imagery. It does no good to have the pictures if we do not have analysts to review them.

We must rebuild our covert action capability. The rise of rogue leaders and regional conflicts has demonstrated once again that the President must have an option between the use of F–16s and doing nothing. The

President must have, whenever appropriate, the ability to influence an adversary through the various forms of covert action, properly oversighted, of course.

For that reason, Mr. Speaker, our conference report provides additional funding for development of the Intelligence Community's covert action capabilities.

Rebuilding and refining our HUMINT, our SIGINT, our IMINT, and our covert action capabilities are central to the conference report accompanying H.R. 1555. In addition, we address legislatively a number of specific issues that have arisen with regard to the use and the oversight of these capabilities.

In section 309 of our conference report, we direct the National Security Agency, the NSA, to report in detail on the legal standards that it employs for the interception of communications. I can report, notwithstanding this provision, that the committee has substantial insight into the action of the NSA and the guidance of its legal staff. I have thus far no reason to believe that the NSA is not scrupulous in following the Constitution and the laws conducting its SIGINT mission. However, our job is oversight and we take it seriously.

In section 311 of our conference report, we require that the Director of Central Intelligence report to Congress on any involvement of U.S. intelligence agencies in the abuses of the Pinochet regime in Chile. In response to public and Congressional interest, I have introduced legislation with Senator MOYNIHAN that would coordinate and expedite the gathering and dissemination of such information. The story of U.S. intelligence in Chile, whether good or bad, inspiring or embarrassing, is part of American history. Such stories should, to the extent possible, be provided to the American people. I am hopeful that Senator MOYNIHAN and I have introduced the means to make that happen, and I believe we have.

Finally, in title VIII of our conference report, we provide the President with an important new tool against the menace of foreign drug lords who poison our cities. In title VIII, called "The Foreign Narcotics Kingpin Designation Act," the President and the Secretary of Treasury may publicly identify foreign drug lords and block their transactions and assets. Title VIII extends an executive order against Colombian drug lords to include all foreign drug lords. It provides the President with a new way to use intelligence in the war on drugs. It is long overdue. It is a tried and tested measure. It works and we need to use it.

Mr. Speaker, only through a cooperative, bipartisan effort could our committee have addressed so wide a range of authorizations and legislative provisions in this conference report, and also, incidentally, with such a good professional staff as we have.

The ideas and counsel of the gentleman from California (Mr. DIXON), our ranking member, form a major part of this report. It draws as well on the considerable expertise of the Democratic staff of this committee. And I am pleased to say our committee in my view works on a very close, bipartisan, cooperative basis and the results of that are evident to all.

Our work together on this conference report is a part of an annual demonstration that partisanship, like beepers and cell phones, actually get checked at the outer door of our committee before Members can come into our committee's spaces.

In sum, Mr. Speaker, I rise in support of a strong bipartisan conference report that provides funding and direction for the Intelligence Community of the next millennium. It also provides legislation that addresses oversight issues and expands the use of intelligence in the war on drugs. I urge Members to support this conference.

Mr. Speaker, I reserve the balance of my time.

Mr. DIXON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise to support the conference report. First of all, let me congratulate the gentleman from Florida (Chairman GOSS), the chairman of our committee, because I think many times not only I, but the staff and other Members thought that we would never reach the floor today. It was due to his diligence and the staff's diligence that we are here today with what I think is a fine conference report.

I also would like to thank John Millis and his staff and Mike Sheehy, our minority counsel, and our staff for working in a very cooperative manner. There is one gentleman on the majority staff who is not present today and that is Tim Sample. That is because his father, Robert Sample, passed away recently. But Tim has done an outstanding job for us, and I know the House extends its sympathy to Tim Sample and his family.

Mr. Chairman, I would like to make special mention of two issues addressed in the conference report. Recently, the National Reconnaissance Office announced the award of a contract to produce the next generation of imagery satellites. These devices will vastly increase the amount of imagery which can be collected. Collection, however, is not the only element in the production of imagery intelligence. Equally important are the elements of tasking, processing, exploitation and dissemination, known collectively as TPED.

Mr. Speaker, to shortchange TPED is to guarantee that the benefit of investments in collection systems will never be fully realized. The imbalance between TPED and collection is now at a critical stage, not because its consequences will be felt in the next month, but because there is no evidence that the executive branch is serious about addressing it adequately in the next few budget submissions.

The conferees agreed to report language which I think is strong and makes clear if the administration cannot budget appropriately for TPED, the scale of the collection system should be modified. There is adequate time in which to assess the resolve of the executive branch on this matter, but in my judgment we are long past the point where we can merely exhort the leadership in the defense and intelligence agencies to bring collection and TPED into balance. The report language is intended to be helpful, but there should be no mistaking the frustration of the conferees with past efforts to achieve realistic budget submissions on this matter.

Mr. Speaker, last week the House adopted overwhelmingly the so-called drug kingpin legislation which would be used to identify foreign individuals and entities that play a significant role in international narcotics trafficking. The bill also provides for the blocking of access to the assets in the United States of those individuals and entities, as well as the assets of those who assist or provide financial or technical support to them.

That legislation is contained in this conference report in place of an amendment on the same issue which had been adopted during the consideration of the intelligence authorization bill in the Senate.

During the debate in the House on the drug kingpin measure, concerns were raised about the impact the bill could have on the property of United States persons who might have a business relationship with an individual or entity identified as a significant narcotics trafficker, even if the relationship was not directly related to the trafficking activities. Similar concerns may be raised today. Some have asserted that the bill would preclude judicial review of an action to block access to the assets of a United States person. I would be extremely concerned by that result.

Others contend that the Administrative Procedures Act and the Federal court system would be available to a United States person who desires to challenge an asset-blocking action under the bill.

Mr. Speaker, the conferees did not intend to create a situation in which the ability of a United States person to challenge an asset-blocking action under the bill would be less than the ability of a foreign person. To ensure that an unintended consequence did not result in this area, the conferees agreed to include a provision which would establish a commission to examine the judicial review questions raised by the drug kingpin measure and report its findings to the Permanent Select Committee on Intelligence, Committee on the Judiciary, and the Committee on International Relations.

If the commission concludes that due process concerns raised about this legislation are legitimate, I expect that the Congress will take prompt and immediate action.

Mr. Speaker, intelligence programs play an important role in our national security. The conference report strengthens many of those programs and I urge its adoption.

Mr. Speaker, I reserve the balance of my time.

Mr. GOSS. Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. McCOLLUM), a distinguished member of the committee, a chairman of one of our subcommittees, the Subcommittee on Human Intelligence, Analysis and Counterintelligence, a Member who has distinguished himself as leading in the efforts in the war on terrorism.

Mr. McCOLLUM. Mr. Speaker, I am delighted to take the time at this moment to support this bill. I join in supporting H.R. 1555. The bill is a good one. It reflects a great deal of work by Members and the staffs of the two committees of jurisdiction.

Mr. Speaker, as chairman of the Subcommittee on Human Intelligence, Analysis and Counterintelligence, I am especially glad to report the committee's mark has addressed a wide range of pressing requirements in each of the subcommittee's areas of responsibility. The bill continues the committee's multiyear effort to rebuild our Nation's human intelligence capabilities, as the gentleman from Florida (Mr. GOSS) has remarked earlier. These have been depleted over the years and are now being rebuilt, as they have been over the last several years, and this bill adds enormously to that.

The bill also includes much-needed support for both the intelligence and law enforcement communities to beef up our counterintelligence programs in a responsible and carefully targeted effort. I am equally pleased that this legislation provides resources for improving our analytical efforts towards emerging threats in such diverse environments as Colombia, North Korea and the former Soviet Union.

Among the most significant provisions in the conference report is title VIII, otherwise known as The Foreign Narcotics Kingpins Designation Act. The House considered and approved this legislation just last week as a stand-alone measure. I am happy to report that the House's action was instrumental in persuading the Senate to incorporate the House-passed kingpins language as a part of this conference report.

Based on the success of President Clinton's 1995 executive order targeting the finances of the Cali Cartel kingpins, I strongly believe that the enactment of this legislation will permit our Nation to fight the war against major narcotics traffickers smarter and with greater precision.

The kingpins legislation gives the President additional legal and financial tools to go after the world's most significant drug kingpins. By building on the legal and administrative precedents established during the 4-year development of the Colombia-focused program, the cosponsors and the administration sought to ensure sufficient legal protection for the innocent, while intensifying the pressure on foreign persons and foreign businesses involved in large-scale narcotics trafficking and money laundering activities.

This mechanism is intended to respond to the emerging threat posed by these global criminals and their organizations. Based on the success obtained to date against the Colombians, it is my expectation that this policy tool could be used with equal success against drug lords based in Southeast and Southwest Asia, Europe, the Former Soviet Union, and elsewhere in Latin America. To ensure that the new tool is properly funded and staffed, I would urge the administration provide the necessary personnel and resources within its fiscal year 2001 budget submissions to the Treasury Department's Office of Foreign Assets Control and to the relevant units of the Intelligence Community.

Mr. Speaker, it strikes me that by going after the assets of these kingpins in the United States, we have a great opportunity to destroy the cartels in ways we otherwise would not, and this is the strongest tool to date.

Mr. Speaker, I strongly support the Intelligence authorization conference report before us today, and I urge all of my colleagues to do so.

Mr. NADLER. Mr. Speaker, will the gentleman yield?

Mr. McCOLLUM. I yield to the gentleman from New York.

Mr. NADLER. Mr. Speaker, the gentleman from Florida (Mr. McCOLLUM) stated a moment ago that in title VIII of the bill, the rights of innocent persons are protected——

The SPEAKER pro tempore (Mr. LATOURETTE). The time of the gentleman from Florida (Mr. McCOLLUM) has expired.

Mr. DIXON. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia (Mr. SISISKY).

Mr. SISISKY. Mr. Speaker, I rise in strong support of the conference agreement on H.R. 1555, the Intelligence Authorization Act for Fiscal Year 2000. First, let me take this opportunity to congratulate the gentleman from Florida (Mr. GOSS), for his efforts in producing a bipartisan bill that addresses the intelligence needs of policymakers and our military.

Additionally, praise must also be extended to the gentleman from California (Mr. DIXON), our ranking Democratic member, for his work in helping to craft this important piece of legislation and for his leadership on the Permanent Select Committee on Intelligence.

Mr. Speaker, this bill is very consistent with the requests submitted by the President. In several areas, the committee recommends modest increases in the request. The committee has recommended additional funding for intelligence, surveillance and reconnaissance airborne platforms that were so important during Operation Allied Force and continue to be critical in the Balkans, Korea and for counterdrug activities.

During Operation Allied Force, we had no ground forces deployed to drive the Serbs into the open, so intelligence surveillance and reconnaissance airborne platforms provided the eyes and ears for our commanders, air crews and targeteers.

□ 1615

Without these platforms, we would have had little success against mobile targets. These platforms provided unprecedented levels of information to our warfighters.

This funding is critical. The military services have not provided sufficient funding for these very high-demand, low-density assets. For a small campaign like Allied Force, the European Command found it necessary, not only to dedicate all their intelligence, surveillance, and reconnaissance airborne platforms, leaving forces in Bosnia and Saudi Arabia vulnerable, but platforms had to also be borrowed from other theaters.

Operation Allied Force proved the value of our investment in unmanned aerial vehicles or UAV's. The Army Hunter unmanned aerial vehicle was flown aggressively and successfully during the air campaign and UAV's are essential for peacekeeping operations in the U.S. sector of Kosovo today. The bill rightly contains increased funding for unmanned aerial vehicles.

The committee strongly believes that it is not enough to just develop intelligence collection platforms; a corresponding investment must be made in the people and the systems that task, process, exploit, and disseminate what is collected.

Collection systems are costly enough, but will be of little value if the data cannot be immediately analyzed and disseminated to support rapid retargeting or other time-critical activities. The committee has put a tough provision in the conference report to address this issue and expects the administration to remedy imbalances in the imagery architecture.

Mr. Speaker, this bill would provide the funds that are needed to sustain our efforts to combat terrorism, narcotics trafficking, and weapons proliferation. I am pleased to support the bill. I urge my colleagues to support it as well.

Mr. GOSS. Mr. Speaker, it is my privilege to yield 5 minutes to the distinguished gentleman from California (Mr. LEWIS), the vice chairman of the Permanent Select Committee on Intelligence, and there be no daylight between us, appropriator of the committee who has done a marvelous job of making sure the authorization and the appropriations match up, and I offer my congratulations to him.

Mr. LEWIS of California. Mr. Speaker, I thank the gentleman from Florida (Chairman GOSS) very much for his remarks as well as his time.

Mr. Speaker, in the years I have served in the Congress, I hold in the highest regard the work that I have done with the Members of the Permanent Select Committee on Intelligence in the House and in the other body as well. But, particularly, I want to express my appreciation to the gentleman from Florida (Chairman GOSS) as well as to the gentleman from California (Mr. DIXON) and their very fine staffs for the conference report they have developed this year.

I also want to extend my appreciation for their patience with me as I have gone about learning the work that swirls around the Subcommittee on Defense of the Committee on Appropriations this year. I have not been available as nearly as much as I would have liked, but their patience is much appreciated as well as their help.

I want to spend a few minutes discussing what I view perhaps is the most important action taken in this conference report. It should come as no surprise to anyone who follows unclassified discussions of our intelligence capabilities that we are at the beginning of building a space-borne imagery intelligence capability that is meant to take us through the next several decades.

This capability, usually known as FIA for the term "future imagery architecture," will be an incredible improvement over what we can now do. The satellites promise to deliver many times the data at a much-reduced interval between pictures. It has the potential to revolutionize the way we employ our military. It can also greatly complicate the lives of those terrorists, drug lords, and weapons proliferators who threaten our national security. For this reason, Congress has been supportive of FIA.

FIA, to be carried out over the next decade or so, will be the most expensive program in the history of the intelligence community. Over the last 2 years, Congress has imposed spending caps on the program to make sure its costs will not overwhelm the limited money that is available for our intelligence work.

Despite this imposition of those spending caps, there remain severe problems with FIA. We on the Permanent Select Committee on Intelligence are gravely concerned that the program as currently planned has the potential of being the biggest white elephant in U.S. intelligence history.

Now, why would I suggest that? Well, why? Because there is, effectively, no money budgeted now to task the satellites, process the digital data they collect, exploit the information coming from the data, and then disseminate the information to the national policymaker, the President perhaps, the analysts, or the military unit that needs the information. The best that we can do is hope, in the current circumstances.

Let me say that, for 4 years, Congress has warned that the intelligence and the defense communities must keep up to the need to fund the activities to step up to that need to fund these activities to make the system useful. The tasking, the processing, exploitation and dissemination, what we call TPED, has got to have that fundamental support.

We have been told do not worry, we will take care of it. All the while, we get candid comments from the executive branch that, in reality, there is no plan to fund TPED and not even an understanding of how we ought to go about it.

In this bill, Congress has told the administration enough is enough. We have said that, unless there is a plan implemented that will process the satellite data that FIA will collect, we will not buy the satellite system as currently proposed. In English, it does not do any good to take pictures that no one will ever see.

We are hopeful the administration will step up to the challenge, that the military services who are to be the principal beneficiaries will step up and help pay for the bill, and that the intelligence community will also help by finding priorities that it, too, can set aside for a while. If not, they must next year join with us to rethink this hugely expensive program so as to downsize it and somehow find other savings in its development that will allow us to fund the TPED functions without which FIA will be worthless.

This has been a difficult matter, and I am proud of how the members of the Permanent Select Committee on Intelligences have dealt with this head on. We are all advocates of a strong intelligence community, but such advocacy must be guided by good sense, good judgment, and a jealous protection of taxpayers' dollars. It is time to pay the bill for taking the intelligence community into the new millennium.

Mr. DIXON. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Georgia (Mr. BISHOP), who is the ranking member on the Subcommittee on Technical and Tactical Intelligence.

Mr. BISHOP. Mr. Speaker, I thank the gentleman from California (Mr. DIXON) for yielding me this time.

Mr. Speaker, it is my privilege to serve as the ranking member of the Subcommittee on Tactical and Technical Intelligence. This subcommittee oversees intelligence collected by technical means, such as satellites and airplanes and ships.

During debate on this bill in the House, I urged my colleagues to support the legislation; and I applauded the gentleman from Florida (Chairman GOSS) for his respect of the views of the gentleman from California (Mr. DIXON), the ranking member, and of all of the Democrats on the committee. I commended as well the gentleman from Delaware (Mr. CASTLE), chairman of the Subcommittee on Technical and Tactical Intelligence.

I believe that this conference report deserves the same endorsement from the House. It is consistent with the administration's request. It is fair, and it will enhance our nation's security.

I want to point out to my colleagues that this conference report is the only authorization for those intelligence activities of a distinctly national character. The intelligence activities that are unique to the Department of Defense are conferenced with the armed services committees, and the authorization of those activities appears in both the National Defense Authorization Act and the Intelligence Authorization Act. These DoD-unique intelligence activities make up a large fraction of the nation's overall intelligence budget.

This conference report would add about 1 percent to the President's request for national intelligence activities. As with the House version of the bill, there would be modest increases in the budgets for activities centered in the National Security Agency, the Defense Intelligence Agency, and the Central Intelligence Agency, and somewhat less money for the National Reconnaissance Office, which manages the acquisition of our intelligence satellites.

I am pleased that we have fully funded the major satellite acquisition programs, including the new future imagery architecture, or FIA. These new imagery satellites will greatly increase the volume of imagery we can collect, as well as provide for more frequent coverage of targets, which together will address deficiencies identified in Operation Desert Storm and more recent conflicts.

However, these enhanced collection capabilities will not count for much unless we also invest in the means to exploit and disseminate the imagery on the ground. On this score, executive branch planning has been extremely poor. The conference report would require a reduction in planned collection capabilities unless substantial improvements are planned for exploitation and dissemination.

I would also like to call attention to significant problems at the National Security Agency. The NSA is facing tremendous challenges coping with the explosive development of commercial communications and computer technology. As the new NSA director has pointed out, while the new technology is providing incredible benefits to our Nation's security and economy, it is taxing in the extreme to those charged with intercepting the communications of hostile powers and drug lords. At the same time, NSA has not demonstrated much prowess in coping with the challenge.

The new director of NSA, I believe, grasps the seriousness of the situation. I hope that we have made progress in focusing the attention of the Secretary of Defense and the Director of Central Intelligence on this critical issue.

Fixing NSA's internal problems is only half the answer. A sustained funding increase of some magnitude will also probably be necessary, and there are no obvious candidates yet for offsetting cuts. Action, however, is imperative since the nation cannot navigate with an impaired sense of hearing.

In closing, Mr. Speaker, this is a responsible bill that will enhance our nation's security. It supports our military forces and our efforts to combat terrorism, narcotics trafficking, and weapons proliferation. I am pleased to endorse it, and I urge my colleagues on both sides of the aisle to support it as well.

Mr. GOSS. Mr. Speaker, might I make an inquiry of how much time remains on both sides.

The SPEAKER pro tempore (Mr. LATOURETTE). The gentleman from Florida (Mr. GOSS) has 15 minutes remaining. The gentleman from California (Mr. DIXON) has 17½ minutes remaining.

Mr. GOSS. Mr. Speaker, it is my privilege to yield 3 minutes to the distinguished gentleman from Delaware (Mr. CASTLE), chairman of the Subcommittee on Technical and Tactical Intelligence, the former governor of Delaware, who is going to tell us about that subcommittee.

Mr. CASTLE. Mr. Speaker, I thank the distinguished gentleman from Florida, the chairman of the Permanent Select Committee on Intelligence, for yielding to me, and I thank him for the tremendous work that he does for this country, something that is probably not recognized by many people any place in the country other than people in the intelligence community because of the closed nature of what we do.

The gentleman from California (Mr. DIXON) also is a superb individual in that committee who has helped so much with the intelligence responsibilities of the country.

I would like to also thank the gentleman from Georgia (Mr. BISHOP) who just spoke, who is the ranking member on the subcommittee which I do chair, which is the Subcommittee on Technical and Tactical Intelligence.

I also rise in full support of this conference report for the fiscal year 2000 intelligence authorization.

As chair of the Subcommittee on Technical and Tactical Intelligence, I would like to highlight a few major points of committee emphasis over the past year in areas of technical and tactical intelligence.

We spent a great deal of time investigating the Chinese embassy bombing. As a subcommittee, we looked at satellite launch failures and intelligence support for military operations. There has been considerable emphasis on the requirements for future satellites and on associated production issues, and a lot of investigation and questions focused on revitalization of our Signals Intelligence capability at the National Security Agency.

I am keenly aware of the vital contributions of space-based assets to the United States national security, and there clearly is a future. From diplomacy to precision strikes, our assets in space are essential for confident planning and execution of policy. Continuity in satellite operations hinges on another critical program, space launch.

Therefore, the large number of recent launch failures became an issue of intense concern for me personally. Several ongoing investigations are examining reasons for the failures. There is no doubt that the issue is being taken seriously and that very competent government and industry personnel are working to identify and to resolve problems.

□ 1630

However, because the cost of each failure can be so enormous, we must strive for the right balance of independent assessments. The committee will continue to scrutinize the launch issues and exercise its oversight duties. Depending on the results of ongoing studies, I am considering a legislative provision mandating review by an independent panel.

In our hearings on support for the military, a predominant theme was the continued imbalance between collection and other intelligence assets. For years, the committee has stressed the need for better planning and financing of intelligence processing, analysis and dissemination. This year we are insisting that our future imagery satellite capabilities be at least roughly balanced with ground capabilities.

Signals intelligence has also suffered from gaps in what we call "end to end" capability, as well as from enormous leaps in target technology. For several years, the committee has insisted that changes are needed at the National Security Agency in order to modernize our SIGINT capabilities and improve efficiency.

The committee is most gratified that the new director of NSA, Lieutenant General Mike Hayden, agreed to conduct unrestrained studies of the need for reform, using both an internal and an external team. These studies were just completed. Both endorsed previous committee findings identifying systemic obstacles to efficiency and change. The difficult part, sorting and implementing solutions proposed by the teams, soon begins. General Hayden has our strong support for decisive action that will, by nature, be controversial.

We will not rest easy until SIGINT is once again healthy.

Mr. DIXON. Mr. Speaker, I yield 3 minutes to the gentleman from Indiana (Mr. ROEMER), a very valuable member of our committee.

Mr. ROEMER. Mr. Speaker, I thank the gentleman from California for yielding me this time, and I also want to thank him and the chairman for their patience, their insight and their help to a new member of the Permanent Select Committee on Intelligence for the past 11 months.

Mr. Speaker, I rise to note the importance of a strong and effective intelligence community. Dating back over 220 years, certainly General George Washington started our intelligence community with the help of such brave patriots as Nathan Hale, who we lost in the first intelligence operation when he was hung by the British. That history and that importance continues as an important thread through the United States efforts in our military history and in our history to be effective in gleaning information from around the world.

If my colleagues read the report, it is equally important, if not even more important today, to have a cost effective and efficacious intelligence community. We deal with such issues as direct cooperation with our military in conflict. Nothing is more important than getting that information in a very timely methodology to our troops in battle.

We have in this report international narcotics trafficking. Very important for the security of our young people. We have counterintelligence and antiterrorism efforts. Very important for the security of our country. Anti-proliferation of nuclear weapons, where we work very closely with the intelligence community. And a fourth area, cyber warfare, where other countries can either organize or hack into our defense capabilities or our business capabilities, something that we need to look at in even more important and focused ways. So for these reasons I think it is even more important for the intelligence community to be more effective in what they do.

The 1996 report on the Roles and Capability of the Intelligence Community, Preparing for the 21st Century, issued by Harold Brown and Warren Rudman, pointed out four areas that we need to improve in, and I strongly encourage the intelligence community, with the help of our chairman and our ranking member and our bipartisan work, to get better in their cost effectiveness. We had a terrible mistake in the bombing in Kosovo of the Chinese embassy. That is not an issue of money, that is an issue of doing the basic job of mapping.

Secondly, the coordination between the intelligence agencies. We need integrated capabilities.

Thirdly, we need to improve the capabilities of the intelligence estimates. They were not particularly accurate in making and measuring the breakup of the former Soviet Union.

And, fourthly, making sure we have a balance between the human intelligence and the satellite intelligence. Both are very important for our national security. I hope we can balance these efforts in the coming year and have a budget that reflects cost effectiveness.

Mr. DIXON. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. NADLER).

Mr. NADLER. Mr. Speaker, it has been said that truth is the first casualty in war. It is also true that constitutional liberty can be a casualty of war. Certainly when it comes to the so-called war on drugs, we are very casual about sacrificing our liberties.

Title VIII of this bill, the Foreign Narcotics Kingpin Designation Act, empowers the President to designate people as "significant foreign narcotics traffickers." Once designated, all property in the United States of such a person is seized. Any American who does any business with him can be jailed for 10 years and fined $10 million. All this without any criteria for such designation in the bill. All this without any evidence being necessary. No notice, no hearing, no opportunity to be heard, no protection for the innocent, and no judicial review.

Even the Anti-terrorism Act of 1996 allows a group designated by the person as a foreign terrorist organization the right to challenge the designation in court. But not this bill. No judicial review. The President is given the powers of a pre-Magna Carta King of England to accuse and find guilty with no due process, no process at all, and no appeal.

In 1951, the Supreme Court, in the case of Joint Anti-Fascist Committee vs. McGrath, said that the Fifth Amendment due process clause barred the government from condemning organizations as Communists without giving them notice and opportunity to be heard in their own defense. This title gives no notice, no opportunity to be heard, and no appeal. It is clearly unconstitutional and grossly subversive of the liberty for which this country stands and which we are sworn to uphold.

It is a travesty that this very important and very dangerous title was rushed through this House without any hearings and without any committee review. This title alone richly merits the defeat of the entire conference report, and I will urge my colleagues to vote against the report because of this title.

Mr. GOSS. Mr. Speaker, may I inquire about the remaining balances of time for both sides?

The SPEAKER pro tempore (Mr. LATOURETTE). The gentleman from Florida (Mr. GOSS) has 11½ minutes remaining, and the gentleman from California (Mr. DIXON) has 12½ minutes remaining.

Mr. DIXON. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Speaker, I thank the gentleman for yielding me this time and for his leadership, as well as for the leadership of our distinguished chairman, the gentleman from Florida (Mr. GOSS).

One of the provisions of the Intelligence Authorization Act for Fiscal Year 2000 which I have been most interested in is an amendment offered by the gentleman from New York (Mr. HINCHEY) during floor consideration of this bill. The Hinchey amendment required the Director of Central Intelligence to produce a report on the activities of the officers, covert agents, and employees of the intelligence community with respect to the Pinochet regime in Chile.

The Hinchey amendment was somewhat controversial. It was very controversial in fact. It was argued that the search for documents related to human rights violations in Chile directed by the National Security Council was sufficient and nothing further was needed. The issue of cost was also raised, as was the question of how much time should be allotted for the DCI to produce an adequate report on the subject.

Others of us argued that a report was needed on U.S. intelligence activities in Chile with respect to the assassination of President Allende, the accession of General Pinochet, and the violations of human rights committed by officers and agents of Pinochet. Indeed, such a report is long overdue.

An authoritative report from the DCI submitted to the Permanent Select Committee on Intelligence and the Committee on Appropriations on the role of the CIA and other elements of the intelligence community will put into context the information that is now being reviewed, declassified, and released under the direction of the National Security Council. I believe this report should make clear exactly what, if anything, the CIA was doing in concert with General Pinochet and his supporters before and during the Pinochet regime.

Mr. Speaker, I would have preferred to have had a report produced within 4 or 6 months of enactment of this bill, but I am grateful to the chairman, the gentleman from Florida (Mr. GOSS), and our distinguished ranking member, the gentleman from California (Mr. DIXON), for their leadership. We were able to agree that the report be produced in no later than 270 days after enactment and not a year from now, as some would have preferred. I commend the gentlemen for including this in the legislation.

Mr. DIXON. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. HINCHEY).

Mr. HINCHEY. Mr. Speaker, I also want to commend the gentleman from Florida (Mr. GOSS), the ranking member, the gentleman from California (Mr. DIXON), and also my good friend, the gentlewoman from California (Ms. PELOSI), for their hard work in forging this legislation.

The conference report includes my amendment, which was adopted by the House on a voice vote back in May, requiring the CIA to report to Congress on its activities in Chile during the early 1970s. It is time that the Central Intelligence Agency accounted for its role in the military coup that toppled the democratically elected government of Salvador Allende and led to his death. The American people need to know how our government supported the rise of Augusto Pinochet, a ruthless dictator who systematically murdered and tortured his enemies.

General Pinochet has been under house arrest in London for the past year awaiting trial in Spain for his crimes against humanity. The British courts recently upheld the Spanish judge's petition to extradite him.

Last year, the National Security Agency directed the CIA and other government departments and agencies to disclose relevant information regarding Pinochet's military coup and subsequent crimes against humanity. The CIA has not yet complied with this order and has released only a handful of documents to this date. My amendment will ensure that the CIA releases these documents and accounts for its activities during this dark period in Chile's history.

Mr. Speaker, I appreciate the willingness of the gentleman from Florida (Mr. GOSS) to work with me on this issue, and I thank him very much for that. I also thank our ranking member, the gentleman from California (Mr. DIXON), and also the gentlewoman from California (Ms. PELOSI) for their strong and effective advocacy on behalf of my amendment. I know full well that our success would not have been possible had it not been for their diligence, attention and good work.

Mr. GOSS. Mr. Speaker, I yield 3 minutes to the gentleman from Nevada (Mr. GIBBONS), a decorated colleague and member of our committee from somewhere west of the Mississippi, who has been invaluable in advising me on military equipment, Air Force needs, and other needs of that ilk, and who adds a great deal of value to the committee.

Mr. GIBBONS. Mr. Speaker, I rise in strong support of the conference report for the intelligence authorization bill, and I want to thank my friend from Florida, somewhere east of the Mississippi, and the chairman of the committee for yielding me this time.

This past year, Mr. Speaker, has been a challenging one for the intelligence community, particularly in the area of support for our military operations. The United States launched a heavy 4-day offensive against Iraq in the late time frame of December 1998 and fought a war over Kosovo and Serbia earlier this year, all this while our pilots are enforcing the no-fly zones over Iraq. Meanwhile, crises or potential crises in other parts of the world, like the Taiwan Strait, Korea, Indonesia, India and Pakistan, and the Caucasus keep our military on a high state of alert.

Ten years today after the fall of the Berlin Wall I think it is safe to say, Mr. Speaker, that the post-Cold War honeymoon is over. With the men and women of our armed forces deployed across the world, it is especially important that we meet the pressing need for intelligence, surveillance and reconnaissance, or ISR, to support their missions and provide for their protection.

For several years, members of the intelligence community have recognized that American ISR resources and personnel are stretched thin, and we have searched for ways to address these shortfalls. This year, airborne ISR was one of the committee's very top priorities, and I believe this conference report reflects that. Mr. Speaker, while we have not solved all the ISR problems, this bill takes concrete steps toward providing the accurate, timely intelligence and warnings necessary to save American lives and win the battles on the ground and in the air.

□ 1645

Mr. Speaker, I urge my colleagues to support this conference report.

Mr. DIXON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I again want to urge adoption of this report. I think it is a fine work product. The gentleman from New York (Mr. NADLER) raises an issue of due process. It is my feeling, Mr. Speaker, although there is some controversy, that there is nothing in this bill that abrogates existing rights of U.S. persons to address their grievance either through the Administrative Procedure Act or ultimately in a Federal district court.

But just in case there is a question on that, and there is, we have provided in this conference report a commission to examine that issue. As I indicated in my opening comments, I hope the commission would act expeditiously on this matter. I think that is sufficient to cover that issue.

Once again, I would like to thank the chairman of the committee for his cooperation and all the members of the committee for their efforts.

Mr. Speaker, I yield back the balance of my time.

Mr. GOSS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank the gentleman from California (Mr. DIXON) very much for his hard work and close teamwork and the great spirit of bipartisanship and concern for our country and its national security that he brings himself and his members and, in fact, all our members to the committee.

I am exceedingly proud of our committee. I am very proud of the membership. The value added of each and every Member brings to the committee a wide variety of view and opinion across the country of the gentleman from Nevada (Mr. GIBBONS), who just spoke who represents vast areas of countryside, and others who represent more concentrated, consolidated urban areas.

We have what I think is a very balanced perspective of the United States of America and its national security needs. But behind as good a membership team as that, I would say we have the finest professional staff on the Hill. I would measure them against any other professional staff. I take great pride in them. And again, I do not make distinctions about party affiliation.

Mr. Millis, our chief of staff, does an excellent job, as does Mike Shehy. Both of them I treat as co-equals in running the affairs of the committee. Pat Murray, our general counsel. We have had an expression today of sympathy that is both personal and collective from all of us to our budget cruncher, Tim Sample. But for all those names I just mentioned, there are other members of the committee that have equally pulled the oars just as well in their own area of expertise and deserve to be recognized and thanked by all of America for the work they do.

I think that the points that needed to come out other than the basic themes that we have made clear in this authorization process, which I point out are exactly in line with the appropriations process, and have gone through a very arduous conference process with our colleagues in the other body, we have covered the ground that we needed to cover; and I think we covered it very well.

We certainly have taken into consideration what our other colleagues who are not on the committee have brought forward during this long, deliberative process this year since the authorization bill began, as we have heard in some of the testimonies from the gentleman from New York (Mr. HINCHEY). And there are many other Members who have brought matters forward, I think the gentleman from New York (Mr. SWEENEY), the gentlewoman from California (Ms. WATERS), and the gentleman from Georgia (Mr. BARR). Several come to mind.

We have tried to accommodate in every way their concerns. We may not have done it in exactly the way they asked, but they have gotten consideration and I think a reasonable result out of this.

The gentleman from New York (Mr. NADLER) has expressed concern about our title XIII. I would point out that our title XIII, as the gentleman from California (Mr. DIXON) just pointed out, basically is the same as what this House has passed recently on a vote of 385–26. The language is virtually the same. But in an abundance of caution and fair play and deliberation to make sure that we have got it right, we have gone forward with the idea of a panel to review the situation just to be extra sure because these are important rights we are talking about.

I think it is that kind of fair play and that kind of reasonableness in dealing with legitimate concerns that this committee needs to be attentive to, and I think we have passed that test. I stand forth here today to ask every Member of this House to proudly support this piece of legislation. I believe it is worthy of their vote.

Ms. WATERS. Mr. Speaker, I have deep concerns about the amount and use of the funds authorized by H.R. 1555, the Intelligence Authorization bill for fiscal year 2000. However, I am especially gratified that the Conference Committee included Section 313, "Reaffirmation of Longstanding Prohibition Against-Drug Trafficking by Employees of the Intelligence Community," in the conference report.

Section 313 clearly states that the employees of the Central Intelligence Agency (CIA) and other intelligence agencies are prohibited from participating in drug trafficking activities. Drug trafficking is clearly defined to include the manufacture, purchase, sale, transport or distribution of illegal drugs. Section 313 also requires CIA employees to report known or suspected drug trafficking activities to the appropriate authorities. Section 313 is based on an amendment that I offered during floor consideration of H.R. 1555. The House adopted my amendment by voice vote on May 13, 1999.

Most Americans would assume that the CIA would never traffic in illegal drugs and would take all necessary actions to prosecute known drug traffickers. History, however, has proven that this is not the case.

For 13 years, the CIA and the Department of Justice followed a Memorandum of Understanding that explicitly exempted the CIA from requirements to report drug trafficking by CIA assets, agents, and contractors to federal law enforcement agencies. This allowed some of the biggest drug lords in the world to operate without fear that their activities would be reported to the Drug Enforcement Agency (DEA) or any other law enforcement authorities. This remarkable—and secret—agreement was in force from February 1982 until August of 1995.

For the past three years, I have been investigating the allegations of drug trafficking by the Nicaraguan Contras during the 1980's. My investigation has led me to the conclusion that U.S. intelligence agencies knew about drug trafficking by the Contras in South Central Los Angeles and throughout the United States and chose to continue to support the Contras without taking any action to stop the drug trafficking.

Even more remarkable is the fact that there is evidence that the CIA has actually participated in drug trafficking activities. In the late 1980's, the CIA began to develop intelligence on the Colombian drug cartels. To infiltrate the cartels, the CIA arranged an undercover drug-smuggling operation with the Venezuelan National Guard. More than one and one-half tons of cocaine were smuggled from Colombia into Venezuela and then stored at a CIA-financed Counternarcotics Intelligence Center in Venezuela.

In certain circumstances, the DEA arranges "controlled shipments" of illegal drugs, in which the drugs are allowed to enter the United States and then tracked to their destination and seized. However, in this case, the CIA was more interested in keeping the drug lords happy than confiscating the drugs and prosecuting the traffickers. The CIA asked the DEA for permission to "let the dope walk," that is allow the drugs to be sold on our nation's streets. The DEA refused, but the CIA ushered the drugs into the United States anyway.

On November 19, 1990, a shipment of 800 pounds of cocaine was seized by the U.S. Customs Service at the Miami International Airport. Customs traced the cocaine back to the Venezuelan National Guard and the CIA. Unfortunately, we may never know precisely how much cocaine entered the United States through the CIA's pipeline or how much eventually reached our nation's streets. No one at the CIA was ever charged.

The inclusion of Section 313 in H.R. 1555 sends a clear message to our nation's intelligence community: intelligence employees, agents and assets are not above the law. The CIA should be working to stop the harmful trafficking in illegal drugs that is destroying our communities. It should not be assisting the drug traffickers.

I appreciate the support of my colleagues on this important issue and I especially appreciate the willingness of the conferees to include Section 313 in the conference report for H.R. 1555.

Despite the inclusion of Section 313, I am deeply concerned about the amount and use of the funds authorized by H.R. 1555. The United States government spends tremendous amounts of money on covert activities, espionage and other intelligence activities with little congressional oversight and without the knowledge or support of the American people. Spending on intelligence activities should be decreased considerably and congressional oversight over intelligence agencies must be improved. Furthermore, I cannot in good conscience support an intelligence authorization bill as long as the total amount of funds spent on intelligence activities remains classified and unknown to the people we are elected to represent.

I therefore must urge my colleagues to oppose H.R. 1555.

Mr. GOSS. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. LATOURETTE). The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GOSS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on H.R. 1555.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT

The SPEAKER pro tempore. The pending business is the vote on passage of the bill, H.R. 1714, on which a recorded vote was ordered.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on passage of the bill.

The vote was taken by electronic device, and there were—ayes 356, noes 66, not voting 11, as follows:

[Roll No. 579]

AYES—356

Abercrombie
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baird
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berry
Biggert
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Borski
Boswell
Boucher
Boyd
Brady (TX)
Brown (FL)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Capuano
Cardin
Carson
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Cook
Cooksey
Cox
Coyne
Cramer
Crane
Crowley
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (VA)
DeGette
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Eshoo
Etheridge
Everett
Ewing
Farr
Fletcher
Foley
Forbes
Ford
Fossella
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hilliard
Hinojosa
Hobson
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Istook
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Kaptur
Kasich
Kelly
Kennedy
Kind (WI)
King (NY)
Kingston
Kleczka
Knollenberg
Kolbe
Kuykendall
LaHood
Lampson
Lantos
Larson
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lucas (KY)
Lucas (OK)
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Martinez
Mascara
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntosh
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Metcalf
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Minge
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Ortiz
Ose
Owens
Oxley
Packard
Pallone
Pastor
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Ramstad
Rangel
Regula
Reyes
Reynolds
Riley
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Rush
Ryan (WI)
Ryun (KS)
Salmon
Sanchez
Sandlin
Sanford
Sawyer
Saxton
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Strickland
Stump
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Weygand
Whitfield
Wicker
Wilson

Wise
Wolf
Wu
Wynn
Young (AK)
Young (FL)

NOES—66

Ackerman
Baldwin
Barrett (WI)
Berman
Blagojevich
Bonior
Brady (PA)
Brown (OH)
Chenoweth-Hage
Conyers
Costello
Davis (IL)
DeFazio
Delahunt
Dingell
Dixon
Engel
Evans
Fattah
Filner
Hinchey
Hoeffel
Jackson (IL)
Jones (OH)
Kanjorski
Kildee
Kilpatrick
Klink
Kucinich
LaFalce
Lee
Levin
Lowey
Luther
McKinney
Meeks (NY)
Menendez
Mink
Nadler
Oberstar
Obey
Olver
Paul
Payne
Phelps
Rahall
Rivers
Rothman
Roybal-Allard
Sabo
Sanders
Schakowsky
Scott
Serrano
Slaughter
Stark
Stupak
Taylor (MS)
Tierney
Vento
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Woolsey

NOT VOTING—11

Coburn
Deal
Dickey
Edwards
Gephardt
Largent
Matsui
Pascrell
Scarborough
Smith (TX)
Wexler

□ 1720

Messrs. PAYNE, BROWN of Ohio, BARRETT of Wisconsin, SERRANO, LEVIN, WAXMAN, and Ms. KILPATRICK changed their vote from "aye" to "no."

Messrs. BILIRAKIS, GEORGE MILLER of California, and WYNN changed their vote from "no" to "aye."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Lundegran, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2454. An act to assure the long-term conservation of mid-continent light geese and the biological diversity of the ecosystem upon which many North American migratory birds depend, by directing the Secretary of the Interior to implement rules to reduce the overabundant population of mid-continent light geese.

PERSONAL EXPLANATION

Ms. JACKSON-LEE of Texas. Mr. Speaker, on rollcall No. 578, I was unavoidably detained because of a celebration honoring the Little Rock Nine sponsored by the gentleman from Mississippi (Mr. THOMPSON). If I had been here, I would have voted "aye" for the substitute Dingell amendment.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LATOURETTE). Pursuant to clause 8 of rule XX, the Chair announces that he will postpone further proceedings today on each further motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Any record votes on postponed questions will be taken after debate is concluded on other motions to suspend the rules.

SENSE OF CONGRESS REGARDING FREEDOM DAY

Mr. GILMAN. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 223) expressing the sense of the Congress regarding Freedom Day.

The Clerk read as follows:

H. CON. RES. 223

Whereas on November 9, 1989, the Berlin Wall was torn down by those whom it had imprisoned;

Whereas the fall of the Berlin Wall has become the preeminent symbol of the end of the Cold War;

Whereas the Cold War, at its essence, was a struggle for human freedom;

Whereas the end of the Cold War was brought about in large measure by the dedication, sacrifice, and discipline of Americans and many other peoples around the world united in their opposition to Soviet Communism;

Whereas freedom's victory in the Cold War against Soviet Communism is the crowning achievement of the free world's long 20th century struggle against totalitarianism; and

Whereas it is highly appropriate to remind Americans, particularly those in their formal educational years, that America paid the price and bore the burden to ensure the survival of liberty on this planet: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) a Freedom Day should be celebrated each year in the United States; and

(2) the United States should join with other nations, specifically including those which liberated themselves to help end the Cold War, to establish a global holiday called Freedom Day.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. GILMAN) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to be associated with this worthy initiative, H. Con. Res. 223 by the gentleman from California (Mr. COX) and the gentleman from California (Mr. LANTOS), which recognizes this important 10th anniversary of the fall of the Berlin Wall.

The Berlin landmark was the most infamous symbol of the Cold War in Europe. It ran like a scar across one of Europe's grandest cities that had enjoyed a reputation for openness, for cultural innovation and flair. Tragically, that wall carved Berlin into two separate cities, its western half, a beacon of hope and freedom; its eastern half, a gray manifestation of Communist tyranny.

It is important that we recall the reasons that the regime of East Germany finally felt compelled to erect that wall, not to keep people out of the Communist "paradise," but to keep people in, to prevent them voting with their feet. Tragically, too many people died when they refused to let the wall impede them in their quest for freedom.

Ten years ago today, the Wall fell. The weight of the Communist system became too much for it to sustain. At that moment, the wisdom of President Ronald Reagan, when he appealed two years earlier to Gorbachev to "tear down this wall" and other leaders of the West, that led to the collapse of Communism in Europe was ratified.

It is hoped that our government will enlist all of the nations that benefited from Communism's demise to establish this date as Freedom Day. We owe that to the thousands of men and women in this Nation and in other nations who sacrificed everything to make freedom in Europe a reality.

Accordingly, Mr. Speaker, I urge my colleagues to support this measure.

Mr. Speaker, I ask unanimous consent that the gentleman from California (Mr. COX) be entitled to control the balance of my time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GILMAN. Mr. Speaker, I reserve the balance of my time.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I might consume.

I want to commend my friend and colleague, the gentleman from the New York (Mr. GILMAN) and my friend and colleague, the gentleman from California (Mr. COX), for bringing this measure before the House. Of course, I rise in strong support of this resolution.

Mr. Speaker, some of us lived through this period from the establishment of the Berlin Wall to its collapse, and these two bookends, in a sense, cover basically the period of the Cold War.

I think it is instructive to begin our discussion of this issue by recognizing that the Berlin Wall is probably the only wall ever built in history not to keep the enemy out, but to see to it that the people behind the wall do not escape. The collapse of the Wall symbolized the collapse of the Soviet empire, and it indicated the end of the Third World War, which the West won without firing a single shot.

What is most remarkable about our victory, Mr. Speaker, is that it was a fully bipartisan victory. It began with the farsighted visionary and pragmatic measures of a Democratic President, Harry Truman; and it concluded during the powerful leadership of President Ronald Reagan who did, in fact, call to have the Wall removed. And from Truman to Reagan, this remarkable era represented one of the most impressive bipartisan periods of foreign policy in the history of the United States.

But it was not only our victory. It was the victory of our allies across Europe who joined together in NATO, the most impressive defensive military alliance the world had ever seen, to resist Soviet and Communist expansion, and it was the victory of the countless heroes behind the Iron Curtain who gave their lives so that others might live in freedom and democracy.

Usually, suspension bills can be easily handled with 40 minutes of discussion and debate. This topic would require 40 hours to begin to pay proper tribute to the countless men and women in this country and abroad who fought for the cause of freedom and whom we honor by establishing a day of freedom, a global holiday on November 9.

Let me just single out a few people who deserve special recognition. I suggest, Mr. Speaker, that the Berlin Wall would still stand, the Soviet Union would still be in existence if it had not been for the farsighted and courageous leadership of Mr. Gorbachev in recognizing that the Soviet Union had lost the Cold War, that to continue the suppression of tens of millions of people by military force was doomed to defeat and was counterproductive. He deserves full credit along with the others I mentioned and countless others whom we do not have time to discuss this afternoon. But without Mikail Gorbachev's recognition that Russia and the Soviet Union must move along different lines, we would not be here celebrating Freedom Day, November 9.

□ 1730

We need to pay tribute to the freedom fighters in Hungary in 1956, who, against overwhelming odds, demonstrated their commitment to freedom. We are here to pay tribute to the people who led the Prague Spring of 1968, when for the first time there was a determined effort to put an end to Communist dictatorship in the Czechoslovak Republic.

We are here to pay tribute to individual men and women throughout the countries behind the Iron Curtain who, with their dedication and devotion to freedom, have made this day possible. We are here to pay tribute to the dissidents and refusniks in the Soviet Union who, under unbearably impossible conditions, persevered in their dedication to democratic principles.

From the walled cities of Europe to the Great Wall of China, walls have always kept the enemy out. The Berlin Wall, and we celebrate its collapse 10 years ago today, the Berlin Wall was built to keep people in, to prevent them from escaping.

We have succeeded in making Europe whole, free, democratic, and at peace. While the task is certainly not completed, as the events in Yugoslavia in the last few years so clearly demonstrate, we have come a long way in creating a stable and peaceful Europe, prepared to meet the challenges of the 21st century.

In paying tribute to Republican leaders and Democratic leaders, as well known as presidents and as unknown as ordinary people, who believed that people on both sides of the Iron Curtain were yearning to live in freedom and dignity and peace, we are paying tribute to the finest traditions of western civilization.

Mr. Speaker, I reserve the balance of my time.

Mr. COX. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank my colleague, the gentleman from California (Mr. LANTOS).

Mr. Speaker, it is very important that Congress take time, as we are doing just now, to recognize what is truly important and transcendent and what, on the other hand, is perhaps urgent, perhaps requiring us to devote our time because it is our work-a-day business here, but not nearly so important in the lives of American citizens and citizens around the world as what we are doing here today, remembering, in part, and looking forward, even more importantly, in greater part. So that by remembering, we will always be free.

It was, as the preceding speakers have pointed out, 10 years ago to the day that the Berlin Wall was taken down. It did not fall, it was taken down by the people imprisoned behind it, with the help of people around the world.

In this Chamber, as I have pointed out on many occasions to visitors to the Capitol from California and elsewhere, we have only two paintings. They have been part of the furnishings of the House Chamber for some time.

One of them is an American, the father of our country, George Washington. The other is a foreigner, a Frenchman, the Marquis de Lafayette, who serves, I believe, as a reminder to us that our democracy would not be here without foreign assistance.

The people of Central Europe and the people of Russia and the former captive nations waged their own struggle against Soviet communism, but they would not be free today without help from others, including, in major part, the people of the United States of America.

We will never know how many people perished behind the Iron Curtain, but estimates are 70 million souls lost their lives to communism. The Berlin Wall, which was a 13-foot high structure of concrete and tangled barbed wire, stretched for 103 miles and symbolized the difference between freedom and totalitarianism, the difference between democracy and free enterprise that we enjoyed on our side of the Berlin Wall, and communism, Soviet-style, East German style, that people were required to live under on the other side.

Mr. Speaker, this 13-foot high 103-mile wall topped with barbed wire symbolized the great abiding differences between the two chief systems of the world, communism and its antonym, freedom. The Berlin Wall was called by Germans "the wall of shame," and indeed, 77 Germans lost their lives trying to get out. They were murdered trying to make their way to the light of freedom in the West.

There are many red letter dates in the history of the Cold War that in victory was symbolized by the fall of the Berlin Wall. In 1948, Harry Truman ordered the Berlin Airlift, ensuring that the people of West Berlin would resist the Stalinist siege. In 1991, 2 years after the collapse of the Berlin Wall, the Soviet Union collapsed.

There is another red letter date in this history. It is the future date when the last Communist tyrants in Beijing, Hanoi, Pyongyang, Belgrade, and Havana are off the world's stage. But that fight remains for us today.

The most memorable date of all that we commemorate now is that date exactly 10 years ago, November 9, 1989, when the Berlin Wall came tumbling down. I was in Berlin 10 years ago and watched this process of physical dismantlement, and what an amazing metaphor, and actually stepped through a hole in the Berlin Wall.

In 1977, more than a decade earlier, the former Governor of California, later to become the President of the United States, talked to a man who would one day become his national security adviser, and it was Ronald Reagan conversing with Richard Allen.

He told Richard Allen, history records, "My idea of American policy toward the Soviet Union is simple. It is this: We win and they lose." That approach, begun by Harry Truman, carried throughout the rest of the 20th century until the collapse of the Berlin Wall in 1989, at the conclusion of the Reagan presidency and the beginning of the Bush administration, was a visible, tangible symbol and representation of American resolve to win that fight, and it was a war.

When President Reagan took office, the Soviet Union had already invaded Afghanistan, the communists had declared martial law in Poland, and the United States responded with strength. We imposed sanctions on the regime in Poland, and indeed, on the entire Warsaw Pact and Russia, cutting back on technology, never granting them most-favored-nation trade status.

In 1983, NATO showed its solidarity, showed that it would not be divided by Soviet designs, when, against massive popular protests in the United Kingdom and in Germany, Prime Minister Thatcher and Chancellor Helmut Kohl agreed to accept the deployment of intermediate range missiles on their territory deployed by the United States.

Three years later at Iceland, at Reykjavik, when I was working for President Reagan in the White House, President Reagan told his counterpart, Mr. Gorbachev, that the strategic defense initiative, the right and the obligation of the West to defend itself, would not be set aside. There would not be an arms control agreement that would have the direct consequence of permitting the Soviet military comfort and continued life.

That same year President Reagan agreed to provide shoulder-fired Stinger missiles to the rebels in Afghanistan, fighting the Red Army. It was thought at the time that no one could defeat the Red Army, but just a few years later that is exactly what happened, and another big chunk of the Soviet empire fell apart.

When one recounts the popular movements and the life-threatening risks that were taken in order to defeat Soviet communism, one recalls Charter 77 in Czechoslavakia and the leadership of such men and women as Vaclav Havel. We remember the Solidarity movement in Poland, and the leadership of such extraordinary people as Lech Walesa. We remember people like Vytautas Landsbergis and the Sajudis movement in Lithuania.

It was my opportunity to travel to those countries to meet with those people; to meet, indeed, with a man who eventually would become the President of Hungary, Arpad Goncz. We have to recall that it was Hungary that accepted the refugees through the Berlin Wall that began to, more than anything, strike at the very foundations of the wall itself and everything that it stood for, ultimately the collapse of the Soviet Union.

We, with this House concurrent resolution, are working with our colleagues in the other body to do more than just speak today on the 10th anniversary so that we in this body will pay due attention to an important milestone in the history of freedom and the advance of freedom around the world. We are also asking our government to work with governments around the world to establish a freedom day that will perennially recognize the victory of the free world over communism in the Cold War, and remind us that freedom requires us to be ever vigilant.

There are a number of Members who wish to speak on this resolution. I wish to recognize Members not in this body who are responsible for advancing this legislation. Specifically, I would like to recognize Ben Wattenburg with the American Enterprise Institute, a veteran of the administrations of Presidents Johnson, Reagan, and Bush, who has written amply on this topic, and I think done as much as any single individual to move us to this action.

I would also like to point out that the Senate majority leader strongly supports this legislation, as does Senator LIEBERMAN, who will be moving the companion in the other body.

Mr. Speaker, I reserve the balance of my time.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I cannot help but comment on the many things that come back to memory, listening to my colleague, the gentleman from California (Mr. COX).

The distinguished Democratic leader, the gentleman from Missouri (Mr. GEPHARDT) and I were at the wall as it was destroyed physically, and it was our great pleasure to participate in the physical destruction of the Berlin Wall, which clearly is one of the highlights of my life, and I am sure that of the gentleman from Missouri (Mr. GEPHARDT).

Mr. Speaker, it gives me a great deal of pleasure to yield 4 minutes to my colleague and friend, the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Speaker, I thank my good friend, the gentleman from California (Mr. LANTOS), one of the most preeminent defenders of human rights and freedom in this body, for yielding me this time.

Mr. Speaker, I rise as a proud supporter of this resolution, which commemorates the 10-year anniversary of one of the most astounding historical events of the 20th century, the fall of the Berlin Wall and the collapse of communism throughout Central Europe.

☐ 1745

What started out as a trickle, Solidarity's victories in Poland during June of 1989, Hungary opening up its border with Austria later that summer, led to a deluge of East Germans flooding across the Berlin Wall. And a few weeks after that, the Velvet Revolution in Czechoslovakia took place. And no one could predict these events and no one knew how to react to these events.

One of my most cherished possessions that I still keep here in Washington with me on my desk is this chunk of the Berlin Wall. It still has graffiti painted on it. Coincidentally, it is shaped like the State of Wisconsin. But it is a chunk that I personally whacked out of the Berlin Wall on October 3, 1990, during the reunification celebration when I was over there as a student traveling throughout Central Europe.

This came at a crucial time in my life, Mr. Speaker. As a third year law student, I was watching these historical events unfold with rapt attention like the rest of the world was, but I was feeling a little bit disillusioned, and a little bit cynical about our own political process here in this country. So I decided a few months after the revolution had taken place to travel through Central Europe to visit the European capitals, live out of a backpack, survive on cheese and bread during that time and see firsthand these remarkable changes taking place.

I met when I was traveling through there the real heroes in my mind of the revolutions and the changes that took place. They were students such as myself about my age who had literally, on the front lines of the demonstrations, literally looking down the barrel of communist guns and facing Soviet tanks, not knowing whether they were going to succeed or whether this was going to turn into a massacre. They knew their countries' individual histories. 1968, Prague Spring. 1956, Hungary when the communist authorities did in fact crack down. And as history later showed during the Velvet Revolution, the Politburo voted 5 to 4 not to use force to bring down the demonstrations. One vote could have made all the difference in Prague during that fall of 1989.

Mr. Speaker, I asked many of these students what they remembered most about those demonstrations and the events and they said two things: How terribly cold it was as they were maintaining candlelight vigils all night long, and the fear that they felt, again not knowing whether or not the military was going to open fire on them. But perhaps the most important wall that fell in that region to make this all possible was not even visible. It was the wall of fear that fell. And we cannot overestimate the role that fear does play in any totalitarian or authoritarian regime to keep them in power.

But this was made possible because Mikhail Gorbachev, as the gentleman from California (Mr. LANTOS) already indicated, changed the dynamics in the region by denouncing the use of force in order to keep communist governments in power; by pursuing his policies of glasnost and perestroika, the general opening of information and ideas in these regions. It diminished the fear and empowered people to have the courage to demand change.

Perhaps it is the greatest magnificent irony that one of the most oppressive communist regimes in that area, Czechoslovakia, would later be led by former poets and playwrights. Vaclav Havel, the first democratically elected President in Czechoslovakia, was a former playwright himself. The first democratically elected president since Masaryk and Edvard Benes just before the Second World War.

He was the founder of Charter 77, the moral blueprint for change in the area, and also founded the Civic Forum that gave the people in Czechoslovakia the political alternative to the communist regime, but not before he was imprisoned on four separate occasions. In fact, during one of those imprisonments he was on his deathbed, literally. The communist authorities did not want a martyr on their hands, so they went to him and said, "Listen, the people who give out the Obie Award will allow you to direct your own play in New York and get proper medical attention." And he said, "I just have one question. If I go, will you allow me back in?" And they could not give that assurance and so he refused. The rest, as we say, is now history.

But in conclusion, I just want to pay a special tribute and wish a special happy 10-year anniversary to those students who really were on the front lines and showed through their courage that there are causes and ideals greater than one's self that are worth risking everything for. So on this day, my thoughts and my memories go to many of those students who I personally had a chance to meet and who inspired me to get involved in public service when I did return to the United States.

Mr. COX. Mr. Speaker, I yield such time as he may consume to the gentleman from South Carolina (Mr. SPENCE), chairman of the Committee on Armed Services.

Mr. SPENCE. Mr. Speaker, it is entirely proper that we observe this anniversary of the wall coming down in Berlin and the later end of the Cold War. I think it is appropriate too that we reflect on how this came about.

Mr. Speaker, the Cold War took up a large space in our history of this country. We faced many hardships during this war. But the policy that made the end of the Cold War come to an end is something that we should reflect on and learn a lesson from.

We fought communism all over the world. We helped other people to fight communism. We engaged in something people criticized us for: An arms race. An arms race. The arms race was a big part of the policy that allowed us to win that war.

A strategic defense initiative by President Reagan, something we have been working on ever since that time, played a big part in that policy and the end of that Cold War.

In essence, the communists could not keep up with our free market economy and the freedoms we have in this country. They could not keep up, and so the war came to an end, the Cold War.

But my concern today is that we have not learned from that experience. There are many lessons to be learned from it. We have not learned from it. We have made the same mistakes we made after every conflict we have ever been involved in. We have cut back too much, and the result is that we are not prepared today adequately to defend this country against all of the threats we have today with us.

Mr. Speaker, mark my word, we are living in a very dangerous world today. As a matter of fact, it is more dangerous than during the Cold War because we still have the Cold War threats of nuclear warfare plus now we have threats of weapons of mass destruction. And I might point out that we are unprepared to defend against either. Intercontinental ballistic missiles and nuclear warfare and theater missile defenses against theater missiles and all the weapons of mass destruction.

A new study is out showing that in the future, this country will be subject to attack on American soil and Americans will die in large numbers on American soil. We have had other places to fight in the past, and we face this kind of a future and, Mr. Speaker, if we do not return to the Reagan policy of peace through strength, we will not be able to face this kind of a threat in the future.

Mr. LANTOS. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. McNULTY), my friend and colleague. He has been an indefatigable fighter on behalf of freedom during his service in this body.

Mr. McNULTY. Mr. Speaker, I thank the gentleman from California (Mr. LANTOS) for yielding me this time, and I thank both of my friends from California for bringing this resolution to the floor. I strongly support it.

Mr. Speaker, 1989 was a wondrous year to be alive, and the events which we celebrate actually started in Poland. After many years of struggle during which Lech Walesa and his followers spent their time under martial law, house arrest, or actually in jail, democracy prevailed in the great nation of Poland.

And then, as others have said, the movement quickly spread throughout Eastern Europe. I will never forget as long as I live the specter of Erich Honecker, then the leader of East Germany, standing up before the world and making this pronouncement: "This is where it stops. It shall not happen here," meaning the democracy movement.

Within weeks of his making that statement, he was no longer the leader of East Germany. He was replaced by Egon Krenz, who decided to adopt the "moderate hard line," which roughly translated meant they were going to try to appease the democracy movement but preserve the communist system. He too was quickly dispatched, and we know the rest of the story.

Mr. Speaker, I was at The Berlin Wall when the people were out there with their hammers and chisels tearing it down piece by piece. You can imagine how I felt, this child of the Cold War, brought up in Green Island, New York, population 2,500, taught by the good sisters of St. Joseph who had a monthly drill where we were required to drop to the floor, get under our desks and prepare for the air raids by our totalitarian enemies. And that had an impact on me, Mr. Speaker. One day I would be thinking about my hopes and dreams and aspirations and how I wanted to be like my father and go into public service, and the next day we would have one of these drills and I was scared. It had a tremendous impact on me to think that some world leader somewhere could make a decision which would end humankind as we knew it.

Mr. Speaker, I am grateful that I have lived to see the day when my four daughters and my three grandchildren and young people all over the world can look forward to growing up in a more peaceful world.

As I was standing at the Berlin Wall watching it being torn down, I knew I was present for a great moment in history. I felt like the gentleman from Wisconsin (Mr. KIND). I wanted some commemoration of that. I noticed as people were chipping away at the wall and the pieces were falling they would catch them and put them in their pockets as little mementos. And I said to myself, I think I would like to do that. Already, capitalism being in evidence, there were vendors out there selling pieces of the Berlin Wall. Ever the skeptic, I said "how do I know that those pieces came off the wall?" So I looked around and capitalism being further in evidence, there was a guy walking back and forth with hammers and chisels renting them out. So I went over with my military escort who spoke German and we made a deal and I paid some money and I grabbed a hammer and chisel and did what the gentleman from California (Mr. LANTOS) did. I chipped away at that wall and helped tear it down and brought back some of those pieces to give them to veterans of our Armed Forces who I knew would cherish them.

I later went through Checkpoint Charlie, or the remnants of it, and talked to people in East Berlin and was just totally amazed by what they were telling me about what was happening. I came back to the other side. I was to be briefed by our commanding general, and before he could say anything to me I started talking and I could not stop talking about how excited I was at what I had just heard and witnessed. He just said to me: "MIKE, I wish you were with me the first day they opened up free access through Checkpoint Charlie. They had a ceremony and everybody was lined up on our side and as the people came through from East Berlin, they were very polite to the politicians and other diplomats that were in the line. But they saw my uniform and they came to me and one after another, they told me, 'You tell your government, but particularly you tell your soldiers, how grateful we are for their vigilance through the years.

Had it not been for their vigilance, we would not be enjoying this new freedom today.' "

Mr. Speaker, at that moment in my life I was never more proud to be an American.

□ 1800

So, to me, Mr. Speaker, it is no coincidence that Freedom Day is so close to Veterans' Day. We should remember what happened after those events, too, namely the breakup of the Soviet Union into individual democratic republics. I was in one of them on their Independence Day: Armenia. What a great thrill it was to be with them the day after their referendum as they danced and sang—(the gentleman from New York spoke in Armenian), long live free and independent Armenia.

Let us remember all that, but especially let us remember the soldiers who are responsible for the freedom that is enjoyed now by hundreds of millions of people around the world who had been denied it all their lives.

Mr. COX. Mr. Speaker, may I inquire how much time is remaining.

The SPEAKER pro tempore (Mr. LATOURETTE). The gentleman from California (Mr. COX) has 4 minutes remaining, and the gentleman from California (Mr. LANTOS) has 1 minute remaining.

Mr. COX. Mr. Speaker, we have only four speakers remaining. I ask unanimous consent that each side be given 2 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. COX. Mr. Speaker, I yield 1½ minutes to the gentleman from Mississippi (Mr. WICKER).

Mr. WICKER. Mr. Speaker, I regret that there is not more time to discuss a very important and historical day, the 10th anniversary of the fall of the Berlin Wall. Like the gentleman from New York (Mr. MCNULTY), I am a member of that baby boom generation who remembers Khrushchev pounding his shoe, fallout shelters, and all of the images of the Cold War. We wondered if Eastern Europe would ever be free and if international Communism would ever be ended.

So I am pleased to take part in this debate today. We have already heard the names of a number of individuals who have participated over time in bringing about the end of European Communism.

The gentleman from California (Mr. LANTOS) mentioned President Truman and President Reagan. Certainly we should not forget that there were even members of the Reagan administration who, during that time, were worried about President Reagan using terms such as "evil empire" or saying, "Mr. Gorbachev, tear down this wall." They urged him not to do so, but thank goodness President Reagan was strong and was one of those people who enabled us to be having this celebration today.

I want to take just a moment to honor the name of another anti-Communist hero, Whittaker Chambers. I have just been reading the book, *Witness*, the autobiography of this courageous individual who had the fortitude to come forward, to name names, to risk his family, his finances, his future, and even his freedom to say that there were Communists in our own Federal Government and to play a crucial role in the fight against international Communist tyranny.

I think, while we are celebrating the 10th anniversary of the falling of the Wall, we should also remember the name of Whittaker Chambers, and I honor his memory today.

Mr. COX. Mr. Speaker, I yield 1½ minutes to the gentleman from California (Mr. CUNNINGHAM).

Mr. CUNNINGHAM. Mr. Speaker, those two words, Cold War, are chilling to the millions of people that never knew freedom before the Wall fell. Many U.S. citizens have never known a socialist or Communist regime, although many Americans gave their lives and efforts to remove just a small symbol and a barrier to that freedom.

I would like to thank the gentleman from California (Mr. LANTOS) and the gentleman from California (Mr. COX). I want to thank them deeply for the men and the women that they spoke about that fought for this challenge. But I would say to my friends that these same men and women would challenge us to continue the fight for an invisible, but a real wall to freedom of a socialist and Communist ideology that enslaves freedom itself.

The former Soviet Union and China, in my opinion, are bitter enemies of the United States. Does that mean we need not engage them? No. Firm diplomacy, fair trade, not just trade, and even a big stick at times. But peace through strength is a hollow cry for many of those that brought down the Wall. For those that are aware of our military today know that that Wall would not fall under peace through strength with our military.

It is a challenge that all of us in this House, both Republicans and Democrats and Independents, should fight for on a very bipartisan basis.

Mr. COX. Mr. Speaker, I ask the gentleman from California (Mr. LANTOS) if he would agree to yield 1½ minutes to the gentleman from Minnesota (Mr. GUTKNECHT).

Mr. LANTOS. Mr. Speaker, I am happy to yield 1½ minutes to the gentleman from Minnesota (Mr. GUTKNECHT).

Mr. GUTKNECHT. Mr. Speaker, I thank the gentleman from California (Mr. LANTOS), the ranking member, for yielding me this time.

Mr. Speaker, words have meaning. Ideas matter. Actions have consequences. About the time the solidarity movement began to take root in Poland, the Roman Catholic Cardinals sort of shocked the world, and they elected a Roman Catholic Cardinal from Poland to become the new Pope.

As the solidarity movement gained strength, there was fear that the Soviets would actually send military forces to bring down that movement in Poland. The new Pope sent word to the Soviets that, if the Soviets invaded his native Poland, he would be there to meet them. Words have meaning.

Then later, our President Reagan went to Europe; and against the advice of some of his advisors, he used those very harsh words, he talked about that evil empire; and he talked about the ash heap of history. Words have meaning.

Then later, when President Reagan went to Berlin and he said, "Mr. Gorbachev, if you mean what you say about Glasnost and Perestroika," he said, "Mr. Gorbachev, come to Berlin and tear down this Wall." Now, those words were barely reported here in the Western press, but they thundered across Eastern Europe. Those words alone began to build up the momentum in Eastern Europe.

So we can celebrate today the 10-year anniversary and, in some respects, the anniversary of the real victory of all of those veterans we sent to Europe. But back in World War II, we sent 16½ million people to fight that war. They came back, and it was not really concluded because half of Europe was still enslaved.

This is a great victory for all Americans. It is a great victory for the people of the world. I am delighted we are moving forward with this resolution.

Mr. COX. Mr. Speaker, with the agreement of the gentleman from California (Mr. LANTOS), I ask him to yield 1 minute to the gentleman from Florida (Mr. MILLER).

Mr. LANTOS. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. MILLER).

Mr. MILLER of Florida. Mr. Speaker, this is a special occasion today for us to be here on the 10th anniversary of the collapse of the Berlin Wall because it symbolizes a victory in the Cold War which dominated us in this 20th century, for the second half of the 20th century.

Some of the kids are now learning in the history books what so many of us lived through back in the 1950s and 1960s and 1970s and 1980s.

It is very special to celebrate, but also to say thanks to the millions of Americans and millions around the world that helped fight for freedom and democracy against the Communist evil empire, as President Reagan used to call it.

Unlike victories in World War II and World War I where we had a signing, this was a gradual victory; and it is not totally over because we still have Communist dictators in the world in North Korea and Cuba.

But the thing is we have a victory that we need to celebrate and to say thanks. That is why this today is a special occasion. Those photographs in the paper of President Bush and Mikhail Gorbachev and Helmut Kohl over in Berlin brings back vividly the sacrifice that was made. So thanks to everyone that contributed to this great great victory.

Mr. COX. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia (Mr. WOLF), a distinguished leader in the Congressional Human Rights Caucus who has for years advanced the cause of freedom, to conclude the debate on this legislation.

Mr. WOLF. Mr. Speaker, I saw the Berlin Wall the first time in 1982. It was moving. I am honored to have this opportunity in support of this resolution to have the 10th anniversary but also for Freedom Day.

People say the Berlin Wall fell down. The Berlin Wall did not fall down. The Berlin Wall was pushed down. Ronald Reagan pushed the Berlin Wall down when he gave the evil empire speech. The Pope helped push the Wall down. Lane Kirkland of the AFL–CIO when he gave money to Lech Walesa and solidarity helped push the Wall down. Natan Shiransky, when he got out of gulag 35 and a Russian said walk straight across the bridge, zigzagged back and forth against the bridge in defiance of the Soviet Union. Natan Shiransky helped push the Wall down. Elena Bonner helped push the Wall down. Zacharov helped push the Wall down.

Whittaker Chambers, the gentleman from Mississippi, when Whittaker Chambers wrote in the book Witness, he said, "When I left the Communist party, I believed that I was leaving the winning side and joining the losing side, and nothing I saw has made me think that I was wrong." Whittaker Chambers was wrong on this point, and Ronald Reagan was right on this point. In fairness to Members on both sides of the aisle in strong support of anti-Communism was right.

Lastly, in honor of Colonel Nicholson who was the last member of the military. It was a military designated in West Berlin who was killed by the Soviets in East Berlin. We honor him with this resolution.

I want my children to remember. I want my grandchildren to remember. I want everyone to remember. The Berlin Wall did not fall. These people pushed it down.

The SPEAKER pro tempore. The gentleman from California (Mr. LANTOS) has 1½ minutes remaining.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in concluding this debate, we need to remind ourselves that, as we rejoice in the 10th anniversary of the collapse of the symbol of tyranny, the Berlin Wall, that the battle is not yet fully won. There are dictators in Tehran. There are dictators in Baghdad. There are dictators in North Korea. There are dictators in Belgrade.

Our job will not be finished until every single man, woman, and child on the face of this planet will be able to practice his religion, speak his mind, be able to travel freely, be able to join associations of his own choosing, political parties or otherwise.

We have come a long way. The Soviet Union is nothing but a bad memory. But dictatorial regimes still exist. Freedom Day, as we will celebrate it, will not be fully a reality until in every single country, from the Taliban-controlled Afghanistan to the Milosevic-controlled Yugoslavia, will be able to live and breathe freely. We hope that this body will then again proclaim freedom and Freedom Day on November 9 for all the inhabitants of this planet.

Mr. Speaker, I yield back the balance of my time.

Mr. COX. Mr. Speaker, I yield such time as he may consume to the gentleman from Mississippi (Mr. WICKER).

Mr. WICKER. Mr. Speaker, this morning, a very thoughtful editorial on this subject appeared in my hometown newspaper, the Northeast Mississippi Daily Journal.

Mr. Speaker, I insert that editorial for the RECORD as follows:

[From the Daily Journal, Nov. 9, 1999]

A PEACEFUL REVOLUTION THAT OPENED THE BERLIN WALL MUST BE SUSTAINED

The fortified portion of it was 26 miles long. It stood up to 15 feet high in spots. It was topped with barbed wire and an assortment of other obstacles.

Anyone brave or foolish enough to try to scale it had to get by electronic alarms, mines, trenches and, of course, armed guards. One hundred seventy people died trying.

The Berlin Wall became the most dramatic symbol of the Cold War, a stark and striking reminder of the tyranny of communism. The government of East Germany had to wall in its own people, so oppressive was the environment on its side of the wall and so compelling were the freedoms enjoyed on the other.

Ten years ago today the wall fell, in a figurative sense. Its fortified passages were opened and traffic allowed to flow freely between East and West Berlin. Within a year East and West Germany were unified. By 1992 the wall was physically dismantled.

Who can forget that amazing period in Eastern Europe as communist governments one after the other fell, virtually bloodlessly, the victims of a new yearning in their people and an old rottenness in their core. The world drew inspiration from the young protesters defiantly perched on the wall, smashing away pieces of it, mocking its pretense to control over their lives.

The fall of the wall and the unification of East and West Germany were events that virtually no one predicted would occur so rapidly and with so little violence. These and corresponding events in Eastern Europe, beginning with the Solidarity movement in Poland in the early 1980s, exposed the great vulnerability of communism or any oppressive system when strong people unite against it.

Today communism, while not completely dead, is completely discredited. Even China's leadership has been forced to modify its formerly orthodox communist economy in order to survive, though political repression is still a fact of life in that last communist power.

Ten years after the fall of the Berlin Wall, and eight years after the complete disintegration of the Soviet Union and the Soviet bloc, the world is a safer place.

And yet. . . .

Lurking beneath the evolving democratic processes in former communist countries are the forces of reaction, remnants of the old guard or those nostalgic for its return. The transition to democratic governments and free markets in Russia and Eastern Europe has hardly been smooth; one crisis after another has marked the effort by formerly communist countries to make up for decades of failed economic, social and political policies. There are those exploiting the inevitable discontent.

The United States has a vested interest in seeing that those countries who threw off the shackles of communism and brought a thaw to the nearly half-century of Cold War succeed. We have preached the gospel of free markets and free political systems, and we must maintain our determination to assist them in working through the pains of transition that can seem worse to some than the stability of the old system.

The United States probably kept Western Europe from eventually succumbing to communism by rebuilding its cities and economies with the Marshall Plan after World War II. We are not in a position nor is there the need to proceed with a program of that magnitude today.

But aid and assistance, government to government and citizen to citizen, from the U.S. to formerly communist countries, as well as active diplomatic efforts to achieve the stability for freedom to flourish, are vital to our national interests.

Some would say it's time for the United States to withdraw, to give up its role as a leader of the free world, to worry only about internal concerns. That would be to dishonor the sacrifices already made by Americans: remembered Thursday, Veterans Day and the courage of those who fought to overcome tyranny in their own lands.

The Berlin Wall, and all it represented, failed 10 years ago today. What followed must succeed, and we must be willing to help it happen.

Mr. COX. Mr. Speaker, I submit for the RECORD an article written by Ben Wattenberg of the American Enterprise Institute, who first proposed the idea of a Freedom Day in December 1991. I am proud that we are finally moving forward with this idea, and I thank him for his commitment to ensuring that future generations recognize the important sacrifices made by those who fought for freedom against the evils of communism.

[From the Washington Times, November 4, 1999]

MOVING FORWARD WITH FREEDOM DAY

(By Ben Wattenberg)

Ten years ago, on Nov. 9, 1989, the Berlin Wall was battered down by the people it had imprisoned. The event is regarded as the moment the Cold War ended. For Americans without sentient memories of World War II, the end of the Cold War has been the most momentous historical event of their lifetimes, and so it will likely remain.

Long yearned for, the end of the Cold War has more than lived up to expectations: Democracy is on the march globally, defense budgets are proportionately down, market economies are beginning to flourish most everywhere, everyday people are benefiting each and every day.

The end of the Cold War actually was a process, not an event. By early 1989, Soviet President Mikhail Gorbachev had pulled his troops from Afghanistan, whipped. Poles elected a non-communist government; the Soviets did nothing. Hungary, Czechoslovakia, East Germany and later Bulgaria installed non-communist governments. It was called "the velvet revolution," with only Romania the exception; Nicolae Ceausescu and his empress were executed.

For almost two years, the U.S.S.R. remained a one-party communist state, gradually eroding. Hard-liners attempted to resist the slow motion dis-memberment. On Aug. 19, 1991, Boris Yeltsin stood on a tank to resist a hard-line coup. The hammer-and-sickle came down; the Russian tricolor went up. Other Soviet republics declared independence, including the big guy on the block, Ukraine.

U.S. diplomats did not "gloat" about it. The sovereign state of Russia would be unstable enough without the United States rubbing it in.

On Dec. 4, 1991, I proposed in a column that a new national holiday be established to commemorate the end the Cold War. I asked readers to participate in a contest to: 1. Name it; 2. pick a date; and 3. propose a method of celebration.

Several hundred submissions came in. Some of the most imaginative entries for a name were: "Defrost Day," "Thaw Day," "Ronald Reagan Day," "Gorbachev Day," "Borscht Day," "Peace Through Strength Day" "E Day" (which would stand for "Evil Empire Ends Day"), "E2D2" ("Evil Empire Death Day"), "Jericho Day" "Pax Americana Day" and "Kerensky Future Freedom Day" (recalling that Mr. Yeltsin was not the first pro-democratic leader of Russia).

Scores of respondents offered "Liberty Day," "Democracy Day," and mostly, "Freedom Day." In June of 1992, I publicly proclaimed "Freedom Day" the winner.

One suggestion for the date of the new holiday was June 5, for Adam Smith's birthday. But the most votes went for Nov. 9, the day the wall fell. So today I proclaim that date Freedom Day.

There were ideas about how to celebrate and commemorate Freedom Day: Build a sibling sculpture to the Statue of Liberty; eat potatoes, the universal food; build a tunnel to Russia across the Bering Strait; thank God for peace; welcome immigrants; meditate; issue a U.N. stamp; build ice sculptures; send money to feed Russians; and do something you can't do in an unfree country—make a public speech, see a dirty movie, celebrate a religion, travel across a border.

I propose that discussion on the matter of how to celebrate be put on hold until we get the holiday established.

How? Because all the major presidential candidates participate in the Cold War, they should endorse the holiday. Legislators ought to push for it. Anyone who worked in defense industry, or paid federal taxes from 1945 to 1989, ought to support it. President Clinton ought to go to the Reagan Library to endorse it.

I met with Mark Burman of the Reagan Presidential Foundation. He says they are on board for a campaign. The other great presidential libraries—Truman, Eisenhower, Kennedy, Johnson, Nixon, Ford and Carter—should join in.

So should anyone concerned with the teaching of American history. The holiday will remind American children that their recent ancestors preserved freedom. The Cold War generation may not be "the greatest" but they did their job—victory without a major hot war.

Americans can only create an American holiday. But we ought to invite all other countries to join in, Russia first. The citizens of Russia won the Cold War as surely as we did. If I were a Chinese dissident I'd promote the idea; it might give their leaders a clue.

If you like the idea, or have ideas, you may e-mail me at Watmail@aol.com. I'll pass the correspondence along to the appropriate persons, as soon as I figure out who they are.

Mr. HOYER. Mr. Speaker, I rise today to recognize the Tenth Anniversary of the fall of the Berlin Wall. Perhaps no act in the latter half of this century better represents the human quest for freedom and dignity. Perhaps no barrier more aptly symbolized the moral bankruptcy of an entire political movement—a movement that subjected its citizens to forcible detention.

As President Kennedy noted during his famous speech in West Berlin in 1963, the Wall was erected to keep its citizens within. As we all knew, the Wall was fundamentally flawed and had to come down. Its dismantling foreshadowed the collapse of the Soviet Union and communist domination of Eastern Europe. Who would have thought that less than 10 years later three former members of the Warsaw pact would become members of NATO? Who would have predicted that NATO would survive as an engine of security and democracy-building in Europe?

When I was appointed to the Helsinki Commission in 1985, there were serious questions in the United States about the viability of the Helsinki process. Had the process emphasized security at the expense of human rights? Was it perhaps time to reconsider the process in the absence of tangible progress on human rights questions?

Today, we celebrate the freedom yielded by our steadfast commitment to the process and by our demand that the former Soviet bloc countries adhere and implement the human rights standards enshrined by the Accords. The fall of the Berlin Wall transformed the world and demonstrated unreservedly the dignity of man as fundamental to democracy. The Organization for Security and Cooperation in Europe (OSCE) took a stand—that human dignity, tolerance and mutual respect would be the standards for all the nations of Europe as we entered in 1990s.

Almost immediately, the fall of the Wall ushered in new members to the OSCE—Lithuania, Latvia, Estonia and Albania. All were freed from the shackles of Soviet domination, and began to express a desire to join the Helsinki process.

Why would they want to join when in effect we had won? Because the Helsinki process could serve as a source of values and act as an agent of conflict resolution. It provided participating States with a blueprint by which to guide them away from the legacy of the past. But most importantly it reminded members—old and new—of their responsibilities to their own citizens and to each other.

This lesson would be sorely tested in the years following the Wall's fall with the dismemberment of Yugoslavia, the genocide of Bosnia, the economic collapse of Albania and the emergence of new threats to the citizens of Russia. The emphasis on rule of law in the Helsinki process would become even more relevant for all of Europe.

One year after the fall of the Wall, at the OSCE Paris Summit, former political prisoners like Vaclav Havel and Lech Walesa, who had fought for the rights espoused at Helsinki in 1975, led their countries to the table and recommitted themselves and their governments to the principles of human rights, security and economic cooperation that are the foundation of the Final Act. Today, 54 nations of Europe, the Caucasus and Central Asia are committed to the Helsinki process as participating States of the OSCE.

Mr. Speaker, as we reflect on this anniversary we understand that the countries and peoples of the region are still in transition and will be for decades to come. Great strides have been made by many former communist countries in building democratic societies and market economies. Poland, Hungary and the Czech Republic are our NATO allies and are actively pursuing admission to the European Union. Other central and eastern European countries are taking steps to join NATO and the EU. Yet, progress has been uneven and much remains to be done.

It is critical that the United States remain engaged with the peoples and governments of Europe and the countries which emerged from the former Soviet Union, especially Russia, during this difficult period. I agree with President Clinton when he said that we must "reaffirm our determination to finish the job—to complete a Europe whole, free, democratic, and at peace, for the first time in all of history." It is in our strategic and national interest to do so.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. GILMAN) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 223.

The question was taken.

Mr. LANTOS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

CONFERENCE REPORT ON H.R. 1554, INTELLECTUAL PROPERTY AND COMMUNICATIONS OMNIBUS REFORM ACT OF 1999

Mr. TAUZIN (during debate on H. Con. Res. 223) submitted the following conference report and statement on the bill (H.R. 1554) to amend the provisions of title 17, United States Code, and the Communications Act of 1934, relating to copyright licensing and carriage of broadcast signals by satellite:

CONFERENCE REPORT (H. REPT. 106-464)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1554), to amend the provisions of title 17, United States Code, and the Communications Act of 1934, relating to copyright licensing and carriage of broadcast signals by satellite, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Intellectual Property and Communications Omnibus Reform Act of 1999".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—SATELLITE HOME VIEWER IMPROVEMENT

Sec. 1001. Short title.
Sec. 1002. Limitations on exclusive rights; secondary transmissions by satellite carriers within local markets.
Sec. 1003. Extension of effect of amendments to section 119 of title 17, United States Code.
Sec. 1004. Computation of royalty fees for satellite carriers.
Sec. 1005. Distant signal eligibility for consumers.
Sec. 1006. Public broadcasting service satellite feed.
Sec. 1007. Application of Federal communications commission regulations.
Sec. 1008. Rules for satellite carriers retransmitting television broadcast signals.
Sec. 1009. Retransmission consent.
Sec. 1010. Severability.
Sec. 1011. Technical amendments.
Sec. 1012. Effective dates.

TITLE II—RURAL LOCAL TELEVISION SIGNALS

Sec. 2001. Short title.
Sec. 2002. Loan guarantees.
Sec. 2003. Administration of loan guarantees.
Sec. 2004. Retransmission of local television broadcast stations.
Sec. 2005. Local television service in unserved and underserved markets.
Sec. 2006. Definitions.

TITLE III—TRADEMARK CYBERPIRACY PREVENTION

Sec. 3001. Short title; references.
Sec. 3002. Cyberpiracy prevention.
Sec. 3003. Damages and remedies.
Sec. 3004. Limitation on liability.
Sec. 3005. Definitions.
Sec. 3006. Study on abusive domain name registrations involving personal names.
Sec. 3007. Historic preservation.
Sec. 3008. Savings clause.
Sec. 3009. Technical and conforming amendments.
Sec. 3010. Effective date.

TITLE IV—INVENTOR PROTECTION

Sec. 4001. Short title.

Subtitle A—Inventors' Rights

Sec. 4101. Short title.
Sec. 4102. Integrity in invention promotion services.
Sec. 4103. Effective date.

Subtitle B—Patent and Trademark Fee Fairness

Sec. 4201. Short title.
Sec. 4202. Adjustment of patent fees.
Sec. 4203. Adjustment of trademark fees.
Sec. 4204. Study on alternative fee structures.
Sec. 4205. Patent and Trademark Office Funding.
Sec. 4206. Effective date.

Subtitle C—First Inventor Defense

Sec. 4301. Short title.
Sec. 4302. Defense to patent infringement based on earlier inventor.
Sec. 4303. Effective date and applicability.

Subtitle D—Patent Term Guarantee

Sec. 4401. Short title.
Sec. 4402. Patent term guarantee authority.
Sec. 4403. Continued examination of patent applications.
Sec. 4404. Technical clarification.
Sec. 4405. Effective date.

Subtitle E—Domestic Publication of Patent Applications Published Abroad

Sec. 4501. Short title.
Sec. 4502. Publication.
Sec. 4503. Time for claiming benefit of earlier filing date.
Sec. 4504. Provisional rights.
Sec. 4505. Prior art effect of published applications.
Sec. 4506. Cost recovery for publication.
Sec. 4507. Conforming amendments.
Sec. 4508. Effective date.

Subtitle F—Optional Inter Partes Reexamination Procedure

Sec. 4601. Short title.
Sec. 4602. Ex parte reexamination of patents.
Sec. 4603. Definitions.
Sec. 4604. Optional inter partes reexamination procedures.
Sec. 4605. Conforming amendments.
Sec. 4606. Report to Congress.
Sec. 4607. Estoppel effect of reexamination.
Sec. 4608. Effective date.

T1SUBTITLE G—PATENT AND TRADEMARK OFFICE

Sec. 4701. Short title.

CHAPTER 1—UNITED STATES PATENT AND TRADEMARK OFFICE

Sec. 4711. Establishment of Patent and Trademark Office.
Sec. 4712. Powers and duties.
Sec. 4713. Organization and management.
Sec. 4714. Public advisory committees.
Sec. 4715. Conforming amendments.
Sec. 4716. Trademark Trial and Appeal Board.
Sec. 4717. Board of Patent Appeals and Interferences.
Sec. 4718. Annual report of Director.
Sec. 4719. Suspension or exclusion from practice.
Sec. 4720. Pay of Director and Deputy Director.

CHAPTER 2—EFFECTIVE DATE; TECHNICAL AMENDMENTS

Sec. 4731. Effective date.
Sec. 4732. Technical and conforming amendments.

CHAPTER 3—MISCELLANEOUS PROVISIONS

Sec. 4741. References.
Sec. 4742. Exercise of authorities.
Sec. 4743. Savings provisions.
Sec. 4744. Transfer of assets.
Sec. 4745. Delegation and assignment.
Sec. 4746. Authority of director of the Office of Management and Budget with respect to functions transferred.
Sec. 4747. Certain vesting of functions considered transfers.
Sec. 4748. Availability of existing funds.
Sec. 4749. Definitions.

Subtitle H—Miscellaneous Patent Provisions

Sec. 4801. Provisional applications.
Sec. 4802. International applications.
Sec. 4803. Certain limitations on damages for patent infringement not applicable.
Sec. 4804. Electronic filing and publications.
Sec. 4805. Study and report on biological deposits in support of biotechnology patents.
Sec. 4806. Prior invention.
Sec. 4807. Prior art exclusion for certain commonly assigned patents.
Sec. 4808. Exchange of copies of patents with foreign countries.

TITLE V—MISCELLANEOUS PROVISIONS

Sec. 5001. Commission on online child protection.
Sec. 5002. Privacy protection for donors to public broadcasting entities.
Sec. 5003. Completion of biennial regulatory review.
Sec. 5004. Public broadcasting entities.
Sec. 5005. Technical amendments relating to vessel hull design protection.
Sec. 5006. Informal rulemaking of copyright determination.
Sec. 5007. Service of process for surety corporations.
Sec. 5008. Low-power television.

TITLE I—SATELLITE HOME VIEWER IMPROVEMENT

SEC. 1001. SHORT TITLE.

This title may be cited as the "Satellite Home Viewer Improvement Act of 1999".

SEC. 1002. LIMITATIONS ON EXCLUSIVE RIGHTS; SECONDARY TRANSMISSIONS BY SATELLITE CARRIERS WITHIN LOCAL MARKETS.

(a) IN GENERAL.—Chapter 1 of title 17, United States Code, is amended by adding after section 121 the following new section:

"§ 122. Limitations on exclusive rights; secondary transmissions by satellite carriers within local markets

"(a) SECONDARY TRANSMISSIONS OF TELEVISION BROADCAST STATIONS BY SATELLITE CARRIERS.—A secondary transmission of a performance or display of a work embodied in a primary transmission of a television broadcast station into the station's local market shall be subject to statutory licensing under this section if—

"(1) the secondary transmission is made by a satellite carrier to the public;

"(2) with regard to secondary transmissions, the satellite carrier is in compliance with the rules, regulations, or authorizations of the Federal Communications Commission governing the carriage of television broadcast station signals; and

"(3) the satellite carrier makes a direct or indirect charge for the secondary transmission to—

"(A) each subscriber receiving the secondary transmission; or

"(B) a distributor that has contracted with the satellite carrier for direct or indirect delivery of the secondary transmission to the public.

"(b) REPORTING REQUIREMENTS.—

"(1) INITIAL LISTS.—A satellite carrier that makes secondary transmissions of a primary transmission made by a network station under subsection (a) shall, within 90 days after commencing such secondary transmissions, submit to the network that owns or is affiliated with the network station a list identifying (by name in alphabetical order and street address, including county and zip code) all subscribers to which the satellite carrier makes secondary transmissions of that primary transmission under subsection (a).

"(2) SUBSEQUENT LISTS.—After the list is submitted under paragraph (1), the satellite carrier shall, on the 15th of each month, submit to the network a list identifying (by name in alphabetical order and street address, including county

and zip code) any subscribers who have been added or dropped as subscribers since the last submission under this subsection.

"(3) USE OF SUBSCRIBER INFORMATION.—Subscriber information submitted by a satellite carrier under this subsection may be used only for the purposes of monitoring compliance by the satellite carrier with this section.

"(4) REQUIREMENTS OF NETWORKS.—The submission requirements of this subsection shall apply to a satellite carrier only if the network to which the submissions are to be made places on file with the Register of Copyrights a document identifying the name and address of the person to whom such submissions are to be made. The Register of Copyrights shall maintain for public inspection a file of all such documents.

"(c) NO ROYALTY FEE REQUIRED.—A satellite carrier whose secondary transmissions are subject to statutory licensing under subsection (a) shall have no royalty obligation for such secondary transmissions.

"(d) NONCOMPLIANCE WITH REPORTING AND REGULATORY REQUIREMENTS.—Notwithstanding subsection (a), the willful or repeated secondary transmission to the public by a satellite carrier into the local market of a television broadcast station of a primary transmission embodying a performance or display of a work made by that television broadcast station is actionable as an act of infringement under section 501, and is fully subject to the remedies provided under sections 502 through 506 and 509, if the satellite carrier has not complied with the reporting requirements of subsection (b) or with the rules, regulations, and authorizations of the Federal Communications Commission concerning the carriage of television broadcast signals.

"(e) WILLFUL ALTERATIONS.—Notwithstanding subsection (a), the secondary transmission to the public by a satellite carrier into the local market of a television broadcast station of a performance or display of a work embodied in a primary transmission made by that television broadcast station is actionable as an act of infringement under section 501, and is fully subject to the remedies provided by sections 502 through 506 and sections 509 and 510, if the content of the particular program in which the performance or display is embodied, or any commercial advertising or station announcement transmitted by the primary transmitter during, or immediately before or after, the transmission of such program, is in any way willfully altered by the satellite carrier through changes, deletions, or additions, or is combined with programming from any other broadcast signal.

"(f) VIOLATION OF TERRITORIAL RESTRICTIONS ON STATUTORY LICENSE FOR TELEVISION BROADCAST STATIONS.—

"(1) INDIVIDUAL VIOLATIONS.—The willful or repeated secondary transmission to the public by a satellite carrier of a primary transmission embodying a performance or display of a work made by a television broadcast station to a subscriber who does not reside in that station's local market, and is not subject to statutory licensing under section 119 or a private licensing agreement, is actionable as an act of infringement under section 501 and is fully subject to the remedies provided by sections 502 through 506 and 509, except that—

"(A) no damages shall be awarded for such act of infringement if the satellite carrier took corrective action by promptly withdrawing service from the ineligible subscriber; and

"(B) any statutory damages shall not exceed $5 for such subscriber for each month during which the violation occurred.

"(2) PATTERN OF VIOLATIONS.—If a satellite carrier engages in a willful or repeated pattern or practice of secondarily transmitting to the public a primary transmission embodying a performance or display of a work made by a television broadcast station to subscribers who do not reside in that station's local market, and are not subject to statutory licensing under section 119 or a private licensing agreement, then in addition to the remedies under paragraph (1)—

"(A) if the pattern or practice has been carried out on a substantially nationwide basis, the court—

"(i) shall order a permanent injunction barring the secondary transmission by the satellite carrier of the primary transmissions of that television broadcast station (and if such television broadcast station is a network station, all other television broadcast stations affiliated with such network); and

"(ii) may order statutory damages not exceeding $250,000 for each 6-month period during which the pattern or practice was carried out; and

"(B) if the pattern or practice has been carried out on a local or regional basis with respect to more than 1 television broadcast station, the court—

"(i) shall order a permanent injunction barring the secondary transmission in that locality or region by the satellite carrier of the primary transmissions of any television broadcast station; and

"(ii) may order statutory damages not exceeding $250,000 for each 6-month period during which the pattern or practice was carried out.

"(g) BURDEN OF PROOF.—In any action brought under subsection (f), the satellite carrier shall have the burden of proving that its secondary transmission of a primary transmission by a television broadcast station is made only to subscribers located within that station's local market or subscribers being served in compliance with section 119 or a private licensing agreement.

"(h) GEOGRAPHIC LIMITATIONS ON SECONDARY TRANSMISSIONS.—The statutory license created by this section shall apply to secondary transmissions to locations in the United States.

"(i) EXCLUSIVITY WITH RESPECT TO SECONDARY TRANSMISSIONS OF BROADCAST STATIONS BY SATELLITE TO MEMBERS OF THE PUBLIC.—No provision of section 111 or any other law (other than this section and section 119) shall be construed to contain any authorization, exemption, or license through which secondary transmissions by satellite carriers of programming contained in a primary transmission made by a television broadcast station may be made without obtaining the consent of the copyright owner.

"(j) DEFINITIONS.—In this section—

"(1) DISTRIBUTOR.—The term 'distributor' means an entity which contracts to distribute secondary transmissions from a satellite carrier and, either as a single channel or in a package with other programming, provides the secondary transmission either directly to individual subscribers or indirectly through other program distribution entities.

"(2) LOCAL MARKET.—

"(A) IN GENERAL.—The term 'local market', in the case of both commercial and noncommercial television broadcast stations, means the designated market area in which a station is located, and—

"(i) in the case of a commercial television broadcast station, all commercial television broadcast stations licensed to a community within the same designated market area are within the same local market; and

"(ii) in the case of a noncommercial educational television broadcast station, the market includes any station that is licensed to a community within the same designated market area as the noncommercial educational television broadcast station.

"(B) COUNTY OF LICENSE.—In addition to the area described in subparagraph (A), a station's local market includes the county in which the station's community of license is located.

"(C) DESIGNATED MARKET AREA.—For purposes of subparagraph (A), the term 'designated market area' means a designated market area, as determined by Nielsen Media Research and published in the 1999–2000 Nielsen Station Index Directory and Nielsen Station Index United States Television Household Estimates or any successor publication.

"(3) NETWORK STATION; SATELLITE CARRIER; SECONDARY TRANSMISSION.—The terms 'network station', 'satellite carrier' and 'secondary transmission' have the meanings given such terms under section 119(d).

"(4) SUBSCRIBER.—The term 'subscriber' means a person who receives a secondary transmission service from a satellite carrier and pays a fee for the service, directly or indirectly, to the satellite carrier or to a distributor.

"(5) TELEVISION BROADCAST STATION.—The term 'television broadcast station'—

"(A) means an over-the-air, commercial or noncommercial television broadcast station licensed by the Federal Communications Commission under subpart E of part 73 of title 47, Code of Federal Regulations, except that such term does not include a low-power or translator television station; and

"(B) includes a television broadcast station licensed by an appropriate governmental authority of Canada or Mexico if the station broadcasts primarily in the English language and is a network station as defined in section 119(d)(2)(A).".

(b) INFRINGEMENT OF COPYRIGHT.—Section 501 of title 17, United States Code, is amended by adding at the end the following new subsection:

"(f)(1) With respect to any secondary transmission that is made by a satellite carrier of a performance or display of a work embodied in a primary transmission and is actionable as an act of infringement under section 122, a television broadcast station holding a copyright or other license to transmit or perform the same version of that work shall, for purposes of subsection (b) of this section, be treated as a legal or beneficial owner if such secondary transmission occurs within the local market of that station.

"(2) A television broadcast station may file a civil action against any satellite carrier that has refused to carry television broadcast signals, as required under section 122(a)(2), to enforce that television broadcast station's rights under section 338(a) of the Communications Act of 1934.".

(c) TECHNICAL AND CONFORMING AMENDMENTS.—The table of sections for chapter 1 of title 17, United States Code, is amended by adding after the item relating to section 121 the following:

"122. Limitations on exclusive rights; secondary transmissions by satellite carriers within local market.".

SEC. 1003. EXTENSION OF EFFECT OF AMENDMENTS TO SECTION 119 OF TITLE 17, UNITED STATES CODE.

Section 4(a) of the Satellite Home Viewer Act of 1994 (17 U.S.C. 119 note; Public Law 103–369; 108 Stat. 3481) is amended by striking "December 31, 1999" and inserting "December 31, 2004".

SEC. 1004. COMPUTATION OF ROYALTY FEES FOR SATELLITE CARRIERS.

Section 119(c) of title 17, United States Code, is amended by adding at the end the following new paragraph:

"(4) REDUCTION.—

"(A) SUPERSTATION.—The rate of the royalty fee in effect on January 1, 1998, payable in each case under subsection (b)(1)(B)(i) shall be reduced by 30 percent.

"(B) NETWORK AND PUBLIC BROADCASTING SATELLITE FEED.—The rate of the royalty fee in effect on January 1, 1998, payable under subsection (b)(1)(B)(ii) shall be reduced by 45 percent.

"(5) PUBLIC BROADCASTING SERVICE AS AGENT.—For purposes of section 802, with respect to royalty fees paid by satellite carriers for retransmitting the Public Broadcasting Service satellite feed, the Public Broadcasting Service shall be the agent for all public television copyright claimants and all Public Broadcasting Service member stations.".

SEC. 1005. DISTANT SIGNAL ELIGIBILITY FOR CONSUMERS.

(a) UNSERVED HOUSEHOLD.—

(1) IN GENERAL.—Section 119(d) of title 17, United States Code, is amended by striking paragraph (10) and inserting the following:

"(10) UNSERVED HOUSEHOLD.—The term 'unserved household', with respect to a particular television network, means a household that—

"(A) cannot receive, through the use of a conventional, stationary, outdoor rooftop receiving antenna, an over-the-air signal of a primary network station affiliated with that network of Grade B intensity as defined by the Federal Communications Commission under section 73.683(a) of title 47 of the Code of Federal Regulations, as in effect on January 1, 1999;

"(B) is subject to a waiver granted under regulations established under section 339(c)(2) of the Communications Act of 1934;

"(C) is a subscriber to whom subsection (e) applies;

"(D) is a subscriber to whom subsection (a)(11) applies; or

"(E) is a subscriber to whom the exemption under subsection (a)(2)(B)(iii) applies.".

(2) CONFORMING AMENDMENT.—Section 119(a)(2)(B) of title 17, United States Code, is amended to read as follows:

"(B) SECONDARY TRANSMISSIONS TO UNSERVED HOUSEHOLDS.—

"(i) IN GENERAL.—The statutory license provided for in subparagraph (A) shall be limited to secondary transmissions of the signals of no more than 2 network stations in a single day for each television network to persons who reside in unserved households.

"(ii) ACCURATE DETERMINATIONS OF ELIGIBILITY.—

"(I) ACCURATE PREDICTIVE MODEL.—In determining presumptively whether a person resides in an unserved household under subsection (d)(10)(A), a court shall rely on the Individual Location Longley-Rice model set forth by the Federal Communications Commission in Docket No. 98–201, as that model may be amended by the Commission over time under section 339(c)(3) of the Communications Act of 1934 to increase the accuracy of that model.

"(II) ACCURATE MEASUREMENTS.—For purposes of site measurements to determine whether a person resides in an unserved household under subsection (d)(10)(A), a court shall rely on section 339(c)(4) of the Communications Act of 1934.

"(iii) C-BAND EXEMPTION TO UNSERVED HOUSEHOLDS.—

"(I) IN GENERAL.—The limitations of clause (i) shall not apply to any secondary transmissions by C-band services of network stations that a subscriber to C-band service received before any termination of such secondary transmissions before October 31, 1999.

"(II) DEFINITION.—In this clause the term 'C-band service' means a service that is licensed by the Federal Communications Commission and operates in the Fixed Satellite Service under part 25 of title 47 of the Code of Federal Regulations.".

(b) EXCEPTION TO LIMITATION ON SECONDARY TRANSMISSIONS.—Section 119(a)(5) of title 17, United States Code, is amended by adding at the end the following:

"(E) EXCEPTION.—The secondary transmission by a satellite carrier of a performance or display of a work embodied in a primary transmission made by a network station to subscribers who do not reside in unserved households shall not be an act of infringement if—

"(i) the station on May 1, 1991, was retransmitted by a satellite carrier and was not on that date owned or operated by or affiliated with a television network that offered interconnected program service on a regular basis for 15 or more hours per week to at least 25 affiliated television licensees in 10 or more States;

"(ii) as of July 1, 1998, such station was retransmitted by a satellite carrier under the statutory license of this section; and

"(iii) the station is not owned or operated by or affiliated with a television network that, as of January 1, 1995, offered interconnected program service on a regular basis for 15 or more hours per week to at least 25 affiliated television licensees in 10 or more States.".

(c) MORATORIUM ON COPYRIGHT LIABILITY.—Section 119(e) of title 17, United States Code, is amended to read as follows:

"(e) MORATORIUM ON COPYRIGHT LIABILITY.—Until December 31, 2004, a subscriber who does not receive a signal of grade A intensity (as defined in the regulations of the Federal Communications Commission under section 73.683(a) of title 47 of the Code of Federal Regulations, as in effect on January 1, 1999, or predicted by the Federal Communications Commission using the Individual Location Longley-Rice methodology described by the Federal Communications Commission in Docket 98–201) of a local network television broadcast station shall remain eligible to receive signals of network stations affiliated with the same network, if that subscriber had satellite service of such network signal terminated after July 11, 1998, and before October 31, 1999, as required by this section, or received such service on October 31, 1999.".

(d) RECREATIONAL VEHICLE AND COMMERCIAL TRUCK EXEMPTION.—Section 119(a) of title 17, United States Code, is amended by adding at the end the following:

"(11) SERVICE TO RECREATIONAL VEHICLES AND COMMERCIAL TRUCKS.—

"(A) EXEMPTION.—

"(i) IN GENERAL.—For purposes of this subsection, and subject to clauses (ii) and (iii), the term 'unserved household' shall include—

"(I) recreational vehicles as defined in regulations of the Secretary of Housing and Urban Development under section 3282.8 of title 24 of the Code of Federal Regulations; and

"(II) commercial trucks that qualify as commercial motor vehicles under regulations of the Secretary of Transportation under section 383.5 of title 49 of the Code of Federal Regulations.

"(ii) LIMITATION.—Clause (i) shall apply only to a recreational vehicle or commercial truck if any satellite carrier that proposes to make a secondary transmission of a network station to the operator of such a recreational vehicle or commercial truck complies with the documentation requirements under subparagraphs (B) and (C).

"(iii) EXCLUSION.—For purposes of this subparagraph, the terms 'recreational vehicle' and 'commercial truck' shall not include any fixed dwelling, whether a mobile home or otherwise.

"(B) DOCUMENTATION REQUIREMENTS.—A recreational vehicle or commercial truck shall be deemed to be an unserved household beginning 10 days after the relevant satellite carrier provides to the network that owns or is affiliated with the network station that will be secondarily transmitted to the recreational vehicle or commercial truck the following documents:

"(i) DECLARATION.—A signed declaration by the operator of the recreational vehicle or commercial truck that the satellite dish is permanently attached to the recreational vehicle or commercial truck, and will not be used to receive satellite programming at any fixed dwelling.

"(ii) REGISTRATION.—In the case of a recreational vehicle, a copy of the current State vehicle registration for the recreational vehicle.

"(iii) REGISTRATION AND LICENSE.—In the case of a commercial truck, a copy of—

"(I) the current State vehicle registration for the truck; and

"(II) a copy of a valid, current commercial driver's license, as defined in regulations of the Secretary of Transportation under section 383 of title 49 of the Code of Federal Regulations, issued to the operator.

"(C) UPDATED DOCUMENTATION REQUIREMENTS.—If a satellite carrier wishes to continue to make secondary transmissions to a recreational vehicle or commercial truck for more than a 2-year period, that carrier shall provide each network, upon request, with updated documentation in the form described under subparagraph (B) during the 90 days before expiration of that 2-year period.".

(e) EXCEPTION TO SATELLITE CARRIER DEFINITION.—Section 119(d)(6) of title 17, United States Code, is amended by inserting before the period ", or provides a digital online communication service".

(f) CONFORMING AMENDMENT.—Section 119(d)(11) of title 17, United States Code, is amended to read as follows:

"(11) LOCAL MARKET.—The term 'local market' has the meaning given such term under section 122(j).".

SEC. 1006. PUBLIC BROADCASTING SERVICE SATELLITE FEED.

(a) SECONDARY TRANSMISSIONS.—Section 119(a)(1) of title 17, United States Code, is amended—

(1) by striking the paragraph heading and inserting "(1) SUPERSTATIONS AND PBS SATELLITE FEED.—";

(2) by inserting "or by the Public Broadcasting Service satellite feed" after "superstation"; and

(3) by adding at the end the following: "In the case of the Public Broadcasting Service satellite feed, the statutory license shall be effective until January 1, 2002.".

(b) ROYALTY FEES.—Section 119(b)(1)(B)(iii) of title 17, United States Code, is amended by inserting "or the Public Broadcasting Service satellite feed" after "network station".

(c) DEFINITIONS.—Section 119(d) of title 17, United States Code, is amended—

(1) by amending paragraph (9) to read as follows:

"(9) SUPERSTATION.—The term 'superstation'—

"(A) means a television broadcast station, other than a network station, licensed by the Federal Communications Commission that is secondarily transmitted by a satellite carrier; and

"(B) except for purposes of computing the royalty fee, includes the Public Broadcasting Service satellite feed."; and

(2) by adding at the end the following:

"(12) PUBLIC BROADCASTING SERVICE SATELLITE FEED.—The term 'Public Broadcasting Service satellite feed' means the national satellite feed distributed and designated for purposes of this section by the Public Broadcasting Service consisting of educational and informational programming intended for private home viewing, to which the Public Broadcasting Service holds national terrestrial broadcast rights.".

SEC. 1007. APPLICATION OF FEDERAL COMMUNICATIONS COMMISSION REGULATIONS.

Section 119(a) of title 17, United States Code, is amended—

(1) in paragraph (1), by inserting "with regard to secondary transmissions the satellite carrier is in compliance with the rules, regulations, or authorizations of the Federal Communications Commission governing the carriage of

television broadcast station signals," after "satellite carrier to the public for private home viewing,";

(2) in paragraph (2), by inserting "with regard to secondary transmissions the satellite carrier is in compliance with the rules, regulations, or authorizations of the Federal Communications Commission governing the carriage of television broadcast station signals," after "satellite carrier to the public for private home viewing,"; and

(3) by adding at the end of such subsection (as amended by section 1005(e) of this Act) the following new paragraph:

"(12) STATUTORY LICENSE CONTINGENT ON COMPLIANCE WITH FCC RULES AND REMEDIAL STEPS.—Notwithstanding any other provision of this section, the willful or repeated secondary transmission to the public by a satellite carrier of a primary transmission embodying a performance or display of a work made by a broadcast station licensed by the Federal Communications Commission is actionable as an act of infringement under section 501, and is fully subject to the remedies provided by sections 502 through 506 and 509, if, at the time of such transmission, the satellite carrier is not in compliance with the rules, regulations, and authorizations of the Federal Communications Commission concerning the carriage of television broadcast station signals.".

SEC. 1008. RULES FOR SATELLITE CARRIERS RETRANSMITTING TELEVISION BROADCAST SIGNALS.

(a) AMENDMENTS TO COMMUNICATIONS ACT OF 1934.—Title III of the Communications Act of 1934 is amended by inserting after section 337 (47 U.S.C. 337) the following new sections:

"SEC. 338. CARRIAGE OF LOCAL TELEVISION SIGNALS BY SATELLITE CARRIERS.

"(a) CARRIAGE OBLIGATIONS.—

"(1) IN GENERAL.—Subject to the limitations of paragraph (2), each satellite carrier providing, under section 122 of title 17, United States Code, secondary transmissions to subscribers located within the local market of a television broadcast station of a primary transmission made by that station shall carry upon request the signals of all television broadcast stations located within that local market, subject to section 325(b).

"(2) REMEDIES FOR FAILURE TO CARRY.—The remedies for any failure to meet the obligations under this subsection shall be available exclusively under section 501(f) of title 17, United States Code.

"(3) EFFECTIVE DATE.—No satellite carrier shall be required to carry local television broadcast stations under paragraph (1) until January 1, 2002.

"(b) GOOD SIGNAL REQUIRED.—

"(1) COSTS.—A television broadcast station asserting its right to carriage under subsection (a) shall be required to bear the costs associated with delivering a good quality signal to the designated local receive facility of the satellite carrier or to another facility that is acceptable to at least one-half the stations asserting the right to carriage in the local market.

"(2) REGULATIONS.—The regulations issued under subsection (g) shall set forth the obligations necessary to carry out this subsection.

"(c) DUPLICATION NOT REQUIRED.—

"(1) COMMERCIAL STATIONS.—Notwithstanding subsection (a), a satellite carrier shall not be required to carry upon request the signal of any local commercial television broadcast station that substantially duplicates the signal of another local commercial television broadcast station which is secondarily transmitted by the satellite carrier within the same local market, or to carry upon request the signals of more than 1 local commercial television broadcast station in a single local market that is affiliated with a particular television network unless such stations are licensed to communities in different States.

"(2) NONCOMMERCIAL STATIONS.—The Commission shall prescribe regulations limiting the carriage requirements under subsection (a) of satellite carriers with respect to the carriage of multiple local noncommercial television broadcast stations. To the extent possible, such regulations shall provide the same degree of carriage by satellite carriers of such multiple stations as is provided by cable systems under section 615.

"(d) CHANNEL POSITIONING.—No satellite carrier shall be required to provide the signal of a local television broadcast station to subscribers in that station's local market on any particular channel number or to provide the signals in any particular order, except that the satellite carrier shall retransmit the signal of the local television broadcast stations to subscribers in the stations' local market on contiguous channels and provide access to such station's signals at a nondiscriminatory price and in a nondiscriminatory manner on any navigational device, on-screen program guide, or menu.

"(e) COMPENSATION FOR CARRIAGE.—A satellite carrier shall not accept or request monetary payment or other valuable consideration in exchange either for carriage of local television broadcast stations in fulfillment of the requirements of this section or for channel positioning rights provided to such stations under this section, except that any such station may be required to bear the costs associated with delivering a good quality signal to the local receive facility of the satellite carrier.

"(f) REMEDIES.—

"(1) COMPLAINTS BY BROADCAST STATIONS.—Whenever a local television broadcast station believes that a satellite carrier has failed to meet its obligations under subsections (b) through (e) of this section, such station shall notify the carrier, in writing, of the alleged failure and identify its reasons for believing that the satellite carrier failed to comply with such obligations. The satellite carrier shall, within 30 days after such written notification, respond in writing to such notification and comply with such obligations or state its reasons for believing that it is in compliance with such obligations. A local television broadcast station that disputes a response by a satellite carrier that it is in compliance with such obligations may obtain review of such denial or response by filing a complaint with the Commission. Such complaint shall allege the manner in which such satellite carrier has failed to meet its obligations and the basis for such allegations.

"(2) OPPORTUNITY TO RESPOND.—The Commission shall afford the satellite carrier against which a complaint is filed under paragraph (1) an opportunity to present data and arguments to establish that there has been no failure to meet its obligations under this section.

"(3) REMEDIAL ACTIONS; DISMISSAL.—Within 120 days after the date a complaint is filed under paragraph (1), the Commission shall determine whether the satellite carrier has met its obligations under subsections (b) through (e). If the Commission determines that the satellite carrier has failed to meet such obligations, the Commission shall order the satellite carrier to take appropriate remedial action. If the Commission determines that the satellite carrier has fully met the requirements of such subsections, the Commission shall dismiss the complaint.

"(g) REGULATIONS BY COMMISSION.—Within 1 year after the date of enactment of this section, the Commission shall issue regulations implementing this section following a rulemaking proceeding. The regulations prescribed under this section shall include requirements on satellite carriers that are comparable to the requirements on cable operators under sections 614(b) (3) and (4) and 615(g)(1) and (2).

"(h) DEFINITIONS.—As used in this section:

"(1) DISTRIBUTOR.—The term 'distributor' means an entity which contracts to distribute secondary transmissions from a satellite carrier and, either as a single channel or in a package with other programming, provides the secondary transmission either directly to individual subscribers or indirectly through other program distribution entities.

"(2) LOCAL RECEIVE FACILITY.—The term 'local receive facility' means the reception point in each local market which a satellite carrier designates for delivery of the signal of the station for purposes of retransmission.

"(3) LOCAL MARKET.—The term 'local market' has the meaning given that term under section 122(j) of title 17, United States Code.

"(4) SATELLITE CARRIER.—The term 'satellite carrier' has the meaning given such term under section 119(d) of title 17, United States Code.

"(5) SECONDARY TRANSMISSION.—The term 'secondary transmission' has the meaning given such term in section 119(d) of title 17, United States Code.

"(6) SUBSCRIBER.—The term 'subscriber' has the meaning given that term under section 122(j) of title 17, United States Code.

"(7) TELEVISION BROADCAST STATION.—The term 'television broadcast station' has the meaning given such term in section 325(b)(7).

"SEC. 339. CARRIAGE OF DISTANT TELEVISION STATIONS BY SATELLITE CARRIERS.

"(a) PROVISIONS RELATING TO CARRIAGE OF DISTANT SIGNALS.—

"(1) CARRIAGE PERMITTED.—

"(A) IN GENERAL.—Subject to section 119 of title 17, United States Code, any satellite carrier shall be permitted to provide the signals of no more than 2 network stations in a single day for each television network to any household not located within the local markets of those network stations.

"(B) ADDITIONAL SERVICE.—In addition to signals provided under subparagraph (A), any satellite carrier may also provide service under the statutory license of section 122 of title 17, United States Code, to the local market within which such household is located. The service provided under section 122 of such title may be in addition to the 2 signals provided under section 119 of such title.

"(2) PENALTY FOR VIOLATION.—Any satellite carrier that knowingly and willfully provides the signals of television stations to subscribers in violation of this subsection shall be liable for a forfeiture penalty under section 503 in the amount of $50,000 for each violation or each day of a continuing violation.

"(b) EXTENSION OF NETWORK NONDUPLICATION, SYNDICATED EXCLUSIVITY, AND SPORTS BLACKOUT TO SATELLITE RETRANSMISSION.—

"(1) EXTENSION OF PROTECTIONS.—Within 45 days after the date of enactment of the Satellite Home Viewer Improvement Act of 1999, the Commission shall commence a single rulemaking proceeding to establish regulations that—

"(A) apply network nonduplication protection (47 C.F.R. 76.92) syndicated exclusivity protection (47 C.F.R. 76.151), and sports blackout protection (47 C.F.R. 76.67) to the retransmission of the signals of nationally distributed superstations by satellite carriers to subscribers; and

"(B) to the extent technically feasible and not economically prohibitive, apply sports blackout protection (47 C.F.R. 76.67) to the retransmission of the signals of network stations by satellite carriers to subscribers.

"(2) DEADLINE FOR ACTION.—The Commission shall complete all actions necessary to prescribe regulations required by this section so that the regulations shall become effective within 1 year after such date of enactment.

"(c) ELIGIBILITY FOR RETRANSMISSION.—

"(1) SIGNAL STANDARD FOR SATELLITE CARRIER PURPOSES.—For the purposes of identifying an *unserved household under section 119(d)(10) of title 17, United States Code, within 1 year after the date of enactment of the Satellite Home Viewer Improvement Act of 1999, the Commission shall conclude an inquiry to evaluate all possible standards and factors for determining eligibility for retransmissions of the signals of network stations, and, if appropriate—*

“(A) recommend modifications to the Grade B intensity standard for analog signals set forth in section 73.683(a) of its regulations (47 C.F.R. 73.683(a)), or recommend alternative standards or factors for purposes of determining such eligibility; and

“(B) make a further recommendation relating to an appropriate standard for digital signals.

“(2) WAIVERS.—A subscriber who is denied the retransmission of a signal of a network station under section 119 of title 17, United States Code, may request a waiver from such denial by submitting a request, through such subscriber's satellite carrier, to the network station asserting that the retransmission is prohibited. The network station shall accept or reject a subscriber's request for a waiver within 30 days after receipt of the request. The subscriber shall be permitted to receive such retransmission under section 119(d)(10)(B) of title 17, United States Code, if such station agrees to the waiver request and files with the satellite carrier a written waiver with respect to that subscriber allowing the subscriber to receive such retransmission. If a television network station fails to accept or reject a subscriber's request for a waiver within the 30-day period after receipt of the request, that station shall be deemed to agree to the waiver request and have filed such written waiver.

“(3) ESTABLISHMENT OF IMPROVED PREDICTIVE MODEL REQUIRED.—Within 180 days after the date of enactment of the Satellite Home Viewer Improvement Act of 1999, the Commission shall take all actions necessary, including any reconsideration, to develop and prescribe by rule a point-to-point predictive model for reliably and presumptively determining the ability of individual locations to receive signals in accordance with the signal intensity standard in effect under section 119(d)(10)(A) of title 17, United States Code. In prescribing such model, the Commission shall rely on the Individual Location Longley-Rice model set forth by the Federal Communications Commission in Docket 98–201 and ensure that such model takes into account terrain, building structures, and other land cover variations. The Commission shall establish procedures for the continued refinement in the application of the model by the use of additional data as it becomes available.

“(4) OBJECTIVE VERIFICATION.—

“(A) IN GENERAL.—If a subscriber's request for a waiver under paragraph (2) is rejected and the subscriber submits to the subscriber's satellite carrier a request for a test verifying the subscriber's inability to receive a signal that meets the signal intensity standard in effect under section 119(d)(10)(A) of title 17, United States Code, the satellite carrier and the network station or stations asserting that the retransmission is prohibited with respect to that subscriber shall select a qualified and independent person to conduct a test in accordance with section 73.686(d) of its regulations (47 C.F.R. 73.686(d)), or any successor regulation. Such test shall be conducted within 30 days after the date the subscriber submits a request for the test. If the written findings and conclusions of a test conducted in accordance with such section (or any successor regulation) demonstrate that the subscriber does not receive a signal that meets or exceeds the signal intensity standard in effect under section 119(d)(10)(A) of title 17, United States Code, the subscriber shall not be denied the retransmission of a signal of a network station under section 119 of title 17, United States Code.

“(B) DESIGNATION OF TESTER AND ALLOCATION OF COSTS.—If the satellite carrier and the network station or stations asserting that the retransmission is prohibited are unable to agree on such a person to conduct the test, the person shall be designated by an independent and neutral entity designated by the Commission by rule. Unless the satellite carrier and the network station or stations otherwise agree, the costs of conducting the test under this paragraph shall be borne by the satellite carrier, if the station's signal meets or exceeds the signal intensity standard in effect under section 119(d)(10)(A) of title 17, United States Code, or by the network station, if its signal fails to meet or exceed such standard.

“(C) AVOIDANCE OF UNDUE BURDEN.— Commission regulations prescribed under this paragraph shall seek to avoid any undue burden on any party.

“(d) DEFINITIONS.—For the purposes of this section:

“(1) LOCAL MARKET.—The term ‘local market’ has the meaning given that term under section 122(j) of title 17, United States Code.

“(2) NATIONALLY DISTRIBUTED SUPERSTATION.—The term ‘nationally distributed superstation’ means a television broadcast station, licensed by the Commission, that—

“(A) is not owned or operated by or affiliated with a television network that, as of January 1, 1995, offered interconnected program service on a regular basis for 15 or more hours per week to at least 25 affiliated television licensees in 10 or more States;

“(B) on May 1, 1991, was retransmitted by a satellite carrier and was not a network station at that time; and

“(C) was, as of July 1, 1998, retransmitted by a satellite carrier under the statutory license of section 119 of title 17, United States Code.

“(3) NETWORK STATION.—The term ‘network station’ has the meaning given such term under section 119(d) of title 17, United States Code.

“(4) SATELLITE CARRIER.—The term ‘satellite carrier’ has the meaning given such term under section 119(d) of title 17, United States Code.

“(5) TELEVISION NETWORK.—The term ‘television network’ means a television network in the United States which offers an interconnected program service on a regular basis for 15 or more hours per week to at least 25 affiliated broadcast stations in 10 or more States.”.

(b) NETWORK STATION DEFINITION.—Section 119(d)(2) of title 17, United States Code, is amended—

(1) in subparagraph (B) by striking the period and inserting a semicolon; and

(2) by adding after subparagraph (B) the following:

“except that the term does not include the signal of the Alaska Rural Communications Service, or any successor entity to that service.”.

SEC. 1009. RETRANSMISSION CONSENT.

(a) IN GENERAL.—Section 325(b) of the Communications Act of 1934 (47 U.S.C. 325(b)) is amended—

(1) by amending paragraphs (1) and (2) to read as follows:

“(b)(1) No cable system or other multichannel video programming distributor shall retransmit the signal of a broadcasting station, or any part thereof, except—

“(A) with the express authority of the originating station;

“(B) under section 614, in the case of a station electing, in accordance with this subsection, to assert the right to carriage under such section; or

“(C) under section 338, in the case of a station electing, in accordance with this subsection, to assert the right to carriage under such section.

“(2) This subsection shall not apply—

“(A) to retransmission of the signal of a noncommercial television broadcast station;

“(B) to retransmission of the signal of a television broadcast station outside the station's local market by a satellite carrier directly to its subscribers, if—

“(i) such station was a superstation on May 1, 1991;

“(ii) as of July 1, 1998, such station was retransmitted by a satellite carrier under the statutory license of section 119 of title 17, United States Code; and

“(iii) the satellite carrier complies with any network nonduplication, syndicated exclusivity, and sports blackout rules adopted by the Commission under section 339(b) of this Act;

“(C) until December 31, 2004, to retransmission of the signals of network stations directly to a home satellite antenna, if the subscriber receiving the signal—

“(i) is located in an area outside the local market of such stations; and

“(ii) resides in an unserved household;

“(D) to retransmission by a cable operator or other multichannel video provider, other than a satellite carrier, of the signal of a television broadcast station outside the station's local market if such signal was obtained from a satellite carrier and—

“(i) the originating station was a superstation on May 1, 1991; and

“(ii) as of July 1, 1998, such station was retransmitted by a satellite carrier under the statutory license of section 119 of title 17, United States Code; or

“(E) during the 6-month period beginning on the date of enactment of the Satellite Home Viewer Improvement Act of 1999, to the retransmission of the signal of a television broadcast station within the station's local market by a satellite carrier directly to its subscribers under the statutory license of section 122 of title 17, United States Code.

For purposes of this paragraph, the terms ‘satellite carrier’ and ‘superstation’ have the meanings given those terms, respectively, in section 119(d) of title 17, United States Code, as in effect on the date of enactment of the Cable Television Consumer Protection and Competition Act of 1992, the term ‘unserved household’ has the meaning given that term under section 119(d) of such title, and the term ‘local market’ has the meaning given that term in section 122(j) of such title.”;

(2) by adding at the end of paragraph (3) the following new subparagraph:

“(C) Within 45 days after the date of enactment of the Satellite Home Viewer Improvement Act of 1999, the Commission shall commence a rulemaking proceeding to revise the regulations governing the exercise by television broadcast stations of the right to grant retransmission consent under this subsection, and such other regulations as are necessary to administer the limitations contained in paragraph (2). The Commission shall complete all actions necessary to prescribe such regulations within 1 year after such date of enactment. Such regulations shall—

“(i) establish election time periods that correspond with those regulations adopted under subparagraph (B) of this paragraph; and

“(ii) until January 1, 2006, prohibit a television broadcast station that provides retransmission consent from engaging in exclusive contracts for carriage or failing to negotiate in good faith, and it shall not be a failure to negotiate in good faith if the television broadcast station enters into retransmission consent agreements containing different terms and conditions, including price terms, with different multichannel video programming distributors if such different terms and conditions are based on competitive marketplace considerations.”;

(3) in paragraph (4), by adding at the end the following new sentence: “If an originating television station elects under paragraph (3)(C) to

exercise its right to grant retransmission consent under this subsection with respect to a satellite carrier, section 338 shall not apply to the carriage of the signal of such station by such satellite carrier.”;

(4) in paragraph (5), by striking “614 or 615” and inserting “338, 614, or 615”; and

(5) by adding at the end the following new paragraph:

“(7) For purposes of this subsection, the term—

“(A) ‘network station’ has the meaning given such term under section 119(d) of title 17, United States Code; and

“(B) ‘television broadcast station’ means an over-the-air commercial or noncommercial television broadcast station licensed by the Commission under subpart E of part 73 of title 47, Code of Federal Regulations, except that such term does not include a low-power or translator television station.”.

(b) Enforcement Provisions for Consent for Retransmissions.—Section 325 of the Communications Act of 1934 (47 U.S.C. 325) is amended by adding at the end the following new subsection:

“(e) Enforcement Proceedings Against Satellite Carriers Concerning Retransmissions of Television Broadcast Stations in the Respective Local Markets of Such Carriers.—

“(1) Complaints by television broadcast stations.—If after the expiration of the 6-month period described under subsection (b)(2)(E) a television broadcast station believes that a satellite carrier has retransmitted its signal to any person in the local market of such station in violation of subsection (b)(1), the station may file with the Commission a complaint providing—

“(A) the name, address, and call letters of the station;

“(B) the name and address of the satellite carrier;

“(C) the dates on which the alleged retransmission occurred;

“(D) the street address of at least 1 person in the local market of the station to whom the alleged retransmission was made;

“(E) a statement that the retransmission was not expressly authorized by the television broadcast station; and

“(F) the name and address of counsel for the station.

“(2) Service of complaints on satellite carriers.—For purposes of any proceeding under this subsection, any satellite carrier that retransmits the signal of any broadcast station shall be deemed to designate the Secretary of the Commission as its agent for service of process. A television broadcast station may serve a satellite carrier with a complaint concerning an alleged violation of subsection (b)(1) through retransmission of a station within the local market of such station by filing the original and 2 copies of the complaint with the Secretary of the Commission and serving a copy of the complaint on the satellite carrier by means of 2 commonly used overnight delivery services, each addressed to the chief executive officer of the satellite carrier at its principal place of business, and each marked ‘URGENT LITIGATION MATTER’ on the outer packaging. Service shall be deemed complete 1 business day after a copy of the complaint is provided to the delivery services for overnight delivery. On receipt of a complaint filed by a television broadcast station under this subsection, the Secretary of the Commission shall send the original complaint by United States mail, postage prepaid, receipt requested, addressed to the chief executive officer of the satellite carrier at its principal place of business.

“(3) Answers by satellite carriers.—Within 5 business days after the date of service, the satellite carrier shall file an answer with the Commission and shall serve the answer by a commonly used overnight delivery service and by United States mail, on the counsel designated in the complaint at the address listed for such counsel in the complaint.

“(4) Defenses.—

“(A) Exclusive defenses.—The defenses under this paragraph are the exclusive defenses available to a satellite carrier against which a complaint under this subsection is filed.

“(B) Defenses.—The defenses referred to under subparagraph (A) are the defenses that—

“(i) the satellite carrier did not retransmit the television broadcast station to any person in the local market of the station during the time period specified in the complaint;

“(ii) the television broadcast station had, in a writing signed by an officer of the television broadcast station, expressly authorized the retransmission of the station by the satellite carrier to each person in the local market of the television broadcast station to which the satellite carrier made such retransmissions for the entire time period during which it is alleged that a violation of subsection (b)(1) has occurred;

“(iii) the retransmission was made after January 1, 2002, and the television broadcast station had elected to assert the right to carriage under section 338 as against the satellite carrier for the relevant period; or

“(iv) the station being retransmitted is a noncommercial television broadcast station.

“(5) Counting of violations.—The retransmission without consent of a particular television broadcast station on a particular day to 1 or more persons in the local market of the station shall be considered a separate violation of subsection (b)(1).

“(6) Burden of proof.—With respect to each alleged violation, the burden of proof shall be on a television broadcast station to establish that the satellite carrier retransmitted the station to at least 1 person in the local market of the station on the day in question. The burden of proof shall be on the satellite carrier with respect to all defenses other than the defense under paragraph (4)(B)(i).

“(7) Procedures.—

“(A) Regulations.—Within 60 days after the date of enactment of the Satellite Home Viewer Improvement Act of 1999, the Commission shall issue procedural regulations implementing this subsection which shall supersede procedures under section 312.

“(B) Determinations.—

“(i) In general.—Within 45 days after the filing of a complaint, the Commission shall issue a final determination in any proceeding brought under this subsection. The Commission's final determination shall specify the number of violations committed by the satellite carrier. The Commission shall hear witnesses only if it clearly appears, based on written filings by the parties, that there is a genuine dispute about material facts. Except as provided in the preceding sentence, the Commission may issue a final ruling based on written filings by the parties.

“(ii) Discovery.—The Commission may direct the parties to exchange pertinent documents, and if necessary to take prehearing depositions, on such schedule as the Commission may approve, but only if the Commission first determines that such discovery is necessary to resolve a genuine dispute about material facts, consistent with the obligation to make a final determination within 45 days.

“(8) Relief.—If the Commission determines that a satellite carrier has retransmitted the television broadcast station to at least 1 person in the local market of such station and has failed to meet its burden of proving 1 of the defenses under paragraph (4) with respect to such retransmission, the Commission shall be required to—

“(A) make a finding that the satellite carrier violated subsection (b)(1) with respect to that station; and

“(B) issue an order, within 45 days after the filing of the complaint, containing—

“(i) a cease-and-desist order directing the satellite carrier immediately to stop making any further retransmissions of the television broadcast station to any person within the local market of such station until such time as the Commission determines that the satellite carrier is in compliance with subsection (b)(1) with respect to such station;

“(ii) if the satellite carrier is found to have violated subsection (b)(1) with respect to more than 2 television broadcast stations, a cease-and-desist order directing the satellite carrier to stop making any further retransmission of any television broadcast station to any person within the local market of such station, until such time as the Commission, after giving notice to the station, that the satellite carrier is in compliance with subsection (b)(1) with respect to such stations; and

“(iii) an award to the complainant of that complainant's costs and reasonable attorney's fees.

“(9) Court proceedings on enforcement of Commission order.—

“(A) In general.—On entry by the Commission of a final order granting relief under this subsection—

“(i) a television broadcast station may apply within 30 days after such entry to the United States District Court for the Eastern District of Virginia for a final judgment enforcing all relief granted by the Commission; and

“(ii) the satellite carrier may apply within 30 days after such entry to the United States District Court for the Eastern District of Virginia for a judgment reversing the Commission's order.

“(B) Appeal.—The procedure for an appeal under this paragraph by the satellite carrier shall supersede any other appeal rights under Federal or State law. A United States district court shall be deemed to have personal jurisdiction over the satellite carrier if the carrier, or a company under common control with the satellite carrier, has delivered television programming by satellite to more than 30 customers in that district during the preceding 4-year period. If the United States District Court for the Eastern District of Virginia does not have personal jurisdiction over the satellite carrier, an enforcement action or appeal shall be brought in the United States District Court for the District of Columbia, which may find personal jurisdiction based on the satellite carrier's ownership of licenses issued by the Commission. An application by a television broadcast station for an order enforcing any cease-and-desist relief granted by the Commission shall be resolved on a highly expedited schedule. No discovery may be conducted by the parties in any such proceeding. The district court shall enforce the Commission order unless the Commission record reflects manifest error and an abuse of discretion by the Commission.

“(10) Civil action for statutory damages.—Within 6 months after issuance of an order by the Commission under this subsection, a television broadcast station may file a civil action in any United States district court that has personal jurisdiction over the satellite carrier for an award of statutory damages for any violation that the Commission has determined to have been committed by a satellite carrier under this subsection. Such action shall not be subject to transfer under section 1404(a) of title 28, United States Code. On finding that the satellite carrier has committed 1 or more violations of subsection (b), the District Court shall be required to award the television broadcast station

statutory damages of $25,000 per violation, in accordance with paragraph (5), and the costs and attorney's fees incurred by the station. Such statutory damages shall be awarded only if the television broadcast station has filed a binding stipulation with the court that such station will donate the full amount in excess of $1,000 of any statutory damage award to the United States Treasury for public purposes. Notwithstanding any other provision of law, a station shall incur no tax liability of any kind with respect to any amounts so donated. Discovery may be conducted by the parties in any proceeding under this paragraph only if and to the extent necessary to resolve a genuinely disputed issue of fact concerning 1 of the defenses under paragraph (4). In any such action, the defenses under paragraph (4) shall be exclusive, and the burden of proof shall be on the satellite carrier with respect to all defenses other than the defense under paragraph (4)(B)(i). A judgment under this paragraph may be enforced in any manner permissible under Federal or State law.

“(11) APPEALS.—

“(A) IN GENERAL.—The nonprevailing party before a United States district court may appeal a decision under this subsection to the United States Court of Appeals with jurisdiction over that district court. The Court of Appeals shall not issue any stay of the effectiveness of any decision granting relief against a satellite carrier unless the carrier presents clear and convincing evidence that it is highly likely to prevail on appeal and only after posting a bond for the full amount of any monetary award assessed against it and for such further amount as the Court of Appeals may believe appropriate.

“(B) APPEAL.—If the Commission denies relief in response to a complaint filed by a television broadcast station under this subsection, the television broadcast station filing the complaint may file an appeal with the United States Court of Appeals for the District of Columbia Circuit.

“(12) SUNSET.—No complaint or civil action may be filed under this subsection after December 31, 2001. This subsection shall continue to apply to any complaint or civil action filed on or before such date.”.

SEC. 1010. SEVERABILITY.

If any provision of section 325(b) of the Communications Act of 1934 (47 U.S.C. 325(b)), or the application of that provision to any person or circumstance, is held by a court of competent jurisdiction to violate any provision of the Constitution of the United States, then the other provisions of that section, and the application of that provision to other persons and circumstances, shall not be affected.

SEC. 1011. TECHNICAL AMENDMENTS.

(a) TECHNICAL AMENDMENTS RELATING TO CABLE SYSTEMS.—Title 17, United States Code is amended as follows:

(1) Such title is amended—

(A) by striking “cable system” and “cable systems” each place it appears (other than chapter 12) and inserting “terrestrial system” and “terrestrial systems”, respectively;

(B) by striking “cable service” each place it appears and inserting “terrestrial service”; and

(C) by striking “programing’ each place it appears and inserting “programming”.

(2) Section 111(d)(1)(C) is amended by striking “cable system's” and inserting “terrestrial system's”.

(3) Section 111 is amended in the subsection headings for subsections (c), (d), and (e), by striking “CABLE” and inserting “TERRESTRIAL”.

(4) Chapter 5 is amended—

(A) in the table of contents by amending the item relating to section 510 to read as follows:

“Sec. 510. Remedies for alteration of programming by terrestrial systems.”;

and

(B) by amending the section heading for section 510 to read as follows:

“§510. Remedies for alteration of programming by terrestrial systems”.

(5) Section 801(b)(2)(A) is amended—

(A) by striking “cable subscribers” and inserting “terrestrial service subscribers”; and

(B) by striking “cable industry” and inserting “terrestrial service industry”.

(6) Section 111 is amended by striking “compulsory” each place it appears and inserting “statutory”.

(7) Section 510(b) is amended by striking “compulsory” and inserting “statutory”.

(b) TECHNICAL AMENDMENTS RELATING TO PERFORMANCE OR DISPLAYS OF WORKS.—

(1) Section 111 of title 17, United States Code, is amended—

(A) in subsection (a), in the matter preceding paragraph (1), by striking “primary transmission embodying a performance or display of a work” and inserting “performance or display of a work embodied in a primary transmission”;

(B) in subsection (b), in the matter preceding paragraph (1), by striking “primary transmission embodying a performance or display of a work” and inserting “performance or display of a work embodied in a primary transmission”; and

(C) in subsection (c)—

(i) in paragraph (1)—

(I) by inserting “a performance or display of a work embodied in” after “by a terrestrial system of”; and

(II) by striking “and embodying a performance or display of a work”; and

(ii) in paragraphs (3) and (4)—

(I) by striking “a primary transmission” and inserting “a performance or display of a work embodied in a primary transmission”; and

(II) by striking “and embodying a performance or display of a work”.

(2) Section 119(a) of title 17, United States Code, is amended—

(A) in paragraph (1), by striking “primary transmission made by a superstation and embodying a performance or display of a work” and inserting “performance or display of a work embodied in a primary transmission made by a superstation”;

(B) in paragraph (2)(A), by striking “programming” and all that follows through “a work” and inserting “a performance or display of a work embodied in a primary transmission made by a network station”;

(C) in paragraph (4)—

(i) by inserting “a performance or display of a work embodied in” after “by a satellite carrier of”; and

(ii) by striking “and embodying a performance or display of a work”; and

(D) in paragraph (6)—

(i) by inserting “performance or display of a work embodied in” after “by a satellite carrier of”; and

(ii) by striking “and embodying a performance or display of a work”.

(3) Section 501(e) of title 17, United States Code, is amended by striking “primary transmission embodying the performance or display of a work” and inserting “performance or display of a work embodied in a primary transmission”.

(c) TECHNICAL AMENDMENT RELATING TO TERRESTRIAL SYSTEMS.—Section 111(f) of title 17, United States Code, is amended in the first sentence of the definition of ‘terrestrial system’, by inserting “, other than a digital online communication service,” after “other communications channels”.

(d) CONFORMING AMENDMENT.—Section 119(a)(2)(C) of title 17, United States Code, is amended in the first sentence by striking “currently”.

(e) WORK MADE FOR HIRE.—Section 101 of title 17, United States Code, is amended in the definition relating to work for hire in paragraph (2) by inserting “as a sound recording,” after “audiovisual work”.

SEC. 1012. EFFECTIVE DATES.

Sections 1001, 1003, 1005, 1007, 1008, 1009, 1010, and 1011 (and the amendments made by such sections) shall take effect on the date of enactment of this Act. The amendments made by sections 1002, 1004, and 1006 shall be effective as of July 1, 1999.

TITLE II—RURAL LOCAL TELEVISION SIGNALS

SEC. 2001. SHORT TITLE.

This title may be cited as the “Rural Local Broadcast Signal Act”.

SEC. 2002. LOAN GUARANTEES.

(a) PURPOSE.—The purpose of this title is to ensure improved access to the signals of local television stations by multichannel video providers to all households which desire such service in unserved and underserved rural areas by December 31, 2006.

(b) ASSISTANCE TO BORROWERS.—Subject to the appropriations limitation under subsection (c)(2), the Secretary, after consultation with the Secretary of the Treasury and the Federal Communications Commission, may provide loan guarantees to borrowers to finance projects to provide local television broadcast signals by providers of multichannel video services including direct broadcast satellite licensees and licensees of multichannel multipoint distribution systems, to areas that do not receive local television broadcast signals over commercial for-profit direct-to-home satellite distribution systems. A borrower that receives a loan guarantee under this title may not transfer any part of the proceeds of the monies from the loans guaranteed under this program to an affiliate of the borrower.

(c) UNDERWRITING CRITERIA; PREREQUISITES.—

(1) IN GENERAL.—The Secretary shall administer the underwriting criteria developed under subsection (f)(1) to determine which loans are eligible for a guarantee under this title.

(2) AUTHORITY TO MAKE LOAN GUARANTEES.—The Secretary shall be authorized to guarantee loans under this title only to the extent provided for in advance by appropriations Acts.

(3) PREREQUISITES.—In addition to meeting the underwriting criteria under paragraph (1), a loan is not eligible for a loan guarantee under this title unless—

(A) the loan is made to finance the acquisition, improvement, enhancement, construction, deployment, launch, or rehabilitation of the means by which local television broadcast signals will be delivered to an area not receiving such signals over commercial for-profit direct-to-home satellite distribution systems;

(B) the proceeds of the loan will not be used for operating expenses;

(C) the total amount of all such loans may not exceed in the aggregate $1,250,000,000;

(D) the loan does not exceed $100,000,000, except that 1 loan under this title may exceed $100,000,000, but shall not exceed $625,000,000;

(E) the loan bears interest and penalties which, in the Secretary's judgment, are not unreasonable, taking into consideration the prevailing interest rates and customary fees incurred under similar obligations in the private capital market; and

(F) the Secretary determines that taking into account the practices of the private capital markets with respect to the financing of similar projects, the security of the loan is adequate.

(4) ADDITIONAL CRITERIA.—In addition to the requirements of paragraphs (1), (2), and (3), a loan for which a guarantee is sought under this title shall meet any additional criteria promulgated under subsection (f)(1).

(d) ADDITIONAL REQUIREMENTS.—The Secretary may not make a loan guarantee under this title unless—

(1) repayment of the obligation is required to be made within a term of the lesser of—

(A) 25 years from the date of its execution; or

(B) the useful life of the primary assets used in the delivery of relevant signals;

(2) the Secretary has been given the assurances and documentation necessary to review and approve the guaranteed loans;

(3) the Secretary makes a determination in writing that—

(A) the applicant has given reasonable assurances that the assets, facilities, or equipment will be utilized economically and efficiently;

(B) necessary and sufficient regulatory approvals, spectrum rights, and delivery permissions have been received by project participants to assure the project's ability to repay obligations under this title; and

(C) repayment of the obligation can reasonably be expected, including the use of an appropriate combination of credit risk premiums and collateral offered by the applicant to protect the Federal Government.

(e) APPROVAL OF NTIA REQUIRED.—

(1) IN GENERAL.—The Secretary may not issue a loan guarantee under this title unless the National Telecommunications and Information Administration consults with the Secretary and certifies that—

(A) the issuance of the loan guarantee is consistent with subsection (a) of this section; and

(B) consistent with subsection (b) of this section, the project to be financed by a loan guaranteed under this section is not likely to have a substantial adverse impact on competition between multichannel video programming distributors that outweighs the benefits of improving access to the signals of a local television station by a multichannel video provider.

(2) CERTIFICATION.—The Secretary shall provide the appropriate information on each loan guarantee application recommended by the Secretary to the National Telecommunications and Information Administration for certification. The National Telecommunications and Information Administration shall make the determination required under this subsection within 90 days, without regard to the provision of chapter 5 of title 5, United States Code, and sections 10 and 11 of the Federal Advisory Committee Act (5 U.S.C. App.).

(f) REQUIREMENTS.—

(1) IN GENERAL.—Within 180 days after the date of enactment of this Act, the Secretary shall consult with the Office of Management and Budget and an independent public accounting firm to develop underwriting criteria relating to the issuance of loan guarantees, appropriate collateral and cash flow levels for the types of loan guarantees that might be issued under this title, and such other matters as the Secretary determines appropriate.

(2) AUTHORITY OF SECRETARY.—In lieu of or in combination with appropriations of budget authority to cover the costs of loan guarantees as required under section 504(b)(1) of the Federal Credit Reform Act of 1990, the Secretary may accept on behalf of an applicant for assistance under this title a commitment from a non-Federal source to fund in whole or in part the credit risk premiums with respect to the applicant's loan. The aggregate of appropriations of budget authority and credit risk premiums described in this paragraph with respect to a loan guarantee may not be less than the cost of that loan guarantee.

(3) CREDIT RISK PREMIUM AMOUNT.—The Secretary shall determine the amount required for credit risk premiums under this subsection on the basis of—

(A) the circumstances of the applicant, including the amount of collateral offered;

(B) the proposed schedule of loan disbursements;

(C) the borrower's business plans for providing service;

(D) financial commitment from the broadcast signal provider;

(E) approval of the Office of Management and Budget; and

(F) any other factors the Secretary considers relevant.

(4) PAYMENT OF PREMIUMS.—Credit risk premiums under this subsection shall be paid to an account established in the Treasury which shall accrue interest and such interest shall be retained by the account, subject to paragraph (5).

(5) COHORTS OF LOANS.—In order to maintain sufficient balances of credit risk premiums to adequately protect the Federal Government from risk of default, while minimizing the length of time the Government retains possession of those balances, the Secretary in consultation with the Office of Management and Budget shall establish cohorts of loans. When all obligations attached to a cohort of loans have been satisfied, credit risk premiums paid for the cohort, and interest accrued thereon, which were not used to mitigate losses shall be returned to the original source on a pro rata basis.

(g) CONDITIONS OF ASSISTANCE.—A borrower shall agree to such terms and conditions as are sufficient, in the judgment of the Secretary to ensure that, as long as any principal or interest is due and payable on such obligation, the borrower—

(1) will maintain assets, equipment, facilities, and operations on a continuing basis;

(2) will not make any discretionary dividend payments that reduce the ability to repay obligations incurred under this section; and

(3) will remain sufficiently capitalized.

(h) LIEN ON INTERESTS IN ASSETS.—Upon providing a loan guarantee to a borrower under this title, the Secretary shall have liens which shall be superior to all other liens on assets of the borrower equal to the unpaid balance of the loan subject to such guarantee.

(i) PERFECTED INTEREST.—The Secretary and the lender shall have a perfected security interest in those assets of the borrower fully sufficient to protect the Secretary and the lender.

(j) INSURANCE POLICIES.—In accordance with practices of private lenders, as determined by the Secretary, the borrower shall obtain, at its expense, insurance sufficient to protect the interests of the Federal Government, as determined by the Secretary.

(k) SPECIAL PROVISION FOR SATELLITE CARRIERS.—No satellite carrier that provided television broadcast signals to subscribers on October 1, 1999, and no company that is an affiliate of any such carrier, shall be eligible for a loan guarantee under this section if either the carrier or its affiliate holds a license for unused spectrum that would be suitable for delivering local television signals into unserved and underserved markets.

(l) AUTHORIZATION OF APPROPRIATIONS.—For the additional costs of the loans guaranteed under this title, including the cost of modifying the loans as defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661(a)), there are authorized to be appropriated for fiscal years 2000 through 2006, such amounts as may be necessary. In addition there are authorized to be appropriated such sums as may be necessary to administer this title. Any amounts appropriated under this subsection shall remain available until expended.

SEC. 2003. ADMINISTRATION OF LOAN GUARANTEES.

(a) APPLICATIONS.—The Secretary shall prescribe the form and contents for an application for a loan guarantee under section 2002.

(b) ASSIGNMENT OF LOAN GUARANTEES.—The holder of a loan guaranteed under this title may assign the loan guarantee in whole or in part, subject to such requirements as the Secretary may prescribe.

(c) MODIFICATIONS.—The Secretary may approve the modification of any term or condition of a loan guarantee including the rate of interest, time of payment of interest or principal, or security requirements, if the Secretary finds in writing that—

(1) the modification is equitable and is in the overall best interests of the United States;

(2) consent has been obtained from the borrower and the lender;

(3) the modification is consistent with the objective underwriting criteria developed in consultation with the Office of Management and Budget and an independent public accounting firm under section 2002(f);

(4) the modification does not adversely affect the Federal Government's interest in the entity's assets or loan collateral;

(5) the modification does not adversely affect the entity's ability to repay the loan; and

(6) the National Telecommunications and Information Administration does not object to the modification on the ground that it is inconsistent with the certification under section 2002(e).

(d) PRIORITY MARKETS.—

(1) IN GENERAL.—To the maximum extent practicable, the Secretary shall give priority to projects which serve the most underserved rural markets, as determined by the Secretary. In making prioritization determinations, the Secretary shall consider prevailing market conditions, feasibility of providing service, population, terrain, and other factors the Secretary determines appropriate.

(2) PRIORITY RELATING TO CONSUMER COSTS AND SEPARATE TIER OF SIGNALS.—The Secretary shall give priority to projects that—

(A) offer a separate tier of local broadcast signals; and

(B) provide lower projected costs to consumers of such separate tier.

(3) PERFORMANCE SCHEDULES.—Applicants for priority projects under this section shall enter into stipulated performance schedules with the Secretary.

(4) PENALTY.—The Secretary may assess a borrower a penalty not to exceed 3 times the interest due on the guaranteed loan, if the borrower fails to meet its stipulated performance schedule. The penalty shall be paid to the account established by the Treasury under section 2002.

(5) LIMITATION ON CONSIDERATION OF MOST POPULATED AREAS.—The Secretary shall not provide a loan guarantee for a project that is primarily designed to serve the 40 most populated designated market areas and shall take into consideration the importance of serving rural markets that are not likely to be otherwise offered service under section 122 of title 17, United States Code, except through the loan guarantee program under this title.

(e) COMPLIANCE.—The Secretary shall enforce compliance by an applicant and any other party to the loan guarantee for whose benefit assistance is intended, with the provisions of this title, regulations issued hereunder, and the terms and conditions of the loan guarantee, including through regular periodic inspections and audits.

(f) COMMERCIAL VALIDITY.—For purposes of claims by any party other than the Secretary, a loan guarantee or loan guarantee commitment shall be conclusive evidence that the underlying obligation is in compliance with the provisions of the title, and that such obligation has been approved and is legal as to principal, interest, and other terms. Such a guarantee or commitment shall be valid and incontestable in the hands of a holder thereof, including the original

lender or any other holder, as of the date when the Secretary granted the application therefor, except as to fraud or material misrepresentation by such holder.

(g) DEFAULTS.—The Secretary shall prescribe regulations governing a default on a loan guaranteed under this title.

(h) RIGHTS OF THE SECRETARY.—

(1) SUBROGATION.—If the Secretary authorizes payment to a holder, or a holder's agent, under subsection (g) in connection with a loan guarantee made under section 2002, the Secretary shall be subrogated to all of the rights of the holder with respect to the obligor under the loan.

(2) DISPOSITION OF PROPERTY.—The Secretary may complete, recondition, reconstruct, renovate, repair, maintain, operate, rent, sell, or otherwise dispose of any property or other interests obtained under this section in a manner that maximizes taxpayer return and is consistent with the public convenience and necessity.

(3) WARRANTS.—To ensure that the United States Government is compensated for the risk in making guarantees under this title, the Secretary shall enter into contracts under which the Government, contingent on the financial success of the borrower, would participate in a percentage of the gains of any for profit borrower or its security holders in connection with the project funded by loans so guaranteed.

(i) ACTION AGAINST OBLIGOR.—The Secretary may bring a civil action in an appropriate district court of the United States in the name of the United States or of the holder of the obligation in the event of a default on a loan guaranteed under this title. The holder of a guarantee shall make available to the Secretary all records and evidence necessary to prosecute the civil action. The Secretary may accept property in full or partial satisfaction of any sums owed as a result of default. If the Secretary receives, through the sale or other disposition of such property, an amount greater than the aggregate of—

(1) the amount paid to the holder of a guarantee under subsection (g) of this section; and

(2) any other cost to the United States of remedying the default, the Secretary shall pay such excess to the obligor.

(j) BREACH OF CONDITIONS.—The Attorney General shall commence a civil action in a court of appropriate jurisdiction to enjoin any activity which the Secretary finds is in violation of this title, regulations issued hereunder, or any conditions which were duly agreed to, and to secure any other appropriate relief, including relief against any affiliate of the borrower.

(k) ATTACHMENT.—No attachment or execution may be issued against the Secretary or any property in the control of the Secretary prior to the entry of final judgment to such effect in any State, Federal, or other court.

(l) INVESTIGATION CHARGE AND FEES.—

(1) APPRAISAL FEE.—The Secretary may charge and collect from an applicant a reasonable fee for appraisal for the value of the equipment or facilities for which the loan guarantee is sought, and for making necessary determinations and findings. The fee may not, in the aggregate, be more than one-half of one percent of the principal amount of the obligation. The fee imposed under this paragraph shall be used to offset the administrative costs of the program.

(2) LOAN ORIGINATION FEE.—The Secretary may charge a loan origination fee.

(m) ANNUAL AUDIT.—The General Accounting Office shall annually audit the administration of this title and report the results to the Agriculture, Appropriations, and Judiciary Committees of the Senate and the House of Representatives, the House of Representatives Committee on Commerce, the Senate Committee on Commerce, Science, and Transportation, the Senate Committee on Banking, Housing, and Urban Affairs, and the House of Representatives Committee on Banking and Financial Services.

(n) INDEMNIFICATION.—An affiliate of the borrower shall indemnify the Government for any losses it incurs as a result of—

(1) a judgment against the borrower;

(2) any breach by the borrower of its obligations under the loan guarantee agreement;

(3) any violation of the provisions of this title by the borrower;

(4) any penalties incurred by the borrower for any reason, including the violation of the stipulated performance; and

(5) any other circumstances that the Secretary determines to be appropriate.

(o) SUNSET.—The Secretary may not approve a loan guarantee under this title after December 31, 2006.

SEC. 2004. RETRANSMISSION OF LOCAL TELEVISION BROADCAST STATIONS.

A borrower shall be subject to applicable rights, obligations, and limitations of title 17, United States Code. If a local broadcast station requests carriage of its signal and is located in a market not served by a satellite carrier providing service under a statutory license under section 122 of title 17, United States Code, the borrower shall carry the signal of that station without charge and shall be subject to the applicable rights, obligations, and limitations of sections 338, 614, and 615 of the Communications Act of 1934.

SEC. 2005. LOCAL TELEVISION SERVICE IN UNSERVED AND UNDERSERVED MARKETS.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Commission shall take all actions necessary to make a determination regarding licenses or other authorizations for facilities that will utilize, for delivering local broadcast television station signals to satellite television subscribers in unserved and underserved local television markets, spectrum otherwise allocated to commercial use.

(b) RULES.—

(1) FORM OF BUSINESS.—To the extent not inconsistent with the Communications Act of 1934 and the Commission's rules, the Commission shall permit applicants under subsection (a) to engage in partnerships, joint ventures, and similar operating arrangements for the purpose of carrying out subsection (a).

(2) HARMFUL INTERFERENCE.—The Commission shall ensure that no facility licensed or authorized under subsection (a) causes harmful interference to the primary users of that spectrum or to public safety spectrum use.

(3) LIMITATION ON COMMISSION.—Except as provided in paragraphs (1) and (2), the Commission may not restrict any entity granted a license or other authorization under subsection (a) from using any reasonable compression, reformatting, or other technology.

(c) REPORT.—Not later than January 1, 2001, the Commission shall report to the Agriculture, Appropriations, and Judiciary Committees of the Senate and the House of Representatives, the Senate Committee on Commerce, Science, and Transportation, and the House of Representatives Committee on Commerce, on the extent to which licenses and other authorizations under subsection (a) have facilitated the delivery of local signals to satellite television subscribers in unserved and underserved local television markets. The report shall include—

(1) an analysis of the extent to which local signals are being provided by direct-to-home satellite television providers and by other multichannel video program distributors;

(2) an enumeration of the technical, economic, and other impediments each type of multichannel video programming distributor has encountered; and

(3) recommendations for specific measures to facilitate the provision of local signals to subscribers in unserved and underserved markets by direct-to-home satellite television providers and by other distributors of multichannel video programming service.

SEC. 2006. DEFINITIONS.

In this title:

(1) AFFILIATE.—The term "affiliate" means any person or entity that controls, or is controlled by, or is under common control with, another person or entity.

(2) BORROWER.—The term "borrower" means any person or entity receiving a loan guarantee under this program.

(3) COMMISSION.—The term "Commission" means the Federal Communications Commission.

(4) COST.—

(A) IN GENERAL.—The term "cost" means the estimated long-term cost to the Government of a loan guarantee or modification thereof, calculated on a net present value basis, excluding administrative costs and any incidental effects on governmental receipts or outlays.

(B) LOAN GUARANTEES.—For purposes of this paragraph the cost of a loan guarantee—

(i) shall be the net present value, at the time when the guaranteed loan is disbursed, of the estimated cash flows of—

(I) payments by the Government to cover defaults and delinquencies, interest subsidies, or other payments;

(II) payments to the Government, including origination and other fees, penalties, and recoveries; and

(ii) shall include the effects of changes in loan terms resulting from the exercise by the guaranteed lender of an option included in the loan guarantee contract, or by the borrower of an option included in the guaranteed loan contract.

(C) COST OF MODIFICATION.—The cost of the modification shall be the difference between the current estimate of the net present value of the remaining cash flows under the terms of a loan guarantee contract, and the current estimate of the net present value of the remaining cash flows under the terms of the contract, as modified.

(D) DISCOUNT RATE.—In estimating net present value, the discount rate shall be the average interest rate on marketable Treasury securities of similar maturity to the cash flows of the guarantee for which the estimate is being made.

(E) FISCAL YEAR ASSUMPTIONS.—When funds of a loan guarantee under this title are obligated, the estimated cost shall be based on the current assumptions, adjusted to incorporate the terms of the loan contract, for the fiscal year in which the funds are obligated.

(5) CURRENT.—The term "current" has the same meaning as in section 250(c)(9) of the Balanced Budget and Emergency Deficit Control Act of 1985.

(6) DESIGNATED MARKET AREA.—The term "designated market area" has the meaning given that term under section 122(j) of title 17, United States Code.

(7) LOAN GUARANTEE.—The term "loan guarantee" means any guarantee, insurance, or other pledge with respect to the payment of all or part of the principal or interest on any debt obligation of a non-Federal borrower to the Federal Financing Bank or a non-Federal lender, but does not include the insurance of deposits, shares, or other withdrawable accounts in financial institutions.

(8) MODIFICATION.—The term "modification" means any Government action that alters the estimated cost of an outstanding loan guarantee (or loan guarantee commitment) from the current estimate of cash flows, including the sale of loan assets, with or without recourse, and the purchase of guaranteed loans.

(9) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(10) COMMON TERMS.—Except as provided in paragraphs (1) through (9), any term used in this title that is defined in the Communications Act of 1934 (47 U.S.C. 151 et seq.) has the meaning given it in that Act.

TITLE III—TRADEMARK CYBERPIRACY PREVENTION

SEC. 3001. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This title may be cited as the "Anticybersquatting Consumer Protection Act".

(b) REFERENCES TO THE TRADEMARK ACT OF 1946.—Any reference in this title to the Trademark Act of 1946 shall be a reference to the Act entitled "An Act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes", approved July 5, 1946 (15 U.S.C. 1051 et seq.).

SEC. 3002. CYBERPIRACY PREVENTION.

(a) IN GENERAL.—Section 43 of the Trademark Act of 1946 (15 U.S.C. 1125) is amended by inserting at the end the following:

"(d)(1)(A) A person shall be liable in a civil action by the owner of a mark, including a personal name which is protected as a mark under this section, if, without regard to the goods or services of the parties, that person—

"(i) has a bad faith intent to profit from that mark, including a personal name which is protected as a mark under this section; and

"(ii) registers, traffics in, or uses a domain name that—

"(I) in the case of a mark that is distinctive at the time of registration of the domain name, is identical or confusingly similar to that mark;

"(II) in the case of a famous mark that is famous at the time of registration of the domain name, is identical or confusingly similar to or dilutive of that mark; or

"(III) is a trademark, word, or name protected by reason of section 706 of title 18, United States Code, or section 220506 of title 36, United States Code.

"(B)(i) In determining whether a person has a bad faith intent described under subparagraph (A), a court may consider factors such as, but not limited to—

"(I) the trademark or other intellectual property rights of the person, if any, in the domain name;

"(II) the extent to which the domain name consists of the legal name of the person or a name that is otherwise commonly used to identify that person;

"(III) the person's prior use, if any, of the domain name in connection with the bona fide offering of any goods or services;

"(IV) the person's bona fide noncommercial or fair use of the mark in a site accessible under the domain name;

"(V) the person's intent to divert consumers from the mark owner's online location to a site accessible under the domain name that could harm the goodwill represented by the mark, either for commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site;

"(VI) the person's offer to transfer, sell, or otherwise assign the domain name to the mark owner or any third party for financial gain without having used, or having an intent to use, the domain name in the bona fide offering of any goods or services, or the person's prior conduct indicating a pattern of such conduct;

"(VII) the person's provision of material and misleading false contact information when applying for the registration of the domain name, the person's intentional failure to maintain accurate contact information, or the person's prior conduct indicating a pattern of such conduct;

"(VIII) the person's registration or acquisition of multiple domain names which the person knows are identical or confusingly similar to marks of others that are distinctive at the time of registration of such domain names, or dilutive of famous marks of others that are famous at the time of registration of such domain names, without regard to the goods or services of the parties; and

"(IX) the extent to which the mark incorporated in the person's domain name registration is or is not distinctive and famous within the meaning of subsection (c)(1) of section 43.

"(ii) Bad faith intent described under subparagraph (A) shall not be found in any case in which the court determines that the person believed and had reasonable grounds to believe that the use of the domain name was a fair use or otherwise lawful.

"(C) In any civil action involving the registration, trafficking, or use of a domain name under this paragraph, a court may order the forfeiture or cancellation of the domain name or the transfer of the domain name to the owner of the mark.

"(D) A person shall be liable for using a domain name under subparagraph (A) only if that person is the domain name registrant or that registrant's authorized licensee.

"(E) As used in this paragraph, the term 'traffics in' refers to transactions that include, but are not limited to, sales, purchases, loans, pledges, licenses, exchanges of currency, and any other transfer for consideration or receipt in exchange for consideration.

"(2)(A) The owner of a mark may file an in rem civil action against a domain name in the judicial district in which the domain name registrar, domain name registry, or other domain name authority that registered or assigned the domain name is located if—

"(i) the domain name violates any right of the owner of a mark registered in the Patent and Trademark Office, or protected under subsection (a) or (c); and

"(ii) the court finds that the owner—

"(I) is not able to obtain in personam jurisdiction over a person who would have been a defendant in a civil action under paragraph (1); or

"(II) through due diligence was not able to find a person who would have been a defendant in a civil action under paragraph (1) by—

"(aa) sending a notice of the alleged violation and intent to proceed under this paragraph to the registrant of the domain name at the postal and e-mail address provided by the registrant to the registrar; and

"(bb) publishing notice of the action as the court may direct promptly after filing the action.

"(B) The actions under subparagraph (A)(ii) shall constitute service of process.

"(C) In an in rem action under this paragraph, a domain name shall be deemed to have its situs in the judicial district in which—

"(i) the domain name registrar, registry, or other domain name authority that registered or assigned the domain name is located; or

"(ii) documents sufficient to establish control and authority regarding the disposition of the registration and use of the domain name are deposited with the court.

"(D)(i) The remedies in an in rem action under this paragraph shall be limited to a court order for the forfeiture or cancellation of the domain name or the transfer of the domain name to the owner of the mark. Upon receipt of written notification of a filed, stamped copy of a complaint filed by the owner of a mark in a United States district court under this paragraph, the domain name registrar, domain name registry, or other domain name authority shall—

"(I) expeditiously deposit with the court documents sufficient to establish the court's control and authority regarding the disposition of the registration and use of the domain name to the court; and

"(II) not transfer, suspend, or otherwise modify the domain name during the pendency of the action, except upon order of the court.

"(ii) The domain name registrar or registry or other domain name authority shall not be liable for injunctive or monetary relief under this paragraph except in the case of bad faith or reckless disregard, which includes a willful failure to comply with any such court order.

"(3) The civil action established under paragraph (1) and the in rem action established under paragraph (2), and any remedy available under either such action, shall be in addition to any other civil action or remedy otherwise applicable.

"(4) The in rem jurisdiction established under paragraph (2) shall be in addition to any other jurisdiction that otherwise exists, whether in rem or in personam.".

(b) CYBERPIRACY PROTECTIONS FOR INDIVIDUALS.—

(1) IN GENERAL.—

(A) CIVIL LIABILITY.—Any person who registers a domain name that consists of the name of another living person, or a name substantially and confusingly similar thereto, without that person's consent, with the specific intent to profit from such name by selling the domain name for financial gain to that person or any third party, shall be liable in a civil action by such person.

(B) EXCEPTION.—A person who in good faith registers a domain name consisting of the name of another living person, or a name substantially and confusingly similar thereto, shall not be liable under this paragraph if such name is used in, affiliated with, or related to a work of authorship protected under title 17, United States Code, including a work made for hire as defined in section 101 of title 17, United States Code, and if the person registering the domain name is the copyright owner or licensee of the work, the person intends to sell the domain name in conjunction with the lawful exploitation of the work, and such registration is not prohibited by a contract between the registrant and the named person. The exception under this subparagraph shall apply only to a civil action brought under paragraph (1) and shall in no manner limit the protections afforded under the Trademark Act of 1946 (15 U.S.C. 1051 et seq.) or other provision of Federal or State law.

(2) REMEDIES.—In any civil action brought under paragraph (1), a court may award injunctive relief, including the forfeiture or cancellation of the domain name or the transfer of the domain name to the plaintiff. The court may also, in its discretion, award costs and attorneys fees to the prevailing party.

(3) DEFINITION.—In this subsection, the term "domain name" has the meaning given that term in section 45 of the Trademark Act of 1946 (15 U.S.C. 1127).

(4) EFFECTIVE DATE.—This subsection shall apply to domain names registered on or after the date of enactment of this Act.

SEC. 3003. DAMAGES AND REMEDIES.

(a) REMEDIES IN CASES OF DOMAIN NAME PIRACY.—

(1) INJUNCTIONS.—Section 34(a) of the Trademark Act of 1946 (15 U.S.C. 1116(a)) is amended in the first sentence by striking "(a) or (c)" and inserting "(a), (c), or (d)".

(2) DAMAGES.—Section 35(a) of the Trademark Act of 1946 (15 U.S.C. 1117(a)) is amended in the first sentence by inserting ", (c), or (d)" after "section 43(a)".

(b) STATUTORY DAMAGES.—Section 35 of the Trademark Act of 1946 (15 U.S.C. 1117) is amended by adding at the end the following:

"(d) In a case involving a violation of section 43(d)(1), the plaintiff may elect, at any time before final judgment is rendered by the trial

court, to recover, instead of actual damages and profits, an award of statutory damages in the amount of not less than $1,000 and not more than $100,000 per domain name, as the court considers just.

SEC. 3004. LIMITATION ON LIABILITY.

Section 32(2) of the Trademark Act of 1946 (15 U.S.C. 1114) is amended—

(1) in the matter preceding subparagraph (A) by striking "under section 43(a)" and inserting "under section 43(a) or (d)"; and

(2) by redesignating subparagraph (D) as subparagraph (E) and inserting after subparagraph (C) the following:

"(D)(i)(I) A domain name registrar, a domain name registry, or other domain name registration authority that takes any action described under clause (ii) affecting a domain name shall not be liable for monetary relief or, except as provided in subclause (II), for injunctive relief, to any person for such action, regardless of whether the domain name is finally determined to infringe or dilute the mark.

"(II) A domain name registrar, domain name registry, or other domain name registration authority described in subclause (I) may be subject to injunctive relief only if such registrar, registry, or other registration authority has—

"(aa) not expeditiously deposited with a court, in which an action has been filed regarding the disposition of the domain name, documents sufficient for the court to establish the court's control and authority regarding the disposition of the registration and use of the domain name;

"(bb) transferred, suspended, or otherwise modified the domain name during the pendency of the action, except upon order of the court; or

"(cc) willfully failed to comply with any such court order.

"(ii) An action referred to under clause (i)(I) is any action of refusing to register, removing from registration, transferring, temporarily disabling, or permanently canceling a domain name—

"(I) in compliance with a court order under section 43(d); or

"(II) in the implementation of a reasonable policy by such registrar, registry, or authority prohibiting the registration of a domain name that is identical to, confusingly similar to, or dilutive of another's mark.

"(iii) A domain name registrar, a domain name registry, or other domain name registration authority shall not be liable for damages under this section for the registration or maintenance of a domain name for another absent a showing of bad faith intent to profit from such registration or maintenance of the domain name.

"(iv) If a registrar, registry, or other registration authority takes an action described under clause (ii) based on a knowing and material misrepresentation by any other person that a domain name is identical to, confusingly similar to, or dilutive of a mark, the person making the knowing and material misrepresentation shall be liable for any damages, including costs and attorney's fees, incurred by the domain name registrant as a result of such action. The court may also grant injunctive relief to the domain name registrant, including the reactivation of the domain name or the transfer of the domain name to the domain name registrant.

"(v) A domain name registrant whose domain name has been suspended, disabled, or transferred under a policy described under clause (ii)(II) may, upon notice to the mark owner, file a civil action to establish that the registration or use of the domain name by such registrant is not unlawful under this Act. The court may grant injunctive relief to the domain name registrant, including the reactivation of the domain name or transfer of the domain name to the domain name registrant.".

SEC. 3005. DEFINITIONS.

Section 45 of the Trademark Act of 1946 (15 U.S.C. 1127) is amended by inserting after the undesignated paragraph defining the term "counterfeit" the following:

"The term 'domain name' means any alphanumeric designation which is registered with or assigned by any domain name registrar, domain name registry, or other domain name registration authority as part of an electronic address on the Internet.

"The term 'Internet' has the meaning given that term in section 230(f)(1) of the Communications Act of 1934 (47 U.S.C. 230(f)(1)).".

SEC. 3006. STUDY ON ABUSIVE DOMAIN NAME REGISTRATIONS INVOLVING PERSONAL NAMES.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary of Commerce, in consultation with the Patent and Trademark Office and the Federal Election Commission, shall conduct a study and report to Congress with recommendations on guidelines and procedures for resolving disputes involving the registration or use by a person of a domain name that includes the personal name of another person, in whole or in part, or a name confusingly similar thereto, including consideration of and recommendations for—

(1) protecting personal names from registration by another person as a second level domain name for purposes of selling or otherwise transferring such domain name to such other person or any third party for financial gain;

(2) protecting individuals from bad faith uses of their personal names as second level domain names by others with malicious intent to harm the reputation of the individual or the goodwill associated with that individual's name;

(3) protecting consumers from the registration and use of domain names that include personal names in the second level domain in manners which are intended or are likely to confuse or deceive the public as to the affiliation, connection, or association of the domain name registrant, or a site accessible under the domain name, with such other person, or as to the origin, sponsorship, or approval of the goods, services, or commercial activities of the domain name registrant;

(4) protecting the public from registration of domain names that include the personal names of government officials, official candidates, and potential official candidates for Federal, State, or local political office in the United States, and the use of such domain names in a manner that disrupts the electoral process or the public's ability to access accurate and reliable information regarding such individuals;

(5) existing remedies, whether under State law or otherwise, and the extent to which such remedies are sufficient to address the considerations described in paragraphs (1) through (4); and

(6) the guidelines, procedures, and policies of the Internet Corporation for Assigned Names and Numbers and the extent to which they address the considerations described in paragraphs (1) through (4).

(b) GUIDELINES AND PROCEDURES.—The Secretary of Commerce shall, under its Memorandum of Understanding with the Internet Corporation for Assigned Names and Numbers, collaborate to develop guidelines and procedures for resolving disputes involving the registration or use by a person of a domain name that includes the personal name of another person, in whole or in part, or a name confusingly similar thereto.

SEC. 3007. HISTORIC PRESERVATION.

Section 101(a)(1)(A) of the National Historic Preservation Act (16 U.S.C. 470a(a)(1)(A)) is amended by adding at the end the following: "Notwithstanding section 43(c) of the Act entitled 'An Act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes', approved July 5, 1946 (commonly known as the 'Trademark Act of 1946' (15 U.S.C. 1125(c))), buildings and structures on or eligible for inclusion on the National Register of Historic Places (either individually or as part of a historic district), or designated as an individual landmark or as a contributing building in a historic district by a unit of State or local government, may retain the name historically associated with the building or structure.".

SEC. 3008. SAVINGS CLAUSE.

Nothing in this title shall affect any defense available to a defendant under the Trademark Act of 1946 (including any defense under section 43(c)(4) of such Act or relating to fair use) or a person's right of free speech or expression under the first amendment of the United States Constitution.

SEC. 3009. TECHNICAL AND CONFORMING AMENDMENTS.

Chapter 85 of title 28, United States Code, is amended as follows:

(1) Section 1338 of title 28, United States Codes, is amended—

(A) in the section heading by striking "**trade-marks**" and inserting "**trademarks**";

(B) in subsection (a) by striking "trade-marks" and inserting "trademarks"; and

(C) in subsection (b) by striking "trade-mark" and inserting "trademark".

(2) The item relating to section 1338 in the table of sections for chapter 85 of title 28, United States Code, is amended by striking "trade-marks" ahd inserting "trademarks".

SEC. 3010. EFFECTIVE DATE.

Sections 3002(a), 3003, 3004, 3005, and 3008 of this title shall apply to all domain names registered before, on, or after the date of enactment of this Act, except that damages under subsection (a) or (d) of section 35 of the Trademark Act of 1946 (15 U.S.C. 1117), as amended by section 3003 of this title, shall not be available with respect to the registration, trafficking, or use of a domain name that occurs before the date of enactment of this Act.

TITLE IV—INVENTOR PROTECTION

SEC. 4001. SHORT TITLE.

This title may be cited as the "American Inventors Protection Act of 1999".

Subtitle A—Inventors' Rights

SEC. 4101. SHORT TITLE.

This subtitle may be cited as the "Inventors' Rights Act of 1999".

SEC. 4102. INTEGRITY IN INVENTION PROMOTION SERVICES.

(a) IN GENERAL.—Chapter 29 of title 35, United States Code, is amended by adding at the end the following new section:

"§297. Improper and deceptive invention promotion

"(a) IN GENERAL.—An invention promoter shall have a duty to disclose the following information to a customer in writing, prior to entering into a contract for invention promotion services:

"(1) the total number of inventions evaluated by the invention promoter for commercial potential in the past 5 years, as well as the number of those inventions that received positive evaluations, and the number of those inventions that received negative evaluations;

"(2) the total number of customers who have contracted with the invention promoter in the past 5 years, not including customers who have purchased trade show services, research, advertising, or other nonmarketing services from the invention promoter, or who have defaulted in their payment to the invention promoter;

"(3) the total number of customers known by the invention promoter to have received a net financial profit as a direct result of the invention promotion services provided by such invention promoter;

"(4) the total number of customers known by the invention promoter to have received license agreements for their inventions as a direct result of the invention promotion services provided by such invention promoter; and

"(5) the names and addresses of all previous invention promotion companies with which the invention promoter or its officers have collectively or individually been affiliated in the previous 10 years.

"(b) CIVIL ACTION.—(1) Any customer who enters into a contract with an invention promoter and who is found by a court to have been injured by any material false or fraudulent statement or representation, or any omission of material fact, by that invention promoter (or any agent, employee, director, officer, partner, or independent contractor of such invention promoter), or by the failure of that invention promoter to disclose such information as required under subsection (a), may recover in a civil action against the invention promoter (or the officers, directors, or partners of such invention promoter), in addition to reasonable costs and attorneys' fees—

"(A) the amount of actual damages incurred by the customer; or

"(B) at the election of the customer at any time before final judgment is rendered, statutory damages in a sum of not more than $5,000, as the court considers just.

"(2) Notwithstanding paragraph (1), in a case where the customer sustains the burden of proof, and the court finds, that the invention promoter intentionally misrepresented or omitted a material fact to such customer, or willfully failed to disclose such information as required under subsection (a), with the purpose of deceiving that customer, the court may increase damages to not more than 3 times the amount awarded. taking into account past complaints made against the invention promoter that resulted in regulatory sanctions or other corrective actions based on those records compiled by the Commissioner of Patents under subsection (d).

"(c) DEFINITIONS.—For purposes of this section—

"(1) a 'contract for invention promotion services' means a contract by which an invention promoter undertakes invention promotion services for a customer;

"(2) a 'customer' is any individual who enters into a contract with an invention promoter for invention promotion services;

"(3) the term 'invention promoter' means any person, firm, partnership, corporation, or other entity who offers to perform or performs invention promotion services for, or on behalf of, a customer, and who holds itself out through advertising in any mass media as providing such services, but does not include—

"(A) any department or agency of the Federal Government or of a State or local government;

"(B) any nonprofit, charitable, scientific, or educational organization, qualified under applicable State law or described under section 170(b)(1)(A) of the Internal Revenue Code of 1986;

"(C) any person or entity involved in the evaluation to determine commercial potential of, or offering to license or sell, a utility patent or a previously filed nonprovisional utility patent application;

"(D) any party participating in a transaction involving the sale of the stock or assets of a business; or

"(E) any party who directly engages in the business of retail sales of products or the distribution of products; and

"(4) the term 'invention promotion services' means the procurement or attempted procurement for a customer of a firm, corporation, or other entity to develop and market products or services that include the invention of the customer.

"(d) RECORDS OF COMPLAINTS.—

"(1) RELEASE OF COMPLAINTS.—The Commissioner of Patents shall make all complaints received by the Patent and Trademark Office involving invention promoters publicly available, together with any response of the invention promoters. The Commissioner of Patents shall notify the invention promoter of a complaint and provide a reasonable opportunity to reply prior to making such complaint publicly available.

"(2) REQUEST FOR COMPLAINTS.—The Commissioner of Patents may request complaints relating to invention promotion services from any Federal or State agency and include such complaints in the records maintained under paragraph (1), together with any response of the invention promoters.".

(b) CONFORMING AMENDMENT.—The table of sections at the beginning of chapter 29 of title 35, United States Code, is amended by adding at the end the following new item:

"§297. Improper and deceptive invention promotion.".

SEC. 4103. EFFECTIVE DATE.

This subtitle and the amendments made by this subtitle shall take effect 60 days after the date of enactment of this Act.

Subtitle B—Patent and Trademark Fee Fairness

SEC. 4201. SHORT TITLE.

This subtitle may be cited as the "Patent and Trademark Fee Fairness Act of 1999".

SEC. 4202. ADJUSTMENT OF PATENT FEES.

(a) ORIGINAL FILING FEE.—Section 41(a)(1)(A) of title 35, United States Code, relating to the fee for filing an original patent application, is amended by striking "$760" and inserting "$690".

(b) REISSUE FEE.—Section 41(a)(4)(A) of title 35, United States Code, relating to the fee for filing for a reissue of a patent, is amended by striking "$760" and inserting "$690".

(c) NATIONAL FEE FOR CERTAIN INTERNATIONAL APPLICATIONS.—Section 41(a)(10) of title 35, United States Code, relating to the national fee for certain international applications, is amended by striking "$760" and inserting "$690".

(d) MAINTENANCE FEES.—Section 41(b)(1) of title 35, United States Code, relating to certain maintenance fees, is amended by striking "$940" and inserting "$830".

SEC. 4203. ADJUSTMENT OF TRADEMARK FEES.

Notwithstanding the second sentence of section 31(a) of the Trademark Act of 1946 (15 U.S.C. 111(a)), the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office is authorized in fiscal year 2000 to adjust trademark fees without regard to fluctuations in the Consumer Price Index during the preceding 12 months.

SEC. 4204. STUDY ON ALTERNATIVE FEE STRUCTURES.

The Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office shall conduct a study of alternative fee structures that could be adopted by the United States Patent and Trademark Office to encourage maximum participation by the inventor community in the United States. The Director shall submit such study to the Committees on the Judiciary of the House of Representatives and the Senate not later than 1 year after the date of enactment of this Act.

SEC. 4205. PATENT AND TRADEMARK OFFICE FUNDING.

Section 42(c) of title 35, United States Code, is amended in the second sentence—

(1) by striking "Fees available" and inserting "All fees available"; and

(2) by striking "may" and inserting "shall".

SEC. 4206. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this subtitle shall take effect on the date of enactment of this Act.

(b) SECTION 4202.—The amendments made by section 4202 of this subtitle shall take effect 30 days after the date of enactment of this Act.

Subtitle C—First Inventor Defense

SEC. 4301. SHORT TITLE.

This subtitle may be cited as the "First Inventor Defense Act of 1999".

SEC. 4302. DEFENSE TO PATENT INFRINGEMENT BASED ON EARLIER INVENTOR.

(a) DEFENSE.—Chapter 28 of title 35, United States Code, is amended by adding at the end the following new section:

"§273. Defense to infringement based on earlier inventor

"(a) DEFINITIONS.—For purposes of this section—

"(1) the terms 'commercially used' and 'commercial use' mean use of a method in the United States, so long as such use is in connection with an internal commercial use or an actual arm's-length sale or other arm's-length commercial transfer of a useful end result, whether or not the subject matter at issue is accessible to or otherwise known to the public, except that the subject matter for which commercial marketing or use is subject to a premarketing regulatory review period during which the safety or efficacy of the subject matter is established, including any period specified in section 156(g), shall be deemed 'commercially used' and in 'commercial use' during such regulatory review period;

"(2) in the case of activities performed by a nonprofit research laboratory, or nonprofit entity such as a university, research center, or hospital, a use for which the public is the intended beneficiary shall be considered to be a use described in paragraph (1), except that the use—

"(A) may be asserted as a defense under this section only for continued use by and in the laboratory or nonprofit entity; and

"(B) may not be asserted as a defense with respect to any subsequent commercialization or use outside such laboratory or nonprofit entity;

"(3) the term 'method' means a method of doing or conducting business; and

"(4) the 'effective filing date' of a patent is the earlier of the actual filing date of the application for the patent or the filing date of any earlier United States, foreign, or international application to which the subject matter at issue is entitled under section 119, 120, or 365 of this title.

"(b) DEFENSE TO INFRINGEMENT.—

"(1) IN GENERAL.—It shall be a defense to an action for infringement under section 271 of this title with respect to any subject matter that would otherwise infringe one or more claims for a method in the patent being asserted against a person, if such person had, acting in good faith, actually reduced the subject matter to practice at least one year before the effective filing date of such patent, and commercially used the subject matter before the effective filing date of such patent.

"(2) EXHAUSTION OF RIGHT.—The sale or other disposition of a useful end product produced by a patented method, by a person entitled to assert a defense under this section with respect to that useful end result shall exhaust the patent owner's rights under the patent to the extent such rights would have been exhausted had such sale or other disposition been made by the patent owner.

"(3) LIMITATIONS AND QUALIFICATIONS OF DEFENSE.—The defense to infringement under this section is subject to the following:

"(A) PATENT.—A person may not assert the defense under this section unless the invention for which the defense is asserted is for a method.

"(B) DERIVATION.—A person may not assert the defense under this section if the subject matter on which the defense is based was derived from the patentee or persons in privity with the patentee.

"(C) NOT A GENERAL LICENSE.—The defense asserted by a person under this section is not a general license under all claims of the patent at issue, but extends only to the specific subject matter claimed in the patent with respect to which the person can assert a defense under this chapter, except that the defense shall also extend to variations in the quantity or volume of use of the claimed subject matter, and to improvements in the claimed subject matter that do not infringe additional specifically claimed subject matter of the patent.

"(4) BURDEN OF PROOF.—A person asserting the defense under this section shall have the burden of establishing the defense by clear and convincing evidence.

"(5) ABANDONMENT OF USE.—A person who has abandoned commercial use of subject matter may not rely on activities performed before the date of such abandonment in establishing a defense under this section with respect to actions taken after the date of such abandonment.

"(6) PERSONAL DEFENSE.—The defense under this section may be asserted only by the person who performed the acts necessary to establish the defense and, except for any transfer to the patent owner, the right to assert the defense shall not be licensed or assigned or transferred to another person except as an ancillary and subordinate part of a good faith assignment or transfer for other reasons of the entire enterprise or line of business to which the defense relates.

"(7) LIMITATION ON SITES.—A defense under this section, when acquired as part of a good faith assignment or transfer of an entire enterprise or line of business to which the defense relates, may only be asserted for uses at sites where the subject matter that would otherwise infringe one or more of the claims is in use before the later of the effective filing date of the patent or the date of the assignment or transfer of such enterprise or line of business.

"(8) UNSUCCESSFUL ASSERTION OF DEFENSE.—If the defense under this section is pleaded by a person who is found to infringe the patent and who subsequently fails to demonstrate a reasonable basis for asserting the defense, the court shall find the case exceptional for the purpose of awarding attorney fees under section 285 of this title.

"(9) INVALIDITY.—A patent shall not be deemed to be invalid under section 102 or 103 of this title solely because a defense is raised or established under this section.".

(b) CONFORMING AMENDMENT.—The table of sections at the beginning of chapter 28 of title 35, United States Code, is amended by adding at the end the following new item:

"273. Defense to infringement based on earlier inventor.".

SEC. 4303. EFFECTIVE DATE AND APPLICABILITY.

This subtitle and the amendments made by this subtitle shall take effect on the date of enactment of this Act, but shall not apply to any action for infringement that is pending on such date of enactment or with respect to any subject matter for which an adjudication of infringement, including a consent judgment, has been made before such date of enactment.

Subtitle D—Patent Term Guarantee

SEC. 4401. SHORT TITLE.

This subtitle may be cited as the "Patent Term Guarantee Act of 1999".

SEC. 4402. PATENT TERM GUARANTEE AUTHORITY.

(a) ADJUSTMENT OF PATENT TERM.—Section 154(b) of title 35, United States Code, is amended to read as follows:

"(b) ADJUSTMENT OF PATENT TERM.—

"(1) PATENT TERM GUARANTEES.—

"(A) GUARANTEE OF PROMPT PATENT AND TRADEMARK OFFICE RESPONSES.—Subject to the limitations under paragraph (2), if the issue of an original patent is delayed due to the failure of the Patent and Trademark Office to—

"(i) provide at least 1 of the notifications under section 132 of this title or a notice of allowance under section 151 of this title not later than 14 months after—

"(I) the date on which an application was filed under section 111(a) of this title; or

"(II) the date on which an international application fulfilled the requirements of section 371 of this title;

"(ii) respond to a reply under section 132, or to an appeal taken under section 134, within 4 months after the date on which the reply was filed or the appeal was taken;

"(iii) act on an application within 4 months after the date of a decision by the Board of Patent Appeals and Interferences under section 134 or 135 or a decision by a Federal court under section 141, 145, or 146 in a case in which allowable claims remain in the application; or

"(iv) issue a patent within 4 months after the date on which the issue fee was paid under section 151 and all outstanding requirements were satisfied,

the term of the patent shall be extended one day for each day after the end of the period specified in clause (i), (ii), (iii), or (iv), as the case may be, until the action described in such clause is taken.

"(B) GUARANTEE OF NO MORE THAN 3-YEAR APPLICATION PENDENCY.—Subject to the limitations under paragraph (2), if the issue of an original patent is delayed due to the failure of the United States Patent and Trademark Office to issue a patent within 3 years after the actual filing date of the application in the United States, not including—

"(i) any time consumed by continued examination of the application requested by the applicant under section 132(b);

"(ii) any time consumed by a proceeding under section 135(a), any time consumed by the imposition of an order under section 181, or any time consumed by appellate review by the Board of Patent Appeals and Interferences or by a Federal court; or

"(iii) any delay in the processing of the application by the United States Patent and Trademark Office requested by the applicant except as permitted by paragraph (3)(C),

the term of the patent shall be extended 1 day for each day after the end of that 3-year period until the patent is issued.

"(C) GUARANTEE OR ADJUSTMENTS FOR DELAYS DUE TO INTERFERENCES, SECRECY ORDERS, AND APPEALS.—Subject to the limitations under paragraph (2), if the issue of an original patent is delayed due to—

"(i) a proceeding under section 135(a);

"(ii) the imposition of an order under section 181; or

"(iii) appellate review by the Board of Patent Appeals and Interferences or by a Federal court in a case in which the patent was issued under a decision in the review reversing an adverse determination of patentability,

the term of the patent shall be extended one day for each day of the pendency of the proceeding, order, or review, as the case may be.

"(2) LIMITATIONS.—

"(A) IN GENERAL.—To the extent that periods of delay attributable to grounds specified in paragraph (1) overlap, the period of any adjustment granted under this subsection shall not exceed the actual number of days the issuance of the patent was delayed.

"(B) DISCLAIMED TERM.—No patent the term of which has been disclaimed beyond a specified date may be adjusted under this section beyond the expiration date specified in the disclaimer.

"(C) REDUCTION OF PERIOD OF ADJUSTMENT.—

"(i) The period of adjustment of the term of a patent under paragraph (1) shall be reduced by a period equal to the period of time during which the applicant failed to engage in reasonable efforts to conclude prosecution of the application.

"(ii) With respect to adjustments to patent term made under the authority of paragraph (1)(B), an applicant shall be deemed to have failed to engage in reasonable efforts to conclude processing or examination of an application for the cumulative total of any periods of time in excess of 3 months that are taken to respond to a notice from the Office making any rejection, objection, argument, or other request, measuring such 3-month period from the date the notice was given or mailed to the applicant.

"(iii) The Director shall prescribe regulations establishing the circumstances that constitute a failure of an applicant to engage in reasonable efforts to conclude processing or examination of an application.

"(3) PROCEDURES FOR PATENT TERM ADJUSTMENT DETERMINATION.—

"(A) The Director shall prescribe regulations establishing procedures for the application for and determination of patent term adjustments under this subsection.

"(B) Under the procedures established under subparagraph (A), the Director shall—

"(i) make a determination of the period of any patent term adjustment under this subsection, and shall transmit a notice of that determination with the written notice of allowance of the application under section 151; and

"(ii) provide the applicant one opportunity to request reconsideration of any patent term adjustment determination made by the Director.

"(C) The Director shall reinstate all or part of the cumulative period of time of an adjustment under paragraph (2)(C) if the applicant, prior to the issuance of the patent, makes a showing that, in spite of all due care, the applicant was unable to respond within the 3-month period, but in no case shall more than 3 additional months for each such response beyond the original 3-month period be reinstated.

"(D) The Director shall proceed to grant the patent after completion of the Director's determination of a patent term adjustment under the procedures established under this subsection, notwithstanding any appeal taken by the applicant of such determination.

"(4) APPEAL OF PATENT TERM ADJUSTMENT DETERMINATION.—

"(A) An applicant dissatisfied with a determination made by the Director under paragraph (3) shall have remedy by a civil action against the Director filed in the United States District Court for the District of Columbia within 180 days after the grant of the patent. Chapter 7 of title 5 shall apply to such action. Any final judgment resulting in a change to the period of adjustment of the patent term shall be served on the Director, and the Director shall thereafter alter the term of the patent to reflect such change.

"(B) The determination of a patent term adjustment under this subsection shall not be subject to appeal or challenge by a third party prior to the grant of the patent.".

(b) CONFORMING AMENDMENTS.—

(1) Section 282 of title 35, United States Code, is amended in the fourth paragraph by striking "156 of this title" and inserting "154(b) or 156 of this title".

(2) Section 1295(a)(4)(C) of title 28, United States Code, is amended by striking "145 or 146" and inserting "145, 146, or 154(b)".

SEC. 4403. CONTINUED EXAMINATION OF PATENT APPLICATIONS.

Section 132 of title 35, United States Code, is amended—

(1) in the first sentence by striking "Whenever" and inserting "(a) Whenever"; and

(2) by adding at the end the following:

"(b) The Director shall prescribe regulations to provide for the continued examination of applications for patent at the request of the applicant. The Director may establish appropriate fees for such continued examination and shall provide a 50 percent reduction in such fees for small entities that qualify for reduced fees under section 41(h)(1) of this title.".

SEC. 4404. TECHNICAL CLARIFICATION.

Section 156(a) of title 35, United States Code, is amended in the matter preceding paragraph (1) by inserting ", which shall include any patent term adjustment granted under section 154(b)," after "the original expiration date of the patent".

SEC. 4405. EFFECTIVE DATE.

(a) AMENDMENTS MADE BY SECTIONS 4402 AND 4404.—The amendments made by sections 4402 and 4404 shall take effect on the date that is 6 months after the date of enactment of this Act and, except for a design patent application filed under chapter 16 of title 35, United States Code, shall apply to any application filed on or after the date that is 6 months after the date of enactment of this Act.

(b) AMENDMENTS MADE BY SECTION 4403.—The amendments made by section 4403—

(1) shall take effect on the date that is 6 months after the date of enactment of this Act, and shall apply to all applications filed under section 111(a) of title 35, United States Code, on or after June 8, 1995, and all applications complying with section 371 of title 35, United States Code, that resulted from international applications filed on or after June 8, 1995; and

(2) do not apply to applications for design patents under chapter 16 of title 35, United States Code.

Subtitle E—Domestic Publication of Patent Applications Published Abroad

SEC. 4501. SHORT TITLE.

This subtitle may be cited as the "Domestic Publication of Foreign Filed Patent Applications Act of 1999".

SEC. 4502. PUBLICATION.

(a) PUBLICATION.—Section 122 of title 35, United States Code, is amended to read as follows:

"§ 122. Confidential status of applications; publication of patent applications

"(a) CONFIDENTIALITY.—Except as provided in subsection (b), applications for patents shall be kept in confidence by the Patent and Trademark Office and no information concerning the same given without authority of the applicant or owner unless necessary to carry out the provisions of an Act of Congress or in such special circumstances as may be determined by the Director.

"(b) PUBLICATION.—

"(1) IN GENERAL.—(A) Subject to paragraph (2), each application for a patent shall be published, in accordance with procedures determined by the Director, promptly after the expiration of a period of 18 months from the earliest filing date for which a benefit is sought under this title. At the request of the applicant, an application may be published earlier than the end of such 18-month period.

"(B) No information concerning published patent applications shall be made available to the public except as the Director determines.

"(C) Notwithstanding any other provision of law, a determination by the Director to release or not to release information concerning a published patent application shall be final and nonreviewable.

"(2) EXCEPTIONS.—(A) An application shall not be published if that application is—

"(i) no longer pending;

"(ii) subject to a secrecy order under section 181 of this title;

"(iii) a provisional application filed under section 111(b) of this title; or

"(iv) an application for a design patent filed under chapter 16 of this title.

"(B)(i) If an applicant makes a request upon filing, certifying that the invention disclosed in the application has not and will not be the subject of an application filed in another country, or under a multilateral international agreement, that requires publication of applications 18 months after filing, the application shall not be published as provided in paragraph (1).

"(ii) An applicant may rescind a request made under clause (i) at any time.

"(iii) An applicant who has made a request under clause (i) but who subsequently files, in a foreign country or under a multilateral international agreement specified in clause (i), an application directed to the invention disclosed in the application filed in the Patent and Trademark Office, shall notify the Director of such filing not later than 45 days after the date of the filing of such foreign or international application. A failure of the applicant to provide such notice within the prescribed period shall result in the application being regarded as abandoned, unless it is shown to the satisfaction of the Director that the delay in submitting the notice was unintentional.

"(iv) If an applicant rescinds a request made under clause (i) or notifies the Director that an application was filed in a foreign country or under a multilateral international agreement specified in clause (i), the application shall be published in accordance with the provisions of paragraph (1) on or as soon as is practical after the date that is specified in clause (i).

"(v) If an applicant has filed applications in one or more foreign countries, directly or through a multilateral international agreement, and such foreign filed applications corresponding to an application filed in the Patent and Trademark Office or the description of the invention in such foreign filed applications is less extensive than the application or description of the invention in the application filed in the Patent and Trademark Office, the applicant may submit a redacted copy of the application filed in the Patent and Trademark Office eliminating any part or description of the invention in such application that is not also contained in any of the corresponding applications filed in a foreign country. The Director may only publish the redacted copy of the application unless the redacted copy of the application is not received within 16 months after the earliest effective filing date for which a benefit is sought under this title. The provisions of section 154(d) shall not apply to a claim if the description of the invention published in the redacted application filed under this clause with respect to the claim does not enable a person skilled in the art to make and use the subject matter of the claim.

"(c) PROTEST AND PRE-ISSUANCE OPPOSITION.—The Director shall establish appropriate procedures to ensure that no protest or other form of pre-issuance opposition to the grant of a patent on an application may be initiated after publication of the application without the express written consent of the applicant.

"(d) NATIONAL SECURITY.—No application for patent shall be published under subsection (b)(1) if the publication or disclosure of such invention would be detrimental to the national security. The Director shall establish appropriate procedures to ensure that such applications are promptly identified and the secrecy of such inventions is maintained in accordance with chapter 17 of this title.".

(b) STUDY.—

(1) IN GENERAL.—The Comptroller General shall conduct a 3-year study of the applicants who file only in the United States on or after the effective date of this subtitle and shall provide the results of such study to the Judiciary Committees of the House of Representatives and the Senate.

(2) CONTENTS.—The study conducted under paragraph (1) shall—

(A) consider the number of such applicants in relation to the number of applicants who file in the United States and outside of the United States;

(B) examine how many domestic-only filers request at the time of filing not to be published;

(C) examine how many such filers rescind that request or later choose to file abroad;

(D) examine the status of the entity seeking an application and any correlation that may exist between such status and the publication of patent applications; and

(E) examine the abandonment/issuance ratios and length of application pendency before patent issuance or abandonment for published versus unpublished applications.

SEC. 4503. TIME FOR CLAIMING BENEFIT OF EARLIER FILING DATE.

(a) IN A FOREIGN COUNTRY.—Section 119(b) of title 35, United States Code, is amended to read as follows:

"(b)(1) No application for patent shall be entitled to this right of priority unless a claim is filed in the Patent and Trademark Office, identifying the foreign application by specifying the application number on that foreign application, the intellectual property authority or country in or for which the application was filed, and the date of filing the application, at such time during the pendency of the application as required by the Director.

"(2) The Director may consider the failure of the applicant to file a timely claim for priority as a waiver of any such claim. The Director may establish procedures, including the payment of a surcharge, to accept an unintentionally delayed claim under this section.

"(3) The Director may require a certified copy of the original foreign application, specification, and drawings upon which it is based, a translation if not in the English language, and such other information as the Director considers necessary. Any such certification shall be made by the foreign intellectual property authority in which the foreign application was filed and show the date of the application and of the filing of the specification and other papers.".

(b) IN THE UNITED STATES.—

(1) IN GENERAL.—Section 120 of title 35, United States Code, is amended by adding at the end the following: "No application shall be entitled to the benefit of an earlier filed application under this section unless an amendment containing the specific reference to the earlier filed application is submitted at such time during the pendency of the application as required by the Director. The Director may consider the failure to submit such an amendment within that time period as a waiver of any benefit under this section. The Director may establish procedures, including the payment of a surcharge, to accept an unintentionally delayed submission of an amendment under this section.".

(2) RIGHT OF PRIORITY.—Section 119(e)(1) of title 35, United States Code, is amended by adding at the end the following: "No application shall be entitled to the benefit of an earlier filed provisional application under this subsection unless an amendment containing the specific

reference to the earlier filed provisional application is submitted at such time during the pendency of the application as required by the Director. The Director may consider the failure to submit such an amendment within that time period as a waiver of any benefit under this subsection. The Director may establish procedures, including the payment of a surcharge, to accept an unintentionally delayed submission of an amendment under this subsection during the pendency of the application.''.

SEC. 4504. PROVISIONAL RIGHTS.

Section 154 of title 35, United States Code, is amended—

*(1) in the section caption by inserting ''**; provisional rights**'' after ''**patent**''; and*

(2) by adding at the end the following new subsection:

''(d) PROVISIONAL RIGHTS.—

''(1) IN GENERAL.—In addition to other rights provided by this section, a patent shall include the right to obtain a reasonable royalty from any person who, during the period beginning on the date of publication of the application for such patent under section 122(b), or in the case of an international application filed under the treaty defined in section 351(a) designating the United States under Article 21(2)(a) of such treaty, the date of publication of the application, and ending on the date the patent is issued—

''(A)(i) makes, uses, offers for sale, or sells in the United States the invention as claimed in the published patent application or imports such an invention into the United States; or

''(ii) if the invention as claimed in the published patent application is a process, uses, offers for sale, or sells in the United States or imports into the United States products made by that process as claimed in the published patent application; and

''(B) had actual notice of the published patent application and, in a case in which the right arising under this paragraph is based upon an international application designating the United States that is published in a language other than English, had a translation of the international application into the English language.

''(2) RIGHT BASED ON SUBSTANTIALLY IDENTICAL INVENTIONS.—The right under paragraph (1) to obtain a reasonable royalty shall not be available under this subsection unless the invention as claimed in the patent is substantially identical to the invention as claimed in the published patent application.

''(3) TIME LIMITATION ON OBTAINING A REASONABLE ROYALTY.—The right under paragraph (1) to obtain a reasonable royalty shall be available only in an action brought not later than 6 years after the patent is issued. The right under paragraph (1) to obtain a reasonable royalty shall not be affected by the duration of the period described in paragraph (1).

''(4) REQUIREMENTS FOR INTERNATIONAL APPLICATIONS.—

''(A) EFFECTIVE DATE.—The right under paragraph (1) to obtain a reasonable royalty based upon the publication under the treaty defined in section 351(a) of an international application designating the United States shall commence on the date on which the Patent and Trademark Office receives a copy of the publication under the treaty of the international application, or, if the publication under the treaty of the international application is in a language other than English, on the date on which the Patent and Trademark Office receives a translation of the international application in the English language.

''(B) COPIES.—The Director may require the applicant to provide a copy of the international application and a translation thereof.''.

SEC. 4505. PRIOR ART EFFECT OF PUBLISHED APPLICATIONS.

Section 102(e) of title 35, United States Code, is amended to read as follows:

''(e) The invention was described in—

''(1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effect under this subsection of a national application published under section 122(b) only if the international application designating the United States was published under Article 21(2)(a) of such treaty in the English language; or

''(2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that a patent shall not be deemed filed in the United States for the purposes of this subsection based on the filing of an international application filed under the treaty defined in section 351(a); or''.

SEC. 4506. COST RECOVERY FOR PUBLICATION.

The Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office shall recover the cost of early publication required by the amendment made by section 4502 by charging a separate publication fee after notice of allowance is given under section 151 of title 35, United States Code.

SEC. 4507. CONFORMING AMENDMENTS.

The following provisions of title 35, United States Code, are amended:

(1) Section 11 is amended in paragraph 1 of subsection (a) by inserting ''and published applications for patents'' after ''Patents''.

(2) Section 12 is amended—

*(A) in the section caption by inserting ''**and applications**'' after ''**patents**''; and*

(B) by inserting ''and published applications for patents'' after ''patents''.

(3) Section 13 is amended—

*(A) in the section caption by inserting ''**and applications**'' after ''**patents**''; and*

(B) by inserting ''and published applications for patents'' after ''patents''.

(4) The items relating to sections 12 and 13 in the table of sections for chapter 1 are each amended by inserting ''and applications'' after ''patents''.

(5) The item relating to section 122 in the table of sections for chapter 11 is amended by inserting ''; publication of patent applications'' after ''applications''.

(6) The item relating to section 154 in the table of sections for chapter 14 is amended by inserting ''; provisional rights'' after ''patent''.

(7) Section 181 is amended—

(A) in the first undesignated paragraph—

(i) by inserting ''by the publication of an application or'' after ''disclosure''; and

(ii) by inserting ''the publication of the application or'' after ''withhold'';

(B) in the second undesignated paragraph by inserting ''by the publication of an application or'' after ''disclosure of an invention'';

(C) in the third undesignated paragraph—

(i) by inserting ''by the publication of the application or'' after ''disclosure of the invention''; and

(ii) by inserting ''the publication of the application or'' after ''withhold''; and

(D) in the fourth undesignated paragraph by inserting ''the publication of an application or'' after ''and'' in the first sentence.

(8) Section 252 is amended in the first undesignated paragraph by inserting ''substantially'' before ''identical'' each place it appears.

(9) Section 284 is amended by adding at the end of the second undesignated paragraph the following: ''Increased damages under this paragraph shall not apply to provisional rights under section 154(d) of this title.''.

(10) Section 374 is amended to read as follows:

''§374. Publication of international application

''The publication under the treaty defined in section 351(a) of this title, of an international application designating the United States shall confer the same rights and shall have the same effect under this title as an application for patent published under section 122(b), except as provided in sections 102(e) and 154(d) of this title.''.

(11) Section 135(b) is amended—

(A) by inserting ''(1)'' after ''(b)''; and

(B) by adding at the end the following:

''(2) A claim which is the same as, or for the same or substantially the same subject matter as, a claim of an application published under section 122(b) of this title may be made in an application filed after the application is published only if the claim is made before 1 year after the date on which the application is published.''.

SEC. 4508. EFFECTIVE DATE.

Sections 4502 through 4507, and the amendments made by such sections, shall take effect on the date that is 1 year after the date of enactment of this Act and shall apply to all applications filed under section 111 of title 35, United States Code, on or after that date, and all applications complying with section 371 of title 35, United States Code, that resulted from international applications filed on or after that date. The amendments made by sections 4504 and 4505 shall apply to any such application voluntarily published by the applicant under procedures established under this subtitle that is pending on the date that is 1 year after the date of enactment of this Act. The amendment made by section 4504 shall also apply to international applications designating the United States that are filed on or after the date that is 1 year after the date of enactment of this Act.

Subtitle F—Optional Inter Partes Reexamination Procedure

SEC. 4601. SHORT TITLE.

This subtitle may be cited as the ''Optional Inter Partes Reexamination Procedure Act of 1999''.

SEC. 4602. EX PARTE REEXAMINATION OF PATENTS.

*The chapter heading for chapter 30 of title 35, United States Code, is amended by inserting ''**EX PARTE**'' before ''**REEXAMINATION OF PATENTS**''.*

SEC. 4603. DEFINITIONS.

Section 100 of title 35, United States Code, is amended by adding at the end the following new subsection:

''(e) The term 'third-party requester' means a person requesting ex parte reexamination under section 302 or inter partes reexamination under section 311 who is not the patent owner.''.

SEC. 4604. OPTIONAL INTER PARTES REEXAMINATION PROCEDURES.

(a) IN GENERAL.—Part 3 of title 35, United States Code, is amended by adding after chapter 30 the following new chapter:

''CHAPTER 31—OPTIONAL INTER PARTES REEXAMINATION PROCEDURES

''Sec.

''311. Request for inter partes reexamination.

''312. Determination of issue by Director.

''313. Inter partes reexamination order by Director.

''314. Conduct of inter partes reexamination proceedings.

''315. Appeal.

''316. Certificate of patentability, unpatentability, and claim cancellation.

''317. Inter partes reexamination prohibited.

"318. Stay of litigation.

"§ 311. Request for inter partes reexamination

"(a) IN GENERAL.—Any person at any time may file a request for inter partes reexamination by the Office of a patent on the basis of any prior art cited under the provisions of section 301.

"(b) REQUIREMENTS.—The request shall—

"(1) be in writing, include the identity of the real party in interest, and be accompanied by payment of an inter partes reexamination fee established by the Director under section 41; and

"(2) set forth the pertinency and manner of applying cited prior art to every claim for which reexamination is requested.

"(c) COPY.—Unless the requesting person is the owner of the patent, the Director promptly shall send a copy of the request to the owner of record of the patent.

"§ 312. Determination of issue by Director

"(a) REEXAMINATION.—Not later than 3 months after the filing of a request for inter partes reexamination under section 311, the Director shall determine whether a substantial new question of patentability affecting any claim of the patent concerned is raised by the request, with or without consideration of other patents or printed publications. On the Director's initiative, and at any time, the Director may determine whether a substantial new question of patentability is raised by patents and publications.

"(b) RECORD.—A record of the Director's determination under subsection (a) shall be placed in the official file of the patent, and a copy shall be promptly given or mailed to the owner of record of the patent and to the third-party requester, if any.

"(c) FINAL DECISION.—A determination by the Director under subsection (a) shall be final and non-appealable. Upon a determination that no substantial new question of patentability has been raised, the Director may refund a portion of the inter partes reexamination fee required under section 311.

"§ 313. Inter partes reexamination order by Director

"If, in a determination made under section 312(a), the Director finds that a substantial new question of patentability affecting a claim of a patent is raised, the determination shall include an order for inter partes reexamination of the patent for resolution of the question. The order may be accompanied by the initial action of the Patent and Trademark Office on the merits of the inter partes reexamination conducted in accordance with section 314.

"§ 314. Conduct of inter partes reexamination proceedings

"(a) IN GENERAL.—Except as otherwise provided in this section, reexamination shall be conducted according to the procedures established for initial examination under the provisions of sections 132 and 133. In any inter partes reexamination proceeding under this chapter, the patent owner shall be permitted to propose any amendment to the patent and a new claim or claims, except that no proposed amended or new claim enlarging the scope of the claims of the patent shall be permitted.

"(b) RESPONSE.—(1) This subsection shall apply to any inter partes reexamination proceeding in which the order for inter partes reexamination is based upon a request by a third-party requester.

"(2) With the exception of the inter partes reexamination request, any document filed by either the patent owner or the third-party requester shall be served on the other party. In addition, the third-party requester shall receive a copy of any communication sent by the Office to the patent owner concerning the patent subject to the inter partes reexamination proceeding.

"(3) Each time that the patent owner files a response to an action on the merits from the Patent and Trademark Office, the third-party requester shall have one opportunity to file written comments addressing issues raised by the action of the Office or the patent owner's response thereto, if those written comments are received by the Office within 30 days after the date of service of the patent owner's response.

"(c) SPECIAL DISPATCH.—Unless otherwise provided by the Director for good cause, all inter partes reexamination proceedings under this section, including any appeal to the Board of Patent Appeals and Interferences, shall be conducted with special dispatch within the Office.

"§ 315. Appeal

"(a) PATENT OWNER.—The patent owner involved in an inter partes reexamination proceeding under this chapter—

"(1) may appeal under the provisions of section 134 and may appeal under the provisions of sections 141 through 144, with respect to any decision adverse to the patentability of any original or proposed amended or new claim of the patent; and

"(2) may be a party to any appeal taken by a third-party requester under subsection (b).

"(b) THIRD-PARTY REQUESTER.—A third-party requester may—

"(1) appeal under the provisions of section 134 with respect to any final decision favorable to the patentability of any original or proposed amended or new claim of the patent; or

"(2) be a party to any appeal taken by the patent owner under the provisions of section 134, subject to subsection (c).

"(c) CIVIL ACTION.—A third-party requester whose request for an inter partes reexamination results in an order under section 313 is estopped from asserting at a later time, in any civil action arising in whole or in part under section 1338 of title 28, the invalidity of any claim finally determined to be valid and patentable on any ground which the third-party requester raised or could have raised during the inter partes reexamination proceedings. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings.

"§ 316. Certificate of patentability, unpatentability, and claim cancellation

"(a) IN GENERAL.—In an inter partes reexamination proceeding under this chapter, when the time for appeal has expired or any appeal proceeding has terminated, the Director shall issue and publish a certificate canceling any claim of the patent finally determined to be unpatentable, confirming any claim of the patent determined to be patentable, and incorporating in the patent any proposed amended or new claim determined to be patentable.

"(b) AMENDED OR NEW CLAIM.—Any proposed amended or new claim determined to be patentable and incorporated into a patent following an inter partes reexamination proceeding shall have the same effect as that specified in section 252 of this title for reissued patents on the right of any person who made, purchased, or used within the United States, or imported into the United States, anything patented by such proposed amended or new claim, or who made substantial preparation therefor, prior to issuance of a certificate under the provisions of subsection (a) of this section.

"§ 317. Inter partes reexamination prohibited

"(a) ORDER FOR REEXAMINATION.—Notwithstanding any provision of this chapter, once an order for inter partes reexamination of a patent has been issued under section 313, neither the patent owner nor the third-party requester, if any, nor privies of either, may file a subsequent request for inter partes reexamination of the patent until an inter partes reexamination certificate is issued and published under section 316, unless authorized by the Director.

"(b) FINAL DECISION.—Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28 that the party has not sustained its burden of proving the invalidity of any patent claim in suit or if a final decision in an inter partes reexamination proceeding instituted by a third-party requester is favorable to the patentability of any original or proposed amended or new claim of the patent, then neither that party nor its privies may thereafter request an inter partes reexamination of any such patent claim on the basis of issues which that party or its privies raised or could have raised in such civil action or inter partes reexamination proceeding, and an inter partes reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office, notwithstanding any other provision of this chapter. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings.

"§ 318. Stay of litigation

"Once an order for inter partes reexamination of a patent has been issued under section 313, the patent owner may obtain a stay of any pending litigation which involves an issue of patentability of any claims of the patent which are the subject of the inter partes reexamination order, unless the court before which such litigation is pending determines that a stay would not serve the interests of justice.".

(b) CONFORMING AMENDMENT.—The table of chapters for part III of title 25, United States Code, is amended by striking the item relating to chapter 30 and inserting the following:

"30. Prior Art Citations to Office and Ex Parte Reexamination of Patents 301
"31. Optional Inter Partes Reexamination of Patents .... 311".

SEC. 4605. CONFORMING AMENDMENTS.

(a) PATENT FEES; PATENT SEARCH SYSTEMS.—Section 41(a)(7) of title 35, United States Code, is amended to read as follows:

"(7) On filing each petition for the revival of an unintentionally abandoned application for a patent, for the unintentionally delayed payment of the fee for issuing each patent, or for an unintentionally delayed response by the patent owner in any reexamination proceeding, $1,210, unless the petition is filed under section 133 or 151 of this title, in which case the fee shall be $110.".

(b) APPEAL TO THE BOARD OF PATENTS APPEALS AND INTERFERENCES.—Section 134 of title 35, United States Code, is amended to read as follows:

"§ 134. Appeal to the Board of Patent Appeals and Interferences

"(a) PATENT APPLICANT.—An applicant for a patent, any of whose claims has been twice rejected, may appeal from the decision of the administrative patent judge to the Board of Patent Appeals and Interferences, having once paid the fee for such appeal.

"(b) PATENT OWNER.—A patent owner in any reexamination proceeding may appeal from the final rejection of any claim by the administrative patent judge to the Board of Patent Appeals and Interferences, having once paid the fee for such appeal.

"(c) THIRD-PARTY.—A third-party requester in an inter partes proceeding may appeal to the Board of Patent Appeals and Interferences from the final decision of the administrative patent judge favorable to the patentability of any original or proposed amended or new claim of a patent, having once paid the fee for such appeal. The third-party requester may not appeal the decision of the Board of Patent Appeals and Interferences.".

(c) APPEAL TO COURT OF APPEALS FOR THE FEDERAL CIRCUIT.—Section 141 of title 35, United States Code, is amended by adding the following after the second sentence: "A patent owner in any reexamination proceeding dissatisfied with the final decision in an appeal to the Board of Patent Appeals and Interferences under section 134 may appeal the decision only to the United States Court of Appeals for the Federal Circuit.".

(d) PROCEEDINGS ON APPEAL.—Section 143 of title 35, United States Code, is amended by amending the third sentence to read as follows: "In any reexamination case, the Director shall submit to the court in writing the grounds for the decision of the Patent and Trademark Office, addressing all the issues involved in the appeal.".

(e) CIVIL ACTION TO OBTAIN PATENT.—Section 145 of title 35, United States Code, is amended in the first sentence by inserting "(a)" after "section 134".

SEC. 4606. REPORT TO CONGRESS.

Not later than 5 years after the date of the enactment of this Act, the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office shall submit to the Congress a report evaluating whether the inter partes reexamination proceedings established under the amendments made by this subtitle are inequitable to any of the parties in interest and, if so, the report shall contain recommendations for changes to the amendments made by this subtitle to remove such inequity.

SEC. 4607. ESTOPPEL EFFECT OF REEXAMINATION.

Any party who requests an inter partes reexamination under section 311 of title 35, United States Code, is estopped from challenging at a later time, in any civil action, any fact determined during the process of such reexamination, except with respect to a fact determination later proved to be erroneous based on information unavailable at the time of the inter partes reexamination decision. If this section is held to be unenforceable, the enforceability of the remainder of this subtitle or of this title shall not be denied as a result.

SEC. 4608. EFFECTIVE DATE.

(a) IN GENERAL.—Subject to subsection (b), this subtitle and the amendments made by this subtitle shall take effect on the date of enactment of this Act and shall apply to any patent that issues from an original application filed in the United States on or after that date.

(b) SECTION 4605(a).—The amendments made by section 4605(a) shall take effect on the date that is 1 year after the date of enactment of this Act.

Subtitle G—Patent and Trademark Office

SEC. 4701. SHORT TITLE.

This subtitle may be cited as the "Patent and Trademark Office Efficiency Act".

CHAPTER 1—UNITED STATES PATENT AND TRADEMARK OFFICE

SEC. 4711. ESTABLISHMENT OF PATENT AND TRADEMARK OFFICE.

Section 1 of title 35, United States Code, is amended to read as follows:

"§ 1. Establishment

"(a) ESTABLISHMENT.—The United States Patent and Trademark Office is established as an agency of the United States, within the Department of Commerce. In carrying out its functions, the United States Patent and Trademark Office shall be subject to the policy direction of the Secretary of Commerce, but otherwise shall retain responsibility for decisions regarding the management and administration of its operations and shall exercise independent control of its budget allocations and expenditures, personnel decisions and processes, procurements, and other administrative and management functions in accordance with this title and applicable provisions of law. Those operations designed to grant and issue patents and those operations which are designed to facilitate the registration of trademarks shall be treated as separate operating units within the Office.

"(b) OFFICES.—The United States Patent and Trademark Office shall maintain its principal office in the metropolitan Washington, DC, area, for the service of process and papers and for the purpose of carrying out its functions. The United States Patent and Trademark Office shall be deemed, for purposes of venue in civil actions, to be a resident of the district in which its principal office is located, except where jurisdiction is otherwise provided by law. The United States Patent and Trademark Office may establish satellite offices in such other places in the United States as it considers necessary and appropriate in the conduct of its business.

"(c) REFERENCE.—For purposes of this title, the United States Patent and Trademark Office shall also be referred to as the 'Office' and the 'Patent and Trademark Office'.".

SEC. 4712. POWERS AND DUTIES.

Section 2 of title 35, United States Code, is amended to read as follows:

"§ 2. Powers and duties

"(a) IN GENERAL.—The United States Patent and Trademark Office, subject to the policy direction of the Secretary of Commerce—

"(1) shall be responsible for the granting and issuing of patents and the registration of trademarks; and

"(2) shall be responsible for disseminating to the public information with respect to patents and trademarks.

"(b) SPECIFIC POWERS.—The Office—

"(1) shall adopt and use a seal of the Office, which shall be judicially noticed and with which letters patent, certificates of trademark registrations, and papers issued by the Office shall be authenticated;

"(2) may establish regulations, not inconsistent with law, which—

"(A) shall govern the conduct of proceedings in the Office;

"(B) shall be made in accordance with section 553 of title 5;

"(C) shall facilitate and expedite the processing of patent applications, particularly those which can be filed, stored, processed, searched, and retrieved electronically, subject to the provisions of section 122 relating to the confidential status of applications;

"(D) may govern the recognition and conduct of agents, attorneys, or other persons representing applicants or other parties before the Office, and may require them, before being recognized as representatives of applicants or other persons, to show that they are of good moral character and reputation and are possessed of the necessary qualifications to render to applicants or other persons valuable service, advice, and assistance in the presentation or prosecution of their applications or other business before the Office;

"(E) shall recognize the public interest in continuing to safeguard broad access to the United States patent system through the reduced fee structure for small entities under section 41(h)(1) of this title; and

"(F) provide for the development of a performance-based process that includes quantitative and qualitative measures and standards for evaluating cost-effectiveness and is consistent with the principles of impartiality and competitiveness;

"(3) may acquire, construct, purchase, lease, hold, manage, operate, improve, alter, and renovate any real, personal, or mixed property, or any interest therein, as it considers necessary to carry out its functions;

"(4)(A) may make such purchases, contracts for the construction, maintenance, or management and operation of facilities, and contracts for supplies or services, without regard to the provisions of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.), the Public Buildings Act (40 U.S.C. 601 et seq.), and the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11301 et seq.); and

"(B) may enter into and perform such purchases and contracts for printing services, including the process of composition, platemaking, presswork, silk screen processes, binding, microform, and the products of such processes, as it considers necessary to carry out the functions of the Office, without regard to sections 501 through 517 and 1101 through 1123 of title 44;

"(5) may use, with their consent, services, equipment, personnel, and facilities of other departments, agencies, and instrumentalities of the Federal Government, on a reimbursable basis, and cooperate with such other departments, agencies, and instrumentalities in the establishment and use of services, equipment, and facilities of the Office;

"(6) may, when the Director determines that it is practicable, efficient, and cost-effective to do so, use, with the consent of the United States and the agency, instrumentality, patent and trademark office, or international organization concerned, the services, records, facilities, or personnel of any State or local government agency or instrumentality or foreign patent and trademark office or international organization to perform functions on its behalf;

"(7) may retain and use all of its revenues and receipts, including revenues from the sale, lease, or disposal of any real, personal, or mixed property, or any interest therein, of the Office;

"(8) shall advise the President, through the Secretary of Commerce, on national and certain international intellectual property policy issues;

"(9) shall advise Federal departments and agencies on matters of intellectual property policy in the United States and intellectual property protection in other countries;

"(10) shall provide guidance, as appropriate, with respect to proposals by agencies to assist foreign governments and international intergovernmental organizations on matters of intellectual property protection;

"(11) may conduct programs, studies, or exchanges of items or services regarding domestic and international intellectual property law and the effectiveness of intellectual property protection domestically and throughout the world;

"(12)(A) shall advise the Secretary of Commerce on programs and studies relating to intellectual property policy that are conducted, or authorized to be conducted, cooperatively with foreign intellectual property offices and international intergovernmental organizations; and

"(B) may conduct programs and studies described in subparagraph (A); and

"(13)(A) in coordination with the Department of State, may conduct programs and studies cooperatively with foreign intellectual property offices and international intergovernmental organizations; and

"(B) with the concurrence of the Secretary of State, may authorize the transfer of not to exceed $100,000 in any year to the Department of

State for the purpose of making special payments to international intergovernmental organizations for studies and programs for advancing international cooperation concerning patents, trademarks, and other matters.

"(c) CLARIFICATION OF SPECIFIC POWERS.—(1) The special payments under subsection (b)(13)(B) shall be in addition to any other payments or contributions to international organizations described in subsection (b)(13)(B) and shall not be subject to any limitations imposed by law on the amounts of such other payments or contributions by the United States Government.

"(2) Nothing in subsection (b) shall derogate from the duties of the Secretary of State or from the duties of the United States Trade Representative as set forth in section 141 of the Trade Act of 1974 (19 U.S.C. 2171).

"(3) Nothing in subsection (b) shall derogate from the duties and functions of the Register of Copyrights or otherwise alter current authorities relating to copyright matters.

"(4) In exercising the Director's powers under paragraphs (3) and (4)(A) of subsection (b), the Director shall consult with the Administrator of General Services.

"(5) In exercising the Director's powers and duties under this section, the Director shall consult with the Register of Copyrights on all copyright and related matters.

"(d) CONSTRUCTION.—Nothing in this section shall be construed to nullify, void, cancel, or interrupt any pending request-for-proposal let or contract issued by the General Services Administration for the specific purpose of relocating or leasing space to the United States Patent and Trademark Office.".

SEC. 4713. ORGANIZATION AND MANAGEMENT.

Section 3 of title 35, United States Code, is amended to read as follows:

"§3. Officers and employees

"(a) UNDER SECRETARY AND DIRECTOR.—

"(1) IN GENERAL.—The powers and duties of the United States Patent and Trademark Office shall be vested in an Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office (in this title referred to as the 'Director'), who shall be a citizen of the United States and who shall be appointed by the President, by and with the advice and consent of the Senate. The Director shall be a person who has a professional background and experience in patent or trademark law.

"(2) DUTIES.—

"(A) IN GENERAL.—The Director shall be responsible for providing policy direction and management supervision for the Office and for the issuance of patents and the registration of trademarks. The Director shall perform these duties in a fair, impartial, and equitable manner.

"(B) CONSULTING WITH THE PUBLIC ADVISORY COMMITTEES.—The Director shall consult with the Patent Public Advisory Committee established in section 5 on a regular basis on matters relating to the patent operations of the Office, shall consult with the Trademark Public Advisory Committee established in section 5 on a regular basis on matters relating to the trademark operations of the Office, and shall consult with the respective Public Advisory Committee before submitting budgetary proposals to the Office of Management and Budget or changing or proposing to change patent or trademark user fees or patent or trademark regulations which are subject to the requirement to provide notice and opportunity for public comment under section 553 of title 5, as the case may be.

"(3) OATH.—The Director shall, before taking office, take an oath to discharge faithfully the duties of the Office.

"(4) REMOVAL.—The Director may be removed from office by the President. The President shall provide notification of any such removal to both Houses of Congress.

"(b) OFFICERS AND EMPLOYEES OF THE OFFICE.—

"(1) DEPUTY UNDER SECRETARY AND DEPUTY DIRECTOR.—The Secretary of Commerce, upon nomination by the Director, shall appoint a Deputy Under Secretary of Commerce for Intellectual Property and Deputy Director of the United States Patent and Trademark Office who shall be vested with the authority to act in the capacity of the Director in the event of the absence or incapacity of the Director. The Deputy Director shall be a citizen of the United States who has a professional background and experience in patent or trademark law.

"(2) COMMISSIONERS.—

"(A) APPOINTMENT AND DUTIES.—The Secretary of Commerce shall appoint a Commissioner for Patents and a Commissioner for Trademarks, without regard to chapter 33, 51, or 53 of title 5. The Commissioner for Patents shall be a citizen of the United States with demonstrated management ability and professional background and experience in patent law and serve for a term of 5 years. The Commissioner for Trademarks shall be a citizen of the United States with demonstrated management ability and professional background and experience in trademark law and serve for a term of 5 years. The Commissioner for Patents and the Commissioner for Trademarks shall serve as the chief operating officers for the operations of the Office relating to patents and trademarks, respectively, and shall be responsible for the management and direction of all aspects of the activities of the Office that affect the administration of patent and trademark operations, respectively. The Secretary may reappoint a Commissioner to subsequent terms of 5 years as long as the performance of the Commissioner as set forth in the performance agreement in subparagraph (B) is satisfactory.

"(B) SALARY AND PERFORMANCE AGREEMENT.—The Commissioners shall be paid an annual rate of basic pay not to exceed the maximum rate of basic pay for the Senior Executive Service established under section 5382 of title 5, including any applicable locality-based comparability payment that may be authorized under section 5304(h)(2)(C) of title 5. The compensation of the Commissioners shall be considered, for purposes of section 207(c)(2)(A) of title 18, to be the equivalent of that described under clause (ii) of section 207(c)(2)(A) of title 18. In addition, the Commissioners may receive a bonus in an amount of up to, but not in excess of, 50 percent of the Commissioners' annual rate of basic pay, based upon an evaluation by the Secretary of Commerce, acting through the Director, of the Commissioners' performance as defined in an annual performance agreement between the Commissioners and the Secretary. The annual performance agreements shall incorporate measurable organization and individual goals in key operational areas as delineated in an annual performance plan agreed to by the Commissioners and the Secretary. Payment of a bonus under this subparagraph may be made to the Commissioners only to the extent that such payment does not cause the Commissioners' total aggregate compensation in a calendar year to equal or exceed the amount of the salary of the Vice President under section 104 of title 3.

"(C) REMOVAL.—The Commissioners may be removed from office by the Secretary for misconduct or nonsatisfactory performance under the performance agreement described in subparagraph (B), without regard to the provisions of title 5. The Secretary shall provide notification of any such removal to both Houses of Congress.

"(3) OTHER OFFICERS AND EMPLOYEES.—The Director shall—

"(A) appoint such officers, employees (including attorneys), and agents of the Office as the Director considers necessary to carry out the functions of the Office; and

"(B) define the title, authority, and duties of such officers and employees and delegate to them such of the powers vested in the Office as the Director may determine.

The Office shall not be subject to any administratively or statutorily imposed limitation on positions or personnel, and no positions or personnel of the Office shall be taken into account for purposes of applying any such limitation.

"(4) TRAINING OF EXAMINERS.—The Office shall submit to the Congress a proposal to provide an incentive program to retain as employees patent and trademark examiners of the primary examiner grade or higher who are eligible for retirement, for the sole purpose of training patent and trademark examiners.

"(5) NATIONAL SECURITY POSITIONS.—The Director, in consultation with the Director of the Office of Personnel Management, shall maintain a program for identifying national security positions and providing for appropriate security clearances, in order to maintain the secrecy of certain inventions, as described in section 181, and to prevent disclosure of sensitive and strategic information in the interest of national security.

"(c) CONTINUED APPLICABILITY OF TITLE 5.—Officers and employees of the Office shall be subject to the provisions of title 5 relating to Federal employees.

"(d) ADOPTION OF EXISTING LABOR AGREEMENTS.—The Office shall adopt all labor agreements which are in effect, as of the day before the effective date of the Patent and Trademark Office Efficiency Act, with respect to such Office (as then in effect).

"(e) CARRYOVER OF PERSONNEL.—

"(1) FROM PTO.—Effective as of the effective date of the Patent and Trademark Office Efficiency Act, all officers and employees of the Patent and Trademark Office on the day before such effective date shall become officers and employees of the Office, without a break in service.

"(2) OTHER PERSONNEL.—Any individual who, on the day before the effective date of the Patent and Trademark Office Efficiency Act, is an officer or employee of the Department of Commerce (other than an officer or employee under paragraph (1)) shall be transferred to the Office, as necessary to carry out the purposes of this Act, if—

"(A) such individual serves in a position for which a major function is the performance of work reimbursed by the Patent and Trademark Office, as determined by the Secretary of Commerce;

"(B) such individual serves in a position that performed work in support of the Patent and Trademark Office during at least half of the incumbent's work time, as determined by the Secretary of Commerce; or

"(C) such transfer would be in the interest of the Office, as determined by the Secretary of Commerce in consultation with the Director.

Any transfer under this paragraph shall be effective as of the same effective date as referred to in paragraph (1), and shall be made without a break in service.

"(f) TRANSITION PROVISIONS.—

"(1) INTERIM APPOINTMENT OF DIRECTOR.—On or after the effective date of the Patent and Trademark Office Efficiency Act, the President shall appoint an individual to serve as the Director until the date on which a Director qualifies under subsection (a). The President shall not make more than one such appointment under this subsection.

"(2) CONTINUATION IN OFFICE OF CERTAIN OFFICERS.—(A) The individual serving as the Assistant Commissioner for Patents on the day before the effective date of the Patent and Trademark Office Efficiency Act may serve as the

Commissioner for Patents until the date on which a Commissioner for Patents is appointed under subsection (b).

"(B) The individual serving as the Assistant Commissioner for Trademarks on the day before the effective date of the Patent and Trademark Office Efficiency Act may serve as the Commissioner for Trademarks until the date on which a Commissioner for Trademarks is appointed under subsection (b).".

SEC. 4714. PUBLIC ADVISORY COMMITTEES.

Chapter 1 of part I of title 35, United States Code, is amended by inserting after section 4 the following:

"§5. Patent and Trademark Office Public Advisory Committees

"(a) ESTABLISHMENT OF PUBLIC ADVISORY COMMITTEES.—

"(1) APPOINTMENT.—The United States Patent and Trademark Office shall have a Patent Public Advisory Committee and a Trademark Public Advisory Committee, each of which shall have nine voting members who shall be appointed by the Secretary of Commerce and serve at the pleasure of the Secretary of Commerce. Members of each Public Advisory Committee shall be appointed for a term of 3 years, except that of the members first appointed, three shall be appointed for a term of 1 year, and three shall be appointed for a term of 2 years. In making appointments to each Committee, the Secretary of Commerce shall consider the risk of loss of competitive advantage in international commerce or other harm to United States companies as a result of such appointments.

"(2) CHAIR.—The Secretary shall designate a chair of each Advisory Committee, whose term as chair shall be for 3 years.

"(3) TIMING OF APPOINTMENTS.—Initial appointments to each Advisory Committee shall be made within 3 months after the effective date of the Patent and Trademark Office Efficiency Act. Vacancies shall be filled within 3 months after they occur.

"(b) BASIS FOR APPOINTMENTS.—Members of each Advisory Committee—

"(1) shall be citizens of the United States who shall be chosen so as to represent the interests of diverse users of the United States Patent and Trademark Office with respect to patents, in the case of the Patent Public Advisory Committee, and with respect to trademarks, in the case of the Trademark Public Advisory Committee;

"(2) shall include members who represent small and large entity applicants located in the United States in proportion to the number of applications filed by such applicants, but in no case shall members who represent small entity patent applicants, including small business concerns, independent inventors, and nonprofit organizations, constitute less than 25 percent of the members of the Patent Public Advisory Committee, and such members shall include at least one independent inventor; and

"(3) shall include individuals with substantial background and achievement in finance, management, labor relations, science, technology, and office automation.

In addition to the voting members, each Advisory Committee shall include a representative of each labor organization recognized by the United States Patent and Trademark Office. Such representatives shall be nonvoting members of the Advisory Committee to which they are appointed.

"(c) MEETINGS.—Each Advisory Committee shall meet at the call of the chair to consider an agenda set by the chair.

"(d) DUTIES.—Each Advisory Committee shall—

"(1) review the policies, goals, performance, budget, and user fees of the United States Patent and Trademark Office with respect to patents, in the case of the Patent Public Advisory Committee, and with respect to Trademarks, in the case of the Trademark Public Advisory Committee, and advise the Director on these matters;

"(2) within 60 days after the end of each fiscal year—

"(A) prepare an annual report on the matters referred to in paragraph (1);

"(B) transmit the report to the Secretary of Commerce, the President, and the Committees on the Judiciary of the Senate and the House of Representatives; and

"(C) publish the report in the Official Gazette of the United States Patent and Trademark Office.

"(e) COMPENSATION.—Each member of each Advisory Committee shall be compensated for each day (including travel time) during which such member is attending meetings or conferences of that Advisory Committee or otherwise engaged in the business of that Advisory Committee, at the rate which is the daily equivalent of the annual rate of basic pay in effect for level III of the Executive Schedule under section 5314 of title 5. While away from such member's home or regular place of business such member shall be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code.

"(f) ACCESS TO INFORMATION.—Members of each Advisory Committee shall be provided access to records and information in the United States Patent and Trademark Office, except for personnel or other privileged information and information concerning patent applications required to be kept in confidence by section 122.

"(g) APPLICABILITY OF CERTAIN ETHICS LAWS.—Members of each Advisory Committee shall be special Government employees within the meaning of section 202 of title 18.

"(h) INAPPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to each Advisory Committee.

"(i) OPEN MEETINGS.—The meetings of each Advisory Committee shall be open to the public, except that each Advisory Committee may by majority vote meet in executive session when considering personnel or other confidential information.".

SEC. 4715. CONFORMING AMENDMENTS.

(a) DUTIES.—Chapter 1 of title 35, United States Code, is amended by striking section 6.

(b) REGULATIONS FOR AGENTS AND ATTORNEYS.—Section 31 of title 35, United States Code, and the item relating to such section in the table of sections for chapter 3 of title 35, United States Code, are repealed.

(c) SUSPENSION OR EXCLUSION FROM PRACTICE.—Section 32 of title 35, United States Code, is amended by striking "31" and inserting "2(b)(2)(D)".

SEC. 4716. TRADEMARK TRIAL AND APPEAL BOARD.

Section 17 of the Act of July 5, 1946 (commonly referred to as the "Trademark Act of 1946") (15 U.S.C. 1067) is amended to read as follows:

"SEC. 17. (a) In every case of interference, opposition to registration, application to register as a lawful concurrent user, or application to cancel the registration of a mark, the Director shall give notice to all parties and shall direct a Trademark Trial and Appeal Board to determine and decide the respective rights of registration.

"(b) The Trademark Trial and Appeal Board shall include the Director, the Commissioner for Patents, the Commissioner for Trademarks, and administrative trademark judges who are appointed by the Director.".

SEC. 4717. BOARD OF PATENT APPEALS AND INTERFERENCES.

Chapter 1 of title 35, United States Code, is amended—

(1) by striking section 7 and redesignating sections 8 through 14 as sections 7 through 13, respectively; and

(2) by inserting after section 5 the following:

"§6. Board of Patent Appeals and Interferences

"(a) ESTABLISHMENT AND COMPOSITION.—There shall be in the United States Patent and Trademark Office a Board of Patent Appeals and Interferences. The Director, the Commissioner for Patents, the Commissioner for Trademarks, and the administrative patent judges shall constitute the Board. The administrative patent judges shall be persons of competent legal knowledge and scientific ability who are appointed by the Director.

"(b) DUTIES.—The Board of Patent Appeals and Interferences shall, on written appeal of an applicant, review adverse decisions of examiners upon applications for patents and shall determine priority and patentability of invention in interferences declared under section 135(a). Each appeal and interference shall be heard by at least 3 members of the Board, who shall be designated by the Director. Only the Board of Patent Appeals and Interferences may grant rehearings.".

SEC. 4718. ANNUAL REPORT OF DIRECTOR.

Section 13 of title 35, United States Code, as redesignated by section 4717 of this subtitle, is amended to read as follows:

"§13. Annual report to Congress

"The Director shall report to the Congress, not later than 180 days after the end of each fiscal year, the moneys received and expended by the Office, the purposes for which the moneys were spent, the quality and quantity of the work of the Office, the nature of training provided to examiners, the evaluation of the Commissioner of Patents and the Commissioner of Trademarks by the Secretary of Commerce, the compensation of the Commissioners, and other information relating to the Office.".

SEC. 4719. SUSPENSION OR EXCLUSION FROM PRACTICE.

Section 32 of title 35, United States Code, is amended by inserting before the last sentence the following: "The Director shall have the discretion to designate any attorney who is an officer or employee of the United States Patent and Trademark Office to conduct the hearing required by this section.".

SEC. 4720. PAY OF DIRECTOR AND DEPUTY DIRECTOR.

(a) PAY OF DIRECTOR.—Section 5314 of title 5, United States Code, is amended by striking:

"Assistant Secretary of Commerce and Commissioner of Patents and Trademarks.".

and inserting:

"Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office.".

(b) PAY OF DEPUTY DIRECTOR.—Section 5315 of title 5, United States Code, is amended by adding at the end the following:

"Deputy Under Secretary of Commerce for Intellectual Property and Deputy Director of the United States Patent and Trademark Office.".

CHAPTER 2—EFFECTIVE DATE; TECHNICAL AMENDMENTS

SEC. 4731. EFFECTIVE DATE.

This subtitle and the amendments made by this subtitle shall take effect 4 months after the date of enactment of this Act.

SEC. 4732. TECHNICAL AND CONFORMING AMENDMENTS.

(a) AMENDMENTS TO TITLE 35.—

(1) The item relating to part I in the table of parts for chapter 35, United States Code, is amended to read as follows:

"I. United States Patent and Trademark Office .... 1".

(2) The heading for part I of title 35, United States Code, is amended to read as follows:

"PART I—UNITED STATES PATENT AND TRADEMARK OFFICE".

(3) The table of chapters for part I of title 35, United States Code, is amended by amending the item relating to chapter 1 to read as follows:

"1. Establishment, Officers and Employees, Functions .... 1".

(4) The table of sections for chapter 1 of title 35, United States Code, is amended to read as follows:

"CHAPTER 1—ESTABLISHMENT, OFFICERS AND EMPLOYEES, FUNCTIONS

"Sec.
" 1. Establishment.
" 2. Powers and duties.
" 3. Officers and employees.
" 4. Restrictions on officers and employees as to interest in patents.
" 5. Patent and Trademark Office Public Advisory Committees.
" 6. Board of Patent Appeals and Interferences.
" 7. Library.
" 8. Classification of patents.
" 9. Certified copies of records.
"10. Publications.
"11. Exchange of copies of patents and applications with foreign countries.
"12. Copies of patents and applications for public libraries.
"13. Annual report to Congress.".

(5) Section 41(h) of title 35, United States Code, is amended by striking "Commissioner of Patents and Trademarks" and inserting "Director".

(6) Section 155 of title 35, United States Code, is amended by striking "Commissioner of Patents and Trademarks" and inserting "Director".

(7) Section 155A(c) of title 35, United States Code, is amended by striking "Commissioner of Patents and Trademarks" and inserting "Director".

(8) Section 302 of title 35, United States Code, is amended by striking "Commissioner of Patents" and inserting "Director".

(9)(A) Section 303 of title 35, United States Code, is amended—

*(i) in the section heading by striking "**Commissioner**" and inserting "**Director**"; and*

(ii) by striking "Commissioner's" and inserting "Director's".

(B) The item relating to section 303 in the table of sections for chapter 30 of title 35, United States Code, is amended by striking "Commissioner" and inserting "Director".

(10)(A) Except as provided in subparagraph (B), title 35, United States Code, is amended by striking "Commissioner" each place it appears and inserting "Director".

(B) Chapter 17 of title 35, United States Code, is amended by striking "Commissioner" each place it appears and inserting "Commissioner of Patents".

(11) Section 157(d) of title 35, United States Code, is amended by striking "Secretary of Commerce" and inserting "Director".

(12) Section 202(a) of title 35, United States Code, is amended—

(A) by striking "iv)" and inserting "(iv)"; and

(B) by striking the second period after "Department of Energy" at the end of the first sentence.

(b) OTHER PROVISIONS OF LAW.—

(1)(A) Section 45 of the Act of July 5, 1946 (commonly referred to as the "Trademark Act of 1946"; 15 U.S.C. 1127), is amended by striking "The term 'Commissioner" means the Commissioner of Patents and Trademarks.' and inserting "The term 'Director' means the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office.".

(B) The Act of July 5, 1946 (commonly referred to as the "Trademark Act of 1946"; 15 U.S.C. 1051 and following), except for section 17, as amended by 4716 of this subtitle, is amended by striking "Commissioner" each place it appears and inserting "Director".

(C) Sections 8(e) and 9(b) of the Trademark Act of 1946 are each amended by striking "Commissioner" and inserting "Director".

(2) Section 500(e) of title 5, United States Code, is amended by striking "Patent Office" and inserting "United States Patent and Trademark Office".

(3) Section 5102(c)(23) of title 5, United States Code, is amended to read as follows:

"(23) administrative patent judges and designated administrative patent judges in the United States Patent and Trademark Office;".

(4) Section 5316 of title 5, United States Code (5 U.S.C. 5316) is amended by striking "Commissioner of Patents, Department of Commerce.", "Deputy Commissioner of Patents and Trademarks.", "Assistant Commissioner for Patents.", and "Assistant Commissioner for Trademarks.".

(5) Section 9(p)(1)(B) of the Small Business Act (15 U.S.C. 638(p)(1)(B)) is amended to read as follows:

"(B) the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office; and".

(6) Section 12 of the Act of February 14, 1903 (15 U.S.C. 1511) is amended—

(A) by striking "(d) Patent and Trademark Office;" and inserting:

"(4) United States Patent and Trademark Office"; and

(B) by redesignating subsections (a), (b), (c), (e), (f), and (g) as paragraphs (1), (2), (3), (5), (6), and (7), respectively and indenting the paragraphs as so redesignated 2 ems to the right.

(7) Section 19 of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831r) is amended—

(A) by striking "Patent Office of the United States" and inserting "United States Patent and Trademark Office"; and

(B) by striking "Commissioner of Patents" and inserting "Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office".

(8) Section 182(b)(2)(A) of the Trade Act of 1974 (19 U.S.C. 2242(b)(2)(A)) is amended by striking "Commissioner of Patents and Trademarks" and inserting "Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office".

(9) Section 302(b)(2)(D) of the Trade Act of 1974 (19 U.S.C. 2412(b)(2)(D)) is amended by striking "Commissioner of Patents and Trademarks" and inserting "Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office".

(10) The Act of April 12, 1892 (27 Stat. 395; 20 U.S.C. 91) is amended by striking "Patent Office" and inserting "United States Patent and Trademark Office".

(11) Sections 505(m) and 512(o) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(m) and 360b(o)) are each amended by striking "Patent and Trademark Office of the Department of Commerce" and inserting "United States Patent and Trademark Office".

(12) Section 702(d) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 372(d)) is amended by striking "Commissioner of Patents" and inserting "Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office" and by striking "Commissioner" and inserting "Director".

(13) Section 105(e) of the Federal Alcohol Administration Act (27 U.S.C. 205(e)) is amended by striking "United States Patent Office" and inserting "United States Patent and Trademark Office".

(14) Section 1295(a)(4) of title 28, United States Code, is amended—

(A) in subparagraph (A) by inserting "United States" before "Patent and Trademark"; and

(B) in subparagraph (B) by striking "Commissioner of Patents and Trademarks" and inserting "Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office".

(15) Chapter 115 of title 28, United States Code, is amended—

(A) in the item relating to section 1744 in the table of sections by striking "Patent Office" and inserting "United States Patent and Trademark Office";

(B) in section 1744—

(i) by striking "Patent Office" each place it appears in the text and section heading and inserting "United States Patent and Trademark Office"; and

(ii) by striking "Commissioner of Patents" and inserting "Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office"; and

(C) by striking "Commissioner" and inserting "Director".

(16) Section 1745 of title 28, United States Code, is amended by striking "United States Patent Office" and inserting "United States Patent and Trademark Office".

(17) Section 1928 of title 28, United States Code, is amended by striking "Patent Office" and inserting "United States Patent and Trademark Office".

(18) Section 151 of the Atomic Energy Act of 1954 (42 U.S.C. 2181) is amended in subsections c. and d. by striking "Commissioner of Patents" and inserting "Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office".

(19) Section 152 of the Atomic Energy Act of 1954 (42 U.S.C. 2182) is amended by striking "Commissioner of Patents" each place it appears and inserting "Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office".

(20) Section 305 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2457) is amended—

(A) in subsection (c) by striking "Commissioner of Patents" and inserting "Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office (hereafter in this section referred to as the 'Director')"; and

(B) by striking "Commissioner" each subsequent place it appears and inserting "Director".

(21) Section 12(a) of the Solar Heating and Cooling Demonstration Act of 1974 (42 U.S.C. 5510(a)) is amended by striking "Commissioner of the Patent Office" and inserting "Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office".

(22) Section 1111 of title 44, United States Code, is amended by striking "the Commissioner of Patents,".

(23) Section 1114 of title 44, United States Code, is amended by striking "the Commissioner of Patents,".

(24) Section 1123 of title 44, United States Code, is amended by striking "the Patent Office,".

(25) Sections 1337 and 1338 of title 44, United States Code, and the items relating to those sections in the table of contents for chapter 13 of such title, are repealed.

(26) Section 10(i) of the Trading with the enemy Act (50 U.S.C. App. 10(i)) is amended by striking "Commissioner of Patents" and inserting "Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office".

CHAPTER 3—MISCELLANEOUS PROVISIONS

SEC. 4741. REFERENCES.

(a) In General.—Any reference in any other Federal law, Executive order, rule, regulation, or delegation of authority, or any document of or pertaining to a department or office from which a function is transferred by this subtitle—

(1) to the head of such department or office is deemed to refer to the head of the department or office to which such function is transferred; or

(2) to such department or office is deemed to refer to the department or office to which such function is transferred.

(b) Specific References.—Any reference in any other Federal law, Executive order, rule, regulation, or delegation of authority, or any document of or pertaining to the Patent and Trademark Office—

(1) to the Commissioner of Patents and Trademarks is deemed to refer to the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office;

(2) to the Assistant Commissioner for Patents is deemed to refer to the Commissioner for Patents; or

(3) to the Assistant Commissioner for Trademarks is deemed to refer to the Commissioner for Trademarks.

SEC. 4742. EXERCISE OF AUTHORITIES.

Except as otherwise provided by law, a Federal official to whom a function is transferred by this subtitle may, for purposes of performing the function, exercise all authorities under any other provision of law that were available with respect to the performance of that function to the official responsible for the performance of the function immediately before the effective date of the transfer of the function under this subtitle.

SEC. 4743. SAVINGS PROVISIONS.

(a) Legal Documents.—All orders, determinations, rules, regulations, permits, grants, loans, contracts, agreements, certificates, licenses, and privileges—

(1) that have been issued, made, granted, or allowed to become effective by the President, the Secretary of Commerce, any officer or employee of any office transferred by this subtitle, or any other Government official, or by a court of competent jurisdiction, in the performance of any function that is transferred by this subtitle; and

(2) that are in effect on the effective date of such transfer (or become effective after such date pursuant to their terms as in effect on such effective date), shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, any other authorized official, a court of competent jurisdiction, or operation of law.

(b) Proceedings.—This subtitle shall not affect any proceedings or any application for any benefits, service, license, permit, certificate, or financial assistance pending on the effective date of this subtitle before an office transferred by this subtitle, but such proceedings and applications shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this subtitle had not been enacted, and orders issued in any such proceeding shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this subsection shall be considered to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this subtitle had not been enacted.

(c) Suits.—This subtitle shall not affect suits commenced before the effective date of this subtitle, and in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this subtitle had not been enacted.

(d) Nonabatement of Actions.—No suit, action, or other proceeding commenced by or against the Department of Commerce or the Secretary of Commerce, or by or against any individual in the official capacity of such individual as an officer or employee of an office transferred by this subtitle, shall abate by reason of the enactment of this subtitle.

(e) Continuance of Suits.—If any Government officer in the official capacity of such officer is party to a suit with respect to a function of the officer, and under this subtitle such function is transferred to any other officer or office, then such suit shall be continued with the other officer or the head of such other office, as applicable, substituted or added as a party.

(f) Administrative Procedure and Judicial Review.—Except as otherwise provided by this subtitle, any statutory requirements relating to notice, hearings, action upon the record, or administrative or judicial review that apply to any function transferred by this subtitle shall apply to the exercise of such function by the head of the Federal agency, and other officers of the agency, to which such function is transferred by this subtitle.

SEC. 4744. TRANSFER OF ASSETS.

Except as otherwise provided in this subtitle, so much of the personnel, property, records, and unexpended balances of appropriations, allocations, and other funds employed, used, held, available, or to be made available in connection with a function transferred to an official or agency by this subtitle shall be available to the official or the head of that agency, respectively, at such time or times as the Director of the Office of Management and Budget directs for use in connection with the functions transferred.

SEC. 4745. DELEGATION AND ASSIGNMENT.

Except as otherwise expressly prohibited by law or otherwise provided in this subtitle, an official to whom functions are transferred under this subtitle (including the head of any office to which functions are transferred under this subtitle) may delegate any of the functions so transferred to such officers and employees of the office of the official as the official may designate, and may authorize successive redelegations of such functions as may be necessary or appropriate. No delegation of functions under this section or under any other provision of this subtitle shall relieve the official to whom a function is transferred under this subtitle of responsibility for the administration of the function.

SEC. 4746. AUTHORITY OF DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET WITH RESPECT TO FUNCTIONS TRANSFERRED.

(a) Determinations.—If necessary, the Director of the Office of Management and Budget shall make any determination of the functions that are transferred under this subtitle.

(b) Incidental Transfers.—The Director of the Office of Management and Budget, at such time or times as the Director shall provide, may make such determinations as may be necessary with regard to the functions transferred by this subtitle, and to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this subtitle. The Director shall provide for the termination of the affairs of all entities terminated by this subtitle and for such further measures and dispositions as may be necessary to effectuate the purposes of this subtitle.

SEC. 4747. CERTAIN VESTING OF FUNCTIONS CONSIDERED TRANSFERS.

For purposes of this subtitle, the vesting of a function in a department or office pursuant to reestablishment of an office shall be considered to be the transfer of the function.

SEC. 4748. AVAILABILITY OF EXISTING FUNDS.

Existing appropriations and funds available for the performance of functions, programs, and activities terminated pursuant to this subtitle shall remain available, for the duration of their period of availability, for necessary expenses in connection with the termination and resolution of such functions, programs, and activities, subject to the submission of a plan to the Committees on Appropriations of the House and Senate in accordance with the procedures set forth in section 605 of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1999, as contained in Public Law 105–277.

SEC. 4749. DEFINITIONS.

For purposes of this subtitle—

(1) the term "function" includes any duty, obligation, power, authority, responsibility, right, privilege, activity, or program; and

(2) the term "office" includes any office, administration, agency, bureau, institute, council, unit, organizational entity, or component thereof.

Subtitle H—Miscellaneous Patent Provisions

SEC. 4801. PROVISIONAL APPLICATIONS.

(a) Abandonment.—Section 111(b)(5) of title 35, United States Code, is amended to read as follows:

"(5) Abandonment.—Notwithstanding the absence of a claim, upon timely request and as prescribed by the Director, a provisional application may be treated as an application filed under subsection (a). Subject to section 119(e)(3) of this title, if no such request is made, the provisional application shall be regarded as abandoned 12 months after the filing date of such application and shall not be subject to revival after such 12-month period.".

(b) Technical Amendment Relating to Weekends and Holidays.—Section 119(e) of title 35, United States Code, is amended by adding at the end the following:

"(3) If the day that is 12 months after the filing date of a provisional application falls on a Saturday, Sunday, or Federal holiday within the District of Columbia, the period of pendency of the provisional application shall be extended to the next succeeding secular or business day.".

(c) Elimination of Copendency Requirement.—Section 119(e)(2) of title 35, United States Code, is amended by striking "and the provisional application was pending on the filing date of the application for patent under section 111(a) or section 363 of this title".

(d) Effective Date.—The amendments made by this section shall take effect on the date of enactment of this Act and shall apply to any provisional application filed on or after June 8, 1995, except that the amendments made by subsections (b) and (c) shall have no effect with respect to any patent which is the subject of litigation in an action commenced before such date of enactment.

SEC. 4802. INTERNATIONAL APPLICATIONS.

Section 119 of title 35, United States Code, is amended as follows:

(1) In subsection (a), insert "or in a WTO member country," after "or citizens of the United States,".

(2) At the end of section 119 add the following new subsections:

"(f) Applications for plant breeder's rights filed in a WTO member country (or in a foreign UPOV Contracting Party) shall have the same effect for the purpose of the right of priority under subsections (a) through (c) of this section as applications for patents, subject to the same conditions and requirements of this section as apply to applications for patents.

"(g) As used in this section—

"(1) the term 'WTO member country' has the same meaning as the term is defined in section 104(b)(2) of this title; and

"(2) the term 'UPOV Contracting Party' means a member of the International Convention for the Protection of New Varieties of Plants.".

SEC. 4803. CERTAIN LIMITATIONS ON DAMAGES FOR PATENT INFRINGEMENT NOT APPLICABLE.

Section 287(c)(4) of title 35, United States Code, is amended by striking "before the date of enactment of this subsection" and inserting "based on an application the earliest effective filing date of which is prior to September 30, 1996".

SEC. 4804. ELECTRONIC FILING AND PUBLICATIONS.

(a) PRINTING OF PAPERS FILED.—Section 22 of title 35, United States Code, is amended by striking "printed or typewritten" and inserting "printed, typewritten, or on an electronic medium".

(b) PUBLICATIONS.—Section 11(a) of title 35, United States Code, is amended by amending the matter preceding paragraph 1 to read as follows:

"(a) The Director may publish in printed, typewritten, or electronic form, the following:".

(c) COPIES OF PATENTS FOR PUBLIC LIBRARIES.—Section 13 of title 35, United States Code, is amended by striking "printed copies of specifications and drawings of patents" and inserting "copies of specifications and drawings of patents in printed or electronic form".

(d) MAINTENANCE OF COLLECTIONS.—

(1) ELECTRONIC COLLECTIONS.—Section 41(i)(1) of title 35, United States Code, is amended by striking "paper or microform" and inserting "paper, microform, or electronic".

(2) CONTINUATION OF MAINTENANCE.—The Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office shall not, pursuant to the amendment made by paragraph (1), cease to maintain, for use by the public, paper or microform collections of United States patents, foreign patent documents, and United States trademark registrations, except pursuant to notice and opportunity for public comment and except that the Director shall first submit a report to the Committees on the Judiciary of the Senate and the House of Representatives detailing such plan, including a description of the mechanisms in place to ensure the integrity of such collections and the data contained therein, as well as to ensure prompt public access to the most current available information, and certifying that the implementation of such plan will not negatively impact the public.

SEC. 4805. STUDY AND REPORT ON BIOLOGICAL DEPOSITS IN SUPPORT OF BIOTECHNOLOGY PATENTS.

(a) IN GENERAL.—Not later than 6 months after the date of enactment of this Act, the Comptroller General of the United States, in consultation with the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office, shall conduct a study and submit a report to Congress on the potential risks to the United States biotechnology industry relating to biological deposits in support of biotechnology patents.

(b) CONTENTS.—The study conducted under this section shall include—

(1) an examination of the risk of export and the risk of transfers to third parties of biological deposits, and the risks posed by the change to 18-month publication requirements made by this subtitle;

(2) an analysis of comparative legal and regulatory regimes; and

(3) any related recommendations.

(c) CONSIDERATION OF REPORT.—In drafting regulations affecting biological deposits (including any modification of title 37, Code of Federal Regulations, section 1.801 et seq.), the United States Patent and Trademark Office shall consider the recommendations of the study conducted under this section.

SEC. 4806. PRIOR INVENTION.

Section 102(g) of title 35, United States Code, is amended to read as follows:

"(g)(1) during the course of an interference conducted under section 135 or section 291, another inventor involved therein establishes, to the extent permitted in section 104, that before such person's invention thereof the invention was made by such other inventor and not abandoned, suppressed, or concealed, or (2) before such person's invention thereof, the invention was made in this country by another inventor who had not abandoned, suppressed, or concealed it. In determining priority of invention under this subsection, there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.".

SEC. 4807. PRIOR ART EXCLUSION FOR CERTAIN COMMONLY ASSIGNED PATENTS.

(a) PRIOR ART EXCLUSION.—Section 103(c) of title 35, United States Code, is amended by striking "subsection (f) or (g)" and inserting "one or more of subsections (e), (f), and (g)".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to any application for patent filed on or after the date of enactment of this Act.

SEC. 4808. EXCHANGE OF COPIES OF PATENTS WITH FOREIGN COUNTRIES.

Section 12 of title 35, United States Code, is amended by adding at the end the following: "The Director shall not enter into an agreement to provide such copies of specifications and drawings of United States patents and applications to a foreign country, other than a NAFTA country or a WTO member country, without the express authorization of the Secretary of Commerce. For purposes of this section, the terms 'NAFTA country' and 'WTO member country' have the meanings given those terms in section 104(b).".

TITLE V—MISCELLANEOUS PROVISIONS

SEC. 5001. COMMISSION ON ONLINE CHILD PROTECTION.

(a) REFERENCES.—Wherever in this section an amendment is expressed in terms of an amendment to any provision, the reference shall be considered to be made to such provision of section 1405 of the Child Online Protection Act (47 U.S.C. 231 note).

(b) MEMBERSHIP.—Subsection (b) is amended—

(1) by striking paragraph (1) and inserting the following new paragraph:

"(1) INDUSTRY MEMBERS.—The Commission shall include 16 members who shall consist of representatives of—

"(A) providers of Internet filtering or blocking services or software;

"(B) Internet access services;

"(C) labeling or ratings services;

"(D) Internet portal or search services;

"(E) domain name registration services;

"(F) academic experts; and

"(G) providers that make content available over the Internet.

Of the members of the Commission by reason of this paragraph, an equal number shall be appointed by the Speaker of the House of Representatives and by the Majority Leader of the Senate. Members of the Commission appointed on or before October 31, 1999, shall remain members."; and

(2) by adding at the end the following new paragraph:

"(3) PROHIBITION OF PAY.—Members of the Commission shall not receive any pay by reason of their membership on the Commission.".

(c) EXTENSION OF REPORTING DEADLINE.—The matter in subsection (d) that precedes paragraph (1) is amended by striking "1 year" and inserting "2 years".

(d) TERMINATION.—Subsection (f) is amended by inserting before the period at the end the following: "or November 30, 2000, whichever occurs earlier".

(e) FIRST MEETING AND CHAIRPERSON.—Section 1405 is amended—

(1) by striking subsection (e);

(2) by redesignating subsections (f) (as amended by the preceding provisions of this section) and (g) as subsections (l) and (m), respectively;

(3) by redesignating subsections (c) and (d) (as amended by the preceding provisions of this section) as subsections (e) and (f), respectively; and

(4) by inserting after subsection (b) the following new subsections:

"(c) FIRST MEETING.—The Commission shall hold its first meeting not later than March 31, 2000.

"(d) CHAIRPERSON.—The chairperson of the Commission shall be elected by a vote of a majority of the members, which shall take place not later than 30 days after the first meeting of the Commission.".

(f) RULES OF THE COMMISSION.—Section 1405 is amended by inserting after subsection (f) (as so redesignated by subsection (e)(3) of this section) the following new subsection:

"(g) RULES OF THE COMMISSION.—

"(1) QUORUM.—Nine members of the Commission shall constitute a quorum for conducting the business of the Commission.

"(2) MEETINGS.—Any meetings held by the Commission shall be duly noticed at least 14 days in advance and shall be open to the public.

"(3) OPPORTUNITIES TO TESTIFY.—The Commission shall provide opportunities for representatives of the general public to testify.

"(4) ADDITIONAL RULES.—The Commission may adopt other rules as necessary to carry out this section.".

SEC. 5002. PRIVACY PROTECTION FOR DONORS TO PUBLIC BROADCASTING ENTITIES.

(a) AMENDMENT.—Section 396(k) of the Communications Act of 1934 (47 U.S.C. 396(k)) is amended by adding at the end the following new paragraph:

"(12) Funds may not be distributed under this subsection to any public broadcasting entity that directly or indirectly—

"(A) rents contributor or donor names (or other personally identifiable information) to or from, or exchanges such names or information with, any Federal, State, or local candidate, political party, or political committee; or

"(B) discloses contributor or donor names, or other personally identifiable information, to any nonaffiliated third party unless—

"(i) such entity clearly and conspicuously discloses to the contributor or donor that such information may be disclosed to such third party;

"(ii) the contributor or donor is given the opportunity, before the time that such information is initially disclosed, to direct that such information not be disclosed to such third party; and

"(iii) the contributor or donor is given an explanation of how the contributor or donor may exercise that nondisclosure option.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to funds distributed on or after 6 months after the date of enactment of this Act. 33

SEC. 5003. COMPLETION OF BIENNIAL REGULATORY REVIEW.

Within 180 days after the date of enactment of this Act, the Federal Communications Commission shall complete the first biennial review required by section 202(h) of the Telecommunications Act of 1996 (Public Law 104–104; 110 Stat. 111).

SEC. 5004. PUBLIC BROADCASTING ENTITIES.

(a) Civil Remittance of Damages.—Section 1203(c)(5)(B) of title 17, United States Code, is amended to read as follows:

"(B) Nonprofit library, archives, educational institutions, or public broadcasting entities.—

"(i) Definition.—In this subparagraph, the term 'public broadcasting entity' has the meaning given such term under section 118(g).

"(ii) In general.—In the case of a nonprofit library, archives, educational institution, or public broadcasting entity, the court shall remit damages in any case in which the library, archives, educational institution, or public broadcasting entity sustains the burden of proving, and the court finds, that the library, archives, educational institution, or public broadcasting entity was not aware and had no reason to believe that its acts constituted a violation.".

(b) Criminal Offenses and Penalties.—Section 1204(b) of title 17, United States Code, is amended to read as follows:

"(b) Limitation for Nonprofit Library, Archives, Educational Institution, or Public Broadcasting Entity.—Subsection (a) shall not apply to a nonprofit library, archives, educational institution, or public broadcasting entity (as defined under section 118(g).".

SEC. 5005. TECHNICAL AMENDMENTS RELATING TO VESSEL HULL DESIGN PROTECTION.

(a) In General.—

(1) Section 504(a) of the Digital Millennium Copyright Act (Public Law 105–304) is amended to read as follows:

"(a) In General.—Not later than November 1, 2003, the Register of Copyrights and the Commissioner of Patents and Trademarks shall submit to the Committees on the Judiciary of the Senate and the House of Representatives a joint report evaluating the effect of the amendments made by this title.".

(2) Section 505 of the Digital Millennium Copyright Act is amended by striking "and shall remain in effect" and all that follows through the end of the section and inserting a period.

(3) Section 1301(b)(3) of title 17, United States Code, is amended to read as follows:

"(3) A 'vessel' is a craft—

"(A) that is designed and capable of independently steering a course on or through water through its own means of propulsion; and

"(B) that is designed and capable of carrying and transporting one or more passengers.".

(4) Section 1313(c) of title 17, United States Code, is amended by adding at the end the following: "Costs of the cancellation procedure under this subsection shall be borne by the nonprevailing party or parties, and the Administrator shall have the authority to assess and collect such costs.". 33

(b) Tariff Act of 1930.—Section 337 of the Tariff Act of 1930 (19 U.S.C. 1337) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking "and (D)" and inserting "(D), and (E)"; and

(ii) by adding at the end the following:

"(E) The importation into the United States, the sale for importation, or the sale within the United States after importation by the owner, importer, or consigner, of an article that constitutes infringement of the exclusive rights in a design protected under chapter 13 of title 17, United States Code."; and

(B) in paragraphs (2) and (3), by striking "or mask work" and inserting "mask work, or design"; and

(2) in subsection (l), by striking "or mask work" each place it appears and inserting "mask work, or design".

SEC. 5006. INFORMAL RULEMAKING OF COPYRIGHT DETERMINATION.

Section 1201(a)(1)(C) of title 17, United States Code, is amended in the first sentence by striking "on the record".

SEC. 5007. SERVICE OF PROCESS FOR SURETY CORPORATIONS.

Section 9306 of title 31, United States Code, is amended—

(1) in subsection (a) by striking all beginning with "designates a person by written power of attorney" through the end of such subsection and inserting the following: "has a resident agent for service of process for that district. The resident agent—

"(1) may be an official of the State, the District of Columbia, the territory or possession in which the court sits who is authorized or appointed under the law of the State, District, territory or possession to receive service of process on the corporation; or

"(2) may be an individual who resides in the jurisdiction of the district court for the district in which a surety bond is to be provided and who is appointed by the corporation as provided in subsection (b)"; and

(2) in subsection (b) by striking "The" and inserting "If the surety corporation meets the requirement of subsection (a) by appointing an individual under subsection (a)(2), the".

SEC. 5008. LOW-POWER TELEVISION.

(a) Short Title.—This section may be cited as the "Community Broadcasters Protection Act of 1999".

(b) Findings.—Congress finds the following:

(1) Since the creation of low-power television licenses by the Federal Communications Commission, a small number of license holders have operated their stations in a manner beneficial to the public good providing broadcasting to their communities that would not otherwise be available.

(2) These low-power broadcasters have operated their stations in a manner consistent with the programming objectives and hours of operation of full-power broadcasters providing worthwhile services to their respective communities while under severe license limitations compared to their full-power counterparts.

(3) License limitations, particularly the temporary nature of the license, have blocked many low-power broadcasters from having access to capital, and have severely hampered their ability to continue to provide quality broadcasting, programming, or improvements.

(4) The passage of the Telecommunications Act of 1996 has added to the uncertainty of the future status of these stations by the lack of specific provisions regarding the permanency of their licenses, or their treatment during the transition to high definition, digital television.

(5) It is in the public interest to promote diversity in television programming such as that currently provided by low-power television stations to foreign-language communities.

(c) Preservation of Low-Power Community Television Broadcasting.—Section 336 of the Communications Act of 1934 (47 U.S.C. 336) is amended—

(1) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively; and

(2) by inserting after subsection (e) the following new subsection:

"(f) Preservation of Low-Power Community Television Broadcasting.—

"(1) Creation of class A licenses.—

"(A) Rulemaking Required.—Within 120 days after the date of enactment of the Community Broadcasters Protection Act of 1999, the Commission shall prescribe regulations to establish a class A television license to be available to licensees of qualifying low-power television stations. Such regulations shall provide that—

"(i) the license shall be subject to the same license terms and renewal standards as the licenses for full-power television stations except as provided in this subsection; and

"(ii) each such class A licensee shall be accorded primary status as a television broadcaster as long as the station continues to meet the requirements for a qualifying low-power station in paragraph (2).

"(B) Notice to and certification by licensees.—Within 30 days after the date of enactment of the Community Broadcasters Protection Act of 1999, the Commission shall send a notice to the licensees of all low-power televisions licenses that describes the requirements for class A designation. Within 60 days after such date of enactment, licensees intending to seek class A designation shall submit to the Commission a certification of eligibility based on the qualification requirements of this subsection. Absent a material deficiency, the Commission shall grant certification of eligibility to apply for class A status.

"(C) Application for and award of licenses.—Consistent with the requirements set forth in paragraph (2)(A) of this subsection, a licensee may submit an application for class A designation under this paragraph within 30 days after final regulations are adopted under subparagraph (A) of this paragraph. Except as provided in paragraphs (6) and (7), the Commission shall, within 30 days after receipt of an application of a licensee of a qualifying low-power television station that is acceptable for filing, award such a class A television station license to such licensee.

"(D) Resolution of technical problems.—The Commission shall act to preserve the service areas of low-power television licensees pending the final resolution of a class A application. If, after granting certification of eligibility for a class A license, technical problems arise requiring an engineering solution to a full-power station's allotted parameters or channel assignment in the digital television Table of Allotments, the Commission shall make such modifications as necessary—

"(i) to ensure replication of the full-power digital television applicant's service area, as provided for in sections 73.622 and 73.623 of the Commission's regulations (47 C.F.R. 73.622, 73.623); and

"(ii) to permit maximization of a full power digital television applicant's service area consistent with such sections 73.622 and 73.623;

if such applicant has filed an application for maximization or a notice of its intent to seek such maximization by December 31, 1999, and filed a bona fide application for maximization by May 1, 2000. Any such applicant shall comply with all applicable Commission rules regarding the construction of digital television facilities.

(E) Change applications.—If a station that is awarded a construction permit to maximize or significantly enhance its digital television service area, later files a change application to reduce its digital television service area, the protected contour of that station shall be reduced in accordance with such change modification.

"(2) Qualifying low-power television stations.—For purposes of this subsection, a station is a qualifying low-power television station if—

"(A)(i) during the 90 days preceding the date of enactment of the Community Broadcasters Protection Act of 1999—

''(I) such station broadcast a minimum of 18 hours per day;

''(II) such station broadcast an average of at least 3 hours per week of programming that was produced within the market area served by such station, or the market area served by a group of commonly controlled low-power stations that carry common local programming produced within the market area served by such group; and

''(III) such station was in compliance with the Commission's requirements applicable to low-power television stations; and

''(ii) from and after the date of its application for a class A license, the station is in compliance with the Commission's operating rules for full-power television stations; or

''(B) the Commission determines that the public interest, convenience, and necessity would be served by treating the station as a qualifying low-power television station for purposes of this section, or for other reasons determined by the Commission.

''(3) COMMON OWNERSHIP.—No low-power television station authorized as of the date of enactment of the Community Broadcasters Protection Act of 1999 shall be disqualified for a class A license based on common ownership with any other medium of mass communication.

''(4) ISSUANCE OF LICENSES FOR ADVANCED TELEVISION SERVICES TO TELEVISION TRANSLATOR STATIONS AND QUALIFYING LOW-POWER TELEVISION STATIONS.—The Commission is not required to issue any additional license for advanced television services to the licensee of a class A television station under this subsection, or to any licensee of any television translator station, but shall accept a license application for such services proposing facilities that will not cause interference to the service area of any other broadcast facility applied for, protected, permitted, or authorized on the date of filing of the advanced television application. Such new license or the original license of the applicant shall be forfeited after the end of the digital television service transition period, as determined by the Commission. A licensee of a low-power television station or television translator station may, at the option of licensee, elect to convert to the provision of advanced television services on its analog channel, but shall not be required to convert to digital operation until the end of such transition period.

''(5) NO PREEMPTION OF SECTION 337.—Nothing in this subsection preempts or otherwise affects section 337 of this Act.

''(6) INTERIM QUALIFICATION.—

''(A) STATIONS OPERATING WITHIN CERTAIN BANDWIDTH.—The Commission may not grant a class A license to a low-power television station for operation between 698 and 806 megahertz, but the Commission shall provide to low-power television stations assigned to and temporarily operating in that bandwidth the opportunity to meet the qualification requirements for a class A license. If such a qualified applicant for a class A license is assigned a channel within the core spectrum (as such term is defined in MM Docket 87–286, February 17, 1998), the Commission shall issue a class A license simultaneously with the assignment of such channel.

''(B) CERTAIN CHANNELS OFF-LIMITS.—The Commission may not grant under this subsection a class A license to a low-power television station operating on a channel within the core spectrum that includes any of the 175 additional channels referenced in paragraph 45 of its February 23, 1998, Memorandum Opinion and Order on Reconsideration of the Sixth Report and Order (MM Docket No. 87–268). Within 18 months after the date of enactment of the Community Broadcasters Protection Act of 1999, the Commission shall identify by channel, location, and applicable technical parameters those 175 channels.

''(7) NO INTERFERENCE REQUIREMENT.—The Commission may not grant a class A license, nor approve a modification of a class A license, unless the applicant or licensee shows that the class A station for which the license or modification is sought will not cause—

''(A) interference within—

''(i) the predicted Grade B contour (as of the date of enactment of the Community Broadcasters Protection Act of 1999, or November 1, 1999, whichever is later, or as proposed in a change application filed on or before such date) of any television station transmitting in analog format; or

''(ii)(I) the digital television service areas provided in the DTV Table of Allotments; (II) the areas protected in the Commission's digital television regulations (47 C.F.R. 73.622(e) and (f)); (III) the digital television service areas of stations subsequently granted by the Commission prior to the filing of a class A application; and (IV) stations seeking to maximize power under the Commission's rules, if such station has complied with the notification requirements in paragraph (1)(D);

''(B) interference within the protected contour of any low-power television station or low-power television translator station that—

''(i) was licensed prior to the date on which the application for a class A license, or for the modification of such a license, was filed;

''(ii) was authorized by construction permit prior to such date; or

''(iii) had a pending application that was submitted prior to such date;

''(C) interference within the protected contour of 80 miles from the geographic center of the areas listed in section 22.625(b)(1) or 90.303 of the Commission's regulations (47 C.F.R. 22.625(b)(1) and 90.303) for frequencies in—

''(i) the 470–512 megahertz band identified in section 22.621 or 90.303 of such regulations; or

''(ii) the 482–488 megahertz band in New York.

''(8) PRIORITY FOR DISPLACED LOW-POWER STATIONS.—Low-power stations that are displaced by an application filed under this section shall have priority over other low-power stations in the assignment of available channels.''.

And the Senate agree to the same.

From the Committee on Commerce, for consideration of the House bill and the Senate amendment, and modifications committed to conference:

TOM BLILEY,
BILLY TAUZIN,
MICHAEL G. OXLEY,
JOHN D. DINGELL,
EDWARD J. MARKEY,

Provided that Mr. BOUCHER is appointed in lieu of Mr. MARKEY for consideration of secs. 712(b)(1), 712(b)(2), and 712(c)(1) of the Communications Act of 1934 as added by sec. 104 of the House bill.

RICK BOUCHER,

From the Committee on the Judiciary, for consideration of the House bill and the Senate amendment, and modifications committed to conference:

HENRY HYDE,
HOWARD COBLE,
BOB GOODLATTE,
JOHN CONYERS,
HOWARD L. BERMAN,
Managers on the Part of the House.

From the Committee on the Judiciary:

ORRIN HATCH,
STROM THURMOND,
MIKE DEWINE,
PATRICK LEAHY,
HERB KOHL,

From the Committee on Commerce, Science, and Transportation:

TED STEVENS,
FRITZ HOLLINGS,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1554), to amend the provisions of title 17, United States Code, and the Communications Act of 1934, relating to copyright licensing and carriage of broadcast signals by satellite, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

Section 1. Short title.

This Act may be cited as the ''Intellectual Property and Communications Omnibus Reform Act of 1999.''

TITLE I—SATELLITE HOME VIEWER IMPROVEMENT ACT OF 1999

When Congress passed the Satellite Home Viewer Act in 1988, few Americans were familiar with satellite television. They typically resided in rural areas of the country where the only means of receiving television programming was through use of a large, backyard C-band satellite dish. Congress recognized the importance of providing these people with access to broadcast programming, and created a compulsory copyright license in the Satellite Home Viewer Act that enabled satellite carriers to easily license the copyrights to the broadcast programming that they retransmitted to their subscribers.

The 1988 Act fostered a boom in the satellite television industry. Coupled with the development of high-powered satellite service, or DSS, which delivers programming to a satellite dish as small as 18 inches in diameter, the satellite industry now serves homes nationwide with a wide range of high quality programming. Satellite is no longer primarily a rural service, for it offers an attractive alternative to other providers of multichannel video programming; in particular, cable television. Because satellite can provide direct competition with the cable industry, it is in the public interest to ensure that satellite operates under a copyright framework that permits it to be an effective competitor.

The compulsory copyright license created by the 1988 Act was limited to a five year period to enable Congress to consider its effectiveness and renew it where necessary. The license was renewed in 1994 for an additional five years, and amendments made that were intended to increase the enforcement of the network territorial restrictions of the compulsory license. Two-year transitional provisions were created to enable local network broadcasters to challenge satellite subscribers' receipt of satellite network service where the local network broadcaster had reason to believe that these subscribers received an adequate off-the-air signal from the broadcaster. The transitional provisions were minimally effective and caused much consumer confusion and anger regarding receipt of television network stations.

The satellite license is slated to expire at the end of this year, requiring Congress to again consider the copyright licensing regime for satellite retransmissions of over-the-air television broadcast stations. In passing this legislation, the Conference Committee was guided by several principles. First, the Conference Committee believes that promotion of competition in the marketplace for delivery of multichannel video programming is an effective policy to reduce costs to consumers. To that end, it is important that the satellite industry be afforded a statutory scheme for licensing television broadcast programming similar to that of the cable industry. At the same time, the practical differences between the two industries must be recognized and accounted for.

Second, the Conference Committee reasserts the importance of protecting and fostering the system of television networks as they relate to the concept of localism. It is well recognized that television broadcast stations provide valuable programming tailored to local needs, such as news, weather, special announcements and information related to local activities. To that end, the Committee has structured the copyright licensing regime for satellite to encourage and promote retransmissions by satellite of local television broadcast stations to subscribers who reside in the local markets of those stations.

Third, perhaps most importantly, the Conference Committee is aware that in creating compulsory licenses, it is acting in derogation of the exclusive property rights granted by the Copyright Act to copyright holders, and that it therefore needs to act as narrowly as possible to minimize the effects of the government's intrusion on the broader market in which the affected property rights and industries operate. In this context, the broadcast television market has developed in such a way that copyright licensing practices in this area take into account the national network structure, which grants exclusive territorial rights to programming in a local market to local stations either directly or through affiliation agreements. The licenses granted in this legislation attempt to hew as closely to those arrangements as possible. For example, these arrangements are mirrored in the section 122 "local-to-local" license, which grants satellite carriers the right to retransmit local stations within the station's local market, and does not require a separate copyright payment because the works have already been licensed and paid for with respect to viewers in those local markets. By contrast, allowing the importation of distant or out-of-market network stations in derogation of the local stations' exclusive right—bought and paid for in market-negotiated arrangements—to show the works in question undermines those market arrangements. Therefore, the specific goal of the 119 license, which is to allow for a life-line network television service to those homes beyond the reach of their local television stations, must be met by only allowing distant network service to those homes which cannot receive the local network television stations. Hence, the "unserved household" limitation that has been in the license since its inception. The Committee is mindful and respectful of the interrelationship between the communications policy of "localism" outlined above and property rights considerations in copyright law, and seeks a proper balance between the two.

Finally, although the legislation promotes satellite retransmissions of local stations, the Conference Committee recognizes the continued need to monitor the effects of distant signal importation by satellite. To that end, the compulsory license for retransmission of distant signals is extended for a period of five years, to afford Congress the opportunity to evaluate the effectiveness and continuing need for that license at the end of the five-year period.

Section 1001. Short title

This title may be cited as the "Satellite Home Viewer Improvement Act."

Section 1002. Limitations on exclusive rights; secondary transmissions by satellite carriers within local markets

The House and the Senate provisions were in most respects highly similar. The conference substitute generally follows the House approach, with the differences described here.

Section 1002 of this Act creates a new statutory license, with no sunset provision, as a new section 122 of the Copyright Act of 1976. The new license authorizes the retransmission of television broadcast stations by satellite carriers to subscribers located within the local markets of those stations.

Creation of a new statutory license for retransmission of local signals is necessary because the current section 119 license is limited to the retransmission of distance signals by satellite. The section 122 license allows satellite carriers for the first time to provide their subscribers with the television signals they want most: their local stations. A carrier may retransmit the signal of a network station (or superstation) to all subscribers who reside within the local market of that station, without regard to whether the subscriber resides in an "unserved household." The term "local market" is defined in Section 119(j)(2), and generally refers to a station's Designated Market Area as defined by Nielsen.

Because the section 122 license is permanent, subscribers may obtain their local television stations without fear that their local broadcast service may be turned off at a future date. In addition, satellite carriers may deliver local stations to commercial establishments as well as homes, as the cable industry does under its license. These amendments create parity and enhanced competition between the satellite and cable industries in the provision of local television broadcast stations.

For a satellite carrier to be eligible for this license, this Act, following the House approach, provides both in new section 122(a) and in new section 122(d) that a carrier may use the new local-to-local license only if it is in full compliance with all applicable rules and regulations of the Federal Communications Commission, including any requirements that the Commission may adopt by regulation concerning carriage of stations or programming exclusivity. These provisions are modeled on similar provisions in section 111, the terrestrial compulsory license. Failure to fully comply with Commission rules with respect to retransmission of one or more stations in the local market precludes the carrier from making use of the section 122 license. Put another way, the statutory license overrides the normal copyright scheme only to the extent that carriers strictly comply with the limits Congress has put on that license.

Because terrestrial systems, such as cable, as a general rule do not pay any copyright royalty for local retransmissions of broadcast stations, the section 122 license does not require payment of any copyright royalty by satellite carriers for transmissions made in compliance with the requirements of section 122. By contrast, the section 119 statutory license for distant signals does require payment of royalties. In addition, the section 122 statutory license contains no "unserved household" limitation, while the section 119 license does contain that limitation.

Satellite carriers are liable for copyright infringement, and subject to the full remedies of the Copyright Act, if they violate one or more of the following requirements of the section 122 license. First, satellite carriers may not in any way willfully alter the programming contained on a local broadcast station.

Second, satellite carriers may not use the section 122 license to retransmit a television broadcast station to a subscriber located outside the local market of the station. Retransmission of a station to a subscriber located outside the station's local market is covered by section 119, and is permitted only when all conditions of that license are satisfied. Accordingly, satellite carriers are required to provide local broadcasters with accurate lists of the street addresses of their local-to-local subscribers so that broadcasters may verify that satellite carriers are making proper use of the license. The subscriber information supplied to broadcasters is for verification purposes only, and may not be used by broadcasters for any other reason. Any knowing provision of false information by a satellite carrier would, under section 122(d), bar use of the Section 122 license by the carrier engaging in such practices. The section 122 license contains remedial provisions parallel to those of Section 119, including a "pattern or practice" provision that requires termination of the Section 122 statutory license as to a particular satellite carrier if it engages in certain abuses of the license.

Under this provision, just as in the statutory licenses codified in sections 111 and 119, a violation may be proven by showing willful activity, or simple delivery of the secondary transmission over a certain period of time. In addition to termination of service on a nationwide or local or regional basis, statutory damages are available up to $250,000 for each 6-month period during which the pattern or practice of violations was carried out. Satellite carriers have the burden of proving that they are not improperly making use of the section 122 license to serve subscribers outside the local markets of the television broadcast stations they are providing. The penalties created under this section parallel those under Section 119, and are to deter satellite carriers from providing signals to subscribers in violation of the licenses.

The section 122 license is limited in geographic scope to service to locations in the United States, including any commonwealth, territory or possession of the United States. In addition, section 122(j) makes clear that local retransmission of television broadcast stations to subscribers is governed solely by the section 122 license, and that no provision of the section 111 cable compulsory license should be interpreted to allow satellite carriers to make local retransmissions of television broadcast stations under that license. Likewise, no provision of the section 119 license (or any other law) should be interpreted as authorizing local-to-local retransmissions. As with all statutory licenses, these explicit limitations are consistent with the general rule that, because statutory licenses are in derogation of the exclusive rights granted under the Copyright Act, they should be interpreted narrowly.

Section 1002(a) of this Act contains new standing provisions. Adopting the approach of the House bill, section 122(f)(1) of the Copyright Act is parallel to section 119(e), and ensures that local stations, in addition to any other parties that qualify under other standing provisions of the Act, will have the ability to sue for violations of section 122. New section 122(f)(2) of the Copyright Act enables a local television station that is not being carried by a satellite carrier in violation of the license to file a copyright infringement lawsuit in federal court to enforce its rights.

Section 1003. Extension of effect of amendments to section 119 of title 17, United States Code

As in both the House bill and the Senate amendment, this Act extends the section 119 satellite statutory license for a period of five years by changing the expiration date of the legislation from December 31, 1999, to December 31, 2004. The procedural and remedial provisions of section 119, which have already been interpreted by the courts, are being extended without change. Should the section 119 license be allowed to expire in 2004, it shall do so at midnight on December 31, 2004, so that the license will cover the entire second accounting period of 2004.

The advent of digital terrestrial broadcasting will necessitate additional review and reform of the distant signal statutory license. And responsibility to oversee the development of the nascent local station satellite service may also require for review of the distant signal statutory license in the future. For each of these reasons, this Act establishes a period for review in 5 years.

Although the section 119 regime is largely being extended in its current form, certain sections of the Act may have a near-term effect on pending copyright infringement lawsuits brought by broadcasters against satellite carriers. These changes are prospective only; Congress does not intend to change the legality of any conduct that occurred prior to the date of enactment. Congress does intend, however, to benefit consumers where possible and consistent with existing copyright law and principles.

This Act attempts to strike a balance among a variety of public policy goals. While increasing the number of potential subscribers to distant network signals, this Act clarifies that satellite carriers may carry up to, but no more than, two stations affiliated with the same network. The original purpose of the Satellite Home Viewer Act was to ensure that all Americans could receive network programming and other television services provided they could not receive those services over-the-air or in any other way. This bill reflects the desire of the Conference to meet this requirement and consumers' expectations to receive the traditional level of satellite service that has built up over the years, while avoiding an erosion of the programming market affected by the statutory licenses.

Section 1004. Computation of royalty fees for satellite carriers

Like both the House bill and the Senate amendment, this Act reduces the royalty fees currently paid by satellite carriers for the retransmission of network and superstations by 45 percent and 30 percent, respectively. These are reductions of the 27-cent royalty fees made effective by the Librarian of Congress on January 1, 1998. The reductions take effect on July 1, 1999, which is the beginning of the second accounting period for 1999, and apply to all accounting periods for the five-year extension of the section 119 license. The Committee has drafted this provision such that, if the section 119 license is renewed after 2004, the 45 percent and 30 percent reductions of the 27-cent fee will remain in effect, unless altered by legislative amendment.

In addition, section 119(c) of title 17, United States Code, is amended to clarify that in royalty distribution proceedings conducted under section 802 of the Copyright Act, the Public Broadcasting Service may act as agent for all public television copyright claimants and all Public Broadcasting Service member stations.

Section 1005. Distant signal eligibility for consumers

The Senate bill contained provisions retaining the existing Grade B intensity standard in the definition of "unserved household." The House agreed to the Senate provisions with amendments, which extend the "unserved household" definition of section 119 of title 17 intact in certain respects and amend it in other respects. Consistent with the approach of the Senate amendment, the central feature of the existing definition of "unserved household"—inability to receive, through use of a conventional outdoor rooftop receiving antenna, a signal of Grade B intensity from a primary network station—remains intact. The legislation directs the FCC, however, to examine the definition of "Grade B intensity", reflecting the dBu levels long set by the Federal Communications Commission in 47 C.F.R. §73.683(a), and issue a rulemaking within 6 months after enactment to evaluate the standard and, if appropriate, make recommendations to Congress about how to modify the analog standard, and make a further recommendation about what an appropriate standard would be for digital signals. In this fashion, the Congress will have the best input and recommendations from the Commission, allowing the Commission wide latitude in its inquiry and recommendations, but reserve for itself the final decision-making authority over the scope of the copyright licenses in question, in light of all relevant factors.

The amended definition of "unserved household" makes other consumer-friendly changes. It will eliminate the requirement that a cable subscriber wait 90 days to be eligible for satellite delivery of distant network signals. After enactment, cable subscribers will be eligible to receive distant network signals by satellite, upon choosing to do so, if they satisfy the other requirements of section 119,

In addition, this Act adds three new categories to the definition of "unserved household" in section 119(d)(10): (a) certain subscribers to network programming who are not predicted to receive a signal of Grade A intensity from any station of the relevant network, (b) operators of recreational vehicles and commercial trucks who have complied with certain documentation requirements, and (c) certain C-band subscribers to network programming. This Act also confirms in new section 119(d)(10)(B) what has long been understood by the parties and accepted by the courts, namely that a subscriber may receive distant network service if all network stations affiliated with the relevant network that are predicted to serve that subscriber give their written consent.

Section 105(a)(2) of the bill creates a new section 119(a)(2)(B)(i) of the Copyright Act to prohibit a satellite carrier from delivering more than two distant TV stations affiliated with a single network in a single day to a particular customer. This clarifies that a satellite carrier provides a signal of a television station throughout the broadcast day, rather than switching between stations throughout a day to pick the best programming among different signals.

Section 1005(a)(2) of this Act creates a new section 119(a)(2)(B)(ii)(I) of the Copyright Act to confirm that courts should rely on the FCC's ILLR model to presumptively determine whether a household is capable of receiving a signal of Grade B intensity. The conferees understand that the parties to copyright infringement litigation under the Satellite Home Viewer Act have agreed on detailed procedures for implementing the current version of ILLR, and nothing in this Act requires any change in those procedures. In the future, when the FCC amends the ILLR model to make it more accurate pursuant to section 339(c)(3) of the Communications Act of 1934, the amended model should be used in place of the current version of ILLR. The new language also confirms in new section 119(a)(2)(B)(ii)(II) that the ultimate determination of eligibility to receive network signals shall be a signal intensity test pursuant to 47 C.F.R. §73.686(d), as reflected in new section 339(c)(5) of the Communications Act of 1934. Again, the conferees understand that existing Satellite Home Viewer Act court orders already incorporate this FCC-approved measurement method, and nothing in this Act requires any change in such orders. Such a signal intensity test may be conducted by any party to resolve a customer's eligibility in litigation under section 119.

Section 1005(a)(2) of this Act creates a new section 119(a)(2)(B)(iii) of the Copyright Act to permit continued delivery by means of C-band transmissions of network stations to C-band dish owners who received signals of the pertinent network on October 31, 1999, or were recently required to have such service terminated pursuant to court orders or settlements under section 119. This provision does not authorize satellite delivery of network stations to such persons by any technology other than C-band.

Section 1005(b) also adds a new provision (E) to section 119(a)(5). The purpose of this provision is to allow certain longstanding superstations to continue to be delivered to satellite customers without regard to the "unserved household" limitation, even if the station now technically qualifies as a "network station" under the 15-hour-per-week definition of the Act. This exception will cease to apply if such a station in the future becomes affiliated with one of the four networks (ABC, CBS, Fox, and NBC) that qualified as networks as of January 1, 1995.

Section 1005(c) of this Act adds a new section 119(e) of the Copyright Act. This provision contains a moratorium on terminations of network stations to certain otherwise ineligible recent subscribers to network programming whose service has been (or soon would have been) terminated and allows them to continue to be eligible for distant signal services. The subscribers affected are those predicted by the current version of the ILLR model to receive a signal of less than Grade A intensity from any network station of the relevant network defined in section 73.683(a) of Commission regulations (47 C.F.R. 73.683(a)) as in effect January 1, 1999. As the statutory language reflects, recent court orders and settlements between the satellite and broadcasting industries have required (or will in the near future require) significant numbers of terminations of network stations to ineligible subscribers in this category. Although the conferees strongly condemn lawbreaking by satellite carriers, and intend for satellite carriers to be subject to all other available legal remedies for any infringements in which the carriers have engaged, the conferees have concluded that the public interest will be served by the grandfathering of this limited category of subscribers whose service would otherwise be terminated.

The decision by the conferees to direct this limited grandfathering should not be understood as condoning unlawful conduct by satellite carriers, but rather reflects the concern of the conference for those subscribers who would otherwise be punished for the actions of the satellite carriers. Note that in the previous 18 months, court decisions have required the termination of some distant network signals to some subscribers. However, the Conferees are aware that in some cases satellite carriers terminated distant network service that was not subject to the original lawsuit. The Conferees intend that affected subscribers remain eligible for such service.

The words "shall remain eligible" in section 119(e) refer to eligibility to receive stations affiliated with the same network from the same satellite carrier through use of the same transmission technology at the same location; in other words, grandfathered status is not transferable to a different carrier or a different type of dish or at a new address. The provisions of new section 119(e) are incorporated by reference in the definition of "unserved household" as new section 119(d)(10)(C).

Section 1005(d) of this Act creates a new section 119(a)(11), which contains provisions governing delivery of network stations to recreational vehicles and commercial trucks. This provision is, in turn, incorporated in the definition of "unserved household" in new section 119(d)(10)(D). The purpose of these amendments is to allow the operators of recreational vehicles and commercial trucks to use satellite dishes permanently attached to those vehicles to receive, on television sets located inside those vehicles, distant network signals pursuant to section 119. To prevent abuse of this provision, the exception for recreational vehicles and commercial trucks is limited to persons who have strictly complied with the documentation requirements set forth in section 119(a)(11). Among other things, the exception will only become available as to a particular recreational vehicle or commercial truck after the satellite carrier has provided all affected networks with all documentation set forth in section 119(a). The exception will apply only for reception in that particular recreational vehicle or truck, and does not authorize any delivery of network stations to any fixed dwelling.

Section 1005(e) of this Act adds a new proviso to the definition of "satellite carrier" to exclude from that definition the provision of any "digital online communications service." As the Copyright Office concluded in its 1997 Review of the Copyright Licensing Regimes Covering Retransmission of Broadcast Signals, no existing statutory license (whether in section 111, section 119, or otherwise) authorizes retransmission of television broadcast signals via the Internet or any other online service. The extension of any statutory license for television programming to online transmissions would raise profound policy considerations, including, most notably, the apparent impossibility of limiting such transmissions to "unserved households." In any event, the committee's intent is that, neither section 111, section 119, nor section 122 creates any authorization for third parties to disseminate television programming via online delivery of any kind, and the amendment to the definition of "satellite carrier" simply confirms existing law on that point.

Section 1006. Public Broadcasting Service satellite feed

The conference agreement follows the Senate bill with an amendment that applies the network copyright royalty rate to the Public Broadcasting Service the satellite feed. The conference agreement grants satellite carriers a section 119 compulsory license to retransmit a national satellite feed distributed and designated by PBS. The license would apply to educational and informational programming to which PBS currently holds broadcast rights. The license, which would extend to all households in the United States, would sunset on January 1, 2002, the date when local-to-local must-carry obligations become effective. Under the conference agreement, PBS will designate the national satellite feed for purposes of this section.

Section 1007. Application of Federal Communications Commission regulations

The section 119 license is amended to clarify that satellite carriers must comply with all rules, regulations, and authorizations of the Federal Communications Commission in order to obtain the benefits of the section 119 license. As provided in the House bill, this would include any programming exclusivity provisions or carriage requirements that the Commission may adopt. Violations of such rules, regulations or authorizations would render a carrier ineligible for the copyright statutory license with respect to that retransmission.

Section 1008. Rules for satellite carriers retransmitting television broadcast signals

The Senate agrees to the House bill provisions regarding carriage of television broadcast signals, with certain amendments, as discussed below. Section 108 creates new sections 338 and 339 of the Communications Act of 1934. Section 338 addresses carriage of local television signals, while section 339 addresses distant television signals.

New section 338 requires satellite carriers, by January 1, 2002, to carry upon request all local broadcast stations' signals in local markets in which the satellite carriers carry at least one signal pursuant to section 122 of title 17, United States Code. The conference report added the cross-reference to section 122 to the House provision to indicate the relationship between the benefits of the statutory license and the carriage requirements imposed by this Act. Thus, the conference report provides that, as of January 1, 2002, royalty-free copyright licenses for satellite carriers to retransmit broadcast signals to viewers in the broadcasters' service areas will be available only on a market-by-market basis.

The procedural provisions applicable to section 338 (concerning costs, avoidance of duplication, channel positioning, compensation for carriage, and complaints by broadcast stations) are generally parallel to those applicable to cable systems. Within one year after enactment, the Federal Communications Commission is to issue implementing regulations which are to impose obligations comparable to those imposed on cable systems under paragraphs (3) and (4) of section 614(b) and paragraphs (1) and (2) of section 615(g), such as the requirement to carry a station's entire signal without additions or deletions. The obligation to carry local stations on contiguous channels is illustrative of the general requirement to ensure that satellite carriers position local stations in a way that is convenient and practically accessible for consumers. By directing the FCC to promulgate these must-carry rules, the conferees do not take any position regarding the application of must-carry rules to carriage of digital television signals by either cable or satellite systems.

To make use of the local license, satellite carriers must provide the local broadcast station signal as part of their satellite service, in a manner consistent with paragraphs (b), (c), (d), and (e), FCC regulations, and retransmission consent requirements. Until January 1, 2002, satellite carriers are granted a royalty-free copyright license to retransmit broadcast signals on a station-by-station basis, consistent with retransmission consent requirements. The transition period is intended to provide the satellite industry with a transitional period to begin providing local-into-local satellite service to communities throughout the country.

The conferees believe that the must-carry provisions of this Act neither implicate nor violate the First Amendment. Rather than requiring carriage of stations in the manner of cable's mandated duty, this Act allows a satellite carrier to choose whether to incur the must-carry obligation in a particular market in exchange for the benefits of the local statutory license. It does not deprive any programmers of potential access to carriage by satellite carriers. Satellite carriers remain free to carry any programming for which they are able to acquire the property rights. The provisions of this Act allow carriers an easier and more inexpensive way to obtain the right to use the property of copyright holders when they retransmit signals from all of a market's broadcast stations to subscribers in that market. The choice whether to retransmit those signals is made by carriers, not by the Congress. The proposed licenses are a matter of legislative grace, in the nature of subsidies to satellite carriers, and reviewable under the rational basis standard.[1]

In addition, the conferees are confident that the proposed license provisions would pass constitutional muster even if subjected to the *O'Brien* standard applied to the cable must-carry requirement.[2] The proposed provisions are intended to preserve free television for those not served by satellite or cable systems and to promote widespread dissemination of information from a multiplicity of sources. The Supreme Court has found both to be substantial interests, unrelated to the suppression of free expression.[3] Providing the proposed license on a market-by-market basis furthers both goals by preventing satellite carriers from choosing to carry only certain stations and effectively preventing many other local broadcasters from reaching potential viewers in their service areas. The Conference Committee is concerned that, absent must-carry obligations, satellite carriers would carry the major network affiliates and few other signals. Non-carried stations would face the same loss of viewership Congress previously found with respect to cable noncarriage.[4]

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[1] See *Rust* v. *Sullivan*, 500 U.S. 173 (1991) (grants); *Indopco, Inc.* v. *Commissioner*, 503 U.S. 79, 84 (1992) (tax benefits). The First Amendment requires only that Congress not aim at "the suppression of dangerous ideas." *NEA* v. *Finley*, 118 S. Ct. 2168, 2178–79 (1998).

[2] See *United States* v. *O'Brien*, 391 U.S. 367 (1968).

[3] See *Turner Broadcasting Sys., Inc.* v. *FCC*, 512 U.S. 622, 663 (1994).

The proposed licenses place satellite carrier in a comparable position to cable systems, competing for the same customers. Applying a must-carry rule in markets which satellite carriers choose to serve benefits consumers and enhances competition with cable by allowing consumers the same range of choice in local programming they receive through cable service. The conferees expect that, by January 1, 2002, satellite carriers' market share will have increased and that the Congress' interest in maintaining free over-the-air television will be undermined if local broadcasters are prevented from reaching viewers by either cable or satellite distribution systems. The Congress' preference for must-carry obligations has already been proven effective, as attested by the appearance of several emerging networks, which often serve underserved market segments. There are no narrower alternatives that would achieve the Congress' goals. Although the conferees expect that subscribers who receive no broadcast signals at all from their satellite service may install antennas or subscribe to cable service in addition to satellite service, the Conference Committee is less sanguine that subscribers who receive network signals and hundreds of other programming choices from their satellite carrier will undertake such trouble and expense to obtain over-the-air signals from independent broadcast stations. National feeds would also be counterproductive because they siphon potential viewers from local over-the-air affiliates. In sum, the Conference Committee finds that trading the benefits of the copyright license for the must carry requirement is a fair and reasonable way of helping viewers have access to all local programming while benefitting satellite carriers and their customers.

Section 338(c) contains a limited exception to the general must-carry requirements, stating that a satellite carrier need not carry two local affiliates of the same network that substantially duplicate each others' programming, unless the duplicating stations are licensed to communities in different states. The latter provisions address unique and limited cases, including WMUR (Manchester, New Hampshire)/WCVB (Boston, Massachusetts) and WPTZ (Plattsburg, New York)/WNNE (White River Junction, Vermont), in which mandatory carriage of both duplicating local stations upon request assures that satellite subscribers will not be precluded from receiving the network affiliate that is licensed to the state in which they reside.

Because of unique technical challenges on satellite technology and constraints on the use of satellite spectrum, satellite carriers may initially be limited in their ability to deliver must carry signals into multiple markets. New compression technologies, such as video streaming, may help overcome these barriers however, and, if deployed, could enable satellite carriers to deliver must-carry signals into many more markets than they could otherwise. Accordingly, the conferees urge the FCC, pursuant to its obligations under section 338, or in any other related proceedings, to not prohibit satellite carriers from using reasonable compression, reformatting, or similar technologies to meet their carriage obligations, consistent with existing authority.

New section 339 of the Communications Act contains provisions concerning carriage of distant television stations by satellite carriers. Section 339(a)(1) limits satellite carriers to providing a subscriber with no more than two stations affiliated with a given television network from outside the local market. In addition, a satellite carrier that provides two distant signals to eligible households may also provide the local television signals pursuant to section 122 of title 17 if the subscriber offers local-to-local service in the subscriber's market. This provision furthers the congressional policy of localism and diversity of broadcast programming, which provides locally-relevant news, weather, and information, but also allows consumers in unserved households to enjoy network programming obtained via distant signals. Under new section 339(a)(2), which is based on the Senate amendment, the knowing and willful provision of distant television signals in violation of these restrictions is subject to a forfeiture penalty under section 503 of the Communications Act of $50,000 per violation or for each day of a continuing violation.

New section 339(b)(1)(A) requires the Commission to commence within 45 days of enactment, and complete within one year after the date of enactment, a rulemaking to develop regulations to apply network nonduplication, syndicated exclusivity and sports blackout rules to the transmission of nationally distributed superstations by satellite carriers. New section 339(b)(1)(B) requires the Commission to promulgate regulations on the same schedule with regard to the application of sports blackout rules to network stations. These regulations under subparagraph (B) are to be imposed "to the extent technically feasible and not economically prohibitive" with respect to the affected parties. The burden of showing that conforming to rules similar to cable would be "economically prohibitive" is a heavy one. It would entail a very serious economic threat to the health of the carrier. Without that showing, the rules should be as similar as possible to that applicable to cable services.

Section 339(c) of the Communications Act of 1934 addresses the three distinct areas discussed by the Commission in its Report & Order in Docket No. 98–201: (i) the definition of "Grade B intensity," which is the substantive standard for determining eligibility to receive distant network stations by satellite, (ii) prediction of whether a signal of Grade B intensity from a particular station is present at a particular household, and (iii) measurement of whether a signal of Grade B intensity from a particular station is present at a particular household. Section 339(c) addresses each of these topics.

New section 339(c) addresses evaluation and possible recommendations for modification by the Commission of the definition of Grade B intensity, which is incorporated into the definition of "unserved household" in section 119 of the Copyright Act. Under section 339(c), the Commission is to complete a rulemaking within 1 year after enactment to evaluate, and if appropriate to recommend modifications to the Grade B intensity standard for analog signals set forth in 47 C.F.R. §73.683(a), for purposes of determining eligibility for distant signal satellite service. In addition, the Commission is to recommend a signal standard for digital signals to prepare Congress to update the statutory license for digital television broadcasting. The Committee intends that this report would reflect the FCC's best recommendations in light of all relevant considerations, and be based on whatever factors and information the Commission deems relevant to determining whether the signal intensity standard should be modified and in what way. As discussed above, the two-part process allows the Commission to recommend modifications leaving to Congress the decision-making power on modifications of the copyright licenses at issue.

Section 339(c)(3) addresses requests to local television stations by consumers for waivers of the eligibility requirements under section 119 of title 17, United States Code. If a satellite carrier is barred from delivering distant network signals to a particular customer because the ILLR model predicts the customer to be served by one or more television stations affiliated with the relevant network, the consumer may submit to those stations, through his or her satellite carrier, a written request for a waiver. The statutory phrase "station asserting that the retransmission is prohibited" refers to a station that is predicted by the ILLR model to serve the household. Each such station must accept or reject the waiver request within 30 days after receiving the request from the satellite carrier. If a relevant network station grants the requested waiver, or fails to act on the waiver within 30 days, the viewer shall be deemed unserved with respect to the local network station in question.

Section 339(c)(4) addresses the ILLR predictive model developed by the Commission in Docket No. 98–201. The provision requires the Commission to attempt to increase its accuracy further by taking into account not only terrain, as the ILLR model does now, but also land cover variations such as buildings and vegetation. If the Commission discovers other practical ways to improve the accuracy of the ILLR model still further, it shall implement those methods as well. The linchpin of whether particular proposed refinements to the ILLR model result in greater accuracy is whether the revised model's predictions are closer to the results of actual field testing in terms of predicting whether households are served by a local affiliate of the relevant network.

The ILLR model of predicting subscribers' eligibility will be of particular use in rural areas. To make the ILLR more accurate and more useful to this group of Americans, the Conference Committee believes the Commission should be particularly careful to ensure that the ILLR is accurate in areas that use star routes, postal routes, or other addressing systems that may not indicate clearly the location of the actual dwelling of a potential subscriber. The Commission should to ensure the model accurately predicts the signal strength at the viewers' actual location.

New section 339(c)(5) addresses the third area discussed in the Commission's Report & Order in Docket No. 98–201, namely signal intensity testing. This provision permits satellite carriers and broadcasters to carry out signal intensity measurements, using the procedures set forth by the Commission in 47 C.F.R. §73.686(d), to determine whether particular households are unserved. Unless the parties otherwise agree, any such tests shall be conducted on a "loser pays" basis, with the network station bearing the costs of tests showing the household to be unserved, and the satellite carrier bearing the costs of tests showing the household to be served. If the satellite carrier and station is unable to agree on a qualified individual to perform the test, the Commission is to designate an independent and neutral entity by rule. The

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[4] See, e.g., H.R. Rep. No. 102-628, p. 51 (1992); S. Rep. No. 102-92, p. 62 (1991); see also Feb. 24 Hearing (Al DeVaney).

Commission is to promulgate rules that avoid any undue burdens being imposed on any party.

Section 1009. Retransmission consent

Section 1009 amends the provisions of section 325 of the Communications Act governing retransmission consent. As revised, section 325(b)(1) bars multichannel video programming distributors from retransmitting the signals of television broadcast stations, or any part thereof, without the express authority of the originating station. Section 325(b)(2) contains several exceptions to this general prohibition, including noncommercial stations, certain superstations, and, until the end of 2004, retransmission of not more than two distant signals by satellite carriers to unserved households outside of the local market of the retransmitted stations, and (E) for six months to the retransmission of local stations pursuant to the statutory license in section 122 of the title 17.

Section 1009 also amends section 325(b) of the Communications Act to require the Commission to issue regulations concerning the exercise by television broadcast stations of the right to grant retransmission consent. The regulations would, until January 1, 2006, prohibit a television broadcast station from entering into an exclusive retransmission consent agreement with a multichannel video programming distributor or refusing to negotiate in good faith regarding retransmission consent agreements. A television station may generally offer different retransmission consent terms or conditions, including price terms, to different distributors. The FCC may determine that such different terms represent a failure to negotiate in good faith only if they are not based on competitive marketplace considerations.

Section 1009 of the bill adds a new subsection (e) to section 325 of the Communications Act. New subsection 325(e) creates a set of expedited enforcement procedures for the alleged retransmission of a television broadcast station in its own local market without the station's consent. The purpose of these expedited procedure is to ensure that delays in obtaining relief from violations do not make the right to retransmission consent an empty one. The new provision requires 45-day processing of local-to-local retransmission consent complaints at the Commission, followed by expedited enforcement of any Commission orders in the United States District Court for the Eastern District of Virginia. In addition, a television broadcast station that has been retransmitted in its local market without its consent will be entitled to statutory damages of $25,000 per violation in an action in federal district court. Such damages will be awarded only if the television broadcast station agrees to contribute any statutory damage award above $1,000 to the United States Treasury for public purposes. The expedited enforcement provision contains a sunset which prevents the filing of any complaint with the Commission or any action in federal district court to enforce any Commission order under this section after December 31, 2001. The conferees believe that these procedural provisions, which provide ample due process protections while ensuring speedy enforcement, will ensure that retransmission consent will be respected by all parties and promote a smoothly functioning marketplace.

Section 1010. Severability

Section 1010 of the Act provides that if any provision of section 325(b) of the Communications Act as amended by this Act is declared unconstitutional, the remaining provisions of that section will stand.

Section 1011. Technical amendments

Section 1011 of this Act makes technical and conforming amendments to sections 101, 111, 119, 501, and 510 of the Copyright Act. Section 1011(e) makes a technical and clarifying change to the definition of a "work made for hire" in section 101 of the Copyright Act. Sound recordings have been registered in the Copyright Office as works made for hire since being protected in their own right. This clarifying amendment shall not be deemed to imply that any sound recording or any other work would not otherwise qualify as a work made for hire in the absence of the amendment made by this subsection.

Section 1012. Effective dates

Under section 1012 of this Act, sections 1001, 1003, 1005, and 1007 through 1011 shall be effective on the date of enactment. The amendments made by sections 1002, 1004, and 1006 shall be effective as of July 1, 1999.

TITLE II—RURAL LOCAL TELEVISION SIGNALS

The Conference Committee agrees that it is very important that rural Americans receive the benefits of this Act along with urban residents. There are concerns that without this title, many rural Americans would not receive local broadcast signals.

Conferees were advised that major satellite carriers intended to provide local broadcast TV stations via satellite only in the largest markets rather than in more rural areas. These satellite providers have stated that is it not economically feasible to provide such service in rural areas at the present time. Many rural areas of the United States are not served by broadcast television or cable service.

Title II of this Act authorizes the Department of Agriculture, in consultation with OMB, the Secretary of Treasury, and the FCC, and with the certification of the National Telecommunications and Information Administration, to guarantee loans not exceeding $1.25 billion for providing local broadcast TV signals in rural areas. In addition, providers can offer other services, such as data service, should excess capacity permit. No single loan can exceed $625 million to any one provider and the rest of the loans may not exceed $100 million face value.

No loan shall be guaranteed unless: 1) approved in advance by an appropriations Act; 2) USDA consults with OMB, NTIA, and with a public accounting firm; 3) USDA has security that is "adequate" to protect the government's interests; 4) USDA can reasonably expect repayment "using an appropriate combination of credit risk premiums and collateral offered by the applicant to protect the Federal Government;" and, 5) the borrower has "insurance sufficient to protect the interests of the Federal Government."

The provisions are technology neutral in that the borrower can use any delivery mechanism to provide local TV that otherwise meets the requirements of this title.

The language of Title II is similar to the Railroad Rehabilitation and Improvement Financing Act which provided up to $3.5 billion in federal loan guarantees to help shortline railroads serve rural America. The underwriting criteria for the USDA loan guarantee—such as cash flow levels and appropriate collateral—will be developed in consultation with OMB and a public accounting firm and are modeled after the Railroad Act language.

Section 2001. Short title

This title may be referred to as the "Rural Local Broadcast Signal Act."

Section 2002. Loan guarantees

Subject to appropriations Acts, the Secretary of Agriculture is authorized to establish a program of loan guarantees to fund projects which finance the acquisition, improvement, enhancement, deployment, launch, or rehabilitation of the means by which local television broadcast signals will be delivered to areas not receiving such signals over commercial for-profit direct-to-home satellite distribution systems.

No single guaranteed loan can exceed $625 million to any one provider of local TV stations and none of the remaining loans may exceed $100 million in face value. Strict requirements for insurance, collateral, assurances of repayments to the Secretary, perfected interests of the Secretary, liens on assets, and strong security provisions are set forth in the law. All of these provisions are designed to protect the interests of the taxpayers.

In developing underwriting standards relating to the issuance of loan guarantees, appropriate collateral and cash flow levels, the Secretary is required to consult with OMB and with a public accounting firm. In addition, the Secretary may accept on behalf of an applicant a commitment from a non-Federal source to fund in whole or in part the credit risk premiums with respect to the loan.

Section 2003. Administration of loan guarantees

In deciding which loan guarantees to approve, the Secretary, to the maximum extent practicable shall give priority to projects which serve the most unserved and underserved rural markets, taking into account such factors as feasibility, population, terrain, prevailing market conditions, and projected costs to consumers. These applicants for priority projects shall agree to performance schedules which if missed make the borrower potentially subject to stiff penalties. Detailed subrogation, disposition of property, default, breach of agreement, attachment, and audit provisions are designed to protect the interests of the taxpayers.

The Secretary may require an affiliate of the borrower to indemnify the Government for any losses it incurs as a result of a judgment against the borrower, and breach of the borrower's obligations, or any violation of the provisions of the Act.

The sunset clause provides that the Secretary may not approve a loan guarantee under this title after December 31, 2006.

Section 2004. Retransmission of local television broadcast stations

Borrowers shall have the same copyright authority and other rights to transmit the signals of local television broadcast stations as provided in this title and shall carry the signals of local stations without charge.

Section 2005. Local television service in unserved and underserved markets

To encourage the FCC to approve needed licenses (or other authorizations to use spectrum) to provide local TV service in rural areas, the Commission is required to make determinations regarding needed licenses within one year of enactment.

However, the FCC shall ensure that no license or authorization provided under this section will cause "harmful interference" to the primary users of the spectrum or to public safety use. Subparagraph (2), states that the Commission shall not license under subsection (a) any facility that causes harmful interference to existing primary users of spectrum or to public safety use. The Commission typically categorizes a licensed service as primary or secondary. Under Commission rules, a secondary service cannot be authorized to operate in the same band as a primary user of that band unless the proposed secondary user conclusively demonstrates that the proposed secondary use will not cause harmful interference to the primary service. The Commission is to define "harmful interference" pursuant to the definition at 47 C.F.R. section 2.1 and in accordance with Commission rules and policies.

For purposes of section 2005(b)(3) the FCC may consider a compression, reformatting or other technology to be unreasonable if the technology is incompatible with other applicable FCC regulation or policy under the Communications Act of 1934, as amended.

The Commission also may not restrict any entity granted a license or other authorization under this section, except as otherwise specified, from using any reasonable compression, reformatting, or other technology.

Section 2006. Definitions

Section 2006 defines terms used in the title such as "loan guarantees," "discount rate," "loan guarantee," "modification," and "borrower."

TITLE III—TRADEMARK CYBERPIRACY PREVENTION

Section 3001. Short title; references

This section provides that the Act may be cited as the "Anticybersquatting Consumer Protection Act" and that any references within the bill to the Trademark Act of 1946 shall be a reference to the Act entitled "An Act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes," approved July 5, 1946 (15 U.S.C. 1051 et seq.), also commonly referred to as the Lanham Act.

Sec. 3002. Cyberpiracy prevention

Subsection (a). In general

This subsection amends the Trademark Act to provide an explicit trademark remedy for cybersquatting under a new section 43(d). Under paragraph (1)(A) of the new section 43(d), actionable conduct would include the registration, trafficking in, or use of a domain name that is identical or confusingly similar to, or dilutive of, the mark of another, including a personal name that is protected as a mark under section 43 of the Lanham Act, provided that the mark was distinctive (i.e., enjoyed trademark status) at the time the domain name was registered, or in the case of trademark dilution, was famous at the time the domain name was registered. The bill is carefully and narrowly tailored, however, to extend only to cases where the plaintiff can demonstrate that the defendant registered, trafficked in, or used the offending domain name with bad-faith intent to profit from the goodwill of a mark belonging to someone else. Thus, the bill does not extend to innocent domain name registrations by those who are unaware of another's use of the name, or even to someone who is aware of the trademark status of the name but registers a domain name containing the mark for any reason other than with bad faith intent to profit from the goodwill associated with that mark.

The phrase "including a personal name which is protected as a mark under this section" addresses situations in which a person's name is protected under section 43 of the Lanham Act and is used as a domain name. The Lanham Act prohibits the use of false designations of origin and false or misleading representations. Protection under 43 of the Lanham Act has been applied by the courts to personal names which function as marks, such as service marks, when such marks are infringed. Infringement may occur when the endorsement of products or services in interstate commerce is falsely implied through the use of a personal name, or otherwise, without regard to the goods or services of the parties. This protection also applies to domain names on the Internet, where falsely implied endorsements and other types of infringement can cause greater harm to the owner and confusion to a consumer in a shorter amount of time than is the case with traditional media. The protection offered by section 43 to a personal name which functions as a mark, as applied to domain names, is subject to the same fair use and first amendment protections as have been applied traditionally under trademark law, and is not intended to expand or limit any rights to publicity recognized by States under State law.

Paragraph (1)(B)(i) of the new section 43(d) sets forth a number of nonexclusive, nonexhaustive factors to assist a court in determining whether the required bad-faith element exists in any given case. These factors are designed to balance the property interests of trademark owners with the legitimate interests of Internet users and others who seek to make lawful uses of others' marks, including for purposes such as comparative advertising, comment, criticism, parody, news reporting, fair use, etc. The bill suggests a total of nine factors a court may wish to consider. The first four suggest circumstances that may tend to indicate an absence of bad-faith intent to profit from the goodwill of a mark, and the next four suggest circumstances that may tend to indicate that such bad-faith intent exists. The last factor may suggest either bad-faith or an absence thereof depending on the circumstances.

First, under paragraph (1)(B)(i)(I), a court may consider whether the domain name registrant has trademark or any other intellectual property rights in the name. This factor recognizes, as does trademark law in general, that there may be concurring uses of the same name that are noninfringing, such as the use of the "Delta" mark for both air travel and sink faucets. Similarly, the registration of the domain name "deltaforce.com" by a movie studio would not tend to indicate a bad faith intent on the part of the registrant to trade on Delta Airlines or Delta Faucets' trademarks.

Second, under paragraph (1)(B)(i)(II), a court may consider the extent to which the domain name is the same as the registrant's own legal name or a nickname by which that person is commonly identified. This factor recognizes, again as does the concept of fair use in trademark law, that a person should be able to be identified by their own name, whether in their business or on a web site. Similarly, a person may bear a legitimate nickname that is identical or similar to a well-known trademark, such as in the well-publicized case of the parents who registered the domain name "pokey.org" for their young son who goes by that name, and these individuals should not be deterred by this bill from using their name online. This factor is not intended to suggest that domain name registrants may evade the application of this act by merely adopting Exxon, Ford, or other well-known marks as their nicknames. It merely provides a court with the appropriate discretion to determine whether or not the fact that a person bears a nickname similar to a mark at issue is an indication of an absence of bad-faith on the part of the registrant.

Third, under paragraph (1)(B)(i)(III), a court may consider the domain name registrant's prior use, if any, of the domain name in connection with the bona fide offering of goods or services. Again, this factor recognizes that the legitimate use of the domain name in online commerce may be a good indicator of the intent of the person registering that name. Where the person has used the domain name in commerce without creating a likelihood of confusion as to the source or origin of the goods or services and has not otherwise attempted to use the name in order to profit from the goodwill of the trademark owner's name, a court may look to this as an indication of the absence of bad faith on the part of the registrant.

Fourth, under paragraph (1)(B)(i)(IV), a court may consider the person's bona fide noncommercial or fair use of the mark in a web site that is accessible under the domain name at issue. This factor is intended to balance the interests of trademark owners with the interests of those who would make lawful noncommercial or fair uses of others' marks online, such as in comparative advertising, comment, criticism, parody, news reporting, etc. Under the bill, the mere fact that the domain name is used for purposes of comparative advertising, comment, criticism, parody, news reporting, etc., would not alone establish a lack of bad-faith intent. The fact that a person uses a mark in a site in such a lawful manner may be an appropriate indication that the person's registration or use of the domain name lacked the required element of bad-faith. This factor is not intended to create a loophole that otherwise might swallow the bill, however, by allowing a domain name registrant to evade application of the Act by merely putting up a noninfringing site under an infringing domain name. For example, in the well know case of *Panavision Int'l* v. *Toeppen*, 141 F.3d 1316 (9th Cir. 1998), a well known cybersquatter had registered a host of domain names mirroring famous trademarks, including names for Panavision, Delta Airlines, Neiman Marcus, Eddie Bauer, Lufthansa, and more than 100 other marks, and had attempted to sell them to the mark owners for amounts in the range of $10,000 to $15,000 each. His use of the "panavision.com" and "panaflex.com" domain names was seemingly more innocuous, however, as they served as addresses for sites that merely displayed pictures of Pana Illinois and the word "Hello" respectively. This bill would not allow a person to evade the holding of that case—which found that Mr. Toeppen had made a commercial use of the Panavision marks and that such uses were, in fact, diluting under the Federal Trademark Dilution Act—merely by posting noninfringing uses of the trademark on a site accessible under the offending domain name, as Mr. Toeppen did. Similarly, the bill does not affect existing trademark law to the extent it has addressed the interplay between First Amendment protections and the rights of trademark owners. Rather, the bill gives courts the flexibility to weigh appropriate factors in determining whether the name was registered or used in bad faith, and it recognizes that one such factor may be the use the domain name registrant makes of the mark.

Fifth, under paragraph (1)(B)(i)(V), a court may consider whether, in registering or using the domain name, the registrant intended to divert consumers away from the trademark owner's website to a website that could harm the goodwill of the mark, either for purposes of commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site. This factor recognizes that one of the main reasons cybersquatters use other people's trademarks is to divert Internet users to their own sites by creating confusion as to the source, sponsorship, affiliation, or endorsement of the site. This is done for a number of reasons, including to pass off inferior goods under the name of a well-known mark holder, to defraud consumers into providing personally identifiable information, such as credit card numbers, to attract "eyeballs" to sites that price online advertising according to the number of "hits" the site receives, or even just to harm the value of the mark. Under this provision, a court may give appropriate weight to evidence that a domain name registrant intended to confuse or deceive the public in this manner when making a determination of bad-faith intent.

Sixth, under paragraph (1)(B)(i)(VI), a court may consider a domain name registrant's offer to transfer, sell, or otherwise assign the domain name to the mark owner or any third party for financial gain, where the registrant has not used, and did not have any intent to use, the domain name in the bona fide offering of any goods or services. A court may also consider a person's prior conduct indicating a pattern of such conduct. This factor is consistent with the court cases, like the Panavision case mentioned above, where courts have found a defendant's offer to sell the domain name to the legitimate mark owner as being indicative of the defendant's intent to trade on the value of a trademark owner's marks by engaging in the business of registering those marks and selling them to the rightful trademark owners. It does not suggest that a court should consider the mere offer to sell a domain name to a mark owner or the failure to use a name in the bona fide offering of goods or services as sufficient to indicate bad faith. Indeed, there are cases in which a person registers a name in anticipation of a business venture that simply never pans out. And someone who has a legitimate registration of a domain name that mirrors someone else's domain name, such as a trademark owner that is a lawful concurrent user of that name with another trademark owner, may, in fact, wish to sell that name to the other trademark owner. This bill does not imply that these facts are an indication of bad-faith. It merely provides a court with the necessary discretion to recognize the evidence of bad-faith when it is present. In practice, the offer to sell domain names for exorbitant amounts to the rightful mark owner has been one of the most common threads in abusive domain name registrations. Finally, by using the financial gain standard, this paragraph allows a court to examine the motives of the seller.

Seventh, under paragraph (1)(B)(i)(VII), a court may consider the registrant's intentional provision of material and misleading false contact information in an application for the domain name registration, the person's intentional failure to maintain accurate contact information, and the person's prior conduct indicating a pattern of such conduct. Falsification of contact information with the intent to evade identification and service of process by trademark owners is also a common thread in cases of cybersquatting. This factor recognizes that fact, while still recognizing that there may be circumstances in which the provision of false information may be due to other factors, such as mistake or, as some have suggested in the case of political dissidents, for purposes of anonymity. This bill balances those factors by limiting consideration to the person's contact information, and even then requiring that the provision of false information be material and misleading. As with the other factors, this factor is nonexclusive and a court is called upon to make a determination based on the facts presented whether or not the provision of false information does, in fact, indicate bad-faith.

Eight, under paragraph (1)(B)(i)(VIII), a court may consider the domain name registrant's acquisition of multiple domain names which the person knows are identical or confusingly similar to, or dilutive of, others' marks. This factor recognizes the increasingly common cybersquatting practice known as "warehousing", in which a cybersquatter registers multiple domain names—sometimes hundreds, even thousands—that mirror the trademarks of others. By sitting on these marks and not making the first move to offer to sell them to the mark owner, these cybersquatters have been largely successful in evading the case law developed under the Federal Trademark Dilution Act. This bill does not suggest that the mere registration of multiple domain names is an indication of bad faith, but it allows a court to weigh the fact that a person has registered multiple domain names that infringe or dilute the trademarks of others as part of its consideration of whether the requisite bad-faith intent exists.

Lastly, under paragraph (1)(B)(i)(IX), a court may consider the extent to which the mark incorporated in the person's domain name registration is or is not distinctive and famous within the meaning of subsection (c)(1) of section 43 of the Trademark Act of 1946. The more distinctive or famous a mark has become, the more likely the owner of that mark is deserving of the relief available under this act. At the same time, the fact that a mark is not well-known may also suggest a lack of bad-faith.

Paragraph (1)(B)(ii) underscores the bad-faith requirement by making clear that bad-faith shall not be found in any case in which the court determines that the person believed and had reasonable grounds to believe that the use of the domain name was a fair use or otherwise lawful.

Paragraph (1)(C) makes clear that in any civil action brought under the new section 43(d), a court may order the forfeiture, cancellation, or transfer of a domain name to the owner of the mark.

Paragraph (1)(D) clarifies that a prohibited "use" of a domain name under the bill applies only to a use by the domain name registrant or that registrant's authorized licensee.

Paragraph (1)(E) defines what means to "traffic in" a domain name. Under this Act, "traffics in" refers to transactions that include, but are not limited to, sales, purchases, loans, pledges, licenses, exchanges of currency, and any other transfer for consideration or receipt in exchange for consideration.

Paragraph (2)(A) provides for in rem jurisdiction, which allows a mark owner to seek the forfeiture, cancellation, or transfer of an infringing domain name by filing an in rem action against the name itself, where the mark owner has satisfied the court that it has exercised due diligence in trying to locate the owner of the domain name but is unable to do so, or where the mark owner is otherwise unable to obtain in personam jurisdiction over such person. As indicated above, a significant problem faced by trademark owners in the fight against cybersquatting is the fact that many cybersquatters register domain names under aliases or otherwise provide false information in their registration applications in order to avoid identification and service of process by the mark owner. This bill will alleviate this difficulty, while protecting the notions of fair play and substantial justice, by enabling a mark owner to seek an injunction against the infringing property in those cases where, after due diligence, a mark owner is unable to proceed against the domain name registrant because the registrant has provided false contact information and is otherwise not to be found, or where a court is unable to assert personal jurisdiction over such person, provided the mark owner can show that the domain name itself violates substantive federal trademark law (i.e., that the domain name violates the rights of the registrant of a mark registered in the Patent and Trademark Office, or section 43(a) or (c) of the Trademark Act). Under the bill, a mark owner will be deemed to have exercised due diligence in trying to find a defendant if the mark owner sends notice of the alleged violation and intent to proceed to the domain name registrant at the postal and e-mail address provided by the registrant to the registrar and publishes notice of the action as the court may direct promptly after filing the action. Such acts are deemed to constitute service of process by paragraph (2)(B).

The concept of in rem jurisdiction has been with us since well before the Supreme Court's landmark decision in *Pennoyer* v. *Neff*, 95 U.S. 714 (1877). Although more recent decisions have called into question the viability of quasi in rem "attachment" jurisdiction, see *Shaffer* v. *Heitner*, 433 U.S. 186 (1977), the Court has expressly acknowledged the propriety of true in rem proceedings (or even type I quasi in rem proceedings[5]) where "claims to the property itself are the source of the underlying controversy between the plaintiff and the defendant." Id. at 207–08. The Act clarifies the availability of in rem jurisdiction in appropriate cases involving claims by trademark holders against cyberpirates. In so doing, the Act reinforces the view that in rem jurisdiction has continuing constitutional vitality, see *R.M.S. Titanic, Inc.* v. *Haver*, 171 F.3d 943, 957–58 (4th Cir. 1999) ("In rem actions only require that a party seeking an interest in a res bring the res into the custody of the court and provide reasonable, public notice of its intention to enable others to appear in the action to claim an interest in the res."); *Chapman* v. *Vande Bunte*, 604 F. Supp. 714, 716–17 (E.D. N.C. 1985) ("In a true in rem proceeding, in order to subject property to a judgment in rem, due process requires only that the property itself have certain minimum contacts with the territory of the forum.").

By authorizing in rem jurisdiction, the Act also attempts to respond to the problems faced by trademark holders in attempting to effect personal service of process on cyberpirates. In an effort to avoid being held accountable for their infringement or dilution of famous trademarks, cyberpirates often have registered domain names under fictitious names and addresses or have used offshore addresses or companies to register domain names. Even when they actually do receive notice of a trademark holder's claim, cyberpirates often either refuse to acknowledge demands from a trademark holder altogether, or simply respond to an initial demand and then ignore all further efforts by the trademark holder to secure the cyberpirate's compliance. The in rem provisions of the Act accordingly contemplate that a trademark holder may initiate in rem proceedings in cases where domain name registrants are not subject to personal jurisdiction or cannot reasonably be found by the trademark holder.

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[5] The Supreme Court has described the "two types" of quasi in rem proceedings: a type I proceeding, in which "the plaintiff is seeking to secure a pre-existing claim in the subject property and to extinguish or establish the nonexistence of similar interests of particular persons," and a type II action, in which "the plaintiff seeks to apply what he concedes to be the property of the defendant to the satisfaction of a claim against him." *Hanson* v. *Denckla*, 357 U.S. 235, 246 n.12 (1958).

Paragraph (2)(C) provides that in an in rem proceeding, a domain name shall be deemed to have its situs in the judicial district in which (1) the domain name registrar, registry, or other domain name authority that registered or assigned the domain name is located, or (2) documents sufficient to establish control and authority regarding the disposition of the registration and use of the domain name are deposited with the court.

Paragraph (2)(D) limits the relief available in such an in rem action to an injunction ordering the forfeiture, cancellation, or transfer of the domain name. Upon receipt of a written notification of the complaint, the domain name registrar, registry, or other authority is required to deposit with the court documents sufficient to establish the court's control and authority regarding the disposition of the registration and use of the domain name to the court, and may not transfer, suspend, or otherwise modify the domain name during the pendency of the action, except upon order of the court. Such domain name registrar, registry, or other authority is immune from injunctive or monetary relief in such an action, except in the case of bad faith or reckless disregard, which would include a willful failure to comply with any such court order.

Paragraph (3) makes clear that the new civil action created by this Act and the in rem action established therein, and any remedies available under such actions, shall be in addition to any other civil action or remedy otherwise applicable. This paragraph thus makes clear that the creation of a new section 43(d) in the Trademark Act does not in any way limit the application of current provisions of trademark, unfair competition and false advertising, or dilution law, or other remedies under counterfeiting or other statutes, to cybersquatting cases.

Paragraph (4) makes clear that the in rem jurisdiction established by the bill is in addition to any other jurisdiction that otherwise exists, whether in rem or in personam.

Subsection (b). Cyberpiracy protection for individuals

Subsection (b) prohibits the registration of a domain name that is the name of another living person, or a name that is substantially and confusingly similar thereto, without such person's permission, if the registrant's specific intent is to profit from the domain name by selling it for financial gain to such person or a third party. While the provision is broad enough to apply to the registration of full names (e.g., johndoe.com), appellations (e.g., doe.com), and variations thereon (e.g. john-doe.com or jondoe.com), the provision is still very narrow in that it requires a showing that the registrant of the domain name registered that name with a specific intent to profit from the name by selling it to that person or to a third party for financial gain. This section authorizes the court to grant injunctive relief, including ordering the forfeiture or cancellation of the domain name or the transfer of the domain name to the plaintiff. Although the subsection does not authorize a court to grant monetary damages, the court may award costs and attorneys' fees to the prevailing party in appropriate cases.

This subsection does not prohibit the registration of a domain name in good faith by an owner or licensee of a copyrighted work, such as an audiovisual work, a sound recording, a book, or other work of authorship, where the personal name is used in, affiliated with, or related to that work, where the person's intent in registering the domain is not to sell the domain name other than in conjunction with the lawful exploitation of the work, and where such registration is not prohibited by a contract between the domain name registered and the named person. This limited exemption recognizes the First Amendment issues that may arise in such cases and defers to existing bodies of law that have developed under State and Federal law to address such uses of personal names in conjunction with works of expression. Such an exemption is not intended to provide a loophole for those whose specific intent is to profit from another's name by selling the domain name to that person or a third party other than in conjunction with the bona fide exploitation of a legitimate work of authorship. For example, the registration of a domain name containing a personal name by the author of a screenplay that bears the same name, with the intent to sell the domain name in conjunction with the sale or license of the screenplay to a production studio would not be barred by this subsection, although other provisions of State or Federal law may apply. On the other hand, the exemption for good faith registrations of domain names tied to legitimate works of authorship would not exempt a person who registers a personal name as a domain name with the intent to sell the domain name by itself, or in conjunction with a work of authorship (e.g., a copyrighted web page) where the real object of the sale is the domain name, rather than the copyrighted work.

In sum, this subsection is a narrow provision intended to curtail one form of "cybersquatting"—the act of registering someone else's name as a domain name for the purpose of demanding remuneration from the person in exchange for the domain name. Neither this section nor any other section in this bill is intended to create a right of publicity of any kind with respect to domain names. Nor is it intended to create any new property rights, intellectual or otherwise, in a domain name that is the name of a person. This subsection applies prospectively only, affecting only those domain names registered on or after the date of enactment of this Act.

Sec. 3003. Damages and remedies

This section applies traditional trademark remedies, including injunctive relief, recovery of defendant's profits, actual damages, and costs, to cybersquatting cases under the new section 43(d) of the Trademark Act. The bill also amends section 35 of the Trademark Act to provide for statutory damages in cybersquatting cases, in an amount of not less than $1,000 and not more than $100,000 per domain name, as the court considers just.

Sec. 3004. Limitation on liability

This section amends section 32(2) of the Trademark Act to extend the Trademark Act's existing limitations on liability to the cybersquatting context. This section also creates a new subparagraph (D) in section 32(2) to encourage domain name registrars and registries to work with trademark owners to prevent cybersquatting through a limited exemption from liability for domain name registrars and registries that suspend, cancel, or transfer domain names pursuant to a court order or in the implementation of a reasonable policy prohibiting cybersquatting. Under this exemption, a registrar, registry, or other domain name registration authority that suspends, cancels, or transfers a domain name pursuant to a court order or a reasonable policy prohibiting cybersquatting will not be held liable for monetary damages, and will not be subject to injunctive relief provided that the registrar, registry, or other registration authority has deposited control of the domain name with a court in which an action has been filed regarding the disposition of the domain name, it has not transferred, suspended, or otherwise modified the domain name during the pendency of the action, other than in response to a court order, and it has not willfully failed to comply with any such court order. Thus, the exemption will allow a domain name registrar, registry, or other registration authority to avoid being joined in a civil action regarding the disposition of a domain name that has been taken down pursuant to a dispute resolution policy, provided the court has obtained control over the name from the registrar, registry, or other registration authority, but such registrar, registry, or other registration authority would not be immune from suit for injunctive relief where no such action has been filed or where the registrar, registry, or other registration authority has transferred, suspended, or otherwise modified the domain name during the pendency of the action or wilfully failed to comply with a court order.

This section also protects the rights of domain name registrants against overreaching trademark owners. Under a new subparagraph (D)(iv) in section 32(2), a trademark owner who knowingly and materially misrepresents to the domain name registrar or registry that a domain name is infringing shall be liable to the domain name registrant for damages resulting from the suspension, cancellation, or transfer of the domain name. In addition, the court may grant injunctive relief to the domain name registrant by ordering the reactivation of the domain name or the transfer of the domain name back to the domain name registrant. In creating a new subparagraph (D)(iii) of section 32(2), this section codifies current case law limiting the secondary liability of domain name registrars and registries for the act of registration of a domain name, absent bad-faith on the part of the registrar and registry.

Finally, subparagraph (D)(v) provides additional protections for domain name holders by allowing a domain name registrant whose name has been suspended, disabled, or transferred to file a civil action to establish that the registration or use of the domain name by such registrant is not a violation of the Lanham Act. In such cases, a court may grant injunctive relief to the domain name registrant, including the reactivation of the domain name or transfer of the domain name to the domain name registrant.

Sec. 3005. Definitions

This section amends the Trademark Act's definitions section (section 45) to add definitions for key terms used in this Act. First, the term "Internet" is defined consistent with the meaning given that term in the Communications Act (47 U.S.C. 230(f)(1)).

Second, this section creates a narrow definition of "domain name" to target the specific bad faith conduct sought to be addressed while excluding such things as screen names, file names, and other identifiers not assigned by a domain name registrar or registry.

Sec. 3006. Study on abusive domain name registrations involving personal names

This section directs the Secretary of Commerce, in consultation with the Patent and Trademark Office and the Federal Election Commission, to conduct a study and report to Congress with recommendations on guidelines and procedures for resolving disputes involving the registration or use of domain names that include personal names of others or names that are confusingly similar thereto. This section further directs the Secretary of Commerce to collaborate with the Internet Corporation for Assigned Names and Numbers (ICANN) to develop guidelines and procedures for resolving disputes involving the registration or use of domain names that include personal names of others or names that are confusingly similar thereto.

Sec. 3007. Historic preservation

This section provides a limited immunity from suit under trademark law for historic buildings that are on or eligible for inclusion on the National Register of Historic Places, or that are designated as an individual landmark or as a contributing building in a historic district.

Sec. 3008. Savings clause

This section provides an explicit savings clause making clear that the bill does not affect traditional trademark defenses, such as fair use, or a person's first amendment rights.

Sec. 3009. Effective date

This section provides that damages provided for under this bill shall not apply to the registration, trafficking, or use of a domain name that took place prior to the enactment of this Act.

TITLE VI—INVENTOR PROTECTION

Sec. 4001. Short title

This title may be cited as the "American Inventors Protection Act of 1999."

Sec. 4002. Table of contents

Section 4002 enumerates the table of contents of this title.

SUBTITLE A—INVENTORS' RIGHTS

Subtitle A creates a new section 297 in chapter 29 of title 35 of the United States Code, designed to curb the deceptive practices of certain invention promotion companies. Many of these companies advertise on television and in magazines that inventors may call a toll-free number for assistance in marketing their inventions. They are sent an invention evaluation form, which they are asked to complete to allow the promoter to provide expert analysis of the market potential of their inventions. The inventors return the form with descriptions of the inventions, which become the basis for contacts by salespeople at the promotion companies. The next step is usually a "professional"-appearing product research report which contains nothing more than boilerplate information stating that the invention has outstanding market potential and fills an important need in the field. The promotion companies attempt to convince the inventor to buy their marketing services, normally on a sliding scale in which the promoter will ask for a front-end payment of up to $10,000 and a percentage of resulting profits, or a reduced front-end payment of $6,000 or $8,000 with commensurately larger royalties on profits. Once paid under such a scenario, a promoter will typically and only forward information to a list of companies that never respond.

This subtitle addresses these problems by (1) requiring an invention promoter to disclose certain materially relevant information to a customer in writing prior to entering into a contract for invention promotion services; (2) establishing a federal cause of action for inventors who are injured by material false or fraudulent statements or representations, or any omission of material fact, by an invention promoter, or by the invention promoter's failure to make the required written disclosures; and (3) requiring the Director of the United States Patent and Trademark Office to make publicly available complaints received involving invention promoters, along with the response to such complaints, if any, from the invention promoters.

Sec. 4101. Short title

This subtitle may be cited as the "Inventors' Rights Act of 1999."

Sec. 4102. Integrity in invention promotion services

This section adds a new section 297 to chapter 29 of title 35, United States Code, intended to promote integrity in invention promotion services. Legitimate invention assistance and development organizations can be of great assistance to novice inventors by providing information on how to protect an invention, how to develop it, how to obtain financing to manufacture it, or how to license or sell the invention. While many invention developers are legitimate, the unscrupulous ones take advantage of untutored inventors, asking for large sums of money up front for which they provide no real service in return. This new section provides a much needed safeguard to assist independent inventors in avoiding becoming victims of the predatory practices of unscrupulous invention promoters.

New section 297(a) of title 35 requires an invention promoter to disclose certain materially relevant information to a customer in writing prior to entering into a contract for invention promotion services. Such information includes: (1) The number of inventions evaluated by the invention promoter and stating the number of those evaluated positively and the number negatively; (2) The number of customers who have contracted for services with the invention promoter in the prior five years; (3) The number of customers known by the invention promoter to have received a net financial profit as a direct result of the invention promoter's services; (4) The number of customers known by the invention promoter to have received license agreements for their inventions as a direct result of the invention promoter's services; and (5) the names and addresses of all previous invention promotion companies with which the invention promoter or its officers have collectively or individually been affiliated in the previous 10 years to enable the customer to evaluate the reputations of these companies.

New section 297(b) of title 35 establishes a civil cause of action against any invention promoter who injures a customer through any material false or fraudulent statement, representation, or omission of material fact by the invention promoter, or any person acting on behalf of the invention promoter, or through failure of the invention promoter to make all the disclosures required under subsection (a). In such a civil action, the customer may recover, in addition to reasonable costs and attorneys' fees, the amount of actual damages incurred by the customer or, at the customer's election, statutory damages up to $5,000, as the court considers just. Subsection (b)(2) authorizes the court to increase damages to an amount not to exceed three times the amount awarded as statutory or actual damages in a case where the customer demonstrates, and the court finds, that the invention promoter intentionally misrepresented or omitted a material fact to such customer, or failed to make the required disclosures under subsection (a), for the purpose of deceiving the customer. In determining the amount of increased damages, courts may take into account whether regulatory sanctions or other corrective action has been taken as a result of previous complaints against the invention promoter.

New section 297(c) defines the terms used in the section. These definitions are carefully crafted to cover true invention promoters without casting the net too broadly. Paragraph (3) excepts from the definition of "invention promoter" departments and agencies of the Federal, state, and local governments; any nonprofit, charitable, scientific, or educational organizations qualified under applicable State laws or described under §170(b)(1)(A) of the Internal Revenue Code of 1986; persons or entities involved in evaluating the commercial potential of, or offering to license or sell, a utility patent or a previously filed nonprovisional utility patent application; any party participating in a transaction involving the sale of the stock or assets of a business; or any party who directly engages in the business of retail sales or distribution of products. Paragraph (4) defines the term "invention promotion services" to mean the procurement or attempted procurement for a customer of a firm, corporation, or other entity to develop and market products or services that include the customer's invention.

New section 297(d) requires the Director of the USPTO to make publicly available all complaints submitted to the USPTO regarding invention promoters, together with any responses by invention promoters to those complaints. The Director is required to notify the invention promoter of a complaint and provide a reasonable opportunity to reply prior to making such complaint public. Section 297(d)(2) authorizes the Director to request from Federal and State agencies copies of any complaints relating to invention promotion services they have received and to include those complaints in the records maintained by the USPTO regarding invention promotion services. It is anticipated that the Director will use appropriate discretion in making such complaints available to the public for a reasonably sufficient, yet limited, length of time, such as a period of three years from the date of receipt, and that the Director will consult with the Federal Trade Commission to determine whether the disclosure requirements of the FTC and section 297(a) can be coordinated.

Sec. 4103. Effective date

This section provides that the effective date of section 297 will be 60 days after the date of enactment of this Act.

SUBTITLE B—PATENT AND TRADEMARK FEE FAIRNESS

Subtitle B provides patent and trademark fee reform, by lowering patent fees, by directing the Director of the USPTO to study alternative fee structures to encourage full participation in our patent system by all inventors, large and small, and by strengthening the prohibition against the use of trademark fees for non-trademark uses.

Sec. 4201. Short title

This subtitle may be cited as the "Patent and Trademark Fee Fairness Act of 1999."

Sec. 4202. Adjustment of patent fees

This section reduces patent filing and reissue fees by $50, and reduces patent maintenance fees by $110. This would mark only the second time in history that patent fees have been reduced. Because trademark fees have not been increased since 1993 and because of the application of accounting based cost principles and systems, patent fee income has been partially offsetting the cost of trademark operations. This section will restore fairness to patent and trademark fees by reducing patent fees to better reflect the cost of services.

Sec. 4203. Adjustment of trademark fees

This section will allow the Director of the USPTO to adjust trademark fees in fiscal year 2000 without regard to fluctuations in the Consumer Price Index in order to better align those fees with the costs of services.

Sec. 4204. Study on alternative fee structures

This section directs the Director of the USPTO to conduct a study and report to the Judiciary Committees of the House and Senate within one year on alternative fee structures that could be adopted by the USPTO to encourage maximum participation in the patent system by the American inventor community.

Sec. 4205. Patent and Trademark Office funding

Pursuant to section 42(c) of the Patent Act, fees available to the Commissioner under section 31 of the Trademark Act of 1946[6] may be used only for the processing of trademark registrations and for other trademark-related activities, and to cover a proportionate share of the administrative costs of the USPTO. In an effort to more tightly "fence" trademark funds for trademark purposes, section 4205 amends this language such that all (trademark) fees available to the Commissioner shall be used for trademark registration and other trademark-related purposes. In other words, the Commissioner may exercise no discretion when spending funds; they must be earmarked for trademark purposes.

SUBTITLE C—FIRST INVENTOR DEFENSE

Subtitle C strikes an equitable balance between the interests of U.S. inventors who have invented and commercialized business methods and processes, many of which until recently were thought not to be patentable, and U.S. or foreign inventors who later patent the methods and processes. The subtitle creates a defense for inventors who have reduced an invention to practice in the U.S. at least one year before the patent filing date of another, typically later, inventor and commercially used the invention in the U.S. before the filing date. A party entitled to the defense must not have derived the invention from the patent owner. The bill protects the patent owner by providing that the establishment of the defense by such an inventor or entrepreneur does not invalidate the patent.

The subtitle clarifies the interface between two key branches of intellectual property law—patents and trade secrets. Patent law serves the public interest by encouraging innovation and investment in new technology, and may be thought of as providing a right to exclude other parties from an invention in return for the inventor making a public disclosure of the invention. Trade secret law, however, also serves the public interest by protecting investments in new technology. Trade secrets have taken on a new importance with an increase in the ability to patent all business methods and processes. It would be administratively and economically impossible to expect any inventor to apply for a patent on all methods and processes now deemed patentable. In order to protect inventors and to encourage proper disclosure, this subtitle focuses on methods for doing and conducting business, including methods used in connection with internal commercial operations as well as those used in connection with the sale or transfer of useful end results—whether in the form of physical products, or in the form of services, or in the form of some other useful results; for example, results produced through the manipulation of data or other inputs to produce a useful result.

The earlier-inventor defense is important to many small and large businesses, including financial services, software companies, and manufacturing firms—any business that relies on innovative business processes and methods. The 1998 opinion by the U.S. Court of Appeals for the Federal Circuit in *State Street Bank and Trust Co.* v. *Signature Financial Group*,[7] which held that methods of doing business are patentable, has added to the urgency of the issue. As the Court noted, the reference to the business method exception had been improperly applied to a wide variety of processes, blurring the essential question of whether the invention produced a "useful, concrete, and tangible result." In the wake of State Street, thousands of methods and processes used internally are now being patented. In the past, many businesses that developed and used such methods and processes thought secrecy was the only protection available. Under established law, any of these inventions which have been in commercial use—public or secret—for more than one year cannot now be the subject of a valid U.S. patent.

Sec. 4301. Short title

This subtitle may be cited as the "First Inventor Defense Act of 1999."

Sec.4302. Defense to patent infringement based on earlier inventor

In establishing the defense, subsection (a) of section 4302 creates a new section 273 of the Patent Act, which in subsection (a) sets forth the following definitions:

(1) "Commercially used and commercial use" mean use of any method in the United States so long as the use is in connection with an internal commercial use or an actual sale or transfer of a useful end result;

(2) "Commercial use as applied to a nonprofit research laboratory and nonprofit entities such as a university, research center, or hospital intended to benefit the public" means that such entities may assert the defense only based on continued use by and in the entities themselves, but that the defense is inapplicable to subsequent commercialization or use outside the entities;

(3) "Method" means any method for doing or conducting an entity's business; and

(4) "Effective filing date" means the earlier of the actual filing date of the application for the patent or the filing date of any earlier U.S., foreign, or international application to which the subject matter at issue is entitled under the Patent Act.

To be "commercially used" or in "commercial use" for purposes of subsection (a), the use must be in connection with either an internal commercial use or an actual arm's-length sale or other arm's-length commercial transfer of a useful end result. The method that is the subject matter of the defense may be an internal method for doing business, such as an internal human resources management process, or a method for conducting business such as a preliminary or intermediate manufacturing procedure, which contributes to the effectiveness of the business by producing a useful end result for the internal operation of the business or for external sale. Commercial use does not require the subject matter at issue to be accessible to or otherwise known to the public.

Subject matter that must undergo a premarketing regulatory review period during which safety or efficacy is established before commercial marketing or use is considered to be commercially used and in commercial use during the regulatory review period.

The issue of whether an invention is a method is to be determined based on its underlying nature and not on the technicality of the form of the claims in the patent. For example, a method for doing or conducting business that has been claimed in a patent as a programmed machine, as in the State Street case, is a method for purposes of section 273 if the invention could have as easily been claimed as a method. Form should not rule substance.

Subsection (b)(1) of section 273 establishes a general defense against infringement under section 271 of the Patent Act. Specifically, a person will not be held liable with respect to any subject matter that would otherwise infringe one or more claims to a method in another party's patent if the person:

(1) Acting in good faith, actually reduced the subject matter to practice at least one year before the effective filing date of the patent; and

(2) Commercially used the subject matter before the effective filing date of the patent.

The first inventor defense is not limited to methods in any particular industry such as the financial services industry, but applies to any industry which relies on trade secrecy for protecting methods for doing or conducting the operations of their business.

Subsection (b)(2) states that the sale or other lawful disposition of a useful end result produced by a patented method, by a person entitled to assert a section 273 defense, exhausts the patent owner's rights with respect to that end result to the same extent such rights would have been exhausted had the sale or other disposition been made by the patent owner. For example, if a purchaser would have had the right to resell a product or other end result if bought from the patent owner, the purchaser will have the same right if the product is purchased from a person entitled to a section 273 defense.

Subsection (b)(3) creates limitations and qualifications on the use of the defense. First, a person may not assert the defense unless the invention for which the defense is asserted is for a commercial use of a method as defined in section 273(a)(1) and (3). Second, a person may not assert the defense if the subject matter was derived from the patent owner or persons in privity with the patent owner. Third, subsection (b)(3) makes clear that the application of the defense does not create a general license under all claims of the patent in question—it extends only to the specific subject matter claimed in the patent with respect to which the person can assert the defense. At the same time, however, the defense does extend to variations in the quantity or volume of use of the claimed subject matter, and to improvements that do not infringe additional, specifically-claimed subject matter.

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[6] 615 U.S.C. §1051, *et seq.*

[7] 149 F.3d 1368 (Fed. Cir. 1998) [hereinafter *State Street*].

Subsection (b)(4) requires that the person asserting the defense has the burden of proof in establishing it by clear and convincing evidence. Subsection (b)(5) establishes that the person who abandons the commercial use of subject matter may not rely on activities performed before the date of such abandonment in establishing the defense with respect to actions taken after the date of abandonment. Such a person can rely only on the date when commercial use of the subject matter was resumed.

Subsection (b)(6) notes that the defense may only be asserted by the person who performed the acts necessary to establish the defense, and, except for transfer to the patent owner, the right to assert the defense cannot be licensed, assigned, or transferred to a third party except as an ancillary and subordinate part of a good-faith assignment or transfer for other reasons of the entire enterprise or line of business to which the defense relates.

When the defense has been transferred along with the enterprise or line of business to which it relates as permitted by subsection (b)(6), subsection (b)(7) limits the sites for which the defense may be asserted. Specifically, when the enterprise or line of business to which the defense relates has been transferred, the defense may be asserted only for uses at those sites where the subject matter was used before the later of the patent filing date or the date of transfer of the enterprise or line of business.

Subsection (b)(8) states that a person who fails to demonstrate a reasonable basis for asserting the defense may be held liable for attorneys' fees under section 285 of the Patent Act.

Subsection (b)(9) specifies that the successful assertion of the defense does not mean that the affected patent is invalid. Paragraph (9) eliminates a point of uncertainty under current law, and strikes a balance between the rights of an inventor who obtains a patent after another inventor has taken the steps to qualify for a prior use defense. The bill provides that the commercial use of a method in operating a business before the patentee's filing date, by an individual or entity that can establish a section 273 defense, does not invalidate the patent. For example, under current law, although the matter has seldom been litigated, a party who commercially used an invention in secrecy before the patent filing date and who also invented the subject matter before the patent owner's invention may argue that the patent is invalid under section 102 (g) of the Patent Act. Arguably, commercial use of an invention in secrecy is not suppression or concealment of the invention within the meaning of section 102(g), and therefore the party's earlier invention could invalidate the patent.[8]

Sec. 4303. Effective date and applicability

The effective date for subtitle C is the date of enactment, except that the title does not apply to any infringement action pending on the date of enactment or to any subject matter for which an adjudication of infringement, including a consent judgment, has been made before the date of enactment.

SUBTITLE D—PATENT TERM GUARANTEE

Subtitle D amends the provisions in the Patent Act that compensate patent applicants for certain reductions in patent term that are not the fault of the applicant. The provisions that were initially included in the term adjustment provisions of patent bills in the 105th Congress only provided adjustments for up to 10 years for secrecy orders, interferences, and successful appeals. Not only are these adjustments too short in some cases, but no adjustments were provided for administrative delays caused by the USPTO that were beyond the control of the applicant. Accordingly, subtitle D removes the 10-year caps from the existing provisions, adds a new provision to compensate applicants fully for USPTO-caused administrative delays, and, for good measure, includes a new provision guaranteeing diligent applicants at least a 17-year term by extending the term of any patent not granted within three years of filing. Thus, no patent applicant diligently seeking to obtain a patent will receive a term of less than the 17 years as provided under the pre-GATT[9] standard; in fact, most will receive considerably more. Only those who purposely manipulate the system to delay the issuance of their patents will be penalized under subtitle D, a result that the Conferees believe entirely appropriate.

Sec. 4401. Short title

This subtitle may be cited as the "Patent Term Guarantee Act of 1999."

Sec. 4402. Patent term guarantee authority

Section 4402 amends section 154(b) of the Patent Act covering term. First, new subsection (b)(1)(A)(i)–(iv) guarantees day-for-day restoration of term lost as a result of delay created by the USPTO when the agency fails to:

(1) Make a notification of the rejection of any claim for a patent or any objection or argument under §132, or give or mail a written notice of allowance under §151, within 14 months after the date on which a non-provisional application was actually filed in the USPTO;

(2) Respond to a reply under §132, or to an appeal taken under §134, within four months after the date on which the reply was filed or the appeal was taken;

(3) Act on an application within four months after the date of a decision by the Board of Patent Appeals and Interferences under §134 or §135 or a decision by a Federal court under §§141, 145, or 146 in a case in which allowable claims remain in the application; or

(4) Issue a patent within four months after the date on which the issue fee was paid under §151 and all outstanding requirements were satisfied.

Further, subject to certain limitations, *infra*, section 154(b)(1)(B) guarantees a total application pendency of no more than three years. Specifically, day-for-day restoration of term is granted if the USPTO has not issued a patent within three years after "the actual date of the application in the United States." This language was intentionally selected to exclude the filing date of an application under the Patent Cooperation Treaty (PCT).[10] Otherwise, an applicant could obtain up to a 30-month extension of a U.S. patent merely by filing under PCT, rather than directly in the USPTO, gaining an unfair advantage in contrast to strictly domestic applicants. Any periods of time—

(1) consumed in the continued examination of the application under §132(b) of the Patent Act as added by section 4403 of this Act;

(2) lost due to an interference under section135(a), a secrecy order under section 181, or appellate review by the Board of Patent Appeals and Interferences or by a Federal court (irrespective of the outcome); and

(3) incurred at the request of an applicant in excess of the three months to respond to a notice from the Office permitted by section 154(b)(2)(C)(ii) unless excused by a showing by the applicant under section 154(b)(3)(C) that in spite of all due care the applicant could not respond within three months

shall not be considered a delay by the USPTO and shall not be counted for purposes of determining whether the patent issued within three years from the actual filing date.

Day-for-day restoration is also granted under new section 154(b)(1)(C) for delays resulting from interferences,[11] secrecy orders,[12] and appeals by the Board of Patent Appeals and Interferences or a Federal court in which a patent was issued as a result of a decision reversing an adverse determination of patentability.

Section 4402 imposes limitations on restoration of term. In general, pursuant to new §154(b)(2)(A)–(C) of the bill, total adjustments granted for restorations under (b)(1) are reduced as follows:

(1) To the extent that there are multiple grounds for extending the term of a patent that may exist simultaneously (e.g., delay due to a secrecy order under section 181 and administrative delay under section 154(b)(1)(A)), the term should not be extended for each ground of delay but only for the actual number of days that the issuance of a patent was delayed;

(2) The term of any patent which has been disclaimed beyond a date certain may not receive an adjustment beyond the expiration date specified in the disclaimer; and

(3) Adjustments shall be reduced by a period equal to the time in which the applicant failed to engage in reasonable efforts to conclude prosecution of the application, based on regulations developed by the Director, and an applicant shall be deemed to have failed to engage in such reasonable efforts for any periods of time in excess of three months that are taken to respond to a notice from the Office making any rejection or other request;

New section 154(b)(3) sets forth the procedures for the adjustment of patent terms. Paragraph (3)(A) empowers the Director to establish regulations by which term extensions are determined and contested. Paragraph (3)(B) requires the Director to send a notice of any determination with the notice of allowance and to give the applicant one opportunity to request reconsideration of the determination. Paragraph (3)(C) requires the Director to reinstate any time the applicant takes to respond to a notice from the Office in excess of three months that was deducted from any patent term extension that would otherwise have been granted if the applicant can show that he or she was, in spite of all due care, unable to respond within three months. In no case shall more than an additional three months be reinstated for each response. Paragraph (3)(D) requires the Director to grant the patent after completion of determining any patent term extension irrespective of whether the applicant appeals.

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[8] *See Dunlop Holdings* v. *Ram Golf Corp.*, 524 F.2d 33 (7th Cir. 1975), cert. denied, 424 US 985 (1976).

[9] General Agreement on Tariffs and Trade, Pub. L. No. 103-465. The framework for international trade since its inception in 1948, GATT is now administered under the auspices of the World Trade Organization (WTO) (see note 19, infra).

[10] *See* Herbert F. Schwartz, Patent Law & Practice (2d ed., Federal Judicial Center, 1995), note 72 at 22. The PCT is a multilateral treaty among more than 50 nations that is designed to simplify the patenting process when an applicant seeks a patent on the same invention in more than one nation. *See also* 35 U.S.C.A. chs. 35–37 and PCT Applicant's Guide (1992, rev. 1994).

[11] 35 U.S.C. §135(a).

[12] 35 U.S.C. §181.

New section 154(b)(4) regulates appeals of term adjustment determinations made by the Director. Paragraph (4)(A) requires a dissatisfied applicant to seek remedy in the District Court for the District of Columbia under the Administrative Procedures Act[13] within 180 days after the grant of the patent. The Director shall alter the term of the patent to reflect any final judgment. Paragraph (4)(B) precludes a third party from challenging the determination of a patent term prior to patent grant.

Section 4402(b) makes certain conforming amendments to section 282 of the Patent Act and the appellate jurisdiction of the U.S. Court of Appeals for the Federal Circuit.[14]

Sec. 4403. Continued examination of patent applications

Section 4403 amends section 132 of the Patent Act to permit an applicant to request that an examiner continue the examination of an application following a notice of "final" rejection by the examiner. New section 132(b) authorizes the Director to prescribe regulations for the continued examination of an application notwithstanding a final rejection, at the request of the applicant. The Director may also establish appropriate fees for continued examination proceedings, and shall provide a 50% fee reduction for small entities which qualify for such treatment under section 41(h)(1) of the Patent Act.

Section 4404. Technical clarification

Section 4404 of the bill coordinates technical term adjustment provisions set forth in section 154(b) with those in section 156(a) of the Patent Act.

Section 4405. Effective date

The effective date for the amendments in section 4402 and 4404 is six months after the date of enactment and, with the exception of design applications (the terms of which are not measured from filing), applies to any application filed on or after such date. The amendments made by section 4403 take effect six months after date of enactment to allow the USPTO to prepare implementing regulations that apply to all national and international (PCT) applications filed on or after June 8, 1995.

SUBTITLE E—DOMESTIC PUBLICATION OF PATENT APPLICATIONS PUBLISHED ABROAD

Subtitle E provides for the publication of pending patent applications which have a corresponding foreign counterpart. Any pending U.S. application filed only in the United States (e.g., one that does not have a foreign counterpart) will not be published if the applicant so requests. Thus, an applicant wishing to maintain her application in confidence may do so merely by filing only in the United States and requesting that the USPTO not publish the application. For those applicants who do file abroad or who voluntarily publish their applications, provisional rights will be available for assertion against any third party who uses the claimed invention between publication and grant provided that substantially similar claims are contained in both the published application and granted patent. This change will ensure that American inventors will be able to see the technology that our foreign competition is seeking to patent much earlier than is possible today.

Sec. 4501. Short title

This subtitle may be cited as the "Domestic Publication of Foreign Filed Patent Applications Act of 1999."

Sec. 4502. Publication

As provided in subsection (a) of section 4502, amended section 122(a) of the Patent Act continues the general rule that patent applications will be maintained in confidence. Paragraph (1)(A) of new subsection (b) of section 122 creates a new exception to this general rule by requiring publication of certain applications promptly after the expiration of an 18–month period following the earliest claimed U.S. or foreign filing date. The Director is authorized by subparagraph (B) to determine what information concerning published applications shall be made available to the public, and, under subparagraph (C) any decision made in this regard is final and not subject to review.

Subsection (b)(2) enumerates exceptions to the general rule requiring publication. Subparagraph (A) precludes publication of any application that is: (1) no longer pending at the 18th month from filing; (2) the subject of a secrecy order until the secrecy order is rescinded; (3) a provisional application;[15] or (4) a design patent application.[16]

Pursuant to subparagraph (B)(i), any applicant who is not filing overseas and does not wish her application to be published can simply make a request and state that her invention has not and will not be the subject of an application filed in a foreign country that requires publication after 18 months. Subparagraph (B)(ii) clarifies that an applicant may rescind this request at any time. Moreover, if an applicant has requested that her application not be published in a foreign country with a publication requirement, subparagraph (B)(iii) imposes a duty on the applicant to notify the Director of this fact. An unexcused failure to notify the Director will result in the abandonment of the application. If an applicant either rescinds a request that her application not be published or notifies the Director that an application has been filed in an early publication country or through the PCT, the U.S. application will be published at 18 months pursuant to subsection (b)(1).

Finally, under subparagraph (B)(v), where an applicant has filed an application in a foreign country, either directly or through the PCT, so that the application will be published 18 months from its earliest effective filing date, the applicant may limit the scope of the publication by the USPTO to the total of the cumulative scope of the applications filed in all foreign countries. Where the foreign application is identical to the application filed in the United States or where an application filed under the PCT is identical to the application filed in the United States, the applicant may not limit the extent to which the application filed in the United States is published. However, where an applicant has limited the description of an application filed in a foreign country, either directly or through the PCT in comparison with the application filed in the USPTO, the applicant may restrict the publication by the USPTO to no more than the cumulative details of what will be published in all of the foreign applications and through the PCT. The applicant may restrict the extent of publication of her U.S. application by submitting a redacted copy of the application to the USPTO eliminating only those details that will not be published in any of the foreign applications. Any description contained in at least one of the foreign national or PCT filings may not be excluded from publication in the corresponding U.S. patent application. To ensure that any redacted copy of the U.S. application is published in place of the original U.S. application, the redacted copy must be received within 16 months from the earliest effective filing date. Finally, if the published U.S. application as redacted by the applicant does not enable a person skilled in the art to make and use the claimed invention, provisional rights under section 154(d) shall not be available.

Subsection (c) requires the Director to establish procedures to ensure that no protest or other form of pre-issuance opposition to the grant of a patent on an application may be initiated after publication without the express written consent of the applicant.

Subsection (d) protects our national security by providing that no application may be published under subsection (b)(1) where the publication or disclosure of such invention would be detrimental to the national security. In addition, the Director of the USPTO is required to establish appropriate procedures to ensure that such applications are promptly identified and the secrecy of such inventions is maintained in accordance with chapter 17 of the Patent Act, which governs secrecy of inventions in the interest of national security.

Subsection (b) of section 4502 of subtitle E requires the Government Accounting Office (GAO) to conduct a study of applicants who file only in the United States during a three-year period beginning on the effective date of subtitle E. The study will focus on the percentage of U.S. applicants who file only in the United States versus those who file outside the United States; how many domestic-only filers request not to be published; how many who request not to be published later rescind that request; and whether there is any correlation between the type of applicant (e.g., small vs. large entity) and publication. The Comptroller General must submit the findings of the study, once completed, to the Committees on the Judiciary of the House and Senate.

Sec. 4503. Time for claiming benefit of earlier filing date

Section 119 of the Patent Act prescribes procedures to implement the right to claim priority under Article 4 of the Paris Convention for the Protection of Industrial Property.[17] Under that Article, an applicant seeking protection in the United States may claim the filing date of an application for the same invention filed in another Convention country—provided the subsequent application is filed in the United States within 12 months of the earlier filing in the foreign country.

Section 4503 of subtitle V amends section 119(b) of the Patent Act to authorize the Director to establish a cut-off date by which the applicant must claim priority. This is to ensure that the claim will be made early enough—generally not later than the 16th month from the earliest effective filing date—so as to permit an orderly publication schedule for pending applications. As the USPTO moves to electronic filing, it is envisioned that this date could be moved closer to the 18th month.

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[13] 5 U.S.C. §§551–559, 701–706, 1305, 3105, 3344, 5372, 7521.

[14] 28 U.S.C. §1295.

[15] 35 U.S.C. §111(b). Pursuant to 35 U.S.C. §111(b)(5), all provisional applications are abandoned 12 months after the date of their filing; accordingly, they are not subject to the 18-month publication requirement.

[16] 35 U.S.C. §171. Since design applications do not disclose technology, inventors do not have a particular interest in having them published. The bill as written therefore simplifies the proposed system of publication to confine the requirement to those applications for which there is a need for publication.

[17] Mar. 20, 1883, as revised at Brussels, Dec. 14, 1900, 25 Stat. 1645, T.S. No. 579, and subsequently through 1967. The Convention has 156 member nations, including the United States.

The amendment to §119(b) also gives the Director the discretion to consider the failure of the applicant to file a timely claim for priority to be a waiver of any such priority claim. The Director is also authorized to establish procedures (including the payment of a surcharge) to accept an unintentionally delayed priority claim.

Section 4503(b) of subtitle E amends section 120 of the Patent Act in a similar way. This provision empowers the Director to: (1) establish a time by which the priority of an earlier filed United States application must be claimed; (2) consider the failure to meet that time limit to be a waiver of the right to claim such priority; and (3) accept an unintentionally late claim of priority subject to the payment of a surcharge.

Sec. 4504. Provisional rights

Section 4504 amends section 154 of the Patent Act by adding a new subsection (d) to accord provisional rights to obtain a reasonable royalty for applicants whose applications are published under amended section 122(b) of the Patent Act, supra, or applications designating the United States filed under the PCT. Generally, this provision establishes the right of an applicant to obtain a reasonable royalty from any person who, during the period beginning on the date that his or her application is published and ending on the date a patent is issued—

(1) makes, uses, offers for sale, or sells the invention in the United States, or imports such an invention into the United States; or

(2) if the invention claimed is a process, makes, uses, offers for sale, sells, or imports a product made by that process in the United States; and

(3) had actual notice of the published application and, in the case of an application filed under the PCT designating the United States that is published in a language other than English, a translation of the application into English.

The requirement of actual notice is critical. The mere fact that the published application is included in a commercial database where it might be found is insufficient. The published applicant must give actual notice of the published application to the accused infringer and explain what acts are regarded as giving rise to provisional rights.

Another important limitation on the availability of provisional royalties is that the claims in the published application that are alleged to give rise to provisional rights must also appear in the patent in substantially identical form. To allow anything less than substantial identity would impose an unacceptable burden on the public. If provisional rights were available in the situation where the only valid claim infringed first appeared in substantially that form in the granted patent, the public would have no guidance as to the specific behavior to avoid between publication and grant. Every person or company that might be operating within the scope of the disclosure of the published application would have to conduct her own private examination to determine whether a published application contained patentable subject matter that she should avoid. The burden should be on the applicant to initially draft a schedule of claims that gives adequate notice to the public of what she is seeking to patent.

Amended section 154(d)(3) imposes a six-year statute of limitations from grant in which an action for reasonable royalties must be brought.

Amended section 154(d)(4) sets forth some additional rules qualifying when an international application under the PCT will give rise to provisional rights. The date that will give rise to provisional rights for international applications will be the date on which the USPTO receives a copy of the application published under the PCT in the English language; if the application is published under the PCT in a language other than English, then the date on which provisional rights will arise will be the date on which the USPTO receives a translation of the international application in the English language. The Director is empowered to require an applicant to provide a copy of the international application and a translation of it.

Sec. 4505. Prior art effect of published applications

Section 4505 amends section 102(e) of the Patent Act to treat an application published by the USPTO in the same fashion as a patent published by the USPTO. Accordingly, a published application is given prior art effect as of its earliest effective U.S. filing date against any subsequently filed U.S. applications. As with patents, any foreign filing date to which the published application is entitled will not be the effective filing date of the U.S. published application for prior art purposes. An exception to this general rule is made for international applications designating the United States that are published under Article 21(2)(a) of the PCT in the English language. Such applications are given a prior art effect as of their international filing date. The prior art effect accorded to patents under section 4505 remains unchanged from present section 102(e) of the Patent Act.

Sec. 4506. Cost recovery for publications

Section 4506 authorizes the Director to recover the costs of early publication required by the amendment made by section 4502 of this Act by charging a separate publication fee after a notice of allowance is given pursuant to section 151 of the Patent Act.

Sec. 4507. Conforming amendments

Section 4507 consists of various technical and conforming amendments to the Patent Act. These include amending section 181 of the Patent Act to clarify that publication of pending applications does not apply to applications under secrecy orders, and amending section 284 of the Patent Act to ensure that increased damages authorized under section 284 shall not apply to the reasonable royalties possible under amended section 154(d). In addition, section 374 of the Patent Act is amended to provide that the effect of the publication of an international application designating the United States shall be the same as the publication of an application published under amended section 122(b), except as its effect as prior art is modified by amended section 102(e) and its giving rise to provisional rights is qualified by new section 154(d).

Sec. 4508. Effective date

Subtitle E shall take effect on the date that is one year after the date of enactment and shall apply to all applications filed under section 111 of the Patent Act on or after that date; and to all applications complying with section 371 of the Patent Act that resulted from international applications filed on or after that date. The provisional rights provided in amended section 154(d) and the prior art effect provided in amended section 102(e) shall apply to all applications pending on the date that is one year after the date of enactment that are voluntarily published by their applicants. Finally, section 404 (provisional rights) shall apply to international applications designating the United States that are filed on or after the date that is one year after the date of enactment.

SUBTITLE F—OPTIONAL INTER PARTES REEXAMINATION PROCEDURE

Subtitle F is intended to reduce expensive patent litigation in U.S. district courts by giving third-party requesters, in addition to the existing ex parte reexamination in Chapter 30 of title 35, the option of inter partes reexamination proceedings in the USPTO. Congress enacted legislation to authorize ex parte reexamination of patents in the USPTO in 1980, but such reexamination has been used infrequently since a third party who requests reexamination cannot participate at all after initiating the proceedings. Numerous witnesses have suggested that the volume of lawsuits in district courts will be reduced if third parties can be encouraged to use reexamination by giving them an opportunity to argue their case for patent invalidity in the USPTO. Subtitle F provides that opportunity as an option to the existing ex parte reexamination proceedings.

Subtitle F leaves existing ex parte reexamination procedures in Chapter 30 of title 35 intact, but establishes an inter partes reexamination procedure which third-party requesters can use at their option. Subtitle VI allows third parties who request inter partes reexamination to submit one written comment each time the patent owner files a response to the USPTO. In addition, such third-party requesters can appeal to the USPTO Board of Patent Appeals and Interferences from an examiner's determination that the reexamined patent is valid, but may not appeal to the Court of Appeals for the Federal Circuit. To prevent harassment, anyone who requests inter partes reexamination must identify the real party in interest and third-party requesters who participate in an inter partes reexamination proceeding are estopped from raising in a subsequent court action or inter partes reexamination any issue of patent validity that they raised or could have raised during such inter partes reexamination.

Subtitle F contains the important threshold safeguard (also applied in ex parte reexamination) that an inter partes reexamination cannot be commenced unless the USPTO makes a determination that a "substantial new question" of patentability is raised. Also, as under Chapter 30, this determination cannot be appealed, and grounds for inter partes reexamination are limited to earlier patents and printed publications—grounds that USPTO examiners are well-suited to consider.

Sec. 4601. Short title

This subtitle may be cited as the "Optional *Inter Partes* Reexamination Procedure Act."

Sec. 4602. Clarification of Chapter 30

This section distinguishes Chapter 31 from existing Chapter 30 by changing the title of Chapter 30 to "*Ex Parte* Reexamination of Patents."

Sec. 4603. Definitions

This section amends section 100 of the Patent Act by defining "third-party requester" as a person who is not the patent owner requesting ex parte reexamination under section 302 or inter partes reexamination under section 311.

Sec. 4604. Optional inter partes reexamination procedure

Section 4604 amends Part III of title 35 by inserting a new Chapter 31 setting forth optional inter partes reexamination procedures.

New section 311, as amended by this section, differs from section 302 of existing law in Chapter 30 of the Patent Act by requiring any person filing a written request for inter partes reexamination to identify the real party in interest.

Similar to section 303 of existing law, new section 312 of the Patent Act confers upon the Director the authority and responsibility to determine, within three months after the filing of a request for inter partes reexamination, whether a substantial new question affecting patentability of any claim of the patent is raised by the request. Also, the decision in this regard is final and not subject to judicial review.

Proposed sections 313–14 under this subtitle are similarly modeled after sections 304–305 of Chapter 30. Under proposed section 313, if the Director determines that a substantial new question of patentability affecting a claim is raised, the determination shall include an order for inter partes reexamination for resolution of the question. The order may be accompanied by the initial USPTO action on the merits of the inter partes reexamination conducted in accordance with section 314. Generally, under proposed section 314, inter partes reexamination shall be conducted according to the procedures set forth in sections 132–133 of the Patent Act. The patent owner will be permitted to propose any amendment to the patent and a new claim or claims, with the same exception contained in section 305: no proposed amended or new claim enlarging the scope of the claims will be allowed.

Proposed section 314 elaborates on procedure with regard to third-party requesters who, for the first time, are given the option to participate in inter partes reexamination proceedings. With the exception of the inter partes reexamination request, any document filed by either the patent owner or the third-party requester shall be served on the other party. In addition, the third party-requester in an inter partes reexamination shall receive a copy of any communication sent by the USPTO to the patent owner. After each response by the patent owner to an action on the merits by the USPTO, the third-party requester shall have one opportunity to file written comments addressing issues raised by the USPTO or raised in the patent owner's response. Unless ordered by the Director for good cause, the agency must act in an inter partes reexamination matter with special dispatch.

Proposed section 315 prescribes the procedures for appeal of an adverse USPTO decision by the patent owner and the third-party requester in an inter partes reexamination. Both the patent owner and the third-party requester are entitled to appeal to the Board of Patent Appeals and Interferences (section 134 of the Patent Act), but only the patentee can appeal to the U.S. Court of Appeals for the Federal Circuit (§§141–144); either may also be a party to any appeal by the other to the Board of Patent Appeals and Interferences. The patentee is not entitled to the alternative of an appeal of an inter partes reexamination to the U.S. District Court for the District of Columbia. Such appeals are rarely taken from ex parte reexamination proceedings under existing law and its removal should speed up the process.

To deter unnecessary litigation, proposed section 315 imposes constraints on the third-party requester. In general, a third-party requester who is granted an inter partes reexamination by the USPTO may not assert at a later time in any civil action in U.S. district court[18] the invalidity of any claim finally determined to be patentable on any ground that the third-party requester raised or could have raised during the inter partes reexamination. However, the third-party requester may assert invalidity based on newly discovered prior art unavailable at the time of the reexamination. Prior art was unavailable at the time of the inter partes reexamination if it was not known to the individuals who were involved in the reexamination proceeding on behalf of the third-party requester and the USPTO.

Section 316 provides for the Director to issue and publish certificates canceling unpatentable claims, confirming patentable claims, and incorporating any amended or new claim determined to be patentable in an inter partes procedure.

Subtitle F creates a new section 317 which sets forth certain conditions by which inter partes reexamination is prohibited to guard against harassment of a patent holder. In general, once an order for inter partes reexamination has been issued, neither a third-party requester nor the patent owner may file a subsequent request for inter partes reexamination until an inter partes reexamination certificate is issued and published, unless authorized by the Director. Further, if a third-party requester asserts patent invalidity in a civil action and a final decision is entered that the party failed to prove the assertion of invalidity, or if a final decision in an inter partes reexamination instituted by the requester is favorable to patentability, after any appeals, that third-party requester cannot thereafter request inter partes reexamination on the basis of issues which were or which could have been raised. However, the third-party requester may assert invalidity based on newly discovered prior art unavailable at the time of the civil action or inter partes reexamination. Prior art was unavailable at the time if it was not known to the individuals who were involved in the civil action or inter partes reexamination proceeding on behalf of the third-party requester and the USPTO.

Proposed section 318 gives a patent owner the right, once an inter partes reexamination has been ordered, to obtain a stay of any pending litigation involving an issue of patentability of any claims of the patent that are the subject of the inter partes reexamination, unless the court determines that the stay would not serve the interests of justice.

Sec. 4605. Conforming amendments

Section 4605 makes the following conforming amendments to the Patent Act:

A patent owner must pay a fee of $1,210 for each petition in connection with an unintentionally abandoned application, delayed payment, or delayed response by the patent owner during any reexamination.

A patent applicant, any of whose claims has been twice rejected; a patent owner in a reexamination proceeding; and a third-party requester in an inter partes reexamination proceeding may all appeal final adverse decisions from a primary examiner to the Board of Patent Appeals and Interferences.

Proposed section 141 states that a patent owner in a reexamination proceeding may appeal an adverse decision by the Board of Patent Appeals and Interferences only to the U.S. Court of Appeals for the Federal Circuit as earlier noted. A third-party requester in an inter partes reexamination proceeding may not appeal beyond the Board of Patent Appeals and Interferences.

The Director is required pursuant to section 143 (proceedings on appeal to the Federal Circuit) to submit to the court the grounds for the USPTO decision in any reexamination addressing all the issues involved in the appeal.

Sec. 4606. Report to Congress

Not later than five years after the effective date of subtitle F, the Director must submit to Congress a report evaluating whether the inter partes reexamination proceedings set forth in the title are inequitable to any of the parties in interest and, if so, the report shall contain recommendations for change to eliminate the inequity.

Sec. 4607. Estoppel effect of reexamination

Section 4607 estops any party who requests inter partes reexamination from challenging at a later time, in any civil action, any fact determined during the process of the inter partes reexamination, except with respect to a fact determination later proved to be erroneous based on information unavailable at the time of the inter partes reexamination. The estoppel arises after a final decision in the inter partes reexamination or a final decision in any appeal of such reexamination. If section 4607 is held to be unenforceable, the enforceability of the rest of subtitle F or the Act is not affected.

Sec. 4608. Effective date

Subtitle F shall take effect on the date of the enactment and shall apply to any patent that issues from an original application filed in the United States on or after that date, except that the amendments made by section 4605(a) shall take effect one year from the date of enactment.

SUBTITLE G—UNITED STATES PATENT AND TRADEMARK OFFICE

Subtitle G establishes the United States Patent and Trademark Office (USPTO) as an agency of the United States within the Department of Commerce. The Secretary of Commerce gives policy direction to the agency, but the agency is autonomous and responsible for the management and administration of its operations and has independent control of budget allocations and expenditures, personnel decisions and processes, and procurement. The Committee intends that the Office will conduct its patent and trademark operations without micro-management by Department of Commerce officials, with the exception of policy guidance of the Secretary. The agency is headed by an Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office, a Deputy, and a Commissioner of Patents and a Commissioner of Trademarks. The agency is exempt from government-wide personnel ceilings. A patent public advisory committee and a trademark public advisory committee are established to advise the Director on agency policies, goals, performance, budget and user fees.

Sec. 4701. Short title

This subtitle may be cited as the "Patent and Trademark Office Efficiency Act."

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[18] See 28 U.S.C. §1338.

SUBCHAPTER A—UNITED STATES PATENT AND TRADEMARK OFFICE

Sec. 4711. Establishment of Patent and Trademark Office

Section 4711 establishes the USPTO as an agency of the United States within the Department of Commerce and under the policy direction of the Secretary of Commerce. The USPTO, as an autonomous agency, is explicitly responsible for decisions regarding the management and administration of its operations and has independent control of budget allocations and expenditures, personnel decisions and processes, procurements, and other administrative and management functions. Patent operations and trademark operations are to be treated as separate operating units within the Office, each under the direction of its respective Commissioner, as supervised by the Director.

The USPTO shall maintain its principal office in the metropolitan Washington, D.C., area, for the service of process and papers and for the purpose of discharging its functions. For purposes of venue in civil actions, the agency is deemed to be a resident of the district in which its principal office is located, except where otherwise provided by law. The USPTO is also permitted to establish satellite offices in such other places in the United States as it considers necessary and appropriate to conduct business. This is intended to allow the USPTO, if appropriate, to serve American applicants better.

Sec. 4712. Powers and duties

Subject to the policy direction of the Secretary of the Commerce, in general the USPTO will be responsible for the granting and issuing of patents, the registration of trademarks, and the dissemination of patent and trademark information to the public.

The USPTO will also possess specific powers, which include:

(1) a requirement to adopt and use an Office seal for judicial notice purposes and for authenticating patents, trademark certificates and papers issued by the Office;

(2) the authority to establish regulations, not inconsistent with law, that

(A) govern the conduct of USPTO proceedings within the Office,

(B) are in accordance with §553 of title 5,

(C) facilitate and expedite the processing of patent applications, particularly those which can be processed electronically,

(D) govern the recognition, conduct, and qualifications of agents, attorneys, or other persons representing applicants or others before the USPTO,

(E) recognize the public interest in ensuring that the patent system retain a reduced fee structure for small entities, and

(F) provide for the development of a performance-based process for managing that includes quantitative and qualitative measures, standards for evaluating cost-effectiveness, and consistency with principles of impartiality and competitiveness;

(3) the authority to acquire, construct, purchase, lease, hold, manage, operate, improve, alter and renovate any real, personal, or mixed property as it considers necessary to discharge its functions;

(4) the authority to make purchases of property, contracts for construction, maintenance, or management and operation of facilities, as well as to contract for and purchase printing services without regard to those federal laws which govern such proceedings;

(5) the authority to use services, equipment, personnel, facilities and equipment of other federal entities, with their consent and on a reimbursable basis;

(6) the authority to use, with the consent of the United States and the agency, government, or international organization concerned, the services, records, facilities or personnel of any State or local government agency or foreign patent or trademark office or international organization to perform functions on its behalf;

(7) the authority to retain and use all of its revenues and receipts;

(8) a requirement to advise the President, through the Secretary of Commerce, on national and certain international intellectual property policy issues;

(9) a requirement to advise Federal departments and agencies of intellectual property policy in the United States and intellectual property protection abroad;

(10) a requirement to provide guidance regarding proposals offered by agencies to assist foreign governments and international intergovernmental organizations on matters of intellectual property protection;

(11) the authority to conduct programs, studies or exchanges regarding domestic or international intellectual property law and the effectiveness of intellectual property protection domestically and abroad;

(12) a requirement to advise the Secretary of Commerce on any programs and studies relating to intellectual property policy that the USPTO may conduct or is authorized to conduct, cooperatively with foreign intellectual property offices and international intergovernmental organizations; and

(13) the authority to (A) coordinate with the Department of State in conducting programs and studies cooperatively with foreign intellectual property offices and international intergovernmental organizations, and (B) transfer, with the concurrence of the Secretary of State, up to $100,000 in any year to the Department of State to pay an international intergovernmental organization for studies and programs advancing international cooperation concerning patents, trademarks, and other matters.

The specific powers set forth in new subsection (b) are clarified in new subsection (c). The special payments of paragraph (14)(B) are additional to other payments or contributions and are not subject to any limitation imposed by law. Nothing in subsection (b) derogates from the duties of the Secretary of State or the United States Trade Representative as set forth in section 141 of the Trade Act of 1974,[19] nor derogates from the duties and functions of the Register of Copyrights. The Director is required to consult with the Administrator of General Services when exercising authority under paragraphs (3) and (4)(A). Nothing in section 4712 may be construed to nullify, void, cancel, or interrupt any pending request-for-proposal let or contract issued by the General Services Administration for the specific purpose of relocating or leasing space to the USPTO. Finally, in exercising the powers and duties under this section, the Director shall consult with the Register of Copyright on all Copyright and related matters.

Sec. 4713. Organization and management

Section 4713 details the organization and management of the agency. The powers and duties of the USPTO shall be vested in the Under Secretary and Director, who shall be appointed by the President, by and with the consent of the Senate. The Under Secretary and Director performs two main functions. As Under Secretary of Commerce for Intellectual Property, she serves as the policy advisor to the Secretary of Commerce and the President on intellectual property issues. As Director, she is responsible for supervising the management and direction of the USPTO. She shall consult with the Public Advisory Committees, infra, on a regular basis regarding operations of the agency and before submitting budgetary proposals and fee or regulation changes. The Director shall take an oath of office. The President may remove the Director from office, but must provide notification to both houses of Congress.

The Secretary of Commerce, upon nomination of the Director, shall appoint a Deputy Director to act in the capacity of the Director if the Director is absent or incapacitated. The Secretary of Commerce shall also appoint two Commissioners, one for Patents, the other for Trademarks, without regard to chapters 33, 51, or 53 of title 5 of the U.S. Code. The Commissioners will have five-year terms and may be reappointed to new terms by the Secretary. Each Commissioner shall possess a demonstrated experience in patent and trademark law, respectively; and they shall be responsible for the management and direction of the patent and trademark operations, respectively. In addition to receiving a basic rate of compensation under the Senior Executive Service[20] and a locality payment,[21] the Commissioners may receive bonuses of up to 50 percent of their annual basic rate of compensation, not to exceed the salary of the Vice President, based on a performance evaluation by the Secretary, acting through the Director. The Secretary may remove Commissioners for misconduct or unsatisfactory performance. It is intended that the Commissioners will be non-political expert appointees, independently responsible for operations, subject to supervision by the Director.

The Director may appoint all other officers, agents, and employees as she sees fit, and define their responsibilities with equal discretion. The USPTO is specifically not subject to any administratively or statutorily imposed limits (full-time equivalents, or "FTEs") on positions or personnel.

The USPTO is charged with developing and submitting to Congress a proposal for an incentive program to retain senior (of the primary examiner grade or higher) patent and trademark examiners eligible for retirement for the sole purpose of training patent and trademark examiners.

The Director of the USPTO, in consultation with the Director of the Office of Personnel Management, is required to maintain a program for identifying national security positions at the USPTO and for providing for appropriate security clearances for USPTO employees in order to maintain the secrecy of inventions as described in section 181 of the Patent Act and to prevent disclosure of sensitive and strategic information in the interest of national security.

The USPTO will be subject to all provisions of title 5 of the U.S. Code governing federal employees. All relevant labor agreements which are in effect the day before enactment of subtitle G shall be adopted by the agency. All USPTO employees as of the day before the effective date of subtitle G shall remain officers and employees of the agency without a break in service. Other personnel of the Department of Commerce shall be transferred to the USPTO only if necessary to carry out purposes of subtitle G of the bill and if a major function of their work is reimbursed by the USPTO, they spend at least half of their work time in support of the

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[19] 19 U.S.C. §2171.

[20] 28 U.S.C. §5382.

[21] 5 U.S.C. §5304(h)(2)(C).

USPTO, or a transfer to the USPTO would be in the interest of the agency, as determined by the Secretary of Commerce in consultation with the Director.

On or after the effective date of the Act, the President shall appoint an individual to serve as Director until a Director qualifies under subsection (a). The persons serving as the Assistant Commissioner for Patents and the Assistant Commissioner for Trademarks on the day before the effective date of the Act may serve as the Commissioner for Patents and the Commissioner for Trademarks, respectively, until a respective Commissioner is appointed under subsection (b)(2).

Sec. 4714. Public Advisory Committees

Section 4714 provides a new section 5 of the Patent Act which establishes a Patent Public Advisory Committee and a Trademark Public Advisory Committee. Each Committee has nine voting members with three-year terms appointed by and serving at the pleasure of the Secretary of Commerce. Initial appointments will be made within three months of the effective date of the Act; and three of the initial appointees will receive one-year terms, three will receive two-year terms, and three will receive full terms. Vacancies will be filled within three months. The Secretary will also designate chairpersons for three-year terms.

The members of the Committees will be U.S. citizens and will be chosen to represent the interests of USPTO users. The Patent Public Advisory Committee shall have members who represent small and large entity applicants in the United States in proportion to the number of applications filed by the small and large entity applicants. In no case shall the small entity applicants be represented by less than 25 percent of the members of the Patent Public Advisory Committee, at least one of whom shall be an independent inventor. The members of both Committees shall include individuals with substantial background and achievement in finance, management, labor relations, science, technology, and office automation. The patent and trademark examiners' unions are entitled to have one representative on their respective Advisory Committee in a non-voting capacity.

The Committees meet at the call of the chair to consider an agenda established by the chair. Each Committee reviews the policies, goals, performance, budget, and user fees that bear on its area of concern and advises the Director on these matters. Within 60 days of the end of a fiscal year, the Committees prepare annual reports, transmit the reports to the Secretary of Commerce, the President, and the Committees on the Judiciary of the Congress, and publish the reports in the Official Gazette of the USPTO.

Members of the Committees are compensated at a defined daily rate for meeting and travel days. Members are provided access to USPTO records and information other than personnel or other privileged information including that concerning patent applications. Members are special Government employees within the meaning of section 202 of title 18. The Federal Advisory Committee Act shall not apply to the Committees. Finally, section 4714 provides that Committee meetings shall be open to the public unless by a majority vote the Committee meets in executive session to consider personnel or other confidential information.

Sec. 4715. Conforming amendments

Technical conforming amendments to the Patent Act are set forth in section 4715.

Sec. 4716. Trademark Trial and Appeal Board

Section 4716 amends section 17 of the Trademark Act of 1946 by specifying that the Director shall give notice to all affected parties and shall direct a Trademark Trial and Appeal Board to determine the respective rights of those parties before it in a relevant proceeding. The section also invests the Director with the power of appointing administrative trademark judges to the Board. The Director, the Commissioner for Trademarks, the Commissioner for Patents, and the administrative trademark judges shall serve on the Board.

Sec. 4717. Board of Patent Appeals and Interferences

Under existing section 7 of the Patent Act, the Commissioner, Deputy Commissioner, Assistant Commissioners, and the examiners-in-chief constitute the Board of Patent Appeals and Interferences. Pursuant to section 4717 of subtitle G, the Board shall be comprised of the Director, the Commissioner for Patents, the Commissioner for Trademarks, and the administrative patent judges. In addition, the existing statute allows each appellant a hearing before three members of the Board who are designated by the Director. Section 4717 empowers the Director with this authority.

Sec. 4718. Annual report of Director

No later than 180 days after the end of each fiscal year, the Director must provide a report to Congress detailing funds received and expended by the USPTO, the purposes for which the funds were spent, the quality and quantity of USPTO work, the nature of training provided to examiners, the evaluations of the Commissioners by the Secretary of Commerce, the Commissioners' compensation, and other information relating to the agency.

Sec. 4719. Suspension or exclusion from practice

Under existing section 32 of the Patent Act, the Commissioner (the Director pursuant to this Act) has the authority, after notice and a hearing, to suspend or exclude from further practice before the USPTO any person who is incompetent, disreputable, indulges in gross misconduct or fraud, or is noncompliant with USPTO regulations. Section 4719 permits the Director to designate an attorney who is an officer or employee of the USPTO to conduct a hearing under section 32.

Sec. 4720. Pay of Director and Deputy Director

Section 4720 replaces the Assistant Secretary of Commerce and Commissioner of Patents and Trademarks with the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office to receive pay at Level III of the Executive Schedule.[22] Section 4720 also establishes the pay of the Deputy Director at Level IV of the Executive Schedule.[23]

SUBCHAPTER B—EFFECTIVE DATE; TECHNICAL AMENDMENTS

Sec. 4731. Effective date

The effective date of subtitle G is four months after the date of enactment.

Sec. 4732. Technical and conforming amendments

Section 4732 sets forth numerous technical and conforming amendments related to subtitle G.

SUBCHAPTER C—MISCELLANEOUS PROVISIONS

Sec. 4741. References

Section 4741 clarifies that any reference to the transfer of a function from a department or office to the head of such department or office means the head of such department or office to which the function is transferred. In addition, references in other federal materials to the current Commissioner of Patents and Trademarks refer, upon enactment, to the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office. Similarly, references to the Assistant Commissioner for Patents are deemed to refer to the Commissioner for Patents and references to the Assistant Commissioner for Trademarks are deemed to refer to the Commissioner for Trademarks.

Sec. 4742. Exercise of authorities

Under section 4742, except as otherwise provided by law, a federal official to whom a function is transferred pursuant to subtitle G may exercise all authorities under any other provision of law that were available regarding the performance of that function to the official empowered to perform that function immediately before the date of the transfer of the function.

Sec. 4743. Savings provisions

Relevant legal documents that relate to a function which is transferred by subtitle G, and which are in effect on the date of such transfer, shall continue in effect according to their terms unless later modified or repealed in an appropriate manner. Applications or proceedings concerning any benefit, service, or license pending on the effective date of subtitle G before an office transferred shall not be affected, and shall continue thereafter, but may later be modified or repealed in the appropriate manner.

Subtitle G will not affect suits commenced before the effective date of passage. Suits or actions by or against the Department of Commerce, its employees, or the Secretary shall not abate by reason of enactment of subtitle G. Suits against a relevant government officer in her official capacity shall continue post enactment, and if a function has transferred to another officer by virtue of enactment, that other officer shall substitute as the defendant. Finally, administrative and judicial review procedures that apply to a function transferred shall apply to the head of the relevant federal agency and other officers to which the function is transferred.

Sec. 4744. Transfer of assets

Section 4744 states that all available personnel, property, records, and funds related to a function transferred pursuant to subtitle G shall be made available to the relevant official or head of the agency to which the function transfers at such time or times as the Director of the Office of Management and Budget (OMB) directs.

Sec. 4745. Delegation and assignment

Section 4745 allows an official to whom a function is transferred under subtitle G to delegate that function to another officer or employee. The official to whom the function was originally transferred nonetheless remains responsible for the administration of the function.

Sec. 4746. Authority of Director of the Office of Management and Budget with respect to functions transferred

Pursuant to section 4746, if necessary the Director of OMB shall make any determination of the functions transferred pursuant to subtitle G.

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[22] 5 U.S.C. §5314.

[23] 5 U.S.C. §5315.

Sec. 4747. Certain vesting of functions considered transfers

Section 4747 states that the vesting of a function in a department or office pursuant to reestablishment of an office shall be considered to be the transfer of that function.

Sec. 4748. Availability of existing funds

Under section 4748, existing appropriations and funds available for the performance of functions and other activities terminated pursuant to subtitle G shall remain available (for the duration of their period of availability) for necessary expenses in connection with the termination and resolution of such functions and activities, subject to the submission of a plan to House and Senate appropriators in accordance with Public Law 105–277 (Departments of Commerce, Justice, and State, the Judiciary and Related Agencies Appropriations Act, Fiscal Year 1999).

Sec. 4749. Definitions

"Function" includes any duty, obligation, power, authority, responsibility, right, privilege, activity, or program.

"Office" includes any office, administration, agency, bureau, institute, council, unit, organizational entity, or component thereof.

Subtitle H—Miscellaneous Patent Provisions

Subtitle H consists of seven largely-unrelated provisions that make needed clarifying and technical changes to the Patent Act. Subtitle H also authorizes a study. The provisions in Subtitle H take effect on the date of enactment except where stated otherwise in certain sections.

Sec. 4801. Provisional applications

Section 4801 amends section 111(b)(5) of the Patent Act by permitting a provisional application to be converted into a non-provisional application. The applicant must make a request within 12 months after the filing date of the provisional application for it to be converted into a non-provisional application.

Section 4801 also amends section 119(e) of the Patent Act by clarifying the treatment of a provisional application when its last day of pendency falls on a weekend or a Federal holiday, and by eliminating the requirement that a provisional application must be copending with a non-provisional application if the provisional application is to be relied on in any USPTO proceeding.

Sec. 4802. International applications

Section 4802 amends section 119(a) of the Patent Act to permit persons who filed an application for patent first in a WTO[24] member country to claim the right of priority in a subsequent patent application filed in the United States, even if such country does not yet afford similar privileges on the basis of applications filed in the United States. This amendment was made in conformity with the requirements of Articles 1 and 2 of the TRIPS Agreement.[25] These Articles require that WTO member countries apply the substantive provisions of the Paris Convention for the Protection of Industrial Property to other WTO member countries. As some WTO member countries are not yet members of the Paris Convention, and as developing countries are generally permitted periods of up to 5 years before complying with all provisions of the TRIPS Agreement, they are not required to extend the right of priority to other WTO member countries until such time.

Section 4802 also adds subsection (f) to section 119 of the Patent Act to provide for the right of priority in the United States on the basis of an application for a plant breeder's right first filed in a WTO member country or in a UPOV[26] Contracting Party. Many foreign countries provide only a sui generis system of protection for plant varieties. Because section 119 presently addresses only patents and inventors' certificates, applicants from those countries are technically unable to base a priority claim on a foreign application for a plant breeder's right when seeking plant patent or utility patent protection for a plant variety in this country.

Subsection (g) is added to section 119 to define the terms "WTO member country" and "UPOV Contracting Party."

Sec. 4803. Certain limitations on remedies for patent infringement not applicable

Section 4803 amends section 287(c)(4) of the Patent Act, which pertains to certain limitations on remedies for patent infringement, to make it applicable only to applications filed on or after September 30, 1996.

Sec. 4804. Electronic filing and publications

Section 4804 amends section 22 of the Patent Act to clarify that the USPTO may receive, disseminate, and maintain information in electronic form. Subsection (d)(2), however, prohibits the Director from ceasing to maintain paper or microform collections of U.S. patents, foreign patent documents, and U.S. trademark registrations, except pursuant to notice and opportunity for public comment and except the Director shall first submit a report to Congress detailing any such plan, including a description of the mechanisms in place to ensure the integrity of such collections and the data contained therein, as well as to ensure prompt public access to the most current available information, and certifying that the implementation of such plan will not negatively impact the public.

In addition, in the operation of its information dissemination programs and as the sole source of patent data, the USPTO should implement procedures that assure that bulk patent data are provided in such a manner that subscribers have the data in a manner that grants a sufficient amount of time for such subscribers to make the data available through their own systems at the same time the USPTO makes the data publicly available through its own Internet system.

Sec. 4805. Study and report on biologic deposits in support of biotechnology patents

Section 4805 charges the Comptroller General, in consultation with the Director of the USPTO, with conducting a study and submitting a report to Congress no later than six months after the date of enactment on the potential risks to the U.S. biotechnological industry regarding biological deposits in support of biotechnology patents. The study shall include: an examination of the risk of export and of transfers to third parties of biological deposits, and the risks posed by the 18-month publication requirement of subtitle E; an analysis of comparative legal and regulatory regimes; and any related recommendations. The USPTO is then charged with considering these recommendations when drafting regulations affecting biological deposits.

Sec. 4806. Prior invention

Section 4806 amends section 102(g) of the Patent Act to make clear that an inventor who is involved in a USPTO interference proceeding and establishes a date of invention under section 104 is subject to the requirements of section 102(g), including the requirement that the invention was not abandoned, suppressed, or concealed.

Sec. 4807. Prior art exclusion for certain commonly assigned patents

Section 4807 amends section 103 of the Patent Act, which sets forth patentability conditions related to the nonobviousness of subject matter. Section 103(c) of the current statute states that subject matter developed by another person which qualifies as prior art only under section 102(f) or (g) shall not preclude granting a patent on an invention with only obvious differences where the subject matter and claimed invention were, at the time the invention was made, owned by the same person or subject to an obligation of assignment to the same person. The bill amends section 103(c) by adding a reference to section 102(e), which currently bars the granting of a patent if the invention was described in another patent granted on an application filed before the applicant's date of invention. The effect of the amendment is to allow an applicant to receive a patent when an invention with only obvious differences from the applicant's invention was described in a patent granted on an application filed before the applicant's invention, provided the inventions are commonly owned or subject to an obligation of assignment to the same person.

Sec. 4808. Exchange of copies of patents with foreign countries

Sec. 4808 amends section 12 of the Patent Act to prohibit the Director of the USPTO from entering into an agreement to exchange patent data with a foreign country that is not one of our NAFTA[27] or WTO trading partners, unless the Secretary of Commerce explicitly authorizes such an exchange.

TITLE V—MISCELLANEOUS PROVISIONS

Section 5001. Commission on Online Child Protection

Section 5001(a) provides that references contained in the amendments made by this title are to section 1405 of the Child Online Protection Act (47 U.S.C. 231 note).

Section 5001(b) amends the membership of the Commission on Online Child Protection to remove a requirement that a specific number of representatives come from designated sectors of private industry, as outlined in the Act. Section 5001(b) also provides that the members appointed to the Commission as of October 31, 1999, shall remain as members. Section 5001(b) also prevents the members of the Commission from being paid for their work on the Commission. This provision, however, does not preclude members from being reimbursed for legitimate costs associated with participating in the Commission (such as travel expenses).

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[24] World Trade Organization. The agreement establishing the WTO is a multilateral instrument which creates a permanent organization to oversee the implementation of the Uruguay Round Agreements, including the GATT 1994, to provide a forum for multilateral trade negotiations and to administer dispute settlements (see note 3, supra). Staff of the House Comm. on Ways and Means, 104th Cong., 1st Sess., Overview and Compilation of U.S. Trade Statutes 1040 (Comm. Print 1995) [hereinafter, Overview and Compilation of U.S. Trade Statutes].

[25] Trade-Related Aspects of Intellectual Property Rights Agreement; i.e., that component of GATT which addresses intellectual property rights among the signatory members.

[26] International Convention for the Protection of New Varieties of Plants. UPOV is administered by the World Intellectual Property Organization (WIPO), which is charged with the administration of, and activities concerning revisions to, the international intellectual property treaties. UPOV has 40 members, and guarantees plant breeders national treatment and right of priority in other countries that are members of the treaty, along with certain other benefits. See M.A. Leaffer International Treaties on Intellectual Property at 47 (BNA, 2d ed. 1997).

[27] North American Free Trade Agreement, Pub. L. No. 103-182. The cornerstone of NAFTA is the phased-out elimination of all tariffs on trade between the U.S., Canada, and Mexico. Overview and Compilation of U.S. Trade Statutes 1999.

Section 5001(c) extends the due date for the report of the Commission by one year.

Section 5001(d) establishes that the Commission's statutory authority will expire either (1) 30 days after the submission of the report required by the Act, or (2) November 30, 2000, whichever is earlier.

Section 5001(e) requires the Commission to commence its first meeting no later than March 31, 2000. Section 5001(e) also requires that the Commission elect, by a majority vote, a chairperson of the Commission not later than 30 days after holding its first meeting.

Section 5001(f) establishes minimum rules for the operations of the Commission, and also allows the Commission to adopt other rules as it deems necessary.

Section 5002. Privacy protection for donors to public broadcasting entities

This provision, which was added in Conference, protects the privacy of donors to public broadcasting entities.

Section 5003. Completion of biennial regulatory review

Section 5003 provides that, within 180 days after the date of enactment, the FCC will complete the biennial review required by section 202(h) of the Telecommunications Act of 1996. The Conferees expect that if the Commission concludes that it should retain any of the rules under the review unchanged, the Commission shall issue a report that includes a full justification of the basis for so finding.

Section 5004. Broadcasting entities

This provision, added in Conference, allows for a remittance of copyright damages for public broadcasting entities where they are not aware and have no reason to believe that their activities constituted violations of copyright law. This is currently the standard for nonprofit libraries, archives and educational institutions.

Section 5005. Technical amendments relating to vessel hull design protection

This section makes several amendments to chapter 13 of title 17 relating to design protection for vessel hulls. The sunset provision for chapter 13, enacted as part of the Digital Millennium Copyright Act, is removed so that chapter 13 is now a permanent chapter of title 17. The timing and number of joint studies to be done by the Copyright Office and the Patent and Trademark Offices of the effectiveness of chapter 13 are also amended by reducing the number of studies from two to one, and requiring that the one study not be submitted until November 1, 2003. Current law requires delivery of two studies within the first two years of chapter 13, which is unnecessary and an insufficient amount of time for the Copyright Office and the Patent and Trademark Office to accurately measure and assess the effectiveness of design protection within the marine industry.

The definition of a "vessel" in chapter 13 is amended to provide that in addition to being able to navigate on or through water, a vessel must be self-propelled and able to steer, and must be designed to carry at least one passenger. This clarifies Congress's intent not to allow design protection for such craft as barges, toy and remote controlled boas, inner tubes and surf boards.

Section 5006. Informal rulemaking of copyright determination

The Copyright Office has requested that Congress make a technical correction to section 1201(a)(1)(C) of title 17 by deleting the phrase "on the record." The Copyright Office believes that this correction is necessary to avoid any misunderstanding regarding the intent of Congress that the rulemaking proceeding which is to be conducted by the Copyright Office under this provision shall be an informal, rather than a formal, rulemaking proceeding. Accordingly, the phrase "on the record" is deleted as a technical correction to clarify the intent of Congress that the Copyright Office shall conduct the rulemaking under section 1201(a)(1)(C) as an informal rulemaking proceeding pursuant to section 553 of Title 5. The intent is to permit interested persons an opportunity to participate through the submission of written statements, oral presentations at one or more of the public hearings, and the submission of written responses to the submissions or presentations of others.

Section 5007. Service of process for surety corporations

This section allows surety corporations, like other corporations, to utilize approved state officials to receive service of process in any legal proceeding as an alternative to having a separate agent for service of process in each of the 94 federal judicial districts.

Section 5008. Low-power television

Section 5009, which can be cited as the Community Broadcasters Protection Act of 1999, will ensure that many communities across the nation will continue to have access to free, over-the-air low-power television (LPTV) stations, even as full-service television stations proceed with their conversion to digital format. In particular, Section 5009 requires the Federal Communications Commission (FCC) to provide certain qualifying LPTV stations with "primary" regulatory status, which in turn will enable these LPTV stations to attract the financing that is necessary to provide consumers with critical information and programming. At the same time, recognizing the importance of, and the engineering complexity in, the FCC's plan to convert full-service television stations to digital format, Section 5009 protects the ability of these stations to provide both digital and analog service throughout their existing service areas.

The FCC began awarding licenses for low-power television service in 1982. Low-power television service is a relatively inexpensive and flexible means of delivering programming tailored to the interests of viewers in small localized areas. It also ensures that spectrum allocated for broadcast television service is more efficiently used and promotes opportunities for entering the television broadcast business.

The FCC estimates that there are more than 2,000 licensed and operational LPTV stations, about 1,500 of which are operated in the continental United States by 700 different licensees in nearly 750 towns and cities.[28] LPTV stations serve rural and urban communities alike, although about two-thirds of all LPTV stations serve rural communities. LPTV stations in urban markets typically provide niche programming (e.g., bilingual or non-English programming) to under-served communities in large cities. In many rural markets, LPTV stations are consumers' only source of local, over-the-air programming. Owners of LPTV stations are diverse, including high school and college student populations, churches and religious groups, local governments, large and small businesses, and even individual citizens.

From an engineering standpoint, the term "low-power television service" means precisely what it implies, i.e., broadcast television service that operates at a lower level of power than full-service stations. Specifically, LPTV stations radiate 3 kilowatts of power for stations operating on the VHF band (i.e., channels 2 through 13), and 150 kilowatts of power for stations operating on the UHF band (i.e., channels 14 through 69). By comparison, full-service stations on VHF channels radiate up to 316 kilowatts of power, and stations on UHF channels radiate up to 5,000 kilowatts of power. The reduced power levels that govern LPTV stations mean these stations serve a much smaller geographic region than do full-service stations. LPTV signals typically extend to a range of approximately 12 to 15 miles, whereas the originating signal of full-service stations often reach households 60 or 80 miles away.

Compared to its rules for full-service television station licensees, the FCC's rules for obtaining and operating an LPTV license are minimal. But in return for ease of licensing, LPTV stations must operate not only at reduced power levels but also as "secondary" licensees. This means LPTV stations are strictly prohibited from interfering with, and must accept signal interference from, "primary" licensees, such as full-service television stations. Moreover, LPTV stations must yield at any point in time to full-service stations that increase their power levels, as well as to new full-service stations.

The video programming marketplace is intensely competitive. The three largest broadcast networks that once dominated the market now face competition from several emerging broadcast and cable networks, cable systems, satellite television operators, wireless cable, and even the Internet. Low-power television plays a valuable, albeit modest, role in this market because it is capable of providing locally-originated programming to rural and urban communities that have either no access to local programming, or an over-abundance of national programming.

Low-power television's future, however, is uncertain. To begin with, LPTV's secondary regulatory status means a licensee can be summarily displaced by a full-service station that seeks to expand its own service area, or by a new full-service station seeking to enter the same market. This cloud of regulatory uncertainty necessarily affects the ability of LPTV stations to raise capital over the long-term, irrespective of an LPTV station's popularity among consumers.

The FCC's plan to convert full-service stations to digital substantially complicates LPTV stations' already uncertain future. In its digital television (DTV) proceeding, the FCC adopted a table of allotments for DTV service that provided a second channel for each existing full-service station to use for DTV service in making the transition from the existing analog technology to the new DTV technology. These second channels were provided to broadcasters on a temporary basis. At the end of the DTV transition, which is currently scheduled for December 31, 2006, they must relinquish one of their two channels.

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[28] LPTV stations are distinct from so called "translators." Whereas LPTV stations typically offer orginal programming, translators merely amplify or "boost" a full-service television station's signal into rural and mountainous regions adjacent to the station's market.

In assigning DTV channels, the FCC maintained the secondary status of LPTV stations (as well as translators). In order to provide all full-service television stations with a second channel, the FCC was compelled to establish DTV allotments that will displace a number of LPTV stations, particularly in the larger urban market areas where the available spectrum is most congested.

The FCC's plan also provides for the recovery of a portion of the existing broadcast television spectrum so that it can be reallocated to new uses. Specifically, the FCC provided for immediate recovery of broadcast channels 60 through 69, and for recovery of broadcast channels 52 through 59 at the end of the DTV transition. As further required by Congress under the Balanced Budget Act of 1997,[29] the FCC has completed the reallocation of broadcast channels 60 through 69. Existing analog stations, including LPTV stations and a few DTV stations, are permitted to operate on these channels during the DTV transition. But at the end of the transition, all analog broadcast TV stations will have to cease operation, and the DTV stations on broadcast channels 52 through 69 will be relocated to new channels in the DTV core spectrum. As a result, the FCC estimates that the DTV transition will require about 35 to 45 percent of all LPTV stations to either change their operation or cease operation. Indeed, some full-service stations have already "bumped" several LPTV stations a number of times, at substantial cost to the LPTV station, with no guarantee that the LPTV station will be permitted to remain on its new channel in the long term.

The conferees, therefore, seek to provide some regulatory certainty for low-power television service. The conferees recognize that, because of emerging DTV service, not all LPTV stations can be guaranteed a certain future. Moreover, it is not clear that all LPTV stations should be given such a guarantee in light of the fact that many existing LPTV stations provide little or no original programming service.

Instead, the conferees seek to buttress the commercial viability of those LPTV stations which can demonstrate that they provide valuable programming to their communities. The House Committee on Commerce's record in considering this legislation reflects that there are a significant number of LPTV stations which broadcast programming—including locally originated programming—for a substantial portion of each day. From the consumers' perspective, these stations provide video programming that is functionally equivalent to the programming they view on full-service stations, as well as national and local cable networks. Consequently, these stations should be afforded roughly similar regulatory status. Section 5009, the Community Broadcasters Protection Act of 1999, will achieve that objective, and at the same time, protect the transition to digital.

Section 5009(a) provides that the short title of this section is the "Community Broadcasters Protection Act of 1999."

Section 5009(b) describes the Congress' findings on the importance of low-power television service. The Congress finds that LPTV stations have operated in a manner beneficial to the public, and in many instances, provide worthwhile and diverse services to communities that lack access to over-the-air programming. The Congress also finds, however, that LPTV stations' secondary regulatory status effectively blocks access to capital.

Section 5009(c) amends section 336 of the Communications Act of 1934[30] to require the FCC to create a new "Class A" license for certain qualifying LPTV stations. New paragraph (1)(A) in particular directs the FCC to prescribe rules within 120 days of enactment for the establishment of a new Class A television license that will be available to qualifying LPTV stations. The FCC's rules must ensure that a Class A licensee receives the same license terms and renewal standards as any full-service licensee, and that each Class A licensee is accorded primary regulatory status. Subparagraph (B) further requires the FCC, within 30 days of enactment, to send to each existing LPTV licensee a notice that describes the requirements for Class A designation. Within 60 days of enactment (or within 30 days of the FCC's notice), LPTV stations intending to seek Class A designation must submit a certification of eligibility to the FCC. Absent a material deficiency in an LPTV station's certification materials, the FCC is required under subparagraph (B) to grant a certification of eligibility.

Subparagraph (C) permits an LPTV station, within 30 days of the issuance of the rules required under subparagraph (A), to submit an application for Class A designation. The FCC must award a Class A license to a qualifying LPTV station within 30 days of receiving such application. Subparagraph (D) mandates that the FCC must act to preserve the signal contours of an LPTV station pending the final resolution of its application for a Class A license. In the event technical problems arise that require an engineering solution to a full-service station's allotted parameters or channel assignment in the DTV table of allotments, subparagraph (D) requires the FCC to make the necessary modifications to ensure that such full-service station can replicate or maximize its service area, as provided for in the FCC's rules.

With regard to maximization, a full-service digital television station must file an application for maximization or a notice of intent to seek such maximization by December 31, 1999, file a bona fide application for maximization by May 1, 2000, and also comply with all applicable FCC rules regarding the construction of digital television facilities. The term "maximization" is defined in paragraph 31 of the FCC's Sixth Report and Order as the process by which stations increase their service areas by operating with additional power or higher antennae than specified in the FCC's digital television table of allotments. Subparagraph (E) requires that a station must reduce the protected contour of its digital television service area in accordance with any modifications requested in future change applications. This provision is intended to ensure that stations indeed utilize the full amount of maximized spectrum for which they originally apply by the aforementioned deadlines.

Paragraph (2) lists the criteria an LPTV station must meet to qualify for a Class A license. Specifically, the LPTV station must: during the 90 days preceding the date of enactment, broadcast a minimum of 18 hours per day—including at least 3 hours per week of locally-originated programming—and also be in compliance with the FCC's rules on low-power television service; and from and after the date of its application for a Class A license, be in compliance with the FCC's rules for full-service television stations. In the alternative, the FCC may qualify an LPTV station as a Class A licensee if it determines that such qualification would serve the public interest, convenience, and necessity or for other reasons determined by the FCC.

Paragraph (3) provides that no LPTV station authorized as of the date of enactment may be disqualified for a Class A license based on common ownership with any other medium of mass communication.

Paragraph (4) makes clear that the FCC is not required to issue Class A LPTV stations (or translators) an additional license for advanced television services. The FCC, however, must accept applications for such services, provided the station will not cause interference to any other broadcast facility applied for, protected, permitted or authorized on the date of the filing of the application for advanced television services. Either the new license for advanced services or the original license must be forfeited at the end of the DTV transition. The licensee may elect to convert to advanced television services on its analog channel, but is not required to convert to digital format until the end of the DTV transition.

Paragraph (5) clarifies that nothing in new subsection 336(f) preempts, or otherwise affects, section 337 of the Communications Act of 1934.[31]

Paragraph (6) precludes the FCC from granting Class A licenses to LPTV stations operating between 698 megahertz (MHz) and 806 MHz (i.e., television broadcast channels 52 through 69). However, the FCC shall provide to LPTV stations assigned to, and temporarily operating on, those channels the opportunity to qualify for a Class A license. If a qualifying LPTV station is ultimately assigned a channel within the band of frequencies that will eventually comprise the "core spectrum" (i.e., television broadcast channels 2 through 51), then the FCC is required to issue a Class A license simultaneously. However, the FCC may not grant a Class A license to an LPTV station operating on a channel within the core spectrum that the FCC will identify within 180 days of enactment.

Finally, paragraph (7) provides that the FCC may not grant a Class A license (or a modification thereto) unless the requesting LPTV station demonstrates that it will not interfere with one of three types of radio-based services. First, under subparagraph (A), the LPTV station must show that it will not interfere with: (i) the predicted Grade B contour of any station transmitting in analog format; or (ii) the digital television service areas provided in the DTV table of allotments; or the digital television areas explicitly protected (as opposed to those areas that may be permitted) in the Commission's digital television regulations; or the digital television service areas of stations subsequently granted by the FCC prior to the filing of a Class A application; or lastly, stations seeking to maximize power under the FCC's rules (provided such stations are in compliance with the notification requirements under paragraph (1)).

Second, under subparagraph (B), the LPTV station must show that it will not interfere with any licensed, authorized or pending LPTV station or translator. And third, under subparagraph (C), the LPTV station must show that it will not interfere with other services (e.g., land mobile services) that also operate on television broadcast channels 14 through 20.

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[29] See 47 U.S.C. §337.

[30] 47 U.S.C. §336.

[31] 47 U.S.C. §337.

Finally, paragraph (8) establishes priority for those LPTVs that are displaced by an application filed under this section, in that these LPTVs have priority over other LPTVs in the assignment of available channels.

From the Committee on Commerce, for consideration of the House bill and the Senate amendment, and modifications committee to conference:

TOM BLILEY,
BILLY TAUZIN,
MICHAEL G. OXLEY,
JOHN D. DINGELL,
EDWARD J. MARKEY,

Provided that Mr. BOUCHER is appointed in lieu of Mr. MARKEY for consideration of secs. 712(b)(1), 712(b)(2), and 712(c)(1) of the Communications Act of 1934 as added by sec. 104 of the House bill.

RICK BOUCHER,

From the Committee on the Judiciary, for consideration of the House bill and the Senate amendment, and modifications committee to conference:

HENRY HYDE,
HOWARD COBLE,
BOB GOODLATTE,
JOHN CONYERS,
HOWARD L. BERMAN,
Managers on the Part of the House.

From the Committee on the Judiciary:

ORRIN HATCH,
STROM THURMOND,
MIKE DEWINE,
PATRICK LEAHY,
HERB KOHL,

From the Committee on Commerce, Science, and Transportation:

TED STEVENS,
FRITZ HOLLINGS,
Managers on the Part of the Senate.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Sherman Williams, one of his secretaries.

CONFERENCE REPORT ON H.R. 1554, INTELLECTUAL PROPERTY AND COMMUNICATIONS OMNIBUS REFORM ACT OF 1999

Mr. ARMEY. Mr. Speaker, I move to suspend the rules and agree to the conference report on the bill (H.R. 1554) to amend the provisions of title 17, United States Code, and the Communications Act of 1934, relating to copyright licensing and carriage of broadcast signals by satellite.

The Clerk read the title of the bill.

(For conference report and statement, see prior proceedings of the House of today.)

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina (Mr. COBLE) and the gentleman from Louisiana (Mr. TAUZIN) each control 10 minutes of debate on this motion. I further ask unanimous consent that the gentleman from Michigan (Mr. CONYERS) and the gentleman from Massachusetts (Mr. MARKEY) each control 10 minutes on this motion.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

GENERAL LEAVE

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the conference report on H.R. 1554.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Louisiana (Mr. TAUZIN).

□ 1815

Mr. TAUZIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this conference report represents the combined hard work of both the House and the Senate, which is, of course, long overdue. I am pleased to report that through this hard work we are able to present the House an agreement on changes to telecommunications and copyright law in order to provide the American consumer with a stronger, more viable competitor to their incumbent cable operator.

This legislation will enact comprehensive reforms to the offering of satellite television service. I expect that the reforms contained in this bill will have a dramatic and beneficial effect on the multichannel video programming marketplace for years to come.

Consumers today expect more from their video program providers, whether it is a cable company, a satellite company, their broadcaster or other distributors, including the Internet. Consumers are savvy and they now expect and indeed demand their video program distributor to offer a wide variety of programming at reasonable cost with exceptional picture quality.

Today, there are some limitations on the ability of satellite carriers to meet consumer demands. These limitations put satellite carriers at a competitive disadvantage to incumbent cable providers. The main limitation on satellite providers is the inherent difficulty in providing local broadcast programming via satellite. Even though broadcasters are experiencing a dramatic reduction in their overall viewing audience compared to a few years ago, the overwhelming number of consumers still want local broadcast programming. Consumer surveys conclude that the lack of local broadcast programming is the number one reason some consumers are unwilling to subscribe to satellite service.

This conference report we are placing before the House today is designed to put satellite on a competitive, equal footing with cable. The bill provides for a compulsory license to retransmit local broadcast programming, and ensures carriage for local broadcast stations through retransmission consent/must-carry elections. The bill also provides consumers with the enjoyment of the benefit of distant signals.

This bill is not what all the industry desires. I want to make that clear. Parts of our industry do not like the bill. But the bottom line is it is good for consumers, and that is what really matters. For C-band users in my district and across America who have been calling, this bill grandfathers them. They are now legally eligible under this bill to receive signals they wrote and called about.

Let me tell my colleagues some of the other good consumer things it does. It directs the FCC to develop a new program signal standard; that is, defines a better picture quality instead of the 1950 quality we were used to looking at and that currently exists. It gives it a year to do so and to come back to Congress with this new picture quality standard.

It requires broadcasters to respond within 30 days to requests for waivers to receive distant signals, if they cannot get a good local signal.

It makes it easier for consumers to either get the waiver or to take an eligibility test for the distant signal. And, by the way, it ensures that the consumer will not be required to pay for this testing.

It directs the FCC to assist consumers in reviewing those eligibility disputes.

It makes a national PBS satellite feed available nationwide to all satellite consumers and at a reduced copyright rate.

It eliminates the 90-day waiting period for current cable subscribers who want to switch over to satellites.

It sets the copyright rate for local signals at zero, ensuring such signals will be available at consumer friendly rates.

It extends existing satellite copyright license for another 5 years, making sure they can get local signals.

It cuts the copyright rates for distant network signals by as much as 45 percent, making service to American consumers cheaper and more affordable.

It even allows owners of recreation vehicles and long-haul trucks to be eligible to receive distant network signals in their vehicles through their satellite service.

For those who have been concerned or angered by the Corporation for Public Broadcasting sharing their donor list, worry no more. The bill prohibits the receipt of Federal funds to any CPB broadcast entity who shares their donor list, plain and simple, with any political entity.

It also allows the contributor an added bonus. It allows an opt-out to make sure a name is not shared with anyone, whether affiliated or not affiliated.

For those in rural America, this bill provides incentives.

This is a good conference report. It combines the telecommunications provisions of H.R. 851, the Save Our Satellites Act of 1999, as reported, and the copyright provisions of H.R. 1027, the Satellite Television Improvement Act, as reported. The history of the bill can, therefore, be found in the applicable portions of the two reports filed by our two committees on these two bills.

I think it strikes the right balance, and I urge my colleagues' support.

Mr. Speaker, let me thank the hard work of a large group of Members who had a role in bringing this conference report together: The gentleman from Virginia (Mr. BLILEY), the chairman of the Committee on Commerce, and the gentleman from Michigan (Mr. DINGELL), the ranking member; the gentleman from Massachusetts (Mr. MARKEY), the subcommittee ranking member; the gentleman from Virginia (Mr. BOUCHER) from the Committee on Commerce; the gentleman from Illinois (Mr. HYDE), the chairman of the Committee on the Judiciary; the gentleman from North Carolina (Mr. COBLE), the subcommittee chairman; the gentleman from Michigan (Mr. CONYERS), the ranking member; and the gentleman from California (Mr. BERMAN), the subcommittee ranking member; and the gentleman from Virginia (Mr. GOODLATTE) from the Committee on the Judiciary.

This is a bipartisan, bicommittee approach to a very important legislative bill. If there is one bill that has to get done before we go home from this session, this is the must-pass bill. I am pleased we were able to work together to bring this compromise to the House.

Mr. Speaker, I reserve the balance of my time.

Mr. MARKEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in urban America, for a generation, we have not been able to take advantage of the satellite revolution. Yes, laws have been passed to make it possible for those that live in rural America, whether they have these 8-foot dishes in their back yard that would have required zoning variances in Boston, to be able to capture programming that benefits their consumers.

In 1992, the gentleman from Louisiana (Mr. TAUZIN) and I, out here on the floor, argued for better programming access so that satellite dishes would have better access to more programming. And that passed and actually gave birth to the 18-inch dish, this pizza-sized satellite dish, which would make it possible in urban America to put a satellite dish on one's home or in the back yard without having the neighbors protest in those densely populated communities.

However, the problem existed for all urban consumers because they could not get their local TV stations on their satellite dish. So those who came from Boston could not get channel 4, channel 5, channel 7, channel 56, channel 38, channel 25, where the Bruins and the Celtics and the Red Sox reside. So, as a result, consumers in Boston and other urban areas were forced to continue to use cable as the other mechanism by which they could have programming other than broadcast plus broadcast come into their home.

This bill changes that. This bill, for the first time, makes it possible for consumers in urban areas to really think seriously about getting a satellite dish, because for the first time they can get their local TV stations. They do not have to get up and start fooling with the rabbit ears on their TV set if they want to switch over from satellite to their local TV stations. They will not have to buy the local basic cable package if they want to get their local TV stations in concert with their satellite dish.

So this local-into-local service is going to begin the revolution which will make it possible for urban Americans to enjoy the same video enjoyment which rural Americans have had access to for a generation. I know I am planning on considering that purchase this Christmas.

I am, however, very disappointed that the conference committee did not accept the stronger House version of this provision that would have been more competitive, more pro-consumer, and would have ensured that we have telescoped the time frame fully to the point where every single urban American would have been able to consider immediately this new satellite service.

In general, the House bill was a better bill than what the Senate produced or what we wound up with here at the end of the process. Late changes in the conference are a step in the right direction, and it made the bill more acceptable. And I believe that it is worthy of support, even though I believe Congress is giving up an excellent opportunity to promote greater choice and price competition, price competition to cable.

I am hopeful that we can return in the next Congress and revisit these cable competition issues. Consumers deserve greater choice and they deserve greater efforts on the part of policymakers to make such choice ubiquitous and affordable.

The gentleman from Louisiana (Mr. TAUZIN) has gone through the litany of legislative saints who played a role in bringing the bill this far, and I want to compliment in turn each of those that the gentleman from Louisiana has mentioned. This is, although not perfect, a step forward in bringing this technological revolution to urban Americans, and I hope that it can find support here on the floor this evening.

Mr. Speaker, I reserve the balance of my time.

Mr. COBLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to rise in strong support of H.R. 1554, the Intellectual Property and Communications Omnibus Reform Act of 1999. Countless hours have been dedicated to fashioning the satellite provisions of this legislation, balancing the interest of our constituents, intellectual property owners, satellite carriers, and the local broadcasters. I would be remiss if I did not take a moment to congratulate Members of both the House and the Senate for their hard work and dedication in bringing this legislation to fruition. Time does not permit me to call each Member by name, so I will just reiterate what my friend from Louisiana said and thank all of them who had a hand in contributing to the formulation of this package.

We have spent the past 3 years working on this legislation, and I can say without hesitation, Mr. Speaker, that this is, indeed, a very good bill. The legislation will have a tremendously beneficial effect on the citizens of this country, whether they are subscribers to satellite television or not.

We have all been concerned about a lack of competition in the multichannel television industry and what that means in terms of prices and services to our constituents. The bill gives the satellite industry a new copyright license with the ability to compete on a more even playing field, thereby giving consumers a chance.

I have received numerous letters and calls from my constituents, as I am sure many of my colleagues have from theirs, distressed over their satellite service. Many customers claim they leave the store complaining they cannot obtain their local stations through satellite service. Others feel betrayed when they have their distant network service cut off, having been sold an illegal package from the outset. Still others have been outraged at the cost they pay for the distant network signals. The time has come to address these concerns and pass legislation which makes the satellite industry more competitive with cable television. With competition comes better services at lower prices, which makes our constituents the real winners.

With this competition in mind, the legislation before us makes the following changes for the Satellite Home Viewers Act.

It reauthorizes the satellite copyright compulsory license for 5 years.

It allows new satellite customers who have received a network signal from a cable system within the past 3 months to sign up immediately for satellite service for those signals. This, as my colleagues know, is not allowed today.

It provides a discount for the copyright fees paid by the satellite carriers.

It allows satellite carriers to retransmit a local television station to households within that station's local market, just as cable does.

It protects existing subscribers from having their distant network services shut off at the end of the year, and protects all C-band customers from having their network service cut off entirely.

It allows satellite carriers to rebroadcast a national signal of the Public Broadcasting Service.

It provides an incentive for the development of a system to bring local signals to smaller, mostly rural areas and markets.

It empowers the FCC to conduct a rulemaking to determine the appropriate standards for satellite carriers concerning which customers should be allowed to receive distant network Signals.

□ 1830

The legislation before us today is a balanced approach, Mr. Speaker. It is not perfect, like most pieces of legislation, but it is a carefully balanced compromise. It removes many of the obstacles standing in the way of true competition yet does not reward those in the satellite industry for their obvious illegal activities concerning a distant network signal. The real winners, Mr. Speaker, are our constituents, the consumers.

I urge all Members to support this constituent-friendly legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. CONYERS. Mr. Speaker, I yield myself 2½ minutes.

Mr. Speaker, paying due deference to all of the saints responsible for the bill listed by the gentleman from Louisiana (Chairman TAUZIN), the gentleman from North Carolina (Chairman COBLE), the gentleman from Massachusetts (Mr. MARKEY), the ranking member, and our colleagues on both committees, the gentleman from California (Mr. BERMAN) and the gentleman from Virginia (Mr. BOUCHER), this conference report has finally reached the floor.

Some think it may be the signal that we will be released soon because this is a bill that had to go through. It represents the culmination of several years of debate on intellectual property issues that affect both consumers, broadcasters, satellite companies, domain name holders, and patent holders.

The most important change the bill makes is allowing satellite carriers to offer local-to-local service. As we know, under current law, consumers may not receive local network signals along satellite services unless they are in a service area where local reception is blocked.

By eliminating this restriction, we will allow the satellite companies to provide more viable competition with cable, which will enhance consumer choice and services. This is good.

At the same time we are eliminating the barriers to entry by satellite, the bill also helps ensure that there is a level playing field between cable and satellite. This is good.

Under current law, cable is subject to legal must-carry requirements, which ensure that they carry all local service channels. This bill provides for a mechanism for importing this requirement on satellite companies, which again will serve to broaden the choices consumers have in programming.

Another important reform included in the bill includes loan guarantees provided for companies that want to retransmit local signals to rural markets. Far too much of the information revolution has passed by rural America. On our committee, the gentleman from Virginia (Mr. BOUCHER) has done an excellent job in this regard and has helped the bill immeasurably.

Telecommunication firms have argued that it is not economically feasible to offer satellite and other advanced services in these areas. We have done differently. The conference report will help to ensure that the capital exists to offer rural America access to their local signals.

I urge support of the measure before us.

Mr. Speaker, I reserve the balance of my time.

Mr. TAUZIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise for the purpose of engaging in a colloquy with my friend the gentleman from North Carolina (Mr. COBLE).

Mr. Speaker, a provision in this legislation provides that Internet service providers may not avail themselves of the compulsory license for terrestial systems under Section 111 of the Copyright Act and satellite systems under Sections 119 and 122.

I, the gentleman from Virginia (Mr. BLILEY), the gentleman from Michigan (Mr. DINGELL), and the gentleman from Massachusetts (Mr. MARKEY) believe that a wholesale exclusion from the compulsory license based solely on the technology used by potential licensees to retransmit the program may be inappropriate.

If on-line service providers can meet the underlying requirements of the compulsory license, they should not be discriminated against simply because of the medium used.

It is my understanding that the gentleman is committed to working with me, the gentleman from Virginia (Mr. BLILEY), the gentleman from Michigan (Mr. DINGELL), and the gentleman from Massachusetts (Mr. MARKEY) in addressing this concern this session.

Mr. Speaker, I ask the gentleman from North Carolina (Mr. COBLE), is that correct?

Mr. COBLE. Mr. Speaker, will the gentleman yield?

Mr. TAUZIN. I yield to the gentleman from North Carolina.

Mr. COBLE. Mr. Speaker, I would say that the gentleman from California (Mr. BERMAN), the gentleman from Michigan (Mr. CONYERS), and the gentleman from Illinois (Mr. HYDE) and are in agreement to work to address this matter.

Mr. BERMAN. Mr. Speaker, will the gentleman yield?

Mr. TAUZIN. I yield to the gentleman from California.

Mr. BERMAN. Mr. Speaker, without conceding any of the assumptions in the preface to the question of the gentleman from Louisiana (Mr. TAUZIN), I would be enthusiastic about working with the gentleman on this issue.

Mr. TAUZIN. Mr. Speaker, I thank the gentleman for his comments.

Mr. Speaker, I yield 2 minutes to the gentlewoman from Wyoming (Mrs. CUBIN.)

Mrs. CUBIN. Mr. Speaker, I would like to start by thanking the gentleman from Virginia (Chairman BLILEY), the chairman of the Committee on Commerce, for his remarkable work in getting this very important piece of legislation on the House floor tonight.

I am particularly pleased with the bill's rural provisions, which include a fiscally responsible plan that will ensure that all customers, including medium size and small markets, will have access to local broadcast signals by way of satellite.

The conference report includes a $1.25 billion Agriculture Department loan guarantee to help support the launch of satellite systems dedicated to provide television service to hundreds of rural and underserved markets.

Without this plan, only the largest television markets in America will be able to receive local-into-local service which is authorized by this legislation. The cities that will be served will only be those with millions-of-television households.

Even under the most optimistic local-to-local plan, it will require 2 to 3 years to put into service, and then it will only be available in about 70 of the 210 television markets in the United States.

The two largest television markets in Wyoming are Casper and Cheyenne. They both rank under 177. They would probably never receive local-into-local service without the loan guarantee provisions that are included in this bill.

Once again, I want to thank the gentleman from Virginia (Chairman BLILEY), the gentleman from Louisiana (Mr. TAUZIN), the gentleman from North Carolina (Chairman COBLE), and the gentleman from Virginia (Mr. BOUCHER) for all of their hard work in getting this bill to the floor in a timely manner.

Mr. MARKEY. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia (Mr. BOUCHER).

Mr. CONYERS. Mr. Speaker, I also yield 2 minutes to the gentleman from Virginia (Mr. BOUCHER).

The SPEAKER pro tempore (Mr. WALDEN of Oregon). The gentleman from Virginia (Mr. BOUCHER) is recognized for 4 minutes.

Mr. BOUCHER. Mr. Speaker, I want to thank my friends and colleagues from Massachusetts and from Michigan for yielding me this time.

I rise in support of the conference agreement and offer congratulations to my fellow conferees for performing well the challenging task of balancing a range of complex policy choices.

The new "satellite home viewer act" will be good for consumers. It assures that millions of rural Americans who live a long way from local TV stations can continue to receive network signals delivered by satellite. It fully authorizes an entirely new satellite service for the benefit of TV viewers.

For the first time, satellite companies will be able to offer not just national programs but also local television stations. They will up-link local stations to the satellite and spot beam those stations back into the markets of their origination.

With this advance, satellite companies will become completely viable competitors for cable TV companies and will offer all of the choices including local programs that cable companies offer at the present time.

This advance will benefit consumers by giving them a viable alternative to cable for multi-channel video services. It will serve as a competitive check on cable rates, benefiting even those viewers who continue to subscribe to cable television. And it will assure local broadcasters that, for the first time, they can reliably reach every viewer within their market.

I particularly want to thank the conferees in the House and in the other body for accepting a proposal that I made in partnership with my colleague, the gentleman from Virginia (Mr. GOODLATTE), to facilitate the offering of the new local-into-local satellite service, not just in the largest cities but in all 211 local television markets nationwide.

The commercial satellite companies have announced their intention to offer the local-into-local service only in the largest 67 cities.

The provision that the gentleman from Virginia (Mr. GOODLATTE) and I sponsored, which is a part of this conference report, will enable the U.S. Department of Agriculture to provide a loan guarantee in the amount of $1.25 billion to make feasible the construction, launch, and operation of enough satellites to provide the local-into-local service in all television markets nationwide, including the medium sized and the smaller markets that the commercial companies do not intend to serve.

I thank my colleague, the gentleman from Virginia (Mr. GOODLATTE), for his excellent efforts; and I thank other members of the conference for accepting this proposal. The interest of rural viewers will be well served by this advance, as they will by the adoption of this conference report. I am pleased to encourage its adoption by the House.

Mr. COBLE. Mr. Speaker, may I ask the Chair how much time I have remaining.

The SPEAKER pro tempore. The gentleman from North Carolina (Mr. COBLE) has 6 minutes remaining. The gentleman from Louisiana (Mr. TAUZIN) has 30 seconds remaining. The gentleman from Michigan (Mr. CONYERS) has 5½ minutes remaining. The gentleman from Massachusetts (Mr. MARKEY) has 4 minutes remaining.

Mr. COBLE. Mr. Speaker, I yield 2½ minutes to the gentleman from Roanoke Valley, Virginia (Mr. GOODLATTE).

Mr. GOODLATTE. Mr. Speaker, I thank the gentleman for yielding me the time, and I congratulate him and the gentleman from Illinois (Chairman HYDE) of the Committee on the Judiciary for their outstanding work on this.

This is truly a bipartisan effort. I want to thank the gentleman from Michigan (Mr. CONYERS), the ranking member, and the gentleman from California (Mr. BERMAN) as well and the Committee on Commerce. This is a cooperative venture between two committees that have worked out this very fine legislation.

But I, most especially, want to thank the gentleman from Virginia (Mr. BOUCHER), my colleague, for his very fine leadership on the rural local-into-local provisions in this bill. Because without those provisions, this bill would not do very much for those many, many tens of millions of Americans living in those smaller markets in this country.

And so it is truly exciting to have the opportunity to now know that in the near future my constituents who are having a problem being able to get their local news, weather, sports, emergency information, community information broadcast to them by satellite so they have a competitive alternative to cable, or in the rural areas the only alternative. And to be able to get that local broadcast is truly an exciting part of this bill.

But there are many other outstanding provisions, as well. That competition I just referred to that we will get now between satellite and cable in urban areas is a great development. The legislation in this bill dealing with cyber-squatting and cracking down on those who would steal other people's trademark names, as well as the patent provisions in this bill, are also all worth noting.

Now, one provision has been raised that is of concern to the on-line service provider industry, and I want to make it clear that I strongly support preserving the current law on this issue. On-line service providers should not be precluded from competing with satellite and cable providers if they qualify for the same license.

Especially important is this issue for people in rural areas to be able to get the choice of where they will get their programs, and Congress should be conscious of the unintended consequences of excluding an exciting new medium and the unintended consequences of excluding that medium.

So I intend to work with the other Members who have worked on this legislation to be sure that we find another vehicle to address those concerns before the House adjourns for the year.

Mr. CONYERS. Mr. Speaker, I am pleased to yield 3 minutes to the gentleman from California (Mr. BERMAN), the ranking member on our subcommittee; and I thank him for his excellent work.

Mr. BERMAN. Mr. Speaker, I rise in support of H.R. 1554, a bill which is truly enormous in its scope.

Its central purpose, of course, is to afford more American consumers the opportunity to view their own local stations by satellite, a sensible goal that I strongly endorse.

At the same time that I endorse the competitive parity we seek to achieve in this legislation between the satellite and cable industries, it is certainly the case that this bill does so at the expense of certain important principles.

I have made no secret in the past of my distaste for compulsory licenses. Yet this bill extends such a license, indeed one that has been massively violated by its beneficiaries, for another 5 years.

I might just add at this particular point and for the comments of the gentleman from Virginia (Mr. GOODLATTE) and the gentleman from Louisiana (Mr. TAUZIN) that there is some thought that, without hearings, without consideration, we are going to take the copyrighted content of our creative communities around this country and around this world and all of a sudden, by legal brief or by interpretation of a definition enacted when no one had any idea about this dreaming technology, assume that now there is compulsory license for Internet service providers without hearings, without discussion, without consideration.

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I would like to hear the compelling case for that particular move before this House is asked to consider it.

On another point, I strongly supported the marketplace approach taken in the 1994 Satellite Home Viewer Act amendments; namely, that the royalty fees paid by satellite services for programming obtained under the satellite compulsory license should be set at fair market value. Yet this conference report discounts the rate set by the Copyright Arbitration Royalty Panel and upheld by the U.S. Court of Appeals for the District of Columbia.

Finally and unfortunately in the last few days of the conference committee deliberations, a provision was added, which I strongly oppose, which delays for 6 months the obligation of multichannel video programming distributors to obtain consent for the retransmission of the signals of television broadcast stations in their local markets.

I look at these features of the conference report and I am struck by the degree to which this Congress, indeed this Republican majority, is imposing artificial, government-contrived impediments to the ability of the marketplace to determine the terms for delivery of broadcast signals.

Notwithstanding all of that, I am a supporter of this conference report, because it does provide the competition by satellite to cable that is needed through the delivery of local-to-local, through the addition of provisions fought for by the gentleman from Virginia. And if the urban legislators who once this passes have multifaceted choices for different media, in regular, free, on-the-air television, cable and satellite, are not willing to help the people in rural areas at least have some competitive alternative, it would be a very sad day.

I endorse the provisions of this bill.

Mr. MARKEY. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, up in Boston, there is one man whom we revere whose philosophy is instilled in each of us. His philosophy was, "All politics is local." His name was Tip O'Neill. Tonight he would be saying, "All politics is local-into-local," making sure you can take your local TV stations, beam them up to a satellite and bring them right back down, watch the Red Sox, watch the Bruins, watch the Celtics, on their local TV stations. Then you can disconnect your cable company if you like. If they are not coming soon enough to satisfy you and there is bad service, if they are putting up the rates too high for the limited number of channels they are providing you, this option now becomes one that you can consider. My father used to say to me, "Eddie, I'd disconnect cable in a second, but it would just be a pain to have to get up and flick the switch and then try to move the rabbit ears."

Mr. Speaker, tonight for my father and for millions like him across the country, this gives them the opportunity to begin to make that decision.

Mr. Speaker, I reserve the balance of my time.

Mr. COBLE. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from California (Mr. ROGAN), a member of the Committee on the Judiciary.

Mr. ROGAN. I thank the gentleman for yielding me this time.

Mr. Speaker, I am pleased to join my colleagues tonight in support of the conference agreement. This legislation will significantly increase competition in the satellite broadcast market and provide consumers across the United States with cutting edge services.

In addition, the bill offered earlier by my good friend from Virginia and I is now incorporated as title III in this conference report. Our legislation, the Cyberpiracy Prevention Act of 1999, will address the issue of cyberpiracy.

Cyberpiracy is the deceptive practice of registering an Internet domain name using the name of an existing entity or individual for the purpose of commercial gain. This bill prevents cybersquatting when a trademark, service mark, famous name or any personal name is involved. Typically, cybersquatters act against registered trademarks in a variety of ways.

Mr. Speaker, this bill as amended will protect the interests of the public mark owners and famous individuals from these fraudulent practices on the Internet. This bill provides legal recourse for those who have been exploited by cybersquatters, and extends current trademark protections to the world of e-commerce.

I encourage my colleagues to support this important measure.

Mr. Speaker, if I may, I want to thank my good friend, my subcommittee chairman, for his leadership on this. I want to commend the leadership of my friend from Virginia who has just done exceptional work. I want to commend the staffs of both parties and also the distinguished Judiciary Committee chairman in the other body for his leadership. This is a good measure. I look forward to its passage.

Mr. CONYERS. Mr. Speaker, I am pleased to yield 1 minute to the gentlewoman from California (Ms. LOFGREN).

Ms. LOFGREN. Mr. Speaker, I am so pleased to support this measure before us this evening, because it is going to help me answer a question that my constituents have been asking over and over again, which is why would Congress prevent local channels from being received by satellite dishes? I can see no reason for controlling competition in the way that we have done so. This measure will help bring competition to TV transmission.

There is a further issue that I think is enormously important, and that is the inclusion of patent reform. This Congress has been on record several times urging and hoping that we could bring American patent law into the modern era. Although we are making sausage here tonight, maybe this by way of process is not pristine, the absolute end result of a good patent reform bill is well worth our support, and I am grateful that it has been included.

Mr. TAUZIN. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. OXLEY).

Mr. OXLEY. Mr. Speaker, I rise in support of the conference report. The winner in this is the consumer.

Mr. MARKEY. Mr. Speaker, I yield myself 2 minutes.

It has been a long road, Mr. Speaker, to reach this point. We began in our committee probably 25 years ago with the cable revolution forcing telephone companies and electric companies to allow cable companies to put their wires on their poles. We had to pass laws forcing then as the cable companies got very large to force them to sell their programming to satellite companies so that the satellite companies would be able to compete against cable companies.

Each one of these steps is part of a government plan, part of a bipartisan, Federal Government plan to add more competition to the marketplace. If it was left just to the incumbent companies, we would never have any additions to the video revolution. We would never have reached the day here where we can debate whether or not streaming video, America OnLine, should be part of this debate. It is only because we have made these tough government decisions to break down barriers to entry to new technologies that we are able to debate this tonight.

For millions of Americans for the first time beginning this Christmas, they may have the opportunity of deciding just to disconnect their cable and to get their local television stations for the first time from a new place, a satellite dish, and to also have at the same time the freedom of having the couple of hundred channels that satellite offers to them. That is what makes me so excited about this bill. It no longer will be a rural revolution, it now becomes officially an urban revolution.

Again, not all of the provisions that I wanted are in this bill. I do not think we are going to see the price competition which would have been made possible if we had made some tougher decisions, but I do think we are tonight taking that first step towards making urban Americans equal citizens with rural Americans in this satellite revolution.

Mr. Speaker, I reserve the balance of my time.

Mr. COBLE. Mr. Speaker, I yield such time as he may consume to the gentleman from Oregon (Mr. WALDEN).

Mr. WALDEN of Oregon. Mr. Speaker, I rise in support of the conference report and to show my support for this legislation, especially with the local-into-local commitment for our rural areas.

Mr. Speaker, I rise in support of the passage of this conference report.

On behalf of the thousands of people in rural Oregon whose only clear reception to the world of television is via satellite, passage of this measure is a welcome relief.

I would also like to commend the Committee for providing the resources to help bring local stations to rural areas. It would be unfair for the viewer in the smallest of TV markets if they were left behind while the satellite companies provide local to local service in only the largest and most lucrative markets. People in rural Oregon deserve to be able to watch the local news, weather and community service programming, provided by their community broadcasters.

This bill is a good piece of legislation that will provide new alternatives, and more competition in the market place. It deserves our support tonight in the House.

Mr. COBLE. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. STEARNS).

Mr. STEARNS. Mr. Speaker, I rise in support of the conference report.

Mr. Speaker, I rise in favor of the Conference Report to H.R. 1554 and its positive impact on consumers in the 6th District of Florida. This legislation restores television signals to those consumers who truly cannot receive their local television broadcast stations while also laying a framework for establishing local-into-local signals. And in smaller, more rural markets such as mine, it establishes loan guarantees to provide service in such areas.

But I also support this Conference Report for the privacy protections it extends to donors of public broadcasting entities. As everyone knows by now, the public broadcasting stations engaged in swapping their donor lists with Democratic party. As a result, I introduced H.R. 2791, to prohibit public broadcasting stations receiving any funding through the Corporation for Public Broadcasting from making available any lists of their financial donors.

Though the Commerce Committee did not have time to mark-up my legislation, this Conference Report extends the protections of my legislation to donors of public broadcasting entities by prohibiting any funds to a public station which swaps lists with a political entity or disclosed donor names without their consent.

I encourage my colleagues to vote in favor of the report.

Mr. COBLE. Mr. Speaker, I yield 1 minute to the distinguished gentleman from California (Mr. Rohrabacher).

Mr. ROHRABACHER. Mr. Speaker, I rise in strong support of at least a provision, if not the entire conference report, because I just would like to talk about a provision that I know about and where I have a little bit of expertise, and that has to do with the American patent system.

Part of this conference report has a very strong patent reform provision that has been the subject of much debate and hard work in this body for the last 5 years. It is a victory for the American inventor. We have provisions in this bill that protect American inventors from prepublication which was a major issue of contention. It protects the patent term. And it ensures a strong patent system for the money that is going in there. It is going to be kept in the patent system to strengthen it and educate the patent examiners and to make sure that America remains the number one technological power on this planet from the bottom up. There is nothing we can do from the top down when it comes to the great inventiveness of the American people.

This bill contains provisions, as I say, which we worked so hard on. A great victory for the American inventors is contained in this conference report.

Mr. CONYERS. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I want to observe the pro-consumer part of this bill a little more carefully, because this is generally a pro-consumer bill. Could we have provided greater reforms in the area of retransmission consent? I think so. Currently, large broadcasters can enter into sweetheart deals with large cable and satellite companies. That is why I supported including strong antidiscrimination language which would have allowed new firms to more fairly compete against the entrenched monopolies. Although the final language prevents exclusive contracts, it could have been tougher. It could have done more to prevent discriminatory contracts. I think we will have to continue to watch for that.

I am also a strong supporter of those provisions dealing with patent reform and cybersquatting. The patent provisions will help prevent the deceptive practices of submarine patents, extend the length of patent terms and provide for a more streamlined patent office and patent examination system. The Patent and Trademark Office is a critical cog in our high-tech economy, and the changes will help keep our country at the forefront of innovation. The cybersquatting changes will help prevent abusive registration of Internet domain names and ensure that trademark rights are respected in cyberspace.

This is a good conference report. I encourage its support by all of the Members.

Mr. COBLE. Mr. Speaker, I yield myself the balance of my time.

This is the second omnibus copyright bill in as many Congresses, Mr. Speaker, revealing our commitment to address the challenges of the digital age as it involves the most important element, content. Without music, movies, software and books, all the machines in the world, Mr. Speaker, are meaningless. I am proud with my colleagues here today to stand up to protect property on the Internet, to help owners and consumers. This bill does that. This bill balances the interests involved. I urge support.

Mr. MARKEY. Mr. Speaker, I yield myself the balance of my time.

I want to conclude by congratulating my good friend the gentleman from Louisiana (Mr. TAUZIN) for his excellent work on this bill. We have worked many years on these issues.

I want to thank the gentleman from Virginia (Mr. BLILEY), the gentleman from Michigan (Mr. DINGELL) who wanted to be here, he is in another conference working on a health care-related issue right now; the gentleman from Michigan (Mr. CONYERS), the gentleman from California (Mr. BERMAN), the gentleman from North Carolina (Mr. COBLE), the gentleman from Virginia (Mr. BOUCHER), each one a saint, but I especially want to identify myself with the comments again of the gentleman from Michigan (Mr. CONYERS). It would have been far better if we had built in language which would have ensured that nondiscriminatory conduct against certain satellite companies could not have been engaged in. It would have been preferable if we had dealt with that issue today. Instead, our responsibility will be to monitor very closely marketplace activities and to identify wherever it occurs actions that are meant to harm those who seek to compete in this new marketplace.

Let us hope that this bill will be a success. I think each of us hopes that the revolution begins tonight.

I want to start off by commending Chairman BLILEY, Mr. DINGELL, and Chairman TAUZIN, as well as Chairman HYDE, Mr. CONYERS, Chairman COBLE, and Mr. BERMAN from the Judiciary Committee, for bringing back to the floor today the conference report on the Satellite Home Viewer Act (SHVA). And I want to thank my colleagues for their leadership and for the excellent work they have done in helping to bring a bipartisan, consensus approach to these complicated issues.

The impetus for Congress' activity on the Satellite Home Viewer Act this year is twofold. First, having deregulated cable programming services effective in April of this year, many members of this body sought ways in which to foster greater competition to incumbent cable systems. Second, lawmakers were responding to a series of court decisions that found that people were illegally selling distant network signals to consumers in violation of the Satellite Home Viewer Act. In proceeding legislatively, we have tried to remain true to two important communications values, namely localism and universal service. We have tried to balance these values even as we factor in the innovative changes that have occurred in satellite technology, as well as the dire need for greater competition to incumbent cable companies in the video marketplace.

In the Commerce Committee, I offered an amendment to accelerate the development of so-called "local-to-local" service. The local-to-local amendment that I offered was designed to help accelerate competition to incumbent cable systems by authorizing a service that would permit satellite carriers the ability to provide consumers a video service that was more comparable to cable. There's no question that many consumers today who would otherwise have switched to satellite TV do not do so because they cannot effectively receive their local channels.

This service avails a consumer of the opportunity to receive his or her local TV stations by way of satellite. This promotes our policy of localism and makes satellite service more attractive to consumers. I believe that local-to-local is the future of satellite broadcasting and that it will make satellite service more comparable to cable and I am very pleased that it is included in the legislation before the House.

At a time when cable programming has been deregulated, we must work quickly to provide incentives for greater competition to incumbent cable companies and we must do so in a way that fully recognizes the market power that the cable industry continues to wield in the marketplace.

I am very disappointed that the Conference Committee did not accept the stronger House version of this provision that would have been more competitive and more pro-consumer. In general, the House bill was a better bill than what the Senate produced, or what we have wound up with here at the end of the process. Late changes to the bill in the conference are a step in the right direction and have made the bill more acceptable. I believe that it is worthy of support, but we still have much work to do in order to promote greater choice and price competition to cable.

I am hopeful that we can return as a Congress and revisit these cable competition issues. Consumers deserve greater choice and they deserve greater efforts on the part of policymakers to make such choice ubiquitous and affordable.

Again, I want to commend Chairman BLILEY, and Chairman HYDE for bringing this bill to the floor and for their leadership in working with Mr. DINGELL, Mr. CONYERS, Chairman TAUZIN, Chairman COBLE, and myself as well as others on the Committee in attempting to fashion a consensus, bipartisan approach to this difficult issue.

I continue to believe that newly-granted retransmission consent rights for both local and distant signals must have appropriate safeguards against potential anticompetitive activity stemming from the cable industry's continued market dominance. Broadcasters have a non-marketplace safeguard built into the bill in the form of must-carry. Cable competitors must have similar protection against potential anticompetitive action because of the dominant position that incumbent cable companies are able to exercise. I hope that the FCC can clarify language in the bill as it is intended to serve consumers and our competition policy where it addresses the obligation for "good faith" negotiations.

Local-to-local service however, will not reach many markets initially. And even the most robust business plans on the drawing board today do not envision extending local-to-local beyond the top 70 markets or so. For that reason, we still need to address issues related to how we can supplement satellite service with the delivery of local TV channels in those smaller, rural markets with other wireless cable, terrestrial wireless, or cable broadcast-only basic tier availability.

Facilitating deployment of new technologies, such as wireless terrestrial service, could also advance the important priority of stimulating direct competitors to cable in all markets. Strong price and quality competition to incumbent cable systems is still woefully absent in today's marketplace. There are, for example, several companies poised to offer competition to cable through wireless services. One of these potential cable rivals is Northpoint Technology, which could provide cable services using existing equipment.

Finally, the conference agreement requires the Commission to conduct a number of rulemaking proceedings related to the rights of television broadcast stations, such as network nonduplication. These rulemaking procedures shall apply to commercial and noncommercial televisions stations.

Again, my congratulations to the Commerce and Judiciary Committee conferees. I urge support of the bill and I urge members who support more effective competition to incumbent cable systems to support strong rules at the FCC clarifying "good faith" negotiating obligations on those entities offering retransmission consent of their station's signal. Phone companies, cable overbuilders, and satellite operators need clear, pro-competition rules at the FCC and I believe the Commission ought to do this on an expedited basis. There's no reason to delay. I again urge support of the bill.

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Mr. TAUZIN. Mr. Speaker, I yield myself the remaining time.

Mr. Speaker, in closing, let me say that this has been a long battle. I say congratulations to my friend, the gentleman from Massachusetts (Mr. MARKEY).

Today, we see real competition for cable. We know that when cable faces real competition, rates can fall as much as 25 percent. Today, real competition; tomorrow, real choice. This is a victory for consumers.

For those of my colleagues who want to read the bill, it is on the web site at http://clerkweb.house.gov. My colleagues can pick it up on the web. More importantly, Americans will soon be able to pick up local television off of their satellite.

Mr. OXLEY. Mr. Speaker, Satellite television has emerged in recent years as a major competitor in the multichannel video marketplace. This is especially so in suburban and rural regions such as Ohio's Fourth Congressional District. It is a development which has been welcomed by consumers and policy makers alike.

The measure before us permits satellite television providers to deliver local broadcast channels to local viewers, bringing local news, sports, and weather to satellite customers. This will provide a major boost to satellite as a competitor to cable television.

The legislation will provide greater consumer choice and enhanced price competition for multichannel video services.

The bill also grandfathers DBS subscribers outside of the metropolitan Grade A contour who have had or are soon to have their distant network signals terminated. In addition, all owners of the larger, C-Band dishes are grandfathered. I strongly support the grandfather provisions as a matter of basic fairness for consumers.

In addition, the measure includes an amendment I offered in conference committee to protect the privacy of donors to public broadcasting stations. As members know, a scandal erupted this summer when it was discovered that PBS and NPR stations around the nation had been swapping lists of their donors with the Democrat National Committee and other partisan entities.

The amendment prohibits the sharing of lists with political committees and campaigns. In addition, my amendment requires that donors to public broadcasting stations be given the opportunity to opt-out of any sharing of their personal data. The third-party opt-out is similar to the privacy amendment which I added to S. 900, Financial Services Modernization. I'm pleased that the conference committee has taken this step to protect the privacy of public broadcasting contributors.

Mr Speaker, I urge support for the conference report.

Mrs. CAPPS. Mr. Speaker, I rise in strong support of the satellite television conference report.

I am very pleased we are able to consider this important legislation that will enable satellite television users to receive network signals. This bill represents an important victory for consumers across the country.

My constituents in Santa Barbara and San Luis Obispo counties in California have been heavily affected by this issue. My district is a rural, mountainous area, and thousands of people have turned to satellites as the only way to receive television signals. These people bought their satellites with the understanding that they would be able to receive national network stations. I am pleased that this bill will enable them to continue to do so.

It is clear that satellite users expect—and deserve—access to all television signals. And most importantly, they should be able to receive local network stations. Local TV is in many ways our modern town square. Our constituents need local TV stations for complete and up-to-date news, weather, and information about community events. The local-into-local satellite broadcasting provision, which enables households to receive their local stations through their satellite package, is perhaps the most important in the bill.

As this bill made its way through the legislative process, I was concerned that limited satellite technological capacity could provide local-into-local coverage for only the largest media markets. This would mean that Central Coast citizens would not be able to get their local TV stations through their satellites since we live in a small, rural market. I brought these concerns to the attention of the conferees and am pleased that the bill now creates a loan guarantee program to encourage satellite service in rural areas and smaller markets. This provision should ensure that all consumers will have access to local television through their satellite dish.

I urge my colleagues to support this bill and restore fairness for satellite viewing customers.

Mr. DINGELL. Mr. Speaker, I rise in support of the Conference Report on H.R. 1554.

Consumers will greatly benefit from the bill. They will finally be legally entitled to receive their local broadcast stations when they subscribe to satellite television service. No longer will consumers be required to fool with rabbit ears, or erect a huge antenna on their rooftop, to receive their local network stations. The satellite dish they buy this holiday season will be able to provide them with a one-stop source for all their television programming.

But the bill helps consumers in another very important way. Cable television prices were deregulated on April 1st of this year, despite the fact that effective competition to these systems was practically non-existent at that time. This bill now will allow satellite companies to compete more effectively with cable systems, and provide a real-market check on the rates they charge consumers. If cable rates continue to climb, as they have done for the past several years, consumers will be able to fight back—they'll now have a real choice for their video programming service.

Despite these benefits, it is true that in some of the smaller markets around the country, satellite companies will not provide local broadcast signals right away. This is due to technical capacity limitations that currently exist. In those smaller markets, consumers who subscribe to satellite TV will still be required to get their local stations over-the-air through the use of a conventional antenna.

This raises an important question that is the subject of considerable debate. The question is whether these consumers can actually receive an acceptable picture over-the-air, through the use of an antenna. The House bill would have given the Federal Communications Commission authority to change the rules governing which consumers receive an acceptable picture, and which do not. Those who do not would be allowed to subscribe to out-of-market, or "distant" network signals as part of their satellite television service.

Unfortunately, the House position was not adopted by the Conferees. Instead, the Conference Report simply requires the FCC to study this question and report back to Congress. A study will not help consumers who want satellite service, but are denied access to network programming. I hope that the distinguished Chairman of the Commerce Committee will take swift and appropriate action when that FCC report comes back to this body with its recommended changes. These rules need to be changed if we are ever going to have truly effective competition to cable.

Mr. Speaker, I believe that the Conference Report, on balance, is a pro-consumer, procompetitive piece of legislation and recommend its approval.

Mr. BLILEY. Mr. Speaker, I rise in strong support of the Conference Report on H.R. 1554, the Intellectual Property and Communications Omnibus Reform Act of 1999.

Mr. Speaker, this bill represents a significant achievement for the 106th Congress. When the Committee on Commerce began its deliberations on this measure nearly a year ago, we established that our overarching objective would be to produce a bill that creates competition with incumbent cable operators.

Because in the end, it is competition—and competition alone!—that will discipline cable operators. We tried cable rate regulation. And it failed—miserably.

But now the House stands on the brink of passing a strong pro-competition, pro-consumer bill.

I should add that, as early as last week, this legislation was headed in the wrong direction. The draft legislation preserved the status-quo * * * rather embracing the future and providing meaningful competition.

But during the last several days, several key provisions were included that put this legislation back on track. The Conferees included a provision that will jump-start local-into-local, and also included a provision that will permit many consumers to continue receiving two distant network signals.

With the addition of these two provisions, Congress can now genuinely represent to consumers that they will have a choice—and soon. This holiday season, for the first time, consumers will be able to go into their local consumer electronics store and purchase a true alternative to cable.

Until today, many consumers who considered buying satellite service decided not to buy it because satellite was missing a key ingredient: local broadcast channels. This legislation adds the missing ingredient. And every indication is that satellite subscribership will increase as a result.

Moreover, by phasing in local broadcasters' retransmission consent rights, this bill will jump-start local-into-local service. By this Christmas, tens of millions of satellite consumers will have access to local broadcast channels. DIRECTV alone will offer local broadcast channels to up to 50 million homes.

That accounts for about half of the nation's TV households. That's also a recipe for meaningful competition. And that's why I urge my colleagues to join me in supporting this Conference Report.

In closing, Mr. Speaker, let me acknowledge the work of several of my colleagues on the Conference. I commend the work of Mr. TAUZIN, Mr. OXLEY, and Mr. MARKEY, as well as the commitment of Mr. HYDE, Mr. COBLE, and Mr. GOODLATTE.

I also want to extend a special thanks to the Chairman of the Senate Judiciary Committee, Mr. HATCH. He and I worked closely together these last few days in an effort to forge a bill that not only would be good for consumers, but also a bill that key industry participants could jointly support. I commend him for his fine work in this area.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise to speak on behalf of H.R. 1554, which I supported in an earlier vote on the floor. This conference report redefines the role of our telecommunications industry by establishing fair competition for those participating within this industry.

This bill is an important one for several reasons. First, because it provides the rules and regulations that will allow satellite service providers, like Prime Star and Direct TV, to compete for television services in areas that have until now, been traditionally dominated by cable companies.

In the past, satellite service providers, unlike their land-based competitors, have not been allowed to re-broadcast local television signals. The result of this inequity has seriously undermined the ability of dish providers to provide meaningful competition to cable, notwithstanding the development of small dish-based systems that are more affordable than ever before.

This bill rectifies this situation, by finally allowing satellite service providers to provide local television programming to their customers. This means that my constituents in Houston will be able to select between at least two services to satisfy their television needs. The fact that we are giving dish-providers the ability to rebroadcast local signals, however, does not come without additional responsibility. Under this bill, dish-providers will not be able to carry only those signals that stand to earn them a great deal of profit—they must also carry all of those local signals that are required of the cable companies. After all, this bill was designed in order to erase inequities, not further them.

Another mechanism in this bill that provides for an equal footing is the non-discrimination clause, which tells broadcasters that they must make their signals available for rebroadcast by cable and satellite companies. This prevents broadcasters from altering the landscape of competition in their markets by tipping the scales in favor of one side over the other by allowing them to chose who will have the rights to re-broadcast their signals.

Most of all, however, I am convinced that we are addressing a topic that is vital to our constituents. Mr. Speaker, I would like to thank this bill's sponsors and those who participated in the conference on moving forward with this needed bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. ARMEY) that the House suspend the rules and agree to the conference report on the bill, H.R. 1554.

The question was taken.

Mr. COBLE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1300

Mr. WHITFIELD. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 1300.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

DECEPTIVE MAIL PREVENTION AND ENFORCEMENT ACT

Mr. McHUGH. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 335) to amend chapter 30 of title 39, United States Code, to provide for the nonmailability of certain deceptive matter relating to sweepstakes, skill contests, facsimile checks, administrative procedures, orders, and civil penalties relating to such matter, and for other purposes, as amended.

The Clerk read as follows:

S. 335

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Table of contents.

TITLE I—DECEPTIVE MAIL PREVENTION AND ENFORCEMENT

Sec. 101. Short title.

Sec. 102. Restrictions on mailings using misleading references to the United States Government.
Sec. 103. Restrictions on sweepstakes and deceptive mailings.
Sec. 104. Postal service orders to prohibit deceptive mailings.
Sec. 105. Temporary restraining order for deceptive mailings.
Sec. 106. Civil penalties and costs.
Sec. 107. Administrative subpoenas.
Sec. 108. Requirements of promoters of skill contests or sweepstakes mailings.
Sec. 109. State law not preempted.
Sec. 110. Technical and conforming amendments.
Sec. 111. Effective date.

TITLE II—FEDERAL RESERVE BOARD RETIREMENT PORTABILITY

Sec. 201. Short title.
Sec. 202. Portability of service credit.
Sec. 203. Certain transfers to be treated as a separation from service for purposes of the thrift savings plan.
Sec. 204. Clarifying amendments.

TITLE III—AMENDMENT TO THE FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949.

Sec. 301. Transfer of certain property to State and local governments.

TITLE I—DECEPTIVE MAIL PREVENTION AND ENFORCEMENT

SEC. 101. SHORT TITLE.

This title may be cited as the "Deceptive Mail Prevention and Enforcement Act".

SEC. 102. RESTRICTIONS ON MAILINGS USING MISLEADING REFERENCES TO THE UNITED STATES GOVERNMENT.

Section 3001 of title 39, United States Code, is amended—

(1) in subsection (h)—

(A) in the first sentence by striking "contains a seal, insignia, trade or brand name, or any other term or symbol that reasonably could be interpreted or construed as implying any Federal Government connection, approval or endorsement" and inserting the following: "which reasonably could be interpreted or construed as implying any Federal Government connection, approval, or endorsement through the use of a seal, insignia, reference to the Postmaster General, citation to a Federal statute, name of a Federal agency, department, commission, or program, trade or brand name, or any other term or symbol; or contains any reference to the Postmaster General or a citation to a Federal statute that misrepresents either the identity of the mailer or the protection or status afforded such matter by the Federal Government"; and

(B) in paragraph (2)—

(i) in subparagraph (A) by striking "and" at the end;

(ii) in subparagraph (B) by striking "or" at the end and inserting "and"; and

(iii) by inserting after subparagraph (B) the following:

"(C) such matter does not contain a false representation stating or implying that Federal Government benefits or services will be affected by any purchase or nonpurchase; or";

(2) in subsection (i) in the first sentence—

(A) in the first sentence by striking "contains a seal, insignia, trade or brand name, or any other term or symbol that reasonably could be interpreted or construed as implying any Federal Government connection, approval or endorsement" and inserting the following: "which reasonably could be interpreted or construed as implying any Federal Government connection, approval, or endorsement through the use of a seal, insignia, reference to the Postmaster General, citation to a Federal statute, name of a Federal agency, department, commission, or program, trade or brand name, or any other term or symbol; or contains any reference to the Postmaster General or a citation to a Federal statute that misrepresents either the identity of the mailer or the protection or status afforded such matter by the Federal Government"; and

(B) in paragraph (2)—

(i) in subparagraph (A) by striking "and" at the end;

(ii) in subparagraph (B) by striking "or" at the end and inserting "and"; and

(iii) by inserting after subparagraph (B) the following:

"(C) such matter does not contain a false representation stating or implying that Federal Government benefits or services will be affected by any contribution or noncontribution; or";

(3) by redesignating subsections (j) and (k) as subsections (m) and (n), respectively; and

(4) by inserting after subsection (i) the following:

"(j)(1) Any matter otherwise legally acceptable in the mails which is described in paragraph (2) is nonmailable matter, shall not be carried or delivered by mail, and shall be disposed of as the Postal Service directs.

"(2) Matter described in this paragraph is any matter that—

"(A) constitutes a solicitation for the purchase of or payment for any product or service that—

"(i) is provided by the Federal Government; and

"(ii) may be obtained without cost from the Federal Government; and

"(B) does not contain a clear and conspicuous statement giving notice of the information set forth in clauses (i) and (ii) of subparagraph (A).".

SEC. 103. RESTRICTIONS ON SWEEPSTAKES AND DECEPTIVE MAILINGS.

Section 3001 of title 39, United States Code, is amended by inserting after subsection (j) (as added by section 102(4)) the following:

"(k)(1) In this subsection—

"(A) the term 'clearly and conspicuously displayed' means presented in a manner that is readily noticeable, readable, and understandable to the group to whom the applicable matter is disseminated;

"(B) the term 'facsimile check' means any matter that—

"(i) is designed to resemble a check or other negotiable instrument; but

"(ii) is not negotiable;

"(C) the term 'skill contest' means a puzzle, game, competition, or other contest in which—

"(i) a prize is awarded or offered;

"(ii) the outcome depends predominately on the skill of the contestant; and

"(iii) a purchase, payment, or donation is required or implied to be required to enter the contest; and

"(D) the term 'sweepstakes' means a game of chance for which no consideration is required to enter.

"(2) Except as provided in paragraph (4), any matter otherwise legally acceptable in the mails which is described in paragraph (3) is nonmailable matter, shall not be carried or delivered by mail, and shall be disposed of as the Postal Service directs.

"(3) Matter described in this paragraph is any matter that—

"(A)(i) includes entry materials for a sweepstakes or a promotion that purports to be a sweepstakes; and

"(ii)(I) does not contain a statement that discloses in the mailing, in the rules, and on the order or entry form, that no purchase is necessary to enter such sweepstakes;

"(II) does not contain a statement that discloses in the mailing, in the rules, and on the order or entry form, that a purchase will not improve an individual's chances of winning with such entry;

"(III) does not state all terms and conditions of the sweepstakes promotion, including the rules and entry procedures for the sweepstakes;

"(IV) does not disclose the sponsor or mailer of such matter and the principal place of business or an address at which the sponsor or mailer may be contacted;

"(V) does not contain sweepstakes rules that state—

"(aa) the estimated odds of winning each prize;

"(bb) the quantity, estimated retail value, and nature of each prize; and

"(cc) the schedule of any payments made over time;

"(VI) represents that individuals not purchasing products or services may be disqualified from receiving future sweepstakes mailings;

"(VII) requires that a sweepstakes entry be accompanied by an order or payment for a product or service previously ordered;

"(VIII) represents that an individual is a winner of a prize unless that individual has won such prize; or

"(IX) contains a representation that contradicts, or is inconsistent with sweepstakes rules or any other disclosure required to be made under this subsection, including any statement qualifying, limiting, or explaining the rules or disclosures in a manner inconsistent with such rules or disclosures;

"(B)(i) includes entry materials for a skill contest or a promotion that purports to be a skill contest; and

"(ii)(I) does not state all terms and conditions of the skill contest, including the rules and entry procedures for the skill contest;

"(II) does not disclose the sponsor or mailer of the skill contest and the principal place of business or an address at which the sponsor or mailer may be contacted; or

"(III) does not contain skill contest rules that state, as applicable—

"(aa) the number of rounds or levels of the contest and the cost to enter each round or level;

"(bb) that subsequent rounds or levels will be more difficult to solve;

"(cc) the maximum cost to enter all rounds or levels;

"(dd) the estimated number or percentage of entrants who may correctly solve the skill contest or the approximate number or percentage of entrants correctly solving the past 3 skill contests conducted by the sponsor;

"(ee) the identity or description of the qualifications of the judges if the contest is judged by other than the sponsor;

"(ff) the method used in judging;

"(gg) the date by which the winner or winners will be determined and the date or process by which prizes will be awarded;

"(hh) the quantity, estimated retail value, and nature of each prize; and

"(ii) the schedule of any payments made over time; or

"(C) includes any facsimile check that does not contain a statement on the check itself that such check is not a negotiable instrument and has no cash value.

"(4) Matter that appears in a magazine, newspaper, or other periodical shall be exempt from paragraph (2) if such matter—

“(A) is not directed to a named individual; or

“(B) does not include an opportunity to make a payment or order a product or service.

“(5) Any statement, notice, or disclaimer required under paragraph (3) shall be clearly and conspicuously displayed. Any statement, notice, or disclaimer required under subclause (I) or (II) of paragraph (3)(A)(ii) shall be displayed more conspicuously than would otherwise be required under the preceding sentence.

“(6) In the enforcement of paragraph (3), the Postal Service shall consider all of the materials included in the mailing and the material and language on and visible through the envelope or outside cover or wrapper in which those materials are mailed.

“(l)(1) Any person who uses the mails for any matter to which subsection (h), (i), (j), or (k) applies shall adopt reasonable practices and procedures to prevent the mailing of such matter to any person who, personally or through a conservator, guardian, or individual with power of attorney—

“(A) submits to the mailer of such matter a written request that such matter should not be mailed to such person; or

“(B)(i) submits such a written request to the attorney general of the appropriate State (or any State government officer who transmits the request to that attorney general); and

“(ii) that attorney general transmits such request to the mailer.

“(2) Any person who mails matter to which subsection (h), (i), (j), or (k) applies shall maintain or cause to be maintained a record of all requests made under paragraph (1). The records shall be maintained in a form to permit the suppression of an applicable name at the applicable address for a 5-year period beginning on the date the written request under paragraph (1) is submitted to the mailer.”.

SEC. 104. POSTAL SERVICE ORDERS TO PROHIBIT DECEPTIVE MAILINGS.

Section 3005(a) of title 39, United States Code, is amended—

(1) by striking “or” after “(h),” each place it appears; and

(2) by inserting “, (j), or (k)” after “(i)” each place it appears.

SEC. 105. TEMPORARY RESTRAINING ORDER FOR DECEPTIVE MAILINGS.

(a) IN GENERAL.—Section 3007 of title 39, United States Code, is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by striking subsection (a) and inserting the following:

“(a)(1) In preparation for or during the pendency of proceedings under section 3005, the Postal Service may, under the provisions of section 409(d), apply to the district court in any district in which mail is sent or received as part of the alleged scheme, device, lottery, gift enterprise, sweepstakes, skill contest, or facsimile check or in any district in which the defendant is found, for a temporary restraining order and preliminary injunction under the procedural requirements of rule 65 of the Federal Rules of Civil Procedure.

“(2)(A) Upon a proper showing, the court shall enter an order which shall—

“(i) remain in effect during the pendency of the statutory proceedings, any judicial review of such proceedings, or any action to enforce orders issued under the proceedings; and

“(ii) direct the detention by the postmaster, in any and all districts, of the defendant's incoming mail and outgoing mail, which is the subject of the proceedings under section 3005.

“(B) A proper showing under this paragraph shall require proof of a likelihood of success on the merits of the proceedings under section 3005.

“(3) Mail detained under paragraph (2) shall—

“(A) be made available at the post office of mailing or delivery for examination by the defendant in the presence of a postal employee; and

“(B) be delivered as addressed if such mail is not clearly shown to be the subject of proceedings under section 3005.

“(4) No finding of the defendant's intent to make a false representation or to conduct a lottery is required to support the issuance of an order under this section.

“(b) If any order is issued under subsection (a) and the proceedings under section 3005 are concluded with the issuance of an order under that section, any judicial review of the matter shall be in the district in which the order under subsection (a) was issued.”.

(b) REPEAL.—

(1) IN GENERAL.—Section 3006 of title 39, United States Code, and the item relating to such section in the table of sections for chapter 30 of such title are repealed.

(2) CONFORMING AMENDMENTS.—(A) Section 3005(c) of title 39, United States Code, is amended by striking “section and section 3006 of this title,” and inserting “section,”.

(B) Section 3011(e) of title 39, United States Code, is amended by striking “3006, 3007,” and inserting “3007”.

SEC. 106. CIVIL PENALTIES AND COSTS.

Section 3012 of title 39, United States Code, is amended—

(1) in subsection (a) by striking “$10,000 for each day that such person engages in conduct described by paragraph (1), (2), or (3) of this subsection.” and inserting “$50,000 for each mailing of less than 50,000 pieces; $100,000 for each mailing of 50,000 to 100,000 pieces; with an additional $10,000 for each additional 10,000 pieces above 100,000, not to exceed $2,000,000.”;

(2) in paragraphs (1) and (2) of subsection (b) by inserting after “of subsection (a)” the following: “, (c), or (d)”;

(3) by redesignating subsections (c) and (d), as subsections (e) and (f), respectively; and

(4) by inserting after subsection (b) the following:

“(c)(1) In any proceeding in which the Postal Service may issue an order under section 3005(a), the Postal Service may in lieu of that order or as part of that order assess civil penalties in an amount not to exceed $25,000 for each mailing of less than 50,000 pieces; $50,000 for each mailing of 50,000 to 100,000 pieces; with an additional $5,000 for each additional 10,000 pieces above 100,000, not to exceed $1,000,000.

“(2) In any proceeding in which the Postal Service assesses penalties under this subsection the Postal Service shall determine the civil penalty taking into account the nature, circumstances, extent, and gravity of the violation or violations of section 3005(a), and with respect to the violator, the ability to pay the penalty, the effect of the penalty on the ability of the violator to conduct lawful business, any history of prior violations of such section, the degree of culpability and other such matters as justice may require.

“(d) Any person who violates section 3001(l) shall be liable to the United States for a civil penalty not to exceed $10,000 for each mailing to an individual.”.

SEC. 107. ADMINISTRATIVE SUBPOENAS.

(a) IN GENERAL.—Chapter 30 of title 39, United States Code, is amended by adding at the end the following:

“§ 3016. Administrative subpoenas

“(a) SUBPOENA AUTHORITY.—

“(1) INVESTIGATIONS.—

“(A) IN GENERAL.—In any investigation conducted under section 3005(a), the Postmaster General may require by subpoena the production of any records (including books, papers, documents, and other tangible things which constitute or contain evidence) which the Postmaster General considers relevant or material to such investigation.

“(B) CONDITION.—No subpoena shall be issued under this paragraph except in accordance with procedures, established by the Postal Service, requiring that—

“(i) a specific case, with an individual or entity identified as the subject, be opened before a subpoena is requested;

“(ii) appropriate supervisory and legal review of a subpoena request be performed; and

“(iii) delegation of subpoena approval authority be limited to the Postal Service's General Counsel or a Deputy General Counsel.

“(2) STATUTORY PROCEEDINGS.—In any statutory proceeding conducted under section 3005(a), the Judicial Officer may require by subpoena the attendance and testimony of witnesses and the production of any records (including books, papers, documents, and other tangible things which constitute or contain evidence) which the Judicial Officer considers relevant or material to such proceeding.

“(3) RULE OF CONSTRUCTION.—Nothing in paragraph (2) shall be considered to apply in any circumstance to which paragraph (1) applies.

“(b) SERVICE.—

“(1) SERVICE WITHIN THE UNITED STATES.—A subpoena issued under this section may be served by a person designated under section 3061 of title 18 at any place within the territorial jurisdiction of any court of the United States.

“(2) FOREIGN SERVICE.—Any such subpoena may be served upon any person who is not to be found within the territorial jurisdiction of any court of the United States, in such manner as the Federal Rules of Civil Procedure prescribe for service in a foreign country. To the extent that the courts of the United States may assert jurisdiction over such person consistent with due process, the United States District Court for the District of Columbia shall have the same jurisdiction to take any action respecting compliance with this section by such person that such court would have if such person were personally within the jurisdiction of such court.

“(3) SERVICE ON BUSINESS PERSONS.—Service of any such subpoena may be made upon a partnership, corporation, association, or other legal entity by—

“(A) delivering a duly executed copy thereof to any partner, executive officer, managing agent, or general agent thereof, or to any agent thereof authorized by appointment or by law to receive service of process on behalf of such partnership, corporation, association, or entity;

“(B) delivering a duly executed copy thereof to the principal office or place of business of the partnership, corporation, association, or entity; or

“(C) depositing such copy in the United States mails, by registered or certified mail, return receipt requested, duly addressed to such partnership, corporation, association, or entity at its principal office or place of business.

"(4) Service on natural persons.—Service of any subpoena may be made upon any natural person by—

"(A) delivering a duly executed copy to the person to be served; or

"(B) depositing such copy in the United States mails, by registered or certified mail, return receipt requested, duly addressed to such person at his residence or principal office or place of business.

"(5) Verified return.—A verified return by the individual serving any such subpoena setting forth the manner of such service shall be proof of such service. In the case of service by registered or certified mail, such return shall be accompanied by the return post office receipt of delivery of such subpoena.

"(c) Enforcement.—

"(1) In general.—Whenever any person, partnership, corporation, association, or entity fails to comply with any subpoena duly served upon him, the Postmaster General may request that the Attorney General seek enforcement of the subpoena in the district court of the United States for any judicial district in which such person resides, is found, or transacts business, and serve upon such person a petition for an order of such court for the enforcement of this section.

"(2) Jurisdiction.—Whenever any petition is filed in any district court of the United States under this section, such court shall have jurisdiction to hear and determine the matter so presented, and to enter such order or orders as may be required to carry into effect the provisions of this section. Any final order entered shall be subject to appeal under section 1291 of title 28, United States Code. Any disobedience of any final order entered under this section by any court may be punished as contempt.

"(d) Disclosure.—Any documentary material provided pursuant to any subpoena issued under this section shall be exempt from disclosure under section 552 of title 5, United States Code.".

(b) Regulations.—Not later than 120 days after the date of the enactment of this section, the Postal Service shall promulgate regulations setting out the procedures the Postal Service will use to implement the amendment made by subsection (a).

(c) Semiannual Reports.—Section 3013 of title 39, United States Code, is amended by striking "and" at the end of paragraph (4), by redesignating paragraph (5) as paragraph (6), and by inserting after paragraph (4) the following:

"(5) the number of cases in which the authority described in section 3016 was used, and a comprehensive statement describing how that authority was used in each of those cases; and".

(d) Technical and Conforming Amendment.—The table of sections for chapter 30 of title 39, United States Code, is amended by adding at the end the following:

"3016. Administrative subpoenas.".

SEC. 108. REQUIREMENTS OF PROMOTERS OF SKILL CONTESTS OR SWEEPSTAKES MAILINGS.

(a) In General.—Chapter 30 of title 39, United States Code (as amended by section 107) is amended by adding after section 3016 the following:

"§ 3017. Nonmailable skill contests or sweepstakes matter; notification to prohibit mailings

"(a) Definitions.—In this section—

"(1) the term 'promoter' means any person who—

"(A) originates and mails any skill contest or sweepstakes, except for any matter described in section 3001(k)(4); or

"(B) originates and causes to be mailed any skill contest or sweepstakes, except for any matter described in section 3001(k)(4);

"(2) the term 'removal request' means a request stating that an individual elects to have the name and address of such individual excluded from any list used by a promoter for mailing skill contests or sweepstakes;

"(3) the terms 'skill contest', 'sweepstakes', and 'clearly and conspicuously displayed' have the same meanings as given them in section 3001(k); and

"(4) the term 'duly authorized person', as used in connection with an individual, means a conservator or guardian of, or person granted power of attorney by, such individual.

"(b) Nonmailable Matter.—

"(1) In general.—Matter otherwise legally acceptable in the mails described in paragraph (2)—

"(A) is nonmailable matter;

"(B) shall not be carried or delivered by mail; and

"(C) shall be disposed of as the Postal Service directs.

"(2) Nonmailable matter described.—Matter described in this paragraph is any matter that—

"(A) is a skill contest or sweepstakes, except for any matter described in section 3001(k)(4); and

"(B)(i) is addressed to an individual who made an election to be excluded from lists under subsection (d); or

"(ii) does not comply with subsection (c)(1).

"(c) Requirements of Promoters.—

"(1) Notice to individuals.—Any promoter who mails a skill contest or sweepstakes shall provide with each mailing a statement that—

"(A) is clearly and conspicuously displayed;

"(B) includes the address or toll-free telephone number of the notification system established under paragraph (2); and

"(C) states that the notification system may be used to prohibit the mailing of all skill contests or sweepstakes by that promoter to such individual.

"(2) Notification system.—Any promoter that mails or causes to be mailed a skill contest or sweepstakes shall establish and maintain a notification system that provides for any individual (or other duly authorized person) to notify the system of the individual's election to have the name and address of the individual excluded from all lists of names and addresses used by that promoter to mail any skill contest or sweepstakes.

"(d) Election To Be Excluded From Lists.—

"(1) In general.—An individual (or other duly authorized person) may elect to exclude the name and address of that individual from all lists of names and addresses used by a promoter of skill contests or sweepstakes by submitting a removal request to the notification system established under subsection (c).

"(2) Response after submitting removal request to the notification system.—Not later than 60 calendar days after a promoter receives a removal request pursuant to an election under paragraph (1), the promoter shall exclude the individual's name and address from all lists of names and addresses used by that promoter to select recipients for any skill contest or sweepstakes.

"(3) Effectiveness of election.—An election under paragraph (1) shall remain in effect, unless an individual (or other duly authorized person) notifies the promoter in writing that such individual—

"(A) has changed the election; and

"(B) elects to receive skill contest or sweepstakes mailings from that promoter.

"(e) Private Right of Action.—

"(1) In general.—An individual who receives one or more mailings in violation of subsection (d) may, if otherwise permitted by the laws or rules of court of a State, bring in an appropriate court of that State—

"(A) an action to enjoin such violation;

"(B) an action to recover for actual monetary loss from such a violation, or to receive $500 in damages for each such violation, whichever is greater; or

"(C) both such actions.

It shall be an affirmative defense in any action brought under this subsection that the defendant has established and implemented, with due care, reasonable practices and procedures to effectively prevent mailings in violation of subsection (d). If the court finds that the defendant willfully or knowingly violated subsection (d), the court may, in its discretion, increase the amount of the award to an amount equal to not more than 3 times the amount available under subparagraph (B).

"(2) Action allowable based on other sufficient notice.—A mailing sent in violation of section 3001(l) shall be actionable under this subsection, but only if such an action would not also be available under paragraph (1) (as a violation of subsection (d)) based on the same mailing.

"(f) Promoter Nonliability.—A promoter shall not be subject to civil liability for the exclusion of an individual's name or address from any list maintained by that promoter for mailing skill contests or sweepstakes, if—

"(1) a removal request is received by the promoter's notification system; and

"(2) the promoter has a good faith belief that the request is from—

"(A) the individual whose name and address is to be excluded; or

"(B) another duly authorized person.

"(g) Prohibition on Commercial Use of Lists.—

"(1) In general.—

"(A) Prohibition.—No person may provide any information (including the sale or rental of any name or address) derived from a list described in subparagraph (B) to another person for commercial use.

"(B) Lists.—A list referred to under subparagraph (A) is any list of names and addresses (or other related information) compiled from individuals who exercise an election under subsection (d).

"(2) Civil penalty.—Any person who violates paragraph (1) shall be assessed a civil penalty by the Postal Service not to exceed $2,000,000 per violation.

"(h) Civil Penalties.—

"(1) In general.—Any promoter—

"(A) who recklessly mails nonmailable matter in violation of subsection (b) shall be liable to the United States in an amount of $10,000 per violation for each mailing to an individual of nonmailable matter; or

"(B) who fails to comply with the requirements of subsection (c)(2) shall be liable to the United States.

"(2) Enforcement.—The Postal Service shall, in accordance with the same procedures as set forth in section 3012(b), provide for the assessment of civil penalties under this section.".

(b) Technical and Conforming Amendments.—The table of sections for chapter 30 of title 39, United States Code, is amended by adding after the item relating to section 3016 the following:

"3017. Nonmailable skill contests or sweepstakes matter; notification to prohibit mailings.".

(c) EFFECTIVE DATE.—This section shall take effect 1 year after the date of the enactment of this Act.

SEC. 109. STATE LAW NOT PREEMPTED.

(a) IN GENERAL.—Nothing in the provisions of this title (including the amendments made by this title) or in the regulations promulgated under such provisions shall be construed to preempt any provision of State or local law that imposes more restrictive requirements, regulations, damages, costs, or penalties. No determination by the Postal Service that any particular piece of mail or class of mail is in compliance with such provisions of this title shall be construed to preempt any provision of State or local law.

(b) EFFECT ON STATE COURT PROCEEDINGS.—Nothing contained in this section shall be construed to prohibit an authorized State official from proceeding in State court on the basis of an alleged violation of any general civil or criminal statute of such State or any specific civil or criminal statute of such State.

SEC. 110. TECHNICAL AND CONFORMING AMENDMENTS.

(a) REFERENCES TO REPEALED PROVISIONS.—Section 3001(a) of title 39, United States Code, is amended by striking "1714," and "1718,".

(b) CONFORMANCE WITH INSPECTOR GENERAL ACT OF 1978.—

(1) IN GENERAL.—Section 3013 of title 39, United States Code, is amended—

(A) by striking "Board" each place it appears and inserting "Inspector General";

(B) in the third sentence by striking "Each such report shall be submitted within sixty days after the close of the reporting period involved" and inserting "Each such report shall be submitted within 1 month (or such shorter length of time as the Inspector General may specify) after the close of the reporting period involved"; and

(C) by striking the last sentence and inserting the following:

"The information in a report submitted under this section to the Inspector General with respect to a reporting period shall be included as part of the semiannual report prepared by the Inspector General under section 5 of the Inspector General Act of 1978 for the same reporting period. Nothing in this section shall be considered to permit or require that any report by the Postmaster General under this section include any information relating to activities of the Inspector General.".

(2) EFFECTIVE DATE.—This subsection shall take effect on the date of the enactment of this Act, and the amendments made by this subsection shall apply with respect to semiannual reporting periods beginning on or after such date of enactment.

(3) SAVINGS PROVISION.—For purposes of any semiannual reporting period preceding the first semiannual reporting period referred to in paragraph (2), the provisions of title 39, United States Code, shall continue to apply as if the amendments made by this subsection had not been enacted.

SEC. 111. EFFECTIVE DATE.

Except as provided in section 108 or 110(b), this title shall take effect 120 days after the date of the enactment of this Act.

TITLE II—FEDERAL RESERVE BOARD RETIREMENT PORTABILITY

SEC. 201. SHORT TITLE.

This title may be cited as the "Federal Reserve Board Retirement Portability Act".

SEC. 202. PORTABILITY OF SERVICE CREDIT.

(a) CREDITABLE SERVICE.—

(1) IN GENERAL.—Section 8411(b) of title 5, United States Code, is amended—

(A) by striking "and" at the end of paragraph (3);

(B) in paragraph (4)—

(i) by striking "of the preceding provisions" and inserting "other paragraph"; and

(ii) by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(5) a period of service (other than any service under any other paragraph of this subsection, any military service, and any service performed in the employ of a Federal Reserve Bank) that was creditable under the Bank Plan (as defined in subsection (i)), if the employee waives credit for such service under the Bank Plan and makes a payment to the Fund equal to the amount that would have been deducted from pay under section 8422(a) had the employee been subject to this chapter during such period of service (together with interest on such amount computed under paragraphs (2) and (3) of section 8334(e)).

Paragraph (5) shall not apply in the case of any employee as to whom subsection (g) (or, to the extent subchapter III of chapter 83 is involved, section 8332(n)) otherwise applies.".

(2) BANK PLAN DEFINED.—Section 8411 of title 5, United States Code, is amended by adding at the end the following:

"(i) For purposes of subsection (b)(5), the term 'Bank Plan' means the benefit structure in which employees of the Board of Governors of the Federal Reserve System appointed on or after January 1, 1984, participate, which benefit structure is a component of the Retirement Plan for Employees of the Federal Reserve System, established under section 10 of the Federal Reserve Act (and any redesignated or successor version of such benefit structure, if so identified in writing by the Board of Governors of the Federal Reserve System for purposes of this chapter).".

(b) EXCLUSION FROM CHAPTER 84.—

(1) IN GENERAL.—Paragraph (2) of section 8402(b) of title 5, United States Code, is amended by striking the matter before subparagraph (B) and inserting the following:

"(2)(A) any employee or Member who has separated from the service after—

"(i) having been subject to—

"(I) subchapter III of chapter 83 of this title;

"(II) subchapter I of chapter 8 of title I of the Foreign Service Act of 1980; or

"(III) the benefit structure for employees of the Board of Governors of the Federal Reserve System appointed before January 1, 1984, that is a component of the Retirement Plan for Employees of the Federal Reserve System, established under section 10 of the Federal Reserve Act; and

"(ii) having completed—

"(I) at least 5 years of civilian service creditable under subchapter III of chapter 83 of this title;

"(II) at least 5 years of civilian service creditable under subchapter I of chapter 8 of title I of the Foreign Service Act of 1980; or

"(III) at least 5 years of civilian service (other than any service performed in the employ of a Federal Reserve Bank) creditable under the benefit structure for employees of the Board of Governors of the Federal Reserve System appointed before January 1, 1984, that is a component of the Retirement Plan for Employees of the Federal Reserve System, established under section 10 of the Federal Reserve Act,

determined without regard to any deposit or redeposit requirement under either such subchapter or under such benefit structure, or any requirement that the individual become subject to either such subchapter or to such benefit structure after performing the service involved; or".

(2) EXCEPTION.—Subsection (d) of section 8402 of title 5, United States Code, is amended to read as follows:

"(d) Paragraph (2) of subsection (b) shall not apply to an individual who—

"(1) becomes subject to—

"(A) subchapter II of chapter 8 of title I of the Foreign Service Act of 1980 (relating to the Foreign Service Pension System) pursuant to an election; or

"(B) the benefit structure in which employees of the Board of Governors of the Federal Reserve System appointed on or after January 1, 1984, participate, which benefit structure is a component of the Retirement Plan for Employees of the Federal Reserve System, established under section 10 of the Federal Reserve Act (and any redesignated or successor version of such benefit structure, if so identified in writing by the Board of Governors of the Federal Reserve System for purposes of this chapter); and

"(2) subsequently enters a position in which, but for paragraph (2) of subsection (b), such individual would be subject to this chapter.".

(c) PROVISIONS RELATING TO CERTAIN FORMER EMPLOYEES.—A former employee of the Board of Governors of the Federal Reserve System who—

(1) has at least 5 years of civilian service (other than any service performed in the employ of a Federal Reserve Bank) creditable under the benefit structure for employees of the Board of Governors of the Federal Reserve System appointed before January 1, 1984, that is a component of the Retirement Plan for Employees of the Federal Reserve System, established under section 10 of the Federal Reserve Act;

(2) was subsequently employed subject to the benefit structure in which employees of the Board of Governors of the Federal Reserve System appointed on or after January 1, 1984, participate, which benefit structure is a component of the Retirement Plan for Employees of the Federal Reserve System, established under section 10 of the Federal Reserve Act (and any redesignated or successor version of such benefit structure, if so identified in writing by the Board of Governors of the Federal Reserve System for purposes of chapter 84 of title 5, United States Code); and

(3) after service described in paragraph (2), becomes subject to and thereafter entitled to benefits under chapter 84 of title 5, United States Code,

shall, for purposes of section 302 of the Federal Employees' Retirement System Act of 1986 (100 Stat. 601; 5 U.S.C. 8331 note) be considered to have become subject to chapter 84 of title 5, United States Code, pursuant to an election under section 301 of such Act.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Subject to succeeding provisions of this subsection, this section and the amendments made by this section shall take effect on the date of enactment of this Act.

(2) PROVISIONS RELATING TO CREDITABILITY AND CERTAIN FORMER EMPLOYEES.—The amendments made by subsection (a) and the

provisions of subsection (c) shall apply only to individuals who separate from service subject to chapter 84 of title 5, United States Code, on or after the date of enactment of this Act.

(3) PROVISIONS RELATING TO EXCLUSION FROM CHAPTER.—The amendments made by subsection (b) shall not apply to any former employee of the Board of Governors of the Federal Reserve System who, subsequent to his or her last period of service as an employee of the Board of Governors of the Federal Reserve System and prior to the date of enactment of this Act, became subject to subchapter III of chapter 83 or chapter 84 of title 5, United States Code, under the law in effect at the time of the individual's appointment.

SEC. 203. CERTAIN TRANSFERS TO BE TREATED AS A SEPARATION FROM SERVICE FOR PURPOSES OF THE THRIFT SAVINGS PLAN.

(a) AMENDMENTS TO CHAPTER 84 OF TITLE 5, UNITED STATES CODE.—

(1) IN GENERAL.—Subchapter III of chapter 84 of title 5, United States Code, is amended by inserting before section 8432 the following:

"§8431. Certain transfers to be treated as a separation

"(a) For purposes of this subchapter, separation from Government employment includes a transfer from a position that is subject to one of the retirement systems described in subsection (b) to a position that is not subject to any of them.

"(b) The retirement systems described in this subsection are—

"(1) the retirement system under this chapter;

"(2) the retirement system under subchapter III of chapter 83; and

"(3) any other retirement system under which individuals may contribute to the Thrift Savings Fund through withholdings from pay.".

(2) CLERICAL AMENDMENT.—The table of sections for chapter 84 of title 5, United States Code, is amended by inserting before the item relating to section 8432 the following:

"8431. Certain transfers to be treated as a separation.".

(b) CONFORMING AMENDMENTS.—Subsection (b) of section 8351 of title 5, United States Code, is amended by redesignating paragraph (11) as paragraph (8), and by adding at the end the following:

"(9) For the purpose of this section, separation from Government employment includes a transfer described in section 8431.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to transfers occurring before, on, or after the date of enactment of this Act, except that, for purposes of applying such amendments with respect to any transfer occurring before such date of enactment, the date of such transfer shall be considered to be the date of enactment of this Act. The Executive Director (within the meaning of section 8401(13) of title 5, United States Code) may prescribe any regulations necessary to carry out this subsection.

SEC. 204. CLARIFYING AMENDMENTS.

(a) IN GENERAL.—Subsection (f) of section 3304 of title 5, United States Code, as added by section 2 of Public Law 105-339, is amended—

(1) by striking paragraph (4);

(2) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(3) by inserting after paragraph (1) the following:

"(2) If selected, a preference eligible or veteran described in paragraph (1) shall acquire competitive status and shall receive a career or career-conditional appointment, as appropriate.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as if enacted on October 31, 1998.

TITLE III—AMENDMENT TO THE FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT QF 1949.

SEC. 301. TRANSFER OF CERTAIN PROPERTY TO STATE AND LOCAL GOVERNMENTS.

Section 203(p)(1)(B)(ii) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(p)(1)(B)(ii)) is amended by striking "December 31, 1999." and inserting "July 31, 2000. During the period beginning January 1, 2000, and ending July 31, 2000, the Administrator may not convey any property under subparagraph (A), but may accept, consider, and approve applications for transfer of property under that subparagraph.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. MCHUGH) and the gentleman from Pennsylvania (Mr. FATTAH) each will control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. MCHUGH).

Mr. MCHUGH. Mr. Speaker, I yield myself such time as I may consume.

I am pleased to bring forward S. 335 with the provisions of the House-passed Deceptive Sweepstakes Mailing Bill, H.R. 170, and would like to begin by taking the opportunity to thank all of the members of the Subcommittee on the Postal Service for their continued interest, for the effort they showed in moving this important legislation, and a particular tip-of-the-hat to the gentleman from the great State of Pennsylvania (Mr. FATTAH), our ranking member, for his input and for his great assistance in making this legislation stronger and of wider appeal to those who are affected by its provisions. I firmly believe today, Mr. Speaker, by taking this action, we help to ensure the enactment of this important legislation in this year.

On behalf of the gentleman from Indiana (Mr. BURTON), our full committee chairman, I must also note that this bill, S. 335, includes provisions that it is my understanding the other body has agreed to include. Incorporated in the bill is H.R. 807, which passed the House under suspension of the rules by voice vote on March 16 of this year after being introduced on February 23 by the gentleman from Florida (Mr. SCARBOROUGH), our Subcommittee on Civil Service chairman, with eight original cosponsors including, I might add, the gentleman from California (Mr. WAXMAN), our full committee's ranking member.

Very briefly, Mr. Speaker, H.R. 807, included as Title II of S. 335, provides retirement portability for certain Federal Reserve Board employees who take jobs in the executive branch. It would allow those employees who participate in the board's FERS-like retirement plan to obtain FERS credit for their Federal Reserve years when they transfer to another Federal agency. The Federal Reserve already provides such reciprocity for employees who transfer to Federal Reserves from other Federal agencies. Without this correction, former board employees would, I think unfairly, receive smaller annuities upon retirement than they otherwise would and otherwise should.

This title will also correct an inequity in current law that prevents certain Federal Reserve employees from withdrawing their funds from the Thrift Savings Plan accounts. Finally, one section in this title is critically important to the men and women who have served our Nation in the Armed Services. It clarifies the Veterans Employment Opportunities Act of 1988 to ensure that veterans will receive the benefits that Congress intended when it passed that act last year.

Mr. Speaker, H.R. 3187, also included in this new presentation, represents a bill introduced by the gentleman from California (Mr. CALVERT) which would amend the 1949 Federal Property and Administrative Services Act to continue the authority allowing no-cost conveyances of surplus Federal property to State and local governments for law enforcement and emergency response purposes.

Under the Federal Property Act, State and local governments or eligible nonprofit entities can obtain surplus property at no cost for several authorized public purpose programs. These programs include education, public health, correctional facilities and public airports. A bill that became law in the 105th Congress introduced by the gentleman from California (Mr. CALVERT) added law enforcement and emergency management response purposes to this list. Prior to its enactment, however, the bill was amended to include a December 31, 1999 sunset date for these new public purpose categories.

There are currently more than 22 pending State and local government applications for these purposes nationwide. These new conveyance categories have been invaluable for local governments, for enhancing their law enforcement and fire and rescue training efforts. These new authorities have allowed for an excellent reuse of surplus Federal property that would be lost, at least in the main, if we do not take some step at this point to extend the current opportunity for the Federal authorities to go forward.

Accordingly, H.R. 3187 provides that during the extension the General Services Administration, while not being able to actually convey surplus Federal property at no cost for law enforcement and emergency response purposes, would, however, retain under the GSA at least the ability to consider and approve the applications for transfer during this extension.

Additionally, prior to December 31, the GSA can convey surplus property at no cost for law enforcement and emergency response purposes to qualifying State and local governments, and as such this extension represents an important sense of relief to those local governments that have acted in good faith and stand to lose the receipt of Federal surplus properties at no cost absent our action.

In regard to the underlying bill, S. 335 itself, Mr. Speaker, the House has already discussed and debated this measure extensively on November 2 when we passed it under suspension of the rules by a voice vote. I do not want to reiterate all of the comments made then, as important as they were, but let me say just briefly, with the authorization that we are about to extend once more on this House floor, this body stands to take a great step towards protecting those vulnerable, particularly our senior citizens, who have been preyed upon far too often by unscrupulous sweepstakes mailers.

Those individuals, as few as they may be, who have come where the laws are apparently insufficient and have used deceptive practices to prey upon generally the elderly, but in other measures certainly the infirm, those who are most vulnerable, as I said, and in many cases, bilking them out of thousands, sometimes tens and even hundreds of thousands of dollars of hard-earned money and their life savings.

Today, this House can make again the statement that this Congress will not abide by that kind of activity and we will enact those laws necessary to ensure that future sweepstakes proposals are done under the guise of full disclosure, that deceptive practices, that misleading claims, that facsimile presentations so that checks are made to look like actual government documents, can no longer be continued.

Beyond the efforts that I mentioned of the ranking member and others on the committee, I certainly want to extend a particular thanks to the gentleman from New Jersey (Mr. LOBIONDO), who really brought this House's attention to this issue last year when he began formulating a response. We also owe great thanks to others, including the gentleman from California (Mr. ROGAN); the gentleman from Florida (Mr. MCCOLLUM); and of course the language in this bill is based, in large measure, upon Senator SUSAN COLLINS's comprehensive bipartisan sweepstakes mailing legislation which passed the other body by a 93-to-0 vote.

So, Mr. Speaker, as my colleagues can see, we have drawn from many sources here to craft what I believe is not just a reasonably balanced, but a tremendously effective and most needed piece of legislation. I urge its immediate and overwhelming approval.

Mr. Speaker, I reserve the balance of my time.

Mr. FATTAH. Mr. Speaker, I yield myself such time as I may consume.

I rise in support of Senate bill 335, the Deceptive Mail Prevention and Enforcement Act. As has been mentioned by my colleague and the majority chairman from the great State of New York, a number of other provisions have been added to this bill. H.R. 807, which would respond I think appropriately to some adjustments needed and retirement opportunities for Federal Reserve Board employees, and H.R. 3187, having to do with the disposition of surplus Federal property.

I would note that under the disposition of Federal property bill, that no property will be able to be disposed of, but that this extension will allow a continuation of applications and appropriate consideration by the GSA of proposals by local governments and nonprofits for usage of those Federal properties.

I would like to say that I think that on the primary bill, the sweepstakes bill, that we have done a very good job, and I would like to compliment the work of the gentleman from California (Mr. CONDIT) on my side of the aisle who was also a prime sponsor, cosponsor of the original legislation. I think that this bill as presented now and as agreed to by the Senate appropriately addresses the need for curtailment of some of the excesses that we have seen in terms of sweepstakes mailings.

I am particularly pleased that adopted and embraced in this bill is my amendment that will provide a private right of action for individuals in relationship to abuses that they face. Again, I am pleased that the committee found it appropriate, the conference committee, to endorse and embrace the amendment that I offered that would allow a private right of action to individual citizens who want to seek redress for excesses that we all have found all too common through parts of this industry.

So I rise in support of S. 335. I would hope that the House would adopt it. I think it is appropriate, and moderate in its approaches, but I think it will get the job done. I do want to thank the majority Chairman, because I think he has helped guide this legislation through, and on this evening we are going to see the result of his hard work.

Mr. Speaker, as the Ranking Minority member of the Subcommittee on the Postal Service, I am pleased to join Chairman MCHUGH in the consideration of S. 335, the Deceptive Mail Prevention and Enforcement Act. In addition, I support the consideration of this measure amended, with the text of the following three bills:

H.R. 170, the Deceptive Mail Prevention and Enforcement Act of 1999, as passed by the House by voice vote on November 2, 1999;

H.R. 807, the Federal Reserve Board Retirement Portability Act, as passed by the House by voice vote on March 16, 1999, and

H.R. 3187, legislation amending the Federal Property and Administrative Services Act of 1949 to temporarily continue authority relating to transfers of certain surplus property to State and local governments for law enforcement and emergency response purposes.

H.R. 170, was introduced on January 6, 1999, by Congressmen LOBIONDO and CONDIT, and reported on October 28, 1999, from the Government Reform Committee, and passed unanimously by the House on November 2, 1999.

While closely mirroring the sweepstakes language contained in S. 335, H.R. 170, adds two very important and critical consumer protection provisions. First, although we provided the Postal Service with subpoena authority to combat sweepstakes fraud, we have limited the scope of subpoena authority to only those provisions of law addressing deceptive mailings, and required the Postal Service to develop procedures for the issuance of subpoenas.

Second, we have added language which I authored, establishing a private right of action to sweepstakes legislation. The private right of action would allow consumers to file suit in state court if a sweepstakes promoter continues to send mailings despite having requested removal from a mailer's list. This is an important enforcement tool particularly with respect to the problem of unwanted mailings. I am pleased to note that it is supported by the National Consumers League, the American Association of Retired Persons and the Direct Marketing Association.

The issue of consumer protection, whether it relates to telemarketing fraud or sweepstakes deception is receiving the attention it deserves. Just last week, the United States Inspection Service joined key government and civic organizations at a national press conference to launch the most ambitious fraud prevention initiative in history. On November 16, 1999, a jumbo postcard containing valuable mail and telemarketing fraud prevention tips will be mailed to every home in America. A portion of the card reads, "Fraudulent Telemarketers: They've got your number . . . now they want your money!" I am pleased my colleagues have recognized the importance of consumer protection and voted support a private right of action!

H.R. 807

H.R. 807, the Federal Reserve Board Retirement Portability Act was introduced by Congressman SCARBOROUGH, Chairman of the Subcommittee on Civil Service. It is cosponsored by the Ranking Minority Member of that subcommittee, Congressman CUMMINGS and the Ranking full committee member, Congressman WAXMAN. It was passed unanimously by the House on August 2, 1999.

The legislation would amend title 5, of the U.S. code pertaining to government organization and employees, to provide portability of service credit for persons who leave employment with the Federal Reserve Board to take positions with other Government agencies.

Currently, if an employee of the Federal Reserve Board leaves to work for another federal agency, the employee is required to join the

Federal Employees Retirement System (FERS). Under the current FERS statute, time spent working at the Board after 1988, does not count as "creditable service" towards a FERS annuity. As a result, these employees will receive smaller pensions upon retirement.

H.R. 807 will correct this problem and also allow current and future Federal employees who transfer to the Board, to transfer the funds from their FERS Thrift Savings Accounts (TSP) to the Federal Reserve Thrift Savings Plan.

In addition, H.R. 807 contains clarifying language ensuring that America's veterans are hired as Career Status appointees. Apparently, the Office of Personnel Management (OPM) interpreted the Veterans' Employment Opportunities Act of 1998, to mean that veterans could be hired for a Federal job as Schedule B appointees, rather than as Career Status appointees. Schedule B appointments are not afforded the same rights and privileges as Career Status employees.

The Veterans' Employment Opportunities Act improves the ability of veterans to compete during the Federal hiring process and extends veterans preference to all branches of the Federal government. Both the Senate and OPM have agreed that language was needed to clarify the original intent of Congress.

H.R. 3187

H.R. 3187, which would amend the Federal Property and Administrative Services Act of 1949 to temporarily continue authority relating to transfers of certain surplus property to State and local governments for law enforcement and emergency response purposes, was introduced by Congressman CALVERT on November 1, 1999.

The Federal Property Act is the basic law regarding the acquisition, utilization, and disposition of federal property. Under the Federal Property Act, real property that is no longer needed by a federal agency is reported to the General Services Administration (GSA) as excess property. Excess property is screened for reuse by other federal agencies. If another federal agency determines that it can use the property, it is reused. If there is no other federal use for the property, it becomes available for disposal as "surplus" real property.

Under existing law, eligible state and local government units and certain nonprofit institutions may acquire surplus real property for public benefit purposes at monetary discounts of up to 100%. Public benefit discount conveyance categories include public parks and recreation, historic monuments, public airports, health, education, correctional facilities, highways, and wildlife conservation. H.R. 3187 would establish a temporary public benefit conveyance for law enforcement and emergency services training.

Current authority expires by December 31, 1999, the sunset date for transfers of surplus federal property to state and local government at substantial discounts for law enforcement or emergency management response purposes. Under H.R. 3187, the sunset date would be extended to July 31, 2000. While, no properties can be conveyed under this authority, the GSA can accept, consider, and approve applications for transfer.

Currently, at least 22 jurisdictions around the country have submitted applications to acquire surplus federal property for law enforcement or emergency response purposes. At least three of these jurisdictions have successfully acquired the surplus property for law enforcement and emergency response. The current expiration date for this program would jeopardize existing applications, as well as the filing of new ones.

I am pleased that the House is moving this important measure, S 335, as amended and I urge all my colleagues to vote in support of the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. McHUGH. Mr. Speaker, I yield myself 15 seconds to just briefly respond to the gracious comments of the ranking member by saying, as he noted and as I want very much to make clear, his input and constructive suggestions were very important to making this, I think, a better bill than when we received it.

Mr. Speaker, I am pleased and honored to yield 2 minutes to the gentleman from New Jersey (Mr. LOBIONDO), whose name I mentioned just moments ago, and who is certainly, from my perspective, the individual who first brought this situation to light and, through his hard work, helped articulate a response to the problem for our attention.

Mr. LOBIONDO. Mr. Speaker, I rise in very strong support of this legislation. I most importantly want to thank all of my colleagues for joining in to recognize an issue that has impact on so many in our society that have been made vulnerable by dishonest marketing practices. I want to especially thank the gentleman from New York (Mr. McHUGH) for his leadership. The hearing that we had earlier this year really served to focus and highlight on the problem. I want to thank the gentleman from Philadelphia (Mr. FATTAH) for his efforts, the gentleman from California (Mr. CONDIT) for gaining so many cosponsors on the other side, the gentleman from California (Mr. WAXMAN), and of course the gentleman from Indiana (Mr. BURTON) for all of his help in this area.

When I first went to senior centers and asked how many had received some of these mailings, it was unbelievable the stories that took place, and each one of our districts can have examples of seniors who have fallen prey and unfortunately in many cases have lost their life savings to these unfortunate marketing practices.

This bill will send a very strong message. We are acting for the people of the United States of America who really deserve our help, the seniors of America. I thank everyone.

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Mr. FATTAH. Mr. Speaker, I yield 1 minute to the gentleman from the great State of Maryland (Mr. CARDIN), who is a member of the Committee on Ways and Means and also is a better golfer than me.

Mr. CARDIN. I am not sure about the last comment, Mr. Speaker, but let me thank my friend, the gentleman from Pennsylvania, for his work on this legislation and all that is involved in bringing forward the sweepstake legislation.

I know in my district I have heard from many of my seniors who have been victimized by believing that they have won a sweepstake, only to send back information, and the only thing that they found out is that it cost them money to buy magazine subscriptions. They have spent thousands of dollars in hopes of winning the sweepstake that they never won.

The Attorney General in my State, Joe Curran, has documented many, many abuses by many, many sweepstake operators. This is true around the Nation.

This is an important bill. I am glad we are able to move it forward. It is going to affect thousands of our constituents in each one of our districts. Hopefully it is going to change the practice of magazine owners or magazine companies in the way that they sell their subscriptions. They have to be more direct with our constituents and let them know that they have not won a sweepstake.

Mr. McHUGH. Mr. Speaker, I yield 2 minutes to the gentleman from Utah (Mr. HANSEN), a good friend of this bill and a colleague of mine on the Committee on Armed Services.

As I mentioned, Mr. Speaker, there were many who had input into this process, and he is one of the gentlemen who has spoken to me about a very important related issue with respect to billing processes through the mail.

Mr. HANSEN. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I think this is an excellent piece of legislation. I commend the gentleman from Pennsylvania (Mr. FATTAH) and the gentleman from New York (Mr. McHUGH) for the hard work they have done on this.

Mr. Speaker, a lot of people do not realize that at the end of these sweepstakes they enter, what do they do? A lot say they buy something.

I think it is very interesting. I went down to my little town where I live and where the gentlemen hold court that are all retired and have their coffee every morning. They told me, they said, "I buy this stuff," and they talked about a certain magazine, nine of them sitting around the table. "We all bought this magazine popular in the Second World War. We paid it immediately."

And then what happened? They kept billing them and billing them and billing them, and they sent their canceled check and nothing would happen. This is an outfit out of Florida, and one time after another.

I started checking into it. I said, well, I think you folks do not understand it. I put one in, paid mine, and immediately they billed me. I paid it, and I got billed five times in a row. I finally had to call them up to get them off of it. I tried that a number of other places. I tried it with one on home repairs, and they billed me and billed me, and finally turned it over to a collection agency.

Then I looked at my father-in-law who is 89 years old. I pay all his bills for him. He paid one bill 10 times because he did not realize he had been billed all these times. I commend the gentleman for what he is doing. I would point out, I think there is a predator billing problem going on in America right now. It has an a lot to do with these magazines and all this other paraphernalia they sell through the mail.

There is no way on Earth these people get a response. They send a letter, a copy of their canceled check, and nobody ever responds. There ought to be a way, Mr. Speaker, and maybe it is to the point that this organization called the U.S. House and Senate should do something about it, to take care of the people who are getting bilked by these people.

I thank the gentleman, and I support this legislation. I wanted to add that one further note.

Mr. FATTAH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in conclusion, I would like to say that the first amendment that I passed on the floor of this House had to do with going after telemarketing fraud. This sweepstakes issue is just another, I think, head of the same animal.

It is of note that just last week the United States Postal Service, along with key government and civic leaders, had a press conference to announce a nationwide effort to go after telemarketing fraud in a very serious way, and I just want to say that I think the House this evening collaborates in that effort by the passage of this very important piece of legislation.

I thank my colleague, the gentleman from New York (Mr. McHUGH), someone who I have had the pleasure to work with for a few years on this committee, and we have gotten a lot done.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. McHUGH. Mr. Speaker, I yield myself such time as I may consume.

As we have heard today, this is a good bill. It needs to be acted on now, so let us do that.

Mr. McHUGH. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. WALDEN of Oregon). The question is on the motion offered by the gentleman from New York (Mr. McHUGH) that the House suspend the rules and pass the Senate bill, S. 335, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended, and the Senate bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. McHUGH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on S. 335, as amended, the legislation just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has concluded on all motions to suspend the rules.

Pursuant to clause 8 of rule XX, the Chair will now put the question on each motion to suspend the rules on which further proceedings were postponed earlier today in the order in which that motion was entertained.

Votes will be taken in the following order: House Concurrent Resolution 223, by the yeas and nays; and the conference report on H.R. 1554, by the yeas and nays.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

SENSE OF CONGRESS REGARDING FREEDOM DAY

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the concurrent resolution, House Concurrent Resolution 223.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. GILMAN) that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 223, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 417, nays 0, not voting 16, as follows:

[Roll No. 580]

YEAS—417

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Capuano
Cardin
Carson
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crowley
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Filner
Fletcher
Foley
Forbes
Ford
Fossella
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kucinich
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Largent
Larson
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McGovern
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Ose
Owens
Oxley
Packard
Pallone
Pastor
Paul
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo

Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Schaffer
Schakowsky
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Simpson
Sisisky
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (WA)
Snyder
Souder
Spence
Stabenow
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Vento
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wu
Wynn
Young (AK)

NOT VOTING—16

Chenoweth-Hage
Deal
Edwards
Gephardt
Hastings (FL)
Hoyer
Martinez
Matsui
McDermott
Pascrell
Scarborough
Shuster
Smith (TX)
Spratt
Wexler
Young (FL)

☐ 1942

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. WALDEN of Oregon). Pursuant to clause 8 of rule XX, the Chair announces that he will reduce to 5 minutes the minimum time for electronic voting on each additional motion to suspend the rules on which the Chair has postponed further proceedings.

CONFERENCE REPORT ON H.R. 1554, INTELLECTUAL PROPERTY AND COMMUNICATONS OMNIBUS REFORM ACT OF 1999

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the conference report on the bill, H.R. 1554.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. ARMEY) that the House suspend the rules and agree to the conference report on the bill, H.R. 1554, on which the yeas and nays were ordered.

This will be a 5-minute vote

The vote was taken by electronic device, and there were—yeas 411, nays 8, not voting 14, as follows:

[Roll No. 581]

YEAS—411

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Capuano
Cardin
Carson
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crowley
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Filner
Fletcher
Foley
Forbes
Ford
Fossella
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gibbons
Gilchrest
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kuykendall
LaHood
Lampson
Lantos
Largent
Larson
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Ose
Owens
Oxley
Packard
Pallone
Pastor
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schaffer
Schakowsky
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Simpson
Sisisky
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (WA)
Snyder
Souder
Spence
Stabenow
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Visclosky
Vitter
Walden
Walsh
Wamp
Watkins
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—8

Kaptur
Kucinich
LaFalce
Paul
Sanford
Tancredo
Vento
Waters

NOT VOTING—14

Chenoweth-Hage
Deal
Edwards
Gephardt
Gillmor
Lipinski
Martinez
Matsui
Pascrell
Scarborough
Shuster
Smith (TX)
Spratt
Wexler

☐ 1952

So (two-thirds having voted in favor thereof) the rules were suspended and the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

(Mr. BONIOR asked and was given permission to address the House for 1 minute.)

Mr. BONIOR. Mr. Speaker, I rise for the purposes of inquiring from the Majority Leader the schedule for the remainder of the evening and the rest of the week.

Mr. Speaker, I yield to the gentleman from Texas (Mr. ARMEY).

Mr. ARMEY. Mr. Speaker, I appreciate the gentleman taking this time. Mr. Speaker, as my colleagues know, we are in that part of the year where we are all working in different rooms, in different projects, trying to come to agreement on different matters.

At this point in the evening, what I am going to suggest we do is have the body retire to some special orders for a while, some discussion. We will have a few minutes to sort things out, at which time we can get back in touch with the Members, either by announcement of the floor or through the whip organizations.

We do anticipate that we will in very short order be able to resume work, having more votes on issues related to the appropriations and budget cycle. But it is just one of these times where we sort of have to fall back, regroup, and assess things, and make sure we have precise information to exchange between the two sides so we can reach agreement to proceed.

If the body would indulge us in that regard, we would be back in touch with Members, who we would ask to stay close to an information source, I am sure within the next 30 minutes at the outset.

Mr. BONIOR. Mr. Speaker, let me just say to the gentleman from Texas that we understand how difficult at the end of a session it is to put the various pieces together and to wrap things up. But we also understand the need to utilize the time of the membership in the best possible way.

I was wondering if not, in a cooperative spirit, if we, indeed, are going to go to a CR that may, in fact, take us into next week, that we could do that at a relatively early hour this evening so Members could finish their business and leave and go home and ready and fresh for tomorrow's work. A lot of my colleague are asking about the action of even rolling the vote until tomorrow.

Mr. Speaker, I yield to the gentleman from Texas (Mr. ARMEY) for a response.

Mr. ARMEY. Mr. Speaker, again, I thank the gentleman from Michigan for yielding to me. I think at this point in the evening, we need to reserve the opportunity for Members to have one or more recorded votes this evening on important legislative matters. If in fact that does not come to pass, I will communicate that as quickly as can I to the Members.

I do understand we have families, and we would like to be home or with our families. I can promise the Members that I will get this sorted out as quickly as possible and advise the Members.

We will be here working tomorrow. We will have votes tomorrow. Even as we proceed during the day tomorrow, I am sure there will be opportunities where we will just have to take a moment, sort things out, make sure we have the appropriate matters in the appropriate time sequencing, and make similar announcements to the body.

Mr. BONIOR. Mr. Speaker, when the gentleman from Texas spoke earlier, he mentioned 30 minutes as I recall; is that correct.

Mr. ARMEY. Mr. Speaker, again, if the gentleman will yield, as soon as I leave the floor, I will get to the key people with whom we have to consult, get the information sorted out, set the plan for the rest of the night, and then make that announcement to the Members.

Mr. BONIOR. Mr. Speaker, can the gentleman from Texas give me the prognosis for next week, or is that all contingent upon the discussions the gentleman has just referred to?

Mr. ARMEY. Mr. Speaker, if the gentleman will yield, as the song from My Fair Lady goes, "with a little bit of luck", we will not be here. Other than that, we would just have to assess things up, and that would be one of those announcements that I could give with some degree of clarity and reliability tomorrow.

Mr. BONIOR. Mr. Speaker, I yield to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Speaker, I thank the gentleman from Michigan for yielding to me.

Mr. Speaker, I would just like to make clear I have been told by the majority side on the Committee on Appropriations that there is a possibility that the committee will be asked to go to the Committee on Rules tonight to get a rule under which we could then consider the continuing resolution.

I would like to make it clear that we see no reason to tie all Members up for the remainder of the evening. If what is being contemplated is a simple, straight continuing resolution with no funny business, we are perfectly happy to provide unanimous consent so that we can take it up without wasting Member's time, and I would think we could voice it very quickly.

Mr. ARMEY. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Speaker, obviously the body appreciates the fine generous offer from the gentleman from Wisconsin (Mr. OBEY). I want to give the gentleman from Wisconsin every assurance that there will be a straight continuing resolution with no funny business. But it is just one of the things I want to be very clear about before I stand before my colleagues and say, yes, that is the request we make of them.

So I want to be able to make the precise request for my colleagues' agreement that we can define through the appropriate discussions with our colleagues. That should be done in just a few minutes.

Mr. BONIOR. Mr. Speaker, we vote against any funny business on our side, and we hope the gentleman will concur.

PERMISSION TO CONSIDER SPECIAL ORDER IN MEMORY OF THE LATE HONORABLE GEORGE E. BROWN FIRST

Mr. ARMEY. Mr. Speaker, as we begin some special orders in this interim planning period, I am advised that there are members of the family of the former Member, George Brown, in attendance to the body at this very moment. We have a host of Members who would like to take some time to pay their respects to Mr. Brown. They are listed for a special order this evening.

Mr. Speaker, on behalf of the memory of George Brown, I ask unanimous consent that those Members who would like to have this discussion proceed with the proviso that they would yield for me to make any announcements or for us to take up any work that we would have to do later in the evening.

The SPEAKER pro tempore (Mr. WALDEN of Oregon). Is there objection to the request of the gentleman from Texas?

There was no objection.

□ 2000

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2907

Ms. WOOLSEY. Mr. Speaker, I ask unanimous consent to remove as cosponsor of my bill, H.R. 2907, the gentleman from Florida (Mr. BILIRAKIS).

The SPEAKER pro tempore (Mr. WALDEN of Oregon). Is there objection to the request of the gentlewoman from California?

There was no objection.

ANNOUNCEMENT OF SUSPENSIONS TO BE CONSIDERED ON WEDNESDAY, NOVEMBER 10, 1999

Mr. LAZIO. Mr. Speaker, pursuant to House Resolution 353, I rise to announce the following suspensions to be considered tomorrow.

H. Res. 41, Honoring American Military Women for Their Service in World War II Resolution;

H.R. 1869, Stalking Prevention and Victim Protection Act of 1999;

H.R. 2336, the United States Marshals Service Improvement Act of 1999;

H.R. 2442, a very important piece of legislation, the Wartime Violation of Italian American Civil Liberties Act;

H. Con. Res. 122, recognizing the United States Border Patrol's 75 years of service since its founding;

H.R. 3234, to exempt certain reports from automatic elimination and sunset pursuant to the Federal Reports and Elimination and Sunset Act of 1995;

And, finally, Mr. Speaker, H.R. 2454, the Arctic Tundra Habitat Emergency Conservation Act.

Those are the suspensions that will be considered tomorrow, Mr. Speaker.

PERSONAL EXPLANATION

Mr. KANJORSKI. Mr. Speaker, on November 4 and November 5, 1999, I was away from Washington on official business and unable to vote on several matters. Had I been present on rollcall 563, I would have voted "yea"; on rollcall 564, I would have voted "nay"; on rollcall 565, I would have voted "yea"; on rollcalls 565, 567, and 568, I would have voted "nay"; on rollcall 569, I would have voted "yea"; and on rollcalls 571, 572, and 573, I would have voted "yea".

FURTHER CONTINUING APPROPRIATIONS, FISCAL YEAR 2000

Mr. YOUNG of Florida. Mr. Speaker, I ask unanimous consent that it be in order immediately to consider in the House the joint resolution (H.J. Res. 78) making further continuing appropriations for the fiscal year 2000, and for other purposes; that the joint resolution be considered as read for amendment; that the joint resolution be debatable for 1 hour, equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations; and that the previous question be considered as ordered on the joint resolution to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. Under the Speaker's guidelines, the Chair is unable to entertain the gentleman's request at this time.

FURTHER CONTINUING APPROPRIATIONS, FISCAL YEAR 2000

Mr. YOUNG of Florida. Mr. Speaker, I ask unanimous consent that it be in order immediately to consider in the House the joint resolution (H.J. Res. 78) making further continuing appropriations for the fiscal year 2000, and for other purposes; that the joint resolution be considered as read for amendment; that the joint resolution be debatable for 1 hour, equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations; and that the previous question be considered as ordered on the joint resolution to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. YOUNG of Florida. Mr. Speaker, pursuant to the previous order of the House, I call up the joint resolution (H. J. Res 78) making further continuing appropriations for the fiscal year 2000, and for other purposes, for its immediate consideration in the House.

The Clerk read the title of the joint resolution.

The text of House Joint Resolution 78 is as follows:

H.J. RES. 78

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Public Law 106-62 is further amended by striking "November 10, 1999" in section 1069c) and inserting in lieu thereof "November 17, 1999", and by striking "$288,903,248" in section 119 and inserting in lieu thereof "$346,483,754." Public Law 106–46 is amended by striking "November 10, 1999" and inserting in lieu thereof "November 17, 1999".

The SPEAKER pro tempore. Pursuant to the order of the House, the gentleman from Florida (Mr. YOUNG) and the gentleman from Wisconsin (Mr. OBEY) each will be recognized for 30 minutes.

The Chair recognizes the gentleman from Florida (Mr. YOUNG).

GENERAL LEAVE

Mr. YOUNG of Florida. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.J. Res. 78, and that I may include tabular and extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. YOUNG of Florida. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the current continuing resolution expires tomorrow night. While we had planned to have all appropriations action completed by tomorrow, that will not be possible because of some ongoing negotiations with the administration. We will need an extension into next week because of the Veterans Day holiday.

H. J. Res. 78 would continue operations for the agencies in the five remaining bills until November 17, and I would urge our Members to support it.

Mr. Speaker, I reserve the balance of my time.

Mr. OBEY. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I do not think there is any purpose in dragging this out tonight. This is a simple extension until next Wednesday.

I think Members need to have some understanding of what remaining differences are out there, because I think there is a vast misperception about exactly where the conferees are on these issues. As I see it, on the interior appropriations bill, we have made some progress with respect to language items. There are still a number of important language items that have not been resolved, a number of the riders, and there is also at least one major dollar issue which still is to be resolved, and it is the biggest dollar problem in the bill.

□ 2015

With respect to State, Justice, Commerce, virtually all the dollar disagreements have been resolved. But there are still major differences with respect to language and riders. And again, that represents the items that remain represent major impediments to final agreement.

With respect to the Labor, Health, Education bill, we were in conference once today this morning. We went into conference the second time, or were invited to come into conference this afternoon. We went to the Senate in order to participate in that conference. While we were sitting in the conference room waiting for the conference to start, the majority conferees on the Senate side in charge of the conference were busy holding a press conference denouncing the actions of those in the conference who represented the White House; and so, we wound up, instead of having a conference, having a press conference while we awaited the possibility of having a conference.

So we made no further progress on that bill since about noon.

That means I think that the individual Members of this place need to know what is going to happen with their schedules.

I would urge the majority party leadership to recognize what the scheduling reality is and to recognize that we either have to have maximum flexibility in reaching an agreement or else we need to have maximum recognition of reality on a timetable so that Members who are not participating in the conference do not have to hang around here waiting for things to happen that are not likely to happen.

I would hope that we could continue discussions and reach agreement on the items so that we do not have another round of recriminations before we finally get out of here.

It seems to me that if we could have more time spent discussing the differences and less time spent in shenanigans, we would all be a whole lot better off.

Mr. Speaker, I yield back the balance my time.

Mr. YOUNG of Florida. Mr. Speaker, I yield myself such time as I may consume just briefly to close and suggest that we are hoping that, as the negotiators continue their work during tomorrow and Thursday and Friday and Saturday and Sunday, that by Monday we will have workable packages that are agreed upon.

But we are at the final stage of the negotiations. Everyone who has ever negotiated knows that the most difficult decisions to agree on are put off to the end. Well, now we are at the end and we are dealing with the most difficult decisions.

As the gentleman from Wisconsin (Mr. OBEY) has pointed out, we have had very spirited negotiations most of the day today. We were here late last night. We were here over the weekend and we are moving as rapidly as we can. But we have some very strong differences of opinions between the Congress and even between the House and the Senate, as well as the administration.

Mr. OBEY. Mr. Speaker, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Speaker, I appreciate the gentleman yielding.

Mr. Speaker, I would just like to make one additional observation. I have seen in those conferences at least two people who are crucial to the conference falling asleep in the middle of the conferences. That is because they are bone tired.

I would suggest that the best thing we could do is stop the rhetoric tonight, pass this baby, go on home and get a good night's sleep, and show up tomorrow morning ready to do some business with each other for real.

Mr. YOUNG of Florida. Mr. Speaker, reclaiming my time, that is what I was going to say when the gentleman asked me to yield.

Mr. Speaker, I would hope that we would pass this continuing resolution expeditiously and let us get back to the bargaining table with the administration.

Mr. LEWIS of California. Mr. Speaker, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Speaker, I appreciate my colleague yielding.

The spirit that is being presented here is very much to be followed by a special order recognizing the service of our colleague, the gentleman from California (George Brown), so that Members would know that.

In the meantime, I very much appreciate the communication between both sides this evening.

Mr. YOUNG of Florida. Mr. Speaker, I thank the gentleman for his comments.

Mr. Speaker, I yield back the balance of my time, and I urge an expeditious aye vote on the resolution.

The SPEAKER pro tempore (Mr. WALDEN of Oregon). Pursuant to the order of the House, the previous question is ordered.

The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read a third time, and passed, and a motion to reconsider was laid on the table.

COMMUNICATION FROM STAFF ASSISTANT OF HON. DALE E. KILDEE, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from Lucretia Presnall, Staff Assistant of the Honorable Dale E. Kildee, Member of Congress:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, November 2, 1999.

Hon. DENNIS J. HASTERT,
Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you, pursuant to rule VIII of the Rules of the House of Representatives, that I have been served with a trial subpoena issued by the United States District Court for the Eastern District of Michigan in the case of *U.S.* v. *Fayzakov*, No. 99–CR–50015.

After consultation with the Office of General Counsel, I have determined that compliance with the subpoena is consistent with the precedents and privileges of the House.

Sincerely,

LUCRETIA PRESNALL,
Staff Assistant.

CONTINUATION OF IRAN NATIONAL EMERGENCY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 106–156)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the Iran emergency declared in 1979 is to continue in effect beyond November 14, 1999, to the *Federal Register* for publication. Similar notices have been sent annually to the Congress and published in the *Federal Register* since November 12, 1980. The most recent notice appeared in the *Federal Register* on November 12, 1998. This emergency is separate from that declared with respect to Iran on March 15, 1995, in Executive Order 12957.

The crisis between the United States and Iran that began in 1979 has not been fully resolved. The international tribunal established to adjudicate claims of the United States and U.S. nationals against Iran and of the Iranian government and Iranian nationals against the United States continues to function; and normalization of commercial and diplomatic relations between the United States and Iran has not been achieved. On March 15, 1995, I declared a separate national emergency with respect to Iran pursuant to the International Emergency Economic Powers Act and imposed separate sanctions. By Executive Order 12959 of May 6, 1995, these sanctions were significantly augmented, and by Executive Order 13059 of August 19, 1997, the sanctions imposed in 1995 were further clarified. In these circumstances, I have determined that it is necessary to maintain in force the broad authorities that are in place by virtue of the November 14, 1979, declaration of emergency, including the authority to block certain property of the Government of Iran, and which are needed in the process of implementing the January 1981 agreements with Iran.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *November 5, 1999.*

PERIODIC REPORT ON NATIONAL EMERGENCY WITH RESPECT TO SUDAN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 106–157)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:

As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c) and section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c), I transmit herewith a 6-month periodic report on the national emergency with respect to Sudan that was declared in Executive Order 13067 of November 3, 1997.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *November 5, 1999.*

TRIBUTE TO A.M. ROSENTHAL

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLF. Mr. Speaker, I rise today to express our appreciation for the service that has been given to our country and to the world by A.M. Rosenthal.

This past Friday was Mr. Rosenthal's last day at the New York Times. Mr. Rosenthal had a distinguished career at the New York Times beginning his tenure at the Times at age 21. He left his imprimatur on journalism and on the world through his opinion columns that exposed many cases of human rights violations and religious persecution.

Mr. Rosenthal was not afraid to speak truth to tyranny. He wrote unabashedly and boldly for those who suffered under egregious and appalling situations, while others remained silent.

Mr. Rosenthal addressed a wide spectrum of tyranny and never backed down. His wise words were the finest examples of speaking truth to abuses of power. His column spoke truth for the voiceless, freedom and liberty for the oppressed. His pen was truly mightier than the sword. Natan Sharansky, Harry Wu, Andrei Sakharov, and countless brave others have him to thank for stirring world opinion into forcing their freedom.

Mr. Speaker, I include the following articles for the RECORD:

[From the New York Times, Nov. 5, 1999]

Writer-Editor Ends a 55-Year Run

A FINAL COLUMN FOR THE TIMES, BUT DON'T SAY RETIREMENT

(By Clyde Haberman)

After 55 years as a reporter, foreign correspondent, editor and columnist, A.M. Rosenthal spent his last working day at The New York times yesterday packing up his memories the only way he knew how: by writing about them.

Mr. Rosenthal ended a run of nearly 13 years on the newspaper's Op-Ed page with a column that appears today, looking back on a career that made him one of the most influential figures in American journalism in the last half of this century.

"I've seen happier days," he acknowledged in an interview.

But there was one word that he said he would never use to describe his new status. Don't dare to whisper "retirement," he said, recalling what Barbara Walters, an old friend, told him a few weeks ago when it became clear that his weekly column, "On My Mind," was near an end.

"She said to me, 'But Abe, you're starting fresh,'" he said, "And I suddenly realized, of course I was. Then I realized that I'm not going alone. I'm taking my head with me. I'm going to stay alive intellectually."

Mr. Rosenthal, 77 and universally known as Abe, said he intended to continue "writing journalistically," though at this point he had no specific plans. "I want to remain a columnist," he said.

There was an unmistakable end-of-an-era feel to the announcement yesterday that Mr. Rosenthal would leave a newspaper that, family aside, had been his life. Indeed, during his 17 years as its chief editor, until he stepped down in 1986 with the title of executive editor, "Rosenthal" and "The Times" were pretty much synonyms for many readers—often, though not always, with their approval.

Abraham Michael Rosenthal brought raw intelligence and enormous passion to the job, qualities that were apparent from his first days at The Times, as a part-time campus correspondent at City College in the 1940's. The college was tuition-free in those days, and a good thing, too, said Mr. Rosenthal, who was born in Canada and grew up in poverty in the Bronx. "Free tuition was more than I could afford," he said yesterday.

After becoming a full-time reporter in 1944, he covered the fledgling United Nations. Then, from 1954 to 1963, he was a foreign correspondent, based in India, Poland and Japan. Covering India was a personal high point. But it was in Poland, whose Communist rulers expelled him in 1959, that he won a Pulitzer Prize.

It was also where he wrote an article for The New York Times Magazine that, among the thousands he produced, contained a passage that some quote to this day. He had been to the Nazi death camp at Auschwitz.

"And so," he wrote, "there is no news to report from Auschwitz. There is merely the compulsion to write something about it, a compulsion that grows out of a restless feeling that to have visited Auschwitz and then turned away without having said or written anything would be a most grievous act of discourtesy to those who died there."

The passion in that paragraph carried into his time as editor.

On his watch, in 1971, The Times published the so-called Pentagon Papers, a secret government history of the Vietnam War. That led to a landmark Supreme Court decision upholding the primacy of the press over government attempts to impose "prior restraint" on what it may print.

Under Mr. Rosenthal, the once ponderous Times became a far livelier paper. Major innovations were quickly copied at other newspapers, notably special sections on lifestyles and science that were introduced in the 1970's. But his biggest accomplishment, in his view, was keeping "the paper straight," which meant keeping the news columns free of writing that he felt stumbled into editorial judgment.

On that score, he did not lack for critics. With his passion came dark moods and a soaring temper. Mr. Rosenthal made many journalists' careers. But he also undid some. Even now, years after his editorship, his defenders and his attackers talk about him with equal vehemence.

Mr. Rosenthal agreed yesterday that people tended not to be neutral about him. Many will be saddened by his departure from The Times. "And," he said, "there'll be people dancing."

His column on the Op-Ed page, which first appeared on Jan. 6, 1987, often stirred similar emotions among readers. Over the years, recurring themes emerged: Israel's security needs, human rights violations around the world, this country's uphill war against drugs.

He focused on those themes once more for his final column. Then he turned to the mundane task of packing up mementos as well as memories. Off the wall came a framed government document from the 1950's attesting that the Canadian had become an American. It was, he said with a cough to beat back rising emotions, among his most valuable possessions.

[From the New York Times, Nov. 5, 1999]

A.M. Rosenthal of The New York times

The departure of a valued colleague from The New York Times is not, as a rule, occasion for editorial comment. But the appearance today of A.M. Rosenthal's last column on the Op-Ed page requires an exception. Mr. Rosenthal's life and that of this newspaper have been braided together over a remarkable span—from World War II to the turning of the millennium. His talent and passionate ambition carried him on a personal journey from City College correspondent to executive editor, and his equally passionate devotion to quality journalism made him one of the principal architects of the modern New York Times.

Abe Rosenthal began his career at The Times as a 21-year-old cub reporter scratching for space in the metropolitan report, and he ended it as an Op-Ed page columnist noted for his commitment to political and religious freedom. In between he served as a correspondent at the United Nations and was based in three foreign countries winning a Pulitzer Price in 1960 for his reporting from Poland. He came home in 1963 to be metropolitan editor. In that role and in higher positions, he became a tireless advocate of opening the paper to the kind of vigorous writing and deep reporting that characterized his own work. As managing editor and executive editor, Abe Rosenthal was in charge of The Times's news operations for a total of 17 years.

Of his many contributions as an editor, two immediately come to mind. One was his role in the publication of the Pentagon Papers, the official documents tracing a quarter-century of missteps that entangled America in the Vietnam War. Though hardly alone among Times editors, Mr. Rosenthal was instrumental in mustering the arguments that led to the decision by our then publisher, Arthur Ochs Sulzberger, to publish the archive. That fateful decision helped illustrate the futile duplicity of American policy in Vietnam, strengthened the press's First Amendment guarantees and reinforced The Times's reputation as a guardian of the public interest.

The second achievement, more institutional in nature, was Mr. Rosenthal's central role in transforming The times from a two-section to a four-section newspaper with the introduction of a separate business section and new themed sections like SportsMonday, Weekend and Science Times. Though a journalist of the old school, Abe Rosenthal grasped that such features were necessary to broaden the paper's universe of readers. He insisted only that the writing, editing and article selection measure up to The Times's traditional standards.

By his own admission, Abe Rosenthal could be ferocious in his pursuit and enforcement of those standards. Sometimes, indeed, debate about his management style competed for attention with his journalistic achievements. But the scale of this man's editorial accomplishments has come more fully into focus since he left the newsroom in 1986. It is now clear that he seeded the place with talent and helped ensure that future generations of Times writers and editors would hew to the principles of quality journalism.

Born in Canada, Mr. Rosenthal developed a deep love for New York City and a fierce affection for the democratic values and civil liberties of his adopted country. For the last 13 years, his lifelong interest in foreign affairs and his compassion for victims of political, ethnic or religious oppression in Tibet, China, Iran, Africa and Eastern Europe formed the spine of his Op-Ed columns. His strong, individualistic views and his bedrock journalistic convictions have informed his work as reporter, editor and columnist. His voice will continue to be a force on the issues that engaged him. And his commitment to journalism as an essential element in a democratic society will abide as part of the living heritage of the newspaper he loved and served for more than 55 years.

[From the New York Times, Nov. 5, 1999]

On My Mind: A.M. Rosenthal

PLEASE READ THIS COLUMN!

On Jan. 6, 1987, when The New York Times printed my first column, the headline I had written was: "Please Read This Column!" It was not just one journalist's message of the day, but every writer's prayer—come know me.

Sometimes I wanted to use it again. But I was smitten by seizures of modesty and decided twice might be a bit showy. Now I have the personal and journalistic excuse to set it down one more time.

This is the last column I will write for The Times and my last working day on the paper. I have no intention of stopping writing, journalistically or otherwise. And I am buoyed by the knowledge that I will be starting over.

Still, who could work his entire journalistic career—so far—for one paper and not leave with sadnesses, particularly when the paper is The Times? Our beloved, proud New York Times—ours, not mine or theirs, or yours, but ours, created by the talents and endeavor of its staff, the faithfulness of the publishing family and, as much as anything else, by the ethics and standards of its readers and their hunger for ever more information, of a range without limit.

Arrive in a foreign capital for the first time, call a government minister and give just your name. Ensues iciness. But add "of the New York Times," and you expect to be invited right over and usually are; nice.

"Our proud New York Times"—sounds arrogant and is a little, why not? But the pride is individual as well as institutional. For members of the staff, news and business, the pride is in being important to the world's best paper—and hear?—and being able to stretch its creative reach. And there is pride knowing that even if we are not always honest enough with ourselves to achieve fairness, that is what we promise the readers, and the standard to which they must hold us.

I used to tell new reporters: The Times is far more flexible in writing styles than you might think, so don't button up your vest and go all stiff on us. But when it comes to the foundation—fairness—don't fool around with it, or we will come down on you.

Journalists often have to hurt people, just by reporting the facts. But they do not have to cause unnecessary cruelty, to run their rings across anybody's face for the pleasure of it—and that goes for critics, too.

When you finish a story, I would say, read it, substitute your name for the subject's. If you say, well, it would make me miserable, make my wife cry, but it has no innuendo, no unattributed pejorative remarks, no slap in the face for joy of slapping, it is news, not gutter gossip, and as a reporter I know the writer was fair, then give it to the copy desk. If not, try again—we don't want to be your cop.

Sometimes I have a nightmare that on a certain Wednesday—why Wednesday I don't know—The Times disappeared forever. I wake trembling; I know this paper could never be recreated. I will never tremble for the loss of any publication that has no enforced ethic of fairness.

Starting fresh—the idea frightened me. Then I realized I was not going alone. I would take my brain and decades of newspapering with me. And I understood many of us had done that on the paper—moving from one career to another.

First I was a stringer from City College, my most important career move. It got me inside a real paper and paid real money. Twelve dollars a week. at a time when City's free tuition was more than I could afford.

My second career was as a reporter in New York, with a police press pass, which cops were forever telling me to shove in my ear.

I got a two-week assignment at the brand-new United Nations, and stayed eight years, until got what I lusted for—a foreign post.

I served The Times in Communist Poland, for the first time encountering the suffocating intellectual blanket that is Communism's great weapon. In due time I was thrown out.

But mostly it was Asia. The four years in India excited me then and forever. Rosenthal, King of the Khyber Pass!

After nine years as a foreign correspondent, somebody decided I was too happy in Tokyo and nagged me into going home to be an editor. At first I did not like it, but I came to enjoy editing—once I became the top editor, Rosenthal, King of the Hill!

When I stepped down from that job, I started all over again as a Times Op-Ed columnist, paid to express my own opinions. If I had done that as a reporter or editor dealing with the news, I would have broken readers' trust that the news would be written and played straight.

Straight does not mean dull. It means straight. If you don't know what that means, you don't belong on this paper. Clear?

As a columnist, I discovered that there were passions in me I had not been aware of, lying under the smatterings of knowledge about everything that I had to collect as executive editor—including hockey and debentures, for heaven's sake.

Mostly the passions had to do with human rights, violations of—like African women having their genitals mutilated to keep them virgin, and Chinese and Tibetan political prisoners screaming their throats raw.

I wrote with anger at drug legitimizers and rationalizers, helping make criminals and destroying young minds, all the while with nauseating sanctimony.

As a correspondent, it was the Arab states, not Israel, that I wanted to cover. But they did not welcome resident Jewish correspondents. As a columnist, I felt fear for the whittling away of Israel strength [illegible] the Israelis, and still do.

I wrote about the persecution of Christians in China. When people, in astonishment, asked why, I replied, in astonishment, because it is happening, because the world, including American and European Christians and Jews, pays almost no attention, and that plain disgusts me.

The lassitude about Chinese Communist brutalities is part of the most nasty American reality of this past half-century. Never before have the U.S. government, business and public been willing, eager really, to praise and enrich tyranny, to crawl before it, to endanger our martial technology—and all of the hope (vain) of trade profit.

America is going through plump times. But economic strength is making us weaker in head and soul. We accept back without penalty a president who demeaned himself and us. We rain money on a Politburo that must rule by terror lest it lose its collective head.

I cannot promise to change all that. But I can say that I will keep trying and that I thank God for (a) making me an American citizen, (b) giving me that college-boy job on The Times, and (c) handing me the opportunity to make other columnists kick themselves when they see what I am writing, in this fresh start of my life.

BOSTON UNIVERSITY,
Boston, MA, January 14, 1999.

THE PULITZER PRIZE BOARD,
Columbia University, New York, NY.

DEAR SIRS: we respectfully nominate A.M Rosenthal for the 1998 Pultizer Prize for commentary, based on his columns dealing with the persecution of religious minorities around the world. We believe that such an award would be particularly fitting, coming as it would on the 50th anniversary of the Universal Declaration of Human Rights.

The Rosenthal columns were the first, remain the dominate, and until recently, were the singular media voices on the subject of worldwide religious persecution. They were instrumental in redefining the human rights agenda to include the interests of religious believers in general and vulnerable Christian communities in particular. They energized a broad interfaith movement previously lacking in knowledge about or confidence in their ability to speak up for the rights of persecuted religious minorities. They built bridges of trust between religious and secular human rights organizations, between Tibetan Buddhist, Baha'i, Jewish, Catholic, Evangelical and Mainline Protestant groups. They powerfully expanded the reach of America's human rights policies.

The Rosenthal columns or religious persecution began in 1997, but their culminating impact occurred during this year. The first and last 1998 columns, "Feeling Clean Again" (February 6), "Gift for Americans" (November 27), and "Keeping the Spotlight" (December 25), broadly validated the moral and political premises of the movement against religious persecution, and defined its agenda. Such 1998 Rosenthal columns as "A Tour of China" (March 13) and "Judgment of Beijing" (July 3), forced the U.S.-China summit meeting to deal with the persecution of house church Christians and Tibetan Buddhists to a far greater degree than either government wished. The outrage expressed by Mr. Rosenthal in his May 1 column, "Clinton's Fudge Factory," leveraged the story of New York Times correspondent Elaine Sciolino into a reshaped, reenergized political debate over religious persecution legislation. See also his April 24 column, "Clinton Policies Explained." Mr. Rosenthal's May 12 column, "The Simple Question," framed the House debate on the Freedom From Religious Persecution Act and played an instrumental role in the overwhelming House vote that adopted it. His August 7 and October 2 columns, "Freedom From Religious Persecution: The Struggle Continues" and "They Will Find Out," played key roles in rescuing the Senate version of the legislation from a demise that had been confidently predicted by the Administration and the business community.

We respectfully submit that the Rosenthal columns on religious persecution merit a Pulitzer Prize for Commentary if only because they broke new ground on an important subject, and did so with accuracy, forcefulness and passion. We also believe that related and perhaps even stronger grounds exist for the award to be granted.

First, the Rosenthal columns enhanced the institutional credibility of the press with many religious believers who had seen the mainline press as patronizing if not hostile. They were read and cherished by millions, not only in the New York Times, but also through mass recirculation in denominational newsletters, religious broadcasts and actual worship services. They educated many to the power and virtue of a free press.

Next, the columns played a central role in the enactment of major, potentially historic legislation. As nothing else, they galvanized and sustained the remarkable interfaith movement that supported the legislation, and ensured Congressional attentiveness to the issue. It can be categorically stated: Without the Rosenthal columns, the International Religious Freedom Act of 1998 would not have become law.

Finally, we believe that the Rosenthal columns legitimated today's increasing coverage of anti-Christian persecutions in countries like India, Pakistan and Indonesia, and generated new perspectives on the coverage of countries ranging from China to Egypt, from Sudan to Vietnam. Until the Rosenthal columns, the notion of Christians as victims rather than victimizers didn't seem quite plausible to many editors and reporters. The fact that it now does is a powerful tribute to what the columns have done.

Seldom in our experience has a single voice been so instrumental in raising public consciousness on an issue of such major importance. The passion and integrity of the Rosenthal columns on religious persecution have transformed American policies and institutions, and religious liberty throughout the world. American journalism has long been honored by Mr. Rosenthal's work, but never more so than by his pathbreaking columns on a subject that he, often alone, moved a nation to care about and to act.

Very truly yours,

Elie Wiesel, Virgil C. Dechant, Rabbi Norman Lamm, John Cardinal O'Connor, Rabbi Alexander Schindler, R. Lamar Vest, Wei Jingsheng, William Bennett, Lodi G. Gyari, Bette Bao Lord, Paige Patterson, James M. Stanton, Commissioner Robert A. Watson.

We thank him for his commitment to the people.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair, without it being considered a precedent for changing the proper sequence of Special Orders, and pursuant to the unanimous consent request of the majority leader, will recognize the gentleman from California (Mr. FARR) for 1 hour without prejudice to the resumption of 5-minute Special Orders.

TRIBUTE TO LATE HON. GEORGE BROWN

Mr. FARR of California. Mr. Speaker, I appreciate the consideration given to this special order.

As my colleagues have heard, the legislature is coming to an end. And it would be a very sad end if we did not pay tribute to one of the most distinguished California citizens to ever serve in the United States Congress, our beloved George Brown, who passed away this year as a Member of the House.

So tonight, surrounded by his family and friends, Members of the California delegation and other States have come forward and would like to express their feelings and sympathies for the great life of a great man who served longer in the United States Congress than any other Member in California history.

I am very pleased to be able to share this hour of colloquy, hour of memorial resolutions with the gentleman from California (Mr. LEWIS), my esteemed colleague and very close friend of George Brown and his neighbor.

I would like to call upon the gentleman from California (Mr. LEWIS) first. And then we are going to be sharing, as Members want to express their concerns and try to keep their remarks to several minutes. Because we can see there are many people here that want to speak.

Mr. Speaker, "I believe in human dignity as the source of national purpose, human liberty as the source of national action, the human heart as the source of national compassion, and in the human mind as the source of our invention and our ideas." JFK quote.

He was a great man and a distinguished public servant; 45 years of public service; 36 years in the House, the longest serving Congress member in California history.

Won first election—as Monterey Park city councilman and became mayor one year later. Member of the California State Legislature. First elected to U.S. Congress in 1962. Unlike other politicians, he did not read the polls—No other member of Congress cast more "unsafe" votes—and live to tell the tale.

Best known for his work on science and technology: "With his passing, science and technology lost its most knowledgeable advocate, he embraced the future by articulating a vision that includes harnessing science and technology to achieve sustainable development."

George Brown quote from NY Times interview: "From my earliest days, I was fascinated by science. I was fascinated by a utopian vision of what the world could be like. I've thought that science could be the basis for a better world, and that's what I've been trying to do all these years."

He had the foresight to champion the creation of the Environmental Protection Agency, the Office of Technology Assessment, and the Office of Science and Technology Policy. Recognized leader in forming the institutional framework for science and technology in the Federal Government. Led effort to move the National Science Foundation into more active roles in engineering, science, education and the development of advanced technologies.

Had the vision, courage and integrity to have remained ahead of the mainstream: In the California Assembly authored first bill in the nation to ban lead in gasoline. Recognized, early on: the environmental hazards of burning fossil fuels; the destructive effect of freon; the importance of keeping space development under civilian control; and the necessity of monitoring global climate change. In due time, Congress adopted these issues as legislation.

Style of argument: Brown cultivated a polite and courtly style of argument. His reliance on reason coupled with the respect he showed his opponents made him a very effective advocate and enabled him to form alliances with people of all political parties.

Human qualities: Cigar chomping, rumpled suit, pacifist, social democrat, fierce idealist, a maverick. At UCLA, he helped create some of the first cooperative student housing and was first to integrate campus housing by rooming with Tom Bradley—the future Mayor of Los Angeles. Joined the Army despite his pacifist leanings in order to serve the country.

Inspiration to California Democrats: The current California Democratic party is replete with individuals who worked on Brown's several campaigns, including Senator Boxer. Dean of the California Congressional Delegation. He was our hero, and our inspiration to continue championing good and fighting evil.

Mr. Speaker, I yield to the gentleman from California (Mr. LEWIS), my colleague and esteemed friend, the chair of the Republican delegation from California.

Mr. LEWIS of California. Mr. Speaker, I appreciate my colleague yielding.

Mr. Speaker, I am wondering, let me ask my colleague a question if I can by way of procedure. I know there are Members on both sides who are asking for time, etcetera, and I have made a list and so on. Should we kind of divide this time in a way that I can distribute time and ask the Chair for unanimous consent for that?

Mr. FARR of California. I have no objection.

The SPEAKER pro tempore. Under the procedures of this Special Order, the gentleman from California (Mr. FARR) controls the time and distributes the time.

Mr. LEWIS of California. If he yields half of it to me, then can I distribute it?

The SPEAKER pro tempore. There is an hour on the clock, which is reserved to designees of the Leadership; and the Chair will not recognize for subdivisions of that hour.

Mr. LEWIS of California. Mr. Speaker, I very much appreciate any colleague yielding.

Let me say that I intend to make the bulk of my remarks at the end of this session. But let us begin by indicating to the body that oft times, especially with the advent of C-SPAN, the public very often sees only the confrontation between the two sides of the aisle, debate swirling around very important issues that sometimes takes us to the extreme of expression and confrontations that is the presumed norm.

I must say that, over the years, I have had great pleasure in the fact that George Brown and I found working together that we had so much more in common than our people who watch us on the football team of politics in our home district territory would ever realize.

For the Members' information, our commonality for me began when as a young person just out of college entering the life insurance business, I settled in a small town outside of Los Angeles for a couple of years to be close to the big city.

The local assemblyman at that point in time was one George Brown, and that is when I first heard of this legislator and friend to be.

Not too long after that, George sought his seat in the U.S. House of Representatives and served there for a distinguished period of time that was a part of his distinguished career. He then sought a seat, or at least the nomination, in the U.S. Senate and left the Congress for a while.

In the meantime, I had returned home to San Bernardino County. It was years after that initial contact in Monterey Park that I got to know George as a candidate for the Congress in our territory near his former home in Colton, California. He served in the Congress for a period of time before I arrived here. But over the years, we developed a very, very close personal relationship.

Most importantly, we developed a professional relationship, as well. And as his wife Marta that is in the chambers with us in person but in spirit in many more ways, along with her family, it is my privilege to share with my colleagues the thoughts of some of the Members on this side of the aisle as we distribute time to them and we very much look forward to hearing a great deal about this wonderful character who was a wonderful diplomat as well as ambassador here in the House of Representatives.

□ 2030

GENERAL LEAVE

Mr. FARR of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore (Mr. WALDEN of Oregon). Is there objection to the request of the gentleman from California?

There was no objection.

Mr. FARR of California. Mr. Speaker, I yield to the distinguished gentlewoman from Texas (Ms. EDDIE BERNICE JOHNSON).

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, let me thank the gentleman from California (Mr. LEWIS) and the gentleman from California (Mr. FARR) for setting aside this time to give tribute and salute to George Brown, our House colleague who died earlier this year after representing his constituents in California for more than 34 years. He is survived, as it has been said, by his wife Marta and their six children. She is here with us in the Chamber and we are delighted to see her. Many of us are aware of Marta's strong interest in public service and her commitment to social change. I know that she will continue Mr. Brown's legacy of boundless curiosity and forging public policy that advances social justice.

Representative Brown, who became one of my best friends here, embodied the best that the House of Representatives has to offer. He was committed to public service, fought for social justice and became the Nation's foremost policymaker when it came to science and technology. He was a good listener and that is one of the reasons he was so successful. He took the time to understand his constituents and their problems. He believed that lawmakers should do their own homework, learn the issues and know how the issues affect their constituents. He prided himself on doing his own research.

I served with Mr. Brown on the House Committee on Science and the longer we served together, the greater my admiration for him grew. As chairman of the House Committee on Science during the 102nd and 103rd Congresses, he reached the pinnacle of his legislative career. He was the recognized leader in forming the institutional framework for science and technology in the Federal Government. He worked tirelessly to expand the scope of NASA as one of the Federal Government's lead agencies in promoting research and development.

In the 1960's and again in the 1980's, he helped restructure the National Science Foundation by directing that agency into more active roles in engineering and the development of advanced technologies. He also redirected the National Science Foundation to become the Nation's lead Federal agency in promoting mathematics, science, engineering and technology. His efforts have had a lasting impact on the development of these disciplines for kindergarten through 12th graders and more. He recognized that today's students will become tomorrow's workers. To be successful, these students must be technologically fluent and that will not happen without a strong commitment from the Federal Government working hand in hand and in coordination with the private sector. He understood that fact.

He developed legislation that established the Office of Science and Technology to focus the Nation's policy in these areas. In the 1970's, he championed the creation of the Environmental Protection Agency and the Office of Technology Assessment. He also directed the Congress toward groundbreaking initiatives for energy and resource conservation, sustainable agriculture, wind energy, global climate change research and space exploration. Throughout his career, he enthusiastically supported both piloted space flight and nonpiloted space exploration.

Before being elected to the Congress, he was the mayor of Monterey Park, California. Later he was elected to the California State Assembly where he worked on labor and environmental legislation. In fact, he introduced the first bill in the Nation to ban lead in gasoline in the early 1960's.

He was elected to the House of Representatives in 1962 where he fought for passage of the Civil Rights Act of 1964 and worked hard to stop U.S. participation in the Vietnam War. His career of public service spanned more than 40 years. He truly was a legislator for all seasons and the breadth of his interests spanned many horizons, from space exploration to social justice.

Mr. Speaker, this House is a better place because George Brown served here. I am proud to have known him and the country has moved forward because of his service in this Chamber.

Mr. FARR of California. Mr. Speaker, I yield to the gentleman from California (Mr. LEWIS) who will yield to other Members from California.

Mr. LEWIS of California. I appreciate my colleague yielding. It is my privilege to yield to the gentleman from California (Mr. CALVERT).

Mr. CALVERT. I thank the gentleman for yielding. George Brown. I am a conservative. George was an unabashed liberal. We were opposites in this business. But most importantly, George was my friend. I certainly put forth my sympathy to the family, Marta, everyone that is here today.

I have got to talk about my first memory of George Brown. I was in our family restaurant in Corona, California. George was our Congressman. I think I was probably 11 years old or so at the time. He was sitting there with my father having a drink and smoking a cigar, arguing the issues of the day, very passionately. George was a very passionate person, someone who believed very strongly in what he believed in and would advocate those issues and beliefs very ably here on the floor.

As I mentioned, he was my Member of Congress since I was a young boy and all through high school. As a young Republican campaigning for people against George in the early days, I remember one time George giving me a call one time and we had an opponent running against him. He called me up and he said, "Can you get that guy to run against me one more time?" He always had a sense of humor. He always participated in debates.

I have got to admit, one time we had a debate and he came up to the podium, and he looked over at the audience and he said, "Look, I'm overweight, I probably smoke too much, I don't dress as well as I should." Everybody looked at him aghast. He looked over at his opponent and said, "I just thought I'd point that out before my opponent did."

He had a great way about him. He endeared himself to all of us. George, most importantly, was known for the business that he conducted here in the House. Certainly he was a chairman of the Committee on Science, was known as Mr. Science. He had a deep love of science and the institutional framework for science and technology in this government.

In the mid 1960's and again in the 1980's, he led an effort to restructure and strengthen the National Science Foundation, moving the agency into a much more active role in engineering, science education and the development of advanced technologies. He developed legislation shaping the permanent science advisory mechanism in the Executive Office of the President, which was established in 1976 as the Office of Science and Technology Policy. He was a strong proponent of environmental preservation and of science and technology in the service of society.

I would like to think that George would be very interested in what we are trying to do in technology advancement for clean air, especially as regards components such as sulfur and other issues that we are advocating today in this House.

George championed the establishment of the EPA and the Office of Technology Assessment in the early 1970's. He helped advance initiatives for energy and resource conservation, sustainable agriculture, national information systems, advanced technology development, and just so much more in the integration of technology in education.

He enthusiastically supported both manned and unmanned space exploration. What an advocate on the floor. We worked together as Californians for the space program and he was an excellent advocate for space. His reputation on the Committee on Science helped him bring NASA participation and support for schools and businesses throughout the Nation and his district.

On a personal level, we put together a Salton Sea Advisory Committee. Five of us originally, myself, the gentleman from California (Mr. LEWIS), Sonny Bono, George, and the gentleman from California (Mr. HUNTER). I remember one meeting that we had in Sonny Bono's office, this was in December, just before Christmas, we were all talking about what we were going to do to save the Salton Sea. This was something that was so passionate to George. He loved the sea. He was raised there by the sea, in Imperial County, and wanted to see something done for future generations for the sea and for the environment around the sea.

Shortly thereafter, Sonny was gone, and now George. So two out of the five original members of the Salton Sea Advisory Committee are gone. But now we have new Members. Mary Bono is working hard to see the future of the sea and the rest of us. It is, I think, our responsibility in George's memory to make sure that we do the right thing and to make sure that the Salton Sea is something that everyone has a pleasant memory of in the future.

In his memory, we are renaming the Salinity Laboratory on the UCR campus the George Brown Salinity Laboratory. It is just one small example of his work but one that really shows his devotion to science and his love of what we are trying to do in this country to make it a better country for all of us as Americans.

Mr. Speaker, with that I would like to say I am going to miss George, I am going to miss seeing George right over here on the House floor on a daily basis and going over and having our daily chats, chitchatting about what is going on at home in the Inland Empire and working with him to make the Inland Empire a better place. But I will work hard to make our area a better place for our constituents. It is going to be more difficult without George.

Mr. FARR of California. Mr. Speaker, as you can see, George Brown was not only loved in southern California but also in other States. The gentlewoman from California (Ms. WOOLSEY) is from Marin County. He was loved in the north as well as in the south.

Ms. WOOLSEY. I thank the gentleman for yielding.

Mr. Speaker, I rise to pay tribute to a most wonderful person, our former colleague and friend George Brown. I want to reflect on a comment from a poem that was read at Representative Brown's memorial service by his son. For me, the essence of that poem, "How Do You Live Your Dash," sums up why I so respected and admired George Brown. George's "dash," those 79 years between his birth in 1920 and his passing this summer is the symbol of a person who witnessed, participated in and positively impacted many, many of the most important events of modern American life.

Years before George formally entered political life, he was actively engaged in the social and political issues facing our country. As a student at UCLA, George helped create cooperative student housing. He worked to break the racial color barrier by organizing the first integrated campus housing in the late 1930's. He was a conscientious objector during World War II and worked in a Civilian Conservation Corps camp in Oregon. Yet later he decided to join the military and served as a second lieutenant in the Army.

After the war, returning to Los Angeles, he continued his work, organizing city workers and calling for veterans housing.

In 1964, George was elected to the Monterey Park city council. Building on his past activism, his political work and style was a true reflection of his values. Always the gentleman legislator, as a city councilman, in the State Assembly or as a Member of this body, George was guided by his belief that through persuasion and reason, he could and he would build a better society.

As we all know, Mr. Brown cultivated a polite and courtly style of debate, often tinged with humor and with self-deprecation. He believed that public service was a noble calling and he demonstrated in his ensuing 45 plus years in the political arena that one individual can make a difference.

In 1962, he was elected to Congress. Thirty years later, I was fortunate to be elected to Congress and to become a member of his Committee on Science when he was the chair. In recent years, as chair of the Committee on Science, George began to challenge the scientific community to reflect on the social implications of their work and the ethical obligations that come with their high standing.

Every day I mourn the loss of this gentleman leader. I sometimes wonder how we will meet the demands of a world and a Nation challenged by the need for a technically educated workforce without our leader George Brown.

□ 2045

Mr. Speaker, it was truly an honor to have known and served with George. His years spent on Earth, his dash, as his son reminded us, is the story and legacy of a wonderful person.

Mr. FARR of California. Mr. Speaker, I yield to the gentleman from California (Mr. LEWIS).

Mr. LEWIS of California. Mr. Speaker, I yield to the gentleman from New York (Mr. HOUGHTON), a member of the Committee on Science.

Mr. HOUGHTON. Mr. Speaker, I thank the gentlemen from California, Mr. FARR and Mr. LEWIS, for organizing this tribute to George Brown.

Mr. Speaker, I am tempted to speak for the RECORD, as we all do here, and go over the distinguished points of George's life as he was a Member here in terms of his support for NASA and the Space Station before it was even a priority with him, what he did in setting up the Office of Science and Technology in the White House, and of a whole variety of things; the environment, and a series of things like this.

But I would really like to, and I am not sure whether that is appropriate, but I would really like to speak to Marta and the family, because I felt that George was sort of one of my family when I was here.

I am a Republican. I did not go to the Democratic Caucuses. I many times voted differently from George, but I always felt I was on the same wave length.

I will mention, what specifically keyed this to me was our fight for the Office of Technology Assessment. We both believed in science, George coming from a more academic and political atmosphere, and I coming from more of a business atmosphere. But we believed that it was important that this body have a scientific group that interpreted new science as it was coming along, new technology that was being applied in the workplace, so we could gear our legislation more to those things which are important for our future, rather than becoming just a commodity producer, which we would rapidly regret. So we fought the good fight and we lost, but in the losing of it, we forged a tremendous bond of respect.

First of all, about his appreciation of science, I am a big believer of this. I think all of us here feel this way, that the reason our country is what it is is obviously because of the human endeavor and the enterprise, but the ability to take chances and to reach out.

Marta, you and your family come from the State that is doing it all now. What is happening in Silicon Valley is the thing that is going to determine the next century, and maybe even beyond that. He believed in that. He thought it was endemic, he thought it was important for the very lives we were leading every single day, not just scientists, not just politicians, but schoolchildren.

But also, it gave me an opportunity to know George as a human being. There are a lot of people we meet around here that are sort of different. They have their own ideas. They are all bright, they are all motivated, they are all decent, they have high integrity, but there is always something special about the chemistry between people. I always felt I had this with George.

I really do not have a lot more to say, other than thank you for letting us share the life of your husband with us.

Mr. FARR of California. Mr. Speaker, I thank the gentleman for those very dear and personal remarks.

I yield to another colleague, the gentlewoman from California (Ms. ESHOO).

Ms. ESHOO. Mr. Speaker, I would like to thank my California colleague and the chairman of the Democratic delegation of the State of California for yielding.

I think for the American people that are tuned in this evening and listening to us after hours, that this is a little different than what they are exposed to during the day in our very heated debates that sometimes generate more heat than cast light. But this is a very worthy program to tune into. This is when I think Members of the House really rise and exhibit the best of what America is about, when we recognize the humanity that is here in this Chamber.

So tonight we not only mourn the passing of our colleague, our beautiful colleague, that beautiful human being, George Brown, but it is an evening for remembering him, as well. So I join with not only my California colleagues, and the gentleman from California (Mr. LEWIS), who has so ably chaired the Republican delegation from California, a very dear friend of George Brown's, but the rest of our colleagues in remembering him and what he brought not only to this institution but to the country that we have all come here to serve.

All of the States are memorialized here in our Chamber, and we from California are so proud of this son of California, and what he did here.

I do not think that there are really any words that do justice to George Brown, because he was a very full figure, not only physically, but he had so many dimensions to him. Every time I look at this desk, I picture him leaning there. No matter how full this Chamber ever was, I knew exactly where to find George Brown, to either ask him how he was, what was happening in the committee, what he thought about a vote, or just in general, how everything was. You would find him leaning right there.

I always thought, a penny for your thoughts, George. What do you think as you look out at us? Because he was a very knowing individual.

I have the privilege of coming onto the Committee on Science as a freshman, and before I was sworn in we had something in California, and I am trying to remember, was it the California Institute that had put it together, and it was the day after the elections.

I went to George Brown because he was there at this, where all of the Californians were gathered, and said, I would like to serve on your committee. And he put that wonderful arm around me, he was like a big California bear with a big heart, and said, I would love to have you on my committee, Anna. And that was my welcome. It is not that easy to get on a committee in the Congress, and what a welcome that was.

You could find George Brown. Unlike any other person in this House, if you wanted to find him at his office, you could. When you walked in the door, he was not returning other people's phone calls. Do Members know what he was doing? He was reading the journals, the technical journals, the scientific journals that had been published, that masterful intellect applied to the good of our Nation.

In 1961 President John Kennedy challenged America to put a human being on the moon before the end of 1969. That was a huge challenge. We take for granted what happened, and thousands of individuals throughout our country listened to this call and took him up on his seriousness, and what that meant not only for our Nation but what it meant for us as a Nation, as a global leader. Many worked in their own significant way to accomplish that feat. One of them was George Brown.

How indebted we are to him as a Nation for his leadership and his courage. Many of us, as I said, take these decisions for granted and these accomplishments for granted once they take place, but it always takes individuals of courage and vision to make them happen.

I think George Brown always made sure that we were looking toward the stars. I think that just as we had Americans that walked on the moon that were launched, that he today is walking among the stars and in heaven. He certainly has earned it. We are, indeed, a grateful body, and we are grateful to his constituents for sending him to us. He was a gentle man, he was a refined legislator, he was a proud Californian, he was a compassionate human being, and I thought that when God called him, that he could really answer and say, you didn't call me to be successful, you called me to be faithful. And that he was, to what he believed in and what was best in humanity. He never left anyone behind.

I think for that reason, Marta, he walks now not only among the stars but among the saints. Thank you for sharing George Brown with us. God bless you, George. I will always picture you standing there at that bench, and I do not think that there is anyone that could ever come into the Congress to take your place. You will always, always be a Member here and part of our delegation.

Mr. FARR of California. I thank the gentlewoman very much.

Mr. Speaker, I yield to the gentleman from California (Mr. LEWIS).

Mr. LEWIS of California. Mr. Speaker, I yield to the gentlewoman from California (Mrs. BONO), George Brown's colleague in concern about the Salton Sea and many other things.

Mrs. BONO. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, inscribed in an office building in California's capital Elipse is the quote, "Give me men to match my mountains." My late friend and colleague, George Brown, was such a man. No one knows this better than his wife, Marta, his family, friends, and his loyal staff members.

Today our thoughts and prayers are with George and those who loved him. A great man of modest origins, George was neither pretentious nor physically imposing, but the strength of his convictions and the depth of his intellect combined with an unwavering belief in the ideals that he held dear made him a welcome ally and formidable foe.

Although I do not share his liberal philosophy, I share the commitment he had to fighting for what he believed was right. George Brown recalled a more gentle era of politics and, indeed, society. With his rumpled trappings and self-effacing style, always courteous in debate, George could charm his opponents while subtly skewering them with the scientific precision of his arguments.

Although he was the physical embodiment of the old cigar-smoking pol, he always talked straight and let the public know where he stood on the issues. He never hid his politics within smoke-filled back rooms, nor did he waiver from his liberal beliefs that defined his political philosophy.

George was also ahead of his time. Long before it was politically correct, he was a champion of civil rights. Decades before the Vietnam War, he was a conscientious objector to wars, although he later served his country as a second lieutenant in the Army.

Before the term "environmentalist" became fashionable, he worked in the Civilian Conservation Corps in Oregon, and, of course, as a scientist he advocated the use of science to improve not only the lives of everyday Americans, but also to lay the foundation for a better world.

As the distinguished chairman of the House Committee on Science, he never allowed partisanship to interfere with the integrity of his scientific principles. Really, that is the greatest lesson I learned from this wonderful man. Regardless of the issue, George believed that you could work together to find common ground, that rancor and political attacks had no place in a civilized institution. He may have disagreed with your politics, but he would never treat you as less of a person because of your political differences.

I had the privilege and pleasure of working closely with George on an issue that was close to both of our hearts, saving California's Salton Sea. George probably knew more about the problems facing the sea and the relevant science than any other Member of Congress. As a scientist, he probably knew more than many of the experts who are currently working to find a solution to this looming environmental crisis.

He was born and raised near the sea, and spent years studying its decline. He was passionate in his belief that he could restore it. That is what I will always remember about George Brown, his quiet certitude that our democratic system can be made to work if we are only willing to work together. George proved time and time again that you could find common ground to advance a common good. I will try to honor his memory by following his example.

I want to say also to his widow, Marta, I remember sharing many, many a plane ride with George and Marta Brown between the Capitol here and Southern California. Every time we flew together George and Marta had a wonderful embrace for me after I lost my husband, Sonny.

I have spoken with Marta on a couple of occasions about her beliefs and her dedication to public service and her dedication to also restoring the Salton Sea. I just want to wish Marta Brown the greatest of strength and God speed in the years ahead.

Mr. FARR of California. I thank the gentlewoman from California (Mrs. BONO) for those beautiful remarks. Mr. Speaker, I yield to the gentleman from Wisconsin (Mr. OBEY), a person on whose shoulders the last few days of this session are dependent, the ranking member of the Committee on Appropriations, the former chair, a good friend of George Brown.

Mr. OBEY. I thank the gentleman for yielding, Mr. Speaker.

I remember the first time I ever met George Brown. I came in that door on the side of the Chamber. I was elected on April Fools Day of 1969. George came up to me right after Easter when we got back, he came up to me, and I had not met him before. He said, my friend, Bob Kastenmeier, tells me you are to be trusted. And I did not know what that meant, I did not know who he was. But that was his way of introducing himself to me.

I asked Bob Kastenmeier the next time I saw Bob, I said, tell me about this George Brown fellow. Well, he said, he is a gutsy antiwar hero.

□ 2100

He is a staunch defender of civil liberties, he is an absolute believer in civil rights and, he said, he is the ultimate rational man. And I think that really does describe George.

He did yeoman's service here as a Member of the Committee on Agriculture and as chairman of the Committee on Science. But I think his greatest service to the House was simply his uncompromising political integrity and his uncompromising disdain for hypocrisy, which we often find a lot of in this town.

I often kidded George. I told him that he reminded me of that wonderful character on British television, "Rumpold of the Bailey," the British barrister who constantly defended unpopular causes, much to the chagrin of his law firm and his wife. And I told George that I thought not only did he have a slight resemblance to Leo McKern, the actor who played the part, but that also his style was the same, because he really did stand up for causes and people who had very few defenders, and that is what this institution often needs.

Mr. Speaker, I think this place will miss him greatly. He was a superb public servant. He served California well. He served the country well, and I am grateful that after he ran for the Senate, he returned to this body and graced us with his many years of service, teaching us every day that public interest comes before private interest.

Mr. FARR of California. Mr. Speaker, I now yield to the gentleman from California (Mr. LEWIS).

Mr. LEWIS of California. Mr. Speaker, I yield to the gentleman from Michigan (Mr. EHLERS), a member of the Committee on Science.

Mr. EHLERS. Mr. Speaker, I thank the gentleman from California (Mr. LEWIS) for yielding me this time. It is a pleasure to speak here about George Brown, even though it is also tinged with a good deal of sadness.

I knew about George Brown a long time before I met him. In fact, my first acquaintance with him dates back to the mid-1970's when, as a nuclear physicist and a county commissioner, I was appointed by the American Physical Society to the committee to select science fellows for Members of Congress. One of those we selected ended up working for Mr. Brown. I got to know him quite well and talked to him regularly and he has described Congressman Brown in very glowing terms. And after that, for some 20 years, I watched the progress of Mr. Brown and the wisdom of his work through the science media.

It was a pleasure when I first arrived in the Congress in early 1994 to make his personal acquaintance and to serve on the Committee on Science at the time, he was chairman. Also, I worked with him after the time when he became the ranking member and the Republicans were chairing that committee.

He was a striking person in many ways, and I found him to be a many-dimensioned person. He was a gracious gentleman. At the same time, he was a great scholar. He was also a wise leader. In spite of that, he was self-deprecating and self-effacing. A marvelous person in so many different ways.

Mr. Speaker, what particularly struck me was that in a very partisan institution, he was willing to ignore partisanship to help a new Member to discuss the history of specific issues and also acquaint me with the history of previous actions of the Congress.

He was also very willing and freely gave of his advice to me as a newcomer and I found his advice very helpful. He was a great person in so many ways and so many senses of that phrase. We rarely meet great people throughout our lives, but when we do we immediately know that we are in the presence of greatness and we also appreciate it. That is the way it was with George Brown.

As I said, he was a great man. I knew it when I first met him. I appreciated it even more as I continued to work with him on science issues and we had a great kinship on that score.

I certainly appreciated him, the work he did, and particularly his friendship with me and his attitude towards the Congress and towards advancement of science. We will all miss him greatly, and I will especially miss him. I just wanted to take this opportunity to express my condolences to the members of the family and to thank them for their willingness to share George with us.

Mr. FARR of California. Mr. Speaker, I thank the gentleman from Michigan (Mr. EHLERS) very much, and I appreciate the remarks and I know the family does as well.

Mr. Speaker, the great State of Texas may be a big State, but it is not as big as the heart of George Brown. To speak for that State is the gentleman from Texas (Mr. LAMPSON).

Mr. LAMPSON. Mr. Speaker, unlike so many of our colleagues who have spoken, I did not know George Brown before I came to Congress. And when I learned that I would have the opportunity to work alongside the late George Brown, who served for 32 years on the Committee on Science, 32½ years of his 18 terms, I was quite pleased and thrilled, having been a high school science teacher for the time during the 1960's and watching and knowing of what his work consisted.

While Congressman Brown served as chairman of the Committee on Science during from 1991 to 1994 and ranking member from 1995 to 1999, he worked diligently to create the institutional framework necessary to bring science and technology into the Federal Government. And from the mid-1960's on, he led an effort to restructure and strengthen the National Science Foundation, moving the agency into much more active roles in engineering, science education, and the development of advanced technologies.

I guess I came to Congress expecting more camaraderie and less partisanship than what I have seen so far, but for me it was George Brown who I will remember as the statesman and the consensus builder on the Committee on Science. And in addition to that, he developed legislation that created what later became the President's Office of Science and Technology Policy and pushed for the development of the Environmental Protection Agency and the Office of Technology Assessment.

Throughout his impeccable congressional career, George Brown pushed the envelope not only for NASA and the human space exploration program, but also, as we have already heard, for civil rights, the environment, even family farmers throughout the Nation.

While I was only able to spend 2½ years getting to know George, the stories that I have heard continue to make me smile and will keep him in my memory for an awful long time. Chairman George Brown cannot be replaced and he will be sorely missed by everyone who knew him. Thank you and God bless the family.

Mr. FARR of California. Mr. Speaker, I now yield to the gentleman from California (Mr. LEWIS).

Mr. LEWIS of California. Mr. Speaker, I yield in turn to our colleague from California (Mr. ROHRABACHER) who served several years with George Brown on the Committee on Science.

Mr. ROHRABACHER. Mr. Speaker, I have to say, everybody has got a hushed tone tonight remembering George. I do not remember him in hushed tones. This guy was a fellow. He just had so much life about him and there was so much goodness about George Brown and he was right out front on everything.

He was certainly my chairman, he was my colleague, and he was a friend. He was chairman of the Committee on Science, and I was on the committee. I am still on that committee. I am now the chairman of the Subcommittee on Space and Aeronautics, and every time he would come over once he lost that spot, we would always be happy because he was a treasure house of information. He was an institutional treasure to our committee and we have already felt his loss.

Let me note this: that as chairman of the Committee on Science, when he was chairman of the Committee on Science, he exercised his authority as fairly as anyone who has ever served in this body. So although we had some disagreements, he always, always was fair. I do not even remember one incident where I was angry at him because he did not give a Member the right amount of time or tried to cut off debate or short-circuit someone else.

Now, we disagreed about things, but he was always right up front. In fact, one of the great things we know about George is that he never apologized about being a liberal. This man was unabashedly, no, he was bashed around for being a liberal I am sure, but he was unapologetic about being someone who believed that government should help people. That was his basic philosophy. Government should help people. It was as simple as that, because George Brown loved people.

Mr. Speaker, I am a conservative. I have a little bit more suspicion about government, and that is my philosophy. George respected that. There was no situation where he thought he was above me because he wanted to help people through government and I am suspicious of government. No, he was an honest Democrat as well. He believed in democracy and believed in this system.

Again, he treated differences, as we have heard today, with a great sense of humor. With his sense of humor he made this a really nice place and a good decent place to work and added a great deal to the cooperation we have had in this body.

Let me just say that being someone of a different philosophy, we ran people against George Brown. Here we are commemorating George Brown. Let us remember those of us on this side of the body ran good candidates against George Brown every time. Marta will certainly, I know, confirm that he had some tough races out there. But guess what? George Brown won every single race. Every time we put somebody up against him, his constituents returned him because as we found out, George Brown was much beloved by his constituents, Republicans and Democrats alike. We had trouble getting the Republicans not to vote for George Brown, they loved him so much.

The reason they loved him out there is because he loved them. There was a great deal of goodness and love in George Brown's heart. He was a man of integrity and that could be seen for sure early on in his life. We could see it here. But if one studies George Brown's history early on in his life, he took a stand against the war in Vietnam. He was one of the first ones to recognize what a great threat that was to the body. He did not wait for it to become trendy. He did not wait for it to become some issue where it was going to do him some good. George Brown was out fighting the war in Vietnam long before some of us realized.

Some of us on the conservative end of the spectrum say to ourselves perhaps that war went on too long before we realized where it was going and where it was taking America. Perhaps George Brown, who had the goodness and intent of trying to help his country, maybe he had some realizations in his heart. Plus, he was a champion of civil rights early on.

And, Mr. Speaker, I will say this as a conservative. Some of us who are suspicious of government have to look at people like George Brown and his early struggles in the civil rights movement and we have to feel a little bit embarrassed that it was an unabashed liberal who was taking care of protecting people's human and civil rights in this country. Some of us should have learned a lot from George Brown in that regard.

Finally, let me just say that George Brown, even though we ran candidates against him, never held a grudge. I remember him telling me right down there standing with me, "Well, you fellows always run somebody against me. And even though Dave Dreier likes me a lot, I know that we are friends, but don't worry. We are going to work all of these things out and we have all of these things we have accomplish together." And sure enough, he never held a grudge and we worked so well together.

Mr. Speaker, he is going to be missed. I am going to miss him. Everybody else here is going to miss him. He loved us. He loved his constituents. He loved his country. He had a good heart and we loved him. I loved George Brown very much and I am going to miss him very much. My heart goes out to Marta and just condolences to the whole family. And I guess I cannot say much more except all of the great things that he did in the Committee on Science, they are going to go on helping America for a long, long time. A lot of people are going to benefit from those things. They are not going to remember George's name, because in 50 years none of our names are going to be remembered. But he has done a lot of good for this country and certainly those of us who served with him will never forget George Brown.

Mr. FARR of California. Mr. Speaker, I thank the gentleman from California (Mr. ROHRABACHER).

Mr. Speaker, I would like to now call on the gentlewoman from California (Mrs. CAPPS). She and the other gentlewoman from California (Mrs. BONO) share something in common with Marta Brown. They have all lost their husbands while serving in Congress.

Mrs. CAPPS. Mr. Speaker, with a sad heart and also a smile of remembrance, I rise to pay tribute to our beloved colleague, George Brown. I am very proud and honored to join my friends on the floor this evening to honor George's memory and to celebrate his life.

Let me first express my condolences to Marta, who joins us in the Chamber tonight, and to everyone else in George's large and wonderful family.

Mr. Speaker, I would say to her, "Marta, I have been in your shoes. It is not easy. But your spirit and your strength in this difficult time have inspired all of us."

I also want to send a special word of condolence to George's staff. I know from my own experience, and that of my staff who were Walter's staff, that they are doubly burdened. For 3 months they have been grieving for their leader, while at the same time working hard to continue to serve the people of the 42nd District in California, and my heart is with them.

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Mr. Speaker, this House has many national leaders. This House has many warm and decent people. George Brown was both. He was first elected during the Kennedy administration when Americans heard our young President promise that we would put a man on the moon.

Throughout his illustrious career, few Members in this body contributed as much to our successful space program as did George Brown. With his leadership on the Committee on Science, George kept our space policy on track. He knew that unlocking the secrets of the heaven's would benefit our quality of life here on earth.

As a fellow Californian who once served on his committee, I was awed by and so grateful for George's visionary work on the space program. He made such a mark on science education which will be felt for generations to come in every elementary science class and secondary science class throughout this country.

He made such a mark on the space exploration of this country which I think of each time I watch a launch at Vandenberg Air Force base in my district. Each time, I think of George Brown. That legacy will continue as long as there is space exploration in this country and even in this world.

But, Mr. Speaker, as effective a Member as George was, he was an even better person. I will never forget the kindness and generosity that George extended to Walter and me when we first came to Washington in 1997. I will surely never forget George's warmth and comfort when Walter passed away.

After George died, many of us flew together to his memorial service in his district. Democrats, Republicans, Members from around the Nation, senior and junior Members alike, we spent many hours reminiscing about George.

We remembered his legislative victories. We again admired his dedication to the people of his district. We laughed about his sense of humor. We recalled his warmth and decency.

Being in his district for this memorial service gave me such a sense of the high esteem with which he was held and is held by the people he represented for so many years. This group that came together to memorialize him was such a diverse group that he held together throughout the decades that he served the 42nd District. This is a legacy also which is a model for our country and for the leaders in this House.

All of us in Congress join with George's family and staff and his constituents to mourn his passing. We will all miss him. But we are also thankful to God for the precious time we had with him. We ask God's continued blessing upon his family, his precious family, his district, and the legacy which he leaves to us all.

Mr. FARR of California. Mr. Speaker, I yield to the distinguished gentlewoman from San Francisco, California (Ms. PELOSI).

Ms. PELOSI. Mr. Speaker, I thank the gentleman from California (Mr. FARR) for calling this special order. It gives us an opportunity to say a goodbye to George Brown, which is heartfelt, nonetheless very sad.

Mr. Speaker, it is with great sadness that we mark the passing of our dear friend. But this is a very special special order because it brings some closure. I do not think a day goes by that most of us do not come to this floor to vote when we expect to see George sitting in his regular seat.

As we are accustomed to saying here in the House, I wish to associate myself with the remarks of my colleagues who have spoken before, because I think they have spoken very, very eloquently, and it is a compliment to be associated with their remarks because this man was very special. But I think that our colleagues have captured him.

As I associate myself with the remarks of my colleagues, I will just say a few personal remarks. George was an inspiration. We all know that. He was a leader, as has been acknowledged. He was an intellectual, and we all benefit from that. He was also a politician, a political leader. In California, he is a legend and has been, really, for a very long time.

When he, representing the district that he did, took the stands that he did, it was with great courage. It would be easy for someone from my district to speak out against the Vietnam War and to vote against the military spending at the time. It was not easy for George Brown. But he did it anyway.

We all benefited from the fact that he was a student of nuclear engineering. When I say "we all", I mean every person in this country, because we had the benefit of his thinking. We continue to have the benefit of his thinking because of the legacy that he has left.

Not a day, again, goes by when we do not miss him, do not think we are going to see him in the Chamber, but we do have the benefit of the ideas that he has put forth and the leadership that he has provided and the way he has translated all of the ideas that he has in his knowledge of science and engineering into public policy, into a better future for our country.

He was genuinely interested and curious about all complex issues and the debates that swirled around the development of modern science and technology. So he was a very fascinating man.

I want to say that we will miss his sense of humor, his civility, his deep commitment to public service. I, and the constituents of my district join me, extend our deepest sympathy to Marta, to the Brown family, to his constituents, to his staff, to his friends, all of whose lives he touched, enriched, and changed for the better.

With that and with great love, George Brown, we will miss you every single day we serve here, and we will always be grateful for the memory you have provided for us.

Mr. Speaker, it is with great sadness that we mark the passing of a dear friend and a long-time Member of this Chamber, George E. Brown, Jr.

George was an inspiration. I know the constituents of his San Bernardino district remember him with great fondness and respect. He was a distinguished and dedicated public servant who served in this House with great dignity for 35 years. In my opinion, George should be remembered, above all, as a man of high principle. He was first elected in 1962 and frequently spoke out against excessive military spending and America's involvement in the Vietnam War. He maintained his principles and, during the tumult and shouting of the 1960's, routinely voted against military spending for a war that was, in his careful and considered analysis, an unjust intervention.

Since his days as a student of nuclear engineering and, later, as a working physicist, George took a strong and focused interest in modern technology, the advancement of the sciences, and, of course, space exploration. As Chairman and ranking Democrat of the House Science Committee, he helped shape and define the evolution of the National Science Foundation, NASA's International Space Station, and other significant endeavors that engaged the best minds in American science and technology.

George was genuinely interested in, and curious about, all of the complex issues and debates that have swirled around the development of modern science and technology. His palpable excitement belied his position as the oldest Member of the House in the 106th Congress. For many years, he served ably as Dean of the California Congressional delegation, and George leaves us with the distinction of representing California longer than any other member of Congress. His influence and legacy will continue to define the work of this body.

We will miss George, his principled ways, his sense of humor, his civility, and his deep commitment to public service.

I would like to extend my deepest sympathy to his widow, Marta Macias Brown, to the Brown family, his constituents, and his friends and colleagues, all of whose lives he touched, enriched, and changed.

Mr. FARR of California. Mr. Speaker, I thank the gentlewoman from California (Ms. PELOSI) very much for those beautiful words.

Mr. Speaker, I yield to the gentleman from California (Mr. LEWIS) for a moment.

Mr. LEWIS of California. Mr. Speaker, I am proud to yield to the gentleman from Long Beach, California (Mr. HORN).

Mr. HORN. Mr. Speaker, I thank the gentleman from California (Mr. LEWIS) and the gentleman from California (Mr. FARR) for this very moving ceremony. So many people have said so many wonderful things. They are all true.

I first met George Brown in January of 1963 when he came here as a new, fresh, young congressman. I was then the legislative assistant to Senator Thomas H. Kuchel, the senior Senator and Republican whip from California. He called me and said, "Steve, I hear a lot of good things about this fine young man. Go over and give him my best." And I did. George Brown was, from the very beginning, noted by people in the House as well as some in the Senate that he was a very decent person.

When I came back here 30 years later we renewed our acquaintanceship. I used to kid George "One of these days, George, the Legislature is going to redistrict you into some suburb of Las Vegas". That was because he had kept moving east from his first election in Los Angeles County. When George came to the House, he served on the Committee on Agriculture. In those days, Los Angeles County was the No. 1 Agricultural County in the Nation in the value of its crops.

Over 18 terms in the House, George moved from Monterey Park, then Colton, then Riverside, then Colton, then Riverside, then San Bernardino, then Riverside, then San Bernardino again. No other Member of the House has had that many different residences moving in one direction as George was able to do.

As the gentleman from California (Mr. ROHRABACHER) said, the Republicans always sought to defeat him, but they never could because he loved his constituency, and they loved him.

Then in 1993, George was in a key role to help pull the California delegation together. His ally in this was Carlos Morehead on the Republican side. In 1993, when Jane Harman and I came here as two freshmen, we were designated to work with George and Carlos on the executive committee of the Democratic and Republican delegations. Our aim was to work for economic development in southern California.

From March 1988, 400,000 people had been let go in the aerospace industry. We had a major crisis as a result of the end of the Cold War and the economic recession. Carlos and George pulled the delegation together. The delegation had not met for 8 years and it was a disgrace. The two Senators would come over at all our meetings. Ron Packard, Carlos, and George led the delegation to work together.

George always had a great sense of humor. When I saw him on the floor, I once asked him what he thought of some of the Democratic Presidential candidates in the 1960's. George's sense of humor was terrific, which I cannot repeat here, but it gets down to a one word description for each one, and it was not the same word for each one. He had suitably captured the personality, values, and interests that seemed to be encompassed in that word. I would smile through the rest of the day.

We have heard every Member practically talk about his decency and his scholarship. That was true. He was a real human being. He is the kind of person we do not forget, and he is the kind of person we ought to have in the House of Representatives, one who stands up for his principles yet can work with everybody else who might have different principles.

Nini and I extend condolences to the family. We worked with a great legend. We all respected him.

Ms. LEE. Mr. Speaker, I rise to honor the memory of my good friend and colleague, George E. Brown, Jr. George was a man of many accomplishments, who led by work and example. He was the leader of the California delegation and led our state on many issues of importance. George came to the U.S. Congress after an illustrious career in California where he had served as a city councilman and mayor of Monterey Park. Subsequently, he was elected to the California State Assembly where he authored legislation providing public employees the right to bargain collectively and foreshadowing his many environmental efforts in the House; he also introduced the first ban of lead in gasoline in the nation.

George was elected to the U.S. Congress in 1962. He was in the forefront of fighting for passage of the 1964 Civil Rights Act and many of us remember that picture of him with President Johnson, Martin, Robert Kennedy and Rosa Parks hanging in his office. He protested the Vietnam war when it was not popular to do so. To give leadership to the anti-Vietnam war movement and the Civil Rights movement, George made a brave but unsuccessful run for the Senate in 1970. As a result of the census reapportionment, a new House seat was created and in 1972, George returned to his beloved Congress to serve the people in communities where he was raised, the Inland Empire.

In the 1960's and again in the 80's George guided the National Science Foundation into a more progressive position, refocusing it on engineering, science education, and the development of advanced technologies. George Brown became Chairman of the House Science Committee in 1991. While Chair, he was an innovator in both Science and Technology, always looking to the future and to our nation's progress as the path to follow. He brought creativity and innovation to the House Science Committee and he was instrumental in creating what we now think of as the framework for science and technology in the federal government.

Ahead of the mainstream, he shaped our nation's science for good by bringing its oversight into the Executive Office and establishing the Office of Science and Technology Policy. By doing so, he made science and technology truly a national priority which provided the impetus to the research initiatives so important to the great research and technology enterprises in our country and especially in California.

I was fortunate to have developed a friendship with George when we worked closely together on California base conversions, an issue of the utmost importance to my district, the 9th Congressional District of California. George was a tenacious fighter for the public good; many of us could learn from his great example. Even when the Democrats lost their majority in 1994, George remained influential.

Earlier, I mentioned George's leadership in the California Assembly on environmental protections issues. In the House, he also recognized the importance of protecting the ozone layer and other elements of environmental health as well as championing the creation of the Environmental Protection Agency and the Office of Technology Assessment.

His courtly style and hard work made him a favorite in his district; he respected all points of view and all parties respected him in turn, making him a formidable advocate and effective negotiator on the side of the liberal and moderate. I will truly miss my friend George Brown.

Ms. ROYBAL-ALLARD. Mr. Speaker, as Chair of the Congressional Hispanic Caucus and former Chair of the California Democratic Congressional Delegation, I want to express my deepest sympathies for the passing of my colleague, friend, and mentor, George Brown.

It has been a true honor to serve with George in the House of Representatives. I have had the privilege of knowing George for years, since he served with my father, Congressman Edward R. Roybal, for over two decades.

George was the oldest current House member and the longest serving member of the House or Senate in the history of the state of California, as well as the top Democratic Member on the House Science Committee and a senior member of the House Agriculture Committee.

George served as Chairman of the House Science Committee during the 102nd and 103rd Congresses and was probably best known in Congress for his work on the science and technology issues under his committee's jurisdiction. As an energetic proponent of the environment, Brown championed the establishment of the Environmental Protection Agency and the Office of Technology Assessment in the early 1970's.

George was a person of integrity, intelligence, and respect, who never failed to stand up for what he believed. George worked to bring down the color barrier at the University of California, Los Angeles by organizing the first integrated campus housing in the late 1930's. In the 1940's he helped organize Los Angeles city workers. Later, in Congress, Brown fought for passage of the landmark 1964 Civil Rights Act. He was one of the first outspoken critics of the Vietnam War and stood his ground by voting against every defense spending bill during the Vietnam era.

George was also friend and role model to me and countless other members of Congress and staff. George paved the way for me to become the first woman to chair the California Democratic Congressional Delegation. Not confined to the dictates of seniority or protocol, George encouraged me to run for the chairmanship, recognizing the value of inclusion and promoting new leadership.

George was an outstanding legislator, individual, and friend and he will be dearly missed.

Mr. MARTINEZ. Mr. Speaker, George Brown, Jr., who passed away last summer, was not only a colleague but a personal friend. I had the privilege of working with George for many years, here in the House of Representatives and in the City of Monterey Park. During this time, I grew to respect him as a man of great integrity, commitment, and kindness.

I first met George in the mid-1950's when he was the head of the Democratic Club and a City Councilman in Monterey Park. At that time, I did not know that I would someday have the opportunity to represent many of the same people. Because of his tremendous knowledge and enthusiasm for public service, he developed a bond with the residents of Monterey Park that lasts to this day. George was a leader who inspired people to community service. He had the ability to fill meeting halls to capacity. His unwavering commitment to public service earned him the respect and loyalty of the people of his district and the surrounding communities.

Many may remember when George was arrested on the steps of the Capitol for joining with a group of Quakers in a protest against the war in Vietnam. I have often thought about this as an example of his commitment to his beliefs. Even on points where there was disagreement, George's integrity was never in question. He was firm in his convictions and willing to stand up for his beliefs.

I have no doubt that George Brown will be remembered as one of California's greatest statesmen. His presence in this Chamber is missed.

Mr. PACKARD. Mr. Speaker, I would like to take this opportunity to pay tribute to both a colleague and friend, George Brown.

I had the privilege of serving on the Science Committee during George's tenure as Chairman, and valued the opportunity to learn from his leadership. George and I worked together on many occasions in support of interests important to our native southern California. George may forever be remembered for his ability to bring together all Californians serving in Congress.

George believed in the power of persuasion to settle differences. He was polite and courteous in his treatment of everyone on both sides of the aisle. George prided himself on working hard for his district. He was dedicated to the people of southern California and he will be greatly missed.

In George Brown, this institution has lost a distinguished Member of Congress, a faithful public servant, and a good man. George will be greatly missed, not only as a tireless advocate for the people of California's 42nd Congressional District, but as a close friend to those so fortunate to have known him.

Mr. MOAKLEY. Mr. Speaker, I would like to thank Representatives LEWIS and FARR for reserving this time to allow Members an opportunity to pay tribute and to honor the memory of our dear friend, the gentleman from California, George Brown. I am moved by their reserving this special order. In a genuine expression of bipartisanship, their efforts serve to highlight one of George Browns' greatest strengths. Throughout his long and distinguished career, George Brown worked diligently to build bonds with other Members from across the aisle. More often than not, he succeeded in these efforts. His constituents were wise to re-elect him to 18 terms of service in this House. George represented the 42nd District of California with distinction and honor. Serving the needs of his constituents, and making certain that their interests were protected were the basis of his long, distinguished commitment to public service.

Throughout my tenure in the House as well as my service on the Rules Committee—as Chairman and Ranking Member, I had the opportunity to work with George on a number of issues. His interest and leadership on issues as science and technology was strong. He had a wonderful ability to explain new technologies in ways that even those of us less aware of these technologies could understand their potential impacts. He was especially proud of his work to ensure that our schools would benefit from new advances in the area of educational technology. George Brown understood the importance of public education, he worked tirelessly to make certain that our young people would have access to the exciting worlds of science and technology.

In closing, Mr. Speaker, I am thankful that we have had this opportunity to honor George Brown. We will surely miss his presence and his civility here in the People's House. While he is no longer with us, his commitment to his constituents and to his nation will ensure that he is remembered for generations to come.

Farewell my friend.

Mr. HALL of Texas. Mr. Speaker, like the other Members who have spoken here before me, I have a special affection for our dearest friend George Brown. But unlike these other Members, I also have a special privilege—the privilege of attempting to carry on Congressman Brown's work as Ranking Democrat on the Science Committee.

This is no easy task. More than anyone I could ever imagine, George Brown was born to be the Chairman of the Science, Space, and Technology Committee.

Two fires burned within George. On the one hand, he devoted his mediations and tailored his actions toward achieving justice and equality for all those in our society. In his 35th year in Congress, he continued to take the time to read the works of the ancients—Greek, Roman, Eastern and Middle Eastern—as well as the works of modern philosophers. He, like them, was obsessed with the concept of social justice and how its pursuit would contribute to an ideal society.

But even more so, George loved science, space, and technology. George came from humble beginnings in Holtville—in the heart of the hot and arid farmlands of the Imperial Valley. From the beginning George was an extraordinary student. He graduated from high school at the age of sixteen and, in the year or two between high school and UCLA, read nearly every book in the Holtville library. Science moved him even then. He studied the stars, read technical journals, and devoured science fiction. One can imagine, perhaps as H.G. Wells "War of the Worlds" played on the radio, a seventeen-year-old scholar with the body of a linebacker, looking up at the crystal-clear desert starlight and imagining the wonders of human and robotic space exploration.

George would speak about two Members of Congress who taught him valuable lessons about the institution. In his freshman term, George served on the Education Committee. The Chairman, Adam Clayton Powell, quickly learned of George's interest in post-secondary education and training and gave the freshman Member from California the lead on re-authorization of many of those programs. It was a lesson George never forgot and one he often repeated with young, inexperienced Members of the Science Committee from both sides of the aisle. There are many current and former Members of the Science Committee who can point to significant legislative accomplishments that they are able to claim because of Chairman Brown's modesty and support.

He also talked frequently about my fellow Texan Olin "Tiger" Teague, who chaired the Science Committee in the 1970's. There were no two Members of the Democratic Caucus further apart politically than George and Tiger. But each had a deep respect for the other's fairness and honesty. Tiger developed the habit, when confronted with a thorny political problem on the Committee, of calling George into his office and asking for George's advice on how to solve the problem most justly. George himself adopted this practice. Any Member—conservative or liberal, Republican or Democrat—who was sincere and had done his or her homework would get a fair hearing from Chairman Brown. In my ten Congresses, I have not seen a Chairman who was more fair to his Committee Members than George Brown was.

George leaves a large and important legacy in this institution and particularly in the Science Committee. I am honored both to be part of these remembrances this evening and to have a small role in trying to continue that legacy.

Ms. LOFGREN. Mr. Speaker, I only served with George for a few years from January 1995 until his passing just a short time ago. But while I served with George just these few years, I will never forget this man whose influence on our country and its future is so profound.

In truth, I first became aware of George Brown while working for my predecessor in office, Congressman Don Edwards. At the time the nation faced the challenge of war in Southeast Asia. Early on, American opinion was not divided as it would later be. There were few who were willing to question. Don Edwards was one of them. So was George Brown. Whatever your view of America's role in that conflict, the courage to do one's job as a legislator—to ask the tough questions and to stand for what one believed in does command respect. George Brown was always a person who would stand up for what he believed in.

When I was elected to the 104th Congress, I asked to be assigned to the Science Committee where George Brown was serving as ranking Member. At the time all of the former Chairmen of Committees were adjusting to new roles in the minority. Some former Chairmen, quite frankly, had a hard time coping with this new role. George Brown rose to the occasion. Who wouldn't rather be in charge? But he understood the important role he could play by using his knowledge as a resource for the whole Congress—both Democrats and Republicans. I came to understand that if George Brown gave advice on Science Policy it was a good bet that it was exactly what our country should do. And while the 104th Congress definitely had its rocky moments, as the months wore on it became clear that George Brown was commanding respect on both sides of the aisle.

I doubt that all of the scientists in America understand how much is owed to George for his vision and understanding about science. Can all the American citizens fully appreciate how much poorer would be our economy and our quality of life—how much more limited our future—without the years of advocacy for sound science policies that George led? But George did his work not for the glory, but for the satisfaction that he was making a difference. He was never afraid to do what was right and he was smart enough to figure out, in the complex field of science, what was the correct course.

George was widely rumored over the years to be contemplating retirement. When I first heard that rumor, I wrote him an impassioned multi-page letter asking him to stay and letting him know how much his leadership on science would not only be missed in this House, but in the world. He listened to those of us who begged him to stay and we were grateful.

Shortly before George left us, he told the Democratic Members of the California Delegation that we could count on him: He would run for reelection and would do his best to win. While he didn't get that chance, I will always remember that he was willing to go full measure for America. Whether as a soldier in World War II or a soldier in the effort to support science, he served his country with valor, with intelligence and with distinction. I am grateful to him for his many kindnesses to me, his wit and his wisdom, for the example he made for younger Members of his House about integrity and commitment as well as for his love and dedication to his family.

I miss George a great deal. Despite all of the talented people working on Science Issues in this House, none of us can claim the experience, expertise and wise leadership that George gave the country in this arena. We will try to fill in the gaps his parting left. I, for one, feel grateful to have known him to have served with him. I feel lucky that I had the change to tell him how much I admired him while he was still living. I miss him and join with my colleague tonight in honoring his life and his contributions.

Mr. SENSENBRENNER. Mr. Speaker, America lost its foremost science advocate, a statesman, and a tremendous human being when my colleague and friend, George Brown, passed away. As a Member and later Chairman and Ranking Member of the Science Committee, George was a forceful and tireless advocate for science. Whether it was protecting a science account from attack or pushing the newest area of research, George was a true friend to the science community. I feel both sadness and inspiration when I look up to see George's likeness watching over the proceedings in the Science Committee's hearing room. Sadness at our loss but inspired to continue building upon the successes George made possible. I am hopeful that his portrait will serve as a constant reminder of George's commitment to our nation's science programs, his leadership, his friendship, his humor, and his compassion throughout his many years of service.

George's integrity and the strength of his word were never in doubt. He could be a forceful advocate when needed and a bipartisan friend when deserved. Perhaps what was most remarkable about George was that even after sitting through hundreds and hundreds of presentations by researchers around the nation, George never lost a genuine delight in hearing of new science breakthroughs that would revolutionize tomorrow's world. When tomorrow's scientists find their next breakthrough discovery, I know in my heart that George will delight in their achievement.

Although George served for eighteen terms in the House, a remarkable achievement in itself, I don't think he ever enjoyed looking back as much as he cherished looking ahead. Earlier this year, George remarked, "I've thought that science could be the basis for a better world, and that's what I've been trying to do all these years." Certainly George made his own strong contribution to making this a better world.

I ask all Members, to keep George's spirit alive as we proceed with our responsibilities during this Congress—with his respect for this institution foremost in our minds and his joy of public service and his friendship in our hearts.

IN HONOR OF THE LATE GEORGE BROWN

The SPEAKER pro tempore (Mr. WALDEN of Oregon). Under a previous order of the House, the gentleman from California (Mr. DREIER) is recognized for 5 minutes.

Mr. DREIER. Mr. Speaker, I would like to join with my colleagues in extending this time of special orders in honor of our great friend, George Brown. I have not had the opportunity to hear any of the statements other than the very eloquent one by the gentleman from Long Beach, California (Mr. HORN).

I will say scholarship and decency, which is what the gentleman from California (Mr. HORN) just raised, obviously are two words that come to mind. George Brown was also one of the kindest and warmest human beings I have ever known.

He regularly was on this side and stood there and would make interesting observations about the institution because, as we all know, he served longer than any other Californian here in the Congress. We were very pleased that he set that record, even though many of us, the gentleman from California (Mr. LEWIS) and I for a decade and a half tried to cut that short. In many ways, I am glad that we were not able to cut that short because he did so much for our State and the country.

I suspect that, during the hour, people talked about his involvement in the space program. I will tell my colleagues that, representing Pasadena, California, the home of the jet propulsion laboratory, along with the gentleman from California (Mr. ROGAN) is a very important thing. George Brown regularly provided the kind of inspiration that was needed by our constituents at the jet propulsion lab.

He often was the beneficiary, and I know that his widow Marta is following this so I should not raise it, but she may not have known he occasionally smoked a cigar. He would often take cigars from all of us here. I was pleased whenever I could to pass one to him, even though I know Marta was never pleased with the fact that we did pass our cigars to George. I know it did provide him with a great deal of pleasure.

I also want to say, as the gentleman from California (Mr. HORN) did, that, in the California delegation, he spent a great deal of time working to bring our delegation together. He had a very healthy view of his role in public service. I know there are many people who were always wringing their hands about this place at the prospect of maybe losing the next election.

One time Karen Tumulty, who is now a very prominent reporter with Time Magazine, in her early days with the Los Angeles Times in the 1980's, I remember her telling me she had gone up to Mr. Brown and talked about the fact that the Republicans were putting together this huge campaign against him. He was sitting behind us in the Speaker's Lobby, and she posed the question to him, why it was that he was not that concerned. He looked up and said, "Gosh, the absolute worst thing that could happen is I could lose the election." Meaning that he had a very healthy perspective on this place, what representative government was all about, and what public service was about.

□ 2130

I will tell my colleagues that it is still, to this day, with a great deal of sadness that I think about the fact that we are no longer going to be seeing him in this chamber.

So I would like to say that I will miss him greatly, and my condolences go, as I know my colleagues have extended them, to his tremendously huge and wonderful family, the members we got to meet when we went to the service for George out in California and saw a number of them back here.

TRIBUTE TO THE LATE GEORGE E. BROWN, JR.

The SPEAKER pro tempore (Mr. WALDEN of Oregon). Under a previous order of the House, the gentleman from New Jersey (Mr. HOLT) is recognized for 5 minutes.

Mr. HOLT. Mr. Speaker, what a wise man, what a good man George Brown was. We have heard tonight of his efforts to create or strengthen various scientific institutions, the National Science Foundation, the White House Science Advisers, OSTP, the EPA, the Office of Technology Assessment, NASA. He advanced international scientific cooperation, energy conservation, alternative sources of energy, sustainable agriculture, peaceful uses of space. He advanced the cause of peace around the world.

I have long respected George Brown for these contributions as a scientist and as a Member of Congress before I got to know him. When I was a AAAS fellow in Congress in the early 1980's, George Brown served as a positive example to us fellows of how government policy could be used in the support and advancement of science. His personal enthusiasm and passion for science and for the people associated with the fields of science has left perhaps the most lasting impression of George Brown around the country.

And, Mr. Speaker, I will provide for the RECORD some of the remarks of other AAAS fellows who have shared with me their memories of George Brown.

George Brown understood the big picture of how science could benefit the world and how to construct government mechanisms and policy to appropriately support it. I believe no one in Washington had a better understanding of the role and the nature of science.

George Brown was a champion of science, but he was not an apologist for science. It was George who challenged both the scientific community and its policy advocates to be self-aware, yes, to be self-critical lest we continue to, in his words, develop an uncritical faith that where science leads us is where we want to go.

George Brown did not shy away from asking the tough questions. He pointed out that "It is still difficult to draw a correlation between scientific and technological capability on the one hand and quality of life on the other." He reminded us that if we look at the world as a whole, it is not at all clear that advances in science and technology have translated into sustainable advances in the quality of life for the majority of the human race.

He warned us of the potential societal crisis fueled by a deteriorating public education system, unaffordable health care, ethnic polarization, urban violence, environmental degradation, and the lack of political courage and leadership necessary for decisive action on these matters. Representative George E. Brown, Jr. had that kind of courage and he demonstrated it in each of his 18 terms in this House. George Brown never took the easy or politically expedient way. What a model he provided for us.

Mr. Speaker, I yield to my good friend and colleague, the gentleman from California (Mr. FARR).

Mr. FARR of California. Mr. Speaker, I thank the gentleman for yielding to me, and I would like to add, Marta, that I felt that memorializing your husband, our colleague, in statuary hall, where he was surrounded by some of the greatest leaders of this country, was appropriate because in my mind George was as great as all of them and he should be in that hall. He is in this hall here tonight, because as long as someone is in our minds, they are here.

We have heard from his colleagues tonight. What a great father for the State of California. I do not think anybody understood what made California tick, what made California the center of so many excellences, the center of excellence for electronics, the center of excellence for the entertainment industry, the center of excellence for agriculture, and so many kinds of agriculture. Agriculture in the north and agriculture in the south, totally different. From row crops to forestry, to all kinds of diversity, he understood the diversity of the people who live in the great State of California.

When we talked to him, we realized that we were talking to someone who grasped the entire potential of California. I think he saw that defined through science and technology; that if we could take enough good minds and put those good minds to practical use on beautiful places, like the diversity, the geographical diversity, that we cannot help but solve problems. And those problems are not just solved for California, they are solved for the United States. And when they are solved for the United States, they are solved for the world.

Just a remarkable human being in our time. Every one of us was touched by him. I think that he was, indeed, one of the fathers of modern California, and for that we will forever remember him as one of the great statues of this great state.

TRIBUTE TO THE LATE GEORGE E. BROWN, JR.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. HUNTER) is recognized for 5 minutes.

Mr. HUNTER. Mr. Speaker, I am not going to use 5 minutes, because my colleagues have spoken much more eloquently than I could, and I also want to thank the gentleman from Wisconsin (Mr. RYAN) for delaying his long awaited special order to allow us to complete this California memory of George Brown.

I think that the centerpiece and the trademark of our democracy in this House of Representatives is civility. The ability of the Members of the House to have close quarters combat on values and on philosophy and yet remain civil to each other. And I think if there was anything that George Brown taught not only the delegation but the rest of the House it was civility.

He did all the things that my colleagues have mentioned. When we on the Republican side ran strong, tough races against him, the next time we saw him, he would be smiling, he would be beaming, he would be winning, and he would not hold it against you. It was an amazing lesson. I think it was a lesson that we all ourselves tried to emulate, and in that sense he threw a rock into the pond and caused a lot of ripples of civility. He helped us to be better to each other.

He was a guy with a great good sense of humor. I recall when we were working the Salton Sea project, which he was a real champion of, and he worked with the gentleman from California (Mr. LEWIS), the gentleman from California (Mr. BONO), the gentlewoman from California (Mrs. Bono), the gentleman from California (Mr. CALVERT), and myself on that project, and one day, on an extremely windy day, we went to the Salton Sea, which is fed by the most polluted river in North America, the New River, when the waves were about two feet high and had whitecaps, and we were to go out with the Secretary of the Interior Mr. Babbitt on these air boats and tour the Salton Sea.

As George and I walked down to our air boat, I noticed that our two seats were extremely low to the water. And I looked over at the Secretary of the Interior's air boat and he had a high seat that was about five feet off the water. And I asked a friend of mine, who was a native there in Imperial Valley, and George Brown was born in Imperial Valley, in Holtville, he was really a man of the desert, and I asked this friend of mine, do you want to go out? And he says, not on your life. He said, this is the most polluted stuff in North America. He said, you are going to be catching that stuff right in your teeth.

So I suggested to the fish and wildlife people, who were conducting the tour, that maybe George and I might be allowed to ride in the air boat that had the high seats. And, of course, we were denied that privilege. That went to Mr. Babbitt. So George says, looks like they have a little something less for us. They provided us with a single sheet of plastic. I think we were to pull up like a makeshift windshield to keep ourselves from getting too much of this pollution in the teeth.

We got lots of it that day. And here was George Brown, a guy who had immense prestige and political power, and could have been doing a lot more comfortable things than riding around in the Salton Sea with whitecaps coming over the stern of this little air boat, because he believed in this cause of cleaning up the Salton Sea. That was George Brown. A man of great civility, a man with great good humor.

And I like to think of George as being a real product of this country that he came from, this Imperial County, Imperial Valley. He was born in Holtville, the carrot capital of the world, where they do a lot of farming, where people are hard working Americans, they are open and straightforward, and they all seem to have a sense of humor. And I think that George acceded to that desert sense of humor in the best way, brought it to this House and this chamber, and helped to make us all better people and better representatives because of it.

So I want to thank the gentleman from California (Mr. FARR) and the gentleman from California (Mr. LEWIS) for putting on this very important service. George Brown is going to live for a long time in our hearts and I think in our actions, because I think we are all going to be a little better to each other. We are still going to have those tough differences, and I think that is good, but we have a democracy that is a model for the rest of the world because we are civil, and George Brown was a leader in civility.

TRIBUTE TO THE LATE GEORGE E. BROWN, JR.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentleman from Wisconsin (Mr. RYAN) for delaying his special order to give us the opportunity to pay tribute to someone who in my short time here in the United States Congress was a mentor and a tutor.

George Brown made the Committee on Science fun. And I guess that is something that I should be admonished not to say, because in this House we are about the people's business and we are serious in doing that business. But what I found in George Brown is that he loved science, but he had a holistic approach to science. Even though his expertise or his advocacy or his interests might have fallen in one area of science versus another, he was open enough to be able to take those groups of us on the Committee on Science that had our own interests in perhaps ensuring that there was more unmanned space flight than manned space flight, because I come from the manned space flight advocacy group with the Johnson Space Center and the shuttles that have been going back and forth, but he could explain to each of us the fact that there was value in whatever that we advocated; that science was holistic; that we all should be participating in it.

He could advocate for the space center and he could advocate for the real sciences, the earth sciences, which he was a strong proponent of. He was a person who was able to balance the interests of the members of the Committee on Science in explaining that we had a responsibility to promote this Nation as a world leader in all of the sciences. So this was not just a race to space, of which he had much more history than I would have had, but this was to be able to fulfill our promise and our responsibility in man's creativity with research and experimentation and outreach in the areas of science and physics and other areas that the Committee on Science covered.

I found that he had a wry sense of humor, he had a good sense of humor, he had an enormous sense of humor. And we could always rely upon ranking member Brown, for I did not have the privilege of serving with him as chairman, although that never got the best of him, but he would always, in a moment when it got too serious in our committee, there was ranking member Brown with the appropriate sense of humor to bring us all back to the reality that we are simply mere mortals and this too will pass.

To his family, to his dear family and his dear wife, we thank them in particular for sharing him for all these many years. I thank him particularly for his openness to then freshmen members in the class of 1995, the 104th Congress, the Congress that Democrats were not in control. There was a small class of 13 of us that came in as Democrats, and I was fortunate enough to secure a place on the Committee on Science. Mr. Brown served, even in my lowest ranking position, as a welcoming mentor and a person who was encouraging of the work that we had to do together on the Committee on Science.

I am grateful for his leadership and I was even more grateful to listen to the many colleagues who were able to share some of the wider ranges of George Brown, both his civility, his kindness, his concern about world peace, which I think is most insightful of the kind of man he was, and then to hear in the memorial service his commitment to politics, as Senator BOXER related how he provided her support in a very competitive race.

He was a man of his word. He was a man who showed great love for his Nation and great love for his avocation, which was a love of science and research.

□ 2145

I close simply to say that something very special comes to mind of Mr. Brown, and that is that he was a person that I thought exhibited the concept that all of us aspire to, that we are one human race. Before it became in vogue to talk about one race, maybe to talk about diversity, maybe to talk about openness and equality and opportunity, I could sense that, even though just knowing Mr. Brown starting in my first term of Congress, that he lived his life as being part of one human race. For he lived it on the floor of the House. He lived it in the Committee on Science. And, as I have heard from my colleagues, he has obviously lived it all of his political life.

I am thankful for that. And, for that reason, I owe a debt of gratitude for the fact that he served us and that he served this Nation. We will be forever grateful. Thank you, ranking member Brown, Chairman Brown, for your leadership.

TRIBUTE TO THE LATE GEORGE E. BROWN, JR.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. GOODLING) is recognized for 5 minutes.

Mr. GOODLING. Mr. Speaker, George and I, of course, served here together for 24 years. A more perfect gentleman you would not find. His humor was mentioned by several, and I would have to say that he had the best one-liners and the shortest one-liners that I have ever heard. Usually two or three words and he could crack you up pretty quickly.

But I have to tell my colleagues, George also had everybody in the House of Representatives believing that I have a chronic cold condition. He was on the fourth floor; and, of course, I got on the second floor. And I could smell the elevator coming and I was ready. Because, of course, it was not only George on the elevator. It was his famous cigar on the elevator with him.

Well, I get a violent migraine from cigar smoke. So every time the door opened, I would, of course, pull out my handkerchief, put it on my nose, and hold it over my nose until I got down. Everybody would say, "Do you have a cold?" "Do you have a cold?" "Yes, I have a cold." And then we would get over to the trolley and I would wait to see where he was going to sit, and then I would go to the opposite end, depending on which end the wind was blowing. And sure enough, when we got to this side, of course, we had to get back on the elevator again; and I would pull out my handkerchief, ride on the elevator with the handkerchief over my nose. And everybody would say, "Do you have a cold?" "Do you have a cold?" "Yes, I have a cold."

So they are wonderful memories of George. And he would want us to be rather light in paying a tribute. Because, of course, as I said, he was a good humored man and it only took a couple of words until he had you laughing.

Mr. Speaker, I yield the balance of my time to the dean, the gentleman from California (Mr. LEWIS).

Mr. LEWIS of California. Mr. Speaker, I thank the gentleman very much for yielding by way of closing this wonderful time we have had together in tribute to our colleague, George Brown.

I mentioned at the beginning of my remarks earlier that George and I, although we had our differences politically from time to time, had so much more in common.

The fact that we often talked about being born on the wrong side of the tracks, he in Imperial County, and I was raised in San Bernardino. But shortly after in his youth, he was in Colton, considered by us, like my home, on the wrong side of the tracks. He and I shared our love and our pride as being alumni of the wonderful university in West Los Angeles, UCLA.

George also had this great passion for science but particularly for NASA. When I had the chance to work with NASA's programming in the VA-HUD subcommittee, George and I professionally spent a lot of time together and many times in the battle here on the floor to save the Space Station and the future work of NASA.

Beyond that, we had a great love for water. I remember George talking about riding in an innertube down the Alamo River where he had his first experience with the Salton Sea and his commitment to that project as a part of his youth but also as a part of his very intense and life-long love for the environment.

George kind of closed his days and my memory of him when Arlene and I went and visited Marta and George at their new home in San Bernardino where they had been there for a while but they built this huge, huge fish pond, the largest fish pond I have ever seen in my life and the first time, and I told friends of this, the first time I ever heard George even raise a doubt about his commitment for the environment.

Because suddenly, and he spent a lot of money for these fish, etc., and they were planning to have tea out there and watch the fish grow; and the birds from the outside began flying in in their natural way, and stealing his fish.

George was a brilliant, wonderful, talented guy and a reflection of the best of America's House, the people's House, the House of Representatives.

I appreciate all of my colleagues joining with us tonight and sharing this evening with Marta and her family.

TRIBUTE TO AMERICA'S VETERANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. RYAN) is recognized for 5 minutes.

Mr. RYAN of Wisconsin. Mr. Speaker, it is very fitting that I think this follows up after the tribute to George Brown, who was a veteran here for our country, because Thursday is Veterans Day. And Veterans Day is a day to honor great sacrifices, celebrate heroic victories, and it serves as a reminder that the daily freedoms many of us too often take for granted came at a very painful price.

It is a day of national respect and reflection that serves as an annual remind that we can never forget those who have allowed us to enjoy that which we have today. More than ever, we must rededicate ourselves to honor the lives and memories of those who served, fought, and too often died.

Quote:

> With malice toward none; with charity for all; with firmness in the right, as God gives us to see the right, let us strive on to finish the work we are in; to bind up the nation's wounds; to care for him who shall have borne the battle, and for his widow, and his orphan, to do all which may achieve and cherish a just, and lasting peace, among ourselves, and with all nations.

Mr. Speaker, these words were taken from President Abraham Lincoln's second inaugural address and sadly read again just two months later over this author's grave.

The excerpt "to care for him who shall have borne the battle, and for his widow, and his orphan," are now etched in stone on the plaque of the Veterans Administration Building in Washington, D.C., reminding us of the debt we owe to those who have defended our Nation in times of both war and peace.

From the smallest Wisconsin communities to the largest cities throughout our Nation, we have been blessed by those individuals who set aside their own aspirations to serve their country in defense of freedom and liberty.

Our duty is not only to ensure that parades take place, that heartfelt words of thanks are offered, nor is it only to fly our Nation's flag in honor of their service. It is more. It is our duty to care for the soldier and his dependents who continue to bear the effects of battle.

In our history, more than one million American men and women have died in defense of our Nation. It is staggering.

If these now silent patriots have taught us anything, it is that, because of the men and women who are willing to sacrifice their last blood and breath, the United States remains a symbol of freedom in a country whose ideas are still worth defending. Our veterans are the national heroes who define our American heritage.

Yet, in the spirit of our great Nation, they are unassuming heroes. They did not seek glory or praise. Their deeds will never be chronicled sufficient to their service. In large part, they were not people discontinued for military careers or tested in battle. They have largely been ordinary men and women who have accomplished extraordinary deeds.

We should ever be thankful that, for over 200 years, individuals of each generation, many from my own family, had been willing to put on uniforms and answer the call of their country, that they had been willing to risk their all to allow their children and grandchildren the opportunity to live in peace.

I would like to take this opportunity to single out just a few of the thousands of veterans I am so fortunate enough to represent. Veterans and other civic organizations in the district I represent, the First District of Wisconsin, recently nominated some of their members to be recognized and I am proud to also recognize their contributions here today on the floor of the House of Representatives.

Today, among the thousands I would like to recognize, are these men:

Frank Onti of Walworth, from the U.S. Navy; John Cameron of Mukwonago, from the U.S. Army; James Schmidt of Burlington, from the U.S. Navy; Dale Roenneberg of Brodhead, from the U.S. Army; Franklyn Condon of Brodhead, from the U.S. Army; Jack Frawley of Whitewater, from the U.S. Marine Corps; Edward DeGroot of Racine, from the U.S. Army; John Kreidler of East Troy, from the U.S. Army; Raymond Lewis, Jr., of Racine, from the U.S. Army; Robert Engstrom of Janesville, from the U.S. Army; Everett Shumway of Edgerton, from the U.S. Navy; Dan Ponder of Elkhorn, from the U.S. Army; Warren Welkos of Elkhorn, from the U.S. Marine Corps; John Tueting of Elkhorn, from the U.S. Marine Corps; Mario Maritato, a great guy, I know Mario very well, really a true hero in southern Wisconsin, of Somers, from the U.S. Marine Corps; Robert Flint of Kenosha, from the Marine Corps; Ted Dvorak, another great guy, of Kenosha, from the U.S. Navy; Cloren Meade of Beloit, from the U.S. Army Air Corps; and Arthur Gibbs of Beloit, from the U.S. Army.

How might we best recognize these American heroes, these who came from southern Wisconsin? We should pause to give them thanks for safeguarding our liberties. We should pledge to carry out the civic responsibilities of citizens living in a free country. And we should exercise those loyalties by demonstrating our respect for both our living veterans and those in their final resting places.

Mr. Speaker, it is so little to ask of us when they have given so much.

HMO'S NEED ACCOUNTABILITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GREEN) is recognized for 5 minutes.

Mr. GREEN of Texas. Mr. Speaker, I appreciate the comments of my colleague from Wisconsin. I agree that, hopefully, we will all be out tomorrow evening so we can go home and celebrate our Veterans Day programs in our districts and honor our veterans because of their commitment to our country and our freedoms.

I am here tonight to talk about an amazing announcement today that literally made the headlines on newspapers all over the country.

What do the American people mostly Democrats and also a significant amount of Republican Members know that the Republican leadership does not seem to know? Well, that is an open-ended question and it may take more than my 5 minutes to answer, but I will do it as best I can.

We want doctors and patients, and not HMO bureaucrats, to make the medical decisions. Today one of the Nation's largest HMOs, United Health Group, took the first step in recognizing the error of their ways. They decided they would no longer review each treatment recommendation made by a physician.

With the active support of the American people and the HMO reform conference committee, hopefully this will just be the first company that will do that and will proceed to have some real true HMO reform.

One company in the insurance business recognized what Democrats and the American people have known for years is that the most qualified people to make medical treatment decisions are the patients and doctors who know the details of that specific case.

Before we claim victory, we have to recognize that this is only a first step and in some ways a very small step.

Instead of reviewing the cases as they come in, the United Health Care has decided to review their physicians once a year. This is much better, but it still raises some concerns. One of the problems can be, that in reviewing a doctor's treatment decisions in this manner, it may be nearly impossible to determine the case each doctor has and whether there is specific reason such as treating a high-risk patient or children that led the doctor to prescribe more tests than another doctor.

Again, this is a first step and a good step, but we still have got a long way to go. Other HMOs need to follow United's lead and every HMO, including United, needs to commit to leaving medical treatment decisions to the doctors and the patients without interference.

This recent decision by United raises the broader question of HMO reform and whether it is still necessary if other HMOs follow United's lead. The short answer is yes. The truth is that most HMOs are good. Managed care is created to take the ever increasing cost out of health care. But what we have seen is that not only have they taken the cost out up until this year, but they have also taken the quality out.

According to United, they approved 99 percent of the claims that their doctors had recommended. So what they found out is that they created a bureaucracy that they were paying for, that they approved those claims.

What is so important is that the patients' bill of rights that this House passed on a very bipartisan vote is still needed to protect the population who find themselves in an HMO that may not be as responsive as United is or as realistic as United that actually looked at it and said, hey, it is not cost effective to continue to do this.

□ 2200

As long as the industry continues to operate in their unregulated vacuum, these nonresponsive HMOs will continue to pop up and take advantage of the unsuspecting consumers. The scariest part of this scenario is that these unsuspecting consumers will not know that they are in such an HMO until it is too late. There are a lot of laws in this country that are designed to protect the majority from a small percentage of offenders. Most of us would not think of taking money from a person in return for a service but then when they come to collect what they paid for, deny, or worse in some cases, even delay that service. But the HMOs accept the premiums from consumers, but then deny or delay benefits in the hope that the consumer, who is really now the patient, will just give up and go away. They need to be held accountable for these deplorable actions.

I have an example of a constituent in my district. If you are familiar with Houston, she lives in the north part of Harris County. She had an appointment with a specialist in her neighborhood near Intercontinental Airport in the Humble area twice and it was canceled by her HMO. Finally they assigned her to a specialist across town. She said it was just difficult for her to be able to have family take her across town when literally there was a hospital complex that was so close she could get to. Again, it was delayed twice and ultimately could be denied because of transferring her to a specialist across town.

No other industry enjoys the protection that the HMO industry does from Federal law under the ERISA act. With this shield they are able to ignore the needs of their patients and they are held accountable to nobody. What I hope we would do as a Congress would be to respond and hopefully the HMO conference committee that we have will be responsive, Mr. Speaker.

TIME FOR CONGRESS TO CLARIFY SCOPE OF EXECUTIVE AUTHORITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. METCALF) is recognized for 5 minutes.

Mr. METCALF. Mr. Speaker, there has been increasing controversy over executive orders and presidential proclamations since President Franklin Roosevelt's administration. The recent comments of President Clinton's aide, John Podesta, in U.S. News and World Report, give us even more reason to be concerned. Mr. Podesta, in a moment of explicit candor, outlines the President's plan to issue a whole series of executive orders and changes to Federal rules without consulting Congress.

Mr. Podesta goes further, saying, "There is a pretty wide sweep of things we're looking to do and we're going to be very aggressive in pursuing it." That is the Podesta Plan.

Mr. Speaker, I am here today to issue a dire warning. There is a "culture of deference" in this Congress, and if we do not address this issue of executive lawmaking, it is a violation of our own oath of office. I am most deeply concerned about the Podesta Plan, to use executive orders and other presidential directives to implement the President's agenda without the consent of Congress. Executive lawmaking is a violation of the Constitution. Article I states that all legislative powers shall be vested in the Congress.

Sadly, Congress should not be surprised that this President's frustrated staff is trying to bypass Congress. We have seen this before. When the President issued his executive order on striker replacements, he attempted to do what had been denied him by the legal legislative process. The same was true when the President issued his proclamation establishing a national monument in Utah, a sovereign State.

Mr. Speaker, the framers expected national policy to be the result of open and full debate, hammered out by the legislative and executive branches. They believed in careful deliberation, conducted in a representative assembly, subject to all the checks and balances that characterize our constitutional system. Having broken with England in 1776, the founders rejected government by monarchy and one-man rule. Nowhere in the Constitution is the President specifically given the authority to issue these directives.

In the legislative veto decision of 1983, INS v. Chadha, the Supreme Court insisted that congressional power be exercised "in accord with a single, finely wrought and exhaustively considered, procedure." The Court said that the records of the Philadelphia Convention and the State ratification debates provide "unmistakable expression of a determination that legislation by the national Congress be a step-by-step, deliberate and deliberative process."

If Congress is required to follow this rigorous process, how absurd it is to argue that a President can accomplish the same result by unilaterally issuing an executive order. Of course he cannot. The President's controversial use of presidential directives skirt the constitutional process, offend the values announced by the Court in the legislative veto case, and do serious damage to our commitment to representative government and the rule of law.

It is time to clarify the scope of executive authority vested in the presidency by article II of the Constitution. The Supreme Court has failed to address this issue and it is time for Congress to invoke the powerful weapons at its command. Through its ability to authorize programs and appropriate funds, Congress must now define and limit presidential power.

This is the danger: The road to tyranny does not begin by egregious usurpations, but by those which appear logical; meant to gain public support. We must not be lulled into complacency, because later they will be aimed directly at our fundamental liberties and at our representative self-government.

My colleagues, eternal vigilance is still the price of liberty.

URBAN SPRAWL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. DUNCAN) is recognized for 5 minutes.

Mr. DUNCAN. Mr. Speaker, the current politically-correct, fad issue with the liberal elite is what is called urban sprawl. Those who are shouting the loudest about this are for the most part people who are very anti-private property or at least people who are very lukewarm about property rights. They are usually wealthy environmental extremists, and ironically they are the very people who are the most responsible for urban sprawl in the first place.

Today, the Federal Government owns about 30 percent of the land in this Nation. State and local governments and quasi-governmental units own another 20 percent, so that almost half the land is in some type of public ownership. The most disturbing things, however, are, number one, the very rapid rate in which government has been taking over private property in the last 30 or 40 years; and, number two, the governmental restrictions being placed on the land that remains in private ownership now.

I attended a homebuilders meeting a few years ago in which they estimated that 60 percent of the developable land in this country would be off-limits with strict enforcement of our wetlands laws. Also, the Endangered Species Act has stopped or delayed for years the development of roads that would have saved many lives and has stopped construction and driven up costs of many homes. And there is something called the Wildlands Projects which the Washington Post said is a plan by environmentalists to place under public ownership half the land that remains as private property today.

I know that to many people, the word "development" has become almost a dirty word. But home ownership has always been a very important part of the American dream. Are those of us who have homes now going to say to young couples and young families, "Well, we have ours but we don't want you to have yours"? Are we going to tell young people in small homes now that they cannot someday move to a bigger home because we basically have to stop all development? Are we going to tell homebuilders and construction workers that they are going to have to find some other work, probably at much lower pay?

No one wants our beautiful countryside turned into strip malls or parking lots, but development can be done in beautiful, environmentally sound ways. Old, unsightly buildings or blighted areas can be greatly improved. We should stop the local government appetite for farms which they then turn into industrial parks and give land at bargain-basement rates, sometimes to foreign corporations.

Why do I say environmentalists have caused a great deal of urban sprawl, indeed most of it? Well, just think about it. When more and more land is taken over by government or restricted from development, that forces more and more people on to smaller and smaller pieces of land. It also drives up the price of the remaining developable land, which also forces more people into apartments, townhouses or houses on postage-stamp-size lots.

Big government, brought on primarily by our liberal elite, has also caused urban sprawl. Big government has given most of its contracts, favorable regulatory rulings, and tax breaks to extremely big business. This has driven many small businesses and small farms out of existence.

Now the environmental extremists are aiming at agricultural run-off or spill-off. Rigid Federal rules and red tape hit the small farmers hardest and keep driving them out, which of course inures to the benefit of the big corporate farms. When the Federal Government drives small businesses and small farms and even small hospitals out of existence, it drives more and more people into the cities and causes more and more urban sprawl.

We need to remember that private property is one of the main things that has given us the great freedom and prosperity that we enjoy in this country today. It is one of the main things that sets us apart from nations like the former Soviet Union and other starvation-existence type countries.

Tom Bethell in his new book, "The Noblest Triumph," says, "Private property both disperses power and shields us from the coercion of others." He quotes Pope Leo XIII in 1891 who wrote that the "fundamental principle of socialism, which would make all possessions public property, is to be utterly rejected because it injures the very ones whom it seeks to help."

Brian Doherty, in the November 4 Journal of Commerce wrote that "if the anti-sprawl agenda became a truly powerful political force, we would have to obey the dictates of busybody politicians who think it better for us to live in a crowded, central city walk-up than to have our own house with a two-car garage and a nice quarter-acre lawn."

We should remember that private property is good for the environment because people always take better care of their own property than they do of property in public ownership. We should realize, too, that if we really want to stop urban sprawl, we must stop this stealth-like abolition of private property so even more people are not forced into central cities and overcrowded suburbs.

Mr. Speaker, we should stop government takeover of property and people will then have both the freedom and the opportunity to spread out.

MANAGED CARE REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. GANSKE) is recognized for 5 minutes.

Mr. GANSKE. Mr. Speaker, yesterday the newspapers across the country trumpeted a headline. Here is one from the Washington Post, similar to newspapers all across the country: HMO to Leave Care Decisions Up to Doctors. The subheading is United Health Care has 14.5 Million Clients.

The first three paragraphs read:

"United Health Care, one of the Nation's largest managed care companies, said yesterday that it will stop overruling doctors' decisions about what care patients should receive. The company, which covers 14.5 million people nationwide and more than 200,000 people in the District of Columbia, Maryland and Virginia, is abandoning a cornerstone of the managed care industry's cost containment strategy and one of the features most responsible for the outpouring of public ill will toward managed care. United says it is taking the final say out of the hands of managed care bureaucrats and returning it to the treating physician because requiring doctors to get prior authorization was costing more money than it saved."

Now, think about this. This is the Nation's second largest HMO, in the first place admitting, yes, we have been making medical decisions. And then in the second place saying, but you know what, we have found that that is not cost efficient. So we are going to allow the doctors to make the decisions.

Remember, the HMOs have said during the debate we had here a couple of weeks ago, "Oh, no, we don't make medical decisions, we just make determinations of benefits." And then they said, "But if you pass the legislation, it is going to cost so much more. Premiums will go up." And, guess what, one of the two cornerstones of the legislation that passed this House was on the determination of medical necessity, physicians and patients would make the decision.

□ 2215

Now, the second largest HMO in this country is saying, hey, do you know what, we found out that it cost us more money to micromanage those decisions, so we are not going to do it anymore. That certainly undercuts their arguments about increases in premiums, does it not?

Mr. Speaker, on October 7, the House of Representatives sent a message to the Senate: Get real about protecting patients for all citizens from HMO abuses. We passed, remarkably, a bipartisan consensus managed care reform bill by the margin of 275 to 151.

The American public is now demanding real action on this issue. How do I know that? A recent survey. The Washington Post did a survey to better understand Americans' concerns. More than 2,000 people were asked 51 things that might be worrying them. Do Members know what the top worry in the public is today, by 66 percent of people who worry about it? To a great deal, according to the survey, their worry is that insurance companies are making decisions about medical care that doctors and patients should be making.

Do Members know what else the survey showed? The same thing between Democrats, the same thing between Republicans, the same thing between Independents. Do Members know what else the survey showed? It did not matter whether they were supporting Al Gore or Bill Bradley or George W. Bush, this was still number one on the public's mind.

So guess what we did during that debate? We voted on the Senate bill in the form of the Boehner amendment. What did the House do? It overwhelmingly defeated the Senate bill because it is a sham bill. That Senate bill in this House only got 145 votes and 284 votes against it.

Just a few days ago the House voted again. By a vote of 257 to 167, the House instructed conferees to support the House-passed bill, the Norwood-Dingell-Ganske bill. Why did the House have to do this? Because the Speaker appointed 13 GOP conferees, and only one of them voted for the bill that passed the House. When is my Republican leadership going to get it?

A new survey by the Kaiser Family Foundation showed that 85 percent of employers support emergency room provisions, and 94 percent of employers support the right to an independent review. Even on the right to sue, 60 percent of employers support the right to sue a plan, with support higher than that for employers of small businesses, and still above 50 percent for employers of firms with more than 5,000 workers.

Mr. Speaker, it is time to get real about managed care reform. Let us see if the conference can really come up with something real.

□ 2320

ILLEGAL NARCOTICS

The SPEAKER pro tempore (Mr. TOOMEY). Under the Speaker's announced policy of January 6, 1999, the gentleman from Florida (Mr. MICA) is recognized for 41 minutes.

Mr. MICA. Mr. Speaker, I come to the floor late on a Tuesday night once again to talk about the issue of illegal narcotics. But before I get into the issue of illegal narcotics, I must follow up on some of the comments of my colleagues, and I am going to try to mesh my comments into part of the debate that we are having here in Congress as we wrap up the funding of our government. It does take 13 appropriations measures to fund our entire government. We have been through about nine of those bills. Really in most cases now we are down to the question of not how much more money to expend but how to operate programs. I am so pleased that my colleagues on the majority side, the Republican side, spent part of the time tonight talking about education and about some differences in philosophy. I think that is very important to particularly education.

I chaired the House Civil Service Subcommittee for some 4 years. If you want to find out where the bodies and the bureaucrats are in our Federal Government, just chair that panel for a short period of time and you will. I quickly found that there are about 5,000 people in the United States Department of Education. I also found out that about 3,000 of them are located just within a stone's throw of the Capitol building right here in the Washington metropolitan area. Then another 2,000 are located in the approximately dozen regional offices throughout the United States. It is no surprise that none of them are located in the classroom. It is also no surprise that they earn between 50 and over $100,000 apiece on average. They are very well paid and they are education bureaucrats. Their responsibility is to really provide the administration for some, it was 760 Federal education programs. We have narrowed that down to approximately 700. In addition to that, they are part of what I call the RAD Patrol. The RAD Patrol is regulate, administer and dictate.

Basically we found in our work on the Civil Service Subcommittee and again exploring what these individuals are doing, is basically they are again administering a mass of Federal programs and a mass of Federal regulations that are being pumped out. What that does in fact is it ties our teachers up in little knots, it ties our school boards and our States into bigger knots, and the last thing the teacher is able to do is teach. They have put so many constraints and requirements and reports and paperwork on our teacher, that if you talk to a teacher today, a teacher no longer has control of her classroom, his or her classroom, no longer has control over his or her agenda, no longer has discipline in the classroom and no longer has respect. All of that, I think we can trace back to this massive Federal bureaucracy.

A part of the budget battle right now is how those education dollars are spent. They still want to maintain on the other side of the aisle control of the entire education agenda from Washington. I do not think that has ever been the case. The best schools have always been parent and teacher and local community led. This is a very fundamental argument. Balancing the budget was probably one of the easier tasks. Of course, we took our wounded in that battle and were accused of all kinds of misdeeds, but in fact we did bring the country's budget into order, not by decreasing any programs, in fact, we have increased the money in most of these programs, including education, but by, in fact, limiting some of the increases in the programs that had astronomical amounts of increases, the revenue that was coming in was not equal to the money in increases we were giving out and we got ourselves into two and $300 billion deficits. Every pension fund, every trust fund was raided, and for 40 years that continued. It was not buying votes but it was giving out more money than was coming in the treasury and then taking from all of these funds, some of them even pension funds.

I oversaw some approximately 30 Federal pension funds out of about 36 or so that were totally without any hard assets. Every bit of money of the Federal employees had been taken out. In fact, that obligation to pay back just the interest on the money that has been taken from those funds amounts to about $40 billion and is projected to grow in the next 10 years to about $120 billion a year. It is, I believe, the fourth biggest budget item that we have, because there is no money in that. Everybody is upset about Social Security and they took basically all the money out of those funds, the hard cash put in certificates of indebtedness of the United States. Well, they did the same thing to the Federal employee pension funds.

You look at program after program, we have had battle after battle to try to get those programs in order. The highway trust fund. I serve on the Committee on Transportation and Infrastructure. The highway trust fund was another fund that was abused. The

18.4 cents that you were paying into this fund to build highways and public infrastructure, that money was not really going in there. Some of it was not being spent to artificially, quote, go towards balancing the budget. Then money was also taken out of there and used for other purposes other than what the highway trust fund was set up for, and that cost tens of billions of dollars to straighten that out. We have had a heck of a battle in the House of Representatives to try to straighten that out. So whether it is pension funds, whether it is Social Security, whether it is the transportation highway trust fund, for 40 years they played a game with the American people. Now we are paying a penalty in trying to straighten that out. But we are trying to do it in a legitimate fashion.

I chair the Criminal Justice and Drug Policy Subcommittee of the House of Representatives. I try to speak at least once a week as the person who is responsible in the House in trying to help develop a national drug policy. I try to focus on that issue, get the Congress, Mr. Speaker, and my colleagues here and the American people to pay attention to what I consider the most serious social problem that we have, and certainly it is a criminal justice problem with our prisons nearly packed to capacity with some close to 2 million, 1.8 million Americans behind bars, some 70 percent of them there because they have been involved in some drug-related crime.

We have a horrible situation. As I mentioned, we have had over 15,000 deaths; 15,973 deaths were reported from drug induced causes in 1997, our latest figures. That is up from 11,703 in 1992 when this administration changed hands.

So we have a very serious national problem. This national problem also as far as narcotics is intertwined in this budget battle. As I say, we have 13 budget bills or appropriations measures that make up the total budget and appropriations to run the country. One of those funding measures is to fund the District of Columbia. We have an obligation under the Constitution since we established in 1790 the District of Columbia to fund the District of Columbia and act as stewards of our Nation's capital and the district that was set up.

□ 2330

Unfortunately, in some 40 years of control by the other side, the District of Columbia, which should, again, be a shining example for all Americans, the place of our national seat of government, a respected capital in the world turned into a city in disgrace, a city in despair.

When we inherited the District of Columbia in 1995, and I came in 1993 when the other side was in control, and controlled the House, the Senate, and the other body, and by wide majorities, and the executive office, of course, the presidency, they controlled the entire three major determiners of policy for the District of Columbia and for national policy.

But we inherited in 1995 a Nation's capital in disgrace. Part of the budget battle today is, and one of the pending items that has not been approved, the President has vetoed it several times, and he may veto it again, is funding for the District of Columbia.

I always like to cite from facts about the situation. I do not mean to do this in a partisan fashion. We inherited a responsibility here. We have had some 4-plus, going on 5 years of running the Nation's business, and also overseeing Federal policy towards the District of Columbia.

I cite from some articles about what we inherited. A Washington newspaper, July 27, 1994, this article said about public housing, and I will quote from the article, "Hundreds of D.C. families live in deplorable conditions as a result of the Department of Housing and Urban Development's failure to properly monitor owners and inspect various properties," says a report by the D.C. accounting office. "The study found that 292 HUD subsidized units at Edgewood Terrace in the Northeast section of the city, the District of Columbia, failed to meet standards, and even called some of the 114 occupied apartments unfit for human habitation."

This is the type of situation we inherited. The public housing units were not fit for human habitation. In fact, the housing agency was bankrupt.

I spoke a minute ago about the taking of pension funds. Marion Barry, who was the chief executive, this report in the newspaper of November 9, Washington, 1994, states that there was $5 billion in unfunded police and firefighters pension liability which also was increasing costs.

The D.C. General Hospital was hemorrhaging in red ink, and there were other fiscal problems. It goes on to cite the situation with pension funds, the hospital, and other matters that we inherited, again, as the new majority.

The situation, I have cited this before, but even the morgue was a disaster. This report from early in 1996, again, a Washington paper, the Washington Post, reported, "About 40 bodies are being stockpiled at the D.C. morgue because the crematorium broke down about a month ago, and the cash-strapped city government has no other way to dispose of the corpses."

When the Republicans inherited, again, 40 years of their oversight of the District of Columbia, we were running approximately three-quarters of $1 billion in deficit that year that we inherited this mess. I am pleased that as a result of what we have done, not only with the national budget but also with the District budget, this is one of the first years that the District is nearly in a balanced budget situation.

We have not replaced all of the funds that have been taken from these various funds, just like we have not replaced social security or unfunded Federal employee pensions, but we have begun that process. My point tonight is we do not want to turn back, whether it is those programs that I have mentioned or other programs.

Another program I have mentioned tonight is the job training program. A Washington Post article of October 4, 1994, basically found that the city was spending a great deal of money and not training anyone. In fact, one of the reports we had was no one was trained in one year, and that in fact most of the money went for administration.

Another Washington Post article talked in 1993 about drug and alcohol treatment, something that, of course, is very much of interest to me and also to our Subcommittee on Criminal Justice, Drug Policy, and Human Resources. This is what we inherited: "Its drug and alcohol treatment programs," the District, "however were denounced as inadequate last month by Federal officials."

They go on to talk about lack of a mental health commissioner for the past year, and other deficits in programs here.

Some of the worst examples of what we inherited as a new majority is this article from the Washington Post in April of 1995. With the city's financial situation in almost total bankruptcy, they did in fact treat the mentally ill children in this fashion. Let me read this from the article:

"Some mentally ill children at the District's St. Elizabeth's Hospital have been fed little more than rice, jello, and chicken for the last month after some suppliers refused to make deliveries because they have not been paid." This is, again, part of what we inherited here in the District.

I could go on. There are more and more of these articles about what we inherited in the District of Columbia. My point tonight is that the District of Columbia is now beginning to be in some order, brought into some order by the new Republican majority. This is not the time to turn back.

Tonight and this week we do not have an issue over dollars in the D.C. budget bill. We still have an issue, though, however, of policy. That policy difference is over a liberal approach to drug treatment, a liberal approach to needle exchange, a liberal approach to enforcing the laws about what are now illegal narcotics in the District of Columbia.

The administration would like to change the philosophy. They would like a liberal philosophy, a liberal needle exchange policy, liberalization of the narcotics laws in the District of

Columbia. Our side, the majority, says no, we should not make that step, that we think it is the wrong step.

We have some good examples of what bad programs have done. I always cite just to the north of us Baltimore, which has had a liberal policy. That policy in fact has caused tremendous problems for Baltimore. Baltimore has gone from some 38,000 addicts just several years ago, in 1996, according to DEA, to the most recent statistics by one of the city council members there where Baltimore now has somewhere in the neighborhood of one out of every eight citizens, and that could be anywhere from 70,000 to 80,000 people in Baltimore are now drug or heroin addicts.

I do not think we need to model liberal programs, liberal needle exchange programs, or a liberal program as far as drug laws and model it after Baltimore and have that in the District of Columbia. We have some 540,000 population here in the District. We probably have some 60,000 addicts, if we adopted that model and the same thing happened here in the District of Columbia.

□ 2340

We do not think that, in fact, that is the way to go.

I have also cited in the past, and I have another chart here tonight, showing zero tolerance and a tough enforcement policy. Some folks do not like that. Some folks call for liberalization. They say the drug laws are too tough. But we find this New York City chart, look at index of crime. We have index of crimes and that is going down as the arrests and enforcement go up.

Not only do we have crime being reduced with tough enforcement with zero tolerance, the statistics on deaths are about as dramatic as any figures I have ever seen. There has been a 70 percent reduction in deaths since Mayor Giuliani took office. The early years of his taking office there were about 2,000 deaths, and in 1998 they are down to 629, a 70 percent reduction. Baltimore, again, a liberal drug policy, more liberal philosophy with their folks, has had 312 deaths in Baltimore in 1997, 312, the same figure, in 1998. And one can see what again a contrasting philosophy can do.

So we think that it is very important that we continue the fight. If the President wants to veto the bill again, many of us here have said let him veto the bill, but we insist on some of these provisions. Again, we do have the finances of the District in order. We have brought them in order. We have gone from a $700-plus million deficit just in the District, almost three-quarters of a billion when we inherited the District, to nearly a balanced budget in the District of Columbia.

We have reduced the number of employees from 48,000 to 33,000. We have put in new administration. Of course we had to put in a control board, some of the operations we had to privatize and some of them we had to reorganize. Programs are in order that were a disaster. Welfare and schools. They were paying some of the highest in taxes in the District of Columbia and some of the schools were the worst performing. Paying highest amount per capita, one of the highest in the Nation, and again getting some of the lowest results.

We personally think this paying more and getting less out of government is a bad approach and we would hate to see us take now a liberal policy and adopt it in place of a conservative policy, a zero tolerance policy when it comes to drug enforcement. Again, the statistics are pretty dramatic.

A lot of folks say that those in jail are there because they have committed some minor crime offense. That really is not the case. There are many myths that are relative to this war on drugs and the effort against illegal narcotics.

We had a study, one of the most recent studies completed in the United States was completed in New York by their judicial officers and they found roughly 22,000 individuals serving time in New York State prisons for drug offenses. However, 87 percent of them were actually serving time for selling drugs, 70 percent of those folks had one or more felony convictions already on their record. So 70 percent of those 22,000 individuals were already multiple felons.

Of the people that are serving time for drug possession, 76 percent were actually arrested for sale or intent to sell charges and eventually pled down to possession. So some of the folks that are in New York State prison are there who may be charged with more minor offenses but, in fact, have plea bargained down. And, in fact, some 70 percent of them have one or more felony convictions.

So we are not exactly dealing with people who are being put in prison for some minor drug offense. We are dealing with repeat offenders.

But the statistics do show in the manner in which this has been handled in New York that, in fact, this tough enforcement, zero tolerance does make a big difference and dramatically changes the lifestyle, as anyone who has visited New York or lives in New York can attest to.

The other myth that I like to dispel and will talk about very briefly again tonight is that the war on drugs is a failure. Let me repeat some charts if I may. I hear over and over that the war on drugs is a failure. The war on drugs is not working. Let us just take a minute and look at what has happened. This chart does show 1980 and the Reagan administration and the Bush administration through 1990, and the Clinton administration. We see in this long-term trend in drug use a continuing decline. And this is through the Reagan and Bush administration, a tougher policy, awareness campaign that was made, interdiction and source country programs that were properly funded.

We saw all of that come to an end in 1993 with the election of President Clinton and the new majority at that time in the House. Actually, the old majority. They controlled the House and the Senate, the Democrat side and the White House. One could almost trace the dismantling of the drug czar's office and he reduced that staff, and the Democrat Congress did, from 120 to some 20 individuals in the drug czar's staff. That would be the first blow. Then the next blow was of course the hiring of Jocelyn Elders who said "Just say maybe" to our young people.

The next thing, if we looked at this chart and we added it in here, were the reductions in spending on interdiction and also on source country programs. Again, two Federal responsibilities. Stopping drugs at their source and then stopping drugs before they come into our country and into our borders.

In the international source country programs, Federal drug spending on these programs declined 21 percent in just one year after the Clinton administration took office. So to go back to the chart, we see a 21 percent decrease. In fact, just in the last year, in this year, we will get us back to in international programs to the level of 1992 in spending and putting back together the cost-effective stopping drugs at their source. If one does not think these programs are successful, we have spent very few dollars in the last 2 years in Bolivia and Peru, two cooperating countries under the leadership of President Banzer in Bolivia and President Fujimori in Peru. In Peru, we have cut the coca production by 60 percent in a little over 2 years. And in Bolivia, some 50 percent of the cocaine production has been reduced. And we can almost see the beginning of cocaine trafficking use and abuse in the United States, in fact we do see that and we see less and less of the product coming into the country. So we know a little bit of money, out of billions and billions expended on other programs and certainly enforcement, certainly imprisonment and certainly treatment, are very expensive programs. But keeping the drugs out of our country again is a Federal responsibility.

The interdiction programs, again, if we go back to the chart here and we see 1993, the Clinton administration reduced interdiction, cut interdiction some 23 percent 1 year after the Clinton administration took office.

So these charts and, again, we can bring up the exact charts. It would almost be nice to superimpose those. But international programs, again, in the Reagan-Bush years were at this level. Dropped down. We are bringing them back up to where we were 1991, 1992 equivalent dollars, source country programs.

□ 2350

Source country programs, interdiction programs, the same thing. They cut dramatically.

Basically they stopped the war on drugs as far as any effort and put most of their effort into drug treatment programs. Most people would think that we have had a decline just of late or in that period in drug treatment programs. In fact, Federal drug treatment spending on treatment programs increased 37 percent from 1992 to 1998. It went from $2 billion to a little over $3 billion. Interestingly enough, even with the new majority, we have increased from 1995 when we took control some 12 percent in spending, not tremendous increases of that past, but there has been a steady increase.

So contrary to some belief and some myths, we have been spending and increasing funding on treatment. But we know that dramatic reductions, again, in interdiction and source country programs cause problems. Those problems, of course, we are facing today in this budget battle.

Also on the agenda in Washington this week is how much money we put into additional assistance. Today's Washington Post has a story that berates the Congress a bit not moving forward on funding for Colombia.

I cited a success story the last couple of years in Peru and Bolivia where we have made great strides in curtailing illegal narcotics coming into the United States. In Colombia, we have a reverse situation.

The administration in 1993 began an effort to really close down our efforts to assist Colombia. First of all, they stopped information sharing. Next, they stopped overflights and also information sharing from those overflights. Where we shared information on shootdown policies, basically the administration shot down that policy. For some time, we were left without providing any assistance.

The next dramatically destructive step that was taken was the decertification of Colombia. Now, Colombia could be decertified as not fully cooperating on the war of drugs, which is a Presidential responsibility in his annual assessment as charged by law. But there is in that law a provision for a waiver which would have allowed us to get equipment, resources to Colombia. In fact, that was not granted for several years. Until 1998, absolutely nothing went to Colombia.

In the meantime, we have seen the disruption of Colombia. We have seen nearly a million people displaced in 1 year, 300,000. We have seen some 30,000 people slaughtered, some 4,000 to 5,000 police and public officials, Members of Congress, the Supreme Court slaughtered in Colombia.

Now we see the disruption of Colombia and that disruption extending up into the Panama isthmus and to other countries. This region produces 20 percent of the United States daily oil supply, and suddenly this has become a crisis.

The Washington Post asked today in the current budget negotiation, "however, no one seems to be looking for money for Colombia."

One of my responsibilities of chair of the Subcommittee on Criminal Justice, Drug Policy and Human Relations is to find out where the money has gone, investigate how it has been expended.

Last year, we appropriated some $287 million towards the antinarcotics effort in a supplemental package, again to try to get us back on track with Colombia and in the international arena and interdiction arena.

Today, this morning, and last week, I began a series of closed door meetings with the Department of State officials, DoD officials, in addition to public hearings that we have held, to find out where the money has gone.

Of the money, I have found that about $200 million actually ended up going to the account designated for Colombia. Of that money, to date, only about half of the $200 million has actually been expended.

Unfortunately, we have requested, and this has been a bipartisan request of the administration for the past 4-years, helicopters, equipment, resources, and assistance to Colombia so the Colombians can fight the Marxist insurgency that is financed by international narcotics, narcoterrorists. To date, unfortunately almost all of that equipment has not reached the shores of Colombia.

We are told that we had delivered this past weekend three helicopters. We have six other helicopters. We have nine helicopters in total of which, really, not any of them are fully capable of missions yet. Some still need armoring. To make matters worse, we found that the ammunition that we have requested year after year to provide to the Colombian national police and their enforcement folks that are going after the narcotraffickers had been shipped November 1, some few days ago. They could not even confirm this morning to me that that has arrived.

Now, we are willing to meet our budget obligations, and we will put into Colombia whatever money we need for Colombia to help get that situation under control. But we have repeatedly provided funding assistance. We have requested the administration to get resources, helicopters, ammunition, whatever it takes to go after the narcoterrorists.

I must report to the Speaker and the House of Representatives tonight that the track record is absolutely dismal of performance by the administration. So it is unfortunate that, even with a supposed request, and I asked this morning for a specific request of how much money the administration will be asking for, and we have heard anywhere from $1 billion to $2 billion, some folks have recommended as much as $1.5 billion to assist them over a several-year period, we still do not have, and I still do not have as of this morning a specific proposal from the administration.

I think this will be the December surprise. I think that once the Congress has finished its work in the next few days that the Congress will be presented with a price tag for this failure, failure to get the equipment there, failure to get the resources there, failure to spend the money that the Congress has already expended.

So we are going to take a very hard look at that and see how those dollars should be expended. We will try to provide additional resources. But we must do it mindful of that we are guardians of the public Treasury and that those dollars that we ask to appropriate in a fashion go to those specific projects, and that the administration follow through as directed by the Congress of the United States before we pour more money into this war. Again, we are committed to put in whatever dollars are necessary to bring this situation under control.

So we have a horrible situation getting worse. This last chart, as I close, shows the latest statistics showing from South America 65 percent of the heroin now an increase from 14 to 17 percent, the heroin coming from Mexico, and some 18 percent from southeast Asia. A picture that looks worse for Mexico, worse for South America, and worse for the American people and for the prospect of hard narcotics, in this case heroin, coming into our streets and our communities.

Finally, tomorrow we will meet with the Mexican officials, their attorney general, their other officials who will be here with a high level of working group to discuss the United States and Mexico efforts to get illegal narcotics through the major transit country, Mexico, under control. It is my hope that we can we can be successful, but we are also going to take a large look at Mexican cooperation, which has been lacking.

Mr. Speaker, hopefully next week we will have the opportunity with the Congress to come back and finish the narcotics report.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MATSUI (at the request of Mr. GEPHARDT) for after 3:00 today on account of official business.

Mr. PASCRELL (at the request of Mr. GEPHARDT) for today on account of personal business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MCNULTY) to revise and extend their remarks and include extraneous material:

Mr. LIPINSKI, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

Mr. STRICKLAND, for 5 minutes, today.

Mr. GREEN of Texas, for 5 minutes, today.

Ms. LEE, for 5 minutes, today.

Mr. MINGE, for 5 minutes, today.

(The following Members (at the request of Mr. DUNCAN) to revise and extend their remarks and include extraneous material:)

Mr. BURTON of Indiana, for 5 minutes, today.

Mr. FOSSELLA, for 5 minutes, today.

Mr. JONES of North Carolina, for 5 minutes, today.

Mr. GOODLATTE, for 5 minutes, today.

Mr. METCALF, for 5 minutes, today.

Mr. NETHERCUTT, for 5 minutes, today.

Mr. DUNCAN, for 5 minutes, today.

Mr. GOODLING, for 5 minutes, today.

Mr. HORN, for 5 minutes, today.

Mr. GANSKE, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. HOLT, for 5 minutes today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. HUNTER, for 5 minutes today.

(The following Member (at her own request) to revise and extend her remarks and include extraneous material:)

Ms. JACKSON-LEE of Texas, for 5 minutes today.

(The following member (at his own request) to revise and extend his remarks and include extraneous material.)

Mr. GOODLING, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. DREIER, for 5 minutes, today.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 923. An act to promote full equality at the United Nations for Israel; to the Committee on International Relations.

S. 1398. An act to clarify certain boundaries on maps relating to the Coastal Barrier Resources System; to the Committee on Resources.

S. 1809. An act to improve service systems for individuals with developmental disabilities, and for other purposes; to the Committee on Education and the Workforce.

S. Con. Res. 30. Concurrent resolution recognizing the sacrifice and dedication of members of America's nongovernmental organizations (NGO's) and private volunteer organizations (PVO's) throughout their history and specifically in answer to their courageous response to recent disasters in Central America and Kosovo; to the Committee on International Relations.

S. Con. Res. 68. Concurrent Resolution expressing the sense of Congress on the occasion of the 10th anniversary of historic events in Central and Eastern Europe, particularly the Velvet Revolution in Czechoslovakia, and reaffirming the bonds of friendship and cooperation between the United States and the Czech and Slovak Republics; to the Committee on International Relations.

ADJOURNMENT

Mr. MICA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 midnight), the House adjourned until today, Wednesday, November 10, 1999, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

5248. A letter from the Deputy Legal Counsel, Department of the Treasury, transmitting the Department's final rule—Community Development Financial Institutions Program (RIN: 1505–AA71) received November 1, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

5249. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting Determination and a Memorandum of Justification pursuant to Section 2(b)(6)(B) of the Export-Import Bank Act of 1945; to the Committee on Banking and Financial Services.

5250. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the Determinations and Justification pursuant to Section 2(b)(6)(B) of the Export-Import Bank Act of 1945; to the Committee on Banking and Financial Services.

5251. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; Rhode Island; Amendments to Air Pollution Control Regulation Number 9; Correction [AD–FRL–6471–6] received November 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5252. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; Texas; Revisions to Consumer Products Rules [TX–106–1–7405a; FRL–6471–8] received November 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5253. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Removal of the Approval and Promulgation of Air Quality Implementation Plans; Connecticut; National Low Emission Vehicle Program [CT–054–7213; A–1–FRL–6471–7] received November 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5254. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans Oklahoma; Visibility Protection [OK–3–1–5201a; FRL–6470–4] received November 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5255. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision, South Coast Air Quality Management District [CA 034–0181; FRL–6470–6] received November 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5256. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans Tennessee: Approval of Revisions to Knox County portion of Tennessee Implementation Plan [TN–105–1–9949a; TN–209–1–9950a; FRL–6469–4] received November4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5257. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; Arizona State Implementation Plan Revision, Maricopa County [AZ 086–0018a FRL–6468–6] received November 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5258. A letter from the Director, Defense Security Cooperation Agency, transmitting notification concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance (LOA) to Egypt for defense articles and services (Transmittal No. 00–11), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

5259. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing License Agreement with Japan [Transmittal No. DTC 147–99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5260. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing License Agreement with Greece [Transmittal No. DTC 149–99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5261. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Australia [Transmittal No. DTC 110–99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5262. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing License Agreement with Germany [Transmittal No. DTC 139–99], pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

5263. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Italy [Transmittal No. DTC 157–99], pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

5264. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Japan [Transmittal No. DTC 131–99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5265. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Australia, Bermuda, Canada, France, Germany, Italy, Japan, Norway, Sweden, and the United Kingdom [Transmittal No. DTC 161–99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5266. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing License Agreement with Turkey [Transmittal No. DTC 85–99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5267. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to NATO and the Netherlands [Transmittal No. DTC 150–99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5268. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Japan [Transmittal No. DTC 151–99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5269. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Thailand [Transmittal No. DTC 140–99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5270. A letter from the Chief Counsel, Foreign Assets Control, Department of the Treasury, transmitting the Department's final rule—Blocked Persons, Specially Designated Nationals, Specially Designated Terrorists, Foreign Terrorist Organizations, and Specially Designated Narcotics Traffickers: Addition of Persons Blocked to Executive Order 13088—received November 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

5271. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to the Republic of Korea [Transmittal No. DTC 154–99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5272. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 13–158, "Noise Control Temporary Amendment Act of 1999 " received November 2, 1999, pursuant to D.C. Code section 1—233(c)(1); to the Committee on Government Reform.

5273. A letter from the Chairman, Defense Nuclear Facilities Safety Board, transmitting the report on commercial activities; to the Committee on Government Reform.

5274. A letter from the Staff Director, Federal Election Commission, transmitting the response to the Office of Management and Budget memorandum of July 12, 1999 regarding the inventory of commercial activities; to the Committee on Government Reform.

5275. A letter from the Executive Director, Japan-United States Friendship Commission, transmitting a report that the Commission does not engage in any contracting activities that would be covered under the FAIR Act; to the Committee on Government Reform.

5276. A letter from the Executive Director, Marine Mammal Commission, transmitting the Commercial Activities Inventory Report; to the Committee on Government Reform.

5277. A letter from the Office of the Director, National Gallery of Art, transmitting a copy of the Commercial Activities Inventory of the civil service positions in accordance with Public Law 105–270; to the Committee on Government Reform.

5278. A letter from the Chairman, National Labor Relations Board, Office of Inspector General, transmitting the Commercial Activities Inventory; to the Committee on Government Reform.

5279. A letter from the Deputy Assistant Administrator, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Application of Marine Biotechnology to Assess the Health of Coastal Ecosystems: Request for Proposals for FY 2000 [Docket No. 991027290–9290–01] (RIN: 0648–ZA74) received November 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources

5280. A letter from the Deputy Assistant Administrator, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—National Fisheries Habitat Program: Request for Proposals for FY 2000 [Docket No. 990927267–9267–01] (RIN: 0648–ZA71) received November 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

5281. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Year 2000 Airport Safety Inspections [Docket No. FAA–1999–5924; SFAR No. 85] (RIN: 2120–AG83) received November 1, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5282. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; St. Michael, AK [Airspace Docket No. 99–AAL–10] received October 7, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5283. A letter from the Acting Regulations Officer, Social Security Administration, transmitting the Administration's final rule—Reduction of Title II Benefits Under the Family Maximum Provisions in Cases of Dual Entitlement (RIN: 0960–AE85) received November 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

5284. A letter from the Secretary of Transportation, transmitting a proposed bill entitled, "Surface Transportation Board Reauthorization Act of 1999"; jointly to the Committees on Transportation and Infrastructure, the Judiciary, and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TAUZIN: Committee of Conference. Conference report on H.R. 1554. A bill to amend the provisions of title 17, United States Code, and the Communications Act of 1934, relating to copyright licensing and carriage of broadcast signals by satellite (Rept. 106–464). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. BLILEY (for himself, Mr. Markey, Mr. Tauzin, Mr. Oxley, Mr. Gillmor, Mr. Deutsch, Mr. Pickering, Mr. Engel, Mr. Bilbray, Mr. Burr of North Carolina, Mr. Largent, Mr. Coburn, Mr. Shays, Mr. Fossella, Mr. Ehrlich, Mr. Davis of Virginia, and Mr. Blunt):

H.R. 3261. A bill to amend the Communications Satellite Act of 1962 to promote competition and privatization in satellite communications, and for other purposes; to the Committee on Commerce.

By Mr. BISHOP:

H.R. 3262. A bill to provide for Federal recognition of the Lower Muscogee-Creek Indian Tribe of Georgia, and for other purposes; to the Committee on Resources.

By Mr. BISHOP (for himself and Mr. Everett):

H.R. 3263. A bill to require country of origin labeling of peanuts and peanut products and to establish penalties for violations of the labeling requirements; to the Committee on Agriculture.

By Mr. KUYKENDALL (for himself and Mr. Campbell):

H.R. 3264. A bill to amend the Investment Company Act of 1940 to promote the establishment of small business investment companies; to the Committee on Commerce.

By Ms. BALDWIN (for herself, Mr. Barrett of Wisconsin, Mr. Kind, Mr. Kleczka, Mr. Luther, Mr. Markey, Mr. Oberstar, Mr. Obey, Mr. Wu, Mr. Larson, and Mr. Sensenbrenner):

H.R. 3265. A bill to terminate operation of the Extremely Low Frequency Communication System of the Navy; to the Committee on Armed Services.

By Mr. BROWN of Ohio (for himself, Mr. Waxman, and Ms. Slaughter):

H.R. 3266. A bill to direct that essential antibiotic drugs not be used in livestock unless there is a reasonable certainty of no harm to human health; to the Committee on Commerce.

By Mr. CAMPBELL:

H.R. 3267. A bill to improve benefits for members of the reserve components of the Armed Forces and their dependents; to the Committee on Armed Services.

By Mr. COOK:

H.R. 3268. A bill to provide for the return of fair and reasonable fees to the Federal Government for the use and occupancy of National Forest System land under the recreation residence program, and for other purposes; to the Committee on Resources.

By Ms. DEGETTE (for herself and Mr. Strickland):

H.R. 3269. A bill to amend title XIX of the Social Security Act to make technical improvements in the operation of the Medicaid

Program, particularly with respect to the treatment of disproportionate share hospitals; to the Committee on Commerce.

By Mr. DIAZ-BALART (for himself and Mr. McCollum):

H.R. 3270. A bill to amend title 18 of the United States Code to prevent stalking of minors, and for other purposes; to the Committee on the Judiciary.

By Mr. DUNCAN:

H.R. 3271. A bill to amend title XVIII of the Social Security Act to expand the Medicare Payment Advisory Commission to 19 members and to include on such commission individuals with national recognition for their expertise in manufacturing and distributing finished medical goods; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. FILNER:

H.R. 3272. A bill to amend the Immigration and Nationality Act to restore certain provisions relating to the definition of aggravated felony and other provisions as they were before the enactment of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996; to the Committee on the Judiciary.

By Mr. FILNER:

H.R. 3273. A bill to except spouses and children of Philippine servicemen in the United States Navy from bars to admission and relief under the Immigration and Nationality Act; to the Committee on the Judiciary.

By Mr. GUTIERREZ:

H.R. 3274. A bill to amend the Public Health Service Act, the Employee Retirement Income Security Act of 1974, the Internal Revenue Code of 1986, and title XVIII of the Social Security Act to provide protection for beneficiaries of group and individual health insurance coverage, group health plans, and Medicare+Choice plans in the use of prescription drug formularies; to the Committee on Commerce, and in addition to the Committees on Education and the Workforce, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HOLT:

H.R. 3275. A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act to require local educational agencies and schools to implement integrated pest management systems to minimize the use of pesticides in schools and to provide parents, guardians, and employees with notice of the use of pesticides in schools, and for other purposes; to the Committee on Agriculture.

By Mr. JENKINS:

H.R. 3276. A bill to suspend temporarily the duty on thionyl chloride; to the Committee on Ways and Means.

By Mr. LEVIN:

H.R. 3277. A bill to provide for interregional primary elections and caucuses for selection of delegates to political party Presidential nominating conventions; to the Committee on House Administration.

By Mr. LUCAS of Oklahoma:

H.R. 3278. A bill to amend the Federal Deposit Insurance Act and the Federal Home Loan Bank Act to provide for the payment of Financing Corporation interest obligations from balances in the deposit insurance funds in excess of a designated reserve ratio; to the Committee on Banking and Financial Services.

By Mr. MEEHAN:

H.R. 3279. A bill to prohibit the possession of a firearm in a hospital zone; to the Committee on the Judiciary.

By Mrs. MINK of Hawaii:

H.R. 3280. A bill to amend title II of the Social Security Act to provide for continued entitlement to child's insurance benefits of individuals who marry after attaining age 18 and who have Hansen's disease; to the Committee on Ways and Means.

By Mrs. MINK of Hawaii:

H.R. 3281. A bill to amend title II of the Social Security Act to provide for payment in all cases of lump-sum death payments; to the Committee on Ways and Means.

By Mrs. MORELLA:

H.R. 3282. A bill to amend the Internal Revenue Code of 1986 to make the dependent care credit refundable, and for other purposes; to the Committee on Ways and Means.

By Mr. NEAL of Massachusetts:

H.R. 3283. A bill to amend the Internal Revenue Code of 1986 to revise the tax treatment of derivative transactions entered into by a corporation with respect to its stock; to the Committee on Ways and Means.

By Mr. PALLONE:

H.R. 3284. A bill to amend part C of title XVIII to provide for an improved methodology for the calculation of Medicare+Choice payment rates; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SESSIONS:

H.R. 3285. A bill to authorize public-private partnerships to rehabilitate Federal real property, and for other purposes; to the Committee on Government Reform.

By Mr. TAYLOR of Mississippi:

H.R. 3286. A bill to continue coverage of custodial care under the military health care system for certain individuals during fiscal year 2000; to the Committee on Armed Services.

By Mr. WEINER (for himself and Mr. Chabot):

H.R. 3287. A bill to amend the Public Health Service Act to provide for demonstration projects in which nurses and other health care professionals in hospital emergency rooms and other sites provide specialized assistance to victims of sexual assault and interpersonal violence; to the Committee on Commerce.

By Mrs. WILSON (for herself and Mr. Udall of New Mexico):

H.R. 3288. A bill to authorize the acquisition of the Valles Caldera, to provide for an effective land and wildlife management program for this resource within the Department of Agriculture, and for other purposes; to the Committee on Resources.

By Mrs. CHENOWETH-HAGE:

H.J. Res. 77. A joint resolution notifying the Government of Panama of the nullity of the Carter-Torrijos treaties and recognizing the validity of the Hay-Bunau-Varilla Treaty with respect to control of the Panama Canal Zone; to the Committee on Armed Services.

By Mr. YOUNG of Florida:

H.J. Res. 78. A joint resolution making further continuing appropriations for the fiscal year 2000, and for other purposes; to the Committee on Appropriations.

By Mr. THOMAS:

H. Con. Res. 221. Concurrent resolution authorizing printing of the brochures entitled "How Our Laws Are Made" and "Our American Government", the pocket version of the United States Constitution, and the document-sized, annotated version of the United States Constitution; to the Committee on House Administration.

By Mr. ROGAN:

H. Con. Res. 222. Concurrent resolution condemning the assassination of Armenian Prime Minister Vazgen Sargsian and other officials of the Armenian Government and expressing the sense of the Congress in mourning this tragic loss of the duly elected leadership of Armenia; to the Committee on International Relations.

By Mr. COX (for himself, Mr. Hastert, Mr. Armey, Mr. DeLay, Mr. Watts of Oklahoma, Mrs. Fowler, Ms. Pryce of Ohio, Mr. Davis of Virginia, Mr. Gilman, Mr. Dreier, Mr. Spence, and Mr. Lantos):

H. Con. Res. 223. Concurrent resolution expressing the sense of the Congress regarding Freedom Day; to the Committee on Government Reform, and in addition to the Committee on International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. THOMPSON of California (for himself, Mr. Reyes, Mr. Cunningham, Mr. Pitts, and Mr. Boyd):

H. Con. Res. 224. Concurrent resolution calling upon the President to issue a proclamation recognizing the 25th anniversary of the end of the Vietnam era and commemorating the service and sacrifice of the men and women who, as members of the Armed Forces or as civilians, during that era served the Nation in the Republic of Vietnam and elsewhere in Southeast Asia or otherwise served in support of United States operations in Vietnam and in support of United States interests throughout the world; to the Committee on Veterans' Affairs.

By Mr. STUMP:

H. Res. 368. A resolution providing for the concurrence by the House with amendments in the amendment of the Senate to H.R. 2280.

By Mr. KUCINICH (for himself, Ms. Woolsey, Mr. Hinchey, Ms. Baldwin, Mr. Owens, Mr. Markey, Ms. McKinney, Mr. Gutierrez, and Mr. Jackson of Illinois):

H. Res. 369. A resolution on reducing the risks and dangers associated with nuclear weapons in the new millennium; to the Committee on International Relations.

By Mr. PICKERING (for himself, Mr. Wicker, Mr. Shows, Mr. Thompson of Mississippi, Mr. Taylor of Mississippi, Mr. Hastert, and Mr. Largent):

H. Res. 370. A resolution recognizing and honoring Walter Payton and expressing the condolences of the House of Representatives to his family on his death; to the Committee on Government Reform.

By Mr. SHOWS:

H. Res. 371. A resolution providing for consideration of the bill (H.R. 664) to provide for substantial reductions in the price of prescription drugs for Medicare beneficiaries; to the Committee on Rules.

By Mr. STARK (for himself and Mr. Brown of Ohio):

H. Res. 372. A resolution providing for consideration of the bill (H.R. 1495) to amend title XVIII of the Social Security Act to provide for coverage of outpatient prescription drugs under the Medicare Program; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XII, memorials were presented and referred as follows:

280. The SPEAKER presented a memorial of the General Assembly of the State of Illinois, relative to House Resolution No. 303 encouraging and supporting Governor George Ryan's decision to immediately engage the Administrator of the United States Environmental Protection Agency in a dialogue towards meeting and resolving the technical challenges of using ethanol in Phase II RFG; that the dialogue shall include presentation of recent research data suggesting ethanol benefits and the request that the U.S. Environmental Protection Agency permit the continued use of ethanol under phase II of the RFG Program in a way that will not economically disadvantage Illinois' to the Committee on Commerce.

281. Also, a memorial of the General Assembly of the State of Illinois, relative to House Resolution No. 229 memorializing the United States Congress to pass H.R. 8; to the Committee on Ways and Means.

282. Also, a memorial of the General Assembly of the State of Illinois, relative to House Resolution No. 160 memorializing the Illinois congressional delegation to influence and guide the federal budgeting process for FFY 2000 and beyond to restore full funding for Social Service Block Grant/Title XX Program and incrementally increase funding for this essential program as future federal budget opportunities present themselves; to the Committee on Ways and Means.

283. Also, a memorial of the General Assembly of the State of Illinois, relative to House Resolution No. 95 memorializing Congress to take the steps to strengthen Social Security so that all Americans can be assured that the program will be there for them; to the Committee on Ways and Means.

284. Also, a memorial of the General Assembly of the State of Illinois, relative to House Resolution No. 228 memorializing the U.S. Congress to pass H.R. 2; jointly to the Committees on Education and the Workforce and Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 3 of rule XII,

Mr. TAYLOR of Mississippi introduced a bill (H.R. 3289) for the relief of Janet Louise Ruehling; which was referred to the Committee on Armed Services.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to the public bills and resolutions as follows:

H.R. 303: Mr. SCOTT, Mr. MARKEY, Mrs. LOWEY, Mr. MEEKS of New York, and Mr. WELDON of Pennsylvania.

H.R. 372: Mr. ENGEL and Mr. SMITH of New Jersey.

H.R. 382: Mr. MINK of Hawaii, Ms. BALDWIN, Mr. TOWNS, Mr. JACKSON of Illinois, Mr. PHELPS, and Ms. WOOLSEY.

H.R. 443: Mr. MOAKLEY, Mr. BASS, Mr. HASTINGS of Florida, Mr. MENENDEZ, Mr. HOLT, Mr. ANDREWS, Mr. WU, and Mr. FRELINGHUYSEN.

H.R. 453: Mr. UDALL of Colorado and Mr. WYNN.

H.R. 460: Mr. HOYER.

H.R. 475: Mr. ROMERO-BARCELO, Mr. FALEOMAVAEGA, and Ms. MCKINNEY.

H.R. 493: Mr. BARTON of Texas.

H.R. 534: Mr. JOHN and Mr. POMEROY.

H.R. 692: Mr. YOUNG of Florida.

H.R. 708: Ms. NORTON.

H.R. 721: Mr. SANFORD.

H.R. 742: Ms. HOOLEY of Oregon.

H.R. 750: Ms. HOOLEY of Oregon and Mr. FORBES.

H.R. 783: Ms. DUNN, Mr. CROWLEY, and Mr. HUTCHINSON.

H.R. 876: Mr. BURR of North Carolina.

H.R. 925: Mr. FARR of California.

H.R. 936: Mr. BARTLETT of Maryland.

H.R. 980: Mr. BOSWELL.

H.R. 1044: Mr. BUYER, Mr. COOK, Mr. GOODE, and Mr. SOUDER.

H.R. 1046: Mr. LAHOOD.

H.R. 1071: Mr. BAIRD, Mr. FALEOMAVAEGA, and Mr. HERGER.

H.R. 1111: Mr. FLETCHER.

H.R. 1163: Mr. KUCINICH.

H.R. 1168: Mr. OWENS.

H.R. 1215: Mr. WU.

H.R. 1226: Ms. SLAUGHTER and Mr. DAVIS of Florida.

H.R. 1238: Mrs. MALONEY of New York.

H.R. 1248: Mr. FORD.

H.R. 1275: Mr. FILNER, Mr. WELDON of Florida, Mr. MALONEY of Connecticut, Mr. TANCREDO, Mr. WEXLER, Mr. GALLEGLY, Mr. HORN, Mr. HOLT, and Mr. ANDREWS.

H.R. 1286: Ms. NORTON and Mr. RYAN of Wisconsin.

H.R. 1356: Mr. STUPAK.

H.R. 1478: Mr. KUCINICH.

H.R. 1504: Mr. PICKERING and Mr. MINGE.

H.R. 1525: Mr. GUTIERREZ.

H.R. 1594: Mr. SMITH of Washington and Mr. CLAY.

H.R. 1601: Mr. ISAKSON, Mrs. FOWLER, Mr. BASS, Ms. RIVERS, and Ms. STABENOW.

H.R. 1622: Ms. SCHAKOWSKY, Mr. PHELPS, and Ms. LEE.

H.R. 1625: Mr. TIERNEY and Mr. KANJORSKI.

H.R. 1671: Mr. MCNULTY.

H.R. 1681: Mr. THOMPSON of Mississippi and Mr. FATTAH.

H.R. 1775: Mr. WELDON of Florida, and Mr. THOMPSON of Mississippi.

H.R. 1814: Mr. FRANKS of New Jersey.

H.R. 1816: Mr. LANTOS and Mr. GILCHREST.

H.R. 1841: Mr. BLUMENAUER and Mr. OWENS.

H.R. 1871: Mr. THOMPSON of Mississippi.

H.R. 1896: Ms. EDDIE BERNICE JOHNSON of Texas and Mr. FOLEY.

H.R. 1899: Mr. MEEKS of New York.

H.R. 1917: Mr. SMITH of Washington.

H.R. 2233: Mrs. THURMAN.

H.R. 2241: Mrs. MEEK of Florida.

H.R. 2294: Mrs. MCCARTHY of New York.

H.R. 2298: Mr. THOMPSON of Mississippi.

H.R. 2335: Mr. NETHERCUTT, Mr. WYNN, Mr. OXLEY, Mrs. MYRICK, Mr. HOEKSTRA, Mr. PETERSON of Pennsylvania, and Mr. BOEHNER..

H.R. 2345: Mr. RANGEL.

H.R. 2372: Mr. BARR of Georgia, Mr. ISAKSON, and Mr. COMBEST.

H.R. 2376: Mr. GOODE.

H.R. 2412: Ms. CARSON, Mr. BURTON of Indiana, Mr. VISCLOSKY, Mr. ROEMER, Mr. HILL of Indiana, Mr. BUYER, Mr. PEASE, Mr. HOSTETTLER, and Mr. MCINTOSH.

H.R. 2420: Mr. VISCLOSKY, Mr. BISHOP, Mr. SIMPSON, Mr. MCDERMOTT, Mr. PITTS, Mr. LOBIONDO, Mr. MOLLOHAN, Mr. DAVIS of Illinois, and Mr. MENENDEZ.

H.R. 2498: Mr. STUPAK, Mrs. ROUKEMA, and Mr. SALMON.

H.R. 2512: Mr. FALEOMAVAEGA.

H.R. 2644: Mr. KUCINICH.

H.R. 2655: Mr. SESSIONS.

H.R. 2660: Mr. GOODE.

H.R. 2726: Mr. GOODE and Mr. RADANOVICH.

H.R. 2727: Mr. REGULA.

H.R. 2749: Mr. MORAN of Kansas.

H.R. 2815: Mr. LAMPSON.

H.R. 2831: Mr. OBERSTAR, Mr. FROST, Mr. DOYLE, Mr. WELDON of Pennsylvania, Mr. BARRETT of Wisconsin, and Mr. LAFALCE.

H.R. 2864: Ms. EDDIE BERNICE JOHNSON of Texas, Mr. ACKERMAN, Mr. KIND, and Mrs. LOWEY.

H.R. 2906: Mr. PORTER.

H.R. 2939: Mr. THOMPSON of Mississippi.

H.R. 2966: Mrs. CHENOWETH-HAGE, Mr. CLEMENT, Mr. DAVIS of Virginia, Mr. DICKS, Mrs. NAPOLITANO, Mr. UPTON, Mr. BAIRD, Mr. BARR of Georgia, Mr. BERRY, Mrs. CAPPS, Mr. CHAMBLISS, Mr. COLLINS, Mr. CONDIT, Mr. DEAL of Georgia, Mr. DICKEY, Mr. GOODE, Mr. ISAKSON, Mr. LINDER, Mrs. MORELLA, Mr. PETERSON of Pennsylvania, Mr. RILEY, Mr. STEARNS, Mr. SWEENEY, Mr. WATKINS, Mr. WEINER, Mr. WOLF, and Mr. WU.

H.R. 3010: Mr. THOMPSON of Mississippi.

H.R. 3091: Mr. CANADY of Florida, Mr. LAHOOD, Mr. HASTINGS of Florida, Mr. BLUMENAUER, Mr. SANDLIN, Mr. WEINER, Mr. KUCINICH, Mr. BRADY of Pennsylvania, Mr. FROST, Mr. DIAZ-BALART, Mr. BENTSEN, Mr. DICKEY, Mr. KENNEDY of Rhode Island, Mr. KLINK, Mr. WYNN, and Mr. WEXLER.

H.R. 3100: Mr. GREENWOOD, Mr. LATHAM, Mr. QUINN, Mr. HORN, and Mr. REGULA.

H.R. 3107: Mr. OWENS, Mr. SANDERS, Mr. COYNE, and Mr. CAPUANO.

H.R. 3113: Mr. BARTON of Texas.

H.R. 3116: Mr. TALENT, Mr. HALL of Texas, Mr. HORN, Mr. EHLERS, Mr. KUYKENDALL, Mr. UPTON, Mr. SHAYS, Mrs. JOHNSON of Connecticut, Mr. GILCHREST, Mrs. THURMAN, and Mr. BOEHLERT.

H.R. 3142: Mr. BOEHLERT and Ms. MILLENDER-MCDONALD.

H.R. 3144: Mr. CONDIT, Mr. SISISKY, Mr. MATSUI, Mr. BOUCHER, Mr. CUMMINGS, and Mr. RAHALL.

H.R. 3148: Mr. PAYNE and Ms. DEGETTE.

H.R. 3159: Mr. KUCINICH.

H.R. 3173: Mr. BLUNT, Mr. NUSSLE, Mr. LUCAS of Oklahoma, Mr. MCHUGH, Mr. EVANS, Mr. LATHAM, Mr. OSE, Mrs. THURMAN, Mr. JOHN, Mr. FOLEY, and Mr. CANADY of Florida.

H.R. 3180: Mr. REGULA, Mr. DUNCAN, Mr. BILBRAY, and Mr. SAXTON.

H.R. 3192: Mr. QUINN, Mr. BROWN of Ohio, and Mr. STRICKLAND.

H.R. 3193: Mr. THOMPSON of California.

H.R. 3197: Mrs. LOWEY.

H.R. 3242: Mr. KLECZKA, Mr. GRAHAM, Mr. VITTER, Mr. BARRETT of Wisconsin, Mr. NETHERCUTT, Mr. NORWOOD, Mr. LATOURETTE, Mr. DEMINT, Mr. BACHUS, and Mr. DEAL of Georgia.

H.R. 3246: Mr. EWING.

H.J. Res. 41: Mr. GREEN of Texas.

H.J. Res. 53: Mr. MCKEON.

H.J. Res. 66: Mr. LARGENT, Mrs. MYRICK, Mr. COLLINS, and Mr. WHITFIELD.

H. Con. Res. 30: Mr. OSE.

H. Con. Res. 62: Mr. GREEN of Wisconsin.

H. Con. Res. 89: Mr. LIPINSKI.

H. Con. Res. 111: Ms. SCHAKOWSKY.

H. Con. Res. 152: Mr. MARTINEZ.

H. Con. Res. 169: Mr. PETERSON of Minnesota, Mr. WELDON of Pennsylvania, Mr. BLILEY, and Mr. WOLF.

H. Con. Res. 170: Mr. PETERSON of Minnesota, Mr. ROMERO-BARCELÓ, Mr. LIPINSKI, Mr. QUINN, Mr. SMITH of New Jersey, and Mr. WOLF.

H. Con. Res. 177: Mr. WAXMAN, Mr. HOLT, and Mr. OBERSTAR.

H. Con. Res. 186: Mr. CHABOT and Mr. SIMPSON.

H. Con. Res. 205: Ms. BERKLEY and Mr. GIBBONS.

H. Con. Res. 206: Mr. CARDIN and Mr. STARK.

H. Con. Res. 209: Mr. WEXLER, Mr. CAPUANO, Mr. THOMPSON of Mississippi, and Mr. PETRI.

H. Con. Res. 212: Mr. DOOLITTLE.

H. Con. Res. 216: Mr. ROTHMAN, Mr. BILIRAKIS, and Mr. WEXLER.

H. Con. Res. 218: Mr. UDALL of Colorado and Mr. MCNULTY.

H. Res. 146: Mr. COOK.

H. Res. 187: Mr. HOYER.

H. Res. 309: Mr. PAYNE, Mr. SMITH of New Jersey, Mr. OWENS, and Mr. KUCINICH.

H. Res. 332: Mr. DOOLITTLE.

H. Res. 340: Ms. LEE.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 7 of rule XII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1300: Mr. WHITFIELD.

H.R. 2907: Mr. BILIRAKIS.

EXTENSIONS OF REMARKS

PRESCRIPTION DRUG FAIRNESS FOR SENIORS ACT—SUBMITTING RULE FOR DISCHARGE PETITION

HON. RONNIE SHOWS

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. SHOWS. Mr. Speaker, this is an important day. Soon I will have been a Representative for the people of Mississippi's 4th Congressional District for a year. Issues great and small have been debated. Our budget, F–22's, water and transportation projects, foreign operations expenditures are all some of the issues that have been grappled with.

Our nation continues to reap economic benefits that can not be matched. We are a people moving forward. But, can we truly move forward if we are leaving some behind?

Can we turn our backs on our elderly, the very people who stood face to face with a Great Depression and the trials and tribulations of war?

Lucille Bruce is from Clinton, MS. She lives on a fixed income and pays in excess of $200 each month for prescription medicine. Ms. Bruce says that without her daughter she would have no money to live. She wonders how many Senior Americans there are who don't have the type of family support she receives.

Well, Ms. Bruce, sadly there are millions. And it is past time for their American family to step forward with the care, support and respect they are owed.

H.R. 664, the Prescription Drug Fairness for Seniors Act was introduced earlier this year by my friend and colleague, TOM ALLEN of Maine. This legislation will substantially lower the costs of what senior citizens pay for prescription drugs.

Seniors pay much more for prescription drugs as the drug companies' "favored customers" such as the federal government and large HMOs. This legislation will allow pharmacies to purchase drugs for Medicare beneficiaries at the same rate as the government and large HMO's so our grandparents and parents will be "favored customers" as well. This is only right.

Our senior citizens should never be forced to choose between buying food or buying medicine. They should not have to decide between paying the electric bill or paying for the medicine that keeps them healthy.

Yet, in America today, many seniors are put into that very position. This is a shame.

And, it is also a shame this bill has not been brought forward for real consideration. It is a shame to ignore the cost of prescription drugs that our senior citizens are burdened with.

Today, I will offer a resolution to bring H.R. 664 to the floor for a vote. If no action is taken within 7 days I will file a discharge petition to take my resolution from the Rules Committee and bring H.R. 664 directly to the floor for a vote.

Seven days. Just imagine seven days in the life of our senior citizens who are struggling to pay bills and enjoy a decent standard of living here at the end of the American Century.

I choose to stand with our senior citizens. I choose to fight for the values and principles that I know we all hold close.

Let's move H.R. 664 forward today. For our seniors, for us all.

* * *

TRIBUTE TO HENRY BELL, AN OUTSTANDING AMERICAN

HON. RALPH M. HALL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. HALL of Texas. Mr. Speaker, I rise today in honor of a truly outstanding American, Henry M. Bell, Jr., of Tyler, Texas, whose death on August 24, 1999, leaves behind a remarkable legacy of accomplishment—and leaves us with memories of a truly great man who was devoted to his family and community, who spent his life in service to others, and who was beloved by all who knew him. Mr. Speaker, Henry Bell was an exemplary man and a good friend of mine, and it is an honor for me to pay tribute to him in the CONGRESSIONAL RECORD for all to read.

Henry Bell was one of Tyler's city fathers. As the Tyler Morning Telegraph stated, "Mr. Bell exemplified the spirit of community service, lending his time and talents to his church and numerous civic and professional organizations." Tyler's flourishing medical community, institutions of higher education, and economic infrastructure owe much of their foundation and success to the vision and efforts of Henry Bell.

Mr. Bell's civic involvement reflects his devotion to his community. He was instrumental in the growth and development of the East Texas Medical Center, where at the time of his death he served as chairman of the board for the East Texas Medical Center Regional Healthcare System and the ETMC Foundation. He also was a member of Texas Healthcare Trustees. In addition, he was just as committed to the development of higher education opportunities in Tyler. He was an ardent proponent for the University of Texas at Tyler, where he served on its Development Board.

Mr. Bell's involvement also helped create thousands of jobs for East Texans at area factories that he helped bring to Tyler. He was a key player in the former Tyler Industrial Foundation, through which he helped bring to Tyler the General Electric air-conditioning factory, now operated by the Trane Company; the Bryant Heater Company, now Carrier Corporation; and the Kelly-Springfield tire factory. For his efforts, in 1971 he received the T.B. Butler Award, which recognizes the most outstanding citizen of the Tyler Area Chamber of Commerce.

In every facet of Tyler's civic and professional life, Henry Bell's impact can be felt. Beginning in 1948, he devoted his career to Citizens First National Bank of Tyler (now Regions Bank), where he served in several executive roles, including president and chairman of the board. He retired as senior chairman in 1993.

He served as president or board chairman for the Chamber of Commerce, Texas Rose Festival Association, United Way of Greater Tyler, American Red Cross, Smith County Heart Association, Better Business Bureau, Tyler Petroleum Club and Willow Brook Country Club. He served as a board member for the University of Texas Health Center, Salvation Army, Junior Achievement, Texas Chest Foundation and Texas College, which awarded him an honorary degree. He also served as past chairman and board member of the Teachers Retirement System of Texas.

He was a senior warden at Christ Episcopal Church and past board member of the Episcopal Diocese of Texas and the Bishop Quin Foundation. He was a member of the Henry Bell Lodge No. 1371, AF&AM, and member of the Sharon Temple and Scottish Rite Bodies.

The awards and accolades that Henry Bell received are numerous, but as his friends will testify, he accepted them with a spirit of humility that was his trademark. As one longtime friend noted, "From his early adult years he approached every subject on the basis of what good could come out of it for Tyler." Another friend and civic leader called him "the quintessential Southern gentleman" and part of a generation that had a tremendous influence on the growth and development of the city.

A descendent of one of Tyler's founding families, he was born January 23, 1928, in Tyler to Henry M. Bell Sr. and Elizabeth Loftin Bell. He received a B.S. degree in industrial administration, having attended The Citadel in Charleston, S.C., and Yale University in New Haven, Conn.

Preceded in death by his loving wife of 47 years, Nell, who died in February, 1999, Mr. Bell is survived by two sons and a daughter-in-law, Henry M. Bell III and Allen and Cindy Bell; mother, Elizabeth; granddaughters, Lendy, Audrey and D'Ann Bell; great-grandson, Christian Bell; sister, Dorothy Finn; and several nieces and nephews.

Henry Bell was a great man, an outstanding citizen, and one whose influence will be felt for generations to come. He was more than that to me—he was a close and wonderful friend—one that cannot be replaced—but can be long remembered. So as we adjourn today, Mr. Speaker, I ask my colleagues to join me in paying our last respects to one of Tyler's great leaders and my good friend, Henry Bell, Jr., who will be missed by all those who knew him.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

TRIBUTE TO ELSIE COATES

HON. JOHN SHIMKUS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. SHIMKUS. Mr. Speaker, I rise before you today to express my admiration for Ms. Elsie Coates of Camp Point, Illinois. Her accomplishments should inspire us all to never stop living life to its fullest.

Celebrating her 85th birthday this last July, Elsie is proof that age is not necessarily a barrier in carrying out life long dreams. In the last ten years, Elsie obtained her drivers license and completed the requirements for the GED, the equivalent of a high school degree. Last year, she added to her list a tandem skydiving excursion at the 1998 World Free Fall Competition. Amidst all these exciting activities, Elsie still finds time to participate actively in the church and community.

Elsie is a true inspiration. The significance of her achievements is perhaps said best in her own words. "Age is just a number . . . If you set down and feel sorry for yourself, you're going to get old awfully quick."

IN HONOR OF MICHAEL MICHALISIN, CPA

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mrs. MALONEY of New York. Mr. Speaker, I rise today to pay special tribute to Michael Michalisin, CPA, on the occasion of his sixtieth birthday. In 1963, Mr. Michalisin began his career in accounting and auditing with a focus on corporate mergers and acquisitions.

In 1975, Mr. Michalisin was admitted to Partnership with the firm, Hurdman and Cranstoun. Later, as an Audit Partner in the New York office of KPMG Peat Marwick, Mr. Michalisin specialized in work with trading companies, chemical and aluminum manufacturers, consulting engineers, book publishers, and venture capital investors.

Mr. Michalisin has participated extensively in accounting processes during mergers and acquisitions. As a member of the client acquisition team, reporting to top management, he has supervised pre-acquisition reviews and the due diligence team.

Mr. Michalisin has vast experience coordinating world wide audits with client management in many countries. One of Mr. Michalisin's particular areas of expertise has been with Japanese firms. He has worked with Japanese companies for the past 20 years and has a strong knowledge of the Japanese management style, business approach, culture and thinking.

Since leaving the public accounting profession in late 1991, Mr. Michalisin has been an independent consultant to businesses and has established himself in the interim professional services business. He provides corporate clients with interim executives and consultants to solve their immediate and short-term problems.

Mr. Michalisin is a member of the American Institute of Certified Public Accounts and New York State Society of Certified Public Accountants. He is past President of the New York Chapter of the National Association of Accountants.

Married and the father of two sons, Mr. Michalisin and his wife reside in Scotch Plains, New Jersey. Mr. Michalisin has been active in his town's baseball association as coach and president. He is currently the Commissioner of the Scotch Plains Youth Baseball Association.

A TRIBUTE IN HONOR OF MICHIGAN SUGAR COMPANY ON THE OCCASION OF THEIR 100TH ANNIVERSARY

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. BARCIA. Mr. Speaker, I rise to pay tribute and to congratulate Michigan Sugar Company, which celebrates its centennial this year. Located in Caro, Michigan, the company represents a vital industry in the Fifth Congressional District, that I am proud to represent in Congress today. Although families are still bringing in their crops, it appears that Michigan Sugar might achieve a record-breaking sugar beet harvest this year. Mr. Speaker, I am sure you will agree with me that this is indeed a fitting tribute for Michigan Sugar's 100th year of operation.

Michigan Sugar Company received its first delivery of beets from Mr. William Brinkman on October 9, 1899. And in that same month the company began its processing operations that have contributed greatly to our local economy as well as to the livelihood of all our families in the area. Today, Michigan Sugar Company's Caro factory is recognized as the oldest operating sugar beet refinery in the United States.

This year, over 250 grower families from Tuscola, Huron, Sanilac, Saginaw and Bay Counties farmed nearly 30,000 acres of sugar beets to supply Michigan Sugar's Caro factory. This autumn and winter, the Caro factory will process approximately 550,000 tons of sugar beets and produce over 140,000,000 pounds of sugar.

In 1898, the citizens of Caro donated the land for the first factory, which was named Peninsular Sugar Refinery. That company merged with other area refineries in 1906 to form Michigan Sugar Company. And now, one hundred years later, Michigan Sugar continues to repay the donation of this land for its first factory site by acts of civic achievement and contribution. The company remains a strong leader in the community through such measures as donating over 75,000 pounds of sugar to non-profit organizations in the state and community, as well as through financial support of these organizations.

Mr. Speaker, I invite you and our colleagues to join me in extending our congratulations to the company's President and Chief Executive Officer, Mr. Mark Flegenheimer, the Factory Manager, Mr. Daniel Mashue, and to Michigan Sugar Company's many hard-working employees. Michigan Sugar Company is an integral part of our prosperous sugar beet industry in Michigan, and as such, is important to each and every family in the Fifth Congressional District. For one hundred years of being a mainstay in our economy, and for the many acts of civic contributions and achievements, I would like to say, thank you, and best wishes for the next one hundred years.

PRESIDENTIAL LIBRARY DONORS DISCLOSURE

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. DUNCAN. Mr. Speaker, today, I introduced legislation which would, in the future, require organizers of presidential libraries to disclose the identity of donors and the amounts they give.

The Washington Post recently reported that $125 million will have to be raised to construct President Clinton's library. It also reported that:

> The library fund-raising is striking both for the gargantuan size of the pledges being made and the refusal—at least so far—to disclose the donors.

However, we do not know who these donors are or what interests they may have on any pending policy decisions that are to be made. I think that our government needs to operate in the open—not behind closed doors.

In addition to the reports in the Washington Post, I would like to note that the Knoxville News-Sentinel discussed this issue in its lead editorial saying:

> Clinton is still a sitting president and is in a position to do favors for donors. His raising money for his library behind closed doors may be legal, but it smells all the same. He should make public the names of the donors and the amounts of their contributions or he should wait until he is out of office to put the arm on people.

It also stated that:

> The White House defense of this secrecy is lame in the extreme: Ronald Reagan did it. Perhaps so, but that doesn't make it right, and this administration, given its various fund-raising scandals, should be especially sensitive to the appearance of impropriety—or one would hope so.

I agree 100 percent, and I hope that my colleagues will join me in support of this legislation so that we can ensure that our government operates in an open manner.

HONORING THE GLOBAL VOLUNTEERS ORGANIZATION

HON. BILL LUTHER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. LUTHER. Mr. Speaker, it is with great pride that I commend a group of volunteers who can honestly say that they have impacted and inspired thousands of people and countless communities worldwide: I am speaking of

Global Volunteers, a nonprofit international development organization based in St. Paul, Minnesota.

The volunteers' goal is to help establish a foundation for peace through mutual international understanding. To this end, they invest personal time and resources to work anywhere from continental America to Africa, Europe or the Cook Islands. Citizens from throughout our country participate in projects determined and directed by the local communities, doing everything from teaching English to building and painting local facilities, such as classrooms and medical clinics.

As Susan Norman, a volunteer from Texas said: "It was great to actually be a part of a team doing repair work and maintenance so the peace process [in Ireland] can continue. I learned that peacemaking isn't just facilitating discussion but also repairing walls, cleaning toilets and doing a lot of behind-the-scenes work so the process can happen." It is because of thousand of volunteers like Susan that progress toward international peace and understanding is being made. These volunteers are a prime example of people who refuse to become frustrated in light of serious global problems, but rather attempt to solve them, step by step, through personal commitment and dedication.

Now, Global Volunteers had been granted special consultative status to the United Nations by the U.N.'s Economic and Social Council (ECOSOC). This privilege enables Global Volunteers to designate U.N. representatives and attend ECOSOC's meetings. Their consultative status allows the volunteers to make a contribution to the work programs and goals of the United Nations by serving as technical experts, advisers and consultants to governments and the Secretariat. I am confident that Global Volunteers will become a valuable asset to ECOSOC and will continue to build relationships and understanding in the relentless pursuit of global peace and understanding.

Mr. Speaker, I commend Global Volunteers President Bud Philbrook, his spouse Michele Gran, and the crews of volunteers for their hard work and dedication over the past 15 years and I wish them all the best in their ongoing efforts. They serve as ambassadors and role models for all of the citizens of America!

FICO ASSESSMENT ELIMINATION ACT OF 1999

HON. FRANK D. LUCAS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. LUCAS of Oklahoma. Mr. Speaker, I rise today as a member of the Banking Committee having just introduced a bill that will infuse $780 million annually into our economy. The FICO Assessment Elimination Act of 1999 will eliminate an assessment on banks and thrifts that is no longer necessary.

My legislation will eliminate FICO assessments for all financial institutions that are insured by either the Bank Insurance Fund or the Savings Association Insurance Fund. Under current law, banks and thrifts are assessed in order to pay obligations on bonds issued by the Financing Corporation in the last 80's.

Currently, the Bank Insurance Fund and Savings Association Insurance Fund are overcapitalized. There is far more money in these accounts than is needed to insure the safety of the institutions they safeguard. Moreover, these funds have been invested in Government bonds and generate approximately $2 billion in interest earnings every year.

I propose that we use this excess income and reserve level in FDIC funds to pay for the interest due on FICO bonds, and eliminating the FDIC assessment on banks and thrifts completely. I see no reason to charge these institutions $780 million a year when we have a fund that is growing in far excess of what we need to maintain prudential reserves.

Just imagine what that $780 million accomplish in each of our communities. It is estimated that my bill would make $10 billion of credit available next year. This is $10 billion of new credit that would be available for banks and thrifts to lend. This is money that our financial institutions could lend to a first time home buyer or an individual interested in starting a small business. The opportunities this money could provide are endless.

Put this $780 million to work in your community. Support the FICO Assessment Elimination Act of 1999.

TRIBUTE TO CHARLES McWHIRTER

HON. RALPH M. HALL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. HALL of Texas. Mr. Speaker, I rise today to pay my last respects to an outstanding citizen of the Fourth District of Texas, Charles Olin McWhirter, who died on August 21, 1999.

Mr. McWhirter was born in 1920 in Greenville, TX, and grew up to serve in the Coast Guard during World War II and take part in the D-Day invasion. He was a member of the class of 1942 at Texas A&M University, and that affiliation would become one of his passions in life.

He and his beautiful wife of 55 years, Marjorie Stanley McWhirter, have endowed several scholarships for deserving students who attend Texas A&M, and they have been patrons of the George Bush Presidential Library at Texas A&M. Mr. McWhirter was a sales executive for the General Electric Co. in Dallas for 32 years. He has been totally successful in every venture of his life. Charles McWhirter stood tall for his values and beliefs and will be remembered for his generosity, integrity and love of family.

He is survived by his wife, Marjorie; son Stan and daughter-in-law Pam; grandson Nicholas, a current student at Texas A&M; his sister, Kathleen Rosenberg; and nephews Ernest and Charles Rosenberg.

On a personal note, Mr. Speaker, I would like to add that Charles McWhirter was one of a group of Texas A&M alumnus who got together and voted to accept me as an Honorary Texas Aggie—one of the greatest recognitions I have ever received. I am invited to the annual Musters and will, in fact, be speaking to the Aggie Muster at the Texas A&M at Commerce campus on Friday of this week. As is customary, Charles McWhirter will live again with us on that day—a day that perpetuates the name and memory of all who knew the fellowship, the fraternal love, and the unbelievable spirit of Aggieland.

Mr. Speaker, as we adjourn today, I ask my colleagues to join me in remembrance of Charles McWhirter.

TRIBUTE TO RALPH HETTICK

HON. JOHN SHIMKUS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. SHIMKUS. Mr. Speaker, I rise before you today to express my heartfelt gratitude and admiration for Ralph Hettick. His commitment to the country is demonstrated by his service in the infantry during World War II as well as his continued patriotism.

Born on a farm in Macoupin county, Ralph was drafted to fight in the South Pacific Islands during World War II. Proudly serving his country, he was appointed to a demolition crew which routinely handled heavy explosives to fight enemy soldiers. Ralph returned home after a serious chest injury caused by a Japanese sniper.

Since his service, he has worked in Illinois and raised a wonderful family. He is a member of the American Legion and the Disabled American Veterans. Ralph's patriotism is evident in his constant urging for children to respect the flag and our country. He also generously shares with them his personal experiences and the history of World War II.

I would like to thank Ralph Hettick for being a true example of what a great citizen can do for our country.

IN HONOR OF WILLIAM N. HUBBARD, ESQ.

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mrs. MALONEY of New York. Mr. Speaker, I rise today to pay special tribute to William N. Hubbard, Esq. Mr. Hubbard is an honorable citizen who has worked tirelessly to improve the quality of life for countless New Yorkers.

Among Mr. Hubbard's many contributions to the health and well-being of New York City residents, he cofounded the Environmental Action Coalition and was associated with the New York Urban Coalition's Housing Rehabilitation Task Force.

Mr. Hubbard is chairman and president of Center of Development Corporation and of its predecessor, Center for Housing Partnerships, which he formed in 1971 to revitalize urban neighborhoods.

On December 6, 1999, Mr. Hubbard will be honored by Trees New York for his tremendous advocacy for trees and greening in New

York, reflected in many of his inner city development projects.

Mr. Hubbard served as general counsel to New York State Senator Thomas Bartosiewicz and is a member of the New York State Democratic Advisory Committee. He is a trustee of the Citizens Housing and Planning Council, a director of the State Council on Waterways, and serves on the executive committee of the Association for a Better New York.

Mr. Hubbard is a graduate of Williams College (1963), the London School of Economics (1964), and he holds a law degree from the University of Virginia (1967). He is a former associate of the Wall Street law firm of Thacher, Proffitt, and Wood, and a former trustee and officer of the City Club of New York where he chaired its Housing Committee.

Mr. Speaker, I salute the life and work of Mr. William N. Hubbard and I ask my fellow Members of Congress to join me in recognizing Mr. Hubbard's contributions to the New York community and to our great country.

RECOGNITION OF CLINTON TOWNSHIP DEMOCRATIC CLUB HONOREE HAROLD BREWER

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. BONIOR. Mr. Speaker, over the course of my career in the Congress, I have had the good fortune of knowing some of the most committed and impassioned volunteers. No one has done more than this year's Clinton Township Democratic Club Honoree Hal Brewer. I have known Hal Brewer for twenty years now. Through the course of that time, Hal has proven himself to be one of the most dedicated, reliable, and fun loving volunteers we have ever seen.

Not only has he provided Democrats in the state of Michigan with countless hours of folding, stuffing, labeling, tree bagging, walking, cheering and sign posting, but he has also managed to raise his family with his same ethics and ideals. His son, Mark Brewer, a former intern in my office, has gone on to become the current chair of the Michigan Democratic Party.

Hal's contribution has gone beyond the average work night or volunteer brunch. He has involved himself in every level of government, from helping his township treasurer to driving in Vice Presidential motorcades. Hal knows everybody, and everybody knows Hal. His sharp with and unequaled charm has put Hal on the top of everyone's call list when help is needed.

Please join me today in honoring one of my district's most tireless advocates for democratic ideals. We salute you, Hal Brewer. Your work ethic and civic pride are an inspiration not only to me, but to all who know you.

A TRIBUTE IN HONOR OF LIBERTY TECHNOLOGIES: AN ENTREPRENEURIAL SUCCESS

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. BARCIA. Mr. Speaker, I rise today to pay tribute to Liberty Technologies, Inc., located in my home town of Bay City, Michigan. for nearly twenty years, Liberty Technologies has been a leading community-oriented business and a fine example of entrepreneurial initiative for Michigan's small businesses.

Liberty Technologies was incorporated in 1981 to develop, formulate, blend and distribute environmentally-friendly detergents, sealers and dispensing systems. The company has since evolved into a dynamic small business in Bay City, and now produces such products as the trade-marked "The Best Cleaner in The World—World's Best". This cleaner is environmentally-friendly, biodegradable and non-toxic, characteristics which are goals of many companies that are attempting to redesign products which are less harsh on the environment. The company is also leading the way in innovative technologies, such as its web sites, www.worldsbestcleaner.com and www.quicknkleen.com, and its emphasis on continued research and development. But more importantly, the company has invested in the community. It has donated its products to the annual Bay City Fourth of July Fireworks Festival, Bay County's Created For Caring, which provides for the less fortunate, the Bay Medical Foundation, and many other civic organizations.

Liberty Technologies has been the recipient of a distinguished award. The company received the 1999 Certificate of Merit from the Small Business Association of Michigan, for entrepreneurial experience in developing "products and services that are truly unique and serve a genuine market need." The company's product "The Best Cleaner in The World—World's Best" has been officially recognized by the United States Patent Office.

As this millennium nears to a close, we see that communities across America are becoming more and more successful due to small businesses, and the entrepreneurs who found, oversee and represent these businesses. For many in Bay County, Liberty Technologies serves as just such an example of a local success story.

Mr. Speaker, I invite you and our colleagues to join with me to congratulate Liberty Technologies, for its commitment to the community and for entrepreneurial initiative.

TRIBUTE TO AQUINAS HOUSING CORPORATION

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. SERRANO. Mr. Speaker, it is with joy and pride that I rise to pay tribute to Aquinas Housing Corporation (AHC) which celebrated its 18th anniversary of providing services to the community on Wednesday, November 3, 1999, at the Marina Del Rey restaurant to families in need.

Aquinas Housing Corporation was founded in 1981 by a group of volunteers who understood the need to provide quality transitional housing services to families in need.

Mr. Speaker, over the past 18 years, Aquinas Housing Corporation has sponsored and developed the rehabilitation of 35 buildings, 990 residential units, 104 cooperatives, and 115 two-and three-family homes. By the year 2000, AHC plans to renovate 10 more buildings with 160 additional units for a total of 1,152 decent and affordable rental housing units that were nonexistent prior to AHC's creation.

Along with housing development, AHC provides a full range of social services to the residents of its buildings and community at large. Services offered include an adult job readiness program, a computer learning center, a clothing bank, case management, tenant organizing, neighborhood improvement projects, classes in English as a second language, parenting skills, senior services, a home-based child care resource and referral center, a tree maintenance program, and activities and field trips for youth and seniors.

It is a privilege for me to represent the 16th district of New York where Aquinas Housing Corporation is located, and I am delighted by its success. I have witnessed first-hand the exemplary work they are doing for our community and I am deeply impressed. I applaud the commitment and the efforts of Aquinas Housing Corporation's staff in the assistance they provide to the elderly, and low- and moderate-income families, as well as, in facilitating educational opportunities for our talented youth.

I would like to especially compliment this year's honorees, St. Thomas Aquinas Elementary School, St. Barnabas Hospital, and the Bank Street College of Education Center for Family Support, for their leadership in improving the quality of life in our community.

Mr. Speaker, St. Thomas Aquinas Elementary School, an institution which provides quality and caring instruction to the younger members of the community, will receive the Community Education Award, St. Barnabas Hospital, which offers a wide range of services at both their main facility and their numerous satellites throughout the borough, will receive the Community Health Services Award, and the Bank Street College of Education Center for Family Support will receive the Community Family Support Award.

Mr. Speaker, I ask my colleagues to join me in recognizing the Aquinas Housing Corporation and its staff and in wishing them continued success.

TRIBUTE TO WALTER P. KENNEDY

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. DUNCAN. Mr. Speaker, recently, the United States, and the House of Representatives in particular, lost a true public servant.

On October 24, long-time Sergeant-at-Arms Walter P. Kennedy passed away at the age of 78.

I first met Mr. Kennedy when my father, John J. Duncan, was a Member of this Body. Daddy always had nice things to say about Mr. Kennedy. I, too, found Mr. Kennedy to be a consummate and dedicated member of the House family. He was a fine Christian man who had a special bond with Members on both sides of the aisle.

Mr. Speaker, Walter Kennedy was also a great family man. He and his wife of 53 years, Ana Luisa Bou, raised a family of seven beautiful children, all of whom still live in the Washington area.

Mr. Kennedy also enjoyed success after his service in the House of Representatives. For six years, he served as Chairman and CEO of the Kennedy Group Companies, a consulting and public relations firm based here in Washington, D.C.

Walter Kennedy set an example that we should all try to follow. He was truly a great American and gave tirelessly to many good causes. He was a volunteer for the Boy Scout program for many years and a long-time and dedicated member of the Catholic Church.

Mr. Speaker, I would like to add my condolences and best wishes to the Kennedy family. America has lost a true statesman in this fine man. The United States would be a far better place if we had more men like Walter P. Kennedy.

I submit a copy of Mr. Kennedy's obituary that I would like to call to the attention of my colleagues and other readers of the RECORD.

[Press Release from the Kennedy Companies, Oct. 25, 1999]

RETIRED REPUBLICAN SERGEANT-AT-ARMS, U.S. HOUSE OF REPRESENTATIVES

Walter P. Kennedy, retired Republican Sergeant-at-Arms, U.S. House of Representatives (1950–1993) and a 43 year resident of Bethesda, MD, died on Sunday, October 24, 1999 in the Coronary Intensive Care Unit of the Washington Hospital Center. He was 78.

Born to Thomas Kennedy and Mary Stella McElvogue on February 23, 1921, he was an immigrant with them from Ireland in 1924. He was raised in Paterson, New Jersey.

During World War II, he served in the Army from February 1943 to November 1945. In 1943, as his unit was preparing to deploy, he became a naturalized citizen. He saw combat in France, Germany and Austria as a medic in the 63rd Engineer Battalion, 44th Infantry Division.

After his discharge from the service, he completed his studies at Seton Hall College, in New Jersey and went on to receive a law degree from Georgetown University in Washington, D.C.

He began a 44 year career in the U.S. Congress in 1950 as the chief administrative assistant for the Hon. Gordon Canfield of New Jersey, retiring in 1993 as the Republican Sergeant-at-Arms for the last couple of decades. In his position with Republican Leadership, he served under Charles Haleck, Gerald Ford, John Rhodes and Bob Michel.

Mr. Kennedy's 44 years of Congressional service is significant inasmuch as it represent more than 25% of all the years Congress has been in existence.

Notably, on the day of his retirement, he was honored by the House of Representatives while it was in session with impromptu speeches by many Members.

Subsequent to his retirement, he logged an additional 6 years on Capitol Hill with consulting, political fundraising and public relations through The Kennedy Group Companies of Washington, D.C., for which he was the Chairman and CEO.

Since the death of his father, he had been the patriarch of a big and very close-knit family. He is survived by his wife, Ana Louisa Bou, to whom he was married for more than 53 years, 7 children, Walter P. Kennedy, Jr., Ana L. Kennedy, Thomas F. Kennedy, Dennis M. Kennedy, Stella M. Kennedy-Dall, Kevin J. Kennedy, and Kathleen P. Kennedy McGovern, 4 daughters-in-law and a son-in-law, 12 grandchildren, all who reside in the great Washington, D.C., metropolitan area. He, himself, was the oldest of four children and he is survived by a brother, three sisters, their spouses and children. He was also the brother for two sister-in-laws, Ernestina Bou and Marie Isabel Pelalas.

He was active with the Boy Scouts and the Catholic Committee on Scouting for more than 40 years. Since 1956 he was an active member of Holy Redeemer Roman Catholic Church in Kensington, Maryland, particularly with the Holy Name Society and the Social Concerns Committee. He was an active member and a Knight of the 4th Degree in the Knights of Columbus.

He was a man of leadership and vision, but also, above all else, a good, honest and kind man. Though never losing focus on the future (which he always maintained as promising), he would consider everyone, yet remain vigilant for the underdog.

He was loved deeply by all and he will be greatly missed.

HONORING DR. BARNETT SLEPIAN

HON. RUSH D. HOLT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. HOLT. Mr. Speaker, this past October 23rd marked the one-year anniversary of the death of Dr. Barnett Slepian. Dr. Slepian was an obstetrician-gynecologist who provided birth control and fertility service, delivered babies, and, when needed, performed abortions. One year ago Dr. Slepian was shot through the window of his own home in Buffalo, New York. A year later, the murder of Dr. Slepian still casts a chill on everyone who believes in a woman's right to reproductive freedom.

To this day, I am shocked and saddened by the death of Dr. Slepian. For more than a decade, he had bravely stood up to terrorists threats, never wavering in his commitment to his patients and to women's reproductive health. I salute Dr. Slepian's courage and that of reproductive health care workers across the nation. My heartfelt condolences go out to his family, friends, and colleagues.

A nationwide campaign of violence, vandalism, and blockades is curtailing the availability of abortion services and endangering providers and patients. Since 1993, three doctors, two clinic employees, a clinic escort, and a security guard have been murdered. And although clinic protection laws at the state and federal level have alleviated some forms of violence against abortion clinics, the threats, intimidation, and violence against clinic providers and staff continues. This domestic terrorism hinders access to abortion services and threatens the lives of those dedicated in ensuring a woman's right to choose and therefore, must be stopped.

RECOGNITION OF CLINTON TOWNSHIP DEMOCRATIC CLUB HONOREE ELEANOR TOCCO

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. BONIOR. Mr. Speaker, at the heart of every political organization, is a team of volunteers. Tonight, the Clinton Township Democratic Club honors one of its most active members, Eleanor Tocco. Eleanor Tocco is the water that keeps the grass roots growing. As a retired teacher and member of the Michigan Education Association, Eleanor has organized teachers, both active and retired, to get directly involved in the political process.

Eleanor realized early on that the legislative process has a direct effect on the welfare of teachers, students and education. She has been invaluable—educating not only our children, but also her fellow teachers. Because of Eleanor's outreach, on any given work night or phone bank in the Tenth District, a new teacher will show up. She has brought in educators who would normally have no other interest in the political process, and made them a part of shaping policy.

The idea that your life slows down once you retire was lost on Eleanor. She always seems to be in full gear. Whether it is stuffing a mailing, working a bingo, or directing a project for MEA Local One, Eleanor is always in the middle of it, and is always good for rounding up more volunteers to help out. We can count on her to be outspoken and true to her beliefs—qualities that I greatly respect.

Thank you, Eleanor, for your years of service to your profession and to your chosen party. The Democrats in Macomb County are better organized, better represented, better served for having you among our ranks.

IN MEMORY OF BARBARA KNIPP

HON. RALPH M. HALL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. HALL of Texas. Mr. Speaker, I rise today to pay tribute to a woman who was an outstanding citizen of the Fourth District of Texas—Barbara Alice Knipp of Ladonia, who died on July 3, 1999, at her residence. Barbara was devoted to her community and to her family, and she will be missed by all who knew her.

Barbara was born on April 20, 1921, in English, Red River County, TX, the daughter of Theodore R. and Annie Bell Hunter Duncan. She was a member of Business and Professional Women, worked as a dental assistant and office manager for 34 years, taught at Lawton College of Dentistry at the University of California at Los Angeles (UCLA), and worked in office management and as a consultant. She was president of American Legion Post 247 in Honey Grove and served as fourth district chaplain. She also served as Girls State chairman for Post 247 and Post 17.

In 1993 she married Joseph Daniel Knipp in Wolfe City. She is survived by her husband, son and daughter-in-law Don and Bobbie Callaway; sons Clay, Ray and Bobby Knipp; daughter and son-in-law Joan and Kenneth Alexander; daughter Margaret Manning; sister and brother-in-law Kay and Don Loden; sister-in-law and brother-in-law Bobbie and Sam Smith; 18 grandchildren, 23 great-grandchildren and four great-great-grandchildren. She was preceded in death by her parents, brother Martin Duncan, a baby brother and a son, Kenneth Callaway.

Barbara was a kind and caring person. She was a longtime valued close personal friend to me and my entire family. She loved her family and loved life. Barbara, in her last battle against cancer, fought bravely—as did her husband, J.D., and her entire family. It is for Barbara—and others in the desperate and menacing clutches of cancer, that we continue to fund medical research—and use the bioreactor in the space station to seek answers to cancer, diabetes, heart, and other dreaded diseases. So Mr. Speaker, as we adjourn today, let us do so in memory of Barbara Alice Knipp and her many contributions to the life of her community and to her family.

IN HONOR OF FRANCES LoPRESTO

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mrs. MALONEY of New York. Mr. Speaker, I rise today to pay special tribute to Frances LoPresto. Ms. LoPresto has been a civic activist and pillar of the Queens, New York community for more than 50 years. Ms. LoPresto's dedication and service to neighborhoods all across Queens deserves our recognition. Her years of community leadership serve as a model for future generations.

Ms. LoPresto is a member of the United Community Civic Association (UCCA) of Jackson Heights, New York and is on UCCA's Board of Directors. She is also a Board member of the Kiwanis Club of Jackson Heights. In this leadership position, Ms. LoPresto has initiated the Kiwanis mission of service; to the advancement of individual, community, and national welfare; and to the strengthening of international goodwill.

During the Second World War, Ms. LoPresto joined a national effort to protect against air attacks through the Civil Defense Alert Team. She traveled night after night, in rain, sleet, or snow, to make sure all lights were turned off.

Additionally, Ms. LoPresto has been a District Leader in Astoria, Queens for many years. In this role, she has contributed to community dialogue on issues of public concern and sustained the spirit of civic participation so important to our nation's health and well-being.

Mr. Speaker, I salute the life and work of Ms. Frances LoPresto and I ask my fellow Members of Congress to join me in recognizing her significant contributions to the Queens community and to our great nation.

SENATE—*Wednesday, November 10, 1999*

The Senate met at 9:30 p.m. and was called to oder by the Honorable SUSAN M. COLLINS, a Senator from the State of Maine.

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious God, we thank You for the impact of women on American history. We praise You for our founding Pilgrim Foremothers and the role they had in establishing our Nation, for the strategic role of women in the battle for our independence, for the incredible courage of women who helped push back the frontier, for the suffragettes who fought for the right to vote and the place of women in our society, for the dynamic women who have given crucial leadership in each period of our history.

Today, Gracious God, we give You thanks for the women who serve here in the Senate: for the outstanding women Senators, for women who serve as officers of the Senate, for women who serve in strategic positions in the ongoing work of the Senate, and for the many women throughout the Senate family who glorify You in their loyalty and in their excellence.

Our prayer today, Gracious Lord, is that the role of women in the Senate would exemplify to the American people the importance of the leadership of women in every level of our society.

Thank You, Gracious God. In Your holy name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable WAYNE ALLARD, a Senator from the State of Colorado, led the Pledge of Allegiance, as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. THURMOND].

The bill clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, November 10, 1999.

TO THE SENATE: Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable SUSAN M. COLLINS, a Senator from the State of Maine, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Ms. COLLINS thereupon assumed the Chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

WOMEN IN THE SENATE

Mr. LOTT. Madam President, perhaps my colleagues have already noticed that the Senate seems to be extraordinarily well organized and effective today and there is a reason for that. With apologies from the Chaplain and the majority leader, I think we should note that a significant milestone in the 210-year course of the Senate's history is taking place. Never before has a team composed entirely of women Members and staff opened the day's proceedings. Today's remarkable occasion reminds Members how much the Senate's collective face has changed and improved in recent years.

The Senate has benefited from the service of 27 female Senators since the Honorable Rebecca Felton of Georgia first held that position on November 21, 1922, and particularly since 1932, when Hattie Caraway of Arkansas became the first woman elected to the Senate. While Senator Felton served only 2 days, Ms. Caraway's service continued until 1945, and she became the first woman to chair a Senate Committee.

Another pioneering woman Senator was Margaret Chase Smith of Maine, and the Presiding Officer today, Senator COLLINS, also hails from that State of Maine. Mrs. Smith joined the Senate in 1949 and served until 1973. During her distinguished career, she openly criticized the tactics of fellow Senator Joseph McCarthy in a 1950 speech entitled "A Declaration of Conscience," and became a Presidential candidate in 1964—partially, I believe, because of that famous speech.

Following in these formidable steps was Nancy Landon Kassebaum, now the wife of former Senator and majority leader, Howard Baker of Tennessee. Her nearly 20-year career in the Senate became a model for many women to come. My first few months as majority leader involved a lot of issues but one of them is the now famous Kassebaum-Kennedy bill with regard to portable health issues. She was determined that before she left the Senate she was going to leave an indelible mark, and she did for many reasons but for that piece of legislation in particular.

In January 1993 as the Senators of the 103rd Congress took the oath of office, an unprecedented six women assumed their place on the floor. Since that time, the number of women Senators has grown to nine.

In recent years, the role of women officers has continued to grow, as well. In 1985, Jo-Anne Coe became the first woman to serve as Secretary of the Senate. In 1991, Martha Pope became the first female Sergeant at Arms. In 1995, Elizabeth Letchworth became the first Secretary of the majority for the Republicans and presently still holds that position. Currently, women serve as: Assistant Secretary (Sharon Zelaska), Deputy Sergeant at Arms (Loretta Symms), Assistant Parliamentarian (Elizabeth MacDonough), Official Reporter of Debates (Katie-Jane Teel), Assistant Journal Clerk (Myra Baran), Assistant Legislative Clerk (Kathie Alvarez), Bill Clerk (Mary Anne Clarkson), Assistant Secretary for the Minority (Lula Davis), and Republican Floor Assistant (Laura Martin). They all do a fantastic job, and we appreciate their service so much. They have been involved in a lot of activities in the last year, some of it they would just as soon have been able to miss, but they have done a great job every time they have been called upon.

Over the years, the Senate has changed as an ever-increasing number of women ran for and were elected to public office. Since the end of World War II, there has been a steady increase in the number of women serving this institution as legislative clerks and other appointed officials. This is a historic day and a long time in coming—too long. I am proud it happened under my watch.

To the women in the Chamber today and all of those who serve elsewhere in the Senate, let me take a moment to say thank you and extend my personal best wishes to all of our leaders, women officers of the Senate, and remind people just how much we appreciate their hard work and dedication.

SCHEDULE

Mr. LOTT. Madam President, today the Senate will resume consideration of the bankruptcy reform legislation with up to 4 hours of debate on the Hatch amendment No. 2771 regarding drugs. I must say to my colleagues, this bill is moving very slowly. The Democratic leader and I, TOM DASCHLE, have agreed we would let the amendments go forward and let the Members have an opportunity to work their will, but we also want to get this important legislation passed; our intent is to get it done today. As with other bills, we are going to stick with this. If I have to file cloture to bring it to conclusion, I will do that. I have avoided doing that because I want to show good faith and trust that Senators will stick to the issue and find a way to complete the legislation. We cannot leave it on the sidetrack indefinitely or have it tie up the Senate's time much longer because we have a number of bills we need to pass today, tonight, Friday, or whenever we are going to wrap up this session.

Following the use or yielding back of that debate time on amendment No. 2771, the Senate will proceed to at least three stacked rollcall votes beginning with the Hatch amendment, to be followed with votes on the nominations of Carol Moseley-Braun and Linda Morgan. Those votes are expected to occur between 12 and 1 p.m. at the latest. I hope it can actually occur earlier because we do have some conflicts of which we are trying to be cognizant.

Senators who have amendments pending to the bill or amendments they expect to offer are encouraged to work with the bill's managers so those amendments can be disposed of in a timely manner. I hope a large number of them will be accepted or withdrawn. Senators can expect votes to occur throughout today's session and into the evening.

For the information of all Senators, progress has been made on the appropriations bills. It is hoped the Senate can vote on the remaining appropriations today or early next week. I realize that doesn't please a lot of Senators, but while I think great progress has been made, and I did have occasion to talk to the President a few minutes ago, I think now our biggest problem is just the physical ability to get the paperwork done and the House vote, and then have it come to the Senate and complete action.

However, the Senate has been known to act with lightning speed when it makes up its mind. I hope we can do that this time.

Thanks again to the women officers of the Senate for the work they do and for being here today. I hope we can keep Members in place the rest of the day and we can wrap this up by sundown.

I yield the floor.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, leadership time is reserved.

BANKRUPTCY REFORM ACT OF 1999

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of S. 625 which the clerk will report.

The bill clerk read as follows:

A bill (S. 625) to amend title 11, United States Code, and for other purposes.

Pending:

Kohl amendment No. 2516, to limit the value of certain real or personal property a debtor may elect to exempt under State or local law.

Sessions amendment No. 2518 (to amendment No. 2516), to limit the value of certain real or personal property a debtor may elect to exempt under State or local law.

Feingold amendment No. 2522, to provide for the expenses of long term care.

Hatch/Torricelli amendment No. 1729, to provide for domestic support obligations.

Leahy amendment No. 2529, to save United States taxpayers $24,000,000 by eliminating the blanket mandate relating to the filing of tax returns.

Wellstone amendment No. 2537, to disallow claims of certain insured depository institutions.

Wellstone amendment No. 2538, with respect to the disallowance of certain claims and to prohibit certain coercive debt collection practices.

Feinstein amendment No. 1696, to limit the amount of credit extended under an open end consumer credit plan to persons under the age of 21.

Feinstein amendment No. 2755, to discourage indiscriminate extensions of credit and resulting consumer insolvency.

Schumer/Durbin amendment No. 2759, with respect to national standards and homeowner home maintenance costs.

Schumer/Durbin amendment No. 2762, to modify the means test relating to safe harbor provisions.

Schumer amendment No. 2763, to ensure that debts incurred as a result of clinic violence are nondischargeable.

Schumer amendment No. 2764, to provide for greater accuracy in certain means testing.

Schumer amendment No. 2765, to include certain dislocated workers' expenses in the debtor's monthly expenses.

Dodd amendment No. 2531, to protect certain education savings.

Dodd Modified amendment No. 2532, to provide for greater protection of children.

Dodd amendment No. 2753, to amend the Truth in Lending Act to provide for enhanced information regarding credit card balance payment terms and conditions, and to provide for enhanced reporting of credit card solicitations to the Board of Governors of the Federal Reserve System and to Congress.

Hatch/Dodd/Gregg amendment No. 2536, to protect certain education savings.

Feingold amendment No. 2748, to provide for an exception to a limitation on an automatic stay under section 362(b) of title 11, United States Code, relating to evictions and similar proceedings to provide for the payment of rent that becomes due after the petition of a debtor is filed.

Schumer/Santorum amendment No. 2761, to improve disclosure of the annual percentage rate for purchases applicable to credit card accounts.

Durbin amendment No. 2659, to modify certain provisions relating to pre-bankruptcy financial counseling.

Durbin amendment No. 2661, to establish parameters for presuming that the filing of a case under chapter 7 of title 11, United States Code, does not constitute an abuse of that chapter.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Iowa, Mr. GRASSLEY, is recognized to call up amendment No. 2771 on which there shall be 4 hours of debate equally divided.

The ACTING PRESIDENT pro tempore. Who seeks recognition?

Mr. ASHCROFT addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Missouri.

Mr. ASHCROFT. Madam President, I rise today to speak in support of the amendment offered by Senator HATCH, Senator ABRAHAM, and myself.

This amendment contains the text of S. 486—

AMENDMENT NO. 2771

(Purpose: Relating to methamphetamine and other controlled substances)

The ACTING PRESIDENT pro tempore. If the Senator will suspend, the amendment needs to be offered and the time is under the control of the Senator from Iowa.

Mr. GRASSLEY. Madam President, I ask unanimous consent that I may have 5 seconds for a unanimous consent request after the amendment is offered.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY], for Mr. HATCH, for himself, Mr. ASHCROFT, and Mr. ABRAHAM, proposes an amendment numbered 2771.

Mr. GRASSLEY. I ask unanimous consent that reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(The text of the amendment is printed in the RECORD of Friday, November 5, 1999, under "Amendments Submitted.")

Mr. GRASSLEY. Madam President, I would like to have the Senator from Minnesota have the floor to make a unanimous consent request.

The ACTING PRESIDENT pro tempore. The Senator from Minnesota.

Mr. WELLSTONE. Madam President, I thank my colleague from Iowa. I ask unanimous consent that following the votes, we move to the Kohl amendment, but if there is not agreement to do so, we then move to my amendment No. 2752 which deals with a merger moratorium.

The ACTING PRESIDENT pro tempore. Is there objection to the request? Without objection, it is so ordered.

Mr. WELLSTONE. I thank my colleague from Iowa.

The ACTING PRESIDENT pro tempore. The Senator from Iowa.

Mr. GRASSLEY. I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Missouri is recognized.

Mr. ASHCROFT. I thank the Chair.

I am pleased to have this opportunity to speak in support of an amendment offered by Senator HATCH and by Senator ABRAHAM and by me. This amendment contains the text of S. 486, the

Methamphetamine Antiproliferation Act of 1999. It is a comprehensive antimethamphetamine bill that I am grateful to have the opportunity of saying is built upon what we called DEFEAT Meth legislation that I introduced earlier this year. It reflects a tremendous amount of truly bipartisan work by the members of the Judiciary Committee cooperating to address a threat which was once thought to have been very localized but is a threat now that is literally reaching from sea to sea.

The reason for the level of bipartisan effort, of course, in crafting this bill is the recognition by all involved that it is needed to combat one of the fastest growing threats to America, the explosive problem of methamphetamine. When I say explosive, I do not just refer to the fact that those cooking or producing methamphetamines are using dangerous chemicals that often result in explosions and house fires. It has exploded in terms of growth across our culture, and we need to curtail it.

Today we are blessed and privileged to live in a period of great national prosperity, but with prosperity sometimes comes apathy or complacency. Unfortunately, this is the perfect breeding ground for drug abuse. Worse still, apathy and complacency not only foster drug abuse, they hamper our society's ability to combat drug abuse and other social ills. We have not been combating drug abuse effectively enough as a culture, and for that reason we have been working on this measure to increase and elevate our effectiveness against this most dangerous of drugs.

As I have noted many times before, under this administration we have been backsliding in the war against drugs. Marijuana use by 8th graders has increased 176 percent since 1992, and cocaine and heroin use among 10th graders has more than doubled in the last 7 years. And now we need to add to these failings the burgeoning epidemic of methamphetamines.

Methamphetamines have had their roots on the west coast and for a long time in other parts of the country, but the epidemic has now exploded in middle America. Meth in the 1990s is what cocaine was in the 1980s and heroin was in the 1970s. It is currently the largest drug threat we face in my home State of Missouri. Unfortunately, it may be coming soon to a city or town near you. If you wanted to design a drug to have the worst possible effect on your community, you would probably design methamphetamine. It is highly addictive, highly destructive, cheap, and it is easy to manufacture.

To give you an idea of the scope of the problem, in 1992 law enforcement seized 2 clandestine meth labs in my home State of Missouri; by 1994, there were 14 seizures; by 1998, there were 679 clandestine meth lab seizures in the State of Missouri alone.

When we talk about a clandestine meth lab, we are talking about a place where people are making or manufacturing methamphetamines. Based on the figures collected so far this year, however, the number will jump again this year to over 800 meth labs to be seized in the State of Missouri.

Let us put that in perspective: 2 in 1992, 800 in 1999. By any definition, this is a problem that commands our attention. And with this growth have come all kinds of difficult challenges and problems. As meth use has increased, domestic abuse, child abuse, burglaries, and meth-related murders have also increased. From 1992 to 1998, meth-related emergency room incidents increased 63 percent.

What is most unacceptable is that meth is ensnaring our children. In 1997, the percentage of 12th graders who used meth was double the 1992 level. In recent conversations I have had with local law enforcement officers in Missouri, they estimate that as many as 10 percent of high school students know the recipe for methamphetamines. In fact, one need only log onto the Internet to find scores of web sites giving detailed instructions about how to set up your own meth lab or production facility. This is unacceptable.

We in the Congress have taken these indicators seriously. In the past two appropriations cycles, we have appropriated $11 million and then $24.5 million for the drug enforcement administration to train local law enforcement officials in the interdiction, finding, discovering, and then cleaning up of methamphetamine labs.

Despite these appropriations, the meth problem continues to grow. I believe it is time we dedicate more resources to stopping this scourge once and for all. So that is why I am so committed to passing S. 486, the Methamphetamine Antiproliferation Act of 1999, as part of this bill.

This amendment provides the necessary weapons to fight the growing meth problem in this country, including the authorization of $5.5 million for DEA programs to train State and local law enforcement in techniques used in meth investigation. There is $9.5 million for hiring new Drug Enforcement Administration agents to assist State and local law enforcement in small and midsized communities. There is $15 million for school and community-based meth abuse and addiction prevention programs; $10 million for the treatment of meth addicts; and $15 million to the Office of the National Drug Control Policy to combat trafficking of meth in designated high-intensity drug trafficking areas which have had great success in Missouri and the Midwest in bringing attention to, focus upon, and eradication of the methamphetamine problem.

This bill also amends the sentencing guidelines by increasing the mandatory minimum sentences for manufacturing meth and significantly increasing mandatory minimum sentences if the offense created a risk of harm to the life of a minor or an incompetent.

As I have traveled across my own State of Missouri, I have learned about cases where methamphetamines were being produced in the presence of children—children contaminated chemically by the processes and the byproducts of meth production. It is time we make a clear statement that we will not sacrifice our children on the altar of methamphetamine production. We must have serious increased, mandatory minimum sentences for putting at risk the life of a child in the creation and development of methamphetamines.

Furthermore, the amendment includes meth paraphernalia in the Federal list of illegal paraphernalia.

For a long time, drug paraphernalia relating to other serious drug scourges has been outlawed. The maintenance or development of, and the utilization of paraphernalia in those settings has been inappropriate and wrong. Now we are going to add meth paraphernalia to that Federal list of illegal paraphernalia.

By focusing on reducing the supply through interdiction and punishment, we will make some progress, but that progress is not enough. The amendment authorizes substantial resources for education and prevention targeted specifically at the problem of meth. As I said earlier, law enforcement in Missouri tells me 10 percent of the high school students know the recipe for meth. I want 100 percent of the high school students to know that meth is the recipe for disaster.

Meth presents us with a formidable challenge. We have faced other challenges in the past, and we can face this challenge as well. In fact, the history of America is one of meeting challenges and surpassing people's highest expectations. Meth is no exception. All it will take is that we marshal our will and we channel the great, indomitable American spirit. If we focus our energy on this problem, we can add substantially to the safety and to the health and to the future and opportunities for our young people. Through legislative efforts like this amendment, we will meet this new meth challenge and defeat it, and I urge Members of this body to work hard to make sure this effort to defeat meth becomes a part of the law.

I yield the floor.

The PRESIDING OFFICER (Mr. ALLARD). The Senator from Utah.

Mr. WELLSTONE. If my colleague will yield for 1 second, I ask unanimous consent that following the Senator from Utah and the Senator from Vermont, I may then speak on this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, I rise to offer an amendment on behalf of myself, Senators ASHCROFT, ABRAHAM, HUTCHINSON, HELMS, GRAMS, and ALLARD that contains new and responsible measures aimed primarily at curbing the manufacturing, trafficking, and abuse of methamphetamine, a destructive drug that is sweeping across our country. We must act now to stop this plague before it destroys the lives of many of our fellow citizens.

I hope that the administration will take advantage of this legislation and finally begin, in its seventh year, to take serious steps to enforce our drug laws. Sadly, the Clinton-Gore administration has failed miserably at keeping drugs away from our youth. The administration recently boasted that reported illicit drug use by children 12 to 17 years of age is down this year. What the administration is trying to conceal, however, is that, since it took office, drug use among this same group of children more than doubled. Even with the current dip, the rate is still nearly twice what it was when President Clinton and Vice-President GORE took office. America's history of fighting illegal drugs has been long and tiring, but with so many Americans' lives being ruined by this drug, now is not the time to give up—it is a time to fight smarter and harder.

This amendment will provide law enforcement with several effective tools, including proven prevention and treatment programs, that will help us turn the tide of proliferation of methamphetamine use. A significant portion of this amendment reflects language that was passed unanimously in the Judiciary Committee earlier this year. This language, which enjoyed the sponsorship of Senators LEAHY, ASHCROFT, FEINSTEIN, DEWINE, BIDEN, GRASSLEY, THURMOND, and KOHL, represented a bipartisan effort to combat methamphetamine manufacturing and trafficking in America.

Methamphetamine, also known on the streets as "meth," "speed," "crank," "ice," and "crystal meth," is a highly toxic and addictive stimulant that severely affects the central nervous system, induces uncontrollabe, violent behavior and extreme psychiatric and psychological symptoms, and eventually leads some of its abusers to suicide or even murder. Methamphetamine, first popularized by outlaw biker gangs in the late 1970's, is now being manufactured in makeshift laboratories across the country by criminals who are determined to undermine our drug laws and profit from the addiction of others.

So what can we do about the problem? Three years ago, I authored, and Congress passed, the Methamphetamine Control Act of 1996. This legislation, which also enjoyed bipartisan support, aimed at curbing the diversion of commonly used precursor chemicals and mandated strict reporting requirements on their sale. This law has allowed the DEA, along with the help of industry, to stop large quantities of precursor chemicals from being purchased in the United States and being used to manufacture methamphetamine. But, as the methamphetamine problem continues to grow, more can and should be done to help law enforcement uncover, arrest, and hold accountable those who produce this drug.

The methamphetamine threat differs in kind from the threat of other illegal drugs because methamphetamine can be made from readily available and legal chemicals, and because it poses serious danagers to both human life and the environment. According to a report prepared by the Community Epidemiology Work Group, which is part of the National Institute on Drug Abuse, methamphetamine abuse levels "remain high . . . and there is strong evidence to suggest this drug will continue to be a problem in west coast areas and to spread to other areas of the United States." The reasons given for this ominous prediction are that methamphetamine can be produced easily in small, clandestine laboratories, and that the chemicals used to make methamphetamine are readily available.

This threat is real and immediate, and the numbers are telling. According to the Drug Enforcement Administration—DEA, the number of labs cleaned up by the administration has almost doubled each year since 1995. Last year, more than 5,500 amphetamine and methamphetamine labs were seized by DEA and State and local law enforcement officials, and millions of dollars were spent on cleaning up the pollutants and toxins created and left behind by operators of these labs. In Utah alone, there were 266 lab seizures last year, a number which elevated Utah to the unenviable position of being ranked third in the Nation for highest per capita clandestine lab seizures.

The problem with the high number of manufacturing labs is compounded by the fact that the chemicals and substances utilized in the manufacturing process are unstable, volatile, and highly combustible. The smallest amounts of these chemicals, when mixed improperly, can cause explosions and fires. And of course, most of those operating methamphetamine labs are not scientists, but rather unskilled criminals, who are completely apathetic to the destruction that is inherent in the manufacturing process. It is even more frightening when you consider that many of these labs are found in residences, motels, trailers, and even automobiles, and many are operated in the presence of children.

I will never forget the tragedy of the three young children who were burned to death when a methamphetamine lab, operated by their mother in a trailer home in California, exploded and caught fire, as reported in an article: "Meth Madness: Home deaths ruled felony murder," in the San Diego Union Tribune, 11/30/96. I honestly do not know which is worse: using methamphetamine or manufacturing it. Either way, methamphetamine is killing our kids.

Another problem we face is that it doesn't take a lot of ingenuity or resources to manufacture methamphetamine. This drug is manufactured from readily available and legal substances, and there are countless Internet web sites that provide detailed instructions for making methamphetamine. Anyone who has access to the Internet has access to the recipe for this deadly drug. In fact, one pro-drug Internet site contains more than 70 links to sites that provide detailed information on how to manufacture illicit drugs, including methamphetamine.

Let me take a moment to highlight some of the provisions of this amendment that will assist Federal, State, and local law enforcement in preventing the proliferation of methamphetamine manufacturing in America.

This amendment will bolster the DEA's ability to combat the manufacturing and trafficking of methamphetamine, by authorizing the creation of satellite offices and the hiring of additional agents to assist State and local law enforcement officials. More than any other drug, methamphetamine manufacturers and traffickers operate in small towns and rural areas. Unfortunately, rural law enforcement agencies often are overwhelmed and in dire need of the DEA's expertise in conducting methamphetamine investigations. In addition, this amendment will assist State and local officials in handling the dangerous toxic waste left behind by methamphetamine labs.

Another important section of the bill will help prevent the manufacture of methamphetamine by prohibiting the dissemination of drug recipes on the Internet. As mentioned earlier, there are hundreds of sites on the Internet that describe how to manufacture methamphetamine. These step-by-step instructions will be illegal under this bill if the person posting the information or the person receiving the information intends to engage in activity that violates our drug laws.

In 1992, Congress passed a law that made it illegal for anyone to sell or offer for sale drug paraphernalia. This law resulted in the closing of numerous so-called "head shops." Unfortunately, now some merchants sell illegal drug paraphernalia on the Internet. This bill will amend the anti-drug paraphernalia statute to clarify that the ban includes Internet advertising for the sale of controlled substances and drug paraphernalia. The provision will also prohibit a web site that does not sell drug paraphernalia from allowing other sites that do from advertising on its web site.

This amendment contains many references to the drug amphetamine, a lesser-known, but no-less dangerous drug. Other than for a slight difference in potency, amphetamine is manufactured, sold, and used in the same manner as methamphetamine. And, amphetamine labs pose the same dangers as methamphetamine labs. Indeed, every law enforcement officer with whom I have spoken agreed that the penalties for amphetamine should be the same as those for methamphetamine. For these reasons, this amendment seeks to equalize the punishment for manufacturing and trafficking the two drugs.

To counter the dangers that manufacturing drugs like methamphetamine inflict on human life and on the environment, this amendment imposes stiffer penalties on manufacturers of all illegal drugs when their actions create a substantial risk of harm to human life or to the environment. The inherent dangers of killing innocent bystanders and contaminating the environment warrant a punitive penalty that will deter criminals from engaging in the activity.

This amendment also seeks to keep all drugs away from children and to punish severely those who prey on our children, especially while at school away from their parents. Indeed, studies indicate that drug use goes hand in hand with poor academic performance. To this end, this amendment would increase the penalties for distributing illegal drugs to minors and for distributing illegal drugs near schools and other locations frequented by juveniles. The amendment also would require school districts that receive Federal funds to have policies expelling students who bring drugs on school grounds either in felonious quantities or with an intent to distribute in the same manner as students who bring firearms to school. Additionally, this amendment would allow school districts to use Federal education funds to provide compensation and services to elementary and secondary school students who are victims of school violence as defined by state law.

While we know that vigorous law enforcement measures are necessary to combat the scourge of illegal drugs, we also recognize that we must act to prevent our youth from ever starting down the path of drug abuse. We also must find ways to treat those who have become trapped in addiction. For these reasons, the amendment contains several significant prevention and treatment provisions.

Arguably, the most important treatment provision in this amendment offers an innovative approach to how opiate-addicted patients can seek and obtain treatment. As science and medicine continue to make significant strides in developing drugs that promise to make treatment more effective, we must pave the way to ensure that these drugs can be prescribed in an effective manner and in an appropriate treatment setting. Indeed, this provision does exactly this, by fostering a decentralized system of treating heroin addicts with the new generation of anti-addiction medications that are under development.

By cutting the existing redtape that serves as a substantial disincentive for qualified physicians to treat drug addicts, this amendment acts as a spur for private sector pharmaceutical firms, working in close partnership with academic and government researchers and the drug abuse treatment community, to develop the next generation of anti-addiction medications for opiate addicts. This new system to treat heroin addicts can also act as a model that can be expanded in the future, as anti-addictive medications are developed, to encompass the treatment of other forms of drug addiction.

I want to commend Senators LEVIN, BIDEN, and MOYNIHAN who have worked tirelessly with me in the best spirit of bipartisanship to bring about not just this measure but also to bring about the day in the future that this new treatment paradigm becomes the norm for treating patients addicted to drugs. I also want to recognize the efforts of the experts at the Departments of Justice and Health and Human Services for providing their views on this measure.

Learning how to treat drug addiction is an essential component in America's battle to conquer drug abuse. I am proud to have worked with my colleagues in creating this new approach that undoubtedly will improve the ability for many to obtain successful treatment.

I also support the provision of this amendment that contains the Powder Cocaine Sentencing Act of 1999. This measure strengthens Federal law by increasing the penalties against powder cocaine dealers by reducing from 500 to 50 grams the amount of powder cocaine a person must be convicted of distributing in order to receive a mandatory 5-year minimum sentence in Federal prison. By increasing the penalty for powder cocaine offenses, this measure fairly and effectively reduces the sentencing disparity between powder and crack cocaine.

It is important to our criminal justice system that the disparity in sentences between powder and crack cocaine be reduced. Many people whom I respect, including law enforcement officials and academics, believe that the harsher penalties for crack cocaine generally unfairly affect minority Americans and the poor. Senator SESSIONS, whom I admire a great deal, was an accomplished Federal prosecutor for 12 years. He believes passionately that Congress should reduce the disparity in sentences between powder and crack cocaine. While my own solution for reducing the disparity differs somewhat from that suggested by Senator SESSIONS, he offers a prominent example of an experienced prosecutor who believes that this disparity should be reduced.

This legislation will reduce the differential between the quantity of powder and crack cocaine required to trigger a 5-year mandatory minimum sentence from 100 to 1 to 10 to 1—the same ratio proposed by the administration. But, this legislation will accomplish that goal—not by making sentences for crack cocaine dealers more lenient—but rather by increasing sentences for powder cocaine dealers. We should not reduce the Federal penalties for crack cocaine dealers. It would send absolutely the wrong message to the American people, especially given the disturbing increase in teenage drug use during much of the Clinton administration.

This measure is the right approach at the right time. I commend Senator ABRAHAM for his tireless efforts in this matter. Reducing the disparity between crack and powder cocaine will help maintain the confidence of all Americans in the Federal criminal justice system and will provide more appropriate punishment for powder cocaine violations.

The amendment I have offered also contains a provision that requires the FBI to prepare a report assessing the threat posed by President Clinton's grant of clemency to FALN and Los Macheteros terrorists. As is now well known, the grant of clemency freed terrorists belonging to groups that openly advocate a war against the United States and its citizens. And, the FALN and Los Macheteros—including the clemency recipients—have actively waged such a war by, among other acts, planting more than 130 bombs in public places, including shopping malls and restaurants. Those bombs killed several people, maimed others, and destroyed property worth millions of dollars.

Over the past several months, the Judiciary Committee has sought answers to the many questions raised by the President's clemency grant. Unfortunately, we have been repeatedly stymied by this administration's decision to deploy Executive privilege as a shield against public accountability. Despite this stonewalling, the committee's investigation has led to the troubling conclusion that the release of these individuals may well have increased the risk of domestic terrorism posed by the FALN and Los Macheteros. This amendment insures that the FBI can fully assess this risk, and that the Congress and the American people are fully apprised of the FBI's findings.

In conclusion, I believe that this amendment contains many tools essential to our struggle against illegal drug manufacturing and use. We can defeat those who make and sell illicit drugs, and we must fight this plague for the sake of our children and grandchildren. Drug use is a poisonous, nationwide epidemic; it is a battle we must fight until we have succeeded. I urge my colleagues to support this amendment.

I yield the floor.

The PRESIDING OFFICER (Mr. GRAMS). The Senator from Vermont.

Mr. HATCH. Will the Senator yield for a moment?

Mr. LEAHY. Of course.

Mr. HATCH. Mr. President, I ask unanimous consent that Senators HUTCHINSON, HELMS, ALLARD, and GRAMS be added as original cosponsors of the Hatch-Ashcroft-Abraham drug amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. With the distinguished Senator from Utah and the distinguished Senator from Iowa here, I ask unanimous consent to be able to proceed not on the amendment but on the bill for certainly not to exceed 12 minutes, just to let everybody know where we are.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. I understand this time is not coming out of the time of either side, just so people understand.

Mr. President, yesterday we made some progress on the bill and were able to clear 22 amendments to improve it. Those were amendments offered by both Democrats and Republicans. Senator TORRICELLI, the ranking member of the appropriate subcommittee, and I have been working in good faith with Senator GRASSLEY, the chairman of the appropriate subcommittee, and Senator HATCH, the chairman of the full committee, to clear amendments We will try to make some more progress on amendments today.

I thank the Senator from Iowa and the Senator from Utah for their willingness to accept my amendment to provide that the expenses needed to protect debtors and their families from domestic violence is properly considered in bankruptcy proceedings. Domestic violence remains a serious problem in our society. We need to do all we can to protect victims and potential victims of domestic violence.

Some of the other amendments we accepted are also quite important. For example, we improved the bill by accepting an amendment offered by Senators GRASSLEY, TORRICELLI, SPECTER, FEINGOLD, and BIDEN, giving bankruptcy judges the discretion to waive the $175 filing fee for chapter 7 cases for debtors whose annual income is less than 125 percent of the poverty level. Bankruptcy is the only civil proceeding that in forma pauperis filing status is not permitted. This amendment corrects that anomaly.

We also accepted a Feingold-Specter amendment which improves the bill by striking the requirement that a debtor's attorney must pay a trustee's attorney's fees if the debtor is not "substantially justified" in filing for chapter 7. The bill's current requirement that a debtor's attorney must pay a trustee's attorneys' fees could chill eligible debtors from filing chapter 7 because they could fear they would have to pay future attorney's fees. This is something we had tried to correct when the committee considered the bill. I am glad we have finally done so.

I commend Senators who came to the floor on Friday and Monday and yesterday to offer their amendments. Despite only 4 hours of debate on Friday, and 4 hours on Monday, and, of course, yesterday we had our party caucuses, and we had extended debate on two nongermane, nonrelevant amendments on other matters, Senators from both sides of the aisle have offered 49 amendments to improve the bill. And we disposed of 27 of those so far in this debate.

I hope all Senators with amendments will continue to come to the floor today to offer their relevant amendments.

But unfortunately, while we continue to make progress on the underlying bill in some regards, the Senate's two votes rejecting important amendments offered by Senators DURBIN and DODD were missed opportunities to improve the bill.

Senator DURBIN's amendment would have allowed us to confront predatory lending practices. Senator DODD's would have provided some restraint on the virtually unrestrained solicitation of young people by the credit card industry.

I spoke earlier about the Austin Powers credit card campaign. Kids going into the movie theater to see "Austin Powers" were given a chance to get a credit card with a long credit line and get a free Coke, too, if they wanted, but they could also end up with 10-, 25- and almost 30-percent interest payments. I think many who got that suddenly found it was the most expensive soft drink they ever got at a movie.

These are the practices on which we ought to put some limits. It does not help when the credit card companies come here crying crocodile tears that these children they have given credit cards to suddenly actually used them and have run up huge debts, or the people who have been given unrestrained credit cards actually use them and have run up huge debts. So I commend Senators DURBIN and DODD for their amendments. We actually should have accepted both of them.

Most importantly, yesterday the Senate took several actions that will make it much harder to enact bankruptcy reform legislation. The Senate rejected the Kennedy amendment to provide a real minimum-wage increase and, on a virtually party-line vote, chose to adopt an amendment that includes special interest tax breaks that are not paid for, under the guise of being a real increase in the minimum wage, when in fact it is not.

The President has now promised to veto the bill if it reaches his desk in this form. He noted that the Republican majority used its amendment "as a cynical tool to advance special interest tax breaks," which it was.

The Senate's actions yesterday in these regards were both unfortunate and unwise.

I ask unanimous consent that this morning's editorial from the Washington Post about the bankruptcy bill and the Senate's action yesterday be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, November 10, 1999]

WHAT BANKRUPTCY BILL?

The Senate spent much of yesterday debating and coming to wrong conclusions on the minimum wage and tax cuts. It intended then to debate propositions having to do with school aid, agribusiness, drug policy and the future of East Timor. Under an agreement between the parties, the results of these deliberations were to be attached as amendments or political ornaments, take your pick, to an underlying bill that would significantly tighten bankruptcy law. But very little debate seemed likely on the bill itself, and that is wrong. Aside perhaps from the minimum wage, the underlying bill is more important than the ornamentation. In several respects it is defective and has the potential to do serious harm.

The question in bankruptcy law is always the same: how to achieve a balance between society's interests in seeing that people pay their debts and the need to prevent debtors from being permanently ruined by them. The strong economy in recent years, together with competition in the credit card industry, has produced a sharp increase in consumer use of credit. There has been a related spike, now perhaps subsiding, in bankruptcies. The bill seeks to make sure that people don't take undue advantage of the bankruptcy laws—that those who can reasonably be expected to pay at least a part of their debts aren't excused entirely. That's plainly fair, and there seems to be broad agreement that the law need some toughening. But critics, including the administration and a number of civil rights groups, believe the legislation tilts too far.

There are multiple issues, but basically the administration would make it easier for people at or below the median income to qualify for the kind of bankruptcy in which most debts are excused, and harder for creditors to dislodge them. The administration would also like to impose additional disclosure and other requirements on credit card companies, whose blandishments it believes are partly responsible for the current problem.

But the House already has passed by a veto-proof 313 to 108 an even tougher bankruptcy bill, and the complexity of the issues together with the impatience of the Senate

> leaves the administration in a weak position. The Senate yesterday voted along party lines for a slower minimum wage increase than the president wants, together with a costly and regressive tax cut. He says he'll veto a bankruptcy bill to which those are attached, as, at least in the case of the tax cut, he should. What he'll do if eventually the bankruptcy bill is sent to him separately is unclear.
>
> What Congress should do, before it sends him the bill, is make sure that in the name of financial responsibility it doesn't unduly squeeze people who, because of job loss, family breakup, medical bills, etc. can't help themselves. It isn't clear that in the episodic legislative process thus far that balance has been achieved.

Mr. LEAHY. In addition to those provisions adopted yesterday, I want to raise again the question of the costs and the burdens of this bill. We have not talked here about the costs of this bill. But according to the Congressional Budget Office—and this is what everybody watching who is interested in this debate ought to stop and ask themselves: Is this an improvement in our bankruptcy laws or are the taxpayers going to pay for it?

According to the Congressional Budget Office, the bill reported by the Judiciary Committee will cost hundreds of millions of dollars. The cost to the Federal Government, estimated by CBO, is at least $218 million over the next 5 years.

Much of the cost will be borne by our bankruptcy and Federal courts without any provision to assist them in fulfilling the mandates of this bill. Dockets are already overcrowded in our bankruptcy courts. We are not providing new judges. We are now suddenly telling those bankruptcy judges and Federal judges to carry an even heavier burden, but we will not give them additional resources. As a practical matter, somebody is going to have to pay. We are going to have to pay because the courts will get so clogged, the reaction will be to improve that, and we will have to pay for that.

We have to ask, who are the principal beneficiaries? Right now, they are the companies that make up the credit industry. I searched high and low in the bill for the provisions by which these companies are asked to pay for these mandates that benefit them or even contribute to the costs and burdens of the bill, a bill that they support. If they are getting these huge benefits, are they required to pay anything for them? They are not. I can find no provisions by which credit card companies and others who expect to receive a multibillion-dollar windfall from this bill will have to pay the added costs of this measure.

Investing a couple hundred million of taxpayers' money to make several billion dollars for the credit card industry might seem to be a good business investment but not if the taxpayers have to pick up the bill to hand over a multibillion-dollar benefit to the credit card companies.

In addition to these costs to the Federal Government, there are the additional mandates imposed on the private sector. We keep saying how we want to keep Government off the back of the private sector. In fact, CBO estimates the private sector mandates imposed by just two sections of the bill will result in annual increased costs of between $280 million and $940 million a year. Are we willing to tell the private sector that with this bill we are, in effect, putting a tax on them of $280 million to $940 million a year, which over 5 years will amount to between $1.4 billion and $4.7 billion to be borne by the private sector? If we vote for this bill, are we going to tell them we just gave that kind of a tax increase to them?

The CBO estimate explains these costs are likely to be borne by the bankruptcy debtors, thereby "reducing the pool of funds available to creditors." You pay at the beginning or you pay in the end, but you are going to pay.

So all in all, this amounts to a bill of an estimated cost over 5 years of $5 billion to be borne by taxpayers and debtors so the credit industry can pocket another $5 billion. Not a bad day's work by the credit industry lobbyists but not a good result for the American people. They are going to be happy if they get the American taxpayers to give them $5 billion just like that. They ought to be awfully happy.

I asked last Friday that those who are proposing this bill to come forward and answer the simple question I posed then: What language in the bill guarantees that any savings from this bill will be passed on to consumers? I continue to ask whether credit card interest rates will be reduced by any savings created by this bill. Certainly the 25- to 26- and 27-percent interest rates ought to be reduced. I continue to ask whether credit fees will be reduced by any savings generated by provisions of this bill. I continue to ask how the $400 per American family the proponents of the bill estimate will be saved by provisions of this bill are going to get to these families. Everybody says we are saving money for the American families. So far all I see is a $5 billion transfer from those American families to the credit card industry.

I haven't heard or seen any answers to those basic questions. I think those who say this is going to benefit the American public ought to be more specific. CBO doesn't see it that way. They see a great transfer from the American public to one industry. For all that I can see, any savings generated by this bill will be gobbled up in windfall profits for the credit industry, without any guarantee of benefits for working people, and with a $1 billion per year out-of-pocket cost to taxpayers and those in the bankruptcy system.

Mr. President, I understand time will now go back on the amendment. I think we had a unanimous consent request at this point that when we went back on the bill, the Senator from Minnesota was going to be recognized.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I understand my colleague from Michigan has wanted to propound a unanimous consent request.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. ABRAHAM. Mr. President, apparently a UC had been entered into which had set in order speakers through Senator WELLSTONE. I know Senator ALLARD and I have been here for some time. I noticed Senator KENNEDY has joined us. We were hoping we might come up with another UC which would ensure continuing order in terms of the speakers; ideally, the order in which we have been here. If that is possible, I would appreciate it. Therefore, that leads me to propose that following the speech of Senator WELLSTONE, if we might then proceed in an order in which I would be allowed to speak next, followed by Senator ALLARD, followed by Senator KENNEDY, if that is possible. If it is not, we would be open to adjusting that. I am not sure how.

Mr. KENNEDY. Reserving the right to object, I prefer not to.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. What was the general time? I was just trying to conclude. I was going to be probably 10 or 15 minutes. If I thought that the two Senators will be finished shortly after 11, that is fine.

Mr. ABRAHAM. Mr. President, I have no idea how long the Senator from Minnesota will be speaking. I will be speaking approximately 15 minutes.

Mr. ALLARD. I anticipate somewhere around 7 or 8 minutes for my remarks.

Mr. KENNEDY. That would be fine.

The PRESIDING OFFICER. Is there objection to the request?

Mr. LEAHY. Reserving the right to object, and I shall not, I want to make sure I understand. Senator WELLSTONE, Senator ABRAHAM, Senator ALLARD, and then Senator KENNEDY, and then, perhaps after that, we would go back and forth. The Senator from Vermont is going to want to speak on the amendment at some point, too.

The PRESIDING OFFICER. Does the Senator from Vermont wish to add himself to the sequence?

Mr. LEAHY. Why don't I add myself after the Senator from Massachusetts. I assure the Senator from Iowa, if he wishes to speak at that point, I will yield first to him.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABRAHAM. I have no objection to that.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I have listened to my colleagues discuss this amendment. I want to zero in on what is the poison pill provision of this amendment—no pun intended.

The cocaine provision in the Republican drug amendment to the bankruptcy bill would raise powder cocaine penalties to unacceptably high levels, forcing jail overcrowding without offering any concrete solutions to drug addiction. That is the fundamental problem. In short, as much affection as I have for my colleague from Michigan and others, I think this provision is a disaster.

The authors say they want to fix racial disparities in crack sentencing by establishing tougher sentences for low-end powder cocaine offenders. In practice, this is going to make the disparities worse. That is the problem. This provision capitalizes upon the common misperception that powder cocaine is principally a "white drug." It seeks to neutralize complaints of racism in the heavy sentences meted out almost exclusively to African American defendants for crack cocaine offenses. In reality, this provision will only worsen the problem of gross overrepresentation of minorities in prison for drug offenses. To the existing flood of young minority males serving draconian sentences for nonviolent low-level crack offenses, it will simply do the same for minor powder cocaine offenses.

Only low-end cocaine defendants will have their sentences changed under the Republican proposal. The sentence for a participant in a 50-gram powder transaction will more than double from 27 months to 5 years. Further, the Sentencing Commission's mandate will require it to make comparable increases for lesser quantities. Yet the Commission has documented that as with crack, such low-level street dealers—and these are the ones who are going to be affected by this—of powder cocaine are "primarily poor, minority youth, generally under the age of 18." And overall, minorities constitute over three-quarters of all current powder defendants. They also found that over half of the Federal powder defendants are couriers or mules or lookouts—categories with the lowest income and lowest culpability and the highest representation of minorities. This amendment doesn't go after the kingpins. This amendment, again, is going to have a disproportionate impact on minorities, on kids, on the young and on the poor.

I use this as an example. I am not trying to pick on the students. College students at Yale or Harvard who suffer from substance abuse or sell cocaine out of their dorm rooms will not go to jail under this provision. I have no doubt about that. Instead, the vast majority will once again be low-income African American and Hispanic males.

I want to read from a statement before the Judiciary Committee—this is not my argument—from 27 former U.S. attorneys who now sit as judges on the Federal court:

> Having regularly reviewed presentence reports in cases involving powder and crack cocaine, we can attest to the fact that there is generally no consistent, meaningful difference in the type of individuals involved. At the lower levels, the steerers, lookouts, and street-sellers are generally impoverished individuals with limited education whose involvement with crack rather than powder cocaine is more a result of demand than a conscious choice to sell one type of drug rather than another. Indeed, in some cases, a person who is selling crack one day is selling powder cocaine the next.

By raising powder cocaine penalties, the amendment reduces the gulf in sentencing between the two drugs, but it doesn't solve the underlying problem. The real problem is that crack penalties are way out of proportion to those of other drugs. You are basically trying to argue that two wrongs make a right, and they don't. Reducing the trigger quantity for a 5-year mandatory minimum sentence for powder cocaine makes the penalties for both forms of cocaine disproportionately severe compared to other drugs. The same U.S. attorneys say they "disagree with those who suggest that the disparity in treatment of powder and crack cocaine should be remedied by altering penalties relating to powder cocaine."

I emphasize this in the former U.S. attorneys' quote:

> The penalties for powder cocaine . . . are severe and should not be increased.

Mr. President, we need to stop and ask ourselves, what are we doing here? If the trigger amount for powder is lowered, almost 10,000 addicts and small-time drug users will be added to the prison population over the next 10 years. That is what we are doing with this amendment. The Bureau of Prisons will have to build six new prisons just to house these people. This will be at a cost to taxpayers of approximately $2 billion. In the next 20 years, the cost will escalate to over $5 billion, and in 30 years it will be $10.6 billion.

Haven't we learned yet that jails and prisons are not the sole answer? There are more than 1.5 million people incarcerated in State and Federal prisons and local jails around the country. Another 100,000 young people are confined in juvenile institutions. These numbers have tripled in the past two decades. On any given day, one out of every three African American men in their twenties is either in prison, in jail, on probation, or on parole. I remember reading in the paper that there are more African American men in their twenties—far more—in the State of California in prison than are in college.

We have one of the largest prison populations in the world. If more prisons were the sole solution to the problems of drugs and crime, then we should be among the least addicted, safest countries on Earth.

Being "tough on drugs" makes for a great stump speech, but we also ought to be smart, and we need to be smart. A landmark study of cocaine markets by the conservative Rand Corporation found that, dollar for dollar, providing treatment for cocaine users is 10 times more effective than drug interdiction schemes. A recent study by the Substance Abuse and Mental Health Services Administration, SAMHSA, has indicated that 48 percent of the need for drug treatment, not including alcohol abuse, is unmet in the United States—48 percent of the need is unmet. Surely, if we can find an endless supply of funding for housing offenders and building new prisons, then we must be able to rectify this shortsighted lack of treatment.

Let me simply talk a moment about this disease of alcohol and drug addiction which costs our Nation $246 billion annually—almost $1,000 for every man, woman, and child. There is so much new evidence, so many studies, so much good science work, and we are so far behind the curve. Why aren't we looking at the evidence, the data, the research, and the work that is being done? This disease is treatable. Yet our Nation has an alcohol and drug treatment gap that is 50 percent nationally, 60 percent for women, and 80 percent for youth.

Are you ready for this? Since we are now going to throw yet even more of these kids—primarily Hispanic and African American—in jail and prison, access to youth drug treatment is particularly low, with only one in five adolescents able to access drug or alcohol treatment services. We don't provide the funding for the services or for the treatment, and now we have an amendment that basically will assure that even more of these kids will be locked up—without even dealing with the root of the problem.

I have a piece of legislation—and Congressman RAMSTAD from Minnesota has the same legislation on the House side—which says that, at the very minimum, we ought to stop this discrimination and say to the insurance companies that we ought to be treating this disease the same way we treat other physical illnesses because right now, in all too many of these policies, if you are struggling with addiction, you don't get any treatment. We are just saying we are not even mandating it. We are just saying, for gosh sakes, please stop the discrimination, deal with this brain disease, provide some coverage for treatment.

There are all these men and women in the recovery community who can testify about how, when they had access to treatment, they were able to rebuild their lives. They are now members of the recovery community; they work; they are successful; they contribute to their families, and they contribute to their communities.

What do we have here? We have an amendment that does nothing more than imprison more of these kids and doesn't do a darn thing about getting at the root of the problem. It does nothing about the lack of treatment for these kids. This is a huge mistake.

There is one other provision that is now part of this amendment, which is quite unbelievable, at least in my view. As a part of this amendment, my colleagues on the other side of the aisle have included a provision that says if a child attends a title I school and becomes a victim of violence on school grounds, the district may use the Federal education funds, including IDEA, title I, and other money, to provide the child with a voucher to attend a private school or to provide transfer costs for the child to attend another public school.

Well, now, look, I don't know exactly when this provision was even put in this amendment. It wasn't part of the original amendment I had a chance to see earlier. But I am a little bit skeptical. I think what my colleagues have done is taken a reality—and, God knows, I wish this reality didn't exist in our country, which is too much violence in children's lives, including too much violence in their schools—and then used that as a reason to once again get authorization and funding for vouchers.

If for some of these children you were able to transfer money to private schools, what about the 90 percent of children in America who attend public schools, not to mention the fact that the amount of money these kids get to transfer to a private school wouldn't cover anywhere the cost of the private school? And the vast majority of these children are low income. What about the rest of our kids in our schools?

I say this by way of conclusion. I will be especially brief because I don't believe my colleagues on the other side of the aisle want to hear this, and I don't even think they want to debate it.

Have you expanded funding for Safe and Drug-Free Schools? No.

Are you willing to support essential and sensible gun control, and drug treatment and drug prevention programs? No.

Were you willing—I have this amendment—to dramatically expand the number of counselors in our schools to provide help and support to kids? No.

Were you willing to support legislation that would deal with the reality of children who have witnessed violence in their homes? They have seen their mother beaten up over and over again, have trouble in school, sometimes themselves overly aggressive, sometimes themselves getting in trouble. That amendment passed the Senate. It was taken out in conference committee by the Republicans. Do you support that? No.

Are you willing to dramatically increase funding for afterschool programs? Law enforcement communities tell us it is so important in getting to a lot of kids who are at risk and who might commit some of this violence or might themselves be victims of this violence. Have you been willing? No.

Have you been willing to invest in rebuilding rotting schools? A lot of kids who live in tough neighborhoods who go to tough schools, when they walk into the schools and they see how decrepit they are, say to themselves, you know what, this country doesn't give a damn about us. They devalue themselves and they get into trouble. Have we made any investment here? No.

Have you been willing to increase the amount of funding we put into title I? In my State of Minnesota, in the cities of St. Paul and Minneapolis, after you get to schools that are 60 percent low-income schools, then you go to schools that get 50 or 55 percent, and they don't get any of those funds because they have run out of money and because the title I money reaches, at best, about 30 percent of the kids in the country who need additional help. No.

I have to say to my colleagues on the other side of the aisle that I would love to debate somebody on this. It strikes me that this is disingenuous at best.

You talk about the violence kids experience in our schools. And then you say, therefore, we will now use this as an excuse to try to push through a voucher plan. Yet on 10 different things that you could support that would reduce the violence in children's lives in our public schools, you are not willing to invest one more cent. It is a weak argument you make.

I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. ABRAHAM. Mr. President, I appreciate having the opportunity to speak on this amendment. I yield myself such time as I might require at this point. I believe it will be probably 15 minutes.

Mr. President, I rise in support of this amendment which, in my judgment, will help protect our children and our neighborhoods from the scourge of drugs and drug-related violence.

This amendment contains a number of provisions that are critical to our war on drugs.

It includes a package of provisions aimed at fighting the production and distribution of methamphetamines.

Authored by Senators ASHCROFT, HATCH, and GRASSLEY, these provisions include additional money to hire additional personnel, including almost $10 million for additional DEA agents to assist state and local law enforcement.

Also included is a provision raising penalties for offenses involving methamphetamines, including production of methamphetamine precursors.

And the amendment includes additional funding for prevention and treatment programs.

Contrary to some of the positions and assertions made, in fact, this amendment includes significant increases in those funding proposals.

The amendment also enhances penalties for drug distribution to minors and in or near schools. Also to protect our schools, the amendment provides incentives for schools to develop policies expelling students who bring drugs on school grounds and school choice for victims of school violence.

Mr. President, today I want to focus in particular on the amendment's provisions concerning sentences for powder cocaine dealers. These provisions are drawn from legislation I introduced earlier this year along with Senator ALLARD and quite a few other Senators. As the father of three young children, I am deeply disturbed by the trend for almost all of the last 7 years in teenage drug use. This represents a reversal, really, of the decade long progress we had been making in the war on drugs.

In 1997, 9.4 percent of teens reported recent use of marijuana, up 180 percent from 1992. The percentage of teens using cocaine tripled during those same years. And most disturbing of all, the greatest increases took place among our youngest teens. For example, the percentage of 12 and 13 year olds using cocaine increased 100 percent from 1992 to 1996, compared with a 58 percent increase among 17- and 18-year-olds. This spells trouble for our children. Increased drug use means increased danger of every social pathology we know.

This trend may finally have been arrested for most drugs. In 1998, the Monitoring the Future Study, prepared annually by the University of Michigan, showed improvements—although very modest ones—in levels of teenage drug use. All three grades studies—8th, 10th, and 12th—showed some decline in the proportion of students reporting any illegal drug use during the previous 12 months. Equally important, use by 8th graders, who started the upward trend in use at the beginning of this decade, declined for the second year in a row.

We also are finding heartening news in our war on violent crime. The FBI now reports that, since 1991, the number of homicides committed in the United States has dropped by 31 percent. Also since 1991, the number of robberies has fallen 32 percent. According to the Bureau of Justice Statistics, robberies fell a stunning 17 percent in 1997 alone.

This is good news, Mr. President. And there is widespread agreement among experts in the field that the principal cause of this decline in violent crime is our success in curbing the crack cocaine epidemic and the violent gang activities that accompany that epidemic.

The New York Times recently reported on a conference of criminologists held in New Orleans. Experts at the conference agreed that the rise and fall in violent crime during the 1980s and 1990s closely paralleled the rise and fall of the crack epidemic.

At the same time, there is a warning signal here. The most recent "Monitoring the Future" Study also showed an increase in the use of cocaine in all three grades studied. Use of both crack and powder cocaine within the past 30 days likewise rose in all three grades, except for powder cocaine in the 12th grade, where it did not fall but at least held steady. This is in contrast to the study's finding that the use of other drugs by kids may finally be leveling off, albeit at unacceptably high levels. Yet surprisingly, despite these developments, in last year's Ten-Year Plan for a National Drug Control Strategy, the administration proposed making sentences for crack dealers 5 times more lenient than they are today.

We have already heard the case made by the preceding speaker—and I suspect successive speakers on the other side of the aisle will be likewise making the case—that by somehow making crack sentences more lenient, notwithstanding the clear evidence that as we have gotten tough on crack cocaine dealers, the spread of crack cocaine and incidental crime related to crack cocaine addiction has been going down. This is a strikingly bad idea, and one that this Congress should emphatically reject.

The President's principal explanation for the proposal to lower crack sentences is that the move was recommended by the U.S. Sentencing Commission to address the disparity in treatment between crack and powder dealers. I agree we should reduce this disparity, which produces the unjust result that people higher on the drug chain get lighter sentences than those at the bottom. But going easier on crack peddlers—the dealers who infest our school yards and playgrounds—is not the solution. Crack is cheap and highly addictive. Tough crack sentences have encouraged many dealers to turn in their superiors in exchange for leniency. Lowering these sentences will remove that incentive and undermine our prosecutors, making them less effective at protecting our children and our neighborhoods.

No, there is a better way to bring crack and powder cocaine sentences more in line. Instead of lowering sentences for crack dealers, we should instead raise sentences for powder dealers. Doing so will accomplish every legitimate policy objective that can be advanced by the President's proposal—except greater leniency for these individuals, which in my view is not a legitimate policy objective. Raising sentences for powder dealers is accordingly what this amendment proposes to do. Specifically, it changes the quantity of powder cocaine necessary to trigger a mandatory 5-year minimum sentence from 500 grams to 50 grams, and makes a similar change in the amount necessary to trigger a mandatory 10-year sentence. The effect of this will be to raise sentences substantially for those who deal in powder cocaine, a change that I think is entirely justified.

Even without taking into account the differential treatment of crack, powder sentences are currently too low. Powder is the raw material for crack. Yet sentences for powder dealers were set before the crack epidemic, without accounting for powder's role in causing it. It is also one of the drugs the use of which continues to increase, not only among teenagers but also among adults.

Moreover, we occasionally see a large powder supplier get a lower sentence than the low-level crack dealer who resold some powder in crack form simply because the powder dealer took the precaution of selling his product only in powder form. That is plainly an unjust result and one that our legal system should not countenance.

By making the changes in the quantity triggers for mandatory minimums I have described, our amendment will reduce the differential between the amount of powder and crack required to trigger a mandatory minimum sentence from 100 to 1, the current differential, to 10 to 1. That is the exact same ratio proposed by the administration in their proposal. But our proposal in this amendment will accomplish that goal not by making crack dealers' sentences more lenient but, rather, by toughening sentences for powder cocaine dealers.

Now the administration has charged—and we have heard a comment about this on the floor today; I suspect we will hear more—that the proposal we are offering is nevertheless the wrong way to proceed on account of its allegedly racially disparate impact. In my judgment, if the sentencing structure being proposed is in fact desirable on its merits, that is a dubious basis on which to evaluate the merits of this proposal or, for that matter, the administration's.

Since the administration has made this charge, I think it is important to understand it is not true. In fact, if our proposal is enacted, overall the percentage of cocaine dealers sentenced to tough, mandatory minimum sentences should be less disproportionately African American than it is under current law. This is because under current law and under the administration's proposal, persons convicted of dealing between 100 and 250 grams of powder are not subject to mandatory sentences. Under the proposal, they are contained in our amendment.

According to the Sentencing Commission statistics in the most recent year for which they were collected, for fiscal year 1996 the percentage of non-Hispanic whites in that group, 38.9 percent, was higher than the percentage of members in any other racial category. Therefore, imposing mandatory minimum sentences on this group of people would accordingly reduce the racially disparate impact of current law. Thus, the sentencing outcome under our proposal should have a less racially disparate impact than the current proposal which is in place in law.

By contrast, the administration's proposal to change the triggers for mandatory minimums for crack dealers is highly likely to increase the percentage of individuals sentenced to mandatory minimums for dealing cocaine who are African American. Had the administration's proposal been in effect during fiscal year 1996, the proportion of individuals sentenced to a mandatory 5-year minimum sentence who are African American would have increased—not decreased—increased slightly from 82.8 percent to 85.2 percent. Thus, contrary to the administration's charge, the proposal contained in this amendment will actually decrease the racially disparate effect of mandatory sentences on cocaine dealers.

On the other hand, what is not true of our proposal and is true of the administration's proposal is to change the quantity trigger for crack dealers. Their proposal will increase the racially disparate impact of mandatory minimum sentences for cocaine dealing compared to current law.

All that being said, I would like to get away from these numbers and talk about some of the contacts I have had with people in my State who are the victims of these drug dealers. Despite the disparity reduction justification given for the President's proposal, I have not found anyone in my State—any parents, regardless of their race, whose children have been touched by a crack cocaine dealer—who don't want to see the person responsible suffer serious consequences, no matter who the crack dealer was. Their families are already suffering consequences; their schoolyards are suffering consequences; their neighborhoods are suffering consequences. They believe that the people behind it, whether it is the peddler in the schoolyard or the kingpin selling the powder cocaine, ought to suffer the consequences, as well.

Reverend Eugene F. Rivers II, cochair of the National Ten Point Leadership Foundation in inner city Boston, says:

> To confuse the concerns of crack dealers with the broader interests of the black community is at best inane and at worst immoral. Those who are straining to live in inner-city neighborhoods that are mostly adversely affected by the plight of crack and who witness crack's consequences first hand want crack dealers taken off the streets for the longest period of time possible.

We owe it to the thousands upon thousands of families struggling to protect their children from the scourge of drugs and drug violence. That means staying tough on those who peddle drugs and sending a clear message to our young people that we will not tolerate crack dealers in our neighborhoods or powder dealers who supply the crack dealers.

President Clinton had it right 3 years ago when he agreed with this Congress in rejecting an earlier Sentencing Commission plan to lower sentences for crack dealers. Back then, President Clinton said:

> We have to send a constant message to our children that drugs are illegal, drugs are dangerous, drugs may cost your life, and the penalties for drug dealing are severe.

Unfortunately, President Clinton's new plan to reduce sentences for crack dealers does not live up to that obligation. It sends our kids exactly the wrong message, and it does not do any favor to anybody except drug peddlers. In contrast, the approach taken by our amendment is faithful to this obligation. It achieves a reduction in the disparity between crack and powder cocaine sentencing in the right way, through legislation making sentences for powder cocaine dealers a lot tougher.

At this crucial time, we may be making real progress in winning the war on drugs and violent crime in part because we have sent the message that crack gang membership is no way to live and that society will come down very hard on those spreading this pernicious drug. At the same time, our kids remain all too exposed to dangerous drugs, far more exposed than we can probably imagine.

In light of these two trends, it would be, in my opinion, catastrophic to let any drug dealer think that the cost of doing business is going down. This is especially no time for lowering sentences for dealing in crack, a pernicious drug that brought our cities great danger, violence, and grief. It will be nearly impossible, in my judgment, to succeed in discouraging our kids from using drugs if they hear we are lowering sentences for any category of drug dealers.

By adopting this amendment, we can send our kids the right message: We will not tolerate crack dealers in our neighbors, and we will make the sentences on powdered cocaine dealers a lot tougher. Success in the drug war depends upon all the efforts of parents, schools, churches, the medical communities, and local law enforcement community leaders. There is no doubt about that. They are doing a great job in the drug fight. The Federal Government must do its part, too. We must provide needed resources, and we must reinforce the message that drugs aren't acceptable and that drug dealers belong in prison for a long time. Our kids deserve no less. That is why I urge my colleagues to support this amendment.

To address a couple of the points that were made by previous speakers, first, we have to concern ourselves not just with costs that are attendant to incarcerating crack cocaine dealers but with the costs that are brought about when those crack cocaine dealers are running wild in our communities. The notion that there are no costs involved when these folks remain on the streets, in our playgrounds and neighborhoods, addicting children, precipitating violence when the crack gangs are busy in their communities, is to miss, I think, a very vital part of this debate.

The costs of addiction are significant. Who exactly are the targets of the addiction? Very often, they are, themselves, members of minority communities. I don't think we are doing a favor to the minority communities of this country if we allow the schoolyards in those communities to be infested with crack cocaine dealers. The key is, Do we want to rid our communities of drug dealers? In my judgment, that certainly ought to be our objective. That is what we have tried to do in this amendment, not just with the sections relating to powder cocaine sentences, for the dealers of powder cocaine, but the other provisions of the legislation. I am proud to be a cosponsor.

I hope my colleagues understand when they cast their vote on this issue, the question is very simple: Do you think it is time for powder cocaine dealers to serve tougher sentences for drug kingpins to go to jail for a longer time or don't you? That is what is at stake. If you believe in tougher sentences for powder cocaine dealers, we ask for your support for this amendment. If you believe in getting tougher on methamphetamines, we ask for your support for this amendment. If you believe we should devote more resources to drug treatment programs, then you should vote for this amendment. But don't be fooled by claims that somehow or another we are doing anybody a favor by not moving forward in this area, and by letting drug dealers continue to infest our schoolyards. That is not doing any favors to anybody. I hope our colleagues will join us and support this amendment.

I yield the floor to the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. ALLARD. Mr. President, I rise today to discuss the section of this amendment that addresses mandatory sentencing guidelines for handling powder cocaine. I thank my colleague from Michigan, Senator ABRAHAM, for his leadership on this particular issue. We have been working on this issue for well over 2 years. I know it is important to him. It is extremely important to me. I think he made a great statement, great argument for why we need to toughen penalties on drug dealers.

One of our colleagues who spoke earlier suggested perhaps we were not spending enough money on prevention and education and treatment. I have, in the meantime, pulled out a chart that shows how much money we have spent over the last 10 years in drug treatment and prevention and research. I would like to go over that for a moment for Members of the Senate.

Over the last 10 years, we have spent more than $20 billion on drug abuse treatment. We have spent more than $15 billion on drug abuse prevention. And we have spent, in addition to that, more than $1 billion in prevention research and more than $1.5 billion in treatment research.

We certainly have not been ignoring the treatment and prevention of drug addiction. The fact is, it is complicated. It needs to be part of the formula, as far as I am concerned. But if we do not recognize loopholes we have in the current law that allows drug dealers to continue to carry on their business at an extreme cost to society, I think we are ignoring our responsibilities, trying to address part of the drug problem. That means we have to have tougher penalties.

Currently, there is a vast discrepancy between minimum sentencing guidelines for those caught dealing cocaine in the form of crack and those dealing it in the form of powder. Under current law, a dealer can be sentenced to 5 years for peddling 5 grams of crack cocaine. If you look on the chart, we have symbolized the amount of 5 grams of crack cocaine. In order to receive a similar sentence, a dealer would have to be caught with 500 grams of powder cocaine. That creates a tremendous loophole. What happens with our drug dealers is they will bring in powder cocaine and just before they put it out on the street for consumption by individuals, it is converted over to crack cocaine. That loophole encourages drug dealers to then import more powder cocaine. That is why I think it is so important we pass this particular portion of the amendment.

I have met with many different law enforcement organizations to look into this discrepancy. One effect of this discrepancy is what statistics show to be a racial bias in the sentencing guidelines. Mr. President, 90 percent of those convicted for dealing crack are African Americans. The majority of dealers caught with powder cocaine are white—58 percent of powder users are white. It is ridiculous that those who dabble with powder cocaine for all intents and purposes are protected by our sentencing parameters. Drug smugglers and drug dealers know about this caveat in sentencing and they do everything they can to take advantage of it.

Cocaine is largely transported in powder form and only converted to crack at the time of sale. This loophole in the current law actually reduces the long-term risks to dealers and smugglers. Drug enforcement detectives I have met with have confirmed the going price for 5 grams of powder and 5 grams of crack are typically equal now on the street. That varies considerably, but that apparently is the price right now. Why should we continue to support this disparity when we can solve it today? I believe one way to effectively decrease crime in America is to punish criminals through more rigorous sentencing, particularly when we are providing the amount of dollars we are today for drug prevention and drug treatment and research on drug prevention and research on drug treatment.

In order to receive a minimum sentence of 5 years, a criminal would only need to be caught with 50 grams of powder cocaine instead of the current 500. This amendment also stiffens the penalty for carrying a large quantity of powder cocaine. To receive a minimum sentence of 10 years, a criminal would only have to be caught with 500 grams of powder cocaine, instead of the current standard of 5 kilograms.

Henry Salano, the former U.S. Attorney for the District of Colorado, has endorsed this effort saying:

> There is a strong rationale for equalizing the powder cocaine penalties and the crack cocaine penalties. The law enforcement community learned years ago the strong sentences meted out to crack cocaine dealers has had a significant deterrent effect on the production and distribution of crack. [These] proposed penalties for powder cocaine will likewise restrict the flow of powder cocaine in this country.

This comes from an individual who in the past has been on the front line, has been on the firing line, has been dealing with this from a hands-on position because of his position with law enforcement.

We must show criminals that any activity involving illegal drugs will not be tolerated. There is a direct correlation between drug use and crime. Cocaine plays a major role in this connection. A Department of Justice study in 1998 discovered the drug most commonly detected among all arrestees, from 1990 to 1998, was cocaine. Cocaine use poses a direct threat to the safety of our society. Let's stop treating those who use and deal powder cocaine as if they were special criminals. I ask all my colleagues to join me and end this inequality in cocaine spending.

I ask my colleagues to consider the issues in this particular amendment. I think we are taking generally the right steps in addressing our drug problem. Obviously, we are not doing it just on penalties, but we are doing it in all areas—treatment and prevention. This is an important loophole we must close. I ask my colleagues to join me in voting for this amendment and supporting this effort.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, there has been focus on different provisions of the amendment before us. I want to address two of those in my remarks.

One of those provisions is, if a child attends a title I school and becomes the victim of a violent criminal offense, including drug-related violence, while in or on the public school grounds, the school district may use the title I funds or any other Federal funds, including IDEA funds, to provide a voucher for a child to attend a private or religious school or pay the cost to transfer the child to another public school.

In title I, we are basically talking about $500. I do not know how one expects to pay tuition to a school for about $500. A variety of technical issues and questions are raised. It, obviously, is creating a sense of expectation by those who put this proposal forward.

Nonetheless, on the issue of the value of the measure, even if it did have sufficient funds to do what it intends, it will not make the schools any safer and will not improve student achievement. We should support violence and crime prevention programs in and around public schools, not divert precious resources to private schools. Therefore, we should further invest in programs such as the Safe and Drug-Free Schools and Communities Act, afterschool programs, community crime prevention activities, encourage parent and community involvement, and help communities and schools ensure that all children are safe all the time.

We all know that juvenile delinquent crime peaks in the hours between 3 and 8 p.m. A recent study of gang crimes by juveniles in Orange County, CA, shows that 60 percent of all juvenile gang crimes occur on schooldays and peaks immediately after school dismissal. We know afterschool programs reduce youth crime.

The Baltimore City Police Department saw a 44-percent drop in the risk of children becoming victims of crime after opening an afterschool program in a high-crime area. A study of the Goodnow Police Athletic League Center in northeast Baltimore found juvenile arrests dropped by 10 percent, the number of armed robberies dropped from 14 to 7, assault with handguns were eliminated, and other assaults decreased from 32 to 20 from 1995 to 1998.

This demonstrates how we can deal with the problems of violence in communities, violence around schools, even violence within the schools. We ought to be focusing on what works and supporting those efforts, rather than having an untried, untested program that shows on the face of it very little difference in safety and security for children in schools.

In addition to improved youth behavior and safety, quality afterschool programs also lead to better academic achievement by students. At the Beech Street School in Manchester, NH, the afterschool program has helped improve reading and math scores of students. In reading, the percentage of students scoring at or above the basic level increased from 4 percent in 1994 to one-third in 1997. In math, the percentage of students scoring at the basic level increased from 29 percent to 60 percent. In addition, Manchester saved an estimated $73,000 over 3 years because students participating in the afterschool program avoided being retained in grades or being placed in special education.

This kind of investment will help keep children safe and help them achieve, and that is the right direction for education.

There are precious few public funds available, and those public funds should not be funneled to private and religious schools. Public tax dollars should be spent on public schools which educate 90 percent of the Nation's children, and the funds should not go to private schools when public schools have great needs.

We should be doing all we can to help improve public schools, academically as well as from a security point of view. We should not undermine the efforts taking place in those public schools.

This amendment will allow any Federal education funds to be used for private school vouchers, including the title I, IDEA, and Eisenhower Professional Development Program. The Eisenhower Professional Development Program is targeted to enhance math and science. Rather than enhancing math, science, and academic achievement for children in the public schools, we are drawing down on those funds to permit some students to go to other schools. It makes absolutely no sense.

Federal funds should not go to schools that can exclude children. There is no requirement for schools receiving vouchers to accept students with limited English proficiency, homeless students, or students with disciplinary problems. Precious funds should be earmarked for public schools which do not have the luxury of closing their doors to students who pose a problem.

The challenges the schools are facing today are much more complex, much more complicated than they were even a few short years ago. I was with the head mistress of the Revere School in the last week. I said: I remember visiting the school 2 years ago and they had nine different languages.

She said: How about 29 different languages now with different cultures and traditions?

They are facing more complexity in dealing with children, and it is necessary to give them support and not deplete scarce resources. They obviously should have accountability in how effectively those resources are being used, but when you talk about undermining the Eisenhower training programs for math and science or IDEA, which is funding needs for special education, and even the title I programs for disadvantaged children, it makes no sense whatsoever.

Our goal is to reform the public schools, not abandon them. Instead of draining much needed resources from public schools, we should create conditions for improvement and reform, not in a few schools but in all schools, not in a few students but in all students. Effectively, what we would be doing is abandoning a great majority of students. That is wrong.

I ask unanimous consent to have printed in the RECORD a list of the various organizations representing parents and teachers and students who are strongly opposed to the provisions.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ORGANIZATIONS THAT OPPOSE THE VOUCHER PROVISION IN THE DRUG AMENDMENT

American Association for Marriage and Family Therapy
American Association of University Women
American Counseling Association
American Federation of School Administrators
American Federation of Teachers
Council for Exceptional Children
Council of Chief State School Officers
Federal Advocacy for California Education
International Reading Association
National Association for Bilingual Education
National Association of Elementary School Principals
National Association of Federally Impacted Schools
National Association of School Psychologists
National Association of Secondary School Principals
National Association of State Boards of Education
National Association of State Title I Directors
National Education Association
National PTA
National Science Teachers Association
New York City Board of Education
New York State Education Department
People for the American Way

Mr. KENNEDY. Mr. President, drug abuse in our Nation is a menace that threatens the security, health, and productivity of all of our citizens. Every reputable authority who has examined the problem of drug addition knows that there is no army large enough to keep all drugs from crossing our borders and no nation powerful enough to imprison all pushers and suppliers. We must use all the constitutional enforcement tools at our command to make the criminals who would profit from the degradation of our fellow citizens pay the price of their crimes.

An effective fight against drug abuse must take three approaches: law enforcement, prevention and treatment. Each of these three approaches is vital; no program can be successful unless it involves them all.

The widespread use of illegal drugs is one of the most pressing problems facing our society. Illegal drugs are killing children and destroying families. Vast profits from the sale of illegal drugs have created a new criminal underworld which promotes violence and feeds on death.

However, this amendment does not go about this problem in the right way.

By raising powder cocaine penalties, the amendment reduces the current 100 to 1 ratio between the two drugs, but it doesn't solve the underlying problem. The real problems is that crack penalties are out of proportion to the penalties for other drugs. Increasing the penalty for powder cocaine makes the penalties for both forms of cocaine disproportionately severe compared to other drugs.

Twenty-seven former U.S. attorneys who are now Federal judges say they "disagree with those who suggest that the disparity in treatment of power and crack cocaine should be remedied by altering the penalties relating to power cocaine. The penalties for powder cocaine, both mandatory minimum and guideline sentences, are severe and should not be increased."

Clearly Congress is right to be concerned about excessively lenient sentences for serious offenses. but the sentencing guideline system in place today is the most effective way to limit judicial discretion. In 1984, Senator THURMOND, Senator BIDEN, I, and others, worked together to pass bipartisan sentencing reform legislation. A key reform in that legislation was the creation of the Sentencing Commission, to achieve greater fairness and uniformity in sentencing. since its creation, the Commission has developed sentencing guidelines that have eliminated the worst disparities in the sentencing process, without seriously reducing judicial discretion.

Unfortunately, actions by Congress continue to undermine the Commission's work. The guidelines system was designed to achieve greater uniformity and fairness, while retaining necessary judicial flexibility. Instead, Congress has enacted a steady stream of mandatory minimum sentences that override the guidelines and create the very disparities that the guidelines are designed to end.

A recent study by the Rand Corporation shows that "mandatory minimums reduce cocaine consumption less per million taxpayer dollars spent than does spending the same amount on enforcement." On the issue of controlling drug use, drug spending, and drug-related crime, the same study found that "treatment is more than twice as cost-effective as mandatory minimums".

One of the important goals of sentencing is general deterrence. We should allow the Commission to do its job, and weigh the Commission's recommendations more carefully before acting to override them.

In 1995, the Sentencing Commission issued a formal recommendation to Congress to change the crack ratio to 1 to 1 at the current level of powder cocaine. Congress rejected the Sentencing Commission's recommendation in a House vote and told the Commission to come up with another solution.

Two years later, in 1997, the Sentencing Commission issued a second recommendation to Congress to lower crack penalties and raise powder cocaine penalties. Both the Department of Justice and the drug czar's office agreed with this recommendation. Yet, the Commission's recommendation continues to be rejected by Congress. Crack cocaine penalties were enacted over a decade ago without the benefit of research, hearings, or prison impact assessments. Today, we have the advantage of scientific evidence about cocaine in both forms and about the impact of crack sentencing policies.

Shame on Congress for ignoring the experts it put in place to address these issues in an informed manner. The Sentencing Commission's conclusion is clear—crack penalties are out of line, not powder cocaine penalties. Two wrongs don't make a right.

The Sentencing Commission reports that more than half of current powder cocaine defendants are at the lowest levels of the drug trade, and 86 percent are nonviolent. Increasing the penalty will add almost 10,000 addicts and small-time drug users to the prison population in the next 10 years, at a cost to taxpayers of approximately $2 billion. In the next 20 years, that cost will escalate to over $5 billion, and in 30 years it will be $10.6 billion.

This amendment will also increase the disproportionate representation of minorities in federal prison, because 68 percent of the people sentenced federally for powder cocaine offenses are non-white. Of those, 40 percent are Hispanic.

Enacting this legislation will worsen current imbalances in drug policy at significant cost. The new powder cocaine sentences will be far above those for many other more serious and violent offenses.

We know that merely talking tough is not enough. The war on crime has been declared again and again—and it has been lost over and over. It is clear that we will never succeed in defeating crime if we try to do it on the cheap. We can support our State and local police without turning any locality into a police state, and without destroying the fundamental civil liberties and constitutional guarantees that make this Nation truly free.

To combat the drug menace we need local law enforcement programs that work. It is increasingly clear that stronger law enforcement at the local level can be successful when coupled with enhanced drug treatment and education opportunities. One of the most important tools in the war against drugs is Federal assistance to increase the number of these successful local law enforcement programs, not locking up more low-level drug dealers and throwing away the key.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. HUTCHINSON). The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I yield myself such time as I consume.

First of all, on the issue of the Hatch-Abraham-Ashcroft amendment on drugs that is now before the Senate, I am very pleased that this action is being taken on this bill by the Senate because any action we can take to stiffen the laws against drug use, to discourage drug use, or anything else connected with the horrors of drug use and abuse in America is a very important thing for the Senate to be working on because drug abuse is a serious problem.

I believe the methamphetamine antiproliferation amendment that is before us will assist Federal, State, and local law enforcement officials, treatment professionals, prevention groups, and others who are on the front lines of the drug fight. So I will take a few minutes to highlight some important sections of this amendment.

In particular, I am happy to see additional resources in this legislation for training programs for State and local law enforcement officials. That is because methamphetamine is a new challenge for law enforcement. Of course, this methamphetamine problem is spreading across America. It may just be a California and Midwest issue right now, but it will not be long before it will be an issue all over the United States because, unlike other drugs that have to be imported, meth can be produced here in the United States with recipes available off the Internet. It can be made from chemicals available at your local drugstore.

These home-grown laboratories contain chemicals and chemical combinations that are hazardous both to the environment and to the people. They are potentially explosive. Even in my State of Iowa, some people have been injured in the process of making drugs. Most importantly, when it comes to law enforcement or for an individual who is violating the law by making methamphetamines, the disposal of this laboratory requires specialized handling.

We have all heard these horror stories about the dangers methamphetamine labs pose to both the manufacturers and to the people in the neighborhood. Because of the smell associated with it, you find a lot of this going on in the really rural parts of our States. So what this means is, the local county sheriff has more risk. Because of this, there is a need for training and for more equipment to clean up these labs.

This amendment provides for additional training opportunities for State and local law enforcement in techniques used in meth investigations. It supports training in handling meth manufacturing chemicals and chemical waste from meth production.

In addition, this amendment provides for additional DEA agents to assist State and local law enforcement in small and midsized communities in all phases of drug investigations, including foreign language assistance, investigative assistance, and drug prevention assistance. I am pleased to see the proposal Representative MATT SALMON and I have worked on to encourage Government web sites to include antidrug information in this legislation. This is the second provision of this bill about which I am very happy. Positive antidrug messages are an affordable and creative way to especially reach the young audience. Funding is needed for research to discover chemical agents that can be added to anhydrous ammonia to make it unusable for meth manufacture. This is a long-term solution that has the potential to be very beneficial. The authorized funding provided for in this bill will allow continued and expanded research to find an appropriate additive to ensure anhydrous ammonia can not be misused.

In the agricultural regions of the United States, a nitrogen additive to the soil is used to get a greater amount of productivity. That is involved with the raising of corn in the Midwest, as an example. Anhydrous ammonia is a source of nitrogen that farmers knife into the ground. We have seen these clandestine methamphetamine laboratories steal the anhydrous ammonia to use it in manufacturing methamphetamine. It is very dangerous to steal anhydrous ammonia. We have even had people hurt by that. But it is a cheap way to get some of the ingredients for this product.

So what we want to do, through this research—and Iowa State University is involved in this research—is to have a chemical agent that can be added to anhydrous ammonia so if a person steals it from the tanks that are around the countryside during the period of time when farmers are putting it on in the spring of the year, it won't do the manufacturer of methamphetamine any good because it would not be able to be used at that point—if such a chemical additive can be made.

A vital part of this bill, then, is the growing problem of this theft of anhydrous ammonia. States have even adopted tougher laws to combat the theft of anhydrous ammonia. But because these are separate State laws—the laws are not uniform —this has encouraged thieves to steal anhydrous in one State and transport it to an adjoining State with lesser penalties where it is used for the manufacture of methamphetamine. A Federal statute, as provided for in this amendment, will provide a strong deterrent to thieves who cross State lines to avoid stiffer penalties back home.

Last night, the Senator from Connecticut, Mr. DODD, and the Senator from Louisiana, Ms. LANDRIEU, came to the floor to offer an amendment which would essentially gut this entire bill. In the process, they made some statements about the bill which, with all due respect to my very capable colleagues, are very inaccurate statements and analyses of this legislation. I would like to clear the air today on some points they made. I will hit three points they made: First, their analysis of my means test in this bankruptcy reform legislation; second, what is the proper definition of household goods; and, third, their judgment of the antifraud provisions, which would prohibit loading up on debt right before bankruptcy. I will respond to each of these points. This will not take me long, for those colleagues who are waiting to speak.

First, the means test we now have in this bill is very flexible. Some of my colleagues would say it is too flexible. The means test says if a debtor in chapter 7 can pay $15,000 or 25 percent of his or her debts over a 5-year period after deducting living expenses and certain other types of expenses, such as child support, then that debtor in bankruptcy may have to repay some portion of the debts owed. Paying some portion of debts owed is very legitimate because the signal we are trying to send in this bill is, no longer will anybody get off scot-free if they have the ability to pay.

If a bankrupt is in some sort of unique or special situation, the means test in this bill allows that person to explain his or her situation to the judge or to the trustee and actually get out of paying these debts.

Again, a lot of my colleagues say, why would you have a provision like that in this bill? If somebody has special circumstances or not, if they owe, they ought to pay. Well, it is an attempt to make changes that are dramatically different, even with these compromises, than what we have had as a law of the land since 1978.

If there are these special expenses which are both reasonable and necessary, and this reduces repayment ability, then, as I said, the debtor doesn't have to repay his or her debt. That is a simple process that everyone can understand. Somehow that has been interpreted by some people in this body as not actually doing what the bill says, or they are reading the bill a different way. I want to clear this up. The way we determine living expenses in the bill is to use a very simple template established by the Internal Revenue Service for repayment plans involved in back taxes.

I am going to read from a chart. This study was done by the General Accounting Office. It noted, in this June 1999 report to Congress about bankruptcy reform, that the template we use as a basis for this legislation, to allow the debtor to declare necessary living expenses, does include child care expenses, dependent care expenses, health care expenses, and other expenses which are necessary living expenses.

Right here is where it says: Other necessary expenses. I want this very clear, that this legislation allows, as you can see, child care, dependent care, health care, payroll deductions, on and on, life insurance. Let anybody tell me on the floor of this body that this is not a flexible test to accommodate very extraordinary circumstances or very regular circumstances.

So the suggestion last night that the bill is unfair because it doesn't allow for child care expenses or these other expenses associated with raising children is misplaced. According to the General Accounting Office, the Internal Revenue Service living standards—and these standards are the basis for the court to decide the ability to repay—in the bill now provide that any —I emphasize any—necessary expense can be taken into account. So, again, how much more flexible can we get? The only living expenses not allowed under our bill are very unnecessary and unreasonable expenses. The only people who oppose the means test, as currently written, are people who want deadbeats looking to stiff their creditors to dine on fancy meals or live in extravagant homes and take posh vacations. And there is no reason why we have a $40 billion bankruptcy problem in this country, and that honest people in this country, a family of four are paying $400 a year more in additional costs for the goods and services they buy to make up for deadbeats who aren't paying, and that we have to put up with still other people who have the capability of paying to live high on the hog.

I think what is really behind the effort is the desire to have a means test which, quite frankly, doesn't do anything. Why have the bill at all? We could continue to go on under the 1978 law, where we doubled the number of bankruptcies in the last 6 or 7 years, from 700,000 to 1.4 million—an irresponsible public policy. Before I ever introduced this bill, I made numerous compromises to make the means test flexible, as I have said—more flexible, in fact. Some of the changes have even been suggested by this Democrat administration. They were suggested at the end of the last Congress when a bill that passed here 97–1 didn't get through. This bill has incorporated some of those. It is a compromise bill. I have taken heat from my side of the aisle for that.

Mr. LEAHY. Will the Senator yield before he goes on to his next point?

Mr. GRASSLEY. Yes.

Mr. LEAHY. Mr. President, I ask unanimous consent that the Senator from Alabama, Mr. SESSIONS, be recognized after the Senator from Iowa is finished, and then the Senator from Nebraska, Mr. KERREY, and then the Senator from New Jersey, Mr. TORRICELLI, and that I be recognized at a later time.

Mr. GRASSLEY. Reserving the right to object, and I won't.

Mr. LEAHY. It will be on my time.

Mr. GRASSLEY. Is this within the timeframes we already have under the agreement?

Mr. LEAHY. Yes. The Senator from Alabama, the Senator from Nebraska, and the Senator from New Jersey will be recognized.

Mr. TORRICELLI. If the Senator will yield, what is the time agreement already?

Mr. GRASSLEY. Two hours equally divided. Would the Chair please tell us how much time is left?

The PRESIDING OFFICER. The agreement was 4 hours equally divided. The Senator from Iowa has 48 minutes 47 seconds. The Senator from Vermont has 89 minutes 45 seconds.

Mr. TORRICELLI. That seems more than adequate to me.

Mr. LEAHY. I ask my colleagues to give a little bit of time for the Senator from Vermont who is going to want to speak somewhere in there.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, before I make my final point, and then yield the floor—hopefully, the Senator from Vermont will hear this—I hope we can get some agreement on both sides to yield back some time when the present speakers are done speaking.

The issue of household goods is where I left off when the Senator from Vermont asked me to yield for a minute. On this next statement, I might surprise Senator DODD and some of my colleagues, but I do somewhat agree with what was said last night. Under the bankruptcy code, household goods can't be seized by creditors. The point, as I understand it, from the Senator from Connecticut, is that perhaps the definition of household goods in the bill now could be loosened up so creditors can't get certain essential household items. I do see merit in this point. If the Senator from Connecticut were to modify his amendment just to deal with household goods, I would be pleased to work with him on that to get the bill accepted. But right now, the amendment of the Senator from Connecticut does much more than just deal with the household goods issue. I simply can't accept the other changes he has suggested.

Finally, last night, the Senator from Louisiana raised some criticism of the provision of the bill that fights fraud. Here is the problem we must address in doing bankruptcy reform: Some people load up on debts on the eve of declaring bankruptcy and then, of course, what they try to do to wipe those debts away by getting a discharge. Obviously, this is a type of fraud that Congress needs to protect against for the honest consumers who are paying that additional $400 per year. The bill now says debts for luxury items purchased within 90 days of bankruptcy in excess of $250 and also cash advances on credit cards made within 70 days in excess of $750 are presumed to be nondischargeable.

Now, again, this is very flexible on its face. Under the bill now, you can't buy $249 worth of luxury items such as caviar the day before you declare bankruptcy and still walk away scot-free. Under the bill now, you can get $749 worth of cash advances minutes before you declare bankruptcy and still walk away scot-free.

The question we have to answer is, How much more fraud do we want to tolerate in this bill? Haven't we tolerated enough in this bipartisan compromise, which I thank the Senator from New Jersey for working so hard with me on to get it put together? So we go to the amendment offered last night. This would allow $1,000 worth of fraud. In my view, that is way off base. So if you want to crack down on out and out fraud, you should support this bill Senator TORRICELLI and I have introduced. If you want to make it easier for crooks to game the bankruptcy system and to get a free ride at everybody else's expense, then you should support the amendment that was offered last night.

Well, obviously, unless the Senator from Connecticut would modify his amendment to limit it to household goods, I oppose that amendment, and I urge my colleagues to do the same.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SESSIONS. Under the unanimous consent agreement, I am to speak at this time; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. SESSIONS. Mr. President, I thank Senator GRASSLEY for his leadership in the effort against drugs. I am a strong believer that this legislation that focuses on methamphetamine is focusing on critical issues that are important to America. We do have a spreading of methamphetamine around the country, and I am inclined to believe that increased penalties, and certainly a lot of other things involved in that legislation, is good. It has also been made a part of this legislation—efforts to change the current law with regard to crack cocaine and powder cocaine.

Complaints have been made that crack cocaine penalties are 100 times more tough than powder sentences, and that this is, in fact, not fair—a point with which I tend to agree. I prosecuted drug cases for 15 years. Every year since the sentencing guidelines were imposed, until 1992, I prosecuted drug cases. I understand how it plays out in a courtroom. The proposal that is made a part of Senator GRASSLEY's amendment is the Hatch-Ashcroft-Abraham drug amendment, I guess it is. That proposal is designed to narrow the gap, saying that crack cocaine ought not to have 100 times more severe penalty than powder cocaine.

An argument has been made that crack cocaine is more utilized in the African American community and, therefore, it has a disparity and a racial impact, and that we ought to look at this. Few would doubt that crack is a more dangerous drug than powder cocaine. It is smoked, it goes directly into the lungs, directly into the blood system, and directly to the brain.

There are intense highs achieved at once. Some people, they say, are addicted the first time they try crack cocaine. It is a dangerous drug. Powder is normally sniffed through the nose. It is easy to receive through the nostrils, into the membranes, into the blood system, and it is not quite as intense as crack. It does not cause addiction nearly so quickly. So there is a difference.

The idea of a 10-to-1 ratio is a movement in the right direction.

But my reluctance at this point with this legislation is simply this: I believe it is time for us to look at the drug guidelines and the penalties we are imposing. This legislation would have no impact on the current crack guidelines but would raise the powder guidelines.

We are talking about 50 grams of powder cocaine which you could virtually hold in one hand—50 grams of powder cocaine, 5 years without parole; 5 grams of crack, which could easily be held in one hand, is 5 years without parole in the Federal system. That is what we are talking about—Federal law, Federal penalties, not States which can have their own sentences in any way they want.

I say to the Chair that, as a prosecutor, I took the enforcement of law seriously. We had one of the highest average sentences in the United States. I think one year we had the highest average sentence imposed in the United States in drug cases. We were honest in how we presented the case: This is the way it worked; this is what the law is.

You charge an individual with selling crack cocaine, and normally the case doesn't just go down on the fact that he is caught with 25, 30, or 40 grams. Normally, you are prosecuting in Federal court an organization of drug dealers. You would bring in the underling who worked for that leader. You would ask him how long he had been out on this street corner or selling from this crack house. Then they say a year. How much has he sold over that year? Pretty soon, the amount goes up to kilograms, 1,000 grams, multikilograms of crack have been distributed, and that person is looking at literally 30 years, 20 years, or life without parole.

I have seen sentences in Federal court of quite a number of young men and women to life without parole, and others 30 years, 25 years, or 20 years without parole. I believe strong sentences are effective. I believe they allow the law enforcement community to break the back of an illegal ring such as a drug ring.

I don't want to go into any significant reduction in sentences, but I think it is time for us to evaluate whether or not we are approaching the drug penalties in the appropriate way. The judges are concerned. Judges think this minimum mandatory which has the effect of driving up all of the sentencing guidelines is too tough.

General Barry McCaffrey has questioned the crack and powder cocaine laws as proposed in this amendment. He believes there is a better approach to it. I think it is time for us to consider that. I believe we have had these guidelines in effect for quite some time now—well over a decade. I believe we ought to look at it, have some hearings, and study it.

I didn't want to, by voting for this amendment, suggest I was comfortable with these guidelines. In fact, my inclination would be not to vote for the amendment for that reason.

I simply think the best way to reduce drug trafficking by law enforcement is to have more prosecutions. It is less important—I did this as a prosecutor for 17 years. I chaired the U.S. Attorneys Committee for the United States here in Washington on drug abuse and drug issues. I am a full and total believer in the sentencing guidelines, the tough Federal laws that are out there.

But if you ask me, my personal view is that I would prefer to have 10 people caught and sentenced to 7 years in jail rather than 5 people caught and sentenced to 14 years in jail. The best way for us to improve our pressure from the law enforcement end on drug trafficking in America is to increase prosecutions and investigations. Whether they serve 7 years, 9 years, 12 years, or 6 years is less important than people who are out dealing drugs who know they are going to get caught and they are going to have a big time sentence to serve, and it is without parole.

Make no mistake about it, in State systems they normally serve a third of the time. This Congress a number of years ago, in a great piece of legislation, passed honesty in sentencing that says you serve what the judge gives you; and not only that, but you have to serve the sentence that the sentencing guidelines call for.

Based on the amount of drugs literally when the case hits a judge's sentencing docket and the judge looks at it, it may be the difference between 18 and 21 years. If he likes a defendant and feels sorry for him, he gives him 18 years. If he doesn't like him, he gives him 21 years. That is about all the discretion he has.

I am not sure we ought not to take time now to reevaluate that to make sure we are properly sentencing and we are using our resources of incarceration wisely. What is it, $20,000 a year, to keep somebody in prison? Wouldn't it be better to drive down drug use by intensive prosecutions across the board, letting the drug dealer know he is soon going to be caught and will serve a significant amount of time, than just taking a few people and sending them off for 30 years without parole? I believe that would be a better policy. I am prepared to consider that. I am prepared to work with General McCaffrey and Attorney General Reno and others in an open and fair way.

I do not believe we ought to eliminate the sentencing guidelines. I do not believe we ought to eliminate mandatory minimum sentences for certain amounts of drugs. I believe that is appropriate. I don't believe we ought to retreat from a tough law enforcement presence with regard to illegal drug use.

Just this morning, Senator COVERDELL hosted with General McCaffrey a breakfast for the Attorney General of Mexico. I was able to sit at his table and share thoughts about what we can do as two nations to improve our war against drugs. Mexico is in a crisis perhaps bigger than they realize. As the power of that illegal drug empire grows, the harder and harder it is for that country to contain it. They have to, not because we pressure them, out of their own self-interest save that country from being corrupted and destabilized by a powerful, wealthy drug empire. I hope we can encourage that and work together to assist with that.

We in the United States need to continue our effective efforts over the years to do education, prevention, treatment, prosecution, and incarceration of drug dealers. If we continue that effort and the interdiction effort, I believe we can bring drug use down. Everybody in this country will benefit from that.

I wanted to share my thoughts on this. I hope to be able to vote for this amendment. But I am not sure I can. I believe we need to seriously evaluate the sentencing guidelines and the mandatory sentences for drug use in America to make sure they are rational, that they are effectuating our effort as much as they possibly can to reduce drug use and illegal distribution of drugs in America.

I thank the Chair.

Mr. KERREY. Mr. President, I rise to speak in favor of the bankruptcy bill. I have supported a number of amendments to it. I believe this bill does achieve a balance between society's interest of people paying their debts and preventing debtors from being permanently ruined.

Senator GRASSLEY and Senator TORRICELLI have made a good-faith effort to strike that balance. I am an original cosponsor of the bill. I supported some reasonable changes that will improve the bill. If those changes are adopted by a majority of the Senate, I intend to support final passage of what I consider to be a very important piece of legislation that will make certain people don't take undue advantage of the bankruptcy laws, especially those who can reasonably be expected to pay at least part of their debts. These individuals are not excused entirely. That is, in essence, what Senator GRASSLEY and Senator TORRICELLI have attempted to do. I believe they have struck a fair balance and gotten that done.

I understand this is the last legislative vehicle heading, hopefully, toward the President's signature.

I want to speak about the methamphetamine amendment that has been offered that we will vote on relatively soon. Staff has advised me I should vote for it, that I should not be seen as being weak on fighting the battle against methamphetamines. I have come to the floor and I wish the author of this amendment were on the floor to ask him, why shouldn't I be angry that this amendment has been converted from a good piece of legislation that would provide additional resources, that would give additional resources to our DEA agents to enable law enforcement to fight in Nebraska the battle against methamphetamines? That is what we are trying to do.

I have worked with almost every single sheriff, almost every single law enforcement officer—whether chief of police or the head of our highway patrol—trying to win this battle, and we are not winning it. We have the juvenile justice bill tied up in conference; why don't we pass it? Because we can't reach agreement on how to regulate gun ownership. It provides additional resources to win this battle, to enable us to say we are doing all we can to keep our kids safe against a drug that will destroy their lives.

What do we have before the Senate? An amendment that has a school voucher proposal in it. I hear from my judges, from my law enforcement officers, that the net effect of the changes in the penalties on crack and powder cocaine, to increase the penalty to the mandatory minimum on powder cocaine, will be we divert more resources from fighting the battle on dealers and high-level drug usage to fighting the battle against those individuals using cocaine occasionally or on a one-time basis. We will be arresting and putting college kids in jail. That is what we will be doing.

I am angry we have interfered with a good faith effort. The underlying provisions of this methamphetamine bill I find to be attractive with the urgency of this problem. In Nebraska, we started this 5 or 6 years ago when the problem of methamphetamine first came to light. We devoted more resources as part of the HIDTA—High Intensity Drug Trafficking Area—effort, part of the multiagency effort. Law enforcement people say they are starting to get this under control; they are making more arrests; they are putting people away. The tougher penalties in here I support because we need to have tougher penalties in place. They say they are getting the job done, but all of a sudden we are playing politics with it again.

I favor the underlying methamphetamine effort that is in this amendment. But to attach a school voucher proposal to it and additional mandatory minimums that will redirect resources away from the real serious problems in my community is offensive to me personally. Not only will I vote against it, I intend to write a letter to every law enforcement officer in Nebraska and say to them, they also should be angry. We haven't passed the Juvenile Justice Act. We are not providing resources necessary to solve this problem, and we are playing politics, worst of all, trying to seek advantage, trying to put an amendment up that is difficult to vote against.

It won't be difficult for me to vote against this amendment. I am sad that is what I have to do because we are playing politics rather than trying to actually provide our law enforcement officers with the resources they need to solve what has become in Nebraska one of my most difficult law enforcement problems to solve.

I yield the floor.

Mr. KERRY. Mr. President, I am opposed to amendment No. 2771 to S. 625, the bankruptcy bill, because it contains a provision allowing school districts to use funds from any federal education program to provide a school voucher to any student attending a Title I school that has been the victim of a violent crime on school grounds. I believe that providing vouchers to students to attend private or parochial schools is a wrong-headed policy notion that would do nothing to improve the education system that 90% of American children depend upon. Further, the HATCH amendment attempts to relieve only those students against whom a violent crime has been committed, but does nothing to improve school safety for students remaining in the public schools.

Federal funding must be focused on improving educational excellence in our nation's public schools. Money provided by the federal government to state and local education agencies is critical to increasing student achievement and improving teacher quality. A disservice to the public school system is done with this money is directed to private or parochial schools. School reform should not translate into an abandonment of our nation's public schools.

I agree with Mr. HATCH in that there is a crisis of violence and disruption undermining too many classrooms. Last year 6,000 children were expelled from public schools and there were 4,000 cases of rape or sexual battery reported. Parents, students, and educators know that serious school reform will only succeed in a safe and orderly learning environment. But Mr. President, my solution for stemming the tide of violence differs radically from that of Mr. HATCH. Instead of abandoning the public schools, the legislation that Mr. SMITH of Oregon and I introduced would establish a competitive grant program for school districts to create "Second Chance Schools." In order to receive the funds, school districts would need to have in place district-wide discipline codes which use clear language with specific examples of behaviors that will result in disciplinary action and have every student and parent sign the code. Additionally, schools could use the funds to promote effective classroom management; provide training for school staff and administrators in enforcement of the code; implement programs to modify student behavior including hiring school counselors; and establish high quality alternative placements for chronically disruptive and violent students that include a continuum of alternatives from meeting with behavior management specialists, to short-term in-school crisis centers, to medium duration in-school suspension rooms, to off-campus alternatives. Schools could implement a range of interventions including short-term in-school crisis centers, medium duration in-school suspension rooms, and off-campus alternatives. Mr. President, I advocate a solution to the problem of violence in our schools that would help troubled students and ensure those students do not act out again, in their schools, in their homes, or in their communities.

Mr. President, I also oppose this amendment because it would require local school officials to determine whether a student has committed a drug felony on school property. Administrators and educators in this country's public schools are not trained or well-suited to perform the job of law enforcement officers. Their job is to establish policies regulating drugs, alcohol, and tobacco on school grounds, but the business of suspected drug felonies should clearly be handled by law enforcement officers.

Mr. GRAMS. Mr. President, I rise today in strong support of the amendment offered by Senators HATCH and ASHCROFT that will help to reduce drug abuse and illegal narcotics trafficking throughout the United States. I am proud to be a cosponsor of this important legislation.

I am very concerned about the rate of illegal drug abuse across the nation. According to the Office of National Drug Control Policy, there are over 13 million current users of any illicit drug among those aged 12 or over, and 4 million chronic drug users in America.

These national statistics are similar to drug abuse patterns in my home state of Minnesota. The 1998 Minnesota Student Survey conducted by the Minnesota Department of Children, Families and Learning and the Minnesota Department of Human Services revealed increased marijuana use in each age group studied—sixth graders, ninth graders, and high school seniors—over the past three years. In 1998, 30 percent of Minnesota seniors surveyed reported using marijuana in the previous year.

In addition, the high volume of illegal methamphetamine trafficking and production in Minnesota has placed enormous strain upon the resources of federal, state and local law enforcement agencies investigating the abuse of this deadly substance. In recent years, the number of methamphetamine treatment admissions to treatment centers and "meth" arrests of juveniles and adults has increased dramatically throughout our communities. Methamphetamine has become the drug of choice throughout Minnesota and is closely associated with increased crime and gang violence.

I am also troubled by the large number of national drug trafficking organizations that have established operations in Minnesota. The alarming rate of meth production and trafficking in my state has been caused by independent organizations that run clandestine laboratories in apartment complexes, farms, motel rooms and residences with inexpensive, over-the-counter materials. The secretive nature of the manufacturing process involves toxic chemicals, and frequently results in fires, damaging explosions, and destruction to our environment. Meth trafficking in both Minnesota and the United States has severely threatened the health and safety of our citizens, and crippled our national movement against drug abuse.

For these reasons, I am pleased that the amendment offered by Senators HATCH and ASHCROFT includes the major provisions of legislation that I have recently cosponsored, the "DEFEAT Meth Act" introduced by Senator ASHCROFT. This amendment will increase penalties for meth crimes, provide additional federal assistance to local law enforcement agencies to investigate and prosecute meth trafficking, implement community-based methamphetamine treatment and prevention programs, and safely cleanup illegal meth labs.

In my view, any proposal to combat illegal meth trafficking should also provide added security to our nation's farmers and farm businesses who must protect their farms from the theft of anhydrous ammonia, a crop fertilizer which is often used as an ingredient in the illegal manufacture of methamphetamine. Importantly, this amendment makes it illegal to steal anhuydrous ammonia or to transport stolen anhudrous ammonia across state lines if a person knows that this product will be used to illegally manufacture a controlled substance such as methamphetamine.

As someone working to secure High Intensity Drug Trafficking Area designation for the State of Minnesota, I am also very pleased that this proposal provides additional resources to investigate and prosecute meth production and trafficking in HIDTA regions throughout the country. This program administered by the nation's drug czar is a critical component of our federal drug control strategy.

The Hatch-Ashcroft amendment also toughens federal policy toward powder cocaine dealers, building upon the "Powder Cocaine Sentencing Act of 1999" which I have supported throughout this Congress. As my colleagues know, the current law provides that a dealer must distribute 500 grams of powder cocaine to qualify for a 5-year mandatory minimum prison sentence, and distribute 5 grams of crack cocaine to qualify for that offense. These sentencing guidelines result in a 100-to-1 quantity ratio between powder and more severe crack cocaine distribution sentences.

The Hatch-Ashcroft amendment represents a fair and effective approach toward federal cocaine sentencing policy. Rather than make federal crack cocaine sentences more lenient, this amendment would reduce from 500 to 50 grams the amount of powder cocaine a person must be convicted of distributing before receiving a mandatory five-year sentence. This legislation would adjust the current 100-to-1 quantity ratio to 10-to-1 by toughening powder cocaine sentences with reducing crack cocaine sentences.

I share the concern of parents and families regarding the violence which is occurring at an alarming rate at our nation's schools. Our children should be provided with the opportunity to learn in a safe and drug-free environment. We should make it clear that drug offenders will not be allowed to prey upon the innocence of young people and students.

In my view, the Hatch-Ashcroft amendment will help local school districts stop the flow of illegal drugs into our classrooms. Specifically, this proposal increases the mandatory minimum penalties for distribution of drugs to minors and for distribution of illegal drugs near schools and other locaticns frequented by juveniles. The amendment also requires school districts that receive federal funds to have expulsion policies for students who bring large quantities of drugs on school grounds. This is consistent with the current law which requires similar policies for students who bring firearms to school.

I understand the concerns expressed by some Members of Congress, federal judges, and the public regarding the fairness of mandatory minimum sentences. However, I believe mandatory minimum sentences for certain drug offenses is an important part of our national drug control policy and contributes to safer schools, work places, and communities.

Mr. President, the sale, manufacture and distribution of illegal drugs is one of the most difficult challenges facing our country. Drug abuse is a daily threat to the lives of young people and the health and safety of our communities. I believe a strong national anti-drug massage should include the proposals contained within this amendment. Passage of this proposal will provide greater protection to Americans from drug offenders, and drug-related crime and violence.

Mr. BINGAMAN. Mr. President, I rise today to express my deep disappointment concerning amendment 2771 to the Bankruptcy bill that we are voting on today. Earlier this year, I was an original cosponsor of S. 562, the methamphetamine bill introduced by Senator HARKIN, to implement a coordinated effort to combat methamphetamine abuse. I am very concerned about the abuse of methamphetamine in my home state of New Mexico, and I am very concerned about the rise in meth labs in my state. That is why I wholeheartedly supported the provisions aimed at: (1) combating the spread of methamphetamine; (2) treating abusers of meth; (3) developing prevention programs; and (4) researching meth. I was glad to see that Senator HATCH accepted the treatment, prevention and research provisions that were in S. 562 when drafting this amendment.

Meth is a highly addictive drug and I have supported efforts to stop the spread of meth in our rural communities. I support tougher penalties for meth lab operators and traffickers. I support resources to law enforcement to cover the cost of dismantling toxic meth labs.

However, because of the provision added to this amendment at the last minute, concerning school vouchers, I am unable to vote for an otherwise good meth bill. I regret that the drafters of this amendment felt it necessary to politicize this bill with issues like school vouchers that are unrelated to the methamphetamine issue. These attempts to undermine the bipartisan support for this meth bill are unfortunate.

While I support providing resources to law enforcement to battle the methamphetamine epidemic and have been a strong advocate for ways to improve school security, I cannot support the use of federal funds to send students to private or parochial schools under a legislative provision riddled with problems.

The provision allowing schools to use federal funds to send a student to a private school, including a religious school, if they become a victim of a violent crime on school grounds, will do nothing to make our schools safer and will only divert crucial funding from our public school system. In addition, the language is overly broad. If a student is injured on school grounds, at any time, the student will be entitled to attend the school of his or her choice anywhere in the state. This provision would allow the child who gets into a fight following a weekend basketball game to enroll in a private school—free of charge. The amendment would even allow federal funds to be used to transport the student to the private schools, even though federal funds could not be used to transport a student to a public school within the student's current school district.

Instead of pushing an overly broad voucher proposal which will damage our schools rather than improve them, we should focus on supporting violence and crime prevention programs for our youth. We should support community crime prevention activities that encourage parent and community involvement, and help communities and schools ensure that all children are safe all the time. For example, the juvenile crime bill—that has been sitting in Conference since this summer—properly addresses school safety in a comprehensive manner. My Republican colleagues have blocked final passage of that bill.

In addition, we should invest in initiatives such as the Safe and Drug-free Schools and after-school programs, since we know that most juvenile crimes occur between 3:00 and 8:00 p.m. As my colleague Senator HARKIN pointed out, the Republican leadership passed a bill that allocates only 50% of the amount that the President requested for this purpose.

Instead of draining much-needed resources from public schools, we should create conditions for improvement and reform—not in a few schools, but in all schools; not for a few students, but for all students.

By attaching these voucher provisions and issues unrelated to meth and the underlying bankruptcy bill, this entire amendment has been poisoned. If the Majority Leader was serious about passing a meth bill to aid law enforcement and reduce meth abuse, he could have offered a meth bill as a freestanding bill. However, by offering it as a non-germane amendment to the bankruptcy bill, this meth bill has little chance of surviving a bankruptcy conference committee and is a shallow attempt to help the groups fighting the spread of drugs in our states. Like many of my colleagues here today, I am angry that the poison pill, added to this meth bill at the final hour, converted a good piece of legislation into a bill that I cannot vote for.

Mr. DODD. Mr. President, I rise today to express my strong concerns about the provision of this amendment which authorizes vouchers for private schools.

Nearly all year we have had an ongoing debate over education. We have discussed funding, flexibility, accountability and numerous other issues. And each side has claimed they were on the side of the angels—the children and the schools—in these debates.

But in these last few weeks the masks have finally slipped off—Halloween is over and today we can see what direction my colleagues on the other side want to take education in this country.

In appropriations, they are fighting hard, very hard, against a national commitment to reduce class size. We all, even my colleagues on the other side, know, through research and from the voices of teachers and parents across the country, that class size is a key barrier to achievement particularly in the early grades. Too many children in a class overwhelm even the best teacher—discipline issues, control, noise and lack of focus define these classes of 25–30 children. But no, the Republicans claim they just will not accept a continued federal focus in this area.

On this bill, they will offer one amendment to block grant teacher training and professional development programs and reduce accountability in the critical area of improving teacher quality.

And they have slipped into this "drug" amendment a major voucher program for private schools.

Vouchers, block grants, and no class size—their position on education is clear.

They are not for improving public schools for all children. They are not for parents or students or teachers. They instead are for their own special interests—they are for private schools, not neighborhood schools; for state bureaucracy, not a focus on class size; for revenue sharing, not accountability.

This commitment to a few rather than all of our children is no where more clear than in the provision before us authorizing private vouchers.

Our universal system of public education is one of the very cornerstones of our nation, our democracy and our culture.

In every community, public schools are where America comes together in its rich diversity. For generations, educating the rich, poor, black, white, first-generation Americans—be they Irish, English, Japanese or Mexican-Americans—and all Americans has been the charge and challenge of our public schools. It is clearly not the easiest task. But its importance cannot be undervalued.

These efforts are essential to our democracy which relies on an educated citizenry, to our communities which require understanding of diversity to function, and to our economy which thrives on highly educated and trained workers. Education—public education—is also the door to economic opportunity for all citizens individually.

However, voucher proposals, like the one before us today, fundamentally undermine this ideal of public education.

Supporters of these programs never argue they will serve all children. They simply argue it is a way for some children to get out of public schools.

I do not argue that our public schools do not face challenges—violence, disinvestment and declining revenues plague some of our schools, just as they do many other community institutions.

And our schools are not ignoring these problems—even with limited resources.

Many are digging themselves out of these problems to offer real hope and opportunities to students. James Comer in Connecticut has led a revolution in public schools across the country by supporting parents and improving education through community involvement and reinvestment in the schools. Public magnet and charter schools are flourishing offering students innovative curriculum and new choices within the public school system. School safety programs, violence prevention curriculum and character education initiatives are making real gains in the struggle against violence in our schools and larger communities.

And these reform efforts are beginning to show results. Our schools are getting better. Student achievement is up in math, science and reading. The reach of technology has spread to nearly all of our schools. The dropout rate continues to decline.

We clearly have a ways to go before all our schools are models of excellence, but our goal must be to lend a hand in these critical efforts, not withdraw our support for the schools that educate 90 percent of all students in America—public schools.

And there is no question about it, private school vouchers will divert much needed dollars away from public schools. Our dollars are limited. We must focus them on improving opportunities for all children by improving the system that serves all children—the public schools.

Proponents of private school choice argue that vouchers will open up new educational opportunities to low-income families and their children. In fact, vouchers offer private schools, not parent's choice. The private schools will pick and choose students, as they do now. Few will choose to serve students with low test scores, with disabilities or with discipline problems. Vouchers will not come close to covering the cost of tuition at the vast majority of private schools.

There are also important accountability issues. Private institutions can fold in mid-year as nearly half a dozen have done in Milwaukee leaving taxpayers to pick up these pieces—only the pieces are children's lives and educations.

Our public schools are not just about any one child; they are about all children and all of us. I do not have any children, but I pay property taxes and do so happily to support the education of the children I am counting on to be tomorrow's workers, thinkers, leaders, teachers and taxpayers.

Our future is dependent on nurturing and developing the potential of every child to its fullest. Investing in our public schools is the best way to reach this goal.

I urge my colleagues to join me in defeating this amendment.

Mr. McCONNELL. Mr. President, the scourge of illegal drugs is one of the greatest problems facing our nation today. We have all heard stories about the wreckage of crime and shattered lives that drugs leave in their wake. Tragically, after years of steady progress in the war on drugs we have seen a reversal in hopeful trend lines under the current administration. I believe that the Ashcroft-Hatch-Abraham amendment can be an important step towards reducing the trend of increased drug use and putting our nation back on the road to victory in the war on drugs.

I am pleased that this legislation takes special aim at methamphetamines. In recent years, "meth" as it is called, has emerged as the leading illegal drug of choice, replacing cocaine as the most popularly used drug. In some ways "meth" is even worse than cocaine. It is cheap, easy to produce, highly addictive, and it kills. This drug is proving especially devastating in rural America. In my State of Kentucky, "meth" labs have been springing up like a deadly cancer in our communities. The methamphetamines produced in these labs are addicting adults and children at an alarming rate. We need to do something to combat this threat to our families and communities.

This antidrug legislation contains some important provisions to strengthen the war on drugs. The increased sentences for methamphetamines related offenses will send a clear message to dealers, producers, and users that we will not tolerate the problems they are bringing to our communities. This legislation also directs the DEA to mount a comprehensive offensive against this drug. Finally, it will provide additional resources for hard hit areas—especially those in rural America—that are struggling with the rising tide of "meth" production and use. The legislation will help these areas combat methamphetamine trafficking and implement abuse prevention efforts.

Mr. President, methamphetamine production and use has become a very serious problem in our country. It is time that Congress took aim at this issue. I support this legislation and urge all of my colleagues to do likewise.

Mr. KYL. Mr. President. I rise in support of the Republican crime amendment (#2771) to the Bankruptcy Reform Act of 1999. This amendment takes a multi-faceted approach to combating the problem of drugs. However, I am particularly pleased with the methamphetamine component of the amendment, which will help my own state of Arizona combat a veritable meth epidemic.

Arizona law enforcement continues to seize a record number of meth labs. Meth lab seizures are up to 30 percent over last year, with over 400 labs projected to be dismantled by the end of this fiscal year. An average of 26 labs per month are seized—that's almost one lab per day.

Meth usage is up, I am sad to report. Phoenix has the second highest rate for meth emergency-room admissions in the United States, according to the Drug Abuse Warning Network (DAWN). Phoenix also has the second highest percent of arrestees testing positive for meth in the U.S. according to the Arrestee Drug Abuse Monitoring program (ADAM).

Meth prosecutions are up, as well. The number of meth cases prosecuted by the Maricopa County Attorney's office in the first five months of this year was equal to all of the cases prosecuted during 1990.

This amendment provides a well-balanced approach to tackling meth by not only increasing penalties for certain meth-related crimes but also providing money to law enforcement (DEA and HIDTAs) for training, personnel, and meth lab cleanups, and providing money for prevention. The amendment also pays special attention to the anti-meth needs of rural communities by providing funding so the DEA can assist rural law enforcement in meth investigations. Many rural counties in my state cannot afford the latest and safest equipment, so they use old and unsafe equipment. Limited personnel and expansive terrain hinder meth-lab seizures. For example, Mohave County law enforcement seized about one lab per week last year and could have seized double that if they had the resources.

Because of Arizona's meth problem, I have fought for additional funding for Arizona law enforcement. Last year, I secured $1 million for Arizona law enforcement to use for equipment, personnel, and training in order to combat meth. This was in direct response to a field hearing I held in Phoenix highlighting the problem of meth and meth labs. During the hearing I heard from urban and rural law enforcement on the dangers posed by meth labs as well as their drain on resources.

I support this amendment because it will give law enforcement the resources needed to combat the problem of meth in my state.

Mr. HUTCHINSON. Mr. President, I rise in support of Senate amendment 2771 to S. 625 because it will provide additional federal resources to combat the dramatic increase in the production, use and distribution of methamphetamine which I believe must be stopped.

Methamphetamine is particularly insidious because it is highly addictive, cheap, easy to produce and distribute, popular with youth, and tends to make its users paranoid and violent. Thus, crimes like burglaries, theft, shoplifting, robberies, and murder can be traced to methamphetamine use. In fact, the prosecuting attorney of my home county, Benton County, Arkansas, estimates that 70% of the felony court docket is directly or indirectly related to methamphetamine. Another, often-forgotten but tragic problem which accompanies methamphetamine use is child abuse. Children of methamphetamine users have specific problems associated with their parents' drug addictions: medical, environmental, and educational neglect; malnutrition; and sometimes physical abuse. According to child welfare workers, parents who use meth are more likely to physically abuse their children than parents who use other drugs.

Methamphetamine is a serious and growing problem in my home state of Arkansas because the state of Arkansas possesses many of the characteristics which allow drug trafficking to flourish: it is sparsely populated with remote areas; it suffers from a high rate of poverty and joblessness and a low per capita income; it has a large population of illegal immigrants; and it has two major interstate highways which facilitate the transportation of drugs to Oklahoma City, Kansas City, Memphis, St. Louis, and throughout the rest of the nation.

The rapid increase and magnitude of the methamphetamine problem is illustrated in my home state's experience. In 1995, the Arkansas State Police seized 24 methamphetamine labs; in 1996, the number of labs seized more than tripled to 95, then more than tripled again to 242 in 1997, and doubled again to 434 labs in 1998. Recently, the DEA identified Arkansas as one of the top three methamphetamine-producing states in the nation, based on per-capita figures. The growth of the methamphetamine problem in my home state is also seen by the increase in the amount spent to clean up clandestine lab sites, which is one of the most dangerous activities law enforcement officers must undertake. In 1998, $567,000 was spent on clandestine lab cleanups associated with federal agencies in Arkansas whereas five years before, only $71,000 was expended.

I support this amendment because it provides an additional $15 million a year to the Office of National Drug Control Policy to facilitate the hiring of federal, state, and local enforcement personnel to combat methamphetamine trafficking in designated HIDTAs. It is my hope that such an increase will result in the designation of additional HIDTAs in areas, like my home state, where the greatest increase in the methamphetamine problem is occurring. I also support this amendment because of the additional $9.5 million it provides to enable the DEA to hire new agents to help state and local enforcement officials in the small and mid-sized towns with limited resources where methamphetamine is so often found to conduct more methamphetamine investigations. This amendment also will provide an additional $5.5 million for the DEA to train state and local law enforcement officials in one of their most dangerous duties, the cleanup of methamphetamine labs.

Finally, I wish to commend and thank Senators HATCH, ASHCROFT, GRASSLEY, and my other colleagues who have worked so tirelessly on this bill and to address the methamphetamine problem and urge my colleagues to pass this amendment.

Mr. FEINGOLD. Mr. President, I rise today to oppose the drug amendment to the bankruptcy reform bill introduced by my distinguished colleague from Utah, Senator HATCH.

S. 486, the Methamphetamine Anti-Proliferation Act of 1999, has been drastically altered to give us the amendment we are now debating. I was a proud cosponsor of that bipartisan bill. It would provide needed law enforcement training and resources to combat meth, as well as prevention and treatment resources for meth users, to my state, Wisconsin, and all states in the Midwest that have been overrun by this horrible drug. The Judiciary Committee explored the extent of the meth problem and the urgent need for federal resources and support to fight the spread of meth. Hearings and a markup of the Methamphetamine Anti-Proliferation Act were held. The bill was reported out of the Judiciary Committee only after extensive negotiations between members from both sides of the aisle.

Now, as we debate bankruptcy reform, I am greatly troubled to see that this well-crafted bill has been contorted into a bill with all sorts of provisions that have nothing to do with methamphetamine and are bad policy, pure and simple. First, the bill has been saddled with the Powder Cocaine Sentencing Act. The powder cocaine bill is objectionable because it raises powder cocaine penalties to extremely high levels—ensuring further prison overcrowding without offering any concrete effort to promote cocaine use prevention and treatment. The powder cocaine bill has been attached to this amendment, even though it has not been considered by the Judiciary Committee. The Committee hasn't even had a hearing this year on the bill. Second, the drug amendment is bad policy because it includes a voucher provision that would provide federal funding for some children to attend private school at taxpayer expense, without providing any resources to improve the overall quality of education for the children who remain in our public schools.

As a result, I cannot support the drug amendment to the bankruptcy reform bill. I want to be clear. I am committed to fighting the spread of meth in Wisconsin and across the country. But I cannot support an amendment that will do harm to our nation's schools and to our effort to punish cocaine offenders fairly. If the drug amendment passes, I urge the conferees on this bill to remove the troubling provisions relating to powder cocaine and school vouchers.

I yield the floor.

AMENDMENT NO. 2655

(Purpose: To provide for enhanced consumer credit protection, and for other purposes)

Mr. TORRICELLI. Mr. President, I ask unanimous consent to set the pending amendment aside and call to the floor amendment No. 2655, and that the Senate then return to the pending business.

The PRESIDING OFFICER (Mr. BURNS). Without objection, it is so ordered.

The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from New Jersey [Mr. TORRICELLI], for himself, Mr. GRASSLEY, Mr. BIDEN, and Mr. LEAHY, proposes an amendment numbered 2655.

Mr. TORRICELLI. I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in the RECORD of Friday, November 5, 1999, under "Amendments Submitted.")

Mr. TORRICELLI. Mr. President, at the outset of this debate for bankruptcy reform, I made clear my own feelings that, as important as I thought it was to reform the bankruptcy laws, in fairness, the legislation needed to be balanced by addressing some of the abuses in the credit industry.

In recent days, Senators DURBIN and DODD have come to the floor with their own variations to protect consumers and the credit industry's own excesses. Those amendments have not been successful.

I offer what I believe is a balanced and is clearly a bipartisan effort to include some consumer protection in this legislation. It is not based on a theory of government intervention or restriction on credit. It is based on the theory of giving consumers information to make their own judgments. I offer this amendment with Senator GRASSLEY, who has been both accommodating and has offered leadership in fair consumer protection, with Senator LEAHY and Senator BIDEN.

As I outline the amendment, I think it will be clear we borrowed heavily from ideas offered by Senators GRASSLEY, BIDEN, and LEAHY but also consumer protection initiatives in part previously offered by Senator SCHUMER, Senator REED, Senator HATCH, and Senator GRAMM. That is why it is all inclusive and why it is balanced.

There has been a great deal of attention on the rise of consumer bankruptcy in recent years. The numbers bear some repeating. Since 1980, there has been a 350-percent increase in bankruptcy filings. Indeed, there are many reasons for it. Part of the crushing debt forcing millions of Americans into bankruptcy clearly is the availability of credit. In the last 23 years, the debt burden by American families has quadrupled. Twenty percent of families earning less than $10,000 have consumer debt that is more than 40 percent of their income.

As this chart indicates, consumer bankruptcies and consumer credit debt are nearly identically tracking each other. One cannot separate the rise in bankruptcies from the level of consumer debt. They are one and the same problem.

Therefore, as certainly as we deal with other reasons for the abuse of bankruptcies, we must at least deal in part with this issue of availability of credit and whether consumers are fully informed.

In 1975, total household debt was 24 percent of aggregate household income. Today, the number is more than 100 percent. That bears repeating: Household income and household debt have now matched each other in an extraordinary and dangerous statistic. Certainly, one of the factors that has led to this radical rise in household debt is the amount of solicitation of consumer credit card debt, which include both aggressive and dubious solicitation techniques.

In 1998, the credit industry sent out more than 3.5 billion solicitations. That is 41 mailings for every American household; 14 credit solicitations for every man, woman, and child in America. This does not simply represent aggressive marketing for Americans with high incomes who can afford this increase in credit; it includes high school and college students, a situation so serious, as Senator DODD pointed out yesterday on the floor of the Senate, that 450 colleges and universities have banned the marketing of credit cards on their campuses; so serious that credit card debt is a leading reason for college students dropping out of school.

I recognize the problem. Our amendment does not restrict access to credit, as many Senators would not support that. There is no mandatory control. All we are doing is simply ensuring that before people with low income or students incur this debt, they at least know the consequences of the debt they are accepting. If this is true for students, it is equally true for low-income people. Just in this decade, Americans below the poverty line have doubled their credit usage. Indeed, that is one of the reasons credit card debt now accounts for 31 percent of all consumer debt, putting not only students but low-income people on a treadmill from which they will never, ever escape.

Yet I recognize why many Senators would never accept restricting access to credit because the availability of credit to low-income people, even to students, in a free economy is part of how they make investments, make their own judgments. The answer is not to restrict credit to poor people or working people or students. The Senate has rejected that technique, and I do not offer it today. I offer full disclosure. Full disclosure means the 55 to 60 million households in America that carry a credit card balance on average, month to month, of $7,000, which incurs interest and fees of $1,000 a year, will understand the consequences of that debt before and during incurring that debt. Too few consumers understand making only the minimum payment means their balance will grow and they may never, in a reasonable amount of time, have that debt paid.

Specifically, what are we asking under this amendment? First, we are requiring a warning as appears on this chart which, in my own office, has modestly been dubbed "the Torricelli warning." It has provisions in it specifically that will warn that, with a balance of $1,000 and 17-percent interest, if the consumer pays only the minimum payment, it will take 88 months to pay off the balance. Here is that warning:

> Minimum payment warning: Making only the minimum payment will increase the interest you pay and the time it takes to repay your balance. For example, making only the typical 2-percent minimum monthly payment on a balance of $1,000 at an interest rate of 17 percent would take 88 months to repay the balance in full. For an estimate of the time it would take to repay your balance making only the minimum payments, call this toll-free number.

First, in this Torricelli warning, we put a 1–800 number that is available for people to call to get the specifics of how long it will take to pay down your account. That is one.

No. 2, we will require creditors to disclose that interest on loans secured by a dwelling is tax deductible only to the value of the property because too many consumers are being told if they secure their debt with their real estate, it is tax deductible, only then to find if they have a debt beyond the value of the property, it is not tax deductible. We want full disclosure of this fact.

This is based on an amendment previously offered by Senator REED. It has great merit. I have included it in this amendment that I offer with Senator GRASSLEY and others of my colleagues.

No. 3, we require that with credit solicitations containing an introductory or teaser rate, which is so popular, the date at which the introductory rate will expire must be clearly and conspicuously disclosed, so people understand these low interest rates will expire and when they expire, so they can make an informed judgment as consumers. This is based on legislation previously offered by Senator SCHUMER. I think it is invaluable.

No. 4, we require that disclosure of the standard truth-in-lending information now required for paper solicitations also be required for Internet solicitations. What we are already requiring on paper solicitations we simply apply to the Internet. This is also based on an amendment offered in committee by Senator SCHUMER. I think it is extremely valuable.

No. 5, we require prominent disclosure of the date on which a late fee will be charged and the amount of the fee. If people are subjecting themselves to late fees, that fact and what the fee would be must be disclosed in the amendment Senator GRASSLEY and I are offering. This, as well, is based on something Senator SCHUMER has done in the past, and we are very grateful for his valuable contribution to it.

No. 6, finally, we prohibit a creditor from terminating an account prior to its expiration date because a consumer has not incurred finance charges. To me, this is the most outrageous of the abuses of the credit industry. A person uses their credit card, they pay off the balance in full, therefore not availing themselves of the credit that could be used, and there is no interest rate because they are paying off their balance, and they are getting their credit card taken from them. We would prohibit that. Good consumers who use their credit card and do not incur any debt do not have to pay, and should not be penalized, for being responsible consumers. We prohibit that practice.

I believe, therefore, what we have done with Senator LEAHY and Senator BIDEN, under the leadership of Senator GRASSLEY, is balanced, it is fair, it is at this point the only chance in the bankruptcy bill to have real consumer protection. It is the only amendment being offered on a bipartisan basis. It is based on the very good work of Senator REED and Senator BIDEN, Senator LEAHY, Senator SCHUMER, and Senator DURBIN. I hope, based on that work, this amendment can be adopted.

I yield the floor and thank my colleagues for their contributions to this amendment.

The PRESIDING OFFICER. Who yields time?

AMENDMENT NO. 2650

(Purpose: To control certain abuses of reaffirmations)

Mr. SESSIONS. I ask unanimous consent to call up amendment No. 2650 proposed by Senator REED and myself, and I send a modification to the desk and ask that the amendment be agreed to as modified and the motion to reconsider be agreed to and laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 2650), as modified, was agreed to, as follows:

SECTION 1. REAFFIRMATION.

In S. 625, strike section 203 and section 204(a) and (c), and insert in lieu of 204 (a) the following—

"(a) IN GENERAL.—Section 524 of title 11, United States Code, as amended by section 202 of this Act, is amended—

(1) In subsection (c) by striking paragraph (2) and inserting the following:

"(2) the debtor received the disclosures described in subsection (i) at or before the time the debtor signed the agreement.

(2) by inserting at the end of the section the following—

"(i)(1) The disclosures required under subsection (c) paragraph (2) of this section shall consist of the disclosure statement described in paragraph (3), completed as required in that paragraph, together with the agreement, statement, declaration, motion and order described, respectively, in paragraphs (4) through (8) of this subsection, and shall be the only disclosures required in connection with the reaffirmation.

"(2) Disclosures made under this paragraph shall be made clearly and conspicuously and in writing. The terms "Amount Reaffirmed" and "Annual Percentage Rate" shall be disclosed more conspicuously than other terms, data or information provided in connection with this disclosure, except that the phrases "Before agreeing to reaffirm a debt, review these important disclosures" and "Summary of Reaffirmation Agreement" may be equally conspicuous. Disclosures may be made in a different order and may use terminology different from that set forth in paragraphs [(2) through (7)], except that the terms "Amount Reaffirmed" and "Annual Percentage Rate" must be used where indicated.

"(3) The disclosure statement required under this paragraph shall consist of the following—

"(A) The statement: "Part A: Before agreeing to reaffirm a debt, review these important disclosures:";

"(B) Under the heading "Summary of Reaffirmation Agreement", the statement: "This Summary is made pursuant to the requirements of the Bankruptcy Code";

"(C) The "Amount Reaffirmed", using that term, which shall be the total amount which the debtor agrees to reaffirm, and the total of any other fees or cost accrued as of the date of the reaffirmation agreement."

"(D) In conjunction with the disclosure of the "Amount Reaffirmed", the statements

(I) "The amount of debt you have agreed to reaffirm"; and

(II) "Your credit agreement may obligate you to pay additional amounts which may come due after the date of this disclosure.

Consult your credit agreement";

"(E) The "Annual Percentage Rate", using that term, which shall be disclosed as—

"(I) if, at the time the petition is filed, the debt is open end credit as defined pursuant to the Truth in Lending act, title 15 United States Code section 1601 et. seq., then

"(aa) the annual percentage rate determined pursuant to title 15 United States Code section 1637(b)(5) and (6), as applicable, as disclosed to the debtor in the most recent periodic statement prior to the agreement or, if no such periodic statement has been provided the debtor during the prior six months, the annual percentage rate as it would have been so disclosed at the time the disclosure statement is given the debtor; or to the extent this annual percentage rate is not readily available or not applicable, then

"(bb) the simple interest rate applicable to the amount reaffirmed as of the date of the agreement, or if different simple interest rates apply to different balances, the simple interest rate applicable to each such balance, identifying the amount of such balance included in the amount reaffirmed, or

"(cc) if the entity making the disclosure elects, to disclose the annual percentage rate under (aa) and the simple interest rate under (bb).

"(II) if, at the time the petition is filed, the debt is closed end credit as defined pursuant to the Truth in Lending Act, title 15 United States Code section 1601 et seq., then

"(aa) the annual percentage rate pursuant to title 15 United States Code section 1638(a)(4) as disclosed to the debtor in the most recent disclosure statement given the debtor prior to the reaffirmation agreement with respect to the debt, or, if no such disclosure statement was provided the debtor, the annual percentage rate as it would have been so disclosed at the time the disclosure statement is given the debtor; or to the extent this annual percentage rate is not readily available or not applicable, then

"(bb) the simple interest rate applicable to the amount reaffirmed as of the date of the agreement, the disclosure statement is given the debtor, or if different simple interest rates apply to different balances, the simple interest rate applicable to each such balance, identifying the amount of such balance included in the amount reaffirmed; or

"(cc) if the entity making the disclosure elects, to disclose the annual percentage rate under (aa) and the simple interest rate under (bb)."

"(F) If the underlying debt transaction was disclosed as a variable rate transaction on the most recent disclosure given pursuant to the Truth in Lending Act, title 15, United States Code, section 1601 et seq., by stating "The interest rate on your loan may be a variable interest rate which changes from time to time, so that the annual percentage rate disclosed here may be higher or lower than your current obligation.";

(G) If the debt is secured by a security interest which has not been waived in whole or in part or determined to be void by a final order of the court at the time of the disclosure, by disclosing that a security interest or lien in goods or property is asserted over some or all of the obligations you are reaffirming and listing the items and their original purchase price that are subject to the asserted security interest, or if not a purchase-money security then the original amount of the loan."

"(H) At the election of the creditor, a statement of the repayment schedule using one or a combination of the following—

"(I) by making the statement: "Your first payment in the amount $ ____ is due on ____.", and stating the amount of the first payment and the due date of that payment in the places provided;

"(II) by making the statement: "Your payment schedule will be:", and describing the repayment schedule with the number, amount and due dates or period of payments scheduled to repay the obligations reaffirmed to the extent then known by the disclosing party; or

"(III) by describing the debtor's repayment obligations with reasonable specificity to the extent then known by the disclosing party.

"(I) The following statement: "Note: When this disclosure talks about what a creditor "may" do, it does not use the word "may" to give the creditor specific permission. The word "may" is used to tell you what might occur if the law permits the creditor to take the action. If you have questions about your reaffirmation or what the law requires, talk to the attorney who helped you negotiate this agreement. If you don't have an attorney helping you, the judge will explain the effect of your reaffirmation when the reaffirmation hearing is held.";

"(J) The following additional statements:

"Reaffirming a debt is a serious financial decision. The law requires you to take certain steps to make sure the decision is in your best interest. If these steps are not completed, the reaffirmation agreement is not effective, even though you have signed it.

"1. Read the disclosures in this Part A carefully. Consider the decision to reaffirm carefully. Then, if you want to reaffirm, sign the reaffirmation agreement in Part B (or you may use a separate agreement you and your creditor agree on).

"2. Complete and sign part D and be sure you can afford to make the payments you are agreeing to make and have received a copy of the disclosure statement and a completed and signed reaffirmation agreement.

"3. If you were represented by an attorney during the negotiation of the reaffirmation agreement, the attorney must sign the certification in Part C.

"4. If you were not represented by an attorney during the negotiation of the reaffirmation agreement, you must complete and sign Part E.

"5. The original of this Disclosure must be filed with the court by you or your creditor. If a separate reaffirmation agreement (other than the one in Part B) has been signed, it must be attached.

"6. If you were represented by an attorney during the negotiation of the reaffirmation agreement, your reaffirmation agreement becomes effective upon filing with the court unless the reaffirmation is presumed to be an undue hardship as explained in part D."

"7. If you were not represented by an attorney during the negotiation of the reaffirmation agreement, it will not be effective unless the court approves it. The court will notify you of the hearing on your reaffirmation agreement. You must attend this hearing in bankruptcy court where the judge will review your agreement. The bankruptcy court must approve the agreement as consistent with your best interests, except that no court approval is required if the agreement is for a consumer debt secured by a mortgage, deed of trust, security deed or other lien on your real property, like your home.

"Your right to rescind a reaffirmation. You may rescind (cancel) your reaffirmation at any time before the bankruptcy court enters a discharge order or within 60 days after the agreement is filed with the court, whichever is longer. To rescind or cancel, you must notify the creditor that the agreement is canceled.

"What are your obligations if you reaffirm the debt? A reaffirmed debt remains your personal legal obligation just as though you hadn't filed bankruptcy, it is not discharged in your bankruptcy. That means that if you default on your reaffirmed debt after your bankruptcy is over, your creditor may be able to take your property or your wages. Otherwise, your obligations will be determined by the reaffirmation agreement which may have changed the terms of the original agreement. For example, if you are reaffirming an open end credit agreement, the creditor is often permitted by the agreement and/or applicable law to change the terms of the agreement in the future under certain conditions.

"Are you required to enter into a reaffirmation agreement by any law? No, you are not required to reaffirm a debt by any law. Only agree to reaffirm a debt if it is in your best interest. Be sure you can afford the payments you agree to make.

"What if your creditor has a security interest or lien? Your bankruptcy discharge does not eliminate any lien on your property. A "lien" is often referred to as a security interest, deed of trust, mortgage or security deed. Even if you do not reaffirm and your personal liability on the debt is discharged, because of the lien your creditor may still have the right to take the security property if you do not pay the debt or default on it. If the lien is on an item of personal property that is exempt under your state's law or in certain other circumstances, you may redeem the item rather than reaffirm the debt. To redeem, you make a single payment to the creditor equal to the current value of the security property, as agreed by the parties or determined by the court."

"(4) The form of reaffirmation agreement required under this paragraph shall consist of the following—

"Part B: Reaffirmation Agreement. I/we agree to reaffirm the obligations arising under the credit agreement described below.

Brief description of credit agreement:

Description of any changes to the credit agreement made as part of this reaffirmation agreement:

Signature:

Date:

Borrower:

Co-borrower, if also reaffirming:

Accepted by creditor:

Date of creditor acceptance:";

"(5)(i) The declaration shall consist of the following:

"Part C: Certification by Debtor's Attorney (If Any)—I hereby certify that (1) this agreement represents a fully informed and voluntary agreement by the debtor(s); (2) this agreement does not impose an undue hardship on the debtor or any dependent of the debtor; and (3) I have fully advised the debtor of the legal effect and consequences of this agreement and any default under this agreement.

Signature of Debtor's Attorney:

Date:";

(ii) In the case of reaffirmations in which a presumption of undue hardship has been established, the certification shall state that in the opinion of the attorney, the debtor is able to make the payment."

"(6) The statement in support of reaffirmation agreement, which the debtor shall sign and date prior to filing with the court, shall consist of the following—

"Part D: Debtor's Statement in Support of Reaffirmation Agreement.

1. I believe this agreement will not impose an undue hardship on my dependents or me. I can afford to make the payments on the reaffirmed debt because my monthly income (take home pay plus any other income received) is $, and my actual current monthly expenses including monthly payments on post-bankruptcy debt and other reaffirmation agreements total $, leaving $ to make the required payments on this reaffirmed debt. I understand that if my income less my monthly expenses does not leave enough to make the payments, this reaffirmation agreement is presumed to be an undue hardship on me and must be reviewed by the court. However, this presumption may be overcome if I explain to the satisfaction of the court how I can afford to make the payments here: .

2. I received a copy of the Reaffirmation Disclosure Statement in Part A and a completed and signed reaffirmation agreement.";

"(7) The motion, which may be used if approval of the agreement by the court is required in order for it to be effective and shall be signed and dated by the moving party, shall consist of the following—

"Part E: Motion for Court Approval (To be completed only where debtor is not represented by an attorney.) I (we), the debtor, affirm the following to be true and correct:

"I am not represented by an attorney in connection with this reaffirmation agreement.

"I believe this agreement is in my best interest based on the income and expenses I have disclosed in my Statement in Support of this reaffirmation agreement above, and because (provide any additional relevant reasons the court should consider):

"Therefore, I ask the court for an order approving this reaffirmation agreement."

"(8) The court order, which may be used to approve a reaffirmation, shall consist of the following—

"Court Order: The court grants the debtor's motion and approves the reaffirmation agreement described above.";

"(j) Notwithstanding any other provision of this title—

"(1) A creditor may accept payments from a debtor before and after the filing of a reaffirmation agreement with the court.

"(2) A creditor may accept payments from a debtor under a reaffirmation agreement which the creditor believes in good faith to be effective.

"(3) The requirements of subsections (c) and (i) shall be satisfied if disclosures required under those subsections are given in good faith.

"(k) Until 60 days after a reaffirmation agreement is filed with the court (or such additional period as the court, after notice and hearing and for cause, orders before the expiration of such period), it shall be presumed that the reaffirmation agreement is an undue hardship on the debtor if the debtor's monthly income less the debtor's monthly expenses as shown on the debtor's completed and signed statement in support of the reaffirmation agreement required under subsection (i)(6) of this section is less than the scheduled payments on the reaffirmed debt. This presumption must be reviewed by the court. The presumption may be rebutted in writing by the debtor if the statement includes an explanation which identifies additional sources of funds to make the payments as agreed upon under the terms of the reaffirmation agreement. If the presumption is not rebutted to the satisfaction of the court, the court may disapprove the agreement. However, no agreement shall be disapproved without notice and hearing to the debtor and creditor and such hearing must be concluded before the entry of the debtor's discharge."

SEC. 2. JUDICIAL EDUCATION.

Add at the appropriate place the following:

"( ) JUDICIAL EDUCATION.—The Director of the Administrative Office of the United States Courts, in consultation with the Director of the Executive Office for United States Trustees, shall develop materials and conduct such training as may be useful to courts in implementing the act, including the requirements relating to the 707(b) means test and reaffirmations."

Mr. SESSIONS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2771

Mr. LEAHY. Mr. President, how much time is remaining under the control of the Senator from Vermont?

The PRESIDING OFFICER. Seventy minutes 28 seconds.

Mr. LEAHY. Seven-zero?

The PRESIDING OFFICER. Seven-zero.

Mr. LEAHY. I thank the Chair and my good friend from Montana.

Mr. President, I compliment the distinguished Senator from Alabama for his comments and others who have spoken on this. He and I belong to that great fraternity which I have always considered the best fraternity—former prosecutors. I have sometimes said the best job I ever had was as a prosecutor, although I must admit, when I told the U.S. attorney of our State, Charles Tetzlaff, who is a superb U.S. attorney, I often wanted to trade with him, he said: "Yeah, sure you do." In my view, it is one of the best positions one can have in government, also one that requires the most concern for the public.

I wear both hats of a Senator and also as a former prosecutor in opposing this amendment. I am not opposing the motivation of Senators who want to stop what has become a scourge of drug use in our country. When I think of the young people in this country whose lives are damaged by drugs, when I think of families who are damaged, when I think of the people who are victims of crime from those seeking money to buy drugs, I fully appreciate what a scourge it is.

Right on Capitol Hill, one of the most beautiful parts of our Nation, we have seen people suffer burglaries, muggings, thefts, and assaults by people trying to get money for drugs. It is a problem our country, probably more than any other country, has to face because we are the wealthiest nation on Earth and we, as a nation, fuel the drug trade because of all the money we put into it.

It is ironic, in a way, that we send in troops and helicopters and chemicals to countries to stem the drug production and trade from their country, when the answer, of course, is within our borders. If we worked harder stopping the demand for drugs in the United States, that drug traffic would dry up. If you could turn off the drug production in a country in Central America and could somehow hermetically seal that country, as long as there are tens of billions, even hundreds of billions, of dollars willingly spent by U.S. citizens for drugs, drug production will just take place somewhere else. It is the ultimate example of supply and demand. The supply is always going to be there. We do far too little to stop the demand.

We are not going to stop the demand by this amendment because it takes the wrong approach to combating illegal drug use in this country. The amendment would dramatically increase mandatory minimum penalties for cocaine trafficking. It would throw the principle of federalism out the window by telling local schools and school districts how they must deal with illegal drug use by students. Frankly, how my State of Vermont may want to deal with this may be far different than the State of Montana, the State of Alabama, or any other State. I have to think we know our people the best within our States and they are capable of making those decisions.

The amendment attempts to solve the unfair discrepancy between sentences for powder and crack cocaine. There is an unfair discrepancy, and I do not think people are that far off when they say that discrepancy may have racist overtones. We should all agree the discrepancy is unfair. In solving that discrepancy between powder and crack cocaine, this amendment is going about it in precisely the wrong way by increasing the use of mandatory minimums for those who manufacture, distribute, dispense, or possess with intent to distribute powder cocaine.

Under the current law—and this is how we get into the improper and unfair discrepancy—the quantity threshold to trigger mandatory minimum penalties for crack offenders is 100 times more severe than for powder cocaine offenders. Let me put this in a different way.

If you have an offender charged with a 5-gram-crack-cocaine offense, they would be subject to the same 5-year minimum sentence that would apply to somebody who was caught with 500 grams of powder cocaine. These harsher crack sentences have resulted in a disparate impact on the African American community. African Americans constitute 12 percent of the American population but account for 40 percent of our prison population. Anybody looking at those numbers know something has gone astray. Eighty-eight percent of those convicted of crack offenses are black and, of course, crack offenses always carry the higher penalties. In 1993, the number of African American men under the control of the criminal justice system was greater than the number of African American men enrolled in college. Something has gone dramatically astray in our country.

While it is true that Federal courts have held the disparate impact caused by the crack and powder cocaine mandatory sentencing thresholds does not violate constitutional protections, the fact existing laws fall within the judicially determined boundaries of constitutional acceptability does not absolve Congress of its ongoing responsibility to implement the most just and effective ways to combat drugs in America.

Just because an act of Congress may be constitutionally acceptable does not mean it makes sense. On national highways we could probably constitutionally set a $500 fine for somebody driving 5 miles an hour over the speed limit. It would probably be upheld constitutionally, but do we have any constituents who would say it made sense? Of course not.

I have repeatedly stated my objections to the shortsighted use of mandatory minimums in the battle against illegal drugs because of the way they are applied. My objections are all the more grave when an attempt is made to increase the use of mandatory minimums through provisions placed in the middle of—what?—an amendment to a bankruptcy bill offered as the adjournment bells are almost ringing at the end of the session.

We can debate whether mandatory minimums are an appropriate tool in our critically important national fight against illegal drugs. I believe they have not made that much difference. Others would believe otherwise. In my view, simply imposing or increasing mandatory minimums undercuts and even subverts the more considered process Congress set up with the Sentencing Commission.

The Federal sentencing guidelines already provide a comprehensive mechanism to mete out fair sentences. They allow judges the discretion they need to give appropriate weight to individual circumstances. In other words, sentencing guidelines allow judges to do their jobs.

The Sentencing Commission goes through an extensive and thoughtful process to set sentence levels. For example, pursuant to our 1996 anti-methamphetamine law, the Sentencing Commission increased meth penalties after very careful analysis of sentencing data, especially recent sentencing data. They studied the offenses. They had information from the Drug Enforcement Agency on trafficking levels, dosage unit size, price, and drug quantity. They took all those matters into consideration. Simply increasing arbitrarily, in the middle of a bankruptcy bill, mandatory minimums goes too far in taking sentencing discretion away from judges.

Would it not make far more sense if we set this amendment aside, and at the Judiciary Committee, which certainly has jurisdiction over this issue, have real hearings and have people discuss whether it is a good idea or bad idea? Bring in drug enforcement people, bring in local authorities, bring in everybody else involved, and have a real hearing. If we simply do it because it sounds good at the moment, I think we make a mistake.

That is why I have repeatedly expressed my concerns about creating new mandatory minimum penalties, including as recently as in August, when the methamphetamine bill that has contributed many of this bill's provisions was considered by the Judiciary Committee.

The meth bill, which was reported by the Judiciary Committee, is contained in this amendment to the bankruptcy bill. It contains a provision directing the Sentencing Commission to amend the guidelines to make penalties for amphetamine offenses comparable to the offense levels for methamphetamine.

Congress recently increased mandatory minimum sentences for methamphetamine. Stiff mandatory minimum penalties were slipped into last year's omnibus appropriations bill. As a result, now methamphetamine penalties are the same as crack penalties. This amendment in the bankruptcy bill would now order the Sentencing Commission to increase penalties for amphetamine crimes by a number of base offense levels so the same penalties apply to both meth and amphetamine offenses.

So what do we get for a result? Even without the question of mandatory minimums, you are going to have dramatic increases in the penalties for amphetamine offenses.

We ought to first pass a resolution saying, we are all against illegal drug use. We live in neighborhoods. We are parents or grandparents. We walk the streets of America. We have seen the dangers of illegal drug use—all Senators, Republican and Democrat. We are all against it. That should be a given. But do we need to stand up here, the 100 of us who are suppose to represent a quarter of a billion Americans, and prove over and over and over again that we are against illegal drug usage by imposing harsher and harsher penalties, without any regard to whether spending more taxpayer money on more prisons and more prison guards is really the most cost-effective way to address this problem?

In many parts of this country we spend far more money building new prisons than we do building new schools. We spend far more money increasing the number of prison guards and on their pensions and their pay, and everything else that goes for them, than we do in hiring new science teachers or math teachers or language teachers. We ought to ask ourselves: Does this picture make that much sense?

I agree with the distinguished Senator from Alabama, Mr. SESSIONS, that we have put a misplaced emphasis on long mandatory minimum penalties as the primary tool we use to fight illegal drug trafficking. When I was a prosecutor, I must admit, there were many times I asked for a stiff penalty, when the case called for it. But I also knew enough to know that stiffer penalties by themselves are not the whole answer. There are a whole lot of other things involved. For one thing, a lot of people committing a crime do not get too concerned about the penalty if they think they are not going to get caught.

So the example I have used before is, you have two warehouses side by side. One has all kinds of alarm systems and security personnel. The other has a rusted old padlock, no lights, and nobody around it. They both are filled with, say, television sets. The penalties for breaking in and stealing those TV sets are the same, whether you break into the warehouse that has its security system, the lights, and the guards, or if you break into the one with the rusty old padlock with no guards and no lights. It does not take a criminologist to know which one is going to get broken into. Why would somebody break into one where they might get caught when they can go into the one where they assume they will not get caught? The penalties are the same, so the penalty is not the deterrent.

We have to make drug dealers feel vulnerable and make drug dealing a risky business. We do this by making sure they are caught and prosecuted, not simply piling on lengthier prison terms with increased mandatory minimum penalties for the few on the fringes who do get caught.

These mandatory minimums also carry with them significant economic and social costs. According to the Congressional Budget Office, the annual cost of housing a Federal inmate ranges from $16,745 per year for minimum security inmates to $23,286 per year for inmates in high-security facilities.

Mr. President, you and I and every taxpayer is paying for that. It is critical that we take steps that will effectively deter crime, but we should not ignore the costs of this one-size-fits-all approach to mandatory minimums.

We also cannot ignore the policy implications of the boom in our prison population. Let me just tell you about this. In 1970—5 years before I came to the Senate—the total population in the Federal prison system was 20,868 prisoners, of whom 16.3 percent were drug offenders.

By 1997, the federal prison population had grown to almost 91,000 sentenced prisoners, approximately 60 percent of whom were sentenced for drug offenses. The cost of supporting this expanded federal criminal justice system is staggering. The portion of federal drug control spending attributable to the criminal justice system grew from $415 million in 1981 to over $8.5 billion in 1999. Imprudently lowering the cocaine sentencing threshold without considering the fiscal consequences would further encumber our already overworked system. We ignore at our peril the findings of RAND's comprehensive 1997 report on mandatory minimum drug sentences: "Mandatory minimums are not justifiable on the basis of cost-effectiveness at reducing cocaine consumption, cocaine expenditures, or drug-related crime."

Reducing the disparity between sentences for powder and crack cocaine in the manner proposed in this amendment is simply wrongheaded. Sentencing parity at any cost is not the smartest way to wage our war on drugs. Drastically increasing the mandatory minimum penalties for powder cocaine in this hasty, end-of-session amendment will be costly to taxpayers far into the future, as we will have to build numerous new prisons to house non-violent drug offenders who are subject to lengthy federal prison terms under this amendment. Indeed, when a bill seeking to make identical changes to our powder cocaine laws was introduced in the last Congress, I wrote to the Attorney General requesting a prison impact assessment. I received a letter from the Justice Department on June 1, 1998, estimating that the total cost of this legislation over 30 years would be over $10.6 billion, including construction of nine new medium security federal prisons to house 11,000 more prison beds.

I ask unanimous consent that a copy of the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF LEGISLATIVE AFFAIRS,
Washington, DC, June 1, 1998.

Hon. PATRICK LEAHY,
Ranking Minority Member, Committee on the Judiciary, U.S. Senate, Washington, DC.

DEAR SENATOR LEAHY: This is in response to the letter you and two colleagues wrote to the Attorney General requesting a prison impact assessment for S. 2033, which would alter federal sentences for crack cocaine and powder cocaine offenders. I hope the following information is helpful to you.

S. 2033 would mandate a 5-year mandatory minimum sentence for 50 grams of powder cocaine, instead of the current 500-gram threshold. In addition, the proposal would impose a 10-year mandatory minimum sentence for 500 grams of powder cocaine, instead of the current 5 kilogram threshold. The 5- and 10-year mandatory minimum thresholds for crack cocaine would remain at 5 and 50 grams, respectively.

Table 1 estimates the impact of the proposed change on prison costs and population for the 30 years following enactment. Using its 1996 data set, the U.S. Sentencing Commission produced estimates of the number of individuals who would be incarcerated under this scenario. These estimates, which were based on a review of all defendants sentenced for drug trafficking and related offenses (U.S.S.C. 2D1.1) involving a single drug type, were then used by the Bureau of Prisons to project prison costs. While our estimates assume a constant rate of prosecutions for the next 30 years, it is important to understand that changes in sentencing during that time period could alter prosecution practices, thus affecting the cost and population estimates we provide here. Additional cost analysis assumptions are contained in Enclosure A.

We estimate that, in the fifth year after enactment, S. 2033 would require us to provide over 5,500 additional prison beds than currently projected in order to handle those inmates who would be spending more time in prison. The cumulative additional cost over five years would be almost $794 million, including construction of seven new medium security federal prisons. In the thirtieth year after enactment, we would need approximately 11,000 additional beds. The total cumulative cost over thirty years would be over $10.6 billion, including construction of a total of nine new medium security federal prisons.

Please do not hesitate to contact our office if you have additional questions concerning this or any other issue. We have sent similar letters to Senators Biden and Kennedy.

Sincerely,
L. ANTHONY SUTIN,
Acting Assistant Attorney General.

Enclosures.

ENCLOSURE A: COST ANALYSIS ASSUMPTIONS

For crack cocaine and powder cocaine sentencing scenarios, the Bureau of Prisons (BOP) is assuming that these inmates will be housed in medium security facilities. BOP's projected construction and operating costs presented in this prison impact assessment are consistent with costs required by medium security facilities, which are designed for a capacity of 1,152 prisoners.

If the estimated impact of enacted legislation will result in fewer than 1,152 additional prisoners, the prisoners will be added to existing facilities and be charged at marginal costs. If the estimated impact of enacted legislation will meet or exceed 1,152 additional prisoners, construction of a new facility will be necessary. While construction is underway, space will be found in existing facilities. Once the prisoners are transferred to the newly built facility, those prisoners are charged at full per capita cost to meet the full expense of operating an additional facility.

The increase in costs over time due to inflation is assumed to be approximately 3.1% per year.

TABLE 1.—5/50.RATIO FOR FIVE YEAR MANDATORY MINIMUM THRESHOLD*

Year and number of inmates	Annual operating cost	Cumulative operating cost	Construction cost	Total cumulative cost
1: 358	$3,122,476	$3,122,476	$327,168,000	$330,290,476
2: 1,321	11,878,432	15,000,908	84,327,552	426,496,460
3: 2,777	25,745,567	40,746,475	86,941,440	539,183,467
4: 3,756	35,899,848	76,646,323	0	575,083,315
5: 5,529	126,303,054	202,949,377	92,415,744	793,802,113
10: 9,163	251,592,061	1,235,564,127	Yr 7: 98,234,496	1,924,651,359
20: 10,868	426,305,688	4,721,379,782	Yr 13: 117,980,928	5,528,447,942
30: 11,066	580,578,254	9,793,498,397	0	10,600,566,557

*Whenever a 5 year mandatory minimum threshold ratio is discussed, we are presuming that there is also a 10 year mandatory minimum threshold at a drug weight equal to 10 times the amount of the 5 year mandatory minimum threshold weight.

Mr. LEAHY. We are going to see the effects of this amendment much earlier than 30 years from now. Most of us won't be here 30 years from now to answer for it; some may be. We have to look at this and ask, do these costs justify what we wanted to do?

We also will be focusing a lot more Federal resources on lower-level drug dealers. We will have to hire a whole lot of new drug enforcement officers right off the bat, but we are going to be refocusing them on lower-level drug dealers. I do not believe this is the most cost-effective allocation of Federal resources.

In addition to being costly, another consequence of lowering the powder cocaine threshold is that more federal resources will be focused on lower-level drug dealers. We must ask whether this is the most cost-effective allocation of federal resources. In adopting the federal sentencing scheme, Congress intended state and local drug enforcement personnel to investigate and prosecute small-time offenders, while the federal government was to use its more sophisticated law enforcement weapons to investigate and prosecute higher-level drug traffickers. Recently, Congress has made great strides toward balancing the federal budget and has opted to devolve many federal programs to states in the belief that certain programs can be more efficiently administered by state and local governments. Likewise, Congress should be wary of assuming the costs associated with federal intrusion into the traditional domain of the states in prosecuting criminal offenses. Ill-considered expansion of the federal criminal justice system has recently come under fire from Chief Justice Rehnquist, who criticized the Congress for federalizing the criminal justice system during a period in which the Senate has failed even to keep the federal bench adequately filled.

A 50-gram powder cocaine offense is a serious criminal charge. No one is debating whether a 50-gram powder cocaine dealer should be subject to the possibility of incarceration. What is debatable, however, is whether a 50-gram powder cocaine offender is the type of high-level dealer that should be dealt with harshly by federal rather than state authorities. It is inevitable that the possibility of harsh federal sentences will encourage more federal prosecutions. The question is whether a 50-gram powder cocaine dealer is the type of sophisticated drug trafficker that requires the expense of federal technical expertise. If not, then we should be looking very seriously at more cost-effective ways of distributing law enforcement, prosecution, and incarceration obligations between the federal and state governments in order to maximize the efficiency of our nation's drug control strategy. By restructuring the federal sentencing scheme, we can ensure that state and local governments can assume greater responsibility for the investigation and prosecution of low-level dealers, whose offenses are of particular local concern. Federal resources can then be freed to pursue traffickers higher in the distribution chain.

Other aspects of this amendment also turn principles of federalism on their head. For example, the amendment contains a federal mandate for the disciplinary policies of local schools. It would require local schools to adopt certain specific policies on illegal drug use by students, including mandatory reporting of students to law enforcement and mandatory expulsion for at least one year of students who possess illegal drugs on school property. This turns on its head our traditional idea that state and local governments should have the primary responsibility for education, even though that idea is one that is constantly put forward by my colleagues on the other side of the aisle, and indeed is currently being used by them to justify their opposition to the President's plan to provide funding for schools to hire additional teachers and reduce class size.

I am particularly concerned about this one-size-fits-all mandate on the expulsion of students. Expulsion is an option that schools need to have so they can deal with particularly intractable behavior problems among their students. But only local teachers and principals can know which students who violate policies or laws should be expelled, and which deserve a different punishment.

I can just see the school principal in Tunbridge, VT getting a directive from the Federal Government, based on something we passed in a bankruptcy bill, telling them how they are going to run disciplinary procedures in Tunbridge. We may find ourselves back to the days when Vermont decided they wanted to be a republic.

I am not willing to tell thousands of school principals and administrators around the country, the U.S. Congress will tell you when to expel your students. If I did that, I would almost expect a recall petition and expulsion petition from the people of my State.

Finally, I object to the provision in this amendment that authorizes the use of public funds to pay tuition for any private schools, including parochial schools, for students who were injured by violent criminal offenses on public school grounds. Such a provision obviously raises serious Establishment Clause questions that deserve a fuller airing than is possible in an end-of-session amendment. It also gives rise to the numerous policy questions surrounding the issue of school vouchers, which could cause significant damage to our public school system. As a practical matter, this provision also raises the very real possibility of fraud and collusion to manufacture injuries in order to attend a private school at the taxpayers' expense.

I do believe that there are good things contained in the parts of this amendment that deal with our methamphetamine and amphetamine problems, most of which are borrowed from a bill that was reported by the Judiciary Committee in August. That bill managed to help local law enforcement in its daily battle against drugs, provide funding for the hiring of new DEA agents, and increase research and prevention funding, all without imposing mandatory minimums. I supported each of those provisions. But the good things included within this amendment are outweighed by the amendment's return to the failed drug policies of the recent past and its unwise and likely unconstitutional educational policies. Therefore, I will vote against this amendment.

Mr. President, I know others wish to speak. I know the distinguished Senator from New York was waiting to speak.

Mr. SESSIONS. Is the Senator asking unanimous consent that he speak next? Otherwise, the Senator from Michigan is due.

Mr. LEAHY. How much time remains for the Senator from Vermont?

The PRESIDING OFFICER. The Senator has 45 minutes 59 seconds.

Mr. LEAHY. When next this side is recognized, I ask unanimous consent that Senator SCHUMER of New York be recognized. I know the distinguished Senator from Michigan is ready to be recognized on the other side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. I ask the distinguished Senator from New Jersey, Mr. LAUTENBERG, be recognized after the distinguished Senator from Michigan.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SESSIONS. Mr. President, I yield to the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. ABRAHAM. I appreciate the opportunity to speak on the amendment offered by the Senator from Utah, Mr. HATCH, Senator ASHCROFT, and myself.

I wish to be somewhat responsive to a few of the statements made in some of the speeches in opposition to this amendment, as they pertain specifically to the issue of changing the mandatory minimum sentences on dealing with powder cocaine. I think it is important that we reflect on how we got to where we are today. There has been for some time, as reflected in actions of the U.S. Sentencing Commission, concern about the disparity between the mandatory minimum sentences for crack cocaine triggers of 5-year mandatory minimums for the dealing of 5 grams, of 10 years for dealings of 10 grams, and the mandatory minimums for powder cocaine, which are 100 times greater with the 5-year mandatory minimum trigger at 500 grams and the 10-year trigger at 1,000.

The Sentencing Commission has tried on a couple occasions to address this issue. The first time they tried this we were forced to take action as a Congress to stop their proposal from going into effect. I remind my colleagues that we overwhelmingly voted, I believe unanimously voted, to say no to the proposal of addressing this disparity by simply changing the powder cocaine thresholds to the same as crack cocaine. We thought it was a big mistake to make the cost of doing business go down.

The President signed that legislation into law, making the very same statement, that the message we would be sending to young people, to drug dealers, to everybody, was the wrong message if we made crack cocaine sentences more lenient.

The Sentencing Commission came back with a second proposal—that was a proposal actually in response to a study we requested—that we would simultaneously make the crack cocaine mandatory minimum sentences more lenient while making powder tougher. The Sentencing Commission decided that a ratio of a 10-to-1 difference in the thresholds versus a 100-to-1 difference was the appropriate ratio.

A number of us found this second suggestion also unacceptable because, once again, it would require making the sentences for crack cocaine dealers more lenient. I speak for myself, but I think others who cosponsored this legislation share the view that we should not be making drug sentences more lenient, particularly for crack cocaine dealers.

I want to talk about why we should not do that because the only way to change the disparity between powder cocaine mandatory minimums and crack cocaine mandatory minimums is either make the mandatory minimums for crack cocaine more lenient and the mandatory minimums for powder cocaine tougher or do a little of each.

I think anything that changes the crack cocaine mandatory minimum threshold is a mistake, for several reasons. First, the current mandatory minimum with respect to crack cocaine, the 5-gram threshold, to trigger a 5-year mandatory, has been a very effective device in terms of getting the lower end drug dealers to begin giving up to prosecutors up the drug chain so we can begin prosecuting people higher on the drug chain. If we make those mandatory minimums more lenient, if in fact the sentences being confronted by people at the bottom end of the drug chain aren't very severe, they are not going to cooperate. They are not going to provide the evidence or finger the higher-ups in the drug chain itself.

A second argument not to change the crack cocaine thresholds is that we have differences in a lot of States already between what the State mandatory minimums punishments are and the Federal mandatory minimum punishments are.

In Michigan, we have a pretty tough set of State laws, similar to the Federal laws. They are sufficiently similar so that if somebody is being pursued for crack cocaine dealing, they don't really gain anything by playing off the State versus the Federal law enforcement officials. But if we begin to make crack cocaine thresholds for mandatory minimum sentences more lenient, in Michigan, what is going to happen—and I predict in a lot of other States—is that the crack cocaine dealer is going to begin to make a deal with the Federal prosecutors, as opposed to the State prosecutors, to get the lighter sentence. I can't imagine that is what we want to do here in the Congress of the United States.

The third issue I think is important is to understand exactly how crack cocaine is sold. I have talked to people who are in our drug task forces in Michigan. They have pointed out that you really can't increase the thresholds very much beyond 5 grams because people don't walk around with larger quantities of crack cocaine in their possession when they are dealing. They hide their stuff, and they deal in quantities smaller than 5 grams or slightly greater than 5 grams. If you change that as significantly as has been proposed by the Sentencing Commission, if you make the thresholds more lenient, you are not going to find anybody carrying around or being apprehended with sufficient levels of crack cocaine to be pursued under the mandatory minimum structure.

Fourth, if we make the sentences for crack cocaine more lenient, we are going to be sending a terrible message as well as providing incentive for people to pursue crack dealing in greater amounts. Do we really want to send the message to young people that we are getting less tough on crack cocaine dealers? Do we want to send the message to crack dealers that the cost of doing business just got cheaper? Do we want to tell the families that we want to, in fact, make it harder to pursue, prosecute, and ultimately confine and incarcerate crack cocaine dealers who are in their neighborhoods, their schoolyards and playgrounds, selling dope to their kids? Is that the message we want to send? I hope not.

Finally, of course, as we know, crack is both cheaper and more addictive than cocaine in powder form. That is the reason there is a disparity to begin with, much the same as between heroin and opium.

For all these reasons, it does not make a lot of sense to make the mandatory minimum threshold for 5-year or 10-year sentences for dealing in crack cocaine more lenient. If you rule out the notion of making crack cocaine sentences more lenient, then the only other way to address the disparity between powder and crack cocaine is to make the powder cocaine sentences tougher.

So if people are on the other side of this issue and want to simultaneously make the disparity between crack and powder closer, lower that disparity, and oppose this amendment, then the only thing they can be saying is they want to make sentences for crack cocaine dealers more lenient. I can't believe many Members of this body want to do that. That is the only option we have. That is why we have pursued an option that will reduce the disparity by making sentences for powder cocaine dealers tougher.

What we have done in setting the standard we have chosen in this amendment is to use the ratio that was agreed upon by the Sentencing Commission in their proposal, and by the administration, of a 10-to-1 ratio between the triggers of mandatory minimum sentences for crack dealers and for powder dealers. But we have reduced the disparity from 100-to-1 to 10-to-1 by making tougher sentences for powder cocaine dealers—the change in our proposal.

I want to address two or three other points that were made in some of the earlier speeches. First, we have heard talk about the cost of incarceration. I addressed this earlier in my first speech because I get frustrated when I hear people talking about how much it costs to keep crack dealers and drug dealers out of the playgrounds and neighborhoods of our communities. The impression is that the only cost on which we should focus is exclusively the cost of incarceration. But what is the cost to us as a society and of having larger numbers of children becoming addicted to crack cocaine, having these people not in prison but in our neighborhoods? What about those costs? Can we possibly equate the cost of someone who dies as a result of their drug addiction or kills somebody in pursuit of the resources to be able to meet their drug addiction? What are the costs of that?

So I think it is a little bit unfair to only add up the costs on one side of this equation. I think we should also be talking about the costs to our communities of allowing larger numbers of drug dealers to avoid sentencing and to stay in business.

The other point I make, as I did earlier today, is that we have seen a dramatic reduction in the last few years in both the number of murders and robberies and other numbers of violent crimes across the board in our country, in city after city. Those with expertise on this issue have consistently cited that the reason for these declines in the murder rates, the rates of armed robbery, and so on, is the effectiveness with which we are finally beginning to address the crack cocaine epidemic in America.

So, Mr. President, the notion that we would do anything that would reverse our course with regard to cracking down on the dealers of crack seems to me to be a mistake.

Finally, I say our goal should be to lower the disparity so that more people up the drug chain are subject to mandatory minimum sentences. That is a good reason, in my judgment, by itself, to make tougher the threshold for mandatory minimum thresholds for the sale of powder cocaine.

In addition, by doing that, we will reduce this disparity that exists. I believe if we accomplish both objectives, we will make a greater impact on our fight against drugs in this country. But our colleagues should make no mistake about the fact that if we don't take this approach and want to reduce this disparity, their only option is to make the sentences for crack dealers lighter and more lenient. I don't believe the Members of this Chamber want to go on record as saying they want to move in that direction. So we have offered an amendment that constructively addresses the disparity without making crack sentences more lenient.

I think the other components of this amendment are also good—those that deal with methamphetamines, the increased amount of support for drug treatment programs, and the variety of other components of this amendment.

I say, finally, with respect to the question of why it should be in the bankruptcy bill, there are a lot of issues that were agreed upon when we moved to the bankruptcy legislation that were going to be included in the debate here, the so-called nongermane amendments, ranging from amendments dealing with East Timor, to agriculture, and so on, and this amendment as well. Perhaps this isn't the ideal spot for this debate. I only say that was the agreement that was reached by 100 Senators, that we would have amendments that were not specifically germane to bankruptcy as part of the final bill we will deal with on the floor this year.

I hope those who argue somehow that we shouldn't be dealing with this issue will be equally vocal in complaining about the insertion of other less germane issues in the bankruptcy debate because clearly we are going to hear it argued from both sides that some of the issues are inappropriate in this context. The fact is, I think the American people want us to take a tough stand on drugs and want us to take a tough stand in favor of tough drug sentences. Our amendment accomplishes that. I sincerely hope our colleagues will join us in supporting its passage.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, how is the time apportioned?

The PRESIDING OFFICER. The Senator from New Jersey has 45 minutes, and the other side has 16 minutes.

Mr. LAUTENBERG. I thank the Chair. I will try to save some time for my friend from Iowa.

Mr. President, I raise my voice in opposition to this amendment because I think it is a wrong-headed distraction from the real issue that parents all over this country care about—the epidemic of gun violence in our society at large and especially in our schools.

This amendment would allow Federal education funding to be shifted from special education, computer technology, bilingual education, and other key programs to provide vouchers to students who are victims of school violence.

In a way, I have to tell you that I think this amendment has a cruel twist to it because we all want to be of help wherever we can be to those who are victimized by violence. But look at the way the program is designed.

Vouchers to schools? It doesn't, in my view, really make a lot of sense when in fact, if we could keep guns away from our schools, we would not have to be thinking about vouchers but, rather, about how we educate our children. We could bring the teachers into the schoolrooms, as the President would like to have us do—100,000 teachers. Perhaps the workloads of many would be able to be confined to a serious review of the educational requirements.

This amendment is disturbing on many levels—so many that I am not sure where we begin.

Is this the answer to school violence—ignore the causes, do nothing to remedy the issue, but ship certain kids out of public schools?

Does the Republican majority really believe schools should cut special education and computer funding in public schools to fund voucher programs?

We are approaching the 21st century. Everyone knows that whatever the 20th century brought by way of technology, computers, et cetera, is likely to be dwarfed in the earliest years of the 21st century. It all starts with a computer base. Why we would want to take funds away from those programs is really hard to understand. It is not what America's parents want. They want answers. We had one of the answers on the floor of this Senate. It passed this body. They want to see a juvenile justice bill passed, but the majority has buried this legislation in conference and declared it dead for the year. It is hardly a way to respond to the anguished calls we hear all over this country.

It includes, yes, stricter punishments for those who would violate the rules of behavior in our society. But it also closed a gun show loophole that took the anonymous buyer out of the equation. It reduced the possibility that anyone who is on the 10 Most Wanted List of the FBI could walk into a gun show and buy a gun. As outrageous as that sounds, that is the truth.

I don't know when the Congress is going to catch up with the American people. The American people are so far ahead of Congress that it is embarrassing. Poll after poll after poll pleads with the Senate and pleads with the House to take away the availability of guns. At least, if you are not going to take it away, make sure that those who buy guns are qualified; that they know what to do; that they are mature; that they are not likely to use them for a violent ending.

The public is demanding an end to the gun violence. It has reached epidemic proportions. The events of last week prove no one is safe from maniacs who amass arsenals of deadly weapons and use them to gun down whole groups of people—people from Hawaii to Seattle, from Colorado to Texas to Kentucky.

Just think about it. Schoolchildren, high school children at Columbine—everyone remembers that and will never forget the picture of that child hanging out the window pleading for help before he fell to the ground. Then the next one is office workers running away from a gunman in Atlanta, GA; the next, a picture of youngsters gathering together to pray while being assaulted by a gunman and running for their lives.

We have to do something to stop this insanity. We have to do something about a system that makes it easier for someone to buy a gun than to get a driver's license.

We are about at the end of this legislative session. One thing is clear—we have given in to the extremists, to the gun lobby, the NRA that opposed even the most commonsense proposal to stop gun violence. If I were their adviser, or counselor, I would say: Listen, guys and women. Let's give in on this one. It doesn't hurt us a darned bit, and it makes us look as if we are in touch with the American people. But no; the extremists went out, and they have their hand in this place. They have their hand in the House, and they turned our programs away from public opinion and public demand.

Most Americans assumed that the horrific shootings in Columbine would be enough—the ultimate outrage. Most Americans thought that the vision of 2 high school students systematically killing 12 classmates and a teacher and wounding 23 others would finally spur Congress to action, would finally say "that is enough," "that is enough."

After that terrible incident, 89 percent in one poll and 91 percent in another poll asked for the elimination of the gun show loophole. But it was ignored here. The public ought to look at why it was ignored.

The reason I think it was ignored is that campaign contributions overwhelmed the good judgment and the demand of the American people—campaign contributions. Get elected; that is what counts. There is more to it than that.

It was 7 months ago when that happened. Congress hasn't acted even while the body count rises. Just last week, nine more people were shot and killed in rampages by two gunmen. One of these gunmen owned 17 handguns.

In May of this year, the Senate—with Vice President GORE's help—passed my gun show loophole amendment as part of the juvenile justice bill. The gun show loophole amendment said that where gun shows, where so many guns are bought, traded, and sold, had a place for nonlicensed gun dealers, non-Federally-licensed gun dealers, anyone—it didn't matter who you were—could walk up to one of those gun dealers and say, "Give me 20 guns, and here is the money." There would be no questions asked: What is your name? Where do you live? What do you do for a living? Have you been in jail? Have you been a drug addict? Have you been an alcoholic? Have you been known to have bursts of temper, outrage, beaten your wife, your children? Not one question. It is outrageous—not one question. We tried to close that loophole. It was a commonsense measure that would have stopped lawbreakers, underage children, and the mentally unstable from walking into a gun show and walking out with a small arsenal.

We passed it 51 to 50. But as soon as the Senate passed my amendment, the NRA sounded its alarm and its allies went to work to defeat the proposal in the House.

The gun lobby spent millions on radio and TV ads, but, of course, those ads didn't mention the gun massacres that followed Columbine. They didn't mention that. In the first week of July, a violent racist went on a shooting rampage in Illinois and Indiana killing two people and injuring nine. Or that a few weeks later, a deranged day trader in Atlanta shot 9 people to death in an office and wounded 13. Or that in August, a man with a .44-caliber Glock gun killed three coworkers in Alabama.

No State is safe. There is no group of people that is safe—no ethnic group, religious group, or otherwise.

Five days after that, a white supremacist killed a Filipino postal worker and shot four young people at a Jewish day-care center. Who will forget that scene—these little kids, like my grandchildren, being led by policemen out of the schoolhouse, where they went to learn and have fun, running away from a killer? Last month, a well-armed maniac walked into the Baptist Church in Ft. Worth, TX, and killed seven young people who were at a prayer gathering.

Day by day, the death toll mounts. Our family, children, friends, and neighbors are being gunned down in our schools, in our houses of worship, where we work and live.

More than 34,000 people are killed by guns every year, more than lost during the Korean war. Additionally, we wind up treating 134,000 gunshot wounds, and the cost to the country is over $2 billion; taxpayers pay almost half of that.

While the NRA may be on the Republican side, law enforcement is on our side. I worked with law enforcement drafting my gun show amendment, and I received numerous letters from law enforcement organizations supporting that amendment and other gun safety measures the Senate passed.

I ask unanimous consent copies of those letters be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

INTERNATIONAL BROTHERHOOD
OF POLICE OFFICERS,
Alexandria, VA, September 15, 1999.

Hon. ORRIN G. HATCH,
Chairman, Senate Committee on the Judiciary, Dirksen Senate Office Building, Washington, DC.

DEAR CHAIRMAN HATCH: The International Brotherhood of Police Officers (IBPO) is an affiliate of the Service Employees International Union, AFL–CIO. The IBPO is the largest police union in the AFL–CIO.

On behalf of the entire membership of the IBPO I wish to express our strong support of the gun-related provisions adopted by the Senate as part of S. 254. The IBPO knows that passage of these measures will keep guns away from children and criminals.

The IBPO requests that the conferees continue to focus on the need for adequate time to conduct background checks at "gun shows." As I am sure that you are aware, the Federal Bureau of Investigation has estimated that over 17,000 disqualified individuals would have been able to purchase a gun if a twenty-four hour time limit was required for a background check. Accordingly, if such time requirement is legislated 17,000 more felons will be able to purchase guns.

The IBPO is also in support of extending the requirements of the Brady Act to cover juvenile acts of crime. Our union has supported legislation which seeks to comprehensively control crime. The Brady Act is a major part of such efforts.

Thank you for your consideration of these issues that are significant to all law enforcement officers and the citizens of the United States of America.

Sincerely,
KENNETH T. LYONS,
National President.

INTERNATIONAL ASSOCIATION
OF CHIEFS OF POLICE,
Alexandria, VA, September 14, 1999.

Hon. ORRIN G. HATCH,
Chairman, Committee on the Judiciary,
U.S. Senate, Washington, DC.

DEAR CHAIRMAN HATCH: On behalf of the more than 18,000 members of the International Association of Chiefs of Police (IACP), I am writing to express our strong support for several vitally important firearms provisions that were included in S. 254, the Violent and Repeat Juvenile Offender Accountability Act of 1999.

As conference work on juvenile justice legislation begins, I would urge you to consider the views of our nation's chiefs of police on these important issues. Specifically, the IACP strongly supports provisions that would require the performance of background checks prior to the sale or transfer of weapons at gun shows, as well as extending the requirements of the Brady Act to cover juvenile acts of crime.

The IACP has always viewed the Brady Act as a vital component of any comprehensive crime control effort. Since its enactment, the Brady Act has prevented more than 400,000 felons, fugitives and others prohibited from owning firearms from purchasing firearms. However, the efficacy of the Brady Act is undermined by oversights in the law which allow those individuals prohibited from owning firearms from obtaining weapons, at events such as gun shows, without undergoing a background check. The IACP believes that it is vitally important that Congress act swiftly to close these loopholes and preserve the effectiveness of the Brady Act.

However, simply requiring that a background check be performed is meaningless unless law enforcement authorities are provided with a period of time sufficient to complete a thorough background check. Law enforcement executives understand that thorough and complete background checks take time. The IACP believes that to suggest, as some proposals do, that the weapon be transferred to the purchaser if the background checks are not completed within 24 hours of sale sacrifices the safety of our communities for the sake of convenience.

Requiring that individuals wait three business days is hardly an onerous burden, especially since allowing for more comprehensive background checks ensures that those individuals who are forbidden from purchasing firearms are prevented from doing so.

Finally, the IACP believes that juveniles must be held accountable for their acts of violence. Therefore, the IACP also supports modifying the current Brady Act to permanently prohibit gun ownership by an individual, if that individual, while a juvenile, commits a crime that would have triggered a gun disability if their crime had been committed as an adult.

Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me at 703/836–6767.

Sincerely,
RONALD S. NEUBAUER,
President.

ARAPAHOE COUNTY SHERIFF'S OFFICE,
Littleton, CO, September 15, 1999.

Chairman ORRIN HATCH,
Senate Judiciary Committee,
Dirksen Senate Office Building,
Washington, DC.

DEAR CHAIRMAN HATCH: As you and other conferees meet to craft juvenile justice legislation, I urge you to adopt the gun-related provisions adopted by the Senate as part of S. 254, The Violent and Repeat Juvenile Offender Accountability and Rehabilitation Act of 1999. We at the National Sheriffs' Association (NSA) appreciate your efforts to curb violent juvenile crime.

We feel that S. 254 combines the best provisions of each legislative attempt to reform and modernize juvenile crime control. As you know, sheriffs are increasingly burdened with juvenile offenders, and they present significant challenges for sheriffs. The so-called core mandates requiring sight and sound separation, jail removal and status offender mandates are so restrictive, that even reasonable attempts to comply with the mandates fall short. We welcome modest changes to the core mandates to make them flexible without jeopardizing the safety of the juvenile inmate. We agree that kids do not belong in adult jail and therefore we appreciate the commitment to find appropriate alternative for juvenile offenders.

Additionally, NSA supports the Juvenile Accountability Block Grant program. S. 254 sets aside $4 billion to implement the provisions of the bill and this grant funding will enable sheriffs to receive assistance to meet the core mandates. NSA is also hopeful that the prevention programs in the bill will keep juveniles out of the justice system. Kids that are engaged in constructive activities are less likely to commit crimes than those whose only other alternative is a gang. We applaud the focus on prevention, and we stand ready to do our part to engage America's youth.

In addition, you may be asked to consider the following amendments that I support.

Four ways to close loopholes giving kids access to firearms:

1. The Child Access Loophole.

Adults are prohibited from transferring firearms to juveniles, but are not required to store guns so that kids cannot get access to them. This Child Access Prevention (CAP) proposal would require parents to keep loaded firearms out of the reach of children and would hold gun owners criminally responsible if a child gains access to an unsecured firearm and uses it to injure themselves or someone else.

2. The Gun Show Loophole:

So-called "private collectors" can sell guns without background checks at gun shows and flea markets thereby skirting the Brady Law which requires that federally licensed gun dealers initiate and complete a background check before they sell a firearm. No gun should be sold at a gun show without a background check and appropriate documentation.

3. The Internet Loophole Similar to the Gun Show Loophole:

Many sales on the internet are preformed without a background check, allowing criminals and other prohibited purchasers to acquire firearms. No one should be able to sell guns over the internet without complying with the Brady background check requirements.

4. The Violent Juveniles Purchase Loophole:

Under current law, anyone convicted of a felony in an adult court is barred from owning a weapon. However, juveniles convicted of violent crimes in a juvenile court can purchase a gun on their 21st birthday. Juveniles who commit violent felony offenses when they are young should be prohibited from buying guns as adults.

The National Sheriffs Association and I welcome passage of this legislation. We look forward to working with you to ensure swift enactment of S. 254.

Respectfully,

PATRICK J. SULLIVAN, Jr.,
Sheriff, Chairman, Congressional Affairs Committee and Member, Executive Committee of the Board of Directors, NSA.

NATIONAL ASSOCIATION OF
SCHOOL RESOURCE OFFICERS,
Boynton Beach, FL, September 16, 1999.

Chairman HATCH,
Senate Judiciary Committee,
Dirksen Senate Office Building,
Washington, DC.

DAER CHAIRMAN HATCH: The National Association of School Resource Officers (NASRO) is a national organization that represents over 5,000 school based police officers from municipal police agencies, county sheriff departments and school district police forces. On behalf of our entire membership nationwide, I am writing today in strong support of the gun-related provisions adopted by the Senate as part of S. 254. These measures are crucial in reducing child and criminal access to guns.

As you and other conferees meet to craft juvenile justice legislation, NASRO urges you to focus on an important issue to law enforcement—the need for at least three business days to conduct background checks at gun shows. This is the same period of time currently allowed when a firearm is purchased from a licensed gun dealer.

As law enforcement officials we know from experience that it is critical to have at least three business days to do a thorough background check. Law enforcement officials need time to access records that may not be available on the federal National Instant Check Background System (NICS) such as a person's history of mental illness, domestic violence or recent arrests. What is important to law enforcement is not how fast a background check can be done but how thorough it is conducted. Without a minimum of three business days, this will increase the risk that criminals will be able to purchase guns.

NASRO is concerned that 72 or 24 hours is not an adequate amount of time for law enforcement to do an effective background check. The FBI analyzed all NICS background check data in the last six months and estimated that—if the law had required all background checks to be completed in 72 hours—9,000 people found to be disqualified would have been able to obtain a weapon. If the time limit for checks had been set at just 24 hours, 17,000 prohibited purchasers would have gotten guns in just the last half year. The FBI also found that a gun buyer who could not be cleared by the NICS system in under two hours was 20 times more likely to be a prohibited purchaser than other gun buyers.

It is impossible to tell precisely how many lives will be saved by applying the same background check system that now applies to gun store sales to gun shows. We know, however, that without such equivalent treatment gun shows will continue to be the purchase points of choice for murderers, armed robbers and other violent criminals like Hank Earl Carr, who was a frequent gun show buyer despite being a multiple convicted felon. Carr's crimes didn't stop until 1998, when he shot his stepson and three police officers before turning a gun on himself.

On June 23, 1999 a Colorado man shot and killed his three daughters, ages 7, 8 and 10 just hours after purchasing a gun from a licensed dealer. The dealer completed a NICS check, but the check failed to reveal that the man had a domestic abuse restraining order against him. If law enforcement had consulted local and state records using both computerized and non-computerized data bases than the man probably would have never been able to purchase the gun.

The other Senate passed provisions NASRO supports include requiring that child safety locks be provided with every handgun sold; banning all violent juveniles from buying guns when they turn 18; banning juvenile possession of assault rifles; enhancing penalties for transferring a firearm to a juvenile; and banning the importation of high capacity ammunition magazines.

It is important to adopt the Senate-passed gun-related provisions in order to protect the safety of our families and our communities. The police officer on the street understands that this legislation is needed to help keep guns out of the hands of children and violent criminals.

Sincerely,

CURTIS LAVARELLO,
Executive Director.

NATIONAL ORGANIZATION OF BLACK
LAW ENFORCEMENT EXECUTIVES,
Alexandria, VA, September 15, 1999.

Hon. ORRIN HATCH,
Chair, Senate Judiciary Committee,
U.S. Senate, Washington, DC.

DEAR SENATOR HATCH: The National Organization of Black Law Enforcement Executives (NOBLE) representing over 3500 black law enforcement managers, executives, and practitioners strongly urge you to support the gun related provisions adopted by the Senate as a part of S. 254. These measures are crucial in reducing child and criminal access to guns.

As you and other conferees meet to craft juvenile legislation, NOBLE urges you to focus on an important issue to law enforcement—the need for at least three business days to conduct background checks at gun shows. This is the same period of time currently allowed when a firearm is purchased from a licensed dealer.

NOBLE is concerned that 24 hours is not an adequate amount of time for law enforcement to do an effective background check. The FBI analyzed all National Instant Check Background System (NICS) data in the last six months and estimated that—if the law had required all background checks to be completed in 72 hours, 9000 people found to be disqualified would have been able to obtain a weapon. If the time limit for checks had been set for 24 hours, 17,000 prohibited purchasers would have gotten guns in just the last half year. The FBI also found that a gun buyer who could not be cleared by the NICS system in under two hours was 20 times more likely to be a prohibited purchaser than other gun buyers.

It is impossible to tell precisely how many lives will be saved by applying the same background check system that now applies to gun store sales to gun shows. We know, however, that without such equivalent treatment gun shows will continue to be the purchased points of choice for murderers, armed robbers and other violent criminals like Hank Earl Carr, who was a frequent gun show buyer despite being a multiple convicted felon. Carr's crimes did not stop until 1998, when he shot his stepson and three police officers before turning the gun on himself.

The other Senate passed provisions NOBLE supports include requiring that child safety locks be provided with every handgun sold; banning all violent juveniles from buying guns when they turn 18; banning juvenile possession of assault rifles; enhancing penalties for transferring a firearm to a juvenile; and banning the importation of high capacity ammunition magazines.

It is important to adopt the Senate passed gun related provisions in order to protect the safety of our families and our communities. The police officer on the street understands that this legislation is needed to help keep guns out of the hands of children and violent criminals.

Sincerely,

ROBERT L. STEWART,
Executive Director.

HISPANIC AMERICAN POLICE
COMMAND OFFICERS ASSOCIATION,
Washington, DC, September 15, 1999.

Chairman HATCH,
Senate Judiciary Committee, Washington, DC.

DEAR CHAIRMAN HATCH: The Hispanic American Police Command Officers Association (HAPCOA) represents 1,500 command law enforcement officers and affiliates from municipal police departments, county sheriffs, and state and federal agencies including the DEA, U.S. Marshals Service, FBI, U.S. Secret Service, and the U.S. Park Police. On behalf of our entire membership nationwide, I am writing today in strong support of the gun-related provisions adopted by the Senate as part of S. 254. These measures are crucial in reducing child and criminal access to guns.

As you and other conferees meet to craft juvenile justice legislation, HAPCOA urges you to focus on an important issue to law enforcement—the need for at least three business days to conduct background checks at gun shows. This is the same period of time currently allowed when a firearm is purchased from a licensed gun dealer.

As law enforcement officials we know from experience that it is critical to have at least three business days to do a thorough background check. Law enforcement officials need time to access records that may not be available on the Federal National Instant Check Background System (NICS) such as a person's history of mental illness, domestic violence or recent arrests. What is important to law enforcement is not how fast a background check can be done but how thorough it is conducted. Without a minimum of three business days this will increase the risk that criminals will be able to purchase guns.

HAPCOA is concerned that 72 or 24 hours is not an adequate amount of time for law enforcement to do an effective background check. The FBI analyzed all NICS background check data in the last six months and estimated that—if the law had required all background checks to be completed in 72 hours—9,000 people found to be disqualified would have been able to obtain a weapon. If the time limit for checks had been set at just 24 hours, 17,000 prohibited purchasers would have gotten guns in just the last half year. The FBI also found that a gun buyer who could not be cleared by the NICS system in under two hours was 20 times more likely to be a prohibited purchaser than other gun buyers.

It is impossible to tell precisely how many lives will be saved by applying the same background check system that now applies to gun store sales to gun shows. We know, however, that without such equivalent treatment gun shows will continue to be the purchase points of choice for murderers, armed robbers and other violent criminals like Hank Earl Carr, who was a frequent gun show buyer despite being a multiple convicted felon. Carr's crimes didn't stop until 1998, when he shot his stepson and three police officers before turning a gun on himself.

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The other Senate passed provisions HAPCOA supports include requiring that child safety locks be provided with every handgun sold; banning all violent juveniles from buying guns when they turn 18; banning juvenile possession of assault rifles; enhancing penalties for transferring a firearm to a juvenile; and banning the importation of high capacity ammunition magazines.

It is important to adopt the Senate-passed gun-related provisions in order to protect the safety of our families and our communities. The police officer on the street understands that this legislation is needed to help keep guns out of the hands of children and violent criminals.

Sincerely,

JESS QUINTERO,
National Executive Director.

POLICE EXECUTIVE RESEARCH FORUM,
Washington, DC, September, 14, 1999.

Hon. ORRIN G. HATCH,
Chairman, Senate Committee on the Judiciary, Washington, DC.

DEAR CHAIRMAN HATCH: The Police Executive Research Forum (PERF) is a national organization of police professionals dedicated to improving policing practices through research, debate and leadership. On behalf of our members, I am writing today in strong support of the gun-related provisions adopted by the Senate as part of S. 254. These measures are crucial in reducing children's and criminals' access to guns.

As you and other conferees meet to craft juvenile justice legislation, PERF urges you to focus on an important issue to law enforcement—the need for at least three business days to conduct background checks at gun shows. This is the same period of time currently allowed when a firearm is purchased from a licensed gun dealer.

As law enforcement officials, we know from experience that it is critical to have at least three business days to do a thorough background check. While most checks take only a few hours, those that take longer often signal a potential problem regarding the purchaser. Without a minimum of three business days, the risk that criminals will be able to purchase guns increases. The FBI analyzed all NICS background check data in the last six months and estimated that, if the law had required all background checks to be completed in 72 hours, 9,000 people found to be disqualified would have been able to obtain a weapon. If the time limit for checks had been set at just 24 hours, 17,000 prohibited purchasers would have obtained guns in just the last half year. The FBI also found that a gun buyer who could not be cleared by the NICS system in under two hours was 20 times more likely to be a prohibited purchaser than other gun buyers.

PERF also strongly supports measures that impose new safety standards on the manufacture and importation of handguns requiring a child-resistant safety lock. PERF helped write the handgun safety guidelines—issued to most police agencies more than a decade ago—on the need to secure handguns kept in the home. Our commitment has not wavered. I also urge you to clarify that the storage containers and safety mechanisms meet minimum standards to ensure that the requirement have teeth.

PERF also encourages the enactment of proposals that prohibit the sale of an assault weapon to anyone under age 18 and to increase the criminal penalties for selling a gun to a juvenile. PERF all supports banning all violent juveniles from buying any type of gun when they turn 18, and supports banning the importation of high-capacity ammunition magazines. PERF knows we must do more to keep guns out of the hands of our nation's troubled youth.

PERF supports strong, enforceable "Child Access Prevention" laws. Once again, we have witnessed the carnage that results when children have access to firearms. PERF has supported child access prevention bills in the past because we have seen first hand the horror that can occur when angry and disturbed kids have access to guns.

We must do more to keep America's children safe—not just because of recent events, but because of the shootings, accidents and suicide attempts we see with frightening regularity. It is important to adopt the Senate-passed gun-related provisions in order to protect our families and our communities. The police officer on the street understands that this legislation is needed to help keep guns out of the hands of children and violent criminals. Thank you for considering the views of law enforcement. We applaud your efforts to help make our communities safer places to live.

Sincerely,

CHUCK WEXLER,
Executive Director.

Mr. LAUTENBERG. Mr. President, some of my colleagues may recall that former President George Bush resigned from the NRA because the organization referred to law enforcement people as "jack-booted thugs." What a twist to refer to our law enforcement people courageously out there risking their own lives to protect others and referring to them as "jack-booted thugs." I saluted President Bush for that one.

We ought to be skeptical when the NRA says it supports law enforcement. We ought to be skeptical when they use the second amendment to promote extremist views. What does the second amendment say?

> A well-regulated Militia being necessary to the security of a free State, the right of the people to keep and bear Arms, shall not be infringed.

It doesn't say one ought to be able to buy it without a license. It doesn't say if someone is crazy, they ought to be able to buy a gun. It doesn't say if one is 12 years old, they ought to be able to buy a gun. It doesn't say one ought to be able to buy as many guns as they want. No matter how broadly one interprets that, there is nothing that says one shouldn't have to have a license to buy a gun.

The interpretation of the amendment has been broadened and the courts don't hold or support that. That is the kind of gobbledygook that accompanies that. It is like saying guns don't kill; people kill. Who pulls the trigger? Animals. I guess maybe in some ways they are.

We never hear the NRA talk about the first 13 words in that amendment:

> A well-regulated Militia, being necessary to the security of a free State . . .

They only cite the last 14 words when they argue that the amendment creates an unlimited right for individuals to bear arms.

Nonsense. The NRA knows the history of the second amendment doesn't support the organization's radical views. When the Constitution was being debated, each State had its own militia. Most adult males were required to enlist and to supply their own equipment, including their own guns. The second amendment was written in response to concerns that excessive Federal power might lead to the Federal Government passing laws to disarm those State militias.

The United States has changed a great deal since then. We no longer have State militias where citizens are required to provide their own arms. Thank goodness we have a National Guard—a State-organized military force—that is more limited and depends on government-issued weapons. They are there to respond to protecting the public.

If my colleagues are interested in reading more about reality and the myths surrounding the second amendment, I urge them to read some recent scholarly articles written by independent historians whose research has not been funded by the NRA. These include articles by Saul Cornell, a history professor at Ohio State University; an editorial by Garry Wills, a Pulitzer Prize-winning history professor at Northwestern University; and an article by historian Mike Bellesiles of Emory University.

I ask unanimous consent these articles be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 24, 1999]

REAL AND IMAGINED

(By Saul Cornell)

Three words are routinely invoked by opponents of gun control: the Second Amendment. So it was during the debate last week in the House.

In reality, however, the amendment was never meant to ban virtually all efforts to regulate firearms. Indeed, the Founding Fathers viewed regulation as not only legal but also absolutely necessary, and colonial America enacted all sorts of regulatory legislation governing the storage of arms and gunpowder.

The mythology of the Second Amendment, however, has turned history on its head. Herewith, the truth about the Second Amendment and its place in history.

Myth: The right to bear arms has always been an individual right.

Reality: States retained the right to disarm law-abiding citizens when the good of the community required such action.

In Pennsylvania, as much as 40 percent of the adult, white male population was deemed to lack the requisite virtue to own guns.

Myth: The armed citizen militia was essential to the cause of American independence.

Reality: If Americans had relied on their militia to achieve independence, we would still be part of the British empire. There were never enough guns in the hands of citizens to pose a threat to a well-equipped army. The Continental Army, not the militia, won the American Revolution.

Myth: The militia included all able-bodied citizens.

Reality: The list of groups excluded from the militia in Massachusetts ran to two paragraphs.

Myth: The militia was an agent of revolution.

Reality: While the militia became a powerful agent of political organization, it was invariably used by states to repress rebellions by citizens and slaves.

[From the Chicago Sun-Times]

SHOOTING HOLES IN AGE-OLD GUN MYTHS

(By Garry Wills)

For a number of years now, historian Michael Bellesiles of Emory University has been amassing a great body of evidence that demolishes the myths of the gun's role in American history. I have wondered by no one in the popular press has picked up on this work published in scholarly journals. Now that a news magazine finally has done that, the magazine, it turns out, is not an American one but the Economist, published in London. Its current issue runs a very full and important summary of Bellesiles' findings.

By a sophisticated bit of sleuthing, Bellesiles has put together probate reports on what people owned in the 18th and early 19th centuries, government surveys of gun ownership (something the NRA would go crazy at today), records of the number of guns produced in America and imported from abroad—all to establish this fact, which runs contrary to romantic notions of the frontiersman's reliance on his weapon: Up until 1850, fewer than 10 percent of Americans owned guns, and half of those were not functioning.

Guns were expensive in early days; they cost the equivalent of the average man's wages for a year. They were inefficient and hard to maintain. Few were made in America. Repairs were not readily executed (mainly by blacksmiths who worked on farm implements). How did people protect themselves then? Not by guns. Only 15 percent of the violent deaths inflicted in the period 1800 to 1845 were brought about by guns—about the same number as were caused by ax attacks and fewer than those caused by knives. The leading cause of violent death was being beaten or strangled (twice as many died that way as by shooting or stabbing).

So much for the NRA argument that if guns are taken away, people would just find other means of killing one another. People certainly will kill, but the rate just as certainly would drop. When is the last time you heard of a drive-by strangling, or the case of a school where a dozen children were mowed down with an ax? that is why the murder rate is so low in the countries that do have gun control.

Another myth that Bellesiles demolishes is that of the militias. Most militias did not have guns, or powder, or the training to use what few weapons they had. They were not made up of the whole male citizenry—how could they have been, when no more than 10 percent of the citizens had guns. Militias usually were mustered for immediate emergencies from the unemployed, the drifting or those too poor to buy substitutes for their service. One of the few exceptions to this condition was militias in the South that were kept in fighting condition in order to patrol the slaves. So far from being a great bastion of freedom, the militias were a support of slavery.

When Bellesiles' findings are put together with Robert Dykstra's study of the cowboy legend (towns such as Tombstone and Dodge City had gun control laws, so that only 1.5 deaths occurred annually during the cattle drives of their most famous years) and with Osha Gray Davidson's history of the NRA (which did not oppose gun control until the 1960s), there is nothing left standing to vindicate the myth that individually owned guns were a source of American freedom and greatness.

[From the Economist, July 3, 1999]

ARMS AND THE MAN

America's love affair with the gun is the eternal stuff of fiction. It has not always been the stuff of fact.

Richard Henry Lee, one of the signers of America's Declaration of Independence, wrote that "to preserve liberty, it is essential that the whole body of the people always possess arms and be taught alike, especially when young, how to use them." This association between guns and liberty seems hardwired into the American consciousness. It has produced a country with more guns than people. It has made national heroes of the armed frontiersman, the cowboy and Teddy Roosevelt, the president who carried a big stick and a hunting rifle. Above all it has engendered such a powerful cult of the gun that whether you glorify it, fear it or accept it as a necessary evil, hardly anyone questions its basis in fact. Have guns really been an essential part of American life for 400 years?

At first glance it seems absurd to doubt it. From the time of the earliest settlement on the James River, the English colonies required every freeman to own a gun for self-defence. More than a century and a half later, the notion of the citizen-soldier was enshrined in the constitution. "A well regulated militia being necessary to the security of a free State, the right of the people to keep and bear Arms shall not be infringed," holds the second amendment of the Bill of Rights, which establishes additional safeguards for Americans' freedom.

Yet in ordinary life people were not armed to the teeth a couple of centuries ago. Wills from revolutionary times present a different picture. Probate records that list the belongings passed on to heirs often give valuable insights into everyday activities and possessions. Michael Bellesiles, a professor at Emory University in Atlanta, has trawled through more than 1,000 probate records dating from between 1765 and 1850. Here is a typical finding: "He takes note of his favourite chocolate pot [says Mr. Bellesiles]. The record notes broken bottles, bent spoons. It notes every scrap of land and every debt and credit he holds. There's not a single gun listed. And this is the commander of the Virginia militia." Between 1765 and 1790, fewer than 15% of probate inventories list guns of any kind (see chart 1 on), and more than half of those listed were broken. The larger-than-average proportion in the South was probably due to difficulties in persuading people to be slaves by peaceful means.

Official surveys of private-gun ownership show much the same thing. (Amazingly, to modern sensibilities, state and federal governments were able to undertake surveys of this sort without any debate in state legislatures about their right to do so.) The state of Massachusetts counted all privately owned guns on several occasions. Until 1840, at any rate, no more than 11% of the population owned guns—and Massachusetts was one of the two centres of gun production in the country. At the start of the War of 1812, the state had more spears than firearms in its arsenal. What was true at the state level was true nationwide. "It would appear," says Mr. Bellesiles, "that at no time prior to 1850 did more than a tenth of the people own guns."

So, contrary to popular belief and legend, and contrary even to the declarations of the founding fathers, gun ownership was rare in the first half of America's history as an independent country. It was especially low in parts of the countryside and on the frontier, the very areas where guns are imagined to have been most important. By no stretch of the imagination was America founded on the private ownership of weapons.

But what about the civilian militias of the period, in which all adult men were supposed to serve? These included bodies such as the Minutemen of Massachusetts, embattled farmers who agreed to turn out at a minute's notice and managed to take on the British at Lexington and Concord. Surely they at least exemplified the republican ideal of universal military service by the citizenry?

Not really. Most militias were a joke. Describing a shooting competition at a militia muster in Pennsylvania, one newspaper wrote cruelly: "The size of the target is known accurately, having been carefully measured. It was precisely the size and shape of a barn door." The soldiery could not hit even this; the winner was the one who missed by the smallest margin. No wonder the militias of Oxford, Massachusetts, voted in 1823 to stop their annual target practice to avoid public humiliation. South Carolina fined people who heckled or disrupted the militia muster—to no avail.

Militias, it seems, were neither adept nor well-armed. In 1775 Captain Charles Johnson told the New Hampshire Provincial Congress that his company had "perhaps one pound of powder to 20 men and not one-half our men have arms." The adjutant general of Massachusetts complained in 1834 that only "town paupers, idlers, vagrants, foreigners, itinerants, drunkards and the outcasts of society" manned his militias. Delaware was one of several states that fined people for non-attendance at musters. In 1816 it gave up the unequal struggle and repealed all the fines; and when the legislature dared to enact a new militia law in 1827, it was turfed out at the next elections and the law repealed. In the 1830s, General Winfield Scott discovered the Florida militia to be essentially unarmed—and this was during a war against the Seminole Indians.

These and other bits of information confirm the evidence of the probate records: guns were rare. Perhaps the fact should not surprise. Gunpowder and firing mechanisms had to be imported, so a gun cost about a year's income for an ordinary farmer. (For comparison, a basic rifle now costs the equivalent of three days' work at the average wage.) And guns were hard to maintain: muskets were made mostly of iron, which rusted easily and needed constant attention. Many busy farmers had better things to do with their time.

Even if farmers had wanted and been able to buy guns, they would usually have found them hard to obtain. Before the civil war, America had only two armouries, at Harper's Ferry, Virginia, and Springfield, Massachusetts (see chart 2). Their joint output was not enough even for basic national defense. In an attempt to equip the militias sufficiently to protect the newly independent country, Congress ordered the purchase of 7,000 muskets in 1793. A year later, it had managed to buy only 400.

Strikingly, the citizen-soldiers could not be bothered to arm themselves even when guns were both available and free of charge. In 1808 the government made its biggest attempt to arm and organise the citizenry, offering to buy weapons for every white male in the country. All the militias had to do to get guns was apply for them, reporting how many members they had. By 1839 only half the companies in Massachusetts had taken the trouble to do this.

Across the country, popular neglect was killing the militias. In 1839 the secretary of war complained that "when mustered, a majority of [the militias] are armed with walking canes, fowling pieces of unserviceable muskets." Practically every militia commander reported that his members did not look after their guns properly. All complained of non-attendance. All worried about the low esteem in which the militias were generally held. In 1840 most states gave up filing militia returns altogether. Militias as the founding fathers had envisaged them were finished.

ARMING AMERICA BY MISTAKE

So when did mass ownership of guns begin to develop, if not at the start? It was during the civil war, from 1861 to 1865, and the agent of change was industrialisation. The American civil war was the first conflict in history in which the new techniques of mass production and transport played vital roles. Armies were ferried around by train and issued with the latest weapons from the most modern factories.

Naturally, weapons production soared. In the 12 months to July 1864, the state-owned Springfield armory produced over 600,000 rifles, nearly as many as in the whole of its 70-year history. The Union government's Ordnance Department spent $179m (about $2.5 billion at today's prices) from 1861 to 1866 on buying or making weapons.

Much of the money was collected by the dozens of new private factories that opened or grew to meet the increased demand. Chief among them was Samuel Colt's, the first private company to manufacture guns on a large scale. Between 1836, when Colt's factory first opened, and 1861, when the civil war began, production averaged a few thousand weapons a year. By 1865 Colt had become the largest private supplier to the Union army, selling 386,417 revolvers in the course of the conflict. Like other gun makers, Colt started to reap huge economies of scale, as the war went on, and the costs of production dropped sharply. In 1865 the Colt Peacemaker revolver cost $17 to buy—about two months' earnings for a labourer.

The civil war expanded not just the production but also the ownership of guns. At its outset the Union government owned 300,000 muskets and 27,000 rifles; the Confederacy had another 150,000 guns of various sorts; and there were tens of thousands of guns in private hands. During the war, the Ordnance Department of the Union government bought or made 3.5m carbines, rifles, revolvers, pistols and muskets, as well as over 1 billion cartridges and 1 billion percussion caps. In addition, it imported $10m-worth of rifles, muskets and carbines from Europe. In all, the Union issued at least 4m small arms to its soldiers in five years—perhaps eight times as much as the total stock of guns at the beginning of the war.

The men were not only issued with firearms but also taught how to use them. At its peak, the Union army counted around 1.5m enlisted men and the Confederate army another 1m. These were easily the largest military forces ever assembled. Most important, these weapons were left in the hands of the soldiers at the end of the war. Anxious to press ahead with reconstruction, the victorious Union government allowed all soldiers, including those of the Confederacy, to take their guns home. (In theory, soldiers were supposed to buy their guns but no one made any serious effort to collect the money that was due.)

The civil war thus transformed America from a country with a few hundred thousand guns into one with millions of them. it was this war, rather than any inherent belief in the right of individuals to carry guns, that first armed America—and then created the first crime wave to go with it. In the decade immediately after the war, murder rates soared, and guns became the murder weapon of choice (see chart 3). This crime wave was one important reason why the ownership and production of guns did not fall away after the "late unpleasantness between the states", as some Southerners put it.

* * * * *

Colt was a self-publicist of genius. When his brother, John, unfraternally chose a mere axe with which to commit murder in 1841, Samuel persuaded the court to let him stage a shooting display inside the courtroom to demonstrate the superiority of the new revolver over the axe as a murder weapon. Using these publicity skills, and displaying precocious evidence of lobbying ability (he gave President Andrew Jackson a handgun and pioneered the practice of wining and dining members of Congress), Colt aimed his campaign at the growing middle class. He devised advertising campaigns showing a heroic figure wearing nothing but a revolver defending his wife and children. His guns were given nicknames (Equalizer, Peacemaker and so forth). Since most of his customers did not know how to use a firearm, he printed instructions on the cleaning cloth of every gun. His initial success shows up in the probate records: the percentage of wills listing firearms among their legacies rose by half between 1830 and 1850.

* * * * *

The big industrial cities back East were actually far more violent than even the most notorious cowboy town. Robert Dykstra writes that "during its most celebrated decade as a tough cattle town, only 15 persons died violently in Dodge City, 1876–85, for an average of just 1.5 killings per cowboy season." Towns such as Tombstone (in Arizona) and Dodge City (in Kansas) had very low murder rates, mainly because drovers had their guns confiscated at the town limits. Not so in the East. In 1872 the Missouri Republican, for example, called New York a "murderer's paradise" and criticized its "chronic indifference" in the face of "the murdering business [that] is carried on with impunity."

Nonetheless, by the end of the 19th century, two elements of America's present gun culture were in place: widespread individual ownership of guns, and large numbers of factories that were turning out affordable weapons to meet popular demand. More was required, however, to create a true "gun culture": in particular, as Mr. Bellesiles points out, "there needed to be a conviction, supported by the government, that the individual ownership of guns served some larger purpose." The notion that the right to own firearms was somehow the quintessential American freedom had yet to come.

THE CULT OF THE GUN

* * * * *

After the second world war, the organization's character altered. It began to represent sportsmen more, organizing training courses for hunters, teaching classes in gun safety and even putting together a rifle team to represent the United States in the Olympic games. Though it did some lobbying, the question of influencing gun laws came low on its list of priorities. The NRA was, in fact, a little like the Boy Scouts.

Two developments changed that. The first was the Gun Control Act of 1968, which forbad selling guns by post after President Kennedy was assassinated by a weapon that had been bought in this way. The act was supported by the NRA's leaders but opposed by many of its members.

The other event was the appearance of Hanlon Carter at the head of a dissident group within the NRA. A tough Texan who had had a murder conviction overturned on

> appeal, he transformed the NRA from a sporting club into what is widely seen today as one of the most powerful lobbying organizations in America. In 1997, incensed at plans for training in environmental awareness at the NRA's new national shooting range, Carter organized what was in effect a takeover of the association. When the smoke cleared, his headliners were in charge.

* * * * * *

Mr. LAUTENBERG. The courts have interpreted the second amendment in a straightforward and commonsense way. In the United States v. Miller, decided in 1939, the Supreme Court ruled the amendment guarantees the right to be armed only in service to a well-regulated militia. In other words, no one has an automatic right to own a firearm.

The NRA is simply wrong. If they were right, anyone could carry a gun any time they wanted to. People could carry machine guns anywhere they wanted to—to work, restaurants, on airplanes. That is exactly why former Chief Justice Warren Burger, a conservative appointed to the Supreme Court by President Nixon, and a gun owner himself, called the NRA's distortion of the second amendment a fraud on the American public. That is a Chief Justice of the Supreme Court.

I hope my colleagues will put aside the false rhetoric of the extremist NRA and listen to other American people, people of every religion, race, color, creed, and profession coming together to try to stop gun violence, people joining together because the right to bear and raise children safely must come before the right to bear arms. People are joining together because there is no need for 200 million firearms in a civilized society. The people are joining together to say if citizens want a gun, they ought to prove they can use it safely.

Vouchers are not the answer; a voucher to go to different schools won't solve the problem. Ignoring the problem is not an answer. Instead of wasting our time today on this meaningless amendment, the Senate ought to be working to pass a gun safety bill to close dangerous loopholes. I hope the constituents back home will watch how their Senators vote on matters to control gun violence and compare it to what kind of vote we get on the school voucher issue.

On this issue, we will prevail because there is no force stronger than the people united to protect their children. There aren't enough gun lobby dollars to protect politicians who stand in the way. Lord help us.

I yield the floor.

The PRESIDING OFFICER (Mr. BUNNING). The Senator from Iowa.

Mr. HARKIN. I associate myself with the eloquent and erudite remarks made by my colleague, the Senator from New Jersey. He is right on target.

This amendment we are about to vote on misses the mark by a mile in terms of what we ought to do. The Senator from New Jersey has been the leading advocate on the Senate floor for focusing razor-like on the real problem, which is the proliferation of guns, the ready access to guns of the youth of this country. He is right on target. I compliment the Senator for his leadership in that area and the statements made today.

Again, the majority has taken a measure which has strong bipartisan support and added a poison pill—nothing more or less than a blatant political maneuver. Most of the provisions of this amendment provide critical resources to law enforcement and communities to battle the methamphetamine epidemic. This started as a strong measure, one I wholeheartedly endorsed and have cosponsored. We have in the Midwest, the West, the Southwest, a major problem with this dangerous and highly addictive drug. We need additional resources to stop the spread of meth in our rural communities and urban centers.

I am a cosponsor of the bill authored by Senators HATCH and ASHCROFT, including provisions to help law enforcement investigate and clean up highly toxic meth labs. It includes $15 million for meth prevention and education, $10 million for meth treatment, and authorizes funding for needed research on the treatment of meth. It also includes tougher penalties for meth lab operators and traffickers. Many of these provisions, about a third of them, are taken from the bill I introduced earlier this year called the Comprehensive Methamphetamine Abuse Reduction Act.

Over the past 3 years, I have worked very hard to increase the resources for law enforcement and communities to reduce the supply and demand of these illegal drugs through millions of dollars in grants for law enforcement, prevention, treatment, and research. So the methamphetamine bill is a good bill. It has strong bipartisan support. The methamphetamine amendment is a good amendment—until last-minute additions were included to undermine the bipartisan support. We now have a couple of poison pills added to it.

The first is a school voucher program, private school vouchers that will divert Federal education dollars from public schools to private schools. It says for a victim of a crime at a school—a situation that no one condones—that Federal education funds could be used to send that student to a private school anywhere in the State. That sounds good, but it doesn't do anything to make schools safer. Plus there is a big loophole in the amendment. If you read the amendment, it says here:

> Notwithstanding any other provision of law [et cetera, et cetera] if a student becomes a victim of a violent criminal offense, including drug-related violence, while in or on the grounds of a public elementary school or secondary school that the student attends. . . .

Then they can use these funds to send the student to a private school, including a religious school, anywhere in the State, wherever the parent wants the student to go.

So, obviously, a student could be on the school grounds after school, in the evening, on the weekend, as most of these grounds are available as playgrounds, basketball courts, things like that, and if the violent act occurred then, which has nothing to do with the school whatsoever, these funds could be diverted. There is a big loophole in that amendment. Aside from that, that is not the way to address violence in schools. We should, instead, support violence and crime prevention programs in and around public schools, not divert resources from public to private schools. We should invest in initiatives such as the Safe and Drug-Free Schools Act and afterschool programs, since we know most juvenile crimes occur between 3 p.m. and 8 p.m.

I am on the Appropriations Committee for education. As soon as I finish my statement, I am going downstairs to continue negotiations. The President wanted $600 million for afterschool programs to keep these kids off the streets and put them into afterschool programs. The Republican leadership knocked that down in half, to $300 million. That is where we ought to be putting our money, not saying take money out of public schools and put them in vouchers. Let's do what the President wanted to do: Put $600 million in afterschool programs so these kids will be safe.

We also need more counselors in schools, especially in our elementary schools, to prevent problems before they start. Public tax dollars should be spent on public schools which educate 90 percent of our Nation's children. Taxpayers' money should not go to vouchers when public schools have great needs, including providing a safe environment.

Again, there is another part of this that is a poison pill, and that is the mandatory minimum provisions which were put in the amendment. The Department of Justice, all of the U.S. attorneys, including the two U.S. attorneys from the State of Iowa, oppose this provision. It does not fix the problem. Our prisons are already full. We are building new prisons. In fact, the most rapidly growing part of public housing today is our building of prisons. Yet what this amendment would do is crowd more people into those prisons and require us to build more prison cells. That is not the answer. Building more prisons, making mandatory minimum sentences, getting young people who may be first-time abusers into these prisons, is not the answer. We need more education; we need more prevention; we need more treatment; and we need more counseling for kids in elementary and secondary schools.

With these two poison pills, I do not see how anyone could support this. The methamphetamine part was a good part when it started out. Then the majority decided to add some poison pills in a political maneuver. I understand the politics of it, but the politics does not mean we have to shield our eyes and cast a blind vote.

I am hopeful that sometime—probably not this year—next year we will be able to bring up again a targeted methamphetamine bill, one that gets to, yes, penalties but also gets to education, prevention, treatment, and research, and put this package together in an antimethamphetamine drug bill that we can bring up and pass without all these riders and poison pills.

I yield the remainder of the time on this side.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. We also yield the remainder of the time on this side. I assume we can go to a vote.

The PRESIDING OFFICER. All time has been yielded back. Has someone requested the yeas and nays?

Mr. GRASSLEY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2771. The yeas and nays were ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Arizona (Mr. McCAIN) is necessarily absent.

The result was announced—yeas 50, nays 49, as follows:

[Rollcall Vote No. 360 Leg.]

YEAS—50

Abraham
Allard
Ashcroft
Bennett
Bond
Brownback
Bunning
Burns
Byrd
Campbell
Cochran
Conrad
Coverdell
DeWine
Domenici
Enzi
Fitzgerald
Frist
Gramm
Grams
Grassley
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Kyl
Lieberman
Lott
Lugar
Mack
McConnell
Murkowski
Nickles
Roberts
Roth
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Stevens
Thomas
Thompson
Thurmond
Voinovich
Warner

NAYS—49

Akaka
Baucus
Bayh
Biden
Bingaman
Boxer
Breaux
Bryan
Chafee, L.
Cleland
Collins
Craig
Crapo
Daschle
Dodd
Dorgan
Durbin
Edwards
Feingold
Feinstein
Gorton
Graham
Harkin
Hollings
Inouye
Jeffords
Johnson
Kennedy
Kerrey
Kerry
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lincoln
Mikulski
Moynihan
Murray
Reed
Reid
Robb
Rockefeller
Sarbanes
Schumer
Specter
Torricelli
Wellstone
Wyden

NOT VOTING—1

McCain

The amendment (No. 2771) was agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote.

Mr. ASHCROFT. I move to lay that on the table.

The motion to lay on the table was agreed to.

Mr. DASCHLE. Mr. President, today I voted against the Hatch "drug" amendment. I voted against this amendment with some regret because I very much wanted to support one provision in this amendment—Senator HATCH's Methamphetamine Anti-Proliferation Act of 1999.

Senator HATCH's Methamphetamine Anti-Proliferation Act of 1999 is a bipartisan bill that would go a long way toward attacking the proliferation of methamphetamine trafficking and abuse that particularly plagues the Midwest. I know my friend Senator HARKIN and others have worked tirelessly with Senator HATCH to improve the bill and to ensure that prevention and treatment programs targeted at young people tempted by or addicted to methamphetamine are included in any solution to this problem. Because I feel strongly about this issue, I co-sponsored Senator HARKIN's bill the "Comprehensive Methamphetamine Abuse Reduction Act," and many of the provisions of Senator HARKIN's bill are now included in this amendment.

We have a serous problem in South Dakota with the production, trafficking and use of methamphetamine. I have met with many members of South Dakota's law enforcement community about this problem, and I know that cracking down on meth traffickers and users has become more and more difficult as this highly addictive drug has increased in popularity, particularly among our young people. The number of methamphetamine arrests, court cases, and confiscation of labs continues to escalate. In the Midwest alone, the number of clandestine methamphetamine labs confiscated and destroyed in 1998 was nearly triple the number confiscated and destroyed in 1997.

It has become evident that methamphetamine is fast becoming the leading illegal drug in our region, and efforts to combat its spread are complicated by the fact that the drug does not discriminate. Its users range from teenage girls who use the drug to decrease their appetite in an effort to lose weight, to middle class men looking for a cheap high. This highly addictive drug can lead to devastating consequences for its users, and far too often methamphetamine use has been a major factor in a number of violent crime cases. In recent years, the Drug Enforcement Agency has registered an increase in the percentage of arrests due to methamphetamine in South Dakota from around 20% of the total arrest rate to 70%, and several high profile crimes, including murders, in South Dakota have been attributed to methamphetamine abuse.

Though, we have taken some important steps to combat methamphetamine abuse in recent years, such as securing targeted funding to fight methamphetamine production and trafficking in South Dakota, Iowa, Nebraska, Kansas and Missouri, I believe it is time to do more. Accordingly, I would have liked to support the provisions in this amendment that increase penalties for amphetamine manufacturing and trafficking and provide more money for law enforcement personnel to address the methamphetamine problem in high intensity drug trafficking areas. That is why I would have liked to support the provisions that provide needed funds for hiring and training law enforcement officers to combat methamphetamine trafficking and manufacture. And that is why I would have liked to support the provisions that would fund increased methamphetamine abuse research, grants to states and Indian tribes to expand treatment activities, and grants to schools and local communities for methamphetamine prevention activities. But unfortunately, I could not because the Republicans added, at the last minute, a poison pill provision aimed at weakening our public education system.

The Hatch amendment includes a provision allowing school districts to use federal funds to provide vouchers to students who have been victims of violent crime on school grounds. This means that money that is supposed to be used to help public schools improve technology, to develop charter schools, or that has been set aside for special education students, could be used on vouchers for private schools. The amendment does nothing to make schools safer for children and will do nothing to increase student achievement.

Let there be no mistake about what this amendment is trying to do. This is just a back-door attempt to take federal resources necessary to improve our public schools and squander them on vouchers to send a few children to private schools. While the proponents claim that parents could send their child to any school, this provision actually creates an incentive to send the child to private or parochial schools by disallowing transportation expenses for public school students, while allowing transportation expenses along with tuition and fees for private or religious schools.

Federal resources should be invested in improving public schools for all children through higher standards, smaller classes, well-trained teachers, modern facilities, more after-school programs, and safe and secure classrooms. They should not be frittered away on ineffective and unproven programs to help just a few children.

Mr. President, we all know that the education provisions in this amendment will necessitate that this amendment be dropped in conference. Thus, this is not a meaningful vote. I will continue to work to enact legislation to provide law enforcement officials the tools they need to combat the methamphetamine problem in this country. But I don't want to be part of an effort that may jeopardize the Bankruptcy Reform Act of 1999—a bill that is aimed, rightly, at reducing the abuses of the bankruptcy system. We should be focused on enacting meaningful bankruptcy reform, and not encumbering this bill with decisive partisan issues. We need to send a bankruptcy bill to the President which he can sign into law—this amendment, unfortunately, does not further that end.

Mr. LEVIN. Mr. President, the Republican drug amendment to the bankruptcy bill would authorize private school vouchers for students who are injured by offenses on public school grounds. It allows school districts to use funds from other Federal education programs, including IDEA funds, technology funds and others, to provide vouchers. I will vote against this amendment. I will do so because it will not make our schools safer and it will not invest in student achievement. Ninety percent of students are educated in our nation's public schools. Our public tax dollars should be used for improving public schools, through smaller class size, well-trained teachers, more after-school programs, modern facilities, higher standards, and safe and secure classes. I repeat, vouchers are the wrong way to go.

My decision to oppose this amendment is bitter-sweet because while I oppose the voucher provisions of this amendment, I strongly support a provision of the amendment which is, in fact, legislation which I co-authored and introduced with Senator HATCH, Senator MOYNIHAN and Senator BIDEN in January of this year—S. 324, the Drug Addiction Treatment Act. It addresses a long-time crusade of mine—that of speeding the development and delivery of anti-addiction medications that block the craving for illicit addictive substances. This is one way in which we can fight and win the war on drugs—by blocking the craving for illegal substances. The Drug Addiction Treatment Act is aimed at achieving this goal. It was originally reported out of the Judiciary Committee as Sec. 18 of the Methamphetamine Anti-Proliferation Act of 1999, and provides for qualified physicians to prescribe schedule IV and V anti-addiction medications in their offices, under certain strict conditions. I was pleased to have introduced S. 324 along with my distinguished colleagues. I regret that this vital legislation, which can be a tool for fighting and winning the war on drugs, is included in an amendment that I cannot support.

Mr. MOYNIHAN. Mr. President, I rise now to echo the sentiment of my friend and colleague from Michigan, Senator LEVIN, that the passage of the Republican drug amendment marks a bitter-sweet moment. I, too, regret that I had to vote against the Republican drug amendment today, because it contains a provision that is very important to me, which I will address in a moment. I voted against the Republican drug amendment as a whole because of the provision that would expand the number of people who would come within the reach of mandatory minimum sentences for certain offenses involving cocaine. I feel very strongly that the correct way to address the problem of addiction is not by increasing the reach of mandatory minimum sentences, but rather to increase access to treatment. And that is why passage of the Drug Addiction Treatment Act of 1999 (S. 324), in Subtitle B, Chapter 2, of the Republican drug amendment, marks a milestone in the treatment of opiate dependence. The Drug Addiction Treatment Act increases access to new medications, such as buprenorphine, to treat addiction to certain narcotic drugs, such as heroin. I thank my colleagues Senator LEVIN, Senator HATCH, and Senator BIDEN for their leadership and dedication in developing this Act, and regardless of the outcome of the Bankruptcy Reform Act, one way or another, I look forward to seeing the Drug Addiction Treatment Act of 1999 become law.

Determining how to deal with the problem of addiction is not a new topic. Just over a decade ago when we passed the Anti-Drug Abuse Act of 1988, I was assigned by our then-Leader ROBERT BYRD, with Sam Nunn, to co-chair a working group to develop a proposal for drug control legislation. We worked together with a similar Republican task force. We agreed, at least for a while, to divide funding under our bill between demand reduction activities (60 percent) and supply reduction activities (40 percent). And we created the Director of National Drug Control Policy (section 1002); next, "There shall be in the Office of National Drug Control Policy a Deputy Director for Demand Reduction and a Deputy Director for Supply Reduction."

We put demand first. To think that you can ever end the problem by interdicting the supply of drugs, well, it's an illusion. There's no possibility.

I have been intimately involved with trying to eradicate the supply of drugs into this country. It fell upon me, as a member of the Nixon Cabinet, to negotiate shutting down the heroin traffic that went from central Turkey to Marseilles to New York—"the French Connection"—but we knew the minute that happened, another route would spring up. That was a given. The success was short-lived. What we needed was demand reduction, a focus on the user. And we still do.

Demand reduction requires science and it requires doctors. I see the science continues to develop, and The Drug Addiction Treatment Act of 1999 will allow doctors and patients to make use of it.

Congress and the public continue to fixate on supply interdiction and harsher sentences (without treatment) as the "solution" to our drug problems, and adamantly refuse to acknowledge what various experts now know and are telling us: that addiction is a chronic, relapsing disease; that is, the brain undergoes molecular, cellular, and physiological changes which may not be reversible.

What we are talking about is not simply a law enforcement problem, to cut the supply; it is a public health problem, and we need to treat it as such. We need to stop filling our jails under the misguided notion that such actions will stop the problem of drug addiction. The Drug Addiction Treatment Act of 1999 is a step in the right direction.

Mr. LOTT. Mr. President, I ask unanimous consent that the remaining votes be limited to 10 minutes in length each.

The PRESIDING OFFICER (Mr. VOINOVICH). Without objection, it is so ordered.

EXECUTIVE SESSION

NOMINATION OF CAROL MOSELEY-BRAUN TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO NEW ZEALAND AND SAMOA

The PRESIDING OFFICER. The clerk will report the nomination.

The legislative clerk read the nomination of Carol Moseley-Braun, of Illinois, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to New Zealand and Samoa.

Mr. BIDEN. Mr. President, I am pleased that today the Senate is voting on the nomination of our friend and former colleague Carol Moseley-Braun to be U.S. Ambassador to New Zealand, as well as Ambassador to Samoa.

I am confident that Senator Moseley-Braun will be an excellent ambassador. She has all the requisite skills—political savvy, personal charm, and street smarts—to represent the United States in the finest tradition of American diplomacy.

I would like to make a few comments about the remarks made yesterday by the chairman of the Foreign Relations Committee, the senior senator from North Carolina.

During yesterday's session, the chairman spoke on the floor about this nomination. While he essentially conceded that Senator Moseley-Braun will be confirmed by the Senate, he proceeded to make several arguments which I believe deserve a response.

First, the chairman stated that there had been a "successful coverup" of serious ethical wrongdoing. I believe such a loaded accusation should be supported by facts, yet the chairman offered not a shred of evidence that anyone has covered up anything.

On the contrary, during the consideration of the nomination, the Committee on Foreign Relations was provided with several thousand pages of documents requested by the Chairman, documents which were produced in a very short period of time. Included in these materials were several internal memoranda from the Department of Justice and the Internal Revenue Service; Committee staff members were even permitted to read the decision memos related to the IRS request to empanel a grand jury.

Second, the chairman suggested that Senator Moseley-Braun has "been hiding behind Mr. Kgosie Matthews," her former fiancé, who, the chairman charged, is now "conveniently a missing man." Mr. Matthews, it should be emphasized, is Senator Moseley-Braun's former fiancé, and it is ludicrous to suggest that she is somehow responsible for his whereabouts or actions.

Third, the chairman suggested that the request of the Internal Revenue Service for a grand jury to investigate the Senator was blocked by political appointees in the Justice Department, "no doubt on instructions from the White House" and that it was somehow odd that the request was blocked.

Here are the facts: in 1995 and 1996, the Chicago field office of the Internal Revenue Service sought authorization to empanel a grand jury to investigate allegations that Senator Moseley-Braun committed criminal violations of the tax code by converting campaign funds to personal use (which, if true, would be reportable personal income). The IRS request was based almost exclusively on media accounts and some FEC documents. When the first request was made in 1995, the Department of Justice urged the IRS to do more investigative work to corroborate the information that was alleged in the media accounts. Justice invited the IRS to resubmit the request.

The IRS resubmitted the request in early 1996; but it had not added any significant information to the request. In other words, it did not provide the corroborative information that the Justice Department had requested.

The decision to deny the request for authorization of the grand jury was made in the Tax Division, after consultation with senior officials in the Public Integrity Section.

Although it is not that common for grand jury requests to be refused, the Department of Justice is hardly a rubber stamp—for the IRS or anyone other agency. It is guided by the standard of the United States Attorneys' Manual, which requires that there be "articulable facts supporting a reasonable belief that a tax crime is being or has been committed." (U.S. Attorneys' Manual, 6-4.211B). The committee staff was permitted to review, but not retain, the internal memos in the Tax Division rejecting the IRS request. From the trial attorney up to the Assistant Attorney General for the Tax Division—four levels of review—all agreed that there was not a sufficient predicate of information that justified opening a grand jury investigation. In short, there were not the "articulable facts" necessary for empaneling the grand jury.

There is no evidence—none—that this decision was influenced by political considerations or outside forces.

Last year, when the story became public that Senator Moseley-Braun had been investigated by the IRS—and that the requests for a grand jury had been denied—the Office of Professional Responsibility at the Department of Justice opened its own inquiry. They investigated not Sen. Moseley-Braun, but the handling of the case within the Department of Justice. Their inquiry concluded that there was no improper political influence on the process. So, far from the "Clinton White House blocking the grand jury," all the proper procedures were followed, and there is no evidence of White House intervention in the case. Equally important, the Office of Professional Responsibility review concluded that the decision on the merits was appropriate.

Next, the chairman suggested that the decision to reject the grand jury request was somehow tainted because the senior official at the Justice Department who made the decision, Loretta Argrett, "was a Moseley-Braun supporter, who had made a modest contribution" to Senator Moseley-Braun's campaign, "who had a picture of Ms. Moseley-Braun on her office wall" and that the Senator had "even presided over Ms. Argrett's confirmation in 1993."

Here are the facts: Ms. Argrett, the Assistant Attorney General for the Tax Division, was the senior official at Justice who approved the decision not to authorize the grand jury request. It is true that Ms. Argrett gave money to the Senator's campaign: the grand sum of $25. It is also true that the Senator chaired Ms. Argrett's hearing, a hearing at which several other nominees also testified. I chaired the Judiciary Committee at that time. I routinely asked other members of the Committee to chair nomination hearings, just as Senator THOMAS chaired last week's hearing on Senator Moseley-Braun. Finally, it is also true that Ms. Argrett had a photograph of her and the Senator hanging in her office—a photo taken at that confirmation hearing.

All of these facts were disclosed to the Deputy Attorney General at the time, Jamie Gorelick, for a determination as to whether Ms. Argrett should be involved in the case. On June 2, 1995, Assistant Attorney General Argrett disclosed these facts to the Deputy Attorney General and concluded that, based on the minimal contact she had with the Senator, she believed she could act impartially in this case. Deputy Attorney General Gorelick —one of the most capable public officials I have known in my years in the Senate—approved Ms. Argrett's continued participation in the case.

Mr. President, I will not delay the Senate any further. The Committee did its job and gathered the available evidence. There is no evidence in the record that disqualifies Senator Moseley-Braun.

She will be an excellent ambassador, just as she was an excellent senator. We are lucky that she still wants to continue in public service. I urge my colleagues to vote to confirm Senator Carol Moseley-Braun.

Mr. FITZGERALD. Mr. President, I submit this statement in opposition to the nomination of former Senator Carol Moseley-Bruan as Ambassador of the United States to the governments of New Zealand and Samoa. The people of Illinois are intimately familiar with Senator Moseley-Braun's public career, as am I. Based on my extensive knowledge of her record, I cannot in good conscience support her nomination. While her tenure involved a significant number of controversies, many of which are troubling, her secret visits to, and relations with, the late General Sani Abacha and his regime are themselves a disqualifier for any kind of position that involves representing the United States in a foreign land. They demonstrate a lack of judgment and discretion that should be required of any ambassadorial nominee.

According to her written responses provided to the Senate Foreign Relations Committee on November 6, 1999, the Senator traveled to Nigeria in December, 1992; July, 1995; and August, 1996. According to the same documents, Senator Moseley-Braun met with Sani Abacha during all three trips. Abacha was one of the world's most brutal and corrupt dictators, an international pariah, widely reviled. After taking power in 1993, he jailed Nigeria's elected president, reportedly imprisoned as many as 7,000 political opponents, hanged environmentalist Ken Saro-Wiwa and eight other activists and allegedly stole more than $1 billion in oil revenues while presiding over the nation's economic collapse.

During her appearance before the East Asian and Pacific Affairs subcommittee of the Senate Foreign Relations Committee, Senator Moseley-Braun likened her meetings with General Abacha to meetings between other Senators and Members of Congress with leaders of countries accused of violating human rights. This analogy is inappropriate; her visits were of a chilling and distinctly different nature. Senator Moseley-Braun's visits with Abacha were secret encounters, condemned by the U.S. State Department, hidden not just from the government but even from her own staff. Moreover, her former fiance, Mr. Kgosie Matthews, was at one time a registered agent for the Nigerian government. Mr. Matthews accompanied her to Nigeria, although it is not clear how many times he did so. In response to written questions, Senator Moseley-Braun stated that she was "unaware of whether . . . Mr. Matthews 'directly or indirectly received any money or anything of monetary value' from the Nigerian government." To secretly visit a corrupt despot like Abacha, remaining unaware of whether a fiance, a one-time agent of the regime, is profiting in any way from Abacha or the Nigerian government, demonstrates a profound lack of judgment.

The confirmation hearing briefly touched upon areas of concern other than Senator Moseley-Braun's relations with Abacha. During her tenure, the Internal Revenue Service requested a grand jury investigation of Senator Moseley-Braun, suggesting a number of areas of inquiry. In her written responses to questions posed by the Foreign Relations Committee, the nominee stated that "I was unaware that I was the subject of any criminal investigation by the Internal Revenue Service prior to the July, 1998 WBBM report."

The WBBM–TV report, to which Senator Moseley-Braun referred, disclosed that the IRS twice sought to convene a grand jury to explore allegations concerning the personal use of campaign funds as well as allegations relating to "possible bank fraud, bribery and other federal crimes." The committee record established that the Department of Justice rejected the requests for grand juries, citing a lack of sufficient evidence, thus halting the ability of the IRS to proceed with the very subpoena power necessary to acquire sufficient evidence. The circularity of this process—the IRS requests for grand juries and Department of Justice refusals—as well as the inability of these concerns to be probed to conclusion, leaves a host of unanswered questions. These questions should have been resolved prior to a vote on the confirmation.

Senator Moseley-Braun refers to an FEC audit report that she believes rebuts the IRS concerns. First, assuming for the sake of argument that the FEC audit refutes the personal use of campaign funds, it nevertheless clearly does not refute the other allegations reportedly raised by the IRS such as "possible bank fraud, bribery and other federal crimes" reportedly going back to her tenure as Cook County Recorder of Deeds.

Second, it is unclear to what extent the FEC investigated the personal use of campaign funds. There are countless ways a diversion of campaign funds for personal use could occur. Discussion in the confirmation hearing centered around just campaign credit cards. Section I. D. of the FEC audit report does not mention the diversion of campaign funds as being within the scope of the audit, but instead lists, in specific detail, eight other areas of inquiry. On the other hand, the last page of the audit report indicates that the FEC audited the activity of the campaign credit cards. FEC working papers provided to the Senate further indicate that the FEC found that the cards were used to pay $6,258.14 of Mr. Matthews' personal expenses, but that, after deducting sums which the campaign argued it owed him, these personal expenses totaled only $311.28. It is unclear whether the FEC probed the possible diversion of campaign funds by other, less blunt, more oblique means, such as by cash purchases or by cashier's checks purchased with cash, or by other mechanisms. To the best of our knowledge, major allegations of diversion, such as those discussed in the Dateline NBC report, did not arise until after the FEC audit was completed.

Third, the FEC itself pointedly said that no inferences should be drawn from its failure to resolve its examination of Senator Moseley-Braun's campaign fund. According to a Chicago Tribune article dated April 8, 1997, FEC spokeswoman Sharon Snyder mentioned "a lack of manpower, a lack of time" and cited the impending expiration of the statute of limitations. She went on to say: "There's no statement here: no exoneration, no Good Housekeeping seal of approval, just no action."

Thus, with respect to the FEC investigation, as with the IRS requests for grand juries, many questions remain unresolved. However, the visits with General Sani Abacha are undisputed and, in their context, they are so unusual and bizarre as to alone disqualify her as an ambassador.

Mr. President, I recognize the Senate must fulfill its constitutional obligation. This body has given Senator Carol Moseley-Braun a select responsibility. While I cannot in good conscience support her nomination, I wish her well in her new post.

Mr. KENNEDY. Mr. President, I strongly support our distinguished former colleague, Senator Carol Moseley-Braun, and I urge the Senate to confirm her as Ambassador to New Zealand. Senator Carol Moseley-Braun served the people of Illinois with great distinction during her six years in the Senate. She fought hard for the citizens of Illinois and for working men and women everywhere, and it was a privilege to serve with her. In her years in the Senate, she was a leader on many important issues that affect millions of Americans, especially in the areas of education and civil rights. She worked skillfully and effectively to bring people together with her unique energetic and inspiring commitment to America's best ideals.

Senator Moseley-Braun has been breaking down barriers all her life. She became the first African-American woman to serve in this body. Her leadership was especially impressive in advancing the rights of women and minorities in our society. As a respected former Senator, she will bring great stature and visibility to the position of Ambassador to New Zealand. That nation is an important ally of the United States, and it is gratifying that we will be sending an Ambassador with her experience and the President's confidence.

Mrs. FEINSTEIN. Mr. President, I rise today to express my strong support for the nomination of my friend and former colleague, Carol Moseley-Braun, to be Ambassador to New Zealand.

I had the pleasure of serving with Senator Moseley-Braun for six years and I know her to be a dedicated, caring, intelligent, and hard-working public servant. I am confident she will carry these qualities to her new post in New Zealand.

Prior to her service in the United States Senate, Senator Moseley-Braun distinguished herself as a member of the Illinois Legislature and as the Recorder of Deeds for Cook County, Illinois. From 1973 to 1977 she also served as Assistant District Attorney in the Northern District of Illinois.

In 1992, Carol Moseley-Braun made history by becoming the first African American female elected to the United States Senate. As a United States Senator, she dedicated herself to issues that would make a difference in the lives of ordinary Americans: increased funding for education, HMO reform and family and medical leave.

Following her service in the Senate, Senator Moseley-Braun continued to stay involved in the issues that mean most to her and become a consultant to the United States Department of Education.

On October 8, 1999, President Clinton presented her with a new challenge and nominated her to be United States Ambassador to New Zealand. I am sure her tenure as Ambassador will only add to this long and distinguished career.

The overwhelming and bi-bipartisan vote in favor of her nomination by the Senate Foreign Relations Committee should answer any critic that questions her qualifications to be the next ambassador to New Zealand.

New Zealand is an important ally and a vital part of our relations in the Asia-Pacific region. We need an ambassador who will be able to handle all aspects of United States-New Zealand relations and best represent our interests. Carol Moseley-Braun is the right person for that job.

Mr. President, I was proud to serve with Senator Moseley-Braun, I am proud to call her a friend and I am proud to support her nomination to be Ambassador to New Zealand.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Carol Moseley-Braun, of Illinois, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to New Zealand and Samoa?

Mr. LOTT. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Arizona (Mr. MCCAIN), and the Senator from Arizona (Mr. KYL) are necessarily absent.

I further announce that, if present and voting, the Senator from Arizona (Mr. KYL) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 96, nays 2, as follows:

[Rollcall Vote No. 361 Ex.]

YEAS—96

Abraham
Akaka
Allard
Ashcroft
Baucus
Bayh
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Brownback
Bryan
Bunning
Burns
Byrd
Campbell
Chafee, L.
Cleland
Cochran
Collins
Conrad
Coverdell
Craig
Crapo
Daschle
DeWine
Dodd
Domenici
Dorgan
Durbin
Edwards
Enzi
Feingold
Feinstein
Frist
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Hagel
Harkin
Hatch
Hollings
Hutchinson
Hutchison
Inhofe
Inouye
Jeffords
Johnson
Kennedy
Kerrey
Kerry
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lincoln
Lott
Lugar
Mack
McConnell
Mikulski
Moynihan
Murkowski
Murray
Nickles
Reed
Reid
Robb
Roberts
Rockefeller
Roth
Santorum
Sarbanes
Schumer
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Torricelli
Voinovich
Warner
Wellstone
Wyden

NAYS—2

Fitzgerald
Helms

NOT VOTING—2

Kyl
McCain

The nomination was confirmed.

Mr. DURBIN. I move to reconsider the vote.

Mr. SANTORUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The President will be notified of the action taken by the Senate.

NOMINATION OF LINDA JOAN MORGAN, OF MARYLAND, TO BE A MEMBER OF THE SURFACE TRANSPORTATION BOARD

The PRESIDING OFFICER. The clerk will report the next nomination.

The legislative clerk read the nomination of Linda Joan Morgan, of Maryland, to be a Member of the Surface Transportation Board for a term expiring December 31, 2003.

Mr. HOLLINGS. Mr. President, I rise in support of the nomination of Linda J. Morgan. Today we are considering the nomination of Linda Morgan to be reappointed as the chairman of the Surface Transportation Board. I am proud to say that I have known Chairman Morgan for many years. Although we may not always agree, I have a great deal of respect for her and know that two qualities she possesses in abundance are fairness and integrity. Those qualities, coupled with her commitment to public service, make her an outstanding chairman.

Before I discuss Chairman Morgan's abilities and accomplishments, I would like to comment briefly on the agreement reached between railroad management and labor this week on the cram down issue. As many of you know, the carriers and their employees have been working on the terms of an agreement which would create new rules pertaining to the abrogation of collective bargaining agreements. Yesterday, the parties agreed to a moratorium on the filing of section 4 notices while the negotiations take place to establish new rules. I am pleased that the parties were able to reach a compromise on this important issue and urge the STB to look favorably on this agreement. In addition, I expect to address this issue legislatively next year when we take up the STB reauthorization bill.

As many of you know, Linda Morgan served as counsel for the Surface Transportation Subcommittee for 8 years and then as general counsel for the full Committee on Commerce, Science, and Transportation for seven years. During that time I found Linda Morgan to be one of the most intelligent and thorough professionals that I have worked with. She is smart and she cares about the issues—I know that she is committed to serving the public in her capacity as the chairman of the Surface Transportation Board.

Linda Morgan has served as chairman of the Surface Transportation Board (STB) since it was created in 1996. Prior to that, she served as chairman of the ICC. In 1996 she was responsible for implementing the changes that Congress envisioned in the Interstate Commerce Commission Termination Act. She pared down the ICC and established a new, more streamlined agency in its place, the STB.

Chairman Morgan is to be commended for her achievements and commitment to the mission of the STB during her first term. The STB operates with only 135 people, less than half the staff of it predecessor, but it is charged with regulating the entire railroad industry. Among her accomplishments, Chairman Morgan has facilitated creating a more efficient process for resolving rate disputes between shippers and carriers. Additionally, under her leadership, she has helped the private sector come to agreements on short line access and agricultural services arbitration which have benefited the entire transportation industry.

Chairman Morgan has done an outstanding job moving the agency through several different places. She successfully transitioned the agency from the ICC to the STB. She has seen the railroad industry through three very large merger transactions. She helped resolve the service issues in the west. And last year she ended the practice of using product and geographic competition in determining appropriate rates for shippers.

Linda Morgan has done a lot of heavy lifting during her tenure as chairman of the STB. She has my full confidence and I support her nomination.

Mr. BURNS. Mr. President, I rise today to oppose the nomination of Linda Morgan. During her tenure as the chairwoman of the Surface Transportation Board, Ms. Morgan has failed to achieve a primary goal of this independent agency—protecting the rights of shippers using rail transportation. Earlier this year, I along with a number of other colleagues, introduced a bill, S. 621, that would help to create competition among rail carriers where that competition does not currently exist due to regional monopolization.

This bill would resolve the economic inequities found around our nation. In my State of Montana, our farmers pay dramatically more for transportation costs than farmers anyplace else in the State. In fact, on a proportionate comparison, Montana's farmers pay more than most other shippers in the world.

Why? I'll tell you why—because nearly the entire State of Montana is captive to the Burlington Northern Santa Fe railroad. In the case of Montana farmers, Montana is captive to BNSF.

I cannot blame Ms. Morgan for this. The board's decision are based on misinterpreted statute that was legislated in the early 80's.

However, I cam blame Ms. Morgan for not recognizing this as the case before the shippers asked me and several of my colleagues for assistance. It is inexcusable to treat the Nation's shippers so pitifully. It is arrogant on behalf of the railroads to think that they can take advantage of small shippers using strongarm tactics to determine shipping costs. It should not cost more to ship from Montana to the Pacific Northwest than it costs to ship from the Midwest to the Pacific Northwest—over the same tracks. This is an absurd manner in which to allow a railroad to operate.

Back to Ms. Morgan. It is about time for Congress to recognize the inequities in the rail industry. Competition is based on choice. Without multiple competitors to choose from, we are left with a monopoly. BNSF has a monopoly in Montana and the four behemoths that have evolved since the early 80s when we had over 40 large railroads have monopolies all across this Nation.

Let me quote Ms. Morgan from hearings held earlier this year:

Ms. Morgan has stated, "If Congress feels the statute doesn't work, it's up to Congress to provide a revision to the statute." Mr. President, Ms. Morgan is the chairwoman of the STB and a very intelligent woman. Ms. Morgan has recommended to this body that Congress would need to change the law in order to create an equitable environment. If the STB is saying this, if hundreds of shippers are saying this, if economists are saying this, why won't Congress react? I'll tell you why. Railroad interests in this city have a stronghold on legislation that would take away their ability to charge unchallenged rates.

Ms. Morgan has also stated the following:

"The role of the STB is to allow competition where it exists and protect those where it does not exist." Let me give you an example of where competition does not exist. Competition does not exist in the entire state of Montana. Competition does not exist in the entire state of North Dakota. With four major railroads in the country, regional rail monopolies are very common. Montana was one of the first—we've been captive since 1980.

Another statement from Ms. Morgan. "The board is there to make sure that no rate is unreasonable. The equalization of rates is not inherent in the statute." A goal of the STB is to make sure that no rate is "unreasonable". The STB could define as unreasonable the rate paid by Montana's farmers. These rates are unreasonable! Lastly, Ms. Morgan has indicated that, "The statute does not make competition a priority." I agree with her and that is why I am sympathetic, Her's is a thankless job and until Congress gives the STB the proper tools to decide cases in an equitable manner, it will continue to be a thankless job.

Mr. President, we have an opportunity to do what is right for America. I will not support Ms. Morgan but I will support reform of the STB.

I yield the floor.

Mr. MOYNIHAN. Mr. President, I am pleased to vote to reappoint Surface Transportation Board, STB, Chairman Linda J. Morgan to serve another term on that panel even though I am troubled by some STB decisions concerning the CSX and Norfolk Southern acquisition of Conrail properties in New York State. I am encouraged, however, by Chairman Morgan's responsiveness to my requests, and those of my colleagues, to monitor the freight rail problems that have plagued New Yorkers since the June 1, 1999 implementation of the CSX/Norfolk Southern acquisition. Just last month, Chairman Morgan came to Buffalo to hear the concerns of local shippers.

As she begins her second term as Chairman of the STB, Linda Morgan has presided over the largest rail mergers in this Nation's history. Now the hard part begins. If service failures persist, Chairman Morgan must exercise her statutory authority to impose conditions upon the railroads. This will be no easy task. Revising one's work in the face of significant opposition requires courage. But I am confident that should the public interest so require, Chairman Morgan will respond boldly. Nothing short of the future of freight rail in the United States is at stake.

One additional thought is the role of organized labor in the freight rail industry. I would note that I do not find it fair that an interpretation of current Federal law permits the STB to revisit collective bargaining agreements dozens of years after a merger has been completed. There is a certain logic to providing the STB with the authority to abrogate local, State, and Federal laws to ensure the success of a merger. But the prospect that collective bargaining agreements—private contracts—can be the subject of renegotiation and mediation years after a merger has been consummated is troubling. In the 2nd session of the 106th Congress I will seek legislation to constrict the window of time following the approval of a merger in which unions can be compelled to renegotiate collective bargaining agreements.

In closing, Mr. President, the Surface Transportation Board faces extraordinarily difficult decisions in the next few years. I believe that Linda Morgan's experience as a trusted advisor and counsel to the Senate Commerce Committee and her chairmanship of the STB have prepared her well for the challenges that lie ahead. I yield the floor.

Mr. LOTT. Mr. President, I ask for the yeas and nays on the nomination.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Linda Joan Morgan, of Maryland, to be a Member of the Surface Transportation Board? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Arizona (Mr. McCAIN) is necessarily absent.

The result was announced—yeas 96, nays 3, as follows:

[Rollcall Vote No. 362 Ex.]

YEAS—96

Abraham
Akaka
Allard
Ashcroft
Baucus
Bayh
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Brownback
Bryan
Bunning
Byrd
Campbell
Chafee, L.
Cleland
Cochran
Collins
Conrad
Coverdell
Craig
Crapo
Daschle
DeWine
Dodd
Domenici
Dorgan
Durbin
Edwards
Enzi
Feingold
Feinstein
Fitzgerald
Frist
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Hagel
Harkin
Hatch
Helms
Hollings
Hutchinson
Hutchison
Inhofe
Inouye
Jeffords
Johnson
Kennedy
Kerrey
Kerry
Kohl
Kyl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lincoln
Lott
Lugar
Mack
McConnell
Mikulski
Moynihan
Murkowski
Murray
Nickles
Reed
Reid
Robb
Roberts
Roth
Santorum
Sarbanes
Schumer
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Stevens
Thomas
Thompson
Thurmond
Torricelli
Voinovich
Warner
Wellstone
Wyden

NAYS—3

Burns
Rockefeller
Specter

NOT VOTING—1

McCain

The nomination was confirmed.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will resume legislative session.

UNANIMOUS CONSENT AGREEMENT—H.J. RES. 78

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to consideration of the continuing resolution just received from the House, that there be 15 minutes under the control of Senator EDWARDS, and following the conclusion or yielding back of time, the resolution be read for the third time and passed and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. LOTT. So Members will know what they can expect the next few hours in the Senate, I ask consent that following the continuing resolution, the pending Kohl amendment No. 2516 be modified to reflect the text of amendment No. 2518 and that it be in order for the majority manager of the bill to withdraw the second degree amendment No. 2518, and Senators HUTCHISON and BROWNBACK be recognized to offer a second degree amendment and there be 1 hour for debate, equally divided in the usual form, and no other second degree amendments be in order to amendment No. 2516.

I further ask consent that a vote occur on or in relation to the Hutchison amendment to be followed immediately by a vote in relation to the first degree amendment, as amended, if amended, following the conclusion or yielding back of time.

I further ask consent that following the votes just described, Senator WELLSTONE be recognized to offer his amendment relative to agriculture.

Finally, I ask consent that following the votes relative to the Hutchison amendment, all amendments relative to homestead be withdrawn.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, basically we will have two votes with regard to the homestead issue after 1 hour, and then we will go to the Wellstone amendment, which has 4 hours. I hope there will be much less than 4 hours necessary for that. I assure Members there will be less than that.

That is the lineup of what will happen now for the remainder of the afternoon.

MAKING FURTHER CONTINUING APPROPRIATIONS FOR THE FISCAL YEAR 2000

The PRESIDING OFFICER. Under the previous order, the clerk will report the continuing resolution.

A joint resolution (H. J. Res. 78) making further continuing appropriations for the fiscal year 2000, and for other purposes.

The Senate proceeded to consider the joint resolution.

The PRESIDING OFFICER. Under the previous order, the Senator from North Carolina is recognized for 15 minutes.

Mr. EDWARDS. Mr. President, we are about to pass a resolution to keep the Government operating for approximately a week. The question I ask is, What are we doing for the victims of Hurricane Floyd? Keeping this Government open is not important unless it does the things it should and needs to do for its citizens.

We keep telling the people of this country that this is their Government, it belongs to them. Every week they get their paycheck, and they have a huge deduction for Federal taxes. They wonder every time they get their paycheck and their paycheck stub where that money is going.

The truth is, now is the time, in the wake of the devastation of Hurricane Floyd, when they are entitled to expect their Government will respond and respond in a responsible way to what has been done to them.

The people of eastern North Carolina—I know because I have been there over and over, including this past weekend—are wondering how they are going to make it through the winter. They are completely and totally innocent. These are people who had a hurricane drop inches and inches of water on them. It devastated their homes and, thereby, devastated their lives. In many cases, it devastated their workplaces.

What they are saying to us now is: What is my Government to which I have been paying taxes for all these years going to do? The reality is, if the Government does not respond to this disaster and this terrible situation, the Government serves no purpose.

We had 50 people die in North Carolina as a result of this hurricane and 5 people are still missing. We have 3,000 people who are still in temporary housing. More than 30,000 homes have been damaged and approximately 20,000 have been completely destroyed. The damage estimate for housing alone is approximately $400 million, and that number will grow. We have eight counties that still have damaged water systems where people are required to boil their water to use it.

Over 2 months after this hurricane ravaged eastern North Carolina, our people are still struggling and suffering and will continue to struggle as we go forward.

I ask my colleagues these questions: No. 1, do they take for granted the roof over their heads?

No. 2, do they assume when they turn the tap on that they will be able to drink the water that comes out of that tap?

And No. 3, do they assume their children will be able to go to school?

Let me tell my friends and colleagues in the Senate that there are tens of thousands of North Carolinians who no longer take those things for granted and no longer assume they are going to be able to do those things because they know they cannot. The question they ask me and, more important, the question they ask us as their representatives in this Government is, What are we going to do to respond to what has happened to them?

We have kids in eastern North Carolina who are going to school in small trailers in a gravel parking lot of the National Guard grounds in Tarboro. In order to go to the restroom, they have to leave these small trailers and travel to the one small trailer that has a restroom. They are already going to school in little trailers on a gravel parking lot, and there is not even a restroom in the trailer they are using for a classroom. In order to use the restroom, they have to leave their trailer and go down the parking lot to another small trailer.

The water rose in this area, for example, 88 inches in an elementary school in Tarboro. The school was completely destroyed.

Transportation—we have more than 90 sections of State roads and 12 bridges still washed out.

Agriculture—our farmers are hurting as they have never hurt before. Before this hurricane went through eastern North Carolina, our farmers were teetering on the edge from low crop prices and many years of having a very difficult time financially.

What is the effect of a hurricane coming through? This is the time of year when many of our farmers in eastern North Carolina would be doing the bulk of their work. They would be harvesting their crops. Not this year. Many of our farmers have lost all of their crops. The current crop loss estimate is $543 million—over $½ billion. The livestock loss is estimated at about $2 million. We have more than $200 million in damage to structures on farms, the structures that are necessary for these farmers to operate their farms day to day. Many of these structures have been destroyed.

In addition, they have lost the machinery that is necessary to operate their farms on a daily basis. In almost all cases, the structures are not covered by insurance, and, in many cases, the machinery is not covered by insurance.

The bottom line is we have many farmers in eastern North Carolina who have lost their crops. They have lost the buildings from which they operate and they have lost the machinery they use to farm. They are out of business. What they say to us in Washington is: What is my Government going to do to respond? I have paid my taxes. I have been a good, law-abiding citizen all these years, and I have always been told this is my Government. So my question to Washington now is, What is my Government going to do to respond?

The reality is, nobody in North Carolina is asking for a handout. Our people have responded heroically to this situation. Our businesses have been extraordinary.

They have made millions and millions of dollars worth of donations to help the people who have been devastated by Hurricane Floyd. Our individual citizens have made contributions. They have not only made contributions with funds to help the victims of Hurricane Floyd, they have taken time off from work, with their employers' permission; they are taking their weekends and their time off to go to eastern North Carolina to work to try to help the folks who have been devastated. They have done everything they can. Every person in North Carolina is doing what they can to help our people who have been damaged by this storm.

That is not enough. We need this Government to respond in a way that addresses the needs.

No. 1, we need housing relief. We have thousands of families who have lost their homes as a result of this storm. They have no way to rebuild their homes and rebuild their lives without our assistance. It is assistance to which they are entitled. They have paid their taxes all these years, never knowing this disaster, this devastation was coming. Now that it has hit them, it is time for this Government to respond and to get them back into houses.

They do not need help 6 months from now or a year from now; they need help right now. Right now is the time they are living in small trailers, on gravel parking lots. They want to get back into a home, a real home, the kind of home they had before Hurricane Floyd came. We have a responsibility to do everything we can to put them in those homes.

Agriculture: We have over 25,000 farmers who desperately need help just to make it through the winter. I am talking about an intense and immediate financial crisis that our farmers are confronted with.

So we have two things we must do before we go home. We have to address the housing needs in North Carolina, people who are not going to be able to get through the winter unless we do something for them; and, secondly, we have to help our farmers who are already in trouble and have been completely devastated.

I want us to compare the needs and the devastation in eastern North Carolina to some of the things on which we spend money. While I am strongly in support of spending funds for the defense of this country, we have spent billions of dollars on projects the Pentagon did not ever suggest they wanted. We have spent hundreds of millions of dollars on relocating bureaucrats and renovating or restoring Federal buildings, millions on debt forgiveness for foreign governments, tens of millions on foreign cultural exchange programs, and on top of all that, a congressional pay raise.

Surely these folks in North Carolina, whose lives have been devastated—totally innocent victims of Hurricane Floyd—are entitled to at least that level of priority. Those are things we have already done. And we ought to do things for these Third World countries. We ought to do things to help other countries that are in need. But the reality is, we have North Carolinians and Americans who are in desperate straits. They do not have anyplace to live. We have farmers who are literally out of business. Their families have, for generations, farmed the land of eastern North Carolina, and they are now out of business.

It is time for their Government to step to the plate and do the responsible thing, to give them the help they need to put our folks in eastern North Carolina back into houses, to put our farmers back on their feet and back in business.

If we cannot do that, what function do we serve as a Government? For all those people who, for all these years, we have been saying, this is your Government; this is not some foreign thing up in Washington that has nothing to do with your lives, now they are asking us to make good on that promise and to make good on our responsibility to them for all their years—year in and year out—of doing the responsible thing: Paying their taxes and being good Americans.

So I close by saying, I understand that we are nearing the end of this session. I understand the needs and priorities on which we are all focused: Education, health care, responsible fixes for the BBA, and hospitals and health care providers around this country. We have many needs that need to be addressed.

But I want to make clear that when it comes to Hurricane Floyd and my people in North Carolina who do not have a place to live and are worried about getting through this winter, and our farmers who are literally out of business, that I intend to use absolutely everything at my disposal and to take whatever action is necessary to assure that our people in North Carolina are taken care of.

Thank you, Mr. President.

The PRESIDING OFFICER. Under the previous order, the clerk will read the joint resolution for the third time.

The joint resolution was read the third time.

The PRESIDING OFFICER. Under the previous order, the joint resolution is passed, and the motion to reconsider is laid upon the table.

The joint resolution (H.J. Res. 78) was passed.

BANKRUPTCY REFORM ACT OF 1999—Continued

AMENDMENT NO. 2516, AS MODIFIED

The PRESIDING OFFICER. Under the previous order, the Kohl amendment No. 2516 is modified with the text of the amendment No. 2518.

The amendment, as modified, is as follows:

At the appropriate place in title III, insert the following:

SEC. 3 . LIMITATION.

(a) EXEMPTIONS.—Section 522 of title 11, United States Code, as amended by sections 224 and 307 of this Act, is amended—

(1) in subsection (b)(3)(A), by inserting "subject to subsection (n)," before "any property"; and

(2) by adding at the end the following:

"(n)(1) Except as provided in paragraph (2), as a result of electing under subsection (b)(3)(A) to exempt property under State or local law, a debtor may not exempt any amount of interest that exceeds in the aggregate $100,000 in value in—

"(A) real or personal property that the debtor or a dependent of the debtor uses as a residence;

"(B) a cooperative that owns property that the debtor or a dependent of the debtor uses as a residence; or

"(C) a burial plot for the debtor or a dependent of the debtor.

"(2) The limitation under paragraph (1) shall not apply to an exemption claimed under subsection (b)(3)(A) by a family farmer for the principal residence of that farmer.".

(b) ADJUSTMENT OF DOLLAR AMOUNTS.—Section 104(b) of title 11, United States Code, is amended—

(1) in paragraph (1), by striking "522(d)," and inserting "522 (d) or (n),"; and

(2) in paragraph (3), by striking "522(d)," and inserting "522 (d) or (n),".

The PRESIDING OFFICER. Under the previous order, the amendment No. 2516, as modified, is now pending.

The PRESIDING OFFICER. The Senator from Texas.

AMENDMENT NO. 2778 TO AMENDMENT NO. 2516, AS MODIFIED

(Purpose: To allow States to opt-out of any homestead exemption cap)

Mrs. HUTCHISON. Mr. President, I offer a second-degree amendment to the pending amendment.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON], for herself, Mr. BROWNBACK, and Mr. GRAHAM, proposes an amendment numbered 2778 to amendment No. 2516, as modified.

Strike the period at the end and insert the following: ". The provisions of this section shall not apply to debtors if applicable State law provides by statute that such provisions shall not apply to debtors and shall not take effect in any State before the end of the first regular session of the State legislature following the date of enactment of this Act."

Mrs. HUTCHISON. Mr. President, if I could take a moment to explain the amendment. We have agreed to 30 minutes equally divided. I would then turn it over to Senator KOHL to explain the underlying amendment.

Basically, Senator KOHL and Senator SESSIONS are going to try to put a cap on the homestead exemption that would apply uniformly to every State. I think that is a mistake because every State is different. The valuation of property is different in every State. This does not make any allowance for those variations in property.

The Kohl-Sessions amendment has a $100,000 cap in bankruptcy proceedings on homestead exemptions, but the median value of a home in California is over $215,000; in Oklahoma it is $92,500. So right there you can see there are differences in America.

Secondly, 11 homestead exemptions around the country would be immediately overturned if we have a Federal standard for a homestead exemption. The States of Florida, Iowa, Kansas, South Dakota, Texas, Minnesota, Nevada, Oklahoma, California, Massachusetts, and Rhode Island would all have their caps lifted in favor of a Federal rule that would attempt to be one size fits all.

In my home State of Texas, it is actually a constitutional provision; it is not a statute. It does not refer to money at all. It refers to acreage. There is the urban acreage and there is the rural acreage. So I think it is very important that we have the ability to address this by every individual State.

For 130 years in our country, the Federal Government has allowed the States the ability to set its own laws in this area. The homestead exemption does differ State to State. For 130 years, the Federal Government has said the States may do this.

The Kohl-Sessions amendment would overturn the 130 years of precedence and have a national standard, a one-size-fits-all approach. That reminds me of a lot of other Federal Government programs. I am sure it rings true with other Americans because that is the Federal approach: One size fits all. We do not need one size fits all. For 130 years, we have not had it.

In this country the States have done very well in setting their own homestead exemptions—what works for them, what works for the elderly in their States, what works for families in my State of Texas—and they do not want to take homes away from the elderly who are most susceptible to having health crises. That would take away their savings. That might put them into financial difficulty. They do not want to throw the elderly people out of their homes, even if their homestead might be valued at over $100,000, the median value.

Secondly, what if it is a young family where the wage earner gets into financial difficulty? Do we want to put a family out on the streets? This has been sacrosanct in my State and in many other States; that whatever we were doing to try to make people pay their debts—and we do want people to pay their debts—we don't want to make them wards of the State. We want their families to be able to continue to have a roof over their heads while they are working out of their financial difficulties.

I support the concept of this bill. I commend Senator GRASSLEY for working hard to improve the bankruptcy laws in our country. But the amendment that is before us today would take away 130 years of preemption by the States to create their own homestead exemptions, especially rural States where farms may have a bigger valuation. They don't want to make people who are in financial difficulty wards of the State.

Let me show two very important letters from the State leaders of our country. The National Governors' Association, in a letter signed by Governor Jim Hodges and Governor John Rowland, wrote:

> We also urge you to resist efforts to impose a uniform nationwide cap on homestead exemptions. The ability to determine their own homestead exemptions has been a long-standing authority of states. Furthermore, the median price of a single family home varies widely from state to state. A one-size-fits-all approach is simply not appropriate when the median home price may be more than two-and-a-half times as high in one state as it is in another.

The second letter is from the National Conference of State Legislatures. It says:

> The [National Conference of State Legislatures] is concerned, however, that an amendment may be offered during Senate consideration that would preempt state laws by setting a cap of $100,000 on homestead exemptions, thus forcing debtors with over $100,000 in homestead equity to sell their homes and farms. Recent real estate trends have shown that in all but four states, the median price of a single family home is well over $100,000. While state legislators believe that the bankruptcy code should strongly encourage consumers to pay their debts to the extent possible, my colleagues and I would be equally concerned about the disruption to family life, particularly the harsh impact on the children of debtors that may result by the establishment of such a limit on homestead exemptions.

We have the National Conference of State Legislatures and the National Governors' Association speaking for the State leadership saying this is an area that should be left to the States. It has been left to the States for 130 years. We do not need to overturn 130 years of laws that are working in individual States.

I hope we can pass this bill. I certainly will support the Kohl amendment, if we have the State ability to opt out. That is the key. I think if we can have that kind of accommodation, then it will be a good amendment. Let the States decide for themselves if $100,000 is right for them.

Mr. President, I reserve the remainder of my time.

Mr. KOHL addressed the Chair.

The PRESIDING OFFICER (Mr. CRAPO). The Senator from Wisconsin.

Mr. KOHL. Mr. President, I ask unanimous consent that it be in order to ask for the yeas and nays on both the HUTCHISON amendment and the Kohl-Grassley-Sessions amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. HUTCHISON. Mr. President, I was diverted. I didn't hear the unanimous consent request.

Mr. KOHL. I asked that it be in order for the yeas and nays on both the Hutchison amendment and the Kohl-Grassley-Sessions amendment.

Mrs. HUTCHISON. I thank the Chair.

The PRESIDING OFFICER. It is in order that the Senator now make that request.

Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. KOHL. Mr. President, I urge my colleagues to oppose the Hutchinson/Brownback "opt-out" amendment, then vote for the Kohl/Sessions/Grassley $100,000 cap. Let me tell you why; an opt-out doesn't change a thing. A few states have already basically "opted out" of reasonable homestead exemptions and that's a problem. This amendment would let these states continue to go on like nothing happened. The Kohl-Sessions-Grassley amendment, on the other hand, will stop this abuse, pure and simple.

You can not support our cap and also support an opt-out: It's either one or the other, Mr. President.

They say this is really just about states' rights. Nothing could be farther from the truth. Anyone who files for bankruptcy is choosing to invoke federal law in a federal court to get a "fresh start," which is a uniquely federal benefit. In these circumstances, it's only fair to impose federal limits.

And don't take my word for it: just listen to one of Texas' leading newspapers, the Austin American-Statesman. It recently editorialized that: "The U.S. Constitution gives the federal government supremacy over the states in bankruptcy matters, so arguments that the federal government should let states do as the wish on this particular fact of bankruptcy law make little sense." The editorial goes on to urge Congress to limit the homestead exemption.

Besides, we're only capping the homestead exemptions in states like Florida and Texas as they apply to bankruptcy and not for other purposes. That is, if you lose a multi million-dollar lawsuit in Texas and can't "pay-up," you can still keep your expensive home if you don't file for bankruptcy. While that may not seem right, what state courts do is a matter of state law—and we do not touch it. On the other hand, anyone who wants to take advantage of the federal bankruptcy system should live with a federal $100,000 cap.

Now let's turn to why our proposal is so important to effective bankruptcy reform. Our proposal closes an inexcusable loophole that allows too many debtors to keep their luxury homes, while their legitimate creditors—like children owed child support, ex-spouses owned alimony, state governments, small businesses and banks—get left out in the cold. Last year, the full Senate unanimously went on record in favor of the $100,000 cap and emphasized that "meaningful bankruptcy reform cannot be achieved without capping the homestead exemption."

Curently, a handful of states allow debtors to protect their homes no matter how high their value. And all too often, millionaire debtors take advantage of this loophole by moving expensive homes in states with unlimited exemptions like Florida and Texas, and declaring bankruptcy—and then continue to live in style. Let me give you a few of the literally countless examples:

The owners of a failed Ohio S&L, who was convicted of securities fraud, wrote off most of $300 million in bankruptcy claims, but still held on to the multimillion dollar ranch be bought in Florida.

A convicted Wall Street financier filed bankruptcy while owning at least $50 million in debts and fines, but still kept his $5 million Florida home—with 11 bedrooms and 21 bathrooms.

And just last year, movies star Burt Reynolds wrote off over $8 million in debt through bankruptcy, but he still held into his $2.5 million Florida estate.

Unfortunately, those examples are just the tip of the iceberg. We asked the GAO to study this problem and, based on their estimates, 400 homeowners in Florida and Texas—all with over one hundred thousand dollars in home equity—profit from this unlimited exemption each and every year. While they continue to live in luxury, they wrote off annually an estimated $120 million debt owned to honest creditors.

Mr. President, this is not only wrong, I believe it is not acceptable. Without our amendment, the pending bill falls far short. Instead of a cap, it only imposes a 2-year residency requirement to qualify for a State exemption. And while that is a step, it will not deter a savvy debtor who plans ahead for bankruptcy, and it won't do anything about instate abusers such as Burt Reynolds. This $100,000 cap will stop these abuses without affecting the vast majority of States.

Let me make one final point. Some opt-out supporters have circulated misleading information about how many States would be affected by this cap. While a few States would be impacted, they are mistaken about eight States in particular; they are: Alabama, Colorado, Louisiana, Michigan, Mississippi, Nebraska, Oregon, and Rhode Island. We asked the Congressional Research Service to take a look, and CRS concluded that our cap would have "no effect" on these States.

I ask unanimous consent that the memorandum from CRS be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MEMORANDUM

To: Sen. Subcommittee on Antitrust, Business Rights, and Competition. Attention: Brian Lee.
From: Robin Jeweler, Legislative Attorney, American Law Division.
Subject: Effect of proposed amendments to S. 625 on selected state homestead exemptions.

This responds to your request for a legal opinion on the effect of language that may be offered as an amendment to S. 625, 106th Cong., 1st Sess. 1999, the Bankruptcy Reform Act of 1999.

The proposed language would add a new subsection (n) to 11 U.S.C. §522 governing bankruptcy exemptions to provide that the aggregate value of homestead exemptions in op-out states may not exceed $100,000 in value.[1]

You have asked what effect this provision, if enacted, would have on the homestead exemptions in Alabama, Colorado, Louisiana, Michigan, Mississippi, Nebraska, Oregon and Rhode Island. For the reasons discussed below, we conclude that the proposed federal cap on state homestead exemptions would have no effect in these states.

Several of these states provide for the possible exemption of a substantial amount of real property, for example, up to 160 acres of land, which could theoretically exceed $100,000 in value. In each case, however, the scope of the exemption is limited by a monetary cap on its aggregate value:

Alabama Code §6–10–2 (1993): homestead "with the improvements and appurtenances, not exceeding in value $5,000 and in area 160 acres[.]"

Colorado Rev. Stat. §38–41–20 (1997): homestead shall be exempt "not exceeding in value the sum of thirty thousand dollars in actual cash value in excess of any liens or encumbrances.]"

Louisiana Rev. Stat Ann., Title 20, §1 (West. 1999 supp.): homestead consists of "a tract of land or two or more tracts of land with a residence on one tract and a field, pasture, or garden on the other tract or tracts, not exceeding one hundred sixty acres. . . . This exemption extends to fifteen thousand dollars in value[.]"

Michigan Comp. Laws. Ann. §600.6023 (West 1999 supp): "A homestead of not exceeding 40 acres of land and the dwelling house and appurtenances . . . not exceeding in value $3,500."

Mississippi Code Ann. §85–3–21 (West 1999): "[A] householder shall be entitled to hold exempt . . . the land and buildings owned and occupied as a residence by him, or her, but the quantity of land shall not exceed one hundred sixty (160) acres, nor the value thereof, inclusive of improvements, save as hereinafter provided, the sum of Seventy-five Thousand Dollars ($75,000.00[.]"

Nebraska Rev. Stat. §40–101 (1997 supp.): "A homestead not exceeding twelve thousand five hundred dollars in value shall consist of the dwelling house in which the claimant resides . . . not exceeding 160 acres of land[.]"

Oregon Rev. Stat. Ann. (1998 supp., part 1) §§23.240, –250: "The homestead mentioned in ORS 23.240 shall consist, when not located in any town or city laid off into blocks and lots, of any quantity of land not exceeding 160 acres, and when located in any such town or city, of any quantity of land not exceeding one block. However, a homestead under this section shall not exceed in value the sum of $25,000 or $33,000, whichever amount is applicable under ORS 23.240."

Rhode Island Gen. Laws §9–26–4.1 (1998 supp.): In addition to exempt property, "an estate of homestead to the extent of one hundred thousand dollars ($100,000) in the land and buildings may be acquired[.]"

Although several of the state provisions cited above couch their exemptions in terms of acreage, in all cases, the monetary cap is a limitation which qualifies the value of the land permissibly exempted. With the exception of Rhode Island, the state laws cited above have monetary caps substantially less than the proposed federal cap of $100,000.

Several states, such as Florida, Iowa, Kansas, South Dakota, and Texas define their homestead exemptions by reference to quantities of land or acreage without a monetary cap. But those states which define the exemption in terms of land and value do so conjunctively, not disjunctively. Hence, a federal cap of $100,000 on the value of a homestead exemption would not appear to have any effect on the extant state exemptions cited above.

Mr. KOHL. Mr. President, the facts speak for themselves. Simply put, the Hutchison-Brownback amendment is a bad idea, a backdoor way to allow rich deadbeats to continue to live as kings while their honest creditors go to the poor house. I urge my colleagues to oppose it and to support our bipartisan $100,000 cap instead.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SESSIONS. Mr. President, I am proud to join with Senator KOHL on this amendment. We have spent over 2 years now working to reform the abuses in bankruptcy law. Senator KOHL has served on the Judiciary Committee. As we have gone through it, we have tried to eliminate a lot of the abuses.

The PRESIDING OFFICER. Is the Chair correct that the Senator is under time yielded by Senator KOHL?

Mr. SESSIONS. That is correct.

Mr. President, we have been trying to eliminate abuses that are in the bankruptcy system. There are many of them. We have some things in this bill that are good and true and honest and fair. It says right now that a person making $70,000 a year who owes $100,000, under Federal bankruptcy law, can go into chapter 7, wipe out all their debts, and still be living with a $100,000-a-year income and not have to pay the people from whom they receive benefits and to whom they owe money. We are saying if you have a certain level of income, then you ought to pay a part of your debt, and you would be required by the judge to develop a repayment plan for 30 percent, 50 percent, or 100 percent of the money, if you can pay it back. It is not just automatically wiping out all your debt.

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[1] Specifically, proposed subsection (n)(1) states:

Except as provided in paragraph (2), as a result of electing under subsection (b)(3)(A) to exempt property under State or local law, a debtor may not exempt any amount of interest that exceeds in the aggregate $100,000 in value in—

(A) real or personal property that the debtor or a dependent of the debtor uses as a residence;

(B) a cooperative that owns property that the debtor or a dependent of the debtor uses as a residence; or

(C) a burial plot for the debtor or a dependent of the debtor.

Some have said this is abuse on the poor. But it would not affect anybody whose income did not fall below the median American income, which today for a family of four is $49,000. So this is for high-income people, and only if you make above that can you be required to pay back some of your debts. We think that is an abuse, and we think it ought to be ended.

Another abuse—one that may be the greatest abuse in the whole bankruptcy system—Elizabeth Warren, a Harvard professor, said is "the single biggest scandal in the consumer bankruptcy system." It is the unlimited homestead exemption. She said it is a scandal, and I agree. It is an absolute scandal.

First of all, bankruptcy law is handled in Federal court. It is all done in a Federal bankruptcy court. All the laws and all the rules are Federal laws. In one area, the Federal law says, for the purpose of bankruptcy homestead exemptions, that will be left to what the State law is. But that is a Federal law.

What we found is that the Bankruptcy Commission, after 3 years of study, which included judges and other experts, recommended that we take this exemption to $100,000 and it be uniform across the country. There is no reason, or history, or logical justification for a State having an unlimited bankruptcy exemption—a fact recognized, as the Senator said, by the Austin American Statesman newspaper, which said this is clearly a matter of Federal law. The scholars do not dispute it. All other aspects of bankruptcy law are determined by the Federal law. I wanted to say that first.

Second, we are having serious problems and abuses—a Federal bankruptcy judge in Miami, FL, one of the States that has such an unlimited exemption, like Texas, has been very critical of this. The current system "is grossly unfair," said A. Jay Cristol, the chief Federal bankruptcy judge in Miami. "This law was written to give everyone a fresh start after bankruptcy, not to allow people to keep luxury homes."

How has this abuse been playing out? Here is an article in the New York Times listing some of the examples of what we are talking about:

> The First American Bank and Trust Company in Lake Worth, FL, closed in 1989.

This is in the New York Times of last year:

> . . . its chief executive, Roy Talmo, filed for personal bankruptcy in 1993. Despite owing $6.8 million, Mr. Talmo was able to exempt a bounty of assets.

Exempt—that means those assets could not be used to pay people to whom he lawfully owed debts. It goes on:

> During much of the bankruptcy proceeding, Mr. Talmo drove around Miami in a 1960 Rolls Royce and tended the grounds of his $800,000 tree farm. . . .
>
> Never one to slum it, Mr. Talmo had a 7,000-square-foot mansion with five fireplaces, 16th-century European doors and a Spanish-style courtyard, all on a 30-acre lot. Yet, in Mr. Talmo's estimation, this was chintzy. He also owned an adjacent 112 acres, and he tried to add those acres to his homestead. The court refused.

Another example:

> Talmadge Wayne Tinsley, a Dallas, TX, developer, filed for chapter 7 bankruptcy in 1996 after he incurred $60 million in debt, largely bank loans. Under Texas law, Mr. Tinsley could keep only one acre of his 3.1-acre estate.

Texas recently had laws up to change that 1-acre limitation if you live in a city to which you can exempt from 8 to 10 acres. At any rate, he wanted to exempt more than that. He wanted the whole 3.1-acre estate.

> His $3.5 million, magnolia-lined estate included a five-bedroom, six-and-a-half-bath mansion with two studies, a pool and a guest house. All that fit snugly onto one acre.
>
> Yet, when the court asked Mr. Tinsley to mark off two acres to be sold to pay off his debts, his facetious offer was for the trustee to come by and peel off two feet around his entire property.

He signed off for that debt. At any rate, he was able to sell his house for $3.5 million, and he used the proceeds of this sale, after declaring bankruptcy, to write a $659,000 check to the IRS, whose debt still continues to be owed after bankruptcy, and another for $1.8 million to pay off his mortgage. That left him $700,000 after all his expenses, and he could spend that on whatever he wanted to, without paying legitimate people to whom he owed money. That is not a fair deal, I submit.

There are other examples of this. There is Dr. Carlos Garcia-Rivera, who filed for bankruptcy protection. He lives in Florida. The State law gives him an unlimited deduction, and he was able to keep a $500,000 residence, which is pictured in the newspaper article, free and clear.

The problem is this. A lot of people can see bankruptcy coming. They can see the problems coming down the road. They live in a State such as Alabama or New Jersey, where the laws don't give them these values. In fact, two-thirds of all the States limit your homestead value to $40,000 in equity. So what do they do? They can see the bankruptcy coming. They can move to a State such as Texas or Florida, buy a beautiful home on the beach, take every asset they have, quit paying any of the people to whom they owe money, collect all their money, put it in that house, and then file bankruptcy and say: You can't take my home. It is my homestead, and I don't have to give you anything.

That is a problem. That is a national problem, and it is a growing problem. We have increased bankruptcies. Lawyers are more sophisticated. People are more willing to move today than they used to be. That is why Senator KOHL and I feel so strongly about this.

I want to mention a couple more important things. The New York Times, in an editorial in August of 1999, argued against protecting rich bankrupts and criticized this very provision in law.

There were other complaints made in previous remarks suggesting this change would require States to change their constitution or their existing State law. That is not the case. The homestead exemption in Texas or Florida would be valid for every other State law purpose the State chose to apply it for. It simply would not be valid in the Federal bankruptcy court if that law called for an exemption to exceed $100,000, the amount the Bankruptcy Commission, after 3 years' study, concluded was the appropriate amount. It certainly strikes me as a fair and legitimate amount.

This is not the sale price of the house but the equity in the house. If an individual owned a mansion with $500,000 of equity in that mansion, they would not be able to live in that mansion and stop paying their creditors, the people they duly and lawfully owed money to, but would be able to keep $100,000 of it. They could keep $100,000 in equity. They would end up better than a person who files bankruptcy in Alabama or most other States who have less than $100,000. We think that is fair, just, and appropriate and ought to be confronted. I know some believe it is somehow an advantage for a State to not have this cap, to have unlimited exemptions, but I argue it hurts local creditors in those States, too, because they are not being paid back their debts.

A man living in a mansion in downtown Dallas who is not paying his Dallas creditors and all the people he owes in Dallas, TX, he gets to live in the mansion, is not an advantage for Texas. For years, the Texas legislators, Members of Congress, have believed passionately they should defend this as being a part of their constitution.

I think that is a misunderstanding of the role of Federal bankruptcy law. The goal of a good bankruptcy law is to make sure a person who owes debts pays all he can, liquidates all his assets, is able to keep a reasonable home, and work in the future without having any debts, but that he not be able to abuse the system and defeat creditors who he could legitimately pay.

I enjoyed working with Senator KOHL.

I yield the floor.

Mr. KOHL. I thank Senator SESSIONS. I yield 2 minutes to Senator GRASSLEY.

Mr. GRASSLEY. Mr. President, I thank the Senator for yielding. Second, I thank the Senator for being a very cooperative member of the Judiciary Committee to help Members move the bill out of committee, particularly on this very issue that he has brought to the floor. He was hoping to bring this up in committee. It would have been very divisive in committee. It probably would have kept Members from getting the bill out of committee. He cooperated fully. I said when he brought it to the floor I would speak for and support his amendment. I am here to do that. But I think it is more important I tell him and his constituents who are interested in bankruptcy reform that he has been very helpful through this process.

One of the most unfair aspects of the bankruptcy code is the ability of very wealthy people to shield large amounts of assets in homesteads. As do many parts of our bankruptcy laws, the homestead exemption has a noble purpose. I don't deny that. That noble purpose is to protect the poorest of the poor from being thrown out into the streets to pay creditors. Everybody is entitled to a roof over their head.

As so many parts of our bankruptcy laws, this noble idea has been perverted by rich scoundrels and well-paid bankruptcy lawyers. Obviously, we need to do something about any part of the law that lets people hide money while paying nothing to their creditors.

We said one of the motivations of this legislation is to make sure that the people who have the ability to pay who go into bankruptcy are not going to get off scot-free. Allowing people to shield assets while paying nothing to their creditors creates perverse incentives for wealthy scoundrels.

A recent General Accounting Office study on this subject confirms the homestead exemption is used by a select few to avoid paying their bills. Unlike other areas where Congress attempts to regulate with very little constitutional basis for doing so, the text of the Constitution in this instance gives Congress the authority to set uniform bankruptcy laws, one of the specific powers of Congress in article I.

A homestead cap with a provision allowing some States to opt out and to have unlimited homestead will continue the unfairness of current law and will run counter to our constitutional mandate to have uniform bankruptcy laws. I support a strong cap and oppose a State opt-out. I urge my colleagues to do the same.

Our colleagues should also be aware the underlying bill deals with very wealthy people in bankruptcy by pushing them in chapter 11 with special modifications designed to deal with individuals instead of corporations. Allowing the super rich to live high on the hog is a more widespread problem than homestead abuse.

I thank the Senator from Wisconsin for his leadership in this area.

Mr. KOHL. I thank Senator GRASSLEY.

I ask unanimous consent to add Senator HARKIN as a cosponsor to this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KOHL. I ask unanimous consent to reserve the remainder of our remaining time.

I yield the floor to Senator BROWNBACK whose time is charged to the other side.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. BROWNBACK. Mr. President, how much time remains?

The PRESIDING OFFICER. Twenty-two minutes.

Mr. BROWNBACK. I yield myself 10 minutes.

Mr. President, I think there are a number of things that need a response. Let me first set this in the context of being from Kansas. Kansas has in its constitution a provision allowing for the homestead to be protected. That homestead is defined in Kansas law as a home in town on 1 acre or in the country on 160 acres. It is based on original Federal law. That Federal law was the Homestead Act that settled much of the Midwest. The Federal Government said the Federal Government owned this land, but if you could go out there and work those 160 acres and stay there for 5 years, the 160 acres was yours. That was the homestead.

There is a sanctity about the issue of the homestead. That is why it was built into our State constitution. That is why it has been so protected in the past and why I rise in support of the Hutchison-Brownback amendment and its amendment to what Senator KOHL would do. I will support the Kohl amendment if the Hutchison-Brownback amendment passes but not otherwise. This is an important part of our State.

What is being attempted by Senator KOHL and others—and I have great respect for them and their desires for what they are putting forward—is to take a right away from States that they have had for over 100 years. Bankruptcy law is in the Federal Constitution, but for over 100 years they have allowed States to set that homestead provision and said they would allow the States to determine the homestead issue. Now we would be taking that right that the States have had for over 100 years and federalizing it. That is wrong. It is contrary to the devolution of States' rights. It is contrary to the Homestead Act that the Federal Government set, and it is harmful to farmers.

I used to practice agricultural law. I taught agricultural law. I have written books on this subject. The homestead provision in my State and many others has helped save family farmers.

These are not cases that make the newspaper or that are quoted here on the floor. Those, unfortunately, have happened as well. But listen to some of these cases that have occurred in Kansas.

A farm couple—the husband is age 52, and the wife is age 66—are cattle ranchers in eastern Kansas. They have been farming the same ranch since 1965. In 1997, the husband was cleaning out a swine lagoon and received a staph infection in his eye. He lost nearly 80 percent of his vision and became legally blind. At this time, his wife was also forced to take her mother in for health care reasons. She had to stay with them. This brought on numerous hardships for the family. It forced them into chapter 12 bankruptcy in December 1997. It doesn't sound very glitzy or a high-profile, newspaper-type case at this point.

Under chapter 12, they were not required to sell the homestead and 160 acres because of that homestead provision. These were paid for. They had these paid for. They were entitled to them under Kansas statute and under the Kansas Constitution. If not for this exemption, this family would have been forced to sell everything and would have been forced out onto the street and from their farm for which they worked so hard. The wife's exact words describing the homestead exemption were "a godsend."

After an extensive reorganization, they are rebuilding their cattle herd. They are still repaying debts from the bankruptcy according to the reorganization. They have currently applied for a loan from Farm Credit to purchase more cattle and are very optimistic about the future.

That doesn't sound like a case that would make the newspaper.

This is a very practical thing that has happened throughout the history of Kansas that I can cite for you at various times. Typically, when we have the prices of farm commodities dropping and dropping substantially, farmers are caught with too much credit and too low prices. They will get in the squeeze, and the only thing they can save is the homestead. I have read abstracts of land titles across the State of Kansas, where this has been used time and time again, and none of those make the newspaper. Yet it is a part of their being able to build back. In this case, and many others, it is a part of them being able to pay their creditors in the future. This isn't about them moving to Florida or to Texas to bilk this law.

Here is another case. I will read to you about a farming couple from eastern Kansas. He is now 71. The wife is 55. They declared chapter 12 bankruptcy. They had trouble with their bank because of low commodity prices and many other typical struggles of a family farm. This is a typical case. Their homestead-exempted property consists of 160 acres valued at approximately $800 an acre, including the house and buildings. With the exemption, they were able to retain all of their property for use as equity to start farming again.

Listen to what happened. The situation 3 years later is that this couple is about to pay off all of their creditors under the chapter 12 plan within the next few months and are now able to continue profitably with their farming operation. It is a happy ending that would have sadly ended without this sort of homestead provision.

There is a lot of talk about fraud that has taken place. I want to point out something in addressing this issue.

Currently in bankruptcy law, if there is a fraudulent transaction of taking money that should go to a creditor and placing it in an exempt property, the court can come in and set that aside and get that money back. That is under current bankruptcy law.

Also, in the base bill there is a provision that if you purchase a home within 2 years of bankruptcy, that can be brought back into the creditor estate so that the creditors can get hold of that.

There is a lot already built into the bankruptcy law as it is currently practiced, and as it has been interpreted by the courts. I have practiced in front of bankruptcy courts. There is also built into this change that within 2 years of purchasing a homestead, you can come back and get those assets.

What about some of these high-profile cases? In many of those cases, I think you will find that the courts go after and later set aside the transaction as a fraudulent transaction. But particularly, let's look at the case of Burt Reynolds, who has become kind of a poster boy in this situation.

He has not filed under chapter 7 bankruptcy. He is not in chapter 7 where you have this homestead provision. He is in chapter 11, which is a reorganization in bankruptcy usually reserved for corporations. But there are also some higher income individuals who can qualify for chapter 11.

An amendment offered in the Judiciary Committee by Senator GRASSLEY would close this chapter 11 loophole for wealthy individuals. Fortunately, that much needed amendment was passed during the markup despite some opposition from the others.

Mr. President, my simple plea is on a couple of fronts.

No. 1, this is contrary to what this Congress has been committed to do, which is devolution of power and authority to States and local units of government. Here we have an area of law that has been devolved to the States for over 100 years, and we are going to grab it. And we are going to pull it up here back from the States that built it into their constitutions, such as Kansas and Texas. We are going to grab it. The Federal Government is going to say this is ours. We are taking it away. That is completely contrary to devolution.

No. 2, this is very harmful to family farmers, many of whom have used these homestead provisions during times of bad commodity prices—in my State, and in others—to protect that 160-acre homestead, which is, as I mentioned at the outset, the sacrosanct unit—the family farm, to be able to protect it.

No. 3, it is already taken care of if these are fraudulent transactions that are occurring, that can be set aside by the bankruptcy judge under current law. If they were planning to go into bankruptcy and move those assets, they can come within 2 years and still get that asset back. So this has taken care of it.

It is harmful to family farmers. It is against devolution. It is against States rights, and this is the wrong way for us to go. It is going to hurt a lot of family farmers who use this day in and day out and don't make the newspaper but are just simply trying to make a decent living and they get caught in a bad commodity cycle.

During the 1980s, I worked with a lot of family farmers who got caught in a bad commodity cycle and used this homestead provision. They did not make the newspaper. But today, many of them are still farming simply because of the possibility of doing this, and they worked extra hard to pay their creditors even over and above what was required in bankruptcy law because they felt this is the honorable thing to do.

There are abuses under bankruptcy law. I would like to be able to support this bill at the end of the day. But this is not the right way to go for us. It is harmful for us to do this to family farmers and to States.

I support strongly the Hutchison-Brownback amendment and hope that it can be added to the Kohl amendment so that we can press forward with this bankruptcy reform. Otherwise, this Senator will certainly have to oppose the amendment.

Mr. President, I reserve the remainder of our time.

Mr. President, may I inquire as to how much time remains on our side?

The PRESIDING OFFICER. The Hutchison amendment has 11 minutes 46 seconds under the control of the Senator from Texas, and Senator KOHL has 7½ minutes.

The Senator from Wisconsin.

Mr. KOHL. Mr. President, I yield 4 minutes to Senator SESSIONS.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, one thing we have raised is the situation of the farm person.

First of all, Senator GRASSLEY has been a champion of the new bankruptcy laws. And we have made those permanent in this bill to give added protections to farmers, unlike the kind of protections that are given a manager of a restaurant, a gas station, or a small factory that goes bankrupt. They have a number of good protections.

But what I want to say to you is that a person who owes a lot of debt, who has received legal benefits and owes money, and then goes into bankruptcy, will be able to keep up to $100,000 in equity. The house can be a $500,000 house. The farm can be $1 million farm—whatever. But the equity simply has to be no more than $100,000. I think that is as generous as we can possibly be. I don't see how we could be more generous than that. Why should a businessman, or any person, be able to have unlimited assets?

Let me make no mistake about it, the Hutchison amendment that is filed today would allow an individual in Texas or Florida to maintain a $50 million mansion and not pay the people they owe just debts to—$50 million in equity that they own and paid into that house, and not pay people they owe. That is the kind of disparity I do not believe we can accept and is what the Bankruptcy Commission has rejected. That is what professors have called a national scandal.

I have been pleased to work on this because I believe we owe it to the working Americans who go through bankruptcy, who will never ever have the possibility of claiming these kinds of great equities and do not live in mansions—I don't see why we need to be providing special protections for the rich in these circumstances. It is time to end this process. It is time for Congress to act.

I yield back my time and yield the floor.

Mr. KOHL. I reserve the remainder of our time.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I would like to be notified in 5 minutes because I have two other speakers who have asked for time. I know we are running the clock down now.

Let me just refute a couple of the points that have been made. First of all, for over 100 years in this country, States have been able to determine what the homestead exemption would be. In some States a homestead would be valued at $15,000 while in other States it might be $215,000. California and Florida have higher valuations on homesteads. So I think a one-size-fits-all approach is not in anyone's best interests.

The Senator from Alabama, who is my friend, talks about a $50 million mansion. I do not know of anyone who has a $50 million mansion on one acre of land, because the standard in Texas happens to be on the number of acres rather than on valuations. That was put in our Constitution.

This would be overriding our Constitution. It would override the Kansas

Constitution. There are other States that believe so strongly in the right of a person to be able to keep a homestead for children or for an elderly person that they do not put in a dollar valuation, they put in an acreage valuation. In Texas, it is one acre. That is for urban homesteads. I think you can talk about a $50 million mansion, but that is not reality here.

What I think we ought to do, when we are making policy that is this important, is say: How much damage are we going to do to people who are trying to restructure their lives in order to get a few people who may abuse the system? We have had GAO studies, we have had all kinds of studies, that have showed that maybe 1 percent of the people are not doing right by the system. But we have taken one important step to stop that abuse, which will apply in this bill if it is passed, and that is that you cannot declare a homestead exemption on a home that is bought within 2 years of declaring bankruptcy.

So the idea is if someone is going to leave all their debts in Florida and move to Alabama to buy a house and claim bankruptcy, there are safeguards against that by requiring that the person live there 2 years before they can declare bankruptcy. So they cannot flee bankruptcy to go buy a homestead and be protected. And, second, the bankruptcy laws today and in the new law always provide for fraud, that you can go after someone who has fraudulently transferred assets. I do think we have fraud addressed in this bill.

We get down, though, to the bottom line. That is, this has been a States rights issue for 132 years. People in Alabama may do it differently from people in Florida. People in Wisconsin may do it differently from the way they do it in Texas. What is wrong with that? What is wrong with people in Idaho having the ability to set their own standards for homestead exemptions? What is wrong with a rural-dominated State having a different standard from an urban-dominated State? This country was formed with the thought that States would have the right to make State laws where they are closest to the people. Only a very few laws are made at the Federal level. I think that is a good standard. I think it is good the Federal Government has allowed the States, for over 132 years, to set homestead exemptions.

I hope we will keep that 132-year precedent. I think it has worked. I would love to support this bill. I want debtors to have to pay the people they owe. I have been in a small business, and I have had people stiff me. I know what it is. I know what it is to have to pay my workers regardless of the fact that I am not being paid by people to whom I have supplied products.

I will not support this bill unless we allow the States the right to have the homestead exemption be set State by State. I want to tighten up the laws. I think that is the right thing to do. But we do not have to preempt the States rights in this area. I think it will be a better bill if we do not.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

The Senator from Kansas.

Mr. BROWNBACK. I inquire of the Senator from Texas if I could have just 2 minutes to explain an item that has been coming up in this debate.

Mrs. HUTCHISON. Mr. President, how many minutes remain on our side?

The PRESIDING OFFICER. The Senator has 6 and a half minutes.

Mrs. HUTCHISON. I yield 2 minutes.

Mr. BROWNBACK. Mr. President, I wanted to point out two things. No. 1, there is a recent study of U.S. bankruptcy filings by the Executive Office of the United States Trustees. The Trustees are the people who actually do the bankruptcies. They are the ones who handle the financial transactions. They concluded that the homestead abuse is—and this is their quote—"a rare phenomenon." That was a quote from the United States Trustees, Executive Office of the United States Trustees.

The second point I wanted to make is, my State of Kansas has a homestead provision under the State constitution that dates back to 1859. Kansans have used this for a long time. However, in the U.S. bankruptcy code, many small family farmers would not qualify for what is defined as a family farmer because they or their spouse have earned off-farm income. Because of that, under this particular provision, in farming States such as mine with similar homestead provisions, they would be impacted because they would not be able to qualify there. I want to make the point, that adds doubly to the difficulty we have here.

I reserve the remainder of our time.

The PRESIDING OFFICER. Who yields time?

Mrs. HUTCHISON. Mr. President, let me inquire of the Senator from Wisconsin if he is ready to finish. I will go ahead and close out the debate if we are ready to close earlier. What was his intention?

Mr. KOHL. I say to the Senator from Texas, we have, I think, 5 minutes. I will not use all of it. If the Senator wants to conclude, I will speak for a couple of minutes, Senator SESSIONS for 1 minute, and then we are finished. If the Senator would like to go first.

Mrs. HUTCHISON. Would it be possible for the Senator to let me have 2 minutes, perhaps, toward the end, in case Senator GRAHAM of Florida and Senator GRAMS from Minnesota, who have both requested time, arrive? We are getting down to the end, so I do not want to foreclose them if they do show. If they do not, I think we should go forward.

Mr. KOHL. I will be happy to wait.

The PRESIDING OFFICER. Is the Senator requesting an additional 2 minutes at the end reserved from her time?

Mrs. HUTCHISON. No. I am only saying I will stop 2 minutes ahead in order to reserve that time for the Senator from Florida or the Senator from Minnesota. If they are not able to come, then I think we should close the debate because Members are waiting to vote.

The PRESIDING OFFICER. The Chair will notify the Senator when 2 minutes remain.

Mrs. HUTCHISON. Mr. President, let me say, the Governors of our country have written a very powerful letter saying: Do not do this. Do not set a Federal standard for homestead exemptions. The Governors wrote very clearly:

> We urge you to resist efforts to impose a uniform nationwide cap on homestead exemptions. The ability to determine their homestead exemptions has been a longstanding authority of States. Furthermore, the median price of a single family home varies from State to State.

This is not something that should be a Federal approach. It has not been a Federal approach. Every Governor in our country is saying: Let us handle it.

If the people of Wisconsin do not like the way they handle it in Texas, that does not hurt the people of Wisconsin. That should be a decision made at the local level based on local value, local traditions, and local law.

Secondly, the National Conference of State Legislatures has written a letter along the same lines saying they are concerned that setting a law that would preempt State laws on homestead exemptions would not be in the best interest of the American people.

I hope our Members will not break 130 years of precedent in this country to set yet another one-size-fits-all Federal solution. This is something very important to States, so important that some States have put it in their constitutions, and today voting against the Hutchison amendment for the Kohl-Sessions amendment will most certainly damage our ability to let the States make these determinations.

Senator BROWNBACK, Senator GRAHAM of Florida, and Senator Rod GRAMS from Minnesota are cosponsors of this amendment. Many people are very concerned about this 130 years of precedent being overturned.

I yield 2 minutes to Senator GRAMS.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 2 minutes.

Mr. GRAMS. Mr. President, I thank the Senator from Texas and also the Senator from Kansas for their work on this issue.

Mr. President, I rise today to speak in opposition to the bankruptcy homestead cap proposed as an amendment to the bankruptcy bill. I appreciate the fact that the sponsors of this amendment are attempting to curb abuse of the system, but I fear that in these difficult times for family farmers the homestead cap amendment could disproportionately impact struggling producers.

I will remind my colleagues that the Senate recently unanimously approved extension of chapter 12 of the bankruptcy code, which in part allows farmers to stay on their land if they are able to make rental payments to creditors. Just as farmers have needed extension of chapter 12 to weather the current economic downturn, they also need an adequate bankruptcy homestead exemption that will protect their homes and livelihoods from foreclosure as well.

I am aware that the Sessions/Kohl amendment exempts "family farmers" from the homestead provision, but many farmers will not qualify because of off-farm income earned by the family. This off-farm income has become necessary for survival for may farm families, and as long as such families are not eligible for the exclusion, I must oppose the amendment.

As the Senator from Texas mentioned, in Minnesota, the current homestead exemption is $200,000 property value and 160 acres. This is a reasonable, time-tested level of protection. We must remember that this property is not merely where the farmers make their home, but also where they earn their living. Congress recently passed $8.7 billion in emergency farm assistance to help family farmers continue the tradition of producing America's most basic needs, and we should not simultaneously undermine the position of these same farm families by denying them important bankruptcy protections.

Again, I know that the amendment sponsors are trying to stop abuse of the system by those who have irresponsibly accumulated debt, but I am afraid many hard working Minnesota farmer who are barely covering their families necessities may be adversely impacted.

I urge my colleagues to support the Hutchison-Brownback amendment allowing states to affirmatively opt out of the cap on the homestead exemption.

I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KOHL. Mr. President, I do not think we should be misled by the Hutchison-Brownback amendment that it will save the family farm. No one has done more for family farmers, as we all know, than Senator GRASSLEY and Senator HARKIN, and they are supportive and cosponsors of our amendment.

Our amendment does have a specific exemption for farmers in each State so that the family farmer, whether they come from Texas, Iowa, or Wisconsin, can be specifically dealt with in that State in the event of a bankruptcy.

If we are serious about reform, now is the time to stop the most egregious abuse of our bankruptcy laws—by capping the homestead exemption and supporting the Kohl-Sessions-Grassley amendment. But don't take my word for it. Listen to voices from across the country.

For example, the New York Times recently editorialized that: "Like a bill that passed the House, [the Senate bill] would do nothing to limit the ways that the formerly wealthy have of stiffing creditors, of which the unlimited homestead exemption is only the best known. . . . [If the bill] is to be passed, it should at least be amended to keep Texas and Florida from providing such blatant protection to once-wealthy deadbeats."

Of course, the New York Times may not be the most unbiased source. So I took a look at my home state paper, the Wisconsin State Journal. That newspaper says the same thing. According to its recent editorial, the House and Senate bankruptcy bills: "deserve criticism for what they fail to include. Neither bill took a step toward closing the loophole that allows bankrupt' wealthy to shelter assets in an expensive home. Irresponsible but shrewd debtors sneak assets through bankruptcy via a provision permitting them to take advantage of state homestead exemptions." It adds that our $100,000 cap is a "sound" measure.

Finally, even leading papers from Texas and Florida—the two states most invested in this issue—find the case for reigning in the unlimited homestead exemption compelling. In an editorial earlier this year, the Austin American-Statesman praised the recent GAO report for pointing out that the unlimited homestead exemption: "[p]rimarily . . . is the refuge of a few high-living debtors, not the schoolteachers and small farmers it was intended to protect."

The Austin newspaper went on to dismiss appeals to states' rights as a false defense for the unlimited exemption, explaining that: "The U.S. Constitution gives the federal government supremacy over the states in bankruptcy matters, so arguments that the federal government should let states do as they wish on this particular facet of bankruptcy law makes little sense."

Indeed, even this Texas opinion-maker is supportive of reform, declaring that: "State officials in Austin and Washington should be at least willing to discuss limiting homestead protection. A few well-heeled and clever bankruptcy filers shouldn't be able to mess over a state law designed to protect average Texans. That mocks the state's much-celebrated populist image."

And the Tampa Tribune echoed these sentiments, complaining that the Senate bill does not go "far enough toward closing the loophole that allows debtors unlimited homestead exemptions that protect the wealthiest from having to repay a significant portion of their debt."

Everyone recognizes that this abuse must be stopped, including leading papers from the two states that traditionally have stood by the unlimited exemption. I ask unanimous consent that these editorials be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered. (See Exhibit 1.)

Mr. KOHL. Mr. President, indeed, even Senator GRASSLEY and Senator HARKIN, who have cosponsored our $100,000 cap, also recognize that we are in the right, even though their home state of Iowa is one of the few states with an unlimited exemption.

Let me make one final point: some opt-out supporters, especially those from Texas, cite history as a justification for their position. But just because something has historical "significance" doesn't mean it's right. For example, we don't have debtors' prison anymore. We don't have sweatshops for children anymore. And Texas, as a matter of fact, is no longer part of Mexico. All of these changes altered something of "historical significance;" all were for the better. And getting rid of the unlimited homestead exemption in bankruptcy would also be a change—a dramatic change—for the better.

Mr. President, you can't support our cap and also support an opt-out: It's one or the other. I urge my colleagues to oppose the Hutchison/Brownback amendment and to support our bipartisan $100,000 cap instead.

I yield the floor.

EXHIBIT 1

[From the New York Times, Aug. 13, 1999]

PROTECTING RICH BANKRUPTS

If you are going to go bankrupt in America, the best places to do it are in Florida and Texas. Both states have unlimited homestead exemptions, meaning that bankrupts can protect their homes from creditors no matter how much they are worth.

Now, with the little public debate, Texas is on the verge of making its bankruptcy protections even more generous. Currently a bankrupt person can shelter from creditors a home and no more than one acre of land in an urban area. But a proposed amendment to the Texas Constitution would raise that limit to 10 acres. The limit would remain at 200 acres in rural areas.

Even more generously, the amendment, which has passed the Texas legislature and goes to the voters in November, provides that if you operate your business from your home, the business property is also protected. Advocates say that would protect small family businesses, but it is written so broadly that it could allow a Houston property developer to shelter a huge office building, so long as he lived in an apartment in it.

In Washington, the Senate is expected to consider a bankruptcy reform bill next month. Like a bill that passed the House, it would do nothing to limit the ways that the formerly wealthy have of stiffing creditors, of which the unlimited homestead exemptions is only the best known. But the bill would be a boon to the credit card companies, which have pushed hard to get it enacted. It would help them by making it much harder for bankrupts to get our from under credit card debt. That would primarily affect middle-income and poor people forced into bankruptcy by a job loss or large medical bills.

The bill deserves to be defeated, but if it is to be passed, it should be at least be amended to keep Texas and Florida from providing such blatant protection to once-wealthy deadbeats.

[From the Wisconsin State Journal, Sept. 7, 1999]

Bankruptcy Bill Needs Work

If credit card issuers want to protect themselves from deadbeats, let them do it with sound lending practices—not by rigging federal bankruptcy law in their favor. It's time for Congress to stop letting the credit card industry call the shots on legislation to reform federal bankruptcy law.

It's time instead to listen to a couple of guys from Wisconsin: Senator Herb Kohl, sponsor of an amendment to the reform bill that would close an outrageous loophole, and Madison lawyer Brady Williamson, chairman of the National Bankruptcy Review Commission, which spent two years studying the state of bankruptcy.

Unless Congress pays attention to Kohl, Williamson and others who speak up for balance in bankruptcy law, Americans are going to get a law tilted to give the credit card industry carte blanche.

The House already has passed such a proposal, and the Senate is to consider its version this month.

The campaign to reform bankruptcy law is based on evidence showing that the number of people filing for protection from creditors under bankruptcy law has been skyrocketing, despite a strong economy. In 1981 about 300,000 consumers filed petitions for bankruptcy. Last year the total was 1.4 million.

Furthermore, there is evidence that a few people are abusing the law to escape debts while they live it up on wealth protected from creditors' reach.

In response, Congress began work on bankruptcy reform legislation. For guidance, the House and Senate had before them 172 recommendations from the National Bankruptcy Review Commission, led by Madison's Williamson. But the senators and representatives were also heavily influenced by the lobbying of the credit card industry.

The industry's goal was selfish. The banks and retailers that issue credit cards make money when their card holders run up large balances and pay the cards' high interest rates. That's why the card issuers try to put their cards in the hands of as many people as possible, even people who are poor credit risks.

But there's a consequence for credit card issuers: Sometimes people file for bankruptcy protection, and their debts are reduced or discharged.

The credit card industry wants to escape that consequence. Card issuers want to design the law to keep people out of bankruptcy court, so the debts can be collected and, moreover, so the issuers can escape the expense of being careful about whom they issue cards to.

To satisfy the credit industry, the House and Senate included in their bills provisions to make it harder for people to file under Chapter 7 of the bankruptcy law, which basically allows a filer to wipe away debts and start fresh, or harder to file for bankruptcy at all.

By caving in to the credit card industry, the Senate and House violated a principle of bankruptcy law that Williamson of the Bankruptcy Review Commission has championed: Balance. The law must work for creditors and debtors. It should not become a creditors' collection aid.

For including the pet provisions of the credit card industry, the House and Senate bills deserve rebuke. But the bills also deserve criticism for what they fail to include. Neither bill took a step toward closing the loophole that allows the "bankrupt" wealthy to shelter assets in an expensive home.

Irresponsible but shrewd debtors sneak assets through bankruptcy via a provision permitting them to take advantage of state homestead exemptions. Wisconsin's homestead exemption is a modest $40,000. But five states—Texas, Florida, Iowa, Kansas and South Dakota—have unlimited exemptions. That's how actor Burt Reynolds, former Major League Baseball Commissioner Bowie Kuhn and others have held on to luxurious homes while leaving millions in unpaid bills.

Sen. Kohl, D–Wis., has offered an amendment to limit homestead exemptions to $100,000. The amendment allows states to offer an exception for family farms.

Kohl's provision is sound. The Senate ought to take its bankruptcy bill back to the drawing board, incorporate the homestead exemption limit and revise other provisions until the result is balanced between the interests of creditors and debtors.

If credit card issuers want to protect themselves, let them do it with sound lending practices, not by rigging the law in their favor.

[From the Austin American-Statesman, July 25, 1999]

Homestead Protection Popular, Not Populist

When it comes to their homesteads, don't mess with Texans.

Texas congressional leaders vigorously oppose federal attempts to limit an unusual state law that prevents debtors from losing the equity in their homes in bankruptcy proceedings.

Texas is one of five states that offers unlimited homestead protection to the bankrupt. The century-old constitutional exemption reflects Texas' historic support of private property rights and its populist past.

But a recent federal study by the federal General Accounting Office indicates that the exemption is more popular than populist. Primarily it is the refuge of a few high-living debtors, not the schooteachers and small farmers it was intended to protect.

Texas political leaders need to heed the report and consider some limits.

Last year, the Task Force congressional delegation helped defeat a $100,000 limit on the home equity (market value minus mortgage debt) that could be sheltered during bankruptcy. A uniform limit, of $100,000, is being proposed in the U.S. Senate. Such a limit would adequately protect all but a tiny percentage of Texas debtors.

Of the approximately 14,000 Chapter 7 bankruptcy cases closed in the Northern District of Texas in 1998, about half involved a homestead exemption claim, GAO found. But only 83 of those claims, or just over 1 percent, involved more than $100,000 in home equity.

Texas' unlimited protection is subject to abuses, such as the case of a bankruptcy attorney who protected $386,000 in homestead assets while seeking to escape $1.5 million in debts. Some debtors who plan to file for bankruptcy preemptively shield assets from seizure by investing in an expensive home.

While even the bankrupt need and deserve a roof over their heads, gross abuses of the bankruptcy system shouldn't be tolerated. Besides the unfairness, overly generous state laws threaten lenders, who then raise lending rates for other consumers.

The U.S. Constitution gives the federal government supremacy over the state in bankruptcy matters, so arguments that the federal government should let states do as they wish on this particular facet of bankruptcy law make little sense.

Congress has long declared reform of federal bankruptcy laws, which debt-happy consumers have been using in large numbers. American consumer debt totals more than $1 trillion, according to the Federal Reserve. And uncollected debt is rising.

Consumer advocates have criticized bankruptcy reform legislation for being skewed in favor of creditors and high-rolling debtors.

Though he supports the state exemption for homesteads, Sen. Phil Gramm, R-Texas, says it should be modernized to prevent abuses. "I do not support allowing people to go by real estate office to buy a $7 million house before they go by the law office to declare bankruptcy," he said in an interview with the American-Statesman last week.

Gramm says one solution would be to allow the exemption only if the home purchase preceded the bankruptcy filing by a certain length of time.

The state's homestead protection law has bipartisan support, from Gov. George W. Bush to U.S. Rep. Sheila Jackson Lee, D-Houston.

State officials in Austin and Washington should at least be willing to discuss limiting homestead protection. A few well-heeled and clever bankruptcy filers shouldn't be able to mess over a state law designed to protect average Texans.

That mocks the state's much celebrated populist image.

[From the Tampa Tribune, July 6, 1999]

Congress is on the Right Track in Acting to Reform Bankruptcy Law

Even during the unprecedented economic good times of the past year, some 1.39 million individuals and 44,000 businesses have sought protection from creditors in federal bankruptcy courts—more than ever before. The majority of these debtors, faced with medical emergencies or other crisis, had no other choice. Others, however, used the system to escape debts they knowingly built up, costing the average family $550 a year and American companies billions.

That's why it is time to reform the nation's bankruptcy laws and return the concepts of fairness and responsibility to the system. Last year, with elections looming, Congress failed to reach an agreement. This year, however, it looks like Congress will finally act, potentially by a veto-proof margin. The House passed its version of reform in May, and the Senate is scheduled to take up its bill this month. There is bipartisan support among the senators for reform, and compromise with the House is likely to result in new law. That is good news for all of us.

Those supporting reform include retailers, banks and other lenders, as well as many responsible consumers sick of having to pick up the tab for those who default on their debts. Those opposed include some in the bankruptcy bar, who contend the legislation favors big business at the expense of consumers who truly need help, and consumer groups, which blame the ease with which consumers receive credit for increased bankruptcy filings.

Much has been written and said about who is to blame for this "bankruptcy crisis." Consumer groups blame banks, credit card companies and retailers who tempt borrowers to live beyond their means. Indeed most Americans, whether they can afford credit cards or not, know what it's like to open a mailbox filled with applications guaranteeing lines of credit.

"Credit-card issuers are shameless to lobby for personal bankruptcy restrictions while they aggressively market and extend credit," says Stephen Brobeck, the Consumer Federation's executive director.

But access to credit has not been altogether bad. For decades the federal government has encouraged industry to make credit and financial services available to a broader segment of society. As a result, strapped Americans have been able to buy what they need when they need it. It has allowed for emergency purchases and long-term investments. Ultimately it has benefited the American economy.

But the benefits of credit are not free, and that is what Congress has recognized in pushing reform of the bankruptcy system.

Consumers share the blame. Filings are up in part because bankruptcy no longer carries with it a sense of shame, and debtors have failed to act fiscally responsible. Too many of these debtors equate plastic with money-in-hand. They use one credit card to pay off another or play a continuing and sloppy game with balance transfers, all the while watching their debts increase. For them, walking away from their responsibilities is an easy answer.

The parallel bills making their way through Congress would make it harder for debtors to escape scot-free. Both encourage personal responsibility by requiring those who are able to pay their debts to do so. At the same time no suggested changes are so drastic as to crush hard-working debtors who have had a run of bad luck.

The most controversial part of the House bill would block most middle- and upper-income debtors from using the bankruptcy courts to walk away from their debts. Those with annual family incomes above $51,000 who have the resources to pay at least 20 percent of what they owe over five years would be prohibited from wiping the slate clean. This means they would have to restructure their debts under Chapter 13 of the bankruptcy code rather than the more lenient Chapter 7, which erases debts.

Significantly, the bill allows bankruptcy judges to take into account a debtor's account a debtor's "extraordinary circumstances," such as a decline in income or unexpected medical expenses, before making the decision to shift a debtor into Chapter 13.

Nevertheless, opponents say the provision is unfair because the debtor has the burden of proving those circumstances exist. In our view that is not unfair. The debtor is the one receiving the benefit of the bankruptcy.

The Senate bill is less stringent and would give greater discretion in the matter to the bankruptcy judge, who would have to consider a debtor's ability to repay his debts. The Senate's version requires only a showing of "special circumstances" for a debtor to avoid a transfer to Chapter 13.

Both bills recognize the obligation of a parent to pay child support. Both make sure a debtor cannot put off collection efforts or delay making child support payments simply by filing for bankruptcy. And child support payments have been made a top priority when determining which debts will be paid first.

Unfortunately, neither bill goes far enough toward closing the loophole that allows debtors unlimited homestead exemptions that protect the wealthiest from having to repay a significant portion of their debt. Last year's Senate bill would have made it impossible for states to let a bankrupt person keep more than $100,000 equity in a home, which would certainly hurt a lot of debtors who headed to Florida to live in their multimillion-dollar mansions.

But the conference committees threw out the provision and instead said simply that states could let a bankrupt person retain any house owned for at least two years before filing, no matter what its value. Both 1999 versions retain this language. We would prefer Congress cap the amount of equity a debtor can retain in a home.

In a consumer-friendly mode, House lawmakers adopted an amendment requiring credit-card companies to clearly disclose their fees for late payments and how long it would take customers to pay off balances when they make only minimum monthly payments. The House would also require companies to clearly reveal the expiration dates of introductory "teaser rates" and the higher interest rates replacing them.

Although we have only mentioned some of the proposed changes, the basic thrust of the legislation in both the House and Senate is the same—requiring at least some repayment by those who have the ability to pay. The differences in the two measures are not beyond compromise, and either approach would be an improvement over current law.

As we said last year, the goal of the bankruptcy system is to match bankruptcy relief to debtor need. Chapter 13 repayment plans accomplish this objective and restore personal responsibility to the system.

The PRESIDING OFFICER. Who yields time?

Mr. KOHL. I yield 1 minute to Senator SESSIONS.

The PRESIDING OFFICER. One minute remains.

Mr. SESSIONS. Mr. President, Senator KOHL and I asked earlier this year for a GAO report on these cases. According to the Washington Post, "Homestead exemptions aid well-off feud":

> Findings suggest the unlimited homestead exemption is not the popular shield it has often been cracked up to be but a convenient protection for a few affluent people.

Judge Edith Jones on the Fifth Circuit Court of Appeals from Texas said recently as a member of the Bankruptcy Commission:

> I agree with cap supporters that debtors have used liberal homestead laws, like that of my home State Texas, to shelter large amounts of wealth from their creditors.

She went on to add:

> In principle, I do not oppose a $100,000 cap on homestead exemptions, particularly if it were indexed to account for inflation.

This will be indexed, and I think Judge Jones is correct.

I yield the floor.

The PRESIDING OFFICER. The Senator's time has expired.

Mrs. HUTCHISON. How much time is on our side?

The PRESIDING OFFICER. One minute 8 seconds.

Mrs. HUTCHISON. Mr. President, let me make a statement and then I am going to yield the remainder of my time to the cosponsor of the amendment, Senator GRAHAM of Florida.

The GAO report said that 1 percent may be trying to use the bankruptcy laws. Are we going to throw seniors out on the streets? Eighty-one percent of Americans 65 years or older are homeowners. Are we going to throw them out on the streets to try to get one person who is not using the system fairly? I do not think that is good policy.

I yield the remainder of my time to the Senator from Florida.

The PRESIDING OFFICER. The Senator is recognized for 30 seconds.

Mr. GRAHAM. Mr. President, it has been said that the core issues in politics are: Who wins, who loses, and who decides. Historically, the decision as to the level of exemption of a person's homestead has been set by the States.

In my State, it has been set in a constitutional amendment which required a vote of a majority of the citizens of Florida. I believe that is where the decision should continue to rest.

The amendment that is being offered by the Senator from Texas, and her supporters, would provide for the States to continue to exercise that authority, by making an affirmative election to opt out of the arbitrary $100,000 limit which is being proposed by the advocates of the underlying amendment.

I urge adoption of the second-degree amendment.

The PRESIDING OFFICER. All time has expired.

VOTE ON AMENDMENT NO. 2778

The PRESIDING OFFICER. Under the previous order, the question now is on agreeing to the Hutchison second-degree amendment No. 2778. The yeas and nays have been ordered. The clerk will call the roll.

The legislative assistant called the roll.

Mr. FITZGERALD (when his name was called). Present.

Mr. NICKLES. I announce that the Senator from Arizona (Mr. MCCAIN) is necessarily absent.

The result was announced—yeas 29, nays 69, as follows:

[Rollcall Vote No. 363 Leg.]

YEAS—29

Allard
Bennett
Brownback
Bunning
Burns
Campbell
Craig
Crapo
Domenici
Graham
Gramm
Grams
Gregg
Hagel
Helms
Hutchison
Inhofe
Lautenberg
Mack
Nickles
Roberts
Shelby
Smith (NH)
Specter
Stevens
Thomas
Thompson
Thurmond
Torricelli

NAYS—69

Abraham
Akaka
Ashcroft
Baucus
Bayh
Biden
Bingaman
Bond
Boxer
Breaux
Bryan
Byrd
Chafee, L.
Cleland
Cochran
Collins
Conrad
Coverdell
Daschle
DeWine
Dodd
Dorgan
Durbin
Edwards
Enzi
Feingold
Feinstein
Frist
Gorton
Grassley
Harkin
Hatch
Hollings
Hutchinson
Inouye
Jeffords
Johnson
Kennedy
Kerrey
Kerry
Kohl
Kyl
Landrieu
Leahy
Levin
Lieberman
Lincoln
Lott
Lugar
McConnell
Mikulski
Moynihan
Murkowski
Murray
Reed
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Schumer
Sessions
Smith (OR)
Snowe
Voinovich
Warner
Wellstone
Wyden

ANSWERED "PRESENT"—1

Fitzgerald

NOT VOTING—1

McCain

The amendment (No. 2778) was rejected.

Mr. NICKLES. I move to reconsider the vote and to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 3516

The PRESIDING OFFICER (Mr. BUNNING). The question is on agreeing to amendment No. 2516. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FITZGERALD (when his name was called). Present.

Mr. NICKLES. I announce that the Senator from Arizona (Mr. MCCAIN) is necessarily absent.

The result was announced—yeas 76, nays 22, as follows:

[Rollcall Vote No. 364 Leg.]

YEAS—76

Abraham
Akaka
Ashcroft
Baucus
Bayh
Biden
Bingaman
Bond
Boxer
Breaux
Bryan
Bunning
Burns
Byrd
Campbell
Chafee, L.
Cleland
Cochran
Collins
Conrad
Coverdell
Daschle
DeWine
Dodd
Domenici
Dorgan
Durbin
Edwards
Enzi
Feingold
Feinstein
Frist
Gorton
Grassley
Harkin
Hatch
Hollings
Hutchinson
Inhofe
Inouye
Jeffords
Johnson
Kennedy
Kerrey
Kerry
Kohl
Kyl
Landrieu
Leahy
Levin
Lieberman
Lincoln
Lott
Lugar
McConnell
Mikulski
Moynihan
Murkowski
Murray
Reed
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Schumer
Sessions
Shelby
Smith (OR)
Snowe
Stevens
Voinovich
Warner
Wellstone
Wyden

NAYS—22

Allard
Bennett
Brownback
Craig
Crapo
Graham
Gramm
Grams
Gregg
Hagel
Helms
Hutchison
Lautenberg
Mack
Nickles
Roberts

Smith (NH)
Specter
Thomas
Thompson
Thurmond
Torricelli

ANSWERED "PRESENT"—1

Fitzgerald

NOT VOTING—1

McCain

The amendment (No. 3514) was agreed to.

Mr. LOTT. I move to reconsider the vote.

Mr. GRASSLEY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. SESSIONS). Under the previous order, the Senator from Minnesota, Mr. WELLSTONE, is recognized to offer an amendment relative to agriculture, and there are 4 hours of debate provided.

Mr. WELLSTONE. Mr. President, my understanding is—let me see if I get this right—that we are in the process of trying to work out some kind of arrangement which may work better for colleagues in terms of their schedules, in which case soon we would start on this debate. We might very well finish up when we come back with a final vote.

If that is the case, I would agree to Senator ASHCROFT speaking now for 7 minutes while we are working out this agreement; with the understanding that after Senator ASHCROFT speaks for 7 minutes, then the pending business would be this amendment.

The PRESIDING OFFICER. Is there objection?

Mr. GRASSLEY. Reserving the right to object, and when people understand what we are up to, there will not be any objection. We have a unanimous consent request on the managers' amendment that will take 30 seconds. I would like to get that out of the way.

Mr. REID. Mr. President, I ask unanimous consent that the Wellstone amendment be set aside for purposes of this managers' amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Iowa is recognized to offer his amendment.

AMENDMENT NO. 2515, AS MODIFIED

(Purpose: To make technical and conforming amendments, and for other purposes)

Mr. GRASSLEY. Mr. President, I will be somewhat repetitive of what Senator REID has said, but I ask unanimous consent that the pending amendment be laid aside, and that the Senate now proceed to amendment No. 2515, and following the reporting by the clerk, the amendment be modified with the text I now send to the desk, and that the amendment be agreed to, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY] for himself, Mr. TORRICELLI, and Mr. LEAHY, proposes an amendment numbered 2515, as modified.

The amendment, as modified, is as follows:

On page 6, line 12, insert "11 or" after "chapter".

On page 6, line 24, insert "11 or" after "chapter".

On page 12, lines 21 and 22, strike "was not substantially justified" and insert "was frivolous".

On page 14, strike lines 8 through 14 and insert the following:

"(C)(i) No judge, United States trustee, panel trustee, bankruptcy administrator, or other party in interest shall bring a motion under section 707(b)(2) if the debtor and the debtor's spouse combined, as of the date of the order for relief, have current monthly total income equal to or less than the national or applicable State median household monthly income calculated (subject to clause (ii)) on a semiannual basis of a household of equal size.

"(ii) For a household of more than 4 individuals, the median income shall be that of a household of 4 individuals, plus $583 for each additional member of that household.".

On page 14, in the matter between lines 18 and 19, insert "11 or" after "chapter".

On page 14, after the matter between lines 18 and 19, insert the following:

SEC. 103. FINDINGS AND STUDY.

(a) FINDINGS.—Congress finds that the Secretary of the Treasury has the inherent authority to alter the Internal Revenue Service standards established to set guidelines for repayment plans as needed to accommodate their use under section 707(b) of title 11, United States Code.

(b) STUDY.—

(1) IN GENERAL.—Not later than 3 years after the date of enactment of this Act, the Secretary of the Treasury, in consultation with the Director of the Executive Office of United States Trustees, shall submit a report to the Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives containing the findings of the Secretary concerning the utilization of Internal Revenue Service standards for determining—

(A) the current monthly expenses of a debtor under section 707(b) of title 11, United States Code; and

(B) the impact that the application of those standards has had on debtors and on the bankruptcy courts.

(2) RECOMMENDATION.—The report under paragraph (1) may include recommendations for amendments to title 11, United States Code, that are consistent with the findings of the Secretary of the Treasury under paragraph (1).

On page 14, line 19, strike "103" and insert "104".

On page 15, line 12, strike "104" and insert "105".

On page 15, lines 9 and 10, strike "credit counseling service" and insert "nonprofit budget and credit counseling agency".

On page 17, line 19, strike "105" and insert "106".

On page 18, lines 3 and 4, strike "credit counseling service" and insert "budget and credit counseling agency".

On page 18, line 5, insert "(including a briefing conducted by telephone)" after "briefing".

On page 18, line 12, strike "credit counseling services" and insert "budget and credit counseling agency".

On page 18, line 12, strike “are” and insert “is”.

On page 18, line 15, strike “those programs” and insert “that agency”.

On page 18, line 21, insert after the period the following: “Notwithstanding the preceding sentence, a nonprofit budget and credit counseling service may be disapproved by the United States trustee or bankruptcy administrator at any time.”.

On page 19, lines 4 and 5, strike “credit counseling service” and insert “budget and credit counseling agency”.

On page 21, lines 6 and 7, strike “credit counseling service” and insert “approved nonprofit budget and credit counseling agency”.

On page 21, lines 10 and 11, strike “credit counseling service” and insert “approved nonprofit budget and credit counseling agency”.

On page 21, line 16, strike “**Credit counseling services**” and insert “**Nonprofit budget and credit counseling agencies**”.

On page 21, line 19, strike “credit counseling services” and insert “nonprofit budget and credit counseling agencies”.

On page 21, line 25, strike the quotation marks and the final period.

On page 21, after line 25, insert the following:

“(b) For inclusion on the approved list under subsection (a), the United States trustee or bankruptcy administrator shall require the credit counseling service, at a minimum—

“(1) to be a nonprofit budget and credit counseling agency, the majority of the board of directors of which—

“(A) are not employed by the agency; and

“(B) will not directly or indirectly benefit financially from the outcome of a credit counseling session;

“(2) if a fee is charged for counseling services, to charge a reasonable fee, and to provide services without regard to ability to pay the fee;

“(3) to provide for safekeeping and payment of client funds, including an annual audit of the trust accounts and appropriate employee bonding;

“(4) to provide full disclosures to clients, including funding sources, counselor qualifications, and possible impact on credit reports;

“(5) to provide adequate counseling with respect to client credit problems that includes an analysis of their current situation, what brought them to that financial status, and how they can develop a plan to handle the problem without incurring negative amortization of their debts; and

“(6) to provide trained counselors who receive no commissions or bonuses based on the counseling session outcome.

“(c)(1) In this subsection, the term ‘credit counseling service’—

“(A) means—

“(i) a nonprofit credit counseling service approved under subsection (a); and

“(ii) any other consumer education program carried out by—

“(I) a trustee appointed under chapter 13; or

“(II) any other public or private entity or individual; and

“(B) does not include any counseling service provided by the attorney of the debtor or an agent of the debtor.

“(2)(A) No credit counseling service may provide to a credit reporting agency information concerning whether an individual debtor has received or sought instruction concerning personal financial management from the credit counseling service.

“(B) A credit counseling service that willfully or negligently fails to comply with any requirement under this title with respect to a debtor shall be liable for damages in an amount equal to the sum of—

“(i) any actual damages sustained by the debtor as a result of the violation; and

“(ii) any court costs or reasonable attorneys' fees (as determined by the court) incurred in an action to recover those damages.”.

On page 22, strike the matter between lines 3 and 4, and insert the following:

“111. Nonprofit budget and credit counseling agencies; financial management instructional courses.”.

On page 30, line 11, insert “, including interest that accrues on that debt as provided under applicable nonbankruptcy law notwithstanding any other provision of this title,” after “under this title”.

On page 30, lines 14 and 15, strike “or legal guardian; or” and insert “, legal guardian, or responsible relative; or”.

On page 30, line 21, strike “or legal guardian”.

On page 31, line 10, strike “or legal guardian” and insert “, legal guardian, or responsible relative”.

On page 32, line 9, strike all through line 3 on page 33 and insert the following:

“(1) First:

“(A) Allowed unsecured claims for domestic support obligations that, as of the date of the filing of the petition, are owed to or recoverable by a spouse, former spouse, or child of the debtor, or the parent, legal guardian, or responsible relative of such child, without regard to whether the claim is filed by such person or is filed by a governmental unit on behalf of that person, on the condition that funds received under this paragraph by a governmental unit under this title after the date of filing of the petition shall be applied and distributed in accordance with applicable nonbankruptcy law.

“(B) Subject to claims under subparagraph (A), allowed unsecured claims for domestic support obligations that, as of the date the petition was filed are assigned by a spouse, former spouse, child of the debtor, or such child's parent, legal guardian, or responsible relative to a governmental unit (unless such obligation is assigned voluntarily by the spouse, former spouse, child, parent, legal guardian, or responsible relative of the child for the purpose of collecting the debt) or are owed directly to or recoverable by a government unit under applicable nonbankruptcy law, on the condition that funds received under this paragraph by a governmental unit under this title after the date of filing of the petition be applied and distributed in accordance with applicable nonbankruptcy law.”.

On page 33, line 4, strike all through page 37, line 6 and insert the following:

SEC. 213. REQUIREMENTS TO OBTAIN CONFIRMATION AND DISCHARGE IN CASES INVOLVING DOMESTIC SUPPORT OBLIGATIONS.

Title 11, United States Code, is amended—

(1) in section 1129(a), by adding at the end the following:

“(14) If the debtor is required by a judicial or administrative order or statute to pay a domestic support obligation, the debtor has paid all amounts payable under such order or statute for such obligation that first become payable after the date on which the petition is filed.”;

(2) in section 1208(c)—

(A) in paragraph (8), by striking “or” at the end;

(B) in paragraph (9), by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following:

“(10) failure of the debtor to pay any domestic support obligation that first becomes payable after the date on which the petition is filed.”;

(3) in section 1222(a)—

(A) in paragraph (2), by striking “and” at the end;

(B) in paragraph (3), by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following:

“(4) notwithstanding any other provision of this section, a plan may provide for less than full payment of all amounts owed for a claim entitled to priority under section 507(a)(1)(B) only if the plan provides that all of the debtor's projected disposable income for a 5-year period, beginning on the date that the first payment is due under the plan, will be applied to make payments under the plan.”;

(4) in section 1222(b)—

(A) by redesignating paragraph (10) as paragraph (11); and

(B) by inserting after paragraph (9) the following:

“(10) provide for the payment of interest accruing after the date of the filing of the petition on unsecured claims that are nondischargeable under section 1328(a), except that such interest may be paid only to the extent that the debtor has disposable income available to pay such interest after making provision for full payment of all allowed claims;”;

(5) in section 1225(a)—

(A) in paragraph (5), by striking “and” at the end;

(B) in paragraph (6), by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following:

“(7) if the debtor is required by a judicial or administrative order or statute to pay a domestic support obligation, the debtor has paid all amounts payable under such order for such obligation that first become payable after the date on which the petition is filed.”;

(6) in section 1228(a), in the matter preceding paragraph (1), by inserting “, and in the case of a debtor who is required by a judicial or administrative order to pay a domestic support obligation, after such debtor certifies that all amounts payable under such order or statute that are due on or before the date of the certification (including amounts due before the petition was filed, but only to the extent provided for in the plan) have been paid” after “completion by the debtor of all payments under the plan”;

(7) in section 1307(c)—

(A) in paragraph (9), by striking “or” at the end;

(B) in paragraph (10), by striking the period at the end and inserting “; or”; and

(C) by adding at the end the following:

“(11) failure of the debtor to pay any domestic support obligation that first becomes payable after the date on which the petition is filed.”;

(8) in section 1322(a)—

(A) in paragraph (2), by striking “and” at the end;

(B) in paragraph (3), by striking the period at the end and inserting “; and”; and

(C) by adding in the end the following:

“(4) notwithstanding any other provision of this section, a plan may provide for less than full payment of all amounts owed for a claim entitled to priority under section 507(a)(1)(B) only if the plan provides that all of the debtor's projected disposable income for a 5-year period beginning on the date that the first payment is due under the plan will be applied to make payments under the plan.";

(9) in section 1322(b)—

(A) in paragraph (9), by striking "; and" and inserting a semicolon;

(B) by redesignating paragraph (10) as paragraph (11); and

(C) inserting after paragraph (9) the following:

"(10) provide for the payment of interest accruing after the date of the filing of the petition on unsecured claims that are nondischargeable under section 1328(a), except that such interest may be paid only to the extent that the debtor has disposable income available to pay such interest after making provision for full payment of all allowed claims; and";

(10) in section 1325(a)—

(A) in paragraph (5), by striking "and" at the end;

(B) in paragraph (6), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(7) if the debtor is required by a judicial or administrative order or statute to pay a domestic support obligation, the debtor has paid amounts payable after the date on which the petition is filed."; and

(11) in section 1328(a), in the matter preceding paragraph (1), by inserting ", and in the case of a debtor who is required by a judicial or administrative order to pay a domestic support obligation, after such debtor certifies that all amounts payable under such order or statute that are due on or before the date of the certification (including amounts due before the petition was filed, but only to the extent provided for in the plan) have been paid" after "completion by the debtor of all payments under the plan".

On page 37, strike lines 10 and 11 and insert "amended by striking paragraph (2) and inserting the".

On page 37, lines 14 and 15, strike "of an action or proceeding for—" and insert "or continuation of a civil action or proceeding—".

On page 37, line 16, insert "for" after "(i)".

On page 37, line 19, insert "for" after "(ii)".

On page 37, line 21, strike "or".

On page 37, between lines 21 and 22, insert the following:

"(iii) concerning child custody or visitation;

"(iv) for the dissolution of a marriage except to the extent that such a proceeding seeks to determine the division of property which is property of the estate; or

"(v) regarding domestic violence;

On page 37, line 24, strike the quotation marks and second semicolon.

On page 37, after line 24, add the following:

"(C) with respect to the withholding of income that is property of the estate or property of the debtor for payment of a domestic support obligation pursuant to a judicial or administrative order;

"(D) the withholding, suspension, or restriction of drivers' licenses, professional and occupational licenses, and recreational licenses under State law, as specified in section 466(a)(16) of the Social Security Act (42 U.S.C. 666(a)(16));

"(E) the reporting of overdue support owed by a parent to any consumer reporting agency as specified in section 466(a)(7) of the Social Security Act (42 U.S.C. 666(a)(7));

"(F) the interception of tax refunds, as specified in sections 464 and 466(a)(3) of the Social Security Act (42 U.S.C. 664 and 666(a)(3)) or under an analogous State law; or

"(G) the enforcement of medical obligations as specified under title IV of the Social Security Act (42 U.S.C. 601 et seq.).";

On page 38, line 12, strike all through page 39, line 25.

On page 40, between lines 13 and 14, insert the following:

(i) by inserting "to a spouse, former spouse, or child of the debtor and" before "not of the kind".

On page 40, line 14, strike "(i)" and insert "(ii)".

On page 40, line 16, strike "(ii)" and insert "(iii)".

On page 40, insert between lines 18 and 19 the following:

(C) by striking paragraph (18); and

On page 41, line 4, strike "(5)" and insert "(4)".

On page 41, line 7, strike "(5)" and insert "(4)".

On page 41, line 12, strike "(5)" and insert "(4)".

On page 43, strike lines 16 through 20 and insert the following: Section 1225(b)(2)(A) of title 11, United States Code, is amended by inserting "or for a domestic support obligation that first becomes payable after the date on which the petition is filed" after "dependent of the debtor".

On page 43, strike line 22 through page 44, line 2, and insert the following:

Section 1325(b)(2)(A) of title 11. United States Code, is amended by inserting "or for a domestic support obligation that first becomes payable after the date on which the petition is filed" after "dependent of the debtor".

On page 44, line 14, strike "for support" through line 16, and insert "for a domestic support obligation,".

On page 45, line 23, strike "and".

On page 45, between lines 23 and 24, insert the following:

"(III) the last recent known name and address of the debtor's employer; and

On page 45, line 24, strike "(III)" and insert "(IV)".

On page 46, strike lines 6 through 11 and insert the following:

"(2)(A) A holder of a claim or a State child support agency may request from a creditor described in paragraph (1)(B)(iii)(IV) the last known address of the debtor.

On page 46, line 19, strike "(b)" and insert "(a)".

On page 46, line 20, strike "(5)" and insert "(6)".

On page 46, line 22, strike "(6)" and insert "(7)".

On page 47, strike lines 1 through 6 and insert the following:

"(8) if, with respect to an individual debtor, there is a claim for a domestic support obligation, provide the applicable notification specified in subsection (c)."; and

On page 47, line 8, strike "(b)(7)" and insert "(a)(7)".

On page 48, line 7, strike "and".

On page 48, insert between lines 7 and 8 the following:

"(III) the last recent known name and address of the debtor's employer; and"

On page 48, line 8, strike "(III)" and insert "(IV)".

On page 48, line 11, strike "(4), or (14A)" and insert "(3), or (14)".

On page 48, strike lines 15 through 20 and insert the following:

"(2)(A) A holder of a claim or a State child support agency may request from a creditor described in paragraph (1)(B)(iii)(IV) the last known address of the debtor.

On page 49, strike lines 9 through 14 and insert the following:

"(6) if, with respect to an individual debtor, there is a claim for a domestic support obligation, provide the applicable notification specified in subsection (c)."; and

On page 50, line 16, strike "and".

On page 50, insert between lines 16 and 17 the following:

"(III) the last recent known name and address of the debtor's employer; and".

On page 50, line 17, strike "(III)" and insert "(IV)".

On page 50, line 20, strike "(4), or (14A)" and insert "(3), or (14)".

On page 50, strike line 24 and all that follows through page 51, line 4 and insert the following:

"(2)(A) A holder of a claim or a State child support agency may request from a creditor described in paragraph (1)(B)(iii)(IV) the last known address of the debtor.

On page 51, strike lines 19 through 24 and insert the following:

"(6) if, with respect to an individual debtor, there is a claim for a domestic support obligation, provide the applicable notification specified in subsection (d)."; and

On page 52, line 24, strike "and".

On page 52, after line 24, add the following:

"(III) the last recent known name and address of the debtor's employer; and".

On page 53, line 1, strike "(III)" and insert "(IV)".

On page 53, line 4, strike "(4), or (14A)" and insert "(3), or (14)".

On page 53, strike lines 8 through 12 and insert the following:

"(2)(A) A holder of a claim or a State child support agency may request from a creditor described in paragraph (1)(B)(iii)(IV) the last known address of the debtor.

On page 76, line 15, strike "523(a)(9)" and insert "523(a)(8)".

On page 82, strike lines 4 through 9 and insert "title 11, United States Code, is amended by adding at the end the following:".

On page 82, line 10, strike "(19)" and insert "(18)".

On .page 83, between lines 4 and 5, insert the following:

SEC. 225. PROTECTION OF EDUCATION SAVINGS.

(a) EXCLUSIONS.—Section 541 of title 11, United States Code, as amended by section 903, is amended—

(1) in subsection (b)—

(A) by redesignating paragraph (6) as paragraph (8); and

(B) by inserting after paragraph (5) the following:

"(6) funds placed in an education individual retirement account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986) not later than 365 days before the date of filing of the petition, but—

"(A) only if the designated beneficiary of such account was a son, daughter, stepson, stepdaughter, grandchild, or step-grandchild of the debtor for the taxable year for which funds were placed in such account;

"(B) only to the extent that such funds—

"(i) are not pledged or promised to any entity in connection with any extension of credit; and

"(ii) are not excess contributions (as described in section 4973(e) of the Internal Revenue Code of 1986); and

"(C) in the case of funds placed in all such accounts having the same designated beneficiary not earlier than 720 days nor later than 365 days before such date, only so much of such funds as does not exceed $5,000;

"(7) funds used to purchase a tuition credit or certificate or contributed to an account in accordance with section 529(b)(1)(A) of the Internal Revenue Code of 1986 under a qualified State tuition program (as defined in section 529(b)(1) of such Code) not later than 365 days before the date of filing of the petition, but—

"(A) only if the designated beneficiary of the amounts paid or contributed to such tuition program was a son, daughter, stepson, stepdaughter, grandchild, or step-grandchild of the debtor for the taxable year for which funds were paid or contributed;

"(B) with respect to the aggregate amount paid or contributed to such program having the same designated beneficiary, only so much of such amount as does not exceed the total contributions permitted under section 529(b)(7) of such Code with respect to such beneficiary, as adjusted beginning on the date of the filing of the petition by the annual increase or decrease (rounded to the nearest tenth of 1 percent) in the education expenditure category of the Consumer Price Index prepared by the Department of Labor; and

"(C) in the case of funds paid or contributed to such program having the same designated beneficiary not earlier than 720 days nor later than 365 days before such date, only so much of such funds as does not exceed $5,000; or"; and

(2) by adding at the end the following:

"(g) In determining whether any of the relationships specified in paragraph (6)(A) or (7)(A) of subsection (b) exists, a legally adopted child of an individual (and a child who is a member of an individual's household, if placed with such individual by an authorized placement agency for legal adoption by such individual), or a foster child of an individual (if such child has as the child's principal place of abode the home of the debtor and is a member of the debtor's household) shall be treated as a child of such individual by blood.".

(b) Debtor's Duties.—Section 521 of title 11, United States Code, as amended by sections 105(d), 304(c)(1), 305(2), 315(b), and 316 of this Act, is amended by adding at the end the following:

"(k) In addition to meeting the requirements under subsection (a), a debtor shall file with the court a record of any interest that a debtor has in an education individual retirement account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986) or under a qualified State tuition program (as defined in section 529(b)(1) of such Code).".

On page 91, between lines 18 and 19, insert the following:

(c) Modification of a Restriction Relating to Waivers.—Section 522(e) of title 11, United States Code, is amended—

(1) in the first sentence, by striking "subsection (b) of this section" and inserting "subsection (b), other than under paragraph (3)(C) of that subsection"; and

(2) in the second sentence—

(A) by inserting "(other than property described in subsection (b)(3)(C))" after "property" each place it appears; and

(B) by inserting "(other than a transfer of property described in subsection (b)(3)(C))" after "transfer" each place it appears.

On page 91, line 23, strike "105(d)" and insert "106(d)".

On page 92, line 17, strike "(C)" and insert "(D)".

On page 92, line 18, strike "(b)" and insert "(c)".

On page 94, line 25, strike "105(d)" and insert "106(d)".

On page 95, line 16, strike "(c)" and insert "(d)".

On page 109, line 13, strike "by adding at the end" and insert "by inserting after subsection (e)".

On page 111, line 18, insert "(a) In General.—" before "Section".

On page 112, line 14, insert a dash after the period.

On page 112, line 19, strike "(4)" and insert "(3)".

On page 112, line 20, strike "(3)(B), (5), (8), or (9) of section 523(a)" and insert "(4), (7), or (8) of section 523(a)".

On page 116, line 16, strike "(d)(1)" and insert "(e)(1)".

On page 117, line 5, strike "(e)" and insert "(f)".

On page 118, line 1, strike "(A) beginning" and insert the following:

"(A) beginning".

On page 118, line 5, strike "(B) thereafter," and insert the following:

"(B) thereafter,".

On page 118, line 8, strike "(f)(1)" and insert "(g)(1)".

On page 118, strike line 23 and insert the following: "subsection (h)".

On page 118, line 24, strike "(g)(1)" and insert "(h)(1)".

On page 119, line 21, strike "(h)" and insert "(*i*)".

On page 120, line 11, strike "(*i*)" and insert "(j)".

On page 124, strike lines 7 through 14 and insert the following:

SEC. 321. CHAPTER 11 CASES FILED BY INDIVIDUALS.

(a) Property of the Estate.—

(1) In general.—Subchapter I of chapter 11 of title 11, United States Code, is amended by adding at the end the following:

"§ 1115. Property of the estate

"In a case concerning an individual, property of the estate includes, in addition to the property specified in section 541—

"(1) all property of the kind specified in section 541 that the debtor acquires after the commencement of the case but before the case is closed, dismissed, or converted to a case under chapter 7, 12, or 13, whichever occurs first; and

"(2) earnings from services performed by the debtor after the commencement of the case but before the case is closed, dismissed, or converted to a case under chapter 7, 12, or 13, whichever occurs first.".

(2) Clerical amendment.—The table of sections for chapter 11 of title 11, United States Code, is amended by adding at the end of the matter relating to subchapter I the following:

"1115. Property of the estate.".

(b) Contents of Plan.—Section 1123(a) of title 11, United States Code, is amended—

(1) in paragraph (6), by striking "and" at the end;

(2) in paragraph (7), by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(8) in a case concerning an individual, provide for the payment to creditors through the plan of all or such portion of earnings from personal services performed by the debtor after the commencement of the case or other future income of the debtor as is necessary for the execution of the plan.".

(c) Confirmation of Plan.—

(1) Requirements relating to value of property.—Section 1129(a) of title 11, United States Code, is amended by adding at the end the following:

"(14) In a case concerning an individual in which the holder of an allowed unsecured claim objects to the confirmation of the plan—

"(A) the value of the property to be distributed under the plan on account of such claim is, as of the effective date of the plan, not less than the amount of such claim; or

"(B) the value of the property to be distributed under the plan is not less than the debtor's projected disposable income (as that term is defined in section 1325(b)(2)) to be received during the 3-year period beginning on the date that the first payment is due under the plan, or during the term of the plan, whichever is longer.".

(2) Requirement relating to interests in property.—Section 1129(b)(2)(B)(ii) of title 11, United States Code, is amended by inserting before the period at the end the following: ", except that in a case concerning an individual, the debtor may retain property included in the estate under section 1115, subject to the requirements of subsection (a)(14)".

(d) Effect of Confirmation—Section 1141(d) of title 11, United States Code, is amended—

(1) in paragraph (2), by striking "The confirmation of a plan does not discharge an individual debtor" and inserting "A discharge under this chapter does not discharge a debtor"; and

(2) by adding at the end the following:

"(5) In a case concerning an individual—

"(A) except as otherwise ordered for cause shown, the discharge is not effective until completion of all payment under the plan; and

"(B) at any time after the confirmation of the plan and after notice and a hearing, the court may grant a discharge to a debtor that has not completed payments under the plan only if—

"(i) for each allowed unsecured claim, the value as of the effective date of the plan, of property actually distributed under the plan on account of that claim is not less than the amount that would have been paid on such claim if the estate of the debtor had been liquidated under chapter 7 of this title on such date; and

"(ii) modification of the plan under 1127 of this title is not practicable.".

(e) Modification of Plan.—Section 1127 of title 11, United States Code, is amended by adding at the end the following:

"(e) In a case concerning an individual, the plan may be modified at any time after confirmation of the plan but before the completion of payments under the plan, whether or not the plan has been substantially consummated, upon request of the debtor, the trustee, the United States trustee, or the holder of an allowed unsecured claim, to—

"(1) increase or reduce the amount of payments on claims of a particular class provided for by the plan;

"(2) extend or reduce the time period for such payments; or

"(3) alter the amount of the distribution to a creditor whose claim is provided for by the plan to the extent necessary to take account of any payment of such claim made other than under the plan.

"(f)(1) Sections 1121 through 1128 of this title and the requirements of section 1129 of this title apply to any modification under subsection (a).

"(2) The plan, as modified, shall become the plan only after there has been disclosure under section 1125, as the court may direct, notice and a hearing, and such modification is approved.".

Beginning on page 135, strike line 19 and all that follows through page 136, line 2, and insert the following:

SEC. 406. CREDITORS AND EQUITY SECURITY HOLDERS COMMITTEES.

(a) Appointment.—Section 1102(a)(2) of title 11, United States Code, is amended by inserting before the first sentence the following: "On its own motion or on request of a party in interest, and after notice and hearing, the court may order a change in the membership of a committee appointed under this subsection, if the court determines that the change is necessary to ensure adequate representation of creditors or equity security holders. The court may increase the number of members of a committee to include a creditor that is a small business concern (as described in section 3(a)(1) of the Small Business Act (15 U.S.C. 632(a)(1))), if the court determines that the creditor holds claims (of the kind represented by the committee) the aggregate amount of which, in comparison to the annual gross revenue of that creditor, is disproportionately large.".

(b) Information.—Section 1102(b) of title 11, United States Code, is amended by adding at the end the following:

"(3) A committee appointed under subsection (a) shall—

"(A) provide access to information for creditors who—

"(i) hold claims of the kind represented by that committee; and

"(ii) are not appointed to the committee;

"(B) solicit and receive comments from the creditors described in subparagraph (A); and

"(C) be subject to a court order that compels any additional report or disclosure to be made to the creditors described in subparagraph (A).".

On page 145, between lines 15 and 16, insert the following:

SEC. 420. MORE COMPLETE INFORMATION REGARDING ASSETS OF THE ESTATE.

(a) In General.—

(1) Disclosure.—The Advisory Committee on Bankruptcy Rules of the Judicial Conference of the United States, after consideration of the views of the Director of the Executive Office for the United States Trustees, shall propose for adoption amended Federal Rules of Bankruptcy Procedure and Official Bankruptcy Forms directing debtors under chapter 11 of title 11, United States Code, to disclose the information described in paragraph (2) by filing and serving periodic financial and other reports designed to provide such information.

(2) Information.—The information referred to in paragraph (1) is the value, operations, and profitability of any closely held corporation, partnership, or of any other entity in which the debtor holds a substantial or controlling interest.

(b) Purpose.—The purpose of the rules and reports under subsection (a) shall be to assist parties in interest taking steps to ensure that the debtor's interest in any entity referred to in subsection (a)(2) is used for the payment of allowed claims against debtor.

On page 147, line 15, strike "title)" and insert "title and excluding a person whose primary activity is the business of owning and operating real property and activities incidental thereto)".

On page 150, line 14, insert "and other required government filings" after "returns".

On page 150, line 19, insert "and other required government filings" after "returns".

On page 152, strike lines 19 through 21 and insert the following:

(a) Duties in Chapter 11 Cases.—Subchapter I of title 11, United States Code, as amended by section 321 of this Act, is amended by adding at the end the following:

On page 153, line 1, strike "1115" and insert "1116".

On page 153, line 7, strike "3" and insert "7".

On page 154, line 9, strike the semicolon and insert "and other required government filings; and".

On page 154, strike lines 14 through 25.

On page 155, strike line 7 and all that follows through the matter between lines 9 and 10 and insert the following:

(b) Clerical Amendment.—The table of sections for chapter 11 of title 11, United States Code, is amended by adding at the end of the matter relating to subchapter I the following:

"1116. Duties of trustee or debtor in possession in small business cases.

On page 156, line 19, strike "150" and insert "175".

On page 156, line 20, strike "150-day" and insert "175-day".

On page 162, strike lines 14 through 20 and insert the following:

"(A) a plan with a reasonable possibility of being confirmed will be filed within a reasonable period of time; and

On page 162, line 21, strike "reason is" and insert "grounds include".

On page 162, line 22, strike "that".

On page 162, line 23, insert "for which" before "there exists".

On page 163, line 1, strike "(ii)(I)" and insert "(ii)".

On page 163, line 1, strike "that act or omission" and insert "which".

On page 163, line 3, strike ", but not" and all that follows through line 8 and insert a period.

On page 163, line 22, insert after "failure to maintain appropriate insurance" the following: "that poses a risk to the estate or to the public".

On page 164, line 3, insert "repeated" before "failure".

On page 165, line 2, strike "and".

On page 165, line 3, insert "confirmed" before "plan".

On page 165, line 4, strike the period and insert "; and".

On page 165, between lines 4 and 5, insert the following:

"(P) failure of the debtor to pay any domestic support obligation that first becomes payable after the date on which the petition is filed.

On page 165, line 23, insert "or an examiner" after "trustee".

On page 167, after line 21, insert the following:

SEC. 435. TECHNICAL CORRECTION.

Section 365(b)(2)(D) of title 11, United States Code, is amended by striking "penalty rate or provision" and inserting "penalty rate or penalty provision".

On page 183, line 20, strike all through line 13 on page 187.

On page 187, line 14, strike "703" and insert "702".

On page 187, line 20, strike "704" and insert "703".

On page 189, line 9, strike "705" and insert "704".

On page 190, line 13, strike "706" and insert "705".

On page 190, line 17, strike "707" and insert "706".

On page 190, line 22, strike "708" and insert "707".

On page 191, line 8, strike "709" and insert "708".

On page 192, line 3, strike "710" and insert "709".

On page 193, line 13, strike "711" and insert "710".

On page 193, line 21, strike "712" and insert "711".

On page 196, line 1, strike "713" and insert "712".

On page 196, line 11, strike "714" and insert "713".

On page 197, line 12, strike "715" and insert "714".

On page 197, line 15, strike "703" and insert "702".

On page 197, line 18, strike "716" and insert "715".

On page 201, line 3, insert a semicolon after "following".

On page 202, line 4, strike "717" and insert "716".

On page 202, line 18, strike "718" and insert "717".

On page 248, line 15, strike "718" and insert "717".

On page 266, line 13, insert "and family fishermen" after "farmers".

On page 268, insert between lines 16 and 17 the following:

SEC. 1005. FAMILY FISHERMEN.

(a) Definitions.—Section 101 of title 11, United States Code, is amended—

(1) by inserting after paragraph (7) the following:

"(7A) 'commercial fishing operation' includes—

"(A) the catching or harvesting of fish, shrimp, lobsters, urchins, seaweed, shellfish, or other aquatic species or products; and

"(B) for purposes of section 109 and chapter 12, aquaculture activities consisting of raising for market any species or product described in subparagraph (A);";

"(7B) 'commercial fishing vessel' means a vessel used by a fisherman to carry out a commercial fishing operation;";

(2) by inserting after paragraph (19) the following:

"(19A) 'family fisherman' means—

"(A) an individual or individual and spouse engaged in a commercial fishing operation (including aquiculture for purposes of chapter 12)—

"(i) whose aggregate debts do not exceed $1,500,000 and not less than 80 percent of whose aggregate noncontingent, liquidated debts (excluding a debt for the principal residence of such individual or such individual and spouse, unless such debt arises out of a commercial fishing operation), on the date the case is filed, arise out of a commercial fishing operation owned or operated by such individual or such individual and spouse; and

"(ii) who receive from such commercial fishing operation more than 50 percent of such individual's or such individual's and spouse's gross income for the taxable year preceding the taxable year in which the case concerning such individual or such individual and spouse was filed; or

"(B) a corporation or partnership—

"(i) in which more than 50 percent of the outstanding stock or equity is held by—

"(I) 1 family that conducts the commercial fishing operation; or

"(II) 1 family and the relatives of the members of such family, and such family or such relatives conduct the commercial fishing operation; and

"(ii)(I) more than 80 percent of the value of its assets consists of assets related to the commercial fishing operation;

"(II) its aggregate debts do not exceed $1,500,000 and not less than 80 percent of its aggregate noncontingent, liquidated debts (excluding a debt for 1 dwelling which is owned by such corporation or partnership and which a shareholder or partner maintains as a principal residence, unless such debt arises out of a commercial fishing operation), on the date the case is filed, arise out of a commercial fishing operation owned or operated by such corporation or such partnership; and

"(III) if such corporation issues stock, such stock is not publicly traded;"; and

(3) by inserting after paragraph (19A) the following:

"(19B) 'family fisherman with regular annual income' means a family fisherman whose annual income is sufficiently stable and regular to enable such family fisherman to make payments under a plan under chapter 12 of this title;".

(b) Who May Be a Debtor.—Section 109(f) of title 11, United States Code, is amended by inserting "or family fisherman" after "family farmer".

(c) Chapter 12.—Chapter 12 of title 11, United States Code, is amended—

(1) in the chapter heading, by inserting "**OR FISHERMAN**" after "**FAMILY FARMER**";

(2) in section 1201, by adding at the end the following:

"(e)(1) Notwithstanding any other provision of law, for purposes of this subsection, a guarantor of a claim of a creditor under this section shall be treated in the same manner as a creditor with respect to the operation of a stay under this section.

"(2) For purposes of a claim that arises from the ownership or operation of a commercial fishing operation, a co-maker of a loan made by a creditor under this section shall be treated in the same manner as a creditor with respect to the operation of a stay under this section.";

(3) in section 1203, by inserting "or commercial fishing operation" after "farm";

(4) in section 1206, by striking "if the property is farmland or farm equipment" and inserting "if the property is farmland, farm equipment, or property of a commercial fishing operation (including a commercial fishing vessel)"; and

(5) by adding at the end the following:

"§ 1232. Additional provisions relating to family fishermen

"(a)(1) Notwithstanding any other provision of law, except as provided in subsection (c), with respect to any commercial fishing vessel of a family fisherman, the debts of that family fisherman shall be treated in the manner prescribed in paragraph (2).

"(2)(A) For purposes of this chapter, a claim for a lien described in subsection (b) for a commercial fishing vessel of a family fisherman that could, but for this subsection, be subject to a lien under otherwise applicable maritime law, shall be treated as an unsecured claim.

"(B) Subparagraph (A) applies to a claim for a lien resulting from a debt of a family fisherman incurred on or after the date of enactment of this chapter.

"(b) A lien described in this subsection is—

"(1) a maritime lien under subchapter III of chapter 313 of title 46, United States Code, without regard to whether that lien is recorded under section 31343 of title 46, United States Code; or

"(2) a lien under applicable State law (or the law of a political subdivision thereof).

"(c) Subsection (a) shall not apply to—

"(1) a claim made by a member of a crew or a seaman including a claim made for—

"(A) wages, maintenance, or cure; or

"(B) personal injury; or

"(2) a preferred ship mortgage that has been perfected under subchapter II of chapter 313 of title 46, United States Code.

"(d) For purposes of this chapter, a mortgage described in subsection (c)(2) shall be treated as a secured claim.".

(d) Clerical Amendments.—

(1) Table of chapters.—In the table of chapters for title 11, United States Code, the item relating to chapter 12, is amended to read as follows:

"12. Adjustments of Debts of a Family Farmer or Family Fisherman with Regular Annual Income .... 1201".

(2) Table of sections.—The table of sections for chapter 12 of title 11, United States Code, is amended by adding at the end the following new item:

"1232. Additional provisions relating to family fishermen.".

On page 277, line 22, insert "(a) In general.—" before "Section".

On page 281, line 21, strike "714" and insert "713".

Beginning on page 292, strike line 10 and all that follows through page 294, line 11.

On page 294, insert between lines 11 and 12 the following:

(d) Rights and Powers of the Trustee.—Section 546(c) of title 11, United States Code, is amended to read as follows:

"(c)(1) Except as provided in subsection (d) of this section, and except as provided in subsection (c) of section 507, the rights and powers of the trustee under sections 544(a), 545, 547, and 549 are subject to the right of a seller of goods that has sold goods to the debtor, in the ordinary course of the business of the seller, to reclaim such goods if the debtor has received such goods within 45 days prior to the commencement of a case under this title, but such seller may not reclaim any such goods unless the seller demands in writing the reclamation of such goods—

"(A) before 45 days after the date of receipt of such goods by the debtor; or

"(B) if such 45-day period expires after the commencement of the case, before 20 days after the date of commencement of the case.

"(2) Notwithstanding the failure of the seller to provide notice in a manner consistent with this subsection, the seller shall be entitled to assert the rights established in section 503(b)(7) of this title.".

(e) Administrative Expenses.—Section 503(b) of title 11, United States Code, is amended—

(1) in paragraph (5), by striking "and" at the end;

(2) in paragraph (6), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(7) the invoice price of any goods received by the debtor within 20 days of the date of filing of a case under this title where the goods have been sold to the debtor in the ordinary course of such seller's business.".

On page 147, line 19 strike "4,000,000" and insert "3,000,000".

The PRESIDING OFFICER. Without objection, the amendment is agreed to and the motion to reconsider is laid upon the table.

The amendment (No. 2515), as modified, was agreed to.

Mr. REED. Mr. President, I rise in strong support of the Reed-Sessions amendment to the manager's amendment to S. 625, the bankruptcy reform legislation we have been considering over the past few days. I urge my colleagues to support the passage of this important amendment.

The Reed-Sessions amendment deals with the reaffirmation of one's debt, and it reflects a compromise that has been worked out at length between myself, Senator SESSIONS, the Treasury Department and consumers. I believe it is a fair and balanced amendment that seeks to treat those who enter into reaffirmation agreements with their creditors in a fair and just manner, and to provide them—as well as the bankruptcy courts—with the greatest amount of information they need in order to make the wisest decisions possible.

For those of my colleagues unfamiliar with these agreements, a reaffirmation is an agreement between a debtor and a creditor in which the debtor reaffirms his or her debt and willingness to pay the creditor back, even after many of the other debts may have been discharged during bankruptcy. The creditor must then file this reaffirmation agreement with the bankruptcy court. The court then has the opportunity to review this agreement, but in most cases, for one reason or another, does not.

Recently, there have been some documented cases in which creditors have used coercive and abusive tactics with consumers in order to persuade them to reaffirm their debt, when in many of these cases there is no question that the individual can in no way afford to do so. The most visible of these cases occurred with Sears, in which the company did not even file these reaffirmation agreements with the court, therefore negating even the option of the court to review these cases.

The Reed-Sessions amendment would essentially provide for clear and concise disclosures when a debtor chooses to enter into a reaffirmation agreement with a creditor. Our amendment would create a uniform disclosure form, whereby everyone who is filing a reaffirmation agreement must fill this form out. Based on the information provided on the form, certain situations will then obligate the court to review such agreements in order to determine if the reaffirmation agreement is truly within the debtor's best interests.

In constructing this compromise amendment, I think we have achieved some very important goals. First and foremost, we want everyone to recognize that a reaffirmation agreement is a very weighty decision, and that the individual needs to understand—whether they are represented by counsel or not—all the ramifications of the agreement into which he or she is entering. In fact, the individual needs to understand that they in no way need to file a reaffirmation agreement.

Another vital issue is to have the court review such cases in which the debtor wants to reaffirm his or her debt, but in calculating the difference between the person's income and all their monthly expenses, it remains impossible for the debtor to do so. In other words, there exists a presumption of undue hardship upon the person. It is at that point that we want the court to have the ability to step in and say to this person, that either they have the ability to repay some of this debt because of other sources of funds—such as a gift from the family—or that they do not, and therefore the reaffirmation cannot be approved by the court.

Without this amendment, we are concerned that the abuses in the reaffirmation system that we have seen will continue to occur, and the courts may continue to be left in the dark with respect to the existence of these agreements, let alone have the option to review them. This amendment is not perfect, and if given the choice, I probably would have preferred to go even further than we have in our language. With that said, I think it's still important to note that with this amendment, we have given our courts and consumers the appropriate tools that will provide them with the necessary information to make decisions that are in the individual's best interests, not the creditor's. That is a crucial point that I wanted to emphasize.

I appreciate all the efforts of those involved in the process that went into constructing this compromise amendment, and I am confident that it strengthens the hands of our courts, and more importantly, the minds of our consumers as they make decisions that will weigh upon them for the rest of their lives.

The PRESIDING OFFICER. Without objection, the Senator from Minnesota yields to the Senator from Missouri for 7 minutes.

Mr. WYDEN. Parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Mr. President, I would like to ask unanimous consent to speak for up to 5 minutes after the Senator from Missouri has spoken.

Mr. WELLSTONE. Mr. President, I am going to have to object. I am willing to let some people speak, but I have been waiting for 3 days to get this amendment up and to get this debated.

The PRESIDING OFFICER. Objection is heard.

Mr. REID. Mr. President, if I could direct an inquiry, through the Chair, to the manager of the bill, it is my understanding that the majority leader has asked—and he has spoken to the Senator from Minnesota—that his amendment be set aside for purposes of the senior Senator from Connecticut to offer an amendment. The debate time on that would be——

Mr. GRASSLEY. Five minutes on our side and 5 minutes on the other side.

Mr. REID. Following the disposition and a vote on the Dodd amendment, Senator WELLSTONE, who has been waiting all week to offer his amendment, would get the floor to which he is now entitled.

The PRESIDING OFFICER. At the present time, there is a unanimous consent agreement for the Senator from Missouri to speak for 7 minutes.

Mr. REID. Objection. I object, and I do so, Mr. President, on the basis of——

The PRESIDING OFFICER. That was already agreed to.

Mr. REID. No, it wasn't.

The PRESIDING OFFICER. I am afraid it was. Senator ASHCROFT has 7 minutes.

Mr. REID. OK, the Senator from Missouri.

Following that, is Senator DODD going to be recognized? Has the unanimous consent request been accepted?

The PRESIDING OFFICER. There has not been an agreement to that effect. The Chair will entertain one.

Mr. WELLSTONE. I would object. The only thing I agreed to is Senator ASCHROFT being allowed to speak for 7 minutes; then I retain the floor.

The PRESIDING OFFICER (Mr. GORTON). The Senator from Missouri is recognized for 7 minutes.

Mr. ASHCROFT. I thank the Chair. And I thank my colleagues for allowing me this time.

DAKOTA WATER RESOURCES ACT

Mr. ASHCROFT. Mr. President, I am here on the floor today to talk about one of Missouri's most important natural resources, and that is the Missouri River. There is a bill that another Member is trying to pass by unanimous consent that would threaten the Missouri River. I am making it clear that I have an objection to this bill, and I am firm on this issue.

On Friday around 4 p.m., 52 bills were hot-lined to be passed by unanimous consent in the Senate. Most of the time, Members pass bills by unanimous consent that are noncontroversial. However, buried in this list of 52 bills was one that I am opposed to, S. 623, the Dakota Water Resources Act. I am opposed to it because it would divert a substantial amount of water out of the Missouri River. The bill that I am objecting to authorizes $200 million to divert additional water from the Missouri River system to the Cheyenne River and the Red River systems. This is an inter-basin transfer of water which could have substantial impacts all along the Missouri River basin. I do not blame the North Dakota Senators for fighting for this, but it hurts my State and it hurts other States, and I cannot consent to its approval by unanimous consent. Apparently, this bill has broad opposition by many different parties along the Missouri River. It is a very controversial provision and should not be passed in the dead of night on a consent calendar with a lot of noncontroversial bills.

This is opposed strongly by the Governor and the Department of Natural Resources in Missouri. It is opposed by Taxpayers for Common Sense. It is opposed by a host of environmental groups—including the National Wildlife Federation, the National Audubon Society, Friends of the Earth, and American Rivers. The Canadian Government opposes this bill and has opposed the program it authorizes for decades, claiming that it violates a 1909 United States-Canada Boundary Waters Treaty. The Governor of Minnesota opposes this measure. The Minnesota State Department of Natural Resources opposes it, and the list goes on.

It is too early in the process for me to clear this bill. There are too many questions that remain to be answered. There are too many related issues that the States are negotiating at this time. We are awaiting the recommendations of the Corps of Engineers on how much additional water they intend to reserve for Dakota purposes. The senior Senator from Missouri and I will continue to object. As a result of our objections, the sponsor of the bill is holding up 51 other unrelated bills.

Let me be clear. These 51 holds are not related to the longstanding dispute between North Dakota and Missouri and many other parties over the water allocation in the Missouri River. Therefore, Senator BOND and I will not be pressured into lifting our hold on a bill that will harm the livelihood of the people of Missouri. These types of interstate river disputes that have been going on for years simply should not be resolved without all interested parties involved and without adequate consideration given to the ecological and commercial effects.

From the farm to the factory, the Missouri River creates jobs in the Midwest. The Missouri River is a stable water supply and a source of hydro power for major cities. We must be very cautious about changing water levels along the Missouri River in order to maintain the recreational opportunities for local communities, as well as hatcheries for fish and flyways for migratory birds.

I regret that important unrelated and noncontroversial measures are being held up by the sponsors of S. 623, but I cannot consent to passage of this bill at this time. The water flow of the Missouri River is too important to the livelihood of numerous metropolitan areas and small cities, and transportation and industry not only in Missouri but all along the waterway. We must deal with this measure reasonably and in the context of real negotiations, not as a matter of consent to be undertaken without full discussion by the parties.

I thank the Senate for my opportunity to reference my position on this issue. I yield the remainder of the time.

BANKRUPTCY REFORM ACT OF 1999—Continued

The PRESIDING OFFICER. Under the previous order, the Senator from

Minnesota is recognized to introduce an amendment.

AMENDMENT NO. 2752

(Purpose: To impose a moratorium on large agribusiness mergers and to establish a commission to review large agriculture mergers, concentration, and market power)

Mr. WELLSTONE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE], for himself, Mr. DASCHLE, Mr. DORGAN, and Mr. HARKIN, proposes an amendment numbered 2752.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in the RECORD of Friday, November 5, 1999, under "Amendments Submitted.")

Mr. WELLSTONE. Mr. President, I say to colleagues that I will start out—though my guess is that very soon we will probably have an agreement that will enable us to go to an amendment that will be 10 minutes altogether and then a vote for those who need to leave town. I will start out. I want to say to colleagues, this isn't going to be a long debate, and we'll go back to it on Wednesday. Several colleagues have questions and I will start out that way.

Mr. DORGAN. Will the Senator from Minnesota yield for a question?

Mr. WELLSTONE. Yes.

Mr. DORGAN. Mr. President, I must respond to the comments made by our distinguished colleague from Missouri and comments made by his colleague from Missouri yesterday, as well, with respect to the Dakota Water Resources project in North Dakota. The legislation that was being referenced is profoundly misunderstood. In fact, the Dakota Water Resources Act (S.623) reduces the authorization of the water project. It doesn't expand it; it dramatically reduces it—cutting authorized irrigation from 130,000 to 70,000 acres and deauthorizing several project features.

It also fully protects the interests of the State of Missouri. Nevertheless, one letter from the State of Missouri, written today and delivered to us, complains about the Dakota Water Resources project. In so doing, the letter describes a completely separate and unrelated project (the Devils Lake outlet), which has nothing to do with this at all. So there is a profound misunderstanding here about the facts and circumstances affecting two distinct projects.

I might say, additionally, that the Dakota Water Resources Project is not some dream somebody just had in the last day or two. My State has a Rhode Island-sized flood that has visited us permanently, forever. The Federal Government said, if you will keep a flood forever, you can move some of the water behind the dam around North Dakota for your beneficial purposes. Why did the Government want the permanent flood in North Dakota? The reason was to prevent Missouri River flooding at St. Louis and dozens of other downstream communities.

North Dakota said, fine. The downstream states have flood protection and a lot of the benefits. We agree with that. We support that.

But we have not gotten the benefits, after these many decades, that we were promised, in turn, from a multi-purpose water project. It has been pared back and back, and the legislation just discussed on the floor by my colleague from Missouri shrinks it even further. In fact, we have proposed further protection for Missouri, because one of the objections by the Senator from Missouri was that this project would use water from the Missouri River and Missouri really wants that water. He doesn't feel that the equivalent of one-tenth of a foot off the Missouri River at St. Louis should be used in North Dakota. So we have proposed there be no reduction in water going through St. Louis. We would manage the water impounded by the Garrison Dam in a way that guarantees there would be no reduction in the Missouri River water for St. Louis.

I make the point that the comments made by the Senator from Missouri and his colleague from the same State, in my judgment, and with great respect, profoundly misstate what we are doing. This bill shrinks the authorized project dramatically and would not produce anything like the kind of results that have been alleged. In fact, we believe this project is good for Missouri and all of the States in the Missouri Basin and in the region.

Several Senators addressed the Chair.

Mr. WELLSTONE. Mr. President, I have the floor.

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

Mr. WELLSTONE. I would be pleased to yield for a question.

Mr. REID. Will the Senator yield for a unanimous consent request?

Mr. WELLSTONE. I am pleased to yield for a unanimous consent request. I ask unanimous consent that I regain the floor following the agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the pending consent regarding the Wellstone amendment be temporarily suspended and the Senate now resume the Dodd amendment No. 2532, and there be 10 minutes remaining and a vote occur on or in relation to the amendment at the end of that time. I further ask consent that the Senate then turn to the Wellstone amendment and that all debate but 1 hour equally divided be used during the session of the Senate today. I also ask that 1 hour of debate occur on Wednesday, November 17, and a vote occur on or in relation to the amendment at the conclusion or the yielding back of time, provided that a vote in relation to the Wellstone amendment occur prior to a cloture vote, if cloture is filed on the bill.

Mr. REID. Reserving the right to object, Mr. President, it is my understanding there would be a vote on the Dodd amendment this evening, is that correct?

Mr. GRASSLEY. Yes.

Mr. CONRAD. Reserving the right to object. Mr. President, I would like 5 minutes before we go to the vote to have a chance to also respond to statements made by the Senators from Missouri over the last couple days with respect to the water project in North Dakota. If I could get that consent, I certainly would not object.

Mr. REID. Mr. President, reserving the right to object, if I could say to the proponent of the unanimous consent request, it has been brought to my attention that instead of 10 minutes, we will need 15 minutes equally divided. I am sure he would have no objection to that. We have no objection, I say to the Senator from North Dakota. Does anybody else need to respond to that?

Mr. ASHCROFT. I have no objection to the statements of the Senators from North Dakota. I made my position clear. This issue has been well known for a couple of decades now.

Mrs. FEINSTEIN. Mr. President, reserving the right to object, I have two amendments that have been moved and laid aside. I would like to have a time when I might take those amendments off the desk and have a brief period of debate and a vote.

Mr. REID. Mr. President, if I may respond, I say to my friend from California that we are now using the good graces of the Senator from Minnesota to get this agreement. One reason the two leaders want us to come back for a vote in 15 or 20 minutes is so they can advise the Senate as to what is going to transpire in the next few days. I don't know, under the present framework, how—this may be the last vote. I would assume this would be the last vote tonight.

Mrs. FEINSTEIN. What I am concerned about is, I have made this known for a number of days now. I have been patient and I have tried to get in the queue. I have waited. I have no objection if this is Wednesday or Wednesday afternoon, but I would appreciate having some time. I am prepared to object if I can't get that time.

Mr. REID. I say to my friend, objecting doesn't help her cause. It just prevents us from having everybody gathered to know what is going to happen. Otherwise, there will be no vote and

Senator WELLSTONE will argue his amendment, and we will be out of here anyway. On the Democratic side, we probably have 8 or 9 Senators on the same position that the Senator from California is in. They have offered amendments, and they are waiting to have a vote on those amendments. I have worked with——

Mrs. FEINSTEIN. But my experience is that if they come to the floor, they are often accommodated. I don't see why that same accommodation should not be made for me, most respectfully.

Mr. REID. The Senator certainly is a great advocate. We would like to concede that she has the right above everybody else to a vote, but right now we don't have the parliamentary ability to do that.

I say to my friend that I think Senators FEINGOLD, DURBIN, JOHNSON—I can go through the whole list—have also been here making the same requests the Senator from California has and we haven't been able to get the votes up because of the nongermane amendments being debated on minimum wage and everything. It isn't as if the Senator from Iowa hasn't wanted votes. We haven't been able to get to them.

Mrs. FEINSTEIN. My amendment is germane.

The PRESIDING OFFICER. Is there objection?

Mrs. FEINSTEIN. I object.

The PRESIDING OFFICER. Objection is heard.

The Senator from Minnesota has the floor.

Mr. WELLSTONE. Mr. President, I want to point out that if there is an objection, people can't leave. I am trying to accommodate people's schedules. I think it would be unfortunate if because of an objection Senators who want to leave to get back for Veterans Day are not able to leave tonight. I was trying to accommodate.

I hope the Senator from California will reconsider. Basically, the implication is that many people have many other amendments. This happens to be one of the three amendments that was part of the original agreement about how we would proceed. That is the only difference. Many of us have other amendments.

If the Senator wants to object, go ahead.

Mrs. FEINSTEIN. I have no objection to proceeding with the amendment. What I suspect is going to happen come Wednesday is it will be closed down, and we will not have an opportunity to offer an amendment. One of these amendments I have made to the bankruptcy bill. The Senator from Iowa knows I have been a supporter of this bill. He is supportive of this amendment. If there is an opportunity, I believe it will pass. Senator JEFFORDS and I are cosponsors of the amendment. I, again, would like an opportunity to offer it before there is a cloture motion or something and there will be no more amendments on the bill.

Mr. REID. I say to my friend from California that none of us here have power to do anything about it. The Senator from Iowa and I will be happy to put the Senator from California in line to vote tonight. But there may not be any more votes tonight and we may have votes next Wednesday. There may be only one vote on the Wellstone amendment. We don't know. There is no problem having the amendment as one of the next ones to come up—whenever that will be, this year or next year—on this bill.

Mr. GRASSLEY. Mr. President, if the Senator will yield.

Mrs. FEINSTEIN. I certainly will.

Mr. WELLSTONE. Mr. President, I have the floor.

Mr. WYDEN. Will the Senator from Minnesota yield?

Mr. WELLSTONE. First, I say to the Senator from Iowa, I hope we can work it out so Senators can leave.

Mr. GRASSLEY. I am trying to satisfy the Senator from California, although I don't think I can do any better than the Senator from Nevada has just done. But I pled for two reasons. No. 1, I still hope to work with the Senator from Texas, the chairman of the Banking Committee, to see what we can do to facilitate the amendment, whether it is now or a week from now or next year, if we aren't finished with this bill. No. 2, we are trying to get to a situation where we can get to a vote, which is something we promised a Member who has been waiting for a long, long time.

We still have the third situation where Senator REID and I are going to sit down with our staffs to see what we can do with all of the amendments so we know where we are and have a complete picture. That is why I would plead with her to let the unanimous consent request go through.

Mrs. FEINSTEIN. My understanding is that at some point I will have an opportunity to offer this amendment, whether that is on Wednesday, another day, or next year. Is that the correct understanding?

Mr. GRASSLEY. As far as I am concerned, the answer is yes. But let me say it is my understanding under the agreement we have now that there can be an objection to the Senator offering her amendment if, for instance, somebody on the Banking Committee——

Mr. REID. She already offered it.

Mr. GRASSLEY. Then the answer is yes.

Mrs. FEINSTEIN. I understand that. I will not object.

Mr. WELLSTONE. Can we get the agreement?

Mr. GRASSLEY. Can we move forward with the agreement?

The PRESIDING OFFICER. Is there objection?

Mr. CONRAD. Reserving the right to object, I repeat my request to have 5 minutes.

The PRESIDING OFFICER. That is part of the agreement.

Mr. CONRAD. Then I certainly do not object.

Mr. REID. In fairness to the Senator from California, I don't know what is going to happen. I am not in a position to do anything about it. But it is possible there could be some procedural thing that will stop a lot of votes from going forward. The Senator from Iowa says, all things equal, the Senator's amendment will go forward. I can't stand here and guarantee it will happen. I don't know what will happen. Procedurally, a lot of amendments may not go forward.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. WELLSTONE. Mr. President, I still have the floor. I know we want to move forward. I am trying to move forward. I would like to yield 3 minutes to the Senator from Oregon. He has been waiting.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. CONRAD. Mr. President, reserving the right to object, I thought this was part of the agreement. It is unclear to the Senator from North Dakota what the agreement was. My understanding was I would be recognized after this agreement was reached for the purpose of responding to the statements that have already been made on the floor. I was assured that was part of that agreement.

The PRESIDING OFFICER. The agreement provides 5 minutes for the Senator from North Dakota.

Mr. CONRAD. I would like to have that 5 minutes at this time, Mr. President.

The PRESIDING OFFICER. The request is that the Senator from Oregon be recognized for 3 minutes. Is there objection?

Without objection, it is so ordered.

The Senator from Oregon.

SECRET HOLDS

Mr. WYDEN. Mr. President, and colleagues, this is the time of the legislative session when too many important bills and nominations are killed in secret through a process known as the secret hold. This session of the Senate was supposed to be different as a result of an agreement between the majority and the minority leaders. I am going to read from that agreement. On February 25, Senator LOTT and Senator DASCHLE wrote all Senators:

> All Members wishing to place a hold on any legislation or executive calendar business shall notify the sponsor of the legislation and the committee of jurisdiction of their concern. Further written notification

should be provided to respective leaders stating their intentions regarding their bill or nomination. Holds placed on items by a member of a personal or committee staff will not be honored unless accompanied by a written notification from the objecting Senator by the end of the following business day.

Suffice it to say, colleagues, I suspect there are a few sponsors of legislation here in the Senate who have not been notified that there is a hold on their legislation.

I hope as we move towards the last hours of this session all Senators, Democrats and Republicans, will honor the policy set out by Senators LOTT and DASCHLE. The secret holds are a breach of all that the Senate is supposed to stand for in terms of openness and public accountability.

I hope Senators will comply with that new policy set out by Senators LOTT and DASCHLE.

I yield the floor.

DAKOTA WATER RESOURCES ACT

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I would like the opportunity to respond to statements that have been made about the Dakota Water Resources Act over the last several days by the Senator from Missouri. Yesterday we were told that North Dakota is seeking somehow to steal water from our neighbors to the south. That is factually incorrect. It is untrue. We are not making any claim on anybody's water but our own.

Under the current law, North Dakota has a right to water flowing through the Missouri River. That is in the law today. In the law today there is authorized a very large water project for North Dakota called the Garrison Diversion Project. The reason it is authorized is because North Dakota accepted the permanent flood of 550,000 acres of the richest farmland in North Dakota—permanently inundated to provide flood protection to downstream States, including Missouri. We have saved billions of dollars of flood damage in those States because North Dakota has accepted this permanent flood of over half a million acres. That is the fact.

The new legislation before us is designed to substantially alter what is currently authorized in the law to reduce its costs by $1 billion to reduce dramatically the number of irrigated acres, and instead to have water supply projects for cities and towns that desperately need it.

The assertion has been made that this would somehow deplete the water going to Missouri.

The fact is, the flow of the Missouri River in Missouri is 50,000 CFS. We are talking about 100 CFS to meet the legitimate water needs of the State of North Dakota, water needs that are already recognized in the law.

Today, in order to respond to the legitimate concerns of the Senators from Missouri, we offered to go even further and to put into law an assurance that they would not lose water at their key navigation time, during this key period when they are concerned with losing even half an inch. That is what this translates into: A reduction of one half an inch, the water level of the Missouri River in the State of Missouri. We are prepared to assure them they don't even lose that half an inch. This is in response to the documented need for water that is so desperately required in my State. We have people who are turning on their tap right now in North Dakota and what comes out looks filthy. It looks filthy because it is filthy.

North Dakota was made a promise that, if you accept the permanent flood to provide flood protection for downstream States, we will compensate you by allowing you to improve the water supply for your citizens. That is what this bill is about. It is not designed in any way to hurt the State of Missouri. We are prepared to make changes in the legislation to make that clear.

Let me conclude by saying we received a letter today that totally confuses this project with the Devil's Lake outlet which is required to solve another problem in another part of the State. These two projects are not the same. We hope officials in Missouri will get it straightened out in their own minds that these are two totally distinct projects. An outlet from Devil's Lake has nothing whatever to do with the Dakota Water Resources Act Project.

I thank my colleagues for their patience, and I yield the floor.

BANKRUPTCY REFORM ACT OF 1999—Continued

AMENDMENT NO. 2532, AS MODIFIED

The PRESIDING OFFICER. There are 15 minutes equally divided on the Dodd amendment.

Mr. DODD. I yield myself 4 minutes under the agreement.

This chart explains the amendment I am offering. As most of my colleagues are aware, there is $43 billion in uncollected child support in this country. If we could collect a fraction of the child support that is outstanding, we could make a huge difference in the lives of children and families all across this country.

Despite the good efforts of those who have authored this bill on bankruptcy, there is a major gap in this bill. The major gap affects the very people this number reflects for child support recipients. This bill places at a significant disadvantage women and children who may get caught up in the turmoil of a bankruptcy proceeding and leaves them at a significant disadvantage with respect to meeting the basic necessities in their lives.

This morning's Washington Post made the case abundantly clear in the lead editorial. It said that the Congress should make sure that in the name of financial responsibility it does not unduly squeeze people who, because of job loss, family breakup, medical bills, et cetera, can't help themselves. These are the people affected by this amendment Senator LANDRIEU and I have offered and on which we will ask for your votes shortly.

Children and families are the most vulnerable. The median income of a person who files for bankruptcy is around $17,000 a year; for a woman filing for bankruptcy, that number is a lot lower than $17,000 a year.

Unfortunately, this bill does not appear to treat these people as we have for almost 100 years. Since the first bankruptcy law was passed in 1903, women and children came first in the line of distributable assets in bankruptcy. They are going to be protected no matter what other tragedy has befallen. No matter what other rights creditors may have, they will not be allowed to disadvantage innocent children and women who have to depend upon some income in order to provide for their families. Unfortunately, this bill leaves gaping holes in this area.

The amendment we have offered has been endorsed by 180 organizations, every imaginable family organization in this country. It does the following four things:

First, we say creditors can't seize or threaten to seize bona fide household goods, such as books, games, microwave ovens, and toys. As written today, S. 625 provides no protection against repossession of operations of business, coming into a home and removing such items from a family. Needless to say, that would be an unsettling, intimidating occurrence for families and children. I don't think this body wants to go on record ratifying these kinds of scare tactics. I appreciate Senator GRASSLEY's support for this provision.

Second, we say if people in bankruptcy are put on a budget and they cannot repay some of their debts, it ought to be a realistic budget. The bill puts them on a budget based on IRS guidelines for people who owe back taxes. Unfortunately, those guidelines ignore obligations such as child care, school supplies, and church tithes. We say the bankruptcy judge ought to be allowed to at least consider these kinds of valid, often necessary expenses when it comes to family needs.

Third, we say money for kids should go to kids, not creditors. We mean that funds a parent receives for the benefit of children—like child support payments or earned income tax refunds—should not be divvied up among creditors. They ought to be reserved for the children.

I want the manager of the bill to have a chance to make his argument against the amendment, and then I will respond.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, this bill, the original bill, contains many provisions to help collect past due child support. This is not just the authors saying this. These provisions are endorsed by the prosecutors who actually enforce child support laws.

On another point, in response to what the Senator from Connecticut has said, if one is under the median income, the means test doesn't even apply to that person. The people Senator DODD is worried about won't be affected.

In a more broad sense, this amendment should be defeated. First, the means test we now have in the bill is very flexible. The charge has been that we are not flexible enough. I will point out that flexibility. If a bankrupt is in a unique or special situation, our bill, the means test, allows that person to explain his or her situation to the judge or to the trustee and thus get out of paying these debts if there are special expenses. If these special expenses are both reasonable and necessary and this reduces repayment ability, the debtor doesn't have to repay his or her debts.

The way we determine living expenses in this bill is to use a template established by the Internal Revenue Service for repayment plans involving back taxes.

I have a chart and a study of the bill which was done by the General Accounting Office. The General Accounting Office noted in its June 1999 report, which was to Congress, and a report about bankruptcy reform, that this template includes a provision allowing a debtor to claim child care expenses, dependent care expenses, health care expenses, or other expenses which are necessary living expenses. Tell me, with all these things included, and with the General Accounting Office backing up the intent of our legislation, that this bill is not flexible, that this bill does not take into consideration the living expenses and needs of the potential person in bankruptcy.

This is, frankly, as flexible as you can get. According to the General Accounting Office and the Internal Revenue Service, living standards in the bill now provide that any necessary expense can be taken into account. The only living expenses not allowed under this bill are unnecessary and unreasonable expenses. What is wrong with not allowing unreasonable and unnecessary expenses? The only people who oppose the means test as currently written are people who want deadbeats looking to stiff their creditors to dine on fancy meals and to live in extravagant homes and to take posh vacations.

On the issue of household goods, this might by a surprise to the Senator from Connecticut, but I tend to agree with some of what he said now and last night. If Senator DODD were to modify his amendment, just to deal with household goods, I will be pleased to work with him on that, to get the amendment accepted. But his amendment does much more than just deal with the household goods issues. I simply cannot accept these other changes.

Finally, this amendment by the Senator from Connecticut makes fraud much easier because the problem we must address in doing bankruptcy reform is that some people load up on debts on the eve of bankruptcy and then try to wipe out those debts, wipe them all away, by getting a discharge. Obviously, this is a type of fraud which Congress needs to protect against. The bill now says that debts for luxury items purchased within 90 days of bankruptcy in excess of $250, and cash advances on credit cards made within 70 days in excess of $750, are presumed to be nondischargeable. This is pretty flexible on its face. Under the bill now, you can buy $249 worth of luxury items such as caviar the day before you declare bankruptcy and still walk away scot-free. Under the bill, you can get $749 worth of cash advances minutes before you declare bankruptcy and still walk away scot-free.

But this is not enough for the people proposing this amendment. So the question we have to answer is how much fraud do we want to tolerate? This amendment is way off base. If you want to crack down on out-and-out fraud, and that is what we are talking about, you should support the bill and you should be against this amendment because by supporting the amendment, you make it easier for crooks to game the bankruptcy system and get a free ride at everyone else's expense. Consequently, if you do not want to do that, you will not support the Dodd amendment. I oppose the amendment and I ask my colleagues to do the same.

I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, crooks and scam artists there may be, but in our appetite, to go after the scam artist, we should not make women and children pay the price. To suggest somehow that someone is scamming the system because they buy $251 worth of goods and services they may need for their children, that they are somehow ripping off the system, is to approach being ludicrous when it comes to this.

I have great respect for prosecutors, and the General Accounting Office. But when 180 organizations representing every family group in this country from the right to the left, if you will, strongly support this amendment because it tries to do something to protect these families, then we have achieved a new low when it comes to speaking about families and children with one voice and then turning around and doing violence to them.

The IRS schedule is not terribly flexible. I ask unanimous consent it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COLLECTION FINANCIAL STANDARDS—ALLOWABLE LIVING EXPENSES FOR FOOD, CLOTHING AND OTHER ITEMS; TOTAL MONTHLY NATIONAL STANDARDS (EXCEPT ALASKA AND HAWAII)

Total gross monthly income	Number of persons				
	One	Two	Three	Four	Over four
Less than $830	345	466	579	726	+125
$831 to $1,249	391	525	646	762	+135
$1,250 to $1,669	433	630	737	800	+145
$1,670 to $2,499	527	685	781	830	+155
$2,500 to $3,329	554	769	863	924	+165
$3,330 to $4,169	620	830	948	1,063	+175
$4,170 to $5,829	773	957	1,018	1,170	+185
$5,830 and over	991	1,235	1,399	1,473	+195

MONTHLY NATIONAL STANDARDS

Item	Gross Monthly Income							
	Less than $830	$831 to $1,249	$1,250 to $1,669	$1,670 to $2,499	$2,500 to $3,329	$3,330 to $4,169	$4,170 to $5,829	$5,830 and over
One Person:								
Food	170	198	214	257	270	325	428	456
Housekeeping supplies	18	20	21	26	27	29	35	43
Apparel & services	43	52	75	120	127	129	168	334
Personal care products & services	14	21	23	24	30	37	42	58
Miscellaneous	100	100	100	100	100	100	100	100

MONTHLY NATIONAL STANDARDS—Continued

Item	Gross Monthly Income							
	Less than $830	$831 to $1,249	$1,250 to $1,669	$1,670 to $2,499	$2,500 to $3,329	$3,330 to $4,169	$4,170 to $5,829	$5,830 and over
Total	345	391	433	527	554	620	773	991
Two Persons:								
Food	228	227	351	365	424	438	515	635
Housekeeping supplies	23	27	28	40	46	51	57	74
Apparel & services	71	72	98	121	128	167	202	335
Personal care products & services	18	24	28	34	46	49	58	66
Miscellaneous	125	125	125	125	125	125	125	125
Total	466	525	630	665	769	830	957	1,235
Three Persons:								
Food	272	326	390	406	444	488	545	
Housekeeping supplies	24	28	29	41	47	55	58	
Apparel & services	110	114	134	143	175	205	206	
Personal care products & services	23	28	34	41	47	50	59	
Miscellaneous	150	150	150	150	150	150	150	
Total	579	646	737	781	863	948	1,018	
Four Persons:								
Food	374	376	406	416	472	574	629	
Housekeeping supplies	36	37	38	46	49	57	60	
Apparel & services	114	145	146	147	179	206	244	
Personal care products & services	27	29	35	46	49	51	62	
Miscellaneous	175	175	175	175	175	175	175	
Total	726	762	800	830	924	1,063	1,170	
More Than Four Persons: For each additional person, add to four-person total allowance	125	135	145	155	165	175	185	

Mr. DODD. Find for me the word "children" anywhere in this schedule. It does not show up, not once. There is no flexibility at all. It is very rigid in terms of how it applies. There is no consideration for the regions of the country where people live, whether you live in New York City or Iowa or Connecticut or the State of Ohio. It is a one-fix system, across the board.

I appreciate the Chairman and others who have tried to do something on the means test. If you think it is so flexible, then merely adopt this amendment. What you have also left out, of course, is that you still allow for funds that a parent receives to the benefit of children to be dissipated. Things like child support payments and earned-income tax credits, which you do get if you are making $17,000 a year, should not be divided up among creditors. As the bill presently reads, that can happen. That is why 180 organizations are vehemently opposed to the present language of this bill.

Let me go on. With regard to the seizing of household goods, again there is nothing in this bill, nor the managers' amendment that prohibits these repossession operations from coming in and taking toys and books and VCRs that may be necessary for the education of children.

Lastly, the bill says if a consumer buys food, clothing, medicine, and similar items on credit within 90 days of a bankruptcy filing, and if the value of those items exceeds $250, then they are presumed to be luxuries and the person filing the bankruptcy has to hire a lawyer to defend such purchases, make the case they were not luxury items. That is what the bill says. That goes far beyond anything we have ever done in 100 years in bankruptcy law, to turn around and say the present law says $1,075 over 60 days. Our amendment says $400 per item or service in 60 days. The bill provides for a total of $250 in 90 days, while mine provides a more rational and reasonable itemized sum—per item or service—in 60 days. The managers' amendment does not say anything about that at all.

This would be a travesty, an absolute travesty to say we are going to make families go into court and prove, when they went to Kmart and bought $251 worth of goods in the last 60 days, that they are not scam artists. Maybe there are some out there, but let's not let the millions of people who get caught in a bankruptcy proceeding because someone is sick and they lose a job, that somehow they are going to have to hire a lawyer and defend themselves for $250. This amendment is critical.

Mr. President, I ask unanimous consent for 1 additional minute?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. This amendment is as critical as it gets to this bill. We are doing a lot to help the credit card companies. This is going to reduce the number of bankruptcies. But in our zeal to do that, do not allow this to happen. This would really be a major setback. Since 1903, we have put children and families in the exalted position of not allowing them to be brought in and damaged in bankruptcy proceedings.

They are not going to get off scot-free. They have obligations to pay. But to say, somehow, we are putting families first because we have a flexible means test, disregarding all the other things that are in this bill, would be a major setback of significant proportions.

The Washington Post editorial this morning is right on point. This is the amendment they were talking about. We urge our colleagues to support it.

Mr. BIDEN addressed the Chair.

Mr. GRASSLEY. I yield the Senator from Delaware 1 minute.

Mr. BIDEN. Mr. President, under the present law there are nondischargeable items with cash advances. It is a little over $1,000. This goes down to $750. There is a difference, but it is not what the Senator from Connecticut makes it out to be.

No. 2, in the means test in terms of "other necessary expenses," it includes such expenses as charitable contributions, child care, dependent care, health care, payroll deductions—that is taxes, union dues, and life insurance. It is not true they are not able to be viewed as "other expenses" to be considered within bankruptcy.

I understand the Senator's point. I think he doth protest too loudly. It is not $1,000; it is $750. That is true. It is a $250 difference. That is what we are arguing about.

I have no more time, so I yield the floor.

Mr. HATCH. Mr. President, I rise in opposition to the amendment offered by Mr. DODD and others, which has many components that undermine the kind of bankruptcy reform we are seeking to accomplish in this bill. The amendment creates new windfalls for debtors in bankruptcy. It imposes an artificial definition of gross income which excludes major sources of income. This would undermine both the means test and the obligation that debtors pay all their disposable income to creditors in chapter 13 plans. Furthermore, the amendment undercuts the bill's definition of household goods, allowing virtually any frivolous item a debtor owns to qualify as a "household good".

The amendment claims to be "pro-family", but it takes a tremendous step backward with respect to families—particularly those who work hard to pay their bills every month. I have worked very hard, along with Senator TORRICELLI, provision by provision, to ensure that this bill is an important for families over current bankruptcy law. I described in considerable detail last week the particular provisions in the bankruptcy bill that are designed to help families, along with the amendment Senator TORRICELLI and I developed to further enhance these provisions. Therefore, I am deeply concerned by the fact that this amendment inexplicably allows debtors to discharge debts without being responsible to repay what they can afford.

A practical effect of this amendment is to allow rich debtors to defraud their creditors. Debtors with high income who are receiving child support could subtract child support from the calculation of their ability to repay. Thus, a debtor who earns $100,000 per year and receives an additional $25,000 in child support, and who has mortgage, car, and household expenses equaling $100,000, can go bankrupt in chapter 7 and walk away with $25,000 a year. This windfall to the debtor is passed on the hardworking families that end up subsidizing the cost of bankruptcies of others.

Furthermore, the definition of household goods in the amendment allows debtors to avoid a security interest in expensive items like $2,000 stereo systems. I am mystified by why windfalls to debtors of this kind are viewed as pro-family. I have been reminded many times during the course of this debate that bankruptcies end up costing every American family at least $400 per year. When these windfalls are incorporated into our bankruptcy laws, hardworking American families end up paying for them.

Mr. GRASSLEY. Mr. President, I ask unanimous consent for 1 minute so I can have the same 1 minute the other side had.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, I want to point out the big deal the Senator from Connecticut made about the IRS regulations and the guidelines not mentioning the word "children."

The point is very clear, from the General Accounting Office, but in their study of the IRS guidelines, under a category "other necessary expenses," if it does not mention children, if it does not take the needs of children into consideration, what in the heck do the words "child care" mean? What does "dependent care" mean, if the needs of children are not taken into consideration? It may not be mentioned in the IRS guidelines per se, but under "other necessary expenses," it is very clear that the needs of every child will be taken care of.

I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. DODD. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2532, as modified. The yeas and nays have been ordered. The clerk will call the roll.

The legislative assistant called the roll.

Mr. FITZGERALD (when his name was called). Present.

Mr. NICKLES. I announce that the Senator from Arizona (Mr. McCAIN) and the Senator from Pennsylvania (Mr. SANTORUM) are necessarily absent.

Mr. REID. I announce that the Senator from California (Mrs. BOXER) is necessarily absent.

The result was announced—yeas 45, nays 51, as follows:

[Rollcall Vote No. 365 Leg.]

YEAS—45

Akaka
Baucus
Bayh
Bingaman
Breaux
Brownback
Bryan
Byrd
Cleland
Conrad
Daschle
Dodd
Dorgan
Durbin
Edwards
Feingold
Feinstein
Graham
Harkin
Hollings
Inouye
Jeffords
Johnson
Kennedy
Kerrey
Kerry
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lincoln
Mikulski
Moynihan
Murray
Reed
Reid
Rockefeller
Sarbanes
Schumer
Torricelli
Voinovich
Wellstone
Wyden

NAYS—51

Abraham
Allard
Ashcroft
Bennett
Biden
Bond
Bunning
Burns
Campbell
Chafee, L.
Cochran
Collins
Coverdell
Craig
Crapo
DeWine
Domenici
Enzi
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Kyl
Lott
Lugar
Mack
McConnell
Murkowski
Nickles
Robb
Roberts
Roth
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

ANSWERED "PRESENT"—1

Fitzgerald

NOT VOTING—3

Boxer
McCain
Santorum

The amendment (No. 2532) was rejected.

The PRESIDING OFFICER. The Senator from Minnesota.

AMENDMENT NO. 2752

Mr. WELLSTONE. Mr. President, could I have order in the Chamber?

Mr. President, we are now dealing with amendment 2752. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. WELLSTONE. I thank the Chair.

Mr. President, we will start this debate tonight, and we will conclude the debate on Wednesday. There will be an hour of debate on Wednesday as well. I want to give this a little bit of context. Mr. President, could I have order in the Chamber? Would Senators please take their conversation outside the Chamber?

I thank the Chair.

Mr. President, I will start out with some narrative that was written by Jodi Niehoff, who works with me, and who is the daughter of dairy farmers, Jane and Loren Niehoff, in Minnesota from Melrose, MN, and close thereby.

Grove Township is 6 miles by 6 miles. It is a typical Midwest township. Fields of wheat, corn, some oats, and alfalfa span across the township line. In Grove Township, as in surrounding townships, the biggest topic of conversation is the economic farm crisis.

There are fewer and fewer folks attending to local board meetings. It is not because fewer folks care. It is because there are fewer farmers around.

In Grove Township, regardless of which gravel road one chooses to travel along, one will inevitably drive by an abandoned farm. Let me begin by illustrating how the farm crisis affects rural communities. I'll use Grove Township as an example.

Sometimes we have these debates, and we never talk about it in terms of people.

Reuban Schwieters—Reuban just recently quit farming. Reuban and his wife Paula and their young boys sold half of the farm. Reuban is now pouring cement at a local construction company.

The PRESIDING OFFICER. The Senate will be in order. Senators will please take their conversations elsewhere.

Mr. WELLSTONE. Mr. President, I will just keep speaking, and if you can't get order, I will get order.

Mr. President, I would say to colleagues that we could have had a 4-hour debate tonight. Colleagues wanted to go home. So I was accommodating because I think all of us want to get back for Veterans Day. We start this debate tonight about agriculture. It is taken me probably about 8 weeks to get this amendment on the floor.

I would appreciate it if colleagues would take their conversations in the back of the room outside. If we would have order in the Chamber, I am not going to speak until we do.

Mr. President, I thank the Chair.

I don't like reading about people's lives, many of whom have lost their farms, and have Senators out here on the floor and others speaking as if it makes no difference.

Reuban Schwieters—as I said, Reuban just recently quit farming. He and his wife Paula and three young boys sold half their farm. Reuben is now pouring cement at a local construction company. Bear again in mind, these loss of farms is just in Grove Township in my State of Minnesota.

Steve and Lori Sand lived about 3 miles from Reuben and Paula. Steve and Reuben went to school together. Steve began farming next to his father's farm since at that time his father Wally was not ready to retire. Steve and Lori, their three daughters, and son could not hang on to the farm. The prices were too low to maintain a household of six and still run the family farm. They moved to Cottage Grove, MN, where Steve does construction and his wife Lori is now a computer technician. Incidentally, Steve's father Wally has retired, but none of his children or grandchildren has taken over the family farm.

These are Minnesotans willing to let their names be used so I can tell their story, which is the story of what is happening in agriculture.

Allen Nathe closed down his farm and is now doing small engine repairs. Gloria Schneider sold the farm to her son Glen. Glen and his wife farmed only a few years before they sold their family farm and he and his wife and small daughter moved to Minneapolis.

Dave Feldewerd sold his farm and is also driving a truck. Mike Ellering recently sold his farm and is working construction. Danny Frieler and his family quit farming. They still live on the farm, but the barns stand hollow. Marcy Wochnik recently retired and sold her farm to her son, and her son tried for a few years before he threw in the towel. Marcy moved into a house only a mile from a farm. No one has yet purchased the farm.

I am going through the story of farmers and farm families who have quit farming in Grove Township, one township in the State of Minnesota, a small story that tells a large story of what is happening to agriculture and the "why" of the amendment I introduced tonight with Senators DORGAN, DASCHLE, JOHNSON, LEAHY, and other Senators.

Alvin and Mary Hoppe also recently sold their farm and moved off the farm. Mary commutes to St. Cloud, and her husband has been doing mechanical jobs. Their son Jason is 12 years old, but he has always been by his father's side eager to learn farming. Despite Jason's enthusiasm and interest to farm, given the current conditions in agriculture, it is difficult for his parents to recommend this occupation.

This is only a corner of Grove Township in my State. If one crosses the water, one will be in Oak Township, where I could go through another list of farmers who have also had to quit farming. About a quarter of a mile from the Grove and Oak Township line lies the small town of New Munich. Since 1996, New Munich has also declined in residents. The effects of the farm crisis are apparent just walking along Main Street. Ostendorf Grocery closed. Marvin, who is known as Bud, and his wife Rosie have moved on. Rosie commutes to St. Cloud and sells retail clothes, and Bud works at a factory. Ostendorf Grocery was a practical general store. After Sunday mass, folks from the congregation would make quick stops for any last-minute items or simply visit with Rosie and Bud. During the week, farmers often would run into town to pick up a needed ingredient or item at the store. As in most towns, Ostendorf Grocery also served as the news and information center. Rosie always knew of the current events in the area, and folks enjoyed spending a few minutes to talk to her and Bud. Gone.

Since 1996, the elementary school closed. The school closing affected the local businesses. The school also has been used for community events. Schoolchildren, particularly farm kids, now face much longer bus rides to school.

Thielen Meats will close by the end of this year. Thielen Meats was a little mom-and-pop meat shop located across from the J.C. Park. Many farmers would bring a hog or a cow to be butchered by their family. The larger shipments of livestock delivered to Thielen Meats were sold directly to residents in the town or in the surrounding area.

Kenny and Rita Revermann may also be closing the True Value Hardware store. After the school closing, the grocery store closing, and the recent news of the meat shop closing, the trips made by farmers to New Munich will grow fewer and fewer.

I have letters from farmers from Minnesota, Kentucky, Iowa, Kansas, Montana, and Missouri. Over and over again, if I had to summarize, these farmers say: We have record low prices, we have record low income, we are not going to be able to make it, it doesn't matter whether we work 19 hours a day, it doesn't matter how good a manager we are, there are economic forces that are destroying our lives.

So far, Senators have not helped. So far, we have acted as if this crisis didn't exist. This amendment tonight, which calls for a moratorium on all of these mergers and acquisitions of the huge conglomerates makes it hard for our family farmers and producers to have any leverage when they are only dealing with three buyers. If you are at an auction and you have three buyers for a product, what kind of price do you get?

This is just the first amendment. The first vote next week will be the beginning of a major floor fight over and over again until we change farm policy in the country. It is not just a question of people losing their farms, it is a question of our rural communities. When people lose their farms, it is more than just a family. We are seeing a rising incidence of divorce. We are seeing all kinds of tensions within families. We have too many suicide lines that are being used now. We have too much depression. We have too many farmers without any life insurance, too many farmers without any health insurance, too many farmers without any health and dental care, too many farmers with too little self-esteem.

Mr. LOTT. Will the Senator yield?

Mr. WELLSTONE. I am happy to yield to the majority leader.

Mr. LOTT. Mr. President, I appreciate the cooperation of the Senator from Minnesota. He has been waiting a long time to get this opportunity. We told him he would get it, and he has it.

For the information of all Senators, the Senate will now debate the pending Wellstone agriculture amendment. However, no further votes will occur this evening. I want to make that clear. We will hotline both sides so our Members will know there are no further votes this evening.

The Senate will not be in session on Veterans Day, and we will convene next on Tuesday, November 16. On Tuesday, I expect the Senate to debate and possibly complete action on any number of items arriving from the House of Representatives relative to the appropriations process and perhaps other conference reports. I will be discussing the specifics of what the schedule will be with Senator DASCHLE, and we will keep Members informed of the subject matter.

By a previous order, the Senate will conduct a vote relative to the Wellstone agriculture amendment on Wednesday of next week. I suspect additional votes will be required in order to finish the necessary items pending between the two Houses of Congress. The continuing resolution we passed will expire at midnight on Wednesday. I think that will give the Senate more than enough time for final negotiations to be completed, for the House to act, for the package to be received in the Senate, and complete action on Wednesday. However, that is a deadline I believe we can meet, and we should work to complete our work for the year by then.

We will let Senators know, of course, if there is to be a big package of votes during the day on Wednesday. We will notify Senators exactly what time that will be. Senators should be prepared for the voting to begin as early as 10 o'clock on Wednesday on the Wellstone amendment.

I urge all Senators to be patient and accommodating during the next few days of the session. I thank all Members in advance for their cooperation.

We have a number of nominations we have been working assiduously to clear on both sides of the aisle. These are judicial nominations and other nominations. We have a couple more issues we have to check on to confirm everything we agreed to has been worked out. Also, Senator DASCHLE and I have talked at great length about how to handle the judicial calendar. I think we have a fair arrangement.

I ask unanimous consent a colloquy between the two of us be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DASCHLE. Mr. President, it's my understanding that the majority leader has committed to proceeding to the nominations of Richard Paez and Marsha Berzon to the ninth circuit court of appeals no later than March 15, 2000. Is that correct?

Mr. LOTT. That is correct. I will move to proceed to each of these nominations no later than March 15 of next year.

Mr. DASCHLE. It is also my understanding that the majority leader will work to clear the remaining judges left on the executive calendar this year, and if they can't be cleared, he will move to proceed to each of the remaining judicial nominees no later than March 15 of next year. Is that also correct?

Mr. LOTT. That is my hope. In addition I do not believe that filibusters of judicial nominations are appropriate and, if they occur, I will file cloture and I will support cloture on the nominees.

Mr. DASCHLE. It's my understanding that Senator HATCH supports your view of cloture on these nominations. Is that correct?

Mr. LOTT. Senator HATCH will have to speak for himself but it is my understanding that he supports all of these nominations and will support cloture if necessary.

Mr. DASCHLE. I thank the majority leader.

Mr. LOTT. I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, tonight I speak, Wednesday I speak, and Wednesday we debate a crisis that is ravaging rural America. I started out speaking about this crisis in personal terms, in human terms. On present course, the conservative estimate is we will lose 7,000 farmers this next year, but it could be more in Minnesota. On present course, over the next couple of years we are going to lose a whole generation of producers, if we do not change our course of policy.

I do not believe family farmers in my State of Minnesota, or family farmers in America, will be able to continue to farm or will their children be able to farm, unless we change the structure of agriculture. Bob Bergland, who was Secretary of Agriculture in the late 1970s, commissioned a report called "The Structure of Agriculture." He now lives in northwest Minnesota. It was prophetic.

In the past decade and a half, we have seen an explosion of mergers and acquisitions and anticompetitive practices that have raised concentration in agriculture to record levels. Everywhere family farmers look, whether it is who they buy from or who they sell to, it is but a few firms that dominate the market.

The top four pork producers have increased their market share from 36 percent to 57 percent. The top four beef packers have expanded their market share from 32 percent to 80 percent. The top four flour millers have increased their market share from 40 percent to 62 percent. The market share of the top four soybean crushers has jumped from 54 percent to 80 percent.

The top four turkey processors now control 42 percent of production. Mr. President, 49 percent of all chicken broilers are now slaughtered by the four largest firms. The top four firms now control 67 percent of ethanol production. The top four sheep, poultry, wet corn, and dry corn processors now control 73 percent, 55 percent, 74 percent and 57 percent of the market, respectively. The four largest grain buyers control nearly 40 percent of elevator operators.

The effect of this concentration has basically been to squeeze our producers out. Our family farmers no longer have the leverage or the power in the marketplace to get a decent price. This amendment is a cry from the countryside. Everywhere I go in Minnesota and other States, farmers say: We cannot get a decent price because of this concentration of power, because of this monopoly power. We are not able to survive. When we look at the packers and we look at the grain companies and we look at the exporters and we look at the processors, they are making good profits, sometimes record profits, but we cannot get a decent price.

Farmers say to me: Where is the competition in the food industry? This amendment is an effort to put some competition back into the food industry. We are talking about an 18-month moratorium.

We are saying what we need to do is take some time out. Something is not working. We passed the Sherman Act. We passed the Clayton Act. Estes Kefauver was a great Senator who talked about antitrust action. But we have had this wave of mergers and acquisitions that have led to precious little competition. Again, these conglomerates have exercised their power over our producers and our producers cannot get a decent price.

This amendment is not the be-all or the end-all, but I say to my colleagues, if you believe in competition and if you believe family farmers ought to have a chance in the marketplace, then the very least we can do is pass an amendment that says when it comes to these large agribusinesses, these large conglomerates with $100 million and over revenue buying up a company with at least $10 million, we ought to say we are going to have a moratorium on this.

For 18 months, we set up a review commission and then we come up with recommendations and we pass some legislation that gives our producers a fair chance in the marketplace. If we pass that legislation in 2 months or 3 months, then this moratorium is no longer operative.

Built into this amendment I introduced with Senator DORGAN and other colleagues is the opportunity, if you will, the waiver that any business can file with the Justice Department, where a business can say: We have to merge or we have to buy because we are facing financial insolvency. We allow for that. But we have to pass this kind of amendment now because over and over again, every single day, we are seeing these acquisitions and mergers; more and more concentrated power, more and more concentrated power which is harmful to our producers and harmful to our consumers and harmful to America.

On present course, we are going to see a few large conglomerates that are going to control every phase of the food industry from the seed to the supermarket or grocery shelf. We are going to have a few landowners. Somebody is going to own the land and somebody is going to own the animals, but it is going to be just a few conglomerates.

That is dangerous for our country. Thomas Jefferson told us it was dangerous; Andrew Jackson told us it was dangerous; Abraham Lincoln told us it was dangerous; Teddy Roosevelt, later on, told us it was dangerous. Why are we not, in the Senate and House of Representatives, willing to pass some legislation which will promote competition, which will protect consumers, and which will give our farmers and our producers who are going under some leverage in the marketplace? This legislation is also important to the environment, to our rural communities, and to democracy.

Just yesterday the Wall Street Journal reported that Novartis and Monsanto, two of the biggest agribusiness giants, may be merging. The Wall Street Journal accurately states:

> The industry landscape seems to be changing every day.

In fact, the ground is constantly shifting beneath our feet and it soon may be too late to do anything about it. That is why we need a time out. That is exactly what this amendment calls for.

Too many corporate agribusinesses are growing fat and too many farmers are facing extinction and very lean times. Clearly, we cannot count on the current antitrust statutes and antitrust authorities to address this rapid consolidation. We are going to have to do better. We are going to have to change our laws to enable someone like Joel Klein, who is so skillful and so gifted, to be representing family farmers. Whether or not our antitrust agencies have the authority, we need to move forward. We have to develop a new farm policy and we know it is going to take some time. But we do not have much time left.

The question for Senators is, Whose side are we on? Whose side are we on?

Are we on the side of the packers and the grain companies, or are we on the side of family farmers? I mean this. I mean this very sincerely. I know, because I have heard from other Senators, that you have a lot of these big companies and they are sending in faxes and letters and they are lobbying hard.

But aren't we going to be for the producers? Aren't we going to be for the family farmers in our States? For Senators who are not from the farm States, who do you want to control agriculture? Isn't food a precious item? Should we not give these producers a fair shot? Wouldn't it be better for the environment to have family farmers? Wouldn't it be better for our rural communities? Wouldn't it enable us to continue to count on being able to purchase food at a reasonable price? Why in the world would we want to move to a corporatized, industrialized agriculture, where a few conglomerates control the whole food industry?

That is not competition. That is not Adam Smith's invisible hand. That is not the United States of America. I offer this amendment tonight with my colleagues. We will have the debate again next week, and then we will have the vote because we need to take some action.

We have to act now, otherwise there are going to be more mergers and it is going to be too late, and we are going to lose, as I said earlier, a whole generation of family farms.

I have seen some of these faxes and letters that have come in. I do not even have this in writing before me, but I can almost remember it. Some of them say: Oh, my gosh, this is a threat to co-ops.

Co-ops are not covered.

Some of these letters say: But if you want to sell your farm, then you can't sell your farm.

This does not apply to farms, it applies to these agribusinesses.

Then some say: This is going to stop all mergers and acquisitions.

That is not true either. We set up a test. There is a Hart-Scott-Rodino test right now where, if you have a big company, the Justice Department has to take a look at you to see whether or not you are in violation of antitrust laws. We are applying this to the large conglomerates and large agribusinesses.

Then there is the argument, if a company is going under this, this would prohibit them from selling or buying. That is not true either. There is a waiver with the Justice Department for companies faced with financial insolvency.

The question is whether or not the Senate is willing to take some action right now that will make a difference. I cannot think, I say to every single colleague, of any vote that we will cast when it comes to family farms and agriculture that is more telling in terms of what the Senate is about.

We have a few conglomerates. My case is compelling. They control well over 50 percent of the market. When farmers look to from whom they buy and to whom they sell, it is monopoly or oligopoly at best. They cannot get a decent price.

This amendment to the bankruptcy bill—by the way, on present course, more and more farmers will be faced with bankruptcy—let us have at least a moratorium on these mergers of these large conglomerates. Let's at least step back for 18 months, set up a commission, study this, and come up with legislation that will provide some protection for family farmers so they can get a decent price in the marketplace. If we pass that legislation in January or February, then this moratorium is no longer operative.

I come from a remarkable State. I want to quote a remarkable Minnesotan, Ignatius Donnelly. I want to quote from a speech he gave at the People's Party Convention in 1892. It reads as if it could have been written yesterday. He was an implacable foe of monopoly power. Donnelly in his speech affirmed that the interests of rural and urban labor are the same. He called for a return to America's egalitarian principles. He said:

> We seek to restore the Government of the Republic to the hands of the plain people with whom it originated.

We should do no less. If we want to sustain a vibrant rural economy and a thriving democracy, we need urgently to reform our farm and antitrust laws, and we have to act now. Time is not neutral. Time rushes on, and if we are not willing to take this action next week, time will leave many farmers behind. Now is the time to act.

Next week, I will read from letters of support from any number of different farm organizations, and I will start out with the Farmers Union, which has been so helpful in this whole effort. I especially thank Tom Buis for all of his policy work.

This may be the final vote of this session this year. This vote will be very telling for Senators who value a family farm structure of agriculture, for Senators who have seen the anguish of farmers in our rural communities, and for Senators who have seen in personal terms what record low farm prices and record low farm income means. It is important to come to the floor and fight for people.

Tonight is the first speech. Wednesday we come back with 1 hour more of debate. Between now and Wednesday, I am going to do everything I can as a Senator to make sure a lot of grassroots people in our farm States and in other States contact Senators because this is a tough fight. A lot of these large companies and a lot of their associations that represent these large companies—and I will read the names of the different organizations that are opposed to this legislation—pour in the faxes and pour in the letters. By the way, I say to my colleagues, a good part of what they are saying is not accurate.

I understand there are certain interests who give a lot of money and are heavy hitters, who are well connected and who are the players and investors, maybe too much so in both parties. I understand that a call for antitrust action or at least to call for a moratorium on these mergers and acquisitions of these large companies goes directly at that power. But the truth is—and I conclude on this note—this is but a glimpse of what is to come.

In some ways, our country today reminds me a little bit of the gilded age of the 1890s, moving into the next century. We moved into the 20th century. As we went through the 1890s, we had a tremendous consolidation of power which gave rise to the populist movement, gave rise to progressives, gave rise to Teddy Roosevelt, the Sherman Act in 1890, the Clayton Act in the teens, and then the Stockyard Act of 1921 or 1922. This feels the same way.

We have CBS being bought by Viacom. We have banks merging, a few banks, a few large insurance companies, a few airlines—concentration of power in telecommunications, concentration of power in agriculture—the list goes on and on.

I am a Senator from a farm State. I am a Senator from an agricultural State. I am a Senator from the Midwest. I am a Senator from the State of Minnesota, and when I look at the need to do something about this monopoly power and I look at the need to do something that will give our producers, our family farmers a fair shake, I cannot think of any more important action we can take than to at least have this temporary moratorium on these mergers.

Mr. President, I ask how much time I have left this evening.

The PRESIDING OFFICER (Mr. ALLARD). The Senator has 55 minutes.

Mr. WELLSTONE. Mr. President, I yield the rest of the time I have this evening to Senator HARKIN. I was going to suggest the absence of a quorum, but if my colleague from Oregon is going to speak, I will not do so. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. SMITH of Oregon. Mr. President, I rise to respond to Senator WELLSTONE, not with any personal animus at all, but to give a perspective on this issue that perhaps I uniquely can give because, I say to Senator WELLSTONE, before I came into politics, I was a pea processor.

I say to the Senator, his amendment covers everybody I know in the industry, save those who are in farm cooperatives.

Mr. WELLSTONE. Mr. President, will the Senator yield for a quick question? I have to leave to try to get back to Minnesota to mark Veterans Day, but I want to ask my colleague, is he talking about a cooperative with which he was involved?

Mr. SMITH of Oregon. I ran a stock company, a food processing company. But its ownership was not by farmers but by stockbrokers.

Mr. WELLSTONE. I see. I thank my colleague.

Mr. SMITH of Oregon. I come to the floor, I say to Senator WELLSTONE, with the same interest that he has in farmers. I care very deeply about the rural economy. I note, with great concern, what is happening to my farmer friends and the rural economy. And I simply come here, in respect, and say, while as well-motivated as I believe the Senator from Minnesota is with his amendment, it is too broad and too wrong when it comes to what we believe in in this country, which is a free market.

I look at what has affected the farmers in my area and much of rural Oregon. I know in Oregon the Asian flu had a great deal to do with a loss of markets and low commodity prices. I have watched, in horror, as this administration has attacked the grazing industry in my State, going after their grazing rights, making sure the little guy can't utilize public lands anymore. I have watched, with amazement, that in the Columbia Basin there is actually serious talk about taking out transportation systems provided by hydroelectric dams that are able to transport hundreds of millions of tons of wheat and grain inland from Idaho all the way to the Port of Portland and out into the Pacific rim. What happens to those farmers? This bill does not help at all.

I look at the Food Quality Protection Act being administered by the Environmental Protection Agency. While I support the Food Quality Protection Act, I have been one who has pled with this administration to employ good science as they review chemical tolerances. As they take away the pesticides, the herbicides that these farmers have depended upon—which have greatly contributed to their ability to be good farmers and to produce high-quality crops with low production costs—they leave farmers with no effective alternatives. This bill does not address these farmers' concerns.

I have to say that the way the Senator from Minnesota has described this day of decision with respect to farmers, I think he has forgotten that we in this Congress have already voted out $8.7 billion in emergency assistance to farmers to help tide them through this very desperate season.

Many of us have gone to the U.S. Trade Representative and pled that this time, in Seattle at the WTO meetings, agriculture not be left out. One of the predicates of the Freedom To Farm Act was that we would increase markets and we would decrease regulations. We have not done either of those things. We have diminished markets, and we have increased regulation. We have, I am afraid, perhaps cut the farmer too short a deal. That is in part why we had to send another $8.7 billion in assistance this year.

In addition to that, I have tried to help farmers with the whole issue of immigrant labor, trying to reform the H-2A program. I am amazed at the things that are said about those of us who actually believe immigrant workers should have some legal stature to be here, to do labor that they want to do and that agricultural employers need them to do if they are going to have a harvest. I have been amazed at the way that we, who are trying to improve their legal standing, are characterized by those who are in the labor shortage business.

If you want to hurt a farmer, just make sure he does not have the ability to have his crops harvested. The amendment of the Senator from Minnesota does nothing for these farmer's concerns.

I want him to know, and anyone else interested in this issue, that Senator HATCH, of the Judiciary Committee, has announced that there will be hearings on agricultural concentration so we can examine the instances where perhaps the Federal light ought to be put on a few mergers and acquisitions. We have laws to take care of those things. They need to be enforced. Perhaps they are not being enforced to the extent some would prefer. Senator HATCH's hearings I believe will get at that issue.

But the thing I would really to impress upon my colleagues in the Senate is that Senator WELLSTONE's amendment exempts farm cooperatives. I have nothing against farm cooperatives. They do a lot of business in my State, and they do a lot of good in my State. They play a very important role in agriculture. About one-third of the farmers in this country have a farm cooperative for the outlet of their production. How about the other two-thirds? The other two-thirds grow their products for stock-owned companies.

What the Senator's amendment is proposing to do is to say that in this 18-month moratorium, no market conduct, no mergers, no acquisitions can occur among stock-held companies. However, this same activity, among farm cooperatives, is no problem. That makes no sense to me. In fact, a lot of farm cooperatives buy stock companies. To me, this is just patently unfair. If we should do something this un-American, this countermarket, we should do it to all. But, frankly, let's not do it to any.

There are many ways to help the farm community without this kind of market intrusion by the Government. This really is an amendment that will ask every Senator what they believe about the free market system, not what they believe about helping farmers.

My Heavens, there is almost nothing you could bring to this floor that would actually help a farmer that I would not vote for or have tried to vote for and have taken a lot of heat for because I have voted for things that really do help a farmer to survive. But to go in and say one class of farm processors is exempt but two-thirds of you cannot participate in the free market, frankly, strikes me as strange.

I will tell you another thing that really is troubling based on my experience. I have seen many farm cooperatives be very good at producing lots of food, lots of surplus. In some instances, some have not been as good at marketing that surplus. So in a backhanded way, what we are saying is, if you organize yourself in this way, you get the benefit of the free market, but if you organize yourself as a stock company, you are limited as to how you can merge, sell, and acquire.

What does that mean to two-thirds of the farmers in this country? What does that mean to them, if their output goes to a stock food processor? It means the food processor, if he or she is in trouble, has one option because they can't sell. They can't merge. They could go bankrupt. So what have you done to help the two-thirds of the farmers in this country, if you put their outlet of production in that kind of jeopardy?

This amendment is a shotgun blast at the marketplace. I plead with my colleagues, I appeal to their commitment to free enterprise not to interfere in the marketplace in this way. This does not work. This is not fair. This is not the American way.

If there are antitrust problems, we have laws for that. If there is illegal conduct, we have laws to go after crooks. But why penalize all of the agricultural community that organizes themselves in stock companies as opposed to farm cooperatives? It makes no sense. I, frankly, don't know of a precedent for that in our Nation's history. Perhaps someone can show me one. This is not the way to help farmers. This is wrong. This penalizes hundreds and thousands of food processors who are trying to deliver to the farmer a good outlet for their product and to pay them a fair price.

I am aware of one farm cooperative this year that has said to their growers, the dollar you put in for a crop, we are going to pay you 75 cents this year. And, in this instance, all of the stock food processors are paying 100 cents on a dollar, plus the profit that they guaranteed by the contract. So we are going to punish the processor that is delivering 100 cents and more on the dollar? We are going to advantage those who are delivering less than that?

This amendment is misguided and must not pass, or we will be punishing farmers and food processors that simply do not deserve this kind of treatment from the Senate.

I rise in opposition to the amendment being brought forward by the Senator from Minnesota. While I recognize the concern among farmers in his state and mine over agribusiness concentration, I believe we would be making a profound mistake if we were to respond to the current situation by adopting this amendment today.

I, too, am concerned about the future of family farmers and American agriculture. Agriculture is one of the largest industries in Oregon. It represents more than 140,000 jobs including on-farm employment, food processing, marketing, and all the other factors that go into bringing fine Oregon produce to restaurants, grocery stores, and dining room tables around the country. It is the dominant industry in many Oregon counties, and it flourishes just a short drive from the urban centers of Portland and Eugene. So when farmers are concerned about something, I am too.

I am well aware that many people in farm country are suffering these days from another year of low commodity prices. Most of the farmers that have spoken to me about this current farm crisis believe it is mainly due to the lack of overseas market access, expensive environmental and labor regulatory burdens, and in some areas, natural disasters. For a state like Oregon that exports much of its produce across the Pacific, the recent Asian financial crisis has had a devastating impact on farmer's bottom lines. Moreover, in the Northwest especially, I have been witness to an Administration that has not been particularly friendly towards the interests of rural communities by continuously threatening long-standing grazing rights and the essential grain transportation network afforded by the lower Snake River dams.

So I have tried to be very sensitive and responsive to the needs of farmers in rural America that have fallen into something of a mini-depression while watching their urban counterparts enjoy an economic boom. Here in the Congress, we have decided to direct billions of taxpayer dollars in assistance to help tide farmers over during these lean years—another $8.7 billion was sent out to farm country this fall. I have voted for these assistance packages knowing that they are short-term fixes and that much work remains to be done to improve the long-term outlook. Part of this is improving the demand side of the equation through the expansion of trade opportunities. I have been very supportive of unilateral sanctions reform, tearing down agriculture trade barriers through the WTO, and full funding for the promotion of American commodities overseas utilizing the Market Access Program. These efforts are all vital to induce a rebound in world demand, and, eventually, a rebound for our farmer's prices here at home. An equally important part of the equation is to reduce costs of production for farmers that come in the form of excessive federally-mandated regulations. I have worked hard to overhaul the currently impractical H2A guest worker program and free farmers from INS and Social Security Administration intimidation by giving them a legal workforce. I have consistently pushed for a science-based implementation of the Food Quality Protection Act, and an even-handed review of pesticide tolerances. I believe that continued work to open market opportunities for farmers while fulfilling our promises to ease regulatory burdens—in other words keeping the Congress' promises under the Freedom to Farm bill—will be necessary in order to get the farm economy back on track.

With that said, I am also aware that many farmers in my state and around the country have reservations about the pace of change and consolidation underway in certain agriculture sectors. The meat packing and grain processing industries have seen a number of headline-grabbing mergers and acquisitions in recent years. Critics of these mergers often cite the 3% rise in consumer food prices that has come over the last 15 years while the farmer's percentage of the food dollar has simultaneously dropped 36%. Others note the high profits attained by large agribusinesses at a time when many farmers continue to suffer from historically low commodity prices. Certainly, the pace of the concentration and how it affects the bargaining power of average producers and the overall future of family farming warrant careful review by appropriate federal agencies and continued study by the Congress. I note that this issue of concentration and competitiveness in agriculture was the subject of a recent hearing in the House Judiciary Committee just a few weeks ago. In addition, Chairman HATCH just announced last week that his Judiciary Committee will be looking into this issue in a comprehensive way early next year. I also want to point out that we in the Congress, largely in response to concerns about the competitiveness within the meat packing industry, just passed a provision to the FY 2000 Agriculture Appropriations bill that requires mandatory price reporting for meat packers. So I want farmers to know that the issue of agribusinesses concentration has not gone unnoticed by the Congress.

I concur with the Senator from Minnesota that this is an important issue. However, I must respectfully disagree with his conclusion that an outright moratorium on agribusiness mergers is the right response.

His amendment would impose a moratorium on mergers and acquisitions among agribusinesses with annual net revenue or assets of more than $100 million for one party, and $10 million for the other. This would affect agriculture brokers, commission merchants, commodity dealers, agricultural suppliers such as seed and chemical producers, and food processors. This moratorium would remain in effect for 18 months or until Congressional legislation on this issue is enacted. In addition, this amendment would create a new 12 person federal panel to investigate the issue and report back to the Congress and the President. I find it remarkable that one week after tearing down barriers to mergers and increased efficiencies in the financial sector, we are now considering doing the opposite for agribusiness, an industry in part responsible for delivering the safest and most economical food supply in the world. What kind of message for American competitiveness would we be sending to the business world by placing such an arbitrary 18 month moratorium on only certain actors within a particular industry?

Unlike most people here in the Senate, I have actually run a food processing business. I have had to meet a payroll, efficiently produce a high quality product, endure all of the bureaucratic government regulations—and do it all at a competitive price the consumer was willing to pay. I had to go out there and compete in the marketplace. From my experience, I can tell you that it is a lot more competitive, at least in the frozen vegetable business, than proponents of this amendment would have you believe. I am afraid that the Wellstone amendment, which has not been subject to Senate hearings or markup in committee is overreaching and blatantly unfair to many honest business people in the agriculture sector.

We all know that revolutionary innovations have developed in technology, marketing, and food production and processing over the last one hundred years. Our country has shifted from an agrarian economy to an industrial economy to an information technology and service economy. Today American agriculture has become part of a global marketplace. This is a far cry from the turn of the century when many if not most Americans were directly employed in food production and many producers distributed their goods largely within their own local area. The agribusiness sector—from processors and brokers to suppliers and grocers—has changed with the times as well; just like the small farmer buying land from his neighbor to add production acreage, many food processors and agribusinesses have found it helpful, if not imperative, to band together to meet the challenges of the new economy and, ultimately, the demands of the consumer.

It is demand of the consumer that I believe is a large reason for the growing disparity between the food dollar paid at the retail level and the cash received by farmers for their crops. Today's consumer is demanding greater convenience, enhanced nutritional value, choices in packaging, low fat and nonfat products, faster and easier to prepare items—all values usually added to the product after it leaves the farm. In addition, all of these new products have to be marketed in some way so that the customer knows they are available and attaches values to the brand names. And, of course, these products must be offered at a price the consumer is willing to pay.

There are a host of reasons why companies find it in their best interest to merge or why one company agrees to be acquired by another. Certainly, any of my colleagues that have experience in the business world understand that there are occasions when businesses, searching for the greatest efficiencies and competitive advantage, find the need to sell an underperforming or unprofitable division. There may be another business out there with the right mix to take these divisions on and make them efficient and profitable. In some instances, businesses that are failing would have to close their doors altogether if there is no willing buyer to come in and restructure the company. If there is no buyer for these businesses, the alternative is simply to see these jobs lost. This ability to adjust to the market and the changing demand of consumers is a fundamental component of our free enterprise system. Now, I am aware that a provision of the Wellstone amendment might allow businesses in severe financial distress to request a waiver from Janet Reno, but that option strikes me as especially bureaucratic and time-consuming.

Despite their portrayal as the oppressor of family farmers, many agribusinesses are family-owned operations or small businesses. Although $10 million in assets or annual sales sounds like a lot, when considering the capital-intensive nature of many of these food processing and support businesses, it is not an uncommon threshold to surpass. Many of these business-owners and entrepreneurs are depending on their businesses to serve as their nest egg for retirement. The Wellstone proposal would prevent an unknown number of families in these circumstances from selling their business to whom they pleased.

Even worse, the Wellstone proposal only applies to certain agribusinesses—it specifically exempts agriculture cooperatives. Many co-ops are large agribusinesses in their own right that have also acquired smaller companies in recent years. Yet, under the Wellstone amendment, they would be in direct competition with other agriculture businesses and free from the requirements of this moratorium.

Mr. President, with this proposal, you would be led to believe that the Justice Department has failed to uphold our federal antitrust laws. However, that has not been the case. In the case that set off much of the concern in the first place, the Cargill-Continental Grain acquisition, the Department of Justice allowed the deal to go through only after the companies divested four port elevators, four river elevators, a rail terminal, and made a number of other concessions to enhance competition. The Justice Department intervened and required similar divestiture before approving the Monsanto Corporation's acquisition of DeKalb Genetics Corporation, ensuring continued competitiveness in the genetically-modified seed industry. Another announcement came just last week with respect to the merger of New Holland and Case Corporations, major farm equipment suppliers. I know the definition of supplier in this amendment exempted farm equipment, but many farmers were concerned about the potential implications of this merger, nonetheless. In this case, the Justice Department again required divestitures on the part of both companies. So, I think the evidence is clear that the administration is looking at these merger proposals, and looking fairly carefully at what impacts they may have in the market, and enforcing federal antitrust law. Coming on the heals of last Friday's well-publicized victory for the Antitrust Division, I find it astounding that there are those that would imply this is an agency that is sleeping on the job.

In closing, I believe the matter at hand is a simple one. Mr. President, the Wellstone amendment is the wrong answer to the wrong question. This isn't the key to farm recovery—that lies with expanding trade opportunities, government regulatory relief, and fulfilling our promises under Freedom to Farm. And this is not even the way to solve any flaws that may exist with our current antitrust laws. Those solutions must be developed with the scrutiny and public hearings of the Judiciary and Agriculture Committees. Do we want to set a precedent today by placing this kind of moratorium on business activity for one particular industry and treat them differently than all other businesses? Do we want to take a sweeping and unprecedented step of pushing a merger moratorium on an unknown number of businesses that play key roles in our food chain? I hope my colleagues will agree with me that the correct answer to both questions is no and that the prudent step to take here is to accept Chairman HATCH's offer to have comprehensive hearings on the matter early next year and take subsequent appropriate action in a way that is fair to our farmers, our businesspeople, and our consumers, alike. I urge my colleagues to join me in opposition to the Wellstone amendment.

I yield the floor.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, the face of American agriculture is being changed dramatically by the quickening pace of mergers, buyouts, takeovers and vertical integration. Over the years, farm families have survived bad weather and ups and downs in the markets. They have adapted to new technologies, new ways of buying production inputs and new ways of marketing what they produce.

But today farm families are being hit by a tidal wave of economic concentration and consolidation that is threatening their survival in a way that is unlike anything in the past. The pace of consolidation is being driven even faster by the disastrously low commodity prices of the past couple of years. These are deeply troubling times for anyone concerned about the future of the family farm—and we are quickly running out of time to turn things around.

Senator WELLSTONE's amendment, of which I am a cosponsor, is vitally necessary because I believe that we need a time-out from the headlong rush towards ever greater economic concentration and consolidation in agriculture. All this amendment does is put a hold on mergers and acquisitions involving large agribusiness firms for a period of 18 months or until legislation is in effect addressing market concentration in the agricultural sector, whichever comes first. So it can't be longer than 18 months.

All this amendment is saying is that we have to take a pause to get a handle on the mergers and acquisitions in agriculture that I believe have gotten out of hand and out of control. Some will say the amendment goes too far, as my friend from Oregon just said. But I think the merger mania in agriculture has gone way too far already. We must act before the family farm is driven to total extinction.

I tell my colleagues, there is no more critical issue to the farm families of America than the rapid and sweeping changes taking place in the economic structure of agriculture. It is an issue that I believe overshadows even the record low commodity prices that are devastating rural America. Farm families and their communities have their backs against the wall, and they are fighting for survival. They are being overrun by economic forces far more powerful than they are. The least we can do is to provide a time-out before it is too late.

Far too little attention has been paid to the tremendous consequences of transforming American agriculture from a system of independent family farms to one based on the corporate industrial model. Ever greater economic concentration in the food and agricultural sector affects not only farm families and rural communities. Everyone eats. Consumers ought to ask whether they will enjoy the same high-quality food at reasonable cost if our food supply is in the hands of a few corporate giants instead of many thousands of family farms.

Make no mistake about it, the sweeping consolidation in the food and agricultural sector is not about productive efficiency. When it comes to efficiency, nobody beats the independent family farm. What is taking place is about the corporate bottom line: stock deals, positioning in the market, and capitalizing on economic power. Is it in the best interests of this country to have a food and agricultural system dominated by the principles and standard operating procedures of Wall Street? Does it make any sense to continue down a path of ever increasing economic power and consolidation among agribusiness firms while family farmers are driven off the land?

The underlying principle of our Nation's antitrust laws is that we are all better off with a system of full, free, and fair competition in the markets. The rapidly growing economic concentration in the food and agricultural sector stands this principle on its head. We have to ask why the antitrust laws on the books are not working to stem the tide of economic concentration in agriculture.

Now, the speaker before me—I listened carefully—said over and over again that we shouldn't be interfering in the marketplace. Well, there are times when we must interfere in the marketplace because unbridled exploitation of the marketplace leads to concentration, undue economic power, and monopoly practices. If you don't believe me, look what has happened with Microsoft. Why did we have the Clayton and Sherman Antitrust Acts in the first place? Because unbridled economic power led to more and more concentration, more and more monopolies, and less and less competition.

I believe in the marketplace, but the marketplace must be tempered. The marketplace must be tempered by adequate rules and regulations and laws that keep one party from becoming so big it can squash out all effective competition. So to say we shouldn't interfere in the marketplace is to fly in the face of what our stated policy has been for the last century in America.

We do interfere in the market. We interfere in the market to try to keep it a free and open and fair and competitive market. Otherwise, let the big get bigger, let them buy out everybody else, and let them squash competition. Why bring a case against Microsoft? Because I think it is being shown that Microsoft is engaging in anticompetitive behavior to squash out competition so that they can charge the consumers what they want to charge for what they offer, not what competition in an open market would bring to the consumers of software, but whatever Microsoft wants to charge for what they choose to sell because they can effectively squeeze out everyone else.

I don't buy the argument that we have to keep our hands off of the market. We tried that in the past, and it brought us to the brink of ruination. So you have to have interventions periodically. I think where we are in agriculture now begs us for that kind of intervention.

Now, there is one other important aspect of this amendment. It sets up an Agriculture Concentration and Market Power Review Commission to take a close look at economic concentration in agriculture and to make recommendations on changes in antitrust laws and other Federal laws and regulations in order to ensure that there is a fair and competitive marketplace for family farmers and rural communities.

Again, in that connection, I want to say that the present Justice Department has been the most active in the area of antitrust enforcement in agriculture of any Justice Department in my experience in Washington. So I commend the Attorney General and especially commend assistant Attorney General Joel Klein for bringing new life to antitrust enforcement in agriculture and elsewhere. Incidentally, I congratulate Mr. Klein for his wisdom and judgment in taking on the Microsoft case, because I believe if this case had not been pursued, Microsoft would have gotten even bigger and bigger, and more and more of any competition would have been snuffed out. I think this case is going to help consumers.

But the Justice Department can only do so much under the present state of our antitrust laws. We must keep in mind that the antitrust laws on the books were written around the close of the 19th century, and we are now at the beginning of the 21st century. The economic structure of agriculture and agricultural businesses has changed dramatically in the intervening years. In addition, there have been many court decisions interpreting and applying the general language of the Sherman and Clayton Acts. Those decisions, quite frankly, have not all been favorable to the strong antitrust enforcement that I believe we need in the area of our food and agriculture system.

So, at the end of this century, almost 100 years after the Sherman and Clayton Acts and after court decisions that I believe have interpreted these laws in ways that are inimical to the best interests of family farms, this amendment will put a brake on the category of large agribusiness mergers and acquisitions for a period of time, 18 months, so we can have a careful review of economic concentration in agriculture and of what need we have for changes in the law to ensure a fair and competitive marketplace in agriculture.

There is a lot of rhetoric flying around about sustaining the family farm in this body. This amendment allows us to address the greatest threat to the survival of family farms now existing. This amendment provides for a pause, a breathing spell, so family farms are not driven to extinction before we can even get a handle on what has happened.

I urge my colleagues to support the amendment.

I yield the floor.

Mr. Presdient, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DASCHLE. Mr. President, I wanted to come to the floor for just a moment to express my support for the Wellstone amendment, as well. I commend the distinguished senior Senator from Minnesota, as well as the Senator from Iowa, for their work and for the effort that this amendment represents.

Basically, this amendment has a very simple purpose. It is simply to take a deep breath, take a close look, and to give careful thought to what is happening in agriculture today. We all espouse the free enterprise system. We all say that we are enthusiastic advocates of real competition, which is really the essence of the free enterprise system—competition. We all express our grave concern when we find circumstances within the economy that are not competitive. Yet, as we look at agriculture today, as we look at the tremendous economic power now represented in fewer and fewer companies, with more and more mergers underway almost weekly, one has to ask, how much is enough? When do we undermine the very tenets of free enterprise by continuing to look the other way when these mergers are announced? We see it especially in livestock. The latest announcement that Smithfield Corporation will be acquiring Murphy Farms illustrates the point. There are fewer buyers. There are fewer processors. There are fewer options. There are fewer and fewer competitors.

Mr. President, when that happens, we reach a point where there is no competition. I am not one who is prepared today to say that there is collusion in the market, that there is something illegal going on in the market; but I am prepared to say today that what is happening in the market is not healthy for agriculture. What is happening in the market goes the wrong way from competition. What is happening in the market today precludes real opportunities for producers to be able to ensure a fair price, a real opportunity in the marketplace, a real sense of competition.

I was just told again last week that in many places in South Dakota, a buyer will tell you that he will be in a location for one day for as little as one-half hour, and if you want to be able to sell your cattle to that buyer, you have to be there in that half hour's time, on that appointed day, or you don't sell cattle that week. I don't know how that is competition. I don't know how we can say today this is the free enterprise system that we all defend and espouse. What is free enterprise when you have one buyer and all these producers lined up to sell, almost supplicating themselves to that buyer? That isn't free enterprise. That isn't what we say agriculture is supposed to be. Most important, that isn't ever going to allow us the confidence that we need as we look to the future and encourage young people and encourage rural people to stay where they are. They need more confidence and more assurances than what we are giving them today.

So this amendment is really pretty simple. It just says, let's take a deep breath, let's not do anymore until we have had a chance to analyze whether or not our fears are being realized, whether or not we really have any legitimate basis for concern, whether or not the situation is going from bad to worse. That is all we are saying. Once it happens, it can never be undone. I doubt very much that we will ever go back and say, OK, we are going to break up these companies, because that is the only way it is going to assure that we have the kind of competitive environment that we need. I don't think that is in the offing in the short term. So while we still have a chance to put everything on hold, to analyze whether or not this is good, why not simply say, let's take a deep breath.

I personally don't believe that we ought to be content with just this. I really worry about whether or not vertical integration in agriculture ultimately is going to destroy the young family farmer, or the livestock producer. Once you have the processor in charge of every step from to table, then you really don't have competition. More and more, that seems to be the approach the large processors are taking—get involved in production, get involved in transportation, get involved in wholesaling, get involved in retailing, get involved in every single aspect from top to bottom. I am concerned about vertical integration.

It seems to me that when we made the decision to break up the old telephone company back in the early 1980's we created a competitive explosion the likes of which we never imagined, and from which we are still benefiting today. We see things that are happening today that make other countries' heads spin. We broke up a large company, and we made progress the likes of which we could have never have anticipated. I would love to see the kind of competition, the kind of excitement, the kind of enthusiasm in agriculture as we now see in telecommunications.

Mr. President, I am hopeful that we will send the right message. I am hopeful that we can simply say, Look. At the very least, let's stop before we allow this to go any further for just a few months—18 months. Let's make some good decisions, and calculate whether or not this is good for the country and good for the agriculture industry.

I think it is a good amendment. I support it.

I yield the floor.

I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2648

(Purpose: To protect the citizens of the State of Vermont from the impacts of the bankruptcy of electric utilities in the State)

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the pending amendment be laid aside, and I call up amendment No. 2648, and ask that the amendment be agreed to, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa (Mr. GRASSLEY), for Mr. JEFFORDS, proposes an amendment numbered 2648.

The amendment is as follows:

At the end, add the following:

TITLE —PROTECTION FROM THE IMPACT OF BANKRUPTCY OF CERTAIN ELECTRIC UTILITIES

SECTION 01. SHORT TITLE.

This title may be cited as the "Emergency Imported Electric Power Price Reduction Act of 1999".

SEC. 02. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the protection of the public health and welfare, the preservation of national security, and the regulation of interstate and foreign commerce require that electric power imported into the United States be priced fairly and competitively;

(2) the importation of electric power into the United States is a matter vested with the public interest that—

(A) involves an essential and extensively regulated infrastructure industry; and

(B) affects consumers, the cost of goods manufactured and services rendered, and the economic well-being and livelihood of individuals and society;

(3) it is essential that imported electric power be priced—

(A) in a manner that is competitive with domestic electric power and thereby contribute to robust and sound national and regional economies; and

(B) not at a rate that is so high as to result in the imminent bankruptcy of electric utilities in a State; and

(4) the purchase of imported electric power by the Vermont Joint Owners under the Firm Power and Energy Contract with Hydro-Quebec dated December 4, 1987—

(A) is not consistent with the findings stated in paragraphs (1), (2), and (3); and

(B) threatens the economic well-being of the States and regions in which the imported electric power is provided contrary to the public policy of the United States as set forth in the findings stated in paragraphs (1), (2), and (3).

(b) PURPOSES.—The purposes of this title are—

(1) to facilitate the public policy of the United States as set forth in the findings stated in paragraphs (1), (2), and (3) of subsection (a);

(2) to remove a serious threat to the economic well-being of the States and regions in which imported electric power is provided under the contract referred to in section 02(a)(4); and

(3) to facilitate revisions to the price elements of the contract referred to in section 02(a)(4) by declaring and making unlawful, effective 180 days after the date of enactment of this Act, the contract as it exists on the date of enactment of this Act.

SEC. 03. UNLAWFUL CONTRACT AND AMENDED CONTRACT.

(a) IN GENERAL.—Effective on the date that is 180 days after the date of enactment of this Act, the contract referred to in section 02(a)(4), as the contract exists on the date of enactment of this Act, shall be void.

(b) AMENDMENT OF CONTRACT.—This title does not preclude the parties to the contract referred to in section 02(a)(4) from amending the contract or entering into a new contract after the date of enactment of this Act in a manner that is consistent with the findings and purposes of this title.

SEC. 04. EXCLUSIVE ENFORCEMENT.

(a) IN GENERAL.—Only the Attorney General of a State in which electric power is provided under the contract referred to in section 02(a)(4), as the contract may be amended after the date of enactment of this Act, may bring a civil action in United States district court for an order that—

(1) declares the amended contract not consistent with the findings and purposes of this title and is therefore void;

(2) enjoins performance of the amended contract; and

(3) relieves the electric utilities that are party to the amended contract of any liability under the contract.

(b) TIMING.—A civil action under subsection (a) shall be brought not later than 1 year after the date of the amended contract or new contract.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 2648) was agreed to.

Mr. LEAHY. Mr. President, in reference to the bankruptcy bill, I am pleased that the Senate has offered the managers' amendment. It greatly improves the underlying bill and will improve the suggestion from both sides of the aisle.

I am pleased we passed the Kohl-Sessions-Grassley-Harkin amendment on homestead exemption.

I wish the drug amendment, which was adopted by a 50–49 vote earlier this afternoon, had not been agreed to. I think it was the wrong direction to go. But the Senate voted.

I regret that the Senate rejected the Dodd amendment. But I note that with the efforts of the Senator from Iowa and the Senator from Utah, the Senator from New Jersey, Mr. TORRICELLI, and myself, we narrowed the number of amendments from over 300 to approximately 30. We are working through them.

I should note just for the schedule that we have a number of Democrats who have offered short time agreements on their amendments to expedite getting their votes.

I thank Senators FEINSTEIN, SCHUMER, and DODD for their cooperation in getting very short time agreements on their amendments. I compliment the Senator from Iowa. He and his staff worked with me and my staff, as well as Senator HATCH and Senator TORRICELLI. We have cleared out an awful lot of what looked to be a totally unmanageable bill with the number of items we had before us.

I yield the floor.

Mr. HELMS. Mr. President, protecting America's children, our most vulnerable future leaders, is one of the highest obligations of government. Foremost among the reasons for waging a war on illegal drugs is the threat drugs pose and the damage they inflict on the children of America.

At the core, it has always been understood that drug policy is primarily a federal responsibility. The vast majority of illegal drugs consumed in the United States are produced outside of our borders, smuggled into the country, transported across state lines, and distributed via a complex multi-faceted criminal network. If we hope to combat the spread of this cancer effectively, the federal government simply must take the lead role.

The able Senator from Georgia, Mr. COVERDELL, expressed that view well when he said:

> [W]hile our schools are the responsibility of states and local communities, the federal government has a responsibility to lead. . . . We must act now to ensure that every child has the opportunity to learn in a safe and drug-free school. . . . The message we send our children on drugs is a real problem. When the message is anything short of zero tolerance for drugs, we encourage drug usage by kids.

Mr. President, I agree absolutely. This recognition led me, along with several other Senators, to introduce a bill in the past two Congresses to extend the provisions of the Gun-Free Schools Act to illegal drugs. A modified version of that bill was also introduced as an amendment to S. 254 earlier this year; that version was unanimously agreed to by the Senate.

Today, I am reintroducing that amendment as part of the Hatch-Ashcroft-Abraham drug amendment, of which I am a proud cosponsor.

I am thankful for the opportunity once again to allow Senators to go on record in support of the eradication of illegal drugs from our classrooms. Simply put, my amendment conditions receipt of federal education funds on state adoption of a policy of "zero tolerance" for student drug dealers. By zero tolerance, my amendment would require that drug traffickers be expelled from school for not less than one year.

Anyone who thinks this policy unduly harsh should consult the 1998 CASA National Survey of Teens, Teachers and Principals. Prepared by the National Center on Addiction and Substance Abuse at Columbia University under the direction of President Carter's former HEW Secretary, Joseph Califano, the report states under the heading "Drug Dealing in Our Schools":

> For too many kids, school has become not primarily a place for study and learning, but a haven for booze and drugs. . . . Parents should shutter when they learn that 22% of 12- to 14-year-olds and 51% of 15- to 17-year-olds know a fellow student at their school who sells drugs. . . . Indeed, not only do many of them know student drug dealers; often the drug deals take place at school itself. Principals and teachers may claim their schools are drug-free, but a significant percentage of the students have seen drugs sold on school grounds with their own eyes. . . . In fact, more teenagers report seeing drugs sold at school (27%) than in their own neighborhoods (21%).

The report goes on to detail that students consider drugs to be the number one problem they face, that illegal drugs are readily available to students of all ages, and that illegal drugs are now cheaper and more potent than ever before. According to CASA, "one in four teenagers can get acid, cocaine or heroin within 24 hours, and given enough time, almost half (46%) would be able to purchase such drugs." Clearly, eliminating illegal drugs from America's classrooms is a required first step to restore order.

Impossible to calculate—the ill effects, disruptions, and violence associated with the drug trade are not limited to those who are active participants. The lives and futures of children who want to learn are often sacrificed by those disruptive students who seek to victimize their classmates.

A clear link between school violence and drugs was found by the PRIDE survey, conducted by the National Parents' Resource Institute for Drug Education, when it reported that:

> Gun-toting students were 23 times more likely to use cocaine; gang members were 12 times more likely to use cocaine; and students who threatened others were 6 times more likely to use cocaine than others.

The connection between drugs and school violence is apparent.

Mr. President, the devastation wrought by illegal drugs crosses all geographic, political and economic boundaries. It is not confined to a region of the country or a class of individuals. As one example, according to the North Carolina State University's Center for the Prevention of School Violence (a remarkable organization that tracks the incidence of school crime in North Carolina and suggests preventative measures), "possession of a controlled substance" has been either the first or second most reported category of school crime in my home state for the past four years. Regrettably, I suspect that many other states share that dubious distinction as well.

In recognition of the federal obligation to foster safe schools, the Congress passed and the President signed the Gun-Free Schools Act in 1994. Many commentators have, at least in part, credited that act with reducing the number of guns brought to our schools.

It is time to provide a logical and common sense extension of that act by focusing not merely on the gun but on why students take guns to school in the first place. We must acknowledge that many children take guns to school either because they are involved in illegal activity or because they seek to protect themselves from those who are. A comprehensive effort to rid our schools of weapons must eliminate the reasons why students arm themselves not merely prohibit the possession of weapons.

This realization is not lost on those who are on the "front lines" of our war on drugs. When surveyed, students, teachers, and parents express overwhelming support for the adoption of a zero tolerance policy for drugs at schools. In fact, the closer they are to the problem, the more enthusiastic they are in support of zero tolerance.

For example, the CASA study that I mentioned earlier found that 80% of principals, 79% of teachers, 73% of teenagers and 69% of parents support zero tolerance. Additionally, 85% of principals, 79% of teachers, and 82% of students believe this policy effective at keeping drugs out of schools and believe that adoption of the policy would actually reduce drugs on their campus. In conclusion, the CASA report stated:

> If these students believe them [zero tolerance policies] so effective, these policies must make an impact on their decisions to not bring drugs on campus. Given this, it seems that schools . . . should implement and strictly enforce zero tolerance policies.

Mr. President, this policy is firm but fair. The drug trade and its violence have no place in America's schoolhouses. Schools should be a safe haven for our children, fostering an environment that is conducive to learning and supportive of the vast majority of students who are eager to learn. At the very least, our children and teachers deserve a school free of fear and violence.

President Clinton, in his 1997 State of the Union address, stated "[W]e must continue to promote order and discipline, supporting communities that remove disruptive students from the classroom, and have zero tolerance for guns and drugs in schools." Echoing that view, Texas Governor George W. Bush, in a major education speech last week, called for zero tolerance policies for disruptive students, stronger enforcement of federal laws on bringing guns into schools and greater accountability from schools that receive federal money for drug and safety programs.

Mr. President, it is obvious that the need to set high standards to protect our children from the scourge of illegal drugs should be a subject of broad bipartisan consensus. I hope that the Congress will heed President Clinton and Governor Bush's calls and that the Senate will once again send a strong signal to all that we intend to give our children the support they need to grow up safe and drug-free.

● Mr. McCAIN. Mr. President, I regret that I was unable to be here for the votes yesterday on the minimum wage.

In the past, I have opposed increases in the minimum wage because of my concern about the impact on small businesses, as well as the combined effects of the 1996 minimum wage increase on jobs and the economy. Many small enterprises operate on a very thin margin, and the imposition of additional costs could result in the closure of businesses and the loss of jobs. Such an outcome would serve only to hurt the very people we are trying to assist.

I understand how difficult it is to make ends meet in today's economy. Many families are struggling and many small business people who create the vast majority of new jobs are clinging to solvency. I believe Congress must work to enact measures to strengthen the small business sector, bolster job creation, and enhance job security, including further responsible tax and regulatory relief.

I oppose the Kennedy amendment because it combines a minimum wage increase with an additional tax burden on the very businesses that will face higher personnel costs. I support the Domenici amendment to incrementally increase the minimum wage because it also provides real tax and regulatory relief for small business owners who may be adversely affected by the additional costs they will incur.

The Domenici amendment allows minimum-wage workers to earn a better living. At the same time, it provides $18.4 billion in tax relief over five years to small business people across America to help them offset the increased employee costs of this minimum wage increase. Small businesses will now be allowed to increase their expensing to $30,000, and benefit from a permanent extension of the Work Opportunity Tax Credit and a repeal of the temporary Federal Unemployment Tax Act surtax. Furthermore, this amendment allows 100-percent deduction for self-employed health insurance, phases in health-insurance and long-term care above-the-line deductions, and makes pension reform proposals to increase employees' financial security. This tax relief is entirely paid for by closing corporate tax loopholes in the first year and then using a small portion of the projected non-Social Security surplus in the ensuing years, without dipping into the Social Security Trust Fund.

One aspect of the Domenici amendment that troubles me is the increased deductibility of business meals and entertainment costs. I have always opposed allowing a tax deduction for the so-called "three-martini power lunch" for corporate executives, although this amendment limits the benefits of this tax deduction to small businesses and self-employed individuals. I question whether this tax deduction is the highest priority of small businesses, or whether there are other more broadly beneficial tax breaks that could have been included in this bill to assist those businesses most likely to be affected by the minimum wage increase.

Mr. President, because the Domenici amendment combines a $1.00 increase in the minimum wage with tax and regulatory relief to offset the negative impact of increased personnel costs on small businesses and the economy as a whole, I would have voted for the amendment.●

MORNING BUSINESS

Mr. GRASSLEY. Mr. President, for the leader, I ask unanimous consent that there be a period for the transaction of routine morning business with Senators permitted to speak up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

HONORING VETERANS DAY

Mr. BYRD. Mr. President, as daylight hours shorten and brightly colored leaves fall from the tree branches, we gradually descend into the winter season. The master hand of nature, after painting the hills glorious colors, leaves us with a chilly palette of greyer skies, leafless trees, and a long wait before the spring blossoms emerge from their underground bulbs. Although we may feel the bounce in our step that a crystal clear, crisp-aired fall day can bring, with the sun shining brightly as it makes its low arc across the sky, we are reminded during this time of the year of the cycles of the natural world. We are reminded that all too soon, we will be in the quarter of the year naturally suited for hibernation—a season, despite festive gatherings, associated with the death needed for renewal. During this season we celebrate Veterans Day to honor veterans who, with their death and sacrifice, have renewed and sustained the freedom and promise of our great republic.

Each year at the eleventh hour of the eleventh day of the eleventh month we celebrate the end of the fighting in Europe in 1918 that ended the Great War. When I was a boy, we called this day Armistice Day in honor of the Armistice between the Allies and the Central Powers that ended the horrible trench warfare that had torn Europe apart. In 1926, Congress proclaimed that Armistice Day would be celebrated yearly with an annual observance of "thanksgiving and prayer and exercises designed to perpetuate peace through good will and mutual understanding between nations."

After World War II, on June 1, 1954, Congress approved the Veterans Day Act that changed the name of Armistice Day to Veterans Day. I am the only Member of Congress who was serving in Congress at that time who is still serving today. Officially, on Veterans Day, we celebrate and recognize the sacrifices of our nation's soldiers, sailors, and airmen to protect our freedoms during all of the wars and conflicts involving the United States. That same year, President Eisenhower declared that on Veterans Day, Americans should "solemnly remember the sacrifices of all those who fought so valiantly, on the seas, in the air, and on foreign shores, to preserve our heritage of freedom, and let us reconsecrate ourselves to the task of promoting an enduring peace so their efforts shall not have been in vain."

From the beginning of our nation, America's sons and daughters have been ready to answer a call to duty. In particular, West Virginians have a proud enviable record of service to this country in the perilous times of war and conflict. Of the twenty-five million living veterans, one-hundred-ninety-thousand reside in the great State of West Virginia. More than ten-percent of the people of West Virginia are veterans who have served our nation proudly—that is more than ten of every one-hundred West Virginians. This tradition of dedication to serving is something I am proud of as a West Virginian. Through the turmoil and change of the twentieth century, one thing has remained constant—the dedication and commitment of our veterans to the survival and strength of this nation.

Largely through the might of our Armed Forces, the United States enjoys an unprecedented position of international leadership. Yet, the promise of lifelong health care that this country made to our men and women in uniform has been threatened, not by the aggression of a foreign power, but by inadequate funding. Caring for America's veterans is an ongoing cost of war. As America's veterans grow older, they require increased dependence on health care services. But, the Department of Veterans Affairs cannot be expected to provide the necessary care which veterans will need in Fiscal Year 2000, at the Fiscal Year 1999 level for veterans health care services. Veterans should not be expected to wait in longer lines, and travel farther for services. They must be provided quality service. If we fail in this obligation, how can we justify sending more and more young service members into harm's way? How can we expect our children and grandchildren to volunteer for military service in the future, if we are not prepared to keep promises to veterans today?

This year the budget came dangerously close to failing to provide for health care that veterans need and deserve. The Department of Veterans Affairs warned many veterans that they might not be eligible for veterans medical care services in Fiscal Year 2000. The strong need for quality medical care for veterans, and a sense of duty to these men and women who valiantly served, caused me to work very hard to meet the funding level for veterans' medical care recommended by the Senate Committee on Veterans Affairs—some $1.7 billion above the Administration's budget request. I would like to thank my colleagues who supported my efforts to raise the funding level for veterans medical care to $19 billion for Fiscal Year 2000. This level of funding will enable the VA to continue to provide quality health care to veterans, and will prevent the kinds of cuts in services that many veterans feared would place their eligibility for care in question.

As a nation, we are good about honoring our war dead, with memorial days such as Veterans Day, and with memorials of stone that dot our capital and other towns and cities across the country. We need to be as good to our living veterans. Today, many of our veterans are still affected by the time they spent in service. We can best honor them by continuing to provide a high quality of medical care. We can also honor our veterans by continuing to search for answers to questions of service-related injury, and by providing for those who have experienced such injuries. We must also work to prevent such injuries from recurring. For instance, we must remain committed to pin-pointing the cause of the illness of Gulf War Syndrome. Recent reports issued by the Department of Defense indicate that certain substances our military men and women were directed to take during their service in the Gulf War cannot be ruled out as causes for this syndrome. We must continue to focus our attention on narrowing in on the cause of the symptoms experienced by more than one-hundred thousand Gulf War Veterans.

So, this year on Veterans Day, let us reflect on the men and women who have valiantly served our Nation, both living and dead. Upon reflection, we should realize the need to recommit ourselves to honoring veterans, not only with unfurled flags and patriotic up-tempo marches but also by serving them as they have served our nation. As the leaves fall from the trees, and our veterans age and pass on, we must remember that what has always kept the tree of liberty safe and strong through the frost and chill of many brutal winters is the commitment of our veterans to nourish the roots of freedom.

Mr. DOMENICI. Mr. President, I rise today to salute the selfless men and women who have sacrificed so much in order to secure and protect the freedoms that we, as Americans, enjoy today. Volunteering one's body and mind without thought of consequence in order to safeguard the ideologies our country holds dear, is the utmost act of patriotism. Today we recognize the importance of the hardships endured by our Nation's veterans to preserve peace and freedom.

As a Senator from New Mexico, I take great pride in the fact that New Mexico has among the top ten highest per capita military retiree populations in the Nation and honor the prominent contributions they have made towards the preservation of our great Nation.

During World War II, members of the 200th and 515th Coast Artillery, better known as the New Mexico Brigade, repelled Japanese attacks for 4 months before being overwhelmed by disease and starvation. Following the ensuing capture, the survivors of the battle were subjected to an 85-mile "Death March." These men were then held for more than 40 months in Japanese prisoner of war camps. Of the 1,800 men in the New Mexico Brigade, less than 900 returned home and a third of those who did died within a year of returning to the U.S. The bravery exhibited by the New Mexico Brigade is characteristic of the men and women that comprise our Armed Forces.

As a nation, we have an obligation to provide for those who have risked everything to the benefit of all. I am pleased that this session of Congress has produced legislation which will increase funding for veterans health care by $1.7 billion to a total of $19.6 billion for fiscal year 2000. However, we need to remain vigilant in our commitment to provide for those who are charged with the considerable task of defending this country from potential adversaries.

Today I would like to pay tribute to our veterans and I am sure that my colleagues will join me in honoring these valorous men and women for their dedicated service to our great Nation.

Mr. KENNEDY. Mr. President, one day a year, on Veteran's Day, America pauses to recognize the sacrifices and the contributions of our veterans. We express our gratitude to all those who have served our nation so well. For all of the veterans being honored tomorrow, I salute you for your service and your dedication to our country.

All veterans deserve our gratitude for their service. But it is especially fitting that we take special notice of the nation's World War II and Korean War veterans.

America is losing 1,000 of its World War II and Korean War veterans every day. As they pass, so does our opportunity to pay tribute to them directly.

Tom Brokaw has called the World War II generation the "Greatest Generation." He captured the essence of this generation in his recent book by that name. As he stated:

> The World War II generation came of age during the Great Depression and the Second World War and went on to build modern America—men and women whose everyday lives of duty, honor, achievement, and courage gave us the world we have today.

The World War II generation and the size of its veteran population are unique in American history. Sixteen million Americans served in World War II from 1941 to 1945.

That war united all Americans—men and women; blacks and whites; rich and poor; old and young. My oldest brother Joe gave his life, and Jack served with great courage on PT–109 in the Pacific.

As much as we owe the World War II generation, we are still waiting for the construction of a national memorial in Washington to their service. At last, a site on the Mall has been selected and a design has been chosen for the National World War II Memorial. We owe it to these extraordinary veterans to complete it without delay, so that as many of our World War II veterans as possible can see the nation's enduring monument to their service.

We also honor these veterans by ensuring they receive the hard-earned benefits they so eminently deserve. I remain concerned about the health care budget of the Veterans Administration. Health costs continue to rise and the budget has not kept pace. We have an ongoing responsibility to provide every veteran with adequate heath care. This year's VA budget includes a 1.7 billion dollar increase, and we must continue to do all we can so that veterans receive their fair share in each year's budget.

In addition, as the number of older veterans continues to grow, the Veterans Administration must find a way to provide long-term care. The VA published an advisory report on this issue last year, but their recommendations were far from adequate. We need to pursue this issue next year, and develop more specific initiatives.

Another challenge we face is to deal with the increasing concern that today's generation is estranged from the military. Only 6 percent of people under the age of 65 have ever served in the armed forces. Compare that with the fact that half of men over 50 have had at least two years of military service. In the years ahead, when we no longer have the Greatest Generation—The World War II Generation—as our model, we will have to do much more to guarantee that our society keeps our armed forces strong and able to meet any threat to our country.

David Broder, the senior Washington Post journalist and a veteran himself, recently expressed his concern about the growing civilian-military gap. He stated:

> The fact that no one younger than their mid-forties has even faced the possibility of being called-up for military service is one of the most significant generational divides in this country.

Clearly, this is cause for concern. The nation must work harder to preserve and strengthen the duties of citizenship that our veterans symbolize for all of us.

The military has traditionally been an effective way for America's youth to serve the nation. It is troubling that today almost two thirds of the nation's youth say they would not join the armed forces. Twenty years ago, only 40 percent said that. Since the Persian Gulf War, the interest among 16 to 21 year olds in enlisting has dropped from 34 percent to 26 percent. Last year the Army asked young adults:

> If you want to do something beneficial for your country, are you more likely to do it in the military or in a civilian job?

Two to one who responded said:

> In a civilian job.

Prosperity and complacency may explain such answers, but they do not justify them. Because of our nation's veterans, America is the greatest Nation in the world, free from any major challenge from any other nation. The skillful work and dedication of our veterans have enabled our children and grandchildren to enjoy unparalleled national security and economic prosperity.

It is imperative in our democracy that citizens remain proud of the military and continue to respect and appreciate the sacrifices of those who serve.

As President Kennedy said in his Inaugural Address:

> Let every nation know, whether it wishes us well or ill, that we shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe to assure the survival and the success of liberty.

Millions of Americans were inspired by these words, and our obligation is to continue that inspiration into the next century, so that a new generation will continue to ask not what their country can do for them, but what they can do for their country.

The reduction in the population of veterans is being felt in Congress as well. The proportion of members of the House and Senate who have served in the military has dropped from more than 75 percent in 1971 to less than 34 percent today.

Without the World War II and Korean War generations, we will have to pay special attention to ensure that our society does not forget about our Vietnam, Gulf and Cold War veterans, or view their contributions with any less significance.

The veterans of these more recent wars did not come home to the fanfare that accompanied the Allied victory in World War II. But their sacrifices and contributions to our nation's defense and to the protection of our democracy are immeasurable. As a nation, it is imperative that we continue to recognize the service of these veterans and pay tribute to their sacrifices.

To help ensure that our nation remembers all of its veterans, I supported a Resolution this year that expresses the Sense of the Congress that the third Monday in April be designated as "In Memory Day." That Day will recognize the Vietnam Veterans who have died as a result of illnesses and conditions associated with service in the Vietnam War.

We must honor the missing too. Today, over 80,000 American servicemen remain unaccounted for from all our nation's wars, including approximately 10,000 from the Vietnam and Korean Wars.

We must never forget our missing veterans. And we must never give up the effort to bring them home.

On behalf of the nation's disabled veterans, I strongly support the Disabled Veterans LIFE Memorial Foundation to establish a national memorial to honor all disabled veterans. Recently, Miss America 1999, Heather French of Kentucky, testified before the Senate on behalf of this memorial. During her Miss America pageant, she chose veterans as her cause, and she is emphasizing veterans issues throughout her reign. It is commitments and gestures of goodwill like hers that will keep America proud of its armed forces and the sacrifices of its veterans.

The cornerstone of our military preeminence rests on many factors, but the most critical is its people. Without men and women willing to volunteer for military duty, we will not be able to respond to crises around the globe that threaten our vital interests. We need cutting-edge weapon systems. But we also need dedicated service members to operate these systems.

As we do more to take care of the veterans of today, we must never lose sight of our obligation to take care of the veterans of tomorrow. This year Congress passed the broadest and most sweeping improvements in military pay and benefits in over twenty years. The new law calls for a well-deserved 4.8% pay raise for military personnel—the single largest pay raise for servicemen and women since 1982. It also expands authority to offer additional pay and other incentives to critical military specialties, and it improves retirement benefits for those who are serving now.

The military now faces one of the most difficult recruiting and retention challenges in many years. A major reason for the current problem is the strong U.S. economy. But the demands of far-flung military operations in recent years have also taken their toll on our troops. Today's military is a smaller force, and yet it is also a more active force, and we have been slow to recognize the problems that are building.

In the past year alone, our servicemen and women conducted combat operations in Kosovo and Iraq. They are serving as peacekeepers in Bosnia, and as humanitarian support personnel in Central America. All of these demands are in addition to the day-to-day operations and exercises at home and overseas in which the military participates throughout the year.

Massachusetts is a major part of all these operations. This past year, Guard and Reserve units from Massachusetts were deployed in support of Operation Northern Watch in Iraq, Hurricane Mitch relief in Central America, and in Kosovo.

I especially commend all those who served during Operation Allied Force in Kosovo. This was the first war that America fought and won without a single casualty. Yet its victors came home to no parade marking V-K day, and no celebration of heroes. Yet their bravery and skill saved thousands of innocent lives, and they deserve our highest praise.

The success of their operations was an impressive tribute to the capability and dedication of our servicemen and women. Veterans, in particular, should be proud, because it is their legacy and example that have helped create the world's finest armed forces.

I am very disappointed that a provision to improve and expand GI Bill benefits was not included in this year's Defense Bill. The GI Bill has been a very successful and important program for the military and the nation. Over 2.3 million World War II veterans took advantage of the GI Bill upon returning from the war. It has been called the greatest investment in higher education that any society has ever made, and a brilliant and enduring commitment to the future.

In order for the GI Bill to continue its valuable work, it must evolve as our military forces evolve. Access to higher education is an increasingly important benefit for servicemen and women in today's all-volunteer, professional military.

Improvements are needed in the GI Bill to enhance the program's value and benefit to our troops, and to improve the bill's effectiveness as a recruiting tool—and these improvements need to be enacted into law as soon as possible.

Today's armed forces contain well-educated professionals who have chosen to serve their country in the military. We must treat them as the skilled professionals they are—or we will lose them.

Finally, when we think about our veterans, it is easy to recall the Eisenhowers, the Pattons, the MacArthurs, and the Powells. But we must never forget the countless silent heroes—the fathers, mothers, brothers, sisters, sons, and daughters who served when their country called.

Stephen Ambrose, in his book "Citizen Soldier," talks about the "can-do" attitude of these quiet heroes that sets the American military apart. He describes the Normandy landing, where the American Sherman tanks were outgunned, and tells how skilled the Americans were in salvaging damaged tanks, patching them up, and sending them back into action.

Ambrose writes:

> Indeed no army in the world had such a capability. Within two days of being put out of action by German shells, about half the damaged Shermans had been put back on the line. Kids who had been working at gas stations and body shops two years earlier had brought their mechanical skills to Normandy. Nearly all the work was done as if the crews were back in the States, rebuilding damaged cars and trucks.

These were not professional soldiers, but average Americans. They left their families and friends behind to fight because their nation called. It is the dedication and ingenuity of these silent heroes that has made America great, and that made their generation the Greatest Generation.

All of us in the Kennedy family have enormous respect for our veterans and their service to the nation. Today, on the eve of Veteran's Day, I recall once again the words of President Kennedy. He visited the U.S. Naval Academy in August 1963, and spoke at a ceremony honoring the new class of midshipmen. This is what he said about his service in the Navy:

> I can imagine a no more rewarding career. And any man who may be asked what he did to make his life worth while, I think can respond with a good deal of pride and satisfaction: "I served in the United States Navy."

My brother was a Navy man, but I'm sure that veterans of all the other services feel the same way. I know I am both grateful and proud of my fellow veterans, and I honor, respect, and thank them for their service.

Mr. HATCH. Mr. President, on November 11, 1918, an armistice was signed to end the "War to end all wars." The country rejoiced. Then, as the jubilation subsided, the reality of what had occurred slowly entered the consciousness of the nation and shouts of joy turned to tears of grief and thanksgiving. For many who had gone to fight would never return to their homes. And those who did come home would forever be scarred by the sights, sounds, and atrocities of war.

How could we, as a nation, show our gratitude to those who had given so much? The answer, insufficient though it was, was to set aside a day to honor all those who had served—heroes and patriots—and to give thanks for their sacrifices for freedom.

Tomorrow is the day we have set aside. Tomorrow is the day we should take special care to remember our veterans.

Throughout our nation's history there have been men and women willing to wear the uniform of the United States of America —willing to give their lives for freedom. Some people have asked "why?" The answer is, in the words of President Reagan, spoken at the 40th anniversary of D-Day: "It is because you all knew that some things are worth dying for. One's country is worth dying for, and democracy is worth dying for, because it's the most deeply honorable form of government ever devised by man. All of you loved liberty. All of you were willing to fight tyranny, and you knew the people of your countries were behind you."

Our nation depends on our armed forces. We depend on highly motivated and highly skilled men and women who are willing to go into harm's way at any time to defend American interests. And, when our troops leave the service, we should not forget them.

Although the nation may only officially recognize the sacrifices of veterans every November on Veterans Day or every May on Memorial Day, I know, personally, that in the hearts of the individual Americans, our veterans are remembered everyday. They are the husbands and wives, fathers and mothers, brothers and sisters, sons and daughters of us all. Almost one-third of the nation's population—approximately 70 million persons—are veterans, dependents of veterans, or survivors of deceased veterans. I and my family honor and remember my brother Jess who died in World War II and my brother-in-law Neil Brown, who died in Vietnam.

In the decades before the all-volunteer army and sophisticated high-tech weaponry, our military was made up of ordinary people. School teachers, ministers, machinists, truck drivers, bankers, and nurses, enlisted not just in the military, but in a noble enterprise. The story of America is the story of ordinary people doing extraordinary things and demonstrating uncommon endurance and valor.

Today, our armed forces are comprised of dedicated soldiers and sailors who have chosen to make the military a career or to contribute their skills for a time in an all-volunteer, professional fighting force. But, the fact that our nation's Army and Navy have become more reliant on technology,does not negate the risks of warfare. Nor does it compensate for family separations, holidays spent thousands of miles from home, or meals eaten out of carton.

For Veterans' Day in 1954, President Eisenhower called upon us to "solemnly remember the sacrifices of all those who fought so valiantly, on the seas, in the air, and on foreign shores, to preserve our heritage of freedom, and let us reconsecrate ourselves to the task of promoting an enduring peace so that their efforts shall not have been in vain."

On this Veterans Day, I echo the words of President Eisenhower. I salute all our veterans. I know that as long as there are Americans willing to stand up and fight for our values, we will remain a free and just nation.

A while ago, I was moved to write a song about those who have sacrificed so much for our country. It is entitled, "Morning Breaks at Arlington." It is an expression of the emotion and pride I feel whenever I think about the courage and dedication of our service men and women. Let me conclude with the lyrics:

Morning breaks on Arlington,
Warmed by rays of golden sun,
And all who pause in homage there
Feel a soft hush in the air.
Those who love their liberty
Bow the head and bend the knee,
And from their hearts they breathe a silent prayer.
"Thank God for those who rest in honor there."

Mr. President, I yield the floor.

Mr. ROCKEFELLER. Mr. President, I salute the veterans of this nation. On this Veterans Day, I want to pay tribute to the brave American soldiers who fought long and hard battles so that we may all have our freedom today. Veterans Day is about honoring and remembering these men and women who served our Nation, and it is for their families.

I am very fortunate to represent a state where military service is held in such high esteem. And well it should be. I can't tell you how proud I am of all West Virginia veterans. Whether they served in wartime or peace, all made great sacrifices. Indeed, West Virginia has one of the highest percentages of veterans of any state.

As I have often said, it was knowing and understanding West Virginians' deep patriotism and loyalty to their state and their country that first led me to seek a seat on the Senate Committee on Veterans' Affairs, where I am now the Ranking Member. I am proud to serve veterans there.

The very fabric of our nation is wound through our veterans. Iwo Jima and Hamburger Hill, defeating Nazism and turning back Communism, punishing the brutality of Hitler, Saddam Hussein, and Milosevic. Our nation is truly a beacon to the world for freedom and for opportunity because our men and women in uniform held that beacon aloft. And many of those men and women in uniforms were West Virginians.

It is not enough to take a day to commemorate these veterans, however. We owe them more than that. It is our responsibility to refuse to turn our backs on veterans who need health care, education benefits, and compensation for injuries incurred in service. It would be truly disgraceful for these veterans, who have served our country so well and so valiantly, to feel that they have been forgotten except for this one day per year. That is why I take my work with and for veterans so very seriously.

I have fought very hard this year for veterans not only in West Virginia, but across the Nation. A critical need for veterans is long-term care. Our veteran population is aging rapidly and it is our responsibility to care for them. We owe them good long-term care now. I am dedicated to this need, and have been working hard to achieve this provision for all veterans.

And there are other battles to be fought as well. Although veterans who enroll with VA for their health care receive a very generous standard benefits package, there is no provision for comprehensive emergency care. This is a serious gap in coverage for veterans, which is unacceptable. Large and unexpected emergency medical care bills can present a significant financial burden to veterans.

Abraham Lincoln spoke at Gettysburg of dedication to "unfinished work . . . thus far so nobly advanced." Indeed, it is true that we have work to complete. In order to truly commemorate our veterans, I hope my Senate colleagues will join me in my continuing battles for veterans.

Mr. SESSIONS. Mr. President, great words of tribute and reverent appreciation are put on paper every year in anticipation of the arrival of November 11th. With a solemn heart I struggle to meet the challenge of delivering those words in a way that is both humble and befitting of America's heros. I offer these words in honor and in memory of every American who has answered the call to arms; for every American who has freely stepped forward under our Star Spangled Banner; and for every American who died in the name of freedom. These men and women are among America's greatest heros.

Our great nation has flourished and enjoys unprecedented prosperity to this day because of our veterans' willingness to give themselves in service to the nation. For many this willingness meant sacrificing their lives so others might live free.

There are those among us who question whether or not our younger generations will prove, when the nation beckons, to be just as committed to the preservation of life, liberty, and the pursuit of happiness as those we honor every November 11 proved to be.

I wonder how many Americans had those same doubts before the outbreak of WWI, WWII, Korea, Vietnam, or Desert Storm? I wonder how many who did go had dreamed that they would ever be called into the horror that is found on the battlefield?

Surely there were doubters. Surely there was apprehension and fear. But, they answered freedom's call. Our national story and the story of the American people is one of amazing courage in difficult times, and a proud tradition of triumph in the face of our enemies here and abroad. America has always been ready to act. The footprints left and the blood spilled by our soldiers, airmen, marines, sailors, and coast guardsmen around the world remain as a testament to the indomitable American spirit, our collective faith in the power of freedom, and to the promise of a great future.

Over and over again, history has proven those who doubted America's resolve to be dead wrong. I am confident that our nation's future remains bright if we continue to exhibit the same steadfastness as our forefather's—never forsaking the gift of freedom that so many have given us.

Inspiration can be found in many ways. Just the other day I was looking over Medal of Honor citations of some of Alabama's greatest heros. Taken together they represent a relatively small group of Alabamians but provide one of the greatest inspirations of hope for America I can find.

Reading those citations made me think about how many people might have doubted their commitment back then? How many people came in contact with those heros never realizing they would one day prove themselves worthy to wear the Medal of Honor? I choose to be excited by those thoughts because America might well be called upon again to defend the world against tyranny and evil, and I have no doubt that our men and women in uniform would again stand with the same steadfast resolve exhibited by those we honor today. I take great solace in knowing that the patriotism and heroism of Americans has been a constant for hundreds of years and will continue to be in the future.

America's veterans have made ours a great country. Hardly a person in America is not associated in some way with a veteran. I hope you will thank them today for having answered the call to serve, and for setting the footprints for our future. They have indeed shown us the way into the 21st century.

Mr. L. CHAFEE. Mr. President, one of my constituents, Mrs. Virginia Doris of Warwick, Rhode Island, recently sent my late father a poem she had written as a tribute to the veterans of World War II. I understand that he agreed to insert her poem in the CONGRESSIONAL RECORD in time for Veterans Day. I was honored when Mrs. Doris asked me to carry out that task in his place.

Before I do so, I would like to take a brief moment to alert my colleagues to Mrs. Doris's own contribution to the war effort.

During World War II, 23,000 Oerlikon-Gazda 20mm anti-aircraft guns were manufactured in my home state of Rhode Island. Originally produced in Switzerland, these guns were critical to the Allied campaign—nearly every ship in the fleet carried them by the end of the war.

And Virginia Doris was right in the thick of this arms production effort, working long hours in the drafting room of the Oerlikon-Gazda command center, located in downtown Providence. In a 1990 interview with the Providence-Journal, Mrs. Doris described her years at the center "as this marvelous period in my life." Equipped with what she refers to as her "turbo persona," Mrs. Doris was a valued and trusted member of the Oerlikon-Gazda team.

I ask unanimous consent, Mrs. Doris's poem, "Ode to Comrades-In-Arms: World War II," be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ODE TO COMRADES-IN-ARMS

WORLD WAR II

O, Heavenly Father, gaze upon the tombs
Of Patriots, foster their eternal plumes
Nourished in they omnipoint song of hallow,
Shed gentle tears to moist their marrow.

Enfolded in thine unchanging flame
Behold the farflung earthly frame,
Its pulsing marbles sculptured strong,
With ebbing currents and silvery thong,
Each graven with the threaded embrace
Is beaming out of seven-hued grace!

The mystic temple wakes the slumbering forms,
Takes the sacred dust they mercy warms,
And sounds the bugle near and clear white stone,
Close by these mounds which hold thy own.

We implore, O' Savior, here let sleeping lie,
'Till Heaven's luminous shadows prepare to die,
And join the manhood's folded-flock at night,
Psalms for bravery shall not pass in flight.
As raging battles, and girded loins, last time
To bond, lips to stir, a soldier's final clime!

O, Heavenly Father, mark their burden of decay,

The lives so young, war's lingering ebon fray,
Delivers them a shrouded throne, and solemn biers,
Can we not dream that those we loved are here?

Beckon them all in memory, as the vine
Whose tangled stems have long untwined
The crystal pillars, and clasp around
The sunken urns, the forlorn sounds;
With mournful message to our brothers, resign,
Tried and true, and close the broken line.

OLE MISS HOSTING FIRING LINE

Mr. LOTT. Mr. President, Senator COCHRAN and I are pleased to announce that the University of Mississippi, which we fondly refer to as Ole Miss, will be hosting the final broadcast of the Emmy-winning PBS program "Firing Line." Senator COCHRAN and I want to join the University of Mississippi in congratulating all those affiliated with "Firing Line," including its host, Mr. William F. Buckley, Jr., and its producer, Mr. Warren Steibel, for their outstanding accomplishments during 34 years of telecasts. Since 1966, Mr. Buckley and Mr. Steibel have given the American public an opportunity to make informed decisions on the important topics of the day by bringing all angles of an issue to the surface through their lively debates. No public affairs program in history has run longer with the same host.

Firing Line has brought a wide range of topics to the forefront since joining the PBS family on May 26, 1971, including "Separation of Church and State," "Is Socialism Dead," "Health Risks in a Nuclear Environment," and its final topic, "The Government Should Not Impose a Tax on Electronic Commerce." These and other topics have been debated by Presidents George Bush, Ronald Reagan, Jimmy Carter, Gerald Ford, and Richard Nixon; and prominent figures such as Margaret Thatcher, Muhammad Ali, Henry Kissinger, and Bob Dole.

Mr. President, the past decade has brought many references to the end of the millennium. It is a tribute to programs of its kind that "Firing Line" leaves the airways at this historic time. The guests, topics, and fervor with which the issues have been approached throughout the years on the program define the culture of the day. All attitudes and opinions have been expressed and analyzed, reflecting our society's nature to embrace conflict and discourse in the name of answers and truth. William F. Buckley and Warren Steibel created an educational art form that did as much teaching as any other television program in memory.

This final telecast also marks the fourth time that the University of Mississippi has hosted the "Firing Line" program. This relationship began with "Firing Line's" first visit to Oxford in 1989, and continued with its return in 1992, 1997, and now in 1999. Firing Line and Ole Miss have blended well over the years because of their commitment to furthering knowledge and challenging individuals to constantly expand their thinking. The University of Mississippi's growing impact across the world in the realms of politics, economics, social issues, technology and leadership make it a fitting backdrop for the closure of "Firing Line's" award-winning run.

TATANKA HOTSHOT CREW

Mr. DASCHLE. Mr. President, it gives me great pleasure today to recognize the members of the Tatanka Hotshot Crew of the Black Hills National Forest in South Dakota. This fall marks the end of the first fire season that this crew has been operational, and I am delighted to say that it has proven to be an outstanding success.

Each year serious wildfires threaten national forests across the United States, burning thousands of acres of woodlands and endangering private property. Our first line of defense against these fires is the United States Forest Service, whose firefighters risk their lives in arduous, often isolated conditions to bring wildfires under control.

The best of these teams are known as Hotshot crews—elite firefighters who are sent to the worst fires, to do the most difficult, dangerous work necessary to protect our forests and the homes of nearby residents. All around the country, these teams have been recognized for their skill and bravery.

Last year, we created the first of these elite teams ever to be based in the Black Hills National Forest. It is called the Tatanka Hotshots, after the Lakota word for the bison that used to roam the Great Plains by the tens of thousands. The nearly two dozen members of this team, virtually all of whom are Native American, come from diverse backgrounds. Some came from South Dakota towns like Custer and Aberdeen. Some joined the Tatanka crew from other hotshot teams or elite smokejumping units. Others are veterans of the Gulf War. Still others are young individuals working their way through college. I am proud to say that after a year of intense training and working together, the Tatanka team quickly has become one of the most highly-regarded firefighting teams in the nation.

In addition to work in the Black Hills, the Tatanka crew spent 71 days away on wildland fire assignments, accumulating 1,550 hours of work in Colorado, Wyoming, Montana and California. It conducted seven large firing/burnout operations, built miles of fireline, constructed helispots and medivac sites, and conducted large tree falling operations in steep, hazardous terrain. Other noteworthy accomplishments included backpacking 6,500 pounds of sandbags up Mount Rushmore to prepare for the July 4th fireworks display, tending the commemorative crosses at the 1994 South Canyon fire fatality sites in Colorado, and working in conjunction with the Tahoe Hotshots to rescue a pack horse which had fallen off a mountain trail in California.

Over the course of the summer, the Tatanka crew earned its reputation as a team that could be depended upon to get its job done quickly and effectively. Based upon its outstanding performance ratings and the respect it earned from other highly regarded Hotshot crews, Forest Service officials expect the team to attain National Type 1 status—the highest rating a firefighting team can receive—before the 2000 fire season, a full year ahead of schedule.

Mr. President, I am very proud of the accomplishments of this crew. Forest fires are dangerous and unpredictable, and fighting them is one of the most difficult, physically-exhausting jobs of which I know. Firefighters spend days deep in forests and far from possible help, digging fire lines and cutting trees to keep fires from spreading. In just one year, the Tatanka team has met these challenges head-on, and shown that it is equal to the toughest challenges our nation has to offer. I want to offer my congratulations to all of those who served on the team. I am sure that they will have an outstanding future.

OPPOSITION OF EFFORTS TO BLOCK THE DEPARTMENT OF JUSTICE'S RECENT ENFORCEMENT ACTION

Mr. LIEBERMAN. Mr. President, I rise today to speak briefly about an issue which has surfaced recently in the national press, and now arises with regard to the remaining appropriations bills before us. On November 3rd, the Justice Department filed seven lawsuits on behalf of EPA against electric utility companies in the Midwest and South. The lawsuit charged that 17 power plants illegally polluted the air by failing to install pollution control equipment when they were making major modifications to their plants. This action is one of the largest enforcement investigations in EPA's history, and seeks to control pollution which contributes to degraded air quality throughout the Northeast. I have recently learned that some of the defendants may be seeking relief from this enforcement action by adding a rider to one of the remaining appropriations bills. I am speaking with my colleagues here today in strong opposition to this effort. To seek relief for pending violations of federal law through a rider without any congressional hearing, debate, or voting record, is utterly inappropriate. It undermines the democratic process which is constitutionally guaranteed to American citizens, and to the states which have similar cases pending.

The alleged violations are extremely serious. Congress has long recognized the need to control transported air pollution. Provisions to study and address the issue have been included by major amendments to the Clean Air Act. Yet the problem still remains and the statistics are staggering. They demonstrate just how much older, Midwestern powerplants contribute to air pollution in the Northeast. For example, one utility in Michigan emits almost 6 times more nitrogen oxides than all the utilities in the entire state of Connecticut. Ohio power plants produce nearly 9,000 tons a day of sulfur dioxide, which directly contributes to acid rain. One single plant in Ohio produces as much nitrogen oxide as all of the plants in the state of New York. Approximately 67 million people east of the Mississippi River live in area with unhealthy levels of smog. EPA estimates that every year that implementation of regional pollution controls are delayed, there are between 200–800 premature deaths, thousands of additional incidences of moderate to severe respiratory symptoms in children, and hundreds of thousands of children suffering from breathing difficulties. Now these polluting power plants want special relief during the court's review.

The alleged violations result from a portion of the Clean Air Act that many refer to as the "grandfathering" provisions. When the Clean Air Act was amended in 1970 and 1977, there were two categories of requirements: those for existing power plants, and those for new sources. At the time, most people envisioned that the older coal burning plants would soon be retired, making the additional controls for old plants unnecessary. Instead, the life span of older coal fired plants has been extended by modifications to their facilities. Many of the older coal fired plants have stayed around for three decades; and coal power plants are now the largest industrial source of smog pollution. Of the approximately 1,000 power plants operating today, 500 were built before modern pollution control requirements went into effect.

Although the Clean Air Act did exempt older plants from the new standards, it required that the plants meet a test of "prevention of significant deterioration" to protect the public when a plant undertook a major modification. Although the definition of "major modification" has been debated, Section 111 of the Clean Air Act clearly states that a modification means "any physical change . . . which increases the amount of any air pollutant emitted by such source or which results in the emission of any air pollutant not previously emitted." What is at stake in the recent enforcement action is the question of whether the power plants undertook major modifications without installing state of the art pollution controls, in violation of this Clean Air Act requirement.

Mr. KERRY. Will the Senator yield for a question?

Mr. LIEBERMAN. Certainly.

Mr. KERRY. I understand from some of the publicity around a similar suit filed by the New York Attorney General that some of the modifications being made to power plants were significant. For example, one company allegedly replaced a reheater header and outlet, a pulverized coal conduit system, the economizer, and casing insulation. While it is impossible to judge any of these types of modifications without additional information, it certainly seems like utilities created a loophole in the law to essentially rebuild the system without considering it as a major modification. Would a legislative rider on this issue essentially pre-judge the court's findings as to whether the modifications undertaken at the plant are indeed "major"?

Mr. LIEBERMAN. Yes. With this rider, Congress would be substituting its opinion for the factual and legal analysis by the court. There will be no opportunity for expert opinions to be heard. In fact, I understand there may even be discussions about trying to add rider language which would allow modifications which would result in significant increases in emissions, by basing them on a unit's potential to emit pollution. This change is a significant departure from the current law, which requires that pollution controls be included when plants are making modifications that cause emissions to increase. For example, a plant's potential to emit pollution may be at 10 tons, while it actually emits 7. The test has been that if modifications are made that raise emissions above the 7 tons, pollution controls are required to be instituted. Since the potential emissions are often much greater than actual emissions, actual emissions have been the threshold to trigger public health protections. A rider that would seek to allow modifications to go forward would give utilities a license to continue to pollute our air while the enforcement action is pending. In its worst form, it would also "pre-judge" the court's determination on these matters. These are major reasons why I oppose using a rider to address this issue. It makes no sense for Congress to make a statement on this complex issue with no opportunity for public deliberation. I yield back to my colleague from Massachusetts.

Mr. KERRY. I understand that some suggest that it would be impossible to achieve new pollution standards because of technological limitations. I would like to address that point. States in Northeast have already taken steps to reduce pollution to comply with Clean Air Act requirements, including instituting major controls on these older power plants ed plants. Northeast Utilities has spent $40 million in the last 8 years to reduce fossil plant emissions. In a July 31, 1998 letter to Administrator Browner, Northeast Utilities wrote that "in our experience the Merrimack Station selective catalytic reduction technology is effective in removing NOX, can be installed fairly quickly, and the installation has minimal impact on the availability of the generating unit." Other companies, including Pacific Gas & Electric and Southern Company have made similar investments at plants in Massachusetts. While these are only a few examples, the experience of these companies is echoed by others. Real world experience bears out the fact that solutions are available and are cost effective. It is also interesting to note that the Tennessee Valley Authority, which is the subject of the enforcement action, recently announced plans to implement state of the art ozone controls. The solutions are out there, and as utilities in New England have demonstrated, when there is a will there is a way.

I would like to address what is, in my opinion, the fundamental problem with this rider. These power companies and our Department of Justice have a legal dispute, and that dispute should be settled through the legal process. I understand that some of the defendant companies, and some in the Senate, may feel that the Environmental Protection Agency and the Department of Justice are being overzealous in pursuing this enforcement action or that there are politics at play here. I respectfully and strongly disagree, and I urge my colleagues to disregard such rhetoric. It has been estimated that as many as 1,000 people each year die in Massachusetts from air pollution from power plants, automobiles and other sources. And, in particular, emissions from coal-fired plants, the dirtiest of which are outside my state, cause high levels of ozone, which increases the incidence of respiratory disease and premature aging of the lungs. Acid deposition from sulfur can severely degrade lakes and forests. Mercury, which is highly poisonous, accumulates in fish locally. In other words, there is a very real cost to this pollution. Indeed, for some, the price they pay is their very health and well being. I can accept that some of my colleagues may feel that the Department of Justice or the Environmental Protection Agency is pursuing a flawed legal argument, but I cannot accept that the people who are alleging harm, who are paying the price for this pollution, should be denied their day in court. The Department of Justice should not serve at the pleasure of Congress and defendants with the power influence Congress, it should serve the law and the people. I yield to my colleague Senator LIEBERMAN.

Mr. LIEBERMAN. Thank you. Certainly, many of our constituents have concerns about how cost and service delivery would be implicated under any enforcement action. If the court were to impose fines and injunctive requirements which would force power companies to go out of business, I think we would all join in opposing that outcome. Yet time and again, we hear claims that such dire outcomes will occur when we ask companies to comply with the law. But the evidence shows that environmental goals are being met without sacrificing economic growth. In this circumstance, I believe the Department of Justice and EPA have been clear that their objective, if the violations are found to have occurred, is to require that the utilities make appropriate investments in pollution control. In fact, EPA has a demonstrated record on the kind of remedy it has sought in a similar case that involved another segment of industry.

EPA recently undertook a similar enforcement action against the paper and pulp industry for similar major New Source Review violations. After looking into the paper and pulp sector as part of its Wood Products Initiative, the EPA found New Source Review violations at roughly 70–80 percent of the facilities it investigated. Through its enforcement action, EPA was able to work with industry to generate emission reductions as high as 500 tons of volatile organic compounds. However, these enforcement actions did not require that controls be put in all at once. Rather, a schedule was created to phase in controls so that the pollution controls were instituted in a way that protected the public without crippling the industry. It is disingenuous to argue that we need a preemptive rider to protect against what the outcome of the pending enforcement action might be. There is a history of enforcement decisions which demonstrate that the courts secure remedies that protect the public's interest, and that EPA has had a willingness to work with industry to that end.

Fundamentally what we are addressing here is a matter of fairness. Right now utilities in Southern and Midwestern states emit over 4.5 times more nitrogen oxides than utilities in the Northeast. A study by the Northeast States for Coordinated Air Use Management found that northeastern states will have to pay between $1.4 and $3.9 billion for additional local controls to reduce ozone pollution if six upwind states fail to implement needed controls. I notice that my colleague from Vermont is here. I yield the floor for him to offer some remarks about how the equity issue is particularly important within a deregulated marketplace.

Mr. JEFFORDS. I thank my distinguished colleague from Connecticut for his acute remarks. He is quite right: at root, this is a question of equity, and it is a question of fundamental importance in a deregulated power market.

The Nation's dirtiest power plants have abused loopholes in federal law to dirty our air, pollute our lungs, and kill our most vulnerable citizens. With one set of loopholes about to close, these power plants now seek to create new ones.

These power plants have exploited the law for nearly 30 years. Now, EPA is exposing their effort for what it is: a blatant violation of the public trust. In response, these dirty polluters are pushing appropriations riders that would justify and permanently extend their unlimited ability to pollute.

Haven't these power plants done enough damage already? Isn't it enough that they have been allowed to pollute 10 times more than our plants in the Northeast for years and years? Couldn't they now apply the same pollution control equipment that our plants in the Northeast employ?

The problem is growing even worse with the deregulation of electricity markets. In the five years since deregulation of the wholesale electricity market, increased generation at coal fired power plants has added the equivalent of 37 million cars worth of smog to our air. These power plants are now seeking to permanently extend their unfair advantage.

We need a level playing field. The nation's dirtiest power plants should not be able to exploit loopholes in federal law at the expense of the rest of the nation. We need to pass laws to clean up our air, not make it dirtier. I strongly oppose any attempt to make it easier for the nation's dirtiest power plants to continue their excessive pollution.

Mr. MOYNIHAN. Mr. President, I want to thank my colleagues for voicing their justified concerns on this important issue. I understand that there is the potential for language to be added to one of the remaining appropriations bills that would interfere with the efforts of a number of states to seek relief from dangerous air pollution they receive from a number of large coal-burning facilities which may have violated the Clean Air Act.

As Senator LIEBERMAN has explained, a number of coal-burning facilities were "grandfathered," exempting them from pollution control requirements. Congress believed that utilities would soon retire these older plants. The grandfathered facilities were given permission to proceed with routine maintenance, but any major modifications would be subject to review. It now appears that a number of these facilities did circumvent the law by increasing generating capacity without installing the appropriate pollution control technologies.

Now, it appears these same facilities—after receiving notification that New York and potentially other states intend to sue for these violations of the Clean Air Act—may, once again, circumvent the law by encouraging the adoption of a rider which would interfere with these lawsuits. Any effort by implicated utilities to thwart efforts of States to obtain injunctive relief, which States could use to mitigate damage which has already occurred, is inappropriate.

Throughout my career, I have been a strong proponent of allowing the Courts to do their work without interference of politics—indeed, that was the intent of the Framers of the Constitution. Madison and Hamilton eloquently explained the importance of a balance of powers in The Federalist Papers. The Framers of the Constitution presumed conflict. The Constitution assumes self-interest. It carefully balances the power by which one interest will offset another interest, and the outcome will be, in that wonderful phrase of Madison, 'the defect of better motives.'

The States must be allowed to protect their rights. I should think that any Member of this body ought to defer to the courts before which this issue is now being placed.

Mr. LEAHY. Mr. President, I want to join my colleagues in voicing my strong objection to a rider that I understand may be attached to one of the remaining appropriations bills. The rider would block all or part of an ongoing federal environmental enforcement action. If what I hear is true, I am troubled on several levels. First, I think that it would set a very dangerous precedent for Congress to attempt to squash Federal enforcement actions of any kind. The procedures for testing and appealing the appropriateness and reach of enforcement actions through the court system and under the Administrative Procedures Act are well established. These procedures do not include a back door, last minute "Hail Mary pass" by Congress using a rider to an appropriations bill as the vehicle. In this instance, someone does not like an environmental enforcement action. If we do it here, will we attach something to appropriations bill to stop antitrust enforcement actions? How about price fixing cases? Where would this type of meddling cease?

What we may be seeing with the filing by EPA and DOJ is an enforcement action that has hit the bull's eye dead-on. And now utilities who may have crossed the line are pulling out all the stops to thwart the action.

Let's not kid ourselves about what is at stake. Many of us have drafted and introduced legislative proposals to address power plant pollution. We have turned up the heat, and the industry has taken notice. Further, the debate over electric utility restructuring is starting up again in the House of Representatives and the Senate. While there are substantial economic benefits possible under restructuring, Congress should also address environmental consequences of deregulation. In order to alert the Senate leadership of this important issue that has so far been ignored in the restructuring debate, I have asked my colleagues to join me in sending a letter to the Senate leadership requesting that the Senate include a provision to eliminate the grandfather loophole for older power plants. My colleagues from Connecticut and New York certainly knows the history of the Clean Air Act more than any of us. Senator LIEBERMAN, how do you see this enforcement action affecting the Clean Air Act loophole?

Mr. LIEBERMAN. I thank my colleague from Vermont. As you have argued in the past, the 1970 Clean Air Act Amendments assumed that one of the major sources of these pollutants—older power plants—would be retired and replaced with cleaner burning plants. Unfortunately, this has not happened. The average power plant in the United States uses technology devised in the 1950's or before. The EPA-DOJ enforcement action is now alleging that many of these generating units have been modified and are no longer entitled to their grandfathered status.

Mr. LEAHY. And, I think we are making a fair statement in saying that these grandfathered power plants will enjoy an important competitive advantage under restructuring because they do not have to meet the same air quality standards as newer plants. Many of these grandfathered plants are currently not running at a high capacity because demand for their power production is limited to the size of their local distribution area. Under restructuring, the entire nation becomes the market for power and production at these grandfathered plants and their emissions will increase. Deregulation of all utilities will drive a national race to capture market share and profit through producing the cheapest power.

Some or all of the rider may apply to plants operated by the Tennessee Valley Authority (TVA). What do we know about TVA's fossil fired power plants in Tennessee, Kentucky, and Alabama? Fifty-eight of 59 units are grandfathered, with the average startup year being 1957, 13 years before the Clean Air Act was passed. The average electricity prices for the TVA states are 6.03 cents in Tennessee, 5.58 cents in Kentucky, and 6.74 cents in Alabama. The average price nationally in 1997 was 8.43 cents. TVA sells some of the cheapest electricity, in part, because it is operating these old, subsidized grandfathered plants. In a deregulated national market, will TVA be competitive? The answer is yes.

TVA-wide in 1997 the 59 units emitted 98.5 million tons of CO2, nearly 5% of the U.S. total for power plants. If the TVA plants were all in one state that state would rank sixth in CO2 emissions. In 1997, the TVA plants emitted 808,500 tons of acid rain producing SO2. If the TVA plants were all in one state that state would rank fifth in SO2 emissions. Unfortunately we do not have comparable data for ozone producing nitrogen oxide emissions or for emissions of toxic mercury, but I think my point on emissions is made. We should not be looking for a way to unfairly exempt TVA or other grandfathered plants from environmental regulations, rather we need to be looking for the best ways to bring these old plants up to date with current technology.

Again, I want to thank my colleagues for their conviction on objecting to this rider. Congress needs to close the grandfather loophole, not attempt backdoor ways to thwart the will of the prior Congresses that enacted the Clean Air Act of 1970, and the amendments to it in 1977 and 1990.

Mr. LAUTENBERG. Mr. President, I would like to join my colleagues in expressing concern about the language that would interfere with enforcement actions against several power companies. Here we have an excellent example of why we should not be addressing complex, controversial matters in last-minute amendments to spending bills. The proponents of the language assert that they have no interest in interfering with the EPA-DOJ enforcement actions. In fact, the language they have been circulating would wreak havoc on the enforcement actions. The proponents assert that they are interested merely in allowing routine maintenance to occur, but in fact their language makes no mention of routine maintenance. The proponents assert that their language would have no impact on the environment, but in fact their language would allow increases in actual emissions. They also raise the specter of drastic effects to the power industry, which we have not seen in other industries that faced similar enforcement actions.

At the very least, we should all agree that this issue is sufficiently complicated and controversial, and its impacts on public health profound enough, that it deserves to be worked out in the authorizing process. It is for problems like this that we have authorizing committees, such as the Environment and Public Works Committee on which I sit, and before which I am sure the proponents would find a sympathetic audience. It is in the daylight of the authorizing process, where we can hear from expert witnesses, where we can have public markups, and where we take the time to untangle and properly resolve these types of issues, that we should address this issue.

TEN-YEAR ANNIVERSARY OF THE FALL OF THE BERLIN WALL

Mr. KYL. Mr. President, as we work through the final days of the legislation session, we are apt to become mired in the details of our work. We can lose sight of the special opportunity we have, as legislators, to represent our fellow citizens and to conduct the business of a democratic society in the Nation's Capital.

In this spirit, I wish to draw the Senate's attention to a very special anniversary one that I hope can inspire us to bring our efforts renewed appreciation for our blessings—and our duties—as legislators in the greatest democracy in human history.

Ten years ago yesterday, the starkest symbol of human bondage in this century—the Berlin Wall—shook, cracked, and then collapsed. To be sure, it took time for all of it to by physically dismantled. Sections of it still stand, left as symbols all at once of man's capacity for evil and his insatiable drive to be free. But in one magnificent moment 10 years ago, without a shot being fired, people who had only known cold war captivity crossed the line and became free.

They were helped across by many hands: by the American people who served by the millions in uniform and who put up trillions—trillions—of dollars to fight the cold war; by the citizens of NATO and other allied nations who made similar sacrifices of blood and treasure; by many of their fellow countrymen who over many years kept small fires of freedom burning in their hearts for the day when the wall would come down; and, at critical moments, by great leaders.

Joseph Shattan, a former White House speech writer and, now, a Bradley Fellow at the Heritage Foundation, has chronicled this leadership in his book "Architects of Victory: Six Heroes of Cold War," published by Heritage, and excerpted recently in essay form in the Washington Times. He describes how six remarkable individuals—Winston Churchill, Harry Truman, Knorad Adenauer, Alexander Solzhenitsyn, Pope John Paul II, and Ronald Reagan—seized their own moment in the cause of freedom.

Mr. President, as Americans, we should on this day take special note of the two American Presidents—one Democrat, one Republican, who played such vital roles in bringing about the fall of the Berlin Wall ten years ago. Here is Shattan on Harry Truman:

> Underlying Truman's policies was the conviction that Soviet totalitarianism was no different than Nazi totalitarianism. In his view, both the Nazis and the communists violated human rights at home and sought to expand their empires abroad. To secure a world where democratic values might flourish, Truman believed the United States had to contain Soviet expansionism—through economic and military aid if possible, through force of arms if necessary. Over the

> long run, a successful policy of containment would cause Soviet leaders to lose their faith in the inevitability of a global communist triumph. Only then could negotiations with Moscow contribute to a safer, more peaceful world.
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> Because the Truman administration's policy of containment set the course for U.S. foreign policy over the next 35 years, it seems in retrospect to have been a natural, even inevitable, response to Soviet aggressiveness. But it was nothing of the sort. Truman's predecessor, Franklin Roosevelt, had taken a markedly different approach toward Moscow—one aimed at cementing an enduring U.S.-Soviet friendship—and when Truman became president, he was determined to follow in FDR's footsteps, even if it meant ignoring his own instincts. But Truman gradually worked his way out from under FDR's long shadow and placed his own indelible stamp on U.S. foreign policy.
>
> Truman's decisive break with FDR's foreign policy came in a historic speech delivered before a joint session of Congress on March 12, 1947. "I believe it must be the policy of the United States," he declared, "to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures." Alonzo Hamby, one of Truman's biographers, rightly called this speech "the decisive step in what would soon be called the Cold War."

Harry Truman's steadfast commitment to "free peoples" assured that the Iron Curtain would encroach no further on freedom. But it took another President to push the Wall over. Here again is Shattan on Ronald Reagan:

> But while liberals frequently disparaged Mr. Reagan's intellect, the fact was that he subscribed wholeheartedly to one major truth that many of his intellectually sophisticated critics either never knew or had forgotten: Societies that encourage freedom and creativity tend to flourish, while societies that suppress liberty tend to stagnate. This was the central truth around which Ronald Reagan fashioned his political career. This was the crucial insight that he articulated with passion and eloquence and pursued with iron resolve. And this was the basis of his Soviet strategy.
>
> Underlying Mr. Reagan's approach to the Soviet Union was his profound (his critics would say "childlike" or "simplistic") faith in freedom. Mr. Reagan simply knew that there was no way a closed society like the Soviet Union could prevail against an open society like the United States once the open society made up its mind to win. And Mr. Reagan, years before he became president, decided that the United States would win the Cold War . . . The military buildup, the support of anti-communist movements worldwide (better known as the "Reagan Doctrine"), the Strategic Defense Initiative, the covert assistance to the Polish trade union Solidarity, the economic sanctions against Moscow—all were meant to force an already shaky Soviet system to embark on a course of radical reform. These reforms (perestroika, glasnost) soon acquired a momentum of their own, and eventually brought down the Soviet Union.
>
> Mr. Reagan's approach to foreign policy was unprecedented. The traditional U.S. strategy was to seek to contain Soviet power and hope that, at some unspecified point in the future, containment would convince the communist ruling class to abandon its expansionist course. By contrast, Mr. Reagan sought not merely to contain the Soviets but to overwhelm them with demonstrations of U.S. power and resolve that left them with no alternative but to accept the choice he offered them: Change or face defeat.
>
> His success proved that great leadership does not depend on intellectual or historical sophistication. What is needed, above all, is the right set of convictions and the courage to stand by them. Mr. Reagan's beliefs about freedom and tyranny were uniquely rooted in the American experience, and his courage reflected the quiet self-confidence of the American heartland. His was truly a U.S. presidency that changed the world.

Much has changed in 10 years. Yes, we still have walls to tear down—on the Demilitarized Zone in Korea, around the island of Cuba, and everywhere that people around the globe still struggle for peace and freedom. But the Cold War is over. Freedom won. As we watch the many celebrations underway today—in Berlin, all over Europe, and elsewhere in the world—let us honor Cold War heroes, and rededicate ourselves to the cause of freedom they championed. And, my colleagues, as we conduct the people's business, let us seek to renew an abiding reverence for the freedom that brings us here.

THE INTERSTATE TRANSPORTATION OF DANGEROUS CRIMINALS ACT

Mr. LEAHY. Mr. President, the recent escape of convicted child murderer Kyle Bell from a private prison transport bus should serve as a wake-up call, to the Congress and to the country. Kyle Bell slipped off a TransCorp America bus on October 13, while the bus was stopped in New Mexico for gas. Apparently, he picked the locks on his handcuffs and leg irons, pushed his way out of a rooftop vent, hid out of sight of the guards who traveled with the bus, and then slipped to the ground as it pulled away. He was wearing his own street clothes and shoes. The TransCorp guards did not notice that Bell was missing until nine hours later, and then delayed in notifying New Mexico authorities. Bell is still at large.

Kyle Bell's escape is not an isolated case. In recent years, there have been several escapes by violent criminals when vans broke down or guards fell asleep on duty. There have also been an alarming number of traffic accidents in which prisoners were seriously injured or killed because drivers were tired, inattentive, or poorly trained.

Privatization of prisons and prisoner transportation services may be cost efficient, but public safety must come first. The Interstate Transportation of Dangerous Criminals Act requires the Attorney General to set minimum standards for private prison transport companies, including standards on employee training and restrictions on the number of hours that employees can be on duty during a given time period. A violation is punishable by a $10,000 fine, plus restitution for the cost of recapturing any violent prisoner who escapes as the result of such violation. This should create a healthy incentive for companies to abide by the regulations and operate responsibly.

I commend Senator DORGAN for his leadership on this legislation and urge its speedy passage.

NATIONAL MISSILE DEFENSE REPORT

Mr. COCHRAN. Mr. President, a report on the National Missile Defense program has been completed and will be released shortly by a panel of experts which is chaired by retired Air Force General Larry Welch. The director of the Defense Department's Ballistic Missile Defense Organization requested this report which examines the National Missile Defense program and makes several recommendations for improvement.

Many will remember that General Welch and his panel issued a previous report last year which examined aspects of both the National Missile Defense program and several Theater Missile Defense programs.

Generally speaking, the newest Welch Report is a helpful critique of the National Missile Defense Program. Given the importance of this program, additional knowledge of its inherent risks will help BMDO to structure and run the best program possible.

In particular, I support the report's emphasis on giving the BMDO program manager, as well as the Lead Systems Integrator, increased authority in running this program.

The report's emphasis on additional ground testing and purchasing additional hardware—such as a second launcher for the Kwajalein test site—makes good sense.

Any program subjected to scrutiny on the level of the Welch Panel's will face some criticism about particular aspects of how the program is being conducted. But one key phrase in the report is worth keeping in mind, and I quote: "Given the set of challenges and the phased decision process, the JPO [BMDO's NMD Joint Program Office] and LSI [Boeing, the Lead System Integrator] have formulated a sensible, phased, incremental approach to the development and deployment decision—while managing the risk."

Every DoD program has some degree of risk; the risk in each program, NMD included, can be mitigated by additional time and money. However, the NMD program is not being developed in a vacuum, a point clearly made by North Korea's flight test of the three-stage Taepo Dong I ICBM in August of 1998. We don't have the luxury of time. Because of the proliferation threat, our choice is simple: We can accept additional program risk, or we can leave the United States vulnerable to rogue threats of coercion by placing a premium on wringing risk from the NMD program.

The emphasis must be on protecting America and American interests. The continued vulnerability of the United States is unacceptable, which is why many of the Welch Report's recommendations should be implemented as quickly as possible.

Because of the threat we have no choice but to accept a high-risk program. We ought to accept as much risk as we can stand, because the consequences of not being prepared for the threat are so high. "High" risk is not synonymous with "failure," as demonstrated by the recent successful intercept conducted by this program. Decision points in the National Missile Defense program should not be adjusted because of a high level of risk in the program, but only if the level of risk becomes unacceptably high. To date no senior Defense Department official has told me that the level of risk in the NMD program is unacceptable.

Much of this report focuses on a lack of hardware to test and insufficient simulation facilities. That is the reason Congress added $1 billion for missile defense last year.

The Welch Report also calls for flight tests against more varied targets. After the recent successful NMD flight test, there was an unfortunate rush to judgment by some who wanted to indict this program as a fraud for not attempting the most complex intercept test immediately. These critics were obviously unaware of the fact that it was the Welch Panel, during its investigation, which recommended to BMDO that the recent flight test be simplified. I support the Welch Report's suggestion for realistic testing, and hope that everyone will keep in mind the importance of testing the basics first, and then proceeding to more complex tests.

There are, of course, some problems with testing against more realistic targets that have nothing at all to do with the NMD program. According to the Ballistic Missile Defense Organization, BMDO believes it is—and I quote from a note BMDO sent to my staff—"constrained by START treaty limitations"—from testing against more realistic targets.

This surely must be a misunderstanding within the Defense Department that will be resolved quickly.

I want to commend the members of the panel who produced the Welch Report. I hope that some of their concerns have been ameliorated by the recent NMD intercept, which occurred too late to be included in their report.

PATENT REFORM AND INVENTOR PROTECTION LEGISLATION

Mr. LIEBERMAN. Mr. President, I rise to express my support for S. 1798, the American Inventors Protection Act. Yesterday I became a co-sponsor of the patents reform legislation, which was recently reported out of the Senate Judiciary Committee. It is my understanding that the provisions contained in that legislation are being folded into a larger bill, which also addresses satellite television and other matters.. Although I urge passage of this larger bill, in my comments today I will speak only to the provisions dealing with patent reform and inventor protection, provisions which I strongly believe will provide vital new protections both to businesses and to individual inventors. In particular, I am pleased to see an entire title dedicated to regulating invention promoters, many of whom are little more than con artists. In 1995 I introduced the "Inventor Protection Act" of 1995, which was the first bill to target the unsrupulous firms that take advantage of inventors' ideas and dreams. Several of my bill's provisions now appear in the House and Senate legislation, and I am glad to see that the work we did in the 104th Congress, combined with the efforts of others since, should finally result in the passage of long needed protections against invention promotion scams.

The American Inventors Protection Act is a well-rounded bill. It reduces patent fees and authorizes the Comissioner of the Paetnt and Trademark Office (PTO) to report to Congress on alternative fee structures. The goal here, as with other titles of the legislation, is to make our patent system as accessible as possible to all. Another reform would save money for parties to a patent dispute. It allows third parties the option of expanded inter pates reexamination procedures; these new procedures before the PTO will decrease the amount of litigation in federal district court.

The "First Inventor Defense" is a vital new provision for businesses and other inventors caught unaware by recent court decisions allowing business methods to be patented. It is simply unfair that an innovator of a particular business method should suddenly have to pay royalties for its own invention, just because of an unforeseeable change in patent law. It is my understanding that any kind of method, regardless of its technological character, would be included within the scope of this definition, provided it is used in some manner by a company or other entity in the conduct of its business.

Two other provisions provide greater predictability and fairness for inventors. One title guarantees a minimum patent term of 17 years by extending patent term in cases of unusual delay. Another allows for domestic publication of patent applications subject to foreign publication. I support the changes made to this provision since the last Congress, changes which should satisfy the concerns of independent inventors that their ideas might be copied before their patents are granted.

Finally, I applaud the new regulations and remedies which will provide inventors with enhanced protections against invention promotion scams. Each year thousands of inventors lose tens of millions of dollars to deceptive invention marketing companies. In 1994, as then-Chairman of the Subcommittee on Regulation and Governmental Affairs, I held a hearing on the problems presented by the invention marketing industry. Witness after witness testified how dozens of companies, under broad claims of helping inventors, had actually set up schemes in which inventors spend thousands for services to market their invention—a service that companies regularly fail to provide.

The legislation I introduced in 1995 used a multi-faceted approach to separate the legitimate companies from the fraudulent and guarantee real protection for America's inventors. I am gratified that a number of the provisions from my bill have been used in a title of this year's patent reform legislation specially devoted to invention marketing companies. Both bills provide inventors with enhanced protections against invention promotion scams by creating a private right of action for inventors harmed by deceptive fraudulent practices, by requiring invention promoters to disclose certain information in writing prior to entering into a contract for invention promotion services, and by creating a publicly available log of complaints received by the PTO involving invention promotes.

The provisions contained in the American Inventors Protection Act represent our best hope for passage of meaningful patent reform. I urge my colleagues to support their passage to ensure that inventors as well as their ideas are adequately protected.

THE CONVEYANCE OF CERTAIN LANDS TO PARK COUNTY, WYOMING

Mr. ENZI. Mr. President, I rise in support of legislation that I and my colleague, Senator CRAIG THOMAS, introduced on Tuesday, November 9, 1999, that would authorize the sale of certain federal lands near Cody, Wyoming to Park County Wyoming for future use as an industrial park.

By purchasing this property, and zoning it as an industrial park, Park County will be able to provide, protect, and recognize an area that is well suited for industrial development, in a manner consistent with uses on surrounding properties, and do so in a way that does not burden other areas in the community whose uses are more residential or commercial in nature.

The property in question consists of approximately 190 acres of federal land just north of the Cody City limits. Part of this land is currently leased to a number of light industrial corporations including a gypsum wall board manufacturing facility, a meat processing facility, a trucking company, an oil company, a concrete company, and a lumber company. The property is also currently used as a utility corridor and is encumbered by a natural gas pipeline, several electricity and oil and gas pipeline rights of way, and a railroad easement held by the Chicago Burlington Quincy Railroad.

This proposal offers a needed shot in the arm for an economy that has not been able to attract a diversity of new jobs based on of a shortage of available industrial property. This shortage was created by a strong federal presence—82 percent of the land in Park County is owned by the Federal Government, with 52 percent of that land designated and managed as Wilderness. This high concentration of federal land drives up the price on available private land making industrial development very difficult.

In conclusion Mr. President, I hope my colleagues can join with me in support of this legislation and together we can provide the Cody area with a wonderful community building opportunity.

INCREASING THE MINIMUM WAGE

Mr. SANTORUM. Mr. President, I would like to take a moment to discuss the amendment offered by Senator DOMENICI, Senator ABRAHAM, and myself to raise the minimum wage. I cosponsored this proposal because I believe it represents a fair, sensible compromise.

In raising the minimum wage, it is imperative that we do not hurt the very people we are trying to help. Increasing the minimum wage always carries the risks of hindering job growth, cutting off opportunities for entry level workers, or displacing current workers. These risks are a real concern to me. In my view, any increase in the minimum wage must be accompanied by measures that will negate possible unintended negative effects on workers and businesses.

I believe the Domenici amendment offers a reasonable way to help workers and businesses by coupling the wage increase with tax relief that will help small businesses offset the additional costs. I would like to highlight a few of the ways this amendment creates a win-win situation for workers and small businesses. First, our amendment provides a one dollar increase in the minimum wage, which will be phased in incrementally over the next three years. Currently, the federal minimum wage is $5.15 per hour. Our amendment raises the minimum wage to $5.50 per hour in 2000, to $5.85 per hour in 2001, and to $6.15 per hour in 2002. It also includes reforms to expand pension coverage, particularly for employees of small businesses. These provisions enhance fairness for women, increase portability for plan participants, strengthen pension security and enforcement, and streamline regulatory requirements. Likewise, our proposal permanently extends the Work Opportunity Tax Credit, which gives employers an incentive to hire people receiving public assistance. This program helps people who have fallen on hard times to move back into the workplace. A section of our proposal that I am particularly proud of allows self-employed individuals to deduct 100 percent of their health insurance costs as early as next year. Under current law, hard working men and women must wait until 2003 before they can fully deduct their health insurance costs. This measure puts small business owners, farmers, and other hard working men and women struggling to get their businesses off the ground on a level playing field with large corporations, who already enjoy full deductions for healthcare. I have fought for this parity throughout my tenure in Congress, and I thank Senator DOMENICI for including it in this amendment.

Mr. President, our amendment is a compromise package. It is a good faith attempt to help low-income workers without penalizing their employers or causing unintended job displacement. We believe the tax relief and pension reforms in this bill will help small businesses and mitigate possible adverse effects of raising the minimum wage.

Once again, I thank Senator DOMENICI for his hard work on this amendment.

THE MANUFACTURED HOUSING IMPROVEMENT ACT

Mr. JOHNSON. Mr. President, I am pleased to offer my support and cosponsorship to S. 1452, the Manufactured Housing Improvement Act. Rural America, and my state of South Dakota in particular, is in the midst of an affordable housing crunch. In South Dakota, approximately four of ten new single family homes are manufactured homes, and with an average cost of around $42,000, manufactured homes enable many individuals, young families, and retired South Dakotans to enjoy the benefits of homeownership. Nearly one-quarter of the new homes nationwide are manufactured homes, and an estimated 8% of the American population lives in manufactured homes.

Despite the increasing number of manufactured homes, the Federal Manufactured Home Construction and Safety Standards Act has not been updated since its creation in 1974. Over the past twenty five years, manufactured homes have evolved from being predominately mobile trailers to permanent structures that contain the same amenities found in site-built homes. The inability of regulations to keep pace with changing technology and the nature of manufactured housing frustrates manufactured housing builders and consumers alike.

S. 1452 establishes a consensus committee that would submit recommendations to the Secretary of HUD for revising the manufactured housing construction and safety standards. In addition, the bill authorizes the Secretary of HUD to use industry label fees to administer the consensus committee and update the regulations. I applaud this unique provision that costs taxpayers nothing.

There is no question that construction codes for manufactured homes are woefully outdated and in need of revision. For example, the manufactured housing industry is running six years behind the most current electrical codes. Changes in the height of ceilings in manufactured homes since 1974 have also outpaced codes regulating the location of smoke detectors in the home. As a result, some smoke detectors in manufactured homes are several feet from the top of vaulted ceilings. Another trend in the industry is for more manufactured homes to be placed on private lots with basements. Unfortunately, out-of-date HUD regulations require water heaters to be placed on the main floor of a manufactured home, thereby prohibiting the more logical placement of water heaters in the basement and near a floor drain.

By updating construction safety regulations, this bill will benefit many South Dakotans and others who own manufactured homes. The AARP has raised valid concerns with portions of this legislation that I am hopeful can be addressed. I am confident that the concerns AARP has with the composition of the consensus committee can be worked out to ensure proper representation from consumers, industry experts, manufacturers, public officials, and other interested parties. I also commend AARP for raising the issue of warranties, and as a cosponsor of this legislation, I look forward to working with my colleagues, the manufactured housing industry, and AARP to ensure consumer access to warranties.

Another important issue that needs to be addressed in this discussion concerns installation standards that 33 states, including South Dakota, currently have. Differences in geography, soil composition, and climate make a uniform set of installation standards difficult to implement. However, I would like to see consumers in those states that currently do not have installation standards for manufactured homes receive the same level of assurance South Dakotans have that their homes will be installed correctly.

I would like to thank Senator SHELBY for introducing S. 1452 as well as

Senators ALLARD and KERRY for holding hearings on the legislation in October. I am hopeful that with the help of the interested parties, we can make this important bill even better. I look forward to a continued dialogue on this issue and for the Senate to take up this issue early in the new year.

TRIBUTE TO DAISY GASTON BATES OF ARKANSAS

Mrs. LINCOLN. Mr. President, I rise today to pay tribute to a great American and an honored daughter of Arkansas. Daisy Gaston Bates was an author, a newspaper publisher, a public servant, a community leader. And some would say most importantly, a civil rights activist. Mrs. Bates passed away last Thursday and we in the great state of Arkansas are celebrating the life of one of our greatest citizens.

Mrs. Bates believed in justice and equality for all of us. No doubt it was that love of freedom and equality that compelled her crusade in 1957 for the rights of nine African-American children to attend Little Rock's all-white Central High School. Daisy Bates played a central role, as Arkansas president of the National Association of Colored People, in the litigation that lead up to that confrontation on the school steps. This was a defining moment in the history of the civil rights movement.

According to her own accounts and those of the Little Rock Nine, the students would gather each night at the Bates' home to receive guidance and strength. It was through the encouragement of Daisy Bates and her husband that these young men and women were able to face the vicious and hateful taunts of those so passionately opposed to their attendance at Central High.

Mrs. Bates and her husband, L.C., also published a newspaper, the Arkansas State Press, which courageously published accounts of police brutality against African-Americans in the 1940's and took a stance for civil rights. Eventually, Central High was integrated and Daisy and her husband were forced to close their newspaper because of their civil rights stance. Advertisers withdrew their business and the paper suffered financial hardships from which it could not recover. She and L.C. were threatened with bombs and guns. They were hanged in effigy by segregationists.

But Daisy Bates persevered. She did all this, withstood these challenges, because she loved children and she loved her country. She had an internal fire, instilled in her during a childhood spent in Huttig, Arkansas. And this strong character shone through as she willingly took a leadership role to battle the legal and political inequities of segregation in our state and the nation.

Mrs. Bates continued to work tirelessly in anti-poverty programs, community development and neighborhood improvement. She published a book, for which another remarkable woman, Eleanor Roosevelt, wrote the introduction. Daisy also spent time working for the Democratic National Committee and for President Johnson's administration.

Many people honored Daisy Bates during her lifetime. In 1997, Mrs. Bates received for her courage and character, the Margaret Chase Smith Award, named after the second woman ever elected to the U.S. Senate. Daisy Bates carried the Olympic torch from a wheelchair during the 1996 Atlanta games. Many more, I am sure, will honor her after her death. I am proud to honor her today in the U.S. Senate.

Mrs. Bates will lie in state on Monday at the State Capitol Rotunda in Little Rock. Ironically, this is only blocks away from the school where that famous confrontation occurred in 1957. And in another twist of fate, the Little Rock Nine are scheduled to receive Congressional Gold Medals in a White House ceremony with President Bill Clinton this Tuesday, the very same day Daisy Bates will be laid to rest.

This great woman leaves a legacy to our children, our state and our nation; a love of justice, freedom and the right to be educated. A matriarch of the civil rights movement has passed on but I'm encouraged by the words of her niece, Sharon Gaston, who said, "Just don't let her work be in vain. There's plenty of work for us to do."

Mr. President, there is still much work to be done to bring complete civil rights and equality to our nation. Today, as we pause to remember Daisy Gaston Bates, I hope we will be renewed and refreshed in our efforts.

CONGRESSIONAL BUDGET OFFICE ESTIMATES OF S. 977

Mr. MURKOWSKI. Mr. President, on November 2, 1999, I filed Report 206 to accompany S. 977, that had been ordered favorably reported on October 20, 1999. At the time the report was filed, the estimates by Congressional Budget Office were not available. The estimate is now available and concludes that enactment of S. 977 would "result in no significant costs to the federal government." I ask unanimous consent that a copy of the CBO estimate be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, November 2, 1999.

Hon. FRANK H. MURKOWSKI,
Chairman, Committee on Energy and Natural Resources,
Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 977, the Miwaleta Park Expansion Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Mark Grabowicz (for federal costs), who can be reached at 226-2860, and Marjorie Miller (for the impact on state and local governments), who can be reached at 225-3220.

Sincerely,

DAN L. CRIPPEN.

Enclosure.

S. 977—Miwaleta Park Expansion Act

S. 977 would direct the Secretary of the Interior to convey, without compensation, Miwaleta Park and certain adjacent land to Douglas County, Oregon. The bill stipulates that the county must use this land for recreational purposes. Currently, the Bureau of Land Management (BLM) allows the county to use the land for a park at no cost to the county. Because BLM does not plan to sell the land or otherwise generate receipts from it, CBO estimates that implementing S. 977 would result in no significant costs to the federal government. The bill would not affect direct spending or receipts, so pay-as-you-go procedures would not apply.

S. 977 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act. Douglas County might incur some costs as a result of the bill's enactment, but any such costs would be voluntary. The county also would benefit, however, because it would receive land at a negligible cost. The bill would have no significant impact on the budgets of other state, local, or tribal governments.

On October 29, 1999, CBO transmitted a cost estimate for H.R. 1725, the Miwaleta Park Expansion Act, as ordered reported by the House Committee on Resources on October 20, 1999. The two bills are very similar and the cost estimates are identical.

The CBO staff contacts are Mark Grabowicz (for federal costs), who can be reached at 226-2860, and Marjorie Miller (for the impact on state and local governments), who can be reached at 225-3220. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

ESTABLISHMENT OF THE UNITED STATES JOINT FORCES COMMAND

Mr. LIEBERMAN. Mr. President, I rise today to commend the Secretary of Defense, Bill Cohen, the Chairman of the Joint Chiefs of Staff, General Hugh Shelton, the Commander in Chief Joint Forces Command Admiral Hal Gehman, and the Army Chief of Staff, General Eric Shinseki for their commitment to transforming our current military force to one which will assure our military superiority well into the twenty first century.

Secretary Cohen and General Shelton have taken strong and direct action to establish transformation as the guiding policy for the Department of Defense. Their leadership responds to what are now broadly accepted conclusions about the security environment we will face and the challenges and opportunities resulting from the Revolution in Military Affairs. Many, both inside and outside the Pentagon, have concluded that these changes are of such magnitude that they require that our military in the twenty first century be fundamentally different than today's military. This view was compellingly articulated by the National Defense Panel, which was created by this body. And it was given the force of policy by Secretary Cohen in the Quadrennial Defense Review.

But how are we to know what this very different military should look like? Secretary Cohen and General Shelton, encouraged and supported by legislation we passed last year, established a process to answer that question. On the first of October, 1998, they charged the Commander in Chief of the United States Atlantic Command, Admiral Harold Gehman, to put in place a joint experimentation process to objectively determine which new technologies, organizations, and concepts of operation will most likely to future military superiority. Since that time Admiral Theman has done a superb job of establishing a process and beginning experiments toward that end. In June, 1999, Admiral Gehman began experiments to address how the U.S. military should be equipped and organized to effectively find and strike critical mobile enemy targets, such as ballistic missiles. Other experiments to address near, mid, and far term strategic and operational problems will follow. On the first of October of this year the Secretary and the Chairman increased the priority of the policy of transformation by redesignating the United States Atlantic Command as the United States Joint Forces Command. This change is more than simply a change in name. It underlines the increasing importance of increased jointness in meeting the security challenges of the twenty first century, increases the priority assigned to experimentation, and reflects the expanded role that the United States Joint Forces Command assumes in order to achieve that goal. I applaud Secretary Cohen and General Shelton for their commitment to transformation of the U.S. military and their courage to make the tough changes needed to get it done.

I am also pleased to see that their leadership is having a positive effect on our military Services' plans to transform themselves to meet the coming challenges. The U.S. Air Force has begun to reorganize its units into Air Expeditionary Forces to be more responsive to the need for air power by the warfighting commanders. And I note with great admiration that on October 12, 1999 General Eric Shinseki, Chief of Staff of the U.S. Army, announced his intention to begin to transform the U.S. Army from a heavy force designed largely for the Cold War to one that will be more effective against the threats that most now see as most likely and most dangerous. The goal is to make the U.S. Army more strategically relevant by making it lighter, more deployable, more lethal, and more sustainable. General Shinseki plans to find technological solutions to these problems, and intends to create this year an experimentation process at Fort Lewis Washington in order to begin to construct this new force. He has said that he wants to eliminate the distinction between different types of Army units, and perhaps in time go to an all-wheeled fleet of combat vehicles, eliminating the tank as we have known it for almost a century. These are historic and very positive steps. But there is much progress that must still be made. For example, the Army and the Air Force must now implement their plans in concert with the other services, and with the Joint Forces Command.

Fundamental change is very difficult to effect, especially in organizations, like the Department of Defense, that are large and successful. Frankly, I am a little surprised that we have been able to achieve these changes in so short time. But organizations that don't change ultimately fail, and that is not an outcome we can accept. So we should not only applaud these moves, but support them, and encourage faster and more direct action. An excellent report by the Defense Science Board in August, 1999 suggests some things we can do to provide this support. The most important are encouraging the development of a DOD-wide strategy for transformation activities, and insisting on the establishment of processes to turn the results of experiments into real capabilities for our forces. And we must ensure that this effort is not hobbled by lack of resources. Perhaps most importantly, we must insist that no Service plan nor program be agreed to or resourced unless we are assured that it has passed through a rigorous joint assessment and is consistent with the joint warfighting needs of our military commanders.

I urge my colleagues to join me in complementing our senior leaders and to support their efforts to move to the next level of jointness as they grapple with the difficult task of building the most effective American military possible for the 21st century.

THE FREEDOM TO TRAVEL TO CUBA ACT OF 1999

Mr. LEAHY. Mr. President, any American who wants to travel to Iran, to North Korea, to Syria, to Serbia, to Vietnam, to just about anywhere, can do so, as long as that country gives them a visa. As far as the United States Government is concerned, they can travel there at their own risk.

Cuba, on the other hand, a country 90 miles away that poses about as much threat to the United States as a flea does to a buffalo, is off limits unless you are a journalist, government official, or member of some other special group. If not, you can only get there by breaking the law, which an estimated 10–15,000 Americans did last year.

Of all the ridiculous, anachronistic, and self-defeating policies, this has got to be near the top of the list.

For forty years, administration after administration, and Congress after Congress, has stuck by this failed policy. Yet Fidel Castro is as firmly in control today as he was in 1959, and the Cuban people are no better for it.

This legislation attempts to put some sense into our policy toward Cuba. It would also protect one of the most fundamental rights that most Americans take for granted, the right to travel freely. I commend the senior Senator From Connecticut, Senator DODD, who has been such a strong and persistent advocate on this issue. I am proud to join him in cosponsoring this legislation, which is virtually identical to an amendment he and I sponsored earlier this year. That amendment came within 7 votes of passage.

Mr. President, in March of this year I traveled to Cuba with Senator JACK REED. We were able to go there because we are Members of Congress.

I came face to face with the absurdity of the current policy because I wanted my wife Marcelle to accompany me as she does on most foreign trips. A few days before we were to leave, I got a call from the State Department saying that they were not sure they could approve her travel to Cuba.

I cannot speak for other Senators, but I suspect that like me, they would also not react too kindly to a policy that gives the State Department the authority to prevent their wife, or their children, from traveling with them to a country with which we are not at war and which, according to the Defense Department and the vast majority of the American public, poses no threat to our security.

I wonder how many Senators realize that if they wanted to take a family member with them to Cuba, they would probably be prevented from doing so by United States law.

Actually, because the authors of the law knew that a blanket prohibition on travel by American citizens would be unconstitutional, they came up with a clever way of avoiding that problem but accomplishing the same result. Americans can travel to Cuba, they just cannot spend any money there.

Almost a decade has passed since the collapse of the former Soviet Union. Eight years have passed since the Russians cut their $3 billion subsidy to Cuba. We now give hundreds of millions of dollars in aid to Russia.

Americans can travel to North Korea. There are no restrictions on the right of Americans to travel there, or to spend money there. Which country poses a greater threat to the United States? Obviously North Korea.

Americans can travel to Iran, and they can spend money there. The same goes for Sudan. These are countries that pose far greater threats to American interests than Cuba.

Our policy is hypocritical, inconsistent, and contrary to our values as a nation that believes in the free flow of people and ideas. It is impossible for anyone to make a rational argument that America should be able to travel freely to North Korea, or Iran, but not to Cuba. It can't be done.

We have been stuck with this absurd policy for years, even though virtually everyone knows, and says privately, that it makes absolutely no sense and is beneath the dignity of a great country.

It not only helps strengthen Fidel Castro's grip on Cuba, it hands a hug advantage to our European competitors who are building relationships and establishing a base for future investment in a post-Castro Cuba. When that will happen is anybody's guess. President Castro is no democrat, and he is not going to become one. But it is time we pursued a policy that is in our national interest.

Let me be clear. This legislation does not, I repeat does not, lift the U.S. embargo. It is narrowly worded so it does not do that. It only permits travelers to carry their personal belongings. We are not opening a floodgate for United States imports to Cuba.

The amendment limits what Americans can bring home from Cuba to the current level for government officials and other exempt categories, which is $100.

It reaffirms the President's authority to prohibit travel in times of war, armed hostilities, or if there is imminent danger to the health or safety of Americans.

Those who want to prevent Americans from traveling to Cuba, who oppose this legislation, will argue that spending United States dollars there helps prop up the Castro Government. To some extent that is true. The government does run the economy. It also runs the schools and hospitals, maintains roads, and, like the United States Government, is responsible for the whole range of social services that benefit ordinary Cubans. Any money that goes into the Cuban economy supports those programs.

But there is also an informal economy in Cuba, because no one but the elite can survive on their meager government salary. So the income from tourism also fuels that informal sector, and it goes in to the pockets of ordinary Cubans.

It is also worth pointing out that while the average Cuban cannot survive on his or her government salary, you do not see the kind of abject poverty in Cuba that is so common elsewhere in Latin America. In Brazil, or Panama, or Mexico, or Peru, there are children searching through garbage in the streets for scraps of food, next to gleaming high rise hotels with Mercedes limousines lined up outside.

In Cuba, almost everyone is poor. But they have access to the basics. The literacy rate is 95 percent. The life expectancy is about the same as in our country, even though the health system is very basic and focused on preventive care.

The point is that while there are obviously parts of the Cuban economy that we would prefer not to support—as there is in North Korea, China, or Sudan, or in any country whose government we disagree with, much of the Cuban Government's budget benefits ordinary Cubans. So when opponents of this legislation argue that we cannot allow Americans to travel to Cuba because the money they spend there would prop up Castro, remember what they are not saying: those same dollars also help the Cuban people.

It is also worth saying that as much as we want to see a democratic Cuba, President Castro's grip on power is not going to be weakened by keeping Americans from traveling to Cuba. History has proven that. He has been there for forty years, and as far as anyone can tell he is not going anywhere.

Mr. President, it is about time we injected some maturity into our relations with Cuba. Let's have a little more faith in the power of our ideas. Let's have the courage to admit that the cold war is over. Let's get the State Department out of the business of telling our wives, our children, and our constituents where they can travel and spend their own money—in a country that the Pentagon say poses no security threat to us.

This legislation will not end the embargo, but it will do far more to win the hearts and minds of the Cuban people than the outdated approach of those who continue to defend the status quo.

HIGH SPEED RAIL INVESTMENT ACT

Mr. KERRY. Mr. President, let me begin by congratulating Senator LAUTENBERG for developing this important piece of legislation that recognizes the importance of rail in our overall transportation system as we approach the 21st Century.

I am proud to be an original cosponsor of the High Speed Rail Investment Act, which will provide Amtrak with much needed resources to pay for high speed rail corridors across the country. This legislation is crucial for the country, and for my home state of Massachusetts, and I am hopeful we can move it quickly through Congress.

This bill will give Amtrak the authority to sell $10 billion in bonds over the next ten years to finance high speed rail. Instead of interest payments, the federal government would provide tax credits to bondholders. Amtrak would repay the principle on the bonds after 10 years, however, the payments would come primarily from required state matching funds. I know many states will gladly participate in this matching program, as their governors and state legislatures are eager to promote high speed rail. Amtrak would be authorized to invest this money solely for upgrading existing lines to high speed rail, constructing new high speed rail lines, purchasing high speed rail equipment, eliminating or improving grade crossings, and for capital upgrades to existing high speed rail corridors.

Let there be no mistake, this country needs to develop a comprehensive national transportation policy for the 21st Century. So far, Congress has failed to address this vital issue. What we have is an ad hoc, disjointed policy that focuses on roads and air to the detriment of rail. We need to look at all of these modes of transportation to alleviate congestion and delays on the ground and in the sky and to move people across this country efficiently. Failing to do this will hamper economic growth and harm the environment.

Despite rail's proven safety, efficiency and reliability in Europe and Japan, and also in the Northeast corridor here in the U.S., passenger rail is severely underfunded. We need to include rail into the transportation mix. We need more transportation choices and this bill helps to provide them.

In the Northeast corridor, Amtrak is well on its way to implementing high speed rail service. The high speed Acela service should start running from in January. This will be extremely helpful in my home state of Massachusetts, where airport and highway congestion often reach frustrating levels. The more miles that are traveled on Amtrak, the fewer trips taken on crowded highways and skyways.

But new service in the Northeast corridor is only the beginning. We need to establish rail as a primary mode of transportation along with air and highways. This bill well help us achieve that goal across the country and I am proud to be an original cosponsor of such an important piece of legislation.

THE TERROR OF GUN VIOLENCE

Mr. LEVIN. Mr. President, the call to end gun violence has become all too commonplace during this session of Congress. It seems as if each day, another one of us comes to the floor to express our outrage. Last week, it was about workplace violence in Honolulu and Seattle—a total of nine dead. In September it was a church shooting in Texas—a total of seven dead. In August, gun shots were fired in a Jewish Community Center in Los Angeles—

five injured, and moments later, a federal worker was gunned down on the street. In July, another workplace shooting—again nine people killed, this time in Atlanta. The list goes on and on, including one shooting none of us can forget—15 dead in Littleton.

Each month, we watch these tragedies unfold—we witness Americans running and screaming for their lives, toddlers being led hand-in-hand out of danger, even bloody teenagers dangling from windows. And as the helicopters and SWAT-teams come to more and more of our neighborhoods, we observe scenes that seem more suitable for a horror movie than the front page of our local papers.

And, still, each month, we react in the same way. We express outrage, we condemn killers, we call for sensible gun safety legislation, but we do not act. Congress has done nothing this year to control these mass-shootings or in any way, ease the agony that parents and families feel each day when they send their loved ones to school, church, or work.

Mr. President, as Congress prepares to adjourn for the year, I send out this reminder: Americans have lost the sense of safety that they once felt in their schools and neighborhoods. They are frightened that the next breaking news story will be filmed on main street, rather than as a “nightmare on elm street”. It is up to Congress to end gun violence and the all too familiar terror in the lives of ordinary Americans.

ROLLCALL NO. 361

Mr. KYL. Mr. President, I inadvertently missed rollcall No. 361 regarding the nomination of Carol Moseley-Braun. Had I been present, I would have voted “aye.”

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Tuesday, November 9, 1999, the Federal debt stood at $5,659,600,009,349.26 (Five trillion, six hundred fifty-nine billion, six hundred million, nine thousand, three hundred forty-nine dollars and twenty-six cents).

One year ago, November 9, 1998, the Federal debt stood at $5,556,815,000,000 (Five trillion, five hundred fifty-six billion, eight hundred fifteen million).

Five years ago, November 9, 1994, the Federal debt stood at $4,720,919,000,000 (Four trillion, seven hundred twenty billion, nine hundred nineteen million).

Ten years ago, November 9, 1989, the Federal debt stood at $2,893,041,000,000 (Two trillion, eight hundred ninety-three billion, forty-one million).

Fifteen years ago, November 9, 1984, the Federal debt stood at $1,613,716,000,000 (One trillion, six hundred thirteen billion, seven hundred sixteen million) which reflects a debt increase of more than $4 trillion—$4,045,884,009,349.26 (Four trillion, forty-five billion, eight hundred eighty-four million, nine thousand, three hundred forty-nine dollars and twenty-six cents) during the past 15 years.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting a treaty and sundry nominations which were referred to the appropriate committees.

(The nominations received today were printed at the end of the Senate proceedings.)

CONTINUATION OF THE EMERGENCY REGARDING WEAPONS OF MASS DESTRUCTION—MESSAGE FROM THE PRESIDENT—PM 73

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

On November 14, 1994, in light of the dangers of the proliferation of nuclear, biological, and chemical weapons (“weapons of mass destruction”—WMD) and of the means of delivering such weapons, I issued Executive Order 12938, and declared a national emergency under the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.). Under section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)), the national emergency terminates on the anniversary date of its declaration unless, within the 90-day period prior to each anniversary date, I publish in the Federal Register and transmit to the Congress a notice stating that such emergency is to continue in effect. The proliferation of weapons of mass destruction and their means of delivery continues to pose an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. I am, therefore, advising the Congress that the national emergency declared on November 14, 1994, and extended on November 14, 1995, November 12, 1996, November 13, 1997, and November 12, 1998, must continue in effect beyond November 14, 1999. Accordingly, I have extended the national emergency declared in Executive Order 12938, as amended.

The following report is made pursuant to section 204(a) of the International Emergency Economic Powers Act (50 U.S.C. 1703(c)) and section 401(c) of the National Emergencies Act (50 U.S.C. 1641(c)), regarding activities taken and money spent pursuant to the emergency declaration. Additional information on nuclear, missile, and/or chemical and biological weapons (CBW) nonproliferation efforts is contained in the most recent annual Report on the Proliferation of Missiles and Essential Components of Nuclear, Biological and Chemical Weapons, provided to the Congress pursuant to section 1097 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190), also known as the “Nonproliferation Report,” and the most recent annual report provided to the Congress pursuant to section 308 of the Chemical and Biological Weapons Control and Warfare Elimination Act of 1991 (Public Law 102–182), also known as the “CBW Report.”

On July 28, 1998, in Executive Order 13094, I amended section 4 of Executive Order 12938 so that the United States Government could more effectively respond to the worldwide threat of weapons of mass destruction proliferation activities. The amendment of section 4 strengthens Executive Order 12938 in several significant ways. The amendment broadens the type of proliferation activity that can subject entities to potential penalties under the Executive order. The original Executive order provided for penalties for contributions to the efforts of any foreign country, project or entity to use, acquire, design, produce, or stockpile chemical or biological weapons; the amended Executive order also covers contributions to foreign programs for nuclear weapons and for missiles capable of delivering weapons of mass destruction. Moreover, the amendment expands the original Executive order to include attempts to continue to foreign proliferation activities, as well as actual contributions, and broadens the range of potential penalties to expressly include the prohibition of U.S. Government assistance to foreign persons, and the prohibition of imports into the United States and U.S. Government procurement. In sum, the amendment gives the United States Government greater flexibility and discretion in deciding how and to what extent to impose measures against foreign persons that assist proliferation programs.

NUCLEAR WEAPONS

In May 1998, India and Pakistan each conducted a series of nuclear tests. World reaction included nearly universal condemnation across a broad range of international fora and multilateral support for a broad range of sanctions, including new restrictions on lending by international financial institutions unrelated to basic human needs and on aid from the G–8 and other countries.

Since the mandatory imposition of U.S. statutory sanctions, we have worked unilaterally, with other P–5 and G–8 members, and through the United Nations, to dissuade India and Pakistan from taking further steps toward developing nuclear weapons. We have urged them to join multilateral arms control efforts and to conform to the standards of nonproliferation regimes, to prevent a regional arms race and build confidence by practicing restraint, and to resume efforts to resolve their differences through dialogue. The P–5, G–8, and U.N. Security Council have called on India and Pakistan to take a broad range of concrete actions. The United States has focused most intensely on several objectives that can be met over the short and medium term: an end to nuclear testing and prompt, unconditional ratification of the Comprehensive Nuclear Test-Ban Treaty (CTBT); engagement in productive negotiations on a fissile material cut-off treaty (FMCT) and, pending their conclusion, a moratorium on production of fissile material for nuclear weapons and other nuclear explosive devices; restraint in development and deployment of nuclear-capable missiles and aircraft; and adoption of controls meeting international standards on exports of sensitive materials and technology.

Against this backdrop of international pressure on India and Pakistan, high-level U.S. dialogues with Indian and Pakistani officials have yielded little progress. In September 1998, Indian and Pakistani leaders had expressed a willingness to sign the CTBT. Both governments, having already declared testing moratoria, had indicated they were prepared to sign the CTBT by September 1999 under certain conditions. These declarations were made prior to the collapse of Prime Minister Vajpayee's Indian government in April 1999, a development that has delayed consideration of CTBT signature in India. The Indian election, the Kargil conflict, and the October political coup in Pakistan have further complicated the issue, although neither country has renounced its commitment. Pakistan has said that it will not sign the Treaty until India does. Additionally, Pakistan's Foreign Minister stated publicly on September 12, 1999, that Pakistan would not consider signing the CTBT until sanctions are removed.

India and Pakistan both withdrew their opposition to negotiations on an FMCT in Geneva at the end of the 1998 Conference on Disarmament session. However, these negotiations were unable to resume in 1999 and we have no indications that India or Pakistan played helpful "behind the scenes" roles. They also pledged to institute strict controls that meet internationally accepted standards on sensitive exports, and have begun expert discussions with the United States and others on this subject. In addition, India and Pakistan resumed their bilateral dialogue on outstanding disputes, including Kashmir, at the Foreign Secretary level. The Kargil conflict this summer complicated efforts to continue this bilateral dialogue, although both sides have expressed interest in resuming the discussions at some future point. We will continue discussions with both governments at the senior and expert levels, and our diplomatic efforts in concert with the P–5, G–8, and in international fora. Efforts may be further complicated by India's release in August 1999 of a draft of its nuclear doctrine, which, although its timing may have been politically motivated, suggests that India intends to make nuclear weapons an integral part of the national defense.

The Democratic People's Republic of Korea (DPRK or North Korea) continues to maintain a freeze on its nuclear facilities consistent with the 1994 U.S.–DPRK Agreed Framework, which calls for the immediate freezing and eventual dismantling of the DPRK's graphite-moderated reactors and reprocessing plant at Yongbyon and Taechon. The United States has raised its concerns with the DPRK about a suspect underground site under construction, possibly intended to support nuclear activities contrary to the Agreed Framework. In March 1999, the United States reached agreement with the DPRK for visits by a team of U.S. experts to the facility. In May 1999, a Department of State team visited the underground facility at Kumchang-ni. The team was permitted to conduct all activities previously agreed to help remove suspicions about the site. Based on the data gathered by the U.S. delegation and the subsequent technical review, the United States has concluded that, at present, the underground site does not violate the 1994 U.S.–DPRK Agreed Framework.

The Agreed Framework requires the DPRK to come into full compliance with its NPT and IAEA obligations as a part of a process that also includes the supply of two light water reactors to North Korea. United States experts remain on-site in North Korea working to complete clean-up operations after largely finishing the canning of spent fuel from the North's 5-megawatt nuclear reactor.

The Nuclear Non-Proliferation Treaty (NPT) is the cornerstone on the global nuclear nonproliferation regime. In May 1999, NPT Parties met in New York to complete preparations for the 2000 NPT Review Conference. The United States is working with others to ensure that the 2000 NPT Review Conference is a success that reaffirms the NPT as a strong and viable part of the global security system.

The United States signed the Comprehensive Nuclear-Test Ban Treaty on September 24, 1996. So far, 154 countries have signed and 51 have ratified the CTBT. During 1999, CTBT signatories conducted numerous meetings of the Preparatory Commission (PrepCom) in Vienna, seeking to promote rapid completion of the International Monitoring System (IMS) established by the Treaty. In October 1999, a conference was held pursuant to Article XIV of the CTBT, to discuss ways to accelerate the entry into force of the Treaty. The United States attended that conference as an observer.

On September 22, 1997, I transmitted the CTBT to the Senate, requesting prompt advice and consent to ratification. I deeply regret the Senate's decision on October 13, 1999, to refuse its consent to ratify the CTBT. The CTBT will serve several U.S. national security interests by prohibiting all nuclear explosions. It will constrain the development and qualitative improvement of nuclear weapons; end the development of advanced new types of weapons; contribute to the prevention of nuclear proliferation and the process of nuclear disarmament; and strengthen international peace and security. The CTBT marks a historic milestone in our drive to reduce the nuclear threat and to build a safer world. For these reasons, we hope that at an appropriate time, the Senate will reconsider this treaty in a manner that will ensure a fair and thorough hearing process and will allow for more thoughtful debate.

With 35 member states, the Nuclear Suppliers Group (NSG) is a widely accepted, mature, and effective export-control arrangement. At its May 1999 Plenary and related meetings in Florence, Italy, the NSG considered new members (although none were accepted at that meeting), reviewed efforts to enhance transparency, and pursued efforts to streamline procedures and update control lists. The NSG created an Implementation Working Group, chaired by the UK, to consider changes to the guidelines, membership issues, the relationship with the NPT Exporters (Zangger) Committee, and controls on brokering. The Transparency Working Group was tasked with preparing a report on NSG activities for presentation at the 2000 NPT Review Conference by the Italian chair. The French will host the Plenary and assume the NSG Chair in 2000 and the United States will host and chair in 2001.

The NSG is currently considering membership requests from Turkey and Belarus. Turkey's membership is pending only agreement by Russia to join the intercessional consensus of all other NSG members. The United States believes it would be appropriate to confirm intercessional consensus in support of Turkey's membership before considering other candidates. Belarus has been in consultation with the NSG Chair and other members including Russia and the United States regarding its interest in membership and the status of its implementation of export controls to meet NSG Guideline standards. The United States will not block intercessional consensus of NSG members in support of NSG membership for

Belarus, provided that consensus for Turkey's membership precedes it. Cyprus and Kazakhstan have also expressed interest in membership and are in consultation with the NSG Chair and other members regarding the status of their export control systems. China is the only major nuclear supplier that is not a member of the NSG, primarily because it has not accepted the NSG policy of requiring full-scope safeguards as a condition for supply of nuclear trigger list items to nonnuclear weapon states. However, China has taken major steps toward harmonization of its export control system with the NSG Guidelines by the implementation of controls over nuclear-related dual-use equipment and technology.

During the last 6 months, we reviewed intelligence and other reports of trade in nuclear-related material and technology that might be relevant to nuclear-related sanctions provisions in the Iran-Iraq Arms Non-Proliferation Act of 1992, as amended; the Export-Import Bank Act of 1945, as amended; and the Nuclear Proliferation Prevention Act of 1994. No statutory sanctions determinations were reached during this reporting period. The administrative measures imposed against ten Russian entities for their nuclear- and/or missile-related cooperation with Iran remain in effect.

CHEMICAL AND BIOLOGICAL WEAPONS

The export control regulations issued under the Enhanced Proliferation Control Initiative (EPCI) remain fully in force and continue to be applied by the Department of Commerce, in consultation with other agencies, in order to control the export of items with potential use in chemical or biological weapons or unmanned delivery systems for weapons of mass destruction.

Chemical weapons (CW) continue to pose a very serious threat to our security and that of our allies. On April 29, 1997, the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction (the Chemical Weapons Convention or CWC) entered into force with 87 of the CWC's 165 States Signatories as original States Parties. The United States was among their number, having ratified the CWC on April 25, 1997. Russia ratified the CWC on November 5, 1997, and became a State Party on December 8, 1997. To date, 126 countries (including China, Iran, India, Pakistan, and Ukraine) have become States Parties.

The implementing body for the CWC—the Organization for the Prohibition of Chemical Weapons (OPCW)—was established at entry-into-force (EIF) of the Convention on April 29, 1997. The OPCW, located in The Hague, has primary responsibility (along with States Parties) for implementing the CWC. It consists of the Conference of the States Parties, the Executive Council (EC), and the Technical Secretariat (TS). The TS carries out the verification provisions of the CWC, and presently has a staff of approximately 500, including about 200 inspectors trained and equipped to inspect military and industrial facilities throughout the world. To date, the OPCW has conducted over 500 routine inspections in some 29 countries. No challenge inspections have yet taken place. To date, nearly 170 inspections have been conducted at military facilities in the United States. The OPCW maintains a permanent inspector presence at operational U.S. CW destruction facilities in Utah and Johnston Island.

The United States is determined to seek full implementation of the concrete measures in the CWC designed to raise the costs and risks for any state or terrorist attempting to engage in chemical weapons-related activities. The CWC's declaration requirements improve our knowledge of possible chemical weapons activities. Its inspection provisions provide for access to declared and undeclared facilities and locations, thus making clandestine chemical weapons production and stockpiling more difficult, more risky, and more expensive.

The Chemical Weapons Convention Implementation Act of 1998 was enacted into U.S. law in October 1998, as part of the Omnibus Consolidated and Emergency Supplemental Appropriation Act for Fiscal Year 1999 (Public Law 105–277). My Administration published an Executive order on June 25, 1999, to facilitate implementation of the Act and is working to publish regulations regarding industrial declarations and inspections of industrial facilities. Submission of these declarations to the OPCW, and subsequent inspections, will enable the United States to be fully complaint with the CWC. United States noncompliance to date has, among other things, undermined U.S. leadership in the organization as well as our ability to encourage other States Parties to make complete, accurate, and timely declarations.

Countries that refuse to join the CWC will be politically isolated and prohibited by the CWC from trading with States Parties in certain key chemicals. The relevant treaty provisions are specifically designed to penalize countries that refuse to join the rest of the world in eliminating the threat of chemical weapons.

The United States also continues to play a leading role in the international effort to reduce the threat from biological weapons (BW). We participate actively in the Ad Hoc Group (AHG) of States Parties striving to complete a legally binding protocol to strengthen and enhance compliance with the 1972 Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction (the Biological Weapons Convention or BWC). This Ad Hoc Group was mandated by the September 1994 BWC Special Conference. The Fourth BWC Review Conference, held in November/December 1996, urged the AHG to complete the protocol as soon as possible but not later than the next Review Conference to be held in 2001. Work is progressing on a draft rolling text through insertion of national views and clarification of existing text. Five AHG negotiating sessions were scheduled for 1999. The United States is working toward completion of the substance of a strong Protocol next year.

On January 27, 1998, during the State of the Union address, I announced that the United States would take a leading role in the effort to erect stronger international barriers against the proliferation and use of BW by strengthening the BWC with a new international system to detect and deter cheating. The United States is working closely with U.S. industry representatives to obtain technical input relevant to the development of U.S. negotiating positions and then to reach international agreement on data declarations and on-site investigations.

The United States continues to be a leading participant in the 30-member Australia Group (AG) chemical and biological weapons nonproliferation regime. The United States attended the most recent annual AG Plenary Session from October 4–8, 1999, during which the Group reaffirmed the members' continued collective belief in the Group's viability, importance, and compatibility with the CWC and BWC. Members continue to agree that full adherence to the CWC and BWC by all governments will be the only way to achieve a permanent global ban on chemical and biological weapons, and that all states adhering to these Conventions must take steps to ensure that their national activities support these goals. At the 1999 Plenary, the Group continued to focus on strengthening AG export controls and sharing information to address the threat of CBW terrorism. The AG also reaffirmed its commitment to continue its active outreach program of briefings for non-AG countries, and to promote regional consultations on export controls and non-proliferation to further awareness and understanding of national policies in these areas. The AG discussed ways to be more proactive in stemming attacks on the AG in the CWC and BWC contexts.

During the last 6 months, we continued to examine closely intelligence and other reports of trade in CBW-related material and technology that might be relevant to sanctions provisions under the Chemical and Biological Weapons Controls and Warfare Elimination Act of 1991. No new sanctions determinations were reached during this reporting period. The United States also continues to cooperate with its AG partners and other countries in stopping shipments of proliferation concern.

MISSILES FOR DELIVERY OF WEAPONS OF MASS DESTRUCTION

The United States continues carefully to control exports that could contribute to unmanned delivery systems for weapons of mass destruction, and closely to monitor activities of potential missile proliferation concern. We also continued to implement U.S. missile sanctions laws. In March 1999, we imposed missile sanctions against three Middle Eastern entities for transfers involving Category II Missile Technology Control Regime (MTCR) Annex items. Category I missile sanctions imposed in April 1998 against North Korean and Pakistani entities for the transfer from North Korea to Pakistan of equipment and technology related to the Ghauri missile remain in effect.

During this reporting period, MTCR Partners continued to share information about proliferation problems with each other and with other potential supplier, consumer, and transshipment states. Partners also emphasized the need for implementing effective export control systems. This cooperation has resulted in the interdiction of missile-related materials intended for use in missile programs of concern.

In June the United States participated in the MTCR's Reinforced Point of Contact Meeting (RPOC). At the RPOC, MTCR Partners held in-depth discussions of regional missile proliferation concerns, focusing in particular on Iran, North Korea, and South Asia. They also discussed steps Partners can take to further increase outreach to nonmembers. The Partners agreed to continue their discussion of this important topic at the October 1999 Noordwijk MTCR Plenary.

Also in June, the United States participated in a German-hosted MTCR workshop at which Partners and non-Partners discussed ways to address the proliferation potential inherent in intangible technology transfers. The seminar helped participants to develop a greater understanding of the intangible technology issue (i.e., how proliferators misuse the internet, scientific conferences, plant visits, student exchange programs, and higher education to acquire sensitive technology), and to begin to identify steps governments can take to address this problem.

In July 1999, the Partners completed a reformatting of the MTCR Annex. The newly reformatted Annex is intended to improve clarity and uniformity of implementation of MTCR controls while maintaining the coverage of the previous version of the MTCR Annex.

The MTCR held its Fourteenth Plenary Meeting in Noordwijk, The Netherlands, on October 11–15. At the Plenary, the Partners shared information about activities of missile proliferation concern worldwide. They focussed in particular on the threat to international security and stability posed by missile proliferation in key regions and considered what practical steps they could take, individually and collectively, to address ongoing missile-related activities of concern. During their discussions, Partners gave special attention to DPRK missile activities and also discussed the threat posed by missile-related activities in South and North East Asia and the Middle East.

During this reporting period, the United States continued to work unilaterally and in coordination with its MTCR Partners to combat missile proliferation and to encourage nonmembers to export responsibly and to adhere to the MTCR Guidelines. To encourage international focus on missile proliferation issues, the USG also placed the issue on the agenda for the G8 Cologne Summit, resulting in an undertaking to examine further individual and collective means of addressing this problem and reaffirming commitment to the objectives of the MTCR. Since my last report, we continued our missile nonproliferation dialogues with China (interrupted after the accidental bombing of China's Belgrade Embassy), India, the Republic of Korea (ROK), North Korea (DPRK), and Pakistan. In the course of normal diplomatic relations we also have pursued such discussions with other countries in Central Europe, South Asia, and the Middle East.

In March 1999, the United States and the DPRK held a fourth round of missile talks to underscore our strong opposition to North Korea's destabilizing missile development and export activities and press for tight constraints on DPRK missile development, testing, and exports. We also affirmed that the United States viewed further launches of long-range missiles and transfers of long-range missiles or technology for such missiles as direct threats to U.S. allies and ultimately to the United States itself. We subsequently have reiterated that message at every available opportunity. In particular, we have reminded the DPRK of the consequences of another rocket launch and encouraged it not to take such action. We also have urged the DPRK to take steps towards building a constructive bilateral relationship with the United States.

These efforts have resulted in an important first step. Since September 1999, it has been our understanding that the DPRK will refrain from testing long-range missiles of any kind during our discussions to improve relations. In recognition of this DPRK step, the United States has announced the easing of certain sanctions related to the import and export of many consumer goods.

In response to reports of continuing Iranian efforts to acquire sensitive items from Russian entities for use in Iran's missile and nuclear development programs, the United States continued its high-level dialogue with Russia aimed at finding ways the United States and Russia can work together to cut off the flow of sensitive goods to Iran's ballistic missile development program. During this reporting period, Russia's government created institutional foundations to implement a newly enacted nonproliferation policy and passed laws to punish wrongdoers. It also passed new export control legislation to tighten government control over sensitive technologies and began working with the United States to strengthen export control practices at Russian aerospace firms. However, despite the Russian government's nonproliferation and export control efforts, some Russian entities continued to cooperate with Iran's ballistic missile program and to engage in nuclear cooperation with Iran beyond the Bushehr reactor project. The administrative measures imposed on ten Russian entities for their missile- and nuclear-related cooperation with Iran remain in effect.

VALUE OF NONPROLIFERATION EXPORT CONTROLS

United States national export controls—both those implemented pursuant to multilateral nonproliferation regimes and those implemented unilaterally—play an important part in impeding the proliferation of WMD and missiles. (As used here, "export controls" refer to requirements for case-by-case review of certain exports, or limitations on exports of particular items of proliferation concern to certain destinations, rather than broad embargoes or economic sanctions that also affect trade.) As noted in this report, however, export controls are only one of a number of tools the United States uses to achieve its nonproliferation objectives. Global nonproliferation norms, informal multilateral nonproliferation regimes, interdicting shipments of proliferation concern, sanctions, export control assistance, redirection and elimination efforts, and robust U.S. military, intelligence, and diplomatic capabilities all work in conjunction with export controls as part of our overall nonproliferation strategy.

Export controls are a critical part of nonproliferation because every proliferant WMD/missile program seeks equipment and technology from other countries. Proliferators look overseas because needed items are unavailable elsewhere, because indigenously produced items are of insufficient quality or quantity, and/or because imported items can be obtained more quickly and cheaply than producing them at home. It is important to note that proliferators seek for their programs both items on multilateral lists (like gyroscopes controlled on the MTCR Annex and nerve gas ingredients on the Australia Group list) and unlisted items (like lower-level machine tools and very basic chemicals). In addition, many of the items of interest to proliferators are inherently dual-use. For example, key ingredients and technologies used in the production of fertilizers and pesticides also can be used to make chemical weapons; vaccine production technology (albeit not the vaccines themselves) can assist in the production of biological weapons.

The most obvious value of export controls is in impeding or even denying proliferators access to key pieces of equipment or technology for use in their WMD/missile programs. In large part, U.S. national export controls—and similar controls of our partners in the Australia Group, Missile Technology Control Regime, and Nuclear Suppliers Group—have denied proliferators access to the largest sources of the best equipment and technology. Proliferators have mostly been forced to seek less capable items from nonregime suppliers. Moreover, in many instances, U.S. and regime controls and associated efforts have forced proliferators to engage in complex clandestine procurements even from nonmember suppliers, taking time and money away from proliferant programs.

United States national export controls and those of our regime partners also have played an important leadership role, increasing over time the critical mass of countries applying nonproliferation export controls. For example, none of the following progress would have been possible without the leadership shown by U.S. willingness to be the first to apply controls: the seven-member MTCR of 1987 has grown to 32 member countries; several nonmember countries have been persuaded to apply export controls consistent with one or more of the regimes unilaterally; and most of the members of the nonproliferation regimes have applied national "catch-all" controls similar to those under the U.S. Enhanced Proliferation Control Initiative. (Export controls normally are tied to a specific list of items, such as the MTCR Annex. "Catch-all" controls provide a legal basis to control exports of items not on a list, when those items are destined for WMD/missile programs.)

United States export controls, especially "catch-all" controls, also make important political and moral contributions to the nonproliferation effort. They uphold the broad legal obligations the United States has undertaken in the Nuclear Nonproliferation Treaty (Article I), Biological Weapons Convention (Article III), and Chemical Weapons Convention (Article I) not to assist anyone in proscribed WMD activities. They endeavor to assure there are no U.S. "fingerprints" on WMD and missiles that threaten U.S. citizens and territory and our friends and interests overseas. They place the United States squarely and unambiguously against WMD/missile proliferation, even against the prospect of inadvertent proliferation from the United States itself.

Finally, export controls play an important role in enabling and enhancing legitimate trade. They provide a means to permit dual-use export to proceed under circumstances where, without export control scrutiny, the only prudent course would be to prohibit them. They help build confidence between countries applying similar controls that, in turn, results in increased trade. Each of the WMD nonproliferation regimes, for example, has a "no undercut" policy committing each member not to make an export that another has denied for nonproliferation reasons and notified to the rest—unless it first consults with the original denying country. Not only does this policy make it more difficult for proliferators to get items from regime members, it establishes a "level playing field" for exporters.

THREAT REDUCTION

The potential for proliferation of WMD and delivery system expertise has increased in part as a consequence of the economic crisis in Russia and other Newly Independent States, causing concern. My Administration gives high priority to controlling the human dimension of proliferation through programs that support the transition of former Soviet weapons scientists to civilian research and technology development activities. I have proposed an additional $4.5 billion for programs embodied in the Expanded Threat Reduction Initiative that would support activities in four areas: nuclear security; nonnuclear WMD; science and technology nonproliferation; and military relocation, stabilization and other security cooperation programs. Congressional support for this initiative would enable the engagement of a broad range of programs under the Departments of State, Energy, and Defense.

EXPENSES

Pursuant to section 401(c) of the National Emergencies Act (50 U.S.C. 1641(c)), I report that there were no specific expenses directly attributable to the exercise of authorities conferred by the declaration of the national emergency in Executive Order 12938, as amended, during the period from May 15, 1999, through November 10, 1999.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *November 10, 1999.*

MESSAGES FROM THE HOUSE

At 10:01 a.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 78. Joint resolution making further continuing appropriations for the fiscal year 2000, and for other purposes.

The message also announced that the House has agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1554) to amend the provisions of title 17, United States Code, and the Communications Act of 1934, relating to copyright licensing and carriage of broadcast signals by satellite.

At 11:45 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1444. An act to authorize the Secretary of the Army to develop and implement projects for fish screens, fish passage devices, and other similar measures to mitigate adverse impacts associated with irrigation system water diversions by local governmental entities in the States of Oregon, Washington, Montana, and Idaho.

H.R. 1714. An act to facilitate the use of electronic records and signatures in interstate or foreign commerce.

H.R. 2879. An act to provide for the placement at the Lincoln Memorial of a plaque commemorating the speech of Martin Luther King, Jr., known as the "I have A Dream" speech.

H.R. 3090. An act to amend the Alaska Native Claims Settlement Act to restore certain lands to the Elim Native Corporation, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 205. Concurrent resolution recognizing and honoring the heroic efforts of the Air National Guard's 109th Airlift Wing and its rescue of Dr. Jerri Nielsen from the South Pole.

H. Con. Res. 221. Concurrent resolution authorizing printing of the brochures entitled "How Our Laws Are Made" and "Our American Government", the pocket version of the United States Constitution, and the document-sized, annotated version of the United States Constitution.

H. Con. Res. 223. Concurrent resolution expressing the sense of the Congress regarding Freedom Day.

The message further announced that the House has passed the following bill, with an amendment, in which it requests the concurrence of the Senate:

S. 335. An act to amend chapter 30 of title 39, United States Code, to provide for the nonmailability of certain deceptive matter relating to games of chance, administrative procedures, orders, and civil penalties relating to such matter, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

At 10:50 a.m. a message from the House of Representatives, delivered by

Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 348. An act to authorize the construction of a monument to honor those who have served the Nation's civil defense and emergency management programs.

H.R. 3061. An act to amend the Immigration and Nationality Act to extend for an additional 2 years the period for admission of an alien as a nonimmigrant under section 101(a)(15)(S) of such Act, and to authorize appropriations for the refugee assistance program under chapter 2 of title IV of the Immigration and Nationality Act.

H.R. 915. An act to authorize a cost of living adjustment in the pay of administrative law judges.

At 12:38 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 76. Joint resolution waiving certain enrollment requirements for the remainder of the first session of the One Hundred Sixth Congress with respect to any bill or joint resolution making general appropriations or continuing appropriations for fiscal year 2000.

At 4:38 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 78. Joint resolution making further continuing appropriations for the fiscal year 2000, and for other purposes.

The enrolled bills and joint resolutions were signed subsequently by the President pro tempore (Mr. THURMOND).

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–6124. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed license for the export of major defense equipment sold under a contract in the amount of $50,000,000 or more to Australia; to the Committee on Foreign Relations.

EC–6125. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to Mexico; to the Committee on Foreign Relations.

EC–6126. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed Manufacturing License Agreement with Turkey; to the Committee on Foreign Relations.

EC–6127. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Procedures for Netting Interest" (Rev. Proc. 99–437), received November 8, 1999; to the Committee on Finance.

EC–6128. A communication from the Deputy Secretary, Division of Investment Management, Securities and Exchange Commission, transmitting, pursuant to law, the report of a rule entitled "Delivery of Prospectuses to Investors at the Same Address; Information to be Furnished to Security Holders; Annual Report to be Furnished Security Holders; Providing Copies of Material for Certain Beneficial Owners; Reports to Stockholders of Management Companies; Reports to Shareholders of Unit Investment Trusts" (RIN3235–AG98), received November 8, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–6129. A communication from the Director, Office of Surface Mining, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "West Virginia Regulatory Program" (SPATS No. WV–074–FOR), received November 8, 1999; to the Committee on Energy and Natural Resources.

EC–6130. A communication from the Director, Office of Surface Mining, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "West Virginia Regulatory Program" (SPATS No. WV–081–FOR), received November 8, 1999; to the Committee on Energy and Natural Resources.

EC–6131. A communication from the Director, Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting, pursuant to law, the report of a rule entitled "Revised NRC Enforcement Policy", received November 3, 1999; to the Committee on Environment and Public Works.

EC–6132. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of State Plans for Designated Facilities and Pollutants; Control of Emissions from Hospital/Medical/Infectious Waste Incinerators (HMIWI); State of Nebraska" (FRL #6473–8), received November 8, 1999; to the Committee on Environment and Public Works.

EC–6133. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Revisions to the Georgia State Implementation Plan" (FRL #6473–1), received November 8, 1999; to the Committee on Environment and Public Works.

EC–6134. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Air Quality Implementation Plans; Rhode Island; Amendments to Air Pollution Control Regulation Number 9; Correction" (FRL #6471–6), received November 4, 1999; to the Committee on Environment and Public Works.

EC–6135. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Implementation Plans; Texas; Revisions to Consumer Products Rules" (FRL #6471–8), received November 4, 1999; to the Committee on Environment and Public Works.

EC–6136. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Removal of the Approval and Promulgation of Air Quality Implementation Plans; Connecticut; National Low Emission Vehicle Program "(FRL #6471–7), received November 4, 1999; to the Committee on Environment and Public Works.

EC–6137. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Implementation Plans; Oklahoma; Visibility Protection" (FRL #6470–4), received November 2, 1999; to the Committee on Environment and Public Works.

EC–6138. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Implementation Plans; Tennessee: Approval of Revisions to Knox County Portion of Tennessee Implementation Plan" (FRL #6469–4), received November 2, 1999; to the Committee on Environment and Public Works.

EC–6139. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Implementation Plans; Arizona State Implementation Plan Revision, Maricopa County" (FRL #6468–6), received November 2, 1999; to the Committee on Environment and Public Works.

EC–6140. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision, South Coast Air Quality Management District" (FRL #6470–6), received November 2, 1999; to the Committee on Environment and Public Works.

EC–6141. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, a report entitled "State Implementation Plans; Policy Regarding Excess Emissions During Malfunctions, Startup, and Shutdown"; to the Committee on Environment and Public Works.

EC–6142. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, a report entitled "1999 PCB Questions and Answers Manual (Part 2 of 3)"; to the Committee on Environment and Public Works.

EC–6143. A communication from the Secretary of Agriculture, transmitting, a draft of proposed legislation relative to meat and poultry inspection; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6144. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and

Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Zincphosphide; Extension of Tolerance for Emergency Exemptions" (FRL #6389-9), received November 8, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6145. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Glufosinate Ammonium; Pesticide Tolerance" (FRL #6391-5), received November 1, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6146. A communication from the Associate Administrator, Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Almonds Grown in California: Salable and Reserve Percentages for the 1999–2000 Crop Year" (FV–99–981–3 FR), received November 3, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6147. A communication from the Associate Administrator, Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Almonds Grown in California: Revisions to Requirements Regarding Credit for Promotion and Advertising Activities" (FV–99–981–4 FR), received November 3, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6148. A communication from the Associate Administrator, Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Tart Cherries Grown in the States of Michigan, et al.; Decrease Assessment Rate" (FV–99–930–3 FR), received November 3, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6149. A communication from the Associate Administrator, Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Walnuts Grown in California: Reporting Walnuts Grown Outside of the United States and Received by California Handlers" (FV–99–984–2 FR), received November 3, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6150. A communication from the Associate Administrator, Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Tomatoes Grown in Florida: Decrease Assessment Rate" (FV–99–966–1 FR), received November 3, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6151. A communication from the Associate Administrator, Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Oranges, Grapefruit, Tangerines, and Tangeloes Grown in Florida and Imported Grapefruit; Relaxation of the Minimum Size Requirement for Seedless Grapefruit" (FV–99–905–6 FR), received November 3, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6152. A communication from the Acting Executive Director, Commodity Futures Trading Commission, transmitting, pursuant to law, the report of a rule entitled "Order Granting the London Clearing House's Petition for an Exemption Pursuant to Section 4(c) of the Commodity Exchange Act", received November 2, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6153. A communication from the Acting Executive Director, Commodity Futures Trading Commission, transmitting, pursuant to law, the report of a rule entitled "Foreign Futures and Options Transactions", received November 2, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6154. A communication from the Congressional Review Coordinator, Regulatory Analysis and Development, Policy and Program Development, Animal and Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Imported Fire Ant; Quarantined Areas and Treatment Dosage" (Docket #98–078–1), received November 3, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6155. A communication from the Congressional Review Coordinator, Regulatory Analysis and Development, Policy and Program Development, Animal and Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Citrus Canker Regulations" (Docket #99–080–1), received November 3, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6156. A communication from the Deputy Under Secretary, Natural Resources and Environment, Forest Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Administration: Cooperative Funding" (RIN0596–AB63), received November 3, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6157. A communication from the Acting Administrator, Farm Service Agency, Farm and Foreign Agricultural Services, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Streamlining of Regulations for Real Estate and Chattel Appraisals" (RIN0560–AF69), received November 3, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6158. A communication from the Acting Administrator, Farm Service Agency, Farm and Foreign Agricultural Services, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "1999 Livestock Indemnity Program; 1998 Single-Year and Multi-Year Crop Loss Disaster Assistance Program" (RIN0560–AF82), received November 3, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HATCH, from the Committee on the Judiciary, without amendment and with a preamble:

S. Res. 216. A resolution designating the Month of November 1999 as "National American Indian Heritage Month."

EXECUTIVE REPORTS OF COMMITTEE

The following executive reports of committees were submitted:

By Mr. McCAIN for the Committee on Commerce, Science, and Transportation:

Joseph E. Brennan, of Maine, to be a Federal Maritime Commissioner for the term expiring June 30, 2003.

Antony M. Merck, of South Carolina, to be a Federal Maritime Commissioner for the term expiring June 30, 2001.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. CAMPBELL:

S. 1899. A bill to redesignate the Federal Emergency Management Agency as the "Federal Fire and Emergency Management Agency", and to amend the Federal Fire Prevention and Control Act of 1974 to authorize the Director of the Federal Fire and Emergency Management Agency to make grants to local fire departments for the purpose of protecting the public and firefighting personnel against fire and fire-related hazards; to the Committee on Environment and Public Works.

By Mr. LAUTENBERG (for himself, Mr. JEFFORDS, Mr. MOYNIHAN, Mr. CLELAND, Mr. KERRY, Mr. BIDEN, Mrs. BOXER, Mr. KOHL, Mr. SPECTER, Mr. ROBB, Mr. LEAHY, Mr. DEWINE, Mr. SARBANES, Mr. TORRICELLI, Mr. L. CHAFEE, Mr. GRAHAM, Mr. KENNEDY, Ms. MIKULSKI, Ms. SNOWE, Mr. SCHUMER, Mr. LEVIN, and Mrs. HUTCHISON):

S. 1900. A bill to amend the Internal Revenue Code of 1986 to allow a credit to holders of qualified bonds issued by Amtrak, and for other purposes; to the Committee on Finance.

By Mr. KOHL (for himself and Mr. TORRICELLI):

S. 1901. A bill to establish the Privacy Protection Study commission to evaluate the efficacy of the Freedom of Information Act and the Electronic Freedom of Information Act Amendments of 1996, to determine whether new laws are necessary, and to provide advice and recommendations; to the Committee on the Judiciary.

By Mrs. FEINSTEIN:

S. 1902. A bill to require disclosure under the Freedom of Information Act regarding certain persons and records of the Japanese Imperial Army in a manner that does not impair any investigation or prosecution conducted by the Department of Justice or certain intelligence matters, and for other purposes; to the Committee on the Judiciary.

By Mr. SHELBY (for himself and Mr. BRYAN):

S. 1903. A bill to amend the privacy provisions of the Gramm-Leach-Bliley Act; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. THOMAS (for himself and Mr. ENZI):

S. 1904. A bill to amend the Internal Revenue Code of 1986 to provide for an election for special tax treatment of certain S corporation conversions; to the Committee on Finance.

By Mr. SANTORUM (for himself, Mr. DODD, Mr. TORRICELLI, Mr. LIEBERMAN, Mr. SCHUMER, and Mr. LAUTENBERG):

S. 1905. A bill to establish a program to provide for a reduction in the incidence and prevalence of Lyme disease; to the Committee on Health, Education, Labor, and Pensions.

By Mr. BINGAMAN (for himself, Mr. ALLARD, and Mr. CRAIG):

S. 1906. A bill to amend Public Law 104-307 to extend the expiration date of the authority to sell certain aircraft for use in wildfire suppression, and for other purposes; to the Committee on Armed Services.

By Mr. DODD (for himself and Mr. KENNEDY) (by request):

S. 1907. A bill to prohibit employment discrimination against parents and those with parental responsibilities, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. DODD:

S. 1908. A bill to protect students from commercial exploitation; to the Committee on Health, Education, Labor, and Pensions.

By Mr. TORRICELLI:

S. 1909. A bill to provide for the preparation of a Governmental report detailing injustices suffered by Italian Americans during World War II, and a formal acknowledgement of such injustices by the President; to the Committee on the Judiciary.

By Mr. MOYNIHAN (for himself and Mr. SCHUMER):

S. 1910. A bill to amend the Act establishing Women's Rights National Historical Park to permit the Secretary of the Interior to acquire title in fee simple to the Hunt House located in Waterloo, New York; to the Committee on Energy and Natural Resources.

By Mr. BREAUX (for himself, Ms. SNOWE, Mr. HOLLINGS, Mr. SHELBY, Mr. KERRY, Mr. SESSIONS, and Ms. LANDRIEU):

S. 1911. A bill to conserve Atlantic highly migratory species of fish, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. FRIST (for himself, Mr. MCCAIN, and Mr. BINGAMAN):

S. 1912. A bill to facilitate the growth of electronic commerce and enable the electronic commerce market to continue its current growth rate and realize its full potential, to signal strong support of the electronic commerce market by promoting its use within Federal government agencies and small and medium-sized businesses, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. LOTT (for Mr. MCCAIN (for himself and Mr. KYL)):

S. 1913. A bill to amend the Act entitled "An act relating to the water rights of the Ak-Chin Indian Community" to clarify certain provisions concerning the leasing of such water rights, and for other purposes; to the Committee on Indian Affairs.

By Mr. MACK (for himself and Mrs. HUTCHISON):

S. 1914. A bill to amend the Internal Revenue Code of 1986 to provide for the creation of disaster protection funds by property and casualty insurance companies for the payment of policyholders' claims arising from future catastrophic events; to the Committee on Finance.

By Mr. JEFFORDS (for himself, Mr. CRAPO, Mr. MURKOWSKI, Mr. SCHUMER, Mr. HARKIN, Mr. BRYAN, Mr. BURNS, and Mr. REID):

S. 1915. A bill to enhance the services provided by the Environmental Protection Agency to small communities that are attempting to comply with national, State, and local environmental regulations; to the Committee on Environment and Public Works.

By Mr. LOTT (for Mr. MCCAIN):

S. 1916. A bill to extend certain expiring Federal Aviation Administration authorizations for a 6-month period, and for other purposes; considered and passed.

By Mr. FEINGOLD:

S. 1917. A bill to abolish the death penalty under Federal law; to the Committee on the Judiciary.

By Mrs. BOXER:

S. 1918. A bill to waive the 24-month waiting period for disabled individuals to qualify for medicare benefits in the case of individuals suffering from terminal illness with not more than 2 years to live; to the Committee on Finance.

By Mr. DODD (for himself and Mr. LEAHY):

S. 1919. A bill to permit travel to or from Cuba by United Staes citizens and lawful resident aliens of the United States; to the Committee on Foreign Relations.

By Mr. LEVIN (for himself and Mr. SPECTER):

S. 1920. A bill to combat money laundering and protect the United States financial system by addressing the vulnerabilities of private banking to money laundering, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. GRAHAM:

S. Res. 231. A resolution referring S. 1456 entitled "A bill for the relief of Rocco A. Trecosta of Fort Lauderdale, Florida" to the chief judge of the United States Court of Federal Claims for a report thereon; to the Committee on the Judiciary.

By Mr. LOTT (for himself and Mr. DASCHLE):

S. Res. 232. A resolution making changes to Senate committees for the 106th Congress; considered and agreed to.

By Mr. WELLSTONE:

S. Con. Res. 72. A concurrent resolution expressing condemnation of the use of children as soldiers and the belief that the United States should support and, where possible, lead efforts to establish and enforce international standards designed to end this abuse of human rights; to the Committee on Foreign Relations.

By Mr. LIEBERMAN:

S. Con. Res. 73. A concurrent resolution expressing the sense of the Congress regarding Freedom Day; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CAMPBELL:

S. 1899. A bill to redesignate the Federal Emergency Management Agency as the "Federal Fire and Emergency Management Agency," and to amend the Federal Fire Prevention and Control Act to 1974 to authorize the Director of the Federal Fire and Emergency Management Agency to make grants to local fire departments for the purpose of protecting the public and firefighting personnel against fire and fire-related hazards; to the Committee on Environment and Public Works.

THE FIREFIGHTER INVESTMENT AND RESPONSE ENHANCEMENT ACT OF 1999

Mr. CAMPBELL. Mr. President, today I am introducing legislation which would better equip our nation's firefighters to fight the ever-increasing threat of property destruction and potential loss of life.

The "Firefighter Investment and Response Enhancement (FIRE) Act of 1999" would authorize the newly-named Federal Fire and Emergency Management Agency to make available matching grants on a competitive basis to fire departments for the purpose of protecting the public and firefighting personnel against fire and fire-related hazards. This bill is a companion to H.R. 1168, which was introduced by my colleague in the House of Representatives, Congressman PASCRELL.

Mr. President, each year approximately 100 of our nation's firefighters pay the ultimate sacrifice to preserve the safety of our communities. Increased demands on firefighting personnel have made it difficult for local governments to prepare for necessary fire safety precautions. The fire loss in the United States is serious, and the fire death rate is one of the highest per capita in the industrialized world. Fire kills more than 4,000 people and injures more than 25,000 people each year. Today, 11 people will die due to fire. Two of these people are likely to be children under the age of 5. Another 68 people will be injured due to fire. Financially, the impact of America's estimated 2.2 million fires annually is over $9 billion in direct property losses. Those numbers are staggering, and many of these losses could have been prevented.

The bill I introduce today would make grants available to train firefighter personnel in firefighting, emergency response, arson prevention and detection, and the handling of hazardous substances or pollutants or contaminants associated with the illegal manufacture of amphetamine or methamphetamine.

This bill also creates partnerships by allowing for the effective use of the capabilities of the National Institute of Standards and Technology, the Department of Commerce, and the Consumer Product Safety Commission for research and development aimed at advancing the health and safety of firefighters; information technologies for fire management; technologies for fire prevention and protection; firefighting technologies; and burn care and rehabilitation.

In addition, this legislation would ensure that grants would be made to a wide variety of fire departments, including applicants from paid, volunteer, and combination fire departments, large and small, which are situated in urban, suburban and rural communities.

Mr. President, despite the risks, 1.2 million men and women firefighters willingly put their lives on the line responding to over 17 million calls, annually. Our greatest challenge is to put limited resources to work where they will make the most difference in saving lives and reducing losses.

I am pleased that the bill I introduce today has been endorsed by the Colorado State Fire Chief's Association.

I urge my colleagues to join me in supporting this important bill. I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1899

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Firefighter Investment and Response Enhancement (FIRE) Act".

SEC. 2. FINDINGS.

Congress finds that—

(1) increased demands on firefighting personnel have made it difficult for local governments to adequately fund necessary fire safety precautions;

(2) the Federal Government has an obligation to protect the health and safety of the firefighting personnel of the United States and to help ensure that the personnel have the financial resources to protect the public;

(3) the United States has serious fire losses, including a fire death rate that is one of the highest per capita in the industrialized world;

(4) in the United States, fire kills more than 4,000 people and injures more than 25,000 people each year;

(5) in any single day in the United States, on the average—

(A) 11 people will die because of fire;

(B) 2 of those people are likely to be children under the age of 5;

(C) 68 people will be injured because of fire; and

(D) over $9,000,000,000 in property losses will occur from fire; and

(6) those statistics demonstrate a critical need for Federal investment in support of firefighting personnel.

SEC. 3. REDESIGNATION OF FEDERAL EMERGENCY MANAGEMENT AGENCY.

(a) IN GENERAL.—The Federal Emergency Management Agency is redesignated as the "Federal Fire and Emergency Management Agency".

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal Emergency Management Agency shall be deemed to be a reference to the Federal Fire and Emergency Management Agency.

(c) CONFORMING AMENDMENTS TO FEDERAL FIRE PREVENTION AND CONTROL ACT OF 1974.—Sections 4(4), 17, and 31(a)(5)(B) of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2203(4), 2216, and 2227(a)(5)(B)) are amended by striking "Federal Emergency Management Agency" each place it appears and inserting "Federal Fire and Emergency Management Agency".

SEC. 4. FIREFIGHTER INVESTMENT AND RESPONSE ENHANCEMENT.

The Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2201 et seq.) is amended by adding at the end the following:

"SEC. 33. FIREFIGHTER INVESTMENT AND RESPONSE ENHANCEMENT.

"(a) DEFINITION OF FIREFIGHTING PERSONNEL.—In this section, the term 'firefighting personnel' means individuals, including volunteers, who are firefighters, officers of fire departments, or emergency medical service personnel of fire departments.

"(b) GRANT PROGRAM.—

"(1) AUTHORITY.—In accordance with this section, the Director may make grants on a competitive basis to fire departments for the purpose of protecting the health and safety of the public and firefighting personnel against fire and fire-related hazards.

"(2) ESTABLISHMENT OF OFFICE FOR ADMINISTRATION OF GRANTS.—Before making grants under paragraph (1), the Director shall establish an office in the Federal Fire and Emergency Management Agency that shall have the duties of establishing specific criteria for the selection of grant recipients, and administering the grants, under this section.

"(3) USE OF GRANT FUNDS.—The Director may make a grant under paragraph (1) only if the applicant for the grant agrees to use grant funds—

"(A)(i) to train firefighting personnel in firefighting, emergency response, arson prevention and detection, or the handling of hazardous materials, which shall include, at a minimum, the removal of any hazardous substance or pollutant or contaminant associated with the illegal manufacture of amphetamine or methamphetamine; or

"(ii) to train firefighter personnel to provide any of the training described in clause (i);

"(B) to make effective use of the capabilities of the National Institute of Standards and Technology, the Department of Commerce, the Consumer Product Safety Commission, and other public and private sector entities, for research and development aimed at advancing—

"(i) the health and safety of firefighters;

"(ii) information technologies for fire management;

"(iii) technologies for fire prevention and protection;

"(iv) firefighting technologies; and

"(v) burn care and rehabilitation;

"(C) to fund the creation of rapid intervention teams to protect firefighting personnel at the scenes of fires and other emergencies;

"(D) to certify fire inspectors;

"(E) to establish wellness and fitness programs for firefighting personnel to ensure that the firefighting personnel can carry out their duties;

"(F) to fund emergency medical services provided by fire departments;

"(G) to acquire additional firefighting vehicles, including fire trucks;

"(H) to acquire additional firefighting equipment, including equipment for communications and monitoring;

"(I) to acquire personal protective equipment required for firefighting personnel by the Occupational Safety and Health Administration, and other personal protective equipment for firefighting personnel;

"(J) to modify fire stations, fire training facilities, and other facilities to protect the health and safety of firefighting personnel;

"(K) to enforce fire codes;

"(L) to fund fire prevention programs; or

"(M) to educate the public about arson prevention and detection.

"(4) APPLICATION.—The Director may make a grant under paragraph (1) only if the fire department seeking the grant submits to the Director an application in such form and containing such information as the Director may require.

"(5) MATCHING REQUIREMENT.—The Director may make a grant under paragraph (1) only if the applicant for the grant agrees to match with an equal amount of non-Federal funds 10 percent of the funds received under paragraph (1) for any fiscal year.

"(6) MAINTENANCE OF EXPENDITURES—The Director may make a grant under paragraph (1) only if the applicant for the grant agrees to maintain in the fiscal year for which the grant will be received the applicant's aggregate expenditures for the uses described in paragraph (3) at or above the average level of such expenditures in the 2 fiscal years preceding the fiscal year for which the grant will be received.

"(7) REPORT TO THE DIRECTOR.—The Director may make a grant under paragraph (1) only if the applicant for the grant agrees to submit to the Director a report, including a description of how grant funds were used, with respect to each fiscal year for which a grant was received.

"(8) VARIETY OF GRANT RECIPIENTS.—The Director shall ensure that grants under paragraph (1) for a fiscal year are made to a variety of fire departments, including, to the extent that there are eligible applicants—

"(A) paid, volunteer, and combination fire departments;

"(B) fire departments located in communities of varying sizes; and

"(C) fire departments located in urban, suburban, and rural communities.

"(9) LIMITATION ON EXPENDITURES FOR FIREFIGHTING VEHICLES.—The Director shall ensure that not more than 25 percent of the assistance made available under paragraph (1) for a fiscal year is used for the use described in paragraph (3)(G).

"(c) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There are authorized to be appropriated to the Director such sums as are necessary to carry out this section.

"(2) LIMITATION ON ADMINISTRATIVE COSTS.—Of the amounts made available under paragraph (1) for a fiscal year, the Director may use not more than 10 percent for the administrative costs of carrying out this section.".

By Mr. LAUTENBERG (for himself, Mr. JEFFORDS, Mr. MOYNIHAN, Mr. CLELAND, Mr. KERRY, Mr. BIDEN, Mrs. BOXER, Mr. KOHL, Mr. SPECTER, Mr. ROBB, Mr. LEAHY, Mr. DEWINE, Mr. SARBANES, Mr. TORRICELLI, Mr. L. CHAFEE, Mr. GRAHAM, Mr. KENNEDY, Ms. MIKULSKI, Ms. SNOWE, Mr. SCHUMER, Mr. LEVIN, and Mrs. HUTCHISON):

S. 1900. A bill to amend the Internal Revenue Code of 1986 to allow a credit to holders of qualified bonds issued by Amtrak, and for other purposes; to the Committee on Finance.

HIGH-SPEED RAIL INVESTMENT ACT

Mr. LAUTENBERG. Mr. President, overcrowding on our highways and in our skies is almost at the crisis point. We're spending billions of dollars each year in wasted gas and wasted time because there are fewer and fewer ways to get somewhere quickly and comfortably.

We're not going to solve that problem by simply building new roads or airports. People don't want airports in their backyards, and there just isn't enough space in many parts of the country for new roads. Besides, new airports and new roads cost billions.

And they become obsolete almost as quickly as we build them.

Instead of wasting money on ineffective short-term solutions, we should be investing in a transportation plan that promises lasting benefits far into the next century.

High-speed rail is the future of transportation in this country. Train travel is comfortable, reliable, and it's getting faster all the time. The rail lines are already there. All we need to do is bring them up to 21st-century standards.

The legislation I'm introducing today would make a serious investment in the future of high-speed rail. And an investment in high-speed rail is an investment in less crowded highways and airports, cleaner air, and a new level of productivity for millions of Americans whose jobs and lifestyles depend on efficient transportation.

Mr. President, I'm willing to bet that every Member of this Senate has at least one recent memory of a plane flight that went horribly wrong. Missed connections. Hours spent inside an overheated plane stuck on the tarmac. Lost baggage. I know I've had plenty of experiences like that.

And even when everything goes according to plan, air travel is uncomfortable at best. You almost have to know yoga just to cram yourself into one of those tiny seats.

Commuting by car isn't any better. Parts of Interstate 95 regularly turn into parking lots during week-day rush hours. And all this congestion can lead to truly life-threatening situations. Traffic accidents. Higher pollution levels. Explosions of road rage that actually lead people to pull guns on each other on the highway.

Land and financial resources are scarce and we need to make better use of what we already have. Our rail lines are there, ready to help solve the overcrowding problems that are making our other transportation options less and less appealing. But for the most part, U.S. transportation policy has ignored the potential of high-speed rail and our rail system has fallen far below the standards set in nearly every other developed nation on the planet.

My legislation seeks to change that by authorizing Amtrak to sell $10 billion in high-speed rail bonds over ten years to develop high-speed corridors across the nation. This leveraging of private sector investment will allow Amtrak to complete the Northeast Corridor high-speed project and provide the funding needed to bring faster, better service to federally designated high-speed corridors in other regions.

These corridors cover states in the Northeast, the Southeast, the Midwest, the Gulf Coast, and the Pacific Coast. Our aim is to take what we've learned in the Northeast and provide it to the rest of the nation.

The Federal Government would subsidize these bonds by providing tax credits to bondholders in lieu of interest payments. And state matching funds would help to secure repayment of the bond principal.

Mr. President, the money we don't spend on high-speed rail today we will have to spend tomorrow—on things like highway construction and pollution controls.

Investing in high speed rail is not only good transportation policy, it is good land use policy. Constructing an airport or highway outside of city limits promotes sprawl, robs cities of valuable revenue, and increases the pressure for even more road construction. Rail travel, on the other hand, is downtown-to-downtown, not suburb-to-suburb. Rail transportation encourages efficient, "smart growth" land use patterns, preserves downtown economies, protects open space, and improves air quality.

Furthermore, passenger rail stations serve as focal points for commercial development, promoting downtown redevelopment and generating increased retail business and tax revenue. Making efficient and cost-effective use of existing infrastructures is an increasingly important goal and one which this legislation will help achieve.

Mr. President, high-speed rail is already proving itself. In 1999, Amtrak's Metroliner train between Washington and New York set its third consecutive ridership record with over two million passengers, and Amtrak reported the highest total revenues in the corporation's 28-year history. The reason is simple—people are becoming less and less satisfied with traveling by plane. And more and more frustrated with gridlock on our highways.

You can see why. The summer of 1999 was the most delay-plagued season in history for airlines. And these delays are expensive. In 1998, air traffic control delays cost the airlines and passengers a combined $4.5 billion.

Unfortunately, this problem is only going to get worse. The number of people flying is increasing significantly. In 1998 there were 643 million airplane boardings in the U.S., up 25 percent from just five years ago. The Federal Aviation Administration estimates that boardings will increase to 917 million by 2008. Our current aviation system can't handle this demand. We need a quality passenger rail system to relieve some of this pressure.

Passenger rail can make a difference, particularly between cities located on high-speed corridors. I went back and looked at the list of the 31 airports expected to experience more than 20,000 passenger hours of flight delays in 2007. The vast majority of these airports—more than three out of four—are located on a high-speed rail corridor. If the funding envisioned in this legislation were made available to develop these corridors, we could take much of the burden of short flights off our aviation system. That would allow airlines to concentrate their limited slots and resources on longer-distance flights.

Traffic congestion costs commuters even more—an estimated $74 billion a year in lost productivity and wasted fuel. These commuters, even the ones who continue to drive, will be well served by an investment in high-speed rail corridors. Amtrak takes 18,000 cars a day off the roads between Philadelphia and New York. Without Amtrak, these congested roads would be in far worse shape. Commuters in other parts of the country should be able to benefit from high-quality, fast rail service that takes cars off the road and helps to improve the performance of our overall transportation system.

This bill does not just benefit those who ride trains. Everyone who drives a car on congested highways or suffers from delays while using our overburdened aviation system will benefit from the rail investment called for in this legislation. I can tell you, as a former businessman who helped run a very profitable company, that high-speed rail is a smart investment. And it's an investment that deserves support from Congress.

By Mr. KOHL (for himself and Mr. TORRICELLI):

S. 1901. A bill to establish the Privacy Protection Study Commission to evaluate the efficacy of the Freedom of Information Act and the Electronic Freedom of Information Act Amendments of 1996, to determine whether new laws are necessary, and to provide advice and recommendations; to the Committee on the Judiciary.

THE PRIVACY PROTECTION STUDY COMMISSION ACT OF 1999

Mr. KOHL. Mr. President, I rise today to introduce the Privacy Protection Study Commission Act of 1999 with my colleague Senator TORRICELLI. This legislation addresses privacy protection by creating an expert Commission charged with the duty to explore privacy concerns. We cannot underestimate the importance of this issue. Privacy matters, and it will continue to matter more and more in this information age of high speed data, Internet transactions, and lightning-quick technological advances.

There exists a massive wealth of information in today's world, which is increasingly stored electronically. In fact, experts estimate that the average American is "profiled" in up to 150 commercial electronic databases. That means that there is a great deal of data—in some cases, very detailed and personal—out there and easily accessible courtesy of the Internet revolution. With the click of a button it is possible to examine all sorts of personal information, be it an address, a criminal record, a credit history, a shopping performance, or even a medical file.

Generally, the uses of this data are benign, even beneficial. Occasionally, however, personal information is obtained surreptitiously, and even peddled to third parties for profit or other uses. This is especially troubling when, in many cases, people do not even know that their own personal information is being "shopped."

Two schools of thought exist on how we should address these privacy concerns. There are some who insist that we must do something and do it quickly. Others urge us to rely entirely on "self-regulation"—according to them most companies will act reasonably and, if not, consumers will demand privacy protection as a condition for their continued business.

Both approaches have some merit, but also some problems. For example, even though horror stories abound about violations of privacy, Congress should not act by anecdote or on the basis of a few bad actors. Indeed, enacting "knee-jerk," "quick-fix" legislation could very well do more harm than good. By the same token, however, self-regulation alone is unlikely to be the silver bullet that solves all privacy concerns. By itself, we have no assurance that it will bring the actors in line with adequate privacy protection standards.

Because it is better to do it right—in terms of addressing the myriad of complicated privacy concerns—than to do it fast, perhaps what is needed is a cooling off period. Such a "breather" will ensure that our action is based on a comprehensive understanding of the issues, rather than a "mishmash" of political pressures and clever soundbites.

For those reasons, and recognizing that there are no quick and easy answers, I suggest that we step back to consider the issue of privacy more thoughtfully. Let's admit that neither laws nor self-regulation alone may be the solution. Let's also concede that no one is going to divine the right approach overnight. But given the time and resources, a "Privacy Protection Study Commission" composed of experts drawn from the fields of law, civil rights and liberties, privacy matters, business, or information technology, may offer insights on how to address and ensure balanced privacy protection into the next millennium.

The bill I am introducing today would do just that. The Commission would be comprised of nine bright minds equally chosen by the Senate, the House, and the Administration. As drafted, the Commission will be granted the latitude to explore and fully examine the current complexities of privacy protection. After 18 months, the Commission will be required to report back to Congress with its findings and proposals. If legislation is necessary, the Commission will be in the best position to recommend a balanced course of action. And if lawmaking is not warranted, the Commission's recognition of that fact will help persuade a skeptical Congress and public.

This is not a brand new idea. Twenty-five years ago, Congress created a Privacy Protection Commission to study privacy concerns as they related to government uses of personal information. That Commission's findings were seminal. A quarter of a century later, because so much has changed, it is time to re-examine this issue on a much broader scale. The uses of personal information that concerned the Commission 25 years ago have exploded today, especially in this era of e-commerce, super databases, and mega-mergers. People are genuinely worried—perhaps they shouldn't be—but their concerns are real.

For example, a Wall Street Journal survey revealed that Americans today are more concerned about invasions of their personal privacy than they are about world war. Another poll cited in the Economist noted that 80 percent are worried about what happens to information collected about them.—William Afire summed it up best in a recent New York Times essay: "We are dealing here with a political sleeper issue. People are getting wise to being secretly examined and manipulated and it rubs them the wrong way."

One final note: given that privacy is not an easy issue and that it appears in so many other contexts, I invite all interested parties to help us improve our legislation to create a Commission. We need to forge a middle ground consensus with our approach, and the door is open to all who share this goal.

Mr. President, I ask unanimous consent that the previously cited material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD as follows:

[From the Economist—May 1, 1999]

THE END OF PRIVACY

Remember, they are always watching you. Use cash when you can. Do not give your phone number, social-security number or address, unless you absolutely have to. Do not fill in questionnaires or respond to telemarketers. Demand that credit and datamarketing firms produce all information they have on you, correct errors and remove you from marketing lists. Check your medical records often. If you suspect a government agency has a file on you, demand to see it. Block caller ID on your phone, and keep your number unlisted. Never use electronic tollbooths on roads. Never leave your mobile phone on—your movements can be traced. Do not use store credit or discount cards. If you must use the Internet, encrypt your e-mail, reject all "cookies" and never give your real name when registering at websites. Better still, use somebody else's computer. At work, assume that calls, voice mail, e-mail and computer use are all monitored.

This sounds like a paranoid ravings of the Unabomber. In fact, it is advice being offered by the more zealous of today's privacy campaigners. In an increasingly wired world, people are continually creating information about themselves that is recorded and often sold or pooled with information from other sources. The goal of privacy advocates is not extreme. Anyone who took these precautions would merely be seeking a level of privacy available to all 20 years ago. And yet such behaviour now would seem obsessive and paranoid indeed.

That is a clue to how fast things have changed. To try to restore the privacy that was universal in the 1970s is to chase a chimera. Computer technology is developing so rapidly that it is hard to predict how it will be applied. But some trends are unmistakable. The volume of data recorded about people will continue to expand dramatically (see pages 21-23). Disputes about privacy will become more bitter. Attempts to restrain the surveillance society through new laws will intensify. Consumers will pay more for services that offer a privacy pledge. And the market for privacy-protection technology will grow.

Always observed

Yet there is a bold prediction: all these efforts to hold back the rising tide of electronic intrusion into privacy will fail. They may offer a brief respite for those determined, whatever the trouble or cost, to protect themselves. But 20 years hence most people will find that the privacy they take for granted today will be just as elusive as the privacy of the 1970s now seems. Some will shrug and say: "Who cares? I have nothing to hide." But many others will be disturbed by the idea that most of their behaviour leaves a permanent and easily traceable record. People will have to start assuming that they simply have no privacy. This will constitute one of the greatest social changes of modern times.

Privacy is doomed for the same reason that it has been eroded so fast over the past two decades. Presented with the prospect of its loss, many might prefer to eschew even the huge benefits that the new information economy promises. But they will not, in practice, be offered that choice. Instead, each benefit—safer streets, cheaper communications, more entertainment, better government services, more convenient shopping, a wider selection of products—will seem worth the surrender of a bit more personal information. Privacy is a residual value, hard to define or protect in the abstract. The cumulative effect of these bargains—each attractive on their own—will be the end of privacy.

For a similar reason, attempts to protect privacy through new laws will fail—as they have done in the past. The European Union's data protection directive, the most sweeping recent attempt, gives individuals unprecedented control over information about themselves. This could provide remedies against the most egregious intrusions. But it is doubtful whether the law can be applied in practice, if too many people try to use it. Already the Europeans are hinting that they will not enforce the strict terms of the directive against America, which has less stringent protections.

Policing the proliferating number of databases and the thriving trade in information would not only be costly in itself, it would also impose huge burdens on the economy. Moreover, such laws are based on a novel concept: that individuals have a property right in information about themselves. Broadly enforced, such a property right would be antithetical to an open society. It would pose a threat not only to commerce, but also to a free press and to much political activity, to say nothing of everyday conversation.

It is more likely that laws will be used not to obstruct the recording and collection of information, but to catch those who use it to do harm. Fortunately, the same technology that is destroying privacy also makes it easier to trap stalkers, detect fraud, prosecute criminals and hold the government to account. The result could be less privacy, certainly—but also more security for the law-abiding.

Whatever new legal remedies emerge, opting out of information-gathering is bound to become ever harder and less attractive. If most urban streets are monitored by intelligent video cameras that can identify criminals, who will want to live on a street without one? If most people carry their entire medical history on a plastic card that the emergency services come to rely on, a refusal to carry the card could be life-threatening. To get a foretaste of what is to come, try hiring a car or booking a room at a top hotel without a credit card.

LEADERS

In a way, the future may be like the past, when few except the rich enjoyed much privacy. To earlier generations, escaping the claustrophobic all-knowingness of a village for the relative anonymity of the city was one of the more liberating aspects of modern life. But the era of urban anonymity already looks like a mere historical interlude. There is, however one difference between past and future. In the village, everybody knew everybody else's business. In the future, nobody will know for certain who knows what about them. That will be uncomfortable. But the best advice may be: get used to it.

THE SURVEILLANCE SOCIETY

New information technology offers huge benefits—higher productivity, better crime prevention, improved medical care, dazzling entertainment, more convenience. But it comes at a price: less and less privacy

"The right to be left alone." For many this phrase, made famous by Louis Brandeis, an American Supreme Court justice, captures the essence of a notoriously slippery, but crucial concept. Drawing the boundaries of privacy has always been tricky. Most people have long accepted the need to provide some information about themselves in order to vote, work, shop, pursue a business, socialise or even borrow a library book. But exercising control over who knows what about you has also come to be seen as an essential feature of a civilised society.

Totalitarian excesses have made "Big Brother" one of the 20th century's most frightening bogeyman. Some right of privacy, however qualified, has been a major difference between democracies and dictatorships. An explicit right to privacy is now enshrined in scores of national constitutions as well as in international human-rights treaties. Without the "right to be left alone," to shut out on occasion the prying eyes and importunities of both government and society, other political and civil liberties seem fragile. Today most people in rich societies assume that, provided they obey the law, they have a right to enjoy privacy whenever it suits them.

They are wrong. Despite a raft of laws, treaties and constitutional provisions, privacy has been eroded for decades. This trend is now likely to accelerate sharply. The cause is the same as that which alarmed Brandeis when he first popularized his phrase in an article in 1890; technological change. In his day it was the spread of photography and cheap printing that posed the most immediate threat to privacy. In our day it is the computer. The quantity of information that is now available to governments and companies about individuals would have horrified Brandeis. But the power to gather and disseminate data electronically is growing so fast that it raises an even more unsettling question: in 20 years' time, will there be any privacy left to protect?

Most privacy debates concern media intrusion, which is also what bothered Brandeis. And yet the greatest threat to privacy today comes not from the media, whose antics affect few people, but from the mundane business of recording and collecting an ever-expanding number of everyday transactions. Most people know that information is collected about them, but are not certain how much. Many are puzzled or annoyed by unsolicited junk mail coming through their letter boxes. And yet junk mail is just the visible tip of an information iceberg. The volume of personal data in both commercial and government databases has grown by leaps and bounds in recent years along with advances in computer technology. The United States, perhaps the most computerized society in the world, is leading the way, but other countries are not far behind.

Advances in computing are having a twin effect. They are not only making it possible to collect information that once went largely unrecorded, but are also making it relatively easy to store, analyze and retrieve this information in ways which, until quite recently, were impossible.

Just consider the amount of information already being collected as a matter of routine—any spending that involves a credit or bank debit card, most financial transactions, telephone calls, all dealings with national or local government. Supermarkets record every item being bought by customers who use discount cards. Mobile-phone companies are busy installing equipment that allows them to track the location of anyone who has a phone switched on. Electronic tollbooths and traffic-monitoring systems can record the movement of individual vehicles. Pioneered in Britain, closed-circuit tv cameras now scan increasingly large swathes of urban landscapes in other countries too. The trade in consumer information has hugely expanded in the past ten years. One single company, Acxiom Corporation in Conway, Arkansas, has a database combining public and consumer information that covers 95% of American households. Is there anyone left on the planet who does not know that their use of the Internet is being recorded by somebody, somewhere?

Firms are as interested in their employees as in their customers. A 1997 survey by the American Management Association of 900 large companies found that nearly two-thirds admitted to some form of electronic surveillance of their own workers. Powerful new software makes it easy for bosses to monitor and record not only all telephone conversations, but every keystroke and e-mail message as well.

Information is power, so its hardly surprising that governments are as keen as companies to use data-processing technology. They do this for many entirely legitimate reasons—tracking benefit claimants, delivering better health care, fighting crime, pursuing terrorists. But it inevitable means more government surveillance.

A controversial law passed in 1994 to aid law enforcement requires telecoms firms operating in America to install equipment that allows the government to intercept and monitor all telephone and data communications, although disputes between the firms and the FBI have delayed its implementation. Intelligence agencies from America, Britain, Canada, Australia and New Zealand jointly monitor all international satellite-telecommunications traffic via a system called "Echelon" that can pick specific words or phrases from hundreds of thousands of messages.

America, Britain, Canada and Australia are also compiling national DNA databases of convicted criminals. Many other countries are considering following suit. The idea of DNA databases that cover entire populations is still highly controversial, but those databases would be such a powerful tool for fighting crime and disease that pressure for their creation seems inevitable. Iceland's parliament has agreed a plan to sell the DNA database of its population to a medical-research firm, a move bitterly opposed by some on privacy grounds.

To each a number

The general public may be only vaguely aware of the mushrooming growth of information-gathering, but when they are offered a glimpse, most people do not like what they see. A survey by America's Federal Trade Commission found that 80% of Americans are worried about what happens to information collected about them. Skirmishes between privacy advocates and those collecting information are occurring with increasing frequency.

This year both intel and Microsoft have run into a storm of criticism when it was revealed that their products—the chips and software at the heart of most personal computers—transmitted unique identification numbers whenever a personal-computer user logged on to the Internet. Both companies hastily offered software to allow users to turn the identifying numbers off, but their critics maintain that any software fix can be breached. In fact, a growing number of electronic devices and software packages contain identifying numbers to help them interact with each other.

In February an outcry greeted news that image Data, a small New Hampshire firm, had received finance and technical assistance from the American Secret Service to build a national database of photographs used on drivers' licenses. As a first step, the company had already bought the photographs of more than 22m drivers from state governments in South Carolina, Florida and Colorado. Image Data insists that the database, which would allow retailers or police across the country instantly to match a name and photograph, is primarily designed to fight cheque and credit-card fraud. But in response to more than 14,000 e-mail complaints, all three state moved quickly to cancel the sale.

It is always hard to predict the impact of new technology, but there are several developments already on the horizon which, if the recent past is anything to go by, are bound to be used for monitoring of one sort or another. The paraphernalia of snooping, whether legal or not, is becoming both frighteningly sophisticated and easily affordable. Already, tiny microphones are capable of recording whispered conversations from across the street. Conversations can even be monitored from the normally imperceptible vibrations of window glass. Some technologists think that the tiny battlefield reconnaissance drones being developed by the American armed forces will be easy to commercialize. Small video cameras the size of a large wasp may some day be able to fly into a room, attach themselves to a wall or ceiling and record everything that goes on there.

Overt monitoring is likely to grow as well. Intelligent software systems are already able to scan and identify individuals from video images. Combined with the plummeting price and size of cameras, such software should eventually make video surveillance possible almost anywhere, at any time. Street criminals might then be observed and traced with ease.

The burgeoning field of "biometrics" will make possible cheap and fool-proof systems that can identify people from their voices, eyeballs, thumbprints or any other measurable part of their anatomy. That could mean doing away with today's cumbersome array of security passes, tickets and even credit cards. Alternatively, pocket-sized "smart' cards might soon be able to store all of a person's medical or credit history, among other things, together with physical data needed to verify his or her identity.

In a few years' time utilities might be able to monitor the performance of home appliances, sending repairmen or replacements even before they break down. Local supermarkets could check the contents of customers' refrigerators, compiling a shopping list as they run out of supplies of butter, cheese or milk. Or office workers might check up on the children at home from their desktop computers.

But all of these benefits, from better medical care and crime prevention to the more banal delights of the "intelligent" home, come with one obvious drawback—an ever-widening trail of electronic data. Because the cost of storing and analysing the data is also plummeting, almost any action will leave a near-permanent record. However ingeniously information-processing technology is used, what seems certain is that threats to traditional notions of privacy will proliferate.

This prospect provokes a range of responses, none of them entirely adequate. More laws. Brandeis's article was a plea for a right to sue for damages against intrusions of privacy. It spawned a burst of privacy statutes in America and elsewhere. And yet privacy lawsuits hardly ever succeed, except in France, and even there they are rare. Courts find it almost impossible to pin down a precise enough legal definition of privacy.

America's consumer-credit laws, passed in the 1970s, give individuals the right to example their credit records and to demand corrections. The European Union has recently gone a lot further. The EU Data Protection directive, which came into force last October, aims to give people control over their data, requiring "unambiguous" consent before a company or agency can process it, and barring the use of the data for any purpose other than that for which it was originally collected. Each EU country, is pledged to appoint a privacy commissioner to act on behalf of citizens whose rights have been violated. The directive also bars the export of data to countries that do not have comparably stringent protections.

Most EU countries have yet to pass the domestic laws needs to implement the directive, so it is difficult to say how it will work in practice. But the Americans view it as Draconian, and a trade row has blown up about the EU's threat to stop data exports to the United States. A compromise may be reached that enables American firms to follow voluntary guidelines; but that merely could create a big loophole. If, on the other hand, the EU insist on barring data exports, not only might a trade war be started but also the development of electronic commerce in Europe could come screeching to a complete halt, inflicting a huge cost on the EU's economy.

In any case, it is far from clear what effect the new law will have even in Europe. More products or services may have to be offered with the kind of legalistic bumf that is now attached to computer software. But, as with software, most consumers are likely to sign without reading it. The new law may give individuals a valuable tool to fight against some of the worst abuses, rather on the pattern of consumer-credit laws. But, also as with those laws—and indeed, with government freedom of information laws in general—individuals will have to be determined and persistent to exercise their rights. Corporate and government officials can often find ways to delay or evade individual requests for information. Policing the rising tide of data collection and trading is probably beyond the capability of any government without a crackdown so massive that it could stop the new information economy in its tracks.

Market solutions. The Americans generally prefer to rely on self-regulation and market pressures. Yet so far, self-regulation has failed abysmally. A Federal Trade Commission survey of 1,400 American Internet sites last year found that only 2% had posted a privacy policy in line with that advocated by the commission, although more have probably done so since, not least in response to increased concern over privacy. Studies of members of America's Direct Marketing Association by independence researchers have found that more than half did not abide even by the association's modest guidelines.

If consumers were to become more alarmed about privacy, however, market solutions could offer some protection. The Internet, the frontline of the privacy battle-field, has already spawned anonymous remailers, firms that forward e-mail stripped of any identifying information. One website (www.anonymizer.com) offers anonymous Internet browsing. Electronic digital cash, for use or off the Internet, may eventually provide some anonymity but, like today's physical cash, it will probably be used only for smaller purchases.

Enter the infomediary

John Hagel and Marc Singer of McKinsey, a management consulting firm, believe that from such services will emerge "informediaries", firms that become brokers of information between consumers and other companies, giving consumers privacy protection and also earning them some revenue for the information they are willing to release about themselves. If consumers were willing to pay for such brokerage, infomediaries might succeed on the Internet. Such firms would have the strongest possible stake in maintaining their reputation for privacy protection. But it is hard to imagine them thriving unless consumers are willing to funnel every transaction they make through a single infomediary. Even if this is possible—which is unclear—many consumers may not want to rely so much on a single firm. Most, for example, already have more than one credit card.

In the meantime, many companies already declare that they will not sell information they collect about customers. But many others find it possible profitable not to make—to—or keep—this pledge. Consumers who want privacy must be ever vigilant, which is more than most can manage. Even those companies which advertise that they will not sell information do not promise not to buy it. They almost certainly know more about their customers than their customers realize. And in any case, market solutions, including informediaries, are unlikely to be able to deal with growing government databases or increased surveillance in public areas.

Technology. The Internet has spawned a fierce war between fans of encryption and governments, especially America's, which argue that they must have access to the keys to software codes used on the web in the interests of the law enforcement. This quarrel has been rumbling on for years. But given the easy availability of increasingly complex codes, governments may just have to accept defeat, which would provide more privacy not just for innocent web users, but for criminals as well. Yet even encryption will only serve to restore to Internet users the level of privacy that most people have assumed they now enjoy in traditional (i.e., paper) mail.

Away from the web, the technological race between snoopers and anti-snoopers will also undoubtedly continue. But technology can only ever be a partial answer. Privacy will be reduced not only by government or private snooping, but by the constant recording of all sorts of information that individuals must provide to receive products or benefits—which is as true on as off the Internet.

Transparency. Despairing of efforts to protect privacy in the face of the approaching technological deluge, David Brin, an American physicist and science-fiction writer, proposes a radical alternative—its complete abolition. In his book "The Transparent Society" (Addision-Wesley, $25) he argues that in future the rich and powerful—and most ominously of all, governments—will derive the greatest benefit from privacy protection, rather than ordinary people. Instead, says Mr. Brin, a clear, simple rule should be adopted: everyone should have access to all information. Every citizen should be able to tap into any database, corporate or governmental, containing personal information. Images from the video-surveillance cameras on city streets should be accessible to everyone, not just the police.

The idea sounds disconcerting, he admits. But he argues that privacy is doomed in any case. Transparency would enable people to know who knows what about them, and for the ruled to keep any eye on their rulers. Video cameras would record not only criminals, but also abusive policemen. Corporate chiefs would know that information about themselves is as freely available as it is about their customers or workers. Simple deterrence would then encourage restraint in information gathering—and maybe even more courtesy.

Yet Mr. Brin does not explain what would happen to transparency violators or whether there would be any limits. What about national-security data or trade secrets? Police or medical files? Criminals might find these of great interest. What is more, transparency would be just as difficult to enforce legally as privacy protection is now. Indeed, the very idea of making privacy into a crime seems outlandish.

There is unlikely to be a single answer to the dilemma posed by the conflict between privacy and the growing power of information technology. But unless society collectively turns away from the benefits that technology can offer—surely the most unlikely outcome of all—privacy debates are likely to become very more intense. In the brave new world of the information age, the right to be left alone is certain to come under siege as never before.

NOSY PARKER LIVES

[William Safire, Washington]

A state sells its driver's license records to a stalker; he selects his victim—a Hollywood starlet—from the photos and murders her.

A telephone company sells a list of calls; an extortionist analyzes the pattern of calls and blackmails the owner of the phone.

A hospital transfers patient records to an insurance affiliate, which turns down a policy renewal.

A bank sells a financial disclosure statement to a borrower's employer, who fires the employee for profligacy.

An Internet browser sells the records of a nettie's searches to a lawyer's private investigator, who uses "cookie"-generated evidence against the nettie in a lawsuit.

Such invasions of privacy are no longer far-out possibilities. The first listed above, the murder of Rebecca Schaeffer, led to the Driver's Privacy Protection Act. That Federal law enables motorists to "opt out"—to direct that information about them not be sold for commercial purposes.

But even that opt out puts the burden of protection on the potential victim, and most people are too busy or lazy to initiate self-protection. Far more effective would be what privacy advocates call opt in—requiring the state or business to request permission of individual customers before selling their names to practioners of "target marketing."

In practical terms, the difference between opt in and opt out is the difference between a door locked with a bolt and a door left ajar. But in a divided appeals court—under the strained rubric of commercial free speech—the intrusive telecommunications giant US West won. Its private customers and the public are the losers.

Corporate mergers and technologies of E-commerce and electronic surveillance are pulverizing the walls of personal privacy. Belatedly, Americans are awakening to their new nakedness as targets of marketers.

Your bank account, you health record, your genetic code, your personal and shopping habits and sexual interests are your own business. That information has a value. If anybody wants to pay for an intimate look inside your life, let them make you an offer and you'll think about it. That's opt in. You may decide to trade the desired information about yourself for services like an E-mail box or stock quotes or other inducement. But require them to ask you first.

We are dealing here with a political sleeper issue. People are getting wise to being secretly examined and manipulated and it rubs them the wrong way.

Politicians sense that a strange dissonance is agitating their constituents. But most are leery of the issue because it cuts across ideologies and party lines—not just encrypted communication versus national security, but personal liberty versus the free market.

That's why there has been such Sturm und Drang around the Financial Services Act of 1999. Most pols think it is bogged down only because of a turf war between the Treasury and the Fed over who regulates the new bank-broker-insurance mergers. It goes deeper.

The House passed a bill 343 to 86 to make "pretext calling" by snoops pretending to be the customer a Federal crime, plus an "opt out" that puts the burden on bank customers to tell their banks not to disclose account information to marketers. The bank lobby went along with this.

The Senate passed a version without privacy protection because Banking Chairman Phil Gramm said so. But in Senate-House conference, Republican Richard Shelby of Alabama (who already toughened drivers' protection at the behest of Phyllis Schlafly's Eagle Forum and the A.C.L.U.) is pressing for the House version. "'Opt out' is weak," Shelby tells me, "but it's a start."

The groundswelling resentment is in search of a public champion. The start will gain momentum when some Presidential candidate seizes the sleeper issue of the too-targeted consumer. Laws need not always be the answer: to avert regulation, smart businesses will complete to assure customers' right to decide.

The libertarian principle is plain: excepting legitimate needs of law enforcement and public interest, control of information about an individual must rest with the person himself. When the required permission is asked, he or she can sell it or trade it—or tell the bank, the search engine and the Motor Vehicle Bureau to keep their mouths shut.

PRIVATELY HELD CONCERNS

[Oct. 22, 1999—Wall Street Journal]

Congress has been paddling 20 years to get a financial-service overhaul bill, and now the canoe threatens to run aground on one of those imaginary concerns that only sounds good in press release—"consumer privacy." In the column alongside, Paul Gigot describes the hardball politics behind the financial reform bill's other sticking point—the Community Reinvestment Act. Our subject here is Senator Richard Shelby's strange idea of what, precisely, should constitute "consumer privacy" in the new world. "It's our responsibility to identify what is out of bounds,'" declared the identity confused Republican as he surfaced this phantom last spring.

Privacy concerns are a proper discussion point for the information age, but financial reform would actually end to alleviate some of them. If a single company were allowed to sell insurance, portfolio advice and checking accounts, there would be less incentive to peddle information to third parties. Legislative reform and mergers in the financial industry were all supposed to be aimed at the same goal, using information efficiently within a single company to serve customers. Yet to Mr. Shelby, this is a predatorial act.

He's demanding language that would mean a Citigroup banker, say, couldn't tell a Citigroup insurance agent that Mr. Jones is a hot insurance prospect—unless Mr. Jones gives his permission in writing first. Mr. Shelby threatens to withhold his crucial vote unless this deal-breaker is written into the law.

To inflict this inconvenience on Mr. Jones is weird enough: He has already volunteered to have a relationship with Citigroup. But even weirder is the urge to cripple a law whose whole purpose is to modernize an industry structure that forces consumers today to chase six different companies around to get a full mix of financial services. In essence, financial products all do the same thing: shift income in time. You want to go to college now based on your future earnings, so you take out a loan. You want to retire in 20 years based on your present earnings, so you get an IRA. And if a single cry goes up from modern man, it's "Simplify my life."

A vote last Friday seemed, to put Mr. Shelby's peeve to rest. Under the current language, consumers would have an "opt out" if they don't want their information shared. But Mr. Shelby won't let go, and joining his chorus are Ralph Nader on the left, Phyllis Schlafly on the right and various gnats buzzing around the interest-group honeypot.

He claims to be responding to constituent complaints about telemarketing, not to mention a poll showing that 90% of consumers respond favorably to the word "privacy." Well, duh. Consumers don't want their information made available indiscriminately to strangers. But putting up barriers to free exchange inside a company that a customer already has chosen to do business with is a farfetched application of a sensible idea.

Mr. Shelby was a key supporter of language that would push banks to set up their insurance and securities operations as affiliates under a holding company. Now he wants to stop these affiliates from talking to each other. Maybe he's just confused, but it sounds more like a favor to Alabama bankers and insurance agents who want to make life a lot harder for their New York competitors trying to open up local markets.

GROWING COMPATIBILITY ISSUE: COMPUTERS AND USER PRIVACY

[By John Markoff, New York Times, March 3, 1999]

San Francisco, March 2—The Intel Corporation recently blinked in a confrontation with privacy advocates protesting the company's plans to ship its newest generation of microprocessors with an embedded serial number that could be used to identify a computer—and by extension its user.

But those on each side of the dispute acknowledge that it was only an initial skirmish in a wider struggle. From computers to cellular phones to digital video players, everyday devices and software programs increasingly embed telltale identifying numbers that let them interact.

Whether such digital fingerprints constitute an imminent privacy threat or are simply part of the foundation of advanced computer systems and networks is the subject of a growing debate between the computer industry and privacy groups. At its heart is a fundamental disagreement over the role of electronic anonymity in a democratic society.

Privacy groups argue fiercely that the merger of computers and the Internet has brought the specter of a new surveillance society in which it will be difficult to find any device that cannot be traced to the user when it is used. But a growing alliance of computer industry executives, engineers, law enforcement officials and scholars contend that absolute anonymity is not only increasingly difficult to obtain technically, but is also a potential threat to democratic order because of the possibility of electronic crime and terrorism.

"You already have zero privacy—get over it," Scott McNealy, chairman and chief executive of Sun Microsystems, said at a recent news conference held to introduce the company's newest software, known as Jini, intended to interconnect virtually all types of electronic devices from computer to cameras. Privacy advocates contend that software like Jini, which assigns an identification number to each device each time it connects to a network, could be misused as networks envelop almost everyone in society in a dense web of devices that see, hear, and monitor behavior and location.

"Once information becomes available for one purpose there is always pressure from other organizations to use it for their purposes," said, Lauren Weinstein, editor of Privacy Forum, an on-line journal.

This week, a programmer in Massachusetts found that identifying numbers can easily be found in word processing and spreadsheet files created with Microsoft's popular Word and Excel programs and in the Windows 95 and 98 operating systems.

Moreover, unlike the Intel serial number, which the computer user can conceal, the numbers used by the Microsoft programs—found in millions of personal computers—cannot be controlled by the user.

The programmer, Richard M. Smith, president of Phar Lap Software, a developer of computer programming tools in Cambridge, Mass., noticed that the Windows operating system contains a unique registration number stored on each personal computer in a small data base known as the Windows registry.

His curiosity aroused, Mr. Smith investigated further and found that the number that uniquely identifies his computer to the network used in most office computing systems, known as the Ethernet, was routinely copied to, each Microsoft Word or Excel document he created.

The number is used to create a longer number, known as a globally unique identifier. It is there, he said, to enable computer users to create sophisticated documents comprising work processing, spreadsheet, presentation and data base information.

Each of those components in a document needs a separate identity, and computer designers have found the Ethernet number a convenient and widely available identifier, he said. But such universal identifiers are of particular concern to privacy advocated because they could be used to compile information on individuals from many data bases.

"The infrastructure relies a lot on serial numbers," Mr. Smith said. "We've let the genie out of the bottle."

Jeff Ressler, a Microsoft product manager, said that if a computer did not have an Ethernet adapter then another identifying number was generated that was likely to be unique. "We need a big number, which is a unique identifier," he said. "If we didn't have, it would be impossible to make our software programs work together across networks."

Indeed, an increasing range of technologies have provisions for identifying their users for either technical reasons (such as connecting to a network) or commercial ones (such as determining which ads to show to Web surfers). But engineers and network designers argue that identify information is a vital aspect of modern security design because it is necessary to authenticate an individual in a network, thereby preventing fraud or intrusion.

Last month at the introduction of Intel's powerful Pentium III chip, Intel executives showed more than a dozen data security uses for the serial number contained electronically in each of the chips, ranging from limiting access to protecting documents or software against piracy.

Intel, the largest chip maker, had recently backed down somewhat after it was challenged by privacy advocates over the identity feature, agreeing that at least some processors for the consumer market would be made in a way that requires the user to activate the feature.

Far from scaling back its vision, however, Intel said it was planning an even wider range of features in its chips to help companies protect copyrighted materials. It also pointed to software applications that would use the embedded number to identify participants in electronic chat rooms on the Internet and thereby, for example, protect children from Internet stalkers.

But in achieving those goals, it would also create a universal identifier, which could be used by software applications to track computer users wherever they surfed on the World Wide Web. And that, despite the chip maker's assertions that it is working to enhance security and privacy, has led some privacy advocates to taunt Intel and accused it of a "Big Brother Inside" strategy.

They contend that by uniquely identifying each computer it will make it possible for marketers or Government and law enforcement officials to track the activities of anyone connected to a computer network more closely. They also say that such a permanent identifier could be used in a similar fashion to the data, known as "cookies," that are placed on a computer's hard drive by Web site to track the comings and goings of Internet users.

PUTTING PRIVACY ON THE DEFENSIVE

Intel's decision to forge ahead with identity features in its chip technology may signal a turning point in the battle over privacy in the electronic age. Until now, privacy concerns have generally put industry's executives on the defensive. Now questions are being raised about whether there should be limits to privacy in an Inernet era.

"Judge Brandeis's definition of privacy was 'the right to be left alone,' not the right to operate in absolute secrecy," said Paul Saffo, a researcher at the Institute for the Future in Menlo Park, Calif.

Some Silicon Valley engineers and executives say that the Intel critics are being naive and have failed to understand that all devices connected to computer networks require identification features simply to function correctly.

Moreover, they note that identifying numbers have for more than two decades been a requirement for any computer connected to an Ethernet network. (Although still found most widely in office settings, Ethernet connections are increasingly being used for high-speed Internet Service in the home via digital telephone lines and cable modems.)

All of Apple Computer's popular iMac machines come with an Ethernet connection that has a unique permanent number installed in the factory. The number is used to identify the computer to the local network.

While the Ethernet number is not broadcast over the Internet at large, it could easily be discovered by a software application like a Web browser and transmitted to a remote Web site tracking the identities of its users, a number of computer engineers said.

Moreover, they say that other kinds of networks require identify numbers to protect against fraud. Each cellular telephone currently has two numbers: the telephone number, which can easily be changed, and an electronic serial number, which is permanently put in place at the factory to protect against theft or fraud.

The serial number is accessible to the cellular telephone network, and as cellular telephones add Internet browsing and E-mail capabilities, it will potentially have the same identity capability as the Intel processor serial number.

Other examples include DIVX DVD disks, which come with a serial number that permits tracking the use of each movie by a centralized network-recording system managed by the companies that sell the disks.

FEARING THE MISUSE OF ALL THOSE NUMBERS

Industry executives say that as the line between communications and computing becomes increasingly blurred, every electronic device will require some kind of identification to attach to the network

Making those numbers available to networks that need to pass information or to find a mobile user while at the same time denying the information to those who wish to gather information into vast data bases may be an impossible task.

Privacy advocates argue that even if isolated numbers look harmless, they are actually harbingers of a trend toward ever more invasive surveillance networks.

"Whatever we can do to actually minimize the collection of personal data is good,' said March Rotenberg, director of the Electronic Privacy Information Center, one of three groups trying to organize a boycott of Intel's chips.

The groups are concerned that the Government will require ever more invasive hardware modifications to keep track of individuals. Already they point to the 1994 Communications Assistance for Law Enforcement Act, which requires that telephone companies modify their network switches to make it easier for Government wiretappers.

Also, the Federal Communications Commission is developing regulations that will require every cellular telephone to be able to report its precise location for "911" emergency calls. Privacy groups are worried that this feature will be used as a tracking technology by law enforcement officials.

"The ultimate danger is that the Government will mandate that each chip have special logic added" to track identifies in cyberspace, said Vernor Vinge, a computer scientist at San Diego State University. "We're on a slide in that direction."

Mr. Vinge is the author of "True Names" (Tor Books, 1984), a widely cited science fiction novel in the early 1980's, that forecast a world in which anonymity in computer networks is illegal.

Intel executives insist that their chip is being misconstrued by privacy groups.

"We're going to start building security architecture into our chips, and this is the first step," said Pat Gelsinger, Intel vice president and general manager of desktop products. "The discouraging part of this is our objective is to accomplish privacy.

That quandry—that it is almost impossible to compartmentalize information for one purpose so that it cannot be misused—lies at the heart of the argument. Moreover providing security while at the same time offering anonymity has long been a technical and a political challenge.

"We need to find ways to distinguish between security and identity," said James X. Dempsey, a privacy expert at the Center for Democracy and Technology, a Washington lobbying organization.

So far the prospects are not encouraging. One technical solution developed by a cryptographer, David Chaum, made it possible for individuals to make electronic cash payments anonymously in a network.

In the system Mr. Chaum designed, a user employs a different number with each organization, thereby insuring that there is no universal tracking capability.

But while Mr. Chaum's solution has been widely considered ingenious, it has failed in the marketplace. Last year, his company, Digicash Inc. based in Palo Alto, Calif., filed for bankruptcy protection.

"Privacy never seems to sell," said Bruce Schneier, a cryptographer and a computer industry consultant. "Those who are interested in privacy don't want to pay for it."

PRIVACY ISN'T DEAD YET

[By Amitai Etzioni]

It seems self-evident that information about your shoe size does not need to be as well guarded as information about tests ordered by your doctor. But with the Federal and state governments' piecemeal approach to privacy protection, if we release information about one facet of our lives, we inadvertently expose much about the others.

During Senate hearings in 1987 about Robert Bork's fitness to serve as a Supreme Court justice, a reporter found out which videotapes Mr. Bork rented. The response was the enactment of the Video Privacy Protection Act. Another law prohibits the Social Security Administration (but hardly anybody else) from releasing our Social Security numbers. Still other laws limit what states can do with information that we provide to motor vehicle departments.

Congress is now seeking to add some more panels to this crazy quilt of narrowly drawn privacy laws. The House recently endorsed a bill to prohibit banks and securities and insurance companies owned by the same parent corporation from sharing personal medical information. And Congress is grappling with laws to prevent some information about our mutual-fund holdings from being sold and bought as freely as hot dogs.

But with superpowerful computers and vast databases in the private sector, personal information can't be segmented in this manner. For example, in 1996, a man in Los Angeles got himself a store card, which gave him discounts and allowed the store to trace what he purchased. After injuring his knee in the store, he sued for damages. He was then told that if he proceeded with his suit the store would use the fact that he bought a lot of liquor to show that he must have fallen because he was a drunkard.

Some health insurers try to "cherry pick" their clients, seeking to cover only those who are least likely to have genetic problems or contract costly diseases like AIDS. Some laws prohibit insurers from asking people directly about their sexual orientation. But companies sometimes refuse to insure those whose vocation (designer?), place of residence (Greenwich Village?) and marital status (single at 40-plus?) suggest that they might pose high risks.

Especially comprehensive privacy invaders are "cookies"—surveillance files that many marketers implant in the personal computers of people who visit their Web sites to allow the marketers to track users' preferences and transactions. Cookies, we are assured, merely inform marketers about our wishes so that advertising can be better directed, sparing us from a flood of junk mail.

Actually, by tracing the steps we take once we gain a new piece of information, cookies reveal not only what we buy (a thong from Victoria's Secret? Antidepressants?) but also how we think. Nineteen eighty-four is here courtesy of Intel, Microsoft and quite a few other corporations.

All this has led Scott McNealy, the chairman and chief executive of Sun Microsystems, to state, "You already have zero privacy—get over it." This pronouncement of the death of privacy is premature, but we will be able to keep it alive only if we introduce general, all-encompassing protections over segmented ones.

Some cyberspace anonymity can be provided by new technologies like anti-cookie programs and encryption software that allow us to encrypt all of our data. Corporate self-regulation can also help. I.B.M., for example, said last week that it would pull its advertising from Web sites that don't have clear privacy policies. Other companies like Disney and Kellogg have voluntarily agreed not to collect information about children 12 or younger without the consent of their parents. And some new Government regulation of Internet commerce may soon be required, if only because the European Union is insisting that any personal information about the citizens of its member countries cannot be used without the citizen's consent.

Especially sensitive information should get extra protection. But such selective security can work only if all the other information about a person is not freely accessible elsewhere.

A Middle Ground in the Privacy War?

[By John Schwartz—March 29, 1999]

Jim Hightower, the former agriculture commissioner of Texas, is fond of saying that "there's nothing in the middle of the road but yellow stripes and dead armadillos."

It's punchy, and has become a rallying cry of sorts for activists on all sides. But is it right? Amitai Etzioni, a professor at George Washington University, thinks not. He thinks he has found a workable middle ground between the combatants in one of the fiercest fights in our high-tech society: the right of privacy.

Etzioni has carved out a place for himself over the decades as a leader in the "communitarian" movement. Communitarianism works toward a civil society that transcends both government regulation and commercial intrusion—a society where the golden rule is as important as the rule of law, and the notion that "he who has the gold makes the rules" does not apply.

What does all that have to do with privacy? Etzioni has written a new book, "The Limits of Privacy," that applies communitarian principles to this thorny issue.

For the most part, the debate over privacy is carried out from two sides separated by a huge ideological gap—a gap so vast that they seem to feel a need to shout just to get their voices to carry across it. So Etzioni comes in with a theme not often heard, that middle of the road that Hightower hates so much.

What he wants to do is to forge a new privacy doctrine that protects the individual from snooping corporations and irresponsible government, but cedes individual privacy rights when public health and safety are at stake—"a balance between rights and the common good," he writes.

In the book, Etzioni tours a number of major privacy issues, passing judgment as he goes along. Pro-privacy decisions that prohibited mandatory testing infants for HIV, for example, take the concept too far and put children at risk, he says. Privacy advocates' campaigns against the government's attempts to wiretap and unscramble encrypted messages, he says, are misguided in the face of the evil that walks the planet.

The prospect of some kind of national ID system, which many privacy advocates view as anathema, he finds useful for catching criminals, reducing fraud and ending the crime of identity theft. The broad distribution of our medical records for commercial gain, however, takes too much away from us for little benefit to society.

I called Etzioni to ask about his book. He said civil libertarians talk about the threat of government intrusion into our lives, and government talks about the threat of criminals, but that the more he got into his research, the more it seemed that the two sides were missing "the number one enemy—it's a small group of corporations that have more information about us than the East German police ever had about the Germans."

He's horrified, for example, by recent news that both Microsoft Corp. and Intel Corp. have included identifier codes in their products that could be used to track people's online habits: "They not only track what we are doing," he says. "They track what we think."

His rethinking of privacy leads him to reject the notions that led to a constitutional right of privacy, best expressed in the landmark 1965 case *Griswold v. Connecticut.*

In that case, Justice William O. Douglas found a right of privacy in the "penumbra," or shadow border, of rights granted by other constitutional amendments—such as freedom of speech, freedom from unreasonable search and seizure, freedom from having troops billeted in our homes.

Etzioni scoffs at this "stretched interpretation of a curious amalgam of sundry pieces of various constitutional rights," and says we need only look to the simpler balancing act we've developed in Fourth Amendment cases governing search and seizure, which give us privacy protection by requiring proper warrants before government can tape a phone or search a home.

"We cannot say that we will not allow the FBI under any conditions, because of a cyberpunk dream of a world without government, to read any message." He finds such a view "so ideological, so extreme, that somebody has to talk for a sense of balance."

I was surprised to see, in the acknowledgements in his book, warm thanks to Marc Rotenberg, who heads the Electronic Privacy Information Center. Rotenberg is about as staunch a privacy advocate as I know, and I can't imagine him finding much common ground with Etzioni—but Etzioni told me that "Marc is among all the people in this area the most reasonable. One can talk to him."

So I called Rotenberg, too. He said he deeply respects Etzioni, but can't find much in the book to agree with. For all the talk of balance, he say, "we have invariably found that when the rights of the individual are balanced against the claims of the community, that the individual loses out."

We're in the midst of a "privacy crisis" in which "we have been unable to come up with solutions to the privacy challenges that new business practices and new technologies are creating," Rotenberg told me.

The way to reach answers, he suggested, is not to seek middle ground but to draw the lines more clearly, the way judges do in deciding cases. When a criminal defendant challenges a policeman's pat-down search in court, Rotenberg explained, "the guy with the small plastic bag of cocaine either gets to walk or he doesn't. . . . Making those lines fuzzier doesn't really take you any closer to finding answers."

As you can see, this is one argument that isn't settled. But I'm glad that Etzioni has joined the conversation—both for the trademark civility he brings to it, and for the dialogue he will spark.

Mr. TORRICELLI. Mr. President, I rise today to introduce the Privacy Protection Study Commission Act of 1999 with my colleague, Senator KOHL. This legislation creates a Commission to comprehensively examine privacy concerns. This Commission will provide Congress with information to facilitate our decision making regarding how to best address individual privacy protections.

The rise in the use of information technology—particularly the Internet, has led to concerns regarding the security of personal information. As many as 40 million people around the world have the ability to access the Internet. The use of computers for personal and business transactions has resulted in the availability of vast amounts of financial, medical and other information in the public domain. Information about online users is also collected by Web sites through technology which tracks an individual's every interaction with the Internet.

Despite the ease of availability of personal information, the United States is one of the few countries in the world that does not have comprehensive legal protection for personal information. This is in part due to differences in opinion regarding the best way to address the problem. While some argue that the Internet's size and constantly changing technology demands government and industry self-regulation, others advocate for strong legislative and regulatory protections. And, still others note that such protections, although necessary, could lead to unconstitutional consequences if drafted without a comprehensive understanding of the issue. As a result, congressional efforts to address privacy concerns have been patchwork in nature.

This is why Senator KOHL and I are proposing the creation of a Commission with the purpose of thoughtfully considering the range of issues involved in the privacy debate and the implications of self-regulation, legislation, and federal regulation. The Commission will be comprised of experts in the fields of law, civil rights, business, and government. After 18 months, the Commission will deliver a report to Congress recommending the necessary legislative protections are needed. The Commission will have the authority to gather the necessary information to reach conclusions that are balanced and fair.

Americans are genuinely concerned about individual privacy. The Privacy Commission proposed by Senator KOHL and myself will enable Congress and the public to evaluate the extent to which we should be concerned and the proper way to address those concerns. The privacy debate is multifaceted and I encourage my colleagues to join Senator KOHL and myself in our efforts to gain a better understanding of it. Senator KOHL and I look forward to working with all those interested in furthering this debate and giving Americans a greater sense of confidence in the security of their personal information.

By Mrs. FEINSTEIN:

S. 1902. A bill to require disclosure under the Freedom of Information Act regarding certain persons and records of the Japanese Imperial Army in a manner that does not impair any investigation or prosecution conducted by the Department of Justice or certain intelligence matters, and for other purposes; to the Committee on the Judiciary.

JAPANESE IMPERIAL ARMY DISCLOSURE ACT OF 1999

Mrs. FEINSTEIN. Mr. President, I rise today to introduce the Japanese Imperial Army Disclosure Act of 1999.

This legislation will require the disclosure under the Freedom of Information Act classified records and documents in the possession of the U.S. Government regarding chemical and biological experiments carried out by Japan during the course of the Second World War.

Let me preface my statement by making clear that none of the remarks that I will make in discussing this legislation should be considered anti-Japanese. I was proud to serve as the President of the Japan Society of Northern California, and I have done everything I can to foster, promote, and develop positive relations between Japan, the United States, China, and other states of the region. The legislation I introduce today is eagerly sought by a large number of Californians who believe that there is an effort to keep information about possible atrocities and experiments with poisonous gas and germ warfare from the pubic record.

One of my most important goals in the Senate is to see the development of a Pacific Rim community that is peaceful and stable. I have worked towards this end for over twenty years. I introduce this legislation to try to heal wounds that still remain, particularly in California's Chinese-American community.

This legislation is needed because although the Second World War ended over fifty years ago—and with it Japan's chemical and biological weapons experimentation programs—many of the records and documents regarding Japan's wartime activities remain classified and hidden in U.S. Government archives and repositories. Even worse, according to some scholars, some of these records are now being inadvertently destroyed.

For the many U.S. Army veteran's who were subject to these experiments in POW camps, as well as the many Chinese and other Asian civilians who were subjected to these experiments, the time has long since passed for the full truth to come out.

According to information which was revealed at the International Military Tribunal for the Far East, starting in 1931, when the so-called "Mukden incident" provided Japan the pretext for the occupation of Manchuria, the Japanese Imperial Army conducted numerous biological and chemical warfare tests on Chinese civilians, Allied POWs, and possibly Japanese civilians as well.

Perhaps the most notorious of these experiments were carried out under General Ishii Shiro, a Japanese Army surgeon, who, by the late 1930's had built a large installation in China with germ breeding facilities, testing grounds, prisons to hold the human test subjects, facilities to make germ weapons, and a crematorium for the final disposal of the human test victims. General Ishii's main factory operated under the code name Unit 731.

Based on the evidence revealed at the War Crimes trials, as well as subsequent work by numerous scholars, there is little doubt that Japan conducted these chemical and biological warfare experiments, and that the Japanese Imperial Army attempted to use chemical and biological weapons during the course of the war, included reports of use of plague on the cities of Ningbo and Changde.

And, as a 1980 article by John Powell in the Bulletin of Concerned Asia Scholars found,

> Once the fact had been established that Ishii had used Chinese and others as laboratory tests subjects, it seemed a fair assumption that he also might have used American prisoners, possibly British, and perhaps even Japanese.

Some of the records of these activities were revealed during the Tokyo War Crimes trials, and others have since come to light under Freedom of Information Act requests, but many other documents, which were transferred to the U.S. military during the occupation of Japan, have remained hidden for the past fifty years.

And it is precisely for this reason that this legislation is needed: The world is entitled to a full and compel record of what did transpire.

Sheldon Harris, Professor of History Emeritus at California State university Northridge wrote to me on October 7 of this year that:

> In my capacity as an academic Historian, I can testify to the difficulty researchers have in unearthing documents and personal testimony concerning these war crimes * * *. Here in the United States, despite the Freedom of Information Act, some archives remain closed to investigators * * *. Moreover, "sensitive documents—as defined by archivists and FOIA officers—are at the moment being destroyed.

Professor Sheldon's letter goes on to discuss three examples of the destruction of documents relating to chemical and biological warfare experiments that he is aware of: At Dugway Proving Grounds in Utah, at Fort Detrick in Maryland, and at the Pentagon.

This legislation establishes, within 60 days after the enactment of the act, the Japanese Imperial Army Records Interagency Working Group, including representation by the Department of State and the Archivist of the United States, to locate, identify, and recommend for declassification all Japanese Imperial Army records of the United States.

This Interagency Work Group, which will remain in existence for three years, is to locate, identify, inventory, recommend for classification, and make available to the public all classified Imperial Army records of the United States. It is to do so in coordination with other agencies, and to submit a report to Congress describing its activities.

It is my belief that the establishment of such an Interagency Working Group is the best way to make sure that the documents which need to be declassified will be declassified, and that this process will occur in an orderly and expeditious manner.

This legislation also includes exceptions which would allow the Interagency Working Group to deny release of records on the basis of: 1. Records which may unfairly invade an individual's privacy; 2. Records which adversely affect the national security or intelligence capabilities of the United States; 3. Records which might "seriously or demonstrably impair relations between the United States and a foreign government"; and, 4. Records which might contribute to the development of chemical or biological capabilities.

My purpose in introducing this legislation is to help those who were victimized by these experiments and, with the adage "the truth shall set you free" in mind, help build a more peaceful Asian-Pacific community for the twenty-first century.

First, the declassification and release of this material will help the victims of chemical and biological warfare experimentation carried out by the Japanese Army during the Second World War, as well as their families and descendants, gain information about what occurred to them fifty years ago. If old wounds are to heal, there must be a full accounting of what happened.

Second, and perhaps just as importantly, this legislation is intended to create an environment of honest dialogue and discussion in the Asia-Pacific region, so that the countries and people of the region can move beyond the problems that have plagued us for the past century, and work together to build a peaceful and prosperous Asian-Pacific community in the next century.

If the countries of Asia are to build a peaceful community it is necessary that we deal fully, fairly, and honestly with the past. It is only by doing so that we can avoid repeating the mistakes of the past and build a more just world for the future.

Indeed, as Rabbi Abraham Cooper has remarked, "Since the end of World War II, professed neutral nations like Sweden and Switzerland have had the courage to take a painful look back at their World War II record; can Japan be allowed to do anything less?"

I hope that my colleagues will join me in support of this legislation.

Mr. President, I ask unanimous consent that the October 7 letter by Professor Harris and an article outlining some of the scholarly research on this issue: "Japan's Biological Weapons: 1930–1945," by Robert Gromer, John Powell, and Burt Roling be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GRANADA HILLS, CA,
October 7, 1999.

Hon. SENATOR DIANNE FEINSTEIN,
Hart Senate Office Building, Washington, DC.

DEAR SENATOR FEINSTEIN: Several Asian American activists organizations in California, and organizations representing former Prisoners of War and Internees of the Japanese Imperial Army, have indicated to me that you are proposing to introduce legislation into the United States Senate that calls for full disclosure by the United States Government of records it possesses concerning war crimes committed by members of the Japanese Imperial Army. I endorse such legislation enthusiastically.

My support for the full disclosure of American held records relating to the Japanese Imperial Army's wartime crimes against humanity is both personal and professional. I am aware of the terrible suffering members of the Imperial Japanese Army imposed upon innocent Asians, prisoners of war of various nationalists and civilian internees of Allied nations. These inhumane acts were condoned, if not ordered, by the highest authorities in both the civilian and military branches of the Japanese government. As a consequence, millions of persons were killed, maimed, tortured, or experienced acts of violence that included human experiments relating to biological and chemical warfare research. Many of these actions meet the definition of "war crimes" under both the Potsdam Declaration and the various Nuremberg War Crimes trials held in the post-war period.

I am the author of "Factories of Death, Japanese Biological Warfare, 1932–45, and the American Cover-up" (Routlege: London and New York; hard cover edition 1994; paperback printings, 1995, 1997, 1998, 1999). I discovered in the course of my research for this book, and scholarly articles that I published on the subject of Japanese biological and chemical warfare preparations, that members of the Japanese Imperial Army Medical Corps committed heinous war crimes. These included involuntary laboratory tests of various pathogens on humans—Chinese, Korean, other Asian nationalities, and Allied prisoners of war, including Americans. Barbarous acts encompassed live vivisections, amputations of body parts (frequently without the use of anesthesia), frost bite exposure to temperatures of 40–50 degrees Fahrenheit below zero, injection of horse blood and other animal blood into humans, as well as other horrific experiments. When a test was completed, the human experimented was "sacrificed", the euphemism used by Japanese scientists as a substitute term for "killed."

In my capacity as an academic Historian, I can testify to the difficulty researchers have in unearthing documents and personal testimony concerning these war crimes. I, and other researchers, have been denied access to military archives in Japan. These archives cover activities by the Imperial Japanese Army that occurred more than 50 years ago. The documents in question cannot conceivably contain information that would be considered of importance to "National Security" today. The various governments in Japan for the past half century have kept these archives firmly closed. The fear is that the information contained in the archives will embarrass previous governments.

Here in the United States, despite the Freedom of Information Act, some archives remain closed to investigators. At best, the archivists in charge, or the Freedom of Information Officer at the archive in question, select what documents they will allow to become public. This is an unconscionable act of arrogance and a betrayal of the trust they have been given by the Congress and the President of the United States. Moreover, "sensitive" documents—as defined by archivists and FOIA officers—are at the moment being destroyed. Thus, historians and concerned citizens are being denied factual evidence that can shed some light on the terrible atrocities committed by Japanese militarists in the past.

Three examples of this wanton destruction should be sufficiently illustrative of the dangers that exist, and should reinforce the obvious necessity for prompt passage of legislation you propose to introduce into the Congress:

1. In 1991, the Librarian at Dugway Proving Grounds, Dugway, Utah, denied me access to the archives at the facility. It was only through the intervention of then U.S. Representative Wayne Owens, Dem., Utah, that I was given permission to visit the facility. I was not shown all the holdings relating to Japanese medical experiments, but the little I was permitted to examine revealed a great deal of information about medical war crimes. Sometimes after my visit, a person with intimate knowledge of Dugway's operations, informed me that "sensitive" documents were destroyed there as a direct result of my research in their library.

2. I conducted much of my American research at Fort Detrick in Frederick, Md. The Public Information Officer there was extremely helpful to me. Two weeks ago I telephoned Detrick, was informed that the PIO had retired last May. I spoke with the new PIO, who told me that Detrick no longer would discuss past research activities, but would disclose information only on current projects. Later that day I telephoned the retired PIO at his home. He informed me that upon retiring he was told to "get rid of that stuff", meaning incriminating documents relating to Japanese medical war crimes. Detrick no longer is a viable research center for historians.

3. Within the past 2 weeks, I was informed that the Pentagon, for "space reasons", decided to rid itself of all biological warfare documents in its holdings prior to 1949. The date is important, because all war crimes trials against accused Japanese war criminals were terminated by 1949. Thus, current Pentagon materials could not implicate alleged Japanese war criminals. Fortunately, a private research facility in Washington volunteered to retrieve the documents in question. This research facility now holds the documents, is currently cataloguing them (estimated completion time, at least twelve months), and is guarding the documents under "tight security."

Your proposed legislation must be acted upon promptly. Many of the victims of Japanese war crimes are elderly. Some of the victims pass away daily. Their suffering should receive recognition and some compensation. Moreover, History is being cheated. As documents disappear, the story of war crimes committed in the War In The Pacific becomes increasingly difficult to describe. The end result will be a distorted picture of reality. As an Historian, I cannot accept this inevitability without vigorous protest.

Please excuse the length of this letter. However, I do hope that some of the arguments I made in comments above will be of some assistance to you as you press for passage of the proposed legislation. I will be happy to be of any additional assistance to you, should you wish to call upon me for further information or documentation.

Sincerely yours,
SHELDON H. HARRIS,
Professor of History emeritus,
California State University, Northridge.

[From the Bulletin of the Atomic Scientists, Oct., 1981]

JAPAN'S BIOLOGICAL WEAPONS: 1930–1945—A HIDDEN CHAPTER IN HISTORY

(By Robert Gomer, John W. Powell and Bert V.A. Röling)

When this story first reached the Bulletin, our reaction was horrified disbelief. I think all of us hoped that it was not true. Unfortunately, subsequent research shows that it is all too true. In order to verify the facts set forth here we enlisted the help of a number of distinguished scientists and historians, who are hereby thanked. It seems unnecessary to mention them by name; suffice it that the allegations set forth in this article seem to be true and there is a substantial file of documents in the Bulletin offices to back them up.

What other comment need one really make? Any reader with a sense of justice and decency will be nauseated, not only by these atrocities, but equally so by the reaction of the U.S. Departments of War and State.

The psychological climate engendered by war is horrible. The Japanese tortured and killed helpless prisoners in search of "a cheap and effective weapon." The Americans and British invented firestorms and the U.S. dropped two nuclear bombs on Hiroshima and Nagasaki. In such a climate it may have seemed reasonable not to bring the Japanese responsible for the biological "experiments" to justice, but it was and remains monstrous.

By acquiring "at a fraction of the original cost" the "invaluable" results of the Japanese experiments, have we not put ourselves on the same level as the Japanese experimenters? Some politicians and generals like to speak of the harsh realities of the world in order to act both bestially and stupidly. The world clearly does contain harsh realities but somehow there is a sort of potential divine justice basic decency generally would have been the smartest course in the long run. Unfortunately there are few instances where it was actually taken.

The spirit and psychological climate which made possible the horrors described in this article are not dead; in fact, they seem to be flourishing in the world. The torture chambers are busy in Latin America and elsewhere, and the United States provides economic and military aid to the torturers. The earth-and-people destroying was waged by the United States not long ago in Vietnam, the apparently similar war being waged by the Soviets in Afghanistan, the horrors of the Pol Pot regime in Cambodia, and the contemplation with some equanimity of "limited" nuclear war by strategists here and in the Soviet Union display the spirit of General Ishii. If we are to survive as human beings, or more accurately, if we are to become fully human, that spirit must have no place among men.—Robert Gomer (professor of chemistry at the University of Chicago, and member of the Board of Directors of the Bulletin.)

Long-secret documents, secured under the U.S. Freedom of Information Act, reveal details of one of the more gruesome chapters of the Pacific War: Japan's use of biological warfare against China and the Soviet Union. For years the Japanese and American governments succeeded in suppressing this story.

Japan's desire to hide its attempts at "public health in reverse" is understandable. The American government's participation in the cover-up, it is now disclosed, stemmed from Washington's desire to secure exclusive possession of Japan's expertise in using germs as lethal weapons. The United States granted immunity from war crimes prosecution to the Japanese participants, and they in turn handed over their laboratory records to U.S. representatives from Camp Detrick (now Fort Detrick).

The record shows that by the late 1930s Japan's biological warfare (BW) program was ready for testing. It was used with moderate success against Chinese troops and civilians and with unknown results against the Russians. By 1945 Japan had a huge stockpile of germs, vectors and delivery equipment unmatched by any other nation.

Japan had gained this undisputed lead primarily because its scientists used humans as guinea pigs. It is estimated that at least 3,000 people were killed at the main biological warfare experimental station, code named Unit 731 and located a few miles from Harbin. They either succumbed during the experiments or were executed when they had become physical wrecks and were no longer fit for further germ tests [1, pp. 19–21]. There is no estimate of total casualties but it is known that at least two other Japanese biological warfare installations—Unit 100 near Changchun and the Tama Detachment in Nanjing—engaged in similar human experimentation.

(End Notes at end of articles)

This much of the story has been available for some years. What has not been known until very recently is that among the human guinea pigs were an undetermined number of American soldiers, captured during the early part of the war and confined in prisoner-of-war camps in Manchuria. Official U.S. reports reveal that Washington was aware of these facts when the decision was made to forego prosecution of the Japanese participants. These declassified "top secret" documents disclose the details and raise disturbing questions about the role of numerous highly placed American officials at the time.

The first public indications that American prisoners of war were among the human victims appeared in the published summary of the Khabarovsk trial. A witness stated that a researcher was sent to the camps where U.S. prisoners were held to "study the immunity of Anglo-Saxons to infectious diseases" [1, p. 268]. The summary noted: "As early as 1943, Minata, a researcher belonging to Detachment 731, was sent to prisoner of war camps to test the properties of the blood and immunity to contagious diseases of American soldiers" [1, p. 415].

On June 7, 1947, Colonel Alva C. Carpenter, chief of General Douglas MacArthur's legal staff, in a top secret cable to Washington, expressed doubt about the reliability of early reports of Japanese biological warfare, including an allegation by the Japanese Communist Party that experiments had been performed "on captured Americans in Mukden and that simultaneously research on similar lines was conducted in Tokyo and Kyoto." On June 27, Carpenter again cabled Washington, stating that further information strengthened the charges and "warrants conclusion" that the Ishii group had violated the "rules of land warfare." He warned that the Soviets might bring up evidence of Japanese use of biological warfare against China and "other evidence on this subject which may have resulted from their independent investigation in Manchuria and in Japan." He added that "this expression of opinion" was not a recommendation that Ishii's group be charged with war crimes.

Cecil F. Hubbert, a member of the State, War, Navy Coordinating Committee, in a July 15, 1947 memo, recommended that the story be covered up but warned that it might leak out if the Russian prosecutor brought the subject up during the Tokyo war crimes trials and added that the Soviets might have found out that "American prisoners of war were used for experimental purposes of a BW nature and that they lost their lives as a result of these experiments."

In his book, *The Pacific War* Professor Ienaga Saburo added a few new details about Unit 731 and described fatal vivisection experiments at Kyushu Imperial University on downed American fliers [2, pp. 188–90].

The biological warfare project began shortly after the Manchurian Incident in 1931, when Japan occupied China's Northeast provinces and when a Japanese Army surgeon, Ishii Shiro, persuaded his superiors that microbes could become an inexpensive weapon potentially capable of producing enormous casualties [1, pp. 105–107; 3]. Ishii, who finally rose to the rank of lieutenant-general, built a large, self-contained installation with sophisticated germ- and insect-breeding facilities, a prison for the human experimentees, testing grounds, an arsenal for makin germ bombs, an airfield, its own special planes and a crematorium for the human victims.

When Soviet tanks crossed the Siberian-Manchurian border at midnight on August 8, 1945, Japan was less than a week away from unconditional surrender. In those few days of grace the Japanese destroyed their biological warfare installations in China, killed the remaining human experimentees ("It took 30 hours to lay them in ashes [4]") and ship out most of their personnel and some of the more valuable equipment to South Korea [1, pp. 43, 125, 130–31]. Reports that some equipment was slipped into Japan are confirmed by American documents which reveal that slides, laboratory records and case histories of experiments over many years were successfully transported to Japan [4].

A "top secret" cable from Tokyo to Washington on May 6, 1947, described some of the information being secured:

"Statements obtained from Japanese here confirm statements of USSR prisoners. . . Experiments on humans were . . . described by three Japanese and confirmed tacitly by Ishii; field trials against Chinese took place . . . scope of program indicated by report . . . that 400 kilograms [880 lbs.] of dried anthrax organisms destroyed in August 1945. . . . Reluctant statements by Ishii indicate he had superiors (possibly general staff) who . . . authorized the program. Ishii states that if guaranteed immunity from "war crimes" in documentary form for himself, superiors and subordinates, he can describe program in detail. Ishii claims to have extensive theoretical high-level knowledge including strategic and tactical use of BW on defense and offense, backed by some research on best agents to employ by geographical areas of Far East, and the use of BW in cold climates" [5, 6].

A top secret Tokyo headquarters "memorandum for the record" (also dated May 6), gave more details: "USSR interest in Japanese BW personnel arises from interrogations of two captured Japanese formerly associated with BW. Copies of these interrogations were given to U.S. Preliminary investigation[s] confirm authenticity of USSR interrogations and indicate Japanese activity in:

a. Human experiments

b. Field trials against Chinese

c. Large scale program

d. Research on BW by crop destruction

e. Possible that Japanese General Staff knew and authorized program

f. Thought and research devoted to strategic and tactical use of BW.

Data . . . on above topics are of great intelligence value to U.S. Dr. Fell, War Department representative, states that this new evidence was not known by U.S. [6].

Certain low echelon Japanese are now working to assemble most of the necessary technical data. . . . Information to the present have [sic] been obtained by persuasion, exploitation of Japanese fear of USSR and Japanese desire to cooperate with U.S. Additional information . . . probably can be obtained by informing Japanese involved that information will be kept in intelligence channels and not employed for 'war crimes' evidence.

Documentary immunity from "war crimes" given to higher echelon personnel involved will result in exploiting twenty years experience of the director, former General Ishii, who can assure complete cooperation of his former subordinates, indicate the connection of the Japanese General Staff and provide the tactical and strategic information" [7].

A report on December 12, 1947, by Dr. Edwin V. Hill, chief, Basic Sciences, Camp Detrick, Maryland, described some of the technical data secured from the Japanese during an official visit to Tokyo by Hill and Dr. Joseph Victor [8]. Acknowledging the "wholehearted cooperation of Brig. Gen. Charles A. Willoughby," MacArthur's intelligence chief, Hill wrote that the objectives were to obtain additional material clarifying reports already submitted by the Japanese, "to examine human pathological material which had been transferred to Japan from BW installations," and "to obtain protocols necessary for understanding the significance of the pathological material."

Hill and Victor interviewed a number of Japanese experts who were already assembling biological warfare archival material and writing reports for the United States. They checked the results of experiments with various specific human, animal and plant diseases, and investigated Ishii's system for spreading disease via aerosol from planes. Dr. Ota Kiyoshi described his anthrax experiments, including the number of people infected and the number who died Ishii reported on his experiments with botulism and brucellosis. Drs. Hayakawa Kiyoshi and Yamanouchi Yujiro gave Hill and Victor the results of other brucellosis tests, including the number of human casualties.

Hill pointed out that the material was a financial bargain, was obtainable nowhere else, and concluded with a plea on behalf of Ishii and his colleagues:

"Specific protocols were obtained from individual investigators. Their descriptions of experiments are detailed in separate reports. These protocols . . . indicate the extent of experimentation with infectious diseases in human and plant species.

Evidence gathered . . . has greatly supplemented and amplified previous aspects of this field. It represents data which have been obtained by Japanese scientists at the expenditure of many millions of dollars and years of work. Information has accrued with respect to human susceptibility to those diseases as indicated by specific infectious doses of bacteria. Such information could not be obtained in our own laboratories because of scruples attached to human experimentation. These data were secured with a total outlay of Y [yen] 250,000 to date, a mere pittance by comparison with the actual cost of the studies.

Furthermore, the pathological material which has been collected constitutes the only material evidence of the nature of these experiments. It is hoped that individuals who voluntarily contributed this information will be spared embarrassment because of it and that every effort will be taken to prevent this information from falling into other hands."

A memo by Dr. Edward Wetter and Mr. H.I. Stubblefield, dated July 1, 1947, for restricted circulation to military and State Department officials also described the nature and quantity of material which Ishii was beginning to supply, and noted some of the political issues involved [9]. They reported that Ishii and his colleagues were cooperating fully, were preparing voluminous reports, and had agreed to supply photographs of "selected examples of 8,000 slides of tissues from autopsies of humans and animals subjected to BW experiments." Human experiments, they pointed out, were better than animal experiments:

"This Japanese information is the only known source of data from scientifically controlled experiments showing the direct effect of BW agents on man. In the past it has been necessary to evaluate the effects of BW agents on man from data obtained through animal experimentation. Such evaluation is inconclusive and far less complete than results obtained from certain types of human experimentation."

Wetter and Stubblefield also stated that the Soviet Union was believed to be in possession of "only a small portion of this technical information" and that since "any 'war crimes' trial would completely reveal such data to all nations, it is felt that such publicity must be avoided in the interests of defense and national security of the U.S." They emphasized that the knowledge gained by the Japanese from their human experiments "will be of great value to the U.S. BW research program" and added: "The value to U.S. of Japanese BW data is of such importance to national security as to far outweigh the value accruing from war crimes prosecution."

A July 15 response to the Wetter-Stubblefield memo by Cecil F. Hubbert, a member of the State, War, Navy Coordinating Committee, agreed with its recommendations but warned of potential complications because "experiments on human beings . . . have been condemned as war crimes by the International Military Tribunal" in Germany and that the United States "is at present prosecuting leading German scientists and medical doctors at Nuremberg for offenses which included experiments on human beings which resulted in the suffering and death of most of those experimented upon" [10].

Hubbert raised the possibility that the whole thing might leak out if the Soviets were to bring it up in cross-examining major Japanese war criminals at the Tokyo trial and cautioned:

"It should be kept in mind that there is a remote possibility that independent investigation conducted by the Soviets in the Mukden area may have disclosed evidence that American prisoners-of-war were used for experimental purposes of a BW nature and that they lost their lives as a result of these experiments."

Despite these risks, Hubbert concurred with the Wetter-Stubblefield recommendation that the issue be kept secret and that the Japanese biological warfare personnel be given immunity in return for their cooperation. He suggested some changes for the final position paper, including the following casuistry: "The data on hand . . . does not appear sufficient at this time to constitute a basis for sustaining a war crimes charge against Ishii and/or his associates."

Hubbert returned to the subject in a memorandum written jointly with E.F. Lyons, Jr., a member of the Plans and Policy Section of the War Crimes Branch. This top secret document stated, in part:

"The Japanese BW group is the only known source of data from scientifically controlled experiments showing direct effects of BW agents on humans. In addition, considerable valuable data can be obtained from this group regarding BW experiments on animals and food crops. . . .

Because of the vital importance of the Japanese BW information . . . the Working Group, State-War-Navy Coordinating Subcommittee for the Far East, are in agreement that the Japanese BW group should be informed that this Government would retain in intelligence channels all information given by the group on the subject of BW. This decision was made with full consideration of and in spite of the following:

(a) That its practical effect is that this Government will not prosecute any members of the Japanese BW group for War Crimes of a BW nature.

(b) That the Soviets may be independent investigation disclose evidence tending to establish or connect Japanese BW activities with a war crime, which evidence the Soviets may attempt to introduce at the International Military Trial now pending at Tokyo.

(c) That there is a remote possibility that the evidence which may be disclosed by the Soviets would include evidence that American prisoners of war were used for experimental purposes by the Japanese BW group" [11].

In the intervening years the evidence that captured American soldiers were among the human guinea pigs used by Ishii in his lethal germ experiments remained "closely held" in the top echelons of the U.S. government. A "confidential" March 13, 1956, Federal Bureau of Investigation internal memorandum, addressed to the "Director, FBI (105–12804)" from "SAC, WFO (105–1532)" stated in part:

"Mr. James J. Kelleher, Jr., Office of Special Operations, DOD [Department of Defense], has volunteered further comments to the effect that American Military Forces after occupying Japan, determined that the Japanese actually did experiment with "BW" agents in Manchuria during 1943–44 using American prisoners as test victims. . . . Kelleher added that . . . information of the type in question is closely controlled and regarded as highly sensitive."

It is perhaps not surprising that it has taken so long for the full story to be revealed. Over the years fragments have occasionally leaked out, but each time were met with denials, initially by the Japanese and later by the United States. During the Korean War when China accused the United States of employing updated versions of Japan's earlier biological warfare tactics, not only were the charges denied, but it was also claimed that there was no proof of the earlier Japanese actions.

At the time of the Khabarovsk trial, the United States was pressing the Soviet Union to return thousands of Japanese prisoners held in Siberian labor camps since the end of World War II. When news of the trial reached Tokyo, it was dismissed as "propaganda." William J. Sebald, MacArthur's diplomatic chief, was quoted in a United Press story in the Nippon Times on December 29, 1949, as saying the story of the trial might just be fiction and that it obviously was a "smoke screen" to obscure the fact that the Soviets had refused to account for the missing Japanese prisoners.

It is possible that some of Ishii's attacks went undetected, either because they were failures or because the resulting outbreaks of disease were attributed to natural causes by the Chinese. However, some were recognized. Official archives of the People's Republic of China list 11 cities as subjected to biological warfare attacks, while the number of victims of artificially disseminated plague alone is placed at approximately 700 between 1940 and 1944 [12, p. 11].

A few of the Chinese allegations received international press coverage at the time. The Chinese Nationalists claimed that on October 27, 1940, plague was dropped on Ningbo, a city near Shanghai. The incident was not investigated in a scientific way, but the observed facts aroused suspicion. Something was seen to come out of a Japanese plane. Later, there was a heavy infestation of fleas and 99 people came down with bubonic plague, with all but one dying. Yet the rats in the city did not have plague, and traditionally, outbreaks of plague in the human population follow an epizootic in the rat population.

In the next few years a number of other Japanese biological warfare attacks were alleged by the Chinese. Generally, they were based on similar cause and effect observations. One incident, however, was investigated with more care.

On the morning of November 4, 1941, a Japanese plane circled low over Changde, a city in Hunan Province. Instead of the usual cargo of bombs, the plane dropped grains of wheat and rice, pieces of paper and cotton wadding, which fell in two streets in the city's East Gate District. During the next three weeks six people living on the two streets died, all with symptoms suggesting plague. Dr. Chen Wen-kwei, a former League of Nations plague expert in India, arrived with a medical team just as the last victim died. He performed the autopsy, found symptoms of plague which were confirmed by culture and animal tests. Again, there was no plague outbreak in the rat population [12, pp. 195–204].

On March 31, 1942, the Nationalist government stated that a follow-up investigation by Dr. Robert K.S. Lim, Director of the Chinese Red Cross, and Dr. R. Politzer, internationally known epidemiologist and former member of the League of Nations Anti-Epidemic Commission, who was then on a wartime assignment to the Chinese government, had confirmed Chen's findings.

Western reaction to the Chinese charges was mixed. Harrison Forman of the New York Times, and Dr. Thomas Parran, Jr., the U.S. Surgeon-General, thought the Chinese had made a case. But U.S. Ambassador Clarence E. Gauss was uncertain in an April 11, 1942, cable to the State Department, while Dr. Theodor Rosebury; the well-known American bacteriologist, felt that failure to produce plague bacilli from cultures of the material dropped at Changde weakened the Chinese claim [13, pp. 109–10]. Chen's full report, in which he suggested that it was fleas that were infected rather than the other material, was not made readily available by the Nationalist government.

Later disclosures of Japanese techniques would support Chen's reasoning: Fleas, after being fed on plague-infected rats, were swaddled in cotton and wrapped in paper, while grain was included in the mix in the hope that it would attract rats so that the fleas would find a new host to infect and thus start a "natural" epidemic.

At the December 1949 Soviet trial at Khabarovsk evidence was produced supporting the Nationalist Chinese biological warfare charges [14]. Witnesses testified that films had been made of some tests, including the 1940 attack on Ningbo. Japanese witnesses and defendants confirmed other biological warfare attacks, such as the 1941 Changde incident. Military orders, railroad waybills for shipment of biological warfare supplies, gendarmerie instructions for sending prisoners to the laboratories, and other incriminating Japanese documents were introduced in evidence [1, pp. 19–20, 23–24].

Describing the operation of Unit 731, the main biological warfare installation, located outside Harbin, the transcript summary stated: "Experts have calculated . . . that it was capable of breeding, in the course of one production cycle, lasting only a few days, no less than 30,000,000 billion microbes. . . . That explains why . . . bacteria quantities [are given] in kilograms, thus referring to the weight of the thick, creamy bacteria mass skimmed directly from the surface of the culture medium [1, pp. 13–14].

Total bacteria production capacity at this one unit was eight tons per month [1, pp. 266–67].

Euphemistically called a "water purification unit," General Ishii's organization also worked on medical projects not directly related to biological warfare. In the Asian countries it overran, the Japanese Army conscripted local young women to entertain the troops. The medical difficulties resulting from this practice became acute. In an effort to solve the problem, Chinese women confined in the detachment's prison "were infected with syphillis with the object of investigating preventive means against this disease. [1, p. 357].

Another experiment disclosed at the Khabarovsk trial was the "freezing project." During extremely cold winter weather prisoners were led outdoors:

"Their arms were bared and made to freeze with the help of an artificial current of air. This was done until their frozen arms, when struck with a short stick, emitted a sound resembling that which a board gives out when it is struck" [1, pp. 289, 21–22, 357–58].

Once back inside, various procedures for thawing were tried. One account of Unit 731's prison, adjacent to the laboratories, described men and women with rotting hands from which the bones protruded—victims of the freezing tests. A documentary film was made of one of the experiments.

Simulated field tests were carried out at Unit 731's Anta Station Proving Ground. Witnesses described experiments in which various infecting agents were used. Nishi Toshihide, Chief of the Training Division, testified:

"In January 1945 . . . I saw experiments in inducing gas gangrene, conducted under the direction of the Chief of the 2nd Division, Col. Ikari, and researcher Futaki. Ten prisoners . . . were tied facing stakes, five to ten metres apart. . . . The prisoners' heads were covered with metal helmets, and their bodies with screens . . . only the naked buttocks being exposed. At about 100 metres away a fragmentation bomb was exploded by electricity. . . . All ten men were wounded . . . and sent back to the prison. . . . I later asked Ikari and research Futaki what the results had been. They told me that all ten men had . . . died of gas gangrene." [1, pp. 289–90].

Among the many wartime recollections published by Japanese exservicemen are a few by former members of Unit 731 [15]. Akiyama Hiroshi told his story in two magazine articles and Kimura Bumpei, a former captain, has published his memoirs [16]. Sakaki Ryohei, a former major, has described how plague was spread by air-dropping rats and voles and has given details of the flea "nurseries" developed by Ishii for rapid production of millions of fleas [17].

A more dramatic confirmation of Ishii's work was an hour-long Japanese television documentary produced by Yoshinaga Haruko and shown by the Tokyo Broadcasting System. A Washington Post dispatch on November 19, 1976, reported:

"In the little-publicized television documentary on the germ warfare unit, Yoshinaga laid bare secrets closely held in Japan during and since the war. . . . [She] traveled throughout Japan to trace down 20 former members of the wartime unit. . . . Four of the men finally agreed to help, and the reporter found their testimony dovetailed with reports of war crime trials held in the Soviet Union."

Some of those interviewed by Yoshinaga claimed that they had told their stories to American authorities. Eguchi said that he "was the second to be ordered to G.H.Q. [General Headquarters]" and "they took a record" of his testimony. Takahashi, an ex-surgeon and Army major, stated: "I went to the G.H.Q. twice in 1947. Investigators made me write reports on the condition that they will protect me from the Soviets." Kumamoto, an ex-flight engineer, said that after the war General Ishii went to America and "took his research data and begged for remission for us all" [4].

Declassified position papers indicate a difference of opinion on how to deal with the question of immunity. The War Department favored acceding to Ishii's demands for immunity in documentary form. The State Department, however, cautioned against putting anything in writing which might later cause embarrassment, arguing that if the Japanese were told the information would be kept in classified intelligence channels that would be sufficient protection. In any event, a satisfactory arrangement apparently was worked out as none of the biological warfare personnel was subsequently charged with war crimes and the United States obtained full details of Japan's program.

The Japanese experts who, Dr. Hill hoped, would "be spared embarrassment," not only used their human guinea pigs in experiments to determine lethal dosages but on occasion—in their pursuit of exact scientific information—made certain that the experimentees did not survive. A group would be brought down with a disease and, as the infection developed, individuals would be selected out of the group and killed. Autopsies were then performed, so that the progress of the disease could be ascertained at various time-frames.

General Kitano Masaji and Dr. Kasahara Shiro revealed this practice in a report prepared for U.S. officials describing their work on hemorrhagic fever:

"Subsequent cases were produced either by blood or blood-free extracts of liver, spleen or kidney derived from individuals sacrificed at various times during the course of the disease. Morphine was employed for this purpose" [18].

Kitano and Dr. Kasahara Yukio described the "sacrificing" of a human experimentee when he apparently was recovering from an attack of tick encephalitis:

"Mouse brain suspension . . . was injected . . . and produced symptoms after an incubation period of 7 days. Highest temperature was 39.8° C. This subject was sacrificed when fever was subsiding, about the 12th day."

Clearly, U.S. biological warfare experts learned a lot from their Japanese counterparts. While we do not yet know exactly how much this information advanced the American program, we have the Fort Detrick doctors' testimony that it was "invaluable." And it is known that some of the biological weapons developed later were at least similar to ones that had been part of the Japanese project. Infecting feathers with spore diseases was one of Ishii's achievements and feather bombs later became a weapon in America's biological warfare arsenal [19].

Dr. Leroy D. Fothergill, long-time scientific advisor to the U.S. Army's Biological Laboratories at Fort Detrick, once speculated upon some of the possible spin-off effects of a biological warfare attack:

"Everything that breathes in the exposed area has an opportunity to be exposed to the agent. This will involve vast numbers of mammals, birds, reptiles, amphibians, and insects. . . . Surveys have indicated surprising numbers of wild life inhabiting each square mile of countryside. It is possible that many species would be exposed to an agent for the first time in their evolutionary history . . . Would it create the basis for possible genetic evolution of microorganisms in new directions with changes in virulence of some species? Would it establish public health and environmental problems that are unique and beyond our present experience?" [20].

Perhaps President Richard Nixon had some of these things in mind when, on November 25, 1969, he renounced the use of biological warfare, declaring:

"Biological weapons have massive unpredictable and potentially uncontrollable consequences. They may produce global epidemics and impair the health of future generations. I have therefore decided that the U.S. shall renounce the use of lethal biological agents and weapons, and all other methods of biological warfare" [21].

Some research on defensive aspects was permitted by the ban. The line between defense and offense is admittedly a thin one. Nearly a year after the Nixon renunciation of biological warfare, Seymour Hersh wrote that the programs the Army wanted to continue "under defensive research included a significant effort to develop and produce virulent strains of new biological agents, then develop defenses against them. 'This sounds very much like what we were doing before,' one official noted caustically" [22].

There is a difference of opinion among observers as to whether the United States and other major powers have indeed given up on biological warfare. Some believe the issue is a matter of the past. However, its history has been so replete with deception that one cannot be sure. One thing seems certain: The story did not end with Japan's use of biological war fare against China; there are additional chapters to be written.

Available documents do not reveal whether anyone knows the names of any of the thousands of Chinese Mongolians, Russians, "half-breeds" and Americans whose lives were prematurely ended by massive doses of plague, typhus, dysenteries, gas gangrene, typhoid, hemorrhagic fever, cholera, anthax, tularemia, smallpox, tsutsugamushi and glanders; or by such grotesqueries as being pumped full of horse blood; having their livers destroyed by prolonged exposure to X-rays or being subjected to vivisection.

It is known, however, that because of the "national security" interests of the United States, General Ishii and many of the top members of Unit 731 lived out their full lives, suffering only the natural afflictions of old age. A few, General Kitano among them, enjoyed exceptional good health and at the time of writing were living in quiet retirement.

General Headquarters, Supreme
Commander for the Allied Powers,

Mar 27, 47.

Brief for the Chief of Staff

1. This has to do with Russian requests for transfer of the former Japanese expert in Bacteriological Warfare.

2. The United States has primary interest, has already interrogated this man and his information is held by the U.S. Chemical Corps classified as TOP SECRET.

3. The Russian has made several attempts to get at this man. We have stalled. He now hopes to make his point by suddenly claiming the Japanese expert as a war criminal.

4. Joint Chiefs of Staff direct that this not be done but concur in a SCAP controlled interrogation requiring expert assistance not available in FEC.

5. This memorandum recommends:

a. Radio to WD for two experts.

b. Letter to USSR refusing to turn over Japanese expert.

c. Check Note to International Prosecution Section initiating action on the JCS approved interrogations.

War Department,
Classified Message Center,

CFE Tokyo Japan (Carpenter Legal Section).

Reurad WAR 80671, 22nd June 47, held another conference with Tavenner of IPS who reports following.

One on 27th October 1940 Japanese planes scattered quantities of wheat grain over Ningpo. Epidemic of bubonic plague broke out 29th October 40. Karazawai affidavit in para 3 below confirms this as Ishii Detachment experiment. 97 plague fatalities.

2. Strong circumstantial evidence exists of use of bacteria warfare at Chuhsien, Kinghwa and Changteh. At Chuhsien Japanese planes scattered rice and wheat grains mixed with fleas on 4th October 1940. Bubonic plague appeared in same area on 12th November. Plague never occurred in Chuhsien before occurrence. Fleas were not properly examined to determine whether plague infected. At Kinghwa, located between Ningpo and Chupuien, 3 Japanese planes dropped a large quantity of small granules on 28th November 1940. Microscopic examination revealed presence of numerous gram-negative bacilli possessing * * *.

* * * * *

A JUDGE'S VIEW

(By Bert V.A. Röling)

As one of the judges in the International Military Tribunal for the Far East, it is a bitter experience for me to be informed now that centrally ordered Japanese war criminality of the most disgusting kind was kept secret from the Court by the U.S. government. This Japanese war criminality consisted, in part, of using human beings, prisoners of war, Chinese as well as American, as "guinea pigs" in an endeavor to test the impact of specific biological warfare weapons. Research on and production of these weapons was not forbidden at that time. The Protocol of Geneva, 1925, forbade their use only in battle. But to use human beings for biological experiments, causing the death of at least 3,000 prisoners of war, was among the gravest war crimes.

The first information about these Japanese atrocities became known through the trial at Khabarovsk, December 25 to 30, 1949. I remember reading about it [1], and not believing its contents. I could not imagine that these things had happened, without the Court in Tokyo being informed. According to the book about the trial all the facts were transmitted to the chief prosecutor, Joseph B. Keenan. But some of the information was incorrect. The book mentions that the Military Tribunal was informed of the wicked experiements done by the Tama division in Nanking, and that it requested the American prosecution to submit more detailed proof [1, p. 443]. Such Court procedures would not have been in conformity with Anglo-Saxon practice. It is more likely that the information was given to the chief prosecutor.

A further feature of the Khabarovsk book is the strange character of the confessions made by the accused. Some are quoted as saying that they acted upon the special secret orders of the Japanese emperor [1, pp. 10, 519]. This was bound to cause doubts about its credibility. The emperor does not give orders to perform specific military acts. Everything that is ordered by the government and its officials is "in the name of the emperor." But his role is remarkable in that he may not make decisions; he has only to confirm decisions of the government. The "imperial will is decisive, but it derives wholly from the government and the small circle around the throne. Titus stresses the "ratification function" of the reached consensus [2, p. 321]. It is clear that this imperial confirmation gives a decision an exceptional authority: the command of the emperor is obeyed. In fact, however, the emperor has a kind of loud-speaker function. He is heard, and obeyed, but he speaks only on the recommendation of the government.

Very seldom does the emperor act in a personal manner. One such occasion was his criticism of the behavior of the Japanese army in Manchuria (the so-called Manchurian Incident). Another related to his role in connection with the capitulation at the end of World War II. Despite the atomic bombs and the entry of the Soviet Union into the war, the cabinet was divided and could not come to a decision because the military members refused to surrender. Their motivation: the existence of the imperial system was not sufficiently guaranteed. In a very exceptional move, the emperor was brought in to make the decision. He took the risk, and decided for immediate capitulation.

Thus the emphasis on the personal secret involvement of the emperor in the Khabarovsk trial account make it appear untrustworthy. The whole setup could be perceived as a source of arguments in favor of indicting the emperor. I remember at that time, writing to show the danger of national postwar judgments which could easily be misused for political purposes, and giving the Khabarovsk trial as an example. I must state now that the Japanese misbehavior as described in the judgment, has been confirmed by the recently disclosed American documents.

Immunity from prosecution was granted in exchange for Japanese scientific findings concerning biological weapons, based on disgusting criminal research on human beings. We learn from these documents that it was considered a bargain: almost for nothing, information was obtained that had cost millions of dollars and thousands of human lives. The American authorities were worrying only about the prospect of the human outcry in the United States, which surely would have taken place if the American people had been informed about this "deal."

The security that surrounds the military makes it possible for military behavior to deviate considerably from the prevailing public standard, but it is a danger to society when such deviation takes place. It leads gradually to contempt for the military, as witness the public attitude in connection with military behavior in the Vietnam war. The kind of military behavior that occurred in connection with the Japanese biological weapon atrocities can only contribute further to this attitude.

Respect for what the Nuremberg judgment called "the honorable profession of arms" is needed. Military power is still indispensable in our present world to provide for peace and security, so it is desirable for it to be held in high esteem. Power which is despised may become dangerous. Moreover, only if the military is regarded with respect, will it attract the personnel it should have.

The same is true of diplomatic service, which needs national and international respect. This respect will disappear if the service indulges in subversive activities, as the U.S. diplomatic mission did in Iran. That diplomatic misbehavior in Iran led to developments—the hostage crisis—which were disastrous for the whole world.

The documents which have come to light inform us also of the use of biological weapons in the war against the Chinese people. The criminal warfare was not mentioned in the Tokyo indictment, and not discussed before the Military Tribunal. It was kept secret from the world. The immunity granted to the Japanese war criminals covered not only deadly research on living persons, but also the use of biological weapons against the Chinese. And all this so that the United States could obtain exclusive access to the information, gained at the cost of thousands of human lives.

Knowledge about what kind of bargain was being struck in the biological weapons area may strengthen the perception of the repulsiveness of war. It may also show the danger of moral depravity, in peacetime, within the circles that have the instruments of military power in their hands.

END NOTES

1. Materials on the Trial of Former Servicemen of the Japanese Army Charged with Manufacturing and Employing Bacteriological Weapons (Moscow: Foreign Languages Publishing House, 1950), pp. 19–21. This volume is a summary of the transcript of the Soviet trial in Khabarovsk, Siberia, Dec. 20–25, 1949, of 12 captured Japanese Army personnel charged with participation in the biological warfare program. For a later reference to the program see Outline History of Science and Technology in Japan, ("Nihon Kagaku Gijutsu-shi Taikei"), Vol. 25 (Medicine 2, 1967), pp. 309–10. This account states that the biological warfare program was organized in 1933 and that "for special research on bacteria, members of the epidemic-prevention section shall be sent to Manchuria." It also stated that little was known about the program after the war since all records were said to have been destroyed and that the only evidence was that produced at the Khabarovsk trial. It did add, however, that there were reports that General Ishii had avoided prosecution by turning over his materials to U.S. authorities. I have not seen this volume and am indebted to John Dower, of the University of Wisconsin, who supplied the citation.

2. Ienaga Saburo, The Pacific War (New York: Pantheon, 1978).

3. Although most U.S. documents and the Soviet trial summary give Ishii credit for originating the biological warfare program, it is possible that he was only the chosen instrument. There are references indicating interest in the program at higher levels. The "staff officer" of Ishii's Operations Division was Lieutenant Colonel Miyata, who in real life was Prince Takeda [1, p. 40]. Ishii's friend at court was Gen. Nagata Tetsuzan, long Japan's top military man [1, pp. 106, 295], while the orders establishing the two original units were reputedly issued by the Emperor [1, pp. 10, 104, 413].

4. "A Bruise—Terror of the 731 Corps," Tokyo Broadcasting System television documentary, produced by Yoshinaga Haruko, shown Nov. 2, 1976. It has also been screened in Europe but not in the United States. However, the Washington Post (Nov. 19, 1976) carried a lengthy news story describing the film. In an interview with Post reporter John Saar, Yoshinaga said five former members of the biological warfare unit told her they were promised complete protection in return for cooperation with U.S. authorities. "All the important documents were given to the United States," she said.

5. This "top secret" cable [C–52423] also reveals that the first of the biological warfare experts to be sent from Washington to Japan had already arrived, referring to "Dr. Norbert H. Fell's letters via air courier to General Alden C. Waitt," who was then chief of the U.S. Army Chemical Corps.

6. Cable from Washington to Tokyo on April 2, 1947, stating that Fell would leave for Japan on April 5. A cable from Tokyo to the War Department on June 30, 1947, warns that an "aggressive prosecution will adversely affect U.S. interests" and urges that Fell (presumably now returned to Washington) be shown recent cables because he is an expert and can appreciate the value of the Japanese BW material.

7. Top secret Memorandum for the Record (May 6, 1947) indicated it was in response to "War Department Radio W–94446 & SWNCC 351/1 and was signed "RPM 26–6166".

8. "Summary Report on B.W. Investigations." Dated Dec. 12, 1947, and addressed to General Alden C. Waitt.

9. Dated july 1, 1947, and titled, "Interrogation of Certain Japanese by Russian Prosecutor," this memo also lists some of the material already obtained, including a "60 page report" covering experiments on humans and notes that other data confirms, supplements and complements U.S. research and "may suggest new fields for future research." Record Group No. 153, National Archives.

10. This July 15, 1947, memo is addressed to Commander J.B. Cresap and signed "Cecil F. Hubbert, member working party (SWNCC 351/2/D)."

11. Undated and titled "SFE 182/2," it was part of National Archives Record Group No. 153.

12. "Report of the International Scientific Commission for the Investigation of the Facts Concerning Bacterial Warfare in Korea and China," Peking, 1952.

13. Theodor Rosebury, Peace or Pestilence (New York: McGraw-Hill, 1949).

14. In order to ascertain the Nationalist position on this issue after the passage of some 40 years, I checked with Taipei and am grateful to Lieutenant General Teng Shu-wei, of the Nationalist Defense Ministry's Medical Bureau, who searched the Taiwan archives. His report is in substantial agreement with the records of the People's Republic in Beijing, although less complete.

15. Bungei Shunjû, Aug. 1955; Jimbutsu Òhrai (July 10, 1956).

16. "Terrible Modern Strategic War" by Kimura Bumpei. I have not seen this book and am relying upon a brief description of it contained in a March 31, 1959, letter from Tokyo attorney Morikawa Kinju to A.L. Wirin, chief counsel of the American Civil Liberties Union in Los Angeles.

17. Sunday Mainichi, No. 1628 (Jan. 27, 1952).

18. "Songo-Epidemic Hemorrhagic Fever," report dated Nov. 13, 1947, based on interview with General Kitano Masaji and Dr. Kasahara Shiro.

19. "Feathers as Carriers of Biological Warfare Agents," Biological Department, Chemical Corps So and C Divisions (Dec. 15, 1950).

20. Leroy D. Fothergill, M.D., "Biological Warfare: Nature & Consequences," Texas State Journal of Medicine (Jan. 1964).

21. New York Times (Nov. 26, 1969).

22. Washington Post (Sept. 20, 1970).

This article is based, in part, on ah article by the author in Bulletin of Concerned Asian Scholars (P.O. Box W, Charlemont, MA 01339), 12:4, pp. 2–15.

By Mr. SHELBY (for himself and Mr. BRYAN):

S. 1903. A bill to amend the privacy provisions of the Gramm-Leach-Bliley Act; to the Committee on Banking, Housing, and Urban Affairs.

CONSUMER'S RIGHT TO FINANCIAL PRIVACY ACT

Mr. SHELBY. Mr. President, I rise today to offer the "Consumer's Right to Financial Privacy Act" for myself and Senator BRYAN. This bill would address the significant deficiencies in the Financial Services Modernization Act passed by this very body last week.

Our bill would provide that consumers have (1) notice of the categories of nonpublic personal information that institutions collect, as well as the practices and policies of that institution with respect to disclosing nonpublic information; (2) access to the nonpublic personal information collected and shared; (3) affirmative consent, that is that the financial institution must receive the affirmative consent of the consumer, also referred to as an opt-in, in order to share such information with third parties and affiliates. Lastly, my provision would require that this federal law not preempt stronger state privacy laws. This bill is drafted largely after the amendment Senator BRYAN and I offered in the Conference on Financial Services Modernization, but failed to get adopted due to the Conference's rush to pass a financial modernization bill, no matter what the cost.

I know some think that opt-in is extreme, but I have to tell you that is what the American people want. Over the past year I have learned a great deal about the activities of institutions sharing sensitive personal information. Many may not be aware, but it had become a common practice for state department of motor vehicles to sell the drivers license information, including name, height, weight, social security number, vehicle identification number, motor vehicle record and more. Some states even sold the digital photo image of each driver's license.

I was not aware of this practice going on. When I learned about it and studied it a little closer, I found several groups who were outraged by this practice. One such group was Eagle Forum. Another such group was the ACLU. Still another group was the Free Congress Foundation. Before I knew it, there was an ad hoc coalition of groups not only supporting the issue of driver's license privacy, but demanding it.

Thanks to the hard work of these groups, I was able to include an opt-in provision for people applying for drivers licenses at their state department of motor vehicles. That provision sailed through the Senate and then the House. That bill was signed into law by President Clinton. Despite significant lobbying by the direct marketing industry, not one member of the House or Senate took to the floor and said, "I believe we should not allow consumers to choose whether or not their drivers license information, including their picture, should be sold or traded away like an old suit." No, no one objected to the opt-in. As a result, I believe very strongly that Congress has already set the bar on this issue. Opt-in is not just reasonable, it is the right thing to do.

Meanwhile, the ad hoc coalition, which is continuing to grow and includes every ideology from conservative to liberal, has signed on to four basic principles with regard to financial privacy. The principles include notice, access and consent, but also a requirement that weak federal laws not preempt stronger state laws. Our amendment incorporates those four basic principles.

Now my basic question is this, why would anyone oppose this bill? Only if you believe the financial services industry cannot make money by doing business above the table and on the level for everyone to see in the "sunshine" if you will. If you believe that financial institutions make money only by deceiving their customers or leaving those customers in the dark, then maybe you should oppose this bill. I do not subscribe to such a belief.

Industry will tell you that if they are required to include an opt-in, consumers will not, and therefore business will shut down. What does that tell you that consumers won't choose to opt-in? It means people don't want their information shared. If that is such a problem, it seems to me the business would spend more time educating the consumer as to the benefits of information sharing. That is where the burden to convince the consumer to buy the product should be—on the business.

During the financial modernization debate, the financial industry, along with Citigroup communicated to Congress that they would not be able to operate or function appropriately with an opt-in requirement. I find that very difficult to comprehend, seeing as Citibank signed an agreement with their German affiliates in 1995 affording German citizens the opportunity to tell Citibank "no," they did not want their personal data shared with third parties. I have a copy of the contract to prove it.

Entitled, Agreement on "Interterritorial Data Protection" one can see this is an agreement on the sharing of customer information between Citibank (South Dakota), referred in the document as CNA, and its German affiliates. On page two paragraph 4, entitled, Use of Subcontractors, Transmission of Data to Third Parties, number 2 reads:

> For marketing purposes, the transfer of personal data to third parties provided by the Card Service Companies (that is Citicorp of Germany and Citicorp Card Operations of Germany) is prohibited, except in those cases where such personal data is transferred to affiliated companies engaged in banking business in order to market financial services; the transfer of such data beyond the aforementioned scope to third parties, shall require the Card Service Companies' express approval. Such approval is limited to the scope of the Card Customers' consent as obtained on the application form.

That ladies and gentlemen, is an opt-in to operate in Germany, by none other than Citigroup, the number one proponent of financial modernization. Now if they can offer financial privacy to individuals in Germany, why on God's green earth can't they agree to an opt-in here in America? Do Germans have special rights over Americans? I should hope not.

Mr. President, simply put, this bill is what Americans want. This bill is workable as proven in the Citicorp agreement. The truth is that the American people do not understand the intricacies of banking law or securities regulation. They probably do not know or care much about affiliates or operating subsidiaries. What I do know, is that if you walked outside and polled people from New York City to Los Angeles, CA, and everywhere in between, they would not only understand financial privacy, 90 percent of them would demand financial privacy and the ability to tell an institution "no."

Mr. President, in passing the financial modernization bill, Congress gave mammoth financial services companies significant expanded powers and unprecedented ability to collect, share, buy and sell a consumers nonpublic personal financial information. During the debate, many members promised they would address privacy, but only in a separate bill at a later time. Well, Mr. President, the time is now and the bill is the "Consumer's Right to Financial Privacy Act."

The financial industry may have won the battle by keeping stronger financial privacy provisions out of the financial modernization bill. But I assure you they have not won the war. They cannot win the war on financial privacy because the American people just won't allow it.

Mr. President, I ask unanimous consent that the agreement on "International Data Protection" be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AGREEMENT ON INTERTERRITORIAL DATA PROTECTION

BY AND BETWEEN

1. Citicorp Kartenservice GmbH, Wilhelm-Leuschner-Str. 32, 60329 Frankfurt/M, Germany (CKS)
2. Citicorp Card Operations GmbH, Bentheimer Straβe 118, 48529 Nordhorn, Germany (CCO)

(CKS and CCO hereinafter collectively referred to as: Card Service Companies)

3. Citibank (South Dakota), N.A., Attn.: Office of the President, 701 E. 60th Street North, Sioux Falls, South Dakota 57117 (CNA)
4. Citibank Privatkunden AG, Kasernenstraβe 10, 40213 Düsseldorf, Germany (CIP)

RECITAL

1. CIP has unrestricted authority to engage in banking transactions. As a license of VISA International, CIP issues the Citibank Visa Card". Additionally, since July 1st, 1995, CIP has been cooperating with the Deutsche Bahn AG in issuing the "DB/Citibank BahnCard" with a cash-free payment function—hereinafter referred to as "DB/Citibank-BahnCard"—on the basis of a Co-Branding Agreement concluded between Deutsche Bahn AG and CIP on November 18th, 1994. After the conclusion of the Agreement, the co-branding business was extended to include the issuance of the DB/Citibank BahnCard without a cash-free payment function, known as BahnCard "pure".

2. CIP transferred to CKS the operations of the Citibank Visa credit card business, including accounting and electronic data processing, on the basis of the terms of a Service Agreement (non-gratuitous contract for services) dated March 24, 1998, supplemented as of June 1, 1989 and November 30, 1989. Details are contained in the "CKS Service Agreement", according to which CKS performs for CIP all services pertaining to the Citibank Visa card business. Concurrent with the application for a Citibank Visa Card, the Citibank Visa Card customers agree to the transfer of their personal data to CKS and to those companies entrusted by CKS with such data processing.

3. In the Co-Branding Agreement with the Deutsche Bahn AG dated November 18, 1994, CIP assumed responsibility for the issuance of the DB/Citibank BahnCard as well as for the entire management and operations associated with this business.

4. On the basis of a Service Agreement dated April 1, 1995, CIP transferred the entire

operations of the DB/Citibank-BahnCard business, including data processing and accounting, to the Card Service Companies. Details are contained in the "BahnCard Service Agreement". Concurrent with the application for issuing a DB/Citibank BahnCard, the BahnCard customers agree to the transfer of their personal data to CCO and to those companies entrusted by CCO with such data processing.

5. Due to reasons of efficiency, service and centralization, the Card Service Companies have entrusted CNA with the processing of the Citibank Visa card business and of the DB/Citibank BahnCard business as of July 1, 1995. In light of such considerations, the Card Service Companies—as principals—and CNA—as contractors—concluded the "CNA Service Agreement", to which CIP expressly consented.

6. The performance of the CNA Service Agreement requires the Card Service Companies to transfer the personal data of the Citibank Visa card customers and the DB/Citibank BahnCard customers—hereinafter collectively referred to as "Card Customers"—to CNA and further requires CNA to process and use these data.

In order to protect the Card Customers' rights with respect to both the data protection law, as well as the banking secrecy, and in order to comply with the banking supervisory and data protection requirements.

The contractual parties agree and covenant as follows:

§1 BASIC PRINCIPLES

The parties hereto undertake to safeguard the Card Customers' right to protection against unauthorized capture, storage and use of their personal data and their right to informational self-determination. The scope of such protection shall be governed by the standards as laid down in the German Federal Data Protection Law (Bundesdatenschutzgesetz, abbreviated to "BDSG"). The parties hereto additionally agree to comply with the banking secrecy regulations.

§2 INSTRUCTIONS OF THE CARD SERVICE COMPANIES

1. CNA shall process the data provided by the Card Service Companies solely in accordance with the Card Service Companies' instructions and rules, and the provisions contained in this Agreement. CNA undertakes to process and use the data only for the purpose for which the data have been provided by the Card Service Companies to CNA, said purposes including those as described in the CNA Service Agreement. The use of such data for purposes other than described above requires the Card Service Companies' express written consent.

2. At any time, the Card Service Companies may make inquiries to CNA about the personal data transferred by the Card Service Companies and stored at CNA, and the Card Service Companies may require CNA to perform corrections, deletions or blockings of such personal data transferred by the Card Service Companies to CNA.

§3 INSPECTION RIGHTS OF THE CARD SERVICE COMPANIES

At regular intervals, an (joint) agent appointed by the Card Service Companies shall verify whether CNA complies with the terms and conditions of this Agreement, and in particular with the data protection law as well as the banking secrecy regulations. CNA shall grant the Card Service Companies' agent supervised unimpeded access to the extent necessary to accomplish the inspection and review of all data processing facilities, data files and other documentation needed for processing and utilizing the personal data transferred by the Card Service Companies in a fashion which is consistent with the CNA Operational Policies. CNA shall provide the agent with all such information as deemed necessary to perform this inspection function.

§4 USE OF SUBCONTRACTORS, TRANSMISSION OF DATA TO THIRD PARTIES

1. CNA may not appoint non-affiliated third parties, in particular subcontractors, to perform and fulfill CNA's commitments and obligations under this Agreement.

2. For marketing purposes, the transfer of personal data to third parties provided by the Card Service Companies is prohibited, except in those cases where such personal data is transferred to affiliated companies engaged in the banking business in order to market financial services; the transfer of such data beyond the aforementioned scope to third parties shall require the Card Service Companies' express approval. Such approval is limited to the scope of the Card Customers' consent as obtained on the application form. The personal data of customers having obtained a BahnCard "pure" may only be used or transferred for BahnCard marketing purposes.

CNA and the Card Service Companies undertake to institute and maintain the following data protection measures:

1. Access control of persons

CNA shall implement suitable measures in order to prevent unauthorized persons from gaining access to the data processing equipment where the data transferred by the Card Service Companies are processed.

This shall be accomplished by:

a. Establishing security areas;

b. Protection and restriction of access paths;

c. Securing the decentralized data processing equipment and personal computers;

d. Establishing access authorizations for employees and third parties, including the respective documentation;

e. Identification of the persons having access authority;

f. Regulations on key-codes;

g. Restriction on keys;

h. Code card passes;

i. Visitors books;

j. Time recording equipment;

k. Security alarm system or other appropriate security measures.

2. Data media control

CNA undertake to implement suitable measures to prevent the unauthorized reading, copying, alteration or removal of the data media used by CNA and containing personal data of the Card Customers.

This shall be accomplished by:

a. Designating the areas in which data media may/must be located;

b. Designating the persons in such areas who are authorized to remove data media;

c. Controlling the removal of data media;

d. Securing the areas in which data media are located;

e. Release of data media to only authorized persons;

f. Control of files, controlled and documented destruction of data media;

g. Policies controlling the production of back-up copies.

3. Data memory control

CNA undertakes to implement suitable measures to prevent unauthorized input into the data memory and the unauthorized reading, alteration or deletion of the stored data on Card Customers.

This shall be accomplished by:

a. An authorization policy for the input of data into memory, as well as for the reading, alteration and deletion of stored data;

b. Authentication of the authorized personnel;

c. Protective measures for the data input into memory, as well as for the reading, alteration and deletion of stored data,

d. Utilization of user codes (passwords);

e. Use of encryption for critical security files.

f. Specific access rules for procedures, control cards, process control methods, program cataloging authorization;

g. Guidelines for data file organization;

h. Keeping records of data file use;

i. Separation of production and test environment for libraries and data files

j. Providing that entries to data processing facilities (the rooms housing the computer hardware and related equipment) are capable of being locked,

k. Automatic log-off of user ID's that have not been used for a substantial period of time.

4. User control

CNA shall implement suitable measures to prevent its data processing systems from being used by unauthorized persons by means of data transmission equipment.

This shall be accomplished by:

a. Identification of the terminal and/or the terminal user to the DP system;

b. Automatic turn-off of the user ID when several erroneous passwords are entered, log file of events, (monitoring of break-in-attempts);

c. Issuing and safeguarding of identification codes;

d. Dedication of individual terminals and/or terminal users, identification characteristics exclusive to specific functions;

e. Evaluation of records.

5 Personnel control

Upon request, CNA shall provide the Card Service Companies with a list of the CNA employees entrusted with processing the personal data transferred by the Card Service Companies, together with a description of their access rights.

6. Access control to data

CNA commits that the persons entitled to use CNA's data processing system are only able to access the data within the scope and to the extent covered by the irrespective access permission (authorization).

This shall be accomplished by:

a. Allocation of individual terminals and/or terminal user, and identification characteristics exclusive to specific functions;

b. Functional and/or time-restricted use of terminals and/or terminal users, and identification characteristics;

c. Persons with function authorization codes (direct access, batch processing) access to work areas;

d. Electronic verification of authorization;

e. Evaluation of records.

7. Transmission control

CNA shall be obligated to enable the verification and tracing of the locations/destinations to which the Card Customers' data are transferred by utilization of CNA's data communication equipment/devices.

This shall be accomplished by:

a. Documentation of the retrieval and transmission programs;

b. Documentation of the remote locations/destinations to which a transmission paths (logical paths).

8. Input control

CNA shall provide for the retrospective ability to review and determine the time and the point of the Card Customers' data entry into CNA's data processing system.

This shall be accomplished by:

a. Proof established within CNA's organization of the input authorization;

b. Electronic recording of entries.

9. Instructional control

The Card Customers' data transferred by the Card Service Companies to CNA may only be processed in accordance with instructions of the Card Service Companies.

This shall be accomplished by:

a. Binding policies and procedures for CNA employees, subject to the Card Service Companies' prior approval of such procedures and policies,

b. Upon request, access will be granted to those Card Service Companies' employees and agents who are responsible for monitoring CNA's compliance with this Agreement (c.f. §3 hereof.)

10. Transport control

CNA and the Card Service Companies shall implement suitable measures to prevent the Card Customers' personal data from being read, copied, altered or deleted by unauthorized parties during the transmission thereof or during the transport of the data media.

This shall be accomplished by:

a. Encryption of the data for on-line transmission, or transport by means of data carriers, (tapes and cartridges);

b. Monitoring of the completeness and correctness of the transfer of data (end-to-end check).

11. Organization control

CNA shall maintain its internal organization in a matter that meets the requirements of this Agreement.

This shall be accomplished by:

a. Internal CNA policies and procedures, guidelines, work instructions, process descriptions, and regulations for programming, testing, and release, insofar as they relate to data transferred by Card Service Companies;

b. Formulation of a data security concept whose content has been reconciled with the Card Service Companies;

c. Industry standard system and program examination;

d. Formulation of an emergency plan (back-up contingency plan).

§6 DATA PROTECTION SUPERVISOR

1. CNA undertakes to appoint a Data Protection Supervisor and to notify the Card Service Companies of the appointee(s). CNA shall only select an employee with adequate expertise and reliability necessary to perform such a duty, and provide the Card Service Companies with appropriate evidence thereof.

2. The Data Protection Supervisor shall be directly subordinate/accountable to CNA's General Management. He shall not be bound by instructions which obstruct or hinder the performance of his duty in the field of data protection. He shall cooperate with the Card Service Companies' agent—as indicated in §3 hereof—in monitoring the performance of this Agreement and adhering to the data protection requirements in conjunction with the data in question. In the event that CNA chooses to change the person who serves as a Data Protection Supervisor, CNA shall give timely notice to the Card Service Companies of such change. The Data Protection Supervisor shall be bound by confidentiality obligations.

3. The Data Protection Supervisor shall be available as the on-site contact for the Card Service Companies.

§7 CONFIDENTIALITY OBLIGATION

CNA shall impose a confidentiality obligation on those employees entrusted with processing the personal data transferred by the Card Service Companies. CNA shall furthermore obligate its employees to adhere to the banking and data secrecy regulations and document such employees' obligation in writing. Upon request, CNA shall provide the Card Service Companies with satisfactory evidence of compliance with this provision.

§8 RIGHTS OF CONCERNED PERSONS

1. At any time, Card Customers whose data are transferred by CIP to the Card Service Companies, and thereafter further transferred by the Card Service Companies to CNA, shall be entitled to make inquiries to CNA (who are required to respond) as to: the stored personal data, including the origin and the recipient of the data; the purpose of storage; and the persons and locations/destinations to which such data are transferred on a regular basis.

The requested information shall generally be provided in writing.

2. The Card Service Companies shall honour the concerned person's request to correct his personal data at any time, provided that the stored data are incorrect. The same shall apply to data stored at CNA.

3. The concerned person may claim from the responsible Card Service Companies the deletion or blocking of any data stored at the Card Service Companies or CNA, in the event that: such storage is prohibited by law; the data in question relate to information about health criminal actions, violations of the public order, or religious or political opinions, and its truth/correctness oannot be proved by the Card Service Companies; and such data are processed to serve Card Service Companies' own purposes, and such data are no longer necessary to serve the purpose of the data storage under the agreement with the respective Card Customers.

Notwithstanding the foregoing, the parties hereto submit to the provisions of §35 of the German Federal Data Protection Law (BDSG), and agree to be familiar with such provisions.

4. The concerned person may demand that the responsible Card Service Companies block his or her personal data, if he or she contests the correct nature thereof and if it is not possible to determine whether such data is correct or incorrect. This shall also apply to such data stored by CNA.

5. If CIP. the Card Service Companies or CNA should violate the data protection or banking secrecy regulations, the person concerned shall be entitled to claim damages caused and incurred thereby as provided in the German Federal Data Protection Law (BDSG). CIP's and the Card Service Companies' liability shall moreover extend to those claims arising from breach of this Agreement and asserted against CNA and/or its employees in performance of this Agreement.

6. CNA acknowledges the obligation assumed by CIP and the Card Service Companies towards the concerned person, and undertakes to comply with all Card Service Companies' instructions concerning such person. The concerned person may also directly assert claims against CNA and file an action at CNA's applicable place of jurisdiction.

§9 NOTIFICATION TO THE CONCERNED PERSON

The Card Service Companies undertake to appropriately notify the concerned Card Customers of the transfer of their data to CNA.

§10 DATA PROTECTION SUPERVISION

1. According to the German Federal Data Protection Law (BDSG), the Card Service Companies and CIP are subject to public control exercised by the respective responsible supervisory authorities.

2. Upon request of CIP or either of the Card Service Companies. CNA shall provide the respective supervisory authorities with the desired information and grant them the opportunity of auditing to the same extent as they would be entitled to conduct audits at the Card Service Companies and CIP; this includes the entitlement to inspections at CNA's premises by the supervisory authorities or their nominated agents, unless barred by binding instructions of the appropriate U.S. authorities.

§11 BANKING SUPERVISION

1. Any vouchers, commercial books of accounting, and work instructions needed for the comprehension of such documents, as well as other organizational documents shall physically remain at the Card Service Companies, unless electronically archived by scanning devices in a legally permissible fashion.

2. The Card Service Companies and CNA undertake to adhere to the principles of proper accounting practice applicable in Germany for computer-aided processes and the auditing thereof, in particular FAMA 1/1987.

3. The Card Service Companies undertake to submit a data processing concept and a data security concept to the German Federal Authority for the Supervision of Banks (Bundesaufsichtsamt fur das Kreditwesen) prior to commencing transfer of data to CNA.

4. The remote processing of the data shall be subject to the internal audit department of CIP and the Card Service Companies. CNA agrees to cooperate with the internal auditors of CIP and the Card Service Companies, who shall have the right to inspect the files of CNA's internal auditors, insofar as they relate to the data files transferred by the Card Service Companies to CNA. The internal auditors of the Card Service Companies and of CIP shall conduct audits of CNA as required by due diligence.

5. In a joint declaration to the Federal Banking Supervisory Authority; CIP, the Card Service Companies and CNA shall undertake to allow the inclusion of CNA in audits in accordance with the provisions of §44 of the Banking Law (Kreditwesengesetz abbreviated to KWG) at any time and not to impede or obstruct such audits, provided that legal requirements and/or instructions of U.S. authorities bind CNA to the contrary.

6. CNA shall request the US banking supervisory authorities' confirmation in writing to the effect that no objections will be raised against the intended remote data processing concept. In the event that CNA cannot procure such written confirmation upon the Card Service Companies' request, the Card Service Companies and CIP may withdraw from this Agreement and the underlying CNA Service Agreement.

7. CIP, the Card Service Companies and CNA undertake to abide by the requirements for interterritorial remote data processing in bank accounting as set forth in the letter of the Federal Authority for the Supervision of Banks dated October 16, 1992. This letter is appended as a Schedule hereto and forms an integral part of this Agreement.

§12 INDEMNIFICATION CLAIM

1. CNA shall indemnify the Card Service Companies within the scope of their internal and contractual relationship from any claims of damages asserted by the Card Customers, and resulting from CNA's incompliance with the terms and conditions of this Agreement.

2. The Card Service Companies shall indemnify CNA within the scope of their internal and contractual relationship from any claims of damages asserted by the Card Customer, and resulting from one or both of the Card Service Companies' incompliance with the terms and conditions of this Agreement.

§13 TERM OF THE AGREEMENT

1. This Agreement is effective as of July 1st, 1995, until terminated. It may be terminated by any party hereto at the end of each calendar year upon 12 months notice prior to the expiration date, subject to each party's right of termination of the Agreement for material, unremedied breach hereof. The termination of this Agreement by any one of the parties shall result in the termination of the entire Agreement with respect to the other parties.

2. CNA commits to return and delete all personal data stored at the time of termination hereof in accordance with the Card Service Companies' instructions.

§14 CONFIDENTIALITY

The parties hereto commit to treat strictly confidential any trade, business and operating secrets or other sensitive information of the other parties involved. This obligation shall survive termination of this Agreement.

§15 DATA PROTECTION AGREEMENT WITH DEUTSCHE BAHN AG (DB AG)

1. The Deutsche Bahn AG captures personal data at its counters and appears as a joint issuer of the DB/Citibank BahnCard. The parties hereto agree that the Deutsche Bahn AG therefore bears responsibility for such data.

2. The Deutsche Bahn AG and CIP concluded a Data Protection Agreement as of February 13, 1996, defining the scope of data protection obligations and commitments between the parties. The parties hereto are familiar with said Data Protection Agreement and acknowledge the obligations arising for CIP thereunder.

3. The parties hereto authorize CIP to provide DB AG with written notification of this Agreement on Interterritorial Data Protection.

§16 GENERAL PROVISIONS

1. This Agreement sets forth the entire understanding between the parties hereto in conjunction with the subject matter as laid down herein and none of the parties hereto has entered into this Agreement in reliance upon any representation, warranty or undertaking of any other party which is not contained in this Agreement or incorporated by reference herein. Any subsequent amendments to this Agreement shall be in writing duly signed by authorized representatives of the parties hereto.

2. If one or more provisions of this Agreement becomes invalid, or the Agreement is proven to be incomplete, the validity and legality of the remaining provisions hereof shall not be affected or impaired thereby. The parties hereto agree to substitute the invalid part of this Agreement by such a legally valid provision which constitutes the closest representation of the parties' intention and the economical purpose of the invalid term, and the parties hereto further agree to be bound by such a valid term. An incompleteness of this Agreement shall be bridged in a similar fashion.

3. The Parties hereto submit to the jurisdiction and venue of the courts of Frankfurt/M.

4. This Agreement shall be governed by, interpreted and construed in accordance with German law.

What are the main features of the International Agreement?

1. The parties on both sides of the Atlantic agree to apply German Data Protectional Law to their handling of cardholders' data (§1).

2. Customer data may only be processed in the United States for the purpose of producing the cards (§2).

3. Citibank in the United States and in Europe is not allowed to transfer personal data to third parties for marketing purposes except in two cases:

(a) Data of applicants for a RailwayCard with payment function may be transferred to other Citibank companies in order to market financial services; (b) Data of applicants for a pure RailwayCard may only be used or transferred for BahnCard marketing purposes, i.e., to try to convince the cardholder that he should upgrade his RailwayCard to have a "better BahnCard" with credit card function (§4 II).

4. The technical requirements on data security according to German law are spelt out in detail in §5.

5. The American Citibank subsidiary has to appoint data protection supervisors again following the German legal requirements (§6).

6. The German card customers have all individual rights against the American Citibank subsidiary which they have under German law. They can ask for inspection, claim deletion, correction or blocking of their data and they can bring an action for compensation under the strict liability rules of German law either against German Railway, the German Citibank subsidiary or directly against the American Citibank subsidiary (§8).

7. The Citibank subsidiaries in the United States accept on-site audits by the German data protection supervisory authority, i.e., the Berlin Data Protection Commissioner, or his nominated agents, e.g. an American consulting or auditing firm acting on his behalf (§10 II).

This very important provision contains a restriction in case US authorities instruct Citibank in their country not to allow foreign auditors in. However, this restriction is not very likely to become practical. On the contrary, US authorities have already declared by way of a diplomatic note sent to the German side that they will accept these audits. This follows an agreement between German and United States banking supervisory authorities on auditing the trans-border processing of accounting data (cf. §11). Indeed this previous agreement very much facilitated the acceptance of German data protection audits by Citibank in the United States. As far as data security concepts are concerned the Federal Banking Supervisory Authority and the Berlin Data Protection Commissioner will be working hand in glove.

8. Finally—and this is not reproduced in the version of the Agreement which you have received—German Railway has been linked to this agreement between Citibank subsidiaries in a specific provision.

By Mr. THOMAS (for himself and Mr. ENZI):

S. 1904. A bill to amend the Internal Revenue Code of 1986 to provide for an election for special tax treatment of certain S corporation conversions; to the Committee on Finance.

ELECTION FOR SPECIAL TAX TREATMENT OF CERTAIN S CORPORATION CONVERSIONS

● Mr. THOMAS. Mr. President, today I join Senator ENZI in introducing legislation that will give small businesses more flexibility in how they choose to operate.

One of the most important decisions for the founder of a business is "choice of entity," whether to operate the business through a corporation, partnership, limited liability company or other form of business. This choice is plainly important for reaching business goals, and may be critical to the survival of the business. For the family business, the choice also is inseparable from the owner's preferences as to how the owner wants to relate to family co-owners. Choice of entity is therefore potentially one of the most important decisions for an owner.

The law concerning choice of entity has changed enormously in the last decade, particularly with the widespread adoption of laws authorizing the limited liability company (LLC). As a result, business owners have more flexibility in this area than ever before. Even so, older family businesses operated as S corporations may be "locked" into the corporate form, simply because of the tax cost of changing to another form. These businesses are thus unable to take advantages of the recent advancements in choice of entity.

In order to help these older businesses remain competitive with their younger rivals, the bill Senator ENZI and I introduce today will allow a one-time election for an S corporation to change to another form of business without incurring the normal tax cost of doing so.

Thousands of corporations have elected subchapter S status since President Eisenhower signed into law the Technical Amendments Act of 1958, which added subchapter S to the code. The legislative history makes clear that the purpose of subchapter S was to offer simplified tax rules for the small and family-owned business operating in the corporate form.

Until the rise of the LLC in the mid 1990's, the S corporation remained, for all practical purposes, the sole means for a small or family business to obtain the benefits of limited liability without the complex corporate tax. For many years, a change to another form of business was relatively easy. But by the time an alternative to the S corporation became widely available, this avenue had been foreclosed by changes to the tax code. Thus thousands of S corporations are saddled with the cumbersome and inflexible rules of the corporate form.

The Internal Revenue Code itself reflects a policy of respecting economic reality over form in the conduct of a trade or business. For example, Section 1031, which existed even in 1939, allows nonrecognition of gain or loss in the exchange of property used in a trade or business, or for investment, on the theory that the taxpayer has not cashed out his investment. Code Sections 351 and 721 allow nonrecognition on the contribution of property to a corporation or a partnership, on the rationale that the taxpayer is only changing the form of his investment.

The S election itself was a giant stride in removing tax considerations in choice of entity. More recently, the Internal Revenue Service has done much to remove tax considerations from the choice of business form through the check the box regulations. The Service should be commended for taking this step.

The next step in the process is allowing those S corporations that can more efficiently function as an LLC the one-time chance to make the conversion, without tax cost being the controlling factor. Until these conversions can be accomplished, the task of reducing the role of taxes in choosing a business form will remain unfinished.

I look forward to working with Senator ROTH and the other members of the Senate Finance Committee so we may take action on this measure as soon as possible.●

By Mr. SANTORUM (for himself, Mr. DODD, Mr. TORRICELLI, Mr. LIEBERMAN, Mr. SCHUMER, and Mr. LAUTENBERG):

S. 1905. A bill to establish a program to provide for a reduction in the incidence and prevalence of Lyme disease; to the Committee on Health, Education, Labor, and Pensions.

THE LYME DISEASE INITIATIVE OF 1999

● Mr. SANTORUM. Mr. President, it is with great enthusiasm that I rise today to join my friend and colleague, the senior Senator from Connecticut, CHRISTOPHER DODD, in introducing the Lyme Disease Initiative of 1999. This legislation is aimed at waging a comprehensive fight against Lyme disease—America's most common tick-borne illness.

I know that Mr. DODD shares my sentiments in believing that this legislation could not be more timely or necessary. Lyme remains the 2nd fastest growing infectious disease in this country after AIDS. The number of annually reported cases of Lyme disease in the United States has increased about 25-fold since national surveillance began in 1982, and an average of approximately 12,500 cases annually were reported by states to the Centers for Disease Control and Prevention (CDC) from 1993–1997.

Every summer, tens of thousands of Americans enjoying or working in the outdoors are bitten by ticks. While most will experience no medical problems, others are not so lucky—including the 16,801 Americans who contracted Lyme disease last year.

According to some estimates, Lyme disease costs our nation $1 billion to $2 billion in medical costs annually. The number of confirmed cases of Lyme disease in 1998 increased 31.2 percent from the previous year—and that is only the tip of the iceberg. Many experts believe the official statistics understate the true number of Lyme disease cases by as much as ten or twelve-fold, because Lyme disease can be so difficult to diagnose.

And Lyme is a disease that does not discriminate. Persons of all ages and both genders are equally susceptible, although among the highest attack rates are in children aged 0–14 years.

The Lyme Disease Initiative is a five year, $125 million blueprint for attacking the disease on all fronts. In addition to authorizing the necessary resources to wage this war, this legislation outlines a public health management plan to make the most of our efforts on all fronts to combat Lyme disease:

The Lyme Disease Initiative makes the development of better detection tests for Lyme disease the highest research priority;

The Lyme Disease Initiative sets goals for public health agencies, including a 33 percent reduction in Lyme disease within five years of enactment in the ten states with the highest rates;

The Lyme Disease Initiative fosters better coordination between the scattered Lyme disease programs within the federal government through a five year, joint-agency plan of action;

The Lyme Disease Initiative helps protect workers and visitors at federally-owned lands in endemic areas through a system of periodic, standardized, and publicly accessible Lyme disease risk assessments;

The Lyme Disease Initiative requires a review of current Lyme disease prevention and surveillance efforts to search for areas of improvement;

The Lyme Disease Initiative fosters additional research into other related tick-borne illnesses so that the problem of co-infection can be addressed;

The Lyme Disease Initiative initiates a plan to boost public and physician understanding about Lyme disease;

The Lyme Disease Initiative creates a Lyme Disease Task Force to provide Americans with the opportunity to hold our public health officials accountable as they accomplish these tasks.

This legislation is the product of countless meetings that Senator DODD and I have had with patients and families struggling to cope with this debilitating disease. Although Lyme disease can be treated successfully in the early stages with antibiotics, sadly, the lack of physician knowledge about Lyme disease and the inadequacies of existing laboratory detection tests compound the physical suffering, which can include damage to the nervous system, skin, and joints and other significant health complications where patients go undetected, and hence untreated. Patients relate heart breaking stories about visiting multiple doctors without getting an accurate diagnosis, undergoing unnecessary tests while getting progressively weaker and sicker —and racking massive medical bills in the process.

Although Lyme disease poses many challenges, they are challenges the medical research community is well equipped to meet. This legislation will enhance efforts to discover new information on and establish treatment protocols for Lyme disease. Thanks to the scientific research being conducted here in the United States and around the world, new and promising research is already accumulating at a rapid pace. We have a unique opportunity to help re-build the shattered lives of Lyme victims and their families, and I look forward to working with Senator DODD, my colleagues, and the administration to accomplish this worthy public health goal.●

● Mr. DODD. Mr. President, I rise today to join Senator SANTORUM in introducing The Lyme Disease Initiative of 1999, companion legislation to a bill introduced by Representative CHRISTOPHER SMITH of New Jersey. The objective of this bill is simple—to put us on the path toward eradicating Lyme disease—a disease that is still unfamiliar to some Americans, but one that those of us from Connecticut and the Northeast know all too well.

Last Congress I was pleased to introduce similar legislation, The Lyme Disease Initiative of 1998, and to see a critical component of that legislation enacted into law. Through an amendment that I offered to the FY 1999 Department of Defense (DoD) appropriations bill, an additional $3 million was directed toward the DoD's Lyme disease research efforts. This was an important step in the fight to increase our understanding of this condition, but clearly much more remains to be done.

Almost every resident of my state has witnessed firsthand the devastating impact that this disease can have on its victims. As most of my constituents know, Lyme disease is a "home-grown" illness—it first achieved prominence in the 1980s in the state of Connecticut and got its name from the town of Lyme, CT. And today, Connecticut residents have the dubious distinction of being 10 times more likely to contract Lyme disease than the rest of the nation.

To begin to address this crisis, this legislation would establish a five-year, $125 million blueprint for attacking the disease on all fronts by bolstering funding for better detection, prevention, surveillance, and public and physician education. Additionally, this legislation would require the primary federal agencies involved in Lyme disease research and education to substantially improve the coordination of their efforts, in an effort to minimize duplication and to enhance federal leadership.

In my opinion, money to fund Lyme disease research and public education is money well spent. Studies indicate that long-term treatment of infected individuals often exceeds $100,000 per person—a phenomenal cost to society. Health problems experienced by those infected can include facial paralysis, joint swelling, loss of coordination, irregular heart-beat, liver malfunction, depression, and memory loss. Because Lyme disease mimics other conditions, patients often must visit multiple doctors before a proper diagnosis is made. This results in prolonged pain and suffering, unnecessary tests, costly and futile treatments, and devastating emotional consequences for victims and their families.

Tragically, the number of Lyme disease cases reported to the CDC has skyrocketed—from 500 in 1982 to 17,000 in 1998. In the last year alone, the number of infected individuals rose 25%. And these cases represent only the tip of the iceberg. Several new reports have found that the actual incidence of the disease may be ten times greater than current figures suggest.

While continuing to fight for additional funding for research into this disease, it is also critical that we ensure that current and future federal resources for Lyme disease are used wisely and in the best interest of the individuals and families affected by this condition. To that end, I intend to ask the General Accounting Office to review current federal funding priorities for Lyme disease.

I truly look forward to the day when Lyme disease no longer plagues our nation and view The Lyme Disease Initiative of 1999 as a critical step toward that goal. I urge my colleagues to support this legislation.●

By Mr. BINGAMAN (for himself, Mr. ALLARD, and Mr. CRAIG):

S. 1906. A bill to amend Public Law 104-307 to extend the expiration date of the authority to sell certain aircraft for use in wildfire suppression, and for other purposes; to the Committee on Armed Services.

WILDFIRE SUPPRESSION AIRCRAFT TRANSFER ACT OF 1996 EXTENSION LEGISLATION

Mr. BINGAMAN. Mr. President, Airplanes, known as airtankers, play a critical role in fighting wildfires. They are used in the initial attack of wildfires in support of firefighters on the ground and, on large wildfires, to aid in the protection of lives and structures from rapidly advancing fires.

Today, Senators ALLARD, CRAIG and I are introducing legislation that will help ensure that Federal firefighters continue to have access to airtanker services. This technical amendment will extend the expiration date of the Wildfire Suppression Aircraft Transfer Act of 1996 from September 30, 2000 to September 30, 2005. The regulations under the act are still being finalized, so no aircraft have yet been transferred. Extending the 1996 act is critical to help facilitate the sale of former military aircraft to contractors who provide firefighting services to the Forest Service and the Department of the Interior. The existing fleet of available airtankers is aging rapidly, and fleet modernization is critical to the continued success of the firefighting program.

This bill will extend legislative authority to transfer or sell excess turbine-powered military aircraft suitable for conversion to airtankers. If we fail to pass this extension, airtanker operators will not have access to the planes they need to update the aging airtanker fleet. The Wildfire Suppression Aircraft Transfer Act of 1996 required that the aircraft be used only for firefighting activities.

I urge my colleagues to support our efforts to ensure that Federal firefighters have the resources they need to protect the public and their property from the threat of wildfires.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1900

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TECHNICAL AMENDMENTS.

Section 2 of the Wildlife Suppression Aircraft Transfer Act of 1996 (Public Law No. 104–307) is amended—

(1) in subsection (a)(1) by striking "September 30, 2000" and inserting "September 30, 2005";

(2) in subsection (d)(2)(C), by striking "and" at the end;

(3) in subsection (d)(2)(D), by striking the period at the end and inserting "; and";

(4) in subsection (d)(2), by adding at the end the following:

"(E) be in effect until September 30, 2005"; and

(5) in subsection (f), by striking "March 31, 2000" and inserting "March 31, 2005".

By Mr. DODD (for himself and Mr. KENNEDY) (by request):

S. 1907. A bill to prohibit employment discrimination against parents and those with parental responsibilities, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

ENDING DISCRIMINATION AGAINST PARENTS ACT OF 1999

Mr. DODD. Mr. President, I rise today to introduce "the Ending Discrimination Against Parents Act of 1999," on behalf of President Clinton, to prohibit employment discrimination against private and public employees because they are parents. I am pleased to be joined by Senator KENNEDY in this effort.

Mr. President, today more than ever parents work. One may argue whether it is right or wrong—but the facts are clear. In 1998, 38 percent of all U.S. workers had children under the age of 18. Nearly one in five working parents is a single parent; moreover, a fifth of these are single fathers. Labor force participation has also increased in two parent families, with both parents often holding down jobs.

Clearly, this has revolutionized our culture. Child care is a constant personal as well as public policy issue. Grocery stores and other retailers are open later—many catalogues offer round the clock service via the telephone or Internet. Take out meals and delivered pizza, which in the past were often reserved as a special weekend treat, are now commonplace on week nights. Cellular telephone companies even offer special family plans with unlimited calling among family members, for those families entirely on the go.

Workplaces too have changed. Women and men work side by side in nearly every occupation. Many employers attract workers with on-site day care, flexible work arrangements and generous family leave. Take Your Daughter to work day has introduced millions of girls and boys to the world of work.

But not all change has come easy. Many parents have made agonizing choices about work and family. Some have chosen to scale back their careers, move to less demanding jobs, pursue part-time work, or take a few years off. Others have continued in their careers without interruption relying on committed child care or the support of a partner. Each working parent has come to their own decision about how to move forward in their jobs and in their role as parents. And most employers are supportive of these decisions. They recognize that good employees are good employees regardless of their status as parents.

Mr. President, this legislation is not about these employers. Frankly, it is not even about encouraging, much less requiring, work place accommodations of parents and their family obligations—as much as I support those efforts. It is, instead, about those hopefully rare cases where employers discriminate in their employment practices against parents. It is about eliminating bias not about guaranteeing accommodation.

Specifically, the proposed statute would include parental status as a protected class with respect to employment discrimination. Parental status would cover parents of children under 18 years of age and children who remain under parental supervision because of a mental or physical disability, as well as those seeking legal custody of children and those who stand "in loco parentis." The legislation would bar discrimination against parents in all aspects of employment, including recruitment, referral, hiring, promotions, discharge, training and other terms and conditions of employment.

For example, this legislation would make illegal policies against hiring single parents. Employers would be prohibited from taking a mother or a father off a career-advancing path out of a belief that parents uniformly cannot meet the requirements of these jobs. Neither could employers hire less qualified non-parents over parents because of unfounded concerns about parents. Basic discrimination against parents would be barred.

I want to be very clear, Mr. President, this legislation does not release working parents from any job performance requirements. Employers are free to make decisions based on an employee's job performance or ability to meet job requirements or qualifications—no matter what that employee's parental status is. Thus, an employer may discipline an employee who is late because of childcare issues. Similarly, an employer may reject an applicant for a job that requires extensive travel if that applicant is unwilling to travel because of his or her parental responsibilities. What the bill would prohibit is rejection of an applicant who is willing to travel based simply on the assumption that he or she, as a parent, will be unable to fulfill that commitment.

Mr. President, this is unfortunately not a new problem for parents. Several states, including Alaska, Nebraska, New Hampshire, New Jersey, and South Dakota, and the District of Columbia have enacted laws that prohibit discrimination based on parental or familial status. There have also been several federal cases filed under gender discrimination statutes that have found discrimination based on parental status. In one case, an employer transferred a new mother recently back to work from maternity leave into a lower paying job, not based on her request or her performance, but because the employer simply felt it better suited a new mother. Beyond anecdotes and a few court cases, it is difficult to gauge the extent of this problem—rare or common—given the extremely limited avenues of redress open to parents currently.

But no matter how rare—if it happens just once it is wrong. And working parents deserve better. This legislation makes sure they get it. I urge my colleagues to join me in support of this legislation.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1907

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Ending Discrimination Against Parents Act of 1999."

SEC. 2. FINDINGS.

(a) In 1998, thirty-eight percent of all United States workers had children under 18.

(b) The vast majority of Americans with children under 18 are employed.

(c) Federal law protects working parents from employment discrimination in a number of important areas. For instance, title VII of the Civil Rights Act of 1964 prohibits discrimination against workers on the basis of sex; the Americans with Disabilities Act of 1990 prohibits discrimination against workers on the basis of disability; and the Pregnancy Discrimination Act of 1978 prohibits discrimination against workers on the basis of pregnancy. Also, the Family and Medical Leave Act of 1993 provides covered workers with job protection when they take time off for certain family responsibilities.

(d) However, no existing Federal statute protects all workers from employment discrimination on the basis of their status as parents.

(e) Such discrimination against parents occurs where, for example, employers refuse to hire or promote both men and women who are parents based on unwarranted stereotypes or overbroad assumptions about their level of commitment to the work force.

(f) Such discrimination has occurred in the workplace and has been largely unremedied.

(g) Such discrimination occurs in both the private and the public sectors.

(h) Such discrimination—

(1) reduces the income earned by families who rely on the wages of working parents to make ends meet;

(2) prevents the best use of available labor resources;

(3) has been spread and perpetuated, through commerce and the channels and instrumentalities of commerce, among the workers of several States;

(4) burdens commerce and the free flow of goods in commerce;

(5) constitutes an unfair method of competition in commerce; and

(6) leads to labor disputes burdening an obstructing commerce and the free flow of goods in commerce.

(i) Elimination of such discrimination would have positive effects, including—

(1) solving problems in the economy created by unfair discrimination against parents;

(2) promoting stable families by enabling working parents to work free from discrimination against parents; and

(3) remedying the effects of past discrimination against parents.

SEC. 3. PURPOSES.

The purposes of this Act are—

(a) to prohibit employers, employment agencies, and labor organizations from discriminating against parents and persons with parental responsibilities based on the assumption that they cannot satisfy the requirements of a particular position; and

(b) to provide meaningful and effective remedies for employment discrimination against parents and persons with parental responsibilities.

SEC. 4. DEFINITIONS.

In this Act:

(a) "Commission" means the Equal Employment Opportunity Commission.

(b) "Complaining party" means the Commission, the Attorney General, or any other person who may bring an action or proceeding under this Act.

(c) "Covered entity" means an employer, employment agency, labor organization, or joint labor-management committee.

(d) "Demonstrates" means meet the burden of production and persuasion.

(e)(1) The term "employee" means:

(i) an individual to whom section 701(f) of the Civil Rights Act of 1964 (42 U.S.C. 2000e(f)) applies;

(ii) an individual to whom section 717(a) of the Civil Rights Act of 1964 (42 U.S.C. 2000e-16(a)) applies;

(iii) an individual to whom section 302(a)(1) of the Government Employee Rights Act of 1991 (2 U.S.C. 1202(a)(1)) applies;

(iv) a covered employee as defined in section 101(3) of the Congressional Accountability Act of 1995 (2 U.S.C. 1301(3)); and

(v) a covered employee as defined in section 411(c)(1) of title 3, United States Code.

(2) The term "employee" includes applicants for employment and former employees.

(f)(1) The term "employer" means:

(i) a person engaged in an industry affecting commerce (as defined in section 701(h) of the Civil Rights Act of 1964 (42 U.S.C. 2000e(h))) whc has fifteen or more employees (as defined in section 701(f) of such Act (42 U.S.C. 2000e(f))) for each working day in each of twenty or more calendar weeks in the current or preceding calendar year, and any agent of such a person;

(ii) an entity to which section 717(a) of the Civil Rights Act of 1964 (42 U.S.C. 2000e–16(a)) applies;

(iii) an employing authority to which section 302(a)(1) of the Government Employee Rights Act of 1991 (2 U.S.C. 1202(a)(1)) applies;

(iv) an employing office, as defined in section 101(9) of the Congressional Accountability Act of 1995 (2 U.S.C. 1301(9)); and

(v) an employing office as defined in section 411(c)(2) of title 3, United States Code.

(2) The term "employer" does not include a bona fide private membership club (other than a labor organization) that is exempt from taxation under section 501(c) of title 26, United States Code.

(g) "Employment agency" has the meaning given that term in section 701(c) of the Civil Rights Act of 1964 (42 U.S.C. 2000e(c)).

(h) "Incapable of self-care" means that the individual needs active assistance or supervision to provide daily self-care in three or more of the "activities of daily living" or "instrumental activities of daily living." Activities of daily living include adaptive activities such as caring appropriately for one's grooming and hygiene, bathing, dressing, and eating. Instrumental activities of daily living include cooking, cleaning, shopping, taking public transportation, paying bills, maintaining a residence, using telephones and directories, using a post office, and similar activities.

(i) "Labor organization" has the meaning given that term in sections 701(d) and (e) of the Civil Rights Act of 1964 (42 U.S.C. 2000e(d), (e)).

(j) "Office of Compliance" has the meaning given that term in the Congressional Accountability Act of 1995 (2 U.S.C. 1301 et seq.).

(k) "Parent" means a person who, with regard to an individual who is under the age of 18, or who is 18 or older but is incapable of self-care because of a physical or mental disability—

(1) has the status of—

(i) a biological parent;

(ii) an adoptive parent;

(iii) a foster parent;

(iv) a stepparent; or

(v) a custodian of a legal ward;

(2) is actively seeking legal custody or adoption; or

(3) stands in loco parentis to such an individual.

(l) "Person" has the meaning given that term in section 701(a) of the Civil Rights Act of 1964 (42 U.S.C. 2000e(a)).

(m) "Physical or mental disability" means a physical or mental impairment that substantially limits one or more of the major life activities of an individual.

(n) "State" has the meaning given that term in section 701(i) of the Civil Rights Act of 1964 (42 U.S.C. 2000e(i)).

SEC. 5. DISCRIMINATION PROHIBITED.

(a) Employer Practices.—It shall be an unlawful employment practice for an employer—

(1) to fail or refuse to hire, or to discharge, any individual, or otherwise to discriminate against any individual with regard to the compensation, terms, conditions, or privileges of employment of the individual, because such individual is a parent; or

(2) to limit, segregate, or classify employees in any way that would deprive, or

(2) to limit, segregate, or classify employees in any way that would deprive, or tend to deprive, any individual of employment opportunities or otherwise adversely affect the status of the individual as an employee, because such individual is a parent.

(b) Employment Agency Practices.—It shall be an unlawful employment practice for an employment agency to fail or refuse to refer for employment, or otherwise to discriminate against, any individual because such individual is a parent or to classify or refer for employment any individual because such individual is a parent.

(c) Labor Organization Practices.—It shall be an unlawful employment practice for a labor organization—

(1) to exclude or expel from its membership, or otherwise to discriminate against, any individual because such individual is a parent;

(2) to limit, segregate, or classify its membership or applicants for membership, or to classify or fail or refuse to refer for employment any individual, in any way that would deprive or tend to deprive any individual of employment opportunities, or would limit such employment opportunities or otherwise adversely affect the status of the individual as an employee, because such individual is a parent; or

(3) to cause or attempt to cause an employer to discriminate against an individual in violation of this Act.

(d) Training Programs.—It shall be an unlawful employment practice for any employer, labor organization, or joint labor-management committee controlling apprenticeship or other training or retraining, including on-the-job training programs, to discriminate against any individual because such individual is a parent in admission to, or employment in, any program established to provide apprenticeship or other training.

SEC. 6. RETALIATION AND COERCION PROHIBITED.

(a) Retaliation.—A covered entity shall not discriminate against an employee because the employee has opposed any act or practice prohibited by this Act or because the employee made a charge, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing under this Act.

(b) Interference, Coercion, or Intimidation.—A covered entity shall not coerce, intimidate, threaten, or interfere with any employee in the exercise or enjoyment of, or on account of the employee's having exercised or enjoyed, or on account of the employee's having aided or encouraged any other individual in the exercise or enjoyment of, any right granted or protected by this Act.

SEC. 7. OTHER PROHIBITIONS.

(a) Collection of Statistics.—Notwithstanding any other provision of this Act, the Commission shall not collect statistics from covered entities on their employment of parents, or compel the collection of such statistics by covered entities, unless such statistics are to be used in investigation, litigation, or resolution of a claim of discrimination under this Act.

(b) Quotas.—A covered entity shall not adopt or implement a quota with respect to its employment of parents.

SEC. 8. MIXED MOTIVE DISCRIMINATION.

(a) An unlawful employment practice is established under this Act when the complaining party demonstrates that—

(1) an individual's status as a parent; or

(2) retaliation, coercion, or threats against, intimidation of, or interference with an individual as described in section 6 of this Act

was a motivating factor for any employment practice, even though other factors also motivated the practice.

(b) When an individual proves a violation under this section, and a respondent demonstrates that the respondent would have taken the same action in the absence of the prohibited motivating factor, a court or any other entity authorized in section 11(a) of this Act to award relief—

(1) may grant declaratory relief, injunctive relief (except as provided in clause (2) below), and attorney's fees and costs demonstrated to be directly attributable only to the pursuit of a claim under this section; and

(2) shall not award damages or issue an order requiring any admission, reinstatement, hiring, promotion, or payment.

SEC. 9. DISPARATE IMPACT.

Notwithstanding any other provision of this Act, the fact that an employment practice has a disparate impact on parents, as the term "disparate impact" is used in section 703(k) of the Civil Rights Act of 1964 (42 U.S.C. 2000e–2(k)), shall not establish a violation of this Act.

SEC. 10. DEFENSES WHERE ACTIONS TAKEN IN A FOREIGN COUNTRY.

(a) It shall not be unlawful under this Act for a covered entity to take any action otherwise prohibited under this Act with respect to an employee in a workplace in a foreign country if compliance with this Act would cause such entity to violate the law of the foreign country in which such workplace is located.

(b) (1) If a covered entity controls a corporation whose place of incorporation is a foreign country, any practice prohibited by this Act engaged in by such corporation shall be presumed to be engaged in by such covered entity.

(2) This Act shall not apply with respect to the foreign operations of a corporation that is a foreign person not controlled by an American covered entity.

(3) For purposes of this subsection, the determination of whether a covered entity controls a corporation shall be based on the factors set forth in section 702(c)(3) of the Civil Rights Act of 1964 (42 U.S.C. 2000e–1(c)(3)).

(c) This Act shall not apply to a covered entity with respect to the employment of aliens outside any State.

SEC. 11. ENFORCEMENT AND REMEDIES.

(a) Incorporation of Powers, Remedies, and Procedures in Other Civil Rights Statutes.—With respect to the administration and enforcement of this Act in the case of a claim alleged by an individual for a violation of this Act, the following statutory provisions are hereby incorporated, and shall, along with the provisions in subsection 11(b), establish the powers, remedies, procedures, and jurisdiction that this Act provides to the Equal Employment Opportunity Commission, the Attorney General, the Librarian of Congress, the Office of Compliance and its Board of Directors, the Merit Systems Protection Board, the President, the courts of the United States, and/or any other person alleging a violation of any provision of this Act—

(1) for individuals who are covered under title VII of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000e et seq.), sections 705, 706, 707, 709, 710, 711, and 717 of that Act (42 U.S.C. 2000e–4, 2000e–5, 2000e–6, 2000e–8, 2000e–9, 2000e–10, and 2000e–16), and sections 7121, 7701, 7702, and 7703 of title 5, United States Code, as applicable;

(2) for individuals who are covered under section 302(a) of the Government Employee Rights Act of 1991 (2 U.S.C. 1202(a)), sections 302(b)(1) and 304(b)–(e) of that Act (2 U.S.C. 1202(b)(1), 1220(b)–(e));

(3) for individuals who are covered under section 101(3) of the Congressional Accountability Act of 1995 (2 U.S.C. 1301(3)); sections 201(b)(1), 225, and 401–416 of that Act (2 U.S.C. 1311(b)(1), 1361, 1401–1416); and

(4) for individuals who are covered under section 411(c)(1) of title 3, United States Code, sections 411(b)(1), 435, and 451–456 of that title:

(b) Additional Remedies.—

(1) Notwithstanding any express or implied limitation on the remedies incorporated by reference in subsection 11(a), and except as provided in subsection (b)(2) of this section, section 8, or section 12 of this Act, any covered entity that violates this Act shall be liable for such compensatory damages as may be appropriate and for punitive damages if the covered entity engaged in a discriminatory practice or practices with malice or with reckless indifference to the federally protected rights of an aggrieved individual.

(2) Notwithstanding subsection 11(b)(1),

(i) absent its consent to a monetary remedy, a State may be liable for monetary relief only in an action brought by the Attorney General in a court of the United States; and

(ii) a State shall not be liable for punitive damages.

(3) Notwithstanding any express or implied limitation on the remedies incorporated by reference in subsection 11(a) or included in subsection 11(b)(2) above,

(i) an individual may bring an action in a district court of the United States for declaratory or injunctive relief against any appropriate State official for a violation of this Act; and

(ii) the Attorney General may bring an action in a district court of the United States for declaratory or injunctive relief against any appropriate State official or State for a violation of this Act.

SEC. 12. FEDERAL IMMUNITY.

Notwithstanding any other provision of this Act, in an action or administrative proceeding against the United States for a violation of this Act, remedies (including remedies at law and in equity, and interest) are available for a violation to the same extent as the remedies are available against a private entity, except that punitive damages are not available.

SEC. 13. POSTING NOTICES.

A covered entity shall post notices for individuals to whom this Act applies that describe the applicable provisions of this Act in the manner prescribed by, and subject to the penalty provided under, section 711 of the Civil Rights Act of 1964 (42 U.S.C. 2000e–10).

SEC. 14. REGULATIONS.

(a) IN GENERAL.—Except as provided in subsections 14(b), (c), (d), and (e) below, the Commission shall have authority to issue regulations to carry out this Act.

(b) LIBRARIAN OF CONGRESS.—The Librarian of Congress shall have authority to issue regulations to carry out this Act with respect to employees of the Library of Congress.

(c) BOARD.—The Board of the Office of Compliance shall have authority to issue regulations to carry out this Act, in accordance with sections 303 and 304 of the Congressional Accountability Act of 1995 (2 U.S.C. 1383, 1384), with respect to covered employees as defined in section 101(3) of such Act (2 U.S.C. 1301(3)).

(d) PRESIDENT.—The President shall have authority to issue regulations to carry out this Act with respect to covered employees as defined in section 411(c)(1) of title 3, United States Code.

(e) COMMISSION AND MERIT SYSTEMS PROTECTION BOARD.—The Commission and the Merit Systems Protection Board shall each have authority to issue regulations to carry out this Act with respect to individuals covered by sections 7121, 7701, 7702, and 7703 of title 5, United States Code.

SEC. 15. RELATIONSHIP TO OTHER LAWS.

Nothing in this Act shall affect the interpretation or application of, and this Act shall not invalidate or limit the rights, remedies, or procedures available to an individual claiming discrimination prohibited under, any other Federal law or any law of a State or political subdivision of a State.

SEC. 16. SEVERABILITY.

If any provision of this Act, or the application of such provision to any person or circumstances, is held to be invalid, the remainder of this Act and the application of such provision to other persons and circumstances shall not be affected.

SEC. 17. APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out this Act.

SEC. 18. EFFECTIVE DATE.

This Act shall take effect 180 days after enactment and shall not apply to conduct occurring before the effective date.

By Mr. DODD:

S. 1908. A bill to protect students from commercial exploitation; to the Committee on Health, Education, Labor, and Pensions.

STUDENT PRIVACY PROTECTION ACT

Mr. DODD. Mr. President, I rise today to offer legislation, "the Student Privacy Protection Act," to provide parents and their children with modest, but appropriate, privacy protection from questionable marketing research in the schools.

There are few images as enduring as those we experienced as school-children: the teachers and chalkboards, the principal's office, children at play during recess, school libraries, and desks organized around a room. All define a school in our memories and continue to define schools today. Clearly, there have been changes and many of those for the good. Computers have become more common and are now in a majority of classrooms. Students with disabilities are routinely included in regular classes rather than segregated in separate classrooms or schools.

However, some changes in my view have not been for the best. More and more schools and their classrooms are becoming commercialized. Schools, teachers and their students are daily barraged with commercial messages aimed at influencing the buying habits of children and their parents. A 1997 study from Texas A&M, estimated that children, aged 4–12 years, spent more than $24 billion themselves and influenced their parents to spend $187 billion. Marketing to children and youth is particularly powerful however, because students are not just current consumers, they will be consumers for decades to come. And just as we hope that what students learn in schools stays with them, marketers know their messages stick—be it drinking Coke or Pepsi, or wearing Nikes or Reeboks, these habits continue into adulthood.

There is no question that advertising is everywhere in our society from billboards to bathroom stalls. But what is amazing is how prevalent it has become in our schools. Companies no longer just finance the local school's scoreboard or sponsor a little league team, major national companies advertise in school hallways, in classrooms, on the fields and, even, in curriculum which they have developed specifically to get their messages into classrooms. One major spaghetti sauce firm has encouraged science teachers to have their student test different sauces for thickness as part of their science classes. Film makers and television studios promote new releases with special curriculum tied to their movies or shows. In one school, a student was suspended for wearing a Pepsi T-shirt on the school's Coke Day. In another, credit card applications were sent home with elementary school students for their parents and the school collected a fee for every family that signed up.

Mr. President, this is not to say that companies cannot and should not be active partners in our schools. Indeed, business leaders have been some of the strongest advocates for school improvement. Many corporations partner with schools to contribute to the educational mission of the schools, be it through mentoring programs or through donations of technology. Other businesses have become well-known for their scholarship support of promising students. And one cannot imagine a successful, relevant vocational education program without the participation of business.

Each of these activities meets the central test of contributing to student learning. Unfortunately, too much commercial activity in our schools does not. These issues are not black and white. Channel One which is in many, many of our nation's secondary schools offers high quality programming on the news of the day and issues of importance. They provide televisions, VCR's, and satellite dishes along with other significant educational programming. But Channel One is a business; in exchange for all that is good comes advertising.

Teachers, principals and parents are on the front lines of this issue; each day making decisions on what goes in and what stays out of classrooms. In my view, too often these decisions are made in the face of very limited resources. I believe most educators recognize the potential down-sides of exposing children to commercial messages—but too often they have no choice. They are faced with two poor choices: provide computers, current events or other activities with corporate advertising or not at all.

The legislation I offer today does not second guess these hard decisions. This bill, which is a companion to legislation introduced in the other body by Congressman GEORGE MILLER, would prohibit schools from letting students participate in various forms of market research without their parents' written permission. This bill would also provide for a study of the extent and effect of commercialism in our schools.

This is, I believe, a modest proposal that deals with one of the most disturbing commercial trends in our schools. Existing school privacy laws protect official records and educational research. Current law leaves a loophole for companies to go into classroom and get information directly from children—information about family income, buying habits, preferences, etc. —without the consent of their parents. Marketers and advertisers use this information to target and better hone their message to reach youngsters and their families.

This is not some scenario from a science fiction novel. Elementary school students in New Jersey filled out a 27-page booklet called "My All About Me Journal" as part of a marketing survey for a cable television channel. A technology firm provides schools with free computers and Internet access, but monitors students' web activity by age, gender and ZIP code. Children in a Massachusetts school did a cereal taste test and answered an opinion poll. This legislation does not presume that these activities are bad or unrelated to learning—it simply requires parents give their permission before their children participate.

Mr. President, public education is not a new topic for discussion here on the Senate floor. But we rarely think about the actual words we use—"Public education"—and what they mean. These are schools that belong to us, to the public as a whole: schools that serve all children, schools that are the central element in their communities, and that are financed by all of us through our taxes—local, state and federal. This bill helps ensure that they remain true to their name.

I ask unanimous consent that a copy of this legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1908

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Student Privacy Protection Act".

SEC. 2. PRIVACY FOR STUDENTS.

Part E of title XIV of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8891 et seq.) is amended by adding at the end the following:

"SEC. 14515. PRIVACY FOR STUDENTS.

"(a) IN GENERAL.—None of the funds authorized under this Act may be used by an applicable program to allow a third party to monitor, receive, gather, or obtain information intended for commercial purposes from any student under 18 years of age without prior, written, informed consent of the parent of the student.

"(b) INTENTION OF THIRD PARTY.—Before a school, local educational agency, or State, as the case may be, enters into a contract with a third party, the school, agency, or State shall inquire whether the third party intends to gather, collect, or store information on students, the nature of the information to be gathered, how the information will be used, whether the information will be sold, distributed, or transferred to other parties and the amount of class time, if any, that will be consumed by such activity.

"(c) CONSENT FORM.—The consent form referred to in subsection (a) shall indicate the dollar amount and nature of the contract between a school, local educational agency, or State, as the case may be, and a third party, including the nature of the information to be gathered, how the information will be used, if the information will be sold, distributed, or transferred to other parties, and the amount of class time, if any, that will be consumed by such activity.".

SEC. 3. GAO STUDY.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study in accordance with subsection (b) regarding the prevalence and effect of commercialism in elementary and secondary education.

(b) CONTENTS.—The study shall—

(1) document the nature, extent, demographics, and trends of commercialism (commercial advertising, sponsorships of programs and activities, exclusive agreements, incentive programs, appropriation of space, sponsored educational materials, electronic marketing, market research, and privatization of management) in elementary and secondary schools receiving funds under the Elementary and Secondary Education Act of 1965;

(2) consider the range of benefits and costs, educational, public health, financial and social, of such commercial arrangements in classrooms; and

(3) consider how commercial arrangements in schools affect student privacy, particularly in regards to new technologies such as the Internet, including the type of information that is collected on students, how it is used, and the manner in which schools inform parents before information is collected.

By Mr. TORRICELLI:

S. 1909. A bill to provide for the preparation of a Governmental report detailing injustices suffered by Italian Americans during World War II, and a formal acknowledgment of such injustices by the President; to the Committee on the Judiciary.

WARTIME VIOLATION OF ITALIAN AMERICAN CIVIL LIBERTIES ACT

Mr. TORRICELLI. Mr. President, I rise today to introduce a bill that is important not only to every American of Italian descent, but to any American citizen who values our Constitutional freedoms. This legislation draws attention to the plight of Italian Americans during World War II. Their story has received little attention until now, and I am pleased to be able to heighten public awareness about the injustices they suffered.

Hours after the Japanese bombed Pearl Harbor on December 7, 1941, the Federal Bureau of Investigation arrested 250 Italian Americans and shipped them to internment camps in Montana and Ellis Island. These men had done nothing wrong. Their only crime was their Italian heritage and the suspicion that they could be dangerous during war time. By 1942, all Italian immigrants, approximately 600,000 people, were labeled "enemy aliens" and given photo IDs which they had to carry at all times. They could travel no further than five miles from their homes and were required to turn in all cameras, flashlights and weapons.

These violations did not discriminate against class or social status. In San Francisco, Joe DiMaggio's parents were forbidden to go further than five miles from their home without a permit. Even Enrico Fermi, a leading Italian physicist who was instrumental in America's development of the atomic bomb, could not travel freely along the East Coast. Yet, while these activities persisted in the United States, Italian Americans comprised the largest ethnic group in the Armed Forces. During the war, Italian Americans fought valiantly to defend the freedoms that their loved ones were being denied at home.

These are the stories we know about and the facts which have come to light. Yet more than fifty years after the end of World War II, the American people still do not know the details of the Italian American internment, and the American government has yet to acknowledge that these events ever took place. Through this legislation, the Administration will be required to report on the extent to which civil liberties were violated. The Justice Department would conduct a comprehensive review of the Italian American internment, and report its findings, including the name of every person taken into custody, interned, or arrested. The specific injustices they suffered in camps and jail cells would also be detailed in the report. Moreover, federal agencies, from the Department of Education to the National Endowment for the Humanities, would be encouraged to support projects like "Una Storia Segreta" that draw attention to this episode of American history.

The United States has rightfully admitted its error in interning Japanese Americans. However, Americans of Italian descent suffered equal hardships and this same recognition has been denied to them. I look forward to working with my colleagues to secure passage of this legislation so that the United States government will begin to release the facts about this era. Only then can Italian Americans begin to come to terms with the treatment they received during World War II.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1909

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Wartime Violation of Italian American Civil Liberties Act".

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) The freedom of more than 600,000 Italian-born immigrants in the United States and their families was restricted during World War II by Government measures that branded them "enemy aliens" and included carrying identification cards, travel restrictions, and seizure of personal property.

(2) During World War II more than 10,000 Italian Americans living on the West Coast were forced to leave their homes and prohibited from entering coastal zones. More than 50,000 were subjected to curfews.

(3) During World War II thousands of Italian American immigrants were arrested, and hundreds were interned in military camps.

(4) Hundreds of thousands of Italian Americans performed exemplary service and thousands sacrificed their lives in defense of the United States.

(5) At the time, Italians were the largest foreign-born group in the United States, and today are the fifth largest immigrant group in the United States, numbering approximately 15,000,000.

(6) The impact of the wartime experience was devastating to Italian American communities in the United States, and its effects are still being felt.

(7) A deliberate policy kept these measures from the public during the war. Even 50 years later much information is still classified, the full story remains unknown to the public, and it has never been acknowledged in any official capacity by the United States Government.

SEC. 3. REPORT.

The Inspector General of the Department of Justice shall conduct a comprehensive review of the treatment by the United States Government of Italian Americans during World War II, and not later than 1 year after the date of enactment of this Act shall submit to the Congress a report that documents the findings of such review. The report shall cover the period between September 1, 1939, and December 31, 1945, and shall include the following:

(1) The names of all Italian Americans who were taken into custody in the initial roundup following the attack on Pearl Harbor, and prior to the United States declaration of war against Italy.

(2) The names of all Italian Americans who were taken into custody.

(3) The names of all Italian Americans who were interned and the location where they were interned.

(4) The names of all Italian Americans who were ordered to move out of designated areas under the United States Army's "Individual Exclusion Program".

(5) The names of all Italian Americans who were arrested for curfew, contraband, or other violations under the authority of Executive Order 9066.

(6) Documentation of Federal Bureau of Investigation raids on the homes of Italian Americans.

(7) A list of ports from which Italian American fishermen were restricted.

(8) The names of Italian American fishermen who were prevented from fishing in prohibited zones and therefore unable to pursue their livelihoods.

(9) The names of Italian Americans whose boats were confiscated.

(10) The names of Italian American railroad workers who were prevented from working in prohibited zones.

(11) A list of all civil liberties infringements suffered by Italian Americans during World War II, as a result of Executive Order 9066, including internment, hearings without benefit of counsel, illegal searches and seizures, travel restrictions, enemy alien registration requirements, employment restrictions, confiscation of property, and forced evacuation from homes.

(12) An explanation of why some Italian Americans were subjected to civil liberties infringements, as a result of Executive Order 9066, while other Italian Americans were not.

(13) A review of the wartime restrictions on Italian Americans to determine how civil liberties can be better protected during national emergencies.

SEC. 4. SENSE OF THE CONGRESS.

It is the sense of the Congress that—

(1) the story of the treatment of Italian Americans during World War II needs to be told in order to acknowledge that these events happened, to remember those whose lives were unjustly disrupted and whose freedoms were violated, to help repair the damage to the Italian American community, and to discourage the occurrence of similar injustices and violations of civil liberties in the future;

(2) Federal agencies, including the Department of Education and the National Endowment for the Humanities, should support projects such as—

(A) conferences, seminars, and lectures to heighten awareness of this unfortunate chapter in our Nation's history;

(B) the refurbishment of and payment of all expenses associated with the traveling exhibit "Una Storia Segreta", exhibited at major cultural and educational institutions throughout the United States; and

(C) documentaries to allow this issue to be presented to the American public to raise its awareness;

(3) an independent, volunteer advisory committee should be established comprised of representatives of Italian American organizations, historians, and other interested individuals to assist in the compilation, research, and dissemination of information concerning the treatment of Italian Americans; and

(4) after completion of the report required by this Act, financial support should be provided for the education of the American public through the production of a documentary film suited for public broadcast.

SEC. 5. FORMAL ACKNOWLEDGEMENT.

The United States Government formally acknowledges that these events during World War II represented a fundamental injustice against Italian Americans.

By Mr. MOYNIHAN (for himself and Mr. SCHUMER):

S. 1910. A bill to amend the Act establishing Women's Rights National Historical Park to permit the Secretary of the Interior to acquire title in fee simple to the Hunt House located in Waterloo, New York; to the Committee on Energy and Natural Resources.

HUNT HOUSE PURCHASE AUTHORIZATION LEGISLATION

• Mr. MOYNIHAN. Mr. President, I rise to introduce a bill that would authorize the Secretary of the Interior to purchase the Hunt House in Seneca Falls, New York. This summer the owners of the Hunt House put it on the market for $135,000. Of four historic buildings in Seneca Falls that should be part of the Women's Rights National Historical Park, the Hunt House is the only one that is not. It was the site of the gathering of five women (the founding mothers, you might say) who decided to hold the Nation's first women's rights convention. That convention took place in Seneca Falls in July, 1848. The Women's Rights Park is a monument to the idea they espoused that summer, that women should have equal rights with men; one of the most influential ideas of the last 150 years.

Adding the Hunt House to the Park would complete it. The problem is that the Department was not given the authorization to purchase the Hunt House in the bill I offered 20 years ago so that speculation would not drive up the price of the house when it eventually went on the market. That worked. But now the lack of an authorization should not keep us from being able to acquire the house at all. This bill simply removes the restriction against a fee simple purchase by the Park Service. I hope my colleagues will offer their support, and I ask that the text of the bill be printed in the RECORD.

The bill follows:

S. 1910

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ACQUISITION OF HUNT HOUSE.

(a) IN GENERAL.—Section 1601(d) of Public Law 97-607 (94 Stat. 3547; 16 U.S.C. 410*ll*(d)) is amended—

(1) in the first sentence—

(A) by inserting a period after "park"; and

(B) by striking the remainder of the sentence; and

(2) by striking the last sentence.

(b) TECHNICAL CORRECTIONS.—Section 1601(c)(8) of Public Law 97-607 (94 Stat. 3547; 16 U.S.C. 410*ll*(c)(8)) is amended by striking "Williams" and inserting "Main".•

By Mr. BREAUX (for himself, Ms. SNOWE, Mr. HOLLINGS, Mr. SHELBY, Mr. KERRY, Mr. SESSIONS, and Ms. LANDRIEU):

S. 1911. A bill to conserve Atlantic highly migratory species of fish, and for other purposes; to the Committee on Commerce, Science, and Transportation.

ATLANTIC HIGHLY MIGRATORY SPECIES ACT

• Mr. BREAUX. Mr. President, I rise today to send to the desk a bill that is called the Atlantic Highly Migratory Species Act of 1999. The legislation cosponsored by Senators SNOWE, HOLLINGS, SHELBY, KERRY, SESSIONS and LANDRIEU results from a far reaching conservation agreement among four key recreational and commercial fishing organizations. These organizations include the Billfish Foundation, the Coastal Conservation Association, the American Sportfishing Association and the Blue Water Fishermen's Association.

The legislation will prohibit pelagic long line fishing for designated months each year in U.S. waters determined to be swordfish nursery and billfish bycatch areas based on extensive analyses of the best available science. Based upon the effectiveness of this type of management strategy in other U.S. fisheries, I am optimistic about the benefits that can come from the legislation.

Mr. President, the legislation has three major components that I would like to briefly outline.

First, the bill would prohibit pelagic longline fishing for certain months each year in U.S. waters where swordfish and billfish are caught with other fish. Essentially, more than 160,000 square nautical miles in the Atlantic Ocean and Gulf of Mexico would become a conservation area to rebuild populations of swordfish, sailfish, tuna, marlin and sharks.

Recognizing the economic impact on commercial fishermen, the legislation provides a fair and equitable program for longline vessel owners who are adversely impacted by the fishing prohibition. Funding of the permit buyback program would come through a partnership of the recreational and commercial fishing industries and federal funds.

The bill also directs the National Marine Fisheries Service to conduct a comprehensive research program in cooperation with the U.S. longline fleet to identify and test a variety of longline gear configurations to determine which are the most effective at reducing billfish bycatch in the Atlantic and Gulf of Mexico.

I believe that a true solution to the bycatch issue will require international cooperation. Ironically, next week the U.S. Commissioners to the International Commission for the Conservation of Atlantic Tunas (ICCAT) will be meeting in Brazil to consider many challenging issues, including a rebuilding plan for the north Atlantic stock of swordfish.

Under the bill we introduce today, we are taking a bold first step to address the problems in our own coastal waters. I am confident that this first step will serve as an example to the international community on focusing much needed attention to this important issue.●

● Mr. HOLLINGS. Mr. President, I rise today to join my colleague, Senator BREAUX, in introducing the Atlantic Highly Migratory Species Conservation Act of 1999. I am pleased to co-sponsor this legislative effort to promote conservation and bycatch reduction of small swordfish, billfish, and other highly migratory species.

The Atlantic Highly Migratory Species Conservation Act would create time-area closures for pelagic longline fishing along 160,000 miles of the Atlantic and the Gulf of Mexico coasts. These closures include the three major spawning areas where a significant portion of juvenile swordfish and billfish bycatch mortality occurs. I am particularly pleased to see that these closures encompass the coastal waters of my home state of South Carolina and particularly a highly productive swordfish spawning and nursery ground, the Charleston Bump. In conjunction with the closures, the bill would reduce fishing capacity by retiring approximately 68 longline vessels from the commercial fishery through a fair and equitable program funded by the federal government and the recreational and commercial fishing industries. In addition, the Act would establish a research program, in conjunction with the National Marine Fisheries Service, to study longline gear and potential gear improvements. All too frequently we are forced to make fisheries management decisions with too little information; these research provisions will provide data crucial for management of highly migratory species.

The current proposal results from arduous work and negotiation among commercial and recreational fishing groups including the Coastal Conservation Association, the American Sportsfishing Association, the Billfish Foundation, and the Blue Water Fisherman's Association. I commend these groups for their cooperation in developing this truly constructive conservation plan based on extensive analyses of the best available science. I also approve of their effort to make this bill consistent with the principles governing capacity reduction established in the Magnuson-Stevens Fishery Conservation and Management Act.

The introduction of the Atlantic Highly Migratory Species Conservation Act of 1999 couldn't come at a better time. Many of the highly migratory species, including North Atlantic swordfish, are currently overfished. The National Marine Fisheries Service reports that billfish and some shark and tuna species are at all-time lows in abundance as a result of longline fishing bycatch and widespread disregard for international rules by commercial fishermen of other nations. The international management body for highly migratory species, the International Commission for the Conservation of Atlantic Tunas (ICCAT), recently expressed concern about the high catches and discards of small swordfish and emphasized that future gains in yield could accrue if fishing mortality on small fish could be reduced. Further, ICCAT encouraged member nations to consider alternative methods such as time/area closures to aid rebuilding of highly migratory stocks. I commend Senator BREAUX for attempting to establish such areas domestically, and hope that we can serve as a model for other nations.

While this legislation can result in important conservation achievements, we must also employ other means to protect and rebuild our highly migratory species such as swordfish. Next week, ICCAT will convene in Rio de Janero, Brazil to determine new international management measures for Atlantic swordfish. The United States must supplement Senator BREAUX's proposal by securing an agreement at ICCAT that will reduce catches by all member nations sufficient to allow the North Atlantic swordfish population to recover within ten years or less—a goal that scientists tell us can only be achieved if we count discarded dead swordfish against the catch quotas. In addition, I am certain that Senator BREAUX's effort to reduce bycatch and establish time-area closures will serve as a powerful example to the international community of a responsible method for sustaining and restoring highly migratory species.

I applaud my colleague and the other architects of this ambitious conservation effort and look forward to working with Senator BREAUX and other cosponsors to ensure that this legislation is part of an effective national plan that ensures recovery of the North Atlantic swordfish stock within 10 years in a manner consistent with the goals of the Magnuson-Stevens Act.●

● Mr. KERRY. Mr. President, I rise today to co-sponsor a bill introduced by Mr. BREAUX, that is called the Atlantic Highly Migratory Species Act of 1999.

This legislation closes large areas to longline gear, including the important spawning areas where juvenile bycatch of swordfish and other billfish species are the highest. This legislation will also provide a fair and equitable program for longline vessel owners who are adversely impacted by the fishing prohibition. Funding of the permit buyback program would come through a partnership of the recreational and commercial fishing industries and federal funds. Lastly, this legislation directs the National Marine Fisheries Service to conduct a comprehensive research program in cooperation with the U.S. longline fleet to identify and test a variety of longline gear configurations to determine which are the most effective at reducing billfish bycatch in the Atlantic and Gulf of Mexico.

We are introducing this legislation at an important time. It will serve as an example to show the international community at next week's negotiations in Brazil, at the International Commission for the Conservation of Atlantic Tunas (ICCAT), that the U.S. embraces use of time-area closures to help swordfish recover.

I believe that this legislation will serve as one prong, of a two-prong U.S. strategy in international negotiations on swordfish quotas that ensures the total mortality of swordfish, including discards, is limited to levels that will allow the stock to recover in 10 years.

I look forward to working with Mr. BREAUX and other cosponsors of the bill to ensure that this legislation is both consistent with the principles of the Magnuson-Stevens Act and part of an effective national plan to ensure recovery of the North Atlantic swordfish stock within 10 years.●

By Mr. FRIST (for himself, Mr. McCAIN, and Mr. BINGAMAN):

S. 1912. A bill to facilitate the growth of electronic commerce and enable the electronic commerce market to continue its current growth rate and realize its full potential, to signal strong support of the electronic commerce market by promoting its use within Federal government agencies and small and medium-sized businesses, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE ELECTRONIC COMMERCE TECHNOLOGY PROMOTION ACT

● Mr. FRIST. Mr. President, I rise today to introduce the Electronic Commerce Technology Promotion Act. I am very pleased to be joined by Senators McCAIN and BINGAMAN.

Electronic commerce has fundamentally changed the way we do business, promising increased efficiency and improved quality at lower cost. It has been widely embraced by industry, both in the United States and abroad. This is evident in the growth of the electronic commerce market, which though almost non-existent just a few years ago, is expected to top a staggering $1 trillion by 2003, according to market research reports.

The basis for the growth of electronic commerce is the potential that electronic transactions can be completed seamlessly and simultaneously, regardless of geographical boundaries. Inherent in this is the ability of different systems to communicate and exchange data, commonly referred to as "system interoperability". The continued growth of global electronic commerce depends on a fundamental set of technical standards that enable essential technologies to interoperate, and on a policy and legal framework that supports the development that the market demands in a timely manner.

The United States is leading this global revolution. Our industries are at the forefront in every sector, continually evolving their businesses and developing new technologies to adapt to changing market needs. Continued growth of the overall electronic commerce market is vital to our economy as well as the global market.

For the electronic commerce market to sustain its current phenomenal growth rate, companies must be allowed to be agile and flexible in responding to market needs, their activities unfettered by cumbersome and static regulations. The federal government must allow the private sector to continue to take the lead in developing this dynamic global market, and refrain from undue regulatory measures wherever possible.

At the same time, the federal government must unambiguously signal its strong desire to promote and facilitate the growth of the electronic commerce market by adopting and deploying relevant electronic commerce technologies within the federal agencies, as well as widely promoting their use by small and medium-sized enterprises.

Usage of these technologies in the federal agencies enables us to share in the benefits of the electronic commerce revolution and participate more effectively as an active contributor in the private sector efforts to develop the frameworks and specifications necessary for systems and components to interoperate. This has the added advantage of allowing the government to intercede in a timely manner, either in failure conditions or to remove barriers erected by foreign governments. Furthermore, we would be strengthening our global leadership position, while at the same time establishing a model for other governments and enabling the growth of the global electronic commerce market.

Small and medium-sized businesses have traditionally been the fastest growing segment of our economy, contributing more than 50 percent of the private sector output in the United States. Electronic commerce has the potential to enable these enterprises to enter the market with lower entry costs, yet extend their reach to a much larger market. The federal government has an inherent interest in helping them to maintain their global competitiveness.

It is in response to these needs that I introduce today the Electronic Commerce Technology Promotion Act. The legislation establishes a Center of Excellence for Electronic Commerce at the National Institute of Standards and Technologies (NIST) that will act as a centralized resource of information for federal agencies and small and medium-sized businesses in electronic commerce technologies and issues. My intention is not to create yet another program at NIST which will require substantial appropriations, but to create an office that focuses solely on electronic commerce by building upon existing expertise and resources. We have proposed that the Center be organized as a matrix organization that will coordinate existing as well as future activities at the Institute on electronic commerce.

The Center will also coordinate its activities with the Department of Commerce's Manufacturing Extension Program (MEP) and the Small Business Administration to provide assistance to small and medium-sized enterprises on issues related to the deployment and use of electronic commerce technologies, including developing training modules and software toolkits. In working jointly, the Center can build upon the existing MEP infrastructure to reach out to these businesses. It is important to note that my intention is not to enlarge or modify the charter of the MEP program.

Mr. President, I believe that the growth of the electronic commerce market is vital to our economic growth. It is our responsibility to facilitate this growth as well as do our best to enable the market to sustain its current phenomenal growth rate. Therefore, I urge my colleagues to support timely passage of this legislation so that we can give our unambiguous support for the development of electronic commerce as a market-driven phenomenon, and signal our strong desire to promote and facilitate the growth of the electronic commerce market.●

Mr. BINGAMAN. Mr. President, I am very pleased to join Senators FRIST and MCCAIN today in introducing the "Electronic Commerce Technology Promotion Act." This bill, which sets up a center of Excellence in Electronic Commerce at the National Institutes of Standards and Technology, or NIST, is a solid step towards adapting an important federal agency to the digital economy we see blooming around us.

NIST was established in 1901 as the National Bureau of Standards during a time of tremendous industrial development, when technology became a key driver of our economic growth. Making those technologies literally fit together reliably through standards became crucial, and Congress realized that one key to sustaining our industrial growth and the quality of our products would be a federal laboratory devoted to developing standards. The Bureau of Standards is a classic example of how the federal government can support technical progress that undergirds economic growth and enables the competitive marketplace to work.

Around ten years ago, Congress modified the Bureau's charter in response to the problems of the 1980's, increasing its focus on competitiveness, adding efforts like the highly regarded Manufacturing Extension Program (MEP), and changing the name to NIST. Turning to the challenges of today's growing digital economy, this bill makes NIST a focal point in the federal government for promoting electronic commerce throughout our economy by establishing a Center of Excellence in Electronic Commerce there. While the challenges of making things fit together in a digital economy are different—and now go under the un-melodic term "interoperability"—they are just as crucial as they were in the industrial economy of 1901. And, NIST remains an excellent place to lead the work.

I'm particularly pleased that this bill includes the fundamental idea behind my bill S. 1494, the Electronic Commerce Extension Establishment Act of 1999. That is, NIST ought to lead an electronic commerce extension program or service to provide small businesses with low cost, impartial technical advice on how to enter and succeed in e-commerce. This service will help ensure that small businesses in every part of the nation fully participate in the unfolding e-commerce revolution through a well-proven policy tool—a service analogous to the Department of Agriculture's Cooperative Extension Service and NIST's own MEP. I believe such a service would help both small businesses and our entire economy as the productivity enhancements from e-commerce are spread more rapidly, and I recently asked Secretary Daley for a report on how such a service should work. So, I thank Senator FRIST for including my basic policy idea in his bill and look forward to working with him to flesh it out, particularly in light of the report we should get from the Commerce Department.

Mr. President, I urge my colleagues to join Senators FRIST, MCCAIN, and myself in supporting this bill, as one step the Congress can take to make sure an important federal agency, NIST, continues its strong tradition of helping our economy—our growing digital economy—to be the most competitive in the world.

By Mr. LOTT (for Mr. McCAIN (for himself and Mr. KYL)):

S. 1913. A bill to amend the Act entitled "An act relating to the water rights of the Ak-Chin Indian Community" to clarify certain provisions concerning the leasing of such water rights, and for other purposes; to the Committee on Indian Affairs.

THE AK-CHIN WATER RIGHTS SETTLEMENT ACT AMENDMENTS OF 1999

• Mr. McCAIN. Mr. President, I rise on behalf of myself and my colleague, Senator KYL, to offer legislation that will make an important clarification to the Ak-Chin Water Rights Settlement Act of 1984. Similar legislation has been introduced in the House by Representative Shadegg.

Let me explain why this legislation is necessary.

In 1992, Congress amended the Ak-Chin Water Rights Settlement Act to allow the Ak-Chin Indian Community to enter into leases of the Community's water for a term not to exceed 100 years. On December 15, 1994, the Ak-Chin Indian Community entered into an agreement with the Del Webb Corporation to allow the company the option to lease up to 10,000 acre-feet of water for a period of 100 years from the date the option was exercised. Del Webb exercised the option on December 6, 1996, with a principal objective of providing a water supply for its development of a master-planned community in the Phoenix area.

However, since 1995, the State of Arizona, through its Department of Water Resources, has required certificates of assured water supply for 100 years for developments within the Phoenix Active Management Area. The 100-year assured water supply requirement is one of the key tenets of Arizona's water resource management. A certificate cannot be obtained unless a developer demonstrates that sufficient groundwater, surface water or adequate quality effluent will be continuously available to satisfy the proposed use of the development for at least 100 years.

Unfortunately, the lease as signed in 1996 has now matured for three years without the actual application to the Arizona Department of Water Resources for a certificate of assured water supply. The Arizona Department of Water Resources advised the company that it interprets its regulations to require Del Webb to demonstrate that water leased under the agreement with the Community will be available for a period of 100 years from the date each certificate issued. Under ADWR's interpretation, if Del Webb applies for a certificate of assured water supply on December 6, 1999, it must show that water will be available under the lease agreement until December 6, 2099. However, because Del Webb exercised its option in 1996, the lease agreement between Del Webb and the Community will expire on December 6, 2096, and will not meet the State's test of continuing legal and physical availability of water supply. Moreover, the Community does not have statutory authority to grant leases with terms in excess of 100 years.

To resolve this unanticipated conflict, the affected parties have agreed that what is required is a simple modification to the Ak-Chin Water Rights Settlement Act of 1984 to allow the extension of leasing authority to include options to lease and renew or extend existing leases. This change will allow the Ak-Chin Indian Community to extend or renew the existing lease to Del Webb for a cumulative term that would expire more than 100 years from today.

Mr. President, this legislation will make a technical change to the Ak-Chin Water Rights Settlement Act in order for the Ak-Chin/Del Webb agreement to be in compliance with State law. All parties and interests directly impacted by this lease agreement are supportive of this amendment. Therefore, it is our hope that we can move this legislation quickly.

I ask to include a complete text of the legislation in the RECORD.

The bill follows:

S. 1913

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CONSTITUTIONAL AUTHORITY.

The Constitutional authority for this Act rests in article I, section 8, authorizing Congress to "regulate Commerce with foreign Nations, and among the several States, and with the Indian tribes".

SEC. 2. TECHNICAL AMENDMENTS TO AK-CHIN WATER USE ACT OF 1984.

(a) SHORT TITLE.—This section may be cited as the "Ak-Chin Water Use Amendments Act of 1999".

(b) AUTHORIZATION OF USE OF WATER.—Section 2(j) of the Act of October 19, 1984 (Public Law 98–530; 98 Stat. 2698) is amended to read as follows:

"(j)(1) The Ak-Chin Indian Community (hereafter in this subsection referred to as the 'Community') shall have the right to devote the permanent water supply provided for by this Act to any use, including agricultural, municipal, industrial, commercial, mining, recreational, or other beneficial use, in the areas initially designated as the Pinal, Phoenix, and Tucson Active Management Areas pursuant to the Arizona Groundwater Management Act of 1980, laws 1980, fourth special session, chapter 1. The Community is authorized to lease or enter into options to lease, to renew options to lease, to extend the initial terms of leases for the same or a lesser term as the initial term of the lease, to renew leases for the same or a lesser term as the initial term of the lease, to exchange or temporarily dispose of water to which it is entitled for the beneficial use in the areas initially designated as the Pinal, Phoenix, and Tucson Active Management Areas pursuant to the Arizona Groundwater Management Act of 1980, laws 1980, fourth special session, chapter 1.

"(2) Notwithstanding paragraph (1), the initial term of any lease entered into under this subsection shall not exceed 100 years and the Community may not permanently alienate any water right. In the event the Community leases, enters into an option to lease, renews an option to lease, extends a lease, renews a lease, or exchanges or temporarily disposes of water, such action shall only be valid pursuant to a contract that has been accepted and ratified by a resolution of the Ak-Chin Indian Community Council and approved and executed by the Secretary.".

(c) APPROVAL OF LEASE AND AMENDMENT OF LEASE.—The option and lease agreement among the Ak-Chin Indian Community, the United States, and Del Webb Corporation, dated as of December 14, 1996, and the Amendment Number One thereto among the Ak-Chin Indian Community, the United States, and Del Webb Corporation, dated as of January 7, 1999, are hereby ratified and approved. The Secretary of the Interior is hereby authorized and directed to execute Amendment Number One, and the restated agreement as provided for in Amendment Number One, not later than 60 days after the date of the enactment of this Act.•

By Mr. MACK (for himself and Mrs. HUTCHISON):

S. 1914. A bill to amend the Internal Revenue Code of 1986 to provide for the creation of disaster protection funds by property and casualty insurance companies for the payment of policyholders' claims arising from future catastrophic events; to the Committee on Finance.

POLICYHOLDER DISASTER PROTECTION ACT

• Mr. MACK. Mr. President, I rise today to address a problem that ought to be a concern to all of us: natural disasters and the exposure of the private insurance industry to catastrophic risks. In my state of Florida, we have a particular concern about hurricane risk, but many areas of the country are exposed to the risks of other major catastrophes—whether they be volcanoes, earthquakes or tornadoes. Increasingly, I am concerned about the state of the private insurance industry and its ability to withstand a major catastrophe—a catastrophe of Hurricane Andrew size ($15 billion in insured losses) or greater.

Today, I am introducing legislation to help address this problem and strengthen disaster protection for homeowners and businesses while protecting the interests of the taxpayer. I am pleased my friend from Texas, Senator HUTCHISON, has joined me in this effort. I believe our approach is an innovative, private-sector solution to the problem of catastrophic risk and I encourage my colleagues to review this proposal carefully.

Consumers of property and casualty insurance must be able to rely on their insurers for protection against the risk of catastrophic loss. However, protection for policyholders in today's system is weak; a major future catastrophe could leave consumers without protection and—if past experience is any indication—the government would intervene to ensure the people in the disaster areas receive timely compensation. It is important to note that current law actually poses a disincentive for insurers to set aside special reserves for catastrophic events. Any money set aside to cover potential risk is considered taxable income. To fix this flaw in America's insurance system, we need to provide incentives for insurers to set aside a portion of their policy premiums in secure reserve funds that will be available to meet policyholder needs in the event of future catastrophes. Our bill does just that.

The typical property and casualty insurance company in the United States is exposed to multiple forms of catastrophic risk. This risk can take the form of major disasters that occur only once in a decade or once in several decades (e.g., severe earthquakes, major hurricanes). These can also be in the form of localized natural disasters (e.g., tornadoes, wildfires, floods, winter storms) that cause unusually large policyholder losses in a region and imperil the ability of smaller insurance companies to help their policyholders in the area.

The nation's exposure to these large natural disasters is staggering. While millions of families and small businesses rely on insurance payments to recover from natural disasters, it is important to remember that—under our current insurance tax and regulatory systems—many private insurers may not be able to pay all claims arising from a major disaster. Hurricane Andrew and the Northridge Earthquake opened our eyes to the country's massive exposure to catastrophic losses. Insured losses in my state from Hurricane Andrew exceeded $15 billion. But if this storm had passed over Miami, rather than Homestead just 40 miles south, insured losses could have reached $50 billion, leaving the Florida economy crippled and more than a third of all insurers in that market insolvent.

There is always the potential for a major disaster in any given year in the United States. Estimates of insured losses from highly probable events range from about $75 billion in California and Florida to $100 billion or more in areas of the Midwest. The Gulf, Intermountain West, and Atlantic states all face exposures of approximately $20 billion or more.

Unfortunately, our current system of tax laws and accounting rules work against consumers and taxpayers because they discourage private market preparation for future major disasters. Present tax laws do not permit portions of consumers' insurance policy payments to be set aside and tax deferred in order to provide for the risk of truly catastrophic loss events. Ironically, our tax system allows insurers to set aside funds on a tax-deductible basis to address disasters that have already happened but it gives them no incentive to prepare for those major disasters that have not yet happened.

Policyholder premiums needed to fund policyholders' catastrophic losses in future years are subject to current tax if not used in a particular year. This diminishes the power of insurers to protect policyholders against future losses. This structure is inadequate for assuring that property-casualty policies will protect consumers from future major catastrophic losses.

The tax law should be revised in order to make accommodation for disaster protection reserves and bring about a more practical, and sensible, system for insurance companies and consumers.

Under the Policyholder Disaster Protection Act, insurers could set aside portions of policyholder payments in a tax-deferred disaster protection fund. Amounts from this fund used to pay for losses from a major disaster would be subject to taxation. This concept is similar to programs presently in place in many other developed countries.

I believe this legislation would result in greater stability for insurers providing catastrophic coverage and fewer insolvencies after a major disaster. A recent study by a major U.S. accounting firm determined that approximately $21 billion in pre-funded reserves would be accumulated within the first ten years of the program. Also, the tax incentive in the bill will encourage insurers to serve disaster-prone areas in a responsible manner by setting aside funds to pay for major losses.

The treatment of the fund by insurers would be closely regulated. Following is a general description of the provisions of the bill:

Insurers would be able to set aside special tax-deferred reserves to cover potential catastrophic events.

The maximum amount any insurer could set aside in a given year would be determined by reference to each insurance company's exposure to the risk of catastrophic loss events.

Deductible contributions to disaster protection funds would be voluntary, but would be irrevocable once made (except to the extent of "drawdowns" for actual catastrophic loss events, or drawdowns otherwise required by state insurance regulators). No company could use these funds to shelter income from taxation.

The maximum allowable reserve for any given company will increase or decrease as they enter or exit lines of business that pose catastrophic risk.

Insurers would only be allowed to drawdown the disaster reserves if the loss event in question is declared an emergency or disaster by certain recognized bodies or government officials (for example, a disaster declared by the President under the Stafford Act) and that losses in a year exceed the specified high level. The amounts distributed from the fund are added to company's taxable income for the year in which the drawdown occurred.

Insurance companies would pay taxes on income generated when funds in the disaster reserve are invested. This income would be distributed out of the fund to the insurance company and taxed to the company on a current basis.

The maximum reserve (or "cap") would be phased in at the rate of five percent per year over 20 years. Industry estimates indicate private reserves of $40 billion would be built up over this time.

Various concepts to address the problem of catastrophic losses have been proposed over the years. I look forward to working with all of my colleagues to craft a comprehensive solution to both the short-term and long-term problems presented by the risk of catastrophic disasters. In my view, the private-sector focus of this bill, which puts a strengthened private insurance market for consumers in the forefront of disaster protection, is an approach designed to ensure disaster relief is efficient and cost-effective for taxpayers. While the federal government may still need to provide last-resort safety net for disaster victims, it is important to do what we can to ensure private insurance is available, affordable and secure for those citizens in those areas of the country at risk to a catastrophic disaster. This bill will help to bring precisely that availability, affordability and security to insurance policyholders throughout the country, and I believe it is worthy of support and consideration.

The bill we're introducing today mirrors a bill introduced by Congressman FOLEY and MATSUI in the House of Representatives. It is also supported by taxpayer, homeowner, consumer, business and emergency service organizations, as well as local and state policy makers and insurance organizations. I believe it is a sensible approach and I hope my colleagues will join me in this effort.●

By Mr. JEFFORDS (for himself, Mr. CRAPO, Mr. MURKOWSKI, Mr. SCHUMER, Mr. HARKIN, Mr. BRYAN, Mr. BURNS, and Mr. REID):

S. 1915. A bill to enhance the services provided by the Environmental Protection Agency to small communities that are attempting to comply with national, State, and local environmental regulations; to the Committee on Environment and Public Works.

SMALL COMMITTEE ASSISTANCE ACT OF 1999

Mr. JEFFORDS. Mr. President, for years small communities across the United States have labored to meet environmental regulations written for major cities. They have struggled unduly with complicated regulations designed for Chicago or Los Angeles. Today I am introducing legislation designed to end this problem: the Small Community Assistance Act of 1999.

We who live in small towns such as my home town of Shrewsbury, Vermont are proud of our community and our environment. We want to comply with reasonable health and environmental standards in order to leave a healthy legacy for our children. But we do not have the staff or financial capacity of larger communities to respond to far-reaching regulations. We are concerned about standards written without consideration for the special circumstances small towns in America face. While we recognize the importance of environmental regulations in safeguarding our air and water, we need the ability to respond intelligently to local priorities and needs. We want to comply with environmental regulations, but we need some flexibility in order to comply in a reasonable manner. We do not want preferential treatment, we want treatment that recognizes our unique size and fiscal situation.

In 1991, I authored the Small Town Environmental Planning Act. This act passed overwhelmingly in the House and Senate and was signed into law by President Bush in 1992. This act mandated that the Environmental Protection Agency give more assistance to small towns. It created a task force comprised of representatives from small communities across the nation. These small town representatives developed a list of ways in which the EPA can better help small towns enjoy and maintain a healthy environment.

It is now time to take their advice. The Small Community Assistance Act of 1999 will give much needed assistance to small towns and communities in Vermont and across the nation. This bill will give small communities more input into the regulatory review process, clearer and simpler environmental guidelines, and more assistance in meeting environmental obligations.

This legislation acts on the recommendations of people from small communities throughout the United Stats. Small community members provided the impetus for this bill, helped write the bill itself, and provided numerous helpful comments. To these small community members I offer my sincere appreciation. I would especially like to thank the members of EPA's Small Community Advisory Subcommittee for all of their help, and I thank the committee for its unanimous endorsement of this bill.

I would like to thank the original cosponsors of this bill, Senators CRAPO, MURKOWSKI, SCHUMER, HARKIN, BRYAN, BURNS, and REID. Their leadership on this bill underscores their dedication to helping people in our small towns. I urge every one of my colleagues to cosponsor this bill. Together, we can improve the quality of life and further environmental protections in our small communities nationwide.

Mr. REID Mr. President, I am pleased to join today with a geographically and politically diverse group of Senators to introduce the Small Community Assistance Act of 1999. I commend Senator JEFFORDS for investing his time and energy in developing this important legislation. This Small Community Assistance Act will help ensure that small towns all across America are included in a combined local, state, and national effort to protect the environment.

This bill would help increase communications and cooperation between the U.S. Environmental Protection Agency and smaller communities. By establishing a Small Town Ombudsman Office in each of EPA's regions, this bill will ensure that communities with less than 7500 residents have improved access to the technical expertise and information that are necessary for small towns to cost effectively protect the quality of their air and water and their citizens' health.

By incorporating the perspectives of a Small Community Advisory Committee early in the development of EPA's environmental policies, this bill will improve the working relationship between small towns and EPA and ultimately strengthen environmental protection.

The Small Community Advisory Committee will build on the valuable work already done by EPA's Small Community Task Force, which includes representatives of towns, governmental agencies, and public interest groups from across the country. Cherie Aiazzi of Carlin, a town of about 2800 people in northern Nevada, contributed her time, insight and creativity to this task force and I know that perspectives of rural towns across the country are better understood as a result of her efforts.

By coincidence of history and geography Nevada is a state with more small towns than big cities. In our efforts to enhance the quality of life for all Nevadans, it is crucial that small communities play an important role in the development and achievement of our environmental goals. The Small Community Assistance Act of 1999 provides an valuable opportunity for small towns to contribute to and benefit from this important effort.

By Mr. FEINGOLD:

S. 1917. A bill to abolish the death penalty under Federal law; to the Committee on the Judiciary.

THE FEDERAL DEATH PENALTY ABOLITION ACT OF 1999

• Mr. FEINGOLD. Mr. President, I rise today to introduce the Federal Death Penalty Abolition Act of 1999. This bill will abolish the death penalty at the federal level. It will put an immediate halt to executions and forbid the imposition of the death penalty as a sentence for violations of federal law.

Since the beginning of this year, this Chamber has echoed with debate on violence in America. We've heard about violence in our schools and neighborhoods. Some say it's because of the availability of guns to minors. Some say Hollywood has contributed to a culture of violence. Others argue that the roots of the problem are far deeper and more complex. Whatever the causes, a culture of violence has certainly infected our nation. As schoolhouse killings have shown, our children now can be reached by that culture of violence. And they aren't just casual observers; some of them are active participants and many have been victims.

But, Mr. President, I'm not so sure that we in government don't contribute to this casual attitude we sometimes see toward killing and death. With each new death penalty statute enacted and each execution carried out, our executive, judicial and legislative branches, at both the state and federal level, add to a culture of violence and killing. With each person executed, we're teaching our children that the way to settle scores is through violence, even to the point of taking a human life.

At the same time, the public debate on the death penalty, which was an intense national debate not very long ago, is muted. As the online magazine Slate recently noted, with crime rates down and incomes up, "unspeakable crimes are no longer spoken of, murder is what happens to your portfolio on a bad day, 'family values' are debated through the Internal Revenue code, and the 'death penalty' is [often used as a term for] a tax issue." What has happened to our nation's sense of striving to do what we know to be the right thing? Those who favor the death penalty should be pressed to explain why fallible human beings should presume to use the power of the state to extinguish the life of a fellow human being on our collective behalf. Those who oppose the death penalty should demand that explanation adamantly, and at every turn. But only a zealous few try.

Our nation is a great nation. We have the strongest democracy in the world. We have expended blood and treasure to protect so many fundamental human rights at home and abroad and not always for only our own interests. But we can do better. Mr. President, we should do better. And we should use this moment to do better as we step not only into a new century but also a new millennium, the first such landmark since the depths of the Middle Ages.

Courtesy of the Internet and CNN International, the world observes, perplexed and sometimes horrified, the violence in our nation. When the Littleton tragedy erupted, newspapers all over the world marveled at how readily available guns are to American children. And across the globe, with every American who is executed, the entire world watches and asks how can the

Americans, the champions of human rights, compromise their own professed beliefs in this way.

Religious groups and leaders express their revulsion at the continued practice of capital punishment. Pope John Paul II frequently appeals to American governors when a death row inmate is about to die. I am pleased that in a recent case, involving an inmate on death row in Missouri, the Missouri governor heeded the good advice of the pontiff and commuted the killer's sentence to life without parole. That case generated a lot of press—but only as a political issue, rather than a moral question or a human rights challenge.

But the Pope is not standing alone against the death penalty. He is joined by the chorus of voices of various people of faith who abhor the death penalty. Religious groups from the National Conference of Catholic Bishops, the United Methodist Church, the Presbyterian Church, the Evangelical Lutheran Church in America, the Mennonites, the Central Conference of American Rabbis, and so many more people of faith have proclaimed their opposition to capital punishment. And, I might add, even conservative Pat ROBERTSON protested the execution in 1998 of Karla Faye Tucker, a born-again Christian on Texas death row. Mr. President, I would like to see the commutation of sentences to life without parole for all death row inmates—whether they are Christians, Muslims, Jews, Buddhists, or some other faith, or no faith at all.

The United States' casual imposition of capital punishment is abhorrent not only to many people of faith. Our use of the death penalty also stands in stark contrast to the majority of nations that have abolished the death penalty in law or practice. Even Russia and South Africa—nations that for years were symbols of egregious violations of basic human rights and liberties—have seen the error of the use of the death penalty. The United Nations Commission on Human Rights has called for a worldwide moratorium on the use of the death penalty. And soon, Italy and other European nations are expected to introduce a resolution in the UN General Assembly calling for a worldwide moratorium.

The European Union denies membership in their alliance to those nations that use the death penalty. In fact, the European Union recently warned Turkey that if it executes the Kurdish leader, Abdullah Ocalan, Turkey would jeopardize its membership application. Just this past December, the European Union actually passed a resolution calling for the immediate and unconditional global abolition of the death penalty, and it specifically called on all states within the United States to abolish the death penalty. This is significant because it reflects the unanimous view of the nations with which the United States enjoys its closest relationships—nations that so often follow our lead.

Mr. President, what is even more troubling in the international context is that the United States is now one of only six countries that imposes the death penalty for crimes committed by children. I'll repeat that because it is remarkable. We are one of only six nations on this earth that puts to death people who were under 18 years of age when they committed their crimes. The others are Iran, Pakistan, Nigeria, Saudi Arabia and Yemen. These are countries that are often criticized for human rights abuses. And let's look at the numbers. Since 1990, the United States has executed ten child offenders. That's more than any one of these five other countries and equal to all five countries combined. Even China —the country that many members of Congress, including myself, have criticized for its human rights violations—apparently has the decency not to execute its children. This is embarrassing. Is this the kind of company we want to keep? Is this the kind of world leader we want to be? But these are the facts for this past decade, 1990 to the present.

Now, let's look at the last two years. In the last two years, the United States has been the only nation in the world to put to death people who were minors when they committed their crimes. We have executed four child offenders during the last two years. Today, over 70 child offenders remain on death row. No one, Mr. President, no one can reasonably argue that based on this data, executing child offenders is a normal or acceptable practice in the world community. And I don't think we should be proud of the fact that the United States is the world leader in the execution of child offenders.

Is the death penalty a deterrent for our children's conduct, as well as that of adult Americans? For those who believe capital punishment is a deterrent, they are sadly, sadly mistaken. The federal government and most states in the U.S. have a death penalty, while our European counterparts do not. Following the logic of death penalty supporters who believe it's a deterrent, you would think that our European allies, who don't use the death penalty, would have a higher murder rate than the United States. Yet, they don't and it's not even close. In fact, the murder rate in the U.S. is six times higher than the murder rate in Britain, seven times higher than in France, five times higher than in Australia, and five times higher than in Sweden.

But we don't even need to look across the Atlantic to see that capital punishment has no deterrent effect on crime. Let's compare Wisconsin and Texas. I'm proud of the fact that my great state, Wisconsin, was the first state in this nation to abolish the death penalty completely, when it did so in 1853. Wisconsin has been death penalty-free for nearly 150 years. In contrast, Texas is the most prodigious user of the death penalty, having executed 192 people since 1976. Let's look at the murder rate in Wisconsin and Texas. During the period 1995 to 1998, Texas has had a murder rate that is nearly double the murder rate in Wisconsin. This data alone calls into question the argument that the death penalty is a deterrent to murder.

In fact, according to a 1995 Hart Research poll, the majority of our nation's police chiefs do not believe the death penalty is a particularly effective law enforcement tool. When asked to rank the various factors in reducing crime, police chiefs ranked the death penalty last. Rather, the police chiefs —the people who deal with hardened criminals day in and day out —cite reducing drug abuse as the primary factor in reducing crime, along with a better economy and jobs, simplifying court rules, longer prison sentences, more police officers, and reducing guns. It looks like most police chiefs recognize what our European allies and a few states like Wisconsin have known all along: the death penalty is not an effective deterrent.

Mr. President, let me be clear. I believe murderers and other violent offenders should be severely punished. I'm not seeking to open the prison doors and let murderers come rushing out into our communities. I don't want to free them. The question is: should the death penalty be a means of punishment in our society? One of the most frequent refrains from death penalty supporters is the claim that the majority of Americans support the death penalty. It's repeated so often, everybody assumes it's true. Mr. President, the facts do not support this claim. Survey after survey, from around the country, shows that when offered sentencing alternatives, more Americans prefer life without parole plus restitution for the victim's family over the death penalty. For example, a 1993 national poll found that when offered alternatives to the death penalty, 44% of Americans supported the alternative of life without parole plus restitution over the death penalty. Only 41% preferred the death penalty and 15% were unsure. This is remarkable. Sure, if you ask Americans the simple, isolated question of whether they support the death penalty, a majority of Americans will agree. But if you ask them whether they support the death penalty or a realistic, practical alternative sentence like life without parole plus restitution, support for the death penalty falls dramatically to below 50%. More Americans support the alternative sentence than Americans who support the death penalty.

The fact that our society relies on killing as punishment is disturbing enough. Even more disturbing, however, is the fact that the States' and federal use of the death penalty is often not consistent with principles of due process, fairness and justice. These principles are the foundation of our criminal justice system and, in a broader sense, the stability of our nation. It is clearer than ever before that we have put innocent people on death row. In addition, those States that have the death penalty are more likely to put people to death for killing white victims than for killing black victims.

Mr. President, are we certain that innocent persons are not being executed? Obviously not. Are we certain that racial bias is not infecting the criminal justice system and the administration of the death penalty? I doubt it.

It simply cannot be disputed that we are sending innocent people to death. Since the modern death penalty was reinstated in the 1970s, we have released 79 men and women from death row. Why? Because they were innocent. Seventy-nine men and women sitting on death row, awaiting a firing squad, lethal injection or electrocution, but later found innocent. That's one death row inmate found innocent for every seven executed. One in seven! That's a pretty poor performance for American justice. A wrong conviction means that the real killer may have gotten away. The real killer may still be on the loose and a threat to society. What an injustice that the victims' loved ones cannot rest because the killer is still not caught. What an injustice that an innocent man or woman has to spend even one day in jail. What a staggering injustice that innocent people are sentenced to death for crimes they did not commit. What a disgrace when we carry out those sentences, actually taking the lives of innocent people in the name of justice.

I call my colleagues' attention to the recent example of an Illinois death row inmate, Ronald Jones, who had been sentenced to death for the rape and murder of a Chicago woman. After a lengthy interrogation in which Mr. Jones was beaten by police, he signed a confession. As a class assignment, a group of Northwestern University journalism students researched the case of Ronald Jones. What did they learn? They learned that Mr. Jones was clearly innocent and not for some technical reason—he just didn't do it. As a result of the students' efforts, Mr. Jones was later exonerated based on DNA evidence. Mr. President, our criminal justice system sent an innocent man to death row. Mr. Jones was tried and convicted in a justice system that is sometimes far from just and that sometimes just gets it wrong. And Mr. Jones is not alone. In Illinois alone, three death row inmates so far this year have been proven innocent. Since 1987, Illinois has freed 12 inmates from death row because they were later found innocent.

Innocent, Mr. President, and they were sitting on death row. Innocent, and yet they were about to be killed. Why? Because our criminal justice system is sometimes far from fair and far from just. We can all agree that it is profoundly wrong to convict and condemn innocent people to death. But sadly, that's what's happening. With the greater accuracy and sophistication of DNA testing available today compared to even a couple of years ago, states like Illinois are finding that people sitting on death row did not commit the crimes to which earlier, less accurate DNA tests appeared to link them. This DNA technology should be further reviewed and compared to other tests. We should consider the role of DNA tests in all those committed to death row.

Some argue that the discovery of the innocence of a death row inmate proves that the system works. This is absurd. How can you say the criminal justice system works when a group of students—not lawyers or investigators but students with no special powers, who were very much outside the system—discover that a man about to be executed was in fact innocent? That's what happened in Illinois to Ronald Jones. The system doesn't work. It has failed us.

A primary reason why justice has been less than just is a series of Supreme Court decisions that seem to fail to grasp the significance and responsibility of their task when a human life is at stake. The Supreme Court has been narrowly focused on procedural technicalities, ignoring the fact that the death penalty is a unique punishment that cannot be undone to correct mistakes. One disturbing decision was issued by the Supreme Court just a few months ago. In Jones v. United States, which involved an inmate on death row in Texas and the interpretation of the 1994 Federal Death Penalty Act, the judge refused to tell the jury that if they deadlocked on the sentence, the law required the judge to impose a sentence of life without possibility of parole. As a result, some jurors were under the grave misunderstanding that lack of unanimity would mean the judge could give a sentence where the defendant might one day go free. The Supreme Court, however, upheld the lower court's imposition of the death penalty. And one more person will lose a life, when a simple correction of a misunderstanding could have resulted in a severe yet morally correct sentence of life without parole.

As legal scholar Ronald Dworkin recently observed, "[t]he Supreme Court has become impatient, and super due process has turned into due process-lite. Its impatience is understandable, but is also unacceptable." Mr. President, America's impatience with the protracted appeals of death row inmates is understandable. But this impatience is unacceptable. The rush to judgment is unacceptable. And the rush to execute men, women and children who might well be innocent is horrifying.

The discovery of the innocence of death row inmates and misguided Supreme Court decisions disallowing potentially dispositive exculpatory evidence, however, aren't the only reasons we need to abolish the death penalty. Another reason we need to abolish the death penalty is the continuing racism in our criminal justice system. Our nation is facing a crucial test. A test of moral and political will. We have come a long way through this nation's history, and especially in this century, to dismantle state-sponsored and societal racism. Brown v. Board of Education, ensuring the right to equal educational opportunities for whites and blacks, was decided only 45 years ago. Unfortunately, however, we are still living with vestiges of institutional racism. In some cases, racism can be found at every stage of a capital trial—in the selection of jurors, during the presentation of evidence, when the prosecutor contrasts the race of the victim and defendant to appeal to the prejudice of the jury, and sometimes during jury deliberations.

After the 1976 Supreme Court Gregg decision upholding the use of the death penalty, the death penalty was first enacted as a sentence at the federal level with passage of the Drug Kingpin Statute in 1988. Since that time, numerous additional federal crimes have become death penalty-eligible, bringing the total to about 60 statutes today. At the federal level, 21 people have been sentenced to death. Another eight men sit on the military's death row. Of those 21 defendants on the federal government's death row, 14 are black and only 5 are white. One defendant is Hispanic and another Asian. That means 16 of the 21 people on federal death row are minorities. That's just over 75%. And the numbers are worse on the military's death row. Seven of the eight, or 87.5%, on military death row are minorities.

Some of my colleagues may remember the debates of the late 1980's and early 1990's, when Congress considered the Racial Justice Act and other attempts to eradicate racism in the use of capital punishment. A noted study evaluating the role of race in death penalty cases was frequently discussed. This was the study by David Baldus, a professor at the University of Iowa College of Law. The Baldus study found that defendants who kill white victims are more than four times more likely to be sent to death row than defendants who kill black victims. An argument against the Baldus study was made by some opponents of the Racial Justice Act. They argued that we just needed to "level up" the playing field. In other words, send all the defendants who killed black victims to death row, too. They argued that legislative remedies were not needed, just tell prosecutors and judges to go after perpetrators of black homicide as strongly as against perpetrators of white homicide.

In theory, this may sound reasonable but one thing is clear: no matter how hard we try, we cannot overcome the inevitable fallibility of being human. That fallibility means that we will not be able to apply the death penalty in a fair and just manner. We will always run the risk that we will condemn innocent people to death. Mr. President, let's restore some certainty, fairness, and justice to our criminal justice system. Let's have the courage to recognize our human fallibilities. Let's put a halt to capital punishment.

The American Bar Association agrees. In 1997, the American Bar Association called for a moratorium on the death penalty because it found that the application of the death penalty raises fairness and due process concerns. Several states are finally beginning to recognize the great injustice when the ultimate punishment is carried out in a biased and unfair way. Moratoriums have been considered by the legislatures of at least ten states over the last several months. The legislatures of Illinois and Nebraska have made the most progress. They actually passed moratorium measures earlier this year.

I am glad to see that some states are finally taking steps to correct the practice of legalized killing that was again unleashed by the Supreme Court's Gregg decision in 1976. The first post-Gregg execution took place in 1977 in Utah, when Gary Gilmore did not challenge and instead aggressively sought his execution by a firing squad. The first post-Gregg involuntary execution took place on May 25, 1979. I vividly remember that day. I had just finished my last law school exam that morning. Later that day, I recall turning on the television and watching the news report that Florida had just executed John Spenkelink. I was overcome with a sickening feeling. Here I was, fresh out of law school and firm in my belief that our legal system was advancing through the latter quarter of the twentieth century. Instead, to my great dismay, I was witnessing a throwback to the electric chair, the gallows, and the routine executions of our nation's earlier history.

Mr. President, I haven't forgotten that experience or what I thought and felt on that day. At the end of 1999, at the end of a remarkable century and millennium of progress, I cannot help but believe that our progress has been tarnished with our nation's not only continuing, but increasing use of the death penalty. As of today, the United States has executed 584 people since the reinstatement of the death penalty in 1976. In those 23 years, there has been a sharp rise in the number of executions. This year the United States has already set a record for the most executions in our country in one year, 84—the latest execution being that of Thomas Lee Royal, Jr., who was executed by lethal injection just last night by the state of Virginia. And the year isn't even over yet. We are on track to hit close to 100 executions this year. This is astounding and it is embarrassing. We are a nation that prides itself on the fundamental principles of justice, liberty, equality and due process. We are a nation that scrutinizes the human rights records of other nations. We are one of the first nations to speak out against torture and killings by foreign governments. It is time for us to look in the mirror.

Two former Supreme Court justices did just that. Justice Harry Blackmun penned the following eloquent dissent in 1994:

> From this day forward, I no longer shall tinker with the machinery of death. For more than 20 years I have endeavored—indeed, I have struggled—along with a majority of this Court, to develop procedural and substantive rules that would lend more than the mere appearance of fairness to the death penalty endeavor. Rather than continue to coddle the Court's delusion that the desired level of fairness has been achieved and the need for regulation eviscerated, I feel morally and intellectually obligated simply to concede that the death penalty experiment has failed. It is virtually self-evident to me now that no combination of procedural rules or substantive regulations ever can save the death penalty from its inherent constitutional deficiencies. The basic question—does the system accurately and consistently determine which defendants "deserve" to die?—cannot be answered in the affirmative. . . . The problem is that the inevitability of factual, legal, and moral error gives us a system that we know must wrongly kill some defendants, a system that fails to deliver the fair, consistent, and reliable sentences of death required by the Constitution.

Justice Lewis Powell also had a similar change of mind. Justice Powell dissented from the Furman decision in 1972, which struck down the death penalty as a form of cruel and unusual punishment. He also wrote the decision in McCleskey v. Kemp in 1987, which denied a challenge to the death penalty on the grounds that it was applied in a discriminatory manner against African Americans. In 1991, however, Justice Powell told his biographer that he had decided that capital punishment should be abolished.

After sitting on our nation's highest court for over 20 years, Justices Blackmun and Powell came to understand the randomness and unfairness of the death penalty. Mr. President, it is time for our nation to follow the lead of these two distinguished jurists and revisit its support for this form of punishment.

At the end of 1999, as we enter a new millennium, our society is still far from fully just. The continued use of the death penalty demeans us. The death penalty is at odds with our best traditions. It is wrong and it is immoral. The adage "two wrongs do not make a right," could not be more appropriate here. Our nation has long ago done away with other barbaric punishments like whipping and cutting off the ears of suspected criminals. Just as our nation did away with these punishments as contrary to our humanity and ideals, it is time to abolish the death penalty as we enter the next century. And it's not just a matter of morality. Mr. President, the continued viability of our justice system as a truly just system requires that we do so. And in the world's eyes, the ability of our nation to say truthfully that we are the leader and defender of freedom, liberty and equality demands that we do so.

I ask my colleagues to join me in taking the first step in abolishing the death penalty in our great nation. Today, I introduce a bill that abolishes the death penalty at the federal level. I call on all states that have the death penalty to also cease this practice. Let us step away from the culture of violence and restore fairness and integrity to our criminal justice system. I close with this reminder to my colleagues. Where would our nation be if members of Congress were followers, not leaders, of public opinion? We, of course, would still be living with slavery, segregation and without a woman's right to vote. Like abolishing slavery and segregation and establishing a woman's right to vote, abolishing the death penalty will not be an easy task. It will take patience, persistence and courage. As we head into the next millennium, let us leave this archaic practice behind.

Mr. President, I ask that the text of the bill be printed in the RECORD.

The bill follows:

S. 1917

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Death Penalty Abolition Act of 1999".

SEC. 2. REPEAL OF FEDERAL LAWS PROVIDING FOR THE DEATH PENALTY.

(a) HOMICIDE-RELATED OFFENSES.—

(1) MURDER RELATED TO THE SMUGGLING OF ALIENS.—Section 274(a)(1)(B)(iv) of the Immigration and Nationality Act (8 U.S.C. 1324(a)(1)(B)(iv)) is amended by striking "punished by death or".

(2) DESTRUCTION OF AIRCRAFT, MOTOR VEHICLES, OR RELATED FACILITIES RESULTING IN DEATH.—Section 34 of title 18, United States Code, is amended by striking "to the death penalty or".

(3) MURDER COMMITTED DURING A DRUG-RELATED DRIVE-BY SHOOTING.—Section 36(b)(2)(A) of title 18, United States Code, is amended by striking "death or"

(4) MURDER COMMITTED AT AN AIRPORT SERVING INTERNATIONAL CIVIL AVIATION.—Section 37(a) of title 18, United States Code, is amended, in the matter following paragraph (2), by striking "punished by death or".

(5) CIVIL RIGHTS OFFENSES RESULTING IN DEATH.—Chapter 13 of title 18, United States Code, is amended—

(A) in section 241, by striking ", or may be sentenced to death";

(B) in section 242, by striking ", or may be sentenced to death";

(C) in section 245(b), by striking ", or may be sentenced to death"; and

(D) in section 247(d)(1), by striking ", or may be sentenced to death".

(6) MURDER OF A MEMBER OF CONGRESS, AN IMPORTANT EXECUTIVE OFFICIAL, OR A SUPREME COURT JUSTICE.—Section 351 of title 18, United States Code, is amended—

(A) in subsection (b)(2), by striking "death or"; and

(B) in subsection (d)(2), by striking "death or".

(7) DEATH RESULTING FROM OFFENSES INVOLVING TRANSPORTATION OF EXPLOSIVES, DESTRUCTION OF GOVERNMENT PROPERTY, OR DESTRUCTION OF PROPERTY RELATED TO FOREIGN OR INTERSTATE COMMERCE.—Section 844 of title 18, United States Code, is amended—

(A) in subsection (d), by striking "or to the death penalty";

(B) in subsection (f)(3), by striking "subject to the death penalty, or";

(C) in subsection (i), by striking "or to the death penalty"; and

(D) in subsection (n), by striking "(other than the penalty of death)".

(8) MURDER COMMITTED BY USE OF A FIREARM DURING COMMISSION OF A CRIME OF VIOLENCE OR A DRUG TRAFFICKING CRIME.—Section 924(j)(1) of title 18, United States Code, is amended by striking "by death or".

(9) GENOCIDE.—Section 1091(b)(1) of title 18, United States Code, is amended by striking "death or".

(10) FIRST DEGREE MURDER.—Section 1111(b) of title 18, United States Code, is amended by striking "by death or".

(11) MURDER BY A FEDERAL PRISONER.—Section 1118 of title 18, United States Code, is amended—

(A) in subsection (a), by striking "by death or"; and

(B) in subsection (b), in the third undesignated paragraph—

(i) by inserting "or" before "an indeterminate"; and

(ii) by striking ", or an unexecuted sentence of death".

(12) MURDER OF A STATE OR LOCAL LAW ENFORCEMENT OFFICIAL OR OTHER PERSON AIDING IN A FEDERAL INVESTIGATION; MURDER OF A STATE CORRECTIONAL OFFICER.—Section 1121 of title 18, United States Code, is amended—

(A) in subsection (a), by striking "by sentence of death or"; and

(B) in subsection (b)(1), by striking "or death".

(13) MURDER DURING A KIDNAPING.—Section 1201(a) of title 18, United States Code, is amended by striking "death or".

(14) MURDER DURING A HOSTAGE-TAKING.—Section 1203(a) of title 18, United States Code, is amended by striking "death or".

(15) MURDER WITH THE INTENT OF PREVENTING TESTIMONY BY A WITNESS, VICTIM, OR INFORMANT.—Section 1512(a)(2)(A) of title 18, United States Code, is amended by striking "the death penalty or".

(16) MAILING OF INJURIOUS ARTICLES WITH INTENT TO KILL OR RESULTING IN DEATH.—Section 1716(i) of title 18, United States Code, is amended by striking "to the death penalty or".

(17) ASSASSINATION OR KIDNAPING RESULTING IN THE DEATH OF THE PRESIDENT OR VICE PRESIDENT.—Section 1751 of title 18, United States Code, is amended—

(A) in subsection (b)(2), by striking "death or"; and

(B) in subsection (d)(2); by striking "death or".

(18) MURDER FOR HIRE.—Section 1958(a) of title 18, United States Code, is amended by striking "death or".

(19) MURDER INVOLVED IN A RACKETEERING OFFENSE.—Section 1959(a)(1) of title 18, United States Code, is amended by striking "death or".

(20) WILLFUL WRECKING OF A TRAIN RESULTING IN DEATH.—Section 1992(b) of title 18, United States Code, is amended by striking "to the death penalty or".

(21) BANK ROBBERY-RELATED MURDER OR KIDNAPING.—Section 2113(e) of title 18, United States Code, is amended by striking "death or".

(22) MURDER RELATED TO A CARJACKING.—Section 2119(3) of title 18, United States Code, is amended by striking ", or sentenced to death".

(23) MURDER RELATED TO AGGRAVATED CHILD SEXUAL ABUSE.—Section 2241(c) of title 18, United States Code, is amended by striking "unless the death penalty is imposed,".

(24) MURDER RELATED TO SEXUAL ABUSE.—Section 2245 of title 18, United States Code, is amended by striking "punished by death or".

(25) MURDER RELATED TO SEXUAL EXPLOITATION OF CHILDREN.—Section 2251(d) of title 18, United States Code, is amended by striking "punished by death or".

(26) MURDER COMMITTED DURING AN OFFENSE AGAINST MARITIME NAVIGATION.—Section 2280(a)(1) of title 18, United States Code, is amended by striking "punished by death or".

(27) MURDER COMMITTED DURING AN OFFENSE AGAINST A MARITIME FIXED PLATFORM.—Section 2281(a)(1) of title 18, United States Code, is amended by striking "punished by death or".

(28) TERRORIST MURDER OF A UNITED STATES NATIONAL IN ANOTHER COUNTRY.—Section 2332(a)(1) of title 18, United States Code, is amended by striking "death or".

(29) MURDER BY THE USE OF A WEAPON OF MASS DESTRUCTION.—Section 2332a of title 18, United States Code, is amended—

(A) in subsection (a), by striking "punished by death or"; and

(B) in subsection (b), by striking "by death, or".

(30) MURDER BY ACT OF TERRORISM TRANSCENDING NATIONAL BOUNDARIES.—Section 2332b(c)(1) of title 18, United States Code, is amended by striking "by death, or".

(31) MURDER INVOLVING TORTURE.—Section 2340A(a) of title 18, United States Code, is amended by striking "punished by death or".

(32) MURDER RELATED TO A CONTINUING CRIMINAL ENTERPRISE OR RELATED MURDER OF A FEDERAL, STATE, OR LOCAL LAW ENFORCEMENT OFFICER.—Section 408 of the Controlled Substances Act (21 U.S.C. 848) is amended—

(A) in each of subparagraphs (A) and (B) of subsection (e)(1), by striking ", or may be sentenced to death";

(B) by striking subsections (g) and (h) and inserting the following:

"(g) [Reserved.]

"(h) [Reserved.]";

(C) in subsection (j), by striking "and as to appropriateness in that case of imposing a sentence of death";

(D) in subsection (k), by striking ", other than death," and all that follows before the period at the end and inserting "authorized by law"; and

(E) by striking subsections (l) and (m) and inserting the following:

"(l) [Reserved.]

"(m) [Reserved.]".

(33) DEATH RESULTING FROM AIRCRAFT HIJACKING.—Section 46502 of title 49, United States Code, is amended—

(A) in subsection (a)(2), by striking "put to death or"; and

(B) in subsection (b)(1)(B), by striking "put to death or".

(b) NON-HOMICIDE RELATED OFFENSES.—

(1) ESPIONAGE.—Section 794(a) of title 18, United States Code, is amended by striking "punished by death or" and all that follows before the period and inserting "imprisoned for any term of years or for life".

(2) TREASON.—Section 2381 of title . 18, United States Code, is amended by striking "suffer death, or".

(c) REPEAL OF CRIMINAL PROCEDURES RELATING TO IMPOSITION OF DEATH SENTENCE.—

(1) IN GENERAL.—Chapter 228 of title 18, United States Code, is repealed.

(2) TECHNICAL AND CONFORMING AMENDMENT.—The table of chapters for part II of title 18, United States Code, is amended by striking the item relating to chapter 228.

SEC. 3. PROHIBITION ON IMPOSITION OF DEATH SENTENCE.

(a) IN GENERAL.—Notwithstanding any other provision of law, no person may be sentenced to death or put to death on or after the date of enactment of this Act for any violation of Federal law .

(b) PERSONS SENTENCED BEFORE DATE OF ENACTMENT.—Notwithstanding any other provision of law, any person sentenced to death before the date of enactment of this Act for any violation of Federal law shall serve a sentence of life imprisonment without the possibility of parole.●

By Mrs. BOXER:

S. 1918. A bill to waive the 24-month waiting period for disabled individuals to qualify for Medicare benefits in the case of individuals suffering from terminal illness with not more than 2 years to live; to the Committee on Finance.

MEDICARE FOR INDIVIDUALS WITH TERMINAL ILLNESS ACT

Mrs. BOXER. Mr. President, today I am introducing legislation to correct a weakness in the Medicare law for those who develop a terminal illness.

Under current law, individuals under age 65 who are unable to work because of a disability can qualify for Medicare after a two-year waiting period. That is, two years after developing a disability, individuals can start to receive Medicare benefits to help pay for their health care.

There are reasons for this two-year waiting period, and this legislation would not change that. What I am concerned about, Mr. President, is the fact that thousands of individuals develop a disability that is terminal within two years.

I am talking about people with cancer, people with AIDS, people with Lou Gehrig's Disease, to name to just a few examples. In some cases, when these individuals are diagnosed and can no longer work, they have less than two years to live. That means they will die before the end of the waiting period, before they become eligible for Medicare, before they qualify to receive health care benefits. That is not right and not fair.

The Medicare for Individuals with Terminal Illness Act would change this. My bill would say that for people whose doctors expect them to live less than two years because of their disability or illness, there will be no waiting period. They would qualify for Medicare immediately and could get the health care they need.

Mr. President, to date, 10 individuals and 44 organizations—groups involved with AIDS, cerebral palsy, Alzheimer's Disease, hospice care, and diabetes, among others—have endorsed this legislation.

Mr. President, I encourage my colleagues to look at this list of supporters, look at the bill, and join me in correcting a problem that is denying health care benefits to thousands of Americans.

Mr. President, I ask unanimous consent that the text of the bill and a list of endorsements be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1918

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Medicare for Individuals With Terminal Illnesses Act of 1999".

SEC. 2. ELIMINATION OF MEDICARE WAITING PERIOD FOR INDIVIDUALS WITH A TERMINAL ILLNESS.

(a) IN GENERAL.—Section 226 of the Social Security Act (42 U.S.C. 426) is amended by adding at the end the following:

"(j)(1) Notwithstanding subsection (f), each individual with a terminal illness (as defined in paragraph (2)) who would be described in subsection (b) but for the requirement that the individual has been entitled to the specified benefits for 24 months shall be entitled to hospital insurance benefits under part A of title XVIII for each month beginning with the latest of—

"(A) the first month after the expiration of the 24-month period,

"(B) in the case of a qualified railroad retirement beneficiary (as defined in subsection (d)), the first month of the individual's entitlement or status as such a beneficiary, or

"(C) the date of enactment of the Medicare for Individuals With Terminal Illnesses Act of 1999.

"(2) As used in this subsection, the term 'terminal illness' means a medically determinable physical impairment which is expected to result in the death of such individual within the next 24 months.".

(b) CONFORMING AMENDMENTS.—

(1) AMENDMENTS TO THE RAILROAD RETIREMENT ACT OF1974.—Section 7(d)(2) of the Railroad Retirement Act of 1974 (45 U.S.C. 231f(d)(2)) is amended—

(A) in clause (i), by striking "or" at the end;

(B) in clause (ii), by striking the comma at the end and inserting "; or"; and

(C) by inserting after clause (ii) the following:

"(iii)(I) has not attained age 65;

"(II) has a terminal illness (as defined in section 226(j)(2) of the Social Security Act); and

"(III) is entitled to an annuity under section 2 of this Act, or under the Railroad Retirement Act of 1937 and section 2 of this Act, or could have been includable in the computation of an annuity under section 3(f)(3) of this Act, and could currently be entitled to monthly insurance benefits under section 223 of the Social Security Act or under section 202 of that Act on the basis of disability if service as an employee after December 31, 1936, had been included in the term 'employment' as defined in that Act and if an application for disability benefits had been filed,".

(2) AMENDMENTS TO THE SOCIAL SECURITY ACT.—

(A) DESCRIPTION OF PROGRAM.—Section 1811 of the Social Security Act (42 U.S.C. 1395c) is amended by striking "and (3)" and inserting "(3) individuals under age 65 who have a terminal illness (as defined in section 226(j)(2)) and who are eligible for benefits under title II of this Act (or would have been so entitled to such benefits if certain government employment were covered under such title) or under the railroad retirement system on the basis of a disability, and (4)".

(B) HOSPITAL INSURANCE BENEFITS FOR DISABLED INDIVIDUALS WHO HAVE EXHAUSTED THEIR ENTITLEMENT.—Section 1818A of the Social Security Act (42 U.S.C. 1395i–2a) is amended—

(i) in subsection (a)(2)(A), by striking "section 226(b)" and inserting "subsection (b) or (j) of section 226";

(ii) in subsection (a)(2)(C), by striking "section 226(b)" and inserting "subsection (b) or (j) of section 226";

(iii) in subsection (b)(2), by striking "section 226(b)" and inserting "subsection (b) or (j) of section 226"; and

(iv) in subsection (d)(1)(B)(ii), by striking "section 226(b)" and inserting "subsection (b) or (j) of section 226".

(C) ENROLLMENT PERIODS.—Section 1837 of the Social Security Act (42 U.S.C. 1395p) is amended—

(i) in subsection (g)(1), by inserting "but does not satisfy the requirements of section 226(j)" after "section 226(b)"; and

(ii) in subsection (i)(4)(A), by striking "section 226(b)" and inserting "subsection (b) or (j) of section 226".

(D) EXCLUSIONS FROM COVERAGE AND MEDICARE AS SECONDARY PAYER.—Section 1862(b)(1)(B)(i) of the Social Security Act (42 U.S.C. 1395y(b)(1)(B)(i)) is amended by striking "section 226(b)" and inserting "subsection (b) or (j) of section 226".

(c) EFFECTIVE DATE.—The amendments made by this Act shall apply with respect to any application for hospital insurance benefits submitted to the Secretary of Health and Human Services on or after the date of enactment of this Act.

MEDICARE FOR INDIVIDUALS WITH TERMINAL ILLNESSES ACT—LIST OF ENDORSEMENTS

ORGANIZATIONS (44)

AIDS Legal Referral Panel—San Francisco, Altamed Health Services—Los Angeles, Alzheimer's Aid Society—Sacramento, American Diabetes Association, African American Chapter—Los Angeles, American Lung Association of California—Sacramento, Asian American Drug Abuse Program, Inc. (AADAP)—Los Angeles, California Prevention and Education Project (CALPEP)—Oakland, California Hospice and Palliative Care Association (CHAPCA)—Sacramento, California Coalition of United Cerebral Palsy Associations—Sacramento, Camarillo Hospice—Camarillo, Caring for Babies with AIDS—Los Angeles, City of Los Angeles, Common Ground Community Center—Santa Monica, County of Sacramento, Covenant House California—Hollywood, Dolores Street Community Services—San Francisco, Families First—Davis, The Family Link—San Francisco, Feedback Foundation—Anaheim, Friends of Chelation Society—Palm Springs, Homeowner Options for Massachusetts Elders—Boston, Massachusetts, and Hospice Education Institute—Essex, Connecticut.

Hospice of Marin—Corte Madera, Lambda Letters Project—Carmichael, Legal Center for the Elderly and Disabled—Sacramento, Mental Health Association of Sacramento, Mission Neighborhood Health Center—San Francisco, National Organization for Rare Disorders—New Fairfield, Connecticut, National Health Federation—Monrovia, California, Neptune Society—San Francisco, New Village Project—Los Angeles, Ohlhoff Recovery Programs—San Francisco, Parkinson's Disease Association of the Sacramento Valley, Retired Senior Volunteer Program—Santa Barbara, Sacramento AIDS Foundation, San Francisco Community Clinic Consortium, Serra Project—Los Angeles, Shascade Community Services—Redding, Vital Options—Sherman Oaks, Westside Community Mental Health Center, Inc.—San Francisco, Women and Children's Family Services, Yolo Hospice—Davis, YMCA of Greater Sacramento, and YWCA of Sacramento.

INDIVIDUALS (10)

Barbara Kaufman—Member, SFBOS, Sue Bierman—Member, SFBOS, Ricardo Hernandez—Public Administrator/Public Guardian, City & County of SF, Steve Cohn—Member, Sacramento City Council, Eve Meyer—Executive Director, San Francisco Suicide Prevention, Mike McGowan—Member, Yolo County Board of Supervisors, Rev. Gwyneth MacKenzie Murphy—Associate Pastor, Grace Cathedral, Teresa Brown—Program Coordinator, HIV Services Division, Alameda County Medical Ctr., Lois Wolk—Yolo County Supervisor, Sarah Bennett—Executive Director, Ad Hoc Committee to Defend Health Care—Cambridge, MA.

By Mr. DODD (for himself and Mr. LEAHY):

S. 1919. A bill to permit travel to or from Cuba by United States citizens and lawful resident aliens of the United States; to the Committee on Foreign Relations.

THE FREEDOM TO TRAVEL TO CUBA ACT OF 2000

• Mr. DODD. Mr. President, today my colleague, Senator LEAHY and I are introducing "The Freedom to Travel to Cuba Act of 2000." We believe the time has come to lift the very archaic, counterproductive, and ill-conceived ban on Americans traveling to Cuba. Not only does this ban hinder rather than help our effort to spread democracy, it unnecessarily abridges the rights of ordinary Americans. The United States was founded on the principles of liberty and freedom. Yet when it comes to Cuba, our Government abridges these rights with no greater rationale than political and rhetorical gain.

Cuba lies just 90 miles from America's shore. Yet those 90 miles of water might as well be an entire ocean. We have made a land ripe for American influence forbidden territory. In doing so, we have enabled the Cuban regime to be a closed system with the Cuban people having little contact with their closest neighbors.

Surely we do not ban travel to Cuba out of concern for the safety of Americans who might visit that island nation. Today Americans are free to travel to Iran, Sudan, Burma, Yugoslavia, North Korea—but not to Cuba. You can fly to North Korea; you can fly to Iran; you can travel freely. It seems to me if you can go to those countries, you ought not be denied the right to go to Cuba. If the Cubans want to stop Americans from visiting that country, that ought to be their business. But to say to an American citizen that you can travel to Iran, where they held American hostages for months on end, to North Korea, which has declared us to be an enemy of theirs completely, but that you cannot travel 90 miles off our shore to Cuba, is a mistake.

To this day, some Iranian politicians believe the United States to be "the Great Satan." We hear it all the time. Just two decades ago, Iran occupied our Embassy and took innocent American diplomats hostage. To this day, protesters in Tehran burn the American flag with the encouragement of some officials in that Government. Those few Americans who venture into such inhospitable surroundings often find themselves pelted by rocks and accosted by the public.

Similarly, we do not ban travel to Sudan, a nation we attacked with cruise missiles last summer for its support of terrorism; to Burma, a nation with one of the most oppressive regimes in the world today; to North Korea, whose soldiers have peered at American servicemen through gun sights for decades; or Syria, which has one of the most egregious human rights records and is one of the foremost sponsors of terrorism.

We believe that it is time to end the inconsistency with respect to U.S. travel restrictions to Cuba. We ban travel to Cuba, a nation which is neither at war with the United States nor a sponsor of international terrorist activities. Why do we ban travel? Ostensibly so that we can pressure Cuban authorities into making the transition to a democratic form of government.

I fail to see how isolating the Cuban people from democratic values and ideals will foster the transition to democracy in that country. I fail to see how isolating the Cuban people from democratic values and from the influence of Americans when they go to that country to help bring about the change we all seek serves our own interests.

The Cuban people are not currently permitted the freedom to travel enjoyed by many peoples around the world. However, because Fidel Castro does not permit Cubans to leave Cuba and come to this country is not justification for adopting a similar principle in this country that says Americans cannot travel freely. We have a Bill of Rights. We need to treasure and respect the fundamental rights that we embrace as American citizens. Travel is one of them. If other countries want to prohibit us from going there, then that is their business. But for us to say that citizens of Connecticut or Alabama cannot go where they like is not the kind of restraint we ought to put on people.

If Americans can travel to North Korea, to the Sudan, to Iran, then I do not understand the justification for saying that they cannot travel to Cuba. I happen to believe that by allowing Americans to travel to Cuba, we can begin to change the political climate and bring about the changes we all seek in that country.

Today, every single country in the Western Hemisphere is a democracy, with one exception: Cuba. American influence through person-to-person and cultural exchanges was a prime factor in this evolution from a hemisphere ruled predominantly by authoritarian or military regimes to one where democracy is the rule. Our current policy toward Cuba blocks these exchanges and prevents the United States from using our most potent weapon in our effort to combat totalitarian regimes, and that is our own people. They are the best ambassadors we have. Most totalitarian regimes bar Americans from coming into their countries for the very reasons I just mentioned. They are afraid the gospel of freedom will motivate their citizens to overthrow dictators, as they have done in dozens of nations over the last half century. Isn't it ironic that when it comes to Cuba we do the dictator's bidding for him in a sense? Cuba does not have to worry about America spreading democracy. Our own Government stops us from doing so.

Let me review for my colleagues who may travel to Cuba under current Government regulations and under what circumstances. The following categories of people may travel to Cuba without applying to the Treasury Department for a specific license to travel. They are deemed to be authorized to travel under so-called general license: Government officials, regularly employed journalists, professional researchers who are "full time professionals who travel to Cuba to conduct professional research in their professional areas", Cuban Americans who have relatives in Cuba who are ill (but only once a year.)

There are other categories of individuals who theoretically are eligible to travel to Cuba as well, but they must apply for a license from the Department of the Treasury and prove they fit a category in which travel to Cuba is permissible. What are these categories? The first is so called freelance journalists, provided they can prove they are journalists; they must also submit their itinerary for the proposed research. The second is Cuban Americans who are unfortunate enough to have more than one humanitarian emergency in a 12-month period and therefore cannot travel under a general license. The third is students and faculty from U.S. academic institutions that are accredited by an appropriate national or regional educational accrediting association who are participating in a "structural education program." The fourth is members of U.S. religious organizations. The fifth is individuals participating in public performances, clinics, workshops, athletic and other competitions and exhibitions. If that isn't complicated enough—just because you think you may fall into one of the above enumerated categories does not necessarily mean you will actually be licensed by the U.S. Government to travel to Cuba.

Under current regulations, who decides whether a researcher's work is legitimate? Who decides whether a freelance journalist is really conducting journalistic activities? Who decides whether or not a professor or student is participating in a "structured educational program"? Who decides whether a religious person is really going to conduct religious activities? Government bureaucrats are making those decisions about what I believe should be personal rights of American citizens.

It is truly unsettling, to put it mildly, when you think about it, and probably unconstitutional at its core. It is a real intrusion on the fundamental rights of American citizens. It also says something about what we as a Government think about our own people. Do we really believe that a journalist, a Government official, a Senator, a Congressman, a baseball player, a ballerina, a college professor or minister is somehow superior to other citizens who do not fall into those categories; that only these categories of people are "good examples" for the Cuban people to observe in order to understand American values?

I do not think so. I find such a notion insulting. There is no better way to communicate America's values and ideals than by unleashing average American men and women to demonstrate by daily living what our great country stands for and the contrasts between what we stand for and what exists in Cuba today.

I do not believe there was ever a sensible rationale for restricting Americans' right to travel to Cuba. With the collapse of the Soviet Union and an end to the cold war, I do not think any excuse remains today to ban this kind of travel. This argument that dollars and tourism will be used to prop up the regime is specious. The regime seems to have survived 38 years despite the Draconian U.S. embargo during that entire period. The notion that allowing Americans to spend a few dollars in Cuba is somehow going to give major aid and comfort to the Cuban regime is without basis, in my view.

This spring, we got a taste of what people-to-people exchanges between the United States and Cuba might mean when the Baltimore Orioles and the Cuban National Team played a home-and-home series. The game brought players from two nations with the greatest love of baseball together for the first time in generations. It is time to bring the fans together. It is time to let Americans and Cubans meet in the baseball stands and on the streets of Havana.

Political rhetoric is not sufficient reason to abridge the freedoms of American citizens. Nor is it sufficient reason to stand by a law which counteracts one of the basic premises of American foreign policy; namely, the spread of democracy. The time has come to allow Americans—average Americans—to travel freely to Cuba. I urge my colleagues to support the legislation that Senator LEAHY and I have introduced today. We will be working to ensure that the full Senate has an opportunity to debate and vote on this matter when the Senate convenes next year. I hope our colleagues will join with us at that time in restoring American citizens' rights to travel wherever they choose, including to the Island of Cuba.●

By Mr. LEVIN (for himself and Mr. SPECTER):

S. 1920. A bill to combat money laundering and protect the United States financial system by addressing the vulnerabilities of private banking to money laundering, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

MONEY LAUNDERING ABATEMENT ACT OF 1999

Mr. LEVIN. Mr. President, today I am introducing, along with Senator SPECTER, the Money Laundering Abatement Act of 1999.

The Senate Permanent Subcommittee on Investigations, of which I am the ranking member, is currently holding hearings on problems specific to private banking, a rapidly-growing financial service in which banks provide one-on-one services tailored to the individual needs of wealthy individuals. The Subcommittee's investigation and hearings show that private bankers have operated in a culture which emphasizes secrecy, impeding account documentation for regulators and law enforcement entities. This culture makes private banking peculiarly susceptible to money laundering.

The Money Laundering Abatement Act is intended to supplement and reinforce the current anti-money-laundering laws and bolster the efforts of regulators and law enforcement bodies in this nation and around the world and the efforts of others in Congress.

The Subcommittee's year-long investigation and testimony by distinguished financial experts, regulators, and banking industry personnel, revealed that private bankers regularly create devices such as shell corporations established in offshore jurisdictions to hide the source of and movement of clients' funds. The motives may be benign or they may be questionable but one thing is certain: they make it harder for regulators and law enforcement personnel to track the ownership and flow of funds and avert or apprehend laundering of the proceeds of drug and weapons trafficking, tax evasion, corruption, and other malfeasance. To make matters worse, many activities which Americans find reprehensible and which can destabilize regimes and economies are not currently illegal under foreign laws. Therefore, as the current money laundering laws are written, transactions in funds derived from such activities do not constitute money laundering, but they ought to constitute money laundering punishable under United States laws.

My bill would patch these holes, particularly as they apply to private banking activities, the volume of which experts predict will grow exponentially as more and more wealth is created and banks compete for this lucrative line of business. Accordingly, I am today introducing legislation that would significantly increase the transparency of our banking system and make it possible for law enforcement and civil process to pierce the veil of secrecy that for too long has made it possible for institutions and individuals operating in largely unregulated off-shore jurisdictions to gain unfettered access to the U.S. financial system for purposes of legitimizing the proceeds of illegal or unsavory activity.

A great problem in detecting money laundering is that many private banking transactions are conducted through fictitious entities or under false names or numbered accounts in which the actual or beneficial owner is not identified. The bill requires a financial institution that opens or maintains a U.S. account for a foreign entity to identify and maintain a record in the U.S. of the identity of each direct or beneficial owner of the account. The bill would further help banks in verifying customers' identities by making it illegal to misrepresent the true ownership of an account to a bank. The bill also imposes a "48-hour rule" under which, within 48 hours of a request by a federal banking agency, a financial institution would have to provide account information and documentation to the agency.

Our investigation into private banking has shown that money launderers may launder their transactions by commingling the proceeds in so-called "concentration accounts" and aggregate the funds from multiple customers and transactions. The bill curtails the illicit use of these accounts by prohibiting institutions from using these accounts anonymously. The bill also prohibits U.S. financial institutions from opening or maintaining correspondent accounts with so-called "brass plate" banks—most often in off-shore locations—that are not licensed to provide services in their home countries and are not subject to comprehensive home country supervision on a consolidated basis, reducing the likelihood that U.S.-based institutions will receive funds that may derive from illicit sources.

The bill would also eliminate significant gaps in current U.S. law by expanding the list of crimes committed on foreign soil that can serve as predicate offenses for money laundering prosecutions in the U.S., including corruption and the misappropriation of IMF funds. It would expand the jurisdiction of U.S. courts, by including transactions in which money is laundered through a foreign bank as a U.S. crime if the transaction has a "nexus" in the United States. The bill addresses the reality that governmental corruption weakens economies and causes political instability and when U.S. banks profit from the fruits of such corruption they run counter to U.S. interests in ending such corruption.

Another problem that we have encountered repeatedly in our investigation is that many private banks have written policies that repeatedly stress that the banker must know a customer's identity and source of funds. Yet in practice, many private bankers do not comply with their own bank's policies. To rectify this, the bill requires financial institutions to develop and apply due diligence standards for accounts for private banking customers to verify the customers' identity and source of wealth, both when opening such accounts and on an ongoing basis.

Finally, the bill would authorize funding for FinCEN to develop an automated "alert database." FinCEN, an arm of the Department of the Treasury, tracks Currency Transaction Reports and Suspicious Activity Reports, important tools in fighting money laundering. However, FinCEN officials have told me that they lack a database which will automatically alert them to patterns of suspicious activity that could indicate money laundering or other illicit activity. Such a database is imperative to enable FinCEN to adequately serve the law enforcement bodies that it supplies information to.

This bill will close gaps in our anti-money-laundering laws and regulations. I ask unanimous consent that the bill and a summary of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1920

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Money Laundering Abatement Act of 1999".

SEC. 2. FINDINGS AND PURPOSE.

(a) Findings.—Congress makes the following findings:

(1) Money laundering is a serious problem that enables criminals to reap the rewards of their crimes by hiding the criminal source of their profits.

(2) When carried out by using banks, money laundering erodes the integrity of our financial institutions.

(3) United States financial institutions are a critical link in our efforts to combat money laundering.

(4) In addition to organized crime enterprises, corrupt government officials around the world increasingly employ sophisticated money laundering schemes to conceal wealth they have plundered or extorted from their nations or received as bribes, and these practices weaken the legitimacy of foreign states, threaten the integrity of international financial markets, and harm foreign populations.

(5) Private banking is a growing activity among financial institutions based in and operating in the United States.

(6) The high profitability, competition, high level of secrecy, and close relationships of trust developed between private bankers and their clients make private banking vulnerable to money laundering.

(7) The use by United States bankers of financial centers located outside of the United States that have weak financial regulatory and reporting regimes and no transparency facilitates global money laundering.

(b) Purpose.—The purpose of this Act is to eliminate the weaknesses in Federal law that allow money laundering to flourish, particularly in private banking activities.

SEC. 3. IDENTIFICATION OF ACTUAL OR BENEFICIAL OWNERS OF ACCOUNTS.

(a) Transactions and Accounts With or on Behalf of Foreign Entities.—Subchapter II of chapter 53 of title 31, United States Code, is amended by adding at the end the following:

"§5331. Requirements relating to transactions and accounts with or on behalf of foreign entities

"(a) Definitions.—Notwithstanding any other provision of this subchapter, in this section the following definitions shall apply:

"(1) Account.—The term 'account'—

"(A) means a formal banking or business relationship established to provide regular services, dealings, and other financial transactions; and

"(B) includes a demand deposit, savings deposit, or other asset account and a credit account or other extension of credit.

"(2) Correspondent account.—The term 'correspondent account' means an account established to receive deposits from and make payments on behalf of a correspondent bank.

"(3) Correspondent bank.—The term 'correspondent bank' means a depository institution that accepts deposits from another financial institution and provides services on behalf of such other financial institution.

"(4) Depository institution.—The term 'depository institution' has the same meaning as in section 19(b)(1)(A) of the Federal Reserve Act.

"(5) Foreign banking institution.—The term 'foreign banking institution' means a foreign entity that engages in the business of banking, and includes foreign commercial banks, foreign merchant banks, and other foreign institutions that engage in banking activities usual in connection with the business of banking in the countries where they are organized or operating.

"(6) Foreign entity.—The term 'foreign entity' means an entity that is not organized under the laws of the Federal Government of the United States, any State of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.

"(b) Prohibition on Opening or Maintaining Accounts Belonging to or for the Benefit of Unidentified Owners.—A depository institution or a branch of a foreign bank (as defined in section 1 of the International Banking Act of 1978) may not open or maintain any account in the United States for a foreign entity or a representative of a foreign entity, unless—

"(1) for each such account, the institution completes and maintains in the United States a form or record identifying, by a verifiable name and account number, each person having a direct or beneficial ownership interest in the account; or

"(2) some or all of the shares of the foreign entity are publicly traded.

"(c) Prohibition on Opening or Maintaining Correspondent Accounts or Correspondent Bank Relationship With Certain Foreign Banks.—A depository institution, or branch of a foreign bank, as defined in section 1 of the International Banking Act of 1978, may not open or maintain a correspondent account in the United States for or on behalf of a foreign banking institution, or establish or maintain a correspondent bank relationship with a foreign banking institution (other than in the case of an affiliate of a branch of a foreign bank), that—

"(1) is organized under the laws of a jurisdiction outside of the United States; and

"(2) is not subject to comprehensive supervision or regulation on a consolidated basis by the appropriate authorities in such jurisdiction.

"(d) 48-Hour Rule.—Not later than 48 hours after receiving a request by the appropriate Federal banking agency (as defined in section 3 of the Federal Deposit Insurance Act) for information related to anti-money laundering compliance by a financial institution or a customer of that institution, a financial institution shall provide to the requesting agency, or make available at a location specified by the representative of the agency, information and account documentation for any account opened, maintained, or managed in the United States by the financial institution.".

(b) Technical and Conforming Amendment.—The table of sections for subchapter II of chapter 53 of title 31, United States Code, is amended by inserting after the item relating to section 5330 the following:

"5331. Requirements relating to transactions and accounts with or on behalf of foreign entities.".

(c) Effective Date.—The amendments made by this section shall apply—

(1) with respect to any account opened on or after the date of enactment of this Act, as of such date; and

(2) with respect to any account opened before the date of enactment of this Act, as of the end of the 6-month period beginning on such date.

SEC. 4. PROPER MAINTENANCE OF CONCENTRATION ACCOUNTS AT FINANCIAL INSTITUTIONS.

Section 5318(h) of title 31, United States Code, is amended by adding at the end the following:

"(3) Availability of certain account information.—The Secretary shall prescribe regulations under this subsection that govern maintenance of concentration accounts by financial institutions, in order to ensure that such accounts are not used to prevent association of the identity of an individual customer with the movement of funds of which the customer is the direct or beneficial owner, which regulations shall, at a minimum—

"(A) prohibit financial institutions from allowing clients to direct transactions that move their funds into, out of, or through the concentration accounts of the financial institution;

"(B) prohibit financial institutions and their employees from informing customers of the existence of, or means of identifying, the concentration accounts of the institution; and

"(C) require each financial institution to establish written procedures governing the documentation of all transactions involving a concentration account, which procedures shall ensure that, any time a transaction involving a concentration account commingles funds belonging to 1 or more customers, the identity of, and specific amount belonging to, each customer is documented.".

SEC. 5. DUE DILIGENCE REQUIRED FOR PRIVATE BANKING.

The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by inserting after section 10 the following:

"SEC. 5A. DUE DILIGENCE.

"(a) Private Banking.—In fulfillment of its anti-money laundering obligations under section 5318(h) of title 31, United States Code, each depository institution that engages in private banking shall establish due diligence procedures for opening and reviewing, on an ongoing basis, accounts of private banking customers.

"(b) Minimum Standards.—The due diligence procedures required by paragraph (1) shall, at a minimum, ensure that the depository institution knows and verifies, through probative documentation, the identity and financial background of each private banking customer of the institution and obtains sufficient information about the source of funds of the customer to meet the anti-money laundering obligations of the institution.

"(c) Compliance Review.—The appropriate Federal banking agencies shall review compliance with the requirements of this section as part of each examination of a depository institution under this Act.

"(d) Regulations.—The Board of Governors of the Federal Reserve System shall, after consultation with the other appropriate Federal banking agencies, define the term 'private banking' by regulation for purposes of this section.".

SEC. 6. SUPPLEMENTATION OF CRIMES CONSTITUTING MONEY LAUNDERING.

Section 1956(c)(7)(B) of title 18, United States Code, is amended—

(1) by striking clause (ii) and inserting the following:

"(ii) any conduct constituting a crime of violence;"; and

(2) by adding at the end the following:

"(iv) fraud, or any scheme to defraud, committed against a foreign government or foreign governmental entity under the laws of that government or entity;

"(v) bribery of a foreign public official, or the misappropriation, theft, or embezzlement of public funds by or for the benefit of a foreign public official under the laws of the country in which the subject conduct occurred or in which the public official holds office;

"(vi) smuggling or export control violations involving munitions listed in the United States Munitions List or technologies with military applications, as defined in the Commerce Control List of the Export Administration Regulations;

"(vii) an offense with respect to which the United States would be obligated by a multilateral treaty either to extradite the alleged offender or to submit the case for prosecution, if the offender were found within the territory of the United States; or

"(viii) the misuse of funds of, or provided by, the International Monetary Fund in contravention of the Articles of Agreement of the Fund or the misuse of funds of, or provided by, any other international financial institution (as defined in section 1701(c)(2) of the International Financial Institutions Act) in contravention of any international treaty or other international agreement to which the United States is a party, including any articles of agreement of the members of such international financial institution;".

SEC. 7. PROHIBITION ON FALSE STATEMENTS TO FINANCIAL INSTITUTIONS CONCERNING THE IDENTITY OF A CUSTOMER.

(a) In General.—Chapter 47 of title 18, United States Code (relating to fraud and false statements), is amended by inserting after section 1007 the following:

"§ 1008. False statements concerning the identity of customers of financial institutions

"(a) In General.—Whoever knowingly in any manner—

"(1) falsifies, conceals, or covers up, or attempts to falsify, conceal, or cover up; the identity of any person in connection with any transaction with a financial institution;

"(2) makes, or attempts to make, any materially false, fraudulent, or fictitious statement or representation of the identity of any person in connection with a transaction with a financial institution;

"(3) makes or uses, or attempts to make or use, any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry concerning the identity of any person in connection with a transaction with a financial institution; or

"(4) uses or presents, or attempts to use or present, in connection with a transaction with a financial institution, an identification document or means of identification the possession of which is a violation of section 1028;

shall be fined under this title, imprisoned not more than 5 years, or both.

"(b) Definitions.—In this section:

"(1) Financial institution.—In addition to the meaning given to the term 'financial institution' by section 20, the term 'financial institution' also has the meaning given to such term in section 5312(a)(2) of title 31.

"(2) Identification document and means of identification.—The terms 'identification document' and 'means of identification' have the meanings given to such terms in section 1028(d).".

(b) Technical and Conforming Amendments.—

(1) Title 18, united states code.—Section 1956(c)(7)(D) of title 18, United States Code, is amended by striking "1014 (relating to fraudulent loan" and inserting "section 1008 (relating to false statements concerning the identity of customers of financial institutions), section 1014 (relating to fraudulent loan".

(2) Table of sections.—The table of sections for chapter 47 of title 18, United States Code, is amended by inserting after the item relating to section 1007 the following:

"1008. False statements concerning the identity of customers of financial institutions.".

SEC. 8. APPROPRIATION FOR FINCEN TO IMPLEMENT SAR/CTR ALERT DATABASE.

There is authorized to be appropriated $1,000,000, to remain available until expended, for the Financial Crimes Enforcement Network of the Department of the Treasury to implement an automated database that will alert law enforcement officials if Currency Transaction Reports or Suspicious Activity Reports disclose patterns that may indicate illegal activity, including any instance in which multiple Currency Transaction Reports or Suspicious Activity Reports name the same individual within a prescribed period of time.

SEC. 9. LONG-ARM JURISDICTION OVER FOREIGN MONEY LAUNDERERS.

Section 1956(b) of title 18, United States Code, is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(2) by inserting "(1)" after "(b)";

(3) by inserting ", or section 1957" after "or (a)(3)"; and

(4) by adding at the end the following:

"(2) For purposes of adjudicating an action filed or enforcing a penalty ordered under this section, the district courts shall have jurisdiction over any foreign person, including any financial institution authorized under the laws of a foreign country, that commits an offense under subsection (a) involving a financial transaction that occurs in whole or in part in the United States, if service of process upon such foreign person is made under the Federal Rules of Civil Procedure or the laws of the country in which the foreign person is found.

"(3) The court may issue a pretrial restraining order or take any other action necessary to ensure that any bank account or other property held by the defendant in the United States is available to satisfy a judgment under this section.".

SEC. 10. LAUNDERING MONEY THROUGH A FOREIGN BANK.

Section 1956(c)(6) of title 18, United States Code, is amended to read as follows:

"(6) the term 'financial institution' includes—

"(A) any financial institution described in section 5312(a)(2) of title 31, or the regulations promulgated thereunder; and

"(B) any foreign bank, as defined in section 1(b)(7) of the International Banking Act of 1978 (12 U.S.C. 3101(7)).".

SEC. 11. EFFECTIVE DATE.

Except as otherwise specifically provided in this Act, this Act and the amendments made by this Act shall take effect 90 days after the date of enactment of this Act.

Summary of the Money Laundering Abatement Act of 1999

A United States depository institution or a United States branch of a foreign institution could not open or maintain an account in the United States for a foreign entity unless the owner of the account was identified on a form or record maintained in the United States.

A United States depository institution or branch of a foreign institution in the United States could not maintain a correspondent account for a foreign institution unless the foreign institution was subject to comprehensive supervision or regulation.

Within 48 hours of receiving a request from a federal banking agency, a financial institution would be required to provide account information and documentation to the requesting agency.

The Secretary of the Treasury would be required to issue regulations to ensure that customer funds flowing through a concentration account (which comingles funds of an institution's customers) were earmarked to each customer.

The list of crimes that are predicates to money laundering would be broadened to include, among other things, corruption or fraud by or against a foreign government under that government's laws or the laws of the country in which the conduct occurred, and misappropriation of funds provided by the IMF or similar organizations.

Institutions that engage in private banking would be required to implement due diligence procedures encompassing verification of private banking customers' identities and source of funds.

It would be a federal crime to knowingly falsify or conceal the identity of a financial institution customer.

An appropriation would be authorized for FinCEN, which tracks reports filed by financial institutions under the Bank Secrecy Act, to establish an automated system of alerting authorities when multiple reports are filed regarding the same customer.

United States courts would be given "long-arm" jurisdiction over foreign persons and institutions that commit money laundering offenses that occur in whole or part in the United States.

The definition of money laundering in current statutes would be expanded to include laundering money through foreign banks.

ADDITIONAL COSPONSORS

S. 74

At the request of Mr. Daschle, the name of the Senator from Arkansas (Mrs. Lincoln) was added as a cosponsor of S. 74, a bill to amend the Fair Labor Standards Act of 1938 to provide more effective remedies to victims of discrimination in the payment of wages on the basis of sex, and for other purposes.

S. 279

At the request of Mr. Crapo, his name was added as a cosponsor of S. 279, a bill to amend title II of the Social Security Act to eliminate the earnings test for individuals who have attained retirement age.

S. 329

At the request of Mr. Robb, the names of the Senator from Illinois (Mr. Durbin), the Senator from Montana (Mr. Burns), the Senator from Nevada (Mr. Reid), the Senator from California (Mrs. Boxer), the Senator from New Jersey (Mr. Lautenberg), the Senator from Delaware (Mr. Biden), the Senator from Arkansas (Mrs. Lincoln), the Senator from Louisiana (Ms. Landrieu), the Senator from Alaska (Mr. Stevens), the Senator from Nebraska (Mr. Kerrey), the Senator from

New Mexico (Mr. BINGAMAN), the Senator from Montana (Mr. BAUCUS), the Senator from North Dakota (Mr. CONRAD), the Senator from Texas (Mrs. HUTCHISON), the Senator from Louisiana (Mr. BREAUX), the Senator from Pennsylvania (Mr. SANTORUM), the Senator from New York (Mr. SCHUMER), the Senator from Connecticut (Mr. LIEBERMAN), the Senator from Florida (Mr. GRAHAM), the Senator from Iowa (Mr. GRASSLEY), the Senator from California (Mrs. FEINSTEIN), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Missouri (Mr. ASHCROFT), the Senator from Indiana (Mr. BAYH), the Senator from Utah (Mr. BENNETT), the Senator from Missouri (Mr. BOND), the Senator from Nevada (Mr. BRYAN), the Senator from Maine (Ms. COLLINS), the Senator from Georgia (Mr. COVERDELL), the Senator from Idaho (Mr. CRAIG), the Senator from South Dakota (Mr. DASCHLE), the Senator from Connecticut (Mr. DODD), the Senator from North Carolina (Mr. EDWARDS), the Senator from Washington (Mr. GORTON), the Senator from Utah (Mr. HATCH), the Senator from North Carolina (Mr. HELMS), the Senator from Hawaii (Mr. INOUYE), the Senator from Vermont (Mr. JEFFORDS), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Wisconsin (Mr. KOHL), the Senator from Vermont (Mr. LEAHY), the Senator from Michigan (Mr. LEVIN), the Senator from Mississippi (Mr. LOTT), the Senator from Florida (Mr. MACK), the Senator from Maryland (Ms. MIKULSKI), the Senator from Alaska (Mr. MURKOWSKI), the Senator from Rhode Island (Mr. REED), the Senator from West Virginia (Mr. ROCKEFELLER), the Senator from Maryland (Mr. SARBANES), the Senator from Alabama (Mr. SHELBY), the Senator from New Hampshire (Mr. SMITH), the Senator from Oregon (Mr. SMITH), the Senator from Wyoming (Mr. THOMAS), the Senator from South Carolina (Mr. THURMOND), the Senator from New Jersey (Mr. TORRICELLI), the Senator from Ohio (Mr. VOINOVICH), the Senator from Virginia (Mr. WARNER), and the Senator from Minnesota (Mr. WELLSTONE) were added as cosponsors of S. 329, a bill to amend title 38, United States Code, to extend eligibility for hospital care and medical services under chapter 17 of that title to veterans who have been awarded the Purple Heart, and for other purposes.

S. 470

At the request of Mr. L. CHAFEE, his name was added as a cosponsor of S. 470, a bill to amend the Internal Revenue Code of 1986 to allow tax-exempt private activity bonds to be issued for highway infrastructure construction.

S. 664

At the request of Mr. L. CHAFEE, his name, and the name of the Senator from Rhode Island (Mr. REED) were added as cosponsors of S. 664, a bill to amend the Internal Revenue Code of 1986 to provide a credit against income tax to individuals who rehabilitate historic homes or who are the first purchasers of rehabilitated historic homes for use as a principal residence.

S. 761

At the request of Mr. ABRAHAM, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S. 761, a bill to regulate interstate commerce by electronic means by permitting and encouraging the continued expansion of electronic commerce through the operation of free market forces, and for other purposes.

S. 805

At the request of Mr. DURBIN, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of S. 805, a bill to amend title V of the Social Security Act to provide for the establishment and operation of asthma treatment services for children, and for other purposes.

S. 901

At the request of Mr. BINGAMAN, the name of the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 901, a bill to provide disadvantaged children with access to dental services.

S. 1120

At the request of Mr. REED, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 1120, a bill to ensure that children enrolled in medicaid and other Federal means-tested programs at highest risk for lead poisoning are identified and treated, and for other purposes.

S. 1272

At the request of Mr. NICKLES, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 1272, a bill to amend the Controlled Substances Act to promote pain management and palliative care without permitting assisted suicide and euthanasia, and for other purposes.

S. 1332

At the request of Mr. BAYH, the names of the Senator from New York (Mr. MOYNIHAN), the Senator from Minnesota (Mr. WELLSTONE), the Senator from Louisiana (Mr. BREAUX), the Senator from Mississippi (Mr. COCHRAN), the Senator from Delaware (Mr. ROTH), the Senator from Hawaii (Mr. AKAKA), the Senator from Idaho (Mr. CRAPO), the Senator from Delaware (Mr. BIDEN), the Senator from Montana (Mr. BAUCUS), the Senator from Nevada (Mr. REID), the Senator from New Hampshire (Mr. GREGG), the Senator from Nevada (Mr. BRYAN), the Senator from West Virginia (Mr. BYRD), and the Senator from Maryland (Ms. MIKULSKI) were added as cosponsors of S. 1332, a bill to authorize the President to award a gold medal on behalf of Congress to Father Theodore M. Hesburg, in recognition of his outstanding and enduring contributions to civil rights, higher education, the Catholic Church, the Nation, and the global community.

S. 1369

At the request of Mr. JEFFORDS, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of S. 1369, a bill to enhance the benefits of the national electric system by encouraging and supporting State programs for renewable energy sources, universal electric service, affordable electric service, and energy conservation and efficiency, and for other purposes.

S. 1378

At the request of Mr. VOINOVICH, the names of the Senator from Mississippi (Mr. LOTT), the Senator from Missouri (Mr. BOND), and the Senator from Michigan (Mr. ABRAHAM) were added as cosponsors of S. 1378, a bill to amend chapter 35 of title 44, United States Code, for the purposes of facilitating compliance by small businesses with certain Federal paperwork requirements, to establish a task force to examine the feasibility of streamlining paperwork requirements applicable to small businesses, and for other purposes.

S. 1443

At the request of Mr. HARKIN, the names of the Senator from South Dakota (Mr. DASCHLE), and the Senator from South Dakota (Mr. JOHNSON) were added as cosponsors of S. 1443, a bill to amend section 10102 of the Elementary and Secondary Education Act of 1965 regarding elementary school and secondary school counseling.

S. 1452

At the request of Mr. SHELBY, the names of the Senator from Alabama (Mr. SESSIONS) and the Senator from Kansas (Mr. ROBERTS) were added as cosponsors of S. 1452, a bill to modernize the requirements under the National Manufactured Housing Construction and Safety Standards of 1974 and to establish a balanced consensus process for the development, revision, and interpretation of Federal construction and safety standards for manufactured homes.

S. 1511

At the request of Mr. HARKIN, the name of the Senator from Minnesota (Mr. WELLSTONE) was added as a cosponsor of S. 1511, a bill to provide for education infrastructure improvement, and for other purposes.

S. 1563

At the request of Mr. ABRAHAM, the name of the Senator from Nevada (Mr. REID) was added as a cosponsor of S. 1563, a bill to establish the Immigration Affairs Agency within the Department of Justice, and for other purposes.

S. 1590

At the request of Mr. CRAPO, the name of the Senator from Idaho (Mr. CRAIG) was added as a cosponsor of S. 1590, a bill to amend title 49, United

States Code, to modify the authority of the Surface Transportation Board, and for other purposes.

S. 1642

At the request of Mr. COCHRAN, the name of the Senator from Washington (Mr. GORTON) was added as a cosponsor of S. 1642, a bill to amend part F of title X of the Elementary and Secondary Education Act of 1965 to improve and refocus civic education, and for other purposes.

S. 1666

At the request of Mr. LUGAR, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 1666, a bill to provide risk education assistance to agricultural producers, and for other purposes.

S. 1693

At the request of Mr. GRAMS, the name of the Senator from Ohio (Mr. VOINOVICH) was added as a cosponsor of S. 1693, a bill to protect the Social Security surplus by requiring a sequester to eliminate any deficit.

S. 1701

At the request of Mr. SESSIONS, the name of the Senator from Pennsylvania (Mr. SANTORUM) was added as a cosponsor of S. 1701, A bill to reform civil asset forfeiture, and for other purposes.

S. 1738

At the request of Mr. JOHNSON, the name of the Senator from North Dakota (Mr. CONRAD) was added as a cosponsor of S. 1738, a bill to amend the Packers and Stockyards Act, 1921, to make it unlawful for a packer to own, feed, or control livestock intended for slaughter.

S. 1862

At the request of Mr. LEAHY, his name was added as a cosponsor of S. 1862, a bill entitled "Vermont Infrastructure Bank Program."

S. 1867

At the request of Mr. ROBB, the name of the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 1867, a bill to amend the Internal Revenue Code of 1986 to provide a tax reduction for small businesses, and for other purposes.

S. 1883

At the request of Mr. BINGAMAN, the name of the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 1883, a bill to amend title 5, United States Code, to eliminate an inequity on the applicability of early retirement eligibility requirements to military reserve technicians.

S. 1896

At the request of Mr. LEAHY, the name of the Senator from Vermont (Mr. JEFFORDS) was added as a cosponsor of S. 1896, a bill to amend the Public Buildings Act of 1959 to give first priority to the location of Federal facilities in central business areas, and for other purposes.

SENATE RESOLUTION 108

At the request of Mr. BREAUX, the names of the Senator from Ohio (Mr. VOINOVICH), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Connecticut (Mr. DODD), the Senator from California (Mrs. FEINSTEIN), the Senator from Washington (Mr. GORTON), the Senator from Ohio (Mr. DEWINE), the Senator from Idaho (Mr. CRAPO), the Senator from Illinois (Mr. DURBIN), the Senator from Missouri (Mr. ASHCROFT) and the Senator from Michigan (Mr. ABRAHAM) were added as cosponsors of Senate Resolution 108, a resolution designating the month of March each year as "National Colorectal Cancer Awareness Month."

SENATE RESOLUTION 128

At the request of Mr. COCHRAN, the names of the Senator from Arkansas (Mrs. LINCOLN) and the Senator from Minnesota (Mr. WELLSTONE) were added as cosponsors of Senate Resolution 128, a resolution designating March 2000, as "Arts Education Month."

SENATE RESOLUTION 216

At the request of Mr. CAMPBELL, the names of the Senator from Massachusetts (Mr. KERRY) and the Senator from Illinois (Mr. DURBIN) were added as cosponsors of Senate Resolution 216, a resolution designating the Month of November 1999 as "National American Indian Heritage Month."

At the request of Mr. CHAFEE, his name was added as a cosponsor of Senate Resolution 216, supra.

SENATE RESOLUTION 217

At the request of Mr. HUTCHINSON, the names of the Senator from Wisconsin (Mr. FEINGOLD) and the Senator from Florida (Mr. MACK) were added as cosponsors of Senate Resolution 217, a resolution relating to the freedom of belief, expression, and association in the People's Republic of China.

SENATE RESOLUTION 220

At the request of Mr. INHOFE, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of Senate Resolution 220, a resolution expressing the sense of the Senate regarding the February 2000 deployment of the U.S.S. Eisenhower Battle Group and the 24th Marine Expeditionary Unit to an area of potential hostilities and the essential requirements that the battle group and expeditionary unit have received the essential training needed to certify the warfighting proficiency of the forces comprising the battle group and expeditionary unit.

SENATE RESOLUTION 223

At the request of Mr. HELMS, the name of the Senator from Ohio (Mr. DEWINE) was added as a cosponsor of Senate Resolution 223, a resolution condemning the violence in Chechnya.

SENATE RESOLUTION 224

At the request of Mr. CLELAND, the names of the Senator from Virginia (Mr. WARNER), the Senator from Oklahoma (Mr. INHOFE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Connecticut (Mr. LIEBERMAN), and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of Senate Resolution 224, a resolution expressing the sense of the Senate to designate November 11, 1999, as a special day for recognizing the members of the Armed Forces and the civilian employees of the United States who participated in the recent conflict in Kosovo and the Balkans.

SENATE RESOLUTION 227

At the request of Mr. BOND, the names of the Senator from Mississippi (Mr. COCHRAN), the Senator from Mississippi (Mr. LOTT), the Senator from Alaska (Mr. MURKOWSKI), and the Senator from Alabama (Mr. SESSIONS) were added as cosponsors of Senate Resolution 227, a resolution expressing the sense of the Senate in appreciation of the National Committee for Employer Support of the Guard and Reserve.

At the request of Mr. BRYAN, the name of the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of Senate Resolution 227, supra.

AMENDMENT NO. 2515

At the request of Mr. LEAHY his name was added as a cosponsor of Amendment No. 2515 proposed to S. 625, a bill to amend title 11, United States Code, and for other purposes.

AMENDMENT NO. 2516

At the request of Mr. KOHL the name of the Senator from Iowa (Mr. HARKIN) was added as a cosponsor of Amendment No. 2516 proposed to S. 625, a bill to amend title 11, United States Code, and for other purposes.

AMENDMENT NO. 2650

At the request of Mr. SESSIONS his name was added as a cosponsor of Amendment No. 2650 proposed to S. 625, a bill to amend title 11, United States Code, and for other purposes.

AMENDMENT NO. 2771

At the request of Mr. HATCH the names of the Senator from North Carolina (Mr. HELMS) and the Senator from Colorado (Mr. ALLARD) were added as cosponsors of Amendment No. 2771 proposed to S. 625, a bill to amend title 11, United States Code, and for other purposes.

SENATE CONCURRENT RESOLUTION 72—EXPRESSING CONDEMNATION OF THE USE OF CHILDREN AS SOLDIERS AND THE BELIEF THAT THE UNITED STATES SHOULD SUPPORT AND, WHERE POSSIBLE, LEAD EFFORTS TO ESTABLISH AND ENFORCE INTERNATIONAL STANDARDS DESIGNED TO END THIS ABUSE OF HUMAN RIGHTS

Mr. WELLSTONE submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 72

Whereas in 1999 approximately 300,000 individuals under the age of 18 are participating in armed conflict in more than 30 countries worldwide and hundreds of thousands more are at risk of being conscripted at any given moment;

Whereas many of these children are forcibly conscripted through kidnapping or coercion, while others join military units due to economic necessity, to avenge the loss of a family member, or for their own personal safety;

Whereas many military commanders frequently force child soldiers to commit gruesome acts of ritual killings or torture against their enemies, including against other children;

Whereas many military commanders separate children from their families in order to foster dependence on military units and leaders, leaving children vulnerable to manipulation, deep traumatization, and in need of psychological counseling and rehabilitation;

Whereas child soldiers are exposed to hazardous conditions and risk physical injuries, sexually transmitted diseases, malnutrition, deformed backs and shoulders from carrying overweight loads, and respiratory and skin infections;

Whereas many young female soldiers face the additional psychological and physical horrors of rape and sexual abuse, being enslaved for sexual purposes by militia commanders, and forced to endure severe social stigma should they return home;

Whereas children in northern Uganda continue to be kidnapped by the Lords Resistance Army (LRA) which is supported and funded by the Government of Sudan and which has committed and continues to commit gross human rights violations in Uganda;

Whereas children in Sri Lanka have been forcibly recruited by the opposition Tamil Tigers movement and forced to kill or be killed in the armed conflict in that country;

Whereas an estimated 7,000 child soldiers have been involved in the conflict in Sierra Leone, some as young as age 10, with many being forced to commit extrajudicial executions, torture, rape, and amputations for the rebel Revolutionary United Front;

Whereas the international community is developing a consensus on how to most effectively address the problem, and toward this end, the United Nations has established a working group to negotiate an optional international agreement on child soldiers which would raise the legal age of recruitment and participation in armed conflict to age 18;

Whereas on October 29, 1998, United Nations Secretary General Kofi Annan set minimum age requirements for United Nations peacekeeping personnel that are made available by member nations of the United Nations;

Whereas United Nations Under-Secretary General for Peacekeeping, Bernard Miyet, announced in the Fourth Committee of the General Assembly that contributing governments of member nations were asked not to send civilian police and military observers under the age of 25, and that troops in national contingents should preferably be at least 21 years of age but in no case should they be younger than 18 years of age;

Whereas on August 25, 1999, the United Nations Security Council unanimously passed Resolution 1261 (1999) condemning the use of children in armed conflicts;

Whereas in addressing the Security Council, the Special Representative of the Secretary General for Children and Armed Conflict, Olara Otunnu, urged the adoption of a global three-pronged approach to combat the use of children in armed conflict: first, to raise the age limit for recruitment and participation in armed conflict from the present age of 15 to the age of 18; second, to increase international pressure on armed groups which currently abuse children; and third, to address the political, social, and economic factors which create an environment where children are induced by appeal of ideology or by socio-economic collapse to become child soldiers; and

Whereas the United States delegation to the United Nations working group relating to child soldiers has opposed efforts to raise the minimum age of participation in armed conflict to the age of 18 despite the support of an overwhelming majority of countries: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That—

(1) the Congress joins the international community in condemning the use of children as soldiers by governmental and nongovernmental armed forces worldwide; and

(2) it is the sense of the Congress that—

(A) the United States should not oppose current efforts to negotiate an optional international agreement to raise the international minimum age for military service to the age of 18;

(B) the Secretary of State should address positively and expediently this issue in the next session of the United Nations working group relating to child soldiers before this process is abandoned by the international community; and

(C) the President and the Congress should work together to enact a law that establishes a fund for the rehabilitation and reintegration into society of child soldiers.

Mr. WELLSTONE. Mr. President, today I am submitting a concurrent resolution expressing condemnation of the use of children as soldiers and the belief that the United States should support and, where possible, lead efforts to establish and enforce international standards designed to end this abuse of human rights.

In 1999, an estimated 300,000 individuals under the age of 18, some as young as age 5, were serving as soldiers in dozens of armed conflicts around the world, some with armed insurgencies, and some in regular armies.

Over the past five years, children were combatants in at least 33 countries around the world: in Africa, in the Americas, in Europe, the Middle East and Persian Gulf, and in Asia.

Throughout the world, children are exploited by adults for cruel purposes. These children have no voice. Some children are kidnaped and forced to become combatants. In the conflict in Sierra Leone, rebel armies willfully conscripted children into their ranks after forcing them to kill their family members and neighbors.

Once conscripted, many children are subject to brutal induction ceremonies. The impact of the regular use of physical and emotional abuse involving degradation and humiliation of younger recruits to "indoctrinate" discipline, and to induce fear of superiors usually results in low self-esteem, guilt feelings and violent solutions to problems.

In addition, children are treated like their adult counterparts. This can have severe physical effects. Poor and inadequate food and medical care have more serious implications for children, whose bodies are still growing and may be weakened by the exertions of military life. Children who cannot "keep up" are routinely killed by their leaders so that they cannot reveal any secrets.

Child soldiers are sometimes drugged so that they will fight even more fiercely. They may be used as human shields, to protect the more valuable, trained adult soldiers.

Some children may appear to become combatants of their own accord. These are children—children without the capacity to judge what is in their own best interest. Children who are subject to subtle manipulations by family and community members may succumb to pressures that lead them to participate in hostilities.

Some children become so enraged by the violence against their families and communities they become combatants to seek revenge. These "volunteers" are children who have witnessed extremes of physical violence, including death squad killings, disappearances, torture, destruction of home or property and massacres. Young children seldom appreciate the dangers which they face. Alone, orphaned, frightened, bored, and frustrated, they will often finally choose to fight.

When a conflict has ended, child soldiers often do not receive any special treatment for their reintegration into civil society. Child soldiers have different needs than adult soldiers and require special services, such as education, training, and social and psychological rehabilitation.

Although child soldiers are subjected to unspeakable horrors, the international community has been slow in outlawing the use of children under 18 in armed conflicts. Today, international law regarding child soldiers is governed primarily by the UN Convention on the Rights of the Child. The Convention states that children under 15 cannot be recruited, conscripted, or made to participate in armed conflict. Every country in the United Nations, except the United States and Somalia has ratified the Convention.

Currently, a number of governments are working in Geneva to establish an Optional Protocol to the Convention on the Rights of the Child that would raise the minimum age for recruitment and participation in conflict in 18. The working group has met over the past five years, but so far has been unable to reach consensus as to the wording and terms of the protocol. This delay is in part due to the United States, which does not want to give up its practice of recruiting youths under 18 for military service.

Although in the United States conscription is limited to those 18 and over, the United States military has a long standing practice of recruiting youths under the age of 18 and allowing them to be designated to fill combat positions. According to the U.S. Defense Department, children under the age of 18 make up less than one-half of one percent of active U.S. troops, about 7,000 individuals. I urge the Defense Department to examine its policy of recruiting children under the age of 18. Further, I urge the Defense Department to reassign those recruits under 18 to non-combat positions and adopt a clear policy barring those under 18 from participating in armed conflict. These steps would bring the United States closer to the emerging international consensus regarding the minimum age for military service.

Further, to move forward, the United States government must drop its objection to an international agreement establishing 18 as the minimum age for recruitment or participation in armed conflict. Since the United States is not even a party to the parent treaty, our opposition is inappropriate. The United States should not object to other countries moving forward in protecting their children even if we choose not to follow suit.

Mr. President, I speak today for these children who have grown up surrounded by violence and can only see this as a permanent way of life; for the children who are the victims of unfathomable terror and violence; and, for the children who are forced to perpetrate equal atrocities upon others.

I speak for the children who have no other voice to speak for them, and no voice to speak for themselves. I submit this resolution so that the United States Congress can speak for these children.

I ask the United States Senate, as we look to the new millennium, to begin the process whereby we eliminate the use of children as soldiers. I ask the Senate to give voice to these children and to future generations of children through passage of this concurrent resolution.

The resolution simply provides that (1) the Congress joins the international community in condemning the use of children as soldiers; and (2) it is the sense of the Congress that (A) the United States should not oppose current efforts to negotiate an optional international agreement to raise the international minimum age for military service to the age of 18; (B) The Secretary of State should address positively and expediently this issue in the next session of the United Nations working group relating to child soldiers before this process is abandoned by the international community; and (C) the President and the Congress should work together to enact a law that establishes a fund for the rehabilitation and reintegration into society of child soldiers.

SENATE CONCURRENT RESOLUTION 73—EXPRESSING THE SENSE OF THE CONGRESS REGARDING FREEDOM DAY

Mr. LIEBERMAN submitted the following concurrent resolution; which was referred to the Committee on the Judiciary:

S. CON. RES. 73

Whereas on November 9, 1989, the Berlin Wall was torn down by those whom it had imprisoned;

Whereas the fall of the Berlin Wall has become the preeminent symbol of the end of the Cold War;

Whereas the Cold War, at is essence, was a struggle for human freedom;

Whereas the end of the Cold War was brought about in large measure by the dedication, sacrifice, and discipline of Americans and many other peoples around the world united in their opposition to Soviet Communism;

Whereas freedom's victory on the Cold War against Soviet Communism is the crowning achievement of the free world's long 20th century struggle against totalitarianism; and

Whereas it is highly appropriate to remind Americans, particularly those in their formal educational years, that America paid the price and bore the burden to ensure the survival of liberty on this planet: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that—

(1) a Freedom Day should be celebrated each year in the United States; and

(2) the United States should join with other nations, specifically including those which liberated themselves to help end the Cold War, to establish a global holiday called Freedom Day.

Mr. LIEBERMAN. Mr. President, we have just marked the 10th anniversary of the fall of the Berln Wall, one of the most important milestones of our era. In honor of this event, I am submitting a resolution urging that a "Freedom Day" be celebrated each year in the United States. It also calls on the United States to work with other nations to establish a global holiday called "Freedom Day." The House already passed an identical resolution, introduced by my friend House Policy Chairman CHRISTOPHER COX, by a vote of 417–0, and it is my hope that we can pass it in the Senate before adjournment.

A decade later, it is sometimes easy to forget the profound significance of November 9, 1989, the day that Berlin Wall came down. It was the symbolic end of four decades of a Cold War that had dominated our foreign and defense policies and threatened international stability. The Cold War's end was a resounding success for the United States and the international community, that set off a worldwide movement toward greater democratization and the embrace of free markets.

In the United States, credit for this success can be generously distributed to generations of American leaders, both Democrats and Republicans, who never wavered in their courageous determination to contain the Soviet Union and resist totalitarianism. The end of the Cold War was truly a bi-partisan effort and a national achievement, and is a model of cooperation that we should not forget as we seek to address the international concerns we face now and in the future.

The fall of the wall was a transcendent moment in the struggle against totalitarianism and for democracy, a smashing victory for the human spirit and the cause of human rights. It is only fitting that we choose the anniversary of this epochal triumph to honor and celebrate freedom's march of progress across the planet.

This effort to establish a "Freedom Day," in recognition of the end of the Cold War, was inspired by my good friend Ben Wattenberg, Senior Fellow at the American Enterprise Institute and a long time champion of freedom and democracy. His recent column entitled "moving Forward With Freedom Day" is particularly noteworthy.

Mr. President, I ask unanimous consent that the complete text of Mr. Wattenberg's column be inserted in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MOVING FORWARD WITH FREEDOM DAY

Ten years ago, on Nov. 9, 1989, the Berlin Wall was battered down by the people it had imprisoned. The event is regarded as the moment the Cold War ended. For Americans without sentiment memories of World War II, the end of the Cold War has been the most momentous historical event of their lifetimes, and so it will likely remain.

Long yearned for, the end of the Cold War has more than lived up to expectations: Democracy is on the march globally, defense budgets are proportionately down, market economies are beginning to flourish most everywhere, everyday people are benefiting each and every day.

The end of the Cold War actually was a process, not an event. By early 1989, Soviet President Mikhail Gorbachev had pulled his troops from Afghanistan, whipped. Poles elected a noncommunist government; the Soviets did nothing. Hungary, Czechoslovakia, East Germany and later Bulgaria installed non-communist governments. It was called "the velvet revolution," with only Romania the exception; Nicolae Ceausescu and his empress were executed.

For almost two years, the U.S.S.R. remained a one-party communist state, gradually eroding. Hard-liners attempted to resist the slow motion dis-memberment. On Aug. 19, 1991, Boris Yeltsin stood on a tank to resist a hard-line coup. The hammer-and-sickle came down; the Russian tricolor went up. Other Soviet republics declared independence, including the big guy on the block, Ukraine.

U.S. diplomats did not "gloat" about it. The sovereign state of Russia would be unstable enough without the United States rubbing it in.

On Dec. 4, 1991, I proposed in a column that a new national holiday be established to commemorate the end of the Cold War. I asked readers to participate in a contest to: 1. Name it; 2. pick a date; and 3. propose a method of celebration.

Several hundred submissions came in. Some of the most imaginative entries for a name were: "Defrost Day," "Thaw Day," "Ronald Reagan Day," "Gorbachev Day," "Borscht Day," "Peace Through Strength Day," "E Day" (which would stand for "Evil Empire Ends Day"), "E2D2" ("Evil Empire Death Day"), "Jericho Day," "Pax Americana Day" and "Kerensky Future Freedom Day" (recalling that Mr. Yeltsin was not the first pro-democratic leader of Russia).

Scores of respondents offered "Liberty Day," "Democracy Day," and, mostly, "Freedom Day." In June of 1992, I publicly proclaimed "Freedom Day" the winner.

One suggestion for the date of the new holiday was June 5, for Adam Smith's birthday. But the most votes went for Nov. 9, the day the wall fell. So today I proclaim that date Freedom Day.

There were ideas about how to celebrate and commemorate Freedom Day: Build a sibling sculpture to the Statue of Liberty; eat potatoes, the universal food; build a tunnel to Russia across the Bering Strait; thank God for peace; welcome immigrants; meditate; issue a U.N. stamp; build ice sculptures; send money to feed Russians; and do something you can't do in an unfree country—make a public speech, see a dirty movie, celebrate a religion, travel across a border.

I propose that discussion on the matter of how to celebrate be put on hold until we get the holiday established.

How? Because all the major presidential candidates participated in the Cold War, they should endorse the holiday. Legislators ought to push for it. Anyone who worked in a defense industry, or paid federal taxes from 1945 to 1989, ought to support it. President Clinton ought to go to the Reagan Library to endorse it.

I met with Mark Burman of the Reagan Presidential Foundation. He says they are on board for a campaign. The other great presidential libraries—Truman, Eisenhower, Kennedy, Johnson, Nixon, Ford and Carter—should join in.

So should anyone concerned with the teaching of American history. The holiday will remind American children that their recent ancestors preserved freedom. The Cold War generation may not be "the greatest" but they did their job—victory without a major hot war.

Americans can only create an American holiday. But we ought to invite all other countries to join in, Russia first. The citizens of Russia won the Cold War as surely as we did. If I were a Chinese dissident, I'd promote the idea; it might give their leaders a clue.

If you like the idea, or have ideas, you may e-mail me at Watmail@aol.com. I'll pass the correspondence along to the appropriate persons, as soon as I figure out who they are.

SENATE RESOLUTION 231—REFERRING S. 1456 ENTITLED "A BILL FOR THE RELIEF OF ROCCO A. TRECOSTA OF FORT LAUDERDALE, FLORIDA" TO THE CHIEF JUDGE OF THE UNITED STATES COURT OF FEDERAL CLAIMS FOR A REPORT THEREON

Mr. GRAHAM submitted the following resolution; which was referred to the Committee on the Judiciary:

S. Res. 231

Resolved,

SECTION 1. REFERRAL.

S. 1456 entitled "A bill for the relief of Rocco A. Trecosta of Fort Lauderdale, Florida" now pending in the Senate, together with all the accompanying papers, is referred to the chief judge of the United States Court of Federal Claims.

SEC. 2. PROCEEDING AND REPORT.

The chief judge shall—

(1) proceed according to the provisions of sections 1492 and 2509 of title 28, United States Code; and

(2) report back to the Senate, at the earliest practicable date, providing—

(A) such findings of fact and conclusions that are sufficient to inform the Congress of the nature, extent, and character of the claim for compensation referred to in such bill as a legal or equitable claim against the United States or a gratuity; and

(B) the amount, if any, legally or equitably due from the United States to Rocco A. Trecosta of Fort Lauderdale, Florida.

SENATE RESOLUTION 232—MAKING CHANGES TO SENATE COMMITTEES FOR THE 106TH CONGRESS

Mr. LOTT (for himself and Mr. Daschle) submitted the following resolution; which was considered and agreed to:

S.Res. 232

Resolved, That notwithstanding the provisions of S. Res. 400 of the 95th Congress, or the provisions of rule XXV, the following changes shall be effective on those Senate committees listed below for the 106th Congress, or until their successors are appointed:

Committee on Intelligence: effective the 2nd session of the 106th Congress, remove Mr. DeWine, and Mr. Kerrey.

AMENDMENTS SUBMITTED

PRIVACY PROTECTION STUDY COMMISSION ACT OF 1999

KOHL (AND TORRICELLI) AMENDMENT NO. 2777

(Ordered referred to the Committee on the Judiciary)

Mr. KOHL (for himself and Mr. Torricelli) submitted an amendment intended to be proposed by them to the bill (S. 1901) to establish the Privacy Protection Study Commission to evaluate the efficacy of the Freedom of Information Act and the Electronic Freedom of Information Act Amendments of 1996, to determine whether new laws are necessary, and to provide advice and recommendations; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Privacy Protection Study Commission Act of 1999".

SEC. 2. FINDINGS AND PURPOSES.

(a) Findings.—Congress finds that—

(1) the right of privacy is a longstanding personal right embedded in United States history and jurisprudence;

(2) the openness of Government records, procedures, and actions has become increasingly important in recent years, and should remain so in a free and democratic society;

(3) the use of electronic data collection, storage, communications, transfer, and usage has increased exponentially, thus heightening the potential impact upon individual privacy;

(4) national surveys indicate that the growth and expansion of technology has resulted in concern regarding electronic data privacy for more than 80 percent of United States citizens;

(5) currently, there is no uniform Government policy addressing either Government or private sector uses of personal data;

(6) the right of individual privacy must be weighed against legitimate uses of personal information that benefit the public good; and

(7) the private sector has made notable efforts to self-regulate privacy protection, especially in the online environment, but there remains room for improvement.

(b) Purpose.—The purpose of this Act is to establish a study commission to—

(1) examine the implications of new and existing technologies on individual privacy;

(2) ensure appropriate privacy protection of both Government and private sector uses of personal information, recognizing that a balance exists between individual rights and the public good including the legitimate needs of law enforcement;

(3) identify Government efforts to establish privacy policy, including recommendations for improved coordination among Government agencies, and foreign governments, and if necessary, legislative proposals;

(4) evaluate new technology (i.e. biometrics) to enhance electronic data privacy; and

(5) study the extent, need, and feasibility of individual control over personal information.

SEC. 3. ESTABLISHMENT OF COMMISSION.

(a) Establishment.—There is established a commission to be known as the Privacy Protection Study Commission (hereafter in this Act referred to as the "Commission").

(b) Membership.—

(1) Composition.—The Commission shall be composed of 9 members of whom—

(A) 3 shall be appointed by the President of the United States;

(B) 2 shall be appointed by the Majority Leader of the Senate and 1 shall be appointed by the Minority Leader of the Senate; and

(C) 2 shall be appointed by the Speaker of the House of Representatives and 1 shall be appointed by the Minority Leader of the House of Representatives.

(2) Qualifications.—Members of the Commission shall be chosen based on their knowledge and expertise in law, civil rights and liberties, privacy matters, government, business, telecommunications, media, or information technology.

(3) Chairman and vice chairman.—The Commission shall elect a Chairman and Vice Chairman from among its members. The Chairman, or a member appointed by the Chairman, shall be the official spokesperson of the Commission in its relations with Congress, Government agencies, other persons, and the public.

(4) Term of appointment; vacancies.—

(A) Appointment.—

(i) In general.—Members shall initially be appointed not later than 90 days after the date of enactment of this Act.

(ii) Term.—Members shall be appointed for the life of the Commission.

(B) Vacancy.—Any vacancy in the Commission shall not affect its powers and shall be filled in the same manner as the original appointment.

(5) Voting.—Each member of the Commission shall have equal responsibility and authority in all decisions and actions of the Commission, and shall have 1 vote. Action of the Commission shall be determined by a majority vote of the members present.

(6) Quorum.—Five members of the Commission shall constitute a quorum, however a lesser number of members may hold hearings.

SEC. 4. DUTIES OF THE COMMISSION.

(a) Investigation.—The Commission is authorized to conduct a thorough investigation of all matters relating to privacy policy.

(b) Mandatory Commission Functions.—The Commission shall—

(1) research and investigate the actual and potential implications to individual privacy of electronic collection, storage, transfer, and usage of personal information by Federal, State, and local governments and the private sector;

(2) review enacted law and proposed Federal and State legislation pertinent to privacy protection and electronic data protection, including sections 552 and 552a of title 5, United States Code (commonly referred to as the Freedom of Information Act and the Privacy Act, respectively), the 1996 Electronic Freedom of Information Act Amendments of 1996 (5 U.S.C. 552 note)), Electronic Communications Privacy Act of 1986 (18 U.S.C. 2510 note), Fair Credit Reporting Act (15 U.S.C. 1601 et seq.), and the Cable Television Consumer Protection and Competition Act of 1992 (47 U.S.C. 521 et seq.), and if necessary, propose any legislation to—

(A) ensure appropriate privacy protection for both Government and private sector uses of personal information;

(B) provide the proper balance between privacy protection and legitimate, effective uses of information and the needs of law enforcement agencies; and

(C) eliminate and resolve any conflict between laws; and

(3) evaluate the effectiveness and success of self-regulation privacy initiatives undertaken by the private sector.

(c) Discretionary Commission Functions.—The Commission may—

(1) evaluate the status of Federal and State laws for the purpose of establishing policy objectives for Federal privacy protection and electronic data protection, including efforts to harmonize United States law with that of foreign jurisdictions;

(2) develop model privacy protection, electronic data protection, and fair information practices, standards, and guidelines;

(3) evaluate potential technology that will enhance privacy protection and electronic data protection;

(4) identify privacy protection policies of Federal agencies, and evaluate the possible need for coordination of such policies; and

(5)(A) determine the need for the establishment of a permanent Federal agency, department, or bureau to maintain uniform privacy protection and electronic data protection policy; and

(B) if the Commission determines such an agency is advisable, develop a business plan for the establishment and maintenance of such agency.

(d) Reports; Recommendations.—

(1) Progress reports.—The Commission may provide periodic written reports to the President and the Judiciary Committees of the Senate and the House of Representatives on the Commission's activities and findings.

(2) Final report.—

(A) In general.—Not later than 18 months after the date on which the first meeting of the Commission occurs, the Commission shall submit a written final report to the President and Congress on the Commission's findings.

(B) Contents.—The report shall contain a detailed statement of the Commission's findings and conclusions, together with any recommendations for such legislation and administrative actions as the Commission considers appropriate.

SEC. 5. POWERS OF THE COMMISSION.

(a) Hearings.—The Commission may hold such hearings and sit and act at such times and places, administer oaths, and require by subpoena or otherwise, the attendance and testimony of witnesses and the production of books, records, correspondence, memorandums, papers, and documents as the Commission considers necessary.

(b) Subpoena Powers.—

(1) In general.—Subpoenas issued under subsection (a)—

(A) may only be issued pursuant to a majority vote of all the members of the Commission, including affirmative votes by the Chairman and the Vice-Chairman of the Commission;

(B) shall bear the signature of the Chairman of the Commission or any designated member; and

(C) may be served by any person or class of persons designated by the Chairman for that purpose.

(2) Enforcement.—

(A) In general.—In case of contumacy or failure to obey a subpoena issued under subsection (a), the United States district court for the judicial district in which the subpoenaed person resides, is served, or may be found, may issue an order requiring such person to appear at any designated place to testify or to produce documentary or other evidence.

(B) Punishment.—Any failure to obey the order of the court may be punished by the court.

(3) Witness allowance and fees.—The provisions of section 1821 of title 28, United States Code, shall apply to witnesses requested or subpoenaed to appear at any hearing of the Commission. The per diem and mileage allowances for witnesses shall be paid from funds available to pay the expenses of the Commission.

(c) Information From Federal Agencies.—The Commission may secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality any information, suggestions, estimates, and statistics for the purpose of carrying out this Act. Any entity from which such information is requested is authorized and directed, to the extent authorized by law, to furnish the requested information to the Commission, upon request made jointly by the Chairman and Vice Chairman.

(d) Confidentiality.—

(1) In general.—The Commission may accept from any Federal agency or other person, any identifiable personal data if such data is necessary to carry out its powers and functions.

(2) Safeguards.—In any case in which the Commission accepts such information, it shall provide all appropriate safeguards to ensure that the confidentiality of the information is maintained and that upon completion of the specific purpose for which such information is required, the information is destroyed or returned to the agency or person from which it was obtained.

SEC. 6. COMMISSION PERSONNEL MATTERS.

(a) Compensation of Commission Members.—

(1) In general.—Except as provided in paragraph (2), each member of the Commission shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day during which such member is engaged in the actual performance of the duties of the Commission.

(2) Government personnel.—Members of the Commission who are full-time officers or employees of the United States or Members of Congress shall receive no additional pay on account of their service on the Commission.

(b) Travel Expenses.—While away from their homes or regular places of business in the performance of services for the Commission, the members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code.

(c) Staff.—

(1) In general.—The Chairman of the Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other personnel as may be necessary to enable the Commission to perform its duties.

(2) Compensation.—The Chairman of the Commission may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the rate payable for level V of the Executive Schedule under section 5326 of such title.

(3) Special experts and consultants.—The Chairman of the Commission is authorized to procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code, at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

SEC. 7. TERMINATION OF THE COMMISSION.

The Commission shall terminate 30 days after the date on which its final report is submitted to the President and Congress.

SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

(a) In General.—There are authorized to be appropriated $5,000,000 to carry out the provisions of this Act.

(b) Availability.—Any sums appropriated in this section shall remain available, without fiscal year limitation, until expended.

BANKRUPTCY REFORM ACT OF 1999

HUTCHISON (AND OTHERS) AMENDMENT NO. 2778

Mrs. HUTCHISON (for herself, Mr. BROWNBACK, and Mr. GRAHAM) proposed an amendment to amendment No. 2516 proposed by Mr. KOHL to the bill (S. 625) to amend title 11, United States Code, and for other purposes; as follows:

Strike the period at the end and insert the following: ". The provisions of this section shall not apply to debtors if applicable State law provides by statute that such provisions shall not apply to debtors and shall not take effect in any State before the end of the first regular session of the State legislature following the date of enactment of this Act.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON THE JUDICIARY

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, November 10, 1999, beginning at 10 a.m., in Dirksen Room 226, to conduct a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, November 10, 1999 after the first vote, approximately 12 p.m., in the President's Room to conduct a markup.

The PRESIDING OFFICER. Without objection, it is so ordered.

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. LOTT. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations of the Governmental Affairs Committee be authorized to meet on Wednesday, November 10, 1999, at 1 p.m., for a hearing entitled "Private Banking and Money Laundering: A Case Study of Opportunities and Vulnerabilities."

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate Committee on Governmental Affairs and the Senate Committee on Health, Education, Labor, and Pensions be authorized to meet during the session of the Senate on Wednesday, November 10, 1999 at 10 a.m. for a hearing regarding Federal Contracting and Labor Policy: Could the Administration's Change to Procurement Regulations Lead to "Blacklisting" Contractors?

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INTERNATIONAL RELATIONS

Mr. LOTT. Mr. President, I ask unanimous consent that the Subcommittee on International Relations of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, November 10, 1999 at 2 p.m. to hold a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

GEORGE GABRIEL CELEBRATING HIS 90TH BIRTHDAY

• Mr. MOYNIHAN. Mr. President, I rise today to honor my fellow New Yorker George Gabriel on the occasion of his 90th birthday. George has been a war veteran, tennis instructor, lawyer, and vice president of Broadcast Music, Incorporated (B.M.I.). His family will always know him for his love of classical music, quick wit, and pertinent advice.

During World War II, George was stationed in Australia and the Philippines. He distinguished himself as a member of the Army's code-breaking operations, reading enciphered cables intercepted from Japan. This might explain his affinity for the always challenging New York Times crossword puzzles!

After the war, he graduated from Brooklyn Law School and went to work for B.M.I. His work in the field of music copyright prompted a quick rise up the corporate ladder. He was eventually promoted to the position of vice president, where he remained until the time of his retirement.

Yet, for all his professional achievements, it is his personal life that gives him the most fulfillment. This epochal moment marks a grand achievement for a man who is a mentor to grandchildren, nieces, and nephews. I offer my prayers to George for continued good health and cheer, and close with a particularly apt Irish blessing:

May joy and peace surround you,
Contentment latch your door,
And happiness be with you now,
And bless you evermore.•

COMPREHENSIVE TEST BAN TREATY

• Mr. COVERDELL. Mr. President, several weeks ago the Senate wisely rejected the Comprehensive Test Ban Treaty. Much was written about how the debate evolved here in the Senate. As one closely involved in this historic debate, I submit for the RECORD an excellent article in the November 8 issue of National Review by Richard Lowry.

The article follows.

[From the National Review, Nov. 8, 1999]

TEST-BAN BAN

(By Richard Lowry)

"If we had a hearing and had a vote on the CTBT, we would win overwhelmingly."

—Sen. Joe Biden, July 29, 1998

Jesse Helms mounted his motorized cart and left the Republican cloakroom, just off the Senate floor. Arizona senator Jon Kyl was right behind him. Georgia's Paul Coverdell got word in his office and immediately headed out the door. All were converging on the offices of majority leader Trent Lott late Tuesday afternoon, Oct. 12, as Senate staffers and others buzzed of an imminent deal to avoid a vote on the Comprehensive Test Ban Treaty. Minority leader Tom Daschle had just offered Lott a treaty-saving agreement. Now the small group of Republicans-after clearing Lott's cramped conference room of all staff, to ensure privacy—would decide whether the Senate would vote down a major international treaty for the first time in 80 years.

Their decision would be the culmination of months of work, and it would determine whether the congressional wing of the GOP would win its most significant victory since welfare reform in 1996. They knew they had a strong case on the merits. Defeating the treaty would, among other things, fit into a two-pronged national-security strategy featuring both missile defense and nuclear deterrence; deterrence is impossible without a safe, reliable American arsenal of the sort that the treaty would endanger. Shrewd GOP tactics and a series of Democratic miscalculations had brought the treaty to the brink, and now the senators were back where they had started—around that conference table—pondering whether to push it over the edge.

The first meeting in Lott's office had been in late April, when those same four began a quiet, well-organized effort to defeat the treaty. Kyl was the point man. A bright, serious-minded conservative and an authority on arms control, he had hosted meetings of anti-treaty staff as early as February. Soon after, he enlisted the help of Coverdell, always an important behind-the-scenes Senate player. Treaty opponents realized from the beginning that they would be wise to learn from their defeat on the Chemical Weapons Convention two years earlier, when Lott undercut them at the last minute. The first lesson? Get Lott on board early.

At the April meeting, Lott indicated his opposition to the treaty but said that no decisions could be made until the group determined how many Republicans were with them. So, in early May, treaty opponents began the first in a series of careful "whip checks" of how GOP Senators intended to vote. They gave wide berth to Senators who were likely to support the treaty or might spread word that something was afoot. "There were 15 to 20 members we didn't even ask," says a Senate aide. The first count showed 24 votes against the treaty—10 short of the number needed to stop it—with another 11 "leaning against."

Around this time, an internal debate among treaty opponents was close to resolution, at least in the minds of Kyl and Coverdell. The question had been whether it was better to "go fast"—gather the votes to defeat the treaty, then vote on it right away—or "go slow," in the hope of bottling it up forever. The "go fast" advocates figured treaty opponents would only lose strength as the November 2000 elections neared. With the approach of Election Day, Senators would want to avoid any controversial vote, while the White House would benefit from additional time to hammer its opponents. The chemical-weapons fight had demonstrated the awesome communications power of the administration. Why wait for it to shift into gear?

In early August, Lott was shown a binder full of clips—op-eds and letters—that supported the treaty, which seemed to indicate that the administration's push for it was underway. For a long time, treaty opponents had feared the administration would use a September conference commemorating the third anniversary of the treaty's signing as a deadline for Senate action. A July 20 letter from all the Senate Democrats—demanding hearings and a vote by October—seemed to confirm this plan. A fall treaty fight would coincide nicely with the period in which Republicans would be scrambling to pass appropriations bills. Democrats would have leverage to threaten to bollix up the spending process—creating the conditions for another "government shutdown"—unless Republicans released the treaty.

Lott settled on a three-part interim strategy: (1) Helms—with 25 years' experience opposing ill-conceived arms-control treaties—

would continue to hold up the treaty in his Foreign Relations Committee; (2) meanwhile, influential former national-security officials would continue to be lined up in opposition to it; and (3) Kyl and Coverdell would continue to work the vote count. By the time of a Sept. 14 meeting in Lott's office, Kyl could guarantee 34 votes in opposition—just enough. He could also deliver the energetic help of former secretary of defense (and secretary of energy) James Schlesinger.

Before long, the education effort by treaty opponents was in full swing. Kyl's staff prepared briefing books to distribute to other Senate staffers. Two nuclear-weapons experts who had worked in the labs briefed senators both individually and in small groups. And Schlesinger, who had served in both Republican and Democratic administrations, spoke at a luncheon for Republican Senators, then returned for more briefings the following week. "He was key to us," says the Senate aide. The effort began to show in the steadily rising vote count: Sept. 14–34 opposed; Sept. 17–35; Sept. 22–38; Sept. 30—an amazing 42.

At the same time, Democrats heedlessly stepped up their agitation for action on the treaty. North Dakota Senator Byron Dorgan was threatening to tie up Senate business, getting under Lott's skin. "They were a huge influence on the decision to say, 'Okay, let's just hold this vote,'" says Coverdell about the Democrats. On Sept. 28, Biden showed Helms a resolution that he planned to offer, proposing hearings on the treaty this year and a vote by March 31, 2000. Biden's ploy seemed to indicate that the Democrats now planned to raise the temperature on the treaty in the spring, when it would get enmeshed in the presidential campaign and discomfit George W. Bush. As a result, Lott decided to move. He quietly reassured Biden that his resolution would be unnecessary.

On Sept. 30, Lott offered a "unanimous consent" agreement—all Senators have to sign on to such an agreement for it to go into effect—to bring up the treaty for an immediate vote. Daschle objected, charging that, among other things, there wasn't enough time for debate. Lott gave the Democrats the additional time they wanted, and on Oct. 1, Daschle lent his support to a new agreement. There would be a vote on the treaty within two weeks. Every Democrat in the Senate had endorsed the timing—and this was a mistake of major proportions.

Why did the Democrats do it? In part, they were trapped by their own rhetoric. Gleeful GOP staffers had a sheaf of statements from Democrats demanding a treaty vote this year. How could they back out now? They were also probably unaware of the direness of their situation. "It was plain arrogance," says Kyl. "They didn't have any idea they wouldn't win." Democrats also might have figured that they could, if necessary, cut a last-minute deal with Lott to avert a vote. The final days of the treaty fight featured a panicked Democratic effort to reverse course and do just that, even as the vote count against them continued to mount: Oct. 1–43 against; Oct. 7–45.

Lott was still open to avoiding a vote, but only if he could get an ironclad agreement from the Democrats that it would not come up again for the duration of the Clinton administration. It was this possibility—and the wiggle room the administration would surely find in any such deal—that had treaty opponents on edge. "We were nervous until the vote took place that something was going to sidetrack it," says Arkansas Senator Tim Hutchinson. On Oct. 12, Daschle sent Lott a letter proposing to shelve the treaty, barring "unforeseen changes." Lott promised to run it by his members. Hence the call that brought Helms, Kyl, and Coverdell dashing to Lott's office. Daschle's staff was already telling reporters that a deal was at hand, prompting yet another treaty opponent, Oklahoma's Jim Inhofe, to sprint to Lott's office unbidden.

Kyl, Helms, and Coverdell huddled with Lott over Daschle's proposal. What did "unforeseen changes" mean? Coverdell thought it was a "glaring escape clause." The consensus of the group was that it was unacceptable. "We couldn't have had a more calm, considerate discussion," says Kyl. "Lott didn't need to be persuaded or harangued in the least." There was a brief discussion of going back to the Democrats with a draft of a foolproof deal. But it dawned on everyone that any deal would be impossible. The Democrats weren't serious, and some Republicans were unwilling to go along no matter what. Inhofe, arriving at Lott's office, emphasized just that. The only way out, as one Senate aide puts it, would have been "an internal Republican bloodbath."

So, the next day, all systems were go. Lott firmly rejected a last-minute floor attempt by Democratic lion Robert Byrd to place obstacles in the way of a vote. Byrd threw a fit—to no avail. It was too late. Republican Senator John Warner was running around the floor, still gathering signatures on a letter asking that the vote be put off. Again, too late. President Clinton called Lott, asking if there was anything he could do. Replied Lott: Too late. When the floor debate was concluded, 51 Republican Senators voted down the Comprehensive Test Ban Treaty in the face of international pressure, the opposition of the White House, and hostile media.

Surprising? Well, yes. "I thought we had 50," says Jon Kyl.•

RECOGNITION OF JULIE ROLING

• Mr. JOHNSON. Mr. President, I rise today to express my appreciation for the hard work of Julie Roling, a Brookings Institution Fellow who has worked as part of my staff for the past six months. Julie has been a tremendous asset to my legislative staff, and I am fortunate to have had her assistance. When she returns to the National Security Agency in December, I know she will be missed by me and my staff.

Very often, Brookings Fellows have reputations that precede them in Capitol Hill offices. Known as some of the best and brightest government employees, they are considered secret weapons to the Members they assist. Julie has been no exception. She came to my office with a wealth of government experience and policy knowledge, as well as a model work ethic and positive attitude. While her expertise lies in defense procurement, Julie welcomed projects in a broad array of new issue areas and contributed a great deal to my legislative staff.

Throughout the past six months, Julie has worked on a number of projects dealing with the environment, natural resources, agriculture and trade. Julie led research efforts regarding a controversial wetlands policy during her time in my office. The unfortunate circumstances surrounding this issue pitted the interests of agricultural producers against environmental groups. It was imperative that my staff and I have access to the most recent information, in order to effectively address the concerns of my constituents. Julie's research provided my office with up-to-date and unbiased information that enabled me to communicate clearly with both farmers and environmentalists during this time. Julie handled frequent communication with government agencies and almost daily communications with South Dakotans.

Julie also provided valuable assistance on crop insurance legislation this year as well. Both the House of Representatives and the Senate introduced numerous bills to reform the crop insurance program in this Congress, an issue of great importance to the farmers of South Dakota. Julie collected and synthesized information that enabled me and my staff to decide which crop insurance reform bills most effectively addressed the concerns of South Dakota farmers.

One of the most challenging tasks Julie undertook was the creation of a comprehensive resource guide regarding restructuring of the electricity industry. The end result of Julie's work was a thorough index of restructuring terms, industry positions, key issues and legislative proposals. Anyone who is familiar with the complexity of deregulation proposals can appreciate the hard work and attention to detail required to create such a resource, which will be invaluable to me as the Senate Energy Committee continues to discuss and evaluate restructuring legislation.

Again, I wish to express my deep gratitude to Julie for a job well done. I wish her the very best in her future endeavors.•

TRIBUTE TO CIVIL WAR HERO FREDERICK ALBER

• Mr. ABRAHAM. Mr. President, I rise today to pay tribute to the late Frederick Alber of Lapeer County, MI. On November 13, 1999, the community of Oregon Township will dedicate a new headstone for Mr. Alber and also honor other veterans buried in the Oregon Township Cemetery.

Frederick Alber enlisted in the Seventeenth Michigan Infantry on July 2, 1862 at age 24 and served valiantly during the Civil War. On July 30, 1896, Private Alber was issued the Medal of Honor for his undaunted bravery in the wilderness and his heroic actions at Spotsylvania. On May 12, 1864, Private Alber rescued Lieutenant Charles Todd of the 17th Michigan Infantry who was in the hands of a party of rebels. Private Alber shot down one enemy rebel and knocked over another with the butt of his musket. He then took the rebels as prisoners and conducted them both to the rear of the formation.

The Civil War is one of the most important events in our nation's history. Thanks to the brave actions of soldiers like Frederick Alber, we are a united, free country. It is only fitting that we remember the great sacrifices made by those who have gone before us. The marker dedication at Frederick Alber's grave site is a meaningful way to remember and honor the past heroes of our country and is an appropriate manner in which to salute our cherished liberties.

I join the entire community of Oregon Township and Lapeer County as they pay their respects to a real American hero, Frederick Alber.•

TRIBUTE TO RICHARD P. AUGULIS

• Mr. HOLLINGS. I rise today to pay tribute to Richard P. Augulis on the occasion of his retirement as director of the National Weather Service Central Region.

In Mr. Augulis' 35 years with the National Weather Service, including 13 years as director of the 14-state Central Region, he has held public safety paramount, whether as a forecaster or as a manager. He has now retired to Las Vegas, Nevada where he is able to enjoy this new venture with members of his family.

Mr. Augulis joined the National Weather Service in August 1961 as a Weather Bureau Student Trainee at WBAS Midway Airport while attending St. Louis University. He earned his Bachelor of Science in Meteorology in 1963 and added a Masters Degree in 1967. He distinguished himself in a variety of forecasting and management positions—in Salt Lake City; Anchorage and Fairbanks, Alaska; Garden City, New York; and, finally, Kansas City.

Beginning in 1974, as Meteorologist in Charge of the new Fairbanks Weather Forecast Office, Mr. Augulis presided over a staff that operated service programs during the exciting and challenging times of the Trans-Alaska Pipeline construction. Mr. Augulis' leadership was also invaluable to employees during the mid-1970s when the National Weather Service implemented the Automation of Field Operations (AFOS) communications network, making a breakthrough transition from teletype to computers.

Mr. Augulis' last decade with the National Weather Service included the largest modernization and reorganization ever undertaken by the agency. He helped guide his region through the introduction and implementation of state-of-the-art Doppler radar, computer-enhanced weather modeling and forecasting, and restructuring from more than 300 offices of varying sizes and capabilities to an efficient network of 123 21st Century Weather Forecast Offices across the United States.

Mr. Augulis has served proudly as an employee and a manager of the National Weather Service. He is a distinguished executive branch employee whose accomplishments reflect credit on himself, the National Weather Service and our nation.

On this occasion, I am honored to join his family, friends and colleagues as we recognize Richard P. Augulis on his retirement from the National Weather Service.•

DAVID GRISWOLD—LOYAL STAFFER

• Ms. COLLINS. Mr. President, in the days since the untimely death of our beloved friend and colleague, Senator John Chafee, we have heard numerous testimonies to the impact Senator Chafee had on the lives of those who were fortunate enough to associate with him. From those with whom he served, both in Rhode Island and here on the floor of this august body, we have heard of his skills as a statesman and his benevolent manner as a friend. I am sure all of us are also aware of the love and pride he felt for those who were most important in his life—his family.

We would be remiss, however, if we did not also acknowledge another set of lives that Senator Chafee touched—those of his staff. His significance in their lives is perhaps best reflected in the story of David Griswold, Senator Chafee's chief-of-staff.

As a friend of Senator Chafee's, I wanted to thank Dave for the invaluable assistance that he provided the Senator over the past 23 years. A recent article in the Providence Journal reflects on the years that Dave worked with Senator Chafee for the people of Rhode Island and the people of this great nation. This article, which is a thoughtful reflection on Dave's 23 years of dedicated service, captures beautifully the loyalty, modesty and sincerity with which he did his job. I ask that it be printed in the RECORD.

The article follows:

[From the Providence Journal-Bulletin, Oct. 30, 1999]

AIDE BECAME A REFLECTION OF JOHN CHAFEE

IN A 23-YEAR JOURNEY, DAVID J. GRISWOLD ROSE FROM BEING THE SENATOR'S DRIVER TO SERVING AS HIS CHIEF OF STAFF

(By Maria Miro Johnson)

U.S. Sen. John H. Chafee in a bowling alley.

That was a bad night, says David J. Griswold, reflecting yesterday on his life alongside the man he'd served for 23 years.

Griswold started out as his go-fer and driver, then rose through the ranks to become his chief of staff, a position he has held for 10 years.

Now he sat in the senator's sunny office on Dorrance Street, having just come from a service, which he wrote himself, at the State House rotunda. His mind, he said, was "numb." At one point, he interrupted himself in mid-sentence "It's so hurtful to be referring to him in the past tense, I cannot tell you."

But he also laughed now and then to recall certain stories. Such as the bowling alley story.

It was an October day in 1982, says Griswold, the closing days of a tense reelection campaign against Democratic Atty. Gen. Julius Michaelson. President Ronald Reagan had tumbled in the polls and people were anxious about the economy. Republicans feared people might vote Democratic simply to signal their displeasure with the president.

Griswold, working as a scheduler then in Chafee's Providence office, had an idea: Why not campaign in a Cranston bowling alley on a Saturday night? The place was sure to be full of good-natured Rhode Islanders.

Chafee had never campaigned in a bowling alley, Griswold is sure, "he said, 'All right, we'll try this.'" So they loaded up the car with brochures and headed for the lanes on Elmwood Avenue.

"And it was awful," says Griswold. The place was full of kids and teenagers, the adult leagues having bowled during the week. "They didn't know who he was. They weren't rude, but they were just not tuned in. Many of them were not even voting age."

Nonetheless, "we schlepped along dowwwn one side and baaaaack up the other side," with Chafee shaking every hand. "He must've been just ready to burst and I was feeling like I wanted to die, 'cause I knew immediately, 'Oh boy, this was not a good idea.'"

Griswold drove the senator home to Warwick, and that's when "he let me have it."

"He said., 'Whose idea was this? That was the biggest waste of time I ever had. Don't you know how tired I am? Don't you know how stressful this is? What was the point of wasting time in there with that crowd? They weren't very friendly

' "And I said, 'Senator, it was my idea. I'm sorry.' And he was very quiet. The whole way home, neither of us said anything, and I dropped him off."

The next day, Griswold returned from some errands to find a phone message: "Senator Chafee called. He called to say that he was sorry that he was cross with you last night. He appreciates everything you do, and he's very proud of you."

"I saved that note," says Griswold. "Here it was Sunday before the election. We were all in a state of terror. I would have forgiven him for being much worse to me than he had been. I would have forgiven him for hitting me. . . .

"I fell in love with him forever at that point. That made me know I would stay with this organization for as long as the door would open."

David J. Griswold, 45, grew up in Warwick, the son of David F. and Nancy Griswold, a salesman and a secretary, both of them Republicans who "revered" John Chafee, as did so many members of their generation.

Over the years, he says, parents of younger staffers have expressed the same feeling his own parents did that working for Chafee "lifted up their families" and made them proud.

Griswold was only 14 when, in 1968, he first encountered then-Governor Chafee, who was throwing a rally at Providence City Hall for Nelson Rockefeller, who was seeking the Republican nomination for president.

"I heard about it and came downtown," says Griswold. "In those days, we didn't have C-Span and all these constant reports of everything, minute by minute. When a presidential candidate came to Providence, Rhode Island, it was a big deal."

The teenager handed out fliers directing people to City Hall, and then he went to the rally himself. The speeches were great, he said, and afterward, Chafee shook Griswold's hand. "It was thrilling."

Later, as Griswold headed to the Outlet building to catch a bus, a limo came rolling by. "And Rockefeller looks out of the car and gives me a thumbs-up. And I knew in that split second it was me that he was gesturing to. And it was magical. And then in a flash, the care was gone and the day was over and real life returned. . . .

But "that day, I began to love politics because I had made a connection with this figure and had felt that he was reaching out to me."

Griswold kept volunteering for Republicans, kept going down to defeat after defeat. (Republicans in Rhode Island, says Griswold, are "a pathetically lonely, small community.") And it wasn't until 1975, when he was a 21-year-old Providence College student, that he encountered Chafee again.

Chafee had lost his first Senate race to Claiborne Pell in 1972, but was gearing up for a run in '76.

"Oh, he didn't know me from Adam," says Griswold of their meeting at Chafee's headquarters in the Turks Head Building. "I was one of a hundred people, but he made me feel as if he and I connected."

The day after graduating from PC, Griswold joined Senator Chafee's staff. He has never looked back.

One of his early jobs was to drive the senator to his appointments. Though Chafee was a friendly enough passenger, Griswold made it a practice to speak only when spoken to. For one thing, he was nervous about getting lost which, at time, he did.

Inevitably, he says it was Chafee who got them back on track "He knew all the roads of Rhode Island. He knew every village in the State." Realizing that Griswold felt awful about it, he'd say," 'Well, you know David, if that's the worst thing you ever do, you don't have much to worry about.'

"It always felt so good to hear that."

After his reelection in 1982, Chafee was aware that Griswold was a conscientious worrywart and was a bit afraid of inviting him to be one of his legislative assistants in Washington.

"He valued thoroughness," says Griswold. "He valued the willingness to stay until the job was done at night. He valued commitment and honesty. He valued when you didn't know the answer to something, you said, 'Senator, I don't know,' rather than inventing a guess about what the answer might be, because that would just be a waste of time."

Griswold went on to become Chafee's chief legislative assistant, then his legislative director, then his chief of staff.

One former colleague, Christine C. Ferguson, now head of the state Department of Human Services, worked closely with Griswold from 1981 to 1995 "some of the best working years of my life."

Unlike some chiefs of staff, who are "really political animals, operators, very slick," she says, "David is very much a reflection of John Chafee."

As Griswold recalls those days, the work of advising Chafee could be "painful."

He and Ferguson were always having to remind the senator of the political ramifications of his upcoming votes. "We would say things like, 'What good is it to know you're gonna do the right thing if in the end, you lose an election and you can't come back here and try to keep on doing what you're doing?'

"And he struggled. I remember nights that he would pound his fist on the desk and say to us, 'Thank you. I've heard enough.' "

Griswold was seldom sure how Chafee would end up voting when he went to the floor "He had his own compass."

Griswold sometimes warns young applicants for staff jobs that it's easier to work for a conservative or a liberal than for a moderate like Chafee, "because you at least start out kind of knowing where you're headed."

On the other hand, "it made us do our jobs better. You really had to think to step back from each question and try to look at it from everybody's side."

Over the years, Griswold became "very slightly less afraid" of Chafee, but still never called him by his first name, always "Senator." Frankly, he says, he resented staffers who did otherwise, because it presumed an equality that could never exist. (Chafee, for his part, never complained about it, Griswold says.)

"This is the biggest person that has served this state in this century," he said, "in terms of length of tenure, in terms of types of jobs he's done, in terms of the barriers he's broken politically and in terms of just his statesmanship."

When it's pointed out that Griswold has given his entire adult life to serving Chafee, he says that in fact, it's Chafee who has given him something. "He's given me opportunities at every turn which I could not have expected I was ready for."

In recent years, Chafee has reminded Griswold to "smell the roses" and indeed, Griswold has eased up a bit on work. "Ironically," he says, "it is he that I wanted to be smelling roses."

Griswold had known that the senator was ailing, and that the job was requiring more of a struggle. But he was active to the end.

"He had made a wonderful speech, just three or four days before his death, at the National Cathedral to a hugh gathering of the National Trust for Historic Preservation."

Chafee had worked hard on the speech, and it won him a standing ovation from the crowd of 2,000 people. "He felt pumped up and he knew he'd done a good job."

Then, last weekend, Chafee called Griswold to say he wasn't feeling well, and needed to cancel two planned events. Griswold thought he heard something different in his voice.

"I think he was always prepared for everything," he says even death. "He was a person of faith and a person with a compass that guided him and he was ready even when he was unprepared, in the sense of having no script in hand just ready to do what he was called to do, and do it with grace."

On Sunday night, at about 8, Griswold got the call from Chafee's daughter, Georgia Nassikas.

"When I heard her voice, my heart just fell to the floor. I knew this had to be something bad." But the way she said the last three words "my father died" with such composure and strength, helped Griswold.

He realized "this was where we were now," and felt prepared.

Nonetheless, as he paced around the room with the phone in his hand, he found himself double-checking his facts: " 'Did you tell me now that your dad has died?' " he asked. "And she laughed, and said yes."

Such, he says, are the habits born of working for John Chafee.

So many logistical details are involved in helping arrange today's massive funeral that Griswold has had no time to grieve.

It's as if the funeral was one more big project, which the staff is handling as it has handled so many others through the years. "At any given point in the process, we've all thought he might walk in and say, 'Well, how's this coming along, folks?' "

Now, every morning, when Griswold wakes up, it takes him a moment to remember that "the world is different now, completely different. . . . I never thought he'd leave. I never believed that John Chafee would leave. And it's scary to me, not to have him."

In the smallest, most everyday actions just making a phone call Griswold remembers him. It's always, Hello, this is David Griswold with Senator Chafee.

"I had five names. David Griswold With Senator Chafee. I'm afraid that I will say that for a long time."●

DR. JOHN O. LUSINS OF ONEONTA, NY

● Mr. MOYNIHAN. Mr. President, a milestone will occur on Wednesday, December 15th, while the Senate is in recess, which I do not want to go unacknowledged. Dr. John O. Lusins of Oneonta, New York will celebrate his sixtieth birthday. In his five decades, this New Yorker has grown from a childhood war refugee into a beloved husband, devoted physician, respected oenophile, and caring father of five children. Suffice to say, Dr. Lusins has accomplished the American dream. I wish him hearty congratulations on this achievement.

Named after his physician father, John O. Lusins was born December 15th, 1939 in the Baltic country of Latvia. At age twelve, John and his mother, Elza, immigrated to the United States after being displaced for several years as a result of World War II. Seeking a better life after witnessing the atrocities in Europe, the two lived briefly in Greensboro, North Carolina before settling in Yonkers, New York.

John entered the Andrus Home for Children at age fifteen, and proved himself to be an anomaly among his peers by graduating from Charles E. GORTON High School in 1958. With continued perseverance, Lusins, under the aegis of a SURDNA scholarship, went on to graduate from Columbia University in 1963 and the Albany School of Medicine in 1967.

During these years, John not only excelled academically but proved himself as an athlete, leader, and a patriot. Throughout his collegiate career, John powered Columbia's varsity crew down the Harlem River and was named captain for his senior year in 1962. Following his junior year, however, Lusins was called to military duty in Germany as the Soviets erected the Berlin Wall. After fulfilling his military obligations, he returned to New York and subsequently finished college.

Before leaving for Berlin, John met a dashing young lady by the name of Anna Marie Dahlgard Bistany. Upon his return, the two promptly fell in love and were married on the 17th of

August, 1963. Their first children were two daughters: Gillian, born in 1964, and Noelle in 1966. Three boys followed: Carl in 1968, John in 1973, and, finally, Matthew in 1976.

The family moved over the years, from Yonkers to Bronxville, finally making Oneonta their home in 1982. Filling a needed void, John established his neurology practice at Oneonta's A.O. Fox Hospital in the same year. Since then, Lusins and his practice, now the multi-partner Catskill Neurodiagnostics and MRI, has become one of Central New York's finest and most respected medical centers.

Revered not only for his medical capabilities, Dr. Lusins has also established himself as a prominent American asset to the world of fine wine. Equipped with erudition and a discerning palate, this afficionado is not only a member of the prestigious New York Commandeire de Bordeaux but has proficiently ascended the ranks of the Confrérie des Chevaliers du Tastevin to become their distinguished Délégué Général of the Northeast. Dedicated to these roles, Dr. Lusins educates family, colleagues, and all constituents about the intricacies and appreciation of wine. This significant task should not be taken lightly, as our Founding Framer and President Thomas Jefferson once noted:

> By making this wine vine known to the public, I have rendered my country as great a service as if I had enabled it to pay back the national debt. . . Its extended use will carry health and comfort to a much enlarged circle.

With the gathering of all his friends and family, I wish Dr. Lusins a splendid sixtieth birthday and continued success in all his endeavors.•

NATIONAL TRADE EDUCATION DAY

• Mr. McCAIN. Mr. President, today has been designated National Trade Education Day. We should use this opportunity to demonstrate how the United States' belief in free trade and open markets have fostered American prosperity. This issue is especially timely, because the United States will be hosting a Ministerial meeting of the World Trade Organization (WTO) in Seattle later on this month. Public support of these WTO negotiations is necessary to ensure continued economic growth in the 21st Century.

The United States' economy is currently in a period of historic economic growth, low inflation, and low unemployment. America's open market plays a vital role in this achievement. Growth in the volume of American exports in goods and services accounted for more than 40% of overall U.S. economic growth in 1997. Today, exports represent 12% of the U.S. Gross Domestic Product. Export sales are now responsible for over 41% of the production of American semiconductors, 42% of aircraft, 43% of computers, and 68% of power turbines. Recent stories about the trade deficit also show promise. The resurgence of the economies of our Asian, Latin American, and European trading partners created an increase in American exports of $2.9 billion totaling $82 billion in August. The trade deficit dropped $800 million last month to $24.1 billion.

The recent economic news gives credence to the saying that "A rising tide lifts all boats." American exports help everyone from corporate CEOs to the average American worker. In 1997, over 11,500,000 jobs depended on American exports. In addition, export-supported jobs pay 13% more than the average domestic wage. High technology industry jobs that are directly supported by exports have averaged hourly earnings 34% higher than the national average. The continued bipartisan free trade policy has benefitted the American people.

It is important that the United States remain a leader in promoting policies of open markets worldwide. While our trade deficit has stabilized, we should remove remaining foreign barriers to American goods to reduce this deficit. American farmers, manufacturers and workers are hurt, when foreign countries use high tariffs, quotas, and questionable legal and safety procedures to lock American goods out of their markets. The President should make it a top priority to remove these barriers, and the Congress must give him the authority to achieve this objective.

The World Trade Organization (WTO) can play an important role in pursuing American trade objectives. All members of the WTO have to make commitments to reduce barriers to goods and services, and protect intellectual property rights. The WTO has an established procedure to ensure that countries meet their obligations. The United States should ensure that our trading partners meet their commitments. When our trading partners do not meet their obligations, such as the European Union has done concerning American agricultural goods, then we should use the WTO to apply as much pressure as possible to bring these countries into compliance. The upcoming Seattle negotiations offer us a great opportunity to use the WTO to reduce more foreign barriers to American goods, agricultural products, and services. We should also ensure the growth of our high technology exports by making permanent the international moratorium on customs duties relating to electronic commerce.

It is also important that we realize that international trade meets many of our national security interests. As countries trade with the United States and each other, they learn the benefits of peace and stability to economic growth. These countries see the benefits of pursuing policies that support stability, which is a major American national security objective.

Last week, the Senate sent a strong message that the United States is committed to the principles of free trade by passing major trade legislation. However, the President and Congress must work together to pass another major piece of trade legislation to ensure American prosperity in the 21st Century. It is imperative that the President make a serious effort to work with the Congress to pass "fast track" legislation. As the next round of the WTO negotiations develop, it is important that American negotiators have the leverage to secure our trade policy objectives. In addition, "fast track" authority lets our trading partners know that any agreement they negotiate with the United States will not be subject to exemptions and gross rewritings by the special interests in Washington. When the negotiations concerning the WTO, the Free Trade Area of the Americas, and other ongoing trade talks come to fruition, the President will need to have "fast track" authority to ensure that the agreements are implemented. My hope is that we can pass "fast track" legislation soon in order to establish the framework for another century of American economic growth.

In conclusion, I hope that we can use National Trade Education Day to gain public support for the continued pursuit of policies based on the principles of free trade. Bipartisan American trade policies, based on the belief in open markets free of regulations and tariffs, have played a major role in causing the current American prosperity. The United States should continue to pursue free trade policies that will remove barriers to American exports. I urge my colleagues to establish the foundation for future prosperity by passing "fast-track" legislation during this Congress.•

TRIBUTE TO DAVID A. JUNGEMANN

• Mr. JOHNSON. Mr. President, I rise today to recognize and pay tribute to David A. Jungemann, a U.S. Air Force retiree with over 22 years of active military service and a great citizen from South Dakota who recently completed a very successful two-year term as Chairman of The Retired Enlisted Association TREA Senior Citizens League TSCL Board of Trustees. During his chairmanship, TSCL expanded its efforts to defend and protect the earned retirement benefits of older Americans. Through his leadership, TSCL was successful in expanding its legislative lobbying goals and objectives and, as a result, increased the League's membership from 600,000 to over 1.5 million members and supporters in just two years.

Dave was born on November 11, 1938 in Wolsey, SD. He graduated from Wolsey High School in May 1956, and in the following month, enlisted in the United States Air Force (USAF) and headed for Parks Air Force Base, California, for Basic Training. During his military career, Dave was stationed in Colorado, Texas, Florida, California, and Ellsworth AFB, South Dakota. His military career also took him to many overseas locations including Japan, Guam, and Thailand. During a nine-month period of Temporary Duty to Andersen Air Force Base on the island of Guam, he served in support of the ARC Light Missions over the Republic of Vietnam and in 1968, flew 10 combat missions over Vietnam as a Bomb/Navigation Systems Technician. His service gave him the opportunity to earn the Bronze Star Medal, Air Force Commendation Medal with one oak leaf cluster, and numerous other awards and decorations.

With his military career behind him, Dave worked for the Douglas School System for over 14 years and subsequently retired from service to the State of South Dakota. During this period, he also served a two-year term as City Councilman for the City of Box Elder, South Dakota, and currently serves as Trustee for the Zion Lutheran Church in Rapid City, South Dakota.

What is truly remarkable about Dave Jungemann is that in addition to all the accomplishments I just mentioned, he still made time to contribute to the success of TREA and the TREA Senior Citizens League. For instance, he served on the TREA Chapter 29 Board of Directors for 9 years and the TSCL Board of Trustees for 4 years, during which time he completed a two-year term as Chairman. Even today, Dave still participates in numerous parades and ceremonies to honor the veterans of the United States of America.

Today I rise in recognition of a great American, a solid citizen of South Dakota and a man who is a symbol of service to God, Country, State, veterans and older Americans. Congratulations on your accomplishments, Dave, and I wish you a Happy Birthday this coming Veterans' Day, a fitting time to celebrate the life of a distinguished American veteran.•

HONORING THE 10-YEAR ANNIVERSARY OF THE MOTORCYCLE RIDERS FOUNDATION

• Mr. CAMPBELL. Mr. President, today I would like to take this opportunity to recognize a not-for-profit organization which has been on the national forefront of motorcyclists' rights. The Motorcycle Riders Foundation here in Washington, D.C. is a nation-wide grassroots activist group that is completing its tenth year representing motorcycling rights. As the year draws to an end and we look forward to a new century, we should be proud of an organization such as MRF which embodies our forefathers' commitment to the Constitution and the values of freedom and the self- determination of a citizen government.

In the mid-1980's the leadership of the various state motorcyclist associations, which had been around since the early 1970's, began to be concerned about the possibility of and need for becoming involved with federal legislation that had an impact on motorcyclists. In 1985, these leaders began hosting a national conference, the Meeting Of The Minds, to educate motorcyclists on how to be more effective in their state legislatures.

In September of this year the MRF hosted the Fifteenth Annual Meeting Of The Minds in Denver, Colorado. In 1986, the idea of establishing a national association and opening an office in Washington, DC, was conceived. In 1987, the Motorcycle Rights Fund (MRF) was incorporated as a 501 (4) not-for-profit association and fund raising began. In 1988, the name of the association was changed to the Motorcycle Riders Foundation, and with less than $30,000 in the bank, the MRF hired its first employee and opened its Washington, D.C. headquarters on November 8, 1988.

Since its inception the MRF has had two primary goals. One has been its educational program, which sponsors national and regional conferences every year, with the purpose of training and educating leaders of state motorcyclist associations. The MRF's second, and primary program, is its government relations activity. The MRF was recently recognized by the American Society of Association Executives with its Award of Excellence, for the overall federal legislative program. The awards committee recognized the commitment of the MRF and its ongoing efforts for the past ten years.

In 1996 MRF's federal legislative program was also the recipient of ASAE's Excellence in Government Relations Award for a Single Issue. In its ten-year presence in the Nation's Capital, MRF has had a number of legislative accomplishments in diverse areas ranging from highway safety, personal liberty, law enforcement and discrimination issues; technology development policies, highway access, and state to federal relationships.

As we recognize MRF's 10-Year Anniversary, I look forward to hearing about MRF's future successes in the months and years to come.•

SAGINAW COUNTY CONVENTION AND VISITOR'S BUREAU PINNACLE AWARD

• Mr. ABRAHAM. Mr. President, I rise today to mark the third year that the Saginaw County Convention & Visitor's Bureau has recognized an organization, person or event with its Pinnacle Award. Nominees for the Pinnacle Award are chosen by the staff of the Saginaw County CVB, county-wide chambers of commerce, or from the county hospitality industry and are given based on the following criteria:

Someone who has brought a convention or conference(s) to Saginaw County that has significant fiscal impact on the county.

Someone or something that has garnered strong and positive press for the county and its various communities.

An activity or event that significantly improved or contributed to the quality of life in the county, or has had a significant economic impact.

A person who has initiated a program or event that has a positive impact on more than just their own business or interests.

A person who has assisted the Saginaw County Convention and Visitors Bureau "above and beyond" the call of duty for the greater good of the County.

A person who or an organization that has preserved or revitalized historical aspects of the County.

A person who or organization that has created or supported an event that showcases favorable aspects of the County, or which brings new tourism to the area.

The winners of the 1999 Pinnacle Award are:

Tony D'Anna, who has taken the lead on creating the Frankenmuth Oldies Fest and annual classic car show (Autofest).

Bishop Ed Leidel of the Episcopal Diocese of Eastern Michigan for bringing many conventions and meetings to Saginaw County.

Frankenmuth Oktoberfest which has grown over the past 10 years to become one of Michigan's great ethnic festivals.

P.R.I.D.E. (Positive Results In a Downtown Environment). Since 1975, P.RI.D.E. has operated as a volunteer association with goals that include the organization of events that encourage people to come to the city as well as the improvement of the downtown area.

Sarah Schultz, owner of Sarah's Attic in Chesaning, whose newly formed educational pilot program teaches children the importance of love, respect, and dignity through different ethnic dolls.

Rev. P. David Saunders, of the Bethal AME Church, for his outstanding success in bringing many meetings and conventions to the county.

Other nominees for the 1999 Pinnacle Award include: Bethlehem Boar's Head Christmas Festival, Howard and Bonnie Ebenhoeh, Cindy Hartung, Terry Jankowski, "Dixie" Dave Minar, St. Charles Haunted House Association, and Tom Trombley.

I join the Saginaw County Convention and Visitors Bureau as they honor and salute the above individuals and organizations with the 1999 Pinnacle Award. Through their hard work and diligent efforts, the economy and quality of life in Saginaw County is greatly enhanced.•

BOISE MODEL PROGRAM NAMED 1999 PRESIDENT'S SERVICE AWARD HONOREE

• Mr. CRAIG. Mr. President, every year the President's Service Award honors volunteers for their efforts directed at solving critical social problems facing today's communities. This year, Hewlett Packard's Hispanic Student Outreach program, based in Boise, ID, has been named one of 21 honorees. This unparalleled distinction is the highest honor given annually by the President of the United States for volunteerism. The award is sponsored by the Points of Light Foundation and the Corporation for National Service.

As a 1999 honoree, program representatives traveled to Washington, DC, to participate in awards festivities October 13–15. This trip included a Capitol Hill Reception, an awards dinner and the participation in 1999 President's Service Awards Ceremony.

In 1995, Hewlett Packard employees in Boise, ID, started the Hispanic Student Outreach Program (HSOP) because they were concerned about the alarming 60 to 70 percent high school dropout rate among Hispanic youths. Based on the adopt-a-school concept, the program matches Hewlett Packard employees with teachers and students at a local middle school. The volunteers act as role models, motivating and encouraging the students to stay in school. The HSOP is the only program of its kind in Idaho. Through this program more than 250 Hewlett Packard volunteers have touched the lives of nearly 1,600 Hispanic students.

The program includes many activities, one of which is Career Day. These educational field trips for 7th and 8th grade students include the students to Hewlett Packard offices for hands-on science experiments, job shadowing and computer lab sessions, local science center trips, and university campus talks and tours. The college campus trips have proven especially significant by allowing the Hispanic middle school students to interact with Hispanic college students. Another effective program is the after school math tutoring program which pays local college students to tutor younger students. Professionals are also brought into the schools monthly to talk about career opportunities and the importance of math, science and writing skills beyond middle school.

Elena Tsuxton, the founder and Chairperson for the HSOP, commented that the "program is absolutely thrilled to be receiving the President's Service Award." She saw it as a "validation of our efforts that we are definitely meeting a critical need in our community and state. If we can help one more Hispanic student to finish school and go out to college, we will have met the HSOP program vision."

The President's Service Awards were created as the President's Volunteer Action Award in 1982 to honor outstanding individuals and organizations engaged in volunteer service directed at solving critical social problems while calling public attention to the contributions made by the nation's 93 million volunteers. In 1999, more than 3,500 nominations were submitted and reviewed in four activity areas: human needs, environmental needs, educational improvement, and public safety. A select panel of distinguished Americans judged the nominations based on achievement, meeting community needs innovation and mobilizing others to serve.

Mr. President, I congratulate this Idaho volunteer program for receiving this well deserved honor and thank them for their service to Idaho and its youth.•

UNITED HEALTHCARE

• Mr. GRAMS. Mr. President, I rise to express my support and appreciation regarding actions taken at United Healthcare that clearly demonstrate to me that proposed congressional action in the area referred to as "patient's rights" can be best handled by the marketplace.

Yesterday, United Healthcare announced they will be changing the way they manage care in their health plans by giving physicians the final say in determining what course of treatment their patients will receive. In citing the reasons for the change of policy, United noted the savings resulting from their $100 million review process do not justify continuing it.

United Healthcare is the second-largest health insurer in the nation and I believe their actions signal an industrywide realization that their review process may be saving them less than they thought.

According to United Healthcare, 99 percent of their claims are approved despite an exhaustive review process. While this raises the question of exactly why the federal government needs to disrupt the entire health system by getting involved with one percent of health care claims, it also demonstrates our current private-sector health care providers must respond to consumer concerns or lose their customers to health providers that do.

Of course, United Healthcare will still have some review process and require physicians to notify them when a patient needs an expensive procedure or requires hospitalization. This is clear in all of our interests to ensure the appropriate treatments are considered. We should trust our physicians, but with the rapid advancements made in health care every day it is reasonable for us to have a team of experts review all the latest treatments, devices and pharmaceuticals. Clearly, this is an area where health plans are, and should be assisting physicians and ensuring quality health services are offered appropriately in their facilities.

By changing their review process, United Healthcare will reduce its medical monitoring staff by 20 percent and re-focus the remaining staff on Care Coordination efforts.

This saves money for the plan which in turn saves money for consumers through lower premiums. I believe it is a significant step in the right direction, proving once again, that market forces and demands are productive and responsive. Government solutions usually distort market forces and end up with poorer services at higher costs.

I should like to be clear about my support for the Patient's Bill of Rights Plus legislation I cosponsored and voted for—it is still needed because it addresses other important issues. What this change of practice announced by United Health does signal is the potential for us to reach a reasonable conclusion to negotiations underway between the House-passed Patient's Bill of Rights and the Senate-passed Patient's Bill of Rights Plus, particularly on the contentious issue of health plan liability.

Mr. President, it is hard to overstate the importance of this announcement from United Healthcare and I felt it was imperative someone in Congress acknowledged private market forces for positive change far outweigh a government imposed remedy.•

TRIBUTE TO SENATOR JOHN CHAFEE'S STAFF

• Mr. INHOFE. Mr. President, with all of the tributes to Senator John Chafee over the last few weeks I think it is important that we do not forget his talented and dedicated staff. In particular I would like to thank his staff on the Environment and Public Works Committee. He assembled a very professional team, well respected not only on both sides of the aisle but also within the larger environmental professional community.

I call special attention to Senator Chafee's staff director, Jimmie Powell. Jimmie has served Congress over the last 20 years in various positions, and has worked on every major environmental statute over the last 20 years. Earlier this year, the National Journal called him a "low key aide whose political insights and institutional memory are sought out by industry lobbyists." This is an understatement. There is no Senate staffer, or House staffer, with more environmental experience and political know-how than Jimmie Powell.

I believe that Jimmie served his boss, Chairman Chafee well. I did not always agree with the positions that Senator Chafee took, but Jimmie always did an excellent job in representing his boss's interests. I am not sure what position Jimmie Powell will take next, but I am confident that he will approach any new challenge with the same integrity and honor he exhibited as a Senate staffer.•

PUBLIC SERVICE OF JIMMIE POWELL

• Mr. WARNER. Mr. President, today I pay tribute to a member of our Senate family who has dedicated himself for many years to serving the Senate and the Committee on Environment and Public Works—Jimmie Powell.

I know that our distinguished former chairman, Senator Chafee, would not have let pass the opportunity for the Senate to recognize Jimmie Powell's years of service to the Committee and his contributions to the protection of our environment.

Now, as he prepares to open a new chapter in his professional career and leave the Senate after some twenty years of service, I want to extend my appreciation and thanks to Jimmie on behalf of myself and the other Republican members of the Committee—Chairman SMITH, and Senators INHOFE, THOMAS, BOND, VOINOVICH, CRAPO, BENNETT, and HUTCHISON. The hallmark of his career has been his command of the issues, hard work and dedication to protecting public health and our environment.

As the staff director for the chairman and the Republican members of the committee, I know that Senator Chafee respected Jimmie and was grateful for his counsel and the service he provided. To staff, and to some members, Jimmie was an adversary, as well as a motivator and educator.

He began his Senate career with former Senator David Durenberger in 1978, serving as his staff director of the Government Affairs Subcommittee on Intergovernmental Relations and later as legislative director. In 1985, Jimmie began his long service as a professional staff member and staff director for the Committee on Environment and Public Works. While his service primarily focused on legislative priorities for Senator Durenberger, Chairman Stafford and Chairman Chafee, he worked tirelessly for all Republican members of the Committee.

When one examines the environmental laws enacted in the past 20 years, those of us on the committee know of Jimmie's leadership and accomplishments. This lengthy list includes the Leaking Underground Storage Tank program as part of the Hazardous and Solid Waste Amendments of 1984, Superfund, the 1987 Clean Water Act with groundwater protections and nonpoint source programs, the 1986 and the 1996 Safe Drinking Water Act, the 1990 Clean Air Act amendments, particularly provisions on air toxics and alternative fuels, the 1991 Intermodal Surface Transportation Efficiency Act and the 1998 Transportation Equity Act for the 21st century.

In every legislative challenge that came before the committee, Jimmie effectively worked to forge consensus, to find common ground, to develop solutions that represented the views of the members of the committee. While we may not have agreed on every issue, he is a person of great integrity. He effectively executed the views of the Senators he served. A Senator could ask for no more. He was tough, but fair.

All of us owe Jimmie Powell a debt of gratitude for the many years he has served the Senate and this country. We wish him every success and thank him for a job well done.•

FAA AUTHORIZATION EXTENSION ACT

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of S. 1916 introduced earlier by Senator McCAIN.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 1916) to extend certain expiring Federal Aviation Administration authorizations for a 6-month period, and for other purposes.

Mr. LEAHY. Reserving the right to object, I do not intend to. Is this the FAA extension?

Mr. GRASSLEY. It is a 6-month extension.

Mr. LEAHY. I have no objection.

There being no objection, the Senate proceeded to consider the bill.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the bill be read for a third time, passed, the motion to reconsider be laid upon the table, and any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 1916) was read the third time and passed, as follows:

S. 1916

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "FAA Authorization Extension Act."

SEC. 2. EXTENSION OF AIRPORT IMPROVEMENT PROGRAM, ETC.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 48103 of title 49, United States Code, is amended by striking "$2,410,000,000 for the fiscal year ending September 30, 1999," and inserting "$1,237,500,000 for the 6-month period ending March 21, 2000.".

(b) OBLIGATIONAL AUTHORITY.—Section 47104(c) of such title is amended by striking "September 30, 1999," and inserting "March 31, 2000,".

SEC. 3. EXEMPTION FOR AIRCRAFT MODIFICATION OR DISPOSAL, SCHEDULED HEAVY MAINTENANCE, OR LEASING RELATED FLIGHTS.

Section 47528 of title 49, United States Code, is amended——

(1) by striking "subsection (b)" in subsection (a) and inserting "subsection (b) or (f)";

(2) by adding at the end of subsection (e) the following:

"(4) An air carrier operating Stage 2 aircraft under this subsection may transport Stage 2 aircraft to or from the 48 contiguous States on a non-revenue basis in order——

"(A) to perform maintenance (including major alterations) or preventative maintenance on aircraft operated, or to be operated, within the limitations of paragraph (2)(B); or

"(B) conduct operations within the limitations of paragraph (2)(B)."; and

(3) adding at the end thereof the following:

"(f) AIRCRAFT MODIFICATIONS, DISPOSAL, SCHEDULED HEAVY MAINTENANCE, OR LEASING.—

"(1) IN GENERAL.—The Secretary shall permit a person to operate after December 31, 1999, a Stage 2 aircraft in nonrevenue service through the airspace of the United States or to or from an airport in the contiguous 48 States in order to—

"(A) sell, lease, or use the aircraft outside the contiguous 48 States;

"(B) scrap the aircraft;

"(C) obtain modifications to the aircraft to meet Stage 3 noise levels;

"(D) perform scheduled heavy maintenance or significant modifications on the aircraft at a maintenance facility located in the contiguous 48 States;

"(E) deliver the aircraft to an operator leasing the aircraft from the owner or return the aircraft to the lessor;

"(F) prepare or park or store the aircraft in anticipation of any of the activities described in subparagraphs (A) through (E); or

"(G) divert the aircraft to an alternative airport in the contiguous 48 States on account of weather, mechanical, fuel, air traffic control, or other safety reasons while conducting a flight in order to perform any of the activities described in subparagraphs (A) through (F).

"(2) PROCEDURES TO BE PUBLISHED.—The Secretary shall establish and publish, not later than 30 days after the date of enactment of the FAA Authorized Extension Act, a procedure to implement paragraph (1) of this subsection through the use of categorical waivers, ferry permits, or other means.".

SEC. 4. NOISE STANDARDS FOR EXPERIMENTAL AIRCRAFT.

"(a) IN GENERAL.—Section 47528(a) of title 49, United States Code, is amended by inserting "(for which an airworthiness certificate other than an experimental certificate has been issued by the Administrator)" after "civil subsonic turbojet".

"(b) FAR MODIFIED.—The Federal Aviation Regulations contained in part 14 of the Code of Federal Regulations that implement section 47528 and related provisions shall be deemed to incorporate the change made by subsection (a) effective on the date of enactment of this Act.

SEC. 5. EXISTING AND PENDING DETERMINATIONS NOT AFFECTED.

The amendments made by section 3 and by section 4(a), and the provisions of section 4(b), do not interfere with or otherwise modify any determination—

(1) made by the Federal Aviation Administration under part 161 of title 14 of the Code

of Federal Regulations before November 2, 1999; or

(2) pursuant to an application that was pending before the Federal Aviation Administration for a determination under that part on November 1, 1999.

SEC. 6. EXTENSION OF WAR RISK INSURANCE PROGRAM.

Section 44310 of title 49, United States Code, is amended by striking "after" and all that follows and inserting "after March 31, 2000.".

EXECUTIVE CALENDAR

EXECUTIVE SESSION

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate proceed immediately to the executive session to consider the following nominations on the Executive Calendar: No. 401, and nominations on the Secretary's desk in the Army, Marine Corps, and Navy.

I finally ask unanimous consent that the nominations be confirmed, the motion to reconsider be laid upon the table, any statements relating to the nominations be printed in the RECORD, that the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed are as follows:

IN THE NAVY

The following named officer for appointment in the United States Navy to the grade indicated under title 10, U.S.C., section 624:

To be rear admiral

Rear Adm. (lh) Kevin P. Green, 6805

NOMINATIONS PLACED ON THE SECRETARY'S DESK

IN THE ARMY

Army nominations beginning Alan G. Lackey, and ending Rita A. Price, which nominations were received by the Senate and appeared in the Congressional Record of November 3, 1999.

Marine Corps nomination of Karl G. Hartenstine, which was received by the Senate and appeared in the Congressional Record of November 3, 1999.

Navy nominations beginning Lynne M. Hicks, and ending William D. Watson, which nominations were received by the Senate and appeared in the Congressional Record of November 3, 1999.

Navy nomination of John R. Daly, Jr., which was received by the Senate and appeared in the Congressional Record of November 3, 1999.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

Mr. LEAHY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate immediately proceed to executive session to consider the following nominations on today's Executive Calendar: Nos. 59, 98, 99, 133, 203, 204, 244, 245, 246, 253, 254, 255, 256, 270, 275, 276, 277, 278, 279, 238, 239, 281 through 290, 293, 321, 322 through 325, 328, 330, 335 through 342, 344 through 365, 367 through 376, 378, 379, 380, 381, 382, 393, 395, 396, 397, 398, 402, 403, and all nominations on the Secretary's desk in the Foreign Service.

In addition, I ask unanimous consent the nomination of Paul Fiddick be discharged from the Agriculture Committee and that the Senate proceed to that nomination, en bloc.

I further ask unanimous consent the nominations be confirmed, the motion to reconsider be laid upon the table, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

The PRESIDING OFFICER. Is there an objection?

Mr. TORRICELLI. Reserving the right to object, Mr. President, included in these nominations is the United States attorney for New Jersey, Faith Hochberg, of the Federal district court, who has been nominated by the President. Mrs. Hochberg's quest for the Federal district court began with my predecessor, Senator Bradley, who nominated her. I, indeed, succeeded in that quest and am very pleased tonight she will be confirmed to the Federal district court.

I thank Senator LEAHY for his efforts in the course of the last week to bring the nomination forward and, of course, Senator GRASSLEY for his efforts tonight. She succeeded in having been an extraordinarily successful United States attorney. We are very grateful for her service that now comes to an end and wish her well in the Federal district court.

I have no objection.

The PRESIDING OFFICER. The objection is withdrawn.

Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF LABOR

Kenneth M. Bresnahan, of Virginia, to be Chief Financial Officer, Department of Labor.

DEPARTMENT OF COMMERCE

Cheryl Shavers, of California, to be Under Secretary of Commerce for Technology.

Kelly H. Carnes, of the District of Columbia, to be Assistant Secretary of Commerce for Technology Policy.

INTER-AMERICAN DEVELOPMENT BANK

Lawrence Harrington, of Tennessee, to be United States Executive Director of the Inter-American Development Bank for a term of three years.

DEPARTMENT OF LABOR

Edward B. Montgomery, of Maryland, to be an Assistant Secretary of Labor.

Richard M. McGahey, of the District of Columbia, to be an Assistant Secretary of Labor.

EXPORT-IMPORT BANK OF THE UNITED STATES

Dorian Vanessa Weaver, of Arkansas, to be a Member of the Board of Directors of the Export-Import Bank of the United States for a term expiring January 20, 2003.

Dan Herman Renberg, of Maryland, to be a Member of the Board of Directors of the Export-Import Bank of the United States for a term expiring January 20, 2003.

MISSISSIPPI RIVER COMMISSION

Major General Phillip R. Anderson, United States Army, to be a Member and President of the Mississippi River Commission.

Sam Epstein Angel, of Arkansas, to be a Member of the Mississippi River Commission for a term of nine years.

Brigadier General Robert H. Griffin, United States Army, to be a Member of the Mississippi River Commission.

FEDERAL TRADE COMMISSION

Thomas B. Leary, of the District of Columbia, to be a Federal Trade Commissioner for the term of seven years from September 26, 1998.

DEPARTEMENT OF TRANSPORTATION

Stephen D. Van Beek, of the District of Columbia, to be Associate Deputy Secretary of Transportation.

Michael J. Frazier, of Maryland, to be an Assistant Secretary of Transportation.

DEPARTMENT OF COMMERCE

Gregory Rohde, of North Dakota, to be Assistant Secretary of Commerce for Communications and Information.

THE JUDICIARY

Florence-Marie Cooper, of California, to be United States District Judge for the Central District of California.

William Joseph Haynes, Jr., of Tennessee, to be United States District Judge for the Middle District of Tennessee.

Ronald A. Guzman, of Illinois, to be United States District Judge for the Northern District of Illinois.

CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD

Gerald V. Poje, of Virginia, to be a Member of the Chemical Safety and Hazard Investigation Board for a term of five years.

TENNESSEE VALLEY AUTHORITY

Skila Harris, of Kentucky, to be a Member of the Board of Directors of the Tennessee Valley Authority for a term expiring May 18, 2008.

Glenn L. McCullough, Jr., of Mississippi, to be a Member of the Board of Directors of the Tennessee Valley Authority for the remainder of the term expiring May 18, 2005.

UNITED STATES SENTENCING COMMISSION

Michael O'Neill, of Maryland, to be a Member of the United States Sentencing Commission for a term expiring October 31, 2003.

Joe Kendall, of Texas, to be a Member of the United States Sentencing Commission for a term expiring October 31, 2001.

John R. Steer, of Virginia, to be a Member of the United States Sentencing Commission for the remainder of the term expiring October 31, 1999.

John R. Steer, of Virginia, to be a Member of the United States Sentencing Commission for a term expiring October 31, 2005.

Ruben Castillo, of Illinois, to be a Member of the United States Sentencing Commission for a term expiring October 31, 2003.

Diana E. Murphy, of Minnesota, to be a Member of the United States Sentencing Commission for the remainder of the term expiring October 31, 1999.

Diana E. Murphy, of Minnesota, to be a Member of the United States Sentencing Commission for a term expiring October 31, 2005.

Diana E. Murphy, of Minnesota, to be Chair of the United States Sentencing Commission.

Sterling R. Johnson, Jr., of New York, to be a Member of the United States Sentencing Commission for a term expiring October 31, 2001.

William Sessions, III, of Vermont, to be a Member of the United States Sentencing Commission for a term expiring October 31, 2003.

DEPARTMENT OF JUSTICE

Paul L. Seave, of California, to be United States Attorney for the eastern District of California for a term of four years.

John W. Marshall, of Virginia, to be Director of the United States Marshals Service.

Kathryn M. Turman, of Virginia, to be Director of the Office for Victims of Crime.

Melvin W. Kahle, of West Virginia, to be United States Attorney for the Northern District of West Virginia for a term of four years.

DEPARTMENT OF COMMERCE

Q. Todd Dickinson, of Pennsylvania, to be Commissioner of Patents and Trademarks.

Anne H. Chasser, of Ohio, to be an Assistant Commissioner of Patents and Trademarks.

FEDERAL MEDIATION AND CONCILIATION DIRECTOR

Charles Richard Barnes, of Georgia, to be Federal Mediation and Conciliation Director.

DEPARTMENT OF EDUCATION

A. Lee Fritschler, of Pennsylvania, to be Assistant Secretary for Postsecondary Education, Department of Education.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

Linda Lee Aaker, of Texas, to be a Member of the National Council on the Humanities for a term expiring January 26, 2004.

Edward L. Ayers, of Virginia, to be a Member of the National Council on the Humanities for a term expiring January 26, 2004.

Pedro G. Castillo, of California, to be a Member of the National Council on the Humanities for a term expiring January 26, 2004.

Peggy Whitman Prenshaw, of Louisiana, to be a Member of the National Council on the Humanities for a term expiring January 26, 2002.

Theodore William Striggles, of New York, to be a Member of the National Council on the Humanities for a term expiring January 26, 2004.

Ira Berlin of the District of Columbia, to be a Member of the National Council on the Humanities for a term expiring January 26, 2004.

Evelyn Edson, of Virginia, to be a Member of the National Council on the Humanities for a term expiring January 26, 2004.

DEPARTMENT OF EDUCATION

Michael Cohen, of Maryland, to be Assistant Secretary for Elementary and Secondary Education, Department of Education.

POSTAL SERVICE

John F. Walsh, of Connecticut, to be a Governor of the United States Postal Service for a term expiring December 8, 2006.

LeGree Sylvia Daniels, of Pennsylvania, to be a Governor of the United States Postal Service for a term expiring December 8, 2007.

EXECUTIVE OFFICE OF THE PRESIDENT

Joshua Gotbaum, of New York, to be Controller, Office of Federal Financial Management, Office of Management and Budget.

SOCIAL SECURITY ADMINISTRATION

James G. Huse, Jr., of Maryland, to be Inspector General, Social Security Administration.

DEPARTMENT OF STATE

David H. Kaeuper, of the District of Columbia, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Congo.

James B. Cunningham, of Pennsylvania, to be a Representative of the United States of America to the Sessions of the General Assembly of the United Nations during his tenure of service as Deputy Representative of the United States of America to the United Nations.

John E. Lang, of Wisconsin, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Botswana.

Delano Eugene Lewis, Sr., of New Mexico, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of South Africa.

Avis Thayer Bohlen, of the District of Columbia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be an Assistant Secretary of State (Arms Control).

Donald Stuart Hays, of Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Representative of the United States of America to the United Nations for U.N. Management and Reform, with rank of Ambassador.

Donald Stuart Hays, of Virginia, to be an Alternate Representative of the United States of America to the Sessions of the General Assembly of the United Nations during his tenure of service as Representative of the United States of America to the United Nations for UN Management and Reform.

Michael Edward Ranneberger, of Virginia, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Mali.

Harriet L. Elam, of Massachusetts, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Senegal.

Gregory Lee Johnson, of Washington, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Swaziland.

Jimmy J. Kolker, of Missouri, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Burkina Faso.

Joseph W. Prueher, of Tennessee, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of China.

Mary Carlin Yates, of Washington, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Burundi.

Charles Taylor Manatt, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Dominican Republic.

Gary L. Ackerman, of New York, to be a Representative of the United States of America to Fifty-fourth Session of the General Assembly of the United Nations.

Martin S. Indyk, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Israel.

Anthony Stephen Harrington, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Federative Republic of Brazil.

Craig Gordon Dunkerley, of Massachusetts, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, for the Rank of Ambassador during his tenure of Service as Special Envoy for Conventional Forces in Europe.

Robert J. Einhorn, of the District of Columbia, to be an Assistant Secretary of State (Non-proliferation).

Lawrence H. Summers, of Maryland, to be United States Governor of the International Monetary Fund for a term of five years; United States Governor of the International Bank for Reconstruction and Development for a term of five years; United States Governor of the Inter-American Development Bank for a term of five years; United States Governor of the African Development Bank for a term of five years; United States Governor of the Asian Development Bank; United States Governor of the African Development Fund; United States Governor of the European Bank for Reconstruction and Development.

James B. Cunningham, of Pennsylvania, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Deputy Representative of the United States of America to the United Nations, with the rank and status of Ambassador Extraordinary and Plenipotentiary.

Norman A. Wulf, of Virginia, a Career Member of the Senior Executive Service, to be a Special Representative of the President, with the rank of Ambassador.

AFRICAN DEVELOPMENT BANK

Willene A. Johnson, of New York, to be United States Director of the African Development Bank for a term of five years.

DEPARTMENT OF STATE

Edward S. Walker, Jr., of Maryland, a Career Member of the Senior Foreign Service, Class of Career Minister, to be an Assistant Secretary of State (Near Eastern Affairs).

James D. Bindenagel, of California, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, for the rank of Ambassador during tenure of service as Special Envoy and Representative of the Secretary of State for Holocaust Issues.

William B. Bader, of Virginia, to be an Assistant Secretary of State (Educational and Cultural Affairs).

Peter T. King, of New York, to be a Representative of the United States of America to the Fifty-fourth Session of the General Assembly of the United Nations.

J. Stapleton Roy, of Pennsylvania, a Career Member of the Senior Foreign Service with the Personal Rank of Career Ambassador, to be an Assistant Secretary of State (Intelligence and Research).

THE JUDICIARY

Ann Claire Williams, of Illinois, to be United States Circuit Judge for the Seventh Circuit.

Virginia A. Phillips, of California, to be United States District Judge for the Central District of California.

Faith S. Hochberg, of New Jersey, to be United States District Judge for the District of New Jersey.

DEPARTMENT OF JUSTICE

Daniel J. French, of New York, to be United States Attorney for the Northern District of New York for the term of four years.

Donna A. Bucella, of Florida, to be United States Attorney for the Middle District of Florida for the term of four years.

SOCIAL SECURITY ADMINISTRATION

William A. Halter, of Arkansas, to be Deputy Commissioner of Social Security for the term expiring January 19, 2001. (New Position)

DEPARTMENT OF THE TREASURY

Gregory A. Baer, of Virginia, to be an Assistant Secretary of the Treasury.

INTER-AMERICAN FOUNDATION

Kay Kelley Arnold, of Arkansas, to be a Member of the Board of Directors of the Inter-American Foundation for a term expiring October 6, 2004.

DEPARTMENT OF STATE

Irwin Belk, of North Carolina, to be an Alternate Representative of the United States of America to the Fifty-fourth Session of the General Assembly of the United Nations.

Revius O. Ortique, Jr., of Louisiana, to be an Alternate Representative of the United States of America to the Fifty-fourth Session of the General Assembly of the United Nations.

FEDERAL MARITIME COMMISSION

Joseph E. Brennan, of Maine, to be a Federal Maritime Commissioner for the term expiring June 30, 2003.

Antony M. Merck, of South Carolina, to be a Federal Maritime Commissioner for the term expiring June 30, 2001.

FOREIGN SERVICE

Nominations beginning Samuel Anthony Rubino, and ending Christopher Lee Stillman, which nominations were received by the Senate and appeared in the Congressional Record of February 23, 1999.

Nominations beginning George Carner and ending Steven G. Wisecarver, which nominations were received by the Senate and appeared in the Congressional Record of September 8, 1999.

Nominations beginning Johnnie Carson, and ending Susan H. Swart, which nominations were received by the Senate and appeared in the Congressional Record of September 8, 1999.

Nominations beginning Rueben Michael Rafferty, and ending Stephen R. Kelly, which nominations were received by the Senate and appeared in the Congressional Record of September 8, 1999.

Nominations beginning C. Miller Crouch, and ending Gary B. Pergl, which nominations were received by the Senate and appeared in the Congressional Record of September 9, 1999.

Nominations beginning Rita D. Jennings, and ending Carol Lynn Dorsey, which nominations were received by the Senate and appeared in the Congressional Record of November 3, 1999.

DEPARTMENT OF AGRICULTURE

Paul W. Fiddick, of Texas, to be an Assistant Secretary of Agriculture.

Mr. LAUTENBERG. Mr. President, I am pleased that the Senate has confirmed Faith Hochberg for a seat on the U.S. District Court for New Jersey. I want to thank Senators HATCH and LEAHY for moving ahead with this nomination at a time when New Jersey's Federal bench is struggling with heavy caseloads and a shortage of judges. Today's action will help New Jersey's Federal courthouses be more fair and more efficient.

Ms. Hochberg has served with distinction as the U.S. Attorney for New Jersey since 1994 and she couldn't be more qualified for a Federal judgeship.

President Clinton nominated Ms. Hochberg for the District Court on April 22. As the first female U.S. Attorney in New Jersey's history, Ms. Hochberg spearheaded corruption probes that led to the conviction of numerous Newark officials.

She also participated in the prosecution of Unabomber Theodore Kaczynski, and she unraveled widespread police corruption in several North Jersey communities.

Her office also has a record of aggressively pursuing child pornography cases. From 1994 through 1998, Ms. Hochberg's attorneys handled 67 of those cases, which was the second-highest number among U.S. Attorneys offices across the country.

Since 1997, Ms. Hochberg has been a member of the Attorney General's Advisory Committee, which advises Attorney General Janet Reno on issues affecting the U.S. Attorney's Office. Ms. Hochberg, in fact, chairs the White Collar Crime Subcommittee and has focused the committee's attention on cyber-crime issues, which of course will be an increasing concern in the next century.

This is particularly true in New Jersey, which has a concentration of high-tech industries and serves as a computer nerve center for large New York-based corporations and the Federal Reserve Bank of New York.

Prior to her service as U.S. Attorney, Ms. Hochberg served as Deputy Assistant Secretary of the Treasury for law enforcement as well as Senior Deputy Chief Counsel for the Treasury's Office of Thrift Supervision.

She also has experience in the private sector, having worked as a partner in a prominent New Jersey law firm.

Ms. Hochberg also has outstanding academic credentials. She graduated magna cum laude in 1975 from Harvard Law School, where she edited the Law Review. In 1972, she graduated summa cum laude from Tufts University.

Mr. President, Ms. Hochberg has also been a pioneer in her efforts to keep guns out of the hands of criminals. She and a former New Jersey Attorney General organized a project that alerts law enforcement each time a gun is recovered during a criminal incident. That allows those guns to be traced to their sources.

Mr. President, this confirmation could not come at a better time. New Jersey's Federal courthouses are stressed to the limit and delays are becoming more and more common.

Again, I thank Senator HATCH and Senator LEAHY for their efforts to confirm Faith Hochberg. I know she will be an outstanding judge.

Mr. MOYNIHAN. Mr. President, the Senate has just confirmed Daniel French as the new United States Attorney for the Northern District of New York and may I say I could not be more pleased.

Dan French is a native of the District having been born and brought up in Jefferson County, graduated cum laude from the University of the State of New York College at Oswego and is a cum laude graduate of the Syracuse University Law School where he served as an editor of the Law Review. Following law school Mr. French clerked for Judge Rosemary Pooler. Judge Pooler was then a United States District Court Judge and not sits on the Second Circuit Court of Appeals. Mr. French then joined the U.S. Attorney's office where he served until being named interim United States Attorney by Attorney General Janet Reno.

Like all of the District Court and U.S. Attorney Candidates I have recommended to the President, Mr. French was sent to me by my Screening Panel after he and other candidates were seen and their credentials reviewed.

But I must say I was particularly pleased to send Dan's name to the President. And pleased that the President, after reviewing his record, agreed that he should be nominated. For Dan French was with me for several years as a professional staff member on the Environment and Public Works Committee, the Committee on Finance and on my personal staff. I know him well. And I know that he has the kind of intelligence, learning, judgment and integrity that will make him an outstanding U.S. Attorney.

Mr. President, the Northern District of New York, in which our family home at Pindars Corners is located is vast. It services 3.5 million citizens and encompasses 32 of New York's 62 counties, covering 60% of the State's geographical area. By comparison, the district is larger than the combined land areas of Vermont, Massachusetts, Connecticut and Rhode Island. This large area with a diverse population is fortunate to have a native son, who understands its ways, enforcing the laws of the United States.

Years ago, another upstater, Supreme Court Justice Robert H. Jackson wrote that "the citizen's safety lies in the prosecutor who tempers zeal with human kindness, who seeks truth and not victims, who serves the law and not factional purposes, and who approaches his task with humility." I know that Dan French will be guided by Justice Jackson's words.

Dan French will be a splendid U.S. Attorney and I congratulate him on his confirmation and salute his wife, television broadcaster Kelly French and their two children Margaret Anne and Gavin Mitchell.

Mr. LEAHY. Mr. President, I am pleased that the Senate has voted today on the confirmation of Judge Florence-Marie Cooper to be a United States District Court Judge for the Central District of California.

Florence-Marie Cooper is a distinguished Californian. She has distinguished herself with a long career of service in the California state court system. She was a Deputy City Attorney for the City of Los Angeles in 1977. From 1978 to 1983, she was a Senior Research Attorney for the California Court of Appeal Second Appellate District. Then, from 1983–1990 she was a Court Commissioner for the Los Angeles Superior Court. From 1990–1991 she was a Judge in the Los Angeles Municipal Court. Since 1991 she has been a Judge in the Los Angeles Superior Court.

Judge Cooper received her undergraduate degree in 1971 from the City College of San Francisco, and her law degree from Whittier College School of Law in 1975. Following law school, she clerked for the Honorable Arthur Alarcon on the Los Angeles Superior Court Appellate Department.

The Senate could help Judge Florence-Marie Cooper's future workload if it would likewise take up and consider the nominations of the other nominees to her District Court: Judge Virginia Phillips, Dolly Gee and Frederic Woocher. Virginia Phillips was first nominated back in May 1998 and is still awaiting a hearing in order to fill a judicial emergency vacancy on that Court. The Judiciary Committee recently received a letter from Chief Judge Hatter of that Court in which he implored the Senate to act promptly on the nomination of Judge Virginia Phillips. Judge Hatter notes that the Eastern Division of the Central District is one of the fastest growing areas in the nation and has only one judge with a "staggering caseload." He explains that the reassignment of cases to Los Angeles from San Bernadino "results in a large number of litigants, witnesses, lawyers, and law enforcement officers having to travel to Los Angeles, some sixty (60) miles away, by way of the most traffic congested roads in the United States." I thank Chief Judge Hatter for his letter and want him to know that I, for one, understand. Those who say there is no judicial vacancies problem ought to consider Chief Judge Hatter's perspective and the problems created for thousands of people each year in his District.

The Senate also has before it ready for a final confirmation vote the nominations of Judge Richard Paez, Marshal Berzon and Ronald Gould, to the Ninth Circuit. The nomination that has been longer before the Senate is that of Judge Richard Paez, 44 months. The nomination that has been longest on the Senate Executive Calendar is that of Marshal Berzon, whose nomination was reported on July 1, before the 4th of July recess, before the extended August recess and before the Columbus Day recess.

The Senate could and should be voting up or down on the Paez and Berzon nominations. The Senate needs to fulfill its duty to each of these outstanding nominees and to the tens of millions of people served by the Ninth Circuit. A few anonymous Republican Senators are holding up action on these important nominations. Two weeks ago, the Majority Leader came to the floor and said that he would try to find a way to have these two nominations considered by the Senate. The way is to call them to a fair up-or-down vote. I want to help the Republican leader and help the Senate find its way clear to do that without additional delay and obstruction.

Despite the policy announced at the beginning of this year doing away with "secret holds," that is what Judge Paez and Marsha Berzon still confront as their nominations continuing to be obstructed under a cloak of anonymity after 44 months and 20 months, respectively. That is wrong and unfair. This continuing delay demeans the Senate, itself.

I have great respect for this institution and its traditions. Still, I must say that this use of secret holds for extended periods that doom a nomination from ever being considered by the United States Senate is wrong and unfair and beneath us. Who is it that is afraid to vote on these nominations? Who is it that must hiding their to these nominees? After almost 4 years with respect to Judge Paez and almost 2 years with respect to Marsha Berzon, it is time for the Senate to vote up-or-down on these nominations.

The Chief Justice of the United States Supreme Court wrote in January last year:

> Some current nominees have been waiting a considerable time for a Senate Judiciary Committee vote or a final floor vote. * * * The Senate is surely under no obligation to confirm any particular nominee, but after the necessary time for inquiry it should vote him up or vote him down.

At the time the Chief Justice issued this challenge, Judge Paez' nomination had already been pending for 24 months. The Senate received the Berzon nomination within days of the Chief Justice's report. That was almost 2 years ago and still the Senate stalls and refuses to vote. Let us follow the advice of the Chief Justice. Let the Republican leadership schedule fair up or down votes on the nominations of Judge Paez and Marsha Berzon so that the Senate can finally act on them. Let us be fair to all.

The debate on judicial nominations over the last couple of weeks has focused the Senate and the public on the unconscionable treatment by the Senate majority of selected nominees. The most prominent current examples of that treatment are Judge Paez and Marsha Berzon. With respect to these nominations, the Senate is refusing to do its constitutional duty and vote. I challenged the Senate last Friday, in the aftermath of the rejection of the nomination of Justice Ronnie White by the Republican caucus, to vote on the nominations of Judge Paez, Marshal Berzon, Judge Julio Fuentes, Judge Ann Williams, Judge James Wynn, Kathleen McGee Lewis and Enrique Moreno.

Nominees deserve to be treated with dignity and dispatch—not delayed for 2 and 3 and 4 years. I continue to urge the Republican Senate leadership to proceed to vote on the nominations of Judge Richard Paez and Marsha Berzon. There was never a justification for the Republican majority to deny these judicial nominees a fair up or down vote. There is no excuse for their continuing failure to do so.

I know the Senate has done the right thing and confirmed Judge Florence-Marie Cooper to the Central District of California and that she will be an outstanding judge. I will continue my efforts to bring to a vote the nominations of Judge Richard Paez and Marsha Berzon.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will resume legislative session.

RECOGNIZING MEMBERS OF THE ARMED FORCES AND CIVILIAN EMPLOYEES WHO PARTICIPATED IN KOSOVO AND THE BALKANS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of S. Res. 224 and the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the resolution by title.

The legislative clerk read as follows:

> A resolution (S. Res. 224) expressing the sense of the Senate to designate November 11, 1999, as a special day for recognizing the members of the Armed Forces and the civilian employees of the United States who participated in the recent conflict in Kosovo and the Balkans.

There being no objection, the Senate proceeded to consider the resolution.

Mr. CLELAND. Mr. President, I am reminded of incredibly sacred places and moments in our history when I rise to talk about recognition of our veterans—past and present—on Veteran's Day—recognizing all our veteran's from all our wars. Places like Arlington National Cemetery, Andersonville, Georgia, the beaches of Normandy, Pearl Harbor, the Chosin Reservoir, Keshan, the deserts of Kuwait, and now the skies over Kosovo, should be indelibly etched in all our thoughts.

It is often said "Poor is the nation which has no heroes, but poorer still is the nation which has them but forgets." We will gather all over this great nation on Thursday, November 11, 1999 to remember for the last time this century our veterans and to restate our commitment that they will never be forgotten. I consider all those who has ever been in uniform to my brothers and sisters. We all came to these hollowed chambers through distinguished routes, I got to Washington because of those who served in the military and I work here, day in and day out, for them!

As we depart Washington, I ask that we reiterate our promise to our Soldiers, Sailors, Airmen, Marines, DoD civilians, and their families—that they will not be slighted, now or ever—that we honor their service—that we honor the service of those still missing, because their plight is our plight.

We cannot remember our Veterans properly without remembering the sacrifices of war—these are the issues that hit home. We remember those service members who have sacrificed for this nation, and we pay special tribute to their families.

I ask through my resolution that we additionally pay special tribute this Veteran's Day to those service members—active, guard, reserve, and civilians—who participated in the recently successful military operations—combat and humanitarian—in Kosovo and the entire Balkans area of operations.

Over 39,000 members of the Armed Services deployed to the Balkans area during the peak of Kosovo operations, 700 U.S. aircraft were deployed, 37,000 overall missions were flown with 25,000 of these by U.S. aircraft, and 5,000 missions were weapons strike missions. We all know that this is only a partial picture of what was occurring on the ground, on the high seas, and in the air. These facts fit any definition of warfare.

We can not forget these individuals and their families any more than we can forget those of all of our past wars. If freedom is the fruit of victory, Veteran's Day reminds us too of the cost of war—casualties, POWs, and MIAs. They live in our hearts while we live in the world they made safe for us. I call for us all this Veteran's Day to remember specially our Kosovo and Balkans service members as we remember all past veterans.

Every day I wake up, I thank God I am here. I am inspired to continue living by the memory of our veteran's. The vigilance of those that went to Kosovo, like those who still serve in the Balkans, those in the desert, those in ships, and those in Korea and in the far corners of the earth, is now my vigilance, their fight is now my fight. I ask my colleagues to remember and to ensure that their sacrifices are not made in vain.

Secretary Cohen recently stated at the POW/MIA recognition ceremony at Arlington Cemetery—an awesome, somber experience—that "we are the heirs of freedom, paid for with the blood of patriots." I ask my colleagues to remember our Kosovo and Balkans patriots in their ceremonies this Veteran's Day. How fortunate we are, how much we owe.

I will be remembering veterans from Georgia in the Kosovo conflict, especially veterans from Warner Robbins Air Force Base, Fort Stewart near Savannah, the naval air station in Atlanta and Moody Air Force Base in Valdosta.

I thank the Chair.

Mr. GRASSLEY. I ask unanimous consent the resolution and the preamble be agreed to en bloc, the motion to reconsider be laid upon the table, and that any statements be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 224) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 224

Whereas approximately 39,000 members of the Armed Forces and civilian employees of the United States were deployed at the peak of the 1999 conflict in Kosovo;

Whereas approximately 700 United States aircraft were deployed and committed to combat missions during that conflict;

Whereas approximately 37,000 combat sorties were flown by aircraft of the North Atlantic Treaty Organization (NATO) during that conflict;

Whereas approximately 25,000 combat sorties were flown by United States aircraft during that conflict;

Whereas more than 5,000 weapons strike missions were completed during that conflict;

Whereas that conflict was the largest combat operation in the history of the North Atlantic Treaty Organization;

Whereas the United States and the North Atlantic Treaty Organization achieved all the military objectives of that conflict;

Whereas there were no United States or North Atlantic Treaty Organization combat fatalities during that conflict; and

Whereas that conflict was the most precise air assault in history: Now, therefore, be it

Resolved, That it is the Sense of the Senate—

(1) to designate November 11, 1999, as a special day for recognizing and welcoming home the members of the Armed Forces (including active component and reserve component personnel), and the civilian personnel of the United States, who participated in the recently-completed operations in Kosovo and the Balkans, including combat operations and humanitarian assistance operations;

(2) to designate November 11, 1999, as a special day for remembering the members of the Armed Forces deployed in Kosovo and throughout the world, and the families of such members;

(3) to make the designations under paragraphs (1) and (2) on November 11, 1999, in light of the traditional celebration and recognition of the veterans of the United States on November 11 each year;

(4) to acknowledge that the members of the Armed Forces who served in Kosovo and the Balkans responded to the call to arms during a time of change in world history;

(5) to recognize that we live in times of international unrest and that the conflict in Kosovo was a dangerous military operation, as all combat operations are; and

(6) to acknowledge that the United States owes a debt of gratitude to the members of the Armed Forces who served in the conflict in Kosovo, to their families, and to all the members of the Armed Forces who place themselves in harm's way each and every day.

APPOINTMENT TO INTELLIGENCE COMMITTEE

Mr. GRASSLEY. I ask unanimous consent that the Senate now proceed to the immediate consideration of S. Res. 232, submitted earlier by Senators LOTT and DASCHLE.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 232) making changes to Senate Committees for the 106th Congress.

There being no objection, the Senate proceeded to consider the resolution.

Mr. GRASSLEY. I ask unanimous consent that the resolution be agreed to and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 232) was agreed to, as follows:

S. RES. 232

Resolved, That notwithstanding the provisions of S. Res. 400 of the 95th Congress, or the provisions of rule XXV, the following changes shall be effective on those Senate committees listed below for the 106th Congress, or until their successors are appointed:

Committee on Intelligence: Effective the 2nd session of the 106th Congress, remove Mr. DeWine, and Mr. Kerrey.

REMOVAL OF INJUNCTION OF SECRECY—TREATY DOCUMENT NO. 106–16

Mr. GRASSLEY. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the following convention transmitted to the Senate on November 10, 1999, by the President of the United States: Treaty with Ukraine on Mutual Legal Assistance in Criminal Matters (Treaty Document No. 106–16).

I further ask that the convention be considered as having been read the first time; that it be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message of the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty Between the United States of America and Ukraine on Mutual Legal Assistance in Criminal Matters with Annex, signed at Kiev on July 22, 1998. I transmit also, for the information of the Senate, an exchange of notes which was signed on September 30, 1999, which provides for its provisional application, as well as the report of the Department of State with respect to the Treaty.

The Treaty is one of a series of modern mutual legal assistance treaties being negotiated by the United States in order to counter criminal activities more effectively. The Treaty should be an effective tool to assist in the prosecution of a wide variety of crimes, including drug trafficking offenses. The Treaty is self-executing. It provides for a broad range of cooperation in criminal matters. Mutual assistance available under the Treaty includes: taking of testimony or statements of persons; providing documents, records, and articles of evidence; serving documents; locating or identifying persons; transferring persons in custody for testimony or other purposes; executing requests for searches and seizures; assisting in proceedings related to restraint, confiscation, forfeiture of assets, restitution, and collection of fines; and any other form of assistance not prohibited by the laws of the requested state.

I recommend that the Senate give early and favorable consideration to the Treaty and give its advice and consent to ratification.

WILLIAM J. CLINTON.
THE WHITE HOUSE, *November 10, 1999.*

ORDERS FOR FRIDAY, NOVEMBER 12, 1999, AND TUESDAY, NOVEMBER 16, 1999

Mr. GRASSLEY. I ask unanimous consent when the Senate completes its business today, it stand in adjournment until the hour of 10 a.m. on Friday, November 12, for a pro forma session only.

I further ask consent that the Senate immediately adjourn until 10 a.m., on Tuesday, November 16, and immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed expired, and the time for the two leaders be reserved for their use later that day.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. GRASSLEY. For the information of all Senators, the Senate will convene on Friday for a pro forma session only. No business will be transacted on Friday.

On Tuesday, the Senate will convene and begin processing the appropriations items and various conference reports received from the House.

On Wednesday morning, the Senate will conduct a rollcall vote in relation to the agricultural amendment by Senator WELLSTONE. Additional votes can be anticipated in an effort to complete the first session of the 106th Congress. Therefore, Senators should adjust their schedules for the possibility of votes throughout the day and into the evening on Wednesday.

I appreciate the patience and cooperation of our colleagues as we attempt to complete the appropriations process and end the first session of the 106th Congress.

Mr. LEAHY. If the Senator will yield for a moment?

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I commend the distinguished acting majority leader for the number of nominations that have been cleared. I hope my side of the aisle will work with the majority leader to clear some more before we go out, especially among the judges. We have a number that have been pending and are noncontroversial and should be cleared.

I also hope that on Wednesday we will go to the conference report on the satellite bill. It passed the House, I think, 411–8, which shows the enormous support it has. I hope we get it out of here; otherwise, we run the risk of hundreds of thousands of satellite dishes and TV sets around this country going black on a number of their channels on December 31. This has enormous importance.

As I said, the House passed it 411–8. They are showing more unanimity than on just about anything they have done this year. We passed it, I believe, unanimously. That, and the attendant Hatch-Leahy patent bill—which I think is extremely important—I hope we get through before we go out.

I mention that, but I also did want to commend the Senator from Iowa, both in his capacity as the Senator from Iowa and in his capacity as acting leader, for the number of nominations that have gone through. I hope my side of the aisle will be as diligent in clearing the rest.

Mr. GRASSLEY. Mr. President, in response to what the Senator from Vermont said, obviously I am in no position to speak for our majority leader or assistant majority leader on some of the things he said. But I do share his view, especially coming from a rural State, as the Senator from Vermont does, that there is very much benefit for our rural constituents in that satellite viewers legislation. I, too, would like to see it pass.

I can say again, not for the leader but for myself, I have observed a lot of contact between important Senators around here on that issue. There is a real effort being made to find a solution so that can be passed so on December 31 what you said would happen, and what would actually happen if the bill does not pass will not in fact happen.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT UNTIL 10 A.M., FRIDAY, NOVEMBER 12, 1999

Mr. GRASSLEY. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 7:56 p.m., adjourned until Friday, November 12, 1999, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate November 10, 1999:

DEPARTMENT OF EDUCATION

FRANK S. HOLLEMAN, OF SOUTH CAROLINA, TO BE DEPUTY SECRETARY OF EDUCATION, VICE MADELEINE KUNIN.

NATIONAL MEDIATION BOARD

MAGDALENA G. JACOBSEN, OF OREGON, TO BE A MEMBER OF THE NATIONAL MEDIATION BOARD FOR A TERM EXPIRING JULY 1, 2002. (REAPPOINTMENT)

FRANCIS J. DUGGAN, OF VIRGINIA, TO BE A MEMBER OF THE NATIONAL MEDIATION BOARD FOR A TERM EXPIRING JULY 1, 2000, VICE KENNETH BYRON HIPP, TERM EXPIRED.

ERNEST W. DUBESTER, OF NEW JERSEY, TO BE A MEMBER OF THE NATIONAL MEDIATION BOARD FOR A TERM EXPIRING JULY 1, 2001. (REAPPOINTMENT)

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

LESLIE LENKOWSKY, OF INDIANA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE FOR A TERM EXPIRING FEBRUARY 8, 2004, VICE ELI J. SEGAL, TERM EXPIRED.

JUANITA SIMS DOTY, OF MISSISSIPPI, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE FOR A TERM EXPIRING JUNE 10, 2004, VICE ROBERT B. ROGERS, TERM EXPIRED.

OVERSEAS PRIVATE INVESTMENT CORPORATION

GARY A. BARRON, OF FLORIDA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE OVERSEAS PRIVATE INVESTMENT CORPORATION FOR A TERM EXPIRING DECEMBER 17, 2002, VICE MARK ERWIN.

DEPARTMENT OF STATE

ALAN PHILLIP LARSON, OF IOWA, TO BE UNITED STATES ALTERNATE GOVERNOR OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT FOR A TERM OF FIVE YEARS; UNITED STATES ALTERNATE GOVERNOR OF THE INTER-AMERICAN DEVELOPMENT BANK FOR A TERM OF FIVE YEARS; UNITED

STATES ALTERNATE GOVERNOR OF THE AFRICAN DEVELOPMENT BANK FOR A TERM OF FIVE YEARS: UNITED STATES ALTERNATE GOVERNOR OF THE AFRICAN DEVELOPMENT FUND: UNITED STATES ALTERNATE GOVERNOR OF THE ASIAN DEVELOPMENT BANK: AND UNITED STATES ALTERNATE GOVERNOR OF THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT. VICE STUART E. EIZENSTAT.

UNITED STATES INTERNATIONAL TRADE COMMISSION

DEANNA TANNER OKUN. OF IDAHO. TO BE A MEMBER OF THE UNITED STATES INTERNATIONAL TRADE COMMISSION FOR A TERM EXPIRING JUNE 16. 2008. VICE CAROL T. CRAWFORD. TERM EXPIRED.

DEPARTMENT OF VETERANS AFFAIRS

ROBERT M. WALKER. OF WEST VIRGINIA. TO BE UNDER SECRETARY OF VETERANS AFFAIRS FOR MEMORIAL AFFAIRS. (NEW POSITION)

CORPORATION FOR PUBLIC BROADCASTING

ERNEST J. WILSON III. OF MARYLAND. TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION FOR PUBLIC BROADCASTING FOR A TERM EXPIRING JANUARY 31. 2004. VICE ALAN SAGNER. RESIGNED.

DEPARTMENT OF TRANSPORTATION

MONTE R. BELGER. OF VIRGINIA. TO BE DEPUTY ADMINISTRATOR OF THE FEDERAL AVIATION ADMINISTRATION. VICE LINDA HALL DASCHLE.

MORRIS K. UDALL SCHOLARSHIP & EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION

ERIC D. EBERHARD. OF WASHINGTON. TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE MORRIS K. UDALL SCHOLARSHIP & EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION FOR A TERM EXPIRING OCTOBER 6. 2002. VICE RONALD KENT BURTON. TERM EXPIRED.

DEPARTMENT OF STATE

LUIS J. LAUREDO. OF FLORIDA. TO BE PERMANENT REPRESENTATIVE OF THE UNITED STATES TO THE ORGANIZATION OF AMERICAN STATES. WITH THE RANK OF AMBASSADOR. VICE VICTOR MARRERO.

FEDERAL LABOR RELATIONS AUTHORITY

CAROL WALLER POPE. OF THE DISTRICT OF COLUMBIA. TO BE A MEMBER OF THE FEDERAL LABOR RELATIONS AUTHORITY FOR A TERM EXPIRING JULY 1. 2004. VICE PHYLLIS NICHAMOFF SEGAL. TERM EXPIRED.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

JOAN R. CHALLINOR. OF THE DISTRICT OF COLUMBIA. TO BE A MEMBER OF THE NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE FOR A TERM EXPIRING JULY 19. 2004. (REAPPOINTMENT)

EXECUTIVE OFFICE OF THE PRESIDENT

DONALD RAY VEREEN, JR., OF THE DISTRICT OF COLUMBIA. TO BE DEPUTY DIRECTOR OF NATIONAL DRUG CONTROL POLICY. (NEW POSITION)

CONFIRMATIONS

Executive nominations confirmed by the Senate November 10, 1999:

DEPARTMENT OF LABOR

KENNETH M. BRESNAHAN. OF VIRGINIA. TO BE CHIEF FINANCIAL OFFICER. DEPARTMENT OF LABOR.

DEPARTMENT OF COMMERCE

CHERYL SHAVERS. OF CALIFORNIA. TO BE UNDER SECRETARY OF COMMERCE FOR TECHNOLOGY.

KELLY H. CARNES. OF THE DISTRICT OF COLUMBIA. TO BE ASSISTANT SECRETARY OF COMMERCE FOR TECHNOLOGY POLICY.

INTER-AMERICAN DEVELOPMENT BANK

LAWRENCE HARRINGTON. OF TENNESSEE. TO BE UNITED STATES EXECUTIVE DIRECTOR OF THE INTER-AMERICAN DEVELOPMENT BANK FOR A TERM OF THREE YEARS.

DEPARTMENT OF LABOR

EDWARD B. MONTGOMERY. OF MARYLAND. TO BE AN ASSISTANT SECRETARY OF LABOR.

RICHARD M. MCGAHEY. OF THE DISTRICT OF COLUMBIA. TO BE AN ASSISTANT SECRETARY OF LABOR.

EXPORT-IMPORT BANK OF THE UNITED STATES

DORIAN VANESSA WEAVER. OF ARKANSAS. TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK OF THE UNITED STATES FOR A TERM EXPIRING JANUARY 20. 2003.

DAN HERMAN RENBERG. OF MARYLAND. TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK OF THE UNITED STATES FOR A TERM EXPIRING JANUARY 20, 2003.

MISSISSIPPI RIVER COMMISSION

MAJOR GENERAL PHILLIP R: ANDERSON. UNITED STATES ARMY. TO BE A MEMBER AND PRESIDENT OF THE MISSISSIPPI RIVER COMMISSION. UNDER THE PROVISIONS OF SECTION 2 OF AN ACT OF CONGRESS. APPROVED JUNE 1879 (21 STAT. 37) (33 USC 642).

SAM EPSTEIN ANGEL. OF ARKANSAS. TO BE A MEMBER OF THE MISSISSIPPI RIVER COMMISSION FOR A TERM OF NINE YEARS.

BRIGADIER GENERAL ROBERT H. GRIFFIN. UNITED STATES ARMY. TO BE A MEMBER OF THE MISSISSIPPI RIVER COMMISSION. UNDER THE PROVISIONS OF SECTION 2 OF AN ACT OF CONGRESS. APPROVED JUNE 1879 (21 STAT. 37) (33 USC 642).

FEDERAL TRADE COMMISSION

THOMAS B. LEARY. OF THE DISTRICT OF COLUMBIA. TO BE A FEDERAL TRADE COMMISSIONER FOR THE TERM OF SEVEN YEARS FROM SEPTEMBER 26, 1998.

DEPARTMENT OF TRANSPORTATION

STEPHEN D. VAN BEEK, OF THE DISTRICT OF COLUMBIA. TO BE ASSOCIATE DEPUTY SECRETARY OF TRANSPORTATION.

MICHAEL J. FRAZIER. OF MARYLAND. TO BE AN ASSISTANT SECRETARY OF TRANSPORTATION.

DEPARTMENT OF COMMERCE

GREGORY ROHDE. OF NORTH DAKOTA. TO BE ASSISTANT SECRETARY OF COMMERCE FOR COMMUNICATIONS AND INFORMATION.

SURFACE TRANSPORTATION BOARD

LINDA JOAN MORGAN. OF MARYLAND. TO BE A MEMBER OF THE SURFACE TRANSPORTATION BOARD FOR A TERM EXPIRING DECEMBER 31. 2003. (REAPPOINTMENT)

DEPARTMENT OF AGRICULTURE

PAUL W. FIDDICK. OF TEXAS. TO BE AN ASSISTANT SECRETARY OF AGRICULTURE.

CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD

GERALD V. POJE. OF VIRGINIA. TO BE A MEMBER OF THE CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD FOR A TERM OF FIVE YEARS.

TENNESSEE VALLEY AUTHORITY

SKILA HARRIS. OF KENTUCKY. TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE TENNESSEE VALLEY AUTHORITY FOR A TERM EXPIRING MAY 18. 2008.

GLENN L. MCCULLOUGH, JR., OF MISSISSIPPI. TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE TENNESSEE VALLEY AUTHORITY FOR THE REMAINDER OF THE TERM EXPIRING MAY 18. 2005.

FEDERAL MEDIATION AND CONCILIATION DIRECTOR

CHARLES RICHARD BARNES. OF GEORGIA. TO BE FEDERAL MEDIATION AND CONCILIATION DIRECTOR.

DEPARTMENT OF EDUCATION

A. LEE FRITSCHLER. OF PENNSYLVANIA. TO BE ASSISTANT SECRETARY FOR POSTSECONDARY EDUCATION. DEPARTMENT OF EDUCATION.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

LINDA LEE AAKER. OF TEXAS. TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE HUMANITIES FOR A TERM EXPIRING JANUARY 26. 2004.

EDWARD L. AYERS. OF VIRGINIA. TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE HUMANITIES FOR A TERM EXPIRING JANUARY 26. 2004.

PEDRO G. CASTILLO. OF CALIFORNIA. TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE HUMANITIES FOR A TERM EXPIRING JANUARY 26. 2004.

PEGGY WHITMAN PRENSHAW. OF LOUISIANA. TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE HUMANITIES FOR A TERM EXPIRING JANUARY 26. 2002.

THEODORE WILLIAM STRIGGLES. OF NEW YORK. TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE HUMANITIES FOR A TERM EXPIRING JANUARY 26. 2004.

IRA BERLIN. OF THE DISTRICT OF COLUMBIA. TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE HUMANITIES FOR A TERM EXPIRING JANUARY 26. 2004.

EVELYN EDSON. OF VIRGINIA. TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE HUMANITIES FOR A TERM EXPIRING JANUARY 26. 2004.

DEPARTMENT OF EDUCATION

MICHAEL COHEN. OF MARYLAND. TO BE ASSISTANT SECRETARY FOR ELEMENTARY AND SECONDARY EDUCATION. DEPARTMENT OF EDUCATION.

POSTAL SERVICE

JOHN F. WALSH. OF CONNECTICUT. TO BE A GOVERNOR OF THE UNITED STATES POSTAL SERVICE FOR A TERM EXPIRING DECEMBER 8. 2006.

UNITED STATES POSTAL SERVICE

LEGREE SYLVIA DANIELS. OF PENNSYLVANIA. TO BE A GOVERNOR OF THE UNITED STATES POSTAL SERVICE FOR A TERM EXPIRING DECEMBER 8. 2007.

EXECUTIVE OFFICE OF THE PRESIDENT

JOSHUA GOTBAUM. OF NEW YORK. TO BE CONTROLLER. OFFICE OF FEDERAL FINANCIAL MANAGEMENT. OFFICE OF MANAGEMENT AND BUDGET.

SOCIAL SECURITY ADMINISTRATION

JAMES G. HUSE. JR., OF MARYLAND. TO BE INSPECTOR GENERAL. SOCIAL SECURITY ADMINISTRATION.

DEPARTMENT OF STATE

DAVID H. KAEUPER. OF THE DISTRICT OF COLUMBIA. A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE. CLASS OF COUNSELOR. TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF CONGO.

JAMES B. CUNNINGHAM. OF PENNSYLVANIA. TO BE A REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE SESSIONS OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS DURING HIS TENURE OF SERVICE AS DEPUTY REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE UNITED NATIONS.

JOHN E. LANGE. OF WISCONSIN. A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE. CLASS OF COUNSELOR. TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF BOTSWANA.

DELANO EUGENE LEWIS. SR., OF NEW MEXICO. TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF SOUTH AFRICA.

AVIS THAYER BOHLEN. OF THE DISTRICT OF COLUMBIA. A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE. CLASS OF MINISTER-COUNSELOR. TO BE AN ASSISTANT SECRETARY OF STATE (ARMS CONTROL).

DONALD STUART HAYS. OF VIRGINIA. A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE. CLASS OF MINISTER-COUNSELOR. TO BE REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE UNITED NATIONS FOR U.N. MANAGEMENT AND REFORM. WITH THE RANK OF AMBASSADOR.

DONALD STUART HAYS. OF VIRGINIA. TO BE AN ALTERNATE REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE SESSIONS OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS DURING HIS TENURE OF SERVICE AS REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE UNITED NATIONS FOR UN MANAGEMENT AND REFORM.

MICHAEL EDWARD RANNEBERGER. OF VIRGINIA. A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE. CLASS OF COUNSELOR. TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF MALI.

HARRIET L. ELAM. OF MASSACHUSETTS. A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE. CLASS OF MINISTER-COUNSELOR. TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF SENEGAL.

GREGORY LEE JOHNSON. OF WASHINGTON. A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE. CLASS OF MINISTER-COUNSELOR. TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE KINGDOM OF SWAZILAND.

JIMMY J. KOLKER. OF MISSOURI. A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE. CLASS OF COUNSELOR. TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO BURKINA FASO.

JOSEPH W. PRUEHER. OF TENNESSEE. TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE PEOPLE'S REPUBLIC OF CHINA.

MARY CARLIN YATES. OF WASHINGTON. A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE. CLASS OF COUNSELOR. TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF BURUNDI.

CHARLES TAYLOR MANATT. OF THE DISTRICT OF COLUMBIA. TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE DOMINICAN REPUBLIC.

GARY L. ACKERMAN. OF NEW YORK. TO BE A REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO FIFTY-FOURTH SESSION OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS.

MARTIN S. INDYK. OF THE DISTRICT OF COLUMBIA. TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO ISRAEL.

ANTHONY STEPHEN HARRINGTON. OF MARYLAND. TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE FEDERATIVE REPUBLIC OF BRAZIL.

CRAIG GORDON DUNKERLEY. OF MASSACHUSETTS. A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE. CLASS OF MINISTER-COUNSELOR. FOR THE RANK OF AMBASSADOR DURING HIS TENURE OF SERVICE AS SPECIAL ENVOY FOR CONVENTIONAL FORCES IN EUROPE.

ROBERT J. EINHORN. OF THE DISTRICT OF COLUMBIA. TO BE AN ASSISTANT SECRETARY OF STATE (NON-PROLIFERATION). (NEW POSITION)

LAWRENCE H. SUMMERS. OF MARYLAND. TO BE UNITED STATES GOVERNOR OF THE INTERNATIONAL MONETARY FUND FOR A TERM OF FIVE YEARS: UNITED STATES GOVERNOR OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT FOR A TERM OF FIVE YEARS: UNITED STATES GOVERNOR OF THE INTER-AMERICAN DEVELOPMENT BANK FOR A TERM OF FIVE YEARS: UNITED STATES GOVERNOR OF THE AFRICAN DEVELOPMENT BANK FOR A TERM OF FIVE YEARS: UNITED STATES GOVERNOR OF THE ASIAN DEVELOPMENT BANK; UNITED STATES GOVERNOR OF THE AFRICAN DEVELOPMENT FUND: UNITED STATES GOVERNOR OF THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT.

JAMES B. CUNNINGHAM. OF PENNSYLVANIA. A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE. CLASS OF MINISTER-COUNSELOR. TO BE DEPUTY REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE

UNITED NATIONS, WITH THE RANK AND STATUS OF AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY.

NORMAN A. WULF, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR EXECUTIVE SERVICE, TO BE A SPECIAL REPRESENTATIVE OF THE PRESIDENT, WITH THE RANK OF AMBASSADOR.

AFRICAN DEVELOPMENT BANK

WILLENE A. JOHNSON, OF NEW YORK, TO BE UNITED STATES DIRECTOR OF THE AFRICAN DEVELOPMENT BANK FOR A TERM OF FIVE YEARS.

DEPARTMENT OF STATE

EDWARD S. WALKER, JR., OF MARYLAND, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE AN ASSISTANT SECRETARY OF STATE (NEAR EASTERN AFFAIRS).

JAMES D. BINDENAGEL, OF CALIFORNIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, FOR THE RANK OF AMBASSADOR DURING TENURE OF SERVICE AS SPECIAL ENVOY AND REPRESENTATIVE OF THE SECRETARY OF STATE FOR HOLOCAUST ISSUES.

WILLIAM B. BADER, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF STATE (EDUCATIONAL AND CULTURAL AFFAIRS).

PETER T. KING, OF NEW YORK, TO BE A REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE FIFTY-FOURTH SESSION OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS.

J. STAPLETON ROY, OF PENNSYLVANIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE WITH THE PERSONAL RANK OF CAREER AMBASSADOR, TO BE AN ASSISTANT SECRETARY OF STATE (INTELLIGENCE AND RESEARCH).

SOCIAL SECURITY ADMINISTRATION

WILLIAM A. HALTER, OF ARKANSAS, TO BE DEPUTY COMMISSIONER OF SOCIAL SECURITY FOR THE TERM EXPIRING JANUARY 19, 2001.

DEPARTMENT OF THE TREASURY

GREGORY A. BAER, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF THE TREASURY.

INTER-AMERICAN FOUNDATION

KAY KELLEY ARNOLD, OF ARKANSAS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE INTER-AMERICAN FOUNDATION FOR A TERM EXPIRING OCTOBER 6, 2004.

DEPARTMENT OF STATE

IRWIN BELK, OF NORTH CAROLINA, TO BE AN ALTERNATE REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE FIFTY-FOURTH SESSION OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS.

REVIUS O. ORTIQUE, JR., OF LOUISIANA, TO BE AN ALTERNATE REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE FIFTY-FOURTH SESSION OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS.

CAROL MOSELEY-BRAUN, OF ILLINOIS, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO NEW ZEALAND.

CAROL MOSELEY-BRAUN, OF ILLINOIS, TO SERVE CONCURRENTLY AND WITHOUT ADDITIONAL COMPENSATION AS AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO SAMOA.

FEDERAL MARITIME COMMISSION

JOSEPH E. BRENNAN, OF MAINE, TO BE A FEDERAL MARITIME COMMISSIONER FOR THE TERM EXPIRING JUNE 30, 2003.

ANTONY M. MERCK, OF SOUTH CAROLINA, TO BE A FEDERAL MARITIME COMMISSIONER FOR THE TERM EXPIRING JUNE 30, 2001.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

THE JUDICIARY

FLORENCE-MARIE COOPER, OF CALIFORNIA, TO BE UNITED STATES DISTRICT JUDGE FOR THE CENTRAL DISTRICT OF CALIFORNIA.

WILLIAM JOSEPH HAYNES, JR., OF TENNESSEE, TO BE UNITED STATES DISTRICT JUDGE FOR THE MIDDLE DISTRICT OF TENNESSEE.

RONALD A. GUZMAN, OF ILLINOIS, TO BE UNITED STATES DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF ILLINOIS.

UNITED STATES SENTENCING COMMISSION

MICHAEL O'NEILL, OF MARYLAND, TO BE A MEMBER OF THE UNITED STATES SENTENCING COMMISSION FOR A TERM EXPIRING OCTOBER 31, 2003.

JOE KENDALL, OF TEXAS, TO BE A MEMBER OF THE UNITED STATES SENTENCING COMMISSION FOR A TERM EXPIRING OCTOBER 31, 2001.

JOHN R. STEER, OF VIRGINIA, TO BE A MEMBER OF THE UNITED STATES SENTENCING COMMISSION FOR THE REMAINDER OF THE TERM EXPIRING OCTOBER 31, 1999.

JOHN R. STEER, OF VIRGINIA, TO BE A MEMBER OF THE UNITED STATES SENTENCING COMMISSION FOR A TERM EXPIRING OCTOBER 31, 2005.

RUBEN CASTILLO, OF ILLINOIS, TO BE A MEMBER OF THE UNITED STATES SENTENCING COMMISSION FOR A TERM EXPIRING OCTOBER 31, 2003.

DIANA E. MURPHY, OF MINNESOTA, TO BE A MEMBER OF THE UNITED STATES SENTENCING COMMISSION FOR THE REMAINDER OF THE TERM EXPIRING OCTOBER 31, 1999.

DIANA E. MURPHY, OF MINNESOTA, TO BE A MEMBER OF THE UNITED STATES SENTENCING COMMISSION FOR A TERM EXPIRING OCTOBER 31, 2005. (REAPPOINTMENT)

DIANA E. MURPHY, OF MINNESOTA, TO BE CHAIR OF THE UNITED STATES SENTENCING COMMISSION.

STERLING R. JOHNSON, JR., OF NEW YORK, TO BE A MEMBER OF THE UNITED STATES SENTENCING COMMISSION FOR A TERM EXPIRING OCTOBER 31, 2001.

WILLIAM SESSIONS III, OF VERMONT, TO BE A MEMBER OF THE UNITED STATES SENTENCING COMMISSION FOR A TERM EXPIRING OCTOBER 31, 2003.

DEPARTMENT OF JUSTICE

PAUL L. SEAVE, OF CALIFORNIA, TO BE UNITED STATES ATTORNEY FOR THE EASTERN DISTRICT OF CALIFORNIA FOR A TERM OF FOUR YEARS.

JOHN W. MARSHALL, OF VIRGINIA, TO BE DIRECTOR OF THE UNITED STATES MARSHALS SERVICE.

DEPARTMENT OF COMMERCE

Q. TODD DICKINSON, OF PENNSYLVANIA, TO BE COMMISSIONER OF PATENTS AND TRADEMARKS.

ANNE H. CHASSER, OF OHIO, TO BE AN ASSISTANT COMMISSIONER OF PATENTS AND TRADEMARKS.

DEPARTMENT OF THE JUSTICE

KATHRYN M. TURMAN, OF VIRGINIA, TO BE DIRECTOR OF THE OFFICE FOR VICTIMS OF CRIME.

DEPARTMENT OF JUSTICE

MELVIN W. KAHLE, OF WEST VIRGINIA, TO BE UNITED STATES ATTORNEY FOR THE NORTHERN DISTRICT OF WEST VIRGINIA FOR A TERM OF FOUR YEARS.

THE JUDICIARY

ANN CLAIRE WILLIAMS, OF ILLINOIS, TO BE UNITED STATES CIRCUIT JUDGE FOR THE SEVENTH CIRCUIT.

VIRGINIA A. PHILLIPS, OF CALIFORNIA, TO BE UNITED STATES DISTRICT JUDGE FOR THE CENTRAL DISTRICT OF CALIFORNIA.

FAITH S. HOCHBERG, OF NEW JERSEY, TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF NEW JERSEY.

DEPARTMENT OF JUSTICE

DANIEL J. FRENCH, OF NEW YORK, TO BE UNITED STATES ATTORNEY FOR THE NORTHERN DISTRICT OF NEW YORK FOR THE TERM OF FOUR YEARS.

DONNA A. BUCELLA, OF FLORIDA, TO BE UNITED STATES ATTORNEY FOR THE MIDDLE DISTRICT OF FLORIDA FOR THE TERM OF FOUR YEARS.

IN THE NAVY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be rear admiral

REAR ADM. (LH) KEVIN P. GREEN, 6805.

IN THE ARMY

ARMY NOMINATIONS BEGINNING ALAN G. LACKEY, AND ENDING RITA A. PRICE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON NOVEMBER 3, 1999.

FOREIGN SERVICE

FOREIGN SERVICE NOMINATIONS BEGINNING SAMUEL ANTHONY RUBINO, AND ENDING CHRISTOPHER LEE STILLMAN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON FEBRUARY 23, 1999.

FOREIGN SERVICE NOMINATIONS BEGINNING GEORGE CARNER, AND ENDING STEVEN G. WISECARVER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON SEPTEMBER 8, 1999.

FOREIGN SERVICE NOMINATIONS BEGINNING JOHNNIE CARSON, AND ENDING SUSAN H. SWART, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON SEPTEMBER 8, 1999.

FOREIGN SERVICE NOMINATIONS BEGINNING RUEBEN MICHAEL RAFFERTY, AND ENDING STEPHEN R. KELLY, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON SEPTEMBER 8, 1999.

FOREIGN SERVICE NOMINATIONS BEGINNING C. MILLER CROUCH, AND ENDING GARY B. PERGL, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON SEPTEMBER 9, 1999.

FOREIGN SERVICE NOMINATIONS BEGINNING RITA D. JENNINGS, AND ENDING CAROL LYNN DORSEY, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON NOVEMBER 3, 1999.

IN THE MARINE CORPS

MARINE CORPS NOMINATION OF KARL G. HARTENSTINE.

IN THE NAVY

NAVY NOMINATIONS BEGINNING LYNNE M. HICKS, AND ENDING WILLIAM D. WATSON, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON NOVEMBER 3, 1999.

NAVY NOMINATION OF JOHN R. DALY, JR.

HOUSE OF REPRESENTATIVES—*Wednesday, November 10, 1999*

The House met at 10 a.m.

The Reverend Dr. Ronald F. Christian, Chaplain, Lutheran Social Services, Washington, D.C., offered the following prayer:

O mighty God, the seasons of the year are ordered by Your will and there is a time for everything under the sun. Wisdom teaches us that there is a time to plant and a time to grow, a time to harvest and a time to lay fallow.

We know also that the seasons of our lives are part of Your divine order and their rhythm is like the ebb and the flow of the tide, the springtime of youth, the summer of labor, the autumn of maturity, and the winter of reflection.

O God, by Your goodness, we make a living by what we earn. But we make a life by what we give. So help us give thanks for Your blessings, give hope to the forlorn, give love to the lonely, and give joy to the disheartened.

And on this day of grace, O God, we pray for the circle of our families, for the circle of our friends, for the circle of our colleagues, and for the circle of our Nation, the United States of America.

Order our days in Your peace, and bless our deeds with Your grace so that, in whatever season of life it is our destiny to live, we may find satisfaction in our past and be awarded courage for the unknown tomorrows. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Louisiana (Mr. VITTER) come forward and lead the House in the Pledge of Allegiance.

Mr. VITTER led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Ms. McDevitt, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

> H.J. Res. 76. Joint resolution waiving certain enrollment requirements for the remainder of the first session of the One Hundred Sixth Congress with respect to any bill or joint resolution making general appropriations or continuing appropriations for fiscal year 2000.

The message also announced that in accordance with sections 1928a–1928d of title 22, United States Code, as amended, the Chair, on behalf of the Vice President, appoints the following Senators as members of the Senate Delegation to the North Atlantic Assembly (NATO parliamentary Assembly) during the First Session of the One Hundred Sixth Congress, to be held in Amsterdam, The Netherlands, November 11–15, 1999—the Senator from Iowa Mr. GRASSLEY); the Senator from Utah (Mr. BENNETT); and the Senator from Hawaii (Mr. AKAKA).

THANKS TO REVEREND DR. RONALD F. CHRISTIAN FOR LONG AND FAITHFUL SERVICE TO THE HOUSE

(Mr. DAVIS of Virginia asked and was given permission to address the House for 1 minute.)

Mr. DAVIS of Virginia. Mr. Speaker, I am pleased today to give my personal thanks and those of the House of Representatives to the Reverend Dr. Ronald Christian, who was our guest chaplain today and has just led us in the beautiful opening prayer.

But in a sense Dr. Christian is not a guest in this Chamber, for during the last 20 years he has served as an unofficial chaplain in the House and since 1979 he has assisted Dr. Ford with the duties of the chaplaincy and participated in all the activities associated with that office. He has given the opening prayer on more than 90 occasions and has been available for pastoral counsel for Members and staff.

Dr. Christian grew up on a farm in Illinois and attended a country church where his mother was the church organist. He was graduated from the Luther College in Iowa and Luther Seminary in Minnesota and in 1979 he was awarded the degree of Doctor of Ministry from Luther College. He was the founding pastor of Lord of Life Church in Fairfax, Virginia, and under his leadership the church grew to be one the largest Lutheran churches in the metropolitan area.

He is married to Judy Christian and they have two children, Matthew and Mary Jo. Dr. Christian is now the Director and Chaplain of Lutheran Social Services in Northern Virginia.

We are honored that Dr. Christian was our chaplain today, and we thank him for the 20 years of faithful service to the House.

APPOINTING REVEREND DR. JAMES DAVID FORD AS CHAPLAIN EMERITUS OF HOUSE OF REPRESENTATIVES

Mr. PETRI. Mr. Speaker, I call up the resolution, (H. Res. 373) that immediately following his resignation as Chaplain of the House of Representatives and in recognition of the length of his devoted service to the House, Reverend James David Ford be, and he is hereby, appointed Chaplain emeritus of the House of Representatives, and ask unanimous consent for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

Mrs. CAPPS. Mr. Speaker, reserving the right to object, and I will not object, I yield to my good friend the gentleman from Wisconsin to explain his resolution.

Mr. PETRI. Mr. Speaker, this resolution is offered in appreciation and thanks for the 20 years of service to the House, its Members, and its employees by our colleague and friend, the Chaplain of the House, the Reverend James David Ford; and I urge its adoption.

Mrs. CAPPS. Mr. Speaker, continuing to reserve my right to object, I am very happy to yield to the gentleman from Illinois (Speaker HASTERT), the Honorable Speaker of the House.

Mr. HASTERT. Mr. Speaker, I thank the gentlewoman from California (Mrs. CAPPS) for yielding.

Mr. Speaker, I rise in recognition of Dr. Ford and his devoted service to this House. He is a man of this House. He is a colleague. He is a friend. He is a counselor.

He has touched the lives of many Members in countless ways. He has married us. He has kept marriages together. He has baptized our children. He has visited us in the hospital. He has been with our families as we bid farewell to our beloved colleagues. And, very simply, he has been there when we needed him. He has made us laugh when we did not think we could, and he has made us introspective when we wanted to look elsewhere.

For me personally and the entire House, he was there that tragic day a

☐This symbol represents the time of day during the House proceedings, e.g., ☐1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

little over a year ago when a gunman changed our lives in this House forever. He was there for the fallen heroes. He was there for their families. He was there for those of us who knew them well and whose lives were saved by their heroic actions. For that, I will be forever grateful.

Dr. Ford is not allowed to speak on the House floor, and we are not about to break that tradition, even for an emeritus chaplain. But I think it fitting on this occasion to quote him from his charge to the Chaplain Search Committee.

> I have been honored to have served you as Chaplain for nearly 20 years, and I leave with deep appreciation for the vital work of the Congress and the people who serve this place so faithfully. I continue with enthusiastic support for this institution, our democracy, and with a sense of thanksgiving for the opportunities that I have been given.

Thank you, Dr. Ford, and may God bless you in the years ahead.

Mrs. CAPPS. Mr. Speaker, further reserving the right to object, I am very happy to yield to my colleague the gentleman from Michigan (Mr. BONIOR).

Mr. BONIOR. Mr. Speaker, I thank my colleague for yielding.

Mr. Speaker, let me just echo the eloquent remarks of our Speaker in appreciation for the many years of service by Dr. Ford.

This institution is in many ways family. It is certainly a community. And it gets beyond a community because of the connectiveness that we have with each other. In any family and in any community, it takes someone with exceptional skills and kindness and goodness to help nurture that community.

Reverend Ford has been absolutely magnificent in that role. As the Speaker said, he has married us, he has baptized our children, he has counseled us in difficult times, and he has been there for us when we have needed him. He is a lovely man with a beautiful family, and we are going to miss him deeply.

Mr. Speaker, I just wanted to, on a personal note, say to Dr. Ford how much I appreciate all the good, kind things that he has done for me. Dr. Ford married Judy and I. My wife Judy worked for Dr. Ford for a number of years.

And in the spirit of full service chaplainship, if that is such a word, Dr. Ford and I happened to be in the hospital on the same day and actually happened to have been scheduled for an operation the very same hour. And as we were being wheeled out of our rooms down the corridor to get on our respective elevators to go down to the operating room, he yelled over to me, "Now, Bonior, this is really what I call full service chaplainship."

I will always remember that, and I will always take that with me through the years, as it was a very relaxing and a memorable comment in a very difficult time in my personal life.

So Dr. Ford, thank you so much. We wish you and Marcy and your family all the best in the years to come. Thank you for your service, and thank you for your goodness.

Mrs. CAPPS. Mr. Speaker, continuing to reserve my right to object, I am pleased to yield to my colleague the gentleman from Illinois (Mr. SHIMKUS).

Mr. SHIMKUS. Mr. Speaker, I appreciate the gentlewoman from California (Mrs. CAPPS) yielding to me.

To my friend and colleague, Jim Ford, let it be known that for 18 years he served as chaplain of West Point, 20 years here in this body.

As a member of the Chaplain Search Committee, I thought it was necessary to go back to the Bible and look at the qualifications. And paraphrasing I Timothy 3, Bishops should be blameless, sober, given to hospitality, apt to teach, rule at his own house, not a novice, and of good report.

Jim Ford embodies all those principles of I Timothy, with the added benefit of a love for his country, his military, this body, and West Point.

Of all the great leaders he has known, and he has known many of those, his greatest love has been to his God, his family, this body, our armed forces, and West Point.

□ 1015

Like General MacArthur, I think Chaplain Ford's final words will be these: "But in the evening of my memory, I come back to West Point. Always there echoes and reechoes: duty, honor, country. Today marks my final roll call with you. But I want you to know that when I cross the river, my last conscious thoughts will be of the corps and the corps and the corps."

I bid you farewell, Chaplain Ford. The House, the corps, and this great Nation bid you a fond farewell.

Mrs. CAPPS. Mr. Speaker, continuing my reservation of objection, I want to welcome this opportunity for myself to say a few words about our dear friend, Chaplain Jim Ford.

I will not of course object to this resolution. I support this resolution with a full heart. I commend the gentleman from Wisconsin (Mr. PETRI) for offering it.

Mr. Speaker, this House is a remarkable institution. It is the People's House. We, the 435 Members, represent different geographical areas. We have starkly different ideologies. We have different political agendas. Often our debates are heated, even rancorous. But if there is one person among us who truly represents goodness and decency and humanity in this place, it is our chaplain. For two decades, Jim Ford has been a powerful voice for unity, compassion, and love in this place. In his service to the House, Chaplain Ford has truly served the American people.

Mr. Speaker, over the past few months, I have been honored to serve on the Speaker's search committee to find a new chaplain. This process has reminded me yet again of the incredible skills that Jim Ford has brought to this job. He has infused this House with spiritual strength in times of triumph and in times of tragedy. He has spent countless thousands of hours providing pastoral care to Members and staff who desperately needed his guidance. He has taught us to respect and nurture the diversity of our own religious faiths and in so doing has reminded us that one of our Nation's greatest strengths is our religious pluralism. He has carefully avoided entering our legislative debates and has remained a truly nonpartisan adviser and mentor to the entire House. And through it all, Jim has always shown such warmth and wit. His jokes, the good ones and the terrible ones, are a fixture on this floor.

Mr. Speaker, my late husband, Walter, was so proud to have served in this House with Jim Ford, a fellow Lutheran, a fellow Swede, and a fellow graduate of the Augustana Seminary. He loved Jim Ford very much. I will never forget what the chaplain said at Walter's memorial service. Quoting Martin Luther, Jim said: "Send your good men into the ministry, but send your best men into politics." Our chaplain is both. He is a good man and he is one of the best of men. He has walked the delicate yet vital line between faith and government with unparalleled skill and devotion.

Mr. Speaker, I support the resolution to appoint Jim Ford Chaplain Emeritus of the House; and I hope and pray that he will be working with us and serving the American people for decades to come.

Now it is my pleasure to yield to my colleague from New York.

Mr. MCNULTY. I thank the gentlewoman for yielding. Jim Ford is Swedish? I thought he was an Irish monsignor.

Mr. Speaker, the fact of the matter is that when I first came here in 1988 and met Jim Ford, I thought he looked like an Irish monsignor so I referred to him as monsignor. Little did I know that for years before I came to the House of Representatives, Tip O'Neill also called him monsignor. So over the past 11 years, I have carried on that tradition. But whatever the title, we are all very grateful to you, Dr. Ford, for your advice and counsel and friendship through the years.

We thank you for Marcy and your great family and the tremendous support they have also been to us. I particularly thank you for the service of your son Peter who has protected me in Sudan and Kuwait and various hot spots around the world. I think if we sum it all up, we could use the words of scripture to describe your service here in the House of Representatives over the past 20 years: "Well done, good and faithful servant."

Mrs. CAPPS. Mr. Speaker, further reserving the right to object, I am happy now to yield to my colleague from Georgia.

Mr. LEWIS of Georgia. Mr. Speaker, I want to thank the gentlewoman for yielding.

Mr. Speaker, I rise to support this resolution. When I first came here 13 years ago as a Member of Congress from the State of Georgia and met the Reverend Dr. James Ford, I wanted to refer to Dr. Ford not as Dr. Ford or Reverend Ford but, like my colleague from New York, I wanted to call him Father Ford. For this man, this good and wise spiritual leader, is a blessing not just to this body but to our Nation and to all of her citizens.

For 20 years, the Reverend Dr. James David Ford has started our session with the most important motion each day, a motion to the Congress and all Americans to pray and give thanks. Reverend Ford also reminds Congress every day that it is through faith, hope, and love that we serve. Through his selfless counseling and pastoral services to all Members and staff and his spiritual service as a new pastor in 1958 at the Lutheran Church in Ivanhoe, Minnesota, Reverend Dr. Ford, you have personified the very best that public service has to offer.

I will miss you, Dr. Ford. We have traveled many roads together. We traveled together to a free and unified South Africa. You kept us calm. You prayed with us. We had good food together. We shared some good times together, but we shared some very high and lofty moments together. We traveled to Selma, Alabama. We have crossed many racial and religious bridges together. In the journey down the road less traveled together, my friend has made all of the difference to me and to many that you continue to touch and inspire each day.

Dr. Ford, God bless you. May God keep you, your lovely wife, and your five children. We are going to miss you. But we will never ever forget you. Reverend Dr. Ford, my brother, and my friend, thank you for being you. Godspeed.

Mrs. CAPPS. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Chaplain Jim Ford is a good man. In God's eyes, he is undoubtedly a great man. Humble of personality but proud of faith and strong of intellect and spirit, he has given us all an example of how life should and can be lived. Gandhi said that your life is your message and Jim Ford's service is his statement of faith. We thank you, Jim, for what you have meant to all of us individually and collectively as an institution.

Mrs. CAPPS. Mr. Speaker, further reserving the right to object, I am happy to yield now to my colleague from Minnesota.

Mr. SABO. I thank the gentlewoman for yielding. If one could object to this resolution and it meant that our friend Jim Ford stayed chaplain, I would; but I gather that is not an option, so I will not object. It is a great privilege to rise in support of this resolution.

In 1979, I came to Congress, and I noticed that there was a new chaplain; and I read his bio and I discovered that he had a background in my district, Minneapolis. I had not heard of him. He had served out in Ivanhoe, Minnesota, in western Minnesota, and then had gone on to West Point. I needed to find out some things about him. He was a full-blooded Norwegian, it was tough to forgive him for being a Swede, but we gradually overcame that. I heard all these things today about this great intellect, but I found out other things about this gentleman. This person of great intelligence went off a ski jump in my district backwards. He survived. He went on. He has lived life to its fullest, sailing across the ocean in a small boat with one other person. I discovered last night they ended up in the middle of a cyclone. Again, that great caution that is evident in his life. He has served us well. He has lived life to its fullest. I have no idea what he has in mind after he leaves us. He has been flying one of these little planes that sounds sort of crazy to me. I do not know what he is going to do. He drives cross-country with his son on a motorcycle. What adventures he has planned we will find out in the years ahead. He has been a great friend to all of us. He has made an incredible contribution to this institution. We wish him and his family and his wife, Marcy, the best. You made life in this place that so many times is filled with pressures and so hectic better for all of us and we thank you.

Mrs. CAPPS. Mr. Speaker, further reserving the right to object, I am pleased to yield to my colleague from New York.

Ms. SLAUGHTER. I thank the gentlewoman for yielding. This is a sad morning for me, because all the years that I have been in Congress, Reverend Dr. Ford has been here. Every morning he sort of gently nudges us to remind us of what we are here for and to whom we will eventually report. I hope that his prayers before this House will be published, because they were extraordinary pieces of work. Again it showed his intellect and his deep caring.

I have a personal story I need to relate about Dr. Ford. We all know how he was there for us whenever we needed him. But I asked him for something extraordinarily special, and he was there when I needed him. My youngest daughter graduated from American University. When she was getting married to our great surprise she decided she wanted to be married here in Washington, which caused us no end of grief because we could not find anybody who was willing to do the service. So we got the loan of a church and Dr. Ford very graciously said, "Of course I will do that." The way he said it to me is something I will never forget. He said, "Getting married is a wonderful thing. No one should be troubled by who is going to perform the ceremony." He did it with such wonderful charm and grace again that every word that he said that day at that ceremony is clear in my mind. So my family is grateful to Dr. Ford.

All of us in this House are losing a true friend and champion. Wherever he goes, I hope that he will still gently remind us in some way of why we are here and to whom we report. Thank you for your constancy and for your friendship and for your wonderful guidance which we will miss dreadfully. Thank you, Dr. Ford.

Mrs. CAPPS. Mr. Speaker, further reserving the right to object, I am pleased now to yield to my colleague from Ohio.

Mr. TRAFICANT. I thank the gentlewoman for yielding.

I did not plan to say a few words. We all love Dr. Ford, but I am worried for him. As the gentleman from Minnesota talked about, that just is not a one-man plane; that is a small plane with a lawn mower engine. He puts on his helmet, looks like he is right out of Buck Rogers, gets on a Harley Davidson motorcycle, revs it up so you could hear those exhausts, and passes people up speeding down the road.

□ 1030

I am concerned about him with all this free time.

So I think we all better say a collective prayer for a man whose collective prayers have helped an awful lot of us. Godspeed.

Mr. GILMAN. Mr. Speaker, while I am pleased to join our colleagues in saluting Jim Ford on the occasion of his impending retirement, this is a bittersweet responsibility for me.

For one thing, Rev. Jim Ford is a former constituent of mine, having lived in our beautiful 20th Congressional District of New York throughout his 18 years as Cadet Chaplain at the U.S. Military Academy at West Point. This has afforded Jim and I with a reference point for many hours of pleasurable reminisces about the majestic Hudson River and its magnificent valley.

Chaplain Ford has married and buried more Generals than any of us have met throughout our careers.

I also had the honor to share with Jim and his good spouse, Marcie, travel on many of our overseas fact finding missions. Jim made a positive contribution to our works, always being ready with compassionate guidance, spiritual advice, and old fashioned common sense.

When Jim was first proposed for the role of House Chaplain back in 1979, he was one of the few nominees for that position ever to be nominated by both the Republican and the Democratic caucuses. This bi-partisan support and admiration has continued throughout Jim's twenty year tenure as our Chaplain.

Those of us who have come to love Jim especially admire his zest for life, which he manifests through action rather than words. His legendary skill as a skier, his devotion to flying lighter than air aircraft, and his entire philosophy of living life to the fullest has long inspired us all.

Jim became Chaplain at a time when longer sessions and more work hours placed a strain on the family life of many of us in this chamber. He was always ready to lend any of us a helping hand and sound advice. I believe that Jim is the only person I have ever known who has been addressed as "Reverend," as "Father", and as "Rabbi" by Members of this body and our staffs.

Jim Ford, in fact is the first House Chaplain to devote himself full time to that position. This in itself is indicative of what a unique individual we are losing, and how his shoes will be so difficult to fill.

Chaplain Ford has been more than a clergyman, and far more than our House Chaplain. He has been a friend and confidant to many of us, and while we extend our best wishes and good health to Jim and Marcie upon this new venture in his life, we want him to know he will be sorely missed.

Accordingly, I am pleased to join my colleagues in support of H. Con. Res. 373, appointing Jim Ford as House Chaplain Emeritus.

Mr. RAMSTAD. Mr. Speaker, for the past 20 years, the House of Representatives has been well-served by our dedicated and beloved chaplain, the Reverend Dr. James Ford.

Seven days a week, year after year, Jim Ford has represented the absolute best in service to God and Country.

Much priase has deservedly been heaped upon Jim Ford as he marks his well-deserved retirement. Jim's many distinguished years of service (19) to the U.S. Military Academy at West Point and his earlier years at Ivanhoe Lutheran Church in Minnesota are well-known and well-documented.

What isn't so well-known are his very early years in Minnesota and his legendary escapade as a young ski-jumper at Theodore Wirth Park in Minneapolis. Let the record reflect that our own beloved chaplain, Dr. Jim Ford, still holds the record jump at the Theodore Wirth Ski-Jump—backward! That's right. When he was a very young Swede and a student at Edison High School in northeast Minneapolis, Jim Ford defied the laws of gravity and common sense and survived a backward jump on this notoriously steep ski slope and lived to tell about it!

They still talk proudly about their prominent alumnus at Edison High School in Northeast Minneapolis and at Gustavus Adolphus College in St. Peter, Minnesota, where Jim starred in the classroom and the athletic field.

"You can take Jim Ford from Minnesota, but you can't take Minnesota from Jim Ford," was how his Gustavus classmate, the Rev. Bill Albertson put it recently. Some of you remember my good friend, Bill Albertson, who served as a Guest Chaplain here several years ago.

Jim, on behalf of all Minnesotans, I salute you and thank you for your many ears of service. Thank you for being there in good times and hard times, in times of joy and sorrow. Thank you for your prayers, counsel, great wit and unparalleled ability to put things into perspective.

Thank you for caring so deeply about our families, our friends and our constituents.

Thank you for bringing Democrats, Republicans and Independents together under God. Thank you for bringing even the Swedes and Norwegians together!

May God bless you and Marcie always, just as your work here in the House has blessed us.

Mr. HOUGHTON. Mr. Speaker, I've always thought of the great religious leaders over the ages to be strong men of substance with a hearty voice and good spirit. This of course perfectly describes our Chaplain, Jim Ford—a strong man, a kind man, an effective man. He comes to us from a long line of great religious leaders. We're goig to miss him sorely.

Mrs. CAPPS. Mr. Speaker, I appreciate the time for allowing us to celebrate the life of our Chaplain, Jim Ford, and I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. LaHood). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read the resolution, as follows:

H. Res. 373

Resolved, That immediately following his resignation as Chaplain of the House of Representatives and in recognition of the length of his devoted service to the House, Reverend James David Ford be, and he is hereby, appointed Chaplain emeritus of the House of Representatives.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PETRI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the resolution just adopted.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair announces that there will be five 1-minutes on each side.

GOVERNMENT WASTE

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, last week President Clinton vetoed a bill that called for a 1 percent cut in discretionary spending. He said the loss would place too great a burden on American families.

The President's concern would best be served by insisting that his agencies are more responsible. The waste in government far exceeds the proposed 1 percent cut.

Here is a partial list of this waste. The Agriculture Department in 1997 erroneously issued $1 billion in food stamps overpayments. In 1999, according to the audit, the Defense Department spent $40 billion on overseas telecommunications systems that cannot be used. The Defense Department inventory contains $11 billion worth of equipment that in 1997 was unneeded. Also in 1997 the government spent $3.3 billion in loan guarantees for defaulted students. By 1996 the Department of Energy spent $10 billion on 31 projects that were terminated before completion. HCFA in 1998 erroneously spent $12.6 billion in overpayments to health care providers. HUD, $857 million in erroneous rent subsidy payments in 1998. On and on we could go.

Mr. Speaker, every agency under the President can find fraud, waste and abuse to cut.

PRIVATE RELIEF LEGISLATION

(Ms. CARSON asked and was given permission to address the House for 1 minute.)

Ms. CARSON. Mr. Speaker, today I am introducing legislation that would provide for private relief for the benefit of Adela Bailor and Darryl Bailor. As my colleagues know, private relief is available in only rare instances. I believe that the circumstances surrounding the Bailors' case qualifies under the rules for private legislation.

The facts surrounding this case are clear and undisputed. Adela Bailor was working for Prison Fellowship Ministries in Fort Wayne, Indiana and was raped on May 9, 1991 by a Federal prisoner who had escaped from the Salvation Army Freedom Center, a halfway house in Chicago, Illinois.

What makes the Bailors' case special is that they were caught in a legal Catch-22. The Bailors filed suit against the Federal Bureau of Prisons and the Salvation Army, which ran the halfway house to which Mr. Holly was assigned. One of the requirements for all inmates at a halfway house is that they remain drug free and take a periodic drug test. Mr. Holly had a history of violence and drug abuse, including convictions for possession of heroin.

AMERICA'S VETERANS ARE THE FABRIC OF OUR NATION

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, tomorrow is Veterans Day and I rise to take this opportunity to salute our Nation's veterans, especially those veterans from my home State of Nevada.

The Second Congressional District in Nevada is one of the largest and fastest growing veteran populations in the United States. These are men and women who at one point or another put their personal lives and careers aside and oftentimes their families on hold for a much greater cause. It should be remembered that our veterans made America the leader of the Free World.

While we celebrate their service, just one day each year, it is our responsibility to remember them every day.

Mr. Speaker, we can thank our Nation's veterans each day in many different ways. In Congress here, we can make certain that our Nation's promises are kept to all of our veterans. In our neighborhoods we can take an extra moment and thank a veteran for their service. We can contact family members and friends who served our country to learn more about their experiences of service and courage. In our schools, we can teach our children about America's greatest moments, moments when freedom and democracy were upheld because of our veterans.

America's veterans are the fabric of our Nation. We salute you and we thank you.

TIME TO ABOLISH INCOME TAXES

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, in America, the government takes the people's money and distributes it. That sounds like communism to me. I think it is time to throw out income taxes. No more forms, no more audits, no more IRS. Think about it. I am going to quote now Reverend Jim Ford. He says, think about this: The IRS does not even send us a thank you for voluntarily paying our income taxes.

Beam me up. It is time to abolish income taxes, abolish the IRS, and pass a flat 15 percent national sales tax.

I yield back the IRS.

TEACHER EMPOWERMENT ACT WILL FIX EDUCATION WOES

(Mr. BALLENGER asked and was given permission to address the House for 1 minute.)

Mr. BALLENGER. Mr. Speaker, this is the headline in the New York Daily News on Monday: the headline says, Not Fit to Teach Your Kid.

In some city schools, 50 percent of the teachers in New York are uncertified. Well, we can help the City of New York if we gave them the flexibility that is in the House-passed Teacher Empowerment Act so that they can properly prepare some of the existing teachers they have; so that they can raise the academic achievement level of all of their students.

WHO IS TAKING CARE OF OUR CHILDREN?

(Ms. WOOLSEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. WOOLSEY. Mr. Speaker, the end of the session is almost here. Over this session, the last year, Congress has passed funding for the F-22, tax breaks for the wealthiest Americans, and appropriations bills that busted the budget caps.

But while the Republican leadership is taking care of special interests, I want to know who is taking care of our children. Our children continue to lack access to quality health care, attend dilapidated schools and die at a rate of 13 a day due to handgun violence.

Mr. Speaker, our children are 25 percent of our population, but they are 100 percent of our future, and I ask my colleagues, who is taking care of them? They do not need rhetoric, they need action.

So again, I ask my Republican colleagues, while they are taking care of special interests, who is taking care of our children?

STOP DELAYS ON SOCIAL SECURITY LOCKBOX LEGISLATION

(Mr. VITTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VITTER. Mr. Speaker, tomorrow is Veterans Day, and it is also day 168 since this House passed the Social Security lockbox bill.

Memorial Day, the 4th of July, Labor Day, Yom Kippur, Columbus Day, the World Series, and tomorrow Veterans Day all will pass since this body acted to permanently stop the raid on Social Security. In those five months, the other body has failed to consider providing lockbox protection for the Social Security Trust Fund.

Mr. Speaker, time after time, an effort was made to bring the bill to the floor, but those efforts were all unsuccessful. And all the while, the leader of the obstructionists, the man who sits in the White House, accused the Republican Party of being against Social Security.

Once again, the truth did not get in the way of White House rhetoric.

We will soon be recessing, heading home for Thanksgiving, Hanukkah, Christmas, New Year's. Let us pledge not to let too many of those precious holidays pass before we pass in the House and the Senate Social Security lockbox protection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would ask all Members not to make personal references to Members of the Senate or characterize their actions.

CLASS SIZE REDUCTION, WHEN LESS IS MORE

(Mr. CUMMINGS asked and was given permission to address the House for 1 minute.)

Mr. CUMMINGS. Mr. Speaker, the American people know that when it comes to class size, less is more. More personal attention, more teacher instruction rather than discipline, and as the Tennessee Star and Wisconsin Sage and other studies have shown, increased academic achievement, with students actually moving from the 50th to the 60th percentile.

To break this down in terms we can all understand, we know that no sports coach in his right mind would try to teach 150 players one hour per day and hope to win the championship game. No, a coach has several assistants and small, special teams. Yet, my Republican colleagues want to ask one teacher, all alone, to teach several overcrowded classes and then expect children to win the academic game of life.

Parents and teachers want, and our children deserve more teachers, smaller classes, and academic coaching for our children to win this wonderful game of life.

SECURE SOCIAL SECURITY SURPLUS RATHER THAN WASTE IT

(Mr. TIAHRT asked and was given permission to address the House for 1 minute and revise and extend his remarks.)

Mr. TIAHRT. Mr. Speaker, break out the suntan oil. Secretary Babbitt and 20 of his officials of the Interior Department are in the Virgin Islands as we speak. Apparently he greased the skids with the administration because the Interior bill is still in negotiations with House and Senate leadership. Before Secretary Babbitt made it to the beach, he told Congress he did not have 1 percent waste in the Interior budget. He said he could not absorb just a 1 percent reduction to help us secure the Social Security surplus.

Mr. Speaker, I have a couple of suggestions. First, Secretary Babbitt could have taken only 19 Interior employees and left one of them in Washington, and help achieve a 1 percent reduction. Or, he could have gone to Wichita, Kansas, where we have competitive rates and large meeting rooms, and saved at least 1 percent of the cost, or he could have just stayed home and left the Virgin Islanders to the honeymooners and tourists.

Mr. Speaker, I believe the American people would rather secure the Social Security surplus than see government officials spend the money, lubricating their skin on the beaches of the Virgin Islands.

U.S. SHOULD PAY U.N. ARREARS

Mr. CROWLEY. Mr. Speaker, last March, seven former Secretaries of State from both parties, Republican and Democrat, wrote to Congress and told us that it was time for us to pay our debt to the United Nations. With time winding down before we adjourn, we still have not followed their good advice.

For decades, the U.N. has played a key role in American international affairs and national security. But now by failing to pay our bill, we have strained our relationship with some of our closest allies. Our influence in the world and at the U.N. is being undermined and our ability to bring about critical U.N. reforms is being weakened as well.

If we fail to pay by the end of the year, the U.S. will loose its vote in the U.N. General Assembly under the very rules that we helped to adopt. Our international obligations should not be held up by disputes over unrelated issues between the House and the President. Keeping our promises should be a priority and not a bargaining chip.

Other countries look to our great Nation for leadership to set an example for the rest of the world. They should not look to us and see a nation that will not pay its bills because of unrelated issues.

PROVIDING FOR CONSIDERATION OF H.R. 3073, FATHERS COUNT ACT OF 1999

Ms. PRYCE of Ohio. Mr. Speaker, by the direction of the Committee on Rules, I call up House Resolution 367 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 367

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 3073) to amend part A of title IV of the Social Security Act to provide for grants for projects designed to promote responsible fatherhood, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed 90 minutes, with 60 minutes equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means and 30 minutes equally divided and controlled by the chairman and ranking minority member of the Committee on Education and the Workforce. After general debate the bill shall be considered for amendment under the five-minute rule. In lieu of the amendment recommended by the Committee on Ways and Means now printed in the bill, it shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute printed in the Congressional Record and numbered 1 pursuant to clause 8 of rule XVIII, modified by the amendment printed in part A of the report of the Committee on Rules accompanying this resolution. That amendment in the nature of a substitute shall be considered as read. All points of order against that amendment in the nature of a substitute are waived. No amendment to that amendment in the nature of a substitute shall be in order except those printed in part B of the report of the Committee on Rules. Each amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against the amendments printed in the report are waived. The Chairman of the Committee of the Whole may: (1) postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment; and (2) reduce to five minutes the minimum time for electronic voting on any postponed question that follows another electronic vote without intervening business, provided that the minimum time for electronic voting on the first in any series of questions shall be 15 minutes. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute made in order as original text. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with our without instructions.

□ 1045

The SPEAKER pro tempore (Mr. LAHOOD). The gentlewoman from Ohio (Ms. PRYCE) is recognized for 1 hour.

Ms. PRYCE of Ohio. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentlewoman from New York (Ms. SLAUGHTER), my friend, pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 367 is a structured rule providing for the consideration of H.R. 3073, the Fathers Count Act of 1999.

The rule provides for 90 minutes of general debate. One hour will be managed by the chairman and ranking member of the Committee on Ways and Means, and 30 minutes will be managed by the Committee on Education and the Workforce. Both of these committees have jurisdiction over portions of the bill and the compilation of their work is embodied in a substitute amendment which will be made in order as base text for the purpose of further amendment.

The rule designates which amendments may be offered which are printed in the Committee on Rules report. Out of the nine amendments filed with the Committee on Rules, six are made in order under the rule and five of those six are Democrat amendments.

In addition to giving my Democratic colleagues five out of six amendments, the rule offers the minority a motion to recommit with or without instructions. So I think it is accurate to say that this bill treats the minority very fairly, especially considering that both committees of jurisdiction reported their versions of the bill by voice vote, suggesting very little controversy.

Mr. Speaker, the Fathers Count Act builds on the welfare reforms that Congress successfully enacted in 1996. Those reforms were based on the principles of personal responsibility, accountability, as well as the value of work. And with this foundation, welfare reform has been a great success. Since 1996, we have seen our welfare rolls shrink by 40 percent. We now have the lowest number of families on welfare since 1970.

But our work is far from done. There are still families struggling to make ends meet and many of them are single-parent households and more often than not, the lone struggling parent is the mother.

For those of us who have raised children with the help and support of a spouse, it is hard to fathom the energy, patience, and stamina required to face such a task alone. And for those of us who were fortunate enough to be raised by two parents, it is hard to imagine the void of a fatherless youth or how our personalities and life experience would have been altered had our fathers not been there to guide us.

But as we know, this is the reality for many low-income American families that have their financial challenges compounded by the absence of a father and a husband. The fact is that kids in two-parent homes are generally better off than those raised in single-parent homes. Kids who have only one parent to rely on have a harder time in school, a lower rate of graduation, a greater propensity toward crime, an increased likelihood of becoming a single parent themselves, and a higher chance of ending up on welfare.

The Fathers Count Act recognizes these hardships as well as the significant role that fathers play in family life. The bill seeks to build stronger families and better men by promoting marriage and encouraging the payment of child support and boosting fathers' income so that they can better provide for their children.

Specifically, the Fathers Count Act provides $140 million for demonstration projects that are designed to promote marriage, encourage good parenting, and increase employment for fathers of poor children.

Congress and the President will appoint two 10-member review panels who will determine which programs receive Federal funds. Preference will be given to those programs that encourage the payment of child support, work with State and local welfare and child support agencies, and have a clear plan for recruiting fathers. The number of programs selected and the amount of funding they receive is not dictated by the bill. Members of the selection panels will have the flexibility to make these decisions based on the quality and number of programs that apply.

The bill also encourages local efforts to help fathers by requiring that 75 percent of the funding be given to nongovernmental community-based organizations.

The Fathers Count Act also seeks a balance in terms of the size of programs and their geographic locations. The fact is that we are not sure what the best way is to get fathers back into the picture and engage in their children's upbringing, but we think some community-based organizations might have some good ideas and would meet the unique needs of the fathers in their own cities and towns.

The Fathers Count Act is designed to try to tap into these communities, try some new things, and then scientifically evaluate the results so that good programs can be duplicated.

Despite its name, the Fathers Count Act is not just about fathers. It also improves our welfare system by expanding eligibility for welfare-to-work programs. The program was designed to help the hardest-to-employ, long-term welfare recipients. But in an attempt to ensure that the most needy individuals are served by the program, Congress made the criteria a bit too stringent and the States are not able to find enough eligible people to fulfill the program's purpose. So this bill adds some needed flexibility to the program by requiring recipients to meet one of seven defined characteristics rather than two out of three. As a result, we should see many more families move successfully from welfare dependency to self-sufficiency.

Further, the bill gives relief to States who are making a good-faith effort to meet Federal child support enforcement requirements, but which are facing devastating penalties for missing an October 1 deadline.

These penalties were established with the thought that if States missed the deadline by which they were to have a child support State distribution unit set up and running, they would be doing so in willful disobedience of Federal law. In fact, there are eight States that have been working very hard to comply, but have hit some bumps in the road which have slowed them down a bit.

The alternative penalties provided in this bill provide incentives and encouragement to meet child support enforcement goals without crippling these States' welfare systems in the process.

Finally, I am pleased that the Fathers Count Act includes important funding for the training of court personnel who are at the center of our child protection system.

As we implement new laws that seek to move more children out of the foster care system into safe, loving and permanent homes, we must ensure that our courts have the resources necessary to make the very best decisions for our children.

Mr. Speaker, all said, the Fathers Count Act takes a number of important steps forward in our Nation's efforts to redefine welfare and make it work for families. But most importantly, this legislation values responsible parenting, in this case, fatherhood, by giving the support and encouragement for fathers to be there for their children, physically, emotionally, and financially.

I hope my colleagues will support this rule, participate in today's debate, and take another step forward in making our welfare system work for all families.

Mr. Speaker, I urge a "yes" vote on the rule and the Fathers Count Act.

Mr. Speaker, I reserve the balance of my time.

Ms. SLAUGHTER. Mr. Speaker, I thank the gentlewoman from Ohio (Ms. PRYCE), my dear friend and colleague, for yielding me this time; and I yield myself such time as I may consume.

Mr. Speaker, the rule governing the debate of H.R. 3073, the Fathers Count Act, makes in order a number of amendments which greatly improve the underlying bill. This rule should have been an open rule. The legislation should be fully debated without unnecessary restrictions. We were unable to achieve that, but a number of important amendments are made in order.

Mr. Speaker, let us all agree that fathers count. Fathers have a major impact on every child's life either through their presence or by their absence.

We can go through the voluminous research or rely on our common sense to understand the important role that fathers play in the lives of the children whom they helped to bring into the world. But fathers must also stand up and be counted. Sadly, in our Nation, the majority of single-parent families with minor children are maintained by the mothers of those children. Too often, single mothers must struggle to balance the demands of a household, raising children, and holding a job. If they are not receiving child support payments from the fathers of their children, this task can be all but impossible.

In my own home district of Monroe County, New York, alone, only $35 million of the $46 million due to local children was collected, meaning that one quarter of the child support went unpaid.

Mr. Speaker, it has taken heroic efforts just to get where we are today regarding the public perception of child support payments. We have made great strides in educating people that they are not casual obligations.

In seeking to promote marriage, I am concerned about whether or not this bill may have an unintended effect of trying to keep together some unions which should, in fact, be separated, specifically, those with an abusive, physically violent spouse. When as many as one-fourth of the women on public assistance are living with violence in their lives, let the us not try to force them to remain in a violent marriage.

Promoting and encouraging fatherhood is a laudable goal. We need to focus on men and their roles as fathers. But that cannot happen independent of the women who are their partners and who quite clearly have a very important part in creating children and the family which results.

There will be an amendment offered which will help clarify this point and which emphasizes the notion that parents count. This amendment offered by the gentlewoman from Hawaii (Mrs. MINK), also puts proper emphasis on providing resources to organizations dealing with domestic violence prevention and intervention.

Finally, the rule does allow for an amendment by our colleague who is perhaps the most consistent and thoughtful voice on the separation of church and State, the gentleman from Texas (Mr. EDWARDS). The separation of church and State is a brilliant and practical gift of our Founding Fathers. It is expressly intended to help preserve our religious freedoms, not to threaten them. And this notion serves as a firewall from government regulations of religious practice.

Thus, even when it might be more convenient or expeditious to bridge this separation, it must be vigilantly maintained. I strongly encourage Members to consider the Edwards amendment. It will help us to maintain the tradition which has served this country well by clarifying the eligibility of faith-based organizations to participate in the programs provided under this legislation.

Mr. Speaker, this bill was cleared by the Committee on Ways and Means on a voice vote and sped down a fast track to consideration here on the House Floor, but a hasty process sometimes needs to be slowed down so that we can more fully consider how to best make fathers count and how to make fathers accountable.

Mr. Speaker, I reserve the balance of my time.

Ms. PRYCE of Ohio. Mr. Speaker, I do not have any requests for time, so I reserve the balance of my time.

Ms. SLAUGHTER. Mr. Speaker, I yield 3½ minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas.

Mr. Speaker, before I comment on the underlying bill, let me add my appreciation, gratitude and congratulations to Chaplain Ford in support of the resolution honoring him, for he has given this Nation and this Congress a great, great and wonderful service.

Mr. Speaker, I rise to support the rule and to support the underlying bill as well. I am very gratified that the Committee on Rules saw fit to acknowledge a number of the amendments that I think will enhance this legislation. But I think it is important to start my support debate on this bill with a referral to a 13-year-old in Pontiac, Michigan, by the name of Nathaniel Abraham. Nathaniel Abraham came from a family that I am sure wanted the best for him. Nathaniel Abraham is a 13-year-old who has been certified as an adult for murder.

His mother, as the newspapers report, is a hard-working single parent with a number of other children who loved all of her children and cared for them, but Nathaniel's father was not in the home. When interviewed on 60 Minutes about what he thought about that, his response was first, yes, he was unhappy and hurt, but that he was angry.

I think the statistical analysis will point to the fact that children who have fathers who are absent from their lives and their homes turn out to be dysfunctional adults or youth. It is important to have a bill that emphasizes fathers, but emphasizes parents and emphasizes families.

Recent studies show that 59 percent of teenage children born in poor families are raised by a single parent with little or no involvement of fathers, and 90 percent of teenagers who have children are unmarried, and 28 percent of all families are headed by a single parent.

Mr. Speaker, I am very delighted that this legislation will liberalize welfare-to-work provisions which will allow monies to be given in a more liberalized manner, and that it will also provide monies for children or young people who are coming off foster care, an area of interest that I have had for a number of years. I am as well pleased that there will be a focus on low-income fathers through marriage and job counseling, mentoring, and family planning, but that mothers similarly situated will not be left out.

□ 1100

I think it is vital to understand that we do have a responsibility to liberalize or loosen the regulations to ensure that we put our money where our mouth is. For a very long time Members of this body have argued about the devastation of families who have been divided, of fathers who are incarcerated, or fathers who are unable to take on their responsibility as a parent. We have cited the devastation that comes sometimes from a single parent who may happen to be a mother.

In this instance, this legislation responds to that concern, and as it responds to that concern it promotes family, it promotes the unity of family, and it enhances fathers who may not have had the right kind of training to be a father. How tragic it is in all of our communities to come upon households who are absolutely trying, Mr. Speaker, but they do not have the support system.

I am likewise appreciative that we will have an opportunity to debate the amendment of the gentleman from Texas (Mr. EDWARDS), because all of us believe that there should be the spiritual aspect in our families' lives, but we do want to ensure that there is no proselytizing, there is no promoting of religion in the course of trying to help these single parents, mothers and fathers.

Mr. Speaker, I support the rule, I support the legislation, and I would hope many of these amendments will pass as well.

Ms. SLAUGHTER. Mr. Speaker, I yield 3 minutes to the gentlewoman from California (Ms. WOOLSEY).

Ms. WOOLSEY. Mr. Speaker, I rise in opposition to this rule because I believe it should be an open rule. It fails to make in order an important amendment that I offered, which was supported by the Democrats on the Committee on Rules and all of the Democrats on the Committee on Education and the Workforce.

My amendment increases the time that a person is allowed to receive vocational education or job training while participating in a welfare-to-work program from 6 months to 12 months. Six months of vocational education or job training is just not enough to prepare an individual for a job that will pay wages leading to self-sufficiency.

I know that 6 months is not enough because studies that compare women's education to their earnings prove it. I know that 6 months is not enough because I have testimonials from training programs nationwide, the people in the field who work with welfare recipients day in and day out, and they all agree that more education is needed to make families self-sufficient. And I know that 6 months is not enough because there was a time when I was a young mother raising three small children without any help from their father. Even though I worked full time, I depended on welfare to supplement my paycheck to give my children the food, the child care, and the health care that they needed.

Eventually, I was able to leave welfare and never go back. I was able to leave welfare because I was healthy, I was assertive, and I was educated and had good job skills. That education was my ticket off of welfare into a better job, into better pay, and into benefits that my family needed. It gave me the means to support myself and my family and, believe me, it cannot be done without education or training.

My amendment would have given other families the same fair chance I had to move from welfare to work, a chance to earn a livable wage. Remember, my colleagues, we should not be giving opportunity only to those who have opportunity to begin with.

I urge my colleagues to oppose this rule until all individuals are given the opportunity to earn a livable wage.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. CARDIN).

Mr. CARDIN. Mr. Speaker, I thank the gentlewoman from New York and the gentlewoman from Ohio for bringing forward this rule that I support.

In response to the comments of the gentlewoman from California about job training, I agree with her. I am sorry that was not made in order. But without this rule, without bringing this bill forward, we are going to be with current law that does not allow any opportunity for independent job training. The bill provides for a new 6-month period, and I would hope that we would have her support so we could move this important bill forward.

Mr. Speaker, I wanted to compliment the Committee on Rules for allowing us to debate this issue fully today. I want to thank my colleague, the chairman of the Subcommittee on Human Resources of the Committee on Ways and Means, for the bipartisan way in which the Fathers Count Act of 1999 has been brought forward.

And let me just also, if I might, read from the statement of the administration's policy that we received today: "The administration supports House passage of H.R. 3073. The President is deeply committed to helping parents of low-income children work and honor their responsibilities to support their children. H.R. 3073 is an important step in this direction."

And we received last week a letter from the Center on Budget and Policy Priorities, the Center for Law and Social Policy, and the Children's Defense Fund, writing in support of H.R. 3073, the Fathers Count Act of 1999. The letter goes on to point out how important this is to help low-income custodial and noncustodial parents facilitate the payment of child support; and it assists parents in meeting their parental responsibilities.

Mr. Speaker, this is a good bill, and I would encourage my colleagues to support the rule and to support the legislation.

Ms. SLAUGHTER. Mr. Speaker, I yield 8 minutes to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, I thank the gentlewoman for yielding me this time, and as the father of two small boys, I would hardly stand in the well of this House and oppose the concept of encouraging fathers to be part of their family and to take responsibility for their children. But I rise today because I want to bring to Members' attention what I think are two fundamental flaws in this bill unless we pass the Edwards amendment in debate today.

The first is, without my amendment, this bill would allow direct Federal tax dollars to go directly into churches, synagogues, and houses of worship. Clearly, in my opinion, and more importantly the opinion of Justice Rehnquist in the 1988 decision, something that is unconstitutional.

Secondly, without the Edwards amendment, under this measure, because it adopts language that was originally put into the welfare reform bill that not a handful of Members of this House were aware of when that bill passed, and listen to me, Members, on this, this bill, without my amendment, would allow a church to take Federal tax dollars and put up a sign saying, if you are not of a particular religion, we will not hire you because of your religious faith. Signs in one church using Federal dollars may say, no Jews need apply here, and another church say, no Christians or no Protestants need apply here. I find that offensive and I would hope every Member of this House would join me in support of changing that fatal flaw in this legislation.

Since the Committee on Rules was gracious enough to give me my amendment, I will have a chance to debate it further. Unfortunately, I will only have 10 minutes to debate the issue of separation of church and State that our Founding Fathers spent 10 years debating. So let me discuss my amendment now.

My amendment is straightforward and direct. It says that Federal funding of this bill can go to faith-based organizations but not directly to churches, synagogues, and houses of worship. My amendment will be a short amendment and it will be a short debate. But, Members, the principle of opposing direct Federal funding of churches, synagogues, and houses of worship is as timeless and as profound as the first 10 words of our Bill of Rights. Those words are these: "Congress shall pass no law respecting an establishment of religion."

Those words have protected for over 200 years American religion from government intervention and regulation. In a 20-minute debate today on this floor when our attention is focused on appropriations bills, let us not carelessly throw away the religious freedom and tolerance our Founding Fathers so carefully crafted in the establishment clause and the first words of the first amendment of our Bill of Rights.

Mr. Speaker, in my opinion, there is nothing wrong, given some basic safeguards, with faith-based organizations, such as the Salvation Army or Catholic Charities receiving Federal money to run social programs. However, if my colleagues would listen to the words of Madison and Jefferson, there is something terribly wrong about Federal tax dollars going directly to churches, synagogues, and houses of worship.

Our Founding Fathers, as I stated, debated at length the question of government-funding of churches. They not only said no, they felt so strongly about their answer that they dedicated the first words of the Bill of Rights to the proposition that government should stay out of religion and should not directly fund religion and houses of worship.

Our Founding Fathers did not build the establishment clause in the Bill of Rights out of disrespect for religion, they did it out of total reverence for religion. Why? Because our Founding Fathers understood the clear lesson of all of human history, that the best way to ruin religion is to politicize it. The best way to limit religious freedom is to let government regulate religion. Millions of foreign citizens have emigrated to America and even put their lives on the line to do so precisely because of the religious freedom we have here guaranteed under the establishment clause.

Why in the world would we in this Congress want to tear down a principle today that our Founding Fathers so extraordinarily fought for and that has worked, a principle that has worked so well for over 2 centuries? Why in the world would this Congress today want to emulate the failed policies of other nations who have direct Federal involvement in funding of their churches and of their religions and, as a consequence, have had religious fights, discord and, yes, even wars?

What is wrong with direct Federal funding of churches and synagogues and houses of worship? With less eloquence than Jefferson and Madison, let me mention four serious specific problems.

First, it is clearly unconstitutional. Chief Justice Rehnquist wrote in 1988, in the case of Bowen vs Kendrick, "There is a risk that direct government funding, even if it is designated for specific secular purposes, may nonetheless advance the pervasively sectarian institution's religious mission."

The second problem. This bill, if not amended, as I have said, would allow Federal dollars to be used, and listen to me, my colleagues, would allow Federal dollars to be used to discriminate against citizens in job hiring and firing based specifically and only on their religious faith. I find that repugnant.

One church, as I said, could put up a sign saying, Jews may not apply for jobs for this federally funded position. Another community, perhaps a church, that says, Protestants may not apply, or Catholics may not apply, Hindus may not apply, using Federal dollars. And that is wrong, my colleagues; and we ought to change it with the Edwards amendment.

The idea of government-funded religious discrimination, I hope, would find great offense in this House today. It is anathema to the most fundamental rights embedded in the very core of our constitution.

The third problem with this bill and its direct Federal funding of our churches, synagogues, and houses of worship should be obvious to all of us, but especially to my conservative Republican friends, direct Federal funding will lead to massive Federal regulations of our religious institutions. Does anybody question that?

If we dislike Federal agencies regulating our businesses and our schools, why in the world would we, through this and the welfare reform legislation language that it adopts, why would we want to invite the Federal Government to regulate our churches and our religious institutions on a daily basis?

The fourth problem with this bill, without my amendment, is that it will pit churches and synagogues against each other in the pursuit of millions and ultimately billions of Federal dollars. Just look at the dissension that it has caused this Congress, professional politicians fighting over the annual appropriation bill. Think what is going to happen when we have Baptists and Methodists and Jews and Muslims and Hindus and all of 2,000 religious sects in America all competing for the almighty Federal dollar?

This bill has many good provisions in it that I could support, but it has these two fatal flaws. I urge, on a bipartisan basis, my colleagues to vote for the Edwards amendment, allow funding of faith-based organizations with safeguards, but prohibit direct funding of churches, synagogues, and houses of worship. And let us say clearly today on the floor of this House with our vote on my amendment that we do not support using Federal dollars to discriminate against American citizens based solely on their religious beliefs.

And, Mr. Speaker, I want to finally thank the Democratic sponsor of this bill, the gentleman from Maryland (Mr. CARDIN), for his strong support of the Edwards amendment.

Mr. Speaker, following is the case summary I referred to previously:

BOWEN V. KENDRICK, 487 U.S. 589 (1988) (JUSTICE REHNQUIST WROTE THE MAJORITY OPINION IN WHICH JUSTICES WHITE, O'CONNOR, SCALIA AND KENNEDY JOINED)

Facts: Challenge to federal grant program that provides funding for services relating to adolescent sexuality and pregnancy. Plaintiffs claimed that the federal program, the Adolescent Family Life Act (AFLA), was unconstitutional on its face and as applied.

Ruling: The Court held that the statute was not unconstitutional on its face. It also ruled, however, that a determination of whether any of the grants made pursuant to the statute violate the Establishment Clause required further proceedings in the district court. "In particular, it will be open to [plaintiffs] on remand to show that AFLA aid is flowing to grantees that can be considered 'pervasively sectarian' religious institutions . . ."

Reasoning: Although the Court did not believe that the possibility that AFLA grants may go to religious institutions that could be considered 'pervasively sectarian' was sufficient to conclude that no grants whatsoever could be given under the statute to religious organizations, it left the district court free to consider whether certain grants were going to such groups and thereby improperly advancing religion. By contrast, Court made clear that religiously affiliates could receive tax funds for secular purposes.

"Of course, even when the challenged statute appears to be neutral on its face, we have always been careful to ensure that direct government aid to religiously affiliated institutions does not have the primary effect of advancing religion. One way in which direct government aid might have that effect is if the aid flows to institutions that are 'pervasively sectarian.' We stated in *Hunt* v. *McNair*, 413 U.S. 734 (1973) that: "[a]id normally may be thought to have a primary effect of advancing religion when it flows to an institution in which religion is so pervasive that a substantial portion of its functions are subsumed in the religious mission."

The reason for this is that there is a risk that direct government funding, even if it is designated for specific secular purposes, may nonetheless advance the pervasively sectarian institution's 'religious mission.'"

Court also noted difference between pervasively sectarian and religiously affiliated entities when it stated that grant monitoring expected under statute did not amount to excessive entanglement, "at least in the context of a statute authorizing grants to religiously affiliated organizations that are not necessarily 'pervasively sectarian.'"

Note on Justices Kennedy and Scalia's separate concurrence: Justice Kennedy wrote separate concurrence, in which Justice Scalia joined, to emphasize that they did not believe the district court should focus on whether the recipient organizations were pervasively sectarian, but instead on the way in which the organization spent its grant. "[T]he only purpose of further inquiring whether any particular grantee institution is pervasively sectarian is as a preliminary step to demonstrating that the funds are in fact being used to further religion."

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Ms. PRYCE of Ohio. Mr. Speaker, I yield 3 minutes to my distinguished colleague, the gentleman from Illinois (Mr. WELLER).

Mr. WELLER. Mr. Speaker, I rise in strong support of this rule as well as H.R. 3073, the "Fathers Count Act of 1999."

This is pretty important legislation, fundamentally important legislation. We were successful in doing something 3 years ago in 1997 we were told we could not do when I came to Congress in 1994; and that is, we reformed our welfare system, a system that was failing so bad that more children were in poverty in 1993 and in 1994 than ever before in history.

One of the reasons that so many children were in poverty was because their fathers were not involved in the families. And when the father was not involved, the family's income was a lot less and the struggling, working mom trying to make ends meet and raise children was having a hard time.

We passed into law in 1997 the first major welfare reform in over a generation that emphasized work and family and responsibility. Clearly it is one of the great successes of this Congress, because we have seen a drop in the welfare rolls in my home State of Illinois of over 50 percent, meaning more families are now paying taxes and in the work rolls and successfully participating in society.

Well, this legislation, the "Fathers Count Act of 1999," is the next logical step. Let us remember, the old welfare was biased against dad. The old welfare system discouraged dad from being involved in the family. In fact, it rewarded the family if dad stayed away. We have changed that successfully over the last several years.

This legislation is the next step. What is great about this legislation is that it reinforces marriage, the most important basic institution of our society, and it promotes better parenting, encourages and rewards the payment of child support.

More children are in poverty today in Illinois because of the lack of the payment of child support, and we want to turn that around. But, also, this increases the father's income and encourages and rewards fathers for being involved in family. It is good legislation.

I just listened to the argument of my friend, the gentleman from Texas (Mr. EDWARDS), who believes that we should deny faith-based organizations the opportunity to be part of this program.

I think of Restoration Ministries in Harvey, Illinois, a program that successfully has worked over the last decade to identify men in the community, particularly in urban communities in the Southside of Chicago, and help give them the opportunity to participate in society. It has been a successful program. I think Restoration Ministries is one of those programs which works that we should enlist in our effort to involve fathers in this program.

The fact that 75 percent of the funds, under this program, will go to faith-based organizations, whether they are Jewish or Muslim or Christian or other faiths, is a right step because they care and they want to be involved.

Organizations like Restoration Ministries are successful because the people that are involved believe in their programs, they want to help people, they are part of the community. Let us enlist them.

I would also point out that this idea has bipartisan support. Not only do we have the leading Presidential candidate on the Republican side saying they support this, but the leading candidate on the Democratic side supporting this, as well.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia (Mr. SCOTT).

Mr. SCOTT. Mr. Speaker, I thank the gentlewoman for yielding the time.

Mr. Speaker, I oppose the rule because the Committee on Rules ruled out of order an amendment that I offered which would ensure that the Civil Rights Act and civil rights laws would apply to the use of these Federal funds.

The Edwards amendment would address many concerns. This amendment would address one specific concern, and that is that the bill provides an exception to civil rights laws and specifically allows religious organizations to discriminate on hiring with Federal funds.

Now, many religious groups now sponsor Federal programs: Catholic Charities, Lutheran Services. But they cannot discriminate in hiring people with those Federal funds.

This bill changes that and says that a program funded under this bill, the sponsor can say that people of the Jewish faith need not apply for jobs funded by the Federal Government or Catholics only will be hired by the Federal funds. That is wrong.

The amendment should have been allowed, and it was not. Therefore, I oppose the rule.

Mrs. PRYCE of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. SOUDER).

Mr. SOUDER. Mr. Speaker, one of the more devastating amendments today that we will be debating is the amendment offered by the gentleman from Texas (Mr. EDWARDS) that would strip out the opportunity to have religious and faith-based organizations participate in the fatherhood initiative and the fathers count program and the other initiatives that we have in front of us today.

We in the House have now passed this three times, in the Human Services bill, in the Welfare Reform bill, and in the Justice Department bills. It would seem only appropriate in this very critical area that we would allow the faith-based organizations to become involved.

We can get into all kind of legal technicalities here about whether we should have types of separate organizations and how it should be structured. But the plain fact of the matter is that at the grass roots level, in urban America and African American and Hispanic communities, the organizations that are by far the most effective are faith-based.

They do not run around looking for attorneys as to how to set it up. They are actually trying to help kids in the street. They are trying to help get families reunited like Charles Ballard has in Cleveland. He did not ask about the structure. He went out and tried to go door to door with thousands of families over 15 years to get dads reunited with their families.

Eugene Rivers, in Boston, has put together a coalition in the streets of Boston, who, with all the other Government programs that have been wasting, in my opinion, for the large part millions of dollars, he and the other pastors and young people working with the churches of Boston have accomplished more to reduce youth violence than all the rhetoric about all the other programs in Boston.

But they do not even have health insurance for their employees, the volunteers in the streets and the people that are working for their churches there. They do not have adequate money with which to get people out doing the things that are working. Instead, we put it into a lot of the traditional programs because we are worried that somebody might actually say that character matters.

What Vice President GORE has said, which the Republican Party and our logical leading contender at this point, Governor Bush, has said, and as well as this House three times, is that faith-based organizations need to be included when we look at how to address these social problems.

Ms. SLAUGHTER. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, I would like to first point out two inaccurate and I assume unintentional statements made by my colleagues on the other side of the aisle. Two of their speakers have misrepresented my amendment, saying that it would deny funding to all faith-based organizations.

Let me be clear what my amendment does or does not do so Members can know the facts and make their own decision on that amendment.

My amendment says that the Federal funds under this bill may go to faith-based organizations. And there are hundreds, if not thousands, of faith-based organizations out there. Catholic Charities, Lutheran Services of America, Jewish Federation, Salvation Army, Volunteers of America, Boys and Girls Clubs of America. Even 501(c)(3) organizations associated directly with the church would not be prohibited from receiving money under my amendment.

What my amendment simply does is deal with, as the previous speaker said, the legal technicality. I do want to point out, when we talk about legal technicality, we are talking about the first 10 words of the First Amendment of our Constitution, the first words that our Founding Fathers chose to put in the Bill of Rights, which said, "Congress shall pass no law respecting an establishment of religion."

The legal technicality that the gentleman kind of demeans in his comments refers also to Chief Justice Rehnquist's majority statement in writing the opinion in the 1988 case of Bowen v. Kendrick that direct Federal funding to pervasively sectarian organizations is unconstitutional.

So perhaps if they want to take the position that the Bill of Rights is the legal technicality, that the First Amendment of the Constitution is a legal technicality, and that Justice Rehnquist and the Supreme Court are simply a legal technicality, then perhaps they should go ahead and vote against the Edwards amendment.

But if they take seriously and deeply the commitment of our Nation for two centuries not to the have direct Federal funding of churches and houses of worship, I would suggest that they should vote for the Edwards amendment and, recognizing the fact of the actual language, that it will continue to allow Federal dollars to go to faith-based organizations.

I hope the gentleman might have a chance to review my amendment again so that he would make it clear that we do hot prohibit money from going to faith-based organizations. We do try to be constitutional and help this bill in its constitutionality in prohibiting money from going directly to churches.

Mr. Speaker, I am happy to yield to the gentleman if he wants to explain why the Bill of Rights, the First Amendment, and Judge Rehnquist's decision in 1988 in the Supreme Court case are merely legal technicalities.

Mr. SOUDER. Mr. Speaker, it is a nice try to wrap himself in the Constitution.

Mr. Speaker, the legal technicality that I was talking about is, in fact, what we have debated many times in this House floor related to fungibility of money, that, as I understand the amendment of the gentleman, he is saying that if a church has an entity that would work with this and, for example, in this case a fatherhood initiative had a separate entity but was not part of the church, the money could go to the entity but not the church, which then brings the States in to audits of the church as to how they move their funds around, that in fact some organizations such as Catholic Charities have done that for years and have been eligible.

What we have done in our past bills is said that if the money goes to the church itself, they still have to make a proposal to whatever government entity, say it is on juvenile crime, as we did in the Justice bill or others, and they have to make that and the government then audits that. But sometimes it does not work in the inner city and other places to have this money, just have this paper trail.

Mr. EDWARDS. Mr. Speaker, reclaiming my time, let me point out that I would make the same argument the gentleman made as an argument to support the Edwards amendment and I appreciate his bringing it up.

Under their bill, when money goes directly to the church, the Federal Government, to provide accountability to the taxpayers, is going to have to audit every dime raised and spent by that church.

If we pass my amendment, the money goes to a separate organization affiliated with the church or religion. And, therefore, because it is separate, they do not give the Government the carte blanche to walk into every church and synagogue in America and audit their revenues and their expenditures.

I think, without this amendment, this bill, whether intended or not, is going to invite massive involvement of Federal regulation into our houses of worship.

And finally the point I would make, the gentleman has referenced these debates we have had on the floor of the House about so-called charitable choice. Let me point out to him, I think he may recall the last two times we have had that debate, one was at 12:30 in the morning that lasted for 10 minutes and the other one was at 1:00 in the morning that lasted for 10 minutes.

I would be willing to wager with the gentleman that there were not 15 Members out of 435 of this House that knew that the Welfare Reform bill of 1996 opened the door to possible unconstitutional direct funding of our churches.

So the fact that we did something that the courts are now looking at, and I think will declare as unconstitutional, in 1996 is hardly a rationale to say, based on those 1:00 a.m. debates with 5 minutes on the floor of the House, we ought to extend this unconstitutional direct funding of our religious houses of worship and just one more step with just, gosh, this is just another $150 million.

This is an issue our Founding Fathers debated at length, and it was so fundamental to them that they said neither convenience nor even good intentions should be a reason for breaking down the wall of separation between church and State. This is a fundamental principle.

I wish we could debate this issue all day. It deserves such a debate. But I would just argue with my colleagues, if they want to support this bill, if they actually want it to become law, they should support the Edwards amendment, because based on the clear decision of the Supreme Court in 1988 in Judge Rehnquist's decision, this bill will not be constitutional unless we pass the Edwards amendment.

The final thing I would point out, in response to what the gentleman was saying, is that if we separate out the funding and have it go to religiously affiliated organizations, they do not have the protection under the Supreme Court decisions to discriminate based on religious faith.

So, without my amendment, what they are really doing is breaking new ground. I would like to ask the gentleman to respond, how can he defend the concept of taking his and my Federal dollars and our constituents' Federal dollars and hanging up a sign saying a Jew, a Christian, a Protestant, a Hindu or a Muslim should not apply for this Federally funded job because they do not participate in the right religion? How can the gentleman defend that principle?

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Mr. SOUDER. As the gentleman presumably knows, you cannot do that if you receive Federal funds. What you are allowed to do under this is in your staffing, if you are a religious organization, you can discriminate because part of your faith-based organization is that. You also have alternative programs in any of these, and if there are not alternatives for individuals to the faith-based organizations, there are protections. That has been in all of our different bills. That has been the standard interpretation.

Remember, the final decision as far as who gets the grant money lies with the Federal agency, not with the church. This is not like a block grant or something we are driving straight to the churches. What you are saying is you do not trust HHS under a Democratic administration to protect these rights.

Mr. EDWARDS. Frankly, our Founding Fathers did not trust government to regulate churches and houses of worship. I think they had it absolutely right in the Bill of Rights. The gentleman has made my point. He needs to go back and look at the language in the actual Welfare Reform Act of 1996 that nobody knew about and this adopted that says, yes, there is an exemption that applies to that, and now to this bill if we pass it, that says, yes, you can hang out a sign saying, do not apply for this federally funded job if you are not of the right religious faith.

That is obnoxious to me, that is repugnant to me, and I think that is why this should be a bipartisan amendment. I would urge my Republican colleagues to support it.

Mr. SOUDER. The gentleman just shifted his argument. He just said you could not apply for a job. Earlier he told me you could not apply to the agency to be served. I want to point out to the listeners, he just switched his argument in the middle of his debate.

Mr. EDWARDS. I did not shift my argument. I will be happy to give the gentleman the printed statement that I read from a few minutes ago. What it says is this bill without the Edwards amendment will let you take Federal dollars and discriminate against someone in the hiring of a person based on his or her religion.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. SOUDER).

Mr. SOUDER. Mr. Speaker, I would like to conclude this portion of the preliminary debate with a couple of comments. First off, it is patently ridiculous to suggest that after a year and a half of the welfare reform debate, after multiple versions of that bill here that Members of Congress did not understand what they were voting for in the welfare reform debate. Furthermore, while we unfortunately did deal with the charitable choice at several times in the evening during the debate, I would argue that Members of Congress fully understood, or at least most Members of Congress, at least on our side, understood what they were debating in the charitable choice as did those who were generally supportive of this legislation. I find it a little disconcerting for my colleague to suggest that Members of Congress did not know what they were voting on three different times.

Furthermore, I believe that this is such a fundamental principle, and we will debate this further, I am sure. I am not referring to illegal mingling of church and State. What we are talking about here is that whether it is an individual church or a church entity, being able to come and say, we want to work with juvenile delinquents, in this case with father questions, in other cases with homeless questions, we have to meet these criteria of serving this population. But in doing that, because we have seen that character matters, that, in fact, you do not have to, if you are a Catholic priest, take your collar off, you do not have to strip the crucifixes off your room. That part and parcel of the effect of faith-based organizations is their faith and character.

Lastly, as far as this question of bringing the State into the church, the fact is that if it is a church-based entity or a church, if you say it can only come from an entity, you bring the government by default into the church. If you say that it can be either, you only bring the government in if there is a question about the grant. Under either way we do this, under the Edwards amendment or the existing, if there is a question about the grant, of course the government comes in. It would be illegal use of funds.

Ms. PRYCE of Ohio. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. LAHOOD). Without objection, the previous question is ordered on the resolution.

There was no objection.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Ms. SLAUGHTER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 278, nays 144, not voting 11, as follows:

[Roll No. 582]

YEAS—278

Aderholt
Allen
Archer
Armey
Bachus
Baird
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Berkley
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehner
Bonilla
Bono
Borski
Boswell
Brady (PA)
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Cardin
Castle
Chabot
Chambliss
Chenoweth-Hage
Clement
Coble
Collins
Combest
Cook
Cooksey
Cox
Cramer
Crane
Cubin
Cunningham
Danner
Davis (FL)
Davis (VA)
DeGette
DeLauro
DeLay
DeMint
Diaz-Balart
Doolittle
Doyle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Everett
Ewing
Fletcher
Foley
Forbes
Ford
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Green (WI)
Greenwood
Hall (OH)
Hall (TX)
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoeffel
Hoekstra
Holden
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
John
Johnson (CT)
Johnson, Sam
Jones (NC)
Kasich
Kelly
King (NY)
Kingston
Knollenberg
Kolbe
Kucinich
Kuykendall
LaHood
Latham
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Maloney (CT)
Manzullo
Mascara
McCarthy (NY)
McCollum
McCrery
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NAYS—144

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Schakowsky
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Shadegg
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Murtha
Scarborough
Smith (TX)
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Towns

□ 1154

Mr. SPRATT changed his vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

(Mr. BONIOR asked and was given permission to address the House for 1 minute.)

Mr. BONIOR. Mr. Speaker, I rise for the purposes of inquiring of the majority leader the schedule for the remainder of the week.

Mr. ARMEY. Mr. Speaker, I thank the gentleman from Michigan for taking this time, if the gentleman would yield.

Mr. BONIOR. I yield.

Mr. ARMEY. Mr. Speaker, appropriators are working very hard to wrap up the final bills. It is obviously difficult to get a read on it and we are working very hard on that. I will try to inform the Members as we go along how that is going, but, Mr. Speaker, the likely scenario is that it is our hope that we may be able to finish this up today. That is something that is very delicate. We will try to take a read.

I know Members want to not work tomorrow, as it is a very important day for so many of us, with Veterans Day. We will be in pro forma tomorrow, irrespective of how this works out, whether we can finish tonight or the early hours of tomorrow morning; or if, in fact, things do not go well with the paperwork or the negotiations, we might otherwise have to come back Friday and complete our work. We will try to get Members notice regarding the extent to which we will either stay late tonight or hold over until Friday at such a time that would make it possible for Members to make some arrangements for them to travel for Veterans Day tomorrow.

The House will only be in pro forma tomorrow, in any event. If we find it necessary to go out for Veterans Day, we would expect to be back here noon on Friday to take up the final work, have the final votes and complete our work and complete the year on Friday.

Mr. BONIOR. Mr. Speaker, reclaiming my time, if I might, there obviously is a lot of concern over the schedule by Members, I think it is fair to say, on both sides of the aisle. We are being told indirectly that we may be here until 2 or 3 a.m. tonight and then be back, as you have just pointed out, if, in fact, we do not finish tonight, which does not seem remotely possible, given the problems that are still out there, that we would be back on Friday, and I gather possibly throughout the weekend if we do not finish on Friday.

One of my concerns is the fact that Members who need to travel a great distance to be with their constituents on a day that honors our men and women who fought and died for our country will not be able to make that schedule if we are restrained to your schedule. In addition to that, of course, Members have events scheduled throughout this weekend.

If we are not going to be at the point where we can finish this weekend, does it not make sense to let people continue to do their work and to come back early at the beginning of next week and try to resume this?

□ 1200

Mr. ARMEY. If the gentleman would yield further, and I do appreciate the point. Obviously, a great many of our Members appreciate the point just made by the gentleman from Michigan.

However, as the gentleman knows, when we are working through these final points of the negotiations and we finally get to an agreement, it is always, I think, prudent to have ourselves in a position that when everybody says, okay, this is it, I agree, that we can get as quickly from that point of agreement to the floor of the House of Representatives.

As things are left to lay over, we may find ourselves extending our work here, or having it extended on our behalf, beyond that time. What we are trying to do is to maintain the kind of options that will make it possible for all of our Members to seize that moment when everybody is in agreement, recognizing that these can be passing moments, but at that moment to seize that moment and move the work to the floor and get it completed. We believe it is prudent, and we believe in the larger interest of the Members necessary, to keep that option available to us and keep it at hand.

We will keep you as much informed. The critical concern the Member has, I would think right now, is if the gentleman is not going to have the vote on the final package between midnight and 4 a.m. tomorrow, let me know as early in this day as possible, and I will try to do that.

Mr. BONIOR. Mr. Speaker, is the gentleman from Texas telling us also that if we do in fact come back on Friday, that we should expect to work through the weekend?

Mr. ARMEY. It is my anticipation if we were to come back on Friday, we would be able to convene for votes around noon and probably complete that work Friday late afternoon or Friday evening, and complete our work for the year.

Mr. SKELTON. Mr. Speaker, will the gentleman yield?

Mr. ARMEY. I yield to the gentleman from Missouri.

Mr. SKELTON. I thank the gentleman for yielding.

Mr. Speaker, this matter is more than a matter of convenience to the Members. This is a matter of whether we, as elected leaders of our country, have the opportunity to honor the veterans of this Nation.

Airplanes leave this afternoon or this evening. We will not be in session tomorrow, as the gentleman from Texas said, but little good does it do us if there are no airplanes to take us to Missouri or Texas or California.

I would like very, very much to be with my neighbors, my friends, and deliver what few remarks I may have to those veterans who have given so much. I think it is a matter of priority that we do that, and that we make that decision now.

Mr. OBEY. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Missouri.

Mr. OBEY. Mr. Speaker, I thank the gentleman for yielding.

I would simply say to the distinguished majority leader, I have been in every single one of the meetings that are taking place on the budget. I think I have a pretty good idea of how far along those meetings are. I think each individual Member has a right to know how far we have yet to go in order to reach agreement.

On foreign operations, we still have at least one major outstanding issue which is tying up that bill. Even if we get that resolved, there are at least three separate Senators who have placed holds on that bill. I expect that problem to last a considerable amount of time.

In addition, with Commerce-Justice, we have made some fair progress there on dollar items. In fact, most of the dollar items, I think all of them, are resolved. There is perhaps one item which has people confused on both sides.

There are a number of language items which are very far apart, and as Members know, the United Nations funding issue is a very major impediment, and no agreement is in sight on that.

In addition, on Interior, while we thought we were making good progress on those riders, we discovered that a new rider had been added in one of the offers that was made to the White House, so that has caused a significant dust-up. In addition, we also have the West Virginia mountaintop mining issue, which is going to tie up one of those bills for a long time unless it is resolved.

Then we have the Labor-Health-Education conference, which I just left. In that, the House this morning and the White House expected to get a compromise offer. Instead, we were given a non-negotiable demand on the President's major priorities, and we are still significantly apart on dollar items. We had a major dust-up on that this morning, and we have a huge, huge problem on child care.

There is not a chance of a snowball in you know where that we are going to be able to resolve those issues by the end of the day. It does no individual Member of this House any great service to tie them up when they need to be going home to deal with their Veterans Day celebrations.

In fact, sessions like this impede our ability to get our work done because every time there is a roll call in the Senate or the House, we have to interrupt. Yesterday we were interrupted for two roll calls, and that wound up delaying the conference over 3½ hours because of other problems that developed after those roll calls.

I would urge the gentleman to recognize that a realist would understand that there is no prayer of wrapping this up today. We all would like to get it wrapped up. I intend to be here right through Veterans Day and right through the weekend. I will negotiate until the cows come home. I hope we can get it done.

But the best thing we can do to Members is to let them go home. When the bill is drafted, every Member of this House on both sides of the aisle has a right to have 24 hours to know what is in it. That just does not go for us, it goes for the gentleman, it goes for everybody.

So it seems to me the best thing to do is to let the negotiators work over the weekend, recognize that even if we were to reach agreement tomorrow or Friday, it takes an immense amount of time to do the walk-through and the read-out.

Last year, for instance, there was one item that we refused to put in the conference, and yet five different times it surfaced in the draft before we finally kept it out. So these are problems that are going to take a considerable amount of time.

It is a waste of individual Member's time to tell them that they may be finished tonight or tomorrow. There is not a prayer of that happening, if someone is inside the room where the negotiating is going on. In fact, we were told in negotiations this morning that they may yet run another separate bill at us because they did not like the way the negotiations were going.

So if any Member believes we have a chance to finish this tonight, I pray for them.

Mr. BONIOR. Mr. Speaker, may I just ask one other question?

The SPEAKER pro tempore. The gentleman has far exceeded his moment of unanimous consent, but he may proceed. The gentleman may proceed.

Mr. BONIOR. The question I want to ask the distinguished majority leader, Mr. Speaker, is, and it alludes to what the gentleman from Wisconsin (Mr. OBEY) just referred to, is the rumor that the remainder of the appropriations bills may be actually brought to us in one package, leaving out some of the items that have been negotiated with the White House.

Is there any fact to that rumor?

Mr. ARMEY. Again, if the gentleman will yield, I want to thank the gentleman for his inquiry.

Mr. Speaker, I appreciate the remarks of the gentleman from Missouri (Mr. SKELTON). I believe the body would agree with me that there is no one person in this body for whom we would be more proud to speak so eloquently on behalf of our affection for the veterans as the gentleman from Missouri (Mr. SKELTON). We are aware of and very concerned about this.

In addition, of course, the body is brought to a sobering realization of how difficult times are by the gentleman from Wisconsin (Mr. OBEY), with his reliable optimism. Mr. Speaker, I would just say to the gentleman from Wisconsin, Mr. OBEY, I do not want any more cheese, I just want out of the trap.

Mr. Speaker, again, I understand, in these times of these negotiations we all know from past experience year in and year out that when things look very difficult and perhaps even impossible, in every year there is that magic moment when everybody says, we can agree. That moment is at hand. We do not want to deny our Members the opportunity to seize that moment.

We believe, and I think with good reason through our discussions with Members of both bodies of Congress and the White House, that that moment is at hand. It can happen, and we need to be here and be prepared for it, while respecting, as the gentleman from Missouri (Mr. SKELTON) so eloquently put it, the Members' efforts to pay their respects to our veterans.

I can say to the gentleman from Michigan, neither side of the aisle, I think neither side of the building, wants to put these last five items and some of the attendant items together in a singular package. That will not happen. We are making every effort for it not to happen, but in at least two packages related to the final spending bills and then attendant things, such as the tax extenders and a few of the other items we are looking at.

Mr. YOUNG of Florida. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. I thank the gentleman for yielding.

Mr. Speaker, I want to confirm what the majority leader has said. We have battled all year long to get these bills on an individual basis through the House, through the Senate, and to the White House. We have been fairly successful. In the House we have basically finished our part of that job before the August recess.

Then we had a lot of time spent in negotiations with the other body, and we have resolved those, but still, every step of the way we have tried to keep that commitment, that we send each bill individually.

Now we are at the point, as the majority leader said, that all of the hard problems have now begun to focus. The easy ones are gone. The easy ones are out of the way. Now the hard ones are here. But we are at the point where I think we can quickly come together and not necessarily package everything on a vehicle, but have a package of agreements whereby if we do this on this bill, we do something else on that bill, and we have to have a little give and take, both here in the Congress and at the White House.

I will be honest with my colleagues in the House, the White House has not been all that negotiating. The White House has been pretty tough in saying, here is our line, we are not going to cross it. That is all well and good, and I would like to thank the minority party for applauding the majority party's efforts here, and I knew that was a facetious applause. However, it is our intention to bring these issues together now.

The Speaker has spoken to the President personally this morning, and I agree with the majority leader, we are about at that point where things are going to fall into place.

Now, can they be done by Friday? I do not know. I know our staff on the Committee on Appropriations have been telling me for the last couple of days, boy, I will tell you, I do not think we can do it. My instructions this morning were, do not come back to me and tell me we cannot do it. You come back to me and tell me we can do it, and here is how we are going to do it, and then we will get out of here.

Mr. BONIOR. Mr. Speaker, on that rousing note, I would ask the Speaker's indulgence for one other comment.

Mr. EDWARDS. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Texas.

Mr. EDWARDS. Mr. Speaker, if I could make two points to the distinguished majority leader, let me say first that I hope that passage of a multi-billion dollar appropriation bill or bills is not contingent upon Members not having the ability to read it. I hope that would cause great concern on both sides of the aisle, if the argument is the only way we can finally solve this appropriation conflict of ours is if we bring together a package and do not let Members have time to read it and think about it.

Secondly, tomorrow is not only Veterans Day, it is the last Veterans Day of the 20th century. It is a century that has seen our veterans fight in two world wars, and through all parts of this globe.

I know I speak for Republicans and Democrats alike when I say that inconveniencing a Member of Congress should be of no consequence, but showing a lack of respect to the veterans who have fought those two world wars, many of whom will not be around to see the next Veterans Day, is totally a different thing.

I would plead with the majority leader, obviously, and Democrats and Republicans, to say, it is worth it to show respect to our veterans on the last Veterans Day of this century to let the House Members know within the next several hours whether they can catch planes back home tonight so they can make speeches tomorrow morning and tomorrow afternoon.

Give not us that privilege, Mr. Majority leader, but give that privilege to our veterans. Let us go home and say thank you to our veterans for the sacrifices they have given on behalf of our Nation.

Mr. ABERCROMBIE. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Hawaii.

Mr. ABERCROMBIE. Mr. Speaker, I understand only too well the necessities of strategy and tactics, and I respect that. I respect the majority leader's position and difficulties associated with trying to pass legislation.

□ 1215

I also understand the politics that is involved. But every Member here, I would say to the majority leader, is entitled to be treated with equal respect. There are simply logistical difficulties. Obviously, I have one. But I feel I am as entitled as any Member here to be able to participate fully. And if that involves having to alter the logistics of when the bills hit the floor, then I think that has to be respected.

It should not take any reminding of the body that perhaps the most important event that took place in this century, as least as far as this country is concerned, took place on December 7, 1941, and I intend to be on the Battleship *Missouri* for that commemoration tomorrow night. Not because of any particular regard I have for myself being there, but I took my oath of office in the well of this House along with every other Member here and I am a representative, for good or for ill as far as this country is concerned, from the First District and I intend to be at this commemoration representing this body.

Mr. Speaker, this is the workplace of democracy. There is no reason whatsoever, and no reason to believe whatsoever that I can determine, that we are going to be prepared to move this legislation on Friday. I do not doubt for a moment that the majority leader and his negotiators will be doing their level best to conclude their business on this. But let us face the facts of life. We cannot logistically do this and give every Member an opportunity to pay his or her respects as they are supposed to as representatives of this greatest democracy on the face of the Earth. We cannot be here before next Monday, and I ask the majority leader to simply acknowledge that and let us move on with our business.

Mr. ARMEY. Mr. Speaker, if the gentleman will again yield, I want to express my own personal appreciation for the fine expressions of sentiment and commitment I have heard from the Members on this important matter of Veterans' Day. And I can tell my colleagues that I am only touched by what I have heard.

I have talked to the Members of the Committee on Veterans' Affairs. They too, of course, have focused on this with a great deal of interest and commitment and they have encouraged me to remind Members that for those of us who may have difficulties in getting back to our own districts, that we will have ceremonies at Arlington Cemetery where, of course, some of our Nation's greatest heroes are interred, and we will make every resource available to assist Members in getting to those very important ceremonies.

Mr. BONIOR. Mr. Speaker, I thank my colleague and would say in conclusion that I would hope the gentleman from Texas (Mr. ARMEY) could be more definitive in terms of a time within the next couple of hours so people could plan accordingly for not only this evening, but for the weekend if that is, in fact, what the majority desires, and I thank the gentleman.

COMMUNICATION FROM STAFF MEMBER OF HON. DALE E. KILDEE, MEMBER OF CONGRESS

The Speaker pro tempore (Mr. LAHOOD) laid before the House the following communication from Barbara Donnelly, assistant district director for Hon. DALE E. KILDEE, Member of Congress:

HOUSE OF REPRESENTATIVES,
Washington, DC, November 2, 1999.

Hon. J. DENNIS HASTERT,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you, pursuant to Rule VIII of the Rules of the House of Representatives, that I have been served with a trial subpoena issued by the United States District Court for the Eastern District of Michigan in the case of *U.S.* v. *Fayzakov*, No. 99–CR–50015.

After consultation with the Office of General Counsel, I have determined that compliance with the subpoena is consistent with the precedents and privileges of the House.

Sincerely,

BARBARA DONNELLY,
Assistant District Director.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Sherman Williams, one of his secretaries.

FATHERS COUNT ACT OF 1999

The SPEAKER pro tempore. Pursuant to House Resolution 367 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3073.

□ 1220

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3073) to amend part A of title IV of the Social Security Act to provide for grants for projects designed to promote responsible fatherhood, and for other purposes, with Mr. SHIMKUS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentlewoman from Connecticut (Mrs. JOHNSON) and the gentleman from Maryland (Mr. CARDIN) each will control 30 minutes, and the gentleman from Pennsylvania (Mr. GOODLING) and the gentleman from Missouri (Mr. CLAY) each will control 15 minutes.

The Chair recognizes the gentlewoman from Connecticut (Mrs. JOHNSON).

Mrs. JOHNSON of Connecticut. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, first let me thank the gentleman from Maryland (Mr. CARDIN), my colleague and ranking member, and his tireless, able staff for their good work in developing both the programmatic language of this bill and its funding provisions.

Mr. CARDIN has indeed been a fine partner, both for his substantive knowledge and frank and cooperative working style. I also want to thank my friends on the Committee on Education and the Workforce, especially the gentleman from Pennsylvania (Chairman GOODLING) and the gentleman from California (Mr. MCKEON) for their excellent work on this bill and for their spirit of cooperation in working out a compromise between the bills written by our two committees.

Finally, let me thank my chief of staff of the Subcommittee on Human Resources, Dr. Ron Haskins, who has an extraordinary knowledge of problems, programs, the law, and the possibilities.

Mr. Chairman, the major provision of this legislation is the Fathers Count Act of 1996. This legislation will fund projects directed at helping poor fathers meet their responsibilities by promoting marriage, improving their parenting skills, and developing their earning power.

Welfare reform stimulated the development of far better services for welfare-dependent mothers; services that could help her identify her skills, provide her with the knowledge that could help her succeed in the workplace, find a job, work, and progress.

This bill is an attempt to provide the same support and opportunity to the poor fathers of children on welfare. Our goal is to help them find steadier employment and develop their careers so they can provide the economic support so crucial to their child's well-being.

Our second goal is to help them develop a better relationship with their child and with the child's mother. Why? Because kids need dads. Dads count, just like moms count.

Research unequivocally shows that the great majority of children born outside of marriage do not realize their potential. They are much more likely to live on welfare, fail in school, be arrested, quit school, use drugs and go on welfare themselves as adults.

Two decades of careful research now decisively shows that we are neglecting the interests of a very specific group of kids, the children born of unmarried parents by neglecting the concerns of their parents and making no effort to build an emotional support structure, as well as an economic support structure, around them.

Welfare reform addressed many of the concerns of their mothers constructively with help finding a job, subsidized day care and so forth. Now we need to help their dads find better jobs, learn to parent, gain the knowledge to develop a good relationship with the mom, and marry if they both desire.

We must, in sum, help those mostly young adults create a more stable environment economically and emotionally for their children so their children will enjoy the opportunity kids should have in America.

Mr. Chairman, surprisingly and encouragingly, a recent study by renowned researcher Sara McLanahan of Princeton University shows that at the time of nonmarital births, over half of the parents are cohabiting and about 80 percent say they are in an exclusive relationship that they hope will lead to marriage or at least become permanent.

It seems reasonable to us that if we develop ways to support these young couples when they are still exclusively committed to each other and to their child, they may be able to maintain their adult relationship and develop their parenting relationship.

Thus, our bill will provides a modest amount of money, $150 million over 6 years, to encourage community-based organizations and governmental organizations to conduct projects to help these young parents. Projects will be awarded on a competitive basis. Not only will the projects aim to help couples develop healthy relationships including marriage, but they would also provide the educational opportunities and other supports through which good parenting and relational skills can be honed and the earning power of the father developed.

Even if the parents remain separate, the projects help fathers play an important role in their family through both the payment of child support and through good parenting of the child and open communication with the other parent.

Because these fathers have often have low job skills and weak attachment to the labor force, the projects will help fathers find jobs, improve their skills and experience so they can get better jobs. One of our major goals is to ensure that fathers, whether they live with their children or not, are able to provide financial support to their families. But an equally important goal is to assure that fathers, whether they live with their children or not, can provide appropriate emotional support to their child and be part of an adult partnership providing security, guidance and love to the children.

Mr. Chairman, funding these projects does not remove any money from the various programs Congress has put in place to support single mothers. Cash welfare, food stamps, Medicaid, housing benefits and many types of education and training programs remain available to mothers at their current level or higher levels of funding. So too do the programs that support low-income working single parents, particularly the earned income credit.

Thus, without detracting in any way from Federal programs designed primarily to help single, poor mothers we create this modest new program designed primarily to help single, poor fathers.

A word is in order about the background of this legislation. The gentleman from Florida (Mr. SHAW), my accomplished colleague, introduced the first version of this bill nearly 2 years ago. Since that time we have held three public hearings and received numerous written and oral comments on the legislation and at our most recent hearing, enabled the public to comment directly on the draft version of our current bill. On the basis of testimony at the hearing, as well as many meetings and written comments, we have made more than 50 changes in the legislation.

Mr. Chairman, this bill has now been passed as amended by both the Subcommittee on Human Resources and the full Committee on Ways and Means. Both votes were voice votes; thus our legislation originated and written on a bipartisan basis continues to enjoy the strong support from both sides of the aisle it deserves. The Clinton administration, with which we have worked closely in developing and amending the legislation, also supports the bill.

Finally, numerous organizations across the political spectrum, including the National Fatherhood Initiative, the Center on Budget and Policy Priorities, the Center on Law and Social Policy, the Children's Defense Fund, and the Empowerment Network have also endorsed the bill.

In addition to the important fatherhood program in this bill, the bill also contains several other first rate measures that Members should know about. Here is a brief summary:

First, the bill fixes a major problem in the welfare-to-work program which was specifically structured to reach women who had been on welfare many years and would need significant education and training to move into the workforce to become self-sufficient.

□ 1230

Unfortunately, while focused on a significant problem, the original bill was drawn too narrowly and literally could not serve the people it was intended to serve. We correct that problem by adjusting the criteria realistically to identify long-term recipients with low skills and eliminate the discrimination against equally poor, struggling single moms who do not receive welfare and providing job placement services.

We have worked with the Committee on Education and the Workforce and the administration and have prepared constructive changes all can support.

Second, we fix a problem in our Nation's increasingly effective child support program by creating a new penalty procedure for States that have failed to meet the deadline for building a statewide computerized child support payment system. Rather than completely ending child support funding for eight States, we impose a fair and more realistic set of penalties on these States, allowing those that can comply in 6 months to do so penalty free.

Third, we authorize use of a child support enforcement data base to recover delinquent student loans and overpayments in the Unemployment Compensation program. This provision will lead directly to a reduction of $154 million in State unemployment taxes over the next decade.

Fourth, the bill provides needed funds for the largest and most important evaluation of the 1996 welfare reform law.

Fifth, we provide new money to train judges and other court personnel in the child protection system.

Sixth, as the gentleman from Maryland (Mr. CARDIN) will explain in more detail, we fix a problem in the child support program by allowing the Immigration and Naturalization Service to suspend the passports of noncitizens who owe child support to American citizens.

Finally, let me point out that this bill is fully financed by fraud reduction and program terminations. In addition, businesses will save $154 million in Unemployment Compensation taxes. We know there is no such thing as a free lunch, but the Nation will receive the very considerable benefits of this legislation without paying one extra penny in taxes and without increasing the national debt.

In the long run, it will reduce public spending by strengthening families and increasing child support payments and providing children with greater economic and emotional support.

I urge the support of this fine legislation.

Mr. Chairman, I reserve the balance of my time.

Mr. CARDIN. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland (Mr. WYNN), who has been a strong supporter of the fatherhood initiatives.

Mr. WYNN. Mr. Chairman, I thank the gentleman from Maryland for yielding me this time.

Mr. Chairman, I rise in strong support of the Fathers Count Act. For a long time, we have had our head in the sand with respect to the problem of children born out of wedlock. We have ignored the problem. We have assumed high-minded piety. We have condemned impoverished young people, but we have not really helped them.

This bill is an enlightened form of welfare reform that addresses some of the real problems faced by unwed parents and specifically fathers.

This bill is critical because it provides resources, not condemnation to unwed fathers. It provides counseling. It provides job support. It provides the resources that they will need to become effective and productive fathers. When we have productive and effective fathers, we have better children.

This is a very good bill in that it also encourages States to take an aggressive role in enforcing child support payments, and that is very essential because it is at the State level where we have the issue of child support enforcement.

By having States implement aggressive enforcement policies, we will collect more child support. Again, when we collect more child support, we are at a better position to help these children of unwed parents.

For too long this Congress and this society has ignored this problem or, as I said, has taken a head-in-the-sand approach. It is high time that, as a society, we address the problem, we accept responsibility, and we, more importantly, enable these young fathers to accept responsibility.

To the extent that these fathers become better fathers, become better husbands, they will contribute to our society by producing young people that are more stable, less prone to crime, and more able to be productive citizens.

This is a bipartisan piece of legislation, the result of a lot of hard work. I think it is an excellent idea. I am very pleased to support it.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan (Mr. CAMP), a member of the Subcommittee on Human Resources.

Mr. CAMP. Mr. Chairman, I thank the gentlewoman from Connecticut for yielding me this time.

Mr. Chairman, I rise as a cosponsor of the Fathers Count Act of 1999, and I want to thank the gentlewoman from Connecticut (Chairman JOHNSON) and the gentleman from Maryland (Mr. CARDIN), the ranking member, for their hard work and their good effort in this area.

Since we passed welfare reform in 1996, we have made remarkable progress in getting families off the welfare rolls and improving their lives, but we still have a lot of work to do. This legislation represents an important step in welfare reform.

Many studies have suggested that unmarried, poor fathers have higher unemployment and incarceration rates than other fathers. These problems make it difficult for them to marry and form two-parent families and to play a positive role in the rearing of their children. Because the father fails to play a prominent family role, a vicious cycle ensues. Their children repeat the cycle of school failure, delinquency, crime, unemployment, and nonmarital births.

These are not the only disturbing facts about single parent homes. Our committee has heard testimony that children with absent fathers are five times more likely to live in poverty, more likely to bring weapons and drugs into the classroom, twice as likely to commit crime, twice as likely to drop out of school, twice as likely to be abused, more likely to commit suicide, more than twice as likely to abuse alcohol or drugs, and more likely to become pregnant as teenagers.

The Fathers Count Act of 1999 is designed to prevent the unfortunate cycle of children being reared in fatherless families by supporting projects that help fathers meet their responsibilities as husbands, parents, and providers.

I think a particularly good highlight of this bill is the charitable choice provisions which really allow faith-based organizations to compete for contracts whenever a State chooses to use private sector services or providers for delivering welfare services to the poor.

The charitable choice provision represents a historic shift in the way social services are delivered, away from big government programs to small, effective community faith-based providers. This provision allows the Secretary of HHS to choose a faith-based provider, and does not require the Secretary to do so.

The reasons this is so important is the goals of faith-based organizations are not just to provide services, but to change lives. Many of the fathers that the Fathers Count legislation is intended to reach need much more than services. They need what only faith-based organizations can deliver, and that is a belief that change is possible.

This bill is aimed at promoting marriage among parents. It will also work to help poor and low-income fathers establish positive relationships with their children and their children's mothers.

I urge a yes vote on this important legislation.

Mr. Chairman, I reserve the balance of my time.

Mr. CARDIN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, first, let me acknowledge that when we work together, Democrats and Republicans, we can get a lot accomplished.

I commend the gentlewoman from Connecticut (Mrs. JOHNSON), the chairman of the Subcommittee on Human Resources, for her steadfast willingness to make sure that this legislation was considered and negotiated and marked up in a very bipartisan way.

I also want to compliment her on the hearings that we held on this bill. I thought they were very helpful. We heard from a lot of different groups, and they made many suggestions which are incorporated in the final legislation that was brought forward.

The system worked. The process worked. As a result, the Fathers Count Act, H.R. 3073, is a bill that will help low-income parents in carrying out their responsibility, both custodial and noncustodial, both mothers and fathers. It is a good bill, and I encourage my colleagues to support this legislation.

It does not include every provision that the gentlewoman from Connecticut (Mrs. JOHNSON) or I would like to have seen in the legislation. It is a product of compromise, and it is a good bill that moves us forward in helping low-income parents.

This endeavor is important for three reasons. First, it is simply unfair to expect low-income mothers to bear all the responsibility for raising their children. It is a moral and legal obligation of both parents to provide care for their sons and daughters.

Second, some noncustodial fathers want to help their families, but they lack regular employment, and it prevents them from meeting their commitments. These are dead-broke dads, not deadbeat dads. They need assistance in finding and retaining employment, and they need encouragement to cooperate with their child support system, which they view in many cases as being very hostile.

Third, and most importantly, children are simply better off when both of their parents have a committed and caring relationship with them, as the gentlewoman from Connecticut (Mrs. JOHNSON) has pointed out. This is in the best interest of a child to have both parents involved in their upbringing.

Under the Fathers Count Act, $140 million dollars in competitive grants will be made available for communities to encourage fathers to become a consistent and productive presence in the lives of their children, whether through marriage or through increased visitation and the payment of child support.

These new grant funds can be used for a wide array of specific services, including counseling, vocational education, job search, and retention services, and even subsidized employment. The legislation includes resources to carefully evaluate the impact of these grants on marriage, parenting, employment, earnings, and the payment of child support.

Mr. Chairman, in addition, the grant program would encourage States and communities to implement innovative policies to assist and encourage noncustodial parents to pay child support.

For example, preference would be given to grant applications which contain an agreement from the State to pass through more child support payments to low-income families rather than recoup the money for prior welfare costs. Mr. Chairman, I can tell my colleagues that will encourage more involvement financially by noncustodial parents with their child. It is a good provision. Some States have done it, but not enough States have done this. This bill will encourage that action.

The legislation would make one very important change to help both custodial and noncustodial parents support their children. It would expand eligibility for the current Welfare to Work program. This initiative was originally passed as part of the Balanced Budget Act of 1997. It has proven to be a useful tool to help long-term welfare recipients and noncustodial parents of children on public assistance gain employment.

However, the criteria to access these funds are too restrictive. We know that. We are not able to get the money out where it is desperately needed. Therefore, the Fathers Count Act would broaden eligibility and local flexibility under the Welfare to Work program, an improvement, I might add, that has been requested by our National Governors' Association and by the U.S. Conference of Mayors and the Department of Labor. I hope that the House will build on this effort by passing a broader reauthorization of the Welfare to Work program. The Clinton administration has submitted such a request, and I hope that this will be the first step in reauthorizing that program.

Finally, I should point out that H.R. 3073 contains three provisions that would improve the administration of several different human resource programs. First, the bill would establish a more realistic penalty for the States that have failed to establish a State Disbursement Unit for their child support enforcement system.

Second, the legislation would provide Federal reimbursement for State and local efforts to train judges and other court personnel involved in child abuse cases.

Lastly, the measure would provide additional funding to improve ongoing effort by the Census Bureau to study the impact of welfare reform on low-income families.

Mr. Chairman, the underlying premise of the Fathers Count Act is children are better off emotionally and financially when both of their parents are productive parts of their life. We achieve these goals by promoting marriage, particularly among recent parents. However, we recognize that marriage is not always possible or even desirable, especially when there is an obvious threat of domestic violence. In those circumstances, we still expect fathers to accept financial responsibility for their children.

This bill, therefore, seeks to help low-income fathers gain employment needed to pay child support. Without such an effort, we are condemning custodial mothers near the poverty level to bear the entire burden of raising their children.

In conclusion, let me say that we are going to have some debates on some of the amendments, and we will talk about that a little bit later, but the underlying bill is a good bill. It is supported by the administration. It is supported by many of the advocates and groups on behalf of our children. I urge my colleagues to support the legislation.

Mr. Chairman, I reserve the balance of my time.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I yield 3 minutes to the gentleman from Florida (Mr. SHAW), who introduced the first fatherhood bill and who has been a real leader on this subject. It is a pleasure to have him on the floor with us today.

Mr. SHAW. Mr. Chairman, I compliment the gentlewoman from Connecticut (Mrs. JOHNSON) for her work as well as the gentleman from Maryland (Mr. CARDIN).

I would have to agree wholeheartedly with my Democrat friend that, when we do work together as Republicans and Democrats, we can do some great things and solve some tremendous problems in this country.

One-third of the children born today are born to single moms, one-third. I would wager that most of them, most of those children were fathered by a father that grew up without a father in the home.

It is hard for many of us to think of growing up without two parents. Experience shows us that the father shows up for the delivery, hands out cigars, and then, all too often, is never seen again. Oh, one may see him hanging out on the street corner, but he has been left behind.

□ 1245

We have done great things in this country with welfare reform, but it has created an imbalance that has to be addressed, and this legislation is a great first step in addressing the balance.

We are training the moms to become breadwinners, and we have done some wonderful things; and the children now look up to their moms as role models, but there is still that great vacancy in the home because there is not a father, and all too often the father is anything but a role model. In our society, today, we cannot afford to leave large masses of people behind.

We have to work with all the people in our population and not give up on any of them, and that is what this legislation addresses; and this is what it comes down to. It teaches fathers to be fathers. As ridiculous as that may sound, if a young boy grows up and is never in a home where there is a father and his neighbors do not have fathers either, he may very well not have a clue as to what it is to be a father, the responsibility, and also the love that is possible and can be generated just by getting in and having some bonding between human beings.

We know that these kids that grow up without fathers are much more likely to get in trouble with the law, they do poorly in school, in most cases, and they will have problems for the rest of their lives. And then they will grow up and they will have children out of wedlock, and this cycle goes on and on. We have to break this cycle.

This is great legislation. It is a pilot program, admittedly, but it is one whose time has come; and I am very, very pleased to see that we are joining together on both sides of this House and bringing forth this tremendous legislation. It is going to save a lot of human beings, and it is going to be great for today's kids.

Mr. CARDIN. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. HINCHEY).

Mr. HINCHEY. Mr. Chairman, I think this is a very interesting piece of legislation, and I know that the people who have put it together have the best of intentions and really want to see some progress made with this very serious problem. It is unfortunate that some of the amendments that were offered have not been made in order by the rule; however, there are a number of amendments that have been made in order and, if those amendments pass, I think this legislation may actually have some opportunity to be successful.

There are some things, however, that we are overlooking as we promote this legislation. Perhaps one of the most salient features here of this bill, one of the most important things that it does, is it brings to the fore the direct connection between income and problems of parenting, particularly problems of fatherhood. This bill directly targets its provisions at those people who are 150 percent below the poverty level.

Why does it do that? Because either consciously or unconsciously it recognizes that poor parenting and poverty go hand in hand. So why are we not dealing with the problem of poverty? That is the question that every Member of this House ought to be asking themselves. The problem of poverty is fundamental to dealing with this issue.

One of the things we ought to do is bring to the floor here a bill to increase the minimum wage. We have allowed the minimum wage in our country to fall far below that level where it ought to be. If the minimum wage had been allowed to rise at its standard level, its normal level throughout the decade of the 1980s and the early 1990s, it would today be about $7.50 an hour. That is much closer to the level where a father can support a family.

Bringing out the minimum wage is the most important thing that we could do. The other body passed a minimum wage bill, but extends it over a period of 3 years, drags it out, increases it only by $1, from $5.15 to $6.15 over a period of 3 years, leaving it woefully behind where it ought to be. Let us bring the minimum wage bill out here to the floor, let us pass a real minimum wage bill, let us bring the minimum wage to where it ought to be, $7.00, $7.50, $8.00 an hour. Then we will have fathers who can support their families.

Let us pass legislation which will provide for national health insurance, so that all of the children of these fathers will have health insurance, so that they can have their health needs taken care of, and so that fathers can feel proud of being able to take care of their children; bringing them into immunization clinics, making sure they see a doctor and get proper health care. Those are the things we ought to be doing.

If we are really serious about improving parenting, if we are really serious about improving the quality of fatherhood and motherhood in our country, let us do something about the minimum wage. Let us bring out a bill that will give us national health insurance. Let us really do something for parents so that they can be strong, competent, capable parents, raising their children in competent and capable ways. That is the real answer to this problem.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I yield myself 1 minute.

I would just say to the gentleman, the preceding speaker, that we are dead serious. We are dead serious about poverty as well as about parenting. And as a result of welfare reform, poverty in America has declined 26 percent in the last 4 years. It is unprecedented for poverty to decline in consecutive years, and especially among poor children.

But in addition under this bill, we do not just provide parenting education and help with relational skills, these men are going to get help with job placement, with career advancement, with getting the skills that are necessary for higher paying jobs. I am a big supporter of the minimum wage. I do not disagree that raising the minimum wage is important, but nobody working at minimum wage is really going to be able to provide a child real economic security.

The goal of this bill is not only to help men get into more stable jobs in the work force but help them to enhance their careers, their skills, move up and earn a higher wage. In sum, this is a direct attack on the problem of poverty among poor men.

Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania (Mr. ENGLISH).

Mr. ENGLISH. Mr. Chairman, I thank the gentlewoman for her pathbreaking work on this issue, and let me add for the sake of the gentleman from New York who has now left the floor, it is probably worth noting that neither a minimum wage increase nor health care reform nor welfare reform came to the floor the last time his party was in the majority. But that is beside the point this morning.

We have gathered today on a bipartisan basis in support of the Fathers Count Act, a real social reform that I think will add greatly to the quality of life in this country. This legislation takes welfare reform to the next level. It recognizes that since the 1960s, the family unit has been under siege from an intrusive and wayward welfare state. We have seen the breakup of low-income families and a breakup that has led to the rise of a large underclass.

This legislation builds on the success of the welfare reform that we passed in 1996 and moves in the direction of reknitting family bonds. This legislation builds support infrastructure to strengthen the institution of fatherhood and provides support for new innovative local community-based programs that address this problem. These are programs that would counsel and mentor low-income fathers; that would promote good parenting practices; that stress the importance of honoring child support obligations and point the way for fathers to become effective providers through meaningful participation in the workforce.

Let me say that, in my view, this may be one of the most important social reforms that we consider during my term in Congress, and it is one that complements welfare-to-work; that strengthens family and promotes necessary innovation and social policy. I urge all of my colleagues on both sides of the aisle who are concerned about poverty in America to join me in supporting this legislation.

Mr. CARDIN. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I take the time now to explain why I will be offering an amendment when we get to the amendment section.

The amendment that I am offering was actually in the Ways and Means reported version of the Fathers Count legislation. It deals with changes in the welfare-to-work with custodial parents who are below the poverty level, not receiving TANF funds, being eligible for welfare-to-work funds. The difficulty is that the bill that is on the floor today would restrict that to no more than 30 percent of the funds available. The problem is that there are other programs that fit into that 30 percent, including children aging out of foster care that we want to make sure the States have maximum flexibility.

I would urge my colleagues to support this amendment to give the States maximum flexibility in how they manage the resources available to not only get people off of welfare but to keep people off of welfare and having good jobs and not being in poverty.

So I would hope my colleagues would support this amendment when it is offered during the amendment stage of debate.

Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. EDWARDS), who will be offering an amendment dealing with the charitable choice provisions.

Mr. EDWARDS. Mr. Chairman, I thank the gentleman for yielding me this time, and, Mr. Chairman, I will be offering an amendment in a few minutes that I hope all Members on both sides of the aisle will consider very carefully.

The amendment is very simple, but the principle behind that amendment is, I believe, as profound as the meaning of the establishment clause in the first amendment of our Constitution. What our amendment does is simply say that monies, the $150 million that will be funded through this bill, shall not go to pervasively sectarian organizations. The Supreme Court has decided this, specifically in a decision in 1988 in Bowen vs Kendrick, saying that pervasively sectarian organizations, or organizations such as churches, synagogues, mosques, houses of worship, where religion is fundamentally thoroughly the reason for its existence.

Why do I offer this amendment? Well, there are a couple of basic reasons. First of all, the Founding Fathers made it very clear, and not just in putting it in the Bill of Rights, but putting in the first 10 words of the Bill of Rights this principle: that the best way to have religious freedom and respect in America is to build a firewall between government regulations and religion. And that separation, that wall of separation between church and State, has for 200 years worked extraordinarily well.

We are the envy of the world when it comes to religious tolerance and religious freedom. Why in the world, in a 20-minute debate over an amendment on the floor today in this House, should we, in effect, tear down that wall of separation between church and state and put at risk the independence and freedom of religious organizations and institutions all across this country?

The second reason I would say we need to pass the Edwards amendment is that without that amendment we need to look at the language this bill refers to in the 1996 Welfare Reform Act, which not more than a handful of Members were even aware of. This bill, without my amendment, could literally let churches and houses of worship take Federal dollars and, in using those dollars to run secular or social programs, they can hold out that money and actually use it to pay for a sign that they could put on the front of their church saying that no Jews need apply for this job, no Protestants need apply for this federally funded job, no Catholics, no Hindus. Whatever religions they do not like, they can use Federal dollars to literally discriminate in job hiring decisions based on no other reason than the religion of that American citizen.

I find that to be repugnant to the concept of the freedoms enshrined in the Bill of Rights. And I know that no sponsor of this legislation would intentionally want to do that, but I would urge them to take a look at the impact of this language and the underlying language that it builds on from the 1996 Welfare Reform Act.

I appreciate deeply the gentleman from Maryland (Mr. CARDIN), the Democratic sponsor of this bill, and his strong support of my amendment. I think he and I would agree that if we believe in this legislation, we ought to vote for the Edwards amendment simply to make it constitutional, if for no other reason than that practical but yet important reason.

□ 1300

I think it is time for this House to take a stand in saying that we are not going to compromise the meaning of the establishment clause, the first 10 words of the First Amendment of the Bill of Rights, not out of disrespect to religion, but out of total reverence to religion.

To my Republican colleagues and conservative Members on both sides of the aisle, those of them who constantly come to this floor and express grievous reservations about government regulation of our public schools and they do not even want the Federal Government involved in governing our local schools and they are greatly concerned about Federal regulations and agencies overseeing businesses in America, why in the world through this legislation would they want to extend government regulation into our churches, our synagogues, and our houses of worship?

The way this bill is written and using the underlying language of the 1996 Welfare Reform Act, they basically are going to invite government regulators to come into virtually any synagogue, church, or house of worship that receives money under this program and allow those government regulators to ask where they got their money, how they spend their money, and the purposes for it.

Please, my colleagues, on a bipartisan basis, vote for the Edwards amendment.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to comment on the EDWARDS amendment that will come up later on.

The charitable choice provisions in the Welfare Reform bill are provisions that have been affirmed in three consecutive Congresses in votes on the floor. The reason that they have been affirmed is that, within the charitable choice provision in the law, there is a firewall. Church grant recipients cannot proselytize with federal funds and there must be a secular alternative service provider available. While the money can flow to a church, a church is not allowed to discriminate amongst children that they serve according to the child's religion affiliation.

Now, it is also true that it allows a Catholic day-care center that is run by nuns to have only nuns run it. But even that center could not discriminate on the basis of faith amongst children applying to be in that day-care center. So there is a very clear firewall.

In the years that this has been in the law, 6 years now, no body of examples of problems has developed. We have had a couple of cases in which the law has been enforced and, therefore, has been demonstrated to be enforceable and people have lost grants because they have used the money to proselytize. So there is a firewall in the law.

But I want to get to a more human point here. In many of the neighborhoods where there are the highest number of single moms on welfare and unmarried dads, there are very few institutions left; and often in these neighborhoods, in some of the cities of our Nation, there is still a small church. It is the last of the community organizations that lives there.

If we can get money to that small church for something like a fatherhood program, we must do it. Because they can reach those fathers. They cannot only help fathers do all the things that this bill fosters, but they can also pair with the Workforce Investment Board so that they get fathers into the job stream more effectively. They can deal with the parenting issues and the relational issues. But most importantly, when the Federal money runs out, they will still be there.

One of the terrible failings of social service programs funded by the Federal Government is that, when we stop the funding, the program goes away.

One of the reasons we wanted to get faith-based institutions into the business of service is because they provide an ongoing support system for people who need support. All of us need support after either the program is gone or the person no longer needs the program and does not qualify.

So if a father moves up that economic ladder and no longer qualifies economically, he still has the support system available to him that helped him make that progress. Because, in fact, many of the faith-based organizations believe that their goal is not just to help temporarily but to change lives. And furthermore, they believe that they can change their life. Very few government funded programs really believe that in their gut.

Now, are they bureaucratic? Absolutely. We have not had the outpouring of applications from the faith-based community because they cannot do business with the Federal Government without quite a lot of accountability, and that is paperwork.

So the charitable choice provisions have not created quite the response we had hoped for, but they have brought new providers in. They do reach into these troubled communities. And it is those very communities where often the church is the last remaining organized institution that we do want to reach into.

So we do it through the charitable choice mechanism, but we have a firewall within that law; and that firewall, to this time, has worked.

Mr. Chairman, I reserve the balance of my time.

Mr. CARDIN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Edwards amendment does not repeal charitable choice. It recognizes the need for faith-based institutions to help us carry out the fatherhood initiative.

We recognize that also in the Welfare Reform Act of 1996 that we want faith-based institutions to help us in getting people off of welfare to work and we want faith-based institutions to help us in our Fatherhood Counts Act.

The gentlewoman from Connecticut (Mrs. JOHNSON) pointed out, and correctly so, that what we have done in this bill is referenced the 1996 Act. We referenced the Welfare Reform Act; and she states quite correctly that, under that Act, no funds provided directly to institutions or organizations to provide services and administrative programs shall be expended for sectarian worship, instruction, or proselytization. That is in the 1997 law and, by reference, is incorporated into the fatherhood initiative.

But there is another section to that law of 1997 which is referenced, and it says that the programs must be implemented consistent with the establishment clause of the United States Constitution. That is in the 1997 Act and, by reference, is incorporated in Fathers Count.

What the Edwards amendment does is make that section consistent with the Kendrick decision, which is a Supreme Court decision that interpreted that to mean that the entity cannot be pervasively sectarian. So the Edwards amendment is clarifying the 1997 statute to make it absolutely clear that we want faith-based institutions but it must be within the constitutional framework.

I think it is a clarifying amendment. Quite frankly, I do not think it should be a controversial amendment. I think that it should be accepted as clarifying what we all agree, that we want faith-based institutions participating, but it must be in compliance with the Constitution of the United States.

Mr. Chairman, I reserve the balance of my time.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the point of the gentleman is an important one; and I appreciate the legitimate controversy around this issue.

I would point out two facts. There is no definition of these two words "pervasively sectarian." And since the Kendrick decision of 1993, the Supreme Court has indicated and is, as we speak, reviewing decisions that will enlarge on that 1993 decision and slightly alter it. Even this administration has been for the clarification that would clearly allow technology assistance to parochial schools.

So we are at a point in our history where we are trying to work out precisely what this division between church and state should look like on the ground running. And by putting into statute a 1993 Supreme Court decision, we limit the ability of that division to develop in the years ahead and for that line to be more clearly defined.

Now, that is one problem. The second problem is that, in the wording of his amendment, as he tries to translate what he believes to be the Supreme Court decision into current law, Representative EDWARDS says, "notwithstanding any other provision of law, funds shall not be provided to any faith-based institution that is pervasively sectarian."

Well, of course, the church is pervasively sectarian. The program that is going to use the funds is not. But if they do not allow this, say, small black church in a poor neighborhood to be a receiver of the funds, even though they must be spent on this program in compliance with the charitable choice statute, then they will not be eligible to receive the funds.

I think, if we pass the Edwards amendment here today, it will have a very chilling effect on both the Federal Government's and the State Government's willingness to include faith-based organizations in their network of service providers because we will have confused the issue as to who actually is defined as the "pervasively sectarian" entity.

Certainly, the church is a pervasively sectarian entity. Its day-care center cannot be if it is going to receive funds under this law.

So I would just say that I think putting into statute Supreme Court language from a 1993 decision, when we are at this very time seeing the Supreme Court take more cases in this area in order to give clearer definition to the delicate balance between the church and state in our democracy, would be unwise. Therefore, I will oppose the amendment when the time comes.

Mr. Chairman, I reserve the balance of my time.

Mr. CARDIN. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I think the gentlewoman from Connecticut (Mrs. JOHNSON) is misreading the Kendrick decision.

The Kendrick decision dealt with the program management, not the sponsoring entity, in that they can be a sectarian institution that carries out a program that is not pervasively sectarian in the way that it is managed.

In fact, we have found that in the management of TANF funds that religious institutions have been able to comply with this standard. And the reason why we think it is important to include it in statute is to make it clear that we want to make sure that the Constitution is in fact adhered to, the establishment clause.

Mr. Chairman, I yield 4 minutes to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, I would like to respond to some of the points made by the gentlewoman from Connecticut (Mrs. JOHNSON).

First of all, she talked about a chilling effect. Quite frankly, to be honest, I do want to put a chilling effect, as Mr. Madison and Mr. Jefferson wanted to in writing the Bill of Rights and drafting it and supporting it, that we ought not to have Federal dollars going directly to houses of worship. They were adamant, they were profoundly committed to that concept. And, yes, I do want to put a chilling effect on that kind of flow of dollars, for all the reasons that I have mentioned.

But my amendment is clear that it allows dollars, under this program, to go to other faith-based organizations. I think that is one reason why a number of religious organizations are supporting my amendment.

Let me just mention a few: The American Jewish Committee, the Baptist Joint Committee, the Anti-Defamation League, actually the American Federation of State and County and Municipal Employees, the National Council of Jewish Women, the American Civil Liberties Union, the American Jewish Committee, Religious Action Center, America United for Separation of Church and State, the Council on Religious Freedom.

This is not going to stop faith-based organizations from participating in social programs. What it is going to do is make this bill consistent with Bowen v. Kendrick in 1988 in the Supreme Court decision.

Let me read from what Justice Rehnquist actually wrote in the majority position. He said, the reason for this concern, and he is referring to Federal dollars going to pervasively sectarian churches to be run in secular programs, "The reason for this is that there is a risk that direct government funding, even if it is designated for specific secular purposes, may nonetheless advance the pervasively sectarian institution's religious mission."

□ 1315

I do not understand why any sponsor of this legislation would want to write a bill knowing it is specifically in contrast to a clear constitutional decision written by Mr. Rehnquist and supported by a majority of the Supreme Court on a very similar case.

Secondly, on some other points, she talked about, well, under this bill you will not be able to discriminate against people wanting the services. That still does not deny the fact that it will allow you to use Federal dollars to discriminate against people, in hiring people for running and managing these programs based simply on their religion. There are logical reasons why we let church and synagogues hire people of their own faith using their own dollars. But this is plowing new ground, beginning with the welfare reform bill of just 3 years ago, that has not been well implemented yet, in allowing dollars to go directly to churches and synagogues and houses of worship. I think that is profoundly risky and dangerous and threatens the very purpose and commitment of the Bill of Rights.

The gentlewoman mentioned, quote, there are no problems over the last 6 years. Let me point out that the welfare reform bill was only passed in 1996. It has only been in place 3 years, not 6 years, and in fact it is now being mired down in constitutional debate and court cases over the very point we are making today. Why burden this legislation with the burden that the welfare reform act is going through?

Finally, I think the point is just simply this: For 200 years, we have had separation of church and State for very basic reasons. We do not want government regulation of religious institutions. I would suggest without the Edwards amendment, that is exactly what we are going to get. Even when a church defends its efforts as not being proselytizing or sectarian, that will require itself court cases where it will allow plaintiffs to go in and file lawsuits against churches and houses of worship. I would suggest it is that constitutional question, it is that legal fear that has caused many churches, religions and houses of worship not to want to participate in direct Federal funding under the welfare reform bill.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I yield myself such time as I may consume.

The bottom line here is, and the gentleman from Texas (Mr. EDWARDS) said it very clearly, you do not want churches getting the money. I do want churches getting the money. That is the bottom line. I think there is a role in America for churches being part of the social service delivery system because they have the ability to support people at a level of faith that government cannot offer, and they are there after you outgrow the program, they are there after the funding expires. It gives to the person not only a hand up but a permanent supportive community.

I do not want Federal money to go to churches that is not accountable and for programs that are not open to everyone who needs them. So, yes, there will be red tape. Churches who choose to receive Federal money will be regulated. If they do not like it, I cannot help it. If there are Federal dollars, you are accountable. If there are Federal dollars, you cannot discriminate against people needing the service. In addition, the community must make a secular alternative available and so on. The fire wall in the charitable choice language is extremely important and effective. But your fire wall would take effect above that and cut churches out of the service-providing social service network in America. I think that would be a tragedy.

Why did our Founding Fathers not oppose this? Because they never envisioned that the Federal Government would be providing the level of service, job placement, parenting education, not in their wildest dreams. Since we are doing that, we do have to do that in a way that is respectful of our Constitution and I believe the charitable choice provisions allow that.

Mr. Chairman, I reserve the balance of my time.

Mr. CARDIN. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I would hope that the Members would read the bill and read the Edwards amendment before they vote on it, because I understand there are deep philosophical differences among Members as to what we would like to see in regards to the use of faith-based institutions in carrying out programs sponsored by the Federal Government. But that is not what really is involved in the Edwards amendment. The Edwards amendment is very simple. It says that we use faith-based institutions but they must comply with the constitutional standard in regards to establishment of religion.

Let me, if I might, just quote from CRS because I think that really summarizes it best. It says: If the organization's secular functions are separable, government can directly subsidize those functions. However, if the entity is so permeated by a religious purpose and character that its secular functions and religious functions are "inextricably intertwined," that is, the entity is "pervasively sectarian," the Court has construed the establishment clause generally to forbid direct public assistance.

That is what the Edwards amendment is saying. It is not trying to take sides quite frankly on whether it is a good public policy or a bad public policy to get our faith-based institutions involved in the fatherhood initiative. What it is saying is, let us adhere to the establishment clause, let us give guidance to the grantees to make sure that they comply with the constitutional standards. That makes sense. I would hope that everyone would say that we should comply with the Constitution. It is not taking sides on the underlying issue.

Mr. Chairman, in closing, this is one of the amendments, but let us not lose sight of the bill that is an extremely important bill. It is supported by the administration. By letter dated today, the administration urges a "yes" vote on H.R. 3073. It is supported by the Center on Budget and Policy Priorities, by the Center for Law and Social Policy, by the Children's Defense Fund. This is a very important bill. I would hope my colleagues will support it when we have a chance to vote on it a little bit later.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I yield the balance of my time to the gentlewoman from Washington (Ms. DUNN) and thank her for her good work on this subcommittee over the years.

The CHAIRMAN. The gentlewoman from Washington is recognized for 1 minute.

Ms. DUNN. Mr. Chairman, I want to add my voice to those who enthusiastically support H.R. 3073. I want to thank the gentlewoman from Connecticut (Mrs. JOHNSON) for her commitment to helping encourage fathers to be involved in their families. The best hope for our children is the daily involvement of both parents in their lives. For too long, we have tolerated the unfortunate trend of fatherless homes to the detriment of our youth. Too many children are being born out of wedlock. A recent census study found that the number of babies born to unwed parents has increased fivefold since the 1930s. Both mothers and fathers are important to raising children and helping them achieve their full potential. Too often, fathers who are not custodial parents have difficulty meeting their financial obligations to their children, or have trouble spending time with them.

We have got to encourage efforts that help men get more involved in the lives of their children, especially when they are not around on a day-to-day basis. This Congress has rightfully promoted improving the lives of families through attempts to lower the historic tax burden they shoulder. Now it is time to help men who may not be a part of the home but who are struggling to be a part of the family.

The CHAIRMAN. Under the rule, the gentleman from Pennsylvania (Mr. GOODLING) and the gentleman from Missouri (Mr. CLAY) each will control 15 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Chairman, I yield myself such time as I may consume.

I first want to commend the gentlewoman from Connecticut for her efforts to bring attention to the needs of noncustodial fathers who are working to fulfill their responsibilities.

The Fathers Count Act of 1999, as amended by the gentlewoman from Connecticut's substitute, also includes important changes to the welfare-to-work program incorporated from H.R. 3172, the Welfare-to-Work Amendments of 1999, which passed in the Committee on Education and the Workforce on November 3. The major focus of these changes is to provide more flexibility to States and localities in administering the welfare-to-work program.

This program, authorized under the Balanced Budget Act of 1997, provides assistance to welfare recipients who face significant barriers to employment. In an effort to target assistance to those individuals most in need, strict eligibility criteria were established for the program. However, as we have since learned from both States and localities responsible for administering this program, the eligibility has been so strict as to prevent serving individuals clearly in need of these services.

In fact, a report compiled after passage of this program found that most of the funds were aiding only 10 percent of welfare recipients. Largely because of this, States and localities have simply been unable to expend these funds. To date, of the $3 billion available for the program, only $283 million has been spent.

To address this issue, this legislation loosens the eligibility criteria to allow more individuals in need of these services to benefit from the program. This legislation also includes an amendment offered by the gentleman from South Carolina (Mr. DEMINT) providing even greater local flexibility for the targeting of these funds, and streamlines the current burdensome paperwork requirements necessary for verification of program eligibility.

However, it should be made clear the intent of this bill is not to encourage these programs to ignore the significant needs of those welfare recipients who truly have tremendous barriers to achieving self-sufficiency, but rather to provide more flexibility for locals in identifying these individuals.

I also want to highlight several other important provisions under this legislation which I believe will improve the welfare-to-work program.

First, it addresses the importance of providing services to noncustodial parents. Although these parents were eligible under the current program, the criteria for receiving services has been loosened. In addition, provisions adopted from a bill supported by the administration will ensure that noncustodial parents served under this program will work toward fully meeting their responsibilities with respect to their noncustodial child or children.

Secondly, this bill eliminates the current reporting requirements under the welfare-to-work program. It has come to our attention that these reporting requirements are too extensive, complex and cost too much for entities conducting programs to meet. Thus, this bill repeals these requirements and directs the Secretary of Labor, in consultation with the Secretaries of HHS and State and local government, to develop a new and more reasonable and affordable data reporting system.

By increasing the ability to share information, this legislation also promotes increased and improved coordination between human services agencies which administer welfare programs and the workforce development system which administers the welfare-to-work program.

Finally, this legislation also expands local flexibility by allowing funds to be used to support up to 6 months of vocational education job training. Although we view this program as a work program as opposed to a job training or education program, this provision strikes a compromise between those who believe that no limitation should be put on education and training requirements and those who point out the failure of this program's predecessor, the Job Opportunity and Basic Skills Act.

By allowing for limited vocational education and training, it is our hope that local providers will establish programs that stress the need for employment first, backed up with additional skills training to provide the support necessary for these individuals to move up the career ladder and become self-sufficient.

I am pleased this legislation has bipartisan support and has received the endorsement from several State and local organizations as well as the administration. I urge my colleagues to join in support of this legislation.

Mr. Chairman, I reserve the balance of my time.

Mr. CLAY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of the welfare-to-work provisions only that are included in H.R. 3073, the Fathers Count Act. These provisions broaden the eligibility requirements for the program so that tens of thousands of low-income families will receive job search and training assistance to improve their ability to secure gainful employment.

The welfare-to-work program was enacted as part of the 1997 budget agreement to help families transition from welfare to work by providing them meaningful education and job training assistance. Forty-seven States currently participate in the program and 76,000 recipients have received services.

This bill contains a number of improvements necessary to ensure the program's future success. Most notably, Mr. Chairman, the bill expands current eligibility requirements which are so narrow in current law that many deserving welfare recipients cannot qualify. Both the Committee on Education and the Workforce and the Committee on Ways and Means reported bills that would ease the rules so that more individuals can be assisted.

□ 1330

Mr. Chairman, there are others issues that were not solved in committee. The substitute, in my opinion, should reauthorize the Welfare to Work program in future years. The 2.6 million individuals who remain on welfare is a hard-to-serve population that will require extensive and intensive assistance to successfully move off of welfare. This program will be needed for many more years to come.

Also, H.R. 3073 only covers six months of education and job training assistance. This is far too short. I regret also that the Committee on Rules did not make in order the amendment of the gentlewoman from California (Ms. WOOLSEY) to extend training to one year. I support amendments to be offered by the gentlewoman from Hawaii (Mrs. MINK) which would change the fatherhood program to the parenthood program. I share her concern that both parents need support and should be treated equally.

Mr. Chairman, I urge my colleagues to support these amendments and to support the welfare-to-work operations of the bill.

Mr. Chairman, I reserve the balance of my time.

Mr. GOODLING. Mr. Chairman, I yield what time he may consume to the gentleman from California (Mr. MCKEON), the subcommittee chair.

Mr. MCKEON. Mr. Chairman, I rise in strong support of H.R. 3073, the Fathers Count Act. Not only does it focus on the need to help noncustodial fathers gain employment in order to pay child support, it also includes important changes to the Welfare to Work program.

These changes are reflected in the amendment in the nature of a substitute to H.R. 3073 offered by the gentlewoman from Connecticut (Mrs. JOHNSON). This substitute includes important provisions passed in the Committee on Education and the Workforce under H.R. 3172, the Welfare-to-Work amendments of 1999, and reflect bipartisan consensus among Members from both our committee and the Committee on Ways and Means.

Just over a month ago, my Subcommittee on Postsecondary Education, Training and Lifelong Learning held a hearing on the issue of welfare reform and, in particular, on the Welfare to Work program. I was encouraged by a report presented at that hearing by the General Accounting Office which found the Welfare to Work program to be providing an incentive for greater collaboration between welfare agencies and the job training system. This is an issue I believe is critical if these Federal programs are to be cost-effective, efficient, and avoid duplication.

This hearing also highlighted the frustration of many States and localities regarding several aspects of the Welfare to Work program. Specifically, they noted the State eligibility requirements that have limited their ability to serve individuals clearly in need of services, but who simply do not meet the program's targeted criteria.

I am pleased the Johnson substitute includes relief to these agencies by providing more flexibility in designing local programs to address the significant barriers to employment facing those who are still on welfare today.

In addition, this legislation includes several other important provisions which, taken together, expand flexibility for how these funds are used and which cut down on burdensome red tape requirements that have hampered the program's effectiveness.

It is my hope that we ensure States and locals are able to use these funds effectively as part of an ongoing successful strategy to forever change the nature of welfare.

Indeed, these strategies are beginning to show some very encouraging news. The Department of Health and Human Services recently completed its annual review of welfare reform and provided clear evidence of this success.

Specifically, the number of families relying on public assistance has fallen tremendously. Income among those leaving welfare has increased. Employment rates among single parent mothers have increased, while poverty rates have fallen. These are all indeed reasons to be encouraged by welfare reform.

However, welfare reform will not continue to be the success that it is today if there is not a focus on the unique needs of those individuals who have far greater barriers to employment than those who have already left public assistance. We know from the experience of States such as Wisconsin that these individuals can and are making a successful transition into employment and towards self-sufficiency.

However, it takes hard work, dedication, high expectation, and the types of assistance provided through the Welfare to Work program for this to happen. The changes we are making to this program today will help ensure these funds are an effective tool in these efforts to assist these individuals.

Mr. Chairman, I urge my colleagues to support this important legislation.

Mr. CLAY. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. MARTINEZ).

Mr. MARTINEZ. Mr. Chairman, I rise to express my support for those provisions in H.R. 3073, the Fathers Count Act, that will make important changes to the Welfare to Work program.

As my colleagues know, the Welfare to Work program was created when President Clinton insisted that $3 billion be included in the Balanced Budget Act of 1997 to help States move their welfare recipients into the work force and comply with the ambitious work requirements established in the Personal Responsibility and Work Opportunity Reconciliation Act. I am pleased to say that that program has been largely successful.

Over the last 5 years, the welfare rolls have decreased by over 40 percent, reaching their lowest level since 1969. Conversely, the number of welfare recipients with jobs has quadrupled during that same time period.

In August, President Clinton announced that every State and the District of Columbia had met the work requirements set forth in the Personal Responsibility Act of 1998, and just as important, the annual income earned by those welfare recipients for those jobs has increased by an average of $650 per year.

However, as several of my colleagues have mentioned, one flaw is keeping the Welfare to Work program from realizing its full potential, overly restrictive eligibility requirements.

Therefore, I support the provisions in this bill that will expand the eligibility requirements of the program. This will help States enormously in their efforts to move their remaining welfare recipients to work.

However, while the new eligibility requirements will allow the States to access previously inaccessible money and provide services to previously unservable welfare recipients, that money will be expended quickly, leaving the hardest to serve individuals without resources.

During the Committee on Education and the Workforce markup of H.R. 3172, the companion bill to H.R. 3073, I offered an amendment to reauthorize the Welfare to Work program at the President's request of $1 billion for fiscal year 2000, which would have allowed the program to service an additional 200,000 individuals. Given the 2.6 million families remaining on welfare, I think that that is the least we can do.

In a recent letter from the administration, Alexis Herman states, "We view H.R. 3172 as a complement to a complete reauthorization of the Welfare to Work program."

Additional resources are essential to addressing the continuing needs to promote long-term economic self-sufficiency among the hardest to employ welfare recipients and to assist noncustodial parents in making meaningful contributions to their the well-being of their children.

Although, in the spirit of bipartisanship I withdrew my amendment, I agree with the administration and hope that the Congress will also consider legislation to reauthorize and provide additional resources for the Welfare to Work program in the near future. We have made too much progress to abandon our efforts now.

Mr. CLAY. Mr. Chairman, I yield 3 minutes to the gentlewoman from Hawaii (Mrs. MINK).

Mrs. MINK of Hawaii. Mr. Chairman, I thank the ranking member for yielding me this time.

The Parents Count amendment that I am going to offer later, which attempts to correct what I think is a difficulty with the fatherhood section, and the debate seems to have been exclusively on that portion of the bill, I think we should really be spending time on the portion that has to do with Welfare-to-Work, which is an extremely important amendment that has been put together with this bill which is referred to as the Fathers Count legislation.

Beginning on title III of this legislation, Welfare to Work program eligibility, which was reporued out favorably by the Committee on Education and the Workforce, is a bill which attempts to correct a very serious problem with the original welfare reform legislation. In that legislation we attempted to be so strict in defining the eligibility of people who could qualify for Welfare-to-Work, and in setting up the requirements, virtually eliminated 90 percent of the people who might otherwise have been able to participate.

I say that very liberally, because in talking to the Department of Labor that administers this program, they are saying that only about 10 percent of the funds have been utilized. Looking at the figures programs in May and June of this year, they are saying that hopefully it has risen to about 13 to 15 percent, which suggests to me that this legislation which we reported out of the Committee on Education and the Workforce is an absolutely essential correction.

In my own State, and I have talked to the people there, and they say the one thing that eliminates almost all of the custodial parents from participating is the restriction that says you must not have a high school diploma or a GED, and almost all of the people on welfare or the parents on welfare have their high school diplomas in my State, and so they are automatically disqualified.

So this correction which we are making, eliminating these very strict requirements, is essential if we expect to take this Welfare-to-Work opportunity to the people that really need it.

The second point I want to make is that the current law, even the current law which has all of these defects, opens up opportunity for Welfare-to-Work opportunities and assistance and other kinds of programs to both custodial parents and noncustodial parents. It is opened up completely to both aspects. In fact, to make sure that the noncustodial parent has an opportunity, there were restrictions of funding, 70 percent in one area, 30 percent in another. It is an important point to realize that the Welfare Reform Act, in creating Welfare-to-Work, established opportunities for both mothers and fathers.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana (Mr. SOUDER), a member of the committee.

Mr. SOUDER. Mr. Chairman, I wanted to briefly talk again about the Edwards amendment on whether or not we are going to have a pervasively sectarian standard that basically, for all of the rhetoric, will eliminate faith-based organizations from being eligible for grants because States and others would be scared away from including faith-based, because there is no definition of what constitutes pervasively sectarian. The Supreme Court has been evolving this definition.

But rather than just talk about Vice President GORE, Governor Bush and others in this House and in the Senate in signed law that has passed three times with this clause, let me read a little bit from the Brookings Institution, once again where it separates kind of the far left of the Democratic Party from the moderate part of the Democratic Party, where they are talking about the reason to change the "pervasively sectarian standard which they say has constituted a genuine, though more subtle establishment of religion, because it supports one type of religious world view, while penalizing holistic beliefs."

Now, what did the Brookings Institution mean by holistic beliefs. They say, "Holistic faith-based agencies operate on the belief that no area of a person's life, whether psychological, physical, social or economic, can be adequately considered in isolation from the spiritual." In other words, that is what we see in many of the grass-roots organizations around the country.

This bill would not allow them to teach religion; it would not allow them to have the bulk of this program, to discriminate against people who are not in that church, but it would say that if you are a faith-based organization, you can have standards on your staff, you can have it be part of your ministry, because in fact, the holistic approach says that it is not just the mechanical parts of this, but it is also the character that matters.

That is why many, if not most, although we have many secular organizations that had an impact; but many, if not most in the highest risk areas of the effective organizations have dealt with matters of the soul in addition to kind of the just mechanical execution, whether that is in homelessness, whether it is in juvenile delinquency, or whether it is as in this case, fatherhood, as this bill addresses.

□ 1345

Mr. CLAY. Mr. Chairman, I yield 2 minutes to the gentleman from South Carolina (Mr. SANFORD).

Mr. SANFORD. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise very reluctantly actually against this bill, because I know that a lot of hard work was done on the bill. There are many things that make a lot of sense about it, and yet, my struggle quite simply is this.

As I read through the idea of establishing a grant program to foster responsible fatherhood, I struggle with that as a conservative. The reason I do is, is that really the role of the Federal government? To me that would seem to be the role of the local priest or the local rabbi or my preacher back home, or my uncle or my granddad, but somebody in my local community not tied to a grant from Washington, D.C., but somebody who actually lives there, who, because they care about me as a person, want to make an impact in my life in how I might be as a father, rather than being fostered through some grant out of Washington.

I would secondly say it is an extra $140 million, not a lot of money in a $1.7 million billion budget, but nonetheless, is this the highest and best use of that money?

Finally, again, this is an odd juxtaposition on where I stand on this, but does it grow or shrink government? Again, from my vantage point, it is something that grows government into a realm that we traditionally have not gone. I do not like the idea of the Federal government defining what a good father is. Is that really the role of the Federal government?

So I simply raise those concerns very reluctantly, but nonetheless raise them.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from Delaware (Mr. CASTLE), the subcommittee chair.

Mr. CASTLE. Mr. Chairman, I rise to support title III of the welfare-to-work program and the expansion of eligibility amendment thereto.

The welfare-to-work program was established in 1997 as a separate funding stream to States and localities to provide targeted assistance to moving the hardest to employ welfare recipients to work and self-sufficiency.

But what we have found is that the welfare-to-work program, while well-developed, requires greater flexibility in order to serve a greater population of the hardest to place welfare recipients.

To date, States have only spent $283 million of the total $3 billion available, but face multiple barriers to expanding their ability to serve more clients.

In Delaware, although $2.7 million was available this year, only $4,000 has been spent, with only about 40 clients being served. By relaxing the criteria as we are doing today, perhaps up to 1,000 others could be served.

Mr. Chairman, I do not ordinarily complain about a lack of State funding on Federal assistance, but in this case, there is a large population of hard to place recipients that otherwise could greatly benefit from relaxed eligibility criteria and more flexibility in who may be served under the program.

States like Delaware are clearly having difficulty in finding welfare recipients who qualify for assistance under this program. The transitional assistance to needy families funds have the flexibility to serve a greater population. Now it is time to expand the welfare-to-work eligibility criteria, thereby allowing us to spread the safety net and package services in a more seamless way.

By expanding the eligibility criteria for the welfare-to-work program, we retain, we dedicate, and strengthen the Federal commitment to serving the hardest to place welfare recipients. Not until adequate resources are targeted to the welfare-to-work recipients in a more realistic way and these recipients are helped off of welfare can we truly say that the historic Welfare Reform Act was a complete and unmitigated success.

Expanding the eligibility of welfare-to-work recipients is an excellent idea whose time has come. I am proud to support the expansion of eligibility for the hardest to serve welfare recipients.

Mr. CLAY. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia (Mr. ISAKSON), a member of the committee.

Mr. ISAKSON. Mr. Chairman, I thank the chairman for yielding time to me, and I commend him for his hard work on this legislation, as well as the subcommittee chairman.

Mr. Chairman, I want to raise two points. I think at this time it is fortunate that we are dealing with legislation to expand welfare-to-work and to truly reach those that we have failed to reach as of yet.

Secondly, I want to point out, in reply to the comment of the gentleman from South Carolina (Mr. SANFORD) a few minutes ago with regard to whether or not it was the Federal Government's role to deal with the fatherhood programs, when welfare started, the

Federal government determined that aid to families of dependent children was predicated upon a single mother and dependent children. Fatherhood was not even an issue.

Today we want to promote families and fathers, and to expand in title III the accessibility to reach out in terms of eligibility for welfare-to-work programs. It means that this Congress and this country are addressing now those that are the most disadvantaged and those that are the last to not realize the success of welfare-to-work as passed by this Congress a number of years ago.

It is only right and proper that the Federal government recognize in this program fatherhood and the promotion of it. It is only right in this program we expand eligibility so as to reach all Americans who deserve the opportunity for the education, the training, and the background, so they can truly become employed and be a contributing member of this society.

I commend my chairman, I commend the committee, and I rise in full support of the bill.

Mr. GOODLING. Mr. Chairman, I yield the balance of my time to the gentlewoman from Connecticut (Mrs. JOHNSON).

Mrs. JOHNSON of Connecticut. Mr. Chairman, I just want to say that what is so remarkable about this bill, and I appreciate the concern of some of my colleagues about a new program, is that it reaches out to the young men with the very same services that we have been providing to women, and that we have developed so dramatically under the welfare-to-work, the welfare reform bill.

It just helps them get the job, develop their skills, become successful, proud breadwinners, and at the same time we help them develop the discipline, parenting skills, and personal development that is essential if they are going to have good relationships with their children and good relationships with the mother of the children.

If we do not do this, we leave these children isolated, growing up without the economic or emotional support they need to take advantage of the remarkable opportunity free America offers.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise in support of the amendment offered by Representative MINK. This amendment would strike Title I of the Fathers Count Act and replace it with a gender neutral Parents Count Act.

This language is preferable because it would allow mothers to be eligible to receive the same benefits as fathers. As offered, the Act without this amendment offers programs to fathers only, programs that are also needed by mothers.

The new title would make the eligibility of poor women for parenting education programs, job training and other types of counseling equal to that of non-custodial fathers. It would further give preference to applicants that consult with domestic violence prevention and intervention organizations.

This is preferable over the original bill which provides for marriage counseling which expresses a preference for keeping married couples together despite the fact that many women and children suffer from domestic violence as a result of being locked into these marriages.

The Mink Amendment is important also to ensure that the bill does not violate the Constitution. As written, the bill expresses a gender preference for receipt of these benefits, which is contrary to the equal protection clause in the Constitution. By making the bill gender neutral, this provision removes any question of constitutionality.

My concern is that programs that encourage fatherhood—active involvement in the life of children, often overlook the importance of the entire family as a unit. We certainly need to encourage more men to get involved in their families, and I support any effort that makes special efforts to do so.

However, I do not encourage such efforts when they diminish the importance of the mother and the entire family unit in raising and caring for a child. A child needs the support of an entire family—mother, father, grandparents, the entire extended family. The Mink Amendment addresses this concern by making the bill gender neutral, but also by encouraging the reunification of the family, the entire family.

I urge my Colleagues to support this amendment because it is pro-family. If we are a Congress committed to the idea of supporting the American family, then this should be a welcome change.

The CHAIRMAN. All time for general debate has expired.

In lieu of the amendment recommended by the Committee on Ways and Means printed in the bill, it shall be in order to consider as an original bill for the purpose of amendment under the 5-minute rule an amendment in the nature of a substitute printed in the CONGRESSIONAL RECORD and numbered 1, modified by the amendment printed in Part A of House Report 106-463. That amendment in the nature of a substitute shall be considered as read.

The text of the amendment in the nature of a substitute, as modified, is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Fathers Count Act of 1999”.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—FATHERHOOD GRANT PROGRAM

Sec. 101. Fatherhood grants.

TITLE II—FATHERHOOD PROJECTS OF NATIONAL SIGNIFICANCE

Sec. 201. Fatherhood projects of national significance.

TITLE III—WELFARE-TO-WORK PROGRAM ELIGIBILITY

Sec. 301. Flexibility in eligibility for participation in welfare-to-work program.
Sec. 302. Limited vocational educational and job training included as allowable activity.
Sec. 303. Certain grantees authorized to provide employment services directly.
Sec. 304. Simplification and coordination of reporting requirements.
Sec. 305. Use of State information to aid administration of welfare-to-work formula grant funds.

TITLE IV—ALTERNATIVE PENALTY PROCEDURE RELATING TO STATE DISBURSEMENT UNITS

Sec. 401. Alternative penalty procedure relating to State disbursement units.

TITLE V—FINANCING PROVISIONS

Sec. 501. Use of new hire information to assist in collection of defaulted student loans and grants.
Sec. 502. Elimination of set-aside of portion of welfare-to-work funds for successful performance bonus.

TITLE VI—MISCELLANEOUS

Sec. 601. Change dates for evaluation.
Sec. 602. Report on undistributed child support payments.
Sec. 603. Sense of the Congress.
Sec. 604. Additional funding for welfare evaluation study.
Sec. 605. Training in child abuse and neglect proceedings.
Sec. 606. Use of new hire information to assist in administration of unemployment compensation programs.
Sec. 607. Immigration provisions.

TITLE I—FATHERHOOD GRANT PROGRAM

SEC. 101. FATHERHOOD GRANTS.

(a) IN GENERAL.—Part A of title IV of the Social Security Act (42 U.S.C. 601-679b) is amended by inserting after section 403 the following:

“SEC. 403A. FATHERHOOD PROGRAMS.

“(a) PURPOSE.—The purpose of this section is to make grants available to public and private entities for projects designed to—

“(1) promote marriage through counseling, mentoring, disseminating information about the advantages of marriage, enhancing relationship skills, teaching how to control aggressive behavior, and other methods;

“(2) promote successful parenting through counseling, mentoring, disseminating information about good parenting practices including prepregnancy family planning, training parents in money management, encouraging child support payments, encouraging regular visitation between fathers and their children, and other methods; and

“(3) help fathers and their families avoid or leave cash welfare provided by the program under part A and improve their economic status by providing work first services, job search, job training, subsidized employment, career-advancing education, job retention, job enhancement, and other methods.

“(b) FATHERHOOD GRANTS.—

“(1) APPLICATIONS.—An entity desiring a grant to carry out a project described in subsection (a) may submit to the Secretary an application that contains the following:

“(A) A description of the project and how the project will be carried out.

“(B) A description of how the project will address all 3 of the purposes of this section.

“(C) A written commitment by the entity that the project will allow an individual to participate in the project only if the individual is—

‘‘(i) a father of a child who is, or within the past 24 months has been, a recipient of assistance or services under a State program funded under this part;

‘‘(ii) a father, including an expectant or married father, whose income (net of court-ordered child support) is less than 150 percent of the poverty line (as defined in section 673(2) of the Omnibus Budget Reconciliation Act of 1981, including any revision required by such section, applicable to a family of the size involved); or

‘‘(iii) a parent referred to in paragraph (3)(A)(iii).

‘‘(D) A written commitment by the entity that the entity will provide for the project, from funds obtained from non-Federal sources, amounts (including in-kind contributions) equal in value to—

‘‘(i) 20 percent of the amount of any grant made to the entity under this subsection; or

‘‘(ii) such lesser percentage as the Secretary deems appropriate (which shall be not less than 10 percent) of such amount, if the application demonstrates that there are circumstances that limit the ability of the entity to raise funds or obtain resources.

‘‘(2) CONSIDERATION OF APPLICATIONS BY INTERAGENCY PANELS.—

‘‘(A) FIRST PANEL.—

‘‘(i) ESTABLISHMENT.—There is established a panel to be known as the ‘Fatherhood Grants Recommendations Panel’ (in this subparagraph referred to as the ‘Panel’).

‘‘(ii) MEMBERSHIP.—

‘‘(I) IN GENERAL.—The Panel shall be composed of 10 members, as follows:

‘‘(aa) 2 members of the Panel shall be appointed by the Secretary.

‘‘(bb) 2 members of the Panel shall be appointed by the Secretary of Labor.

‘‘(cc) 2 members of the Panel shall be appointed by the Chairman of the Committee on Ways and Means of the House of Representatives.

‘‘(dd) 1 member of the Panel shall be appointed by the ranking minority member of the Committee on Ways and Means of the House of Representatives.

‘‘(ee) 2 members of the Panel shall be appointed by the Chairman of the Committee on Finance of the Senate.

‘‘(ff) 1 member of the Panel shall be appointed by the ranking minority member of the Committee on Finance of the Senate.

‘‘(II) CONFLICTS OF INTEREST.—An individual shall not be eligible to serve on the Panel if such service would pose a conflict of interest for the individual.

‘‘(III) TIMING OF APPOINTMENTS.—The appointment of members to the Panel shall be completed not later than March 1, 2000.

‘‘(iii) DUTIES.—

‘‘(I) REVIEW AND MAKE RECOMMENDATIONS ON PROJECT APPLICATIONS.—The Panel shall review all applications submitted pursuant to paragraph (1), and make recommendations to the Secretary regarding which applicants should be awarded grants under this subsection, with due regard for the provisions of paragraph (3), but shall not recommend that a project be awarded such a grant if the application describing the project does not attempt to meet the requirement of paragraph (1)(B).

‘‘(II) TIMING.—The Panel shall make such recommendations not later than September 1, 2000.

‘‘(iv) TERM OF OFFICE.—Each member appointed to the Panel shall serve for the life of the Panel.

‘‘(v) PROHIBITION ON COMPENSATION.—Members of the Panel may not receive pay, allowances, or benefits by reason of their service on the Panel.

‘‘(vi) TRAVEL EXPENSES.—Each member of the Panel shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

‘‘(vii) MEETINGS.—The Panel shall meet as often as is necessary to complete the business of the Panel.

‘‘(viii) CHAIRPERSON.—The Chairperson of the Panel shall be designated by the Secretary at the time of appointment.

‘‘(ix) STAFF OF FEDERAL AGENCIES.—The Secretary may detail any personnel of the Department of Health and Human Services and the Secretary of Labor may detail any personnel of the Department of Labor to the Panel to assist the Panel in carrying out its duties under this subparagraph.

‘‘(x) OBTAINING OFFICIAL DATA.—The Panel may secure directly from any department or agency of the United States information necessary to enable it to carry out this subparagraph. On request of the Chairperson of the Panel, the head of the department or agency shall furnish that information to the Panel.

‘‘(xi) MAILS.—The Panel may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

‘‘(xii) TERMINATION.—The Panel shall terminate on September 1, 2000.

‘‘(B) SECOND PANEL.—

‘‘(i) ESTABLISHMENT.—Effective January 1, 2001, there is established a panel to be known as the ‘Fatherhood Grants Recommendations Panel’ (in this subparagraph referred to as the ‘Panel’).

‘‘(ii) MEMBERSHIP.—

‘‘(I) IN GENERAL.—The Panel shall be composed of 10 members, as follows:

‘‘(aa) 2 members of the Panel shall be appointed by the Secretary.

‘‘(bb) 2 members of the Panel shall be appointed by the Secretary of Labor.

‘‘(cc) 2 members of the Panel shall be appointed by the Chairman of the Committee on Ways and Means of the House of Representatives.

‘‘(dd) 1 member of the Panel shall be appointed by the ranking minority member of the Committee on Ways and Means of the House of Representatives.

‘‘(ee) 2 members of the Panel shall be appointed by the Chairman of the Committee on Finance of the Senate.

‘‘(ff) 1 member of the Panel shall be appointed by the ranking minority member of the Committee on Finance of the Senate.

‘‘(II) CONFLICTS OF INTEREST.—An individual shall not be eligible to serve on the Panel if such service would pose a conflict of interest for the individual.

‘‘(III) TIMING OF APPOINTMENTS.—The appointment of members to the Panel shall be completed not later than March 1, 2001.

‘‘(iii) DUTIES.—

‘‘(I) REVIEW AND MAKE RECOMMENDATIONS ON PROJECT APPLICATIONS.—The Panel shall review all applications submitted pursuant to paragraph (1), and make recommendations to the Secretary regarding which applicants should be awarded grants under this subsection, with due regard for the provisions of paragraph (3), but shall not recommend that a project be awarded such a grant if the application describing the project does not attempt to meet the requirement of paragraph (1)(B).

‘‘(II) TIMING.—The Panel shall make such recommendations not later than September 1, 2001.

‘‘(iv) TERM OF OFFICE.—Each member appointed to the Panel shall serve for the life of the Panel.

‘‘(v) PROHIBITION ON COMPENSATION.—Members of the Panel may not receive pay, allowances, or benefits by reason of their service on the Panel.

‘‘(vi) TRAVEL EXPENSES.—Each member of the Panel shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

‘‘(vii) MEETINGS.—The Panel shall meet as often as is necessary to complete the business of the Panel.

‘‘(viii) CHAIRPERSON.—The Chairperson of the Panel shall be designated by the Secretary at the time of appointment.

‘‘(ix) STAFF OF FEDERAL AGENCIES.—The Secretary may detail any personnel of the Department of Health and Human Services and the Secretary of Labor may detail any personnel of the Department of Labor to the Panel to assist the Panel in carrying out its duties under this subparagraph.

‘‘(x) OBTAINING OFFICIAL DATA.—The Panel may secure directly from any department or agency of the United States information necessary to enable it to carry out this subparagraph. On request of the Chairperson of the Panel, the head of the department or agency shall furnish that information to the Panel.

‘‘(xi) MAILS.—The Panel may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

‘‘(xii) TERMINATION.—The Panel shall terminate on September 1, 2001.

‘‘(3) MATCHING GRANTS.—

‘‘(A) GRANT AWARDS.—

‘‘(i) IN GENERAL.—The Secretary shall award matching grants, on a competitive basis, among entities submitting applications therefor which meet the requirements of paragraph (1), in amounts that take into account the written commitments referred to in paragraph (1)(D).

‘‘(ii) TIMING.—

‘‘(I) FIRST ROUND.—On October 1, 2000, the Secretary shall award not more than $70,000,000 in matching grants after considering the recommendations submitted pursuant to paragraph (2)(A)(iii)(I).

‘‘(II) SECOND ROUND.—On October 1, 2001, the Secretary shall award not more than $70,000,000 in matching grants after considering the recommendations submitted pursuant to paragraph (2)(B)(iii)(I).

‘‘(iii) NONDISCRIMINATION.—The provisions of this section shall be applied and administered so as to ensure that mothers, expectant mothers, and married mothers are eligible for benefits and services under projects awarded grants under this section on the same basis as fathers, expectant fathers, and married fathers.

‘‘(B) PREFERENCES.—In determining which entities to which to award grants under this subsection, the Secretary shall give preference to an entity—

‘‘(i) to the extent that the application submitted by the entity describes actions that the entity will take that are designed to encourage or facilitate the payment of child support, including but not limited to—

‘‘(I) obtaining agreements with the State in which the project will be carried out under which the State will exercise its authority under the last sentence of section 457(a)(2)(B)(iv) in every case in which such authority may be exercised;

‘‘(II) obtaining a written commitment by the agency responsible for administering the State plan approved under part D for the State in which the project is to be carried out that the State will voluntarily cancel child support arrearages owed to the State by the father as a result of the father providing various supports to the family such as maintaining a regular child support payment schedule or living with his children; and

"(III) obtaining a written commitment by the entity that the entity will help participating fathers who cooperate with the agency in improving their credit rating;

"(ii) to the extent that the application includes written agreements of cooperation with other private and governmental agencies, including the State or local program funded under this part, the local Workforce Investment Board, the State or local program funded under part D, and the State or local program funded under part E, which should include a description of the services each such agency will provide to fathers participating in the project described in the application;

"(iii) to the extent that the application describes a project that will enroll a high percentage of project participants within 6 months before or after the birth of the child; or

"(iv) to the extent that the application sets forth clear and practical methods by which fathers will be recruited to participate in the project.

"(C) MINIMUM PERCENTAGE OF RECIPIENTS OF GRANT FUNDS TO BE NONGOVERNMENTAL (INCLUDING FAITH-BASED) ORGANIZATIONS.—Not less than 75 percent of the entities awarded grants under this subsection in each fiscal year (other than entities awarded such grants pursuant to the preferences required by subparagraph (B)) shall be awarded to—

"(i) nongovernmental (including faith-based) organizations; or

"(ii) governmental organizations that pass through to organizations referred to in clause (i) at least 50 percent of the amount of the grant.

"(D) DIVERSITY OF PROJECTS.—

"(i) IN GENERAL.—In determining which entities to which to award grants under this subsection, the Secretary shall attempt to achieve a balance among entities of differing sizes, entities in differing geographic areas, entities in urban versus rural areas, and entities employing differing methods of achieving the purposes of this section.

"(ii) REPORT TO THE CONGRESS.—Within 90 days after each award of grants under subclause (I) or (II) of subparagraph (A)(ii), the Secretary shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a brief report on the diversity of projectes selected to receive funds under the grant program. The report shall include a comparison of funding for projects located in urban areas, projects located in suburban areas, and projects located in rural areas.

"(E) PAYMENT OF GRANT IN 4 EQUAL ANNUAL INSTALLMENTS.—During the fiscal year in which a grant is awarded under this subsection and each of the succeeding 3 fiscal years, the Secretary shall provide to the entity awarded the grant an amount equal to ¼ of the amount of the grant.

"(4) USE OF FUNDS.—

"(A) IN GENERAL.—Each entity to which a grant is made under this subsection shall use grant funds provided under this subsection in accordance with the application requesting the grant, the requirements of this subsection, and the regulations prescribed under this subsection, and may use the grant funds to support community-wide initiatives to address the purposes of this section.

"(B) NONDISPLACEMENT.—

"(i) IN GENERAL.—An adult in a work activity described in section 407(d) which is funded, in whole or in part, by funds provided under this section shall not be employed or assigned—

"(I) when any other individual is on layoff from the same or any substantially equivalent job; or

"(II) if the employer has terminated the employment of any regular employee or otherwise caused an involuntary reduction of its workforce in order to fill the vacancy so created with such an adult.

"(ii) GRIEVANCE PROCEDURE.—

"(I) IN GENERAL.—Complaints alleging violations of clause (i) in a State may be resolved—

"(aa) if the State has established a grievance procedure under section 403(a)(5)(J)(iv), pursuant to the grievance procedure; or

"(bb) otherwise, pursuant to the grievance procedure established by the State under section 407(f)(3).

"(II) FORFEITURE OF GRANT IF GRIEVANCE PROCEDURE NOT AVAILABLE.—If a complaint referred to in subclause (I) is made against an entity to which a grant has been made under this section with respect to a project, and the complaint cannot be brought to, or cannot be resolved within 90 days after being brought, by a grievance procedure referred to in subclause (I), then the entity shall immediately return to the Secretary all funds provided to the entity under this section for the project, and the Secretary shall immediately rescind the grant.

"(C) RULE OF CONSTRUCTION.—This section shall not be construed to require the participation of a father in a project funded under this section to be discontinued by the project on the basis of changed economic circumstances of the father.

"(D) RULE OF CONSTRUCTION ON MARRIAGE.—This section shall not be construed to authorize the Secretary to define marriage for purposes of this section.

"(E) PENALTY FOR MISUSE OF GRANT FUNDS.—If the Secretary determines that an entity to which a grant is made under this subsection has used any amount of the grant in violation of subparagraph (A), the Secretary shall require the entity to remit to the Secretary an amount equal to the amount so used, plus all remaining grant funds, and the entity shall thereafter be ineligible for any grant under this subsection.

"(F) REMITTANCE OF UNUSED GRANT FUNDS.—Each entity to which a grant is awarded under this subsection shall remit to the Secretary all funds paid under the grant that remain at the end of the 5th fiscal year ending after the initial grant award.

"(5) AUTHORITY OF AGENCIES TO EXCHANGE INFORMATION.—Each agency administering a program funded under this part or a State plan approved under part D may share the name, address, telephone number, and identifying case number information in the State program funded under this part, of fathers for purposes of assisting in determining the eligibility of fathers to participate in projects receiving grants under this section, and in contacting fathers potentially eligible to participate in the projects, subject to all applicable privacy laws.

"(6) EVALUATION.—The Secretary, in consultation with the Secretary of Labor, shall, directly or by grant, contract, or interagency agreement, conduct an evaluation of projects funded under this section (other than under subsection (c)(1)). The evaluation shall assess, among other outcomes selected by the Secretary, effects of the projects on marriage, parenting, employment, earnings, and payment of child support. In selecting projects for the evaluation, the Secretary should include projects that, in the Secretary's judgment, are most likely to impact the matters described in the purposes of this section. In conducting the evaluation, random assignment should be used wherever possible.

"(7) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out this subsection.

"(8) LIMITATION ON APPLICABILITY OF OTHER PROVISIONS OF THIS PART.—Sections 404 through 410 shall not apply to this section or to amounts paid under this section, and shall not be applied to an entity solely by reason of receipt of funds pursuant to this section. A project shall not be considered a State program funded under this part solely by reason of receipt of funds paid under this section.

"(9) FUNDING.—

"(A) IN GENERAL.—

"(i) INTERAGENCY PANELS.—Of the amounts made available pursuant to section 403(a)(1)(E) to carry out this section for fiscal years 2000 and 2001, a total of $150,000 shall be made available for the interagency panels established by paragraph (2) of this subsection.

"(ii) GRANTS.—Of the amounts made available pursuant to section 403(a)(1)(E) to carry out this section, there shall be made available for grants under this subsection—

"(I) $17,500,000 for fiscal year 2001;

"(II) $35,000,000 for each of fiscal years 2002 through 2004; and

"(III) $17,500,000 for fiscal year 2005.

"(iii) EVALUATION.—Of the amounts made available pursuant to section 403(a)(1)(E) to carry out this section for fiscal years 2000 through 2006, a total of $6,000,000 shall be made available for the evaluation required by paragraph (6) of this subsection.

"(B) AVAILABILITY.—

"(i) GRANT FUNDS.—The amounts made available pursuant to subparagraph (A)(ii) shall remain available until the end of fiscal year 2005.

"(ii) EVALUATION FUNDS.—The amounts made available pursuant to subparagraph (A)(iii) shall remain available until the end of fiscal year 2007.".

(b) FUNDING.—Section 403(a)(1)(E) of such Act (42 U.S.C. 603(a)(1)(E)) is amended by inserting ", and for fiscal years 2000 through 2006, such sums as are necessary to carry out section 403A" before the period.

(c) AUTHORITY TO STATES TO PASS THROUGH CHILD SUPPORT ARREARAGES COLLECTED THROUGH TAX REFUND INTERCEPT TO FAMILIES WHO HAVE CEASED TO RECEIVE CASH ASSISTANCE; FEDERAL REIMBURSEMENT OF STATE SHARE OF SUCH PASSED THROUGH ARREARAGES.—Section 457(a)(2)(B)(iv) of such Act (42 U.S.C. 657(a)(2)(B)(iv)) is amended—

(1) by inserting "(except the last sentence of this clause)" after "this section"; and

(2) by adding at the end the following: "Notwithstanding the preceding sentences of this clause, if the amount is collected on behalf of a family that includes a child of a participant in a project funded under section 403A and that has ceased to receive cash payments under a State program funded under section 403, then the State may distribute the amount collected pursuant to section 464 to the family, and the aggregate of the amounts otherwise required by this section to be paid by the State to the Federal government shall be reduced by an amount equal to the State share of the amount collected pursuant to section 464 that would otherwise be retained as reimbursement for assistance paid to the family.".

(d) APPLICABILITY OF CHARITABLE CHOICE PROVISIONS OF WELFARE REFORM.—Section

104 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (42 U.S.C. 604a) is amended by adding at the end the following:

“(l) Notwithstanding the preceding provisions of this section, this section shall apply to any entity to which funds have been provided under section 403A of the Social Security Act in the same manner in which this section applies to States, and, for purposes of this section, any project for which such funds are so provided shall be considered a program described in subsection (a)(2).”.

TITLE II—FATHERHOOD PROJECTS OF NATIONAL SIGNIFICANCE

SEC. 201. FATHERHOOD PROJECTS OF NATIONAL SIGNIFICANCE.

Section 403A of the Social Security Act, as added by title I of this Act, is amended by adding at the end the following:

“(c) FATHERHOOD PROJECTS OF NATIONAL SIGNIFICANCE.—

“(1) NATIONAL CLEARINGHOUSE.—The Secretary shall award a $5,000,000 grant to a nationally recognized, nonprofit fatherhood promotion organization with at least 4 years of experience in designing and disseminating a national public education campaign, including the production and successful placement of television, radio, and print public service announcements which promote the importance of responsible fatherhood, and with at least 4 years experience providing consultation and training to community-based organizations interested in implementing fatherhood outreach, support, or skill development programs with an emphasis on promoting married fatherhood as the ideal, to—

“(A) develop, promote, and distribute to interested States, local governments, public agencies, and private nonprofit organizations, including charitable and religious organizations, a media campaign that encourages the appropriate involvement of both parents in the life of any child of the parents, and encourages such organizations to develop or sponsor programs that specifically address the issue of responsible fatherhood and the advantages conferred on children by marriage;

“(B) develop a national clearinghouse to assist States, communities, and private entities in efforts to promote and support marriage and responsible fatherhood by collecting, evaluating, and making available (through the Internet and by other means) to all interested parties, information regarding media campaigns and fatherhood programs;

“(C) develop and distribute materials that are for use by entities described in subparagraph (A) or (B) and that help young adults manage their money, develop the knowledge and skills needed to promote successful marriages, plan for future expenditures and investments, and plan for retirement;

“(D) develop and distribute materials that are for use by entities described in subparagraphs (A) and (B) and that list all the sources of public support for education and training that are available to young adults, including government spending programs as well as benefits under Federal and State tax laws.

“(2) MULTICITY FATHERHOOD PROJECTS.—

“(A) IN GENERAL.—The Secretary shall award a $5,000,000 grant to each of 2 nationally recognized nonprofit fatherhood promotion organizations which meet the requirements of subparagraph (B), at least 1 of which organizations meets the requirement of subparagraph (C).

“(B) REQUIREMENTS.—The requirements of this subparagraph are the following:

“(i) The organization must have several years of experience in designing and conducting programs that meet the purposes described in paragraph (1).

“(ii) The organization must have experience in simultaneously conducting such programs in more than 1 major metropolitan area and in coordinating such programs with local government agencies and private, nonprofit agencies, including State or local agencies responsible for conducting the program under part D and Workforce Investment Boards.

“(iii) The organization must submit to the Secretary an application that meets all the conditions applicable to the organization under this section and that provides for projects to be conducted in 3 major metropolitan areas.

“(C) USE OF MARRIED COUPLES TO DELIVER SERVICES IN THE INNER CITY.—The requirement of this subparagraph is that the organization has extensive experience in using married couples to deliver program services in the inner city.

“(3) PAYMENT OF GRANTS IN 4 EQUAL ANNUAL INSTALLMENTS.—During each of fiscal years 2002 through 2005, the Secretary shall provide to each entity awarded a grant under this subsection an amount equal to ¼ of the amount of the grant.

“(4) FUNDING.—

“(A) IN GENERAL.—Of the amounts made available pursuant to section 403(a)(1)(E) to carry out this section, $3,750,000 shall be made available for grants under this subsection for each of fiscal years 2002 through 2005.

“(B) AVAILABILITY.—The amounts made available pursuant to subparagraph (A) shall remain available until the end of fiscal year 2005.”.

TITLE III—WELFARE-TO-WORK PROGRAM ELIGIBILITY

SEC. 301. FLEXIBILITY IN ELIGIBILITY FOR PARTICIPATION IN WELFARE-TO-WORK PROGRAM.

(a) IN GENERAL.—Section 403(a)(5)(C)(ii) of the Social Security Act (42 U.S.C. 603(a)(5)(C)(ii)) is amended as follows:

“(ii) GENERAL ELIGIBILITY.—An entity that operates a project with funds provided under this paragraph may expend funds provided to the project for the benefit of recipients of assistance under the program funded under this part of the State in which the entity is located who—

“(I) has received assistance under the State program funded under this part (whether in effect before or after the amendments made by section 103 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 first apply to the State) for at least 30 months (whether or not consecutive); or

“(II) within 12 months, will become ineligible for assistance under the State program funded under this part by reason of a durational limit on such assistance, without regard to any exemption provided pursuant to section 408(a)(7)(C) that may apply to the individual.”.

(b) NONCUSTODIAL PARENTS.—

(1) IN GENERAL.—Section 403(a)(5)(C) of such Act (42 U.S.C. 603(a)(5)(C)) is amended—

(A) by redesignating clauses (iii) through (viii) as clauses (iv) through (ix), respectively; and

(B) by inserting after clause (ii) the following:

“(iii) NONCUSTODIAL PARENTS.—An entity that operates a project with funds provided under this paragraph may use the funds to provide services in a form described in clause (i) to noncustodial parents with respect to whom the requirements of the following subclauses are met:

“(I) The noncustodial parent is unemployed, underemployed, or having difficulty in paying child support obligations.

“(II) At least 1 of the following applies to a minor child of the noncustodial parent (with preference in the determination of the noncustodial parents to be provided services under this paragraph to be provided by the entity to those noncustodial parents with minor children who meet, or who have custodial parents who meet, the requirements of item (aa)):

“(aa) The minor child or the custodial parent of the minor child meets the requirements of subclause (I) or (II) of clause (ii).

“(bb) The minor child is eligible for, or is receiving, benefits under the program funded under this part.

“(cc) The minor child received benefits under the program funded under this part in the 12-month period preceding the date of the determination but no longer receives such benefits.

“(dd) The minor child is eligible for, or is receiving, assistance under the Food Stamp Act of 1977, benefits under the supplemental security income program under title XVI of this Act, medical assistance under title XIX of this Act, or child health assistance under title XXI of this Act.

“(III) In the case of a noncustodial parent who becomes enrolled in the project on or after the date of the enactment of this clause, the noncustodial parent is in compliance with the terms of an oral or written personal responsibility contract entered into among the noncustodial parent, the entity, and (unless the entity demonstrates to the Secretary that the entity is not capable of coordinating with such agency) the agency responsible for administering the State plan under part D, which was developed taking into account the employment and child support status of the noncustodial parent, which was entered into not later than 30 (or, at the option of the entity, not later than 90) days after the noncustodial parent was enrolled in the project, and which, at a minimum, includes the following:

“(aa) A commitment by the noncustodial parent to cooperate, at the earliest opportunity, in the establishment of the paternity of the minor child, through voluntary acknowledgement or other procedures, and in the establishment of a child support order.

“(bb) A commitment by the noncustodial parent to cooperate in the payment of child support for the minor child, which may include a modification of an existing support order to take into account the ability of the noncustodial parent to pay such support and the participation of such parent in the project.

“(cc) A commitment by the noncustodial parent to participate in employment or related activities that will enable the noncustodial parent to make regular child support payments, and if the noncustodial parent has not attained 20 years of age, such related activities may include completion of high school, a general equivalency degree, or other education directly related to employment.

“(dd) A description of the services to be provided under this paragraph, and a commitment by the noncustodial parent to participate in such services, that are designed to assist the noncustodial parent obtain and retain employment, increase earnings, and enhance the financial and emotional contributions to the well-being of the minor child.

In order to protect custodial parents and children who may be at risk of domestic violence, the preceding provisions of this subclause shall not be construed to affect any other provision of law requiring a custodial parent to cooperate in establishing the paternity of a child or establishing or enforcing a support order with respect to a child, or entitling a custodial parent to refuse, for good cause, to provide such cooperation as a condition of assistance or benefit under any program, shall not be construed to require such cooperation by the custodial parent as a condition of participation of either parent in the program authorized under this paragraph, and shall not be construed to require a custodial parent to cooperate with or participate in any activity under this clause. The entity operating a project under this clause with funds provided under this paragraph shall consult with domestic violence prevention and intervention organizations in the development of the project.".

(2) Conforming amendment.—Section 412(a)(3)(C)(ii) of such Act (42 U.S.C. 612(a)(3)(C)(ii)) is amended by striking "(vii)" and inserting "(viii)".

(c) Recipients With Characteristics of Long-Term Dependency; Children Aging Out of Foster Care.—

(1) In general.—Section 403(a)(5)(C)(iv) of such Act (42 U.S.C. 603(a)(5)(C)(iv)), as so redesignated by subsection (b)(1)(A) of this section, is amended—

(A) by striking "or" at the end of subclause (I); and

(B) by striking subclause (II) and inserting the following:

"(II) to children—

"(aa) who have attained 18 years of age but not 25 years of age; and

"(bb) who, before attaining 18 years of age, were recipients of foster care maintenance payments (as defined in section 475(4)) under part E or were in foster care under the responsibility of a State.

"(III) to recipients of assistance under the State program funded under this part, determined to have significant barriers to self-sufficiency, pursuant to criteria established by the local private industry council; or

"(IV) to custodial parents with incomes below 100 percent of the poverty line (as defined in section 673(2) of the Omnibus Budget Reconciliation Act of 1981, including any revision required by such section, applicable to a family of the size involved).".

(2) Conforming amendments.—Section 403(a)(5)(C)(iv) of such Act (42 U.S.C. 603(a)(5)(C)(iv)), as so redesignated by subsection (b)(1)(A) of this section, is amended—

(A) in the heading by inserting "HARD TO EMPLOY" before "INDIVIDUALS"; and

(B) in the last sentence by striking "clause (ii)" and inserting "clauses (ii) and (iii) and, as appropriate, clause (v)".

(d) Conforming Amendment.—Section 404(k)(1)(C)(iii) of such Act (42 U.S.C. 604(k)(1)(C)(iii)) is amended by striking "item (aa) or (bb) of section 403(a)(5)(C)(ii)(II)" and inserting "section 403(a)(5)(C)(iii)".

SEC. 302. LIMITED VOCATIONAL EDUCATIONAL AND JOB TRAINING INCLUDED AS ALLOWABLE ACTIVITY.

Section 403(a)(5)(C)(i) of the Social Security Act (42 U.S.C. 603(a)(5)(C)(i)) is amended by inserting after subclause (VI) the following:

"(VII) Not more than 6 months of vocational educational or job training.".

SEC. 303. CERTAIN GRANTEES AUTHORIZED TO PROVIDE EMPLOYMENT SERVICES DIRECTLY.

Section 403(a)(5)(C)(i)(IV) of the Social Security Act (42 U.S.C. 603(a)(5)(C)(i)(IV)) is amended by inserting ", or if the entity is not a private industry council or workforce investment board, the direct provision of such services" before the period.

SEC. 304. SIMPLIFICATION AND COORDINATION OF REPORTING REQUIREMENTS.

(a) Elimination of Current Requirements.—Section 411(a)(1)(A) of the Social Security Act (42 U.S.C. 611(a)(1)(A)) is amended—

(1) in the matter preceding clause (i), by inserting "(except for information relating to activities carried out under section 403(a)(5))" after "part"; and

(2) by striking clause (xviii).

(b) Establishment of Reporting Requirement.—Section 403(a)(5)(C) of the Social Security Act (42 U.S.C. 603(a)(5)(C)), as amended by section 301(b)(1) of this Act, is amended by adding at the end the following:

"(x) Reporting requirements.—The Secretary of Labor, in consultation with the Secretary of Health and Human Services, States, and organizations that represent State or local governments, shall establish requirements for the collection and maintenance of financial and participant information and the reporting of such information by entities carrying out activities under this paragraph.".

SEC. 305. USE OF STATE INFORMATION TO AID ADMINISTRATION OF WELFARE-TO-WORK GRANT FUNDS.

(a) Authority of State Agencies To Disclose to Private Industry Councils the Names, Addresses, and Telephone Numbers of Potential Welfare-to-Work Program Participants.—

(1) State IV-D agencies.—Section 454A(f) of the Social Security Act (42 U.S.C. 654a(f)) is amended by adding at the end the following:

"(5) Private industry councils receiving welfare-to-work grants.—Disclosing to a private industry council (as defined in section 403(a)(5)(D)(ii)) to which funds are provided under section 403(a)(5) the names, addresses, telephone numbers, and identifying case number information in the State program funded under part A, of noncustodial parents residing in the service delivery area of the private industry council, for the purpose of identifying and contacting noncustodial parents regarding participation in the program under section 403(a)(5).".

(2) State TANF agencies.—Section 403(a)(5) of such Act (42 U.S.C. 603(a)(5)) is amended by adding at the end the following:

"(K) Information disclosure.—If a State to which a grant is madé under section 403 establishes safeguards against the use or disclosure of information about applicants or recipients of assistance under the State program funded under this part, the safeguards shall not prevent the State agency administering the program from furnishing to a private industry council the names, addresses, telephone numbers, and identifying case number information in the State program funded under this part, of noncustodial parents residing in the service delivery area of the private industry council, for the purpose of identifying and contacting noncustodial parents regarding participation in the program under this paragraph.".

(b) Safeguarding of Information Disclosed to Private Industry Councils.—Section 403(a)(5)(A)(ii)(I) of such Act (42 U.S.C. 603(a)(5)(A)(ii)(I)) is amended—

(1) by striking "and" at the end of item (dd);

(2) by striking the period at the end of item (ee) and inserting "; and"; and

(3) by adding at the end the following:

"(ff) describes how the State will ensure that a private industry council to which information is disclosed pursuant to section 403(a)(5)(K) or 454A(f)(5) has procedures for safeguarding the information and for ensuring that the information is used solely for the purpose described in that section.".

TITLE IV—ALTERNATIVE PENALTY PROCEDURE RELATING TO STATE DISBURSEMENT UNITS

SEC. 401. ALTERNATIVE PENALTY PROCEDURE RELATING TO STATE DISBURSEMENT UNITS.

(a) In General.—Section 455(a) of the Social Security Act (42 U.S.C. 655(a)) is amended by adding at the end the following:

"(5)(A)(i) If—

"(I) the Secretary determines that a State plan under section 454 would (in the absence of this paragraph) be disapproved for the failure of the State to comply with subparagraphs (A) and (B)(i) of section 454(27), and that the State has made and is continuing to make a good faith effort to so comply; and

"(II) the State has submitted to the Secretary, not later than April 1, 2000, a corrective compliance plan that describes how, by when, and at what cost the State will achieve such compliance, which has been approved by the Secretary,

then the Secretary shall not disapprove the State plan under section 454, and the Secretary shall reduce the amount otherwise payable to the State under paragraph (1)(A) of this subsection for the fiscal year by the penalty amount.

"(ii) All failures of a State during a fiscal year to comply with any of the requirements of section 454B shall be considered a single failure of the State to comply with subparagraphs (A) and (B)(i) of section 454(27) during the fiscal year for purposes of this paragraph.

"(B) In this paragraph:

"(i) The term 'penalty amount' means, with respect to a failure of a State to comply with subparagraphs (A) and (B)(i) of section 454(27)—

"(I) 4 percent of the penalty base, in the case of the 1st fiscal year in which such a failure by the State occurs (regardless of whether a penalty is imposed in that fiscal year under this paragraph with respect to the failure), except as provided in subparagraph (C)(ii) of this paragraph;

"(II) 8 percent of the penalty base, in the case of the 2nd such fiscal year;

"(III) 16 percent of the penalty base, in the case of the 3rd such fiscal year;

"(IV) 25 percent of the penalty base, in the case of the 4th such fiscal year; or

"(V) 30 percent of the penalty base, in the case of the 5th or any subsequent such fiscal year.

"(ii) The term 'penalty base' means, with respect to a failure of a State to comply with subparagraphs (A) and (B)(i) of section 454(27) during a fiscal year, the amount otherwise payable to the State under paragraph (1)(A) of this subsection for the preceding fiscal year.

"(C)(i) The Secretary shall waive all penalties imposed against a State under this paragraph for any failure of the State to comply with subparagraphs (A) and (B)(i) of section 454(27) if the Secretary determines that, before April 1, 2000, the State has achieved such compliance.

"(ii) If a State with respect to which a reduction is required to be made under this paragraph with respect to a failure to comply with subparagraphs (A) and (B)(i) of section 454(27) achieves such compliance on or after April 1, 2000, and on or before September 30, 2000, then the penalty amount applicable to the State shall be 1 percent of the penalty base with respect to the failure involved.

"(D) The Secretary may not impose a penalty under this paragraph against a State for a fiscal year for which the amount otherwise payable to the State under paragraph (1)(A) of this subsection is reduced under paragraph (4) of this subsection for failure to comply with section 454(24)(A).".

(b) Inapplicability of Penalty Under TANF Program.—Section 409(a)(8)(A)(i)(III) of such Act (42 U.S.C. 609(a)(8)(A)(i)(III)) is amended by striking "section 454(24)" and inserting "paragraph (24), or subparagraph (A) or (B)(i) of paragraph (27), of section 454".

(c) Effective Date.—The amendments made by this section shall take effect on October 1, 1999.

TITLE V—FINANCING PROVISIONS

SEC. 501. USE OF NEW HIRE INFORMATION TO ASSIST IN COLLECTION OF DEFAULTED STUDENT LOANS AND GRANTS.

(a) In General.—Section 453(j) of the Social Security Act (42 U.S.C. 653(j)) is amended by adding at the end the following:

"(6) Information comparisons and disclosure for enforcement of obligations on higher education act loans and grants.—

"(A) Furnishing of information by the secretary of education.—The Secretary of Education shall furnish to the Secretary, on a quarterly basis or at such less frequent intervals as may be determined by the Secretary of Education, information in the custody of the Secretary of Education for comparison with information in the National Directory of New Hires, in order to obtain the information in such directory with respect to individuals who—

"(i) are borrowers of loans made under title IV of the Higher Education Act of 1965 that are in default; or

"(ii) owe an obligation to refund an overpayment of a grant awarded under such title.

"(B) Requirement to seek minimum information necessary.—The Secretary of Education shall seek information pursuant to this section only to the extent essential to improving collection of the debt described in subparagraph (A).

"(C) Duties of the secretary.—

"(i) Information comparison; disclosure to the secretary of education.—The Secretary, in cooperation with the Secretary of Education, shall compare information in the National Directory of New Hires with information in the custody of the Secretary of Education, and disclose information in that Directory to the Secretary of Education, in accordance with this paragraph, for the purposes specified in this paragraph.

"(ii) Condition on disclosure.—The Secretary shall make disclosures in accordance with clause (i) only to the extent that the Secretary determines that such disclosures do not interfere with the effective operation of the program under this part. Support collection under section 466(b) shall be given priority over collection of any defaulted student loan or grant overpayment against the same income.

"(D) Use of information by the secretary of education.—The Secretary of Education may use information resulting from a data match pursuant to this paragraph only—

"(i) for the purpose of collection of the debt described in subparagraph (A) owed by an individual whose annualized wage level (determined by taking into consideration information from the National Directory of New Hires) exceeds $16,000; and

"(ii) after removal of personal identifiers, to conduct analyses of student loan defaults.

"(E) Disclosure of information by the secretary of education.—

"(i) Disclosures permitted.—The Secretary of Education may disclose information resulting from a data match pursuant to this paragraph only to—

"(I) a guaranty agency holding a loan made under part B of title IV of the Higher Education Act of 1965 on which the individual is obligated;

"(II) a contractor or agent of the guaranty agency described in subclause (I);

"(III) a contractor or agent of the Secretary; and

"(IV) the Attorney General.

"(ii) Purpose of disclosure.—The Secretary of Education may make a disclosure under clause (i) only for the purpose of collection of the debts owed on defaulted student loans, or overpayments of grants, made under title IV of the Higher Education Act of 1965.

"(iii) Restriction on redisclosure.—An entity to which information is disclosed under clause (i) may use or disclose such information only as needed for the purpose of collecting on defaulted student loans, or overpayments of grants, made under title IV of the Higher Education Act of 1965.

"(F) Reimbursement of hhs costs.—The Secretary of Education shall reimburse the Secretary, in accordance with subsection (k)(3), for the additional costs incurred by the Secretary in furnishing the information requested under this subparagraph.".

(b) Penalties for Misuse of Information.—Section 402(a) of the Child Support Performance and Incentive Act of 1998 (112 Stat. 669) is amended in the matter added by paragraph (2) by inserting "or any other person" after "officer or employee of the United States".

(c) Effective Date.—The amendments made by this section shall become effective October 1, 1999.

SEC. 502. ELIMINATION OF SET-ASIDE OF PORTION OF WELFARE-TO-WORK FUNDS FOR SUCCESSFUL PERFORMANCE BONUS.

(a) In General.—Section 403(a)(5) of the Social Security Act (42 U.S.C. 603(a)(5)) is amended by striking subparagraph (E) and redesignating subparagraphs (F) through (K) (as added by section 305(a)(2) of this Act) as subparagraphs (E) through (J), respectively.

(b) Conforming Amendments.—

(1) Section 403(a)(5)(A)(i) of such Act (42 U.S.C. 603(a)(5)(A)(i)) is amended by striking "subparagraph (I)" and inserting "subparagraph (H)".

(2) Subclause (I) of each of subparagraphs (A)(iv) and (B)(v) of section 403(a)(5) of such Act (42 U.S.C. 603(a)(5)(A)(iv)(I) and (B)(v)(I)) is amended—

(A) in item (aa)—

(i) by striking "(I)" and inserting "(H)"; and

(ii) by striking "(G), and (H)" and inserting "and (G)"; and

(B) in item (bb), by striking "(F)" and inserting "(E)".

(3) Section 403(a)(5)(B)(v) of such Act (42 U.S.C. 603(a)(5)(B)) is amended in the matter preceding subclause (I) by striking "(I)" and inserting "(H)".

(4) Subparagraphs (E) and (F) of section 403(a)(5) of such Act (42 U.S.C. 603(a)(5)(F) and (G)), as so redesignated by subsection (a) of this section, are each amended by striking "(I)" and inserting "(H)".

(5) Section 412(a)(3)(A) of such Act (42 U.S.C. 612(a)(3)(A)) is amended by striking "403(a)(5)(I)" and inserting "403(a)(5)(H)".

(c) Funding Amendment.—Section 403(a)(5)(H)(i) of such Act (42 U.S.C. 603(a)(5)(H)(i)), as so redesignated by subsection (a) of this section, is amended by striking "$1,500,000,000" and all that follows and inserting "for grants under this paragraph—

"(I) $1,500,000,000 for fiscal year 1998; and

"(II) $1,400,000,000 for fiscal year 1999.".

TITLE VI—MISCELLANEOUS

SEC. 601. CHANGE DATES FOR EVALUATION.

(a) In General.—Section 403(a)(5)(G)(iii) of the Social Security Act (42 U.S.C. 603(a)(5)(G)(iii)), as so redesignated by section 502(a) of this Act, is amended by striking "2001" and inserting "2005".

(b) Interim Report Required.—Section 403(a)(5)(G) of such Act (42 U.S.C. 603(a)(5)(G)), as so redesignated, is amended by adding at the end the following:

"(iv) Interim report.—Not later than January 1, 2002, the Secretary shall submit to the Congress a interim report on the evaluations referred to in clause (i).".

SEC. 602. REPORT ON UNDISTRIBUTED CHILD SUPPORT PAYMENTS.

Not later than 6 months after the date of the enactment of this Act, the Secretary of Health and Human Services shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the procedures that the States use generally to locate custodial parents for whom child support has been collected but not yet distributed due to a change in address. The report shall include an estimate of the total amount of such undistributed child support and the average length of time it takes for such child support to be distributed. The Secretary shall include in the report recommendations as to whether additional procedures should be established at the State or Federal level to expedite the payment of undistributed child support.

SEC. 603. SENSE OF THE CONGRESS.

It is the sense of the Congress that the States may use funds provided under the program of block grants for temporary assistance for needy families under part A of title IV of the Social Security Act to promote fatherhood activities of the type described in section 403A of such Act, as added by this Act.

SEC. 604. ADDITIONAL FUNDING FOR WELFARE EVALUATION STUDY.

Section 414(b) of the Social Security Act (42 U.S.C. 614(b)) is amended by striking "appropriated $10,000,000" and all that follows and inserting "appropriated—

"(1) $10,000,000 for each of fiscal years 1996 through 1999;

"(2) $12,300,000 for fiscal year 2000;

"(3) $17,500,000 for fiscal year 2001;

"(4) $15,500,000 for fiscal year 2002; and

"(5) $4,000,000 for fiscal year 2003.".

SEC. 605. TRAINING IN CHILD ABUSE AND NEGLECT PROCEEDINGS.

(a) In General.—Section 474(a)(3) of the Social Security Act (42 U.S.C. 674(a)(3)) is amended—

(1) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (D), (E), and (F), respectively; and

(2) by inserting after subparagraph (B) the following:

"(C) 75 percent of so much of such expenditures as are for the short-term training (including cross-training with personnel employed by, or under contract with, the State or local agency administering the plan in the political subdivision, training on topics relevant to the legal representation of clients in proceedings conducted by or under the supervision of an abuse and neglect court, and training on related topics such as child development and the importance of achieving safety, permanency, and well-being for a child) of judges, judicial personnel, law enforcement personnel, agency attorneys, attorneys representing a parent in proceedings conducted by, or under the supervision of, an abuse and neglect court, attorneys representing a child in such proceedings, guardians ad litem, and volunteers who participate in court-appointed special advocate programs, to the extent the training is related to the court's role in expediting adoption procedures, implementing reasonable efforts, and providing for timely permanency planning and case reviews, except that any such training shall be offered by the State or local agency administering the plan, either directly or through contract, in collaboration with the appropriate judicial governing body operating in the State,”.

(b) Definitions.—Section 475 of such Act (42 U.S.C. 675) is amended by adding at the end the following:

“(8) The term ‘abuse and neglect courts’ means the State and local courts that carry out State or local laws requiring proceedings (conducted by or under the supervision of the courts)—

“(A) that implement part B or this part, including preliminary disposition of such proceedings;

“(B) that determine whether a child was abused or neglected;

“(C) that determine the advisability or appropriateness of placement in a family foster home, group home, or a special residential care facility; or

“(D) that determine any other legal disposition of a child in the abuse and neglect court system.

“(9) The term ‘agency attorney’ means an attorney or other individual, including any government attorney, district attorney, attorney general, State attorney, county attorney, city solicitor or attorney, corporation counsel, or privately retained special prosecutor, who represents the State or local agency administrating the programs under part B and this part in a proceeding conducted by, or under the supervision of, an abuse and neglect court, including a proceeding for termination of parental rights.

“(10) The term ‘attorney representing a child’ means an attorney or a guardian ad litem who represents a child in a proceeding conducted by, or under the supervision of, an abuse and neglect court.

“(11) The term ‘attorney representing a parent’ means an attorney who represents a parent who is an official party to a proceeding conducted by, or under the supervision of, an abuse and neglect court.”.

(c) Conforming Amendments—

(1) Section 473(a)(6)(B) of such Act (42 U.S.C. 673(a)(6)(B)) is amended by striking “474(a)(3)(E)” and inserting “474(a)(3)(F)”.

(2) Section 474(a)(3)(E) of such Act (42 U.S.C. 674(a)(3)(E)) (as so redesignated by subsection (a)(1)(A) of this section) is amended by striking “subparagraph (C)” and inserting “subparagraph (D)”.

(3) Section 474(c) of such Act (42 U.S.C. 674(c)) is amended by striking “subsection (a)(3)(C)” and inserting “subsection (a)(3)(D)”.

(d) Sunset.—Effective on October 1, 2004—

(1) section 474(a)(3) of the Social Security Act (42 U.S.C. 674(a)(3)) is amended by striking subparagraph (C) and redesignating subparagraphs (D), (E), and (F) as subparagraphs (C), (D), and (E), respectively;

(2) section 475 of such Act (42 U.S.C. 675) is amended by striking paragraphs (8) through (11);

(3) section 473(a)(6)(B) of such Act (42 U.S.C. 673(a)(6)(B)) is amended by striking “474(a)(3)(F)” and inserting “474(a)(3)(E)”.

(4) section 474(a)(3)(E) of such Act (42 U.S.C. 674(a)(3)(E)) (as so redesignated by subsection (a)(1)(A) of this section) is amended by striking “subparagraph (D)” and inserting “subparagraph (C)”; and

(5) section 474(c) of such Act (42 U.S.C. 674(c)) is amended by striking “subsection (a)(3)(D)” and inserting “subsection (a)(3)(C)”.

SEC. 606. USE OF NEW HIRE INFORMATION TO ASSIST IN ADMINISTRATION OF UNEMPLOYMENT COMPENSATION PROGRAMS.

(a) In General.—Section 453(j) of the Social Security Act (42 U.S.C. 653(j)), as amended by section 501(a) of this Act, is further amended by adding at the end the following:

“(7) Information comparisons and disclosure to assist in administration of unemployment compensation programs.—

“(A) In general.—If a State agency responsible for the administration of an unemployment compensation program under Federal or State law transmits to the Secretary the name and social security account number of an individual, the Secretary shall, if the information in the National Directory of New Hires indicates that the individual may be employed, disclose to the State agency the name and address of any putative employer of the individual, subject to this paragraph.

“(B) Condition on disclosure.—The Secretary shall make a disclosure under subparagraph (A) only to the extent that the Secretary determines that the disclosure would not interfere with the effective operation of the program under this part.

“(C) Use of information.—A State agency may use information provided under this paragraph only for purposes of administering a program referred to in subparagraph (A).”.

(b) Effective Date.—The amendment made by subsection (a) shall take effect on October 1, 1999.

SEC. 607. IMMIGRATION PROVISIONS.

(a) Nonimmigrant Aliens Ineligible To Receive Visas and Excluded From Admission for Nonpayment of Child Support.—

(1) In general.—Section 212(a)(10) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(10)) is amended by adding at the end the following:

“(F) Nonpayment of child support.—

“(i) In general.—Any alien is inadmissible who is legally obligated under a judgment, decree, or order to pay child support (as defined in section 459(i) of the Social Security Act), and whose failure to pay such child support has resulted in an arrearage exceeding $5,000, until child support payments under the judgment, decree, or order are satisfied or the alien is in compliance with an approved payment agreement.

“(ii) Waiver authorized.—The Attorney General may waive the application of clause (i) in the case of an alien, if the Attorney General—

“(I) has received a request for the waiver from the court or administrative agency having jurisdiction over the judgment, decree, or order obligating the alien to pay child support that is referred to in such clause; or

“(II) determines that there are prevailing humanitarian or public interest concerns.”.

(2) Effective date.—The amendment made by this subsection shall take effect 180 days after the date of the enactment of this Act.

(b) Authorization To Serve Legal Process in Child Support Cases on Certain Arriving Aliens.—

(1) In general.—Section 235(d) of the Immigration and Nationality Act (8 U.S.C. 1225(d)) is amended by adding at the end the following:

“(5) Authority to serve process in child support cases.—

“(A) In general.—To the extent consistent with State law, immigration officers are authorized to serve on any alien who is an applicant for admission to the United States legal process with respect to any action to enforce, or establish a legal obligation of an individual to pay child support (as defined in section 459(i) of the Social Security Act).

“(B) Definition.—For purposes of subparagraph (A), the term ‘legal process’ means any writ, order, summons or other similar process, which is issued by—

“(i) a court or an administrative agency of competent jurisdiction in any State, territory, or possession of the United States; or

“(ii) an authorized official pursuant to an order of such a court or agency or pursuant to State or local law.”.

(2) Effective date.—The amendment made by this subsection shall apply to aliens applying for admission to the United States on or after 180 days after the date of the enactment of this Act.

(c) Authorization To Share Child Support Enforcement Information To Enforce Immigration and Naturalization Law.—

(1) Secretarial responsibility.—Section 452 of the Social Security Act (42 U.S.C. 652) is amended by adding at the end the following:

“(m) If, the Secretary receives a certification by a State agency, in accordance with section 454(32), that an individual who is a nonimmigrant alien (as defined in section 101(a)(15) of the Immigration and Nationality Act) owes arrearages of child support in an amount exceeding $5,000, the Secretary may, at the request of the State agency, the Secretary of State, or the Attorney General, or on the Secretary's own initiative, provide such certification to the Secretary of State and the Attorney General information in order to enable them to carry out their responsibilities under sections 212(a)(10) and 235(d) of such Act.”.

(2) State agency responsibility.—Section 454 of the Social Security Act (42 U.S.C. 654) is amended—

(A) by striking “and” at the end of paragraph (32);

(B) by striking the period at the end of paragraph (33) and inserting “; and”; and

(C) by inserting after paragraph (33) the following:

“(34) provide that the State agency will have in effect a procedure for certifying to the Secretary, in such format and accompained by such supporting documentation as the Secretary may require, determinations for purposes of section 452(m) that nonimmigrant aliens owe arrearages of child support in an amount exceeding $5,000.”.

The CHAIRMAN. No amendment to that amendment shall be in order except those printed in Part B of the report. Each amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for a division of the question.

The Chairman of the Committee of the Whole may postpone a request for a recorded vote on any amendment and may reduce to a minimum of 5 minutes the time for voting on any postponed question that immediately follows another vote, provided that the time for voting on the first question shall be a minimum of 15 minutes.

(Mr. GOODLING asked and was given permission to speak out of order for 1 minute.)

ANNOUNCEMENT REGARDING BILLS TO BE CONSIDERED UNDER SUSPENSION OF THE RULES

Mr. GOODLING. Mr. Chairman, pursuant to House Resolution 353, I announce the following measures to be taken up under suspension of the rules: H.R. 3261, H.R. 2724.

The CHAIRMAN. It is now in order to consider amendment No. 1 printed in Part B of House Report 106–463.

AMENDMENT NO. 1 OFFERED BY MRS. MINK OF HAWAII

Mrs MINK of Hawaii. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B Amendment No. 1 offered by Mrs. MINK of Hawaii:

Strike title I and insert the following:

TITLE I—PARENTS COUNT PROGRAM

SEC. 101. PARENT GRANTS.

(a) IN GENERAL.—Part A of title IV of the Social Security Act (42 U.S.C. 601–619) is amended by inserting after section 403 the following:

"SEC. 403A. PARENT PROGRAMS.

"(a) PURPOSE.—The purpose of this section is to make grants available to public and private entities for projects designed to—

"(1) promote successful parenting through counseling, mentoring, disseminating information about good parenting practices, including family planning, training parents in money management, encouraging child support payments, encouraging visitation between a custodial parent and their children, and other methods;

"(2) help parents and their families to avoid or leave cash welfare provided by the program under this part and improve their economic status by providing work first services, job search, job training, subsidized employment, career-advancing education, job retention, job enhancement, and other methods; and

"(3) help parents in their marriages through counseling, mentoring, and teaching how to control aggressive methods, and other methods.

"(b) PARENT GRANTS.—

"(1) APPLICATIONS.—An entity desiring a grant to carry out a project described in subsection (a) may submit to the Secretary an application that contains the following:

"(A) A description of the project and how the project will be carried out.

"(B) A description of how the project will address all 3 of the purposes of this section.

"(C) A written commitment by the entity that the project will allow an individual to participate in the project only if the individual is—

"(i) a parent of a child who is, or within the past 24 months has been, a recipient of assistance or services under a State program funded under this part; or

"(ii) a parent, including an expectant parent, whose income is less than 150 percent of the poverty line (as defined in section 673(2) of the Omnibus Budget Reconciliation Act of 1981, including any revision required by such section, applicable to a family of the size involved).

"(D) A written commitment by the entity that the entity will provide for the project, from funds obtained from non-Federal sources (other than funds which are counted as qualified State expenditures for purposes of section 409(a)(7)), amounts (including in-kind contributions) equal in value to—

"(i) 20 percent of the amount of any grant made to the entity under this subsection; or

"(ii) such lesser percentage as the Secretary deems appropriate (which shall be not less than 10 percent) of such amount, if the application demonstrates that there are circumstances that limit the ability of the entity to raise funds or obtain resources.

"(2) CONSIDERATION OF APPLICATIONS BY INTERAGENCY PANELS.—

"(A) FIRST PANEL.—

"(i) ESTABLISHMENT.—There is established a panel to be known as the 'Parent Grants Recommendation Panel' (in this subparagraph referred to as the 'Panel').

"(ii) MEMBERSHIP.—

"(I) IN GENERAL.—The Panel shall be composed of 10 members, as follows:

"(aa) 1 member of the Panel shall be appointed by the Secretary.

"(bb) 1 member of the Panel shall be appointed by the Secretary of Labor.

"(cc) 2 members of the Panel shall be appointed by the Chairman of the Committee on Education and the Workforce of the House of Representatives.

"(dd) 2 members of the Panel shall be appointed by the ranking minority member of the Committee on Education and the Workforce of the House of Representatives.

"(ee) 2 members of the Panel shall be appointed by the Chairman of the Committee on Health, Education, Labor, and Pensions of the Senate.

"(ff) 2 members of the Panel shall be appointed by the ranking member of the Committee on Health, Education, Labor, and Pensions of the Senate.

"(II) CONFLICTS OF INTEREST.—An individual shall not be eligible to serve on the Panel if such service would pose a conflict of interest for the individual.

"(III) TIMING OF APPOINTMENTS.—The appointment of members to the Panel shall be completed not later than March 1, 2000.

"(iii) DUTIES.—

"(I) REVIEW AND MAKE RECOMMENDATIONS ON PROJECT APPLICATIONS.—The Panel shall review all applications submitted pursuant to paragraph (1), and make recommendations to the Secretary regarding which applicants should be awarded grants under this subsection, with due regard for the provisions of paragraph (3), but shall not recommend that a project be awarded such a grant if the application describing the project does not attempt to meet the requirement of paragraph (1)(B).

"(II) TIMING.—The Panel shall make such recommendations not later than September 1, 2000.

"(iv) TERM OF OFFICE.—Each member appointed to the Panel shall serve for the life of the Panel.

"(v) PROHIBITION ON COMPENSATION.—Members of the Panel may not receive pay, allowances, or benefits by reason of their service on the Panel.

"(vi) TRAVEL EXPENSES.—Each member of the Panel shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

"(vii) MEETINGS.—The Panel shall meet as often as is necessary to complete the business of the Panel.

"(viii) CHAIRPERSON.—The Chairperson of the Panel shall be designated by the Secretary at the time of appointment.

"(ix) STAFF OF FEDERAL AGENCIES.—The Secretary may detail any personnel of the Department of Health and Human Services and the Secretary of Labor may detail any personnel of the Department of Labor to the Panel to assist the Panel in carrying out its duties under this subparagraph.

"(x) OBTAINING OFFICIAL DATA.—The Panel may secure directly from any department or agency of the United States information necessary to enable it to carry out this paragraph. On request of the Chairperson of the Panel, the head of the department or agency shall furnish that information to the Panel.

"(xi) MAILS.—The Panel may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

"(xii) TERMINATION.—The Panel shall terminate on September 1, 2000.

"(B) SECOND PANEL.—

"(i) ESTABLISHMENT.—Effective January 1, 2001, there is established a panel to be known as the 'Parent Grants Recommendation Panel' (in this subparagraph referred to as the 'Panel').

"(ii) MEMBERSHIP.—

"(I) IN GENERAL.—The Panel shall be composed of 10 members, as follows:

"(aa) 1 member of the Panel shall be appointed by the Secretary.

"(bb) 1 member of the Panel shall be appointed by the Secretary of Labor.

"(cc) 2 members of the Panel shall be appointed by the Chairman of the Committee on Education and the Workforce of the House of Representatives.

"(dd) 2 members of the Panel shall be appointed by the ranking minority member of the Committee on Education and the Workforce of the House of Representatives.

"(ee) 2 members of the Panel shall be appointed by the Chairman of the Committee on Health, Education, Labor, and Pensions of the Senate.

"(ff) 2 members of the Panel shall be appointed by the ranking member of the Committee on Health, Education, Labor, and Pensions of the Senate.

"(II) CONFLICTS OF INTEREST.—An individual shall not be eligible to serve on the Panel if such service would pose a conflict of interest for the individual.

"(III) TIMING OF APPOINTMENTS.—The appointment of members to the Panel shall be completed not later than March 1, 2001.

"(iii) DUTIES.—

"(I) REVIEW AND MAKE RECOMMENDATIONS ON PROJECT APPLICATIONS.—The Panel shall review all applications submitted pursuant to paragraph (1), and make recommendations to the Secretary regarding which applicants should be awarded grants under this subsection, with due regard for the provisions of paragraph (3), but shall not recommend that a project be awarded such a grant if the application describing the project does not attempt to meet the requirement of paragraph (1)(B).

"(II) Timing.—The Panel shall make such recommendations not later than September 1, 2001.

"(iv) Term of office.—Each member appointed to the Panel shall serve for the life of the Panel.

"(v) Prohibition on compensation.—Members of the Panel may not receive pay, allowances, or benefits by reason of their service on the Panel.

"(vi) Travel expenses.—Each member of the Panel shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

"(vii) Meetings.—The Panel shall meet as often as is necessary to complete the business of the Panel.

"(viii) Chairperson.—The Chairperson of the Panel shall be designated by the Secretary at the time of appointment.

"(ix) Staff of federal agencies.—The Secretary may detail any personnel of the Department of Health and Human Services and the Secretary of Labor may detail any personnel of the Department of Labor to the Panel to assist the Panel in carrying out its duties under this subparagraph.

"(x) Obtaining official data.—The Panel may secure directly from any department of agency of the United States information necessary to enable it to carry out this paragraph. On request of the Chairperson of the Panel, the head of the department or agency shall furnish that information to the Panel.

"(xi) Mails.—The Panel may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

"(xii) Termination.—The Panel shall terminate on September 1, 2001.

"(3) Matching grants.—

"(A) Grant awards.—

"(i) In general.—The Secretary shall award matching grants, on a competitive basis, among entities submitting applications therefor which meet the requirements of paragraph (1), in amounts that take into account the written commitments referred to in paragraph (1)(D).

"(ii) Timing.—

"(I) First round.—On October 1, 2000, the Secretary shall award not more than $70,000,000 in matching grants after considering the recommendations submitted pursuant to paragraph (2)(A)(iii)(I).

"(II) Second round.—On October 1, 2001, the Secretary shall award not more than $70,000,000 in matching grants considering the recommendations submitted pursuant to paragraph (2)(B)(iii)(I).

"(iii) Nondiscrimination.—The provisions of this section shall be applied and administered so as to ensure that both mothers and expectant mothers and fathers and expectant fathers are eligible for benefits and services under projects awarded grants under this subsection.

"(B) Preferences.—In determining which entities to award grants under this subsection, the Secretary shall give preference to an entity—

"(i) to the extent that the application submitted by the entity describes actions that the entity will take that are designed to encourage or facilitate the payment of child support, including but not limited to—

"(I) obtaining agreements with the State in which the project will be carried out under which the State will exercise its authority under the last sentence of section 457(a)(2)(B)(iv) in every case in which such authority may be exercised;

"(II) obtaining a written commitment by the agency responsible for administering the State plan approved under part D for the State in which the project is to be carried out that the State will cancel child support arrearages owed to the State in proportion to the length of time that the parent maintains a regular child support payment schedule or lives with his or her children; and

"(III) obtaining a written commitment by the entity that the entity will help participating parents who cooperate with the agency in improving their credit rating;

"(ii) to the extent that the application includes written agreements of cooperation with other private and governmental agencies, including State or local programs funded under this part, the local Workforce Investment Board, and the State or local program funded under part D, which should include a description of the services each such agency will provide to parents participating in the project described in the application;

"(iii) to the extent that the application describes a project that will enroll a high percentage of project participants within 6 months before or after the birth of the child;

"(iv) to the extent that the application sets forth clear and practical methods by which parents will be recruited to participate in the project; and

"(v) to the extent that the application demonstrates that the entity will consult with domestic violence prevention and intervention organizations in the development and implementation of the project in order to protect custodial parents and children who may be at risk of domestic violence.

"(C) Minimum percentage of grants for nongovernmental (including faith-based) organizations.—Not less than 75 percent of the aggregate amounts paid as grants under this subsection in each fiscal year (other than amounts paid pursuant to the preferences required by subparagraph (B)) shall be awarded to nongovernmental (including faith-based) organizations.

"(D) Diversity of projects.—In determining which entities to award grants under this subsection, the Secretary shall attempt to balance among entities of differing sizes, entities in differing geographic areas, entities in urban versus rural areas, and entities employing differing methods of achieving the purposes of this section.

"(E) Payment of grant in 4 equal annual installments.—During the fiscal year in which a grant is awarded under this subsection and each of the succeeding 3 fiscal years, the Secretary shall provide to the entity awarded the grant an amount equal to 1/4 of the amount of that grant.

"(4) Use of funds.—

"(A) In general.—Each entity to which a grant is made under this subsection shall use grant funds provided under this subsection in accordance with the application requesting the grant, the requirements of this subsection, and the regulations prescribed under this subsection, and may use the grant funds to support communitywide initiatives to address the purposes of this section.

"(B) Nondisplacement.—

"(i) In general.—An adult in a work activity described in section 407(d) which is funded, in whole or in part, by funds provided under this section shall not be employed or assigned—

"(I) when any other individual is on layoff from the same or any substantially equivalent job; or

"(II) if the employer has terminated the employment of any regular employee or otherwise caused an involuntary reduction of its workforce in order to fill the vacancy so created with such an adult.

"(ii) Grievance procedure.—

"(I) State procedure.—A State to which a grant is made under this section shall establish and maintain a grievance procedure for resolving complaints of alleged violations of clause (i) by State or local governmental entities.

"(II) Federal procedure.—The Secretary shall establish and maintain a grievance procedure for resolving complaints of alleged violations of clause (i) by private entities.

"(iii) No preemption.—This subparagraph shall not preempt or supersede any provision of State or local law that provides greater protection for employees from displacement.

"(C) Rule of construction.—This section shall not be construed to require the participation of a parent in a project funded under this section to be discontinued the project on the basis of changed economic circumstances of the parent.

"(D) Rule of construction on marriage.—This section shall not be construed to authorize the Secretary to define marriage for purposes of this section.

"(E) Penalty for misuse of grant funds.—If the Secretary determines that an entity to which a grant is made under this subsection has used any amount of the grant in violation of subparagraph (A), the Secretary shall require the entity to remit to the Secretary an amount equal to the amount so used, plus all remaining grant funds, and the entity shall thereafter be ineligible for any grant under this subsection.

"(F) Remittance of unused grant funds.—Each entity to which a grant is awarded under this subsection shall remit to the Secretary all funds paid under the grant that remain at the end of the 5th fiscal year ending after the initial grant award.

"(5) Authority of state agencies to exchange information.—Each agency administering a State program funded under this part or a State plan approved under part D may share the name, address, and telephone number of parents for purposes of assisting in determining the eligibility of parents to participate in projects receiving grants under this title, and in contacting parents potentially eligible to participate in the projects, subject to all applicable privacy laws.

"(6) Evaluation.—The Secretary, in consultation with the Secretary of Labor, shall, directly or by grant, contract, or interagency agreement, conduct an evaluation of projects funded under this section (other than under subsection (c)(1)). The evaluation shall assess, among other outcomes selected by the Secretary, the effects of the projects on parenting, employment, earnings, payment of child support, and marriage. In selecting projects for the evaluation, the Secretary should include projects that, in the Secretary's judgment, are most likely to impact the matters described in the purposes of this section. In conduction the evaluation, random assignment should be used wherever possible.

"(7) Regulations.—The Secretary shall prescribe such regulations as may be necessary to carry out this subsection.

"(8) Limitation on applicability of other provisions of this part.—Sections 404 through 410 shall not apply to this section or to amounts paid under this section, and shall not be applied to an entity solely by reason of receipt of funds pursuant to this section.

"(9) Funding.—

"(A) In general.—

"(i) Interagency panels.—Of the amounts made available pursuant to section 403(a)(1)(E) for fiscal years 2000 and 2001, a total of $150,000 shall be made available for the interagency panels established by paragraph (2) of this subsection.

"(ii) GRANTS.—Of the amounts made available pursuant to section 403(a)(1)(E), there shall be made available for grants under this subsection—

"(I) $17,500,00 for fiscal year 2001;

"(II) $35,000,000 for each of fiscal years 2002 through 2004; and

"(III) $17,500,000 for fiscal year 2005.

"(iii) EVALUATION.—Of the amounts made available pursuant to section 403(a)(1)E) for fiscal years 2000 through 2006, a total of $6,000,000 shall be made available for the evaluation required by paragraph (6) of this subsection.

"(B) AVAILABILITY.—

"(i) GRANT FUNDS.—The amounts made pursuant to subparagraph (A)(ii) shall remain available until the end of fiscal year 2005.

"(ii) EVALUATION FUNDS.—The amounts made available pursuant to subparagraph (A)(iii) shall remain available until the end of fiscal year 2006.".

(b) FUNDING.—Section 403(a)(1)(E) of such Act (42 U.S.C. 603(a)(1)(E)) is amended by inserting ", and for fiscal years 2000 through 2006, such sums as are necessary to carry out section 403A" before the period.

(c) AUTHORITY TO STATES TO PASS THROUGH CHILD SUPPORT ARREARAGES COLLECTED THROUGH TAX REFUND INTERCEPT TO FAMILIES WHO HAVE CEASED TO RECEIVE CASH ASSISTANCE; FEDERAL REIMBURSEMENT OF STATE SHARE OF SUCH PASSED THROUGH ARREARAGES.—Section 457(a)(2)(B)(iv) of such Act (42 U.S.C. 657(a)(2)(B)(iv)) is amended—

(1) by inserting "(except the last sentence of the clause)" after "this section"; and

(2) by adding at the end the following: "Notwithstanding the preceding sentences of this clause, if the amount is collected on behalf of a family that includes a child of a participant in a project funded under section 403A and that has ceased to receive cash payments under a State program funded under section 403, and the amount so collected exceeds the amount that would otherwise be required to be paid to the family for the month in which collected, then the State may distribute the amount to the family, and the aggregate of the amounts otherwise required by this section to be paid by the State to the Federal Government shall be reduced by an amount equal to the State share of any amount so distributed.".

(d) TANF MAINTENANCE OF EFFORT DETERMINATIONS TO BE MADE WITHOUT REGARD TO EXPENDITURES FOR PARENT PROGRAMS.—Section 409(a)(7)(B)(i) of such Act (42 U.S.C. 609(a)(7)(B)(i)) is amended by adding at the end the following:

"(V) EXCLUSION OF EXPENDITURES FOR PARENT PROGRAMS.—Such term does not include expenditures for any project for which funds are provided under section 403A.".

The CHAIRMAN. Pursuant to House Resolution 367, the gentlewoman from Hawaii (Mrs. MINK) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentlewoman from Hawaii (Mrs. MINK).

Mrs. MINK of Hawaii. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I rise to offer my amendment, which substitutes for the word "father" the word "parent." I think that that is a very important change to what has been offered here in titles I and II.

There is, I believe, a misapprehension that somehow, in enacting the Welfare Reform Act and the welfare-to-work provisions that went along with it, that somehow fathers, the noncustodial part of the family, was neglected and not served and not considered.

In debating the Welfare Reform Act, we had numerous discussions about deadbeat dads and how important it was to enforce the child support provisions, and all the mechanisms that went to that. So there was no neglect of the concerns that fathers had an important part in assuming their parental responsibilities. That is all incorporated in the Welfare Reform Act.

In the enactment of the welfare-to-work legislation, there was careful consideration to understand the burden of both the custodial parent as well as the noncustodial parent.

When one infers that in most cases the custodial parent is the mother, about 85 percent of the cases, then we look at the distribution of the funding under the welfare-to-work program and we realize that, indeed, fathers have been taken into account, because I am told by the Department of Labor that about 25 percent of the funding has actually gone to the noncustodial parent, to enable that parent to obtain work guidance and all sorts of assistance, transportation to the job and whatever.

So there was no discrimination, no leaving out of the fathers in the formula for consideration of the necessity of responsibility.

The children were, of course, the main object of the legislation. In every case, both the custodial parent and the noncustodial parent were given the options of coming under the program and benefiting from it.

So now we come to this new provision which is described as a fatherhood grant program. I believe that what is assumed by the purpose of this language is that somehow fathers have been left out.

Obviously, we want to do everything we can to instill responsibility in absent fathers to make sure they pay for their child support, to make sure if they want a job, they are counseled and assisted in every possible way for obtaining a job.

But when we create a new title and we spend $150 million and direct it only to fathers, it seems to me that the concept of family then kind of withers on the vine. When we talk about family, we are talking about a mother and a father.

When we have, on page 4 of this legislation, a provision which says that there must be a written commitment by the entity applying for this grant that will allow an individual to participate only if the individual is a father of a child who is on welfare, or a father whose income is less than 150 percent, it seems to me that we are creating a division which is so unnecessary.

It may be true that the entities that come in for this funding will deal with fathers separately than they will with mothers, but it seems to me to create a whole program and declare that only those eligible to participate are fathers is wrong.

So I have offered this amendment to Title I which expands it, talks about the importance of parents. It talks about the importance of counseling. The original bill that we are debating provides for marriage counseling. I do not know if a marriage counselor will deal with a situation with only one part of the family. They want both parties to come together.

So I think that it makes a lot of sense to recognize the roles and responsibilities of both the fathers and the mothers, and to provide this extra assistance.

It is important to realize that the current law does deal with job funding and all sorts of services in job search and getting ready for work for both the custodial and the noncustodial, so that is not new. What it will create is a whole new bureaucracy for the management of this aspect of the welfare-to-work law which already exists in the Department of Labor.

I would hope that my amendment will be agreed to and that we will provide this advantage for both sides of the family equation.

Mr. ENGLISH. Mr. Chairman, I rise to claim the time in opposition.

The CHAIRMAN. The gentleman from Pennsylvania (Mr. ENGLISH) is recognized for 10 minutes.

Mr. ENGLISH. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Connecticut (Mrs. JOHNSON), the distinguished chairman of the subcommittee.

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Mrs. JOHNSON of Connecticut. Mr. Chairman, I rise in strong opposition to this amendment. First of all, ironically, in the bill is a reform of the welfare-to-work provisions that is a program whose goal it is to reach out to women who have been on welfare for long periods of time, 5, 10, 15 years, and provide the education and training that is essential to help someone like that get into the workforce. For a lot of societal reasons, the great majority of people on welfare are women. Like 99.9 percent. And almost all the services in the fatherhood bill are already available to women.

Mr. Chairman, all our program does is to level the playing field by making similar services available to men. There is no effort anywhere in current law that would provide for the noncustodial parent the kinds of resources this bill does. And because they are primarily men when we are talking about noncustodial parents of children on welfare, then we need a fatherhood program.

How many times have I stood on this floor and fought for those special training centers under the SBA for women, because women entrepreneurs need different information than men entrepreneurs to succeed because the environment in which they come up is different. Well, the same is true for poor fathers of welfare children. They suffer a sort of unique exclusion in our society. Their girlfriends, because they are on welfare, get job training, get education. Pretty soon they feel good about themselves; pretty soon they have a good job and they leave the young man behind. This is the imbalance that the gentleman from Florida (Mr. SHAW), my friend, referred to in his remarks and the source of the fatherhood bill.

We need to level the playing fields for these guys so they too can get the job training and skill development; they can get good jobs. Not only will they be able to support the kids better, but they will have the pride in themselves that is essential to healthy relationships.

This bill directly addresses some of the problems that tend to be common among these men, for example, the problem of aggressive behavior. So not only are we looking at providing them with education around parenting skills. Women at least get that from their friends; they at least get it from their moms. The young men who are the unmarried fathers of children on welfare have no milieu in which to help them develop the skills they are going to need for this new life of fatherhood. I am proud that we are recognizing the needs of these men, and it is about time because we recognized the same needs of the women a long time ago.

There is not one aspect of this bill that in any way interferes with the money for maternal and child health block grants; that is gender based. Women, infant and children's program; that is gender based. Violence against women; that money goes to women. This money is to prevent that violence. This is a fatherhood program that is geared primarily at this human development that allows us to control anger in such a way that we do not end up with domestic violence.

Mr. Chairman, I urge my colleagues to go to any school in their district that has done Character Counts and mediation and the principal will tell us, the incidence of "he hit me" or "she hit me" plummet 95 percent in the first 3 months. So we can teach violence control and teach relational issues, but we need to teach that with the men together. They need to hear each other and share experience about how they resolved a conflict with a woman, because there is no venue for them to do that.

If my colleagues visit these fatherhood programs, they will see why we need special services for dads, because dads do count.

So I urge my colleagues to oppose this amendment because it demeans the importance of our fathers, it demeans the role they play, and it denies them the skill development they need to succeed.

Mrs. MINK of Hawaii. Mr. Chairman, I yield 2 minutes to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Speaker, I rise in support of the Mink amendment. I strongly support fatherhood and any efforts to help men be better parents. I just do not believe these programs have to be isolated.

Right now under the welfare-to-work program, men and women can receive job training, educational training, and likewise equal support. We do not need a gender-specific law now.

The Mink amendment eliminates all gender discriminatory language and replaces it with parents. By replacing the word "father" with "parent" in title I of the Fathers Count Act, the Mink amendment emphasizes the fact that both fathers and mothers are important to families. Providing grants to help only fathers will pit dads and moms in a fight for welfare assistance against each other. Targeting only fathers ignores the fact that 84 percent of single-parent families are headed by mothers. Tying Federal benefits to only fathers violates the equal protection clause of the 14th amendment to the Constitution.

We must help all parents, whether mother or father, acquire the skills and training to become self-sufficient. This bill, without the Mink amendment, would undo the protections of the family violence option that many States have adopted under welfare reform. The Mink amendment improves the Fathers Count Act by giving preference to programs that consult with domestic violence organizations in the development and implementation of the project. Nearly 30 percent of women on public assistance are experiencing violence in their lives and two-thirds report having been victims previously.

The Mink amendment improves upon the goal of the fatherhood program by stating that the program must help parents in their marriages, through counseling, mentoring and teaching, how to control aggressive behavior.

Mr. Chairman, I urge a "yes" vote on the Mink amendment.

Mr. ENGLISH. Mr. Chairman, I yield myself 1 minute, simply to clarify the point that the language in this bill already provides for nondiscrimination. If I can read from the actual language of the bill that is currently on the floor: "Nondiscrimination. The provisions of this section shall be applied and administered so as to ensure that mothers, expectant mothers, and married mothers are eligible for benefits and services under projects awarded grants under this section on the same basis as fathers, expectant fathers, and married fathers."

Mr. Chairman, this is a red herring. There is no issue here.

Mr. Chairman, I reserve the balance of my time.

Mrs. MINK of Hawaii. Mr. Chairman, I yield 1½ minutes to the gentleman from New Jersey (Mr. ANDREWS).

Mr. ANDREWS. Mr. Chairman, I thank the gentlewoman from Hawaii (Mrs. MINK) for yielding me this time.

Mr. Chairman, I rise in support of the underlying bill. I am pleased to note that legislation that the gentleman from Pennsylvania (Chairman GOODLING), the gentleman from California (Mr. MCKEON), and I authored, which frees up funding for moving from welfare to work, is in this bill. I thank the majority for their cooperation.

Mr. Chairman, I support the Mink amendment. If I could have one wish for every child in America, it would be that there is at least one committed adult who gets out of bed every morning and makes that child's welfare the most important priority in his or her life. I think it is important that we recognize that males or females, blood relatives or nonblood relatives, can serve that function.

Anything that narrows those opportunities by gender, by blood relation versus nonblood relation, I think narrows the chance that children are going to get that kind of care. Mothers and fathers, aunts and uncles, friends who are willing to take responsibility as guardians, all of these people are necessary for children to be nurtured.

Mr. Chairman, I support the Mink amendment because I believe it does not tie the funding streams to the gender of the adult, but it ties the funding streams to the needs of the child and the existence of an adult who is willing to help. I urge support of the Mink amendment as well as support for the underlying bill.

Mr. ENGLISH. Mr. Chairman, I have no additional speakers, and I reserve the balance of my time.

Mrs. MINK of Hawaii. Mr. Chairman, I yield 1½ minutes to the gentlewoman from California (Ms. WOOLSEY.)

Ms. WOOLSEY. Mr. Chairman, I rise in strong support of amendment offered by the gentlewoman from Hawaii (Mrs. MINK) to make all parents count, rather than only fathers. We cannot overemphasize the value of having a father present and participating in a positive way in a child's life. Dads are invaluable. But so are moms. And most of the children we want to help with this bill live with their mothers.

Mr. Chairman, if we want to change these children's lives, we must provide grants to help both their parents, their mom and their dad. Then the family can make changes.

Why should we not offer parents counseling and job skills assistance, both the moms and the dads, and make sure that the custodial parent, the low-income mom, has the same opportunity as the noncustodial father? A recent study of 10 cities by the Institute of Children and Poverty showed that 42 percent of the poorest families in those cities do not get TANF benefits. We have census data that shows that the poorest one-fifth of single-mother families had a significant loss of income between 1995 and 1997, due largely to the loss of public benefits without any corresponding gain in earnings.

The moms in these poor families would need to go on welfare in order to get the kind of benefits that are being offered to the absentee dads by the fatherhood grants. What sense does that make? Our goal is to get more people into work, not on to welfare.

Mr. ENGLISH. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, listening to the debate on this particular amendment on the floor, I am constrained one more time to reread what is actually in the bill on the floor before us that addresses this issue already:

"Nondiscrimination. The provisions of this section shall be applied and administered so as to ensure that mothers, expectant mothers, and married mothers are eligible for benefits and services under projects awarded grants under this section on the same basis as fathers, expectant fathers, and married fathers."

Mr. Chairman, we have heard some curious arguments today. We do not hear the same arguments applied to other programs such as maternal and Child Health Block Grants, the Women, Infants and Children program, and the Violence Against Women Act. Mr. Chairman, I think the point here is we already have a level playing field. We are not creating a new bureaucracy. This is a very lean program in which the money will go directly to projects at the local level and do so on a nondiscriminatory basis.

This program is not being created in isolation. This fits nicely and directly into many of the efforts that are already going on at the local level and also at existing welfare-to-work programs.

Mr. Chairman, I believe that this amendment is unnecessary and it overlooks a fundamental reality and that is the benefits from this legislation will go beyond the father by enabling the father to provide help and support for the mother; and most importantly, it will benefit their child by providing two caring, supportive parents active in their lives.

This bill, without this amendment, is a solid social initiative. This amendment, I believe, simply muddies the waters; and it should be categorically rejected.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. PEASE). All time for debate on the amendment has expired.

The question is on the amendment offered by the gentlewoman from Hawaii (Mrs. MINK).

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

Mr. ENGLISH. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN pro tempore. Pursuant to House Resolution 367, further proceedings on the amendment offered by the gentlewoman from Hawaii (Mrs. MINK) will be postponed.

The point of no quorum is considered withdrawn.

AMENDMENT NO. 2 OFFERED BY MR. ENGLISH

Mr. ENGLISH. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B Amendment No. 2 Offered by Mr. ENGLISH:

In section 403A(b)(2)(A)(ii) of the Social Security Act, as proposed to be added by section 101(a) of the bill, redesignate subclauses (II) and (III) as subclauses (III) and (IV), respectively, and insert after subclause (I) the following:

"(II) QUALIFICATIONS.—An individual shall not be eligible to serve on the Panel unless the individual has experience in programs for fathers, programs for the poor, programs for children, program administration, or program research.".

In section 403A(b)(2)(B)(ii) of the Social Security Act, as proposed to be added by section 101(a) of the bill, redesignate subclauses (II) and (III) as subclauses (III) and (IV), respectively, and insert after subclause (I) the following:

"(II) QUALIFICATIONS.—An individual shall not be eligible to serve on the Panel unless the individual has experience in programs for fathers, programs for the poor, programs for children, program administration, or program research.".

In section 403A(b)(3)(B)(i) of the Social Security Act, as proposed to be added by section 101(a) of the bill—

(1) strike "and" at the end of subclause (II);

(2) add "and' at the end of subclause (III); and

(3) add at the end the following:

"(IV) helping fathers arrange and maintain a consistent schedule of visits with their children;".

The CHAIRMAN pro tempore. Pursuant to House Resolution 383, the gentleman from Pennsylvania (Mr. ENGLISH) and a Member opposed each will control 5 minutes.

Mr. CARDIN. Mr. Chairman, I am not in opposition to the amendment, but I am not aware of anyone in opposition, and I ask unanimous consent to control the time in opposition.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Pennsylvania (Mr. ENGLISH).

Mr. ENGLISH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, my amendment has two parts. First, it requires that individuals who serve on the selection panels created under this act have some background in programs for fathers, programs for the poor, programs for children, program administration or program research.

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This amendment ensures that only individuals who have professional experience related to social programs evaluate which fatherhood programs should be funded under this act.

Second, this amendment encourages the payment of child support by helping fathers with visitation. The intent of this legislation is to select programs which will have the greatest chance of promoting marriage, improving parent effectiveness, and helping fathers with employment.

This legislation gives preference to those programs which promote the payment of child support by helping fathers in a variety of ways. My amendment would add one more way to promote payment of child support specifically by helping fathers arrange and maintain a schedule of regular visits to their children.

This amendment encourages fathers to have a more active role in their children's lives, both financially and by spending more time with their children. Under this amendment, the real winners are the children. This amendment, I understand, has bipartisan support and has no budgetary impact.

I urge all of my colleagues on both sides of the aisle to support it.

Mr. Chairman, I reserve the balance of my time.

Mr. CARDIN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as I pointed out, I support the gentleman's amendment. But I took the time because I have had some conversations with the gentleman concerning this amendment. I support it, but a literal reading of it could be interpreted to link visitation with the payment of child support. Now, I know that the author of the amendment does not intend that to be the consequence. We are in a position where we cannot amend an amendment on the floor under the rule which we are operating under.

So I heard the gentleman's explanation, and I fully agree with what he is intending to do that we want to make sure the noncustodial parent has a more active role in the child's life, which is the language used by the gentleman from Pennsylvania (Mr. ENGLISH), a more responsible relationship.

I would just point out, my conversations with the gentleman is that we will work, as this bill works its way through the process, to make sure there is no unintended consequences of the gentleman's amendment.

Mr. Chairman, I yield to the gentleman from Pennsylvania (Mr. ENGLISH).

Mr. ENGLISH. Mr. Chairman, I make that commitment absolutely. I thank the gentleman from Maryland (Mr. CARDIN) for his support and his thoughtful analysis of this issue, and I would be delighted to work with him and work with the rest of the subcommittee on that point.

Mr. CARDIN. Mr. Chairman, I yield back the balance of my time.

Mr. ENGLISH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I urge all of my colleagues to look carefully at this issue. I think it is relatively straightforward. This amendment would vastly strengthen this bill. It would introduce expertise into the evaluation process. In the end, it would bring fathers closer to their children.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. PEASE). All time has expired.

The question is on the amendment offered by the gentleman from Pennsylvania (Mr. ENGLISH).

The amendment was agreed to.

The CHAIRMAN pro tempore. It is now in order to consider amendment No. 3 printed in Part B of House Report 106–463.

AMENDMENT NO. 3 OFFERED BY MRS. MINK OF HAWAII

Mrs. MINK of Hawaii. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B amendment No. 3 offered by Mrs. MINK of Hawaii:

Strike title II, and redesignate succeeding titles and sections (and amend the table of contents) accordingly.

The CHAIRMAN pro tempore. Pursuant to House Resolution 383, the gentlewoman from Hawaii (Mrs. MINK) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Hawaii (Mrs. MINK).

Mrs. MINK of Hawaii. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, title II of the Fathers Count Act gives $5 million to two nationally recognized nonprofit fatherhood promotion organizations, $5 million to each of two nationally recognized nonprofit fatherhood promotion organizations. I oppose that kind of selection out of organizations for funding at such a level as $5 million.

We have been debating on the floor that the Federal Government and the bureaucracy has to be cut. In fact, we cannot come to agreement on many of our appropriation bills because we are still arguing over the funding levels that each of these worthy groups are entitled to. Yet, here, today we have legislation which is prepared to give two organizations $5 million just for existing.

The provision in the law says that the nonprofit promotion organization has to have a minimum of 4 years of experience in disseminating a national public education campaign, including production and placement of television, radio, and print public service announcements that promote the importance of responsible fatherhood.

While I do not have any objection to national organizations being in existence to do exactly that, to teach men in our society to be responsible if they father children, they ought to be willing to pay for their support, maintenance, and education.

The government ought not to be out there trying to find ways in which to nurture these people through the establishment of funding for national organizations. But national organizations probably do a tremendous amount of good. They gather together the forces within a community, within the country, to come to grips with this issue of parental responsibility. I think that is something to be applauded.

But I do take great objection to the idea that the Federal Government needs to get involved in promoting through the placement of television, radio, and present public service announcements about the responsibilities of fatherhood. So I would hope that my amendment would be agreed to, and that only title I of this Fathers Count Act legislation will be agreed to and, hopefully, will be changed to a parenthood kind of program.

It is important to realize that, if this is connected to welfare, which I assume that it is, that 85 percent of the people on welfare who are the custodial parents are women. If we are going to try to deal with this issue of welfare and the problems of poverty and the problems that children must suffer through because they are in a welfare family, then we have to make special efforts to try to support the single moms who are out there struggling to make a life and to support these children. Yet, we have no programs that I am aware of that specifically allocates $5 million for the support of single moms who are trying to raise their children and who are on welfare.

So I think that it is a matter of priorities. It is not a priority which I share. I believe it is a dangerous precedent. I hope that, instead of spending this $10 million in this way, that we can provide the monies for other programs.

I am told by someone who is knowledgeable that Healthy Mothers Program has been cut from the budget. Now, there is a program that has been nationally recognized, and the people that organize that program have all remarked what a tremendous contribution it makes to helping children and families at risk. Yet, the Congress is seeing fit not to fund this program.

So this money, I think, is needed in other programs where the need is much, much greater and where the benefits for the children at risk can be addressed directly. While I have no objection to these two organizations in mounting their campaigns for fatherhood and to insist that fathers be recognized for their responsibilities in their communities and in this country, I do object to the fact that special funds are set aside for the purposes for promoting these private organizations.

Mr. Chairman, title II of the Fathers Count Act gives $5 million to two nationally recognized nonprofit fatherhood promotion organizations. Five million dollars! We have recently been debating on the floor that every federal agency must cut its wasteful spending so its budget can be reduced by 1 percent. Yet, this legislation is prepared to give two organizations $5 million just for existing.

We have not done this for motherhood organizations. And mothers make up 84 percent of the custodial parents on welfare. If we do anything with this five million dollars, we should provide it to the people that need this assistance the most—the custodial parent.

Title II would give this money to organizations to help them develop and promote material addressing the issue of responsible fatherhood and promote marriage. Fathers should be responsible, and I applaud any organization that strives to make non-custodial fathers active in their children's lives and well-being. But it is not the federal government's job to provide these non-profit organizations with millions of dollars to help them do their job. This sets a dangerous precedent. Are we to provide millions of dollars to the National Education Association? Or to the National Organization for Women? Of course not.

It is the federal government's responsibility to provide services to help custodial parents become self-sufficient. We should help these parents find jobs so they can provide for their families.

My amendment will strike title II and save this government millions of dollars that can be better spent.

I urge my colleagues to support this amendment.

Mr. ENGLISH. Mr. Chairman, I rise in opposition to the amendment and claim the time in opposition.

The CHAIRMAN pro tempore. The gentleman from Pennsylvania (Mr. ENGLISH) is recognized for 5 minutes.

Mr. ENGLISH. Mr. Chairman, I yield as much time as she may consume to the gentlewoman from Connecticut (Mrs. JOHNSON).

Mrs. JOHNSON of Connecticut. Mr. Chairman, I rise in strong opposition to this amendment. The bill does not allocate $1 to any organization. It does set aside $5 million for competitive grants where the Secretary makes the final decision.

We do want some of the money in the bill to be set aside for highly developed organizations that have been in the fatherhood business for a long time, that are reputable, and that are capable of testing project designs in many different places across the Nation because we know very, very little about what works in reaching out to these dads.

The rest of the money goes to community-based organizations because we know what is happening out there, the things that are going on, some of them funded by TANF, happening at the neighborhood level, at the small city level; and those are useful.

But it may be very hard to tell from those what ideas might be useful nationwide and what will not. We know there are a number of organizations whose programs are well enough developed and whose reputation in the service community is strong enough that they would be able to begin to test some models nationwide in multiple cities. So two of these competitive grants have to go to that kind of organization.

The bill would be weakened by the elimination of these projects because since we know so little about this area, not to be able to both fund some of the big experienced programs in multicities across the Nation to see how they work and whether they are as effective in New England as in the Southwest or California, and not to be able to do that as well as the small community-based grants would limit our ability to draw from our experience through this bill a national policy that will serve these families.

So I urge opposition to the amendment.

Mr. ENGLISH. Mr. Chairman, may I inquire how much time is remaining.

The CHAIRMAN pro tempore. The gentleman from Pennsylvania (Mr. English) has 2½ minutes remaining.

Mr. ENGLISH. Mr. Chairman, I yield myself the balance of the time.

Mr. Chairman, the gentlewoman from Hawaii (Mrs. Mink) has brought a lot of passion to this debate. But I sense that she seems to fear that, in a free and open competition for funds in which religious and other faith-based organizations are playing on a level playing field, the usual suspects may not get all the money.

There is no question this fatherhood legislation will bring lots of new organizations into play, most of which have never before received government funding. As long as that competition is fair, what can be wrong with more competition?

Let us recognize the major provision of title II is the multicity fatherhood project. Only organizations that have experience in organizing and conducting fatherhood programs and in coordinating with local agencies are eligible for this money. These are very reasonable requirements, directly relating to achieving program success.

The committee required that at least one of the projects use the technique of employing married couples who live and work in the service delivery area to serve as role models. Based on our hearings, this innovative approach was judged to hold a great deal of potential for success, and the committee, therefore, wants to test this model through rigorous experimentation.

Also in this provision is a clearinghouse which we feel is absolutely essential. If we are going to learn from the experience with fatherhood programs, experience which is already developing, then we need to have a national clearinghouse that will allow that information and that experience to be disseminated to communities that can learn and profit from the example. We urge the rejection of this amendment.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. All time has expired.

The question is on the amendment offered by the gentlewoman from Hawaii (Mrs. Mink).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

Mrs. MINK of Hawaii. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN pro tempore. Pursuant to House Resolution 367, further proceedings on the amendment offered by the gentlewoman from Hawaii (Mrs. Mink) will be postponed.

The point of no quorum is considered withdrawn.

The CHAIRMAN pro tempore. It is now in order to consider amendment No. 4 printed in Part B of House Report 106–463.

□ 1430

AMENDMENT NO. 4 OFFERED BY MR. CARDIN

Mr. CARDIN. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore (Mr. Pease). The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B amendment No. 4 offered by Mr. Cardin:

In section 403(a)(5)(C)(iv) of the Social Security Act, as so redesignated by section 301(b)(1)(A) of the bill, and as proposed to be amended by section 301(c)(1)(B) of the bill—

(1) insert "or" at the end of subclause (II);

(2) strike "; or" at the end of subclause (III) and insert a period; and

(3) strike subclause (IV).

In section 301 of the bill, redesignate subsection (d) as subsection (e) and insert after subsection (c) the following:

(d) Custodial Parents With Income Below Poverty Line Who Are Not on Welfare.—

(1) In general.—Section 403(a)(5)(C) of such Act (42 U.S.C. 603(a)(5)(C)), as amended by subsection (b)(1) of this section, is amended—

(A) by redesignating clauses (vi) through (ix) as clauses (vii) through (x), respectively; and

(B) by inserting after clause (v) the following:

"(vi) Custodial parents with income below poverty line who are not on welfare.—An entity that operates a project with funds provided under this paragraph may use the funds to provide assistance in a form described in clause (i) to custodial parents—

"(I) whose income is less than 100 percent of the poverty line (as defined in section 673(2) of the Omnibus Budget Reconciliation Act of 1981, including any revision required by such section, applicable to a family of the size involved); and

"(II) who are not otherwise recipients of assistance under a State program funded under this part.".

(2) Conforming amendments.—

(A) Section 403(a)(5)(C)(iv) of such Act (42 U.S.C. 603(a)(5)(C)(iv)), as so redesignated by subsection (b)(1)(A) of this section, and as amended by subsection (c)(2) of this section, is amended in the last sentence by striking "clause (v)" and inserting "clause (v) and (vi)".

(B) Section 412(a)(3)(C)(ii) of such Act (42 U.S.C. 612(a)(3)(C)(ii), as amended by subsection (b)(2) of this section, is amended by striking "(viii)" and inserting "(xi)".

In section 304(b) of the bill—

(1) strike "section 301(b)(1)" and insert "subsections (b)(1) and (d)(1) of section 301"; and

(2) redesignate clause (x) of section 403(a)(5)(C) of the Social Security Act, as proposed to be added by such section 304(b), as clause (xi).

The CHAIRMAN pro tempore. Pursuant to House Resolution 367, the gentleman from Maryland (Mr. Cardin) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Maryland (Mr. Cardin).

Mr. CARDIN. Mr. Chairman, I yield 2 minutes to the gentlewoman from California (Ms. Woolsey).

Ms. WOOLSEY. Mr. Chairman, I rise in strong support of the Cardin amendment to allow custodial parents, usually moms with incomes below the poverty line, to participate in welfare-to-work programs equally with noncustodial parents, usually dads.

While I was glad to get this limited amendment into the Committee on Education and the Workforce markup for access for low-income custodial moms, this is far better. In fact, it is far more fair and sensible to treat low-income custodial moms equal to dads. We know that more and more of the very poorest families in this country are not receiving welfare. These are families headed by single moms. It is not sensible, nor is it fair to give absentee dads greater access to welfare-to-work programs than it is to give these programs to the mothers, those who are living with their children and taking care of them day in and day out.

If we want to help low-income children, we need to give both their parents equal access to the welfare-to-work program. That is what the Cardin amendment does, and I urge my colleagues to support it.

Mr. GOODLING. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN pro tempore. The gentleman from Pennsylvania (Mr. GOODLING) is recognized for 5 minutes.

Mr. GOODLING. Mr. Chairman, I yield myself such time as I may consume.

I would hope we would not go down this path, Mr. Chairman, for many reasons. Under the current law, the funds are targeted for hard-to-employ welfare recipients and noncustodial parents with children on welfare. No one else can get that money. But we worked out in committee an arrangement where 30 percent of that money could go for nonwelfare recipients living in poverty.

Now, I have a tremendous fear if we ever open this up and say 100 percent. Why do I have that fear and why is it legitimate? When we combined all these workforce programs to try to make them work several years ago, the State employment offices were out there trying to kill everything we were doing. Why were they doing that? Because they have a tendency to give all of their effort to those who they know they can count as successful so when they have to give their statistics, they say, okay, we were very successful. However, the people they neglected are the hardest people there are to try to prepare for employment.

That is my fear here. If we open this up beyond the 30 percent, the next thing we will find is these people on welfare, these custodial parents with children on welfare, all of a sudden will get no service, because they are very, very difficult to try to prepare for the workforce.

Again, we have to make sure that we understand there is all sorts of money out there for those people. When we look at TANF and other programs, there are billions of dollars that are serving these very people that we are talking about at the present time. We do not want to just turn this into another job-training program, because that, of course, was a real failure in the past.

Also keep in mind there is $2.5 billion for economically disadvantaged adults and dislocated workers assistance under the Work Force Investment Act. All of that money is out there for these people. But this sets up a situation where 100 percent of the funds could be used to serve custodial parents in poverty. Again, we are taking away the opportunity, and not only the opportunity but the mandate to make sure that the most difficult to prepare for the workforce are getting help through this service.

Mr. Chairman, I yield 2½ minutes to the gentleman from South Carolina (Mr. DEMINT).

Mr. DEMINT. Mr. Chairman, I rise in strong support of every person on welfare who wants to get his or her hands on the ladder of opportunity, and that is why I rise in strong opposition to this amendment.

I also rise to congratulate over 2 million welfare recipients in this country who, under the Republican welfare reform program, have had restored to them not only a job but dignity in their life; and I implore those on the other side of the aisle to keep our focus on this welfare-to-work program for the people that are truly on welfare.

There are many job training programs, but there is only one welfare-to-work. We worked out a good compromise in committee that would allow us to use up to 30 percent of the funds for those not on welfare but below the poverty line, and this is a good start. But if we take our total focus off of welfare recipients, the ones that are still on it are going to be the ones that are hardest to get jobs and we need more than ever the welfare-to-work program focused on these people today.

So I again encourage everyone on the other side to remember, let us do not create another job training program. There are a lot of those. But in my district, the folks in the chamber and in businesses and in community organizations are working together with the Department of Social Services to focus welfare funds as well as private sector funds to get people back to work. And I just hope that we will not destroy this program by opening it up and just leaving it to anyone who chooses to use it in a different way.

Mr. CARDIN. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania (Mr. ENGLISH).

Mr. ENGLISH. Mr. Chairman, having examined this amendment, I am inclined to agree with it, and I rise in support of it.

What this amendment does is it allows more people to participate in welfare-to-work and it allows States to use more funds for welfare-to-work programs for low-income custodial parents who do not receive TANF.

This provides greater flexibility to the States. And given that flexibility was the hallmark of our 1996 welfare reform bill, I believe that this is consistent with its spirit. I support this amendment.

Mr. CARDIN. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, let me just make a couple points, if I might, in response to the gentleman from Pennsylvania, the chairman of the committee.

This amendment carries out the commitment we made to our States when we enacted welfare reform, and that is to give flexibility to our States to be able to deal with the problems. The gentleman is suggesting that we should restrict our States somehow on how they feel it is best to deal with the problems by imposing this 30 percent restrictional use of funds for low-income custodial parents. The Committee on Ways and Means, in its version of the bill, included this amendment. It did not put the 30 percent restriction in.

Mr. Chairman, what really concerns me is that it is not limited to 30 percent; it is limited much below that. In fact, it is unlikely that any resources will get to this targeted group unless this amendment is adopted, because it has to compete with two other groups of individuals; one, those that have been on TANF for 30 months or less and, number two, the commitment we made to help children aging out of foster care. They are both subject to the same 30 percent.

There are not going to be any resources available for low-income custodial parents who are playing according to the rules. We would be telling them to go on welfare to get the help. That does not make any sense. We should be rewarding people who want to play by the rules, who want to be able to get a good job. The States should have this flexibility.

I listened to the proponents of welfare reform and I voted for it. We talked about trusting our States to be able to have the flexibility to deal with the job. Let us not discriminate against low-income people because they have not been on welfare. And let us live up to our commitment we promised to children aging out of foster care so there would be resources available for that group. And let us also deal with the people who have been on welfare for less than 30 months.

Support this amendment. It is a good amendment. It is a bipartisan amendment. I urge my colleagues to vote in favor of it.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Maryland (Mr. Cardin).

The amendment was agreed to.

The CHAIRMAN pro tempore. It is now in order to consider amendment No. 5 printed in Part B of House Report 106–463.

AMENDMENT NO. 5 OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer amendment No. 5.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B amendment No. 5 offered by Mr. TRAFICANT:

In section 403A(b)(1) of the Social Security Act, as proposed to be added by section 101(a) of the bill, add at the end the following:

"(E) A written commitment by the entity that the entity will make available to each individual participating in the project education about alcohol, tobacco, and other drugs and the effect of abusing such substances, and information about HIV/AIDS and its transmission.".

The CHAIRMAN pro tempore. Pursuant to House Resolution 383, the gentleman from Ohio (Mr. TRAFICANT) and a member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Ohio (Mr. TRAFICANT).

Mr. TRAFICANT. Mr. Chairman, I yield myself such time as I may consume.

Following this debate, Mr. Chairman, the gentleman from New York (Mr. HINCHEY) made a very good statement about poverty. One of the statements he made was that people without seem to have more problems.

My little amendment says it would require any of these projects getting grants under this bill to also add a drug-alcohol education component and information about the transmission of AIDS and the HIV factor.

In America, at the University of Cincinnati Medical School, 20 milligrams of diacetylmorphine, known on the streets as heroin, has produced physical dependence in 7 days, known as addiction on the streets, in 7 days with laboratory animals. The synergistic effect of drugs has destroyed families, where many families unknowingly, fathers, end up in hospital rooms with unintended overdose accidents. I think that these projects and this program is good, but any fatherhood project that does not offer this, I think, would be lacking.

I think it is a good program. I do not ask for any additional money, because I believe the social service system could network to do this, but Congress says they shall do this. I think it is that important.

Mr. Chairman, I reserve the balance of my time.

Mr. ENGLISH. Mr. Chairman, I ask unanimous consent to manage the time in opposition, even though I am not opposed to this amendment.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN pro tempore. The gentleman from Pennsylvania (Mr. ENGLISH) is recognized for 5 minutes.

Mr. ENGLISH. Mr. Chairman, I yield myself such time as I may consume, and I rise in support of the amendment of the gentleman from Ohio (Mr. TRAFICANT).

I think it is noteworthy that wnat he has offered is a requirement that these fatherhood projects provide education on alcohol, tobacco and other drugs, as well as the effect of abusing such substances and information about HIV/AIDS. I think we can all agree that this is a valuable addition to this bill and a valuable addition to this debate.

Mr. Chairman, I serve in a district that abuts on that of the gentleman from Ohio (Mr. TRAFICANT), and let me say I am very grateful for his longstanding interest in these issues. He has been, I think, a real leader in the House focusing on these issues for many, many years, and he has been an inspiration to me.

Let me just say, in addition, that I think his amendment strongly adds to this bill. I think it gives this bill an additional push and I, for one, strongly support its inclusion in the final language.

Mr. Chairman, I yield 1 minute to the gentlewoman from Connecticut (Mrs. JOHNSON).

Mrs. JOHNSON of Connecticut. Mr. Chairman, I also want to congratulate the gentleman from Ohio on his amendment. I think it is a very worthy one. I accept it for myself.

Mr. CARDIN. Mr. Chairman, will the gentlewoman yield?

Mrs. JOHNSON of Connecticut. I yield to the gentleman from Maryland.

Mr. CARDIN. Mr. Chairman, I also support the amendment and compliment my friend from Ohio. It strengthens the bill, and we certainly would like to see it included.

Mrs. JOHNSON of Connecticut. Yes, reclaiming my time, Mr. Chairman, we appreciate the gentleman's continued interest in these issues and find his amendment a real constructive addition to the bill.

Mr. TRAFICANT. Mr. Chairman, I yield myself such time as I may consume to thank the chairman, and I want to close by thanking my friend and neighbor, the gentleman from Pennsylvania (Mr. ENGLISH), who has worked with me on many issues.

I also want to thank my fellow graduate at Pitt, the gentleman from Maryland (Mr. CARDIN), who has done a great job. And, Mr. Chairman, it seems that every bill that the gentlewoman from Connecticut (Mrs. JOHNSON) and the gentleman from Maryland (Mr. CARDIN) seem to be involved with, it has worked out good for the American people.

Mr. Chairman, I yield back the balance of my time.

Mr. ENGLISH. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Ohio (Mr. TRAFICANT).

The amendment was agreed to.

The CHAIRMAN pro tempore. It is now in order to consider amendment No. 6 printed in Part B of House Report 106–463.

AMENDMENT NO. 6 OFFERED BY MR. EDWARDS

Mr. EDWARDS. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B amendment No. 6 offered by Mr. EDWARDS:

At the end of section 403A(b)(3)(C) of the Social Security Act, as proposed to be added by section 101(a) of the bill, add the following new flush sentence: "Notwithstanding any other provision of law, funds shall not be provided under this section to any faith-based institution that is pervasively sectarian.".

The CHAIRMAN pro tempore. Pursuant to House Resolution 367, the gentleman from Texas (Mr. EDWARDS) and a member opposed each will control 10 minutes.

The Chair recognizes the gentleman from Texas (Mr. EDWARDS).

□ 1445

Mr. EDWARDS. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, this amendment is one sentence long. It says this: "Notwithstanding any other provision of law, funds shall not be provided under this section to any faith-based institution that is pervasively sectarian."

This is very simple. The Supreme Court ruled in 1988 they cannot give dollars directly to pervasively sectarian organizations, essentially organizations that are thoroughly religious, that their secular and religious purposes are so intertwined they cannot separate them. We are picking up that language of the Supreme Court in its 1988 case to try to make this bill constitutional.

I want to be clear. My amendment does not stop Federal funds from flowing to faith-based organizations. That is happening today. It has happened for years. And it will continue to happen under my amendment.

What will be different is, under my amendment, we will follow the profound principles of the first 10 words, in fact, the establishment clause of the Bill of Rights, that say our Founding Fathers did not and would not want direct Federal dollars to go directly to houses of worship, churches, and synagogues.

There are many supporters, from the Joint Baptist Committee to the American Jewish Committee, of this amendment. Let me just say some things that will happen if it does not pass.

First, they will obliterate a 200-year wall of separation between church and State. Convenience or even good intentions are not good enough reasons to turn our back on the first 10 words of the First Amendment of the Bill of Rights.

Secondly, without my amendment passing, this bill will let a church or religious organization take Federal dollars and, in the decision of hiring people for that federally funded program, say, no, they are not good enough, we are not hiring them because they are not, as an American citizen, of the right religion in our opinion. I find that is offensive to the concept of religious freedom and respect and independence in this country.

Third, I think they are going to harm these religious organizations by inviting massive Federal regulation of them. And finally, they will create great dissension as these organizations compete for Federal dollars.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I yield such time as he may consume to the gentleman from Indiana (Mr. SOUDER).

(Mr. SOUDER asked and was given permission to revise and extend his remarks.)

Mr. SOUDER. Mr. Chairman, I thank the gentlewoman from Connecticut for yielding me the time.

Mr. Chairman, this has been a fascinating partial debate. Now we are to the actual amendment, which the sponsor says would not affect faith-based organizations but would, in fact, gut the intent of this amendment and certainly would set back and probably reverse the whole flow that the Federal Government has been doing for a number of years to try to include people who want to include character and faith-based organizations in the delivery of social services by going back to the pervasively sectarian standard.

In fact, Vice President AL GORE, in his home page for President, as well as his speech that he gave in Atlanta, said,

> I believe the lesson for our Nation is clear. In those instances where the unique power of faith that can help us meet the crushing social challenges that are otherwise impossible to meet, such as drug addiction and gang violence, we should explore carefully tailored partnerships with our faith communities so that we can use approaches that are working best.

Governor Bush in Texas has done this with prison fellowship, with other groups that are involved in youth issues and fatherhood issues, and we see many examples in this current administration.

The Brookings Institute has come out forcefully for this saying that, in fact, to use a pervasively sectarian standard has, in fact, discriminated against those who want to include as a part the moral teachings.

Now, to argue and rewrite the American Constitution to say that this obliterates the wall of separation, first off, that was not in the original Constitution, but it certainly does not obliterate the wall of separation.

The intent of the Founding Fathers was clearly not to take religion out but, rather, to keep certain religions from being funded.

As an anti-Baptist, I would not have wanted to fund the Anglican Church. People in the other States would not have wanted to fund, as they were at the time of original founding, the ministers and the church schools in those States as the only choice for schoolchildren.

But, in fact, the United States Congress in their first few years when they could not get Bibles in from England, the United States Congress, with Federal dollars, bought Bibles to distribute to the public schools.

A little bit later the Congress, concerned that it was difficult even to purchase those, the same Founders who wrote the Constitution purchased Bibles, printed them, and it says at U.S. Government expense, to be distributed by congressional legislation to public schools.

That is not what we are proposing here. The question is not whether we are proposing actual religious education. In fact, everything in this bill and in the previous three times this House has voted overwhelmingly for the charitable choice provision, the same provision that we are voting on today that the gentleman from Texas (Mr. EDWARDS) is trying to gut, the plain truth of the matter is that we cannot use any of these funds for religious teaching.

So contrary to what the Founding Fathers allow, which was Bibles printed at congressional expense distributed by the United States Congress to public schools, we are not proposing that.

We are just saying, in the process of addressing questions like fatherhood, as we did earlier in Juvenile Justice, as we did earlier in Human Services, as we did earlier in welfare reform, that we should be able to include character and faith-based organizations in that section.

The most dynamic organizations in this country, in fact, have pastors, youth leaders, people who attend churches, church-based organizations, or parent church organizations that do not teach religion but have that as a component, the love, the hope, the faith, the kindness, the tolerance that comes through religion is intermingled in their programs.

To say that a program, for example, if a particular religion, whether it is, for example, Orthodox Jews, and if Orthodox Jews have a program to reach kids in their neighborhood or fathers in their neighbor, to say that they must hire somebody who does not belong to their religion, in effect, means they will not participate in these programs.

Now, the Government gets to decide when a faith-based organization comes up and says we have a proposal here under the Father Counts bill or any of the other three previous bills where we passed this exact same language, that when they propose this to the Government, they do not say it has to show it is not teaching religion, it has to show that it is addressing the problems there, it is addressing them in a unique way regardless which of these bills we are talking about, and there are many protections; and ultimately the Federal Government has to decide is this group the best way to deliver these services.

So I think this is a reasonable amendment that has passed by as many as 350 votes in this House. It is supported by the leading presidential candidates in both parties as a general principle.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I reserve the balance of my time.

Mr. EDWARDS. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland (Mr. CARDIN), cosponsor and coauthor of this legislation.

Mr. CARDIN. Mr. Chairman, I thank the gentleman from Texas for yielding me this time, and I urge my colleagues to support his amendment.

I hope everybody will put this in proper perspective. This bill deals with $150 million over the next 5 years. It incorporates by reference the charitable choice provisions that are in the 1997 Welfare Reform bill that has spent $16.5 billion per year. What the Edwards amendment does is make it clear that this money must be spent in a constitutionally acceptable way.

We have by reference in this statute that it must be spent consistent with the establishment clause of the United States Constitution as it relates to religious freedom, separation of church and state. That is already in this bill by reference.

Read the Edwards amendment. The Edwards amendment says that it goes to the establishment clause and incorporates the Supreme Court test, as it is in the Kendrick case. So the pervasively sectarian test is the test on whether we have violated the establishment clause.

This is not whether faith-based organizations will participate or not. They do participate under the bill or under the Edwards amendment. The Edwards amendment makes sure that we spend the money in a constitutionally acceptable way.

I urge my colleagues to accept the amendment so that we can get faith-based institutions and entities using these funds but using it an acceptable way so we can build upon the program and really help the people that this legislation is aimed at.

It is a good amendment. It clarifies. It prevents it from causing problems that otherwise could occur. I urge my colleagues to support the amendment.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I yield 1 minute to the gentleman from Florida (Mr. SHAW).

Mr. SHAW. Mr. Chairman, I thank the gentlewoman for yielding me the time.

Mr. Chairman, I stand in opposition to the amendment. I am afraid that this would have a chilling effect upon the application of an otherwise very, very fine bill.

We are going to need a lot of help from a lot of areas in order to be able to get through and to accomplish the goals that all of us have with regard to this legislation.

The Supreme Court, in its decisions, is not a static entity. It is a living entity. It is one that shifts and goes back and forth in accordance with the facts of the various cases and the changing times.

It is time that we looked to other organizations, non-traditional organizations, to help out. This bill is not going to promote any religious activity. It would be grossly unconstitutional if this is what it was. But the churches and synagogues and other religious institutions can be very valuable in reaching out and getting these fathers and bringing them in and do exactly what the intent of this bill is.

I stand in opposition to the amendment.

Mr. EDWARDS. Mr. Chairman, I yield 1½ minutes to the gentleman from Virginia (Mr. SCOTT).

Mr. SCOTT. Mr. Chairman, I rise in support of the Edwards amendment.

Mr. Chairman, the amendment is simple. It just conforms the bill to the First Amendment of the Constitution as interpreted by a long line of Supreme Court decisions.

Many religiously affiliated groups now sponsor Federal programs, but the program must be administered in a secular manner and not conducted in a pervasively sectarian manner. And so, Federal funds support programs sponsored by Catholic Charities or Lutheran Services. But they do not have to be Catholic or Lutheran to benefit from those services. And if they want to compete for a job funded by those Federal dollars, they do not have to be Catholic or Lutheran to be hired.

This bill, without the Edwards amendment, allows Federal funds to sponsor pervasively sectarian activities and allows sponsors to require program participants as a condition of receiving federally funded benefits to require the participation in church religious activities and allows churches to discriminate based on religious affiliation in hiring employees with Federal dollars. That is wrong. It is unconstitutional, and we should fix it by adopting the Edwards amendment.

The CHAIRMAN. The gentlewoman from Connecticut (Mrs. JOHNSON) has 4 minutes remaining. The gentleman from Texas (Mr. EDWARDS) has 4½ minutes remaining.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I yield 3½ minutes to the gentleman from Texas (Mr. DELAY), the distinguished majority whip.

Mr. DELAY. Mr. Chairman, I rise in very strong objection and opposition to this amendment.

It is amazing to me how people can misinterpret history. Separation of church and state was created in this century by these courts. And, in fact, the courts are moving away from the concept, as outlined by the Members on the other side of the aisle.

To claim that our Founding Fathers were for separation of church and State is either rewriting history or being very ignorant of history.

So I just rise in strong opposition to the charge that there is this great wall separating this Government from religious influence. There was no such separation when the Nation was founded, and there can be no separation today.

George Washington, the father of our country, left no doubt that religion and religious institutions provide indispensable support to our Government. In his farewell speech, President Washington warned that, "Reason and experience both forbid us to expect that national morality can prevail in exclusion of religious principle."

John Jay, the original Chief Justice of the Supreme Court, said it is the duty of wise, free, and virtuous governments to "encourage virtue and religion."

John Adams, our second President, stated, "Our Constitution was made only for a moral and religious people."

John Hancock argued that, "The very existence of the Republics depend much upon the public institutions of religion."

Time after time, the founders implored the influence of religion in public affairs. This amendment tries to forbid the exact same influence that the Founding Fathers thought so necessary.

□ 1500

Those who argue for an absolute separation of church and State like to quote Thomas Jefferson as he has been quoted here many times and they quote him all over the place, but they leave out a few details.

For example, while he was President of the United States, Jefferson supported the appropriation of Federal funds to pay for Christian missionaries to Indians. That is right. As President, Thomas Jefferson provided cash support from the government to pay for missionaries and actually built a church building with government money.

The point is very clear. All of these great men had a profound impact on the creation of this Republic, and their words add essential insight into the original intent of the Constitution.

This bill we are debating deals with fatherhood programs and charitable organizations. Despite the precedence set by the Founders, this amendment tries to build a wall between virtue and its source, religious principle.

Mr. Chairman, America has always been one Nation under God. The Constitution and religion have never been mutually exclusive. As the founders set forth, it is simply impossible and it is unwise to try to separate people and their government from religion. I urge my colleagues to defeat this bad amendment.

Mr. EDWARDS. Mr. Chairman, I yield 1 minute to the gentleman from Ohio (Mr. STRICKLAND).

Mr. STRICKLAND. Mr. Chairman, we should all feel some trepidation at what has just been spoken in this Chamber. As a former United Methodist minister, I know and I believe that there is an appropriate role that religious organizations play in social services. In fact, they are already doing wonderful things with Federal funding through such secular affiliations as Catholic Charities and Jewish Federations. We are grateful to them for providing desperately needed services. But when we cross the line and let specific churches receive Federal grants and then engage in discriminatory practices, we are setting back the clock of civil rights in our country.

This bill would allow churches and synagogues to receive Federal money directly which would in turn allow them to use those Federal funds to discriminate in hiring practices. Do we want to open that door? Do we really want to see a sign in front of a church getting Federal funds that says, "Jews need not apply"? Do we want to see a sign in front of a protestant church saying "Catholics will not be considered for this position"?

I think not. I hope not. I pray not.

Mr. EDWARDS. Mr. Chairman, I yield 1 minute to the gentleman from New York (Mr. NADLER).

Mr. NADLER. Mr. Chairman, without this amendment, this bill opens the door to religious organizations requiring individuals to participate in a religious ceremony or to listen to sectarian proselytizing as a condition of participating in a federally funded program. That violates our Constitution and quite frankly is an abuse of government authority over families in need.

No one has or should exclude religious institutions from performing good works or from receiving public funds to do so. But a religious organization should never be allowed using Federal funds to condition a meal for a homeless person or anger counseling for an abusive husband on participating in a religious ceremony or listening to a religious sermon and it should not be allowed to discriminate in employment on a religious basis using government funds.

No one is talking about separating, totally separating church and State. But we are talking about keeping each in its proper sphere and not allowing government to help invade the religious sphere or religion invade the government's sphere. We are talking about preventing the sectarian strife that will come when the Methodists think they are getting half a percent too little and the Catholics half a percent too much of Federal funds.

That is why we need this amendment, Mr. Chairman.

Mr. EDWARDS. Mr. Chairman, I yield myself such time as I may consume.

I have gone from being concerned about the language of this bill to being alarmed by some of the statements I have heard from the leadership of this House. First, we heard the gentleman from Indiana (Mr. SOUDER) say the establishment clause of the first amendment really was not in the original Constitution, as if, my colleagues, that is to suggest that the Bill of Rights somehow has less power or force in our constitutional government because it was only part of the Bill of Rights, it was only the first amendment to the Constitution.

Then the gentleman from Texas (Mr. DELAY) came up and said separation of church and State was invented in the 20th century. My colleagues, that would be a great surprise to Mr. Jefferson who mentioned that very phrase in the 18th century. It would be a great surprise to Mr. Madison and the writers of the Bill of Rights who felt deeply about this.

The fact is that this bill is going to allow Federal funds to go to faith-based organizations but it is going to follow not only the Bill of Rights but the Supreme Court decision of 1988, that is this century, not two centuries ago, that said you cannot send Federal dollars to pervasively sectarian organizations.

Mr. Chairman, I yield the balance of my time to the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Chairman, I thank the gentleman for yielding me this time and I especially thank him for his leadership on this issue. He has been a great defender of the Constitution in this House. We take that oath when we become Members of Congress, and he has fulfilled it so admirably. I thank the gentleman from Texas.

I rise in support of his amendment which will maintain the constitutional separation of church and State while protecting religious institutions from the entangling reach of government.

His amendment is necessary because the charitable choice provision of the Fathers Count Act is, I believe, unconstitutional.

Mr. Chairman, my husband, my five children and I have among us over 100 years of Catholic education. Catholic religious organizations are an integral part of our lives. I think it is very important in understanding the importance of the gentleman from Texas' amendment to understand the difference between religious organizations and the nonsectarian aspect of their activities. These groups are called religious affiliates. For example, in our community and across the country, local Catholic charities and Jewish social service groups are nonsectarian groups. We should be able to support them. The gentleman from Texas' amendment allows us to do so. We should support his amendment.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I yield myself the balance of my time.

Let me conclude by saying this is a very simple issue. The gentleman from Texas does not want money going to churches and I do. In many poor neighborhoods in our cities, in many small rural towns, the church is the only institution remaining. I want them to be able to reach out to fathers who need help, to welfare women to provide day care and other services. I do not want them to be able to use public dollars to proselytize or discriminate against participants. In the charitable choice statute is a clear line between church business and public business. I urge rejection of the Edwards amendment.

The CHAIRMAN pro tempore (Mr. PEASE). The question is on the amendment offered by the gentleman from Texas (Mr. EDWARDS).

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

Mr. EDWARDS. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN pro tempore. Pursuant to House Resolution 367, further proceedings on the amendment offered by the gentleman from Texas (Mr. EDWARDS) will be postponed.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN pro tempore. Pursuant to House Resolution 367, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: amendment No. 1 printed in part B offered by the gentlewoman from Hawaii (Mrs. MINK); amendment No. 3 printed in part B offered by the gentlewoman from Hawaii (Mrs. MINK); amendment No. 6 printed in part B offered by the gentleman from Texas (Mr. EDWARDS).

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 1 OFFERED BY MRS. MINK OF HAWAII

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on amendment No. 1 offered by the gentlewoman from Hawaii (Mrs. MINK) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 172, noes 253, not voting 8, as follows:

[Roll No. 583]

AYES—172

Abercrombie
Ackerman
Allen
Andrews
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Brady (PA)
Brown (FL)
Brown (OH)
Campbell
Capps
Capuano
Carson
Clay
Clayton
Clyburn
Conyers
Coyne
Crowley
Cummings
Danner
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Green (TX)
Gutierrez
Hastings (FL)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hooley
Inslee
Jackson (IL)
Jackson-Lee (TX)
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
Lampson
Lantos
Larson
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Martinez
Mascara
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Rothman
Roybal-Allard
Rush
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Serrano
Sherman
Slaughter
Spratt
Stabenow
Stark
Stupak
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Udall (CO)
Udall (NM)
Velazquez
Vento
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Wise
Woolsey
Wu

NOES—253

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Bass
Bateman
Bereuter
Berry
Biggert
Bilbray
Bilirakis
Bishop
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Boyd
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Cardin
Castle
Chabot
Chambliss
Chenoweth-Hage
Clement
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Costello
Cox
Cramer
Crane
Cubin
Cunningham
Davis (FL)
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fletcher
Foley
Forbes
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jefferson
Jenkins
John
Johnson (CT)
Johnson, Sam
Jones (NC)
Kasich
Kelly
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaFalce
LaHood
Largent
Latham
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
McCollum
McCrery
McHugh
McInnis
McIntosh
McIntyre

McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Oxley
Packard
Paul
Pease
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Porter
Portman
Pryce (OH)
Radanovich
Ramstad
Regula
Reynolds
Riley
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Sabo
Salmon
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Shuster
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (WA)
Snyder
Souder
Spence
Stearns
Stenholm
Strickland
Stump
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thune
Tiahrt
Toomey
Traficant
Turner
Upton
Visclosky
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Wynn
Young (AK)
Young (FL)

NOT VOTING—8

Barton
LaTourette
Matsui
Quinn
Rogan
Simpson
Smith (TX)
Thornberry

□ 1533

Messrs. RADANOVICH, DEMINT, BURR of North Carolina, WALSH, NUSSLE, FOSSELLA, SPENCE, GORDON, COSTELLO, BARR of Georgia, McINTYRE, and Mrs. TAUSCHER changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Stated against:

Mr. SIMPSON. Mr. Chairman, on rollcall No. 583 I was unavoidably detained. Had I been present, I would have voted "No."

(Mr. ARMEY asked and was given permission to speak out of order for 1 minute.)

FURTHER LEGISLATIVE PROGRAM

Mr. ARMEY. Mr. Chairman, I have an announcement concerning the schedule for the rest of the day.

Mr. Chairman, the passage vote on the fathers count bill will be the last recorded vote for today. We will continue debate on those suspensions already scheduled for consideration. However, any request for recorded votes on those suspensions will be held over until 12 noon on Friday.

As previously announced, the House will be in pro forma session tomorrow. We do expect legislative business on the floor Friday, with votes after 12 noon.

Mr. HOYER. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I yield to the gentleman from Maryland.

Mr. HOYER. Mr. Chairman, I thank the distinguished majority leader for yielding to me.

Mr. Chairman, might I inquire of the gentleman from Texas (Mr. ARMEY) that in the event that the appropriations bills are not ready to be voted upon on Friday, does the majority intend to have the Members come back on Friday to vote on the suspension bills?

Mr. ARMEY. The gentleman should be advised the leadership sees no contingency that would precipitate such an event. There is nothing that I can see that would cause me to think that that would be necessary.

When and if I saw anything that would result in that kind of consideration, I would give that consideration out of respect for the Members. Should such an unlikely and unpredictable contingency arise, I am sure the Members would be notified in a proper and effective fashion.

(Mr. HOYER asked and was given permission to speak out of order for 1 minute.)

REGARDING THE LEGISLATIVE PROGRAM

Mr. HOYER. Mr. Chairman, I yield to the gentleman from Wisconsin (Mr. OBEY), the ranking member on the Committee on Appropriations.

Mr. OBEY. Mr. Chairman, I thank the gentleman for yielding.

I would just ask the majority leader to respond to two problems. I think Members have a right to know what is happening in some of these conferences.

At this point, two of the vehicles which had been expected to be used to bring bills back to this House are being tied up in the other body by individual Members.

In addition to that, we have not yet reached any significant agreement in the Labor-HHS bill. We still have outstanding issues in both the Interior and Commerce-State-Justice which are viewed as major by both sides.

It is my profound belief that if Members are asked to come back here Friday, it is highly unlikely that there will be something for them to vote on out of these conferences.

I would simply urge the majority leader to take another read on what is happening on these bills, because it does not do any Member any good to come back here and sit twiddling their thumbs while they wait for the conferees to finish.

I would also make one other request. We just met in the D.C. conference. The decision was made to bring all five bills into one bill. My concern is that if we are interested in passing whatever comes out of the conference, if those five bills are put into one, I am afraid that there are a variety of groups on both sides who will be so concerned and so opposed to portions of those bills that we will maximize the opposition to a bill if it is packaged as five bills. I think there is a significant opportunity that the entire thing could go down.

So I think we need to have some private conversations. I am trying to help move this process forward, but I think there is insufficient appreciation of the resistance that we are still likely to meet from groups on both sides of the aisle to various items that are expected to be in these packages.

Mr. ARMEY. Mr. Chairman, will the gentleman yield?

Mr. HOYER. I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Chairman, I appreciate, again, the remarks from the gentleman from Wisconsin.

Mr. Chairman, I might mention that we have listened to the voices in this Chamber, primarily from the other side, express their regret that we have not yet finished our business almost daily now for some few weeks.

We understand their frustration with that, and we are determined to end that frustration and complete this work on Friday. We expect to do that. We intend to do that. We are determined to do that.

The obstructions that the gentleman from Wisconsin (Mr. OBEY) noted may seem formidable, and perhaps they are daunting to some, but they will be overcome. We will be back here Friday at noon. Votes will be taken. I thank the Members for their attention.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN pro tempore. Pursuant to House Resolution 367, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device will be taken on each amendment on which the Chair has postponed further proceedings.

(Mr. ABERCROMBIE asked and was given permission to speak out of order for 1 minute).

POINT OF ORDER

Mr. ABERCROMBIE. Point of order, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. ABERCROMBIE. Mr. Chairman, is every Member of this body entitled to equal treatment on this floor?

The CHAIRMAN. Does the gentleman from Hawaii (Mr. ABERCROMBIE) state a point of order?

Mr. ABERCROMBIE. Mr. Chairman, the Chair will have to give me some guidance. Part of regular order, Mr. Chairman, is to see to it that every Member is allowed to deal with his or her district and still be able to, under the rules of this House, fulfill his or her duties with respect to voting.

The CHAIRMAN. The gentleman has not stated a point of order. Does the gentleman wish to state a point of order?

Mr. ABERCROMBIE. Mr. Chairman, I believe that under what the majority leader just stated, I will be prevented from being able to go home and come back in adequate time to be able to vote.

The CHAIRMAN. The gentleman has not stated a point of order that the Committee of the Whole can resolve.

Mr. ABERCROMBIE. Is it the Chair's ruling that I am out of order wanting to be able to vote on this floor?

The CHAIRMAN. The gentleman has not stated a point of order.

Mr. ABERCROMBIE. This is unseemly, Mr. Chairman. I would not deny any Member in this House the right to vote.

The CHAIRMAN. The gentleman will suspend.

Mr. ABERCROMBIE. I will not be silenced on this.

The SPEAKER pro tempore. The gentleman will suspend.

Does the gentlewoman from Hawaii seek recognition?

Mr. ABERCROMBIE. I will not be silenced on this. There is not a Member here that does not know that I am speaking of something that goes to the vital interest of every single Member here.

The CHAIRMAN. The gentleman from Hawaii (Mr. ABERCROMBIE) will suspend.

AMENDMENT NO. 3 OFFERED BY MRS. MINK OF HAWAII

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on amendment No. 3 offered by the gentlewoman from Hawaii (Mrs. MINK).

Mrs. MINK of Hawaii. Mr. Chairman, I ask unanimous consent that my demand for a recorded vote on amendment No. 3 be withdrawn.

The CHAIRMAN pro tempore. Is there objection to the request of the gentlewoman from Hawaii?

There was no objection.

The CHAIRMAN pro tempore. The amendment fails by voice vote.

AMENDMENT NO. 6 OFFERED BY MR. EDWARDS

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Texas (Mr. EDWARDS) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 184, noes 238, not voting 11, as follows:

[Roll No. 584]

AYES—184

Abercrombie
Ackerman
Allen
Andrews
Baird
Baldacci
Baldwin
Barrett (WI)
Becerra
Bentsen
Bereuter
Berkley
Berman
Blagojevich
Blumenauer
Boehlert
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson
Clay
Clayton
Clyburn
Conyers
Costello
Coyne
Crowley
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Green (TX)
Gutierrez
Hastings (FL)
Hilliard
Hinchey
Hoeffel
Holden
Holt
Hooley
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
Lampson
Lantos
Larson
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Martinez
Mascara
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Moore
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ose
Owens
Pallone
Pascrell
Paul
Payne
Pelosi
Pomeroy
Porter
Price (NC)
Rahall
Rangel
Rivers
Rodriguez
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Schakowsky
Scott
Serrano
Sherman
Sisisky
Slaughter
Smith (WA)
Snyder
Spratt
Stabenow
Stark
Strickland
Stupak
Tanner
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Vento
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Woolsey
Wu
Wynn

NOES—238

Aderholt
Armey
Bachus
Baker
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Bass
Bateman
Berry
Biggert
Bilbray
Bilirakis
Bishop
Bliley
Blunt
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth-Hage
Clement
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Cox
Cramer
Crane
Cubin
Cunningham
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fletcher
Foley
Forbes
Ford
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hinojosa
Hobson
Hoekstra
Horn
Hostettler
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
John
Johnson (CT)
Johnson, Sam
Jones (NC)
Kasich
Kelly
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaFalce
LaHood
Largent
Latham
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Mollohan
Moran (KS)
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ortiz
Oxley
Packard
Pastor
Pease
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Portman
Pryce (OH)
Radanovich
Ramstad
Regula
Reyes
Reynolds
Riley
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Shuster
Simpson
Skeen
Skelton
Smith (MI)
Smith (NJ)
Souder
Spence
Stearns
Stenholm
Stump
Sununu
Sweeney
Talent
Tancredo
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thune
Tiahrt
Toomey
Traficant
Upton
Visclosky
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wise
Wolf
Young (AK)
Young (FL)

NOT VOTING—11

Archer
Barton
Gekas
Houghton
LaTourette
Matsui
Quinn
Rogan
Salmon
Smith (TX)
Thornberry

☐ 1550

Mr. Bonior changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN pro tempore (Mr. PEASE). The question is on the amendment in the nature of a substitute, as amended.

The amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN pro tempore. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. HOBSON) having assumed the chair, Mr. PEASE, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3073) to amend part A of title IV of the Social Security Act to provide for grants for projects designed to promote responsible fatherhood, and for other purposes, pursuant to House Resolution 367, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. SCOTT

Mr. SCOTT. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. SCOTT. Mr. Speaker, I am, in its present form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. SCOTT moves to recommit the bill H.R. 3073 to the Committee on Ways and Means with instructions to report the same to the House forthwith with the following amendment:

Strike section 101(d) and insert the following:

(d) APPLICABILITY OF CHARITABLE CHOICE PROVISIONS OF WELFARE REFORM.—Section 104 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (42 U.S.C. 604a) is amended by adding at the end the following:

"(1) Notwithstanding the preceding provisions of this section, this section (except subsection (f), relating to publicly funded employment discrimination by religious institutions) shall apply to any entity to which funds have been provided under section 403A of the Social Security Act in the same manner in which this section applies to States, and, for purposes of this section (except subsection (f)), any project for which such funds are so provided shall be considered a program described in subsection (a)(2).".

Mr. SCOTT (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The SPEAKER pro tempore. The gentleman from Virginia (Mr. SCOTT) is recognized for 5 minutes.

Mr. SCOTT. Mr. Speaker, first of all, I want to State that if this motion to recommit is passed, we will immediately consider final passage. So adopting the motion to recommit will not defeat the bill.

Mr. Speaker, this is a simple amendment. The bill provides that religious organizations which sponsor fatherhood programs with Federal funds may discriminate in hiring based on religious affiliation. The amendment in the motion to recommit provides that hiring with Federal funds cannot be based on religion.

The motion to recommit provides that civil rights laws will apply to these Federal funds. Mr. Speaker, the idea that religious bigotry may take place with Federal funds is not speculative. The bill, without this amendment, specifically provides that religious sponsors are not covered by title VII of the Civil Rights Act against discrimination based on religion.

Mr. Speaker, during the prior debate on charitable choice, we heard how this would work. Cited on page H4687 of the CONGRESSIONAL RECORD, June 22, 1999, the gentleman from Texas (Mr. EDWARDS) asked the major sponsor of charitable choice if a religious organization using Federal funds could fire or refuse to hire a perfectly qualified employee because of that person's religion. The response from the supporter of charitable choice, which was never disputed during that debate and was frankly validated during today's debate, was and I quote: "A Jewish organization can fire a Protestant if they choose."

Mr. Speaker, there was a time when some Americans, because of their religion, were not considered qualified for certain jobs. In fact, before 1960 it was thought that a Catholic could not be elected President. And before the civil rights laws of 1960s, people of certain religions routinely suffered invidious discrimination when they sought employment. Fortunately, the civil rights laws of the 1960s put an end to that practice, and we no longer see signs suggesting that those of certain religions need not apply for jobs.

Now, when those civil rights laws passed, there was one common sense exception that allowed religious organizations to discriminate based on religion when, for example, a Catholic church hired a priest. They could, of course, require that the job applicant be Catholic. Or a Jewish synagogue hiring a rabbi, they can, of course, require that the applicant be Jewish. But, Mr. Speaker, that exemption applies to the use of the private funds of the religious organizations. It was never expected to be applied to Federal funds used in a discriminatory manner.

□ 1600

Now, the sponsor of the bill may say that we need to honor the religious integrity of the sponsor. That is fine for the church funds, but we should not use Federal funds in a discriminatory manner.

Religious organizations now sponsor Federal programs. Catholic Charities sponsor federally funded services, but one does not have to be Catholic to get a job with those programs, because the civil rights laws apply to those Federal funds. The Lutheran Services of America sponsor federally funded services, but one does not have to be Lutheran to get a job paid for with those Federal funds.

This bill grants a new exemption and would allow religious bigotry to be practiced with the use of Federal funds. That is wrong. The motion to recommit guarantees that those who apply for jobs paid for with Federal dollars will not have to suffer the indignity of invidious discrimination based on their religious beliefs. So I urge my colleagues to support the motion to recommit.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I rise in opposition to the amendment. Under the charitable choice provisions of the welfare reform bill, provisions that have been affirmed by this body in three consecutive Congresses in one form or another, religious institutions do have the right to maintain their religious character; that is, they do not have to hire someone who radically disagrees with them and cannot, therefore, be part of the body of the character of that institution.

However, they have no right to proselytize in programs that are funded with public money, and they have no right to discriminate on the basis of religion amongst applicants.

In other words, within the charitable choice provisions, there is a constitutional firewall drawn. Furthermore, it is one that has worked. There have been cases in which programs have proselytized, and their grants have been withdrawn. So it not only has a firewall, it is an enforceable firewall.

Now, I would just say to my colleagues that the underlying issue here is, do you think that churches should take part. Because this is an important matter of public policy that we are about to vote on, I believe that churches should be part of providing social services in America as long as they do not, through that means, proselytize, because the church-based groups can provide a larger context in which people can grow.

Once the money has been lost from the Federal Government, the program eliminated, or the person no longer fits the criteria, they still have the support system that the church-based community represents in many poor neighborhoods in our cities, in many small, poor rural towns where some of the fathers that need our help live.

In many of our cities, in the poorest neighborhoods, in many of our small towns, the only institution remaining is the small churches, often small black churches, small Hispanic community churches. Yes, they need to be able to reach out to the fathers of children on welfare and help them, and help them in the same way that we help the mothers of children on welfare.

So this is a very good bill. We need the small church institutions to help us reach people, and we need those institutions to support people long after the public money and the public interest is gone.

I urge my colleagues' rejection of the motion to recommit. I urge my colleagues' support for this bill, which, for the first time, is going to recognize that dads do count and that we can help dads be better providers, better fathers, and that, together, we can create for children, for all children, a structure around them that provides better economic and emotional support.

So vote no on the motion to recommit. Support the bill. It is a giant step forward.

The SPEAKER pro tempore (Mr. PEASE). Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. SCOTT. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of passage of the bill.

The vote was taken by electronic device, and there were—ayes 176, noes 246, not voting 11, as follows:

[Roll No. 585]

AYES—176

Abercrombie
Ackerman
Allen
Andrews
Baird
Baldacci
Baldwin
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boucher
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson
Clay
Clayton
Clyburn
Condit
Conyers
Costello
Coyne
Crowley
Cummings
Danner
Davis (IL)
DeFazio
Delahunt
DeLauro
Deutsch
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Green (TX)
Gutierrez
Hastings (FL)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
Lampson
Lantos
Larson
Lee
Levin
Lewis (GA)
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Martinez
Mascara
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Moore
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pastor
Payne
Pelosi
Pickett
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Serrano
Sherman
Sisisky
Slaughter
Snyder
Stabenow
Stark
Strickland
Stupak
Tanner
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Udall (CO)
Udall (NM)
Velazquez
Vento
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Woolsey
Wu
Wynn

NOES—246

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Bass
Bateman
Bereuter
Berry
Biggert
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Boswell
Boyd
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth-Hage
Clement
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Cramer
Cubin
Cunningham
Davis (FL)
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fletcher
Foley
Forbes
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones (NC)
Kasich
Kelly
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaFalce
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
McCollum
McCrery
McHugh
McInnis
McIntosh
McIntyre
McKeon
Menendez
Metcalf
Mica
Miller (FL)
Miller, Gary
Mollohan
Moran (KS)
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Oxley
Packard
Pascrell
Paul
Pease
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Radanovich
Ramstad
Regula
Reynolds
Riley
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Shuster
Simpson
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (WA)
Souder
Spence
Spratt
Stearns
Stenholm
Stump
Sununu
Sweeney
Talent
Tancredo
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thune
Tiahrt
Toomey
Traficant
Turner
Upton
Visclosky
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wise
Wolf
Young (AK)
Young (FL)

NOT VOTING—11

Barton
Crane
DeGette
Hooley
Houghton
Lofgren
Matsui
Quinn
Rogan
Smith (TX)
Thornberry

□ 1622

Messrs. MCINTOSH, SPRATT, MCINNIS and GILMAN changed their vote from "aye" to "no."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. ROGAN. Mr. Speaker, on rollcall Nos. 583, 584 and 588 I was attending parent-teacher conferences for my daughter. Had I been present, I would have voted "no" on all three votes.

The SPEAKER pro tempore (Mr. PEASE). The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mrs. JOHNSON of Connecticut. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 328, nays 93, not voting 12, as follows:

[Roll No. 586]

YEAS—328

Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baldacci
Ballenger
Barcia
Barrett (NE)
Barrett (WI)
Bass
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Burr
Buyer
Calvert
Camp
Canady
Cannon
Capps
Cardin
Carson
Castle
Chambliss
Clayton
Clement
Clyburn
Coble
Combest
Condit
Cook
Costello
Coyne
Cramer
Crane
Crowley
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
Delahunt
DeLauro
DeLay
Diaz-Balart
Dicks
Dingell
Dixon
Dooley
Doyle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fletcher
Foley
Forbes
Ford
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Granger
Green (TX)
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hilliard
Hinojosa
Hobson
Holden
Holt
Horn
Hoyer
Hulshof
Hunter
Hyde

Inslee
Isakson
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kind (WI)
King (NY)
Kleczka
Klink
Knollenberg
Kolbe
Kucinich
Kuykendall
LaFalce
Lampson
Larson
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Martinez
Mascara
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McGovern
McHugh
McInnis
McIntosh
McIntyre
McKeon
McNulty
Meehan
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Minge
Moakley
Mollohan
Moore
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Ortiz
Ose
Oxley
Packard
Pallone
Pastor
Pease
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Radanovich
Rahall
Ramstad
Rangel
Regula
Reyes
Reynolds
Riley
Rodriguez
Roemer
Rogan
Rogers
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Rush
Ryan (WI)
Sabo
Sanchez
Sandlin
Sawyer
Saxton
Shaw
Shays
Sherwood
Shimkus
Shows
Shuster
Simpson
Skeen
Skelton
Smith (NJ)
Smith (WA)
Snyder
Souder
Spratt
Stabenow
Stearns
Stenholm
Strickland
Stupak
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thune
Thurman
Tiahrt
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Vento
Visclosky
Vitter
Walden
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Wu
Wynn
Young (AK)
Young (FL)

NAYS—93

Abercrombie
Ackerman
Baird
Baldwin
Barr
Bartlett
Berman
Burton
Campbell
Capuano
Chabot
Chenoweth-Hage
Clay
Coburn
Collins
Conyers
Cooksey
Cox
DeFazio
DeMint
Deutsch
Dickey
Doggett
Doolittle
Edwards
Filner
Frank (MA)
Gejdenson
Goode
Graham
Hastings (FL)
Hinchey
Hoeffel
Hoekstra
Hostettler
Hutchinson
Johnson, Sam
Jones (NC)
Jones (OH)
Kilpatrick
Kingston
LaHood
Lantos
Largent
Maloney (NY)
Manzullo
Markey
McDermott
McKinney
Meek (FL)
Mink
Moran (KS)
Olver
Owens
Paul
Payne
Pelosi
Peterson (MN)
Pombo
Rivers
Rohrabacher
Royce
Ryun (KS)
Salmon
Sanders
Sanford
Scarborough
Schaffer
Schakowsky
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Sherman
Sisisky
Slaughter
Smith (MI)
Spence
Stark
Stump
Sununu
Tierney
Toomey
Towns
Velazquez
Waters
Watkins
Watt (NC)
Waxman
Weiner
Wexler
Woolsey

NOT VOTING—12

Baker
Barton
Callahan
DeGette
Hooley
Houghton
Lofgren
Matsui
Pascrell
Quinn
Smith (TX)
Thornberry

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Messrs. TOWNS, MARKEY, and MORAN of Kansas changed their vote from "yea" to "nay."

Messrs. WELDON of Florida, TAYLOR of North Carolina, HERGER, and Ms. LEE changed their vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on H.R. 3073.

The SPEAKER pro tempore (Mr. PEASE). Is there objection to the request of the gentleman from Florida?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF MOTIONS TO SUSPEND THE RULES

Mr. DREIER (during debate on H.R. 2442), from the Committee on Rules, submitted a privileged report (Rept. No. 106–465) on the resolution (H. Res. 374) providing for consideration of motions to suspend the rules, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING REQUIREMENT OF CLAUSE 6(a) OF RULE XIII WITH RESPECT TO CONSIDERATION OF CERTAIN RESOLUTIONS

Mr. DREIER (during debate on H.R. 2442), from the Committee on Rules, submitted a privileged report (Rept. No. 106–466) on the resolution (H. Res. 375) waiving a requirement of clause 6(a) of rule XIII with respect to consideration of certain resolutions reported from the Committee on Rules, which was referred to the House Calendar and ordered to be printed.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 78. Joint resolution making further continuing appropriations for the fiscal year 2000, and for other purposes.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Any record votes on postponed questions will be taken on Friday, November 12, 1999.

EXEMPTING CERTAIN REPORTS FROM AUTOMATIC ELIMINATION AND SUNSET PURSUANT TO FEDERAL REPORTS AND ELIMINATION AND SUNSET ACT OF 1995

Mr. GOODLING. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3234) to exempt certain reports from automatic elimination and sunset pursuant to the Federal Reports and Elimination and Sunset Act of 1995, as amended.

The Clerk read as follows:

H.R. 3234

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REPORTS WITHIN THE JURISDICTION OF THE COMMITTEE ON EDUCATION AND THE WORKFORCE.

Section 3003(a)(1) of the Federal Reports Elimination and Sunset Act of 1995 (31 U.S.C. 1113 note) does not apply to any report required to be submitted under the following provisions of law:

(1) Section 425 of the General Education Provisions Act (20 U.S.C. 1226c), relating to the effectiveness of applicable programs.

(2) The following provisions of the Department of Education Organization Act:

(A) Section 414 (20 U.S.C. 3474), relating to the promulgation of rules and regulations.

(B) Section 426 (20 U.S.C. 3486), relating to Departmental activities.

(3) The following provisions of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.):

(A) Section 114 (20 U.S.C. 1011c), relating to the National Advisory Committee on Institutional Evaluation and Integrity.

(B) Section 392(b)(2) (20 U.S.C. 1068a(b)(2)), relating to reports on waivers.

(C) Section 432(b) (20 U.S.C. 1082(b)), relating to budget submissions by the Secretary of Education.

(D) Section 439(k) (20 U.S.C. 1087–2(k)), relating to reports on audits by the Secretary of the Treasury.

(E) Section 482(d) (20 U.S.C. 1089(d)), relating to notices of failures to comply with master calendar deadlines.

(F) Section 485B(d) (20 U.S.C. 1092b(d)), relating to a report on the student loan data system.

(G) Section 702(a)(2)(D) (20 U.S.C. 1134a(a)(2)(D)), relating to reports of the Javits Fellows Program Fellowship Board.

(4) The following provisions of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 951 et seq.):

(A) Section 5(q) (20 U.S.C. 954(q)), relating to the state of the arts in the Nation.

(B) Section 7(k) (20 U.S.C. 956(k)), relating to the state of the humanities in the Nation.

(C) Section 10(d) (20 U.S.C. 959(d)), relating to annual reports summarizing activities.

(D) Section 10(e) (20 U.S.C. 959(e)), relating to annual reports summarizing activities.

(5) The following provisions of the Arts and Artifacts Indemnity Act (20 U.S.C. 971 et seq.):

(A) Section 6(b) (20 U.S.C. 975(b)), relating to certification of the validity of the claims.

(B) Section 8 (20 U.S.C. 977), relating to an annual report on claims and contracts.

(6) Section 5(a)(7) of the National Commission on Libraries and Information Science Act (20 U.S.C. 1504(a)(7)), relating to an annual report on the activities of the National Commission on Libraries and Information Science.

(7) Section 112(b)(3) of the Education of the Deaf Act of 1986 (20 U.S.C. 4332(b)(3)), relating to the annual report on indirect costs from the Board of Trustees.

(8) The following provisions of the United States Institute of Peace Act (22 U.S.C. 4601 et seq.):

(A) Section 1708(h) (22 U.S.C. 4607(h)), relating to an annual report of audit.

(B) Section 1712 (22 U.S.C. 4611), relating to a biennial report on progress.

(9) Section 1121(h)(4) of the Education Amendments of 1978 (25 U.S.C. 2001(h)(4)), relating to review of or proposed closure or consolidation of schools operated by the Bureau of Indian Affairs.

(10) Section 1125(b) of the Education Amendments of 1978 (25 U.S.C. 2005(b)), relating to plans to bring Indian educational facilities into compliance with health and safety standards.

(11) Section 1137(a) of the Education Amendments of 1978 (25 U.S.C. 2017(a)), relating to annual reports on the status of educational programs administered by the Bureau of Indian Affairs and educational problems encountered during the year for which the report is submitted.

(12) Section 5206(g) of the Tribally Controlled Schools Act of 1988 (P.L. 100–297; 102 Stat. 391), relating to applications received and actions taken on grants for tribally controlled schools.

(13) Section 204(b)(2) of the Helen Keller National Center Act (29 U.S.C. 1903(b)(2)), relating to the report on the evaluation of the operation of the Helen Keller National Center.

(14) The following provisions of the Older Americans Act of 1965:

(A) Section 206(d) (42 U.S.C. 3017(d)), relating to reports on results of evaluative research and program evaluation.

(B) Subsections (a) and (b) of section 207 (42 U.S.C. 3018(a), (b)), relating to reports on activities and reports on State long-term care ombudsman programs.

(15) The following provisions of Federal law requiring reports related to the Equal Opportunity Employment Commission:

(A) Section 13 of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 632).

(B) Section 705(e) of the Civil Rights Act of 1964 (42 U.S.C. 2000e-4(e)).

(16) The following provisions of the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.):

(A) Section 13 (29 U.S.C. 710), relating to the annual report on activities carried out under the Act.

(B) Section 106(d) (29 U.S.C. 726(d)), relating to an analysis of program performance based on standards and indicators.

(C) Section 401 (29 U.S.C. 781), relating to the annual report on the status of disability policy.

(D) Section 502(b)(8) and (9) and section 502(h)(1) (29 U.S.C. 792(b)(8) and (9) and (h)(1)), relating to reports by the Access Board on investigations, recommendations, and activities of the Board.

(E) Section 507(c) (29 U.S.C. 794c(c)), relating to the report by the Interagency Disability Coordinating Council.

(17) The following provisions of Federal law requiring reports related to labor:

(A) Section 3(c) of the National Labor Relations Act (29 U.S.C. 153(c)), relating to case activities and operations of the National Labor Relations Board.

(B) Section 8 of the Act of June 13, 1888 (29 U.S.C. 6) relating to reports by the Bureau of Labor Statistics.

(C) Section 4(d) of the Fair Labor Standards Act of 1938 (29 U.S.C. 204(d)) relating to a report of the Secretary of Labor respecting implementation of such Act and the curtailment of employment opportunities.

(D) Section 42 of the Longshore and Harbor Workers' Compensation Act (33 U.S.C. 942) relating to a report of the Secretary of Labor respecting implementation of such Act.

(E) Section 8152 of title 5, United States Code, relating to reports by the Secretary of Labor respecting the implementation of chapter 81 of such title relating to compensation for work injuries.

(F) Section 26 of the Occupational Safety and Health Act of 1970 (29 U.S.C. 675) relating to a report of the Secretary of labor respecting implementation of such Act.

(G) Section 9(b)(1) of the Wagner-Peyser Act (29 U.S.C. 49h(b)(1)) relating to an evaluation by the Comptroller General regarding the United States Employment Service.

(H) Section 511(a) of the Federal Coal Mine Health and Safety Act of 1969 (30 U.S.C. 958(a)) relating to a report by the Secretary of Labor relating to coal mine health and safety.

(I) Section 202(c) of the Labor Management Relations Act of 1947 (29 U.S.C. 172(c)) relating to reports by the Federal Mediation and Conciliation Service.

(J) Section 22(f) of the Occupational Safety and Health Act of 1970 (29 U.S.C. 671(f)) relating to reports by the National Institute of Occupational Safety and Health.

(K) Section 2908 of Public Law 101–647, relating to reports by the Secretary of Labor respecting compliance with certain requirements.

(18) Section 513(b) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1143(b)), relating to an explanation of variances granted for vesting or funding, the status of enforcement cases, any recommendations received from the Advisory Council, and recommendations for further legislation.

(19) Section 4008 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1308), relating to the report of the Pension Benefit Guaranty Corporation of its financial statements and on its activities and providing actuarial evaluations for the next 5 years.

(20) Section 650 of the Head Start Act (42 U.S.C. 9846), relating to the operation of Head Start programs.

(21) The reporting requirements of section 8G(h)(2) of the Inspector General Act (5 U.S.C. App.), relating to results of audits conducted by the Office of Inspector General, and the requirements of section 8G(e) of such Act, relating to communication of reasons for removal or transfer of the Inspector General, for the following agencies:

(A) The Pension Benefit Guaranty Corporation.

(B) The Department of Labor.

(C) The Equal Employment Opportunity Commission.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Pennsylvania (Mr. GOODLING) and the gentleman from Missouri (Mr. CLAY) each will control 20 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3234.

On December 21, 1999, all the reports that we would normally use in oversight will terminate. We believe that we have identified somewhere between 170 and 200 such reports that affect our committee.

We believe for oversight purposes, if we are going to do the job the way we should do it, we should make sure that 48 of those do not terminate. So we would ask that the 48 that we have identified that are necessary to do our oversight work remain on the books. And we are happy to get rid of all of the others, which are in this folder.

Mr. Speaker, I reserve the balance of my time.

Mr. CLAY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased that our staff were able to resolve the concerns that we had about the adequacy of the list of reports and studies contained in the introduced bill.

By taking just a little additional time, we have reached a bipartisan agreement that has been incorporated into the amendment that has been offered today.

Reexamining the usefulness of the reporting requirements that have been imposed on Federal agencies is a prudent exercise for committees to undertake. It can ensure that resources are not being wasted to produce reports that are no longer useful or desirable.

Therefore, Mr. Speaker, the legislation now before us indicates that our committee has met that standard. Accordingly, I urge a yes vote on the bill.

Mr. GOODLING. Mr. Speaker, I yield back the balance of my time.

Mr. CLAY. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania (Mr. GOODLING) that the House suspend the rules and pass the bill, H.R. 3234, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GOODLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3234.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

WARTIME VIOLATION OF ITALIAN-AMERICAN CIVIL LIBERTIES ACT

Mr. HYDE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2442) to provide for the preparation of a Government report detailing injustices suffered by Italian Americans during World War II, and a formal acknowledgment of such injustices by the President.

The Clerk read as follows:

H.R. 2442

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Wartime Violation of Italian American Civil Liberties Act".

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) The freedom of more than 600,000 Italian-born immigrants in the United States and their families was restricted during World War II by Government measures that branded them "enemy aliens" and included carrying identification cards, travel restrictions, and seizure of personal property.

(2) During World War II more than 10,000 Italian Americans living on the West Coast were forced to leave their homes and prohibited from entering coastal zones. More than 50,000 were subjected to curfews.

(3) During World War II thousands of Italian American immigrants were arrested, and hundreds were interned in military camps.

(4) Hundreds of thousands of Italian Americans performed exemplary service and thousands sacrificed their lives in defense of the United States.

(5) At the time, Italians were the largest foreign-born group in the United States, and today are the fifth largest immigrant group in the United States, numbering approximately 15 million.

(6) The impact of the wartime experience was devastating to Italian American communities in the United States, and its effects are still being felt.

(7) A deliberate policy kept these measures from the public during the war. Even 50 years later much information is still classified, the full story remains unknown to the public, and it has never been acknowledged in any official capacity by the United States Government.

SEC. 3. REPORT.

The Inspector General of the Department of Justice shall conduct a comprehensive review of the treatment by the United States Government of Italian Americans during World War II, and not later than one year after the date of enactment of this Act shall submit to the Congress a report that documents the findings of such review. The report shall cover the period between September 1, 1939, and December 31, 1945, and shall include the following:

(1) The names of all Italian Americans who were taken into custody in the initial roundup following the attack on Pearl Harbor, and prior to the United States declaration of war against Italy.

(2) The names of all Italian Americans who were taken into custody.

(3) The names of all Italian Americans who were interned and the location where they were interned.

(4) The names of all Italian Americans who were ordered to move out of designated areas under the United States Army's "Individual Exclusion Program".

(5) The names of all Italian Americans who were arrested for curfew, contraband, or other violations under the authority of Executive Order 9066.

(6) Documentation of Federal Bureau of Investigation raids on the homes of Italian Americans.

(7) A list of ports from which Italian American fishermen were restricted.

(8) The names of Italian American fishermen who were prevented from fishing in prohibited zones and therefore unable to pursue their livelihoods.

(9) The names of Italian Americans whose boats were confiscated.

(10) The names of Italian American railroad workers who were prevented from working in prohibited zones.

(11) A list of all civil liberties infringements suffered by Italian Americans during World War II, as a result of Executive Order 9066, including internment, hearings without benefit of counsel, illegal searches and seizures, travel restrictions, enemy alien registration requirements, employment restrictions, confiscation of property, and forced evacuation from homes.

(12) An explanation of why some Italian Americans were subjected to civil liberties infringements, as a result of Executive Order 9066, while other Italian Americans were not.

(13) A review of the wartime restrictions on Italian Americans to determine how civil liberties can be better protected during national emergencies.

SEC. 4. SENSE OF THE CONGRESS.

It is the sense of the Congress that—

(1) the story of the treatment of Italian Americans during World War II needs to be told in order to acknowledge that these events happened, to remember those whose lives were unjustly disrupted and whose freedoms were violated, to help repair the damage to the Italian American community, and to discourage the occurrence of similar injustices and violations of civil liberties in the future;

(2) Federal agencies, including the Department of Education and the National Endowment for the Humanities, should support projects such as—

(A) conferences, seminars, and lectures to heighten awareness of this unfortunate chapter in our Nation's history;

(B) the refurbishment of and payment of all expenses associated with the traveling exhibit "Una Storia Segreta", exhibited at major cultural and educational institutions throughout the United States; and

(C) documentaries to allow this issue to be presented to the American public to raise its awareness;

(3) an independent, volunteer advisory committee should be established comprised of representatives of Italian American organizations, historians, and other interested individuals to assist in the compilation, research, and dissemination of information concerning the treatment of Italian Americans; and

(4) after completion of the report required by this Act, financial support should be provided for the education of the American public through the production of a documentary film suited for public broadcast.

SEC. 5. FORMAL ACKNOWLEDGEMENT.

The President shall, on behalf of the United States Government, formally acknowledge that these events during World War II represented a fundamental injustice against Italian Americans.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Illinois (Mr. HYDE) and the gentleman from New York (Mr. ENGEL) each will control 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. HYDE).

GENERAL LEAVE

Mr. HYDE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on H.R. 2442.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HYDE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, few people know that during World War II, approximately 600,000 Italian Americans in the United States were deprived of their civil liberties by government measures that branded them enemy aliens.

In fact, on December 7, 1941, hours after the Japanese attack on Pearl Harbor, the FBI took into custody hundreds of Italian American resident aliens previously classified as "dangerous" and shipped them to camps where they were imprisoned until Italy surrendered in 1943.

As so-called enemy aliens, Italian American resident aliens were required to carry a special photo identification booklet at all times and they were forced to turn over to the government such items as shortwave radios, cameras, and flashlights. Those suspected of retaining these items had their homes raided by the FBI.

In California, about 52,000 Italian American resident aliens were subjected to a curfew that confined them to their homes between 8 p.m. and 6 a.m. and a travel restriction that prohibited them from traveling farther than five miles from their homes. These measures made it difficult, if not impossible, for some Italian Americans to travel to their jobs; and thousands were arrested for violations of these and other restrictions.

Then on February 24, 1942, 10,000 Italian American resident aliens living in California were ordered by the Federal Government to evacuate coastal and military zones. Most of those who had to abandon their homes were elderly, some of whom were taken away in wheelchairs and on stretchers.

Later in the fall of 1942, about 25 Italian American citizens were ordered to evacuate these areas.

In Half Moon Bay, San Francisco, Santa Cruz, and Monterey the evacuation orders had an enormous impact on hundreds of Italian American fishermen, such as Giuseppe DiMaggio, father of baseball brothers Joe and Dominick and Vince DiMaggio, as well.

They were prohibited from taking their boats out to sea.

In fact, many boats belonging to Italian American fishermen were impounded by the U.S. Navy for the duration of the war.

On March 12, 1942, Ezio Pinza, a renowned opera singer at the Metropolitan Opera in New York, was arrested and interned at Ellis Island of all places. After two hearings and nearly three months of confinement on charges that were never articulated by the Government, Mr. Pinza was released.

Despite his ordeal, Ezio Pinza was honored to have been chosen to sing the "Star Spangled Banner" at the welcoming home ceremonies for Generals Patton and Doolittle.

This secret history of wartime restrictions on Italian Americans living in the United States has been largely absent from the American history books. It is long past the time that this unknown part of American history and the plight of immigrant people living in the United States who endured oppression during World War II should be revealed. The truth has to be told. I was shocked when I first heard of these abuses against one of the most loyal segments of our country.

H.R. 2442, the "Wartime Violation of Italian American Civil Liberties Act," requires the Department of Justice to conduct a comprehensive review of the Federal Government's treatment of the Italian Americans during World War II and to submit to the Congress a report that documents the findings of that review.

This bill also requires the President to formally acknowledge that these events represented a fundamental injustice against Italian Americans.

In addition, H.R. 2442 encourages Federal agencies, including the Department of Education and the National Endowment for the Humanities, to support, among other things, conferences, seminars, and lectures to heighten awareness of the injustices committed against Italian Americans.

H.R. 2442 thus brings to the forefront the discrimination and the prejudice that was suffered by Italian Americans during World War II. It is my hope that a report submitted by the Justice Department pursuant to H.R. 2442 will unearth long buried events and recast the plight of Italian American immigrants in a way that will help heal those who suffered and make sure that history will never repeat such injustice again.

I want to thank the gentleman from New York (Mr. LAZIO) and the gentleman from New York (Mr. ENGEL) for bringing this to our national attention.

I want to also thank Mr. Anthony LaPiana of my district, who so forcibly brought this to my attention.

I urge Members to vote in favor of H.R. 2442.

Mr. Speaker, I reserve the balance of my time.

Mr. ENGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I first want to thank the gentleman from Illinois (Mr. HYDE), the chairman of the Committee on the Judiciary, and the gentleman from Michigan (Mr. CONYERS) for their efforts in bringing this bill to the floor today.

I have worked on this legislation with my colleague the gentleman from New York (Mr. LAZIO), and I am proud to be here today to express my support for the "Wartime Violation of Italian American Civil Liberties Act."

December 7, 1941, is a day that is very well-known. On that day, the Japanese bombed Pearl Harbor and the U.S. entered World War II.

What has been overlooked since that day is the fact that Italian Americans on that day suddenly became so-called "enemy aliens." Loyal Italian American patriots who had fought alongside U.S. armed forces in World War I, mothers and fathers of U.S. troops fighting in World War II, even women and children, were suspected of being dangerous and subversive solely because they were Italian American.

With this new enemy alien status, Italians were subject to the strict curfew regulations, forced to carry photo IDs, and could not travel farther than a five-mile radius from their homes without prior approval.

Furthermore, many Italian fishermen were forbidden from using their boats in prohibited zones. Since fishing was the only means of income for many families, households were torn apart or completely relocated as alternative sources of income were sought.

It is difficult to believe, Mr. Speaker, that over 10,000 Italians deemed enemy aliens were forcibly evacuated from their homes and over 52,000 were subject to strict curfew regulation.

Ironically, at that time, over half a million Italian Americans were serving in the U.S. armed forces, fighting to protect the liberties of all Americans, while many of their family members had their basic rights and freedoms revoked.

When we first started working on this legislation, we had vague accounts of mostly non-Italians who were subjected to these civil liberties abuses.

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However, throughout this process, we have come in contact with many Italians who experienced the internment ordeal firsthand. As the gentleman from Illinois mentioned, Dominic DiMaggio testified at a Committee on the Judiciary hearing about his dismay when he returned from the war to find that his mother and father were so-called enemy aliens. Doris Pinza, wife of international opera star Ezio Pinza, also testified at the hearing about her husband who was only weeks away from obtaining U.S. citizenship when he was classified as an enemy alien and detained at Ellis Island. It still saddens me to think that Ellis Island, the world renowned symbol of freedom and democracy, the place where my grandparents came to this country, was used as a holding cell for Italians. There is even documented evidence of Italians being interned in camps at Missoula, Montana, and we have photos that we hope to get here soon which will demonstrate that Missoula, Montana as well was a holding camp for Italian Americans.

Mr. Speaker, we must ensure that these terrible events will never be perpetrated again. We must safeguard the individual rights of all Americans from arbitrary persecution or no American will ever be secure. The least our government can do is try to right these terrible wrongs by acknowledging that these events did occur. While we cannot erase the mistakes of the past, we must try to learn from them in order to ensure that we never subject anyone ever again to the same injustices.

The Wartime Violation of Italian American Civil Liberties Act calls on the Department of Justice to publish a report detailing the unjust policies of the government during this time period. Essential to the report will be a study examining ways to safeguard individual rights during national emergencies.

Mr. Speaker, we owe it to the Italian American community, especially to those and the families who endured these abuses, to recognize the injustices of the past. Documentation and education about the suffering of all groups of Americans who face persecution is important in order to ensure that no group's civil liberties is ever violated again. I look forward to casting my vote for this important legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. HYDE. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. FOSSELLA).

Mr. FOSSELLA. Mr. Speaker, I thank the gentleman from Illinois for yielding me this time. I would also like to compliment the sponsors, the lead sponsor in particular the gentleman from New York (Mr. LAZIO) on this bill, because I think it is going to shed some light on a silent chapter in American history.

First, let me say, I think we live in a wonderful country. We are so blessed to live in a land of freedom and opportunity and indeed that is why so many of our ancestors came to these shores. As my grandparents came from Italy, they came for nothing but to seek a better way of life. Some of their children served this country in World War II.

This resolution does not ask for any memorials or any payments. I think what it seeks to do is just to shed a little light on what was an injustice during a time when so many Italian Americans were serving this great country. If we can just allow those generations yet to come to appreciate the contributions made by millions of Italian Americans like so many other Americans who gave their life for this country so that we could be free, I think we would be making a wonderful statement, that when this country perhaps engages in an injustice, it is willing to right it. We are not coming down here screaming that this has got to be erased from the history books. No, indeed what we are doing is, as I said, letting the generations yet to come know what this is all about.

The Italian Americans who served this country in war and otherwise in business in our local communities really love and appreciate this country. What this will do, Mr. Speaker, is to allow those families that were dishonored by some of these actions by the United States Government to erase that dishonor from their family books, because if there is anything Italian Americans appreciate and love, it is their pride and honor. They love this country. They love what it represents. If we can do that and call into question some of the activities that occurred about 50 years ago by this government, I think it would be a good thing.

Mr. ENGEL. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. WATT).

Mr. WATT of North Carolina. Mr. Speaker, I rise in strong support of this bill. The bill was considered in the Subcommittee on the Constitution, we worked on it, and I raised one concern during the deliberations in the subcommittee that I want to raise again on the floor, not to diminish the importance of the bill but to express concern about how we are doing this.

There are a number of things that we could direct the President to apologize for that have happened in the history of our country. This will be the first time that we will have gone on record as directing the President of the United States to make a formal apology for some historical event. Now, apologies have been made and this is one where it would be justified. There is no question about it. But I am concerned about the precedent that we establish by the last provision in the bill which directs the President, it says the President shall on behalf of the United States Government formally acknowledge that these events during World War II represented a fundamental injustice against Italian Americans. I think that is a wrong precedent to establish. It is not something that would impel me to vote against this bill or to lobby against it because it is a wonderful bill, but I do encourage my colleagues as we go forward in the process to correct that language, because otherwise the President of the United States is going to be out there every week apologizing for something or acknowledging some injustice. I am not sure that we want to start that precedent in our country, regardless of how terrible the incidents are that we are acknowledging.

Mr. HYDE. Mr. Speaker, I yield myself such time as I may consume, simply to comment on the gentleman from North Carolina's statement. It may be a distinction without a difference, but the word "apology" is not used. It is an acknowledgment that these events represented a fundamental injustice against Italian Americans. And so that is somewhat different.

There is a precedent of sorts for this, 22 U.S. Code Annotated, section 1394, Recognition of Philippine Independence. The President of the United States, if I may read, shall by proclamation and on behalf of the United States, shall recognize the independence of the Philippine Islands as a separate and self-governing nation and acknowledge the authority and control over the same of the government instituted by the people thereof under the constitution then in force.

So this statute, which is law and which Harry Truman, I might add, followed through with an appropriate proclamation, required an acknowledgment, a recognition of the independence of the Philippine Islands. I would cite that to my friend.

Mr. WATT of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from North Carolina.

Mr. WATT of North Carolina. Mr. Speaker, I do not want to diminish the value of this bill by getting sidetracked onto this side issue. But even that language would be better than the language that we have in this bill. The only point I want to make is that I hope the sponsors of this bill and the draftspeople, as the bill goes forward in the process with the Senate, take a close look at what we are doing here and consider altering the way we are doing it. But again, I do not want anything to diminish the value of this bill. It is a very important bill. We ought to acknowledge it. The President has suggested that we do it simply by saying the United States Government formally acknowledges, et cetera.

But again we cannot do it on the suspension calendar, anyway. I just wanted to make sure that some deliberation about how we do this gets put out.

Mr. HYDE. I think the gentleman's point is certainly worth making.

Mr. Speaker, I am pleased to yield 1 minute to the gentlewoman from New Jersey (Mrs. ROUKEMA).

Mrs. ROUKEMA. I thank the gentleman for yielding me this time.

Mr. Speaker, I do want to say that it is incomprehensible to me that this abuse and discrimination could have occurred and that it was not rectified for all these years. And so I want to thank the gentleman and certainly the gentleman from New York (Mr. LAZIO) and the gentleman from New York (Mr. ENGEL) for bringing it to the attention of this House. It is long overdue. And as has been stated very adequately and more than adequately by the gentleman from Illinois, exactly what it does to put this, our house in order here.

The proper context of this, as I see it as an Italian American, is that these restrictions and discrimination were imposed on Italian Americans at the time when they were contributing so richly to our society. In fact, it was at a time when 1.2 million Americans were estimated to be of Italian descent serving in the United States military defending our country.

I guess I want to say, Mr. Speaker, that most of the 600,000 Italians had been living in the United States since the turn of the century, long before any possible hostilities between their homeland and their new land. In that regard, Mr. Speaker, I do want to acknowledge the Scafatis and the D'Alessios from which I am descended.

I thank my colleagues so much for this opportunity and this rectification of this discrimination.

Mr. Speaker, I rise in strong support of H.R. 2442 and urge its immediate passage. In fact, House consideration of this legislation is long overdue. In fact, it is in comprehensible that this abuse and discrimination could have occurred or that it was not rectified for all these years!

This is straightforward legislation designed to address injustices that occurred during a complicated time. This bill simply requires the President of the United States to formally acknowledge that Italians and Italian-Americans faced serious violations of their civil rights during World War II. The bill further directs the Justice Department to compile and catalogue these violations.

It has been my experience that few Americans are aware that more than half a million Italians living in the United States during World War II suffered serious violations of their civil rights.

Shortly after the United States declared war on Italy in 1941, the federal government classified more than 600,000 Italians living in the United States as "internal enemies." From February through October 1942, the United States imposed restrictions on these 600,000 Italians. They were required to register at the nearest post office, carry identification cards, and report all job changes. They could not travel more than five miles from their own homes. In some states, they had to adhere to dusk to dawn curfews. They were forbidden to own guns. Cameras and short-wave radios were also "out-of-bounds".

To put this in the proper context, these restrictions and discriminations were imposed on Italian Americans at a time when they were contributing richly to American society. In the least, an estimated 1.2 million Americans of

Italian descent were serving in the U.S. military, constituting one of the largest segments of the U.S. combat forces in the war effort.

Mr. Speaker, most of these 600,000 Italians had been living in the United States since the turn of the century—long before any possible hostilities between their homeland—Mother Italy—and their new land—the United States of America. My family—the Scafatis and the D'Alessios—came to this country in the early 1900s. And while I have never heard any family stories that they were subjected to this kind of overt discrimination, the point is, they could have been.

And if it could have happened to them in 1942, we have to ask: what is to prevent the wholesale violation of another ethnic group's civil rights in the Year 2002?

Make no mistake about it. The United States has always been "The Shining City on a Hill." America is, indeed, the "Great Melting Pot" where peoples of all races and national origins come to live and work in relative harmony.

With that said, we can be justifiably proud of our national ability to shine a spotlight on our darkest moments. There is no doubt that the treatment of Italians in America during World War II was a dark chapter in American history.

That is precisely why this legislation is so important. By debating H.R. 2442, we are shining a light on this dark chapter, so that current generations will not repeal the mistakes of the past. So that our children and their children will understand more clearly than ever that our precious civil rights exist for everyone and for all times.

Support H.R. 2442.

Mr. ENGEL. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, I would like to thank the gentleman from Illinois (Mr. HYDE) and the gentleman from Michigan (Mr. CONYERS) for bringing this bill to the floor. As a cosponsor of the Wartime Violation of Italian American Civil Liberties Act, I rise in strong support of the bill.

This bill rights a terrible wrong against our parents, our grandparents and the upstanding elders of our communities. A century ago, Italian Americans left behind their homes to make their way in the new world. It is places like Wooster Square in New Haven, Connecticut, where I grew up that they came with little else but a determination to work hard and make a new life. They raised their families, and built strong, tightly knit communities. The values that Italian Americans shared are the same values that have made this Nation great; hard work, family, community, faith.

My own father, an Italian immigrant, served in the United States Army. And yet in our history, 600,000 Italian Americans were treated as enemies in their own land. Ten thousand were forced from their homes, and hundreds lost their jobs or were shipped to internment camps, all because they were Italian.

I thank the gentleman from New York (Mr. ENGEL) and the gentleman from New York (Mr. LAZIO) for keeping up the pressure on the Federal Government to acknowledge the nightmare that Italian Americans lived through, loyal U.S. citizens, leaders of their communities, during World War II.

I know I speak for both my family and myself when I say it is an honor to stand here today to call on our government to recognize this terrible injustice. This wrong must not be hidden in the shadows any longer. I am very proud to stand here and to support this bill. Again, I thank my colleagues.

Mr. HYDE. Mr. Speaker, I am very pleased to yield 3 minutes to the gentlewoman from Maryland (Mrs. MORELLA).

Mrs. MORELLA. I thank the gentleman for yielding me this time.

Mr. Speaker, as an original cosponsor, I am pleased to rise in support of the Wartime Violation of Italian American Civil Liberties Act. I want to commend the gentleman from New York (Mr. LAZIO) and the gentleman from New York (Mr. ENGEL) for being such leaders in making sure that this piece of legislation was well crafted and came before the House.

I thank the gentleman from Illinois (Mr. HYDE) very much for helping this bill come before us for a vote. It is so important. H.R. 2442 is going to officially acknowledge the denial of human rights and freedoms of Italian Americans during World War II by the United States Government.

While many Americans know the sad history of our Nation's treatment of Japanese Americans following Pearl Harbor and our entry into World War II, remarkably, few Americans know that shortly after that attack, the attention and concern of the U.S. Government was similarly focused on Italian Americans. More than 600,000 Italian Americans were determined to be enemy aliens by their own government.

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More than 10,000 were forcibly evicted from their homes; 52,000 were subject to strict curfew regulations, and hundreds were shipped to internment camps. Constitutional guarantees of due process were absolutely unrecognized.

Although they had family members whose basic rights had been revoked, more than a half million Italian Americans served this Nation with honor and valor to defeat fascism during World War II. My three brothers served very valiantly in World War II and one, in fact, received a Purple Heart. Thousands made the ultimate sacrifice.

The Wartime Violation of Italian Americans Civil Liberties Act directs the Department of Justice to prepare a comprehensive report detailing the unjust policies against Italian Americans during this period of American history. It is vital to the foundations of our democratic governance that the people be fully informed of these devastating actions. This legislation recognizes the thousands of innocent victims and honors those who suffered. In a country that so cherishes its equality, we must acknowledge the travesties of the past so we are not condemned to repeat them.

As the daughter of immigrant parents from Italy, I am very glad that this House of Representatives and my colleagues have brought forward this resolution, and I seek its swift passage.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The gentleman from New York (Mr. ENGEL) has 11½ minutes remaining; the gentleman from Illinois (Mr. HYDE) has 6½ minutes remaining.

Mr. ENGEL. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. PALLONE).

Mr. PALLONE. Mr. Speaker, I want to thank my colleague from New York (Mr. ENGEL) for bringing this legislation and this whole issue really to my attention. I think it was several months ago, maybe even a year ago, when the gentleman from New York (Mr. ENGEL) mentioned to me that he was involved with the gentleman from New York (Mr. LAZIO) in introducing this bill. I want to say that I was frankly shocked by some of the information that has come forward in terms of Italian Americans being taken into custody, being interned, being ordered to move to designated areas.

I say that because as an Italian American and representing a district that has a very large number of Italian Americans, most of my knowledge about the history of World War II and the Italian American participation was of so many soldiers of Italian American dissent going abroad, fighting in the war, including my father and a lot of my relatives, and I only had the memory, the positive memory, if you will, of their contribution to the war effort. To be told that there were many Italian Americans that suffered these various terrible things that happened to them was very disconcerting.

So, Mr. Speaker, when I saw this bill and I saw the effort to have a thorough investigation which this bill would require, I think it is about time; I think it is time that this take place. I think it is very important to Italian Americans that this information come forward. We have an obligation to our community and certainly the country has an obligation to all of those who served during the war to make sure that this information is brought forward so that we can get to the bottom of it.

I just want to commend the two gentlemen from New York for their efforts on this behalf and I urge support for the bill.

Mr. ENGEL. Mr. Speaker, I yield myself such time as I may consume. I want to go into the well and show my colleagues two photos that were taken during that terrible period.

These photos were taken at Missoula, Montana at the internment camp holding the various Italian Americans primarily from the West Coast, and one of the things that people are saying, as our colleagues have said when they first heard about it and as the chairman said, everyone was in shock because nobody could really believe that this had actually happened. We had heard about the terrible internment of Japanese Americans during the war, but no one knew anything about Italian Americans. My colleagues can see over here, this was from Missoula, Montana, and this is a picture of the internment camp. We can see a band of Italian Americans just waiting to go into the camp.

The next photo actually is a little bit closer and it shows again the fence, how the people were fenced in; we can see the American flag flying, and again, we have Italian Americans arriving at the Missoula, Montana internment camp in 1941. Again, this happened shortly after, a matter of days literally, after the bombing of Pearl Harbor.

So I am very proud of our colleagues on both sides of the aisle who have really helped move this legislation; the chairman, who moved mountains to get this done, and it has been a pleasure working with my good friend and colleague from New York (Mr. LAZIO).

When we wrote this legislation, Mr. Speaker, we wanted the American public to know, and we want the Justice Department to continue to open up its records, because if there are things that we still do not know, we want to know all that happened during this period. This is obviously the greatest country in the world and even great countries make some mistakes, and we raise this not to go back in the past, but we raise this so that mistakes like this will never be made again against any American or against any kind of people.

I want to acknowledge the role that NIAF, the National Italian American Foundation, has played in helping with this bill, and I want to especially acknowledge the role that my administrative assistant, John Calvelli, played in helping to draft this legislation. I think most of the wording of this bill he wrote, and I am very grateful for everything that he has done for this legislation. I look forward to swift and speedy passage.

Mr. Speaker, I yield back the balance of my time.

Mr. HYDE. Mr. Speaker, I am pleased to yield the balance of our time to the gentleman from New York (Mr. LAZIO), the chief sponsor of this excellent legislation.

Mr. LAZIO. Mr. Speaker, let me begin by saying, that there are a lot of folks who thought this day would never come; that this House would never consider a resolution that spoke to an era in American history that some believed was long forgotten. But they did not count on the gentleman from Illinois (Mr. HYDE), and I want to thank my friend, the chairman of the Committee on the Judiciary, for once again reflecting his sense of decency and justice in helping to move this bill to the floor. I also wanted to thank the subcommittee chairman, the gentleman from Florida (Mr. CANADY) and of course the leading cosponsor of the bill, the gentleman from New York (Mr. ENGEL) for his remarkable efforts in trying to move this bill forward.

This legislation embodies values that we hold dear in our Nation—the values of truth, of liberty, and of freedom. These are the very same values that our country fought to protect in nations far overseas during the Second World War.

Mr. Speaker, I happen to be a member of the Anthony Cassamento Lodge of the Sons of Italy back on Long Island. Now, the name Anthony Cassamento may not ring a bell to most people, but it means a great deal to me. Anthony Cassamento is a true American hero who lived in my district until his death. He was a man who earned the Congressional Medal of Honor for his conduct at the Battle of Guadalcanal. During the battle, every member of Corporal Cassamento's machine-gun section was killed or wounded in a fire fight. Cut off from all help and badly injured, he manned his section's weapon singlehandedly, beating back repeated assaults on his position and destroying an enemy machine gun nest. In the process, he provided crucial covering fire for a flanking assault by the rest of his unit, and saved dozens of American lives.

Mr. Speaker, while Anthony Cassamento was manning that machine gun nest and saving American lives for the cause of freedom, hundreds of his fellow Italian Americans were being shipped and held in internment camps for no other reason than their ethnicity, because they happened to be born as Italian Americans. While Anthony Cassamento was providing covering fire for his fellow Marines, his friends and acquaintances back home were considered enemy aliens by the U.S. Government.

It is a little known fact that in the first days after Pearl Harbor, hundreds of Italian Americans were arrested as security risks and shipped off to distant internment centers without benefit of counsel or of trial. They were held against their will until Italy surrendered two years later. Two years later, Mr. Speaker. Consider that. Without trial, without due process.

Another 10,000 Italian Americans across the Nation were forcibly evacuated from their homes in the early months of 1942. Also, as the chairman of the committee has explained, an estimated 600,000 Italian nationals, most of whom had lived in the United States for decades, were eventually deemed "enemy aliens" and subject to strict travel restrictions, curfews and seizures of their personal property. This all happened while half a million Italian Americans like Anthony Cassamento and my own dad, Anthony Lazio, were serving, fighting, and some, yes, even dying in the U.S. armed forces during World War II.

Now, the gentleman from Illinois (Mr. HYDE) had referenced a recent hearing where we listened to former all-star Red Sox center fielder Dom DiMaggio, brother of the famed Yankee Clipper Joe DiMaggio, as he described the shame that his father felt after being classified as an enemy alien. He explained the hurt his father felt after being prohibited from visiting the wharf where he had worked for decades.

We listened to Doris Pinza, widow of the international opera star, Ezio Pinza, as she related a terrible ordeal her husband endured, which included three months of detention at Ellis Island. It is a testament to Mr. Pinza's unwavering patriotism, his love of this country, that after all that, he sang the Star-Spangled Banner at the welcoming home ceremonies for Generals Patton and Doolittle after the war.

We listened to Rose Scudero tell the story about how as a young woman, she and her mother were forcibly relocated to another town in California while her dad, a U.S. citizen, stayed behind to work in a shipyard vital to the war effort.

These were truly moving stories, Mr. Speaker, stories of loyal, patriotic Americans who were treated like criminals by the country that they loved.

To this day, few Americans have any idea these events took place. Most believe that President Roosevelt's infamous Executive Order 9066 applied only to Japanese and Japanese Americans, but there is another sad chapter to this story, "Una Storia Segreta," a secret story. The bill we are considering today represents a modest attempt to start setting the record straight.

Mr. Speaker, I am pleased to say that this bill has attracted 86 cosponsors from both sides of the aisle. The diversity of this list reflects both the national scope of the injustices that took place and the widespread desire felt across ethnic and geographic lines that justice be done.

As we have heard also, Mr. Speaker, the noted poet and philosopher George Santayana observed that "Those who cannot remember the past are condemned to repeat it." But the truth must be established before it can be remembered. That is why this bill has been introduced. We owe it to the Italian American community and indeed to the American public to find out exactly what happened and to publicize it. A complete understanding of what took place during this sad chapter of American history is the best guarantee that it will never happen again.

With that, I once again want to thank the gentleman from Illinois (Mr. HYDE), the chairman of the Committee on the Judiciary, for his leadership in bringing this measure to the floor today.

Mr. ROTHMAN. Mr. Speaker, I rise today as a proud cosponsor of "The Wartime Violations of Italian-American Civil Liberties Act."

I want to begin by thanking the distinguished chairman and ranking member of the House Judiciary Committee for helping bring this worthwhile resolution before the full House today.

Too few Americans know that during world war II Italian Immigrants in America were classified as "dangerous aliens" during World War II.

And too few Americans know that many of these Italian immigrants were shipped to internment camps.

In fact, during World War II, over 10,000 Italian immigrants to our country were removed from their homes and over 52,000 others had to endure strict curfew regulations.

I stand here today in support of this resolution because it is the moral responsibility of the United States Government to acknowledge this mistreatment of Italian-Americans during World War II.

Understand, while over 500,000 Italian-Americans were fighting to defend our nation in World War II, many of their families in the United States were being forced to carry photo ID cards and were unable to move freely throughout the country.

This resolution rightly calls on the President to acknowledge the suffering caused by the Federal Government's policies towards law abiding Italian-Americans during World War II.

It directs the U.S. Justice Department to publish a comprehensive report detailing the U.S. Government's unjust policies towards Italian-Americans during World War II.

More importantly, this Justice Department report will include an examination of how the civil liberties of all Americans can be protected in times of national emergencies in the future.

Mr. Speaker, my fellow House members, the time has come for us to recognize the enormous suffering endured by Italian-Americans during World War II.

I urge my colleagues to support this worthwhile resolution.

Mr. VENTO. Mr. Speaker, as the grandson of Italian immigrants, I rise in strong support of this legislation which brings light to a dark period in our nation's history.

During World War II, the United States government placed several restrictions on many Italian-born immigrants. By 1942, unbelievably over 600,000 Italian Americans were classified as enemy aliens, forcing over 10,000 in internment military camps without due process, imposing travel restrictions beyond a five mile radius of their homes, forcing them to carry a photo ID and seizing property. Ironically, more than 500,000 Italian Americans were courageously serving in the United States Armed Forces fighting to preserve democracy and civil liberties of all Americans abroad, while back home some of their families were denied the basic freedoms they were fighting to protect!

Clearly, this tragic chapter in American history must not be forgotten. This important measure seeks to raise the plight of all Italian Americans who experienced harassment, harsh detainment and unjust treatment during World War II. Specifically, H.R. 2442 urges the President to publicly recognize and acknowledge our governments systematic denial of basic human rights and freedoms of Italian Americans during the War and requires the Justice Department to review the treatment of Italian Americans, and issue a comprehensive report detailing the unjust polices during this period, including a study to list all of the civil liberties infringements suffered.

After all, an Italian American discovered America. Italian immigrants helped to build this country and have contributed immeasurably to the rich fabric of our history, society and culture and around the world. The actions and policies of our government during World War II was a black mark that almost destroyed a part of the very foundation upon which America was established and built and has been maintained.

I urge all my colleagues to support this long overdue legislation.

Mr. LARSON. Mr. Speaker, today I rise in support of a bill that I am co-sponsoring, which aims to increase public awareness about a violation committed by our government nearly 60 years ago against hundreds of thousands of Italian Americans. Under this bill, the President, on behalf of the United States Government, would formally acknowledge that the civil liberties of Italian Americans were violated during World War II.

Given the tremendous contributions that Italian Americans have made to this country, it is hard to believe that our government once felt it had to protect itself from those considered to be "dangerous aliens," as they were termed in 1941.

To fully understand the need for this legislation, we must recall the events that took place beginning in 1941. On December 7, 1941, hours after the Japanese attacked Pearl Harbor, FBI agents took into custody hundreds of Italian Americans previously classified as "dangerous aliens." Without counsel or trial, approximately 250 of them were shipped to internment camps in Montana and on Ellis Island, where they were imprisoned until Italy surrendered in 1943. Their crime: suspicion that these men, some of whom are anti-fascist, might be dangerous in time of war. How truly sad that a person's ethnic background was once reason enough to remove them from society.

In January 1942, all aliens of Italian descent (approximately 600,000 individuals) were deemed "enemy" aliens, and were required to re-register at post offices nationwide. This is quite noteworthy since resident aliens had already registered in 1940 under the Smith Act. All were required to carry photo-bearing ID booklets at all times, forbidden to travel beyond a five mile radius of home, and required to turn in "countraband"—shortwave radios, cameras, flashlights, etc. On October 12, 1942, Attorney General Francis Biddle finally announces that Italian Americans are removed from "enemy alien" status.

Yet, their release from this status didn't allow them much time to enjoy life as fully-recognized members of American society. Records reveal that Italian Americans, the largest foreign-born group in the nation, comprised the largest ethnic group in the United States Armed Forces during World War II.

And their contributions to the United States did not stop there.

Italian Americans have made their mark in so many areas of our lives, from business, to education, to government. For example, the largest bank in the country, Bank of America was established by Amadeo Pietro Giannini, and Tropicana was founded by Anthony Rossi; the founder of Fairleigh Dickinson University was Peter Sammartino and Mother Francis Cabrini founded 14 colleges, 98 schools, and 28 orphanages; and Charles Joseph Bonaparte founded the Federal Bureau of Investigation.

Mr. Speaker, I support this bill on behalf of all Italian Americans, so that future generations will have a better understanding of our nation's history. As I have demonstrated, Italian Americans have contributed so much to this country, and I believe we owe them, and their families who had to endure American societal pressures in the 1940s, this respect.

It is through the educational efforts that this bill seeks to initiate, such as encouraging relevant federal agencies to support projects that heighten public awareness of this unfortunate chapter in our nation's history; such as having the President and Congress provide direct financial support for a film documentary; and such as the formation of an advisory committee to assist in the compilation of relevant information regarding this matter and related public policy matters, that we will ensure that this tragedy is never repeated.

On behalf of the 630,000 Italian Americans in Connecticut, and the 114,574 who live in our state's capital, Hartford, which is in my district and ranks 21st on the National Italian American Foundation's list of top 50 cities with the most Italian Americans, I urge support of this bill. We cannot change the past, but recognizing this serious violation will send an important message to the generations who have been affected by this terrible period of time in our nation's history. It will tell them: "You are not forgotten."

Ms. PELOSI. Mr. Speaker, I rise today in support of the "Wartime Violation of Italian American Civil Liberties Act," H.R. 2442. This legislation addresses and attempts to redress America's mistaken discriminatory policies during World War II that harmed Italian Americans. This bill would require the Government to prepare a report detailing the injustices suffered by Italian Americans during World War II, and have the President formally acknowledge such injustices.

Throughout America, more than ten thousand Italian Americans were forcibly evacuated from their houses and taken away from military installations and coastal areas. In addition, approximately 600,000 Italian nationals, many whom had spent years in America, were mislabeled "enemy aliens" and forced to endure strict travel restrictions, curfews, and seizures of personal property. Some of these

Italian Americans were excluded from California and the district I represent, San Francisco.

As with many Japanese Americans, the U.S. government deprived these Italian Americans of their civil liberties. The government prevented them from traveling far from their homes and confiscated their shortwave radios, cameras, and firearms. Historians estimate that in California, 52,000 Italian Americans were subjected to a curfew. In Boston harbor and other ports, Italian American fishermen were denied their livelihood. Despite this mistreatment, more than 500,000 Italian Americans were allowed to serve and fight in the U.S. armed forces.

To straighten the official historical record, The Wartime Violation of Italian American Civil Liberties Act would have the Department of Justice prepare and publish a comprehensive report detailing the government's unjust policies and practices during this time period. Looking ahead, this bill would require the Department to analyze how it will protect U.S. civil liberties during future national emergencies. The bill also requires the President to formally acknowledge America's failure to protect the civil liberties of Italian Americans, who were then America's largest foreign-born ethnic group.

We can never undo the injustices that were done to Italian Americans, including thousands of long term residents. We can never adequately compensate those individuals or the Italian American community. We can take steps to remember and publicize this shameful chapter of American history. We can work to ensure that every American has equal protections and equal opportunities. Too frequently in our history, our society and individuals have sought to mislabel those different from us and override the rights of these "others." This bill reminds us of our obligation to prevent the government and individuals from mislabeling and then discriminating against the "other."

Mr. HYDE. Mr. Speaker, I yield back the balance of our time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. HYDE) that the House suspend the rules and pass the bill, H.R. 2442.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

STALKING PREVENTION AND VICTIM PROTECTION ACT OF 1999

Mr. BACHUS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1869) to amend title 18, United States Code, to expand the prohibition on stalking, and for other purposes, as amended.

The Clerk read as follows:

H.R. 1869

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Stalking Prevention and Victim Protection Act of 1999”.

SEC. 2. EXPANSION OF THE PROHIBITION ON STALKING.

(a) IN GENERAL.—Section 2261A of title 18, United States Code, is amended to read as follows:

“§ 2261A. Stalking

“(a) Whoever—

“(1) for the purpose of stalking an individual, travels or causes another to travel in interstate or foreign commerce, uses or causes another to use the mail or any facility in interstate or foreign commerce, or enters or leaves, or causes another to enter or leave, Indian country; or

“(2) within the special maritime and territorial jurisdiction of the United States or within Indian country, stalks an individual; shall be punished as provided in section 2261.

“(b) For purposes of this section, a person stalks an individual if that person engages in conduct—

“(1) with the intent to injure or harass the individual; and

“(2) that places the individual in reasonable fear of the death of, or serious bodily injury (as defined for the purposes of section 2119) to, that individual, a member of that individual's immediate family (as defined in section 115), or that individual's intimate partner.

“(c) The court shall at the time of sentencing for an offense under this section issue an appropriate protection order designed to protect the victim from further stalking by the convicted person. Such an order shall remain in effect for such time as the court deems necessary, and may be modified, extended or terminated at any time after notice to the victim and opportunity for a hearing.”.

(b) DETENTION PENDING TRIAL.—Section 3156(a)(4)(C) of title 18, United States Code, is amended by inserting “, or section 2261A” after “117”.

(c) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 110A of title 18, United States Code, is amended by striking the item relating to section 2261A and inserting the following:

“2261A. Stalking.”.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Alabama (Mr. BACHUS) and the gentleman from Virginia (Mr. SCOTT) each will control 20 minutes.

The Chair recognizes the gentleman from Alabama (Mr. BACHUS).

GENERAL LEAVE

Mr. BACHUS. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks on the bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BACHUS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am managing this bill on behalf of the gentleman from Florida (Mr. MCCOLLUM), my friend and colleague, and at this time I would like to recognize his leadership on this bill and also the leadership of the chairman of the full Committee on the Judiciary, the gentleman from Illinois (Mr. HYDE).

□ 1715

Mr. BACHUS. Mr. Speaker, I do rise at this time in support of H.R. 1869, the Stalking Prevention and Victim Protection Act of 1999.

The bill was introduced by the gentlewoman from New York (Mrs. KELLY), and this bill has been the result of 4 years of hard labor on behalf of the gentlewoman from New York. She recognized that presently we have over 1 million women in this country that are being stalked, we have about 400,000 men, and we have hundreds of thousands of children that are now being stalked because of the Internet.

The full Committee on the Judiciary favorably reported the bill as amended by voice vote. The goals of the bill are to expand the reach of the Federal stalking statute to prosecute cyberstalkers who are currently beyond the reach of Federal law enforcement but are deserving of Federal prosecution, and to better protect stalking victims by authorizing pretrial detention for alleged stalkers, and mandating the issuing of a civil protection order against convicted stalkers.

These goals are worthwhile, and these goals will give Federal prosecutors the tools they need to prosecute stalkers who might otherwise not be prosecuted at the State and local level.

That said, let me emphasize that the vast majority of stalking cases are, and even after this legislation passes, will be prosecuted at the State and local level. This legislation does not in any way seek to federalize stalking crimes. What it does do is that it will help Federal prosecutors respond to predatory stalking behavior that under current law is beyond the reach of State and local officials because of cyberstalking.

The bill would make several significant changes or additions to current law. I would like to go over those at this time.

First, it would reach stalkers who use the mail or any facility in interstate or foreign commerce to stalk their victims. A lot of times, that is the Internet. Under current law, Federal jurisdiction over stalking crimes is triggered only when a stalker actually crosses State lines physically with the intent to injure or harass a person, and his conduct places that person in reasonable fear of death or bodily injury.

So Members can see from that definition, it would not include someone stalking by use of the mail or the Internet, because they would not physically cross a State line.

This bill actually just brings us into the electronic age, and is long overdue. The physical travel requirements preclude the Federal prosecution of stalkers who use other means of interstate communication, such as mail or the Internet, to threaten or harass their victims. With the explosive growth of the Internet and other telecommunication technologies, there is evidence of cyberstalking. Stalking using advanced communication technologies is becoming a serious problem. I am sure the gentlewoman from New York (Mrs. KELLY) will speak further to that.

The second thing this bill does, Mr. Chairman, it will require that a Federal court, when sentencing a defendant convicted of stalking, that it issue a protective order to protect the victim from further stalking prior to the trial.

Unfortunately, some stalkers remain interested in their targets for years, even after they have been prosecuted, convicted, and incarcerated for stalking. A civil protection order would permit a Federal court to maintain jurisdiction over the convicted stalker after the completion of the sentence imposed by the crime, both to reduce the threat of future stalking by the defendant, and to provide an enforcement mechanism should the order be violated. That is the probation order, in most cases, or the protective order.

The suspension document presently before the House contains a modification to the protection order language, specifically to paragraph C of what will be the new 18 U.S. Code Section 2261(a).

Concern was expressed with the reported version of the bill that protective orders might continue in force in perpetuity, long after any need for them. The suspension document addresses that problem by assuring that a Federal court will have the discretion to craft a protective order to fit the circumstances of each case.

The new language reads that such an order "shall remain in effect for such time as the court deems necessary, and may be modified, extended, or terminated at any time after notice to the victim and an opportunity for a hearing."

Third, the bill would permit a Federal court to order the detention of an alleged stalking defendant pending trial in order to assure the safety of the victim and the community, as well as the defendant's appearance at trial.

This is because of one simple fact. This is that fact, that stalking victims run a higher risk of being assaulted or even killed by a stalker immediately after the criminal justice system intervenes; that is, just after the stalker is arrested and then released on bond, prior to trial.

Mr. Speaker, it was only 9 years ago that the first anti-stalking statute was passed in California. Since that time, all 50 States have enacted stalking statutes in one form or another. Congress passed the first Federal stalking statute in 1996. This bill would be the first amendment to that statute since it was enacted.

Mr. Speaker, I believe that this bill will give Federal prosecutors better tools to more effectively prosecute interstate stalking in cyberstalking cases and to better protect the victims of those crimes and the community.

I urge all my colleagues to support the bill as amended.

Mr. Speaker, I am pleased to manage this bill on behalf of my friend and my colleague from Florida, Mr. MCCOLLUM, and want to recognize his leadership on this issue.

Mr. Speaker, I rise in support of H.R. 1869, the "Stalking Prevention and Victim Protection Act of 1999." The bill was introduced by Representative SUE KELLY and has bipartisan support. The Full Judiciary Committee favorably reported the bill, as amended, by a voice vote.

The goals of the bill are to expand the reach of the Federal stalking statute to prosecute cyber stalkers who are currently beyond the reach of federal law enforcement but are deserving of federal prosecution, and to better protect stalking victims by authorizing pretrial detention for alleged stalkers and mandating the issuance of civil protection orders against convicted stalkers. I believe these goals are worthwhile. I believe we should give federal prosecutors the tools they need to prosecute stalkers who might otherwise not be prosecuted at the state and local level. That said, let me emphasize that the vast majority of stalking cases are, and if this legislation passes, will continue to be, prosecuted at the state and local level. This legislation does not seek to federalize stalking crimes. But H.R. 1869, as amended, will help federal prosecutors respond to predatory stalking behavior that, under current law, is beyond their reach—like cyberstalking.

The bill would make several significant changes or additions to current law. First, it would reach stalkers who use the mail or any facility in interstate or foreign commerce to stalk their victims. Under current law, Federal jurisdiction over a stalking crime is triggered only when a stalker travels across a state line with the intent to injury or harass a person and his conduct places that person in reasonable fear of death or bodily injury.

The physical travel requirement precludes the federal prosecution of stalkers who use other means of interstate communication—such as the mail or the Internet—to threaten or harass their victims. With the explosive growth of the Internet and other telecommunications technologies, there is evidence that cyberstalking—stalking using advanced communications technologies—is becoming a serious problem.

Second, H.R. 1869 would require that a Federal court, when sentencing a defendant convicted of stalking, issue a protection order to protect the victim from further stalking. Unfortunately, some stalkers remain interested in their targets for years, even after they have been prosecuted, convicted, and incarcerated for stalking. A civil protection order would permit a Federal court to maintain jurisdiction over a convicted stalker after the completion of the sentence imposed for the crime, both to reduce the threat of future stalking by the defendant and to provide an enforcement mechanism should the order be violated.

The suspension document presently before the House contains a modification to the protection order language—specifically, to paragraph (c) of what would be the new 18 U.S.C. section 2261A. Concern was expressed with the reported version of the bill that protection orders might continue in force in perpetuity, long after any need for them. The suspension document addresses that problem by assuring that a Federal court will have the discretion to craft a protection order to fit the circumstances of the case. The new language reads that such an order "shall remain in effect for such time as the court deems necessary, and may be modified, extended or terminated at any time after notice to the victim and an opportunity for a hearing."

Third, H.R. 1869 would permit a Federal court to order the detention of an alleged stalking defendant pending trial in order to assure the safety of the victim and the community as well as the defendant's appearance at trial. Stalking victims run a higher risk of being assaulted or even killed by the stalker immediately after the criminal justice system intervenes—that is, just after the stalker is arrested and then released on bail.

Mr. Speaker, it was only nine years ago that the first anti-stalking statute was passed in California. Since then, all 50 States have enacted stalking statutes of one form or another. Congress passed the first federal stalking law in 1996. H.R. 1869 would be the first amendment to that statute since it was enacted.

Mr. Speaker, I believe that this bill will give Federal prosecutors better tools to more effectively prosecute interstate stalking and cyberstalking cases and to better protect the victims of these crimes. I urge all my colleagues to support the bill as amended.

Mr. Speaker, I reserve the balance of my time.

Mr. SCOTT. Mr. Speaker, I yield myself such time as I may consume.

I want to express my appreciation to the gentleman from Alabama (Mr. BACHUS); the chairman of the Subcommittee on Crime, the gentleman from Florida (Mr. MCCOLLUM); the chairman of the full committee, the gentleman from Illinois (Mr. HYDE); and the gentlewoman from New York (Mrs. KELLY), as well as the ranking member of the full committee, the gentleman from Michigan (Mr. CONYERS), for working with us in preparing this bill for presentation today.

Mr. Speaker, I believe this anti-stalking bill, as amended, provides valuable additional tools to law enforcement in preventing the crime of stalking and the dreadful impact it has on its victims.

The first anti-stalking bill was passed in California approximately 9 years ago, and since then all 50 States have enacted anti-stalking statutes. Congress passed its first anti-stalking law in 1996. This bill, H.R. 1869, as filed, broadened the present Federal jurisdiction and gives Federal authorities more tools in getting at stalking. The gentleman from Alabama has outlined the provisions in the bill as we will consider them.

Mr. Speaker, I believe that the bill, as amended, addresses concerns about several of the initial provisions, including the bail provisions, protective orders, and jurisdictional and criminal intent language.

Mr. Speaker, while I had reservations about H.R. 1869 in its original form, I now enthusiastically support it. I want to thank those involved for their willingness to address those concerns. I urge my colleagues to support the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. BACHUS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to recognize the fine work the gentleman from Virginia (Mr. SCOTT) did on this bill, and express our appreciation on behalf of the gentleman from Illinois (Chairman HYDE) and the gentleman from Florida (Chairman MCCOLLUM) for the gentleman's fine work on this bill. I think this is a great example of a bipartisan effort.

Mr. Speaker, I am pleased to yield such time as she may consume to the gentlewoman from New York (Mrs. KELLY), who is the architect of this bill, and as I said, it represents the culmination of 4 years of labor on her part.

Mrs. KELLY. Mr. Speaker, I stand here today in support of the Stalking Prevention and Victim Protection Act, legislation I introduced to strengthen the current Federal anti-stalking statute. Although stalking is not a new phenomenon, it is certainly one we have only recently identified as a distinct and troubling societal affliction.

Just 10 years ago, not one State in the Union had on its books a law designed to criminalize the insidious behavior of human predators who devote themselves to the haunting and harassment of others.

Though we will probably never be able to fully stop or comprehend the behavior of those driven by delusions and personal demons, it is our responsibility to do all that we can to assist the millions of stalking victims in our country.

In the last 10 years, lawmakers across the land have acknowledged this responsibility. As it stands now, there is not one State that does not have an anti-stalking statute on its books. We have responded at the Federal level, as well. Three years ago, my friend and colleague, the gentleman from California (Mr. ROYCE) shepherded through Congress the International Stalking Punishment and Prevention Act, the first Federal anti-stalking statute.

This provision makes it a crime for any person to travel across State lines with the intent to injure or harass another person, thereby placing that person or a member of that person's family in reasonable fear of death or serious bodily injury. This was landmark legislation that was an important first step to our effort.

I come to the House floor today to continue that effort. In considering the proposal before us, we ought to be guided not so much by memories of high profile cases of celebrity stalking, but rather by an increasing awareness that stalking is a commonplace circumstance affecting millions of Americans. It is my hope to help these millions who have not the resources to cocoon themselves from mainstream society as celebrities do.

The Justice Department has estimated that over 1 million women and over 370,000 men are currently stalked every year. They further estimate that one out of every 12 women and one out of every 45 men has been stalked at some point in their lives.

In light of these projections, a reassessment of the current Federal law must yield a conclusion that modifications should be made. My proposal seeks to build on current law by addressing the definition of stalking, which addresses only traveling over interstate lines. This new definition works by including those avenues of communication we are addressing in this area believed by many experts to be the most vulnerable medium to an increased rate of stalking in the coming years, the Internet.

Though its magnitude is unknown at this point, a report on cyberstalking released just 2 months ago by the Justice Department concluded that there may be potentially tens or even hundreds of thousands of victims of recent cyberstalking in the United States. Because of its ostensibly anonymous, nonconfrontational nature, many are concerned that stalking over e-mail and the Internet will increase as more Americans gain access to this exciting new communications tool.

By acting now, we will impose a serious disincentive to stalkers who consider using technological capabilities to inflict harassment and fear.

My proposal also seeks to provide additional protections to stalking victims by stipulating that a protection order be issued at the time of sentencing, and by specifying that there be a presumption against bail in cases where the accused has a previous history of stalking offenses.

I think all of my colleagues would agree that this body has no directive more important than the one which guides us to work each day to improve the lives of Americans. Though perhaps in the grand scheme of our efforts this measure may be very small, it nevertheless carries great significance to those Americans across the country whose basic daily freedoms are contaminated and crippled by an undaunted menace.

I urge all of my colleagues to vote for this proposal.

Mr. BACHUS. Mr. Speaker, in my opening statement on this bill, I mentioned that California passed the first law, the first anti-stalking statute of all the United States. I also mentioned the Federal statute that this body passed.

I am very pleased to yield such time as he may consume to the gentleman from California (Mr. ROYCE), who is the author of both of those bills, the California statute and the first Federal statute.

□ 1730

Mr. ROYCE. Mr. Speaker, I rise in support of this bill, which is the Stalking Prevention and the Victim Protection Act. In 1990, I was the author of the first antistalking law in the country. That came about at a time when there was a 6-week period in which four young women in my county of Orange County, California, were each told that they were going to be killed. And each one informed law enforcement and law enforcement, unfortunately, had to tell them there was nothing that they can do until they were physically attacked.

One police officer told me the worst thing he ever had to do in his life was to try to apprehend that stalker in the act, and he almost succeeded. Unfortunately, the young woman lost her life. She was killed just before the apprehension of the stalker was made.

So all four of these young women who knew they were going to be killed, who told law enforcement, who told their friends that this was going to happen to them lost their lives in the span of 6 weeks.

That was the impetus for the bill. Today, all 50 States have antistalker laws on their books. When I came to Congress, I felt that there was need for a Federal law. Why? Because in the case of restraining orders between the States, there is a situation where those restraining orders often are lost when the victim moves from one State to another State. Why does the victim do that? Because they are told by victim witness programs get away from the stalker. And when they try to do that, they lose the protections under the law.

So the Federal antistalker law protected those victims. But now we have a new type of stalking which has come to the fore, and this bill which was prompted by a Justice Department report on the frequency and the seriousness of cyberstalking, will do something about that. It is going to tighten Federal antistalking law to include threats through the Internet, threats through regular mail, and with the passage of this bill, victims of this crime will have further legal recourse. They are going to have an increased sense of security.

I talked to one young woman who was stalked for 14 years by a young man she did not even know. He watched her when she was on the high school track team. He began following her, stalking her, threatening her, and there was nothing, again, that law enforcement could do at the time. It culminated with a standoff on her front doorstep for 12 hours with police. He had tried to abduct her with a knife to her throat.

Mr. Speaker, these are instances where these individuals let their intent be known. They publish their threats against these victims. There is no reason why we cannot let law enforcement act upon those threats before it is too late, before these victims lose their lives. I urge passage of this bill.

Mr. BACHUS. Mr. Speaker, I yield 2½ minutes to the gentlewoman from Maryland (Mrs. MORELLA), who we learned today had three brothers that fought in World War II.

Mrs. MORELLA. Mr. Speaker, I thank the gentleman from Alabama (Mr. BACHUS) for yielding me this time, and thank him for his leadership on this important piece of legislation.

Mr. Speaker, I also want to thank the gentleman from Illinois (Mr. HYDE), chairman of the committee, and the gentleman from Michigan (Mr. CONYERS), the ranking member. I want to thank the gentleman from Virginia (Mr. SCOTT) for his work on this; and the gentleman from Florida (Mr. MCCOLLUM) in absentia; indeed, the prime sponsor, the gentlewoman from New York (Mrs. KELLY), for it.

And, sure, I have three brothers who served in wartime and what we are trying to do with this legislation is to prevent some of the wars that are going on with the stalking.

Mr. Speaker, we have heard the statistic that in 1997, the Department of Justice report concluded that 1 million women and 370,000 men are stalked every year. This greatly exceeds any expectations or estimates. And, indeed, it continues to increase, from what we understand.

According to the National Center for Victims of Crime, there is no definitive psychological or behavior profile for stalkers, which makes the effort to devise effective antistalking strategies very difficult. I must say, with all of our advances in technology, technology itself has allowed for additional opportunity for stalking.

So, Mr. Speaker, that is why I think this bill is so very important. We heard from the gentleman from California (Mr. ROYCE) about the origin, the genesis of the first stalking law that we had. It is time now that we alter it. It is time now that we go beyond the current DOJ model antistalking code that was released in 1993 and the legislation enacted in 1996.

So what this bill does is it alters the current antistalking legislation by expanding the Federal prohibition on stalking. And what it does that I think is so important, it broadens the Federal definition of stalking to include interstate commerce, which can include e-mail, telephone, and other forms of interstate communications as a means of stalking.

Mr. Speaker, I just want to mention also that it adds new provisions, which have already been stated, with regard to bail restrictions and protection orders at the time of sentencing.

We in government must do all that we can to protect our citizenry from stalking and to show it is against the law. H.R. 1869 helps us mightily to do so. It deserves passage.

Mr. SCOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to thank the gentlewoman from New York (Mrs. KELLY) for sponsoring the bill. I thank the gentleman from Alabama (Mr. BACHUS) for his kind remarks, because we in fact did resolve several concerns about the bill constructively and today the bill should enjoy broad bipartisan support.

Mr. Speaker, I urge my colleagues to support it.

Mr. Speaker, I yield back the balance of my time.

Mr. BACHUS. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, in conclusion, law enforcement agencies have said that this bill is necessary for them to protect the citizens who are their charge to protect. The National Center for Victims of Crime has given a strong endorsement to this bill. Sometimes here we become cynical, but I can honestly say that this legislation that the gentlewoman from New York (Mrs. KELLY) has brought before us will make America a safer place and will protect many Americans from unnecessarily being stalked. I simply would like to again give my thanks to the gentleman from Virginia (Mr. SCOTT), to the gentleman from Illinois (Mr. HYDE), the gentleman from Florida (Mr. MCCOLLUM), and to the gentleman from California (Mr. ROYCE), who drafted the underlying legislation.

Mr. CONYERS. Mr. Speaker, a recent study by the National Institute of Justice found that stalking is a crime that will victimize far too many in this country: 8% of American women and 2% of American men will be stalked in their lifetimes. In fact, 1.4 million Americans are stalked every year.

While I am pleased that we have been able to work with the majority to craft a stalking bill that strikes the correct balance between the need to protect stalking victims and the constitutional due process rights of all accused persons, I am disappointed that we are still addressing domestic violence issues in fits and starts.

The Violence Against Women Act of 1999, H.R. 37, which I have sponsored and which has 175 co-sponsors, addresses the continuing problem of domestic violence in a comprehensive fashion. H.R. 357 goes beyond merely expanding the federal definition of stalking and would reauthorize the important programs to stop sexual assault and domestic violence that Congress funded in the 1994 Violence Against Women Act. H.R. 357 would also build on the good work we did in 1994 and expand funding to other areas such as violence against children, sexual assault prevention, domestic violence prevention, violence against women in the military system, and many others.

Stalking is a serious problem that deserves our attention, but we cannot shut our eyes to the broader problems of domestic violence. Studies show that women and girls annually experience approximately 960,000 incidents of assault, rape, and murder at the hands of a current or former spouse or intimate partner.

It is ironic, indeed, that we had people on the other side of the aisle decrying violence against fetuses several weeks ago, but they have still been unable to hold hearings on H.R. 357, which addresses domestic violence against women, children, and men.

I am happy that H.R. 1869 will allow for prosecution of stalking where a stalker transmits a threatening communication over the telephone, through the mail, or by email. I also support provisions in the bill that make it clear that at the time of sentencing, the court should issue an appropriate protective order designed to protect the victim from further stalking by the convicted person. Under the bill, this order will remain in effect for as long as the court deems it necessary in order to prevent the stalking victim from being harassed after the person is released from prison.

In addition, we have seen far too many instances where an arrest will not make a stalker stop threatening a victim or will even result in a stalker escalating his stalking to a point that is life-endangering to the victim. While I certainly believe that everyone is innocent until proven guilty and that bail should be granted to the accused in as many cases as possible, it is also necessary in certain cases to detain alleged stalkers before trial. By defining stalking as a "crime of violence" under our criminal laws, H.R. 1869 will permit a federal court to detain an alleged stalker pending trial in order to assure the safety of the community or the defendant's appearance at trial.

While I applaud these changes in our stalking laws, we still need to do more. I encourage Congress to make this stalking bill only the first step in a broader battle against domestic violence. We should hold hearings on H.R. 357 and, at a minimum, continue the good work we began in the 1994 Violence Against Women Act, by reauthorizing those programs.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise to support The Stalking Prevention and Victim Protection Act that seeks to prevent the criminal act of stalking and to protect the rights of victims. Stalking is a very serious issue that deserves the full attention of this Committee and of Congress.

Each year, 1.4 million Americans are stalked. Of this number over 79% of adult stalking victims are women, and 59% of female stalking victims are stalked by a current of former intimate partner. In 80% of those cases, the victim was physically assaulted. The increasing number of these stalking cases have prompted increased attention as to significant impact stalking has on our society.

In addition to the statistics I have just recited, the Justice Department's Bureau of Justice Statistics cites that one in 12 women will be stalked at some point in their lives. However, of this high number of women who have been stalked or will be stalked in their lifetime, only 28% of these female victims will attain restraining orders against their stalkers. In recognition of the high percentage of stalking cases occurring yearly, unprecedented interest in stalking over the past decade, and increased media accounts of stalking victims, anti-stalking laws have been passed in all 50 States and the District of Columbia which have further been supplemented the Violence Against Women's Act and the Interstate Stalking Punishment and Prevention Act of 1996.

Mr. Speaker, hearings held within the Judiciary Committee have revealed that stalking is a much bigger problem than previously assumed and should be treated as a major criminal justice problem and public health concern. Stalkers often do not threaten their victims verbally or in writing; therefore, many groups have recommended that credible threat requirements should be eliminated from anti-stalking statutes to make it easier to prosecute such cases. This bill would address these concerns and provide adequate protection to the potential victims.

I commend the sponsors of this legislation and urge my colleagues to support final passage of this bill.

Mr. BACHUS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The question is on the motion offered by the gentleman from Alabama (Mr. BACHUS) that the House suspend the rules and pass the bill, H.R. 1869, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

ARCTIC TUNDRA HABITAT EMERGENCY CONSERVATION ACT

Mr. SAXTON. Mr. Speaker, I move to suspend the rules and concur in the Senate amendments to the bill (H.R. 2454) to assure the long-term conservation of mid-continent light geese and the biological diversity of the ecosystem upon which many North American migratory birds depend, by directing the Secretary of the Interior to implement rules to reduce the overabundant population of mid-continent light geese.

The Clerk read as follows:

Senate amendments:

Page 5, after line 24, insert:

SEC. 4. COMPREHENSIVE MANAGEMENT PLAN.

(a) IN GENERAL.—Not later than the end of the period described in section 103(b), the Secretary shall prepare, and as appropriate implement, a comprehensive, long-term plan for the management of mid-continent light geese and the conservation of their habitat.

(b) REQUIRED ELEMENTS.—The plan shall apply principles of adaptive resource management and shall include—

(1) a description of methods for monitoring the levels of populations and the levels of harvest of mid-continent light geese, and recommendations concerning long-term harvest levels;

(2) recommendations concerning other means for the management of mid-continent light goose populations, taking into account the reasons for the population growth specified in section 102(a)(3);

(3) an assessment of, and recommendations relating to, conservation of the breeding habitat of mid-continent light geese;

(4) an assessment of, and recommendations relating to, conservation of native species of wildlife adversely affected by the overabundance of mid-continent light geese, including the species specified in section 102(a)(5); and

(5) an identification of methods for promoting collaboration with the government of Canada, States, and other interested persons.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $1,000,000 for each of fiscal years 2000 through 2002.

Page 6, line 1, strike out "**SEC. 4.**" and insert "**SEC. 5.**"

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. SAXTON) and the gentleman from American Samoa (Mr. FALEOMAVAEGA) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. SAXTON).

GENERAL LEAVE

Mr. SAXTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on this legislation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. SAXTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased that we are once again considering H.R. 2454, the Arctic Tundra Habitat Conservation Act. This bipartisan legislation addresses the devastating impact that an exploding population of snow geese, also known as light geese, is having on the fragile Canadian Arctic Tundra.

Mr. Speaker, I am going to be very brief. I would like to say that this bill was debated and reported from the subcommittee. It was debated and reported from the full Committee on Resources. It was debated here on the floor and passed by a voice vote. It went to the Senate, where an amendment was added to provide for some long-term strategies relative to this subject and is back here for concurrence.

This is an essential stopgap measure that is supported by the U.S. Fish and Wildlife Service, by Ducks Unlimited, by the International Association of Fish and Wildlife Agencies, by the National Audubon Society, by the National Rifle Association, the Wildlife Management Institute, and the Wildlife Legislative Fund for America.

Finally, Mr. Speaker, I want to express my sincere appreciation to Senator Spencer ABRAHAM for his assistance in moving this important proposal. I am confident that early next year we will have a full debate on the Neotropical Migratory Bird Conservation Act. This was an excellent measure that was introduced by Senator ABRAHAM and the distinguished gentleman from Alaska (Mr. YOUNG), our full committee chairman.

Mr. Speaker, I urge an "aye" vote and I anticipate no further speakers on our side.

Mr. Speaker, I reserve the balance of my time.

Mr. FALEOMAVAEGA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as always, I want to express my appreciation to the gentleman from New Jersey (Mr. SAXTON), the chairman of our Subcommittee on Fisheries Conservation, Wildlife and Oceans, for his leadership and for bringing this legislation now for consideration.

Mr. Speaker, sometimes our best efforts to restore wildlife populations create unintended consequences and that seems to be the unfortunate case with mid-continent light geese. According to biologists inside and outside of the Federal Government, the population of light geese has exploded over the past decade. This has caused substantial destruction to fragile Arctic and sub-Arctic habits.

Indisputably, human actions are partly to blame for the growth of the light geese population. And for better or worse, human actions will be pivotal to the future control of these migratory birds.

H.R. 2454, the Arctic Tundra Habitat Emergency Conservation Act basically authorizes two emergency regulations that were proposed earlier this year by the Fish and Wildlife Service. These emergency measures were strongly supported by State wildlife management agencies and a broad assortment of private wildlife and conservation organizations, including Ducks Unlimited and the National Audubon Society.

Mr. Speaker, I am pleased that the gentleman from Alaska (Mr. YOUNG), chairman of our Committee on Resources, and the gentleman from New Jersey (Mr. SAXTON) have agreed to include an expiration date of May 15, 2001, or earlier if the service files its final environmental impact statement before that date, to limit the duration of this emergency action. I am also pleased to see that the Senate amended the bill to require the Fish and Wildlife Service to develop and implement a comprehensive management plan for mid-continent light geese and their habitats.

We have also come to recognize in the version of H.R. 2454 that was reported to the Senate by the Committee on Environmental and Public Works included a second title that would have authorized a program for the conservation and management of neotropical migratory birds. But considering the changes that have been made to the bill in the committee and by the Senate, Mr. Speaker, I am satisfied that the bill has been sufficiently narrowed to limit excessive light geese mortality while the Fish and Wildlife Service completes its environmental impact statement and develops a long-term comprehensive management plan. It is not ideal, but it is reasonable under the circumstances. And I do urge my colleagues to pass this legislation.

Mr. Speaker, sometimes our best efforts to restore wildlife populations create unintended consequences, and that seems to be the unfortunate case with mid-continent light geese. According to biologists—from inside and outside of the Federal government—the population of light geese has exploded over the past decade. This has caused substantial destruction to fragile arctic and subarctic habitats.

Indisputably, human actions are partly to blame for the growth of the light geese population. And for better or worse, human actions will be pivotal in the future control of these migratory birds.

H.R. 2454, the Arctic Tundra Habitat Emergency Conservation Act, basically authorizes two emergency regulations that were proposed earlier this year by the Fish and Wildlife Service. These emergency measures were strongly supported by State wildlife management agencies and a broad assortment of private wildlife and conservation organizations, including Ducks Unlimited and the National Audubon Society.

The Fish and Wildlife Service voluntarily withdrew these proposed regulations earlier this year after a Federal appeals court ruled that the Service needed to complete a full environmental impact statement (EIS). At that time, I joined the ranking Democrat member of the Resources Committee, Mr. MILLER, in commending the Service for pausing to recognize the need to develop a full environmental impact statement.

Mr. Speaker, it is vital for the Service to complete this EIS at the earliest possible date. More specifically, as part of this EIS, is it absolutely critical for the Service to thoroughly review all essential biological and ecological data concerning light geese. It is my understanding that additional census data and statistical analyses concerning lesser snow geese could shed new light on the status and trends of the light geese population. The Service should consider this data thoroughly as part of this EIS.

Frankly Mr. Speaker, without the best available scientific data, we will never be able to address the problem of habitat degradation in the arctic and subarctic habitats. And without that analysis, Congress can never be sure that the management and population control strategies we authorize are necessarily targeted and free of excess light geese mortality.

It also needs to be re-emphasized that Congress is legislating in this matter solely because all other administrative options available to the Fish and Wildlife Service—under NEPA or any other statute—have been exhausted. Regrettably, the only remedy remaining is a legislative fix.

Fortnately, the bill has been improved during the legislative process. Nevertheless, I remain concerned about two provisions. First, the bill would waive all procedural requirements under the National Environmental Policy Act (NEPA). Second, the bill authorizes the use of otherwise outlawed hunting practices, notably the use of electronic calling devices and un-plugged shotguns.

I realize that we have agreed to move this bill due to the documented habitat loss and the absence of any administrative remedies. However, I continue to question whether it is ever appropriate for the Congress to pass legislation to waive NEPA or to authorize otherwise illegal, or certainly, unsportsmen-like hunting methods.

I am pleased that the Chairman of the Resources Committee, Mr. YOUNG and Mr. SAXTON agreed to include an expiration date of May 15, 2001, or earlier if the Service files its final EIS before that date, to limit the duration of this emergency action. I am also pleased to see that the Senate amended the bill to require the Fish and Wildlife Service to develop and implement a comprehensive management plan for mid-continent light geese and their habitats.

Certainly, in an ideal world it would have been far preferable to first require the Fish and Wildlife Service to complete the plan before authorizing emergency measures. But in light of the circumstances, it is my hope that an effective plan will make the need for future legislation regarding emergency management of these species unnecessary.

We have also come to recognize that the version of H.R. 2454 that was reported to the Senate by the Committee on Environment and Public Works included a second title that would have authorized a program for the conservation and management of neotropical migratory birds. This title closely resembled legislation passed by the House on April 12, H.R. 39, the Neotropical Migratory Bird Conservation Act. Surprisingly, this bill has not been scheduled for floor action this session.

It is my understanding that the Senate agreed to remove this second title after the Chairman of the Committee on Resources assured the Senate that he will work with his leadership to ensure that H.R. 39 is brought to the House floor next year for a vote. I sincerely hope that Chairman YOUNG can bring the Neotropical Migratory Bird Conservation Act before the House early next year, and I look forward to working with him to pass this important legislation.

Let me close simply by restating my concern—and the concern of many of my colleagues on this side of the aisle—that it is unfortunate that Congress is compelled to authorize these emergency actions to control the light geese population.

But considering the changes that have been made to the bill in committee and by the Senate, I am satisfied that the bill has been sufficiently narrowed to limit excessive light geese mortality while the Fish and Wildlife Service completes its EIS and develops a long-term comprehensive management plan. It is not ideal, but it is reasonable under the circumstances, and I urge my colleagues to pass this legislation.

Mr. DINGELL. Mr. Speaker, I rise in strong support of the legislation being offered today by the gentleman from New Jersey [Mr. SAXTON]. I want to commend him and the Chairman of the full Committee [Mr. YOUNG] for their diligence in working with the other body to assure that Congress acts on this vital legislation before the end of the session.

H.R. 2454, the "Arctic Tundra Habitat Emergency Conservation Act," quite simply is trying to head off an unmitigated conservation disaster for white geese, including greater and lesser snow geese and Ross' geese.

During the past three decades, these mid-continent snow geese species populations have literally exploded, from an estimated 800,000 in 1969 to more than five million today.

This dramatic increase has resulted in the devastation of nearly 50,000 acres of snow geese habitat around Canada's Hudson Bay. This tundra habitat, most of which comprises a coastal salt marsh, is vital for nesting. As the snow geese proliferate and consume this habitat, other populations of birds are also placed at risk by this loss of habitat.

A special report issued in January, 1998 by Ducks Unlimited provides a good example of the depth and the breadth of the problem. In studies conducted in Churchill, Manitoba, there were 2,000 nesting pairs in 1968. In 1997, that number grew to more than 40,000 pairs. The result is a cruel fate for the birds, particularly the thousands of orphaned, malnourished and eventually dead goslings who cannot survive on barren tundra.

Together with expected population increases is another vexing problem: recovery of habitat, destroyed by overfeeding at this far-north latitude, is expected to take at least 15 years; it will take even longer if some of the acreage continues to be foraged by geese during the recovery period.

The U.S. Fish and Wildlife Service has been working for a few years in partnership with the Canadian Wildlife Service, several state departments of Fish and Game, Ducks Unlimited, the Audubon Society and other non-governmental entities to try to address the problem. In February of this year, the Fish and Wildlife Service issued two final rules to authorize the use of additional hunting methods to reduce the population of snow geese so that a reasonable population can survive on a viable habitat. The goal was to reduce the number of mid-continent light geese in the first year by 975,000 using additional hunting methods carefully studied and approved by the Fish and Wildlife Service.

It is clear that human decision making has contributed mightily to the light geese problem through increased agricultural production, sanctuary designation, and reduction in harvest rates.

Mr. Speaker, the bill before us takes an affirmative and humane step to help assure the long-term survival of mid-continent light geese and the conservation of the habitat upon which they and other species depend. I urge my colleagues to support this important bill, and I pledge my support toward making sure the President signs it.

Mr. FALEOMAVAEGA. Mr. Speaker, I have no further speakers, so I yield back the balance of my time.

Mr. SAXTON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. SAXTON) that the House suspend the rules and concur in the Senate amendments to the bill, H.R. 2454.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendments were concurred in.

A motion to reconsider was laid on the table.

WATER RESOURCES DEVELOPMENT ACT TECHNICAL CORRECTIONS

Mr. BOEHLERT. Mr. Speaker, I move to suspend the rules and concur in the Senate amendment to the bill (H.R. 2724) to make technical corrections to the Water Resources Development Act of 1999.

The Clerk read as follows:

Senate amendment:

Strike out all after the enacting clause and insert:

SECTION 1. ENVIRONMENTAL INFRASTRUCTURE.

(a) Jackson County, Mississippi.—Section 219 of the Water Resources Development Act of 1992 (106 Stat. 4835; 110 Stat. 3757) is amended—

(1) in subsection (c), by striking paragraph (5) and inserting the following:

"(5) Jackson County, Mississippi.—Provision of an alternative water supply and a project for the elimination or control of combined sewer overflows for Jackson County, Mississippi."; and

(2) in subsection (e)(1), by striking "$10,000,000" and inserting "$20,000,000".

(b) Manchester, New Hampshire.—Section 219(e)(3) of the Water Resources Development Act of 1992 (106 Stat. 4835; 110 Stat. 3757) is amended by striking "$10,000,000" and inserting "$20,000,000".

(c) Atlanta, Georgia.—Section 219(f)(1) of the Water Resources Development Act of 1992 (106 Stat. 4835; 113 Stat. 335) is amended by striking "$25,000,000 for".

(d) Paterson, Passaic County, and Passaic Valley, New Jersey.—Section 219(f)(2) of the Water Resources Development Act of 1992 (106 Stat. 4835; 113 Stat. 335) is amended by striking "$20,000,000 for".

(e) Elizabeth and North Hudson, New Jersey.—Section 219(f) of the Water Resources Development Act of 1992 (106 Stat. 4835; 113 Stat. 335) is amended—

(1) in paragraph (33), by striking "$20,000,000" and inserting "$10,000,000"; and

(2) in paragraph (34)—

(A) by striking "$10,000,000" and inserting "$20,000,000"; and

(B) by striking "in the city of North Hudson" and inserting "for the North Hudson Sewerage Authority".

SEC. 2. UPPER MISSISSIPPI RIVER ENVIRONMENTAL MANAGEMENT PROGRAM.

Section 1103(e)(5) of the Water Resources Development Act of 1986 (33 U.S.C. 652(e)(5)) (as amended by section 509(c)(3) of the Water Resources Development Act of 1999 (113 Stat. 340)) is amended by striking "paragraph (1)(A)(i)" and inserting "paragraph (1)(B)".

SEC. 3. DELAWARE RIVER, PENNSYLVANIA AND DELAWARE.

Section 346 of the Water Resources Development Act of 1999 (113 Stat. 309) is amended by striking "economically acceptable" and inserting "environmentally acceptable".

SEC. 4. PROJECT REAUTHORIZATIONS.

Section 364 of the Water Resources Development Act of 1999 (113 Stat. 313) is amended—

(1) by striking "Each" and all that follows through the colon and inserting the following: "Each of the following projects is authorized to be carried out by the Secretary, and no construction on any such project may be initiated until the Secretary determines that the project is technically sound, environmentally acceptable, and economically justified:";

(2) by striking paragraph (1); and

(3) by redesignating paragraphs (2) through (6) as paragraphs (1) through (5), respectively.

SEC. 5. SHORE PROTECTION.

Section 103(d)(2)(A) of the Water Resources Development Act of 1986 (33 U.S.C. 2213(d)(2)(A)) (as amended by section 215(a)(2) of the Water Resources Development Act of 1999 (113 Stat. 292)) is amended by striking "or for which a feasibility study is completed after that date," and inserting "except for a project for which a District Engineer's Report is completed by that date,".

SEC. 6. COMITE RIVER, LOUISIANA.

Section 371 of the Water Resources Development Act of 1999 (113 Stat. 321) is amended—

(1) by inserting "(a) In General.—" before "The"; and

(2) by adding at the end the following:

"(b) Crediting of Reduction in Non-Federal Share.—The project cooperation agreement for the Comite River Diversion Project shall include a provision that specifies that any reduction in the non-Federal share that results from the modification under subsection (a) shall be credited toward the share of project costs to be paid by the Amite River Basin Drainage and Water Conservation District.".

SEC. 7. CHESAPEAKE CITY, MARYLAND.

Section 535(b) of the Water Resources Development Act of 1999 (113 Stat. 349) is amended by striking "the city of Chesapeake" each place it appears and inserting "Chesapeake City".

SEC. 8. CONTINUATION OF SUBMISSION OF CERTAIN REPORTS BY THE SECRETARY OF THE ARMY.

(a) Recommendations of Inland Waterways Users Board.—Section 302(b) of the Water Resources Development Act of 1986 (33 U.S.C. 2251(b)) is amended in the last sentence by striking "The" and inserting "Notwithstanding section 3003 of Public Law 104–66 (31 U.S.C. 1113 note; 109 Stat. 734), the".

(b) List of Authorized but Unfunded Studies.—Section 710(a) of the Water Resources Development Act of 1986 (33 U.S.C. 2264(a)) is amended in the first sentence by striking "Not" and inserting "Notwithstanding section 3003 of Public Law 104–66 (31 U.S.C. 1113 note; 109 Stat. 734), not".

(c) Reports on Participation of Minority Groups and Minority-Owned Firms in Mississippi River-Gulf Outlet Feature.—Section 844(b) of the Water Resources Development Act of 1986 (100 Stat. 4177) is amended in the second sentence by striking "The" and inserting "Notwithstanding section 3003 of Public Law 104–66 (31 U.S.C. 1113 note; 109 Stat. 734), the".

(d) List of Authorized but Unfunded Projects.—Section 1001(b)(2) of the Water Resources Development Act of 1986 (33 U.S.C. 579a(b)(2)) is amended in the first sentence by striking "Every" and inserting "Notwithstanding section 3003 of Public Law 104–66 (31 U.S.C. 1113 note; 109 Stat. 734), every".

SEC. 9. AUTHORIZATIONS FOR PROGRAM PREVIOUSLY AND CURRENTLY FUNDED.

(a) Program Authorization.—The program described in subsection (c) is hereby authorized.

(b) Authorization of Appropriations.—Funds are hereby authorized to be appropriated for the Department of Transportation for the program authorized in subsection (a) in amounts as follows:

(1) Fiscal year 2000.—For fiscal year 2000, $10,000,000.

(2) Fiscal year 2001.—For fiscal year 2001, $10,000,000.

(3) Fiscal year 2002.—For fiscal year 2002, $7,000,000.

(c) Applicability.—The program referred to in subsection (a) is the program for which funds appropriated in title I of Public Law 106–69 under the heading "FEDERAL RAILROAD ADMINISTRATION" are available for obligation upon the enactment of legislation authorizing the program.

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The SPEAKER pro tempore (Mr. BARRETT of Nebraska). Pursuant to the rule, the gentleman from New York (Mr. BOEHLERT) and the gentleman from Pennsylvania (Mr. BORSKI) each will control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. BOEHLERT).

Mr. BOEHLERT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill's clarifications and revisions were developed in close coordination with the Senate and the administration.

Mr. Speaker, Senator Chafee worked very closely with the House conferees on the Water Resources Development Act. If I am not mistaken, it was the last major legislative achievement before his untimely death. He also worked very closely with us to fine-tune this legislation and then expedite its passage. It is a tribute to him that we were able to enact the Water Resources Development Act and then expeditiously move this bill.

H.R. 2724 perfects the legislation and addresses new, time-sensitive issues. It deserves the support of all of our colleagues.

Mr. Speaker, I reserve the balance of my time.

Mr. BORSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to join with the distinguished gentleman from New York (Chairman BOEHLERT) in support of this bill, H.R. 2724. As the gentleman from New York (Chairman BOEHLERT) has just suggested, this is a technical corrections bill to the water resources bill. It is bipartisan, noncontroversial. I urge its support.

Mr. Speaker, I yield back the balance of my time.

Mr. BOEHLERT. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. BOEHLERT) that the House suspend the rules and concur in the Senate amendment to the bill, H.R. 2724.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendment was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BOEHLERT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 2724.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

COMMENDING THE SERVICE OF WOMEN IN WORLD WAR II

Mr. MCKEON. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 41) honoring the women who served the United States in military capacities during World War II and recognizing that these women contributed vitally to the victory of the United States and the Allies in the war, as amended.

The Clerk read as follows:

H. RES. 41

Whereas during World War II women in the United States were recruited into the Armed Forces to perform military assignments so that men could be freed for combat duties;

Whereas, despite social stigmas and public opinion averse to women in uniform, women applied for military service in such numbers that enrollment ceilings were reached within the first several years;

Whereas during World War II women served in the Army in the Women's Army Auxiliary Corps (WAAC) and the Women's Army Corps (WAC);

Whereas these women served the Army by performing a variety of duties traditionally performed by men;

Whereas in 1943 the Army removed the auxiliary status of the WAAC units, in unspoken recognition of the value of their services;

Whereas almost one-half of World War II WACs served in the Army Air Forces as officers and enlisted personnel, with duties including such flying jobs as radio operator, photographer, and flight clerk;

Whereas 7,315 of these Army Air Forces WACs were serving overseas in all theaters of war in January 1945;

Whereas General Eisenhower stated, "During the time I have had WACs under my command they have met every test and task assigned to them; their contributions in efficiency, skill, spirit, and determination are immeasurable";

Whereas at the end of the war 657 women were honored for their service in the Women's Army Auxiliary Corps and the Women's Army Corps, receiving medals and citations including the Distinguished Service Medal, the Legion of Merit, the Air Medal, the Soldiers' Medal for heroic action, the Purple Heart, and the Bronze Star;

Whereas in 1946 the Army requested that Congress establish the Women's Army Corp as a permanent part of the Army, perhaps the single greatest indication of the value of women in the Army to the war effort;

Whereas during World War II women served with the Army Air Forces in the Women's Auxiliary Ferrying Squadron (WAFS), the Women's Flying Training Detachment (WFTD), and the Women Air Force Service Pilots (WASPs);

Whereas women serving with the Army Air Forces ferried planes from factories to airfields, performed test flights of repaired aircraft, towed targets used in live gunnery practice by male pilots, and performed a variety of other duties traditionally performed by men;

Whereas women pilots flew more than 70 types of military aircraft, from open-cockpit primary trainers to P–51 Mustangs, B–26 Marauders, and B–29 Superfortresses;

Whereas from September 10, 1942, to December 20, 1944, 1,074 WASPs flew an aggregate 60,000,000 miles in wartime service;

Whereas, although WASPs were promised military classification, they were classified as civilians and the 38 WASPs who died in the line of duty were buried without military honors;

Whereas WASPs did not receive official status as military veterans until March 1979, when WASP units were formally recognized as components of the Air Force;

Whereas during World War II women in the Navy served in the Women Accepted for Volunteer Emergency Service (WAVES);

Whereas approximately 90,000 WAVES served the Navy in a variety of capacities and in such numbers that, according to a Navy estimate, enough men were freed for combat duty to crew the ships of four major task forces, each including a battleship, two large aircraft carriers, two heavy cruisers, four light cruisers, and 15 destroyers;

Whereas WAVES who served in naval aviation taught instrument flying, aircraft recognition, celestial navigation, aircraft gunnery, radio, radar, air combat information, and air fighter administration, but were not allowed to be pilots;

Whereas, at the end of the war, Secretary of the Navy James Forrestal stated that members of the WAVES "have exceeded performance of men in certain types of work, and the Navy Department considers it to be very desirable that these important services rendered by women during the war should likewise be available in postwar years ahead";

Whereas during World War II women served in the Marine Corps in the Marine Corps Women's Reserve;

Whereas more than 23,000 women served at shore establishments of the Marine Corps, and by the end of the war, 85 percent of the enlisted personnel assigned to Headquarters, Marine Corps were women;

Whereas during the war women were assigned to over 200 different specialties in the Marine Corps, and by performing these duties freed men for active duty to fight;

Whereas during World War II women served in the Coast Guard in the Coast Guard Women's Reserve (SPARs);

Whereas more than 10,000 women volunteered for service with the Coast Guard during the period from 1942 through 1946, and when the Coast Guard was at the peak of its strength during the war, one out of every 16 members of the Coast Guard was a SPAR;

Whereas the SPARs who attended the Coast Guard Academy were the first women in the United States to attend a military academy, and by filling shore jobs for the Coast Guard SPARs freed men to serve elsewhere;

Whereas by the end of World War II more than 400,000 women had served the United States in military capacities;

Whereas these women, despite their merit and the recognized value and importance of their contributions to the war effort, were not given status equal to their male counterparts and struggled for years to receive the appreciation of the Congress and the people of the United States;

Whereas these women helped to catalyze the social, demographic, and economic evolutions that occurred in the 1960's and 1970's and continue to this day; and

Whereas these pioneering women are owed a great debt of gratitude for their service to the United States: Now, therefore, be it

Resolved,

SECTION 1. SHORT TITLE.

This resolution may be cited as the "Honoring American Military Women for Their Service in World War II Resolution".

SEC. 2. COMMENDATION AND RECOGNITION OF WOMEN WHO SERVED THE UNITED STATES IN MILITARY CAPACITIES DURING WORLD WAR II.

The House of Representatives—

(1) honors the women who served the United States in military capacities during World War II;

(2) commends these women who, through a sense of duty and willingness to defy stereotypes and social pressures, performed military assignments to aid the war effort, with the result that men were freed for combat duties; and

(3) recognizes that these women, by serving with diligence and merit, not only opened up opportunities for women that had previously been reserved for men, but also contributed vitally to the victory of the United States and the Allies in World War II.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. MCKEON) and the gentlewoman from California (Mrs. CAPPS) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. MCKEON).

GENERAL LEAVE

Mr. MCKEON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H. Res. 41.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MCKEON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H. Res. 41 commends the women who served in the military during World War II and their contribution to victory in that epic struggle. This resolution communicates a very simple statement about the importance of women who served the Nation in uniform in World War II. It is a statement that I suspect will be endorsed overwhelmingly today.

Mr. Speaker, I ask my colleagues to look beyond the simple statement contained in H. Res. 41 and examine the resolution in greater detail. I urge my colleagues to take special note of this important and long overdue resolution, because, if they are like me, they will learn a great deal about World War II and the contribution of military women.

Mr. Speaker, the role of women in World War II was critically important to the war effort on many levels. From Rosie the riveter to the millions of homemakers tending their victory gardens, the contributions of women were vital to the allied victory.

This resolution tells the story of a special group of women and their very, very direct contributions to the war effort. It is the story of the women who stepped forward when the Nation was at risk and volunteered to serve in uniform. Not only did women perform military duties with proficient skill, but often with incredible courage and at great personal sacrifice. They got the job done and, by doing so, freed men to be assigned to combat missions.

I am very proud of the support provided by Congress to the Women in Military Service for America Memorial that was opened at Arlington Cemetery. But if this House is to faithfully honor the historical contributions of women in the military, we must adopt this resolution.

I want to commend the gentlewoman from North Carolina (Mrs. MYRICK) for introducing this resolution and bringing it to our attention.

I think it is vital that this House and the Nation focus our full attention on this resolution. We must never forget the contributions and sacrifices of these American heroes, the military women of World War II. The world might well be a very different place if they had chosen to ignore the call to duty. I urge my colleagues to support this resolution.

Mr. Speaker, I reserve the balance of my time.

Mrs. CAPPS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to make it clear that the gentlewoman from California (Ms. SANCHEZ) was intending to open this part of our discussion, and she needed to leave, and her statement will be entered into the RECORD.

Mr. Speaker, I rise today in strong support of House Resolution 41, honoring women who served in the military during World War II. Without the amazing commitment and incredible sacrifice of these brave women, our armed forces would never have been so efficient and effective at safeguarding freedom and democracy for the world.

During World War II, women from all over the country were recruited to perform crucial military assignments so that more men would be available for combat.

These women faced countless struggles. Many were looked down upon for renouncing their traditional role in society. Yet, women enrolled in the services in record numbers. In fact, by the end of World War II, more than 400,000 women had served the United States in some sort of military capacity. Some of these women were nurses. Because I am a nurse, my heart goes out to all of them and to all who served in our armed forces in World War II.

Mr. Speaker, I want to take this opportunity to tell my colleagues about a very amazing woman from my district, Jane Masterson. In 1945, Jane left her home in Kentucky to eventually become a Seaman First Class at a naval air base out of Memphis, Tennessee. When told she was too little to become an aviation machinist, she responded, "Dynamite comes in little packages." Jane served her country with strength and dignity and was eventually honorably discharged due to a service-related injury.

Not content to end her service to the Nation with her World War II experience, Jane also served as the commander of the Disabled American Veterans Chapter 96 from 1985 to 1991. Jane was the only woman in this chapter. After 6 years of service in this capacity, her peers said that she was the best commander they ever had.

Mr. Speaker, tomorrow people from all over this great country of ours will gather to honor the men and women who willingly gave body and soul to defend this Nation and the values which make it great. At this time and in this place, it is very important that we remember the contributions of both our military men and women. For it is only through their combined efforts that we will succeed in continuing to protect democracy.

Mr. Speaker, I am very disappointed that our voting schedule does not allow us to return to our districts in time for veterans, at least some of us. I was looking forward to joining the Vietnam veterans in Santa Barbara to honor and to remember their bravery and sacrifice. Tomorrow, instead, I plan to walk from the Capitol to the Vietnam and Korean Memorials and to remember in silence the gift of these people, these veterans to this Nation.

One of these veterans I will remember tomorrow will be Jane Masterson and all of the other brave women who have served and continue to serve their country so well.

Mr. Speaker, I reserve the balance of my time.

Mr. MCKEON. Mr. Speaker, I yield 2 minutes to the gentlewoman from Illinois (Mrs. BIGGERT).

Mrs. BIGGERT. Mr. Speaker, I rise today in support of House Resolution 41 to praise the women who have served our Nation's armed forces, and especially those that contributed to the victory of the United States in World War II.

All the women who aided in this victory deserve our praise today, but I would like to tell my colleagues about one specific woman, Mrs. Doris Pahls. Doris Pahls grew up in Chicago and, in 1941, the year the United States entered into the Second World War, she enlisted in the U.S. Army.

Mrs. Pahls became a nurse. In 1942, she was assigned to her post, a hospital in Belleville, Illinois. There she cared for soldiers who were sent home from the war, soldiers injured so severely they required hospitalization.

For 3 years, Mrs. Pahls nursed returning soldiers, giving them far more than medical care. She tended to their injuries, but she also gave them a long-awaited welcome home and listened to their experiences and stories.

When the war ended in 1945, Doris Pahls was discharged and returned home to Chicago. She married Louis F. Pahls, who had courted her all through the war, consistently writing her. We did not use the telephone or empty mail at that time.

She continued nursing at St. Elizabeth's Hospital until she and her husband had their daughter Marie Pahls Ryan.

Anyone who knew Doris Pahls discovered a woman of intense and immense energy, humor, and caring. She did not talk often about herself and her service to the United States. In fact, few knew this sparkling grandmother was part of freedom's troop, a woman of the military.

I am sad to say that Doris Pahls passed away last month from cancer. But her service to her country will not be forgotten.

When Doris was interred, her daughter received the American flag that draped her casket. Her grandchildren and her great grandchildren heard the sounds of Taps and the firing of rifles, a testament to one of the many women who stood to honor their Nation in its hour of danger.

Mrs. CAPPS. Mr. Speaker, I yield 3 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentlewoman from California for yielding time to me. I thank the gentlewoman from North Carolina (Mrs. MYRICK). Is this not a very special occasion? I thank the gentlewoman from California (Mrs. CAPPS) for, as the women in World War II, filling in and rising to the occasion.

We are sorry that the gentlewoman from California (Ms. SANCHEZ), who is en route to her district for meetings and ceremonies that she had to participate in, and the gentlewoman from Florida (Ms. BROWN), and many, many other women who had planned to be here to support this are moving out to their district at this time.

But I wanted to acknowledge a specialness of this particular resolution, H. Res. 41, honoring the American military women for their service in World War II.

Mr. Speaker, I had the opportunity to participate in this ceremony at the Arlington Cemetery honoring women in the military and, in particular, taking note of the strength of women who participated, who signed up, who volunteered for World War II.

As we look at those black and white films, I remember or am reminded of seeing the factories. My understanding was that, as the men went off to war, there were many women who then had to fill the plants in making military equipment.

But there was not enough focus on the number of women who volunteered for actual duty in World War II. I do not know if my colleagues realize, Mr. Speaker, that so many women volunteered for armed services duty in World War II that enrollment ceilings were reached within the first several years.

Unfortunately, I do not know if many of us are aware that, even though the WASPS were promised military classification, they were classified as civilians, and the 38 WASPS who died in the line of duty were buried without military honors.

Just seeing General Eisenhower, President Eisenhower's son, yesterday, as they honored him by naming our Federal building after President Eisenhower, the General himself, said that, during the time that he had witnessed the service of the WACs under his command, they had met every test and task assigned to them. Their contributions and efficiency, skills, spirit and determination are immeasurable. I would consider him a general's general.

So this resolution is long overdue. On the eve of honoring our veterans, let me now say that it is so very important that we honor these women and thank all of our veterans across America for the service that they have given, because I believe that God may have given me life, but the veterans have given me the quality of life that we experience and the democracy that we admire in this country.

So to all of the women who have served in the military, and particularly those who volunteered, some 20,000 in the Marine Corps for World War II, this is a time of praise and acknowledgment, and I congratulate each and every one.

Mr. McKEON. Mr. Speaker, I am pleased to yield 4 minutes to the gentlewoman from North Carolina (Mrs. MYRICK), author of this resolution.

Mrs. MYRICK. Mr. Speaker, I thank the gentleman from California for yielding to me, and I rise in support of the resolution to honor the women veterans of World War II.

Back in February, I introduced H. Res. 41 because Congress has never officially honored these trail-blazing women, and, thankfully, we are doing so now and appropriately so on the eve of Veterans' Day.

More than 400,000 women served in the military during World War II. They served as members of the Women's Army Auxiliary Corps, the Women's Army Corps, the Navy Women's Auxiliary Reserve, the Coast Guard Women's Reserve, and as Women's Air Force pilots.

□ 1800

Indeed, 38 women Air Force pilots died in the line of duty and were buried without military honors. These women veterans did not earn equal pay or status; but even so, they were certainly more than willing to do the right thing and sacrificed to serve our country.

Nevertheless, it took decades for many of them to even earn recognition as military veterans. H. Res. 41 commends those women who, through a sense of duty and willingness to defy stereotypes and political pressures, performed military assignments so that men could be freed for combat duties. One of those women is my good friend in Charlotte, Gaye Patterson, who was a nurse in World War II.

In addition, the bill recognizes that the military women of World War II, by serving with diligence and merit, not only opened up opportunities for women that had been reserved for men, but also contributed vitally to the victory of the United States and the Allies in World War II.

Mr. Speaker, by passing H. Res. 41, Congress will recognize the value of their service. It has taken a while, and, unfortunately, many of these women have now passed away, but this Veterans' Day we will give them praise and thanks that is long overdue all over this country.

I would like to thank again my friend, the gentleman from California (Mr. McKEON), for his leadership on this issue, and I urge all of my colleagues to support this resolution.

Mrs. CAPPS. Mr. Speaker, I yield myself such time as I may consume to briefly commend my colleague, the gentlewoman from North Carolina (Mrs. MYRICK), for her diligence and inspiration in bringing this wonderful resolution to the floor. I was very happy to be here to speak to it.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. McKEON. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. LAZIO).

Mr. LAZIO. Mr. Speaker, I want to thank the gentleman from California (Mr. McKEON), my classmate and fine Member of this House; and I want to particularly thank the gentlewoman from North Carolina (Mrs. MYRICK) for bringing this important issue to the floor. I commend her for her commitment to providing women veterans the recognition they so richly deserve.

I am particularly pleased to have the opportunity to speak to this resolution because one of the 400,000-plus women being honored today is my own mom. I stand with my sisters, Gale, Roseann, and Judy in acknowledging and honoring her today.

In 1944, a war was going on. My mom, Olive Christensen of New York, not yet 20 years old, wanted to do her part. She entered the Navy Women's Auxiliary Reserve, or WAVES, that year and stayed on until the war's end in 1945. She left the comforts of home and family in Brooklyn and served in the Naval Hospital at the Naval Medical Center in Bethesda, Maryland.

As a Hospital Apprentice Second Class and later as a Hospital Apprentice First Class and Corpsman, she cared for the sick and wounded Marines and Naval personnel who were transferred back to the States from all fronts all around the world. While others were raising families, she was patching up the wounded. While others were living their youth, she was maturing and carrying on the responsibilities of serving in our national defense. She spent long hours in a strange city far from home, helping our troops. It was the best way she could help her country in its greatest struggle.

Mr. Speaker, over 74,000 women in my home State of New York answered their Nation's call, serving in World War I, World War II, Korea, Vietnam, the Gulf, and in peacetime. Five thousand alone came from Suffolk County, where my district is located. We cannot find their contributions in many history books. Their sacrifices are not honored as they deserve to be. Their contributions and their sacrifices are often invisible.

Our mother's mothers also served in their time, and history treats their contributions in the same manner. Theirs are also invisible. Eleven thousand women served our country in the Naval Reserve during World War I and another 300 enlisted in the Marine Corps. By 1919, they were all discharged. It would take another war before we would open the door to women again.

To all the women being honored today, I have a personal request. It is this: please tell your children, your grandchildren, and even your great grandchildren how you served your country in its time of need. Do not let your experiences become invisible. Because of the path that you paved, women today make up over 13 percent of the armed forces of this great Nation. Their contributions are immense.

American women have served their country, but their efforts and contributions were never given the same recognition as their male counterparts until today. Today, as we prepare to honor our Nation's veterans, I am proud to say that women are veterans too. Today, as a Member of Congress and as a son, I am proud to say to my mother and to all the thousands of other moms who served, "Thanks, Mom. Thanks for your help in keeping us free."

Mr. McKEON. Mr. Speaker, I yield myself such time as I may consume to commend the gentlewoman from North Carolina (Mrs. MYRICK) for her leadership in bringing this resolution to the floor, the gentlewoman from California (Mrs. CAPPS) for working with her on that, and all those who have spoken and those who were intending to speak and had to leave early to go back to their districts. Mr. Speaker, I urge support of this bill.

Ms. DELAURO. Mr. Speaker, I rise in strong support of the resolution offered by Representative MYRICK in honor of the more than 400,000 women who served the United States in military capacities during World War II.

Tomorrow we honor all our veterans to whom our nation owes a tremendous debt. These courageous men and women sacrificed so much—whether in World War I, World War II, Korea, Vietnam, or the Gulf War—to ensure the freedom and opportunity that we so often take for granted.

Now, however, we take a moment to honor the brave women who overcame the traditional stereotypes of their place in society to play vital roles in the effort to bring victory to the United States and its Allies in World War II.

It is our responsibility to repay these courageous women for the sacrifices that they made to ensure peace and freedom for this country. We must alsc express our appreciation for their strength in paving the way for future generations of women, opening new careers opportunities and possibilities.

We must thank the 150,000 women who risked their lives serving the Army despite the fact that they did not have the same protection as men under international POW agreements; the more than 30,000 women who served the Marines and the Coast Guard; the WASPs who ferried planes from factories over a total distance of 60 million miles to airfields; and the WAVES who taught aircraft recognition, navigation, air combat information, and other essential skills.

I urge my colleagues to honor these women for their determination and bravery and vote for this bill.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise today in recognition of Veterans Day, that day on which all of us are called on to honor the sacrifices made for our country by those who serve in her armed forces and those who risked or gave their lives defending her.

It is fitting that on the day before Veterans Day, this House pays tribute to a special group of veterans who put their country before themselves in a time of great danger. H. Res. 41 recognizes our nation's women veterans for their service during World War II. Nothing we can do today can repay the debt we owe them. But we must note that debt, recognize it and make certain our children know how great it is.

In 1954, President Eisenhower pronounced November 11 "Veterans Day" to honor the veterans of all American conflicts. Previously, November 11 was known as Armistice Day, a reference to the November 11, 1918, armistice between the Allies and the Central Powers in World War I.

Unfortunately for us the war to end all wars was not the last of the Nation's conflicts. All Americans are deeply indebted to the more than 600,000 brave men and women who paid the ultimate price for the liberty that we enjoy today.

This resolution expresses the sense of the House honoring the women who served the United States in military capacities during World War II. It commends these women who, through sense of duty and willingness to defy stereotypes and political pressures, performed military assignments. Their efforts freed men for combat duties, opened up opportunities for women that had been reserved for men, but also contributed vitally to the victory of the United States and the Allies in World War II.

Serving in obscurity women World War II veterans served in the Women Air Force Service Pilots (WASPs), the Women's Army Corps (WAC), the Navy Women's Auxiliary Reserve (WAVES) and the Coast Guard Women's Reserve (SPARs). By the end of World War II more than 400,000 women had served the United States in a variety of military capacities.

On Thursday, our nation will pause to honor our veterans who served our country with distinction. Whether through a parade, speech, or memorial service let us remember to honor all of our veterans including those women who served during World War II.

Mr. EVANS. Mr. Speaker, on the eve of Veterans Day—the day we set aside to honor our nation's veterans—I rise in support of H. Res. 41, a measure honoring women veterans and their contributions to the allied victory in World War II.

In 1941, Congresswoman Edith Nourse Rogers introduced H.R. 4906, the bill that established the Women's Army Auxiliary Corps (WAAC). Although faced with mounting opposition in the House, the bill was signed into law on May 15, 1942 as Public Law 77–554.

Two months later, similar legislation was introduced and signed into law establishing the Navy Women's Reserve (WAVES) and the Marine Corps Women's Reserve. Four months later, the Coast Guard Women's Reserve was established.

Women answered the call to duty without hesitation. The first group of 400 white and 40 black women were selected from among 30,000 applicants. They came from every state and a variety of circumstances. They all had two things in common—they had all volunteered and they had a desire to serve their nation.

Just as their male counterparts, they had put their lives, their goals, and their dreams—on hold to serve their country. By the end of World War II, some 400,000 women had served in the military.

There can be little doubt that these brave women performed a valuable role to the war effort during World War II. Historical documents are full of testimonials attesting to the excellence of women's contributions, disciplined character and their overall positive effect on the armed services. It is appropriate that we take this time to honor these brave women who served this nation with honor during World War II.

I also commend the sponsor of this measure, my colleague from California, LORETTA SANCHEZ. I thank and commend her for her leadership on this important measure recognizing the critically important contributions made by our nation's women veterans in World War II.

To all our veterans on the eve of the last Veterans Day of this century, I say thank you for a job well done. Mr. Speaker, I am honored to support H. Res. 41 and I urge the immediate passage of this bill.

Ms. SANCHEZ. Mr. Speaker, I rise today in strong support of H. Res. 41.

Legislation honoring the brave women who served the United States during world War II.

I would also like to commend my colleagues, Representative MYRICK and my distinguished Chairman, Mr. BUYER, for all of their hardwork on this important legislation.

As we approach Veterans Day, we must thank all of our Veterans for providing us with the peace that we enjoy in our prosperous country.

This century our nation has sent its sons and its daughters to war many times.

And today we are here to pay tribute to a special group that has answered this call to arms, the women who served our nation proudly during WWII.

To all the remarkable servicewomen out there, thank you for your service to America.

These individuals are the true pioneers who broke through the barriers and paved the way for future women serving in the military.

Women have been in our service since George Washington's troops fought for independence—clothing and feeding our troops and binding their wounds.

They were in the struggle to preserve the Union as cooks and tailors, couriers and scouts, and even as spies.

Some were so determined to fight for what they believed that they masqueraded as men and took up arms.

And more than 400,000 women served this great nation during World War II.

Yes, more than 400,000 women.

General Eisenhower is known to have stated, "During the time I have had WACs (members of the Women's Army Corps) under my command—they met every test and task assigned to them. Their contributions in efficiency, skill, spirit, and determination are immeasurable".

From Pearl Harbor to the invasion of the Philippines to the liberation of Europe, these brave women endured bombs, disease, and deprivation to support our Allied forces.

But despite this history of bravery and accomplishment, women were treated as second class soldiers.

They could give their lives for liberty, but they couldn't give orders to men.

They could heal the wounded and hold the dying, but they could not dream of holding the highest ranks.

They could take on the toughest assignments, but they could not take up arms.

Still they volunteered, fighting for freedom but also fighting for the right to serve to the fullest of their potential.

Well today, we are here to finally honor these brave women for the service they gave to this great nation during the Second World War.

We cherish your devotion, we admire your courage, and we thank you for your service.

Ms. JONES of Ohio. Mr. Speaker, I rise today in support of this resolution acknowledging some of the bravest women of our country. By the end of WW II more that 400,000 women served the United States in military capacities and today I join over 200 of my colleagues in honoring the extraordinary accomplishments of these women.

Mr. Speaker, everyone forgets the contributions made by American women during WW II. There is never any mention of women veterans. When we hear WW II veterans everyone thinks about men only. Women, despite their merit and the recognized value and importance of their contributions to the war effort, were not given status equal to their male counterparts and struggled for years to receive the appreciation of the Congress and the people of the United States. In WW I women demonstrated that they could perform virtually all civilian tasks as efficiently as men. This process carried over into WW II with even greater impact. To release men for combat, women in all belligerent countries worked on assembly lines in factories and shipyards. Millions served in the Armed Forces in non-combat roles. More than 350,000 women donned military uniforms and 6 million women worked in defense plants and in offices. One of the most important issues of women in the military was the fact that men did not want to take orders from women.

Women became "liberated"! They started to wear pants. On July 30, 1942, the Marine Corps Women's Reserve was established as part of the Marine Corps Reserve. On November 10, 1943, a statue named "Mollie Marine" was dedicated in New Orleans to honor all women Marines. In 1948 Congress passed the Women's Armed Service Act, which opened the door for women to serve their country in peacetime. Women moved beyond the image of "Rosie the Riveter". They established organizations such as: WAVE—Women Accepted for Volunteer Emergency Service; WAC—Women's Army Corps; WASP—Women's Air Service Pilots; WAFS—Women's Auxiliary Ferrying Squadron; WAAC—Women's Army Auxiliary Corps; AWA—Aircraft Warning Service.

In 1977 Congress finally recognized WASP's as veterans and was awarded veteran status from the U.S. Air Force. In 1984, each was awarded the Victory Medal.

There is a memorial to the veterans in D.C. that reads:

> In time of danger and not before, women were added to the Corps, with the danger over and all well righted, war is forgotten and the women slighted.

General Eisenhower strongly recommended that women be a part of the military. General Eisenhower stated, "During the time I have had WAC's (members of the Women's Army Corps) under my command they have met every test and task assigned to them; their contributions in efficiency, skill, spirit, and determination are immeasurable. Present day servicewomen owe a lot to Eleanor Roosevelt who encouraged women to "Be all you can be". Since then statistics of women in the Armed Forces have skyrocketed.

Mr. Speaker, women have come a long way. I express my strong support of this resolution and join my colleagues in saluting the women who have been all they could be for the United States of America.

Mrs. FOWLER. Mr. Speaker, I rise today in support of H. Res. 41, honoring the women veterans who served during World War II. These women are not only heroes because they sacrificed their lives and comfort for our country. They are also heroes in that they were in the forefront of a movement that opened up a world of opportunities for generations of women to come. These courageous and dignified women became role models for the young women who grew up at their skirt hems.

Though women had served in the military as far back as the American Revolution, they were only first recruited in World War I. More than 35,000 women answered their Nation's call in that war. More than 10 times as many—over 400,000 women—served in the U.S. armed services during World War II. Regrettably, Mr. Speaker, more than 200 women died in action during World War II and 88 were prisoners-of-war. These brave women defied convention and donned the uniform of their Nation to fight for the freedom of other mothers and children overseas. Similarly, women served valiantly on the home front, taking the place of men who had vacated factories to occupy the front-lines of Europe and the Pacific.

Mr. Speaker, these women are our mothers, wives, friends, and colleagues. We all owe them a great debt of gratitude for the sacrifices they made on our behalf. It is fitting that we should begin the solemn celebrations for Veterans Day by passing this resolution and memorializing for generations to come the thanks of a grateful nation.

IN HONOR OF THE WOMEN WHO SERVED DURING WORLD WAR II

Ms. BERKLEY. Mr. Speaker, I rise today in support of House Resolution 41, to honor the 400,000 courageous women who served the United States during World War II. These women have made an invaluable contribution to our Nation. And today, we are proud of their accomplishments and grateful for their service. During the War, these women worked as Air Force service pilots and as members of the Women's Army Corps.

These women served the Navy as members of the Volunteer Emergency Service, and they served at shore establishments of the Marine Corps. These women were an important part of our victory in World War II and by serving with diligence and merit, they opened up new opportunities for women everywhere.

Tomorrow is Veterans Day. In ceremonies across the country, we will honor those who risked their lives to serve our country. We can not and must not forget those who sacrificed to strengthen democracy around the world and defend our freedoms.

I urge my colleagues to support this resolution and honor the women who have served our country so well.

Mr. McKEON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The question is on the motion offered by the gentleman from California (Mr. McKeon) that the House suspend the rules and agree to the resolution, H.Res. 41, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

UNITED STATES MARSHALS SERVICE IMPROVEMENT ACT OF 1999

Mr. BACHUS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2336) to amend title 28, United States Code, to provide for appointment of United States marshals by the Attorney General, as amended.

The Clerk read as follows:

H.R. 2336

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "United States Marshals Service Improvement Act of 1999".

SEC. 2. APPOINTMENTS OF MARSHALS.

(a) IN GENERAL.—Chapter 37 of title 28, United States Code, is amended—

(1) in section 561(c)—

(A) by striking "The President shall appoint, by and with the advice and consent of the Senate," and inserting "The Attorney General shall appoint"; and

(B) by inserting "United States marshals shall be appointed subject to the provisions of title 5 governing appointments in the competitive civil service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and pay rates." after the first sentence;

(2) by striking subsection (d) of section 561;

(3) by redesignating subsections (e), (f), (g), (h), and (i) of section 561 as subsections (d), (e), (f), (g), and (h), respectively; and

(4) by striking section 562.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 37 of title 28, United States Code, is amended by striking the item relating to section 562.

SEC. 3. TRANSITIONAL PROVISIONS; PRESIDENTIAL APPOINTMENT OF CERTAIN UNITED STATES MARSHALS.

(a) INCUMBENT MARSHALS.—Notwithstanding the amendments made by this Act, each marshal appointed under chapter 37 of title 28, United States Code, before the date of the enactment of this Act shall, unless that marshal resigns or is removed by the President, continue to perform the duties of that office until the expiration of that marshal's term and the appointment of a successor.

(b) VACANCIES AFTER ENACTMENT.—Notwithstanding the amendments made by this Act, with respect to the first vacancy which occurs in the office of United States marshal in any district, during the period beginning on the date of the enactment of this Act and ending on December 31, 2001, the President shall appoint, by and with the advice and consent of the Senate, a marshal to fill that vacancy for a term of 4 years. Any marshal appointed by the President under this subsection shall, unless that marshal resigns or is removed from office by the President, continue to perform the duties of that office after the end of the four-year term to which such marshal was appointed or until a successor is appointed.

SEC. 4. REPORT BY THE ATTORNEY GENERAL.

On or before January 31, 2003, the Attorney General shall report to the Committees on the Judiciary of the House and Senate the number of United States Marshals appointed under section 561(c) of title 28, United States Code, as amended by section 2 of this Act, as of December 31, 2002, who are people of color or women.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Alabama (Mr. BACHUS) and the gentleman from Virginia (Mr. SCOTT) each will control 20 minutes.

The Chair recognizes the gentleman from Alabama (Mr. Bachus).

GENERAL LEAVE

Mr. BACHUS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on H.R. 2336, the bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BACHUS. Mr. Speaker, I yield myself such time as I may consume.

I am pleased to once again manage this bill on behalf of my friend and colleague, the gentleman from Florida (Mr. McCOLLUM), who is the chief architect of this bill and legislation in previous Congresses, which was actually the same legislation. I want to recognize his important leadership on this issue.

Mr. Speaker, the United States Marshals Service is the Nation's oldest Federal law enforcement agency. It is an agency of the Department of Justice. It is charged with many important and varied, and I stress that word varied, law enforcement responsibilities, including operating the witness security program, which is a very complex program, protecting the Federal judiciary, apprehending Federal fugitives, managing seized and forfeited assets in the Federal Court system, and transporting Federal prisoners between Federal prisons.

Today, there are 94 U.S. marshals, one for each Federal judicial district. Each of these persons is presently appointed by the President with the advice and consent of the Senate. But, unfortunately, there is no criteria for the selection of marshals. In fact, no managerial or law enforcement experience is even required, and it is that managerial experience that has given us problems. It is an unfamiliarity with the witness security program that has given us problems. It is not being familiar with the Federal court system and the special procedures there that has given us problems.

Unlike all other Marshals Service employees, each U.S. Marshal is exempt from the control or discipline of the director of the Marshals Service, cannot be reassigned, and can only be removed by the President or upon appointment of a successor. This lack of accountability has resulted in numerous problems, including budgetary irresponsibility among some marshals. A lack of law enforcement experience, and even more so the lack of experience in carrying out the specialized duties of the Marshals office and unfamiliarity among some appointed marshals with the mission of the Marshals Service, has led to a glut of middle managers who must assist the U.S. Marshal rather than actively pursue the work that the Deputy U.S. Marshals are supposed to do.

Mr. Speaker, this bill will address those problems. It is the United States Marshals Service Improvement Act of 1999. It will professionalize the Marshals Service by amending the selection process for U.S. Marshals. Under this bill, all marshals would be selected by the Attorney General from persons who work in the Federal Civil Service System. The bill will help to ensure that only career Federal employees with law enforcement and, as I said, more importantly with managerial experience, will be appointed as U.S. Marshals. In fact, I expect that most, if not all, future marshals will come from the ranks of career marshal employees, people that have experience dealing with the day-to-day intricacies of the Marshals Service.

The changes put forth by this bill will go into effect January 1, 2002. In the interim, all U.S. Marshals currently serving will continue to perform their duties until their terms expire, unless they resign or are removed by the President. And all marshal vacancies that must be filled between the date of the enactment of this legislation and December 31, 2001, will be filled as currently done, by presidential appointment, with the advice and consent of the Senate, for a 4-year term.

The text of H.R. 2336 is identical to a bill introduced in the 105th Congress by the gentleman from Florida (Mr. McCOLLUM), H.R. 927, the United States Marshals Service Improvement Act of 1997. That bill passed the House on the suspension calendar by a voice vote on March 18, 1997. Unfortunately, the other body did not act on that bill, and so the gentleman from Florida (Mr. McCOLLUM) reintroduced the legislation in this Congress, and that legislation is H.R. 2336.

This legislation continues to enjoy strong bipartisan support, and I urge all my colleagues to support it.

Mr. Speaker, I reserve the balance of my time.

Mr. SCOTT. Mr. Speaker, I yield myself such time as I may consume, and I rise in support of the bill H.R. 2336.

Mr. Speaker, the United States Marshals Service Improvement Act of 1999 is the bill before us, and I want to thank the gentleman from Alabama for outlining the importance of the U.S. Marshals Service and the provisions in the bill.

This bill will change the selection process of the United States Marshals from that of appointment by the President, with advice and consent of the Senate, to a merit system appointment by the Attorney General. It is expected this will bring about an improvement in the level of professionalism in the U.S. Marshals Service and provide more opportunities for advancement among the professional employees of the service.

As the gentleman from Alabama mentioned, a similar bill passed the House last year but was not taken up by the Senate. That bill provided for the appointment of U.S. Marshals by the U.S. Marshal. Some Members voted against that bill and expressed the concern that such an appointment procedure might dilute the progress made in assuring diversity and excellence in qualifications among the U.S. Marshals. The requirement in H.R. 2336 for the appointment by the Attorney General should ensure a broader applicant pool and a greater visibility and accountability to minority and female hiring concerns.

The bill, H.R. 2336, passed both the Subcommittee on Crime and the full Committee on the Judiciary by a unanimous vote. No opposition to the matter was expressed during committee consideration to the bill and I, therefore, urge my colleagues to support the bill.

Mr. Speaker, I yield back the balance of my time.

Mr. BACHUS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this legislation would depoliticize the selection process, it would address problems of patronage in the present system, and, most importantly, it would allow us to appoint more experienced U.S. Marshals, marshals not only experienced in law enforcement but, more importantly, experienced in the complexities of the U.S. Marshals' job.

☐ 1815

Mr. Speaker, I urge passage of the legislation.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The question is on the motion offered by the gentleman from Alabama (Mr. BACHUS) that the House suspend the rules and pass the bill, H.R. 2336, as amended.

The question was taken.

Mr. COLLINS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 8, rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

RECOGNIZING THE U.S. BORDER PATROL'S SEVENTY-FIVE YEARS OF SERVICE

Mr. BACHUS. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 122) recognizing the United States Border Patrol's 75 years of service since its founding.

The Clerk read as follows:

H. CON. RES. 122

Whereas the Mounted Guard was assigned to the Immigration Service under the Department of Commerce and Labor from 1904 to 1924;

Whereas the founding members of this Mounted Guard included Texas Rangers, sheriffs, and deputized cowboys who patrolled the Texas frontier looking for smugglers, rustlers, and people illegally entering the United States;

Whereas following the Department of Labor Appropriation Act of May 28, 1924, the Border Patrol was established within the Bureau of Immigration, with an initial force of 450 Patrol Inspectors, a yearly budget of $1 million, and $1,300 yearly pay for each Patrol Inspector, with each patrolman furnishing his own horse;

Whereas changes regarding illegal immigration and increases of contraband alcohol traffic brought about the need for this young patrol force to have formal training in border enforcement;

Whereas during the Border Patrol's 75-year history, Border Patrol Agents have been deputized as United States Marshals on numerous occasions;

Whereas the Border Patrol's highly trained and motivated personnel have also assisted in controlling civil disturbances, performing National security details, aided in foreign training and assessments, and responded with security and humanitarian assistance in the aftermath of numerous natural disasters;

Whereas the present force of over 8,000 agents, located in 146 stations under 21 sectors, is responsible for protecting more than 8,000 miles of international land and water boundaries;

Whereas, with the increase in drug-smuggling operations, the Border Patrol has also been assigned additional interdiction duties, and is the primary agency responsible for drug interdiction between ports-of-entry;

Whereas Border Patrol agents have a dual role of protecting the borders and enforcing immigration laws in a fair and humane manner; and

Whereas the Border Patrol has a historic mission of firm commitment to the enforcement of immigration laws, but also one fraught with danger, as illustrated by the fact that 86 agents and pilots have lost their lives in the line of duty—6 in 1998 alone: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That Congress recognizes the historical significance of the United States Border Patrol's founding and its 75 years of service to our great Nation.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Alabama (Mr. BACHUS) and the gentlewoman from Texas (Ms. JACKSON-LEE) each will control 20 minutes.

The Chair recognizes the gentleman from Alabama (Mr. BACHUS).

GENERAL LEAVE

Mr. BACHUS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on H. Con. Res. 122.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BACHUS. Mr. Speaker, I reserve the balance of my time.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise to wholeheartedly and enthusiastically support H. Con. Res. 122, commemorating the 75th anniversary of the United States Border Patrol.

I would like to especially thank my colleague and friend, the gentleman from Texas (Mr. REYES), for sponsoring this legislation.

I come to pay tribute to a group of men and women who guard our Nation's borders and risk their very lives every day. The group of men and women to whom I am referring are the United States Border Patrol.

Might I, as a personal note, and I know that he might share it with my colleagues, just thank the gentleman from Texas (Mr. REYES) for the years of service that he gave in the Border Patrol command. His advocacy, his affection, his service has been much appreciated by all concerned.

On May 28, 1924, the Border Patrol was established within the Bureau of Immigration with an initial force of 40 patrol inspectors and a yearly budget of $1 million.

This year is the 75th anniversary of the United States Border Patrol. Along with my colleague, the gentleman from Texas (Mr. REYES), we also introduced the Border Patrol Recruitment and Retention Act of 1999.

This legislation provided incentives and support for recruiting and retaining Border Patrol agents. This legislation increased compensation for Border Patrol agents and allowed the Border Patrol agency to recruit its own agents without relying on the personnel office of the Department of Justice or INS.

We know for sure that the Border Patrol could, in fact, do their own business and do their own job, but we also know that because of the hard work that they deserve the incentives and pay increases that any other law enforcement organization deserved or received.

The Border Patrol Recruitment and Retention Enhancement Act moved Border Patrol agents with one year's agency experience from the Federal Government's GS–9 pay level, approximately $34,000 annually, to GS–11, approximately $41,000 annually next year.

Fortunately, the language was inserted in the Commerce-Justice-State appropriations bill, which passed the House and which established an Office of Border Patrol and Retention and called for the Border Patrol agents to receive bonuses and pay raises.

I am delighted that in this 75th year we have respected the Border Patrol by acknowledging them as the law enforcement body that they are and providing them with the possibility of compensation that they deserve.

I am glad to join with the gentleman from Texas (Mr. REYES), a champion of the Border Patrol in the Congress, in drafting a bill that would focus attention to it more. And we have achieved some results from our efforts.

We are a Nation of immigrants and a Nation of law. The men and women of the United States Border Patrol put their lives on the line every day guarding our lives and protecting our borders. The present force of 8,000 members is responsible for protecting more than 8,000 miles of international land and water boundaries and work in the deserts of Arizona and Texas and California along with our extensive northern border between the United States and Canada.

Mr. Speaker, let me thank the gentleman from Texas (Mr. SMITH) for supporting this legislation and the gentleman from Texas (Mr. REYES) for offering and authoring this legislation, H. Con. Res. 122, which recognizes the historical significance of the United States Border Patrol's 75 years of commitment and service to our great Nation.

Mr. Speaker, I reserve the balance of my time.

Mr. BACHUS. Mr. Speaker, it is my pleasure and honor to yield such time as he may consume to the gentleman from Texas (Mr. REYES), my friend and colleague and the author of this legislation.

Mr. REYES. Mr. Speaker, I thank the gentlewoman from Texas (Ms. JACKSON-LEE) and a very good friend of mine for yielding me the time.

Mr. Speaker, let me begin by thanking my colleagues, the gentleman from Texas (Mr. SMITH) and the gentlewoman from Texas (Ms. JACKSON-LEE), the ranking member, for their help in bringing this bill to the floor today.

Let me also thank my friend and colleague the gentleman from Alabama (Mr. BACHUS) for his support here this afternoon, as well.

This year is the 75th anniversary of the establishment of the United States Border Patrol. I had the privilege and the honor of being part of the U.S. Border Patrol for more than 26 years before I came to Congress. I joined the Border Patrol after my service in Vietnam. At the time that I joined, I was not fully aware of the historic past of the United States Border Patrol, whose motto today, as it was and always has been, is "honor first" and whose exemplary service through the years has proven that this motto is truly a way of life for its officers.

Mr. Speaker, I include for the RECORD a document entitled "The History of the United States Border Patrol."

BORDER PATROL HISTORY

From the time this nation was established until 1875 there was no legislation restricting immigration except the Alien Act of 1798 which provided the President with the authority to order the departure from the United States of any alien whom he deemed dangerous to the welfare of the country. This legislation was unpopular and it was not renewed when its two-year term expired. Between 1820 and 1880, more than ten million immigrants arrived in this country. The first restrictive legislation passed by Congress was the Act of March 3, 1875, which barred the immigration of convicts and of women for the purpose of prostitution. This Act was followed by the Immigration Statute of August 8, 1882, which barred the admission of idiots, lunatics, convicts, and persons likely to become a public charge. Also in 1882, the first Chinese exclusion law was adopted, and in 1885, the first Contract Labor Law was passed. These laws were designed to restrict the entry of certain undesirable aliens and the flood of Chinese and other large bodies of cheap labor being imported into the United States which was flooding and depressing the labor market. As the door was closed tighter by these progressively restrictive immigration laws, increasingly large numbers of Orientals and other inadmissible aliens resorted to illegal entry to gain admission, and the need for a border control force to prevent illegal entry evolved. As early as 1904, the Commissioner General of Immigration assigned a small group of mounted inspectors along the borders to prevent the smuggling and illegal entry of aliens. This token force of untrained officers, never totaling more than 76, was woefully inadequate to cope with the illegal entry problem. In addition, once the alien escaped the border area, he generally melted into the population undetected, as there were no officers available to search out and deport him. It was estimated that for every one hundred aliens apprehended at the borders, one thousand escaped detection. Because of increased and continuing illegal entry activity, a separate unit of mounted inspector was organized in March of 1914, to which was assigned additional men and equipment, such as boars, cars, etc. The unit's scope was described as general, and the officers operated without regard to district boundaries, thus avoiding any clash of authority among officers of the respective districts. It was stated, however, that the new system was not extensive enough to cope with the organized efforts of those engaged in the business of smuggling aliens, and that this contraband traffic and illegal entry of aliens could only be broken up by the formation of a border patrol that could devote all its efforts to the prevention of the illegal entry of aliens and to seek out, arrest, and deport all aliens in the United States illegally. It was stated that the only way to stop surreptitious entries was to make it certain that arrest and expulsion would follow.

Because of travel restrictions and the assignment of troops along the borders during the World War I years of 1917–1918, immigration and illegal border activity were greatly reduced, but with the close of the war, smuggling and illegal entry accelerated rapidly. The Bureau of Immigration again resumed its efforts to close the borders between the ports of entry. The Commissioner General made strong recommendations in 1919, requesting funds for a patrol service to guard the borders and coastlines, stressing the need for a force that could devote all its energies to this important function. It was emphasized that large numbers of European and Chinese aliens who were smuggled in from Canada, Mexico, and Cuba were being apprehended. Reports in 1922 indicated there were 30,000 unemployed Chinese in Cuba, and more arriving regularly, who intended to enter the United States illegally. Smuggling from Cuba was prevalent, approaching alarming proportions.

Prior to the enactment of the Immigration Act of 1917 there were so few immigration restrictions applicable to natives and citizens of Canada and Mexico there was little reason to enter illegally. Unlike the immigrants from overseas, they were not required to pay the head tax and they were not compelled to take the literacy test. Those who measured up to the relatively simple requirements of the law were free to enter in unlimited numbers. The Immigration Act of 1917, however, imposed the head tax of $8.00 on Canadians and Mexicans and, like other aliens, they were subjected to the reading test provided in the new law. These two provisions contributed significantly to widespread border violations and increases in smuggling. Between Fiscal Years 1922 and 1924 seaman desertions rose from 5,879 to 34,679. In Fiscal Year 1924 only 6,409 aliens were deported, but the small number of officers assigned to patrol the borders was insufficient to prevent many illegal entrants from escaping detection and reaching inland points.

The volume of legal immigration soared from 141,132 in 1919 to 805,228 in 1921, and there was much concern lest an uncontrolled flood of immigration from the war-ravaged countries of Europe might descend on the United States. Because of this fear, there emerged the temporary Quota Act of 1921, which permitted the admission annually of 3% of the number of persons of each nationality in the United States according to the 1910 census. On May 26, 1924, Congress adopted a permanent quota law, which restricted immigration to approximately 150,000 quota immigrants a year.

As additional restrictions were placed on immigration, more aliens resorted to illegal entry. Congress, aware that it was unrealistic to inspect applicants for admission at ports of entry, but at the same time leave long, wide-open stretches of unguarded border between the ports where inadmissible aliens could readily enter the United States, and realizing the need for a force that could devote all of its energies to the prevention of smuggling and illegal entry and the apprehension of aliens illegally in the United States, created the Border Patrol in the Department of Labor Appropriations Act of May 28, 1924. The Act provided for the expenditure of at least one million dollars for "additional land-border patrol". Since then, the Border Patrol has been an integral part and important enforcement arm of the Immigration and Naturalization Service.

As there was no Civil Service register for immigration patrol inspectors, the initial force was selected from Civil Service registers for railway postal clerks and immigration inspectors. The hastily recruited small band of officers was given the responsibility of enforcing Section 8 of the Immigration Act of February 5, 1917 (39 Stat. 874:8 U.S.C.), which prohibited smuggling, harboring, concealing, or assisting an alien not duly admitted by an immigrant inspector or not lawfully entitled to enter or reside in the United States.

Although the infant organization was charged with the responsibility of combating illegal entry and the highly organized and lucrative business of alien smuggling, the necessary authority to act was not provided in the statute under which the Patrol was established. During the first few months of operation, officers were further handicapped in the performance of their duties in that they were not uniformed and had nothing but their badges to distinguish them from other citizens. This situation gave smugglers, illegal entrant aliens, and others an excuse for ignoring their commands, thereby endangering the lives of the officers. This latter handicap was remedied in December 1924 when a Border Patrol uniform was adopted. The Border Patrol has since been known as the uniformed enforcement division of the Immigration and Naturalization Service.

Following creation of the Border Patrol, large-scale alien smuggling from Cuba to Florida and the Gulf Coast areas continued. In order to combat this difficult problem, Congress, in the Act of February 27, 1925 (43 Stat. 1049–1050; 8 U.S.C. 110), provided funds for a "coast and land border patrol", and, in addition, realizing that Border Patrol officers lacked specific authority to act, authorized any designated employee of the Bureau of Immigration to execute any warrant or other process issued by any officer under any law regulating the admission, exclusion, or expulsion of aliens and, without warrant,

(1) to arrest any alien who, in his presence or view, is entering or attempting to enter the United States in violation of any law or regulation made it pursuance of law regulating the admission of aliens, and to take such alien immediately for examination before an immigrant inspector or other official having authority to examine aliens as to their rights to admission to the United States, and

(2) to board and search for aliens any vessel within the territorial waters of the United States, railway car, conveyance, or vehicle, in which he believes aliens are being brought into the United States.

Officers operated under the provisions of this Act until it was amended by the Act of August 7, 1946 (60 Stat. 865; 8 U.S.C. 110), which continued the basic authorities with the following revisions:

(1) Extended the power, without warrant, to arrest any alien in the United States in violation of any law or regulation made in pursuance of law regulating the admission, exclusion, or expulsion of aliens, and likely to escape before a warrant could be obtained for his arrest.

(2) Reason to believe aliens were being brought into the United States in a conveyance was no longer necessary to board and search such conveyance; however, the search had to be made within a reasonable distance of an external boundary.

(3) Added the power, without warrant, to make arrests for felonies committed and cognizable under any law of the United States regulating the admission, exclusion, or expulsion of aliens, if the person making the arrest has reason to believe that the person so arrested in guilty of such felony and if there is likelihood of the person escaping before a warrant can be obtained for his arrest.

Approximately six years later, the Act of March 20, 1952, amended Section 8 of the Immigration Act of 1917 and title IV of the Act of February 27, 1925. The basic authorities in effect at the time of the new Act were retained with the following revisions and/or additions:

(1) Transportation within the United States of known illegal entrant aliens was, for the first time, made an offense.

(2) Employment and usual and normal practices incident to employment were deemed not to constitute harboring illegal aliens.

(3) Arrests for harboring, smuggling, and transportation of illegal aliens were restricted to designated officers and employees of the Immigration and Naturalization Service, and all other officers whose duties were to enforce criminal laws.

(4) Provision was made for officers to have access to private lands, but not dwellings, within 25 miles of any external boundary, for the purpose of patrolling the border to prevent the illegal entry of aliens.

Some three months later, the Act of June 27, 1952 (66 Stat. 163), cited as the "Immigration and Nationality Act", also referred to as the McCarran-Walter Act, repealed and substantially reenacted most of the laws relating to immigration and nationality, including the authorities of immigration officers to act without warrant. The one significant addition to authority of officers was the provision which permitted boarding and searching of a conveyance for aliens to be performed anywhere in the United States, so long as the officer had reason to believe aliens were being brought into the United States in the vehicle being searched.

The authorities contained in the Immigration and Nationality Act provide the basis for action by our officers today. The primary authority under which the Border Patrol operates stems from Section 103 of this Act (8 U.S.C. 1103), which states, in part, that the Attorney General shall ". . . have the power and duty to control and guard the boundaries and borders of the United States against the illegal entry of aliens and shall, in his discretion, appoint for that purpose such number of employees of the Service as to him shall appear necessary and proper".

This authority has been delegated by him to the Commissioner of Immigration and Naturalization, and the Commissioner, in turn, has delegated, under 8 CFR 103.1, to the Deputy associate Commissioner, Domestic Control, the responsibility for all the Border Patrol activities of the Service.

Further, in order to provide Border Patrol officers authority and protection when they encounter violators of customs laws incident to the performance of their normal duties, arrangements were made in 1955 for their designation as Customs Patrol Inspectors. This designation was updated on July 14, 1971, providing for delegation of authority to designate Border Patrol Agents as acting Customs Patrol Officers, without compensation. Basic authority to act under this designation lies in Title 19 U.S.C. 1581.

The Border Patrol had an initial force of 450 officers assigned to the Florida and Gulf Coasts and the two land boundaries. Exhibit I shows appropriations, officer force, and numbers of deportable aliens and smugglers apprehended, Fiscal Year 1925 to Fiscal Year 1973, inclusive. During these years, the Border Patrol apprehended 7,061,853 deportable aliens and 40,463 smugglers of aliens. In addition, the Border Patrol works closely with other agencies and, incidental to their regular duties, its officers have apprehended tens of thousands of violators of other laws and seized smuggled contraband, liquor, and narcotics valued at millions of dollars.

The Border Patrol has always been a flexible and mobile organization whose officers have high morale and an intense pride in their organization. When first organized, the entrance-on-duty salary was $1,680 per annum, as compared to $9,969 at the present time. Initially, the Border Patrol was under the supervision of the border district directors. However, starting January 1932, in order to obtain a greater degree of coordination and uniformity in operations and supervision, it was placed under the immediate control of two directors—one located at El Paso, Texas, for the Mexican border, and the other at Detroit, Michigan, for the Canadian border. This administrative alignment was terminated on June 1, 1933, and the Border Patrol reverted to its former plan of organization. When the regional concept was adopted on January 3, 1955, the Border Patrol continued to operate under the respective districts until October of that year. At that time, operational activities were placed under the immediate direction of the regional offices. This arrangement provided needed flexibility and better coordination of activities between the sectors, and facilitated the movement of officers and equipment to meet changing work-loads and conditions.

In January 1930, hearings were held by the Committee on Immigration and Naturalization, House of Representatives, to consider merging of the Immigration and Customs Border Patrols so that the execution of the customs, immigration, prohibition, and other laws regulating or prohibiting the entry into the United States of persons and merchandise might be more effective. It was proposed by the Secretary of the Treasury that the unified Border Patrol be part of the Coast Guard and be charged with the duty of guarding the borders between the designated ports of entry to prevent the entry of persons and merchandise over the land and water boundaries. The proposed unified Border Patrol was to replace the Customs and Immigration Border Patrols on the Mexican and Canadian borders and complement of work of the Coast Guard on the maritime boundaries, thereby eliminating duplication of effort, concentrating responsibility for the protection of the borders, and bringing about a more effective coordination of work. The plan, however, did not get beyond the discussion stage. Upon repeal of the prohibition laws in 1933, liquor smuggling, for all practical purposes, ceased to exist. The number of customs patrol inspectors diminished thereafter and the organization was finally abolished on July 24, 1948.

In 1935, the Border Patrol, realizing the need and value of radio communications in its work, began the installation and use of radios in vehicles and stations. This was the forerunner of the comprehensive and effective radio network we have today.

As a continuing effort to improve its efficiency and effectiveness, the Border Patrol, in 1939, established a fingerprint unit in El Paso, Texas, for aliens apprehended in the three Mexican border districts. The unit provided rapid and positive identification of previously arrested aliens, and proved to be a very effective enforcement tool until it was unable to process the increasingly large number of fingerprints of aliens apprehended along the Mexican border. The unit had, as its maximum, seven employees, and personnel limitations made it impossible to expand the unit so it could keep pace with the increasing number of aliens apprehended by the Border Patrol in Mexican border districts. Because of its limitations, the unit was discontinued in 1953.

Except for the initial year of its existence, the Border Patrol officer force, workload, and accomplishments remained fairly constant through fiscal year 1940 (see Exhibit I). During appropriation hearings for fiscal year 1941, the Secretary of Labor vigorously opposed a proposed reduction in the Border Patrol force, stating "I think the Border Patrol is our most efficient and effective branch of the Service and whatever reductions are made in the Immigration Service should be at points other than the Border Patrol. It is the prevention of illegal entry that will reduce our work." On June 14, 1940, (Reorganization Plan No. V, 5 F.R. 2223; 5 U.S.C. 99, 1940 ed.) the Immigration and Naturalization Service was transferred from the Department of Labor to the Department of Justice. Because of the grave international situation that existed in 1940 and the belief that aliens who would be a threat to the best interests of the country would endeavor to enter the United States surreptitiously, Congress, on June 27, 1940, by deficiency appropriation, made available two million dollars for 712 additional Patrol officers, 57 auxiliary personnel, and the necessary equipment. This increased the force to 1,531 officers. During the war years, this force was used to provide tighter control of the borders, to man alien detention camps, guard diplomats, and to assist the military to guard the East Coast of the United States against the entry of Axis saboteurs. A Border Patrol unit was established in Boston, Massachusetts, in 1942, to guard the coastline and perform other Border Patrol duties in that area. This unit was deactivated in 1945.

The first attempt to patrol the borders by air began in the summer of 1941 when three autogiros were obtained from the military and transferred to the Service. The first fixed-wing airplanes were used in 1945 after three surplus L–5 observation planes were obtained from the military. The radio-coordinated air-ground operations have developed into one of the Patrol's most effective tools.

In 1942, after the beginning of World War II, the demand for labor accelerated rapidly. As farm laborers entered the military or found employment in the expanding war industry, an acute labor shortage was created in agriculture. Food production was considered vital to winning the war, and for the first time since World War I, it became necessary to recruit alien labor. An agreement with Mexico, affective August 4, 1942, provided for the importation of Mexican nationals. The first Mexican agricultural workers were admitted to El Paso, Texas, on September 27, 1942, under the Ninth Proviso of Section 3 of the Immigration Act of February 5, 1917. The continued shortage of domestic labor brought about the enactment of Public Law 45 on April 29, 1943, which provided for the importation of agricultural laborers.

This law expired December 31, 1947, and from 1948 to June 30, 1951, Mexican laborers again were imported under the Ninth Proviso. On July 12, 1951, congress passed Public Law 78, and Mexican laborers were imported under this Act (see Exhibit II). Upon termination of Public Law 78 on December 31, 1964, the importation of Mexican laborers diminished drastically. In calendar year 1965, 20,284 Mexican agricultural laborers were imported under Section 101(a)(15)(H)(ii) of the Immigration and Nationality Act. In addition, in fiscal year 1965, 15,377 British West Indians and 21,430 Canadian woodsmen and agricultural laborers were admitted under this Act. If the Canadian and British West Indian programs were eliminated, illegal entries would increase; however, the impact would not be as great on illegal alien activity as was brought about by the termination of Public Law 78. Statistics concerning the relationship between the importation of Mexican laborers and deportable aliens located reveal that as the number of contracted Mexican laborers declined, the number of deportable aliens apprehended increased. (See Exhibits I and II)

Early in fiscal year 1950, a Border Patrol unit was established in New York, followed by the establishment of units in Philadelphia, Baltimore, and Norfolk, to perform seaport and crewman control duties. These units were abolished in 1952 and the officers and functions were transferred to the newly formed Investigations Division.

Starting with fiscal year 1944 and upon termination of World War II, illegal alien activity accelerated rapidly, especially along the

Mexican border. Apprehension of deportable aliens increased each year. During this period, the authorized force decreased from 1,637 to 1,079. The increasingly large number of apprehensions each year could not be pointed at with pride. These large numbers of aliens who could be apprehended so rapidly indicated a weakness in the prevention of illegal entry. During appropriation hearings in February 1951, Service representatives were informed that the influx of illegal aliens was a major and fantastic disgrace and a reflection on the Immigration Service, the Department of Justice, and representatives of the national government, and that the situation was so serious along the Mexican border that it made a farce of the Immigration laws in that area.

The Mexican border situation continued to deteriorate, especially in the California and Rio Grande Valley areas. It was reported that aliens were responsible for 755 of the crimes in some of the South Texas and California counties. The Service was implored by citizens' associations, chambers of commerce, and local peace officer groups to use all possible resources toward controlling the hordes of illegal aliens flooding the Southwest. The numerous reports of robbery, rape, and pillage by illegal aliens indicated the seriousness of the situation.

In 1950, in attempting to halt this invasion, the Canadian border was reduced by 62 positions that were shifted to the Mexican border. In addition, an airlift to the interior of Mexico was inaugurated June 1, 1951. Approximately 51,504 aliens were airlifted before that lift was discontinued during July 1952 for lack of funds. The Mexican Government then agreed to provide train lifts for its nationals, with military surveillance, from the San Antonio and Los Angeles Districts to the interior of Mexico. These trainlifts were inaugurated in July 1952, but because of their ineffectiveness were discontinued after about five months of operation. During that time 25,297 aliens were transported from the border areas. In most areas, the Border Patrol could apprehend daily as many aliens as officers could handle. It was the same old story, year after year—too little and too late to stop the wave of illegal entries.

On June 9, 1954, however, the Attorney General announced that the Border Patrol would begin an operation to rid Southern California of illegal aliens. On June 17, 1954, a special force of some 800 officers from all districts was assembled at El Centro and Chula Vista, California. As news of the special operation spread, unknown thousands of aliens left the country voluntarily. The adult, healthy, Mexican males without families were expelled by bus at Nogaleses and from there by train, at the expense of the Mexican Government, to the interior of Mexico. In approximately thirty days, the operation was shifted to the South Texas area. After the wetback invasion was brought under control there, officers were assigned to Chicago and other interior cities to clean out the illegal aliens in those areas. After removing the hordes of illegal aliens in the Southwest, it was reported that unemployment claims in California dropped by $188,000 a week and that crime in some border counties decreased from 50%-90%. Welfare agencies and hospitals reported a decrease in charity demands. Jobs were made available for local citizens, and merchants reported rising sales. There was a general improvement in the economic, social, and health conditions all along the Mexican border. For example, the infant mortality rate in Hidalgo County, Texas, dropped from 233 in 1953 to 31 in the last half of 1954.

To assure that there would be a sufficient number of officers on a permanent basis to maintain control of the borders, Congress, in fiscal year 1955, authorized an increase of 400 patrol agents. To provide for a means for the expeditious movement of aliens in Service custody, five transport aircraft were acquired in late 1954. It was realized at the time that there could be no relaxation of our enforcement effort and, realizing the need to remove border violators from the area of their gainful employment in order to discourage their illegal return, the Border Patrol, on September 8, 1954, began expelling adult Mexican male aliens by boatlift from Port Isabel, Texas, to Vera Cruz, Mexico. The operation was terminated in August 1956, after 49,503 aliens had been removed. The Ojinaga to Chihuahua trainlift, and the Reynosa-Matamoros, Tamps., to Leon, Gto., airlift were started September 26, 1956, and November 29, 1957, respectively. For a brief period in 1965, the airlift was extended to include flights from Mexicali and Juarez. The Mexican airlift operation was discontinued in February 1969. Various other programs have utilized bus or train transport in Mexico to return aliens to the vicinity of their homes. At the close of Fiscal Year 1973, the following removal operations were in existence. The data of origin of the operation appears within the parentheses.

Airlift: Tijuana-Leon (3/25/70).

Buslift/Trainlift: Presido (9/26/56); El Paso-Jimenez (9/12/67); El Paso-Chihuahua (9/16/68); Port Isabel-San Luis Potosi (4/8/69); El Centro-Los Mochis (9/9/68); Chula Vista-Mazatlan (5/16/69); Del Rio-San Luis Potosi (3/13/70); Nogales-Obregon (12/3/70).

By 1956 the Mexican border violations had been reduced to the extent that adequate control prevailed. It was then possible to strengthen the other areas which was accomplished by transferring 84 officer positions from the Southwest Region. Thirty positions were allocated to the Northeast Region, 33 to the Northwest Region, and 21 to the Southeast Region.

As border conditions improved, it was realized that attention should be given to the illegal entry of aliens by air. Recognizing the potential use of private aircraft for alien smuggling and the need to provide a method to combat smuggling and illegal entry by air, as there were reportedly widespread violations, air detail offices were established for the Mexican border at El Centro, California, in July 1955, and relocated to Yuma, Arizona, in June 1956; at Detroit, Michigan, for the Canadian border in September 1957; and in the Miami Sector for the Caribbean area in July 1959. The function of these offices is to index, evaluate, and disseminate information relating to suspect aircraft and pilots transiting the Mexican, Canadian, and Florida and Gulf Coast borders. In April 1968, the Detroit office was merged with the Yuma office and in June 1968, the Miami office was moved to Yuma. Although these facilities are manned by Border Patrol personnel, they are Service-wide facilities and all offices contribute information concerning suspect aircraft and individuals, and consult the records when the need arises. More than one hundred thousand legal entries by private aircraft are verified each year. These offices have assisted in establishing almost 950 violations of Section 239 of the Immigration and Nationality Act (illegal entry in aircraft)

Further, as controls were tightened along the borders, increasing numbers of aliens resorted by use of false documents to support claims to United States citizenship. In view of the expanding complexity of the problem, it became evident that a coordinated effort on a national scale was needed to combat this menace to enforcement control, and as a result, the Fraudulent Document Center was established at El Paso, Texas, on April 15, 1958.

The Center compiles information from completed cases involving fraudulent birth or baptismal certificates used by Mexican aliens, and this information is readily available to a field officer who encounters a doubtful document claim to United States citizenship by a subject of Mexican extraction. The Center was moved to Yuma in June 1968 to place all Border Patrol record-keeping facilities in one location.

Two other record facilities are being operated by the Border Patrol. The Anti-Smuggling Information Center was established in 1965 to correlate information to identify known and/or suspect smugglers of aliens operating in the western portion of the U.S./Mexican border. The area involved has been extended to include all of the Southwest Region and the facility is now situated at Yuma, Arizona. Service officers direct information relating to smuggling operations to the Center for correlation, indexing, and filing. The current workload includes handling and processing approximately 6,000 cases per year and over 12,000 inquiries per year. A similar facility was established on July 1, 1971, at Swanton, Vermont, for information relating to alien smuggling across the U.S./Canadian border. The workload at the Canadian border facility is much less than the one on the Mexican border, but inquiries now exceed 100 per month. Beginning in 1959, there was a number of special problems of national interest that arose which resulted in the Border Patrol being called upon to furnish assistance. After Castro had succeeded in taking over the Cuban Government on January 1, 1959, anti-Castro Cubans and, in some cases United States citizens, used Florida airports to carry out hostile activity against Cuba, thereby causing embarrassment to this government. Under Presidential Proclamation 3004 dated January 17, 1953, and the provisions of Section 215 of the Immigration and Nationality Act (66 Stat. 190) and regulations of the Secretary of State relating to 22 CFR 46 and 53, the Attorney General was requested, on November 1, 1959, to prevent the departure of persons from the United States to Cuba, including its air space, who appeared to be departing for the purpose of starting or furthering civil strife in that country. The administrator of the Federal Aviation Administration issued a regulation requiring all persons operating civil aircraft for flights to or over Cuba to file a flight plan, to notify the Immigration and Naturalization Service, and to depart from designated international airports.

The Cabinet, on February 26, 1960, assigned primary responsibility for coordinating the efforts of various agencies to enforce the policy of interdicting illegal flights or incursions or export of arms to Cuba with the Administrator of the Federal Aviation Administration. The responsibility for preventing departure of unauthorized flights was assigned to the Border Patrol. In order to carry out these responsibilities, the 86th Congress, as a part of the appropriation for fiscal year 1961, appropriated $1,600,000 to increase the Border Patrol authorized force by 155 officers. On April 1, 1962, 33 of these positions were converted to guard positions and assigned to the Miami District. As the Cuban problem in Florida improved, the need for the additional officers diminished, and the force was further reduced by 122 positions on February 6, 1963.

In May 1961, the Department of Justice requested the detail of, and was furnished, 349 patrol agents, with necessary vehicles and radio equipment, to assist U.S. marshals in quelling racial disturbances at Montgomery, Alabama. Subsequently, Patrol officers have assisted U.S. marshals in riot control at Oxford, Mississippi, Selma-Montgomery, Alabama, at the Pentagon and Resurrection City in Washington, D.C.; and in many other operations. The Border Patrol also participated in the transfer of food and drugs in the exchange for Bay of Pigs prisoners from Cuba.

In addition, the Patrol has aided U.S. marshals in maintaining peace and good order during the hearings of the House of Representatives Subcommittee on Un-American Activities. Also, between January 1961 and November 1963 Border Patrol officers were assigned to security duty with Air Force personnel to guard President Kennedy's plane in West Palm Beach, Florida. Later, during President Johnson's visits to Blaine, Washington, and El Paso, Texas, Border Patrol officers were detailed to assist the security force at those places.

During the Presidential Inauguration in January 1969, Patrol Agents were detailed to Washington, D.C., to assist in security measures. Operations Instruction 105.6(b) provides for immigration officers to render assistance to the Secret Service in its protective responsibilities to the President.

Between May 1, 1961, and August 6, 1961, there were three successful and one unsuccessful hijack attempts directed against United States commercial aircraft by unstable dissidents. On August 10, 1961, President Kennedy announced to the nation that U.S. Border Patrolmen would be assigned to protect a number of flights in order to prevent future hijack attempts. Twelve hours later, our officers were riding and safeguarding commercial flights. The operation was coordinated by the Maimi Sector for the entire United States, and when it reached its peak on August 16, 1961, 50 officers per day were accompanying 92 flights. This was scaled down gradually until September 9, after which date officers accompanied flights only upon request by an airline, the Federal Aviation Administration, or upon receipt of information that a hijack attempt might be made. During the operation, Patrol officers guarded 1,310 commercial flights and travelled 1,724,396 miles. That the operation was successful is borne out by the fact that no hijack attempts occurred during the operation. The last flight by our officers took place on October 23, 1961, when Federal Aviation Administration peace officers assumed responsibility for this activity. Between September 14, 1969 and November 2, 1969 Service Immigration Inspectors, Investigators, Airplane Pilots, and Border Patrol Agents participated in '"Operation Intercept/Cooperation," a multi-agency operation to halt the smuggling of marijuana, narcotics, and dangerous drugs from Mexico. Advanced planning and subsequent implementation involved realignment of Border Patrol officers assigned to back-up operations to the border area, detailing Patrol Agents and Investigators from other regions to the Southwest Region. Extending the workweek of all officers to provide greater availability of manpower, establishment of radar coverage through the cooperation of the Military and the Federal Aviation Administration, use of leased pursuit aircraft flown by Border Patrol pilots to intercept unidentified aircraft entering the United States from Mexico, and establishment of a communications system between the agencies for transmission of intelligence and operating information. The combined efforts of the participating agencies succeeded in achieving the program's objectives and initiated new approaches to a problem of national magnitude.

With the realignment and the details from other regions there were 1,123 officers assigned to border surveillance, an increase of 254 officers. A six day workweek was authorized for the officers assigned to the operation. For pursuit purposes, the Service leased seven Beech Baron aircraft and furnished three Cessna 180 and one Piper Cherokee, whereas, FAA provided two Beech Barons and Customs made available their Cessna 210. Sixteen Service pilots were accorded training to fly the Service Beech Barons. Twenty-one FAA and Military radar installations were utilized, of which ten were portable units. The greatest concentration of radar coverage extended from El Paso to the West Coast. Service communications equipment installed at radar sites were manned by Service officers.

Statistics relating to enforcement functions performed by Border Patrol Agents and Service Investigators during "Operation Intercept/Cooperation" reflect 115 Customs violators were located, resulting in 52 seizures which included approximately 7,000 pounds of marijuana, almost 20 ounces of heroin, and nearly 250,000 units of dangerous drugs.

After our enforcement effort was strengthened and the illegal entry problem brought under control, the number of deportable aliens apprehended remained relatively steady from Fiscal Year 1957 to Fiscal Year 1964, inclusive. During this period, the borders were considered to be under an acceptable level of control.

However, since termination of Public Law 78 on December 31, 1964, apprehensions, especially in the Southwest Region, have increased drastically. For example, during Fiscal Year 1964, the Border Patrol apprehended 42,879 deportable aliens, as compared to 369,495 in Fiscal Year 1972, an increase of 326,416 or 761%. There was a more significant increase in the apprehension of adult Mexican males "EWI" during the same period—17,812, in 1964, and 435,171 in 1973, an increase of 417,359 or 2343%.

To further illustrate the illegal alien problem facing the Border Patrol it is necessary to emphasize that, in Fiscal Year 1955, when the illegal entry situation along the Mexican border was brought under control, there were 337,996 Mexican laborers imported under Public Law 78 to help alleviate the agricultural labor shortage, as compared to the admission of only 20,287 Mexican agricultural laborers under the bracero program (Public Law 78). Mexican braceros were employed in seventeen states during the last year of the program. A few employers of agricultural laborors have requested certification for temporary foreign workers under the provisions of Section 214 and relating regulations. The number of Mexican laborers imported have been mere tokens of the labor force formerly available. In Fiscal Year 1966 there were 18,544 Mexican laborers admitted, 7,703 in 1967, 6,127 in 1968. No Mexican laborers have been imported since 1968.

A few months after the bracero program terminated it became evident that only a small number of workers would be admitted for temporary employment. This prompted former agricultural contract laborers, many whose only source of income and livelihood for years had been derived from work in the United States, and many others, knowing that work was available in this country, to resort to illegal entry.

To combat this pressure along the sourthern border, officers were detailed to the most active areas, transfers from the Southwest Region to the other regions were frozen February 2, 1965, and during the last six months of Fiscal Year 1966, 95 Patrol Agents positions were transferred from the other regions to the Southwest Region to bolster our forces there. Although these measures have helped, the problem of maintaining adequate control against illegal alien activity has taxed our resources to the fullest.

The continuing high volume of border violations has necessitated an increase of 152 officer positions in Fiscal Years 1970 and 1971, and 140 positions in Fiscal Year 1972. In addition, considerable knowledge has been acquired relative to the development and utilization of electronic intrusion devices to supplement border security. This comparatively new field of endeavor for the Border Patrol will undoubtedly become a major factor in the overall success of enforcement functions.

Barring a major economic disaster, such as a nationwide depression, the opportunity for employment will remain the principal attraction to the migration of aliens to the United States. A severe shortage of unskilled agricultural workers during World War II was eased considerably by the legal, temporary admission of workers from adjacent countries. This in itself did not halt the flow of illegal aliens; however, increased enforcement measures, coupled with the availability of legal farm workers, served to bring the illegal entry problem well within control of the Border Patrol. In recent years a transition in reverse has been taking place; i.e., efforts have been directed toward replacing the alien worker with citizens and legal residents. This transition, which is beyond Service control, has already and will continue to have a bearing on Border Patrol operations.

During the transition, actions taken by agricultural associations and individual farmers can affect the rate of progress and the future requirements for agricultural workers. Wholehearted acceptance of the local worker in lieu of imported labor will facilitate the transition. Unfortunately, some associations and farmers are still relying on illegal aliens to perform field work. Conversion to crops requiring less manpower and elimination of non-essential luxury produce requiring excessive labor and care would reduce the need for laborers; however, such conversions, if they have been made, have had no appreciable affect on the laborers needed. Lastly, the development and utilization of mechanical devices for ground preparation, planting, cultivation, and harvesting will influence the future requirements for agricultural workers. Further technological advances are forthcoming, but not within the present time frame.

Other important factors that cause aliens to enter the United States in violation of law are socio-economic and political conditions in their homelands. Mexico is a prime example of the disparity in existing socio-economic conditions. Although progress has been made in commercial and agricultural development, housing, educational opportunities, social and welfare matters, a high rate of unemployment persists, particularly for the unskilled laborer. Two interesting observations have appeared in news media that concisely pinpoint Mexico's labor situation.

In testimony before the House Subcommittee on Immigration on July 9, 1971, at El Paso, Texas, American Consul General William P. Hughes stated "Mexico is expected to have 70 million people by the year 2000. It must create 400,000 jobs a year. Perhaps if we could aid Mexico to narrow the economic gap the illegal problem could erode". (El Paso Herald, July 10, 1971). The January 29, 1973, issue of U.S. News & World Report contained the following: "Mexico is wading into 1973 with a Growing Problem. Too few jobs for too many people. The rate for unemployment and underemployment is estimated to top 20 per cent nationwide. In the countryside, the figure may hit 50 per cent. Economists say more than 1 million Mexicans reach age 15 each year. Most of them enter the labor market". In contrast, Canada's progress has served to reduce incentives for some of its citizens to seek benefits elsewhere. The political situation in Cuba has resulted in the exodus of large numbers of Cubans, with thousands of them finding refuge in the United States. It is not possible to predict the degree to which the foregoing factors will affect Border Patrol operations. Likewise, there is no means by which to gauge the duration of conditions that prompt aliens to enter the United States illegally. In the absence of positive, predictable or controllable factors, the Border Patrol must continue to utilize its manpower and other resources as efficiently and effectively as possible to control the flow of illegal aliens in the United States.

BIBLIOGRAPHY

In citing the various stages of development in this History of the Border Patrol, a number of sources were researched. In some instances, direct quotations were lifted from the original documents and, in others, the writer has paraphrased to avoid voluminous and repetitious quotations.

Among the major sources reviewed were: U.S. Statues at Large; U.S. Code Congressional and Administrative News; Annual Reports of the Immigration and Naturalization Service, Fiscal Years 1892 through 1968; Our Immigration, M–85, 1963 Edition; Development of Immigration and Naturalization Laws and Service History, M–67, Revised 5/1/64; The Border Patrol—Its Origin and Its Work, M–157, 1963 Edition; Appropriation Hearings, Fiscal Years 1920 through 1965; Appropriation and Immigration Congressional Committee Reports; Service Statistical (G–23) Reports; Service Files; Laws Applicable to Immigration and Nationality; World Book Encyclopedia, 1965 Edition; Planned Parenthood News, Spring 1966, Edition.

Mr. Speaker, I just want to recap that it all started with the Mounted Guard, which was assigned to the Immigration Service under the Department of Commerce and Labor from 1904 to 1924.

The founding members of this Mounted Guard included Texas Rangers, sheriffs, and deputized cowboys who patrolled the frontier looking for smugglers and rustlers back during that early period.

On May 28, 1924, the Border Patrol was established within the Bureau of Immigration with an initial force of 450 patrol inspectors and a yearly budget of $1 million and an average yearly salary of $1,300 for its inspectors who, incidentally, had to provide their own horse.

During the Border Patrol's 75-year history, these highly trained, dedicated, and professional officers have assisted in controlling civil disturbances, performing national security details for the President while he has traveled in our border States, aided in foreign training and assessments in countries such as Bolivia, Colombia, Cuba, Equador, Guatemala, El Salvador, and Haiti, and have responded with security and humanitarian assistance in the aftermath of numerous natural disasters, which include the massive earthquake in San Francisco in 1989 and the Mexico City earthquake of 1990.

Every year hundreds of lives are saved along our Nation's borders by Border Patrol agents that are out routinely on search-and-rescue missions. During the first airline hijacking in U.S. history, which occurred in El Paso in 1961, Border Patrol agents played an instrumental role in averting a disaster and restoring order.

During the civil rights era, Border Patrol agents were often deputized as U.S. Marshals to assist in the integration of our schools. Border Patrol agents have worked with the FBI and other law enforcement agencies throughout this country charged with our national security to intercept individuals that pose a threat to our national security.

The Border Patrol is also the lead agency today tasked with drug interdiction between our ports of entry, playing a major role in keeping our neighborhoods drug free.

Mr. Speaker, I could go on and on about the accomplishments, dedication, and the role of the United States Border Patrol and the history of this country.

The present force of over 8,000 agents, located in 146 stations under 21 sectors, is responsible for protecting more than 8,000 miles of international land and water boundaries. It is this Nation's largest uniform Federal law enforcement agency.

The men and women of the United States Border Patrol have the dual role of protecting this Nation's borders and enforcing immigration laws in a fair and humane, professional manner. Their job is tough and it takes a special person to perform their duties. It also takes a special person to work summers in the deserts of Arizona and West Texas or the cold winters in North Dakota and Vermont.

Our agents provide a vital service to our Nation day in and day out, and I am very proud that we are passing this resolution to thank them and honor them on behalf of this House of Representatives.

The work that our Border Patrol agents perform each day is dangerous. Eighty-six agents and pilots have lost their lives in the line of duty, six last year and two this year.

Mr. Speaker, I include for the RECORD the names of each of those brave men and women who have died while serving their country:

BORDER PATROL OFFICERS KILLED IN THE LINE OF DUTY

Clarence M. Childress, April 16, 1919.
Charles L. Hopkins, May 8, 1919.
Charles Gardiner, October 22, 1922.
James F. Mankin, September 14, 1924.
Frank N. Clark, December 13, 1924.
Joseph P. Riley, April 6, 1925.
Augustin De La Peña, August 2, 1925.
Ross A. Gardner, October 28, 1925.
William W. McKee, April 23, 1926.
Lon Parker, July 25, 1926.
Thad Pippin, April 21, 1927.
Franklin P. Wood, December 15, 1927.
Norman G. Ross, February 10, 1928.
Robert H. Lobdell, December 25, 1928.
Earl A. Roberts, March 24, 1929.
Benjamin T. Hill, May 30, 1929.
Ivan E. Scotten, July 20, 1929.
Miles J. Scannell, September 9, 1929.
William D. McCalib, January 7, 1930.
Harry E. Vincent, March 25, 1930.
Robert W. Kelsay, June 25, 1930.
Frank Vidmar, Jr., March 24, 1932.
Charles F. Inch, June 26, 1932.
Philip D. Stobridge, March 7, 1933.
Doyne C. Melton, December 7, 1933.
Bert G. Walthall, December 27, 1933.
William L. Stills, January 17, 1940.
George E. Pringle, December 28, 1940.
Robert J. Heibler, September 7, 1941.
Ralph W. Ramsey, February 26, 1942.
Earl F. Fleckinger, June 23, 1945.
Ned D. Henderson, November 18, 1945.
Anthony L. Oneto, March 11, 1947.
Michael T. Box, August 29, 1950.
Richard D. Clarke, December 18, 1950.
Edwin H. Wheeler, July 6, 1952.
William F. Bucklew, July 23, 1954.
Donald Kee, July 23, 1954.
James M. Kirchner, November 15, 1954.
James M. Carter, June 6, 1956.
Douglas C. Shute, June 6, 1956.
John A. Rector, October 16, 1956.
Archie L. Jennings, April 16, 1960.
Kenneth L. Carl, June 18, 1961.
Richard A. Lugo, May 14, 1967.
George F. Azrak, June 17, 1967.
Theodore L. Newton, Jr., June 17, 1967.
Elgar B. Holliday, October 18, 1967.
Ralph L. Anderson, October 25, 1968.
James G. Burns, December 8, 1968.
Henley M. Goode, Jr., October 11, 1969.
John S. Blue, October 4, 1969.
Friedrich Karl, October 4, 1973.
Edwin C. Dennis, February 4, 1974.
Lee L. Bounds, March 29, 1974.
Glenn A. Phillips, July 8, 1974.
Oscar T. Torres, November 30, 1974.
Joseph P. Gamez, Jr., April 21, 1978.
Weldon Smith, October 19, 1979.
Victor C. Ochoa, March 11, 1983.
Thomas K. Byrd, November 21, 1983.
Manuel Salcido, Jr., January 2, 1985.
Lester L. Haynie, June 14, 1985.
Norman Ray Salinas, August 4, 1986.
John R. McCravey, February 23, 1987.
Josiah B. Mahar, September 23, 1988.
David F. Roberson, July 14, 1989.
Keith Connelly, September 6, 1989.
John D. Keenan, November 27, 1989.
Louis D. Stahl, June 13, 1992.
Jose A. Nava, January 6, 1995.
Luis A. Santiago, March 28, 1995.
Joe R. White, April 18, 1995.
Jefferson L. Barr, January 19, 1996.
Aurelio E. Valencia, January 25, 1996.
Michael W. Barnes, December 12, 1996.
Miguel J. Maldonado, March 10, 1997.

Stephen C. Starch, June 14, 1997.
Alexander Kirpnick, June 3, 1998.
Susan L. Rodriguez, July 7, 1998.
Ricardo G. Salinas, July 7, 1998.
Jesus A. De La Ossa, October 20, 1998.
Thomas J. Williams, October 20, 1998.
Walter S. Panchison, October 23, 1998.
Rene B. Garza, January 20, 1999.
Stephen M. Sullivan, March 27, 1999.

Mr. Speaker, last year and this year, the following agents were killed protecting our country: Alexander Kirpnick, Susan Rodriguez, Ricardo Salinas, Jesus De La Ossa, Thomas Williams, Walter Panchison, Rene Garza, and Stephen Sullivan.

I am proud to have had the opportunity to serve as a member of the United States Border Patrol.

When I came to Capitol Hill and began my career in Congress, I was pleased to find that the United States Border Patrol had tremendous support, some of which this evening has been given by my colleague from Texas and my colleague from Alabama.

This support has been reflected in the mandate that INS hire an additional 1,000 Border Patrol agents each year until the year 2001. This support has been shown time and time again by this Congress providing funds for the hiring of these agents and, as my colleague from Texas (Ms. JACKSON-LEE) mentioned, increasing their pay.

As I said, I was proud to add my name to the legislation introduced by my colleague, the gentlewoman from Texas (Ms. JACKSON-LEE), which would provide pay raises for the majority of our agents.

I am proud to have introduced with my friend and colleagues, the gentleman from Texas (Mr. SMITH) and the gentleman from Kentucky (Mr. ROGERS), legislation to reform the INS and to create two separate bureaus. Our legislation would ensure that the voices of these hard-working agents are heard at the highest levels and that their safety and well-being is priority number one.

Mr. Speaker, let me once again thank my colleagues for their assistance in getting this bill to the floor. The gentleman from Texas (Chairman SMITH), the gentlewoman from Texas (Ms. JACKSON-LEE), the Republican leadership, and the Democratic leadership all have strongly supported my efforts, and I want to thank them.

I urge all of my colleagues to support H. Con. Res. 122, which recognizes the historical significance of the United States Border Patrol's contribution over the course of the last 75 years of commitment and service to our great country.

Mr. Speaker, I include for the RECORD the following poem that was written by Former Chief of the U.S. Border Patrol Buck Brandemuehl, entitled "That Uniform":

BUCK BRANDEMUEHL,
January 10, 1994.

THAT UNIFORM

The other day I went out to the garage to rummage about. I spied this wardrobe along the wall. I opened the door and saw that uniform. You know the one—it's dark green, has a patch on the shoulder with a blue stripe running down the pants leg. I took that uniform out and hung it on the door, and then sat back to reminisce awhile.

I remember when I first put that uniform on. I'll bet you do too. For me it was 1956. I was just out of the academy and boy was I proud. It seems just like yesterday. How time flies. Well, it took me a while to realize just what that uniform stood for and what it represented. For me it represented the men and women of a great country and the laws they enforce.

It embodies the old mounted patrol, the first ones to patrol the line. Did you know that uniform has traversed our borders for over 75 years? During prohibition when firefights and loss of life were the norm, the officers wearing that uniform carried out their mission above and beyond.

Throughout WWII that uniform certainly served its country well, and since that time it has appeared in some unusual places such as wounded knee, Indian Town Gap, Fort Chafee, and St. E's to name but a few.

That uniform has been in inaugurations, and has helped to provide security for dignitaries, including several of our Presidents. It has appeared before both houses of Congress to tell its story, and it has spanned the oceans to become known internationally. Yes, that uniform has been on the front lines during the Cuban and the Haitian crises, and the war on drugs.

I see that uniform now standing at a traffic checkpoint with the sun beating down. I see it kneeling beside the railroad tracks and standing steadfastly along a riverbank at midnight. I see that uniform diving in a canal to save a life. I see it being worn by one of our pilots on a mercy flight with a burn victim. And, above all, I see that uniform standing in honor of one of our fallen.

PRIDE IN OUR PAST . . . FAITH IN OUR FUTURE . . . YOU'RE DARNED RIGHT!

Mr. Speaker, I would like to conclude my remarks this evening by reading the last paragraph of that poem.

I see that uniform now standing at a traffic checkpoint with the sun beating down. I see it kneeling beside the railroad tracks and standing steadfastly along a riverbank at midnight. I see that uniform diving in a canal to save a life. I see it being worn by one of our pilots on a mercy flight with a burn victim. And, above all, I see that uniform standing in honor of one of our fallen officers.

Mr. Speaker, the motto of the United States Border Patrol today is "pride in our past, faith in our future."

I want to thank the ranking member the gentlewoman from Texas (Ms. JACKSON-LEE) and my colleague the gentleman from Alabama (Mr. BACHUS) for their support this evening.

Ms. JACKSON-LEE of Texas. Mr. Speaker, with the eloquent words of the gentleman from Texas (Mr. REYES) and the salute that we have given to the Border Patrol, I want to congratulate him and congratulate the Border Patrol.

Mr. Speaker, I have no other speakers, and I yield back the balance of my time.

□ 1830

Mr. BACHUS. Mr. Speaker, I yield myself such time as I may consume.

In recent years, the House Committee on the Judiciary has strongly supported and greatly appreciated the indispensable work of the border patrol in combating both illegal immigration and drug smuggling. It was truly gratifying, I think, to all of us to hear the testimony of the gentleman from El Paso, TX (Mr. REYES) talk about the difficult and dangerous work that they do. Some of us may know, but I think it is worth noting that he served with the border patrol for some 22 years. He had an illustrious career with them and was a border patrol chief. It is the gentleman from Texas that introduced this resolution.

What does the resolution do? It honors the border patrol on the occasion of their 75th anniversary. How fitting that the person that introduced that resolution and the primary speaker on the floor was the gentleman from Texas. This resolution, because he introduced it and because it is such a worthy and distinguished anniversary, has bipartisan, widespread support. I would like to conclude by not only thanking the gentleman from Texas but also thanking the chairman of the Subcommittee on Immigration the gentleman from Texas (Mr. SMITH). He had business in the district and could not be here. I am managing this legislation for him. I would also like to commend the ranking member of the Subcommittee on Immigration the gentlewoman from Texas (Ms. JACKSON-LEE).

Mr. SMITH of Texas. Mr. Speaker, the founding members of today's U.S. Border Patrol were Texas Rangers, sheriffs, and cowboys who patrolled the Texas frontier looking for smugglers, rustlers, and illegal aliens. From their rough beginnings they have grown into a present-day force of over 8,000 full time Border Patrol agents and supporting staff.

The 1996 immigration reform law, which I introduced, authorized the hiring of 5,000 additional Border Patrol agents over 5 years. So far more than 2,000 agents have been added to the force in just the past 3 years.

This has had a significant positive effect in deterring and reducing illegal immigration and drug trafficking. However, the Clinton administration has continued to oppose increasing the size of the Border Patrol, despite widespread support and proven results.

The Border Patrol, which must guard 8,000 miles of border against drug smugglers, alien smugglers, criminals, and terrorists, still has fewer personnel than the Chicago city police department. The administration's own drug czar, General Barry McCaffrey, estimated that at least 20,000 Border Patrol agents are needed to control the flow of drugs into our country. And a recent academic study estimated that 16,000 agents are needed for the Southwestern border alone.

I hope this great 75th anniversary of the Border Patrol will give the administration one more opportunity to reconsider its opposition to increasing the ranks of the Border Patrol.

But the administration's foot-dragging should not obscure the central purpose of this resolution, which is to recognize the courage, dedication, and professionalism of the thousands of American men and women who have worn the Border patrol uniform with pride and served their country with distinction.

At great risk and sometimes even at the cost of the lives, Border Patrol agents have guarded our frontiers for 75 years. By day and by night, in the blazing hot Southwestern desert and in Rocky Mountain snowstorms, they have fought and triumphed.

Through this resolution sponsored by my good friend and fellow Texan SILVESTRE REYES, himself a career Border Patrol agent who was responsible for Operation Hold the Line in El Paso, we honor the Border Patrol today.

Mr. FILNER. Mr. Speaker, I rise today first to thank my distinguished colleague Congressman SILVESTRE REYES for bringing this tribute to the floor today. SILVER, you have provided a daily, living example to us in the House of the professionalism and dedication of this great 75-year-old organization. The Border Patrol is one of the most important law enforcement organizations in my community of San Diego. It is responsible for keeping our border community safe. Because of the Border Patrol, our country and our communities are protected. We are protected against criminals who would cross the border; we are protected against drugs that could flow across our border; because of Operation Gatekeeper, we are protected against the flows of desperate immigrants running across our backyards and up our freeways; we are protected because Border Patrol personnel, from the inspectors to the agents put their lives on the line daily to keep ours safe.

For 75 years, the Border Patrol has acted as one of the first lines of defense for our country. I want to thank the members of the Border Patrol and especially honor the 86 members of the Patrol who have lost their lives so ours could be safe. It is a fitting tribute to them, this day before Veteran's Day—they are our Veterans in the war to protect our Border.

Mr. BACHUS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The question is on the motion offered by the gentleman from Alabama (Mr. BACHUS) that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 122.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

COMMUNICATIONS SATELLITE COMPETITION AND PRIVATIZATION ACT OF 1999

Mr. TAUZIN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3261) to amend the Communications Satellite Act of 1962 to promote competition and privatization in satellite communications, and for other purposes.

The Clerk read as follows:

H.R. 3261

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Communications Satellite Competition and Privatization Act of 1999".

SEC. 2. PURPOSE.

It is the purpose of this Act to promote a fully competitive global market for satellite communication services for the benefit of consumers and providers of satellite services and equipment by fully privatizing the intergovernmental satellite organizations, INTELSAT and Inmarsat.

SEC. 3. REVISION OF COMMUNICATIONS SATELLITE ACT OF 1962.

The Communications Satellite Act of 1962 (47 U.S.C. 101) is amended by adding at the end the following new title:

"TITLE VI—COMMUNICATIONS COMPETITION AND PRIVATIZATION

"Subtitle A—Actions To Ensure Procompetitive Privatization

"SEC. 601. FEDERAL COMMUNICATIONS COMMISSION LICENSING.

"(a) LICENSING FOR SEPARATED ENTITIES.—

"(1) COMPETITION TEST.—The Commission may not issue a license or construction permit to any separated entity, or renew or permit the assignment or use of any such license or permit, or authorize the use by any entity subject to United States jurisdiction of any space segment owned, leased, or operated by any separated entity, unless the Commission determines that such issuance, renewal, assignment, or use will not harm competition in the telecommunications market of the United States. If the Commission does not make such a determination, it shall deny or revoke authority to use space segment owned, leased, or operated by the separated entity to provide services to, from, or within the United States.

"(2) CRITERIA FOR COMPETITION TEST.—In making the determination required by paragraph (1), the Commission shall use the licensing criteria in sections 621 and 623, and shall not make such a determination unless the Commission determines that the privatization of any separated entity is consistent with such criteria.

"(b) LICENSING FOR INTELSAT, INMARSAT, AND SUCCESSOR ENTITIES.—

"(1) COMPETITION TEST.—The Commission shall substantially limit, deny, or revoke the authority for any entity subject to United States jurisdiction to use space segment owned, leased, or operated by INTELSAT or Inmarsat or any successor entities to provide non-core services to, from, or within the United States, unless the Commission determines—

"(A) after April 1, 2001, in the case of INTELSAT and its successor entities, that INTELSAT and any successor entities have been privatized in a manner that will not harm competition in the telecommunications markets of the United States; or

"(B) after April 1, 2000, in the case of Inmarsat and its successor entities, that Inmarsat and any successor entities have been privatized in a manner that will not harm competition in the telecommunications markets of the United States.

"(2) CRITERIA FOR COMPETITION TEST.—In making the determination required by paragraph (1), the Commission shall use the licensing criteria in sections 621, 622, and 624, and shall not make such a determination unless the Commission determines that such privatization is consistent with such criteria.

"(3) CLARIFICATION: COMPETITIVE SAFEGUARDS.—In making its licensing decisions under this subsection, the Commission shall consider whether users of non-core services provided by INTELSAT or Inmarsat or successor or separated entities are able to obtain non-core services from providers offering services other than through INTELSAT or Inmarsat or successor or separated entities, at competitive rates, terms, or conditions. Such consideration shall also include whether such licensing decisions would require users to replace equipment at substantial costs prior to the termination of its design life. In making its licensing decisions, the Commission shall also consider whether competitive alternatives in individual markets do not exist because they have been foreclosed due to anticompetitive actions undertaken by or resulting from the INTELSAT or Inmarsat systems. Such licensing decisions shall be made in a manner which facilitates achieving the purposes and goals in this title and shall be subject to notice and comment.

"(c) ADDITIONAL CONSIDERATIONS IN DETERMINATIONS.—In making its determinations and licensing decisions under subsections (a) and (b), the Commission shall take into consideration the United States obligations and commitments for satellite services under the Fourth Protocol to the General Agreement on Trade in Services.

"(d) INDEPENDENT FACILITIES COMPETITION.—Nothing in this section shall be construed as precluding COMSAT from investing in or owning satellites or other facilities independent from INTELSAT and Inmarsat, and successor or separated entities, or from providing services through reselling capacity over the facilities of satellite systems independent from INTELSAT and Inmarsat, and successor or separated entities. This subsection shall not be construed as restricting the types of contracts which can be executed or services which may be provided by COMSAT over the independent satellites or facilities described in this subsection.

"SEC. 602. INTELSAT OR INMARSAT ORBITAL LOCATIONS.

"(a) REQUIRED ACTIONS.—Unless, in a proceeding under section 601(b), the Commission determines that INTELSAT or Inmarsat have been privatized in a manner that will not harm competition, then—

"(1) the President shall oppose, and the Commission shall not assist, any registration for new orbital locations for INTELSAT or Inmarsat—

"(A) with respect to INTELSAT, after April 1, 2001; and

"(B) with respect to Inmarsat, after April 1, 2000; and

"(2) the President and Commission shall, consistent with the deadlines in paragraph (1), take all other necessary measures to preclude procurement, registration, development, or use of new satellites which would provide non-core services.

"(b) EXCEPTION.—

"(1) REPLACEMENT AND PREVIOUSLY CONTRACTED SATELLITES.—Subsection (a) shall not apply to—

"(A) orbital locations for replacement satellites (as described in section 622(2)(B)); and

"(B) orbital locations for satellites that are contracted for as of March 25, 1998, if such satellites do not provide additional services.

"(2) LIMITATION ON EXCEPTION.—Paragraph (1) is available only with respect to satellites designed to provide services solely in the C and Ku for INTELSAT, and L for Inmarsat bands.

"SEC. 603. ADDITIONAL SERVICES AUTHORIZED.

"(a) SERVICES AUTHORIZED DURING CONTINUED PROGRESS.—

"(1) CONTINUED AUTHORIZATION.—The Commission may issue an authorization, license, or permit to, or renew the license or permit of, any provider of services using INTELSAT or Inmarsat space segment, or authorize the use of such space segment, for additional services (including additional applications of existing services) or additional areas of business, subject to the requirements of this section.

"(2) ADDITIONAL SERVICES PERMITTED UNDER NEW CONTRACTS UNLESS PROGRESS FAILS.—If the Commission makes a finding under subsection (b) that conditions required by such subsection have not been attained, the Commission may not, pursuant to paragraph (1), permit such additional services to be provided directly or indirectly under new contracts for the use of INTELSAT or Inmarsat space segment, unless and until the Commission subsequently makes a finding under such subsection that such conditions have been attained.

"(3) PREVENTION OF EVASION.—The Commission shall, by rule, prescribe means reasonably designed to prevent evasions of the limitations contained in paragraph (2) by customers who did not use specific additional services as of the date of the Commission's most recent finding under subsection (b) that the conditions of such subsection have not been obtained.

"(b) REQUIREMENTS FOR ANNUAL FINDINGS.—

"(1) GENERAL REQUIREMENTS.—The findings required under this subsection shall be made, after notice and comment, on or before January 1 of 2000, 2001, and 2002. The Commission shall find that the conditions required by this subsection have been attained only if the Commission finds that—

"(A) substantial and material progress has been made during the preceding period at a rate and manner that is probable to result in achieving pro-competitive privatizations in accordance with the requirements of this title; and

"(B) neither INTELSAT nor Inmarsat are hindering competitors' or potential competitors' access to the satellite services marketplace.

"(2) FIRST FINDING.—In making the finding required to be made on or before January 1, 2000, the Commission shall not find that the conditions required by this subsection have been attained unless the Commission finds that—

"(A) COMSAT has submitted to the INTELSAT Board of Governors a resolution calling for the pro-competitive privatization of INTELSAT in accordance with the requirements of this title;

"(B) the United States has submitted such resolution at the first INTELSAT Assembly of Parties meeting that takes place after such date of enactment; and

"(C) the INTELSAT Assembly of Parties has created a working party to consider and make recommendations for the pro-competitive privatization of INTELSAT consistent with such resolution.

"(3) SECOND ANNUAL FINDING.—In making the finding required to be made on or before January 1, 2001, the Commission shall not find that the conditions required by this subsection have been attained unless the INTELSAT Assembly of Parties has approved a recommendation for the pro-competitive privatization of INTELSAT in accordance with the requirements of this title.

"(4) THIRD ANNUAL FINDING.—In making the finding required to be made on or before January 1, 2002, the Commission shall not find that the conditions required by this subsection have been attained unless the pro-competitive privatization of INTELSAT in accordance with the requirements of this title has been achieved by such date.

"(5) CRITERIA FOR EVALUATION OF HINDERING ACCESS.—The Commission shall not make a determination under paragraph (1)(B) unless the Commission determines that INTELSAT and Inmarsat are not in any way impairing, delaying, or denying access to national markets or orbital locations.

"(c) EXCEPTION FOR SERVICES UNDER EXISTING CONTRACTS IF PROGRESS NOT MADE.—This section shall not preclude INTELSAT or Inmarsat or any signatory thereof from continuing to provide additional services under an agreement with any third party entered into prior to any finding under subsection (b) that the conditions of such subsection have not been attained.

"Subtitle B—Federal Communications Commission Licensing Criteria: Privatization Criteria

"SEC. 621. GENERAL CRITERIA TO ENSURE A PRO-COMPETITIVE PRIVATIZATION OF INTELSAT AND INMARSAT.

"The President and the Commission shall secure a pro-competitive privatization of INTELSAT and Inmarsat that meets the criteria set forth in this section and sections 622 through 624. In securing such privatizations, the following criteria shall be applied as licensing criteria for purposes of subtitle A:

"(1) DATES FOR PRIVATIZATION.—Privatization shall be obtained in accordance with the criteria of this title of—

"(A) INTELSAT as soon as practicable, but no later than April 1, 2001; and

"(B) Inmarsat as soon as practicable, but no later than April 1, 2000.

"(2) INDEPENDENCE.—The successor entities and separated entities of INTELSAT and Inmarsat resulting from the privatization obtained pursuant to paragraph (1) shall—

"(A) be entities that are national corporations; and

"(B) have ownership and management that is independent of—

"(i) any signatories or former signatories that control access to national telecommunications markets; and

"(ii) any intergovernmental organization remaining after the privatization.

"(3) TERMINATION OF PRIVILEGES AND IMMUNITIES.—The preferential treatment of INTELSAT and Inmarsat shall not be extended to any successor entity or separated entity of INTELSAT or Inmarsat. Such preferential treatment includes—

"(A) privileged or immune treatment by national governments;

"(B) privileges or immunities or other competitive advantages of the type accorded INTELSAT and Inmarsat and their signatories through the terms and operation of the INTELSAT Agreement and the associated Headquarters Agreement and the Inmarsat Convention; and

"(C) preferential access to orbital locations, including any access to orbital locations that is not subject to the legal or regulatory processes of a national government that applies due diligence requirements intended to prevent the warehousing of orbital locations.

"(4) PREVENTION OF EXPANSION DURING TRANSITION.—During the transition period prior to full privatization, INTELSAT and Inmarsat shall be precluded from expanding into additional services (including additional applications of existing services) or additional areas of business.

"(5) CONVERSION TO STOCK CORPORATIONS.—Any successor entity or separated entity created out of INTELSAT or Inmarsat shall be a national corporation established through the execution of an initial public offering as follows:

"(A) Any successor entities and separated entities shall be incorporated as private corporations subject to the laws of the nation in which incorporated.

"(B) An initial public offering of securities of any successor entity or separated entity shall be conducted no later than—

"(i) April 1, 2001, for the successor entities of INTELSAT; and

"(ii) April 1, 2000, for the successor entities of Inmarsat.

"(C) The shares of any successor entities and separated entities shall be listed for trading on one or more major stock exchanges with transparent and effective securities regulation.

"(D) A majority of the board of directors of any successor entity or separated entity shall not be subject to selection or appointment by, or otherwise serve as representatives of—

"(i) any signatory or former signatory that controls access to national telecommunications markets; or

"(ii) any intergovernmental organization remaining after the privatization.

"(E) Any transactions or other relationships between or among any successor entity, separated entity, INTELSAT, or Inmarsat shall be conducted on an arm's length basis.

"(6) REGULATORY TREATMENT.—Any successor entity or separated entity shall apply through the appropriate national licensing authorities for international frequency assignments and associated orbital registrations for all satellites.

"(7) COMPETITION POLICIES IN DOMICILIARY COUNTRY.—Any successor entity or separated entity shall be incorporated and headquartered in a nation or nations that—

"(A) have effective laws and regulations that secure competition in telecommunications services;

"(B) are signatories of the World Trade Organization Basic Telecommunications Services Agreement; and

"(C) have a schedule of commitments in such Agreement that includes non-discriminatory market access to their satellite markets.

"(8) RETURN OF UNUSED ORBITAL LOCATIONS.—INTELSAT, Inmarsat, and any successor entities and separated entities shall not be permitted to warehouse any orbital location that—

"(A) as of March 25, 1998, did not contain a satellite that was providing commercial services, or, subsequent to such date, ceased to contain a satellite providing commercial services; or

"(B) as of March 25, 1998, was not designated in INTELSAT or Inmarsat operational plans for satellites for which construction contracts had been executed.

Any such orbital location of INTELSAT or Inmarsat and of any successor entities and separated entities shall be returned to the International Telecommunication Union for reallocation.

"(9) APPRAISAL OF ASSETS.—Before any transfer of assets by INTELSAT or Inmarsat to any successor entity or separated entity, such assets shall be independently audited for purposes of appraisal, at both book and fair market value.

"(10) LIMITATION ON INVESTMENT.—Notwithstanding the provisions of this title, COMSAT shall not be authorized by the Commission to invest in a satellite known as K–TV, unless Congress authorizes such investment.

"SEC. 622. SPECIFIC CRITERIA FOR INTELSAT.

"In securing the privatizations required by section 621, the following additional criteria with respect to INTELSAT privatization shall be applied as licensing criteria for purposes of subtitle A:

"(1) NUMBER OF COMPETITORS.—The number of competitors in the markets served by INTELSAT, including the number of competitors created out of INTELSAT, shall be sufficient to create a fully competitive market.

"(2) PREVENTION OF EXPANSION DURING TRANSITION.—

"(A) IN GENERAL.—Pending privatization in accordance with the criteria in this title, INTELSAT shall not expand by receiving additional orbital locations, placing new satellites in existing locations, or procuring new or additional satellites except as permitted by subparagraph (B), and the United States shall oppose such expansion—

"(i) in INTELSAT, including at the Assembly of Parties;

"(ii) in the International Telecommunication Union;

"(iii) through United States instructions to COMSAT;

"(iv) in the Commission, through declining to facilitate the registration of additional orbital locations or the provision of additional services (including additional applications of existing services) or additional areas of business; and

"(v) in other appropriate fora.

"(B) EXCEPTION FOR CERTAIN REPLACEMENT SATELLITES.—The limitations in subparagraph (A) shall not apply to any replacement satellites if—

"(i) such replacement satellite is used solely to provide public-switched network voice telephony or occasional-use television services, or both;

"(ii) such replacement satellite is procured pursuant to a construction contract that was executed on or before March 25, 1998; and

"(iii) construction of such replacement satellite commences on or before the final date for INTELSAT privatization set forth in section 621(1)(A).

"(3) TECHNICAL COORDINATION AMONG SIGNATORIES.—Technical coordination shall not be used to impair competition or competitors, and coordination under Article XIV(d) of the INTELSAT Agreement shall be eliminated.

"SEC. 623. SPECIFIC CRITERIA FOR INTELSAT SEPARATED ENTITIES.

"In securing the privatizations required by section 621, the following additional criteria with respect to any INTELSAT separated entity shall be applied as licensing criteria for purposes of subtitle A:

"(1) DATE FOR PUBLIC OFFERING.—Within one year after any decision to create any separated entity, a public offering of the securities of such entity shall be conducted.

"(2) PRIVILEGES AND IMMUNITIES.—The privileges and immunities of INTELSAT and its signatories shall be waived with respect to any transactions with any separated entity, and any limitations on private causes of action that would otherwise generally be permitted against any separated entity shall be eliminated.

"(3) INTERLOCKING DIRECTORATES OR EMPLOYEES.—None of the officers, directors, or employees of any separated entity shall be individuals who are officers, directors, or employees of INTELSAT.

"(4) SPECTRUM ASSIGNMENTS.—After the initial transfer which may accompany the creation of a separated entity, the portions of the electromagnetic spectrum assigned as of the date of enactment of this title to INTELSAT shall not be transferred between INTELSAT and any separated entity.

"(5) REAFFILIATION PROHIBITED.—Any merger or ownership or management ties or exclusive arrangements between a privatized INTELSAT or any successor entity and any separated entity shall be prohibited until 15 years after the completion of INTELSAT privatization under this title.

"SEC. 624. SPECIFIC CRITERIA FOR INMARSAT.

"In securing the privatizations required by section 621, the following additional criteria with respect to Inmarsat privatization shall be applied as licensing criteria for purposes of subtitle A:

"(1) MULTIPLE SIGNATORIES AND DIRECT ACCESS.—Multiple signatories and direct access to Inmarsat shall be permitted.

"(2) PREVENTION OF EXPANSION DURING TRANSITION.—Pending privatization in accordance with the criteria in this title, Inmarsat should not expand by receiving additional orbital locations, placing new satellites in existing locations, or procuring new or additional satellites, except for specified replacement satellites for which construction contracts have been executed as of March 25, 1998, and the United States shall oppose such expansion—

"(A) in Inmarsat, including at the Council and Assembly of Parties;

"(B) in the International Telecommunication Union;

"(C) through United States instructions to COMSAT;

"(D) in the Commission, through declining to facilitate the registration of additional orbital locations or the provision of additional services (including additional applications of existing services) or additional areas of business; and

"(E) in other appropriate fora.

This paragraph shall not be construed as limiting the maintenance, assistance or improvement of the GMDSS.

"(3) NUMBER OF COMPETITORS.—The number of competitors in the markets served by Inmarsat, including the number of competitors created out of Inmarsat, shall be sufficient to create a fully competitive market.

"(4) REAFFILIATION PROHIBITED.—Any merger or ownership or management ties or exclusive arrangements between Inmarsat or any successor entity or separated entity and ICO shall be prohibited until 15 years after the completion of Inmarsat privatization under this title.

"(5) INTERLOCKING DIRECTORATES OR EMPLOYEES.—None of the officers, directors, or employees of Inmarsat or any successor entity or separated entity shall be individuals who are officers, directors, or employees of ICO.

"(6) SPECTRUM ASSIGNMENTS.—The portions of the electromagnetic spectrum assigned as of the date of enactment of this title to Inmarsat—

"(A) shall, after January 1, 2006, or the date on which the life of the current generation of Inmarsat satellites ends, whichever is later, be made available for assignment to all systems (including the privatized Inmarsat) on a nondiscriminatory basis and in a manner in which continued availability of the GMDSS is provided; and

"(B) shall not be transferred between Inmarsat and ICO.

"(7) PRESERVATION OF THE GMDSS.—The United States shall seek to preserve space segment capacity of the GMDSS.

"SEC. 625. ENCOURAGING MARKET ACCESS AND PRIVATIZATION.

"(a) NTIA DETERMINATION.—

"(1) DETERMINATION REQUIRED.—Within 180 days after the date of enactment of this section, the Secretary of Commerce shall, through the Assistant Secretary for Communications and Information, transmit to the Commission—

"(A) a list of Member countries of INTELSAT and Inmarsat that are not Members of the World Trade Organization and that impose barriers to market access for private satellite systems; and

"(B) a list of Member countries of INTELSAT and Inmarsat that are not Members of the World Trade Organization and that are not supporting pro-competitive privatization of INTELSAT and Inmarsat.

"(2) CONSULTATION.—The Secretary's determinations under paragraph (1) shall be made in consultation with the Federal Communications Commission, the Secretary of State, and the United States Trade Representative, and shall take into account the totality of a country's actions in all relevant fora, including the Assemblies of Parties of INTELSAT and Inmarsat.

"(b) IMPOSITION OF COST-BASED SETTLEMENT RATE.—Notwithstanding—

"(1) any higher settlement rate that an overseas carrier charges any United States carrier to originate or terminate international message telephone services; and

"(2) any transition period that would otherwise apply,

the Commission may by rule prohibit United States carriers from paying an amount in excess of a cost-based settlement rate to overseas carriers in countries listed by the Commission pursuant to subsection (a).

"(c) SETTLEMENTS POLICY.—The Commission shall, in exercising its authority to establish settlements rates for United States international common carriers, seek to advance United States policy in favor of cost-based settlements in all relevant fora on international telecommunications policy, including in meetings with parties and signatories of INTELSAT and Inmarsat.

"Subtitle C—Deregulation and Other Statutory Changes

"SEC. 641. ACCESS TO INTELSAT.

"(a) ACCESS PERMITTED.—Beginning on the date of enactment of this title, users or providers of telecommunications services shall be permitted to obtain direct access to INTELSAT telecommunications services and space segment capacity through purchases of such capacity or services from, or through investment in, INTELSAT.

"(b) RULEMAKING.—Within 180 days after the date of enactment of this title, the Commission shall complete a rulemaking, with notice and opportunity for submission of comment by interested persons, to determine if users or providers of telecommunications services have sufficient opportunity to access INTELSAT space segment capacity directly from INTELSAT to meet their service or capacity requirements. If the Commission determines that such opportunity to access does not exist, the Commission shall take appropriate action to facilitate such direct access pursuant to its authority under this Act and the Communications Act of 1934.

The Commission shall take such steps as may be necessary to prevent the circumvention of the intent of this section.

“(c) CONTRACT PRESERVATION.—Nothing in this section shall be construed to permit the abrogation or modification of any contract.

“SEC. 642. SIGNATORY ROLE.

“(a) LIMITATIONS ON SIGNATORIES.—

“(1) NATIONAL SECURITY LIMITATIONS.—The Federal Communications Commission, after a public interest determination, in consultation with the executive branch, may restrict foreign ownership of a United States signatory if the Commission determines that not to do so would constitute a threat to national security.

“(2) NO SIGNATORIES REQUIRED.—The United States Government shall not require signatories to represent the United States in INTELSAT or Inmarsat or in any successor entities after a pro-competitive privatization is achieved consistent with sections 621, 622, and 624.

“(b) CLARIFICATION OF PRIVILEGES AND IMMUNITIES OF COMSAT.—

“(1) GENERALLY NOT IMMUNIZED.—Notwithstanding any other law or executive agreement, COMSAT shall not be entitled to any privileges or immunities under the laws of the United States or any State on the basis of its status as a signatory of INTELSAT or Inmarsat.

“(2) LIMITED IMMUNITY.—COMSAT and any other company functioning as United States signatory to INTELSAT or Inmarsat shall not be liable for action taken by it in carrying out the specific, written instruction of the United States issued in connection with its relationships and activities with foreign governments, international entities, and the intergovernmental satellite organizations.

“(3) PROVISIONS PROSPECTIVE.—Paragraph (1) shall not apply with respect to liability for any action taken by COMSAT before the date of enactment of the Communications Satellite Competition and Privatization Act of 1999.

“(c) PARITY OF TREATMENT.—Notwithstanding any other law or executive agreement, the Commission shall have the authority to impose similar regulatory fees on the United States signatory which it imposes on other entities providing similar services.

“SEC. 643. ELIMINATION OF PROCUREMENT PREFERENCES.

“Nothing in this title or the Communications Act of 1934 shall be construed to authorize or require any preference, in Federal Government procurement of telecommunications services, for the satellite space segment provided by INTELSAT, Inmarsat, or any successor entity or separated entity.

“SEC. 644. USE OF ITU TECHNICAL COORDINATION.

“The Commission and United States satellite companies shall utilize the International Telecommunication Union procedures for technical coordination with INTELSAT and its successor entities and separated entities, rather than INTELSAT procedures.

“SEC. 645. TERMINATION OF COMMUNICATIONS SATELLITE ACT OF 1962 PROVISIONS.

“Effective on the dates specified, the following provisions of this Act shall cease to be effective:

“(1) Date of enactment of this title: Sections 101 and 102; paragraphs (1), (5) and (6) of section 201(a); section 301; section 303; section 502; and paragraphs (2) and (4) of section 504(a).

“(2) On the effective date of the Commission's order that establishes direct access to INTELSAT space segment: Paragraphs (1), (3) through (5), and (8) through (10) of section 201(c); and section 304.

“(3) On the effective date of the Commission's order that establishes direct access to Inmarsat space segment: Subsections (a) through (d) of section 503.

“(4) On the effective date of a Commission order determining under section 601(b)(2) that Inmarsat privatization is consistent with criteria in sections 621 and 624: Section 504(b).

“(5) On the effective date of a Commission order determining under section 601(b)(2) that INTELSAT privatization is consistent with criteria in sections 621 and 622: Paragraphs (2) and (4) of section 201(a); section 201(c)(2); subsection (a) of section 403; and section 404.

“SEC. 646. REPORTS TO CONGRESS.

“(a) ANNUAL REPORTS.—The President and the Commission shall report to the Committees on Commerce and International Relations of the House of Representatives and the Committees on Commerce, Science, and Transportation and Foreign Relations of the Senate within 90 calendar days of the enactment of this title, and not less than annually thereafter, on the progress made to achieve the objectives and carry out the purposes and provisions of this title. Such reports shall be made available immediately to the public.

“(b) CONTENTS OF REPORTS.—The reports submitted pursuant to subsection (a) shall include the following:

“(1) Progress with respect to each objective since the most recent preceding report.

“(2) Views of the Parties with respect to privatization.

“(3) Views of industry and consumers on privatization.

“(4) Impact privatization has had on United States industry, United States jobs, and United States industry's access to the global marketplace.

“SEC. 647. CONSULTATION WITH CONGRESS.

“The President's designees and the Commission shall consult with the Committees on Commerce and International Relations of the House of Representatives and the Committees on Commerce, Science, and Transportation and Foreign Relations of the Senate prior to each meeting of the INTELSAT or Inmarsat Assembly of Parties, the INTELSAT Board of Governors, the Inmarsat Council, or appropriate working group meetings.

“SEC. 648. SATELLITE AUCTIONS.

“Notwithstanding any other provision of law, the Commission shall not have the authority to assign by competitive bidding orbital locations or spectrum used for the provision of international or global satellite communications services. The President shall oppose in the International Telecommunication Union and in other bilateral and multilateral fora any assignment by competitive bidding of orbital locations or spectrum used for the provision of such services.

“SEC. 649. EXCLUSIVITY ARRANGEMENTS.

“(a) IN GENERAL.—No satellite operator shall acquire or enjoy the exclusive right of handling telecommunications to or from the United States, its territories or possessions, and any other country or territory by reason of any concession, contract, understanding, or working arrangement to which the satellite operator or any persons or companies controlling or controlled by the operator are parties.

“(b) EXCEPTION.—In enforcing the provisions of this section, the Commission—

“(1) shall not require the termination of existing satellite telecommunications services under contract with, or tariff commitment to, such satellite operator; but

“(2) may require the termination of new services only to the country that has provided the exclusive right to handle telecommunications, if the Commission determines the public interest, convenience, and necessity so requires.

“Subtitle D—Negotiations To Pursue Privatization

“SEC. 661. METHODS TO PURSUE PRIVATIZATION.

“The President shall secure the pro-competitive privatizations required by this title in a manner that meets the criteria in subtitle B.

“Subtitle E—Definitions

“SEC. 681. DEFINITIONS.

“(a) IN GENERAL.—As used in this title:

“(1) INTELSAT.—The term ‘INTELSAT’ means the International Telecommunications Satellite Organization established pursuant to the Agreement Relating to the International Telecommunications Satellite Organization (INTELSAT).

“(2) INMARSAT.—The term ‘Inmarsat’ means the International Mobile Satellite Organization established pursuant to the Convention on the International Maritime Organization.

“(3) SIGNATORIES.—The term ‘signatories’—

“(A) in the case of INTELSAT, or INTELSAT successors or separated entities, means a Party, or the telecommunications entity designated by a Party, that has signed the Operating Agreement and for which such Agreement has entered into force or to which such Agreement has been provisionally applied; and

“(B) in the case of Inmarsat, or Inmarsat successors or separated entities, means either a Party to, or an entity that has been designated by a Party to sign, the Operating Agreement.

“(4) PARTY.—The term ‘Party’—

“(A) in the case of INTELSAT, means a nation for which the INTELSAT agreement has entered into force or been provisionally applied; and

“(B) in the case of Inmarsat, means a nation for which the Inmarsat convention has entered into force.

“(5) COMMISSION.—The term ‘Commission’ means the Federal Communications Commission.

“(6) INTERNATIONAL TELECOMMUNICATION UNION.—The term ‘International Telecommunication Union’ means the intergovernmental organization that is a specialized agency of the United Nations in which member countries cooperate for the development of telecommunications, including adoption of international regulations governing terrestrial and space uses of the frequency spectrum as well as use of the geostationary satellite orbit.

“(7) SUCCESSOR ENTITY.—The term ‘successor entity’—

“(A) means any privatized entity created from the privatization of INTELSAT or Inmarsat or from the assets of INTELSAT or Inmarsat; but

“(B) does not include any entity that is a separated entity.

“(8) SEPARATED ENTITY.—The term ‘separated entity’ means a privatized entity to whom a portion of the assets owned by INTELSAT or Inmarsat are transferred prior to full privatization of INTELSAT or Inmarsat, including in particular the entity whose structure was under discussion by INTELSAT as of March 25, 1998, but excluding ICO.

"(9) ORBITAL LOCATION.—The term 'orbital location' means the location for placement of a satellite on the geostationary orbital arc as defined in the International Telecommunication Union Radio Regulations.

"(10) SPACE SEGMENT.—The term 'space segment' means the satellites, and the tracking, telemetry, command, control, monitoring and related facilities and equipment used to support the operation of satellites owned or leased by INTELSAT, Inmarsat, or a separated entity or successor entity.

"(11) NON-CORE SERVICES.—The term 'non-core services' means, with respect to INTELSAT provision, services other than public-switched network voice telephony and occasional-use television, and with respect to Inmarsat provision, services other than global maritime distress and safety services or other existing maritime or aeronautical services for which there are not alternative providers.

"(12) ADDITIONAL SERVICES.—The term 'additional services' means Internet services, high-speed data, interactive services, non-maritime or non-aeronautical mobile services, Direct to Home (DTH) or Direct Broadcast Satellite (DBS) video services, or Ka-band services.

"(13) INTELSAT AGREEMENT.—The term 'INTELSAT Agreement' means the Agreement Relating to the International Telecommunications Satellite Organization ('INTELSAT'), including all its annexes (TIAS 7532, 23 UST 3813).

"(14) HEADQUARTERS AGREEMENT.—The term 'Headquarters Agreement' means the International Telecommunication Satellite Organization Headquarters Agreement (November 24, 1976) (TIAS 8542, 28 UST 2248).

"(15) OPERATING AGREEMENT.—The term 'Operating Agreement' means—

"(A) in the case of INTELSAT, the agreement, including its annex but excluding all titles of articles, opened for signature at Washington on August 20, 1971, by Governments or telecommunications entities designated by Governments in accordance with the provisions of the Agreement; and

"(B) in the case of Inmarsat, the Operating Agreement on the International Maritime Satellite Organization, including its annexes.

"(16) INMARSAT CONVENTION.—The term 'Inmarsat Convention' means the Convention on the International Maritime Satellite Organization (Inmarsat) (TIAS 9605, 31 UST 1).

"(17) NATIONAL CORPORATION.—The term 'national corporation' means a corporation the ownership of which is held through publicly traded securities, and that is incorporated under, and subject to, the laws of a national, state, or territorial government.

"(18) COMSAT.—The term 'COMSAT' means the corporation established pursuant to title III of the Communications Satellite Act of 1962 (47 U.S.C. 731 et seq.)

"(19) ICO.—The term 'ICO' means the company known, as of the date of enactment of this title, as ICO Global Communications, Inc.

"(20) REPLACEMENT SATELLITE.—The term 'replacement satellite' means a satellite that replaces a satellite that fails prior to the end of the duration of contracts for services provided over such satellite and that takes the place of a satellite designated for the provision of public-switched network and occasional-use television services under contracts executed prior to March 25, 1998 (but not including K-TV or similar satellites). A satellite is only considered a replacement satellite to the extent such contracts are equal to or less than the design life of the satellite.

"(21) GLOBAL MARITIME DISTRESS AND SAFETY SERVICES OR GMDSS.—The term 'global maritime distress and safety services' or 'GMDSS' means the automated ship-to-shore distress alerting system which uses satellite and advanced terrestrial systems for international distress communications and promoting maritime safety in general. The GMDSS permits the worldwide alerting of vessels, coordinated search and rescue operations, and dissemination of maritime safety information.

"(b) COMMON TERMINOLOGY.—Except as otherwise provided in subsection (a), terms used in this title that are defined in section 3 of the Communications Act of 1934 have the meanings provided in such section.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Louisiana (Mr. TAUZIN) and the gentleman from Massachusetts (Mr. MARKEY) each will control 20 minutes.

The Chair recognizes the gentleman from Louisiana (Mr. TAUZIN).

GENERAL LEAVE

Mr. TAUZIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this legislation and to insert extraneous material on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. TAUZIN. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I rise in support of H.R. 3261, the Communications Satellite Competition and Privatization Act of 1999. In 1962, Congress passed the Communications Satellite Act. It was well intended and indeed may have fit the times. But the world has changed in the almost 40 years since then, particularly in telecommunications and space technology. It is high time the law caught up with reality.

As many of my colleagues know, I have been working on this issue with the gentleman from Virginia (Mr. BLILEY) for a number of years now. The gentleman from Virginia has led the effort to author and to pass in the last Congress, indeed, this bill through the House and on to the Senate. This year, along with the gentleman from Massachusetts, the gentleman from Virginia introduced H.R. 1872. That bill was passed by 403–16. This year, we have gotten together again, made modifications to the bill, and I think we have a stronger consensus around the bill than we even had last year. I am pleased indeed to join the gentleman from Virginia (Mr. BLILEY) along with the gentleman from Massachusetts (Mr. MARKEY), the gentleman from Ohio (Mr. OXLEY) and a number of others who have joined him as cosponsors of the original bill.

The bill now incorporates in identical form, with minor changes regarding dates, all of last year's provisions with respect to privatization and reform that were reported out of the committee and passed by the House last year. However, the bill is different with respect to two issues. It enhances the direct access section and eliminates the section known as "fresh look." Thus, we have acted on the basis of the hard work of the committee and the House of last year but in the process of building consensus, we have changed some important provisions.

The international satellite communications market is dominated now by the intergovernmental organization known as INTELSAT as well as by Inmarsat, which has done a limited form of privatization. These organizations use their market power to expand into services that the private sector is frankly chomping at the bit to provide. INTELSAT is run by a combination of the world's governments and is owned by a consortium of national telecommunications monopolies and dominant players, by government monopolies, for government monopolies, of government monopolies. Its supporters call it a "cooperative." The gentleman from Virginia would call it indeed a "cartel."

Thus, it is critical not only that INTELSAT and Inmarsat be privatized but also that real competition be unleashed in this sector. A privatized cartel, Mr. Speaker, is still a cartel, the gentleman from Virginia will tell you. Today, the owners of these organizations are often the same folks that control licensing decisions and foreign market access. Thus, they have the ability and the incentive to make it hard for U.S. satellite companies to enter and to compete in their national telecom markets.

The only effective way to foster pro-competitive privatization in an intergovernmental organization is to indeed use access to the U.S. market as part of the leverage. INTELSAT is treaty-based. You cannot sue them, tax them or regulate them as you would a private company. So this legislation eliminates the diplomatic privileges and unfair immunities that would give INTELSAT and COMSAT a leg up on their private sector competitors in a private sector marketplace of competition. No one in that market should be above the law.

Finally, the legislation ends the monopoly over access to INTELSAT from the U.S. held by COMSAT. The bill permits free competition, known as direct access. According to the FCC, COMSAT'S average margin in reselling INTELSAT services is still an amazing 68 percent. It is not bad if you can get it, but consumers could do, I suspect, a lot better.

Consumers and taxpayers will benefit from the lower prices that this legislation will bring. Businesses and their employees will benefit as new markets will open. And the American people will benefit by bringing satellite policy into the 21st century.

Mr. Speaker, I want to thank and commend the gentleman from Massachusetts who has been a stalwart with the gentleman from Virginia in bringing this issue through the Committee on Commerce and to the floor.

Mr. Speaker, I reserve the balance of my time.

Mr. MARKEY. Mr. Speaker, I yield myself such time as I may consume.

I begin by praising the chairman of the full committee the gentleman from Virginia (Mr. BLILEY) for his excellent work on this bill and for the excellent work of the subcommittee chairman for bringing this new version of the legislation out to the floor at this time. As the gentleman from Louisiana pointed out, I worked over the last several years with the gentleman from Virginia to fashion legislation in this area. While we were able to pass it through the House of Representatives last year with more than 400 votes, we were unsuccessful in reaching final resolution with the Senate. This is an effort, working with the gentleman from Louisiana now, with his refinements, to move the bill ultimately to the President's desk. I think that what we are doing here tonight is going to make it much more likely that we are going to see that end result. Working in tandem with the gentleman from Michigan (Mr. DINGELL) and with all the other members of the Committee on Commerce, I think we have got that goal line now in our sight.

Back in 1962 when COMSAT was created, the telecommunications sector around the globe was dominated by monopolies. In the United States, we only had one company, AT&T. It had 1.2 million employees. As a result, the construct of COMSAT and INTELSAT reflected the nature of the telecommunications industry at that point in time back in 1962. It is not surprising that the act reflected that period in time. It was immediately post-Sputnik. There was a paranoia that gripped the free world. There was a sense that we were slipping behind. There was a real understanding that the only way in which we could catch up is if the government, not only the government of our country but the governments of all of the free nations of the world banded together to launch these satellites that would make it possible for us to catch up and surpass the Soviet Union and their allies in the space race. Back then, it took national efforts to build, to launch and to maintain satellites in orbit.

But much has changed in the last 35 years, since President Kennedy signed the original COMSAT bill into law, since INTELSAT and subsequently Inmarsat were made a part of the international telecommunications infrastructure. Today, we have private individuals with their own money willing to build and to launch satellites into space. America leads in these cutting edge technologies, and the satellite market alone is a multibillion-dollar market sector and employs tens of thousands of workers throughout the country.

In my opinion in the post-GATT, post-NAFTA world, these are the areas that America must win. These are the areas that we should be the primary beneficiaries of as a people. These are the areas where our citizens, our workers should garner a disproportionate share of the jobs since it was the very same workers as taxpayers that footed the bill to stand down the Soviet Union by making the investment in these satellite technologies, by cobbling together these international alliances which made the inevitable defeat of the Soviet Union, reflecting the internal contradictions of their system all the more obvious as we surrounded them with democratic institutions.

Today, largely because of the Federal Government, largely because of the antitrust actions taken by the Reagan administration's breaking up AT&T back in 1982, we now have robust, competitive communications markets all across our country. Ironically, it is now a Federal district judge appointed by Ronald Reagan who is now calling for the dissolution of the monopoly control which Microsoft has over the computer marketplace. So this has been a bipartisan effort over the years, moving from this original period of monopoly to this new era of competition across all lines. It has been done, thank God, on a bipartisan basis, liberal and conservative; right wing, left wing; Louisiana and Massachusetts, working together.

Mr. Speaker, that 1962 model is no longer sustainable. In fact, it is counterproductive to American interests today. It is time to update the INTELSAT and Inmarsat law, two international governmental organizations who are not going to compete against U.S. satellite companies on even ground, or even space, to put it more accurately, simply because we ask them to do so politely. They will not give it up politely. No monopoly gives up anything politely. Sometimes it takes an antitrust case brought by the Reagan administration against AT&T or a Reagan judge against Microsoft. Sometimes it takes legislation. That is what we are doing here this evening, the legislative route.

And, Mr. Speaker, while the U.S. State Department has failed repeatedly to secure effective pro-competitive commitments in international meetings, all we ever are left with are weak commitments, vague promises or worse.

As part of our previous policy discussions over the years, other U.S. companies were repeatedly told that we could not have private sector companies in America have direct access to the INTELSAT system. In other words, no other American company could bypass the exclusive resale role that policymakers bequeathed to COMSAT 37 years ago. We were told to ignore the fact that almost half of the world had already liberalized such access to INTELSAT in their home countries. Finally, earlier this year, the FCC took an initial step in making access to INTELSAT more competitive by permitting a minimum level of direct access, so-called Level 3 direct access.

Now we are being told that private sector companies in the United States should be prohibited from going to Level 4 direct access. That is, allowing other U.S. companies in addition to COMSAT to make private investments in INTELSAT. What kind of free market do we have when private companies are prevented from risking their own money in investments? Are we to ignore the United Kingdom, Argentina and about two dozen other countries that have already demonopolized and deregulated their market and fully liberalized investment opportunities in this fashion? It is time for us to fully embrace the free market in international satellite communications, and this bill will help us to do just that.

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Level three access only partially achieves the objectives of full and fair competition. Level three access would give others the ability to obtain INTELSAT capacity at the wholesale level, but would leave COMSAT free to subsidize its rate with the 18 percent return it receives on its investment in the INTELSAT system as one of the shareholders in the consortium and the exclusive U.S. shareholder. Level four access, on the other hand, would eliminate the incentive for COMSAT to cross-subsidize by enabling COMSAT's competitors the opportunity to secure the same 18 percent return.

Now, level four access is already available in the United Kingdom and Argentina and Chile and France and New Zealand and Sweden and Denmark, in Ireland and Singapore and China, Ecuador, Jordan, Sri Lanka, Kazakhstan, and over a dozen other countries now modeling their telecommunications systems increasingly on us, and here we have this last bastion of monopoly. It is essential that the United States, having led the way, now join these other countries.

Mr. Speaker, our goal for COMSAT, the U.S. signatory, is that it evolve into a commercial company like any other American commercial company, without any special status or advantages, but also without any special obligations. In a new competitive environment, we have high hopes that COMSAT will succeed and that its corporate future is bright.

We believe that the additional changes made by the gentleman from

Louisiana (Mr. TAUZIN) to the legislation moves us very close to a final resolution. I think his suggestions were wise and they are now incorporated in this legislation.

I look forward to meeting with the Senate so that we can have additional discussions on this historic legislation and so that we can move forward along with our local satellite bill, our E-signature legislation in making the kinds of historic changes that make it possible for the private sector to be innovative, for the private sector to create the jobs, to be able to create the wealth which will be, ultimately, the real peace dividend for Americans and ultimately exporting these concepts across the globe.

I thank the gentleman for all of his great work. I stand, as usual, in admiration for his usual leadership.

Mr. Speaker, I reserve the balance of my time.

Mr. TAUZIN. Mr. Speaker, I yield myself such time as I may consume just briefly, and then I have requests for time that I will honor.

Let me first thank my friend from Massachusetts for those very eloquent and kind words. It occurred to me as he was addressing the topic that the United States decision to create these international bodies along with countries around the world led, in fact, to the launching of communications satellites that are now serving the entire globe.

To a large measure, it was those satellites beaming real information, the truth, across a wall in Berlin to citizens who were locked inside of a totalitarian system that could survive only by continuing to lie to them about how bad things were in the West and how bad democracies were and how awful free market systems were. It was those satellites that looked across that wall into grocery stores full of food in Houston, Texas and Massachusetts and Louisiana and gave a lie to all of those old messages that the Soviet Union had unfortunately piled upon their own citizens to convince them that their system was somehow better. When they turned around and went to grocery stores in Moscow and could not buy cabbage, could not buy potatoes, it suddenly dawned on them that the lie would not hold anymore, and the wall, indeed, had to come down.

The irony is that the satellite system that our governments helped construct, ending up creating freedom, of breaking down walls like the Berlin Wall all over the world, and democracies and free markets now are beginning to flourish across the globe as the old systems have crumbled, the old systems of totalitarianism, communism and, in fact, controlled markets that simply did not work.

So satellites gave and are giving the world freedom. And now, we in the House of Representatives are making another historic decision, that now it is time to free up the satellite system, to make it free and competitive, just like it has helped to free up the competitive juices of the economies of the world and to give people freedom across the world.

It is a kind of an ironic twist that now, the good work of these satellites and of our government decisions are now leading us to a place in time when we can free up satellites now to be just as competitive as the forces they themselves helped to unleash across the globe. That is indeed an irony. It is also an irony that we meet today on this satellite freedom bill right after we passed SHVA, the Satellite Home Viewers Act, which was also a bill designed to free up competition and the delivery of telephone services here in America.

Mr. Speaker, I want to say a special word to the gentleman from Massachusetts (Mr. MARKEY) before I yield to the gentleman from Florida (Mr. STEARNS). We took on this battle together years and years ago, long before we joined hands on the floor of the House in 1992 in that historic battle to create direct access to programming for the satellites that created direct access to television for millions of Americans and that may, indeed, be the first real competition to monopoly cable across America. Again today we are joining hands in an effort, along with the gentleman from Virginia (Mr. BLILEY) and others, to free up satellite communications to competition across the world.

It has been an extraordinary pleasure for me, coming from the Bayou country of Louisiana, to know and to work with the likes of the gentleman from Massachusetts (Mr. MARKEY) and to share with him his intelligence, his wisdom, his wit and his leadership. I thank the gentleman so much for that privilege, and it is indeed an honor to join the gentleman tonight in another great historic effort.

Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. STEARNS).

Mr. STEARNS. Mr. Speaker, I want to commend the distinguished chairman of the Subcommittee on Telecommunications and the distinguished ranking member for bringing this important legislation to the House floor today. Obviously, I think all of us agree it is a very good first step for more competition and more openness in the global satellite telecommunications market. I just want to bring some concern to the Members, my colleagues, that I am hoping will be worked out in the conference report with the Senate.

This bill imposes I think a condition on lifting the outdated ownership cap of COMSAT. One of the key elements to reforming and normalizing the operation of COMSAT is allowing its acquisition by Lockheed Martin. The satellite reform bill contains language that appears to allow the Lockheed Martin-COMSAT acquisition to be complete, but it attaches some conditions of implementing an FCC order on direct access to lifting these caps. There is some concern of mine that it is not clear whether the September 15, 1999 direct access order must be implemented or another future FCC direct access action must be taken. Either way, this is somewhat of a concern of mine.

I think it is some type of restriction on the ability of Lockheed Martin and COMSAT to complete their merger, and of course this merger has already been approved by the Department of Justice. I think these two American companies have waited for over a year for the Federal Government to provide the needed regulatory and legislative approval for their transaction, but I wanted to express this concern.

Mr. Speaker, the bill is excellent. This is just a concern I am voicing, of course. I want to thank the chairman and the ranking member for their efforts on this bill, and I hope that when it moves to the Senate, that the restrictions on the Lockheed Martin-COMSAT merger will be effective.

Mr. MARKEY. Mr. Speaker, I yield myself such time as I may consume to, in conclusion, thank everyone who has worked on this legislation. We have reached a point where it is time to introduce COMSAT fully to the private marketplace. We have worked long and hard to reach this point, much of the original investment being made by the Federal Government. In fact, the Star Wars program itself was a program of putting 100 to 200 satellites in the sky and contracting with aerospace companies, AT&T, to communicate so that we could shoot down 2,000 or 3,000 Soviet missiles within 2 to 3 minutes, and it required tremendous telecommunications capacity, point to multi-point communications.

Ultimately, that system will probably never be deployed, but the peace dividend that has flown from it is that companies like Hughes that were defense contractors moved over and took the same concepts over and created Direct TV, the satellite dish company. The same thing is true in company after company. The government investment that was initially made in order to thwart the ambitions of the Soviet Union were ultimately turned into things which benefited the American people in its peaceful application. This is another benefit which the American people should get and all of the other companies that have been created subsequent to the construction of INTELSAT and COMSAT.

Mr. Speaker, my hope is that the bill passes this evening, goes to a conference quickly with the Senate, and that we can resolve the differences and produce another great marketplace victory for the American people as a post-Cold War dividend.

Mr. Speaker, I yield back the balance of my time.

Mr. DINGELL. Mr. Speaker, I rise in support of H.R. 3261.

First, I want to commend Chairman BLILEY for removing a particularly controversial provision that was included in the satellite privatization bill he authored last year. The so-called "fresh look" provision would have resulted in privately negotiated contracts being abrogated arbitrarily by order of the U.S. Government. The removal of this provision is a good first step toward enacting sensible satellite privatization legislation this Congress.

Although I support passage today so we can move the process forward to Conference with the Senate, I still have serious concerns with a number of provisions contained in the Bliley bill. The privatization criteria mandated are so rigorous they cannot possibly be achieved, let alone in the limited time frame set forth. The penalties for non-compliance are so severe that they will, at best, significantly disrupt the provision of Intelsat's services to many users in this country. At worst, these penalties will cause the ultimate expulsion of Intelsat from the U.S. market. Either result would be detrimental to the interests of U.S. consumers, and is diametrically opposed to the stated purposes of this bill—that is, to create more competition for satellite services, not less.

There is no disagreement between me and Chairman BLILEY that Intelsat should be privatized as quickly as possible. Unfortunately, the U.S. cannot, by legislative fiat, simply impose its will on 143 foreign countries who are signatories to the Intelsat treaty. I believe the Bliley bill, as currently constructed, would actually undermine American diplomatic efforts currently underway to secure an Intelsat privatization.

Mr. Speaker, I am hopeful that through negotiations with the Senate, which already has unanimously approved a more reasonable bill to achieve privatization of Intelsat, we ultimately will enact a truly pro-competitive, pro-consumer solution.

Mr. ENGEL. Mr. Speaker, I rise today in support of H.R. 3261, the Communications Satellite Competition and Privatization Act. This legislation is designed to promote the privatization of Intelsat and open foreign markets to U.S. companies. Once enacted, this bill will bring to American consumers the benefits of lower rates and more services. Its passage is long overdue.

After almost 40 years, it is time to overhaul the 1960s' era U.S. international satellite communications policy from one that is dominated by intergovernmental organizations such as Intelsat and Inmarsat to one that lets private companies compete in an unfettered market.

This bill benefits both U.S. companies and U.S. consumers. I commend Chairman BLILEY, Mr. TAUZIN and Mr. MARKEY and their staffs for their efforts to produce a bipartisan, compromise bill, of which I am a proud cosponsor. In particular, the removal of the so-called 'Fresh Look' provision improves the bill greatly and adds to the reasons it should pass in the House of Representatives.

Mr. Speaker, the bill eliminates the privileges and immunities of Intelsat and ends Comsat's monopoly access to Intelsat. Comsat has enjoyed for years a monopoly over Intelsat access, which, according to the Federal Communications Commission, has permitted Comsat to mark-up Intelsat's charges by an average of 68%. It is time to permit the same level of comprehensive direct assess to U.S. companies that is available to many other countries.

To better understand the critical direct access provisions in H.R. 3261, we need to remember that although Comsat is a private corporation, it did not arise from normal marketplace forces. Instead, it was created by the Congress in the Communications Satellite Act of 1962 for a specific purpose: to assist in the development of a global satellite system. As part of this role and to ensure that no provider would dominate the market, Comsat became a "middleman", investing in the global system and reselling satellite services to entities providing tele-communications services to end users.

While Comsat's "middleman" role may have served an important purpose when the global satellite system was in its infancy, the rationale for this role—that one entity should control access to Intelsat—no longer exists. Today, we can no longer justify a government-endorsed subsidy to Comsat or any other private successor company when fair competition is the only force to control costs and protect consumers.

I urge that members support H.R. 3261. As a member of the Commerce Committee and its Subcommittee on Telecommunications which considered this legislation, I firmly believe that the bill will increase competition, open foreign markets, and create new business opportunities for U.S. companies.

Mr. SHAYS. Mr. Speaker, I rise in support of H.R. 3261, the Communications Satellite Competition and Privatization Act. This legislation will reform international satellite policies that are nearly 40 years old.

The world of telecommunications has changed dramatically since 1962, when it was believed that only governments could finance and manage a global satellite system. Back then, Americans had rotary phones they leased from the one and only telephone company in the United States. Today, a rapidly growing number of Americans carry cellular phones wherever they go. They wear pagers and send e-mails across the world. And yet, we still have the same structure for international satellite communications that was designed before Neil Armstrong walked on the moon.

The result is a distorted marketplace, stifled competition and innovation, and increased prices for consumers.

H.R. 3261 will put an end to the last remaining telecommunications monopoly in the United States. The bill promotes competition and opens foreign markets for U.S. companies by privatizing the intergovernmental satellite organizations—called Intelsat and Inmarsat—that dominate international commercial satellite communications. These organizations operate as a cartel-like structure comprised of the national telephone monopolies and dominant companies of its member organizations.

Today, private companies such as PanAmSat, GE Americom, Teledesic and Motorola have the ability to offer high-quality international satellite communications services. But these companies cannot compete with Intelsat because of the advantages bestowed upon this organization.

Mr. Speaker, I want to thank Chairman TOM BLILEY of the Commerce Committee for his leadership in bringing this important bill to the floor. I also would like to thank Congressmen BILLY TAUZIN and EDWARD MARKEY for their work in crafting this pro-trade, pro-consumer legislation.

The promotion of a competitive satellite communications marketplace is a goal we should all support and I urge my colleagues to support this bill.

Mr. TAUZIN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Louisiana (Mr. TAUZIN) that the House suspend the rules and pass the bill, H.R. 3261.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

Mr. TAUZIN. Mr. Speaker, I ask unanimous consent that the Committee on Commerce be discharged from further consideration of the Senate bill (S. 376) to amend the Communications Satellite Act of 1962 to promote competition and privatization in satellite communications, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 376

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Open-market Reorganization for the Betterment of International Telecommunications Act".

SEC. 2. PURPOSE.

It is the purpose of this Act to promote a fully competitive domestic and international market for satellite communications services for the benefit of consumers and providers of satellite services by fully encouraging the privatization of the intergovernmental satellite organizations, INTELSAT and Inmarsat, and reforming the regulatory framework of the COMSAT Corporation.

SEC. 3. FINDINGS.

The Congress finds that:

(1) International satellite communications services constitute a critical component of global voice, video and data services, play a vital role in the integration of all nations into the global economy and contribute toward the ability of developing countries to achieve sustainable development.

(2) The United States played a pivotal role in stimulating the development of international satellite communications services

by enactment of the Communications Satellite Act of 1962 (47 U.S.C. 701–744), and by its critical contributions, through its signatory, the COMSAT Corporation, in the establishment of INTELSAT, which has successfully established global satellite networks to provide member countries with worldwide access to telecommunications services, including critical lifeline services to the developing world.

(3) The United States played a pivotal role in stimulating the development of international satellite communications services by enactment of the International Maritime Satellite Telecommunications Act (47 U.S.C. 751–757), and by its critical contributions, through its signatory, COMSAT, in the establishment of Inmarsat, which enabled member countries to provide mobile satellite services such as international maritime and global maritime distress and safety services to include other satellite services, such as land mobile and aeronautical communications services.

(4) By statute, COMSAT, a publicly traded corporation, is the sole United States signatory to INTELSAT and, as such, is responsible for carrying out United States commitments under the INTELSAT Agreement and the INTELSAT Operating Agreement. Pursuant to a binding Headquarters Agreement, the United States, as a party to INTELSAT, has satisfied many of its obligations under the INTELSAT Agreement.

(5) In the 37 years since enactment of the Communications Satellite Act of 1962, satellite technology has advanced dramatically, large-scale financing options have improved immensely and international telecommunications policies have shifted from those of natural monopolies to those based on market forces, resulting in multiple private commercial companies around the world providing, or preparing to provide, the domestic, regional, and global satellite telecommunications services that only INTELSAT and Inmarsat had previously had the capabilities to offer.

(6) Private commercial satellite communications systems now offer the latest telecommunications services to more and more countries of the world with declining costs, making satellite communications an attractive complement as well as an alternative to terrestrial communications systems, particularly in lesser developed countries.

(7) To enable consumers to realize optimum benefits from international satellite communications services, and to enable these systems to be competitive with other international telecommunication systems, such as fiber optic cable, the global trade and regulatory environment must support vigorous and robust competition.

(8) In particular, all satellite systems should have unimpeded access to the markets that they are capable of serving, and the ability to compete in a fair and meaningful way within those markets.

(9) Transforming INTELSAT and Inmarsat from intergovernmental organizations into conventional satellite services companies is a key element in bringing about the emergence of a fully competitive global environment for satellite services.

(10) The issue of privatization of any State-owned firm is extremely complex and multifaceted. For that reason, the sale of a firm at arm's length does not automatically, and in all cases, extinguish any prior subsidies or government conferred advantages.

(11) It is in the interest of the United States to negotiate the removal of its reservation in the Fourth Protocol to the General Agreement on Trade in Services regarding INTELSAT's and Inmarsat's access to the United States market through COMSAT as soon as possible, but such reservation cannot be removed without adequate assurance that the United States market for satellite services will not be disrupted by such INTELSAT or Inmarsat access.

(12) The Communications Satellite Act of 1962, and other applicable United States laws, need to be updated to encourage and complete the pro-competitive privatization of INTELSAT and Inmarsat, to update the domestic United States regulatory regime governing COMSAT, and to ensure a competitively neutral United States framework for the provision of domestic and international telecommunications services via satellite systems.

SEC. 4. ESTABLISHMENT OF SATELLITE SERVICES COMPETITION; PRIVATIZATION.

The Communications Satellite Act of 1962 (47 U.S.C. 701) is amended by adding at the end the following:

“TITLE VI—SATELLITE SERVICES COMPETITION AND PRIVATIZATION

“SUBTITLE A—TRANSITION TO A PRIVATIZED INTELSAT

“SEC. 601. POLICY OF THE UNITED STATES.

“It is the policy of the United States to—

“(1) encourage INTELSAT to privatize in a pro-competitive manner as soon as possible, but not later than January 1, 2002, recognizing the need for a reasonable transition and process to achieve a full, pro-competitive restructuring; and

“(2) work constructively with its international partners in INTELSAT, and with INTELSAT itself, to bring about a prompt restructuring that will ensure fair competition, both in the United States as well as in the global markets served by the INTELSAT system; and

“(3) encourage Inmarsat's full implementation of the terms and conditions of its privatization agreement.

“SEC. 602. ROLE OF COMSAT.

“(a) ADVOCACY.—As the United States signatory to INTELSAT, COMSAT shall act as an aggressive advocate of pro-competitive privatization of INTELSAT. With respect to the consideration within INTELSAT of any matter related to its privatization, COMSAT shall fully consult with the United States Government prior to exercising its voting rights and shall exercise its voting rights in a manner fully consistent with any instructions issued. In the event that the United States signatory to INTELSAT is acquired after enactment of this section, the President and the Commission shall assure that the instructional process safeguards against conflicts of interest.

“(b) ANNUAL REPORTS.—The President and the Commission shall report annually to the Committee on Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate, respectively, on the progress being made by INTELSAT and Inmarsat to privatize and complete privatization in a pro-competitive manner.

“SEC. 603. RESTRICTIONS PENDING PRIVATIZATION.

“(a) INTELSAT shall be prohibited from entering the United States market directly to provide any satellite communications services or space segment capacity to carriers (other than the United States signatory) or end users in the United States until July 1, 2001 or until INTELSAT achieves a pro-competitive privatization pursuant to section 613 (a) if privatization occurs earlier.

“(b) Notwithstanding subsection (a), INTELSAT shall be prohibited from entering the United States market directly to provide any satellite communications services or space segment capacity to any foreign signatory, or affiliate thereof, and no carrier, other than the United States signatory, nor any end user, shall be permitted to invest directly in INTELSAT.

“(c) Pending INTELSAT's privatization, the Commission shall ensure that the United States signatory is compensated by direct access users for the costs it incurs in fulfilling its obligations under this Act.

“(d) The provisions of subsections (b) and (c) shall remain in effect only until INTELSAT achieves a pro-competitive privatization pursuant to section 613 (a).

“SUBTITLE B—ACTIONS TO ENSURE PRO-COMPETITIVE SATELLITE SERVICES

“SEC. 611. PRIVATIZATION.

“(a) IN GENERAL.—The President shall seek a pro-competitive privatization of INTELSAT as soon as practicable, but no later than January 1, 2002. Such privatization shall be confirmed by a final decision of the INTELSAT Assembly of Parties and shall be followed by a timely initial public offering taking into account relative market conditions.

“(b) ENSURE CONTINUATION OF PRIVATIZATION.—The President and the Commission shall seek to ensure that the privatization of Inmarsat continues in a pro-competitive manner.

“SEC. 612. PROVISION OF SERVICES IN THE UNITED STATES BY PRIVATIZED AFFILIATES OF INTERGOVERNMENTAL SATELLITE ORGANIZATIONS.

“(a) IN GENERAL.—With respect to any application for a satellite earth station or space station under title III of the Communications Act of 1934 (47 U.S.C 301 et seq.) or any application under section 214 of that Act (47 U.S.C. 214), or any letter of intent to provide service in the United States via non-United States licensed space segment, submitted by a privatized IGO affiliate or successor, the Commission—

“(1) shall apply a presumption in favor of entry to an IGO affiliate or successor licensed by a WTO Member for services covered by United States commitments under the WTO Basic Telecom Agreement;

“(2) may attach conditions to any grant of authority to an IGO affiliate or successor that raises the potential for competitive harm; or

“(3) shall in the exceptional case in which an application by an IGO affiliate or successor would pose a very high risk to competition in the United States satellite market, deny the application.

“(b) DETERMINATION FACTORS.—In determining whether an application to serve the United States market by an IGO affiliate raises the potential for competitive harm or risk under subsection (a)(2), the Commission shall determine whether any potential anti-competitive or market distorting consequences of continued relationships or connections exist between an IGO and its affiliates including—

“(1) whether the IGO affiliate is structured to prevent anti-competitive practices such as collusive behavior or cross-subsidization;

“(2) the degree of affiliation between the IGO and its affiliate;

“(3) whether the IGO affiliate can directly or indirectly benefit from IGO privileges and immunities;

“(4) the ownership structure of the affiliate and the effect of IGO and other Signatory ownership and whether the affiliate is independent of IGO signatories or former signatories who control telecommunications market access in their home territories;

"(5) the existence of clearly defined arm's-length conditions governing the affiliate-IGO relationship including separate officers, directors, employees, and accounting systems;

"(6) the existence of fair market valuing for permissible business transactions between an IGO and its affiliate that is verifiable by an independent audit and consistent with normal commercial practice and generally accepted accounting principles;

"(7) the existence of common marketing;

"(8) the availability of recourse to IGO assets for credit or capital;

"(9) whether an IGO registers or coordinates spectrum or orbital locations on behalf of its affiliate; and

"(10) whether the IGO affiliate has corporate charter provisions prohibiting reaffiliation with the IGO after privatization.

"(c) SUNSET.—The provisions of subsection (b) shall cease to have effect upon approval of the application pursuant to section 613.

"(d) PUBLIC INTEREST DETERMINATION.—Nothing in this Act affects the Commission's ability to make a public interest determination concerning any application pertaining to entry into the United States market.

"SEC. 613. PRESIDENTIAL NEGOTIATING OBJECTIVES AND FCC CRITERIA FOR PRIVATIZED IGOs.

"(a) IN GENERAL.—Upon a final decision of the INTELSAT Assembly of Parties creating the legal structure and characteristics of the privatized INTELSAT and recognizing that Inmarsat transitioned into a private company on April 15, 1999, the President shall within 30 days report to the Congress on the extent to which such privatization framework meets each of the criteria in subsection (c), and whether taking into consideration all other relevant competitive factors, entry of a privatized INTELSAT or Inmarsat into the United States market will not be likely to distort competition.

"(b) PURPOSE OF PRIVATIZATION CRITERIA.—The criteria provided in subsection (c) shall be used as—

"(1) the negotiation objectives for achieving the privatization of INTELSAT no later than January 1, 2002, and also for Inmarsat;

"(2) the standard for measuring, pursuant to subsection (a), whether negotiations have resulted in an acceptable framework for achieving the pro-competitive privatization of INTELSAT and Inmarsat; and

"(3) licensing criteria by the Commission in making its independent determination of whether the certified framework for achieving the pro-competitive privatization of INTELSAT and Inmarsat has been properly implemented by the privatized INTELSAT and Inmarsat.

"(c) PRIVATIZATION CRITERIA.—A pro-competitively privatized INTELSAT or Inmarsat—

"(1) has no privileges or immunities limiting legal accountability, commercial transparency, or taxation and does not unfairly benefit from ownership by former signatories who control telecommunications market access to their home territories;

"(2) has submitted to the jurisdiction of competition and independent regulatory authorities of a nation that is a signatory to the World Trade Organization Agreement on Basic Telecommunications and that has implemented or accepted the agreement's reference paper on regulatory principles;

"(3) can offer assurance of an arm's-length relationship in all respects between itself and any IGO affiliate;

"(4) has given due consideration to the international connectivity requirements of thin route countries;

"(5) can demonstrate that the valuation of assets to be transferred post-privatization is in accordance with generally accepted accounting principles;

"(6) has access to orbital locations and associated spectrum post-privatization in accordance with the same regulatory processes and fees applicable to other commercial satellite systems;

"(7) conducts technical coordinations post-privatization under normal, established ITU procedures;

"(8) has an ownership structure in the form of a stock corporation or other similar and accepted commercial mechanism, and a commitment to a timely initial public offering has been established for the sale or purchase of company shares;

"(9) shall not acquire, or enjoy any agreements or arrangements which secure, exclusive access to any national telecommunications market; and

"(10) will have accomplished a privatization consistent with the criteria listed in this subsection at the earliest possible date, but not later than January 1, 2002, for INTELSAT and Inmarsat.

"(d) FCC INDEPENDENT DETERMINATION ON IMPLEMENTATION.—After the President has made a report to Congress pursuant to subsection (a), with respect to any application for a satellite earth station or space station under title III of the Communications Act of 1934 (47 U.S.C. 301) or any application under section 214 of the Communications Act of 1934 (47 U.S.C. 214), or any letter of intent to provide service in the United States via a non-United States licensed space segment, submitted by a privatized affiliate prior to the privatized IGO, or by a privatized IGO, the Commission shall determine whether the enumerated objectives for a pro-competitive privatization of INTELSAT and Inmarsat under this section have been implemented with respect to the privatized IGO, but in making that consideration, may neither contract or expand the privatization criteria in subsection (c).

"(e) AUTHORITY TO DENY AN APPLICATION.—Nothing in this section affects the Commission's authority to condition or deny an application on the basis of the public interest.

"SEC. 614. FAILURE TO PRIVATIZE IN A TIMELY MANNER.

"(a) REPORT.—In the event that INTELSAT fails to fully privatize as provided in section 611 by January 1, 2002, the President shall—

"(1) instruct all instrumentalities of the United States Government to grant a preference for procurement of satellite services from commercial private sector providers of satellite space segment rather than IGO providers;

"(2) immediately commence deliberations to determine what additional measures should be implemented to ensure the rapid privatization of INTELSAT;

"(3) no later than March 31, 2002, issue a report delineating such other measures to the Committee on Commerce of the House of Representatives, and Committee on Commerce, Science, and Transportation of the Senate; and

"(4) withdraw as a party from INTELSAT.

"(b) RESERVATION CLAUSE.—The President may determine, after consulting with Congress, that in consideration of privatization being imminent, it is in the national interest of the United States to provide a reasonable extension of time for completion of privatization.

"SUBTITLE C—COMSAT GOVERNANCE AND OPERATION

"SEC. 621. ELIMINATION OF PRIVILEGES AND IMMUNITIES.

"(a) COMSAT.—COMSAT shall not have any privilege or immunity on the basis of its status as a signatory or a representative of the United States to INTELSAT and Inmarsat, except that COMSAT retains its privileges and immunities—

"(1) for those actions taken in its role as the United States signatory to INTELSAT or Inmarsat upon instruction of the United States Government; and

"(2) for actions taken when acting as the United States signatory in fulfilling signatory obligations under the INTELSAT Operating Agreement.

"(b) NO JOINT OR SEVERAL LIABILITY.—If COMSAT is found liable for any action taken in its status as a signatory or a representative of the party to INTELSAT, any such liability shall be limited to the portion of the judgment that corresponds to COMSAT's percentage of the responsibility, as determined by the trier of fact.

"(c) PROSPECTIVE EFFECT OF ELIMINATION.—The elimination of privileges and immunities contained in this section shall apply only to actions or decisions taken by COMSAT after the date of enactment of the Open-market Reorganization for the Betterment of International Telecommunications Act.

"SEC 622. ABROGATION OF CONTRACTS PROHIBITED.

"Nothing in this Act or the Communications Act of 1934 (47 U.S.C. 151 et seq.) shall be construed to modify or invalidate any contract or agreement involving COMSAT, INTELSAT, or any terms or conditions of such agreement in force on the date of enactment of the Open-market Reorganization for the Betterment of International Telecommunications Act, or to give the Commission authority, by rule-making or any other means, to invalidate any such contract or agreement, or any terms and conditions of such contract or agreement.

"SEC. 623. PERMITTED COMSAT INVESTMENT.

"Nothing in this Act shall be construed as precluding COMSAT from investing in or owning satellites or other facilities independent from INTELSAT, or from providing services through reselling capacity over the facilities of satellite systems independent from INTELSAT. This section shall not be construed as restricting the types of contracts which can be executed or services which may be provided by COMSAT over the independent satellites or facilities described in this subsection.

"SUBTITLE D—GENERAL PROVISIONS

"SEC. 631. PROMOTION OF EFFICIENT USE OF ORBITAL SLOTS AND SPECTRUM.

"All satellite system operators authorized to access the United States market should make efficient and timely use of orbital and spectrum resources in order to ensure that these resources are not warehoused to the detriment of other new or existing satellite system operators. Where these assurances cannot be provided, satellite system operators shall arbitrate their rights to these resources according to ITU procedures.

"SEC. 632. PROHIBITION ON PROCUREMENT PREFERENCES.

"Except pursuant to section 615 of this Act, nothing in this title or the Communications Act of 1934 (47 U.S.C. 151 et seq.) shall be construed to authorize or require any preference in Federal Government procurement of telecommunications services, for the satellite space segment provided by INTELSAT or Inmarsat, nor shall anything in this title or that Act be construed to result in a bias against the use of INTELSAT or Inmarsat through existing or future contract awards.

"SEC. 633. SATELLITE AUCTIONS.

"Notwithstanding any other provision of law, the Commission shall not assign by competitive bidding orbital locations or spectrum used for the provision of international or global satellite communications services. The President shall oppose in the International Telecommunications Union and in other bilateral and multilateral negotiations any assignment by competitive bidding of orbital locations, licenses, or spectrum used for the provision of such services.

"SEC. 634. RELATIONSHIP TO OTHER LAWS.

"Whenever the application of the provisions of this Act is inconsistent with the provisions of the Communications Act of 1934, the provisions of this Act shall govern.

"SEC. 635. EXCLUSIVITY ARRANGEMENTS.

"(a) In General.—No satellite operator shall acquire or enjoy the exclusive right of handling traffic to or from the United States, its territories or possessions, and any other country or territory by reason of any concession, contract, understanding, or working arrangement to which the satellite operator or any persons or companies controlling or controlled by the operator are parties.

"(b) Exception.—In enforcing the provisions of this subsection, the Commission—

"(1) shall not require the termination of existing satellite telecommunications services under contract with, or tariff commitment to, such satellite operator; but

"(2) may require the termination of new services only to the country that has provided the exclusive right to handle traffic, if the Commission determines the public interest, convenience, and necessity so requires.

"Subtitle E—Definitions

"SEC. 641. DEFINITIONS.

"(a) In General.—In this title:

"(1) INTELSAT.—The term 'INTELSAT' means the International Telecommunications Satellite Organization established pursuant to the Agreement Relating to the International Telecommunications Satellite Organization.

"(2) Inmarsat.—The term 'Inmarsat' means the International Mobile Satellite Organization established pursuant to the Convention on the International Maritime Satellite Organization and may also refer to INMARSAT Limited when appropriate.

"(3) COMSAT.—The term 'COMSAT' means the corporation established pursuant to title III of this Act and its successors and assigns.

"(4) Signatory.—The term 'signatory' means the telecommunications entity designated by a party that has signed the Operating Agreement and for which such Agreement has entered into force.

"(5) Party.—The term 'party' means, in the case of INTELSAT, a nation for which the INTELSAT agreement has entered into force or been provisionally applied, and in the case of INMARSAT, a nation for which the Inmarsat convention entered into force.

"(6) Commission.—The term 'Commission' means the Federal Communications Commission.

"(7) International telecommunication union; ITU.—The terms 'International Telecommunication Union' and 'ITU' mean the intergovernmental organization that is a specialized agency of the United Nations in which member countries cooperate for the development of telecommunications, including adoption of international regulations governing terrestrial and space uses of the frequency spectrum as well as use of the geostationary orbital arc.

"(8) Privatized INTELSAT.—The term 'privatized INTELSAT' means any entity created from the privatization of INTELSAT from the assets of INTELSAT.

"(9) Privatized Inmarsat.—The term 'privatized Inmarsat' means any entity created from the privatization of Inmarsat from the assets of Inmarsat, namely INMARSAT, Ltd.

"(10) Orbital location.—The term 'orbital location' means the location for placement of a satellite in geostationary orbits as defined in the International Telecommunication Union Radio Regulations.

"(11) Spectrum.—The term 'spectrum' means the range of frequencies used to provide radio communication services.

"(12) Space segment.—The term 'space segment' means the satellites, and the tracking, telemetry, command, control, monitoring and related facilities and equipment used to support the operation of satellites owned or leased by INTELSAT and Inmarsat or an IGO successor or affiliate.

"(13) INTELSAT agreement.—The term 'INTELSAT agreement' means the agreement relating to the International Telecommunications Satellite Organization, including all of its annexes (TIAS 7532, 23 UST 3813).

"(14) Operating agreement.—The term 'operating agreement' means—

"(A) in the case of INTELSAT, the agreement, including its annex but excluding all titles of articles, opened for signature at Washington on August 20, 1971, by governments or telecommunications entities designated by governments in accordance with the provisions of The Agreement; and

"(B) in the case of Inmarsat, the Operating Agreement on the International Maritime Satellite Organization, including its annexes.

"(15) Headquarters agreement.—The term 'headquarters agreement' means the binding international agreement, dated November 24, 1976, between the United States and INTELSAT covering privileges, exemptions, and immunities with respect to the location of INTELSAT's headquarters in Washington, D.C.

"(16) Direct-to-home satellite services.—The term 'direct-to-home satellite services' means the distribution or broadcasting of programming or services by satellite directly to the subscriber's premises without the use of ground receiving or distribution equipment, except at the subscriber's premises or in the uplink process to the satellite.

"(17) IGO.—The term 'IGO' means the Intergovernmental Satellite organizations, INTELSAT and Inmarsat.

"(18) IGO affiliate.—The term 'IGO affiliate' means any entity in which an IGO owns or has owned an equity interest of 10 percent or more.

"(19) IGO successor.—The term 'IGO Successor' means an entity which holds substantially all the assets of a pre-existing IGO.

"(20) Global maritime distress and safety services.—The term 'global maritime distress and safety services' means the automated ship-to-shore distress alerting system which uses satellite and advanced terrestrial systems for international distress communications and promoting maritime safety in general, permitting the worldwide alerting of vessels, coordinated search and rescue operations, and dissemination of maritime safety information.

"(b) Common Terms.—Except as otherwise provided in subsection (a), terms used in this title that are defined in section 3 of the Communications Act of 1934 (47 U.S.C. 153) have the meaning provided in that section.".

SEC. 5. CONFORMING CHANGES.

(a) Repeal of Federal Coordination and Planning Provisions.—Section 201 of the Communications Satellite Act of 1962 (47 U.S.C. 721) is amended to read as follows:

"SEC. 201. IMPLEMENTATION OF POLICY.

"The Federal Communications Commission, in its administration of the Communications Act of 1934, shall make rules and regulations to carry out the provisions of this Act.".

(b) Repeal of Government-Established Corporation Provisions.—

(1) In general.—Section 301 of the Communications Satellite Act of 1962 (47 U.S.C. 731) is amended to read as follows:

"SEC. 301. CORPORATION.

"The corporation organized under the provisions of this title, as this title existed before the enactment of the Open-market Reorganization for the Betterment of International Telecommunications Act, known as COMSAT, and its successors and assigns, are subject to the provisions of this Act. The right to repeal, alter, or amend this Act at any time is expressly reserved.".

(2) Conforming changes.—Title III of the Communications Satellite Act of 1962 (47 U.S.C. 731 et seq.) is amended—

(A) by striking "**CREATION OF A COMMUNICATIONS SATELLITE**" in the caption of title III;

(B) by striking sections 302, 303, and 304;

(C) by redesignating section 305 as section 302; and

(D) by striking subsection (c) of section 302, as redesignated.

(c) Repeal of Certain Miscellaneous Provisions.—Title IV of the Communications Satellite Act of 1962 (47 U.S.C. 741 et seq.) is amended—

(1) by striking section 402;

(2) by striking subsection (a) of section 403 and redesignating subsections (b) and (c) as subsections (a) and (b), respectively; and

(3) by striking section 404.

SEC. 6. INTERNATIONAL MARITIME SATELLITE TELECOMMUNICATIONS ACT AMENDMENTS.

(a) Repeal of Superseded Authority.—Title V of the Communications Satellite Act of 1962 (47 U.S.C. 751 et seq.) is amended—

(1) by striking sections 502, 503, 504, and 505; and

(2) by inserting after section 501 the following:

"SEC. 502. GLOBAL SATELLITE SAFETY SERVICES AFTER PRIVATIZATION OF BUSINESS OPERATIONS OF INMARSAT.

"In order to ensure the continued provision of global maritime distress and safety satellite telecommunications services after privatization of the business operations of Inmarsat, the President may maintain membership in the International Mobile Satellite Organization on behalf of the United States.".

(b) Effective Date.—The amendments made by subsection (a) take effect on the date on which the International Mobile Satellite Organization ceases to operate directly a global mobile satellite system.

MOTION OFFERED BY MR. TAUZIN

Mr. TAUZIN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. TAUZIN moves that the House strike all after the enacting clause of a Senate bill, S. 376, and insert the text of the bill, H.R. 3261, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 3261) was laid on the table.

APPOINTMENT OF CONFEREES

Mr. TAUZIN. Mr. Speaker, I ask unanimous consent that the House insist on its amendment and request a conference with the Senate thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana? The Chair hears none and, without objection, appoints the following conferees: Messrs. BLILEY, TAUZIN, OXLEY, DINGELL, and MARKEY.

There was no objection.

HOUR OF MEETING ON TOMORROW

Mr. TAUZIN. Mr. Speaker, I ask unanimous consent that when the House adjourn today that it adjourn to meet at 2 p.m. tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

□ 1900

CONTINUATION OF NATIONAL EMERGENCY WITH REGARD TO WEAPONS OF MASS DESTRUCTION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 106–158)

The SPEAKER pro tempore (Mr. BARRETT of Nebraska) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:

On November 14, 1994, in light of the dangers of the proliferation of nuclear, biological, and chemical weapons ("weapons of mass destruction"—WMD) and of the means of delivering such weapons, I issued Executive Order 12938, and declared a national emergency under the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.). Under section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)), the national emergency terminates on the anniversary date of its declaration unless, within the 90-day period prior to each anniversary date, I publish in the *Federal Register* and transmit to the Congress a notice stating that such emergency is to continue in effect. The proliferation of weapons of mass destruction and their means of delivery continues to pose an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. I am, therefore, advising the Congress that the national emergency declared on November 14, 1994, and extended on November 14, 1995, November 12, 1996, November 13, 1997, and November 12, 1998, must continue in effect beyond November 14, 1999. Accordingly, I have extended the national emergency declared in Executive Order 12938, as amended.

The following report is made pursuant to section 204(a) of the International Emergency Economic Powers Act (50 U.S.C. 1703(c)) and section 401(c) of the National Emergencies Act (50 U.S.C. 1641(c)), regarding activities taken and money spent pursuant to the emergency declaration. Additional information on nuclear, missile, and/or chemical and biological weapons (CBW) nonproliferation efforts is contained in the most recent annual Report on the Proliferation of Missiles and Essential Components of Nuclear, Biological and Chemical Weapons, provided to the Congress pursuant to section 1097 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190), also known as the "Nonproliferation Report," and the most recent annual report provided to the Congress pursuant to section 308 of the Chemical and Biological Weapons Control and Warfare Elimination Act of 1991 (Public Law 102–182), also known as the "CBW Report."

On July 28, 1998, in Executive Order 13094, I amended section 4 of Executive Order 12938 so that the United States Government could more effectively respond to the worldwide threat of weapons of mass destruction proliferation activities. The amendment of section 4 strengthens Executive Order 12938 in several significant ways. The amendment broadens the type of proliferation activity that can subject entities to potential penalties under the Executive order. The original Executive order provided for penalties for contributions to the efforts of any foreign country, project or entity to use, acquire, design, produce, or stockpile chemical or biological weapons; the amended Executive order also covers contributions to foreign programs for nuclear weapons and for missiles capable of delivering weapons of mass destruction. Moreover, the amendment expands the original Executive order to include attempts to contribute to foreign proliferation activities, as well as actual contributions, and broadens the range of potential penalties to expressly include the prohibition of U.S. Government assistance to foreign persons, and the prohibition of imports into the United States and U.S. Government procurement. In sum, the amendment gives the United States Government greater flexibility and discretion in deciding how and to what extent to impose measures against foreign persons that assist proliferation programs.

NUCLEAR WEAPONS

In May 1998, India and Pakistan each conducted a series of nuclear tests. World reaction included nearly universal condemnation across a broad range of international fora and multilateral support for a broad range of sanctions, including new restrictions on lending by international financial institutions unrelated to basic human needs and on aid from the G–8 and other countries.

Since the mandatory imposition of U.S. statutory sanctions, we have worked unilaterally, with other P–5 and G–8 members, and through the United Nations, to dissuade India and Pakistan from taking further steps toward developing nuclear weapons. We have urged them to join multilateral arms control efforts and to conform to the standards of nonproliferation regimes, to prevent a regional arms race and build confidence by practicing restraint, and to resume efforts to resolve their differences through dialogue. The P–5, G–8, and U.N. Security Council have called on India and Pakistan to take a broad range of concrete actions. The United States has focused most intensely on several objectives that can be met over the short and medium term: an end to nuclear testing and prompt, unconditional ratification of the Comprehensive Nuclear Test-Ban Treaty (CTBT); engagement in productive negotiations on a fissile material cut-off treaty (FMCT) and, pending their conclusion, a moratorium on production of fissile material for nuclear weapons and other nuclear explosive devices; restraint in development and deployment of nuclear-capable missiles and aircraft; and adoption of controls meeting international standards on exports of sensitive materials and technology.

Against this backdrop of international pressure on India and Pakistan, high-level U.S. dialogues with Indian and Pakistani officials have yielded little progress. In September 1998, Indian and Pakistani leaders had expressed a willingness to sign the CTBT. Both governments, having already declared testing moratoria, had indicated they were prepared to sign the CTBT by September 1999 under certain conditions. These declarations were made prior to the collapse of Prime Minister Vajpayee's Indian government in April 1999, a development that has delayed consideration of CTBT signature in India. The Indian election, the Kargil conflict, and the October political coup in Pakistan have further complicated the issue, although neither country has renounced its commitment. Pakistan has said that it will not sign the Treaty until India does. Additionally, Pakistan's Foreign Minister stated publicly on September 12, 1999, that Pakistan would not consider signing the CTBT until sanctions are removed.

India and Pakistan both withdrew their opposition to negotiations on an FMCT in Geneva at the end of the 1998 Conference on Disarmament sessions. However, these negotiations were unable to resume in 1999 and we have no indications that India or Pakistan played helpful "behind the scenes" roles. They also pledged to institute strict controls that meet internationally accepted standards on sensitive exports, and have begun expert discussions with the United States and others on this subject. In addition, India and Pakistan resumed their bilateral dialogue on outstanding disputes, including Kashmir, at the Foreign Secretary level. The Kargil conflict this summer complicated efforts to continue this bilateral dialogue, although both sides have expressed interest in resuming the discussions at some future point. We will continue discussions with both governments at the senior and expert levels, and our diplomatic efforts in concert with the P–5, G–8, and in international fora. Efforts may be further complicated by India's release in August 1999 of a draft of its nuclear doctrine, which, although its timing may have been politically motivated, suggests that India intends to make nuclear weapons an integral part of the national defense.

The Democratic People's Republic of Korea (DPRK or North Korea) continues to maintain a freeze on its nuclear facilities consistent with the 1994 U.S.–DPRK Agreed Framework, which calls for the immediate freezing and eventual dismantling of the DPRK's graphite-moderated reactors and reprocessing plant at Yongbyon and Taechon. The United States has raised its concerns with the DPRK about a suspect underground site under construction, possibly intended to support nuclear activities contrary to the Agreed Framework. In March 1999, the United States reached agreement with the DPRK for visits by a team of U.S. experts to the facility. In May 1999, a Department of State team visited the underground facility at Kumchang-ni. The team was permitted to conduct all activities previously agreed to help remove suspicions about the site. Based on the data gathered by the U.S. delegation and the subsequent technical review, the United States has concluded that, at present, the underground site does not violate the 1994 U.S.–DPRK Agreed Framework.

The Agreed Framework requires the DPRK to come into full compliance with its NPT and IAEA obligations as a part of a process that also includes the supply of two light water reactors to North Korea. United States experts remain on-site in North Korea working to complete clean-up operations after largely finishing the canning of spent fuel from the North's 5-megawatt nuclear reactor.

The Nuclear Non-Proliferation Treaty (NPT) is the cornerstone on the global nuclear nonproliferation regime. In May 1999, NPT Parties met in New York to complete preparations for the 2000 NPT Review Conference. The United States is working with others to ensure that the 2000 NPT Review Conference is a success that reaffirms the NPT as a strong and viable part of the global security system.

The United States signed the Comprehensive Nuclear-Test Ban Treaty on September 24, 1996. So far, 154 countries have signed and 51 have ratified the CTBT. During 1999, CTBT signatories conducted numerous meetings of the Preparatory Commission (PrepCom) in Vienna, seeking to promote rapid completion of the International Monitoring System (IMS) established by the Treaty. In October 1999, a conference was held pursuant to Article XIV of the CTBT, to discuss ways to accelerate the entry into force of the Treaty. The United States attended that conference as an observer.

On September 22, 1997, I transmitted the CTBT to the Senate, requesting prompt advice and consent to ratification. I deeply regret the Senate's decision on October 13, 1999, to refuse its consent to ratify the CTBT. The CTBT will serve several U.S. national security interests by prohibiting all nuclear explosions. It will constrain the development and qualitative improvement of nuclear weapons; end the development of advanced new types of weapons; contribute to the prevention of nuclear proliferation and the process of nuclear disarmament; and strengthen international peace and security. The CTBT marks a historic milestone in our drive to reduce the nuclear threat and to build a safer world. For these reasons, we hope that at an appropriate time, the Senate will reconsider this treaty in a manner that will ensure a fair and thorough hearing process and will allow for more thoughtful debate.

With 35 member states, the Nuclear Suppliers Group (NSG) is a widely accepted, mature, and effective export-control arrangement. At its May 1999 Plenary and related meetings in Florence, Italy, the NSG considered new members (although none were accepted at that meeting), reviewed efforts to enhance transparency, and pursued efforts to streamline procedures and update control lists. The NSG created an Implementation Working Group, chaired by the UK, to consider changes to the guidelines, membership issues, the relationship with the NPT Exporters (Zangger) Committee, and controls on brokering. The Transparency Working Group was tasked with preparing a report on NSG activities for presentation at the 2000 NPT Review Conference by the Italian chair. The French will host the Plenary and assume the NSG Chair in 2000 and the United States will host and chair in 2001.

The NSG is currently considering membership requests from Turkey and Belarus. Turkey's membership is pending only agreement by Russia to join the intercessional consensus of all other NSG members. The United States believes it would be appropriate to confirm intercessional consensus in support of Turkey's membership before considering other candidates. Belarus has been in consultation with the NSG Chair and other members including Russia and the United States regarding its interest in membership and the status of its implementation of export controls to meet NSG Guideline standards. The United States will not block intercessional consensus of NSG members in support of NSG membership for Belarus, provided that consensus for Turkey's membership precedes it. Cyprus and Kazakhstan have also expressed interest in membership and are in consultation with the NSG Chair and other members regarding the status of their export control systems. China is the only major nuclear supplier that is not a member of the NSG, primarily because it has not accepted the NSG policy of requiring full-scope safeguards as a condition for supply of nuclear trigger list items to non-nuclear weapon states. However, China has taken major steps toward harmonization of its export control system with the NSG Guidelines by the implementation of controls over nuclear-related dual-use equipment and technology.

During the last 6-months, we reviewed intelligence and other reports of trade in nuclear-related material and technology that might be relevant to nuclear-related sanctions provisions in the Iran-Iraq Arms Non-Proliferation Act of 1992, as amended; the Export-Import Bank Act of 1945, as amended; and the Nuclear Proliferation Prevention Act of 1994. No statutory sanctions determinations were reached during this reporting period. The administrative measures impose against ten Russian entities for their nuclear- and/or missile-related cooperation with Iran remain in effect.

CHEMICAL AND BIOLOGICAL WEAPONS

The export control regulations issued under the Enhanced Proliferation Control Initiative (EPCI) remain fully in force and continue to be applied by the Department of Commerce, in consultation with other agencies, in order to control the export of items with potential use in chemical or biological weapons or unmanned delivery systems for weapons of mass destruction.

Chemical weapons (CW) continue to pose a very serious threat to our security and that of our allies. On April 29, 1997, the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction (the

Chemical Weapons Convention or CWC) entered into force with 87 of the CWS's 165 States Signatories as original States Parties. The United States was among their number, having ratified the CWC on April 25, 1997. Russia ratified the CWC on November 5, 1997, and became a State Party on December 8, 1997. To date, 126 countries (including China, Iran, India, Pakistan, and Ukraine) have become States Parties.

The implementing body for the CWC—the Organization for the Prohibition of Chemical Weapons (OPCW)—was established at entry-into-force (EIF) of the Convention on April 29, 1997. The OPCW, located in The Hague, has primary responsibility (along with States Parties) for implementing the CWC. It consists of the Conference of the States Parties, the Executive Council (EC), and the Technical Secretariat (TS). The TS carries out the verification provisions of the CWC, and presently has a staff of approximately 500, including about 200 inspectors trained and equipped to inspect military and industrial facilities throughout the world. To date, the OPCW has conducted over 500 routine inspections in some 29 countries. No challenge inspections have yet taken place. To date, nearly 170 inspections have been conducted at military facilities in the United States. The OPCW maintains a permanent inspector presence at operational U.S. CW destruction facilities in Utah and Johnston Island.

The United States is determined to seek full implementation of the concrete measures in the CWC designed to raise the costs and risks for any state or terrorist attempting to engage in chemical weapons-related activities. The CWC's declaration requirements improve our knowledge of possible chemical weapons activities. Its inspection provisions provide for access to declared and undeclared facilities and locations, thus making clandestine chemical weapons production and stockpiling more difficult, more risky, and more expensive.

The Chemical Weapons Convention Implementation Act of 1998 was enacted into U.S. law in October 1998, as part of the Omnibus Consolidated and Emergency Supplemental Appropriation Act for Fiscal Year 1999 (Public Law 105–277). My Administration published an Executive order on June 25, 1999, to facilitate implementation of the Act and is working to publish regulations regarding industrial declarations and inspections of industrial facilities. Submission of these declarations to the OPCW, and subsequent inspections, will enable the United States to be fully compliant with the CWC. United States noncompliance to date has, among other things, undermined U.S. leadership in the organization as well as our ability to encourage other States Parties to make complete, accurate, and timely declarations.

Countries that refuse to join the CWC will be politically isolated and prohibited by the CWC from trading with States Parties in certain key chemicals. The relevant treaty provisions are specifically designed to penalize countries that refuse to join the rest of the world in eliminating the threat of chemical weapons.

The United States also continues to play a leading role in the international effort to reduce the threat from biological weapons (BW). We participate actively in the Ad Hoc Group (AHG) of States Parties striving to complete a legally binding protocol to strengthen and enhance compliance with the 1972 Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction (the Biological Weapons Convention or BWC). This Ad Hoc Group was mandated by the September 1994 BWC Special Conference. The Fourth BWC Review Conference, held in November/December 1996, urged the AHG to complete the protocol as soon as possible but not later than the next Review Conference to be held in 2001. Work is progressing on a draft rolling text through insertion of national views and clarification of existing text. Five AHG negotiating sessions were scheduled for 1999. The United States is working toward completion of the substance of a strong Protocol next year.

On January 27, 1998, during the State of the Union address, I announced that the United States would take a leading role in the effort to erect stronger international barriers against the proliferation and use of BW by strengthening the BWC with a new international system to detect and deter cheating. The United States is working closely with U.S. industry representatives to obtain technical input relevant to the development of U.S. negotiating positions and then to reach international agreement on data declarations and on-site investigations.

The United States continues to be a leading participant in the 30-member Australia Group (AG) chemical and biological weapons nonproliferation regime. The United States attended the most recent annual AG Plenary Session from October 4–8, 1999, during which the Group reaffirmed the members' continued collective belief in the Group's viability, importance, and compatibility with the CWC and BWC. Members continue to agree that full adherence to the CWC and BWC by all governments will be the only way to achieve a permanent global ban on chemical and biological weapons, and that all states adhering to these Conventions must take steps to ensure that their national activities support these goals. At the 1999 Plenary, the Group continued to focus on strengthening AG export controls and sharing information to address the threat of CBW terrorism. The AG also reaffirmed its commitment to continue its active outreach program of briefings for non-AG countries, and to promote regional consultations on export controls and non-proliferation to further awareness and understanding of national policies in these areas. The AG discussed ways to be more proactive in stemming attacks on the AG in the CWC and BWC contexts.

During the last 6 months, we continued to examine closely intelligence and other reports of trade in CBW-related material and technology that might be relevant to sanctions provisions under the Chemical and Biological Weapons Control and Warfare Elimination Act of 1991. No new sanctions determinations were reached during this reporting period. The United States also continues to cooperate with its AG partners and other countries in stopping shipments of proliferation concern.

MISSILES FOR DELIVERY OF WEAPONS OF MASS DESTRUCTION

The United States continues carefully to control exports that could contribute to unmanned delivery systems for weapons of mass destruction, and closely to monitor activities of potential missile proliferation concern. We also continued to implement U.S. missile sanctions laws. In March 1999, we imposed missile sanctions against three Middle Eastern entities for transfers involving Category II Missile Technology Control Regime (MTCR) Annex items. Category I missile sanctions imposed in April 1998 against North Korean and Pakistani entities for the transfer from North Korea to Pakistan of equipment and technology related to the Ghauri missile remain in effect.

During this reporting period, MTCR Partners continued to share information about proliferation problems with each other and with other potential supplier, consumer, and transshipment states. Partners also emphasized the need for implementing effective export control systems. This cooperation has resulted in the interdiction of missile-related materials intended for use in missile programs of concern.

In June the United States participated in the MTCR's Reinforced Point of Contact Meeting (RPOC). At the RPOC, MTCR Partners held in-depth discussions of regional missile proliferation concerns, focusing in particular on Iran, North Korea, and South Asia. They also discussed steps Partners can take to further increase outreach to nonmembers. The Partners agreed to continue their discussion of this important topic at the October 1999 Noordwijk MTCR Plenary.

Also in June, the United States participated in a German-hosted MTCR workshop at which Partners and non-Partners discussed ways to address the proliferation potential inherent in intangible technology transfers. The seminar helped participants to develop a greater understanding of the intangible technology issue (i.e., how proliferators misuse the internet, scientific conferences, plant visits, student exchange programs, and higher education to acquire sensitive technology), and to begin to identify steps governments can take to address this problem.

In July 1999, the Partners completed a reformatting of the MTCR Annex. The newly reformatted Annex is intended to improve clarity and uniformity of implementation of MTCR controls while maintaining the coverage of the previous version of the MTCR Annex.

The MTCR held its Fourteenth Plenary Meeting in Noordwijk, The Netherlands, on October 11–15. At the Plenary, the Partners shared information about activities of missile proliferation concern worldwide. They focused in particular on the threat to international security and stability posed by missile proliferation in key regions and considered what practical steps they could take, individually and collectively, to address ongoing missile-related activities of concern. During their discussions, Partners gave special attention to DPRK missile activities and also discussed the threat posed by missile-related activities in South and North East Asia and the Middle East.

During this reporting period, the United States continued to work unilaterally and in coordination with its MTCR Partners to combat missile proliferation and to encourage nonmembers to export responsibly and to adhere to the MTCR Guidelines. To encourage international focus on missile proliferation issues, the USG also placed the issue on the agenda for the G8 Cologne Summit, resulting in an undertaking to examine further individual and collective means of addressing this problem and reaffirming commitment to the objectives of the MTCR. Since my last report, we continued our missile nonproliferation dialogues with China (interrupted after the accidental bombing of China's Belgrade Embassy), India, the Republic of Korea (ROK), North Korea (DPRK), and Pakistan. In the course of normal diplomatic relations we also have pursued such discussions with other countries in Central Europe, South Asia, and the Middle East.

In March 1999, the United States and the DPRK held a fourth round of missile talks to underscore our strong opposition to North Korea's destabilizing missile development and export activities and press for tight constraints on DPRK missile development, testing, and exports. We also affirmed that the United States viewed further launches of long-range missiles and transfers of long-range missiles or technology for such missiles as direct threats of U.S. allies and ultimately to the United States itself. We subsequently have reiterated that message at every available opportunity. In particular, we have reminded the DPRK of the consequences of another rocket launch and encouraged it not to take such action. We also have urged the DPRK to take steps towards building a constructive bilateral relationship with the United States.

These efforts have resulted in an important first step. Since September 1999, it has been our understanding that the DPRK will refrain from testing long-range missiles of any kind during our discussions to improve relations. In recognition of this DPRK step, the United States has announced the easing of certain sanctions related to the import and export of many consumer goods.

In response to reports of continuing Iranian efforts to acquire sensitive items from Russian entities for use in Iran's missile and nuclear development programs, the United States continued its high-level dialogue with Russia aimed at finding ways the United States and Russia can work together to cut off the flow of sensitive goods to Iran's ballistic missile development program. During this reporting period, Russia's government created institutional foundations to implement a newly enacted nonproliferation policy and passed laws to punish wrongdoers. It also passed new export control legislation to tighten government control over sensitive technologies and began working with the United States to strengthen export control practices at Russian aerospace firms. However, despite the Russian government's nonproliferation and export control efforts, some Russian entities continued to cooperate with Iran's ballistic missile program and to engage in nuclear cooperation with Iran beyond the Bushehr reactor project. The administrative measures imposed on ten Russian entities for their missile- and nuclear-related cooperation with Iran remain in effect.

VALUE OF NONPROLIFERATION EXPORT CONTROLS

United States national export controls—both those implemented pursuant to multilateral nonproliferation regimes and those implemented unilaterally—play an important part in impeding the proliferation of WMD and missiles. (As used here, "export controls" refer to requirements for case-by-case review of certain exports, or limitations on exports of particular items of proliferation concern to certain destinations, rather than broad embargoes or economic sanctions that also affect trade.) As noted in this report, however, export controls are only one of a number of tools the United States uses to achieve its nonproliferation objectives. Global nonproliferation norms, informal multilateral nonproliferation regimes, interdicting shipments of proliferation concern, sanctions, export control assistance, redirection and elimination efforts, and robust U.S. military, intelligence, and diplomatic capabilities all work in conjunction with export controls as part of our overall nonproliferation.

Export controls are a critical part of nonproliferation because every proliferant WMD/missile program seeks equipment and technology from other countries. Proliferators look overseas because needed items are unavailable elsewhere, because indigenously produced items are of insufficient quality or quantity, and/or because imported items can be obtained more quickly and cheaply than producing them at home. It is important to note that proliferators seek for their programs both items on multilateral lists (like gyroscopes controlled on the MTCR Annex and nerve gas ingredients on the Australia Group list) and unlisted items (like lower-level machine tools and very basic chemicals). In addition, many of the items of interest to proliferators are inherently dual-use. For example, key ingredients and technologies used in the production of fertilizers and pesticides also can be used to make chemical weapons; vaccine production technology (albeit not the vaccines themselves) can assist in the production of biological weapons.

The most obvious value of export controls is in impeding or even denying proliferators access to key pieces of equipment or technology for use in their WMD/missile programs. In large part, U.S. national export controls—and similar controls of our partners in the Australia Group, Missile Technology Control Regime, and Nuclear Suppliers Group—have denied proliferators access to the largest sources of the best equipment and technology. Proliferators have mostly been forced to seek less capable items and nonregime suppliers. Moreover, in many instances, U.S. and regime controls and associated efforts have forced proliferators to engage in complex clandestine procurements even from nonmember suppliers, taking time and money from proliferant programs.

United States national export controls and those of our regime partners also have played an important leadership role, increasing over time the critical mass of countries applying nonproliferation export controls. For example, none of the following progress would have been possible without the leadership shown by U.S. willingness to be the first to apply controls: the seven-member MTCR of 1987 has grown to 32 member countries; several nonmember countries have been persuaded to apply export controls consistent with one or more of the regimes unilaterally; and most of the members of the nonproliferation regimes have applied national "catch-all" controls similar to those under the U.S. Enhanced Proliferation Initiative. (Export controls normally are tied to a specific list of items, such as the MTCR Annex. "Catch-all" controls provide a legal basis to control exports of items not on a list, when those items are destined for WMD/missile programs.)

United States export controls, especially "catch-all" controls, also make important political and moral contributions to the nonproliferation effort. They uphold the broad legal obligations the United States has undertaken in the Nuclear Nonproliferation Treaty (Article I), Biological Weapons Convention (Article III), and Chemical Weapons Convention (Article I) not to assist anyone in proscribed WMD activities. They endeavor to assure there are no U.S. "fingerprints" on WMD and missiles that threaten U.S. citizens and territory and our friends and interests overseas. They place the United States squarely and unambiguously against WMD/missile proliferation, even against the prospect of inadvertent proliferation from the United States itself.

Finally, export controls play an important role in enabling and enhancing legitimate trade. They provide a means to permit dual-use export to proceed under circumstances where, without export control scrutiny, the only prudent course would be to prohibit them. They help build confidence between countries applying similar controls that, in turn, results in increased trade. Each of the WMD nonproliferation regimes, for example, has a "no undercut" policy committing each member not to make an export that another has denied for nonproliferation reasons and notified to the rest—unless it first consults with the original denying country. Not only does this policy make it more difficult for proliferators to get items from regime members, it establishes a "level playing field" for exporters.

THREAT REDUCTION

The potential for proliferation of WMD and delivery system expertise has increased in part as a consequence of the economic crisis in Russia and other Newly Independent States, causing concern. My Administration gives high priority to controlling the human dimension of proliferation through programs that support the transition of former Soviet weapons scientists to civilian research and technology development activities. I have proposed an additional $4.5 billion for programs embodied in the Expanded Threat Reduction Initiative that would support activities in four areas: nuclear security; nonnuclear WMD; science and technology nonproliferation; and military relocation, stabilization and other security cooperation programs. Congressional support for this initiative would enable the engagement of a broad range of programs under the Departments of State, Energy, and Defense.

EXPENSES

Pursuant to section 401(c) of the National Emergencies Act (50 U.S.C. 1641 (c)), I report that there were no specific expense directly attributable to the exercise of authorities conferred by the declaration of the national emergency in Executive Order 12938, as amended, during the period from May 15, 1999, through November 10, 1999.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *November 10, 1999.*

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). Under the Speaker's announced policy of January 6, 1999, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

TRIBUTE TO OUR NATION'S VETERANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Mexico (Mr. UDALL) is recognized for 5 minutes.

Mr. UDALL. Mr. Speaker, I rise today to pay tribute to the American men and women who have served in the Armed Forces. This Veterans Day we recognize the tremendous personal sacrifice made by those persons who answered the call of duty in order to defend and safeguard the democratic principles that we define in our Nation.

We acknowledge today American veterans, and express our appreciation for the many personal contributions made by them as the defenders of America's freedom and protectors of democracy around the world. From their ranks come noble persons of virtually every ethnic and religious background, hailing from every State in the Union, all having at one point committed themselves to defending the freedoms we Americans hold dear.

Millions of Americans have done their duty. They have done it quietly without fanfare, and never with enough recognition. They have kept our country free, and it is right that we remind ourselves of this every November 11.

For the State of New Mexico, this day of observance is of special significance because even before achieving statehood, New Mexicans answered the call of duty by marching off to serve in distant and often hostile places.

During the Civil War, New Mexicans bore arms to preserve a union they were not yet part of, engaging in battles in places like Valverde and Glorietta. Among the ranks of present-day veterans are New Mexicans who served in the first world war, who fought bravely in the trenches of Europe, and the many proud New Mexico veterans of World War II whose strength, in the words of Mr. Tennyson, "once moved Earth and heaven," still share with us the character that led them to a crucial victory.

Among them are the airmen, the soldiers and sailors and Marines that fought courageously across Europe, Africa, and the Pacific. They marched the long road to Bataan, stormed the beaches of Normandy, and eventually rolled on to victory in Europe and the Pacific, the entire time exemplifying uncommon valor and the unwavering commitment to their fellow man and the preservation of democracy. We honor them today and tomorrow, and we should honor them every day.

I would especially like to talk about several New Mexico veterans that have made very many significant contributions, We still have 95 living veterans from the Bataan Death March. We have the Navajo code talkers, who played a major role in our victory in World War II. We have many more New Mexicans who have served our country valiantly.

We honor them by passing legislation which honors what they have done for us and what they have given to us, our freedom.

This year the VA-HUD conference report provides for a $1.7 billion increase in funding for VA medical care. This is a 10 percent increase over last year's funding.

We have also passed several other important pieces of legislation:

H.R. 2116, the Veterans Millenium Health Care Act of 1999. This bill establishes a program of extended care services for veterans, and makes other improvements in health care programs of the Department of Veterans Affairs.

H.R. 2180, the Veterans Benefits Improvement Act of 1999, this bill provides a cost of living adjustment for disability compensation and pensions, restores eligibility for CHAMPVA medical care, education, and housing loans to surviving spouses who lost eligibility for these benefits as a result of remarriage; and finally, H.R. 1568, the Veterans Entrepreneurship and Small Business Development Act of 1999. This bill provides technical financial and procurement assistance to veteran-owned small businesses.

Several of these bills came out of the committees I serve on, which I am proud to serve on, the Committee on Veterans' Affairs, the Committee on Small Business, which many times wants to work and help those businesses that have been started by veterans.

So I am honored to serve on those two committees. I am honored that we have, in New Mexico, such fine veterans, and I just wanted to rise today and pay tribute to them.

THE COMING REVOLUTION IN AMERICA WITH HIGHSPEED BROAD BAND INTERNET SERVICES

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from Louisiana (Mr. TAUZIN) is recognized for 60 minutes as the designee of the majority leader.

Mr. TAUZIN. Mr. Speaker, I rise tonight in special order to begin what will become in the next year, the year 2000, one of the most serious debates that I think this House will ever engage in. As we meet here in this Chamber, an historic revolution is occurring, as silently as the day, perhaps, when the United States produced more plastic than it did steel.

As we speak today, a revolution in our economy, in our communications, in our whole international social structure, is happening all around us. It is a revolution called the Internet, and it is about to explode upon the world in a new and faster form called broad band Internet.

Just recently one of the groups here in Washington, Legg-Mason, did a study to indicate how fast would this new broad band high-speed Internet be deployed in our great country, how soon would citizens have access to this amazing new system by which we will not only conduct our business, but entertain one another and learn from one another, and eventually even deliver medical services to one another?

Legg-Mason indicated that 3 years from now they anticipate that approximately half of Americans will have access to high-speed broad band Internet services. At the same time, they indicate that half of America will have access through two, three, or even four or more different providers.

Then they look at the other half of America. The other half of America they looked at 3 years from now they estimate will only have access to a single provider, in some cases, and for a full fourth of Americans, there will be no provider of Internet high-speed broad band services.

What does that mean in a real sense? It means that for one-fourth of America there will be no chance to access high-speed digital broad band Internet services. It means that for that one-fourth of America, they will be left out of this high-speed electronic commerce revolution. It means for that one-fourth of America, that children will grow up in an educationally and informationally deprived society.

It means that new high-speed electronic commerce services will not be available to those businesses. It means that citizens will not have access to all of the long-distance learning and telemedicine that the high-speed broad band services will bring.

In short, it means that as this incredible fast train of broad band services is leaving the station, that some Americans are going to be left in its dust, and will have no access to the incredible opportunities the new millenium will bring in the digital age.

Who are those one-quarter of Americans who will have no access? Members probably can guess who they are. They are going to be the citizens in the most poverty-ridden sectors of our country, the minority centers of our country, the poor rural minority and poor rural sectors of America, the poorest and most sparsely populated parts of the West, and some parts of the South.

A good way to see that one-quarter of America is to look at a map that shows where the high-speed hubs are, where the backbones for these new systems are currently deployed.

We will see, for example, that California has 177 of these high-speed hubs, and in Louisiana we have two. We have one in Baton Rouge and one in New Orleans. California has more of these high-speed hubs, in fact, than does 31 other States combined. Most of the States of the West and the rural parts of our country have no such high-speed hubs. That is where we will find that part of America that is going to get left behind in this incredible information revolution.

Look to the inner cities, look to the poverty, the minority centers of our country, and we will again see a lack of high-speed deployment of broad band services. We will see again a sector of our country that will be left out.

For a full quarter of America who will have at least one Internet broad band provider, we will see a part of America that unfortunately will have to deal with a monopoly, a single provider of these immense services. So for one-half of our country 3 years from now, Americans will either have none of these services or, unfortunately, have a service that is provided by a single monopoly player.

Yesterday this House took dramatic action to provide a new form of law to give to the satellite television companies new rights to compete against the monopoly cable companies in our communities. That is pretty important. A monopoly cable company can charge what it wants, can lump as much programming into a package as they want, and we have to take it or leave it.

When the satellite company can offer a full component of packaged products that includes local signals as well as cable broadcast programming, all of a sudden consumers have a choice. All of a sudden television services become much better for consumers. As choice and competition comes to the marketplace, better prices, better terms, better conditions.

The gentleman from Massachusetts (Mr. MARKEY) and I just talked about another bill to free up international satellite communications in order to create competition, lower prices, choice for consumers, not only here in America but across the world.

What I am speaking of tonight is a situation that is about to develop in this incredible world of Internet services where television, telephones, data will all combine in a digital stream that will arrive at our homes or not arrive in our homes, depending upon whether or not we are connected to broad band and to broad band networks.

Let me just give an idea of about how important this is. In just 5 years, since the first introduction of the World Wide Web, the Internet economy, which is now $301 billion, already rivals old economy sectors like energy, at $223 billion, and autos, at $350 billion, and Telecom at $270 billion. It is already, in 5 years, as big as some of these century-old economy sectors that took hundreds of years, literally, to get as big as they are.

The Internet spread to 25 percent of our population in just 7 years. By contrast, electricity reached 25 percent of Americans in 46 years. Telephone took 35 years.

□ 1915

Television took 26 years. The Internet took 7 years to reach a quarter of America. Commercial activity on the Internet is expected to be $100 billion by the end of 1999, and double that in the year 2000. By 2002, on-line business-to-business transactions will total a whopping $842 billion. MCI/WorldCom, for example, said that net income nearly tripled to $1 billion for the third quarter in 1999, and 40 percent of their company revenues are now in Internet and data services.

What I am saying is that the Internet has arrived. It created 1.2 million jobs in the U.S. in 1998. Ten percent of the United States adults, 19.7 million persons, are now telecommuters. They work from home and they save employers $10,000 per employee because they telecommute, reducing absenteeism, lowering job retention costs. I could go on and on, I think my colleagues get my drift.

Mr. Speaker, the Internet is upon us, but if my colleagues think this old slow Internet has made a difference in this economy and is currently making a huge difference in the success of the American economy and freeing up economies across the world, they ain't seen nothing yet. Wait until they see high-speed broadband.

People have asked what is the difference? Internet has to be turned on. One has to dial it up, have to wait for it to warm up and heat up and compete with more and more traffic on the slow system. Sometimes the traffic gets so heavy as new customers come on line that it is difficult to get service.

High speed Internet is like that refrigerator. It is always on, always chilled, always ready to go and it is hot and it is fast and it is full of information. It will contain real-time video. High-speed broadband digital services means on television direct telephone calls where we can see one another. It means on television all the Internet commerce services which are growing and growing in the economic sectors of

America. Business-to-consumer commerce totaled $8 billion. That is huge. Business-to-business commerce totaled $43 billion last year, and we are told by 2003 it will become $1.3 trillion.

Mr. Speaker, all of that business happening on high speed networks, but some people will be left out. In this coming year, we will begin debating whether or not it is time in America for this House, this Congress, to declare broadband Internet policy. To make sure, as we have tried to do with cable, as we have tried to do with satellites, as we have tried to do with so many of our economic sectors, that no longer will some people be left out, caught on the wrong side of the wire, caught in this great digital divide, left out as this fast, high-speed train leaves the station. Deprived and depressed and left behind in a faster and faster world, or whether we will have a policy in America that says to broadband Internet providers, "Here is your chance to serve every American." And every American is entitled to a choice of different providers, so that every American has a chance to be on that system.

I recently had a high-tech conference in Baton Rouge, Louisiana, where we explored that whole set of issues in my home State of Louisiana. We were recently ranked in Louisiana as 47th in the Nation in terms of Internet connection. That is not good. That is awful. We need to be way up there.

Why? Because Louisiana has a huge problem of adult illiteracy and an education system that cannot seem to cure it. We have one of the highest uninsured populations in America per capita. We need some help. High-speed, broadband Internet can solve so many of those problems.

We learned at that conference that there are children in my home State who start first grade with a 50-word vocabulary. Who go to school in the first grade knowing what a tomato looks like, but not knowing the word "tomato." Who know what a wagon does, but "wagon" is not in their vocabulary. Imagine those children connected to the Internet at home and all the sudden exposed to a worldwide view of information and learning. Connected to their teachers's web site at night to get help with homework and enlarge that vocabulary and give themselves a chance in the world.

Imagine if we do connect and we get high-speed services to a State like Louisiana what a difference it can make for the people of our State. And yet, those children today start with a 50-word vocabulary. Most children in America start with at least a 500-word vocabulary. Now, imagine if my State, or many parts of it, are left out of this high-speed digital revolution. Imagine if our children still start with that 50-word vocabulary and other kids in America connected to the broadband start instead with a 5,000-word vocabulary or 10,000-word vocabulary. Imagine how much further behind those kids become.

Imagine a small business in a rural town that is told because they do not have high-speed broadband Internet connectivity to the rest of the economy that their customers will not do business with them anymore. They are out of business unless they move to a high-speed Internet center somewhere. Imagine what it does to rural America, to poverty America, to minority centers in this country when they are told businesses cannot operate here because they are not connected and Washington never created a policy to ensure that they would be connected.

Imagine our company, our town, our school, our city, our hospital connected to a single monopoly provider unregulated by government. Imagine those conditions. We are not much better off than the one who is not connected at all. That is the world Legg Mason predicted for America in 3 years if we do not soon declare a new broadband policy for this country.

Mr. Speaker, when we come back to session early next year, I will be joined by the gentleman from Michigan (Mr. DINGELL), former chairman of the Committee on Commerce and now ranking minority member. I will be joined by the gentleman from Virginia (Mr. GOODLATTE), and the gentleman from Virginia (Mr. BOUCHER). The gentleman from Virginia (Mr. BOUCHER) who serves on both the Committee on the Judiciary and the Committee on Commerce and the gentleman from Virginia (Mr. GOODLATTE) who is an esteemed and honorable member of the Committee on the Judiciary.

We will be joined on the floor by many other Members who will begin talking about this issue and begin trying to elicit the help of Americans in create an interest here in Congress toward building a broadband Internet policy for this country that says no child will be left out, no one will be caught outside the digital divide, no one will be left behind as the high speed train leaves the station.

Recently, a book was published by a fellow named Tom Friedman called "The Lexus and the Olive Tree." In it he says in this new millennium there will not be a First World and Third World anymore. There will not be First World economies and Third World economies anymore. There will either be a fast world, part of this incredible high speed electronic commerce world where we all are connected and we all can reach each other and communicate and teach and learn and commerce with one another, or the slow world, left out, left behind.

Mr. Speaker, I am trying to say tonight, and we will try to say next year in special order after special order, that America could not and should not let that happen to any citizen of our country. We cannot have half of America left behind. We cannot have a fourth of America totally locked out of this digital revolution. We cannot say that this is the land of opportunity for some but not for others.

Mr. Speaker, I will be back on the floor with my colleagues when we come back in January and we will burden you night after night because we will be on this floor talking about this digital divide, talking about the necessity to have real competition and real delivery of services to every citizen of this country in broadband Internet digital ,commerce, teaching, learning, medicine, and all the wonderful opportunities that those systems will bring.

THE PROBLEM OF ILLEGAL DRUG USE IN AMERICA

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from Florida (Mr. MICA) is recognized for 60 minutes.

Mr. MICA. Mr. Speaker, I come to the floor again tonight to talk about a subject that I have talked about many times on the floor of the House of Representatives, even last night until almost midnight, back here again tonight. But it is a topic of great personal concern to me and also one of my obligations as chairman of the Subcommittee on Criminal Justice, Drug Policy and Human Resources of the House of Representatives. That is the problem of illegal narcotics and drug trafficking in the United States.

I left off last night talking a bit about the problem that we are facing with illegal narcotics. If I may tonight continue a bit of that discussion, and then for my colleagues I would also like to spend about half of the time that is devoted to me tonight to talking about another project that I have been involved in and that is the United States Capitol Visitors' Center, a little bit different topic.

But first I would like to complete some of the information that I dealt with last night. That is again a continuation of my report on the status of both our efforts to curtail drugs coming into the United States and eradicate drugs at their source.

I have cited many times the scope of the problem that we face. It is monumental indeed for the Congress. The cost is a quarter of a trillion dollars a year to our economy. We have 1.8 million Americans behind bars and 70 percent of them are there because of drug-related offenses.

What is sad about the situation that we have, not only the tragedy and deaths, and I have reported the most recent statistics are that 15,973 deaths were reported from drug-induced causes in 1997, and that is compared to 11,703 in 1992. We have seen a dramatic increase in deaths due to illegal narcotics in our country. And, unfortunately, a lot of those statistics, the death statistics are disproportionate among our young people.

In my area in central Florida, we have a wonderful area, very prosperous. I represent the area from Orlando to Daytona Beach in central Florida. In Orlando, we have now had some 60 heroin overdose deaths in a little more than a year. Many of those, again, among young people. Taking the best of our young citizens and destroying their lives. It is a very tragic situation.

Headlines in our local newspaper recently blurted out that heroin overdose and drug deaths now exceed homicides in central Florida, a very sad commentary, and one unfortunately that is being repeated across the United States.

One of those, and I will cite the impact of illegal narcotics, but actually one of the groups in our society that suffers most are minorities. They bear an incredible brunt of terror that is rained by drug abuse on them. And I have some recent statistics that just came out from the National Household Survey on Drug Abuse. Drug use increased 5.8 percent in 1993 to 8.2 percent in 1998 among young African-Americans. So if we want to talk about the impact of illegal narcotics, the death and destruction I will describe, it starts, unfortunately, among some of those who can least afford that impact. And here with the African-American youth, drug abuse use has dramatically increased.

The 1998 National Household Survey on Drug Abuse also indicated drug use increased from 4.4 percent in 1993 to 6.1 percent in 1998 among young Hispanics. I also read some recent statistics about the dropout rates and those who drop out the highest from our schools, the recent information we have received show, of course, minorities, particularly black and Hispanics.

□ 1930

Then if we look at their history of drug use, whether it is marijuana, cocaine, or other drugs, they have unusually high percentages of drug use. So we see double tragedy.

What is also interesting is, not only the use, but also the arrests of traffickers. I have a recent report just out last week, and this is in the Dallas Morning News. It says, arrests of traffickers under age 18 are expected to climb to 512 this year, up 58 percent since 1997, according to the United States Customs Service.

So, not only do we have increased use, not only do we have increased deaths, but our traffickers now under the age of 18, this is a shocking statistic, are up 58 percent in 1 year, according to the United States Customs.

Now, one of the things that I have tried to do in helping to coordinate our national drug policy is to look at where illegal narcotics are coming from and then to see if we can stop those illegal narcotics from coming into the United States.

I have cited before that the war on drugs basically closed down in 1993 with the taking of office of President Clinton. He focused most of his efforts and resources on treatment, treatment expenditure, and dollars increased almost 40 percent from 1993 to current levels. Even in the new majority, we have increased treatment during the past several years of our majority.

But what happened again in 1993 is the Drug Czar's office was slashed from 120 to some 20 individuals working there. We now have that back up. It is probably in the 150 range.

I might say, one of the better things the President has done and probably the major accomplishment that he has achieved, and I will give him credit for that, is the appointment of General Barry McCaffrey, who has done an excellent job in restarting our war on drugs.

But basically, when one cuts interdiction, use of the military, use of the Coast Guard by some 50 percent in just a few years, which the Democrat majority did, when one cuts the source country programs that effectively stop the production and growth of drugs in their source, one has a serious problem when one sends the wrong message by appointing a national health officer like Joycelyn Elders, and one can almost trace the increase in drug use among our youth from those appointments and from those bad decisions.

Last night, I went through the history of some of the problems that we have had. I have done that before. I have also used this chart before. This chart shows, again, if one just wants to look at it, where illegal narcotics are coming from. They start in Colombia. Some 60 to 70 percent of the heroin and cocaine is now produced in Colombia. If one looked at 1992, 1993, most of the cocaine was produced in Peru and Bolivia. It is now coming from Colombia. It is actually being produced there.

In fact, the programs that have been initiated and the new majority has undertaken in Peru and Bolivia show about 60 percent decrease in coca production, cocaine production in Peru, and about 50 percent in Bolivia, and both of them making great strides to eradicate.

But the problem we have had is the policy of stopping information flowing to Colombia, stopping arms and assistance to the national police, who have undertaken the war on drugs there, stopping all U.S. aid for a period of time has left the production fields wide open.

Now since 1993, the country of Colombia has the distinction of, not only being the largest cocaine producer, and it was not on the charts some 6 or 7 years ago, hardly any opium was grown there, poppies grown there or opium produced, and now is producing some 65 to 70 percent of the heroin coming into the United States. We know that for a fact because we can trace it just almost as accurately as DNA practically to the fields where it is grown.

So this is the traffic pattern. Heroin and cocaine are being produced now in Colombia, coming through Mexico. In fact, the cartels, many cartels, not the same cartels, Medellin and others that we had in the past, are now operating with Mexican officials.

I will talk a little bit about the high level contact group that we had this morning, a meeting in Washington with officials, high officials of Mexico. I think this was the seventh meeting. We had the Attorney General of Mexico and the foreign minister of Mexico and other high ranking officials of Mexico meet with Members of Congress. I will get into that.

But this is basically our trafficking pattern. So we know that the two biggest sources of hard illegal narcotics, and I have talked about heroin and cocaine, are Colombia, Mexico.

Mexico also has the distinction of giving us another gift which is an incredible amount of methamphetamine. We have conducted hearings, and I cited this this morning to the visiting ministers that, indeed, showed that methamphetamine is coming from Mexico and entering our heartland.

We have had sheriffs and local law enforcement officials from Minnesota, Iowa, California, other areas that they could trace the methamphetamine which is now epidemic in some of those areas right back to Mexican dealers. But this is the traffic pattern. This is what we have to deal with.

First, let me talk a little bit, and I have touched briefly on this yesterday, about Colombia. I want to make certain that people know exactly what has gone on with Colombia.

I cited some general figures last night that were the result of a closed door meeting, the second one we have held in 2 weeks with officials of the United States Department of State, the Office of International Narcotics and Law Enforcement Matters, and also with the Department of Defense, both charged with executing the policy that the Congress has adopted and dealing with the appropriations and programs that we have authorized to deal with both Colombia and the trafficking situation of these hard narcotics coming into the United States.

Well, yesterday, I spoke in general terms, and we have now been able to look specifically at the money that has already been appropriated, both in the fiscal year from 1998, October 1, through September of this year, 1999. For that year, Colombia was appropriated $321 million.

Many Members of Congress and the media have all cited Colombia as being now one of the top, after I think Israel and Egypt, maybe the third highest recipient of United States foreign assistance. That is the total figure that is bantered about. But, actually, it is $321 million.

Part of our subcommittee's responsibility and Members of Congress' responsibility is to see if that money has been properly expended, if the money is expended, or obligated, and where the money was utilized.

My particular role as chairman of the Subcommittee on Criminal Justice, Drug Policy, and Human Resources is to review the progress that has been made. Now, there are some myths about the $321 million.

First of all, $30 million was in a regular appropriations for that year. The Congress knew that there were problems cropping up. This is, in fact, nothing new.

If I may, let me bring to the floor here just a sampling of some of the hearings that we have conducted. When I say we, the new majority which took over in 1995 on the international narcotics problems. We have conducted some 16 hearings. These are some of the transcripts of the hearings.

We knew there was a problem in Colombia. We knew the administration had a policy and a program that really would create difficulty for the United States, and we pay for those policy mistakes in the end. Four of these hearings specifically have dealt, since 1996, with Colombia. So we have carefully monitored this situation. We provided some $321 million for Colombia to try to stop the disaster we saw looming there.

I might say that, when I came into office in 1993, from 1993 to 1995, there was one hearing done on national drug policy, one hearing in the first 2 years of the Clinton administration when the other side controlled the House, the Senate, and the Presidency, exactly one hearing. That was only conducted after I circulated a letter and I believe we had 130 Members of the House, Republicans and Democrats, requesting that we review the drug policy.

The drug policy at that time, as I said, was a disaster as adopted by the Congress again controlled by the other side, and was a disaster as far as the execution by the administration which cut off assistance, resources going to Colombia, which has now turned into our major big problem.

But I do not want the American people or the Congress to think the new majority has not had their hand on the ball or been working on the issue. Here is part of the evidence.

In addition to hearings, we did put our money where our mouth is. I said this $321 million. Thirty million dollars was a regular appropriation that we would have given in that regular fiscal year. Additionally, there was a supplemental of $232 million. I want these figures that we have reached, for the RECORD, stated properly, $232 million in a supplemental appropriation.

We knew the problem was coming. We were trying to stop it and cut it off at the pass. We also knew that aid had been kept by the administration from Colombia, and the problem was festering.

Of the $232 million, in our closed door hearings, we found that we have, in fact, expended some $40 million of those dollars, $42 million to be exact, to Peru and Bolivia. If one subtracts $42 million from $232 million, we are down to $190 million.

Now, again, this is from a $321 million appropriation. Of the $190 million that was to go to Colombia, our closed door meeting with the State Department and Department of Defense revealed that less than half of the money has actually gotten equipment or resources to Columbia. So we are down to $190 million. We may be somewhere in the range of $90 million to $95 million in equipment that actually got to Colombia.

Now, for years, we have known that Colombia was becoming a producer of heroin, a producer of cocaine. They were actually growing it. It was not just a transit country where this stuff was produced somewhere else.

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And we know that the most effective way to get the coca, which grows in higher altitudes, and poppies, was with helicopters and to spray that or to go after the narcotraffickers who circle and protect in Colombia the growth of these illegal crops.

It is unbelievable, but to date we still do not have in Colombia but three of the Blackhawk helicopters of the six that Congress authorized. And the funding for those helicopters, and these helicopters are about $16 million apiece, assumed most of the $90-some million, the three of six that were delivered. Now, this is unbelievable, but they confirmed to us yesterday that the three helicopters, the Blackhawks that have been delivered, basically cannot be used. They are not equipped with armor, and they do not have ammunition.

Of course, part of the $90 million, and we are down from $300 million that was supposed to get to Colombia, part of that was for ammunition. Helicopters are needed to fight and to eradicate; and these helicopters, of course, need ammunition. We have been begging, we have pleaded, we have sent letters, we have tried to get ammunition to the Colombian National Police who are engaged in fighting the narcotraffickers and going after these illegal narcotics producers. It is absolutely unbelievable to report to the House of Representatives and the Congress and the American people that the ammunition and the many guns that we requested years ago, I am told, were delivered November 1. Today is November 10. Yesterday morning no one could confirm either from the State Department or the Department of Defense if the ammunition had arrived.

So we have, again, less than half of this smaller amount being made available to Colombia. In addition, we have other obligations, where we have requested helping in the rebuilding of narco bases, narcotrafficker bases, where we launch operations from, or the Colombians, rather, launch operations from. We still do not have contracts complete for construction of some of these bases, money that has been appropriated now for well over a year, money in the budget.

In fact, from 1998, we went back to see if equipment which had been promised to the Colombians out of our surplus accounts had been delivered. In 1998, about 90 percent has gotten to Colombia, 10 percent had not. In 1999, the President made a commitment to provide what is called Section 506, I believe it is, which is surplus equipment to Colombia. And we found that, with great fanfare, the administration was giving millions in surplus goods to Colombia to fight the war on drugs; yet to date, nothing has been delivered. And that is as of the end of the fiscal year which ended the end of September. We are now into the fiscal year 1999–2000.

This is a remarkable record of nonaccomplishment. I know now why the administration has not formally brought a $1.5 billion, somewhere between a $1 billion and $2 billion package to the Congress. First, I am sure they did not want to be embarrassed with this information being made public; that indeed they have missed the opportunity to get this situation under control with the resources that have already been allocated. So we have millions of dollars that have not been expended, and we have money that has been expended down there with equipment that is not capable of being utilized.

It is a very sad situation, a sad commentary on the ability of bureaucracy to move. I do not think it is purposeful at this point. I know it was purposeful in the past to block equipment and resources to Colombia, but the results are incredible. Over a million people have been displaced, 300,000 have been displaced, more than in Kosovo and more than in Bosnia. Three hundred thousand in one year, a million there, over 30,000 dead, over 4,000 Colombian police, members of congress, members of their supreme court, and officials that have been slaughtered in the meantime. And the equipment still is not there. It is a very sad commentary.

The money that Congress appropriated and the House asked for these programs, again without direct involvement of U.S. military other than training, we have not provided what we said we were going to provide. And the situation continues to mushroom out of control, with this entire region being destabilized now, with incursions up into Panama. And, as I said before, this region of South America produces approximately 20 percent of our daily oil supplies.

When the administration wants to get our military equipment somewhere and they make their minds up to do it, it does not take them long. According to the Department of Defense, it took the Clinton administration 45 days to move 24 helicopters to Albania for an undeclared war. According to the Department of Defense, also, it has taken the Clinton administration over 3 years to get three Blackhawk helicopters to Colombia in a war we have all declared on drugs. And what is incredible is those three helicopters, which consumed most of the money that we have given to Colombia, those three helicopters are basically inoperable. They do not have protective armor, and they do not have the ammunition to engage in any type of counternarcotics activity, and they cannot confirm when that ammunition will arrive.

The Blackhawk helicopters were promised to the Colombian National Police in 1996, and they finally arrived in Colombia November of 1999. It is sort of a sad commentary, and this has had a dramatic impact on our society. Remember the 15,700 deaths in 1 year which are drug related, and there are thousands of others, tens of thousands of others, but those are the hard deaths we can attribute. From 1992 to 1999 we have lost between 80 and 100,000 Americans in an undeclared war on our people with narcotics coming from this region.

So that is a little bit of an update on the Colombian situation. There is a brighter figure just released yesterday, and I must applaud President Pastrana, because even though he has had a very difficult time in the peace process and also trying to bring this situation which he inherited last year as the new president of Colombia under control, he is trying to put words into action. I understand that their Senate voted just yesterday, or this week, to extradite one Jaime Orlando Lara, who is a major drug kingpin figure. He will be extradited to the United States, and I understand there may be another one to follow. So Colombia, even though it is under siege, is taking initiatives. And it is unfortunate that they have almost lost their country; but, indeed, they are taking continued action to bring this situation under control.

Some of my colleagues may have read that as many as 10 million Colombians took to the streets in the last few weeks to express their outrage about this war and the havoc that has reigned upon Colombia, and it is in our national interest, both because of the impact of the illegal narcotics, the death and destruction to our society, and also as an ally in this hemisphere to help. It is unfortunate, though, and it is almost unbelievable that the actions that Congress has taken in a positive fashion to assist this country are really stymied by bureaucracy, by inaction, by lack of will on the part of this administration.

So I guess it is fitting in this budget ending here, as we try to provide funding for all of our programs, that the administration sort of hides in a corner and does not bring this issue forth. I can see why. I can see it being very embarrassing for them to come in and ask for a billion dollars of taxpayer money and not have been a good steward of the $321 million that was appropriated to get this situation under control. So it is sad indeed that we face this situation. Hopefully, through the hearing process, through Members on both sides of the aisle trying to prod the administration, we can get resources to turn this situation around.

I mentioned yesterday that this morning I would be attending a high-level working group of United States and Mexican officials. And as I said, this is about the seventh of these meetings. I took our subcommittee down to Mexico City; and we met, I believe it was in January or February, after taking the position of chair of the Subcommittee on Criminal Justice, Drug Policy and Human Resources, and we met with some of these same officials in Mexico. I said at that meeting with the Mexican officials in Mexico City that I was very disappointed with the actions that they had taken to date, and speaking about the previous year, 1998, and a decrease in the seizures of heroin, a decrease in the seizures of cocaine, a lack of action on the signing of a maritime agreement, a lack of action on extraditing Mexican drug kingpins, a lack of action in allowing our DEA agents, a limited number, in protecting themselves in their country, and a lack of action in enforcing some of the laws that had been passed by the Mexican officials.

We had a rather testy meeting, and I must say that I asked them how they could sit idly by and watch their country be lost to drug traffickers and not do anything. I did not use exactly those words but, fortunately, that session was also behind closed doors. But I let them know our concern about the lack of action on those issues. And at the request of the Congress, we had passed resolutions asking for their assistance specifically on all of those items.

I must report again that this morning I did have a little bit more complimentary attitude toward Mexican officials. They have begun the process of getting some of their act together, going after drug traffickers, cooperating more with U.S. officials. It is not a level of cooperation that I would like to see, but the seizures are up this year, and we must give credit where credit is due. They are good neighbors, have been good neighbors, and we have, I think, through our trade policy, extended incredible generosity with NAFTA, which has taken jobs out of the American market and provided jobs and opportunity to Mexico and Mexican citizens. When Mexico was in incredible financial shape we also helped Mexico, backing them up with loans, their country; and we backed them in international finance organizations.

So some progress has been made. I expressed concern in two areas this morning in our meetings. Several of those areas are as follows:

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First of all, the latest information I have from our Drug Enforcement Agency is that heroin production, and we have had a problem of course with production in Colombia, the other country that we have had a problem with production, very limited production back into the 1980s, black tar heroin coming out of Mexico, which several years ago was at 14 percent of all the heroin seized in the United States we know came from Mexico. We know because of this signature heroin program we can do an analysis of the heroin and tell us almost to the field in the country where it came from.

So we know that several years ago we had 14 percent, up from a single digit to double digit, of heroin produced in America. What is scary is that within 1 year it has jumped from 14 percent to 17 percent, the latest information that I received this week. That is a 20 percent increase in production.

So I ask their cooperation and will reiterate requesting their cooperation in going after the production of heroin.

The other thing that we see of course is methamphetamine, methamphetamines that are in our country. And we have done that through our hearings and investigations right to Mexico. Mexico is now the leading producer of methamphetamines coming into the United States. We need their cooperation.

The other area in addition to those two big problem areas is the corruption of officials and cracking down on money laundering. If you can trace the money in illegal narcotics, you can find out who is involved.

Unfortunately, some of the information we have received is absolutely startling and I have cited on the House floor and we had in our subcommittee testimony from one former Customs agent that one Mexican general was attempting to invest in the United States 1.1 billion American dollars. And we know that is from drug profits.

We know that corruption has really destroyed families, officials in Mexico. Former President Salinas and his brother Raoul Salinas were heavily involved, hundreds of millions of dollars transferred to banks. We know that money came from their complicity with and cooperation with drug lords.

If Mexico would cooperate with us rather than give us a hard time, as we had in operation Casa Blanca, which was a major Customs operation, the largest probably in the history of the U.S. Customs, hundreds of millions of dollars of money laundered with dozens of banks and bankers involved. And when we uncovered it and we had told Mexican officials, some that we could trust, about it, Mexican officials a year ago threatened to arrest our U.S. Customs officials and did not cooperate.

Some of that has changed. But until Mexico makes up its mind that it is going to get this situation under control, enforces laws that their national legislature has passed, they passed some good laws, but not enforced them, and then go after corruption.

I heard Senator SESSIONS from Alabama speak this morning. He was a former prosecutor and he said, "I put in jail local officials and judges and others in the United States who dealt in illegal narcotics and profiting from them," and he asked Mexican leaders to do the same. And until they get that corruption under control, we will continue to have that problem.

And still Mexico is the source of 50 to 60 percent of the cocaine coming into the United States, almost 300 metric tons of cocaine consumed in the United States. Fifty to 60 percent of that, as we know, comes from Mexico. We know now that Mexico is the source of 17 percent of the heroin seized last year by law enforcement. We know that Mexico is the leading smuggler of methamphetamine and also the base ingredient of methamphetamine, as well as marijuana.

Unfortunately, as I said, in 1988 heroin seizures were down some 56 percent, cocaine seizures were down 35 percent. But the latest statistics we have, the information is that those seizures are up due to cooperation with the United States officials.

So we still have lacking a maritime agreement, no progress on a maritime agreement, although some more cooperation with our maritime officials. But Mexico continues to be the source of so much of the illegal narcotics coming into the United States and the center of corruption.

The former DEA administrator came before our subcommittee and also had testified and stated publicly something that I think bears repeating tonight, and that is Tom Constantine. He has since left that office and been replaced just recently by Donny Marshall, a very capable assistant in the DEA office and I think a very good appointment who will do a good job in trying to follow in the footsteps of Tom Constantine.

But Tom Constantine, speaking about Mexico, said this, and let me quote the former DEA administrator. "In my lifetime, I've never witnessed any group of criminals that has had such a terrible impact on so many individuals and communities in our nation."

He said that, despite promises by Mexico to wage "total war" on drug smugglers, no major drug traffickers had been indicted, drug seizures had dropped significantly, and the total number of arrests declined.

He cited part of the problems. To date, Mexico still has not extradited one major Mexican national drug kingpin. He cited what Colombia has done in the last few hours leading the way. Mexico needs to follow and show their drug traffickers what they fear the most, and that is extradition to face justice in the United States.

One of the issues that has come up in the high-level working group and concerns me is the question of replacing the United States certification process as provided by law.

Having been involved with Senator Hawkins and others in the development of this law back in the mid 1980s, and I have a copy of it here, the law is a simple law. It basically says that each year the President and the Department of State must certify what countries are doing to assist the United States in stopping in their own country and stopping the production and also the trafficking of illegal narcotics.

A certification must be made to the Congress that those actions are taking place, those cooperative actions. That is done to make those countries eligible for benefits of the United States.

It started out as foreign aid. If a country was in the cooperating, they were not to get foreign aid. And it seems natural to get a benefit if the United States foreign assistance, cash, that there should be some level of cooperation, especially when the inaction or lack of action or an ally's part or country's part results in death, destruction, devastation in the United States. A simple law, not very complicated.

We even provided a waiver such as in countries like Colombia where the administration had concerns about human rights, about other activities to grant a waiver.

Unfortunately, the administration has not properly applied this law. They should have decertified Mexico last year when they had a decrease in seizures, when they had a lack of cooperation, when they threatened to arrest our Customs officials. And they certified Mexico. They should have been decertified and granted a waiver in national interest.

In addition to foreign aid, these countries also get financial assistance, backing in international organizations. The law is quite clear that it says, under this law, if they are decertified, the executive director of each multilateral development bank will vote after March 1 of each year against any loan or utilization of funds.

Now, Mexico does not receive any foreign aid per se, but they receive tremendous trade and financial benefits by the United States. And it is unfortunate that now there is a move to destroy the certification process. And I was concerned and still am concerned that even officials from this administration would like to transfer that certification for being eligible for benefits of the United States to some third party or international group.

I will fight that with every breath here. I did not think anyone should have the ability to determine eligibility for United States benefits other than representatives of the sovereign United States, that being the Congress, the President, executive branch.

This concerns me about attempts to thwart the intent of the certification law. Let me tell my colleagues, they have never seen action in their life by any of these countries until they are faced with threat of decertification for not cooperating. Even in Mexico we saw incredible action just before the question of certification came before the administration and then before the Congress and we suddenly saw all this cooperation. And it has also been a good handle for the country to have on soliciting the support of these countries that are the producers of this deadly illegal narcotic substance.

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Again, a little update on that issue, and we will continue to follow it; I will continue to oppose that.

Just in closing on the Mexico issue, I have a November 6 Reuters report about what death and destruction Mexico has experienced with this horrible situation that they have allowed to really get out of control. It said, this past week a lawyer for Mexico's most notorious drug cartel was shot to death by two gunmen who riddled his body with at least 43 bullets in the northwestern border town of Tijuana. This particular article says that Baez, I believe is his name, Mr. Baez became murder victim number 552 in Tijuana this year and that authorities believe that 65 percent of the killings have been drug related. This particular individual, Mr. Baez, became the third member of his family to be executed in the past 2 years following his sister, Yolanda Baez, and his nephew, Efren Baez.

If Mexico does not get this situation under control in addition to losing the Baja Peninsula, the Yucatan Peninsula, they will lose their country and their sovereignty. Just ask anyone in Colombia who has seen the death, devastation, destruction, and displacement of people in that country, and now the situation with the United States and others trying to bail them out of their situation.

Mr. Speaker, from the subject of illegal narcotics which does not often put a smile on my face to the final 10 minutes, I wanted to first just pay a moment of tribute to veterans. I will not be in the District in time for veterans celebration, but every American should pay particular attention and honor tomorrow, Veterans' Day. Veterans Day started out, I believe, at the end of World War I, on the 11th hour, the 11th day; and in my home communities from Daytona Beach to Orlando, we will have a series of wonderful ceremonies to honor veterans, at Woodlawn Cemetery in Orlando. David Christianson, the most decorated Vietnam hero, will be the featured speaker.

In Port Orange, one of the young high school groups there will be having a flag retiring ceremony. In De Land, a beautiful community, tomorrow afternoon at 3, they will be having a parade through the community to honor our veterans and so on throughout central Florida.

I would like to spend a moment to pay tribute to our veterans to whom we owe so much. I spent Monday on my way back to Washington visiting the Bill Chappell clinic in Daytona Beach and went around and talked to each of the veterans that was there on an unannounced visit to see how their care was and how they were being taken care of as far as patients in the veterans facility. I am pleased that almost all of them were very satisfied with the care.

I pay also particular tribute to those who do care for our veterans in our hospitals and clinics across the country. The most important responsibility under this Constitution is indeed our national security. The reason for which this country came together was for national security. We must pay honor and tribute and respect to those veterans who are among us and also who are not with us who we remember on Memorial Day, but tomorrow we remember those who again have served this Nation. So we salute all of our veterans, not only in Florida's Seventh Congressional District from Orlando to Daytona Beach, but across this great land. That is one little tribute that I wanted to pay.

The other item that I wanted to conclude with is some good news for the House of Representatives and the American people. Finally, after more than a decade, we have completed the first step in making a reality a visitors center for the American people when they visit our great Capitol. The Capitol has a rich history. It goes back to being located here in 1790 by an act of Congress. Congress was sort of vagabond before that, met in Philadelphia, New York, Annapolis, Harrisburg and a dozen different locations. Finally, in 1790, they decided to come here.

They decided to begin construction in 1793 of the Capitol and it was to be two wings, the Senate wing here, actually sort of turned out like most government projects, it was running behind schedule and overbudget; and they decided just to build this one wing which is the north wing towards Union Station. To get that done and to get the Congress here by 1800, which will be 200 years, they worked feverishly and abandoned plans for the House wing. And then in 1800, in December, the House located here. In 1807, they built the second wing. They were connected actually in between by a trellis for a number of years. And then in 1827 they built the center rotunda and the Capitol looked a bit like this.

This is a pretty good picture. One of the oldest pictures, that first Capitol was designed first of all by Dr. Thornton who actually did not even get in the competition that the Congress had advertised for, came in late, but Thomas Jefferson and George Washington liked the design so much that they took his design even if it came in after the bids all closed. In 1827 we completed the Bullfinch Dome and the Capitol had these two wings and the rotunda in between.

Today, we have the Capitol with the dome which was added in 1863 and the wings, the House wing in 1857, the Senate wing, the north wing, in 1859. You can see the original first building, and then the House building, the connection, the changing of the center and the addition of this beautiful dome designed by Thomas Walters and the statue of freedom up on top, which was taken down recently, refurbished and put back, that was put up there in 1863.

The other addition to the Capitol is the east front was redone. It was crumbling in the late 1950s, 1958 to I think 1962, that was taken off and redone. So they extended the east front of the Capitol.

Not since that point have we enlarged the Capitol, and never to my knowledge have we really done anything specifically for the American people to accommodate them when they come to visit here. We have millions and millions of visitors who crowd the Capitol building.

I am very pleased that we have completed work and approval; I served as a member of the Capitol Preservation Commission, on a Capitol visitors center. This was not my idea. It was started in the 1980s, late 1980s. I believe Vic Fazio, a Congressman from California, initiated some of the proposals that got into a partisan conflict; and it was derailed, although a study was done in 1991 to create a visitors center.

This past week, the visitors center authorizing body, which is the Capitol Preservation Commission, 18 Members of the House and Senate authorized moving forward in the next phase the approval of some $12 million for the center and reconfirmed that the visitors center will be in the east front, towards the Supreme Court and the Library of Congress.

Everything will be located underground. It will not change the view. There will be three stories underground, if I can get this up here quickly. Two stories will be exhibition space, solely for visitors. There will be three auditoriums, one 550-seat, two 250-seat. Right now we really do not even have a place to bring folks in. In fact, folks stand out in line in rain, snow, sleet, whatever, subject to the elements.

Two top stories will accommodate visitors, rest rooms, first aid facilities. Again, everything underground. It will not change any of the view of the Capitol building. The bottom level will be a service floor, goods and services will come in through a tunnel. The tunnel was planned sometime ago, and part of it exists now. Rather than having the trash and garbage and other service deliveries through the front door of the Capitol, that will all be done underground. Accommodations for our visitors trying to bring to life the Capitol, and also to make their visit more pleasant.

We are just about at capacity. Plus we do not have assistance for those who are disabled, handicapped and others to get around the Capitol. This is one of the most exciting improvements ever to our Nation's Capitol, the symbol of freedom for the entire world and, of course, our Nation. It will make visits for students, for adults, for elderly, for infirm so much more pleasant.

I am so pleased to have had the leadership of the House and Senate in this effort. I commend all those involved. It is an exciting project not only for the Congress but for the American people and the country.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Ms. DEGETTE (at the request of Mr. GEPHARDT) for today after 3:30 p.m. on account of official business in the District.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MARKEY) to revise and extend their remarks and include extraneous material:)

Mr. LIPINSKI, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

Ms. BROWN of Florida, for 5 minutes, today.

Mr. UDALL of New Mexico, for 5 minutes, today.

(The following Members (at the request of Mr. TAUZIN) to revise and extend their remarks and include extraneous material:)

Mr. EHLERS, for 5 minutes, today.

Mr. SAXTON, for 5 minutes, today.

Mr. RAMSTAD, for 5 minutes, today.

Mr. GOSS, for 5 minutes, today.

Mr. FOLEY, for 5 minutes, today.

Mr. NETHERCUTT, for 5 minutes, November 11.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. THOMAS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 348. An act to authorize the construction of a monument to honor those who have served the Nation's civil defense and emergency management programs.

H.R. 915. An act to authorize a cost of living adjustment in the pay of administrative law judges.

H.R. 3061. An act to amend the Immigration and Nationality Act to extend for an additional 2 years the period for admission of an alien as a nonimmigrant under section 101(a)(15)(S) of such Act, and to authorize appropriations for the refugee assistance program under chapter 2 of title IV of the Immigration and Nationality Act.

H.J. Res 76. Joint resolution waiving certain enrollment requirements for the remainder of the first session of the One Hundred Sixth Congress with respect to any bill or joint resolution making general appropriations or continuing appropriations for fiscal year 2000.

H.J. Res. 78 Joint resolution making further continuing appropriations for the fiscal year 2000, and for other purposes.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H.R. 3061. To amend the Immigration and Nationality Act to extend for an additional 2 years the period for admission of an alien as a nonimmigrant under section 101(a)(15)(S) of such Act, and to authorize appropriations for the refugee assistance program under chapter 2 of title IV of the Immigration and Nationality Act.

H.R. 915. To authorize a cost of living adjustment in the pay of administrative law judges.

H.R. 348. To authorize the construction of a monument to honor those who have served the Nation's civil defense and emergency management programs.

H.J. Res. 76. Waiving certain enrollment requirements for the remainder of the first session of the One Hundred Sixth Congress with respect to any bill or joint resolution making general appropriations for fiscal year 2000.

ADJOURNMENT

Mr. MICA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 25 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, November 11, 1999, at 2 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

5285. A letter from the Director, Defense Procurement, Department of Defense, transmitting the Department's final rule—Defense Federal Acquisition Regulation Supplement; Coordinated Acquisition Procedures Update [DFARS Case 99–D022] received November 8, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

5286. A letter from the Director, Defense Procurement, Department of Defense, transmitting the Department's final rule—Defense Federal Acquisition Regulation Supplement; Weighted Guidelines and Performance-Based Payments [DFARS Case 99–D001] received November 8, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

5287. A letter from the Director, Defense Procurement, Department of Defense, transmitting the Department's final rule—Defense Federal Acquisition Regulation Supplement; Contract Administration and Audit Services [DFARS Cases 98–D003, 99–D004, and 99–D010] received November 8, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

5288. A letter from the Director, Office of Legislative Affairs, Federal Deposit Insurance Corporation, transmitting the Corporation's final rule—Extended Examination Cycle For U.S. Branches and Agencies of Foreign Banks (RIN: 3064–AC15) received November 8, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

5289. A letter from the Secretary of Education, transmitting Final Regulations—Student Assistance General Provisions (Cohort Default Rates), pursuant to 20 U.S.C. 1232(f); to the Committee on Education and the Workforce.

5290. A letter from the Secretary of Education, transmitting Final Regulations—Student Assistance General Provisions, Federal Family Education Loan Program, the William D. Ford Federal Direct Loan (Direct Loan) Program, pursuant to 20 U.S.C. 1232(f); to the Committee on Education and the Workforce.

5291. A letter from the Assistant General Counsel for Regulations, Department of Education, transmitting the Department's final rule—Student Assistance General Provisions, Federal Family Education Loan Program, the William D. Ford Federal Direct Loan (Direct Loan) Program (RIN: 1845–AA02) received November 8, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

5292. A letter from the Director, Regulations Policy and Management Staff, FDA, Department of Health and Human Services, transmitting the Department's final rule—Indirect Food Additives: Resinous and Polymeric Coatings [Docket No. 91F–0431] received November 8, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5293. A letter from the Secretary, Commission of Fine Arts, transmitting the Commercial Activities Inventory Statement of 1999; to the Committee on Government Reform.

5294. A letter from the Staff Director, Commission on Civil Rights, transmitting the Commercial Activities Inventory Report; to the Committee on Government Reform.

5295. A letter from the Acting Director of Communications and Legislative Affairs, Equal Employment Opportunity Commission, transmitting the Agency's FY 1999 Commercial Activities Inventory; to the Committee on Government Reform.

5296. A letter from the Inspector General, Federal Communications Commission, transmitting a copy of the commercial inventory submission of the Inspector General of the Federal Communications Commission; to the Committee on Government Reform.

5297. A letter from the Director, Office of Resource Management, Federal Housing Finance Board, transmitting the Commercial Activities Inventory; to the Committee on Government Reform.

5298. A letter from the Executive Director, Holocaust Memorial Museum, transmitting the initial inventory and classification of commercial activities; to the Committee on Government Reform.

5299. A letter from the Director, Office of Administration, International Trade Commission, transmitting inventory of commercial activities for FY 1999; to the Committee on Government Reform.

5300. A letter from the Chairman, International Trade Commission, transmitting the Semiannual Report of the Inspector General of the U.S. International Trade Commission for the period April 1, 1999 through September 30, 1999, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

5301. A letter from the Administrator, National Aeronautics and Space Administration, transmitting NASA's 1999 Commercial Activities Inventory of NASA's civil service positions; to the Committee on Government Reform.

5302. A letter from the Chairman, National Credit Union Administration, transmitting the Administration's Commercial Activities Inventory for FY 1999; to the Committee on Government Reform.

5303. A letter from the Director, Office of Personnel Management, transmitting the Commercial Activities Inventory as of June 30, 1999; to the Committee on Government Reform.

5304. A letter from the Board Members, Railroad Retirement Board, transmitting the Board's annual report on the Program Fraud Civil Remedies Act for fiscal year 1999, pursuant to 31 U.S.C. 3810; to the Committee on Government Reform.

5305. A letter from the Senior Liaison Officer, Office of Government Liaison, The John F. Kennedy Center for the Performing Arts, transmitting the commercial activity inventory; to the Committee on Government Reform.

5306. A letter from the Budget and Fiscal Officer, The Woodrow Wilson Center, transmitting the inventory for the "Federal Activities Inventory Reform Act of 1998"; to the Committee on Government Reform.

5307. A letter from the Director, National Oceanic and Atmospheric Administration, transmitting the "Status of Fisheries of the United States"; to the Committee on Resources.

5308. A letter from the Deputy Assistant Administrator for Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Caribbean, Gulf of Mexico, and South Atlantic; Reef Fish Fishery of the Gulf of Mexico; Amendment 16B [Docket No. 990625173–

9274–02; I.D. 033199C] (RIN: 0648–AL57) received November 8, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

5309. A letter from the Chairman, United States Commission on Civil Rights, transmitting the Commission's report entitled "Equal Educational Opportunity and Nondiscrimination for Minority Students: Federal Enforcement of Title VI in Ability Grouping Practices," pursuant to 42 U.S.C. 1975a(c); jointly to the Committees on the Judiciary and Education and the Workforce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DREIER: Committee on Rules. House Resolution 374. Resolution providing for consideration of motions to suspend the rules (Rept. 106–465). Referred to the House Calendar.

Mr. DIAZ-BALART: Committee on Rules. House Resolution 375. Resolution waiving a requirement of clause 6(a) of rule XIII with respect to consideration of certain resolutions reported from the Committee on Rules (Rept. 106–466). Referred to the House Calendar.

TIME LIMITATION OF REFERRED BILLS

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

H.R. 1838. Referral to the Committee on Armed Services extended for a period ending not later than November 12, 1999.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. ISAKSON:

H.R. 3290. A bill to provide that, during the nonresponse followup phase of a decennial census, authorized personnel shall be permitted to deposit a copy of the census questionnaire in the letter box of a household, free of postage; to the Committee on Government Reform.

By Mr. HANSEN:

H.R. 3291. A bill to provide for the settlement of the water rights claims of the Shivwits Band of the Paiute Indian Tribe of Utah, and for other purposes; to the Committee on Resources.

By Mr. BAKER:

H.R. 3292. A bill to provide for the establishment of the Cat Island National Wildlife Refuge in West Feliciana Parish, Louisiana; to the Committee on Resources.

By Mr. GALLEGLY (for himself, Mr. GIBBONS, Mr. EVANS, Mr. GILCHREST, Mr. FILNER, Mr. MCKEON, Mr. RAHALL, Mr. STEARNS, Ms. CARSON, Mr. HANSEN, Mr. PETERSON of Minnesota, Mr. DUNCAN, Mr. REYES, Mr. BILIRAKIS, Mr. SNYDER, Mr. HILL of Montana, Mr. DOYLE, Mr. KUYKENDALL, Mr. SHOWS, Mr. HAYWORTH, Mr. BATEMAN, Mr. MALONEY of Connecticut, Mr. LEWIS of Kentucky, Mr. DIXON, Mr. BISHOP, Mr. SPRATT, Mrs. MEEK of Florida, Mr. MCHUGH, Mr. BAIRD, Mr. HEFLEY, Mr. BOUCHER, Mr. SCHAFFER, Mr. LATOURETTE, Mr. MANZULLO, Mr. MARKEY, Mr. FROST, Mr. HINCHEY, Mr. MOORE, Mr. HUTCHINSON, Mr. GOODE, Mr. LANTOS, Mr. WAXMAN, Mr. BURTON of Indiana, Mr. SANDLIN, Mr. PETERSON of Pennsylvania, Mr. MORAN of Virginia, Mr. PALLONE, Mr. SANDERS, Mr. WISE, Mr. BLILEY, Mr. CASTLE, Mr. LEACH, Mr. STRICKLAND, Mr. STUPAK, Mr. JACKSON of Illinois, Mr. SCOTT, Mrs. MALONEY of New York, Mr. UNDERWOOD, Mrs. JONES of Ohio, Mr. THOMPSON of Mississippi, Mr. KILDEE, Mr. CUNNINGHAM, Mrs. MYRICK, Mr. TAUZIN, Ms. LOFGREN, Mr. GARY MILLER of California, Mr. BAKER, Mr. HORN, Mr. OWENS, Mr. FOLEY, Mr. MCINTYRE, Mr. MEEHAN, Mr. HILLIARD, Mr. MCCOLLUM, Mrs. NAPOLITANO, Mr. LUCAS of Kentucky, Mr. HASTINGS of Washington, Mr. BOSWELL, Mr. HASTINGS of Florida, Mr. GUTKNECHT, Ms. BERKLEY, Mr. GUTIERREZ, Mr. ABERCROMBIE, Mr. CANNON, Mr. CROWLEY, Mr. DEFAZIO, Mr. DOOLITTLE, Mr. TRAFICANT, Mr. KIND, Mr. GEORGE MILLER of California, Mr. SAXTON, Mr. ROMERO-BARCELO, Mr. SHERWOOD, Mr. TANCREDO, Mr. WALDEN of Oregon, Mr. FRELINGHUYSEN, Mr. CALVERT, Mrs. CUBIN, Mr. JONES of North Carolina, Mr. BRADY of Texas, Mr. THOMAS, Mr. BALLENGER, Mrs. MORELLA, Mr. SHERMAN, and Mr. HERGER):

H.R. 3293. A bill to amend the law that authorized the Vietnam Veterans Memorial to authorize the placement within the site of the memorial of a plaque to honor those Vietnam veterans who died after their service in the Vietnam war, but as a direct result of that service; to the Committee on Resources.

By Mr. BACHUS (for himself, Mr. TURNER, Mr. ADERHOLT, Mr. SAM JOHNSON of Texas, Mr. PAUL, Mr. BRADY of Texas, and Mr. SMITH of Texas):

H.R. 3294. A bill to amend the Federal Water Pollution Control Act to exclude from stormwater regulation certain areas and activities, and to improve the regulation and limit the liability of local governments concerning co-permitting and the implementation of control measures; to the Committee on Transportation and Infrastructure.

By Mr. FARR of California (for himself, Mr. GEKAS, Mr. FORBES, Mr. FRANK of Massachusetts, Ms. NORTON, Mr. SHAYS, Ms. SLAUGHTER, Mr. PAYNE, Mr. GILCHREST, Mr. KENNEDY of Rhode Island, Mr. RAHALL, Mr. GILMAN, Mrs. MEEK of Florida, Mr. THOMPSON of California, Ms. PELOSI, Mr. KING, Mr. WYNN, Mrs. CHRISTENSEN, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. MILLENDER-MCDONALD, Mrs. MALONEY of New York, Mr. RANGEL, Ms. JACKSON-LEE of Texas, Mr. WAXMAN, Mr. JACKSON of Illinois, Mr. FALEOMAVAEGA, Mr. STARK, Ms. WATERS, Mr. TIERNEY, Mr. LEWIS of Georgia, Mr. ALLEN, Mr. SISISKY, and Mr. MCDERMOTT):

H.R. 3295. A bill to provide for the payment of compensation to the families of the Federal employees who were killed in the crash of a United States Air Force CT–43A aircraft on April 3, 1996, near Dubrovnik, Croatia, carrying Secretary of Commerce Ronald H. Brown and 34 others; to the Committee on the Judiciary.

By Mr. BAIRD:

H.R. 3296. A bill to amend the Lewis and Clark National Historic Trail to include the State of Washington as the endpoint of the trail; to the Committee on Resources.

By Ms. BALDWIN (for herself, Ms. CARSON, Mrs. CHRISTENSEN, Mr. FRANK of Massachusetts, Mr. GUTIERREZ, Mr. JACKSON of Illinois, Ms. JACKSON-LEE of Texas, Ms. KILPATRICK, Mr. LARSON, Mrs. MALONEY of New York, Mr. GEORGE MILLER of California, Mr. OWENS, Ms. PELOSI, Ms. WATERS, and Mr. WU):

H.R. 3297. A bill to amend the Family and Medical Leave Act of 1993 to eliminate an hours of service requirement for benefits under that Act; to the Committee on Education and the Workforce, and in addition to the Committee on Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BARR of Georgia (for himself and Mr. DEAL of Georgia):

H.R. 3298. A bill to amend the Clean Air Act to modify the application of certain provisions regarding the inclusion of entire metropolitan statistical areas within nonattainment areas, and for other purposes; to the Committee on Commerce.

By Mr. BARR of Georgia (for himself, Mr. BISHOP, Mr. CRAMER, Mr. CHAMBLISS, Mrs. MYRICK, Mr. NORWOOD, Mr. JONES of North Carolina, Mr. DUNCAN, and Mr. WAMP):

H.R. 3299. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to insure that law enforcement officers are afforded due process when involved in a case that may lead to dismissal, demotion, suspension, or transfer; to the Committee on the Judiciary.

By Ms. BERKLEY (for herself and Mr. FLETCHER):

H.R. 3300. A bill to provide for a Doctors' Bill of Rights under the Medicare Program; to the Committee on Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BILIRAKIS (for himself, Mr. BROWN of Ohio, Mrs. EMERSON, Mr. TOWNS, Mr. GREENWOOD, Mr. UPTON, Ms. DEGETTE, Mr. SMITH of New Jersey, Mr. WAXMAN, and Mr. WALSH):

H.R. 3301. A bill to amend the Public Health Service Act with respect to children's health; to the Committee on Commerce.

By Mr. BRADY of Texas (for himself, Mr. GOODE, Mrs. ROUKEMA, Mrs. MYRICK, Mr. HALL of Texas, Mr. ARMEY, Mr. TAYLOR of Mississippi, Mr. DELAY, Mr. BARCIA, Mr. COMBEST, Mr. SHOWS, Mr. SMITH of Texas, Mr. WATTS of Oklahoma, Mr. BLUNT, Mr. HUTCHINSON, Mr. SENSENBRENNER, Mr. GOODLATTE, Mr. SCHAFFER, Mr. MANZULLO, Mr. SAM JOHNSON of Texas, Mr. SESSIONS, Mr. PACKARD, Mr. SUNUNU, Mr. SMITH of New Jersey, Mr. WELDON of Florida, Mr. COBURN, Mr. HOSTETTLER, Mr. GARY MILLER of California, Mr. LEWIS of Kentucky, Mr. PITTS, Mr. BARTON of Texas, Mr. LARGENT, Mr. ISTOOK, Mr. DEMINT, Mr. PAUL, Mr. BARR of Georgia, Mr. ENGLISH, Mr. STEARNS, and Mr. POMBO):

H.R. 3302. A bill to authorize States under Federal health care grant-in-aid programs to require parental consent or notification for purpose of purchase of prescription drugs or devices for minors; to the Committee on Commerce.

By Mr. BURR of North Carolina:

H.R. 3303. A bill to provide for the establishment of the Natural Disaster Insurance Solvency Fund to ensure adequate private insurance reserves in the event of catastrophic natural disasters; to the Committee on Banking and Financial Services, and in addition to the Committees on Ways and Means, and the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BURTON of Indiana:

H.R. 3304. A bill to amend the Food Stamp Act of 1977 to permit participating households to use food stamp benefits to purchase nutritional supplements providing vitamins or minerals, and for other purposes; to the Committee on Agriculture.

H.R. 3305. A bill to require the Commissioner of Food and Drugs to issue revised regulations relating to dietary supplement labeling, to amend the Federal Trade Com*mission Act to provide that certain types of* advertisements for dietary supplements are proper, and for other purposes; to the Committee on Commerce.

H.R. 3306. A bill to amend the Internal Revenue Code of 1986 to provide that amounts paid for foods for special dietary use, dietary supplements, or medical foods shall be treated as medical expenses; to the Committee on Ways and Means.

By Mr. CHABOT (for himself, Mr. COBURN, Mr. SKEEN, Mr. NETHERCUTT, Mr. FOLEY, Mr. PAUL, Mr. YOUNG of Alaska, Mr. TANCREDO, Mr. MCINTOSH, Mr. DOOLITTLE, Mr. COX, Mr. JONES of North Carolina, Mr. LARGENT, Mr. HERGER, Mr. DICKEY, Mrs. CUBIN, Mr. SAM JOHNSON of Texas, Mr. STEARNS, Mr. HOSTETTLER, Mr. BARTLETT of Maryland, and Mr. BURTON of Indiana):

H.R. 3307. A bill to amend title 5 of the United States Code to require Federal agencies to conduct an assessment of the privacy implications resulting from a proposed rule; to the Committee on the Judiciary.

By Mr. COBLE (for himself, Mr. CONYERS, Mr. JONES of North Carolina, Mr. ANDREWS, Mr. JENKINS, Mr. PICKERING, Mr. JOHN, Mr. TOWNS, Mr. WAMP, Mr. DICKEY, Mr. COBURN, Mr. LATOURETTE, Mr. NORWOOD, Mr. HILLEARY, Mr. ROTHMAN, Mr. GRAHAM, Mr. CANNON, Ms. ESHOO, Mr. CRAMER, Mr. GALLEGLY, Mr. PHELPS, Mr. SPENCE, and Mr. HERGER):

H.R. 3308. A bill to establish minimum standards of fair conduct in franchise sales and franchise business relationships, and for other purposes; to the Committee on the Judiciary.

By Mr. CRANE:

H.R. 3309. A bill to amend the Internal Revenue Code of 1986 to modify the private activity bond rules to deter unwarranted hostile takeovers of water utilities; to the Committee on Ways and Means.

By Mr. FILNER:

H.R. 3310. A bill to authorize certain actions to address the comprehensive treatment of sewage emanating from the Tijuana River in order to substantially reduce river and ocean pollution in the San Diego border region; to the Committee on Transportation and Infrastructure, and in addition to the Committee on International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GEKAS:

H.R. 3311. A bill to provide for analysis of major rules, to promote the public's right to know the costs and benefits of major rules, and to increase the accountability and quality of Government; to the Committee on the Judiciary, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

H.R. 3312. A bill to clarify the Administrative Dispute Resolution Act of 1996 to authorize the Merit Systems Protection Board to establish under such Act a 3-year pilot program that will provide a voluntary early intervention alternative dispute resolution process to assist Federal agencies and employees in resolving certain personnel actions and disputes in administrative programs; to the Committee on the Judiciary, and in addition to the Committee on Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. JOHNSON of Connecticut (for herself, Mr. LAZIO, Mr. ACKERMAN, Mr. GEJDENSON, Mr. BOEHLERT, Mrs. LOWEY, Mr. SHAYS, Mr. LARSON, Mr. KING, Mr. MALONEY of Connecticut, Mr. WALSH, Ms. DELAURO, Mr. GILMAN, Mr. OWENS, Mrs. KELLY, Mrs. MCCARTHY of New York, Mr. FOSSELLA, Mr. TOWNS, Mr. MCHUGH, Mr. WEINER, Mr. SWEENEY, Mr. HINCHEY, Mr. CROWLEY, Mr. FORBES, Mr. SERRANO, Mr. NADLER, Mr. MCNULTY, Mr. ENGEL, Mrs. MALONEY of New York, Ms. SLAUGHTER, Mr. MEEKS of New York, Ms. VELÁZQUEZ, and Mr. RANGEL):

H.R. 3313. A bill to amend section 119 of the Federal Water Pollution Control Act to reauthorize the program for Long Island Sound, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. JONES of North Carolina:

H.R. 3314. A bill to clarify certain boundaries on maps relating to the Coastal Barrier Resources System; to the Committee on Resources.

By Mrs. KELLY (for herself, Mrs. MORELLA, Mrs. MALONEY of New York, Mrs. JOHNSON of Connecticut, Mrs. BIGGERT, and Mrs. EMERSON):

H.R. 3315. A bill to limit the effects of witnessing or experiencing violence on children; to the Committee on Education and the Workforce, and in addition to the Committees on the Judiciary, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. KENNEDY of Rhode Island:

H.R. 3316. A bill to deauthorize a portion of the project for navigation, New Port Harbor, Rhode Island; to the Committee on Transportation and Infrastructure.

By Mrs. LOWEY (for herself and Mrs. MORELLA):

H.R. 3317. A bill to provide grants to strengthen State and local health care systems' response to domestic violence by building the capacity of health care professionals and staff to identify, address, and prevent domestic violence; to the Committee on Education and the Workforce.

By Mrs. LOWEY:

H.R. 3318. A bill to establish a program to provide child care through public-private partnerships; to the Committee on Education and the Workforce.

By Mrs. LOWEY (for herself, Mr. PALLONE, Mr. MORAN of Kansas, Mr. BARCIA, Mr. DEFAZIO, Mr. PAYNE, Mr. LAFALCE, Ms. MILLENDER-MCDONALD, Mr. INSLEE, Mr. MURTHA, Mr. KLINK, Mr. RUSH, Mr. ANDREWS, Mr. WYNN, Mr. SANDERS, Ms. JACKSON-LEE of Texas, Mr. LOBIONDO, Mr. TRAFICANT, Mr. MCNULTY, Mr. FROST, Mrs. MORELLA, and Mr. HILLIARD):

H.R. 3319. A bill to assure equitable treatment in health care coverage of prescription drugs under group health plans, health insurance ,coverage, Medicare and Medicaid managed care arrangements, Medigap insurance coverage, and health plans under the Federal employees' health benefits program (FEHBP); to the Committee on Commerce, and in addition to the Committees on Ways and Means, Education and the Workforce, and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MARKEY (for himself, Mr. BARTON of Texas, Mr. DINGELL, Mr. CAMPBELL, Mr. LUTHER, Mr. WAXMAN, Mr. KUCINICH, Mr. HINCHEY, Ms. ESHOO, Ms. LEE, Ms. RIVERS, Ms. SCHAKOWSKY, Ms. BALDWIN, Ms. ROYBAL-ALLARD, Mr. LEWIS of Georgia, Mr. TIERNEY, Mr. KILDEE, Mr. OBEY, Mrs. MEEK of Florida, Mr. EVANS, Mr. JACKSON of Illinois, Ms. WOOLSEY, and Mr. BARRETT of Wisconsin):

H.R. 3320. A bill to amend the privacy provisions of the Gramm-Leach-Bliley Act; to the Committee on Banking and Financial Services, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MARKEY (for himself and Mr. LUTHER):

H.R. 3321. A bill to prevent unfair and deceptive practices in the collection and use of personal information, and for other purposes; to the Committee on Commerce, and in addition to the Committees on Banking and Financial Services, Transportation and Infrastructure, and Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MCKEON:

H.R. 3322. A bill to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the design, planning, and construction of a project to reclaim and reuse wastewater within and outside of the service area of the Castaic Lake Water Agency, California; to the Committee on Resources.

By Mr. MEEKS of New York (for himself, Mr. WATTS of Oklahoma, Mr. ENGEL, Mr. RANGEL, Mr. DIXON, Mr. MCNULTY, Mrs. MEEK of Florida, Mr. LIPINSKI, Mr. MCDERMOTT, Mr. HINCHEY, Mr. FROST, Mr. JACKSON of Illinois, Mr. KING, Mrs. JONES of Ohio, Mr. FRANK of Massachusetts, Mr. WATT of North Carolina, Mr. OWENS, Mr. TRAFICANT, Mr. WEINER, Mr. CLAY, Mr. CAPUANO, Mr. MCHUGH, Mrs. KELLY, Mr. THOMPSON of Mississippi, Mr. BEREUTER, Mr. TALENT, Mr. COYNE, Mrs. CHRISTENSEN, Mr. SOUDER, Mrs. LOWEY, Mr. FORBES, Mr. NADLER, Mrs. MALONEY of New York, Ms. VELÁZQUEZ, Mr. QUINN, Mr. CROWLEY, Mr. TOWNS, Mr. SERRANO, Mr. SWEENEY, Mr. FOSSELLA, Mrs. MCCARTHY of New York, Mr. GILMAN, Mr. WALSH, and Mr. REYNOLDS):

H.R. 3323. A bill to designate the Federal building located at 158–15 Liberty Avenue in Jamaica, Queens, New York, as the "Floyd H. Flake Federal Building"; to the Committee on Transportation and Infrastructure.

By Mr. MINGE:

H.R. 3324. A bill to amend the Packers and Stockyards Act, 1921, to make it unlawful for a packer to own, feed, or control swine intended for slaughter; to the Committee on Agriculture.

By Mrs. MORELLA:

H.R. 3325. A bill to amend title XIX of the Social Security Act to permit a State waiver authority to provide medical assistance in cases of congenital heart defects; to the Committee on Commerce.

By Mr. NADLER (for himself, Mr. FORBES, Mr. PALLONE, Mr. CUMMINGS, Ms. DELAURO, Mr. SERRANO, Mr. OLVER, Ms. VELÁZQUEZ, Mr. WEINER, Mr. CROWLEY, Mrs. MALONEY of New York, Mrs. LOWEY, Mr. ACKERMAN, Mr. MEEKS of New York, and Mr. KUCINICH):

H.R. 3326. A bill to amend the Clean Air Act to prohibit the making of grants for transportation projects to any person who purchases diesel-fueled buses for use in certain nonattainment areas, and for other purposes; to the Committee on Commerce, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. NETHERCUTT:

H.R. 3327. A bill to provide for the return of fair and reasonable fees to the Federal Government for the use and occupancy of National Forest System land under the recreation residence program, and for other purposes; to the Committee on Resources.

By Ms. RIVERS:

H.R. 3328. A bill to amend the Public Health Service Act, the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to require that group and individual health insurance coverage and group health plans provide coverage for hair prostheses for individuals with scalp hair loss as a result of alopecia areata; to the Committee on Commerce, and in addition to the Committees on Education and the Workforce, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ROTHMAN:

H.R. 3329. A bill to amend the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 to require that, in order to determine that a democratically elected government in Cuba exists, the government extradite to the United States convicted felon Joanne Chesimard and all other individuals who are living in Cuba in order to escape prosecution or confinement for criminal offenses committed in the United States; to the Committee on International Relations.

H.R. 3330. A bill to provide that certain sanctions against Pakistan cannot be waived until the President certifies that Pakistan has a democratically elected government; to the Committee on International Relations, and in addition to the Committee on Banking and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SAXTON:

H.R. 3331. A bill to conserve Atlantic highly migratory species of fish, and for other purposes; to the Committee on Resources.

By Mr. STRICKLAND (for himself and Ms. DEGETTE):

H.R. 3332. A bill to amend title XIX of the Social Security Act to clarify the exemption of certain children with special needs from State option to use managed care; to the Committee on Commerce.

By Mr. UDALL of New Mexico (for himself and Mr. GEORGE MILLER of California):

H.R. 3333. A bill to provide technical and legal assistance to tribal justice systems and members of Indian tribes, and for other purposes; to the Committee on Resources, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. WEINER:

H.R. 3334. A bill to amend title 23, United States Code, to authorize the use of funds to construct or install certain pedestrian safety features; to the Committee on Transportation and Infrastructure.

By Mrs. WILSON:

H.R. 3335. A bill to direct the Secretary of Veterans Affairs to establish a national cemetery for veterans in the Albuquerque, New Mexico, metropolitan area; to the Committee on Veterans' Affairs.

By Ms. HOOLEY of Oregon (for herself, Mr. GIBBONS, Mr. HOLT, Mr. EVANS, Mr. FILNER, Mr. DAVIS of Florida, Ms. BERKLEY, Mr. PETERSON of Minnesota, Mr. REYES, Mr. CLEMENT, Mr. HILL of Indiana, Mr. BOYD, Mr. KIND, Mr. BOSWELL, Mr. POMEROY, Mr. KLECZKA, Mr. BENTSEN, Mr. MOORE, Mr. GONZALEZ, Mrs. JONES of Ohio, Mr. CAPUANO, Mr. FORBES, Mr. MALONEY of Connecticut, Ms. SCHAKOWSKY, Mr. INSLEE, Mr. WEYGAND, Mr. KANJORSKI, Mr. ACKERMAN, Mr. SANDLIN, Mr. SHERMAN, Mrs. MALONEY of New York, Ms. CARSON, Mr. WALDEN of Oregon, and Mr. ABERCROMBIE):

H. Con. Res. 225. Concurrent resolution expressing the sense of the Congress that the United States has an obligation to serve its veterans' health needs, that future congressional budget resolutions should reflect the ongoing need of the Nation's veterans, and that the Committees on Appropriations should provide the financial resources needed by the Veterans Health Administration to meet future demands; to the Committee on Veterans' Affairs.

By Mr. ROTHMAN:

H. Con. Res. 226. Concurrent resolution expressing the sense of Congress concerning funding for health care services for veterans; to the Committee on Veterans' Affairs.

By Mr. SWEENEY:

H. Con. Res. 227. Concurrent resolution expressing the sense of the Congress that special recognition should be given to the observance of Veterans Day on November 11, 1999, the last Veterans Day of the 20th century, as an opportunity to promote greater appreciation, especially among children, of the sacrifices made by America's veterans; to the Committee on Veterans' Affairs.

By Mr. PETRI:

H. Res. 373. A resolution providing for the appointment of the Reverend James Ford as Chaplain emeritus of the House of Representatives; considered and agreed to.

By Ms. BERKLEY:

H. Res. 376. A resolution expressing the sense of the House of Representatives in support of "National Children's Memorial Day"; to the Committee on Government Reform.

PRIVATE BILLS AND RESOLUTIONS

Under clause 3 of rule XII, private bills and resolutions of the following titles were introduced and severally referred, as follows:

By Ms. CARSON:

H.R. 3336. A bill for the relief of Adela T. and Darryl Bailor; to the Committee on the Judiciary.

By Mr. HAYWORTH:

H.R. 3337. A bill to provide for correction of an administrative error in the computation of the retired pay of Commander Carl D. Swanson, United States Coast Guard Reserve, retired; to the Committee on the Judiciary.

By Mr. HINCHEY:

H.R. 3338. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade vessel R'ADVENTURE II; to the Committee on Transportation and Infrastructure.

By Mr. OWENS:

H.R. 3339. A bill for the relief of Genia Adams; to the Committee on the Judiciary.

H.R. 3340. A bill for the relief of Marie Yolande Baptiste-Raymond; to the Committee on the Judiciary.

H.R. 3341. A bill for the relief of Marlene Chauvannes-Cabrerra; to the Committee on the Judiciary.

H.R. 3342. A bill for the relief of Marie S. Hilaire; to the Committee on the Judiciary.

H.R. 3343. A bill for the relief of Yanite Pierre; to the Committee on the Judiciary.

H.R. 3344. A bill for the relief of Dukens Baptiste-Raymond; to the Committee on the Judiciary.

H.R. 3345. A bill for the relief of Eric Phillip Charles; to the Committee on the Judiciary.

H.R. 3346. A bill for the relief of Leon A. Cousley; to the Committee on the Judiciary.

H.R. 3347. A bill for the relief of Pierre Paul Eloi; to the Committee on the Judiciary.

H.R. 3348. A bill for the relief of Gladstone Hamilton; to the Committee on the Judiciary.

H.R. 3349. A bill for the relief of Pierre Nital Louis; to the Committee on the Judiciary.

H.R. 3350. A bill for the relief of Joseph Frantz Mellon; to the Committee on the Judiciary.

H.R. 3351. A bill for the relief of Hugh Ricardo Williston; to the Committee on the Judiciary.

H.R. 3352. A bill for the relief of Gerald Cheese; to the Committee on the Judiciary.

H.R. 3353. A bill for the relief of Richard Pierre; to the Committee on the Judiciary.

H.R. 3354. A bill for the relief of Enrique Sedric Gabart Pierre; to the Committee on the Judiciary.

H.R. 3355. A bill for the relief of Reginald Prendergast; to the Committee on the Judiciary.

H.R. 3356. A bill for the relief of Fabien Oniel Prendergast; to the Committee on the Judiciary.

H.R. 3357. A bill for the relief of Unice Grace Prendergast; to the Committee on the Judiciary.

H.R. 3358. A bill for the relief of Judith Lorraine Prendergast; to the Committee on the Judiciary.

H.R. 3359. A bill for the relief of Regine Santil; to the Committee on the Judiciary.

H.R. 3360. A bill for the relief of Martine Jacques; to the Committee on the Judiciary.

H.R. 3361. A bill for the relief of Yves Rodney Jacques; to the Committee on the Judiciary.

H.R. 3362. A bill for the relief of Valerie Santil; to the Committee on the Judiciary.

By Mr. UDALL of New Mexico:

H.R. 3363. A bill for the relief of Akal Security, Incorporated; to the Committee on the Judiciary.

By Mr. WYNN:

H.R. 3364. A bill for the relief of Web's Construction Company, Incorporated; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 58: Mr. HEFLEY.

H.R. 141: Mr. FORBES.

H.R. 175: Mr. BAKER and Mr. JACKSON of Illinois.

H.R. 303: Mr. SCHAFFER and Mr. HYDE.

H.R. 382: Mr. DEUTSCH and Mr. FALEOMAVAEGA.

H.R. 444: Mr. SANDLIN, Mr. OBERSTAR, Mr. McHUGH, Mr. MINGE, and Mr. BARRETT of Wisconsin.

H.R. 531: Mr. STUPAK and Mr. FRELINGHUYSEN.

H.R. 664: Ms. VELAZQUEZ and Mrs. LOWEY.

H.R. 750: Mr. CAMPBELL and Mrs. MORELLA.

H.R. 827: Mr. POMEROY.

H.R. 979: Mr. CUMMINGS and Mr. CONDIT.

H.R. 1044: Mr. GANSKE, Mr. BONILLA, and Mr. BOYD.

H.R. 1095: Mrs. BONO, Mr. CASTLE, and Mr. HINOJOSA.

H.R. 1102: Mrs. EMERSON.

H.R. 1168: Mr. JACKSON of Illinois and Mr. ROGERS.

H.R. 1187: Mr. LANTOS, Mr. DOYLE, and Mr. LAHOOD.

H.R. 1193: Ms. BALDWIN.

H.R. 1244: Mr. GREENWOOD and Mr. BECERRA.

H.R. 1283: Mr. PICKERING.

H.R. 1310: Mr. BOEHLERT, Mr. HOEFFEL, Mr. WATKINS, Mr. PAYNE, Mr. SMITH of Washington, Ms. SANCHEZ, Mr. PACKARD, Mr. HUNTER, Mr. McGOVERN, Mr. ROGAN, Mr. DEAL of Georgia, Mr. BARTLETT of Maryland, Mr. CUNNINGHAM, Mr. DOOLITTLE, and Ms. BROWN of Florida.

H.R. 1311: Mr. HOEFFEL, Mr. UDALL of Colorado, Mr. BILBRAY, and Ms. SANCHEZ.

H.R. 1367: Mr. BASS.

H.R. 1387: Mr. ROGERS.

H.R. 1388: Mr. LANTOS.

H.R. 1606: Mr. MEEHAN.

H.R. 1612: Mr. BROWN of Ohio.

H.R. 1621: Ms. PELOSI, Ms. HOOLEY of Oregon, Mr. CAPUANO, Mr. STUPAK, and Mr. METCALF.

H.R. 1695: Mr. YOUNG of Alaska, Mr. DUNCAN, Mr. DOOLITTLE, Mr. CANNON, Mrs. CUBIN, Mr. RADANOVICH, Mrs. CHENOWETH-HAGE, Mr. HANSEN, Mr. HAYES, Mr. SHERWOOD, Mr. POMBO, Mr. HEFLEY, Mr. SIMPSON, Mr. TAUZIN, Mr. THORNBERRY, Mr. PETERSON of Pennsylvania, Mr. GILCHREST, Mr. SAXTON, Mr. SCHAFFER, and Mr. WALDEN of Oregon.

H.R. 1814: Mr. BRYANT.

H.R. 1876: Mr. DEAL of Georgia, Mr. SAM JOHNSON of Texas, and Mr. CRAMER.

H.R. 1899: Mr. BEREUTER.

H.R. 1997: Ms. LEE, Mrs. THURMAN, Ms. NORTON, and Ms. VELÁZQUEZ.

H.R. 2053: Mr. PALLONE.

H.R. 2120: Ms. HOOLEY of Oregon.

H.R. 2244: Mr. SAM JOHNSON of Texas.

H.R. 2355: Ms. McCARTHY of Missouri.

H.R. 2363: Mr. SESSIONS and Ms. CARSON.

H.R. 2409: Mr. TURNER.

H.R. 2419: Mr. KING and Mr. VITTER.

H.R. 2420: Ms. EDDIE BERNICE JOHNSON of Texas, Mr. KIND, Ms. KILPATRICK, and Mr. FROST.

H.R. 2442: Mr. ROGAN.

H.R. 2486: Mr. LANTOS, Ms. DEGETTE, and Mr. DIXON.

H.R. 2525: Mr. CONDIT and Mr. LEWIS of California.

H.R. 2538: Mr. ENGLISH, Mr. McHUGH, Mr. PITTS, Mrs. LOWEY, Mr. SMITH of Texas, Mr. SMITH of Washington, Mr. DEAL of Georgia, Mr. SANDERS, Mr. KIND, Mr. VITTER, and Mr. BALDACCI.

H.R. 2544: Mr. SCHAFFER and Mr. SESSIONS.

H.R. 2545: Ms. McKINNEY.

H.R. 2594: Mrs. ROUKEMA.

H.R. 2655: Mr. McKEON.

H.R. 2697: Mr. THOMPSON of Mississippi, Mr. SANDERS, Mr. BURTON of Indiana, and Mr. LAHOOD.

H.R. 2720: Mr. FRANK of Massachusetts and Mr. NEAL of Massachusetts.

H.R. 2722: Mr. ROMERO-BARCELO and Mr. SANDERS.

H.R. 2733: Mr. PALLONE, Mr. GREENWOOD, and Mr. BACHUS.

H.R. 2736: Mr. UDALL of New Mexico, Mr. LUTHER, and Mr. GREEN of Texas.

H.R. 2774: Ms. ESHOO and Mr. PRICE of North Carolina.

H.R. 2782: Mr. OWENS.

H.R. 2789: Mr. OWENS, Mrs. LOWEY, and Mr. KUCINICH.

H.R. 2810: Mrs. BONO and Mr. HUTCHINSON.

H.R. 2827: Mr. SIMPSON.

H.R. 2832: Mr. STUPAK and Ms. WOOLSEY.

H.R. 2895: Mr. CLAY, Mr. FRANK of Massachusetts, and Mr. GOODE.

H.R. 2902: Ms. BALDWIN, Mr. HOLT, and Mr. UDALL of Colorado.

H.R. 2955: Mr. DEUTSCH and Mr. STUPAK.

H.R. 2960: Mr. SUNUNU.

H.R. 2966: Mr. CAPUANO, Mr. FARR of California, Mr. GIBBONS, Mr. HASTINGS of Washington, Ms. KAPTUR, Mr. MATSUI, Mr. McCOLLUM, Mr. MORAN of Kansas, Mr. OXLEY, Mr. SCHAFFER, Mr. HILLEARY, Mr. OBERSTAR, and Mr. KLINK.

H.R. 2985: Mr. COBURN, Mr. METCALF, and Mr. BURR of North Carolina.

H.R. 3008: Mr. GEORGE MILLER of California, Mr. McGOVERN, and Mr. STUPAK.

H.R. 3010: Mrs. MORELLA.

H.R. 3011: Mrs. NORTHUP.

H.R. 3058: Mr. WAXMAN, Mr. ROGAN, Mr. DOYLE, and Mr. THOMPSON of Mississippi.

H.R. 3071: Mr. WEINER, Ms. CARSON, and Mr. HINCHEY.

H.R. 3103: Mr. GONZALEZ.

H.R. 3121: Mr. PAUL.

H.R. 3139: Mr. OWENS and Mr. GEORGE MILLER of California.

H.R. 3144: Mr. CLAY, Mr. DINGELL, and Mr. EVANS.

H.R. 3151: Mr. LUCAS of Kentucky.

H.R. 3154: Ms. KILPATRICK.

H.R. 3156: Mr. BORSKI, Ms. MILLENDER-McDONALD, and Mr. KUCINICH.

H.R. 3161: Mr. KUCINICH.

H.R. 3174: Mr. LARGENT, Mr. GILLMOR, Mr. FOLEY, Mr. LINDER, Mr. ISAKSON, Mr. SHADEGG, and Mr. SALMON.

H.R. 3193: Mr. LARSON.

H.R. 3218: Mr. FOSSELLA, Mr. QUINN, Mr. DOYLE, MR. SWEENEY, and Mr. HALL of Texas.

H.R. 3222: Mr. PETERSON of Pennsylvania, Mr. GEORGE MILLER of California, and Mr. WELDON of Pennsylvania.

H.R. 3242: Mr. CHAMBLISS and Mr. PAUL.

H.R. 3257: Mr. COOK and Ms. PRYCE of Ohio.

H.R. 3261: Mrs. WILSON, Mr. BRYANT, Mr. METCALF, Mr. COX, and Mr. FOLEY.

H. J. Res. 77: Mr. TAYLOR of North Carolina.

H. Con. Res. 62: Mr. LAHOOD.

H. Con. Res. 77: Mr. BRYANT, Mr. ANDREWS, and Mr. JOHN.

H. Con. Res. 100: Mr. HALL of Ohio.

H. Con. Res. 115: Mr. CAPUANO, Mr. McNULTY, and Mr. KLINK.

H. Con. Res. 200: Mr. HOLT.

H. Con. Res. 218: Mr. DIAZ-BALART, Mrs. MORELLA, Mr. LEWIS of Georgia, Mr. PRICE of North Carolina, Mr. BENTSEN, and Mr. WEXLER.

H. Res. 163: Mr. KUCINICH, Mr. KENNEDY of Rhode Island, Ms. NORTON, Mrs. ROUKEMA, and Mrs. LOWEY.

H. Res. 238: Mr. PALLONE, Mr. STUPAK, Mr. GREENWOOD, and Mr. BACHUS.

H. Res. 320: Mr. MANZULLO.

H. Res. 357: Mr. CLAY, Mr. DEUTSCH, Ms. ESHOO, Mr. FORD, Mr. LEVIN, Ms. WOOLSEY, Mr. WU, and Mr. McNULTY.

EXTENSIONS OF REMARKS

SPECIAL ORDER OF MR. SCHAFFER, OMITTED FROM THE CONGRESSIONAL RECORD OF TUESDAY, NOVEMBER 9, 1999

FINDING ONE CENT ON THE DOLLAR WORTH OF SAVINGS IN FEDERAL GOVERNMENT SPENDING

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from Colorado (Mr. SCHAFFER) is recognized for 60 minutes as the designee of the majority leader.

Mr. SCHAFFER. Mr. Speaker, tonight I want to spend this special order hour talking about two primary topics, one closely related to the second. That first topic is trying to eliminate waste, fraud, and abuse in the Federal Government and in Federal spending.

I want to start out, Mr. Speaker, by alerting Members to a brief history lesson on where congressional overspending has gone over the last 30 years. In fact, going back to 1970, Members can see the line below the baseline here is the amount of money that the Congress has spent, money that it did not have. This is deficit quantity spending.

Back in 1970, we began a dangerous habit and trend going down here in 1976. Here we were at almost $100 billion in deficits. We continued to drop and drop, spending more and more without regard to the cash that was on hand for the Federal government. We can see here in 1982 and 1986 the height of Democrat control of Congress was when we were on a virtually spending spree here in Washington.

Then when deficits got at about their worst, down in this area, that is about the point in time that the American people changed their mind. This is when the Republican revolution took place. Americans were fed up with a Congress that year after year after year, from 1970 right on up to the 1992–1993 fiscal years, had spent more money than it had on hand, in fact, borrowing from my children and the children of every other American in order to appease the spending appetite and habits of Washington.

That ended at about this point here. We can see the line beginning to go up when a new idea, a new party was put in charge with majority status in Congress. Members can see when we took over that the deficit spending began to ease, that we began to start moving toward a goal of spending the dollars that we actually had on hand to run the legitimate purposes of the Federal government.

Back there in 1994 when Republicans took over the Congress, they promised in a great Contract with America that we would balance the budget by the year 2002. Well, we underpromised and overdelivered, because right here in 1998 was the first year in 30 years that the expenditures came above the line here of our baseline spending. In other words, we began to start saving money.

This little purple section here represents a cash surplus that we began to accumulate here in Washington, D.C. It is this surplus that has allowed us to do a number of things. One, it has allowed us to stop borrowing the money. I would remind my colleagues, when we start borrowing money, spending more money than the Congress actually has to spend, we borrow it from somewhere, and the fund of preference for many, many years has been the social security system.

In fact, this Congress and the White House has raided the social security trust fund, the social security system, to the tune of about $638 billion over a little bit shorter of a time frame. This goes back to 1984.

Once again, we can take a look at where we were when we came here, and President Clinton continued, and this was the year of the tax increase, and the year that the Congress spent quite a lot of money, at the President's insistence.

Again, in 1998, this Congress got serious about stopping the raid on social security. Members can see the dramatic decrease. This is not the final column of the graph here, this is an actual decrease in the propensity of Congress to borrow from the social security system. This is an effort to stop the raid on social security. Members can see that that does end right here, this year, in 1999, the first year we stopped raiding the social security system in order to pay for government.

That is a trend we want to see continue. In fact, we want to see this line continue to go down further and build greater surpluses, including the social security fund. In order to accomplish that, we have to exercise some fiscal discipline right now, this year, in Congress. That is the debate that is taking place presently between the White House and the Congress.

Here is one of the suggestions we came up with as a Republican majority to avoid raiding social security, as the President has proposed to do. We have proposed that of the increase in spending that we have budgeted for this year, that we just tighten our belt a little bit. For every dollar in Federal spending, we are asking the Federal government to come up, the Federal bureaucrats and the Federal agencies, to come up with one cent in savings, in efficiency savings, in order to help rescue the social security fund and to stop borrowing from the social security system.

We want to stop that raid. We think that out of every dollar that is spent in Washington, we can find that one cent in savings and continue to run the legitimate programs and the legitimate services that are needed and necessary under our Federal system, and do it in a way that allows us to save social security at the same time. That is what that one penny on the dollar represents.

When we suggested this idea, folks over at the White House almost had a heart attack. They said, one penny on the dollar? We cannot possibly come up with one penny on the dollar in savings, because that would cripple the Federal government, finding this one cent in savings.

Therein, Mr. Speaker, lies the difference between the Republican majority in Washington and the liberal Democrat leadership that we find down at the White House. We believe that the government can do what every American family does every day, work a little harder to find that one cent savings, to just simply start realizing that we can be more efficient and more effective with a whole assortment of Federal programs to find that one cent.

Again, it was a little frustrating but not surprising here in Washington to hear the various Cabinet secretaries say, we cannot find that one penny on the dollar. All of the Federal departments are so efficient, so lean, so effective, so accountable with their dollars that we cannot possibly find the savings necessary to save social security.

So we, as Members of Congress, decided that we would take it upon ourselves to help. That is the point of today's special order. I appreciate Members going through that brief history with me about how it is we came to the position we are in. It is a very relevant and important position to consider, because at this very moment the impasse in passing a budget hinges on the difference of opinion between this Congress and that White House to find that one penny, and do it in a way that honors and respects not only the taxpayers of America but the children of America, who rely on a sound and credibly run government, and certainly the seniors, the current retirees who rely on social security.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

There are a number of great examples. One of our colleagues who I have been told was planning on joining us here issued a report out of his committee, and that report lists, assuming I can put my fingers on it, lists just agency by agency the savings that can be found.

Here are some good examples. Here is the gentleman from California (Mr. HORN) who has arrived. In his report he suggested that we could find savings in the Department of Agriculture. He cited examples in the Department of Defense.

The Department of Defense spent nearly $40 billion on programs for 15 overseas telecommunications systems that cannot be fully used because the Department failed to obtain proper certifications and approvals from the host nations. That is according to a 1999 Inspector General report.

We found savings in the Department of Education, $3.3 in loan guarantees for defaulted student loans, according to one General Accounting Office audit. There is more. We will talk about more of that today. He found savings in the Energy Department, in the Health and Human Services Department administration, and so on and so forth.

It is not hard to find savings, to find that one penny, if you are devoted to rolling up your sleeves and doing the hard work of finding the money. It is an important proposition, I suggest, for this Congress and for the White House. Rather than fighting over the relative merit of saving one penny out of a dollar to save social security, we ought to be joining in partnership and rolling up our sleeves together and getting down in the trenches at the Department of Education, in the Department of Defense, over at the Department of Energy, over in health and human services, and working together cooperatively to find all the efficiencies and savings that we possibly can to build a credible government for the future security of our children and for our Nation.

Mr. Speaker, I yield to the gentleman from California (Mr. HORN), who has led the House through this investigation of where these funds may be found and pointed not only me but other colleagues in the direction that we ought to look in order to find some of these savings.

Mr. HORN. Mr. Speaker, I thank the gentleman for yielding to me.

We have a lot of work to do, and a lot of work has been done by Appropriations subcommittees, authorization committees, and the group which I chair is the Subcommittee on Government Management, Information, and Technology, which has jurisdiction across the executive branch. That responsibility includes "the overall economy, efficiency and management of government operations and activities, including Federal procurement." [Rule X, clause 1(g)(6).]

Let me provide some background on this, because a lot of people do not know it. Twenty years ago Congress established Inspectors General in every cabinet department and independent agency. In 1993, Republicans and Democrats worked on a bipartisan basis. All of these laws I am about to mention are bipartisan. Both parties worked together. Congress sought good management. Despite those attempts, the executive branch does not really have good management.

We had the Results and Performance Act in 1994 and we said, "look, we have to start measuring these programs. We sought to find what kind of results were these agencies having? Are they accomplishing the goals Congress established when we authorized the program, not to mention the appropriations which Congress annually provides."

We also had a look at not only how they do their programs, but also could they give us a balance sheet. And we said to the executive branch that they have five years before they have to give us that balance sheet. Well, the fifth year was up in 1998, and what we see here [shows chart] is the analysis we gave of the various balance sheets. In 1999, we thought the executive branch was a pretty sad situation. It is still pretty sad.

There were only two agencies of the 24 major agencies and departments that could give us a decent balance sheet. The first was NASA, the National Aeronautics and Space Administration. Dr. Daniel Goldin is an outstanding administrator and a great visionary. That is a rare combination. The President has cut his budget several times, but despite that he gets first-rate people and they met all the targets that we had put out there.

Next best was the National Science Foundation. Those were the two A's. Now we got to the B's, three B's: General Services Administration. That was recommended by the Hoover Commission under President Truman to consolidate all purchases of the executive branch to get various economies. Next, B-minus, was the Labor Department. They had two yeses on the three categories.

Let me say what the categories were. Was the financial information reliable? Yes or no? They either made it or they did not make it, and that was a judgment of auditors from the General Accounting Office [GAO]. The GAO is a major asset to Congress. Under the Harding administration, Congress recognized that there was a need to focus on management and accountability. In the Budget and Accounting Act of 1922, Congress put all the auditors accountants together in what is known as the General Accounting Office, That office is part of the legislative branch. It provide us with the tools to conduct oversight not just in accounting, but with the Reorganization Act of 1946, Congress also gave programmatic review authority.

However, as long as Speaker Rayburn was alive and Clarence Cannon was head of the House Committee on Appropriations, they refused to let the General Accounting Office do anything in terms of program measurement review. "Just stick to accounting," they said. Reality is that we need both. Thus, when we looked at the balance sheets from the departments and agencies, we examined then by asking a few basic questions. The first question was: "Did the agency have a qualified opinion or not?"

The second question was effective internal controls, "Did the agency have them or not? Their Inspector Generals, which was the group I mentioned that started 20 years ago, do excellent work in noting what kind of things go wrong within a particular agency.

The third question was "Are they in compliance with the laws and regulations"? That would mean the laws of Congress, the executive orders of the President, and the regulations issued by the agency head. The answer is either yes or no. As I say, only two agencies met the three "yes" tests: NASA and the NSF. We are now in the B-minuses, they had two yeses, and that was GSA, Labor and the Social Security Administration. In the 1960s when I was on the Senate staff, most of us would say that the Social Security Administration was the best run administration in Washington, regardless which party is in power in the presidency. In brief Social Security gets the work done with about 43 million checks a month here and 50 million there.

Now, the C's start with the Department of Energy. They had a qualified accounting opinion. They did not have effective internal controls and they did have some compliance with the laws.

Next is FEMA, the Federal Emergency Management Agency has been a very well run agency with James Lee Witt as Director. Most of the old timers here have said that Witt is the first person that ever knew what he was doing over there. Mr. Witt came from Arkansas with the current administration. I think most Members that have dealt with him know that he is right there on the spot and he and his staff want to be helpful.

But on this point, accounting, can they give us a balance sheet? FEMA had one yes, two noes with the three criteria I mentioned.

Next is the D-plus range. That includes Housing and Urban Development and the Nuclear Regulatory Commission. Health and Human Services, is also in the D-minus range. There is also a D-minus for the Treasury. The Agency for International Development and the Department of Veterans Affairs are next.

Mr. HOEKSTRA. Mr. Speaker, would the gentleman yield? Could the gentleman just repeat what the Treasury Department got?

Mr. HORN. The Treasury, I am just getting to it.

Mr. HOEKSTRA. The gentleman went by it rather quickly and it was just like this is the agency that is kind of the watchdog agency for how all the other agencies spend their money and they got a——

Mr. HORN. Mr. Speaker, the gentleman is right on that, and we can get into that because we have had numerous hearings on the Financial Management Service, a key agency that services other agency such as the Social Security Administration. But in terms of where Treasury was on this balance sheet, they received a qualified opinion. They did not meet any of our three criteria. Thus, the Treasury has a D-minus. So was the Veterans Administration.

And then we get to the F, the dunce cap category, which starts with the Agency for International Development, Agriculture, the Department of Defense, Justice, and the Office of Personnel Management

Now, their balance sheets probably came in later, but they did not meet the statutory limit that was set back in 1994. At that time I was on the Committee on Government Operations [now Government Reform]. We knew that there would be two agencies that would never make it. One was the Department of Defense and the other was the Internal Revenue Service.

Well, Mr. Speaker, we were surprised that the Internal Revenue Service did make it and they are an agency within Treasury. But Treasury has a lot of other problems. Hopefully, they are coming out of that now.

This chart provides an overview based on that particular law. Congress has passed the so-called Cohen-Clinger Act, which was designed to liberalize the purchasing of Federal goods and services. And we also have the statute requiring the chief financial officer. That officer is to report directly to the head of the agency.

We also required a chief information officer to be responsible for all computing and communications together under one person who would report directly to the Cabinet Secretary or the operating Deputy Secretary of the department.

We voted for these laws because we felt that they would result in better management. These actions are somewhat like the city manager movement that started in the 1920s. The cities were a mess in this country. A political mayor would get into office and he put all of his relatives on the city payrolls. In Cincinnati, Ohio, the city manager movement started. Non-political professionals were hired to do the job. As was said "Garbage is not Republican or Democratic, we just have to get the garbage off the streets and out of people's backyards."

This is the approach that we have taken. I run a very bipartisan subcommittee. The ranking Democrats since 1995 have been very cooperative and helpful in working on these management improvements. Congress can enact them, but the executive branch still limps along and does not face up to a lot of these management issues.

An example, this was a Hoover Commission recommendation during the Truman administration. It was a good one, every department should have an Assistant Secretary for Management. That person would be a professional. We agree with that. So when we passed two more laws that required agencies to establish a chief financial officer and, later, a chief information officer, guess what some of the agencies did. They just added the two to an already overloaded Assistant Secretary for Management. That is nonsense. That was not what Congress intended.

Mr. Speaker, in Washington, we need people who are willing to work in this town about 12 hour days and 6 to 7 days a week when they are an executive whether a political appointee or a senior civil servant. Those are the same hours we work on Capitol Hill. It takes that energy to get the job done, and the executive branch does not get the work done because the responsibility has been put under one person who cannot do one job well, let alone have two or three major jobs. That formula is made for failure. That is why the Treasury has had problems.

Mr. SCHAFFER. Mr. Speaker, will the gentleman yield? The gentleman mentioned earlier that one of the key components and one of the newer components is the performance audit mechanism that we have in place now. This is not just a matter of auditing funds for the financial management and cash flow management of these various funds. We are also now looking through the Inspector General at the actual performance of agencies. How these individuals measure up when compared to the expectations of the country and the directives that come down from the chief executive, the President in this case, and whether they comply by the law in order to execute the duties that are put to them.

This is an important provision as well, because it is Congress that establishes policy for the country, not the President. Congress passes the law. And these performance audits in my view seem to be a critical element not just in making sure that we manage the funds right, but that these programs are being run in a way that more closely approximates the objectives of this Congress and thereby the American people.

Mr. Speaker, I would yield to the gentleman on that performance component of these audits.

Mr. HORN. Mr. Speaker, the gentleman is absolutely correct. This is what I feel the most about, and I have had hearings on the Australian and New Zealand Governments. We have taken a team to look at what they have done. Those are two of the most reform governments in the world.

It is interesting. They copied Prime Minister Thatcher, a conservative who made changes in the United Kingdom's government. But these were both socialist governments in New Zealand and Australia. After their election, they looked around at the fiscal situation and said, "Wait a minute, we do not know how good these programs are, and it looks as we project our expenditures down the line, we are going to be in deep deficits." That is exactly what we have been in in the United States.

Mr. Speaker, that was why in 1994, on a bipartisan basis, we put this performance and results law on the books. This is the tough one to do. Anybody can go out and develop a balance sheet if they have done their job right fiscally, but measurement creates a real problem. The only government in this country that has a decent measurement system is the State of Oregon. Minnesota is headed in that direction and so is South Carolina. We called them all in and said give us some advice on this.

As I said, we can use public opinion polls. We want to see that the clientele is getting satisfaction out of whatever program it is. One way would be polling. One way would be to also survey manpower retraining, to go out and find did these people really get a job? Are they still in a job 6 months later? How about 1 year later? Maybe we are not doing the job, even though we think we have some great programs and the people running it are well-meaning.

Mr. SCHAFFER. Mr. Speaker, if I could ask one more question, and that is let us take this down to the bottom line and that is from a partisan perspective this is frankly one of the criticisms Republicans get. That we bring charts and graphs to the floor of the House that deal with the accounting mechanisms and the detailed minutia of the finances of government and we talk about applying a business sense to government and these are important things and people believe that we care about this. But to the person on the street, they just want to know that these agencies are being run well.

This can be for some people kind of boring, and also for our own colleagues. They do not want to spend the time going through the detail and the monotony and the numbers of governing. But the reason we are so dedicated and committed to these kinds of audits and the professional management of a huge $1.6 trillion Federal Government is that this matters for real people.

Mr. Speaker, I am wondering if the gentleman could turn this to a discussion of why this matters. Who should care about the efficiency and effectiveness of our financial management, as well as the performance of all of these people running around Washington, D.C., with somebody else's money?

Mr. HORN. Well, number one the gentleman has just put his finger on it and that is the average taxpayer ought to care because they are paying taxes. We are appropriating them. First, we are authorizing them. The gentleman from Pennsylvania (Chairman GOODLING) is here. He has done a fine job in terms of education and the workplace. And we need to focus in. And frankly, we need the help, and not enough authorizing committees have taken a stand and really spent the time which must be spent.

This takes a lot of time. Our oversight subcommittee had 80 hearings in the last Congress. I think that is more than any full committee has had in Congress. That is because we try to dig into these things. Now, we have limited ourselves in staff. If we had kept the number of staff positions our friends, the Democrats, had for 40 years, we could have been able to do a lot more of this work. But we live with what we have to live with. I think we have done a very good job.

The General Accounting Office has been first rate. I have outlined a series of hearings now that I want to do in the first 6 months of next year. I try to give GAO 6 months to put a team together which will go into the agencies and examine what is really going on. At the hearing I will hold, GAO will be my principal witness.

Mr. SCHAFFER. Mr. Speaker, I would like to point out in graphic detail the reason these kinds of financial considerations are so important. Why the business details of running government really matter. Because what we see in the purple below the baseline here is the Federal deficit for the 30 years that the Democrats were in control of this Congress. Year after year after year these folks did not pay attention to these details and what happened is they ended up spending far more money than the American taxpayer sent to Washington. It looks like a geographic chart of the bottom of the ocean.

Mr. HORN. We could say it is the bear looking into the glassy lake which acts as a mirror and seeing a mountain down there.

Mr. SCHAFFER. It sure is. And the proof that these kinds of details matter to real people starts here. This is as bad as it got and this is the year that the American people said enough is enough. We are sending new people to Washington. We are sending people to Washington who know how to run the government like a business. These principles are the ones that we began to apply here and we can see that there are a number of causes for this reduction in deficit spending up to the point where we are starting to accumulate surpluses.

But this is among them, because not only did we start talking about managing the taxpayers' money better through government management, we also talked about some of the policy decisions that we make, asking questions like, do we really need to spend all that money on all those programs? We found we can eliminate quite a few of them, and the American people do not miss them. They do not notice the difference.

We are now beginning to focus on a government that is more efficient that supports a more robust economy. That combination of a leaner, more effective, more legitimate governing structure in Washington, combined with a strong economy, is allowing this combination, this partnership of a Republican vision in Congress, plus the economic ingenuity of the American people, to really pull ourselves up out of this lake and move us into the path of prosperity where we can start talking now about saving Social Security in legitimate terms, providing world class education for our children, providing for a national defense that is second to none, and providing safety and security for all of our families.

Mr. HORN. Mr. Speaker, we really need to commend Congress, and that is what we are doing, but since the gentleman from Pennsylvania (Chairman GOODLING) is here, he has done a lot of it in education, that is, give flexibility to the people that have to implement these programs. Generally, in the case of education as well as a lot of others, one goes through the State system, the counties, and finally the school districts. If one does not give them flexibility, we are in trouble.

But one will find, every time we try to merge some of these programs and give the local people where the action is these particular dollars, one can then sort of figure out where one would like to use it. The first thing we hear is we cannot do that. I mean, they have a little niche they are protecting in the school district, and this is nonsense.

I think the most successful revenue scheme we ever had was revenue sharing. President Nixon was a big backer of that. Mel Laird had thought of it when he was a Member from Wisconsin. Wilbur Mills finally let it go when he wanted to run for President.

But what happened, for 10 years, we gave counties and cities a certain allotment based on population, whatever formula. They are in a position to know what their needs are. We are not, and neither are the executives sitting downtown a few blocks from us.

Under President Reagan, regretfully, and the Democratic Congress had always wanted to kill it, and the lobbyists wanted to kill it, but the fact is they regretfully gave in on it. They never should have. They should have vetoed the attempt to cut it off. Because then one has got city council members that are elected that know what the needs of that city are. That is a contribution we have made.

Now that we are putting more and more money in education, which nobody would have ever thought we would provide this much money to K through 12 education, and it just seems to me that we run into the same thing here that people yell and scream when one thing is merged with the other. Well, it should be. It should be the people at the grassroots, the superintendent, the advisors to the superintendent, the teachers.

I think when we passed last year in this House that one puts 100 percent, 95 percent, really, into the classroom, that is a real revolution in this town. It obviously scares the living daylights out of lobbyists and the Department of Education.

Mr. SCHAFFER. Mr. Speaker, this education shift that we have pushed for since taking over the Congress as a Republican Party is an encouraging one for governors and for State legislators and for school superintendents, school board members, principals, and so on. They like the idea that we are giving their dollars back to them, Federal dollars back to the State level, and giving them the flexibility and holding them accountable for the expenditures of those funds.

But just out of curiosity, because I want to ask one more question about the Department of Education as it relates to the chart, and it is an important question because the debate we have right now over education with the White House is about this question of flexibility. We want to give more flexibility in this budget to States to spend dollars on classrooms and the way Governors and legislators and superintendents, school board members, and so on see fit. The White House, on the other hand, wants to consolidate education authority here in Washington, D.C.

The gentleman from California (Mr. HORN) mentioned those people running around Washington, the bureaucrats who are in charge of these agencies who the President would entrust the greater proportion of decision making in education, what kind of grade did they get in the Department of Education when it came to the gentleman's audit?

Mr. HORN. Mr. Speaker, it is really an F, because all of this group failed to respond. It is ironic that agencies demand forms from everybody else. Yet, when Congress demands it, it needs to appropriate the money for the agency. My colleagues will remember, it was, did you have reliable information on the finance side? That was up to the auditors to advise us on that. Effective internal controls, the auditors, again, could write us an opinion on this and did. Or they just did not file. Compliance with laws and regulations, both our staff and GAO, do that primarily.

So what we have here is now just for fiscal year 1998. They have not closed and sent it to us for fiscal year 1999 because it has not closed yet. It will on

September 30th. So we look forward next spring to examine the balance sheets and ask the authorizing committees and the subcommittees on appropriations to take a careful look and call in the people.

The discussion cannot be only at the staff level. Those discussions must be at the Member level. We are the ones at the grassroots, with all due respect to our staff and I have a first rate one. We are the ones that should be eyeball to eyeball across the table with our executive counterparts and say, "Okay, let us take a look at it. How are you measuring these programs?"

Mr. SCHAFFER. Mr. Speaker, we learned just within the last few days that, on the 18th of November, next week, the Department of Education will be certifying their numbers or complying with the audit requirements for the Department of Education for 1998.

The report they are preparing to send up to Congress is one that suggests and says that the 1998 books in the Department of Education are not auditable. They are not auditable. This is an important graphic and picture to show that, for an agency that manages approximately $120 billion in assets, when we include the loan portfolio as well as the direct appropriation of $35 billion annually, for an agency of that size to be unable to tell us how they spend their money is inexcusable.

Yet, that is the answer they will give on the 18th when they send that report up to the Congress and to the General Accounting Office, that the books at the Department of Education are not auditable.

The chairman from the Committee on Education and the Workforce is here for that point. Mr. Speaker, I yield to the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Speaker, this is why I wanted to stop the direct lending programs before it gets started, because who can imagine a department in Washington, D.C. and this Federal Government running the largest bank in the world. I mean, it was so obvious that they could not do that.

Of course what happened, as my colleagues know in committee, we had to bail them out last year. They could not even consolidate loans. They were behind $80,000. Young people leaving college, getting a car, getting a job, getting that home, consolidating their loans are very, very important.

What did we have to do? We had to say to the private sector, you will have to come in and bail them out. You know how to do it. That is what the whole debate is on right now. That is one of the reasons we are still here, because, of course, Mr. Speaker, in his comments yesterday, the President said that, in just one year, schools across America have actually hired over 29,000 new highly trained teachers thanks to our class size reduction initiative.

Well, I would like them to show us where they are. We are having so many conflicting reports. Some have said 21,000. Some have said 23,000. The greater city schools just put out a study, and they said that they got 3,500 teachers hired in the 40th largest district in the country, which is where most of these funds go is where most of the poverty is.

So our debate is not over whether one reduces class size or whether one does not. No, as a parent, as an educator, I know that is important. I did that as a superintendent 30 years ago, thanks to a school board that thought that that was important. That is not the debate at all.

The debate is over quality and flexibility, because we can get ourselves into some more of these debts. If, after we go through this exercise, we end up having this kind of report appear in the newspaper, this report yesterday in the Daily News, New York, "Not Fit To Teach Your Kid; In some city schools, 50 percent of teachers are uncertified."

Well, we know at least however many teachers they hired in this last year under this new program, we know that at least 10 percent were not certified. We have no idea how many are not qualified, but we know 10 percent are not certified.

Mr. HORN. Mr. Speaker, would the gentleman from Pennsylvania agree that the sadness of this administration, very frankly, is that they read too many public opinion polls, and they do not lead, and they do not provide leadership. That is part of the problem here? They mostly engage in public relations everyday. But what has happened? In other words, here they are criticizing our attempt to let the local people who know what the problems are to use the funds that the Federal Government is going to appropriate to them. Obviously, some funds can go for new teachers. Some funds can go for teacher professionalism and training. There is a dire need for computing capacity. That is certainly needed as we go into this digital world.

But in my State, we have thousands of illegal immigrant children. Where are we going to put them? What roof are we going to put over them. In the northeastern States, they do not have all the sunshine we do. They face a major problem. Will students have snow coming through the roofs that are not there?

So superintendents will say, "Look, maybe I want a mix of this. I have to have that new elementary school. We have 5,000 children that are going to sign up for it." That is the kind of numbers we are talking in Long Beach, California and Los Angeles.

Mr. GOODLING. Mr. Speaker, which is exactly why our committee reported out in a bipartisan way, they passed the Teacher Empowerment Act, saying please do not just go out and hire teachers to reduce class size if you cannot find quality. Please do not go out and hire teachers if you do not have any space to put them in. Let the local district determine what is most important in order to raise the academic achievement of all children. That is what the debate should be about. The debate is not about class size. It is about flexibility. It is about quality.

The Secretary had a report today, and it was kind of interesting because he challenged us. He said, ask these people that got all these teachers to reduce class size what they think about it. They highlighted Jackson, Mississippi as one of them. So we called Jackson, Mississippi. The superintendent said, "Oh, of course I am for class size reduction." She also said, "I loved the money. I appreciated the money." But she said, "If I had some flexibility, I rather would have used a larger portion of these funds for technology and professional development." Then she went on to say, "All of this with the goal of improving student achievement." Now, this superintendent knows what is most important.

So we called a few more. We called Greencastle, Pennsylvania. They got $39,600. They are not going to hire too many teachers with that $39,600.

Mr. HORN. Mr. Speaker, they are lucky to get one.

Mr. GOODLING. Mr. Speaker, what did he say. He said he would purchase software programs to provide remedial math and reading assistance to students in early grades if he could have used that money in that manner.

Then we called the Erie school district. They got $796,000. They said they would have used it in three different areas. First of all, they have a program, after school hours direct assistance for students who call in who are having homework problems. They would have used some of it for that purpose. They would have purchased more advanced technology and software to help students improve their academic performance. They would have used it for teacher training, for their research-based education programs, particularly as it relates to incorporating standards into classroom curriculum and lesson plans.

Then we called West Allegheny, $44,900. They said they would have used it to create an integrated approach for curriculum instruction, focusing on early intervention programs. In essence, they would use the money to develop instructional approaches specifically targeted to at-risk young children helping those students make the critical transition from prekindergarten at the present to kindergarten to first grade.

Yes, we did just what the Secretary said. This is what they came back with. They said give us the flexibility. Yes, we like the money. Yes, we want to reduce class size. But there are so many important things.

Mr. HORN. Mr. Speaker, the model on this, as my colleagues know, is what the President wanted, and I supported him on that request and developed same language for the COPS program. The real problem is where is the second, third, and fourth year money to help, because it is very hard for that locality to provide it. So it is here again, and that is exactly what is going on here.

Mr. GOODLING. Mr. Speaker, when we talk about the appropriators appropriating $1.2 billion for this program, $1.2 billion gets 6,000 teachers. One says, well how come? Well, because, first of all, they have to pay for however many they got this year because they remain on that payroll. We do not know whether it is 5 years or 7 for everybody. From this year on, it is 7 years. So for the $1.2 billion, we only get the 6,000 teachers. Again, there are anywhere between 15,000 and 17,000 public school districts. There are more than 100,000 school buildings within those public school systems.

So my colleagues can see, when we talk about 100,000 teachers, there has got to be quality, and there has to be flexibility. That is what the argument is. It has nothing to do with class size.

Mr. HORN. Mr. Speaker, maybe Congress ought to pass a law that says cabinet officers of departments that have administrative problems should have had some administrative experience. The gentleman from Pennsylvania has had it. I have had it.

Mr. GOODLING. Mr. Speaker, that would be a good idea.

Mr. HORN. A number of this body have had that experience as a governor or mayor. We look downtown, they have never done anything, many of them. They are just there. Some are simply politicians without major administrative experience. And that is fine, I love politicians.

So let me just read my first and last sentence and what I sent to my colleagues, Democrat and Republican today, with my fine excellent staff digging up all this from General Accounting Office reports and inspector generals. I said, "Last week, President Clinton vetoed a bill that called for a 1 percent cut in discretionary spending throughout the Federal Government, saying the loss would place too great a burden on American families." So I end this with, "The President's concern about American families is best served by insisting that the departments and agencies under his command run their financial affairs in a responsible businesslike manner."

Now, he is the chief executive of the government of the United States. Instead of taking trips every day, going almost everywhere, and still acting like he is running for an election, he ought to be really rolling up his sleeves, getting his people around the table, and saying, "Look, folks, we only have about a year more, let us leave a legacy of which we can be proud of." That is what he should be doing. That is what an executive would do.

Mr. GOODLING. And I would like him also to remember back, because, Mr. Speaker, in his book Putting People First, during the 1992 campaign, the chapter on education says this, "Grant expanded decision-making powers to the school level, empowering principals, teachers and parents with increased flexibility in educating our children." That is what he said back in his book as he ran for president in relationship to what a president should be bringing forth here in government.

Mr. SCHAFFER. Mr. Speaker, just to point out, I read that same report and managed to have that highlighted and blown up here for Members of the House to be reminded of the President's position back when he was candidate Clinton. But now as President Clinton his opinion is quite different.

Mr. GOODLING. I agree with that 100 percent. He also said as governor, when he was talking about flexibility and local control, and this is very interesting, "There is a consensus emerging that we ought to focus on goals that measure performance rather than input. Instead of saying we ought to have small classes in the lower grades, we say, here is what children should know when they get out of grade school." That is the end of his quote, and I agree 100 percent with that also.

But that is different than what we are confronted with now. And, again, I cannot emphasize enough that the argument has nothing to do with class size. The argument has to do with flexibility and quality.

Mr. SCHAFFER. If I could point out, with respect to education, it is important to remember at this point in time in the debate between the Congress and the White House on this budget that there is no disagreement either fundamentally on the amount of money to be spent.

Mr. GOODLING. In fact, we propose more.

Mr. SCHAFFER. Our proposal is significantly more for education than what the White House had suggested. The debate, then, really does come down to this flexibility question.

Mr. GOODLING. And quality.

Mr. SCHAFFER. And we understand throughout the country that there are some districts where class size reduction is important, where they would like to use the money to hire more teachers. But that is not true in all districts throughout the country.

And what happens is when we tell districts whether they need the new teachers or not that they must hire them with the money, what happens is districts just spend the cash, because that is what the law says they must do. They spend the cash on anybody, whether they need that teacher or not.

And what happens is we end up with the headline, like the chairman is showing us right now, telling us that there are teachers in America now who are not fit to teach. And the reason is there is a huge pile of cash here in Washington, and the President sends it back to the States and says they cannot spend it on computers, if they want computers, and they cannot spend it on training if they need to do training, and they cannot spend it to fix the leaky roof, if the roof needs fixed; he says they must spend it on the teachers that he decides they must hire, whether they need them or not. And this is the headline we see when we spend money, the people's money, in such a reckless sort of way.

We are trying to turn these headlines around into positive headlines by putting principals and superintendents in charge of the money, because they are the ones who know the teachers' names, they are the ones who know the names of the students and the families, they are the ones who know what schools need. The President, I assure my colleagues, does not have a clue what schools in my State need, and I am doing everything I can, which is why we are here at 11 p.m. at night eastern time, fighting for our children, because we believe that these children really do matter and they deserve our help.

Mr. GOODLING. The tragedy here is that 25 percent of this 50 percent may be very, very capable individuals. And if they could take the money to properly prepare them, to teach the math and the science, to teach the reading, they could save them and they could have quality teachers in the classroom.

But that is not what we say. We say, here, take the money and reduce class size. And when I said, but California tried that and they got all messed up, the response was, well, they tried to do it too quickly. Well, this city did not try to do it too quickly. This is over years and years and years. And so all we need to do is give the kind of flexibility and then demand quality and demand accountability, and they will do well.

Mr. HORN. Well, I agree with the gentlemen, that is what we are trying to do to the executive branch in general of this Federal Government. It is sad, as I said earlier, that the President rules by polls instead of ruling by the instincts he had when he was governor and experienced these problems. They seem to have been forgotten.

In the early 1980s, I met the President. He was not the President then, he was a governor. And I met him because the business of the Higher Education Forum was trying to put its finger on what is wrong with the whole job situation in America, and part of, we said, must be the K–12 problem. And we asked the staff to go get two experts that would talk on this subject who are dealing with it. And we had governor Cane of New Jersey and Governor Clinton of Arkansas.

The membership of this was 40 of us were university presidents and 40 were CEOs from the top 100 American corporations. And the TRW CEO was the one that went to President Reagan and said, look, we have to face up to the K–12 situation, and the President was very supportive of that. But what we have here is we have spent, what, $2 billion more this year than anybody would have expected in education? We have done the same thing in the National Institutes of Health under the gentleman from Illinois (Mr. PORTER).

And I was particularly pleased, as a former university president, where the Pell Grants are, that we have upped the maximum every year, and this is the first time that has ever happened in Congress. The Democrats did not do it, the Republicans did. And I know how important those grants are if young people in financial need are going to get a decent education.

Now, one of the problems here is debt collection. The gentleman mentioned some of the accounting messes that are in the student loan program. The major bill I have put on the books since coming here was the debt collection bill. And when we did a test one time, we found out one person that was getting a Pell Grant classified as a millionaire on his income tax. And we could have a lot of little things like that that run one tape against the other and we can find it.

But what is needed is to have accountability, as the gentleman said. These are not grants, these are loans. I am all for grants, if we had the money, but we do not have the money and we have to revolve that money coming back from the loan.

Mr. GOODLING. And as the gentleman knows, when we reauthorized the Higher Education Act, we specifically placed in the Department of Education someone who knows something about student loans and told him that he was not involved in policy; that he is involved in the business of making sure that that system runs properly, so that we do not have the foul-up we had last year when we had to bail them out in their direct lending program.

Mr. SCHAFFER. Well, the need to bail out the program under the Clinton administration is easy to understand when we just review the findings of the committee chaired by the gentleman from California (Mr. HORN). He found that in fiscal year 1997, the Federal Government spent more than $3.3 billion on loan guarantees for defaulted student loans, and that is according to the General Accounting Office audit.

In addition, the Department had overpaid 102,000 students Pell Grants, totaling $109 million. The audit also found that 1,200 students falsely claimed veterans' status to increase their eligibility to the program. That cost taxpayers almost $2 million.

So the necessity is very obvious here when it comes to managing these loan programs. And just squeezing that one penny out of the dollar in efficiency that we are looking for, we know where to find it, and we are on to a worthwhile strategy to try to accomplish that. But the Department of Education is probably the best place we could start looking, because, as I mentioned earlier, their financial books are not even auditable for 1998. And so that ought to send up a red flag and tell us that there is probably a little bit of waste, fraud, and abuse, just like the examples the chairman found, and we are going to go look for more.

Mr. HORN. Well, good luck. We will be right behind you.

Mr. SCHAFFER. Mr. Speaker, I would also like to add one more observation from a governor, the governor from California, Governor Gray Davis.

Now, Governor Gray Davis is not one who agrees with us on a day-to-day basis on a great many issues. He is a pretty classic Democrat, very liberal, and one who agrees typically with the President of the United States. But when he was on Meet the Press earlier this year, here is what he said about this notion of having the President tell him that he must spend his money, the State's money, on hiring new teachers. Here is what Governor Davis said from California.

"Secretary Riley," the Secretary of the Department of Education, "was telling me about the $1.2 billion that was appropriated to reduce class size to 18 in the first three grades. Now, in California, this is one of the few areas where we're ahead in public education. We're already down to 20 per class size in K–4. So that money, which is supposed to be earmarked to an area where we've already pretty much achieved the goal, would best serve reducing class size in math and English in the 10th grade."

But, of course, the Governor cannot spend the money on the tenth grade as he would like because the President will not let him.

The Governor goes on. "So if Washington says to the states, you must improve student performance and we'll give you the money, that will give all the governors the flexibility to get the job done."

Well, what the Governor pointed out in that last quote is the Republican plan. Our plan is to give the governors the flexibility. The Governor of California is at the other end of the country that way. He is about as far away from here as you can get. And the notion that the people here in Washington should tell the Governor way over there in California what is in the best interest of the Governor's students and his constituents is ludicrous.

Mr. HORN. Governor Davis is pursuing an excellent policy, the same that was started by Governor Wilson, his Republican predecessor. And let me tell you, it has made a difference, particularly in reading. It started in the lowest grade and it moved up one grade each year. Teachers are much happier, and I have seen them with glee as they have the opportunities and time, that is what counts, to work with young people.

Governor Wilson started that and that was a major breakthrough. And of course, it is State money, not Federal money, that basically supports American K–12 education.

Mr. SCHAFFER. Mr. Speaker, I would like to ask the chairman of the Committee on Education to comment if he would just on the politics of this education because I think many parents who are sitting at home and thinking about their children waking up in the morning and going to school, they might be packing tomorrow's lunch right now and preparing it for their children, tucking them into bed, and making sure that they are prepared to go to school in the morning, those parents who think about these issues, they do not believe this, they just cannot understand why there are people here in Washington who want to consolidate all the education authority here in Washington to put the people in charge who earn an F on a financial and performance audits and do so at the expense of the classroom teachers who we trust.

My colleague have been here a few years, a few more years than I have, and he as the chairman has been able to see inside the capital, the politics taking place, the lobbying taking place.

What kind of special interests drives such a bizarre agenda that would suggest that these people here in Washington know better than my child's teacher out in Colorado?

Mr. GOODLING. Mr. Speaker, one of the greatest problems I have always had since I have been here in Washington is that the people who lobby in Washington for different groups, they are totally out of touch with what is going on back in the local area.

We got this letter on the Straight A's from the National School Boards Association. Unbelievable. I wrote back and I said, you do not express what my school board members are saying back in my district. But it is consolidation of power in Washington. And that is the argument here.

The argument has nothing to do, as I said, with class size. It is flexibility and quality and not consolidating that power.

Mr. SCHAFFER. Mr. Speaker, the Straight A's bill, for those of our colleagues who may not remember the actual debate, the Straight A's bill is a

Republican initiative designed to cut the strings and red tape for States so that States, in a grand scale, can begin to spend Federal education dollars on the programs that a governor or State legislature may choose.

Mr. GOODLING. Mr. Speaker, the greatest problem I had as a superintendent with Federal funds is that the auditor never came out to see whether you were accomplishing anything, whether children were improving at all, whether the academic standards were going up, or anything else. They only came out to see did the pennies go exactly where they in Washington said the pennies should go.

So you would get all these little programs. You could not consolidate any of them. You could not commingle any of the funds. If you did, you were in real trouble. So you had all these little programs doing nothing, when you knew and your teachers knew and the parents knew that if you could consolidate some of those programs, you could really improve the academic achievement of children. You could not do it because that is not what the auditors were interested in.

Mr. HORN. Well, would my colleague not say one of the problems is also the Washington professional staffs of some of these lobbies? In other words, if they can raise cane with their grass roots dues payers, they will have a job next year and they will have a bigger staff next year?

That is part of the problem. They do not want to admit that we know something because we are in the grass roots. We walk in schools. Most of them do not go out and walk into schools and see what is happening.

Mr. SCHAFFER. Mr. Speaker, those organizations are well represented here in Washington. There are hundreds, if not thousands, of lobbyists representing these organizations that are for the bureaucratic structure. They represent various vestiges of this grand education bureaucracy.

And my colleague is absolutely right. The three of us here are a legitimate threat to those bureaucrats. We want to help them find a new line of work. We would prefer to see our teachers back home, our principals, and our superintendents have more authority to help educate our children. And we care about that.

These lobbyists roaming the halls right outside the doors here and over in the committee meetings, they harass you as you walk down the hallway trying to get you to keep all this authority and power in Washington so that they can manipulate it and they can derive their power from these rules and regulations.

Well, the children really do not have lobbyists around here. All they have are us. I am proud to take up that challenge. I am proud to represent children in American schools today who deserve a good quality, first rate education. They deserve teachers who are not constrained by the rules of Washington but are able to have the full liberty to teach and where children have the freedom to learn.

I have got four of these children myself. They are getting ready for bed right now out in Colorado, where it is 9:18; and they will be getting up shortly and heading off to school in a public school tomorrow. And I want those teachers to have the greatest amount of academic liberty. I do not want these people running around the hallways here to decide what is in the best interest of my children.

That is what the Straight A's bill represented. It was a bill to help local schools do better. Those who oppose the Straight A's, those who were in favor of the President's plan also to define how these monies will be spent are really not in favor of children. And that is the difference of opinion that we are proud to stand on the side of children.

Mr. HORN. Mr. Speaker, children do not pay dues. That is what it gets down to.

Mr. Speaker, I include for the RECORD the following "dear colleague" letter:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON GOVERNMENT REFORM,
Washington, DC, November 9, 1999.

DEAR COLLEAGUE: Last week, President Clinton vetoed a bill that called for a 1 percent cut in discretionary spending throughout the Federal Government, saying the loss would place too great a burden on American families. The one-penny-on-the-dollar budget cut would not have affected entitlement programs, such as Social Security, Medicare or welfare programs. Meanwhile, however, the ongoing financial waste in the Government far exceeds the proposed 1 percent cut. The following list is merely a sampling of the problems found within the departments and agencies of the executive branch, all of whom report to the President. Unless otherwise noted, examples were received in testimony before the Subcommittee on Government Management, Information, and Technology. Some of the waste in Cabinet departments and agencies are:

Agriculture—In FY 1997, the department erroneously issued about $1 billion in food stamp overpayments, amounting to approximately 5 percent of the entire food stamp program. (GAO Report)

Defense—The department spent nearly $40 billion on programs for 15 overseas telecommunications systems that cannot be fully used because the department failed to obtain proper certifications and approvals from the host nations, according to a 1999 inspector general audit. (DOD OIG Report)

In September 1997, the Defense Department's inventory contained $11 billion worth of unneeded equipment. (GAO Report)

Over the last three years, the Department of the Navy wrote off $3 billion of inventory lost in transit. (GAO Report)

During a five-year period, defense contractors voluntarily returned $4.6 billion in overpayments the department failed to detect. (GAO Report)

The Defense Department spent an estimated $54 million on newly developed indoor firing ranges that are not being used. (DOD OIG Report)

Education—In FY 1997, the Federal Government spent more than $3.3 billion in loan guarantees for defaulted student loans, according to a GAO audit. In addition, the department had over-paid 102,000 students Pell grants totaling $109 million. The audit also found that 1,200 students falsely claimed veteran status to increase their eligibility to the program, costing taxpayers $1.9 million. (GAO Report)

Energy—Between 1980 and 1996, the Department of Energy spent more than $10 billion for 31 systems acquisition projects that were terminated before completion. (GAO Report)

Health and Human Services—The Health Care Financing Administration erroneously spent $12.6 billion in overpayments to health care providers in its Medicare fee-for-service program during FY 1998 (the most recent available). HCFA has not yet assessed the potential problem in its $33 billion Medicare Managed Care program or $98 billion Medicaid program.

Housing and Urban Development—The department estimated that it spent $857 million in 1998 in erroneous rent subsidy payments in FY 1998, about 5 percent of the entire program budget. (HUD OIG Report)

A General Accounting Office report suggests HUD's FY 1999 budget request for $4.8 billion to renew and amend Section 8 tenant-based assisted housing contracts could have been reduced by $489 million.

Interior—The Bureau of Land Management spent an estimated $411 million on its Automated Land and Mineral Record System over a 15 year period, only to discover that the major software component, the Initial Operating Capability (IOC), failed to meet the bureau's business needs. The bureau decided not to deploy IOC and is now analyzing whether it can salvage any of the $67 million it spent on system software. (GAO Report)

Justice—The U.S. Marshals Service was unable to locate 2,775 pieces of property worth nearly $3.5 million, according to a 1997 inspector general audit. In addition, the agency's inventory contained nearly 5,070 items, valued at more than $4 million, that were unused. (DOJ OIG Report)

Labor—From 1995 to 1997, the department spend $1 billion on its Job Corps program, only to later discover that 76 percent of its graduates had been laid off, fired or quit their first jobs within 100 days of being hired. (DOL OIG Report)

Transportation—The Federal Aviation Administration spend $4 billion on an air traffic modernization program that didn't work, and was shut down before completion. The GAO remains concerned about the agency's poor accounting, and lack of control over assets and costs as the agency proceeds with its new $42 billion Air Traffic Modernization program.

Treasury—The IRS estimates it can collect only 11 percent of $222 billion in delinquent taxes owed the Government.

Veterans Affairs—An estimated $26.2 million a year in overpayments could be prevented if the Veterans Benefit Administration's policy (VBA) and procedures were revised and cases were properly processed, according to the department's inspector general. In 1995, the VBA waived $11.6 million in beneficiary debts owed to the VA, even though there was no evidence of records to support the actions. (GAO Report)

Federal Deposit Insurance Corporation—Currently, the States of California and Florida are holding as unclaimed property about $3.3 million that belongs to the FDIC or its receiverships. Similar problems were identified in 23 of the 24 states audited, for which no value was determined. (OIG Report)

Officer of Personnel Management—In the last three years, the agency's inspector general issued 128 reports, questioning $280.3 million in inappropriate charges to the Federal Employees Health Benefits Program. (OPM OIG Report)

Small Business Administration—The agency requested and received a FY 1997 appropriation that included $50 million more than it needed for its $7.8 billion loan guarantees for the general business loan program. (GAO Report)

Social Security Administration—During FY 1998, the department erroneously spent $3.3 billion in Supplemental Security Income overpayments. (GAO Report)

These examples illustrate the fact that every department and agency in the Federal Government can find savings if they are willing to tighten their belt and undergo greater management scrutiny and better use of taxpayer's funds. That has been my goal since arriving in Washington. It is a goal that I believe that we all share. The President's concern about American families is best served by insisting that the departments and agencies under his command run their financial affairs in a responsible, business-like manner.

Sincerely,

STEPHEN HORN,
Chairman, Subcommittee on Government Management, Information, and Technology.

HONORING THE TOP TEN BUSINESS PROFESSIONAL WOMEN OF THE YEAR

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. RADANOVICH. Mr. Speaker, I rise today to pay tribute to Robyn Black, Pilar De La Cruz, Jan Outlar-Edwards, Marvell French, Edna Garabedian, Valerie Rae Hannerman, Annette La Rue, Margaret Mims, Judy Sakaki, and Gloria Williams as the Top Ten Business Professional Women of the Year.

Robyn A. Black is a Legislative Advocate at Aaron Read & Associates. Robyn is a fourth generation family farmer and has spent much of her life working on behalf of California agriculture. She believes in helping others "find their voice" in order to advocate their beliefs and effect change. Her tenure as Chair of the State's Industrial Welfare Commission under Governor Wilson taught her "that you need to stand by your decisions when you believe you have done your best."

Pilar De La Cruz, RN, B.S.N. is Vice President, Ed Development/Human Resources at Community Medical Centers. Pilar is first, foremost, and proudly, a Registered Nurse, although she serves our community in many capacities. Pilar has been instrumental in founding the Jefferson Job Institute for Community Medical Centers, an entry-level job training program for low-income parents of school-age children. Through this program parents gain self-confidence skills and pride which helps them obtain employment in the community. The program has grown to include two other schools and is one of the most successful programs in Fresno County for getting people back to work.

Jan Outlar-Edwards, M.S. is Media Director of Gottschalks. Jan says that "Real success is a collaborative effort." The success Jan has experienced in her profession is a direct result of collaboration with those who have traveled before and were kind enough to stop and take the time to teach her. She has spearheaded several programs such as "Coats for Kids" and volunteers with the Fresno High Mentoring Program. Networking is one of Jan's passions.

Marvell French is Senior Vice-President/Sales Administrator of Regency Bank. Marvell is president of the American Cancer Society, a member of the American Heart Association, Alcohol and Drug Abuse Council, and CARE Fresno, where she will oversee their annual fund-raiser, the Police and Firefighter of the Year Annual Ball. Marvell's goal and commitment to her business and community is to make a difference and bring about positive change.

Edna Garabedian is the Artistic Director at the Fresno International Grand Opera. Edna believes education is the core of human experience. Her most significant contribution has not been the furthering of her own career, but the educational enrichment of others. Her vision and more than four years of hard work have become reality in the creation of the Fresno International Grand Opera. Her work with F.I.G. has allowed Edna to work with at-risk youths in our community and inspire a sense of confidence and direction in their lives.

Valerie Rae Hanneman is Director of Fiscal Services of Central California Legal Services. Valerie believes in giving people a helping hand, taking a chance on them, and applauding their success. She has made it a practice in her career to hire people who need a helping hand and encourages similar hiring throughout her organization. Valerie's philosophy carries over into her volunteer capacity with CARE Fresno where she is a lead site director. She directs and coordinates the program, but more importantly, interacts with the children.

Annette La Rue is a Retired Judge. Throughout her career as an attorney and judge, Annette has encouraged women to "take the next step" in the law profession by starting their own practices and running for judgeships. Her years of service have resulted in many awards, including the Fresno County Bar Association Bernard E. Witkin Lifetime Achievement Award and the 1999 Outstanding Hastings Law School Alumnus of the Year. Annette is a founder of the Salvation Army Rosecrest home for women substance abusers, co-chairs the Rotary Club's environmental committee, and sits on the Fresno Philharmonic board.

Margaret Mims is Deputy Sheriff Lieutenant of Fresno County Sheriff's Department. Margaret was hired in 1980 as the first female officer for the Kerman Police Department; Margaret is now the first woman Deputy Sheriff to be promoted to the rank of lieutenant. She has worked hard throughout her career to improve victim advocacy, and has been instrumental in integrating community-based organizations with law enforcement. Margaret worked to obtain a grant and initiated a program to place advocates in police agencies. Her idea of placing advocates in police agencies has been used as a model for rape counseling service agencies throughout California.

Judy K. Sakaki, Ph.D., is Vice President for Student Affairs and Dean of Students at California State University, Fresno. Judy is the highest-ranking Asian-American woman administrator in the California State University system. As Vice President for Student Affairs at CSU, Fresno, she has been able to help students from diverse backgrounds succeed by creating services and programs which meet their needs. She is most proud of the help she provides students, encouraging them to talk with each other irrespective of racial or ethnic differences, to share their feelings of anger, helplessness, and hope.

Gloria Williams is Vice President/Designated Nurse Executive at Valley Children's Hospital. Gloria has used her leadership abilities to effect innovative change in her profession and community. She was named as one of the Top Ten Nurses in the state by NurseWeek Magazine in 1994, and this year was appointed to their Executive Advisory Board. She is a member of the Board of Directors for the Alternative Sentencing Program and is involved in overseeing screening activities that place people in rehabilitation programs as an alternative to prison time. Gloria currently leads a nursing task force to implement accelerated nursing degree programs and designs curriculum for classes at Fresno City College and CSU/Fresno.

Mr. Speaker, I want to honor the Top Ten Business Professional Women of the Year for 1999. Each one of these women have gone above and beyond their professional jobs to provide services and create programs for the community. I urge my colleagues to join me in wishing the Top Ten Business professional Women many more years of continued success.

CENTRAL NEW JERSEY RECOGNIZES CHARLES WOWKANECH

HON. RUSH D. HOLT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. HOLT. Mr. Speaker, I rise today in recognition of Charles Wowkanech, who has served the labor movement in a variety of capacities over the last 25 years. Since January of 1997, Mr. Wowkanech has led local union members as the president of the New Jersey State AFL–CIO.

Mr. Wowkanech began his career as a business representative for the International Union of Operating Engineers Local 68 in West Caldwell, NJ. There he was responsible for organizing and negotiating contracts covering employee health benefits plans statewide in industrial and commercial complexes. After joining the NJ state AFL–CIO in March of 1990, Mr. Wowkanech served for 6 years as assistant to the president, representing the organization on health insurance matters and in all related legislative activities.

Mr. Wowkanech also served on the New Jersey Health Care Cost Reduction Advisory Committee and participated in the Health Care

Reform Coalition, which helped develop far-reaching health care reforms adopted by the State Legislature in 1992. In May of 1995, the Executive Board (with the reaffirmation of its 600 delegates) named Mr. Wowkanech the Secretary-Treasurer of the NJ State AFL–CIO. And as the former Chairman of the New Jersey Individual Health Coverage Program Board (IHC), Mr. Wowkanech was responsible for getting the state to adopt the strictest consumer protection standards in the nation.

In the spring of 1997, the Essex County Boy Scouts Council named Mr. Wowkanech "Good Scout of the Year." He continues to serve as labor's representative to the IHC Board and is also a member of the Governor's Council for a Drug-Free Workplace. Currently, he is a member of the executive boards of the Botto House National Labor Museum, the Rutgers Labor Center, and the Tri-State United Way's Board of Governors. Mr. Wowkanech resides with his wife, Lu Ann, and his sons Charles and Michael in Ocean City, New Jersey.

I ask all of my colleagues to join me in recognizing Mr. Wowkanech's community service. I extend to him my appreciation and wish him the best of luck in his future endeavors.

TRIBUTE TO SHIPMAN ELEVATOR COMPANY

HON. JOHN SHIMKUS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. SHIMKUS. Mr. Speaker, I rise today to commend Shipman Elevator Company's chemical plant in Shipman, IL, for winning a 1999 Environmental Respect Award from Dealer Progress Magazine.

Shipman Elevator Company has taken proactive steps to ensure that their operations are safe and environmentally sound. For example, they use a combination of a computerized mixing program and the facility manager to ensure the processing and measuring of their products is always accurate. They also routinely conduct training and education classes for all of their employees to ensure the completion of environmental and efficiency goals.

I would like to express my gratitude to Shipman Elevator Company for producing agriculture products that are environmentally respected.

TRIBUTE TO EULA D. NELSON FLEET

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. SERRANO. Mr. Speaker, I rise today to pay tribute to Mrs. Eula D. Nelson Fleet, an outstanding individual who has dedicated her life to public service and education and to wish her a happy retirement.

Born in Apalachicola, Florida, Mrs. Fleet moved to New York City in 1943. In 1956, with her husband and four children, she moved to Patterson Houses in the Bronx, where they have lived ever since.

Mr. Speaker, in 1957, when her first child started school at P.S. 18, Eula Fleet started her long involvement with our educational system and was elected treasurer of the school's PTA. From 1970 to 1973 she served as Vice President, then President of the PTA at J.H.S. 149; from 1973 to 1979 she was an Educational Assistant at the Development Learning Program at P.S. 5; from 1979 to 1980 she was an Educational Assistant at the Development Learning Program at P.S. 156; from 1980 to 1981 she was an Educational Assistant in Early Childhood at P.S. 30; in 1982 she was an Educational Assistant at P.S. 124; and in 1983 she was named Assistant to the Director at the Milbrook Senior Citizen Center.

Mrs. Fleet has also been very involved with the community. From January 1970 until July 1999 when she retired, she served at Community Board #1 in several capacities: Chair of the Education Committee, Treasurer, Health Committee, and Chair of the Housing Committee. She also served in Upward Bound Program at Fordham University, as Assistant Treasurer of the Mott Haven Center Community Advisory Board, and on the Joint Advisory Board of Eastside Settlement House.

Mrs. Fleet was married to the famous jazz guitar player William A. Fleet, Sr., who passed away in April 1994. She has four children, William, Evelyn, James, and Francis, and four grandchildren, James, Jr., Jawann, Jayanna, and Michelle.

Mr. Speaker, I ask my colleagues to join me in recognizing Mrs. Eula D. Nelson Fleet for her achievements in education and her enduring commitment to the community, and in wishing her a happy retirement.

A SPECIAL TRIBUTE TO JAKE N. VAN METER, JR., FOR HIS HONORABLE SERVICE TO THE UNITED STATES OF AMERICA

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. GILLMOR. Mr. Speaker, it gives me great pleasure to rise to pay special tribute to a true American patriot from Ohio's Fifth Congressional District, Jake H. Van Meter, Jr.

On October 7, 1967, Jake H. Van Meter, Jr. paid the ultimate sacrifice while protecting the values and ideals of democracy. On that fateful day, some thirty-two years ago, Sergeant Jake H. Van Meter, Jr. was serving as squad leader with Company C, 1st Battalion, 5th Cavalry. His Army unit was sent to the Con Thien area in the Republic of Vietnam to help relieve an outpost of United States Marines. During their mission, his unit came under heavy and intense enemy fire during an attack on the Marine outpost.

During the firefight, Sergeant Van Meter demonstrated extreme bravery as he exposed himself to fierce enemy fire to draw attention away from his troops and enable them to take cover. With several of his men lying wounded, Sergeant Van Meter left his position and began removing them from the field of fire. In his efforts to save the lives of his men, Sergeant Van Meter was wounded, but he continued until they were pulled to safety.

At approximately two o'clock in the afternoon, while laying down a heavy amount of covering fire in the midst of the firefight, Sergeant Jake H. Van Meter, Jr. was killed by enemy gunfire. He was just twenty-four years old. For his gallantry in action and in keeping with the highest traditions of military service and the United States Army, Sergeant Jake H. Van Meter, Jr. was posthumously awarded the Silver Star on March 15, 1968.

Jake Van Meter was an ordinary young man from LaGrange, Ohio when he entered the United States Army. He lived on Factory Street and worked as a die cast operator for General Motors Corporation. However, when Jake was drafted, he accepted his responsibility, and began his duty in Vietnam on October 22, 1966. Unfortunately, his tour of duty was to have ended just 12 days after his death.

Mr. Speaker, the story of Jake H. Van Meter, Jr. should make our hearts swell with admiration and pride. He courageously placed his life on the line for his men and his country. He fought for America, for democracy, and for freedom, and paid the supreme price for the preservation of those principles.

Mr. Speaker, as we celebrate Veterans Day, let us remember the men and women who have served in our armed forces. It is often said that America prospers due to the unselfish acts of her sons and daughters. Jake Van Meter's brave actions in Vietnam demonstrate that statement very clearly. I would urge my colleagues to stand and join me in paying special tribute to Jake H. Van Meter, Jr.—a faithful husband and father, a loving son, and a true American hero.

THE RETIREMENT OF PATRICIA LAGREGA AS TOWN CLERK OF COLCHESTER, CONNECTICUT

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. GEJDENSON. Mr. Speaker, I rise today to commend Pat LaGrega for nearly thirty years of service to the community of Colchester, Connecticut. Pat is more than an extraordinary public servant, she is a humanitarian and a personal friend.

On November 15, 1999, Pat LaGrega will officially retire as Town Clerk of Colchester after more than twenty one years in the position. In small towns across America, Town Clerks maintain all of the records so vital to guaranteeing that our system functions efficiently and effectively. In many respects, the Town Clerk is the institutional memory of so many small communities across eastern Connecticut and the nation. Over more than two decades, Pat has worked tirelessly to ensure that the citizens, elected officials and business owners of Colchester receive the best possible service. She has supervised a modernization process which has computerized the Town Clerk's office to ensure that records will be accurate, safe and available to citizens and others in a timely fashion. Even before the widespread use of computers, Pat was well known for meticulous recordkeeping and attention to detail. Thanks to her efforts, the Town Clerk's office is prepared to meet the challenges of a growing community in the 21st Century. Pat's public career in Colchester began several years prior to being elected Town Clerk. She served as Director of Social Services and a Tax Collector. In fact, she served simultaneously as Tax Collector and Town Clerk for a short period.

Pat is so much more than the Town's record keeper. She is its "jack-of-all-trades!" She is the person people call when they have any question, any problem. She is the person they contact when they don't know where to turn. And each and every time over the past three decades, Pat has come through for those individuals and the Town as a whole. Whenever she learned about a problem, she took steps to address it. It never mattered how busy she was with her duties or personal life, she always made time to address the needs of every resident. In this respect, she is a model for all of us in public service. Mr. Speaker, Pat LaGrega is a public servant in the very best tradition of our country. She has worked tirelessly on behalf of the citizens of Colchester and provided the highest quality service. She has also brought a sense of compassion to her work. And, on a more personal level, she has been a friend, a mentor and a trusted advisor for more than twenty years.

I am proud to be able to join the residents of Colchester in thanking Pat for her service and commitment to the community. On November 15, she will retire from a public position—not from public service. I know she will continue to play an important role in Colchester in the years ahead.

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CONGRATULATING BUSH BOAKE ALLEN INC.

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mrs. ROUKEMA. Mr. Speaker, I rise to congratulate Bush Boake Allen Inc. of Montvale, New Jersey, on receiving the Voluntary Protection Program Star Award from the U.S. Occupational Safety and Health Administration for its Norwood flavors and fragrances facility. This prestigious award is presented for safety and health training, hazard prevention and control and related programs that help maintain a safe workplace. This award is evidence that BBA values its hard-working employees and goes to extra lengths to protect their health and safety on the job.

BBA is one of only 20 companies in New Jersey honored with the VPP Star Award and the only company in the flavors and fragrance industry to receive the award.

Businesses that receive the VPP Star Award have the best OSHA compliance records in the nation and often exceed OSHA standards. In addition to management agreeing to meet health and safety goals, workers participate and work with management to create a safe and healthy workplace. Admission to the VPP program requires an extensive review and inspection by OSHA to verify that the business meets OSHA standards.

The VPP Star Award is considered such a high standard of OSHA compliance that recipients receive a three-year exemption from routine OSHA inspections. VPP participants typically experience lower workers' compensation costs and 60–80 percent fewer workdays lost to workplace injuries than would expected at an average business location in the same industry.

At BBA, the company set a corporate goal in 1996 that all four of its U.S. facilities would receive the VPP Star Award, and the Norwood facility is the first to achieve that goal. The company implemented a series of health and safety audits, meetings with both management and workers and training for all employees. Safety standard were set for every individual from the plant manager down to factory workers. Employee groups were formed to address specific health and safety issues, operating procedures were reviewed and protective safety equipment was added to equipment as needed.

As an example of a safety improvement, it was found that production and warehouse workers were suffering repeated injuries during manual handling of 55-pound containers used extensively throughout the building. BBA eliminated the large containers seven years ago and has not had a single material handling injury since.

The improvements have given the 35-employee plant a three-year average injury incidence rate of 1.7, compared with an industry average of 5.4, and seven years without a lost-time injury.

With 250 employees in New Jersey, BBA is a major employer and one of the leading fragrance/flavor companies in our state. BBA traces its origins to 1870 and three English makers of flavors and fragrances—W.J. Bush Ltd., A Boake Roberts Ltd., and Stafford Allen Ltd. The three companies were eventually combined as Bush Boake Allen by the Albright & Wilson division of Tenneco, and were then acquired by Union Camp Corp. in 1982. BBA operated as a division of Union Camp until it was taken public in 1994, with its own listings on the New York Stock Exchange.

Today, BBA is as major international flavor, fragrance and aroma chemical company as well as a producer of chemicals and chemical intermediaries for industrial and agricultural applications. Headquartered in Montvale, the company conducts business in 60 locations in 38 countries on six continents worldwide. Annual sales total approximately $500 million.

Flavors produced by BBA are used in beverages, dairy products, baked goods, confectionery items and processed foods. Fragrance compounds are used in perfumes and colognes, soaps, detergents and cleansers, air fresheners, cosmetics and a variety of personal care products. The company's aroma chemicals are used as raw materials for a variety of compounded flavors and fragrances.

I would like to ask my colleagues in the House of Representatives to join me in congratulating BBA on this award and all that this commitment to health and safety it represents.

PATIENTS' FORMULARY RIGHTS ACT OF 1999

HON. LUIS V. GUTIERREZ

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. GUTIERREZ. Mr. Speaker, I am pleased to announce that today I introduced the "Patients' Formulary Rights Act of 1999", legislation aimed at protecting the health of millions of Americans.

This bill, if enacted, would ensure that prescription medications are dispensed for one reason and one reason only: for the sake of maintaining a patient's health—not for the sake of adding to a company's profits.

"The Patients' Formulary Rights Act of 1999" would help ensure that people enrolled in a variety of health insurance plans have access not merely to the drugs that they need, but also to something just as valuable to them and to the medical professionals who serve them: *information*.

The field of medicine has changed dramatically in recent years, as managed care has become the dominant vehicle for the delivery of health care. While these changes have led to some positive developments, it also has led to many alarming problems.

In far too many cases, "managed" care has meant that it is the *information* available to millions of Americans, and to their doctors and pharmacists, that is being "managed."

The practice known as "drug switching" is a dangerous example of patients being kept in the dark about the choices being made by others that will determine their health.

Sadly, when a patient finally becomes aware that the drug originally prescribed by a physician has been changed, it is often only due to the unfortunate consequences stemming from that switch. In far too many cases, the fact that one drug has been replaced by another is only detected after such an incident of "therapeutic substitution" manifests itself in the form of a serious health problem: an unforeseen reaction, a debilitating side-effect or even a life-threatening complication.

In other cases, of course, a change in drugs will result in no change at all in a patient's condition. And that is just as unfortunate, as a patient may grow weaker and sicker after taking a drug that is of no help in combating the illness from which he or she suffers.

To add insult to injury is the fact that such changes are often the result of pressure applied by accountants and CEOs, which too often trump the prescriptions supplied by doctors and the protocols preferred by pharmacists.

I believe that my legislation offers a practical, yet substantive, solution to this growing problem.

My bill would require officials of health plans to take new, yet reasonable, steps if they insist on maintaining a list of formularies.

Most notably, a health plan will be required to notify all participants, beneficiaries, enrollees and health care professionals that such a formulary is used.

A complete list of all prescription drugs included in the formulary will be provided in full.

Such notifications will be required at the time of a patient's enrollment, and a full and accurate notification of any changes in the formulary will also be necessary. Such an alert will be issued at the time that any such changes occur, and will be repeated in an annual update to enrollees.

In addition, health plans will provide enrollees with a reasonable and understandable explanation of the practice known as "drug switching" or "therapeutic substitution."

As a member of Congress, I am accustomed to hearing Pentagon officials invoke the need for secrecy for the sake of protecting national security. From time to time, I can accept that. However, I cannot accept a similar argument from officials of the health care industry. To protect the health of their beneficiaries—that is, to protecting their security—such a veil of secrecy must be lifted.

Finally, my bill would also instruct current enrollees on steps they can take to ensure that they will continue to have access to the drugs as prescribed by their doctor regardless of changes in their health plan's formulary policies or lists. This would establish the continuity of care and doctors, pharmacists and other health care professionals agree is so crucial to the well-being of their patients and customers.

I am very gratified that this bill has already received the support of Citizens for the Right to Know, one of the nation's largest non-profit organizations representing patients and health care providers and health care trade associations. Their endorsement of and advocacy for this legislation will, I am confident, encourage other members of the House to join in me in fighting for such changes. I greatly appreciate their work on this important issue.

TRIBUTE TO BETHLEHEM A.M.E. ZION CHURCH

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. VISCLOSKY. Mr. Speaker, it is with great pleasure that I congratulate Bethlehem A.M.E. Zion Church in Gary, IN, as it celebrates its 84th anniversary as a parish. The church will begin its three spirit-filled days of celebration with a banquet on Friday, November 19, 1999, and culminating with a service at 3:30 p.m. on Sunday, November 21, 1999. I would also like to take this opportunity to congratulate Reverend O.C. Comer, minister, on this glorious occasion.

On November 19, Bethlehem A.M.E. Zion Church opens its 84th anniversary celebration with a dinner at 6 p.m. in the Banquet Hall of Unity A.M.E. Zion Church in Merrillville, Indiana. Dr. Sandra Gadson will be the guest speaker at this gala occasion. Dr. Gadson is the second vice president of Woman's Home and Overseas Missionary Society of the A.M.E. Zion Church. On November 20 the celebration continues with the church's second annual "Back to Church Parade." A motorcade will leave the church at 10 a.m. on a "ride to help bring people back to the church." The three-day celebration will conclude on November 21 with two special services of praise and worship. Reverend Comer will deliver the message at the 11 a.m. service followed by the 3:30 p.m. service with special guest and speaker, The Right Reverend Enoch B. Rochester, Presiding Bishop of the Midwest Episcopal District of the A.M.E. Zion Church.

A church of humble beginnings, Bethlehem African Methodist Episcopal Zion Church is the oldest A.M.E. Zion Church in the city of Gary. In November 1915, 15 people assembled in a storefront in the 1600 block of Washington Street in Gary, IN. The parishioners decided that Bethlehem A.M.E. Zion Church needed a permanent home, thus a frame building located on two lots at West 19th Avenue and Jackson Street were purchased. Later the frame structure was moved to the rear of the lots and used as a parsonage. A brick structure was eventually built on the lots at 560 West 19th Avenue, where the current church stands today. The congregation labored and toiled in the basement structure for over 40 years, but in 1962, under the direction of Reverend Arthur W. Murphy and the parishioners at Bethlehem A.M.E. Zion Church, the upper edifice of the church was constructed and stands today as a monument of faith and spiritual enrichment to both the church membership and the Gary community.

Over the years, the church has experienced some changes and was led by a variety of pastors. In spite of its many changes, the loyal parishioners continued to grow and prosper. On June 24, 1994, the Reverend O.C. Comer was appointed pastor of Bethlehem A.M.E. Zion Church. Under Reverend Comer's guidance, the church has started two new ministries including the Bus Ministry and the Street Ministry.

Mr. Speaker, I ask you and my other distinguished colleagues to join me in congratulating the parish family of Bethlehem African Methodist Episcopal Zion Church, under the guidance of Reverend O.C. Comer, as they prepare to celebrate their 84th anniversary. All past and present parishioners and pastors should be proud of the numerous contributions they have made with love and devotion for their church throughout the past 84 years.

TRIBUTE TO THE LITTLE ROCK NINE AND MRS. DAISY BATES

HON. MARION BERRY

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. BERRY. Mr. Speaker, as we honor today the Little Rock Nine with the Congressional Medal of Honor, I would also like to pay tribute to Daisy Bates, who passed from this Earth last week. Ms. Bates was a mentor to the Little Rock Nine during the Central High School desegregation crisis in 1957. She was a true leader of our time.

Daisy Bates was a participant in a movement that changed history forever. Those young people and Daisy Bates became symbols to all of us of what it means to be courageous, honorable and exceptionally brave. Daisy Bates was a great mentor who had the courage to stand up for what she believed in. Mrs. Bates was a courageous woman under all circumstances and she will be greatly missed.

PERSONAL EXPLANATION

HON. TODD TIAHRT

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. TIAHRT. Mr. Speaker, on November 8, I was unavoidably detained and missed rollcall vote Nos. 574, 575, and 576. Had I been present, I would have voted "yes" on H. Res. 94, Recognizing the Generous Contributions Made by Each Living Person; "yes" on H.R. 2904, to Amend the Ethics in Government Act of 1978 to Reauthorize Funding for the Office of Government Ethics, and "yes" on H. Res. 344, Recognizing and Honoring Payne Stewart and Expressing the Condolences of the House of Representatives to His Family on His Death.

HONORING AMERICA'S ARMED SERVICES DURING THE HOLIDAYS

HON. ROBERT E. ANDREWS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. ANDREWS. Mr. Speaker, I submit for the RECORD a spectacular rendition of the timeless holiday tale, "Twas the Night Before Christmas." This holiday season I encourage all of us to remember the men and women of our country's armed services who work twenty-four-hours a day, seven days a week to guarantee our safety and the safety of our beloved children. May they know how much we appreciate their sacrifices for freedom.

'TWAS THE NIGHT BEFORE CHRISTMAS

(By an American Marine stationed in Okinawa, Japan)

'Twas the night before Christmas,
he lived all alone,
in a one bedroom house made of
plaster and stone.

I had come down the chimney
with presents to give,
and to see just who
in this home did live.

I looked all about,
a strange sight I did see,
no tinsel, no presents,
not even a tree.

No stocking by mantel,
just boots filled with sand,
on the wall hung pictures
of far distant lands.

With medals and badges,
awards of all kinds,
a sober thought
came through my mind.

For this house was different,
it was dark and dreary,
I found the home of a soldier,
one I could see clearly.

The soldier lay sleeping,
slient, alone,
curled up on the floor
in this one bedroom home.

The face was so gentle,
the room in such disorder,
now how I pictured
a United States soldier.

Was this the hero

of whom I'd just read?
Curled up on a poncho,
the floor for a bed?

I realized the families
that I saw this night,
owed their lives to these soldiers
who were willing to fight.

Soon round the world,
the children would play,
and grown-ups would celebrate
a bight Christmas day.

They all enjoyed freedom
each month of the year,
because of the soldiers,
like the one lying here.

I couldn't help wonder
how many lay alone,
on a cold Christmas eve
in a land far from home.

The very thought
brought a tear to my eye,
I dropped to my knees
and started to cry.

The soldier awakened
and I heard a rough voice,
"Santa don't cry,
this life is my choice;

I fight for freedom,
I don't ask for more,
my life is my god,
my country, my Corps."

The soldier rolled over
and drifted to sleep,
I couldn't control it,
I continued to weep.

I kept watch for hours,
so silent and still
and we both shivered
from the cold night's chill.

I didn't want to leave
on that cold, dark, night,
this guardian of honor
so willing to fight.

Then the soldier rolled over,
with a voice soft and pure,
whispered, "carry on Santa,"
it's Christmas Day, all is secure."

One look at my watch,
and I knew he was right
"Merry Christmas my friend,
and to all a good night."

IN HONOR OF THE UKRAINIAN BANDURIST CHORUS

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. KUCINICH. Mr. Speaker, I rise today to congratulate the Ukrainian Bandurist Chorus on their 50th Anniversary in America. The Ukrainian Bandurist Chorus is an all-male musical ensemble consisting of 20 instrumentalists and vocalists. The chorus was originally founded in Kyiv, Ukraine in 1918. The ensemble relocated in Detroit, Michigan in 1949. This internationally recognized ensemble has performed at such well-known theaters as Carnegie Hall, the Kennedy Center, Bolshoi Theater, and Massey Hall. In addition, the Ukrainian Bandurist Chorus has entertained many world figures and personalities with their exciting programs of folk songs, religious works and the exotic sounds of the bandura.

Three generations of members have passed through the ranks of the Ukrainian Bandurist Chorus since its displacement from Ukraine in 1942. In addition to its mission of carrying the tradition of the bandura to the 21st century, the Chorus is also charged with preserving its past for future generations. The history of the Ukraine Bandurist Chorus can be traced directly to the 12th Archeological Congress in Kharkiv, Ukraine in 1902. The first professional bandurist chorus was formed in Kyiv in 1918 during the height of the country's brief period of independence. During a time of increased popularity and resurgence of the Ukrainian arts and culture, the group developed into a professional touring group. Following this time of heightened regard, the Chorus' history evolved into a turbulent one. The bandurist ideal of God, truth, freedom, and human dignity herald through song were under attack by the newly formed Soviet Union. As a result many of the original members of the Ukrainian bandurist Chorus were executed. After years of persecution and exploitation the Chorus was forced to immigrate to Detroit. During a time of devastation and uncertainty, Hryhory Kytasty, the long standing director acted as a role model and inspiration to the young bandurists. Kytasty worked hard to further the art of the bandura in the free world.

Today, the majority of the Chorus members are 2nd and 3rd generation Americans and Canadians. Fortified by a whole new generation of young musicians, the Chorus has captivated audiences in major concert halls in the United States, Canada, Europe and Australia for more than 50 years. The current director of the Ukrainian Bandurist Chorus is Oleh Mahlay, a recognized prized musician and a member of the chorus since 1987. Mahlay, who hails from Cleveland, Ohio, received a bachelor of arts in music history and literature from Case Western University. He also studied voice and piano at the Cleveland Institute of Music. Mahlay has received numerous accolades for his musical abilities and contributions such as the Kennedy Prize for Creative Achievement in Music from Carnegie Mellon University. He has participated in the Chorus' two triumphant tours of Ukraine in 1991 and 1994, and had his premier as a conductor of the group in 1994.

It is truly an honor for me to recognize this exceptional group. The music of the Ukrainian Bandurist Chorus is as captivating as it is moving and visibly heartfelt. The songs of the group are full of emotion and stand testimony to the ideals of the bandurist. My distinguished colleagues, please join me in honoring the very special anniversary of the magnificent Ukrainian Bandurist Chorus.

INTRODUCTION OF THE SMALL BUSINESS FRANCHISE ACT OF 1999

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. CONYERS. Mr. Speaker, today I am proud to reintroduce, with my good friend from North Carolina, Mr. COBLE, the Small Business Franchise Act. This legislation represents hard work, and a good faith effort to strike an appropriate, bipartisan balance between the rights of franchisors and franchisees. These issues have been the subject of a hearing in this Judiciary Committee earlier this year, and the issues merit action by this Congress.

Protecting the rights of franchisees is ultimately about protecting the rights of small business. They often face enormous odds and a daunting inequality of bargaining power when dealing with national franchisors. Unfortunately, the law often offers little recourse in the face of great harm.

There is currently no federal law establishing standards of conduct for parties to a franchise contract. The Federal Trade Commission rule promulgated in 1979, (16 CFR § 436), was designed to deter fraud and misrepresentation in the re-sales process and provide disclosure requirements and prohibitions concerning franchise agreements. The FTC maintains, however, that it has no jurisdiction after the franchise agreement is signed.

As a result, in the absence of any Federal regulation, a number of complaints have been lodged in recent years, principally stemming from the fact that franchisees do not have equal bargaining power with large franchisors. The concerns include the following:

(1) Taking of Property without Compensation. Franchise agreements generally include a covenant not-to-compete that prohibits the franchisee from becoming an independent business owner in a similar business upon expiration of the contract. This can appropriate to the franchisor all of the equity built up by the franchisee without compensation.

(2) Devaluation of Assets. Franchisors often induce a franchisee to invest in creating a business and then establish a competing outlet in such proximity to the franchisee that the franchisee suffers economic harm.

(3) Restraint of Trade. Most franchise relationships mandate that franchisees purchase supplies, furniture, etc. from the franchisor or sources approved by the franchisor. While it may be appropriate for franchisors to exercise some control concerning the products or services offered to franchisees, tying franchisees to certain vendors can cost franchisees millions of dollars, prevents competition among vendors, and can have an adverse impact upon consumers.

(4) Inflated Pricing. Many franchise agreements specify that the franchisor has the right to enter into contractual arrangements with vendors who sell goods and services to franchisees that are mandated by the franchise agreement. It has been alleged that these vendors often provide kickbacks and commissions to the franchisor in return for being allowed to sell their products and services to a captive market. Instead of passing these kickbacks and commissions on to the franchisee to reduce their cost of goods sold and increase their margin, these payments, it is asserted, benefit the franchisor.

While our nation has enjoyed an unprecedented economic boom, it is essential that Congress ensure that prosperity reaches down to the small businesses that make up the heart and soul of our economy. We have an obligation to ensure that the law governing this segment of the economy, which every American patronizes routinely is fair and balanced.

I urge my colleagues to join with me and the gentleman from North Carolina in supporting this overdue and needed reform.

The following is a section-by-section description of the legislation:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

Sets forth the short title of the Act and the table of contents.

SECTION 2. FINDINGS AND PURPOSE.

Subsection (a) specifies a series of Congressional findings. Subsection (b) states that the purpose of the Act is to promote fair and equitable franchise agreements, to establish uniform standards of conduct in franchise relationships, and to create uniform private Federal remedies for violations of Federal law.

SECTION 3. FRANCHISE SALES PRACTICES.

Subsection (a) prohibits any person, in connection with the advertising, offering, or sale of any franchise, from (1) employing a device, scheme, or artifice to defraud; (2) engaging in an act, practice, course of business, or pattern of conduct which operates or is intended to operate as a fraud upon any prospective franchisee; and (3) obtaining property, or assisting others in doing so, by making an untrue statement of a material fact or failing to state a material fact.

Subsection (b) prohibits franchisors, sub franchisors, and franchise brokers, in connection with any disclosure document, notice, or report required by any law, from (i) making an untrue statement of material fact, (ii) failing to state a material fact, or (iii) failing to state any fact which would render any required statement or disclosure either untrue or misleading. The subsection also prohibits franchisors, sub franchisors, and franchise brokers from failing to furnish any prospective franchisee with all information required to be disclosed by law and at the time and in the manner required and from making any claim or representation to a prospective franchisee, whether orally or in writing, which is inconsistent with or contradicts such disclosure document.

"Disclosure document" is defined as the disclosure statement required by the Federal Trade Commission in Trade Regulation Rule 436 (16 CFR 436) or an offering circular prepared in accordance with Uniform Franchise Offering Circular guidelines as adopted and amended by the North American Securities Administrators Association, Inc. or its successor.

SECTION 4. UNFAIR FRANCHISE PRACTICES.

Subsection (a) prohibits any franchisor or subfranchisor, in connection with the performance, enforcement, renewal and termination of any franchise agreement, from (1) engaging in an act, practice, course of business, or pattern of conduct which operates as a fraud upon any person; (2) hindering, prohibiting, or penalizing, either directly or indirectly, the free association of franchisees for any lawful purpose, including the formation of or participation in any trade association made up of franchisees or of associations of franchises; and (3) discriminating against a franchisee by imposing requirements not imposed on other similarly situated franchisees or otherwise retaliating, directly or indirectly, against any franchisee for membership or participation in a franchisee association.

Subsection (b) prohibits a franchisor from terminating a franchise agreement prior to its expiration without good cause.

Subsection (c) prohibits a franchisor from prohibiting, or enforcing a prohibition against, any franchisee from engaging in any business at any location after expiration of a franchise agreement. This subsection does not prohibit enforcement of a franchise contract obligating a franchisee after expiration or termination of a franchise to (i) cease or refrain from using a trademark, trade secret or other intellectual property owned by the franchisor or its affiliate, (ii) alter the appearance of the business premises so that it is not substantially similar to the standard design, decor criteria, or motif in use by other franchisees using the same name or trademarks within the proximate trade or market area of the business, or (iii) modify the manner or mode of business operations so as to avoid any substantial confusion with the manner or mode of operations which are unique to the franchisor and commonly in practice by other franchisees using the same name or trademarks within the proximate trade or market area of the business.

SECTION 5. STANDARDS OF CONDUCT.

Subsection (a) imposes a duty to act in good faith in the performance and enforcement of a franchise contract on each party to the contract.

Subsection (b) imposes a nonwaivable duty of due care on the franchisor. Unless the franchisor represents that it has greater skill or knowledge in its undertaking with its franchisees, or conspicuously disclaims that it has skill or knowledge, the franchisor is required to exercise the skill and knowledge normally possessed by franchisors in good standing in the same or similar types of business.

Subsection (c) imposes a fiduciary duty on the franchisor when the franchisor undertake to perform bookkeeping, collection, payroll, or accounting services on behalf of the franchisee, or when the franchisor requires franchisees to make contributions to any pooled advertising, marketing, or promotional fund which is administered, controlled, or supervised by the franchisor. A franchisor that administers or supervises the administration of a pooled advertising or promotional fund must (i) keep all pooled funds in a segregated account that is not subject to the claims of creditors of the franchisor, (ii) provide an independent certified audit of such pooled funds within sixty days following the close of the franchisor's fiscal year, and (iii) disclose the source and amount of, and deliver to the fund or program, any discount, rebate, compensation, or payment of any kind from any person or entity with whom such fund or program transacts.

SECTION 6. PROCEDURAL FAIRNESS

Subsection (a) prohibits a franchisor from requiring any term or condition in a franchise agreement, or in any agreement ancillary or collateral to a franchise, which violates the Act. It also prohibits a franchisor from requiring that a franchisee relieve any person from a duty imposed by the Act, except as part of a settlement of a bona fide dispute, or assent to any provision which would protect any person against any liability to which he would otherwise be subject under the Act by reason of willful misfeasance, bad faith, or gross negligence in the performance of duties, or by reason of reckless disregard of obligations and duties under the franchise agreement. Nor may a franchisor require that a franchisee agree to not make any oral or written statement relating to the franchise business, the operation of the franchise system, or the franchisee's experience with the franchise business.

Subsection (b) makes void and unenforceable any provision of a franchise agreement, or of any agreement ancillary or collateral to a franchise, which would purport to waive or restrict any right granted under the Act.

Subsection (c) forbids any stipulation or provision of a franchise agreement or of an agreement ancillary or collateral to a franchise from (i) depriving a franchisee of the application and benefits of the Act or any Federal law or any law of the State in which the franchisee's principal place of business is located, (ii) depriving a franchisee of the right to commence an action or arbitration against the franchisor for violation of the Act, or for breach of the franchise agreement or of any agreement or stipulation ancillary or collateral to the franchise, in a court or arbitration forum in the State of the franchisee's principal place of business, or (iii) excluding collective action by franchisees to settle like disputes arising from violation of the Act by civil action or arbitration.

Subsection (d) states that compliance with the Act or with an applicable State franchise law is not waived, excused or avoided, and evidence of violation of the Act or State law shall not be excluded, by virtue of an integration clause, any provision of a franchise agreement or an agreement ancillary or collateral to a franchise, the parol evidence rule, or any other rule of evidence purporting to exclude consideration of matters outside the franchise agreement.

SECTION 7. ACTIONS BY STATE ATTORNEYS GENERAL

Subsection (a) permits a State attorney general to bring an action under the Act in an appropriate United States district court using the powers conferred on the attorney general by the laws of his State.

Subsection (b) states that this section does not prohibit a State attorney general from exercising the powers conferred on him by the laws of his State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

Subsection (c) states that any civil action brought under subsection (a) in a United States district court may be brought in the district in which the defendant is found, is an inhabitant, or transacts business, or wherever venue is proper under 28 U.S.C. 1391 which establishes general venue rules. Process may be served in any district in which the defendant is an inhabitant or in which he may be found.

Subsection (d) states that nothing in this section shall prohibit an authorized State official from proceeding in State court on the basis of an alleged violation of any civil or criminal statute of such State.

SECTION 8. TRANSFER OF A FRANCHISE

Subsection (a) permits a franchisee to assign an interest in a franchised business and franchise to a transferee if the transferee satisfies the reasonable qualifications generally applied in determining whether or not a current franchisee is eligible for renewal. If the franchisor does not renew a significant number of its franchisees, then the transferee may be required to satisfy the reasonable conditions generally applied to new franchisees. The qualifications must be based upon legitimate business reasons. If the qualifications are not met, the franchisor may refuse to permit the transfer, provided that the refusal is not arbitrary or capricious and the franchisor states the grounds for its refusal in writing to the franchisee.

Subsection (b) requires that a franchisee give the franchisor at least thirty days' written notice of a proposed transfer, and that a franchisee, upon request, will provide in writing to the franchisor a list of the ownership interests of all persons holding or claiming an equitable or beneficial interest in the franchise subsequent to the transfer.

Subsection (c) states that a franchisor is deemed to have consented to a transfer thirty days after the request for consent is submitted, unless the franchisor withholds consent in writing during that time period specifying the reasons for doing so. Any such notice is privileged against a claim of defamation.

Subsection (d) establishes that a franchisor may require the following four conditions before consenting to a transfer: (1) the transferee successfully complete a reasonable training program, (2) payment of a reasonable transfer fee, (3) the franchisee pay or make reasonable provisions to pay any amount due the franchisor or the franchisor's affiliate, (4) the financial terms of the transfer at the time of the transfer comply with the franchisor's current financial requirements for franchisees. A franchisor may not condition its consent to a transfer on (1) a franchisee forgoing existing rights other than those contained in the franchise agreement, (2) entering into a release of claims broader in scope than a counterpart release of claims offered by the franchisor to the franchisee, or (3) requiring the franchisee or transferee to make, or agree to make, capital improvements, reinvestments, or purchases in an amount greater than the franchisor could have reasonably required under the terms of the franchisee's existing franchise agreement.

Subsection (e) permits a franchisee to assign his interest for the unexpired term of the franchise agreement and prohibits the franchisor from requiring the franchisee or transferee to enter an agreement which has different material terms or financial requirements as a condition of the transfer.

Subsection (f) prohibits a franchisor from withholding its consent without good cause to a franchisee making a public offering of its securities if the franchisee or owner of the franchisee's interest retains control over more than 25 percent of the voting power as the franchisee.

Subsection (g) prohibits a franchisor from withholding its consent to a pooling of interests, to a sale or exchange of assets or securities, or to any other business consolidation among its existing franchisees, provided the constituents are each in material compliance with their respective obligations to the franchisor.

Subsection (h) establishes six occurrences which shall not be considered transfers requiring the consent of the franchisor under a franchise agreement and for which the franchisor shall not impose any fees or payments or changes in excess of the franchisor's cost to review the matter.

Subsection (i) prohibits a franchisor from enforcing against the transferor any covenant of the franchise purporting to prohibit the transferor from engaging in any lawful occupation or enterprise after the transfer of a transferor's complete interest in a franchise. This subsection does not limit the franchisor from enforcing a contractual covenant against the transferor not to exploit the franchisor's trade secrets or intellectual property rights except by agreement with the franchisor.

SECTION 9. TRANSFER OF FRANCHISE BY FRANCHISOR

Subsection (1) prohibits a franchisor from transferring interest in a franchise by sale or in any other manner unless he gives notice thirty days prior to the effective date of the transfer to every franchisee of his intent to transfer the interest.

Subsection (2) requires that the notice given contains a complete description of the business and financial terms of the proposed transfer or transfers.

Subsection (3) requires that the entity assuming the franchisor's obligations have the business experience and financial means necessary to perform the franchisor's obligations.

SECTION 10. INDEPENDENT SOURCING OF GOODS AND SERVICES

Subsection (a) prohibits a franchisor from prohibiting or restricting a franchisee from obtaining equipment, fixtures, supplies, goods or services used in the establishment or operation of the franchised business from sources of the franchisee's choosing, except that such goods or services may be required to meet established uniform system-wide quality standards promulgated or enforced by the franchisor.

Subsection (b) requires that if the franchisor approves vendors of equipment, fixtures, supplies, goods, or services used in the establishment or operation of the franchised business, the franchisor will provide and continuously update an inclusive list of approved vendors and will promptly evaluate and respond to reasonable requests by franchisees for approval of competitive sources of supply. The franchisor shall approve not fewer than two vendors for each piece of equipment, each fixture, each supply, good, or service unless otherwise agreed to by both the franchisor and a majority of the franchisees.

Subsection (c) requires a franchisor and its affiliates officers and/or its managing agents, must fully disclose whether or not it receives any rebates, commissions, payments, or other benefits from vendors as a result of the purchase of goods or services by franchisees and requires a franchisor to pass all such rebates, commissions, payments, and other benefits directly to the franchisee.

Subsection (d) requires a franchisor to report not less frequently than annually, using generally accepted accounting principles, the amount of revenue and profit it earns from the sale of equipment, fixtures, supplies, goods, or services to the franchisee.

Subsection (e) excepts reasonable quantities of goods and services that the franchisor requires the franchisee to obtain from the franchisor or its affiliate from the requirements of subsection (a), but only if the goods and services are central to the franchised business and either are actually manufactured or produced by the franchisor or its affiliate, or incorporate a trade secret or other intellectual property owned by the franchisor or its affiliate.

SECTION 11. ENCROACHMENT

Subsection (a) prohibits a franchisor from placing, or licensing another to place, one or more, new outlet(s) in unreasonable proximity to an established outlet, if (i) the intent or probable effect of establishing the new outlet(s) is to cause a diminution of gross sales by the established outlet of more than five percent in the twelve months immediately following establishment of the new outlet(s), and (ii) the established franchisee offers goods or services identified by the same trademark as those offered by the new outlet(s), or has premises that are identified by the same trademark as the new outlet(s).

Subsection (b) creates an exception to this section if, before a new outlet(s) opens for business, a franchisor offers in writing to each franchisee of an established outlet concerned to pay to the franchisee an amount equal to fifty percent of the gross sales of the new outlet(s), for the first twenty-four months of operation of the new outlet(s), if the sales of the established outlet decline by more than five percent in the twelve months immediately following establishment of the new outlet(s), as a consequence of the opening of such outlet(s).

Subsection (c) places upon the franchisor the burden of proof to show that, or the extent to which, a decline in sales of an established franchised outlet occurred for reasons other than the opening of the new outlet(s), if the franchisor makes a written offer under subsection (b) or in an action or proceeding brought under section 12.

SECTION 12. PRIVATE RIGHT OF ACTION

Subsection (a) gives a party to a franchise who is injured by a violation or impending violation of this Act a right of action for all damages caused by the violation, including costs of litigation and reasonable attorney's fees, against any person found to be liable for such violation.

Subsection (b) makes jointly and severally liable every person who directly or indirectly controls a person liable under subsection (a), every partner in a firm so liable, every principal executive officer or director of a corporation so liable, every person occupying a similar status or performing similar functions and every employee of a person so liable who materially aids in the act or transaction constituting the violation, unless the person who would otherwise be liable hereunder had no knowledge of or reasonable grounds to know of the existence of the facts by reason of which the liability is alleged to exist.

Subsection (c) states that nothing in the Act shall be construed to limit the right of a franchisor and a franchisee to engage in arbitration, mediation, or other nonjudicial dispute resolution, either in advance or after a dispute arises, provided that the standards and protections applied in any binding nonjudicial procedure agreed to by the parties are not less than the requirements set forth in the Act.

Subsection (d) prohibits an action from being commenced more than five years after the date on which the violation occurs, or three years after the date on which the violation is discovered or should have been discovered through exercise of reasonable diligence.

Subsection (e) provides for venue in the jurisdiction where the franchise business is located.

Subsection (f) states that the private rights created by the Act are in addition, to, and not in lieu of, other rights or remedies created by Federal or State law.

SECTION 13. SCOPE AND APPLICABILITY

Subsection (a) applies the requirements of the Act to franchise agreements entered into, amended, exchanged, or renewed after the date of enactment of the Act, except as provided in subsection (b).

Subsection (b) delays implementation of Section 3 of the act until ninety days after the date of enactment of the Act and applies Section 3's requirements only to actions, practices, disclosures, and statements occurring on or after such date.

SECTION 14. DEFINITIONS

Defines terms used in the Act.

INTRODUCTION OF THE GUN-FREE HOSPITAL ZONE ACT

HON. MARTIN T. MEEHAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. MEEHAN. Mr. Speaker, I rise today to introduce the "Gun-Free Hospital Zone Act." A bill that will provide protection and peace of mind to doctors, nurses, patients, and administrative staffs of hospitals throughout the country.

The need for this legislation was brought to my attention by my constituent, Bernadett Vajda, whose father, Janos, was tragically murdered at the Holy Family Hospital in Methuen, MA.

Janos was simply visiting a hospital patient, Dr. Suzan Kamm, when he was attacked and shot to death by the estranged husband of Dr. Kamm.

It is very easy to imagine how this bill would have saved Mr. Vajda's life. Had the gunman, Dr. James Kartell, been aware of the prohibition of firearms in a hospital, he would have not carried one with him that fateful day. And when Dr. Kartell reached the fourth floor of the hospital and approached the room where his estranged wife had been admitted, he would have been unarmed.

What happened next, the chance encounter between Dr. Kartell and Mr. Vajda, would still have been emotional, potentially even resulted in violence, but without a gun at the scene, it almost certainly would not have resulted in murder.

Unfortunately, we witness frustration expressed in workplace violence increasingly in our country. Whether it be the tragic shooting recently in Hawaii, the murders this summer in Atlanta, or the all too numerous acts of violence at post offices, we have become accustomed to seeing the image of the emotional employee who resorts to violence.

Emotions run high at hospitals on a daily basis. Life and death decisions are made constantly in emergency rooms and hospitals throughout our country. In this atmosphere of heightened emotion and decreased logic, unthinking acts of violence are more likely and less preventable.

This legislation deals with a very real issue, but do not just take my word for it, look at the statistics on workplace violence at hospitals. According to the Bureau of Labor Statistics, health care and social service workers have the highest incidence of injuries from workplace violence. Further, health care workers rank only behind convenience store clerks and taxi cab drivers in terms of workplace risk of homicide.

Emergency room physicians and nurses are at special risk. According to the Emergency Nurses Association, 24 percent of emergency room staff are exposed to physical violence with a weapon 1–5 times a year. The rate of violence is increasing annually.

In 1997, 7 percent of emergency room nurses reported that they have been subjected to between 1 and 10 physical incidents involving firearms in the workplace during the past year. One nurse from the Colorado Nurses Association reported that "no hospital unit and no hospital—large or small, urban or rural—is immune" from violent gun attacks.

It is my goal to not only to make it less likely that tragic deaths like Mr. Vajda's occur, but also that nurses and doctors feel safer to do their jobs without worrying about whether the next person to walk in the emergency room door has a gun. For that reason, this legislation is supported by the medical professionals at Holy Family Hospital who hope never to experience a tragic incident like Mr. Vajda's death ever again.

THE U.S. COAST GUARD: MAY THEY ALWAYS BE READY

HON. DAVID M. McINTOSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. MCINTOSH. Mr. Speaker, I submit for the RECORD, the following article about the U.S. Coast Guard's Deepwater Mission Project. "Moving Into the Next Century: Recapitalization Will Ensure That the Coast Guard Remains Semper Paratus" was written by Ernest Blazar of the Lexington Institute and appeared in the August 1999 edition of Sea Power magazine. I call this article to your attention because I feel it is one of the best articles about the Coast Guard's need to modernize their fleet of cutters and aircraft for the 21st century.

[From Sea Power, Aug. 1999]

MOVING INTO THE NEXT CENTURY

(By Ernest Blazar)

In 1969, the Coast Guard's high-endurance Hamilton-class cutter USCGC *Dallas* sailed the waters of South Vietnam, executing seven combat patrols. She provided naval gunfire support more than 150 times, firing over 7,500 rounds of five-inch ammunition. She destroyed 58 sampans and attacked 29 enemy supply routes, base camps, or rest areas.

On 22 June 1999, the same 378-foot-long ship—which was commissioned in 1967—left her homeport (Charleston, S.C.) for yet another overseas patrol. Assigned to the Navy's Sixth Fleet for three months, *Dallas* is helping to patrol the Adriatic Sea after NATO's successful air campaign against Yugoslavia.

The durable cutter's three decades of service clearly demonstrate the Coast Guard's ability to wring the last ounce of usefulness from its aging ships—but it also underscores the fact that the Coast Guard has been forced, primarily for budget reasons, to carry out its military, maritime-safety, law-enforcement, and other missions with outdated resources that are badly in need of replacement and repair. Some Coast Guard ships were in active service during World War II.

It is not just ships, though. The Coast Guard's 190 fixed-wing aircraft and helicopters also need replacement, and often need repairs to sustain acceptable readiness and safety levels. Exacerbating the problem is the fact that these air and surface platforms were purchased piecemeal over decades, so they were never properly integrated with the right communication and data links or fitted with proper sensors. (One problem afflicting today's fleet is that the Coast Guard's HH-60J Jayhawk helicopters are too large to land on any but the largest of the service's cutters.)

CASUALTIES UP, AVAILABILITY DOWN

The overall situation has caused numerous problems for the Coast Guard, and also has degraded the service's "ability to manage the tactical picture," said Rear Adm. Ernest Riutta, assistant commandant for operations.

The end result is a steady decline in readiness and in the availability of Coast Guard ships and aircraft to perform their missions. Machinery and electronics casualties have increased 45 percent in 10 years, for example, and the nonavailability rate for HU–25 Falcon medium-range search aircraft has doubled since 1996.

To remedy these problems the Coast Guard has developed a plan to replace and modernize its current ships, aircraft, and command, control, and communications (C3) network. That plan is called "Deepwater." One of its main aims is to ensure that the new ships, aircraft, and C3 equipment the Coast Guard will be buying in the future are fully interoperable from the start, instead of knitted together haphazardly, as has been the case in the past.

To ensure that the proposed fleet recapitalization is well-planned and can be carried out in a cost-effective manner the Coast Guard has issued contracts to three industry teams:

Avondale Industries—Newport News Shipbuilding—Boeing—Raytheon.

Science Applications International—Bath Iron Works—Marinette Marine—Sikorsky.

Lockheed Martin—Ingalls Shipbuidling—Litton—Bollinger Shipyards—Bell Helicopter Textron.

Each member of each team possesses expertise in areas of operational importance to the Coast Guard. Lockheed Martin's Government and Electronic Systems Division in Moorestown, N.J., for example, has long supplied the Navy with such important systems as the highly successful Aegis SPY–1 radar system, the Mk92 fire-control radar carried on Perry-class guided-missile frigates, and the Mk41 vertical-launch system. The company also has a strong reputation for successfully integrating varied naval communications and combat systems.

SHORTFALLS AND STATISTICS

To fully understand Deepwater, one must first examine the shortfalls in platforms and equipment currently affecting the Coast Guard. One telling statistic: Seven of the service's nine classes of ships and aircraft will reach the end of their originally projected service lives within the next 15 years.

The Coast Guard relies upon three classes of cutters for its long-and medium-range surface missions: the 378-foot Hamilton-class high-endurance cutters (WHECs); the 270-foot Famous-class medium-endurance cutters (WMECs); and the 210-foot Reliance-class WMECs.

All of these ships are aging—some were built as long ago as the late 1960s—and are becoming increasingly difficult to maintain. They also are technologically obsolescent. The diesel engines of the Reliance-class cutters are so old, in fact, that they are used elsewhere only on the locomotives in South Africa.

These ships also impose a heavy personnel burden on the Coast Guard. The *Dallas*, for example, normally carries a crew of 19 officers and 152 enlisted personnel, more than twice the number required to operate highly automated modern cutters of similar size. The Danish Thetis-class offshore patrol vessel is 369 feet long, displaces 3,500 tons, and has a 90-day endurance—but operates with a crew of only 90 personnel. A larger crew means a higher payroll of course. What this mans is that the Coast Guard has been forced, in essence, to pay a sizable surcharge simply because it has not been provided the funds needed to buy new advanced-technology ships.

OPERATIONAL INCOMPATIBILITIES

There are several operational factors to consider, moreover. The Reliance class cutters are equipped with surface-search radars, for example, but have no sonars and no electronic countermeasures systems. They are capable of landing helicopters, but have no hangar facilities.

Even the somewhat less antiquated Famous-class WMEC, built in the 1980s, lack the ability to maintain real-time voice, video, or data links with other Coast Guard assets; they also have no Link-11 or Link-16 capability, essential for the exchange of tactical data with other U.S. military forces.

There also are shortfalls in speed. None of the Coast guard's cutters can match the so-called “““go-fast” boats—drug smuggling craft that can achieve high rates of speed. Smugglers often are also armed with night-vision goggles, satellite phones, and digital precision-location equipment, widely available commercial gear that Coast Guard vessels do not have.

The Coast Guard's aviation assets suffer from similar limitations. The HH–65A Dolphin helicopters, for example, are operationally compatible with the Reliance, Hamilton, and Famous cutters, but the Dolphin's sensor payload is less than it could be because of weight handling limitations on the cutters.

The service's HH–60J Jayhawk helicopters are capable of long-range operations, and have significant endurance, but these helicopters are compatible only with the Famous-class WMECs—which can give them only limited on board maintenance and logistics support, unfortunately.

Among the Coast Guard's fixed-wing aviation assets are 20 HU–25 Falcon medium-range search jets, all of which are over 14 years old and suffer from engine supportability problems. Their APG–66 radar provides a good intercept capability—but only eight of the HU–25s are equipped with that radar. The remaining 12 Falcons simply lack the modern sensor packages they need to carry out their missions. One indication of the limited utility of the Falcon fleet is the fact that the Coast Guard put 17 others Falcons into storage in 1998.

DEEP, DARK DEFICIENCIES

The deficiency in sensors puts Coast Guard ships and aircraft at a severe disadvantage against maritime lawbreakers, according to Capt. Craig Schnappinger, the Coast Guard's Deepwater program manager. “They can see us before we can see them.”

The Coast Guard's 23 HC–130 fixed-wing aircraft, which are used for long-range aerial-search missions, are being fitted with new FLIR and electro-optical sensor packages and Global Positioning System receivers. This is one of the few bright spots in Coast Guard aviation today. Otherwise, the picture is dark. “Scrutiny of individual platform capabilities,” according to the Coast Guard's “21st Century Hemispheric Maritime Security'document, reveals an unintegrated system that falls well short of optimum tactical requirements.”

One of the more promising hardware solutions to its aviation problems that the Coast Guard is considering is the HV–609, a commercial tilrotor craft that can take off and land like a helicopter but fly like a fixed-wing aircraft. Now under development by Bell Helicopter Textron, the HV–609 will have a speed of 275 knots and a range of 750 nautical miles, and will be able to carry a significant payload. Because of its versatility the Coast Guard might possibly use the '609 to replace several different types of aviation platforms now in the inventory—thereby helping to streamline logistics and maintenance costs in the future.

The Coast Guard protects the nation's maritime borders and carriers out numerous missions of importance to all Americans. But continuing to operate aging platforms that are not equipped with modern sensors guarantees a future filled with hazard and difficulty not only for the Coast Guard itself but for all whose lives are touched by the sea.

By recapitalizing the force, the Coast Guard believes, it will be able to operate more safety and efficiency—and more cost-effectively as well. “I think we are moving in the right direction,” said Riutta. Congressional approval of the Deepwater program, he said, will “more u into the next century and equip our people with the resources [needed] to do their jobs properly.”

EAGLE SCOUTS HONORED

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. LIPINSKI. Mr. Speaker, it gives me great pleasure to bring to the attention of my colleagues, six outstanding young individuals from the 3rd Congressional District of Illinois, all who have completed a major goal in their scouting career.

The following young men of the 3rd Congressional District of Illinois have earned the high rank of Eagle Scout in the fall and winter seasons: Anthony Cesaro, Eric Charles Fritz, John A. Studnicka Jr., Brandon William Pfizenmaier, Peter William Davidovith, and Charles Lamphier. These young men have demonstrated their commitment to their communities, and have perpetuated the principles of scouting. It is important to note that less than two percent of all young men in America attain the rank of Eagle Scout. This high honor can only be earned by those scouts demonstrating extraordinary leadership abilities.

In light of the commendable leadership and courageous activities performed by these fine young men, I ask my colleagues to join me in honoring the above scouts for attaining the highest honor in Scouting—the Rank of Eagle. Let us wish them the very best in all of their future endeavors.

TRIBUTE TO A NEWSPAPER LEGEND, CLAUD EASTERLY

HON. RALPH M. HALL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. HALL of Texas. Mr. Speaker, with the passing of Claud Easterly, editor of the Denison Herald for 30 years and one of his hometown's foremost historians, comes the end of a generation of old-fashioned newspapermen who learned their trade on the job, not in the classroom, and who preferred their old typewriters to computers. Such a man was Claud Easterly of Denison, TX, who died this year at the age of 91.

During Mr. Easterly's career, he interviewed five U.S. Presidents, several Vice Presidents, Speaker of the House Sam Rayburn, my predecessor in the fourth district, bandleader John Phillip Sousa, magician Harry Houdini, Father Flanagan of Boys Town, New York Mayor LaGuardia and heavyweight boxing champion Joe Louis, among many other State and national dignitaries.

Yet he said that his greatest experiences were “in helping record the more routine events that reflected the failures and successes, joys and sorrows of the folks here at home,” according to the Herald Democrat, the newspaper that succeeded the Denison Herald and to which he continued to contribute articles and serve as a reliable source until shortly before his death.

Claud Easterly knew his community well and served it well through 30 years as editor of the city newspaper. Inspired by his high school English teacher, he proved adept at writing. He was named the first editor of his high school newspaper and upon graduation from high school approached the editor of the Denison Herald, who agreed to hire him at no pay until he learned the job. Three months later, he was put on the payroll at a salary of $12.50 per week, and as they say, the rest is history. In addition to his famous interviews, he covered many historical events, including the Red River Bridge war in 1931, the construction of Denison Dam in the 1940's and the local perspective of World War II.

In addition to his newspaper responsibilities, Mr. Easterly also was active in the civic life of Denison. He served as president of the Lions Club, a director of the Chamber of Commerce and a board member of the Public Library. Following his retirement in 1972 as editor of the newspaper, he campaigned for and was elected to the Denison City Council. He also was a member of Waples Memorial United Methodist Church.

Claud Easterly was born in Denison in 1907, the son of Mr. and Mrs. E. W. Easterly. In 1931 he married his high school sweetheart, Ruth Davis. Following her death in 1967, he married Mrs. Ophelia Taylor, who survives him. Also surviving are his son David Easterly and daughter-in-law Judy, stepson Richard Taylor and wife Carol; stepdaughter Carolyn Arnett and husband Butch, a brother Doug, 10 grandchildren and 1 great-grandchild.

Claud Easterly was proud that his son, David, followed him in the newspaper business, getting his start alongside his father at the Denison Herald. David is now president of Cox Enterprises, which owns and operates a number of newspapers, including the Atlantic Journal & Constitution.

Mr. Speaker, Claud Easterly lived during the tenure of three representatives of the Fourth District of Texas—Speaker Sam Rayburn, Ray Roberts, and myself. He knew our district as well as we did, and so it is both an honor—and fitting—to ask my colleagues to join me in paying our last respects to this great newspaperman from Denison, TX—Claud Easterly.

His memory will be preserved in the archives of his newspaper—and in the hearts and minds of those who knew him.

TRIBUTE TO ADMIRAL ARCHIE CLEMINS

HON. JOHN SHIMKUS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. SHIMKUS. Mr. Speaker, I rise before you today to express my gratitude and admiration for Admiral Archie Clemins, commander of the United States Pacific Fleet.

His leadership and courage during his thirty-four years of military service was outstanding. Since his retirement on October eighth, he has been greatly missed.

I would also like to take this time to show my appreciation for the time he has spent with Scott Wagner's fifth-grade class at Horace Mann School in Mt. Vernon, Illinois. Admiral Clemins has found the time to share his skills and knowledge with these impressionable students. Utilizing stories and souvenirs from his travels, he has both educated and entertained these pupils. In addition, he has funded trips for them to the Great Lakes Navy Base as well as the base in San Diego, California.

I would like to again express my sincere appreciation for Admiral Clemins' generosity and commitment to our country and its future.

MEDICARE, MEDICAID, AND SCHIP BALANCED BUDGET REFINEMENT ACT OF 1999

SPEECH OF

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mrs. MALONEY of New York. Mr. Speaker, I rise in opposition to HR 3075. When the BBA of 1997 was enacted, it wrought havoc with a sea of unintended consequences in Medicare cuts.

Mr. Speaker, in my state alone, the BBA will reduce Medicare hospital payments by $4.8 billion dollars over five years—these cuts are mostly permanent.

They will cripple the delivery of healthcare to seniors and to the under-served far beyond 2002.

While this bill begins to fix some of the devastating cuts, it does not go far enough. The bill before us today provides restorations equaling only 15.6 percent of the BBA Medicare reductions and these are only temporary fixes.

Where does the money for the fixes come from? The restorations come at the expense of direct- graduate- medical- education funding. This means that teaching hospitals in my state will be deprived of $100 to $130 million dollars over 5 years.

The situation of the teaching hospitals is already dire. Because of the BBA, many of these hospitals are close to financial ruin. These institutions are not only the academic centers that train our future healthcare providers—they are the hotbeds of medical research that produces life-saving treatments.

The teaching hospitals are the "safety net" hospitals that care for the nation's low-income and uninsured patients when they are sick and have nowhere else to turn.

Mr. Speaker, let me walk you through how this will hurt each off the teaching hospitals in my district.

Because of the teaching hospital provisions included in this bill, Mt. Sinai hospital will lost $14.4 million over 5 years; Lenox Hill hospital will lost $4.5 million over 5 years; Memorial Sloan Kettering hospital will lose $180,00 over 5 years; Beth Israel hospital will lose $33.9 million over 5 years; the hospital for Special Surgery will lose $3.6 million over 5 years; the Hospital for Joint Diseases will lose $1.9 million over 5 years.

The bill before us today neglects to adequately address the crisis in the teaching hospitals. While the bill's restoration of funding to skilled nursing facilities is favorable, only a band-aid, temporary remedy is provided for outpatient hospital departments.

Mr. Speaker, let's go back and do this right. Give us the change to offer amendments and let's have a real debate. While there are some provisions in this bill that I support, I believe that we can do a better job at protecting our Medicare beneficiaries, providers and teaching hospitals. I urge a "no" vote.

ASIAN-AMERICAN MEDICAL SOCIETY

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. VISCLOSKY. Mr. Speaker, it is my distinct pleasure to announce that the Asian-American Medical Society will be hosting its 23rd Annual Asian-American Medical Society Charity Gala on Saturday, November 13, 1999, at the Radisson Hotel in Merrillville, Indiana. Each year, the Asian-American Medical Society honors prominent, extraordinary residents of Northwest Indiana for their contributions to the community. In recognition of their tremendous efforts for the betterment of Northwest Indiana, they are honored at a banquet and awarded the prestigious Crystal Globe Award. This year, four outstanding citizens from Northwest Indiana will be presented with the Crystal Globe Award for their dedication and devotion to the community.

This year's Arts and Humanities recipient, Maestro Tsung Yeh, is one of the most talented citizens of Northwest Indiana. Tsung Yeh is the Music Director and conductor of the Northwest Indiana Symphony Orchestra, a position he officially began with his acclaimed debut at the 1997 Holiday Pops concert. This season also marks Mr. Yeh's twelfth highly successful season as Music Director and Conductor of the South Bend Symphony Orchestra, and his second season as Principal Conductor of the Hong Kong Sinfonietta. In July 1997, Maestro Yeh conducted at the reunification ceremonies in Hong Kong. Although his work and community service often constrains his free time, Tsung Yeh has never limited the time he gives to his most important interest, his family. He and his wife Saulan reside in Grainger, Indiana with their three children, Mona, Melina, and Joseph.

Mayor Scott King is this year's Civic Leadership recipient. Scott King was elected Mayor of the City of Gary in 1995, and entered into his official capacity in January of 1996. Before becoming Mayor, King served as a public defender, deputy prosecutor, and assistant U.S. Attorney of the Northern District of Indiana. As Mayor, King serves as not only a respected member of the professional community, but also as a mentor and a community leader. He offers his services and time to many professional organizations and has accepted numerous appointments, including serving as co-chairman of the United States Conference Mayors' Drug Policy Taskforce.

This year's Healthcare recipient, Dr. Mridula Prasaad, is one of the most caring dedicated, and selfless citizens of Indiana's First Congressional District. Dr. Prasaad is a Board Certified neurologist who has been in private practice since 1988. She offers her services and time to many professional organizations as the Associate Medical Director of the Rehabilitation Unit of Community Hospital, the Associate Program Director of the Multiple Sclerosis Clinic of the Neuroscience Institute of Methodist Hospital, and a Clinical Assistant Professor of Neurology at the Northwest Center for Medical Education, Indiana School of Medicine in Gary. She most recently became the Executive Director of People Helping People, a nonprofit organization she founded to help those with Multiple Sclerosis find assisted and independent living.

Valparaiso University's President, Dr. Alan Harre is this year's Academic Excellence recipient. Dr. Harre became the 17th President of Valparaiso University in October of 1988. Before coming to Valparaiso University, Dr. Harre served as President of Concordia University in St. Paul, Minnesota. As President, Dr. Harre serves as a teacher, mentor, and community volunteer. He offers his services and time to many professional organizations including serving on the board of directors for numerous organizations throughout Northwest Indiana including the Northwest Indiana Forum, the Valparaiso Community Development Corporation, Munster Community Hospital, and the Quality of Life Council. Though Dr. Harre is dedicated to his career and community, he has never limited the love of his family. Dr. Harre and his wife Diane have three children, Andrea, Jennifer, and Eric, as well as four grandchildren, all of whom they are immensely proud.

Mr. Speaker, I ask that you and my other distinguished colleagues join me in congratulating the Asian-American Medical Society's 1999 Crystal Globe Award winners. The service, dedication, and altruism displayed by Tsung Yeh, Mayor Scott King, Dr. Mridula Prasaad, and Dr. Alan Harre inspire us all to greater deeds.

TRIBUTE TO BILLY AND ALICE NIX ON THEIR 50TH WEDDING ANNIVERSARY

HON. MARION BERRY

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. BERRY. Mr. Speaker, I rise today to pay tribute to two people who I am proud to call my friends, Billy and Alice Nix, on the celebration of their 50th wedding anniversary.

I have had the pleasure of knowing Billy and Alice Nix for 4 years. When I'm in Sidney or Ash Flat for parades, Billy drives me in one of his antique cars. Billy and Alice are always ready to do their part for the community, school, church or business. The Nixes have been active members of the community of Ash Flat, Arkansas for over 40 years, where they own and run the Ash Flat Livestock Auction. Billy has served on the Sharp County Fair Board and the Northeast Arkansas District Fair Board. Alice gives her time at the Ash Flat Historical Society where she helped the organization publish a book about the history of Ash Flat. The Nix family is also involved in the Church of Christ.

The Nixes cherish their family including their three wonderful children Mike, Jan, and Beverly; and their 10 grandchildren and five great grand-children. They are perfect examples of good neighbors, friends, parents and grandparents. The integrity and dedication of the Nixes is a living example to all that know them, especially to institutions like marriage. Our community is a better place to live and work and raise a family because of their efforts and the care and the dedication of Billy and Alice Nix.

CALIFORNIA RAISIN MARKETING BOARD

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. RADANOVICH. Mr. Speaker, I rise today to recognize the debut of the California Raisin Marketing Board, CRMB. The CRMB has taken the place of CALRAB, the California Raisin Advisory Board.

CRMB is planting its first roots in tomorrow's raisin sales with restaurant projects, back-to-school campaigns, food service and produce marketing trade show participation, retail and trade advertising, website development, health and nutrition research and promotions, and the rebirth of the California Raisin, a new character replacing all previous Dancing Raisin Art.

The new character will bring life to raisins and CRMB will launch California raisins into the twenty first century with new ways to promote their product. One of the first major outings for the new character will be a Denny's Restaurant promotion, debuting in January 2000.

The California raisin industry has come far as the world raisin leader. CRMB will bring true glory to the raisin industry in the years to come.

Mr. Speaker, I applaud the California Raisin Marketing Board for their new innovative plan and character to bring us into the new millennium. I urge my colleagues to join me in wishing CRMB a bright future and many years of success.

HONORING JOHN JORDAN "BUCK" O'NEIL ON HIS 88TH BIRTHDAY

HON. KAREN McCARTHY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Ms. McCARTHY of Missouri. Mr. Speaker, I rise today to honor a fellow Kansas Citian, and a man who has come to embody the ideals we share as a nation. As a player and coach for the Negro League's Kansas City Monarchs baseball team, as coach and scout for the present day Kansas City Royals, and as a community activist promoting reading and education to children, John Jordan "Buck" O'Neil has come to represent some of our most noble values: determination and dignity, humility and excellence. "Buck" has been a pioneer and trailblazer throughout his life and illustrious career, and demonstrates in his everyday actions and words that determination is the pathway to success. He is a role model for our children and a champion for our country.

As a player, Buck had a career batting average of .288, including four .300-plus seasons at the plate, and led the Kansas City Monarchs to victory in the 1942 Negro World Series. After 12 years as a player, Buck changed hats and managed the Monarchs to four more league titles in six years. Following his career with the Kansas City Monarchs, Buck joined the major leagues as a scout for the Chicago Cubs. In 1962 the Chicago Cubs made him the first African-American to coach in the major Leagues. Buck is credited with signing hall of Fame Baseball greats Ernie Banks and Lou Brock to their first pro contracts, and is acknowledged to have sent more Negro League athletes to the all-white major leagues than any other man in baseball history.

Buck is currently the Chairman for the Negro Leagues Baseball Museum in Kansas City and spends his time promoting the achievements of African-American baseball players who played for love of the game, despite being shut out of the majors because of the color of their skin. As a member of the 18-person Baseball Hall of Fame Veterans Committee, he continues to tear down racial barriers by advancing deserving Negro Leaguers for induction to the Hall. In addition to his duties in Cooperstown and at the museum in Kansas City, Buck is finding new ways to enjoy life and share his wonderful exuberance. As a player, coach, scout, writer, and volunteer Buck represents a magnificent example to our generation and the next.

Mr. Speaker, please join me in saluting John Jordan "Buck" O'Neil, a distinguished ambassador for baseball and symbol of African-American pride, a true hero for all of America, and a favorite son of Kansas City. Congratulations, Buck on the 1999 John Stanford Education Heroes Award. It is an honor to help celebrate your 88th birthday and demonstrate the Negro League's commitment to education through "Reading Around the Bases." I salute you for your lifetime of achievement, and am both proud and honored to call you my friend. Thank you, Buck, for all you have done, and for all you continue to contribute to our lives.

IN RECOGNITION OF STUDENTS' VOICES AGAINST VIOLENCE

HON. BRAD SHERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. SHERMAN. Mr. Speaker, I rise today to recognize two individuals from my district who attended the Voices Against Violence Congressional Teen Conference. Sadly, teen violence has dominated the headlines of our newspapers around the country.

Marilyn Coto, a senior at Malibu High and Lana Borkin, a sophomore at Valley Alternative Magnet School in Van Nuys, have proven themselves leaders in our community in promoting a peaceful learning environment for all students. They were instrumental in working with lawmakers, to draft legislation during the conference and offered idea on how to combat this problem of violence in our schools. I would also like to commend the alternates chosen by the Committee: Monica Crooms and Jorge Lobos. Honorable Mention was awarded to Nicole Yates and Juliana Hermano. These teens are the future of our nation and it is imperative that their ideas and voices be heard in this national debate concerning youth violence.

I would also like to acknowledge the Youth Violence Advisory Committee, brought together to choose the attendees of the conference. These distinguished individuals were selected to serve on the panel based on their commitment to not only raising awareness of violence, but also their efforts with children and others toward developing solutions. They will continue to work with students in the coming months to implement the ideas discussed at the conference.

The Committee includes: Committee Chair, Ralph Myers, crime victims advocate, Advisory Board member for the Nicole Parker Foundation and Justice for Homicide Victims; Larry Horn, a Professor of Sociology at Pierce and Mission Colleges; Carlos Morales, co-leader of Parents of Murdered Children, Inc. San Gabriel Valley Chapter; and LAPD Detective Joel Price from the Community Resources Against Street Hoodlums (CRASH) Unit, and member of the Board of Directors of the Nicole Parker Foundation.

We must support our teens and encourage them to express their ideas, especially on this national issue of youth violence. They are directly affected by the things we only read about in the paper. As such, they have the experience to aid our legislators in establishing a safe environment for our students. Their leadership and contributions will make a significant impact on our country and ensure safety and peace for future generations.

Mr. Speaker, distinguished colleagues, please join me in honoring Ms. Coto and Ms.

Borkin, all of the students who applied and participated in the Conference, and the members of the Youth Violence Advisory Committee. Their dedication to ending youth violence serves as an inspiration and model to us all.

TRIBUTE TO THE NEW YORK YANKEES

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. SERRANO. Mr. Speaker, I rise today to pay tribute and to congratulate the Team of the Decade and the sports franchise of the century, the Yankees.

Mr. Speaker, for the 25th time in their glorious history, the New York Yankees are the World Champions. On Wednesday, October 27, the Bombers proved once again why they are the most successful franchise in the history of sports. As the Representative from the 16th Congressional District in the Bronx, home of the Yankees, I congratulate George Steinbrenner, Manager Joe Torre, and the whole Yankee team on a job well done.

Mr. Speaker, the Yankees overcame a lot of personal hardship to reach their collective goal. They played as a team and they won as a team. Today the Bronx is celebrating, New York is celebrating, and all across our country Americans realize that the best baseball is still being played in the Bronx.

Mr. Speaker, I ask my colleagues to join me in paying tribute to and congratulating the Team of the Decade and the sports franchise of the century, the New York Yankees. Go Yankees.

TRIBUTE TO MYRTIE BOZEMAN

HON. RALPH M. HALL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. HALL of Texas. Mr. Speaker, I rise today to pay tribute to a well-known and beloved citizen of Terrell, Texas—Myrtie Hargrove Bozeman, who died on September 1 at the age of 90. Known locally as "Myrtie," she will always be remembered for her devotion to her community and for her widely-read column, "The College Mound News," published in the Terrell Tribune. Her column, which ran for more than forty years, was a chronicle of the every-day activities of this close community.

Miss Myrtie was born at College Mound Community, the daughter of Neb and Maudie Baxter Hargrove, and lived there and in Terrell all her life. She attended school at College Mound and Wesley College. In 1930 she married Jake Bozeman, who precedes her in death along with their only child, Jack Bozeman.

Miss Myrtie was an active member of the College Mound Methodist Church, the United Methodist Women, the Kaufman County Children's Shelter, the Business and Professional Women's Club, the Terrell Story League and the College Mound Cemetery Association. She also worked as a dispatcher for the Terrell Police Department and later as director of social services at Blanton Gardens of Dallas. She devoted her life to helping others, and her commitment to community service led to her being honored as Terrell's Citizen of the Year and as College Mound's Woman of the Year.

Survivors include her sisters, Maggie Yarbrough, Ona Tuggle and Oneta Ott; daughter-in-law Inace Bozeman Howied; granddaughter Lynne Bozeman Crews and husband Charles; Peggy Bozeman Morse and husband Frederick; and Debbie Bozeman; and great-grandchildren, Cara, Clint and Cassie Crews and Paige, Hilary and Jess Morse.

She is preceded in death by sister Viola Crouch, brothers Clarence, Willie, Frankie and Fonzo Hargrove and granddaughter Jenny Beth Bozeman.

Mr. Speaker, Myrtie Hargrove Bozeman's affection for those who lived in College Mound and Terrell was evident in her news columns and in her personal involvement in the life of those communities. She was very special to me. During my long years of public service, I kept in touch with Miss Myrtie. She, even in her last years, was modern and up-to-date in her thoughts and activities. She kept me aware of all of the pie suppers and silent auctions and church activities at the College Mount United Methodist Church. She had her own unique and friendly way of making everyone feel welcomed and wanted. We cannot replace her, but we can always remember her.

Mr. Speaker, Miss Myrtie will be missed by all those who knew her—and as we adjourn this legislative session, let us do so in her memory.

PROVIDING FOR CONSIDERATION OF H.R. 3196, FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 2000

SPEECH OF

HON. ROB PORTMAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. PORTMAN. Mr. Speaker, I am delighted that the FY 2000 Foreign Operations Appropriations bill, H.R. 3196, earmarks at least $13 million to carry out the provisions of the Tropical Forest Conservation Act, which I introduced with JOHN KASICH and Lee Hamilton and was signed into law last year.

The Tropical Forest Conservation Act expands President Bush's Enterprise for the Americas Initiative—EAI—and provides a creative market-oriented approach to protect the world's most threatened tropical forests on a sustained basis.

Tropical forests provide a wide range of benefits, literally affecting the air we breathe, the food we eat, and medicines that cure diseases. They harbor 50–90 percent of the Earth's terrestrial biodiversity. They act as "carbon sinks", absorbing massive quantities of carbon dioxide from the atmosphere, thereby reducing greenhouse gases. They regulate rainfall on which agriculture and coastal resources depend, which is of great importance to regional and global climate. And, they are the breeding grounds for new drugs that can cure disease.

The Tropical Forest Conservation Act builds on the EAI's successes in the early 1990's, and links two significant facts of life. First, important tropical forests are disappearing at a rapid rate between 1980 and 1990, 30 million acres of tropical forests—an area larger than the State of Pennsylvania—were lost every year. Second, these forests are located in less developed countries that have a hard time repaying their debts to the United States. In fact, about 50 percent of the world's tropical forests are located in four countries—Indonesia, Peru, Brazil, and the Congo—and these countries have in the aggregate over $5 billion of U.S. debt outstanding.

The Tropical Forest Conservation Act gives the President authority to reduce or cancel U.S. A.I.D. and/or P.L. 480 debt owed by any eligible country in the world to protect its globally or regionally important tropical forests. These "debt-for-nature" exchanges achieve two important goals. They relieve some of the economic pressure that is fueling deforestation, and they provide funds for conservation efforts in the eligible country. There is also the power of leveraging—one dollar of debt reduction in many cases buys two or more dollars in environmental conservation. In other words, the local government will pay substantially more in local currency to protect the forest than the cost of the debt reduction to the U.S. Government.

For any country to qualify, it must meet the same criteria established by Congress under the EAI, including that the government has to be democratically elected, cooperating on international narcotics control matters, and not supporting terrorism or violating internationally recognized human rights. Furthermore, to ensure the eligible country meets minimum financial criteria to meet its new obligations under the restricted terms, it must meet the EAI criteria requiring progress on economic reforms.

The Tropical Forest Conservation Act is a cost-effective way to respond to the global crisis in tropical forests, and the groups that have the most experience preserving tropical forests agree. It is strongly supported by The Nature Conservancy, Conservation International, the World Wildlife Fund, the Environmental Defense Fund and others. Many of these organizations have worked with us very closely over the last two years to produce a good bipartisan initiative.

I am delighted that H.R. 3196 includes these funds that will be used to preserve and protect millions of acres of important tropical forests worldwide in a fiscally responsible fashion.

IN RECOGNITION OF JEFFERSON THOMAS, A MEMBER OF THE "LITTLE ROCK NINE"

HON. DEBORAH PRYCE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Ms. PRYCE of Ohio. Mr. Speaker, I rise today to congratulate Jefferson Thomas, a resident of the Far East Side of Columbus, on receiving the Congressional Gold Medal. Mr. Thomas was a member of the so-called "Little Rock Nine," a group of African-American high school students who first crossed racial barriers at Central High School in Little Rock, Arkansas forty-two years ago. President Clinton bestowed the medal on Thomas and the other eight members of the "Little Rock Nine" today in a ceremony at the White House. The Congressional Gold Medal is the nation's highest honor for a civilian. Previous recipients of the award include such notable figures as George Washington, Nelson Mandela and Rosa Parks.

In the summer of 1957, the city of Little Rock, Arkansas made plans to desegregate its public schools. However, on September 2, the night before classes were to begin, Arkansas Governor Orval Faubus called out the state's National Guard to surround Little Rock Central High School and prevent any African-American students from entering the school. He stated that he was trying to protect citizens and property from possible violence by protesters he claimed were headed in caravans toward Little Rock. A federal judge granted an injunction against the Governor's use of the National Guard to prevent integration, and the troops were withdrawn on September 20.

When school resumed on Monday, September 23, Central High was surrounded by Little Rock policemen. Approximately one thousand people assembled in front of the school. The police escorted the nine African-American students into a side door of the building immediately before classes were to begin. Two days later, President Eisenhower dispatched the National Guard in an effort to maintain order and protect the "Little Rock Nine." Throughout their first year at Central High School, the nine civil rights pioneers received death threats and were the subject of violent acts. Through it all, they remained stoic and focused, realizing that the eyes of the nation were upon them in their quest for equality. In May of 1958, Ernest Green became the first African-American graduate of Little Rock Central High School.

Jefferson Thomas is to be commended for his courage in the face of overwhelming adversity. Little did he know that his bravery over forty years ago would have a lasting historical impact. His determination, and that of the other members of the "Little Rock Nine," paved the way for the desegregation of all schools, and helped make equality in education a reality for all students. Mr. Thomas is truly a source of inspiration to the citizens of Ohio and the rest of our nation.

"NOW AND TOMORROW"

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mrs. MINK of Hawaii. Mr. Speaker, I am inserting an article by Sally-Jo Keala-o-Ānuenue Bowman that tells the story of one recipient of a Native Hawaiian Health Scholarship, which is funded by Congress under the 1988 Native Hawaiian Heath Care Act. This article provides compelling testimony on the value of this important program.

[From Island Scene (Summer 1999)]

NOW AND TOMORROW: A HAWAIIAN SOCIAL WORKER IN WAI'ANAE BRINGS TOGETHER HER WORK AND CULTURE

(By Sally-Jo Keal-o-Ānuenue Bowman)

Wai'anae Valley. A breeze through the crimson bougainvillea at Kahumana Residential Treatment Center offsets the noontime sun.

In the parking lot, even before Julie Ann Lehuanani Oliveira opens her car door, Kenneth Panoke waves to her, and his sun-browned Hawaiian face breaks into a puka-toothed grin. Oliveira, 28, is young enough to be his daughter.

But he meekly follows her into the main building, rubber slippers slap-slapping the tile floor. He holds her hand while she talks with the center's medical director. Later he clears her lunch plate when she finishes an informal conference.

Social worker Oliveira is on her Wai'anae rounds. Panoke, who has bipolar disorder, is glad to tag along. They're old friends from 1993, when he was a State hospital patient and she was a practicum student from the University of Hawai'i School of Social Work. Panoke had been in and out of the State hospital all his adult life.

Neither Panoke nor Oliveira is from Wai'anae, but this Leeward O'ahu community with its entrenched reputation for the classic Hawaiian problems of poverty, drugs, crime, and life-threatening diseases, offers Oliveira a chance to serve her own people. To Panoke, Wai'anae is a place to heal.

Oliveira's road to social work started on Maui, where she grew up in a Hawaiian-Portuguese family. Because her mother, Hazel Makahilahila Oliveira, was widowed at age 26, she counseled her five daughters to excel in school so they could be independent. Oliveira had known since she was 8 that she would join a helping profession. She earned a bachelor's degree in business administration before earning a master's in social work from the University of Hawai'i to be able to provide both direct and administrative services.

Her father's uncle, Lawrence Oliveira, was like a grandfather to Oliveira. When Uncle Lawrence was dying in Hāna in 1997, he told Oliveira to promise him she'd return home and take care of her community, her people. "We talk about how Hāna is so small that everyone knows each other, and the people have a hard time talking about their troubles. He told me that's where I could help.

These views meshed with the idea behind the Native Hawaiian Health Scholarship Program, which fully funded Oliveira's master's degree.

The goal of the scholarship program is to train Hawaiians to treat Hawaiians. The hope is that scholarship grads will return to work in their home communities.

The health of Hawaiians as a people is not good. They have the highest rates of diabetes and heart disease, and the lowest life expectancy of any ethnic group in Hawai'i. One contributing factor is that sometimes, because of cultural differences, Hawaiians are reluctant to seek health care. Hawaiian physicians and other health care workers help open the door, especially when these professionals grew up in those communities. That's why priority is given to applicants from under-served areas with large Hawaiian populations, such as Hāna, Wai'anae, and Moloka'i.

The scholarship program, federally funded through the 1988 Native Hawaiian Health Care Act, has awarded 82 full scholarships since 1991. In exchange, recipients—doctors, dentists, nurses, dental hygienists, social workers, public health educators, clinical psychologists, nurse midwives—promise to work in a Hawaiian community one year for each year of their professional training. Eight have stayed in their jobs beyond the required time, some in their home communities.

Oliveira remained in Wai'anae when she finished her obligation in 1977 at Hale Na'au Pono, the Wai'anae Coast Community Mental Health Center.

She began at the mental health center as a clinician in 1995, soon becoming head of the Adult Therapy Division. There, she recruited four other scholarship recipients—a move that boosted mental health service in Wai'anae and bounded the new professionals in their mission to help fellow Hawaiians.

"The most beneficial part of the scholarship is not the financial assistance, but the networking with other students and having encouraging mentors," Oliveira says. "I know that many of the opportunities I have are a direct result of the scholarship program."

Hardy Spoehr, executive director of Papa Ola Lōkahi, the administrative branch of the Native Hawaiian Health Care systems, says: "All the scholarship students come out of their special Hawaiian seminars with a sense of Hawaiian culture that others may not have. They become aware of culturally appropriate ways, such as how to approach kūpuna [elders]. By 2002—when Federal funds are up for reauthorization—we'll have at least a hundred Hawaiian health professionals in the field."

In 1985, "You could count on two hands the number of Hawaiian physicians in Hawai'i," Spoehr says. "If these scholarships can continue for a total of 20 years, we'll build a pipeline of health services for 50 years—and make major changes in Hawaiians' health status."

The idea of how powerful a rich presence of Hawaiians in health care could be first came to Oliveira while she worked with Hale Na'au Pono, then bloomed big on a trip she arranged in 1997 for some of her women mental health clients. They spent three days on Kaho'olawe, the limited-access island that is still in transition from being a military practice bombing target to a re-sanctified cultural resource for Hawaiians. Oliveira saw metaphors for both her clients and herself.

"I talked to them about how the breakdowns in their lives were like Kaho'olawe's destruction," she says. "Their recovery will take their families' help. Nobody can do it alone. Kaho'olawe represents that. You can't be by yourself—it's contradictory to the Hawaiian perspective."

Oliveira is convinced that such cultural experiences are essential to the recovery of Hawaiian health. She also knows the major obstacle: funding.

Her new mission is to develop ways of documenting cultural approaches to solving mental health problems, to help ensure such programs will not forever be relegated to "fighting for funding scraps."

In 1997, to start a doctoral program in social welfare at the University of Hawai'i, she shifted her role at Hale Na'au Pono from directing day-to-day operations to consulting. She also began consulting at Wai'anae's Hui Hana Pono Clubhouse program and facilitating a women's group in the community for the Ho'omau Ke Ola drug and alcohol treatment center.

She is currently a consultant for the Native Hawaiian Health Care Systems (one office of which is on the Wai'anae Coast), and for the Kahumana Residential Treatment Center. She is also conducting research with the UH Department of Psychology to look at the impact of managed care on the severely mentally ill.

Farrington Highway is a fact of life, as Oliveira commutes from her Waikele home to Wai'anae.

There's much to be done. This is confirmed by Annie Siufanua, clinic intake coordinator at the mental health center. "On the Wai'anae Coast, we don't have anger management training, or programs for sex abuse or domestic violence," says Siufanua. "One psychiatrist comes three days a week. Sometimes you can't get an ambulance—there are only two for 65,000 people. The entire health care outlook is getting worse."

That doesn't deter Oliveira. "Our mission is to improve the health status of native Hawaiians. It's worth it if you can make a difference in even one person's life." She says, pausing. "But you pray at night that in 10 years the daughter of your client won't be in the clinic for the same thing."

By the time Oliveira finishes a Wai'anae day, the sandy beaches border the highway gleam gold in the sinking sun. Already in her short career, she has served Wai'anae well. The community has also served her. It's here she developed her idea that "there's not enough for us Hawaiians at the policy level. That's why we have a hard time getting the funding we need."

Driving home, she keeps one eye on the road, the other scanning the mountains and the sea in this community where she has learned so much. "I couldn't have asked God to put me in a better place to prepare me to go home to work in Hāna," she says.

And that preparation is already paying off. Julie Oliveira has recently begun providing individual and family therapy in Hāna two weekends a month.

CELEBRATING THE FIFTH ANNIVERSARY OF DEATH VALLEY NATIONAL PARK

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. LEWIS of California. Mr. Speaker, I rise today to celebrate the fifth anniversary of the creation of Death Valley National Park, which protects and provides public access to some of the most dramatic scenery in the United States in a pristine desert environment that is unmatched in the world.

Death Valley became the largest national park in the lower 48 states when it was changed from national monument status and expanded to 3.3 million acres in 1994. More than 1.3 million people travel to the park now, and the historic Furnace Creek Inn remains open year-round—even through 130-degree summer days.

This spectacular park includes the lowest point in the Western Hemisphere—Badwater, at 282 feet below sea level—and mountain peaks over 11,000 feet tall. Much of the park is breathtakingly desolate wilderness, but visitors can also relive the time of the Gold Rush through ghost towns and the internationally famous Scotty's Castle.

In the past five years, the park staff has grown to include an archeologist, a botanist and hydrologist to research and protect the unique natural resources. The staff has successfully begun a multi-year effort to capture and remove the more than 500 burros who were introduced by miners, and who compete for scarce food and water with native wildlife like the Desert Bighorn Sheep. Non-native vegetation is also being removed.

The staff has also restored and improved historical resources like Scotty's Castle, and installed 60 new wayside interpretive exhibits, with plans for 50 more.

The park service has made efforts to ensure compensation and flexibility for private owners whose property was included in the park, although some problems remain. We must urge the park service to make resolution of those inholder problems a top priority in the years to come.

Mr. Speaker, I ask you and my colleagues to join me in congratulating Park Superintendent Dick Martin and his staff for creating a world-class national park in this unique natural environment. Their efforts have ensured that the treasures of the desert can be viewed by many more visitors—and protected for all those who will come in the future.

TRIBUTE TO SERGEANT THOMAS J. SHANLEY

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. VISCLOSKY. Mr. Speaker, at a time when crime concerns are on every citizen's mind, those who have dedicated their lives to law enforcement are to be commended. I would like to make a special commendation to Sergeant Thomas J. Shanley, a devoted law enforcement officer from Indiana's First Congressional District. Sergeant Shanley retired from the Schererville Police Department in September of this year after 21½ years of dedicated service. Sergeant Shanley will be honored by his family, friends, and members of the Schererville Police Department at a testimonial dinner Friday, November 12, 1999 at Teibel's Restaurant in Schererville, Indiana.

Thomas Shanley joined the Schererville Police Department on February 28, 1978 and graduated from the 51st class of the Indiana Law Enforcement Academy in July of 1978. He began his duties at the Schererville Police Department in the Patrol Division where in February of 1980 he was promoted to 1st Class Patrolman. Five years later he was promoted to the rank of Corporal and in 1989 was promoted to Sergeant. During his career with the Schererville Police Department, Sergeant Shanley served as a Certified firearms Instructor, an Instructor for the citizens Policy Academy, Coordinator for the Field training program, and Coordinator for the Department Training program. He was most recently elected President of Training Coordinators for the Northwest Indiana Law Enforcement Training Center.

While Sergeant Shanley has dedicated considerable time and energy to his work with the Schererville Police Department, he has never limited the time he gives to his most important interest, his family. He and his wife Kathryn have one son, Patrick, age 10.

On this special day, I offer my heartfelt congratulations to Sergeant Shanley. His large circle of family and friends can be proud of the contributions this prominent individual has made to the law enforcement community and the First Congressional District of Indiana.

Mr. Speaker, I ask that you and my other distinguished colleagues join me in commending Sergeant Thomas Shanley for his lifetime of service and dedication to the people of Northwest Indiana and the citizens of the United States. Sergeant Shanley can be proud of his service to Indiana's First Congressional district. He worked hard to make the Town of Schererville a safer place in which to live and work. I sincerely wish him a long, happy, healthy, and productive retirement.

INTRODUCTION OF A DISCHARGE PETITION FOR A MEDICARE PRESCRIPTION DRUG BENEFIT

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. STARK. Mr. Speaker, I rise today to introduce a rule for a discharge petition to force Congress to consider a Medicare prescription drug benefit. The rule would bring H.R. 1495, the "Access to Prescription Medications in Medicare Act of 1999," to the floor for debate and open amendments. My bill provides a new Medicare benefit for prescription drugs—with a $200 deductible, $1700 in new benefits, with a 20 percent co-pay and stop loss protection for beneficiaries who would otherwise spend more than $3000 out of pocket on prescription drugs. This attempt to get a bill considered in the House is a way to force Republicans to finally address the issue of access to affordable comprehensive prescription drugs for seniors.

A number of my colleagues and I have offered proposals for a way out of the current predicament which is particularly unfair to seniors lacking prescription drug coverage. The President has put forth his own Medicare prescription drug proposal which has no new deductible, requires a 50 percent co-pay of $2000 in 2002, rising to $5000 in 2008, and no stop loss protection. The "Prescription Drug Fairness for Seniors Act" (H.R. 664) introduced by Representatives Allen et. al. also has tremendous support. While this legislation would not create a new Medicare drug benefit, it would extend discounts to seniors equivalent to the discounts obtained by other large purchasers.

As a recent Families USA study makes painfully clear, the cost of prescription drugs has become unbearable for America's more than 14 million Medicare beneficiaries who cannot afford prescription drug coverage. The Families USA study finds that seniors, the last major insured consumer group without a prescription drug benefit, are paying prices that are rising four times faster than the rate of inflation. According to this well-researched study, these drug prices support profit margins for the makers of those drugs that averaged 20 percent, while the median margin for Fortune 500 companies is only 4.4 percent.

These high prices are supplementing the already-inflated paychecks of those who work for the drug industry.

Likewise, the minority staff of the House Government Reform Committee recently conducted a comparison of prescription drug prices in my district and dozens of other districts and found that seniors buying their drugs out-of-pocket are paying about twice as much as the drug companies' favored customers (such as large insurance companies and HMOs). For Zocor, a cholesterol-lowering medication taken by millions by Americans—myself included—the price differential between what a consumer would pay who has no drug insurance relative to the rate for large group health plans is a staggering 229 percent—$114.62 versus $34.80 for a bottle of 60 pills.

At the same time, an article in last Sunday's Washington Post reported that the four area HMOs serving Medicare recipients in Washington, D.C. will limit prescription drug benefits beginning January 1st. This appears to be reflective of a national trend as many managed care companies sharply raise co-payments and cap drug coverage. For example, next year UnitedHealthcare will raise prescription drug co-payments from $20 to $90 for a 90-day mail order supply of a brand-name drug and Cigna plans to reduce its annual benefit for brand-name prescription drugs from $600 to $400, with a new limit of $100 per each quarter of the year.

The public overwhelmingly recognizes the need to provide seniors with access to affordable drugs. According to a recent Harris poll, 90 percent of Democrats, 87 percent of liberals, and 80 percent of Republicans and conservatives support a Medicare drug benefit. In addition, 70 percent of those participating in a recent Discovery/Newsweek poll ranked the high cost of prescription drugs as "the most important problem with the health-care system." And in a survey undertaken to better understand the American public's concerns, last Sunday's Washington Post reported the fear that "Elderly Americans won't be able to afford the prescription drugs they need" as one of the top issues that worries Americans.

So why, in light of the public's priorities, has there been a real reluctance for Republicans to move forward on the issue of Medicare prescription drug coverage this Congress?

Last week, Republicans decided to bring the BBA Refinement Act to the House floor under suspension so that amendments could not be introduced—such as the one based on Representative ALLEN'S drug discount proposal. This legislation would have given seniors a price discount on their prescription drugs and permitted beneficiaries to finally purchase medicines at a fair price—bringing an end to the drug companies' price discrimination. And recently, the Ways and Means Republicans all voted against that same amendment offered by my colleague, Representative KAREN THURMAN, to include a discounting provision in the BBA Refinement legislation.

It is this lack of Republican responsiveness that is leading me to file the rule for a discharge petition to bring H.R. 1495 to the floor. There are a number of good proposals out there. Any and all of them would improve the current, deplorable state we are now in. I think we can all agree that the current situation is not working and that the most important step we can now take is to increase access to affordable prescription drugs for our nation's seniors.

TO RECOGNIZE TEACHERS WHO HAVE WON USA TODAY AWARD

HON. MAC COLLINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. COLLINS. Mr. Speaker, when USA TODAY selected 29 of America's top teachers for its All-USA Teacher Team, I was proud to learn that 3 of them came from the Third District of Georgia. USA TODAY says the team parallels the All-USA Academic Team which has been selecting outstanding students since 1987.

I want to introduce these teachers to Congress. They represent the best in their profession, not only for their dedication, but for their creativity in designing programs to help children. Each has started an important program that teaches children both in the classroom and outside.

It goes without saying that each of these teachers developed their program on their own. These programs were developed in Columbus and Newnan, not in some bureaucrat's office in Washington, D.C.

Tina Cross, of Carver H.S., in Columbus, is a 25-year teaching veteran. She teaches advanced placement biology and physics. Her students are participating in a space shuttle science project with North Carolina in sending peanuts into space to examine the effect of zero gravity on the nutrients. She said the peanut industry is also working with the students on the shoe-box-sized experiment.

Cross's students have other, more down-to-earth projects as well. They have raised money to build a Habitat for Humanity house in Tanzania, and in Columbus itself.

She teaches at George Washington Carver High School, which has over 1,700 students. It has science, math, technology, and vocational magnet programs. The school is named for the famous African American scientist George Washington Carver, whose work with peanuts helped revive Southern agriculture and improve nutrition. The peanut project is appropriate, don't you think?

Sylvia Dee Shore, a 30-year teaching veteran at Clubview Elementary in Columbus, teaches third graders. She started the Riverkids Network, which involves over 1,000 children from 18 schools in grades 3 through 8. She started the interdisciplinary river awareness project in 1994. The students sample the Chattahoochee River's waters, do chemical testing, and study insects and other animals found in the river system. They publish a bimonthly newsletter, and an annual Riverkids Cookbook.

Clubview Elementary has 500 children from grades kindergarten through sixth grade. The school has very strong community roots with second and third generations attending school there.

Dr. Carmella Williams Scott, a 23-year teaching veteran teaches at the Fairmount Alternative School, in Newnan. She concentrates on children who have been sent to the school from juvenile justice departments or who have been expelled from other schools.

She teaches middle and high school students English literature and law. She introduced Cease Fire, which operates a juvenile video courtroom. Students assume the roles in the court of the judges and lawyers. They even film the proceedings and hold open hearings so other students can see what happens.

When students have altercations in the school, they are hauled into court to be judged by their peers, says Dr. Scott. This helps them learn to handle conflict without violence, and to resolve differences without fighting. "They coined the phrase, 'Don't hold a grudge—take it to the judge,'" Dr. Scott says. Her innovative program enhances her students to become a part of the judicial system. "They are tired of being this side of the court, and want to be on the other side of the court," she said. "This teaches them to think on their feet, research the law, and gives them practical skills."

Fairmount Alternative school has 150 students and 12 teachers, and specializes in working with students on a more individualized basis than most schools. Most students attend the school for 9-week stints.

The innovative program has landed Dr. Scott many awards, as well as an appearance on Japanese television.

These teachers have given a lot to the children they have worked with over the years. They have given to their communities. I want to thank them publicly for their effort, and to thank USA TODAY for providing them with this public recognition.

ASSOCIATION OF PACIFIC ISLAND LEGISLATURES

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. UNDERWOOD. Mr. Speaker, on September 21–22, 1999, the Association of Pacific Island Legislatures (APIL) Board of Directors held its 36th meeting in the State of Kosrae, Federated States of Micronesia (FSM). APIL is an organization for mutual assistance among representatives of the people of the Pacific Islands composed of legislators from American Samoa, the Commonwealth of the Northern Mariana Islands (CNMI), the states of Chuuk, Kosrae, Pohnpei and Yap in the FSM, the island of Guam, the Republic of the Marshall Islands, the Republic of Palau, the state of Hawaii, the Republic of Nauru and the Republic of Kiribati.

As Pacific Island governments continued to advance and develop politically, their leaders recognized the need for unity among those directly involved with the substantive regional and international issues facing the newly formed states. It was deemed necessary for a permanent association of policy makers from the Pacific nations, states, and territories, to meet on a regular basis in order to consider matters of mutual interest in areas where regional cooperation, coordination, exchange and assistance would help individual governments achieve their goals through collective action. Based on a mission statement adopted on July 31, 1991, the Association of Pacific Island Legislatures was formed. On November 23, 1981, its charter officers were named during an organizational planning session held on the island of Guam. Senator Edward R. Duenas of Guam served as APIL's first president with Senate President Olympio T. Borja of the CNMI as his vice president. Senator Elias Thomas of the FSM was designated as secretary and Senator Moses Ulodong of the Republic of Palau was named treasurer.

Issues currently at the forefront of APIL's agenda include Resources and Economic Development, Commerce, Legislation, Energy, Regional Security and Defense, Communications, Cultural Appreciation, Health and Social Services, Education, Agriculture, Air and Sea Transportation, Aquaculture, Sports and Recreation, Youth and Senior Citizens, Tourism, Finance, Political Status, External Relations, and Development Banking. For almost two decades, APIL has remained dedicated towards promoting regional concerns. I congratulate the officers of this term, Senator Carlotta A. Leon Guerrero of Guam, President; Senator Renster Andrew of the FSM, Vice President; Senator Herman P. Semes of the FSM, secretary; Representative Ana S. Teregeyo of the CNMI, treasurer; and Senator Haruo Esang of the Republic of Palau, advisor, for their hard work and dedication. Let us continue our united efforts in the years to come.

RECOGNIZING TIMOTHY E. HOEKSEMA, RECIPIENT OF THE 1999 INSTITUTE OF HUMAN RELATIONS AWARD

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. KLECZKA. Mr. Speaker, I rise today to honor Timothy E. Hoeksema, Chairman, President and Chief Executive Officer of Midwest Express Airlines, Inc., who is the recipient of the 1999 Institute of Human Relations Award from the American Jewish Committee.

Mr. Hoeksema is a leading figure in the community and an example of the values of his hometown, Milwaukee, which esteems hard work, honesty and a genuine love of people. Under his leadership the company has distinguished itself as a dynamic and innovative force in the airline industry.

Mr. Hoeksema's support of community groups and functions seemingly knows no boundaries and includes Betty Brinn Children's Museum, Midwest Athletes Against Childhood Cancer, Next Door Foundation, Milwaukee Art Museum, Boys & Girls Clubs of Greater Milwaukee, Eastown and Westown Associations, Habitat for Humanity, Esperanza Unida, Project Equality, American Cancer Society, Florentine Opera, Circus Parade, Skylight Opera Theater, First Stage, Greater Milwaukee Open, Marcus Center for the Performing Arts, Make-A-Wish Foundation, and Riversplash.

Mr. Hoeksema is duly recognized by the American Jewish Committee, which has worked toward intergroup understanding to strengthen a community in which diverse cultures and traditions can flourish. In that regard, he is a fitting recipient of the Institute of Human Relations Award, which is presented to leaders of the business and civic community whose distinguished leadership demonstrates their profound commitment to preserving our democratic heritage.

Each year the American Jewish Committee's Institute of Human Relations honors an outstanding corporate citizen, and it is a fitting tribute, Mr. Speaker, that Timothy A. Hoeksema, who has done so much to support the diverse social fabric of the community, should receive this outstanding recognition.

IN REMEMBRANCE OF GORDON JOHNSTON

HON. RALPH M. HALL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. HALL of Texas. Mr. Speaker, I rise today in honor of a community leader from Longview, TX, the late Gordon Clayton Johnston, Sr., who gave generously of his time and energies to a variety of worthy community causes prior to his death on March 17 of this year.

Mr. Johnston was born in Norphlet, AR, on July 24, 1925, but grew up and lived a majority of his life in Longview. He served in the U.S. Navy in the Pacific Theater and returned to Longview to marry Mildred McHaney in June 1946. He then attended Kilgore Junior College, serving as drum major for the Ranger Band, and following graduation entered the School of Business at the University of Texas at Austin.

Upon his return to Longview, he entered the oil business with his father, the late E.C. Johnston, Sr. He was a charter member of the First State Bank of Longview Founding Board (presently Longview Bank & Trust) and retired at the end of 1991 after 33 years of service. He also was a charter member of the Longview Savings and Loan Board, which he served for 19 years.

Throughout his life he was active in community service. He was a charter member of the founding board of the Longview YMCA and served continuously for more than 20 years, including two terms as president. He was an officer of the Longview Chamber of Commerce and Junior Chamber of Commerce. He was a community advisor for the Junior Service League (now Junior League of Longview) and served on the United Way Budget Committee. He was a longtime member of Pinecrest Country Club, charter member of the board of the Summit Club and a member of the Cherokee Club.

Mr. Johnston also was devoted to the First Christian Church, where he had been a member since 1946. He served as a deacon and an elder for a number of years and in 1987, along with his wife, Mildred, he received the honor of being named elder emeritus. He served for many years on the church's board and served as chairman for 2 years.

An outdoorsman by nature, he was an ardent supporter of fish and game conservation in Texas, Colorado, and Alabama. He enjoyed ranching, raised and showed Appaloosa horses, and was a member of several hunt clubs.

He is survived by his wife, Mildred; children, Kathy Jackson, Gordon Clayton Johnston, Jr., Mark Johnston, Elaine Kauffman, Beth Ylitalo, and Kent McHaney Johnston; 16 grandchildren, three great-grandchildren, and his brother, E.C. Johnston, Jr., of Longview.

Mr. Speaker, Mr. Johnston is missed by his many friends and his family, but his memory will live on through the legacy that he leaves to his community, his church, and his family. It is an honor to pay my last respects to Gordon Clayton Johnston, Sr.

VETERANS DAY CELEBRATION

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. VISCLOSKY. Mr. Speaker, Thursday, November 11, 1999, marks the observance of Veterans Day, honoring all veterans who have pledged allegiance to their country and all of its endeavors. This day is set aside to recognize the boldness and bravery of those who have fought to uphold the standards of democracy.

On this Veterans Day, a special ceremony titled, "Salute 1999: An American Patriotic Celebration" will be held at the Radisson Star Plaza Theatre in Merrillville, Indiana. This celebration of patriotism and pride will honor eight local veterans for their dedicated military service. Those veterans that will be honored include: Stanley Bliznik, Eliseo Castaneda, Alonzo Swann, Jr., Charles Swisher, Zenon Lukosius, Marion Brzezinski, Walter O'Keefe, and Douglas Dettman.

Stanley Bliznik of Highland, Indiana, is a World War II Veteran of the United States Army. He served our country from October 7, 1941 to July 31, 1945 as a member of the Army's 20th Combat Engineer Battalion. Eliseo Castaneda of East Chicago, Indiana, is a United States Marine Corps Veteran. He enlisted in the Marines in July of 1948 and was discharged July, 1952. He arrived in Pusan, Korea the first day of September 1950 and participated in the Pusan Perimeter action, the battle of Kimpo Air Field, and the battle securing Seoul, South Korea. Serving in the Navy during World War II, Alonzo Swann, Jr., of Gary, Indiana is a fine example of one of our American heroes. He received the Victory Medal, American Theater Medal, Purple Heart, Bronze Star Combat V, Asiatic Pacific Medal three stars, Philippine Liberation Ribbon two stars, and the Navy Cross for his dedicated military service. Additionally, Charles Swisher of Crown Point, Indiana, served in the United States Army during World War II on the battlefield in France. He served as a member of the 976th Field Artillery Battalion. Zenon Lukosius of South Holland, Illinois, courageously served our country during World War II. As a member of the United States Navy, Lukosius defended against enemy planes, helped bombard enemy shores, and was involved in the capture of enemy submarines. Marion Brzezinski of Highland, Indiana, served in the United States Army until he was discharged in September of 1945. In 1944, during the Invasion of the Rhineland, he was taken prisoner by the Nazis two days before Christmas and was liberated on April 29, 1945 by the American Forces. After twenty-seven years of faithful service, Walter O'Keefe was discharged from the United States Marine Corps with the rank of 1st Sergeant. O'Keefe hails from Dolton, Illinois where he is a father of three, grandfather of six, and has four great-grandchildren. Douglas Dettman resides in Schererville, Indiana, and served in the United States Army during the Vietnam conflict. Dettman received the Good Conduct Medal, Combat Medic Badge, Purple Heart, Vietnam Gallantry Cross with Silver Star, Distinguished Service Cross, and the Silver Cross for his valorous actions as a medical aid man.

The great sacrifice made by these eight men and those who served our country has resulted in the freedom and prosperity of our country and in countries around the world. The responsibility rests within each of us to build upon the valiant efforts that these men and women who fought for this country have displayed, so that the United States and the world will be a more free and prosperous place. To properly honor the heroism of our troops, we must make the most of our freedom secured by their efforts.

In addition to the eight veterans who are to be honored at this patriotic celebration, I would also like to commend all of those who served this country for their bravery, courage, and undying commitment to patriotism and democracy. May God bless them all.

We will forever be indebted to our veterans and their families for the sacrifices they made so that we can enjoy our freedom. Mr. Speaker, I ask that you and my colleagues join me in saluting these eight men and the other veterans who have fought for our great country.

WELCOMING THE 1999 AEA CLASSIC TO SAN DIEGO

HON. RANDY "DUKE" CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. CUNNINGHAM. Mr. Speaker, I am honored to recognize the industry, finance and media participants in the 1999 American Electronics Association (AEA) "Classic," an annual meeting linking high-tech industry leaders, entrepreneurs and financial partners that is being held this week in San Diego, California.

It is my great honor to represent one of the nation's most "wired" congressional districts. Within an hour's drive of the AEA Classic gathering lies the entire 51st Congressional District that I represent. It is also home to the global capital of wireless telecommunications, exemplified by firms such as Qualcomm, Ericsson, Motorola and, very soon, Nokia. We are also home to leading participants in the PC and electronics industries, including Gateway, Hewlett-Packard, Sony and others. Major software firms like Peregrine Systems, Intuit and Stac, integrated solutions providers like SAIC, and technologically advanced national security industry employers like TRW, Titan, Cubic, Orincon, CSC, Jaycor, General Atomics and many others, all have either headquarters or major presences in San Diego County.

I have seen the future, and it is made in San Diego in more ways than one.

Our leading technology employers have two things in common: leading-edge ideas, backed with sufficient financing to get them to market and to prepare them for the markets of the future. This principle, bringing great ideas together with the business know-how and the financing necessary to make them succeed, is the motivating purpose for the annual AEA Classic.

The jobs and economic opportunities of the future are being made today at meetings like the AEA Classic, in San Diego today. They are not being created by the government or by regulators or by bureaucrats, but by entrepreneurs with dreams, and by people with resources to make these dreams real. To ensure that these innovations keep coming, I believe that we need to work together to improve education in every community for every person. And we need to keep the long, taxing arm of the federal government out of the way.

The AEA Classic meeting in San Diego deserves Members' attention, because their next purchase, their constituents' next job, or the technology for their next phone call may well depend on its success. Thank you, Mr. Speaker, for permitting me to take note of a major force in the development of America's dynamic high-tech industry.

IN OBSERVANCE OF DUTCH AMERICAN HERITAGE DAY

HON. PETER HOEKSTRA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. HOEKSTRA. Mr. Speaker, on November 17, 1776, a small American warship, the Andrew Doria, sailed into the harbor of the island of Saint Eustatius in the West Indies, which is a colony of the Netherlands. Only four months before, the United States had declared its independence from Great Britain. The American crew was delighted when the island's governor, Johannes DeGraaf, ordered that his fort's cannons be fired in a friendly salute. As this was first-ever military salute given by a foreign power to the flag of the United States, it was a risky and courageous act. The British seized the island a few years later. DeGraaf's welcoming salute was a sign of respect, and today it continues to symbolize the deep ties of friendship that exist between the United States and the Netherlands.

After more than 200 years, the bonds between the United States and the Netherlands remain strong. Our diplomatic ties, in fact, constitute one of our longest unbroken diplomatic relationships with any foreign country. Fifty years ago, during the Second World War, American and Dutch men and women fought side by side to defend the cause of freedom and democracy. As NATO allies, we have continued to stand together to keep the transatlantic partnership strong and to maintain the peace and security of Europe. In the Persian Gulf we joined as coalition partners to repel aggression and to uphold the rule of law.

While the ties between the United States and the Netherlands have been tested by time and by the crucible of armed conflict, Dutch-American heritage is even older than our official relationship. It dates back to the early 17th century, when the Dutch West Indies Company founded New Netherland and its main settlements, New Amsterdam and Fort Orange—today known as New York City and Albany. From the earliest days of our Republic, men and women of Dutch ancestry have made important contributions to American history and culture. The influence of our Dutch ancestors can still be seen not only in New York's Hudson River Valley but also in communities like Holland, Michigan; Pella, Iowa; Lyden, Washington; and Bellflower, California—where many people trace their roots to settlers from the Netherlands.

Generations of Dutch immigrants have enriched the United States with the unique customs and traditions of their ancestral homeland—a country that has given the world great artists and celebrated philosophers.

On this occasion, we also remember many celebrated American leaders of Dutch descent. At least three presidents, Martin VanBuren, Theodore Roosevelt and Franklin D. Roosevelt, came from Dutch stock. Our Dutch heritage is seen not only in our people but also in our experience as a nation. Our traditions of religious freedom and tolerance, for example, have spiritual and legal roots among such early settlers as the English Pilgrims and the French Huguenots, who first found refuge from persecution in Holland. The Dutch Republic was among those systems of government that inspired out nation's Founders as they shaped our Constitution.

In celebraton of the long-standing friendship that exists between the United States and the Netherlands, and in recognition of the many contributions that Dutch Americans have made to our country, we observe Dutch American Heritage day on November 16. I salute the more than 8 million Americans of Dutch descent and the 16 million people of the Netherlands in celebration of this joyous occasion.

CLARIFYING OVERTIME EXEMPTION FOR FIREFIGHTERS

SPEECH OF

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. WELDON of Pennsylvania. Mr. Speaker, I rise today in strong support of this legislation. I commend the gentleman from Maryland for introducing this bill, and as a former firefighter, appreciate his initiatives to help the firefighters of our nation.

This bill would clarify the overtime exemption for full time firefighters and EMS personnel. This would apply to all firefighters, paramedics, emergency medical technicians (EMS), rescue workers, ambulance personnel, and hazardous materials workers who are employed by a municipality, county, fire district, or state fire department. As the founder of the

Congressional Fire and Emergency Services Caucus, and one who has continually kept informed on these issues, I realize the importance of this bill. By giving these men and women the opportunity to be treated fairly in the workplace, we are recognizing that firefighters and EMS personnel are employees that deserve overtime for their valiant efforts. These individuals are professionally trained in fire suppression, and work to keep our communities safe.

Every day across America the story is the same: public officers—be they firefighters, emergency services personnel, or law enforcement officials—leave their families to join the thin red and blue line that protects us from harm. They put their lives on the line as a shield between death and the precious gift of life. Mr. Speaker, I know the dedication of our men and women in the fire community, and know the risks they take each day they do their job.

As we all know, recent Court rulings have stated the EMS personnel do not qualify for the overtime exemption in the Fair Labor Standards Act because the bulk of their time is spent doing non-fire protection activities. This is absurd. During working hours, these men and women sit on alert for the calls that come in, and spend their time working on their fire stations. This legislation is long overdue, and I believe that we are taking the right steps by granting our firefighters this overtime status.

Mr. Speaker, I would like to thank my colleague from Maryland for introducing this important piece of legislation, and I look forward to working with him again on other fire related issues.

HONORING DR. EDOUARD JOSEPH HAZEL

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. TOWNS. Mr. Speaker, I rise today to honor Dr. Edouard Joseph Hazel, an international leader in medicine.

Edouard Joseph Hazel was born on November 10, 1951, in Port-au-Prince, Haiti, the third largest Caribbean country. Dr. Hazel went to private schools and joined the School of Medicine of the State University of Haiti. He graduated in 1975, and moved to the United States where he obtained his Board Certification in Internal Medicine and Infectious Disease.

Dr. Hazel is currently the Acting Chief of the Department of Medicine of Coler Hospital, where he was instrumental in establishing the first long-term program for patients infected with the HIV virus. In spite of his busy schedule with this municipal hospital, Dr. Hazel is also completing a term as the President of the New York State Chapter of the Association of Haitian Physicians Abroad, and is the current general secretary for the national committee of this organization of some 2,000 American physicians.

Dr. Hazel is at the forefront of the movement that ultimately defeated discriminatory policies and practices of the FDA and the CDC against Haitian Americans who were singled out as the carriers of the HIV virus. During his tenure, he visited the U.S. Base of Guantanamo, Cuba, where HIV-infected Haitian refugees were held and helped articulate the legal argument to ensure that this group received appropriate medical care. He was also one of the first scientists who recognized the danger that the HIV virus could represent for people of color all over the world.

Dr. Hazel also understands the importance of coalition building and works closely with numerous organizations such as the Hispanic American Physician Association, the Providence Society, the local chapter of the National Medical Association, and the Caribbean Health Association, to name a few. Dr. Hazel is also the current Director of the Visiting Physician Program of the Health and Hospital Corporation at Coler Goldwater Hospital, a program that has provided extensive training in the diagnosis and the management of transmissible diseases to physicians practicing in the Dominican Republic.

Fully aware of the changes taking place in the health care industry, Dr. Hazel has been vehemently working to increase the participation of minority professionals in shaping a better health care system.

Mr. Speaker, I would like you and my colleagues from both sides of the aisle to join me in honoring Dr. Edouard Joseph Hazel.

MEDICARE, MEDICAID AND SCHIP BALANCED BUDGET REFINEMENT ACT OF 1999

SPEECH OF

HON. JIM RYUN

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. RYUN of Kansas. Mr. Speaker, I have heard over and over from the health care professionals and the Medicare patients in the 2nd District of Kansas about how devastating the unintended consequences of the Balanced Budget Act have been on the Medicare system.

The BBA's attempt to reduce waste and fraud and prolong the life of Medicare by reducing reimbursements has unfortunately resulted in less care per patient, especially in rural Kansas. From 1997 to 1998 the average reimbursement per patient in Kansas dropped from $4,060 to $2,642 and the average number of visits per patient dropped from 65 to 42. We can be certain that these figures do not reflect a sudden dramatic increase in healthy seniors.

Too many seniors have watched their rural hospital or home health clinic close or are denied care as a result of the budget cuts. In Kansas alone, 60 Home Health Agencies have closed their doors over the last two years. It's time for us to reverse the Balanced Budget Act's death sentence on Medicare and the Health Care Financing Administration's poor interpretation of the Act.

I was particularly pleased when Chairman THOMAS, the author of this bill, came to Kansas to hear first hand the concerns of health care providers in my district. I know the Chairman took these concerns and so many others from around the country into consideration when he drafted this legislation.

The Medicare Balanced Budget Refinement Act is a positive step toward halting the closing of home health agencies and rural hospitals and will ensure greater patient access to quality care. Particularly significant to keeping the doors of home health agencies open is the delay of the 15% payment reduction until a year after implementation of the prospective payment system. The Act also recognizes the paperwork burden the OASIS questionnaire places on nurses and agency staff and provides a $10 payment for each patient requiring this paperwork. The Medicare cuts for home health agencies were deep, and we cannot continue to expect agencies to do more with less. More importantly, many seniors will be able to remain in their homes rather than checking into hospitals and nursing homes.

Small rural hospitals have also suffered from the BBA as their limited budgets have been stretched thin. The Medicare Balanced Budget Refinement Act assists small rural hospitals with the cost of transition to the new prospective payment system through the availability of up to $50,000 in grants to purchase computers, train staff and cover other cost associated with the transition. The Act eliminates the requirement for states to review the need for swing beds through the Certificate of Need (CON) process. It also eliminates the 5 constraints on length of stay providing flexibility for hospitals with under 100 beds to participate more extensively in the Medicare swing bed program.

Mr. Speaker, I voted against the Balanced Budget Act in 1997 largely because of the negative impact it would have on rural health care. I support H.R. 3075 because it goes a long way to correct the problems with the current system.

CONFERENCE REPORT ON S. 900, GRAMM-LEACH-BLILEY ACT

SPEECH OF

HON. EDWARD R. ROYCE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. ROYCE. Madam Speaker, the historic legislation that we are considering today, is a win for the consumer, a win for the U.S. economy and a win for America's international competitive position abroad.

American consumers will benefit from increased access, better services, greater convenience and lower costs. They will be offered the convenience of handling their banking, insurance and securities activities at one location. More importantly, with the efficiencies that could be realized from increased competition among banks, insurance, and securities providers under this proposal, consumers could ultimately save an estimated $18 billion annually.

Federal Reserve Chairman Alan Greenspan has stated that "Consumers of financial services are denied the lower prices, increased access and higher quality services that would accompany the increased competition associated with permitting banking companies to expand their activities."

This reduction in the cost of financial services, is in turn, a big win for the U.S. economy. Finally, this legislation is a win for America's international competitive position, as it will allow U.S. companies to compete more effectively with foreign firms for business around the world.

As the Federal Reserve Chairman stated, "We cannot afford to be complacent regarding the future of the U.S. banking industry. The issues are too important for the future growth of our economy and the welfare of our citizens."

This legislation is thirty years overdue Mr. Speaker, and I urge my colleagues not to delay its passage a day longer.

At this time, I would like to make a few clarifying remarks.

Included in Title VI of the bill before us are complex changes in the structure of the Federal Home Loan Bank (FHLBank) System. I believe these changes will enhance the ability of the System to help member institutions serve their communities, though there is enormous work yet to be done to implement these initiatives. Consequently, at the risk of redundancy, it is important to reiterate the view expressed in the Conference regarding related regulatory actions.

As noted in the Committee Report, the Conferees acknowledged and supported withdrawal of the Financial Management and Mission Achievement (FMMA) rule proposed earlier this year by the Federal Housing Finance Board (FHFB), the FHLBank System regulator. The FMMA would have made dramatic changes in such areas as mission, investments, liquidity, capital, access to advances and director/senior officer responsibilities. Because of serious concerns over the FMMA's impact on FHLBank earnings, its effect on safety and soundness and its legal basis, the proposal has been intensely controversial among the FHLBanks' membership, with over 20 national and state bank and thrift trade associations calling for a legislated delay on FMMA.

Many Conferees not only shared these concerns but also felt strongly that the FMMA should not be pursued while the FHLBank System is responding to the statutory changes in this bill. There was great sympathy for a moratorium blocking the FMMA, but prior to the matter coming to a vote, Chairman Morrison of the FHFB sent a letter to Chairmen GRAMM and LEACH agreeing to withdraw the proposal, which I want to make sure is part of the RECORD. He also promised to consult with the Banking Committees regarding the content of the capital rules and any rules dealing with investments or advances. The FHFB's commitment not to act precipitously in promulgating regulations in these areas creates the proper framework for effective and timely implementation of the reforms that Congress is seeking to put in place.

The regulatory standstill to which the FHFB has committed should apply to any final rules or policies applicable to investments, and the FHFB should maintain the current $9 billion ceiling on member mortgage asset pilot programs or similar activities. In the context of dramatic impending changes in the capital structure of the FHLBanks, I believe it is necessary for the FHFB to refrain from any effort otherwise to rearrange the FHLBanks' investment framework, liquidity structure and balance sheets.

Finally, Mr. Speaker I would like to note that it is my understanding that credit enhancement done through the underwriting and reinsurance of mortgage guaranty insurance after a loan has been closed are secondary market transactions included in the exemption for secondary market transactions in section 502(e)(1)(C) of the S. 900 Conference Report.

FEDERAL HOUSING FINANCE BOARD,
Washington, DC, October 18, 1999.

Hon. PHIL GRAMM,
Chairman, Committee on Banking, Housing, and Urban Affairs, Washington, DC.
Hon. JIM LEACH,
Chairman, Committee on Banking and Financial Services, Washington, DC.

DEAR SENATOR GRAMM AND CONGRESSMAN LEACH: As you proceed to consider legislation to modernize the Federal Home Loan Bank System as part of the S. 900/H.R. 10 conference, I am aware that there is substantial concern regarding our proposed Financial Management and Mission Achievement regulation (FMMA). Unfortunately, this legitimate concern regarding a far-reaching regulatory initiative has resulted in a proposal for a statutory moratorium on our regulatory authority. Despite the best efforts of well-meaning advocates, such statutory language can only lead to serious ambiguity and potential litigation over the independent regulatory authority of the Finance Board.

Therefore, this letter is intended to give you and your colleagues on the Committee of Conference solid assurances about our intentions upon final enactment of the statute being drafted in conference. Upon such enactment, the Finance Board will: 1. Withdraw, forthwith, its proposed FMMA. 2. Proceed in accordance with the statutory instructions regarding regulations governing a risk-based capital system and a minimum leverage requirement for the Federal Home Loan Banks. 3. Take no action to promulgate proposed or final regulations limiting assets or advances beyond those currently in effect (except to the extent necessary to protect the safety and soundness of the Federal Home Loan Banks) until such time as the regulations described in number 2 have become final and the statutory period for submission of capital plans by the Banks has expired. 4. Consult with each of you and your colleagues on the Banking Committees of the House and the Senate, regarding the content of both the capital regulations and any regulations on the subjects described in number 3, prior to issuing them in proposed form.

I believe that these commitments cover the areas of concern which have lead to a proposal for moratorium legislation. You can rely on this commitment to achieve those legitimate ends sought by moratorium proponents without clouding the necessary regulatory authority of the Finance Board which could result from statutory language.

Thank you for your consideration.
Sincerely,
BRUCE A. MORRISON.

PERSONAL EXPLANATION

HON. BILL PASCRELL, JR.

OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Tuesday, November 9, 1999

Mr. PASCRELL. Mr. Speaker, as is reflected in the CONGRESSIONAL RECORD, I was granted a leave of absence for Monday, November 8, 1999.

I would respectfully request that the CONGRESSIONAL RECORD reflect the way in which I would have voted had I been present. The votes are as follows: Rollcall Vote 574—H. Res. 94 On Motion to Suspend the Rules and Agree, Recognizing the generous contribution made by each living person who has donated a kidney to safe a life; on rollcall vote 574, I would have noted "yes."

Rollcall Vote 575—H.R. 2904 On Motion to Suspend the Rules and Pass, as Amended, to Reauthorize Funding for the Office of Government Ethics; on rollcall vote 575, I would have voted "yes."

Rollcall Vote 576—H. Res. 344 On Motion to Suspend the Rules and Agree to Recognizing and Honoring Payne Stewart and Extending Condolences to his family and the families of those who died with him; on rollcall vote 576, I would have voted "yes."

HONORING JIM AND CATHY THOMPSON AND THE TOWN OF KILLINGWORTH FOR THE 1999 ROCKEFELLER CENTER CHRISTMAS TREE

HON. ROSA L. DeLAURO

OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Tuesday, November 9, 1999

Ms. DELAURO. Mr. Speaker, I rise today to pay tribute to the Thompsons and other residents of Killingworth, Connecticut who will provide a 100 foot tall spruce tree that will serve as New York's Rockefeller Center Christmas tree. I am proud, as are the residents of Killingworth, of the special role our tree will play in the national celebration of the holiday season.

This amazing Norway Spruce tree currently stands along side the farmhouse of Jim and Cathy Thompson. When Henry Marquard planted this tree 100 years ago, he never could have imagined its ultimate fate. But now the Thompsons find themselves the proud "parents" of what is to be the tallest tree in Rockefeller Center history.

The tree was first spotted by helicopter last April and later selected by Rockefeller Center officials as the 1999 Christmas tree. Over the summer the huge tree was carefully maintained, despite a record-setting drought. The people of the small town of Killingworth also managed to maintain a huge secret. The public did not know that this tree would become the Rockefeller Center Christmas tree until this week. The secret broke when the state police began to guard the tree around the clock. It will soon be carefully cut down and transported to New York City's Rockefeller Center, where it will stand throughout the holiday season.

The Rockefeller Center Christmas tree is world-renowned. It has been capturing the magic of the holiday season for generations. This year it carriers a special significance as the tree that will usher in the new millennium. We in the Third District of Connecticut are especially proud that our tree was chosen for this special year. We are also proud of how the tree will be used after the holiday season. At the conclusion of its stately reign, the branches will be mulched for use at a camp in New Jersey, and its trunk will be cut into sections for use at the U.S. Equestrian Center, where the U.S. Olympic team will practice.

While the Thompsons, and the people of Killingworth, will surely be sad to see the tree leave home, they are undoubtedly thrilled that the world will see one of the many wonders of their small town. I rise today to acknowledge this once-in-a-lifetime event for the Thompsons and this great honor for the citizens of Killingworth.

CONFERRING STATUS AS AN HONORARY VETERAN OF THE UNITED STATES ARMED FORCES ON ZACHARY FISHER

SPEECH OF

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 2, 1999

Mrs. MALONEY of New York. Mr. Speaker, I rise today to pay special tribute to Zachary Fisher, a true American patriot. H.J. Res. 46 passed unanimously today, and I would like to thank Mr. Fisher's surviving family and his friends for their continued commitment to the men and women who put their lives on the line for our country. Without their support, this legislation would not have been possible.

First, I would like to thank Mrs. Elizabeth Fisher, his devoted wife who worked alongside Zach to help our service men and women; his brother, Larry Fisher; and his nephews, Anthony and Arnold Fisher who are carrying on his work. I would also like to thank his close friends, whose energies and expertise brought to life the many contributions Zach made—Mike Stern, a close and valued friend; Bill White, longtime Chief of Staff to Mr. Fisher and his dear friend Mary Asta.

PERSONAL EXPLANATION

HON. JULIA CARSON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Ms. CARSON. Mr. Speaker, I was unavoidably absent Monday, November 8, 1999, and as a result, missed rollcall votes 574 through 576. Had I been present, I would have voted "yes" on rollcall vote 574, "yes" on rollcall vote 575, and "yes" on rollcall vote 576.

PERSONAL EXPLANATION

HON. SILVESTRE REYES

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. REYES. Mr. Speaker, on Friday, November 5, 1999, I was away on official business and missed rollcall votes 571, 572, and 573. Had I been present, I would have voted "yes" on the following: Rollcall vote No. 571, the Young Amendment to H.R. 3196; rollcall vote No. 572, final passage of H.R. 3196 (the Foreign Operations Appropriations bill for Fiscal Year 2000); and rollcall vote No. 573, H.R. 3075 (the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act).

EXPANSION OF IRS SECTION 1032

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. NEAL of Massachusetts. Mr. Speaker, today I am introducing a modest bill which builds on the recommendations of the Department of the Treasury and the New York State Bar Association. This legislation applies section 1032, which was added in 1954 to the Internal Revenue Code, to all derivative contracts. The impact of this change is to prohibit corporations from recognizing gain or loss in derivative transactions to the extent the derivative purchased by the corporation involves its own stock.

Section 1032 states that a corporation generally does not recognize gain or loss on the receipt of money or other property in exchange for its own stock. In addition, a corporation does not recognize gain or loss when it redeems its own stock for cash. Section 1032 as originally enacted simply recognized that there was no true economic gain or loss in these transactions. However, the 1984 Deficit Reduction Act extended this policy to option contracts, recognizing the potential for tax avoidance inherent in these contracts. Since that time the financial industry has developed a number of new types of derivative products. My legislation merely updates current law to include in section 1032 current and future forms of these new types of financial instruments.

On June 16, 1999 the New York State Bar Association issued a report on section 1032 which recommended the changes discussed above. In addition, building on the work of the Treasury Department's budget recommendation, the New York State Bar Association also recommended that Congress require a corporation that retires its stock and "substantially contemporaneously" enters into a contract to sell its stock forward at a fixed price, to recognize as income a time-value element. In effect, these two transactions provide a corporation with income that is economically similar to interest income but is tax-free. This legislation includes a provision that recognizes a time-value element, i.e., the version recommended by the Bar Association. The effective date of this legislation is for transactions entered into after date of enactment.

The problem identified in 1984, and in 1999 by the Department of the Treasury, is best described in the New York State Bar Association Report. The report states:

> We are concerned that all the inconsistencies described above (both in the general scope of section 1032 and in its treatment of retirements combined with forward sales) present whipsaw and abuse potential; the government faces the risk that income from some transactions will not be recognized even though those transactions are economically equivalent to taxable transactions. In addition, the government faces the risk that deductions are allowed for losses from transactions that are equivalent in substance to transactions that would produce nontaxable income, or—because taxpayers may take different positions under current law—even in the same form as such transactions. To avoid these inconsistencies, we believe it is necessary to amend section 1032. . . .

Mr. Speaker, I consider the legislation I am introducing today to be a normal housekeeping chore, something the Committee on Ways and Means has done many times in the past and hopefully will do so in the future. As such, I hope it will be seen both in Congress and in the industry as relatively noncontroversial, and that it can be added to an appropriate tax bill in the near future. I do hope, however, that the industries affected will provide written comments on technical changes they believe need to be addressed in this legislation as introduced, especially on the time value of money section of the bill.

RONALD STARKWEATHER SCHOLARSHIP FUND

HON. THOMAS M. REYNOLDS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. REYNOLDS. Mr. Speaker, I rise today to honor both a community and an individual.

On Wednesday, November 10, 1999, a fund-raising reception will be held in Rochester, New York, to benefit the Ronald Starkweather Scholarship Fund. The scholarship will be awarded to a student at Monroe County Community College, who meets certain academic criteria, and continues their education at a four-year college or university in Monroe County.

The Ronald Starkweather Scholarship Fund will do more than provide financial assistance to local students. It will honor a man who meant so much to our area.

Ron Starkweather passed away last September. He served as a Commissioner of the Monroe County Board of Elections from 1985 until his death. It would be difficult to list all of Ron's associations, activities and contributions to his community, for they could easily fill a volume of this CONGRESSIONAL RECORD.

A graduate of my alma mater, Springville Griffith Institute, and Roberts Wesleyan College, Ron was active in organizations such as the United Way, Chamber of Commerce and rotary Club. Ron began his professional career as a teacher at SGI and then at the Churchville-Chili High School. At both schools he coached athletics.

Ron served as Chairman of the Monroe County Republican Committee for a decade.

As a political and government leader, countless people called upon him for his counsel, leadership and advice.

Ron will be deeply missed by all those who knew him and, like me, were able to call him friend. But through the Ronald Starkweather Scholarship Fund, Ron will live on not just in our hearts, but in the future of our community.

IN TRIBUTE TO WALTER P. KENNEDY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. GILMAN. Mr. Speaker, earlier this month we in the House received heartbreaking news about the death of Walter P. Kennedy Jr.

Walter was Minority Sergeant of Arms when I began my career here in 1973. He was always willing and eager to help out fledgling freshman Members, and was of incalculable help in assisting us learn the ins and outs of life in the Congress. Much of the advice he gave us saved hours of time as he showed us the short cuts so crucial to us as we assumed the burdens of office.

When Walter retired in 1993, he was concluding a highly successful 43 year career in the House, which began when he was appointed Administrative Assistant to Rep. Gordon Canfield of New Jersey. Eventually, Walter moved on to the leadership offices where he served as minority Sergeant at Arms under four Minority Leaders—Charles Halleck, Gerald Ford, John Rhodes, and Bob Michel.

Walter led a full, productive life, devoting countless hours to the Boy Scouts, to the Catholic Committee on Scouting, to various parish activities at Holy Redeemer Catholic Church, and the Knights of Columbus. After retiring from the House, Walter began a new career as Chairman and CEO of The Kennedy Group Companies, a political consulting, fundraising and public relations firm.

Walter was born in England to Irish parents 78 years ago, and came with his family to Paterson, New Jersey at the age of 3. He served with distinction in World War II as an army medic in the European theater. He subsequently graduated from Seton Hall University and the Georgetown University law school.

Walter married Ana L. Bou of Kensington, Maryland, in 1946. Ana and Walter remained together until his death, enjoying a 53 year union which produced seven children, and 12 grandchildren.

To Walter's extended family, Mr. Speaker, we extend our deepest condolences, with the recognition that his loss is felt by many of us whose lives Walter P. Kennedy had touched.

HOUSE OF REPRESENTATIVES—*Thursday, November 11, 1999*

The House met at 2 p.m. and was called to oder by the Speaker pro tempore (Mr. Pease)

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
November 11, 1999.

I hereby appoint the Honorable EDWARD A. PEASE to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

PRAYER

The Reverend Dr. A. David Argo, Capitol Hill United Methodist Church, Washington, D.C., offered the following prayer:

O God of wind-swept beaches, humid jungles, frozen hills, open fields, rushing oceans, dry deserts, turbulent skies, we come to You on this day fully aware that You know the places and the men and the women who often with certainty and sometimes with puzzlement have risked their futures and given their lives to make possible this process of democracy and the claim of freedom on this place. We thank You for their gift to us and ask that You would embolden us with their courage, trouble us with their sacrifices, and sustain us with their faithfulness so that the fulfillment of the tasks of this day will bespeak our deep gratitude and reflect our serious response to their legacy. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from California (Mr. CUNNINGHAM) come forward and lead the House in the Pledge of Allegiance.

Mr. CUNNINGHAM led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ADJOURNMENT TO MONDAY, NOVEMBER 15, 1999

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 2 p.m. on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Without objection, the time for resumption of proceedings on the de novo vote to suspend the rules and pass H.R. 2336 is redesignated as Tuesday, November 16, 1999.

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

HONORING VETERANS ON VETERANS' DAY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from California (Mr. CUNNINGHAM) is recognized for 60 minutes as the designee of the majority leader.

Mr. CUNNINGHAM. Mr. Speaker, yesterday we were told that we would have votes on Friday, which is tomorrow; and for those of us that live in California, this is 21 hours back and forth to California and then to return the following day. So I decided to stay here and send messages to my veterans organizations and also to do a special order. Since that time, we found out that there will not be votes tomorrow, that they will not happen until Tuesday.

The men and the women behind me and before me, Mr. Speaker, have come today to pay homage to our veterans. I apologize for keeping them here on Veterans' Day, but I will be brief.

Today is very difficult for many of us, both Memorial Day and Veterans' Day, that, as a retired Navy person, I was shot down on my 300th mission over North Vietnam. I understand and appreciate what this day means to veterans and what it means for their families, for the active duty, the Reserve, and the Guard, and for our prisoners of war, wherever they may be.

This is our last meeting for Veterans' Day of this century, for we enter the 21st century in this next year.

Like the human search for freedom this century, our peace has come at a very high price throughout this century. For those of us that have seen combat and its horrors resist as a last means engaging into another war.

Many have fought for different reasons in different conflicts, but I can think of no other reason other than freedom that should rise to the top of reasons for conflict.

I would like to think, as we enter this next century, that the world would be free, not only free for individuals, but free of conflict. But, unfortunately, it is still a very serious and dangerous place.

I feel, serving on the Defense Committee on Appropriations, that it is even more dangerous than it was 25 years or even 50 years ago.

I would like to go through a couple of stories I think in honor of some veterans. I heard this first story from Ronald Reagan as he accepted his inauguration on the Capitol steps a few years back.

I would ask my colleagues, Mr. Speaker, if they have ever heard of a private named Martin Trepto, a very famous individual. I would say that no one listening to this speech or, yourself, Mr. Speaker would know who he is. But let me tell my colleagues his story.

Martin Trepto was a baker that made bread and rolls in France. And during World War I, he closed his shop and he volunteered to go to war because he thought it was his duty.

As Martin Trepto entered the battlefield, he was assigned a position as a messenger. They did not have the fancy electronics that they have today, and many of those messages were carried in a courier's pouch. When Martin Trepto got to the battlefield, the three messengers ahead of him had been killed trying to deliver a message.

Martin Trepto volunteered to take that message forward to the front lines. And like the other three messengers, Martin Trepto was killed.

They found his diary, and in his diary it read: "This has been a very difficult war. I do not know if I will survive it. But I must treat every action of mine as if that individual action would shorten this war and cause freedom for my friends."

How profound is that. How many of us, Mr. Speaker, honor those veterans

☐This symbol represents the time of day during the House proceedings, e.g., ☐1407 is 2:07 p.m.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

that gave their lives in some cases, that served this country so that if every one of their actions would give us the right to stand here?

The day that I was shot down over Vietnam, the executive officer of the F-92, Commander Blackburn, was also shot down. He did not come back. His backseater, Steve Hoodloff, came back with the rest of the POWs in 1994.

Commander Blackburn's son lived in Poway, California, in my congressional district. And from time to time his son would call and say, "Duke, can I come over and talk about my father?" It was the same questions and mostly the same answers.

Well, a few years later, about 8 years, they brought Commander Blackburn's remains back. Now, it is not like his son wanted to see his father come back. But it was like a 5,000-pound weight had been lifted off that child's back, knowing the reserve and the resolve of what happened to his father.

That is why, Mr. Speaker, that if there is any hope of any POW or MIA coming back, that we must turn over every stone and do everything that we can possible.

Recently I visited North Vietnam. It was very difficult. Pete Peterson, who is a Democrat, now the ambassador to Vietnam, asked me to come and raise the American flag over Ho Chi Minh City for the first time. That was also very difficult to do.

But I want to tell you, Mr. Speaker, that the men and the women of our active duty military and some of our veterans are doing everything that they can, at least in Vietnam, to make sure that our loved ones know the resolve of their family members that did not come back from that war.

Let me tell you about another individual. On 19 January, 1972, I was fortunate enough to survive and shoot down a MiG-21 over North Vietnam, one of five that I shot down. When I got back aboard the U.S.S. *Constellation*, all 5,000 guys, Mr. Speaker, were up on the flight deck. We were trying to get the wings folded, my backseater Willie Driscoll and I, get the arm switches safe. I looked over at the side of the aircraft, and there were the 5,000 guys with Captain James D. Ward, who was skipper of the U.S.S. *Connie*.

Admiral Hutch Cooper was Commander of Task Force 77. And there was my plane captain, Willie Lincoln White, with a big smile on his face. He broke through the crowd, Mr. Speaker. He knocked over Admiral Cooper. And you do not do that in the Navy. As he broke through the crowd, he ran back under the tail feathers of the airplane and jumped up on the port wing, and he came down the turtle back as I am trying to get the ejection seat pinned into the airplane, and he grabbed me by the arm and he said, "Lieutenant Cunningham, Lieutenant Cunningham, we got our MiG today, didn't we?"

What was Willie White telling me, Mr. Speaker? That he was a very important member of a team, that he was a United States serviceman, that I only deserved about one-five-thousandth of the credit.

From Ramirez, the Filipino cook that used to fix our double egg, double cheese, double fry burger every night, to the guys that put the hydraulic pumps in the airplane to the fuel, if you can imagine an ordnance man forgetting to put an umbilical cord on a missile or a gun so that it did not work, they all deserve credit. That is who we honor today, those veterans who served this country.

I saw plane captains cry when their pilots did not come back. That is how intense and how dedicated they were.

Let me talk of another hero, a veteran, he has asked me not to tell his name, and he is alive today, if I can get through this.

I have a good friend that was a prisoner in Vietnam, and it took him almost 5 years to knit an American flag on the inside of his shirt as a prisoner of war in Hanoi. And on occasion he would take off his shirt whenever they got together with one or two prisoners, and they would hang the shirt with the flag above them to symbolize freedom. And that was fine, until the Vietnamese guards broke in one day; and, Mr. Speaker, they ripped his shirt to shreds. They took out this prisoner, and they brutally beat him all day long.

When they brought him back, he was unconscious. He had broken bones so bad that his fellow prisoners did not think he would survive. And so they took him and put him on a bale of straw and comforted him as much as they could and went back and huddled in a corner.

A few minutes later, they heard a stirring from the POW. He had dragged himself to the center of the floor and started gathering those bits of thread to knit another American flag.

That is what Veterans' Day is. It stands for freedom. It stands for the Constitution of this great country.

□ 1415

I would look at the conflicts that we have had over the last 5 years, and I think foreign policy with military policy in many cases has been wrong in my opinion. Our military today is at the lowest that I have ever seen it in 30 years of military service. We are keeping only about 23 percent of our military, our enlisted, in. We are retaining only about 30 percent of our pilots.

Many will say, well, it is just the economy, because they are going out for the jobs and away from the military. That is partially true. But the primary reason is when I talk to these young men and women that are serving on active duty, Mr. Speaker, they are away from their families, from their wives and from their children, in some cases husband and children for 8 months out of the year and in some cases this has been 4 years in a row. This is during peacetime. That is hard for anybody to be away from their family at 8 months at a time each year.

In Somalia, we lost 22 Rangers, Mr. Speaker, because the White House refused to give them armor. It took us 17 hours to get into Mogadishu. By the time we got there we had lost 22 Rangers. This was the third time that our military leaders had asked for armor. Yet, in Somalia, the warlords are still there. General Aideed has died but his son is still there. And it cost us billions of dollars. In Haiti, we are still spending $20 million a year in Haiti. The warlords are still there. Aristide is still there. And that cost us billions of dollars.

Iraq, we went in four times over the last 2 years. Each time that Mr. Ritter and them were rejected from inspection, we went to war. It has cost us billions of dollars. And today we are spending a billion dollars, not a million dollars, Mr. Speaker, but a billion dollars a year still in Iraq. Bosnia has cost this country $16 billion. That does not account for next year, or the following years.

We bombed an aspirin factory in Sudan. The White House just settled for $50 million because of a mistake. In Kosovo, the total number of people killed in Kosovo before us, the United States and NATO, going into Kosovo was 1,012. One-third of those were Serbs that were killed by the KLA. We destroyed an infrastructure of an entire country. We lost thousands of people. Thousands of people were thrust out of their homes. And today look at the results. Ninety percent of the Serbs have been ethnically cleansed out of Kosovo by the KLA. One hundred eighty orthodox Catholic churches have been destroyed by the KLA. And we are building two $350 million bases in Kosovo, the United States. Are we going to be there like we are in South Korea, or other places in the world?

And whether you agree with Kosovo or not, we flew 86 percent of all the missions in Kosovo, the United States, 86 percent. Ninety percent of all the weapons dropped were from the United States. And if we are to ask our active duty, our reserve and our guard to fly in these conflicts and other nations not pay their fair share, then at least NATO needs to upgrade its equipment so that they can use the standoff weapons, or they need to pay for it, because before this Congress today, the great debate on are we spending Social Security and Medicare money or not, $150 billion in these conflicts. In my opinion, there are very few that the United States should have entered in.

I think, Mr. Speaker, it is time, as J.C. WATTS said in the Republican Convention in San Diego, we ask God to come back into our country. I think it is time to secure peace through strength. I would ask, Mr. President, not through weakness, not through BRACs, not through decreasing our defense budget but increasing it.

Recently, the chairman of the Joint Chiefs of Staff, every one of our four-star generals said we need $150 billion to bring us up to where we can fight just two wars. I do not want our men and women going to war and having to celebrate or recognize them during Memorial Day because we did not give them the assets. It is time to honor our veterans, our active duty, our reserves, and give them the resources that we promised, and to our veterans as well, Mr. Speaker, because as we honor our veterans today, many of the fellows that I served with, the men and women, are telling their children not to enter active duty service because their benefits have been eroded.

Well, this Congress in a very bipartisan way, with the veterans bill and with the defense bill, came to that call. We provided $1.7 billion increase for veterans' medical health care, the largest increase since the 1980s. The total funding is $19 billion for our veterans. It provides a $5 million increase for veterans' medical and prosthetic research. It provides $51 million for the veterans benefit administration to expedite claims processing. Many of my veterans and the veterans of every Member in this body, Mr. Speaker, have got veterans saying that those claims take too long. We more than doubled the President's request for veterans' State extended care. My veterans in San Diego County wrote a bill called subvention. It enables our veterans to use Medicare at military hospitals. It actually saves money. But yet we are still limited to a pilot project. Our veterans are saying they are tired of Band-Aids for their promised health care. We need to pass, Mr. Speaker, the FEHBP for veterans. If you have an active duty military and you have a civilian that sits next to them, when they retire, the civilian gets FEHBP, which is a supplemental to Medicare. The military does not. That is wrong. We could help our veterans by passing that as a full substitute and to help them do that as well.

Mr. Speaker, let me close with what I think this day represents. On the 10th of May, 1972, I was shot down over Vietnam. In coming down in a parachute, I thought I was going to be a prisoner of war, or even killed, since the enemy was down below. Air Force, Marine and Navy pilots risked their lives to get my back-seater and I out. In coming down in that parachute, they told us there were two things that would keep you alive. One was having a good family back home, and the other was faith in God. I would tell my veterans, there is going to be a time in each and every one of your lives, maybe you lose a loved one, maybe you lose your job, but if you get on your knees and you say a little prayer, I guarantee somebody is going to listen to you. It is time, Mr. Speaker, to invite God back into this country. I think as we look forward into the 21st century, how exciting it is, not just communications but health care research and the things that we can do to take care of our veterans.

I would close, Mr. Speaker, by saying God bless the veterans, God bless the active, the Guard and the Reserves, and to our MIAs and our families, do not give up hope. God bless America.

FREEDOM IS NOT FREE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. INSLEE) is recognized for 5 minutes.

Mr. INSLEE. Mr. Speaker, I wish I was in my district in the State of Washington today to help celebrate Veterans Day with my fellow veterans, my veterans that I represent. I did not serve and I am not a veteran. I wish I were with them, but our schedule did not allow us to do that. But I have come to the floor of the House to express a personal sentiment, if I may, and it is inspired in some degree. This morning I attended the ceremony at Arlington Cemetery where the President spoke, laid the wreath on the Tomb of the Unknown Soldier, and something the President said inspired me to come to the well today to say something personal. What he said is that freedom is not free. That is very true.

I got to thinking about some of the things I get to do as a Member of the U.S. House. I get the opportunity, and it is a splendid opportunity, to get to vote in this Chamber, to try to preserve some of our freedoms, freedom of speech, freedom of religion, freedom to petition your government for redress. And I get that opportunity, Mr. Speaker, to vote to try to preserve those freedoms because of some of the work some people did before me. I have a very personal expression of gratitude I want to give them from the floor. And even though it is personal, I think it is appropriate to do it on the floor.

I want to thank the late Phillip Tindall, who is my wife's great uncle who served in World War I and during an infantry charge was wounded and reported actually dead in the Seattle newspapers. It turned out he survived and he went on to be a great leader in the City of Seattle, helped build Ross Dam and helped a family that I was lucky enough to marry into. I want to thank him.

I want to thank my father Frank Inslee, who served in the Navy in World War II. I want to thank my father. I want to thank my Uncle Bob Brown, who served in the Navy during the Korean conflict, and as boy I remember hearing tales of him knocking a bomb overboard on an aircraft carrier, something that I remember growing up.

I want to thank my Uncle Evan Inslee, who served in the Air Force during the Cold War, a war that you sort of forget some of the sacrifices veterans made during the Cold War, maybe not so many movies were made about them, but they sacrificed indeed.

And I want to give special tribute to a man none of you have probably heard of, whose name is Bob Grimm. Bob is the fellow who lives on Bainbridge Island, where I live. Bob now builds houses. My son works with him. But the reason I want to pay special tribute to him is that he served and saw intense combat in Vietnam, in the jungles of Vietnam, where he was wounded. I want to pay special tribute to Bob because when Bob and his fellow veterans came home from the Vietnam conflict, they did not come home to real loud parades. They did not come home to a grateful Nation showing its gratitude, frankly, that we should have. I want to pay special personal thanks to Bob and his fellow veterans of the Vietnam War for the service they provided and the continued help so that we could vote in this Chamber for the freedoms that we treasure.

Mr. Speaker, I want to thank Phillip, my father, Bob, Evan and especially Bob and all of their colleagues who made these freedoms dear.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. INSLEE, for 5 minutes, today.

ADJOURNMENT

Mr. INSLEE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 29 minutes p.m.), under its previous order, the House adjourned until Monday, November 15, 1999, at 2 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

5310. A letter from the Chief, Accounting Policy Division, Common Carrier Bureau, Federal Communications Commission, transmitting the Commission's final rule—Changes to the Board of Directors of the NECA, Inc [FCC 99-269] received November 8, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5311. A letter from the Chief, Accounting Policy Division, Common Carrier Bureau, Federal Communications Commission, transmitting the Commission's final rule—Federal-State Joint Board on Universal Service [FCC 99-256, CC Docket No. 96-45] received Novemeber 8, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5312. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Iowa Park, Texas) [MM Docket No. 99-258, RM-9681] (Centerville, Texas) [MM Docket No. 99-257, RM-9683] (Hunt, Texas) [MM Docket No. 99-234, RM-9645] received November 8, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5313. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Marysville and Hilliard, Ohio) [MM Docket No. 98-123, RM-9291] received November 8, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5314. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—1998 Biennial Regulatory Review—Streamlining of Mass Media Applications, Rules, and Processes [MM Docket No. 98-43] Policies and Rules Regarding Minority and Female Ownership of Mass Media Facilities [MM Docket No. 94-149] received November 8, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5315. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 13-159, "Motor Vehicle Excessive Idling Exemption Temporary Amendment Act of 1999" received November 09, 1999, pursuant to D.C. Code section 1—233(c)(1); to the Committee on Government Reform.

5316. A letter from the Chairman, Broadcasting Board of Governors, transmitting "The FAIR Act of 1998 Commercial Activity Inventory"; to the Committee on Government Reform.

5317. A letter from the Assistant Attorney General for Administration, Department of Justice, Executive Office for Immigration Review, transmitting the Department's final rule—Exemption of Records System Under the Privacy Act [AAG/A Order No. 180-99] received November 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

5318. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone: Sciame Construction Fireworks, East River, Manhattan, New York [CGD01-99-181] (RIN: 2115-AA97) received November 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5319. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drawbridge Operation Regulations: Housatonic River, CT [CGD01-99-085] (RIN: 2115-AE47) received November 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5320. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Special Local Regulations: City of Augusta, GA [CGD07-99-068] (RIN: 211-AE46) received November 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5321. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drawbridge Operation Regulations: Kennebunk River, ME [CGD01-99-024] (RIN: 2115-AE47) received November 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ARCHER: Committee on Ways and Means. H.R. 3081. A bill to increase the Federal minimum wage and to amend the Internal Revenue Code of 1986 to provide tax benefits for small businesses, and for other purposes; with amendments (Rept. 106-467, Pt. 1). Ordered to be printed.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

H.R. 1838. Referral to the Committee on Armed Services extended for a period ending not later than November 17, 1999.

H.R. 3081. Referral to the Committee on Education and the Workforce extended for a period ending not later than November 17, 1999.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 460: Mr. McNULTY.

H.R. 1389: Mr. SCHAFFER and Mr. PAUL.

H.J. Res. 59: Mr. DUNCAN.

EXTENSIONS OF REMARKS

HONORING CPL. WALTER OLLIFF MOORE, USA

HON. JACK KINGSTON

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. KINGSTON. Mr. Speaker, when President Eisenhower signed a proclamation expanding the observance of Armistice Day to the commemoration of Veterans Day in 1954, he called for a day to "* * * let us solemnly remember the sacrifices of all those who fought so valiantly, on the seas, in the air, and on foreign shores, to preserve our heritage of freedom, and let us reconsecrate ourselves to the task of promoting an enduring peace so that their efforts shall not have been in vain."

Thursday is Veterans Day, and we owe it to the men and women who have served our nation in the Armed Forces to remember their sacrifices and to honor them for the freedoms they have guaranteed for us today. Since 1775: 41,882,000 Americans have served their nation through eleven major conflicts; 1,091,200 have died in service to our country; 18,968,000 veterans of America's wars live in our communities today; and another 30,638,000 living ex-service members or peacetime veterans are our neighbors.

We must commemorate this day by remembering our veterans are our grandfathers, fathers, and brothers, uncles and aunts, or the guy next door. Most do not seek recognition for their sacrifices, but spend the eleventh hour, of the eleventh day, of the eleventh month, remembering, reliving their experiences, and praying for their fallen comrades.

Walter Olliff "Ollie" Moore is one of those veterans. Unpretentious. A resident of Millen, Georgia, he was the guy next door in 1949. Engaged to be married to Miss Jacklyn Miller, he entered the service at Fort Jackson, South Carolina. With war erupting in Korea in 1950, as a U.S. Army Infantryman he was transferred to the combat zone and assigned to Company D, 19th Infrantry Regiment. Ollie was wounded in action in November of that year. He recovered and returned to action on the front lines. He was captured by the enemy and was held captive as a Prisoner of War at Pyo Dong, Camp #5, in North Korea until September 1953. Corporal Moore returned home to Georgia in October 1953, married Jackie in February 1954, became a father to Walter Jr., and settled in as the guy next door.

Ollie is one of 41,882,000 American Veterans who has sacrificed for our nation, one of 6,807,000 who served during the Korean conflict, one of 7,140 Americans known to have been held as a POW in Korea, one of 2,814 of those ex-POW's surviving today, and today one man in a community of over 273 million grateful Americans. We owe Ollie and the many Americans like him a debt of gratitude every day. On Thursday, we must all take a moment to pay homage to those who have contributed so much to the preservation of our nation. You do not have to go far to find a veteran; one may be in your family, a special friend, someone you pass on the street, or he or she may be the guy living next door.

TRIBUTE TO DAVID BREWER

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. McINNIS. Mr. Speaker, I would like to take a moment to honor the courageous behavior of David Brewer. On August 15, David's daughter—Maretta—fell through a plate glass window, lacerating her arm and putting her life in eminent peril. Fortunately for Maretta, her calm and even-headed father applied pressure to her arm, saving both her arm and life.

While saving the life of his beautiful daughter is clearly enough reward in and of itself, Mr. Speaker, I thought that it was important that we all congratulate and thank David for his admirable behavior. Though none of us would ever wish to be thrust into a perilous situation like Maretta's and David's, if we were, we could only hope to act as calmly and bravely as David Brewer.

TRIBUTE TO LOYD WELCH

HON. SUE WILKINS MYRICK

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mrs. MYRICK. Mr. Speaker, on the eve of Veterans Day, I rise to bring to the attention of the House the extraordinary accomplishments of Loyd Welch. Mr. Welch, a recipient of the Silver Star, deserves recognition for his valiant bravery on behalf of the American people while a member of our Armed Forces. I am proud to represent Mr. Welch in Congress.

Loyd Welch, now 74, fought in the 36th Infantry Division as a machine gunner during World War II. In October of 1944, German forces began an attack on his group. Throughout the onslaught, Mr. Welch held his position, firing his machine gun until it finally overheated. However, his determination did not diminish when his weapon failed. Instead, Mr. Welch lobbed hand grenades at the enemy, wounding at least 25 German troops. In the end, he allowed his company to complete its mission by his actions.

Mr. Loyd Welch is an outstanding and inspirational individual. His bravery and courage during this operation and throughout his service to our country is admirable and should be commended.

DIETARY MEDICAL EXPENSES

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. BURTON of Indiana. Mr. Speaker, today I am pleased to introduce legislation to amend the Internal Revenue Code to provide that amounts paid for foods for special dietary use, dietary supplements, and medical foods be treated as medical expenses.

There is an increasing amount of scientific data demonstrating the benefits of good nutrition, education, and appropriate use of dietary supplements to promote long-term health. Many Americans rely on dietary supplements as a means of maintaining good health and for some, to improve health conditions. Additionally, children with inborn errors of metabolism, and pervasive development delays such as autism require special diets and supplements that can create a significant cost burden to families. All individuals with autoimmune disorders, chronic inflammatory disease, and diabetes have special dietary needs incur significant expenses in regard to these needs. A long-term cost savings will be realized in health care by the adherence to special dietary needs of individuals with certain disease and disorders through the slow down in progression of disease and better quality of life.

The inclusion of dietary supplements as a medical exemption, will in no way re-designate them as drugs for regulatory purposes under the Food, Drug, and Cosmetic Act.

DSHEA required the FDA to promulgate reasonable guidelines to regulate the content of dietary supplement labels. The goal of this requirement is to insure that the labels give consumers necessary information for decision-making in supplement selection and usage, without making claims regarding medical or disease benefits.

The FTC currently enforces a standard for advertising that conflicts with the intent of DSHEA. The FTC does not allow the same information in advertising of dietary supplements that is allowed in labeling of the same products. Dietary supplement manufacturers are currently allowed to make some statements in the labeling regarding the benefits of calcium, vitamin C, and other common supplements that have been studied extensively. However, the FTC makes it very difficult for this useful information to be used in the advertising. This makes no sense. The information that the FDA allows as part of the labeling of a dietary supplement should also be allowed in advertising the same supplement, yet the FTC is seeking to regulate the advertising of dietary supplements by denying to consumers the very information that the DSHEA required the FDA to allow be used. This dual and contradictory set of regulations undermines the intent of Congress.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

I urge my colleagues to co-sponsor this Internal Revenue Code amendment. It would insure that all Americans with medical conditions that require special dietary approaches and individuals who are maintaining better health through the use of dietary supplements will not carry the burden of this additional expense alone.

TRIBUTE TO RACHELLE F. JAMERSON

HON. JAMES E. CLYBURN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. CLYBURN. Mr. Speaker, I rise today to pay tribute to Ms. Rachelle F. Jamerson, this year's National Minority Female Entrepreneur as chosen by the U.S. Department of Commerce's Minority Business Development Agency. Ms. Jamerson is most deserving of this award and I am pleased to count her among the constituents of South Carolina's Sixth Congressional District.

Before finishing high school, this ambitious entrepreneur put her talent for sewing and fashion design to work. Because no bank would take a gamble on a 16-year-old seeking to start a business, she raised her own capital by designing clothes, producing fashion shows, and creating a line of Greek paraphernalia.

She attended Winthrop College in Rock Hill, SC, and graduated with a bachelor of science in Fashion Merchandising. In further developing her entrepreneurial interests, Ms. Jamerson also attended a summer design session at the Fashion Institute of Technology in New York in 1988.

By the age of 33, Ms. Jamerson had parlayed her early success in designing and selling women's wear into a diverse business that includes a nail salon, travel agency, financial counseling service and a deli. This "one-stop shopping" vision grew out of a need Ms. Jamerson perceived in her hometown of Orangeburg, SC.

The name of her business "Rachelle's Island" is a reflection of her vision. Her concept is that every visit to her store will seem like a mini-vacation. The idea has caught on and the number of "vacationers" visiting Rachelle's Island continues to increase. Ms. Jamerson's reported sales exceeded $500,000 in 1998.

I applaud her ingenuity for turning a sewing skill into a diverse business. Such talent and vision are the hallmarks of a successful entrepreneur. Ms. Jamerson has demonstrated that she has an abundance of both.

Mr. Speaker, I ask you to join me today in honoring Rachelle Jamerson for her outstanding achievements as an entrepreneur. Her hard work and dedication should be commended by this House.

TRIBUTE TO MURIEL OLBERT

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. McINNIS. Mr. Speaker, I would like to take a moment to recognize a woman who was dedicated to the community, the church and her family, Muriel Olbert. In doing so, I would like to honor this individual who, for so many years, exemplified the notion of public service and civic duty. Sadly, Muriel recently passed away.

Muriel's many achievements and interests speak well of the hard working woman that she was. She was born in Mancos, Colorado, on January 2, 1908. Muriel graduated from Northwestern University with a degree in education after which she dedicated much of her time and energy to students and education, including Mrs. Trundell's Private School in Huning Castle. In addition to being a devoted member of the Saint Paul Lutheran Church for over 50 years, Muriel was a former member of the Order of the Eastern Star and a member of the Lew Wallace Chapter of the D.A.R.

As is evident from her devotion to her faith and her family, Muriel will be greatly missed by all. She is survived by her daughter, her brother, her two grandchildren, and her three great-grandchildren.

It is with this, Mr. Speaker, that I say thank you to a fine and cherished woman. Her memory of love and dedication will live on forever.

HONORING AMERICA'S VETERANS

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. VISCLOSKY. Mr. Speaker, it is my great honor to take this moment to salute each and every distinguished individual who has served our country in the United States Armed Forces. Our veterans should be commended for their outstanding contributions and dedication; they have made America great.

Every November 11, Americans take the time to say thank you for the freedom we so often take for granted. This country should not forget that freedom has a price. The sacrifices of those men and women who serve in uniform, as well as their families, have secured our liberty. We also need to recognize those that have paid the ultimate price of giving their lives for something greater than themselves. However, we cannot wait any longer to tell the veterans of today that they are important. It is time to say thank you.

I am a strong supporter of the National World War II Memorial which is to be built in Washington, DC. The site, located between the Lincoln Memorial and the Washington Monument, was dedicated by President Clinton in 1995. The American Battle Monument Commission has been working hard to raise the money to build the monument, for which they expect to break ground on Veteran's Day 2000. This is supported by all veteran's associations, with the American Legion being one of the strongest supporters. Those interested in learning more about the efforts of the American Battle Monument Commission should contact their local veterans' organization.

I am proud of the thousands of veterans who reside in the First Congressional District of Indiana. Mr. Speaker, it is my hope that, on this Veterans Day, the residents of Valparaiso, Portage, Chesterton, Beverly Shores, Kouts, Burns Harbor, The Pines, Porter, Ogden Dunes, Dune Acres, Whiting, East Chicago, Gary, Lake Station, Hammond, New Chicago, Munster, Highland, Griffith, Hobart, Merillville, Dyer, Schererville, St. John, and Crown Point join us in recognizing these noble individuals.

TRIBUTE TO WILLIAM ANDREW WHISENHUNT

HON. JAY DICKEY

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. DICKEY. Mr. Speaker, one of the highest compliments a person can receive is to be called a "servant," someone who gives of himself for others. A man that I have known for many years, a man of outstanding reputation, a man who has given a large part of his life in service to his neighbors, a man respected by his peers, is about to make a major change in his life. The people of the fair state of Arkansas would be remiss if they did not acknowledge that change.

Andrew Whisenhunt of Bradley, in Lafayette County in Southwest Arkansas, was born in the town of Hallsville, Texas. His family, however, moved to the Natural State while Andrew was still a baby. Though technically this means that he is not a native, Andrew is Arkansas through and through.

He has long been in the public eye, and soon Andrew will step down from the presidency of the Arkansas Farm Bureau Federation after thirteen years. A modern-day tiller of the soil, he has been a farmer for as long as he can remember, as was his father before him. With loving support from his wife Polly, and with help from his five children—Warren, Terri, Tim, Julie, and Bryan—Andrew has built the farm where he has lived almost all his life into what has been called a model of modern agriculture. It is a testimony to his abilities that his family was selected Farm Family of the Year and that he personally was chosen as the "Progressive Farmer Magazine's Man of the Year in Arkansas Agriculture."

His love for his chosen profession has carried him far beyond the fencerows of this 2,000-acre cotton, rice, soybean, and wheat-and-grain operation. The journey began when he joined the Lafayette County Farm Bureau in 1955. By the time Andrew was elected to the Board of Directors of the Arkansas Farm Bureau in 1968, he had served in almost every office in his county organization, including president. In his early years on the Farm Bureau state board, he worked on several key board panels, including the Executive and Building committees. The latter panel's work resulted in the construction of Farm Bureau Center in Little Rock in 1978.

His fellow board members thought enough of his personal industry and leadership abilities that they elected him their secretary-treasurer in 1976, an office he held for ten years. During that time, Andrew was also active outside of the Farm Bureau arena as, among other things, a charter member of the Arkansas Soybean Promotion Board, and as former president of both the American Soybean Development Foundation and the Arkansas Association of Soil Conservation Districts. In 1986, he was elected as president of the Arkansas Farm Bureau.

During his tenure, the organization has enjoyed unprecedented growth in membership, influence, and prestige. When Andrew accepted the mantle of top leadership, the Farm Bureau represented some 121 farm and rural families in the state. Today, that figure stands at almost 215,000, the eighth largest Farm Bureau of the fifty states and Puerto Rico.

As the Arkansas Farm Bureau has grown, Andrew's leadership has done likewise. As an influential member of the American Farm Bureau Executive Committee, he has traveled far and wide as an advocate, not just for Arkansas farmers, but for American farm interests in international trade and foreign relations. He was a member of the Farm Bureau delegation that visited Russia after the fall of the Iron Curtain to offer assistance to farmers and to experience that nation's agriculture. Andrew was also a key player in delegations to China, Japan, and South America. He led a group of Arkansas farm leaders on a visit to pre-NAFTA Mexico, and to deliver rice the Farm Bureau had donated to a Central American village devastated by Hurricane Mitch. Most recently, he was among U.S. farm leaders who traveled to Cuba to see how trade with that nation might be re-established.

But Andrew's influence and tireless work ethic embrace the non-farm sector as well. His service to his local community includes county and city school boards, the local hospital board, the Board of Florida College in Tampa, Florida, the Bradley County Chamber of Commerce, and his church.

When Andrew steps down as the president of the Arkansas Farm Bureau Federation in December, the members of that great organization will miss him greatly. He has never been one to sit still, however, and chances are that will never change. Unlike the 'Old Soldier' General Douglas MacArthur spoke of so many decades ago, Andrew Whisenhunt will certainly not "fade away." As the new century unfolds, the Farm Bureau's loss will undoubtedly be a gain somewhere else for all Arkansans.

TRIBUTE TO HARLEY EXTINE

HON. SUE WILKINS MYRICK

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mrs. MYRICK. Mr. Speaker, on the eve of Veterans Day, I rise to bring to the attention of the House the extraordinary accomplishments of Harley Extine. Mr. Extine, a recipient of the Silver Star, deserves recognition for his valiant bravery on behalf of the American people while a member of our Armed Forces. I am proud to represent Mr. Extine in Congress.

Harley Extine, now 55, was a soldier defending freedom in the Vietnam conflict. On January 30, 1966, Mr. Extine's 101st Airborne Division came under sniper fire on a rice paddy in South Vietnam. Two soldiers went down with serious wounds. Mr. Extine dashed through the field to reach the wounded friends, disregarding his own safety. In fact, though the bullets continued flying through the air, Mr. Extine would not seek shelter until the wounded had been evacuated. His bravery and valor took him into other battles, at one point seriously wounding Mr. Extine. Undeterred by the wounds, he returned to serve a second tour in Vietnam.

Mr. Harley Extine is an outstanding and inspirational individual. His bravery and courage during this operation and throughout his service to our country is admirable and should be commended.

HONORING MARGARET "PADDY" WARD

HON. HELEN CHENOWETH-HAGE

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mrs. CHENOWETH-HAGE. Mr. Speaker, I rise today to honor American veterans of all wars for the sacrifices they've made to preserve our freedom, our heritage, and our American way of life. On Thursday, November 11, 1999, we will celebrate Veterans Day across America, and we have much to be proud of in this great Nation of ours. I want to personally offer my deepest thanks to the brave soldiers who have either served or are currently serving in the Armed Services.

In addition, I would like to pay a special tribute to U.S. Airman Margaret "Paddy" Ward. As a 19-year-old Air Force enlistee, she accomplished what no woman had before. She became the first female member of the U.S. armed services to travel at twice the speed of sound and only the second woman in the world to do so. Her historic flight took place in an F–106 Delta Dart, which traveled along the Atlantic coast in March 1963. Newspaper accounts describe how calm she was, despite the still experimental nature of her flight. Truly, Airman Ward's flight is an inspiring story of personal bravery.

Mr. Speaker, I find it extremely heartening that our country can produce someone so young with such courage and enthusiasm. It is no wonder that with such people we have become the successful nation that we are.

Sadly, Airman Ward was taken away from us a mere 10 years later at the age of 29. Yet we should remember her for the example that she set. And if God has chosen that she die in youth, then we should console ourselves in remembering her as the youthful girl who climbed the heavens that historic day.

Thinking upon her unique accomplishment, I am reminded of a poem by Leonard Heath:

Yet spirit immortal, the tomb cannot bind thee,
But like thine own eagle that soars to the sun
Thou springest from bondage and leavest behind thee
A name which before thee no mortal hath won.

Mr. Speaker, U.S. Airman Margaret "Paddy" Ward was truly an American hero.

SERIOUS ENVIRONMENTAL QUESTIONS ARE RAISED BY THE MERGER OF ARCO WITH BP AMOCO

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. LANTOS. Mr. Speaker, a number of questions have been raised by the proposed acquisition of ARCO by BP Amoco. Mega-mergers are always matters of considerable concern because of their potential economic and business impacts. In this case, however, there are serious environmental questions that need to be considered seriously. ARCO is a major participant in Alaskan oil exploration and recovery, and the merged company will have enormous influence in that region. For this reason, it is important that we consider the environmental impacts of this merger.

Mr. Speaker, the record of BP Amoco in Bolivia, for example, causes me to have very grave reservations about this merger and its impact in Alaska. Pan-American Energy, a South American subsidiary of BP Amoco, is allegedly responsible for contaminating the drinking water supply of a rural Bolivian town. The consistent failure of BP Amoco to deal with this relatively small issue in Bolivia raises serious questions in my mind about the firm's environmental sensitivity.

Mr. Speaker, these environmental concerns are serious and deserve our careful consideration. I would like to call the attention of my colleagues to an excellent op-ed by Mr. Adam Kolton, the Arctic Campaign Director of the Alaska Wilderness League, which focuses on the negative environmental implications of BP Amoco-ARCO merger. I insert the text of Mr. Kolton's article in the RECORD, and I urge my colleagues to give it careful attention.

AS BP AMOCO AND ARCO MERGER NEARS, FUTURE OF THE ARCTIC WILDLIFE REFUGE IS ENDANGERED

(By Adam Kolton)

BP Amoco's pending acquisition of ARCO will give the newly-merged company an enormous presence in the Arctic National Wildlife Refuge, and an opportunity to preserve that ecologically fragile coastal plain for future generations.

As the merger negotiations proceed, so should worldwide public scrutiny of BP Amoco's plans for oil exploration in the refuge. The Arctic Refuge is the only conservation area in the United States that safeguards a complete range of Arctic and sub-Arctic ecosystems. It is home to more than 200 species of wildlife, including the largest international migratory caribou herd in the world, denning polar bears, rare musk oxen, and hundreds of thousands of migratory birds. The refuge is an international treasure.

It is no secret that BP Amoco is lobbying hard to drill in the coastal plain, and it's certain that such drilling will seriously harm the environment in that environmentally fragile area.

More drilling for oil in Alaska is one of the oil industry's priorities. Both BP Amoco and ARCO are members of Arctic Power, a lobby group supported by the oil industry and the state government of Alaska. Arctic Power has only one agenda item—to lobby Congress to open up the coastal plain for oil and gas drilling.

BP Amoco's acquisition of ARCO is before The United States Federal Trade Commission. It is our hope that BP Amoco's poor environmental record will be considered as the merger approval process proceeds. Better still, BP Amoco could avoid great embarrassment, and set an example as an international environmental leader, by canceling its dangerous plans to drill for oil on the coastal plain.

Such drilling would scar the coastal plain for decades. One need look no further than Prudhoe Bay, the area to the west of the refuge and starting point for the Trans Alaska Pipeline System. Development at Prudhoe Bay has permanently altered more than 400 square miles of pristine wilderness. The area is now one of the world's largest industrial complexes with more than 1,500 miles of roads and pipelines and thousands of acres of industrial facilities. In 1997 alone, about 500 oil spills occurred at this site, involving 80,000 gallons of oil, diesel fuel, acid, biocide, ethylene glycol, drilling fluid, produced water and other materials.

Does Alaska need more of this type of environmental degradation? Opening the coastal plain to drilling will result in more of the same.

THE BP AMOCO ENVIRONMENTAL RECORD

In Alaska and throughout the world, BP Amoco is not what its advertisements proclaim. Recent drilling activities in Bolivia resulted in serious water contamination. BP Amoco's drilling subcontractor there refused to continue work, as he became aware of BP Amoco's disregard for the water supply when drilling for oil in South America.

BP Amoco this year pled guilty to a felony charge of dumping hazardous waste in Prudhoe Bay, and was fined $22 million. Doyon Drilling, a BP subcontractor, was recently fined $3 million after being found guilty of illegally injecting hazardous waste back into the groundwater at the company's Endicott Field along Alaska's North Slope. The hazardous waste eventually reached the surface and contaminated the surrounding Beaufort Sea. The company pleaded to 15 misdemeanor counts of violating conditions of the federal Clean Water Act, and was placed on probation for five years for ordering workers to dump thousands of gallons of toxic waste into unprotected well shafts.

The BP Amoco merger would effectively end competition for oil on the North Slope of Alaska. BP Amoco/ARCO would effectively control 74 percent of all Alaska oil activities, 72 percent of the Trans-Alaska Pipeline, and all North Slope oil extraction. Should a company with an abysmal environmental record have undue control over the one of the world's greatest natural treasures, Alaska?

We think not. The record speaks for itself, and the future of an internationally significant environmental refuge is at stake.

FOOD STAMP VITAMIN AND MINERAL IMPROVEMENT ACT

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. BURTON of Indiana. Mr. Speaker, today I am pleased to introduce the Food Stamp Vitamin and Mineral Improvement Act of 1999.

This is a commonsense piece of legislation. It would give those Americans using food stamps the ability to purchase vitamin and mineral supplements for themselves and their families.

A similar bill was introduced with bipartisan support in the Senate and already has the support of the following organizations: the Alliance for Aging Research, the Spina Bifida Association of America, the National Osteoporosis Foundation, and the National Nutritional Foods Association.

Nutrition experts such as Dr. Paul Lachance, Chair of the Department of Food Science at Rutgers University, Dr. Jeffrey Blumberg of Tufts University, Dr. Charles Butterworth, Director of Human Nutrition at the University of Alabama Birmingham, and Dr. Dennis Heldman, Chair of the Department of Food Science and Human Nutrition at the University of Missouri have also called for making this commonsense change to food policy.

This legislation would contribute substantially to improving the nutrition and health of a segment of our society that too often falls below recommended levels of nutrient consumption. Scientific evidence continues to mount showing that sound nutrition is essential for normal growth and cognitive development in children, and for improved health and the prevention of a variety of conditions and illnesses. Studies have also shown, unfortunately, that many Americans do not have dietary intakes sufficient to meet even the very conservative Recommended Daily Allowances, or RDA's, for a number of essential nutrients. Insufficient dietary intakes are particularly critical for children, pregnant women and the elderly.

A recent study conducted by the Tufts University School of Nutrition, and based on government data, showed that millions of children living in poverty in the United States have dietary intakes that are well below the government's Recommended Daily Allowance for a number of important nutrients. The study found that major differences exist in the intakes of poor versus non-poor children for 10 out of 16 nutrients (food energy, folate, iron, magnesium, thiamin, vitamin A, vitamin B6, vitamin C, vitamin E, and zinc). Moreover, the proportion of poor children with inadequate intakes of zinc is over 50 percent; for iron, over 40 percent; and for vitamin E, over 33 percent.

For some nutrients, such as vitamin A and magnesium, the proportion of poor children with inadequate intakes is nearly six times as large as for non-poor children.

Pregnant women also have high nutritional needs. Concerns about inadequate folate intake by pregnant women prompted the Public Health Service to issue a recommendation regarding consumption of folic acid by all women of childbearing age who are capable of becoming pregnant for the purpose of reducing the incidence of spina bifida or other neural tube defects. That is why this change has long been a priority of the Spina Bifida Association of America.

Furthermore, the percent of pregnant and nursing women who get the RDA level of calcium has dropped from just 24 percent in 1986 to a mere 16 percent in 1994. That's 84 percent of women who aren't getting enough calcium—which we know is critical to preventing the debilitating effects of osteoporosis.

And again, the evidence is that lower income women, many of whom are eligible for Food Stamps are more likely to have inadequate intake of key nutrients. Women with income of 130 percent or less of the poverty level have higher rates of deficiencies in intake of Vitamins A, E, C, B–6 and B–12, as well as Iron, Thiamin, Riboflavin and Niacin than those with higher incomes.

Obviously, the best way to obtain sufficient nutrient intake is through eating a variety of nutritious foods, but some groups—particularly those at the greatest risk, including children, pregnant women and the elderly who do not absorb nutrients as well—may find it significantly difficult to obtain sufficient nutrient intake through foods alone. Accordingly, many people in our nation do rely on nutritional supplements to ensure that they and their families are consuming sufficient levels of key nutrients.

I urge my colleagues to co-sponsor the Food Stamp Vitamin and Mineral Improvement Act of 1999. This bill, when passed, will help families, particularly children and the elderly, have a better chance at better health through adequate nutritional support.

A TRIBUTE TO DR. JAMES D. NORTHWAY

HON. CALVIN M. DOOLEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. DOOLEY of California. Mr. Speaker, I rise today to pay tribute to Dr. James D. Northway, who is retiring later this year from his position as President and CEO of Valley Children's Hospital in Madera, California.

Dr. Northway was born in San Francisco on July 22, 1935. He received his undergraduate and medical degrees from Stanford University. After finishing medical school, Dr. Northway went to Salt Lake City in 1960 to begin the specialty to which he would devote himself throughout his career—pediatrics. There he began a series of residencies and research fellowships in the field of pediatrics.

Dr. Northway is a veteran of the military, having taken a leave of absence from his practice from 1963 to 1965 to serve as Senior Surgeon in the U.S. Naval Medical Research Unit in Cairo, Egypt. Upon completing his tour of duty, Dr. Northway returned to the U.S. and proceeded to hold a number of teaching position at the University of Utah, Indiana University, and the University of California, San Francisco. Dr. Northway still serves as Clinical Professor of Pediatrics at the University of California, in addition to his other duties.

Since 1983, Dr. Northway has been President and Chief Executive Officer of Valley Children's Hospital. There he has overseen a facility that serves the entire Central Valley of California. Dr. Northway has helped to build Valley Children's into one of the finest institutions of its kind throughout the country.

In addition to his leadership of Valley Children's Hospital, Dr. Northway has been involved in a number of professional associations, holding the chairmanship of the California Children's Hospital Association and serving in the National Association of Children's Hospitals and Related Institutes. Dr. Northway's participation in these groups has provided ample evidence of his unwavering commitment to the field of pediatrics and to the health of our children.

Mr. Speaker, I ask my colleagues to join me today in recognizing Dr. James D. Northway for his leadership in the field of pediatrics and for his contributions to his community. We send our sincere congratulations and wish him a very happy retirement.

THE SESQUICENTENNIAL OF CALIFORNIA'S FIRST STATE CONSTITUTION

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. LANTOS. Mr. Speaker, this year marks the 150th anniversary—the sesquicentennial—of the defining period in the founding of the State of California. November 13 of this week will mark the anniversary of the adoption by the citizens of California of the first constitution of our state and the selection of the state's first democratically elected governor. This constitution expressed California's desire to be admitted to the United States, a request that was granted on September 9, 1850, when President Millard Fillmore signed legislation making California our country's thirty-first state. Mr. Speaker, the path to California statehood began when the conflict with Mexico ceased in California in 1847. A number of United States citizens had already emigrated to the Golden State even before the war with Mexico, but with the end of hostilities, the number of emigrants increased. The discovery of gold at Coloma in January 1848 became the catalyst which rapidly transformed our state. Word of the discovery of gold spread slowly at first, until President James K. Polk in his State of the Union message to Congress on December 5, 1848, officially confirmed the discovery. An influx of "Forty-Niners" invaded California, and the Gold Rush began.

During 1849 some 100,000 people went to California from the United States, Europe, and other countries around the globe. The trip from the eastern states was long and difficult—either a perilous 17,000 mile journey from New York around Cape Horn at the southern tip of South America and then to San Francisco or a two-thousand-mile overland trip from the American Mid-West across roadless and uninhabited territory. The sudden population explosion made it clear that government institutions needed to be established in the new United States territory.

Mr. Speaker, the Congress was unable to act effectively to set up government institutions for California from the other end of the continent because transcontinental telegraph lines did not exist and the Pony Express had not yet been established. As a result, Californians took matters into their own hands. In September of 1849, forty-eight delegates elected by their fellow citizens in California met in Monterey to draw up a state constitution. The document was modeled after the state constitutions of Iowa and New York, states from which several of the delegates hailed. It established state government institutions and declared California to be a free state, one from which slavery was to be excluded. Californians ratified that constitution on November 13, 1849, and in that same election they chose a governor and other state officials.

Mr. Speaker, this week as we mark the sesquicentennial of the historic vote of the people of California adopting the first constitution of our state, I invite my colleagues in the Congress to join me in honoring this important milestone in the history of California which set our state firmly on the path of statehood and a representative democratic government.

A TRIBUTE IN MEMORY OF VICTOR VAN BOURG

HON. BARBARA LEE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Ms. LEE. Mr. Speaker, it is with a great sense of loss that I rise to pay tribute to Mr. Victor Van Bourg, one of the nation's leading labor union lawyers, who recently passed away at the age of 68.

As a young man, Mr. Van Bourg joined the building trades as a member of his father's Local of the Painters' Union. He later attended the University of California at Berkeley where he earned a Bachelor of Arts degree in 1953 and his law degree from the University's Boalt Hall School of Law in 1956.

In 1964, Mr. Van Bourg co-founded the law offices of Van Bourg, Weinberg, Roger & Rosenfeld, one of the largest union-side law firms in the country.

During his career, he appeared numerous times before the United States Supreme Court, the California Supreme Court, as well as many other State and Federal Courts, and administrative agencies. One of his most recent victories included a unanimous California Supreme Court decision upholding the validity of a labor agreement guaranteeing that all work on the San Francisco Airport's multi-billion dollar expansion project would be completed with union workers.

Mr. Van Bourg was a fierce believer that only through unions could workers gain the strength to stand up to the otherwise unrestrained power of their employers, and he spent his life trying to even the odds against workers and unions.

Mr. Van Bourg represented workers all over the country, in every trade and profession where workers gathered in unions, from carpenters to costume designers, from teachers and professors to janitors, healthcare workers, cement masons, and stationary and operating engineers. He also traveled abroad to meet with workers and their unions in nations including Poland, the USSR, and Israel.

Van Bourg was also General Counsel to the Ironworkers' International Union for more than a decade, spending much of his time in Washington, D.C., not only to represent the Ironworkers' International, but also participating in the AFL–CIO's General Counsels' Committee, and meeting with and advising labor leaders from all over the nation.

Mr. Van Bourg will be missed by his family, friends, colleagues, and members of the labor community. He may be one of those remarkable human beings who is truly indispensable.

TRIBUTE TO THE OLATHE STATE BANK

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. McINNIS. Mr. Speaker, I wanted to take this moment to recognize an exceptional bank in western Colorado. The Olathe State Bank in Olathe, Colorado is known for its commitment to its community. Its commitment was recently recognized by the Independent Bankers of Colorado. In September, the Olathe State Bank was awarded the 1999 Crown Service Award for Outstanding Service to the Community.

The award was in acknowledgment of the Bank's consistent and comprehensive community initiatives. Programs such as the scholarship program, special checking accounts for high school students and a travel program for customers over 55 years of age, go hand in hand with the many employee activities and benefits and the active participation of many of the board members in various community groups. These are but a few of many excellent examples of the dedication and foresight shown by this bank.

Mr. Speaker, that is why it is my pleasure to congratulate the Olathe State Bank on the well-deserved award and for the years of service and dedication to the community.

TRIBUTE TO DEPUTY TREASURY SECRETARY STUART EIZENSTAT IN RECOGNITION OF HIS DISTINGUISHED SERVICE AWARD FROM THE DEPARTMENT OF STATE

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. LANTOS. Mr. Speaker, last night a number of us joined in paying tribute to Deputy Secretary of Treasury, Stuart Eizenstat. He was honored at an event at the Department of State by our Secretary of State, Madeleine K. Albright, in recognition of his outstanding service as Undersecretary of State for Economic, Business and Agricultural Affairs.

Mr. Speaker, Secretary Eizenstat is an extraordinary public servant who has undertaken exemplary efforts during his career in Washington. He served as the United States ambassador to the European Union, and then returned to Washington where he has served in three critical sub-cabinet posts in three key departments—the Department of Commerce, the Department of State, and now the Department of Treasury, where he serves as Deputy Secretary.

Mr. Speaker, I invite my colleagues to join me in paying tribute to Secretary Eizenstat for his dedicated and effective service to our nation on this occasion. I also ask, Mr. Speaker, that the excellent remarks of Secretary Albright honoring Secretary Eizenstat be placed in the RECORD, and I also ask that the remarks of Deputy Secretary Eizenstat in response and discussion of United States relations with the European Union also be placed in the RECORD.

EU-EIZENSTAT DINNER

Ambassador Laajava: High Representative Solana; Secretary of State Valtasaari; excellencies from the diplomatic corps; Senators Baucus, Cleland, Lieberman and Sarbanes; Congressman Lantos; members of the Eizenstat family; friends, colleagues and distinguished guests: Good evening.

It is my great pleasure to welcome all of you to the State Department. We are gathered here tonight for two very good reasons: to honor the Chiefs of Diplomatic Missions of the Members of the European Union and the European Commission; and to thank Stu Eizenstat for his magnificent job as Under Secretary of State for Economic, Business and Agricultural Affairs.

Ten years ago tonight, the Berlin Wall was brought down from both sides, signalling an end to one chapter in the Euro-Atlantic Alliance, and the beginning of another.

Since that time, the partnership between America and Europe has grown stronger and deeper, to take on new challenges not just on the continent but around the globe.

Today, we are working together to advance peace and stability in the Balkans, on the Korean Peninsula, and in the Middle East.

We are working to prevent the proliferation of nuclear weapons, while fighting criminals, terrorists and drug traffickers wherever they may be.

We are providing support for democracy from Russia and Ukraine to Nigeria and Indonesia.

And our $300 billion-a-year trading relationship continues to grow, as we prepare together for a new round of WTO negotiations.

None of this has happened by accident. It has been the result of hard work and detailed planning, including long hours of close consultations. The European diplomats whom we honor here tonight have been an essential part of that, and they deserve our heartfelt thanks.

And of course, no one has done more to strengthen the U.S.-EU relationship than Stu Eizenstat.

I first met Stu more than twenty years ago, when he was the Domestic Policy Adviser at the White House. Stu was young to have that top job, but his boss at the time—President Jimmy Carter—had a slogan: "Why not the best?" And I am sure you will all agree that Stu Eizenstat is the best.

In the post-Cold War world, American security and prosperity depend increasingly on a stable and growing world economy. When I became Secretary of State, I wanted our diplomacy to reflect that fact.

So I asked Stu to make sure that the State Department was doing its part to bring down trade barriers; open new markets; coordinate with our allies; and sustain what is now the longest economic expansion in American history. Thanks largely to his efforts, the United States has remained a global leader in economic diplomacy, with clear benefits both for our country and the world.

And no one has done more to negotiate the very hardest issues raised by sanctions. It is testimony to his diplomatic skill that even to this day Stu Eizenstat remains on speaking terms both with Jesse Helms and France.

We do not have time tonight to go over the full list of Stu's professional accomplishments. Suffice it to say that on each of the key international economic issues of the past seven years, from outlawing foreign commercial bribery to launching a new Transatlantic Economic Partnership, Stu has been there, leading the way.

He has also been a great help to me in reaching out to the business community, because there is no more natural a constituency for a strong and successful American foreign policy. He has helped especially in emphasizing the importance of resources to back our leadership, and in taking the case for adequate foreign affairs funding to Capitol Hill. I know this remains a concern of Stu's at his new post at Treasury. And I'm sure he is supportive of my major preoccupation this week, which is to say to Congress that the time has come, at long last, this year, to pay America's UN bills.

I suspect one of the reasons Stu Eizenstat has been so successful is because of his remarkable stamina and patience. He is famous for outlasting even his youngest colleagues in all-night negotiations, and bringing people together when most everyone else had given up. He is a living testament to what a combination of determination and tuna fish sandwiches can do.

Stu has skill, determination and wit. That is a lot, but if it were all, I doubt we would be honoring him here tonight. Stu Eizenstat has shown throughout his career a dedication not only to succeeding, but to succeeding in the right cause, for the right purpose, in the right way. He understands that public service is not having a big office or a fancy title, it's about getting things that matter done.

I don't know a better example than Stu's leadership on the issue of Holocaust assets. No one else could have done what he did: to shine with an unwavering hand the light of truth; to advocate fairly but with unrelenting honesty the need for justice; and to handle a raft of deeply emotional issues with unmatched dignity. For that work alone, Stu earned the Economist's praise as a "national treasure" but I think the entire world has reason to be grateful to this man.

So now without further ado let me present Deputy Secretary Eizenstat with the State Department's Distinguished Service Award:

"For exceptional commitment to public service and the public interest in the execution of U.S. foreign and economic policy as Under Secretary of State for Economic, Business, and Agricultural Affairs from 1997–1999. Your countless contributions in the international economic sphere helped to make the United States an anchor of stability and hope for people throughout the world. In addition, your dedication, perseverance and creativity opened new avenues to obtain justice and closure for victims of the Holocaust in the United States and around the world. Your personal example of values and morality in government service inspired all who served with you."

REMARKS BY STUART E. EIZENSTAT

AT PRESENTATION OF DISTINGUISHED SERVICE AWARD BY SECRETARY OF STATE MADELEINE ALBRIGHT

Madame Secretary, your remarks and this award are especially meaningful for several reasons. First, that it has come from you, a friend of over two decades, whose remarkable career I have watched up close—from our years together at the Carter White House, our work on presidential campaigns; your presidency of the Center for National Policy which I helped found with you; and now at the pinnacle, more than two exciting years working under your inspired leadership as Secretary of State. You have been not only a role model for women, who have seen you shatter the glass ceiling in the field of diplomacy. But you have become the embodiment, for all Americans and for people the world over, of the foreign policy of the greatest nation on earth. By bringing me back to the State Department, where I began this Administration as Ambassador to the European Union, you gave me the opportunity to work again with the dedicated professionals in the career Foreign Service and Civil Service who give so much time and talent to this country—at home and abroad. I have been privileged to serve with them. This award belongs to them, as well as to me. I have seen American diplomats, among their other responsibilities, time and again help our businesses win contracts in the face of tough foreign competition. Yet they receive so little credit and so few resources with which to work. Our foreign affairs budget is less than 1% of the Federal budget, but it makes 50% of the history of our time. As you have said so eloquently Madame Secretary, we cannot be a superpower on the cheap. It is urgent for Congress to give the men and women who conduct our foreign policy—political and economic—the support needed for America to continue to be the leading nation in the world.

Second, just as you, Madam Secretary, have created a family spirit at the State Department, I am deeply grateful that you would permit me to share this moment with some of my many family and friends who have come from near and far to be here. To all of you, especially my dear wife Fran, my lifelong companion, adviser, and supporter, my sons Jay and Brian and their wives Jessica and Erin, and my mother Sylvia and mother-in-law Sarah, thank you for being here so that I can share this award with those who have done so much to make it possible for me to receive it.

Last, it is particularly meaningful that this award is being given at a dinner in honor of the Ambassadors of the fifteen nations of the European Union, because so much of my work, and yours, Madame Secretary, has involved European relations. We are at the end of a century and a millennium. This nation was founded over two centuries ago by people who took the best ideas and ideals from Europe and shaped them in the crucible of a new world. We gave the world an example of a democratic revolution and a democratic form of government. This was our gift to Europe and the entire world, but it drew heavily from European philosophers and models. The 20th century has drawn us ever closer together across what many now call the pond—the Atlantic Ocean. In two world wars, the United States of America has expended vast resources and seen the blood of its finest men and women shed, along with those of our European allies, some of whom make even greater sacrifices, to secure democracy and freedom against tyranny, brutality and dictatorship. Europe's cause became our cause because we realized that their liberty and our own security were inextricably intertwined.

We were not content to simply win the War. Together we also won the peace, and we did so as partners. Through the Marshall Plan we began the process of rebuilding war-torn Europe but also fostered European unity, so that in the future great wars on the European continent would be inconceivable. We created enduring institutions, military and economic, NATO, the Bretton Woods institutions (the IMF and World Bank) and the OECD.

Over four harsh decades, we stayed together as the most intimate allies poised to defend Europe and freedom against any Soviet threat. Together we won the Cold War and together we created a new opportunity for a European continent united, whole, and free.

No one has done more in our country, except for the President himself, to bring life to the dream of European unity than Secretary Albright. It was her vision and determination, together with our European allies, which made it possible for former Communist countries of the Soviet-dominated Warsaw Pact to become members of NATO. It was she who led the charge within the Administration to make NATO relevant to post-Cold War realities and who incorporated the lessons of World War II and the Holocaust by stemming Serbian aggression in Bosnia and in Kosovo together with our European allies. Now that we together won that war, together we must win this peace as we did after World War II.

My own efforts for this Administration have been inextricably intertwined with the European Union. To me the two historic European events of the last half of the 20th century have been the end of Communism and the development of the European Union. The EU is one of the boldest visions and most successful experiments in peacemaking and shared sovereignty in the history of the world. I have observed up close the development of a single economic market, the creation of the Euro (which as early as 1993 I believed would be born), and the efforts to build a commensurate political cohesion. We recognize that Europe's economic health is directly connected to ours, and we have built the world's largest trade and investment relationship. But, we also recognize that America cannot go it alone and achieve our political and economic objectives. We strongly support the development of your Common Foreign and Security Policy, whose first High Representative, Javier Solana, is here, because we believe that with our shared democratic, free market, pluralistic values, this common EU policy will allow us to be even more effective partners in the 21st century to protect freedom and human rights not only in Europe but around the world.

In 1955, I was pleased to be part of the creation of the New Transatlantic Agenda and in 1998 the Transatlantic Economic Partnership to bind us closer together in the post-Cold War era and to try to nip contentious disputes in the bud.

Our work together last year in dealing with difficult economic sanctions legislation affecting investments in Cuba and Iran turned a potential negative in our relations into a positive joint effort that led to a common effort to promote human rights in Cuba and to deter Iran from acquiring weapons of mass destruction.

And, my continued work with many of the nations of the European Union, including Germany today, is seeking to bring belated justice to the victims of the Holocaust, the most profound human tragedy to occur on the European continent.

Through all of this certain lessons emerge that can guide our future partnership:

I have seen that when we act together great things happen and the world takes notice and follows. I was privileged to be part of the final negotiations for the Uruguay Trade Round in Brussels where our last minute compromise on agricultural and industrial issues broke a seven-year impasse and gave the world the benefits of the greatest trade liberalization in history. The partnership we were able to forge with the EU in Kyoto, Japan made possible the Kyoto Protocol to combat global warming.

America must unite with its allies in the fight for freedom around the world. Although we have the economic, political, and military capability to wage this fight, America alone cannot be successful. In the immortal words of Thomas Jefferson, in our Declaration of Independence, we must have "a decent respect to the opinions of mankind." We need our European allies and other allies as full partners in Europe and beyond.

We must develop transatlantic relationships with our private sectors, NGOs and civil societies. We will solidify our relationships for the new post Cold War era by nurturing the business, labor, environmental and consumer dialogues we have created. With the interesting integration of the U.S. and the EU our economies, we must involve our private sectors to help us resolve our differences, enhance our workers' rights, and strengthen our environmental protections.

U.S. policy on sanctions must be rationalized to better balance costs and gains and to provide ample Presidential discretion. It needs to recognize we have a monopoly on virtually no product and so to be effective sanctions should always try to be multilateral and include our European allies. Sanctions should focus on rogue nations and those who threaten our national interests, rather than on other countries, including European, even if we disagree with their policies toward those countries.

The EU must not throw up artificial barriers to U.S. products or delay implementation of WTO rulings—nor should we. These actions create unnecessary tensions and divisions and undermine respect for the institution we have created together. So too we must show the world we fulfill our obligations, for example, by paying our arrears to the United Nations and other international institutions.

There remains a vital bipartisan center in our country for continued engagement in Europe and in the world, despite a chorus of opposition from both sides of the political spectrum. European partnership and burden sharing with the U.S. can help nurture and strengthen a continued American commitment to constructive engagement around the globe. Indeed, the enlargement of the European Union is critical to the achievement of the dream of President Clinton and Secretary Albright of a Europe united across old East-west divisions.

I close with a personal note. I am proud of my country. It is a selfless force for good and has done more than any nation to better the lot of mankind in this century. I am proud I could serve it—under Presidents Johnson, Carter, and Clinton, and with Secretaries Christopher and Albright—over the course of more than two decades, to return to this great and good nation a small part of what it has given to me, to my community, and to the world. And I am absolutely certain that America's future in the new Millennium will be even greater than its past.

TRIBUTE TO MACK DRAKE

HON. SUE WILKINS MYRICK

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mrs. MYRICK. Mr. Speaker, on the eve of Veterans Day, I rise to bring to the attention of the House the extraordinary accomplishments of Mack Drake. Mr. Drake, a recipient of the Silver Star, deserves recognition for his valiant bravery on behalf of the American people while a member of our Armed Forces. I am proud to represent Mr. Drake in Congress.

Mack Drake, now 74, was a soldier defending freedom in the Pacific during World War II. One night during the invasion of Guam, the Japanese military engaged in a counterattack that wounded Mr. Drake and others, and left many killed. Despite his face and arm injuries, Mr. Drake refused to evacuate the area and stood his ground on behalf of the United States. Mack Drake continued to fire until his ammunition was depleted, all the while protecting the right flank of his platoon. Even upon the realization that he had no bullets left, Mr. Drake continued the fight by using grenades to defend his troop. Because of Mack Drake's unflappable bravery, lives were saved and a massacre was averted.

Mr. Mack Drake is an outstanding and inspirational individual. His bravery and courage during this operation and throughout his service to our country is admirable and should be commended.

TRIBUTE TO JOHN B. McLENDON

HON. JAMES E. CLYBURN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. CLYBURN. Mr. Speaker, I rise today to pay tribute to a basketball pioneer and a leading force in desegregating collegiate and professional athletics. I rise today to pay tribute to the extraordinary John B. McLendon.

Although Coach Mac, as he was affectionately known, was diminutive in stature, his influence was gigantic in the game of giants. For most, 40 years in coaching with a career record of 523–165 is an outstanding achievement. For Coach Mac, it is only the beginning of the story.

On the court, he led the men's basketball programs at North Carolina Central, Hampton, Tennessee State and Kentucky State. During that time he became the first coach to win three straight NAIA Championships. He also amassed four conference and two district championships.

But it was his moves off the court that demonstrate Coach Mac's true grit. When he began his career as a basketball coach, the game was strictly segregated, including national championship competitions. In 1950, he initiated and planned the mechanics for integrating black colleges into the NIAIA national tournament. During the first integrated national tournament in 1953, his Tennessee State team won the first NAIA District 29 Championship. In 1954, the same team became the first NBCU to participate in a National Invitation Tournament. Just 3 years later, his team won its first NAIA Championship. The success of his team and other HBCUs forced the NCAA to desegregate its national tournament.

As a pioneer, Coach Mac blazed a trail of "firsts" that are unrivaled. Among those accomplishments are his distinctions as: the first black to coach a professional basketball team, the first black to coach a predominantly white collegiate team, the first black coach on the Olympic coaching staff, and the first black coach to author a book on basketball. He also escorted Earl and Harold Hunter to tryouts with the professional Washington Caps in 1950, and they became the first black players to sign NBA contracts.

Up until the day of his death, October 9, 1999, Coach Mac was pursuing his latest achievement, the establishment of the HBCU Heritage Museum and Hall of Fame. Just this year, Durham, NC was chosen as the site for this facility. He certainly will be one of its first inductees.

Mr. Speaker, I ask you and my colleagues to join me in honoring John B. McLendon. A towering figure in a profession of giants.

IN RECOGNITION OF THE DELEGATION FROM CALIFORNIA'S 9TH CONGRESSIONAL DISTRICT'S PARTICIPATION IN THE VOICES AGAINST VIOLENCE YOUTH CONFERENCE IN WASHINGTON, DC

HON. BARBARA LEE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Ms. LEE. Mr. Speaker, I rise today to salute, congratulate and to honor Oakland's best and brightest youth: Mr. Davon Blackwell, Ms. Brittany Dunning, Ms. Delanor Ford, and Ms. Magdalena Larios of McClymonds High School; Ms. Sonneng Chan of Castlemont High School and Ms. Ann Nguyen of Skyline High School. I praise them for taking leadership roles in addressing the problem of youth violence in our community. These six students represented my home district, the 9th Congressional District of California, at the "Voices Against Violence: Congressional Teen Conference" held on October 19th and 20th here in our nation's capital.

I commend these students for their efforts in working with federal law enforcement and education officials, national legislators, and leaders of the entertainment industry to develop substantive solutions related to youth violence. They made valuable contributions to the national dialogue by offering ideas on how our nation can work together to tackle this problem on a national level as well as locally in our schools and communities.

These students, and their committed campus coordinators, stand as shining examples of the type of determination, vision and energy we as concerned adults, parents, and community members must exhibit in order to eradicate the epidemic of youth violence. As I reflect upon my interactions with this cadre of distinguished leaders, I cannot help but marvel at the spirit of cooperation and commitment they had between them. I firmly believe that if we, in this great deliberative body, applied the same level of cooperation and commitment to confronting the issue of youth violence that these six students displayed, we would finally put principle over politics and solve this problem. I say, let them stand as a source of inspiration and encouragement for us all.

DIETARY SUPPLEMENT FAIRNESS IN LABELING AND ADVERTISING ACT

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. BURTON of Indiana. Mr. Speaker, today I am pleased to introduce the Dietary Supplement Fairness in Labeling and Advertising Act. When Congress enacted the Dietary Supplement Health and Education Act of 1994 (DSHEA), Congress intended to insure that all Americans had access to factual and adequate information about vitamins, minerals, and other dietary supplements so that they can make informed decisions about their health and well-being.

There is an increasing amount of scientific data demonstrating the benefits of good nutrition, education, and appropriate use of dietary supplements to promote long-term health. Additionally, preventive practices, including the safe consumption of dietary supplements will play a role in significantly reducing health-care expenditures in this country. At a time when we are looking at a doubling of our health care expenditures by 2007, it is very important to find cost-saving measures such as the use of dietary supplements.

The Government continues to provide funding to Agencies such as the National Institutes of Health, which includes the National Center for Complementary and Alternative Medicine and the Office of Dietary Supplements, as well as the U.S. Department of Agriculture and the National Science Foundation to conduct research in nutritional approaches to improving health status and in the prevention, treatment, and cure of diseases.

Over 100 million people safely use dietary supplements every day in the United States. The bill that I am introducing today will allow the public access to solid scientific research information about the safe and proper use of dietary supplements. It would amend the Federal Trade Commission Act (FTC) so that that information on the scientific studies, including clinical trials, be made available to consumers without the FTC charging the manufacturer with improper advertising.

The FTC does not allow the same information in advertising of dietary supplements that is allowed in labeling of the same products. Dietary supplement manufacturers are currently allowed to make some statements in the labeling regarding the benefits of calcium, vitamin C, and other common supplements that have been studied extensively. However, the FTC makes it very difficult for this useful information to be used in the advertising. This makes no sense. The information that the FDA allows as part of the labeling of a dietary supplement should also be allowed in advertising the same supplement, yet the FTC is seeking to regulate the advertising of dietary supplements by denying to consumers the very information that the DSHEA required the FDA to allow be used. This dual and contradictory set of regulations undermines the intent of Congress.

DSHEA required the FDA to promulgate reasonable guidelines to regulate the content of dietary supplement labels. The goal of this requirement is to insure that the labels give consumers necessary information for decision making in supplement selection and usage, without making claims regarding medical or disease benefits.

Additionally, the bill will instruct the FDA to withdraw the notice of proposed rulemaking published in the Federal Register of April 28, 1998, which attempts to regulate the types of statements made concerning the effects of dietary supplements on the structure and function of the body. In the Government Reform Committee, we conducted a hearing in March in which we discussed this very issue. The FDA proposed rulemaking is in direct conflict with the intent of Congress in DSHEA. Pregnancy and Aging are not disease states, but under the proposed FDA rulemaking their redefining of "disease" would designate them as such. Furthermore, it was never Congress' intent that citations from credible scientific publications not be allowed in providing accurate information in labeling of dietary supplements.

In passing this legislation, Americans will gain access to better information about the research in dietary supplements. Additionally, there will be access to fair and adequate reviews of claims. This bill prescribes a method by which the FTC must act prior to filling a complaint that initiates any administrative or judicial proceeding alleging noncompliance by an advertiser. The FTC would be required to provide a full and fair opportunity for advertisers to consult with the Commission's scientific experts and allow for an open exchange of ideas and information to insure that decisions are based on concrete, substantial scientific evidence. This is the development of an efficient and effective government practice during a time where our society has become far too litigious, I support strengthening the review process, prior to filling any claims or complaints.

I urge my colleagues to co-sponsor the Dietary Supplement Fairness in Labeling and Advertising Act. It would insure that all Americans have access to factual information about vitamins and other dietary supplements so they can make informed decisions about their health and well-being, while continuing to provide adequate safeguards to protect the public good.

A TRIBUTE TO BETTY GARDNER

HON. CALVIN M. DOOLEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. DOOLEY of California. Mr. Speaker, I rise today to pay tribute to Ms. Betty Gardner, who is retiring this month from her position as President and CEO of the Kings Federal Credit Union in Kings County, California.

During her tenure, Ms. Gardner has overseen a period of tremendous growth for the Kings Federal Credit Union. In 1960, she began serving credit union members from her home, slowly building the credit union's customer base. Nearly forty years later, the credit union's membership has expanded to 11,000 members, serving more than 180 select employer groups. In the small rural communities of Kings County, the credit union has played a vital role in providing project financing and financial services for people who might not otherwise have access to those services.

In addition to her leadership of the Kings Federal Credit Union, Ms. Gardner has been active in professional associations for the credit union industry. In 1990–91, Ms. Gardner served as chairman of the California Credit Union League, working to improve the league's voting procedures.

Her advocacy for and interest in the credit union industry also led her to travel on behalf of the industry. In October 1992 for example, she spent five days in Gdansk, Poland, visiting new credit unions and assisting the Polish Credit Union Foundation in their development of new operations.

Ms. Gardner has been honored by the California Credit Union League with a number of awards, including the 1994 Distinguished Service Award, and the 1998 Leo H. Shapiro Lifetime Achievement Award.

She has also been actively engaged in the community, participating in Soroptimist International, the Hanford Chamber of Commerce, the Sacred Heart Hospital Board of Directors, the Business Development Committee, the American Cancer Society, and serving as a former chair of the Hanford Parks and Recreation Commission.

Mr. Speaker, I ask my colleagues to join me today in recognizing Betty Gardner for contributions to the credit union industry and to the larger community of Kings County. We send our sincere congratulations and wish her well on her retirement.

PERSONAL EXPLANATION

HON. HELEN CHENOWETH-HAGE

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mrs. CHENOWETH-HAGE. Mr. Speaker, on November 8 and 9, I missed several rollcall votes on account of minor illness. Had I had been present, I would have voted "yea" on rollcall vote 574 (H. Res. 94), "yea" on rollcall vote 575 (H.R. 2904), "yea" on rollcall vote 576 (H. Res. 344), "yea" on rollcall vote 580 (H. Con. Res. 223), and "yea" on rollcall vote 581 (H.R. 1554).

TRIBUTE TO LAURA SMART

HON. JAY DICKEY

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. DICKEY. Mr. Speaker, back in 1997 I attended a Little League event and heard an opening prayer that was remarkable. It was given by Laura Smart of Pine Bluff, Arkansas, my hometown. She and her husband, Lee, were the parents of one of the players. The prayer has become even more remarkable since so much attention has been given across the nation to schoolchildren and their relationship with their parents. I would like to share this prayer with the rest of the nation by placing it in the CONGRESSIONAL RECORD:

> Dear Lord,
>
> Shine your Heavenly Light on us here tonight at this happy event celebrating our American League players, our coaches and our parents. Guide us in learning from thoughts and memories of years passed that will be shared through our speakers in these times of laughter and sadness, excitements and disappointments, and wins or losses. Only you, Lord, can help all of us to focus and prioritize your teachings in the real games of life knowing that Love for the children must remain. Bless us as we depart this event to bring a stronger light to others and to brighten the future by learning from mistakes, celebrating the greatness of good times, but using both as a ministry to all people and in your Honor, your Glory, and in your Name. We are so blessed to be able to watch our players run with two legs, hit with two arms, catch with two eyes and hear with two ears. For God's sakes make us realize when our own priorities get away from us that not all children can be on teams to have a chance to physically and mentally play. We are so blessed Dear God—in God's name we pray.—Written by Laura Smart, 1997.

THE CALUMET PROJECT

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. VISCLOSKY. Mr. Speaker, it is my distinct pleasure to announce that the Calumet Project will be hosting its 9th Annual Job and Justice Awards Banquet on Friday, November 19, 1999, at the Social Hall of Our Lady of Perpetual Help Parish in Hammond, Indiana. The Calumet Project is a 15-year-old grassroots, labor-community-religious coalition that works for economic and social justice in Northwest Indiana. Each year, the Calumet Project honors prominent, extraordinary residents of Northwest Indiana for their tireless work to educate and organize people to fight for the betterment of all our lives. This year, four outstanding citizens from Northwest Indiana will be honored for their dedication to justice, and for their commitment to the people of Northwest Indiana.

One of this year's Calumet Community Hero Award recipients is Tom Conway. Mr. Conway is being honored for his dedication and contributions to the labor community. During the last year, he has been responsible for directing the United Steel Workers of America's (USWA) field campaign in the recent "Stand Up for Steel" efforts aimed at the steel imports which continue to be a source of concern to the USWA.

Additionally, Carlotta King and Jose Bustos will receive the Calumet Community Hero Award for their organizing efforts in their respective communities, Hammond and East Chicago. Ms. King's passion and focus has been to improve the quality of life for children. She is the board president of the Bethany Child Care and Development Center, and president of the board of V.A.U.L.E.S., a group that mentors African-American males. Ms. King also serves as a Redevelopment Commissioner for the City of Hammond. She is a strong advocate for community participation in the redevelopment of brownfield sites. Mr. Bustos has devoted much of his life to helping the people of East Chicago. He and his wife Eva started the group, "The Youth Conqueror," which was responsible for bringing attention to how the increase in gang activity and violence was threatening the community's young people. Additionally, they started the Cesar Chavez Catholic Workers Community House. The community house has assisted many young individuals in different areas of their lives. Mr. Bustos has also been active in organizing a Christmas dinner for the needy, organizing a student walkout to protest against a toxic waste dump, and the protest against Napalm.

Reverend Michelle Cobb will also be receiving the Calumet Community Hero Award for her religious work in the community. Reverend Cobb is a native of Gary, Indiana. She has served as the pastor of the Marquette Park United Methodist Church in Gary, Indiana, and is currently senior pastor of the Merrillville United Methodist Church in Merrillville, Indiana. Cobb is a member of the NAACP, the Merrillville Kiwanis Club, and the Black Methodist for Church Renewal. She also serves on the Northwest Indiana Worker's Rights Board.

This year's Lifetime Achievement Award recipient, Reverend Dr. Robert Lowery, is one of the most dedicated citizens of Northwest Indiana. Dr. Lowery is the minister at St. Timothy Community Church in Gary, Indiana, and has spent nearly half a century providing leadership on economic and social justice issues. Dr. Lowery serves on the executive board for several organizations, including: the Northwest Indiana Urban League, the Calumet Council Boy Scouts of America, the Lake County Mental Health Association, and the Referral and Emergency Service.

State Senator Frank Mrvan will be presented with the One of Our Own Award for his support of workers' rights. Senator Mrvan has been a state legislator for more than 16 years and a member of the Hammond City Council for 10 years. He is a member and serves on the board of directors for the Hammond Chamber of Commerce, the Urban Enterprise Association, and the Hammond Development Corporation.

Christine Walters will receive the Special Recognition Award for her active role as a Calumet Project Board member and her leadership in economic and social justice actions. Walters joined the Calumet Project Board in 1994 and became a member of the Northwest

Indiana Brownfield Redevelopment Project (NIBRP). NIBRP is an organization designed to promote the clean-up of polluted urban sites and to return these sites to productive use, while bringing increased tax revenue to our communities.

Mr. Speaker, I ask that you and my other distinguished colleagues join me in congratulating these fine individuals for their dedication to justice and for their commitment to the people of Northwest Indiana.

COMMENDING EUNICE WALLER ON RECEIVING THE LIFETIME ACHIEVEMENT AWARD FROM THE NAACP OF CONNECTICUT

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. GEJDENSON. Mr. Speaker, I rise today to commend Eunice Waller upon receiving the Lifetime Achievement Award from the NAACP of Connecticut. Eunice Waller is an extraordinary American who has dedicated her life to educating young people and improving race relations.

Ms. Waller has spent the better part of the past thirty years serving citizens in Waterford and New London, CT. She was a teacher at the Clark Lane Middle School for 26 years working to ensure that thousands of young people received the best possible education. She served as a member of the board of education and city council in New London as well as mayor of the city.

Eunice Waller has devoted her life to expanding opportunity for all citizens of southeastern Connecticut. She has played a guiding role in the Dr. Martin Luther King Jr. Memorial Trust Fund. The fund provides scholarships to help minority students to attend college. Thanks to her efforts, the gates to our nation's colleges have been opened to deserving students regardless of income.

Mr. Speaker, I have included an editorial from the New London Day which eloquently describes Eunice Waller's many contributions to improving the lives of citizens across southeastern Connecticut. I commend her for her service and join the NAACP in honoring her life's work.

[From the New London Day, Nov. 2, 1999]

EUNICE M. WALLER'S SERVICE

Eunice M. Waller, a Waterford teacher for 26 years, served on the New London Board of Education and City Council and has been mayor of the city, but her greatest achievements as an involved citizen have been her encouragement of children to improve their lives and adults to get involved in their communities. She has been especially effective working with minority citizens.

All people, young and adult, need encouragement or an exhortation to work hard and achieve goals. Those remarks remind people—often during periods that seem discouraging—to press forward and get beyond the problem of the moment.

Eunice Waller has helped countless people with those simple acts of kindness. She has also served as a conscience for people who interacted with her. Leadership by example matters because it signals others that the words coming out of a person's mouth are not rhetoric, but rather a reflection of the earnest efforts that person is making every day in life. Eunice Waller has led by example.

Her public life has served to complement her other activities, such as her 20 years of service to the Mitchell College board and her founding role in the National Council of Negro Women. Countless young people remember her best for the guidance and assertiveness she has given the Dr. Martin Luther King Jr. Memorial Trust Fund. This outstanding local scholarship service has helped many minority young people from the region go on to colleges and successful careers in a variety of fields.

So it was especially fitting that the state NAACP honored Mrs. Waller with a lifetime achievement award at a prayer breakfast Sunday in New Haven. The Acronym NAACP stands for National Association for the Advancement of Colored People, but it really stands for equality and progress in race relations in this country.

In the past and still today, Eunice Waller monitors the results of that effort. Because of people like her, race relations continue to improve in this nation and many people live happier, more productive lives.

MEDICARE, MEDICAID, AND SCHIP BALANCED BUDGET REFINEMENT ACT OF 1999

SPEECH OF

HON. JIM KOLBE

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. KOLBE. Mr. Speaker, since its creation, the Medicare program has protected millions of beneficiaries from poverty by helping to pay for medical services. It has improved access to care for the elderly and many disabled Americans and is certainly among the key policy successes of this century.

Still, as the health care market evolves in this country, and as beneficiaries grow older and their health care needs change, Medicare must also evolve. In enacting the Balanced Budget Act of 1997 (BBA), the Congress took important steps to begin this evolution and to help extend the program's financial viability.

Unfortunately, many of the reforms Congress prescribed in the BBA have been implemented poorly, and sometimes counter to Congressional intent. While I continue to support the budget priorities established in the BBA, I believe Congress must act to correct the mistakes and misjudgments that now threaten the viability of many health care providers. For this reason, I support H.R. 3075, the Medicare Balanced Budget Refinement Act of 1999.

In particular I am pleased the Committee has included specific provisions that will benefit Medicare providers and patients in Southern Arizona.

This bill: Strengthens rural hospitals, provides additional funds for physicial therapy and speech therapy, expands the number of critical access hospitals, increases funding for teaching hospitals, extends Medicare's coverage of immunosuppressive drugs, improves the State Children's Health Insurance Program (SCHIP), and continues the Medicare Community Nursing Organization demonstration project, otherwise known as the Healthy Seniors program in Tucson.

In total, this bill provides an additional $11.8 billion for Medicare providers and patients. I encourage my colleagues on both sides of the aisle to support the bill.

TRIBUTE TO ROBERT J. FLAVIN

HON. LOUISE McINTOSH SLAUGHTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Ms. SLAUGHTER. Mr. Speaker, I rise today to pay tribute to a long time friend and Rochester Telephone employee, Robert J. Flavin, who passed away on Friday in Rochester, New York. Bob served as the President of Local 1170 of the Communications Workers of America for 36 years.

I was honored to attend his memorial service yesterday as this great labor leader and champion of the working people was remembered. As a sign of the high regard the Rochester community had for Bob, on Sunday he was given the Rochester Labor Council, AFL–CIO and United Way Community Service Award posthumously in recognition of his life's work. To further honor Bob, the organizations also announced that the award would be renamed in his memory.

Bob Flavin spent his career fighting for the rights of communications employees, helped Rochester Telephone evolve into the national telecommunications firm known as Frontier Corporation, and was instrumental in negotiating a recent labor agreement between Rochester Telephone and Local 1170. His long legacy includes ending the labor dispute between CWA and the former Rochester Telephone Corp. in 1996 and 1997 over the withdrawal of the pension plan. Recently, Bob Flavin had been particularly active in building support from the rank and file within his CWA labor organization for the now-completed merger of Frontier with the international telecommunications firm, Global Crossing Ltd.

Bob was proud of his association with and admiration of Frontier's CEO, Joseph Clayton. Mr. Clayton rode with his employees yearly in the Labor Day Parade and he and his family attended the union's events. His concern and affection for Bob during his final illness should be a model for management/labor to follow. Our pain at losing Bob is eased by knowing Bob's final years as a labor leader were his best years because of Joe Clayton.

Beyond his many professional contributions to the Rochester community, I remember in particular Bob's love of his family and his great faith. Anyone who knew Bob, knew of his love for his wife of 50 years, Carolyn, and their three sons: Michael, Pat and Timothy, who all still live in Rochester. Among the over 1,000 people who attended his funeral, both his CWA members and Global Crossing management expressed sadness at Bob's passing, and so did many community leaders with whom Bob worked. He will be deeply missed by all of us in the Rochester community.

IN APPRECIATION OF MS. LESLIE DeMERSSEMAN

HON. MARY BONO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mrs. BONO. Mr. Speaker, I rise in admiration of the service Leslie DeMersseman has given as the 1999 president of the California School Board Association.

Prior to serving at the state level, Leslie DeMersseman exhibited her leadership and community concern as a board member of the Palm Springs school board for 12 years, presiding over the board for five of those years. In addition to her work in Palm Springs, DeMersseman has served as a director of the Riverside County School Boards Association since 1987.

The California School Board Association is the primary statewide organization with the board point of view to set the agenda for California's school-children. Under Leslie DeMersseman's leadership this organization has been able to work toward improving some of the many problems California's public schools are experiencing.

Leslie DeMersseman has risen to the challenge of actively working to better education in the state of California, and as a parent I deeply thank her for her efforts. As we seek to find ways to solve the problems in our public education system, we need more people like Leslie DeMersseman working for our children. It is people like her, working at the state and local level, who inspire us and validate our efforts to give more control to the states and local education authorities.

It is with great appreciation and respect that I ask my colleagues to join me to recognize Leslie DeMersseman for the continuous efforts on behalf of children and education throughout Palm Springs, Riverside County and the state of California.

THE REINTRODUCTION OF THE PRIVATE BILL FOR THE BENEFIT OF ADELA BAILOR AND DARRYL BAILOR

HON. JULIA CARSON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Ms. CARSON. Mr. Speaker, today I am reintroducing legislation that would provide for private relief for the benefit of Adela Bailor and Darryl Bailor. As you know, private relief is available in only rare instances. I believe that the circumstances surrounding the Bailors' case qualifies under the rules for private legislation.

The facts surrounding this case are clear and undisputed. Adela Bailor, while working for Prison Fellowship Ministries in Ft. Wayne, Indiana, was raped on May 9, 1991, by a federal prisoner who had escaped from the Salvation Army Freedom Center, a halfway house in Chicago, Illinois.

What makes the Bailors' case special is that they were caught in a legal catch-22. The Bailors' filed suit against the Federal Bureau of Prisons and the Salvation Army, which ran the halfway house to which Mr. Holly was assigned.

One of the requirements for all inmates at a halfway house is that they remain drug free and take a periodic drug test. Mr. Holly had a history of violence and drug abuse including convictions for possession of heroin. On May 6, 1991, Mr. Holly was called into the Salvation Army office and was told that his drug test was positive for cocaine use. The Salvation Army had the option of informing Mr. Holly of the failed drug test with a U.S. Marshal present, but chose not to. When advised of his drug test failure, Mr. Holly simply announced that he was "out of here" and walked through the unlocked door.

In the lawsuit, the Bailors' lost on a legal technically. The 7th Circuit Court of Appeals recognized this technicality. The technicality was that, under law, apparently, no one had true custody of William Holly. The Federal Bureau of Prisons had legal custody of William Holly, but not physical custody. The Salvation Army had physical custody of William Holly, but not legal custody. Recognizing that this was legally untenable, the 7th Circuit recommended that Ms. Bailor apply to Congress for private relief.

I ask that my colleagues join in this effort to eliminate this gross injustice for Adela Bailor and Darryl Bailor. If we believe in victims' rights, then we must hold those who are responsible for the incarceration of violent criminals accountable for such conduct. Adela Bailor is an honorably-discharged Marine Corps veteran. At the time of the attack, she was helping to make this country a better place. We cannot, and should not, turn our back on her because of some legal loophole.

the 7th Circuit has reviewed this case fully and has made its recommendation. Although Congress is not bound by such recommendation, Congress should give great deference to the legal analysis by the 7th Circuit, which has determined that Adela Bailor and Darryl Bailor fall into an unusual legal situation.

Mr. Speaker, I urge you and all of my colleagues to support this legislation so that we may rectify a great wrong.

IN RECOGNITION OF MR. LOU TRONZO UPON HIS RETIREMENT

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. MURTHA. Mr. Speaker, it's a pleasure for me to recognize an outstanding individual who will soon be retiring from the University of Pittsburgh, Mr. Lou Tronzo.

Lou has represented the University as a public affairs executive for the last thirty years, working at the local, state, and federal levels. In Western Pennsylvania and in the higher-education community, he's been an institution in the pursuit of programs to help universities and students.

Lou began his career in the public sector working for the Urban Redevelopment Authority of the City of Pittsburgh and for ACTION-Housing Inc., where he focused on land disposition, housing development, and economic research.

A graduate of the University of Pittsburgh with a B.A. and an M.A., he's been actively involved with the National Association of State Universities and Land Grant Colleges and the American Association of Universities. He's also served on the Boards of institutions such as the Community College of Allegheny County and Forbes Health System. He's the Founder and Co-Chair of the Institute of Politics at the University of Pittsburgh.

But this is a case where the details do not tell the whole story. Lou Tronzo has the respect of all of us who have worked with him over the years for his dedication, loyalty, common sense, and devotion to helping people. The most recent project I've been working on with Lou is one that would bring economic progress and jobs to Western Pennsylvania—as always Lou's focus is on helping people and giving them a chance to improve their lives.

It's impossible to put any kind of number with the many, many students, educators, communities, institutions, and organizations that Lou has helped over the years. But it is possible to try on behalf of all of us who have benefited from knowing him to say: "Thank you, Lou, we recognize your outstanding contributions and hope you enjoy the time you will now have to spend with your family, especially your grandchildren."

TRIBUTE TO ROB SANDERS

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. McINNIS. Mr. Speaker, I would like to take a moment to recognize Rob Sanders, Moffat County High School Assistant Principal and Activities Director, for being honored by the Milken Family Foundation as a National Educator.

The Milken Family Foundation National Educator Award provides recognition and unrestricted financial awards to exceptional elementary and secondary school teachers, principals and other education professionals who are furthering excellence in education. This award is only given to four educators a year (in Colorado).

Mr. Sanders is an asset to Moffat County High School, as well as the entire country. Our education system thrives due to the efforts of individuals like Mr. Sanders. His dedication and hard work have proven to be a success in the third district of Colorado and I greatly appreciate his continued commitment to our youth.

A TRIBUTE TO ROGER ROBB

HON. CALVIN M. DOOLEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. DOOLEY of California. Mr. Speaker, I rise today to pay tribute to Mr. Roger Robb, who is retiring this month as Manager of the Lower Tule River and Pixley irrigation districts in Tulare County, in central California.

Mr. Robb was born in Garden City, South Dakota, on October 5, 1937. He attended junior college in Porterville, expressing an early interest in serving as manager of an irrigation district. He received his bachelor's degree in civil engineering from California State University, Fresno, and his Master's degree in Geotechnical Engineering from U.C. Berkeley.

Early in his career, Mr. Robb held various positions with the U.S. Department of Agriculture's Soil Conservation Service, serving in their Napa and Davis state offices. There he was active in a wide range of issues, including watershed management, drainage issues, small dams and irrigation efficiency studies.

In 1976, Mr. Robb began work at the Lower Tule River Irrigation District and Pixley Irrigation District as a staff engineer. Only one year later, he ascended to his "dream job" of manager of the two districts. Mr. Robb took the position at a time when the Central Valley of California was facing one of its worst droughts in history, posing a challenge to the newly installed manager.

Throughout his career, Mr. Robb has been active in a number of associations, including the Friant Water Users Authority, Mid-valley Water Authority, Association of California Water Agencies-Joint Powers Insurance Authority, and Central Valley Project Water Association.

On the Tule River, Mr. Robb has overseen day-to-day operations for the Tule River Association, and helped lead the successful effort to establish a small hydroelectric power plant at Success Dam.

Mr. Speaker, I ask my colleagues to join me today in recognizing Roger Robb for his contributions to his field and to the Central Valley community. We send our sincere congratulations and wish him well on the occasion of his retirement.

A SALUTE TO FLORETTA CHISOM ON HER RETIREMENT, OAKLAND, CA

HON. BARBARA LEE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Ms. LEE. Mr. Speaker, I rise today to honor and to salute Floretta Chisom on ner retirement from her position as the Director of the City of Oakland's Department of Aging, Health and Human Services.

Ms. Chisom's professional career, spanning more than a quarter century, began as the Director of the East Oakland Parent Participation Nursery School. She also served as Director of the District Parent Program for the San Francisco Unified School District and the Parent Education Program for the San Francisco Community College District, Assistant Director of the Life Enrichment Agency, and as Executive Director of Oakland's Community Action Agency.

Ms. Chisom also served for fifteen years as the Director of Oakland Head Start, helping the program to grow from serving fewer than 200 children to more than 1,500 children. While at the Oakland Head Start, Ms. Chisom was responsible for a number of innovative and pilot programs, including Home Base (where teachers visit families and provide instruction to parents in the home), services to homeless families with children of Head Start age, and a program to provide Head Start through family day care homes.

Since 1992, Ms. Chisom served as the Director of the City of Oakland's Office of Health and Human Services. In that role, she served as the Executive Director of the City's Community Action Agency as well as staffing a number of other city boards and commissions. She began Oakland's involvement with the California Healthy Cities program, assisted the City to develop a Child Care Plan, a Homeless Plan, and promoted expansion of programs to address homelessness, hunger, illiteracy and poverty.

In response to the termination of Aid to Families with Dependent Children (AFDC), and the creation of CalWORKSs, Ms. Chisom established the City of Oakland's Welfare Reform Coordinating Committee and served as Chair of the Committee. During this time, she was appointed as the Welfare Reform Manager for the City and, along with the Community Action Agency, coordinated the development of the City of Oakland's Welfare to Work Training Program.

In addition to her career in the public sector, Ms. Chisom is also active in many volunteer organizations including previously serving as a Board Member of the Breast Cancer Fund and her recent appointment to the California Breast Cancer Research Council.

I proudly join friends and colleagues in thanking and saluting Ms. Chisom on her twenty-five years of dedicated public service, leadership and innovation to the people and City of Oakland and extend my best wishes to her on her upcoming retirement.

TRIBUTE TO JOHNNIE HENDRIX

HON. SUE WILKINS MYRICK

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mrs. MYRICK. Mr. Speaker, on the eve of Veterans Day, I rise to bring to the attention of the House the extraordinary accomplishments of Johnnie Hendrix. Mr. Hendrix, a recipient of the Silver Star, deserves recognition for his valiant bravery on behalf of the American people while a member of our Armed Forces. I am proud to represent Mr. Hendrix in Congress.

Johnnie Hendrix, now 81, served in the 8th Infantry Division's 13th Regiment during World War II. While participating in an action against the German military in the Ruhr Valley, his commander was critically wounded. With concern for his commander and his fellow soldiers, Mr. Hendrix took up command of his company to lead the battle. Under his direction, a combination of tanks and infantry successfully broke the German defenses and the group captured more than 1,000 Axis prisoners.

Mr. Johnnie Hendrix is an outstanding and inspirational individual. His bravery and courage during this operation and throughout his service to our country is admirable and should be commended.

TRIBUTE TO JESSE AND EDWARDO MARTINEZ

HON. BRAD SHERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. SHERMAN. Mr. Speaker, I rise today and ask my colleagues to join me in recognizing the vision and commitment of brothers Jesse and Edwardo Martinez, founders of Picosito.com, who have created a bilingual Internet website tailored to the U.S. Hispanic/Latino community. These first generation Mexican-American brothers established their parent company, VivaMedia Incorporated, in 1998 with the focus on educating, promoting and cultivating the online Hispanic/Latino community—regardless of income level or education.

Picosito.com provides free access to engaging, dynamic and culturally driven content including free email, news, entertainment, health, business and communications resources tailored to the needs of the growing online Hispanic/Latino community.

The stories featured on Picosito.com are exclusively written or selected because they address issues that affect the U.S. Hispanic/Latino population. The company is dedicated to identifying stories that will inform, educate and inspire Hispanics to make a difference in their lives and their communities.

Quizito, Person of the Day, and the Daily Fact are some of the unique features that allow users to test their knowledge and gain insightful information about their history, heritage and the vibrant culture of "la gente bonita."

Jesse and Edwardo Martinez are the first in their family to graduate from college, Jesse with a mechanical engineering degree from Texas A & M University and Edwardo with an electrical engineering degree from Stanford University. They credit their parents, Alfred and Socorro, who never graduated from high school, with instilling in them the courage, strength and determination to achieve academic success. Now they want to give back to their community and believe Picosito.com is the appropriate vehicle for this journey.

Picosito.com's first step at bringing technology into the Hispanic community is being demonstrated by the "Gift of Information" program, which involves donating computers to organizations that need computers and offer training in the usage of computers and the Internet throughout Los Angeles, New York and Miami.

Joining the entire Picosito.com team at the House of Blues in Los Angeles to help launch the "Gift of Information" program are Edward James Olmos and many personal and corporate friends from throughout the United States and around the world.

Mr. Speaker, Please join me in honoring Jesse Martinez and Edwardo Martinez as they pursue their dream—which is now reality: providing the resources to empower Hispanics to make a difference in their own lives, in their communities and in our country. They have earned our praise and respect.

HONORING BERNARD E. MADDEN

HON. LOIS CAPPS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mrs. CAPPS. Mr. Speaker, today I rise to pay tribute to a dear constituent, Bernard Madden, who died on November 5 in San Luis Obispo at the age of 105 years.

Mr. Madden worked as a steam engineer in Omaha, Nebraska, for the Missouri Pacific Railroad. After his retirement, Mr. Madden and his wife, Eula, moved to San Luis Obispo. He spoke highly of his nieces and nephews, read the newspapers every day and spoke to my staff frequently about current affairs. One of his most passionate pleas was that prescription drug coverage be included in Medicare. Mr. Madden and I had a lot in common there. I will strive to see that this is accomplished in remembrance of him and the many seniors he knew and I know will benefit when this gaping hole in Medicare is fixed.

Bernard Madden had a wonderful and cheerful spirit and my staff and I will remember him fondly.

PERSONAL EXPLANATION

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. SHUSTER. Mr. Speaker, on the evening of Tuesday, November 9, 1999, I was unavoidably detained by matters relating to the Aviation Conference and because of this missed rollcall votes 580 and 581. On rollcall vote No. 580, House Concurrent Resolution 223, Expressing the Sense of the Congress on the Fall of the Berlin Wall, I would have voted "yea." In addition, on rollcall vote No. 581, House Resolution 1554—the Satellite Copyright, Competition and Consumer Protection Act, had I been present, I would have voted "yea."

IN HONOR OF OUR NATION'S VETERANS

HON. RON KIND

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. KIND. Mr. Speaker, tomorrow our nation pays tribute to the men and women who served in the armed forces. Veterans Day is an opportunity for everyone to stop and say thanks to those who have given so much to protect our freedom.

Since the beginning of our nation, the soldiers, sailors, airmen, and marines of the Armed Forces have been called on to risk their lives and fight for the ideals that make America great. The level of our support for the Armed Forces has varied throughout history. Yet, regardless of what one thinks about the wars that they fought, or the wisdom of our involvement, we all should agree that those men and women responded to the call of their country and performed with honor and dignity.

This year we should take time to especially remember the veterans of World War II, many of whom are well into their 80's. Now more than ever, we need to listen to and preserve their collective wisdom and experience. Their devotion and courage can teach us about the importance of an individual's commitment to a cause greater than oneself.

On Veterans Day, in my congressional district, I have arranged to bring some of those veterans together with middle school students in several communities in western Wisconsin. My hope is that our children will learn the true meaning of duty, honor and courage from those veterans who were heroes on battlefields around the globe. It is important that our children learn about the sacrifices made by previous generations.

I recently read an excerpt from Senator JOHN MCCAIN's new book Faith of our Fathers. Senator MCCAIN spent more than 5 years as a prisoner of war in North Vietnam, in what was derisively referred to as the "Hanoi Hilton." In his book he talks about the meaning of glory.

> For I have learned the truth: There are greater pursuits than self-seeking. Glory is not a conceit. It is not decoration for valor. It is not a prize for being the most clever, the strongest, or the boldest. Glory belongs to the act of being constant to something greater than yourself, to a cause, to your principles, to the people on whom you rely, and who rely on you in return. No misfortune, no injury, no humiliation can destroy it.

These words are a powerful reminder of the attitude shared by thousands of our veterans, living and dead, when they answered their nation's call. They are good words to remember, not just on Veterans Day, but every day.

PERSONAL EXPLANATION

HON. BILL PASCRELL, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. PASCRELL. Mr. Speaker, as is reflected in the CONGRESSIONAL RECORD, I was granted a leave of absence for Tuesday, November 9, 1999.

If I had been present, I would have voted as follows:

On rollcall vote 577—H.R. 1714—On agreeing to the Inslee of Washington amendment: "Yes."

On rollcall vote 578—H.R. 1714—On agreeing to the Dingell of Michigan amendment: "No."

On rollcall vote 579—H.R. 1714—On passage of the Electronic Signatures in Global and International Commerce Act: "Yes."

On rollcall vote 580—H. Con. Res. 223—Suspend the Rules and agree to express the Sense of Congress regarding Freedom Day: "Yes."

On rollcall vote 581—H.R. 1554—Suspend the Rules and agree to conference report on the Satellite Copyright, Competition, and Consumer Protection Act: "Yes."

TRIBUTE TO H. HARPER KERR

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. McINNIS. Mr. Speaker, I would like to take a moment to recognize H. Harper Kerr, former Puebloan, who passed away last Thursday.

Originally the son of an Iowa country doctor, Dr. Kerr arrived in Pueblo in the mid-1950s and practiced medicine for more than 20 years, specializing in thoracic and cardiovascular surgery. He served as chief of staff and chief of surgery at St. Mary-Corwin hospital. In addition, he served on the Board of Trustees and the Board of Directors of the Colorado Medical Society. In 1968, he was elected as the Pueblo County Coroner, where he served for a number of years.

Upon Dr. Kerr's retirement from surgery, he moved to Kansas City where he was appointed Chief Medical Director of Social Security Disability for the four-state region of Missouri, Kansas, Iowa, and Nebraska. Following his work in Kansas City, Dr. Kerr moved to Shalimar, Florida, where he was on the original committee that formed the Elderhostel Senior Center for Lifelong Learning. In addition, he was active with the Coast Guard Auxiliary, functioned as a Flotilla Commander, served as medical advisor to the Air Commando Association and the McCoskrie Foundation.

Dr. Kerr's contributions to this country extend back to World War II as physician and surgeon of the 605th Field Artillery Battalion in the 10th Mountain Division of the U.S. Army.

Dr. Kerr was an asset to the people of Pueblo and his ability as a surgeon assured Puebloans were in good hands while under his supervision. We will miss his service and friendship greatly.

HONORING OUR NATION'S VETERANS

HON. LOIS CAPPS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mrs. CAPPS. Mr. Speaker, tomorrow is Veterans Day, and I want to take this opportunity to pay tribute to those who have served our country so bravely. Tomorrow, all over this great country we will honor men and women who willingly gave body and soul to defend our nation and the values which make it great. Tomorrow truly is their day and I wish I could be in my district to celebrate it with my constituents.

My husband Walter drew his inspiration to run for Congress largely from decades of work with Vietnam veterans. I live every day with Walter in my heart. His passions and cherished causes are now very much my own. I am committed to upholding his legacy of support and respect for America's veterans.

Vietnam veterans were his teachers, as they have been ours. From their painful experiences, we have learned that when we send our soldiers to war we must always welcome them home. But, whether a veteran of Vietnam, of World War II, Kosovo, the Gulf War, or Korea, they are to be commended for their great accomplishments and tremendous sacrifice. Whether called to safeguard the world from a menacing dictator, to fight the spread of tyranny, or to maintain a fragile peace, our nation owes a priceless debt of gratitude to each and every veteran.

Veterans Day also allows veterans to come together to continue a much needed healing process. Just as Walter invited Vietnam vets into his classroom to share their stories, veterans will come together to share each other's stories and gain comfort from each other.

As a Member of Congress, I have the distinct—almost sacred—responsibility to preserve our nation's security. This means ensuring that our military remains the best trained, best equipped, and most prepared in the world. It also means providing today's fighting men and women, and those who have retired, with the support they need to maintain the quality of life they deserve. This is especially true at a time when military personnel are being deployed more frequently, and in more places around the world.

In Congress, I am working hard to support increased military pay, improved health care coverage, and a strengthened retirement system.

I am proud to note that we recently passed a Defense bill which provides much needed improvements for current and retired military personnel. It included a 4.8% pay raise, and authorizes bonuses and other incentives to retain and promote our servicemen and women. It will also change the unfair REDUX retirement plan—giving veterans the choice to return to the more generous pre-REDUX retirement system or receive a $30,000 retirement bonus.

When talking to veterans up and down the Central Coast—whether it be in Santa Barbara, Santa Maria, Arroyo Grande, or Paso Robles—I hear a common refrain. Vets are increasingly concerned about benefits they have earned and maintaining access to quality health care. I am working on a number of initiatives to address these concerns.

I recently introduced the Veterans Emergency Telephone Service Act. The VETS Act would set up a national veterans' hotline service operating 24-hours-a-day, 7 days-a-week. This hotline would provide vets immediate access to a staff knowledgeable in VA benefits and programs. This combination "411–911" number for veterans would provide a one-stop, toll free number veterans can call at any time of day or night to receive encouragement and assistance.

I am also supporting a bill requiring the VA to institute an annual outreach plan to insure that veterans are informed about the entire range of benefits and health care services available to them. Too often veterans are not informed about benefits they are eligible for, or how to receive them. This bill also assists widows and survivors of veterans obtain important assistance.

And I'm working hard to pass landmark legislation—known as the Keep Our Promise to America's Military Retirees Act. This bill would allow all military retirees to participate in the same health care programs federal employees currently enjoy and provides free lifetime health care to those who enrolled in the services prior to 1956.

Many Americans made sacrifices to defend our country with the understanding that upon retirement the government would provide them with lifetime health care. But for too many military retirees there is little or no health care available.

In addition, I support legislation allowing military retirees with service connected disabilities to receive the full amount of their retired pay along with VA disability compensation—without a deduction from either source of support. We need to take extra special care of those whose service has left them with an injury or disability.

I will always support our fighting men and women, whether in peace time or in war.

I will always support the benefits our veterans need and deserve.

And I will forever cherish the honor my constituents have bestowed upon me by allowing me to serve as their Representative.

TRIBUTE TO LEON FOY

HON. SUE WILKINS MYRICK

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mrs. MYRICK. Mr. Speaker, on the eve of Veterans Day, I rise to bring to the attention of the House the extraordinary accomplishments of Leon Foy. Mr. Foy, a recipient of the Silver Star, deserves recognition for his valiant bravery on behalf of the American people while a member of our Armed Forces. I am proud to represent Mr. Foy in Congress.

Leon Foy, now 78, served in the 8th Air Force during World War II. On May 29, 1944, during his 15th bombing mission, Mr. Foy and his nine-member crew were raiding a ball-bearing plant near Berlin. German aircraft attacked and a bullet struck Mr. Foy's head. Ever strong and brave, Mr. Foy continued to fly his B–24 until he was in Sweden, a neutral country, where he landed safely on a very short runway.

Mr. Leon Foy is an outstanding and inspirational individual. His bravery and courage during this operation and throughout his service to our country is admirable and should be commended.

SENSE OF CONGRESS THAT SCHOOLS SHOULD USE PHONICS

SPEECH OF

HON. BARON P. HILL

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. HILL of Indiana. Mr. Speaker, with all due respect to my colleague from Indiana, I regret that I cannot support this resolution. Phonics is a proven method of reading instruction that has a place alongside other approaches to teaching reading. But I think this resolution goes a bit too far. The Federal Government should not tell professional educators in our States and local school districts how to teach reading to their students. I believe communities know best when it comes to educating their kids and I had thought my colleague, Mr. MCINTOSH, would agree with this sentiment.

I'm concerned about education policy as a representative in Congress, but I have a much greater stake in education as the father of public school kids and the husband of a public school teacher. My wife, Betty, is a middle school math teacher. My two oldest daughters are products of the public schools and my youngest still attends a public school.

I hear every day from them about the successes and challenges in our schools. That's how I know the power to make decisions should be at the local level and the focus should be on how to help our communities better educate our students.

We should always keep in mind that the Federal Government is only a junior partner in our Nation's education process. More than 95 percent of the money our country spends on education comes from the States or from local communities. The ultimate day-to-day responsibility of running our Nation's schools does not belong to the Federal Government, but to the parents, teachers, and administrators who work with our children every day.

The Federal Government plays a limited, but important, role in our education system. Its role is to help States and localities address their toughest challenges. Through programs like Title I and Head Start, the Federal Government helps disadvantaged kids and schools with challenging student populations. It helps millions of kids to go to college through student loan programs. It also provides educators with important research on teaching methods and school performance.

When the Federal Government addresses these important education priorities, it must spend the taxpayers' money responsibly. The Federal Government has a duty to ensure that its resources are actually being spent on the problems we are trying to solve. But beyond targeting federal funds to specific areas where local schools need help. Congress should resist micro-managing and allow local schools to make their own decisions.

We have to maintain the delicate balance between Federal educational priorities and local control of schools. States and localities must have the flexibility to address their problems in ways that make sense for them, but our Federal resources must remain targeted at the people and communities who need them most. While it makes sense to give States and localities discretion, I don't believe we should send money to States without asking for accountability and results.

Governor George W. Bush of Texas was on the right track when he recently said: "The Federal Government must be humble enough to stay out of the day-to-day operation of local schools. It must be wise enough to give States and schools more authority and freedom. And it must be strong enough to require proven performance in return."

This resolution goes too far because it directs schools and teachers to use a specific educational technique. I'm going to vote against this resolution because Congress should not be dictating a school's curriculum from Washington.

The Federal Government's role is to support the people who educate our kids, not to tell them how to teach reading. We should stick to the things that we can do. We must resist the temptation to meddle in places where we have no business. That takes humility and a measure of wisdom, but I am confident that together we can find the strength to do the right things for our students.

TRIBUTE TO KLAMATH COUNTY COURTHOUSE

HON. GREG WALDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. WALDEN of Oregon. Mr. Speaker, I rise today to celebrate the dedication of the new Klamath County Courthouse in the City of Klamath Falls, Oregon. The dedication of this building is much more than a celebration of an assemblage of bricks and mortar, it is a celebration of people who would not quit and who would not accept anything less than the best for their community.

In 1993 the historic courthouse was rendered useless by two earthquakes less than three months apart. Within a week after the second quake, all of the employees were moved to a variety of venues and the work of the county and the justice system went forward with great difficulty. People literally didn't know how to determine where court was being held or where building permits were being issued.

With no funds and no plans, the leaders and citizens of Klamath County rolled up their sleeves and got to work. In 1996 the Klamath County voters passed a bond issue to rebuild the courthouse and build the Government Center that opened in 1998. With the assistance of the Federal Emergency Management Agency, Klamath County was able to repay $1.7 million worth of bonds.

The journey of quickly moving out of the destroyed structure to a variety of temporary quarters to the new courthouse was a long and arduous one. It goes without saying that the system kept working only because of the dedication of employees of the county and the justice system and the elected officials who would not be deterred from their mission.

Today three hard working county commissioners, Steve West, Bill Garrard, and Al Switzer are justifiably proud of the new courthouse, which features many new innovations such as video arraignment and video hearings. The architecture of the building is remarkable in its aesthetic appeal. It is an impressive modern structure that remains loyal to its historic roots and the spirit of this resourceful western city. With grace and dignity, the Klamath County Courthouse declares that this is a community with high standards.

As the house of justice in Klamath County, the courthouse has been dedicated to those who have paid a very dear price to preserve out system of laws and freedom, our veterans and fallen police officers.

Proudly flying in the courthouse square are the illuminated flags of each branch of the military as well as the POW/MIA flag. Seeing these flags flying brightly in the clear Klamath County breeze is an inspiration.

A special area is dedicated to the memory of fallen law enforcement officers who have given their lives in the line of duty.

Mr. Speaker, my enthusiasm for what Klamath County has achieved must be tempered with the sobering thought that the death of these fallen officers is a grim reminder that the price of justice and security is often very dear. To honor those fallen heroes, I would like to pause for a moment and ask that they each be remembered in a special way.

John E. Lambert, Oregon State Police; Ernest M. Brown, Lakeview Police Department; David R. Sanchez, Lake County Sheriff's Office; Richard C. Swan, Jr., Klamath Falls Police Department; Bret R. Clodfelter, Oregon State Police; Scott A. Lyons, Oregon State Police; and James D. Rector, Oregon State Police.

The citizens of Klamath County will not forget the ultimate sacrifice offered by these fallen officers and neither should any of us in this revered body. It is truly fitting that the seat of justice in Klamath County proclaims every day that justice, freedom, and security are not to be taken for granted.

In closing, Mr. Speaker, I salute the leaders and residents of Klamath County whose efforts to make this courthouse a reality have borne such remarkable fruit. This building will stand for a long time as a testimony to the rock-solid, iron-willed resolve of one of the great communities of the West. I am proud of what the citizens of Klamath County have accomplished and proud to have the honor of serving them in Congress.

NATIONAL FEDERATION OF THE BLIND ANNIVERSARY

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. KANJORSKI. Mr. Speaker, I rise today to bring a very special anniversary to the attention of my colleagues. This Saturday, November 13, marks the 59th anniversary of the founding of the National Federation of the Blind. An historic plaque will be placed at the original meeting place in Wilkes-Barre, Pennsylvania on Saturday afternoon, and I am proud to have been asked to participate in this historic celebration.

In November of 1940, the first nationwide self-advisory group of persons with disabilities was founded at a meeting in the Reddington Hotel in Wilkes-Barre, Pennsylvania. At that time, the future for most blind people was bleak and employment often meant sheltered workshops for pennies an hour. With few educational opportunities available, the blind came together to organize. Elected to lead the fledgling group was Dr. Jacobus tenBroek, a young blind lawyer who would go on to become a prominent professor of constitutional law. This small group of people dedicated to the advancement of those with disabilities began a trend of advocacy for all people with physical and mental challenges.

Mr. Speaker, today the National Federation of the Blind is the largest organization of its kind in America. Every state has a chapter, as do many communities across the nation. Several thousand activists attend the Federation's annual national convention. The Federation provides scholarships, discrimination assistance, newsletters, and legislative consultation. It supports and assists in the development of new technology to improve the lives of the visually impaired. The Federation champions civil rights for the blind and often intercedes when parents face interference from social service agencies who attempt to remove their children from their homes. Currently, the Federation is attempting to establish sound case law regarding custody rights of visually impaired parents.

Today, the blind are employed in every profession there is, from the law to medicine. The National Federation of the Blind should take great pride in the extraordinary progress it has helped bring about since that day in November of 1940 when the founders gathered together for the first time. I am pleased to join with the citizens in Northeastern Pennsylvania and across the nation in congratulating the National Federation of the Blind and its local chapters as members gather at the organization's birthplace in my district in Wilkes-Barre, Pennsylvania to celebrate this historic event.

TRIBUTE TO SAM T. GIBSON

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. McINNIS. Mr. Speaker, I would like to take a moment to recognize Sam T. Gibson, former Director of the National Blood Bank for the Red Cross, who recently passed away.

Dr. Gibson joined the Red Cross in 1949, following research at Harvard Medical School. He worked in the blood program of the Red Cross for 18 years and taught at George Washington University medical school and the Uniformed Services University. Dr. Gibson directed the national blood bank program of the American Red Cross and retired from a research post at the FDA in 1988.

Prior to his work at the FDA, Dr. Gibson was a biological official at the National Institute of Health where he retired as director of science and technology in the Office of Health Affairs.

Dr. Gibson was an asset to all of those he served who will be greatly missed by those who were under his care.

TEXAS STATE TECHNICAL COLLEGE AT BRECKENRIDGE

HON. CHARLES W. STENHOLM

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. STENHOLM. Mr. Speaker, I rise today to recognize an outstanding educational institution in the 17th District of Texas. The Texas State Technical College campus in Breckenridge, Texas, provides top rate education to students from across Texas, the United States and the world.

On Tuesday, November 9, 1999, the campus celebrated its tenth anniversary. I offered a flag flown over the Capitol to commemorate this occasion and to show our dedication to the education to both past and future generations.

I would like to submit for the RECORD a copy of a resolution that I offered at this very special event.

It is my hope that this Nation and my home State of Texas will continue to honor institutions like Texas State Technical College that have dedicated themselves to providing the best possible education to its students.

RESOLUTION

Whereas, On November 9, 1999, the Breckenridge Campus of Texas State Technical College will celebrate its tenth anniversary; and

Whereas, The Breckenridge campus serves as a vital component of the Texas State Technical College System, welcoming students from every walk of life; and

Whereas, T.S.T.C. has made an ongoing commitment to the future by providing a top rate education to students from across Texas, the United States and the world; and

Whereas, Today's celebration honors not only the service by the Breckenridge campus of T.S.T.C. during the last ten years, but its commitment to the future; and

Whereas, I present this flag flown over our nation's capitol on October 4, 1999, as symbol of our dedication to those past and future generations who have benefitted by the instruction and opportunities made available to them at the Breckenridge campus, be it

Resolved, That I, Charles W. Stenholm, as Congressman for the 17th District of Texas, do officially recognize and extend my best wishes on the celebration of the tenth anniversary of the Breckenridge campus of T.S.T.C. and that an official copy of this resolution be presented to T.S.T.C.. as an expression of my high regards for their efforts.

DEMOCRATIZATION AND HUMAN RIGHTS IN CENTRAL ASIA

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. SMITH of New Jersey. Mr. Speaker, I am disappointed that the House schedule did not permit consideration of my resolution, H. Con. Res. 204, which has been co-sponsored by Representative HOYER, Representative FORBES and Representative MCKINNEY. The resolution voices concern about serious violations of human rights and fundamental freedoms in most states of Central Asia, in particular, substantial noncompliance with OSCE commitments on democratization and the holding of free and fair elections.

Among the countries of the former Soviet Union, only in Ukraine and Moldova have sitting presidents lost an election and peacefully left office. We will yet see what happens in Russia, where President Yeltsin has launched another war in Chechnya. It may be too much, given the historical differences between our respective societies, to hope the post-Soviet states could find among their political leaders a George Washington, who could have been king but chose not to be, and who chose to leave office after two terms. But it is not too much to hope that other post-Soviet leaders might emulate Ukraine's former President Leonid Kravchuk or Moldova's former President Mircea Snegur, not to mention Lithuania's Algirdas Brazauskas, who all allowed a peaceful transfer of power.

Unfortunately, Mr. Speaker, Central Asian leaders give every indication of intending to remain in office for life. Their desire for unlimited and permanent power means that they cannot implement all OSCE commitments on democracy, the rule of law and human rights, as doing so would create a level playing-field for challengers and allow the media to shine the light on presidential misdeeds and high-level corruption. The result has been an entire region in the OSCE space where fundamental OSCE freedoms are ignored while leaders entrench themselves and their families in power and wealth.

To give credit where it is due, the situation is least bad in Kyrgyzstan. President Akaev, a physicist, is the only Central Asian leader who was not previously the head of his republic's Communist Party. One can actually meet members of parliament who strongly criticize President Akaev and the legislature itself is not a rubber stamp body. Moreover, print media—though under serious pressure from the executive branch—exhibit diversity of views and opposition parties function. Still, in 1995, two contenders in the presidential election were disqualified before the vote. Parliamentary and presidential elections are approaching in 2000. Kyrgyzstan's OSCE partners will be watching carefully to see whether they are free and fair.

Until the mid-1990s, Kazakstan seemed a relatively reformist country, where various political parties could function and the media enjoyed some freedom. But President Nazarbaev dissolved two parliaments and singlemindedly sought to accumulate sole power. In the last few years, the regime has become ever more authoritarian. President Nazarbaev has concentrated all power in his hands, subordinating to himself all other branches and institutions of government. A constitutional amendment passed in October 1999 conveniently removed the age limit of 65 to be president. The OSCE judged last January's presidential elections, from which a leading opposition contender was barred as far short of OSCE standards. Last month's parliamentary election, according to the OSCE, was "severely marred by widespread, pervasive and illegal interference by executive authorities in the electoral process." In response, President Nazarbaev has attacked the OSCE, comparing it to the Soviet Communist Party's Politburo for trying to "tell Kazakstan what to do."

Tajikistan has suffered the saddest fate of all the Central Asian countries; a civil war that killed scores of thousands. In 1997, the warring sides finally ceased hostilities and reached agreement about power-sharing, which permitted a bit of hopefulness about prospects for normal development and democratization. It seems, however, that the accord will not ensure stability. Tajikistan's Central Election Commission refused to register two opposition candidates for the November 6 presidential election. The sole alternative candidate registered has refused to accept the results of the election, which, according to official figures, current President Emomaly Rakhmonov won with 97 percent of the vote, in a 98 percent turnout. Those numbers, Mr. Speaker, say it all. The OSCE properly declined to send observers.

Benighted Turkmenistan practically beggars description. This country, which as been blessed with large quantities of natural gas, has a political system that combines the worst traits of Soviet communism with a personality cult seen today in countries like Iraq or North Korea. No dissidence of any kind is permitted and the population enjoys no human rights. While his impoverished people barely manage to get by, President Niyazov builds garish presidential palaces and monuments to himself. The only registered political party in Turkmenistan is the Democratic Party—headed by President Niyazov. In late October he said the people of his country would not be ready for the stresses and choices of a democratic society until 2010, adding that independent media are "disruptive." On December 12, Turkmenistan is holding parliamentary "elections," which the OSCE will not bother to observe.

Finally, we come to Uzbekistan. The Helsinki Commission, which I chair, held hearings on democratization and human rights in Uzbekistan on October 18. Despite the best efforts of Uzbekistan's Ambassador Safaev to convince us that democratization is proceeding apace in his country, the testimony of all the other witnesses confirmed the widely held view that after Turkmenistan, Uzbekistan is the most repressive country in Central Asia. No opposition political activity is allowed and media present only the government's point of view. Christian denominations have faced official harassment. Since 1997, a massive government campaign has been underway against independent Muslim believers. In February of this year, explosions rocked Tashkent, which the government described as an assassination attempt by Islamic radicals allied with an exiled opposition leader.

Apart from elections, a key indicator of progress towards democratization is the state of media freedom. On October 25–27, an International Conference on Mass Media in Central Asia took place in Bishkek, Kyrgyzstan. Not surprisingly, Turkmenistan did not allow anyone to attend. The other participants adopted a declaration noting that democratization has slowed in almost all Central Asian states, while authoritarian regimes have grown stronger, limiting the scope for genuine media freedom as governments influence the media through economic means.

I strongly agree with these sentiments. The concentration of media outlets in pro-regime hands, the ongoing assault on independent and opposition media and the circumscription of the media's legally-sanctioned subject matter pose a great danger to the development of democracy in Central Asia. Official statistics about how many media outlets have been privatized cover up an alarming tendency towards government monopolization of information sources. This effectively makes it impossible for citizens to receive unbiased information, which is vital if people are to hold their governments accountable.

Mr. Speaker, it is clear that in Central Asia, the overall level of democratization and human rights observance is poor. Central Asian leaders make decisions in a region far from Western Europe, close to China, Iran and Afghanistan, and they often assert that "human rights are only for the West" or the building democracy "takes time." But delaying steps towards democracy is very risky in the multi-ethnic, multi-religious region of Central Asia, where many people are highly educated and have expectations of faster change. If it does not come, tensions and conflicts could emerge that could endanger security for everyone.

To lessen these risks, continuous pressure will be needed on these countries to move faster on democracy. Even as the United States pursues other interests, we should give top priority to democracy and respect for human rights, or we may live to regret not doing so.

REDUCING THE EFFECTS OF ABUSE AND DOMESTIC VIOLENCE ON YOUTH, THE READY ACT

HON. SUE W. KELLY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mrs. KELLY. Mr. Speaker, today I rise to introduce the Reducing the Effects of Abuse and Domestic Violence on Youth Act—also known as the READY Act. I am joined in introducing this legislation by Representatives CONNIE MORELLA, NANCY JOHNSON, CAROLYN MALONEY and JUDY BIGGERT. The READY Act is a first step toward addressing the multiple needs of children who witness or experience domestic violence.

In the past year, much has been done to find the cause of violence by our children. Tragic events like the ones at Columbine and Jonesborough have highlighted the violence faced by our Nation's youth. Working groups and commissions have been created across the Nation to study the cause of violence in our schools. Speaker HASTERT has created a bipartisan working group in the House, of which I am a member, to look at several aspects of our society and to identify which may influence the violent trend we have witnessed in our youth during the last several years.

However, as we know from study, one of the primary influences on socialization is the family. Over 3 million children witness violence in their own homes. It is here that my legislation focuses.

Witnessing domestic violence has a devastating impact on children, placing them at high risk for anxiety, depression, and suicide. These children also may exhibit more aggressive, anti-social, fearful and inhibited behaviors. It is estimated that between 20 and 40 percent of chronically violent children have witnessed extreme parental conflict. Another study found that boys who had witnessed their father battering their mother had a 1,000 percent higher battering rate than boys who did not.

Clearly, witnessing this type of violence in the home has a profound effect on children. In order to combat this trend, the READY Act gives grants to qualified nonprofit agencies in order to create multi-level interventions for child witnesses. This program would create a partnership between entities like the courts, schools, health care providers, child protective services and battered women's programs to provide a system of cooperation and collaboration between the professionals in a community in order to better support these child witnesses.

Examples of intervention partnerships could include: security for the child and his or her family; mental health treatment; counseling and advocacy for the family; and outreach and training to community professionals. While many facets of this support system are currently in place, there is a gap in coordination and cooperation.

In another step to encourage coordination between various agencies, a second provision in the READY Act would encourage collaborative efforts between nonprofit domestic violence community agencies and schools to create a curriculum for K–12 students, as well as provide training for education professionals on experiencing and witnessing domestic violence. Training would include teachers, administrators, counselors and other school personnel. I believe that this provision is especially important in light of the determination that one-third of all 16–19 year old girls experience violence from an intimate partner.

Domestic violence often escalates during separation and divorce, and visitation is often used as an opportunity for abuse. Under my legislation grants would be provided to qualified applicants on a competitive basis to create family visitation or visitation exchange centers. Use of such centers will minimize the potentially dangerous interactions between family members.

On July 3, 1996, 5-year-old Brandon and 4-year-old Alex were murdered by their father during an unsupervised visit. Their mother Angela was separated from Kurt Frank, the children's father. During her marriage, Angela was physically and emotionally abused by Frank. Brandon was once hit by his father and had his lip split when he stepped in front of his mother during a domestic violence incident. Angela had an Order of Protection against Frank, but her request for her husband to receive only supervised visits was dismissed during custody hearings. Kurt Frank murdered his two sons during an unsupervised visit. While it is too late for Brandon and Alex, a secure visitation center will help to prevent other children from meeting the same fate.

The READY Act also allows the use of private pensions to settle child abuse judgments. Private pensions are currently used for alimony or child support payments, however cannot be used to settle a child abuse judgment. This provision was originally submitted by my friend and colleague, CAROLYN MALONEY during the 105th Congress and I am happy to be able to include it in the READY Act. In addition, my legislation amends the Parental Kidnaping Prevention Act to provide a defense to women who flee across State lines to escape domestic violence or sexual assault, and ensures that a civil court can consider domestic violence and the parent and child's safety when determining which State should hear a custody dispute. This will pull the State and Federal laws regulating this area closer into line.

Finally, the READY Act includes a sense of the Congress stating that when determining child custody, it is not in the best interest of the child to force joint custody in cases where there is a history of domestic violence. This act also states, that it is also not in the best interest of the child to make so called "friendly parent" provisions a factor when there is abuse against a parent or a child. It is important for Congress to take the lead on this important issue.

In preparing to introduce this bill, I came upon a website that posted story after story from women who had been victims of domestic abuse. Of the dozens of stories that I read, one particular submission was especially poignant, by a 23-year-old woman named Lisa. Lisa had been married to her husband for 4 years, but altogether she has been with him for 6 years. He mentally and physically abused her and her children, just as her father had abused her and her mother. She is ready to leave him. She realized that her oldest child is 4 and, since he's a boy, she is afraid he will grow to be like her husband. Her youngest is 3 months, and she does not want her to end up where she is. Lisa ends her letter with the realization that she has to leave for the sake of her children. She writes of how she and her children have their whole lives ahead of them and it should not be a life full of fear.

Her letter was written over a month ago. Hopefully, since that time she has been able to flee her husband's abuse both to save herself and to save her children. Her lifetime has been testimony to the cycle of violence. For Lisa and her kids, it is time to break that cycle. While the road to healing begins with the knowledge that Lisa needs to save herself and her kids, more help is needed to repair the damage done during the years of abuse. Without it, chances are the cycle will continue.

As we all know, there are no easy answers or solutions to the violent acts of our youth. However, passage of the READY Act would be one solid step toward reducing the effects of abuse and domestic violence that is so clearly harming our youth.

TRIBUTE TO LA AGENCIA DE ORCI & ASOCIADOS

HON. BRAD SHERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. SHERMAN. Mr. Speaker, I rise before you today to pay tribute to La Agencia de Orci

& Asociados, one of the most successful, independent, Hispanic owned and operated full-service advertising and public relations agencies in the United States. As they celebrate their 13th anniversary, we salute them for their vision and commitment to serve the needs of our entire community, with special attention to our Hispanic/Latino constituents. Through insightful creative, targeted media and integrated marketing programs, La Agencia has established deep and lasting mutually beneficial relationships between their clients and the Latino consumer.

We honor today those individuals who exemplify leadership, professionalism, community service and dedication. La Agencia de Orci partners, Hector Orci and Norma Orci, founders and co-chairs, Roberto Orci, president and Marlene Garcia, executive vice president, are committed to dynamic leadership in their industry. La Agencia values and beliefs dictate that the most direct route to gaining Share of Market with the Hispanic consumer is to first capture Share of Heart.™

Our community and our country continue to benefit from award-winning La Agencia pro bono efforts on behalf of the Children's Bureau of Southern California, United Way, Los Angeles Unified School District, AIDS Project L. A., Mexican American Legal Defense and Education Fund (MALDEF), National Association of Latino Elected and Appointed Officials (NALEO), Boy Scouts of America, and Census 1990 and 2000.

With the September 23rd opening of their Chicago offices, La Agencia is now one of the largest full-service independent advertising agencies in the Midwest dedicated to the national Hispanic market. Also announced was the establishment of Orci Public Relations, extending services to non-advertising clients.

Established in 1986, with headquarters in Los Angeles, annual billings exceeded 60 million dollars in 1998. Current valued clients include Allstate Insurance, American Honda, Bell Atlantic, Hormel Foods, Picosito.com, Shell Oil, Tropicana and Washington Mutual.

Mr. Speaker, distinguished colleagues, please join me in paying tribute to La Agencia de Orci & Asociados, a "family" of 80 bilingual and bicultural staff who come together from 17 countries. La Agencia excels in the advertising business world and services as a leading role model in corporate citizenship. They have earned our recognition, praise and respect.

TRIBUTE TO MARY MEISNER

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. McINNIS. Mr. Speaker, I would like to take a moment to recognize Mary Meisner, the director of public health for Garfield County, who has been awarded the "Florence Award."

Ms. Meisner was recognized by the Colorado County Nurse Association, Inc. for more than twenty years of faithful service and exceptional contributions to quality community health throughout Garfield County and across the entire state of Colorado. She has dedicated her entire nursing career to the promotion of public health.

After leaving a small farming community in Iowa to join two nursing colleagues on an adventure out west, Ms. Meisner began her career in western Colorado. Ms. Meisner served as the sole nurse on the western end of the county in Rifle before taking over as the nursing director responsible for the Rifle and Glenwood Springs offices.

In 1997, Ms. Meisner became the Director of Public Health for Garfield County, overseeing nine public health nurses, the Healthy Beginnings director, a registered dietitian, three WIC educators, an outreach worker and five office personnel.

Ms. Meisner has proven the value of hard work and dedication through the satisfaction in the people she serves. She continues to provide an educational environment in which school nurses and administrators can effectively work. Ms. Meisner is an asset to the Third District of Colorado and deserves our highest gratitude and praise on receiving this great distinction.

CONFERENCE REPORT ON S. 900, GRAMM-LEACH-BLILEY ACT

SPEECH OF

HON. MELVIN L. WATT

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. WATT of North Carolina. Mr. Speaker, I supported the Financial Services Modernization bill (H.R. 10) when it was considered in the Housing Banking and Financial Services Committee and in the full House. I felt good about supporting the bill because the House Banking Committee had worked on a bipartisan basis to develop a consensus bill which was supported by the industry, federal regulators and many community and consumer groups. That bill overwhelmingly passed the House on July 1, 1999 by a vote of 343 to 86.

Unfortunately, the bipartisan deliberations and efforts which characterized the consideration of H.R. 10 in the House did not continue when the House-Senate Conference Committee on Financial Services Modernization convened. The Chairmen's print, which was used as the base text for consideration by the Conference Committee, was drafted by the three Republican Chairmen of the Committees of jurisdiction with no input from the Democratic conferees. The conferees were then given a very limited period of time to review the lengthy document before having to begin the amendment process. During the amendment process, consideration was abruptly terminated and some of the most important provisions of the bill (the CRA provisions) were brokered behind closed doors in the middle of the night. This important, complex and historic legislation should have been the subject of thoughtful, bipartisan review and input. Instead, the process was hijacked and corrupted by a few senior Republican members.

An unacceptable process, while objectionable, is not sufficient reason to oppose legislation designed to achieve important public policy objectives, if the flawed process results in a satisfactory substantives product. Unfortunately, the terrible, partisan process which was followed in this Conference resulted in serious substantive flaws. Some of these flaws include the following:

(1) The bill needs a section stating the public policy purposes the bill is designed to achieve. In at least nine instances[1] the bill makes reference to the "purposed of the Act." Unfortunately, the "purposes" section contained in the bill which passed the House was stripped from the conference bill and no "purposes" section was inserted to replace it. The failure to include a statement of the congressional purposes for enacting the bill is, in my opinion, a huge error, leaves the bill's references to "the purposes of the Act" irrational and could lead to much conjecture and possible litigation about what, in fact, we intended to achieve.

(2) The privacy provisions in the bill are not strong enough. While the legislation will give consumers the right to "opt-out" of having their financial information disclosed to unaffiliated third parties, I do not believe this privacy provision goes far enough to safeguard the privacy of customers. It also leaves a huge loophole in the definition of "unaffiliated third party." Because the legislation will eliminate the firewalls that have existed since 1933 between banks, insurance companies and securities firms, the newly formed financial services conglomerates sanctioned by the bill will be able to exchange information on their customers freely. While most of the businesses operating in this new frontier will use this ability to share information reasonably, some will not. The few who do not could yield privacy horror stories that could ultimately result in a public demand for much greater privacy protections. Financial services modernization should not come at the expense of consumers' rights to control the details of their private personal and financial life and the financial services industry should exercise these new rights carefully. Otherwise, this bill will not be the final chapter written on this point.

(3) The bill's provisions which impose continuing reporting requirements on community groups which are parties to CRA agreements with banks are offensive and unprecedented. I

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[1] Section 103(a)(3)(A): the factors the Federal Reserve shall use to determine whether an activity is financial in nature or incidental to a financial activity. Section 103(a)(5)(A): the factors the Federal Reserve shall use to impose regulations on financial activities. Section 103(a)(7)(A): the factors the Federal Reserve and the Treasury may use to impose regulations on merchant banking activities. Section 103(m)(3): the factors the Federal Reserve may use to impose on the conduct or activities of a financial holding company or any affiliate of that company. Section 114(a)(1)(A: the factors the OCC may use to impose regulations on the relationships or transactions between a national bank and a subsidiary of a national bank. Section 114(b)(2)(A): the factors the Federal Reserve may use to impose regulations on the relationships or transactions between a depository institution subsidiary of a bank holding company and any affiliate of the depository institution and between a State member and a subsidiary of a bank. Section 114(b)(42)(A): the standards of review for the Federal Reserve to impose regulations on the relationships or transactions between a foreign bank in the United States and any affiliate of the foreign bank in the United States. Section 114(c)(1)(A): the factors the FDIC may use to impose regulations on the relationships or transactions between a State nonmember bank and a subsidiary of the State nonmember bank. Section 121(b)(3): the factors the Treasury may use to determine whether an activity is financial in nature or incidental to a financial activity.

am disappointed that my Republican colleagues who repeatedly talk about eliminating the era of "big government" are now on the other side of this issue. This bill expands the reach of federal banking regulators and the Federal Reserve by obligating them to police CRA contracts between banks and community groups despite the fact that the regulators have no regulatory authority over community groups and these contracts involve no government money. While Senator PHIL GRAMM has characterized community groups who enter into these agreements as "extortionists," no bank has come forward to complain about a CRA agreement and the "sunshine" requirements in the conference bill are, therefore, a solution in search of a problem. Even worse, the reporting provisions impose burdensome paperwork requirements on community groups which are unfair and will be a heavy disincentive to the groups to participate in efforts to force banks to comply with the CRA or to help achieve the intended results of the CRA.

(4) The bill lengthens the time between CRA examinations for some banks. The CRA paperwork requirements for small banks with assets less than $250 million were already streamlined in 1995. Relaxing the current practice of CRA examinations, which occur approximately every two years, could reduce the effectiveness of the CRA because federal banking regulators will be allowed to go up to five years before checking to ensure that some banks are abiding by their CRA obligations. My Republican colleagues need to be reminded that the CRA has served a very important purpose by expanding access to credit and capital in all communities and that the CRA is not an affirmative action program. Rather the CRA benefits small businesses, farmers and people who live in low and moderate income communities throughout America, not just in minority communities. Congress should be working to strengthen and expand the CRA, not to diminish its effectiveness.

Despite my concerns about the process and about the substantive provisions in the conference bill, I continue to believe that financial services modernization is important and necessary. While all the concerns I have expressed are legitimate and important, and certainly result in a bill which is less meritorious than it could and should be, in my judgment they do not outweigh the need for the bill or warrant a "no" vote.

Congress has waited too long to catch up with what is already occurring in the marketplace. Except for the concerns outlined above and several others of lesser significance, I believe the conference bill provides a good framework to eliminate barriers between the various industries in the financial market and still maintain sufficient safeguards to protect the safety and soundness of our banking system. This framework does not exist now, yet the regulators and businesses are breaking through the barriers without a uniform set of rules. A framework is needed and this bill provides it.

While some of my colleagues who support this bill will call the bill a great bill and some who oppose it will call it a terrible bill, in my opinion, both of these positions are exaggerated. From my perspective, like most bills we consider, this one is either a good bill which contains some bad provisions or a bad bill which contains some good provisions. In the seven years I have served in Congress I have not yet seen a perfect bill. This one is no exception. I have had to learn "not to let the perfect be the enemy of the good."

I believe this is a good bill that contains some bad provisions and does not include some provisions I desired to have included. However, despite its flaws and imperfections, it represents a step forward and, on balance, deserves to be supported.

DR. PALMA FORMICA: "WOMAN OF THE CENTURY"

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. PALLONE. Mr. Speaker, on Monday, November 15, 1999, Saint Peter's University Hospital and the Muscular Dystrophy Association of Central New Jersey will honor Palma E. Formica, M.D., of Old Bridge, NJ, as a Woman of the Century.

Dr. Formica is chairwoman of family practice at Saint Peter's University Hospital in New Brunswick, NJ, and is a professor of family medicine at the University of Medicine and Dentistry of New Jersey. She began her family practice in Old Bridge in 1959. Denied admission by medical schools in the United States because they believed she would "just get married and have kids," Pam Formica got her M.D. from the Universita Di Roma, Faculta di Medicina e Chirugia in Rome, Italy.

Actually, Mr. Speaker, Dr. Formica did get married and have kids. She also was a pioneer for women in medicine. She was the first female president of the Medical Society of New Jersey, and held the same distinction for the Middlesex County Medical Society. She is a Past President and current Member of the Board of Trustees of the American Medical Association (AMA). She serves on numerous other boards and commissions, and has won awards too numerous to mention here. The Medical Society of New Jersey has established an award in her name for women who actively lead the way for women's equality in the medical field.

Mr. Speaker, it is a great honor for me to join in paying tribute to Dr. Palma Formica, a great physician, a great New Jerseyan, and a fighter for equal opportunities for women in education, in medicine, in community affairs and in all fields of endeavor. She is indeed a Woman of the Century.

HONORING THE 10TH ANNIVERSARY OF MICROSTRATEGY

HON. THOMAS M. DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. DAVIS of Virginia. Mr. Speaker, I rise today to honor a company that represents the very best of the Information Age, a true superstar in the information technology arena that is helping to fuel the economy in my home state of Virginia and, indeed, across the entire nation. For Vienna-based MicroStrategy, it seems that the sky is the limit.

Founded in 1989 with a $100,000 contract in hand from DuPont, MicroStrategy has quickly grown into a giant in the fledgling world of Business Intelligence. The company focuses on providing technology to build "intelligence applications"—applications that extract insight from large databases. Its software empowers organizations to understand the interactions they have with their customers, suppliers, and businesses.

That insight enables MicroStrategy's impressive array of clients—MCI, Pepsi-Cola, Coca-Cola, Wal-Mart, AT&T, Fannie Mae, American Express, United Airlines, and Bank of America, to name but a few—to improve operations and better analyze their marketing effectiveness. As I have heard MicroStrategy officials and their clients explain, the firm's technology allows run-of-the-mill e-commerce sites to be upgraded with "intelligence" features. As we all know, Mr. Speaker, the typical site lets the customer buy something, but provides little insight into what to buy, or security after the purchase.

MicroStrategy, for ten years, has been on the leading edge of a movement away from plain "vanilla" e-commerce sites.

The numbers alone speak volumes about the company's meteoric growth. It has been profitable since it was founded, achieving revenue growth of more than 100 percent per year annually. Analysts estimate that the company has an annual run rate of $200 million. In the second quarter of 1999, the company recorded the best growth of any Business Intelligence provider and the fastest improving market share, according to one report. Every year, the company has essentially doubled its revenue and number of employees. Today it has over 1600 employees, many headquartered in Tysons Corner.

But even more impressive are the goals of the company's leaders, young, spirited entrepreneurs like cofounders Michael Saylor, CEO, and Anju Bansal, COO. Their vision of the way information technology will transform all of our lives in the very near future is the reason they have met with such astounding success.

One of the company's mottos is "Information Like Water." In an online interview earlier this year, Saylor explained the credo. "The great business organizations made it their mission to provide a certain utilitarian entitlement to the masses: radios for everyone, telephones everywhere, a car in every driveway," Saylor said. "Our vision is that the information you need to make better decisions will be ubiquitous, cheap, and clean. Just like water. We will be done when everybody has access to all they need, every hour of the day, everywhere."

And all signs indicate MicroStrategy is far from done. Last June 28, for example, the firm introduced its newest venture, Strategy.Com, which links the firm with companies such as USA Today, The Washington Post, Metrocall, and EarthLink to deliver personalized information and alerts to subscribers via e-mail, telephone, mobile phone, pager and the Internet. MicroStrategy provides the software, and the other companies provide the content.

Mr. Speaker, in closing, I want to send my sincere congratulations to MicroStrategy for its success, and thank the company for doing business out of Northern Virginia. MicroStrategy is a company that serves as a shining example of the American spirit, of the quest always to find a better, more productive, more user-friendly way of approaching challenges. In this new Information Age, MicroStrategy is helping its customers make information the most valuable source of strategic insight—insight that drives intelligent business, generates new, more profitable sales, and strengthens customer loyalty.

Mike Saylor's goal of "Putting a crystal ball on every desktop" is a revolutionary one, and one that has allowed the company he started to rise above the competition. Mr. Speaker, my crystal ball predicts MicroStrategy will continue to lead the way for years to come.

TRIBAL JUDICIAL SYSTEMS

HON. TOM UDALL

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. UDALL of New Mexico. Mr. Speaker, today I introduce legislation that will improve tribal judicial systems through training, technical assistance, and civil and criminal legal assistance.

Recently, a nationwide survey conducted by the Department of Justice's Bureau of Justice Statistics found that American Indians are victimized by violent crime at two times the rate of the general population. The staggering poverty, unemployment and violent crime statistics of many Indian communities is a contrast to other communities that are experiencing strong economic health, low unemployment, and decreasing crime rates in other parts of America.

Mr. Speaker, equal access to justice is important to all Americans. As a past U.S. Assistant District Attorney and the former Attorney General for the State of New Mexico, I had numerous opportunities to work with tribal court judges, tribal court administrators and tribal court personnel. I became aware of the work of such Indian legal services programs of the Legal Services Corporation as Indian Pueblo Legal Services in New Mexico, and DNA Peoples Legal Services on the Navajo Reservation. These tribal judges and Indian Legal Services program attorneys deal with many of the same kinds of cases that make up state dockets: traffic, domestic violence, child welfare and assault, to name a few. But often these court personnel and legal representatives face staggering caseloads and are only able to draw upon limited resources such as the availability of law books, computers, personnel, or staff training.

The legislation I introduce today would do three important things. It would authorize the Attorney General to award grants from within existing programs at the Department of Justice. The grants would be used for the purpose of improving tribal judicial systems through training, technical assistance and civil and criminal assistance.

Second, the bill would provide that the Attorney General may award grants and provide technical assistance to Indian tribes for the development, enhancement and continuing operation of tribal justice systems. These grants and technical assistance may be used for such activities as code development; the development of intertribal courts and appellate systems; probation services, sentencing and alternative sentencing and diversion programs; juvenile justice services and multi-disciplinary protocols for child physical and sexual abuse; and traditional tribal justice practices and dispute resolution methods.

And last, the legislation would amend the Indian Tribal Justice Act of 1993 to extend the authorization for appropriations under the Act from fiscal year 2000 through fiscal year 2007. The Indian Tribal Justice Act of 1993 authorized base funding through the Bureau of Indian Affairs for the more than 250 existing tribal justice systems at a level of $58.4 million annually. However, no funds have yet been appropriated under the act.

This bill is intended to be a complement to, rather than a substitute for direct federal funding to tribal governments in the area of tribal justice. Because tribal court judge organizations and Indian Legal Services programs do not wish to compete with tribal courts, the bill provides that the grants authorized under the act are outside of the Department of Justice's funds for the tribal courts program.

Finally, Mr. Speaker, this is a companion bill to legislation already considered by the other Chamber, S. 1508, which was introduced on August 5, 1999, by Senator BEN NIGHTHORSE CAMPBELL.

HONORING FRANCES COLBERT TERRELL

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. CONYERS. Mr. Speaker, I would like to take this opportunity to congratulate a former employee of mine. Frances Colbert Terrell retired from the Federal Government on January 2, 1999, after 30 years of faithful and loyal service to the Legislative and Executive branches of government. Twenty-three of those years were spent right here in these "Hallowed Halls of Congress."

Fran, an alumnus of Hampton University, where she majored in business education, joined me in January 1989 when I became Chairman of the Government Operations Committee. Having begun her career on Capitol Hill in January 1972 as staff assistant to the Government Operations Committee, then chaired by the late Honorable Chet Holifield, Fran had come full circle and brought to my staff a wealth of administrative, management, and policy expertise on how to get things done in a Congressional Committee. Prior to joining me, Fran worked on the Small Business Committee under the chairmanship of former Rep. Parren J. Mitchell (D–MD) and the Banking and Finance Committee with former Rep. Henry S. Reuss (D–Wis) as chairman. She played a large part with my investigative staff in putting together its hearings, legislation and report for my 1994 Procurement Reform Legislation which streamlined the Government's $200 billion per-year acquisition system and allows "off-the-shelf" commercial purchases whenever possible after my investigation had revealed major abuses in military procurement.

Fran, a native Alexandrian, came to the Hill at a critical and interesting time for African Americans. The country was still reeling from the assassinations of President Kennedy, Bobby Kennedy, Malcolm X, Martin Luther King, Jr., the March on Washington and the Poor Peoples' Campaign March. Major civil rights legislation had just been passed and an historic influx of Afro Americans had, for the first time, been elected to the House of Representatives. Fran says, "I still remember the awe and pride I felt working for Congress. There were few African American staffers in 1972, and I was sure my tenure wouldn't last any longer than 4 years at the most. You can imagine my own surprise at lasting for 23 years. Why, that's 11 terms!" Fran left the Hill for the Department of Agriculture in 1995 when the Republicans gained control of the House. However, she couldn't avoid politics. She ended her career with a former colleague from Indiana, the Honorable Jill Long Thompson, Under Secretary of Agriculture in the Clinton Administration.

Fran says her plans now are to rest, relax and travel. She and her husband, Calvin, have already traveled to France, England, Greece and Italy. Her next adventure will be a cross country journey through the USA. I wish you the very best in your retirement and in whatever the future holds for you and your family.

HONORING OUR VETERANS WHO SERVED IN VIETNAM

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. GALLEGLY. Mr. Speaker, I rise today in support of H.R. 3293, a bill I introduced today with 104 original cosponsors, which will create a three foot by three foot plaque to be placed at the 13-acre site of Vietnam Veterans Memorial. The plaque will honor these men and women whose lives were cut short by their service in Vietnam.

Honoring the men and women who gave the ultimate sacrifice for our country should always be a priority. Unfortunately, some Vietnam veteran service and sacrifice is still not being fully recognized because they can not have their names placed on the Vietnam Veterans Memorial wall. The wall is open to some veterans who died after the conflict, but the criteria for eligibility does not include many veterans whose post-war deaths were a direct result of such factors as Agent Orange and post traumatic stress syndrome. H.R. 3293 will address this issue by authorizing the creation of a plaque to honor them.

Mr. Speaker, it is vital for us to have a place to honor all the men and women who have served and died for their country. It is also important for the families of these fallen heroes to have a place in our Nation's Capital where their loved one's sacrifice is honored and recognized for future generations.

CONGRATULATIONS TO CLAY AND SHERYN DAVIS UPON THEIR RECENT MARRIAGE

HON. HAROLD ROGERS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. ROGERS. Mr. Speaker, I rise to give heartfelt congratulations to Mr. Clay Davis and Ms. Sheryn Shearer who were united in marriage on Saturday, October 30th, 1999 in Somerset, Kentucky. Clay has been a dear friend of mine for many, many years and it was a personal honor for me to serve as his best man that day. Clay and Sheryn declared their love before God, family, and friends, and I can not think of two people who more deserve the everlasting love and happiness they have prayed for.

Mr. Speaker, I ask my colleagues to join me in congratulating Clay and Sheryn on their recent nuptials. May their love only continue to grow with each passing year.

TRIBUTE TO GRACE MARIE TRIPP-HOLMES

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. McINNIS. Mr. Speaker, I would like to take a moment to recognize Mrs. Grace Marie Tripp-Holmes, longtime educator, who recently passed away.

Before retiring in 1972, Mrs. Holmes taught a generation of children in Alamosa, Colorado. Mrs. Holmes taught high school in Manassa schools and later operated a private kindergarten in Alamosa, before the Alamosa School District offered its own kindergarten. Following her contributions there, she taught fourth grade at Alamosa's Central School.

Mrs. Holmes was an asset to the children and families of Alamosa. Her role as an educator facilitated an environment where students were effectively taught the values necessary to succeed. But when we lose a woman such as Mrs. Holmes, being missed is certainly no precursor to being forgotten. And, everyone who knew her, will walk through life a little bit differently for it.

IN CELEBRATION OF POLISH INDEPENDENCE DAY

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. GEJDENSON. Mr. Speaker, tomorrow the people of Poland will celebrate their independence day. I rise tonight to pay tribute to them and people of Polish descent across the globe.

After 123 years of occupation, the Polish people regained their independence and their place on the map on November 11, 1918.

The principles laid down by Woodrow Wilson after the First World War helped build a moral framework for Poland's reemergence. But it was up to the Polish people to guarantee that this promise was fulfilled. Many Poles had fought on a number of fronts, by choice or conscription, in World War I. Particularly famous was the "Blue Army" of General Jozef Haller, and the legendary Polish Legions of Jozef Pilsudski.

In July 1917 while resisting German control of his forces, Pilsudski was captured and imprisoned by the Germans at Magdeburg. Many Polish units subsequently refused to take an oath of allegiance to the Germans and then disbanded, building the ranks of the underground Polish Military.

As the Central powers collapsed, Ignacy Daszynski proclaimed a Polish People's Government in Lublin on the November 7, 1918. On November 10, Pilsudski was released by the Germans and returned to Warsaw where an awaiting Regency Council handed over power to him. Across the country, Polish military and ex-Legionnaires disarmed the Germans and seized political control.

Pilsudski telegrammed the allied governments that day with the immortal words, "the Polish state has arisen from the will of the whole nation." From that day onward Poles everywhere celebrated November 11th as Independence Day.

It is that much more painful that only two decades after throwing off the cloak of foreign occupation, Poland would undergo invasion and occupation by the Nazis followed by another invasion and forty-four years of domination by the Soviet Union.

My life has intersected with the bookends of this painful period in Polish history. My father was serving in the Polish army in 1939 when World War II erupted. After my family fled tyranny in Europe to settle in the United States, I ended up representing a Congressional district in eastern Connecticut that produced the submarines which helped the West win the Cold War and give the Poles their second chance for independence and freedom.

It was in the shipyards of Gdansk that the labor unions and Lech Walesa formed the Solidarity movement that rose from the underground to eventually negotiate communism's demise in Poland. It is my honor to represent shipbuilders in Groton, Connecticut—proud union members who stand for justice here at home and abroad. Some are Polish Americans who can trace their family history back to the days of November 1918 and before. Some of them like Wayne Burgess of Uncasville, a member of MDA–UAW Local 571, have visited the shipyards in Gdansk to express their solidarity with their Polish counterparts' heroic fight for freedom.

To complete the circle, it was my privilege to accompany President Clinton to the NATO Madrid Summit in July of 1997 when the Alliance invited Poland, along with Hungary and the Czech Republic to apply for membership. After years of occupation and oppression, the Polish people had finally found peace with the withdrawal of Soviet troops. When they joined NATO, the people of Poland achieved the only fundamental freedom they lacked—peace of mind.

I therefore rise with Polonia here in the United States and across the globe to pay tribute to Poland on the anniversary of its independence. Tomorrow let the world hear again that "the Polish state has arisen from the will of the whole nation."

PERSONAL EXPLANATION

HON. JULIA CARSON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Ms. CARSON. Mr. Speaker, I was unavoidably absent for one vote on Tuesday, November 9, 1999, missing rollcall 578. Had I been present, I would have voted "yes."

TRIBUTE TO KATHERINE A. McMILLAN

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Ms. ESHOO. Mr. Speaker, I rise today to honor a great Californian and friend, Katherine A. McMillan, on the occasion of her 75th birthday.

The daughter of Irish immigrants Margaret and John Trumble, Katherine McMillan was born on November 17, 1924, in Worcester, MA, the youngest of nine children. Her five brothers are Thomas, William, James, Joseph, Francis, and her three sisters are Margaret, Mary, and Anne.

Katherine McMillan matriculated from St. Vincent Academy in Worcester and she went on to serve in the Navy as a nurse. She gave 37 years of nursing at Sequoia Hospital in Redwood City, CA, spending the majority of her time in the fast pace and demanding Emergency Room where she helped to establish their quality long-term care Extended Care Facility.

Upon her retirement from nursing, Katherine McMillan founded the first latchkey day care program in the San Francisco Archdiocese at St. Pius Catholic Church in Redwood City where she provided quality child care for school aged children. The children had the rare opportunity to learn both Katherine McMillan's unique perspective on life gleaned from a lifetime of experience and her distinctive regional vernacular, a legacy from her Irish parents.

In 1990, Katherine McMillan was the first woman to be awarded the In Via Award from Serra High School, San Mateo, CA, for her significant contributions to and support of the Serra High School community. This singular honor made her the first and only "woman" alumnist from the all-male school. Katherine McMillan continues to spend time volunteering at the Serra High School Library, attending and leading rowdy school functions at the "Jungle" and was elected in 1998 by the student body as their Homecoming Queen.

Katherine McMillan spends her free time crocheting blankets with a group of dedicated, giving hands at the Redwood City Senior Center for Sheryl Parker's Pre-to-Three Program so all new babies born in San Mateo County have a blanket handmade by dedicated "volunteer grandmothers." She was appointed by the San Mateo County Board of Supervisors to serve on the San Mateo County Health Plan Board where she works to ensure healthcare services for all those without insurance coverage.

Katherine McMillan has three loving, grown children . . . her two daughters Katherine and Mary; and her son, Robert, who is married to Julie and have given her two beautiful grandchildren, Sean McMillan, 6 years old, and Kenny "B" McMillian, 4 years old.

Katherine McMillan is especially proud of rearing her three children as a single working mother all of whom went on to college and are now productive members of our community. She is exceedingly proud of her two grandsons who carry the legacy of her extraordinary spirit into a third generation of McMillan's.

Mr. Speaker, I ask my colleagues to join me in honoring Katherine McMillan, a great and good woman, for her countless contributions to our community and our country and congratulate her on the attainment of her 75th birthday. We are indeed a better country and a better people because of this woman.

TRIBUTE TO JOE SERNA, MAYOR OF SACRAMENTO

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. MATSUI. Mr. Speaker, I rise in great sadness to pay tribute to a very distinguished leader, to one of the most honorable public servants I know, and to a true friend. On Sunday, the mayor of Sacramento, and my good friend Joe Serna, lost his courageous battle with kidney cancer. As the community mourns his loss, I ask all my colleagues to join with me in saluting the career and efforts of this extraordinary person.

Joe Serna was born in Stockton and raised in Lodi, California. He grew up the son of an immigrant farm worker, where he was taught the honorable values and hard work ethic that exemplified his career. It was here too that he began a storied and successful career, becoming a sheet metal worker at the age of 19. He went on to earn a Bachelor of Arts degree in social science/government from Sacramento State College in 1966 and attended graduate school at UC, Davis, majoring in political science.

Always wanting to serve others, Mayor Serna entered the Peace Corps in 1966, working in Guatemala as a Community Development volunteer specializing in cooperatives and credit unions. Upon his return to the States, he continued his service by pursuing one of the most noble of all professions—he became a teacher. He joined the faculty at CSU, Sacramento, in 1969 becoming a professor of government. Of course the energy he brought to life was quickly transferred to his students in the classroom, and in 1991 he received the Distinguished Faculty Award.

Continuing his lifelong calling to public service; Joe Serna was first elected to the Sacramento City Council in 1981 and reelected in 1985 and 1989. He was then elected mayor of Sacramento in 1992 and again in 1996.

As mayor, Joe Serna left a proud legacy of leadership and accomplishments. He worked throughout his career to revitalize Sacramento's downtown which included initiating the Sacramento Downtown Partnership Association, the "Art in Public Places" program, and the Thursday Night Market. Joe Serna was selected in 1995 by the National Council for Urban Economic Development to receive their annual Economic Development Leadership Award.

He also established the Mayor's Commission on Our Children's Health and the Mayor's Commission on Education and the City's Future, which led to a new Sacramento City Unified School District Board of Trustees. As part of his active role in improving the Sacramento City School District, he founded the Mayor's Summer Reading Camp, a literacy program for below average scoring second and third grade students.

Over the past three decades Mayor Serna was a member of numerous organizations including the Regional Transit Board of Directors and the Sacramento Housing and Redevelopment Commission. He was the Co-trustee of the Crocker Art Museum Association and an Advisory Board Member of Senior Gleaners, Inc. He also was a former Chair of the Sacramento City/County Sports Commission, member of the Board of the Sacramento Employment and Training Agency, member of the Sacramento Metropolitan Cable Television Commission and Sacramento Air Quality Management Board. From 1970 to 1975, he served as the Director of the United Farmworkers of America's Support Committee in Sacramento County. Mayor Serna also served as a two-time presidential appointed member of the Board of Directors of "Freddie Mac."

Mayor Serna was known as an elected official with profound vision for the future and the energy to implement that vision. He knew how to build coalitions, ignite community involvement, and succeed in achieving his goals. Because of this vision, he leaves a proud legacy in Sacramento of downtown revitalization and growth, a stronger public school system, more jobs, more community police, and a higher quality of life.

What made Mayor Serna such a remarkable leader was his ability and willingness to listen to the community and make himself available to all voices that wanted to be heard. In an era when following the politically expedient route is commonplace, Mayor Serna was never afraid to fight for what he believed in if he knew it was the right thing to do. He never compromised his values and always brought a sense of honor and dignity to the Sacramento community. I thank him for his courage, for his kindness, and for the exceptional integrity he maintained throughout his career. Clearly, Mayor Serna leaves a new standard of leadership that we should all do well to follow.

I would also like to extend my deepest and heartfelt sympathies to Mayor Serna's wife, Isabelle, his son Phillip, and his daughter, Lisa. I along with the city of Sacramento and the California community mourn with them.

Mr. Speaker, the city of Sacramento has suffered a tremendous loss of one of its most distinguished and visionary leaders, as well as one of its best citizens. We will all miss him dearly.

REMEMBERING THOMAS D. WELLS III

HON. MAX SANDLIN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. SANDLIN. Mr. Speaker, I rise today to remember a great American, a great Texan, and a great friend. Thomas D. "Tommy" Wells, the long-time County Attorney for Lamar County, Texas, died on October 15, 1999, will be sorely missed.

Tommy served Lamar County as County Attorney for twenty years and will always be remembered as an exemplary public servant. But I will remember Tommy as a friend—a man dedicated to his family, committed to always doing the right thing.

My friend Tommy was an inspiration to the people of East Texas. He graduated from Paris High School and received his bachelor's degree from Baylor University. After graduating from law school at St. Mary's University, he returned to Paris to practice law.

Subsequently, Tommy won five consecutive elections to the County Attorney post. He was elected president of the Texas County and District Attorney's Association and also served on the State Bar of Texas Grievance Committee. After leaving his prosecutor's post for private practice. Tommy continued to serve his state as a special prosecutor.

Clearly Tommy was a credit to his profession—but his lasting legacy is his family. Tommy and his wife of thirty years, Rusty, raised two sons in Paris. Nothing was more important to Tommy Wells than his family.

His dedication to his family's activities brought him closer to his community. Tommy taught Sunday School for the First Baptist Church of Paris and coached football for Optimist teams. He was active with the Paris Boys Club. He served on the board of the Salvation Army and was a member of the "Old Men's Club."

Tommy Wells was not an old man, though. He died at age fifty-four. A young man both in age and spirit, he contributed more to Lamar County in his brief life than its residents ever could have asked of him.

Mr. Speaker, East Texas has lost a leader and a friend. His wife, sons, and mother have lost a dear member of their family. But the City of Paris and Lamar County gained so much from the life of Tommy Wells. We celebrate his life and are grateful for his time with us.

PARNICK JENNINGS

HON. BOB BARR

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. BARR of Georgia. Mr. Speaker, sooner or later, all of us have to deal with the death of a loved one. Often, during that difficult time, the devotion, counsel, and wisdom of another person can make a bad experience a little easier to bear.

Parnick Jennings of Rome, GA, is one such person. For the past 50 years, he has operated Jennings Funeral Home in Cartersville, GA. In the process, he has consoled thousands of grieving friends, spouses, relatives, and children as they work through the most difficult moments of their lives.

The involvement by Parnick Jennings in our society and his community, however, have not ended at the doors of his business. After graduating from the University of Tennessee, he served with the U.S. military during the Korean war. Since then, he has been involved in many civic groups such as the Rome Kiwanis Club, where he is a charter member, and the Floyd County Baptist Association, where he served as a Brotherhood Director.

Mr. Jennings has also served his community on the Shorter College Board of Trustees, and the Southern Baptist Sunday School Board of Trustees. In all that he has done, he has given freely of his time and energy to make northwest Georgia a better in which place to live and work.

I join a grateful community in offering a sincere thanks for a lifetime of devotion to others exemplified by Parnick Jennings.

RECOGNITION OF DONNA GALBRAITH AND GERRY SCHULTZ

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. BONIOR. Mr. Speaker, over the last ten years, a tradition has been established in the Port Huron Community. This December will mark the tenth anniversary of the Nutcracker Ballet Theater's production of the timeless Christmas classic "The Nutcracker". Friends and fans of the production are gathering tonight to honor the heart of the theater company—Donna Galbraith and Gerry Schultz.

These two individuals have given tirelessly to the community. It is through their vision and commitment, that the Nutcracker Ballet has become the can't miss event of the holiday season in Port Huron.

Donna and Gerry have made the Nutcracker a part of their lives, and used it to touch the lives of so many others. Without their leadership and direction, the production simply would not be possible. They have brought together dancers from across the region, many of whom have moved on to participate in nationally recognized dance troupes. Donna and Gerry have taken a personal role in the development of thousands of young people in our community. Through rehearsals, training, and character building, they have made their presence felt beyond the stage and into the day to day lives of so many children and families.

The Blue Water Area is a better place because of the leadership and dedication of Donna Galbraith and Gerry Schultz. Every town in America needs a Donna and Gerry of its own to remind them of the wonderful joy that the work of two individuals can bring to an entire region.

I ask you all to join me today in recognizing the dedication of Donna Galbraith and Gerry Schultz as they bring the true spirit of the holidays to Port Huron once again.

THE SMALL BUSINESS FRANCHISE ACT OF 1999

HON. HOWARD COBLE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. COBLE. Mr. Speaker, I rise today to reintroduce the Small Business Franchise Act of 1999.

In the closing days of the 105th Congress, Congressman CONYERS and I introduced similar legislation aimed at leveling the playing field in the business relationship between corporations that sell franchises and the small businessmen and women who invest in them. Franchise businesses represent a large and growing segment of our nation's retail and service businesses and are rapidly replacing more traditional forms of small business ownership in our economy. As a result, franchise owners have become the heart and soul of America's economic engine and the backbone of local commerce.

The franchisor/franchisee relationship is fundamentally an economic one where the objective of each party is to make money. Capitalism at its best one would think. Unfortunately, that is where the mutuality ends. In the context of a means to an end, the interests of the franchisee and franchisor are not always the same. For instance, because the parent corporations collect royalties on sales, not profits, it is in the economic interest of the corporate franchisor to open more outlets, even if it is at the expense of an existing franchisee. It is exactly this type of activity that has brought us here today.

As a conservative Republican who supports smaller government and less regulation, many people have asked why I support franchise legislation. First of all, this legislation is not about bigger government and more regulation—it is about protecting freedom. The freedom for small business entrepreneurs to contract fairly, honestly, and without fear of retribution. Second, the Constitution provides Congress with the authority to regulate interstate commerce which Congress has already done for some franchisees by enacting the Petroleum Marketers Act and the Automobile Dealers Day in Court Act. I believe the time has come to apply these same standards to all franchise business relationships.

One of the key provisions of this legislation applies the Duty of Good Faith and Fair Dealing to the franchise relationship. One would think that this obligation is inherent in all contractual relationships, however, because there has been inconsistency in judicial interpretation, clarification is needed. The Duty of Good Faith provision requires both the franchisor and the franchisee to act in good faith in its performance and enforcement of the contract. A Duty of Good Faith obligates each party to do nothing that would have the effect of destroying or injuring the right of the other party to obtain and receive the expected fruits of the contract. If the franchisees are willing to apply this provision to themselves, why are the famchisors unwilling to do the same?

There is also great concern among franchisees about monopolistic behavior among franchisors with respect to sourcing requirements. Many franchise contracts require franchisees to purchase equipment, fixture, supplies, goods and services directly from the franchisor or its subsidiary, thus eliminating competition from the system and driving up costs for the franchisees and ultimately the consumer. Under this legislation, competition would be injected into the procurement process, ultimately lowering costs for everyone. Along these same lines, franchisors would also be required to disclose any rebates, commissions, payments or other benefits resulting from the mandated sourcing requirement imposed on the franchisees. These kinds of "kickback" have been illegal in other industries for years, and the time has come to shine the light of day on these long-standing franchisor abuses.

During the past 20 years, there has been tremendous change in the franchising industry, and as a result, I believe the time has come for Congress to examine this issue and level the playing field for small business franchisees across our great nation. The legislation that I introduce today, along with my distinguished colleague from Michigan, Congressman JOHN CONYERS, addresses the fundamental and necessary safeguards that this industry so desperately needs. This legislation, like the Automobile Dealers Day in Court Act and the Petroleum Marketing Practices Act, rights the imbalance that has existed for too long in the franchisor/franchisee relationship.

PERSONAL EXPLANATION

HON. GARY G. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. GARY MILLER of California. Mr. Speaker, on Monday, November 8, I was inadvertently detained and unable to vote on the following measures:

Rollcall No. 574, recognizing the generous contribution made by each living person who has donated a kidney to save a life;

Rollcall No. 575, amending the Ethics in Government Act of 1978 to reauthorize funding for the Office of Government Ethics; and

Rollcall No. 576, recognizing and honoring Payne Steward and expressing the condolences of the House of Representatives to his family on his death and to the families of those who died with him.

Had I been present, I would have voted "aye" on rollcall Nos. 574, 575, and 576.

HONORING AGNES FUSS

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. GORDON. Mr. Speaker, I rise today to honor Mrs. Agnes Fuss for her years of service to her country and her community. "Miss Agnes" is the person in the Upper Cumberland area of my district call when they need help.

Perhaps because she is a federal retiree, she is especially good at providing assistance to those confused by the sometimes complicated workings of government. She has been described as a favorite of seniors and a lifesaver. Agnes would simply tell you her reward is the satisfaction she derives from helping people solve problems.

Agnes lives in Jackson County with her husband, Floyd. Born in St. Johns, Newfoundland, Mary Agnes Myers was educated at a local parochial school and commercial college. In May 1955, she married Floyd Fuss, a U.S. Air Force serviceman, while he was in St. Johns as part of his military service. Two years later, she immigrated to the United States. In March 1959, Agnes was naturalized in the Eastern District Court in Philadelphia.

Agnes attended Kennesaw College in Georgia. In 1966, she was hired as a clerk in the Overseas Employee Office at Dobbins Air Force Base in Marietta, GA. She was later promoted to Chief of the Classification Division. Agnes retired in 1993, after 27 years of service.

Agnes and Floyd have four children and seven grandchildren, on whom she likes to brag. She is very family-oriented and, after 44 years of marriage, always has kind, complimentary words to say about Floyd.

For someone who has been so giving, I would like to take the opportunity to personally thank Miss Agnes for the contributions she has made to her country and to the people of the Sixth District. In short, although she may feel uncomfortable with all this praise, I just wanted to make a Fuss about Agnes.

TRIBUTE TO GEORGE WEBER

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. McINNIS. Mr. Speaker, I would like to take a moment to recognize the dedication and accomplishments of Mr. George Weber. I would like to honor this individual who has managed to balance his time and energy between his job teaching music, his role as a wilderness leader and a career as a musician.

Mr. Weber has been teaching at the Colorado Rocky Mountain School since 1996 and before that he taught at the September School in Boulder, Colorado. Aside from his involvement and dedication to the students in the classroom, Mr. Weber also conducts extended trips into the wilderness of three to ten days.

In addition to his demanding life with the Colorado Rocky Mountain School, he is also a veteran of the bluegrass music community. From his experience in the past with "the Medicine Bow Quartet," "The George Weber Band," and "Hot Rize" to his current work with the group "Live Five," he has been offering his skills, passion and talent to his fans and Colorado in general.

It is my pleasure to congratulate Mr. George Weber on his success and to thank him for his dedication as well as his willingness and ability to entertain and educate Colorado.

HONORING THE 40TH ANNIVERSARY OF THE COMMUNITY OF SLEEPY HOLLOW WOODS

HON. THOMAS M. DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. DAVIS of Virginia. Mr. Speaker, I rise today to honor a neighborhood community that was founded in my district 40 years ago this Thanksgiving weekend. Sleepy Hollow Woods, home to the second oldest tree in the state of Virginia, at nearly 400 years of age, has played a significant role in the Falls Church community throughout the years. It has been a neighborhood where families can raise their children and their children can in turn raise their children.

On Thanksgiving Day of 1958, the first family moved into the new neighborhood located off Columbia Pike, just across from Mason District Part. One year later, in 1959, the community of Sleepy Hollow Woods was established. In the post-World War II era, the first families were mostly young Pentagon and Capitol Hill types who were looking to start families of their own. Sleepy Hollow Woods with its affordable housing and convenient proximity to Washington, D.C., made this an ideal community for young families.

Sleepy Hollow Woods, with its winding streets, shady trees and spacious private yards has received accolades in a national magazine when the neighborhood first opened. People traveled from all around the nation not only to view the community but also to reside in one of the new model homes. As with all new communities inhabited by young professionals, there has always been a feeling of hustle and bustle in Sleepy Hollow Woods. Waking up early on Saturday mornings to the sound and smell of fresh grass being cut; the laughter of children playing in the yard; and the sounds of a kick-ball game in the cul-de-sac. Not much has changed since 1959. The trees are a little larger and new faces have blossomed, but the community closeness and pride has never left the neighborhood.

Currently, Sleepy Hollow Woods has 378 homes and almost fifty nationalities are represented. Everyone is community conscious and there is a high number of volunteers for neighborhood projects and neighbor support. To demonstrate how close-knit the community is, the residents of Sleepy Hollow Woods are holding a series of celebrations to mark the 40th anniversary of the founding of the neighborhood. All 43 original homeowners have been invited of which 39 will be in attendance.

Mr. Speaker, in conclusion, I would like to ask my colleagues join me today in commending Sleepy Hollow Woods for its rich history and dedication to their neighborhood and community. I also would like to wish Sleepy Hollow Woods a warm congratulations on their 40th anniversary and for being a community whose vision and character reflect the best of America.

VETERANS CEREMONY AT JEFFERSON HIGH SCHOOL HONORING GOLD STAR MOTHERS OF VIETNAM VETERANS

HON. SILVESTRE REYES

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. REYES. Mr. Speaker, I rise to recognize a special event taking place in my congressional district this week. El Paso's Jefferson High School is commemorating the fiftieth anniversary of the founding of the school. As part of this week long commemoration, the Jefferson High School Ex-Student's Association is honoring today, Jefferson High School veterans and their families. Specifically, they are taking special notice of the service and sacrifice of twelve Jefferson High School graduates from the class of 1967. These twelve individuals represent the largest number of students from one high school to have graduated in the same year who died in the Vietnam War. These young people were in the prime of their lives, and whose contribution to the world can never be fully measured. Who knows what lives these individuals would have led, contributions they could have made, or accomplishments they could have attained? However, their service to this country in the name of freedom, serves as an inspiration for their classmates, fellow El Pasoans, and citizens across this nation.

The mothers of these veterans are El Paso Gold Star Mothers. They follow a long tradition, going back seventy years to the founding of the American Gold Star Mothers. The Gold Star Mothers got their name from the practice of mothers of veterans displaying a gold star in their homes, as a symbol of their children who died fighting. Congress officially recognized this organization in 1929, and the members of this organization provide service to veterans, their families and communities. They contribute to developing and keeping alive the spirit of world service, assist veterans and their dependents in presenting claims to the Veterans' Administration, perpetuate the memory of those who died during war, teach lessons of patriotism and love of country, and inspire respect for the flag in the youth of America.

The Gold Star Mothers of El Paso remind us of the never-ending bond between families. They remind us of the sacrifice that families of veterans make as they endure the fears and concerns of having loved ones overseas, and the loss from loved ones who never return.

As Veterans Day memorials take place this week throughout the nation, the Jefferson High School commemoration is a special event honoring the incredible sacrifice and service of one community. The twelve Vietnam Veteran classmates of 1967, are part of a larger number of Jefferson High School veterans who served and risked their lives for American values and ideals. These men and women reflect an El Paso community which maintains a long history of distinguished military service with the presence of Fort Bliss. Our community of veterans includes those from World War I, World War II, Korea, Vietnam, and the Persian Gulf and other conflicts where American troops have stood against totalitarianism and threats to our national security.

The Jefferson High School ceremony also reminds us of our young men and women who are currently deployed around the world. These fine soldiers are our nation's first line of defense and they protect our interests and allies whether they are in Bosnia, the Middle East, Korea, or Europe. The incredible freedom we enjoy in these times of prosperity is a direct consequence of the service of these brave men and women and the veterans who preceded them throughout this century. We should be grateful for their commitment and dedication and never take for granted the high price they and their families pay to defend our liberty.

On this the fiftieth anniversary of Jefferson High School, let us remember the duty, honor, and sacrifice made by the graduates of this school, by their families, and the community that supports and honors them.

Veterans Day asks all Americans to take stock in this nation's incredible opportunities and freedoms, and urges us to always remember our courageous veterans.

God bless these veterans and their families.

CONGRATULATING ERIC LEWIS

HON. ROBERT E. ANDREWS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. ANDREWS. Mr. Speaker, I would like to take this opportunity to congratulate Mr. Eric Lewis from Camden, New Jersey on winning the prestigious Thelonious Monk International Jazz Piano Competition. As a Camden native, Mr. Lewis has brought great pride both to the city of Camden and to the entire state of New Jersey, as well as to musicians all over world. In addition to his exceptional musical talents, Mr. Lewis obviously shares a commitment to his community. Mr. Lewis has pledged to donate ten percent of his winnings to his local church. This unselfishness and generosity is a testament to Mr. Lewis' character and an example to all. I have confidence that he will use his exceptional talent to give back to his neighbors and community. Once again, hats off to Mr. Eric Lewis on this outstanding accomplishment.

PARENTS HAVE A RIGHT TO KNOW ABOUT TOXIC RISKS TO THEIR CHILDREN'S HEALTH

HON. RUSH D. HOLT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. HOLT. Mr. Speaker, I rise today to introduce legislation that will help protect our children from illness and disease that can result from chemical exposure to pesticides. My legislation, the School Environment Protection (SEPA) Act, addresses the need for schools to provide protective action from the effects of pesticide use in school buildings and on school grounds.

Parents entrust their children's safety to schools and have the right to know what toxic substances their children are being exposed to. There are safe alternatives to the use of dangerous chemicals as pesticides and herbicides. This bill would encourage schools to use integrated pest management techniques that have proven to be safe and effective. In the event that potentially dangerous chemicals would have to be used, this Right to Know Act will require our schools to inform parents of any risk to which their children would be exposed. My proposal will take simple steps to ensure children's safety in the place where they spend most of their time, school.

When it comes to pesticide exposure, children are one of the least protected groups. Due to their small size, children take in more pesticides relative to their body weight than adults and are also less likely to detoxify toxic chemicals through their still developing organ systems.

The National Academy of Sciences Report, Pesticides in the Diets of Infants and Children, found that the current EPA generally lacks data on children's susceptibility to pesticide exposure that would allow them to provide adequate standards necessary to protect children. The EPA is beginning the process to review pesticides, however, this could take them months or even years. Meanwhile, schools are frequently using pesticides that have the potential to harm our children's physical and mental development. Maryland schools reported 94% of their school districts surveyed used pesticides that have been linked to cancer. Similar results were yielded in California with 93% of its school districts surveyed using pesticides known for causing cancer. This usage can be a serious detriment to our children's health. We do not have time to wait for the EPA's results. According to the National Cancer Institute, childhood cancer has increased over 1 percent a year. Too many of our children's health and lives are at risk now and in the future.

Studies have shown that children living in households where pesticides are used suffered elevated rates of soft tissue sarcoma, leukemia and brain cancer. A study done by Childhood Leukemia and Parents' Occupational and Home Exposures found that in homes where pesticides were used a 3.8-fold higher risk of childhood leukemia was likely and when pesticides were used in the garden a 6.5-fold higher risk was reported.

Some states have taken action to combat this ever-growing problem, however state protection is uneven and children in 20 states have no protection at all from these potentially deadly chemicals.

My SEPA legislation will require the use of the safest pesticides in and around our schools. All pesticides that have been determined to cause cancer, mutations, neurological and immune system effects and other serious toxic effects will be excluded from use in schools. Schools may use conventional pesticides if less toxic substances cannot control or prevent a pest as long as the school community is given at least 24 hours notice of application.

Several national and regional groups have already come out in support of my bill. This includes the National Education Association, Children's Health Environment Coalition, Citizens for a Better Environment, New Jersey Coalition for Alternatives to Pesticides and the New Jersey Environmental Federation.

SEPA will force our nation to better protect all our children from unnecessary chemical effects and assist our youth in living healthier, longer lives. I urge all my colleagues to join in this "Right to Know" effort by supporting the School Environmental Protection Act.

RELIEF FOR AKAL SECURITY

HON. TOM UDALL

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. UDALL of New Mexico. Mr. Speaker, today, I introduce a bill that would allow a business, Akal Security, located in Santa Cruz, New Mexico, to receive payment for services it performed for the United States Government almost a decade ago.

In the Spring of 1991, Akal Security performed guard services as emergency work during the Desert Storm situation. Specifically, security services were performed at a record storage site located in St. Louis, Missouri. The storage site was leased to the Army Corps of Engineers and was further leased to the Army Reserve Personnel Center (ARPERCEN). The services were orally ordered by the United States Corps of Engineers for the month of March, 1991.

On April 3, 1991, Akal submitted its invoice for $10,208.74 for services performed. After multiple requests, the Department of the Army has still not payed the bill owed. To date, there has never been any question that the services were in fact ordered by the COE and rendered by Akal Security.

In December, 1992, the Deputy General Counsel of the Department of the Army notified Akal Security that the guard services could not be procured because it could cause a violation of 10 U.S.C. Sec 2465. This section provides that the "Department of Defense may not be obligated—for the purpose of entering into a contract for the performance of—security-guard functions at any military installation or facility." The only recommendation of the Deputy General Counsel was that Akal could seek private relief legislation.

Mr. Speaker, correspondence from a Colonel Greiling in 1995 indicates that the Army Reserve Personnel Center had information from the Federal Bureau of Investigation that ARPERCEN records storage sites could possibly be a target for terrorist activity. In consideration of the information from the FBI and the subsequent oral request made by the Corps of Engineers, Akal Security acted responsibly and deserves compensation for the services performed during a time of heighten national security.

After researching this issue and being in contact with the Department of Defense, I have come to the conclusion that an Act of Congress is needed to pay for these services that were incurred. This bill only concerns the invoice amount of 1991 and does not concern interest on the principle since then.

The introduction of this bill today is the continuance of an effort that was begun in earlier years. This bill is identical to a bill that was introduced in the last Congress by my predecessor, Congressman Bill Redmond.

Thank you Mr. Speaker for your consideration of this matter and I encourage my colleagues to support this bill.

TRIBUTE TO CHRISTOPHER NIETCH

HON. JAMES E. CLYBURN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. CLYBURN. Mr. Speaker, I rise today to pay tribute to Christopher Nietch for his excellence in coastal and marine study. Through dedication and hard work, Mr. Nietch has found unique methods and helped create new equipment to aid in the study of coastal marshland research.

Mr. Nietch's research focuses on the nutrient and carbon biogeochemistry of marshes. He is aiding resource managers in determining the effects of land use and is exploring possibilities of unorthodox methods which hones the maximum possibility regarding the usage of coastal wetlands. His work is on the edge, not only exploring, but pushing coastal marshland science to maximize the usage of marshlands.

Using different methods, Mr. Nietch aided in the creation of new equipment that makes the measurements necessary to study some 15 different marsh sites within four separate estuaries in South Carolina not only economical, but also practical and accurate. His findings have been circulated widely among his peers and colleagues within the coastal stewardship, which in effect allows other researchers, coastal resource managers, and policy makers to easily access his findings.

Mr. Nietch's work is a benchmark for future studies that would measure how much potential and access coastal wetland marshes have to offer society. His work has contributed to both the overall public awareness of how sensitive and valuable the coastal wetland marshes are and the necessity to further research and study the long-term management of these priceless resources.

Mr. Speaker, I ask you to join with me and my fellow South Carolinians as we pay tribute to Christopher Nietch for his diligent work and hours of effort in researching coastal wetland marshes. He is a role model, and I wish him continued success in his new ventures.

PAYING TRIBUTE TO BERTRAM BRINGHURST ON HIS 100TH BIRTHDAY

HON. MAURICE D. HINCHEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. HINCHEY. Mr. Speaker, I would like to pay tribute to my constituent, the distinguished Mr. Bertram Bringhurst. Today, Mr. Bringhurst achieves two major milestones: the celebration of his 100th birthday and the award of France's highest honor, the Chevalier of the National Order of the Legion of Honor.

Mr. Bringhurst was among the many bright, energetic young men who answered our nation's call to arms during World War One. At the tender age of 17 he struggled to survive the fierce battles at Chateau-Thierry and Argonne Forest as well as poison gas attacks. Upon returning from France, Mr. Bringhurst set about living his life, starting and raising a family and being an honorable member of his community. According to his family, he spoke little of his time in France. However, the memories that he did share, the memories of German soldiers who died clutching photos of their children, clearly demonstrate his compassion for all mankind.

Today, Mr. Bringhurst will celebrate his 100th birthday at the Castle Point Veterans Hospital in Beacon, New York, surrounded by his family and friends. Mr. Bringhurst will also have a special guest at his birthday party—the French Consul will be on hand to present him with the French Legion of Honor in honor of his service in France in World War One. this is a fitting tribute to a great man.

Mr. Speaker, I feel a debt of gratitude to Bertram Bringhurst for the role he has played in our nation's history. As a veteran, I take great pride in being associated with a man of his caliber. As an American, I am proud that Mr. Bringhurst will get the accolades he deserves for his service in France.

CONFERENCE REPORT ON S. 900, GRAMM-LEACH-BLILEY ACT

SPEECH OF

HON. JAMES A. LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. LEACH. Mr. Speaker, I insert the following for printing in the RECORD:

Unitary thrift holding companies—Section 401 closes the unitary thrift holding company loophole that permits commercial firms to acquire thrifts. This section contains a grandfather provision that permits a company that was a savings and loan holding company on May 4, 1999, or had an application on file as of that date, to acquire and continue to control a thrift and engage in commercial activities. It should be recognized that this exception to the general prohibitions in section 401 on commercial firms owning thrifts applies only to companies that owned or controlled thrifts as of that date (or pursuant to an application pending as of that date) and not to any subsequent acquirer of a grandfathered unitary thrift holding company.

The intention of the conferees on this matter is very clear from the plain language of section 401. First, section 401 provides that no company may acquire a thrift after May 4, 1999, unless the company is engaged only in financial activities. Second, a company that does acquire a thrift after May 4, 1999 may not engage in commercial activities. As such, a grandfathered unitary thrift holding company could not be acquired by another commercial firm or financial firm and retain its commercial activities. A financial firm could not acquire a grandfathered unitary thrift holding company engaged in commercial activities unless such activities are divested because the acquiring financial firm would then be engaged in commercial activities directly and indirectly in violation of section 401.

Insurance company portfolio investments—New section 4(k)(4)(I) of the Bank Holding Company Act permits insurance company subsidiaries of financial holding companies to acquire equity interests in nonfinancial companies ("portfolio companies"). Such acquisitions, however, must represent an investment made in the ordinary course of the insurance company's business and must be made in accordance with relevant state insurance law. The Act also prohibits a financial holding company from routinely managing or operating a portfolio company held pursuant to this section, except as necessary to obtain a reasonable return of the investment. It has been suggested that this would permit officer overlaps between the financial holding company and the portfolio company held under the authority granted by this section. This is not the case. The restriction in fact was intended to prohibit financial holding companies from becoming involved in the day-to-day operations or management of a portfolio company, except in unusual circumstances, and thereby maintain the Act's general prohibition on the mixing of banking and commerce. Since the officers of a company are involved in the day-to-day management of the company's affairs, officer interlock between a financial holding company and a portfolio company would, in most circumstances, involve the holding company in the routine management and operation of the portfolio company. Director interlocks, on the other hand, would properly allow a financial holding company to monitor its investment as long as the director was not involved in the day-to-day management of the portfolio company.

CT-43A FEDERAL EMPLOYEE SETTLEMENT ACT

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. FARR of California. Mr. Speaker, it has been three and a half years since my constituent, Adam Darling, died. He died on the same airplane that carried the late Secretary of Commerce, Ron Brown. Together, they and 33 others perished on the side of a cold, dark mountain outside of Tuzla, Croatia.

Since that fateful day, the families of the victims of that crash have sought redress with the government, first through the Air Force, then through the Department of Commerce, and now with Congress. It is for that reason that today I and more than 30 bipartisan members of this body, introduce this bill. We introduce this bill in the name of justice and in the name of every person who died in this crash. And for me, I introduce this bill in the memory of Adam Darling and all the energy and hope and spirit that emanated from his young, idealistic heart.

Mr. Speaker, when TWA 800 went down, and more recently Egypt Air 990, the families of the victims on those planes are met with helping hands and offers of assistance. They are met with intensive investigations as to causes and apologies for events gone wrong. If the families are unsatisfied, they have recourse to means (namely the court system) to alleviate their loss.

This was not true for everyone on the Ron Brown trip. Because this trip was government sponsored and occurred on a government aircraft, and because the crash happened on foreign soil, the victims on that plane were caught in a tremendous catch-22 that prevented their grieving families from seeking restitution for their loss. After extended negotiations, families of private citizens were awarded settlements from the Air Force.

Families of deceased federal employees were not.

Federal employees' survivors are not entitled to seek such restitution because the law provides only for those benefits within the scope of the Federal Employees Compensation Act (FECA). Even under situations where there may be clear cause, these persons are barred from the court system to argue their case.

The victims of TWA 800 could go to TWA or the Boeing Company for redress. The victims of Egypt Air 990 could go Egypt Air or the Boeing Company for restitution. The victims of CT–43A have only their government to turn to, and their government has turned them down.

This rejection is hurtful not because the law is so strict in its treatment of the victims. The rejection is hurtful because the post-crash investigation found deliberate violation in the chain of command that allowed the airplane to fly the day of the crash; numerous safety deficiencies on the airplane; and overt aircrew error. When this much goes wrong, and when the wrongs are items that should never have happened had normal precautions been in place and standard operating procedures been followed, then there is every reason to ask for redress.

The legislation being introduced today will provide $2 million to each family of the victims on the Ron Brown plane who were federal employees. This will provide some measure of confidence to the families that yes, the government that employed the victims cared about them, in their lives and in their deaths. I ask all of you to join with me today in making these families who lost so much know that the circumstances of their loved ones' deaths will be met with justice.

SUPPORT SATELLITE REFORM LEGISLATION

HON. PETER DEUTSCH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. DEUTSCH. Mr. Speaker, I rise in support of H.R. 3261, the "Communications Satellite Competition and Privatization Act of 1999." I want to commend Chairman BLILEY for his commitment to this important legislation and for his efforts in working with Congressman TAUZIN and Congressman MARKEY. Together, they have produced an excellent, bipartisan bill that is designed to bring the benefits of competition to consumers of satellite communications. This bill will reform the 1962 Act—a law that is woefully outdated and in need of a complete overhaul.

Today, we still rely on a foreign government-controlled treaty organization—INTELSAT—to provide the bulk of international satellite services to and from the United States. This structure was designed in the 1960's when it was believed that only governments and monopolies could finance and operate satellites. So much has changed since those early days. Today, the United States leads the world in satellite manufacturing and technology. Yet, we still cling to the 1960's governmental model that stifles competition, trade, and ingenuity—all to the detriment of consumers.

H.R. 3261 will end the last remaining telecom monopoly in the United States and provide incentives to encourage INTELSAT, and its sister organization, INMARSAT, to privatize in a procompetitive manner. The bill uses access to the U.S. market to encourage INTELSAT and INMARSAT to so privatize. If they refuse, they will still have access to the U.S. market for the services they were originally created to provide—such as public telephone and maritime services—but they will not be permitted to compete with private commercial providers of new services such as direct-to-home TV and high-speed Internet. To gain admission to the U.S. market for these new competitive services, they will first have to shed their governmental privileges and immunities and become truly competitive and private.

COMSAT will also be normalized by this legislation. When Congress created COMSAT 37 years ago, it granted COMSAT a monopoly over access to the INTELSAT, and later, the INMARSAT satellites. COMSAT has been the only U.S. company permitted by law to directly use these valuable satellites. Any other U.S. company that wanted or needed access to these satellites, like AT&T, MCI, the networks, had first to go to COMSAT. It has enjoyed the exclusive U.S. franchise.

COMSAT is not only the monopoly reseller of INTELSAT services in the U.S., but under the law no other company or individual is permitted to invest in INTELSAT. This has been a very lucrative benefit as INTELSAT pays a guaranteed rate of return to its investors of about 18 percent annually. We should all be so lucky with our investments. The time is long overdue for Congress to end this—we must end COMSAT's monopoly over access to and investment in INTELSAT. Congress shouldn't be dictating who can invest in INTELSAT. The U.S. would not be alone if we finally end this as over 90 other countries permit direct access of some kind, and 29 of those permit multiple investors.

COMSAT also has much to gain from this legislation. In exchange for the monopoly benefits granted to COMSAT under the 1962 act, Congress imposed some restrictions as well. For example, no one could own more than 49 percent of COMSAT. This legislation will free COMSAT of these restrictions.

This bill will permit users of satellite services to go directly to INTELSAT to purchase satellite capacity. The FCC has determined that this will result in cost savings of up to 71 percent. A 1998 study documented that reform legislation would save U.S. consumers $29 billion over 10 years. Worldwide savings would reach $6.9 billion.

I urge my colleagues to support H.R. 3261. It brings the full benefits of competition to consumers and it will permit COMSAT to move ahead in this rapidly changing world of telecommunications.

CABIN USER FEE FAIRNESS ACT OF 1999

HON. GEORGE R. NETHERCUTT, JR.

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. NETHERCUTT. Mr. Speaker, I am pleased today to introduce the Cabin User Fee Fairness Act of 1999 with my colleagues, Senator CRAIG and Senator THOMAS. The legislation will establish a new appraisal process to determine a fair fee for Forest Service cabins. Under the formula established by the bill, appraisals would be based on the raw value of the land, adjusted for structures and services provided by the Forest Service.

The Cabin User Fee Fairness Act will address two major concerns with the current appraisal process. First, the appraisal methodology currently used by the Forest Service is not arriving at the appropriate value of the use of a lot by a cabin owner. Federal property differs from private land in that the owners do not maintain the same rights and privileges to their property as those held by private landowners. For example, permit holders cannot make modifications to the land or their cabin without the approval of the Forest Service, they cannot reside in their cabin on a year round basis and they cannot deny others access to the land on which the cabin is built. These factors should be taken into consideration in the appraisal process.

A second major concern with the current process is how the traditional objectives of the Forest Service are changing under the new appraisal process. Recreational residences have been dominated by families. Some of these families are older, some young and some span generations, but the existence of families, many from relatively modest economic backgrounds, enhances the mission of the Forest Service to provide for the public at large. A dramatic and rapid fee increase diminishes the family atmosphere of the areas. Public lands exist for the enjoyment of a broad spectrum of Americans and dramatic fee increases hurt this objective.

In each of the last two years, Congress enacted stop-gap measures through the Appropriations Committee, on which I serve, to gradually increase the fee rates while a long-term solution could be developed. The legislation I introduce today will provide for such a permanent solution to the problem.

The passage of well thought-out legislation today, with the support and understanding of all parties, will avoid costly and adverse conflicts down the line. I urge my colleagues to support the Cabin User Fee Fairness Act.

OPEN LETTER IN HONOR OF OUR NATION'S VETERANS

HON. ELIJAH E. CUMMINGS

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. CUMMINGS. Mr. Speaker, on Veterans Day, America honors those men and women who have served to keep this nation free and bring the world peace. Not only have these generations of veterans waged war and destroyed totalitarian threats, but they have engaged in the peacekeeping missions that strengthen democracy worldwide.

As I pay tribute to these worthy citizens tomorrow, Veterans Day, I am deeply troubled by the irresponsible across-the-board 1 percent cut in discretionary spending recently proposed by the House Republican leadership. A 1 percent cut from the total FY2000 Department of Veterans Affairs (VA) appropriation would reduce available funding for veterans programs, including veterans health care services. The adverse impact this reduction would have on the health and lives of our nation's veterans is significant.

For the past three years, the VA has endured straight-line funding which was left the agency struggling to meet the increasing costs of medical care for the growing number of enrolled veterans it treats. As such, veterans and veterans service organizations called on Congress to appropriate up to $3 billion more in health care funding than the Administration's original budget and have denounced these Republican cuts. I, along with my Democratic Colleagues, have strongly supported proposals throughout the year that would have actually added from $2 to $3 billion to the President's initial proposal for veterans' medical care. On October 20, the President signed into law a $1.7 billion increase.

Now, the Republican leadership claims that their 1 percent reduction in funding would have no effect on health care to veterans because the VA could save millions by eliminating overhead in capital assets and other "government waste." What the Republican leadership fails to acknowledge are the tremendous changes the VA has already made, such as closing thousands of beds, eliminating thousands of staff positions, and strengthening auditing systems. Moreover, whether savings of this magnitude could be realized in the immediate future without significantly uprooting current VA programs is highly questionable. Even without cuts, currently approved funding is less than required to fulfill our nation's duty to adequately care for veterans.

I believe that providing a $1.7 billion increase for veterans health care and then turning around a few weeks later and taking dollars away is Republican budget gimmickry. The bottom line is clear. Our nation's veterans have sacrificed life and limb in protection of our constitutional rights to "life, liberty, and the pursuit of happiness." I submit to my Republican colleagues in Congress that, in turn, our veterans deserve our commitment to fund veterans programs and services to ensure that they are themselves able to enjoy these same rights.

THE ATLANTIC HIGHLY MIGRATORY SPECIES CONSERVATION ACT

HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. SAXTON. Mr. Speaker, I rise today to introduce the Atlantic Highly Migratory Species Conservation Act. I believe this bill represents a good first step to "Right-Size" the U.S. Atlantic and Gulf of Mexico pelagic longline fleet. Senator BREAUX is expected to also introduce a similar measure in the Senate today or later this week.

Specifically, my bill would: (1) Establish three time-area closures for highly migratory species—one permanent area in the south Atlantic and two time-area closures in the Gulf of Mexico; (2) establish and authorize funding for two buyout programs for approximately 75 eligible vessels; (3) Establish a highly migratory species bycatch reduction research program within the Southeast Fisheries Service Center of the National Marine Fisheries Service to identify and test fishing gear configurations and uses to determine the most effective way to reduce billfish bycatch mortality in pelagic fisheries; and (4) attempt to address fishery related concerns in the area known as the mid Atlantic bight.

The proposed closures represent historic "Hot spots" for bycatch of undersized swordfish and billfish by catch based on available science from the National Marine Fisheries Service. These closed areas would help to rebuild and protect swordfish propulations as well as other highly migratory species and prohibit pelagic longline fishing during these closed periods.

The bill includes a compensation package that authorizes specific congressionally appropriated funds that will be combined with a direct loan to be repaid by both commerical and recreational fishermen.

Mr. Speaker, this has been a long and difficult road to get this bill ready for introduction.

What started as an introductory meeting just before the August recess with representatives of the pelagic longline industry and several recreational fishing organizations gradually turned into hundreds of telephone calls the next several months. Many conversations with recreational and commerical fisherman and their organizational representatives from all over the country took place which lead to concepts—then proposed legislative language—and finally a bill for introduction today.

I would like to thank members of the Blue Water Fishermen's Association located in my district for their leadership on this initiative, the Billfish Foundation, the Coastal Conservation Association, the American Sportsfishing Association and many other recreational fishermen in my district, in the State of New Jersey and throughout the country who have worked with me to develop this bill.

While not all of these groups are entirely happy with this bill, we hope we can continue to dialog and continue to work together. I would also like to thank the National Marine Fisheries Service for starting this process by establishing a limited entry program for the pelagic longline fishery in the highly migratory species fishery management plan.

Mr. Speaker, I realize that this bill is not perfect. I realize that there is much that remains unresolved, particularly in the waters of the mid Atlantic. I look forward to productive and spirited hearings over the coming months that will take place before the subcommittee in Washington, New Jersey, and perhaps Florida as well.

I believe it is very important that all interested fishermen and their supportive organizations realize this is the beginning of a process, and that much lies ahead.

In the end, I am confident that the final bill will include conservation measures designed to protect these important and impressive migratory marine species, will compensate the fishermen who decide to leave the fishery, will help to maintain a viable U.S. pelagic longline fishery for the future, and will send a strong message to our fellow fishing nations that greater conservation measures need to be enacted to protect and rebuild swordfish populations and reduce unnecessary billfish bycatch.

H.R. , ATLANTIC HIGHLY MIGRATORY SPECIES CONSERVATION ACT OF 1999

CONSERVATION BENEFITS

(1) Highly Migratory Species Conservation Zones: The Act creates one permanent closure and two time-area closures:

Pelagic Longline fishing prohibited within zones during closed time period/season.

The three zones represent "hot spots" for bycatch of undersized swordfish & billfish based on available science from the National Marine Fisheries Service.

Atlantic swordfish conservation zone

Extends from the North Carolina/South Carolina border south through to Key West, Florida, to reduce high mortality rates of juvenile swordfish and high rates of billfish bycatch.

Covers 80,000 square nautical miles.

Closed indefinitely year-around to pelagic longline vessels but not recreation or charter vessels.

Gulf of Mexico swordfish conservation zone

Extends from North Eastern Gulf of Mexico/DeSoto Canyon region (Mobile, AL to Panama City, FL), to help build swordfish stocks.

Covers 5,400 square nautical miles.

Time-area closure from January 1 through Memorial Day each year indefinitely to pelagic longline vessels but not recreation or charter vessels.

Gulf of Mexico billfish conservation zone

Extends from the Gulf of Mexico from the U.S./Mexico border to Cape San Blas, Florida, out to the 500 fathom line, to reduce billfish bycatch.

Covers 82,000 square nautical miles.

Time-area closure from Memorial Day to Labor Day each year for four years from date of enactment to pelagic longline vessels but not to recreation or charter vessels.

(2) Establishes the Highly Migratory Species Bycatch Reduction Research Program: The Act establishes within the Southeast Fisheries Service Center (SFSC), NMFS, a three year Pelagic Longline Billfish Bycatch and Mortality Reduction Research Program to identify and test a variety of pelagic longline fishing gear configurations and uses to determine which configurations and uses are the most effective in reducing billfish bycatch mortality in pelagic longline fisheries

in the Gulf of Mexico and throughout the exclusive economic zone, specifically the Mid Atlantic Bight. In addition, an observer program for the Mid Atlantic Bight will be established and required for vessels operating during the period of June through September to monitor any net increase impacting billfish bycatch and bycatch mortality as well as any substantial net increase in the number of vessels or effort from the remaining pelagic longline vessels.

The Secretary shall submit a report to Congress three years following the time-area closures in the Gulf of Mexico evaluating the conservation effectiveness of the closures.

Within one year of enactment, all U.S. pelagic longline vessel covered under the HMS FMP shall be required to install Vessel Monitoring System equipment.

(3) Establishes Restrictions on Pelagic Longline Vessels in Mid Atlantic Bight: Permitted pelagic longline vessels fishing in the Mid Atlantic Bight from June through August shall not (1) increase their total effort by more than ten percent based on their total effort in the Mid Atlantic Bight from 1992 to 1997, and (2) increase days at sea in the Mid Atlantic Bight by more than ten percent based on average days at sea from 1992 through 1997.

(4) Pelagic Longline Vessel Permit Holder Compensation Program: The Act establishes voluntary pelagic longline vessel permit holder compensation program for 68 eligible vessels that fished at least 35% of their time in the Atlantic Swordfish Conservation Zone. Upon accepting the buyout, the permit holder surrenders all commercial fishing permits and licenses that apply to the eligible vessels, including any permits or licenses issued by the Federal Government or a State government or political subdivision. The bill authorizes $15 million to be covered by appropriations as the Federal share and $10 million for the direct loan program to be paid back by a 50–50 split between the commercial and recreational fishing sectors. The compensation will be a combination of a flat dollar amount plus the value of the highest landings in any one year between 1992 and 1998, defines landings, and requires documentation of landings value.

The Act also establishes a second voluntary buyout program called the Mid Atlantic Buyout Program. Permitted pelagic longline vessels that have landings of at least 40 percent in the Mid Atlantic Bight from the period of 1992 through 1997 would qualify. The compensation program shall be fair and equitable and shall be based on the compensation formula for the primary buyout program. The bill authorizes $5 million for the buyout program.

PRAISING LLOYD COLLIER'S PUBLIC SERVICE AND COMMITMENT TO CITIZENS ACROSS THE 8TH DISTRICT

HON. JOHN S. TANNER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. TANNER. Mr. Speaker, it is with great pleasure that I rise and have spread on the pages of the CONGRESSIONAL RECORD, an article on Mr. Lloyd Collier of Dyersburg, Tennessee. The article adequately describes Mr. Collier's work at the Social Security Administration, as well as his outstanding service to his community.

Over the years, Mr. Collier has been of tremendous service to our office. His vast knowledge, and his willingness to share it with our staff, has been a valuable asset to the residents of the Eighth Congressional District. Just yesterday, he was instrumental in helping a constituent, who is stricken with cancer, obtain the benefits that are rightfully his. This is just one of the thousands of examples of the dedicated service he has aptly demonstrated during his 38 years of public service.

So, it is with appreciation for his service that I include the text of an article published in the Dyersburg State-Gazette under the headline, “He's making a difference.”

[From the Dyersburg State-Gazette, Oct. 17, 1999]

HE'S MAKING A DIFFERENCE

At 60, most people are thinking about retirement and how big their Social Security checks might be.

Not Lloyd Collier.

He's more interested in making sure other people get all of the Social Security benefits they're entitled to receive. It's a job he's loved for more than 38 years.

Working first as a claims representative and now as the Northwest Tennessee district manager with the Social Security Administration, Collier said he's had countless opportunities to help people. One of his most memorable cases happened 33 years ago while he was a field representative in Florence, Ala.

"I'll never forget taking a survivor claim from a 13-year-old widow with one child less than 1 year of age," he said. The girl had become pregnant when she was 11, married at 12 and a widow at 13. Her 22-year-old husband, who had no life insurance, was killed in a motorcycle wreck.

"Social Security played a big part in the financial picture of that family," he said "It's something that you don't forget. It's a rare case, but things like this happen all over the nation."

Ironically, Collier will never receive the same benefits he has helped to disburse over the years. A long-time federal employee, Collier is covered by a civil service retirement plan instead of Social Security.

Still, he's earnestly trying to help in his characteristically quiet way.

"I categorize him as being a quiet, dynamic person," friend Wendell West said, "He's not a flamboyant toastmaster-type person. (But) when you need a job to be done, he's going to do it efficiently and without a drum roll."

That description applies not only to Collier's job but also to the volunteer work he does with the Boy Scouts, the Civitan Club and his church.

Collier, who was hired by the Social Security Administration the day before his 22nd birthday, looks at his career as a wonderful birthday present.

"It's been a good opportunity, and I like working with people, trying to help them resolve problems," Collier said. "I love my job."

The career was happenstance. Collier—a man with a mechanical mind, a knack for math and a sharp attention to details—originally wanted to be a civil engineer.

Unfortunately, he couldn't afford to go to an engineering college. Instead, he pursued a bachelor's degree at his hometown college: Austin Peay State University in Clarksville, where he majored in math and minored in physics. Although his college advisor encouraged him to get a teaching certificate, Collier wasn't too excited about being a teacher. He also opted to take the civil service exam.

The Social Security Administration called him in September 1961, just a few months after he graduated.

Even with the government job, Collier couldn't escape teaching. When he served as the assistant district manager in Dyersburg (a job he held from 1972–87), he was responsible for training new and promoted employees.

"He has always gotten strong, rave reviews on his ability to teach," said Bill McClure, deputy regional commissioner for the Social Security Administration's office in Atlanta. Collier's students reported being "very impressed with his overall knowledge of the program and his ability to communicate and effectively transfer that knowledge."

Collier also received high marks for his willingness to assist students on an individual basis, McClure said. Collier was asked to teach classes not only in Dyersburg but in other cities, as well.

It was Collier's attention to detail that helped make him a good teacher, an alert claims representative and now an outstanding district manager. "That's a lot of what makes him so successful, because so much of the (Social Security) law is detailed." McClure said.

Collier's cordial, gentle manner also has contributed to his success. McClure said Collier often shares information with fellow Social Security managers in Memphis, Jackson and Nashville and he works closely with other retirement-related agencies, such as a railroad retirement system.

"He is very professional in his approach to the public and he represents us very effectively in the community," McClure said.

Collier puts his teaching skills to work on a regular basis as a volunteer with the Boy Scouts.

"He's just as tolerant and patient of the boys as you can get." Troop 87 assistant scoutmaster Franklin Robertson said. "One of the major things is at the times you prepare meals. He assists, directs and encourages the Scouts to prepare their meals. I've never seen anything but patience.

"He works with the Scouts until they develop the skills they need."

Edgar Shults, also a leader in the local Boy Scout program agreed with Robertson. He said Collier is "real good with the boys. If he weren't, he wouldn't be in it. He's a good, easy-going person and he enjoys working with people."

While Collier still attends Troop 87's weekly meetings and joins them on camping trips, he also shares his knowledge with Scouts from all over West Tennessee.

Collier holds knot-tying classes each year during the Cub Scout day camp at Dyersburg State Community College and started the sailing program at Camp Mack Morris, a residential Scout camp near Kentucky Lake.

For one week each summer between 1989 and 1995, Collier introduced young boys to the thrills and quiet pleasures of sailing. Using his own 17-foot O'Day Sailor II, Collier taught the boys to hoist sails, to maneuver the boat and to turn the boat right-side-up if it ever turned over.

The last lesson proved quite important one summer. A crosswind caught the boat's sails and tipped it over. Collier said he and the five Scouts on board knew what they needed to do. They crawled on top of the keel and pulled. Ideally, the sailors' weight would push the keel down into the water while they pulled the mast back up. They had one small problem.

"It's just that the six of us didn't weigh enough to get the job done," Collier said.

A road crew working on the lake shore saw the struggling Scouts and called a nearby marina for help. The sailboat was towed into shallow water, where it was easier for the Scouts to right the boat.

Today, Camp Mack Morris has a fleet of six sailboats. The instructors are graduates of Collier's first sailing course.

Instead of attending Camp Mack Morris for the last four summers, Collier and his wife have traveled to Philmont Scout Ranch in New Mexico and participated in training programs for adult leaders.

Collier has served as a Webelos leader, a cubmaster, an assistant scoutmaster and district commissioner in the past. This year, he's chairman of the Davy Crockett District of Boy Scouts.

Collier believes the Scouting program gives boys skills that will last a lifetime. "I think it is a very worthwhile program for boys, and it is a program we need to promote health young men become better citizens," he said.

"We teach a lot of first aid in Scouting, and I have seen young men and boys use the training they learned in Scouts to help someone at a later time in a medical emergency," he said. "I've also seen young men become involved in civil opportunities because of what they learned about in Scouting."

Robertson said he's seen young boys change their attitudes after becoming involved in Scouts and feeling Collier's influence and gentle guidance.

"He certainly provide a leadership role and is a model for the young boys," Robertson said.

Collier also takes a leadership role in the Civitan Club.

Active for the last 31 years, Collier has held every position from chairman of the local fruitcake fund-raiser to lieutenant governor of the Valley District, which stretches from the Mississippi River east to the Cumberland Gap. This year, he's the Area 9 director.

Collier has recruited 25 new members into the club. "That's like recruiting a club in itself," Wendell West said.

The club focuses on helping disadvantaged adults and children, participates in the Special Olympics and provides birthday cakes each month for those at the Developmental Skills Center. Collier said he likes being involved in those projects as well as the clubs "ideals of wanting to make this a better place to live."

He pointed to the fact that the club helped secure the funding for a greenhouse at the Developmental Skills Center 12 years ago. The greenhouse has opened new avenues for the center's clients.

"Who knows. One of these days, one of those people may be able to manage a greenhouse of his own," Collier said. "We've just got to put a spark on some tender and let it go from there."

Collier's life is distinguished by his dedication and genuine interest in other people, long-time friend and fellow church member R.H. "Red" Bond said.

"I don't know anyone I respect more highly than him," Bond said. "Anytime you need someone to step in and be a leader, he's more than ready. In the church, he has served on the leading committees. He's not just one who sits back. He's one who's willing to take a leading role."

Collier has held a number of positions at First United Methodist Church in Dyersburg—Sunday school teacher, member of the church finance committee, member of the church nominations committee and member of the pastor-parish committee.

Lay leadership, such as that demonstrated by Collier, is the lifeblood of the church, Bond said. "The church couldn't exist if it didn't have lay people who were willing to supervise the activities of the church."

Even when he's not serving in an official capacity, Collier's ready to help others. He's known for growing vegetables and sharing them with friends and acquaintances.

Collier said he started gardening in 1971 because it offered a "good release of energy" and helped him get rid of any frustrations he might have. At the time, he lived in the Belair subdivision and gardened inside a submerged pool that had been filled with dirt.

Today, Collier tends a large plot of tomatoes, lima beans, green beans, squash, okra and other vegetables on a grassy plain near the main dam at Lakewood subdivision. His garden is commonly mistaken as a community garden, and Collier said he sometimes finds people there, picking bags full of produce. (The garden just happens to be located in the same spot where Lakewood developer Jere Kirk used to plant corn for the subdivision residents.)

The close proximity of water serves Collier well. He said he has watered the garden only once since the fourth of July. The plants produced plenty of vegetables this year, despite the fact that Dyer County received no significant rainfall for almost three months.

Collier's continuing interest in helping his neighbors and his community is remarkable in itself.

Often, people join an organization and put a lot of energy into it in the beginning. At some point, though, their enthusiasm dwindles and they stop contributing.

Collier "doesn't seem to have that attitude." West said. "Service to the community is still part of his life."

Why does Collier have such staying power? West suspects he's guided by his faith.

There's an old saying that goes: "Our life is God's gift to us and what we do with our lives is our gift to God." Perhaps, West said, Collier is living his life that way.

"He's making a difference by being actively involved in making it a better world," West said.

FAMILY BACKGROUND:

Lloyd Hadden Collier was born Sept. 6, 1939, in Clarksville. He was the older of two sons born to Lloyd Nelson Collier, a mail carrier, and his wife, Grace Hadden Collier, a registered nurse.

When it came to celebrating birthdays, early September was a big time for the Collier family. Grace Collier's birthday was on Sept. 4, and the younger son, David Collier, was born on Sept. 5, exactly 365 days after Lloyd Hadden Collier was born. If it hadn't been a leap year, the two boys would have shared birthdays on Sept. 6.

FAMILY MATTERS:

Collier met Barbara Nichols, the woman who would become his wife, while he was in college. He was president of the Methodist Student Association and she was a fellow student. Their friendship blossomed into a romance and they married two years later in August 1962.

They have a daughter, three sons, a granddaughter and two grandsons.

Their daughter, Heidi Collier Johnson, is an accountant with the University of Tennessee medical system in Memphis.

Lloyd "Hadden" Collier Jr. is employed in research and development at Dyersburg Fabrics Inc.

Latham Collier and Lawrence Collier are twins. Latham Collier works as a draftsman with Centex Forcum Lannom, and Lawrence Collier is a chemical engineer in the Dyersburg Fabrics dye lab.

EDUCATION

Collier grew up in Clarksville, where he attended Howell School and graduated in 1957 from Clarksville High School.

In 1961, Collier received a bachelor's degree from Austin Peay State University in Clarksville with a major in math and a minor in physics.

Collier had wanted to become a civil engineer, but tough times financially prevented him from attending an engineering school. He followed the advice of his college advisor, who encouraged him to get a temporary teaching certificate. However, he didn't really want to teach and never pursued a teaching career.

EMPLOYMENT

Collier's first post-college job was as a land surveyor. It rained so much that summer he managed to complete only five full weeks of work—a fact that convinced him he couldn't depend on surveying for a livelihood.

His salvation came in September when the Social Security Administration called him about a job opening in Nashville. Collier, who had taken the civil service exam while still in college, was hired as a claims representative the day before his 22nd birthday. "I like to think this job was a birthday present many years ago," he said.

As soon as he finished the Social Security training class, the draft board ordered Collier to report for a physical. Only six of the 24 men who underwent physicals that day passed; Collier was one of them. Because of the potential he would be ordered to serve in the military, the Social Security Administration kept Collier in the Nashville office, where it would be easier to cover his absence. The Berlin Conflict ended before Collier was called into the military.

Three years later, in 1964, Collier transferred to the Knoxville office as a claims representative. He worked there for a year before being promoted to a field representative position in Florence, Ala. He traveled four days a week into the rural areas, helping people file social security claims, participating in radio shows, giving speeches and distributing public information.

He came to Dyersburg as the Social Security Administration's operations supervisor in January 1968. He was promoted to assistant manager of the Dyersburg office in October 1972 and manager in February 1987.

Because the Dyersburg office is actually a district office covering 10 counties, Collier is supervisor of offices in Dyersburg, Union City and Paris.

HOBBIES

Shortly after college, Collier bought a 12-foot Styrofoam sailboat and discovered a life-long hobby. It all started with a fascination for the physics of sailing and a desire to know how a sailboat worked. He taught himself how to sail by reading a number of books and then launching his sailboat on Old Hickory Lake near Nashville.

These days, Collier sails a 17-foot fiberglass sailboat that can accommodate up to six people. Although he's been known to launch at Lakewood subdivision, Collier usually plies the waters of Kentucky Lake.

"I like the ability to get out on the water without any type of mechanical equipment," he said, noting he enjoys the quiet form of relaxation. It allows him to medicate.

In addition to sailing, Collier said he enjoys gardening, traveling and getting involved in the community.

ACTIVITIES

A former Boy Scout himself, Collier re-entered the world of scouting when his oldest son joined the program years ago. Collier served as his son's Webelos leader, then as cubmaster, assistant scout master and eventually as a district commissioner. Last summer, he was elected chairman of the Davy Crockett District of Boy Scouts.

Collier established the sailing program at Camp Mack Morris, a Boy Scout camp near the Tennessee River in Benton County.

Collier is a graduate of the Wood Badge training program for adult scout leaders and attends the adult training sessions each summer at Philmont Scout Ranch near Cimarron, N.M.

In 1996, he received the Silver Beaver Award from the West Tennessee Area Boy Scout Council for distinguished service to youth. He also earned District Awards of Merit for his work both as a Cub Scout leader and as a Boy Scout leader. He was given the honorary title of permanent patrol leader for the Busy Beaver patrol in the Wood Badge Training program.

Collier joined the Dyersburg Civitan Club in March 1968 cause he believed it would provide an opportunity to serve the community. He ended up also serving the club as the Valley District (middle and west Tennessee) lieutenant governor this past year, as president in 1977–78 and in 1994–95, as secretary-treasurer several times and as fruitcake sales chairman in 1980. In August, he was selected as the "Lieutenant Governor of the Year," beating out 12 other potential winners in the district. In the fiscal year that started this month, Collier will serve as the Civitan Clubs' Area 9 director.

Active in First United Methodist Church, Collier serves on the church finance committee and as a Sunday school teacher and participates in the men's chorus. He formerly was a member the church's nominations committee, the paster-parish relations committee and served as chairman of the administrative board.

In addition, Collier serves as chairman of the craft advisory committee for the office occupations division of the Tennessee Technology Center at Newbern; serves on the advisory committee for typing, shorthand and secretarial science at Dyer County High School; and is a former chairman of the local advisory board for the Tennessee Vocational Training Center in Dyersburg.

QUOTE

"If I have (a motto), it's part of the Civitan creed: 'To follow the golden rule and to make it pay dividends both material and spiritual.'"

TRIBUTE TO COMMANDER BRIAN NUTT, USN

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. WELDON of Pennsylvania. Mr. Speaker, I rise today to pay tribute to Commander Brian Nutt, who for the past two years has served as the Deputy Director of the House Liaison Office of the Navy Office of Legislative Affairs. Commander Nutt will soon be leaving Capital Hill to attend Prospective Commanding Officer Training, and will eventually take over as the Commanding Officer of the U.S.S. *Bremerton* (SSN 698) stationed in San Diego, CVA.

As the Chairman of the House Armed Services Research and Development Subcommittee, I have relied heavily upon Commander Nutt's support for some of my most important endeavors. In the last year, I have traveled on several Congressional delegations with Commander Nutt. During these trips, I worked to foster improved relations between the United States and Russia. The success of my endeavors was in no small part due to the contributions of Commander Nutt.

I am not alone in my deep respect for Commander Nutt. He has made many friends here on Capitol Hill with Members of Congress on both sides of the aisle. Each and every Member of Congress who has worked with him has come away with a better understanding of how the decisions which we make in this House will affect the men and women who protect and serve our nation. Commander Nutt's skill and dedication have reflected well on him and all of our men and women in uniform.

Commander Nutt has consistently worked to remind this Congress that we must support our troops. No nation has ever been defeated because it is too strong, and we must understand that one of our most important responsibilities outlined in the Constitution is the defense of the American people, wherever they might be, at home or abroad. Leaders like Commander Nutt have made our military the envy of the world.

I ask my colleagues to join me in bidding him farewell, and in wishing him continued success as he embarks on his newest journey to protect our country's national security.

I would like to submit for the RECORD a history of Commander Nutt's service to the United States:

Commissioned through Officer Candidate School in Newport, RI (Nov 82)

Completed Nuclear Power School in Orlando, FL (Jun 83)

Completed Prototype Reactor Operation Training in Idaho Falls, ID (Dec 83)

Completed Submarine Officer Basic Training in New London, CT (Mar 84)

Junior Officer Sea Tour—U.S.S. *New York City* (SSN 696), Pearl Harbor, HI (Apr 84–Feb 87)

Received my Dolphins (qualified "Submarines") Jun 85

Completed Submarine Officer Advanced Course in New London, CT (Mar–Sep 87)

Served as Weapons Officer on U.S.S. *Louisville* (SSN 724), San Diego, CA (Oct 87–Oct 89).

Served as Submarine Liaison Officer on the staff of Commander, Cruiser-Destroyer Group THREE, San Diego, CA (Nov 89–Nov 91)

Served on the Combat Systems Training Team conducting submarine weapons certification, San Diego, CA (Nov 91–Oct 93)

Served as Radiological Controls Officer on the submarine tender, U.S.S. *Frank Cable* (AS 40) in Charleston, SC (Nov 93–Feb 95)

Served as Executive Officer on U.S.S. *Puffer*, (SSN 652) in San Diego and then decommissioned her in Bremerto, WA (Apr 95–Jun 96)

Served as Executive Officer on U.S.S. *Alabama* (SSBN 731) in Bangor, WA (Jul 96–Sep 97)

Served as Officer of Legislative Affairs, Deputy Director, House Liaison Office (Nov 97–Dec 99)

Commander Nutt's inspirational leadership, breadth of vision, and complete success have earned the award of the Meritorious Service Medal for his superb accomplishments

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TRIBUTE TO FATHER PIO OLIVA GOTTIN

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. FRANK of Massachusetts. Mr. Speaker, I was saddened to learn yesterday of the death of Padre Pio Oliva Gottin. Nho Padre Pio, as he was known to many, was a pastor of St. Patrick's Church in Roxbury, Massachusetts, and was one of the most respected and dedicated leaders of the Cape Verdean Community both in the United States and in the Republic of Cape Verde. A native of Italy, and a missionary of the Order of Capuchins, he devoted his pastorate and life to responding to the needs of the community, and he was an important spokesman and advocate of the Cape Verdean-American and Cape Verdean immigrant people living in the Northeast, and in particular, Massachusetts. As a Member of the U.S. Congress, with the proud honor of representing one of the largest Cape Verdean-American constituencies in the United States, it is with great sadness that I join his family, friends, the members of his congregation, and the entire Cape Verdean Community both here and abroad in remembering and paying tribute to Padre Pio for his decades of valuable contributions to the spiritual and cultural life of the Cape Verdean people from around the world. Mr. Speaker, I ask that the statement by the Prime Minister of Cape Verde, Dr. Carlos Alberto Wahnon Veiga, on the death of Padre Pio Oliva Gottin, be printed in translated form.

TRANSLATION—OFFICE OF THE PRIME MINISTER, GOVERNMENT COMMUNIQUE

The People and Government of Cape Verde learned with profound sadness and regret of the death, yesterday afternoon, of FATHER PIO, a missionary with eminent qualities and a great friend of Cape Verde and particularly of the Brava Island and its people.

The Catholic Church and the People of Cape Verde lost a man of great stature, a friend and protector of the poor.

FATHER PIO, a native of Italy, came to Cape Verde as a young missionary from the Capuchin Order doing his work mostly in the Brava island where he gained much respect and admiration.

In the process, on that island, "Nino Padri", as he was affectionately called, tirelessly sought to respond to the needs of the disenfranchised by creating conditions for self-improvement and social integration through education and training.

This is how the "Escola Materna de Nova Sintra", founded by Father Pio, has assumed such an important role in numerous professional arenas such as carpentry, secretarial and others which today still have a relevant role in the Braven Community.

Even though he resided in the United States in the last few years, he continued his missionary work with the Cape Verdean community for whom FATHER PIO continued to be a point of reference.

In this moment of pain, the Government of Cape Verde expresses its profound sorrow for the irreplaceable loss of a man who became Cape Verdean to better serve his high ethical and spiritual ideals.

OFFICE OF THE PRIME MINISTER, PRAIA NOVEMBER 8, 1999.

SENSE OF HOUSE REGARDING THE TRAFFICKING OF BABY PARTS

SPEECH OF

HON. ROBERT B. ADERHOLT

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 11, 1999

Mr. ADERHOLT. Mr. Speaker, I would like to lend my support to H. Res. 350, which I have co-sponsored, which expresses the sense of the House that Congress should exercise its oversight responsibilities and conduct hearings into the possible trafficking of baby parts for profit.

Throughout the abortion debate, many Americans have come to realize that abortion is a morally repugnant act which has no place in a civilized society. In spite of the brutality of partial-birth abortion and other abortion methods which more Americans have become aware of in recent years, Congress has been unable to override a Presidential veto which would outlaw this practice.

Many Americans are beginning to reevaluate their views on this issue. Recently uncovered evidence shows that infants "delivered" by partial-birth abortion and even those born alive have been killed for their body parts. Private companies have circumvented laws banning this practice by acting as "middlemen" in this gruesome trade by selling baby body parts from abortion clinics to research facilities.

My colleagues, certainly we can begin to take some action to address this terrible practice. I strongly urge you to join me in voting for H. Res. 350, to express the sense of the House that Congress should conduct hearings into the possible trafficking of baby parts for profit. Let's show this Nation that the unborn should be protected by conducting hearings and getting more information on this issue.

PERSONAL EXPLANATION

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. OWENS. Mr. Speaker, yesterday I was unavoidably absent on a matter of critical importance and missed the following Vote: On the agreement to the amendment to H.R. 1714 introduced by the gentleman from Michigan, Mr. DINGELL, I would have voted "yea."

WESTSIDE AMERICAN HEART WALK

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. WAXMAN. Mr. Speaker, I rise today to ask my colleagues to join me in recognizing the American Heart Association on the occasion of the 1999 Westside American Heart Walk.

The Westside American Heart Walk will kick off on Saturday, November 20, 1999. This year's event chair is Philip P. Thomas, the Chief Executive Officer of the V.A. Greater Los Angeles Healthcare System. More than 3,500 enthusiastic walkers are expected to participate in the non-competitive 5K walk and fun run. Proceeds from the event will go toward cardiovascular research grants and community education programs throughout the greater Los Angeles area. I am delighted to participate in this very important cause.

Cardiovascular disease is the leading cause of death in our country. It takes the lives of about 960,000 each year, including more than 25,000 residents of Los Angeles County. I want to commend the American Heart Association for its fight against cardiovascular disease and strokes. It raised $312 million during fiscal year 1997–1998 for research and education and community programs. Without the hard work and dedication of more than 4 million volunteers, the American Heart Association could not fulfill its important mission each year.

I ask my colleagues to join me in congratulating Philip P. Thomas and the staff, volunteers, and friends of the American Heart Association on their tremendous work to make the 1999 Westside American Heart Walk a success.

OP-ED BY FORMER CONGRESSMAN PETER RODINO ON THE NEED FOR WARNING LABELS ON RAW SHELL EGG CARTONS

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. PALLONE. Mr. Speaker, over the last two years I have been growing increasingly concerned about the difficulty the federal government has had in combating outbreaks of food borne illnesses in this country. Food borne illnesses are on the rise and, according to a recently released report by the Centers for Disease Control and Prevention are occurring with a far greater frequency—more than double the rate—than was previously thought.

In an effort to address this troubling trend, I have introduced two pieces of legislation this Congress that would improve the safety of the Nation's food supply. The first, the Consumer Food Safety Act, would establish a comprehensive food safety inspection and education program across the nation. The second, the National Uniform Food Safety Labeling Act, would help consumers make more informed choices about the food they eat through warning labels placed on food packaging.

One particular aspect of the second bill I wanted to mention tonight concerns the placement of warning labels on egg cartons. I wanted to mention this for two reasons. The first is that the Secretary of Health and Human Services is expected soon to make a final recommendation on a proposal put forth in July to require warning labels on raw shell egg cartons. I strongly support that language and recently sent a letter to the Secretary urging her to finalize the language proposed in July, which I think will go a long way in protecting consumers against food borne illnesses caused by eggs.

The second reason I wanted to mention this particular provision is one of the House's most distinguished former Members, Congressman Peter Rodino from my home State of New Jersey, has written an op-ed on this matter. Congressman Rodino's op-ed succinctly describes the problem, and the reasons why the Secretary's July language on raw shell egg safety should be finalized.

I commend Congressman Rodino for recognizing the importance of this issue. He is right on the mark in his suggestion that the Federal Government should be looking at food safety as a priority issue. To that end, I submit his op-ed for the record and urge all of my colleagues to follow the suggestions of one of the most respected public figures to ever have served the people of New Jersey and the Nation.

> Over the past few years, I've followed with great interest news and television stories about food poisoning. And, this summer, I was disturbed to learn that the incidence of food borne illness is on the rise, and that according to the Centers for Disease Control, 76 million Americans became ill and 5,000 die annually from food poisoning. While E. coli and mad cow disease are significant, severe illness caused by salmonella bacteria are pandemic, and eggs stubbornly remain the number one source of food poisoning caused by salmonella.
>
> Salmonella contaminated shell eggs is an excellent example of government recognizing a major health problem on one hand, and having a solution on the other, yet sitting on its hands.
>
> The Department of Health and Human Service (HHS) projects that the number of cases of illness due to food poisoning from eggs will continue to rise significantly from an estimated 660,000 cases each year. Recently at a public hearing in Washington, both the Food and Drug Administration (FDA) and the United States Department of Agriculture (USDA) agreed upon a goal of reducing salmonella egg related illness by 50% by the year 2005.
>
> I commend Secretary Donna Shalala for her efforts to combat food borne illnesses by proposing stronger warning labels on egg cartons to warn consumers about the risk of illnesses caused by salmonella.
>
> I've also learned, the very same FDA created a standard to pasteurize a raw egg in its shell, and the USDA designed a process to inspect raw egg pasteurization, even certifying it with a special seal of approval. Experts point out this is a 99.999% solution to the problem.
>
> While I commend the FDA for approving this egg pasteurization technology and the USDA for creating a mechanism for the protection against salmonella, until full-scale,

raw egg pasteurization equipment is available to egg producers, there are other common sense steps to protect against food borne illnesses.

One step is in a bill introduced by my friend, New Jersey Congressman Frank Pallone together with a number of other cosponsors earlier this year. The bill, known as the National Uniform Food Safety Labeling Act, requires warning labels on raw or soft cooked eggs, unpasteurized juice, and fish. These foods could be harmful to as much as 30% of the population consisting of children, the elderly, pregnant women and persons with weakened immune systems such as AIDS patients.

Senator Durbin (D–IL), recognizing the gravity of the problem of food borne illnesses, introduced his bill, The Safe Food Act, to address this problem. It would replace the current fragmented federal food safety system with a single, independent agency to oversee all federal food safety activities.

With all the risks facing us, eating eggs should not be one of them. The CDC calls salmonella food poisoning from raw or soft cooked eggs "epidemic," the USDA says that salmonella costs the U.S. economy up to $2.3 billion annually. A story related by Congressman Pallone before the House of Representatives concerning Lynn Nowak, his personal friend and constituent, describes how Lynn became ill from food poisoning while pregnant. This resulted in severe health complications for her unborn daughter, Julia. Although modern antibiotics cured Lynn, her daughter was left scarred.

Until such time as pasteurization is required, I urge that the Congress take the simple step of supporting the egg carton warning label language proposed by Secretary Shalala which states, "Eggs may contain harmful bacteria known to cause serious illness, especially in children, the elderly and persons with weakened immune systems. For your protection, keep eggs refrigerated, cook eggs until yolks are firm, and cook foods containing eggs thoroughly."

Hopefully this warning label could help reduce the possibility of one more death or illness like Lynn's from ever occurring again. It is unconscionable to sit still and not support this right to consumer awareness.

There many stories to tell, but Lynn and Julia's compelled me to speak out on this critical issue. The human and economic costs of food poisoning are simply too great to stand by and do nothing.

Not every tragedy can be prevented, but those that can be should be stopped.

Food safety should be looked upon by our government as a priority issue.

Peter W. Rodino, Jr.

HONORING MILWAUKEE PRINCIPAL DIANE NEICHERIL

HON. THOMAS M. BARRETT

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. BARRETT of Wisconsin. Mr. Speaker, today I would like to acknowledge and commend Diane Neicheril, known in our community as the "woman on a mission." For 14 years Ms. Neicheril's mission has been serving as the principal of the Clarke Street School in Milwaukee, setting high expectations of her students and teachers, and holding even higher standards for herself.

I have known Diane Neicheril for many years, well enough to understand how her dogged determination to achieve goals affects others. The teachers and students at the Clarke School all hold her in high esteem and acknowledge that Diane Neicheril provided inspiration for them to strive for excellence.

The Milwaukee Journal Sentinel proclaimed that the Clarke Street School, "might be the most successful school in the Milwaukee Public Schools system." Its students scored 10 percentage points above the statewide average and more than 30 percentage points above the Milwaukee average on reading proficiency tests.

This accomplishment is made all the more remarkable given the many challenges facing the Clarke Street School in past years. Working far longer hours than expected of her, Ms. Neicheril fought to keep her students away from the scourge of drugs and violence that lay just beyond the schoolyard fence.

Ms. Neicheril will be sorely missed at the Clarke Street School, but I have no doubt that she will continue to be an integral part of the Milwaukee community and that her legacy will continue to inspire educators and citizens in our city and beyond.

FOREST SERVICE FEES

HON. MERRILL COOK

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. COOK. Mr. Speaker, today I am introducing legislation that will direct the Forest Service to set fees in a fair, honest manner for forest lots on which families and individuals have built cabins for seasonal recreation. A companion bill is being introduced in the Senate by Senators CRAIG and THOMAS.

The Forest Service recreation residence program is the oldest of the formal undertakings by Congress to provide American families with rustic settings for leisure and for physical and emotional renewal. Authorized in 1915 under the Term permit Act, more than 15,000 of these forest cabins remain today, providing generation after generation of families and their friends a respite from urban living and an opportunity to regularly reconnect with nature.

Approximately 20 years ago, the Forest Service saw the need to modernize the regulations under which the cabin program is administered. Acknowledging that the competition for access and use of forest resources has increased dramatically since 1915, both the cabin owners and the agency wanted a formal understanding about the rights and obligations of using and maintaining these structures.

New rules that resulted nearly a decade later reaffirmed the cabins as a valid recreational use of forest land. At the same time, the new policy reflected numerous limitations on use that are felt to be appropriate in order keep areas of the forest where cabins are located open for recreational use by other forest visitors. Commercial use of the cabins is prohibited, as is year-round occupancy by the owner. Owners are restricted in the size, shape, paint color and presence of other structures or installations on the cabin lot. The only portion of a lot that is controlled by the cabin owner is that portion of the lot that directly underlies the footprint of the cabin itself.

The question of an appropriate fee to be paid for the opportunity of constructing and maintaining a cabin in the woods was also addressed at that time. Although the agency's policies for administration of the cabin program have, overall, held up well over time, the portion dealing with periodic redetermination of fees proved in the last few years to be a failure.

As the results of actual reappraisals on the ground began reaching my office in 1997, it became clear that the Forest Service was out of alignment in determining fees for the cabin owners.

At the Pettit Lake tract in Idaho's Sawtooth National Recreation Area, the new base fees skyrocketed into alarming five-digit amounts so high that a single annual fee was nearly enough money to buy raw land outside the forest and construct a cabin. Many cabin users in my district faced increases of several hundred percent.

At the request of the chairman of the House Committee on Agriculture in 1998, the cabin owners named a coalition of leaders of their various national and state cabin owner associations to examine the methodology being used by the Forest Service to determine fees.

It was learned that the Forest Service, contrary to their own policy, was appraising and affixing value to the lots being provided to cabin owners as if this land was fully developed, legally subdivided, fee simple residential land not a highly regulated lease.

I urge each of my colleagues to be in contact with cabin owners in their state during the congressional recess.

There are more than 15,000 families out there who fear that the long tradition of cabin-based forest recreation is nearing an end because the fees have made the program unaffordable for all but the wealthy. I along with the American Land Rights Association and the National Forest Homeowners welcome your whole-hearted support and your co-sponsorship of this important legislation. Protect these cabin owners from bureaucratic zealots. Don't let the Forest Service tax Americans out of their log cabins.

NATIONAL CHEMISTRY WEEK

HON. SHERWOOD L. BOEHLERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. BOEHLERT. Mr. Speaker, this week is National Chemistry Week. I rise on this occasion to recognize the thousands of American Chemical Society members who are volunteering their time this week—not only across the nation, but around the world as well—to teach all of us about the exciting ways that chemistry and chemical engineering benefit our country and improve our everyday lives.

This is the 12th year that the American Chemical Society has led the celebration of National Chemistry Week. And I'm especially excited that in my home district, the 23rd District of New York, volunteer chemists and chemical engineers of the American Chemical Society's Norwich Section will host an open house for 4th, 5th, and 6th graders Chenango County schools. There they will teach practical chemistry using a full range of hands-on activities, so they can see and explore and learn for themselves how chemistry works. Last year, the Norwich Section won national recognition for its Chemistry Week event, which was attended by 250 people from all over Chenango County.

This year National Chemistry Week culminates a 52-country International Chemistry Celebration that featured "A Global Salute to Polymers." In the United States alone, no less than 51 companies, 10 universities, 2 museums, and 17 individual scientists were saluted for the innovative products they created that have changed our lives.

During National Chemistry Week members of the American Chemical Society will conduct events in communities around the country along the theme "Celebrating Polymers." For instance, kids will be asked to carry out activities using sodium poly-acrylate, a widely used absorbent with applications ranging from horticulture to construction to disposable diapers. After seeing how poly-acrylate works, students will be challenged to think up other ways it can be applied to other real-life problems. More activities using sodium polyacrylate are available in the fall issues of the ACS student magazines WonderScience and Chem-Matters.

Mr. Speaker, our ability to improve the quality of our lives, make educated decisions in an increasingly technological world, and compete successfully in the global economy depends critically upon our understanding of sciences like chemistry.

So please join me and the 160,000 chemists, chemical engineers, and allied professionals of the American Chemical Society in highlighting the fact that every single aspect of our lives is in some way a result of chemistry in action.

DECEPTIVE MAIL PREVENTION AND ENFORCEMENT ACT

SPEECH OF

HON. JOHN M. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. MCHUGH. Mr. Speaker, I am pleased to bring forward S. 335 with the provisions of the House passed deceptive sweepstakes mailing bill, H.R 170, and would like to take this opportunity to thank the members of the Subcommittee on the Postal Service for the interest they showed in moving this important legislation, particularly our ranking member, the gentlemen from Pennsylvania, Mr. FATTAH, for his input in making this legislation stronger and of wider appeal to those affected by its provisions. By taking this action today, we help to ensure enactment of this important legislation in 1999.

On behalf of our full committee chairman, Mr. BURTON, I must also note that S. 335 includes additional provisions that, it is my understanding, that the other body has agreed to include in the bill. Incorporated in the bill is H.R. 807, which passed the House under suspension of the rules by voice vote on March 16, 1999, after being introduced on February 23 by our Civil Service Subcommittee chairman, Mr. SCARBOROUGH of Florida, with eight original cosponsors, including the committee's ranking member, Mr. WAXMAN of California.

H.R. 807, included as Title II of S. 335, provides retirement portability for certain Federal Reserve Board employees who take jobs in the executive branch. It will allow those employees who participate in the Board's FERS-like retirement plan to obtain FERS credit for their Federal Reserve years when they transfer to another federal agency. The Federal Reserve already provides such reciprocity for employees who transfer to the Federal Reserve from other federal agencies. Without this correction, former Board employees would receive smaller annuities upon retirement than they otherwise should.

This title will also correct an inequity in current law that prevents certain Federal Reserve employees from withdrawing their funds from their Thrift Savings Plan accounts. Finally, one section in this title is critically important to the men and women who have served our nation in the armed services. It clarifies the Veterans Employment Opportunities Act of 1998 to ensure that veterans will receive the benefits that Congress intended when it passed that act last year.

Title III includes H.R. 3187, a bill introduced by Representative KEN CALVERT, that would amend the 1949 Federal Property and Administrative Services Act to continue the authority allowing no-cost conveyances of surplus Federal property to State and local governments for law enforcement and emergency response purposes.

Under the Federal Property Act, State and local governments or eligible nonprofit entities can obtain surplus property, at no cost, for several authorized public purpose programs. These programs include education, public health, correctional facilities, and pubic airports. A bill that became law in the 105th Congress, introduced by Representative CALVERT, added law enforcement and emergency management response purposes to this list. Prior to its enactment, however, Mr. CALVERT's bill was amended to include a December 31, 1999 sunset date for these new public purpose categories.

Three properties have been conveyed to local governments, under these authorities. There are more than 22 pending State and local government application nationwide. These new conveyance categories have been invaluable for local governments who are enhancing their law enforcement, and fire and rescue training efforts. These new authorities have allowed for an excellent reuse of surplus Federal property.

H.R. 3187 provides that during the extension, the General Services Administration may not convey surplus Federal property at no cost for law enforcement and emergency response purposes. However, the General Services Administration could at least accept, consider, and approve applications for transfer during this extension. Additionally, prior to December 31, 1999, the General Services Administration can convey surplus property at no cost, for law enforcement and emergency response proposes, to qualifying State and local government entities.

In regard to S. 335 itself, Mr. Speaker, the testimony from the General Accounting Office at the subcommittee's August 4 hearing summed it up well: when it comes to deceptive mail, which includes sweepstakes and other kinds of mailed material, "Consumers' Problems Appear Substantial." We are all concerned by the way some sweepstakes mailings entice consumers, particularly senior citizens, into making unwanted purchases under the mistaken impression that this will enhance their changes of winning a major prize.

As I have stated previously, sweepstakes, themselves, are not evil. They are an effective marketing tool that are accessed by willing and often highly satisfied millions. But experience teaches, us, where the laws fall short, the dishonest will flock and honest people will suffer. Now is the time to correct these shortfalls.

S. 335, as amended with the language of the House passed H.R. 170, was carefully developed with our ranking member, Mr. FATTAH, and the bill's original author, the gentleman from New Jersey, Mr. LOBIONDO. Keeping with H.R. 170's objective of ensuring honesty in sweepstakes mailings, the amended language incorporates and responds to the extensive testimony submitted at the hearing conducted by the Subcommittee on the Postal Service, and was agreed to by the House under suspension of the rules on November 2.

The gentleman from New Jersey, Mr. LOBIONDO is to be commended for championing the necessary changes to our nation's postal laws in this area, and I deeply appreciate the assistance of the gentleman from Pennsylvania, Mr. FATTAH. In fact, the language before us today reflects the input of other Members who also introduced bills, including the gentleman from California, Mr. ROGAN, and the gentleman from Florida, Mr. MCCOLLUM, authors of H.R. 237 and H.R. 2678 respectively. This language is also based upon Senator SUSAN COLLINS' comprehensive, bipartisan sweepstakes mailing legislation, which passed in the other body, by a 93–0 vote on August 2. Mr. Speaker, you can see we have drawn from many sources to craft what I believe is a reasonably balanced and effective piece of legislation.

S. 335, as amended, would establish strong consumer protections to prevent a number of types of deceptive mailings. It would impose various requirements on sweepstakes mailings, skill contests, facsimile checks, and mailings made to look like govenrment documents. It would establish strong financial penalties, provide the Postal Service with additional authority to investigate and stop deceptive mailings, and preserve the ability of states to impose stricter requirements on such mailings.

I should note that in adopting H.R. 170, the House made changes to the notification system required by those sending skill contests or sweepstakes mailings. The House increased the number of days after which a name must be removed from such mailings lists from 35 to 60 days due to concerns raised by nonprofit mailers in the House hearing; the nonprofit mailers did not testify before the other body. In addition, the House included the opportunity for a consumer to bring an individual, private right of action in State court when they receive a mailing after previously requesting to be removed from the mailing list of a skill contest or sweepstakes promoter. The House included provisions stating that promoters will have an affirmative defense against such actions if they have established and implemented, with due care, reasonable practices and procedures to effectively prevent mailings in violation of the section allowing names to be removed.

Pursuant to the new section 3016(d), promoters of skill contests or sweepstakes must establish and maintain a notification system that will allow for any individual to elect to have the name and address of that individual excluded from all lists of names and addresses used by that promoter to mail any skill contest or sweepstakes. The notification system in the bill passed by the Senate, and modified by the House, does not require that companies establish a specific type of system to allow consumers to request the removal of their names from mailing lists. The legislation requires companies to include in every mailing the address or a toll-free telephone number of the notification system, but does not require that consumers submit their request in writing to comply with the removal system. Companies are encouraged to adopt a consumer friendly system for the removal of names from their mailing lists, which may include the ability to have names removed by means of a call to a toll-free number. Companies using such a system would not be required to additionally require a consumer to provide their name in writing, but may wish to elect to verify the validity and accuracy of the consumer's election to be removed from their mailing list. Any appropriate method of establishing a record of removal requests by consumers would comply with the requirements of Section 8(d). This requirement should not require a promoter originating sweepstakes or skill contests on behalf of multiple unaffiliated entities to honor removal requests made to one entity in mailings sent on behalf of any other entity.

INTRODUCTION OF CLEANER BUSES FOR CLEANER CITIES ACT

HON. JERROLD NADLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. NADLER. Mr. Speaker, I am introducing legislation that would eliminate federal transportation funding to any person or agency that purchases diesel-fueled buses to be used in any ozone, particulate, or carbon monoxide nonattainment area under the clean Air Act. Black clouds of diesel exhaust are all too commonplace in many urban areas. My bill, the Cleaner Buses for Cleaner Cities Act, will help alleviate the devastating environmental and health problems caused by diesel exhaust.

Diesel exhaust negatively impacts millions of Americans every day. Diesel emissions are a large source of harmful oxides of nitrogen (NO_X) and diesel particulate matter (PM). NO_X is the main ingredient in ground level ozone (or smog) and a contributor to acid rain. Diesel PM is especially dangerous because it is fine enough to become lodged deep into the lungs, aggravating respiratory ailments such as asthma, bronchitis, and pneumonia. Furthermore, diesel exhaust has been linked to cancer, lung damage, and premature death.

In my own district of New York City, the Metropolitan Transit Authority (MTA) has carelessly proposed to purchase 756 diesel buses, more than two times the number of alternative fuel buses they plan to acquire. Its decision and any other local agency's similar decision endangers the air quality and health of their communities. Many highly polluted cities like Los Angeles, Atlanta, Boston, and Houston are phasing out diesel buses and switching to Compressed Natural Gas (CNG) buses. CNG emits almost no toxic particles and significantly less smog-forming gases. Federal policy should applaud and encourage such environmentally beneficial measures, not provide funding for practices that sustain health hazards.

The elderly and children residing in poor minority communities suffer the most from the environmental hazards of diesel fuel. Asthma is the most common cause of hospitalization for children and asthma related deaths of children have risen 78% from 1980 to 1993. In certain parts of Manhattan and the South Bronx in New York City, the child asthma rates are five times the national average. The use of federal taxpayer money to perpetuate such a public health risk is illogical and irresponsible.

All available measures should be taken to better the quality of life in our cities, especially for our children. Enactment of the Cleaner Buses for Cleaner Cities Act would bring us one step closer to our goal.

IN PRAISE OF THE EFFORTS OF BRIG. GEN. HARRY GATANAS, COMMANDING GENERAL OF WHITE SANDS MISSILE RANGE, NM

HON. JOE SKEEN

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. SKEEN. Mr. Speaker, I call attention to an important event which will occur in my congressional district in southern New Mexico next week, on November 16th, 1999. On that day, Brig. Gen. Harry Gatanas will turn over the reins as Commanding General of the U.S. Army's White Sands Missile Range to incoming Brig. Gen. Steven Flohr.

Gen. Gatanas is deserving of special recognition for his efforts as the Commanding General of one of the nation's major test and evaluation ranges and for instituting cost-cutting measures and retooling strategies to enable the Range to upgrade existing technologies and capabilities as well as to attract new business. His story offers insights and positive suggestions to all military commanders throughout the country.

Gen. Gatanas took charge of White Sands on April 13th, 1998. During his tenure at the Range, he demonstrated outstanding command performance of duty by significantly improving every aspect of the Range, while enhancing the well being of all with whom he served and was professionally associated. His command philosophy effectively focused on three principal elements simultaneously: mission, people and shaping White Sands for the 21st Century.

Upon assuming command at the Range, Gen. Gatanas immediately began rebuilding ties with several offices and customers of White Sands. During the last fiscal year (1999), White Sands Missile Range operated on a total budget of approximately $550 million. Of that amount, only 30 percent was provided by the government in institutional (budget) funds, while the remaining 70 percent was generated from outside customers. All together, the Range employs almost 7,000 people, including military, government-contract labor and civilian labor.

To attract more business, Gen. Gatanas quickly implemented cost cutting efficiencies in test design and execution while streamlining test-support processes and procedures. The remarkable net effect of these efficiencies and processes not only increased White Sands' test activities by more than 18 percent during the last year, but also increased the Range's reimbursable income from 69 percent to 76 percent overall. By reinvesting dollars earned through well planned and executed efficiencies, White Sands has been able to invest over $10 million of its budget dollars this year to accomplish modernization, while becoming one of the most cost-effective ranges for Project Managers to test rockets, missiles and weapon systems.

Gen. Gatanas' strategy for the 21st Century is already underway in many areas with modernized Range launch complexes currently under construction, test instrumentation upgrades being implemented, communication trunk radio networks and fiber optic local area networks being installed throughout the entire Range, and accelerated scheduled construction of the "state of the art" Cox Range Control Center which is nearing completion. I was pleased to work with the General to secure the necessary funds for these important projects in the 105th and 106th Congresses. The Range is pursuing technological breakthroughs in the development of miniaturized digital cameras and associated digitized test suites to allow White Sands to make finite measurements of sophisticated weapon systems.

Perhaps the General's greatest success was embodied in the Range's completion and validated Year 2000 compliance of White Sands' 6,500 computers that support daily test, analysis and operations. In fact, Gen. Gatanas established White Sands as the Year 2000 frontrunner in the entire Department of Defense through flawless Year 2000 demonstrations on four separate occasions during tests of Range and infrastructure assets for compliance, including live fire tests of four major weapon systems and associated command and control computers in comprehensive integrated end-to-end demonstrations. These events received national media news coverage. Even the House Appropriations Committee, in its committee report accompanying the FY 2000 Defense Appropriations bill, called attention to the Range's efforts on these matters by noting, "the White Sands Missile Range deserves particular mention for its early and aggressive Y2K effort."

During the watch of Gen. Gatanas, White Sands Missile Range and the Army witnessed several firsts in the success of weapons systems developments. These successes include the first intercepts of the Patriot Advanced Capability (PAC–3) and the Theater High Altitude Area Defense (THAAD) missile systems. The successes of these systems are a direct reflection on the great teamwork and capability of the White Sands work force.

Gen. Gatanas exercised great community leadership as the Commander of White Sands, especially in keeping good ties with the three major communities surrounding the Range: Las Cruces and Alamogordo, New Mexico and El Paso, Texas. He also worked with the commanders of nearby bases—Ft. Bliss and Holloman Air Force Base—on important issues such as joint testing and training activities, federal land withdrawal legislation, air defense issues, and Air Force weapons development, testing and training concerns.

Gen. Gatanas took command of the Range at a time of intense conflict and turmoil as a result of military cutbacks in personnel positions and was immediately faced with the decline of over 400 civilian positions and over 100 soldier slots. He immediately designed a program that capitalized on early retirements and transfers in a manner which had minimal impact on the work force morale. Consequently, the plan was implemented without a single unresolved civilian issue or any complaint from a soldier family. In addition, Gen. Gatanas stressed the importance of a qualified work force by instituting several programs which focused on the needs and concerns of employees on the Range. He instituted the important Consideration of Others program ahead of schedule and made it a role model with the Army Test and Evaluation Command. He earnestly and efficiently implemented Disabled employee Programs which earned the Range the 1998 Department of the Army award. And Gen. Gatanas implemented programs which earned the Range the 1999 IMAGE de Neuvo Mexico award for support of Hispanic employees, the 1999 National IMAGE award for education excellence for Hispanic employees and the 1999 Secretary of the Army award for Outstanding Achievement in Equal Employment Opportunity.

Gen. Gatanas made quality of life initiatives for soldiers and civilians a major priority at White Sands by implementing programs to improve housing, re-open facilities to provide recreation and dining support as well as making the gymnasium facility fully accessible to soldiers and the work force. I was pleased to work with him in Congress to secure funds to make a host of needed repairs to Range buildings and workplaces, as well as improvements to roads and water and sewer projects. These efforts made White Sands Missile Range a finalist for the Presidential Quality Award. Further, he canonized the Hembrillo Battlefield where the 10th Cavalry fought a heroic campaign in the late 1800s by requesting its inclusion as a place on the National Register of Historic Places. He also continued the time-honored tradition to remember the New Mexico Veterans of the World War II Bataan Death March by recreating an annual march (begun in the early 1990s) through 25 miles of surrounding Range desert in tribute to the heroes of Bataan.

Throughout the past 18 months, Gen. Gatanas has effectively and continuously led White Sands and its work force on a journey of continuous improvement. He created a foundation of technical and infrastructure improvements which will serve the Range for generations and instilled a true spirit of professionalism and pride throughout the work force. The general's efforts have been noted throughout the work force. The General's efforts have been noted throughout the entire Materiel Development Community, the Army Staff, the Department of Defense and the U.S. Congress. His dedication to duty, selfless service and outstanding leadership mark him as a truly successful commander. These accomplishments are deserving of the highest attention and accolades, and it is only appropriate that after the completion of next week's change-of-command ceremony, Brigadier General Harry Gatanas will be promoted to the rank of Major General and will depart to take command of his next assignment as the Commanding General of the U.S. Army's Test and Evaluation Command in Alexandria, Virginia.

All of us in New Mexico have been blessed by an impressive cadre of commanding generals who have taken charge of the reins at White Sands since its founding in World War II. I've been pleased to work with each Commanding General at the Range for the past two decades.

Next month, the Range will celebrate its final firing of the century. Established on July 9, 1945, the first atomic bomb explosion occurred on the Range one week later, on July 16th at Trinity site. Since that time, over 42-thousand test firings have occurred at White Sands, which have included the initial test flights of all of the Army's missile systems including the V–2 rocket, the Nike Hercules, the Nike Zeus, the Redstone, the Hawk and the Pershing II.

I look forward to working with soon-to-be Major General Gatanas and the rest of the Army leadership in continuing the impressive technological contributions to our national security throughout tests, evaluations and operations conducted at White Sands Missile Range.

COMMENDING THE IRS LAGUNA NIGUEL TAXPAYER ADVOCATE OFFICE

HON. GARY G. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. GARY G. MILLER of California. Mr. Speaker, there are few jobs in the federal government for which public gratitude is a less common response than for those who are tasked with collecting our taxes. Not only must these public servants enforce our ever-burgeoning, byzantine Internal Revenue Code, they are expected to do so in a manner that is professional, responsive and fair to all.

During the past year, I have been witness to the performance of the Internal Revenue Service's (IRS) Taxpayer Advocate Office in Laguna Niguel, California, headed by Ms. Connie Adams. This office, which services the 41st Congressional District and the surrounding region, is responsible for resolving difficult, complicated tax disputes between taxpayers and the IRS, and doing so in a manner that stresses, to the utmost, service and fairness to the American taxpayer.

It gives me great pleasure to commend the IRS Laguna Niguel Taxpayer Advocate Office for meeting this difficult challenge during the past year. In handling over thirty complicated tax disputes which I received from constituents in my congressional district, the Laguna Niguel Taxpayer Advocate Office performed its duties expeditously, with due diligence, and attention to detail. I would especially like to express my appreciation to the staff members at the Laguna Niguel Taxpayer Advocate Office, including Ms. Maryanne McGoldrick, Ms. Deborah Mata, Ms. Mary Haven, Ms. Katie Williams and Ms. Kim Alfrey for their responsiveness and consummate professionalism in performing their duties.

The preliminary evidence in my congressional district is that the IRS has responded with conviction to the reform requirements mandated by the 105th Congress. There are certainly other agencies in the federal government which would do well to learn from the laudatory example set by the Laguna Niguel Taxpayer Advocate Office. Again, my hat is off to these fine public servants for a job well done.

IN HONOR OF THE 75TH BIRTHDAY OF JUDGE J. JEROME PLUNKETT

HON. CHRISTOPHER COX

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. COX. Mr. Speaker, I rise in honor of a great man who has achieved a great milestone: the Honorable J. Jerome Plunkett, who will celebrate his 75th birthday tomorrow, November 11.

A distinguished jurist, a decorated soldier, a patron of education, and a devoted husband and father of eight children, Judge Plunkett has throughout his life been a leader for his nation, his state, his community, and his family.

Born in St. Paul, Minnesota, one of five children of James P. and Anne Plunkett, the young boy's early experiences helped shape his extraordinary life. For his eighth birthday he traveled to Washington, D.C.—by train, for James P. was the Solicitor General for the Great Northern Railroad—to watch his father argue a case before the nine Justices of the United States Supreme Court. Barely beginning third grade, Jerry Plunkett could not have known then that a quarter century later he would begin his own career as a judge. But without doubt that lasting memory was one of several influences that propelled him to the law and the bench.

That autumn Washington day in 1932, as every one of Jerry Plunkett's 75 birthdays, was Armistice Day. On the first Armistice Day, November 11, 1918, Americans had celebrated the end of World War I, which officially concluded when the armistice was signed on the 11th hour of the 11th day of the 11th month. But the "war to end all wars" had done no such thing. Just months after graduating from St. Thomas Military Academy in St. Paul, Jerry—then 18 years old—entered the United States Army, as the storm clouds of World War II cast their dark shadow on America.

He enrolled in the Infantry Officers Candidate School at Fort Benning, Georgia, and rapidly rose through the ranks. By 1944, he was a First Lieutenant with the Second Infantry Division, destined to participate in the Allied invasion of France to liberate Europe.

Lt. Plunkett, the infantryman, was wounded during the monumental struggle with Nazi forces at Normandy, code-named "Operation Overlord," and commanded by General Dwight D. Eisenhower. He would later be decorated not only with a Purple Heart but the Bronze Star, but in June 1944 he continued to punch inland, securing safe landing zones for reinforcements, and waged the campaign through France and into Germany. The German failure to successfully defend the Normandy area from the Allied liberation forces in essence doomed Hitler's dream of "Fortress Europe," and marked the beginning of the end for the Nazis.

While Jerry survived the war, one of his two brothers, James F. Plunkett, did not. He was killed in action in France in 1944.

With victory came peace, and Jerry Plunkett returned home like so many other veterans to start a new life, and begin a career. He chose the law.

When he earned his Juris Doctor degree from the University of Minnesota, he went to work as a legal editor for the West Publishing Company, even then a long-established firm (founded in 1876) and the leading national provider of case law and statutes for all U.S. jurisdictions. His interest in the law was matched, however, by his interest in people and solving real-world problems, and barely two years later he had landed his first job in public policy, as the Assistant City Attorney for the City of St. Paul.

As barrister for the state capital, Jerry Plunkett earned experience in prosecuting criminals and managing civil cases in the courtroom. By 1954, he was presiding over those same cases as the Honorable Jerome Plunkett, appointed by the Municipal Court bench by then-Minnesota Governor C. Elmer Anderson.

His progress and accomplishments on the bench were as swift and commendable as they had been on the battlefield. He was made Chief Administrator of the court system. In 1956, he was elected by his fellow judges as President of the Municipal Judges Association for the entire state. And while serving on the municipal court bench, Judge Plunkett completed the first recodification since 1875 of all of the laws governing the municipal and conciliation courts in the state of Minnesota. His recodification was enacted by the state legislature in 1961, exactly as he wrote it.

A decade later, another Minnesota governor elevated Judge Plunkett to the District Court. On July 1, 1967, Governor Harold LeVander made possible what would become a 25-year career serving the people of Minnesota. During his remarkable tenure, Judge Plunkett personally set up and organized the Family Court Division of the Ramsey County District Court; he spent three years recasting all of the jury instructions in use in the state's civil courts; he worked for five years to rewrite all of the pension and retirement laws for judges in the state of Minnesota; he served on the Public Defender's Board, which supervises the entire public defender operation in Ramsey County; and he was elected by his fellow judges as an officer of the state-wide Minnesota Judges Association, serving as its Treasurer.

As an experienced District Court judge, Jerry Plunkett was appointed in 1977 to sit as a temporary member of the Minnesota Supreme Court, where he heard over 30 cases and authored seven Supreme Court opinions. Among the matters before Judge Plunkett was the historic Reserve Mining Company case, arising out of claims that the firm's iron-ore processing plant at Silver Bay, Minnesota had disposed of its ore wastes in a way that discharged asbestos particles into the air and into Lake Superior.

Despite these enormously time-consuming professional achievements, family has always been Jerry Plunkett's first priority. Throughout his adult life, he has been devoted to—and guided by—his wife, the former Patricia Bonner. They have raised eight children, all of them impressive in their own rights: John, a forensic pathologist; Patrick, an attorney; Marnie, a computer engineer; Timothy, an insurance executive; Paul, an attorney; Michael, a radiologist; Ann, a business executive; and Peggy, a graphic designer. Imbued with their parents' sense of community and led by the example of their parents' lives, this generation of Plunketts stands as a living testament to the values that each of us in Congress is proud to call American.

Jerry Plunkett's love of his country, his leadership as a jurist for his state, and his dedication to his wife and his family have always been matched by a high level of involvement in the local community. He served as Chairman of the Ramsey County Law Library. He was Director of the Capital Community Center. He has been a Trustee of St. Thomas Academy, and the President of the school's Alumni Association. He has given of himself, his time, and his energies without limit, and all of us owe him an enormous debt of gratitude for his service and his outstanding example.

To mark the occasion of Judge Jerry Plunkett's 75th birthday, his family and his friends will gather with him in St. Paul in celebration. What better way to repay his many kindnesses to our country, if only in part, than by giving him this tribute? I know that all of my colleagues join with me in wishing a happy birthday, and many more to come, to a great American.

CONCURRING IN SENATE AMENDMENTS TO H.R. 2280, VETERANS BENEFITS IMPROVEMENT ACT OF 1999, WITH AMENDMENTS

SPEECH OF

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 9, 1999

Mr. UNDERWOOD. Mr. Speaker, I rise today in strong support of H.R. 2280—the Veterans Benefits Improvement Act of 1999. I know many of my colleagues share my sentiments when it comes to our veterans; for their selfless sacrifice in the name of freedom, we can never thank them enough. The basic principle that lies behind the public support our veterans traces back to the earliest days of this Republic.

This bill, in part, carries on that legacy of gratitude. Among some technical fixes included within this bill is legislation concerning the National WWII Memorial, the expansion of Veterans cemeteries, benefits for homeless veterans, and mechanisms for improving the Court of Appeals for Veterans Claims. Finally, this bill includes a Senate Amendment that will provide a cost-of-living adjustment in rates of compensation for veterans with service-connected disabilities.

As we come to the close of the 20th Century, we are again reminded of the brutality that has been unleashed on human kind as a result of war and armed conflict. Whenever and wherever there had been a just cause, the United States was there to support the side of righteousness. The dedication and bravery exhibited by our veterans can never be forgotten. As a citizen from the territory of Guam, a place that was occupied by foreign troops some 50-odd years ago, the feat of liberation by the combined efforts of both Chamorro insurgents from the hills and from American Marines on the shores will forever remain legendary in the annals of history. Mr. Speaker, on this eve of the 81st anniversary of Veterans day, passage of this bill is all together fitting and proper. I commend Chairman STUMP for his leadership in bringing this measure to the floor. I would also like to thank my good friend Mr. EVANS for his tireless efforts to fight for the American veteran and always keep them within the public consciousness. I urge all my colleagues to support this important legislation.

THE REGULATORY IMPROVEMENT ACT OF 2000

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. GEKAS. Mr. Speaker, I am pleased to introduce the Regulatory Improvement Act of 2000. This bill would bring a greater degree of rationality and sounder science to the regulatory process.

We are all aware that regulations have a huge effect on society. They seek to protect the health and safety of the American people, and they seek to protect the natural environment. They deal with transportation, agriculture, communication, manufacturing—literally every walk of American life. They also directly and indirectly cost consumers billions and billions of dollars. There is a consensus, I believe, that the relationship between these benefits and these costs needs to be better known. This is the fundamental aim of the bill.

Let me say, first, that our effort rides on the shoulders of enormous work that has been done by our colleagues in the Senate, particularly Senator THOMPSON, the Chairman of the Senate Committee on Governmental Affairs. He joined Senator LEVIN to introduce a bill that has the same goals as this one. While there are differences between the two bills, our effort follows from and builds on the work of our colleagues in the other body. I applaud them for their work.

While significant details differ, the contours of this bill are quite similar to theirs. This bill would require federal agencies promulgating major rules to conduct essential analyses of the rules they propose. These analyses will not only cause the agencies to do better thinking about the problems they confront, but they will also allow fuller public discussion of the regulations that are proposed by executive branch agencies.

In the past, we have been shocked at the sight of agencies moving forward precipitously, and in the face of conflicting scientific information, with regulations having massive effects on economic growth and progress. We were pleased to see the Court of Appeals for the D.C. Circuit put the brakes on the Environmental Protection Agency's massive effort to stall economic progress in Pennsylvania and numerous other parts of the country.

That being said, however, I have never weighed in on the substance of these regulations because their true anticipated benefits were never known. As Chairman of the House Judiciary Subcommittee on Commercial and Administrative Law, I was not satisfied that the administrative processes were being followed as these regulations were written. I did not have confidence that the agency was acting rationally and in the best interest of the nation. Nor did many other Members of Congress on both sides of the aisle.

Once the Regulatory Improvement Act of 2000 is passed, we will be able to have confidence in the decisions made by regulatory agencies. This bill will cause more information about the decisions of regulators to come to light allowing everyone—Congress, the press, and the public—to understand the benefits of major regulations. It will also direct agencies toward addressing common causes of injury and disease, rather than popular fears about injury and disease. These are different things, and the federal bureaucracy needs to use sound science to solve the real problems that face Americans, rather than problems that are merely exaggerated in the public mind. Too often, interest groups feed distorted statistics and selective anecdotes to a hungry media in order to advance some agenda. If the regulatory process was better anchored to scientific analysis, the practice of fomenting hysteria among the public would not work as well. Americans would not have to live with trumped up fears.

The bill requires cost-benefit analysis of major regulations, along with risk assessment and substitution risk evaluation of major regulations that address health, safety, or environmental risks. In general, a major regulation is one that has an effect on the economy of $100 million or more.

Cost-benefit analysis would allow Congress, the press, and the public to learn how cost-effective a given regulation is. We would be able to see how much value we are getting back when we give something up pursuant to regulation. Cost-benefit analyses of different regulations could be compared and we could see what regulations bring large improvements and what regulations bring small improvements to American life. We include in our bill a requirement that agencies analyze a wide variety of regulatory alternatives. Doing so will reveal what the incremental costs and benefits are along a range of options. This will help agencies choose the right place to draw the line—the place where we get the most benefits for the least cost.

Risk assessment is a characterization of the nature of the harm addressed by a regulation, and our bill requires it for regulations addressing health, safety, and the environment. Rather than anecdotes and fear, we need sound scientific descriptions of what causes a given harm, how the harm is caused, and what the chances are that a harm will occur. We also need to reveal what assumptions these assessments rely on. Certain harms are extremely rare, and even speculative, yet sometimes we protect against them more carefully than the harms that befall hundreds of Americans every day. Quality risk assessment will reveal where this has been the case, so we can refocus our efforts on real improvements in quality of life for all Americans.

A substitution risk assessment should study what risks might be created or threatened in the process of avoiding another risk. Substitution risk assessment is the reason most people do not jump into automobile traffic to avoid meeting a bicycle on the sidewalk. The risk this would create is greater than the risk avoided. I do not suggest that any current regulations actually create net risks, but there have been examples where a significant new harm was created by a regulation. We want to avoid this in the future, for the good of our people and for the credibility of the regulatory process.

Let me make some key points about this bill, though I recognize that mine will not be the only view on these subjects. First, to do an effective cost-benefit analysis, all effects of a regulation must be quantified in comparable terms. We must be able to compare apples to apples and oranges to oranges. Otherwise, the true effects of a rule will be obscured. Note well, Mr. Speaker, that accurate cost-benefit analysis does not require tough choices to be made. It illustrates the choices that inevitably are being made in a proposed regulation.

Second, anything that we refer to as a law, including administrative law, must be enforceable. That is, there must be someone to review the actions of the agency. The best source of this kind of review, the one that has always been recognized in this country, is the courts. In the 104th Congress, I was the original author of legislation to make compliance with the Regulatory Flexibility Act judicially reviewable. Judicial review made it into the Regulatory Flexibility Act in the Small Business Regulatory Enforcement Fairness Act of 1996. Today, we have seen the benefits of judicial review. A very small number of agencies have been reversed or remanded by the courts, while the clear majority of agencies are now assiduously following the law. If we intend this bill to be followed once it is law, there should be judicial review. This bill is silent as to review, which means that its provisions are subject to judicial review under the Administrative Procedure Act, which it amends.

These are just two important points I want to lend to the debate on how to achieve rational regulation. I am pleased to introduce this bill, and again acknowledge the hard work of colleagues who have laid the foundation for it.

We realize the window of opportunity for advancing this bill is small. It would represent true improvement of the regulatory process, which is a serious challenge to the status quo. We intend to conduct hearings and move this bill at the outset of the next session. We hope that our vision of regulatory improvement proves out and attracts the support of an administration that has so far only offered to reinvent the regulatory wheel.

I am confident that we will succeed and that the vision we all share—of safe and healthy people, unburdened by irrational regulation—will be achieved through this legislation.

TANNER PRAISES DR. JOHNS' COMMITMENT AS CARROLL COUNTY CIVIC LEADER

HON. JOHN S. TANNER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. TANNER. Mr. Speaker, it is a personal privilege to rise, and have spread on the pages of the CONGRESSIONAL RECORD, an article about my good friend, Dr. Howard Johns of Huntingdon, Tennessee. The article adequately describes Dr. Johns' many sterling qualities, as well as his dedicated and distinguished service to Carroll County.

I would be remiss not to add that my late father-in-law, Mr. Billy Portis, and Dr. Johns were close personal friends for over 50 years. Mr. Billy and Dr. Johns both served as Carroll County Commissioners, and both were active in the Democratic Party.

Dr. Johns attended many of our family functions, and, in fact, he has been almost like a member of our family.

So it is with pride and pleasure that I include a profile article about Dr. Johns that was published recently in The McKenzie Banner and reprinted below. Dr. Johns is a distinguished Tennessean and I am proud to call him my friend.

[From the McKenzie Banner, Oct. 20, 1999]

DR. HOWARD JOHNS—RETIRED VETERINARIAN, ACTIVE CIVIC LEADER

(By Deborah Turner)

Summers spent in rural Georgia on his grandfather's farm are among the favorite memories of Dr. Howard Johns, retired doctor of veterinary medicine in Huntingdon. Nestled in a tiny town consisting of two stores and a service station, his grandfather owned a racehorse farm, and Howard got to help with the animals while visiting from his hometown of Eatontown, Georgia.

He enjoyed feeding, washing, walking and brushing the beautiful, spirited horses which were trained to pull the two-wheeled carriages, called sulkies, in which one man rode to drive the horse in racing.

He was the middle child of five children: 2 older brothers and a younger brother and sister. His brothers accompanied him in his visits to the farm, where cows, mules and other animals were raised as well as racehorses. Together, the boys got into plenty of mischief during the visits, but what Howard enjoyed most was riding out with his grandfather on visits to other farms. His grandfather was a "quack veterinarian", doing what he could to help sick or injured animals in his community. It was because of his grandfather's influence that Dr. Johns decided. "I'm going to be a graduate veterinarian; I'm going to go to school." World War II intervened when, at age 20, Dr. Johns joined the Air Force as a mess sergeant serving in the Pacific theatre, traveling to New Guinea with rotation to Australia. Finally able to make his dreams come true at the end of his tour of duty, there were only six schools in the nation teaching veterinary science. Sixty slots were available at Alabama Polytechnic Institute at Auburn; Dr. Johns was chosen from 1500 applicants and began his studies.

Unfortunately, his grandfather did not live to see him become a graduate veterinarian, passing away after Dr. Johns completed preveterinary school.

In 1949, as a licensed veterinarian, Dr. Johns came to Tennessee to practice. An avid duck hunter, he came here "looking for ducks," he said, and he found them. He dated Judith McConnell for a year and a half before tying the knot in marriage. Over the years, the couple had 4 children; Judy's child, also named Judy, came into the marriage from Judy's earlier relationship; the couple had two more daughters, Kathy and Johnny Beth. Their son, Howard, Jr., affectionately known as Bubba, was tragically lost at the age of eight when he slipped on some hay, falling from a truck as it rounded a corner.

Upon arriving in Carroll County, Dr. Johns set up his clinic in a room at the Carroll County Co-op building, where he remained for a year and a half. Although there were several persons practicing as unlicensed vets, Dr. Johns brought a learned element as the only educated veterinarian in the area. Through the Co-op, Dr. Johns met many farmers and built his practice. He moved into a new clinic on Main Street, where the beauty shop "Snips and Curls" is now housed. There he was able to establish an animal hospital, where around the clock medical care could be provided. As time went on, Dr. Johns saw much evolution in veterinary medicine. When he first began his practice, he saw more large farm animals than small animals. Later, people began taking better care of their pets, and didn't mind spending a little money to keep them healthy. Another change was drive-in service, when farmers and large animal owners began bringing their cows and horses to the clinic in trailers for treatment. Even more has happened in advancements in the science since his retirement 12 years ago, according to Dr. Johns, with better drugs being developed, creating more options for treating diseases. Before the advent of life savings drugs, "We treated symptoms, that's all we could do with the drugs we had," said Dr. Johns. Common in those days were outbreaks of "black leg", caused from a bacteria that enters the muscles where gasses form, capable of killing a calf within two days. The bacteria is found in the soil, and once there it remains, although the advent of vaccinations now prevents recurring breakouts. Another common infection in earlier years was stomatitis, an infection caused by fungus growing on the grasses. When eaten, the mouth becomes infected, rendering the animal unable to eat due to the soreness of its mouth. Many of the advancements made in veterinary medicine are the result of research. Dr. Johns feels strongly that animal research is necessary and beneficial to the many animals cared for across the United States each year.

Dr. Johns worked long, hard hours in order to provide care to the animals in the county and surrounding areas. Farmers arising very early to milk cows would call him early in the day, while people returning from work in the evenings would call after they got home. He remembers taking the children with him in the car to make house calls on Christmas Day. Asked if he enjoyed his work despite the hardships, he replied emphatically, "I certainly did; I loved it."

His practice included some oddities with mistakes of nature occurring in a two-headed calf he delivered, which survived a month, as well as siamese twin calves which were stillborn. Upon the birth of the two-headed calf, the lady of the house asked how long it would live. He predicted it would live about a month. Though it was cared for and bottle fed, it was never able to rise to its feet and died a month later as he had predicted. "She thought I was real smart," said Dr. Johns. It took 3 hours to deliver the siamese twin calves; with forefeet and hind feet mixing together to be delivered from the birth canal, it took Dr. Johns some amount of confusion before he realized what was going on. It was 10:00 in the evening before the job was complete. "That was before we got married and I took my wife with me that night. She had worked till 10:00 and went to sleep in the car. I woke her up and said, 'Come in here and look at this thing. You've never seen anything like it, and I haven't either, and don't expect to ever see it again."

One Sunday his nephew accompanied him on his rounds. In a typical year Dr. Johns handled around 250 deliveries, but on that day there were an astounding 7 deliveries in which his assistance was required, three of them on the same farm at different times during the day. After witnessing the birth of several calves, his nephew asked, "How do the claves get up in there?" Dr. Johns replied, "The cows are just lying around out here and the calves are running around and just run up in there." On their third visit of the day to the farm, Dr. Johns recounted, with a hearty laugh, that his nephew told the farmer, "You're going to have to separate your cows and your calves; we can't keep coming back here all afternoon."

Dr. Johns retired 12 years ago, 2 days before his 65th birthday, in order to care for his wife, who was ill with cancer. "I stayed right here with her and never missed it a day," he said regarding the transition from his work to caregiver. In 1986, his wife lost her fight with the disease, although her personality may still be seen in their home. Among many feminine touches, an embroidered plaque proclaims, "I know I'm efficient; Tell me I'm beautiful." Dr. Johns has had his own share of health concerns, undergoing two successful bypass surgeries; one in 1982 and another in June, 1998, as well as surgery for prostate cancer. He was back delivering calves a month after the first operation. He tires more easily since the last bypass, however, it hasn't prevented him from being an active participant in life.

Dr. Johns has led a busy retirement full of community involvement, being honored many times over in his leaderships capacities. Most recently, he was awarded a Leadership of Carroll County plaque, in recognition of commitment to the leadership of Carroll County and completion of a leadership program. Dr. Johns is the oldest Carroll Countian ever to complete the program, which entails many physical feats involving teamwork in their accomplishment. Other honors Dr. Johns has received are as follows: President of Tennessee Veterinary Medicine Association 1955; the Silver Medallion Award awarded by the County Court in 1980; Carroll Countian of the Year in 1992; 21 Years as County Commissioner in 1996; 1998 Outstanding Citizen Award for Community Service; 16 Years on the Carroll County Electric Board from 1982–1998; 6 Years on the Huntingdon City Council; past Board of Directors of Farm Bureau; past Board of Directors for Carroll County Live-stock Association; past Board of Directors of Carroll County Co-op; presently serves on the Boards of Directors for the Bank of Huntingdon and the Chamber of Commerce. Dr. Johns is a Member of the First Baptist Church in Huntingdon. Of his involvement in the community, Dr. Johns said sincerely, "The people of Carroll County took me in and this was home the next day after I got here. Carroll County and the surrounding counties have been home for 50 years, because I've been here for 50 years now. They gave to me and I wanted to give some of it back to them."

In addition to his community involvement, Dr. Johns enjoys reading and "piddling" on his farm where he raises cattle, all of which are offspring of cattle he has raised over the years, and two horses which belong to his grandchildren. Dr. Johns takes much pleasure in the role he plays as "butler" at the Cedar Wood Bed and Breakfast owned by his friend, June Crider. The large colonial home that houses Cedar Wood is also available for weddings, parties, and club meeting. Dr. Johns' daughter, Kathy Whitehead, is a nurse at the Huntingdon Hospital; Johnny Beth is a teacher of health occupations at the Vocational School in Huntingdon, and Judy is a health facilities surveyor for the Tennessee Department of Health. He has 7 grandchildren and 7 great-grandchildren.

HOUSE/SENATE AT IMPASSE ON AVIATION REAUTHORIZATION BILL

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 11, 1999

Mr. SHUSTER. Mr. Speaker, I rise today to apprise my colleagues of a statement I issued last night in reference to the House/Senate conference committee's efforts to reauthorize the Federal Aviation Administration.

STATEMENT OF CHAIRMAN BUD SHUSTER ON AVIATION IMPASSE

The nation is hurtling towards aviation gridlock and potential disaster in the sky.

Our aviation system is in trouble. Too many flights are delayed. Service is not as good as it should be. And as the technology leader of the world, we have second-rate air traffic control equipment.

It is against this backdrop that I must reject the Senate proposal to cut aviation spending.

While the Senate claims that they are unlocking the Aviation Trust Fund, just the opposite is true. The Senate proposal actually spends about $3 billion less over the next three years than the trust fund takes in in revenues during that same period.

To make matters even worse, the Senate proposal actually reduces Aviation Trust Fund spending below current baseline levels.

I am also dismayed that the Senate is insistent on eliminating the general fund contribution to aviation which has been in place for the last 25 years. This general fund share reflects security and safety investments, as well as military usage of the air traffic control system.

The Senate proposal simply fails to recognize the growing needs in aviation, such as the projected one billion people that will be flying annually just a few years from now.

The House tried to find common ground. We were willing to accept a TEA 21-type firewall in lieu of off-budget. But the Senate would not agree. We proposed to guarantee trust fund spending with a point-of-order in lieu of a firewall. But the Senate still would not agree.

I question our priorities when in these times of trillion dollar budget surpluses, with air travelers investing billions more into the Aviation Trust Fund, we cannot find the commitment to make our aviation system safe and competitive.

The Senate proposal also says the flying public cannot use the money they have invested in the Aviation Trust Fund to make their skies safer. According to today's numbers, that is $11 billion in trust fund cash balances and the $1 billion in annual interest earnings. The flying public dutifully deposited the money and they deserve to see it invested properly. Under the Senate proposal, the trust fund balances would grow by over $3 billion over the next three years.

Worshipping at the altar of fiscal shortsightedness will carry a high price when our aviation system becomes hopelessly congested. If we do not make investments that are necessary we risk the destruction of one of the economic engines that keeps our economy roaring.

I hope we have not let this historic opportunity slip through our fingers. I hope we can find a workable compromise and I hope we can give the American people the safe and competitive aviation system they deserve. But I cannot accept a proposal that makes little changes to a system that is in desperate need of change.

I continue to oppose further short-term extensions of selected aviation programs. This band-aid approach can only delay the significant investments that the flying public has paid for and deserves.

I pledge that I will renew my efforts next year to unlock the Aviation Trust Fund and fulfill our commitment to make our skies as safe as they can be.

SENATE—*Friday, November 12, 1999*

The Senate met at 10:01 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

ADJOURNMENT UNTIL 10 A.M. TUESDAY, NOVEMBER 16, 1999

The PRESIDENT pro tempore. Under the previous order, the Senate will now stand adjourned until 10 a.m. on Tuesday, November 16, 1999.

Thereupon, the Senate, at 10:01 a.m. and 23 seconds, adjourned until Tuesday, November 16, 1999, at 10 a.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

HOUSE OF REPRESENTATIVES—*Monday, November 15, 1999*

The House met at 2 p.m.

The Reverend Father Paul Lavin, St. Joseph's Catholic Church, Washington, D.C., offered the following prayer:

In the words of the prophet Isaiah we hear:

If you remove from your midst oppression, false accusation and malicious speech; if you bestow your bread on the hungry and satisfy the afflicted; then light shall rise for you in the darkness, and the gloom shall become for you like midday; then the Lord will guide you always and give you plenty even on the parched land.

Let us pray:

Lord, we stand before You conscious of our sinfulness. Come to us, remain with us, and enlighten our hearts. Give us light and strength to know Your will, to make it our own, and to live it in our lives. You desire justice for all: enable us to uphold the rights of others. May all of our decisions be pleasing to You. And may the gifts of God, Father, Son and Holy Spirit unite us in faith, hope and love, now and forever. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Indiana (Mr. PEASE) come forward and lead the House in the Pledge of Allegiance.

Mr. PEASE led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate has passed a bill of the following title in which concurrence of the House is requested:

S. 1916. An act to extend certain expiring Federal Aviation Administration authorizations for a 6-month period, and for other purposes.

HOUR OF MEETING ON TOMORROW

Mr. PEASE. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10:30 a.m. tomorrow, November 16, 1999, for morning hour debates.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. PEASE. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

RECESS

The SPEAKER. Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 2 o'clock and 4 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 2246

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. DREIER) at 10 o'clock and 46 minutes p.m.

ENROLLED BILLS SIGNED

Mr. THOMAS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2454. An act to assure the long-term conservation of mid-continent light geese and the biological diversity of the ecosystem upon which many North American migratory birds depend, by directing the Secretary of the Interior to implement rules to reduce the overabundant population of mid-continent light geese.

H.R. 2724. An act to make technical corrections to the Water Resources Development Act of 1999.

BILL AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, a bill and joint resolutions of the House of the following titles:

On November 9, 1999:

H.R. 3122. To permit the enrollment in the House of Representatives Child Care Center of children of Federal employees who are not employees of the legislative branch.

H.J. Res. 54. Granting the consent of Congress to the Missouri-Nebraska Boundary Compact.

On November 10, 1999:

H.J. Res. 78. Making further continuing appropriations for the fiscal year 2000, and for other purposes.

ADJOURNMENT

Mr. YOUNG of Florida. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 47 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, November 16, 1999, at 10:30 a.m., for morning hour debates.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports concerning the foreign currencies and U.S. dollars utilized for official foreign travel during the first, second, and third quarters of 1999 by Committees of the U.S. House of Representatives are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON RESOURCES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1, AND MAR. 31, 1999

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Dave Whaley	2/14	2/24	Italy		2,921.62		707.47				3,629.09
Hon. Don Young [3]	2/20	2/21	Marshall Islands				N/A				
Hon. John Doolittle	2/20	2/21	Marshall Islands				N/A				
Hon. Ken Calvert	2/20	2/21	Marshall Islands				N/A				
Hon. Eni Faleomavaega	2/20	2/21	Marshall Islands				N/A				
Hon. Robert Underwood	2/20	2/21	Marshall Islands				N/A				
Hon. Donna Christensen	2/20	2/21	Marshall Islands				N/A				
Lloyd Jones	2/20	2/21	Marshall Islands				N/A				
Elizabeth Megginson	2/20	2/21	Marshall Islands				N/A				
Christine Kennedy	2/20	2/21	Marshall Islands				N/A				
William Sharrow	2/20	2/21	Marshall Islands				N/A				
Marie Fabrizio	2/20	2/21	Marshall Islands				N/A				
Manase Mansur	2/20	2/21	Marshall Islands				N/A				
Richard Healy	2/20	2/21	Marshall Islands				N/A				
Curtis Thayer	2/20	2/21	Marshall Islands				N/A				
Committee total					2,921.62		707.47				3,629.09

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Incomplete. Information on per diem not provided by Department of State.

DON YOUNG, Chairman, Oct. 12, 1999.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON RESOURCES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1, AND JUNE 30, 1999

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. George Miller [3]	4/1	4/3	Thailand								
	4/3	4/10	Vietnam				4,148.40				4,148.40
John Lawrence [3]	4/1	4/3	Thailand								
	4/3	4/10	Vietnam				4,148.40				4,148.40
Committee total							8,296.80				8,296.80

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Incomplete. Information on per diem not provided by the Department of State.

DON YOUNG, Chairman, Oct. 12, 1999.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON AGRICULTURE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1, AND SEPT. 30, 1999

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. John Boehner	7/5	7/7	Italy		591.78		(3)				591.78
	7/7	7/10	Croatia		1,002.00		(3)				1,002.00
	7/8	7/8	Macedonia/Kosovo								
	7/10	7/11	United Kingdom		383.00		(3)				383.00
	8/7	8/11	Austria		846.00		(3)				846.00
	8/11	8/14	Czech Republic		1,079.00		(3)				1,079.00
	8/14	8/17	France		971.00		(3)				971.00
Hon. Collin Peterson	8/28	8/30	Slovakia		589.50		(3)		112.00		701.50
	8/31	9/2	Romania		548.00		(3)		127.00		675.00
	9/2	9/4	Bulgaria		593.00		(3)		132.00		725.00
	9/4	9/6	Hungary		603.00		(3)		142.00		745.00
	9/6	9/7	Netherlands		207.00		(3)		62.00		269.00
Committee total					7,413.28		(3)		575.00		7,988.28

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

LARRY COMBEST, Chairman, Oct. 27, 1999.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JUNE 30, AND SEPT. 30, 1999

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
G.T. Coughlin	9/12	9/14	Aruba		486.75		1,560.40		54.84		2,101.99
J.R. Fogarty	6/30	7/07	Italy		1,463.50		3,801.50		143.93		5,408.93
M.O. Glynn	7/17	7/23	Italy		1,088.50		5,171.23		139.84		6,399.57
D.B. Grimes	7/17	7/23	Italy		1,042.00		5,171.23		24.80		6,238.03
C.L. Hauver	8/21	8/25	Japan		731.50		6,015.28		23.34		6,770.12
T.E. Hobbs	6/30	7/07	Italy		1,463.50		3,801.50		99.99		5,364.99
N.L. Holmes	7/17	7/21	Italy		1,042.00		5,171.23		63.04		6,276.27
R. Makay	9/12	9/14	Aruba		486.75		1,560.40		106.61		2,153.76
M.R. Owens	8/21	8/25	Japan		731.50		6,015.28		57.30		6,804.08
R.H. Pearre	8/21	8/25	Japan		731.50		5,918.50		56.06		6,706.06
R.J. Reitwiesner	6/30	7/7	Italy		1,463.50		3,801.50		111.27		5,376.27
R.W. Vandergrift, Jr.	7/5	7/7	Italy		438.50		2,701.23		100.00		3,239.73
	7/7	7/10	Croatia		923.00						923.00
	8/21	8/25	Japan		731.50		6,028.00		69.82		6,829.32
Committee total					12,824.00		56,717.28		1,050.84		70,592.12

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

BILL YOUNG, Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1999

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Ron Packard	7/4	7/10	Russia		1,950.00						1,950.00
Commercial Air							2,667.00				2,667.00
Hon. Rodney P. Frelinghuysen	7/4	7/10	Russia		1,950.00						1,950.00
Commercial Air							2,667.00				2,667.00
James D. Ogsbury	7/4	7/10	Russia		1,950.00						1,950.00
Commercial Air							2,667.00				2,667.00
Jeanne L. Wilson	7/4	7/10	Russia		1,950.00						1,950.00
Commercial Air							2,667.00				2,667.00
Sally A. Chadbourne	7/4	7/10	Russia		1,950.00						1,950.00
Commercial Air							2,667.00				2,667.00
Hon. Ernest J. Istook, Jr.	7/4	7/10	Russia		1,950.00						1,950.00
Commercial Air							2,667.00				2,667.00
Hon. David L. Hobson	7/5	7/7	Italy		591.78						591.78
	7/7	7/10	Croatia		1,002.00						1,002.00
	7/8	7/8	Macedonia/Kosovo								
	7/10	7/11	United Kingdom		383.00						383.00
							(3)				
Hon. John Olver	7/5	7/7	Italy		477.50						477.50
	7/7	7/10	Croatia		1,002.00						1,002.00
	7/8	7/8	Macedonia/Kosovo								
	7/10	7/11	United Kingdom		383.00						383.00
							(3)				
Hon. Dan Miller	7/5	7/7	Italy		591.78						591.78
	7/7	7/10	Croatia		1,002.00						1,002.00
	7/8	7/8	Macedonia/Kosovo								
	7/10	7/11	United Kingdom		383.00						383.00
							(3)				
Hon. Todd Tiahrt	7/5	7/7	Italy		591.78						591.78
	7/7	7/10	Croatia		1,002.00						1,002.00
	7/8	7/8	Macedonia/Kosovo								
	7/10	7/11	United Kingdom		383.00						383.00
							(3)				
Hon. Bud Cramer	7/5	7/7	Italy		591.78						591.78
	7/7	7/10	Croatia		1,002.00						1,002.00
	7/8	7/8	Macedonia/Kosovo								
	7/10	7/11	United Kingdom		383.00						383.00
							(3)				
Hon. Kay Granger	7/5	7/7	Italy		477.50						477.50
	7/7	7/10	Croatia		1,002.00						1,002.00
	7/8	7/8	Macedonia/Kosovo								
	7/10	7/11	United Kingdom		383.00						383.00
							(3)				
Elizabeth C. Dawson	7/5	7/7	Italy		700.50						700.50
	7/7	7/10	Croatia		1,002.00						1,002.00
	7/8	7/8	Macedonia/Kosovo								
	7/10	7/11	United Kingdom		383.00						383.00
							(3)				
John T. Blazey III	7/4	7/7	Italy		700.50						700.50
	7/7	7/10	Croatia		1,002.00						1,002.00
	7/8	7/8	Macedonia/Kosovo								
	7/10	7/11	United Kingdom		383.00						383.00
							(3)				
Thomas Forhan	7/5	7/7	Italy		477.50						477.50
	7/7	7/10	Croatia		1,002.00						1,002.00
	7/8	7/8	Macedonia/Kosovo								
	7/10	7/11	United Kingdom		383.00						383.00
Brain L. Potts	7/5	7/7	Italy		477.50						477.50
	7/7	7/10	Croatia		1,002.00						1,002.00
	7/8	7/8	Macedonia/Kosovo								
	7/10	7/11	United Kingdom		383.00						383.00
Hon. Harold Rogers	8/7	8/11	Austria		846.00						846.00
	8/11	8/14	Czech Republic		1,079.00						1,079.00
	8/14	8/17	France		971.00						971.00
							(3)				
Hon. Sonny Callahan	8/7	8/11	Austria		846.00						846.00
	8/11	8/14	Czech Republic		1,079.00						1,079.00
	8/14	8/17	France		971.00						971.00
							(3)				
Hon. Ron Packard	8/7	8/11	Austria		846.00						846.00
	8/11	8/14	Czech Republic		1,079.00						1,079.00
	8/14	8/17	France		971.00						971.00
							(3)				
Hon. Tom Latham	8/7	8/11	Austria		846.00						846.00
	8/11	8/14	Czech Republic		1,079.00						1,079.00
	8/14	8/17	France		971.00						971.00
							(3)				
Hon. Lucille Roybal-Allard	8/7	8/11	Austria		846.00						846.00
	8/11	8/14	Czech Republic		1,079.00						1,079.00
	8/14	8/17	France		971.00						971.00
							(3)				
Michael Ringler	8/7	8/11	Austria		846.00						846.00
	8/11	8/14	Czech Republic		1,079.00						1,079.00
	8/14	8/17	France		971.00						791.00
							(3)				
Jennifer Miller	8/7	8/11	Austria		846.00						846.00
	8/11	8/14	Czech Republic		1,079.00						1,079.00
							(3)				
Hon. Maurice D. Hinchey	8/7	8/13	Armenia		800.00						800.00
									70.00		70.00
							660.00				660.00
							(3)				
Hon. Charles H. Taylor	8/8	8/11	Spain		847.00						847.00
	8/11	8/14	Italy		990.00						990.00
Commercial Air							4,078.54				4,078.54
Edward E. Lombard	8/9	8/11	Spain		847.00						847.00
	8/11	8/14	Italy		[4] 990.00						990.00
Commercial Air							5,101.69				5,101.69
Michelle Mrdeza	8/12	8/15	Italy		210.00						210.00
	8/15	8/16	Germany		93.00						93.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1999—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
									588.00		588.00
Commercial Air							4,498.00				4,498.00
Jeff Ashford	8/12	8/15	Italy		210.00						210.00
	8/15	8/17	Germany		148.00						148.00
	8/17	8/20	England		303.00						303.00
									1,377.00		1,377.00
Commercial Air							4,625.00				4,625.00
Patricia Schleuter	8/12	8/15	Italy		210.00						210.00
	8/15	8/17	Germany		148.00						148.00
	8/17	8/20	England		303.00						303.00
									1,377.00		1,377.00
Commercial Air							4,625.00				4,625.00
							48.00				48.00
Hon. Robert E. Bud Cramer	8/9	8/11	Italy		849.00						849.00
	8/11	8/14	Greece		624.00						624.00
	8/13	8/13	Egypt								
	8/14	8/16	Spain		732.00						732.00
	8/16	8/18	Portugal		440.00						440.00
							(3)				
Christopher J. Walker	8/9	8/10	Guinea		482.00						482.00
	8/10	8/12	Sierra Leone		654.00						654.00
	8/13	8/17	Nigeria		1,566.00						1,566.00
Commercial Air							5,055.00				5,055.00
Hon. Jesse L. Jackson Jr	8/8	8/9	Norway		276.00						276.00
	8/9	8/11	Germany (Berlin)		254.00						254.00
	8/11	8/13	Germany (Munich)		232.00						232.00
	8/13	8/15	France		227.00						227.00
	8/15	8/17	Netherlands		247.00						247.00
							(3)				
Elizabeth Dawson	8/7	8/13	Italy		1,758.00						1,758.00
	8/12	8/12	Macedonia/Kosovo								
Commercial Air							4,838.70				4,838.70
Hon. C.W. Bill Young	8/24	8/29	Italy		2,207.36						2,207.36
							(3)				
Hon. Rodney P. Frelinghuysen	8/24	8/29	Italy		2,207.36						2,207.36
							(3)				
Douglas Gregory	8/24	8/29	Italy		2,207.36						2,207.36
							(3)				
Gregory Walters	8/24	8/29	Italy		2,207.36[4]						2,207.36
							(3)				0
Jennifer Miller	8/30	9/1	Bolivia		340.00						340.00
	9/1	9/6	Peru		705.00						705.00
Commercial Air							2,992.40				2,992.40
							(5)				
Hon. Maurice D. Hinchey	8/31	9/2	Romania		548.00						548.00
	9/2	9/4	Bulgaria		593.00						593.00
	9/4	9/6	Hungary		603.00						603.00
	9/6	9/7	Netherlands		207.00						207.00
									208.00		208.00
Commercial Air							2,084.23				2,084.23
							180.00				180.00
Brian L. Potts	9/6	9/11	Republic of Korea		1,310.00						1,310.00
Commercial Air							2,299.40				2,299.40
Hon. Frank R. Wolf	8/28	8/28	Italy		84.00						84.00
	8/28	8/31	Kosovo		169.00						169.00
	8/31	9/1	Macedonia		175.00						175.00
							(3)				
John T. Blazey II	8/27	9/3	Australia		1,590.00						1,590.00
Commercial Air							7,952.00				7,952.00
Don McKinnon	8/26	9/2	England		1,553.00						1,553.00
	9/2	9/3	Scotland		347.00						347.00
Commercial Air							2,890.37				2,890.37
							474.40				474.40
James W. Dyer	8/30	8/31	Italy		330.00						330.00
	8/31	9/2	Serbia		338.00						338.00
	9/2	9/3	Italy		330.00						330.00
Commercial Air							4,365.80				4,365.80
Mary Murray	8/30	8/31	Italy		330.00						330.00
	8/31	9/2	Serbia		338.00						338.00
	9/2	9/3	Italy		330.00						330.00
Commercial Air							4,365.80				4,365.80
Committee total					84,018.56		77,136.33		3,620.00		164,774.89

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.
[4] State Dept underfunded per diem—traveler did not claim additional $66.00 due.
[5] Part Agency (DEA) Aircraft.

BILL YOUNG, Chairman, Nov. 1, 1999.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1, AND SEPT. 30, 1999

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Visit to Russia, July 4–10, 1999:											
Hon. James V. Hansen	7/4	7/10	Russia		1,950.00						1,950.00
Hon. Howard P. "Buck" McKeon	7/4	7/10	Russia		1,950.00						1,950.00
Travel to Ethiopia, Djibouti, Saudi Arabia and Eritrea, July 3–10, 1999:											
Hon. Vic Snyder	7/3	7/6	Ethiopia		444.00						444.00
	7/6	7/7	Djibouti		85.00						85.00
	7/7	7/8	Saudi Arabia		166.00						166.00
	7/8	7/10	Eritrea		250.00						250.00
Visit to New Zealand, Thailand, Cambodia and Korea, Aug. 23–Sept. 3, 1999:											

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1, AND SEPT. 30, 1999—Continued

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Floyd D. Spence	8/23	8/28	New Zealand		1,117.00						1,117.00
	8/28	8/31	Thailand		747.00						747.00
	8/31	9/1	Cambodia		236.00						236.00
	9/1	9/3	Korea		594.00						594.00
Hon. Norman Sisisky	8/23	8/28	New Zealand		1,117.00						1,117.00
	8/28	8/31	Thailand		747.00						747.00
	8/31	9/1	Cambodia		236.00						236.00
	9/1	9/3	Korea		594.00						594.00
Hon. Owen Pickett	8/23	8/28	New Zealand		1,117.00						1,117.00
Commercial transportation							2,542.20				2,542.00
Hon. Robin Hayes	8/27	8/28	New Zealand		200.00						200.00
	8/28	8/31	Thailand		747.00						747.00
	8/31	9/1	Cambodia		236.00						236.00
	9/1	9/3	Korea		594.00						594.00
Commercial transportation							3,086.20				3,086.20
Dr Andrew K. Ellis	8/23	8/28	New Zealand		1,117.00						1,117.00
	8/28	8/31	Thailand		747.00						747.00
Commercial transportation							2,682.20				2,682.20
Mr. Peter M. Steffes	8/23	8/28	New Zealand		1,117.00						1,117.00
	8/28	8/31	Thailand		747.00						747.00
	8/31	9/1	Cambodia		236.00						236.00
	9/1	9/3	Korea		594.00						594.00
Visit to Korea, Thailand, Vietnam and Taiwan, Aug. 8–16, 1999:											
Hon. Lindsey Graham	8/8	8/10	Korea		594.00						594.00
	8/10	8/12	Thailand		389.00						389.00
	8/12	8/14	Vietnam		278.00						278.00
	8/14	8/16	Taiwan		530.00						530.00
Hon. Solomon P. Ortiz	8/8	8/10	Korea		594.00						594.00
	8/10	8/12	Thailand		389.00						389.00
	8/12	8/14	Vietnam		278.00						278.00
	8/14	8/16	Taiwan		530.00						530.00
Visit to Taiwan and Thailand, August 8–12, 1999:											
Hon. Robert A. Underwood	8/8	8/10	Taiwan		530.00						530.00
	8/10	8/12	Thailand		498.00						498.00
Visit to Austria, Hungary, Czech Republic, Kosovo and France, Aug. 7–17, 1999:											
Hon. Terry Everett	7/7	7/11	Austria		846.00						846.00
	7/11	7/11	Hungary								
	7/11	7/14	Czech Republic		1,079.00						1,079.00
	7/14	7/14	Kosovo								
	7/14	7/16	France		979.00						979.00
Visit to Italy, Bosnia and Italy, Sept. 3–7, 1999:											
Hon. Loretta Sanchez	9/3	9/4	Italy		293.00						293.00
	9/4	9/5	Bosnia		351.00						351.00
	9/5	9/7	Italy		312.00						312.00
Committee total					26,155.00		8,310.60				34,465.60

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

FLOYD D. SPENCE, Chairman, Oct. 29, 1999.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON BANKING AND FINANCIAL SERVICES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1, AND SEPT. 30, 1999

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Michael Capuano	8/8	8/12	Armenia		600.00		(3)				600.00
	8/12	8/13	Azerbaijan		150.00		(3)				150.00
Committee total					750.00						750.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military transportation provided by the Department of State.

JAMES LEACH, Chairman, Oct. 27, 1999.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE BUDGET, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1, AND SEPT. 30, 1999

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]

FOR HOUSE COMMITTEES

Please Note: If there were no expenditures during the calendar quarter noted above, please check the box at right to so indicate and return. ☒

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JOHN R. KASICH, Chairman, Nov. 1, 1999.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON COMMERCE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1, AND SEPT. 30, 1999

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Frank Pallone	8/7	8/13	Armenia		800.00		660.00		70.00		1,530.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON COMMERCE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1, AND SEPT. 30, 1999—Continued

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Cliff Stearns	8/9	8/11	Italy		849.00						849.00
Cliff Stearns	8/11	8/14	Greece		624.00						624.00
Cliff Stearns	8/14	8/16	Spain		732.00						732.00
Cliff Stearns	8/16	8/18	Portugal		440.00						440.00
John Dingell	8/8	8/10	Taiwan		530.00						530.00
John Dingell	8/10	8/12	Thailand		498.00						498.00
John Dingell	8/13	8/17	Australia		1,078.67						1,078.67
John Dingell	8/17	8/20	New Zealand		713.19						713.19
Committee total					6,264.86		660.00		70.00		6,994.86

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

TOM BLILEY, Chairman, Oct. 27, 1999.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON HOUSE ADMINISTRATION, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1, AND SEPT. 30, 1999

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]

FOR HOUSE COMMITTEES

Please Note: If there were no expenditures during the calendar quarter noted above, please check the box at right to so indicate and return. ☒

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

BILL THOMAS, Chairman, Nov. 4, 1999.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON RESOURCES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1, AND SEPT. 30, 1999

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Kurt Christensen	7/5	7/14	France		2,673.00		956.33				3,629.33
John Rishel	7/5	7/14	France		2,673.00		956.33				3,629.33
Hon. Helen Chenoweth[3]	7/12	7/13	France				1,988.08				1,988.08
Hon. Ken Calvert[3]	8/17	8/17	Norway								
			Germany, Netherlands				NA				
Manase Mansur	8/17	8/19	Philippines		582.00						
	8/27	8/31	Marshall Islands		693.75		4,152.76				5,428.51
Hon. Donna Christensen											
	9/10	9/12	Haiti		183.00		NA				183.00
Committee total					6,804.75		8,053.50				14,858.25

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Incomplete. Information on per diem not provided by the Department of State.

DON YOUNG, Chairman, Oct. 12, 1999.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON RULES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN AUG. 22, AND AUG. 31 1999

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Tony P. Hall	8/23	8/31	Japan, North Korea, South Korea		2,289.00		2,976.20				5,265.20
Committee total				2,289.00		2,976.20					5,265.20

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

DAVID DREIER, Chairman, Nov. 1, 1999.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SMALL BUSINESS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1, AND SEPT. 30, 1999

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]

FOR HOUSE COMMITTEES

Please Note: If there were no expditures during the calendar quarter noted above, please check the box at right to so indicate and return. ☒

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JAMES TALENT, Chairman, Nov. 1, 1999.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON WAYS AND MEANS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1999

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Karen Thurman	7/6	7/7	Italy		126.00		[3]				126.00
	7/7	7/9	Croatia		1,002.00		[3]				1,002.00
	7/10	7/10	United Kingdom		383.00		[3]				383.00
Hon. Jerry Weller	8/8	8/10	Korea		594.00						594.00
	8/10	8/11	Thailand		389.00						389.00
	8/12	8/14	Vietnam		278.00						278.00
	8/14	8/15	Taiwan		530.00		[4] 3,664.70				4,194.70
Hon. Wes Watkins	8/13	8/17	Australia		1,078.67		[4] 3,797.90				4,876.57
	8/17	8/20	New Zealand		713.19		[3]				713.19
Committee total					5,093.86		7,462.60				12,556.46

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.
[4] Commercial airfare.

BILL ARCHER, Chairman, Oct. 25, 1999.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMISSION ON SECURITY AND COOPERATION IN EUROPE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1, AND SEPT. 30, 1999

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
William Courtney		7/19	United States				5,081.62				5,081.62
	7/20	7/24	Austria		692.00						692.00
		9/18	United States				4,313.06				4,313.06
	9/19	10/2	Austria		2,301.00						2,301.00
Orest Deychakiwsky		9/25	United States				3,535.00				3,535.00
	9/26	10/2	Austria		1,062.00						1,062.00
Chadwick Gore		9/18	United States				1,747.84				1,747.84
	9/19	9/25	Austria		885.00						885.00
Janice Helwig		8/20	United States				1,845.20				1,845.20
	8/21	9/30	Austria		12,310.74						12,310.74
Karen Lord		9/21	United States				4,319.97				4,319.97
	9/22	9/28	Austria		922.00						922.00
Ronald McNamara		9/18	United States				1,325.84				1,325.84
	9/19	9/25	Austria		1,062.00						1,062.00
Erika Schlager		7/24	United States				1,074.26				1,074.26
	7/25	7/27	Belgium		450.00						450.00
Committee total					19,684.74		23,242.79				42,927.53

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

CHRIS SMITH, Chairman, Oct. 29, 1999.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

5322. A letter from the Associate Administrator, Dairy Programs, Agricultural Marketing Service, transmitting the Service's final rule—Milk in the Central Arizona and New Mexico-West Texas Marketing Areas; Suspension of Certain Provisions of the Orders [DA-99-05 and DA-99-09] received November 12, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

5323. A letter from the Associate Administrator, Dairy Programs, Agricultural Marketing Service, transmitting the Service's final rule—Milk in the Texas and Eastern Colorado Marketing Areas; Suspension of Certain Provisions of the Orders [DA-99-08 and DA-99-07] received November 12, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

5324. A letter from the Deputy Under Secretary, Natural Resources and Environment, Department of Agriculture, transmitting the Department's final rule—Administration; Cooperative Funding (RIN: 0596–AB63) received November 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

5325. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Zinc phosphide; Extension of Tolerance for Emergency Exemptions [OPP-200943; FRL-6389-9] (RIN: 2070–AB78) received Novemebr 8, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

5326. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting Efforts of the Corporation to maximize the efficient utilization of the resources of the private sector, pursuant to 12 U.S.C. 1827; to the Committee on Banking and Financial Services.

5327. A letter from the Managing Director, Federal Housing Finance Board, transmitting the Board's final rule—Availability of Unpublished Information [No. 99-54] (RIN: 3069–AA81) received November 8, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

5328. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of State Plans for Designated Facilities and Pollutants; Control of Emissions From Hospital/Medical/ Infectious Waste Incinerators (HMIWI); State of Nebraska [NE 086-1086a; FRL-6473-8] received November 8, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5329. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of State Plans For Designated Facilities and Pollutants: Vermont; Negative Declaration [Docket No. VT-016-1220a; FRL-6474-1] received November 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5330. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Revisions to the Georgia State Implementation Plan [GA-40-9929a; FRL-6473-1] received November 8, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5331. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting a copy of the "State Implementation Plans: Policy Regarding Excess Emissions During Malfunctions, Startup, and Shutdown"; to the Committee on Commerce.

5332. A letter from the Deputy Secretary, Division of Investment Management, Securities and Exchange Commission, transmitting the Commission's final rule—Delivery of prospectuses to investors at the same address; Information to be furnished to security holders; Providing copies of material for certain beneficial owners; Reports to stockholders of management companies; Reports to shareholders of unit investment trusts (RIN: 3235–AG98) received November 8, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5333. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Mexico [Transmittal No. DTC 155–99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5334. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Australia [Transmittal No. DTC 134–99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5335. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing License Agreement with Turkey [Transmittal No. DTC 163–99], pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

5336. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Bahrain, United Arab Emirates, Kuwait, Saudi Arabia, Qatar and Oman [Transmittal No. DTC 108–99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5337. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to United Kingdom and Canada [Transmittal No. DTC 162–99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5338. A letter from the Acting Executive Director, Commodity Futures Trading Commission, transmitting the Commercial Activities as required by the Federal Activities Reform Act of 1998; to the Committee on Government Reform.

5339. A letter from the Comptroller General, transmitting the Research Notification System through October 5, 1999; to the Committee on Government Reform.

5340. A letter from the Inspector General, Nuclear Regulatory Commission, transmitting a copy of the Commercial Activites Inventory; to the Committee on Government Reform.

5341. A letter from the Deputy Independent Counsel, Office of the Independent Counsel, transmitting a letter in response to the reporting requirements of the Inspector General Act and the Federal Managers' Financial Integrity Act, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

5342. A letter from the Director, Office of Surface Mining, Department of the Interior, transmitting the Department's final rule—West Virginia Regulatory Program [WV–081–FOR] received November 8, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

5343. A letter from the Office of the Attorney General, transmitting the withdrawl of United States' intervention as a party in the Chavez v. Arte Publico Press, et al. [No. 93–2881]; to the Committee on the Judiciary.

5344. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drawbridge Operation Regulations: Mystic River, CT [CGD01–99–079] (RIN: 2115–AE47) received November 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5345. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Mountain View, MO [Airspace Docket No. 99–ACE–46] received November 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5346. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Bell Helicopter Textron Canada Model 222, 222B, and 222U Helicopters [Docket No. 98–SW–51–AD; Amendment 39–11400; AD 99–23–04] (RIN: 2120–AA64) received November 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5347. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Bell Helicopter Textron Canada Model 430 Helicopters [Docket No. 98–SW–50–AD; Amendment 39–11399; AD 99–23–03] (RIN: 2120–AA64) received November 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5348. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Eurocopter France Model SA–365N, SA–365N1, and AS–365N2 Helicopters [Docket No. 98–SW–60–AD; Amendment 39–11398; AD 99–23–02] (RIN: 2120–AA64) received November 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5349. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Robinson Helicopter Company (Robinson) Model R44 Helicopters [Docket No. 99–SW–12–AD; Amendment 39–11397; AD 99–23–01] (RIN: 2120–AA64) received November 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5350. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Saab Model SAAB SF340A and 340B Series Airplanes [Docket No. 99–NM–199–AD; Amendment 39–11395; AD 99–22–17] (RIN: 2120–AA64) received November 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5351. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Dornier Model 328–100 Series Airplanes [Docket No. 99–NM–01–AD; Amendment 39–11393; AD 99–22–15] (RIN: 2120–AA64) received November 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5352. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 737 Series Airplanes [Docket No. 99–NM–02–AD; Amendment 39–11394; AD 99–22–16] (RIN: 2120–AA64) received November 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5353. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing 777–200 Series Airplanes [Docket No. 99–NM–03–AD; Amendment 39–11396; AD 98–02–06 R1] (RIN: 2120–AA64) received November 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5354. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Eurocopter France Model SA330F, G, J, and AS332C, L, and L1 Helicopters [Docket No. 99–SW–01–AD; Amendment 39–11403; AD 99–23–07] (RIN: 2120–AA64) received November 8, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5355. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Modification of the San Juan Low Offshore Airspace Area, PR [Airspace Docket No. 99–ASO–1] (RIN: 2120–AA66) received November 8, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5356. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Change Name of Using Agency for Restricted Area R–5203; Oswego, NY [Airspace Docket No. 99–AEA–12] (RIN: 2120–AA66) received November 8, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5357. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 29785; Amdt. No. 1953] received October 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5358. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 29709; Amdt. No. 1947] received September 14, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5359. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Eurocopter Canada Ltd. Model BO 105 LS A–3 Helicopters [Docket No. 99–SW–56–AD; Amendment 39–11371; AD 99–20–13] (RIN: 2120–AA64) received October 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5360. A letter from the Secretary of Transportation, transmitting the Response To The Transportation Research Board National Research Council entitled, "Entry And Competition In The U.S. Airline Industry: Issues And Opportunities"; to the Committee on Transportation and Infrastructure.

5361. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Procedures for Interest Netting [Rev. Proc. 99–43] received November 8, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

5362. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Acquisition of an S Corporation by a Member of a Consolidated Group [TD 8842] (RIN: 1545–AW32) received November 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

5363. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Reopenings of

Treasury Securities (RIN: 1545–AX61) received November 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

5364. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Tax Forms [Rev. Proc. 99–42] received November 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

5365. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Partnership Returns Required on Magnetic Media [TD 8843] (RIN: 1545–AW14) received November 10, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

5366. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Return of Partnership Income [TD 8841] (RIN: 1545–AU99) received November 10, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. YOUNG of Alaska: Committee on Resources. H.R. 2828. A bill to prohibit oil and gas drilling in Mosquito Creek Lake in Cortland, Ohio (Rept. 106–468). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 3063. A bill to amend the Mineral Leasing Act to increase the maximum acreage of Federal leases for sodium that may be held by an entity in any one State, and for other purposes (Rept. 106–469). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. ANDREWS:

H.R. 3365. A bill to provide grants to local educational agencies to establish or expand prekindergarten programs for children who are not yet enrolled in kindergarten; to the Committee on Education and the Workforce.

By Mr. CASTLE:

H.R. 3366. A bill to suspend temporarily the duty on benzyl carbazate (DT–291); to the Committee on Ways and Means.

By Mr. CASTLE:

H.R. 3367. A bill to suspend temporarily the duty on tralkoxydim formulated ("Achieve"); to the Committee on Ways and Means.

By Mr. CASTLE:

H.R. 3368. A bill to suspend temporarily the duty on the chemical KN002; to the Committee on Ways and Means.

By Mr. CASTLE:

H.R. 3369. A bill to reduce temporarily the duty on the chemical KL084; to the Committee on Ways and Means.

By Mr. CASTLE:

H.R. 3370. A bill to suspend temporarily the duty on the chemical IN-N5297; to the Committee on Ways and Means.

By Mr. CASTLE:

H.R. 3371. A bill to reduce temporarily the duty on azoxystrobin formulated ("Heritage", "Abound", and "Quadris"); to the Committee on Ways and Means.

By Mrs. MALONEY of New York (for herself, Mrs. MORELLA, Mr. CONYERS, Mr. CROWLEY, and Mr. SHAYS):

H.R. 3372. A bill to establish a performance standard for breast pumps to facilitate their regulation under the Federal Food, Drug and Cosmetic Act, and for other purposes; to the Committee on Commerce.

By Mr. THOMPSON of California (for himself, Mr. REYES, Mr. CUNNINGHAM, Mr. PITTS, Mr. BOYD, and Ms. ESHOO):

H. Con. Res. 228. Concurrent resolution honoring the members of the Armed Forces and Federal civilian employees who served the Nation during the Vietnam era and the families of those individuals who lost their lives or remain unaccounted for or were injured during that era in Southeast Asia or elsewhere in the world in defense of United States national security interests; to the Committee on Armed Services.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 675: Mr. KUCINICH.

H.R. 750: Mr. WALSH, Mr. TOWNS, and Mr. LARSON.

H.R. 809: Ms. DANNER.

H.R. 890: Mr. GEJDENSON and Mr. MALONEY of Connecticut.

H.R. 1111: Mr. WU.

H.R. 1358: Ms. WOOLSEY.

H.R. 1594: Mr. RUSH.

H.R. 1827: Mr. STEARNS.

H.R. 1885: Ms. MCKINNEY and Mrs. CAPPS.

H.R. 1926: Mr. PASTOR and Mr. PICKETT.

H.R. 2385: Mr. BARRETT of Wisconsin.

H.R. 2548: Mr. TALENT and Mr. SHUSTER.

H.R. 2722: Mr. CONYERS.

H.R. 2870: Mr. BOEHLERT.

H.R. 2883: Mr. CAMPBELL and Mr. DICKEY.

H.R. 2896: Mrs. MALONEY of New York and Mr. BENTSEN.

H.R. 2900: Mr. ACKERMAN, Mr. PALLONE, and Mr. SMITH of New Jersey.

H.R. 2961: Mr. BACHUS.

H.R. 3047: Mrs. THURMAN.

H.R. 3132: Ms. SCHAKOWSKY and Mr. HINOJOSA.

H.R. 3150: Ms. DEGETTE and Mr. BAIRD.

H.R. 3165: Mr. BORSKI, Mr. WEINER, Mr. FARR of California, Mr. WAXMAN, Mr. OWENS, Mr. HOYER, and Mr. CROWLEY.

H.R. 3244: Mr. GILLMOR.

H.R. 3270: Ms. ROS-LEHTINEN and Mr. SMITH of New Jersey.

H.R. 3293: Mr. LAFALCE, Mrs. CAPPS, Mr. RADANOVICH, Ms. DANNER, and Mr. PICKETT.

H.J. Res. 77: Mr. DOOLITTLE, Mr. MCINTOSH, and Mr. SESSIONS.

H. Con. Res. 177: Mr. OWENS, Mr. WEINER, Mr. DEFAZIO, Mr. SANDERS, Mr. WYNN, Mr. CLAY, Mr. ROMERO-BARCELÓ, Mr. FATTAH, Mr. GORDON, Mr. RODRIGUEZ, and Mr. JEFFERSON.

H. Con. Res. 216: Mr. KLECZKA.

H. Con. Res. 218: Ms. ESHOO, Ms. SLAUGHTER, Mr. SHAYS, Mr. MEEHAN, Mr. CUMMINGS, Mr. RYUN of Kansas, and Mr. MORAN of Virginia.

H. Res. 325: Mr. RANGEL.

EXTENSIONS OF REMARKS

INTRODUCTION OF DUTY SUSPENSION AND REDUCTION LEGISLATION

HON. MICHAEL N. CASTLE

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1999

Mr. CASTLE. Mr. Speaker, I rise today to introduce several duty suspension and duty reduction bills for materials used in the production of environmentally sensitive herbicides, pesticides, and fungicides that improve the quality of our lives.

These duty suspension bills lower the cost of producing these products thereby lowering the cost to consumers and helping U.S. industries compete in the global marketplace. When American companies make the active ingredients for these chemicals, there is a proper role for duties to exist. However, when the active ingredients are only made by foreign companies, we needlessly increase costs for American businesses and consumers by imposing duties on their importation. By introducing these bills, I am triggering a careful review of these proposals by the House Ways and Means Committee and the International Trade Commission to make sure there are no domestic producers of these active ingredients so no one will be financially harmed.

Mr. Speaker, let me take this opportunity to highlight the beneficial uses of the final products these chemicals will produce. KN002 and KL084 are used to make citrus herbicides that are less toxic than many of the existing herbicides on the market. They require sixty percent less application to yield the same weed control result thus minimizing exposure to those who apply the herbicide. IN–N597 is used in the production of a rice herbicide. Like the citrus herbicides, it has environmental advantages over the existing rice herbicides on the market. Azoxystrobin is used in the production of a fungicide often used on golf courses. It also goes by the popular name Heritage, Abound or Quadris. DT–291 is a general fruit and vegetable insecticide. It has the unique ability to kill certain pests while leaving beneficial insects unharmed. Furthermore, DT–291 is well within the margins of safety to mammalian, avian, and aquatic organisms.

Finally, Tralkoxydim is used in the production of a postemergence herbicide for wheat and barley. It is also known as Achieve. The Environmental Protection Agency has concluded that Achieve is a reduced risk herbicide. It presents negligible health risks to consumers because it is low in toxicity and does not leave detectable residues in cereal grain, straw or hay. Postemergence herbicides also have the advantage of low application rates. The herbicide is only needed if weeds emerge around the wheat. Many other wheat herbicides must be applied ahead of time to prevent weeds from developing regardless of whether they would have emerged naturally.

Mr. Speaker, duty suspension bills are one of the most non-controversial, bipartisan legislative initiatives because they are common sense for consumers, for the environment, and for enhancing the competitiveness of our domestic industries. I urge support for these proposals after the appropriate committees and agencies have thoroughly vetted these measures.

PROVIDING FOR CONSIDERATION OF H.R. 8196, FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 2000

SPEECH OF

HON. MICHAEL E. CAPUANO

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. CAPUANO. Mr. Speaker, today I cast my vote in support of H.R. 3196, the Foreign Operations Appropriations bill for fiscal year 2000. However, I did so with great reluctance. Late last night, a compromise was reached to provide $1.8 billion for the Wye River Accord and an additional $799 million for other accounts. Many accounts such as the African Development Bank, the International Development Association, the Peace Corps, and the North American Development Bank were provided with more realistic funding levels that will allow these entities to carry out their programs.

However, one of the most disturbing inadequacies of this bill is the level of funding provided for the Republics of the Former Soviet Union. If this bill becomes law, the Republics of the Former Soviet Union are slated to receive $839 million. This is $104 million short of the President's request, and $3 million less than fiscal year 1999. Many of the Newly Independent States are still facing serious economic and democratic challenges, and a few still have access to nuclear weapons. On one hand the people of Ukraine and Georgia recently held successful Presidential elections on October 31. On the other hand, the Prime Minister and the Speaker of the Parliament were brutally assassinated in Armenia, and Belarus who is inching toward greater integration with Russia frequently suppresses political dissidents by censuring or imprisoning them. Clearly, this region is still very unstable and the United States should make every effort to show our support for these fragile democratic institutions. We also should provide assistance so that countries in dire financial straits are not forced to resort to nuclear arms dealing in order to feed their people. If we fail to provide adequate funding for this region, we jeopardize the security of Americans.

In addition, this bill underfunds the Migration and Refugee Account by $35 million less than the President's request and $281 million less than fiscal year 1999. During the previous months, I have worked to include provisions for counseling assistance to refugee survivors of rape in times of conflict and war. As we witnessed during the conflict in Kosovo, many women not only suffered from the act of rape itself, but they must also live with the social stigmas dictated by their culture as a result of being a victim of rape. Without adequate funding for this and other programs, many women and children in need will continue suffering.

This bill also does not provide sufficient funding for debt relief for the world's poorest countries. The Banking Committee just reported a bill, H.R. 1095, that will help reduce the unpayable debt held by many of the world's developing countries. This important bipartisan legislation will help alleviate the suffering of people living in nations with unmanageable debt burdens. Unfortunately, full funding for this vital initiative is not included in this bill.

Furthermore, on July 23, 1999, many of my colleagues and I voted in favor of an amendment to the original Foreign Operations Appropriations bill to prohibit funding for the School of Americas which has gained an infamous reputation for training human rights violators in Latin America. Despite the passage of this amendment by a vote of 230–197, this bill reinstates $2 million for the School of Americas. Furthermore, this bill eases some restrictions on aid to Indonesia and only prohibits funds from being obligated to Indonesia until the President advises the Appropriations Committee in writing 20 days prior to allocation. this is an outrage considering that 250,000 East Timorese refugees are still held captive in refugee camps in West Timor. Many of these refugees have been intimidated by Indonesian military, and many more are not permitted to return to East Timor.

Mr. Speaker, the success of U.S. foreign policy and programs depends upon adequate funding to administer consistent humanitarian relief to our neighbors and allies who are confronting extraordinary natural disasters, civil strife, and economic and political transformations. Global interaction and cooperation enhances our nation's security. This revised bill goes a long way to ensure implementation of a broad array of bilateral and multilateral assistance programs which directly impact American interests. I reluctantly supported this bill today, because I felt it was irrational to hold up funding for the many worthwhile programs in this bill. However, despite additional funding for several accounts, this bill still contains a number of weaknesses which I hope will be corrected before it ultimately becomes law.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

HONORING NICHOLAS AIELLO FOR RECEIVING THE AUGUSTA LEWIS TROUP AWARD

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1999

Ms. DELAURO. Mr. Speaker, I rise today to pay tribute to my good friend, Nicholas Aiello, as he receives the Augusta Lewis Troup "Pass it on" Award for his contributions to the labor movement in New Haven.

The Augusta Lewis Troup "Pass it on" Award is presented annually to those individuals who have committed a lifetime to fighting for workers rights. Born in New York City in 1849, Troup, a career journalist, became the first female national officer of a trade union in the United States when she was elected Corresponding Secretary of the National Typographical Union in 1868. Troup dedicated her life not only to ensuring workers rights, but also raising awareness and fighting for women's rights to vote. Troup came to New Haven as an active suffragist, and is remembered as an untiring activist—striving to alleviate the conditions of local working people and the poor.

For over a half century, Nick Aiello has dedicated his life to the principles which Augusta Troup expounded. As an organizer and leader of the Amalgamated Clothing Workers Union Local 125, Nick fought tirelessly for the rights of garment workers in New Haven. As the daughter of a garment worker, this fight holds a special place in my heart. My mother toiled in the sweatshops of New Haven's garment factories, sewing shirt collars for pennies a piece.

Nick has also worked his entire life to make his community a better place to live and grow. He has been active in local and state politics. He was the Commissioner on Equal Opportunity for the city of New Haven, which strives to ensure that workplace standards are strictly adhered to in all city employment. Nick's work on these and other community organizations is truly commendable—he has helped make New Haven a successful, vibrant community.

It is with great pride that I rise to join his son, Michael, friends, family, and the entire New Haven community in saluting my dear friend, Nick, as he receives the 1999 Augusta Lewis Troup "Pass it on" Award. Congratulations.

CONFERENCE REPORT ON S. 900, GRAMM-LEACH-BLILEY ACT

SPEECH OF

HON. TOM BLILEY

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. BLILEY. Madam Speaker, one of the most important aspects of the Gramm-Leach-Bliley Act is that it reaffirms a long-standing principle of Federal Banking law—that a national bank may not own any interest in or control another company engaged in activities that national banks cannot conduct directly unless such ownership or control is expressly authorized by Federal law. The operating subsidiary compromise agreed to by Federal Reserve and the Treasury and adopted in the Act is built on and confirms this principle.

In this regard, the Act would authorize national banks to own or control a subsidiary only if the subsidiary engages solely in bank permissible activities, or the Congress has expressly authorized national banks to own or control the subsidiary, such as in section 25 of the Federal Reserve Act. The Act includes a new express authorization for national banks to control subsidiaries that engage in activities that the Federal Reserve and the Secretary of the Treasury agree are financial activities. To own or control such a financial subsidiary, a national bank must comply with the conditions established by the Act.

National banks are prohibited from owning or controlling any other subsidiaries. The general power of national banks under the National Bank Act to engage in the business of banking and activities incidental thereto does not authorize national banks to own shares of stock or other interests in or control a company that engages in activities that the parent bank cannot conduct directly. Recently, the Comptroller of the Currency has interpreted section 24 (Seventh) of the National Bank Act to permit national banks to own and control subsidiaries engaged in activities that national banks cannot conduct directly. These decisions and the legal reasoning therein are erroneous and contrary to the law. The Act overturns these decisions and renders inoperative those portions of Part 5 of the Comptroller's regulations that purport by administrative action to authorize national banks to control subsidiaries engaged in activities that the national banks cannot conduct directly.

PRIVACY

Section 502(b) of S. 900 contains the opt-out notice required by Subtitle A of Title V. It was not the intention of the conferees to require that an opt-out notice be disclosed for every third party disclosure, provided that the consumer has received a prior clear and conspicuous opt-out opportunity covering defined categories of third party disclosures. As long as consumers are afforded a clear choice about whether non-public personal information can be shared with non-affiliated third parties, the opt-out need not be provided separately for each such disclosure.

MARINE CORPS 224TH ANNIVERSARY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1999

Mr. GILMAN. Mr. Speaker, I rise today to congratulate the U.S. Marine Corps on its 224th birthday.

The U.S. Marine Corps has a long and illustrious history. The smallest of the four service branches, they have traditionally been the "tip of the spear" of American military power. U.S. Marines have been among the first troops dispatched to international crises areas over the past century, and they have been involved in some of the heaviest fighting in the various conflicts in which the United States has become involved.

The roll call of battle honors earned by the Marine Corps in the 20th century includes some of the most famous battles of the past 100 years: Meuse-Argonne, Belleau Wood, Guadacanal, Iwo Jima, Inchon, Tet, and many others. Through it all the members of the U.S. Marine Corps were the first to take up the battle defending freedom and democracy from tyranny and despotism.

In peacetime, the Marine Corps has performed the vital role of safeguarding American embassies and consulates abroad, and in recent years, the important mission of peacekeeping. In performing these missions, Marine Cops members have served in dangerous and demanding positions at great sacrifice to the lives of themselves and their families. For this, all Americans owe them a debt of gratitude.

There is a story that when the British Army invaded Washington, DC, in 1814, they burned all major government buildings save one, the Marine Barracks. The reason the barracks was spared was that unlike the militia at Bladensburg, the U.S. Marines stood and faced the British in battle.

It was out of respect for this bravery on the part of the corps that the barracks were spared from destruction. A fitting tribute indeed.

Accordingly, I urge my colleagues to join in congratulating the Marine Corps on their 224th anniversary. Our Nation, and our way of life, is much safer as a result of their courageous contribution.

HONORING EDWIN AND INEZ WALDRON

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1999

Mr. RADANOVICH. Mr. Speaker, I rise today to honor Edwin and Inez (May) Waldron as they celebrate their 50th wedding anniversary on December 1, 1999. Mr. and Mrs. Waldron have served the United States through military service and as wonderful parents.

Edwin and May were married on December 1, 1949. They had known each other for only three and a half months, and this milestone is a testament to their dedication to each other and their marriage commitment.

Edwin grew up in a small coal-mining town in West Virginia during the Great Depression, and has always been a shining example of honesty with an excellent work ethic. Everything is done right the first time and in its place. He was a Machinsts Mate in the U.S. Navy serving in the submarine and air corps, and is a Pearl Harbor survivor. In 1963 he started his own business, Anaheim Printing and Lithography, and his wife was the bookkeeper and store manager. They worked together at the shop until they both retired in 1978. Edwin is also a proud descendant of Revolutionary War and Civil War veterans.

May is from an old Quaker family who arrived in this country in 1620. She grew up in

Venice, California, during the hard times of the Great Depression. She served as a WAVE in the U.S. Navy during World War II, as a storekeeper and had a Top Secret clearance. She also volunteered her services to the critically injured men at Aiea Naval Hospital. After the war, she received a commendation for exemplary service from President Harry Truman.

As parents, Edwin and May raised two daughters in a kind, but very well disciplined manner. May was a faithful room mother and active in PTA as well as the Business and Professional Women's Association. The Waldrons have five grandchildren.

Mr. Speaker, I rise to recognize Edwin and May Waldron, for their example of commitment, care, love, pride, honesty, and hard work. I urge my colleagues to join me in wishing Mr. and Mrs. Waldron many more years of happiness and success.

HONORING DOMINIC PALUMBO FOR SERVICE TO THE COMMUNITY

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1999

Ms. DELAURO. Mr. Speaker, it gives me great pleasure to rise today to honor an exceptional member of the North Haven, Connecticut community and a good friend, Dom Palumbo. On Saturday, November 13, the North Haven High School honored Dom by inducting him into their Sports Hall of Fame.

Dom has been an outstanding contributor to the sports programs at North Haven High School as well as an invaluable member of our community. Throughout his time in North Haven, Dom has been incredibly generous with his time, devoting himself to young athletes and supporting the athletics department in innumerable ways. He contributed to the building of the North Haven High School locker room at Northford Pavilion and opened his home countless times to young athletes to celebrate victories and successes. From sponsoring youth baseball, midget football, and summer basketball teams to helping purchase weight room equipment to hiring a bus for players and spectators, Dom's contributions to the North Haven community and its youth will be felt for years to come. Dom's efforts have fostered a sense of teamwork and sportsmanship in hundreds of North Haven youths.

Dom's commitment to the residents of North Haven extends far beyond his involvement with the high school. Today, retired from the ceramic tile business he started, Dom is a member of the Board of Directors of the Quinnipiac Council for Boy Scouts of America and will resign this year after a fifteen year tenure as the Secretary of the Democratic State Central Committee. He has served on the North Haven Democratic Town Committee for 32 years, the Planning & Zoning Commission for 29 years, and the Democratic State Central Committee for 25 years. Dom's commitment to his community has enhanced and enriched the lives of our children and families.

It is with great pride that I rise today to join with his wife Judy, his sons, Richard, Robert, Ronald, and Raymond, the North Haven High School, and the North Haven community as my dear friend, Dom Palumbo, is inducted into the North Haven High School Sports Hall of Fame as the 1999 Service Award Honoree. My sincere congratulations on this wonderful occasion.

MEDICARE, MEDICAID, AND SCHIP BALANCED BUDGET REFINEMENT ACT OF 1999

SPEECH OF

HON. MICHAEL E. CAPUANO

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. CAPUANO. Mr. Speaker, this morning I voted for the Medicare Balanced Budget Refinement Act of 1999 (H.R. 3075) in an effort to address the issues associated with the Balanced Budget Act of 1997 (BBA). While this bill represents an important step toward addressing the serious pitfalls contained in the BBA, I remain gravely concerned about sections of this bill and the overall ramifications this legislation will have on the financial problems affecting our nation's health care system.

In particular, I am concerned in the manner with which this bill was brought to the floor. This legislation was finished last night, leaving our side with just a few hours to review the legislation. Democrats were all but left out of the negotiations between the Ways and Means and Commerce Committee Republicans over this new package. Moreover, as the bill was placed on this month's calendar as a suspension bill, Members were stripped of their rights to offer amendments and were allowed only twenty minutes of debate time to present their views on this bill. This, my friends, is the wrong way to approach legislation that is so critical to the delivery of health care.

However, the Medicare Balanced Budget Refinement Act represents a modest downpayment towards stabilizing a health system that is in midst of a fiscal crisis. The BBA, was intended to reduce Medicare spending by $115 billion over five years but, as the act's provisions have been implemented, the actual reduction in Medicare spending is nearly twice that amount—$220 billion. Simply put, the BBA overshot its mark.

Already, the 1999 losses for Boston teaching hospitals have exceeded $150 million with two-thirds of the state's hospitals losing money on operations. This bill would translate into only $125 million being restored to the state's health care institutions. Hospitals in Massachusetts, even under the most optimistic scenarios, are expected to recover only 10% of the $1.7 billion cut by the BBA. With respect to teaching hospitals, this bill provides a one-year freeze on Indirect Medical Education payments at FY2000 levels of 6.0%.

Passage of H.R. 3075 represents an important step towards providing critically needed BBA relief for such providers of health care as teaching hospitals, home health agencies, skilled nursing facilities, and therapy services. This represents a first-step in trying in confronting the consequences of the BBA and averting the impending fiscal crisis facing health care providers nationwide. I therefore voted for this bill and hope that Democratic concerns be addressed in Conference.

HONORING RELIANT ENERGY HL&P/ENTEX

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1999

Mr. BENTSEN. Mr. Speaker, I rise to congratulate Reliant Energy HL&P/Entex and its employees for selection by the Deer Park Chamber of Commerce as the 1999 Industry of the Year.

Reliant Energy and its employees have been responsible members of the Deer Park community for nearly 70 years, providing residents, businesses, and industries with safe and reliable energy services. The Texas Natural Resources Conservation Commission awarded the 1999 Texas Environmental Excellence Award in the large business category to Reliant Energy in recognition of the company's efforts to restore damaged wetlands along Clear Creek. More than 200 entrants competed for the state's most prestigious environmental award, which honors Texas' best waste reduction and pollution prevention projects.

Reliant Energy was first organized in 1882 as Houston Electric Lighting & Power. It was reorganized and renamed Houston Lighting and Power Company in 1905. In 1999, Reliant Energy HL&P/Entex, a division of Reliant Energy, was formed, and is the electricity and natural gas provider for the Houston metropolitan area. As Reliant Energy HL&P/Entex, it is the 10th largest electric utility in the U.S. in terms of kilowatt-hour sales. It serves more than 1.6 million electricity customers over a 5,000 square mile area in and around Houston and more than 730,000 natural gas customers in the Houston area.

A true connection exists between Reliant Energy and the Deer Park community. More than 100 Reliant Energy HL&P/Entex employees make their homes in Deer Park neighborhoods. Demonstrating their generosity and connection to the community, the company's employees have logged more than 5,000 volunteer hours on projects in the Deer Park/Southeast Houston area.

Reliant Energy HL&P/Entex's active involvement in the Deer Park community can be traced through its participation in a wide variety of civic organizations, including the Deer Park Chamber of Commerce, Communities in School and several community-based non-profit organizations.

Reliant Energy HL&P/Entex has contributed to efforts to provide a first-rate education for the young people of Deer Park. Last year, the company was a major supporter of the Deer Park Independent School District, donating generously for educational materials, school presentations and teacher training.

Mr. Speaker, I congratulate the employees of Reliant Energy HL&P/Entex on being named the Deer Park Chamber of Commerce 1999 Industry of the Year. This honor is well-deserved for their work in expanding business and job opportunities, establishing safer conditions for workers, and initiatives to protect the environment. This award indicates that Reliant Energy HL&P/Entex has demonstrated a commitment to strengthening community relations by supporting employees' volunteer activities and making contributions to deserving sectors of the community.

TRIBUTE TO VETERANS

HON. JENNIFER DUNN

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1999

Ms. DUNN. Mr. Speaker, President Calvin Coolidge once said, "The nation which forgets its defenders will be itself forgotten." Americans have not forgotten the veterans who risked their lives and, in many cases, sacrificed their health and goals for this great country.

The United States maintains its coveted position as the world's only remaining superpower because of the countless men and women who, throughout history, selflessly put themselves in harm's way to defend America's freedom across the globe.

On this Veterans Day, I would like to pay a special tribute to a particular group of veterans who are many times overlooked—the more than 400,000 women who served in the U.S. military during World War II.

In order to properly show my gratitude to these unsung heroes, I lent my name as a proud cosponsor of H. Res. 41, Honoring American Military Women For Their Service in World War II Resolution. This measure pays tribute to the women pioneers who partook in a career traditionally reserved for men and recognizes the high standard of military excellence they set for future generations to admire. I am pleased that we are taking time to give these military women due credit and thanks.

On this special day, it is important for Americans across the nation to recognize all veterans for their selfless dedication to our great Nation. Many put their life's dreams on hold to ensure American freedom and security. To them, I humbly say, "thank you."

A TRIBUTE TO MIAMI-DADE'S SENIOR COMPANIONS

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1999

Ms. ROS-LEHTINEN. Mr. Speaker, I am proud to congratulate the volunteers of the Miami-Dade County Senior Companion Program who selflessly dedicate their lives to provide supportive services to adults with special needs and comfort to their families.

Four hours a week, five days a week, Senior Companions seek to fulfill the needs of South Florida's increasing elderly community, and especially senior citizens afflicted with Alzheimer's disease, by providing friendship and personal assistance in the activities of daily living.

Martin Luther King once stated "everybody can be great because anybody can serve. You don't have to have a college degree to serve. You don't have to make your subject and verb agree to serve. You only need a heart full of grace. A soul generated by love."

Miami-Dade's Senior Companions have demonstrated grace, love and immeasurable commitment to less fortunate seniors in our community, and on Friday, December 3rd, Miami-Dade County Community Action Agency will honor them and celebrate their unparalleled generosity with a luncheon.

Congratulations and much success to the Senior Companions for their great work.

HONORING DOROTHY JOHNSON FOR RECEIVING THE AUGUSTA LEWIS TROUP AWARD

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1999

Ms. DELAURO. Mr. Speaker, I rise today to pay tribute to Dorothy Johnson, as she receives the Augusta Lewis Troup "Pass it on" Award for her contributions to the labor movement in New Haven.

The Augusta Lewis Troup "Pass it on" Award is presented annually to those individuals who have committed a lifetime to fighting for workers rights. Born in New York City in 1849, Troup, a career journalist, became the first female national officer of a trade union in the United States when she was elected Corresponding Secretary of the National Typographical Union in 1868. Troup dedicated her life not only to ensuring workers rights, but also raising awareness and fighting for women's rights to vote. Troup came to New Haven as an active suffragist, and is remembered as an untiring activist—striving to alleviate the conditions of local working people and the poor.

As President of the United Electrical, Radio, and Mechanical Workers Local 299, Dorothy has fought long and difficult battles with companies all over the New Haven area, organizing small manufacturing workforces into proud, active members. Dorothy spent 6 years struggling to win union recognition for workers at Circuitwise in North Haven, finally achieving her goal in 1994. Today, workers at companies like Circuitwise are assured of a livable wage, health insurance for themselves and their families, and a safe working environment; thanks to Dorothy's efforts.

It is with great pride that I rise to join friends, family, and the New Haven community in saluting Dorothy, as she receives the 1999 Augusta Lewis Troup "Pass it on" Award. Congratulations.

A TRIBUTE TO JENNIFER MUMMERT

HON. C.W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1999

Mr. YOUNG of Florida. Mr. Speaker, the Appropriations Committee on November 19th will lose one of its most competent and efficient staff members, Jenny Mummert.

Jenny will leave us that day to further her career in the private sector, and the Committee and particularly the Defense subcommittee will not be the same without her.

Jenny joined the Committee in January 1991 as a member of the Treasury Postal Subcommittee staff, where she worked for four different Subcommittee Chairmen.

When I became Chairman of the Defense Subcommittee in 1995, I persuaded Jenny to come to work for us. She took on every task we gave her cheerfully and professionally from helping with the arrangements at hearings, to preparing the voluminous notes and tables at markups and conferences, and a myriad of other tasks associated with writing and passing the largest of our appropriations bills.

Jenny has not only been great in the work place, but she has done so while raising a family of four. She and her husband, Joe are the loving parents of Joey, Kandyce, Kevin, and Karley.

Like most Members of the Appropriations Committee and its staff, Jenny has put in her share of long nights, weekends, and holidays helping to prepare our annual legislative products. She has been a trooper, and on behalf of the entire Committee and the Congress, I want to thank her for her numerous contributions to her country and to our nation's security.

Mr. Speaker, it is my hope that my colleagues on the Appropriations Committee and in the House will join me in wishing Jenny all the best with her new career.

SENATE—*Tuesday, November 16, 1999*

The Senate met at 10 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

The PRESIDENT pro tempore. Today's prayer will be offered by our guest Chaplain, Dr. Richard Foth, Falls Church, VA.

We are pleased to have you with us.

The guest Chaplain, Dr. Richard Foth, offered the following prayer:

We come today, heavenly Father, with thanksgiving for Your many gifts to us. We are unworthy of the blessings that this Nation enjoys, but we are grateful for the privilege of living in a free land.

As the Senate comes to the close of its deliberations for this year, may wisdom and foresight prevail. Between the pressure to wrap up business and the compromises necessary to make that happen, help the men and women of this body determine to take the long view.

In a place where pressing for votes and pleading for causes each day is the stock-in-trade, let there be a baptism of clear seeing this week. Where great clouds of dust have been raised over critical issues, may the wind of Your Spirit bring new insights. Where significant needs may have been lost in the legitimate but lengthy parliamentary debate, help common ground to be found.

Thank You, Lord, for these gifted public servants, and thank You in advance for the fresh oil of Your grace which they need in these closing hours of their work. May our Nation, our people, and the world be better for it.

In that Name above every name we pray. Amen.

PLEDGE OF ALLEGIANCE

The Honorable MIKE CRAPO, a Senator from the State of Idaho, led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. Senator CRAPO is recognized.

ORDER FOR MORNING BUSINESS

Mr. CRAPO. Mr. President, I ask unanimous consent that the Senate be in a period of morning business until 12 noon today with the time equally divided between the majority and minority leaders or their designees.

The PRESIDENT pro tempore. Without objection, it is so ordered.

SCHEDULE

Mr. CRAPO. The Senate will be in a period of morning business until 12 noon to accommodate a number of Senators who desire to introduce bills and make statements. Following morning business, the Senate may resume consideration of the bankruptcy reform legislation.

For the information of all Senators, progress has been made on the appropriations process, and it is hoped that the Senate will receive the remaining bills from the House today or early in the day on Wednesday. Rollcall votes are not anticipated today. However, they may occur, if necessary, to proceed to legislative or executive matters. Senators can expect votes to occur throughout tomorrow's session, possibly as early as 10 a.m., in an effort to complete the appropriations process.

I thank my colleagues for their attention.

I note the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

(Mr. CRAPO assumed the chair.)

Mr. FEINGOLD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FEINGOLD. Mr. President, I ask unanimous consent to speak for 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE FEDERAL DEATH PENALTY ABOLITION ACT OF 1999

Mr. FEINGOLD. Mr. President, I rise today to speak on the Federal Death Penalty Abolition Act of 1999, a bill I introduced last Wednesday. This bill will put an immediate halt to executions and forbid the imposition of the death penalty as a sentence for violations of Federal law.

Since the beginning of this year, this Chamber has echoed with debate on violence in America. We have heard about violence in our schools and neighborhoods. But I am not so sure that we in Government don't contribute to this casual attitude we sometimes see toward killing and death. With each new death penalty statute enacted and each execution carried out, our executive, judicial and legislative branches, at both the State and Federal level, add to a culture of violence and killing. With each person executed, we are teaching our children that the way to settle scores is through violence, even to the point of taking a human life.

Those who favor the death penalty should be pressed to explain why fallible human beings should presume to use the power of the state to extinguish the life of a fellow human being on our collective behalf. Those who oppose the death penalty should demand that explanation adamantly, and at every turn. But only a zealous few try. We should do better. And we should use this moment to do better as we step not only into a new century but also a new millennium, the first such landmark since the depths of the Middle Ages.

Across the globe, with every American who is executed, the entire world watches and asks, How can the Americans, the champions of human rights, compromise their own professed beliefs in this way? A majority of nations have abolished the death penalty in law or in practice. Even Russia and South Africa—nations that for years were symbols of egregious violations of basic human rights and liberties—have seen the error of the use of the death penalty. Next month, Italy and other European nations—nations with which the United States enjoys its closest relationships—are expected to introduce a resolution in the U.N. General Assembly calling for a worldwide moratorium on the death penalty.

So why does the United States remain one of the nations in the distinct minority to use the death penalty? Some argue that the death penalty is a proper punishment because it is a deterrent. But they are sadly, sadly mistaken. The Federal Government and most States in the United States have a death penalty, while our European counterparts do not. Following the logic of death penalty supporters who believe it is a deterrent, you would think that our European allies, who don't use the death penalty, would have a much higher murder rate than we do in the United States. Yet, they don't; and it is not even close. In fact, the murder rate in the United States is six times higher than the murder rate in Britain, seven times higher than in France, five times higher than in Australia, and five times higher than in Sweden.

But we don't even need to look across the Atlantic to see that capital punishment has no deterrent effect on crime. Let's compare Wisconsin and Texas. I am proud of the fact that my great

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

State, Wisconsin, was the first State in this Nation to abolish the death penalty completely, when it did so in 1853. So Wisconsin has been death penalty-free for nearly 150 years. In contrast, Texas is the most prodigious user of the death penalty, having executed 192 people since 1976. So let's look at the murder rate in Wisconsin and in Texas. During the period from 1995 to 1998, Texas has had a murder rate that is nearly double the murder rate in Wisconsin. This data alone calls into question the argument that the death penalty is a deterrent to murder.

I want to be clear. I believe murderers and other violent offenders should be severely punished. I am not seeking to open the prison doors and let murderers come rushing out into our communities. I don't want to free them. But the question is, Should the death penalty be a means of punishment in our society?

The fact that our society relies on killing as punishment is disturbing enough. Even more disturbing, however, is the fact that the States' and the Federal Government's use of the death penalty is often not consistent with the principles of due process, fairness and justice.

It just cannot be disputed that we are sending innocent people to death. Since the modern death penalty was reinstated in the 1970s, we have released 82 men and women from death row. Why? Because they were innocent. That's one death row inmate found innocent for every seven executed. One in seven! That's a pretty poor performance for American justice.

Another reason we need to abolish the death penalty is the specter of racism in our criminal justice system. Even though our nation has abandoned slavery and segregation, we unfortunately are still living with vestiges of institutional racism. In some cases, racism can be found at every stage of a capital trial—in the selection of jurors, during the presentation of evidence, and sometimes during jury deliberations.

After the 1976 Supreme Court Gregg decision upholding the use of the death penalty, the death penalty was first enacted as a sentence at the federal level with passage of the Drug Kingpin Statute in 1988. Since that time, numerous additional federal crimes have become death penalty-eligible, bringing the total to about 60 statutes today. At the federal level, 21 people have been sentenced to death. Of those 21 on the federal government's death row, 14 are black and only 5 are white. One defendant is Hispanic and another Asian. That means 16 of the 21 people on federal death row are minorities. That's just over 75%. And the numbers are worse on the military's death row. Seven of the eight men, or 87.5%, on military death row are minorities.

One thing is clear: no matter how hard we try, we cannot overcome the inevitable fallibility of being human. That fallibility means that we will not be able to apply the death penalty in a fair and just manner.

At the end of 1999, at the end of a remarkable century and millennium of progress, I cannot help but believe that our progress has been tarnished with our nation's not only continuing, but increasing use of the death penalty. As of today, the United States has executed 585 people since the reinstatement of the death penalty in 1976. In those 23 years, there has been a sharp rise in the number of executions. This year the United States has already set a record for the most executions in our country in one year, 85—the latest execution being that of Ricky Drayton, who was executed by lethal injection just last Friday by the state of South Carolina. And the year isn't even over yet. We are on track to hit close to 100 executions this year. This is astounding and it is embarrassing. We are a nation that prides itself on the fundamental principles of justice, liberty, equality and due process. We are a nation that scrutinizes the human rights records of other nations. We are one of the first nations to speak out against torture and killings by foreign governments. It is time for us to look in the mirror.

Two former Supreme Court justices did just that. In 1994, Justice Harry Blackmun penned the following eloquent dissent:

> From this day forward, I no longer shall tinker with the machinery of death. For more than 20 years I have endeavored—indeed, I have struggled—along with a majority of this Court, to develop procedural and substantive rules that would lend more than the mere appearance of fairness to the death penalty endeavor. Rather than continue to coddle the Court's delusion that the desired level of fairness has been achieved and the need for regulation eviscerated, I feel morally and intellectually obligated simply to concede that the death penalty experiment has failed. It is virtually self-evident to me now that no combination of procedural rules or substantive regulations ever can save the death penalty from its inherent constitutional deficiencies.

Similarly, after supporting Supreme Court decisions upholding the death penalty, Justice Lewis Powell in 1991 told his biographer that he now thought capital punishment should be abolished. After sitting on our nation's highest court for over 20 years, Justices Blackmun and Powell came to understand the randomness and unfairness of the death penalty. It is time for our nation to follow the lead of these distinguished jurists.

The death penalty is at odds with our best traditions. It is wrong and it is immoral. The adage "two wrongs do not make a right," could not be more appropriate here. Our nation has long ago done away with other barbaric punishments like whipping and cutting off the ears of suspected criminals. Just as our nation did away with these punishments as contrary to our humanity and ideals, it is time to abolish the death penalty as we enter the next century. The continued viability of our justice system as a truly just system requires that we do so.

I ask my colleagues to join me in taking the first step in abolishing the death penalty in our great nation. Last week, I introduced a bill that abolishes the death penalty at the federal level. I call on all states that have the death penalty to also cease this practice. Let us step away from the culture of violence and restore fairness and integrity to our criminal justice system. As we head into the next millennium, let us leave this archaic practice behind.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. THOMAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THOMAS. Mr. President, I ask unanimous consent that I be allowed to proceed for 10 minutes in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Wyoming is recognized.

FEDERAL LANDS

Mr. THOMAS. Mr. President, I wanted to take some time, since we have a little on our hands this morning, to talk about an issue that continues to be very important for our part of the country, the West. The Presiding Officer comes from a State that is similar to Wyoming. The ownership of land by the Federal Government continues to be an issue, and I think it is more of an issue now than it has been in the past, largely because of some of the actions in recent times by the administration of not only obtaining more land for the Federal Government but also changing some of the management techniques.

This issue, of course, has been one of controversy for a long time within the West. The West has large amounts of land that belongs to the Federal Government. So when you develop the economy of your State, management of the lands has a great deal to do with it. In Wyoming, for example, the three leading economic activities are agriculture, minerals, and tourism, all of which have a great deal to do with public resources, with lands. So it is one of the most important issues with which we deal.

It is interesting to see the percentages of Federal land holdings by State. As shown on this chart, you can see that here in the East generally 1 to 5 percent of the lands are federally owned. When you get to the West, it becomes 35 to 65 percent and as high as 87 percent in some States. So when you talk about how you operate an economy in New Jersey or in North Carolina, it is quite different. When you talk about public lands, it is seen quite differently. The impact in States such as that is relatively minor, where the impact in the West is much greater. Look at Alaska, for example. It makes a great deal of difference.

There are several kinds of lands, of course, and nobody argues with the idea that the purpose of dealing with these public lands is to preserve the resources. All of us want to do that. The second purpose, however, is to allow for its owners, the American people, who use them, to have access to these lands for hunting, fishing, grazing, timber—all of the things that go with multiple use and healthy public lands. Really, that is where we are. No one argues about the concept of these resources, but there is great argument about the details of how you do it.

One of the things that is happening now—and part of it is in the appropriations bills that will be before us tomorrow—relates to the purchase of lands and changing some of the management techniques so the lands become less accessible to the people who live there, less a part of the society of these States.

It is difficult to see on this chart, but this is Wyoming, where over 50 percent of the land belongs to the Federal Government. The green colors are Forest Service lands which were set aside by action of the Congress, action of the Federal Government, for specific purposes, and we still fulfill those purposes.

Some of the lands were set aside as wilderness. When the wilderness was set aside, others were proclaimed to be for multiple use. Before that changed from multiple use to wilderness, it said specifically in the Wyoming wilderness bill that Congress had to act on it. The red area is Federal lands, Indian reservations. Yellow is the BLM lands. The light green in the corners is national parks which were set aside for a very specific purpose. That purpose continues to be one that is very close to the hearts of the American People. I happen to be chairman of the parks subcommittee and work on those very much. The yellow—the majority of the public lands in our State, as is the case with most other Western States—is Bureau of Land Management lands. Interestingly enough, when the Homestead Act was in place and people were taking homesteads in the West, BLM lands were basically residual lands, not set aside for any particular purpose. They were simply there when the homestead expired, and they are there now to be managed for multiple use.

Let me go back to the notion that this is what has created some of the current controversy—the fact that these lands change when they are used differently. Congress should have a role in this. This is not a monarchy, a government where the President can decide suddenly he is going to acquire more lands without the authority of the Congress. That is kind of where we are now. There are several of these programs that are threatening to the West, including the concept of the Federal Government's intrusion into the whole of society in States in the West.

A number of things are happening. One is the so-called "land legacy" that the administration is pushing. It is an idea presented by the President—I think largely by Vice President GORE—that the Federal Government somehow should own a great deal more land than it owns now. Indeed, they have asked for a set-aside from the offshore royalties of a billion dollars a year to acquire more lands. In many cases, their idea is not to have any involvement of the Congress at all but simply to allow them to have this money set aside, without the appropriations process, so that they can purchase additional lands each year. A portion of that is in this year's Interior program, but the big one, of course, is still controversial in the Congress, and it was being dealt with in the House last week or the week before.

So the question is, if there is to be more Federal land, where should it be? The other is, if there is to be more, what is the role of Congress to authorize it and appropriate funds for that as opposed to having a sort of monarchy set-aside to do that.

The other, of course, in my view, has to do with the use of these dollars. We talked about the parks. That is one of the things. We have 378 parks, or units, managed by the Park Service in this country; they are very important to Americans. The infrastructure in many of them needs to be repaired and updated. I argue this money that might be available from these kinds of sources ought to be used for the infrastructure of these parks so that we can continue to support the maintenance and availability of enjoyable visits for the American people. I believe we need to do that.

Another that has come along more recently is a pronouncement by the Forest Service that they would like to set aside 40 million acres in the forest as "roadless." Nobody knows what "roadless" means. Is that a synonym for wilderness? We don't know. We had a hearing to try to get that answered by the Secretary of Agriculture and by the Chief of the Forest Service. We were unable to do so. Many people I know believe that would limit the access and would not allow people to hunt, for example, in places where they aren't able to walk because they are elderly, or whatever the reason, and that it will be most difficult to have a healthy forest, where you cannot remove some of the trees that are matured and, rather, let them die or let insects infect them. These are the kinds of things that are of great concern.

There is also what is called an action plan, the conservation of water action plan, which seems to be put forth by EPA and other agencies more to control management of the land than clean water. The clean water action plan says you can do certain things and you cannot do certain things. The key is there needs to be participation by people who live there. There needs to be some participation in cooperating agencies, participation with the State, participation with the agencies there, so we can work together to preserve the resource but also preserve access to those resources and continue to allow them to be part of the recreational economy in our States.

There are other programs that also put at risk the opportunity to use these lands, such as endangered species, about which there is a great controversy in terms of whether there is a scientific basis for the listing of endangered species, whether there are, in fact, ways to delist endangered species when it is proven there has been a recovery in terms of numbers. You can argue forever about that. These all go together to make public lands increasingly more difficult for owner utilization.

I guess one of the reasons that is difficult—and people who work with these problems are basically in the minority—is that the Western States are the ones that have almost all Federal ownership.

With respect to some of the things we might do with regard to the land legacy and the idea of putting money aside for public land purchase, we are prepared to try to put in this bill some sort of protection and say we ought not, in States that have more than 25 percent of their surface owned by the Federal Government, to have any net gain—that there may be things the Federal Government ought to acquire because they have a unique aspect to them, but they can also dispose of some so that there is no net increase. I think that is a reasonable thing to do and one we ought to pursue.

In terms of endangered species, it is very difficult to do anything with a law that has been in place for 20 years. We have 20 years of experience as to how to better manage it. Everyone wants to preserve these species. But they shouldn't have to set aside private and public lands to do that. We believe if we would require more science in terms of nomination and listing—and indeed, when a species is listed, to have a recovery plan at the same time—that would be very important.

One of the other activities is the Natural Environmental Protection Act, NEPA, a program in which there are studies designed to allow people to participate in decisions. Is that a good idea? Studies could absolutely go on forever.

We are faced currently, for example, with the problem in grazing. Obviously, you have a renewable resource, grass. It is reasonable to have grazing. You have that on BLM forest lands. Now we find in this case that, under BLM, you can get through the NEPA process to renew a contract, and they say: Too bad; your contract is dead, unless we can get to it, and we can't.

We are trying to change that. It is an unreasonable thing to do. If there is all of this difficulty with the agency, we ought to change that. Indeed, there is language in this year's appropriations bill to do something about it.

I think we are faced with trying to find the best way to deal in the future with public lands. In States where there is 50 percent or more of land in Federal ownership, there is no reason we can't continue to protect those resources; that we can't continue to utilize those lands in a reasonable way; that we can't involve people locally in the States in making these decisions and making shared judgments. We can do that.

Unfortunately, we find this administration moving in the other direction—moving further way from working with NEPA. We hear about all of these kinds of partnerships. A partnership means there is some equality in working together. That is not the kind of partnership we hear a lot about from the Federal agency. I am hopeful that there can be.

We are very proud of these resources: Yellowstone Park, Devil's Tower—all kinds of great resources in Wyoming. Here is where I grew up, near the Shoshone Forest. I am delighted there is a forest there. It should be, and it should continue to be there. But we need to have a cooperative management process to do that. I am committed. I am also committed to working toward that in the coming session.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GRAHAM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAHAM. Mr. President, I understand we are in a period of morning business.

The PRESIDING OFFICER. The Senator is correct.

Mr. GRAHAM. Mr. President, I ask unanimous consent to speak for up to 30 minutes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. GRAHAM. Thank you, Mr. President.

PRIVILEGE OF THE FLOOR

Mr. GRAHAM. Mr. President, I ask unanimous consent that Stacy Rosenberg, a staff member of my office, be granted floor privileges for the duration of today's session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAHAM. Thank you very much, Mr. President.

NATIONAL PARK PRESERVATION

Mr. GRAHAM. Mr. President, on October 31 of this year, I saw yet another example of the challenges we are facing in our National Park System.

Two weekends ago, I visited Bandelier National Monument in New Mexico, located about 1 hour west of Santa Fe.

Bandelier National Monument was claimed a national monument under the jurisdiction of the Forest Service in 1916. In 1932, it was transferred to the National Park Service.

Bandelier contains 32,737 acres, of which 23,267 acres are designated as wilderness. It is a park that is intended to preserve the cliff houses of the Pueblo Indian.

I draw your attention to this photograph taken near the entrance to Bandelier National Monument. One of the cliff homes can be seen at the base of this large cliff which forms the most dramatic signature of Bandelier National Monument. This photograph gives some idea of the magnitude of the cultural resources which are located in this park.

In addition to the preservation of the cultural resource of the monument, the outstanding superintendent at Bandelier, Mr. Roy Weaver, also contends with preservation of historical resources such as 1930s CCC buildings which were constructed in order to properly present the park to its many visitors but which have fallen into a sad state of disrepair.

Using funds from the recreation fee demonstration program, Bandelier National Monument has refurbished several of these existing structures to a functional condition. This park, as many of our Nation's parks, is faced with a degradation of its core resources. One of the significant challenges is the unnatural pace of erosion within the monument's wilderness area.

This problem is in part due to intense grazing which occurred prior to the designation of the lands as a national monument in 1916. This activity ended over 60 years ago but is still impacting the resources and the health of the park. The heavy grazing prior to 1916 reduced the underbrush, allowing the pinon tree to take over the landscape. This tree is now firmly established and has prevented the growth of other natural species in the canyon of Bandelier. Without the diverse plant species in the forest to retain the soil, erosion occurs at a much more rapid pace. This erosion is one of the principal reasons why the archeological sites for which the monument was established are now severely threatened. We are in grave danger of losing artifacts, structures, and information about a people who spent hundreds of years building a society in the Southwest.

In addition to cultural resource damage to the unnatural state of the environment at Bandelier, human behavior has also had negative impacts. One of the first areas visitors to Bandelier approach, and just off the main trail, is a series of cave dwellings. Ascending the ladder into the cave is stepping back hundreds of years into a different culture. One arrives at the cave only to find the stark realities of contemporary America by a desecration of these caves with graffiti. This photograph showing an example of that desecration speaks a thousand words about the level of respect which we as a society have paid to our national treasures over the years.

There is some hope. In 1998, the Congress and the administration established a program at the suggestion of the National Park Service. It is called Vanishing Treasures. This program was the brain child of the national park superintendents from Chaco Culture National Historic Site, Aztec Ruins National Monument, and the Salinas Pueblo Missions National Monument.

The Vanishing Treasure Program seeks to restore the ruins to a condition where maintenance scheduled at regular intervals rather than large-scale restoration projects will be sufficient to keep the ruins in good condition. The program also has another very significant objective: Training the next generation of preservation specialists who can perform this highly specific, complex craftsmanship of maintaining national treasures such as these caves at Bandelier National Monument.

The original outline of the Vanishing Treasures Program called for $3.5 million in the first year, increasing by $1 million per year until it reached $6 million in the year 2001, after which it would decrease slightly until the year 2008. We hoped during that time period to have been able to have dealt with the residue of issues such as the desecration of the caves at Bandelier.

Unfortunately, beginning in fiscal year 1998, the funding was not at the recommended $3.5 million level but, rather, was at $1 million. In fiscal year 1999, it was increased to $1.3 million. The current Interior appropriations bill, which has been passed by both the House and the Senate, contains $994,000 for the Vanishing Treasures Program.

At this level of funding distributed throughout the entire Southwest, some 41 national park sites benefit from this program. At that level of funding, we cannot possibly come close to meeting the needs for the protection of our cultural treasures in the Southwest. We are effectively making the decision that we are prepared to see these cultural and historic treasures lost before we make funds available for their preservation.

We are at a crossroads in our Nation's historical efforts to protect and preserve those national treasures which are the responsibility of the National Park Service. The history of our Nation is marked by activism on public land issues. The first full century of the United States' existence—the 19th century—was marked by the Louisiana Purchase which added almost 530 million acres to the United States, changing America from an eastern coastal nation to a continental empire.

One hundred years later, President Theodore Roosevelt set the tone for public land issues in the second full history in our Nation's history. He did it both in words and action. President Theodore Roosevelt stated:

> Conservation means development as much as it does protection. I recognize the right and duty of this generation to develop and use the natural resources of our land; but I do not recognize the right to waste them, or to rob, by wasteful use, the generations that will come after us.

Roosevelt took action to meet these goals. During his administration, the United States protected almost 230 million acres of lands for future public use. The question for us as we commence the third full century, the 21th century of the United States, is, can we live up to this example? Can we be worthy of the standards of Thomas Jefferson at the beginning of the 19th century and Theodore Roosevelt at the beginning of this century?

I have discussed today the issues I witnessed at Bandelier National Monument and the small efforts being made to rectify this situation. Estimates of the maintenance backlog throughout the National Park Service system range from $1.2 billion to over $3.5 billion, depending on the calculation method.

Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks an article which appeared in the Wall Street Journal of November 12 of this year entitled "Montana's Glacier Park Copes With Big Freeze On Funds To Maintain Its Historic Structures."

The PRESIDING OFFICER (Mr. THOMAS). Without objection, it is so ordered.

(See Exhibit 1.)

Mr. GRAHAM. The National Park Service this year requested $194 million for its operation and maintenance. In this year's appropriations process, the House and Senate had the good judgment to actually increase the National Park Service request to $224.5 million. This is a good step forward, and I commend the Appropriations Committee for having taken it.

However, if we are to prevent the existing backlog from growing, we must support periodic maintenance on the existing facilities in the Park System. I see we have now as our Presiding Officer a person who has probably studied more, thought more, and done more to deal with this problem than any Member of the Congress, the distinguished Senator from Wyoming.

I wish to take this opportunity to commend the Presiding Officer for his efforts in the program of the demonstration recreational fee in the Park System. I showed a moment ago a photo of a portion of some buildings at Bandelier National Park in New Mexico which were in serious disrepair. Largely because of the ability to direct some of those national park demonstration funds to their rehabilitation, they are now being saved and will serve for many years to come. It is a very constructive role in this national monument as well as protecting other valuable historic structures within the national monument.

I wish to thank the distinguished Senator from Wyoming for the leadership he has given in that regard.

I am sad to report that the Interior conference report, which will probably soon be before us, has recommended a reduction in the cyclical maintenance of the National Park System and repair and rehabilitation accounts. While these reductions are relatively small—$3 million in the case of cyclic maintenance and $2.5 million in repair and rehabilitation—failure to meet these basic annual maintenance requirements will only add to our backlog of unmet needs. We cannot make the progress we must make in protecting our national treasures with these Band-Aid solutions.

I suggest, building on the leadership you provided through the Demonstration National Park Fee Program, and the changes that were made in the relationship of the parks to their concessionaires, that we can go further in assuring the long-term well-being of our National Park System.

In my judgment, what the National Park Service needs is a sustained, reliable, adequate funding source that will allow the Park Service to develop intelligent plans based on a prioritization of need, with confidence the funds will be available as needed to complete the plans. This approach will allow common sense to prevail when projects are prioritized for funding.

In some cases, such as one with which I am personally very familiar, committed, and engaged—the Florida Everglades and the Everglades National Park—natural resource projects can be compared to open heart surgery. You simply cannot begin the operation, open the patient, and then fail to complete the operation if the money runs out before the surgery is finished. To do so is to assure the patient will die in the surgery suite.

In cases such as Bandelier National Monument and the Ellis Island National Monument, another great national treasure, which I visited on September 27 of this year, we are in a race to complete a known cure before the patient is lost. Bandelier's superintendent, Roy Weaver, is taking every effort he can to preserve the resources in his park. He is focusing the park entrance fees on repairing and maintaining historical structures. He is using funds available through the Vanishing Treasures Program to restore the multitude of cultural resources in the monument.

Mr. Weaver is a superintendent whose knowledge of the history of the people who resided in this area of the country hundreds of years ago and whose desire to preserve their culture are evident even in a brief visit. Mr. Weaver's enthusiasm and dedication embody the conservation ethic of President Theodore Roosevelt and the National Park Service. It is our responsibility to give Mr. Weaver and his colleagues across America the tools they need to put their enthusiasm to work. It is time to take the next step.

Earlier this year, with Senators REID and MACK, I introduced S. 819, the National Park Preservation Act. This act would provide dedicated funding to the National Park Service to restore and conserve the natural resources within our Park System. This legislation seeks to address the long-term efforts required to truly restore and protect our natural, cultural, and historic resources in the National Park System. This legislation would allocate funds derived from the use of a nonrenewable national resource—offshore drilling in the Outer Continental Shelf for oil and gas—to a renewable resource, restoration and preservation of natural, cultural, and historic resources in our National Park System.

At the beginning of this century, in a time of relative tranquility, President Theodore Roosevelt managed to instill the Nation with a tradition of conservation. He did so with this simple challenge: Can we leave this world a better place for future generations?

We are at the end of this century and at the end of the first half of the 106th Congress. As we embark on the third century of our Nation's adventure and the second half of the 106th Congress, let us keep the vision of Theodore Roosevelt in mind. Let us take action to protect our National Park System.

In the words of President Theodore Roosevelt:

> The conservation of natural resources is the fundamental problem. Unless we solve

that problem, it will avail us little to solve all others.

EXHIBIT 1

[From the Wall Street Journal, Nov. 12, 1999]

MONTANA'S GLACIER PARK COPES WITH BIG FREEZE ON FUNDS TO MAINTAIN ITS HISTORIC STRUCTURES

(By John J. Fialka)

GLACIER NATIONAL PARK, MONT.—Few places on earth are as legally protected as this park. The United Nations deems it a "World Heritage site." Under U.S. law, 350 buildings in the park are registered historic structures. Four hotels and the road spanning this spectacular, million-acre chunk of America are "national historic landmarks."

So why are many of these buildings and the road literally falling apart?

Over the past 30 years, as lawmakers and park officials have heaped praise and protected status on Glacier, they have consistently failed to provide the money to maintain it. The current bargaining between Congress and the White House on the shape of the next budget doesn't seem likely to change that. The upshot: Much of the manmade part of this mountainous park has evolved into a kind of dangerous national antique.

Among the park's most endangered attractions:

Many Glacier Hotel. It may look the same as it did when it was built in 1915, but underneath its newly painted wooden facade, tired old timbers are beginning to shift. That makes hallways bend this way and that, windows that won't open and doors that won't close. The steam heating system, unaccustomed to such action, springs six leaks a night.

Going-To-The-Sun Road. An engineering marvel, built to cross the park and climb the Continental Divide in 1932, is now marvelous to engineers because it hasn't yet succumbed to the force of gravity. But two-inch cracks are appearing in its pavement. Many of its retaining walls lean recklessly out into space. Melting snow is washing away the road's foundation, creating odd voids that need filing.

The "Jammers." The park's much-loved fleet of buses, built in the late 1930s to ply the road, were condemned in August. Their engines, brakes and transmissions had been replaced, but metal fatigue and cracks in their frames raise new safety and liability problems.

"This is the oldest fleet of vehicles in the world," says Larry Hegge, the chief mechanic for the buses, who discovered the cracks. Now the 34 red buses with shiny, chrome-toothed radiators and pull-off canvas tops sit nose-to-tail in a damp, dimly lit shed. Mr. Hegge worries that the termites there are eating upper parts of the jammers' frames, which are made of oak.

NO SOLUTION IN SIGHT

At the moment, no one knows how to fix these problems. Glacier Park Inc., the park's main concessionaire, owns the buses and the hotels. It's questioning a variety of experts to see what might be done and at what cost. The departing park superintendent, David A. Mihalic, recently apointed a 17-member committee to advise him about the road.

The numbers they're looking at aren't encouraging. It could cost at least $100 million to restore four major wooden hotels. Estimates for rebuilding the road start at $70 million and climb steeply. The park's annual budget is $8 million. "Glacier has never had the money to keep up with maintenance and repair," shrugs John Kilpatrick, the park's chief engineer.

For Superintendent Mihalic, who has just been transferred to Yosemite, running Glacier has been an eerie flashback to 1972, when he took his first job there as a park ranger. He came back as superintendent in 1994 to find "nothing had changed. We had the same old sewer systems, the same roads, the same hotels, the same visitor accommodations."

USING A 'FACADE'

Mr. Mihalic had to resort to what some park experts call "management by facade." Visible things get fixed. Less visible things get deferred. "If we're having trouble getting the money to just fund the big-ticket items, like roads and sewage and water systems, a lot of public services, such as trail maintenance and back-country bridges, never make it to the top of the list," he says.

To be sure, Mr. Mihalic isn't the only park superintendent to wrestle with this. The Interior Department's U.S. Park Service places the bill for deferred maintenance and construction needed to fix time-worn facilities in its 378 parks at around $5 billion. "Culturally, we try to hide the pain in the Park Service," explains Denis Galvin, the service's deputy director.

The day is coming when hiding the pain here may no longer be possible. Last year the Park Service proposed that the cheapest and quickest way to deal with the crumbling, much-patched Going-To-The-Sun road would be to close it for four years and rebuild it. That produced a furor among people in the business community surrounding the park.

They're now part of the advisory committee struggling to come up with ways to keep it open and fix it at the same time.

RULES FOR RESTORATION

As for the Many Glacier Hotel, the latest estimates are that it would cost $30 million to $60 million to bring it back to the glory days when guests arrived by railroad and received world-class accommodations. "We could never recover that. You would be talking about renting rooms for $400 to $500 a night," says Dennis Baker, director of engineering for the concessionaire Glacier Park, a subsidiary of Phoenix-based Viad Corp. Park rules currently limit hotel room rates to $120. The park's season lasts only about 100 days.

As for Mr. Hegge, keeper of the park's bus fleet, he's looking for experts to tell him how to refit his buses with new chassis or to build replicas. Because they are federally registered historic landmarks, the road and the hotels also must be restored to the way they were with the same materials, adding many millions more to the cost.

Just where the millions will come from to fix Glacier and many other maintenance-starved parks is, of course, the biggest question. Democratic Sen. Bob Graham of Florida has introduced legislation to earmark $500 million a year from federal offshore oil royalties for buying park land and fixing parks.

Over time, he's sure it would save money. "That would allow them to plan more than a year ahead. They could let contracts for multiple buildings at a time," explains the senator, who says support for the measure has been slow but is growing.

The PRESIDING OFFICER. Who yields time?

Mr. GRAHAM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

WTO ACCESSION OF CHINA

Mr. BAUCUS. Mr. President, I congratulate Ambassador Barshefsky and the administration on reaching an agreement this week with China on WTO accession. This demonstrates that a policy of "engagement with a purpose" works. I believe the Chinese leadership, in particular Premier Zhu Rongji and President Jiang Zemin, have shown foresight, courage, and vision in making the commitments necessary to conclude this bilateral agreement. I am also glad President Clinton worked so diligently over the last several months to finalize the arrangement.

I believed in April that the April 8 arrangement with China was a good one. My preliminary evaluation of this week's agreement is that it goes beyond the April 8 agreement and provides further benefits to American economic interests.

There are still several steps before China can accede to the WTO.

China must complete other bilateral agreements, in particular with the European Union. Next, the protocol of accession must be completed. Then, the focus of attention will turn to us in the Congress.

In order to receive the benefits we negotiated with China, the United States has to grant China permanent normal trade relations status. To do this, Congress has to amend the Jackson-Vanik amendment.

I am confident that a majority in both Houses will vote to amend Jackson-Vanik. But it will take a lot of work. The administration, the agriculture, manufacturing, and service industries, and those of us in the Congress who have followed these negotiations and the U.S.-China relationship closely over the years, must educate and explain to our colleagues about the benefits of the agreement reached this week and the advantages to the United States of having China in the WTO.

As we in the Congress begin to think about this issue and deliberate on it next year, I see four principal benefits to the United States.

First, this week's agreement opens up new markets in China, with its population of 1.3 billion, for American farmers, manufacturers, and service industries. This will help sustain American economic growth.

Second, the agreement gets China into the global trading system, which forces them to play by the rules of international trade.

For perhaps the first time in history, China will be accountable for its behavior to the outside world. The dispute settlement system at the WTO is far from perfect, but it forces a country to explain actions that other members believe violate the global rules. And, when a violation is found, it puts pressure on that country to comply with the rules. In addition, there is a little known feature of the WTO called the Trade Policy Review Mechanism, the TPRM. Every few years, a country's entire trade system is reviewed by all other members. Again, this type of scrutiny of China is virtually unprecedented.

Third, the agreement will help strengthen the economic reformers in China, especially Premier Zhu Rongji who has clearly been in a weakened position this year. Economic reform, moving to a market economy, transparency—that is, opening up, less secrecy—direct foreign investment, listing of companies on overseas markets—progress in all these areas is of vital importance to the United States as they relate to stability in China, as they relate to accountability, and as they relate to a growing middle class.

Fourth, Taiwan, the 12th-largest economy in the world, has almost completed its WTO accession process. Yet it is a political reality internationally that Taiwan cannot join the WTO before China. So, with China's admission to the WTO, Taiwan will follow very quickly. All of us should welcome that.

The Congress has been concerned about many aspects of the U.S.-China relationship: espionage allegations, nuclear proliferation, human rights, and Taiwan. These are all serious issues, and we must confront each one head on.

But, I, and I believe most Members of Congress, are able to look at each issue on its own merits. When Congress examines closely the arrangement for Chinese accession to the WTO, I am confident that Members will conclude that extending permanent normal trade relations status to China is now in the best interest of the United States.

I don't want to sound pollyannaish about this. Once China is a member of the WTO and the United States has granted permanent NTR status, the real work of implementation begins. We have learned over the years that implementation of trade agreements takes as much effort, or even more effort, than the negotiations themselves. The administration will have to provide us with a plan about implementation. We in the Congress will have to devote additional resources and energy to ensuring full Chinese implementation.

Earlier this year, I introduced a bill to establish a Congressional Trade Office to provide the Congress with additional resources to do exactly that. I hope my colleagues will look at that proposal and give it their support. In addition, I will be introducing some measures to help ensure that the administration—this one as well as future administrations—never deviates from the task of full implementation of agreements with China.

In conclusion, this is a good agreement. It serves American interests.

We have a lot of work ahead of us to help implement it and to follow up next year to make sure it is implemented. It deserves our support.

I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, what is the situation? Are we still in morning business or is this a matter of some dispute?

The PRESIDING OFFICER. Morning business has expired, but the Senator is certainly free to proceed.

Mr. LEAHY. Once morning business has expired, do we go back on the bankruptcy bill?

The PRESIDING OFFICER. That is the understanding, yes.

EXTENSION OF MORNING BUSINESS

Mr. MACK. Mr. President, I ask unanimous consent that the period for morning business be extended until 2 p.m. under the same terms as previously ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I ask unanimous consent to speak for 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE WORLD FOOD PROGRAM

Mr. LEAHY. Mr. President, last week there was a terrible tragedy affecting the United Nations' World Food Program. This occurred when one of their planes crashed in Kosovo on an errand of mercy.

Since its inception in 1963, the World Food Program has been the United Nations' front line for fighting hunger throughout the world. It is the world's largest food aid organization.

Last year, the World Food Program assisted 75 million people in 80 countries around the world. This summer I observed their operations in Kosovo. In fact, at one point I was invited to fly on the same plane that crashed, to go and see what they were doing.

The World Food Program's mission is to eradicate hunger. I think that in the last seven years it has moved closer and closer to accomplishing this goal under the leadership of Executive Director Catherine Bertini. I was very proud to support Catherine when she was appointed to be executive director in 1992, during the administration of President Bush. She became the first woman to head the World Food Program. I have been a strong supporter for her ever since. She has done a great job as executive director, and I am glad that she continues to lead the World Food Program today.

For many, the World Food Program is known for its emergency response efforts. It was one of the first organizations to move into the Balkan region when the conflict in Kosovo began.

As I mentioned earlier, during the August recess I visited the World Food Program and met with Catherine Bertini and talked to her about how their efforts were going. I believe they are doing a great job. Areas which had previously been empty fields have been transformed into makeshift cities where thousands of people seeking safety, food and shelter have found relief, thanks to the efforts of the World Food Program, Catholic Relief Services and other international organizations.

But emergency relief efforts such as this reflect only a portion of the World Food Program's responsibilities. The World Food Program's Food for Work programs feed millions of chronically hungry people worldwide. They contribute more grants to developing countries than any other United Nations agency. That is why so many people around the world felt the same degree of sadness that I and others in the Senate did when we learned of the plane crash on Friday in which a World Food Program plane, en route from Rome to Pristina, crashed into a mountain ridge just miles from their destination, killing all 24 people aboard the plane.

The passengers aboard this plane were an international group of aid workers. They were all headed to Kosovo to become part of the humanitarian mission there. In a war-torn area, these were 24 people going to bring solace, aid, and help to people who have seen so little of it over the years. They were people who were motivated by the greatest sense of charity and giving to their fellow human beings. They worked for U.N. agencies, nongovernmental organizations, and government agencies, all united by a sense of humanitarianism.

The loss of these individuals is going to be felt throughout the world. They were people who demonstrated over and over again that their fellow human beings were the most important things in their lives. Their deaths are a major loss to their families, as well as the organizations, including the World Food Program, for which they worked.

I send my sincere condolences to the families of those killed in this tragic crash, and I hope the world will understand they have lost 24 of their finest people.

(The remarks of Mr. LEAHY pertaining to the introduction of S. 1924 are printed in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

BANKRUPTCY REFORM ACT

Mr. LEAHY. Mr. President, I know we are going on to the bankruptcy bill later today. We made progress on the bill last week. We cleared 25 amendments and improved the Bankruptcy Reform Act. We will continue to try to do that again today. The distinguished Senator from New Jersey, Senator TORRICELLI, and I, working with the distinguished deputy Democratic leader, the Senator from Nevada, are prepared to enter into a unanimous consent agreement to limit the remaining Democratic amendments to only 28 amendments. Most of these would limit us to very short time agreements. I will speak on this more this afternoon. I want Senators to know that.

SATELLITE HOME VIEWERS' ACT AND PATENT REFORM ACT

Mr. LEAHY. Mr. President, I hope that the leadership will soon bring up for a vote the conference report regarding the Satellite Home Viewers Act and the Patent Reform Act. This legislation passed the House of Representatives by a vote of 411–8. According to an informal whip count, if it came to a vote in the Senate, it would pass by something like 98–2, and no worse than 95–5. So we ought to bring it up for a vote.

I don't know when I have gotten so much mail on any subject as I have on satellite home viewing. If you come from a rural area, you know how important this legislation is. If we do not pass the Satellite Home Viewers Act, on December 31 hundreds of thousands—maybe millions—of satellite viewers will find that a number of their channels will be simply cut off, especially in rural areas.

So when we have something that could easily be passed, we ought to do it. The patent legislation is supported—the so-called Hatch-Leahy bill—by most businesses I know. It would be a tremendous step forward in helping us to be competitive with the rest of the world in our patent legislation. It is also the second time in history that we have lowered the cost of patent registration to the taxpayers. So I urge that when we have a piece of legislation like this, which has passed the House of Representatives 411–8, which would pass overwhelmingly in the Senate, that the Republican leadership bring it up. Passing this bill will give some aid to many businesses throughout the country, including some of the finest technological businesses in the world.

And on the satellite front, this bill will allow the many individuals who rely on satellite dishes because they live in rural areas to be able to continue to get their television.

I think of States like my own State of Vermont, such as the State of Montana, the State of Texas, the State of Wyoming, and the State of Nevada, to name a few, where because of our rural nature, people are very dependent on satellite dishes. These satellite dish owners are justifiably concerned that on December 31, many of their channels are going to go dead. We can stop that by passing this legislation this week.

The Satellite Home Viewers Act conference report will soon be before us. It passed overwhelmingly in the House, as it will here. I only know of two or three people who are opposed to it. That should not be enough to stop this bill.

In fact, I will join with the majority leader if he wants to bring the satellite bill up and instantly file cloture. I could get him the necessary signatures in 20 seconds. I can guarantee him that if it was necessary—and I hope that it would not be—to vote cloture, he would get far more than the 60 votes necessary for it; 90 to 95 Members of the Senate want to pass this. I hope the distinguished majority leader will allow it to come to a vote.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

The PRESIDING OFFICER (Mr. SMITH of New Hampshire). In my capacity as the Senator from New Hampshire, I ask unanimous consent that the quorum be rescinded.

Without objection, it is so ordered.

EXTENSION OF MORNING BUSINESS

The PRESIDING OFFICER. On behalf of the leader, I ask unanimous consent that the period for morning business be extended until 4 p.m. under the same terms as previously ordered.

Hearing no objection, it is so ordered.

In my capacity as the Senator from New Hampshire, I suggest the absence of a quorum.

The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CRAPO). Without objection, it is so ordered.

Mr. DORGAN. Mr. President, is the Senate currently in morning business?

The PRESIDING OFFICER. The Senate will be in morning business until the hour of 4 p.m.

REGULATING THE INTERSTATE TRANSPORT OF PRISONERS

Mr. DORGAN. Mr. President, I have introduced a piece of legislation in the Senate with my colleagues, Senator ASHCROFT from Missouri, and Senator LEAHY from Vermont. I have written this legislation with their assistance to deal with a problem that could cause and will cause and perhaps has caused significant jeopardy to Americans, American families and others.

Let me describe the circumstance. There is a young girl from North Dakota named Jeanna North. Jeanna was a wonderful 11-year-old young girl from Fargo, ND, who was brutally murdered by a man named Kyle Bell. Kyle Bell had previously been sentenced to 30 years in prison for assaulting three other girls, had been convicted of violent acts, and then sentenced to life in prison for murdering this 11-year-old girl, Jeanna North, in Fargo, ND.

This convicted child murderer and violent offender, after being convicted and sentenced in the courts of North Dakota, was being transported to prison in another state. Apparently, folks who molest children and are convicted of crimes against children sometimes are put in prisons elsewhere because they run into problems in prison. Even in that culture they are not considered very good people, so child molesters are sent to other prisons for their own safety. This fellow named Kyle Bell, who killed young Jeanna North, was being transported to a prison in the State of Oregon.

This convicted child killer was being transported by a private company which was contracted by the State of North Dakota. Apparently—and I wasn't aware of this—there are transport companies that hire themselves to State and local governments to transport prisoners and criminals around the country. The private company's name was Transcor.

Kyle Bell was on a bus with more than a dozen other prisoners. The bus stopped in New Mexico at a gas station. One guard got out of the bus to fill the bus with some fuel, a second guard got out of the bus and went into the service station apparently to buy a hamburger or whatever one was going to buy at the food station, and two other guards fell asleep on the bus. The other guards slept on the bus.

Kyle Bell, a convicted child killer, in handcuffs and shackles—with one guard putting gas in the bus, the second guard buying food in the gas station, and the other two asleep in the front seat—Kyle Bell took a key he had in his shoe, took off his shackles and climbed out the ventilator, the roof of the bus. That bus then continued on its route. It wasn't for 9 hours, when the bus was already in Arizona, that the guards discovered this convicted child killer had escaped. Nine hours later they finally discovered he had escaped. Two hours after that, the guards finally notified law enforcement authorities.

Today this man is somewhere in this country. "America's Most Wanted" did a story last Saturday, the second they have done. Now over a month has gone by and this violent child killer is somewhere on the loose.

Why? Because a private company that is required to meet no standards at all hired itself out to haul violent criminals. If you hire yourself out to haul toxic waste interstate, I will tell you one thing: you are going to have to meet standards. If you are going to haul toxic waste, one State to another, you have to comply with reasonable standards for public safety. The same is true if you haul circus animals. The same is true if you are trucking cattle across the country. But if you truck convicted killers across the country—no standards at all. If you want to be in that business, get your cousin, your brother-in-law, maybe a couple sons, buy a minivan and you are in business. Contract with a State or local government and you can haul violent criminals through Arizona, New Mexico, North Dakota, New Hampshire, anywhere. You do not have to meet any minimum standards. There is something wrong with that.

Senator ASHCROFT and I and Senator LEAHY are introducing a piece of legislation saying: If you are holding yourself out to do business hauling violent criminals interstate in this country, then you must meet some reasonable minimum standards.

When Kyle Bell walked away from that rest stop, he was wearing civilian clothes. Apparently, he walked into a parking lot, they think, of a shopping center. But he wouldn't have been noticed as a convicted child killer because he was wearing civilian clothes. One would ask the question: if you are hauling a convicted killer across this country, why would you not have that convicted killer in an orange suit that says "prisoner" on it? Instead, he was sitting on that bus with a key in his shoe and civilian clothing, so when he slipped out of that bus when the guards were asleep and walked into a shopping center parking lot, apparently no one noticed. So over a month has gone by and people in this country are at risk because this convicted killer is on the loose.

This young girl, Jeanna North, who died, you can imagine how her folks feel. I talked to her folks last week. The aunt and uncle of Kyle Bell, this murderer, are worried as well because he has threatened his own relatives.

The point is this: All of this has happened because a private company decides it is going to hire itself out to haul killers around the country, but there are no standards to be met. Senator ASHCROFT and I and Senator LEAHY believe the Justice Department ought to write standards—no tougher than they themselves will follow in the Federal Bureau of Prisons or the U.S. Marshals Service. Incidentally, they do transport killers all across the country. The U.S. Marshals Service has done it for years; so has the Federal Bureau of Prisons. We believe there ought to be some minimum standards that apply to these companies. The Justice Department ought to be able to establish those standards that are no greater than the standards that will be complied with by the Federal agencies themselves.

Is this, this escape of Kyle Bell, some sort of strange and unusual occurrence? No, regrettably it is not. Let me give a few examples.

Although there are no reporting requirements for private companies that haul convicted prisoners across this country, media reports indicate that in the last 3 years alone, 21 violent convicted prisoners have escaped during transport by private companies. No Federal Bureau of Prisons prisoners have escaped during transport—none. U.S. Marshals Service—it has been years and years since the Marshals Service has had anyone escape from their custody during transport. But private companies that are unregulated and have no requirements to meet?

July 24, 1999: Two men convicted of murder escaped while being transported from Tennessee to Virginia. Two guards went into a fast food restaurant to get breakfast for the convicts. When they returned, they didn't notice the convicts had freed themselves from their leg irons. While one guard returned to the restaurant, the other stood watch outside the van, but he forgot to lock the door. The inmates kicked it open and fled. One was caught 45 minutes later; the other stole a car and was free for 8 hours before being apprehended.

July 30, 1997: Convicted rapist and kidnaper Dennis Glick escaped while being transported from Salt Lake City to Pine Bluffs, AR—again by a private company. While still in the van, Glick grabbed a gun from a guard who had fallen asleep. He took seven prisoners, a guard, and a local rancher hostage, and led 60 law enforcement officials on an all-night chase across Colorado before being recaptured the next morning.

November 30, 1997: Whatley Rolene was being transported from New Mexico to Massachusetts. He was able to remove his handcuffs and grab a shotgun while one guard was in a gas station and the other slept in the front seat. He later surrendered after a showdown with the Colorado State Patrol and a local sheriff's office.

December 4, 1987: During transport, 11 inmates escaped from a private company after overpowering a guard in the van. Among the escapees was convicted child molester Charles E. Dugger and convicted felon and former jail escapee Homer Land. Apparently, they shed their shackles by either picking their locks or using a key. The guard in the van opened the van doors to ventilate it while the other guard was inside the Burger King. The guard in the van had been on the job less than a month.

The man named Dugger was apprehended a short time later, but Homer Land forced his way into the home of a couple in Owatonna, MN, held them hostage for 15 hours, and forced them to drive into Minneapolis where they escaped when Land went into a store to buy cigarettes. He was later apprehended on a bus headed to Alabama.

August 28, 1986: A husband-and-wife team of guards showed up at an Iowa State Prison to transport six inmates, five of them convicted murderers, from Iowa to New Mexico. When the Iowa prison warden saw there were only two guards, a husband and wife, to transport six dangerous inmates, five of them convicted murderers, he responded, "You've got to be kidding me." Despite his concerns, the warden released the prisoners to the custody of the guards when he was told the transport company had a contract to move these prisoners.

Despite explicit instructions not to stop anywhere but a county jail until reaching their destination, the guards decided to stop at a rest stop in Texas. During the stop, the inmates slipped out of their handcuffs and leg irons and overpowered the two guards. The six inmates stole the van and led police on a high-speed chase before being captured.

The escape was not even reported to the local police by the guards who were at fault but instead by a tourist who witnessed the incident.

There is clearly something wrong here. I mentioned a few of these examples. Violent prisoners are being hauled across this country, interstate transportation, without the kind of basic precautions you would expect. Again I say if you want to haul toxic waste interstate you must meet specific safety criteria. But that is not the case if you want to haul violent criminals.

What if you or your family were to drive up to a gas station and stop next to a minivan that is holding three convicted murderers being transported by some guy and his two sons-in-law to a prison in California? Is that something you would worry about? I would. People in this country ought to worry about that. There ought to be standards.

It is interesting that most of these escapes occurred when a private company stopped at a fast food place or to get fuel. Do you know what federal agencies do when they need to stop someplace? They try to only stop at a police station or jail or prison so they have decent help in making certain these folks are not going to escape during a stop.

None of this makes any sense. All of us know this is not the way to do business. The Kyle Bell escape is just the most recent. God forbid that this man should murder someone while he is out.

God forbid someone is injured, hurt, or murdered during this person's escape.

This story of Kyle Bell's escape was on "America's Most Wanted," last Saturday night. I don't know whether he will be apprehended, when he will be apprehended, where he might be apprehended. But this country and its law enforcement authorities should not be having to go through this. This person should be in a maximum security prison in the State of Oregon right now. That is where he was headed. He should be serving life in prison for the killing of this 11-year-old girl. Instead, he is somewhere out there in this country, a danger to the American people because we have private transport companies that are required to meet no regulations, no minimum standards.

The legislation I have introduced is rather simple. With my colleague from the State of Missouri, Senator ASHCROFT, and my colleague, Senator LEAHY, from Vermont, I have introduced legislation that will say the Justice Department shall establish minimum standards and minimum requirements a business must meet in order to transport violent offenders. I am only talking about violent offenders. Among those would be the requirement of certain kinds of handcuffs and shackles, the requirement for violent offenders to wear easily recognized, bright clothing identifying them as prisoners, and a range of other sensible ideas.

The bill does not allow the Justice Department to impose requirements on the private sector that exceed the requirements the U.S. Marshals Service or the Federal Bureau of Prisons themselves will meet as they transport prisoners. But it seems to me reasonable, and it does to my colleagues as well, that we ought to require some basic, thoughtful, commonsense standards to be met on the part of these private companies.

I should also say that some of the companies themselves believe this is a reasonable thing to do. Some of the transport companies themselves say there needs to be some set of standards. Because when anyone can get into this business without taking reasonable precautions, we will have convicted murderers escaping and the American public will be at risk.

This legislation is supported by a wide range of organizations: The National Sheriffs Association, the American Jail Association, the California Correctional Peace Officers Association, the New York Correctional Officers and Police Benevolent Association, the North Dakota Chiefs of Police Association, the North Dakota Fraternal Order of Police, the Victims Assistance Association in my State, the Klaas Kids Foundation in California, the Megan Nicole Kanka Foundation, and others.

We call this bill Jeanna's bill. It is called Jeanna's bill in the hopes that the memory of this 11-year-old girl, Jeanna North, might serve for the Congress to pass good legislation that will impose sensible, commonsense requirements on private companies transporting violent criminals so some other family will not have to go through the agony, the heartbreak, and the sheer terror that has visited the North family—first because of the murder of their daughter, then the trial of the murderer, and now the murderer's escape.

Let us hope Congress can pass this kind of legislation and we will not in the future be seeing stories about private companies allowing convicted killers to escape while they are being transported to their life in prison in a maximum security institution.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BENNETT). Without objection, it is so ordered.

EXTENSION OF MORNING BUSINESS

Mr. FEINGOLD. Mr. President, I ask unanimous consent that morning business be extended for 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

HONORING RON DAYNE

Mr. FEINGOLD. Mr. President, I am on the floor today principally to continue to battle for our Wisconsin dairy industry and Wisconsin dairy farmers. As I was here today, I had a chance to reflect on something else about Wisconsin that we will be bragging about today. I come here as a proud alumnus of the University of Wisconsin-Madison. Of course, I am talking about the new career rushing record in college football just set by one of the greatest Badgers of all time, Ron Dayne.

Ron Dayne rushed his way into football glory on Saturday. After rushing for an incredible 6,181 yards in his career, he needed only 99 yards to break the record set last year by Texas's Ricky Williams.

Short runs throughout the first half brought him within yards of the record and helped his team build an early lead. Then, with 5 minutes left in the second quarter, he broke the record on a 31-yard sprint and went on to rush a total of 216 yards to help catapult the Badgers—with my apologies to my colleagues from the Hawkeye State—to a crushing 41–3 victory against Iowa.

I quote from Matt Bowen, a leading tackler for the University of Iowa, on the difficulty of stopping University of Wisconsin running back Ron Dayne. Matt said: "It's like trying to catch a couch as it tumbles down a few flights of stairs."

With this achievement, Ron Dayne has rushed his way into the front of a pack of Heisman hopefuls, and he has helped guarantee his team another trip to Pasadena on New Year's day as the undisputed champions of the Big 10. Through it all, Ron Dayne has been a model person as well as a model team player, exhibiting a modesty and dedication that make him a Badger hero for the ages.

On Saturday, as jubilant Badger football fans waved their souvenir Dayne towels in the air at Camp Randall Stadium and chanted Ron Dayne's name, they celebrated a great victory for Wisconsin, and above all they celebrated a player who does honor to his school, to himself, and to the game he has taken to a new level of excellence.

The Great Dayne, as we all him in Wisconsin, finishes his regular season career with a phenomenal record of 6,397 rushing yards. He has secured himself a lofty place in the history of college football, and a permanent place in the hearts of every Wisconsin Badger fan. As Ron Dayne said about his incredible run into the record books, "It's kind of sinking in now. This is the best."

As a Wisconsinite and a dedicated Badger fan, I can tell you that it truly is the best, and that Ron Dayne, the best all-time rusher in college football, is a true Badger hero.

Mr. President, On Wisconsin!

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

BANKRUPTCY REFORM ACT OF 1999

The PRESIDING OFFICER. The Senate will now resume consideration of S. 625, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 625) to amend title 11, United States Code, and for other purposes.

Pending:

Feingold amendment No. 2522, to provide for the expenses of long term care.

Hatch/Torricelli amendment No. 1729, to provide for domestic support obligations.

Leahy amendment No. 2529, to save United States taxpayers $24,000,000 by eliminating the blanket mandate relating to the filing of tax returns.

Wellstone amendment No. 2537, to disallow claims of certain insured depository institutions.

Wellstone amendment No. 2538, with respect to the disallowance of certain claims and to prohibit certain coercive debt collection practices.

Feinstein amendment No. 1696, to limit the amount of credit extended under an open end consumer credit plan to persons under the age of 21.

Feinstein amendment No. 2755, to discourage indiscriminate extensions of credit and resulting consumer insolvency.

Schumer/Durbin amendment No. 2759, with respect to national standards and homeowner home maintenance costs.

Schumer/Durbin amendment No. 2762, to modify the means test relating to safe harbor provisions.

Schumer amendment No. 2763, to ensure that debts incurred as a result of clinic violence are nondischargeable.

Schumer amendment No. 2764, to provide for greater accuracy in certain means testing.

Schumer amendment No. 2765, to include certain dislocated workers' expenses in the debtor's monthly expenses.

Dodd amendment No. 2531, to protect certain education savings.

Dodd amendment No. 2753, to amend the Truth in Lending Act to provide for enhanced information regarding credit card balance payment terms and conditions, and to provide for enhanced reporting of credit card solicitations to the Board of Governors of the Federal Reserve System and to Congress.

Hatch/Dodd/Gregg amendment No. 2536, to protect certain education savings.

Feingold amendment No. 2748, to provide for an exception to a limitation on an automatic stay under section 362(b) of title 11, United States Code, relating to evictions and similar proceedings to provide for the payment of rent that becomes due after the petition of a debtor is filed.

Schumer/Santorum amendment No. 2761, to improve disclosure of the annual percentage rate for purchases applicable to credit card accounts.

Durbin amendment No. 2659, to modify certain provisions relating to pre-bankruptcy financial counseling.

Durbin amendment No. 2661, to establish parameters for presuming that the filing of a case under chapter 7 of title 11, United States Code, does not constitute an abuse of that chapter.

Torricelli amendment No. 2655, to provide for enhanced consumer credit protection.

Wellstone amendment No. 2752, to impose a moratorium on large agribusiness mergers and to establish a commission to review large agriculture mergers, concentration, and market power.

AMENDMENT NO. 2663

(Purpose: To make improvements to the bill)

Mr. MOYNIHAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New York [Mr. MOYNIHAN] proposes an amendment numbered 2663.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 107, line 7, strike "(C)(i) for purposes of subparagraph (A)—" and insert the following:

"(C) for purposes of subparagraph (A)—

"(i) if the debtor, and the spouse of the debtor in a joint case, as of the date of the order for relief, have a total current monthly income greater than the national or applicable State median family monthly income calculated on a monthly basis for a family of equal size, or in the case of a household of one person, the national median household income for one earner (except that for a household of more than 4 individuals, the median income shall be that of a household of 4 individuals, plus $583 for each additional member of that household)—".

On page 107, lines 8 and 14, move the margins 2 ems to the right.

On page 107, line 19, strike "and" and all that follows through line 20 and insert the following:

"(ii) if the debtor and the debtor's spouse combined, as of the date of the order for relief, have a total current monthly income that does not satisfy the conditions of clause (i)—

"(I) consumer debts owed to a single creditor and aggregating more than $1,075 for luxury goods or services incurred by an individual debtor on or within 60 days before the order for relief under this title are presumed to be nondischargeable; and

"(II) cash advances aggregating more than $1,075 that are extensions of consumer credit under an open end credit plan obtained by an individual debtor on or within 60 days before the order for relief under this title are presumed to be nondischargeable; and

"(iii) for purposes of this subparagraph—".

On page 111, line 20, strike "(14A)(A) incurred to pay a debt that is" and insert the following:

"(14A) if the debtor, and the spouse of the debtor in a joint case, as of the date of the order for relief, have a total current monthly income greater than the national or applicable State median family monthly income, calculated on a monthly basis for a family of equal size, or in the case of a household of one person, the national median household income for one earner (except that for a household of more than 4 individuals, the median income shall be that of a household of 4 individuals, plus $583 for each additional member of that household)—

"(A) incurred to pay a debt that is".

On page 112, line 2, insert ", with respect to debtors with income above the amount stated," after "that".

Mr. MOYNIHAN. Mr. President, the amendment is a small matter in the larger context of the legislation we are dealing with, but a very large matter to the people we are talking about who are low-income debtors. This addresses two aspects of the bill that have disproportionate negative impacts on low-income debtors.

The first aspect concerns consumer debt and cash advances. The second relates to debt incurred to pay nondischargeable debt. By nondischargeable debt, we mean the debt a consumer has to repay even if they declare bankruptcy. There are very commonsense provisions in our bankruptcy laws that say if you acquire a large debt in a short period before declaring bankruptcy, there is some presumption that you knew where you were heading and you were taking advantage of the bankruptcy laws.

Under current law, consumer debts owed to a single creditor—excluding "goods or services reasonably necessary"—of more than $1,075 obtained within 60 days of bankruptcy and cash advances of more than $1,075 obtained within 60 days of bankruptcy are presumed to be fraudulent and thus nondischargeable.

S. 625 seeks to expand the circumstances under which such transactions would be considered fraudulent in two ways: First, by lowering the threshold amount that would trigger the fraudulent presumption to $250 for consumer debts and $750 for cash advances; and, second, by increasing the number of days prior to bankruptcy during which debt incurred and cash advances obtained would be presumed fraudulent—to 90 days for consumer debts and to 70 days for cash advances.

Under this amendment, the new threshold amounts of money and numbers of days proposed in S. 625 would apply to debtors whose total monthly income is greater than the median monthly income, but they would not apply to low-income debtors. Low-income debtors do not have much money and, at times, need to charge certain items or to take a cash advance to buy necessary goods, such as clothing. It is wrong—or so I believe—to assume these people acted fraudulently. They acted of necessity—or I believe that is a fair assumption. They did what they needed to do to get by. The thresholds as they exist under current law would continue to apply to median and below-median income families.

I will make the point that we are, by this amendment, not changing current law. We are not introducing a novel concept into bankruptcy proceedings. We are providing for low-income persons to continue to have the same presumptions in their favor, or against them, that we have lived with for many years, with fair success, as I understand it.

S. 625 adds a new exception to discharge for debt incurred to pay nondischargeable debt and creates a presumption of nondischargeability for debts incurred to pay such debt within 70 days of filing the bankruptcy petition. This amendment would retain the current state of the law as to debt incurred to pay nondischargeable debt for median and below-median income families.

I do believe this is a worthy amendment. I commend it to my colleagues. I have had the opportunity to have worked through this, and I express my own gratitude that in many years distant past I did not decide to become a bankruptcy lawyer. That would have been a complexity beyond my capacity.

Mr. President, I thank the Chair for his courtesy and the Senate for its equal attention. I commend this matter. I think it is something we would be wise to do. The essence of the proposal is: For low-income debtors, don't change the rules. They are not the problem. Don't create problems for them.

A well-documented and prevalent form of abuse by some creditors is the filing of unfounded complaints alleging that debtors committed fraud, or the use of the threat of such a complaint, to coerce debtors into giving up valuable bankruptcy rights, typically by agreeing that all or part of the debt is not discharged.

Such threats are especially potent against low-income debtors. That is why the safe harbor in my amendment is necessary. These debtors often do not have lawyers, and they certainly do not have the funds to pay hundreds or even thousands of dollars to defend against creditor litigation. When a creditor threatens to or actually files a complaint alleging fraud, the debtor has to choose either to pay to defend against the complaint (requiring a lump sum payment to an attorney of at least several hundred dollars and usually more) or to make a deal with the creditor (who will offer to take a reaffirmation or settlement with "low monthly payments" of perhaps $50). Most cash-strapped debtors will take the "low monthly payment" option, often the only thing they can afford, regardless of whether the creditor has a good case.

This scenario is played out already, in the area of dischargeability litigation. Several courts have found practices of creditors filing "fraud" dischargeability cases, for which there is no factual basis, simply to coerce reaffirmations, and actually dropping those cases when they are defended. Most of these cases are in fact settled through reaffirmations, because the debtors have no choice but to take the "low monthly payment" option.

The new presumptions of fraud proposed in S. 625, against debtors who have charged as little as $250 on a credit card, and under the amorphous standard that a debt was incurred to pay another debt, will embolden creditors to file many more of these complaints. My amendment to S. 625 addresses these presumptions. I will explain how.

First, under current law, consumer debts owed to a single creditor (excluding "goods or services reasonably necessary") of more than $1,075 obtained within 60 days of bankruptcy and cash advances of more than $1,075 obtained within 60 days of bankruptcy are presumed to be fraudulent, and thus nondischargeable. S. 625 seeks to expand the circumstances under which such transactions would be considered fraudulent in two ways: first, by lowering the threshold amount that would trigger the fraud presumption to $250 for consumer debts and to $750 for cash advances; and, second, by increasing the number of days prior to bankruptcy during which debt incurred and cash advances obtained would be presumed fraudulent (to 90 days for consumer debts and to 70 days for cash advances).

Under my proposed amendment, the threshold amounts of money and numbers of days triggering a presumption of fraud in S. 625 would only apply to debtors whose total monthly income is greater than the median monthly income, while the current thresholds would continue to apply to median and below-median income families.

Second, S. 625 adds a new exception to discharge for debt—a loan or credit card debt—incurred to pay nondischargeable debt with the intent to discharge such debt in bankruptcy; it also creates a presumption of nondischargeability for debts incurred to pay nondischargeable debt within 70 days prior to filing the bankruptcy petition. My proposed amendment would retain the current state of the law as to debt incurred to pay nondischargeable debt for median and below-median income families.

Nothing in the amendment would prevent a creditor with evidence of fraud from pursuing a case against a low-income debtor. However, the creditor would not be entitled to the benefit of a presumption to make its case. And low-income debtors would not be forced to spend money they don't have to defend against an expanded presumption of their dishonesty.

The filing of abusive dischargeability complaints is not a new phenomenon in bankruptcy law. It was the subject of legislation when the Bankruptcy Code was first passed in 1978. At that time, a strong attorney's fee provision was added to the Code to deter such creditor tactics. The House Judiciary Committee report (95–595, p.131) found the problem prevalent at that time:

> The threat of litigation over this exception to discharge and its attendant costs are often enough to induce the debtor to settle for a reduced sum, in order to avoid the costs of litigation. Thus, creditors with marginal cases are usually able to have at least part of their claim excepted from discharge (or reaffirmed), even though the merits of the case are weak.

Unfortunately, in 1984 Congress weakened the attorney's fees provision and added, for the first time, a presumption of fraud based on purchases in the period immediately before bankruptcy. Then the concerns of the House Judiciary Committee proved prescient. Creditors began filing fraud complaints in large numbers, and courts have found that most debtors settle those complaints, regardless of how weak they are, rather than incur the expense of litigation.

The amendment before us is a very modest one. It does not return to the law the strong attorney's fee provision enacted in 1978. It does not eliminate the presumptions of fraud that were added in 1984 and made more expansive in 1994. It does not even completely eliminate the additional presumptions of fraud added by this bill, or the new exceptions to discharge. The only thing my amendment does is to make these new presumptions of fraud inapplicable to families below median income—those who would have the most difficulty affording a defense against unfounded fraud complaints.

The amendment will not shelter anyone who commits fraud. The current fraud provisions of the Bankruptcy Code will continue to apply to them. Those provisions already clearly deem fraudulent any debt that is incurred with no intent to pay it or with an intent to discharge it in bankruptcy. My amendment merely requires that a creditor produce meaningful evidence to establish fraud, rather than rely on S. 625's new presumption of fraud, at least in cases filed by low-income families who are most vulnerable to, and least able to afford the expenses associated with, creditor-initiated litigation.

PRIVILEGE OF THE FLOOR

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that during the pendency of this amendment, Kathleen McGowan of my staff be allowed privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, seeing no other Senators seeking recognition, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that tomorrow, immediately following the Wellstone amendment, there be a vote on the Moynihan amendment, except for 4 minutes in between to be evenly divided for the proponents and the opponents of the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Mr. President, reserving the right to object, it is my understanding that no amendments would be in order to the Moynihan amendment prior to the vote.

Mr. GRASSLEY. That is right.

Mr. REID. No objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, I know the Senator from New York is very sincere about the amendment he has proposed. I know he is cognizant of a discussion on a similar subject that we had on the amendment by the Senator from Connecticut last week. I think in a good-faith effort he comes in with something that does not go quite as far as Senator DODD's amendment goes. But I still think, for the very same reasons I expressed opposition to the Dodd amendment last week, I must express opposition to the Moynihan amendment.

In addition, I think perhaps by setting up one category for people who are in bankruptcy court who are below the national average and allowing a certain behavior on their part that you don't for people above the national average of income sets up a double standard that is not justified.

I oppose this amendment for pretty much the same reasons I opposed the Dodd amendment—that Congress needs to be very careful to fight against fraud and abuse and to say no to fraud and no to this financial abuse whenever we can. It seems to me it is a standard of ethic that is justified—being against fraud and abuse and treating it the same wherever it might happen.

One type of fraud and abuse involves loading up on debt right before bankruptcy and then discharging that debt. It doesn't seem to me we need to allow that above the limits of our legislation. The bill before us now contains provisions limiting the amount of debt incurred to purchase luxury goods within 90 days of declaring bankruptcy.

Senator MOYNIHAN's amendment would let people below the median income load up on more debt than higher income people. This lets people at low income levels get away with fraud and more fraud. I think this is not a very good idea. I respectfully oppose this amendment with obvious good intentions. I have never known Senator MOYNIHAN to have anything but good intentions, but this is one amendment that could bring about very unfair results as we allow people at a lower income get away with more fraud and abuse than we would people with higher income.

I oppose the amendment and yield the floor.

Mr. REID. Mr. President, to engage my friend on the bill generally, we have been working with the ranking member of the Judiciary Committee, Senator DASCHLE's floor staff, and Senator GRASSLEY and his staff during all or parts of the day. We are in a position now where this bill can be completed in a relatively short period of time. We have worked with Members on this side of the aisle, and with the cooperation of the manager of this bill there is a tentative agreement to accept about 10 amendments that the Democrats have offered. They may want to change the amendments in some fashion. We have been able to work on a finite number of hours that would be left in those amendments, with the exception of one Senator.

In short, for notice to the other Members of the Senate, with a little bit of luck we can finish this bill relatively shortly. I hope the majority allows Members to continue to work on this bill to complete it.

Mr. GRASSLEY. Mr. President, responding to the Senator from Nevada and going back to his efforts of last Wednesday before we adjourned for the national Veterans Day holiday, I can say that on that day as well as other periods of time over the weekend, and even as late as yesterday, between his efforts working with me and the efforts of our respective staffs, I have found the Senator from Nevada very cooperative. As a result of his cooperation, what we thought was an impossible amount of amendments to work our way through to bring this bill to finality has been dramatically reduced. The Senator needs to be credited with that extra effort.

I encourage Members on my side of the aisle to reach agreement. There may be one or two items that are above my pay grade, maybe even above the pay grade of the Senator from Nevada, that will have to be decided by leadership, but except for those items, we are making tremendous progress. I want to work in that direction, and I assure the Senator from Nevada of my efforts in that direction.

Mr. REID. Mr. President, I say to my friend from Iowa, we have made great progress. Originally, the bill had about 320 amendments. We are now down to no more than 15 amendments. Of those amendments, some can be negotiated. There are some that will require votes.

As I indicated, there is only one Senator, who has two amendments, who hasn't agreed on time for those amendments. Of course, if everyone is serious about completing the bankruptcy bill, going from 320 amendments to approximately 15 amendments says it all. We should complete this bill. Significant progress has been made.

I acknowledge there are a couple of issues that will be more difficult. However, people on our side—even on those two amendments—have agreed to times. One Senator has agreed to a 30-minute time agreement; the other Senator has agreed to a 70-minute time agreement. As contentious as these two amendments might be, we recognize we are in the minority. We are willing, in spite of our being in the minority, to agree to a time limit to let the will of this body work. We would agree to a way of disposing of those. Two Senators feel very strongly that they deserve a vote on these two amendments.

Other than those two amendments, I think we should be able to go through this bill at a relatively rapid rate. From all I have been able to determine, we are not going to be leaving here tomorrow anyway. We should try to complete this bill if at all possible. It would be a shame if cloture were attempted to be invoked on this bill, after having gone from 320 amendments to a mere handful. I think that would leave a pretty good argument on the side of the minority not to go along with cloture. We have done everything we can to be reasonable. A few Senators desire to offer amendments. They should have the right to offer those amendments.

I have appreciated the cooperation of the Senator from Iowa, the manager of this bill, and his staff. They have been very easy to work with and very understanding of what we have been trying to accomplish.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SMITH of Oregon). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, I add to what the Senator from Nevada has said about bringing this bill, hopefully, to finality within just the last few days of this session, and I remind everybody that should be possible because of the bipartisan cooperation we had in drawing up the bill that brought the Senate to this point, as well as the fact that similar legislation passed last year on a vote of 97–1, I believe.

I ask unanimous consent to lay the pending Moynihan amendment aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 2529 AND 2478, AS MODIFIED

Mr. GRASSLEY. I ask unanimous consent to modify amendments 2529 and 2478, and I send the modifications to the desk.

The PRESIDING OFFICER. The clerk will report.

The Senator from Iowa [Mr. GRASSLEY], for Mr. THURMOND, proposes an amendment No. 2478, as modified.

Mr. GRASSLEY. These amendments have been cleared by both sides. I ask unanimous consent they be agreed to en bloc and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments (Nos. 2529 and 2478), as modified, were agreed to, as follows:

AMENDMENT NO. 2529

On page 115, line 23, strike all through page 117, line 20, and insert the following:

"(iv) copies of all payment advices or other evidence of payment, if any, received by the debtor from any employer of the debtor in the period 60 days before the filing of the petition;

"(v) a statement of the amount of projected monthly net income, itemized to show how the amount is calculated; and

"(vi) a statement disclosing any reasonably anticipated increase in income or expenditures over the 12-month period following the date of filing"; and

(2) by adding at the end the following:

"(d)(1) At any time, a creditor, in the case of an individual under chapter 7 or 13, may file with the court notice that the creditor requests the petition, schedules, and a statement of affairs filed by the debtor in the case and the court shall make those documents available to the creditor who request those documents.

"(2)(A) At any time, a creditor in a case under chapter 13 may file with the court notice that the creditor requests the plan filed by the debtor in the case.

"(B) The court shall make such plan available to the creditor who request such plan—

"(i) at a reasonable cost; and

"(ii) not later than 5 days after such request.

"(e) An individual debtor in a case under chapter 7, 11 or 13 shall file with the court at the request of any party in interest—

"(1) at the time filed with the taxing authority, all tax returns required under applicable law, including any schedules or attachments, with respect to the period from the commencement of the case until such time as the case is closed;

"(2) at the time filed with the taxing authority, all tax returns required under applicable law, including any schedules or attachments, that were not filed with the taxing authority when the schedules under subsection (a)(1) were filed with respect to the period that is 3 years before the order of relief;

"(3) any amendments to any of the tax returns, including schedules or attachments, described in paragraph (1) or (2); and"

At the appropriate place, insert the following:

"In the case of an individual under chapter 7, the court shall not grant a discharge unless requested tax documents have been provided to the court. In the case of an individual under chapter 11 or 13, the court shall not confirm a plan of reorganization unless requested tax documents have been filed with the court."

AMENDMENT NO. 2478

(Purpose: To provide for exclusive jurisdiction in Federal court for matters involving bankruptcy professional persons)

On page 124, insert between lines 14 and 15 the following:

SEC. 322. EXCLUSIVE JURISDICTION IN MATTERS INVOLVING BANKRUPTCY PROFESSIONALS.

Section 1334 of title 28, United States Code, is amended—

(1) in subsection (b) by striking "Notwithstanding" and inserting "Except as provided in subsection (e)(2), and notwithstanding"; and

(2) amending subsection (e) to read as follows:

"(e) The district court in which a case under title 11 is commenced or is pending shall have exclusive jurisdiction—

"(1) of all the property, wherever located, of the debtor as of the commencement of such case, and of property of the estate; and

"(2) over all claims or causes of action that involve construction of section 327 of title 11, United States Code, or rules relating to disclosure requirements under section 327.

Mr. SPECTER. Mr. President, I seek recognition to discuss two important provisions that were added to the bankruptcy reform bill by unanimous consent. The first provides that bankruptcy attorneys who represent debtors will be liable for paying certain attorneys' fees only if their own actions are "frivolous"—the bill had originally required these attorneys to pay fees for merely losing the argument on a motion to remove a case from Chapter 7 to Chapter 13. The second of these provisions empowers judges to waive the bankruptcy filing fee for individuals who cannot afford to pay it, even in installments. I have fought for these two provisions, together with Senator FEINGOLD, since this bill first came before the Senate Judiciary Committee last Congress, and I believe their inclusion in the bill is a significant improvement that will ensure sufficient access to justice for all who seek relief in our bankruptcy courts.

As originally drafted, the bankruptcy bill provided that if a debtor files in Chapter 7, and a bankruptcy trustee prevails on a motion to remove the debtor to Chapter 13 because the debtor is found to have the ability to pay at least 25% of his debts, then the debtor's attorney must pay the reasonable costs and attorneys' fees incurred by the trustee in filing and arguing the removal motion.

This was an inappropriate provision. We would have had attorneys being penalized not because they were bad actors, but because they engaged in zealous advocacy on behalf of clients and happened to lose the argument. This would have had an enormous chilling effect on debtors' attorneys. In all cases where the outcome was less than certain, lawyers would have been inclined to file their clients in Chapter 13, even if they truly believe that the clients belong in Chapter 7, in order to avoid the penalty.

When the bill came before the Senate Judiciary Committee last Congress, I offered an amendment together with Senator FEINGOLD to provide that the debtors' attorneys should pay these fees only if their actions in filing in Chapter 7 were "frivolous." Our amendment was defeated by a roll call vote of 9–9. We then offered our amendment on the Senate floor, where it was tabled by a vote of 57–42.

As the result of our efforts last Congress, the attorneys' fees standard was improved when the bill was re-introduced this Congress. The current version of the bill provides that lawyers must pay these fees only if their actions in filing in Chapter 7 were not "substantially justified." Still, I believe that this standard is too broad and will still chill attorneys from zealous advocacy. As in every other area of the law, lawyers must be punished only if their actions are "frivolous" or in bad faith. I am glad that this is the standard that is now in the bill.

A second problem with the bankruptcy bill as originally drafted was that it did not permit bankruptcy judges to waive the bankruptcy filing fee for indigent individuals. Individuals who petition for Chapter 7 bankruptcy must pay a filing fee of approximately $175. There are many individuals who are so indigent by time they decide to seek the relief of bankruptcy, however, that they cannot even afford this relatively small fee. As a result, some individuals are actually too poor to go bankrupt. This is an absurd result. In such limited cases, we must empower a judge to decide that the filing fee can waived.

Many individuals opposed to waiving the filing fee have argued that doing so would open the door to an enormous increase in the number of individuals taking advantage of the bankruptcy system. The idea is that "free" bankruptcies will lead to a bankruptcy bonanza.

Unfortunately, these individuals have failed to look at the record. In the appropriations bill for FY '94, Congress authorized a pilot in forma pauperis program in six federal judicial districts, including Eastern District of Pennsylvania, for three years. These pilots demonstrated that the program worked as intended, and did not significantly change the number or nature of bankruptcy filings.

In the six pilot districts, waivers were requested in only 3.4% of all non-business Chapter 7 cases, and waivers were granted in only 2.9% of all non-business Chapter 7 cases. This number was small enough that it did not lead to a significant increase in the number of overall Chapter 7 filings or a significant loss in revenue to the courts.

When the bankruptcy bill was before the Senate Judiciary Committee last Congress, I offered an amendment to permit the waiver of filing fees together with Senator FEINGOLD. Our amendment was defeated in Committee by a vote of 9–9. When we introduced our amendment on the floor of the Senate, however, the motion to table the amendment was rejected by a vote of 47–52, and the amendment was accepted into the bill. I am glad that this Congress our waiver provision has been included without the necessity of a vote.

Taken together, these two provisions ensure that all who are in need will have access to our bankruptcy courts and will enjoy the benefits of zealous advocacy on their behalf that is the cornerstone of our legal system. They are valuable improvements, and I commend Senators GRASSLEY, LEAHY, TORRICELLI and FEINGOLD for their inclusion in the bill.

Mr. GRASSLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROBERT M. BRYANT, DEPUTY DIRECTOR, FEDERAL BUREAU OF INVESTIGATION

Mr. THURMOND. Mr. President, the Federal Bureau of Investigation is perhaps the most renown and respected law enforcement agency in the world. Though the FBI is famous for its laboratories, embracing new crime fighting techniques, and ability to "get its man", the real secret and heart of this organization's success has always been its people—the capable, courageous, and conscientious men and women who serve as Special Agents. Today, I rise to pay tribute to an individual who has given much to the FBI and the nation, Robert M. "Bear" Bryant, who will retire from his position as the Deputy Director of the Federal Bureau of Investigation on November 30th.

Bear Bryant's career as a Special Agent began in 1968, when he hit the foggy and mean streets of Seattle, Washington, a distinctly different environment than his native Missouri. The atmosphere in Seattle, and across the nation, was combustible and there was just the right amount of tension to spur extensive criminal and violent activities. Without question, it was a busy and dangerous time to be making one's living as a lawman, and it was in such an environment that Special Agent Bryant cut his teeth in law enforcement and made a lifelong commitment to the Bureau.

Though he certainly had no inkling as a young Special Agent that his career would take him to the most senior levels of the FBI, Robert Bryant would spend three decades criss-crossing the United States as his career moved progressively forward and up the FBI chain of command. Subsequent assignments to Dallas, Headquarters in Washington, Salt Lake City, and Kansas City, as well as promotions to Supervisor, Permanent Inspector, and Special Agent in Charge, all helped to prepare Bear for his ultimately taking the second-in-command slot in the Bureau.

Surely one of the most rewarding assignments Bear had during his career was the time he spent as Special Agent in Charge of the Washington Field Office. When he took that job in 1991, the Capital was a violent city as a result of "crack wars" that were breaking out in urban areas from coast to coast. As the Special Agent in Charge of the Washington Field Office, Bear Bryant was responsible for establishing the "Bureau Safe Streets" program, which directed significant FBI resources toward combating street-level organized crime. The success of Mr. Bryant's efforts and leadership are evident. Thanks to his efforts, in conjunction with other agencies including the Metropolitan Police, crime is down in this city today, especially those offenses associated with the crack trade. This program was so successful in the District of Columbia, it was adapted as a tactic for reducing violent crime in other cities and there are currently more than 160 taskforces in operation throughout the United States making streets safe again.

Those familiar with the FBI will tell you that service as the Special Agent in Charge of the Washington Field Office is an indication that someone is on their way to assuming one of the senior positions within the leadership of the Bureau, and in 1993, SAC Bryant was tapped for the very critical post of Assistant Director of the National Security Division. This segment of the Bureau is responsible for battling the considerable threats to national security from both outside and within the borders of the United States. During his tenure of the head of the National Security Division, Mr. Bryant was responsible for supervising and directing investigations that represented some of the most serious acts of espionage, treason, and terrorism that law enforcement has had to deal with in recent years including, the Oklahoma City bombing, the bombing of the Al-Khobar Towers in Saudi Arabia, as well as the espionage cases of Aldrich Ames, Earl Edwin Pitts, and Harold Nicholson.

Two-years-ago, Director Louis Freeh needed a new Deputy Director and given his considerable experience as an investigator, supervisor, and administrator, it came to no one's surprise that it was Bear Bryant who took the co-pilot's chair. The position of Deputy Director is one of great responsibility and importance, for it is this person who runs the day-to-day operations of the Bureau and its 28,000 agents and support personnel. In addition to assuring the smooth running of this global agency that is always on duty, Deputy Director Bryant was also tasked with drafting the Bureau's strategic plan for the next five years, a document which has been described as a "sea change" in FBI policy for it included a major reassessment of how resources are allocated and how the Bureau is going to do its job.

Robert "Bear" Bryant has had a career of impressive achievement and unflagging service. Through his work, he has taken criminals, spies, and terrorists off of our streets and put them into the prison cells where they belong, and in the process, he has helped to keep the United States and its citizens safe. After more than thirty-years since raising his right hand and taking the oath as a Special Agent, Deputy Director Bryant has decided to retire from the Federal Bureau of Investigation. We are grateful for his diligent service, and I am sure that all my colleagues would join me in wishing Mr. Bryant, his wife of 33-years, Beth, and their three children Barbara, Dan, and Matt, happiness, health, and success in all their future endeavors.

REFUGEE PROTECTION ACT OF 1999

Mr. JEFFORDS. Mr. President, I rise today to recognize the importance of the Refugee Protection Act of 1999 and to honor those most affected by this legislation.

The Refugee Protection Act of 1999 will continue a tradition that is as old as the United States itself. Our great country was founded by men and women who left their homeland for a better life in the new world. Many of these individuals escaped persecution in their home countries, made the difficult decision to leave what they knew behind and to take their chances in a new country where many did not know the language and customs or have friends or family. The Refugee Protection Act helps to continue this tradition by ensuring that those who seek entrance to the United States as refugees are given fair consideration and due process.

The Refugee Protection Act of 1999 would reinstate important protections against the deportation and refusal of refugees and asylum seekers who enter the United States from countries in which they face danger and persecution, whether it is due to ethnic, religious or political beliefs. Over the past few years Vermont has seen an increase in the number of refugees who have come to live in our great state. These refugees are well served by a number of agencies in Vermont which provide them help and promote their interests, including the Vermont Refugee Resettlement Program, the Tibetan Resettlement Project, the Tibetan Association of Vermont and Vermont Refugee Assistance. The Refugee Protection Act of 1999 will continue the example set in the state of Vermont, by welcoming refugees to our country and ensuring that all are given the full extent of protection they deserve.

MOTOR CARRIER SAFETY IMPROVEMENT ACT OF 1999

Mr. CLELAND. Mr. President, I rise today to discuss S. 1501, the Motor Carrier Safety Improvement Act of 1999. During the Commerce Committee's Subcommittee on Surface Transportation hearing on this bill, I brought the attention of the entire room to a deadly tractor trailer accident that occurred in Atlanta in the early morning hours of August 31, 1999. Two lives were lost as a result of that accident, but if the incident would have occurred at a busier time of day, I shudder to think of the fatalities that could have resulted.

In 1998, 221 people were killed in Georgia as a result of truck related crashes, and thousands more were injured. Recently, I met with two people who lost their families in truck related accidents. These stories are ones which

I hope will become less frequent as a result of the action we are taking in S. 1501. This bill has the opportunity to improve safety for drivers and truckers.

S. 1501 would make the Office of Motor Carrier a separate office within the Department of Transportation (DOT), as opposed to being within the Federal Highway Administration as it is now. This action will allow Congress to statutorily mandate safety as the main focus of the office. Additionally, it promotes enforcement as a main goal and provides some teeth to this new agency's punitive actions.

However, there are some areas within the legislation that I believe need attention as we work to form a final bill. For example, I believe that a conflict of interest provision should be included. Without such a provision, the new agency could continue to award contracts to the very industry that operates under the federal motor carrier safety regulations the new agency will administer. An unbiased, multifaceted panel would be a better option to conduct sensitive research with federal money.

In fact, the DOT's Inspector General (IG) released a report to Congress that cites the too close relationship between the industry and the regulators who oversee it:

> [A collaborative, educational, partnership-with industry] is a good approach for motor carriers that have safety as a top priority, but it has gone too far. It does not work effectively with firms that persist in violating safety rules and do not promptly take sustained corrective action.

I believe this finding supports the inclusion of conflict of interest standards in the final bill.

S. 1501 does a great deal to improve motor carrier safety in this country, but we can do more. I hope that the conferees on this bill will give strong consideration to including a conflict of interest provision in the final bill.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business Monday, November 15, 1999, the federal debt stood at $5,686,436,332,009.22 (Five trillion, six hundred eighty-six billion, four hundred thirty-six million, three hundred thirty-two thousand, nine dollars and twenty-two cents).

Five years ago, November 15, 1994, the federal debt stood at $4,747,133,000,000 (Four trillion, seven hundred forty-seven billion, one hundred thirty-three million).

Ten years ago, November 15, 1989, the federal debt stood at $2,916,316,000,000 (Two trillion, nine hundred sixteen billion, three hundred sixteen million).

Fifteen years ago, November 15, 1984, the federal debt stood at $1,626,849,000,000 (One trillion, six hundred twenty-six billion, eight hundred forty-nine million).

Twenty-five years ago, November 15, 1974, the federal debt stood at $481,430,000,000 (Four hundred eighty-one billion, four hundred thirty million) which reflects a debt increase of more than $5 trillion—$5,205,006,332,009.22 (Five trillion, two hundred five billion, six million, three hundred thirty-two thousand, nine dollars and twenty-two cents) during the past 25 years.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

PERIODIC REPORT ON THE NATIONAL EMERGENCY WITH RESPECT TO IRAN AND IRANIAN ASSETS BLOCKING—MESSAGE FROM THE PRESIDENT—PM 74

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c), I transmit herewith a 6-month periodic report on the national emergency with respect to Iran that was declared in Executive Order 12170 of November 14, 1979.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *November 16, 1999.*

20TH ANNUAL REPORT OF THE FEDERAL LABOR RELATIONS AUTHORITY—MESSAGE FROM THE PRESIDENT—PM 75

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Governmental Affairs.

To the Congress of the United States:

In accordance with section 701 of the Civil Service Reform Act of 1978 (Public Law 95–454; 5 U.S.C. 7104(e)), I have the pleasure of transmitting to you the twentieth Annual Report of the Federal Labor Relations Authority for Fiscal Year 1998.

The report includes information on the cases heard and decisions rendered by the Federal Labor Relations Authority, the General Counsel of the Authority, and the Federal Service Impasses Panel.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *November 16, 1999.*

1999 ANNUAL REPORT OF THE RAILROAD RETIREMENT BOARD—MESSAGE FROM THE PRESIDENT—PM 76

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Health, Education, Labor, and Pensions.

To the Congress of the United States:

I transmit herewith the Annual Report of the Railroad Retirement Board for Fiscal Year 1998, pursuant to the provisions of section 7(b)(6) of the Railroad Retirement Act and section 12(1) of the Railroad Unemployment Insurance Act.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *November 16, 1999.*

MESSAGE FROM THE HOUSE

At 10:05 a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the bill (H.R. 2724) to make technical corrections to the Water Resources Development Act of 1999.

The message also announced that the House agrees to the amendments of the Senate to the bill (H.R. 2454) to assure the long-term conservation of mid-continent light geese and the biological diversity of the ecosystem upon which many North American migratory birds depend, by directing the Secretary of the Interior to implement rules to reduce the overabundant population of mid-continent light geese.

The message further announced that the House has passed the following bill, with amendment, in which it requests the concurrence of the Senate:

S. 376. An act to amend the Communications Satellite Act of 1962 to promote competition and privatization in satellite communications, and for other purposes.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1869. An act to amend title 18, United States Code, to expand the prohibition on stalking, and for other purposes.

H.R. 2442. An act to provide for the preparation of a Government report detailing injustices suffered by Italian Americans during World War II, and a formal acknowledgment of such injustices by the President.

H.R. 3073. An act to amend part A of title IV of the Social Security Act to provide for grants for projects designed to promote responsible fatherhood, and for other purposes.

H.R. 3234. An act to exempt certain reports from automatic elimination and sunset pursuant to the Federal Reports and Elimination and Sunset Act of 1995.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 122. Concurrent resolution recognizing the United States Border Patrol's 75 years of service since its founding.

ENROLLED BILLS SIGNED

The message also announced that the Speaker has signed the following enrolled bills:

H.R. 2454. An act to assure the long-term conservation of mid-continent light geese and the biological diversity of the ecosystem upon which many North American migratory birds depend, by directing the Secretary of the Interior to implement rules to reduce the overabundant population of mid-continent light geese.

H.R. 2724. An act to make technical corrections to the Water Resources Development Act of 1999.

The enrolled bills were signed subsequently by the President pro tempore (Mr. THURMOND).

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–6159. A communication from the Secretary of Defense, transmitting, pursuant to law, a report relative to medical and dental care for members of the Reserve components; to the Committee on Armed Services.

EC–6160. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed Manufacturing License Agreement with Canada; to the Committee on Foreign Relations.

EC–6161. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to Canada; to the Committee on Foreign Relations.

EC–6162. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to Norway, Ukraine, Russia, and the United Kingdom; to the Committee on Foreign Relations.

EC–6163. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to the Netherlands; to the Committee on Foreign Relations.

EC–6164. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to the United Kingdom; to the Committee on Foreign Relations.

EC–6165. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to the Gulf Cooperation Council; to the Committee on Foreign Relations.

EC–6166. A communication from the Executive Director, Committee for Purchase from People who are Blind or Severely Disabled, transmitting, pursuant to law, the report of a rule relative to additions to the Procurement List, received November 9, 1999; to the Committee on Governmental Affairs.

EC–6167. A communication from the Chairman, Broadcasting Board of Governors, transmitting, pursuant to law, a report relative to its commercial activities inventory; to the Committee on Governmental Affairs.

EC–6168. A communication from the Director, National Science Foundation, transmitting, pursuant to law, a report relative to its commercial activities inventory; to the Committee on Governmental Affairs.

EC–6169. A communication from the Inspector General, National Aeronautics and Space Administration, transmitting, pursuant to law, a report relative to its commercial activities inventory; to the Committee on Governmental Affairs.

EC–6170. A communication from the Inspector General, Federal Communications Commission, transmitting, pursuant to law, a report relative to its commercial activities inventory; to the Committee on Governmental Affairs.

EC–6171. A communication from the Executive Director for Operations, Nuclear Regulatory Commission, transmitting, pursuant to law, a report relative to its commercial activities inventory; to the Committee on Governmental Affairs.

EC–6172. A communication from the Administrator, Small Business Administration, transmitting, pursuant to law, a report relative to its commercial activities inventory; to the Committee on Governmental Affairs.

EC–6173. A communication from the Chairman, Appraisal Subcommittee, Federal Financial Institutions' Examination Council, transmitting, pursuant to the Federal Manager's Financial Integrity Act and the Inspector General Act, the annual report for fiscal year 1998; to the Committee on Governmental Affairs.

EC–6174. A communication from the Secretary, American Battle Monuments Commission, transmitting, pursuant to the Federal Manager's Financial Integrity Act and the Inspector General Act, the annual report for fiscal year 1999; to the Committee on Governmental Affairs.

EC–6175. A communication from the Executive Director, Office of Navajo and Hopi Indian Relocation, transmitting, pursuant to the Federal Manager's Financial Integrity Act and the Inspector General Act, the annual report for fiscal year 1999; to the Committee on Governmental Affairs.

EC–6176. A communication from the Executive Director, Federal Retirement Thrift Investment Board, transmitting, pursuant to law, a report relative to audit reports issued during fiscal year 1999 regarding the Board and the Thrift Savings Plan; to the Committee on Governmental Affairs.

EC–6177. A communication from the Chairman, United States International Trade Commission, transmitting, pursuant to law, the report of the Office of Inspector General for the period April 1, 1999, through September 30, 1999; to the Committee on Governmental Affairs.

EC–6178. A communication from the Chairman and Chief Executive Officer, Federal Credit Administration, transmitting, pursuant to law, the report of the Office of Inspector General for the period April 1, 1999, through September 30, 1999; to the Committee on Governmental Affairs.

EC–6179. A communication from the Assistant Attorney General for Administration, transmitting, pursuant to law, the report of a rule entitled "Exemption of the System of Records Under the Privacy Act" (AAG/A Order No. 180-99), received November 9, 1999; to the Committee on Governmental Affairs.

EC–6180. A communication from the Secretary of the Army, and the Secretary of Agriculture, transmitting jointly, pursuant to law, a report relative to the jurisdiction of Military and National Forest System lands at the Army's Fort Hunter Liggett Military Reservation, California, and the USDA's Forest Service Toiyabe National Forest in Mineral County, Nevada; to the Committee on Energy and Natural Resources.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–371. A resolution adopted by the board of directors of the Texas and Southwestern Cattle Raisers Association relative to invasive species; to the Committee on Environment and Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROTH, from the Committee on Finance, without amendment:

S. 1928. A bill to amend title XVIII of the Social Security Act to establish a medicare subvention demonstration project for veterans, and for other purposes (Rept. No. 106-222).

By Mr. HATCH, from the Committee on the Judiciary, with amendments and an amendment to the title and with a preamble:

S. Res. 200. A resolution designating the week of February 14–20 as "National Biotechnology Week."

EXECUTIVE REPORTS OF COMMITTEE

The following executive reports of committees were submitted:

By Mr. McCAIN for the Committee on Commerce, Science, and Transportation:

Linda J. Bilmes, of California, to be an Assistant Secretary of Commerce.

Linda J. Bilmes, of California, to be Chief Financial Officer, Department of Commerce.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. McCAIN. Mr. President, for the Committee on Commerce, Science, and Transportation, I report favorably nomination lists which were printed in the Records of the dates indicated, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the Records of October 12, 1999 and October 27, 1999, at the end of the Senate proceedings.)

In the Coast Guard, 1 nomination of Richard B. Gaines, which was received by the Senate and appeared in the Congressional Record of October 12, 1999.

In the Coast Guard, 96 nominations beginning Peter K. Oittinen, and ending Joseph P. Sargent, Jr., which nominations were received by the Senate and appeared in the Congressional Record of October 27, 1999.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. CAMPBELL:

S. 1921. A bill to authorize the placement within the site of the Vietnam Veterans Memorial of a plaque to honor Vietnam veterans who died after their service in the Vietnam war, but as a direct result of that service; to the Committee on Energy and Natural Resources.

By Mr. KERREY (for himself and Mr. Grassley):

S. 1922. A bill to amend the Internal Revenue Code of 1986 to provide a tax credit for modifications to inter-city buses required under the Americans with Disabilities Act of 1990; to the Committee on Finance.

By Mr. BROWNBACK:

S. 1923. A bill to prohibit the Federal Communications Commission from applying spectrum aggregation limits to spectrum assigned by auction after 1999; to the Committee on Commerce, Science, and Transportation.

By Mr. LEAHY (for himself, Mr. Bryan, Mr. Harkin, Mr. Durbin, Mr. Feingold, and Mr. Robb):

S. 1924. A bill to ensure personal privacy with respect to financial information, to provide customers notice and choice about how their financial institutions share or sell their personally identifiable sensitive financial information, to provide for strong enforcement of these rights, and to protect States' rights; to the Committee on Banking, Housing, and Urban Affairs.

By Mrs. FEINSTEIN (for herself, Mr. Reid, Mrs. Boxer, and Mr. Bryan):

S. 1925. A bill to promote environmental restoration around the Lake Tahoe basin; to the Committee on Energy and Natural Resources.

By Mrs. MURRAY:

S. 1926. A bill to amend the Elementary and Secondary Education Act of 1965 to improve student achievement by helping local educational agencies improve the quality of, and technology training for, teachers, to improve teacher accountability, and to enhance the leadership skills of principals; to the Committee on Health, Education, Labor, and Pensions.

By Mr. BREAUX:

S. 1927. A bill to establish the National Recording Registry in the Library of Congress to maintain and preserve recordings that are cultrally, historically, or aesthetically significant, and for other purposes; to the Committee on Rules and Administration.

By Mr. ROTH:

S. 1928. A bill to amend title XVIII of the Social Security Act to establish a medicare subvention demonstration project for veterans, and for other purposes; from the Committee on Finance; placed on the calendar.

By Mr. INOUYE (for himself and Mr. Akaka):

S. 1929. A bill to amend the Native Hawaiian Health Care Improvement Act to revise and extend such Act; to the Committee on Indian Affairs.

By Mr. GRAMS:

S. 1930. A bill to amend the Agricultural Adjustment Act to provide for the termination of milk marketing orders; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HATCH (for himself and Mr. Leahy):

S. 1931. A bill to provide a more just and uniform procedure for Federal civil forfeitures, and for other purposes; to the Committee on the Judiciary.

By Mr. JEFFORDS:

S. 1932. A bill to amend the Ricky Ray Hemophilia Relief Fund Act of 1998 to revise and extend certain provisions; to the Committee on Health, Education, Labor, and Pensions.

By Mr. THOMPSON:

S. 1933. A bill to amend the Internal Revenue Code of 1986 to permit the consolidation of life insurance companies with other companies; to the Committee on Finance.

By Mr. DODD (for himself and Mr. Bennett):

S. 1934. A bill to amend the Internal Revenue Code of 1986 to allow a tax credit for business-provided student education and training; to the Committee on Finance.

By Mr. HARKIN (for himself and Mr. Specter):

S. 1935. A bill to amend title XIX of the Social Security Act to provide for coverage of community attendant services and supports under the Medicaid Program; to the Committee on Finance.

By Mr. WYDEN (for himself and Mr. Smith of Oregon):

S. 1936. A bill to authorize the Secretary of Agriculture to sell or exchange all or part of certain administrative sites and other National Forest System land in the State of Oregon and use the proceeds derived from the sale or exchange for National Forest System purposes; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CAMPBELL:

S. 1921. A bill to authorize the placement within the site of the Vietnam Veterans Memorial of a plaque to honor Vietnam veterans who died after their service in the Vietnam war, but as a direct result of that service; to the Committee on Energy and Natural Resources.

THE VIETNAM VETERANS RECOGNITION ACT OF 1999

Mr. CAMPBELL. Mr. President, today I am introducing legislation which would create a plaque honoring those Vietnam veterans who died as a result of the war but who are not eligible to have their names placed on the Vietnam Veterans Memorial. The "Vietnam Veterans Recognition Act of 1999" would authorize the placement of a plaque within the sight of the Vietnam Veterans Memorial to honor those Vietnam veterans who died after their service in the Vietnam War, but as a direct result of that service. This bill is similar to H.R. 3293, which was introduced by my colleague in the House of Representatives, Congressman Gallegly.

Deadly war wounds do not always kill right away. Sometimes these fatal war wounds may linger on for many years after the fighting is done. Sometimes these wounds are clearly evident from the time they are inflicted, sometimes they are not. The terrible toll that Agent Orange has taken on our Vietnam veterans stands as one stark example. What we do know is that all too often these war wounds eventually take the lives of many of our brave Vietnam veterans.

Even though these veterans may not have been killed in action while they served in the tropical jungles of Vietnam, in the end they too made the ultimate sacrifice for their country. Like their brothers and sisters who died on the field of battle, they too deserve to be duly recognized and honored.

Mr. President, duly honoring the men and women who made the ultimate sacrifice for our country should always be a priority. Unfortunately, the service and sacrifices made by some Vietnam veterans is still not being fully recognized since their names are not included on the Vietnam Veterans Memorial Wall.

This bill recognizes the sacrifices made by these Vietnam veterans by authorizing a plaque that will be engraved with an appropriate inscription honoring these fallen veterans.

Since no federal funds will be used for the plaque, it will be up to our nation's leading veteran's organizations and individual Americans to demonstrate their commitment to honoring these fallen veterans through charitable giving to help make it a reality. The American Battle Monument Commission will lead the effort in collecting the private funds necessary.

It is vital for us to have a place to honor all the men and women who have served and died for their country. It is also important for the families of these fallen heroes to have a place in our nation's capital where their loved one's sacrifice is honored and recognized for future generations.

I urge my colleagues to join me in supporting this important bill. I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1921

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Vietnam Veterans Recognition Act of 1999".

SEC. 2. ADDITION OF A COMMEMORATIVE PLAQUE ON THE SITE OF THE VIETNAM VETERANS MEMORIAL.

Public Law 96-297 (16 U.S.C. 431 note), which authorized the establishment of the Vietnam Veterans Memorial, is amended by adding at the end the following:

"SEC. 5. PLAQUE TO HONOR OTHER VIETNAM VETERANS WHO DIED AS A RESULT OF SERVICE IN THE VIETNAM WAR.

"(a) Plaque Authorized.—The American Battle Monuments Commission is authorized to place within the Vietnam Veterans Memorial a suitable plaque containing an inscription intended to honor Vietnam veterans—

"(1) who died after their service in the Vietnam war, but as a direct result of that service; and

"(2) whose names are not otherwise eligible for placement on the Vietnam Veterans Memorial wall.

"(b) SPECIFICATIONS.—The plaque shall be at least 6 square feet in size and not larger than 18 square feet in size, and of whatever shape as the American American Battle Monuments Commission determines to be appropriate for the site. The plaque shall bear an inscription prepared by the American Battle Monuments Commission.

"(c) RELATION TO COMMEMORATIVE WORKS ACT.—Except as provided in subsection (a), the Commemorative Works Act (40 U.S.C. 1001 et seq.) shall apply to the design and placement of the plaque within the site of the Vietnam Veterans Memorial.

"(d) CONSULTATION.—In designing the plaque, preparing the inscription, and selecting the specific location for the plaque within the Vietnam Veterans Memorial, the American Battle Monuments Commission shall consult with the architects of the Vietnam Veterans Memorial Fund, Inc.

"(e) FUNDS FOR PLAQUE.—Federal funds may not be used to design, procure, or install the plaque.

"(f) VIETNAM VETERANS MEMORIAL DEFINED.—In this section, the term 'Vietnam Veterans Memorial' means the structures and adjacent areas extending to and bounded by the south curb of Constitution Avenue on the north, the east curb of Henry Bacon Drive on the west, the north side of the north Reflecting Pool walkway on the south and a line drawn perpendicular to Constitution Avenue 200 feet from the east tip of the memorial wall on the east (this is also a line extended from the east side of the western concrete border of the steps to the west of the center steps to the Federal Reserve Building extending to the Reflecting pool walkway). This is the same definition used by the National Park Service as of the date of the enactment of this section, as contained in section 7.96(g)(1)(x) of title 36, Code of Federal Regulations.".

By Mr. KERREY (for himself and Mr. GRASSLEY):

S. 1922. A bill to amend the Internal Revenue Code of 1986 to provide a tax credit for modifications to intercity buses required under the Americans with Disabilities Act of 1990; to the Committee on Finance.

TAX CREDIT FOR MODIFICATIONS TO INTERCITY BUSES REQUIRED UNDER THE AMERICANS WITH DISABILITIES ACT

• Mr. KERREY. Mr. President, today I am introducing legislation to give privately owned, over-the-road bus operators, the assistance they need to equip their buses with wheelchair lifts. These operators provide vital intercity bus services to millions of Americans who have access to no other form of public transportation, most particularly in rural areas. The legislation I am introducing today passed the Senate earlier this year as part of a larger tax bill and enjoyed bipartisan support. Indeed I am delighted that Senator GRASSLEY has agreed to join me as a cosponsor of this bill.

In keeping with the Americans with Disabilities Act, the Department of Transportation (DOT) is requiring that a wheelchair lift be installed on every new over-the-road bus operating intercity bus service. In addition, comparable requirements are being imposed on over the road buses providing charter service. This largely unfunded mandate is estimated to cost the industry $25 million a year in acquisition and training costs alone. In some years, that $25 million figure is expected to exceed the entire profit for the industry.

DOT's new requirement serves the important public purpose of ensuring that disabled persons in wheelchairs will have access to over-the-road buses. Yet the cost of this requirement poses a significant threat to the continuation of this service for millions of rural and low-income Americans. Over-the-road buses serve roughly 4,000 communities that have no other form of intercity public transportation. Additionally, with an average fare of $34, they are the only form of affordable transportation available for millions of passengers.

The legislation we are introducing today provides over-the-road bus operators with a 50-percent tax credit for the unsubsidized costs of complying with the DOT requirement. This tax credit gives them the support that they need to ensure both that disabled people in wheelchairs have access to over-the-road bus service and that that service remains available to the millions of passengers who rely on that service.

I urge my colleagues to join us in supporting this legislation.•

By Mr. BROWNBACK.

S. 1923. A bill to prohibit the Federal Communications Commission from applying spectrum aggregation limits to spectrum assigned by auction after 1999; to the Committee on Commerce, Science, and Transportation.

THE THIRD-GENERATION WIRELESS INTERNET ACT

Mr. BROWNBACK. Mr. President, I rise today to introduce the Third-Generation Wireless Internet Act of 1999, a bill to prevent the FCC from applying the current spectrum cap imposed upon commercial mobile wireless services to new spectrum auctions.

Mr. President, the popularity of wireless services has far exceeded expectations. More people purchase wireless phones every month, and the duration of calls is growing rapidly as perminute rates decline.

Mr. President, while the popularity of wireless has increased, the Internet has become a mass-market phenomenon. Flat-rate Internet-usage plans have lured millions of Americans online. Broadband services have increased the Internet applications available to consumers and drastically reduced the amount of time necessary to access information online.

Now, we are witnessing the marriage of the wireless and Internet crazes. Wireless Internet access presents consumers with the opportunity to access the Internet anywhere and anytime.

With wireless access, consumers will no longer be dependent upon personal computers to reach the Internet. However, wireless Internet access will only become a mass-market phenomenon when consumers can obtain wireless broadband services that provide the bandwidth necessary to download information from the Internet on a handheld device at reasonable speeds.

Third-generation wireless services represent the first wave of truly broadband mobile services. Third-generation services should enable wireless users to achieve speeds of up to 384 kilobits per second. But, Mr. President, to ensure the rapid deployment of third-generation services, Congress needs to provide wireless carriers with the ability to purchase additional spectrum at future FCC auctions, which many carriers cannot do under the current FCC policy.

Manufacturers are hesitant to produce equipment for third-generation applications, and wireless carriers are unable to roll out third-generation services, because wireless carriers do not have enough spectrum to offer true third-generation services. Consumers have an opportunity to have wireless high-speed access to the Internet. But until there is regulatory certainty that carriers will be able to obtain the spectrum necessary to offer third-generation services, consumers will have to wait before they can have a mobile onramp to the information superhighway.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1923

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Third-Generation Wireless Internet Act.".

SEC. 2. FINDINGS.

The Congress finds the following:

(1) Mobile telephony has been one of the fastest growing industries of the telecommunications sector, offering consumers innovative services at affordable rates.

(2) Demand for mobile telecommunications services has greatly exceeded industry expectations.

(3) Mobile carriers are poised to bring high-speed Internet access to consumers through wireless telecommunications devices.

(4) Third Generation mobile systems (hereinafter referred to as "3G") are capable of delivering high-speed data services for Internet access and other multimedia applications.

(5) Advanced wireless services such as 3G may be the most efficient and economic way to provide high-speed Internet access to rural areas of the United States.

(6) Under the current Federal Communications Commission rules, commercial mobile service providers may not use more than 45 megahertz of combined cellular, broadband Personal Communications Service, and Specialized Mobile Radio spectrum within any geographic area.

(7) Assignments of additional spectrum may be needed to enable mobile operators to keep pace with the demand for 3G services.

(8) The application of the current Commission spectrum cap rules to new spectrum auctioned by the FCC would greatly impede the deployment of 3G services.

SEC. 3. WIRELESS TELECOMMUNICATIONS SERVICES.

Section 332(c) of the Communications Act of 1934 (47 U.S.C. 332(c)) is amended by adding at the end thereof the following:

"(9) NON-APPLICATION OF SPECTRUM AGGREGATION LIMITS TO NEW AUCTIONS.—

"(A) The Commission may not apply section 20.6(a) of its regulations (47 C.F.R. 20.6(a)) to a license for spectrum assigned by initial auction held for after December 31, 1999.

"(B) The Commission may relax or eliminate the spectrum aggregation limits of section 20.6 of its regulations (47 C.F.R. 20.6), but may not lower these limits.".

By Mr. LEAHY (for himself, Mr. BRYAN, Mr. HARKIN, Mr. DURBIN, Mr. FEINGOLD, and Mr. ROBB):

S. 1924. A bill to ensure personal privacy with respect to financial information, to provide customers notice and choice about how their financial institutions share or sell their personally identifiable sensitive financial information, to provide for strong enforcement of these rights, and to protect States' rights; to the Committee on Banking, Housing, and Urban Affairs.

THE FINANCIAL INFORMATION PRIVACY AND SECURITY ACT

Mr. LEAHY. Mr. President, I rise today to introduce the Financial Information Privacy and Security Act of 1999. I am pleased that Senators BRYAN, HARKIN, DURBIN, and FEINGOLD are original cosponsors of this legislation to protect the financial privacy of all Americans.

The right of privacy is a personal and fundamental right protected by the Constitution of the United States. But today, the American people are growing more and more concerned over encroachments on their personal privacy.

New technologies, new communications media, and new business services created with the best of intentions and highest of expectations also pose a threat to our ability to keep our lives to ourselves, and to live, work and think without having personal information about us collected without our knowledge or consent.

This incremental invasion of our privacy has happened through the lack of safeguards on personal, financial and medical information, which can be stolen, sold or mishandled and find its way into the wrong hands with the push of a button or click of a mouse.

Our right of privacy has become one of the most vulnerable rights in the information age. The digitalization of information and the explosion in the growth of computing and electronic networking offer tremendous potential benefits to the way Americans live, work, conduct commerce, and interact with their government.

It makes it possible for me, sitting in my farmhouse in Vermont, to connect with any Member of Congress or friends around the world, to get information with the click of a mouse on my computer.

But the new technology also presents new threats to our individual privacy and security, in particular, our ability to control the terms under which our personal information is acquired, disclosed, and used.

Just last week, President Clinton signed into law the landmark Financial Modernization Act of 1999, which updates our financial laws and opens up the financial services industry to become more competitive, both at home and abroad. I supported this legislation because I believe it will benefit businesses and consumers. It will make it easier for banking, securities, and insurance firms to consolidate their services, cut expenses and offer more products at a lower cost to all. But it also raises new concerns about our financial privacy.

New conglomerates in the financial services industry may now offer a widening variety of services, each of which may require a customer to provide financial, medical or other personal information. Nothing in the new law prevents these new subsidiaries or affiliates of financial conglomerates from sharing this information for uses beyond those the customer thought he or she was providing it.

For example, the new law has no requirement for the consumer to consent before these new financial subsidiaries or affiliates sell, share, or publish information on savings account balances, certificates of deposit maturity dates and balances, stock and mutual fund purchases and sales, life insurance payouts or health insurance claims.

That is wrong. You shouldn't be able to have that information and go around to anybody who wants to use it to pitch you some new product or scare you into cashing in life savings or anything else.

As President Clinton recently warned:

> Although consumers put a great value on privacy of their financial records, our laws have not caught up to technological developments that make it possible and potentially profitable for companies to share financial data in new ways. Consumers who undergo physical exams to obtain insurance, for example, should not have to fear the information will be used to lower their credit card limits or deny them mortgages.

I strongly agree. If we had this information in a desk drawer at home, nobody could come in and just take it. Instead, it is in the electronic desk drawer of one of the companies we have given it to, and they can share it with anybody they want within their organization.

Mr. President, the Financial Information Privacy and Security Act of 1999 offers this Congress the historic opportunity to provide fundamental privacy of every American's personal financial information. This bill would protect the privacy of this financial information by directing the Federal Reserve Board, Office of Thrift Supervision, Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency, and the Securities and Exchange Commission jointly to promulgate rules requiring the financial institutions they regulate to: (1) inform their customers about what information may be disclosed, and under what circumstances, including when, to whom and for what purposes; (2) allow customers to review the information for accuracy; (3) establish safeguards to protect the confidentiality of personally identifiable customer information and records to prevent unauthorized disclosure; and (4) for new customers, obtain the customers' consent to disclosure, and for existing customers, give the customers a reasonable opportunity to object to disclosure. These financial institutions could use confidential customer information from other entities only if the entities provides their customers with similar privacy protections.

In addition, this bill provides individuals the civil right of action to enforce their financial privacy rights and to recover punitive damages, reasonable attorneys fees, and other litigation costs. Privacy rights must be enforceable in a court of law to be truly effective.

To be sure, this legislation would not affect any state law which provides greater financial privacy protections to its citizens. Some states have already recognized the growing need for financial privacy protections. For example, I am proud to say that Vermont instituted cutting edge financial privacy laws five years ago. This bill is intended to provide the most basic rights of financial privacy to all American consumers. They deserve nothing less.

When President Clinton signed the financial modernization bill last week, he directed the National Economic Council to work with the Treasury Department and Office of Management and Budget to craft legislative proposals to forward to Congress next year to protect financial privacy in the new financial services marketplace. I believe the Financial Information Privacy and Security Act of 1999, which we are introducing today, should serve as the foundation for the Administration's financial privacy bill.

Americans ought to be able to enjoy the exciting innovations of this burgeoning information era without losing control over the use of their financial information.

The Financial Information Privacy and Security Act updates United States privacy laws to provide these fundamental protections of personal financial information in the evolving financial services industry.

I urge my colleagues to support it.

On privacy, in Vermont we care greatly about this. I have been in public life for a long time. During that time, I have only clipped and actually saved and framed a couple articles about me from the press.

My distinguished friend from Nevada, who is on the floor, like me lives in a rural area—he in Searchlight, I in Middlesex, VT. I live on this dirt road. I look down this valley, 35 miles down a valley, mountains on either side. I literally cannot see another house from my front yard. It is a beautiful spot, this place my parents got when I was a teenager just for a summer home. Marcelle and I have made a year-round place out of it. There is a neighboring farm family who, for 40 years, have hayed the fields and done work around there. They have known me since I was a teenager. The article I cut from the papers was from one of our largest newspapers. It was a sidebar. Here is almost verbatim the way it went.

The out-of-State reporter drives up to a farmer who is sitting on his porch along the dirt road. He says to the farmer, "Does Senator LEAHY live up this road?" The farmer said, "You a relative of his?" He said, "No, I am not." He says, "You a friend of his?" He said, "Not really." He says, "Is he expecting you?" The reporter says, "No." The farmer looks him right in the eye and says, "Never heard of him."

Now, we Vermonters like our privacy. This was a Saturday, and the farmer wasn't about to tell somebody where I lived and direct him down the dirt road to it. It is a humorous story, but I kept that over the years because it reminds me of other ways to protect our privacy. By the same token, I would not want—whether it is that reporter or somebody I never met—to go onto a computer and find my bank statements, my medical records, my children's medical records, or my spouse's, and find out whether we have applied for a mortgage or not, or find out whether we have bought life insurance or cashed in life insurance. So I think we have to ask ourselves as we go into the new millennium, one where information will flow quicker and in more detail than could have even been conceived a generation ago—it could not have been conceived at the time my parents purchased that beautiful spot in Vermont. Ten years from now, we will move faster and with more complexity than we could even think of today.

So I think the Congress, if it is going to fulfill its responsibility to the American people, has to do more and more to protect our privacy and allow technology to move as fast as it can, but not at the price of our individual privacy. We all know basically what we, our friends, neighbors, families, would want to give up of their personal privacy—not very much. Think to yourself, if this was something you had in the top drawer of your desk at home, knowing nobody could get it, they would need search warrants or they would break the law by coming in and taking it. That is all the more reason why on somebody's computer they should not be allowed to take it.

By Mrs. FEINSTEIN (for herself, Mr. REID, Mrs. BOXER, and Mr. BRYAN):

S. 1925. A bill to promote environmental restoration around the Lake Tahoe basin; to the Committee on Energy and Natural Resources.

THE LAKE TAHOE RESTORATION ACT

Mrs. FEINSTEIN. Mr. President, in June, joined by Senators REID, BOXER, and BRYAN, I introduced the Lake Tahoe Restoration Act (S. 1192) which would jump start the process of cleaning up Lake Tahoe.

Lake Tahoe, one of the largest, deepest, clearest lakes in the world is in the midst of an economic crisis. Water clarity is declining at the rate of more than 1 foot each year; more than ⅓ of the trees in the forest are either dead or dying; and sediment and algae-nourishing phosphorus and nitrogen continue to flow into the lake from a variety of sources.

Over the last few months, I worked with the Congressmen from the Tahoe areas, Representative DOOLITTLE and Representative GIBBONS to craft a House version of the Lake Tahoe Restoration Act that could garner bipartisan support. I am pleased that we've been able to build on S. 1192 and develop a compromise bill which I am introducing today.

Like S. 1192, this bill first and foremost authorizes the necessary funding to clean up and restore Lake Tahoe. This bill includes two major changes:

First, to address the problem of MTBE in the Lake Tahoe basin, I added a section that provides $1 million to the Tahoe Regional Planning Agency and local utility districts to clean up contaminated wells and surface water.

Second, to help local governments who would otherwise be burdened by relocation costs that may be needed to clean up the basin, this bill promises that the federal government will pay ⅔ of any needed relocation costs.

I believe these provisions improve on the original bill and increase the breadth of support for this bill.

The bill requires the Forest Service to develop an annual priority list of environmental restoration projects and authorizes $200 million dollars over 10 years to the forest service to implement these projects on federal lands. The list must include projects that will improve water quality, forest health, soil conservation, air quality, and fish and wildlife habitat around the lake.

In developing the environmental restoration priority list, the Forest Service must rely on the best available science, and consider projects that local governments, businesses, and environmental groups have targeted as top priorities. The Forest Service also must consult with local community leaders.

The bill requires the Forest Service to give special attention on its priority list to five key activities: acquisition of environmentally sensitive land from willing sellers, erosion and sediment control, fire risk reduction, cleaning up MTBE contamination, and traffic and parking management, including promotion of public transportation.

The Lake Tahoe Restoration Act also requires that an additional $100 million be authorized over 10 years be as payments to local governments for erosion control activities on non-federal lands. These payments will help local governments conduct soil conservation and erosion mitigation projects, restore wetlands and stream environmental zones, and plant native vegetation to filter out sediment and debris.

I spent my childhood at Lake Tahoe, but I had not been back for a number of years until I returned for the 1997 Presidential summit with President Clinton. I saw things I had never seen before at Lake Tahoe.

I saw the penetration of MTBE in the water and learned that 30 percent of the South Lake Tahoe water supply has been eliminated by MTBE. I observed gasoline spread over the water surface. I noticed that a third of the magnificent forest that surrounds the lake was dead or dying. I saw major land erosion problems that were bringing all kinds of sediment into the lake and which had effectively cut the lake's clarity by thirty feet since the last time I had visited. And then I learned that the experts believe that in 10 years the clouding of the amazing crystal water clarity would be impossible to reverse and in 30 years it would be lost forever.

The Tahoe Regional Planning Agency estimates that it will cost $900 million over the next 10 years to restore the Lake.

For me, that was a call to action and prompted me to sponsor this bill which will authorize $300 million of Federal moneys on a matching basis over 10 years for environmental restoration projects at Lake Tahoe to preserve the region's water quality and forest health. Put simply, this crown jewel deserves the attention, and the fact that the federal government owns 77 percent of that troubled area makes the responsibility all so clear.

Through funding over the past few years we have already begun to make some early strides such as the purchase of important pieces of land like the Sunset Ranch and the planning for a Coordinated Transit System.

Already, California and Nevada have begun contributing their portion of the restoration efforts.

California is in the second year of a ten year $275 million commitment through the California Tahoe Conservancy, Caltrans, and the Parks Service.

Nevada has authorized the issuance of bonds that will constitute an $82 million contribution over an 8-year period.

Local governments and private industry have also agreed to commit $300 million. The Tahoe Transportation and Water Quality Coalition, a coalition of 18 businesses and environmental groups, including Placer County, El Dorado County, the city of South Lake Tahoe, Douglass County in Nevada, and Washoe County in Nevada have all agreed. This is an extraordinary commitment for a region with only 50,000 year-round residents.

President Clinton took an important first step in 1997 when he held an environmental summit at Lake Tahoe and promised $50 million over 2 years for restoration activities around the lake. Unfortunately, the President's commitments lasted for only 2 years, so important areas like land acquisition and road decommissioning were not funded at the levels the President tried to accomplish. What is needed is a more sustained, long-term effort, and one that will meet the federal government's $300 million responsibility to save the environment at Lake Tahoe.

The Lake Tahoe Restoration Act will build upon the President's commitment to Lake Tahoe and authorize full funding for a new environmental restoration program at the lake.

I am also grateful to the Lake Tahoe Transportation and Water Quality Coalition, a local consensus group of 18 businesses and environmental groups, who has worked extremely hard on this bill.

Thanks in large part to their work, the bill has strong, bipartisan support from nearly every major group in the Tahoe Basin.

The bottom line is that time is running out for Lake Tahoe. We have 10 years to do something major or the water quality deterioration is irreversible.

I am hopeful that Congress will move quickly to consider the Lake Tahoe Restoration Act. I urge my colleagues to join Senator REID, Senator BOXER, Senator BRYAN, Congressman DOOLITTLE, Congressman GIBBONS, Congresswoman ESHOO, and me in preserving this national treasure for generations to come.

By Mrs. MURRAY:

S. 1926. A bill to amend the Elementary and Secondary Education Act of 1965 to improve student achievement by helping local educational agencies improve the quality of, and technology training for, teachers, to improve teacher accountability, and to enhance the leadership skills of principals; to the Committee on Health, Education, Labor, and Pensions.

QUALITY AND ACCOUNTABILITY ARE BEST FOR CHILDREN ACT (QUALITY ABCS ACT)

● Mrs. MURRAY. Mr. President, today I introduce a bill entitled the "Quality and Accountability Are Best for Children Act." Every child in every classroom in America deserves to have a fully-qualified teacher; this legislation takes a comprehensive approach to helping communities make that a reality. The bill should be seen as complementary to the professional development sections of last year's Higher Education Act, and to the professional development sections of S. 7, the Public Schools Excellence Act. It should also be seen as part of a comprehensive strategy to forge a strong partnership on education between the Congress and the teachers, families, and students in communities across America which it serves.

While my efforts today are to address educator quality issues, I also recently introduced S. 1773, the Youth and Adult School Partnership Act of 1999, and S. 1772, the Family and School Partnership Act of 1999. In addition, I have been working for some time to pass S. 1304, the Time for Schools Act. All these efforts work in concert, to address the very real needs of our local schools when it comes to investing in the strategies that work, and in making it possible to involve all the necessary members of our local school communities in the decisions that affect them.

I have spoken before about what I have heard from the literally thousands of families and students and educators and community leaders I have met. I have spoken about how most Americans want an increased but appropriate federal role in education. They want decisions about how to help students achieve at higher levels to be made in the local school, but they also want increased federal funds—help where help is needed—to support their local efforts. Most people are shocked to learn that their federal government only devotes 1.6 percent of overall spending to education.

I have spoken before about how the federal class size reduction initiative has at its core a streamlined funding mechanism that targets funds to a goal and then holds the school accountable to the local community for making progress toward that goal. I have talked about how important I feel this funding mechanism can be as a way for us to look at other federal programs in education. I have spoken about the importance of keeping the federal role firmly in mind: to ensure opportunity on the one hand, and to fund shared national priorities on the other. In addition, we must ensure accountability for results at every step along the way.

We need to remember that what families and students and educators and community leaders have asked us for is targeted help and support, to fund such efforts as reducing class size, and providing for special education students, and after-school programs, and school modernization, and education technology, and school safety and other efforts. Our responsibility is to give them the help they have sought, and no topic is more important to them than funding the necessary steps it will take to help local schools improve the quality of their corps of educators. We must rethink how educators are taught, and how we support their learning of the new skills it takes to teach students the basics and "new basics" that it will take for them to succeed in today's complex world.

In addition, we must fund local schools' efforts to recruit, retain and reward the world's finest corps of educators. And assure that their local communities can hold them accountable for doing so.

Today I introduce the Quality and Accountability are Best for Children Act, or Quality ABCs Act. This bill will help school districts improve the quality of their educator corps, and help communities hold schools accountable for results. Since all communities are struggling to improve the quality of their teaching force, funds are provided at a level that allow all school districts to participate. It will authorize an additional formula grant, based on enrollment, in the amount of $2 billion per year for teacher quality improvement, plus $100 million per year for principal professional development. Funds will supplement current federal, state, and local professional development efforts, and school districts are encouraged to use existing law, waivers, of Ed Flex authority to coordinate activities at the local level.

With the goal of reducing paperwork and avoiding lengthy program descriptions, my legislation is based on the bipartisan mechanism agreed to under the fiscal year 1999 Appropriations Class Size Reduction Initiative. Applications are streamlined, school districts can use money flexibly at the local level, as long as they target funds to improving educator quality in at least one of three subject areas (recruitment, retention, and rewards) and school districts are accountable to the local community in the form of a report card describing district efforts to improve teacher quality.

School district are required to use funds to improve educator quality, but have a broad range of options to do so.

To recruit new teachers, school districts may use tools such as the following:

Establishing or expanding teacher academies, teachers-recruiting-future-teacher programs, and programs to encourage high school and middle school students to pursue a career in teaching;

Establishing or expanding para-professional training programs, para-educator-to-teacher career ladders or other efforts to improve the training and supervision of para-educators;

Establishing or expanding programs for mid-career professionals to become certificated teachers;

Reaching out to communities of color or other special populations to make the teaching corps more reflective of current and future student demographics:

Placing advertisements, attending college job fairs, offering signing bonuses, and other recruitment efforts;

Embarking on and coordinating with other activities to help recruit the best quality teaching corps, such as: offering forgivable loans; assisting new hires to reach higher levels of state certification or to become national board certified teachers; recruiting new teachers in specific disciplines including math and science;

In addition, the Secretary of Education will be authorized directly, or by creating programs at the state or local level to:

Offer incentives for teachers to achieve national board certification;

Create forgivable loan programs under the current student aid programs;

Report on successful efforts and take part in dissemination activities;

Provide technical assistance to states and school districts to assist them to use technology in recruitment, processing, hiring, and placement of qualified teaching candidates.

To retain teachers, school districts may:

Use funds to offer or stipends or bonuses to educators to seek further subject matter endorsements, advanced levels of state certification or national board certification. These retention efforts can also fund other local initiatives specifically designed, such as mentor teacher programs, to retain teachers in the first 5 years of teaching;

Local education agencies can use funds, within district criteria for mentor or master teacher criteria, for a range of retention activities: mentor and/or master teacher job classification/career ladders; sabbatical/research activities such as the Fulbright program, or working in industry/non-profit world to improve teacher education; or other activities that keep teachers fresh while preserving their job slot/pay/benefits. These retention efforts can also fund other local initiatives specifically designed to retain experienced teachers, beyond the first five years of teaching;

To reward teachers:

School districts can reward elementary and secondary schools, based on improvement in the proportion of highly qualified teachers or other measures of teacher quality—improved recruiting, retention, improved "in endorsement" ratio, higher percentage of certificated staff, higher levels of certification, professional development curricular improvement;

School districts can provide teachers with a one-time bonus/reward of $5,000 for achieving national board certification;

Each state will receive $100,000 to support the McAuliffe awards and National Teacher of the year awards to create additional forms of conferring respect and recognition upon distinguished educators.

The bill requires school district report cards to contain information about efforts they have undertaken to improve the recruiting, retention, rewarding, and accountability for teachers. Reports include which programs were offered locally, how much of the funding was spent on which efforts, and what results were achieved in terms of measurable improvements to teacher quality and student achievement.

Each report card shall include information about how parents and other community members can access processes under school district policies regarding teacher accountability.

The bill includes an effort to provide, on a statewide basis, professional development services for public elementary school and secondary school principals designed to enhance the principals' educational leadership skills.

The programs will provide principals with:

Knowledge of effective instructional leadership skills and practices;

Comprehensive whole-school approaches and programs that improve teaching and learning;

Improved understanding of the effective uses of educational technology, including best practices for incorporating technology into the instructional program and management of the school;

Increased knowledge of State content and performance standards, and appropriate related curriculum;

Assistance in the development of effective programs, and strategies for assessing the effectiveness of such programs;

Training in effective, fair evaluation and supervision of school staff, and training in improvement of instruction;

Assistance in the enhancement and development of the principals' overall school management and business skills;

Knowledge of school safety and discipline practices; school law, and school funding issues.

The bill also includes the K–12 school sections of my teacher Technology Training Act. Last year, I included in the Higher Education Act provisions to improve pre-service teacher training offered by universities, by including technology in teacher training. The Quality ABCs Act will take the relevant steps to integrate technology into the professional development offered by school districts.

This bill is only one step but it is a necessary one. We cannot succeed in improving student learning if we do not also invest in the quality of our educators. We must assure that schools can use all the tools at their disposal to do what's necessary, and the Quality ABCs' Act funds the recruitment, retention, rewards and accountability measures essential to their success.

In all these pieces of legislation, whether I am a sponsor or a cosponsor, my approach is to offer help where help is needed. Schools face increasing challenges and higher expectations from their communities and from all Americans.

Now is not the time for easy answers. Too many have suggested that it's all about paperwork or all about trust or all about bureaucracy. We must take steps to squeeze the most out of every dollar, and make things more efficient, but, as we've seen with the funding mechanism under the class size reduction initiative, local flexibility, targeted to a specific purpose, with local accountability built in, can work very well.

But even that approach is only a partial answer. Helping all our schools perform for all students now and into the next century is a monumental task. None of these challenges is easy. The kind of student success we are hoping for will not happen without an actual, working partnership among local schools and school districts, state and regional education agencies, and the federal government. The success will not happen without a partnership between educators and families and young people and community leaders.

No person, school, or government entity has the resources, the research, the leadership, the experience, or the capability to go it alone. People cannot succeed in a global economy without an education that is world-class, relevant, and sufficiently funded. We all must work together as a nation if we want to succeed as a nation in a complex world. We owe this kind of perspective to our children and to our future. We must all strive to find the areas where we agree. Only a shared vision of the future of education will help us all to move toward our destination. Let us take that first step together.

Mr. President, the drafting of these bills would have been impossible without the efforts of two legislative fe3llows in my office, Ann Mary Ifekwunigwe and Peter Hatch. I thank them for their work.

Mr. President, I ask that the text of the bill be printed in the RECORD.

The bill follows:

S. 1926

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Quality and Accountability are Best for Children Act".

SEC. 2. REFERENCES.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.).

SEC. 3. FINDINGS.

Congress makes the following findings:

(1) Academically qualified, highly trained and professional teachers are a critical component in children's educational success.

(2) The Department of Education has reported that our Nation will need to hire 2,200,000 more teachers during the 10-year period beginning in fiscal year 2000.

(3) Newspaper accounts from the 18th century described teachers as well-respected, but ill-rewarded.

(4) In 1999, because many individuals view teaching as a thankless profession which garners little respect, little support, and little money, nearly 50 percent of those who enter teaching leave the profession within 5 years.

(5) Sixty-three percent of parents and teachers believe that accountability systems with financial rewards are a good idea, and would motivate teachers to work harder to improve student achievement.

(6) Paying professional salaries is integral to teacher retention. The State of Connecticut, for example, has been able to improve student achievement, eliminate its teacher shortage, and retain highly qualified teachers by offering the highest salaries in the Nation (an average of $51,727 per year).

(7) Dissemination of information regarding the teacher corps working at individual elementary schools and secondary schools, and accountability procedures enforced by the local educational agency can provide an important tool for parents and taxpayers to measure the quality of the elementary schools or secondary schools and to hold the schools and teachers accountable for improving student performance.

(8) Although elementary school and secondary school teachers need the most up-to-date skills possible to ensure that students are equipped to deal with a complex economy and society, less than 50 percent of such teachers report that they are competent in using technology effectively in the classroom.

(9) Although principals and other administrators are the educational leaders and chief executive officers of our Nation's elementary schools and secondary schools, and research strongly suggests that strong leadership from the principal is the single most important factor in effective schools, research also has revealed that the characteristics of a good principal are not necessarily those things for which principals are trained and rewarded.

SEC. 4. PURPOSES.

The purposes of this Act are—

(1) to recruit the best and the brightest candidates to teach in public elementary schools and secondary schools by looking to young people, people from special populations, mid-career professionals, and others as potential new teachers;

(2) to offer retention incentives to highly qualified teachers to keep the teachers in the classroom;

(3) to reward elementary schools and secondary schools that, and teachers in such schools who, succeed in improving student achievement;

(4) to hold elementary school and secondary school teachers accountable for achieving high levels of professionalism, including possessing expert knowledge and skills in the subject areas in which the teachers teach, being actively involved in all aspects of the school community, and being committed to the academic success of students, by providing parents and the school community with specific information about the qualifications of the local teaching corps;

(5) to improve teacher professional development in the uses of technology in teaching and learning and in the study of technology, and to help local communities to use technology as a vehicle to improve teacher professional development; and

(6) to improve the professional development of elementary school and secondary school principals and other administrators to ensure that the principals and administrators are the community's educational leaders, and have sophisticated knowledge about student achievement, school safety, management, evaluation, and community outreach.

SEC. 5. IMPROVING TEACHER RECRUITMENT, RETENTION, REWARDS, AND ACCOUNTABILITY.

Title II (20 U.S.C. 6601 et seq.) is amended—

(1) by redesignating part E as part G;

(2) by redesignating sections 2401 and 2402 (20 U.S.C. 6701, 6702) as sections 2601 and 2602, respectively; and

(3) by inserting after part D the following:

"PART E—IMPROVING TEACHER RECRUITMENT, RETENTION, REWARDS, AND ACCOUNTABILITY;

"SEC. 2401. DEFINITIONS.

"For purposes of this part:

"(1) OUTLYING AREAS.—The term 'outlying area' means the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

"(2) STATE.—The term 'State' means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

"SEC. 2402. PROGRAM AUTHORIZED.

"(a) GRANTS AUTHORIZED.—The Secretary shall award a grant, from allotments under subsection (b), to each State to enable the State to provide grants to local educational agencies to carry out activities consistent with section 2404.

"(b) RESERVATIONS AND ALLOTMENTS.—

"(1) RESERVATIONS.—From the amount appropriated under section 2406 to carry out this part for each fiscal year, the Secretary shall reserve—

"(A) a total of 1 percent of such amount for payments to—

"(i) the Secretary of the Interior for activities, that are approved by the Secretary and consistent with this part, in schools operated or supported by the Bureau of Indian Affairs, on the basis of the schools' respective needs for assistance under this part; and

"(ii) the outlying areas, to be allotted in accordance with their respective needs for assistance under this part as determined by the Secretary, for activities that are approved by the Secretary and consistent with this part; and

"(B) 0.5 percent to enable the Secretary directly or through programs with State educational agencies and local educational agencies—

"(i) to offer incentives to teachers to obtain certification from the National Board for Professional Teaching Standards;

"(ii) to create student loan forgiveness programs;

"(iii) to report on and disseminate successful activities assisted under this part; and

"(iv) to provide technical assistance to States and local educational agencies to assist the States and agencies in using technology in the recruitment, processing, hiring, and placement of qualified teaching candidates.

"(2) ALLOTMENTS TO STATES.—From the amount appropriated under section 2406 for any fiscal year that remains after making the reservations under paragraph (1), the Secretary shall allot to each State an amount that bears the same relationship to the remainder as the number of children, aged 5 to 17, enrolled in the public and private nonprofit elementary schools and secondary schools in the State bears to the number of such children enrolled in such schools in all States.

"(c) WITHIN-STATE ALLOCATIONS.—Each State receiving an allotment under subsection (b)(2)—

"(1) shall reserve $100,000 of the allotment for a fiscal year—

"(A) to support the Christa McAuliffe awards, the National Teacher of the Year awards, and other awards that confer respect and recognition upon outstanding teachers; and

"(B) to establish other forms of conferring respect and recognition upon distinguished teachers;

"(2) shall reserve not more than ½ of 1 percent of the grant funds for a fiscal year, or $50,000, whichever is greater, for the administrative costs of carrying out this part; and

"(3) shall allocate the amount that remains after reserving funds under paragraphs (1) and (2) among local educational agencies in the State by allocating to each local educational agency in the State submitting an application that is consistent with section 2403 an amount that bears the same relationship to the remainder as the number of children, aged 5 to 17, enrolled in the public and private nonprofit elementary schools and secondary schools served by the local educational agency bears to the number of such children enrolled in such schools served by all local educational agencies in the State.

"SEC. 2403. LOCAL APPLICATIONS.

Each local educational agency desiring assistance under section 2402(c)(3) shall submit an application to the State educational agency at such time, in such manner, and accompanied by such information as the State educational agency may reasonably require. At a minimum, the application shall contain a description of the programs to be assisted under this part consistent with section 2404.

"SEC. 2404. USE OF FUNDS.

"(a) In General.—Each local educational agency receiving funds under this part shall use the funds to carry out activities described in subsections (b) and (c) that are designed to improve student achievement by improving the quality of the local teacher corps, including improving recruitment and retention of highly qualified new teachers, offering rewards to teachers based on teachers' successes, and holding teachers accountable for the results attained by the teachers by notifying the community in the school district served by the local educational agency about the local educational agency's efforts to improve teacher quality.

"(b) Recruitment, Retention, and Rewards.—

"(1) Teacher recruitment.—A local educational agency may support teacher recruitment activities by—

"(A) establishing or expanding teacher academies, teachers-recruiting-future-teachers programs, and programs designed to encourage secondary school students to pursue a career in teaching;

"(B) establishing or expanding paraprofessional training programs, paraprofessional-to-teacher career ladders, and other programs designed to improve the training and supervision of paraprofessionals;

"(C) establishing or expanding programs designed to assist mid-career professionals to become certificated teachers;

"(D) reaching out to communities of color or other special populations to make teachers teaching in the elementary schools and secondary schools served by the local educational agency more reflective of the student demographics (at the time of the outreach and as anticipated in the future) in such schools;

"(E) placing advertisements, attending college job fairs, offering signing bonuses, or engaging in other efforts designed to recruit highly qualified new teachers; and

"(F) establishing activities, and coordinating with existing activities, designed to help recruit the highest quality new teachers, such as—

"(i) offering student loan forgiveness;

"(ii) offering assistance for newly hired teachers to reach higher levels of State certification or certification from the National Board for Professional Teaching Standards; and

"(iii) recruiting new teachers in specific disciplines, including mathematics and science.

"(2) Teacher retention.—A local educational agency may support teacher retention activities by—

"(A) offering stipends or bonuses to teachers who seek further subject matter endorsements and advanced levels of State certification or certification from the National Board for Professional Teaching Standards;

"(B) establishing or expanding local initiatives, such as mentor teacher programs, that are specifically designed to retain teachers during the teachers' first 5 years of teaching;

"(C) supporting other teacher retention activities that are consistent with local educational agency criteria for mentor teacher job classifications or master teacher job classifications, including—

"(i) establishing such classifications;

"(ii) establishing career ladders for mentor teachers or master teachers; and

"(iii) providing teachers with time outside the classroom to improve the teachers' teaching skills while preserving the teachers' job, pay, and benefits, including providing sabbaticals, research opportunities, such as the Fulbright Academic Exchange Programs, and the opportunity to work in an industry or a not-for-profit organization; and

"(D) supporting local initiatives specifically designed to retain experienced teachers beyond the teacher's first 5 years of teaching.

"(3) Rewards.—A local educational agency may reward—

(A) elementary schools and secondary schools by providing bonuses or financial awards to the schools, with priority given to financially needy schools, based on—

"(i) the school's increased percentage of highly qualified teachers teaching in the school; or

"(ii) other measures demonstrating an improvement in the quality of teachers teaching in the school, including an improvement in the school's recruitment and retention of teachers, a reduction in out-of-field placement of teachers, an increased percentage of certificated staff teaching in the school, an increase in the number of teachers in the school attaining higher levels of certification, and a school's adoption of professional development programs that improve curricula; and

"(B) highly qualified elementary school and secondary school teachers by offering a 1-time bonus, reward, or stipend of not more than $5,000 to teachers who are certified by the National Board for Professional Teaching Standards.

"(c) Accountability.—An elementary school or secondary school receiving assistance under this part, and the local educational agency serving that school, shall provide an annual report to parents, the general public, and the State educational agency, in easily understandable language, containing—

(1) information regarding—

"(A) the demographic makeup and professional credentials of the agency's teacher corps;

"(B) efforts to increase student achievement by improving the recruitment, retention, and rewarding of teachers, and improving accountability for teachers; and

"(C) local programs assisted, expenditures made, and results achieved under this part in terms of measurable improvements in teacher quality and student achievement; and

"(2) notification of the community served by the local educational agency with respect to local educational agency policies regarding teacher accountability.

"SEC. 2405. GENERAL PROVISIONS.

"(a) Supplement Not Supplant.—A local educational agency shall use funds under this part to supplement, and not to supplant, State and local funds that, in the absence of funds provided under this part, would otherwise be spent for activities under this part.

"(b) Prohibition.—No local educational agency shall use funds provided under this part to increase the salaries of or to provide benefits to teachers, other than providing professional development programs, bonuses, and enrichment programs described in section 2404.

"(c) Professional Development.—If a local educational agency uses funds made available under this part for professional development activities, the local educational agency shall ensure the equitable participation of private nonprofit elementary schools and secondary schools in such activities.

"(d) Coordination.—A local educational agency shall coordinate any professional development activities carried out under this part with activities carried out under title II of the Higher Education Act of 1965, if the local educational agency is participating in programs funded under such title.

"(e) Administrative Expenses.—A local educational agency receiving grant funds under this part may use not more than 3 percent of the grant funds for any fiscal year for the cost of administering this part.

"(f) Report.—Each State receiving funds under this part shall submit an annual report to the Secretary containing information regarding activities assisted under this part.

"SEC. 2406. AUTHORIZATION OF APPROPRIATIONS.

"For the purpose of carrying out this part, there are authorized to be appropriated $2,100,000,000 for fiscal year 2001 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"PART F—EXCELLENT PRINCIPALS CHALLENGE GRANT

"SEC. 2501. GRANTS TO STATES FOR THE TRAINING OF ELEMENTARY SCHOOL AND SECONDARY SCHOOL PRINCIPALS.

"(a) Grants Authorized.—From amounts appropriated under section 2504, the Secretary shall award grants to State educational agencies or consortia of State educational agencies that submit applications consistent with subsection (d), to enable such agencies or consortia to provide, on a statewide basis, professional development services for elementary school and secondary school principals designed to enhance the principals' leadership skills.

"(b) Reservations and Awards.—

"(1) Reservations.—From the amount appropriated under section 2503 to carry out this part for each fiscal year, the Secretary may reserve not more than 2 percent to develop model national programs, in accordance with section 2502, that provide activities described in subsection (e) for elementary school and secondary school principals.

"(2) Awards to states.—From the amount appropriated under section 2504 for a fiscal year and remaining after the Secretary makes the reservation under paragraph (1), the Secretary shall award grants, in an amount determined by the Secretary, to State educational agencies and consortia of State educational agencies on the basis of—

"(A) the quality of the proposed uses of the grant funds; and

"(B) the educational needs of the State or States.

"(c) Matching Requirement.—

"(1) In general.—The amount provided to a State educational agency or consortia under subsection (b)(2) shall not exceed 75 percent of the cost of the program described in the application submitted pursuant to subsection (d).

"(2) Non-federal contributions.—The non-Federal share of payments under this section may be in cash or in kind, fairly evaluated, including planned equipment or services. Amounts provided by the Federal Government, and any portion of any service subsidized by the Federal Government, may not be included in determining the amount of the non-Federal share.

"(3) Waiver.—The Secretary shall promulgate regulations to waive the matching requirement of paragraph (1) with respect to

State educational agencies or consortia of State educational agencies that the Secretary determines serve low-income areas.

"(d) APPLICATION REQUIRED.—Each State educational agency or consortia of State educational agencies desiring a grant under subsection (b)(2) shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary shall reasonably require. At a minimum, the application shall contain—

"(1) a description of the activities to be assisted under this section consistent with subsection (e); and

"(2) an assurance that—

"(A) matching funds will be provided in accordance with subsection (c); and

"(B) elementary school and secondary school principals in the State were involved in developing the application and the proposed uses of grant funds.

"(e) USE OF FUNDS.—A State educational agency or consortia of State educational agencies receiving a grant under this part shall use the grant funds to provide, on a statewide basis, professional development services and training to increase the instructional leadership and other skills of principals in elementary schools and secondary schools. Such activities may include activities—

"(1) to provide principals with knowledge of—

"(A) effective instructional leadership skills and practices; and

"(B) comprehensive whole-school approaches and programs that improve teaching and learning;

"(2) to provide training in effective, fair evaluation and supervision of school staff, and to provide training in improvement of instruction; and

"(3) to improve understanding of the effective uses of educational technology, and to incorporate technology into the instructional program and the operation and management of the school;

"(4) to improve knowledge of State content and performance standards and appropriate related curriculum;

"(5) to improve the development of effective programs, the assessment of program effectiveness, and other related programs;

"(6) to enhance and develop school management and business skills;

"(7) to improve training in school safety and discipline;

"(8) to improve training in school finance, grant-writing and fund-raising; and

"(9) to improve training regarding school legal requirements.

"(f) DEFINITION.—For purposes of this section, the term 'State' means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

"SEC. 2502. MODEL NATIONAL PROGRAMS.

"(a) IN GENERAL.—From the amounts reserved under section 2501(b)(1), the Secretary, in consultation with the Commission described in subsection (b), shall develop model national programs to provide activities described in section 2501(e) for elementary school and secondary school principals.

"(b) COMMISSION.—

"(1) IN GENERAL.—The Secretary shall appoint a Commission—

"(A) to examine existing professional development programs for elementary school and secondary school principals; and

"(B) to provide, not later than 1 year after the date of enactment of the Quality and Accountability are Best for Children Act, a report regarding the best practices to help elementary school and secondary school principals in multiple education environments across our Nation.

"(2) MEMBERSHIP.—The Commission shall consist of representatives of local educational agencies, State educational agencies, departments of education within institutions of higher education, elementary school and secondary school principals, education organizations, community and business groups, and labor organizations.

"SEC. 2503. GENERAL PROVISIONS.

"(a) SUPPLEMENT NOT SUPPLANT.—A State educational agency or consortium of State educational agencies shall use funds under this part to supplement, and not to supplant, State and local funds that, in the absence of funds provided under this part, would otherwise be spent for activities under this part.

"(b) PROFESSIONAL DEVELOPMENT.—If a State educational agency or consortium of State educational agencies uses funds made available under this part for professional development activities, the State educational agency or consortium of State educational agencies shall ensure the equitable participation of private nonprofit elementary schools and secondary schools in such activities.

"SEC. 2504. AUTHORIZATION OF APPROPRIATIONS; SUPPLEMENT NOT SUPPLANT.

"For the purpose of carrying out this part, there are authorized to be appropriated, $100,000,000 for each of the fiscal years 2001 through 2004 to carry out this part.

SEC. 6. AMENDMENTS REGARDING IMPROVING TEACHER TECHNOLOGY TRAINING.

(a) STATEMENT OF PURPOSE FOR TITLE I.—Section 1001(d)(4) (20 U.S.C. 6301(d)(4)) is amended by inserting ", giving particular attention to the role technology can play in professional development and improved teaching and learning" before the semicolon.

(b) SCHOOL IMPROVEMENT.—Section 1116(c)(3) (20 U.S.C. 6317(c)(3)) is amended by adding at the end the following:

"(D) In carrying out professional development under this paragraph an elementary school or secondary school shall give particular attention to professional development that incorporates technology used to improve teaching and learning.".

(c) PROFESSIONAL DEVELOPMENT.—Section 1119(b) (20 U.S.C. 6320(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (D), by striking "and" after the semicolon;

(B) in subparagraph (E), by striking the period and inserting "; and"; and

(C) by adding at the end the following:

"(F) include instruction in the use of technology."; and

(2) in paragraph (2)—

(A) by striking subparagraph (D); and

(B) by redesignating subparagraphs (E) through (I) as subparagraphs (D) through (H), respectively.

(d) PURPOSES FOR TITLE II.—Section 2002(2) (20 U.S.C. 6602(2)) is amended—

(1) in subparagraph (E), by striking "and" after the semicolon;

(2) in subparagraph (F), by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(G) uses technology to enhance the teaching and learning process.".

(e) NATIONAL TEACHER TRAINING PROJECT.—Section 2103(b)(2) (20 U.S.C. 6623(b)(2)) is amended by adding at the end the following:

"(J) Technology.".

(f) LOCAL PLAN FOR IMPROVING TEACHING AND LEARNING.—Section 2208(d)(1)(F) (20 U.S.C. 6648(d)(1)(F)) is amended by inserting ", technologies," after "strategies".

(g) AUTHORIZED ACTIVITIES.—Section 2210(b)(2)(C) (20 U.S.C. 6650(b)(2)(C)) is amended by inserting ", and in particular technology," after "practices".

(h) HIGHER EDUCATION ACTIVITIES.—Section 2211(a)(1)(C) (20 U.S.C. 6651(a)(1)(C)) is amended by inserting ", including technological innovation," after "innovation".●

By Mr. INOUYE (for himself and Mr. AKAKA):

S. 1929. A bill to amend the Native Hawaiian Health Care Improvement Act to revise and extend such Act; to the Committee on Indian Affairs.

NATIVE HAWAIIAN HEALTH CARE IMPROVEMENT ACT REAUTHORIZATION OF 1999

Mr. INOUYE. Mr. President, I rise today to introduce a bill to reauthorize and extend the provisions of the Native Hawaiian Health Care Act. I am joined in the sponsorship of this measure by my esteemed colleague, Senator DANIEL AKAKA.

Although the act was enacted into law in 1988, appropriations to implement these critically-needed health care programs and services were not forthcoming for several years. As a result, the Native Hawaiian Health care Systems are still struggling to address the overwhelming need for health care services that are designed to improve the health status of the native people of Hawaii.

Native Hawaiians have the highest cancer mortality rates in the State of Hawaii, as well as the highest years of productive life lost from cancer. Native Hawaiians also have the highest mortality rates in the State of Hawaii from diabetes mellitus—130 percent higher than the statewide rate for all other races. The death rate from heart disease is 66 percent higher amongst Native Hawaiians than for the entire State of Hawaii. The Native Hawaiian mortality rate associated with hypertension is 84 percent higher than that for the rest of the State. These are just a few of the health status indicators at which the health care programs and services authorized by the Native Hawaiian Health Care Improvement Act are targeted.

Through the training of Native Hawaiian health care professionals, and the assignment of physicians, nurses, allied health professionals, and traditional healers to serve the needs of the Native Hawaiian community, we anticipate that the objectives established by the Surgeon General—the Healthy People 2010 goals—as well as kanaka maoli health objectives—will be attained. But to do so will require a sustained effort and a continuity of authorization and support for health care services provided to our most needy population.

Mr. President, I ask unanimous consent that the text of this measure be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1929

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Native Hawaiian Health Care Improvement Act Reauthorization of 1999".

SEC. 2. AMENDMENT TO THE NATIVE HAWAIIAN HEALTH CARE IMPROVEMENT ACT.

The Native Hawaiian Health Care Improvement Act (42 U.S.C. 11701 et seq.) is amended to read as follows:

"SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

"(a) SHORT TITLE.—This Act may be cited as the 'Native Hawaiian Health Care Improvement Act'.

"(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

"Sec. 1. Short title; table of contents.
"Sec. 2. Findings.
"Sec. 3. Definitions.
"Sec. 4. Declaration of policy.
"Sec. 5. Comprehensive health care master plan for Native Hawaiians.
"Sec. 6. Functions of Papa Ola Lokahi.
"Sec. 7. Native Hawaiian Health Care Systems.
"Sec. 8. Administrative grant for Papa Ola Lokahi.
"Sec. 9. Administration of grants and contracts.
"Sec. 10. Assignment of personnel.
"Sec. 11. Native Hawaiian health scholarships and fellowships.
"Sec. 12. Report.
"Sec. 13. Demonstration projects of national significance.
"Sec. 14. National Bipartisan Commission on Native Hawaiian Health Care Entitlement.
"Sec. 15. Rule of construction.
"Sec. 16. Compliance with Budget Act.
"Sec. 17. Severability.

"SEC. 2. FINDINGS.

"(a) GENERAL FINDINGS.—Congress makes the following findings:

"(1) Native Hawaiians begin their story with the Kumulipo which details the creation and inter-relationship of all things, including their evolvement as healthy and well people.

"(2) Native Hawaiians are a distinct and unique indigenous people with a historical continuity to the original inhabitants of the Hawaiian archipelago and have a distinct society organized almost 2,000 years ago.

"(3) Native Hawaiians have never directly relinquished to the United States their claims to their inherent sovereignty as a people or over their national lands, either through their monarchy or through a plebiscite or referendum.

"(4) The health and well-being of Native Hawaiians are intrinsically tied to their deep feelings and attachment to their lands and seas.

"(5) The long-range economic and social changes in Hawaii over the 19th and early 20th centuries have been devastating to the health and well-being of Native Hawaiians.

"(6) The Native Hawaiian people are determined to preserve, develop and transmit to future generations their ancestral territory, and their cultural identity in accordance with their own spiritual and traditional beliefs, customs, practices, language, and social institutions. In referring to themselves, Native Hawaiians use the term "Kanaka Maoli", a term frequently used in the 19th century to describe the native people of Hawaii.

"(7) The constitution and statutes of the State of Hawaii—

"(A) acknowledge the distinct land rights of Native Hawaiian people as beneficiaries of the public lands trust; and

"(B) reaffirm and protect the unique right of the Native Hawaiian people to practice and perpetuate their cultural and religious customs, beliefs, practices, and language.

"(8) At the time of the arrival of the first nonindigenous people in Hawaii in 1778, the Native Hawaiian people lived in a highly organized, self-sufficient, subsistence social system based on communal land tenure with a sophisticated language, culture, and religion.

"(9) A unified monarchical government of the Hawaiian Islands was established in 1810 under Kamehameha I, the first King of Hawaii.

"(10) Throughout the 19th century and until 1893, the United States—

"(A) recognized the independence of the Hawaiian Nation;

"(B) extended full and complete diplomatic recognition to the Hawaiian Government; and

"(C) entered into treaties and conventions with the Hawaiian monarchs to govern commerce and navigation in 1826, 1842, 1849, 1875 and 1887.

"(11) In 1893, John L. Stevens, the United States Minister assigned to the sovereign and independent Kingdom of Hawaii, conspired with a small group of non-Hawaiian residents of the Kingdom, including citizens of the United States, to overthrow the indigenous and lawful government of Hawaii.

"(12) In pursuance of that conspiracy; the United States Minister and the naval representative of the United States caused armed naval forces of the United States to invade the sovereign Hawaiian Nation in support of the overthrow of the indigenous and lawful Government of Hawaii and the United States Minister thereupon extended diplomatic recognition of a provisional government formed by the conspirators without the consent of the native people of Hawaii or the lawful Government of Hawaii in violation of treaties between the 2 nations and of international law.

"(13) In a message to Congress on December 18, 1893, then President Grover Cleveland reported fully and accurately on these illegal actions, and acknowledged that by these acts, described by the President as acts of war, the government of a peaceful and friendly people was overthrown, and the President concluded that a "substantial wrong has thus been done which a due regard for our national character as well as the rights of the injured people required that we should endeavor to repair".

"(14) Queen Lili'uokalani, the lawful monarch of Hawaii, and the Hawaiian Patriotic League, representing the aboriginal citizens of Hawaii, promptly petitioned the United States for redress of these wrongs and for restoration of the indigenous government of the Hawaiian nation, but this petition was not acted upon.

"(15) Further, the United States has acknowledged the significance of these events and has apologized to Native Hawaiians on behalf of the people of the United States for the overthrow of the Kingdom of Hawaii with the participation of agents and citizens of the United States, and the resulting deprivation of the rights of Native Hawaiians to self-determination in legislation in 1993 (Public Law 103-150; 107 Stat. 1510).

"(16) In 1898, the United States annexed Hawaii through the Newlands Resolution without the consent of or compensation to the indigenous people of Hawaii or their sovereign government who were thereby denied the mechanism for expression of their inherent sovereignty through self-government and self- determination, their lands and ocean resources.

"(17) Through the Newlands Resolution and the 1900 Organic Act, the Congress received 1,750,000 acres of lands formerly owned by the Crown and Government of the Hawaiian Kingdom and exempted the lands from then existing public land laws of the United States by mandating that the revenue and proceeds from these lands be "used solely for the benefit of the inhabitants of the Hawaiian Islands for education and other public purposes", thereby establishing a special trust relationship between the United States and the inhabitants of Hawaii.

"(18) In 1921, Congress enacted the Hawaiian Homes Commission Act, 1920 which designated 200,000 acres of the ceded public lands for exclusive homesteading by Native Hawaiians, thereby affirming the trust relationship between the United States and the Native Hawaiians, as expressed by then Secretary of the Interior Franklin K. Lane who was cited in the Committee Report of the Committee on Territories of the House of Representatives as stating, "One thing that impressed me . . . was the fact that the natives of the islands . . . for whom in a sense we are trustees, are falling off rapidly in numbers and many of them are in poverty.".

"(19) In 1938, Congress again acknowledged the unique status of the Native Hawaiian people by including in the Act of June 20, 1938 (52 Stat. 781 et seq.), a provision to lease lands within the extension to Native Hawaiians and to permit fishing in the area "only by native Hawaiian residents of said area or of adjacent villages and by visitors under their guidance".

"(20) Under the Act entitled "An Act to provide for the admission of the State of Hawaii into the Union", approved March 18, 1959 (73 Stat. 4), the United States transferred responsibility for the administration of the Hawaiian Home Lands to the State of Hawaii but reaffirmed the trust relationship which existed between the United States and the Native Hawaiian people by retaining the exclusive power to enforce the trust, including the power to approve land exchanges, and legislative amendments affecting the rights of beneficiaries under such Act.

"(21) Under the Act entitled "An Act to provide for the admission of the State of Hawaii into the Union", approved March 18, 1959 (73 Stat. 4), the United States transferred responsibility for administration over portions of the ceded public lands trust not retained by the United States to the State of Hawaii but reaffirmed the trust relationship which existed between the United States and the Native Hawaiian people by retaining the legal responsibility of the State for the betterment of the conditions of Native Hawaiians under section 5(f) of such Act.

"(22) The authority of the Congress under the Constitution to legislate in matters affecting the aboriginal or indigenous peoples of the United States includes the authority to legislate in matters affecting the native peoples of Alaska and Hawaii.

"(23) Further, the United States has recognized the authority of the Native Hawaiian people to continue to work towards an appropriate form of sovereignty as defined by the Native Hawaiian people themselves in provisions set forth in legislation returning the Hawaiian Island of Kaho'olawe to custodial management by the State of Hawaii in 1994.

"(24) In furtherance of the trust responsibility for the betterment of the conditions of

Native Hawaiians, the United States has established a program for the provision of comprehensive health promotion and disease prevention services to maintain and improve the health status of the Hawaiian people. This program is conducted by the Native Hawaiian Health Care Systems, the Native Hawaiian Health Scholarship Program and Papa Ola Lokahi. Health initiatives from these and other health institutions and agencies using Federal assistance have begun to lower the century-old morbidity and mortality rates of Native Hawaiian people by providing comprehensive disease prevention, health promotion activities and increasing the number of Native Hawaiians in the health and allied health professions. This has been accomplished through the Native Hawaiian Health Care Act of 1988 (Public Law 100-579) and its reauthorization in section 9168 of Public Law 102-396 (106 Stat. 1948).

"(25) This historical and unique legal relationship has been consistently recognized and affirmed by Congress through the enactment of Federal laws which extend to the Native Hawaiian people the same rights and privileges accorded to American Indian, Alaska Native, Eskimo, and Aleut communities, including the Native American Programs Act of 1974 (42 U.S.C. 2991 et seq.), the American Indian Religious Freedom Act (42 U.S.C. 1996), the National Museum of the American Indian Act (20 U.S.C. 80q et seq.), and the Native American Graves Protection and Repatriation Act (25 U.S.C. 3001 et seq.).

"(26) The United States has also recognized and reaffirmed the trust relationship to the Native Hawaiian people through legislation which authorizes the provision of services to Native Hawaiians, specifically, the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.), the Developmental Disabilities Assistance and Bill of Rights Act Amendments of 1987, the Veterans'Benefits and Services Act of 1988, the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.), the Native Hawaiian Health Care Act of 1988 (Public Law 100-579), the Health Professions Reauthorization Act of 1988, the Nursing Shortage Reduction and Education Extension Act of 1988, the Handicapped Programs Technical Amendments Act of 1988, the Indian Health Care Amendments of 1988, and the Disadvantaged Minority Health Improvement Act of 1990.

"(27) The United States has also affirmed the historical and unique legal relationship to the Hawaiian people by authorizing the provision of services to Native Hawaiians to address problems of alcohol and drug abuse under the Anti-Drug Abuse Act of 1986 (Public Law 99-570).

"(28) Further, the United States has recognized that Native Hawaiians, as aboriginal, indigenous, native peoples of Hawaii, are a unique population group in Hawaii and in the continental United States and has so declared in Office of Management and Budget Circular 15 in 1997 and Presidential Executive Order No. 13125, dated June 7, 1999.

"(29) Despite the United States having expressed its commitment to a policy of reconciliation with the Native Hawaiian people for past grievances in Public Law 103-150 (107 Stat. 1510) the unmet health needs of the Native Hawaiian people remain severe and their health status continues to be far below that of the general population of the United States.

"(b) UNMET NEEDS AND HEALTH DISPARITIES.—Congress finds that the unmet needs and serious health disparities that adversely affect the Native Hawaiian people include the following:

"(1) CHRONIC DISEASE AND ILLNESS.—

"(A) CANCER.—

"(i) IN GENERAL.—With respect to all cancer—

"(I) Native Hawaiians have the highest cancer mortality rates in the State of Hawaii (231.0 out of every 100,000 residents), 45 percent higher than that for the total State population (159.7 out of every 100,000 residents);

"(II) Native Hawaiian males have the highest cancer mortality rates in the State of Hawaii for cancers of the lung, liver and pancreas and for all cancers combined;

"(III) Native Hawaiian females ranked highest in the State of Hawaii for cancers of the lung, liver, pancreas, breast, cervix uteri, corpus uteri, stomach, and rectum, and for all cancers combined;

"(IV) Native Hawaiian males have the highest years of productive life lost from cancer in the State of Hawaii with 8.7 years compared to 6.4 years for other males; and

"(V) Native Hawaiian females have 8.2 years of productive life lost from cancer in the State of Hawaii as compared to 6.4 years for other females in the State of Hawaii;

"(ii) BREAST CANCER.—With respect to breast cancer—

"(I) Native Hawaiians have the highest mortality rates in the State of Hawaii from breast cancer (37.96 out of every 100,000 residents), which is 25 percent higher than that for Caucasian Americans (30.25 out of every 100,000 residents) and 106 percent higher than that for Chinese Americans (18.39 out of every 100,000 residents); and

"(II) nationally, Native Hawaiians have the third highest mortality rates due to breast cancer (25.0 out of every 100,000 residents) following African Americans (31.4 out of every 100,000 residents) and Caucasian Americans (27.0 out of every 100,000 residents).

"(iii) CANCER OF THE CERVIX.—Native Hawaiians have the highest mortality rates from cancer of the cervix in the State of Hawaii (3.82 out of every 100,000 residents) followed by Filipino Americans (3.33 out of every 100,000 residents) and Caucasian Americans (2.61 out of every 100,000 residents).

"(iv) LUNG CANCER.—Native Hawaiians have the highest mortality rates from lung cancer in the State of Hawaii (90.70 out of every 100,000 residents), which is 61 percent higher than Caucasian Americans, who rank second and 161 percent higher than Japanese Americans, who rank third.

"(v) PROSTATE CANCER.—Native Hawaiian males have the second highest mortality rates due to prostate cancer in the State of Hawaii (25.86 out of every 100,000 residents) with Caucasian Americans having the highest mortality rate from prostate cancer (30.55 out of every 100,000 residents).

"(B) DIABETES.—With respect to diabetes, for the years 1989 through 1991—

"(i) Native Hawaiians had the highest mortality rate due to diabetes mellitis (34.7 out of every 100,000 residents) in the State of Hawaii which is 130 percent higher than the statewide rate for all other races (15.1 out of every 100,000 residents);

"(ii) full-blood Hawaiians had a mortality rate of 93.3 out of every 100,000 residents, which is 518 percent higher than the rate for the statewide population of all other races; and

"(iii) Native Hawaiians who are less than full-blood had a mortality rate of 27.1 out of every 100,000 residents, which is 79 percent higher than the rate for the statewide population of all other races.

"(C) ASTHMA.—With respect to asthma—

"(i) in 1990, Native Hawaiians comprised 44 percent of all asthma cases in the State of Hawaii for those 18 years of age and younger, and 35 percent of all asthma cases reported; and

"(ii) in 1992, the Native Hawaiian rate for asthma was 81.7 out of every 1000 residents, which was 73 percent higher than the rate for the total statewide population of 47.3 out of every 1000 residents.

"(D) CIRCULATORY DISEASES.—

"(i) HEART DISEASE.—With respect to heart disease—

"(I) the death rate for Native Hawaiians from heart disease (333.4 out of every 100,000 residents) is 66 percent higher than for the entire State of Hawaii (201.1 out of every 100,000 residents); and

"(II) Native Hawaiian males have the greatest years of productive life lost in the State of Hawaii where Native Hawaiian males lose an average of 15.5 years and Native Hawaiian females lose an average of 8.2 years due to heart disease, as compared to 7.5 years for all males in the State of Hawaii and 6.4 years for all females.

"(ii) HYPERTENSION.—The death rate for Native Hawaiians from hypertension (3.5 out of every 100,000 residents) is 84 percent higher than that for the entire State (1.9 out of every 100,000 residents).

"(iii) STROKE.—The death rate for Native Hawaiians from stroke (58.3 out of every 100,000 residents) is 13 percent higher than that for the entire State (51.8 out of every 100,000 residents).

"(2) INFECTIOUS DISEASE AND ILLNESS.—The incidence of AIDS for Native Hawaiians is at least twice as high per 100,000 residents (10.5 percent) than that for any other non-Caucasian group in the State of Hawaii.

"(3) ACCIDENTS.—With respect to accidents—

"(A) the death rate for Native Hawaiians from accidents (38.8 out of every 100,000 residents) is 45 percent higher than that for the entire State (26.8 out of every 100,000 residents);

"(B) Native Hawaiian males lose an average of 14 years of productive life lost from accidents as compared to 9.8 years for all other males in Hawaii; and

"(C) Native Hawaiian females lose and average of 4 years of productive life lost from accidents but this rate is the highest rate among all females in the State of Hawaii.

"(4) DENTAL HEALTH.—With respect to dental health—

"(A) Native Hawaiian children exhibit among the highest rates of dental caries in the nation, and the highest in the State of Hawaii as compared to the 5 other major ethnic groups in the State;

"(B) the average number of decayed or filled primary teeth for Native Hawaiian children ages 5 through 9 years was 4.3 as compared with 3.7 for the entire State of Hawaii and 1.9 for the United States; and

"(C) the proportion of Native Hawaiian children ages 5 through 12 years with unmet treatment needs (defined as having active dental caries requiring treatment) is 40 percent as compared with 33 percent for all other races in the State of Hawaii.

"(5) LIFE EXPECTANCY.—With respect to life expectancy—

"(A) Native Hawaiians have the lowest life expectancy of all population groups in the State of Hawaii;

"(B) between 1910 and 1980, the life expectancy of Native Hawaiians from birth has ranged from 5 to 10 years less than that of the overall State population average; and

"(C) the most recent tables for 1990 show Native Hawaiian life expectancy at birth (74.27 years) to be about 5 years less than that of the total State population (78.85 years).

“(6) MATERNAL AND CHILD HEALTH.—

“(A) PRENATAL CARE.—With respect to prenatal care—

“(i) as of 1996, Native Hawaiian women have the highest prevalence (21 percent) of having had no prenatal care during their first trimester of pregnancy when compared to the 5 largest ethnic groups in the State of Hawaii;

“(ii) of the mothers in the State of Hawaii who received no prenatal care throughout their pregnancy in 1996, 44 percent were Native Hawaiian;

“(iii) over 65 percent of the referrals to Healthy Start in fiscal years 1996 and 1997 were Native Hawaiian newborns; and

“(iv) in every region of the State of Hawaii, many Native Hawaiian newborns begin life in a potentially hazardous circumstance, far higher than any other racial group.

“(B) BIRTHS.—With respect to births—

“(i) in 1996, 45 percent of the live births to Native Hawaiian mothers were infants born to single mothers which statistics indicate put infants at higher risk of low birth weight and infant mortality;

“(ii) in 1996, of the births to Native Hawaiian single mothers, 8 percent were low birth weight (under 2500 grams); and

“(iii) of all low birth weight babies born to single mothers in the State of Hawaii, 44 percent were Native Hawaiian.

“(C) TEEN PREGNANCIES.—With respect to births—

“(i) in 1993 and 1994, Native Hawaiians had the highest percentage of teen (individuals who were less than 18 years or age) births (8.1 percent) compared to the rate for all other races in the State of Hawaii (3.6 percent);

“(ii) in 1996, nearly 53 percent of all mothers in Hawaii under 18 years of age were Native Hawaiian;

“(iii) lower rates of abortion (a third lower than for the statewide population) among Hawaiian women may account in part, for the higher percentage of live births;

“(iv) in 1995, of the births to mothers age 14 years and younger in Hawaii, 66 percent were Native Hawaiian; and

“(v) in 1996, of the births in this same group, 48 percent were Native Hawaiian.

“(D) FETAL MORTALITY.—In 1996, Native Hawaiian fetal mortality rates comprised 15 percent of all fetal deaths for the State of Hawaii. However, for fetal deaths occurring in mothers under the age of 18 years, 32 percent were Native Hawaiian, and for mothers 18 through 24 years of age, 28 percent were Native Hawaiians.

“(7) MENTAL HEALTH.—

“(A) ALCOHOL AND DRUG ABUSE.—With respect to alcohol and drug abuse—

“(i) Native Hawaiians represent 38 percent of the total admissions to Department of Health, Alcohol, Drugs and Other Drugs, funded substance abuse treatment programs;

“(ii) in 1997, the prevalence of smoking by Native Hawaiians was 28.5 percent, a rate that is 53 percent higher than that for all other races in the State of Hawaii which is 18.6 percent;

“(iii) Native Hawaiians have the highest prevalence rates of acute drinking (31 percent), a rate that is 79 percent higher than that for all other races in the State of Hawaii;

“(iv) the chronic drinking rate among Native Hawaiians is 54 percent higher than that for all other races in the State of Hawaii;

“(v) in 1991, 40 percent of the Native Hawaiian adults surveyed reported having used marijuana compared with 30 percent for all other races in the State of Hawaii; and

“(vi) nine percent of the Native Hawaiian adults surveyed reported that they are current users (within the past year) of marijuana, compared with 6 percent for all other races in the State of Hawaii.

“(B) CRIME.—With respect to crime—

“(i) in 1996, of the 5,944 arrests that were made for property crimes in the State of Hawaii, arrests of Native Hawaiians comprised 20 percent of that total;

“(ii) Natiye Hawaiian juveniles comprised a third of all juvenile arrests in 1996;

“(iii) In 1996, Native Hawaiians represented 21 percent of the 8,000 adults arrested for violent crimes in the State of Hawaii, and 38 percent of the 4,066 juvenile arrests;

“(iv) Native Hawaiians are over-represented in the prison population in Hawaii;

“(v) in 1995 and 1996 Native Hawaiians comprised 36.5 percent of the sentenced felon prison population in Hawaii, as compared to 20.5 percent for Caucasian Americans, 3.7 percent for Japanese Americans, and 6 percent for Chinese Americans;

“(vi) in 1995 and 1996 Native Hawaiians made up 45.4 percent of the technical violator population, and at the Hawaii Youth Correctional Facility, Native Hawaiians constituted 51.6 percent of all detainees in fiscal year 1997; and

“(vii) based on anecdotal information from inmates at the Halawa Correction Facilities, Native Hawaiians are estimated to comprise between 60 and 70 percent of all inmates.

“(8) HEALTH PROFESSIONS EDUCATION AND TRAINING.—With respect to health professions education and training—

“(A) Native Hawaiians age 25 years and older have a comparable rate of high school completion, however, the rates of baccalaureate degree achievement amongst Native Hawaiians are less than the norm in the State of Hawaii (6.9 percent and 15.76 percent respectively);

“(B) Native Hawaiian physicians make up 4 percent of the total physician workforce in the State of Hawaii; and

“(C) in fiscal year 1997, Native Hawaiians comprised 8 percent of those individuals who earned Bachelor's Degrees, 14 percent of those individuals who earned professional diplomas, 6 percent of those individuals who earned Master's Degrees, and less than 1 percent of individuals who earned doctoral degrees at the University of Hawaii.

“SEC. 3. DEFINITIONS.

“In this Act:

“(1) DISEASE PREVENTION.—The term ‘disease prevention’ includes—

“(A) immunizations;

“(B) control of high blood pressure;

“(C) control of sexually transmittable diseases;

“(D) prevention and control of diabetes;

“(E) control of toxic agents;

“(F) occupational safety and health;

“(G) accident prevention;

“(H) fluoridation of water;

“(I) control of infectious agents; and

“(J) provision of mental health care.

“(2) HEALTH PROMOTION.—The term ‘health promotion’ includes—

“(A) pregnancy and infant care, including prevention of fetal alcohol syndrome;

“(B) cessation of tobacco smoking;

“(C) reduction in the misuse of alcohol and drugs;

“(D) improvement of nutrition;

“(E) improvement in physical fitness;

“(F) family planning;

“(G) control of stress;

“(H) reduction of major behavioral risk factors and promotion of healthy lifestyle practices; and

“(I) integration of cultural approaches to health and well-being, including traditional practices relating to the land (‘aina), water (wai), and ocean (kai).

“(3) NATIVE HAWAIIAN.—The term ‘Native Hawaiian’ means any individual who is Kanaka Maoli (a descendant of the aboriginal people who, prior to 1778, occupied and exercised sovereignty in the area that now constitutes the State of Hawaii) as evidenced by—

“(A) genealogical records,

“(B) Kupuna (elders) or Kama‘aina (long-term community residents) verification; or

“(C) birth records of the State of Hawaii.

“(4) NATIVE HAWAIIAN HEALTH CARE SYSTEM.—The term ‘Native Hawaiian health care system’ means an entity—

“(A) which is organized under the laws of the State of Hawaii;

“(B) which provides or arranges for health care services through practitioners licensed by the State of Hawaii, where licensure requirements are applicable;

“(C) which is a public or nonprofit private entity;

“(D) in which Native Hawaiian health practitioners significantly participate in the planning, management, monitoring, and evaluation of health care services;

“(E) which may be composed of as many as 8 Native Hawaiian health care systems as necessary to meet the health care needs of each island's Native Hawaiians; and

“(F) which is—

“(i) recognized by Papa Ola Lokahi for the purpose of planning, conducting, or administering programs, or portions of programs, authorized by this chapter for the benefit of Native Hawaiians; and

“(ii) certified by Papa Ola Lokahi as having the qualifications and the capacity to provide the services and meet the requirements under the contract the Native Hawaiian health care system enters into with the Secretary or the grant the Native Hawaiian health care system receives from the Secretary pursuant to this Act.

“(5) NATIVE HAWAIIAN ORGANIZATION.—The term ‘Native Hawaiian organization’ means any organization—

“(A) which serves the interests of Native Hawaiians; and

“(B) which is—

“(i) recognized by Papa Ola Lokahi for the purpose of planning, conducting, or administering programs (or portions of programs) authorized under this Act for the benefit of Native Hawaiians; and

“(ii) a public or nonprofit private entity.

“(6) PAPA OLA LOKAHI.—

“(A) IN GENERAL.—The term ‘Papa Ola Lokahi’ means an organization that is composed of public agencies and private organizations focusing on improving the health status of Native Hawaiians. Board members of such organization may include representation from—

“(i) E Ola Mau;

“(ii) the Office of Hawaiian Affairs of the State of Hawaii;

“(iii) Alu Like Inc.;

“(iv) the University of Hawaii;

“(v) the Hawaii State Department of Health;

“(vi) the Kamehameha Schools Bishop Estate, or other Native Hawaiian organization responsible for the administration of the Native Hawaiian Health Scholarship Program;

“(vii) the Hawaii State Primary Care Association, or other organizations responsible for the placement of scholars from the Native Hawaiian Health Scholarship Program;

“(viii) Ahahui O Na Kauka, the Native Hawaiian Physicians Association;

“(ix) Ho‘ola Lahui Hawaii, or a health care system serving Kaua‘i or Ni‘ihau, and which may be composed of as many health care centers as are necessary to meet the health care needs of the Native Hawaiians of those islands;

“(x) Ke Ola Mamo, or a health care system serving the island of O‘ahu and which may be composed of as many health care centers as are necessary to meet the health care needs of the Native Hawaiians of that island;

“(xi) Na Pu‘uwai or a health care system serving Moloka‘i or Lana‘i, and which may be composed of as many health care centers as are necessary to meet the health care needs of the Native Hawaiians of those islands;

“(xii) Hui No Ke Ola Pono, or a health care system serving the island of Maui, and which may be composed of as many health care centers as are necessary to meet the health care needs of the Native Hawaiians of that island;

“(xiii) Hui Malama Ola Ha ‘Oiwi, or a health care system serving the island of Hawaii, and which may be composed of as many health care centers as are necessary to meet the health care needs of the Native Hawaiians of that island;

“(xiv) other Native Hawaiian health care systems as certified and recognized by Papa Ola Lokahi in accordance with this Act; and

“(xv) such other member organizations as the Board of Papa Ola Lokahi may admit from time to time, based upon satisfactory demonstration of a record of contribution to the health and well-being of Native Hawaiians.

“(B) LIMITATION.—Such term does not include any organization described in subparagraph (A) if the Secretary determines that such organization has not developed a mission statement with clearly defined goals and objectives for the contributions the organization will make to the Native Hawaiian health care systems, and an action plan for carrying out those goals and objectives.

“(7) PRIMARY HEALTH SERVICES.—The term ‘primary health services’ means—

“(A) services of physicians, physicians’ assistants, nurse practitioners, and other health professionals;

“(B) diagnostic laboratory and radiologic services;

“(C) preventive health services including perinatal services, well child services, family planning services, nutrition services, home health services, and, generally, all those services associated with enhanced health and wellness.

“(D) emergency medical services;

“(E) transportation services as required for adequate patient care;

“(F) preventive dental services; and

“(G) pharmaceutical and nutraceutical services.

“(8) SECRETARY.—The term ‘Secretary’ means the Secretary of Health and Human Services.

“(9) TRADITIONAL NATIVE HAWAIIAN HEALER.—The term ‘traditional Native Hawaiian healer’ means a practitioner—

“(A) who—

“(i) is of Native Hawaiian ancestry; and

“(ii) has the knowledge, skills, and experience in direct personal health care of individuals; and

“(B) whose knowledge, skills, and experience are based on demonstrated learning of Native Hawaiian healing practices acquired by—

“(i) direct practical association with Native Hawaiian elders; and

“(ii) oral traditions transmitted from generation to generation.

“SEC. 4. DECLARATION OF POLICY.

“(a) CONGRESS.—Congress hereby declares that it is the policy of the United States in fulfillment of its special responsibilities and legal obligations to the indigenous people of Hawaii resulting from the unique and historical relationship between the United States and the indigenous people of Hawaii—

“(1) to raise the health status of Native Hawaiians to the highest possible health level; and

“(2) to provide existing Native Hawaiian health care programs with all resources necessary to effectuate this policy.

“(b) INTENT OF CONGRESS.—

“(1) IN GENERAL.—It is the intent of the Congress that—

“(A) health care programs having a demonstrated effect of substantially reducing or eliminating the over-representation of Native Hawaiians among those suffering from chronic and acute disease and illness and addressing the health needs of Native Hawaiians shall be established and implemented; and

“(B) the Nation meet the Healthy People 2010 and Kanaka Maoli health objectives described in paragraph (2) by the year 2010.

“(2) HEALTHY PEOPLE AND KANAKA MAOLI HEALTH OBJECTIVES.—The Healthy People 2010 and Kanaka Maoli health objectives described in this paragraph are the following:

“(A) CHRONIC DISEASE AND ILLNESS.—

“(i) CARDIOVASCULAR DISEASE.—With respect to cardiovascular disease—

“(I) to increase to 75 percent the proportion of females who are aware that cardiovascular disease (heart disease and stroke) is the leading cause of death for all females.

“(II) to increase to at least 95 percent the proportion of adults who have had their blood pressure measured within the preceding 2 years and can state whether their blood pressure was normal or high; and

“(III) to increase to at least 75 percent the proportion of adults who have had their blood cholesterol checked within the preceding 5 years.

“(ii) DIABETES.—With respect to diabetes—

“(I) to increase to 80 percent the proportion of persons with diabetes whose condition has been diagnosed;

“(II) to increase to at least 20 percent the proportion of patients with diabetes who annually obtain lipid assessment (total cholesterol, LDL cholesterol, HDL cholesterol, triglyceride); and

“(III) to increase to 52 percent the proportion of persons with diabetes who have received formal diabetes education.

“(iii) CANCER.—With respect to cancer—

“(I) to increase to at least 95 percent the proportion of women age 18 and older who have ever received a Pap test and to at least 85 percent those who have received a Pap test within the preceding 3 years; and

“(II) to increase to at least 40 percent the proportion of women age 40 and older who have received a breast examination and a mammogram within the preceding 2 years.

“(iv) DENTAL HEALTH.—With respect to dental health—

“(I) to reduce untreated cavities in the primary and permanent teeth (mixed dentition) so that the proportion of children with decayed teeth not filled is not more than 12 percent among children ages 2 through 4, 22 percent among children ages 6 through 8, and 15 percent among adolescents ages 8 through 15;

“(II) to increase to at least 70 percent the proportion of children ages 8 through 14 who have received protective sealants in permanent molar teeth; and

“(III) to increase to at least 70 percent the proportion of adults age 18 and older using the oral health care system each year.

“(v) MENTAL HEALTH.—With respect to mental health—

“(I) to incorporate or support land(‘aina)-based, water(wai)-based, or the ocean(kai)-based programs within the context of mental health activities; and

“(II) to reduce the anger and frustration levels within ‘ohana focusing on building positive relationships and striving for balance in living (lokahi) and achieving a sense of contentment (pono).

“(vi) ASTHMA.—With respect to asthma—

“(I) to increase to at least 40 percent the proportion of people with asthma who receive formal patient education, including information about community and self-help resources, as an integral part of the management of their condition;

“(II) to increase to at least 75 percent the proportion of patients who receive counseling from health care providers on how to recognize early signs of worsening asthma and how to respond appropriately; and

“(III) to increase to at least 75 percent the proportion of primary care providers who are trained to provide culturally competent care to ethnic minorities (Native Hawaiians) seeking health care for chronic obstructive pulmonary disease.

“(B) INFECTIOUS DISEASE AND ILLNESS.—

“(i) IMMUNIZATIONS.—With respect to immunizations—

“(I) to reduce indigenous cases of vaccine-preventable disease;

“(II) to achieve immunization coverage of at least 90 percent among children between 19 and 35 months of age; and

“(III) to increase to 90 percent the rate of immunization coverage among adults 65 years of age or older, and 60 percent for high-risk adults between 18 and 64 years of age.

“(ii) SEXUALLY TRANSMITTED DISEASES, HIV; AIDS.—To increase the number of HIV-infected adolescents and adults in care who receive treatment consistent with current public health treatment guidelines.

“(C) WELLNESS.—

“(i) EXERCISE.—With respect to exercise—

“(I) to increase to 85 percent the proportion of people ages 18 and older who engage in any leisure time physical activity; and

“(II) to increase to at least 30 percent the proportion of people ages 18 and older who engage regularly, preferably daily, in sustained physical activity for at least 30 minutes per day.

“(ii) NUTRITION.—With respect to nutrition—

“(I) to increase to at least 60 percent the prevalence of healthy weight (defined as body mass index equal to or greater than 19.0 and less than 25.0) among all people age 20 and older;

“(II) to increase to at least 75 percent the proportion of people age 2 and older who meet the dietary guidelines’ minimum average daily goal of at least 5 servings of vegetables and fruits; and

“(III) to increase the use of traditional Native Hawaiian foods in all peoples’ diets and dietary preferences.

“(iii) LIFESTYLE.—With respect to lifestyle—

“(I) to reduce cigarette smoking among pregnant women to a prevalence of not more than 2 percent;

“(II) to reduce the prevalence of respiratory disease, cardiovascular disease, and cancer resulting from exposure to tobacco smoke;

“(III) to increase to at least 70 percent the proportion of all pregnancies among women between the ages of 15 and 44 that are planned (intended); and

"(IV) to reduce deaths caused by unintentional injuries to not more than 25.9 per 100,000.

"(iv) CULTURE.—With respect to culture—

"(I) to develop and implement cultural values within the context of the corporate cultures of the Native Hawaiian health care systems, the Native Hawaiian Health Scholarship Program, and Papa Ola Lokahi; and

"(II) to facilitate the provision of Native Hawaiian healing practices by Native Hawaiian healers for those clients desiring such assistance.

"(D) ACCESS.—With respect to access—

"(i) to increase the proportion of patients who have coverage for clinical preventive services as part of their health insurance; and

"(ii) to reduce to not more than 7 percent the proportion of individuals and families who report that they did not obtain all the health care that they needed.

"(E) HEALTH PROFESSIONS TRAINING AND EDUCATION.—With respect to health professions training and education—

"(i) to increase the proportion of all degrees in the health professions and allied and associated health professions fields awarded to members of underrepresented racial and ethnic minority groups; and

"(ii) to support training activities and programs in traditional Native Hawaiian healing practices by Native Hawaiian healers.

"(c) REPORT.—The Secretary shall submit to the President, for inclusion in each report required to be transmitted to Congress under section 11, a report on the progress made in each toward meeting each of the objectives described in subsection (b)(2).

"SEC. 5. COMPREHENSIVE HEALTH CARE MASTER PLAN FOR NATIVE HAWAIIANS.

"(a) DEVELOPMENT.—

"(1) IN GENERAL.—The Secretary may make a grant to, or enter into a contract with, Papa Ola Lokahi for the purpose of coordinating, implementing and updating a Native Hawaiian comprehensive health care master plan designed to promote comprehensive health promotion and disease prevention services and to maintain and improve the health status of Native Hawaiians, and to support community-based initiatives that are reflective of holistic approaches to health.

"(2) COLLABORATION.—The Papa Ola Lokahi shall collaborate with the Office of Hawaiian Affairs in carrying out this section.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out subsection (a).

"SEC. 6. FUNCTIONS OF PAPA OLA LOKAHI.

"(a) RESPONSIBILITY.—Papa Ola Lokahi shall be responsible for the—

"(1) coordination, implementation, and updating, as appropriate, of the comprehensive health care master plan developed pursuant to section 5;

"(2) training for the persons described in subparagraphs (B) and (C) of section 7(c)(1);

"(3) identification of and research into the diseases that are most prevalent among Native Hawaiians, including behavioral, biomedical, epidemiological, and health services; and

"(4) the development of an action plan outlining the contributions that each member organization of Papa Ola Lokahi will make in carrying out the policy of this Act.

"(b) SPECIAL PROJECT FUNDS.—Papa Ola Lokahi may receive special project funds that may be appropriated for the purpose of research on the health status of Native Hawaiians or for the purpose of addressing the health care needs of Native Hawaiians.

"(c) CLEARINGHOUSE.—

"(1) IN GENERAL.—Papa Ola Lokahi shall serve as a clearinghouse for—

"(A) the collection and maintenance of data associated with the health status of Native Hawaiians;

"(B) the identification and research into diseases affecting Native Hawaiians;

"(C) the availability of Native Hawaiian project funds, research projects and publications;

"(D) the collaboration of research in the area of Native Hawaiian health; and

"(E) the timely dissemination of information pertinent to the Native Hawaiian health care systems.

"(2) CONSULTATION.—The Secretary shall consult periodically with Papa Ola Lokahi for the purposes of maintaining the clearinghouse under paragraph (1) and providing information about programs in the Department that specifically address Native Hawaiian issues and concerns.

"(d) FISCAL ALLOCATION AND COORDINATION OF PROGRAMS AND SERVICES.—

"(1) RECOMMENDATIONS.—Papa Ola Lokahi shall provide annual recommendations to the Secretary with respect to the allocation of all amounts appropriated under this Act.

"(2) COORDINATION.—Papa Ola Lokahi shall, to the maximum extent possible, coordinate and assist the health care programs and services provided to Native Hawaiians.

"(3) REPRESENTATION ON COMMISSION.—The Secretary, in consultation with Papa Ola Lokahi, shall make recommendations for Native Hawaiian representation on the President's Advisory Commission on Asian Americans and Pacific Islanders.

"(e) TECHNICAL SUPPORT.—Papa Ola Lokahi shall act as a statewide infrastructure to provide technical support and coordination of training and technical assistance to the Native Hawaiian health care systems.

"(f) RELATIONSHIPS WITH OTHER AGENCIES.—

"(1) AUTHORITY.—Papa Ola Lokahi may enter into agreements or memoranda of understanding with relevant agencies or organizations that are capable of providing resources or services to the Native Hawaiian health care systems.

"(2) MEDICARE, MEDICAID, SCHIP.—Papa Ola Lokahi shall develop or make every reasonable effort to—

"(A) develop a contractual or other arrangement, through memoranda of understanding or agreement, with the Health Care Financing Administration or the agency of the State which administers or supervises the administration of a State plan or waiver approved under title XVIII, XIX or title XXI of the Social Security Act for payment of all or a part of the health care services to persons who are eligible for medical assistance under such a State plan or waiver; and

"(B) assist in the collection of appropriate reimbursement for health care services to persons who are entitled to insurance under title XVIII of the Social Security Act.

"SEC. 7. NATIVE HAWAIIAN HEALTH CARE SYSTEMS.

"(a) COMPREHENSIVE HEALTH PROMOTION, DISEASE PREVENTION, AND PRIMARY HEALTH SERVICES.—

"(1) GRANTS AND CONTRACTS.—The Secretary, in consultation with Papa Ola Lokahi, may make grants to, or enter into contracts with, any qualified entity for the purpose of providing comprehensive health promotion and disease prevention services, as well as primary health services, to Native Hawaiians who desire and are committed to bettering their own health.

"(2) PREFERENCE.—In making grants and entering into contracts under this subsection, the Secretary shall give preference to Native Hawaiian health care systems and Native Hawaiian organizations and, to the extent feasible, health promotion and disease prevention services shall be performed through Native Hawaiian health care systems.

"(3) QUALIFIED ENTITY.—An entity is a qualified entity for purposes of paragraph (1) if the entity is a Native Hawaiian health care system.

"(4) LIMITATION ON NUMBER OF ENTITIES.—The Secretary may make a grant to, or enter into a contract with, not more than 8 Native Hawaiian health care systems under this subsection during any fiscal year.

"(b) PLANNING GRANT OR CONTRACT.—In addition to grants and contracts under subsection (a), the Secretary may make a grant to, or enter into a contract with, Papa Ola Lokahi for the purpose of planning Native Hawaiian health care systems to serve the health needs of Native Hawaiian communities on each of the islands of O'ahu, Moloka'i, Maui, Hawai'i, Lana'i, Kaua'i, and Ni'ihau in the State of Hawaii.

"(c) SERVICES TO BE PROVIDED.—

"(1) IN GENERAL.—Each recipient of funds under subsection (a) shall ensure that the following services either are provided or arranged for:

"(A) Outreach services to inform Native Hawaiians of the availability of health services.

"(B) Education in health promotion and disease prevention of the Native Hawaiian population by, wherever possible, Native Hawaiian health care practitioners, community outreach workers, counselors, and cultural educators.

"(C) Services of physicians, physicians ants, nurse practitioners or other health and allied-health professionals.

"(D) Immunizations.

"(E) Prevention and control of diabetes, high blood pressure, and otitis media.

"(F) Pregnancy and infant care.

"(G) Improvement of nutrition.

"(H) Identification, treatment, control, and reduction of the incidence of preventable illnesses and conditions endemic to Native Hawaiians.

"(I) Collection of data related to the prevention of diseases and illnesses among Native Hawaiians.

"(J) Services within the meaning of the terms 'health promotion', 'disease prevention', and 'primary health services', as such terms are defined in section 3, which are not specifically referred to in subsection (a).

"(K) Support of culturally appropriate activities enhancing health and wellness including land-based, water-based, ocean-based, and spiritually-based projects and programs.

"(2) TRADITIONAL HEALERS.—The health care services referred to in paragraph (1) which are provided under grants or contracts under subsection (a) may be provided by traditional Native Hawaiian healers.

"(d) FEDERAL TORT CLAIMS ACT.—Individuals that provide medical, dental, or other services referred to in subsection (a)(1) for Native Hawaiian health care systems, including providers of traditional Native Hawaiian healing services, shall be treated as if such individuals were members of the Public Health Service and shall be covered under the provisions of section 224 of the Public Health Service Act.

“(e) Site for Other Federal Payments.—A Native Hawaiian health care system that receives funds under subsection (a) shall provide a designated area and appropriate staff to serve as a Federal loan repayment facility. Such facility shall be designed to enable health and allied-health professionals to remit payments with respect to loans provided to such professionals under any Federal loan program.

“(f) Restriction on Use of Grant and Contract Funds.—The Secretary may not make a grant to, or enter into a contract with, an entity under subsection (a) unless the entity agrees that amounts received under such grant or contract will not, directly or through contract, be expended—

“(1) for any services other than the services described in subsection (c)(1);

“(2) to provide inpatient services;

“(3) to make cash payments to intended recipients of health services; or

“(4) to purchase or improve real property (other than minor remodeling of existing improvements to real property) or to purchase major medical equipment.

“(g) Limitation on Charges for Services.—The Secretary may not make a grant to, or enter into a contract with, an entity under subsection (a) unless the entity agrees that, whether health services are provided directly or through contract—

“(1) health services under the grant or contract will be provided without regard to ability to pay for the health services; and

“(2) the entity will impose a charge for the delivery of health services, and such charge—

“(A) will be made according to a schedule of charges that is made available to the public; and

“(B) will be adjusted to reflect the income of the individual involved.

“(h) Authorization of Appropriations.—

“(1) General grants.—There is authorized to be appropriated such sums as may be necessary for each of fiscal years 2000 through 2010 to carry out subsection (a).

“(2) Planning grants.—There is authorized to be appropriated such sums as may be necessary for each of fiscal years 2000 through 2010 to carry out subsection (b).

“SEC. 8. ADMINISTRATIVE GRANT FOR PAPA OLA LOKAHI.

“(a) In General.—In addition to any other grant or contract under this Act, the Secretary may make grants to, or enter into contracts with, Papa Ola Lokahi for—

“(1) coordination, implementation, and updating (as appropriate) of the comprehensive health care master plan developed pursuant to section 5;

“(2) training for the persons described in subparagraphs (B) and (C) of section 7(c)(1);

“(3) identification of and research into the diseases that are most prevalent among Native Hawaiians, including behavioral, biomedical, epidemiological, and health services;

“(4) the development of an action plan outlining the contributions that each member organization of Papa Ola Lokahi will make in carrying out the policy of this Act;

“(5) a clearinghouse function for—

“(A) the collection and maintenance of data associated with the health status of Native Hawaiians;

“(B) the identification and research into diseases affecting Native Hawaiians; and

“(C) the availability of Native Hawaiian project funds, research projects and publications;

“(6) the coordination of the health care programs and services provided to Native Hawaiians; and

“(7) the administration of special project funds.

“(b) Authorization of Appropriations.—There is authorized to be appropriated such sums as may be necessary for each of fiscal years 2000 through 2010 to carry out subsection (a).

“SEC. 9. ADMINISTRATION OF GRANTS AND CONTRACTS.

“(a) Terms and Conditions.—The Secretary shall include in any grant made or contract entered into under this Act such terms and conditions as the Secretary considers necessary or appropriate to ensure that the objectives of such grant or contract are achieved.

“(b) Periodic Review.—The Secretary shall periodically evaluate the performance of, and compliance with, grants and contracts under this Act.

“(c) Administrative Requirements.—The Secretary may not make a grant or enter into a contract under this Act with an entity unless the entity—

“(1) agrees to establish such procedures for fiscal control and fund accounting as may be necessary to ensure proper disbursement and accounting with respect to the grant or contract;

“(2) agrees to ensure the confidentiality of records maintained on individuals receiving health services under the grant or contract;

“(3) with respect to providing health services to any population of Native Hawaiians, a substantial portion of which has a limited ability to speak the English language—

“(A) has developed and has the ability to carry out a reasonable plan to provide health services under the grant or contract through individuals who are able to communicate with the population involved in the language and cultural context that is most appropriate; and

“(B) has designated at least 1 individual, fluent in both English and the appropriate language, to assist in carrying out the plan;

“(4) with respect to health services that are covered in the plan of the State of Hawaii approved under title XIX of the Social Security Act—

“(A) if the entity will provide under the grant or contract any such health services directly—

“(i) the entity has entered into a participation agreement under such plans; and

“(ii) the entity is qualified to receive payments under such plan; and

“(B) if the entity will provide under the grant or contract any such health services through a contract with an organization—

“(i) the organization has entered into a participation agreement under such plan; and

“(ii) the organization is qualified to receive payments under such plan; and

“(5) agrees to submit to the Secretary and to Papa Ola Lokahi an annual report that describes the use and costs of health services provided under the grant or contract (including the average cost of health services per user) and that provides such other information as the Secretary determines to be appropriate.

“(d) Contract Evaluation.—

“(1) Determination of noncompliance.—If, as a result of evaluations conducted by the Secretary, the Secretary determines that an entity has not complied with or satisfactorily performed a contract entered into under section 7, the Secretary shall, prior to renewing such contract, attempt to resolve the areas of noncompliance or unsatisfactory performance and modify such contract to prevent future occurrences of such noncompliance or unsatisfactory performance.

“(2) Nonrenewal.—If the Secretary determines that the noncompliance or unsatisfactory performance described in paragraph (1) with respect to an entity cannot be resolved and prevented in the future, the Secretary shall not renew the contract with such entity and may enter into a contract under section 7 with another entity referred to in subsection (a)(3) of such section that provides services to the same population of Native Hawaiians which is served by the entity whose contract is not renewed by reason of this paragraph.

“(3) Consideration of results.—In determining whether to renew a contract entered into with an entity under this Act, the Secretary shall consider the results of the evaluations conducted under this section.

“(4) Application of federal laws.—All contracts entered into by the Secretary under this Act shall be in accordance with all Federal contracting laws and regulations, except that, in the discretion of the Secretary, such contracts may be negotiated without advertising and may be exempted from the provisions of the Act of August 24, 1935 (40 U.S.C. 270a et seq.).

“(5) Payments.—Payments made under any contract entered into under this Act may be made in advance, by means of reimbursement, or in installments and shall be made on such conditions as the Secretary deems necessary to carry out the purposes of this Act.

“(e) Limitation on Use of Funds for Administrative Expenses.—Except with respect to grants and contracts under section 8, the Secretary may not make a grant to, or enter into a contract with, an entity under this Act unless the entity agrees that the entity will not expend more than 15 percent of the amounts received pursuant to this Act for the purpose of administering the grant or contract.

“(f) Report.—

“(1) In general.—For each fiscal year during which an entity receives or expends funds pursuant to a grant or contract under this Act, such entity shall submit to the Secretary and to Papa Ola Lokahi an annual report—

“(A) on the activities conducted by the entity under the grant or contract;

“(B) on the amounts and purposes for which Federal funds were expended; and

“(C) containing such other information as the Secretary may request.

“(2) Audits.—The reports and records of any entity concerning any grant or contract under this Act shall be subject to audit by the Secretary, the Inspector General of the Department of Health and Human Services, and the Comptroller General of the United States.

“(g) Annual Private Audit.—The Secretary shall allow as a cost of any grant made or contract entered into under this Act the cost of an annual private audit conducted by a certified public accountant.

“SEC. 10. ASSIGNMENT OF PERSONNEL.

“(a) In General.—The Secretary may enter into an agreement with any entity under which the Secretary may assign personnel of the Department of Health and Human Services with expertise identified by such entity to such entity on detail for the purposes of providing comprehensive health promotion and disease prevention services to Native Hawaiians.

“(b) Applicable Federal Personnel Provisions.—Any assignment of personnel made by the Secretary under any agreement entered into under subsection (a) shall be treated as an assignment of Federal personnel to a local government that is made in accordance with subchapter VI of chapter 33 of title 5, United States Code.

"SEC. 11. NATIVE HAWAIIAN HEALTH SCHOLARSHIPS AND FELLOWSHIPS.

"(a) ELIGIBILITY.—Subject to the availability of amounts appropriated under subsection (c), the Secretary shall provide funds through a direct grant or a cooperative agreement to Kamehameha Schools Bishop Estate or another Native Hawaiian organization or health care organization with experience in the administration of educational scholarships or placement services for the purpose of providing scholarship assistance to students who—

"(1) meet the requirements of section 338A of the Public Health Service Act, except for assistance as provided for under subsection (b)(2); and

"(2) are Native Hawaiians.

"(b) TERMS AND CONDITIONS.—

"(1) IN GENERAL.—The scholarship assistance under subsection (a) shall be provided under the same terms and subject to the same conditions, regulations, and rules as apply to scholarship assistance provided under section 338A of the Public Health Service Act (except as provided for in paragraph (2)), except that—

"(A) the provision of scholarships in each type of health care profession training shall correspond to the need for each type of health care professional to serve the Native Hawaiian health care systems identified by Papa Ola Lokahi;

"(B) to the maximum extent practicable, the Secretary shall select scholarship recipients from a list of eligible applicants submitted by the Kamehameha Schools Bishop Estate or the Native Hawaiian organization administering the program;

"(C) the obligated service requirement for each scholarship recipient (except for those receiving assistance under paragraph (2)) shall be fulfilled through service, in order of priority, in—

"(i) any one of the Native Hawaiian health care systems; or

"(ii) health professions shortage areas, medically underserved areas, or geographic areas or facilities similarly designated by the United States Public Health Service in the State of Hawaii;

"(D) the provision of counseling, retention and other support services shall not be limited to scholarship recipients, but shall also include recipients of other scholarship and financial aid programs enrolled in appropriate health professions training programs.

"(E) financial assistance may be provided to scholarship recipients in those health professions designated in such section 338A while they are fulfilling their service requirement in any one of the Native Hawaiian health care systems or community health centers.

"(2) FELLOWSHIPS.—Financial assistance through fellowships may be provided to Native Hawaiian applicants accepted and participating in a certificated program provided by a traditional Native Hawaiian healer in traditional Native Hawaiian healing practices including lomi-lomi, la'au lapa'au, and ho'oponopono. Such assistance may include a stipend or reimbursement for costs associated with participation in the program.

"(3) RIGHTS AND BENEFITS.—Scholarship recipients in health professions designated in section 338A of the Public Health Service Act while fulfilling their service requirements shall have all the same rights and benefits of members of the National Health Service Corps during their period of service.

"(4) NO INCLUSION OF ASSISTANCE IN GROSS INCOME.—Financial assistance provided to scholarship recipients for tuition, books and other school-related expenditures under this section shall not be included in gross income for purposes of the Internal Revenue Code of 1986.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as may be necessary for each of fiscal years 2000 through 2010 for the purpose of funding the scholarship assistance program under subsection (a).

"SEC. 12. REPORT.

"The President shall, at the time the budget is submitted under section 1105 of title 31, United States Code, for each fiscal year transmit to Congress a report on the progress made in meeting the objectives of this Act, including a review of programs established or assisted pursuant to this Act and an assessment and recommendations of additional programs or additional assistance necessary to, at a minimum, provide health services to Native Hawaiians, and ensure a health status for Native Hawaiians, which are at a parity with the health services available to, and the health status of, the general population.

"SEC. 13. DEMONSTRATION PROJECTS OF NATIONAL SIGNIFICANCE.

"(a) AUTHORITY AND AREAS OF INTEREST.—The Secretary, in consultation with Papa Ola Lokahi, may allocate amounts appropriated under this Act, or any other Act, to carry out Native Hawaiian demonstration projects of national significance. The areas of interest of such projects may include—

"(1) the education of health professionals, and other individuals in institutions of higher learning, in health and allied health programs in complementary healing practices, including Native Hawaiian healing practices;

"(2) the integration of Western medicine with complementary healing practices including traditional Native Hawaiian healing practices;

"(3) the use of tele-wellness and telecommunications in chronic disease management and health promotion and disease prevention;

"(4) the development of appropriate models of health care for Native Hawaiians and other indigenous people including the provision of culturally competent health services, related activities focusing on wellness concepts, the development of appropriate kupuna care programs, and the development of financial mechanisms and collaborative relationships leading to universal access to health care;

"(5) the development of a centralized database and information system relating to the health care status, heath care needs, and wellness of Native Hawaiians; and

"(6) the establishment of a Native Hawaiian Center of Excellence for Nursing at the University of Hawaii at Hilo, a Native Hawaiian Center of Excellence for Mental Health at the University of Hawaii at Manoa, a Native Hawaiian Center of Excellence for Maternal Health and Nutrition at the Waimanalo Health Center, and a Native Hawaiian Center of Excellence for Research, Training, and Integrated Medicine at Molokai General Hospital.

"(b) NONREDUCTION IN OTHER FUNDING.—The allocation of funds for demonstration projects under subsection (a) shall not result in a reduction in funds required by the Native Hawaiian health care systems, the Native Hawaiian Health Scholarship Program, or Papa Ola Lokahi to carry out their respective responsibilities under this Act.

"SEC. 14. NATIONAL BIPARTISAN COMMISSION ON NATIVE HAWAIIAN HEALTH CARE ENTITLEMENT.

"(a) ESTABLISHMENT.—There is hereby established a National Bipartisan Native Hawaiian Health Care Entitlement Commission (referred to in this Act as the 'Commission').

"(b) MEMBERSHIP.—The Commission shall be composed of 21 members to be appointed as follows:

"(1) CONGRESSIONAL MEMBERS.—

"(A) APPOINTMENT.—Eight members of the Commission shall be members of Congress, of which—

"(i) two members shall be from the House of Representatives and shall be appointed by the Majority Leader;

"(ii) two members shall be from the House of Representatives and shall be appointed by the Minority Leader;

"(iii) two members shall be from the Senate and shall be appointed by the Majority Leader; and

"(iv) two members shall be from the Senate and shall be appointed by the Minority Leader.

"(B) RELEVANT COMMITTEE MEMBERSHIP.—The members of the Commission appointed under subparagraph (A) shall each be members of the committees of Congress that consider legislation affecting the provision of health care to Native Hawaiians and other Native American.

"(C) CHAIRPERSON.—The members of the Commission appointed under subparagraph (A) shall elect the chairperson and vice-chairperson of the Commission.

"(2) HAWAIIAN HEALTH MEMBERS.—Eleven members of the Commission shall be appointed by Hawaiian health entities, of which—

"(A) five members shall be appointed by the Native Hawaiian Health Care Systems;

"(B) one member shall be appointed by the Hawaii State Primary Care Association;

"(C) one member shall be appointed by Papa Ola Lokahi;

"(D) one member shall be appointed by the State Council of Hawaiian Homestead Associations;

"(E) one member shall be appointed by the Office of Hawaiian Affairs; and

"(F) two members shall be appointed by the Association of Hawaiian Civic Clubs and shall represent Native Hawaiian populations on the United States continent.

"(3) SECRETARIAL MEMBERS.—Two members of the Commission shall be appointed by the Secretary and shall possess knowledge of the health concerns and wellness issues facing Native Hawaiians.

"(c) TERMS.—

"(1) IN GENERAL.—The members of the Commission shall serve for the life of the Commission.

"(2) INITIAL APPOINTMENT OF MEMBERS.—The members of the Commission shall be appointed under subsection (b)(1) not later than 90 days after the date of enactment of this Act, and the remaining members of the Commission shall be appointed not later than 60 days after the date on which the members are appointed under such subsection (b)(1).

"(3) VACANCIES.—A vacancy in the membership of the Commission shall be filled in the manner in which the original appointment was made.

"(d) DUTIES OF THE COMMISSION.—The Commission shall carry out the following duties and functions:

"(1) Review and analyze the recommendations of the report of the study committee established under paragraph (3).

"(2) Make recommendations to Congress for the provision of health services to Native Hawaiian individuals as an entitlement, giving due regard to the effects of a program on existing health care delivery systems for Native Hawaiians and the effect of such programs on self-determination and their reconciliation.

"(3) Establish a study committee to be composed of at least 10 members from the Commission, including 4 members of the members appointed under subsection (b)(1), 5 of the members appointed under subsection (b)(2), and 1 of the members appointed by the Secretary under subsection (b)(3), which shall—

"(A) to the extent necessary to carry out its duties, collect and compile data necessary to understand the extent of Native Hawaiian needs with regards to the provision of health services, including holding hearings and soliciting the views of Native Hawaiians and Native Hawaiian organizations, and which may include authorizing and funding feasibility studies of various models for all Native Hawaiian beneficiaries and their families, including those that live on the United States continent;

"(B) make recommendations to the Commission for legislation that will provide for the culturally-competent and appropriate provision of health services for Native Hawaiians as an entitlement, which shall, at a minimum, address issues of eligibility and benefits to be provided, including recommendations regarding from whom such health services are to be provided and the cost and mechanisms for funding of the health services to be provided;

"(C) determine the effect of the enactment of such recommendations on the existing system of delivery of health services for Native Hawaiians;

"(D) determine the effect of a health service entitlement program for Native Hawaiian individuals on their self-determination and the reconciliation of their relationship with the United States;

"(E) not later than 12 months after the date of the appointment of all members of the Commission, make a written report of its findings and recommendations to the Commission, which report shall include a statement of the minority and majority position of the committee and which shall be disseminated, at a minimum, to Native Hawaiian organizations and agencies and health organizations referred to in subsection (b)(2) for comment to the Commission; and

"(F) report regularly to the full Commission regarding the findings and recommendations developed by the committee in the course of carrying out its duties under this section.

"(4) Not later than 18 months after the date of the appointment of all members of the Commission, submit a written report to Congress containing a recommendation of policies and legislation to implement a policy that would establish a health care system for Native Hawaiians, grounded in their culture, and based on the delivery of health services as an entitlement, together with a determination of the implications of such an entitlement system on existing health care delivery systems for Native Hawaiians and their self-determination and the reconciliation of their relationship with the United States.

"(e) Administrative Provisions.—

"(1) Compensation and expenses.—

"(A) Congressional members.—Each member of the Commission appointed under subsection (b)(1) shall not receive any additional compensation, allowances, or benefits by reason of their service on the Commission. Such members shall receive travel expenses and per diem in lieu of subsistence in accordance with sections 5702 and 5703 of title 5, United States Code.

"(B) Other members.—The members of the Commission appointed under paragraphs (2) and (3) of subsection (b) shall, while serving on the business of the Commission (including travel time), receive compensation at the per diem equivalent of the rate provided for individuals under level IV of the Executive Schedule under section 5315 of title 5, United States Code, and while serving away from their home or regular place of business, be allowed travel expenses, as authorized by the chairperson of the Commission.

"(C) Other personnel.—For purposes of compensation (other than compensation of the members of the Commission) and employment benefits, rights, and privileges, all personnel of the Commission shall be treated as if they were employees of the Senate.

"(2) Meetings and quorum.—

"(A) Meetings.—The Commission shall meet at the call of the chairperson.

"(B) Quorum.—A quorum of the Commission shall consist of not less than 12 members, of which—

"(i) not less than 4 of such members shall be appointees under subsection (b)(1)l;

"(ii) not less than 7 of such members shall be appointees under subsection (b)(2); and

"(iii) not less than 1 of such members shall be an appointee under subsection (b)(3).

"(3) Director and staff.—

"(A) Executive director.—The members of the Commission shall appoint an executive director of the Commission. The executive director shall be paid the rate of basic pay equal to that under level V of the Executive Schedule under section 5316 of title 5, United States Code.

"(B) Staff.—With the approval of the Commission, the executive director may appoint such personnel as the executive director deems appropriate.

"(C) Applicability of civil service laws.—The staff of the Commission shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title (relating to classification and General Schedule pay rates).

"(D) Experts and consultants.—With the approval of the Commission, the executive director may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

"(E) Facilities.—The Administrator of the General Services Administration shall locate suitable office space for the operations of the Commission in the State of Hawaii. The facilities shall serve as the headquarters of the Commission and shall include all necessary equipment and incidentals required for the proper functioning of the Commission.

"(f) Powers.—

"(1) Hearings and other activities.—For purposes of carrying out its duties, the Commission may hold such hearings and undertake such other activities as the Commission determines to be necessary to carry out its duties, except that at least 8 hearings shall be held on each of the Hawaiian Islands and 3 hearings in the continental United States in areas where large numbers of Native Hawaiians are present. Such hearings shall be held to solicit the views of Native Hawaiians regarding the delivery of health care services to such individuals. To constitute a hearing under this paragraph, at least 4 members of the Commission, including at least 1 member of Congress, must be present. Hearings held by the study committee established under subsection (d)(3) may be counted towards the number of hearings required under this paragraph.

"(2) Studies by the General Accounting Office.—Upon the request of the Commission, the Comptroller General shall conduct such studies or investigations as the Commission determines to be necessary to carry out its duties.

"(3) Cost estimates.—

"(A) In general.—The Director of the Congressional Budget Office or the Chief Actuary of the Health Care Financing Administration, or both, shall provide to the Commission, upon the request of the Commission, such cost estimates as the Commission determines to be necessary to carry out its duties.

"(B) Reimbursements.—The Commission shall reimburse the Director of the Congressional Budget Office for expenses relating to the employment in the office of the Director of such additional staff as may be necessary for the Director to comply with requests by the Commission under subparagraph (A).

"(4) Detail of Federal employees.—Upon the request of the Commission, the head of any Federal agency is authorized to detail, without reimbursement, any of the personnel of such agency to the Commission to assist the Commission in carrying out its duties. Any such detail shall not interrupt or otherwise affect the civil service status or privileges of the Federal employees.

"(5) Technical assistance.—Upon the request of the Commission, the head of any Federal agency shall provide such technical assistance to the Commission as the Commission determines to be necessary to carry out its duties.

"(6) Use of mails.—The Commission may use the United States mails in the same manner and under the same conditions as Federal agencies and shall, for purposes of the frank, be considered a commission of Congress as described in section 3215 of title 39, United States Code.

"(7) Obtaining information.—The Commission may secure directly from any Federal agency information necessary to enable the Commission to carry out its duties, if the information may be disclosed under section 552 of title 5, United States Code. Upon request of the chairperson of the Commission, the head of such agency shall furnish such information to the Commission.

"(8) Support services.—Upon the request of the Commission, the Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

"(9) Printing.—For purposes of costs relating to printing and binding, including the cost of personnel detailed from the Government Printing Office, the Commission shall be deemed to be a committee of Congress.

"(g) Authorization of Appropriations.—There is authorized to be appropriated $1,500,000 to carry out this section. The amount appropriated under this subsection shall not result in a reduction in any other appropriation for health care or health services for Native Hawaiians.

"SEC. 15. RULE OF CONSTRUCTION.

"Nothing in this Act shall be construed to restrict the authority of the State of Hawaii to license health practitioners.

"SEC. 16. COMPLIANCE WITH BUDGET ACT.

"Any new spending authority (described in subparagraph (A) of (B) of section 401(c)(2) of the Congressional Budget Act of 1974 (2 U.S.C. 651(c)(2)(A) or (B))) which is provided under this Act shall be effective for any fiscal year only to such extent or in such amounts as are provided for in appropriation Acts.

"SEC. 17. SEVERABILITY.

"If any provision of this Act, or the application of any such provision to any person or circumstances is held to be invalid, the remainder of this Act, and the application of such provision or amendment to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.".

By Mr. HATCH (for himself and Mr. LEAHY):

S. 1931. A bill to provide a more just and uniform procedure for Federal civil forfeitures, and for other purposes; to the Committee on the Judiciary.

CIVIL ASSET FORFEITURE REFORM ACT

Mr. HATCH. Mr. President, today Senator LEAHY and I are introducing a civil asset forfeiture reform bill.

First and foremost, I want to emphasize that civil asset forfeiture is an important tool in America's fight against crime and drugs. Last year, the federal government seized nearly $500 million in assets. It is vitally important that the fruits of crime and the property used to commit crimes are forfeited to the government. In recent years, however, there have been numerous examples of civil asset forfeiture actions that should not have been taken. While the vast majority of civil asset forfeiture actions are justified, there have been cases in which government officials did not use good judgment. Some would even say that civil asset forfeiture has been abused in some instances by overzealous law enforcement officials.

I will mention just a few examples of such imprudent civil forfeiture actions. In *United States* v. *$506,231*, 125 F.3d 442 (7th Cir. 1997), the court dismissed a forfeiture action involving $506,231 and scolded the government for its conduct. In this case, state authorities obtained a warrant to search a pizzeria for stolen goods. During the search of the restaurant, authorities did not find any stolen goods, but they did discover a large amount of currency. Criminal charges were not filed against the owners of the restaurant. Nevertheless, alleging that the currency was related to narcotics, the federal government filed a civil complaint for forfeiture of the $506,231.

Four years after the money was seized, the court dismissed the forfeiture complaint and returned the currency to its owner. The court found that the evidence "does not come close to showing any connection between the money and narcotics," that "there is no evidence that drug trafficking was going on at the pizzeria," and that "nothing ties this money to any narcotics activities that the government knew about or charged, or to any crime that was occurring when the government attempted to seize the property." At the conclusion of the case, the court stated that "we believe the government's conduct in forfeiture cases leaves much to be desired."

Even more disturbing is *United States* v. *$14,665*, 33 F. Supp. 2d 47 (D. Mass. 1998). In this case, airline officials informed the police that a passenger, Manuel Espinola, was carrying a large amount of currency in a briefcase. The police questioned Espinola about the $14,665 in cash. Espinola, a 23-year-old man who purchased the plane ticket in his own name, told the police that he and his brother earned the money selling personal care products for a company called Equinox International. When the police asked Espinola what the money was going to be used for, he stated that he was planning to move to Las Vegas and intended to use the cash as a down payment on a home. Espinola told police that he did not deposit the currency in a bank because he was afraid that it might be attached due to a prior credit problem. Espinola also gave the police a pager number of a co-worker who he said could verify his employment and his plans in Las Vegas.

Based on Espinola's explanation, the police officer seized the money because the officer believed it was related to purchase narcotics. The officer did not arrest Espinola, who had no criminal record.

After the seizure, in an attempt to get his money back, Espinola submitted documents that largely confirmed his explanation of the currency, including receipts for personal care products from Equinox International and copies of a settlement check from a personal injury claim. By contrast, the government offered no additional evidence that the currency was related to drugs and was subject to forfeiture.

The court granted summary judgment to Espinola and, in its order, harshly criticized the forfeiture action. The court stated: "Even in the byzantine world of forfeiture law, this case is an example of overreaching. The government's showing of probable cause is completely inadequate, based on a troubling mix of baseless generalizations, leaps of logic or worse, blatant ethnic stereotyping." Nearly two years after the police seized his money without any evidence it was related to narcotics, the court returned the currency to Espinola.

Other federal courts have also criticized federal civil forfeiture actions. For example, in 1992, the Second Circuit Court of Appeals stated: "We continue to be enormously troubled by the government's increasing and virtually unchecked use of the civil forfeiture statutes and the disregard for due process that is buried in those statutes."

While I believe that these and other cases prove the need for some reform of civil asset forfeiture law, I want to take this opportunity to praise federal law enforcement officials. Federal law enforcement does an outstanding job fighting crime under the most difficult circumstances. In short, Mr. President, I believe that the problems with civil asset forfeiture have much more to do with defects in the law than with the character or competency of federal law enforcement officials. Senator LEAHY and I drafted this bill to improve civil asset forfeiture law and ensure the continued use of civil asset forfeiture in appropriate cases.

The Hatch-Leahy bill makes important improvements to existing law. I will describe a few of these improvements today. The first major reform places the burden of proof in civil asset forfeiture cases on the government throughout the proceeding. Under current law, the government is only required to make an initial showing of probable cause that the property is connected to criminal activity and is thus subject to forfeiture. After the government makes this modest showing, the burden then shifts to the property owner to prove that the property was not involved in criminal activity. Not surprisingly, the fact that the property owner bears the burden of proving the property is not subject to forfeiture has been extensively criticized by the federal judiciary and numerous legal commentators. As one federal court that has been particularly critical of civil asset forfeiture noted, placing the burden of proof on the property owner is a "constitutional anomaly." *United States* v. *$49,576*, 116 F.3d 425 (9th. Cir. 1997). The court in *$49,576* even questioned whether requiring a property owner to bear the burden of proof in a civil forfeiture action is constitutional: "We would find it surprising were the Constitution to permit such an important decision to turn on a meager burden of proof like probable cause."

I, too, believe that placing the burden of proof on the property owner contradicts our nation's traditional notions of justice and fairness. Under the Hatch-Leahy bill, the government will have the burden in civil forfeiture actions to prove by the preponderance of the evidence that the property is connected with criminal activity and is subject to forfeiture.

Another major reform in the Hatch-Leahy bill involves what is known as the cost bond. Under current civil forfeiture law, a property owner must post a cost bond of the lessor of $5,000 or 10 percent of the value of the property seized in order to contest a seizure of property. It is important to note that the cost bond merely allows the property owner to contest the forfeiture. It does not entitle the property owner to the return of the property pending trial.

I believe that it is fundamentally unfair to require a person to post a bond in order to be allowed to contest the seizure of property. For example, what if the government required persons who were indicted to post a bond to contest the indictment? Such a requirement would be unconstitutional under the Sixth Amendment. I believe that requiring a property owner to post a bond to contest the seizure of property is no less objectionable. Such a requirement, Mr. President, seems un-American. The framers of our Constitution would be appalled to know that the federal government, after seizing private property, required the property owner to post a bond in order to contest the seizure.

The Justice Department argues that the cost bond requirement reduces frivolous claims. To address this concern, the Hatch-Leahy bill requires that a person who challenges a forfeiture must file his claim to the property under oath, subject to penalty of perjury. I predict that eliminating the cost bond will produce, at most, minor inconveniences because persons who file frivolous claims will be deterred by the substantial legal fees and costs incurred in contesting the forfeiture. After all, who is willing to hire counsel and pay other expenses to litigate a frivolous claim, especially when subject to penalty of perjury?

Another reform in the Hatch-Leahy bill addresses the situation in which the government's possession of seized property pending trial causes hardship to the property owner. Under current law, the government maintains possession of seized property pending trial even if it causes hardship to the property owner. A common example of such hardship is where the government seizes an automobile, and the seizure prevents the property owner or members of the property owner's family from getting to and from work pending the forfeiture trial. The Hatch-Leahy bill changes current law to allow, but not require, the court to release property pending trial if the court determines that the hardship to the property owner of continued possession by the government outweighs the risk that the property will be damaged or lost. This is a common sense reform that allows the court to release property in appropriate cases.

Another reform in the Hatch-Leahy bill involves reimbursement of attorney fees. The Hatch-Leahy bill awards attorney fees and costs to property owners who prevail against the government in civil forfeiture cases. The costs of contesting a civil forfeiture of property can be substantial. The award of attorney fees and costs to property owners who prevail against the government in civil forfeiture cases is justified because unlike criminal forfeiture actions, the property owner is not charged with a crime. Instead, the government proceeds "in rem" against the property. Given that the government does not sue or indict the property owner, it is unfair for the property owner to have to incur attorney fees and costs when the government does not prevail in civil forfeiture actions.

The award of attorney fees is also justified because the government only has to prove its case against the property by a preponderance of the evidence. By contrast, the government must prove beyond a reasonable doubt that property is subject to forfeiture in criminal forfeiture actions. If the government decides to pursue a civil forfeiture action instead of the more difficult to prove criminal forfeiture action, it should be obligated to pay the attorney fees and costs of the property owner when the property owner prevails.

Mr. President, I would like to emphasize that while the Hatch-Leahy Civil Asset Forfeiture Reform Act contains important reforms; it retains civil forfeiture as an important tool for law enforcement. In fact, the Hatch-Leahy bill is a cautious, responsible reform. Some would even argue that this bill is too modest.

A comparison of the reforms enacted by the State of California in 1993 is instructive. For example, California changed its civil forfeiture law to require the government to prove beyond a reasonable doubt and achieve a related criminal conviction in most civil asset forfeiture cases. The exception to this rule in California involves seizures of currency in excess of $25,000. In these cases, the State must prove the currency is subject to forfeiture by clear and convincing evidence. Also, California abolished the cost bond in civil forfeiture cases.

In short, California's reforms go far beyond anything in the Hatch-Leahy bill, but these reforms have not undermined civil asset forfeiture as a law enforcement tool. The modest reforms in the Hatch-Leahy bill will add much needed protections for property owners at no significant costs to law enforcement. By making these needed reforms, the Hatch-Leahy bill will preserve civil forfeiture as a law enforcement tool for the future.

Lastly, I would like to thank Senator LEAHY and his staff for their tireless effort on this legislation. Senator LEAHY has been an advocate for civil asset forfeiture reform for many years. He is one of the leading champions of civil liberties in the Senate. This legislation would not have occurred without his interest and persistence, and I thank him for his efforts.

I ask unanimous consent that the bill and a section-by-section summary of the bill be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1931

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Civil Asset Forfeiture Reform Act".

SEC. 2. CREATION OF GENERAL RULES RELATING TO CIVIL FORFEITURE PROCEEDINGS.

(a) IN GENERAL.—Chapter 46 of title 18, United States Code, is amended by inserting after section 981 the following:

"§ 981A. General rules for civil forfeiture proceedings

"(a) NOTICE; CLAIM; COMPLAINT.—(1)(A)(i) Except as provided in clauses (ii) and (iii), in any nonjudicial civil forfeiture proceeding under a civil forfeiture statute, with respect to which the Government must send written notice to interested parties, such notice shall be sent in a manner to achieve proper service as soon as practicable, and in no case more than 60 days after the date of the seizure.

"(ii) In a case in which the property is seized by a State or local law enforcement agency and turned over to a Federal law enforcement agency for the purpose of forfeiture under Federal law, notice shall be sent no more than 90 days after the date of seizure by the State or local law enforcement agency.

"(iii) If the identity or interest of a party is not determined until after the seizure or turnover but is determined before a declaration of forfeiture is entered, notice shall be sent to such interested party not later than 60 days after the determination by the Government of the identity of the party or the party's interest.

"(B) A court shall extend the period for sending notice under subparagraph (A) for a period not to exceed 60 days (which period may be further extended), if the court determines, based on a written ex parte certification of a supervisory official of the seizing agency, that there is reason to believe that notice may have an adverse result, including—

"(i) endangering the life or physical safety of an individual;

"(ii) flight from prosecution;

"(iii) destruction of or tampering with evidence;

"(iv) intimidation of potential witnesses; or

"(v) otherwise seriously jeopardizing an investigation or unduly delaying a trial.

"(C) If the Government does not send notice of a seizure of property in accordance with subparagraph (A) to the person from whom the property was seized, and no extension of time is granted, the Government shall return the property to that person without prejudice to the right of the Government to commence a forfeiture proceeding at a later time.

"(2)(A) Any person claiming property seized in a nonjudicial forfeiture proceeding may file a claim with the appropriate official after the seizure.

"(B) A claim under subparagraph (A) may be filed not later than the deadline set forth in a personal notice letter, except that if that letter is not received, then a claim may be filed not later than 30 days after the date of final publication of notice of seizure.

"(C) The claim shall state the claimant's interest in the property and be made under oath, subject to penalty of perjury. The seizing agency shall make claim forms generally available on request.

"(D) Any person may make a claim under subparagraph (A) without posting bond with respect to the property which is the subject of the claim.

"(3)(A) Not later than 90 days after a claim has been filed, the Government shall file a complaint for forfeiture in the manner set forth in the Supplemental Rules for Certain Admiralty and Maritime Claims or return the property pending the filing of a complaint, except that a court in the district in which the complaint will be filed may extend the period for filing a complaint for good cause shown or upon agreement of the parties.

“(B) If the Government does not file a complaint for forfeiture or return the property, in accordance with subparagraph (A), it shall return the property and may not take any further action to effect the civil forfeiture of such property.

“(C) In lieu of, or in addition to, filing a civil forfeiture complaint, the Government may include a forfeiture allegation in a criminal indictment. In such case, the Government's right to continued possession of the property shall be governed by the applicable criminal forfeiture statute.

“(D) No complaint may be dismissed on the ground that the Government did not have adequate evidence at the time the complaint was filed to establish the forfeitability of the property by a preponderance of the evidence.

“(4)(A) In any case in which the Government files in the appropriate United States district court a complaint for forfeiture of property, any person claiming an interest in the seized property may file a claim asserting such person's interest in the property in the manner set forth in the Supplemental Rules for Certain Admiralty and Maritime Claims, except that such claim may be filed not later than 30 days after the date of service of the Government's complaint or, as applicable, not later than 30 days after the date of final publication of notice of the filing of the complaint.

“(B) A person asserting an interest in seized property, in accordance with subparagraph (A), shall file an answer to the Government's complaint for forfeiture not later than 20 days after the date of the filing of the claim.

“(b) APPOINTMENT OF COUNSEL.—(1) If—

“(A) a person in a judicial civil forfeiture proceeding under a civil forfeiture statute is financially unable to obtain representation by counsel; and

“(B)(i) the property subject to forfeiture is real property that is being used by the person as a primary residence; or

“(ii) the person is represented by counsel appointed under section 3006A of this title in connection with a related criminal case;

the court may appoint or authorize counsel to represent that person with respect to the claim, as appropriate.

“(2) In determining whether to appoint or authorize counsel to represent a person asserting a claim under this subsection, the court shall take into account such factors as—

“(A) the person's standing to contest the forfeiture; and

“(B) whether the claim appears to be made in good faith.

“(3) The court shall set the compensation for representation under this subsection, which shall be equivalent to that provided for court-appointed representation under section 3006A of this title.

“(c) BURDEN OF PROOF.—In all suits or actions brought under any civil forfeiture statute for the civil forfeiture of any property, the burden of proof is on the Government to establish, by a preponderance of the evidence, that the property is subject to forfeiture. The Government may use evidence gathered after the filing of a complaint for forfeiture to establish, by a preponderance of the evidence, that property is subject to forfeiture.

“(d) INNOCENT OWNER DEFENSE.—(1) An innocent owner's interest in property shall not be forfeited under any civil forfeiture statute. The claimant shall have the burden of proving that he is an innocent owner by a preponderance of the evidence.

“(2)(A) With respect to a property interest in existence at the time the illegal conduct giving rise to forfeiture took place, the term ‘innocent owner’ means an owner who—

“(i) did not know of the conduct giving rise to forfeiture; or

“(ii) upon learning of the conduct giving rise to the forfeiture, did all that reasonably could be expected under the circumstances to terminate such use of the property.

“(B)(i) For the purposes of this paragraph, ways in which a person may show that such person did all that reasonably could be expected may include demonstrating that such person, to the extent permitted by law—

“(I) gave timely notice to an appropriate law enforcement agency of information that led the person to know the conduct giving rise to a forfeiture would occur or has occurred; and

“(II) in a timely fashion revoked or attempted to revoke permission for those engaging in such conduct to use the property or took reasonable actions in consultation with a law enforcement agency to discourage or prevent the illegal use of the property.

“(ii) A person is not required by this subparagraph to take steps that the person reasonably believes would be likely to subject any person (other than the person whose conduct gave rise to the forfeiture) to physical danger.

“(3)(A) With respect to a property interest acquired after the conduct giving rise to the forfeiture has taken place, the term ‘innocent owner’ means a person who, at the time that person acquired the interest in the property—

“(i) was a bona fide purchaser or seller for value (including a purchaser or seller of goods or services for value); and

“(ii) did not know and was reasonably without cause to believe that the property was subject to forfeiture.

“(B) An otherwise valid claim under subparagraph (A) shall not be denied on the ground that the claimant gave nothing of value in exchange for the property if—

“(i) the property is the primary residence of the claimant;

“(ii) depriving the claimant of the property would deprive the claimant of the claimant's only means of maintaining adequate shelter in the community for the claimant and all dependents residing with the claimant;

“(iii) the property is not, and is not traceable to, the proceeds of any criminal offense; and

“(iv) the claimant acquired his or her interest in the property through marriage, divorce, or legal separation, or the claimant was the spouse or legal dependent of a person whose death resulted in the transfer of the property to the claimant through inheritance or probate;

except that the court shall limit the value of any real property interest for which innocent ownership is recognized under this subparagraph to the value necessary to maintain adequate shelter in the community for such claimant and all dependents residing with the claimant.

“(4) Notwithstanding any provision of this subsection, no person may assert an ownership interest under this subsection in contraband or other property that it is illegal to possess.

“(e) MOTION TO SET ASIDE FORFEITURE.—(1) Any person entitled to written notice in any nonjudicial civil forfeiture proceeding under a civil forfeiture statute who does not receive such notice may file a motion to set aside a declaration of forfeiture with respect to that person's interest in the property, which motion shall be granted if—

“(A) the Government knew, or reasonably should have known, of the moving party's interest and failed to take reasonable steps to provide such party with notice; and

“(B) the moving party did not know or have reason to know of the seizure within sufficient time to file a timely claim.

“(2) If the court grants a motion under paragraph (1), the court shall set aside the declaration of forfeiture as to the interest of the moving party without prejudice to the right of the Government to commence a subsequent forfeiture proceeding as to the interest of the moving party, which proceeding shall be instituted within 60 days of the entry of the order granting the motion.

“(3) A motion under paragraph (1) may be filed not later than 6 years after the date that the claimant discovered or had reason to discover that the property was forfeited, subject to the doctrine of laches, except that no motion may be filed more than 11 years after the date that the Government's forfeiture cause of action accrued.

“(f) RELEASE OF SEIZED PROPERTY.—(1) A claimant under subsection (a) is entitled to immediate release of seized property if—

“(A) the claimant has a possessory interest in the property;

“(B) the claimant has sufficient ties to the community to provide assurance that the property will be available at the time of the trial;

“(C) the continued possession by the Government pending the final disposition of forfeiture proceedings will cause substantial hardship to the claimant, such as preventing the functioning of a business, preventing an individual from working, or leaving an individual homeless;

“(D) the claimant's likely hardship from the continued possession by the Government of the seized property outweighs the risk that the property will be destroyed, damaged, lost, concealed, or transferred if it is returned to the claimant during the pendency of the proceeding; and

“(E) none of the conditions set forth in paragraph (7) applies.

“(2) A claimant seeking release of property under this subsection must request possession of the property from the appropriate official, and the request must set forth the basis on which the requirements of paragraph (1) are met.

“(3) If not later than 10 days after the date of a request under paragraph (2) the property has not been released, the claimant may file a motion or complaint in the district court in which the complaint has been filed or, if no complaint has been filed, any district court that would have jurisdiction of forfeiture proceedings relating to the property, setting forth—

“(A) the basis on which the requirements of paragraph (1) are met; and

“(B) the steps the claimant has taken to secure release of the property from the appropriate official.

“(4) The court shall render a decision on a motion or complaint filed under paragraph (3) no later than 30 days after the date of the filing, unless such 30-day limitation is extended by consent of the parties or by the court for good cause shown.

“(5) If—

"(A) a motion or complaint is filed under paragraph (3); and

"(B) the claimant demonstrates that the requirements of paragraph (1) have been met;

the district court shall order that the property be returned to the claimant, pending completion of proceedings by the Government to obtain forfeiture of the property.

"(6) If the court grants a motion or complaint under paragraph (3)—

"(A) the court may enter any order necessary to ensure that the value of the property is maintained while the forfeiture action is pending, including—

"(i) permitting the inspection, photographing, and inventory of the property;

"(ii) fixing a bond in accordance with rule E(5) of the Supplemental Rules for Certain Admiralty and Maritime Claims; and

"(iii) requiring the claimant to obtain or maintain insurance on the subject property; and

"(B) the Government may place a lien against the property or file a lis pendens to ensure that the property is not transferred to another person.

"(7) This subsection shall not apply if the seized property—

"(A) is contraband, currency or other monetary instrument, or electronic funds unless such currency or other monetary instrument or electronic funds constitutes the assets of a legitimate business which has been seized;

"(B) is to be used as evidence of a violation of the law;

"(C) by reason of design or other characteristic, is particularly suited for use in illegal activities; or

"(D) is likely to be used to commit additional criminal acts if returned to the claimant.

"(g) PROPORTIONALITY.—The claimant may petition the court to determine whether the forfeiture was constitutionally excessive. In making this determination, the court shall compare the forfeiture to the gravity of the offense giving rise to the forfeiture. If the court finds that the forfeiture is grossly disproportional to the offense it shall reduce or eliminate the forfeiture as necessary. The claimant shall have the burden of establishing that the forfeiture is grossly disproportional by a preponderance of the evidence at a hearing conducted by the court without a jury.

"(h) DEFINITIONS.—In this section:

"(1)(A) Except as provided in subparagraph (B), the term 'civil forfeiture statute' means any provision of Federal law providing for the forfeiture of property other than as a sentence imposed upon conviction of a criminal offense.

"(B) The term 'civil forfeiture statute' does not include—

"(i) the Tariff Act of 1930 or any other provision of law codified in title 19;

"(ii) the Internal Revenue Code of 1986;

"(iii) the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.);

"(iv) the Trading with the Enemy Act (50 U.S.C. App. 1 et seq.); or

"(v) section 1 of title VI of the Act of June 15, 1917 (40 Stat. 233; 22 U.S.C. 401).

"(2)(A) The term 'owner' means a person with an ownership interest in the specific property sought to be forfeited, including a leasehold, lien, mortgage, recorded security interest, or valid assignment of an ownership interest.

"(B) The term 'owner' does not include—

"(i) a person with only a general unsecured interest in, or claim against, the property or estate of another;

"(ii) a bailee unless the bailor is identified and the bailee shows a colorable legitimate interest in the property seized; or

"(iii) a nominee who exercises no dominion or control over the property.".

(b) TECHNICAL AND CONFORMING AMENDMENT.—The analysis for chapter 46 of title 18, United States Code, is amended by inserting after the item relating to section 981 the following:

"981A. General rules for civil forfeiture proceedings.".

SEC. 3. COMPENSATION FOR DAMAGE TO SEIZED PROPERTY.

(a) TORT CLAIMS ACT.—Section 2680(c) of title 28, United States Code, is amended—

(1) by striking "any goods or merchandise" and inserting "any goods, merchandise, or other property";

(2) by striking "law-enforcement" and inserting "law enforcement"; and

(3) by inserting before the period at the end the following: ", except that the provisions of this chapter and section 1346(b) of this title apply to any claim based on injury or loss of goods, merchandise, or other property, while in the possession of any officer of customs or excise or any other law enforcement officer, if—

"(1) the property was seized for the purpose of forfeiture under any provision of Federal law providing for the forfeiture of property other than as a sentence imposed upon conviction of a criminal offense;

"(2) the interest of the claimant is not forfeited; and

"(3) the claimant is not convicted of a crime for which the interest of the claimant in the property would be subject to forfeiture under a Federal criminal forfeiture law.".

(b) DEPARTMENT OF JUSTICE.—

(1) IN GENERAL.—With respect to a claim that cannot be settled under chapter 171 of title 28, United States Code, the Attorney General may settle, for not more than $50,000 in any case, a claim for damage to, or loss of, privately owned property caused by an investigative or law enforcement officer (as defined in section 2680(h) of title 28, United States Code) who is employed by the Department of Justice acting within the scope of his or her employment.

(2) LIMITATIONS.—The Attorney General may not pay a claim under paragraph (1) that—

(A) is presented to the Attorney General more than 1 year after it occurs; or

(B) is presented by an officer or employee of the Federal Government and arose within the scope of employment.

SEC. 4. ATTORNEY FEES, COSTS, AND INTEREST.

(a) IN GENERAL.—Section 2465 of title 28, United States Code, is amended to read as follows:

"§ 2465. Return of property to claimant; liability for wrongful seizure; attorney fees, costs, and interest

"(a) Upon the entry of a judgment for the claimant in any proceeding to condemn or forfeit property seized or arrested under any provision of Federal law—

"(1) such property shall be returned forthwith to the claimant or his agent; and

"(2) if it appears that there was reasonable cause for the seizure or arrest, the court shall cause a proper certificate thereof to be entered and, in such case, neither the person who made the seizure or arrest nor the prosecutor shall be liable to suit or judgment on account of such suit or prosecution, nor shall the claimant be entitled to costs, except as provided in subsection (b).

"(b)(1) Except as provided in paragraph (2), in any civil proceeding to forfeit property under any provision of Federal law in which the claimant substantially prevails, the United States shall be liable for—

"(A) reasonable attorney fees and other litigation costs reasonably incurred by the claimant;

"(B) post-judgment interest, as set forth in section 1961 of this title; and

"(C) in cases involving currency, other negotiable instruments, or the proceeds of an interlocutory sale—

"(i) interest actually paid to the United States from the date of seizure or arrest of the property that resulted from the investment of the property in an interest-bearing account or instrument; and

"(ii) an imputed amount of interest that such currency, instruments, or proceeds would have earned at the rate described in section 1961, for any period during which no interest was paid (not including any period when the property reasonably was in use as evidence in an official proceeding or in conducting scientific tests for the purpose of collecting evidence).

"(2)(A) The United States shall not be required to disgorge the value of any intangible benefits nor make any other payments to the claimant not specifically authorized by this subsection.

"(B) The provisions of paragraph (1) shall not apply if the claimant is convicted of a crime for which the interest of the claimant in the property would be subject to forfeiture under a Federal criminal forfeiture law.".

(b) TECHNICAL AND CONFORMING AMENDMENT.—The analysis for chapter 163 of title 28, United States Code, is amended by striking the item relating to section 2465 and inserting following:

"2465. Return of property to claimant; liability for wrongful seizure; attorney fees, costs, and interest.".

SEC. 5. SEIZURE WARRANT REQUIREMENT.

(a) IN GENERAL.—Section 981(b) of title 18, United States Code, is amended to read as follows:

"(b)(1) Except as provided in section 985, any property subject to forfeiture to the United States under subsection (a) may be seized by the Attorney General and, in the case of property involved in a violation investigated by the Secretary of the Treasury or the United States Postal Service, the property may also be seized by the Secretary of the Treasury or the Postal Service, respectively.

"(2) Seizures pursuant to this section shall be made pursuant to a warrant obtained in the same manner as provided for a search warrant under the Federal Rules of Criminal Procedure, except that a seizure may be made without a warrant if—

"(A) a complaint for forfeiture based on probable cause has been filed in the United States district court and the court has issued an arrest warrant in rem pursuant to the Supplemental Rules for Certain Admiralty and Maritime Claims;

"(B) there is probable cause to believe that the property is subject to forfeiture and—

"(i) the seizure is made pursuant to a lawful arrest or search; or

"(ii) another exception to the Fourth Amendment warrant requirement would apply; or

"(C) the property was lawfully seized by a State or local law enforcement agency and has been transferred to a Federal agency in accordance with State law.

"(3) Notwithstanding the provisions of rule 41(a) of the Federal Rules of Criminal Procedure, a seizure warrant may be issued pursuant to this subsection by a judicial officer in any district in which a forfeiture action against the property may be filed under section 1355(b) of title 28, and executed in any district in which the property is found.".

(b) Drug Forfeitures.—Section 511(b) of the Controlled Substances Act (21 U.S.C. 881(b)) is amended to read as follows:

"(b) Seizure Procedures.—Any property subject to forfeiture to the United States under this section may be seized by the Attorney General in the manner set forth in section 981(b) of title 18, United States Code.".

SEC. 6. USE OF FORFEITED FUNDS TO PAY RESTITUTION TO CRIME VICTIMS.

Section 981(e) of title 18, United States Code, is amended by striking paragraph (6) and inserting the following:

"(6) as restoration to any victim of the offense giving rise to the forfeiture, including, in the case of a money laundering offense, any offense constituting the underlying specified unlawful activity; or".

SEC. 7. CIVIL FORFEITURE OF REAL PROPERTY.

(a) In General.—Chapter 46 of title 18, United States Code, is amended by inserting after section 984 the following:

"§985. Civil forfeiture of real property

"(a) Notwithstanding any other provision of law, all civil forfeitures of real property and interests in real property shall proceed as judicial forfeitures.

"(b)(1) Except as provided in this section—

"(A) real property that is the subject of a civil forfeiture action shall not be seized before entry of an order of forfeiture; and

"(B) the owners or occupants of the real property shall not be evicted from, or otherwise deprived of the use and enjoyment of, real property that is the subject of a pending forfeiture action.

"(2) The filing of a lis pendens and the execution of a writ of entry for the purpose of conducting an inspection and inventory of the property shall not be considered a seizure under this subsection.

"(c)(1) The Government shall initiate a civil forfeiture action against real property by—

"(A) filing a complaint for forfeiture;

"(B) posting a notice of the complaint on the property; and

"(C) serving notice on the property owner, along with a copy of the complaint.

"(2) If the property owner cannot be served with the notice under paragraph (1) because the owner—

"(A) is a fugitive;

"(B) resides outside the United States and efforts at service pursuant to Rule 4 of the Federal Rules of Civil Procedure are unavailing; or

"(C) cannot be located despite the exercise of due diligence,

constructive service may be made in accordance with the laws of the State in which the property is located.

"(3) If real property has been posted in accordance with this subsection, it shall not be necessary for the court to issue an arrest warrant in rem, or to take any other action to establish in rem jurisdiction over the property.

"(d) Real property may be seized prior to the entry of an order of forfeiture if—

"(1) the Government notifies the court that it intends to seize the property before trial; and

"(2) the court—

"(A) issues a notice of application for warrant, causes the notice to be served on the property owner and posted on the property, and conducts a hearing to determine if there is probable cause for the forfeiture; or

"(B) makes an ex parte determination that there is probable cause for the forfeiture and that there are exigent circumstances that permit the government to seize the property without prior notice and an opportunity for the property owner to be heard.

For purposes of paragraph (2)(B), to establish exigent circumstances, the Government shall show that less restrictive measures such as a lis pendens, restraining order, or bond would not suffice to protect the Government's interests in preventing the sale, destruction, or continued unlawful use of the real property.

"(e) If the court authorizes a seizure of real property under subsection (d)(2), it shall conduct a prompt post-seizure hearing during which the property owner shall have an opportunity to contest the basis for the seizure.

"(f) This section—

"(1) applies only to civil forfeitures of real property and interests in real property;

"(2) does not apply to forfeitures of the proceeds of the sale of such property or interests, or of money or other assets intended to be used to acquire such property or interests; and

"(3) shall not affect the authority of the court to enter a restraining order relating to real property.".

(b) Technical and Conforming Amendment.—The analysis for chapter 46 of title 18, United States Code, is amended by inserting after the item relating to section 984 the following:

"985. Civil forfeiture of real property.". .

SEC. 8. APPLICABILITY.

This Act and the amendments made by this Act shall apply to any forfeiture proceeding commenced on or after the date of enactment of this Act.

Hatch/Leahy Civil Asset Forfeiture Reform Act—Section-by-Section Summary

OVERVIEW

The Hatch/Leahy Civil Asset Forfeiture Reform Act would provide a more uniform procedure for federal civil asset forfeitures while increasing the due process safeguards for property owners. Among other things, the bill (1) places the burden of proof in civil forfeiture proceedings upon the government, by a preponderance of the evidence; (2) allows for the provision of counsel to indigent claimants where the property at issue is the claimant's primary residence, and where the claimant is represented by court-appointed counsel in connection with a related criminal case; (3) requires the government to pay attorney fees, costs and interest in any civil forfeiture proceeding in which the claimant substantially prevails; (4) eliminates the cost bond requirement; (5) creates a uniform innocent owner defense; (6) allows property owners more time to challenge a seizure; (7) codifies existing practice with respect to Eighth Amendment proportionality review and seizures of real property; (8) permits the pre-adjudication return of property to owners upon a showing of hardship; and (9) allows property owners to sue the government for any damage to their property.

SECTION-BY-SECTION SUMMARY

SEC. 2. CREATION OF GENERAL RULES RELATING TO CIVIL FORFEITURE PROCEEDINGS.

Creates a new section in federal criminal code (18 U.S.C. §981A) that establishes general rules for virtually all proceedings under a federal civil forfeiture statute.

Notice; claim; complaint. Subsection (a) establishes general procedures and deadlines for initiating civil forfeiture proceedings.

Paragraph (1) provides that, in general, a Federal law enforcement agency has 60 days to send notice of a seizure of property. A court shall extend the period for sending notice for 60 days upon written ex parte certification by the seizing agency that notice may have an adverse result. If the government fails to send notice, it must return the property, without prejudice to the right of the Government to commence a forfeiture proceeding at a later time.

Paragraph (2) allows property owners more time to challenge a seizure. Any person claiming an interest in seized property may file a claim not later than the deadline set forth in a personal notice letter, except that if such letter is not received, then a claim may be filed not later than 30 days after the date of final publication of notice of seizure. Claims shall be made under oath, subject to penalty of perjury. No cost bond need be posted.

Paragraph (3) allows the government 90 days after a claim has been filed to file a complaint for forfeiture or return the property, except that a court may extend the time for filing a complaint for good cause shown or upon agreement of the parties. If the government does not comply with this rule, it may not take further action to effect forfeiture of the property.

Paragraph (4) provides that any person claiming an interest in seized property must file a claim in court not later than 30 days after service of the government's complaint or, where applicable, not later than 30 days after final publication of notice of seizure. A claimant must file an answer to the government's complaint within 20 days of the filing of such claim.

Appointment of counsel. Subsection (b) permits a court to appoint counsel to represent an indigent claimant in a judicial civil forfeiture proceeding if the property subject to forfeiture is real property used by the claimant as a primary residence, or the claimant is already represented by a court-appointed attorney in connection with a related Federal criminal case.

Burden of proof. Subsection (c) shifts the burden of proof in civil asset forfeiture cases to the government, by a preponderance of the evidence. It also makes clear that the government may use evidence gathered after the filing of a complaint to meet that burden of proof.

Innocent owner. Subsection (d) codifies a uniform innocent owner defense. With respect to a property interest in existence at the time the illegal conduct giving rise to forfeiture took place, "innocent owner" means an owner who did not know of the conduct giving rise to forfeiture or who, upon learning of such conduct, did all that reasonably could be expected under the circumstances to terminate such use of the property. With respect to a property interest acquired after the conduct giving rise to the forfeiture has taken place, "innocent owner" means a person who, at the time that person acquired the interest in property, was a bona fide purchaser or seller for value and reasonably without cause to believe that the property was subject to forfeiture or, in limited circumstances involving a principal residence, a spouse or legal dependent.

Motion to set aside declaration of forfeiture. Subsection (e) provides that a person who was entitled to notice of a nonjudicial civil forfeiture who did not receive such notice may file a motion to set aside a declaration of forfeiture with respect to his or her interest in the property. This subsection codifies current case law holding that such motion must be filed not later than 6 years after the date that the claimant discovered or had reason to discover that the property was forfeited, but in no event more than 11 years after the government's cause of action in forfeiture accrued. The common law doctrine of laches applies to any motion made under this subsection. If such motion is granted, the government has 60 days to reinstitute proceedings against the property.

Release of property to avoid hardship. Subsection (f) entitles a claimant to immediate release of seized property in certain cases of hardship. Among other things, the claimant must have sufficient ties to the community to provide assurance that the property will be available at the time of the trial, the claimant's likely hardship from such continued possession outweighs the risk that the property will be destroyed, damaged, lost, concealed, or transferred if it is returned to the claimant during the pendency of the preceding. Hardship return of property does not apply to contraband, currency, electronic funds, property that is evidence of a crime, property that is specially designed to use in a crime, or any other item likely to be used to commit additional crimes if returned.

Proportionality review. Subsection (g) implements United States v. Bajakajian, 524 U.S. 321 (1998), which held that a punitive forfeiture violates the Excessive Fines Clause of the Eighth Amendment if it is grossly disproportionate to the gravity of the offense.

SEC. 3. COMPENSATION FOR DAMAGE TO SEIZED PROPERTY.

Amends the federal Tort Claims Act to apply to claims based on injury or loss of property while in the possession of the government, if the property was seized for the purpose of forfeiture but the interest of the claimant was not forfeited.

SEC. 4. ATTORNEY FEES, COSTS AND INTEREST.

Amends 28 U.S.C. §2465 to provide that, with limited exceptions, in any civil proceeding to forfeit property in which the claimant substantially prevails, the United States shall be liable for (1) reasonable attorney fees and other litigation costs reasonably incurred by the claimant; (2) post-judgment interest; and (3) in cases involving currency, negotiable instruments, or the proceeds of an interlocutory sale, any interest actually paid to the United States, or imputed interest (except where the property was in use as evidence or for testing).

SEC. 5. SEIZURE WARRANT REQUIREMENT.

Amends 18 U.S.C. §981(b) to require that seizures be made pursuant to a warrant obtained in the same manner as provided for a search warrant under the Federal Rules of Criminal Procedure, with limited exceptions.

SEC. 6. CIVIL FORFEITURE OF REAL PROPERTY.

Implements United States v. James Daniel Good Real Property, 510 U.S. 43 (1993), which held that real property may not be seized, except in exigent circumstances, without giving a property owner notice of the proposed seizure and an opportunity for an adversarial hearing. All forfeitures of real property must proceed as judicial forfeitures. Real property may be seized before entry of an order of forfeiture only if notice has been served on the property owner and the court determines that there is probable cause for the forfeiture, or if the court makes an ex parte determination that there is probable cause for the forfeiture and exigent circumstances justify immediate seizure without a pre-seizure hearing.

SEC. 7. APPLICABILITY.

Provides that all changes in the bill apply prospectively.

Mr. LEAHY. Mr. President, asset forfeiture is a powerful crime-fighting tool. It has been a particularly potent weapon in the war on drugs, allowing the government to take the cars and boats and stash houses amassed by drug dealers and put them to honest use. Last year alone, the government was able to seize nearly half a billion dollars worth of assets, cutting a big chunk out of criminals' profit stream and returning it to the law-abiding community.

Unfortunately, our nation's asset forfeiture is not fail-safe; it can be abused. In hearings on this issue, the Judiciary Committee has heard examples of what happens when prosecutorial zeal skirts the boundaries of due process, leading to the taking of private property regardless of whether the owner is innocent of, or even cognizant of, the property's use in an illegal act.

In recent years, our nation's asset forfeiture system has drawn increasing and exceedingly sharp criticism from scholars and commentators. Federal judges have also added their voices to the growing chorus of concern. In 1992, the Second Circuit Court of Appeals stated, "We continue to be enormously troubled by the government's increasing and virtually unchecked use of the civil forfeiture statutes and the disregard for due process that is buried in those statutes." Four years later, the Eighth Circuit rebuked the government for capitalizing on the claimants' confusion to forfeit over $70,000 of their currency, and expressed alarm that:

> the war on drugs has brought us to the point where the government may seize . . . a citizen's property without any initial showing of cause, and put the onus on the citizen to perfectly navigate the bureaucratic labyrinth in order to liberate what is presumptively his or hers in the first place. . . . Should the citizen prove inept, the government may keep the property, without ever having to justify or explain its actions.

Similarly, the Seventh Circuit recently expressed its belief that "the government's conduct in forfeiture cases leaves much to be desired," and ordered the return of over $500,000 in currency that had been improperly seized from a Chicago pizzeria.

Civil asset forfeiture rests upon the medieval notion that property is somehow guilty when it causes harm to another. The notion of "guilty property" is what enables the government to seize property regardless of the guilt or innocence of the property owner. In many asset forfeiture cases, the person whose property is taken is never charged with any crime.

The "guilty property" notion also explains the topsy-turvy nature of today's civil forfeiture proceedings, in which the property owner—not the government—bears the burden of proof. Under current law, all the government must do is make an initial showing of probable cause that the property is "guilty" and subject to forfeiture; it is then up to the property owner to prove a negative—that the property was not involved in any wrongdoing.

It is time to reexamine the obsolete underpinnings of our civil forfeiture laws and bring these laws in line with more modern principles of due process and fair play. We must be especially careful to ensure that innocent property owners are adequately protected.

The Hatch-Leahy Civil Asset Forfeiture Reform Act provides greater safeguards for individuals whose property has been seized by the government. It incorporates all of the core reforms of H.R. 1658, which passed the House of Representatives in June by an overwhelming bipartisan majority. The Hatch-Leahy bill also includes a number of additional reforms which, among other things, establish a fair and uniform procedure for forfeiting real property, and entitle property owners to challenge a forfeiture as constitutionally excessive.

During our hearing this year on civil asset forfeiture reform, the Justice Department and other law enforcement organizations expressed concern that some of the reforms included in the House bill would interfere with the government's ability to combat crime. The bill we introduce today addresses the legitimate concerns of law enforcement. In particular, the bill puts the burden of proof on the government by a preponderance of the evidence, and not by clear and convincing evidence. The preponderance standard is used in virtually all other civil cases, and we believe it is sufficient to protect the interests of property owners.

We have also removed provisions in H.R. 1658 that would allow criminals to leave their ill-gotten gains to their heirs, and would bar the government from forfeiting property if it inadvertently sent notice of a seizure to the wrong address. These provisions did little more than create procedural "gotchas" for criminals and their heirs, and are neither necessary nor desirable as a matter of policy.

The Hatch-Leahy bill also differs from the House bill in its approach to the issue of appointed counsel. Under H.R. 1658, anyone asserting an interest in seized property could apply for a court-appointed lawyer. There is no demonstrated need for such an unprecedented extension of the right to counsel, nor is there any principled distinction between defendants in civil forfeiture actions and defendants in other federal enforcement actions who are not eligible for court-appointed counsel. Moreover, property owners who are indigent may be eligible to obtain representation through various legal aid clinics.

The Hatch-Leahy bill authorizes courts to appoint counsel for indigent claimants in just two limited circumstances. First, a court may appoint counsel in the handful of forfeiture cases in which the property at issue is the claimant's primary residence. When a forfeiture action can result in a claimant's eviction and homelessness, there is more at stake than just a property interest, and it is fair and just that the claimant be provided with an attorney if she cannot otherwise afford one. Second, if a claimant is already represented by a court-appointed attorney in a related federal criminal case, the court may authorize that attorney to represent the claimant in the civil forfeiture action. This is both fair and efficient, and eliminates any appearance that the government chose to pursue the forfeiture in a civil proceeding rather than as part of the criminal case in order to deprive the claimant of his right to counsel.

For claimants who were not appointed counsel by the court, the Hatch-Leahy bill allows for the recovery of reasonable attorney fees and costs if they substantially prevail in court. The bill also makes the government liable for post-judgment interest on any money judgment, and imputed interest in certain cases involving currency or negotiable instruments.

Another core reform of the Hatch-Leahy bill is the elimination of the so-called "cost bond." Under current law, a property owner that seeks to recover his property after it has been seized by the government must pay for privilege by posting a bond with the court. The government has strongly defended the "cost bond," not as a device for ensuring that its court costs are covered, but as a way of deterring frivolous claims. Of course, we are all in favor of deterring frivolous claims, but there are ways to deter frivolous claims without offending the fundamental principle of equal and open access to the courts, a bedrock of our American system of justice. The Hatch-Leahy bill provides that a person who challenges a forfeiture must file his claim on oath, under penalty of perjury. Claimants also remain subject to the general sanctions for bad faith in instituting or conducting litigation. Further, most claimants will continue to bear the substantial costs of litigating their claims in court. The additional financial burden of the "cost bond" serves no legitimate purpose.

Under current law, a property owner has only 20 days from the date of first publication of the notice of seizure to file a claim challenging an administrative forfeiture, and only 10 days to file a claim challenging a judicial forfeiture. It is therefore unlikely that anyone who misses the first of three published notices will be able to file a timely claim. The Hatch-Leahy bill extends the property owner's time to file a claim following administrative and judicial forfeiture actions to 30 days. The bill also codifies current Department of Justice policy with respect to the time period for sending notice of seizure, and establishes a 90-day period for filing a complaint. The bill leaves undisturbed current laws and procedures with respect to the proper form and content of notices, claims and complaints.

Finally, the Hatch-Leahy bill will allow property owners to hold on to their property while a case in process, if they can show that continued possession of the government will cause substantial hardship to the owner, such as preventing him from working, and that this hardship outweighs the risk that the property will be destroyed or concealed if returned to the owner during the pendency of the case. Unlike H.R. 1658, the Hatch-Leahy bill adopts the primary safeguards that the Justice Department wanted added to the provision—that property owners must have sufficient ties to the community to provide assurance that the property will not disappear and that certain property, such as currency and property particularly suited for use in illegal activities, cannot be returned. As amended, the hardship provision in the Hatch-Leahy bill is substantially similar to the hardship provision in another civil asset forfeiture bill, S. 1701, which the Justice Department has endorsed.

The fact is, the Justice Department has endorsed most of the core reforms contained in the Hatch-Leahy bill. Indeed, the Department has already taken administrative steps to remedy many of the civil forfeiture abuses identified in recent years by the federal courts. For this, the Department is to be commended. But administrative policy can be modified on the whim of whoever is in charge, and the law remains susceptible to abuse.

It is time for Congress to catch up with the Justice Department and the courts on this important issue. Due to internecine fighting among law enforcement officials whose views Congress always wants to take into consideration, action on civil forfeiture reform has been delayed for far too long. The Hatch-Leahy bill strikes the appropriate middle ground between the House bill and S. 1701, providing comprehensive and meaningful reform while ensuring the continued potency of civil asset forfeiture in the war on crime.

Senator HATCH and I share a long-standing and deeply-held appreciation for law enforcement and the officers who work on the front lines to protect our families and communities, and we have worked together on a number of crime-related issues in the past. I want to commend him for his commitment, not just to law enforcement, but to the rights of all Americans. It has been my pleasure to work with him on this issue, to bring balance back in the relationship between our police forces and the citizens of this country.

By Mr. JEFFORDS:

S. 1932. A bill to amend the Ricky Ray Hemophilia Relief Fund Act of 1998 to revise and extend certain provisions; to the Committee on Health, Education, Labor, and Pensions.

THE RICKY RAY FAIRNESS ACT OF 1999

• Mr. JEFFORDS. Mr. President, last year Congress passed and the President signed a significant measure that will, as funds are provided, provide compassionate compensation payments to hundreds of individuals. Public Law 105–369, the Ricky Ray Hemophilia Relief Act of 1998, authorizes payments for hemophiliacs treated with blood products infected with HIV during the 1980s as well as their infected spouses and children. Last year, Mr. President, you and I, and all of our colleagues gave our unanimous consent to this measure because we all knew it was the right thing to do. But we accomplished only part of the job. We provided compassionate compensation to only a portion of the Americans who, through indecisiveness and inaction on the part of federal government, became infected with HIV. So today I am introducing legislation that will set the record straight and finish what needs to be done, and I hope that our colleagues will once again in the name of fairness and compassion give this measure their unanimous support.

I am on the floor today to introduce legislation that will bring much needed fairness to hundreds of our citizens. This bill, the Ricky Ray Fairness Act of 1999 will finally include those people, other than hemophiliacs, who were infected with HIV and contracted AIDS through HIV contaminated blood products or tissues.

The blood crisis of the 1980s resulted in the HIV infection of thousands of Americans who trusted that the blood or blood product with which they were treated was safe. The tragedy of the blood supply's contamination has brought unbearable pain to families all over the country. I have heard from dozens over the past months. These are people like any of us—like our children and our grandchildren—who went to hospitals for standard procedures, emergency care, or were transfused due to complications in childbirth. Many children and adults were secondarily infected: children through childbirth or HIV-infected breast milk and adults through their spouses. Lives were lost and futures were ruined. Not only were there physical and emotional costs, but there exists a tremendous drain on personal finances as a result of lost income and extreme medical expenses. In the minds of these and in the minds of members who advocated for the Ricky Ray bill, the federal government played the determining role in the tragedy.

Mr President, these people were infected with HIV because the federal government failed to protect the blood supply during the mid-1980s when it did not use its regulatory authority to implement a wide range of blood and blood-donor screening options recommended by the Centers for Disease Control and Prevention. Had the federal government taken the recommendations of the CDC, thousands of American men, women and children would not have contracted AIDS through HIV-contaminated blood and blood products.

Sadly, and unfairly, the Ricky Ray Hemophilia Relief Fund Act as passed last year does not include all victims of the blood supply crisis. I feel strongly that the Act must be amended to include compensation for not only hemophiliacs, but also people who received a blood transfusion or blood product in the course of medical treatment. Though it was right for us to pass the Ricky Ray Act last year, it remains an inequity and a tragedy that the federal government did so without including victims of transfusion-associated AIDS.

Unlike a few individuals, most people infected with HIV through blood and blood products have been unable to track the source of their infection; nor have they been able to obtain some judicial relief through the courts. The community hit by this tragedy has found it nearly impossible to make recovery through the courts because of blood shield laws in most states that raise the burden of proof for product liability claims for blood and blood products. In addition, all States have statutes of limitations that prohibit litigation if the suit was not filed within a certain period of time.

I am introducing today what can be the final chapter in our Country's responsibility for not adequately protecting the blood supply during the 1980s. The Ricky Ray Fairness Act of 1999 provides compassionate payments to those infected with HIV contaminated blood, blood components, or human tissues. While the change to include transfusion cases increases the cost of this bill, many have already noted that this bill is not about money, it's about fairness. I urge my colleagues to join me in recognizing the terrible tragedy the blood supply crisis of the 1980s cast upon all of its victims.•

By Mr. DODD (for himself and Mr. BENNETT):

S. 1934. A bill to amend the Internal Revenue Code of 1986 to allow a tax credit for business-provided student education and training; to the Committee on Finance.

THE BUSINESSES EDUCATING STUDENTS IN TECHNOLOGY (BEST) ACT

• Mr. DODD. Mr. President, today I rise to introduce legislation with my colleague from Utah, Senator BENNETT, that addresses the serious shortage of students graduating from our nation's colleges and universities with technology-based education and skills.

Technology is reshaping our world at a rapid pace. Competition to meet the needs, wants, and expectations of businesses and consumers has accelerated the rate of technological progress to a level inconceivable even a few years ago. Today, technology is playing an increasingly important role in the lives of every American and is a key ingredient in sustaining America's economic growth. It is the wellspring from which new businesses, high-wage jobs, and a rising quality of life will flow in the 21st century.

This profound technological change, coupled with a period of sustained fiscal discipline in the federal government, has led to an unprecedented period of economic growth in our nation. For the first time in three decades, we are enjoying the prospect of budget surpluses that could total one trillion dollars over the next ten years. We have the lowest unemployment in 29 years. Inflation has fallen to its lowest rate in almost 30 years. Our economy has created 20 million new jobs in the last seven years.

If we want to build on this progress, we must encourage people to develop and use emerging technologies. Technological progress has become the single most important determining factor in sustaining economic growth in our economy. It is estimated that technological innovation has accounted for as much as half the nation's long-term economic growth over the past 50 years and is expected to account for an even higher percentage in the next 50 years.

And yet, there is growing evidence that we are not doing enough to prepare people to make the most of this emerging "New Economy." The explosive growth in the technology industry has resulted in a growing shortage of qualified and educated workers with skills in computer science and other technologically advanced systems. For example, more than 350,000 information technology positions are currently vacant throughout the United States. That is an astounding statistic. While we have managed to erase the budget deficit, our nation faces a rising knowledge deficit that could just as readily impede economic growth.

At this moment, there is little sign that "this technology deficit will be erased. The supply of technology-savvy U.S. college graduates appears to be on the wane. In my home state of Connecticut, public and private colleges combined produced only 297 computer and information science graduates in 1997, a 50 percent decline since 1987. The decline in students receiving engineering degrees is even more troubling. From 1989 to 1999, the number of Connecticut students graduating in this field has decreased by 65 percent.

This trend is not limited to any one state; it is nationwide in scope. The number of graduates receiving bachelor of science degrees in engineering has fallen to a 17-year low of 19.8 percent. Between 1990 and 1996, the number of students obtaining high-tech degrees declined by 5 percent. These are clearly trends that must be reversed if we wish to continue building upon the technological achievements we have already made and ensure that our economy can continue to grow and create jobs to its full potential.

Indeed, at large and mid-sized companies, there is already one vacancy for every 10 information technology jobs, and eight out of 10 companies expect to hire information technology workers in the year ahead. Over the next decade, the Department of Commerce estimates that 1.3 million new jobs will be created for systems analysts, computer engineers, and computer scientists. Moreover, by 2006, nearly half of the U.S. workforce will be employed by industries that are either producers or significant users of technology products and services.

Clearly, we must do more to eliminate this shortage of technologically skilled workers. Some have suggested stop-gap measures such as extending more visas to foreign nationals who possess the skills most in demand here in the United States. More important than steps such as this are efforts to promote , technology-based learning among American students. In Connecticut, many businesses are making such efforts. They are establishing scholarships, donating lab equipment and computers, planning curricula, and sending employees into colleges and universities to instruct and help prepare students for technology-based jobs.

For instance, one Connecticut company, the Bayer Corporation, has committed $1.1 million to the University of New Haven over six years to help increase the effectiveness of its science curriculum. This partnership includes the donation of equipment, scholarships, internships, and other efforts that seek to engage students more actively in science and technology.

Another positive example of cooperation between business and academic institutions in Connecticut is the support provided to the biotechnology program at Middlesex Community-Technical College by the Bristol Myers Squibb Pharmaceutical Research Institute and the Curagen Corporation. These companies, too, have established scholarships, donated lab equipment, and encouraged their research scientists to give lectures to students.

While these partnerships do exist in Connecticut, and indeed, across the country, businesses and academic institutions should not be left to tackle alone the challenge of helping students obtain the technological learning and skills they need to succeed in the new century. The Senate has before it the opportunity to assist in this effort, to encourage the growth of innovation and education, and to address the shortage of skilled high-tech workers so vital to our continued technological and economic growth.

That is why I am pleased to have the opportunity today to introduce legislation that will encourage businesses to form partnerships with institutions of higher learning in order to improve technology-based learning so that more of our nation's students will be better prepared to fill the jobs of the 21st century.

The "Businesses Educating Students in Technology," or BEST Act, will give a tax credit to any business that joins with a university, college, or community-technical school to support technology-based educational activities which are directly related to the purpose of that business. The legislation would allow businesses to claim a tax credit for 40 percent of these educational expenses, up to a maximum of $100,000 for any one company.

Mr. President, it is my hope that this tax credit will provide the incentive for more of our country's corporate leaders to take a more active role in the technological education, training, and skill development of our nation's most valuable resource—its students.

If businesses take advantage of this credit, they will help create a larger pool of skilled workers to draw from and, in turn, help our nation foster a better educated population that possesses the knowledge to succeed in the information-based economy of the future.

I hope my colleagues join me and Senator BENNETT in supporting this important legislation. Mr. President, I ask that the text of the legislation be printed in the RECORD.

The bill follows:

S. 1934

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Businesses Educating Students in Technology (BEST) Act".

SEC. 2. FINDINGS.

Congress finds the following:

(1) Technological progress is the single most important determining factor in sustaining growth in the Nation's economy. It is estimated that technological innovation has accounted for as much as half the Nation's long-term economic growth over the past 50 years and will account for an even higher percentage in the next 50 years.

(2) The number of jobs requiring technological expertise is growing rapidly. For example, it is estimated that 1,300,000 new computer engineers, programmers, and systems analysts will be needed over the next decade in the United States economy. Yet, our Nation's computer science programs are only graduating 25,000 students with bachelor's degrees yearly.

(3) There are more than 350,000 information technology positions currently unfilled throughout the United States, and the number of students graduating from colleges with computer science degrees has declined dramatically.

(4) In order to help alleviate the shortage of graduates with technology-based education and skills, businesses in a number of States have formed partnerships with colleges, universities, community-technical schools, and other institutions of higher learning to give lectures, donate equipment, plan curricula, and perform other activities designed to help students acquire the skills and knowledge needed to fill jobs in technology-based industries.

(5) Congress should encourage these partnerships by providing a tax credit to businesses that enter into them. Such a tax credit will help students obtain the knowledge and skills they need to obtain jobs in technology-based industries which are among the best paying jobs being created in the economy. The credit will also assist businesses in their efforts to develop a more highly-skilled, better trained workforce that can fill the technology jobs such businesses are creating.

SEC. 3. ALLOWANCE OF CREDIT FOR BUSINESS-PROVIDED STUDENT EDUCATION AND TRAINING.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to business related credits) is amended by adding at the end the following:

"SEC. 45D. BUSINESS-PROVIDED STUDENT EDUCATION AND TRAINING.

"(a) ALLOWANCE OF CREDIT.—For purposes of section 38, the business-provided student education and training credit determined under this section for the taxable year is an amount equal to 40 percent of the qualified student education and training expenditures of the taxpayer for such taxable year.

"(b) DOLLAR LIMITATION.—The credit allowable under subsection (a) for any taxable year shall not exceed $100,000.

"(c) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED STUDENT EDUCATION AND TRAINING EXPENDITURE.—

"(A) IN GENERAL.—The term 'qualified student education and training expenditure' means—

"(i) any amount paid or incurred by the taxpayer for the qualified student education and training services provided by any employee of the taxpayer, and

"(ii) the basis of the taxpayer in any tangible personal property contributed by the taxpayer and used in connection with the provision of any qualified student education and training services.

"(B) EXCLUSION FOR AMOUNTS FUNDED BY GRANTS, ETC.—The term 'qualified student education and training expenditure' shall not include any amount to the extent such amount is funded by any grant, contract, or otherwise by another person (or any governmental entity).

"(2) QUALIFIED STUDENT EDUCATION AND TRAINING SERVICES.—

"(A) IN GENERAL.—For purposes of paragraph (1), the term 'qualified student education and training services' means technology-based education and training of students in any eligible educational institution in employment skills related to the trade or business of the taxpayer.

"(B) TECHNOLOGY-BASED EDUCATION AND TRAINING.—

"(i) IN GENERAL.—For purposes of subparagraph (A), the term 'technology-based education and training' means education and training in—

"(I) aerospace technology,

"(II) biotechnology,

"(III) electronic device technology,

"(IV) environmental technology,

"(V) medical device technology,

"(VI) computer technology or equipment, or

"(VII) advanced materials.

"(ii) DEFINITIONS.—For purposes of clause (i)—

"(I) AEROSPACE TECHNOLOGY.—The term 'aerospace technology' means technology used in the manufacture, design, maintenance, or servicing of aircraft, aircraft components, or other aeronautics, including space craft or space craft components.

"(II) BIOTECHNOLOGY.—The term 'biotechnology' means technology (including products and services) developed as the result of the study of the functioning of biological systems from the macro level to the molecular and sub-atomic levels.

"(III) ELECTRONIC DEVICE TECHNOLOGY.—The term 'electronic device technology' means technology involving microelectronics, semiconductors, electronic equipment, instrumentation, radio frequency, microwave, millimeter electronics, optical and optic-electrical devices, or data and digital communications and imaging devices.

"(IV) ENVIRONMENTAL TECHNOLOGY.—The term 'environmental technology' means technology involving the assessment and prevention of threats or damage to human health or the environment, environmental cleanup, or the development of alternative energy sources.

"(V) MEDICAL DEVICE TECHNOLOGY.—The term 'medical device technology' means technology involving any medical equipment or product (other than a pharmaceutical product) which has therapeutic value, diagnostic value, or both, and is regulated by the Federal Food and Drug Administration.

"(VI) COMPUTER TECHNOLOGY OR EQUIPMENT.—The term 'computer technology or equipment' has the meaning given such term in section 170(e)(6)(E)(i).

"(VII) ADVANCED MATERIALS.—The term 'advanced materials' means materials with engineered properties created through the development of specialized processing and synthesis technology, including ceramics, high value-added metals, electronics materials, composites, polymers, and biomaterials.

"(C) ELIGIBLE EDUCATIONAL INSTITUTION.—For purposes of subparagraph (A), the term 'eligible educational institution' has the meaning given such term by section 529(e)(5).

"(d) SPECIAL RULES.—For purposes of this section—

"(1) AGGREGATION RULES.—All persons which are treated as a single employer under subsections (a) and (b) of section 52 shall be treated as a single taxpayer.

"(2) PASS-THRU IN THE CASE OF ESTATES AND TRUSTS.—Under regulations prescribed by the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply.

"(3) ALLOCATION IN THE CASE OF PARTNERSHIPS.—In the case of partnerships, the credit shall be allocated among partners under regulations prescribed by the Secretary.

"(f) NO DOUBLE BENEFIT.—No deduction or credit shall be allowed under any other provision of this chapter with respect to any expenditure taken into account in computing the amount of the credit determined under this section."

(b) CONFORMING AMENDMENTS.—

(1) Section 38(b) of the Internal Revenue Code of 1986 is amended—

(A) by striking out "plus" at the end of paragraph (11),

(B) by striking out the period at the end of paragraph (12), and inserting a comma and "plus", and

(C) by adding at the end the following:

"(13) the business-provided student education and training credit determined under section 45D."

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1 of such Code is amended by adding at the end the following:

"Sec. 45D. Business-provided student education and training credit."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.●

By Mr. HARKIN (for himself and Mr. SPECTER):

S. 1935. A bill to amend title XIX of the Social Security Act to provide for coverage of community attendant services and supports under the Medicaid Program; to the Committee on Finance.

THE MEDICAID COMMUNITY ATTENDANT SERVICES AND SUPPORT ACT

Mr. HARKIN. Mr. President, today, along with Senator ARLEN SPECTER, I am introducing the Medicaid Community Attendant Services and Supports Act. Our bill allows people to have a real choice about where they receive certain types of Medicaid long term services and supports. It also provides grants to the States to assist them as they redirect Medicaid resources into community-based services and supports.

We all know that given a real choice, most Americans who need long term services and supports would rather remain in their own homes and communities than go to a nursing home. Older people want to stay in their homes; parents want to keep their children with disabilities close by; and adults with disabilities want to live in the community.

And yet, even though many people prefer home and community services and supports, our current long term care program favors institutional programs. Under our current Medicaid system, a person has a right to the most expensive form of care, a nursing home bed, because nursing home care is an entitlement. But if that same person wants to live in the community, he or she is likely to encounter a lack of available services, because community services are optional under Medicaid. The deck is stacked against community living, and the purpose of our bill is to level the playing field and give people a real choice.

Our bill would allow any person entitled to medical assistance in a nursing facility or an intermediate care facility to use the money for community attendant services and supports. Those services and supports include help with eating, bathing, brooming, toileting, transferring in and out of a wheelchair, meal planning and preparation, shopping, household chores, using the telephone, participating in the community, and health-related functions like taking pills, bowel and bladder care, and tube feeding. In short, personal assistance services and supports help people do tasks that they would do them selves, if they did not have a disability.

Personal assistance services and supports are the lowest-cost and most consumer friendly services in the long-term care spectrum. They can be provided by a variety of people, including friends and neighbors of the recipient. In many instances, with supervision, the consumer can direct his or her own care and manage his or her own attendants. This cuts down on expensive administrative overhead and the current practice of relying on medical personnel such as nurses to coordinate a person's care. States can save money and redirect medically-oriented care to those who need it most.

Not only is home and community-based care what people want, it can also be far less expensive. There is a wide variation in the cost of supporting people with disabilities in the community because individuals have different levels of need. But, for the average person, the annual cost of home and community based services is less than one-half the average cost of institutional care. In 1997, Medicaid spent $56 billion on long term care. Out of that $56 billion, $42.5 billion was spent on nursing home and institutional care. This paid for a little over 1 million people. In comparison, only $13.5 billion was spent on home and community-based care—but this money paid for almost 2 million people. Community services make sound, economic sense.

In fact, the States are out ahead of us here in Washington on this issue. Thirty States are now providing the personal care optional benefit through their Medicaid programs. Almost every State offers at least one home and community based Medicaid waiver program. Indeed, this is one of Senator Chafee's most important legacies. He was ahead of his time.

The States have realized that community based care is both popular and cost effective, and personal assistance services and supports are a key component of a successful program.

And yet there are several reasons why we have to do more.

Federal Medicaid policy should reflect the consensus that Americans with disabilities should have the equal opportunity to contribute to our communities and participate in our society as full citizens. Instead, our current Federal Medicaid policy favors exclusion over integration, and dependence over self-determination. This legislation will bring Medicaid policy in line with our broader agreement that Americans with disabilities should have the chance to move toward independence. This bill allows people to receive certain types of services in the community so that they don't have to sacrifice their full participation in society simply because they require a catheter, assistance with medication, or some other basic service.

Take the example of a friend of mine in Iowa. Dan Piper works at a hardware store. He has his own apartment and just bought a VCR. He also has Down's syndrome and diabetes. For years Dan has received services through a community waiver program. But, he recently learned that he might not be able to receive some basic services under the waiver. The result of this decision? He may have to sacrifice his independence for services. Today, Dan works and contributes to the economy as both a wage earner and a consumer. But, tomorrow, he may be forced into a nursing home, far from his roommate, his job, and his family.

In addition, our country is facing a long-term care crisis of epic proportions in the not-too distant future. We all talk about the coming Social Security shortfall and the Medicare shortfall, but we do not talk about the long-term care shortfall. The truth is that our current long-term care system will be inadequate to deal with the aging of the baby boom generation, the oldest of whom are now turning 60. Our bill helps to create the infrastructure we will need to create the high-quality, community based long term care system of the future. And it will give families the small amount of outside help they need to continue providing care to their loved ones at home.

And, finally, in a common sense decision last June, the Supreme Court found that, to the extent Medicaid dollars are used to pay for a person's long term care, that person has a right to receive those services in the most integrated setting. States must take practical steps to avoid unjustified institutionalization by offering individuals with disabilities the supports they need to live in the community. We in Congress have a responsibility to help States meet the financial costs associated with serving people with disabilities that want to leave institutions and live in the community, and the bill I am introducing will provide that help.

And so I call upon my colleagues for your support. Millions of Americans require some assistance to help them eat, dress, go to the bathroom, clean house, move from bed to wheelchair, remember to take medication, and to perform other activities that make it possible for them to live at home. These Americans live in every State and every congressional district. Most of these people have depended on unpaid caregivers—usually family members—for their needs. But a number of factors have affected the ability of family members to help. A growing number of elderly people need assistance, and aging parents will no longer be able to care for their adult children with disabilities.

But they all have one thing in common with every American. We all deserve to live in our own homes, and be an integral part of our families, our neighborhoods, our communities. Community attendant services and supports allow people with disabilities to lead richer, fuller lives, perhaps have a job, and participate in the community. Some will become taxpayers, some will do volunteer work, some will get an education, some will participate in recreational and other community activities. All will experience a better quality of life, and a better chance to take part in the American dream.

I urge my colleagues and their staff to study our proposal over the break. I hope there will be hearings and action on this bill next year. And, finally, I ask unanimous consent that the bill, along with letters in support of the bill, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 1935

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Medicaid Community Attendant Services and Supports Act of 1999".

SEC. 2. FINDINGS, PURPOSES, AND POLICY.

(a) Findings.—Congress makes the following findings:

(1) Many studies have found that an overwhelming majority of individuals with disabilities needing long-term services and supports would prefer to receive them in home and community-based settings rather than in institutions. However, research on the provision of long-term services and supports under the medicaid program (conducted by and on behalf of the Department of Health and Human Services) has revealed a significant bias toward funding these services in institutional rather than home and community-based settings. The extent of this bias is indicated by the fact that 75 percent of medicaid funds for long-term services and supports are expended in nursing homes and intermediate care facilities for the mentally retarded while approximately 25 percent of such funds pays for services in home and community-based settings.

(2) Because of this bias, significant numbers of individuals with disabilities of all ages who would prefer to live in the community and could do so with community attendant services and supports are forced to live in unnecessarily segregated institutional settings if they want to receive needed services and supports. Benefit packages provided in these settings are medically-oriented and constitute barriers to the receipt of the types of services individuals need and want. Decisions regarding the provision of services and supports are too often influenced by what is reimbursable rather than by what individuals need and want.

(3) There is a growing recognition that disability is a natural part of the human experience that in no way diminishes an individual's right to—

(A) live independently;

(B) enjoy self-determination;

(C) make choices;

(D) contribute to society; and

(E) enjoy full inclusion and integration in the mainstream of American society.

(4) Long-term services and supports provided under the medicaid program must meet the evolving and changing needs and preferences of individuals with disabilities, including the preferences for living within one's own home or living with one's own family and becoming productive members of the community.

(5) The goals of the Nation properly include providing individuals with disabilities with—

(A) a meaningful choice of receiving long-term services and supports in the most integrated setting appropriate;

(B) the greatest possible control over the services received; and

(C) quality services that maximize social functioning in the home and community.

(b) Purposes.—The purposes of this Act are as follows:

(1) To provide that States shall offer community attendant services and supports for eligible individuals with disabilities.

(2) To provide financial assistance to States to support systems change initiatives that are designed to assist each State in developing and enhancing a comprehensive consumer-responsive statewide system of long-term services and supports that provides real consumer choice and direction consistent with the principle that services and supports should be provided in the most integrated setting appropriate to meeting the unique needs of the individual.

(c) Policy.—It is the policy of the United States that all programs, projects, and activities receiving assistance under this Act shall be carried out in a manner consistent with the following principles:

(1) Individuals with disabilities, or, as appropriate, their representatives, must be empowered to exercise real choice in selecting long-term services and supports that are of high quality, cost-effective, and meet the unique needs of the individual in the most integrated setting appropriate.

(2) No individual should be forced into an institution to receive services that can be effectively and efficiently delivered in the home or community.

(3) Federal and State policies, practices, and procedures should facilitate and be responsive to, and not impede, an individual's choice in selecting long-term services and supports.

(4) Individuals and their families receiving long-term services and supports must be involved in decisionmaking about their own care and be provided with sufficient information to make informed choices.

SEC. 3. COVERAGE OF COMMUNITY ATTENDANT SERVICES AND SUPPORTS UNDER THE MEDICAID PROGRAM.

(a) Required Coverage for Individuals Entitled to Nursing Facility Services or Eligible for Intermediate Care Facility Services for the Mentally Retarded.—Section 1902(a)(10)(D) of the Social Security Act (42 U.S.C. 1396a(a)(10)(D)) is amended—

(1) by inserting "(i)" after "(D)";

(2) by adding "and" after the semicolon; and

(3) by adding at the end the following:

"(ii) subject to section 1935, for the inclusion of community attendant services and supports for any individual who is eligible for medical assistance under the State plan and with respect to whom there has been a determination that the individual requires the level of care provided in a nursing facility or an intermediate care facility for the mentally retarded (whether or not coverage of such intermediate care facility is provided under the State plan) and who requires such community attendant services and supports based on functional need and without regard to age or disability;".

(b) Medicaid Coverage of Community Attendant Services and Supports.—

(1) In general.—Title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) is amended—

(A) by redesignating section 1935 as section 1936; and

(B) by inserting after section 1934 the following:

"COMMUNITY ATTENDANT SERVICES AND SUPPORTS

"Sec. 1935. (a) Definitions.—In this title:

"(1) Community attendant services and supports.—

"(A) In general.—The term 'community attendant services and supports' means attendant services and supports furnished to an individual, as needed, to assist in accomplishing activities of daily living, instrumental activities of daily living, and health-related functions through hands-on assistance, supervision, or cueing—

"(i) under a plan of services and supports that is based on an assessment of functional need and that is agreed to by the individual or, as appropriate, the individual's representative;

"(ii) in a home or community setting, which may include a school, workplace, or recreation or religious facility, but does not include a nursing facility, an intermediate care facility for the mentally retarded, or other congregate facility;

"(iii) under an agency-provider model or other model (as defined in paragraph (2)(C)); and

"(iv) the furnishing of which is selected, managed, and dismissed by the individual, or, as appropriate, with assistance from the individual's representative.

"(B) Included services and supports.—Such term includes—

"(i) tasks necessary to assist an individual in accomplishing activities of daily living, instrumental activities of daily living, and health-related functions;

"(ii) acquisition, maintenance, and enhancement of skills necessary for the individual to accomplish activities of daily living, instrumental activities of daily living, and health-related functions;

"(iii) backup systems or mechanisms (such as the use of beepers) to ensure continuity of services and supports; and

"(iv) voluntary training on how to select, manage, and dismiss attendants.

"(C) Excluded services and supports.—Subject to subparagraph (D), such term does not include—

"(i) provision of room and board for the individual;

"(ii) special education and related services provided under the Individuals with Disabilities Education Act and vocational rehabilitation services provided under the Rehabilitation Act of 1973;

"(iii) assistive technology devices and assistive technology services;

"(iv) durable medical equipment; or

"(v) home modifications.

"(D) Flexibility in transition to community-based home setting.—Such term may include expenditures for transitional costs, such as rent and utility deposits, first months's rent and utilities, bedding, basic kitchen supplies, and other necessities required for an individual to make the transition from a nursing facility or intermediate care facility for the mentally retarded to a community-based home setting where the individual resides.

"(2) ADDITIONAL DEFINITIONS.—

"(A) ACTIVITIES OF DAILY LIVING.—The term 'activities of daily living' includes eating, toileting, grooming, dressing, bathing, and transferring.

"(B) CONSUMER DIRECTED.—The term 'consumer directed' means a method of providing services and supports that allow the individual, or where appropriate, the individual's representative, maximum control of the community attendant services and supports, regardless of who acts as the employer of record.

"(C) DELIVERY MODELS.—

"(i) AGENCY-PROVIDER MODEL.—The term 'agency-provider model' means, with respect to the provision of community attendant services and supports for an individual, a method of providing consumer-directed services and supports under which entities contract for the provision of such services and supports.

"(ii) OTHER MODELS.—The term 'other models' means methods, other than an agency-provider model, for the provision of consumer-directed services and supports. Such models may include the provision of vouchers, direct cash payments, or use of a fiscal agent to assist in obtaining services.

"(D) HEALTH-RELATED FUNCTIONS.—The term 'health-related functions' means functions that can be delegated or assigned by licensed health-care professionals under State law to be performed by an attendant.

"(E) INSTRUMENTAL ACTIVITIES OF DAILY LIVING.—The term 'instrumental activities of daily living' includes meal planning and preparation, managing finances, shopping for food, clothing and other essential items, performing essential household chores, communicating by phone and other media, and getting around and participating in the community.

"(F) INDIVIDUAL'S REPRESENTATIVE.—The term 'individual's representative' means a parent, a family member, a guardian, an advocate, or an authorized representative of an individual.

"(b) LIMITATION ON AMOUNTS OF EXPENDITURES UNDER THIS TITLE.—In carrying out section 1902(a)(10)(D)(ii), a State shall permit an individual who has a level of severity of physical or mental impairment that entitles such individual to medical assistance with respect to nursing facility services or qualifies the individual for intermediate care facility services for the mentally retarded to choose to receive medical assistance for community attendant services and supports (rather than medical assistance for such institutional services and supports), in the most integrated setting appropriate to the needs of the individual, so long as the aggregate amount of the Federal expenditures for community attendant services and supports for all such individuals in a fiscal year does not exceed the total that would have been expended for such individuals to receive such institutional services and supports in the year.

"(c) MAINTENANCE OF EFFORT.—With respect to a fiscal year quarter, no Federal funds may be paid to a State for medical assistance provided to individuals described in section 1902(a)(10)(D)(ii) for such fiscal year quarter if the Secretary determines that the total of the State expenditures for programs to enable such individuals with disabilities to receive community attendant services and supports (or services and supports that are similar to such services and supports) under other provisions of this title for the preceding fiscal year quarter is less than the total of such expenditures for the same fiscal year quarter for the preceding fiscal year.

"(d) STATE QUALITY ASSURANCE PROGRAM.—In order to continue to receive Federal financial participation for providing community attendant services and supports under this section, a State shall, at a minimum, establish and maintain a quality assurance program that provides for the following:

"(1) The State shall establish requirements, as appropriate, for agency-based and other models that include—

"(A) minimum qualifications and training requirements, as appropriate for agency-based and other models;

"(B) financial operating standards; and

"(C) an appeals procedure for eligibility denials and a procedure for resolving disagreements over the terms of an individualized plan.

"(2) The State shall modify the quality assurance program, where appropriate, to maximize consumer independence and consumer direction in both agency-provided and other models.

"(3) The State shall provide a system that allows for the external monitoring of the quality of services by entities consisting of consumers and their representatives, disability organizations, providers, family, members of the community, and others.

"(4) The State provides ongoing monitoring of the health and well-being of each recipient.

"(5) The State shall require that quality assurance mechanisms appropriate for the individual should be included in the individual's written plan.

"(6) The State shall establish a process for mandatory reporting, investigation, and resolution of allegations of neglect, abuse, or exploitation.

"(7) The State shall obtain meaningful consumer input, including consumer surveys, that measure the extent to which a participant receives the services and supports described in the individual's plan and the participant's satisfaction with such services and supports.

"(8) The State shall make available to the public the findings of the quality assurance program.

"(9) The State shall establish an on-going public process for the development, implementation, and review of the State's quality assurance program.

"(10) The State shall develop and implement a program of sanctions.

"(e) FEDERAL ROLE IN QUALITY ASSURANCE.—The Secretary shall conduct a periodic sample review of outcomes for individuals based upon the individual's plan of support and based upon the quality assurance program of the State. The Secretary may conduct targeted reviews upon receipt of allegations of neglect, abuse, or exploitation. The Secretary shall develop guidelines for States to use in developing sanctions.

"(f) REQUIREMENT TO EXPAND ELIGIBILITY.—Effective October 1, 2000, a State may not exercise the option of coverage of individuals under section 1902(a)(10)(A)(ii)(V) without providing coverage under section 1902(a)(10)(A)(ii)(VI).

"(g) REPORT ON IMPACT OF SECTION.—The Secretary shall submit to Congress periodic reports on the impact of this section on beneficiaries, States, and the Federal Government.".

(c) INCLUSION IN OPTIONAL ELIGIBILITY CLASSIFICATION.—Section 1902(a)(10)(A)(ii)(VI) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(ii)(VI)) is amended by inserting "or community attendant services and supports described in section 1935" after "section 1915" each place such term appears.

(d) COVERAGE AS MEDICAL ASSISTANCE.—

(1) IN GENERAL.—Section 1905(a) of the Social Security Act (42 U.S.C. 1396d) is amended—

(A) by striking "and" at the end of paragraph (26);

(B) by redesignating paragraph (27) as paragraph (28); and

(C) by inserting after paragraph (26) the following:

"(27) community attendant services and supports (to the extent allowed and as defined in section 1935); and".

(2) CONFORMING AMENDMENTS.—

(A) Section 1902(j) of the Social Security Act (42 U.S.C. 1396a(j)) is amended by striking "of of" and inserting "of".

(B) Section 1902(a)(10)(C)(iv) of the Social Security Act (42 U.S.C. 1396a(a)(10)(C)(iv)) is amended by inserting "and (27)" after "(24)".

SEC. 4. GRANTS TO DEVELOP AND ESTABLISH REAL CHOICE SYSTEMS CHANGE INITIATIVES.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—The Secretary of Health and Human Services (referred to in this section as the "Secretary") shall award grants described in subsection (b) to States to support real choice systems change initiatives that establish specific action steps and specific timetables to provide consumer-responsive long term services and supports to eligible individuals in the most integrated setting appropriate based on the unique strengths and needs of the individual and the priorities and concerns of the individual (or, as appropriate, the individual's representative).

(2) ELIGIBILITY.—To be eligible for a grant under this section, a State shall—

(A) establish the Consumer Task Force in accordance with subsection (d); and

(B) submit an application at such time, in such manner, and containing such information as the Secretary may determine. The application shall be jointly developed and signed by the designated State official and the chairperson of such Task Force, acting on behalf of and at the direction of the Task Force.

(3) DEFINITION OF STATE.—In this section, the term "State" means each of the 50 States, the District of Columbia, Puerto Rico, Guam, the United States Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(b) GRANTS FOR REAL CHOICE SYSTEMS CHANGE INITIATIVES.—

(1) IN GENERAL.—From funds appropriated under subsection (f), the Secretary shall award grants to States to—

(A) support the establishment, implementation, and operation of the State real choice systems change initiatives described in subsection (a); and

(B) conduct outreach campaigns regarding the existence of such initiatives.

(2) DETERMINATION OF AWARDS; STATE ALLOTMENTS.—The Secretary shall develop a formula for the distribution of funds to States for each fiscal year under subsection (a). Such formula shall give preference to States that have a relatively higher proportion of long-term services and supports furnished to individuals in an institutional setting but who have a plan described in an application submitted under subsection (a)(2).

(c) AUTHORIZED ACTIVITIES.—A State that receives a grant under this section shall use the funds made available through the grant to accomplish the purposes described in subsection (a) and, in accomplishing such purposes, may carry out any of the following systems change activities:

(1) NEEDS ASSESSMENT AND DATA GATHERING.—The State may use funds to conduct a statewide needs assessment that may be based on data in existence on the date on which the assessment is initiated and may include information about the number of individuals within the State who are receiving long-term services and supports in unnecessarily segregated settings, the nature and extent to which current programs respond to the preferences of individuals with disabilities to receive services in home and community-based settings as well as in institutional settings, and the expected change in demand for services provided in home and community settings as well as institutional settings.

(2) INSTITUTIONAL BIAS.—The State may use funds to identify, develop, and implement strategies for modifying policies, practices, and procedures that unnecessarily bias the provision of long-term services and supports toward institutional settings and away from home and community-based settings, including policies, practices, and procedures governing statewideness, comparability in amount, duration, and scope of services, financial eligibility, individualized functional assessments and screenings (including individual and family involvement), and knowledge about service options.

(3) OVER MEDICALIZATION OF SERVICES.—The State may use funds to identify, develop, and implement strategies for modifying policies, practices, and procedures that unnecessarily bias the provision of long-term services and supports by health care professionals to the extent that quality services and supports can be provided by other qualified individuals, including policies, practices, and procedures governing service authorization, case management, and service coordination, service delivery options, quality controls, and supervision and training.

(4) INTERAGENCY COORDINATION; SINGLE POINT OF ENTRY.—The State may support activities to identify and coordinate Federal and State policies, resources, and services, relating to the provision of long-term services and supports, including the convening of interagency work groups and the entering into of interagency agreements that provide for a single point of entry and the design and implementation of a coordinated screening and assessment system for all persons eligible for long-term services and supports.

(5) TRAINING AND TECHNICAL ASSISTANCE.—The State may carry out directly, or may provide support to a public or private entity to carry out training and technical assistance activities that are provided for individuals with disabilities, and, as appropriate, their representatives, attendants, and other personnel (including professionals, paraprofessionals, volunteers, and other members of the community).

(6) PUBLIC AWARENESS.—The State may support a public awareness program that is designed to provide information relating to the availability of choices available to individuals with disabilities for receiving long-term services and support in the most integrated setting appropriate.

(7) DOWNSIZING OF LARGE INSTITUTIONS.—The State may use funds to support the per capita increased fixed costs in institutional settings directly related to the movement of individuals with disabilities out of specific facilities and into community-based settings.

(8) TRANSITIONAL COSTS.—The State may use funds to provide transitional costs described in section 1935(a)(1)(D) of the Social Security Act, as added by this Act.

(9) TASK FORCE.—The State may use funds to support the operation of the Consumer Task Force established under subsection (d).

(10) DEMONSTRATIONS OF NEW APPROACHES.—The State may use funds to conduct, on a time-limited basis, the demonstration of new approaches to accomplishing the purposes described in subsection (a).

(11) OTHER ACTIVITIES.—The State may use funds for any systems change activities that are not described in any of the preceding paragraphs of this subsection and that are necessary for developing, implementing, or evaluating the comprehensive statewide system of long term services and supports.

(d) CONSUMER TASK FORCE.—

(1) ESTABLISHMENT AND DUTIES.—To be eligible to receive a grant under this section, each State shall establish a Consumer Task Force (referred to in this section as the "Task Force") to assist the State in the development, implementation, and evaluation of real choice systems change initiatives.

(2) APPOINTMENT.—Members of the Task Force shall be appointed by the Chief Executive Officer of the State in accordance with the requirements of paragraph (3), after the solicitation of recommendations from representatives of organizations representing a broad range of individuals with disabilities and organizations interested in individuals with disabilities.

(3) COMPOSITION.—

(A) IN GENERAL.—The Task Force shall represent a broad range of individuals with disabilities from diverse backgrounds and shall include representatives from Developmental Disabilities Councils, State Independent Living Councils, Commissions on Aging, organizations that provide services to individuals with disabilities and consumers of long-term services and supports.

(B) INDIVIDUALS WITH DISABILITIES.—A majority of the members of the Task Force shall be individuals with disabilities or the representatives of such individuals.

(C) LIMITATION.—The Task Force shall not include employees of any State agency providing services to individuals with disabilities other than employees of agencies described in the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6000 et seq.).

(e) AVAILABILITY OF FUNDS.—

(1) FUNDS ALLOTTED TO STATES.—Funds allotted to a State under a grant made under this section for a fiscal year shall remain available until expended.

(2) FUNDS NOT ALLOTTED TO STATES.—Funds not allotted to States in the fiscal year for which they are appropriated shall remain available in succeeding fiscal years for allotment by the Secretary using the allotment formula established by the Secretary under subsection (b)(2).

(f) ANNUAL REPORT.—A State that receives a grant under this section shall submit an annual report to the Secretary on the use of funds provided under the grant. Each report shall include the percentage increase in the number of eligible individuals in the State who receive long-term services and supports in the most integrated setting appropriate, including through community attendant services and supports and other community-based settings.

(g) APPROPRIATION.—Out of any funds in the Treasury not otherwise appropriated, there is authorized to be appropriated and there is appropriated to make grants under this section for—

(1) fiscal year 2001, $25,000,000; and

(2) for fiscal year 2002 and each fiscal year thereafter, such sums as may be necessary to carry out this section.

SEC. 5. STATE OPTION FOR ELIGIBILITY FOR INDIVIDUALS.

(a) IN GENERAL.—Section 1903(f) of the Social Security Act (42 U.S.C. 1396b(f)) is amended—

(1) in paragraph (4)(C), by inserting "subject to paragraph (5)," after "does not exceed", and

(2) by adding at the end the following:

"(5)(A) A State may waive the income, resources, and deeming limitations described in paragraph (4)(C) in such cases as the State finds the potential for employment opportunities would be enhanced through the provision of medical assistance for community attendant services and supports in accordance with section 1935.

"(B) In the case of an individual who is eligible for medical assistance described in subparagraph (A) only as a result of the application of such subparagraph, the State may, notwithstanding section 1916(b), impose a premium based on a sliding scale related to income.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to medical assistance provided for community attendant services and supports described in section 1935 of the Social Security Act furnished on or after October 1, 2000.

SEC. 6. STUDIES AND REPORTS.

(a) REVIEW OF, AND REPORT ON, REGULATIONS.—The National Council on Disability established under title IV of the Rehabilitation Act of 1973 (29 U.S.C. 780 et seq.) shall review regulations in existence under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) on the date of enactment of this Act insofar as such regulations regulate the provision of home health services, personal care services, and other services in home and community-based settings and, not later than 1 year after such date, submit a report to Congress on the results of such study, together with any recommendations for legislation that the Council determines to be appropriate as a result of the study.

(b) REPORT ON REDUCED TITLE XIX EXPENDITURES.—Not later than 1 year after the date of enactment of this Act, the Secretary of Health and Human Services shall submit to Congress a report on how expenditures under the medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) can be reduced by the furnishing of community attendant services and supports in accordance with section 1935 of such Act (as added by section 3 of this Act).

SEC. 7. TASK FORCE ON FINANCING OF LONG-TERM CARE SERVICES.

The Secretary of Health and Human Services shall establish a task force to examine appropriate methods for financing long-term services and supports. The task force shall include significant representation of individuals (and representatives of individuals) who receive such services and supports.

NATIONAL COUNCIL ON
INDEPENDENT LIVING,
Arlington, VA, November 15, 1999.

Hon. TOM HARKIN,
U.S. Senate, Washington, DC.

DEAR SENATOR HARKIN, The National Council on Independent Living (NCIL) applauds your leadership in introducing the Medicaid Community Attendant Services and Supports Act (MiCASSA).

NCIL is the national membership organization for centers for independent living and people with disabilities. Our membership includes individuals and organizations from each of the 50 states. As a leading national, cross-disability, grassroots organization run by and for people with disabilities, NCIL has been instrumental in efforts to advance the rights and opportunities for all Americans with disabilities.

The members of NCIL have wholeheartedly endorsed MiCASSA, have selected its passage as one of our top priorities. We join with our colleagues from ADAPT, who are leading the national effort to pass MiCASSA. There is nothing more important to our members than real choice for people with disabilities. Passage of MiCASSA will create the critical systems change needed for people with disabilities to enjoy the freedom of real choice in services and supports. This will allow people with disabilities to finally enjoy their civil right to live in their own homes, free from isolation and segregation in nursing homes and institutions.

We thank you for your vision and for your willingness to lead the effort to achieve freedom for our people. You can count on NCIL to work alongside you as we give our finest efforts towards passage of MiCASSA at the very beginning of the new millennium.

Sincerely Yours,

PAUL SPOONER,
President.
MIKE OXFORD,
Vice President and Chair, Personal Assistance Services Sub-Committee.

THE ASSOCIATION OF PROGRAMS FOR RURAL INDEPENDENT LIVING,
Kent, OH, November 12, 1999.

Senator TOM HARKIN, Iowa,
U.S. Senate, Washington, DC.

DEAR HONORABLE SENATOR, It is my understanding that the Community Attendant Services and Support Act (MiCASA) is about to be introduced by you, into Congress on Monday, November 15, 1999. On behalf of the Governing Board of the Association of Programs for Rural Independent Living (APRIL) I want to wholeheartedly endorse your efforts to pass this important piece of legislation.

APRIL is a national network of over 150 members, primarily rural centers for independent living (CILs), CIL satellite offices and statewide independent living councils (SILCs), as well as other related organizations and individuals concerned about people with disabilities living and working in Rural America. We are a nonprofit group, who for the past twelve years, has continued to grow in both numbers and in our efforts to bring to light the myriad of issues facing our rural constituents. Our membership in turn, represents thousands of consumers, many of whom still remain confined to rooms in their homes, or in institutions due to lack of community supports.

MiCASA is a Bill that has been long in coming and APRIL has joined with it's national colleagues throughout the years to urge that such a consumer-directed, community-based model of attendant services and support be implemented throughout the United States. Let's hope that as the new millennium draws near, that mandatory institutionalization will be unnecessary, and that the long-standing bias toward these institutions will have ended.

As you well know, coming from the rural state of Iowa, there are too many barriers for people with disabilities—from lack of transportation, housing, job opportunities, personal attendants, financial resources, community access and outdated, limiting attitudes. All these obstacles are compounded in the isolation of rural America. The passage of MiCASA would eliminate of one of the greatest barriers that people face. Your record of supporting the rights of our people, is solid. Our continued support of you and your efforts is assured. Please let us know, as the legislation begins it's journey towards passage, how we may help assure it's success.

As always, our thanks to ADAPT and the others who work so steadfastly on our behalf.

LINDA GONZALES,
National Coordinator.

PARALYZED VETERANS OF AMERICA,
Washington, DC, November 16, 1999.

Hon. TOM HARKIN,
Senate Office Building, Washington, DC.

DEAR SENATOR HARKIN: On behalf of the Paralyzed Veterans of America (PVA), I want to thank you for introducing "The Medicaid Community Attendant Services and Supports Act of 1999." This bill will allow qualified individuals with disabilities the option of receiving long term services and supports including personal assistant services in a home and community based settings rather than in institutions.

PVA has been a long time advocate for consumer-directed personal assistant services (PAS). Attendants providing PAS perform activities of daily living (ADLs) for people with disabilities including feeding, bathing, toileting, dressing, and transferring. With PAS, many PVA members and thousands of people with disabilities across the country are able to live independent and active lives at home or in a community setting.

Historically, long term services for people with disabilities have been provided in nursing homes and in institutional settings. However, your bill will provide funds to States to support systems change initiatives that are designed to assist each State in developing a comprehensive consumer responsive state wide system of long term services and supports that will provide real consumer choice and direct in an integrated setting appropriate to the needs of the individual.

PVA has long recognized that disability is a natural part of life. People with disabilities have the right to live independently, enjoy self-determination, make independent choices, contribute to society and enjoy full inclusion and integration into the mainstream of American society. This legislation will help advance this cause and PVA stands ready and willing to work with you and your staff to ensure passage of the Medicaid Community Attendant Services and Supports Act of 1999.

Sincerely,

JOHN C. BOLLINGER,
Deputy Executive Director.

THE ARC,
Arlington, TX, November 16, 1999.

Hon. THOMAS HARKIN,
Hon. ARLEN SPECTER,
U.S. Senate, Washington, DC.

DEAR SENATORS HARKIN AND SPECTER: On behalf of The Arc of the United States, I wish to express our strong support for introducing the Medicaid Community Attendant Services and Supports Act (MiCASSA). MiCASSA represents an important step in reforming our long-term care policy by helping to reduce the institutional bias in our long-term care services system. By doing so, MiCASSA would help individuals with mental retardation live quality lives in the community.

Created over thirty years ago, our long-term care service system is funded mainly by Medicare and Medicaid dollars. Today, over 75 percent of Medicaid long-term care dollars are spent on institutional services, leaving few dollars for community-based services. A national long-term service policy should not favor institutions over home and community-based services. It should allow families and individuals real choice regarding where and how services should be delivered.

People with mental retardation want to live, work and play in the community. MiCASSA would help keep families together and would prevent people with mental retardation from being unnecessarily institutionalized. Community services have also shown on average to be less expensive than institutional services.

MiCASSA complements the 1999 Supreme Court decision in Olmstead, by providing a way for states to meet their obligations under the decision. It would also help reduce the interminable waiting lists for community-based services and supports.

The Arc of the Untied States, the largest national voluntary organization devoted solely to the welfare of people with mental retardation and their families, stands ready to assist you in any way to move this important piece of legislation.

Sincerely,

BRENDA DOSS,
President.

JUSTIN DART, Jr.,
Washington, DC, November 16, 1999.

Hon. TOM HARKIN,
U.S. Senator, Senate Hart Office Building, Washington, DC.

DEAR SENATOR HARKIN: I know that the great majority of 54 million Americans with disabilities join me in congratulating you and Senator Spector on introducing the Medicaid Community Attendant Services and Supports Act of 1999.

The passage of this law will be a landmark progress for free-enterprise democracy. It will pave the way for liberating hundreds of thousands of Americans from institutions by providing the simple services they need to live in their homes and participate in their communities.

I urge every member of Congress to support this historic legislation.

Sincerely,

JUSTIN DART,
Justice For All.

NATIONAL SPINAL CORD INJURY ASSOCIATION,
Silver Spring, MD, November 16, 1999.

Hon. TOM HARKIN,
U.S. Senate, Washington, DC.

DEAR SENATOR HARKIN: The National Spinal Cord Injury Association (NSCIA) joins our colleagues from the National Council on Independent Living and ADAPT in thanking you for your leadership in introducing the Medicaid Community Attendant Services and Support Act (MiCASSA).

This bill, when passed, will make a significant difference in the lives of the 600,000 people with spinal cord injury and disease in the United States, many of whom are currently forced to choose institutional and nursing home services when what they really need are personal assistance services. It has been demonstrated repeatedly that community-based services are better, more cost effective and preferred.

We thank you for your support for people living with spinal cord injury and disease and for your willingness to lead the effort to offer real choices for people with disabilities. You can count on NSCIA's support in the effort to pass MiCASSA.

Sincerely Yours,
THOMAS H. COUNTEE, JR.,
Executive Director.

• Mr. SPECTER. Mr. President, I have sought recognition to join Senator TOM HARKIN, my colleague and distinguished ranking member of the Appropriations Subcommittee on Labor, Health and Human Services and Education, which I chair, in introducing the Medicaid Attendant Care Services and Supports Act of 1999. This creative proposal addresses a glaring gap in Federal health coverage, and assists one of our Nation's most vulnerable populations, persons with disabilities. I would also note that a similar version on this bill was included in the Health Care Assurance Act of 1999 (S. 24), which I introduced on January 19, 1999.

In an effort to improve the delivery of care and the comfort of those with long-term disabilities, this vital legislation would allow for reimbursement for community-based attendant care services, in lieu of institutionalization, for eligible individuals who require such services based on functional need, without regard to the individual's age or the nature of the disability. The most recent data available tell us that 5.9 million individuals receive care for disabilities under the Medicaid program. The number of disabled who are not currently enrolled in the program who would apply for this improved benefit is not easily counted, but would likely be substantial given the preference of home and community-based care over institutional care.

Under this proposal, States may apply for grants for assistance in implementing "systems change" initiatives, in order to eliminate the institutional bias in their current policies and for needs assessment activities. Further, if a state can show that the aggregate amounts of Federal expenditures on people living in the community exceeds what would have been spent on the same people had they been in nursing homes, the state can limit the program, perhaps by not letting any more people apply; no limiting mechanism is mandated under this bill. And finally, States would be required to maintain expenditures for attendant care services under other Medicaid community-based programs, thereby preventing the states from shifting patients into the new benefit proposed under this bill.

Let me speak briefly about why such a change in Medicaid law is so desperately needed. Only a few short months ago, the Supreme Court held in *Olmstead* v. *L.C.*, 119 S. Ct. 2176 (1999), that the Americans with Disabilities Act (ADA) requires States, under some circumstances, to provide community-based treatment to persons with mental disabilities rather than placing them in institutions. This decision and several lower court decisions have pointed to the need for a structured Medicaid attendant-care services benefit in order to meet obligations under the ADA. Disability advocates strongly support this legislation, arguing that the lack of Medicaid community-based services options is discriminatory and unhealthful for disabled individuals. Virtually every major disability advocacy group supports this bill, including ADAPT, the Arc, the National Council on Independent Living, Paralyzed Veterans of America, and the National Spinal Cord Injury Association.

Senator HARKIN and I recognize that such a shift in the Medicaid program is a huge undertaking—but feel that it is a vitally important one. We are introducing this legislation today in an attempt to move ahead with the consideration of crucial disability legislation and to provide a starting point for debate. Mr. President, the time has come for concerted action in this arena.

I urge the congressional leadership, including the appropriate committee chairmen, to move forward in considering this legislation, and take the significant next step forward in achieving the objective of providing individuals with disabilities the freedom to live in their own communities.•

By Mr. WYDEN (for himself and Mr. SMITH or Oregon):

S. 1936. A bill to authorize the Secretary of Agriculture to sell or exchange all or part of certain administrative sites and other National Forest System land in the State of Oregon and use the proceeds derived from the sale or exchange for National Forest System purposes; to the Committee on Energy and Natural Resources.

THE BENT PINE NURSERY LAND CONVEYANCE ACT

Mr. WYDEN. Mr. President, I am introducing today legislation that will allow the Forest Service to sell an abandoned facility to the city of Bend, OR, to be used for recreational purposes. The idea for this legislation came from the citizens of Bend themselves. They worked with Forest Service personnel in the adjacent Deschutes National Forest and crafted a win-win solution to different problems. What others might have seen as a problem, namely the shutdown of the Pine Nursery facility, they saw as an opportunity—the opportunity to provide a recreational complex for the community and to generate funding for needed facilities in the Deschutes Forest. This legislation would allow them to implement this creative idea.

Faced with the inevitable sale, trade or development of the Forest Service's Bend Pine Nursery, which supplied seedlings for five decades of reforestation work, last spring I met with representatives from the Bend Metro Parks and Recreation District; the city of Bend; the Bend School District; folks from the soccer and Little League baseball programs; and others who are concerned about central Oregon's youth and adults having adequate recreational facilities.

What these folks asked me to do was very straightforward: if the Forest service is going to sell, exchange, or otherwise develop the former Bend Pine Nursery, the community wanted the opportunity to acquire the property for the development of a sports complex, playing fields and other facilities.

My bill simply creates an opportunity for the Bend Metro Parks and Recreation District to work with the people of Bend on whether or not to purchase this property. It does not require purchase by the community, it simply gives the community a right of first refusal to buy the property at fair market value.

At the same time, this legislation allows the Deschutes National Forest to address its need for a new administrative site. Currently, the Deschutes pays approximately $725,000 per year in annual lease and utility costs. This is ¾ of a million dollars that is not being spent on the ground, improving the quality of Deschutes National Forest facilities, lands and resources. It is a credit to the leadership of the Deschutes National Forest that they seek a way out from this unnecessary, unproductive and recurring expense.

My bill will enable the Deschutes to use the money raised from the sale of the nursery and other surplus properties in Oregon toward the acquisition—and ownership—of a new administrative site. The cost of a new building is estimated to be about $7 million; as my colleagues can see, the forest is paying almost a million dollars in rent each year. In the words of an ad from today's "Bend Bulletin", and I quote: "Tired of throwing away thousands on rent? Think you can't buy? think again. If you're stuck in the renter rut, try it our way."

I look forward to a hearing next year on this bill in the Energy and Natural Resources Subcommittee on Forests and Public Land Management, of which I am ranking member. I welcome my colleague, Mr. SMITH, as an original cosponsor of this innovative bill

I ask unanimous consent that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1936

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Bend Pine Nursery Land Conveyance Act".

SEC. 2. DEFINITIONS.

In this Act:

(1) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(2) STATE.—The term "State" means the State of Oregon.

SEC. 3. SALE OR EXCHANGE OF ADMINISTRATIVE SITES.

(a) IN GENERAL.—The Secretary may, under such terms and conditions as the Secretary may prescribe, sell or exchange any or all right, title, and interest of the United States in and to the following National Forest System land and improvements:

(1) Bend Pine Nursery, comprising approximately 210 acres, as depicted on site plan map entitled "Bend Pine Nursery Administrative Site", dated May 13, 1999.

(2) The Federal Government-owned facilities at Shelter Cove Resort, as depicted on site plan map entitled "Shelter Cove Resort", dated November 3, 1997.

(3) Isolated parcels of National Forest System land located in sec. 25, T. 20 S., R. 10 E., and secs. 16, 17, 20, and 21, T. 20 S., R. 11 E., Willamette Meridian, as depicted on the map entitled "Isolated Parcels, Deschutes National Forest", dated 1988.

(4) Alsea Administrative Site, consisting of approximately 24 acres, as depicted on site plan map entitled "Alsea Administrative Site", dated May 14, 1999.

(5) Mapleton Administrative Site, consisting of approximately 8 acres, as depicted on site plan map entitled "Mapleton Administrative Site", dated May 14, 1999.

(6) Springdale Administrative Site, consisting of approximately 3.6 acres, as depicted on site plan map entitled "Site Development Plan, Columbia Gorge Ranger Station", dated April 22, 1964.

(7) Dale Administrative Site, consisting of approximately 40 acres, as depicted on site plan map entitled "Dale Administrative Site", dated July 7, 1999.

(b) CONSIDERATION.—Consideration for a sale or exchange of land under subsection (a) may include the acquisition of land, existing improvements, or improvements constructed to the specifications of the Secretary.

(c) APPLICABLE LAW.—Except as otherwise provided in this Act, any sale or exchange of National Forest System land under subsection (a) shall be subject to the laws (including regulations) applicable to the conveyance and acquisition of land for the National Forest System.

(d) CASH EQUALIZATION.—Notwithstanding any other provision of law, the Secretary may accept a cash equalization payment in excess of 25 percent of the value of land exchanged under subsection (a).

(e) SOLICITATIONS OF OFFERS.—

(1) IN GENERAL.—Subject to paragraph (3), the Secretary may solicit offers for sale or exchange of land under this section on such terms and conditions as the Secretary may prescribe.

(2) REJECTION OF OFFERS.—The Secretary may reject any offer made under this section if the Secretary determines that the offer is not adequate or not in the public interest.

(3) RIGHT OF FIRST REFUSAL.—The Bend Metro Parks and Recreation District or other units of local government in Deschutes County, Oregon, shall be given the right of first refusal to purchase the Bend Pine Nursery described in subsection (a)(1).

(f) REVOCATIONS.—

(1) IN GENERAL.—Any public land order withdrawing land described in subsection (a) from all forms of appropriation under the public land laws is revoked with respect to any portion of the land conveyed by the Secretary under this section.

(2) EFFECTIVE DATE.—The effective date of any revocation under paragraph (1) shall be the date of the patent or deed conveying the land.

SEC. 4. DISPOSITION OF FUNDS.

(a) DEPOSIT OF PROCEEDS.—The Secretary shall deposit the proceeds of a sale or exchange under section 3(a) in the fund established under Public Law 90–171 (16 U.S.C. 484a) (commonly known as the "Sisk Act").

(b) USE OF PROCEEDS.—Funds deposited under subsection (a) shall be available to the Secretary, without further Act of appropriation, for—

(1) the acquisition, construction, or improvement of administrative facilities and associated land in connection with the Deschutes National Forest; and

(2) to the extent the funds are not necessary to carry out paragraph (1), the acquisition of land and interests in land in the State.

(c) ADMINISTRATION.—Subject to valid existing rights, the Secretary shall manage any land acquired by purchase or exchange under this Act in accordance with the Act of March 1, 1911 (16 U.S.C. 480 et seq.) (commonly known as the "Weeks Act") and other laws (including regulations) pertaining to the National Forest System.

SEC. 5. CONSTRUCTION OF NEW ADMINISTRATIVE FACILITIES.

The Secretary may acquire, construct, or improve administrative facilities and associated land in connection with the Deschutes National Forest System by using—

(1) funds made available under section 4(b); and

(2) to the extent the funds are insufficient to carry out the acquisition, construction, or improvement, funds subsequently made available for the acquisition, construction, or improvement.

SEC. 6. AUTHORIZATION OF APPROPRIATION.

There are authorized to be appropriated such sums as are necessary to carry out this Act.

ADDITIONAL COSPONSORS

S. 345

At the request of Mr. ALLARD, the name of the Senator from Wisconsin [Mr. FEINGOLD] was added as a cosponsor of S. 345, a bill to amend the Animal Welfare Act to remove the limitation that permits interstate movement of live birds, for the purpose of fighting, to States in which animal fighting is lawful.

S. 386

At the request of Mr. GORTON, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 386, a bill to amend the Internal Revenue Code of 1986 to provide for tax-exempt bond financing of certain electric facilities.

S. 424

At the request of Mr. MACK, his name was added as a cosponsor of S. 424, a bill to preserve and protect the free choice of individuals and employees to form, join, or assist labor organizations, or to refrain from such activities.

S. 484

At the request of Mr. CAMPBELL, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of S. 484, a bill to provide for the granting of refugee status in the United States to nationals of certain foreign countries in which American Vietnam War POW/MIAs or American Korean War POW/MIAs may be present, if those nationals assist in the return to the United States of those POW/MIAs alive.

S. 866

At the request of Mr. CONRAD, the name of the Senator from Arkansas [Mrs. LINCOLN] was added as a cosponsor of S. 866, a bill to direct the Secretary of Health and Human Services to revise existing regulations concerning the conditions of participation for hospitals and ambulatory surgical centers under the medicare program relating to certified registered nurse anesthetists' services to make the regulations consistent with State supervision requirements.

S. 1109

At the request of Mr. MCCONNELL, the names of the Senator from Wisconsin [Mr. FEINGOLD] and the Senator from Alabama [Mr. SESSIONS] were added as cosponsors of S. 1109, a bill to conserve global bear populations by prohibiting the importation, exportation, and interstate trade of bear viscera and items, products, or substances containing, or labeled or advertised as containing, bear viscera, and for other purposes.

S. 1198

At the request of Mr. SHELBY, the names of the Senator from Tennessee [Mr. THOMPSON], the Senator from Arkansas [Mrs. LINCOLN], the Senator from Ohio [Mr. VOINOVICH], the Senator from Nebraska [Mr. KERREY], the Senator from Alaska [Mr. STEVENS], the Senator from Louisiana [Mr. BREAUX], the Senator from Utah [Mr. BENNETT], the Senator from Louisiana [Ms. LANDRIEU], the Senator from Oklahoma [Mr. INHOFE], the Senator from Virginia [Mr. ROBB], the Senator from Delaware [Mr. ROTH], and the Senator from Nebraska [Mr. HAGEL] were added as cosponsors of S. 1198, a bill to amend chapter 8 of title 5, United States Code, to provide for a report by the General Accounting Office to Congress on agency regulatory actions, and for other purposes.

S. 1200

At the request of Ms. SNOWE, the name of the Senator from Texas [Mrs. HUTCHISON] was added as a cosponsor of S. 1200, a bill to require equitable coverage of prescription contraceptive drugs and devices, and contraceptive services under health plans.

S. 1272

At the request of Mr. NICKLES, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of S. 1272, a bill to amend the Controlled Substances Act to promote pain management and palliative care without permitting assisted suicide and euthanasia, and for other purposes.

S. 1332

At the request of Mr. LUGAR, the names of the Senator from Virginia

[Mr. WARNER], the Senator from North Carolina [Mr. HELMS], the Senator from Missouri [Mr. ASHCROFT], the Senator from South Carolina [Mr. THURMOND], the Senator from Idaho [Mr. CRAIG], the Senator from Maine [Ms. SNOWE], the Senator from Florida [Mr. MACK], the Senator from Washington [Mr. GORTON], the Senator from Vermont [Mr. JEFFORDS], the Senator from Nebraska [Mr. HAGEL], the Senator from Kansas [Mr. BROWNBACK], the Senator from Utah [Mr. HATCH], the Senator from Utah [Mr. BENNETT], the Senator from New Hampshire [Mr. SMITH], the Senator from New Mexico [Mr. DOMENICI], the Senator from Mississippi [Mr. LOTT], the Senator from Montana [Mr. BURNS], the Senator from Michigan [Mr. ABRAHAM], and the Senator from Iowa [Mr. GRASSLEY] were added as cosponsors of S. 1332, a bill to authorize the President to award a gold medal on behalf of Congress to Father Theodore M. Hesburg, in recognition of his outstanding and enduring contributions to civil rights, higher education, the Catholic Church, the Nation, and the global community.

S. 1384

At the request of Mr. ABRAHAM, the name of the Senator from Georgia [Mr. CLELAND] was added as a cosponsor of S. 1384, a bill to amend the Public Health Service Act to provide for a national folic acid education program to prevent birth defects, and for other purposes.

S. 1438

At the request of Mr. ROBB, his name was added as a cosponsor of S. 1438, a bill to establish the National Law Enforcement Museum on Federal land in the District of Columbia.

S. 1446

At the request of Mr. LOTT, the names of the Senator from Virginia [Mr. ROBB] and the Senator from Florida [Mr. GRAHAM] were added as cosponsors of S. 1446, a bill to amend the Internal Revenue Code of 1986 to allow an additional advance refunding of bonds originally issued to finance governmental facilities used for essential governmental functions.

S. 1448

At the request of Mr. HUTCHINSON, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 1448, a bill to amend the Food Security Act of 1985 to authorize the annual enrollment of land in the wetlands reserve program, to extend the program through 2005, and for other purposes.

S. 1464

At the request of Mr. ROBERTS, the name of the Senator from Pennsylvania [Mr. SANTORUM] was added as a cosponsor of S. 1464, a bill to amend the Federal Food, Drug, and Cosmetic Act to establish certain requirements regarding the Food Quality Protection Act of 1996, and for other purposes.

S. 1498

At the request of Mr. BURNS, the name of the Senator from California [Mrs. FEINSTEIN] was added as a cosponsor of S. 1498, a bill to amend chapter 55 of title 5, United States Code, to authorize equal overtime pay provisions for all Federal employees engaged in wildland fire suppression operations.

S. 1561

At the request of Mr. ABRAHAM, the name of the Senator from Georgia [Mr. COVERDELL] was added as a cosponsor of S. 1561, a bill to amend the Controlled Substances Act to add gamma hydroxybutyric acid and ketamine to the schedules of control substances, to provide for a national awareness campaign, and for other purposes.

S. 1638

At the request of Mr. ASHCROFT, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 1638, a bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to extend the retroactive eligibility dates for financial assistance for higher education for spouses and dependent children of Federal, State, and local law enforcement officers who are killed in the line of duty.

S. 1718

At the request of Mr. KERRY, the name of the Senator from New York [Mr. SCHUMER] was added as a cosponsor of S. 1718, a bill to amend the Internal Revenue Code of 1986 to provide a credit for medical research related to developing vaccines against widespread diseases.

S. 1733

At the request of Mr. FITZGERALD, the names of the Senator from Kentucky [Mr. MCCONNELL] and the Senator from Virginia [Mr. ROBB] were added as cosponsors of S. 1733, a bill to amend the Food Stamp Act of 1977 to provide for a national standard of interoperability and portability applicable to electronic food stamp benefit transactions.

S. 1738

At the request of Mr. JOHNSON, the name of the Senator from North Dakota [Mr. DORGAN] was added as a cosponsor of S. 1738, a bill to amend the Packers and Stockyards Act, 1921, to make it unlawful for a packer to own, feed, or control livestock intended for slaughter.

S. 1760

At the request of Mr. BIDEN, the name of the Senator from Tennessee [Mr. FRIST] was added as a cosponsor of S. 1760, a bill to provide reliable officers, technology, education, community prosecutors, and training in our neighborhoods.

S. 1762

At the request of Mr. COVERDELL, the name of the Senator from Oklahoma [Mr. INHOFE] was added as a cosponsor of S. 1762, a bill to amend the Watershed Protection and Flood Prevention Act to authorize the Secretary of Agriculture to provide cost share assistance for the rehabilitation of structural measures constructed as part of water resources projects previously funded by the Secretary under such Act or related laws.

S. 1796

At the request of Mr. MACK, the name of the Senator from California [Mrs. FEINSTEIN] was added as a cosponsor of S. 1796, a bill to modify the enforcement of certain anti-terrorism judgements, and for other purposes.

S. 1800

At the request of Mr. GRAHAM, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 1800, a bill to amend the Food Stamp Act of 1977 to improve onsite inspections of State food stamp programs, to provide grants to develop community partnerships and innovative outreach strategies for food stamp and related programs, and for other purposes.

S. 1813

At the request of Mr. KENNEDY, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 1813, a bill to amend the Public Health Service Act to provide additional support for and to expand clinical research programs, and for other purposes.

S. 1823

At the request of Mr. DEWINE, the name of the Senator from Georgia [Mr. COVERDELL] was added as a cosponsor of S. 1823, a bill to revise and extend the Safe and Drug-Free Schools and Communities Act of 1994.

S. 1851

At the request of Mr. CAMPBELL, the name of the Senator from Georgia [Mr. COVERDELL] was added as a cosponsor of S. 1851, a bill to amend the Elementary and Secondary Education Act of 1965 to ensure that seniors are given an opportunity to serve as mentors, tutors, and volunteers for certain programs.

S. 1873

At the request of Mr. SESSIONS, the name of the Senator from Texas [Mrs. HUTCHISON] was added as a cosponsor of S. 1873, a bill to delay the effective date of the final rule regarding the Organ Procurement and Transplantation Network.

S. 1891

At the request of Mr. CHAFEE, the name of the Senator from Maine [Ms. COLLINS] was added as a cosponsor of S. 1891, a bill to amend the Elementary and Secondary Education Act of 1965 to improve literacy through family literacy projects.

S. 1900

At the request of Mr. LAUTENBERG, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 1900, a bill to amend the

Internal Revenue Code of 1986 to allow a credit to holders of qualified bonds issued by Amtrak, and for other purposes.

SENATE CONCURRENT RESOLUTION 60

At the request of Mr. FEINGOLD, the name of the Senator from Georgia [Mr. COVERDELL] was added as a cosponsor of Senate Concurrent Resolution 60, a concurrent resolution expressing the sense of Congress that a commemorative postage stamp should be issued in honor of the U.S.S. *Wisconsin* and all those who served aboard her.

SENATE RESOLUTION 87

At the request of Mr. DURBIN, the name of the Senator from Tennessee [Mr. FRIST] was added as a cosponsor of Senate Resolution 87, a resolution commemorating the 60th anniversary of the International Visitors Program

SENATE RESOLUTION 106

At the request of Mr. DOMENICI, the names of the Senator from Mississippi [Mr. COCHRAN] and the Senator from Connecticut [Mr. DODD] were added as cosponsors of Senate Resolution 106, a resolution to express the sense of the Senate regarding English plus other languages.

SENATE RESOLUTION 108

At the request of Mr. BREAUX, the names of the Senator from Mississippi [Mr. COCHRAN], the Senator from Vermont [Mr. LEAHY], the Senator from Missouri [Mr. BOND], and the Senator from Oklahoma [Mr. NICKLES] were added as cosponsors of Senate Resolution 108, a resolution designating the month of March each year as "National Colorectal Cancer Awareness Month."

SENATE RESOLUTION 128

At the request of Mr. COCHRAN, the names of the Senator from Kentucky [Mr. BUNNING], the Senator from Georgia [Mr. CLELAND], the Senator from New York [Mr. MOYNIHAN], the Senator from New York [Mr. SCHUMER], the Senator from Alaska [Mr. STEVENS], and the Senator from Virginia [Mr. WARNER] were added as cosponsors of Senate Resolution 128, a resolution designating March 2000, as "Arts Education Month."

SENATE RESOLUTION 134

At the request of Mr. THURMOND, the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of Senate Resolution 134, a resolution expressing the sense of the Senate that Joseph Jefferson "Shoeless Joe" Jackson should be appropriately honored for his outstanding baseball accomplishments.

SENATE RESOLUTION 196

At the request of Mr. WARNER, the names of the Senator from Vermont [Mr. JEFFORDS], the Senator from Idaho [Mr. CRAIG], the Senator from North Dakota [Mr. DORGAN], and the Senator from Maine [Ms. COLLINS] were added as cosponsors of Senate Resolution 196, a resolution commending the submarine force of the United States Navy on the 100th anniversary of the force.

SENATE RESOLUTION 200

At the request of Mr. GRAMS, the names of the Senator from Virginia [Mr. WARNER] and the Senator from Virginia [Mr. ROBB] were added as cosponsors of Senate Resolution 200, a resolution designating the week of February 14–20 as "National Biotechnology Week."

SENATE RESOLUTION 212

At the request of Mr. ABRAHAM, the name of the Senator from West Virginia [Mr. BYRD] was added as a cosponsor of Senate Resolution 212, a resolution to designate August 1, 2000, as "National Relatives as Parents Day."

SENATE RESOLUTION 225

At the request of Mr. DURBIN, the names of the Senator from Nebraska [Mr. HAGEL], the Senator from Virginia [Mr. ROBB], and the Senator from Louisiana [Ms. LANDRIEU] were added as cosponsors of Senate Resolution 225, a resolution to designate November 23, 2000, Thanksgiving Day, as a day to "Give Thanks, Give Life" and to discuss organ and tissue donation with other family members.

SENATE RESOLUTION 227

At the request of Mr. BOND, the name of the Senator from Oregon [Mr. SMITH] was added as a cosponsor of Senate Resolution 227, a resolution expressing the sense of the Senate in appreciation of the National Committee for Employer Support of the Guard and Reserve.

AUTHORITY FOR COMMITTEE TO MEET

COMMITTEE ON FINANCE

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate Committee on Finance be authorized to meet during the session of the Senate on Tuesday, November 16, 1999, at 10 a.m., in 215 Dirksen, to conduct a hearing.

The PRESIDING OFFICER. Without obligation, it is so ordered.

ADDITIONAL STATEMENTS

THE CAREER OF MICHAEL J. PETRINA

• Mr. HATCH. Mr. President, occasionally in Washington, an individual crosses our paths whose talents go beyond legal and government relations skills or polished representation of political and policy issues, and extend to an elusive higher level. At this level, we think of him not as a creature of the policies he advocates but as a person—a man of integrity and decency. Mike Petrina is such a man. Generous and unfailingly courteous, Mike has represented the Cosmetic, Toiletry, and Fragrance Association with intelligence, savvy, and charm. In doing his job well, he also has achieved what is often very difficult in this town—an excellent reputation as a genuinely nice guy.

Before he joined CTFA, Mike worked as legislative counsel to the Pharmaceutical Research and Manufacturers Association, as an attorney both in private practice and in community legal services, and as a legislative assistant to the late Representative Silvio Conte. In each of these capacities, his watchword was integrity and his purpose was to achieve the goal without compromising either his own principles or the credibility of his employer.

It is clear that among the defining moments of Mike's life—those moments that signaled how successful he would be here in wonk universe, were his quiz show triumphs. If winning on Jeopardy doesn't tell us anything else about a person, it tells us that he will always be able to produce an obscure fact and that he can react instantaneously to a totally unexpected question or comment. Surely those two skills suited Mike superbly for his fruitful Washington career.

Mike has chosen to retire early in the year 2000, when he is young enough to enjoy his retirement and to have a long time to do it. I wish him well, and want him to know that many of us here will miss him. With Mike and CTFA president Ed Kavanaugh, the industry made a lasting mark on the Utah Children's Charities through contributions of products to our golf tournament each August. I have been grateful for the contribution and, more importantly, for the spirit of good will that always characterized my interactions with CTFA and with Mike.

Mike illustrated, through effective use of his talents, the sense of humor that always tided him over the tough moments, and his gentle approach to people, what the poet and artist J. Stone once said: "the most visible creators I know of are those artists whose medium is life itself . . . They neither paint nor sculpt—their medium is being. Whatever their presence touches has increased life."

I am sure I speak for all those who worked with Mike in thanking him for all he did here to make our work together so pleasant and productive. I wish Mike Petrina a long and enjoyable retirement, and urge him to remember always the words of Robert Browning: "The best is yet to be, the last of life for which the first was made."•

90TH ANNIVERSARY OF THE AMERICAN RED CROSS OF SOUTHEASTERN CONNECTICUT

• Mr. DODD. Mr. President, it is with great enthusiasm that I rise today to celebrate the 90th Anniversary of the American Red Cross of Southeastern

Connecticut. Since 1909, victims of war, strife and natural disaster have been given the gift of hope and the means of survival by the selfless men and women who make up the Red Cross' Southeastern Connecticut Chapter. Indeed, for nine decades, the Southeastern Connecticut Chapter has provided assistance to those in need in Connecticut, across the United States and around the world—truly exemplifying the ideals of the American Red Cross—offering aid and support during periods of acute emergency and prolonged rebuilding alike.

The Red Cross itself has a long and distinguished history in the United States. In 1881, the American Red Cross was founded by Clara Barton and dedicated to the basic principles of service to humanity, independence, voluntary service, unity and universality. President Taft described the American Red Cross as "the only volunteer society now authorized by this government to render aid to its land and naval forces in times of war," for that was its original intent, to aid the casualties of war. As we all know, the organization's peace-time role grew rapidly, however, and at the turn of the century, new leadership brought new goals and expanded the services of the American Red Cross.

The growth of the American Red Cross was made possible by the success of regional chapters and the dedication of countless volunteers. The Red Cross was entirely staffed by volunteers until 1941, and today, volunteers still make up ninety-eight percent of all Red Cross personnel. When membership drives were initiated by the Southeastern Connecticut Chapter, residents of that area answered the call. Citizens from all walks of life—businesses, mills, farms, schools, churches and hospitals—donated their time, skill and money to the organization. Over the years, the Southeastern Chapter has been able to generate the ever-increasing support required to meet developing demands because of the sacrifice of their volunteers and the generosity of their neighbors.

Over the last 90 years, this generosity and self-sacrifice has produced a remarkable track record. Historically speaking, the Red Cross organization in Southeastern Connecticut was active even before its formal charter was granted on November 1, 1909. The founding members began organizing at the Park Congressional Church in Norwich, Connecticut in October, 1905. They played a role in the relief efforts following the eruption of Mount Vesuvius and in 1906 helped survivors of the San Francisco earthquake and fire. Back home in Connecticut, the chapter also moved rapidly to combat a growing tuberculosis epidemic in its early days.

As the world braced for war in August, 1914, the Chapter prepared for its own humanitarian campaign. The Chapter's members opened their hearts and homes to the work at hand. Preparations were carried out in homes, offices, social clubs, church societies and any other available space. The spirit of the Red Cross in Southeastern Connecticut was truly embraced by the community as a whole. The Honor Roll Committee, the Home Service Section, the Motor Corps and the Junior Red Cross were all formed in the endeavor to relieve those affected by war.

During the latter decades of the century, the Chapter, and the Red Cross in general, made great strides in the field of blood donation. Connecticut Chapters contributed to the Blood Services of the war in Vietnam by sponsoring "Operation Helpmate" in which each Chapter supplied a mobile blood unit in Mekong, Vietnam. Relentless in their selfless devotion to humanitarianism worldwide, Southeastern Connecticut Red Cross has provided a safety net for the 20th Century.

While most of us think of the Red Cross as an international force for good, the presence of the American Red Cross in Connecticut has been important, as well. When the deadliest hurricane to ever hit New England slammed into Eastern Connecticut on September 21, 1938, the Disaster and Civil Preparedness Committee of the Southeastern Chapter responded to the emergency situation immediately, helping countless lives. And the Chapter led the effort to rebuild once the storm had passed. Had it not been for the preparedness of the Chapter in disaster situations, the damage and loss of life sustained would have been far greater.

More recently, the state's organization has created what is now hailed as a model program for preventing the spread of HIV throughout the state. This program has become highly successful, and is partly the reason why cases of new infections have dropped significantly.

Just this year, the destruction brought by hurricane Floyd was mitigated by the Southeastern Red Cross. While parts of Connecticut were so badly soaked by floods that they were declared federal disaster areas, the Southeastern Connecticut American Red Cross was assisting local hospitals and rescuing those in need.

At the turn of the millennium, the American Red Cross faces new challenges. Cultural and national conflicts, natural disasters and acts of nature have caused unimaginable human suffering in recent memory. After each calamity, however, the Red Cross and its volunteers have been there to pick up the pieces. Volunteers from Connecticut have played an active role both around the world and at home over the last 90 years and I rest easier knowing they will continue to play a vital role well into the next century.

So, it is with great pride and gratitude, Mr. President, that I stand on the floor of the Senate today to recognize the accomplishments of the Southeastern Connecticut American Red Cross over these past 90 years. I know I speak for many Connecticut residents in expressing congratulations for achieving this milestone, and best wishes in coming years for continued service to those in need.•

IMAM VEHBI ISMAIL PROCLAMATION

• Mr. ABRAHAM. Mr. President, it gives me great pleasure to rise today and honor Imam Vehbi Ismail for his fifty years of dedicated service to the Islamic community.

The Imam has been an instrumental force in the Albanian American and Islamic communities in Michigan. Originally, from Albania he emigrated to the United States in 1949 after studying theology in Egypt. Through his spiritual leadership the Imam set himself on a path to improve the Albanian American community. One of his greatest accomplishments was the establishment of the Albanian Islamic Center where he served as the Senior Cleric.

What is truly remarkable about this extraordinary individual is his work in the areas of democratic and human rights. The Imam has been the driving force in the Michigan community, raising awareness for human rights for Albanians world wide.

The Imam has proudly served as one of the longest active Clerics in the country. His family and the Albanian American community look to him as the elder statesman and guiding spirit for their community.

Mr. President it is with sincere joy and appreciation that I honor the Imam Vehbi Ismail. He is truly an example of unselfish charity and an inspiration to many.•

JERRY DAVIS, JR., TRIBUTE

• Mr. CLELAND. Mr. President, I come before my colleagues today to pay tribute to a dear friend, Jerry Davis, Jr. Jerry and I first met in the Army when we were stationed in New Jersey together before we headed to Vietnam. Jerry is a man with an extraordinary story and I am proud to be among his circle of friends.

Jerry was born on January 2, 1925 in Terry, Louisiana—a humble beginning for a sharecropper's son destined for the cover of FORTUNE Magazine (October, 1975). Jerry was a man committed to a life of service and his family, his church, his community and his country. A generous, loving and forgiving spirit, a respect for order and tradition and a legendary helping hand were the hallmarks of his life.

After graduating first in his class from the Magnolia Training School, he cut his formal education short , despite receiving a scholarship from Southern

University, by enlisting in the U.S. Army. Joining the all African-American 94th Engineer Construction Battalion at the end of World War II, he began his military career as an enlisted man in Paris. Seven years later he completed Officer Training School in Fort Benning, Georgia and as a new 2nd Lieutenant was company commander in the Korean War. In 1967, he returned to combat as one of two African-American battalion commanders in Vietnam. After 26 years of distinguished service, Lieutenant Colonel Davis retired.

From there, Jerry went on to accomplish many great things. Among them were, being Chairman of the Board of M.U.S.C.L.E.—a non-profit organization providing low income housing in Southwest Washington—and serving as a trustee for the retirement fund of the Washington Suburban Sanitation Commission. In the early 1970's, Jerry founded Unified Services Inc., a successful building service management company and was Chairman of the Board and CEO of Unibar Maintenance in Ann Arbor, Michigan. Jerry was also a delegate to the 1980 White House Conference on Small Business.

While on a business trip to Portland, Oregon with a friend, he met Jean Cotton Simmons and swept her off her feet. They married and shortly after created a family whose dimensions extend miles beyond their shared hearth with a tradition of hospitality, humor and huge holiday celebrations.

Jerry fills his free time with the sounds of Duke Ellington, Frank Sinatra and Miles Davis, and when his wife isn't looking, it's long cigars and the Redskins. And I can't forget our shared love of Westerns, especially "Gunfight at the OK Corral." Countless people have had life defining moments with this ordinary man who produced extraordinary results, leaving behind an enduring legacy of living life to its unreasonable fullest. As Jerry and his family battle against his cancer, I applaud the courage and determination he has shown throughout his life.

As George Bernard Shaw once said, "The reasonable man adapts himself to the conditions that surround him. The unreasonable man adapts surrounding conditions to himself. Our progress depends on the unreasonable man."•

TRIBUTE TO HENRY VOGT HEUSER, SR.

• Mr. McCONNELL. Mr. President, I rise today to pay tribute to a dear friend, a successful businessman, and community leader, the late Henry Heuser, Sr. I also would like to extend my condolences to his two sons, Henry, Jr. and Marshall.

Henry has made it easy for us to remember him—leaving behind an impressive list of accomplishments that most people only hope to achieve in their lifetime. Henry will be remembered for many different reasons, not least of which is his generosity to the Louisville community. Henry gave much of his time, energy and monetary resources to benefit others. Aware that he had resources which not everyone was privileged to have, he shared his wealth both of knowledge and of money with the city over his lifetime. Henry often gave to charity and community groups that needed support, including a recent $1 million donation to the Louisville Deaf Oral School for a much-needed expansion project. He made the donation in memory of his late wife, Edith, who volunteered for and supported the school for many years.

Henry also will be remembered as a dedicated civic leader for Louisville—Henry had a heart for the city of Louisville, and a vision for its bright future. Henry was a founder of Leadership Louisville, a group of community leaders that were committed to making a difference in the city. Henry also was very involved in the religious community of Louisville, and even led the effort to bring the Presbyterian Church's headquarters to the city several years ago. Another of the legacies Henry leaves behind is that of "The Derby Clock," as it has come to be known. Henry was an integral part of the planning and design for the clock, and I know I will think of him when I see it repaired, reassembled, and prominently displayed in our city.

Henry also will be remembered for his success in business, with the Henry Vogt Machine Company and his more recent enterprises, Unistar and Equisource. Henry's sharp mind and innate common sense clearly served him in the business world and in the community.

I am certain that the legacy of excellence that Henry Heuser, Sr. has left will continue on, and will encourage and inspire others. Hopefully it will be a comfort to the family and friends he leaves behind to know that his efforts to better the community will be felt for years to come. On behalf of myself and my colleagues, I offer my deepest condolences to Henry's loved ones, and express my gratitude for all he contributed to Jefferson County, the State of Kentucky, and to our great nation.•

PFIZER'S 150TH ANNIVERSARY

• Mr. LIEBERMAN. Mr. President, I rise today to congratulate Pfizer, Inc. on its 150th anniversary. As one of the global leaders of the important pharmaceutical industry, Pfizer has helped to improve the health of men, women and children around the world for the last century and a half. The company employs 4,939 men and women in its Groton, CT research facility, which lies in my home state.

Pfizer is committed to helping people live better lives—not only by bringing best-in-class medicines to market, but also by working with patients and physicians to develop comprehensive disease management programs that educate people about ways to better control their illness, rather than letting their illness control them.

Pfizer's long history is full of adventure, daring risk-taking, and intrepid decision-making. Founded by German immigrant cousins Charles Pfizer and Charles Erhart in 1849, Pfizer has grown from a small chemical firm in Brooklyn, NY to a multinational corporation, which employs close to 50,000 people.

Pfizer has a long tradition of developing innovative drugs to combat a variety of illnesses. In 1944, Pfizer was the first company to successfully mass-produce penicillin, a breakthrough that led to the company's emergence as a global leader in its industry. Since then, Pfizer has marketed dozens of effective medicines designed to fight conditions like arthritis, diabetes, heart disease, and infections. Nearly all of the major medicines marketed by Pfizer are No. 1 or No. 2 in their categories

In addition, Pfizer provides a wide range of assistance to those in need. The desire to live a healthy life is universal. But for millions of people around the world, access to high quality health care remains out of reach. Pfizer is committed to bringing their medicines to those in need. Through Sharing the Care, a program started in 1993, Pfizer has filled more than 3.0 million prescriptions for its medicines—valued at over $170 million—for more than one million uninsured patients in the United States. The program was cited by American Benefactor, a leading philanthropy journal, in selecting Pfizer as one of America's 25 most generous companies for 1998.

As you can see, Pfizer has made innumerable contributions to our nation and our world, and its accomplishments should be applauded as it celebrates its 150th anniversary.•

SHARED APPRECIATION AGREEMENTS

• Mr. BURNS. Mr. President, shared appreciation agreements have the potential to cause hundreds of farm foreclosures across the nation, and especially in my home state of Montana. Ten years ago, a large number of farmers signed these agreements. At that time they were under the impression that they would be required to pay these back at the end of ten years, at a reasonable rate of redemption.

However, that has not proved to be the case. The appraisals being conducted by the Farm Service Agency are showing increased values of ridiculous proportions. By all standards, one would expect the value to have decreased. Farm prices are the lowest they have been in years, and there does not seem to be a quick recovery forthcoming. Farmers cannot possibly be expected to pay back a value twice the amount they originally wrote down. Especially in light of the current market situation, I believe something must be done about the way these appraisals are conducted.

USDA has proposed rules and regulations but farmers need help with these agreements now. This legislation mandates these important regulations. It will exclude capital investments from the increase in appreciation and allow farmers to take out a loan at the "Homestead Rate", which is the government's cost of borrowing.

Farmers should not be penalized for attempting to better their operations. Nor can they be expected to delay capital improvements so that they will not be penalized. It will be necessary for most of these agricultural producers to take out an additional loan during these hard times. It is important that the interest rate on that loan will accommodate their needs. The governments current cost of borrowing equals about 6.25 percent, far less than the original 9 percent farmers and ranchers were paying.

I look forward to working with members in other states to alleviate the financial burdens imposed by shared appreciation agreements. I hope that we may move this through the legislative process quickly to provide help as soon as possible to our farmers.●

IN MEMORY OF JOHN A. SACCI

● Mr. TORRICELLI. Mr. President, I rise today to pay homage to one of my constituents, the late John A. Sacci, who was a resident in my home county of Bergen. John Sacci served with distinction as a history teacher in the Hoboken Public Schools until his untimely death in 1997. The good citizens of Hoboken will dedicate a playground in the historic Columbus Park in honor of his memory, and I join his family, friends and colleagues in paying tribute to a man who inspired so many young people.

John Sacci lived a short life, but it was not without ample achievements and success. Mr. Sacci helped to shape the minds of our children and did so with his unique brand of humor. His approach to teaching was filled with a refreshing attitude that won him the affection of countless students. Mr. President, above all, John Sacci was a committed and dedicated teacher and servant of the people.

Mr. Sacci lent his support to countless causes, including the implementation of Advanced Placement courses and the International Bacculauralate programs at Hoboken High School, creating scholarship opportunities for students, and initiating professional learning opportunities like the Academic Bowl and Mock Trial providing for Hoboken's students to be among the brightest in Hudson County. Additionally, John served as the Girl's Softball Team Coach and helped to build young women's self-esteem through leadership and team work.

When it came time to assist students with the college application process, John Sacci was the one hundreds of students turned to for assistance because they knew he cared. Indeed, John Sacci's efforts made it possible for hundreds of students to go on and become productive citizens. In fact, John Sacci helped and inspired a member of my own staff, George A. Ortiz, who serves as my press secretary. He was a vital asset to the success of Hoboken High School and his loss is profoundly felt. For all who ever crossed his path and benefitted from his intrinsic commitment to helping shape the future of America, we are all the better for it today.

Mr. President, I have stood on the floor of this great chamber time and again to urge the imperative need for meaningful gun control. On February 17, 1997 the tragedies that have struck in places like Littleton, Jonesboro and Columbine were all too familiar to the small community of Hoboken, as John Sacci's life was tragically cut short by gun violence. To all of my constituents in New Jersey who have died from gun violence, like John Sacci, I commit to fighting so that their memories and untimely deaths are not forgotten.

In conclusion, I want to express my personal condolences to John Sacci's family and friends. To his wife, Kathy, his children, Carla, Christi, Jenna and Elaina, though nothing I can say today will change the pain you feel, but take pride in your husband and father John Sacci. He was, indeed, a man of courage, inspiration and above all, he cared enough to want to make a difference.

Mr. President, I would like the record to reflect that today, Tuesday, November 23, 1999, family, friends and countless students gathered together in the City of Hoboken, in Hudson County in my great state of New Jersey to dedicate a playground in the living memory of John A. Sacci, an accomplished teacher.●

LA SALLE COLLEGE HIGH SCHOOL FATHER/SON BANQUET

● Mr. SANTORUM. Mr. President, I would like to call to your attention a special event which will be occurring in Wyndmoor, Pennsylvania on Thursday, November 18, 1999. La Salle College High School will be celebrating the 50th anniversary of their Father/Son Banquet, sponsored by the "Men of La Salle," otherwise known as the Father's Club.

La Salle College High School is a private, independent Catholic college preparatory school for young men of varied backgrounds and abilities. La Salle is dedicated to providing a challenging and nurturing environment for learning, inspired by Saint John Baptist De La Salle, and seeks to empower each student to accept responsibility and achieve his fullest potential. La Salle is committed to Christian values, academic excellence, spiritual fulfillment, cultural enrichment, and physical development. The Lasallian experience prepares young men who are dedicated to leadership, achievement, and service to help build a society that is more human, more Christ-like, and more just.

The Father's Club has a long history of doing good for the La Salle College High School and its families. Much of the money raised by the Men of La Salle College High School and its families. Much of the money raised by the Men of La Salle, for example, goes to help students at La Salle who find themselves in financial difficulties as a result of the death of an employed parent. This scholarship fund makes it possible for students who go through a family tragedy to stay at La Salle, and helps to foster a family-like atmosphere. The Father's Club also contributes to the financial growth and stability of La Salle, and provides a wholesome social climate through its various events and activities.

Once again, I would like to congratulate La Salle College High School and the Men of La Salle for the 50th anniversary of their Father/Son banquet, and thank them for the great work which they are doing. They are a tribute to Pennsylvania and should be recognized as a model organization to be emulated.●

DAVID AND ANN CANNON

● Mr. DODD. Mr. President, I raise today to honor the enduring union of David and Ann Cannon and the legacy of accomplishment that their partnership has produced. On December 19, 1999, they will retire together, 35 years to the day after David was ordained as a priest and the two began their work at the St. James Episcopal Church in the Village of Poquetanuck, Connecticut, located in the greater Norwich area of my home state.

For these past three and a half decades, David and Ann have been pillars of the Norwich community. Through their unflagging commitment to improving the lot of those in need, they have touched the lives of countless neighbors and set an impressive example for the rest of us to follow. Specifically, their work on behalf of the homeless of Martin House and Thames River Family Program has given dignity and hope to those who previously had little of either.

Individually, each has many accomplishments for which to be proud. David has been a faithful pastor and a caring leader for his parish. He has dedicated himself to increasing access to quality higher education and ensuring compassionate care for the ill and infirm. To her great credit, Ann has worked tirelessly to shape a more responsive local government and to conserve the history of the community for generations to come.

But the sum of this pair's worth is well beyond the measure of its distinguished parts. Perhaps it is the love and good humor these two share with themselves and others, their common zeal for hard work, and their joint commitment to excellence that is most memorable about them. Perhaps, as well, it is their unbending faith and their untempered compassion for their neighbors, and their talent for simply caring about others that has magnified their impact. All these traits have defined David and Ann for the many years I have known them and undoubtedly long before.

While I merely scratch the surface of their many virtues and accomplishments here today, I would be remiss not to mention David and Ann's three most remarkable accomplishments—David, Andrew and Ruth, their three wonderful and loving children.

Through 42 years of marriage, 35 years of selfless dedication to their parish and community, and 3 wonderful children, David and Ann Cannon have remained the central characters in a wonderful life story. I know I speak for countless others in the Norwich area in wishing that the next chapter in their remarkable life story be one of many rewarding years filled with love and happiness.•

DUTCH AMERICAN HERITAGE DAY

• Mr. KYL. Mr. President, on November 17, 1776 a small American warship, the *Andrew Doria*, sailed into the harbor of the island of Saint Eustatius in the West Indies. Only 4 months before, the United States had declared its independence from Great Britain. The American crew was delighted when the Governor of the island, Johannes de Graaf, ordered that his fort's cannons be fired in a friendly salute. The first ever given by a foreign power to the flag of the United States, it was a risky and courageous act. The British seized the island a few years later. De Graff's welcoming salute was a sign of respect, and today it continues to symbolize the deep ties of friendship that exist between the United States and the Netherlands.

After more than 200 years, the bonds between the United States and the Netherlands remain strong. Our diplomatic ties, in fact, constitute one of the longest unbroken diplomatic relationships with any foreign country.

Fifty years ago, during the second world war, American and Dutch men and women fought side by side to defend the cause of freedom and democracy. As NATO allies, we have continued to stand together to keep the transatlantic partnership strong and to maintain the peace and security of Europe. In the Persian Gulf we joined as coalition partners to repel aggression and to uphold the rule of law.

While the ties between the United States and the Netherlands have been tested by time and by the crucible of armed conflict, Dutch American Heritage is even older than our official relationship. It dates back to the early seventeenth century, when the Dutch West India Company founded New Netherland and its main settlements, New Amsterdam and Fort Orange—today known as New York City and Albany.

From the earliest days of our Republic, men and women of Dutch ancestry have made important contributions to American history and culture. The influence of our Dutch ancestors can still be seen not only in New York's Hudson River Valley but also in communities like Holland, Michigan and Pella, Iowa where many people trace their roots to settlers from the Netherlands.

Generations of Dutch immigrants have enriched the United States with the unique customs and traditions of their ancestral homeland—a country that has given the world great artists and celebrated philosophers.

On this occasion, we also remember many celebrated American leaders of Dutch descent. Three presidents, Martin Van Buren, Theodore Roosevelt and Franklin D. Roosevelt, came from Dutch stock.

Our Dutch heritage is seen not only in our people but also in our experience as a Nation. Our traditions of religious freedom and tolerance, for example, have spiritual and legal roots among such early settlers as the English Pilgrims and the French Huguenots, who first found refuge from persecution in Holland. The Dutch Republic was among those systems of government that inspired our Nation's Founders as they shaped our Constitution.

In celebration of the long-standing friendship that exists between the United States and the Netherlands, and in recognition of the many contributions that Dutch Americans have made to our country, we observe Dutch American Heritage Day on November 16.

I salute the over eight million Dutch Americans and the sixteen million people of the Netherlands in the celebration of this joyous occasion.•

USE OF SECRET EVIDENCE IN DEPORTATION PROCEEDINGS

• Mr. MOYNIHAN. Mr. President, on November 6, Nat Hentoff devoted his ever insightful column to the Kafka-like use of secret evidence by our Federal government in deportation proceedings. Once again, Mr. Hentoff has highlighted yet another distressing aspect of the 1996 Anti-Terrorism and Effective Death Penalty Act. I ask that Mr. Hentoff's column be printed in the RECORD.

The column follows.

[From the Washington Post, Nov. 6, 1999]

PROSECUTION IN DARKNESS

(By Nat Hentoff)

Around the country, 24 immigrants, most of them Muslim or of Arab descent, are being detained—that is, imprisoned—by the Immigration and Naturalization Service, which intends to deport them.

None of them, nor any of their lawyers, has been allowed to see the evidence against them or to confront their accusers. This denial of fundamental due process is justified on the grounds of national security.

In 1996, the president signed the Anti-Terrorism and Effective Death Penalty Act, which authorized secret evidence. A federal district judge in Newark, N.J., William Walls, has now described this as "government processes initiated and prosecuted in darkness." (The use of secret evidence, however, goes back to the 1950s).

Although many active lawsuits, in various stages, are attacking this use of secret evidence, Judge Walls is the first jurist to flatly declare the use of such evidence unconstitutional.

His decision was in the case of Hany Mahmoud Kiareldeen, a Palestinian who has been in this country for nine years, managed an electronics store in New Jersey and is married to an American citizen.

First arrested for having an expired student visa, he later was accused of meeting in his New Jersey home, a week before the 1993 World Trade Center bombing, with one of the men convicted in that attack. He also was accused of threatening to kill Attorney General Janet Reno.

The source of this classified evidence is the FBI's Joint Terrorism Task Force. But, as Judge Walls has noted, the INS failed to produce any witnesses—either from the FBI or from the INS—or "original source material" in support of these charges. Therefore no witnesses could be cross-examined at the hearings.

At the hearings, Kiareldeen produced witnesses and other evidence that he was not living in the town where he is supposed to have met with bombing conspirators. And an expert witness, Dr. Laurie Myleroie, appeared for him. She is described by James Fox, former head of the FBI's New York office, as "one of the world-class experts regarding Islam and the World Trade Center bombing." She testified that no evidence showed that the accused had any connection with that bombing.

The government's evidence, said the judge, failed "to satisfy the constitutional standard of fundamental fairness." The INS—part of the Justice Department—denied Kiareldeen's "due process right to confront his accusers . . . even one person during his extended tour through the INS's administrative procedures."

These due process protections, declared the judge, "must be extended to all persons within the United States, citizens and resident aliens alike. . . . Aliens, once legally admitted into the United States are entitled to the shelter of the Constitution." The judge went even farther. Even if the government's reliance on secret evidence has been provably based on a claim of national security, Judge Walls—quoting from a District of Columbia

Court of Appeals decision, *Rafeedie* v. *INS*—asked "whether that government interest is so all-encompassing that it requires that the petitioner be denied virtually every fundamental feature of due process."

In *Rafeedie*, Judge David Ginsburg noted in 1989 that the permanent resident alien in That case, in this country for 14 years, was "like Joseph K. in Kafka's 'The Trial' in that he could only prevail if he ware able to rebut evidence that he was not permitted to see."

Kiareldeen is now free after 19 months, but Judge Walls's decision that secret evidence is unconstitutional applied only to the state of New Jersey. The INS did not pursue its appeal because it wants to avoid a Supreme Court decision. The INS continues to insist it will keep on using secret evidence.

One of the victims of these prosecutions in darkness still in prison is Nasser Ahmed, who has been in INS detention for 3½ years.

Congress has the power to bring in the sunlight by passing the Secret Evidence Repeal Act of 1999 (H.R. 2121)—introduced in June by Rep. David Bonior (D–Mich.). It would "abolish the use of secret evidence in American courts and reaffirm the Fifth Amendment's guarantee that no person shall be deprived of liberty without due process."

Will a bipartisan congress vote in favor of the Constitution? And then, will the president allow the removal of the secret evidence provisions of his cherished 1996 Anti-Terrorism Act?•

HAPPY BIRTHDAY PERRY, GEORGIA

• Mr. CLELAND. Mr. President, on the eve of its one hundred and seventy-fifth birthday, I rise today to recognize a most charming and prosperous town, Perry, GA. When the first settlers came to the fertile plains of central Georgia, they found a wealth of natural resources that promised prosperity. The land proved not only beautiful, but also perfectly suited for agriculture. The town's initial successes attracted entrepreneurial citizens who contributed greatly to Perry's strong industrial and agricultural presence in Georgia which continues to grow to this day.

Perry is the seat of Houston County, and is blessed with a rich abundance of natural, historic and cultural diversity. Formerly known as Wattsville, Perry became the first official town in the county on November 25, 1824. Perry is named after Commodore Oliver Perry, who became famous for a battle on Lake Erie during the war of 1812. During the battle of September 10, 1813, Perry defeated and captured a flotilla of six large British frigates with an improvised fleet of nine American vessels and in so doing neutralized the British naval presence on Lake Erie.

For as long as anyone can remember, Perry has been a favorite place for tourists to stop. Known as the "Crossroads of Georgia," Perry is located in the geographic center of the state where U.S. Highways 341 and 41 and the Golden Isles Parkway intersect with Interstate 75. With an ideal location along I–75, Perry has long enjoyed the distinction as Georgia's halfway point to Florida. As a result, snowbirds and vacationers of every type have recognized Perry as a pleasant place to stop and rest, grab a bite to eat at one of Perry's many restaurants, including one of my favorites, The New Perry Hotel, or simply to enjoy the peacefulness of the small town. Combined with the graciousness with which they are received by Perryans, many have found it difficult to leave!

For festival-goers, Perry's warm climate and 628-acre events complex provide ample opportunity for fun and entertainment. Perry is home to Georgia's National Fair, a much-anticipated, 10-day extravaganza held each October. Activities at the fair are reminiscent of county fairs of old, revolving around livestock and horse shows, FAA and FHA events, home and fine arts displays, as well as the ever-popular baking and quilting competitions. This year marked the 10-year anniversary of the fair. The 628-acre complex is the largest of its kind, and the events hosted at the Georgia National Fairgrounds and Agricenter have an estimated economic impact of $30 million annually.

For about two weeks starting in mid-March, the Peach Blossom Trail on U.S. 341 north of Perry is lined with pink and white blossoms. From mid-May through mid-August, an abundance of fresh peaches can be found for sale at roadside stands. Dogwoods and azaleas bloom profusely during the spring and camellias brighten the landscape during the winter. The dogwood has been adopted as the city's official tree. Perry's downtown has been maintained as a colonial-style village with specialty shops and restful atmosphere.

More than the festivals, beauty, history or industry, it is the wonderful people of Perry who make it such a unique place. Perry manages to maintain a less hectic pace and small town friendliness that has become a rarity in today's hustle-bustle society. There is an extremely strong sense of community in Perry as is evident in the strong church attendance, school participation, civic activism and neighborhood involvement among Perry's citizens. Additionally, Perry can be claimed as home by such noted national leaders as General Courtney Hodges of World War II fame, former U.S. Senator Sam Nunn, and the late former Congressman Richard Ray.

Mr. President, I warmly request that you and my colleagues join me in paying tribute to a jewel of a town, Perry, GA.•

JOHN GIOVANNINI

• Mr. SANTORUM. Mr. President, I rise today to recognize a genuine hero, who paid the ultimate price so that a loved one might live.

John Edward Giovannini, born in 1958, was an employee of US Airways and a member of the Pennsylvania Air National Guard, stationed in Harrisburg, PA. He served in the Marines from 1976 to 1980, and joined the Air National Guard in 1985.

On September 13, 1999, while vacationing with his girlfriend and her family in Ocean City, Maryland, John was faced with a fateful decision. While enjoying a relaxing day on the beach, the calm was suddenly shattered by desperate cries from Kim, the 21-year-old daughter of John's girlfriend. Kim was swimming in the ocean when a riptide threatened to carry her out to sea. Without concern for his own safety, John immediately swam out to reach Kim before the current could carry her away. Being an exceptionally strong swimmer, John was able to reach Kim despite the riptide, and began towing her toward the beach. Before reaching shore, John became overwhelmed with exhaustion from fighting the strong current. He continued to struggle toward shore, and when unable to swim any further, John fought with all his might to keep Kim above water as he cried out for help. Kim's grandmother, Deanna, swam out to the pair and successfully helped Kim back to shore. Meanwhile John's friend, Ron, came to his aid and pulled John the remaining distance to the beach. By the time John reached shore, he was completely incapacitated, having expended all of his energy in his effort to save Kim. The lifeguard and medical technicians were unable to revive John, and he died while being transported to the hospital. If not for John's quick actions and refusal to put his own life before Kim's, she would surely have been swept away.

Words can not begin to adequately describe the ultimate sacrifice John made on that fateful September day. His selfless courage is rarely demonstrated today apart from storybooks and movies. John Giovannini is truly an American hero, and as I extend my heartfelt condolences to John's loved ones for their tragic loss, I would also like to express my sincere admiration for the courage which John displayed throughout this tragic event.•

RECOGNITION OF CAPTAIN JAMES L. CARDOSO

• Mr. TORRICELLI. Mr. President, I rise today in recognition of Captain James L. Cardoso, a native of Cherry Hill, New Jersey, as he receives the Silver Star for gallantry from the United States Air Force. Captain Cardoso's daring rescue of a downed F–117 "Stealth Fighter" pilot makes him more than worthy of this prestigious honor. It is a pleasure for me to be able to honor his accomplishments.

On March 27, Captain Cardoso led his helicopter unit through Serbian air defenses within 25 miles of Belgrade. His extraordinary effort is even more remarkable considering the low visibility and the minimal air support his unit received in the rescue. He fearlessly led his formation, at great personal risk to himself and his crew, in penetrating an extremely formidable Serbian air defense system which knew of the rescue. In the process, Captain Cardoso successfully avoided Serbian ground forces located a mere 10 miles away.

Despite these difficulties, Captain Cardoso's unit was able to rescue the downed pilot within 45 seconds of landing. He narrowly escaped encroaching Serbian forces.

Having learned of Captain Cardoso's heroic leadership, I am pleased to recognize his efforts. Captain Cardoso's actions saved an American pilot from enemy hands at a critical time in the Kosovo campaign. By his gallantry and sense of duty, Captain Cardoso has proven a great credit to himself, the State of New Jersey and to the country. I wish him the best as he receives this tremendous honor.●

TRIBUTE TO ROBERT GIBSON

● Mr. JEFFORDS. Mr. President, today I rise to pay tribute to an extraordinary Vermonter, a gifted parliamentarian, and a true friend, Robert Gibson. Bob Gibson served the Vermont Legislature for over 35 years, first as Assistant Secretary of the Senate, and then as Secretary of the Senate. In these positions, he provided invaluable advice and counsel to every Senator who has served Vermont, from 1963, until his death in October.

Bob Gibson was born in Brattleboro in 1931, into one of Vermont's most distinguished families, a family dedicated to serving the public good. Bob's grandfather, Ernest Gibson, was president of the state Senate in 1908, a U.S. Congressman and a U.S. Senator. His father, Ernest Gibson, Jr., was an appointed U.S. Senator, Governor of Vermont, a U.S. District Court judge, a decorated war hero and a close friend of my father. And both of Bob's brothers are exceptional citizens and public servants. His brother, Ernest III, is a former Vermont Supreme Court Justice and his other brother, David, is a former state's attorney for Windham County.

Both Bob Gibson and his father helped me immeasurably in my early years as a lawyer and a legislator. I clerked for Bob's father after law school, and was impressed by his vast knowledge of and respect for our laws, and his dedication to making Vermont a better place. And when I was elected to my first public office in 1967, as a Senator from Rutland County, it was Bob who steered me through the legislative process and set a standard of bipartisanship that has guided me throughout my career.

With a rare sense of fairness and a vast knowledge of the Vermont Legislature, Bob extended the same helping hand to every Senator that served in the Chamber during his tenure. Current Vermont State Senator from Caledonia County, Robert Ide, recently stated, "Bob Gibson's reputation for fairness and honesty was above reproach from any member of the Senate. His guidance and respect from the leadership of both parties was unparalleled in the Vermont statehouse. He was a true friend and mentor for everyone who served in his classroom, and he will be sorely missed."

Bob Gibson was a positive force in the Senate, who kept lawmakers moving forward in an orderly fashion. He was a positive force in his native Brattleboro, serving the community in a variety of ways before moving to Montpelier and becoming Assistant Secretary. He was a positive force in his family, dedicated to his wife, daughters, parents and brothers. And he was a positive force to all those who had the privilege of calling him a friend.

I pay tribute today to a man who paid tribute every day, to the values that Vermont holds dear—hard work, honesty and fairness. We have lost a Vermont institution, but Bob Gibson's legacy lives on in the laws he helped to enact and the lives that he touched.●

APPOINTMENT

The PRESIDING OFFICER. The Chair, on behalf of the majority leader, pursuant to Public Law 105–277, announces the appointment of Deborah C. Ball, of Georgia, to serve as a member of the Parents Advisory Council on Youth Drug Abuse for a 3-year term.

ORDERS FOR WEDNESDAY, NOVEMBER 17, 1999

Mr. GRASSLEY. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 9:30 a.m. on Wednesday, November 17. I further ask unanimous consent that on Wednesday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate then resume debate on the pending Wellstone amendment to S. 625, the bankruptcy reform bill, under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, I further ask unanimous consent that the Senate stand in recess from 12:30 p.m. until 2:15 p.m. for the weekly policy conferences to meet.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. GRASSLEY. For the information of all Senators, the Senate will begin the final hour of debate on the Wellstone amendment at 9:30 a.m. on Wednesday. By previous consent, the Senate will proceed to a vote on the amendment following the use or yielding back of all the time. A vote on the Moynihan amendment, No. 2663, has been ordered to occur immediately following the vote on the Wellstone amendment.

Therefore, Senators may expect two back-to-back votes at approximately 10:30 a.m. tomorrow. If my plans work out, I prefer to have a third vote immediately afterwards on an amendment on which we are working to try to get consent. Then, in addition, other votes may be anticipated during tomorrow's session in an effort to complete the first session of the 106th Congress.

Therefore, Senators should adjust their schedules for the possibility of votes throughout the day and also into the evening on Wednesday. The leader appreciates the patience and cooperation of all of our colleagues as we attempt to complete the appropriations process.

Mr. REID. Mr. President, I wish to renew what I said earlier today. We have taken this bankruptcy bill a long way. When the bill started, we had 320 amendments that had been filed. We are down now to a handful of amendments, literally—12 to 15 amendments.

I suggest to the majority, after we complete our votes in the morning, we should go immediately to offering some of these amendments. I think, without a lot of work tomorrow, we can complete this bill. There is no reason at this stage to even consider invoking cloture; we are so close to being able to complete this bill. I can't speak for the entire minority, but if a cloture motion were filed at this late day, I am confident it would not be passed.

I think we should do everything within our power to complete this bill before we adjourn.

Mr. GRASSLEY. Mr. President, I don't take exception to anything the Senator from Nevada stated. I simply add, we have been on this very important bankruptcy reform legislation over a week and we have gotten to where we are on this legislation only because we have had an extreme amount of bipartisan cooperation, starting with the introduction of the bill by Senator TORRICELLI and myself, getting it out of the Judiciary Committee in April by a vote of 14–4, awaiting our place in line to come up on the floor of the Senate, and having had considerable success eliminating a lot of amendments and hoping to get it to conference before we adjourn for the first session of the 106th Congress.

We have had that bipartisan cooperation. I expect to continue to work with the Senator from Nevada; the Senator from Vermont, Mr. LEAHY, the ranking member of the Judiciary Committee; and Senator TORRICELLI, my partner on the subcommittee, to bring this bill to finality.

Mr. REID. Mr. President, I agree there has been bipartisan participation to this point. However, the majority of the time that has been spent on this bill has been in quorum calls and other matters. Rather than being involved in quorum calls, we should proceed on this legislation.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. GRASSLEY. If there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 6:15 p.m., adjourned until Wednesday, November 17, 1999, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate November 16, 1999:

ENVIRONMENTAL PROTECTION AGENCY

W. MICHAEL MCCABE, OF PENNSYLVANIA, TO BE DEPUTY ADMINISTRATOR OF THE ENVIRONMENTAL PROTECTION AGENCY, VICE FREDERIC JAMES HANSEN, RESIGNED.

RAILROAD RETIREMENT BOARD

JEROME F. KEVER, OF ILLINOIS, TO BE A MEMBER OF THE RAILROAD RETIREMENT BOARD FOR A TERM EXPIRING AUGUST 28, 2003. (REAPPOINTMENT)

VIRGIL M. SPEAKMAN, JR., OF OHIO, TO BE A MEMBER OF THE RAILROAD RETIREMENT BOARD FOR A TERM EXPIRING AUGUST 28, 2004. (REAPPOINTMENT)

DEPARTMENT OF JUSTICE

JANIE L. JEFFERS, OF MARYLAND, TO BE A COMMISSIONER OF THE UNITED STATES PAROLE COMMISSION FOR A TERM OF SIX YEARS, VICE JASPER R. CLAY, JR., TERM EXPIRED.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADES INDICATED IN THE UNITED STATES AIR FORCE UNDER TITLE 10, U.S.C., SECTIONS 624 AND 628:3

To be colonel

JOSEPH G. BAILLARGEON, JR., 5249
DAVID R. BROWN, 6876
KEVIN M. GRADY, 9867
MICHAEL C. HART, 8642
MICHAEL S. HILL, 0935
RICKY B. KELLY, 7842
STEPHEN R. SCHWALBE, 3546

To be lieutenant colonel

JACK A. SNAPP, 5121

To be major

PAUL N. BARKER, 5053
BRYAN C. BARTLETT, 3544
PATRICIA S. PARRIS, 4968
DAVID L. PHILLIPS, JR., 5414

IN THE ARMY

THE FOLLOWING NAMES ARMY NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE ARMY UNDER TITLE 10, U.S.C., SECTIONS 12203 AND 12211:

To be colonel

RICHARD T. BRITTINGHAM, 5532
WILLIAM D. STEWART, JR., 8220

IN THE MARINE CORPS

THE FOLLOWING NAMES LIMITED DUTY OFFICER TO THE GRADE INDICATED IN THE UNITED STATES MARINE CORPS UNDER TITLE 10, U.S.C., SECTION 624:

To be major

JOSEPH B. DAVIS, JR., 6675

IN THE NAVY

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be captain

TERRY C. PIERCE, 2455
FRANK G. RINER, 0600

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTIONS 624 AND 628:

To be lieutenant commander

BRAD HARRIS DOUGLAS, 7742
PAUL ALAN HERBERT, 4293
GREGORY S. KIRKWOOD, 0844
STEPHEN F. O'BRYAN, JR., 7319
GREGORY J. SENGSTOCK, 3091
MARC A. STERN, 1578

IN THE ARMY

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE ARMY UNDER TITLE 10, U.S.C., SECTION 12203:

To be colonel

STEPHEN C. ALSOBROOK, 7687
MARY ELIZABETH ANCKER, 3494
EDWIN I. ANDERSON, 2076
WARNER J. ANDERSON, 8983
RICHARD ALBERT ARMSTRONG, 0353
JESSE BAILEY, 6763
JAMES MICHAEL BAKER, 8867
RONALD EUGENE BANKS, 5117
KENNETH EUGENE BARTELS, 5488
ALVIN LEON BAUMWART, 6702
DONALD WILLIAM BEGEZDA, 2354
DONALD R. BIRMINGHAM, 5832
ALJERNON J. BOLDEN, 2863
MARLIN D. BRENDSEL, 2213
JESSE ABRAHAM BREWER III, 0041
KENNETH E. BROOKMAN, 2461
ROBERT E. BROUGHTON, JR., 4539
EDITH MARY BUDIK, 8742
WALTER N. BURNETTE III, 2485
CANDACE MARIE BURNS, 2965
MATTIE LEE CALDWELL, 6625
MICHAEL DAVID CARETHERS, 6855
KENNETH RAY CARLETON, 8623
KATHLEEN SUE CARLSON, 6579
ELROY CARSON, 6332
RICHARD MYRON CARTER, 0042
MARGARET LESLIE CARVETH, 9720
CORNELIUS F. CATHCART, 2361
PATRICK F. CAULFIELD, 4913
WILLIAM M. CHAMBERLAIN, 0015
AFTAB A. CHAUDRY, 4280
DOMINIC KUI K. CHEUNG, 9349
JAI JONG CHO, 0517
MARTIN J. CHRISTENSEN, 3964
MATILDE M. CHUA, 4968
TERRENCE T. CLARK, 1628
JEFFREY PAUL CLEMENTE, 2877
ALKA V. COHEN, 3816
RONALD EDWARD COLEMAN, 2757
JOSE L. COLLADOMARCIAL, 9339
DEBRA ANN COOK, 3053
ESTELLE COOKESAMPSON, 0384
BRIAN WILLIAM COOPER, 4224
WILLIAM COX, 6726
HARROLD LYNN CRANFORD, 4966
SAMUEL A. CROW, 1200
DAVID MELVIN CUMMINGS, 9932
EDWARD O. CYR, 8615
RICHARD L. DALES, 5252
ANITA K. DAS, 7693
JOSE R. DAVILAORAMA, 6550
RICHARD LEE DAVIS, 5971
WILLIAM ROSS DAVIS, 8879
MOSES DEESE, 6673
DANIEL JOSEPH DUNN, 6429
JOHN ALEXANDER DWYER, 7821
FRANK M. ELLERO, 2037
DAVID F. EVERETT, 5230
WALTER G. FAHR, 7054
JACK FOWLER FENNEL, 0248
ANTHONY JOHN FERRETTI, 9988
ROBERT ALLEN FRAMPTON, 8739
CORNELIUS E. FREEMAN, 2718
MICHAEL E. FREVILLE, 0551
BRUCE DAVID FRIED, 3896
ROBERT EDWARD GARDNER, 4158
DANIEL WAYNE GARLAND, 4378
PAUL EDWARD GAUSE, 5839
JESSE OTTO GIDDENS, JR., 6036
JOHN VERNON GLADDEN, 4348
ELLIOTT GOYTIA, 0984
RICHARD V. GRAHAM, 8060
GEORGE PATRICK GREEN, 8094
RONALD GRIMES, 0098
EDWARD ALLEN HADAWAY, 3573
J. M. HAMILTON, 2345
MARY M. HAND, 8167
CONSTANCE JEAN HARDY, 3576
JANET MARY HARRINGTON, 3620
KARL MATTHEW HARTMANN, 7961
PATRICIA HARVARD, 4844
DANIEL ALAN HARVEY, 9028
DAVID M. HAYES, 1216
MARY ANN THERESA HAYUNGA, 2484
JAMES DILLER HELMAN, 9035
SARAH KATHRYN HELMS, 9227
ANDRE FRITZ HENRY, 4928
JOHN ROBERT HERRIN, 0709
DONALD EARL HICKS, 0140
MANUEL HIGER, 2841
AUDREY LORAINE HINDS, 1122
MARK ALAN HOFFMAN, 6654
DONNIE JOE HOLDEN, 2679
ROBERT GEORGE C. HOLMES, 1025
CLYDE PHILIP HOUSTON, 6758
JAMES CURTIS HOVE, 0902
CHERYL B. HOWARD, 1771
GERTA ANNE HOWELL, 4936
VIRGINIA W. JENKINS, 1889
EUNICE GERTRUDE JOHN, 1748
MARGARET CHRISTIAN JOHNSON, 0275
RICHARD LOUIS JOHNSON, 2640
ROBERT EDMUND JOHNSTONE, 7072
ROBERT CLYDE JONES, 3692
LYNNETTE DORLENE KENNISON, 8072
DAVID E. KOSIOREK, 4098
KARL JOSEPH KREDER, JR., 8172
NANCY ANN KUHL, 6057
BENJAMIN J. KULPER, 8126
JOHN J. LAMMIE, 1676
REGINALD J. LANKFORD, 5050
FRANKLIN Y. LAU, 7156
RONALD A. LEPIANKA, 8255
PATRICIA ANN LOCKHART, 9591
ROY EDWARD MADAY, 6722
WALTER JOSEPH MAGUIRE, 3565
DANNEN D. MANNSCHRECK, 6164
ROBERT ALLEN MASON, 7288
LARRY JOHN MATTHEWS, 6698
JUDITH MC LANE MAY, 1112
RUSSELL PAUL MAYER, 3365
CLAUDIA MC ALLASTER, 9357
FRED T. MC DONALD, 3497
THOMAS W. MC DONALD, 7149
GILBERT W. MC INTOSH, JR., 9726
JAMES W. MENTZER, JR., 1917
MARGARET ANN MILLER, 4528
STEPHEN WILLIAM MITCHELL, 6753
ARLENE JACKSON MONTGOMERY, 3800
ROBERT G. MONTGOMERY, 5965
EARL W. MORGAN, 7310
ELIZABETH S. MORRIS, 6635
MICHAEL EUGENE MULLIGAN, 0425
BARBARA JEAN MURPHY, 2567
FERENC NAGY, 2087
KENT ALAN NICKELL, 4136
PATRICIA W. NISHIMOTO, 3670
HARRY WILLIAM ORF, 6112
JOHN CARL OTTENBACHER, 0157
JEFFREY J. PARASZCZUK, 4262
RAJNIKANT C. PATEL, 7133
WILLIAM P. PATTERSON, 4598
MICHAEL EDWARD PAULSEN, 6948
NANCY REED PICKETT, 5784
ROSALIND KAY PIERCE, 0795
LAURENCE ROGER PLUMB, 7255
DANNY RAY RAGLAND, 5039
JAMES DELMAR REED, 0906
DENNIS EUGENE REILLY, 8041
DANA FREDERICK REYNARD, 4645
LESLIE E. RICE, 8801
RANDY CONRAD RICHTER, 9583
ENRIQUE A. RIGGS, 9028
JAMES C. ROBERTSON, JR., 1493
RICKY JOE RODGERS, 4683
RAUL RODRIGUEZ, 5771
DONALD KARL ROKOSCH, 8512
HECTOR ROSADO, 4217
PETER JAMES ROSS, 8153
JOHN DAVID ROWEKAMP, 7961
MICHAEL JOSEPH ROY, 4713
HARRY GRAHAM RUBIN, 1327
ROBERT DAVID RUSSELL, 6785
ROBERT W. SAUM, JR., 3124
ARNOLD D. SCHELLER, 3351
JON EDWARD SCHIFF, 0762
JOHN P. SCHIRMER, 1467
ALLEN CLARK SCHMIDT, 6148
STEFAN SHERMAN, 0984
DENNIS P. SHINGLETON, 6927
STEPHEN K. SIEGRIST, 8673
HAROLD SILMAN, 2825
LEWIS D. SKULL, 0579
LANI W. SMITH, 1907
JAMES W. SNYDER, 6476
SHARON ANN R. STANLEY, 7845
VIRGINIA S. STAPLEY, 3322
PAMELA JEAN STAVES, 4976
STEVEN JAMES STEED, 9523
THOMAS MICHAEL STEIN, 1149
HERBERT A. STONE, 1912
LAURA B. STRANGE, 3163
BARRY D. STRINGFIELD, 4083
DAVIS M. STROOP, 5907
COLLEEN P. SULLIVAN, 0749
TERRY LYNN SWISHER, 9256
JAVIER G. TABOADA, 6673
JANET L. THOMPSON, 5224
JIMMY DALE THURMAN, 9969
SHAW P. WAN, 0821
DONALD G. WARD, JR., 8613
MARJORY K. WATERMAN, 0657
WILLIAM BRUCE WATSON, 7795
SHARON SUE WEESE, 0803
GORDON PAUL WESLEY, 6848
MARGARET C. WILMOTH, 7289
MICHAEL A. YOUNG, 3878
RICHARD B. YOUNG, 1253
HENRY E. ZERANSKI, JR., 6226

HOUSE OF REPRESENTATIVES—*Tuesday, November 16, 1999*

THe House met at 10:30 a.m.

MORNING HOUR DEBATES

The SPEAKER. Pursuant to the order of the House of January 19, 1999, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member except the majority leader, the minority leader or the minority whip limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from Oregon (Mr. BLUMENAUER) for 5 minutes.

UNPLANNED GROWTH, THIS PROBLEM MUST BE ADDRESSED

Mr. BLUMENAUER. Mr. Speaker, on the front page of newspapers across America today there is another sad episode, this time in Alabama, of reckless behavior on the road, talking about road rage where a woman killed another after a traffic confrontation.

The story in this morning's Post is replete with examples of how their lives were stressed as a result of unplanned growth, congestion, traffic and sprawl in their community. Last week, I discussed at some length on the floor of this Chamber the very real health implications of unplanned growth across America.

Before Congress adjourns, I think it is important for us to reflect on the fact that how we plan and build our community makes a huge difference, and I think it important for us to reflect on it here in the Washington, D.C. capital area.

While I personally welcome the attention that has been received by the District of Columbia in activities recently for the District, it is not enough for us to focus on livability just as it relates to Washington, D.C. We need to be thinking broadly about the health and livability of the entire 17-government region in metropolitan Washington, D.C. We cannot separate the health of our region from larger issues.

Citizens throughout this region, as I meet with them, are asking themselves the right questions. Is it not possible for people in our Nation's capital to think more comprehensively about land use and transportation and put those pieces together in a thoughtful way? Is it possible to avoid the obvious disconnect between massive infrastructure investments and access, like we have seen the marvelous front page stories and pictures where the Redskins stadium has inspired massive gridlock, traffic congestion and frustration? People are asking whether or not the Federal Government cannot be leading by example here in metropolitan areas, using the resources and presence of the Federal Government to make a difference?

People are asking, is it not possible in the metropolitan capital region for us to take a tiny percentage of the revenues that are generated from new development and growth to help solve regional problems on a regional basis?

Why do we not, in this region, recognize that unbalanced growth, when high activity on the western end and the decline in the eastern portion of the region has huge negative implications for both areas?

There is a marvelous document that has been prepared by the Brookings Institution Center for Urban and Metropolitan Policy called A Region Divided, a Study of Growth in Greater Washington, D.C. It documents the great strengths that we have in the capital region, the wealth, the booming economy, the affordable housing, the brain power, and the unifying forces that we have with the Federal Government, the media, the historical context, but we are currently a region divided, as documented by this report.

I hope that as we in Congress begin a new year, that every Member in the House and Senate, as they review their agenda to make America better, will review this report and reflect on ways that we can help make our capital region one of America's most livable communities where our families are safe, healthy and economically secure.

THE TIME HAS PASSED FOR JUST TALKING AND RHETORIC. LET US DO SOMETHING ABOUT SOCIAL SECURITY NOW

The SPEAKER pro tempore (Mr. OSE). Under the Speaker's announced policy of January 19, 1999, the gentleman from Michigan (Mr. SMITH) is recognized during morning hour debates for 5 minutes.

Mr. SMITH of Michigan. Mr. Speaker, I want to talk about Social Security. We have heard a lot of talk about it.

The President 2 years ago in his State of the Union message said, let us start putting Social Security first. Republicans have said that and Democrats have said that. So we are doing a lot of talking but we are not doing a great deal of putting Social Security first.

We have taken maybe a giant step in the conviction of the Republicans not to spend the Social Security surplus, and so we have made a decision that despite the fact that there are more revenues coming into the Federal Government than we have seen for a long, long time, and the revenues coming in are both what is called on budget, which means the income tax and all other revenues except for the Social Security tax, and Social Security tax is now 12.4 percent of most of what everybody makes, what is happening is it is a pay-as-you-go program. Social Security gets their Social Security, the FICA tax, the payroll tax, money in every week and almost immediately it is sent out in benefits.

Since we dramatically increased the Social Security tax in 1983, there is a little more Social Security tax coming in than there is required to pay current benefits. That is what is called the Social Security surplus, and what Republicans decided several months ago is that we were going to hold the line on the budget not to spend the Social Security surplus for other government programs and instead use that money to pay down what I call the Wall Street debt or the debt held by the public.

I have introduced a Social Security bill every year since I have been in Congress, every session since I have been in Congress since 1993. I just introduced the most recent improved Social Security bill last month, and it was based on our task force report, our bipartisan task force report, where Republicans and Democrats came together to agree on the findings. The bill I introduced reflects these findings.

Let me briefly go over this chart. Number one, it allows workers to invest a portion of their Social Security tax. It starts at 2.5 percent of your taxable payroll. That is now $76,000. Over the years, it increases. It can only be used for retirement but it is in the worker's name so that politicians in Washington cannot steal it like they have in the past.

In 1997, when Social Security money was short, we passed a law that says we are going to reduce benefits and increase taxes. Again in 1983, when Social Security revenues were short of the requirement for benefits, we increased taxes and cut benefits. Let us not do that again.

This bill does not increase taxes. Seventy-two percent of all the workers in

☐This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

the United States now pay more in the Social Security tax than they do in the income tax. Let us not increase taxes.

It repeals the Social Security earnings test so senior citizens, if they want to work, do not have their Social Security check reduced for the amount they work. That needs to be changed to allow seniors to work if they want to.

It gives workers the choice to retire as early as 59½ years old and start taking their personal retirement savings account out.

We also have a provision that encourages individuals, if they want to wait until they are 70, it substantially increases their benefits by 8 percentage points for every year that they delay taking their Social Security check. In other words, if they delay 3 years, it is a 24 percent increase in what they would otherwise get. One year would be 8 percent; 2 years 16 percent.

It gives each spouse equal shares of the personal retirement savings account and increases widow and widower benefits up to 110 percent.

As I met with widows and widowers, they said, look, you are dramatically taking so much of the Social Security check away when one of the spouses die that we cannot afford to live in our home anymore.

So we increased that up to 110 percent of the maximum benefit they were getting.

It reinforces the safety net for low income and disabled workers. It passes the Social Security Administration's 75-year solvency test. In fact, the economists suggest that if we were able to put this bill into law, it would keep Social Security solvent forever. It is not going to reduce the existing benefits for current retirees or near-term retirees. It is something we need to look at if we are serious about saving Social Security.

The time has passed for just talking and rhetoric. Let us do something about it. Mr. Speaker, I hope that every American voting next year will be asking their candidates for the President and the Congress what their plan is to save Social Security and really put it first.

THE MESSAGE IS, WE WANT TO CHANGE HOW WASHINGTON WORKS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Illinois (Mr. WELLER) is recognized during morning hour debates for 5 minutes.

Mr. WELLER. Mr. Speaker, I have the privilege of representing one of America's most diverse districts, representing the south side of Chicago, the south suburbs in Cook and Will Counties, bedroom communities like Morris and a lot of cornfields and farm towns, too. When one represents such a diverse district, they learn to listen. I find even though I represent city and suburbs and country, that there is a common message and that message is we want to change how Washington works. They want us to work together to find solutions and meet the challenges that we face.

Now, a question is often asked from a historical perspective: Has this Congress in the last 5 years of the Republican majority responded to that call to change how Washington works and, of course, look for solutions and enact solutions to the challenges that we face?

I am proud to say that in the last 5 years, we have. I was told when I was first elected to Congress there is no way we can balance the budget. They failed to do it for 28 years. There is no way we can cut taxes and balance the budget at the same time. They told us that the welfare system which had put more children in poverty than ever before had failed for a long time so nobody can fix that either, but I am proud to say that we did.

We balanced the budget for the first time in 28 years and now we are debating what to do with the projected $3 trillion surplus. We cut taxes for the middle class and, in my home State, that first middle class tax cut in 16 years now means that 3 million Illinois children qualify for the $500 per child tax credit. That is $1.5 billion a year that stays home in Illinois, helping Illinois families, rather than being spent here in Washington.

We enacted the first real welfare reform in over a generation, emphasizing work and family and responsibility. As a result of that, Illinois' welfare rolls have been cut in half.

Those are successes, accomplishments that I am proud of and proud to be part of. That is pretty good. People often say the budget was balanced, taxes for the middle class were cut, welfare reform was enacted, but that is history. What is going to be done next?

Our agenda here in the Republican majority is a simple agenda. We want to strengthen our local schools. We want to pay down the national debt. We want to lower taxes for middle class families. We also want to strengthen our retirement security system of Medicare and Social Security. Our agenda responds to the concerns that I often hear. Whether in the union halls, the steel working union halls in the 10th Ward of Chicago or the VFW or Legions in Joliet or the grain elevators in Tonica or Ottawa, I am often asked several questions. One of the most basic questions I am asked time and time again is, when are the folks in Washington going to stop spending the Social Security surplus? When are the folks in Washington going to break that bad habit that has gone on for 30 years, where Washington has dipped into the Social Security trust fund, raided the Social Security trust fund to spend on other things?

I am proud to say, Mr. Speaker, that our goal as Republicans is to stop the raid on Social Security.

I am proud to say that the White House has recognized this. At the beginning of the year, of course, the President called for spending 62 percent of the Social Security surplus on Social Security and then the other 38 percent on other priorities. Well, we said no; it is time to stop the raid on Social Security.

I was pleased to see this quote here from the chief of staff of the President when they finally recognized that Republicans were serious about stopping the raid on Social Security. Let me quote John Podesta, chief of staff to the President. The Republican's key goal is not to spend the Social Security surplus. Republicans want to stop the raid on Social Security.

I am pleased to say that just a few weeks ago that the Congressional Budget Office, nonpartisan Congressional Budget Office, issued a letter saying that the budget that we have enacted, the budget that we have passed even though the President vetoed part of it, did not spend one dime of the Social Security trust fund.

The other question I am often asked by folks back home is no one ever talks about paying down the national debt. Washington spent beyond its means for 28 years, running up a $3.4 trillion national debt. Is it not time to start paying that off?

I am proud to say that over the last 2 years we have made a down payment on paying down the national debt. We paid down $150 billion of the public debt over the last 2 years; $50 billion 2 years ago, $100 billion this past year. This coming year we expect to pay down $150 billion and over the next 10 years we should pay down two-thirds of the national debt, $2.2 trillion. It is an important step as we work to pay down the debt which is so important if we consider our future for America's children.

The third question I am often asked is, and folks get frustrated, they are frustrated that our Nation's tax burden is so high, that only in time of war, in World War II, at the end of World War II, was the tax burden higher than it is today. Forty percent of the average Illinois' income goes to Washington and Springfield.

Unfortunately, the President vetoed our effort to eliminate the marriage tax penalty. My hope is we will come back and do that.

Mr. Speaker, let us stop the raid on Social Security. Let us balance the budget. Let us eliminate the marriage tax penalty. Let us help our schools and let us strengthen Social Security and Medicare.

THE CASE OF LINDA SHENWICK

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Florida (Mr. STEARNS) is recognized during morning hour debates for 5 minutes.

Mr. STEARNS. Mr. Speaker, there are times when Congress must act to protect the interests of individuals, in particular Federal civil servants who have been unfairly harmed by the actions of the Federal Government.

Recently, Congress acted to protect Billy Dale and the other employees of the White House Travel Office who were unfairly removed from their jobs and who were illegally targeted for investigation and prosecution. This Congress acted to protect those workers and to pay for their legal expenses.

Another case has presented itself that behooves Congressional action also. The case I speak of is the case of Linda Shenwick. Linda Shenwick has been an exemplary public servant since she started working at the State Department in 1979. The Weekly Standard reported that Ms. Shenwick was driven by a sense of public service and an interest in foreign affairs.

In 1984, Ms. Shenwick was transferred to the U.S. mission to the United Nations where she first was assigned to handle personnel and budget issues. She quickly carved out a reputation for diligence and hard work, which won her three consecutive outstanding ratings, the highest given, between 1987 and July of 1989. Her performance also won her regular promotions and in 1988 she was admitted to the Senior Executive Service, an elite corps of Federal civil servants.

In August 1991 and again in November 1993, representatives of the other U.N. member states elected Shenwick to serve on the influential Advisory Committee on Administrative and Budgetary Questions, which recommends how U.N. money and personnel should be allocated. These votes of confidence reflected the respect accorded to her by U.N. officials and her service on the committee helped her acquire a detailed knowledge of the Byzantine U.N. budget process.

In her position, Ms. Shenwick repeatedly found evidence of deliberate waste, fraud and mismanagement in the United Nations. When she began reporting such evidence to her superiors at the start of the Clinton administration, her reports were ignored.

For instance, Ms. Shenwick reported in February 1993 that she had seen pictures of large amounts of U.S. currency stored openly on tables in Somalia. Without any recourse to prevent such budgetary abuse, she began notifying key Members of Congress about what she knew.

It later became public in April of 1994 that $3.9 million of U.N. cash was reported stolen in Somalia. Ms. Shenwick's work helped Congress force the U.N. to create an Office of Inspector General to end such fraud and mismanagement that occurred in Somalia.

Mr. Speaker, how has the Clinton administration and the State Department rewarded the stellar career of one of the most valuable civil servants this Nation has known? They began to sabotage her career by threatening her directly with removal from her position, with threats to destroy her financially and by beginning a process of false accusations and unsatisfactory reviews to harm her personnel files.

What they deliberately did to Ms. Shenwick was to set her up so that they could claim a cause for her removal. However, the evidence is abundantly clear that Ms. Shenwick was a remarkable civil servant dedicated to her job.

She has proven to be an invaluable asset for our Nation in confronting U.N. waste, fraud and abuse and mismanagement. She has been unfairly and illegally removed from her Federal position in contradiction to Federal law to protect civil servants, in contradiction to Federal laws to protect whistleblowers.

She should be reinstated to her former position, reimbursed for her personal expenses and have her personal files expunged of any unsatisfactory reviews or other false evidence to justify those reviews.

In fact, I offered an amendment to the State Department reauthorization bill that provided State Department employees such as she who, "in the performance of their duties inform the Congress of pertinent facts concerning their responsibilities should not, as a result, be demoted or removed from their current position or from Federal employment."

That amendment passed handily by a vote of 287-to-136, with 72 Democrat Members' support.

I believe we need to send a strong message by reiterating our belief that such injustices cannot be allowed to continue.

Recently, 52 of my colleagues joined me in sending a letter to Secretary Albright requesting that the Ms. Shenwick matter be resolved.

Mr. Speaker, we must take a stand against the abuse of a Federal civil servant who has done nothing but protect the interests of U.S. taxpayers and our Nation.

Mr. Speaker, I urge my colleagues to let the State Department know that they cannot continue to punish employees who are whistleblowers.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until noon.

Accordingly (at 10 o'clock and 51 minutes a.m.), the House stood in recess until noon.

□ 1200

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. OSE) at noon.

PRAYER

The Reverend Dr. Theodore Schneider, Bishop of Washington, Evangelical Lutheran Church in America, Washington, D.C., offered the following prayer:

A hush has fallen over the House, Lord, and well it should.

You are the creator and You sustain all things. Before You the generations rise and fall, before You, Lord, nations have come and they have gone.

We have been called by our people to manage the things of government. They expect of us integrity, wisdom and vision. They hunger for justice, for good and equal opportunities, so they may be all they are able to become.

We have been called by You, Lord, as stewards of lands, of resources, of human and social opportunities, and of the things that make for peace and foster posterity. You call us to be champions of justice and protectors of the poor.

Watch over us as we continue our debates upon fiscal budgets and the works of our government that initiate, protect and nurture hope and the well-being of our people and our communities. Keep before us the needs of all our people, especially those that would be so easy to forget; the homeless, the sick, the destitute, the aged, and all who have none to care for them.

Let Your Spirit nurture our thirst for the things that make for peace in our land and among the nations of this earth.

Through our people You have called us, Lord, to be stewards of all you have so graciously bestowed upon us. Clear our minds, open our hearts, and extend our vision so that we might be for our people all Your grace enables us to become.

Turn this parliamentary pause, Father, into our perfect prayer. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. GIBBONS. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER pro tempore. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. GIBBONS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 8, rule XX, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Puerto Rico (Mr. ROMERO-BARCELÓ) come forward and lead the House in the Pledge of Allegiance.

Mr. ROMERO-BARCELÓ led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

DISPENSING WITH CALL OF PRIVATE CALENDAR ON TODAY

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the call of the Private Calendar be dispensed with today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

CONFERENCE REPORT ON H.R. 2116, VETERANS MILLENNIUM HEALTH CARE AND BENEFITS ACT

Mr. STUMP submitted the following conference report and statement on the bill (H.R. 2116) to amend title 38, United States Code, to establish a program of extended care services for veterans and to make other improvements in health care programs of the Department of Veterans Affairs:

CONFERENCE REPORT (H. REPT. 106–470)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2116), to amend title 38, United States Code, to establish a program of extended care services for veterans and to make other improvements in health care programs of the Department of Veterans Affairs, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Veterans Millennium Health Care and Benefits Act".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. References to title 38, United States Code.
Sec. 3. Secretary and Department defined.

TITLE I—ACCESS TO CARE

Subtitle A—Long-Term Care

Sec. 101. Requirement to provide extended care services.
Sec. 102. Pilot programs relating to long-term care.
Sec. 103. Pilot program relating to assisted living.

Subtitle B—Other Access-to-Care Matters

Sec. 111. Reimbursement for emergency treatment in non-Department of Veterans Affairs facilities.
Sec. 112. Eligibility for care of combat-injured veterans.
Sec. 113. Access to care for TRICARE-eligible military retirees.
Sec. 114. Treatment and services for drug or alcohol dependency.
Sec. 115. Counseling and treatment for veterans who have experienced sexual trauma.
Sec. 116. Specialized mental health services.

TITLE II—MEDICAL PROGRAM ADMINISTRATION

Sec. 201. Medical care collections.
Sec. 202. Health Services Improvement Fund.
Sec. 203. Allocation to health care facilities of amounts made available from Medical Care Collections Fund.
Sec. 204. Authority to accept funds for education and training.
Sec. 205. Extension of certain authorities.
Sec. 206. Reestablishment of Committee on Post-Traumatic Stress Disorder.
Sec. 207. State home grant program.
Sec. 208. Expansion of enhanced-use lease authority.
Sec. 209. Ineligibility for employment by Veterans Health Administration of health care professionals who have lost license to practice in one jurisdiction while still licensed in another jurisdiction.
Sec. 210. Report on coordination of procurement of pharmaceuticals and medical supplies by the Department of Veterans Affairs and the Department of Defense.
Sec. 211. Reimbursement of medical expenses of veterans located in Alaska.

TITLE III—MISCELLANEOUS MEDICAL PROVISIONS

Sec. 301. Review of proposed changes to operation of medical facilities.
Sec. 302. Patient services at Department facilities.
Sec. 303. Chiropractic treatment.
Sec. 304. Designation of hospital bed replacement building at Ioannis A. Lougaris Department of Veterans Affairs Medical Center, Reno, Nevada.

TITLE IV—CONSTRUCTION AND FACILITIES MATTERS

Sec. 401. Authorization of major medical facility projects.
Sec. 402. Authorization of major medical facility leases.
Sec. 403. Authorization of appropriations.

TITLE V—BENEFITS AND EMPLOYMENT MATTERS

Subtitle A—Compensation and DIC

Sec. 501. Dependency and indemnity compensation for surviving spouses of former prisoners of war.
Sec. 502. Reinstatement of certain benefits for remarried surviving spouses of veterans upon termination of their remarriage.
Sec. 503. Presumption that bronchiolo-alveolar carcinoma is service-connected.

Subtitle B—Employment

Sec. 511. Clarification of veterans' civil service employment opportunities.

TITLE VI—MEMORIAL AFFAIRS MATTERS

Subtitle A—American Battle Monuments Commission

Sec. 601. Codification and expansion of authority for World War II memorial.
Sec. 602. General authority to solicit and receive contributions.
Sec. 603. Intellectual property and related items.
Sec. 604. Technical amendments.

Subtitle B—National Cemeteries

Sec. 611. Establishment of additional national cemeteries.
Sec. 612. Use of flat grave markers at Santa Fe National Cemetery, New Mexico.
Sec. 613. Independent study on improvements to veterans' cemeteries.

Subtitle C—Burial Benefits

Sec. 621. Independent study on improvements to veterans' burial benefits.

TITLE VII—EDUCATION AND HOUSING MATTERS

Subtitle A—Education Matters

Sec. 701. Availability of Montgomery GI Bill benefits for preparatory courses for college and graduate school entrance exams.
Sec. 702. Determination of eligibility period for members of the Armed Forces commissioned following completion of officer training school.
Sec. 703. Report on veterans' education and vocational training benefits provided by the States.
Sec. 704. Technical amendments.

Subtitle B—Housing Matters

Sec. 711. Extension of authority for housing loans for members of the Selected Reserve.
Sec. 712. Technical amendment relating to transitional housing loan guarantee program.

TITLE VIII—DEPARTMENT OF VETERANS AFFAIRS ADMINISTRATIVE MATTERS

Sec. 801. Enhanced quality assurance program within the Veterans Benefits Administration.
Sec. 802. Extension of authority to maintain a regional office in the Republic of the Philippines.
Sec. 803. Extension of Advisory Committee on Minority Veterans.
Sec. 804. Technical amendment to automobile assistance program.

TITLE IX—HOMELESS VETERANS PROGRAMS

Sec. 901. Homeless veterans' reintegration programs.
Sec. 902. Extension of program of housing assistance for homeless veterans.
Sec. 903. Homeless veterans programs.
Sec. 904. Plan for evaluation of performance of programs to assist homeless veterans.

TITLE X—UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS

Sec. 1001. Short title.
Sec. 1002. Definition.

Subtitle A—Transitional Provisions To Stagger Terms of Judges

Sec. 1011. Early retirement authority for current judges.
Sec. 1012. Modified terms for next two judges appointed to the Court.

Subtitle B—Other Matters Relating to Retired Judges

Sec. 1021. Recall of retired judges.

Sec. 1022. Judges' retired pay.
Sec. 1023. Survivor annuities.
Sec. 1024. Limitation on activities of retired judges.

Subtitle C—Rotation of Service of Judges as Chief Judge of the Court

Sec. 1031. Repeal of separate appointment of chief judge.
Sec. 1032. Designation and term of chief judge of Court.
Sec. 1033. Salary.
Sec. 1034. Precedence of judges.
Sec. 1035. Conforming amendments.
Sec. 1036. Applicability of amendments.

TITLE XI—VOLUNTARY SEPARATION INCENTIVE PROGRAM

Sec. 1101. Short title.
Sec. 1102. Plan for payment of voluntary separation incentive payments.
Sec. 1103. Voluntary separation incentive payments.
Sec. 1104. Effect of subsequent employment with the Government.
Sec. 1105. Additional agency contributions to Civil Service Retirement and Disability Fund.
Sec. 1106. Continued health insurance coverage.
Sec. 1107. Prohibition of reduction of full-time equivalent employment level.
Sec. 1108. Regulations.
Sec. 1109. Limitation; savings clause.
Sec. 1110. Eligible employees.

SEC. 2. REFERENCES TO TITLE 38, UNITED STATES CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

SEC. 3. SECRETARY AND DEPARTMENT DEFINED.

For purposes of this Act—

(1) the term "Secretary" means the Secretary of Veterans Affairs; and

(2) the term "Department" means the Department of Veterans Affairs.

TITLE I—ACCESS TO CARE

Subtitle A—Long-Term Care

SEC. 101. REQUIREMENT TO PROVIDE EXTENDED CARE SERVICES.

(a) REQUIRED NURSING HOME CARE.—(1) Chapter 17 is amended by inserting after section 1710 the following new section:

"§ 1710A. Required nursing home care

"(a) The Secretary shall provide nursing home care which the Secretary determines is needed (1) to any veteran in need of such care for a service-connected disability, and (2) to any veteran who is in need of such care and who has a service-connected disability rated at 70 percent or more.

"(b)(1) The Secretary shall ensure that a veteran described in subsection (a) who continues to need nursing home care is not, after placement in a Department nursing home, transferred from the facility without the consent of the veteran, or, in the event the veteran cannot provide informed consent, the representative of the veteran.

"(2) Nothing in subsection (a) may be construed as authorizing or requiring that a veteran who is receiving nursing home care in a Department nursing home on the date of the enactment of this section be displaced, transferred, or discharged from the facility.

"(c) The provisions of subsection (a) shall terminate on December 31, 2003.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1710 the following new item:

"1710A. Required nursing home care.".

(b) REQUIRED NONINSTITUTIONAL EXTENDED CARE SERVICES.—Section 1701 is amended by adding at the end the following new paragraph:

"(10)(A) During the period beginning on the date of the enactment of the Veterans Millennium Health Care and Benefits Act and ending on December 31, 2003, the term 'medical services' includes noninstitutional extended care services.

"(B) For the purposes of subparagraph (A), the term 'noninstitutional extended care services' means such alternatives to institutional extended care which the Secretary may furnish (i) directly, (ii) by contract, or (iii) (through provision of case management) by another provider or payor.".

(c) PROGRAM OF EXTENDED CARE SERVICES.—(1) Chapter 17 is amended by inserting after section 1710A, as added by subsection (a), the following new section:

"§ 1710B. Extended care services

"(a) The Secretary (subject to section 1710(a)(4) of this title and subsection (c) of this section) shall operate and maintain a program to provide extended care services to eligible veterans in accordance with this section. Such services shall include the following:

"(1) Geriatric evaluation.

"(2) Nursing home care (A) in facilities operated by the Secretary, and (B) in community-based facilities through contracts under section 1720 of this title.

"(3) Domiciliary services under section 1710(b) of this title.

"(4) Adult day health care under section 1720(f) of this title.

"(5) Such other noninstitutional alternatives to nursing home care as the Secretary may furnish as medical services under section 1701(10) of this title.

"(6) Respite care under section 1720B of this title.

"(b) The Secretary shall ensure that the staffing and level of extended care services provided by the Secretary nationally in facilities of the Department during any fiscal year is not less than the staffing and level of such services provided nationally in facilities of the Department during fiscal year 1998.

"(c)(1) Except as provided in paragraph (2), the Secretary may not furnish extended care services for a non-service-connected disability other than in the case of a veteran who has a compensable service-connected disability unless the veteran agrees to pay to the United States a copayment (determined in accordance with subsection (d)) for any period of such services in a year after the first 21 days of such services provided that veteran in that year.

"(2) Paragraph (1) shall not apply—

"(A) to a veteran whose annual income (determined under section 1503 of this title) is less than the amount in effect under section 1521(b) of this title; or

"(B) with respect to an episode of extended care services that a veteran is being furnished by the Department on the date of the enactment of the Veterans Millennium Health Care and Benefits Act.

"(d)(1) A veteran who is furnished extended care services under this chapter and who is required under subsection (c) to pay an amount to the United States in order to be furnished such services shall be liable to the United States for that amount.

"(2) In implementing subsection (c), the Secretary shall develop a methodology for establishing the amount of the copayment for which a veteran described in subsection (c) is liable. That methodology shall provide for—

"(A) establishing a maximum monthly copayment (based on all income and assets of the veteran and the spouse of such veteran);

"(B) protecting the spouse of a veteran from financial hardship by not counting all of the income and assets of the veteran and spouse (in the case of a spouse who resides in the community) as available for determining the copayment obligation; and

"(C) allowing the veteran to retain a monthly personal allowance.

"(e)(1) There is established in the Treasury of the United States a revolving fund known as the Department of Veterans Affairs Extended Care Fund (hereinafter in this section referred to as the 'fund'). Amounts in the fund shall be available, without fiscal year limitation and without further appropriation, exclusively for the purpose of providing extended care services under subsection (a).

"(2) All amounts received by the Department under this section shall be deposited in or credited to the fund.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1710A, as added by subsection (a)(2), the following new item:

"1710B. Extended care services.".

(d) ADULT DAY HEALTH CARE.—Section 1720(f)(1)(A) is amended to read as follows:

"(f)(1)(A) The Secretary may furnish adult day health care services to a veteran enrolled under section 1705(a) of this title who would otherwise require nursing home care.".

(e) RESPITE CARE PROGRAM.—Section 1720B is amended—

(1) in subsection (a), by striking "eligible" and inserting "enrolled";

(2) in subsection (b)—

(A) by striking "the term 'respite care' means hospital or nursing home care" and inserting "the term 'respite care services' means care and services";

(B) by striking "is" at the beginning of each of paragraphs (1), (2), and (3) and inserting "are"; and

(C) by striking "in a Department facility" in paragraph (2); and

(3) by adding at the end the following new subsection:

"(c) In furnishing respite care services, the Secretary may enter into contract arrangements.".

(f) CONFORMING AMENDMENTS.—Section 1710(a) is amended—

(1) in paragraph (1), by striking ", and may furnish nursing home care,";

(2) in paragraph (2)(A), by inserting "or, with respect to nursing home care during any period during which the provisions of section 1710A(a) of this title are in effect, a compensable service-connected disability rated less than 70 percent" after "50 percent";

(3) in paragraph (4), by inserting ", and the requirement in section 1710B of this title that the Secretary provide a program of extended care services," after "medical services"; and

(4) by adding at the end the following new paragraph:

"(5) During any period during which the provisions of section 1710A(a) of this title are not in effect, the Secretary may furnish nursing home care which the Secretary determines is needed to any veteran described in paragraph (1), with the priority for such care on the same basis as if provided under that paragraph.".

(g) STATE HOMES.—Section 1741(a)(2) is amended by striking "adult day health care in a State home" and inserting "extended care services described in any of paragraphs (4) through (6) of section 1710B(a) of this title under a program administered by a State home".

(h) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) Subsection (c) of section 1710B of title 38, United States Code (as added by subsection (b)),

shall take effect on the effective date of regulations prescribed by the Secretary of Veterans Affairs under subsections (c) and (d) of such section. The Secretary shall publish the effective date of such regulations in the Federal Register.

(3) The provisions of section 1710(f) of title 38, United States Code, shall not apply to any day of nursing home care on or after the effective date of regulations under paragraph (2).

(i) REPORT.—Not later than January 1, 2003, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the operation of this section (including the amendments made by this section). The Secretary shall include in the report—

(1) the Secretary's assessment of the experience of the Department under the provisions of this section;

(2) the costs incurred by the Department under the provisions of this section and a comparison of those costs with the Secretary's estimate of the costs that would have been incurred by the Secretary for extended care services if this section had not been enacted; and

(3) the Secretary's recommendations, with respect to the provisions of section 1710A(a) of title 38, United States Code, as added by subsection (a), and with respect to the provisions of section 1701(10) of such title, as added by subsection (b), as to—

(A) whether those provisions should be extended or made permanent; and

(B) what modifications, if any, should be made to those provisions.

SEC. 102. PILOT PROGRAMS RELATING TO LONG-TERM CARE.

(a) PILOT PROGRAMS.—The Secretary shall carry out three pilot programs for the purpose of determining the effectiveness of different models of all-inclusive care-delivery in reducing the use of hospital and nursing home care by frail, elderly veterans.

(b) LOCATIONS OF PILOT PROGRAMS.—In selecting locations in which the pilot programs will be carried out, the Secretary may not select more than one location in any given health care region of the Veterans Health Administration.

(c) SCOPE OF SERVICES UNDER PILOT PROGRAMS.—Each of the pilot programs under this section shall be designed to provide participating veterans with integrated, comprehensive services which include the following:

(1) Adult-day health care services on an eight-hour per day, five-day per week basis.

(2) Medical services (including primary care, preventive services, and nursing home care, as needed).

(3) Coordination of needed services.

(4) Transportation services.

(5) Home care services.

(6) Respite care.

(d) PROGRAM REQUIREMENTS.—In carrying out the pilot programs under this section, the Secretary shall—

(1) employ the use of interdisciplinary care-management teams to provide the required array of services;

(2) determine the appropriate number of patients to be enrolled in each program and the criteria for enrollment; and

(3) ensure that funding for each program is based on the complex care category under the resource allocation system (known as the Veterans Equitable Resource Allocation system) established pursuant to section 429 of Public Law 104–204 (110 Stat. 2929).

(e) DESIGN OF PILOT PROGRAMS.—To the maximum extent feasible, the Secretary shall use the following three models in designing the three pilot programs under this section:

(1) Under one of the pilot programs, the Secretary shall provide services directly through facilities and personnel of the Department.

(2) Under one of the pilot programs, the Secretary shall provide services through a combination of—

(A) services provided under contract with appropriate public and private entities; and

(B) services provided through facilities and personnel of the Department.

(3) Under one of the pilot programs, the Secretary shall arrange for the provision of services through a combination of—

(A) services provided through cooperative arrangements with appropriate public and private entities; and

(B) services provided through facilities and personnel of the Department.

(f) IN-KIND ASSISTANCE.—In providing for the furnishing of services under a contract in carrying out the pilot program described in subsection (e)(2), the Secretary may, subject to reimbursement, provide in-kind assistance (through the services of Department employees and the sharing of other Department resources) to a facility furnishing care to veterans. Such reimbursement may be made by reduction in the charges to the Secretary under such contract.

(g) LIMITATION.—In providing for the furnishing of services in carrying out a pilot program described in subsection (e)(2) or (e)(3), the Secretary shall make payment for services only to the extent that payment for such services is not otherwise covered (notwithstanding any provision of title XVIII or XIX of the Social Security Act) by another government or non-government entity or program.

(h) DURATION OF PROGRAMS.—The authority of the Secretary to provide services under a pilot program under this section shall cease on the date that is three years after the date of the commencement of that pilot program.

(i) REPORT.—(1) Not later than nine months after the completion of all of the pilot programs under this section, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on those programs.

(2) The report shall include the following:

(A) A description of the implementation and operation of each such program.

(B) An analysis comparing use of institutional care and use of other services among enrollees in each of the pilot programs with the experience of comparable patients who are not enrolled in one of the pilot programs.

(C) An assessment of the satisfaction of participating veterans with each of those programs.

(D) An assessment of the health status of participating veterans in each of those programs and of the ability of those veterans to function independently.

(E) An analysis of the costs and benefits under each of those programs.

SEC. 103. PILOT PROGRAM RELATING TO ASSISTED LIVING.

(a) PROGRAM AUTHORITY.—The Secretary may carry out a pilot program for the purpose of determining the feasibility and practicability of enabling eligible veterans to secure needed assisted living services as an alternative to nursing home care.

(b) LOCATION OF PILOT PROGRAM.—The pilot program shall be carried out in a designated health care region of the Department selected by the Secretary for purposes of this section.

(c) SCOPE OF PROGRAM.—In carrying out the pilot program, the Secretary may enter into contracts with appropriate facilities for the provision for a period of up to six months of assisted living services on behalf of eligible veterans in the region where the program is carried out.

(d) ELIGIBLE VETERANS.—A veteran is an eligible veteran for purposes of this section if the veteran—

(1) is eligible for placement assistance by the Secretary under section 1730(a) of title 38, United States Code;

(2) is unable to manage routine activities of daily living without supervision and assistance; and

(3) could reasonably be expected to receive ongoing services after the end of the contract period under another government program or through other means.

(e) REPORT.—(1) Not later than 90 days before the end of the pilot program under this section, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on the program.

(2) The report under paragraph (1) shall include the following:

(A) A description of the implementation and operation of the program.

(B) An analysis comparing use of institutional care among participants in the program with the experience of comparable patients who are not enrolled in the program.

(C) A comparison of assisted living services provided by the Department through the pilot program with domiciliary care provided by the Department.

(D) The Secretary's recommendations, if any, regarding an extension of the program.

(f) DURATION.—The authority of the Secretary to provide services under the pilot program shall cease on the date that is three years after the date of the commencement of the pilot program.

(g) DEFINITION.—For purposes of this section, the term "assisted living services" means services in a facility that provides room and board and personal care for and supervision of residents as necessary for the health, safety, and welfare of residents.

(h) STANDARDS.—The Secretary may not enter into a contract with a facility under this section unless the facility meets the standards established in regulations prescribed under section 1730 of title 38, United States Code.

Subtitle B—Other Access-to-Care Matters

SEC. 111. REIMBURSEMENT FOR EMERGENCY TREATMENT IN NON-DEPARTMENT OF VETERANS AFFAIRS FACILITIES.

(a) AUTHORITY TO PROVIDE REIMBURSEMENT.—Chapter 17 is amended by inserting after section 1724 the following new section:

"§ 1725. Reimbursement for emergency treatment

"(a) GENERAL AUTHORITY.—(1) Subject to subsections (c) and (d), the Secretary may reimburse a veteran described in subsection (b) for the reasonable value of emergency treatment furnished the veteran in a non-Department facility.

"(2) In any case in which reimbursement is authorized under subsection (a)(1), the Secretary, in the Secretary's discretion, may, in lieu of reimbursing the veteran, make payment of the reasonable value of the furnished emergency treatment directly—

"(A) to a hospital or other health care provider that furnished the treatment; or

"(B) to the person or organization that paid for such treatment on behalf of the veteran.

"(b) ELIGIBILITY.—(1) A veteran referred to in subsection (a)(1) is an individual who is an active Department health-care participant who is personally liable for emergency treatment furnished the veteran in a non-Department facility.

"(2) A veteran is an active Department health-care participant if—

"(A) the veteran is enrolled in the health care system established under section 1705(a) of this title; and

"(B) the veteran received care under this chapter within the 24-month period preceding the furnishing of such emergency treatment.

"(3) A veteran is personally liable for emergency treatment furnished the veteran in a non-Department facility if the veteran—

"(A) is financially liable to the provider of emergency treatment for that treatment;

"(B) has no entitlement to care or services under a health-plan contract (determined, in the case of a health-plan contract as defined in subsection (f)(2)(B) or (f)(2)(C), without regard to any requirement or limitation relating to eligibility for care or services from any department or agency of the United States);

"(C) has no other contractual or legal recourse against a third party that would, in whole or in part, extinguish such liability to the provider; and

"(D) is not eligible for reimbursement for medical care or services under section 1728 of this title.

"(c) LIMITATIONS ON REIMBURSEMENT.—(1) The Secretary, in accordance with regulations prescribed by the Secretary, shall—

"(A) establish the maximum amount payable under subsection (a);

"(B) delineate the circumstances under which such payments may be made, to include such requirements on requesting reimbursement as the Secretary shall establish; and

"(C) provide that in no event may a payment under that subsection include any amount for which the veteran is not personally liable.

"(2) Subject to paragraph (1), the Secretary may provide reimbursement under this section only after the veteran or the provider of emergency treatment has exhausted without success all claims and remedies reasonably available to the veteran or provider against a third party for payment of such treatment.

"(3) Payment by the Secretary under this section on behalf of a veteran to a provider of emergency treatment shall, unless rejected and refunded by the provider within 30 days of receipt, extinguish any liability on the part of the veteran for that treatment. Neither the absence of a contract or agreement between the Secretary and the provider nor any provision of a contract, agreement, or assignment to the contrary shall operate to modify, limit, or negate the requirement in the preceding sentence.

"(d) INDEPENDENT RIGHT OF RECOVERY.—(1) In accordance with regulations prescribed by the Secretary, the United States shall have the independent right to recover any amount paid under this section when, and to the extent that, a third party subsequently makes a payment for the same emergency treatment.

"(2) Any amount paid by the United States to the veteran (or the veteran's personal representative, successor, dependents, or survivors) or to any other person or organization paying for such treatment shall constitute a lien in favor of the United States against any recovery the payee subsequently receives from a third party for the same treatment.

"(3) Any amount paid by the United States to the provider that furnished the veteran's emergency treatment shall constitute a lien against any subsequent amount the provider receives from a third party for the same emergency treatment for which the United States made payment.

"(4) The veteran (or the veteran's personal representative, successor, dependents, or survivors) shall ensure that the Secretary is promptly notified of any payment received from any third party for emergency treatment furnished to the veteran. The veteran (or the veteran's personal representative, successor, dependents, or survivors) shall immediately forward all documents relating to such payment, cooperate with the Secretary in the investigation of such payment, and assist the Secretary in enforcing the United States right to recover any payment made under subsection (c)(3).

"(e) WAIVER.—The Secretary, in the Secretary's discretion, may waive recovery of a payment made to a veteran under this section that is otherwise required by subsection (d)(1) when the Secretary determines that such waiver would be in the best interest of the United States, as defined by regulations prescribed by the Secretary.

"(f) DEFINITIONS.—For purposes of this section:

"(1) The term 'emergency treatment' means medical care or services furnished, in the judgment of the Secretary—

"(A) when Department or other Federal facilities are not feasibly available and an attempt to use them beforehand would not be reasonable;

"(B) when such care or services are rendered in a medical emergency of such nature that a prudent layperson reasonably expects that delay in seeking immediate medical attention would be hazardous to life or health; and

"(C) until such time as the veteran can be transferred safely to a Department facility or other Federal facility.

"(2) The term 'health-plan contract' includes any of the following:

"(A) An insurance policy or contract, medical or hospital service agreement, membership or subscription contract, or similar arrangement under which health services for individuals are provided or the expenses of such services are paid.

"(B) An insurance program described in section 1811 of the Social Security Act (42 U.S.C. 1395c) or established by section 1831 of that Act (42 U.S.C. 1395j).

"(C) A State plan for medical assistance approved under title XIX of such Act (42 U.S.C. 1396 et seq.).

"(D) A workers' compensation law or plan described in section 1729(a)(2)(A) of this title.

"(E) A law of a State or political subdivision described in section 1729(a)(2)(B) of this title.

"(3) The term 'third party' means any of the following:

"(A) A Federal entity.

"(B) A State or political subdivision of a State.

"(C) An employer or an employer's insurance carrier.

"(D) An automobile accident reparations insurance carrier.

"(E) A person or entity obligated to provide, or to pay the expenses of, health services under a health-plan contract.".

(b) CONFORMING AMENDMENTS.—(1) Section 1729A(b) is amended—

(A) by redesignating paragraphs (5) and (6) as paragraphs (6) and (7), respectively; and

(B) by inserting after paragraph (4) the following new paragraph:

"(5) Section 1725 of this title.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1724 the following new item:

"1725. Reimbursement for emergency treatment.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect 180 days after the date of the enactment of this Act.

(d) IMPLEMENTATION REPORTS.—The Secretary shall include with the budget justification materials submitted to Congress in support of the Department of Veterans Affairs budget for fiscal year 2002 and for fiscal year 2003 a report on the implementation of section 1725 of title 38, United States Code, as added by subsection (a). Each such report shall include information on the experience of the Department under that section and the costs incurred, and expected to be incurred, under that section.

SEC. 112. ELIGIBILITY FOR CARE OF COMBAT-INJURED VETERANS.

Chapter 17 is amended—

(1) in section 1710(a)(2)(D), by inserting "or who was awarded the Purple Heart" after "former prisoner of war"; and

(2) in section 1705(a)(3), by inserting "or who were awarded the Purple Heart" after "former prisoners of war".

SEC. 113. ACCESS TO CARE FOR TRICARE-ELIGIBLE MILITARY RETIREES.

(a) INTERAGENCY AGREEMENT.—(1) The Secretary of Defense shall enter into an agreement (characterized as a memorandum of understanding or otherwise) with the Secretary of Veterans Affairs with respect to the provision of medical care by the Secretary of Veterans Affairs to eligible military retirees in accordance with the provisions of subsection (c). That agreement shall include provisions for reimbursement of the Secretary of Veterans Affairs by the Secretary of Defense for medical care provided by the Secretary of Veterans Affairs to an eligible military retiree and may include such other provisions with respect to the terms and conditions of such care as may be agreed upon by the two Secretaries.

(2) Reimbursement under the agreement under paragraph (1) shall be in accordance with rates agreed upon by the Secretary of Defense and the Secretary of Veterans Affairs. Such reimbursement may be made by the Secretary of Defense or by the appropriate TRICARE Managed Care Support contractor, as determined in accordance with that agreement.

(3) In entering into the agreement under paragraph (1), particularly with respect to determination of the rates of reimbursement under paragraph (2), the Secretary of Defense shall consult with TRICARE Managed Care Support contractors.

(4) The Secretary of Veterans Affairs may not enter into an agreement under paragraph (1) for the provision of care in accordance with the provisions of subsection (c) with respect to any geographic service area, or a part of any such area, of the Veterans Health Administration unless—

(A) in the judgment of that Secretary, the Department of Veterans Affairs will recover the costs of providing such care to eligible military retirees; and

(B) that Secretary has certified and documented, with respect to any geographic service area in which the Secretary proposes to provide care in accordance with the provisions of subsection (c), that such geographic service area, or designated part of any such area, has adequate capacity (consistent with the requirements in section 1705(b)(1) of title 38, United States Code, that care to enrollees shall be timely and acceptable in quality) to provide such care.

(5) The agreement under paragraph (1) shall be entered into by the Secretaries not later than nine months after the date of the enactment of this Act. If the Secretaries are unable to reach agreement, they shall jointly report, by that date or within 30 days thereafter, to the Committees on Armed Services and the Committees on Veterans' Affairs of the Senate and House of Representatives on the reasons for their inability to reach an agreement and their mutually agreed plan for removing any impediments to final agreement.

(b) DEPOSITING OF REIMBURSEMENTS.—Amounts received by the Secretary of Veterans Affairs under the agreement under subsection (a) shall be deposited in the Department of Veterans Affairs Health Services Improvement Fund established under section 1729B of title 38, United States Code, as added by section 202.

(c) COPAYMENT REQUIREMENT.—The provisions of subsections (f)(1) and (g)(1) of section 1710 of title 38, United States Code, shall not apply in the case of an eligible military retiree who is covered by the agreement under subsection (a).

(d) PHASED IMPLEMENTATION.—(1) The Secretary of Defense shall include in each TRICARE contract entered into after the date of the enactment of this Act provisions to implement the agreement under subsection (a).

(2) The provisions of the agreement under subsection (a)(2) and the provisions of subsection

(c) shall apply to the furnishing of medical care by the Secretary of Veterans Affairs in any area of the United States only if that area is covered by a TRICARE contract that was entered into after the date of the enactment of this Act.

(e) ELIGIBLE MILITARY RETIREES.—For purposes of this section, an eligible military retiree is a member of the Army, Navy, Air Force, or Marine Corps who—

(1) has retired from active military, naval, or air service;

(2) is eligible for care under the TRICARE program established by the Secretary of Defense;

(3) has enrolled for care under section 1705 of title 38, United States Code; and

(4) is not described in paragraph (1) or (2) of section 1710(a) of such title.

SEC. 114. TREATMENT AND SERVICES FOR DRUG OR ALCOHOL DEPENDENCY.

(a) AUTHORITY TO PROVIDE TREATMENT AND SERVICES FOR MEMBERS ON ACTIVE DUTY.—Section 1720A(c) is amended in the first sentence of paragraph (1)—

(1) by striking "may not be transferred" and inserting "may be transferred"; and

(2) by striking "unless such transfer is during the last thirty days of such member's enlistment or tour of duty".

(b) CONFORMING AMENDMENT.—The first sentence of paragraph (2) of that section is amended by striking "during the last thirty days of such person's enlistment period or tour of duty".

SEC. 115. COUNSELING AND TREATMENT FOR VETERANS WHO HAVE EXPERIENCED SEXUAL TRAUMA.

(a) EXTENSION OF PERIOD OF PROGRAM.—Subsection (a) of section 1720D is amended—

(1) in paragraph (1), by striking "December 31, 2001" and inserting "December 31, 2004"; and

(2) in paragraph (3), by striking "December 31, 2001" and inserting "December 31, 2004".

(b) MANDATORY NATURE OF PROGRAM.—(1) Subsection (a)(1) of such section is further amended by striking "may provide counseling to a veteran who the Secretary determines requires such counseling" and inserting "shall operate a program under which the Secretary provides counseling and appropriate care and services to veterans who the Secretary determines require such counseling and care and services".

(2) Subsection (a) of such section is further amended—

(A) by striking paragraph (2); and

(B) by redesignating paragraph (3) (as amended by subsection (a)(2)) as paragraph (2).

(c) OUTREACH EFFORTS.—Subsection (c) of such section is amended—

(1) by inserting "and treatment" in the first sentence and in paragraph (2) after "counseling";

(2) by striking "and" at the end of paragraph (1);

(3) by redesignating paragraph (2) as paragraph (3); and

(4) by inserting after paragraph (1) the following new paragraph (2):

"(2) shall ensure that information about the counseling and treatment available to veterans under this section—

"(A) is revised and updated as appropriate;

"(B) is made available and visibly posted at appropriate facilities of the Department; and

"(C) is made available through appropriate public information services; and".

(d) REPORT ON IMPLEMENTATION OF OUTREACH ACTIVITIES.—Not later than six months after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the Secretary's implementation of paragraph (2) of section 1720D(c) of title 38, United States Code, as added by subsection (c). Such report shall include examples of the documents and other means of communication developed for compliance with that paragraph.

(e) STUDY OF EXPANDING ELIGIBILITY FOR COUNSELING AND TREATMENT.—(1) The Secretary of Veterans Affairs, in consultation with the Secretary of Defense, shall conduct a study to determine—

(A) the extent to which former members of the reserve components of the Armed Forces experienced physical assault of a sexual nature or battery of a sexual nature while serving on active duty for training;

(B) the extent to which such former members have sought counseling from the Department of Veterans Affairs relating to those incidents; and

(C) the additional resources that, in the judgment of the Secretary, would be required to meet the projected need of those former members for such counseling.

(2) Not later than 16 months after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the results of the study conducted under paragraph (1).

(f) OVERSIGHT OF OUTREACH ACTIVITIES.—Not later than 14 months after the date of the enactment of this Act, the Secretary of Veterans Affairs and the Secretary of Defense shall submit to the appropriate congressional committees a joint report describing in detail the collaborative efforts of the Department of Veterans Affairs and the Department of Defense to ensure that members of the Armed Forces, upon separation from active military, naval, or air service, are provided appropriate and current information about programs of the Department of Veterans Affairs to provide counseling and treatment for sexual trauma that may have been experienced by those members while in the active military, naval, or air service, including information about eligibility requirements for, and procedures for applying for, such counseling and treatment. The report shall include proposed recommendations from both the Secretary of Veterans Affairs and the Secretary of Defense for the improvement of their collaborative efforts to provide such information.

(g) REPORT ON IMPLEMENTATION OF SEXUAL TRAUMA TREATMENT PROGRAM.—Not later than 14 months after the date of the enactment of this Act, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the use made of the authority provided under section 1720D of title 38, United States Code, as amended by this section. The report shall include the following with respect to activities under that section since the enactment of this Act:

(1) The number of veterans who have received counseling under that section.

(2) The number of veterans who have been referred to non-Department mental health facilities and providers in connection with sexual trauma counseling and treatment.

SEC. 116. SPECIALIZED MENTAL HEALTH SERVICES.

(a) IMPROVEMENT TO SPECIALIZED MENTAL HEALTH SERVICES.—The Secretary, in furtherance of the responsibilities of the Secretary under section 1706(b) of title 38, United States Code, shall carry out a program to expand and improve the provision of specialized mental health services to veterans. The Secretary shall establish the program in consultation with the Committee on Care of Severely Chronically Mentally Ill Veterans established pursuant to section 7321 of title 38, United States Code.

(b) COVERED PROGRAMS.—For purposes of this section, the term "specialized mental health services" includes programs relating to—

(1) the treatment of post-traumatic stress disorder; and

(2) substance use disorders.

(c) FUNDING.—(1) In carrying out the program described in subsection (a), the Secretary shall identify, from funds available to the Department for medical care, an amount of not less than $15,000,000 to be available to carry out the program and to be allocated to facilities of the Department pursuant to subsection (d).

(2) In identifying available amounts pursuant to paragraph (1), the Secretary shall ensure that, after the allocation of those funds under subsection (d), the total expenditure for programs relating to (A) the treatment of post-traumatic stress disorder, and (B) substance use disorders is not less than $15,000,000 in excess of the baseline amount.

(3) For purposes of paragraph (2), the baseline amount is the amount of the total expenditures on such programs for the most recent fiscal year for which final expenditure amounts are known, adjusted to reflect any subsequent increase in applicable costs to deliver such services in the Veterans Health Administration, as determined by the Committee on Care of Severely Chronically Mentally Ill Veterans.

(d) ALLOCATION OF FUNDS TO DEPARTMENT FACILITIES.—The Secretary shall allocate funds identified pursuant to subsection (c)(1) to individual medical facilities of the Department as the Secretary determines appropriate based upon proposals submitted by those facilities for the use of those funds for improvements to specialized mental health services.

(e) REPORT.—Not later than 12 months after the date of the enactment of this Act, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report describing the implementation of this section. The Secretary shall include in the report information on the allocation of funds to facilities of the Department under the program and a description of the improvements made with those funds to specialized mental health services for veterans.

TITLE II—MEDICAL PROGRAM ADMINISTRATION

SEC. 201. MEDICAL CARE COLLECTIONS.

(a) LIMITED AUTHORITY TO SET COPAYMENTS.—Section 1722A is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively;

(2) by inserting after subsection (a) the following new subsection (b):

"(b) The Secretary, pursuant to regulations which the Secretary shall prescribe, may—

"(1) increase the copayment amount in effect under subsection (a); and

"(2) establish a maximum monthly and a maximum annual pharmaceutical copayment amount under subsection (a) for veterans who have multiple outpatient prescriptions."; and

(3) in subsection (c), as redesignated by paragraph (1)—

(A) by striking "this section" and inserting "subsection (a)"; and

(B) by adding at the end the following new sentence: "Amounts collected through use of the authority under subsection (b) shall be deposited in the Department of Veterans Affairs Health Services Improvement Fund.".

(b) OUTPATIENT TREATMENT.—Section 1710(g) is amended—

(1) in paragraph (1), by striking "the amount determined under paragraph (2) of this subsection" and inserting "in the case of each outpatient visit the applicable amount or amounts established by the Secretary by regulation"; and

(2) in paragraph (2), by striking all after "for an amount" and inserting "which the Secretary shall establish by regulation.".

SEC. 202. HEALTH SERVICES IMPROVEMENT FUND.

(a) ESTABLISHMENT OF FUND.—Chapter 17 is amended by inserting after section 1729A the following new section:

"§ 1729B. Health Services Improvement Fund

"(a) There is established in the Treasury of the United States a fund to be known as the Department of Veterans Affairs Health Services Improvement Fund.

"(b) Amounts received or collected after the date of the enactment of this section under any of the following provisions of law shall be deposited in the fund:

"(1) Section 1713A of this title.

"(2) Section 1722A(b) of this title.

"(3) Section 8165(a) of this title.

"(4) Section 113 of the Veterans Millennium Health Care and Benefits Act.

"(c) Amounts in the fund are hereby available, without fiscal year limitation, to the Secretary for the purposes stated in subparagraphs (A) and (B) of section 1729A(c)(1) of this title.

"(d) The Secretary shall allocate amounts in the fund in the same manner as applies under subsection (d) of section 1729A of this title with respect to amounts made available from the fund under that section.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1729A the following new item:

"1729B. Health Services Improvement Fund.".

SEC. 203. ALLOCATION TO HEALTH CARE FACILITIES OF AMOUNTS MADE AVAILABLE FROM MEDICAL CARE COLLECTIONS FUND.

Section 1729A(d) is amended—

(1) by striking "(1)";

(2) by striking "each designated health care region" and inserting "each Department health care facility";

(3) by striking "each region" and inserting "each facility";

(4) by striking "such region" both places it appears and inserting "such facility"; and

(5) by striking paragraph (2).

SEC. 204. AUTHORITY TO ACCEPT FUNDS FOR EDUCATION AND TRAINING.

(a) ESTABLISHMENT OF NONPROFIT CORPORATIONS AT MEDICAL CENTERS.—Section 7361(a) is amended—

(1) by inserting "and education" after "research"; and

(2) by adding at the end the following: "Such a corporation may be established to facilitate either research or education or both research and education.".

(b) PURPOSE OF CORPORATIONS.—Section 7362 is amended—

(1) in the first sentence—

(A) by inserting "(a)" before "Any corporation"; and

(B) by inserting "and education and training as described in sections 7302, 7471, 8154, and 1701(6)(B) of this title" after "of this title";

(2) in the second sentence—

(A) by inserting "or education" after "research"; and

(B) by striking "that purpose" and inserting "these purposes"; and

(3) by adding at the end the following new subsection:

"(b) For purposes of this section, the term 'education and training' means the following:

"(1) In the case of employees of the Veterans Health Administration, such term means work-related instruction or other learning experiences to—

"(A) improve performance of current duties;

"(B) assist employees in maintaining or gaining specialized proficiencies; and

"(C) expand understanding of advances and changes in patient care, technology, and health care administration.

Such term includes (in the case of such employees) education and training conducted as part of a residency or other program designed to prepare an individual for an occupation or profession.

"(2) In the case of veterans under the care of the Veterans Health Administration, such term means instruction or other learning experiences related to improving and maintaining the health of veterans to patients and to the families and guardians of patients.".

(c) BOARD OF DIRECTORS.—Section 7363(a) is amended—

(1) in subsection (a)(1), by striking all after "medical center, and" and inserting "as appropriate, the assistant chief of staff for research for the medical center and the assistant chief of staff for education for the medical center, or, in the case of a facility at which such positions do not exist, those officials who are responsible for carrying out the responsibilities of the medical center director, chief of staff, and, as appropriate, the assistant chief of staff for research and the assistant chief of staff for education; and";

(2) in subsection (a)(2), by inserting "or education, as appropriate" after "research"; and

(3) in subsection (c), by inserting "or education" after "research".

(d) APPROVAL OF EXPENDITURES.—Section 7364 is amended by adding at the end the following new subsection:

"(c)(1) A corporation established under this subchapter may not spend funds for an education activity unless the activity is approved in accordance with procedures prescribed by the Under Secretary for Health.

"(2) The Under Secretary for Health shall prescribe policies and procedures to guide the expenditure of funds by corporations under paragraph (1) consistent with the purpose of such corporations as flexible funding mechanisms.".

(e) ACCOUNTABILITY AND OVERSIGHT.—Section 7366(d) is amended—

(1) in paragraph (2)(B), by inserting "for research and the amount received from governmental entities for education" after "entities";

(2) in paragraph (2)(C), by inserting "for research and the amount received from all other sources for education" after "sources";

(3) in paragraph (2)(D), by striking "the" and inserting "a";

(4) in paragraph (3)(A), by striking "and" and inserting ", the amount expended for salary for education staff, and the amount expended";

(5) in paragraph (3)(B), by inserting "and the amount expended for direct support of education" after "research"; and

(6) by adding at the end the following new paragraph:

"(4) The amount expended by each corporation during the year for travel conducted in conjunction with research and the amount expended for travel in conjunction with education.".

SEC. 205. EXTENSION OF CERTAIN AUTHORITIES.

(a) READJUSTMENT COUNSELING.—Section 1712A(a)(1)(B)(ii) is amended by striking "January 1, 2000" and inserting "January 1, 2004".

(b) NEWSLETTER ON MEDICAL CARE FOR PERSIAN GULF VETERANS.—Section 105(b)(2) of the Persian Gulf War Veterans' Benefits Act (title I of Public Law 103–446; 108 Stat. 4659; 38 U.S.C. 1117 note) is amended by striking "December 31, 1999" and inserting "December 31, 2003".

(c) EVALUATION OF HEALTH OF SPOUSES AND CHILDREN OF PERSIAN GULF VETERANS.—Section 107(b) of that Act is amended by striking "December 31, 1999" and inserting "December 31, 2003".

SEC. 206. REESTABLISHMENT OF COMMITTEE ON POST-TRAUMATIC STRESS DISORDER.

Section 110 of the Veterans' Health Care Act of 1984 (38 U.S.C. 1712A note) is amended—

(1) by striking "Chief Medical Director" each place it appears and inserting "Under Secretary for Health";

(2) by striking "Veterans' Administration" each place it appears (other than in subsection (a)(1)) and inserting "Department";

(3) by striking "Veterans' Administration" in subsection (a)(1) and inserting "Department of Veterans Affairs";

(4) by striking "Department of Medicine and Surgery" each place it appears and inserting "Veterans Health Administration";

(5) by striking "section 612A" in subsection (a)(2) and inserting "section 1712A";

(6) by striking "Department" in the second sentence of subsection (b)(1) and inserting "Veterans Health Administration";

(7) by striking "Department of Veterans' Benefits" in subsection (b)(4)(E) and inserting "Veterans Benefits Administration";

(8) in subsection (e)(1), by striking "Not later than March 1, 1985, the Administrator" and inserting "Not later than March 1, 2000, the Secretary"; and

(9) in subsection (e)(2)—

(A) by striking "Not later than February 1, 1986" and inserting "Not later than February 1, 2001";

(B) by striking "Administrator" and inserting "Secretary"; and

(C) by striking "before the submission of such report" and inserting "since the enactment of the Veterans Millennium Health Care and Benefits Act".

SEC. 207. STATE HOME GRANT PROGRAM.

(a) GENERAL REGULATIONS.—Section 8134 is amended—

(1) by redesignating subsection (b) as subsection (c);

(2) by striking the matter in subsection (a) preceding paragraph (2) and inserting the following:

"(a)(1) The Secretary shall prescribe regulations for the purposes of this subchapter.

"(2) In those regulations, the Secretary shall prescribe for each State the number of nursing home and domiciliary beds for which assistance under this subchapter may be furnished. Such regulations shall be based on projected demand for such care 10 years after the date of the enactment of the Veterans Millennium Health Care and Benefits Act by veterans who at such time are 65 years of age or older and who reside in that State. In determining such projected demand, the Secretary shall take into account travel distances for veterans and their families.

"(3)(A) In those regulations, the Secretary shall establish criteria under which the Secretary shall determine, with respect to an application for assistance under this subchapter for a project described in subparagraph (B) which is from a State that has a need for additional beds as determined under subsections (a)(2) and (d)(1), whether the need for such beds is most aptly characterized as great, significant, or limited. Such criteria shall take into account the availability of beds already operated by the Secretary and other providers which appropriately serve the needs which the State proposes to meet with its application.

"(B) This paragraph applies to a project for the construction or acquisition of a new State home facility, a project to increase the number of beds available at a State home facility, and a project to replace beds at a State home facility.

"(4) The Secretary shall review and, as necessary, revise regulations prescribed under paragraphs (2) and (3) not less often than every four years.

"(b) The Secretary shall prescribe the following by regulation:";

(3) by redesignating paragraphs (2) and (3) of subsection (b), as designated by paragraph (2), as paragraphs (1) and (2);

(4) in subsection (c), as redesignated by paragraph (1), by striking "subsection (a)(3)" and inserting "subsection (b)(2)"; and

(5) by adding at the end the following new subsection:

"(d)(1) In prescribing regulations to carry out this subchapter, the Secretary shall provide that *in the case of a State that seeks assistance under this subchapter for a project described in subsection (a)(3)(B), the determination of the unmet need for beds for State homes in that State shall be reduced by the number of beds in all previous applications submitted by that State under this subchapter, including beds which have not been recognized by the Secretary under section 1741 of this title.*

"(2)(A) Financial assistance under this subchapter for a renovation project may only be provided for a project for which the total cost of construction is in excess of $400,000 (as adjusted from time to time in such regulations to reflect changes in costs of construction).

"(B) For purposes of this paragraph, a renovation project is a project to remodel or alter existing buildings for which financial assistance under this subchapter may be provided and does not include maintenance and repair work which is the responsibility of the State.".

(b) APPLICATIONS WITH RESPECT TO PROJECTS.—Section 8135 is amended—

(1) in subsection (a)—

(A) by striking "set forth—" in the matter preceding paragraph (1) and inserting "set forth the following:";

(B) by capitalizing the first letter of the first word in each of paragraphs (1) through (9);

(C) by striking the comma at the end of each of paragraphs (1) through (7) and inserting a period; and

(D) by striking ", and" at the end of paragraph (8) and inserting a period;

(2) by redesignating subsections (b), (c), (d), and (e) as subsections (c), (d), (e), and (f), respectively;

(3) by inserting after subsection (a) the following new subsection (b):

"(b)(1) Any State seeking to receive assistance under this subchapter for a project that would involve construction or acquisition of either nursing home or domiciliary facilities shall include with its application under subsection (a) the following:

"(A) Documentation (i) that the site for the project is in reasonable proximity to a sufficient concentration and population of veterans who are 65 years of age and older, and (ii) that there is a reasonable basis to conclude that the facilities when complete will be fully occupied.

"(B) A financial plan for the first three years of operation of such facilities.

"(C) A five-year capital plan for the State home program for that State.

"(2) Failure to provide adequate documentation under paragraph (1)(A) or to provide an adequate financial plan under paragraph (1)(B) shall be a basis for disapproving the application."; and

(4) in subsection (c), as redesignated by paragraph (2)—

(A) in paragraph (1), by striking "for a grant under subsection (a) of this section" in the matter preceding subparagraph (A) and inserting "under subsection (a) for financial assistance under this subchapter";

(B) in paragraph (2)—

(i) by striking "the construction or acquisition of" in subparagraph (A); and

(ii) by striking subparagraphs (B), (C), and (D) and inserting the following:

"(B) An application from a State for a project at an existing facility to remedy a condition or conditions that have been cited by an accrediting institution, by the Secretary, or by a local licensing or approving body of the State as being threatening to the lives or safety of the patients in the facility.

"(C) An application from a State that has not previously applied for award of a grant under this subchapter for construction or acquisition of a State nursing home.

"(D) An application for construction or acquisition of a nursing home or domiciliary from a State that the Secretary determines, in accordance with regulations under this subchapter, has a great need for the beds to be established at such home or facility.

"(E) An application from a State for renovations to a State home facility other than renovations described in subparagraph (B).

"(F) An application for construction or acquisition of a nursing home or domiciliary from a State that the Secretary determines, in accordance with regulations under this subchapter, has a significant need for the beds to be established at such home or facility.

"(G) An application that meets other criteria as the Secretary determines appropriate and has established in regulations.

"(H) An application for construction or acquisition of a nursing home or domiciliary from a State that the Secretary determines, in accordance with regulations under this subchapter, has a limited need for the beds to be established at such home or facility."; and

(C) in paragraph (3), by striking subparagraph (A) and inserting the following:

"(A) may not accord any priority to a project for the construction or acquisition of a hospital; and".

(c) TRANSITION.—(1) The provisions of sections 8134 and 8135 of title 38, United States Code, as in effect on November 10, 1999, shall continue in effect after that date with respect to applications described in section 8135(b)(2)(A) of such title, as in effect on that date, that are identified in paragraph (2) (and to projects and grants pursuant to those applications). The Secretary shall accord priority among those applications in the order listed in paragraph (2).

(2) Applications covered by paragraph (1) are the following:

(A) Any application for a fiscal year 1999 priority one project.

(B) Any application for a fiscal year 2000 priority one project that was submitted by a State that (i) did not receive grant funds from amounts appropriated for fiscal year 1999 under the State home grant program, and (ii) does not have any fiscal year 1999 priority one projects.

(3) For purposes of this subsection—

(A) the term "fiscal year 1999 priority one project" means a project on the list of approved projects established by the Secretary on October 29, 1998, under section 8135(b)(4) of title 38, United States Code, as in effect on that date that (pursuant to section 8135(b)(2)(A) of that title) is in the grouping of projects on that list designated as Priority Group 1;

(B) the term "fiscal year 2000 priority one project" means a project on the list of approved projects established by the Secretary on November 3, 1999, under section 8135(b)(4) of title 38, United States Code, as in effect on that date that (pursuant to section 8135(b)(2)(A) of that title) is in the grouping of projects on that list designated as Priority Group 1; and

(C) the term "State home grant program" means the grant program under subchapter III of chapter 81 of title 38, United States Code.

(d) EFFECTIVE DATE FOR INITIAL REGULATIONS.—The Secretary shall prescribe the initial regulations under subsection (a) of section 8134 of title 38, United States Code, as added by subsection (a), not later than April 30, 2000.

SEC. 208. EXPANSION OF ENHANCED-USE LEASE AUTHORITY.

(a) AUTHORITY.—Section 8162(a)(2) is amended—

(1) by striking "only if the Secretary" and inserting "only if—

"(A) the Secretary";

(2) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively, and realigning those clauses so as to be four ems from the left margin;

(3) by striking the period at the end of clause (iii), as so redesignated, and inserting "; or"; and

(4) by adding at the end the following:

"(B) the Secretary determines that the implementation of a business plan proposed by the Under Secretary for Health for applying the consideration under such a lease to the provision of medical care and services would result in a demonstrable improvement of services to eligible veterans in the geographic service-delivery area within which the property is located.".

(b) TERM OF ENHANCED-USE LEASE.—Section 8162(b) is amended—

(1) in paragraph (2), by striking "may not exceed—" and all that follows and inserting "may not exceed 75 years."; and

(2) by striking paragraph (4) and inserting the following:

"(4) The terms of an enhanced-use lease may provide for the Secretary to—

"(A) obtain facilities, space, or services on the leased property; and

"(B) use minor construction funds for capital contribution payments.".

(c) DESIGNATION OF PROPERTY PROPOSED TO BE LEASED.—(1) Subsection (b) of section 8163 is amended—

(A) by striking "include—" and inserting "include the following:";

(B) by capitalizing the first letter of the first word of each of paragraphs (1), (2), (3), (4), and (5);

(C) by striking the semicolon at the end of paragraphs (1), (2), and (3) and inserting a period; and

(D) by striking subparagraphs (A), (B), and (C) of paragraph (4) and inserting the following:

"(A) would—

"(i) contribute in a cost-effective manner to the mission of the Department;

"(ii) not be inconsistent with the mission of the Department;

"(iii) not adversely affect the mission of the Department; and

"(iv) affect services to veterans; or

"(B) would result in a demonstrable improvement of services to eligible veterans in the geographic service-delivery area within which the property is located.".

(2) Subparagraph (E) of subsection (c)(1) of that section is amended by striking clauses (i), (ii), and (iii) and inserting the following:

"(i) would—

"(I) contribute in a cost-effective manner to the mission of the Department;

"(II) not be inconsistent with the mission of the Department;

"(III) not adversely affect the mission of the Department; and

"(IV) affect services to veterans; or

"(ii) would result in a demonstrable improvement of services to eligible veterans in the geographic service-delivery area within which the property is located.".

(d) USE OF PROCEEDS.—Section 8165(a) is amended by striking paragraph (1) and inserting the following:

"(a)(1) Funds received by the Department under an enhanced-use lease and remaining after any deduction from those funds under subsection (b) shall be deposited in the Department of Veterans Affairs Health Services Improvement Fund established under section 1729B of this title.".

(e) EXTENSION OF AUTHORITY.—Section 8169 is amended by striking "December 31, 2001" and inserting "December 31, 2011".

(f) TRAINING AND OUTREACH REGARDING AUTHORITY.—The Secretary shall take appropriate actions to provide training and outreach to personnel at Department medical centers regarding the enhanced-use lease authority under subchapter V of chapter 81 of title 38, United States Code. The training and outreach shall address methods of approaching potential lessees in the medical or commercial sectors regarding the possibility of entering into leases under that authority and other appropriate matters.

(g) Independent Analysis of Opportunities for Use of Authority.—(1) The Secretary shall take appropriate actions to secure from an appropriate entity (or entities) independent of the Department an analysis (or analyses) of opportunities for the use of the enhanced-use lease authority under subchapter V of chapter 81 of title 38, United States Code.

(2) An analysis under paragraph (1) shall include—

(A) a survey of facilities of the Department for purposes of identifying Department property that presents an opportunity for lease under the enhanced-use lease authority;

(B) an assessment of the feasibility of entering into enhanced-use leases under that authority in the case of any property identified under subparagraph (A) as presenting an opportunity for such lease; and

(C) an assessment of the resources required at the Department facilities concerned, and at the Department Central Office, in order to facilitate the entering into of enhanced-used leases in the case of property so identified.

(3) If as a result of a survey under paragraph (2)(A) an entity carrying out an analysis under this subsection determines that a particular Department property presents no opportunities for lease under the enhanced-use lease authority, the analysis shall include the entity's explanation of that determination.

(4) If as a result of such a survey an entity carrying out an analysis under this subsection determines that certain Department property presents an opportunity for lease under the enhanced-use lease authority, the analysis shall include a single integrated business plan, developed by the entity, that addresses the strategy and resources necessary to implement the plan for all property determined to present an opportunity for such lease.

SEC. 209. INELIGIBILITY FOR EMPLOYMENT BY VETERANS HEALTH ADMINISTRATION OF HEALTH CARE PROFESSIONALS WHO HAVE LOST LICENSE TO PRACTICE IN ONE JURISDICTION WHILE STILL LICENSED IN ANOTHER JURISDICTION.

Section 7402 is amended by adding at the end the following new subsection:

"(f) A person may not be employed in a position under subsection (b) (other than under paragraph (4) of that subsection) if—

"(1) the person is or has been licensed, registered, or certified (as applicable to such position) in more than one State; and

"(2) either—

"(A) any of those States has terminated such license, registration, or certification for cause; or

"(B) the person has voluntarily relinquished such license, registration, or certification in any of those States after being notified in writing by that State of potential termination for cause.".

SEC. 210. REPORT ON COORDINATION OF PROCUREMENT OF PHARMACEUTICALS AND MEDICAL SUPPLIES BY THE DEPARTMENT OF VETERANS AFFAIRS AND THE DEPARTMENT OF DEFENSE.

(a) Requirement.—Not later than July 31, 2000, the Secretary of Veterans Affairs and the Secretary of Defense shall jointly submit to the Committees on Veterans' Affairs and Armed Services of the Senate and the Committees on Veterans' Affairs and Armed Services of the House of Representatives a report on the cooperation between the Department of Veterans Affairs and the Department of Defense in the procurement of pharmaceuticals and medical supplies.

(b) Report Elements.—The report under subsection (a) shall include the following:

(1) A description of the current cooperation between the Department of Veterans Affairs and the Department of Defense in the procurement of pharmaceuticals and medical supplies.

(2) An assessment of the means by which cooperation between the departments in such procurement could be enhanced or improved.

(3) A description of any existing memoranda of agreement between the Department of Veterans Affairs and the Department of Defense that provide for the cooperation referred to in subsection (a).

(4) A description of the effects, if any, such agreements will have on current staffing levels at the Defense Supply Center in Philadelphia, Pennsylvania, and the Department of Veterans Affairs National Acquisition Center in Hines, Illinois.

(5) A description of the effects, if any, of such cooperation on military readiness.

(6) A comprehensive assessment of cost savings realized and projected over the five fiscal year period beginning in fiscal year 1999 for the Department of Veterans Affairs and the Department of Defense as a result of such cooperation, and the overall savings to the Treasury of the United States as a result of such cooperation.

(7) A list of the types of medical supplies and pharmaceuticals for which cooperative agreements would not be appropriate and the reason or reasons therefor.

(8) An assessment of the extent to which cooperative agreements could be expanded to include medical equipment, major systems, and durable goods used in the delivery of health care by the Department of Veterans Affairs and the Department of Defense.

(9) A description of the effects such agreements might have on distribution of items purchased cooperatively by the Department of Veterans Affairs and the Department of Defense, particularly outside the continental United States.

(10) An assessment of the potential to establish common pharmaceutical formularies between the Department of Veterans Affairs and the Department of Defense.

(11) An explanation of the current Uniform Product Number (UPN) requirements of each Department and of any planned standardization of such requirements between the Departments for medical equipment and durable goods manufacturers.

SEC. 211. REIMBURSEMENT OF MEDICAL EXPENSES OF VETERANS LOCATED IN ALASKA.

(a) Preservation of Current Reimbursement Rates.—Notwithstanding any other provision of law, the Secretary shall, for purposes of reimbursing veterans in Alaska for medical expenses under section 1728 of title 38, United States Code, during the one-year period beginning on the date of the enactment of this Act, use the fee-for-service payment schedule in effect for such purposes on July 31, 1999, rather than the Participating Physician Fee Schedule under the Medicare program.

(b) Report.—(1) Not later than 180 days after the date of the enactment of this Act, the Secretary of Veterans Affairs and the Secretary of Health and Human Services shall jointly submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report and recommendation on the use of the Participating Physician Fee Schedule under the Medicare program as a means of calculating reimbursement rates for medical expenses of veterans located in Alaska under section 1728 of title 38, United States Code.

(2) The report shall—

(A) assess the differences between health care costs in Alaska and health care costs in the continental United States;

(B) describe any differences between the costs of providing health care in Alaska and the reimbursement rates for the provision of health care under the Participating Physician Fee Schedule; and

(C) assess the effects on health care for veterans in Alaska of implementing the Participating Physician Fee Schedule as a means of calculating reimbursement rates for medical expenses of veterans located in Alaska under section 1728 of title 38, United States Code.

TITLE III—MISCELLANEOUS MEDICAL PROVISIONS

SEC. 301. REVIEW OF PROPOSED CHANGES TO OPERATION OF MEDICAL FACILITIES.

Section 8110 is amended by adding at the end the following new subsections:

"(d) The Secretary may not in any fiscal year close more than 50 percent of the beds within a bed section (of 20 or more beds) of a Department medical center unless the Secretary first submits to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report providing a justification for the closure. No action to carry out such closure may be taken after the submission of such report until the end of the 21-day period beginning on the date of the submission of the report.

"(e) The Secretary shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives, not later than January 20 of each year, a report documenting by network for the preceding fiscal year the following:

"(1) The number of medical service and surgical service beds, respectively, that were closed during that fiscal year and, for each such closure, a description of the changes in delivery of services that allowed such closure to occur.

"(2) The number of nursing home beds that were the subject of a mission change during that fiscal year and the nature of each such mission change.

"(f) For purposes of this section:

"(1) The term 'closure', with respect to beds in a medical center, means ceasing to provide staffing for, and to operate, those beds. Such term includes converting the provision of such bed care from care in a Department facility to care under contract arrangements.

"(2) The term 'bed section', with respect to a medical center, means psychiatric beds (including beds for treatment of substance abuse and post-traumatic stress disorder), intermediate, neurology, and rehabilitation medicine beds, extended care (other than nursing home) beds, and domiciliary beds.

"(3) The term 'justification', with respect to closure of beds, means a written report that includes the following:

"(A) An explanation of the reasons for the determination that the closure is appropriate and advisable.

"(B) A description of the changes in the functions to be carried out and the means by which such care and services would continue to be provided to eligible veterans.

"(C) A description of the anticipated effects of the closure on veterans and on their access to care.".

SEC. 302. PATIENT SERVICES AT DEPARTMENT FACILITIES.

Section 7803 is amended—

(1) in subsection (a)—

(A) by striking "(a)" before "The canteens"; and

(B) by striking "in this subsection;" and all that follows through "the premises" and inserting "in this section"; and

(2) by striking subsection (b).

SEC. 303. CHIROPRACTIC TREATMENT.

(a) Establishment of Program.—Not later than 120 days after the date of the enactment of this Act, the Under Secretary for Health of the Department of Veterans Affairs, after consultation with chiropractors, shall establish a policy for the Veterans Health Administration regarding the role of chiropractic treatment in the care *of veterans under chapter 17 of title 38, United States Code.*

(b) DEFINITIONS.—For purposes of this section:

(1) The term "chiropractic treatment" means the manual manipulation of the spine performed by a chiropractor for the treatment of such musculo-skeletal conditions as the Secretary considers appropriate.

(2) The term "chiropractor" means an individual who—

(A) is licensed to practice chiropractic in the State in which the individual performs chiropractic services; and

(B) holds the degree of doctor of chiropractic from a chiropractic college accredited by the Council on Chiropractic Education.

SEC. 304. DESIGNATION OF HOSPITAL BED REPLACEMENT BUILDING AT IOANNIS A. LOUGARIS DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER, RENO, NEVADA.

The hospital bed replacement building under construction at the Ioannis A. Lougaris Department of Veterans Affairs Medical Center in Reno, Nevada, is hereby designated as the "Jack Streeter Building". Any reference to that building in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the Jack Streeter Building.

TITLE IV—CONSTRUCTION AND FACILITIES MATTERS

SEC. 401. AUTHORIZATION OF MAJOR MEDICAL FACILITY PROJECTS.

The Secretary of Veterans Affairs may carry out the following major medical facility projects, with each project to be carried out in the amount specified for that project:

(1) Construction of a long term care facility at the Department of Veterans Affairs Medical Center, Lebanon, Pennsylvania, in an amount not to exceed $14,500,000.

(2) Renovations and environmental improvements at the Department of Veterans Affairs Medical Center, Fargo, North Dakota, in an amount not to exceed $12,000,000.

(3) Construction of a surgical suite and post-anesthesia care unit at the Department of Veterans Affairs Medical Center, Kansas City, Missouri, in an amount not to exceed $13,000,000.

(4) Renovations and environmental improvements at the Department of Veterans Affairs Medical Center, Atlanta, Georgia, in an amount not to exceed $12,400,000.

(5) Demolition of buildings at the Dwight D. Eisenhower Department of Veterans Affairs Medical Center, Leavenworth, Kansas, in an amount not to exceed $5,600,000.

(6) Renovation to provide a domiciliary at Orlando, Florida, in a total amount not to exceed $2,400,000, to be derived only from funds appropriated for Construction, Major Projects, for a fiscal year before fiscal year 2000 that remain available for obligation.

SEC. 402. AUTHORIZATION OF MAJOR MEDICAL FACILITY LEASES.

The Secretary of Veterans Affairs may enter into leases for medical facilities as follows:

(1) Lease of an outpatient clinic, Lubbock, Texas, in an amount not to exceed $1,112,000.

(2) Lease of a research building, San Diego, California, in an amount not to exceed $1,066,500.

SEC. 403. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to the Secretary of Veterans Affairs for fiscal year 2000 and for fiscal year 2001—

(1) for the Construction, Major Projects, account $57,500,000 for the projects authorized in paragraphs (1) through (5) of section 401; and

(2) for the Medical Care account, $2,178,500 for the leases authorized in section 402.

(b) LIMITATION.—The projects authorized in paragraphs (1) through (5) of section 401 may only be carried out using—

(1) funds appropriated for fiscal year 2000 or fiscal year 2001 pursuant to the authorization of appropriations in subsection (a);

(2) funds appropriated for Construction, Major Projects, for a fiscal year before fiscal year 2000 that remain available for obligation; and

(3) funds appropriated for Construction, Major Projects, for fiscal year 2000 for a category of activity not specific to a project.

TITLE V—BENEFITS AND EMPLOYMENT MATTERS

Subtitle A—Compensation and DIC

SEC. 501. DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVING SPOUSES OF FORMER PRISONERS OF WAR.

(a) SHORT TITLE.—This section may be cited as the "John William Rolen Act".

(b) ELIGIBILITY.—Section 1318(b) is amended—

(1) by striking "that either—" in the matter preceding paragraph (1) and inserting "rated totally disabling if—";

(2) in paragraph (1)—

(A) by inserting "the disability" after "(1)"; and

(B) by striking "or" after "death;";

(3) in paragraph (2)—

(A) by striking "if so rated for a lesser period, was so rated continuously" and inserting "the disability was continuously rated totally disabling"; and

(B) by striking the period at the end and inserting "; or"; and

(4) by adding at the end the following new paragraph:

"(3) the veteran was a former prisoner of war who died after September 30, 1999, and the disability was continuously rated totally disabling for a period of not later than one year immediately preceding death.".

SEC. 502. REINSTATEMENT OF CERTAIN BENEFITS FOR REMARRIED SURVIVING SPOUSES OF VETERANS UPON TERMINATION OF THEIR REMARRIAGE.

(a) RESTORATION OF PRIOR ELIGIBILITY.—Section 103(d) is amended—

(1) by inserting "(1)" after "(d)"; and

(2) by adding at the end the following:

"(2) The remarriage of the surviving spouse of a veteran shall not bar the furnishing of benefits specified in paragraph (5) to such person as the surviving spouse of the veteran if the remarriage has been terminated by death or divorce unless the Secretary determines that the divorce was secured through fraud or collusion.

"(3) If the surviving spouse of a veteran ceases living with another person and holding himself or herself out openly to the public as that person's spouse, the bar to granting that person benefits as the surviving spouse of the veteran shall not apply in the case of the benefits specified in paragraph (5).

"(4) The first month of eligibility for benefits for a surviving spouse by reason of this subsection shall be the month after—

"(A) the month of the termination of such remarriage, in the case of a surviving spouse described in paragraph (2); or

"(B) the month of the cessation described in paragraph (3), in the case of a surviving spouse described in that paragraph.

"(5) Paragraphs (2) and (3) apply with respect to benefits under the following provisions of this title:

"(A) Section 1311, relating to dependency and indemnity compensation.

"(B) Section 1713, relating to medical care for survivors and dependents of certain veterans.

"(C) Chapter 35, relating to educational assistance.

"(D) Chapter 37, relating to housing loans.".

(b) CONFORMING AMENDMENT.—Section 1311 is amended by striking subsection (e).

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on the first day of the first month beginning after the month in which this Act is enacted.

(d) LIMITATION.—No payment may be made to a person by reason of paragraphs (2) and (3) of section 103(d) of title 38, United States Code, as added by subsection (a), for any period before the effective date specified in subsection (c).

SEC. 503. PRESUMPTION THAT BRONCHIOLO-ALVEOLAR CARCINOMA IS SERVICE-CONNECTED.

Section 1112(c)(2) is amended by adding at the end the following new subparagraph:

"(P) Bronchiolo-alveolar carcinoma.".

Subtitle B—Employment

SEC. 511. CLARIFICATION OF VETERANS' CIVIL SERVICE EMPLOYMENT OPPORTUNITIES.

(a) COORDINATION OF AMENDMENTS.—If the Federal Reserve Board Retirement Portability Act is enacted before this Act, the amendments made by subsection (b) shall be made and the amendments made by subsection (c) shall not be made. Otherwise, the amendments made by subsection (c) shall be made and the amendments made by subsection (b) and the amendments made by section 204 of the Federal Reserve Board Retirement Portability Act shall not be made.

(b) CLARIFICATION OF CIVIL SERVICE EMPLOYMENT OPPORTUNITIES.—Subject to subsection (a), section 3304(f) of title 5, United States Code, as amended by section 204 of the Federal Reserve Board Retirement Portability Act, is amended—

(1) in paragraph (2), as added by such section, by striking "shall acquire competitive status and"; and

(2) by adding at the end the following new paragraph:

"(5) The Office of Personnel Management shall prescribe regulations necessary for the administration of this subsection. The regulations shall ensure that an individual who has completed an initial tour of active duty is not excluded from the application of this subsection because of having been released from such tour of duty shortly before completing 3 years of active service, having been honorably released from such duty.".

(c) CLARIFICATION OF CIVIL SERVICE EMPLOYMENT OPPORTUNITIES.—Subject to subsection (a), section 3304(f) of title 5, United States Code, is amended—

(1) by striking paragraph (4);

(2) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively;

(3) by inserting after paragraph (1) the following new paragraph (2):

"(2) If selected, a preference eligible or veteran described in paragraph (1) shall receive a career or career-conditional appointment, as appropriate."; and

(4) by adding at the end the following new paragraph:

"(5) The Office of Personnel Management shall prescribe regulations necessary for the administration of this subsection. The regulations shall ensure that an individual who has completed an initial tour of active duty is not excluded from the application of this subsection because of having been released from such tour of duty shortly before completing 3 years of active service, having been honorably released from such duty.".

(d) EFFECTIVE DATE.—(1) If pursuant to subsection (a) the amendments specified in subsection (b) are made, those amendments shall apply as if included in section 204 of the Federal Reserve Board Retirement Portability Act.

(2) If pursuant to subsection (a) the amendments specified in subsection (c) are made, those amendments shall take effect as of October 31,

1998, as if included in subsection (f) of section 3304 of title 5, United States Code, as enacted by section 2 of the Veterans Employment Opportunities Act of 1998 (Public Law 105–339; 112 Stat. 3182).

TITLE VI—MEMORIAL AFFAIRS MATTERS

Subtitle A—American Battle Monuments Commission

SEC. 601. CODIFICATION AND EXPANSION OF AUTHORITY FOR WORLD WAR II MEMORIAL.

(a) CODIFICATION OF EXISTING AUTHORITY; EXPANSION OF AUTHORITY.—(1) Chapter 21 of title 36, United States Code, is amended by adding at the end the following new section:

“§2113. World War II memorial in the District of Columbia

“(a) SOLICITATION AND ACCEPTANCE OF CONTRIBUTIONS.—(1) Consistent with its authority under section 2103(e) of this title, the American Battle Monuments Commission shall solicit and accept contributions for the World War II memorial.

“(2) In this section, the term ‘World War II memorial’ means the memorial authorized by Public Law 103–32 (40 U.S.C. 1003 note) to be established by the Commission on Federal land in the District of Columbia or its environs to honor members of the Armed Forces who served in World War II and to commemorate the participation of the United States in that war.

“(b) CREATION OF MEMORIAL FUND.—(1) There is hereby created in the Treasury a fund for the World War II memorial, which shall consist of the following:

“(A) Amounts deposited, and interest and proceeds credited, under paragraph (2).

“(B) Obligations obtained under paragraph (3).

“(C) The amount of surcharges paid to the Commission for the World War II memorial under the World War II 50th Anniversary Commemorative Coins Act (31 U.S.C. 5112 note).

“(D) Amounts borrowed using the authority provided under subsection (d).

“(E) Any funds received by the Commission under section 2114 of this title in exchange for use of, or the right to use, any mark, copyright or patent.

“(2) The Chairman of the Commission shall deposit in the fund the amounts accepted as contributions under subsection (a). The Secretary of the Treasury shall credit to the fund the interest on, and the proceeds from sale or redemption of, obligations held in the fund.

“(3) The Secretary of the Treasury shall invest any portion of the fund that, as determined by the Chairman, is not required to meet current expenses. Each investment shall be made in an interest-bearing obligation of the United States or an obligation guaranteed as to principal and interest by the United States that, as determined by the Chairman, has a maturity suitable for the fund.

“(c) USE OF FUND.—The fund shall be available to the Commission—

“(1) for the expenses of establishing the World War II memorial, including the maintenance and preservation amount provided for in section 8(b) of the Commemorative Works Act (40 U.S.C. 1008(b));

“(2) for such other expenses, other than routine maintenance, with respect to the World War II memorial as the Commission considers warranted; and

“(3) to secure, obtain, register, enforce, protect, and license any mark, copyright, or patent that is owned by, assigned to, or licensed to the Commission under section 2114 of this title to aid or facilitate the construction of the World War II memorial.

“(d) SPECIAL BORROWING AUTHORITY.—(1) To assure that groundbreaking, construction, and dedication of the World War II memorial are carried out on a timely basis, the Commission may borrow money from the Treasury of the United States in such amounts as the Commission considers necessary, but not to exceed a total of $65,000,000. Borrowed amounts shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the month in which the obligations of the Commission are issued. The interest payments on such obligations may be deferred with the approval of the Secretary, but any interest payment so deferred shall also bear interest.

“(2) The borrowing of money by the Commission under paragraph (1) shall be subject to such maturities, terms, and conditions as may be agreed upon by the Commission and the Secretary, except that the maturities may not exceed 20 years and such borrowings may be redeemable at the option of the Commission before maturity.

“(3) The obligations of the Commission shall be issued in amounts and at prices approved by the Secretary. The authority of the Commission to issue obligations under this subsection shall remain available without fiscal year limitation. The Secretary of the Treasury shall purchase any obligations of the Commission to be issued under this subsection, and for such purpose the Secretary of the Treasury may use as a public debt transaction of the United States the proceeds from the sale of any securities issued under chapter 31 of title 31. The purposes for which securities may be issued under such chapter are extended to include any purchase of the Commission’s obligations under this subsection.

“(4) Repayment of the interest and principal on any funds borrowed by the Commission under paragraph (1) shall be made from amounts in the fund. The Commission may not use for such purpose any funds appropriated for any other activities of the Commission.

“(e) TREATMENT OF BORROWING AUTHORITY.—In determining whether the Commission has sufficient funds to complete construction of the World War II memorial, as required by section 8 of the Commemorative Works Act (40 U.S.C. 1008), the Secretary of the Interior shall consider the funds that the Commission may borrow from the Treasury under subsection (d) as funds available to complete construction of the memorial, whether or not the Commission has actually exercised the authority to borrow such funds.

“(f) VOLUNTARY SERVICES.—(1) Notwithstanding section 1342 of title 31, the Commission may accept from any person voluntary services to be provided in furtherance of the fund-raising activities of the Commission relating to the World War II memorial.

“(2) A person providing voluntary services under this subsection shall be considered to be a Federal employee for purposes of chapter 81 of title 5, relating to compensation for work-related injuries, and chapter 171 of title 28, relating to tort claims. A volunteer who is not otherwise employed by the United States shall not be considered to be a Federal employee for any other purpose by reason of the provision of such voluntary service, except that any volunteer given responsibility for the handling of funds or the carrying out of a Federal function is subject to the conflict of interest laws contained in chapter 11 of title 18 and the administrative standards of conduct contained in part 2635 of title 5 of the Code of Federal Regulations.

“(3) The Commission may provide for reimbursement of incidental expenses that are incurred by a person providing voluntary services under this subsection. The Commission shall determine those expenses that are eligible for reimbursement under this paragraph.

“(4) Nothing in this subsection shall be construed to require any Federal employee to work without compensation or to allow the use of volunteer services to displace or replace any Federal employee.

“(g) TREATMENT OF CERTAIN CONTRACTS.—A contract entered into by the Commission for the design or construction of the World War II memorial is not a funding agreement as that term is defined in section 201 of title 35.

“(h) EXTENSION OF AUTHORITY TO ESTABLISH MEMORIAL.—Notwithstanding section 10 of the Commemorative Works Act (40 U.S.C. 1010), the authority for the construction of the World War II memorial provided by Public Law 103–32 (40 U.S.C. 1003 note) expires on December 31, 2005.”.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

“2113. World War II memorial in the District of Columbia.”.

(b) CONFORMING AMENDMENTS.—Public Law 103–32 (40 U.S.C. 1003 note) is amended by striking sections 3, 4, and 5.

(c) EFFECT OF REPEAL OF CURRENT MEMORIAL FUND.—Upon the enactment of this Act, the Secretary of the Treasury shall transfer amounts in the fund created by section 4(a) of Public Law 103–32 (40 U.S.C. 1003 note) to the fund created by section 2113(b) of title 36, United States Code, as added by subsection (a).

SEC. 602. GENERAL AUTHORITY TO SOLICIT AND RECEIVE CONTRIBUTIONS.

Subsection (e) of section 2103 of title 36, United States Code, is amended to read as follows:

“(e) SOLICITATION AND RECEIPT OF CONTRIBUTIONS.—(1) The Commission may solicit and receive funds and in-kind donations and gifts from any State, municipal, or private source to carry out the purposes of this chapter. The Commission shall deposit such funds in a separate account in the Treasury. Funds from that account shall be disbursed upon vouchers approved by the Chairman of the Commission.

“(2) The Commission shall establish written guidelines setting forth the criteria to be used in determining whether the acceptance of funds and in-kind donations and gifts under paragraph (1) would—

“(A) reflect unfavorably on the ability of the Commission, or any member or employee of the Commission, to carry out the responsibilities or official duties of the Commission in a fair and objective manner; or

“(B) compromise the integrity or the appearance of the integrity of the programs of the Commission or any official involved in those programs.”.

SEC. 603. INTELLECTUAL PROPERTY AND RELATED ITEMS.

(a) IN GENERAL.—Chapter 21 of title 36, United States Code, as amended by section 601(a)(1), is further amended by adding at the end the following new section:

“§2114. Intellectual property and related items

“(a) AUTHORITY TO USE AND REGISTER INTELLECTUAL PROPERTY.—The American Battle Monuments Commission may—

“(1) adopt, use, register, and license trademarks, service marks, and other marks;

“(2) obtain, use, register, and license the use of copyrights consistent with section 105 of title 17;

“(3) obtain, use, and license patents; and

“(4) accept gifts of marks, copyrights, patents, and licenses for use by the Commission.

“(b) AUTHORITY TO GRANT LICENSES.—The Commission may grant exclusive and nonexclusive licenses in connection with any mark, copyright, patent, or license for the use of such mark, copyright or patent, except to the extent

the grant of such license by the Commission would be contrary to any contract or license by which the use of the mark, copyright, or patent was obtained.

"(c) ENFORCEMENT AUTHORITY.—The Commission may enforce any mark, copyright, or patent by an action in the district courts under any law providing for the protection of such marks, copyrights, or patents.

"(d) LEGAL REPRESENTATION.—The Attorney General shall furnish the Commission with such legal representation as the Commission may require under subsection (c). The Secretary of Defense shall provide representation for the Commission in administrative proceedings before the Patent and Trademark Office and Copyright Office.

"(e) IRREVOCABILITY OF TRANSFERS OF COPYRIGHTS TO COMMISSION.—Section 203 of title 17 shall not apply to any copyright transferred in any manner to the Commission.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter, as amended by section 601(a)(2), is further amended by adding at the end the following new item:

"2114. Intellectual property and related items.".

SEC. 604. TECHNICAL AMENDMENTS.

Chapter 21 of title 36, United States Code, is amended as follows:

(1) Section 2101(b) is amended—

(A) by striking "title 37, United States Code," in paragraph (2) and inserting "title 37"; and

(B) by striking "title 5, United States Code," in paragraph (3) and inserting "title 5".

(2) Section 2102(a)(1) is amended, by striking "title 5, United States Code" and inserting "title 5".

(3) Section 2103 is amended—

(A) by striking "title 31, United States Code" in subsection (h)(2)(A)(i) and inserting "title 31";

(B) by striking "title 44, United States Code" in subsection (i) and inserting "title 44"; and

(C) by striking "chairman" each place it appears and inserting "Chairman".

Subtitle B—National Cemeteries

SEC. 611. ESTABLISHMENT OF ADDITIONAL NATIONAL CEMETERIES.

(a) ESTABLISHMENT.—The Secretary shall establish, in accordance with chapter 24 of title 38, United States Code, a national cemetery in each of the six areas in the United States that the Secretary determines to be most in need of such a cemetery to serve the needs of veterans and their families.

(b) OBLIGATION OF FUNDS IN FISCAL YEAR 2000.—The Secretary shall obligate, from the advance planning fund in the Construction, Major Projects account appropriated to the Department for fiscal year 2000, such amounts for costs that the Secretary estimates are required for the planning and commencement of the establishment of national cemeteries under this section.

(c) REPORTS.—(1) Not later than 120 days after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the establishment of the national cemeteries under subsection (a). The report shall set forth the following:

(A) The six areas of the United States determined by the Secretary to be most in need of the establishment of a new national cemetery.

(B) A schedule for such establishment.

(C) An estimate of the costs associated with such establishment.

(D) The amount obligated from the advance planning fund under subsection (b).

(2) Not later than one year after the date on which the report described in paragraph (1) is submitted, and annually thereafter until the establishment of the national cemeteries under subsection (a) is complete, the Secretary shall submit to Congress a report that updates the information included in the report described in paragraph (1).

SEC. 612. USE OF FLAT GRAVE MARKERS AT SANTA FE NATIONAL CEMETERY, NEW MEXICO.

Notwithstanding section 2404(c)(2) of title 38, United States Code, the Secretary may provide for flat grave markers at the Santa Fe National Cemetery, New Mexico.

SEC. 613. INDEPENDENT STUDY ON IMPROVEMENTS TO VETERANS' CEMETERIES.

(a) STUDY.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall enter into a contract with one or more qualified organizations to conduct a study of national cemeteries described in subsection (b). For purposes of this section, an entity of Federal, State, or local government is not a qualified organization.

(b) MATTERS STUDIED.—(1) The study conducted pursuant to the contract entered into under subsection (a) shall include an assessment of each of the following:

(A) The one-time repairs required at each national cemetery under the jurisdiction of the National Cemetery Administration of the Department of Veterans Affairs to ensure a dignified and respectful setting appropriate to such cemetery, taking into account the variety of age, climate, and burial options at individual national cemeteries.

(B) The feasibility of making standards of appearance of active national cemeteries, and the feasibility of making standards of appearance of closed national cemeteries, commensurate with standards of appearance of the finest cemeteries in the world.

(C) The number of additional national cemeteries that will be required for the interment and memorialization in such cemeteries of individuals qualified under chapter 24 of title 38, United States Code, who die after 2005.

(D) The advantages and disadvantages of the use by the National Cemetery Administration of flat grave markers and upright grave markers.

(E) The current condition of flat grave marker sections at each of the national cemeteries.

(2) In presenting the assessment of additional national cemeteries required under paragraph (1)(C), the report shall identify by five-year period, beginning with 2005 and ending with 2020, the following:

(A) The number of additional national cemeteries required during each such five-year period.

(B) With respect to each such five-year period, the areas in the United States with the greatest concentration of veterans whose needs are not served by national cemeteries or State veterans' cemeteries.

(c) REPORT.—(1) Not later than one year after the date on which a qualified organization enters into a contract under subsection (a), the organization shall submit to the Secretary a report setting forth the results of the study conducted and conclusions of the organization with respect to such results.

(2) Not later than 120 days after the date on which a report is submitted under paragraph (1), the Secretary shall transmit to the Committees on Veterans' Affairs of the House of Representatives and the Senate a copy of the report, together with any comments on the report that the Secretary considers appropriate.

Subtitle C—Burial Benefits

SEC. 621. INDEPENDENT STUDY ON IMPROVEMENTS TO VETERANS' BURIAL BENEFITS.

(a) STUDY.—Not later than 60 days after the date of the enactment of this Act, the Secretary shall enter into a contract with one or more qualified organizations to conduct a study of burial benefits under chapter 23 of title 38, United States Code. For purposes of this section, an entity of Federal, State, or local government is not a qualified organization.

(b) MATTERS STUDIED.—The study conducted pursuant to the contract entered into under subsection (a) shall include consideration of the following:

(1) An assessment of the adequacy and effectiveness of the burial benefits administered by the Secretary under chapter 23 of title 38, United States Code, in meeting the burial needs of veterans and their families.

(2) Options to better serve the burial needs of veterans and their families, including modifications to burial benefit amounts and eligibility, together with the estimated cost for each such modification.

(3) Expansion of the authority of the Secretary to provide burial benefits for burials in private-sector cemeteries and to make grants to private-sector cemeteries.

(c) REPORT.—(1) Not later than 120 days after the date on which a qualified organization enters into a contract under subsection (a), the organization shall submit to the Secretary a report setting forth the results of the study conducted and conclusions of the organization with respect to those results.

(2) Not later than 60 days after the date on which a report is submitted under paragraph (1), the Secretary shall transmit to the Committees on Veterans' Affairs of the Senate and House of Representatives a copy of the report, together with any comments on the report that the Secretary considers appropriate.

TITLE VII—EDUCATION AND HOUSING MATTERS

Subtitle A—Education Matters

SEC. 701. AVAILABILITY OF MONTGOMERY GI BILL BENEFITS FOR PREPARATORY COURSES FOR COLLEGE AND GRADUATE SCHOOL ENTRANCE EXAMS.

Section 3002(3) is amended—

(1) by striking ", and" at the end of subparagraph (A) and inserting a semicolon;

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subparagraph (A) the following new subparagraph (B):

"(B) includes—

"(i) a preparatory course for a test that is required or used for admission to an institution of higher education; and

"(ii) a preparatory course for a test that is required or used for admission to a graduate school; and".

SEC. 702. DETERMINATION OF ELIGIBILITY PERIOD FOR MEMBERS OF THE ARMED FORCES COMMISSIONED FOLLOWING COMPLETION OF OFFICER TRAINING SCHOOL.

(a) MEASUREMENT OF PERIOD COUNTED FOR GI BILL ELIGIBILITY.—Section 3011(f) is amended—

(1) in paragraph (1), by striking "paragraph (2)" and inserting "paragraph (2) or (3); and

(2) by adding at the end the following new paragraph:

"(3) This subsection applies to a member who after a period of continuous active duty as an enlisted member or warrant officer, and following successful completion of officer training school, is discharged in order to accept, without a break in service, a commission as an officer in the Armed Forces for a period of active duty.".

(b) CONFORMING AMENDMENTS FOR TIME LIMITATION FOR USE OF ELIGIBILITY AND ENTITLEMENT.—Section 3031 is amended—

(1) by redesignating subsection (g) as subsection (h);

(2) in subsection (a)—

(A) by striking "through (e)" and inserting "through (g)"; and

(B) by striking "subsection (g)" and inserting "subsection (h)"; and

(3) by inserting after subsection (f) the following new subsection:

"(g) In the case of an individual described in section 3011(f)(3) of this title, the period during which that individual may use the individual's entitlement to educational assistance allowance expires on the last day of the 10-year period beginning on the date of the enactment of the Veterans Millennium Health Care and Benefits Act if that date is later than the date that would otherwise be applicable to that individual under this section.".

(c) Effective Date.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act and apply with respect to an individual first appointed as a commissioned officer on or after July 1, 1985.

SEC. 703. REPORT ON VETERANS' EDUCATION AND VOCATIONAL TRAINING BENEFITS PROVIDED BY THE STATES.

(a) Report.—(1) Not later than six months after the date of the enactment of this Act, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on veterans education and vocational training benefits provided by the States.

(2) Benefits to be considered to be veterans education and vocational training benefits for the purpose of this section include any education or vocational training benefit provided by a State (including any political subdivision of a State) for which persons are eligible by reason of service in the Armed Forces, including, in the case of persons who died in the Armed Forces or as a result of a disease or disability incurred in the Armed Forces, benefits provided by reason of the service of those persons to their survivors or dependents.

(3) For purposes of this section, the term "veteran" includes a person serving on active duty or in one of the reserve components and a person who died while in the active military, naval, or air service.

(b) Matters To Be Included.—The report under this section shall include the following:

(1) A description, by State, of the veterans education and vocational training benefits provided, including—

(A) identification of benefits that are provided specifically for disabled veterans or for which disabled veterans receive benefits in a different amount; and

(B) identification of benefits for which survivors of persons who died in the Armed Forces (or as a result of a disease or disability incurred in the Armed Forces) or who were disabled in the Armed Forces are eligible.

(2) For each State that provides a veterans education benefit consisting of full or partial tuition assistance for post-secondary education, a description of that benefit, including whether the benefit is limited to tuition for attendance at an institution of higher education in that State or to tuition for attendance at a public institution of higher education in that State.

(3) A description of actions and programs of the Department of Veterans Affairs, the Department of Defense, the Department of Education, and the Department of Labor to encourage the States to provide benefits designed to assist veterans in securing post-secondary education and vocational training.

(c) Consultation.—The report under this section shall be prepared in consultation with the Secretary of Education, the Secretary of Defense, and the Secretary of Labor.

(d) State Defined.—For purposes of this section, the term "State" has the meaning given that term in section 101(20) of title 38, United States Code.

SEC. 704. TECHNICAL AMENDMENTS.

Sections 3011(i) and 3012(g)(1) are amended by striking "Federal".

Subtitle B—Housing Matters

SEC. 711. EXTENSION OF AUTHORITY FOR HOUSING LOANS FOR MEMBERS OF THE SELECTED RESERVE.

Section 3702(a)(2)(E) is amended by striking "September 30, 2003," and inserting 'September 30, 2007,".

SEC. 712. TECHNICAL AMENDMENT RELATING TO TRANSITIONAL HOUSING LOAN GUARANTEE PROGRAM.

Section 3775 is amended—

(1) by inserting "(a)" before "During each"; and

(2) by adding at the end the following new subsection:

"(b) After the first three years of operation of such a multifamily transitional housing project, the Secretary may provide for periodic audits of the project.".

TITLE VIII—DEPARTMENT OF VETERANS AFFAIRS ADMINISTRATIVE MATTERS

SEC. 801. ENHANCED QUALITY ASSURANCE PROGRAM WITHIN THE VETERANS BENEFITS ADMINISTRATION.

(a) In General.—(1) Chapter 77 is amended by adding at the end the following new subchapter:

"SUBCHAPTER III—QUALITY ASSURANCE

"§ 7731. Establishment

"(a) The Secretary shall carry out a quality assurance program in the Veterans Benefits Administration. The program may be carried out through a single quality assurance division in the Administration or through separate quality assurance entities for each of the principal organizational elements (known as 'services') of the Administration.

"(b) The Secretary shall ensure that any quality assurance entity established and operated under subsection (a) is established and operated so as to meet generally applicable governmental standards for independence and internal controls for the performance of quality reviews of Government performance and results.

"§ 7732. Functions

"The Under Secretary for Benefits, acting through the quality assurance entities established under section 7731(a), shall on an ongoing basis perform and oversee quality reviews of the functions of each of the principal organizational elements of the Veterans Benefits Administration.

"§ 7733. Personnel

"The Secretary shall ensure that the number of full-time employees of the Veterans Benefits Administration assigned to quality assurance functions under this subchapter is adequate to perform the quality assurance functions for which they have responsibility.

"§ 7734. Annual report to Congress

"The Secretary shall include in the annual report to the Congress required by section 529 of this title a report on the quality assurance activities carried out under this subchapter. Each such report shall include—

"(1) an appraisal of the quality of services provided by the Veterans Benefits Administration, including—

"(A) the number of decisions reviewed;

"(B) a summary of the findings on the decisions reviewed;

"(C) the number of full-time equivalent employees assigned to quality assurance in each division or entity;

"(D) specific documentation of compliance with the standards for independence and internal control required by section 7731(b) of this title; and

"(E) actions taken to improve the quality of services provided and the results obtained;

"(2) information with respect to the accuracy of decisions, including trends in that information; and

"(3) such other information as the Secretary considers appropriate.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new items:

"SUBCHAPTER III—QUALITY ASSURANCE

"7731. Establishment.
"7732. Functions.
"7733. Personnel.
"7734. Annual report to Congress.".

(b) Effective Date.—Subchapter III of chapter 77 of title 38, United States Code, as added by subsection (a), shall take effect at the end of the 60-day period beginning on the date of the enactment of this Act.

SEC. 802. EXTENSION OF AUTHORITY TO MAINTAIN A REGIONAL OFFICE IN THE REPUBLIC OF THE PHILIPPINES.

Section 315(b) is amended by striking "December 31, 1999" and inserting "December 31, 2003".

SEC. 803. EXTENSION OF ADVISORY COMMITTEE ON MINORITY VETERANS.

Section 544(e) is amended by striking "December 31, 1999" and inserting "December 31, 2003".

SEC. 804. TECHNICAL AMENDMENT TO AUTOMOBILE ASSISTANCE PROGRAM.

Section 3903(e)(2) is amended by striking "(not owned by the Government)".

TITLE IX—HOMELESS VETERANS PROGRAMS

SEC. 901. HOMELESS VETERANS' REINTEGRATION PROGRAMS.

(a) In General.—Chapter 41 is amended by adding at the end the following new section:

"§ 4111. Homeless veterans' reintegration programs

"(a) In General.—The Secretary, acting through the Assistant Secretary of Labor for Veterans' Employment and Training, shall conduct, directly or through grant or contract, such programs as the Secretary determines appropriate to expedite the reintegration of homeless veterans into the labor force.

"(b) Authority To Monitor Expenditure of Funds.—The Secretary may collect such information as the Secretary considers appropriate to monitor and evaluate the distribution and expenditure of funds appropriated to carry out this section, and such information shall be furnished to the Secretary in such form as the Secretary determines appropriate.

"(c) Definition.—For purposes of this section, the term 'homeless veteran' has the meaning given that term by section 3771(2) of this title.

"(d) Authorization of Appropriations.—(1) There are authorized to be appropriated to carry out this section amounts as follows:

"(A) $10,000,000 for fiscal year 2000.

"(B) $15,000,000 for fiscal year 2001.

"(C) $20,000,000 for fiscal year 2002.

"(D) $20,000,000 for fiscal year 2003.

"(2) Funds obligated for any fiscal year to carry out this section may be expended in that fiscal year and the succeeding fiscal year.".

(b) Clerical Amendment.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"4111. Homeless veterans' reintegration programs.".

SEC. 902. EXTENSION OF PROGRAM OF HOUSING ASSISTANCE FOR HOMELESS VETERANS.

Section 3735(c) is amended by striking "December 31, 1999" and inserting "December 31, 2003".

SEC. 903. HOMELESS VETERANS PROGRAMS.

The Homeless Veterans Comprehensive Service Programs Act of 1992 (38 U.S.C. 7721 note) is amended as follows:

(1) Section 3(a)(1) is amended by inserting ", and expanding existing programs for furnishing," after "new programs to furnish".

(2) Section 3(a)(2) is amended by striking "September 30, 1999" and inserting "September 30, 2003".

(3) Section 3(b)(2) is amended by striking "and no more than 20 programs which incorporate the procurement of vans as described in paragraph (1)".

(4) Section 12 is amended in the first sentence by inserting "and $50,000,000 for each of fiscal years 2000 and 2001" after "for fiscal years 1993 through 1997".

SEC. 904. PLAN FOR EVALUATION OF PERFORMANCE OF PROGRAMS TO ASSIST HOMELESS VETERANS.

(a) Report.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report containing a detailed plan for the evaluation by the Department of Veterans Affairs of the effectiveness of programs to assist homeless veterans. The plan shall be prepared in consultation with the Secretary of Housing and Urban Development and the Secretary of Labor.

(b) Inclusion of Outcome Measures.—The plan shall include outcome measures to show whether veterans for whom housing or employment is secured through one or more of those programs continue to be housed or employed, as the case may be, after six months.

TITLE X—UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS

SEC. 1001. SHORT TITLE.

This title may be cited as the "Court of Appeals for Veterans Claims Amendments of 1999".

SEC. 1002. DEFINITION.

In this title, the term "Court" means the United States Court of Appeals for Veterans Claims.

Subtitle A—Transitional Provisions To Stagger Terms of Judges

SEC. 1011. EARLY RETIREMENT AUTHORITY FOR CURRENT JUDGES.

(a) Retirement Authorized.—One eligible judge may retire in accordance with this section in 2000 or 2001, and one additional eligible judge may retire in accordance with this section in 2001.

(b) Eligible Judges.—For purposes of this section, an eligible judge is a judge of the Court (other than the chief judge) who—

(1) has at least 10 years of service creditable under section 7296 of title 38, United States Code;

(2) has made an election to receive retired pay under section 7296 of such title;

(3) has at least 20 years of service described in section 7297(l) of such title; and

(4) is at least 55 years of age.

(c) Multiple Eligible Judges.—If for any year specified in subsection (a) more than one eligible judge provides notice in accordance with subsection (d), the judge who has the greatest seniority as a judge of the Court shall be the judge who is eligible to retire in accordance with this section in that year.

(d) Notice.—An eligible judge who desires to retire in accordance with this section with respect to any year covered by subsection (a) shall provide to the President and the chief judge of the Court written notice to that effect and stating that the judge agrees to the temporary service requirements of subsection (j). Such notice shall be provided not later than April 1 of that year and shall specify the retirement date in accordance with subsection (e). Notice provided under this subsection shall be irrevocable.

(e) Date of Retirement.—A judge who is eligible to retire in accordance with this section shall be retired during the calendar year as to which notice is provided pursuant to subsection (d), but not earlier than 30 days after the date on which that notice is provided pursuant to subsection (d).

(f) Applicable Provisions.—Except as provided in subsections (g) and (j), a judge retired in accordance with this section shall be considered for all purposes to be retired under section 7296(b)(1) of title 38, United States Code.

(g) Applicability of Recall Status Authority.—The provisions of section 7257 of this title shall apply to a judge retired in accordance with this section as if the judge is a judge specified in subsection (a)(2)(A) of that section.

(h) Rate of Retired Pay.—The rate of retired pay for a judge retiring in accordance with this section is—

(1) the rate applicable to that judge under section 7296(c)(1) of title 38, United States Code, multiplied by

(2) the fraction (not in excess of 1) in which—

(A) the numerator is the number of years of service of the judge as a judge of the Court creditable under section 7296 of such title; and

(B) the denominator is 15.

(i) Adjustments in Retired Pay for Judges Available for Recall.—Subject to section 7296(f)(3)(B) of title 38, United States Code, an adjustment provided by law in annuities payable under civil service retirement laws shall apply to retired pay under this section in the case of a judge who is a recall-eligible retired judge under section 7257 of such title or who was a recall-eligible retired judge under that section and was removed from recall status under subsection (b)(4) of that section by reason of disability.

(j) Duty of Actuary.—Section 7298(e)(2) is amended—

(1) by redesignating subparagraph (C) as subparagraph (D); and

(2) by inserting after subparagraph (B) the following new subparagraph:

"(C) For purposes of subparagraph (B), the term 'present value' includes a value determined by an actuary with respect to a payment that may be made under subsection (b) from the retirement fund within the contemplation of law.".

(k) Transitional Service of Judge Retired Under This Section.—(1) A judge who retires under this section shall continue to serve on the Court during the period beginning on the effective date of the judge's retirement under subsection (e) and ending on the earlier of—

(A) the date on which a person is appointed to the position on the Court vacated by the judge's retirement; and

(B) the date on which the judge's original appointment to the court would have expired.

(2) Subsections (f) and (g) of section 7253 of title 38, United States Code, shall apply with respect to the service of a judge on the Court under this section.

(3) Notwithstanding any other provision of law, a person whose service as a judge of the Court continues under this section shall be paid for the period of service under this subsection at the rate that is the difference between the current rate of pay for a judge of the Court and the rate of the judge's retired pay under subsection (g).

(4) Amounts paid under paragraph (3)—

(A) shall not be treated as—

(i) compensation for employment with the United States for purposes of section 7296(e) of title 38, United States Code, or any provision of title 5, United States Code, relating to the receipt or forfeiture of retired pay or retirement annuities by a person accepting compensation for employment with the United States; or

(ii) pay for purposes of deductions or contributions for or on behalf of the person to retired pay under subchapter V of chapter 72 of title 38, United States Code, or under chapter 83 or 84 of title 5, United States Code, as applicable; but

(B) may, at the election of the person, be treated as pay for purposes of deductions or contributions for or on behalf of the person to a retirement or other annuity, or both, under subchapter V of chapter 72 of title 38, United States Code, or under chapter 83 or 84 of title 5, United States Code, as applicable.

(5) Amounts paid under paragraph (3) shall be derived from amounts available for payment of salaries and benefits of judges of the Court.

(6) The service as a judge of the Court under this subsection of a person who makes an election provided for under paragraph (4)(B) shall constitute creditable service toward the judge's years of judicial service for purposes of section 7297 of title 38, United States Code, with such service creditable at a rate equal to the rate at which such service would be creditable for such purposes if served by a judge of the Court under chapter 72 of that title. For purposes of subsection (k)(3) of that section, the average annual pay for such service shall be the sum of the judge's retired pay and the amount paid under paragraph (3) of this subsection.

(7) In the case of such a person who makes an election provided for under paragraph (4)(B), upon the termination of the service of that person as a judge of the Court under this subsection, the retired pay of that person under subsection (g) shall be recomputed to reflect the additional period of service served under this subsection.

(l) Treatment of Political Party Membership.—For purposes of determining compliance with the last sentence of section 7253(b) of title 38, United States Code, the political party membership of a judge serving on the Court under subsection (j) shall not be taken into account.

SEC. 1012. MODIFIED TERMS FOR NEXT TWO JUDGES APPOINTED TO THE COURT.

(a) Modified Terms.—The term of office of the first two judges appointed to the Court after the date of the enactment of this Act shall be 13 years (rather than the period specified in section 7253(c) of title 38, United States Code).

(b) Eligibility for Retirement.—(1) For purposes of determining the eligibility to retire under section 7296 of title 38, United States Code, of the two judges of the Court whose term of office is determined under subsection (a)—

(A) the age and service requirements in the table in paragraph (2) shall apply to those judges rather than the otherwise applicable age and service requirements specified in the table in subsection (b)(1) of that section; and

(B) the minimum years of service applicable to those judges for eligibility to retire under the first sentence of subsection (b)(2) of that section shall be 13 years instead of 15 years.

(2) The age and service requirements in this paragraph are as follows:

The judge has attained age:	And the years of service as a judge are at least
65	13
66	13
67	13
68	12
69	11
70	10

Subtitle B—Other Matters Relating to Retired Judges

SEC. 1021. RECALL OF RETIRED JUDGES.

(a) Authority To Recall Retired Judges.—Chapter 72 is amended by inserting after section 7256 the following new section:

"§ 7257. Recall of retired judges

"(a)(1) A retired judge of the Court may be recalled for further service on the Court in accordance with this section. To be eligible to be recalled for such service, a retired judge must at the time of the judge's retirement provide to the chief judge of the Court (or, in the case of the chief judge, to the clerk of the Court) notice in writing that the retired judge is available for

further service on the Court in accordance with this section and is willing to be recalled under this section. Such a notice provided by a retired judge is irrevocable.

"(2) For the purposes of this section—

"(A) a retired judge is a judge of the Court of Appeals for Veterans Claims who retires from the Court under section 7296 of this title or under chapter 83 or 84 of title 5; and

"(B) a recall-eligible retired judge is a retired judge who has provided a notice under paragraph (1).

"(b)(1) The chief judge may recall for further service on the Court a recall-eligible retired judge in accordance with this section. Such a recall shall be made upon written certification by the chief judge that substantial service is expected to be performed by the retired judge for such period, not to exceed 90 days (or the equivalent), as determined by the chief judge to be necessary to meet the needs of the Court.

"(2) A recall-eligible retired judge may not be recalled for more than 90 days (or the equivalent) during any calendar year without the judge's consent or for more than a total of 180 days (or the equivalent) during any calendar year.

"(3) If a recall-eligible retired judge is recalled by the chief judge in accordance with this section and (other than in the case of a judge who has previously during that calendar year served at least 90 days (or the equivalent) of recalled service on the court) declines (other than by reason of disability) to perform the service to which recalled, the chief judge shall remove that retired judge from the status of a recall-eligible judge.

"(4) A recall-eligible retired judge who becomes permanently disabled and as a result of that disability is unable to perform further service on the Court shall be removed from the status of a recall-eligible judge. Determination of such a disability shall be made pursuant to section 7253(g) or 7296(g) of this title.

"(c) A retired judge who is recalled under this section may exercise all of the judicial powers and duties of the office of a judge in active service.

"(d)(1) The pay of a recall-eligible retired judge who retired under section 7296 of this title is specified in subsection (c) of that section.

"(2) A judge who is recalled under this section who retired under chapter 83 or 84 of title 5 shall be paid, during the period for which the judge serves in recall status, pay at the rate of pay in effect under section 7253(e) of this title for a judge performing active service, less the amount of the judge's annuity under the applicable provisions of chapter 83 or 84 of title 5.

"(e)(1) Except as provided in subsection (d), a judge who is recalled under this section who retired under chapter 83 or 84 of title 5 shall be considered to be a reemployed annuitant under that chapter.

"(2) Nothing in this section affects the right of a judge who retired under chapter 83 or 84 of title 5 to serve as a reemployed annuitant in accordance with the provisions of title 5.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 7256 the following new item:

"7257. Recall of retired judges.".

SEC. 1022. JUDGES' RETIRED PAY.

(a) IN GENERAL.—Subsection (c)(1) of section 7296 is amended by striking "at the rate of pay in effect at the time of retirement." and inserting the following: "as follows:

"(A) In the case of a judge who is a recall-eligible retired judge under section 7257 of this title or who was a recall-eligible retired judge under that section and was removed from recall status under subsection (b)(4) of that section by reason of disability, the retired pay of the judge shall be the pay of a judge of the court.

"(B) In the case of a judge who at the time of retirement did not provide notice under section 7257 of this title of availability for service in a recalled status, the retired pay of the judge shall be the rate of pay applicable to that judge at the time of retirement.

"(C) In the case of a judge who was a recall-eligible retired judge under section 7257 of this title and was removed from recall status under subsection (b)(3) of that section, the retired pay of the judge shall be the pay of the judge at the time of the removal from recall status.".

(b) COST-OF-LIVING ADJUSTMENTS.—Subsection (f) of such section is amended by adding at the end the following new paragraph:

"(3)(A) A cost-of-living adjustment provided by law in annuities payable under civil service retirement laws shall apply to retired pay under this section only in the case of retired pay computed under paragraph (2) of subsection (c).

"(B) If such a cost-of-living adjustment would (but for this subparagraph) result in the retired pay of a retired judge being in excess of the annual rate of pay in effect for judges of the Court as provided in section 7253(e) of this title, such adjustment may be made only in such amount as results in the retired pay of the retired judge being equal to that annual rate of pay (as in effect on the effective date of such adjustment).".

SEC. 1023. SURVIVOR ANNUITIES.

(a) SURVIVING SPOUSE.—Subsection (a)(5) of section 7297 is amended by striking "two years" and inserting "one year".

(b) ELECTION TO PARTICIPATE.—Subsection (b) of such section is amended in the first sentence by inserting before the period "or within six months after the date on which the judge marries if the judge has retired under section 7296 of this title".

(c) REDUCTION IN CONTRIBUTIONS.—Subsection (c) of such section is amended by striking "3.5 percent of the judge's pay" and inserting "that percentage of the judge's pay that is the same as provided for the deduction from the salary or retirement salary of a judge of the United States Court of Federal Claims for the purpose of a survivor annuity under section 376(b)(1)(B) of title 28".

(d) INTEREST PAYMENTS.—Subsection (d) of such section is amended—

(1) by inserting "(1)" after "(d)"; and

(2) by adding at the end the following new paragraph:

"(2) The interest required under the first sentence of paragraph (1) shall not be required for any period—

"(A) during which a judge was separated from any service described in section 376(d)(2) of title 28; and

"(B) during which the judge was not receiving retired pay based on service as a judge or receiving any retirement salary as described in section 376(d)(1) of title 28.".

(e) SERVICE ELIGIBILITY.—(1) Subsection (f) of such section is amended—

(A) in paragraph (1), in the matter preceding subparagraph (A)—

(i) by striking "at least 5 years" and inserting "at least 18 months"; and

(ii) by striking "last 5 years" and inserting "last 18 months"; and

(B) by adding at the end the following new paragraph:

"(5) If a judge dies as a result of an assassination and leaves a survivor or survivors who are otherwise entitled to receive annuity payments under this section, the 18-month requirement in the matter in paragraph (1) preceding subparagraph (A) shall not apply.".

(2) Subsection (a) of such section is further amended—

(A) in paragraph (2), by inserting "who is in active service or who has retired under section 7296 of this title" after "Court";

(B) in paragraph (3), by striking "7296(c)" and inserting "7296"; and

(C) by adding at the end the following new paragraph:

"(8) The term 'assassination' as applied to a judge shall have the meaning provided that term in section 376(a)(7) of title 28 as applied to a judicial official.".

(f) AGE REQUIREMENT OF SURVIVING SPOUSE.—Subsection (f) of such section is further amended by striking "or following the surviving spouse's attainment of the age of 50 years, whichever is the later" in paragraph (1)(A).

SEC. 1024. LIMITATION ON ACTIVITIES OF RETIRED JUDGES.

(a) IN GENERAL.—Chapter 72 is amended by adding at the end the following new section:

"§ 7299. Limitation on activities of retired judges

"(a) A retired judge of the Court who is recall-eligible under section 7257 of this title and who in the practice of law represents (or supervises or directs the representation of) a client in making any claim relating to veterans' benefits against the United States or any agency thereof shall, pursuant to such section, be considered to have declined recall service and be removed from the status of a recall-eligible judge. The pay of such a judge, pursuant to section 7296 of this title, shall be the pay of the judge at the time of the removal from recall status.

"(b) A recall-eligible judge shall be considered to be an officer or employee of the United States, but only during periods when the judge is serving in recall status. Any prohibition, limitation, or restriction that would otherwise apply to the activities of a recall-eligible judge shall apply only during periods when the judge is serving in recall status.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"7299. Limitation on activities of retired judges.".

Subtitle C—Rotation of Service of Judges as Chief Judge of the Court

SEC. 1031. REPEAL OF SEPARATE APPOINTMENT OF CHIEF JUDGE.

Subsection (a) of section 7253 is amended to read as follows:

"(a) COMPOSITION.—The Court of Appeals for Veterans Claims is composed of at least three and not more than seven judges, one of whom shall serve as chief judge in accordance with subsection (d).".

SEC. 1032. DESIGNATION AND TERM OF CHIEF JUDGE OF COURT.

(a) ROTATION.—Subsection (d) of section 7253 is amended to read as follows:

"(d) CHIEF JUDGE.—(1) The chief judge of the Court shall be the judge of the Court in regular active service who is senior in commission among the judges of the Court who—

"(A) have served for one or more years as judges of the Court; and

"(B) have not previously served as chief judge.

"(2) In any case in which there is no judge of the Court in regular active service who has served as a judge of the Court for at least one year, the judge of the court in regular active service who is senior in commission and has not served previously as chief judge shall act as the chief judge.

"(3) Except as provided in paragraph (4), a judge of the Court shall serve as the chief judge under paragraph (1) for a term of five years or until the judge becomes age 70, whichever occurs first. If no other judge is eligible under paragraph (1) to serve as chief judge upon the expiration of that term, that judge shall continue to serve as chief judge until another judge becomes eligible under that paragraph to serve as chief judge.

"(4)(A) The term of a chief judge shall be terminated before the end of the term prescribed by paragraph (3) if—

"(i) the chief judge leaves regular active service as a judge of the court; or

"(ii) the chief judge notifies the other judges of the court in writing that such judge desires to be relieved of the duties of chief judge.

"(B) The effective date of a termination of the term under subparagraph (A) shall be the date on which the chief judge leaves regular active service or the date of the notification under subparagraph (A)(ii), as the case may be.

"(5) If a chief judge is temporarily unable to perform the duties of chief judge, those duties shall be performed by the judge of the court in active service who is present, able and qualified to act, and is next in precedence.

"(6) Judges who have the same seniority in commission shall be eligible for service as chief judge in accordance with their relative precedence.".

(b) INELIGIBILITY OF JUDGES ON TEMPORARY SERVICE.—A person serving as a judge of the Court under section 1011 may not serve as chief judge of the Court.

SEC. 1033. SALARY.

Subsection (e) of section 7253 is amended to read as follows:

"(e) SALARY.—Each judge of the Court shall receive a salary at the same rate as is received by judges of the United States district courts.".

SEC. 1034. PRECEDENCE OF JUDGES.

Subsection (d) of section 7254 is amended to read as follows:

"(d) PRECEDENCE OF JUDGES.—The chief judge of the Court shall have precedence and preside at any session that the chief judge attends. The other judges shall have precedence and preside according to the seniority of their original commissions. Judges whose commissions bear the same date shall have precedence according to seniority in age.".

SEC. 1035. CONFORMING AMENDMENTS.

Chapter 72 is amended as follows:

(1) Section 7281(g) is amended to read as follows:

"(g) The chief judge of the Court may exercise the authority of the Court under this section whenever there are not at least two other judges of the Court.".

(2) Sections 7296(a)(2) and 7297(a)(2) are amended by striking "the chief judge or an associate judge" and inserting "a judge".

SEC. 1036. APPLICABILITY OF AMENDMENTS.

(a) EFFECTIVE DATE.—The amendments made by this subtitle shall take effect on the date of the enactment of this Act.

(b) SAVINGS PROVISION FOR INCUMBENT CHIEF JUDGE.—The amendments made by this subtitle shall not apply while the individual who is chief judge of the Court on the date of the enactment of this Act continues to serve as chief judge. If that individual, upon termination of service as chief judge, provides notice under section 7257 of title 38, United States Code, of availability for service in a recalled status, the rate of pay applicable to that individual under section 7296(c)(1)(A) of such title while serving in a recalled status shall be at the rate of pay applicable to that individual at the time of retirement, if greater than the rate otherwise applicable under that section.

TITLE XI—VOLUNTARY SEPARATION INCENTIVE PROGRAM

SEC. 1101. SHORT TITLE.

This title may be cited as the "Department of Veterans Affairs Employment Reduction Assistance Act of 1999".

SEC. 1102. PLAN FOR PAYMENT OF VOLUNTARY SEPARATION INCENTIVE PAYMENTS.

(a) IN GENERAL.—The Secretary of Veterans Affairs shall, before obligating any funds for the payment of voluntary separation incentive payments under this title, submit to the Director of the Office of Management and Budget an operational plan outlining the proposed use of such incentive payments and a proposed organizational chart for the elements of the Department of Veterans Affairs covered by the plan once the payment of such incentive payments has been completed.

(b) CONTENTS.—The plan under subsection (a) shall—

(1) take into account the limitations on elements, and personnel within elements, of the Department specified in subsection (c);

(2) specify the positions to be reduced or eliminated and functions to be restructured or reorganized, identified by element of the Department, geographic location, occupational category, and grade level;

(3) specify the manner in which the plan will improve operating efficiency, or meet actual or anticipated levels of budget or staffing resources, of each element covered by the plan and of the Department generally; and

(4) include a description of how each element of the Department covered by the plan will operate without the functions or positions affected by the implementation of the plan.

(c) LIMITATION ON ELEMENTS AND PERSONNEL.—The plan under subsection (a) shall be limited to the elements of the Department, and the number of positions within such elements, as follows:

(1) The Veterans Health Administration, 4,400 positions.

(2) The Veterans Benefits Administration, 240 positions.

(3) Department of Veterans Affairs Staff Offices, 45 positions.

(4) The National Cemetery Administration, 15 positions.

(d) APPROVAL.—(1) The Director of the Office of Management and Budget shall approve or disapprove the plan submitted under subsection (a).

(2) In approving the plan, the Director may make such modifications to the plan as the Director considers appropriate with respect to the following:

(A) The number and amounts of voluntary incentive payments that may be paid under the plan.

(B) Any other matter that the Director considers appropriate.

(3) In the event of the disapproval of a plan by the Director under paragraph (1), the Secretary may modify and resubmit the plan to the Director. The provisions of this section shall apply to any plan submitted to the Director under this paragraph as if such plan were the initial plan submitted to the Director under subsection (a).

SEC. 1103. VOLUNTARY SEPARATION INCENTIVE PAYMENTS.

(a) AUTHORITY TO PAY VOLUNTARY SEPARATION INCENTIVE PAYMENTS.—(1) The Secretary may pay a voluntary separation incentive payment to an eligible employee only—

(A) to the extent necessary to reduce or restructure the positions and functions identified by the plan approved under section 1102; and

(B) if the Under Secretary concerned, or the head of the staff office concerned, approves the payment of the voluntary separation incentive payment to that employee.

(2) In order to receive a voluntary separation incentive payment under this title, an employee must separate from service with the Department voluntarily (whether by retirement or resignation) under the provisions of this title.

(b) AMOUNT AND TREATMENT OF PAYMENTS.—A voluntary separation incentive payment—

(1) shall be paid in a lump sum after the employee's separation under this title;

(2) shall be in an amount equal to the lesser of—

(A) an amount equal to the amount the employee would be entitled to receive under section 5595(c) of title 5, United States Code, if the employee were entitled to payment under that section (without adjustment for any previous payment made under that section); or

(B) an amount determined by the Secretary, not to exceed $25,000;

(3) shall not be a basis for payment, and shall not be included in the computation, of any other type of Government benefit; and

(4) shall not be taken into account in determining the amount of severance pay to which an employee may be entitled under section 5595 of title 5, United States Code, based on any other separation.

(c) SOURCE OF FUNDS.—Voluntary separation incentive payments under this title shall be paid from the appropriations or funds available for payment of the basic pay of the employees of the Department.

SEC. 1104. EFFECT OF SUBSEQUENT EMPLOYMENT WITH THE GOVERNMENT.

(a) REPAYMENT UPON REEMPLOYMENT.—Except as provided in subsection (b), an individual who is paid a voluntary separation incentive payment under this title and who subsequently accepts employment with the Government within five years after the date of the separation on which the payment is based shall be required to repay to the Secretary, before the individual's first day of such employment, the entire amount of the voluntary separation incentive payment paid to the individual under this title.

(b) WAIVER AUTHORITY FOR CERTAIN INDIVIDUALS.—(1) If the employment of an individual under subsection (a) is with an Executive agency (as defined by section 105 of title 5, United States Code), the United States Postal Service, or the Postal Rate Commission, the Director of the Office of Personnel Management may, at the request of the head of such agency, waive repayment by the individual under that subsection if the individual possesses unique abilities and is the only qualified applicant available for the position.

(2) If the employment of an individual under subsection (a) is with an entity in the legislative branch, the head of the entity or the appointing official may waive repayment by the individual under that subsection if the individual involved possesses unique abilities and is the only qualified applicant available for the position.

(3) If the employment of an individual under subsection (a) is with the judicial branch, the Director of the Administrative Office of the United States Courts may waive repayment by the individual under that subsection if the individual involved possesses unique abilities and is the only qualified applicant available for the position.

(c) EMPLOYMENT DEFINED.—for purposes of this section, the term "employment" includes—

(1) for purposes of subsections (a) and (b), employment of any length or under any type of appointment, but does not include employment that is without compensation; and

(2) for purposes of subsection (a), employment with any agency of the Government through a personal services contract.

SEC. 1105. ADDITIONAL AGENCY CONTRIBUTIONS TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND.

(a) REQUIREMENT.—In addition to any other payments which it is required to make under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, the Secretary shall remit to the Office of Personnel Management for deposit in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund an amount equal to 26 percent of the final basic pay of each employee of the

Department who is covered under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, to whom a voluntary separation incentive is paid under this title.

(b) FINAL BASIC PAY DEFINED.—For purposes of this section, the term "final basic pay", with respect to an employee, means the total amount of basic pay that would be payable for a year of service by the employee, computed using the employee's final rate of basic pay, and, if last serving on other than a full-time basis, with appropriate adjustment therefor.

SEC. 1106. CONTINUED HEALTH INSURANCE COVERAGE.

Section 8905a(d) of title 5, United States Code, is amended—

(1) in paragraph (1)(A), by striking "paragraph (4)" and inserting "paragraphs (4) and (5)";

(2) in paragraph (2), by striking "(1) or (4)" and inserting "(1), (4), or (5)"; and

(3) by adding at the end the following new paragraph:

"(5)(A) If the basis for continued coverage under this section is an involuntary separation from a position in or under the Department of Veterans Affairs due to a reduction in force or a title 38 staffing readjustment—

"(i) the individual shall be liable for not more than the employee contributions referred to in paragraph (1)(A)(i); and

"(ii) the agency which last employed the individual shall pay the remaining portion of the amount required under paragraph (1)(A).

"(B) This paragraph shall only apply with respect to individuals whose continued coverage is based on a separation occurring on or after the date of the enactment of this paragraph.".

SEC. 1107. PROHIBITION OF REDUCTION OF FULL-TIME EQUIVALENT EMPLOYMENT LEVEL.

(a) PROHIBITION.—The total full-time equivalent employment in the Department may not be reduced by reason of the separation of an employee (or any combination of employees) receiving a voluntary separation incentive payment under this title.

(b) ENFORCEMENT.—The President, through the Office of Management and Budget, shall monitor the Department and take any action necessary to ensure that the requirements of this section are met.

SEC. 1108. REGULATIONS.

The Director of the Office of Personnel Management may prescribe any regulations necessary to administer this title.

SEC. 1109. LIMITATION; SAVINGS CLAUSE.

(a) LIMITATION.—No voluntary separation incentive payment may be paid under this title based on the separation of an employee after December 31, 2000.

(b) RELATIONSHIP TO OTHER AUTHORITY.—This title supplements and does not supersede any other authority of the Secretary to pay voluntary separation incentive payments to employees of the Department.

SEC. 1110. ELIGIBLE EMPLOYEES.

For purposes of this title:

(1) IN GENERAL.—Except as provided in paragraph (2), the term "eligible employee" means an employee (as defined by section 2105 of title 5, United States Code) of the Department of Veterans Affairs, who is serving under an appointment without time limitation and has been employed by the Department as of the date of separation under this title for a continuous period of at least three years.

(2) EXCEPTIONS.—Such term does not include the following:

(A) A reemployed annuitant under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, or another retirement system for employees of the Government.

(B) An employee having a disability on the basis of which such employee is eligible for disability retirement under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, or another retirement system for employees of the Government.

(C) An employee who is in receipt of a specific notice of involuntary separation for misconduct or unacceptable performance.

(D) An employee who previously has received any voluntary separation incentive payment by the Government under this title or any other authority.

(E) An employee covered by statutory reemployment rights who is on transfer to another organization.

(F) An employee who, during the 24-month period preceding the date of separation, has received a recruitment or relocation bonus under section 5753 of title 5, United States Code, or a recruitment bonus under section 7458 of title 38, United States Code.

(G) An employee who, during the 12-month period preceding the date of separation, received a retention allowance under section 5754 of title 5, United States Code, or a retention bonus under section 458 of title 38, United States Code.

(H) An employee who, during the 24-month period preceding the date of separation, was relocated at the expense of the Federal Government.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same with an amendment as follows:

In lieu of the Senate amendment to the title of the bill, amend the title so as to read: "An Act to amend title 38, United States Code, to establish a program of extended care services for veterans, to make other improvements in health care programs of the Department of Veterans Affairs, to enhance compensation, memorial affairs, and housing programs of the Department of Veterans Affairs, to improve retirement authorities applicable to judges of the United States Court of Appeals for Veterans Claims, and for other purposes.".

And the Senate agree to the same.

BOB STUMP,
CHRIS SMITH,
JACK QUINN,
CLIFF STEARNS,
LANE EVANS,
CORRINE BROWN,
MIKE DOYLE,
Managers on the Part of the House.

ARLEN SPECTER,
STROM THURMOND,
JAY ROCKEFELLER,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2116) to amend title 38, United States Code, to establish a program of extended care services for veterans and to make other improvements in health care programs of the Department of Veterans Affairs, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment to the text of the bill struck all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment that is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clerical changes.

OVERVIEW

The House bill, H.R. 2116, as amended, consists of provisions from the following House bills: H.R. 2280, which passed the House on June 29, 1999, and H.R. 2116, which passed the House on September 21, 1999.

The Senate amendment consists of provisions from the following Senate bills: S. 1402, which passed the Senate on July 26, 1999; S. 695, which passed the Senate on August 4, 1999; and S. 1076, which passed the Senate on September 8, 1999.

TITLE I—ACCESS TO CARE

SUBTITLE A—LONG-TERM CARE

EXTENDED CARE SERVICES (SEC. 101)

Current law

Section 8110 of title 38, United States Code, states that the Secretary "shall operate and maintain a total of not less than 90,000 hospital beds and nursing home beds" and "shall maintain the bed and treatment capacities of all Department medical facilities so as to ensure the accessibility and availability of such beds and treatment capacities to eligible veterans in all States and to minimize delays in admissions and in the provision of hospital, nursing home, and domiciliary care." Section 1710 of title 38, United States Code, establishes that all veterans (as delineated in that section) are eligible for hospital care, medical services, and nursing home care. The Secretary (to the extent appropriations permit, and subject to an enrollment system required under section 1706), "shall" furnish hospital care and medical services to such veterans. "Medical services", which are to be furnished to enrolled veterans, are defined to include "such . . . services as the Secretary determines to be reasonable and necessary." Provisions of chapter 17 of title 38, United States Code, also specifically authorize VA to provide certain extended care services (VA and community-based nursing home care, domiciliary care, adult day health care, respite care, and noninstitutional alternatives to nursing home care), as needed, to eligible veterans.

House Bill

The House bill (H.R. 2116, section 101(a)) would direct VA, subject to the availability of appropriations, to operate and maintain extended care programs, to include geriatric evaluations, VA and community-based nursing home care, domiciliary care, adult day health care, respite care, and such alternatives to institutional care as the Secretary considers reasonable and appropriate. The measure would also direct the Secretary to provide extended care services to any veteran in need of such care (1) for a service-connected condition, and (2) who is 50 percent or more service-connected disabled. Such veterans also would be afforded highest priority for placements (and ongoing care) in VA nursing homes. VA would be required to prescribe regulations governing priorities for provision of VA nursing home care; such regulations would ensure that priority is given for patient rehabilitation, for clinically complex patient populations, and for patients for whom there are not other suitable placement options. The section would also proscribe VA's furnishing extended care services (as defined) for care of a nonservice-connected condition, other than for a 50 percent or more service-connected disabled veteran, unless the veteran agrees to pay a copayment for extended care services exceeding 21 days in any year. VA would be required to develop a methodology for establishing the amount of such copayments. That methodology would establish a maximum monthly copayment based on all income and assets of the veteran and spouse; protect the spouse who continues to reside in the community from financial hardship; and allow the veteran to retain a monthly personal allowance. Copayments would be deposited into a new extended care revolving fund to be used to expand extended care programming.

Section 101(b) would require VA (1) to develop and begin to implement a plan to increase (above the level of extended care services provided as of September 30, 1998) the percentage of the budget dedicated to such care and the level of services and variety of extended care programs; and (2) ensure that the staffing and level of extended care services provided in VA-operated facilities is not less than the level of such services provided nationally during fiscal year 1998.

Section 101(c) would authorize VA to furnish adult day health care services to an enrolled veteran who would otherwise require nursing home care, and would lift the limitation on providing adult day health care services to a veteran for more than six months. The measure would also authorize VA to contract for provision of respite care services, and lift the limitation that such services must be provided in VA facilities. The measure would also authorize VA to establish per diem payments to State homes for respite care and noninstitutional care services.

Senate bill

The Senate bill (S. 1076, section 101) would amend the definition in chapter 17 of title 38, United States Code, of the term "medical services" to include the term "noninstitutional extended care services." This would require the Secretary to provide home-based primary care, adult day health care, respite care, palliative and end-of-life care, and home health aide visits to enrolled veterans. It would further define respite care to provide that such care could be furnished in the patient's home or in a VA facility. The measure would also remove the six-month time limitation on furnishing of adult day health care.

Conference agreement

The conference agreement incorporates provisions from both the House and Senate bills. The Senate recedes to the House on directing VA to operate and maintain an extended care program (subject to funding), and to maintain in-house extended care staffing and services at the FY 1998 level.

The Senate recedes to the House provision mandating extended care services, modified to limit the mandate for nursing home care for nonservice-connected conditions to veterans who are 70% or more service-connected disabled. The House recedes to the Senate on adding to the definition of the term "medical services" the term "noninstitutional extended care services," with a modified definition of that term. VA would evaluate and report to the Committees within three years after enactment on its experience in providing services under these two provisions. Such evaluation would assist the Committees in assessing whether at the end of four years these provisions should be modified or extended. In the event these provisions were to expire, veterans would continue to be eligible for such services as under existing law. With respect to the change in law governing nursing home care, the conference agreement would also make clear that patients currently receiving VA nursing home care who are not service connected or are less than 70% service-connected may not be discharged or transferred if they continue to need such care.

The Senate recedes to the House policy on copayments with a modification which exempts compensably rated service-connected veterans and veterans with incomes below the pension rate from such copayments. Such copayments would not be applicable to patients who are currently in receipt of long-term care services with respect to the current episode of care.

The Senate recedes to the House on authorization of VA payments to State homes for noninstitutional care.

The Senate recedes to the House on authorizing VA to contract for respite care.

PILOT PROGRAMS RELATING TO LONG-TERM CARE (SEC. 102)

Current law

VA has broad general authority under which the Secretary could establish health-delivery pilot programs not inconsistent with law.

Senate bill

The Senate bill (S. 1076, section 102) would direct VA to carry out three pilot programs over a three-year period to determine the feasibility and practicability of different models for providing long-term care. Each model would be carried out in two VA regions (networks) designated by the Secretary. No network could operate more than a single pilot. The pilots would provide a comprehensive array of services to include institutional and noninstitutional long-term care services, and appropriate case-management. Under one pilot model, VA would provide long-term care services directly (through VA staff and facilities). A second model would employ a mix of VA-provided care and care provided under cooperative arrangements with other service providers (whom VA reimbursed exclusively by providing in-kind services). Under a third model, VA would serve as a case-manager to ensure that veterans receive needed long-term care services through arrangements with appropriate non-VA entities with VA making payment for such services only when not otherwise covered by another entity or program such as Medicare or Medicaid. VA would collect data relevant to such programs and, after the completion of the program, provide Congress a report describing the services provided.

House bill

The House bill contained no similar provision.

Conference agreement

The House recedes to the Senate policy on establishing pilot programs relating to long-term care, with a modification that would direct the VA to conduct pilot programs to determine the effectiveness of different models of providing all-inclusive care to reduce use of hospital and nursing home care.

ASSISTED LIVING SERVICES (SEC. 103)

Current law

Under its domiciliary program, VA provides eligible veterans room and board in a supervised setting. Through a VA-supervised community residential care program (under section 1730 of title 38, United States Code), VA assists veterans in obtaining placement in facilities, which in some states may be considered "assisted living" facilities. Both of these programs respond to some needs that might be appropriately addressed by assisted living facilities, yet VA lacks authority to contract for, or to make payments to or on behalf of, a veteran for assisted living services.

House bill

The House bill (H.R. 2116, section 303) would require the VA Secretary to provide a comprehensive report no later than April 1, 2000, to the House and Senate Committees on Veterans' Affairs to determine the feasibility of establishing a pilot program to veterans for assisted living services. The report would contain the following information: (1) services and staffing needed for such a program, (2) the recommended design for such program, and (3) particular issues that the program should address.

Senate bill

The Senate bill (S. 1076, section 103) would direct VA to carry out a three-year pilot program to determine the feasibility of providing veterans assisted living services. Under this pilot, VA would provide services to any enrolled veteran, but would charge a copayment equal to the amount determined under section 1710(f) of title 38, United States Code, in the case of "category C" veterans. VA would be authorized to provide these services to the spouse of a veteran receiving assisted living services if the spouse agreed to pay for those services. VA would report to Congress annually on the pilot and, in a final report, assess the pilot and provide pertinent recommendations.

Conference agreement

The House recedes to the Senate policy on establishing a pilot program relating to assisted living services with a modification which would authorize the VA to provide for such services through contract arrangements. The conferees further recommend that VA establish the pilot in a State (or States) that reimburses such a program through Medicaid.

SUBTITLE B—OTHER ACCESS-TO-CARE MATTERS

REIMBURSEMENT FOR EMERGENCY TREATMENT (SEC. 111)

Current law

Current law directs VA, subject to available resources, to provide needed hospital care and medical services to veterans who enroll for care. (VA is not generally required to furnish emergency care services to enrolled veterans. It is, however, authorized to pay for emergency care under particular circumstances.) Section 1703(a)(3) of title 38, United States Code, covers such non-VA care for the treatment of emergencies (as defined) which arose in a VA facility or community nursing home (requiring transfer to an emergency care setting). Section 1728 of title 38, United States Code, authorizes reimbursement of emergency care costs involving principally care of a service-connected condition or a veteran who has a total, permanent disability from a service-connected disability, in an emergency in which VA facilities were not feasibly available, and trying to use them would be unreasonable. VA also has authority to contract for emergency hospital care (under section 1703(a)(1)(A) of title 38, United States Code) for treatment of a medical emergency involving a service-connected condition.

House bill

The House bill (H.R. 2116, section 102) would authorize VA to make payments for the reasonable value of emergency treatment for certain enrolled veterans who have no health insurance or other health care coverage (including Medicare and Medicaid); have no recourse against a third party to cover their liability; and are not eligible for reimbursement under section 1728 of title 38, United States Code. The measure would cover only veterans in (enrollment) priority groups one through six who have received VA medical care within one year prior to the emergency treatment. It would cover medical care furnished when (in VA's judgment) VA facilities are not feasibly available; care was furnished in a medical emergency of such nature that delay would have been hazardous to life or health, and until such time that the veteran could be safely transferred to a VA or other Federal facility. Section 102 would require VA to promulgate implementing regulations to set the maximum amount payable for such treatment; set procedures for, and terms under which, payment would be made; and require that VA payment to a provider would extinguish any liability on the part of the veteran.

Senate bill

The Senate bill (S. 1076, section 131) would amend the definition in section 1701 of title 38, United States Code, of the term "medical services" to provide that that term would include emergency care or reimbursement for that care. Such care would be defined to include care or treatment for an acute medical condition of such severity that a prudent layperson could reasonably expect the absence of immediate care to result in seriously jeopardizing health, seriously impairing bodily functions, or serious dysfunction of any bodily organ or part. In the case of a veteran with Medicare or insurance coverage, VA would be a secondary payor.

Conference agreement

The Senate recedes with a modification that would authorize VA to make reasonable payments for emergency care provided to enrolled veterans subject to the limitation that the veteran must have received VA care within a two-year period prior to such emergency. It would also revise the definition of "emergency treatment" to incorporate a "prudent layperson" test.

ELIGIBILITY FOR CARE OF COMBAT-INJURED VETERANS (SEC. 112)

Current law

Under current law, VA provides hospital care and medical services to veterans who have enrolled for VA care pursuant to section 1705 of title 38, United States Code. Section 1705 establishes a priority system for purposes of enrollment. A veteran who has no specific eligibility for care under section 1710(a)(1) and (2) of title 38, United States Code, is eligible for VA care if that veteran agrees to pay applicable copayments. Such veteran is afforded a lower priority for enrollment than veterans eligible under the above-cited provisions.

House bill

The House bill (H.R. 2116, section 103) would establish specific eligibility (and a priority for enrollment) for VA health care for a veteran who was injured in combat, but has no other special eligibility for care.

Senate bill

The Senate bill contained no similar provision.

Conference agreement

The Senate recedes with a modification that identifies the beneficiaries of this provision as veterans who are Purple Heart recipients.

ELIGIBILITY FOR CARE OF MILITARY RETIREES (SEC. 113)

Current law

Military retirees as veterans are eligible for VA care but have no specific eligibility for care based on their retirement status.

House bill

The House bill (H.R. 2116, section 104) would establish a specific eligibility (and an enrollment priority within so-called "category A") for a veteran who has retired from military service, who is eligible for care under the TRICARE program, and who is not otherwise eligible for priority access to VA care. Phased implementation would be based on an interagency agreement, the provisions of which would include reimbursement rates. The agreement would not cover particular geographic areas unless the Secretary could document that VA has capacity in such area to provide timely care to current enrollees and had determined that VA would recover its cost of providing such care.

Senate bill

The Senate bill contained no similar provision.

Conference agreement

The Senate recedes with a modification. As revised, the conference agreement waives the otherwise-applicable copayment obligation for an individual receiving VA care under the provisions of this section. Unlike the House Bill, the provision would not establish a new priority classification, for purposes of enrollment, for military retirees.

TREATMENT FOR SUBSTANCE USE DISORDERS (SEC. 114)

Current law

VA is authorized to provide medical services, including needed treatment for substance abuse or dependence, to enrolled veterans. Section 1720A of title 38, United States Code, proscribes transferring military members to VA for treatment of such problems other than during the last 30 days of a tour of duty.

Senate bill

The Senate bill (S. 1076, section 133) would lift the restriction preventing VA from treating military members for substance abuse or dependency except during the last 30 days of the member's period of service.

House bill

The House bill contained no similar provision.

Conference agreement

The House recedes.

SEXUAL TRAUMA COUNSELING (SEC. 115)

Current law

Section 1720D of title 38, United States Code, authorizes VA to provide sexual trauma counseling and other appropriate care and services to veterans who require such services as a result of sexual assault, sexual battery, or sexual harassment experienced while on active duty. This authority expires on December 31, 2001.

House bill

The House bill (H.R. 2116, section 108) would require VA to operate a sexual trauma program through December 31, 2002. It would expand the scope of required outreach and require VA to report to Congress on the implementation of that outreach. VA and DOD would also be required to report on joint efforts to inform separating servicemembers about eligibility for, and availability of, VA sexual trauma services. The provision would also require VA, in consultation with DOD, to conduct a study to determine: (1) the extent to which former reservists experienced physical assault or battery of a sexual nature while serving on active duty for training; (2) the extent to which such reservists have sought VA counseling related to such incidents; and (3) the additional resources required to meet the projected needs for such counseling. Finally, the measure would require VA to report on the number of veterans who have received counseling services and the number referred to community sources in connection with such counseling and services.

Senate bill

The Senate bill contained no similar provision.

Conference agreement

The Senate recedes with a modification that would extend the program through December 31, 2004.

SPECIALIZED MENTAL HEALTH SERVICES (SEC. 116)

Current law

Under section 1706(b) of title 38, United States Code, VA is required to maintain its capacity to provide for the specialized treatment and rehabilitative needs of disabled veterans (including, among other specified groups, veterans with mental illness) within distinct programs or facilities dedicated to those specialized needs.

Senate bill

The Senate bill (S. 1076, section 132) would require VA to establish a mechanism to augment specialized mental health services to include establishing new programs, expanding provision of services, and increasing staffing. Funding for such program augmentations would be provided through a centralized fund, with an emphasis on initiatives to treat post-traumatic stress disorder and substance use disorders.

House bill

The House bill contained no similar provision.

Conference agreement

The House recedes with a modification which would require VA to allocate no less than $15 million to enhance specialized mental health programs, with particular emphasis on programs for the treatment of post-traumatic stress disorder and substance use disorders.

LEGISLATIVE PROVISIONS NOT ADOPTED

BENEFITS FOR PERSONS DISABLED IN WORK-THERAPY

Current law

Under current law, a veteran who is injured while working in a VA-sponsored vocational rehabilitation program under circumstances which are not the result of negligence or willful misconduct is entitled to compensation under section 1151(a)(2) of title 38, United States Code. A veteran who incurs a work-related injury while participating in a VA-sponsored compensated work therapy program (authorized under section 1718 of title 38, United States Code), however, is not entitled to VA compensation benefits or to benefits under applicable workers' compensation laws because the veteran is not an "employee" of either VA or the private entity at which such individual may work under that program.

House bill

The House bill (H.R. 2116, section 105) would establish entitlement to VA compensation and health care coverage in cases in which a veteran becomes disabled or dies as a result of participating in a VA compensated work therapy program.

Senate bill

The Senate bill contained no similar provision.

TITLE II—MEDICAL PROGRAM ADMINISTRATION

COPAYMENTS (SEC. 201)

Current law

Current law sets limited copayment requirements applicable to ambulatory care services. VA is required to charge veterans under treatment for a nonservice-connected condition (other than veterans who are 50 percent or more service-connected disabled and veterans whose income is below the pension level) $2 for each 30–day supply of medication. Those whose only basis for eligibility for medical care is veteran status and who have income above the applicable "means test" level are also required to pay copayments for each outpatient visit; the copayment rate is at 20 percent of the estimated average cost of an outpatient visit to a VA facility.

House bill

The House bill (H.R. 2116, section 201(a)) would (1) authorize the Secretary of Veterans Affairs to increase the $2 drug copayment amount; (2) establish a maximum annual payment applicable to veterans with multiple outpatient prescriptions; and (3) establish copayment requirements on sensory-neural aids (such as hearing aids and eyeglasses), electronic equipment, and other costly items (other than a wheelchair or artificial limbs) furnished veterans for a nonservice-connected condition. Section 201(b) would require the Secretary to revise the copayment amount or amounts charged "category C" veterans.

Senate bill

The Senate bill contained no similar provision.

Conference agreement

The Senate recedes with a modification. As revised, the measure would authorize the Secretary to set a maximum payment amount for drugs for any veteran, both by year and by month. The measure would not provide authority to establish a new category of copayments for prosthetics.

HEALTH SERVICES IMPROVEMENT FUND (SEC. 202)

Current law

Amounts which VA receives through collections and copayments are to be deposited in the Department of Veterans Affairs Medical Care Collections Fund.

House bill

The House bill (H.R. 2116, section 202) would establish a new fund in the Treasury in which VA is to deposit amounts received or collected under the following new authorities under the bill: the pilot program for dependents; new copayments and the amount of the increase in copayments provided for under new section 1722A(b) of title 38, United States Code; funds received under enhanced-use leases under new section 8165(a); and payments from the Department of Defense under section 104(c) of the bill. Amounts in the new Health Services Improvement Fund, which is intended to be used to improve services to veterans (such as by improving timeliness of care), are available without fiscal year limitation and without any requirement (such as is applicable to the medical care collections fund) that such funds be specifically appropriated. It is intended that such funds be credited to the extent feasible to the pertinent Department facility to which such collection or payment is attributable.

Senate bill

The Senate bill contained no similar provision.

Conference agreement

The Senate recedes with a modification to provide that amounts in the fund are to be allocated to facilities in the same manner as under the Medical Care Collections Fund.

ALLOCATIONS TO FACILITIES FROM MEDICAL CARE COLLECTIONS FUND (SEC. 203)

Current law

Monies collected and recovered by each network and deposited in the Medical Care Collections Fund are to be allocated to such network.

Senate bill

The Senate bill (S. 1076, section 134) would provide that, of the monies collected and recovered by VA and deposited in the Medical Care Collections Fund, each facility is to receive the amount collected or recovered on behalf of that facility.

House bill

The House bill contained no similar provision.

Conference agreement

The House recedes.

NON-PROFIT CORPORATIONS FOR EDUCATION (SEC. 204)

Current law

Section 7361 of title 38, United States Code, authorizes VA (through December 31, 2000) to establish a non-profit corporation at any VA medical center to receive and administer funds for the conduct of research.

House bill

The House bill (H.R. 2116, section 204) would authorize (through December 31, 2000) the establishment of non-profit corporations at any VA medical center to facilitate research and education, or both, or the expansion of any VA research corporations to facilitate education as well. The provision would specifically identify (by reference to provisions of law) the types of training and education activities such corporations may foster. Such corporations would be subject to the same oversight and accountability measures as the existing research corporations. The provision would make any expenditures related to education activities subject to policies, procedures, and approval processes prescribed by the Under Secretary for Health.

Senate bill

The Senate bill contained no similar provision.

Conference agreement

The Senate recedes with a modification that would define the term "education and training" and would revise reporting requirements for the corporations.

EXTENSION OF CERTAIN AUTHORITIES (SEC. 205)

Current law

In addition to providing ongoing authority to furnish readjustment counseling to Vietnam-theater veterans and other veterans who served in a theater of combat operations or in certain areas of armed conflict after the Vietnam War, VA is authorized to provide readjustment counseling to veterans of the Vietnam era who seek such counseling before January 1, 2000. VA is required, through December 31, 1999, to evaluate the health status of dependents of Persian Gulf War veterans, and to distribute a newsletter to veterans listed in VA's Gulf War registry.

House bill

The House bill (H.R. 2116, section 205) would extend through January 1, 2003, the date by which Vietnam era veterans must apply to be eligible for readjustment counseling services.

Senate bill

The Senate bill (S. 1076, section 135) would extend the requirements relating to Gulf War veterans for three years.

Conference agreement

The Senate recedes to the House with a modification that would extend until December 31, 2003, the period within which Vietnam era veterans may apply for and receive counseling. The House recedes with a modification that would extend the expiring provisions relating to Persian Gulf veterans for four years.

REESTABLISHMENT OF COMMITTEE ON POST-TRAUMATIC STRESS DISORDER (SEC. 206)

Current law

Section 7321 of title 38, United States Code, directs VA to establish and support a Committee on Care of Severely Chronically Mentally Ill Veterans to carry out a continuing assessment of VA's capacity to meet effectively the treatment needs of severely mentally ill veterans and to advise on specific program matters. The Under Secretary of Health is required to report to Congress annually through February 1, 2001 on the committee's findings and recommendations and on the steps taken to improve VA treatment of such veterans.

Section 110 of Public Law 98–528 directed VA to establish a Committee on Post-Traumatic Stress Disorder which is to serve as an advisory committee, to carry out a continuing assessment of VA's capacity to treat PTSD, and to make recommendations on specific program matters. The requirement that VA report to Congress annually regarding the committee's findings and recommendations and steps taken thereon lapsed with the requirement of a report by October 1, 1993.

House bill

The House bill (H.R. 2116, section 205) would extend the requirement that VA submit reports (through 2003) to Congress related to the work of the Committee on Care of Severely Chronically Mentally Ill Veterans, and renew the requirement that VA submit reports (through 2004) related to the work of the Committee on Post-Traumatic Stress Disorder.

Senate bill

The Senate bill contained no similar provision.

Conference agreement

The Senate recedes to the House regarding the reestablishment of the Committee on Post-Traumatic Stress Disorder. The provision does not extend the reporting requirements for the Committee on Care of Severely Chronically Mentally Ill Veterans; that reporting requirement does not lapse until next year. The Committees on Veterans' Affairs defer action on this provision with no prejudice to the important work done by this body.

STATE HOME GRANT PROGRAM (SEC. 207)

Current law

Current law provides a framework for VA to award grants to States for construction or renovation of nursing homes and domiciliaries for veterans. The law calls for VA regulations which are to include direction as to the number of beds for which grant support is available. The law also sets requirements States must meet in filing applications for such funds. That law also specifies the relative priority to be assigned applications. An application from a State that has made its funding available in advance is to be accorded the highest priority for funding. In assigning priority among such pre-funded State projects, current law provides that priority is to be given to construction or acquisition of nursing home or domiciliary buildings.

House bill

The House bill (H.R. 2116, section 206) would provide greater specificity in directing VA to prescribe regulations for the number of beds for which grant assistance may be furnished (providing that such regulations are to be based on projected demand (ten years after the bill's enactment) by veterans who would be 65 or older and who reside in the state). Under such regulations, VA is to establish criteria for determining the relative need for additional beds on the part of a State which already has such State home beds. Section 206(b) would strengthen the requirements governing award of a grant. It would also revise provisions governing the relative priority of each application (among those projects for which States have made their funding available in advance). It would differentiate among applications for new bed construction by reference to the relative need for such beds; by assigning a higher priority to renovation projects (with a total cost exceeding $400,000) than under current law (with highest priority to renovations involving patient life or safety); and by assigning second highest priority to an application from a State that has not previously applied for award of a VA construction grant or a grant for a State nursing home. Section 206(c) would establish a "transition" rule providing that current law regulations and provisions governing applications for State home grants would continue in effect with respect to applications for a limited number of projects. Those "grandfathered" projects are limited to those projects on the list of approved projects (described in title 38, United States Code, section 8135(b)(4)), established by the Secretary of Veterans Affairs on October 29, 1998 for which States had made sufficient funds available so that the project could proceed upon approval of the grant without further action required by the State to make the funds available for that purpose.

Senate bill

The Senate bill contained no similar provision.

Conference agreement

The Senate recedes to the House with a modification to the transition provision, which takes into account the publication by the Secretary of Veterans Affairs on November 3, 1999, of a new list of approved projects. The revised transition measure retains the "grandfathering" provided for under the House bill while adding a second tier of grandfathered projects. The second tier consists of those "priority one" projects on the VA's FY 2000 list (projects for which States have made their funding available in advance and are identified as "priority group one" on that list) submitted by States which have not received FY 1999 grant monies and are not included in the first-tier of grandfathered projects.

EXPANSION OF ENHANCED-USE LEASE AUTHORITY (SEC. 208)

Current law

VA is authorized to enter into long-term agreements under which VA real property may be leased and improved for uses that are not inconsistent with VA's mission and at least part of the use of the property under the lease is to provide space for an activity contributing to a VA mission. A lease involving construction or substantial renovation may be for up to 35 years (or otherwise for up to 20). VA must receive fair consideration, whether monetary, or in services or facilities. Seventy-five percent of funds received, after deduction of expenses of leasing, are to be deposited in the Nursing Home Revolving Fund; the remainder are to be credited to the medical care account for use of the facility at which the property is located. VA's authority to enter into enhanced-use leases expires on December 31, 2001.

House bill

The House bill (H.R. 2116, section 207) would establish an additional, independent basis for entering into a long-term agreement under which VA real property may be leased and improved—namely on a determination that applying the consideration under such a lease to provide medical care (pursuant to a business plan) would demonstrably improve services to eligible veterans in the network where the leased property is located. The provision would extend the maximum lease term to 75 years, and authorize VA to provide in the terms of the lease for it to use minor construction funds for capital contribution payments. The section would also provide that funds received under such arrangements (after required deductions) would be deposited in the new fund under section 202 of the bill; VA would be required to make no less than 75 percent of the amount attributable to that lease available to the network in which the property is located. The section would also repeal the termination provision.

Senate bill

The Senate bill (S. 1076, section 111) would extend until December 31, 2011, VA's authority to enter into "enhanced-use" leases; extend the maximum authorized term for such leases to 55 years; and authorize the expenditure of minor project construction account funds for capital activities on property leased under that authority. It would require VA to provide training to VA medical center staff on approaching potential lessees in the medical or commercial sectors regarding the possibility of such leasing. The measure would also require VA to secure an independent analysis of opportunities for enhanced-use leasing. The analysis, to be based on a survey and assessment of VA facilities, is to include an integrated business plan for each facility with leasing potential. VA would be authorized to lease property identified as having development potential if the proposed lease is consistent with such a business plan.

Conference agreement

The Senate recedes to the House with modifications that address the duration of leasing authority and the policy regarding training of medical center personnel. The conference agreement also includes a provision derived from the Senate bill which would require VA to contract with an appropriate entity or entities to obtain needed expertise in identifying opportunities for leasing. The conferees do not intend, however, that the conduct or planned conduct of any such analyses should impede or delay the VA from developing enhanced-use leasing opportunities which it may identify independent of this provision. The House recedes to the Senate in eliminating provisions of the bill that would have repealed provisions of section 8162 of title 38, United States Code, that prohibit enhanced use agreements unless specifically authorized by law at the West Los Angeles VA Medical Center.

LICENSURE REQUIREMENT FOR VA HEALTH PROFESSIONALS (SEC. 209)

Current law

As reflected in section 7402 of title 38, United States Code, a health care professional must be licensed (or, in some instances, registered or certified) in a State to be eligible for appointment to a position in such profession in the VA. Current law does not specifically address the situation of a professional having lost his or her license to practice in one jurisdiction while still being licensed in another.

House bill

The House bill (H.R. 2116, section 208) would provide that an individual may not be employed as a title 38, United States Code, health care professional if a State has terminated for cause that individual's license, registration, or certification or such an individual has relinquished such license, registration, or certification after being notified in writing by the State of a potential termination for cause.

Senate bill

The Senate bill contained no similar provision.

Conference agreement

The Senate recedes.

VA/DOD PROCUREMENT COORDINATION (SEC. 210)

Current law

VA and DoD both operate programs to procure pharmaceuticals and medical supplies to support the health care systems of the respective departments.

Senate bill

The Senate bill (S. 1076, section 136) would require the Secretaries of the Departments of Veterans Affairs and Defense to submit to Congress, no later than March 31, 2000, a report on cooperation between the departments on procurement of pharmaceuticals and medical supplies.

House bill

The House bill contained no provision relating to this matter.

Conference agreement

The House recedes.

REIMBURSEMENT FOR MEDICAL CARE IN ALASKA (SEC. 211)

Current law

VA has authority to set payment rates for treatment furnished by community providers.

Senate bill

The Senate bill (S. 1076, section 137) would require that for one year VA, in making payments under section 1728 of title 38, United States Code, use the payment schedule in effect for such purposes as of July 31, 1999 rather than the Participating Physician Fee Schedule under the Medicare program.

House bill

The House bill contained no similar provision.

Conference agreement

The House recedes with the understanding that the intent of this section is to provide a transition to a modified payment schedule.

TITLE III—MISCELLANEOUS MEDICAL PROVISIONS

CHANGES IN OPERATIONS AND PROGRAMS (SEC. 301)

Current law

VA is under no obligation to provide Congress advance notice of proposed changes to the operation of individual facilities unless such changes would in any fiscal year reduce staffing at a facility by a specified percentage. In the event of such a "reorganization", as defined in section 510 of title 38, United States Code, VA would be required to defer implementation for a specified period to permit congressional review. Under section 1706(b) of title 38, United States Code, VA is to maintain its capacity to provide for the specialized treatment and rehabilitative needs of disabled veterans (including among other specified groups, veterans with mental illness) within distinct programs or facilities dedicated to those specialized needs.

House bill

The House bill (H.R. 2116, section 301) would establish new reporting requirements. It would require VA to report and provide justification to Congress on, and defer for a period, plans to "close" within any fiscal year more than half the beds within a "bed section" of a VA medical center (as those quoted terms are defined). This provision is intended to provide assurance that proposals which would further shrink programs serving veterans with severe mental illness or who require intensive rehabilitation, for example, are making adequate provision for otherwise meeting the special needs of such patients.

Section 301 would also require VA to notify Congress annually as to the number of (and circumstances regarding) medical and surgical service beds closed during the fiscal year, and as to the number of nursing home beds that were the subject of a mission change during that period.

Senate bill

The Senate bill contained no similar provision.

Conference agreement

The Senate recedes.

VA CANTEEN SERVICE (SEC. 302)

Current law

Current law limits the scope of service which VA's canteens may offer visitors and employees to the sale of merchandise or services for consumption or use on the premises.

House bill

The House bill (H.R. 2116, section 302) would lift the restrictions on VA's canteen service relating to off-premises consumption and use, and would make technical changes to revise references in law from "hospitals and homes" to "medical facilities."

Senate bill

The Senate bill contained no similar provision.

Conference agreement

The Senate recedes with a modification limiting the provision to removing the sales restrictions on off-premises consumption.

CHIROPRACTIC TREATMENT (SEC. 303)

Current law

VA has specific authority to provide eligible veterans (in addition to hospital care and nursing home care) with needed "medical services", a term defined to include "rehabilitative services" and other unspecified services that "the Secretary determines to be reasonable and necessary." VA has determined that it has authority (and in some instances has exercised that authority) to provide certain veterans chiropractic treatments under "fee-basis" arrangements. Current law does not require (or specifically authorize) VA to furnish veterans with chiropractic treatment nor to have a policy on such treatment.

House bill

The House bill (H.R. 2116, section 304) would require the VA Under Secretary for Health, in consultation with chiropractors, to establish a policy regarding chiropractic treatment.

Senate bill

The Senate bill contained no similar provision.

Conference agreement

The Senate recedes.

HOSPITAL NAMING (SEC. 304)

Current law

Under section 531 of title 38, United States Code, VA facilities (or any major portion of a facility) shall be named only for its geographic location except as expressly provided by law.

House bill

The House bill (H.R. 2116, section 305) would designate the hospital replacement building under construction at the Ioannis A. Lougaris Veterans Affairs Medical Center in Reno, Nevada, as the "Jack Streeter Building."

Senate bill

The Senate bill (S. 1076, section 112) contains a substantively identical provision.

Conference agreement

The conference agreement includes the provision.

TITLE IV—CONSTRUCTION AND FACILITIES MATTERS

AUTHORIZATION OF CONSTRUCTION (SEC. 401)

Current law

Section 8104 of title 38, United States Code, provides that no funds may be appropriated for any fiscal year, and VA may not obligate or expend funds (other than for planning and design) for any medical construction project involving a total expenditure of more than $4 million unless funds for that project have been specifically authorized by law.

House bill

The House bill (H.R. 2116, section 401) would authorize renovations to provide a domiciliary in Orlando, Florida, using previously appropriated funds and construction of a surgical addition at the Kansas City, Missouri, VA Medical Center.

Senate bill

The Senate bill (S. 1076, section 141) would authorize construction of a long-term care facility at the Lebanon, Pennsylvania, VA Medical Center, construction of a surgical addition at the Kansas City, Missouri, VA Medical Center, and renovations at VA medical centers in both Fargo, North Dakota, and Atlanta, Georgia.

Conference agreement

The conference agreement incorporates all the projects authorized by either bodies and also includes authorization for demolition of buildings at the Leavenworth, Kansas, VA Medical Center.

AUTHORIZATION OF LEASING (SEC. 402)

Current law

Section 8104 of title 38, United States Code, provides that no funds may be appropriated for any fiscal year, and VA may not obligate or expend funds for any medical facility lease involving an average annual rental of more than $600 thousand unless funds for that lease have been specifically authorized by law.

House bill

The House bill (H.R. 2116, section 402) would authorize leases of an outpatient clinic in Lubbock, Texas, and of a research building in San Diego, California.

Senate bill

The Senate bill contained no similar provision.

Conference agreement

The Senate recedes.

AUTHORIZATION OF APPROPRIATIONS (SEC. 403)

House bill

The House bill (H.R. 2116, section 403) would authorize appropriations for fiscal years 2000 and 2001 of $13 million for construction, and $2,178,500 for the leases.

Senate bill

The Senate bill (S. 1076, section 141) would authorize appropriations for fiscal years 2000 of $225.5 million for construction.

Conference agreement

The conference agreement would authorize appropriations for fiscal years 2000 and 2001 of $57.5 million for construction, and $2,178,500 for the leases.

LEGISLATIVE PROVISIONS NOT ADOPTED

MEDICAL SERVICES FOR DEPENDENTS

Current law

The VA has authority to treat non-veterans under "sharing agreements" authorized under section 8153 of title 38, United States Code. VA lacks authority, however, to recover from insurance companies and other third parties for the cost of care provided to nonveterans.

House bill

The House bill (H.R. 2116, section 106) would authorize VA to establish a three-year pilot program in which VA may provide primary health care services to dependents of veterans in up to four networks, provided that such care would not deny or delay access to care for veterans. Participants must have the ability to pay for such care directly or through reimbursement or indemnification by a third party. This section would also require that GAO monitor the pilot program, report its findings to VA and for VA to act on these recommendations as appropriate.

Senate bill

The Senate bill contained no similar provision.

ENHANCED SERVICES PROGRAM AT FACILITIES UNDERGOING MISSION CHANGES

Current law

Section 510 of title 38, United States Code, authorizes the Secretary of Veterans Affairs to eliminate or redistribute the functions of VA facilities. Section 510 requires, with respect to an administrative reorganization (a term defined as a reduction in the number of full-time equivalent employees of a specified percentage), that such a reorganization not be implemented for at least 45 days after the Secretary has provided the Committees a detailed report on such proposed reorganization.

House bill

The House bill (H.R. 2116, section 107) would establish a process under which VA would (1) conduct studies to identify medical centers which should undergo mission changes, and (2) develop plans for such mission changes and for reallocating savings resulting from such change to improve veterans' access to care and quality of services provided. Section 107 would set limits on VA's authority to change medical center missions or close medical centers. It would require: (1) VA to determine (based on market and data analysis) both that the facility (in whole or in part) can no longer be operated efficiently and at optimal quality (because of such factors as the projected need for care-capacity, functional obsolescence, and cost of operating and maintaining physical plant) and that the patients who use the facility can receive care of appropriate quality under contract arrangements or at another VA medical center; (2) that VA consult with and provide for veterans organizations, unions, and other interested parties to participate in the development of a facility realignment plan; (3) VA to provide specified protections for employees who would be displaced under any such plan; (4) VA to maintain ongoing oversight of any hospital care provided under contract under a realignment plan; (5) that 90 percent of operational savings under a realignment be retained by the pertinent VA network and be used to establish new clinics or other means of improving patient access and service; and (6) VA to defer implementing a realignment plan pending the passage of at least 45 days following submission of a report to Congress on the plan.

Senate bill

The Senate bill contained no similar provision.

VETERANS TOBACCO TRUST FUND

Current law

Any monies which the United States might recover (other than under existing recovery provisions of title 38, United States Code) attributable to VA's cost of providing care to veterans for tobacco-related illnesses would be for deposit as miscellaneous receipts in the Treasury.

House bill

The House bill (H.R. 2116, section 203) would require that if the United States pursues recovery (other than a recovery currently authorized under title 38, United States Code, for health care costs incurred by the United States that are attributable to tobacco-related illnesses) VA is to: (1) retain the proportional amount of the recovery which is attributable to VA's cost of providing care to veterans for tobacco-related illnesses; and (2) deposit such funds in a trust fund (the "Veterans Tobacco Trust Fund") in the Treasury to be available after fiscal year 2004 for medical care and research.

Senate bill

The Senate bill contained no similar provision.

TERMS OF OFFICE FOR VA UNDER SECRETARIES

Current law

Appointments to the positions of Under Secretary for Benefits and Under Secretary for Health in the Department of Veterans Affairs shall be for a four-year period, with reappointment permissible for successive like periods; if the President removes such official before the completion of the term, the President is to communicate the reasons for the removal to Congress.

Senate bill

The Senate bill (S. 1076, section 138) would strike the provision which sets the term of appointment for the Under Secretary of Benefits and of Health and which requires the President to communicate to Congress the reasons for a removal from office.

House bill

The House bill contained no similar provision.

TITLE V—BENEFITS AND EMPLOYMENT MATTERS

SUBTITLE A—COMPENSATION AND DIC

DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVING SPOUSES OF FORMER PRISONERS OF WAR (SEC. 501)

Current law

Dependency and indemnity compensation (DIC) is paid to the surviving spouse or children of a veteran when the veteran's death is a result of a service-connected disability. In addition, DIC payments may be authorized for the survivors of veterans who die as a result of their service-connected disabilities if the veteran was rated totally disabled due to a service connected cause for a period of ten or more years immediately preceding death. The survivors of former prisoners of war are eligible for DIC benefits under the same rules as other veterans. However, many former POWs will not meet the "10-year rule," and their surviving spouses would therefore not be eligible for DIC.

House bill

The House bill (H.R. 2280, section 102) contained a provision that would authorize dependency and indemnity compensation to the surviving spouses of former prisoners of war who were rated totally and permanently disabled and who had one of the conditions which the law presumes a prisoner of war incurred while in service. Under the House bill, DIC would be payable even though the veteran died of a nonservice-connected disability and irrespective of the ten-year rule.

Senate bill.

The Senate bill (S. 1076, section 204) authorizes DIC to those surviving spouses of certain former prisoners of war who have died from nonservice-connected causes if the former POW was rated totally disabled due to any service-connected cause for a period of one or more years (rather than 10 or more years) immediately prior to death.

Conference agreement

The House recedes.

REINSTATEMENT OF CERTAIN BENEFITS FOR REMARRIED SURVIVING SPOUSES OF VETERANS UPON TERMINATION OF THEIR REMARRIAGE (SEC. 502)

Current law

Surviving spouses of veterans entitled to veterans benefits lose their eligibility for those benefits if they remarry. Section 8207 of Public Law 105–178 reinstated eligibility for dependency and indemnity compensation to former DIC recipients whose remarriages are terminated. However, ancillary survivor benefits for CHAMPVA medical care, education, and home loan benefits were not reinstated upon termination subsequent marriages.

House bill

The House bill (H.R. 2280, section 104) restores CHAMPVA medical coverage, educational assistance, and housing loan benefits to those surviving spouses whose eligibility had been severed as the result of remarriage. This provision extends legislation passed in the 105th Congress (Public Law 105–178) allowing the reinstatement of dependency and indemnity compensation benefits to this group of surviving spouses.

Senate bill

The Senate bill contained no similar provision.

Conference agreement

The Senate recedes.

PRESUMPTION THAT BRONCHIOLO-ALVEOLAR CARCINOMA IS SERVICE-CONNECTED (SEC. 503)

Current law

Section 1112(c)(2) of title 38, United States Code, provides veterans who participated in a "radiation-risk activity" with eligibility for service-connected compensation benefits based upon a presumption that certain cancers and other diseases were incurred or aggravated during active military service. The presumption applies if the veteran develops one of the specific diseases within 40 years after the last date of exposure to radiation.

House bill

The House bill (H.R. 2280, section 102) contained a provision that would add bronchiolo-alveolar carcinoma to the list of presumed service-connected illnesses in veterans exposed to radiation. Scientific research has found that this is not a smoking-related lung cancer.

Senate bill

The Senate bill contained no similar provision.

Conference agreement

The Senate recedes.

SUBTITLE B—EMPLOYMENT

CLARIFICATION OF VETERANS' EMPLOYMENT OPPORTUNITIES (SEC. 511)

Current law

Section 3304(f) of title 5, United States Code, accords preference-eligible veterans and veterans with three or more years of active duty service the opportunity to compete for vacancies in a Federal agency when the agency opens competition to outside applicants. The Office of Personnel Management (OPM) has interpreted this provision to allow veterans covered by the Act to compete and fill job vacancies only under an "excepted" hiring authority. That interpretation has the effect of prohibiting such veteran's job advancement on a competitive basis within an agency since "excepted" employees do not acquire "competitive status."

Senate bill

The Senate bill (S. 1076, section 206) would clarify certain changes in law made under the Veterans Employment Opportunities Act of 1998 (Public Law 105–339). Section 206 of S. 1076 would confer competitive status on veterans hired under the Act, thereby allowing them to compete for internal vacancies.

House bill

The House bill contained no similar provision.

Conference agreement

The House recedes to the Senate provision in modified form. Language has been stricken from the Senate provision which, according to OPM, could be construed to mean that persons hired under the Act would be exempt from serving a probationary period as civilian employees. Further, additional language has been added to permit OPM to promulgate regulations ensuring that those honorably discharged from active duty military service shortly before completing three years of service are not excluded from coverage under the Act.

LEGISLATIVE PROVISIONS NOT ADOPTED

PAYMENT RATE OF BURIAL BENEFITS FOR CERTAIN FILIPINO VETERANS

Current law

Former members of the Philippine Commonwealth Army may qualify for VA disability compensation, burial benefits, and National Service Life Insurance benefits, and their survivors may qualify for dependency and indemnity compensation. These benefits are paid at half the rate they are provided to U.S. veterans.

Senate bill

The Senate bill (S. 1076, section 201) would provide, in cases of death after enactment of section 201, a full-rate funeral expense and plot allowance to Philippine Commonwealth Army veterans who, at the time of death: (a) are naturalized citizens of the United States residing in the U.S. and (b) are receiving compensation for a service-connected disability or would have been eligible for VA pension benefits had their service been deemed to have been active military, naval, or air service.

House bill

The House bill contained no similar provision.

REPEAL OF LIMITATION ON PAYMENTS OF BENEFITS TO INCOMPETENT INSTITUTIONALIZED VETERANS

Current law

Under section 5503 of title 38, United States Code, VA is prohibited from paying compensation and pension benefits to an incompetent veteran who has assets of $1,500 or more if the veteran is being provided institutional care by VA (or another governmental provider) and he or she has no dependents. Such payments are restored if the veteran's assets drop to $500 in value.

Senate bill

The Senate bill (S. 1706, section 205) would repeal the limitation on benefit payments imposed by section 5503, title 38, United States Code.

House bill

The House bill contained no similar provision.

TITLE VI—MEMORIAL AFFAIRS

SUBTITLE A—AMERICAN BATTLE MONUMENTS COMMISSION

CODIFICATION AND EXPANSION AUTHORITY FOR WORLD WAR II MEMORIAL (SEC. 601); GENERAL AUTHORITY TO SOLICIT AND RECEIVE CONTRIBUTIONS (SEC. 602); INTELLECTUAL PROPERTY AND RELATED ITEMS (SEC. 603)

Current law

Public Law 103–32 authorizes the American Battle Monuments Commission (ABMC) to establish a World War II Memorial in Washington, DC. It will be the first national memorial dedicated to all who served during World War II and acknowledging the commitment and achievement of the entire nation. The memorial is to be funded entirely by private contributions, with donations from individuals, corporations and foundations. Construction of the memorial will begin when all necessary funds have been secured.

House bill

The House bill (H.R. 2280, sections 201, 202, 203) would make various revisions to chapter 21 of title 36, United States Code. The House bill would (a) continue the authorization of the ABMC to solicit and accept contributions for a World War II Memorial in the District of Columbia; (b) codify the existing World War II Memorial fund and modify it to reflect changes made in this legislation; (c) modify the purpose for which funds deposited in the Treasury may be used; (d) provide the Commission the authority to borrow up to $65 million from the Treasury for groundbreaking, construction, and dedication of the Memorial on a timely basis; (e) require that in determining whether ABMC has sufficient funds to complete construction of the World War II memorial, the Secretary of the Interior will consider the $65 million in funds that the ABMC may borrow from the Treasury as funds available to complete the construction of the memorial, whether or not the ABMC has actually exercised the authority to borrow the funds; (f) authorize the ABMC to accept voluntary services in furtherance of the fundraising activities relative to the memorial; and to (1) establish that a person providing voluntary services will be considered to be a federal employee for purposes of chapter 81 of title 5, United States Code, relating to compensation for work-related injuries, and chapter 171 of title 28, United States Code, relating to tort claims, in addition; (2) authorize the ABMC to provide for reimbursement of incidental expenses that are incurred by a person providing voluntary services; and (3) disallow the use of volunteer services to displace or replace any Federal employee; (g) require that a contract entered into by the ABMC for the design or construction of the World War II Memorial not be considered a funding agreement as that term is defined in section 201 of title 35, United States Code; and (h) extend the authority to establish the Memorial to December 31, 2005.

Section 202 would amend section 2103(e) of title 36, United States Code, to specify the conditions by which the ABMC may solicit and receive funds and in-kind donations. It expands the sources from which the ABMC may solicit and receive such funds and requires the ABMC to prescribe guidelines to avoid conflicts of interest.

Section 203 would amend chapter 21 of title 36, United States Code, by adding a new section 2114 entitled "Intellectual Property and related items" to (a) authorize the Commission to use and register intellectual property and grant licenses, and enforce such authority; and (b) require that the Secretary of Defense provide the ABMC with a legal representative in administrative proceedings before the Patent and Trademark Office and Copyright Office.

Senate bill

The Senate bill (S. 1706, sections 312, 313, 314) contained substantively identical language.

Conference agreement

The conference agreement contains this provision.

SUBTITLE B—NATIONAL CEMETERIES

ESTABLISHMENT OF ADDITIONAL NATIONAL CEMETERIES (SEC. 611)

Current law

Congress does not direct the Secretary of Veterans Affairs to establish cemeteries in specific areas. The National Cemetery Administration establishes cemeteries based on areas of greatest need, largely as determined by their 1987 and 1994 reports to Congress, both entitled, "Report on the National Cemetery System."

House bill

The House bill (H.R. 2280, section 211) would direct the Secretary of Veterans Affairs to: (1) establish a national cemetery in each of the four areas in the United States deemed to be most in need of such a cemetery; (2) obligate fiscal year 2000 advance planning funds (APF) for this purpose; (3) submit a report to Congress within 120 days of enactment setting forth the four areas, a schedule for establishment, the estimated cost associated with establishment, and the amount obligated under the APF for this purpose; and (4) until the four cemeteries are completed, submit to Congress an annual report that updates the information included in the initial report.

Senate bill

The Senate bill (S. 695, section 1) would direct the Secretary of Veterans Affairs to establish a National Cemetery in the following five areas: Atlanta, Georgia, metropolitan area; Southwestern Pennsylvania; Miami, Florida, metropolitan area; Detroit, Michigan, metropolitan area; and Sacramento, California, metropolitan area. Senate Report 106–113 identifies the six areas from both the 1987 and 1994 reports to Congress titled "Report on the National Cemetery System" that remain unserved. These areas are: (1) Detroit, Michigan; (2) Sacramento, California; (3) Atlanta, Georgia; (4) Miami, Florida; (5) Pittsburgh, Pennsylvania; and (6) Oklahoma City, Oklahoma. In addition, the Senate bill would require that, before selecting the site for the national cemetery to be established, the Secretary consult with the appropriate state and local government officials of each of the five states and appropriate officials of the United States, including the Administrator of General Services, with respect to land belonging to the United States that would be suitable as a location for the establishment of each national cemetery. Further, the Secretary would submit a report to Congress as soon as practicable after the date of enactment on the establishment of national cemeteries, setting forth a schedule for the establishment of each cemetery and an estimate of the costs associated with the establishment of each cemetery.

Conference agreement

The Senate recedes to the House provision with a modification to require the Secretary to establish a national cemetery in each of the six areas of the United States deemed to be most in need. It is the Committees' expectation that the Secretary shall act on the six areas identified in Senate Report 106–113 as those areas most in need.

USE OF FLAT GRAVE MARKERS AT SANTA FE NATIONAL CEMETERY, NEW MEXICO (SEC. 612)

Current law

Section 2404(c)(2) of title 38, United States Code, requires grave markers to be upright for interments that occur on or after January 1, 1987, except for certain exceptions.

Senate bill

The Senate bill (S. 695, section 2) would authorize the Secretary of Veterans Affairs to provide for flat grave markers at the Santa Fe, New Mexico, National Cemetery. It would also require the Secretary to submit a report to Congress within 90 days assessing the advantages and disadvantages of the National Cemetery Administration using flat grave markers and upright grave markers. The report would have to include upright grave markers and include criteria to be utilized in determining whether to prefer the use of one type of grave marker over the other.

House bill

The House bill contained no similar provision.

Conference agreement

The House recedes to the Senate provision but deletes the requirement for a report with respect to upright and flat markers and deletes inclusion of criteria in determining whether to prefer the use of one type of grave marker over the other. The Committees further direct the Secretary to assure Congress within 90 days that the new flat markers at Santa Fe will be implemented and maintained in a way that is befitting of the honor that national cemeteries are intended to bestow upon our Nation's veterans.

INDEPENDENT STUDY ON IMPROVEMENTS TO VETERANS' CEMETERIES (SEC. 613)

Current law

There is no provision in title 38, United States Code, requiring the Secretary of Veterans Affairs to conduct an independent study on potential improvements to veterans' cemeteries.

House bill

The House bill (H.R. 2280, section 212) would require within 180 days the Secretary of Veterans Affairs to enter into a contract with one or more qualified organizations to conduct a study of national cemeteries. The study would include an assessment of: (a) the one-time repairs required at each national cemetery under the jurisdiction of the National Cemetery Administration to ensure a dignified and respectful setting appropriate to such cemetery; (b) the feasibility of making standards of appearance commensurate with the finest cemeteries in the world; and (c) the number of additional national cemeteries required for burials after 2005. The report would identify, by five-year periods beginning with 2005 and ending with 2020, the number of additional national cemeteries required during each five-year period and the areas in the United States with the greatest concentration of veterans whose needs are not served by national or State veterans' cemeteries. Not later than one year after the date on which the contract is entered into, the contractor would be required to submit a report to the Secretary setting forth the results and conclusions of the study. Not later than 120 days after the report is submitted, the Secretary would transmit to the Congress a copy of the report with any comments.

Senate bill

The Senate bill contained no similar provision.

Conference agreement

The Senate recedes to the House provision with an additional requirement that the Secretary submit a report to Congress assessing the advantages and disadvantages of the National Cemetery Administration using flat grave markers and upright grave markers. Additionally, the Secretary is required to report on the current conditions of flat marker sections at all national cemeteries. Finally, the study of the feasibility of making standards of appearance at national cemeteries commensurate with standards of appearance of the finest cemeteries in the world is modified to differentiate between active and closed cemeteries.

In conducting the study of national cemeteries, the report shall identify as a base but not necessarily be limited to: (1) The number of national cemeteries necessary to ensure 90 percent of America's veterans reside within 75 miles of a national or State cemetery; (2) the number and percentage of veterans in each State who would reside within 75 miles of an open national or State cemetery; (3) an estimate of the expected construction costs and the future costs of staffing, equipping and operating the projected national cemeteries in (1) and (2) above; and (4) in addition to projecting cemetery needs at five-year intervals beginning in 2005 and ending in 2020, the report should take into account cemeteries which will close to new burials and the age distribution of local veterans' populations during the reporting periods.

SUBTITLE C—BURIAL BENEFITS

INDEPENDENT STUDY ON IMPROVEMENTS TO VETERANS' BURIAL BENEFITS (SEC. 621)

Current law

There is no provision in title 38, United States Code, requiring the Secretary of Veterans Affairs to conduct one-time or periodic independent assessments of the adequacy and effectiveness of the current burial benefits administered by VA.

House bill

The House bill (H.R. 2280, section 212) would require that within 180 days, the Secretary of Veterans Affairs enter into a contract with one or more qualified organizations to conduct a study of national cemeteries, including potential enhancements to burial benefits such as an increase in the plot allowance.

Senate bill

The Senate bill contained no similar provision.

Conference agreement

The Senate recedes to the House provision with modifications. Not later than 60 days after the date of enactment, the Secretary shall enter into a contract to independently examine (a) the adequacy and effectiveness of the current burial benefits administered by the Department under chapter 23 of title 38, United States Code, in serving the burial needs of veterans and their families; (b) options to better serve the burial needs of veterans and their families, including modifications of burial benefit amounts and eligibility, together with estimated costs for each such modification; and (c) expansion of authority of the Department to provide burial benefits for burials in private sector cemeteries and to make grants to private sector cemeteries.

The contractor shall submit a report to the Secretary within 120 days of entering into a contract making appropriate recommendations pursuant to the study findings. Within 60 days after receipt of the report, the Secretary shall transmit to the Committees on Veterans' Affairs of the House of Representatives and the Senate a copy of the report, together with any comments the Secretary considers appropriate.

TITLE VII—EDUCATION AND HOUSING MATTERS

SUBTITLE A—EDUCATION MATTERS

AVAILABILITY OF MONTGOMERY GI BILL BENEFITS FOR PREPARATORY COURSES FOR COLLEGE AND GRADUATE SCHOOL ENTRANCE EXAMS (SEC. 701)

Current law

Veterans may not use Montgomery GI Bill education benefits to take preparatory courses for college and graduate school entrance examinations. However, VA does have the authority to pay for preparatory post-educational professional examinations, such as CPA or Bar exams.

Senate bill

The Senate bill (S. 1402, section 3) would amend section 3452(b) of title 38, United States Code, to include as a "program of education" for which the Montgomery GI Bill (MGIB) may be used (a) preparatory courses for a test that is required or utilized for admission to an institution of higher education and (b) a preparatory course for a test that is required or utilized for admission to a graduate school.

House bill

The House bill contained no similar provision.

Conference agreement

The House recedes.

DETERMINATION OF ELIGIBILITY PERIOD FOR MEMBERS OF THE ARMED FORCES COMMISSIONED FOLLOWING COMPLETION OF OFFICER TRAINING SCHOOL (SEC. 702)

Current law

Section 3011(a) of title 38, United States Code, requires that MGIB participants complete their initial obligated period of service to receive MGIB benefits. Exceptions to this requirement are limited to individuals whose service is cut short due to disability or hardship, the convenience of the government (if the individual has completed 30 months of a three-year enlistment or 20 months of a two-year enlistment), or due to reduction in force by the service branch. A servicemember who, after a period of continuous active duty and following successful completion of officer training school, is discharged to accept a commission as an officer in the Armed Forces. Under current law, if the discharge occurs before completion of the minimum period of active duty needed to establish MGIB eligibility, the servicemember is ineligible for education benefits.

Senate bill

The Senate bill (S. 1402, section 7) would create an additional exception to the requirement that enlistees complete their initial obligated period of service in order to be eligible for MGIB benefits. Individuals who are discharged from service so that they may accept a commission would remain eligible for MGIB benefits if they complete the service obligation incurred in accepting the commission.

House bill

The House bill contained no similar provision.

Conference agreement

The House recedes to the Senate provision in modified form to address the following: The conference agreement would allow the two periods of active duty (pre-commissioned and commissioned) to be considered as one, thus allowing these individuals to remain eligible for the MGIB program. Also, under the conference agreement, the eligibility period for using entitlement to educational assistance allowances under the MGIB expires on the later of (1) the end of the 10-year period beginning on the date of enactment, or (2) the end of the 10-year period beginning on the date of the individual's last discharge or release from active duty.

REPORT ON VETERANS' EDUCATION AND VOCATIONAL TRAINING BENEFITS PROVIDED BY THE STATES (SEC. 703)

Current law

Title 38, United States Code, contains no requirement that VA report annually to the Congress on veterans' education and vocational training benefits provided by the States.

Senate bill

The Senate bill (S. 1402, section 10) would require that VA, in consultation with the Departments of Defense, Education, and Labor, report annually to the Congress on veterans' education and vocational training benefits provided by the States. The first such report would be due not later than six months after enactment. In addition, section 10 expresses the sense of the Senate that the States should admit qualified veterans to State-supported educational institutions without payment of tuition.

House bill

The House bill contained no similar provision.

Conference agreement

The House recedes to the Senate provision in modified form. Not later than six months after the date of enactment, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on veterans' education and vocational training benefits provided by the States. Benefits to be considered as veterans' education and vocational training benefits include any such benefits provided by a State for which persons are eligible by reason of service in the Armed Forces, including, in the case of persons who died in the Armed Forces or as a result of a disease or disability incurred in the Armed Forces, benefits provided to their survivors or dependents.

The term "veteran" includes a person serving on active duty or in one of the reserve components and a person who died while in the active military, naval, or air service.

The Committees note that the conference agreement also lists and defines matters specifically to be included in the Secretary's report.

SUBTITLE B—HOUSING MATTERS

EXTENSION OF AUTHORITY FOR HOUSING LOANS FOR MEMBERS OF THE SELECTED RESERVE (SEC. 711)

Current law

The Department of Veterans Affairs' authority to guarantee home loans for members of National Guard and Reserve (Selected Reserve) components expires on September 30, 2003.

House bill

The House bill (H.R. 2280, section 301) would provide permanent eligibility for former members of the Selected Reserve for veterans housing loan guaranties. Individuals would continue to be required to serve at least six years in the Reserve or National Guard to be eligible.

Senate bill

The Senate bill contained no similar provision.

Conference agreement

The Senate recedes in modified form. Eligibility for members of the Selected Reserve for veterans housing loan guarantees is extended to 2007.

LEGISLATIVE PROVISIONS NOT ADOPTED

MONTGOMERY GI BILL ENHANCEMENTS

Current law

Except for certain exceptions, chapter 30 of title 38, United States Code, generally provides active duty servicemembers a one-time opportunity to disenroll from the basic educational assistance program under the Montgomery GI Bill, which establishes eligibility for a monthly educational assistance allowance of $536 per month (as of October 1, 1999) for 36 months and requires a $100 monthly pay reduction over 12 months and the fulfillment of minimum service requirements. Chapter 35 of title 38, United States Code, provides a monthly survivors' and dependents' educational assistance allowance of $485 per month for full-time enrollment.

Senate bill

The Senate bill (S. 1402) would make the following changes to the educational assistance programs under chapter 30 of the Montgomery GI Bill: (a) increase the basic monthly educational assistance allowance to $600 (section 4); (b) allow servicemembers who have not opted out of Montgomery GI Bill participation to increase the monthly rate of educational benefits they receive after service by making contributions, during service, over and above the $1,200 basic pay reduction (section 6); (c) authorize servicemembers who had opted out of Montgomery GI Bill (MGIB) participation to reverse their decision to waive their participation by accepting a $100 per month pay reduction for 15 months, or by "buying into" participation by making a lump sum $1,500 payment (section 8); and (d) authorize VA to make accelerated payments under the terms of regulations that VA would promulgate to allow MGIB participants to receive benefits for a semester, a quarter, or a term at the beginning of the semester, quarter or term (section 9).

S. 1402 would increase the rates of survivors' and dependents' educational assistance to $550 per month.

House bill

The House bill contained no similar provisions.

TITLE VIII—DEPARTMENT OF VETERANS AFFAIRS ADMINISTRATIVE MATTERS

ENHANCED QUALITY ASSURANCE PROGRAM WITHIN THE VETERANS BENEFITS ADMINISTRATION (SEC. 801)

Current law

There is no provision in title 38, United States Code, requiring the Veterans Benefits Administration (VBA) to maintain a quality assurance program that meets governmental standards for internal control, separation of duties, and organizational independence.

House bill

The House bill (H.R. 2280, section 502) would require the Secretary of Veterans Affairs to develop and implement a program to review and evaluate initial decisions made by the Veterans Benefits Administration on claims for compensation, pension, education, vocational rehabilitation and counseling, home loans, and insurance benefits.

The legislation gives discretion to the Department in the organization, number of full-time employees (FTE) and structure of the quality review program. This provision addresses problems identified by the General Accounting Office and the VA Inspector General in their reviews of VBA quality assurance matters. The Secretary is directed to design the program so that it complies with the governmental standards for independence and internal control recommended by the General Accounting Office in its March 1, 1999 report, "Veterans" Benefits Claims: Further Improvements Needed in Claims-Processing Accuracy."

Senate bill

The Senate bill contained no similar provision.

Conference agreement

The Senate recedes.

EXTENSION OF AUTHORITY TO MAINTAIN A REGIONAL OFFICE IN THE REPUBLIC OF THE PHILIPPINES (SEC. 802)

Current law

Section 315(b) of title 38, United States Code, provides the authority for the Secretary of Veterans Affairs to operate a regional office in the Republic of the Philippines through December 31, 1999. Congress has periodically extended this authority at VA's request in recognition that a regional office in the Philippines is the most cost-effective means of administering VA programs for beneficiaries residing there, in addition to providing an on-site presence to prevent potential fraud.

Senate bill

The Senate bill (S. 1076, section 202) would extend to December 31, 2004, VA's authority to operate a Veterans Benefits Administration regional office in the Philippines.

House bill

The House bill contained no similar provision.

Conference agreement

The House recedes in modified form. VA's authority to operate a regional office in the Philippines is extended to December 31, 2003.

EXTENSION OF ADVISORY COMMITTEE ON MINORITY VETERANS (SEC. 803)

Current law

Public Law 103-466 established the VA's Advisory Committee on Minority Veterans. The Advisory Committee provides advice and consultation on the needs, problems, and concerns of the minority veterans community. The Advisory Committee's statutory authority expires on December 31, 1999.

House bill

The House bill (H.R. 2280, section 503) would extend the Advisory Committee on Minority Veterans from December 31, 1999 to December 31, 2004.

Senate bill

The Senate bill (S. 1076, section 203) contained substantively identical language.

Conference agreement

The Senate recedes in modified form. The Advisory Committee on Minority Veterans is extended to December 31, 2003.

TITLE IX—HOMELESS VETERANS

HOMELESS VETERANS' REINTEGRATION PROGRAMS (HVRP) (SEC. 901)

Current law

Section 738(e)(1) of the Stewart B. McKinney Act, section 11448(e)(1) of title 42, United States Code, authorizes $10 million for fiscal year 1998 and $10 million for fiscal year 1999 for the Secretary of Labor to carry out Homeless Veterans' Reintegration Projects (HVRP). The HVRP appropriations authority expired on September 30, 1999.

House bill

The House bill (H.R. 2280, section 302) would create a new section 4111 of chapter 41, title 38, United States Code, to authorize appropriations to the Department of Labor of $10 million in fiscal year 2000, $15 million in fiscal year 2001, $20 million in fiscal year 2002, $25 million in fiscal year 2003, and $30 million in fiscal year 2004 for the Homeless Veterans' Reintegration Projects.

Senate bill

The Senate bill (S. 1076, section 123) would amend section 738(e)(1) of the Stewart B. McKinney Homeless Assistance Act to authorize appropriations to the Department of Labor of $10 million in fiscal year 2000 and $10 million in fiscal year 2001 for the HVRP.

Conference agreement

The Senate recedes in modified form. Appropriations are authorized for the HVRP at $10 million in fiscal year 2000, $15 million in fiscal year 2001, $20 million in fiscal year 2002, and $20 million in fiscal year 2003.

EXTENSION OF PROGRAM OF HOUSING ASSISTANCE FOR HOMELESS VETERANS (SEC. 902)

Current law

VA furnishes assistance to homeless veterans through various mechanisms, both directly and by assisting community-based not-for-profit entities that furnish assistance to homeless veterans. VA assistance to community-based organizations takes two primary forms: VA transfers VA-acquired residential properties to such entities for their use to house homeless veterans and their families, and VA makes grants to such entities to assist them in establishing new programs to furnish outreach, rehabilitative services, vocational counseling and training, and transitional housing services. Congress extended these two authorities for a two-year period in the Veterans' Benefits Act of 1997, Public Law 105–114. Such authority expires on December 31, 1999.

Senate bill

The Senate bill (S. 1076, section 121) would extend VA's authority to furnish assistance to homeless veterans through various mechanisms, both directly and by assisting community-based not-for-profit entities that furnish assistance to homeless veterans, for two years, to December 31, 2001.

House bill

The House bill contained no similar provision.

Conference agreement

The House recedes to the Senate in modified form. VA's authority to furnish housing assistance to homeless veterans is extended until December 31, 2003.

HOMELESS VETERANS PROGRAMS (SEC. 903)

Current law

Section 3 of the Homeless Veterans Comprehensive Service Program Act of 1992, authorizes VA (through September 30, 1999) to make grants to public or non-profit entities to establish new programs to provide outreach, rehabilitative services, vocational assistance, and transitional housing to homeless veterans. In requiring VA to set criteria for the award of such grants, the law limits to 20 the number of programs incorporating the procurement of vans for which grant support may be provided. To carry out the Act, Public Law 102–590 authorized annual appropriations of $48 million through Fiscal Year 1997, and provided further that nothing in the public law should be construed to diminish funds for continuation or expansion of existing programs.

House bill

The House bill (H.R. 2116, section 205) would extend through September 30, 2002, VA's authority to make grants (under the Homeless Veterans Comprehensive Service Program Act of 1992, as amended) for new programs to combat veteran homelessness, and would eliminate the limitation on grant support for programs involving van procurement.

Senate bill

The Senate bill (S. 1076, section 122) would extend through September 30, 2001, VA's authority to make grants under the 1992 Act and would permit grants to assist in expanding existing programs as well as grants to establish new programs. It would also authorize annual appropriations of $50 million to carry out the Act.

Conference agreement

The conference agreement incorporates the provisions of both the House and Senate bills, with a modification to extend the authority under the grant program through September 30, 2003.

PLAN FOR EVALUATION OF PERFORMANCE OF PROGRAMS TO ASSIST HOMELESS VETERANS (SEC. 904)

Current law

The Government Performance and Results Act requires federal departments and agencies to assess and evaluate the effectiveness and outcomes of the programs they administer. The Committees note that the General Accounting Office has determined that the effectiveness of VA programs is unclear. ["Homeless Veterans: VA Expands Partnerships, but Homeless Program Effectiveness is Unclear" (HEHS–99–53, April 1, 1999)]

Senate bill

The Senate bill (S. 1076, section 124) would require the Secretary of Veterans Affairs to submit a report, not later than three months after enactment, containing a detailed plan for the evaluation of VA programs to assist homeless veterans. Such plan would be required to contain an identification of outcome measures adopted by VA to determine whether veterans who are provided housing and employment-related services are housed and employed six months after securing services under such programs.

House bill

The House bill contained no similar provision.

Conference agreement

The House recedes to the Senate provision in modified form. The Secretary of Veterans Affairs is required to submit a plan, in consultation with the Secretaries of Labor and Housing and Urban Development, for evaluating the effectiveness of programs to assist homeless veterans.

TITLE X—UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS

SUBTITLE A—TRANSITIONAL PROVISIONS TO STAGGER TERMS OF JUDGES

EARLY RETIREMENT AUTHORITY FOR CURRENT JUDGES (SEC. 1011)

Current law

Under section 7296(b)(2) of title 38, United States Code, a judge of the Court is eligible to retire at the completion of the term for which the judge was appointed if the judge is not re-appointed for another term. There is no provision for the retirement of judges before the completion of their term except for judges who meet age and service ("Rule of 80") requirements of section 7296(b)(1), title 38, United States Code.

House bill

The House bill (H.R. 2280, section 407) would provide for the early retirement of up to five judges.

Senate Bill

The Senate bill (S. 1076, section 403) would provide a one-time buy-out for judges who meet the Rule of 80 retirement criteria. The Senate bill would also provide for temporary service of judges who retire or complete their terms.

Conference agreement

The Senate recedes with modifications to restrict to two the number of judges who may retire early. In addition, the compromise includes provisions which require that a judge who retires early must continue to serve until the judge's successor is appointed or the date on which the judge's original appointment would have expired. During this transitional service, the judge could continue to accrue credit toward a full retirement benefit and would receive a combination of salary and retirement benefits equal to the salaries of other judges. Judges who retire early may elect to be placed in recall status and thereby qualify for post-retirement increases in retirement pay.

MODIFIED TERMS FOR NEXT TWO JUDGES APPOINTED TO THE COURT (SEC. 1012)

Current law

Under section 7253(c) of title 38, United States Code, all judges are appointed for a term of 15 years.

Senate bill

The Senate bill (S. 1076, section 402) would provide for 13-year terms for judges appointed to a position on the Court that becomes vacant in the year 2004.

House bill

The House bill contained no similar provision.

Conference agreement

The House recedes with a modification to change to 13 years the term of office of the first two judges who are appointed after the date of enactment.

SUBTITLE B—OTHER MATTERS RELATING TO RETIRED JUDGES

RECALL OF RETIRED JUDGES (SEC. 1021)

Current law

There is no provision in current law for the recall of retired judges.

House bill

The House bill (H.R. 2280, section 402) would provide for a recall of judges who elect at the time of retirement to be eligible for recall. Judges who elect to be eligible for recall would receive increases in the amount of their retired pay.

Senate bill

The Senate bill (S. 1076, section 401) contains a provision that permits judges who have retired or whose terms have expired to continue serving on the court on a temporary basis.

Conference agreement

The Senate recedes.

JUDGES' RETIREMENT PAY (SEC. 1022)

Current law

There is no specific provision authorizing judges to receive an increase in the amount of pay received after retirement.

House bill

The House bill (H.R. 2280, section 404) would authorize increases in the amount of retired pay for judges who elect to be recalled for service. Judges who do not elect to be eligible for recall would have the amount of their retired pay frozen at the amount for which they are eligible upon leaving office. The House bill also would authorize a cost of living increase for disability retirement benefits paid to judges who retire due to disability.

Senate bill

The Senate bill contained no similar provision.

Conference agreement

The Senate recedes with a modification to delete provisions concerning coordination with military retired pay.

SURVIVIOR ANNUITIES (SEC. 1023)

Current law

In order to qualify for a survivor annuity under section 7297 (the program available to judges of the Court), title 38, United States Code, a surviving spouse must have been married to the judge for at least two years immediately preceding the judge's death, unless there are children born of the marriage. There is no provision for payment of a survivor annuity if a retired judge marries after leaving the bench. Judges are required to contribute 3.5 percent of their pay if they wish to participate in the survivor annuity plan.

House bill

The House bill (H.R. 2280, section 405) would reduce the period of marriage needed to qualify for a survivor annuity to one year immediately preceding the judge's death. Provision would be made for a judge to participate in the survivor's benefit plan if the judge marries after leaving the bench. The financial contribution of judges would be changed to reflect the same contribution made by judges who participate in the United States Court of Federal Claims survivor annuity program.

Senate bill

The Senate bill contained no similar provision.

Conference agreement

The Senate recedes.

LIMITATION ON ACTIVITIES OF RETIRED JUDGES (SEC. 1024)

Current law

There is no provision in title 38, United States Code, limiting the activities of retired judges.

House bill

The House bill (H.R. 2280, section 406) would provide for limitation of the activities of retired judges who are recall eligible.

Senate bill

The Senate bill contained no similar provision.

Conference agreement

The Senate recedes.

SUBTITLE C—ROTATION OF SERVICE OF JUDGES AS CHIEF JUDGE OF THE COURT

Current law

The Chief Judge is appointed for a term of 15 years. Section 7254(d) of title 38, United States Code, provides that in the event of a vacancy, the associate judge senior in service shall serve as "acting" Chief Judge unless the President designates another judge to so serve.

House bill

The House bill contained no similar provision.

Senate bill

The Senate bill contained no similar provision.

Conference agreement

The bill would implement a policy that eliminates the requirement of a separate appointment to the Chief Judge position. Instead, the Chief Judge would be the most senior judge in regular active service on the Court. In the event that two eligible judges had the same seniority in commission, the judge senior in age would be selected.

This person would serve as Chief Judge for five years and then the next most senior judge would rotate into the position. This provision is modeled on the provision for the Chief Judge for the United States Court of Appeals for the Armed Forces. The conference agreement also eliminates the salary distinction between the Chief Judge and the other judges.

LEGISLATIVE PROVISIONS NOT ADOPTED

AUTHORITY TO PRESCRIBE RULES AND REGULATIONS

Current law

There is no general authority for the Court to prescribe rules and regulations to carry out the provisions of chapter 72 of title 38, United States Code. The Court has specific authority to promulgate rules concerning the filing of complaints with respect to judicial conduct and rules of practice and procedures governing proceedings before the Court.

House bill

The House bill (H.R. 2280, section 401) would provide for the Court to promulgate rules and regulations to carry out chapter 72 of title 38, United States Code.

Senate bill

The Senate bill contained no provision.

CALCULATION OF YEARS OF SERVICE

Current law

Title 38, United States Code, is silent as to the calculation of years of service for purposes of retirement.

House bill

The House bill (H.R. 2280, section 403) would treat 183 days or more of service on the Court as a full year for purposes of retirement.

Senate bill

The Senate bill contained no similar provision.

TITLE XI—VOLUNTARY SEPARATION INCENTIVE PROGRAMS

Current law

VA does not currently have the authority to offer voluntary separation incentives.

House bill

The House bill contained no provision.

Senate bill

The Senate bill contained no provision.

Conference agreement

The conference agreement provides authority to VA for one year to offer voluntary separation incentives to a limited number of FTEE.

BOB STUMP,
CHRIS SMITH,
JACK QUINN,
CLIFF STEARNS,
LANE EVANS,
CORRINE BROWN,
MIKE DOYLE,
Managers on the Part of the House.

ARLEN SPECTER,
STROM THURMOND,
JAY ROCKEFELLER,
Managers on the Part of the Senate.

NO INTERNET TAXATION

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, our country and even our world economy have experienced unprecedented growth thanks to a new frontier we know as the Internet. It has been a tremendous success.

The moratorium that we have established has allowed e-commerce to flourish and grow at tremendous rates. Yet we are already hearing rumblings of a new user fee regime of taxation on electronic commerce that could have serious repercussions for this booming segment of our economy.

Mr. Speaker, we have seen, without Internet taxes, State and local governments are collecting record tax revenues, growing at almost twice the rate of inflation. In fact, the rise of untaxed electronic commerce is helping to generate additional tax revenue for every level of government because the Internet has helped create new businesses and new high-paying jobs. By extending the moratorium established under the Internet Tax Freedom Act of 1998, we can keep the Internet free of discriminatory taxes.

Let us not ruin a good thing. Let us make the moratorium permanent and see this unprecedented growth continue.

FOREIGN POLICY DEFICIENCIES

(Mr. BROWN of Ohio asked and was given permission to address the House for 1 minute.)

Mr. BROWN of Ohio. Mr. Speaker, let me make sure I understand this. While he was in Istanbul yesterday, President Clinton called on Turkey to correct its human rights abuses so it could be admitted into the European Union. Yet at the same time that our President was admonishing Turkey, our U.S. Trade Representative was in Beijing signing a trade deal that could one day give the People's Republic of China membership in the World Trade Organization.

Are we to infer that the Kurds in Turkey count for more than Tibetans in China or that Greek Cypriots count for more than Chinese Christians or that the European Union is a more exclusive and principled organization than the World Trade Organization?

Or, this could not be it, could it? Are American corporations more involved with bigger investments and have more at stake in China than they are in Turkey? Does that explain why Time Warner's CEO recently gave Chinese President Jiang Zemin a bust of Abraham Lincoln?

Earlier this year we fought a war for human rights in Kosovo. Today we will not raise a tariff for human rights in China.

NO TAXES ON MINING INDUSTRY

(Mr. Gibbons asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, recently Vice President AL GORE announced a scheme to impose a new $2 billion tax on the mining industry. At a time when America's mining industry has been crippled and forced to lay off thousands of employees, the Vice President now wants to impose a new $2 billion tax that will only serve as a death knell for this industry.

It appears that Mr. GORE's motto is that when the good guy is down, let us pick his pocket. There is always a dollar or two left somewhere.

Mr. Speaker, the U.S. mining industry provides America with the resources that allow us to enjoy the standard and quality of life we need and respect today. Now the Vice President wants to jeopardize the future of America, our economy, and this vital industry by oppressing it with a $2 billion tax in order to fund his political agenda.

Mr. Speaker, this is the true mentality of the Vice President, to tax an industry until it is destroyed just so he can use the revenue for his own political gain. Mr. Speaker, let us put personal agendas aside. America needs the mining industry, but it does not need a $2 billion tax.

RESPONSIBLE GUN SAFETY LAWS CRITICAL FOR OUR COUNTRY

(Ms. SLAUGHTER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. SLAUGHTER. Mr. Speaker, I rise this morning to pay special tribute to a school in my district that has taken the initiative to speak out on an issue that is of the utmost importance to all Americans, and that is school violence.

Last week the Irondequoit High School in Rochester, New York, presented me with a petition signed by 468 members of the student body asking Congress to resist the temptation of influential lobbyists and, in turn, pass legislation that ensures the peace and tranquility for our Nation's next generation of students.

I am sure I do not need to remind my colleagues that the House is currently poised and ready to adjourn for the year without any possibility of passing responsible gun safety measures that will help curb this epidemic of violence that is permeating our schools.

When we return to the session next year, I urge the majority of this body to display the same courage and common sense that was demonstrated by the 468 constituents in my district. For the sake of our Nation's students, I implore the leadership to remove the legislative roadblocks that it has placed in the way and allow for a vote on responsible gun safety once and for all.

AMERICAN TAXES SUPPORTING CHINESE DICTATORSHIP

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, the trade representative is all excited about her new deal with China. I must ask my colleagues, is she a masochist, or what?

Check this out. American cars will have a 25 percent tariff and all American goods will average a 17 percent tariff. Meanwhile, Chinese cars and all of their other products will average a 2 percent tariff. Unbelievable. Monty Hall could have made a better deal for us.

There must be one explanation only, Mr. Speaker. This administration must be in bed with the Chinese, because right now, our tax money is propping up a Communist dictatorship that has missiles pointed at us as I speak.

Beam me up here. I yield back the danger and stupidity of this most recent sweetheart deal for China.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Record votes on postponed questions may be taken in two groups, the first occurring before debate has concluded on all motions to suspend the rules and the second after debate has concluded on remaining motions.

STATE FLEXIBILITY CLARIFICATION ACT

Mr. REYNOLDS. Mr. Speaker, I move to suspend the rules and pass the bill H.R. (3257) to amend the Congressional Budget Act of 1974 to assist the Congressional Budget Office with the scoring of State and local mandates, as amended.

The Clerk read as follows:

H.R. 3257

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "State Flexibility Clarification Act".

SEC. 2. FLEXIBILITY AND FEDERAL INTERGOVERNMENTAL MANDATES.

(a) COMMITTEE REPORTS.—Section 423(d) of the Congressional Budget Act of 1974 (2 U.S.C. 658b(d)) is amended—

(1) in paragraph (1)(C) by striking "and" after the semicolon;

(2) in paragraph (2) by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(3) if the bill or joint resolution would make the reduction specified in section 421(5)(B)(i)(II), a statement of how the committee specifically intends the States to implement the reduction and to what extent the legislation provides additional flexibility, if any, to offset the reduction.".

(b) CONGRESSIONAL BUDGET OFFICE ESTIMATES.—Section 424(a) of the Congressional Budget Act of 1974 (2 U.S.C. 658c(a)) is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

(2) by inserting after paragraph (2) the following:

"(3) ADDITIONAL FLEXIBILITY INFORMATION.—The Director shall include in the statement submitted under this subsection, in the case of legislation that makes changes as described in section 421(5)(B)(i)(II)—

"(A) if no additional flexibility is provided in the legislation, a description of whether and how the States can offset the reduction under existing law; or

"(B) if additional flexibility is provided in the legislation, whether the resulting savings would offset the reductions in that program assuming the States fully implement that additional flexibility.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. REYNOLDS) and the gentleman from Massachusetts (Mr. MOAKLEY) each will control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. REYNOLDS).

GENERAL LEAVE

Mr. REYNOLDS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation, and to include extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REYNOLDS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, our State and local governments were historically burdened by unfunded Federal mandates that more often than not forced these governments to spend money they did not have on things they did not need nor could not use. That is why in 1995 Congress passed sweeping reforms with the Unfunded Mandates Reform Act which attempted to restrict the Federal Government from opposing burdensome, unnecessary, and unfunded mandates.

Unfortunately, the Congressional Budget Office had a different perspective on Federal mandates than what Congress clearly intended. CBO exempted more than two-third of the mandatory programs from coverage under the Unfunded Mandates Reform Act.

During remarks at a White House conference on small business, President Ronald Reagan noted that the Federal Government's view of the economy could be summed up in a few short phrases: "If it moves, tax it. If it keeps moving, regulate it, and if it stops moving, subsidize it."

Coming up through the ranks as a town councilman and a county legislator and State assemblyman of New York, I would make one addition to President Reagan's observations. If the Federal Government has an expensive and often unnecessary program, let somebody else pay for it.

As a local and State official, I have seen firsthand how unfunded mandates have busted local budgets. As a Member of Congress, we have had the opportunity and a responsibility to stop placing this burden on the backs of State and local governments.

Mr. Speaker, this bipartisan bill is a simple, technical clarification of Congress's intent under the Unfunded Mandates Reform Act of 1995.

Mr. Speaker, the State Flexibility Clarification Act corrects the CBO interpretation in three ways. First, it clarifies the goal of UMRA, which is that any cut or cap or safety net programs constitutes an intergovernmental mandate, unless State and local governments are given new or additional flexibility to implement the restriction or funding reduction.

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Second, the bill requires committees to include in their reports an explanation of how the committee intends the States to implement the reduction in funding and what flexibility, if any, is provided in the legislation.

Third, the bill requires CBO to prepare in its mandates statement how the States could implement the reductions under existing law. If such legislation does not provide additional flexibility, then CBO must include in its report an estimate of whether the savings from an additional flexibility would offset the reduction in Federal spending.

Mr. Speaker, this Congress responded to our States and localities when they requested needed relief from unfunded mandates. This clarification will ensure that they get it.

Mr. Speaker, I would like to thank the gentleman from Massachusetts (Mr. MOAKLEY) for all of his efforts on this measure. I urge my colleagues to restore fairness to the Federal budget and pass H.R. 3257.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today's suspension deals with the confusing issue of unfunded mandates, which have become a very bad word here in the halls of Congress. Mr. Speaker, contrary to popular belief, unfunded mandates are not always bad. Unfunded mandates keep our food safe, keep our air clean, keep our civil rights strong. But they can also impose enormous costs. I believe that the Members should know these costs before they are asked to vote on any bill.

Today we are considering under suspension of House rules a clarification to the unfunded mandates point of order. The substance of this bill, Mr. Speaker, is relatively noncontroversial. Today's bill clarifies the definition of a Federal mandate. It says,

> A bill must be scored by the Congressional Budget Office if it increases costs for State or local governments by expanding an existing program, but fails either to pay for the increased costs or to provide for the flexibility to absorb those costs.

This bill will expand the Congressional Budget Office requirements as Congress had originally intended.

I really want to take this time to thank my chairman, the gentleman from California (Mr. DREIER), and his entire staff, the gentleman from New York (Mr. REYNOLDS), and all the other Members of the Committee on Rules for addressing the problems that we had with them.

We informed them of our concerns and they amended the bill accordingly. Thanks to their very gracious acceptance of our suggestions, I have no major concerns with this bill, and I urge my colleagues to support it.

Mr. Speaker, I reserve the balance of my time.

Mr. REYNOLDS. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DREIER), the distinguished chairman of the Committee on Rules.

Mr. DREIER. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, the gentleman from Massachusetts (Mr. MOAKLEY) will be very happy that I have taken the well to speak, because along with complimenting the gentleman from New York (Mr. REYNOLDS), I want to thank him for his hard work and that of his staff, who worked with the gentleman from New York (Mr. REYNOLDS) and his staff in putting together what I think is a very important measure.

As has been pointed out, this has twice passed the House before through the Unfunded Mandates Reform Act, and we have had difficulty getting that legislation through. So I believe that the gentleman from New York (Mr. REYNOLDS) was absolutely right on target in stepping up to the plate and saying that we needed to move this State flexibility clarification measure.

In 1996, the CBO estimate exempted committee-reported bills that limit resources available to State and local governments from budget scoring as defined by the 1995 Unfunded Mandates Reform Act, legislation which sought to lift that burden of unfunded Federal mandates.

As both the gentleman from Massachusetts (Mr. MOAKLEY) and the gentleman from New York (Mr. REYNOLDS) have pointed out, this is a technical point but it is a very important one, because without such scoring, committees would be unable to consider the ramifications of proposed legislation on State and local governments.

This bill that the gentleman from New York (Mr. REYNOLDS) has carefully crafted will stipulate that any new changes to entitlement programs that do not provide new flexibility would be construed by the Congressional Budget Office as an intergovernmental mandate as defined by the Unfunded Mandates Reform Act.

This bill has been endorsed by a wide range of groups, including the National Governors Association, the National Conference of State Legislators, and other major State and local organizations.

I would like to simply say that I believe it is a very important measure that we move through. I am glad that it enjoys strong bipartisan support. As we have delved into the annals of history in the Committee on Rules, it appears that this may be if not the first time, the first time in a heck of a long time that the Committee on Rules has moved legislation which is being considered under suspension of the rules.

Mr. Speaker, it is with this bipartisan spirit that I would like to congratulate the gentleman from New York (Mr. REYNOLDS) for his hard work on this, and urge my colleagues to support this measure.

Mr. MOAKLEY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. REYNOLDS. Mr. Speaker, I yield such time as he may consume to the gentleman from Georgia (Mr. LINDER), chairman of the Subcommittee on Rules and Organization of the House of the Committee on Rules.

Mr. LINDER. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in strong support of the State Flexibility Clarification Act, and I commend the hard work in the gentleman from New York in ensuring its passage.

Mr. Speaker, as the chairman of the Committee on Rules subcommittee with jurisdiction over the mandates legislation, I held a hearing earlier this year on the effectiveness of the 1995 Unfunded Mandates Reform Act and proposals to expand that Act.

We have now had 3 full years to observe how the law has worked. It has worked well. The bill has simply forced Members to review reliable information from the CBO in an effort to increase not only Member consciousness of the cost of legislation, but also public awareness.

The bill under consideration today is similar to language in the Mandates Information Act that we considered in February of this year. I am pleased that the State Flexibility Clarification Act will now pass as a stand-alone bill today.

The reason this bill is necessary is because in 1996 the Congressional Budget Office decided that Federal entitlement programs such as Medicaid, child nutrition, and foster care are considered exempt from the unfunded intergovernmental mandates requirements if Congress imposes new conditions, places caps on funding, or cuts funding without giving the States the authority to adjust to those changes.

The CBO interpretation exempted more than two-thirds of mandatory entitlement programs from coverage under the 1995 mandates bill. As a result, the point of order against unfunded requirements on State and local governments would not apply in these circumstances.

Therefore, the bill on the floor today will help clarify that any cut or cap of entitlement programs constitutes a Federal intergovernmental mandate, and would require committees and the CBO to report on new or additional flexibility and the authority to offset the cut or the cap.

This is a good bill that clarifies what was intended by the Congress when it passed the original mandates bill in March of 1995. I urge Members to strongly support it.

Mr. REYNOLDS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I again want to thank the gentleman from California (Mr. DREIER), the chairman, and the gentleman from Massachusetts (Mr. MOAKLEY) for their assistance in this legislation as we bring it before the House on suspension.

Mr. MORAN of Virginia. Mr. Speaker, I rise in support of this legislation and applaud the gentlemen from California (Mr. CONDIT) and New York (Mr. REYNOLDS) for their work on this issue. My own involvement on the unfunded mandate issue began more than five years ago. Our efforts were successful.

As one of the first acts of the 104th Congress, we passed the Unfunded Mandate Reform Act. We all should all be held accountable for legislation we support regardless of whether it imposes a cost on the public or private sector. The Unfunded Mandate Reform Act gives us this accountability for legislation that affects state and local governments.

Today, the legislation provides a technical fix on the issue of state-administered entitlement programs like food stamps, TANF, and Medicaid. The fix is necessary because the Congressional Budget Office (CBO) has determined that any new entitlement program mandates is exempt from the Unfunded Mandate Reform Act if there is sufficient flexibility within the entitlement program to offset the new mandate's new state and local costs. For example, on June 10, 1996, CBO ruled that a point-of-order would not exist for a proposed cap on federal Medicaid contributions and any other mandatory federal aid programs except food stamps. The effect of this interpretation was to exempt more than two-thirds of all grant-in-aid, the mandatory entitlement program, from coverage under the Unfunded Mandate Reform Act.

What may appear to be an optional federal mandate program from CBO's perspective, such as, expanded Medicaid coverage to pregnant women and children, is not an optional program from the states' perspective. I know of no state willing or reduce Medicaid coverage to pregnant women and children to help offset the cost of a new federal mandate.

The legislation would correct this interpretation problem by adding a few simple words to the Unfunded Mandate Reform Act to clarify that any cut or cap of safety net programs constitutes an intergovernmental mandate unless state and local governments are given new or additional flexibility and the authority to offset the cut or cap. This provision has been endorsed by the five major state and local organizations.

I urge you to vote for this legislation.

Mr. PORTMAN. Mr. Speaker, I rise in support of the State Flexibility Clarification Act (H.R. 3257) sponsored by my friend from New York, Mr. REYNOLDS. This bill is a technical correction to the Unfunded Mandates Reform Act of 1995. And as one of the lead authors of that measure, I believe it is entirely consistent with the legislative intent of that law.

The State Flexibility Clarification Act clarifies that any legislation capping or decreasing federal financial participation in state-administered entitlement programs is an intergovernmental mandate if it doesn't provide new or expanded authority for the states to deal with the change.

It would also make the cap or decrease subject to the CBO unfunded mandates scoring process and procedural points of order. This fix will help facilitate state and local input in the drafting of new federal entitlements and changes to current entitlements.

This is a commonsense technical correction to the Unfunded Mandates Reform Act, and it has been endorsed by all of the leading organizations representing state and local governments who were so instrumental in supporting UMRA, including: the National Governors Association, the National Conference of State Legislatures, and the National Association of Counties.

Nearly identical provisions have already passed the House of Representatives twice in versions of the Mandates Information Act in both the 105th and 106th Congresses.

I commend the gentleman from New York for his leadership, and I commend the Committee on Rules for moving this important correction forward.

Mr. WAXMAN. Mr. Speaker, H.R. 3257, the State Flexibility Clarification Act, amends the Unfunded Mandates Reform Act (UMRA) to require Congressional committees and the Congressional Budget Office to give States guidance on how to reach program goals if Congress decides to reduce funding to the States. This bill does not change the definition of an unfunded mandate. Therefore, only those funding reductions for programs already defined as an unfunded mandate under the existing law would be subject to these additional analyses.

As originally introduced, H.R. 3257 would have amended the definition of an unfunded mandate to include Medicaid and other entitlement programs. Under existing law, the Congressional Budget Office has determined that these entitlement programs are exempt from UMRA because States are given sufficient flexibility to meet minimum Federal requirements without undue burden. If this definition was changed to include Medicaid, then any legislation that tightens quality standards; improves nursing home requirements; protects funding for rural or community health centers with a prospective payment system; or enhances benefits or services provided under Medicaid would become subject to a point of order on the House floor and the other procedural requirements under UMRA.

Because of our concerns, the bill's sponsors agreed to remove this change in definition. The gentleman from Georgia implied in his statement that this bill would change the definition of an unfunded mandate to include Medicaid and other entitlement programs. He was referring to the bill as originally introduced. The bill we are considering today would not amend the definition of an unfunded mandate. Therefore, Medicaid and other entitlement programs would continue to not be subject to UMRA and Congress will still be able to provide necessary oversight to ensure that States are using Federal funds for these programs for their intended purposes.

Mr. REYNOLDS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. OSE). The question is on the motion offered by the gentleman from New York (Mr. REYNOLDS) that the House suspend the rules and pass the bill, H.R. 3257, as amended.

The question was taken.

Mr. REYNOLDS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

RELEASING REVERSIONARY INTERESTS IN CERTAIN PROPERTY IN WASHINGTON COUNTY, UTAH

Mr. HANSEN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2862) to direct the Secretary of the Interior to release reversionary interests held by the United States in certain parcels of land in Washington County, Utah, to facilitate an anticipated land exchange.

The Clerk read as follows:

H.R. 2862

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. RELEASE OF REVERSIONARY INTERESTS IN CERTAIN PROPERTY IN WASHINGTON COUNTY, UTAH.

(a) RELEASE REQUIRED.—The Secretary of the Interior shall release, without consideration, the reversionary interests of the United States in certain real property located in Washington County, Utah, and depicted on the map entitled "Exchange Parcels, Gardner & State of Utah Property", dated April 21, 1999, to facilitate a land exchange to be conducted by the State of Utah involving the property.

(b) INSTRUMENT OF RELEASE.—The Secretary shall execute and file in the appropriate office or offices a deed of release, amended deed, or other appropriate instrument effectuating the release of the reversionary interests required by this section.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Utah (Mr. HANSEN) and the gentleman from Puerto Rico (Mr. ROMERO-BARCELÓ) each will control 20 minutes.

The Chair recognizes the gentleman from Utah (Mr. HANSEN).

Mr. HANSEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2862, introduced by myself on September 14, 1999, would direct the Secretary of the Interior to release reversionary interests held by the United States in certain parcels of land in Washington County, Utah, to facilitate an anticipated land exchange.

This legislation was introduced at the request of the Bureau of Land Management. The exchange at issue was designed to facilitate desert tortoise protection. The State of Utah wants to trade certain parcels of State land to some private parties.

Unfortunately, because these parcels were originally received from the Bureau of Land Management pursuant to the Recreation and Public Purposes Act, they have a BLM reversionary clause clouding the title. If the State were to trade these parcels to a private party, the BLM could take title from the private party. This makes the land exchange unworkable unless Congress passes legislation releasing these reversionary interests.

This bill would remove those revisionary clauses so that the State could pass clear title in the land exchange. The completion of the exchange would further the habitat conservation plan for the desert tortoise.

Mr. Speaker, this is a good bill, and I urge my colleagues to support it.

Mr. Speaker, I reserve the balance of my time.

Mr. ROMERO-BARCELÓ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2862 would require the Secretary of the Interior to release reversionary interests held by the United States in certain parcels of land in Washington County, Utah, for the stated purpose of facilitating a land exchange.

Evidently, the lands in question were granted to the State of Utah pursuant to the Recreation and Public Purposes Act for inclusion in Snow Canyon State Park. It is our understanding that the State now wishes to exchange this land with a private party in order to acquire other lands that will be used for desert tortoise habitat.

However, under the Recreation and Public Purposes Act, the State is precluded from making such an exchange because the State park land carries a clause reverting the lands back to the United States if it is used for other than a public purpose.

H.R. 2862 is being brought to the floor without having ever been considered by the Committee on Resources, but we have been assured by the gentleman from Utah (Mr. HANSEN) that this legislation is noncontroversial. Although we have no formal views from the administration and others on this, it does appear that there is no controversy associated with the proposal.

That being the case, we will not object to the consideration of H.R. 2862 by the House today.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. HANSEN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Utah (Mr. HANSEN) that the House suspend the rules and pass the bill, H.R. 2862.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

CLARIFYING LEGAL EFFECT OF LAND ACQUISITION IN RED CLIFFS DESERT RESERVE

Mr. HANSEN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2863) to clarify the legal effect on the United States of the acquisition of a parcel of land in the Red Cliffs Desert Reserve in the State of Utah.

The Clerk read as follows:

H.R. 2863

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TREATMENT OF CERTAIN LAND IN RED CLIFFS DESERT RESERVE, UTAH, ACQUIRED BY EXCHANGE.

(a) LIMITATION ON LIABILITY.—In support of the habitat conservation plan of Washington County, Utah, for the protection of the desert tortoise and surrounding habitat, the transfer of the land described in subsection (b) from the city of St. George, Utah, to the United States shall convey no liability on the United States that did not already exist with the United States on the date of the transfer of the land.

(b) DESCRIPTION OF LAND.—The land referred to in subsection (a) is a parcel of approximately 15 acres of land located within the Red Cliffs Desert Reserve in Washington County, Utah, that was formerly used as a landfill by the city of St. George.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Utah (Mr. HANSEN) and the gentleman from Puerto Rico (Mr. ROMERO-BARCELÓ) each will control 20 minutes.

The Chair recognizes the gentleman from Utah (Mr. HANSEN).

Mr. HANSEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2863, introduced by myself on September 14, 1999, would clarify the legal effect on the United States of the acquisition of a parcel of land in the Red Cliffs Desert Reserve in the State of Utah.

This legislation was introduced at the request of the Bureau of Land Management. This bill deals with the problem with an anticipated land exchange between the city of St. George and the BLM. This exchange is also designed to facilitate the Washington County, Utah, habitat conservation plan for the desert tortoise.

A certain parcel of land that the BLM wants to acquire used to be a landfill. The BLM wants to acquire the lands in the exchange, but they do not want to accept liability for any unknown toxic material that may be in the landfill.

This bill would leave liability for the landfill in the hands of the city. Thus, the BLM would not be forced to accept liability. The BLM refuses to go through with the lands exchange unless this bill is passed. Both the BLM and the city are in favor of this legislation. Mr. Speaker, this is a good bill, and I urge my colleagues to support it.

Mr. Speaker, I reserve the balance of my time.

Mr. ROMERO-BARCELÓ. Mr. Speaker, I yield myself such time as I may consume.

□ 1230

Mr. Speaker, H.R. 2863 would clarify the legal effect on the United States of the acquisition of a parcel of land in the Red Cliffs Desert Reserve in Utah. It is our understanding that the Bureau of Land Management and the City of St. George, Utah, are negotiating a land exchange designed to facilitate a Habitat Conservation Plan for the desert tortoise. We have been told that one of the parcels the Bureau of Land Management wants to acquire was formally used as a landfill. Obviously, the BLM is concerned about acquiring this land and thus being liable for any unknown materials that may be in the landfill.

H.R. 2863 would leave legal liability for the landfill in the hands of the city. We understand that this is agreeable to both the city and the Bureau of Land Management.

Mr. Speaker, like H.R. 2862, this bill is also being brought to the floor without ever having been considered by the Committee on Resources. However, there appears to be a clear public benefit to the United States in this legislation and as such, we have no objection to the House considering the measure today.

Mr. Speaker, I have no other speakers, and I yield back the balance of my time.

Mr. HANSEN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. OSE). The question is on the motion offered by the gentleman from Utah (Mr. HANSEN) that the House suspend the rules and pass the bill, H.R. 2863.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

ADJUSTING THE BOUNDARIES OF GULF ISLANDS NATIONAL SEASHORE TO INCLUDE CAT ISLAND, MISSISSIPPI

Mr. HANSEN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2541) to adjust the boundaries of the Gulf Islands National Seashore to include Cat Island, Mississippi, as amended.

The Clerk read as follows:

H.R. 2541

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. BOUNDARY ADJUSTMENT.

(a) IN GENERAL.—The first section of Public Law 91–660 (16 U.S.C. 459h; 84 Stat. 1967) is amended—

(1) by redesignating paragraphs (1) through (6) as subparagraphs (A) through (F);

(2) by striking "shall comprise the following gulf coast" and inserting the following: "shall comprise the following:

"(1) The gulf coast"; and

(3) by adding at the end the following new paragraph:

"(2) Only after acquisition by the Secretary from a willing seller, the approximately 2000 acres of land on Cat Island, Mississippi, generally depicted on the map entitled 'Boundary Map, Gulf Islands National Seashore, Cat Island, Mississippi', numbered 635/80085, and dated November 9, 1999 (hereinafter referred to as the 'Cat Island Map'). The Cat Island Map shall be on file and available for public inspection in the appropriate offices of the National Park Service of the Department of the Interior.".

(b) ACQUISITION AUTHORITY.—Section 2 of Public Law 91–660 (16 U.S.C. 459h–1; 84 Stat. 1967) is amended—

(1) in the first sentence of subsection (a), by inserting "submerged lands," after "lands,"; and

(2) by adding at the end the following new subsection:

"(e)(1) The Secretary is authorized to acquire, from a willing seller only—

"(A) the approximately 2,000 acres of land depicted on the Cat Island Map;

"(B) an easement over the approximately 150-acre parcel depicted as the 'Boddie Family Tract' on the Cat Island Map for the purpose of implementing an agreement with the owners of the parcel concerning the development and use of the parcel; and

"(C) lands and interests in lands on Cat Island outside the 2,000-acre area depicted on the Cat Island Map and submerged lands that lie within 1 mile seaward of Cat Island; however submerged lands owned by the State of Mississippi or its subdivisions may be acquired under this subsection only by donation.

"(2) Lands and interests in lands acquired under this subsection shall be administered by the Secretary, acting through the Director of the National Park Service.

"(3) The boundary of the seashore shall be modified to reflect the acquisition of such lands.".

(c) REGULATION OF FISHING.—Section 3 of Public Law 91–660 (16 U.S.C. 459h–2; 84 Stat. 1968) is amended—

(1) by inserting "(a)" before "The Secretary"; and

(2) by adding at the end the following:

"(b) Nothing in this Act shall be construed to give the Secretary authority to regulate fishing activities, including shrimping, outside of the boundaries of the seashore.".

(d) AUTHORIZATION OF MANAGEMENT AGREEMENTS.—Section 5 of Public Law 91–660 (16 U.S.C. 459h–4; 84 Stat. 1968) is amended—

(1) by inserting "(a)" before "Except"; and

(2) by adding at the end the following new subsection:

"(b)(1) The Secretary is authorized to enter into agreements—

"(A) with the State of Mississippi and its political subdivisions for the purposes of managing resources and providing law enforcement assistance, subject to State law authorization, and emergency services on or within any lands on Cat Island and any waters and submerged lands within 1 mile seaward from Cat Island; and

"(B) with the owners of the approximately 150-acre parcel of land depicted as the 'Boddie Family Tract' on the Cat Island Map concerning the development and use of such land.

"(2) Nothing in this subsection shall be construed to authorize the Secretary to enforce Federal regulations outside the land area within the designated boundary of the seashore.".

(e) AUTHORIZATION OF APPROPRIATIONS.—Section 11 of Public Law 91–660 (16 U.S.C. 459h–10; 84 Stat. 1970) is amended—

(1) by inserting "(a)" before "There"; and

(2) by adding at the end the following:

"(b) In addition to the funds authorized by subsection (a), there are authorized to be appropriated such sums as are necessary to acquire lands and submerged lands on and adjacent to Cat Island, Mississippi.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Utah (Mr. HANSEN) and the gentleman from Puerto Rico (Mr. ROMERO-BARCELÓ) each will control 20 minutes.

The Chair recognizes the gentleman from Utah (Mr. HANSEN).

Mr. HANSEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2541, as amended. This bill, introduced by the gentleman from Mississippi (Mr. TAYLOR), would adjust the boundaries of the Gulf Islands National Seashore to include an area of land known as Cat Island. Cat Island is approximately 2,100 acres in size at the western end of Gulf Islands National Seashore, which consists of a number of coastal barrier islands.

Mr. Speaker, we are considering this bill with amendments that we have all agreed on. The amendment addresses a number of concerns that have been expressed by the primary owners of Cat Island, by the Park Service, and also by the author of the legislation, the gentleman from Mississippi (Mr. TAYLOR). This amendment effectively excludes 156 acres of private property on Cat Island from inclusion within the boundaries of the national seashore. It also assures that acquisition of any property and any easement is by willing seller only and clarifies that the Secretary can acquire the submerged land within 1 mile of Cat Island, owned by the State of Mississippi, only by donation.

The substitute also authorizes the Park Service to enter into necessary and appropriate agreements with the State of Mississippi and the private property owners. This bill authorizes such sums necessary to acquire Cat Island.

Mr. Speaker, this bill is supported by the administration and the minority, and I urge my colleagues to support H.R. 2541.

Mr. Speaker, I reserve the balance of my time.

Mr. ROMERO-BARCELÓ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Gulf Islands National Seashore stretches for 150 miles along the Gulf Coast from Mississippi to Florida. The seashore is more than 135,000 acres in size and includes portions of both the mainland and a chain of barrier islands just offshore.

When the seashore was first conceived, it was hoped that Cat Island, the western-most island this chain, would be included. In fact, based on its size and diversity of unspoiled natural resources, Cat Island was expected to be the "crown jewel" of the new national seashore. However, the family which owned most of the island declined to be included at that time and the creation of the seashore went forward without Cat Island.

We now have an opportunity to change that. It is our understanding that the family is now willing to have 2,000 acres of their land be included in the seashore and an agreement for the National Park Service to acquire the land is in the works.

H.R. 2541, sponsored by our colleague, the gentleman from Mississippi (Mr. TAYLOR) would alter the boundary of the existing seashore to add these lands.

Mr. Speaker, this legislation and the eventual land purchase it authorizes, have been the subject of extensive negotiations involving the National Park Service, the family which owns the island, and the gentleman from Mississippi.

During consideration of this measure by our committee, the gentleman from Utah (Mr. HANSEN) chairman of the Subcommittee on National Parks and Public Lands, offered an amendment attempting to address many of the unresolved issues, but in a way which we opposed. However, with the amended bill the House is considering today, these differences have been resolved in a manner that will allow the NPS to manage the portion of Cat Island they will acquire effectively while also protecting the rights of the remaining property owners on the island.

The gentleman from Mississippi (Mr. TAYLOR) deserves great credit for his efforts to move this important legislation forward. It is clear that Cat Island is a beautiful area, as several witnesses testified at hearings on this bill, it will be a valuable addition to the Gulf Islands National Seashore. We urge our colleagues to support this bill, as amended.

Mr. Speaker, I reserve the balance of my time.

Mr. HANSEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I understand that there is a little problem with this piece of legislation regarding duck hunting. A lot of folks know when this was really put together the first time under the section of the bill it states that: The Secretary shall permit hunting and fishing on island and waters within the seashore in accordance with applicable Federal and State laws.

So, Mr. Speaker, I would just hope that people realize that maybe the superintendent is expanding his power a little bit, because we understand he is not doing this. It is my sincere hope that this hunting issue is resolved with the satisfaction of the Florida Fish and Wildlife Conservation Commission before this bill becomes law. It worries me, as chairman of the Subcommittee on National Parks and Public Lands, when I see a superintendent expand the authority that the law has given him. And I am sure his heart is in the right place. And I am sure we can resolve this minor issue, but I hope this could be resolved. And I just wanted to bring that to the attention of the body.

Mr. Speaker, I reserve the balance of my time.

Mr. ROMERO-BARCELÓ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I do not see why this issue could not be resolved and we will work with the gentleman from Mississippi (Mr. TAYLOR) to see that the issue is resolved.

Mr. Speaker, I yield such time as he may consume to the gentleman from Mississippi (Mr. TAYLOR).

Mr. TAYLOR of Mississippi. Mr. Speaker, I thank the gentleman from Puerto Rico (Mr. ROMERO-BARCELÓ) for yielding me this time.

Mr. Speaker, H.R. 2541 would address the boundaries of the Gulf Islands National Seashore to include Cat Island, Mississippi.

In 1971, Congress authorized the Gulf Islands National Seashore ". . . in order to preserve for public use and enjoyment certain areas possessing outstanding natural, historic and recreational values" (Public Law 91–660). The Gulf Islands National Seashore includes a series of coastal islands stretching from Florida to Mississippi. Cat Island was not a part of the original legislation creating the Gulf Islands National Seashore, although it was considered the most desirable island from an ecological standpoint. At the time, it was not available for sale and it was not included.

The primary owners of the island, the Boddie family, have now come forward as willing sellers to offer approximately 2,000 acres of land on Cat Island for inclusion in the Gulf Islands National Seashore. This legislation would give the Department of the Interior the authority to acquire this property. Approximately 156 acres of land on Cat Island would remain in private ownership, and all the land below the mean line of ordinary high tide would remain under the jurisdiction of the State of Mississippi. These tracts of land, waters, and submerged lands would remain outside the boundary of the Gulf Islands National Seashore. Furthermore, the bill makes it absolutely clear that all activities, including fishing and shrimping, would remain regulated by the State of Mississippi.

The amendments that are included in this motion to suspend the rules and pass H.R. 2541 make several changes to the bill as reported by the House Committee on Resources. These additional changes addressed all the concerns outlined in the "Additional Views" as filed on November 4 of this year.

With development booming along the Mississippi Gulf Coast, the threat of development on Cat Island is intense and very real. I wish to thank all of my colleagues, especially the gentleman from Utah (Mr. HANSEN), the gentleman from Alaska (Chairman YOUNG), the gentleman from California (Mr. MILLER), ranking member, and the gentleman from Puerto Rico (Mr. ROMERO- BARCELÓ) for giving this bill their personal attention. It is essential that we expedite enactment of this legislation as these are willing sellers who have extended this offer for only a limited period of time.

Cat Island is a diverse habitat for a wealth of marine life and shore birds and one of the best surf fishing spots on the entire Gulf Coast.

More to the point, Mr. Speaker, Cat Island is, in my opinion, one of the last remaining places on the Mississippi Gulf Coast where one can still see the hand of God. And whether it is a beautiful osprey or a mother dolphin or something as strange-looking as an alligator or a horseshoe crab, it is all part of the hand of God and deserves to be protected. Mr. Speaker, I thank my colleagues for making this possible.

Mr. ROMERO-BARCELÓ. Mr. Speaker, I have no further speakers on this issue, and I yield back the balance of my time.

Mr. HANSEN. Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Utah (Mr. HANSEN) that the House suspend the rules and pass the bill, H.R. 2541, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

PROHIBITING OIL AND GAS DRILLING IN MOSQUITO CREEK LAKE IN CORTLAND, OHIO

Mr. HANSEN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2818) to prohibit oil and gas drilling in Mosquito Creek Lake in Cortland, Ohio.

The Clerk read as follows:

H.R. 2818

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PROHIBITION.

After the enactment of this Act no person may commence any drilling activity (including any slant or directional drilling) to extract oil or gas from lands beneath waters under the jurisdiction of the United States in Mosquito Creek Lake in Cortland, Ohio. The Attorney General of the United States may bring an action in the appropriate United States district court to enforce the prohibition contained in this section.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Utah (Mr. HANSEN) and the gentleman from Puerto Rico (Mr. ROMERO-BARCELÓ) each will control 20 minutes.

The Chair recognizes the gentleman from Utah (Mr. HANSEN).

Mr. HANSEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in somewhat reluctant support of H.R. 2818, a bill to prohibit oil and gas drilling beneath Mosquito Creek Lake in Cortland, Ohio, introduced by the gentleman from Youngstown, Ohio (Mr. TRAFICANT).

The bill reflects the concerns of some of the gentleman's constituents in Trumbull County, Ohio regarding the U.S. Army Corps of Engineers-administered project known as Mosquito Creek Lake for which the Department of the Interior is considering leasing the oil and gas rights beneath this reservoir. The Bureau of Land Management has prepared a planning analysis and environmental analysis in preparation for a decision whether to lease approximately 11,100 acres of minimal estate acquired by the Federal Government when the Corps of Engineers impounded this drainage basin, creating a reservoir about 1 mile wide and 9 miles long.

Nonetheless, local opposition to the BLM proposal remains, primarily, upon concerns of spills and contaminant discharges from drilling upon surface and groundwater resources. However, I will yield to the wishes of the elected House Member from this affected area. He will have to deal with that with his constituents.

Mr. Speaker, I urge my colleagues to vote for this bill.

Mr. Speaker, I yield back the balance of my time.

Mr. ROMERO-BARCELÓ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2818 was introduced by the gentleman from Ohio (Mr. TRAFICANT) to address concerns raised by his constituents in Trumbull County, Ohio relating to a U.S. Army Corps of Engineers-administered project known as Mosquito Creek Lake. This area is currently under consideration for development of Federal oil and gas rights beneath the man-made reservoir.

The U.S. Bureau of Land Management field office in Milwaukee, Wisconsin, has developed a proposed planning analysis, environmental analysis preparatory to a decision on whether to lease 11,100 acres of mineral estate acquired by the Federal Government when the Corps impounded this drainage basin creating a reservoir about 1 mile wide and 9 miles long.

There are significant oil and gas deposits beneath Mosquito Lake which various entities have expressed desires and interest in developing. Despite stipulations and other safeguards which the BLM and the Corps of Engineers have promised to provide, as well as a long history of oil and gas development in the area, some local residents continue to oppose any new oil and gas activity.

These stipulations are not sufficient to resolve the concerns of the gentleman from Ohio (Mr. TRAFICANT), therefore, his bill would bar any person from any drilling activity including slant or directional drilling to extract oil or gas from lands beneath Mosquito Creek Lake in Cortland, Ohio. Under the bill, the U.S. Attorney General would have the authority to file suit in the U.S. District Court to enforce this prohibition.

Mr. Speaker, the Clinton administration opposes this bill. Not only do they perceive an opportunity to raise Federal revenues through the development of oil and gas resources, they also cannot prevent drainage from surrounding private lands if they do not develop the area beneath Mosquito Creek Lake.

Given these concerns, I have some reservations about the bill. However, the gentleman from Ohio (Mr. TRAFICANT) has expressed a great desire to see this bill enacted and, since it affects his district, we do not intend to oppose it.

□ 1245

Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. TRAFICANT).

Mr. TRAFICANT. Mr. Speaker, I want to take this time to speak on a bill that I introduced, and I wanted to make a few comments on H.R. 2818, to ban slant drilling at Mosquito Creek Lake.

Now, I have supported capturing revenues from energy sources offshore and will continue to do so. But, Mr. Speaker, I want to point this out to the House, because this is the beginning of probably a policy discussion on an issue that has become and will become more sensitive.

The Bureau of Land Management wanted to slant drill underneath Mosquito Creek Lake, and that is the sole, primary, and only drinking water for the second largest city in my district of 60,000 people, the city of Warren. The City of Cortland also depends upon it as do the aquifer systems of many small communities in the area.

So it is not as if we are just capturing the revenue, which I want to do and which I support. This is a sole-purpose drinking water lake. I think it is bad policy.

I want to make this point very simply to Congress, water running down hill, and any drilling today would be in effect 40 years from now. What tremor might there be or what consequence might occur to impact upon that system and to damage the quality of drinking water for our people? The cost and benefits to the communities are so small that one single incident would obliterate any dollars they have in any of their budget. So Congress is doing much more today than pass this. Congress begins the dialogue and debate on these types of issues.

So I wanted to make this point that every single community impacted upon by this decision was opposed to that drilling. I am strongly opposed. I thank the gentleman from Utah (Mr. HANSEN), chairman, and the gentleman from Puerto Rico (Mr. ROMERO-BARCELÓ), the ranking member, for having supported the bill and hope that they will help me all the way through to codify this into law and statute.

WHY A LEGISLATIVE REMEDY?

At this stage in the process the only way to stop what could be an environmental catastrophe is legislative action.

My bill, H.R. 2818 would bar any person from any drilling activity, including slant or directional drilling, to extract oil or gas from lands beneath Mosquito Creek Lake. The bill gives the U.S. Attorney General the authority to file suit in U.S. District Court to enforce the prohibition.

BACKGROUND ON THE LAKE

Mosquito Creek Lake is located in a heavily populated area, Trumbull County, Ohio. The county seat, Warren, located at the southern end of the lake, has a population of more than 50,000. Trumbull County has a total population of more than 225,000.

The lake was constructed in 1944 primarily for flood control, low-flow augmentation, municipal water supply, and water quality control. The lake also serves to conserve land and preserve fish and wildlife, including several endangered species.

THE LAKE IS MAIN SOURCE OF DRINKING WATER

Mosquito Creek Lake is the sole source of drinking water for the city of Warren. Let me repeat that: the lake is the sole source of drinking water for the city of Warren.

The city of Cortland also relies on the lake to recharge its aquifers. Surrounding communities also rely, in part, on the lake to supply their drinking water.

Any contamination of the lake would severely compromise the drinking water supply of up to a quarter of a million people. That is why I am here today.

ALL LOCAL GOVERNMENTS ARE OPPOSED

The four local governments that are impacted by this proposal, the cities of Cortland and Warren, Bazetta Township, and Trumbull County, all adamantly oppose the drilling.

Keep in mind that these governments will receive royalties from the drilling.

In addition, every civic, scientific and academic organization involved in the process has raised serious and substantive concerns relative to safety and the worth of the drilling proposal. The Bureau of Land Management (BLM) has ignored local concerns.

STATE AND LOCAL GOVERNMENTS LACK RESOURCES TO MONITOR AND RESPOND TO EMERGENCIES

The state of Ohio does not have the resources to effectively and consistently conduct inspections and monitor water quality.

BLM glosses over this issue by asserting that the state will somehow come up with the necessary resources or that the drillers themselves will hire outside contractors to do the monitoring and inspecting.

While I have great respect for the oil and gas drilling industry, inspection and water quality monitoring are functions that should not be entrusted to the private sector—especially when the private companies have a glaring conflict of interest.

Contrary to what BLM has stated in their planning analysis and environmental assessment (PA/EA) documents, the local governments do not have the necessary equipment, personnel, expertise and resources to adequately cope with a drilling accident.

BLM HAS NOT ADEQUATELY CONSULTED WITH STATE AND LOCAL OFFICIALS

Throughout the process BLM has not adequately consulted with state and local governments. For example, BLM did not adequately consult with the Ohio Environmental Protection Agency.

Given that the proposed drilling will affect the sole source of drinking water for more than a quarter of a million people, BLM should have made every effort to ensure that Ohio EPA played a central role at every step of the environmental assessment process.

Unfortunately, this was not done as evidenced by the fact that not a single individual from Ohio EPA was part of the team that prepared the proposed PA/EA.

BENEFITS VERSUS RISKS

Under a best case scenario, the local governments could receive a total of $150,000 a year.

A single accident could shut down the drinking water supply for the cities of Warren and Cortland, and surrounding communities.

The planning and assessment documents prepared by BLM do not address the key issue of how or where these government entities would get safe drinking water.

A single accident could have devastating and lasting consequences.

NO PLACE TO TURN BUT CONGRESS

I, along with the local governments involved, have tried to work with BLM. Our concerns have been laid out in great detail. We have been involved in the planning and assessment process at every stage. We have done everything by the book.

The Congress is our last resort. I urge the House to approve H.R. 2818. Don't let the federal government impose a program on a community that the entire community does not want.

In closing, I'd like to quote from a 9/28/98 letter submitted to BLM by David D. Daugherty, assistant law director for the city of Warren, as part of the PA/EA process.

> There is no gas shortage at present and even if there were, the relative small size of the potential gas resources under the reservoir would do little to solve any national energy crisis. The overall economic benefit to the area is slight while the potential for harm is great. Mitigation measures by their definition imply the possibility of harm; and while they may reduce the probability of harm the possibility still exists, particularly where the mitigation measures rely on questionable enforcement as well as disaster containment capabilities. If no action is taken the mitigation measures are unnecessary and the probability of a spill or other contamination from drilling under Federal lands is zero.

Mr. ROMERO-BARCELÓ. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. OSE). The question is on the motion offered by the gentleman from Utah (Mr.

HANSEN) that the House suspend the rules and pass the bill, H.R. 2818.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

MINERAL LEASING ACT AMENDMENTS REGARDING TRONA MINING

Mr. HANSEN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3063) to amend the Mineral Leasing Act to increase the maximum acreage of Federal leases for sodium that may be held by an entity in any one State, and for other purposes.

The Clerk read as follows:

H.R. 3063

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS.

The Congress finds and declares that—

(1) The Federal lands contain commercial deposits of trona, with the world's largest body of this mineral located on such lands in southwestern Wyoming.

(2) Trona is mined on Federal lands through Federal sodium leases issued under the Mineral Leasing Act of 1920.

(3) The primary product of trona mining is soda ash (sodium carbonate), a basic industrial chemical that is used for glass making and a variety of consumer products, including baking soda, detergents, and pharmaceuticals.

(4) The Mineral Leasing Act sets for each leasable mineral limitations on the amount of acreage of Federal leases any one producer may hold in any one state or nationally.

(5) The present acreage limitation for Federal sodium (trona) leases has been in place for over five decades, since 1948, and is the oldest acreage limitation in the Mineral Leasing Act. Over this time frame Congress and/or the BLM has revised acreage limits for other minerals to meet the needs of the respective industries. Currently, the sodium lease acreage limitation of 15,360 acres per state is approximately one-third of the per state Federal lease acreage cap for coal (46,080 acres) and potassium (51,200 acres) and one-sixteenth that of oil and gas (246,080 acres).

(6) Three of the four trona producers in Wyoming are operating mines on Federal leaseholds that contain total acreage close to the sodium lease acreage ceiling.

(7) The same reasons that Congress cited in enacting increases in other minerals' per state lease acreage caps apply to trona: the advent of modern mine technology, changes in industry economics, greater global competition, and need to conserve the Federal resource.

(8) Existing trona mines require additional lease acreage to avoid premature closure, and are unable to relinquish mined-out areas to lease new acreage because those areas continue to be used for mine access, ventilation, and tailings disposal and may provide future opportunities for secondary recovery by solution mining.

(9) Existing trona producers are having to make long term business decisions affecting the type and amount of additional infrastructure investments based on the certainty that sufficient acreage of leaseable trona will be available for mining in the future.

(10) To maintain the vitality of the domestic trona industry and ensure the continued flow of valuable revenues to the Federal and state governments and products to the American public from trona production on Federal lands, the Mineral Leasing Act should be amended to increase the acreage limitation for Federal sodium leases.

SEC. 2. AMENDMENT OF MINERAL LEASING ACT.

Paragraph (2) of subsection (b) of section 27 of the Mineral Leasing Act (41 Stat. 448; 30 U.S.C. 184(b)(2)) is amended by striking "fifteen thousand three hundred and sixty acres" and inserting "30,720 acres".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Utah (Mr. HANSEN) and the gentleman from Puerto Rico (Mr. ROMERO-BARCELÓ) each will control 20 minutes.

The Chair recognizes the gentleman from Utah (Mr. HANSEN).

Mr. HANSEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3063, a bill to amend the Mineral Leasing Act of 1920 with respect to limitations upon the amount of acreage an entity may hold within any one State. This bill would grant discretion to the Secretary of the Interior to raise the statutory limitation upon the amount of acreage a company may hold on a statewide basis for sodium leases and permits.

Mr. Speaker, the current limit was established by a 1948 amendment to the Mineral Leasing Act and was set at 15,360 acres, a reasonable size at that time during mining. But, Mr. Speaker, a modern operation requires a mineplant complex which may cost well over $300 million to build.

Like other industries today, consolidation to achieve higher efficiency is taking place in this soda ash business. H.R. 3063 before us today would give the Secretary of the Interior the authority to raise the now too low acreage limit, after he has, in due course, determined it would not be anticompetitive to do so. Otherwise, Federal lessees may need to surrender mined-out leases before backfilling underground voids with tailings currently stored on the surface, a method which the Bureau of Land Management would like to see remain available.

Also, solution mining of the underground pillars left in place cannot occur if the leases are returned to the Government prematurely. From a royalty flow viewpoint, it is desirable for our domestic industry to have these options available.

The administration testified last month before the Subcommittee on Energy and Mineral Resources in support of H.R. 3063.

Mr. Speaker, I urge my colleagues to support this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. ROMERO-BARCELÓ. Mr. Speaker, I yield myself such time as I may consume.

Mr. ROMERO-BARCELÓ. Mr. Speaker, H.R. 3063 would amend the Mineral Leasing Act to grant the Secretary of the Interior the discretion to increase a number of Federal leases which may be held by any one producer in a single State.

The present acreage limitation for sodium leases of 15,360 acres has been in place for 5 decades. The bill would increase the limitation to 30,720 acres per producer.

The U.S. soda ash producers, four of which are in Wyoming, are competitive with one another for a share of their relatively flat domestic market. They are also faced with strong international competition. Wyoming generates approximately 2 million tons of soda ash per year. Other countries, including China and India, with vast supplies of Trona have erected tariff and nontariff barriers to support their own less efficient producers, making it difficult to export U.S. soda ash.

The gentlewoman from Wyoming (Mrs. CUBIN) believes that giving the Secretary of Interior the discretion to raise acreage limitations will have a beneficial effect on the industry's ability to remain competitive.

Congress set forth acreage limits in the Mineral Leasing Act to ensure that no single entity held too much of any single mineral reserve. The lease limitation ensures that there is sufficient competition while providing an incentive for development of these reserves and ensuring a reasonable rate of return to the Federal and State treasuries.

We expect any future Secretary of the Interior who uses this discretionary authority to raise acreage limitations for sodium leases to include a finding that raising an acreage for a producer would not have a negative effect on either Federal royalty revenues or competition.

The Clinton administration testified in favor of this bill. We have no objections on passing this under the suspension of the House rules.

Mr. Speaker, I reserve the balance of my time.

Mr. HANSEN. Mr. Speaker, I have no further speakers on this, and I yield back the balance of my time.

Mr. ROMERO-BARCELÓ. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. TRAFICANT).

Mr. TRAFICANT. Mr. Speaker, I support the current bill.

Mr. ROMERO-BARCELÓ. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Utah (Mr. HANSEN) that the House suspend the rules and pass the bill, H.R. 3063.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HANSEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 2862, H.R. 2863, H.R. 2541, H.R. 2818, and H.R. 3063.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Utah?

There was no objection.

CONDEMNING ARMENIAN ASSASSINATIONS

Mr. GILMAN. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 222) condemning the assassination of Armenian Prime Minister Vazgen Sarksian and other officials of the Armenian Government and expressing the sense of the Congress in mourning this tragic loss of the duly elected leadership of Armenia.

The Clerk read as follows:

H. CON. RES. 222

Whereas on October 27, 1999, several armed individuals broke into Armenia's Parliament and assassinated the Prime Minister of Armenia, Vazgen Sargsian, the Chairman of the Armenian Parliament, Karen Demirchian, the Deputy Chairman of the Armenian Parliament, Yuri Bakhshian, the Minister of Operative Issues, Leonard Petrossian, and other members of the Armenian Government;

Whereas Armenia is working toward democracy, the rule of law, and a viable free market economy since obtaining its freedom from Soviet rule in 1991; and

Whereas all nations of the world mourn the loss suffered by Armenia on October 27, 1999: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress—

(1) deplores the slaying of the Prime Minister of Armenia, Vazgen Sargsian, the Chairman of the Armenian Parliament, Karen Demirchian, the Deputy Chairman of the Armenian Parliament, Yuri Bakhshian, the Minister of Operative Issues, Leonard Petrossian, and other members of the Armenian Government struck down in this violent attack;

(2) strongly shares the determination of the Armenian people that the perpetrators of these vile acts will be swiftly brought to justice so that Armenia may demonstrate its resolute opposition to acts of terror;

(3) commends the efforts of the late Prime Minister and the Armenian Government for their commitment to democracy, the rule of law, and for supporting free market movements internationally; and

(4) continues to cherish the strong friendship between Armenia and the United States.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. GILMAN) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. GILMAN).

GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H. Con. Res. 222.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. GILMAN. Mr. Speaker, I support the motion to suspend the rules and pass this concurrent resolution, H. Con. Res. 222, introduced by the gentleman from California (Mr. ROGAN), which is identical to the language of a resolution introduced by a bipartisan group of Members of the Senate. It is hoped that this will have the support of my colleagues in the House as well.

The killings that took place in Yerevan, Armenia, on October 27 were deplorable. While the perpetrators claimed to be acting on behalf of the Armenian people, their means of acting, the murders of top officials, are certainly not the way to build a true democracy of Armenia or another such struggling countries.

This resolution properly calls for the trial of those accused of these murders. We hope that the process of fair trial and judgment can help Armenians better understand the motive behind these murders. This process should be as much a part of democracy in Armenia as it is here. True democracy cannot be created by senseless murders.

Armenia faces serious difficulties, not just the economic and political difficulties that face all the States in the former Soviet Union, but the need for a peaceful resolution of a conflict with neighboring Azerbaijan that has been merely suspended by cease-fire for the past 5 years.

The murders of top officials in Armenia certainly did not help that small nation to resolve their serious problems, but the adoption of this concurrent resolution by the House may be helpful by making it clear to the Armenian people that our Nation continues to support democracy and their nation and opposes such acts of terrorism.

Mr. Speaker, I fully support the motion to suspend the rules and pass this concurrent resolution, and I invite my colleagues to join in support.

Mr. Speaker, I reserve the balance of my time.

Mr. PALLONE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of this resolution. The original version of this legislation was cosponsored by 50 Members of this House from both sides of the aisle, evidence of the widespread sense of sadness felt by all of us over the tragic events in Armenia on Wednesday, October 27.

On that day, Prime Minister Vazgen Sarksian was assassinated in an attack by four gunmen who stormed into Parliament while it was in session of the Armenian capital of Yerevan. Other lawmakers and government officials were killed in the attack in the parliament chamber, including the chairman of the National Assembly, in effect the Speaker of Parliament, Karen Demirchian.

While we mourn the loss of all of these dedicated public servants, I want to stress, Mr. Speaker, that democracy in Armenia is strong. The commitment on the part of Armenia's elected government leaders and the vast majority of Armenia's people to democracy, to the orderly transfer of power, to peace and stability within Armenia and in the region, all remain as strong as ever.

Clearly, Armenia is still reeling from the shock of recent events. But I think special praise and recognition is appropriate for the way Armenia's president, Robert Kocharian, and the entire Armenian government have moved swiftly to restore stability to the political leadership.

A special session of Parliament recently elected a new speaker and two deputy speakers. President Kocharian appointed Aram Sarksian, the 36-year-old brother of the slain prime minister, to the post of prime minister. The new prime minister is a relative new-comer to politics, although he has been active in a major veterans' organization.

As President Kocharian stated during a special session of Parliament, "Our state-structure is stable and has proved to be able to deal with such crisis." The Parliament's choices for the new leadership posts will help ensure stability, since they come from the ruling coalition that enjoys a majority under the Unity banner. The new Speaker of Parliament, Armen Khachadrian, said, "All programs that were envisioned will be implemented."

Mr. Speaker, the events of 3 weeks ago have been a source of shock and sadness for all the friends of Armenia in this Congress and for all the American friends of Armenia, including more than 1 million Americans of Armenian descent. But our sadness is tempered by the knowledge that Armenia will continue to move forward with the political and economic reforms it began when it won its independence more than 8 years ago.

For me and many of my colleagues here, there was a particularly haunting and poignant feeling when we heard of the death of Prime Minister Sarksian. The prime minister was our guest in this very Capitol building just a few weeks ago, on September 30. More than 30 Members of Congress, and many of our staff, had the opportunity to hear the prime minister give a very strong speech in which he stressed his commitment to continuing with economic reforms while working for a settlement of the Nagorno Karabagh conflict and greater integration between Armenia and her neighbors. We also had the opportunity to chat with the prime minister on an informal basis.

Vazgen Sarksian had only been prime minister since May of this year, following nationwide elections for the National Assembly. His party was the Unity Federation. Prior to becoming prime minister, he served as defense minister from 1995 to 1999.

□ 1300

And like many political figures in Armenia, his involvement in politics began in 1988 as the Soviet Union was collapsing. That year he joined the National Liberation Movement for the Independence of Armenia and Constitutional Self-Determination of Nagorno Karabagh. Also, like many of the political leaders of today's Armenia, Prime Minister Sarksian was quite young. He was only 40 years old, and had an extremely bright future ahead of him as the leader of his country.

Prime Minister Sarksian was committed to the goal of reform, rebuilding the Nation after decades of Soviet domination. He supported integration of Armenia's economy with the region and the world, and he sought to promote a society that protects private property with a stable currency and a balanced budget, while providing social protections to its citizens. During his visit to Washington, he had the opportunity to meet also with Vice President GORE as well as other Members of Congress.

I wanted to say also, Mr. Speaker, that Speaker Demirchian had been the leader of Armenia during Soviet times, but in the post-Soviet Armenia had emerged as a champion of reform. I had the opportunity to meet with him during a congressional delegation to Armenia that I participated in this summer with four of my colleagues, and I know the sponsor of this resolution, the gentleman from California, also had the opportunity to travel to Armenia this summer to meet with the Prime Minister and the Speaker.

I think I can take the liberty of characterizing all of my colleagues as being as impressed as I was with the new leadership, a sort of triumvirate of President Kocharian, Prime Minister Sarksian, and Speaker Demirchian, to represent an extremely strong team poised to lead Armenia into a new era of economic prosperity and peace. While I am sure President Kocharian will work to continue that legacy, he has lost two valuable partners; Armenia and the world have lost fine leaders.

I also wanted to say, Mr. Speaker, that as elected Members of our Nation's legislative branch, we are particularly horrified that elected representatives, our counterparts in Armenia, were attacked while conducting the people's business. Our thoughts and prayers are with their families, friends, and colleagues; and we hope and pray for the complete recovery of those who were wounded in this deplorable act of violence.

I also want to take this opportunity to commend President Kocharian for his decisive leadership during the actual crisis, for bringing it to a peaceful conclusion with no further bloodshed. The effective response of Armenia's government, its security forces, help to maintain calm in Yerevan and throughout the Nation. Given the potentially destabilizing nature of this attack, it was imperative for the government to assure the Armenian people and the rest of the world that this isolated act of violence did not represent a fundamental threat to Armenia's democracy.

Mr. Speaker, this is an important week for Armenia and the surrounding region. Later this week, in Istanbul, Turkey, President Clinton will join with a number of other heads of state and government for the annual summit of the Organization for Security and Cooperation in Europe. The President will meet with both President Kocharian and the President of Armenia's neighbor, President Aliyev. A group of us in the House are currently circulating a letter to President Clinton urging that these meetings be an opportunity for the U.S. to strengthen our ongoing effort to conclude the Nagorno Karabagh peace process as well as to enhance opportunities for regional cooperation.

In addition, we are strongly encouraging President Clinton to extend President Kocharian an official invitation to Washington. While his counterparts in Azerbaijan and Georgia have paid official visits to the U.S. in the past, President Kocharian has not had the same opportunity; and we believe that such a visit will further strengthen the U.S.-Armenia relationship and is long overdue.

Finally, Mr. Speaker, the fact that the upcoming summit is taking place in Turkey, Armenia's neighbor to the west, is particularly significant. Turkish-Armenian relations have been difficult for, among other reasons, the hostile blockade that Turkey still maintains against Armenia. There have been, however, some potentially hopeful signs of a trend towards better relations. This summer when I traveled to Armenia with a bipartisan group of my colleagues, we saw firsthand evidence of moves towards a new cross-border relationship between the Armenian city of Gyumri and the Turkish city of Kars. Also, I was very encouraged to see that Turkey sent a delegation to Prime Minister Sarksian's funeral last month. I encourage President Clinton to use the considerable U.S. clout with Turkey to urge that country to improve its relation with Armenia and also to persuade Turkey to use its influence with Azerbaijan to promote increased cooperation with Armenia.

Despite our grief, we want to take this opportunity to emphasize our belief in Armenia's commitment to democracy, economic reform, peace, and stability within Armenia and throughout the region. We take this opportunity to reiterate our full confidence that this commitment is deeply held by the government and by the majority of the Armenia people. Armenia has been cruelly deprived of gifted politicians and statesmen who were leading it into a new millennium. While we mourn their loss, we encourage President Kocharian to redouble their efforts to keep Armenia free and strong. And as Members of the U.S. Congress, we stand ready to assist in any way that we can.

Mr. CAMPBELL. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. SOUDER).

Mr. SOUDER. Mr. Speaker, I rise as a member of the Armenia Caucus in strong support of this resolution condemning the violence against Armenia's Prime Minister and Speaker and mourning their loss, along with other members of the democratically-elected Armenian government. Armenians have suffered for many years not only from the Turkish genocide, but persecution throughout this world. This sad incident was a setback in what has been an increasingly stable role towards stability in Armenia.

My good friend from Fort Wayne, Zorhab Tazian, had just had the opportunity to join the victims in Armenia to discuss the current political situation. Zorhab's clear impression at that meeting was that all the participants shared increasing optimism that the government would continue its successes in expanding the Armenian democracy and developing a healthy economy. It is a tragedy that their leadership was cut short in such an untimely and ugly way.

Our best memorial to the victims of the Armenian violence is to help continue their work. We cannot and will not allow acts of political violence to deter us from our support to the course of freedom and the opportunity that has so promisingly begun in Armenia. I commend President Kocharian's strong response to this incident and swift efforts to ensure the stability of Armenia's government.

I hope my colleagues will continue to support the causes of democracy, stability, and a free market economy in Armenia. We can do so through supporting economic assistance to promote privatization and tax reform, capital market development, legal reform, and other steps critical to continuing progress on advancing the Armenia economy. We can also continue to help Armenia by supporting it on the issue of Nagorno Karabagh, including our vigilance over providing American aid to Azerbaijan in light of its continued blockades.

Although it is a sad and difficult time in Armenia, we should also view it as a time of continued optimism for the great potential that lies in Armenia's future. We should let nothing deter us in our continued progress together towards peace and freedom, and I am confident Armenia's great people will continue to move ahead in building a great nation. There can be no more or better fitting tribute to the fallen Armenian heroes.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume, and I rise in strong support of this resolution.

A few weeks ago, the Armenia people suffered a tragic loss. A group of armed terrorists broke into Armenia's parliament and assassinated eight political leaders, including Armenia's prime minister. These political leaders were killed in the midst of exercising their duty as elected political representatives.

This resolution before the House today deplores these outrageous assassinations and expresses the sense of the House that the perpetrators of these vile acts must be brought swiftly to justice. Our resolution also commends the efforts of the late prime minister and the Armenian government for their deep commitment to democracy, to the rule of law, and to their support of free market reforms.

As a result of the late prime minister's leadership, Mr. Speaker, Armenia is considered today one of the most politically stable countries in the region and one of the most market oriented. Armenia has approved the most liberal trade legislation among the newly independent states of the former Soviet Union. Unfortunately, Armenia's economic development has been severely impeded by the protracted conflict over Nagorno-Karabagh, the Armenian populated autonomous enclave in neighboring Azerbaijan.

The war has taken a heavy toll on both sides of the conflict, Mr. Speaker, but in recent months there has been some movement on the possible settlement of this conflict. All of us in this body earnestly hope that progress will continue despite these horrible assassinations.

Mr. Speaker, the brother of Armenia's late prime minister has been selected to replace him, and I want the new prime minister to know that the United States stands ready to continue to assist Armenia as it develops its economy and attempts to bring peace and stability to the region.

Now, these recent assassinations in Armenia have been particularly difficult on our fellow citizens of Armenian-American ancestry. Armenian-Americans must know that the United States Congress is not only following developments closely, but we will remain actively engaged in helping the people of Armenia to achieve the peace and prosperity they have fought for for so long and that they so richly deserve.

Mr. Speaker, I reserve the balance of my time.

Mr. CAMPBELL. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. ROGAN).

Mr. ROGAN. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, it is with a great heaviness in my heart that I rise and ask my colleagues to join me in supporting House Concurrent Resolution 222, honoring the victims of the recent terrorist attack in Yerevan, the capital of Armenia.

Armenian Prime Minister Vazgen Sarksian, Chairman of the Armenian Parliament Karen Demirchian, Deputy Chairman of the Armenian Parliament Yuri Bakhshian, Deputy Speaker of Parliament Rouben Miroyan, Minister of Operative Issues Leonard Petrossian, and Members of the Armenian Parliament Mikael Kotanyan, Henrik Abrahamyan and Armenak Armenakyan were murdered by terrorists in the parliament building in Yerevan.

I came to know the late Prime Minister during my recent trip to Armenia and Nagorno Karabagh, which was organized by the Armenian Assembly. I again met with the Prime Minister here in Washington just three weeks before his death. He and his slain colleagues were moving their country forward by dealing with economic reform, the rule of law, seeking a resolution of the Nagorno Karabagh conflict, and regional cooperation.

Armenia has taken great strides since gaining independence over eight years ago. Then Armenia was a captive nation, struggling to preserve its centuries-old traditions and customs. Today, the Republic of Armenia is an independent, freedom-loving nation and a friend to the United States and to the democratic world.

As evidence of this progress, communities throughout Armenia recently held local elections that were deemed free and fair by the European Community. This signaled to the world the accomplishments of Prime Minister Sarkisian and his slain colleagues. It also signaled that the future of Armenia, even after the loss of these men, is a bright one that bodes well for the advancement of democracy. As a testament to Prime Minister Sarkisian and the other slain officials' patriotism and leadership, well over 100,000 Armenians paid their respects when they were laid to rest.

On a more personal note, the loss of these Armenian martyrs has deeply affected my district, which is home to nearly 100,000 Armenian-Americans. As Armenia now turns toward the task of rebuilding its government, I trust the Congress will join me in expressing continued friendship with Armenia and with Nagorno Karabagh.

Additionally, we must express our support for a just and speedy resolution to the Nagorno Karabagh conflict, and that all economic blockades in the region will be speedily lifted so that prosperity and peace will be enjoyed by all.

In honor of the great sacrifice made by Armenia's leaders, and in recognition of their commitment to pursuing democracy, I ask my colleagues to join me in supporting this important resolution.

Mr. GILMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. SWEENEY).

Mr. SWEENEY. Mr. Speaker, I want to thank the gentleman from California (Mr. ROGAN) for introducing this resolution condemning the assassination of Vazgen Sarksian.

I, being one of only two Members of the House and Senate of Armenian descent, feel compelled to come to the floor today and voice my support very strongly for this resolution.

There has been a lot of comment and discussion about this resolution and about the horror of this unprecedented attack.

Let me just say this: knowing the Armenian spirit as I do, I believe Armenia is going to continue to move forward, will not be deterred towards establishing itself as a strong democracy and a strong ally of our great country.

I say this primarily because and out of recognition of my own grandfather's history and his past. My grandfather came to this country, Mr. Speaker, before World War I and returned to his homeland to fight against tyranny and fascism, earning two Russian medals of honor. He came back to this country and made a life for his family and for us.

I know the Armenian spirit is strong; and I know that, with our proper support, as this resolution will provide, Armenia will prevail.

And I like most others demand that the men who committed these vile acts be brought to justice. I was appalled to see this horror take place in my own grandfather's homeland. The assassination of Prime Minister Vazgen Sarksian, as well as several other duly-elected officials is a tragedy beyond words. As Armenia moves forward with its strong commitment to the ideals of democracy, after a history filled with so much tragedy, these incomprehensible acts of terror might seem to make it more difficult to move toward self rule but I currently believe that it will not deter the Armenian spirit. Armenia has shown itself to be a valued ally of the United States, and of the world. Further, this tragic loss comes at a time when we should be praising Armenia's strength and determination in working toward democracy, the rule of law, and a viable free market economy since obtaining its freedom from Soviet rule in 1991. Not only would I like to express my most deep and heartfelt sympathies to the people of Armenia, but I would like to commend them for continuing the drive toward democracy, even in the face of great adversity.

I am proud to share a common heritage with the Armenian people. My own grandfather was a native Armenian, raised in a land ravaged by hate, and a witness to the genocide of his people. The experiences of his childhood fueled his desire for freedom for his homeland in the First World War, so he returned there, where he was awarded two Russian Medals of Honor for his bravery in the fight against fascism.

Mr. Speaker, my grandfather is a singular example of the esprit de corps that lies deep in the heart of every Armenian. This determination to be free continues today and was clearly shown through the life's work of the late Prime Minister Sarksian. I share in the Armenian people's loss of a great leader, but take comfort in knowing that they shall overcome this loss and move toward greater things, as they have so many times before.

Mr. KNOLLENBERG. Mr. Speaker, I rise today in strong support of this resolution and join my colleagues in condemning the assassination of Armenian Prime Minister Sargsian and other officials of the Armenian Government, and I appreciate the opportunity to express my sorrow at the loss of the duly elected leadership of Armenia. On October 27th of this year, Armenian Prime Minister Vazgen Sargsian, his ally, Parliamentary Speaker Karen Demirchyan, Deputy Parliamentary Speakers Yuri Bakhshyan and Ruben Miroian, Operative Issues Minister Leonard Petrossian, and other members of the Armenian Government, including a senior economic official, Michael Kutanian, were killed when gunmen burst into the Parliament Chamber in Yerevan, Armenia.

The purported leader of the gunmen claimed they were targeting Sargsee-ehn and were launching a coup to quote—unquote "restore democracy" and end poverty. Mr. Speaker, I fail to see how assassinating and holding hostage members of a democratically elected government will accomplish that goal. I have met Prime Minister Sarksyan personally and have witnessed first-hand his commitment to a peaceful, economically successful, democratic Armenia. I am shocked and saddened by this terrible act of violence. My thoughts and prayers are with the people of Armenia and with the families and friends of those who were killed. This deplorable attack, however, must not deter Armenia and the United States from pursuing our mutual goals of democracy, open markets, and peace in the Southern Caucasus. We cannot allow the very small minority of individuals who oppose the peace process to thwart the valiant efforts made by all parties involved. Significant progress has been made in recent months in Armenia's transition from a socialist republic to a democratic, free-market country. Free and fair local elections were held in Armenia earlier during the week of the attack. In addition, recent meetings between Armenian President Kocharian and Azerbaijan's President Aliyev have produced positive signs in negotiations over the Nagorno-Karabagh peace process.

At this difficult time we must remain focused on supporting the people of Armenia and the Armenian government. Now we must reaffirm our commitment to assist Armenia in its continued progress toward a proud, democratic nation.

Mr. SMITH of New Jersey. Mr. Speaker, I rise in support of H. Con. Res. 222, condemning the assassination of Armenian Prime Minister Vazgen Sargsian and other Armenian Government officials. A total of nine people were killed—in addition to the Prime Minister, Speaker of Parliament Karen Demirchian was shot, as were two deputy speakers of parliament. Indeed, it seemed as if much of Armenia's political elite, except for President Robert Kocharian, had been removed in one surreal afternoon. The horrifying events of October 27 were all the more shocking considering that Armenia appeared to have established a framework for political stability and efficient government. After the May 1999 parliamentary elections, President Kocharian, Prime Minister Sargsian and Speaker Demirchian constituted the legs of a troika uniting the three most influential politicians in Armenia. They had practically reached agreement on the budget, one of the most pressing problems facing Armenia. Perhaps most important, President Kocharian apparently had the support of his Prime Minister and Speaker of Parliament, as well as other Armenian political leaders, in his bilateral negotiations on Nagorno-Karabakh with Azerbaijani President Heydar Aliev. Those talks, which began this spring, have been the most promising development in the long road to resolving the conflict. In short, there was reason for cautious optimism on any number of fronts in the South Caucasus.

Alas, the murder of the Prime Minister, the Speaker and others has set back the talks on Nagorno-Karabakh. Judging by public statements in Baku and Yerevan last week, instead of an agreement, which many had been hoping for, only a general statement of principles might be signed this week at the OSCE Summit in Istanbul. But, Mr. Speaker, I trust that despite the tragedy of October 27, Presidents Kocharian and Aliev will continue their efforts to find a solution to this knottiest of problems. There is some consolation, at this time of sober reflection and mourning, in that these two leaders obviously understand that peace is in the best interest of their peoples.

Mr. Speaker, the perpetrators are in custody and the investigation into the events of October 27 continues. Many questions remain unanswered about their motives and the possible involvement of other conspirators. In the last week, Armenian authorities have arrested several more people, including a member of parliament. It is imperative to get to the bottom of this matter, and the United States should offer any assistance Yerevan may request to accelerate and facilitate the inquiry. It is important to show the Armenian public, Armenia's neighbors, and all the world that despite the tragedy of October 27, Armenia is a stable country—able and willing to address its problems, to pursue peace with its neighbors and to take its rightful place in the international community.

Mr. PORTER. Mr. Speaker, I rise in strong support of this resolution. The tragedy that occurred in Yerevan on October 27th was deplorable. It has become clear that the gunmen involved in this incident were acting alone and not part of a larger group. President Kocharian's personal intervention in ending the stand-off with the gunmen and containing the potential repercussions of this event were very admirable. I encourage him to remain strong and continue to rebuild the leadership of the government and bring stability back to Armenia.

Armenia has made important progress on many domestic and foreign policy fronts, and this tragedy should not hamper the continuation of these developments. To be sure that progress in Armenia continues, it is critical that the U.S. continue to strongly support President Kocharian, his government and the people of Armenia.

I extend my condolences to the families, friends and colleagues of those that were slain. To properly honor these individuals, it is imperative that Armenia not waiver in the policies it is pursing. None is more important than the resolution of the Nagorno-Karabagh conflict.

I have followed very closely the Nagorno-Karabagh conflict. For the first time in many years, significant progress is in the making. President Kocharian and his Cabinet officials have spent many hours with their counterparts in Azebaijan developing the terms for an agreement. I am hopeful that they are continuing their work and will have some resolution to present at the OSCE Summit that is scheduled to begin in Istabul next week. President Kocharian should not let this progress be sidelined by the tragedy in Parliament. Peace in Nagorno-Karabagh is imperative for long term prosperity in the region and there is a real opportunity for such a resolution.

I will continue to strongly support President Kocharian, his government and the people of Armenia as they struggle to cope with the deaths of their elected officials. I encourage all of my colleagues in Congress to do the same.

Ms. ESHOO. Mr. Speaker, I rise today in support of H. Con. Res. 222 with great sorrow for the losses that gave rise to this legislation and the tragedy it decries.

On October 27th, a small group of terrorists stormed the Armenian Parliament building murdering the Prime Minister, the Speaker of the Parliament, and seven other members of the Armenian government.

This bill condemns their assassinations and expresses the sense of the Congress in mourning the tragic loss of the duly elected leadership of Armenia.

The loss and bloodshed is tragic but Armenia's government and its people have not and will not allow this event to destabilize the country. Their remarkable spirit continues in Armenia, showing the worldwide community of their dedication to democracy, to the rule of law, and to the importance of peace.

After separating from the Soviet Union in 1989, many wondered if the newly established nation would be able to survive.

The Republic of Armenia has not only done that, but has also built a democratic nation for its people during unsettled and difficult times.

Prime Minister Sargsian has fought for reforms to bring Armenia into the next century with a market economy and strong democratic traditions. This will not end with the tragedy that occurred.

The efforts of President Kocharian are to be applauded to bring the recent tragedy to a peaceful resolution as he leads Armenia forward during this arduous time.

Let us reaffirm America's strong support for and renew our commitment to Armenia by supporting H. Con. Res. 222 today.

Mr. McKEON. Mr. Speaker, I rise today to honor the victims of the terrorist attack in Yerevan last month. Like many of my colleagues, I was shocked and deeply saddened by the fatal shootings in the Armenian Parliament.

For this reason, I rise in support of H. Con. Res. 222 to denounce the terrorist attack and express our sympathies in mourning this devastating loss of the leadership in the Armenian government.

When a tragedy as horrific as this one occurs, it is important to extend our support for the families of the victims as well as the people and leaders of Armenia. We must encourage them to follow the beliefs and ideals practiced by those who were victims of this tragedy.

Since its independence over eight years ago, Armenia has struggled to promote democracy for its people. These important strides must not be forgotten during this time of mourning and great loss. It is my hope that the people of Armenia will continue build upon the principles of freedom they have worked so hard to achieve.

For this reason, I commend my colleague and friend from California (Representative JAMES ROGAN) for introducing this resolution to condemn the attack and commend the leaders of Armenia for their commitment to democracy.

I urge all of my colleagues to support this resolution.

Mrs. MORELLA. Mr. Speaker I rise in strong support of H. Con. Res. 222 condemning the assassination of Armenian Prime Minister Sargsian, the Chairman of the Armenian Parliament, Karen Demirchian and other Government officials and Members of Parliament.

Mr. Speaker, I had the honor of leading a Congressional delegation to the caucus region earlier this year. During this trip I had the opportunity to meet with Prime Minister Sargsian and Chairman Demirchyan and was very impressed by their dedication to the well-being of the country and its people. They repeatedly articulated their deep sense of commitment to bringing peace and prosperity to the region. Their loss will be acutely felt—and even more so because of the real strides that have been made to establish an open and democratic Armenia and in seeking a meaningful and lasting peace with Nagorno-Karabakh and Azerbaijan.

Prime Minister Sarksian addressed the people of Armenia in late July, shortly before our Congressional delegation arrived in Yerevan. During this television broadcast he articulated the window of opportunity that Armenia had for the peace process as well as the opportunities to increase international trade. He also squarely addressed the problem of corruption, the need to prevent it and his vision for transparency and openness in the government. He received tremendous applause because it was indeed a very courageous and heartfelt speech. He will be greatly missed.

Mr. Speaker, when speaking of courage, President Kocharian must also be commended for his decisive leadership in responding to this tragedy and in bringing it to a conclusion without further loss of life.

Regrettably, it seems that acts of violence are becoming all too common. However, may the deeds of these brave men who lost their lives far overshadow this senseless act.

This tragedy must not be permitted to deter Armenia's resolve and commitment to democracy, the rule of law, economic reform, peace and stability.

Mr. Speaker, I urge support for this resolution.

Ms. STABENOW. Mr. Speaker, I rise today to express my support for H. Con. Res. 222. This important resolution deplores the slayings of the Prime Minister of Armenia, Vazgen Sargsian; the chairman of the Armenian Parliament, Karen Demirchian; the deputy chairman of the Armenian Parliament, Yuri Bakhshian; the minister of operative issues, Leonard Petrossian; and other members of the Armenian government struck down in a violent attack on Parliament on October 27, 1999.

This important resolution demonstrates to our friends in Armenia that we support them in this time of great tragedy for their nation. While condemning these violent acts, this resolution also shares the determination of the Armenian people that the perpetrators of these acts be swiftly brought to justice. The bill also commends the efforts of the late prime minister and the Armenian government for their commitment to democracy.

Mr. Speaker, I am proud to be a cosponsor of H. Con. Res. 216, the initial legislation which H. Con. Res. 222 is based upon. I want to express my support for this resolution and urge the adoption of this important measure.

Mr. LANTOS. Mr. Speaker, we have no further requests for time, and I yield back the balance of my time.

Mr. CAMPBELL. Mr. Speaker, we have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. BALLENGER). The question is on the motion offered by the gentleman from New York (Mr. GILMAN) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 222.

The question was taken.

Mr. LANTOS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

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EXPRESSING SUPPORT OF CONGRESS FOR RECENT ELECTIONS IN REPUBLIC OF INDIA

Mr. CAMPBELL. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 211) expressing the strong support of the Congress for the recently concluded elections in the Republic of India and urging the President to travel to India.

The Clerk read as follows:

H. CON. RES. 211

Whereas the Republic of India is a longstanding parliamentary democracy where citizens may freely change their government;

Whereas India has a thriving multiparty system where a broad spectrum of political views are represented;

Whereas India recently conducted a successful round of elections, involving over 650,000,000 registered voters and resulting in a 60 percent voter turnout and re-election of Prime Minister Atal Bihari Vajpayee;

Whereas India and the United States share a special relationship as the world's most populous democracy and the world's oldest democracy, respectively, and have a shared commitment to upholding the will of the people and the rule of law;

Whereas the President has expressed his continued desire to travel to South Asia; and

Whereas India continues to be a shining example of democracy for all of Asia to follow: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress—

(1) congratulates the people of the Republic of India on the successful conclusion of their recent national elections;

(2) congratulates Prime Minister Atal Bihari Vajpayee on his re-election;

(3) calls on the President to travel to India as part of any trip to South Asia; and

(4) urges the President to broaden our special relationship with India into a strategic partnership.

The SPEAKER pro tempore (Mr. BALLENGER). Pursuant to the rule, the gentleman from California (Mr. CAMPBELL) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. CAMPBELL).

GENERAL LEAVE

Mr. CAMPBELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H. Con. Res. 211.

The SPEAKER pro tempore (Mr. BALLENGER). Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CAMPBELL. Mr. Speaker, I yield myself such time as I may consume for just a brief comment on the importance of this resolution to recognize the remarkable achievements of the largest democracy in the world, to recognize the recent election in India and the importance of ending the remaining sanctions of an economic nature that were imposed so that relations with India can continue to improve for the benefit of our country.

Mr. Speaker, I yield such time as he may consume to the gentleman from Nebraska (Mr. BEREUTER), the subcommittee chairman.

Mr. BEREUTER. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, H. Con. Res. 211 was considered by the Subcommittee on Asia and the Pacific on October 27 and was unanimously approved. It is introduced by the gentleman from New

York (Mr. ACKERMAN), the gentleman from New York (Chairman GILMAN), and others.

The resolution rightly congratulates the people of India on a successful election where over 350 million voters cast their ballots.

The reelection of Prime Minister Vajpayee reflects a vibrant multiparty system where parties with strongly differing views can compete in a way that is uniquely Indian. We certainly wish the BJP party and its ruling coalition well as it prepares to continue to lead the country.

The resolution rightly alludes to the strategic relationship between the United States of America and India. We certainly have such a strategic relationship with India, just as we have a strategic relationship with many other countries in the region.

I urge adoption of the resolution.

Mr. CAMPBELL. Mr. Speaker, I reserve the balance of my time.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume, and I rise in strong support of this resolution.

Mr. Speaker, first I want to commend my distinguished colleague, the gentleman from New York (Mr. ACKERMAN), for introducing this resolution, as well as my colleagues on the other side, the gentleman from New York (Mr. GILMAN), the chairman of the committee; the gentleman from Nebraska (Mr. BEREUTER), the chairman of the subcommittee on Asia and the Pacific; and my good friend, the gentleman from California (Mr. CAMPBELL).

I also want to commend the gentleman from Connecticut (Mr. GEJDENSON), the ranking Democrat on the committee, for his efforts in bringing this legislation before the body.

Our resolution, Mr. Speaker, expresses our strong support and admiration for the recently concluded elections in India. It is not easy to have a society with over 650 million registered voters, many of them living in conditions of dire poverty, to undertake this monumental democratic effort. But the Indian government got the job done by stretching the elections out over a period of a month, by mobilizing civil servants, students, and other volunteers to ensure that the elections are fair, professional, and accurate.

Often, Mr. Speaker, when we talk about the Subcontinent, we immediately focus on the relationship between India and Pakistan; and this is not an inappropriate moment to focus on that relationship.

While India undertook this monumental free and democratic election, there was a military coup in Pakistan where the democratically elected government was thrown out of office and its leaders imprisoned.

I think it is important for all of us, Members of Congress and presidential candidates, to understand that a military coup is not something that should be applauded by the American people or Members of our Congress or any political figure.

One of the most important relationships we have is the relationship with the world's largest political democracy, India.

For a long time, Mr. Speaker, people were making comparisons between China and India, pointing out how effective China's leadership has been in bringing economic progress, even though they maintain their police state and their dictatorship.

In recent years, we have come to see with great pleasure that India was not only able to maintain its political democracy but was able to make tremendous strides in the economic field.

The resolution before us today commends the Indians on their recent elections, congratulates Prime Minister Vajpayee on his reelection, and calls on our President to visit India as part of his scheduled South Asia trip and urges the President to further broaden and strengthen our relations with our fellow democracy, India.

I urge my colleagues to support H. Con. Res. 211.

Mr. Speaker, I reserve the balance of my time.

Mr. LANTOS. Mr. Speaker, I am delighted to yield such time as he may consume to the gentleman from Connecticut (Mr. GEJDENSON), the distinguished ranking member of the Committee on International Relations.

Mr. GEJDENSON. Mr. Speaker, I want to join my colleagues, particularly the gentleman from California (Mr. LANTOS), in his articulate support for the resolution commending India on its election.

India stands in stark contrast to almost all of its neighbors from Burma and over to China, obviously, and the very sad situation recently with the coup in Pakistan.

What we see is India, which is among the poorer countries in the world, having an incredibly vibrant democracy. Oftentimes we think there is a certain fundamental level of economic strength before countries can have democratic institutions. India continues to build its democratic institutions, its economic reform package will help, but it has sustained a democratic government for over 50 years and does stand in stark contrast to many of the countries in its regions.

I am frustrated that we are not going to be apparently able to bring forward the resolution on Pakistan because I think it is important for this Congress to speak clearly about the importance of democratic institutions. India and the United States have a strong relationship that is going to continue to grow.

As the gentleman from California pointed out, some people in obviously a misguided assessment have felt that somehow a coup in Pakistan would bring stability. Pakistan has already had its coups and more than its share of coups, and one lasted almost a dozen years. It did not lead to an improved and perfect democracy.

The only way to improve democracy and perfect it is the same way we do it here in the United States, the same way that India does it, to improve its institutions, its court systems, to make the government process more transparent, and to build confidence in its citizenry.

So I am thrilled to be here with my colleagues today recognizing India's achievement in an area of the world where very few others have had democratic institutions, but also to note my objection to the fact that this House is apparently thwarting the will of the Members of the Committee on International Relations in the failure to bring forward the resolution recognizing the damage that the coup in Pakistan will do to democratic institutions in Pakistan.

The SPEAKER pro tempore. Without objection, the gentleman from New York (Mr. GILMAN) will control the time for the majority.

There was no objection.

Mr. GILMAN. Mr. Speaker, I am pleased to yield such time as he may consume to the gentleman from California (Mr. ROYCE), the distinguished chairman of our subcommittee.

Mr. ROYCE. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, let me just say that this resolution brings a very needed focus on what should be one of our most important bilateral relations, and that is our relationship with the Republic of India.

For many years during the Cold War, relations between India and the United States were cool, at best. We had tensions. We had political and economic and security tensions at the time.

Thankfully, those relations have changed. They have changed because, in part, India has changed. Economic reform has allowed the Indian people to begin to realize their very considerable economic potential. And India's foreign policy is now free of Cold War shackles.

As a matter of fact, on the economic front, Prime Minister Vajpayee has called for considerable economic reforms this week, and we look forward to working with India. Many of us in Congress have been working to see that U.S. policy changes to deal with this new India.

As this resolution states, the President should travel to India. This trip would be most welcomed and would go a long way towards ringing in a new era of U.S.-India relations.

One thing that has not changed is India's commitment to democracy. This resolution congratulates the people of India on a successful conclusion of their recent national elections. These were elections, as we have heard, that involved 650 million people. Indians are proud, and rightfully so, that theirs is the world's largest democracy.

India, of course, faces many challenges ahead. Poverty and pockets of religious extremism exist. Economic reform must be accelerated, and India confronts grave security threats.

The United States needs to be part of the solution of these challenges. India is too important a country for the United States to ignore. We have a direct stake in India's security and in its prosperity, and this resolution is a way of bringing attention to the many interests the United States shares with India. I urge all of my colleagues to support it.

Mr. Speaker, I thank the gentleman from Nebraska (Mr. BEREUTER), the chairman of the subcommittee, for bringing this forward.

Mr. LANTOS. Mr. Speaker, I am delighted to yield 2 minutes to my friend and colleague, the gentleman from Ohio (Mr. BROWN), who has been one of the most effective members of the Committee on International Relations.

Mr. BROWN of Ohio. Mr. Speaker, I thank my colleague for yielding me the time.

Mr. Speaker, I rise in strong support of this resolution because it does exactly what we should be doing here in Congress. We should be encouraging and supporting nations that have made the choice to become democracies.

That is something we do not do enough here in Washington. I think we need to start rewarding countries like India and Taiwan that give their people the right to live under the rule of law.

Last month, India had an election that saw over 350 million people choose to show up at the polls to select a new government, easily the largest election in world history.

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Think about that. A country of nearly 1 billion people with a middle class of 300 million, with more Muslims than any other country in the world except for Indonesia. A country that just 50 years ago was still a colony of England and before that had been ruled by the same feudal system for thousands of years. It is pretty clear that if this country of one billion people can overcome its problems and elect a government that serves the people's needs, then our State Department, our U.S. Trade Representative's Office and the Republicans in this Congress should quit lavishing all their attention on the People's Republic of China and start working with our sister democracy in India to bring stability to South and to East Asia.

Before closing, Mr. Speaker, I would like to note last week when the Committee on International Relations unanimously approved this resolution, we also overwhelmingly approved a resolution condemning the military coup in Pakistan and calling for the immediate restoration of democratic rule in that country. The Republican leadership deliberately prevented this resolution from coming to the floor which sends the wrong message to would-be dictators around the world, whether they are in Nigeria or Pakistan or North Korea. Instead, we need to support and encourage the development of democratic institutions. While I urge my colleagues to support this resolution, I hope the Republican leadership will condemn the ouster of Pakistan's elected government by yet another military dictatorship.

Mr. GILMAN. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from California (Mr. ROHRABACHER), a member of the Committee on International Relations.

Mr. ROHRABACHER. Mr. Speaker, I rise in strong support of this resolution commending India for having yet another free election-which again underscores India's commitment to democracy. Over the last four decades, however, let us recognize that India has not, and I repeat, not been a friend of the United States. During the Cold War, India consistently voted against the United States, consistently condemned everything that they could about the things we were doing while overlooking misdeeds of the Soviet Union.

They were, in fact, a friend of Russia and the Soviet Union and not a friend of the United States. However, with that said, the Cold War is over and India's commitment to democracy, as demonstrated by this free election, I think should bring the United States and India closer together in the future. Yes, we should forget any disagreements we had in the past and work on those things that bind us together with this great, huge democracy. I agree with the gentleman from Ohio (Mr. BROWN). Our businessmen and people of the United States should look to India, this democracy, in terms of investment and in terms of trying to work together economically and politically rather than with the world's worst human rights abuser in China.

And so I rise in support of this resolution and hope it draws attention of the American people to the great opportunities that India has to offer now. Let me just say that with the Cold War being over and with us dealing now with a democracy that has reached its hand out as we are trying to reach our hand out in friendship to India, let us also recognize that we share a common threat and it is a threat to world peace as well.

The aggressiveness of Communist China is nowhere more felt than in the subcontinent in India. If we are to preserve the peace in the world, let us recognize that while India is moving forward with democracy, Communist China is not, and the expansion of Communist China's military power is a threat to both India and the United States and all free people. Let us recognize democracy counts and applaud India for the election that it just had.

Mr. LANTOS. Mr. Speaker, I am delighted to yield 2 minutes to the distinguished gentleman from New Jersey (Mr. PALLONE) who is using this opportunity of expressing himself probably more frequently and more eloquently than any of us in this whole body.

Mr. PALLONE. Mr. Speaker, I rise in support of the resolution offered by the gentleman from New York (Mr. ACKERMAN). I want to thank the gentleman from California (Mr. LANTOS) for those kind remarks and for yielding me the time.

I want to say, Mr. Speaker, I think as representatives in what is often referred to as the People's House here in the United States it is most appropriate that we should pay tribute to the successful elections in India and to their democracy and to offer our best wishes to those who were elected and reelected, who are our counterparts.

I want to say, though, it is disturbing to me as has been mentioned by some of my colleagues already that the resolution with regard to Pakistan is not coming up at this time. I am not sure I understand the reason, but I think that it is unfortunate because I think it is very appropriate at this time for us to basically call attention to the fact that we as a Congress and as a House of Representatives are not happy with the military coup d'etat in Pakistan and at the developments that have taken place there which are in sharp contrast to the democracy and the election that took place in India.

In fact, in the past few weeks, the headlines from South Asia have been dominated by the news from Pakistan where the coup took place. It was a very disturbing development which has been condemned by me and many of my colleagues here in Congress. Unfortunately, there is often a tendency to lump India and Pakistan together, to see all developments in South Asia as a function of the conflicts between India and Pakistan.

In fact, Mr. Speaker, what we now see in South Asia are two great nations moving in completely different directions. While Pakistan is mired in military coups and economic collapse, India sticks to its path of democracy and economic reform. We are seeing some indications that U.S. policy is beginning to accommodate some of the important distinctions between these two countries.

Last year after India and Pakistan conducted nuclear tests, a wide range of economic sanctions were imposed on both countries. About a year ago, Congress and the President acted to waive these sanctions for 1 year. Last month, under the renewed waiver authority, President Clinton waived the economic sanctions on India but kept most of the sanctions against Pakistan in response to the coup. The White House National Security Council noted this difference between the two. So while I am here today and I am very happy about this resolution, I do want to point out that we should have had the other resolution on the floor; and I hope that it will be brought to the floor soon.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank the chairman and the ranking minority member of the Subcommittee on Asia and the Pacific for crafting this resolution. I commend the gentleman from Nebraska (Mr. BEREUTER) for his continuing leadership and expertise in crafting appropriate legislation regarding the Asia and Pacific region. I also want to commend our distinguished cochairman of the India caucus, the gentleman from New York (Mr. ACKERMAN), for his efforts to ensure that Indian Americans have a voice on Capitol Hill. It is well known and appreciated that he does that continually.

The President recently waived some of the economic sanctions against India. Two weeks ago, the gentleman from Connecticut (Mr. GEJDENSON) and I sent a letter to the President urging that he waive the last remaining economic sanction against India. That sanction requires that the United States oppose international financial institution loans to India. These loans are critically needed for infrastructure projects in the poorest areas of India.

Moreover, a waiver of these loans will benefit U.S. companies that want to work on those projects. India recently went through its third general election in 3 years. That election started on September 5 and it ended October 4. The process took about a month because there were some 600 million voters and thousands of polling stations spread throughout that large nation. It was an orderly process even though it was such a mammoth undertaking.

Our mutual faith in the rule of law, the process of democracy, and the deep respect for the world's different religious traditions are what tie our two peoples so closely together. It is due to these similar core values that India and the United States see eye to eye on so many regional concerns. China's hegemony; the spread of Islamic terrorism spilling out of Afghanistan and Pakistan; the narco-dictatorship in Burma; and the occupation of Tibet. These are all serious matters that will only be resolved by a teamwork of leaders of our two nations working closely together. A closer relationship with India is long overdue. I urge my colleagues to support H. Con. Res. 211.

Mr. Speaker, I reserve the balance of my time.

Mr. LANTOS. Mr. Speaker, I am very pleased to yield 2 minutes to the distinguished gentleman from Minnesota (Mr. MINGE).

Mr. MINGE. Mr. Speaker, I thank the gentleman from California for yielding me this time. For many of us, we came of age at a time when India was providing a very independent voice in world councils. For many of us, we grew up reading about Mahatma Gandhi and his contribution to nonviolent resistance and the struggle that he led for independence of the Indian subcontinent. We recognized that India, although a very complex place, was playing a crucial role in the emerging world and respected that role.

I think that it is important for our country to recognize that as the world's largest democracy, representative democracy, that we have a special relationship with India where we may be the longest standing constitutional democracy but India is the largest. And to nurture this relationship, to have our President visit India in his forthcoming travels, is important for the American presence in world affairs. So I would like to join with my colleagues in complimenting India for what it has accomplished, urging it to continue to stay the course, and affirming the friendship and support of this institution for our friends in the Indian subcontinent.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume. In concluding the discussion on our side, I again would like to urge my colleagues to support this resolution. There is such a sharp contrast between the Communist authorities in China cracking down on a spiritual movement which by nonviolent means expresses the desire for brotherhood among all peoples, the Falun Gong, which has been persecuted, its members imprisoned and beaten, in some cases killed, and the democratic developments in India.

We are indeed fortunate that this large and great country of one billion people has steadfastly adhered to democratic principles ever since its establishment as an independent country. I think we are extremely pleased in this body to be able to pass this resolution, to pay tribute to a fellow democracy, to pay tribute to the Indian people who have recognized the enormous importance of preserving free elections, parliamentary procedures and open society. I urge all my colleagues to support this resolution.

Mr. SOUDER. Mr. Speaker, I rise in strong support of H. Con. Res. 211. I would like to congratulate Prime Minister Atal Bihari Vajpayee on his re-election. More importantly, I wish to salute the citizens of the Republic of India. With a 60 percent voter turnout, the people of the Republic of India have once again stabilized the largest democracy in the world. In relative political turmoil in the region over the past six months, India has successfully completed a round of national elections. I am continually impressed at the level of political activity and involvement of the Indian people. Particularly inspiring is the fact that this involvement spans social and economic classes. While election violence in India has been an issue, the election in October was one of the most peaceful in recent history. The determination of the Indian citizens to be part of the political process and to preserve their parliamentary democracy should serve as an example to democracies around the globe, including the United States. The people of the Republic of India deserve our support and congratulations. Often it seems that our government is more anxious to develop relationships with and provide aid to governments that are not democratic. Sometimes dealing with democracies is more difficult, more complicated. But why wouldn't this be a priority condition to be a valued American friend. I urge members to join me in supporting this resolution.

Mr. LANTOS. Mr. Speaker, I yield back the balance of my time.

Mr. GILMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. BALLENGER). The question is on the motion offered by the gentleman from California (Mr. CAMPBELL) that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 211.

The question was taken.

Mr. GILMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has concluded on eight motions to suspend the rules.

Pursuant to clause 8 of rule XX, the Chair will now put the question on each motion to suspend the rules on which further proceedings were postponed earlier today in the order in which the motion was entertained.

Votes will be taken in the following order:

H.R. 3257, by the yeas and nays;

H. Con. Res. 222, by the yeas and nays;

H. Con. Res. 211, by the yeas and nays.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

STATE FLEXIBILITY CLARIFICATION ACT

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 3257, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. REYNOLDS) that the House suspend the rules and pass the bill, H.R. 3257, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 401, nays 0, not voting 32, as follows:

[Roll No. 587]

YEAS—401

Abercrombie
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Capuano
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth-Hage
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Combest
Condit
Conyers
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crowley
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Edwards
Ehlers
Emerson
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Filner
Fletcher
Foley
Forbes
Ford
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Gutierrez
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hilleary
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kucinich
Kuykendall
LaFalce
Lampson
Lantos
Largent
Larson
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller (FL)
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ose
Owens
Packard
Pallone
Pascrell
Pastor
Paul
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Rahall
Ramstad
Rangel
Regula
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaffer
Schakowsky
Scott
Sensenbrenner
Serrano
Sessions
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Simpson
Sisisky
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Vento
Visclosky
Vitter
Walden
Walsh
Wamp
Watt (NC)
Watts (OK)
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—32

Ackerman
Barcia
Berman
Collins
Davis (VA)
Dunn
Ehrlich
Engel
Ewing
Fossella
Gutknecht
Hill (MT)
Hilliard
Jones (NC)
LaHood
McCrery
McIntyre
Meehan
Metcalf
Miller, Gary
Ortiz
Oxley
Payne
Radanovich
Reyes
Shadegg
Shuster
Smith (MI)
Waters
Watkins
Waxman
Wise

□ 1408

So (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONDEMNING ARMENIAN ASSASSINATIONS

The SPEAKER pro tempore (Mr. BALLENGER). The pending business is the question of suspending the rules and agreeing to the concurrent resolution, House Concurrent Resolution 222.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. GILMAN) that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 222, on which the yeas and nays were ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 399, nays 0, not voting 34, as follows:

[Roll No. 588]

YEAS—399

Abercrombie
Aderholt
Andrews
Archer
Armey
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Capuano
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth-Hage
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Combest
Condit
Conyers
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crowley
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Edwards
Ehlers
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Filner
Fletcher
Foley
Forbes
Ford
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hilleary
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kucinich
Kuykendall
LaFalce
Lampson
Lantos
Largent
Larson
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (NY)
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meek (FL)
Meeks (NY)
Menendez
Mica

Millender-McDonald
Miller (FL)
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ose
Owens
Packard
Pallone
Pascrell
Pastor
Paul
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Rahall
Ramstad
Rangel
Regula
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaffer
Schakowsky
Scott
Sensenbrenner
Serrano
Sessions
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Simpson
Sisisky
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Vento
Visclosky
Vitter
Walden
Walsh
Wamp
Watt (NC)
Watts (OK)
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—34

Ackerman
Allen
Barcia
Berman
Collins
Davis (VA)
Dunn
Ehrlich
Ewing
Fossella
Hill (MT)
Hilliard
Jones (NC)
LaHood
Maloney (CT)
McCrery
McIntyre
Meehan
Metcalf
Miller, Gary
Ortiz
Oxley
Payne
Radanovich
Reyes
Rush
Salmon
Shadegg
Shuster
Smith (MI)
Waters
Watkins
Waxman
Wise

□ 1417

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. ALLEN. Mr. Speaker, on rollcall No. 588, had I been present, I would have voted "yea."

EXPRESSING SUPPORT OF CONGRESS FOR RECENT ELECTIONS IN REPUBLIC OF INDIA

The SPEAKER pro tempore (Mr. BALLENGER). The pending business is the question of suspending the rules and agreeing to the concurrent resolution, H. Con. Res. 211.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. CAMPBELL) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 211, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 396, nays 4, not voting 33, as follows:

[Roll No. 589]

YEAS—396

Abercrombie
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Capuano
Cardin
Carson
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Combest
Condit
Conyers
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crowley
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Edwards
Ehlers
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Filner
Fletcher
Foley
Forbes
Ford
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hilleary
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kucinich
Kuykendall
LaFalce
Lampson
Lantos
Largent
Larson
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller (FL)
Miller, George
Minge
Mink
Moakley,
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ose
Owens
Packard
Pallone
Pascrell
Pastor
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Rahall
Ramstad
Regula
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaffer
Schakowsky
Scott
Sensenbrenner
Serrano
Sessions
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Simpson
Sisisky
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Vento
Visclosky
Vitter
Walden
Walsh
Wamp
Watt (NC)
Watts (OK)
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—4

Bonior
Chenoweth-Hage
Markey
Paul

NOT VOTING—33

Ackerman
Barcia
Bass
Berman
Collins
Davis (VA)
Dunn
Ehrlich
Ewing
Fossella
Hill (MT)
Hilliard
Jones (NC)
LaHood
Lee
McCrery
McIntyre
Meehan
Metcalf
Miller, Gary
Ortiz
Oxley
Payne
Radanovich
Rangel
Reyes
Shadegg
Shuster
Smith (MI)
Waters
Watkins
Waxman
Wise

□ 1426

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2420

Mr. OWENS. Mr. Speaker, I ask unanimous consent that my name be removed as cosponsor of H.R. 2420.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 2112, MULTIDISTRICT, MULTIPARTY, MULTIFORUM TRIAL JURISDICTION ACT OF 1999

Mr. SENSENBRENNER. Mr. Speaker, by direction of the Committee on the Judiciary, I move to take from the Speaker's table the bill (H.R. 2112), to amend title 28, United States Code, to allow a judge to whom a case is transferred to retain jurisdiction over certain multidistrict litigation cases for trial, and to provide for Federal jurisdiction of certain multiparty, multiforum civil actions, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. The gentleman from Wisconsin (Mr. SENSENBRENNER) is recognized for 1 hour.

Mr. CONYERS. Mr. Speaker, I support the motion to go to conference on the "Multidistrict, Multiparty, Multiforum Jurisdiction Act of 1999." I would like to begin by expressing thanks to Chairman COBLE and Ranking Member BERMAN as well as Representative SENSENBRENNER for their hard work and on this legislation which is being sought by the federal judiciary.

The most important provision of the bill is section 2 which overturns the recent Supreme Court decision in *Lexecon* v. *Milberg Weiss,* which held that a transferee court assigned to hear pretrial matters must remand all cases back for trial to the districts which they were originally filed, regardless of the views of the parties. This decision conflicts with some 30 years of practice by which transferee courts were able to retain such jurisdiction under Title 28. The Judicial Conference has testified that the previous process has worked well and served the interest of efficiency and judicial expedience.

There was a concern raised at the Subcommittee hearing that as originally drafted this provision would have gone far beyond simply permitting a transferee court to conduct a liability trial, but instead, allowed the court to also determine compensatory and punitive damages. This could be extremely inconvenient for harmed victims who would need to testify at the damages phase of the trial. As a result of discussions between the minority and majority, Rep. BERMAN successfully offered an amendment addressing this concern at the Full Committee markup.

Section 3 of the bill also expands federal court jurisdiction for single accidents involving at least 25 people having damages in excess of $75,000 per claim and establishes new federal procedures in these limited cases for selection of venue, service of process, issuance of subpoenas and choice of law. The types of cases that would be included under this provision would be plane, train, bus, boat accidents and environmental spills, many of which are already brought in federal court. However, the provision would not apply to mass tort injuries that involve the same injury over and over again such as asbestos and breast implant cases.

While I traditionally oppose having federal courts decide state tort issues, and disfavor the expansion of the jurisdiction of the already-overloaded district courts, I have been willing to support this provision because it would only expand federal court jurisdiction in a very narrow class of actions and is being affirmatively sought for efficiency purposes by the federal courts. This is in stark contrast to the class action bill, which would completely federalize state law and was strongly opposed by the federal and state courts.

Section 3 was not included in the Senate passed bill, so I am hopeful that we can reach an accommodation which satisfies all of the interested parties and allows the more important *Lexecon* provision to proceed. I would also note that the federal judiciary is also seeking to address a number of additional procedural matters, and I would hope that this body would take the time to enact these measures as well.

Mr. SENSENBRENNER. Mr. Speaker, I have no requests for time. I yield back the balance of my time, and I move the previous question on the motion.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. SENSENBRENNER).

The motion was agreed to.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: Messrs. HYDE, SENSENBRENNER, COBLE, CONYERS, and BERMAN.

There was no objection.

EXPRESSING THE SENSE OF CONGRESS WITH RESPECT TO DEMOCRACY, FREE ELECTIONS, AND HUMAN RIGHTS IN THE LAO PEOPLE'S DEMOCRATIC REPUBLIC

Mr. GILMAN. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 169) expressing the sense of the House of Representatives with respect to democracy, free elections, and human rights in the Lao People's Democratic Republic, as amended.

The Clerk read as follows:

H. RES. 169

Whereas since the 1975 overthrow of the existing Royal Lao Government, Laos has been under the sole control of the Lao People's Revolutionary Party;

Whereas the present Lao constitution provides for a wide range of freedoms for the Lao people, including freedom of speech, freedom of assembly, and freedom of religion, and Laos is a signatory to international conventions on genocide, racial discrimination, discrimination against women, war crimes, and rights of the child;

Whereas since July 1997, Laos has been a member of the Association of Southeast Asian Nations (ASEAN), an organization which has set forth a vision for the year 2020 of a membership consisting of "open societies . . . governed with the consent and greater participation of the people" and "focus(ed) on the welfare and dignity of the human person and the good of the community";

Whereas, despite the Lao constitution and the membership by Laos in ASEAN, the Department of State's Laos Country Report on Human Rights Practices for 1998 states that the Lao Government's human rights record deteriorated and that the Lao Government restricts freedom of speech, assembly, association, and religion;

Whereas Amnesty International reports that serious problems persist in the Lao Government's performance in the area of human rights, including the continued detention of prisoners of conscience in extremely harsh conditions, and that in one case a prisoner of conscience held without trial since 1996 was chained and locked in wooden stocks for a period of 20 days;

Whereas Thongsouk Saysangkhi, a political prisoner sentenced to 14 years imprisonment in November 1992 after a grossly unfair trial, died in February 1998 due to complications of diabetes after having been detained in harsh conditions with no medical facilities;

Whereas there are at least 5 identified, long-term political prisoners inside the Lao Government's prison system and the possibility of others whose names are not known;

Whereas there continue to be credible reports that some members of the Lao Government's security forces commit human rights abuses, including arbitrary detention and intimidation;

Whereas two United States citizens, Mr. Houa Ly, a resident of Appleton, Wisconsin, and Mr. Michael Vang, a resident of Fresno, California, were traveling along the border between Laos and Thailand on April 19, 1999;

Whereas the families of Messrs. Ly and Vang have been able to learn very little from the United States Government regarding the whereabouts or current circumstances of their loved ones; and

Whereas the Congress will not tolerate any unjustified arrest, abduction, imprisonment, disappearance, or other act of aggression against United States citizens by a foreign government: Now, therefore, be it

Resolved, That—

(1) it is the sense of the House of Representatives that the present Government of Laos should—

(A) respect internationally recognized norms of human rights and the democratic freedoms of the people of Laos and honor in full its commitments to those norms and freedoms as embodied in its constitution and its participation in international organizations and agreements;

(B) issue a public statement specifically reaffirming its commitment to protecting religious freedom and other basic human rights;

(C) institute fully a democratic electoral system, with openly contested, free, and fair elections by secret ballot, beginning no later than the next National Assembly elections, currently scheduled to be held in 2002; and

(D) allow unrestricted access by international human rights monitors, including the International Committee of the Red Cross and Amnesty International, to all prisons and to all regions of the country to investigate alleged abuses of human rights, including those against the Hmong minority; and

(2) the House of Representatives—

(A) decries the disappearance of Houa Ly and Michael Vang, recognizing it as an incident worthy of congressional attention;

(B) urges the Lao Government to return Messrs. Ly and Vang, or their remains, to United States authorities and their families in America at once, if it is determined that the Lao Government is responsible for the disappearance of Messrs. Ly and Vang;

(C) warns the Lao Government of the serious consequences, including sanctions, of any unjustified arrest, abduction, imprisonment, disappearance, or other act of aggression against United States citizens; and

(D) urges the Department of State and other appropriate United States agencies to share the maximum amount of information regarding the disappearance of Messrs. Ly and Vang.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. GILMAN) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. Gilman).

☐ 1430

GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H. Res. 169.

The SPEAKER pro tempore (Mr. SHIMKUS). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to commend the gentleman from Nebraska (Mr. BEREUTER), chairman, and the gentleman from California (Mr. LANTOS), ranking minority member of the Subcommittee on Asia and Pacific, for their excellent work on this resolution. Their tireless efforts on behalf of human rights, the rule of law, and democratic freedom are well known. The committee is especially grateful for the leadership of the gentleman from Nebraska (Chairman BEREUTER) in this matter.

I also wish to commend the gentleman from Wisconsin (Mr. GREEN), the gentleman from Minnesota (Mr. VENTO), and the gentleman from California (Mr. RADANOVICH) for their work in support of this resolution. Without their efforts, the resolution would not have had the necessary support.

This past summer, Senator HELMS and I sent a staff delegation to Vientiane to speak with U.S. embassy staff regarding the disappearance of the two Hmong-Americans this past April on the border of Thailand and Laos.

The embassy staff informed the Staffdel of their efforts to locate the men and that the government of Laos was doing all that it could to be helpful. They also told our delegation that, to date, there was no solid information with regard to the whereabouts of the men or the circumstances that led to their disappearance. In fact, embassy staff added that there was no record or report that the men had even crossed into Laos. When the Staffdel left the country, it received a different assessment of the situation.

Given the current repression policies of the LPDR regime, it remains impossible to conduct secure research and meetings with dissidents or political opposition leaders inside Laos. It is impossible to receive information about conditions inside Laos from any sources that are not controlled by the government. There is no free press, and international human rights organizations are not permitted into the country.

Mr. Speaker, two Americans are unaccounted for, and it is unacceptable that this government or this committee not do anything that is possible to get to the bottom of the issue and to punish those who are responsible. Accordingly, Mr. Speaker, I urge my colleagues to support H. Res. 169.

Mr. Speaker, I reserve the balance of my time.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of this resolution. First of all, I would like to commend the distinguished gentleman from Minnesota (Mr. VENTO) for taking the initiative in introducing this resolution. I also want to commend the gentleman from New York (Chairman GILMAN) and the gentleman from Nebraska (Mr. BEREUTER), chairman of the Subcommittee on Asia and the Pacific, and the gentleman from Connecticut (Mr. GEJDENSON), ranking Democrat on the Committee on International Relations, for their support of this resolution.

Mr. Speaker, the human rights situation in Laos is deteriorating as we speak. According to Amnesty International, prisoners of conscience are held without trial for years, political prisoners die while in prison, and two Americans of Laotian extraction have disappeared.

The people of Laos do not enjoy the most elementary principles and practices of human rights. The resolution before us expresses the view of this body that the government of Laos must begin to respect human rights, institute a democratic electoral process, allow unrestricted access by international human rights organizations to all political prisoners.

I trust, Mr. Speaker, that passage of this resolution will raise the visibility internationally of the horrendous human rights situation in Laos and to encourage other countries to join us in challenging the government of Laos to behave in a civilized fashion.

I urge my colleagues to support H. Res. 169.

Mr. Speaker, I reserve the balance of my time.

Mr. GILMAN. Mr. Speaker, I am pleased to yield such time as he may consume to the distinguished gentleman from Nebraska (Mr. BEREUTER), chairman of our Subcommittee on Asia and the Pacific.

Mr. BEREUTER. Mr. Speaker, I thank the chairman for yielding me this time.

Mr. Speaker, I rise in support of H. Res. 169, addressing concerns related to democracy, free election, and human rights in Laos.

This resolution was introduced by the distinguished gentleman from Minnesota (Mr. VENTO). I appreciate the cooperation and support of the distinguished gentleman from California (Mr. LANTOS), the ranking member of the Asian and Pacific Subcommittee, and especially the assistance of the distinguished gentleman from New York (Mr. GILMAN), chairman of the Committee on International Relations, and the gentleman from Connecticut (Mr. GEJDENSON), ranking minority member, for their support for the members effort to secure a compromise during the committee mark-up. That was helpful to the gentleman from California (Mr. LANTOS) and to me, and I know we both appreciate it.

We did our best to craft a resolution that combined the essence and important elements of several resolutions.

The people of Laos, especially Lao-Hmong, continue to experience gross violations of fundamental human rights at the hands of the Communist Lao regime. House Resolution 169 calls upon the Laotian government to respect international norms for the protection of human rights and democratic freedoms; issue a public statement reaffirming their commitment to protecting religious freedoms and basic human rights; fully institute a process of democracy with open, free, and fair elections; and allow access for international human rights monitors, including the International Committee of the Red Cross and Amnesty International to visit inside Lao prisons and to all regions within Laos to investigate allegations of human rights abuses. This Member, therefore, of course, urges approval of H. Res. 169.

The resolution was amended in committee, Mr. Speaker, to address the understandable concerns and energetic efforts of the gentleman from California (Mr. RADANOVICH) and the gentleman from Wisconsin (Mr. GREEN), who have constituents who have been missing after traveling near the Laos-Thailand border. I especially commend these two Members. The amended resolution expresses concern for these Lao-Americans' welfare and asks the U.S. Government to provide additional information it may have to obtain the knowledge of the whereabouts of these two individuals.

Mr. Speaker, I congratulate the distinguished gentleman from New York (Mr. GILMAN), chairman of the Committee on International Relations, the distinguished gentleman from Connecticut (Mr. GEJDENSON), the ranking Democrat, the gentleman from Wisconsin (Mr. GREEN), the gentleman from California (Mr. RADANOVICH), the gentleman from California (Mr. LANTOS), and others who have assisted this Member in working cooperatively on this revised resolution to send a strong message to the government of Laos. We are doing it in a resolution originally introduced by the distinguished gentleman from Minnesota (Mr. VENTO) and I certainly commend him for his initiative.

This Member urges adoption of H. Res. 169.

Mr. LANTOS. Mr. Speaker, I am very pleased to yield 4 minutes to the gentleman from Minnesota (Mr. VENTO), author of this resolution.

Mr. VENTO. Mr. Speaker, I thank the gentleman from California for yielding me this time.

Mr. Speaker, I rise, of course, in strong support of this resolution, H. Res. 169, which I introduced earlier, and has numerous sponsors, including the gentleman from Wisconsin (Mr. KIND), the gentleman from Wisconsin (Mr. GREEN), the gentleman from California (Mr. RADANOVICH), and the gentleman from California (Mr. ROHRABACHER).

I have really been gratified by the support and interest that the members of this committee, the Committee on International Relations, have demonstrated with regards to our concern in trying to represent our constituents.

Mr. Speaker, there are about 250,000 Hmong-Americans now that reside in the various States of California, Minnesota, Western Wisconsin, and throughout the Nation, but are concentrated in the areas of the authors of this resolution. But I must say that the response of the committee has been overwhelming and gratifying with regards to trying to respond to the justifiable concerns of these Hmong-Americans who have relatives and roots in southeast Asia.

As my colleagues know, the Hmongs were allies of the United States during the war in Vietnam. When we left, they were left really without their major supporter. As Laos was overrun by the Communist leadership, they, of course, were very much at risk of persecution. They fled to various refugee camps and out of the country. Those that remained in, I think there was understandably great concern as to what their treatment has been and will be in the future.

Of course, even now, as we are closing the last refugee camps in Thailand, many of them are choosing, obviously, to go home back to Laos, I think there are great concerns in the context of what is happening within their legal system, within their prisons, with the lack of human rights.

Obviously, we have relied greatly on the U.N. High Commissioner on Refugees to monitor what is happening to refugees in the camps in Thailand and to what happens during resettlement. But they have really a very, very, very narrow focus. The fact of the matter is the international monitoring groups, whether it is Amnesty International or the Red Cross or many other objective sources, simply have no opportunity to go into Laos and to report what the treatment is of minorities such as the Hmong that have returned to Laos or have persisted in being there.

The concern here, of course, results in mistreatment of prisoners, which is articulated in my detailed statement, where certainly the prisons and political prisoners that are present are being abused.

The disappearance of, in fact, Hmong-Americans that were making inquiries that were on the border someplace between Laos and Thailand, and they have simply disappeared, and that has been for almost a half year now, and we still have not had cooperation from the Laotian government.

Furthermore, of course, the repressive suppression of various protestors that have occurred in Laos, again which is articulated, and I have made the repeated statement that the administration and the small diplomatic force or corps that they have there simply have not received the type of cooperation so that they can make definitive judgments about what the conduct and circumstances of the people of Laos.

Yet, of course, today Laos seeks freer trade with the United States, chooses or wants to be part of the family of Nations. But I think that this resolution and the concern that is being expressed by those of us that obviously represent Hmong-Americans and that represent, really, the values that we stand for are, I think, serving notice that we will not have normal trade relations; we will not have normal diplomatic relations until, in fact, they begin to conduct themselves in line with proximate values concerning human rights, free elections, nonpersecution, freedom in prisons.

I think the best antiseptic for this problem, of course, is to have the internationally recognized groups as observers in this country.

Mr. Speaker, on behalf of the Lao-Hmong community in my district of St. Paul, MN, across the Nation and inside of Laos, I rise in strong support of my Laos human rights resolution. I would like to thank Congressman BEREUTER, Congressman GEJDENSON, Congressman LANTOS, and Chairman GILMAN for their support throughout the committee process with the special assistance to improve the language and recognizing the importance of my resolution. By its action, the committee has placed Congress on record against the human rights abuses of the Lao Government. By focusing justifiably on the continued reports of abuses against the Lao-Hmong, H. Res. 169 is an important first step to bring international pressure on the Lao government to implement basic democratic reforms. I am pleased that H. Res. 169 has also been amended to incorporate significant recent events and important questions surrounding the disappearance of two Hmong-American citizens; Michael Vang and Houa Ly, whose daughter resides in my district in St. Paul, MN. On April 9, 1999, these two Hmong-Americans with United States passports and appropriate papers disappeared along the Thailand-Laos border. According to eyewitnesses, men thought to be Laotian security officials abducted Michael Vang and Houa Ly. The Lao Government continues to deny knowledge of the whereabouts of Mr. Vang and Mr. Ly or the role of government security forces in abducting them. Unfortunately, after 6 months of investigation, there are no answers to this incident. If Laos has nothing to hide, then they should allow complete access for capable and credible international human rights monitors inside of Laos to investigate the disappearances of Mr. Vang and Mr. Ly. In addition, the amended version demands the cooperation of the Laotian Government in the ongoing investigation of this matter. This matter was the specific focus of an ad-hoc hearing organized by the Congressional Human Rights Caucus in October. This important hearing highlighted the very serious nature of the disappearance, unanswered questions and lack of good faith cooperation from the Laotian Government. I have cosponsored this as a separate resolution recently and credit Rep. GREEN and Rep. RADANOVICH for their initiative.

The Vento Resolution calls upon the government of Laos to hold free and open elections, respect basic human rights for the Lao people and provide access to international human right monitors to investigate alleged abuses of human rights, including abuses against the Lao-Hmong. Human rights abuses by the government of Laos continue to be an international concern. The people of Laos, especially the Lao-Hmong, continue to experience gross violations of fundamental human rights at the hands of the Communist Lao regime. In many cases this oppression amounts to retribution against the Lao-Hmong who fought alongside United States troops over 20 years ago. While our forces have long since pulled out of Southeast Asia, the plight and sacrifices of our loyal friends and allies inside of Laos must not be forgotten.

Earlier this month, Thai news reports suggest that the Communist Lao Government arrested up to 31 people in late October for peacefully protesting against government failure to tackle mounting economic problems and demanding free elections. Not surprisingly, the Laotian Government denies such reports. Sources from the Bangkok newspaper the Nation reported that the protesters included students and teachers from the Dong Dok National University and the Vientiane High School. This clearly demonstrates anew that the Government of Laos has not committed itself to democratic reform and human rights, punctuating the importance of my resolution with this recent act.

Although the Laotian Communist Government does not allow independent human rights observers in Laos, there are numerous credible reports of persecution and abuse of the Lao people. Lao-Hmong families are threatened daily by the Communist regime, and many Hmong are reported to have been imprisoned, tortured, and even killed. According to the State Department Country Reports on Human Rights Practices for 1998, the Laotian Government severely restricts the freedoms of speech, assembly and religion. Amnesty International also reports gross human rights violations including the detention of political prisoners and the treatment of such prisoners in a manner that is degrading, abusive, and inhumane. In February of last year, one political prisoner, Thongsouk Saysanghi, died in a remote prison camp in Laos. In addition, other political prisoners still remain in Laotian prisons. Amnesty International has made repeated appeals to the Lao authorities to improve the conditions of detention of the prisoners. These appeals have been ignored, resulting in the tragic death of Thongsouk. This demonstrates not only the Lao Government's complete lack of care for its political prisoners, but its contempt for the opinion of the international community.

Specifically, my resolution calls upon the Laotian Government to respect international norms for the protection of human rights and democratic freedoms; issue a public statement reaffirming its commitment to protecting religious freedoms and basic human rights; fully institute a process of democracy with open, free, and fair elections; and allow access to international human rights monitors, including the International Committee of the Red Cross and Amnesty International, inside Lao prisons and to all regions within Laos to investigate allegations of human rights abuse, especially against the Lao-Hmong. Extreme sacrifices were made by the Lao-Hmong in the jungles and in the highlands, whether in uniform or in the common clothing of the laborer. Thousands of U.S. soldier's lives were spared because of the Lao-Hmong patriot's support and help as they fought alongside the United States forces in the Vietnam war. For their efforts, the Lao-Hmong deserve our thanks, our refuge and shelter and certainly fundamental human rights, freedoms, and fair elections in Laos. This resolution is an important statement concerning the contemporary and unsatisfactory status of human rights in Laos today and is a further step toward promoting and implementing improved human rights standards and democracy in Laos. However, much more work needs to be done. We certainly have a moral obligation to the people of Laos to remain diligent in the effort to restore their human rights. I urge all my colleagues to support this important human rights resolution.

So with that said, Mr. Speaker, I include for the RECORD a document or letter that I received from the State Department which tries to go through a chronology of what has happened with regards to the investigations concerning the disappearance of these two Hmong-Americans who have relatives in our communities, as follows:

U.S. DEPARTMENT OF STATE,
Washington, DC, November 3, 1999.

Hon. BRUCE VENTO,
House of Representatives.

DEAR MR. VENTO: Thank you for your letter of October 13 to Secretary Albright in which you inquire about the two missing U.S. citizens believed to be in Laos.

Let me assure you that the State Department is committed to resolving this case, and that it is an issue of great importance in our bilateral relationship with Laos. The welfare of American citizens overseas is a highest priority for us, and this case has received our full attention since the disappearances were first reported in May.

The FBI-led investigation is ongoing, and no conclusions have yet been reached. Our missions in Laos and Thailand are pursuing all credible leads in their efforts to resolve the disappearance of these two U.S. citizens. The region in which the men were last reported is marked by rugged terrain and poor infrastructure. There have also been extended delays in Lao government approvals of access to the area. Incomplete and contradictory reports regarding their disappearance have further complicated the investigation.

At every opportunity, U.S. officials raise this case with Lao officials to press for their cooperation in ascertaining the whereabouts of these two U.S. citizens. We have not been completely satisfied with the cooperation from the Lao government, which has been slow to respond to our requests for access to the area and has tried to place restrictions on our investigators. Nevertheless, the Department of State and the FBI believe that cooperation with the Lao is necessary to conduct this investigation. Laos is a sovereign country, and we need the Lao government's assistance to gain access to certain areas and officials.

Regarding the release of classified materials relevant to this case, we have received a Freedom of Information Act request from the Ly family via the office of Representative Mark Green (R–WI). While the request involves various agencies and hence may be time consuming, we are doing our best to process it as expeditiously as possible. In the meantime, we are enclosing a brief chronology outlining the actions we have taken during the investigation of this case. For more details on the investigation itself, we would refer you to the FBI.

Lastly, you may be interested to know that Ambassador Chamberlin left Laos in June of this year and no longer serves as our Ambassador there. A new Ambassador has not yet been named.

We hope that this information is useful to you. Please feel free to contact us again if we may be of further assistance on this or any other issue.

Sincerely,

BARBARA LARKIN,
Assistant Secretary Legislative Affairs.

Enclosure: Chronology of events.

CHRONOLOGY OF EVENTS—MISSING AMERICAN CITIZENS IN LAOS

May 1999—present, updated: 10/27/99a

04 May 1999: Two individuals report to the American Consulate in Chiang Mai, Thailand that two U.S. citizens crossed into Laos at Ban Houayxay, Bokeo province, on April 19, 1999 an had not yet returned or had contact with their families. U.S. Consulate in Chiang Mai confirms the two missing are U.S. citizens. This information is relayed to the U.S. Embassy in Vientiane.

05 May 1999: U.S. consular staff in Vientiane repeatedly attempt to contact officials in Ban Houayxay and also ask Lao immigration officials to obtain more information about the two citizens.

06 May 1999: U.S. consular staff in Vientiane and Chiang Mai continue to investigate the case, as details remain sketchy.

07 May 1999: Embassy Vientiane sends an urgent diplomatic note seeking consular access and an explanation of the situation to the Lao Ministry of Foreign Affairs (MFA). A meeting with Lao Ministry of Interior officials is held that day; MFA officials schedule appointments for the next working day, Monday, May 10.

10 May 1999: U.S. Ambassador in Vientiane meets with Minister to the President's Office to express strong USG concern and again press for consular access. Concurrently, U.S. Acting Deputy Chief of Mission meets with Lao MFA officials, and U.S. consular officer meets with Lao officials from the Consular Affairs Department to further underscore the USG's need for a prompt reply. None of the inquiries results in nay new information.

12 May 1999: U.S. Ambassador meets with Deputy Foreign Minister to press the Lao government strongly for an investigation of the case. In Washington, D.C., State Department desk officer for Laos meets with wives of the two citizens as well as Dr. Pobzeb of the Lao Human Rights Council. Pobzeb presents a copy of a letter sent to Congress by the two men who first reported the disappearance, alleging that the Laotian government has imprisoned one and killed the other of the two missing U.S. citizens.

13 May 1999: Embassy Vientiane receives copy of the same letter and presents it to the MFA. Senators Feinstein, Boxer, Kohl and Feingold send a letter about Vang and Ly to A/S for Consular Affairs Mary Ryan.

14 May 1999:

Lao government officials report to the U.S. Embassy that it has no record of entry for the two U.S. citizens into Laos.

East Asia and Pacific Affairs Deputy Assistant Secretary calls in the Lao Ambassador to the U.S. to continue to press our concerns and demand an immediate explanation and investigation. He also notes Congressional interest in this case. The Lao Ambassador cites the difficulty of investigating the case because the two did not cross into Laos at an international checkpoint.

17 May 1999: Embassy Vientiane receives a copy of Congressional letter to the Assistant Secretary for Consular Affairs on this matter. U.S. Ambassador continues to raise the case with Lao officials.

18 May 1999: U.S. Ambassador in Vientiane calls on Lao Vice Prime Minister to demand immediate consular access, reiterating the Lao government's responsibility under the Vienna Convention. Ambassador also states that the USG holds the Lao government accountable for the two citizens.

19 May 1999: Lao MFA officials inform Ambassador that the Deputy Prime Minister ordered officials in Bokeo to conduct an investigation. A letter about Ly and Vang is sent to the Secretary from Representatives Gilman, Green, McKinney, Smith and Kind.

21 May 1999: State Department officials meet again with Dr. Pobzeb of the Lao Human Rights Council about this case.

22–23 May 1999: U.S. officials in Chiang Mai continue to investigate the case.

25 May 1999: U.S. officials in Vientiane inquire again with Lao MFA officials about any progress on the case.

26–27 May 1999: United States Government efforts to obtain information about this case continue in Chiang Mai and Vientiane.

28 May 1999: Assistant Secretary for Consular Affairs Mary Ryan calls in the Lao Ambassador to the United States to emphasize the importance the United States places on the safety and welfare of welfare of United States citizens overseas and to express concern about the lack of information. The Ambassador pledges his government's cooperation, but provides no new information.

31 May 1999: United States Ambassador in Vientiane meets with Lao Prime Minister to

underscore the importance of resolving this case.

1–3 June 1999: U.S. investigation efforts continue.

4 June 1999: Lao authorities inform Embassy in Vientiane that they have determined that the two Americans did not request visas to enter Laos, and based on their investigation, there was no evidence about the Americans' whereabouts in Laos, United States Ambassador proposes to Lao Deputy Foreign Minister a joint United States-Lao investigation of the case; United States Embassy in Vientiane sends a follow up diplomatic note.

7 June 1999: United States Ambassador in Vientiane requests a meeting with Lao authorities to express dissatisfaction with their investigation conclusions.

8 June 1999: United States Ambassador in Vientiane meets with MFA Permanent Secretary to object formally to the Lao response on the welfare and whereabouts of Vang and Ly. Ambassador also presses Lao to agree to a joint United States-Lao investigation.

10 June 1999: United States Ambassador calls on Lao Deputy Prime Minister and Foreign Minister who indicates preliminary support for a joint United States-Lao investigation of the case. United States Ambassador urges Lao to make an official reply.

11 June 1999: United States officials in Vientiane postpone plans for travel to Bokeo to wait and see if the Lao will agree to a joint investigation.

14 June 1999: Department of State officers from the East Asia and Pacific Affairs Bureau brief Congressional staffers (hosted by office of Representative Ron Kind) on status of missing Amcits case.

16 June 1999: Lao Ministry of Foreign Affairs Europe and Americas Department Acting Director General informs United States charge that the Lao Government agrees to the United States proposal to form a joint investigation team to look into the case of the missing Americans. Lao representation on the team is still being decided by the ministries concerned. The United States side will most likely include our Legal Attache or Assistant Legal Attache from Embassy Bangkok, plus a consular officer, political officer and translator from Vientiane.

17–20 June 1999: Preparations for joint investigation get underway.

21 June 1999: Lao MFA Americas Department Director General calls in United States Chargé to deliver a diplomatic note formally agreeing to the United States proposal for a joint, cooperative investigative effort to resolve the case. He requested a proposed plan of action and noted local authorities would also need to be consulted.

22 June 1999: United States Embassy in Vientiane draws up a draft plan, which the joint team would use for the purpose of planning and coordinating investigative efforts. Embassy confers with the State Department on the draft plan.

23 June 1999: United States Embassy in Vientiane receives concurrence for the plan from the State Department. Embassy officials present the draft plan to the Lao Government.

24 June 1999: Lao MFA calls United States Embassy to schedule a meeting for the joint investigative team. Assistant Legal Attaché from United States Embassy Bangkok arrives in Vientiane.

25 June 1999: United States-Lao Joint investigative team meets for the first time and discusses investigative plan. Plans for departure tentatively set for June 29.

26-29 June 1999: United States Embassy and Lao officials make travel arrangements.

29 June 1999: U.S. Consul General in Chiang Mai meets with Dr. Vang Pobzeb of the Lao Human Rights Council, who was visiting Thailand.

30 June 1999: U.S.-Lao joint investigative team departs for Bokeo via an overnight stay in Luang Prabang.

01 July 1999: U.S.-Lao joint team arrives in Ban Huay Xai, Bokeo province. (Note: flight cancellations are responsible for the delayed arrival.)

02–05 July 1999: U.S.-Lao joint team conducts investigation in Ban Huay Xai.

06 July 1999: U.S.-Lao joint team returns to Vientiane. The team suggests following up leads in Thailand.

07 July 1999: Staffers from HIRC and SFRC meet with senior Lao officials from the Ministries of Foreign Affairs and Interior to review progress in the investigation and to reiterate USG concern.

07–13 July 1999: Assistant Legal Attaché in Bangkok heads up continuation of investigation in Thailand.

14 July 1999: Assistant Legal Attaché travels to Chiang Mai to continue investigative efforts and to interview witnesses.

16 July 1999:

U.S. Charge in Vientiane raises the case with the Lao MFA's Permanent Secretary, who acknowledges the importance of the case and promises to follow up.

DIA briefs HIRC/SFRC staffers.

19 July 1999: U.S. Embassy Vientiane task force meets to review investigative efforts and to consider next steps.

20 July 1999: U.S. Embassy Vientiane contacts head of Lao team for joint investigation for a meeting of the joint team to review findings and discuss next steps (per original investigation plan). Head of Lao team responds following day that other members of joint team are out of town; a meeting day may be possible after Buddhist Lent (July 28).

21 July 1999:

During her initial call on MFA America's Department Director General, newly arrived U.S. Charge again reiterates Embassy concern about this case.

Embassy formally requests a meeting of the U.S.-Lao joint investigative team.

29 July 1999: Congressman Mark Green of Wisconsin sends a letter to the Department of State requesting a meeting with members of Houa Ly's family.

30 July 1999:

U.S. Chargé in Vientiane calls on MFA's Americas Department Acting Director General (Amphone) and repeats request for follow-up meeting of U.S.-Lao joint investigative team.

U.S. Embassy sends diplomatic note to MFA requesting a follow-on visit for Assistant Legal Attaché to continue field investigations based on information developed from recent inquiries conducted in Thailand.

DIA briefs Representative Mark Green and various staffers.

Lao Human Rights Council, Inc. provides Department of State with its "Reports on the Fact-Finding Mission to Thailand, June 17–July 8" on the missing Americans.

04 August 1999: EAP Deputy Assistant Secretary Skip Boyce (joined by desk officer and Consular Affairs representative) brief Congressman Mark Green (R–WI).

05 August 1999: U.S. Embassy official in Vientiane meets with Director for Consular Affairs at the Lao MFA to discuss meeting of joint investigative team.

05–06 August 1999: Investigative efforts in Bangkok continue.

09 August 1999: EAP Assistant Secretary Stanley Roth calls in Lao Ambassador to express our dissatisfaction with the pace of the investigation.

18 August 1999: Lao MFA, Director of Consular Affairs calls in U.S. consular officer to discuss the case.

19 August 1999: Lao MFA member of the joint team calls Embassy to confirm meeting of the joint investigative team on August 26. Lao MFA member also says that Lao Ministry of Interior is working on assistant legal attache's follow up visit to Ban Huay Xai.

20 August 1999: Embassy task force convenes to discuss strategy for August 26 meeting. Embassy requests Department's input.

23 August 1999: State Department follows up with Lao Embassy to reiterate the need for quick approval of assistant legal attache's visit to the region.

24–25 August 1999: U.S. officials in Chiang Mai, Thailand consult with Thai officials near the Lao border, but discover no new information.

26 August 1999: Joint U.S.-Lao investigation team meets in Vientiane. The Lao request a list of places to visit and people to interview in Ban Huay Xai.

27 August 1999: Interagency group meets at the State Department to discuss next steps.

01 September 1999: Embassy officials in Vientiane submit a diplomatic note to Lao officials with a list of locations and people to see in Ban Huay Xai. State Department officials try to facilitate FBI briefings for the families of the two missing Americans.

02 September 1999: Senator Shelby, during a visit to Laos, presses the Lao Deputy Prime Minister and Foreign Minister to do everything possible to resolve this case. The Foreign Minister replied that the Lao government has no information the two entered Laos, but would continue its investigative efforts.

07 September 1999: Congressman Mark Green writes to the State Department to request the release of classified and other documents pertaining to Mr. Ly to the Ly family.

09 September 1999: State Department officials meet with Dr. Vang Pobzeb of the Lao Human Rights Council to discuss this case.

13 September 1999: Article appears in Bangkok Post entitled, "Cash-toting, armed U.S. men missing."

17 September 1999: U.S. consular officer in Vientiane meets with Lao MFA Consular Affairs Director to discuss Embassy's outstanding request for second visit to Bokeo. Lao officials apologizes for delay in responding to Embassy's August 30 dip note and promises to respond soon in writing.

20 September 1999: State Department official calls the Lao Embassy to request their assistance in expediting the request for travel to Bokeo.

23 September 1999: Article appears in the Fresno Bee entitled, "Protesters seek return of Fresno man."

27 September 1999: EAP A/S Stanley Roth meets with Lao FM during the UNGA bilateral meeting to discuss this case. Embassy in Vientiane attempts to contact Consular Affairs chief at MFA to press for a response to our diplomatic note requesting the second trip to Huay Xai.

01 October 1999: U.S. Charge in Vientiane calls on MFA Americas Acting DG to press for a quick decision on the joint investigation team's proposed visit to Huay Xai.

04 October 1999: Visiting Office Director for Burma, Cambodia, Laos, Thailand and Vietnam meets with Permanent Secretary of the Lao MFA and Director-General of the Americas department to press for a second trip to Huay Xai.

07 October 1999: Embassy officials in Vientiane consult with Thai Embassy officials in Laos about this case. The Thai officials express their concern and agree to continue to work with the U.S. Embassy in Bangkok.

08 October 1999: Lao MFA official calls in consular officer to discuss the trip to Huay Xai. The GOL approved a second joint field investigation with certain conditions.

12 October 1999: Embassy Vientiane's task force meets to discuss the Lao government's response.

13 October 1999: Embassy Vientiane consults with legat's office in Bangkok and requests Department's input before responding to Lao government. Department officials meet with family members at a meeting hosted by Rep. Green.

14 October 1999: Department relays to Lao Embassy our concerns about continued GOL cooperation.

15 October 1999: Department instructs Embassy in Vientiane to impress upon the Lao the need to set a date as soon as possible.

18 October 1999: Embassy requests a meeting of the join investigative team.

22 October 1999: Embassy officials and Legal Attache from Bangkok meet with Lao MFA Director of Consular Affairs to discuss second field trip to Huay Xai. The Lao official does not commit to a date and requests a second meeting, to include more Lao officials, for October 27, the next working day after the two day Lao holiday.

27 October 1999: Embassy officials meet with Lao officials to discuss issues of access and conditions. The team is able to resolve most issues. The joint team is set to depart for Huay Xai November 14 or 15.

Mr. GILMAN. Mr. Speaker, I am pleased to yield 5 minutes to the gentleman from Wisconsin (Mr. GREEN).

Mr. GREEN of Wisconsin. Mr. Speaker, I want to begin by thanking the gentleman from New York (Chairman GILMAN) for his help and leadership and support on this issue. Of course, I need to thank the gentleman from Minnesota (Mr. VENTO) for his work authoring this resolution. I think it is an important statement.

I also want to thank the gentleman from Nebraska (Mr. BEREUTER). Without his hard work and leadership on this, we would not have gotten to this point. He has done a tremendous job.

Finally, I thank the gentleman from California (Mr. RADANOVICH) who was my partner in developing some of the language that was added in committee, and he deserves the gratitude of all of us who are concerned about human rights.

My concern, my interest in this resolution does, in fact, grow out of the plight of constituents of mine. Back some months ago, April, two American citizens, Mr. Houa Ly, who was from Appleton, Wisconsin, and Mr. Michael Vang, who was from the district of the gentleman from Fresno, California (Mr. RADANOVICH), were traveling along the Thai-Lao border, and they disappeared.

Eye witnesses suggest that they were last seen in the company of representatives of the Lao government on a river boat. All available evidence, whether it be those eye witnesses or the congressional research mission that the gentleman from New York (Mr. GILMAN) referred to, or relevant nongovernmental organizations, points, in fact, to the involvement of the Lao government in the disappearance of these two citizens.

Since April, unfortunately, precious little seems to have happened. The State Department has entered into a joint investigation with the Lao government in this matter. The problem is, of course, that is the very government that is likely to have been involved in the disappearance.

I would suggest to my colleagues that it should be no wonder that little has happened in that investigation if, in fact, the Lao government was involved. Let us not forget the Lao government is a government with an atrocious human rights record.

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Is it any wonder that the investigation really has not gotten very far?

The families involved have suffered 7 months of near silence. They have been told almost nothing about their loved ones. Not only nothing from the Lao government, which I guess is to be expected given its treatment of human rights issues, but also nothing, unfortunately, or almost nothing from our own government, from our own State Department, from America. It has gotten so bad that these families have had to file a Freedom of Information Act request to get any information at all, even declassified information, and they are still waiting, weeks later, for a formal response to their request. I hate to say it, but I cannot help but wonder if these U.S. citizens were not of Hmong descent but perhaps of another ethnic group or race, perhaps we would be taking this issue more seriously.

Why are we bringing this resolution forward? People often ask why it is that we make such statements of policy here in the House. Well, they are, in fact, that, statements of policy. They are designed to send a public message. So here goes. Here is a public message: To the government of Laos, we say that these men are U.S. citizens. Any hope of an improved relationship with this country, in my view, must ride upon the Laos government's willingness to answer questions and to help us determine the whereabouts of these citizens.

To our own State Department: Again, these men are U.S. citizens. Not second-class citizens, but full U.S. citizens. Show their families that citizenship means something; give them the information and give them the help which they are entitled to.

Finally, to the families of Houa Ly and Michael Vang, who are U.S. citizens, we want them to know that they are not forgotten. It may seem like precious little consolation; but here today, before the public, we want them to know that they are not forgotten. We are remembering; we will push forward; and we will get some answers.

Mr. LANTOS. Mr. Speaker, I yield 4 minutes to the gentleman from Wisconsin (Mr. KIND), who has become one of the most effective foreign affairs spokesmen on our side.

Mr. KIND. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise in strong support of this resolution and commend my friend, the gentleman from Minnesota (Mr. VENTO), for authoring it. This resolution expresses the sense of the House of Representatives with respect to democracy, free elections, and human rights in the Lao People's Democratic Republic.

The Lao People's Democratic Republic is a one-party Communist state ruled by the Lao People's Revolutionary Party. The Lao People's Revolutionary Party exercises absolute control over the state and its institutions. Sadly, the Lao government is intolerant of political diversity and the existence of political and religious groups or organizations with differing viewpoints.

Independent human rights organizations, such as Amnesty International, have testified before the Congressional Human Rights Caucus that the Lao government bars information from flowing out of the country. In fact, foreign journalists are assigned "minders" by the Lao government security services to monitor their movements and activities. This type of activity demonstrates the Lao government's complete control over all institutions, including the media.

Mr. Speaker, Laos is the homeland of more than 3,000 of my district's constituents. In fact, the State of Wisconsin has the second largest Hmong population in the Nation. The Hmong assisted our Nation in our fight against Communist forces in southeast Asia. Since first coming to the United States in 1975, the Hmong community has contributed to our Nation's economic prosperity and are dependable hard-working members of Wisconsin's work force.

The Hmong are now raising a new generation of American citizens. Despite this, Hmong-Americans are concerned about the continued human rights violations that are practiced by the Lao government on Lao Hmong, many of whom are members of their own family. While the Communist Lao government does not allow independent human rights observers in Laos, there are numerous reports of persecution and abuse of the Lao people. Reports indicate that Lao Hmong families are often threatened; and many Hmong are reported to have been in prison, tortured, and even killed.

In fact, last April, two Hmong Americans with U.S. passports and appropriate papers disappeared along the Lao-Thailand border. According to American eyewitnesses, men thought to be Laotian security officials abducted the men. After more than 7 months of joint investigation by the U.S. State Department, U.S. Embassies in Laos and Thailand, the Lao and Thai government, not a trace of the men have been found. This is intolerable and unacceptable. It is imperative that all information regarding the disappearance, whereabouts and current circumstances of these two men are expeditiously released and made public to the men's families and to this Congress.

Moreover, with the return of approximately 1200 Hmong to their native Laos from the Ban Napho refugee camp in Thailand, we in Congress need to ensure that these people are not subjected to retribution or oppression by the hands of the Lao government. Passage of this resolution will send such a message.

Mr. Speaker, this resolution is an important first step toward promoting and implementing better human rights standards and, hopefully, democracy in Laos. The Hmong were America's friends during our time of need, we must not forget their sacrifices today.

This body and this Nation has a moral obligation to send a clear message that we are interested in the restoration and the respect of human rights for the people of Laos and we will not tolerate business as usual by the Lao government. I would encourage all my colleagues to support this very important resolution.

Mr. LANTOS. Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Speaker, I appreciate the ranking member yielding this time to me.

I just wanted to thank the gentleman from New York (Mr. GILMAN) for his outstanding interest and support in this and the chairman of the subcommittee, the gentleman from Nebraska (Mr. BEREUTER), who provided extraordinary cooperation, I am deeply grateful, as well as, of course, our Ranking Members, the gentleman from California (Mr. LANTOS) of the subcommittee, and the gentleman from Connecticut (Mr. GEJDENSON), our Ranking Member. I very much appreciate the cooperation.

I think it should be borne in mind that but for these Hmong Americans many other U.S. lives would have been lost during the Vietnam conflict, and I think it behooves us to, in fact, step up and to speak to the human rights of the people that remain in Southeast Asia, especially these Hmong Americans who are in Laos and who are suffering under these consequences. These promises on paper do not mean anything unless they are translated into reality in terms of what is happening to the people, the minorities, in Laos.

Mr. LANTOS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. GILMAN. Mr. Speaker, I want to thank the gentleman from Minnesota (Mr. VENTO) for his supportive and kind remarks.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. BALLENGER). The question is on the motion offered by the gentleman from New York (Mr. GILMAN) that the House suspend the rules and agree to the resolution, H. Res. 169, as amended.

The question was taken.

Mr. LANTOS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

EXPRESSING UNITED STATES POLICY TOWARD THE SLOVAK REPUBLIC

Mr. GILMAN. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 165) expressing United States policy toward the Slovak Republic.

The Clerk read as follows:

H. CON. RES. 165

Resolved by the House of Representatives (the Senate concurring),

SECTION 1. FINDINGS.

The Congress finds the following:

(1) Elections held in May 1999 brought the first ever popularly elected President of the Slovak Republic to office and demonstrated the commitment of the Slovak people to full economic reforms, democratic government, and western ideals.

(2) The parliamentary elections held in September 1998 brought to office a coalition government in the Slovak Republic which has shown its commitment to economic reforms through economic austerity measures approved in May 1999, increased foreign investments through privatization of markets that were formerly state controlled, and discipline in government and currency policies.

(3) The Government of the Slovak Republic formed after the elections of September 1998 has renewed efforts to ensure the proper treatment of its citizens, regardless of ethnic background, including those of ethnic Hungarian background through the placement of three ethnic Hungarians in the cabinet of the Government (including the Deputy Premier for Human and Minority Rights), and through the passage of the Minority Language Use Act on July 10, 1999, in accordance with European Union guidelines, which will take effect on September 1, 1999, to protect the rights of all citizens.

(4) The Government of the Slovak Republic has made Slovakia's integration into pan-European and trans-Atlantic institutions, including the European Union and the North Atlantic Treaty Organization (NATO), the highest foreign policy priority, and through active participation with the Visegrad Four, the Slovak Republic has undertaken efforts to promote stability in the region.

(5) The Government of the Slovak Republic has stated its continuing support for the mission of NATO in supporting democratization and stability across Europe, and the Government demonstrated its commitment to these principles by fully cooperating with NATO during the recent conflict in Kosovo, allowing NATO full access to Slovak airspace, highways, and railways.

(6) The Slovak Republic subsequently provided military engineers to assist the peacekeeping force of NATO in Kosovo (KFOR), approved a $2,000,000 humanitarian aid package for Kosovo, and housed over 100 refugees from the conflict.

(7) The Government of the Slovak Republic has continually worked to retain civilian control of its military through participation with NATO forces and has been an active participant in the Partnership-for-Peace program.

(8) The Slovak Republic has provided military personnel for participation in and support of multinational peacekeeping operations such as the United Nations operations in Rwanda and Liberia.

SEC. 2. POLICY TOWARD THE SLOVAK REPUBLIC.

It is the policy of the United States—

(1) to promote the development in the Slovak Republic of a market-based economy and a democratic government that respects the rights of all of its citizens, regardless of ethnic background; and

(2) to support the eventual integration of the Slovak Republic into pan-European and trans-Atlantic economic and security institutions.

SEC. 3. SENSE OF THE CONGRESS.

It is the sense of the Congress that—

(1) the Government of the Slovak Republic formed after the elections of September 1998 is to be commended—

(A) for its efforts to address the issue of proper treatment of its citizens, regardless of ethnic background, particularly those of ethnic Hungarian background;

(B) for its efforts to improve the economic situation in the Slovak Republic and for its efforts to accelerate the privatization of state-owned enterprises in a fair and transparent process; and

(C) for its support for the North Atlantic Treaty Organization (NATO) in the recent conflict in Kosovo;

(2) the Government of the Slovak Republic should continue to implement programs that may qualify the Slovak Republic for entrance into the European Union and NATO and is to be commended for its continued support of the NATO effort to ensure stability and democratization across Europe; and

(3) the United States should support efforts for the eventual integration of the Slovak Republic into pan-European and trans-Atlantic institutions and should view such integration as an important factor in consolidating democratic government and economic stability in the Slovak Republic.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. GILMAN) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. GILMAN).

GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on House Concurrent Resolution 165.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to rise in support of House Concurrent Resolution 165 and to have joined the gentleman from Florida (Mr. MICA) in introducing this measure earlier this year.

Slovakia is an important country in the region of Central and Eastern Europe; and for that reason, our Nation and our allies in the North Atlantic Alliance and the European Union have sought to build a stronger relationship with Slovakia.

The collapse of communism is, however, a mere 10 years behind us, and the fall of the Berlin Wall and the end of the Communist regimes in Eastern Europe in 1989 was just the start of a very difficult process for Slovakia and for many other countries in that region. Even the most prosperous of those countries, new democracies like Poland, like Hungary, and the Czech Republic, continue to face difficult issues and challenges to reforms. But Slovakia has had an added challenge, it has not really existed as an independent state for hundreds of years.

After becoming independent in 1993, the newly independent state of Slovakia then experienced a political struggle that ensued between those who want to integrate Slovakia into pan-European and transatlantic institutions by carrying out real reforms, and those who, while calling for such integration, actually made such reforms difficult to achieve.

The parliamentary elections of September 1998 brought to power a new coalition government, a government that appears to be working toward implementing genuine reform and ensuring that the rights of all the citizens of Slovakia are respected regardless of ethnic background.

Mr. Speaker, I believe that this resolution is a timely expression of our support for the new government in Slovakia and for the process of economic and political reforms in that country. It also makes it clear that the United States supports Slovakia's eventual integration into the pan-European and transatlantic community of Democratic states.

Mr. Speaker, I fully support the passage of this resolution, and I urge my colleagues to join in support.

Mr. Speaker, I reserve the balance of my time.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume, and I rise in strong support of this resolution.

First of all, I want to commend my friend and colleague, the gentleman from Florida (Mr. MICA), for taking the initiative in introducing this resolution.

Mr. Speaker, Central and Eastern Europe constitutes one of the most complex, intriguing, and difficult parts of this globe; and the Slovak Republic is no exception. During the Second World War, an independent fascist established Slovak Republic had a singularly dismal record, resulting in the mass murder of innocent people and the enthusiastic participation in Hitler's war efforts.

For a long period during the Cold War, Slovakia, then part of the Czechoslovakia, represented an oppressive Communist dictatorship. And while there was a brief period in 1968, commonly referred to as the Prague spring, during which communism attempted to put on a human face, forces of repression prevailed. During the last months of the Cold War, Czechoslovakia represented one of the most repressive Communist regimes in Central and Eastern Europe.

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With the leadership of Vaclav Havel, who was joined by both Czech and Slovak democrats, a Velvet Revolution unfolded and Czechoslovakia became part of the democratic world. Shortly thereafter, these two parts of Czechoslovakia separated peacefully.

I think history will long remember the dramatic difference between the peaceful separation of the Czech and Slovak republics and the bloody separation of the constituent republics of the former Yugoslavia.

For years, Slovakia was run by an individual of no democratic convictions, a man by the name of Meciar. Those of us who had the opportunity of visiting with him in Bratislava time and time again were appalled at his total failure, unwillingness, or inability to understand the new winds of democracy that are blowing throughout Europe.

Last year, new parliamentary elections were held in Slovakia and a democratic coalition government came to power. We are here to congratulate and wish the very best to that democratic government.

Earlier this year, Mr. Speaker, the people of the Slovak Republic chose in free elections their first ever popularly elected president; and we are here to salute him.

The new government of the Slovak Republic has recognized the equal rights of all ethnic minorities. It has recognized the importance of the freedom of religion, freedom of press, freedom of speech, freedom of association, freedom to create political organizations to provide a vehicle for the people of Slovakia to advocate their views.

During the recent engagement in Kosovo, the Slovak authorities granted NATO full access to Slovak airspace, highways and railways; and Slovakia provided military engineers to assist in our peacekeeping efforts in Kosovo.

The greatest hope of the Slovak people at this time is to be fully integrated into Europe and to be accepted into NATO. If they continue in their democratic ways, which we are so delighted and pleased to observe on a daily basis, it is certainly our hope that the European Union will welcome them as a full and free member of the newly united democratic Europe; and, in due time, they will be entitled to NATO membership and participation, which will strengthen their security and add to the collective strength of NATO.

I strongly support this resolution, Mr. Speaker.

Let me just say, in conclusion, that last week a few of us had the pleasure of meeting the new prime minister of Slovakia, who represents the best democratic tradition of central and Eastern Europe. We look forward to working with him and with his government in making Slovakia a full, effective, and democratic member of a united and democratic Europe.

Mr. Speaker, I reserve the balance of my time.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Florida (Mr. MICA) helped to arrange a CODEL visit for us to Slovakia last year at about this time. It was at his insistence that we were the first CODEL delegation to visit Slovakia since its independence. And we were grateful for that opportunity.

Mr. Speaker, I am pleased to yield such time as he may consume to the gentleman from Florida (Mr. MICA), the sponsor of this resolution.

Mr. MICA. Mr. Speaker, first of all, I would like to thank and express my appreciation to the gentleman from New York (Chairman GILMAN) for both his expeditious consideration and handling of this resolution today and also for his personal support of Slovakia as it moves forward to take its place among the universe of free, independent, and democratic nations.

It is my honor, as an American of Slovak heritage, to speak in support of and also to help author House Concurrent Resolution 165.

I also want to pay tribute to the gentleman from California (Mr. LANTOS), serving as the ranking member of the Committee on International Relations, and thank him for his kind words in support of this resolution and also in support of the great progress the Slovak Republic and Slovak people have made in the last few years.

There are a few people on the Committee on International Relations or in the Congress who are more familiar with this area than the gentleman from California, so his words are particularly well taken today.

Mr. Speaker, neither fate nor history could provide a better time than today, November 16, for consideration of this resolution by the United States Congress. It was exactly 10 years ago today that Slovak students took to the streets of their capital, the city of Bratislava, to demonstrate against Communist domination and plead for freedom and self-rule.

This month in the Slovak and also in the Czech capitals, the two presidents of those nations, their citizens, world leaders, and even our United States Secretary of State, Madeleine Albright, will gather to celebrate the 10th anniversary of the Velvet Revolution.

And just in Washington during the past few weeks, we have been celebrating from the White House to the Congress to Embassy Row that special revolution that took place in the Czech and Slovak Republic. That occasion and this resolution by Congress are special for every one of the millions of Slovak Americans and also for the people of the Slovak Republic.

This resolution properly recognizes the accomplishments of Slovakia's government during the past year. What many fail to comprehend or understand is the centuries of domination and difficulty that have been endured by the Slovak people to reach this day of recognition.

After a millennium of domination from Prague, Vienna, Budapest, Moscow and Berlin, the sovereign Slovak Republic now stands as an independent, free, and democratic nation. Despite incredible attempts over those centuries to destroy the culture, heritage, and language of the Slovak people, their spirit has somehow miraculously survived.

Since January 1, 1993, its first day of independence, Slovakia has worked to align itself with free markets and with Western security arrangements. With the great progress that we recognize in this resolution, it is my hope and the prayer of many that Slovakia will take its rightful place among the most respected nations of the world.

Last week, the Slovak Republic's prime minister, Mikulas Dzurinda, placed the first bust of a patriot and freedom fighter in the Ronald Reagan Building's Woodrow Wilson Center. Thirty-one years ago, that Slovak freedom fighter, Alexander Dubcek, held the 1968 rebellion against Communism that was crushed by Soviet tanks.

Today, we in Congress hope to remove some of those last shackles that have held back the Slovak people. It is my hope that this resolution will honor them as they march forward to meet their rightful destiny.

I would like to at this time also pay some very special recognition to the first popularly elected Slovak president, Rudolph Schuster. As my colleagues heard, they elected their first independent president by popular election this spring.

I would also like to recognize the accomplishments of Prime Minister Dzurinda, the former United States ambassador Ralph Johnson, the former Slovak ambassador Lichardus, and current Ambassador Butora and all of the Slovak parliamentarians from each of their parties who helped make this progress possible.

Finally, the location of Slovakia in Europe is critical to the future of NATO and our Western security alliances.

Please note, and I brought this along because many people do not know where Slovakia is, but it was part of the Czech Republic. It is located between Poland, Hungary, and Austria. Its capital, Bratislava, is less than 40 miles from Vienna. And we can see with that strategic location that it is so important that the Czech Republic, that Poland and Hungary, which are now part of NATO, have also included the Slovak Republic, which is in this island in between.

For the future security of both Slovakia and this region, it is indeed important that we support Slovakia as it seeks to join Western security and international free markets in the West.

Mr. GILMAN. Mr. Speaker, I reserve the balance of my time.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in closing debate on our side, I too want to remember those heady days 10 years ago when the gentleman from Missouri (Mr. GEPHARDT), the distinguished Democratic leader, and I visited the capital of the then Czech-Slovak Republic. We had the opportunity of marching with the students as they were demanding democracy, as they were calling for their hero, Vaclav Havel, to be placed in the palace up on the hill, symbolically demonstrating that at long last democracy has returned to the Czech-Slovak Republic.

It is indeed a joyous occasion when a democratic Czech Republic and the democratic Slovak Republic can come to the United States to be honored and congratulated for their achievements.

As we close this debate, we all wish the Czech people and the Slovak people a truly democratic and prosperous future.

Mr. SMITH of New Jersey. Mr. Speaker, as chairman of the Helsinki Commission, I watched for several years as the human rights situation in Slovakia deteriorated under the leadership of former Prime Minister Vladimir Meciar. I saw how the fledgling democratic institutions of that new country were undermined, how parliamentary and constitutional processes were threatened, and how the rule of law was slowly but surely choked. I, joined by colleagues from the Commission, raised these issues time and again with Slovak officials, as did other officials of the U.S. Government. Unfortunately, Mr. Meciar was not very receptive to our arguments.

As it happened, however, the fate of the democratic process in Slovakia was not left to the tender mercies of Vladimir Meciar. A year ago, the people of Slovakia took matters into their own hands. In an election carefully monitored by the OSCE, voters returned to office a coalition government that ended Meciar's increasingly authoritarian rule.

Initially, this broadly based—some might even say weak—coalition seemed to stand only for one thing: it was against Meciar. But in the year that has passed, we can not say that this government is not simply united in its opposition against the former regime, it is united in its commitment for democracy, for the rule of law, for a free market economy, for a transparent privatization process that is accountable to the people, and for a community of democracies dedicated to the protection of their common security.

Mr. Speaker, the process of transition that Slovakia struggles with today is not an easy one. In fact, many of the commemorations held this month to celebrate the fall of the Berlin Wall and the end of communism have focused on just how difficult this transition has been, including for Slovakia's closest neighbors. In spite of this, the Slovak Government has proceeded to make some very tough decisions this year. I am particularly impressed by the willingness of Prime Minister Dzurinda to make decisions that, while necessary for the long term, economic well-being of his country, may be very politically unpopular in the short term. That takes courage.

I know, of course, that Slovakia still has a lot of work ahead. As in most other European countries, there is much that should be done in Slovakia to improve respect for the human rights of the Romani minority. But there is much that Slovakia has accomplished in the past year and—especially as someone who has been critical of Slovakia in the past—I want to acknowledge and commend those achievements. Mr. Speaker, I hope others will join me in sending this message and will support H. Con. Res. 165.

Mr. STUPAK. Mr. Speaker, I am pleased today to be able to speak on behalf of this resolution. I trace my own ancestry to an area of what is now the Slovak Republic, and I watch with interest and concern developments in this area of Europe.

There are dangers and threats to these new democracies, which were created from the totalitarian governments of the former Soviet satellite nations. These threats stem from economic disparities, disappointment in the pace of growth, old ethnic animosities, and untested political structures.

That is why, Mr. Speaker, it is important that the Congress of the United States, the world's foremost democracy, commend the government of the Slovak Republic for its efforts to address the issue of minority rights and improve the economic well-being of all its citizens.

I would also like to commend the former government of Vladimir Meciar for its role in guiding the Slovak Republic through its early days of democracy. I know that politics often sharpens the public dialogues and that the many voices of democracy often contain words of rancor and ill-will. However, as outside observers, we can look with favor—and favor with our praise—peaceful transitions of power and the subservience of the machinery of government to the will of the people.

I encourage all my colleagues to support this resolution with the same hope that I feel for the future of the Slovak Republic, of Eastern Europe, and of young democracies everywhere.

I look forward to that best measure of success, the full integration of the Slovak Republic into the community of Europe.

Mr. LANTOS. Mr. Speaker, I yield back the balance of my time.

Mr. GILMAN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SHIMKUS). The question is on the motion offered by the gentleman from New York (Mr. GILMAN) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 165.

The question was taken.

Mr. LANTOS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

EXPRESSING GRAVE CONCERN REGARDING ARMED CONFLICT IN NORTH CAUCASUS REGION OF RUSSIAN FEDERATION

Mr. GILMAN. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 206) expressing grave concern regarding armed conflict in the North Caucasus region of the Russian Federation which has resulted in civilian casualties and internally displaced persons, and urging all sides to pursue dialog for peaceful resolution of the conflict, as amended.

The Clerk read as follows:

H. CON. RES. 206

Whereas during the Russo-Chechen War of 1994–1996, Russian Federation military forces used massive force against civilians in Chechnya, causing immense human casualties, gross human rights violations, large-scale displacement of individuals, and destruction of property;

Whereas Chechnya has been the site of internal lawlessness and numerous kidnapings, including that of United States citizen Fred Cuny, whose exact fate is still unknown;

Whereas in recent months, extremist forces based in Chechnya have mounted armed incursions into the adjacent Russian Federation Republic of Dagestan and attempted to establish a political entity therein against the wishes of the majority of the population of Dagestan;

Whereas almost 300 persons have died as a result of unsolved terrorist bombings in Russia that coincided with the armed incursions into Dagestan and Russian authorities have attributed the terrorist bombings to Chechen insurgents;

Whereas the United States recognizes the territorial integrity of the Russian Federation;

Whereas Russian Federation armed forces have conducted armed attacks against Chechnya and positioned forces with the stated intention of sealing Chechnya's borders and creating a security zone in the region;

Whereas such attacks and indiscriminate and disproportionate use of force have harmed innocent civilians and given rise to over 100,000 internally displaced persons, most of whom have escaped into neighboring regions of Russia;

Whereas such indiscriminate attacks are a violation of paragraph 19 of the Code of Conduct on Politico-Military Aspects of Security, approved at the 1994 Summit of the Organization for Security and Cooperation in Europe, held in Budapest, Hungary, which states that in the event of armed conflict, participating States "will seek to create conditions favorable to the political solution of the conflict. They will cooperate in support of humanitarian assistance to alleviate suffering among the civilian population, including facilitating the movement of personnel and resources to such tasks", and paragraph 36, which states, "If recourse to force cannot be avoided in performing internal security missions, each participating State will ensure that its use must be commensurate with the needs for enforcement. The armed forces will take due care to avoid injury to civilians or their property.";

Whereas the conflict in the North Caucasus may threaten democratic development, the rule of law, and respect for human rights throughout Russia;

Whereas authorities in Moscow and other cities of the Russian Federation have used terrorist bombings as a pretext to intensify a campaign against individuals from the North Caucasus region, including the detention and forcible expulsion of such individuals from these cities; and

Whereas in response to Russian attacks the elected Government of Chechnya has declared its solidarity with renegade Chechen forces in opposing Russian attacks: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress—

(1) urges the Government of the Russian Federation and all parties to cease the indiscriminate use of force against the civilian population in Chechnya, in accordance with commitments of the Organization for Security and Cooperation in Europe;

(2) urges all parties, including the Government of the Russian Federation, to enter into negotiations on the North Caucasus conflict with legitimate political representatives of the region, including President Maskhadov and his Government, and to avail itself of the conflict prevention and crisis management capabilities of the Organization for Security and Cooperation in Europe, which helped broker an end to the 1994–1996 War;

(3) urges the Chechen authorities to use every appropriate means to deny extremist forces located in its territory a base of operations for the mounting of armed incursions that threaten peace and stability in the North Caucasus region;

(4) urges the Chechen authorities to create a rule of law environment with legal norms based upon internationally accepted standards;

(5) cautions that forcible resettlement of internally displaced persons would evoke outrage from the international community;

(6) urges that the Government of the Russian Federation seek and accept international humanitarian assistance to alleviate the suffering of the internally displaced persons from Chechnya, so as to reduce the risk of civilian casualties; and

(7) calls on the Government of the United States to express to all parties the necessity of resolving the conflict peacefully, with full respect to the human rights of all the citizens of the Russian Federation, and to support the provision of appropriate international humanitarian assistance.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. GILMAN) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. GILMAN).

GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H. Con. Res. 206.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support the resolution introduced by our colleague, the gentleman from New Jersey (Mr. SMITH). I believe that it makes important points with regard to the current hostility in the region of Chechnya and Russia.

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Most importantly, this measure calls attention to the tens of thousands of innocent civilians who are suffering terribly due to the Russian government's indiscriminate use of force, and that Russia is violating its own commitments as a member state of the Organization on Security and Cooperation in Europe. This resolution states the obvious.

A peaceful settlement is what is required in Chechnya if the suffering of those innocent civilians is to end soon. This resolution also states, and I think quite appropriately, that there has been a wave of internal lawlessness and kidnappings within Chechnya in recent years and an armed attack on a neighboring region of Russian by extremist forces from Chechnya. Although that does not excuse the current military actions by Russia in Chechnya, it underlines why there is no clear consensus yet as to what the international community should do with regard to this latest conflict in that region.

However, I would like to take this opportunity to state my belief that the latest Russian military offensive will very likely do little to address the underlying causes of instability in the North Caucasus region and indeed throughout Russia. Those underlying problems include vast corruption at all levels of the Russian government and an absence of real economic reforms, allowing the North Caucasus region to slip into grinding poverty that is in turn breeding yet more instability.

This resolution, Mr. Speaker, makes several important statements; but I would specifically point out the resolution's statement that Russia's use of indiscriminate force in Chechnya is in direct violation of its commitments as a member state of the Organization on

Security and Cooperation in Europe, just as its previous military operation in Chechnya was in violation of those OSCE commitments. I would also note that Russia has violated the treaty on conventional forces in Europe in the course of this operation.

The summit of the OSCE heads of state is to be held in Istanbul within the next few days. Mr. Speaker, it is time for our government to call Russia to task for its violation of those OSCE commitments and its disregard for the CFE treaty, a treaty that, in fact, has already been revised to meet the Russian demands. The OSCE summit is a perfect venue in which to do just that. We may not see it on our television screens, but many innocent people are suffering terribly from the indiscriminate force used by Russia in Chechnya as well as from the extremism of some of those on the Chechen side. It is time to bring the two sides to the table. As this resolution points out, the OSCE can help, if Russia lives up to its commitments. Accordingly, Mr. Speaker, I would support adoption of this motion suspending the rules and passing this resolution.

Mr. Speaker, I reserve the balance of my time.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume. I rise in strong support of H. Con. Res. 206.

Mr. Speaker, first I want to commend my good friend and distinguished colleague the gentleman from New Jersey (Mr. SMITH), chairman of the Subcommittee on International Operations and Human Rights of the Committee on International Relations for introducing this resolution. It is a resolution which is overdue, and it is a resolution which I honestly hope this body will pass unanimously.

The issue is not a simple one, Mr. Speaker, and not all the angels are on one side, if indeed there are any angels on any side of this conflict. Extremist, terrorist fundamentalists from Chechnya a few months ago invaded a neighboring republic, with extravagant statements, threats, visions of great conquests. It was easily predictable that having humiliated Russia once before, 4 years ago in the first Russian-Chechen war, they will not get away with it this time.

And for a whole set of complex reasons, including internal political reasons of the current prime minister, Mr. Putin, Russia has decided to finally put an end to Chechnya as a military entity. This resolution properly calls on the Russian Federation to stop this indiscriminate and brutal assault on the civilian population of Chechnya with vast numbers of utterly innocent Chechens, men, women, and children, dying, being maimed, made homeless as the winter approaches.

As a matter of fact, there is reasonable anxiety, Mr. Speaker, that the tens of thousands of refugees from and within Chechnya, displaced persons, will not even have the tentlike protection that we were planning for the displaced people of Kosovo just a few months ago. I think it is appropriate for the United States Congress to call on Russia to terminate this brutal, nondiscriminating military assault on a whole people, to accept the mediation of the Organization for Security and Cooperation in Europe, and to recognize that as a major power, it has a responsibility for the safety of all the citizens living within its borders.

Now, I understand, Mr. Speaker, the annoyance and irritation that the Russian leadership and the people of Russia felt. I was in Moscow a few weeks ago when presumably Chechen terrorists engaged in terrorist activities, costing the lives of several hundred innocent civilian citizens of the capital city of Moscow. But the reaction has been indiscriminate and excessive. It is out of proportion to anything the terrorist tragedy has created in Moscow.

It is clear that the current Russian government is taking full advantage of a patriotic upsurge which has swept Russia in the wave of these terrorist attacks to put an end once and for all to Chechen extremism. Nevertheless, Russia is a civilized country and it is high time it returned to civilized behavior. It must accept European observers who have been excluded from many territories where the warfare currently is unfolding, it must accept western humanitarian aid, and it must cooperate with the civilized world in seeing to it that the innocent people of Chechnya get through this very difficult, very cruel winter which is so typical of that area.

I believe, Mr. Speaker, also, that our government officially must take cognizance of what is happening in Chechnya. There is no way of averting our eyes from what is, in fact, a bloodbath unfolding in the Caucasus. I call on our government to join us in the Congress in expressing its displeasure with the current Russian government which pursues a policy of indiscriminately killing large numbers of innocent civilians.

Mr. Speaker, I reserve the balance of my time.

Mr. GILMAN. Mr. Speaker, I am pleased to yield such time as he may consume to the distinguished gentleman from New Jersey (Mr. SMITH), the chairman of the Subcommittee on International Operations and Human Rights who is the sponsor of this resolution.

Mr. SMITH of New Jersey. Mr. Speaker, I want to thank the gentleman from New York (Mr. GILMAN) the chairman of the full committee and the gentleman from California (Mr. LANTOS) for their eloquent remarks today.

Mr. Speaker, I rise in very strong support of H. Con. Res. 206. This resolution addresses an issue of utmost urgency, the war in Chechnya and the plight of innocent people caught in the Russian military onslaught. In August and September of this year, Islamic extremists based in Chechnya, independent of the government of Chechnya, twice staged armed incursions into the neighboring Russian Federation Republic of Dagestan with the intent of creating a separate political entity within Dagestan.

In response, the Russian government has sent its army to reoccupy Chechnya, an area that had won de facto independence from Russia as a result of a very bloody war from 1994 to 1996. The Russian government is justified in rebuffing armed aggression against its territorial integrity. Moreover, one can certainly sympathize with Russia's frustration when unsolved bombings kill almost 300 persons in Russia.

But this does not justify reactivating a war against a civilian population in Chechnya. Several news reports have, in detail, described the air raids and the artillery shelling of noncombatant villages, homes, and farms. The November 6 edition of the Guardian, for example, in Great Britain said, and I quote, missiles smash into a crowded marketplace, killing and maiming hundreds. A tank shell explodes among a group of village boys playing football; seven die, others lose legs or eyes. Orphans of an earlier war shake and sob with terror as warplanes on bombing runs boom low over their outdoor camp.

Mr. Speaker, the death toll is in the hundreds, perhaps thousands, and the number of internally displaced persons is now put at around 200,000. This figure, of course, does not include those persons trapped in the besieged Chechen capital of Grozny. Many of these are elderly ethnic Russians with absolutely nowhere to flee. The government of Chechnya has not been entirely blameless as my friend from California pointed out earlier in this situation. Since achieving de facto independence from Russia in 1994, Chechnya has degenerated into a morass of lawlessness and violence with a government powerless to establish law and order and an economy unable to recover from the devastation of war.

Mr. Speaker, specifically H. Con. Res. 206 urges the government of the Russian Federation and all parties to cease the indiscriminate use of force against the civilian population in Chechnya. The government of Russia and all parties are urged to enter into negotiations and to avail themselves to the capabilities of the OSCE which helped broker the end of the war in 1996.

Additionally, this resolution calls upon Chechen authorities to make every effort to deny bases to radical elements committed to violent actions in the North Caucasus and urges

Chechen authorities to create a rule of law environment with legal norms based on internationally accepted standards.

Finally, H. Con. Res. 206 calls upon our own government to express to all parties the necessity of resolving the conflict peacefully and to express the willingness of the U.S. to extend appropriate assistance toward such resolution, including humanitarian assistance as needed.

Mr. Speaker, I commend to the reading of my colleague an excellent article in the Wall Street Journal, an op-ed piece by Zbigniew Brzenski who, as we all know, was National Security Advisor and a very prominent and insightfull leader is in international affairs. He points out that unlike the earlier war, this time the Russians have no intention of engaging in costly street fighting against the entrenched and determined Chechens.

Instead, their plan is to use new weapons to launch devastating attacks from a safe distance. Using a combination of explosives and chemical agents, they will aim to wipe out the thousands of Chechen fighters squeezed by Russian pressure into compressed urban ruins. There have been reports that gas masks have already been distributed to the Russian troops. Among the new weapons will be so-called fuel air explosives which blanket targeted terrain with a flammable vapor cover and following a massive explosion precipitate a lethal vacuum. Even deeply dug-in Chechens will be exterminated.

The cumulative result of this tragedy will be the killing of most fighting-age Chechen males. Mr. Brzenski goes on to state and I quote, so far the Clinton administration has been callously passive while international reaction has been muted even though a Russian success in the war would have wide and negative consequences. Then he goes on to further develop that case.

Mr. Speaker, I want to emphasize that this resolution is not anti-Russian or pro-Chechen. Many observers who wish to see a prosperous and democratic Russia have been deeply disturbed by the present campaign in Chechnya. Recently, the chairperson of the Moscow Helsinki Group, Ludmilla Alexeeva, and Dr. Elena Bonner and several other prominent human rights activists in Russia issued an appeal in which they condemned the Russian government for having chosen full scale war in Chechnya as the means to fight terrorism.

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The appeal states, and I quote, "We believe that authorities' actions will not solve the problem in Chechnya. The most that they will accomplish will be a long-term occupation of Chechnya which will deform Russian democratic institutions and will once and for all transform Russia into a police state," close quote.

Mr. Speaker, last week the State Department accused Moscow of failing to meet human rights standards set out in both the Geneva Conventions and the codes of conduct of the OSCE, a very welcome statement on behalf of our government. Unfortunately, when Attorney General Janet Reno visited Moscow last month, her evasive comments about the war in Chechnya prompted the October 23, 1999, edition of the Moscow Times to conclude that, and I quote, "Reno's Quiet Gave War a Green Light." Hopefully, the administration will continue, as it has begun now, to speak with one voice in the future and to avoid any such mixed messages.

Meanwhile, Mr. Speaker, criticism of Russia's actions in Chechnya is mounting throughout the world. From the European Union and the Council of Europe to the United Kingdom, Germany and Canada; the government of Bahrain is reportedly taking steps to have the humanitarian situation in Chechnya considered by the U.N. Security Council. The proposal to win IMF funding for Russia while it continues its bloody outrage in Chechnya is an excellent idea, and I would hope that the Congress would consider it when the next session opens in January.

Finally, in an editorial entitled "No Funds for Russia's War," this past Sunday, the Washington Post called for an end to IMF funding for Russia and wrote, and I quote: "Few would oppose a Russian campaign to eliminate terrorism, the stated purpose of the military campaign. But Russia's violence against Chechen civilians has become so indiscriminate and massive that no one can take seriously any longer the official justifications. Just on Friday, a Russian prime minister flatly stated that "Chechnya's capital will be destroyed."

I urge support for the resolution.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume.

As we approach the millennium, there will be a great deal of glib oratory about this new and civilized and highly developed society that we have evolved. But we are getting too many reminders almost on a monthly basis from Kosovo to East Timor and now to Chechnya that man's inhumanity to man has taken no pause.

As we enter the 21st century, it will be increasingly clear that the dominant theme of the next century will be the struggle for human rights wherever they are violated, in Kosovo, in East Timor, in Chechnya, in Cuba, in Tibet, in China, wherever the ruling authorities, using their power, attempt to squash and destroy and eliminate and pulverize those who choose to disagree with them.

This episode we are dealing with today is far from Washington, but it is not far from our central concerns, because clearly, we cannot have normal relations with Russia, as much as we would like to, as long as the Russian government perpetrates a policy of indiscriminate slaughter. Innocent Chechen children are dying as we speak, and it is the responsibility of the Congress to speak out on this issue. I strongly urge my colleagues to support this resolution.

Mr. Speaker, I yield back the balance of my time.

Mr. GILMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from South Carolina (Mr. SANFORD), a member of our Committee on International Relations.

Mr. SANFORD. Mr. Speaker, I rise in support of this resolution, because I think it makes common sense and because I think that it points out two glaring inconsistencies that need to be addressed. I think that what this resolution really gets at is, first of all, proclaiming that what is going on over there is not okay.

Mr. Speaker, it is interesting to me that the Chechen foreign minister came out in today's press conference, actually in Prague with Radio Free Europe and Radio Liberty, and his words were these: "Moscow is creating a Chechnya, basically around a zone of total destruction in which everything that moves is doomed to death."

My colleague from New Jersey made comments that pointed out Mr. Brzezinski's comments, that so far, the Clinton administration has been callously passive to this zone of death that is being talked about over in Prague just a few hours ago.

What I think is interesting is that this same administration said that what is going on in Kosovo is absolutely unacceptable based on world standards today; and, therefore, we have to do something about it. They led the effort toward $15 billion of taxpayer money being spent over there to do something about it; they led the effort in aircraft carriers and submarines and jets going over there to do something about it. Yet, in this episode, they are very, very quiet. There is just a huge inconsistency there. I think that this resolution gets at that inconsistency.

The other thing that this resolution gets at is the fact that with these civilian atrocities, I think that there is breach of the Helsinki agreement, there is breach of the Geneva Convention, there is breach of a number of different international standards that Russia has signed on to, and the result of the signing of those agreements is that it is then permissible for them to get U.S. taxpayer funding indirectly through the IMF. I think the answer has to be a very strong no.

As we may remember, last year Russia received $4.5 billion through the IMF; and indirectly, that means Americans are helping to finance these atrocities. So I think there is a giant inconsistency here. The issue needs to be raised. This resolution does so.

I thank the chairman for both granting me the time and for leading the efforts on this.

Mr. GILMAN. Mr. Speaker, I have no further requests for time, but I am pleased to yield such time as he may consume to the gentleman from California (Mr. LANTOS).

Mr. LANTOS. Mr. Speaker, I appreciate the gentleman yielding me this time.

I will respond to my friend who has just spoken, because this is the last time to engage in cheap partisan rhetoric. There is an enormous difference between Kosovo and Chechnya; and the difference between Kosovo and Chechnya is not the difference in the suffering of the innocent civilians, but in the obvious fact that Russia today has a vast reservoir of nuclear weapons; it is still a nuclear superpower. It would be utterly irresponsible on the part of our government not to recognize this difference. We simply cannot ignore or pretend that we are unaware of military realities. We have taken on the regime of Milosevic because this was a dictatorship of most limited military capabilities. No one in his right mind would advocate engaging in military action against a nuclear-equipped Russia.

What we have to do is what we are doing here and what our administration is doing: denouncing the uncivilized actions of the Russian military; calling for a cease-fire; calling for the Russians to accept Western assistance so that the long-suffering people of Chechnya will be able to get through this winter.

We did not start the war in Chechnya, neither did Congress nor this administration. Chechen terrorists started this particular military engagement, and to take this opportunity to slam the administration, I think, is singularly inappropriate and out of place.

This body is effective when it speaks with a bipartisan voice.

Mr. GILMAN. Mr. Speaker, would it be possible for the gentleman from California, Mr. LANTOS, to get his time back?

The SPEAKER pro tempore (Mr. SHIMKUS). The gentleman may request unanimous consent to retrieve his time.

Mr. LANTOS. Mr. Speaker, I ask unanimous consent to reclaim my time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. GILMAN. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore. The gentleman from New York (Mr. GILMAN) has 4 minutes remaining, and the gentleman from California (Mr. LANTOS) has 12½ minutes remaining.

The gentleman from California (Mr. LANTOS) may proceed on his own time.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume.

I had earnestly hoped that we can pass a resolution on denouncing excessive Russian military action, the mindless assassination of innocent civilians on a bipartisan basis without taking cheap shots at our administration, which is no less concerned by these developments as are Members of this body, every single Member of this body, the gentleman on the other side, and myself included. I would hope that we can conclude this debate by recognizing the irresponsible action of the Russian government, by criticizing their action, by calling for the restoration of peace in the region, and avoiding any partisan attacks which are so uncalled for in this particular situation.

Mr. SANFORD. Mr. Speaker, will the gentleman yield?

Mr. LANTOS. I yield to the gentleman from South Carolina.

Mr. SANFORD. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I applaud the gentleman's efforts. He has been such a great advocate for human rights around the globe. My only point is this: I am not ignoring the nuclear realities that exist in the former Soviet Union. My simple point is this, and I do not mean this as a political cheap shot: there has been a disparity where the administration has been concerned in talking about the human rights of Kosovars and the human rights of the people in Chechnya. All I am suggesting is that maybe if we looked at a squeeze on IMF funding, it might get their attention. That is all I am raising.

Mr. LANTOS. Mr. Speaker, if I may reclaim my time, I am very happy to have this clarification from my friend.

It is important to be discriminating in the arena of foreign policy. When the outrages are perpetrated by Milosevic and his thugs, there are no overriding reasons why the United States should act with great caution or should speak with great caution. With respect to Russia, we have a tremendous range of issues on the plate, most importantly the presence of tens of thousands of nuclear weapons in Russian possession. It would be utterly irresponsible for our government not to be cognizant of this fact in taking positions on the matter of Chechnya.

If my friend will look at the statements of the appropriate officials of our Department of State and the White House on this issue, he will find to his satisfaction that the Chechen outrages have been denounced by our government as they should have been; but at the same time, a different policy is called for vis-a-vis Serbia and vis-a-vis Russia.

Mr. SANFORD. Mr. Speaker, if the gentleman would yield for one more minute, I am in complete agreement on his pronouncements. I guess the divergence here is on what has been actually done, because in Kosovo, very strong action was taken. My suggestion is that a limit, a freeze, on IMF funding is a very limited and curtailed activity. It is something we could do, but it has not been talked about from the administration. What I am looking for from the administration is simply action. That is all.

Mr. LANTOS. Mr. Speaker, I reserve the balance of my time.

Mr. GILMAN. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia (Mr. WOLF).

Mr. WOLF. Mr. Speaker, I thank the gentleman for yielding me this time.

I rise in strong support of this resolution. I have visited Chechnya. I was in Chechnya from May 28 to June 2 of 1995. And while I am not here to attack anyone, I think at this time it is fair to say that this administration could have done more to be a force in Chechnya.

One of the recommendations that we made after our trip was that the administration appoint a prominent American with negotiating experience such as former Secretary of State James Baker, or former Senator George Mitchell, who frankly probably deserves a Nobel Peace Prize for what he has done in Ireland, or former Senator Sam Nunn, to help bring the Chechnya situation to a close.

We were in the village of Samashki where a massacre took place, and the people came up and told us about the Russian soldiers who came into the village and took the heroin that they carry when they are wounded and mixed the heroin with fruit juices and injected it into their veins and shot up the whole time. We have pictures of the town on video. We have the interviews with the people. Now, if my colleagues looked at The Washington Post the other day, the Russian soldiers have gone back into the same town and have bombarded the town.

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So rather than laying blame, although I do think the administration could have done more, I think it would be important to do what the gentleman from South Carolina (Mr. SANFORD) said, what I heard him say, which is to put some pressure on the government with regard to aid.

I think the situation is different than Kosovo, although I was one of the 31 Republican Members that voted for the bombing of Kosovo. But there are a large number of people, and I believe for many, the fact that Chechnya is so far away and the fact that they are Muslims and the fact that few people have visited there, the fact that very few people are willing or able to speak out on the part of the West, makes it a difficult issue.

So this resolution is very, very good. I hope it passes with a unanimous vote. I would also ask that perhaps the administration could pick one person with strong negotiating skills, who would go not with a club, but go to Russia and try to do everything possible to stop the shelling and the bombing. If they do not, this winter will be so brutal.

I would be one who would support aid by the Western governments, including ours, to the people who have gotten out of there and gone into Ingushetia. But we should do more, and bring some pressure on the Russians to stop the activity which is taking place. With that, I hope the resolution passes with a unanimous vote.

Mr. LANTOS. Mr. Speaker, I strongly urge all colleagues to vote for this concurrent resolution. I have no further requests for time, and I yield back the balance of my time.

Mr. GILMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SHIMKUS). The question is on the motion offered by the gentleman from New York (Mr. GILMAN) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 206, as amended.

The question was taken.

Mr. SMITH of New Jersey. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

SENSE OF HOUSE REGARDING DIABETES

Mr. BILIRAKIS. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 325) expressing the sense of the House of Representatives regarding the importance of increased support and funding to combat diabetes.

The Clerk read as follows:

H. RES. 325

Whereas diabetes is a devastating, lifelong condition that affects people of every age, race, income level, and nationality;

Whereas diabetes is a serious disease that has a devastating impact, in both human and economic terms, on Americans of all ages;

Whereas an estimated 16 million Americans suffer from diabetes, and millions more are at greater risk for diabetes;

Whereas the number of Americans with diabetes has increased nearly 700 percent in the last 40 years, leading the Centers for Disease Control and Prevention to call it the "epidemic of our time";

Whereas approximately 800,000 people will be diagnosed with diabetes in 1999, and diabetes will contribute to an estimated 198,000 deaths this year, making diabetes the sixth leading cause of death;

Whereas diabetes costs our Nation an estimated $105 billion each year;

Whereas more than 1 out of every 10 health care dollars in the United States and about 1 out of every 4 medicare dollars is spent on the care of people with diabetes;

Whereas more than $40 billion a year in tax dollars are spent treating people with diabetes through medicare, medicaid, veterans care, Federal employee health benefits, and other Federal health programs;

Whereas diabetes frequently goes undiagnosed and an estimated 5.4 million Americans have the disease but do not know it;

Whereas diabetes is the leading cause of kidney failure, blindness in adults, and amputations;

Whereas diabetes is a major risk factor for heart disease, stroke, and birth defects and shortens average life expectancy by up to 15 years;

Whereas 800,000 Americans have type one diabetes, formerly known as juvenile diabetes, and 15.2 million have type two diabetes, formerly known as adult onset diabetes;

Whereas 18.4 percent of Americans age 65 years or older have diabetes and 8.2 percent of Americans age 20 years or older have diabetes;

Whereas Hispanic, African, Asian, and Native Americans suffer from diabetes at rates much higher than the general population, including children as young as eight years old who are now being diagnosed with type two diabetes;

Whereas there is currently no method to prevent or cure diabetes and available treatments have only limited success in controlling its devastating consequences;

Whereas reducing the tremendous health and human burden of diabetes and its enormous economic toll depends on identifying the factors responsible for the disease and developing new methods for treatment and prevention;

Whereas improvements in technology and the general growth in scientific knowledge have created unprecedented opportunities for advances that might lead to better treatments, prevention, and ultimately a cure;

Whereas after extensive review and deliberations, the Diabetes Research Working Group—established by Congress and selected by the National Institutes of Health—has found that "many scientific opportunities are not being pursued due to insufficient funding, lack of appropriate mechanisms, and a shortage or trained researchers";

Whereas the Diabetes Research Working Group has developed a comprehensive plan for diabetes research funded by the National Institutes of Health and has recommended a funding level of $827 million for diabetes research at the National Institutes of Health in fiscal year 2000; and

Whereas the House of Representatives as an institution and Members of Congress as individuals are in unique positions to help raise public awareness about the need for increased funding for research and for early diagnosis and treatment: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that—

(1) the Federal Government has a responsibility—

(A) to continue to increase research funding, as recommended by the Diabetes Research Working Group, so that the causes of, and improved treatment and cure for, diabetes may be discovered;

(B) to endeavor to raise awareness about the importance of the early detection and proper treatment of diabetes; and

(C) to continue to consider ways to improve access to, and the quality of, health care services for diagnosing and treating diabetes;

(2) all Americans should take an active role in fighting diabetes by using all the means available to them, including watching for the symptoms of diabetes, such as frequent urination, unusual thirst, extreme hunger, unusual weight loss, extreme fatigue, and irritability; and

(3) national and community organizations and health care providers should endeavor to promote awareness of diabetes and its complications and should encourage early detection of diabetes through regular screenings, education, and by providing information, support, and access to services.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida (Mr. BILIRAKIS) and the gentlewoman from Colorado (Ms. DEGETTE) each will control 20 minutes.

The Chair recognizes the gentleman from Florida (Mr. BILIRAKIS).

GENERAL LEAVE

Mr. BILIRAKIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous matter on House Resolution 325.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. BILIRAKIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of House Resolution 325. Over 16 million Americans suffer from diabetes and its complications. Tragically, diabetes is one of the leading causes of death and disability in the United States. I call it the silent disease, if you will, the silent killer.

As we all know, insulin is not a cure for diabetes. Therefore, we must increase funding for the research necessary to end this terrible disease. As chairman of the Subcommittee on Health and Environment of the Committee on Commerce and a member of the Congressional Diabetes Caucus, I am committed to achieving that goal. I have endorsed, along with so many others, a proposal to double Federal funding for the National Institutes of Health over 5 years.

The budget agreement passed by Congress last year made a sizeable downpayment toward that goal by providing a 15 percent increase in funding for the NIH. I am hopeful that we can continue that promising trend this year.

I have heard from many constituents about the lack of sufficient funding for diabetes research. I had the opportunity to share these concerns directly with Dr. Harold Varmus, the NIH Director, in a meeting in my office earlier this year.

I was also pleased to secure enactment of new preventative health benefits under Medicare as part of the 1997 balanced budget law. Under these provisions, which were based on legislation which I helped to author, Medicare beneficiaries who are diabetic are reimbursed for outpatient self-managing training and supplies, such as blood testing strips.

House Resolution 325 serves to remind us all of the terrible toll diabetes extracts each year in our Nation. We should also take this opportunity to commend the tireless efforts of advocates of diabetes research. Mr. Speaker, for the millions of people whose lives have been touched by diabetes, we must renew and strengthen our commitment to end this terrible disease.

I urge my colleagues to support passage of House Resolution 325.

Mr. Speaker, I reserve the balance of my time.

Ms. DEGETTE. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, as the co-chair of the Congressional Diabetes Caucus and as an original cosponsor of this legislation, I would especially like to thank the gentleman from New York (Mr. LAFALCE) for his tireless efforts on behalf of this resolution. A similar resolution passed the other body 93 to zero, and I commend the gentleman from New York (Mr. LAFALCE) for bringing this quickly to the attention of the House of Representatives.

Mr. Speaker, there are several forms of diabetes, as we all know. I would like to focus in my remarks on how diabetes affects the lives of the children of this country.

Juvenile diabetes or Type I diabetes represents only a small percentage of the total cases of diabetes, yet the mortality of Type I diabetes is more than double the mortality of Type II diabetes. This disease affects over 1 million children nationwide. It strikes when they are young and it stays with them the rest of their lives. Type I diabetes is one of the most costly chronic childhood diseases, and it is one you never outgrow.

In Type I diabetes, someone's pancreas produces little or no insulin. Although the causes are not entirely known, scientists believe the body's own immune system attacks and destroys insulin-producing cells in the pancreas. Because insulin is for life, people with Type I diabetes must take several insulin injections and many finger-prick blood tests per day.

People have assumed for a long time that because people with Type I diabetes do not immediately die, that insulin is a cure. However, anyone who deals with diabetes on a daily basis knows that diabetes is one of the leading causes of death in this country. It is a major risk for heart diseases and stroke. It is still the leading cause of adult blindness, kidney failure, and amputations. It affects an estimated 16 million Americans, and it is the sixth leading causes of death due to disease in the United States, and the third leading cause in some minority groups.

Yet, diabetes research has received woefully little attention over the last number of years, and many of us, including myself, the gentleman from New York (Mr. LAFALCE), and the gentleman from Washington (Mr. NETHERCUTT), the co-chair of the diabetes caucus, are working to make sure that this changes.

For every statistic that we see on the floor today, there is a human face behind it. This summer 100 children from all across the country visited us here in Washington to lobby on diabetes issues. One of the people they met with was the Secretary of Health and Human Services, Donna Shalala. A little boy, Preston Dennis from Phoenix, Arizona, gave the Secretary a doll which had hundreds of pins stuck in it to represent the hundreds of shots he has had to take since he was diagnosed with diabetes.

When I met with the Secretary about this issue earlier this fall, she showed me that doll, and she promised to keep it in her office until we find a cure for diabetes. There is good news here. We are at a critical point in diabetes research, and now it is time for Congress to step up and do its part to find a cure.

Last spring I had the honor of visiting the Joslin Diabetes Center at Harvard University, and visited with many of our leading scientists who are on the cusp of major breakthroughs. This disease I believe can be cured within 10 years if Congress will fully fund the diabetes research outlined in the congressionally-mandated Diabetes Research Working Group.

The DRWG recommended $827 million for diabetes research. Yet, under the current budget outline for the National Institutes of Health, Centers for Disease Control and Prevention and other agencies, diabetes will be lucky to get $500 million. This is certainly a substantial step in the right direction, but frankly, we are too close to a cure to fail to make the full commitment that we need.

We must expand epidemiological studies to include children with Type I diabetes. We also need to explore the critical role epidemiology plays in developing an effective public health strategy to address the startling growth in the number of children with Type II diabetes.

Again, I would like to thank the gentleman from New York (Mr. LAFALCE) for introducing this legislation so Congress can act together and with a strong voice to point out how much must be done to fight to cure diabetes.

I would also like to thank the gentleman from Pennsylvania (Mr. WELDON), our Vice-Chair of the caucus, for all of his efforts. I would especially like to thank the gentleman from Florida (Mr. BILIRAKIS), the chairman of my subcommittee on the Committee on Commerce, for his diligent efforts in this way. I hope this resolution will be the first of many efforts by this Congress to find a cure for diabetes.

Finally, I would like to say what the children say. Angela Bailey, a 10-year-old with diabetes, said this: "I could become blind, have a heart attack, or kidney disease. When I get old, I might even have to get an amputation. If there is a cure, then I won't have to worry."

Mr. Speaker, I reserve the balance of my time.

Mr. BILIRAKIS. Mr. Speaker, I am pleased to yield 2½ minutes to the gentleman from California (Mr. BILBRAY), a member of the committee.

Mr. BILBRAY. Mr. Speaker, I rise today to support House Concurrent Resolution 325, expressing the sense of Congress regarding the importance of increasing support for the funding to combat diabetes and the research related thereto.

The fact is that diabetes is not only a great burden on the seniors of America, but it is also a great burden on many of the children of America. In the United States alone, 16 million people have diabetes, and another 6 million do not even know they have diabetes. Everyone knows somebody who is affected by diabetes. My mother is a diabetic. Some who served in this House a while back will remember that my nephew, Representative Bilbray from Las Vegas, died from diabetes or complications thereof.

Each year diabetes contributes to over 178,000 deaths because of associated complications with heart disease, kidney failure, stroke, not to speak of the blindness and the amputations related to the problem.

In addition to the pain and disruption of the disease to countless families, we need to talk about the billions of dollars it costs society overall in health care costs. I know we should not be talking about just dollars and cents, and we are not, but human misery does come at a price that goes beyond just human misery.

Mr. Speaker, I am proud in San Diego to have a program called the Human Mapping Research Project going on which will help many diseases, but especially diabetes. I ask us to continue this program of figuring out why the body does what it does, and the human mapping program will give us the ability to do that.

Mr. Speaker, I will continue to fight for increased resources for the National Institutes of Health, and I think all of us recognize that in the 1960s John Kennedy asked us to set a sight within 10 years to put a man on the moon. Maybe it is time that all of us, Democrat and Republican, get behind the next great challenge, and that is to put diabetes back into the history of the past, and make sure that generations of the future do not have to confront this health scourge.

Ms. DEGETTE. Mr. Speaker, I am very pleased to yield 4½ minutes to the gentleman from New York (Mr. LAFALCE), the sponsor of the resolution.

Mr. LAFALCE. Mr. Speaker, 16 million Americans suffer from diabetes. That is perhaps the principal reason that the Centers for Disease Control and Prevention recently called diabetes the epidemic of our time.

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The impact diabetes has on the health of our population, on the national budget, is staggering. Every year, diabetes causes about 24,000 more people to lose their sight, 28,000 more people to undergo dialysis or transplantation for kidney failure, and 77,000 more people to lose their lives from heart disease. These diabetes-related side effects, in combination, shorten life expectancy by an estimated 15 years.

In the year 1999, approximately 800,000 people will be diagnosed with diabetes, and the disease will contribute to almost 200,000 deaths. In the United States, the number of Americans with diabetes has increased nearly 700 percent in the last 40 years, again a primary reason that the CDC has called it the epidemic of our time.

The public and private costs of diabetes are enormous an estimated $105 billion annually, including over $40 billion a year in federal dollars. More then 1 out of every 10 health care dollars in the U.S. and about 1 out of 4 Medicare dollars is spent on diabetes care. In New York State, almost 600,000 people and 10% of our seniors have been diagnosed with diabetes at an annual public and private cost of about $8 billion.

Diabetes kills one American every 3 minutes, and a new case of diabetes is diagnosed in the United States every 40 seconds. And, unfortunately, an estimated 5½ million Americans have diabetes right now and do not even know it.

But, Mr. Speaker, new research is filled with promise. The Diabetes Research Working Group created by Congress in 1997 has developed a comprehensive plan for future research that would cost $827 million next year. Congress mandated this study, Congress has received its mandated report; and yet last year, we gave $448 million, about half of what is called for, only 3 percent of the total NIH budget for diabetes. That is simply $28 per patient. That is not enough.

Yet, Mr. Speaker, every day research and new technologies are improving diabetes diagnosis and treatment. For example, current diagnostic methods cannot always detect adult onset diabetes at the earliest stage of the disease, but a new technology has been developed that will diagnose adult onset diabetes as much as 5 years earlier than any current method by scanning the eye retina with low intensity florescent light. An early diagnosis can significantly reduce the risk of serious complications. We need to increase research for diagnosis.

Blood testing is also becoming less obtrusive. A continuous glucose monitoring system recently approved by the FDA continuously and automatically monitors glucose levels underneath the skin. Future generations of this device may permit the patient to monitor blood levels and connect to an insulin pump for seamless care.

A GlucoWatch, a device worn like a wristwatch, will test blood levels easily and painlessly. This device, which is pending FDA approval, is as successful at blood testing as conventional methods that require pricking the finger multiple times every day and causes only a slight tingling sensation. We need to increase research for blood monitoring.

We also must increase research for treatment. For example, we are at the brink of developing an ability to inhale insulin rather than inject it into the body multiple times per day.

Another burden for people with diabetes is the need to inject themselves with insulin. Several new drugs, taken orally, may reduce the need to take insulin injections. One class of drugs, called insulin sensitizers, helps to lower blood glucose primarily by reducing insulin resistance in muscles. Other groups of drugs work by suppressing glucose production from the liver, increasing insulin production by the pancreas, or decreasing sugar absorption from the intestine. For those who will still need insulin, a power is being developed that can be inhaled so that injections might not be necessary. We need to increase research for treatment.

In juvenile diabetes (type 1), insulin-producing cells, called islets, are destroyed, making daily insulin injections necessary. The Juvenile Diabetes Foundation (JDF) has established three Centers for Islet Transportation, which will attempt to transplant healthy islets to cure juvenile diabetes and find new ways to prevent transplant rejection and other dangerous side-effects. The NIH and the JDF are also developing new ways to manipulate the immune system by inhibiting harmful immune responses while keeping protective ones intact. We need to increase research for cures.

Ultimately, genetics may hold the key to a cure. The American Diabetes Association has initiated the Genetics of Non-Insulin Dependent Diabetes Mellitus (GENNID) Study in order to maximize the rapid identification of the gene or genes involved in adult-onset diabetes. This study has established a national database and cell-bank to store information and specimens from families with long histories of the disease. The Human Genome Project, which is currently mapping the entire human genetic structure, may also provide significant clues to the nature of diabetes. Again, we need to increase research for treatment.

But the fight goes on. We must increase support and research for diabetes for diagnosis, for monitoring, for treatment, and ultimately for a cure.

Mr. BILIRAKIS. Mr. Speaker, I yield 4 minutes to the gentleman from Washington (Mr. NETHERCUTT), who cofounded the Diabetes Caucus here in the House with our former colleague who retired after last year, Mrs. Elizabeth Furse from Oregon. I hope that Elizabeth is viewing in now to see that we are trying to carry on the fight, and she is being replaced, if that is the right word, by the gentlewoman from Colorado (Ms. DEGETTE) who is constantly talking in committee about the need to do something about diabetes.

Mr. NETHERCUTT. Mr. Speaker, I thank the gentleman from Florida (Mr. BILIRAKIS) for yielding me this time, and I certainly join virtually every other Member of this body in congratulating him for his leadership in this whole effort to try to cure this disease.

I also congratulate the gentleman from New York (Mr. LAFALCE) for his sponsorship of this resolution and certainly the gentlewoman from Colorado (Ms. DEGETTE), my colleague and friend, for her leadership as cochair with me of the Diabetes Caucus in the House, along with the gentleman from Pennsylvania (Mr. WELDON) and the gentleman from New York (Mr. LAFALCE) who serve as co-vice chairs of the Diabetes Caucus. It is a great effort that we are undertaking.

Mr. Speaker, I was touched by everyone who has spoken today already on this resolution. They spoke of the Diabetes Research Working Group product, which was a creation of this Congress. Through the Committee on Appropriations, money was budgeted to allow a study to be done. The product was this publication, "Conquering Diabetes." This is a publication that outlines a strategic plan for the 21st century to cure this disease.

It requires money. It requires commitment. It requires dedication. All of that is available through the efforts of this Congress and through the efforts of those people who work so many long hours to put this together, not the least of whom was Dr. Ronald Kahn, the Chair of the Diabetes Research Working Group, who worked tirelessly to make this report a reality and this cure a reality for the millions and millions of people who suffer from this very serious disease.

Mr. Speaker, we need to keep track, I think, of the statistical evidence relative to other diseases that are equally as difficult for people in the society, but I think it is illuminating and it is illustrative to see that this chart shows that there is an increasing incidence of death in connection with diabetes when, in fact, there seems to be in our country a decreasing incidence of death for cancer, for cardiovascular disease and stroke. They have all been very much on the minds of Americans to try to cure these diseases and undertake efforts to relieve the misery that comes from them, but diabetes is on the upswing.

The World Health Organization projects that diabetes will become, quote, "One of the world's main disablers and killers within the next 25 years." That is very serious and something that the Congress has to pay very clear and serious attention to.

This next chart looks at the economics of diabetes. The cost of diabetes to patients in society is $6,562 per year to the person affected by diabetes. But the investment in diabetes research is $30 per year per person. That is a trend that must change, in my judgment, and that is what we are able to change with this report, "Conquering Diabetes," and implementation of the Diabetes Research Working Group plan.

The budget recommendations for this program of "Conquering Diabetes" increase each year, but the goal is to cure the disease and apply research through the National Institutes of Health to good research opportunities that are out there. We know they are there. We know there are lots of opportunities available, it is just the need is there to make the commitment to fund those disease research efforts in order to cure this disease.

We cannot talk about the Diabetes Research Working Group or "Conquering Diabetes" without mentioning the efforts that are undertaken by the interest groups that support the efforts to cure diabetes. The American Diabetes Association, the Juvenile Diabetes Foundation, the American Association of Diabetes Educators, the Joslin Diabetes Center, the Centers for Disease Control and Prevention, the Indian Health Service, and private companies including Eli Lilly, Merck, and Johnson & Johnson. They are all part of the team.

Mr. Speaker, the disease of diabetes is indiscriminate. It disproportionately hurts minorities. It hits all of us where we live, in our families. It is incumbent upon this Congress to pass this resolution and implement this plan.

Ms. DEGETTE. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Puerto Rico (Mr. ROMERO-BARCELÓ).

Mr. ROMERO-BARCELÓ. Mr. Speaker, I urge our colleagues to support this resolution that aims to focus attention on a disease that has reached epidemic proportions throughout the Nation. In every single one of our districts, thousands of individuals suffer from diabetes. In fact, nationally, diabetes has increased 700 percent in the past 40 years.

For some reason that is not scientifically known, diabetes affects our minority populations in even more significant numbers than the rest of the population. Hispanics in general, and Puerto Rican Americans in specific, are especially at risk. The most recent statistics from the Centers for Disease Control indicate that Puerto Rico has the highest number of individuals diagnosed with diabetes in the entire Nation. The rate in Puerto Rico is almost double that of most States and three times that of many States. One out of every four inhabitants in Puerto Rico over 45 years of age has diabetes.

Mr. Speaker, there is a tremendous need for a national diabetes strategy targeting the Hispanic population nationwide. This resolution is an important step to underscore the need for increased support and funding to combat diabetes. Right now, we have already approved in the House in Puerto Rico a bill to start a diabetes center for study of the diabetes high incidence in Hispanics, and the Senate has committed to approve funding for that center. Now, we need more funding. That is not enough. We need as much funding as we can get, and I think all of us should support this resolution.

Mr. BILIRAKIS. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. SWEENEY).

Mr. SWEENEY. Mr. Speaker, I thank the gentleman from Florida (Mr. BILIRAKIS) for yielding me this time. I congratulate the gentleman from New York (Mr. LAFALCE), my colleague and friend, for this important piece of legislation which I rise today in strong support of as a member of the House Diabetes Caucus.

Mr. Speaker, the statistics, we have heard them from a number of folks, but I would like to focus those from my district on the relevant information existing out there. There are more than 30,000 people in my district who combat this disease every day. In fact, every day 36 children are diagnosed with diabetes. Despite the fact that both children and adults are diagnosed, the gentleman from New York (Mr. LAFALCE) pointed out very accurately that over one-third of Americans go undiagnosed.

This is why I think it is of particular importance that we here in Congress take this up as a national issue, an issue of great priority, and move forward to try to find a cure. Insulin, as has been pointed out by the gentleman from Florida, is indeed not a cure. The National Institutes of Health recently estimated that diabetes is the single most expensive disease in the United States in terms of direct costs.

Like those who preceded me today, I support this resolution for people like 4-year-old Ivy Cerro from Moreau, New York, in my district whose mother worries every night that if she does not check her daughter's blood count again before she and her husband go off to bed that little Ivy will not make it through the night.

Mr. Speaker, I support H. Res. 325 for people like 41-year-old Tambrie Alden from Glens Falls, New York, a good friend of mine, who walks a blood sugar tightrope, staying just above the minimum level, because having high blood sugar can lead to serious problems in the long term. But by keeping her blood sugar down, Tambrie is often balancing on the brink of a diabetic coma.

Mr. Speaker, I will have the honor of addressing the Juvenile Diabetes Foundation Ball in Saratoga Springs this weekend celebrating the courage of Tambrie, Ivy, and thousands of others in my district who battle this disease every day. I am proud to have the opportunity this weekend to share with my constituents that Congress is fighting for the people with diabetes by passing House Resolution 325.

As I said, I think it is an important piece of legislation; and I urge my colleagues to support it.

Ms. DEGETTE. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from California (Mr. LANTOS).

Mr. LANTOS. Mr. Speaker, I thank the gentlewoman from Colorado (Ms. DEGETTE), my good friend, for yielding me this time, and I congratulate her and all the other leaders of our congressional Diabetes Caucus for their invaluable work.

Mr. Speaker, we learn from our young people on our staff. My top research assistant, a young gentleman, graduate of Dartmouth who has had diabetes since childhood, has been my teacher on diabetes; and I publicly want to acknowledge my debt to him.

I also want to acknowledge my debt to a young lady, a 16-year-old page whom I had the privilege and pleasure of appointing from the City of San Bruno in California, who a few weeks ago unexpectedly was discovered to have juvenile onset diabetes. Her parents flew in from California. Her condition has stabilized, and she is back on the job, and we are proud of her.

It is important to get beyond the statistics. Mr. Speaker, 16 million Americans have diabetes; 198,000 this year will die from complications of diabetes. What brings this disease home to each of us, however, is our child, our colleague, our friend who has it and who is on the verge of losing his life if proper care is not provided, if proper monitoring is not provided. But most importantly, if proper funds for research are not provided.

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Diabetes research is an invaluable investment in lives and in dollars. The more we understand about this horrible disease the easier it will be to halt its spread and limit its complications.

Eighty years ago, Mr. Speaker, those afflicted with diabetes would die within months. During the intervening years, we have witnessed the invention of synthetic insulin, home glucose monitoring, insulin pumps, the thousand-dollar devices. We are asking for $827 million in diabetes research at the National Institutes of Health; and on a bipartisan basis, we ought to get it.

Mr. BILIRAKIS. Mr. Speaker, I am pleased to yield 4 minutes to the gentlewoman from Maryland (Mrs. MORELLA).

Mrs. MORELLA. Mr. Speaker, I thank the gentleman from Florida for yielding me this time, but I also thank him for sponsoring this very important resolution. I thank the gentleman from New York (Mr. LAFALCE), our colleague on the other side of the aisle.

I also want to thank our co-chairs of the Congressional Diabetes Caucus, the gentleman from Washington (Mr. NETHERCUTT), the gentlewoman from Colorado (Ms. DEGETTE), and all of the Members who have come to rally for this very important resolution to call attention to it. I am very proud of being a member of the Congressional Diabetes Caucus, also.

The magnitude of the problem we have heard from the speakers today, it is clearly defined by these simple facts, and I think they bear some repeating that diabetes currently affects an estimated 16 million Americans, about 800 new cases diagnosed each year.

I want to point out that diabetes spares no group. It attacks men, women, children, the elderly, and people from every racial background. African, Hispanic, Native and Asian Americans, some of the fastest growing segments of our population are particularly vulnerable to diabetes and its most severe complications.

Diabetes strikes both ends of the age continuum. Children and young adults with type 1 diabetes face a lifetime of daily insulin injections and the possibility of early complications whose severity will likely increase over time.

I remember when the Juvenile Diabetes Foundation's Childrens Congress came to Capitol Hill and met with us, and we all found constituents within their group. I remember Jamie Langbein from Olney, Maryland; Rebecca Guiterman from Chevy Chase, Maryland, among the few. I remember their slogan was "Promise to remember me, promise to remember me."

Also, elderly diabetics are frequently debilitated by multiple complications.

Given all those statistics that we have heard, it is no wonder that the cost of diabetes is staggering. In one year alone, the Nation spends over $105 billion in diabetes. More than one in every 10 U.S. health care dollars is spent for diabetes and one in every four Medicare dollars pays for health care of people with diabetes.

Mr. Speaker, I am very pleased that the overall level of funding for the National Institutes of Health, which is in the district that I am honored to represent, has again been increased by nearly $3 billion above fiscal year 1999.

Unfortunately, the current funding and scope of diabetes research fall far short on what is needed to capitalize on many opportunities that are currently available. Approximately $450 million was spent on diabetes-related research in fiscal year 1999.

While this amount has steadily increased since 1981, there was unanimous agreement in the Diabetes Research Working Group, established by Congress to identify research steps that were necessary to find a cure for diabetes, that this amount is far short of what is required to make progress on this complex and difficult problem.

Actually, the current budget for diabetes research represents less than one-half of 1 percent of the annual cost of diabetes. The Federal investment in diabetes represents about 3 cents out of every dollar or 3 percent of the NIH research budget.

Although it is impossible to determine what is an appropriate funding level for the many compelling and competing needs of NIH research funds, 3 percent is clearly a small investment for a disease that affects 6 to 7 percent of the population and accounts for more than 10 percent of all health care dollars.

The proportion devoted to diabetes research relative to the entire NIH budget has actually decreased by more than 30 percent since 1981 when the death rate due to diabetes has increased by 30 percent.

Well, we all know that real advances can be made by a significant investment in research and that it will greatly speed progress and understanding in conquering this disease and its complications. I ask this body to look to the importance of increasing this Federal investment and combatting diabetes and to agree to H. Res. 370.

Ms. DEGETTE. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Texas (Mr. HINOJOSA).

Mr. HINOJOSA. Mr. Speaker, as an original cosponsor of this resolution and a member of the Congressional Diabetes Caucus, I rise to express my strong support for increased Federal funding for diabetes research and prevention.

I represent the 15th Congressional District of Texas, comprised of south Texas and the Rio Grande Valley. With the help of Dr. Maria C. Alen of the Texas Diabetes Council, I am well informed on this issue, as all of my colleagues who have spoken before me. For us, we know all too well the need to find a cure for this life-threatening disease.

It is staggering to realize that nearly 75,000 individuals of the Rio Grande Valley suffer from diabetes. More troubling, it is estimated that over 40 percent of diabetes in Texas are Hispanic.

The cost to the Nation is staggering, estimated at $105 billion each year. More than one out of every 10 health care dollars in the United States and about 1 out of every Medicare dollars is spent on diabetes care.

The number of Americans with diabetes has increased nearly 700 percent in the last 40 years.

I believe we can find a cure for diabetes in our lifetime if Congress is willing to provide the necessary funds for the research. By adequately funding the fight, we will continue to make headway in stamping out diabetes once and for all.

I urge my colleagues on both sides of the aisle to express their support and vote to increase funding to combat diabetes.

Mr. BILIRAKIS. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Utah (Mr. COOK).

Mr. COOK. Mr. Speaker, I rise in support of House Resolution 325. I want to thank the gentleman from Florida (Mr. BILIRAKIS) for yielding me this time. I also want to thank the gentleman from New York (Mr. LAFALCE) and my other colleagues on the Diabetes Caucus for their efforts to bring this important measure to the floor before the end of this session.

Diabetes is a disease which is affecting over 16 million Americans, many of whom are children. My father suffers from diabetes, and I know firsthand the pain and anguish this has caused him and my family.

I am also reminded of Natalie Sadler, a young girl in my district, who is courageously fighting diabetes, who came to Washington as Utah's representative at the Juvenile Diabetes Congress to ask for our help.

At least one in 10 Medicare beneficiaries are diagnosed with diabetes, and as our baby boomer population ages, this ratio will undoubtedly rise. Currently, 25 percent of Medicare costs are consumed by treating diabetes. Utah alone incurred almost $615 million in direct and indirect costs because of diabetes.

While we were learning more about how to manage diabetes and minimize its complications, the message is not getting out. Many of our citizens, particularly Medicare patients, are not aware of what they need to do to prevent serious complications from diabetes. While they know to get annual physicals, 60 percent never receive annual eye exams, despite the fact that diabetes is one of the leading causes of blindness.

Prevention and maintenance, while important, are not a cure. We need to do all we can to ensure that all children and our elderly no longer have to suffer from this disease.

This legislation acknowledges the Federal Government's responsibility and role to improve access to treatment, raise awareness, and fund the necessary research to find a cure for diabetes.

I urge my colleagues to support this bill.

Ms. DEGETTE. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from Texas (Mr. RODRIGUEZ).

Mr. RODRIGUEZ. Mr. Speaker, I rise in support of House Resolution 325, expressing the sense of the House of Representatives that the Federal Government should increase funding for diabetes research, raise awareness about the importance of early detection and treatment, help improve access to diabetes diagnoses and treatment, and that all Americans should help to fight the national epidemic of diabetes.

I and the San Antonio, Texas, community recently lost a good friend, State Senator Greg Luna, to diabetes and the complications of diabetes. Senator Luna's passing is a testimony to the seriousness of the diabetes within the Hispanic population.

The disease affects nearly one in two Hispanics across this country and in our own backyards. Diabetes is the sixth leading cause of death in the United States. Cardio-vascular diseases, which are prevalent among Hispanics, is the leading cause of death among people with diabetes, accounting for more than one-half of all deaths.

It is crucial that we not only increase research into prevention and treatment of diabetes, but that our communities increase outreach to the high-risk populations.

In my congressional district in south Texas, statistics indicate that juveniles are more likely to acquire type 2 diabetes than any other. I ask the House to make sure that we fund this diabetes research.

Mr. BILIRAKIS. Mr. Speaker, I understand I have the right to close. Right now it does not appear like I have any further requests for time, and I reserve the balance of my time.

Ms. DeGETTE. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Texas (Mr. REYES.)

Mr. REYES. Mr. Speaker, I want to thank the gentlewoman for yielding me this time.

Mr. Speaker, I tell my colleagues that I rise today in support of H. Res. 325 because I know personally the impact of diabetes, as both my mother and mother-in-law are diagnosed with it; and I have seen their daily struggles to manage this terrible disease.

Mr. Speaker, one of the most difficult things that I have done in recent months is to keynote a breakfast that was sponsored by the Juvenile Diabetes Foundation where I heard personal testimony from young people that are affected by this terrible disease.

Although there is currently no cure for diabetes, there are many effective treatments to head off diabetes-related complications such as blindness, kidney disease, amputations, heart disease, and other diseases that affect millions of people each and every day.

But, Mr. Speaker, diabetes has an even more debilitating impact in the Hispanic community, as some of my colleagues have pointed out. For example, among individuals over 20 years of age, Mexican-Americans are twice as likely than non-Hispanic whites to have this terrible disease, and more than 21 percent of Hispanics over the age of 65 have been diagnosed with diabetes.

These disproportionate numbers affect districts with significant Hispanic populations, such as mine in El Paso. This impact will only worsen because the Census Bureau projects that the Hispanic population in Texas will double over the course of the next 25 years. Thus, the future health of America will be affected substantially by our success in improving the health of racial and ethnic minorities.

Research also provides the tools to improve access to community-based quality health care and the delivery of preventative and treatment services. The most important thing in my opinion that Congress can do for diabetes prevention and treatment is to prorate dollars to government health organizations for research and for treatment.

I urge each of my colleagues to support H. Res. 325.

Ms. DeGETTE. Mr. Speaker, I am pleased to yield 1 minute to the esteemed gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Speaker, I certainly want to thank the gentlewoman from Colorado for yielding me this time.

Let me just add my voice in strong support to all of the sentiments that have already been expressed by my colleagues. All of us have indicated that one does not have to go very far to see the impact, the effects of diabetes. My own mother died of kidney failure. My brother-in-law probably at this moment is undergoing dialysis treatment. The chairman of my political organization just a few months ago, one of my young associates who was a childhood diabetic, I used to take in between meetings, I would drop him off to get his dialysis treatment.

Here is an opportunity for this House, for this Congress, for all of America to get on board with a resolution that will provide the kind of resources for the research, the education, the treatment, the information that we really need to enhance the quality of life for millions.

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Ms. DeGETTE. Mr. Speaker, I yield myself the balance of my time.

I do not think that we could be any more clear here today. We need to adequately fund diabetes research, and we need to do it now. There are over 260 Members of the Congressional Diabetes Caucus, which the gentleman from Washington (Mr. NETHERCUTT) and I chair. It is the largest caucus in Congress. There are 109 cosponsors of this piece of legislation. Every Member of Congress is touched in some way by a relative, by a friend, by a constituent with diabetes. The diabetes working group report sets out a clear path. The research we need to do is not useless, it is not frivolous, it is targeted, and it needs to be done.

I do not think we can say any more clearly to the administration and to the National Institutes of Health that we appreciate what they are trying to do but that they need to do more. They need to increase the funding for diabetes research so that we can cure this disease and we can do it in the American spirit, in the way we always tackle all of these problems.

Again I wish to thank the gentleman from New York (Mr. LaFALCE) for bringing this resolution forward. It is important. And I would like to thank the hard efforts of everyone who continues to fight so that we may cure this deadly disease and that we may do it soon.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BILIRAKIS. Mr. Speaker, I yield myself the balance of my time to close.

Mr. Speaker, I made the comment earlier that I call this the invisible disease, but God knows even though it has been an invisible disease its effects are far from invisible. We heard here today the tremendous effect that diabetes has on the blood vessels. It causes poor circulation, which leads to so many other terrible things. The eyes, decreased vision and ultimately blindness. Poor kidney function and kidney failure. It affects the nerves, the autonomic nervous system. It affects the skin, with sores and deep infections; diabetic ulcers, poor healing, the blood, an increased susceptibility to infection, especially the urinary tract and skin.

Mr. Speaker, this resolution, of course, calls for increased funding for research, and many of us recently signed a letter to the administration suggesting again very strongly the need of increased funding for research. We here in the House have been reluctant in the past to earmark funding for specific diseases, feeling it is not really our purview, that we do not have the knowledge to know and leaving it in the hands of NIH. But there have been times when we have basically said to them, even though we do not want to specify specific dollars, that there should be increased dollars for things such as Parkinson's, diabetes, cancer, et cetera, et cetera.

So, Mr. Speaker, it is imperative that research continue and be improved so that we can finally lick this disease, because as we said earlier, insulin and some of the treatments do not really lick it, but it is also important for the American people to realize there are things they can do to maybe keep from getting diabetes, particularly when it is genetically in their family and they know that they are very susceptible to it. So I am hopeful what we are doing here today will be very helpful in that regard.

Mr. Speaker, I thank again the gentlewoman from Colorado (Ms. DeGETTE), along with the others, the gentleman from New York (Mr. LaFALCE) for bringing up the resolution, the gentlewoman from Colorado and the gentleman from Washington (Mr. NETHERCUTT), who have been fantastic about teaching us about diabetes, and, of course, the gentleman from Pennsylvania (Mr. WELDON) and the others, who have been so much at the forefront.

Mr. McKEON. Mr. Speaker, I join my colleagues today in supporting the fight against diabetes.

Today, nearly 16 million people in the United States have diabetes—many of which are not aware that they have the disease. With every passing day, over 2,000 Americans discover they have diabetes. By the end of the year, almost 800,000 people will have been diagnosed as diabetics

The most difficult part about treating and preventing diabetes is that most people are not aware they are diabetics until after they develop one of its life-threatening complications; including blindness, kidney disease, nerve amputations, and stroke. In fact, studies show that diabetes is the leading cause for blindness as well as kidney failure. Also, over sixty percent of diabetics suffer from nerve damage, which can lead to limb amputations. Diabetics are also two to four times more likely to suffer a stroke.

Because of these serious complications, diabetes is one of the most costly health problems in America. It is estimated that the costs associated with diabetes treatments and overall health care for patients with diabetes costs $92 billion each year. Diabetics also incur almost $8,000 per year more in medical bills than those who are not diagnosed with diabetes.

Due to the high cost and life-threatening implications of diabetes, I believe it is imperative that we raise awareness about the disease. Knowing the early signs of diabetes and its risk factors are a patient's best defense against diabetes. It would be a tragedy if more Americans were forced to suffer from diabetes without an increased effort to ensure people are aware of the steps they can take to best prevent the disease.

Members of my own family have suffered from diabetes. I have witnessed firsthand the devastating effects of this disease and am committed to finding a cure. Like many of my colleagues here today, I am a member of the Congressional Diabetes Caucus, chaired by my colleague from Washington state. We have worked tirelessly to increase the awareness of diabetes in Congress and to promote greater research into diabetes.

For this reason, I stand in strong support of H. Res. 325. This resolution underlines the importance of increasing research funding for diabetes so that improved treatments and a cure may be discovered. It also highlights the need to raise awareness about the importance of the early detection and proper treatment of diabetes.

I am proud to rise in favor of this initiative to help the millions of Americans who suffer from diabetes. I strongly support this resolution and sincerely hope my colleagues will join me today in passing H. Res. 325.

Ms. KILPATRICK. Mr. Speaker, I rise in support of H. Res. 325, which expresses the sense of this chamber that our efforts to fight against diabetes deserve increased support and funding. I would like to take this opportunity to thank the sponsor of this resolution, the gentleman from New York, Representative LAFALCE, for raising the American public's awareness of this important issue.

Our efforts to find new and improved treatments for diabetes and ultimately a cure are a personal issue for me.

I am a diabetic.

This disease has threaded its way through generations of my family, and it impacts on my daily life. Each day begins with an intake of insulin. Each meal is carefully selected to help me manage my diabetes. Each daily schedule sets time aside for physical exercise as a means of reducing the risk of diabetes-related complications.

Sixteen million Americans live with diabetes. In the last 40 years, the number of Americans with diabetes has increased nearly 700 percent. This dramatic growth gave cause for the Centers of Disease Control to call it the "epidemic of our time." America spends $40 billion annually treating people with diabetes through Medicare, Medicaid and other health care programs.

Diabetes is the sixth deadliest disease in America. Since 1980 the mortality rate due to diabetes has increased 30 percent. This trend is significant when compared to the mortality rates of heart disease and stroke, which have decreased over the same time period. The life expectancy of diabetics average 10 to 15 years less than that of the general population. The damage caused by diabetes is gradual. It occurs over a period of years, and it affects virtually every tissue of the body with long-term and severe damage.

In Michigan, nearly 400,000 adults (or 5.7 percent of the adult population) have been diagnosed as diabetics. But another 2,600,000 persons in Michigan are at increased risk of undiagnosed diabetes because of the risk factors of age, obesity and a sedentary lifestyle Diabetes contributed to the death of 7,433 Michigan residents. Research has established that African- and Hispanic-Americans exhibit a greater prevalence of diabetes than the general population. And African-American males often suffer disproportionately. For example, diabetes is the leading cause of debilitating disease and death in African-American men. Persons affected by diabetes suffer higher rates of serious, but preventable complications, including: blindness, lower extremity amputations and end stage renal disease.

This spring the Diabetes Research Working Group (DRWG) presented a report to Congress identifying hundreds of scientific opportunities that could lead to better treatments for the 16 million Americans with diabetes and hopefully bring about a cure. It suggested a number of research plan recommendations, including increasing the budget for diabetes research.

The Labor—HHS—Education Appropriations bill increased funding by over 13 percent, and it instructed the National Institutes of Diabetes and Digestive and Kidney Diseases to move forward with the recommendations of the Working Group. The National Institutes of Health (NIH) will draw on the resources from related research disciplines to increase funding for diabetes research by 15 percent overall. The bill also urged the Institute to focus increased efforts into areas of diabetes research that could lead to a cure in the short term, such as beta cell replacement and supply. For this, I appreciate the work of the gentleman from Illinois, Rep. JOHN PORTER, for assigning diabetes research a high priority in NIH's Fiscal Year 2000 funding allocations.

I look forward to continuing the work of my colleagues who share my interest in diabetes and diabetes research and in finding the resources necessary to increase our investment in research efforts that could lead to new treatments and, hopefully, a cure for diabetes.

Mr. WAXMAN. Mr. Speaker, I rise to join my fellow cosponsors of H. Res. 325 in highlighting the importance of expanding research, treatment and education on diabetes.

I am particularly pleased to recognize the work of the American Diabetes Association on World Diabetes Day, which was observed by the World Health Organization and more than one hundred international scientific and patient advocacy groups this past Sunday November 14.

Today, managing their diabetes is a health priority for more than 140 million people across the world. Even before its clinical symptoms were recorded by an Egyptian physician in the 15th century B.C., diabetes was a chronic disease affecting people across the world. Only today, as research into genetic and environmental factors continues, can it be said that real hope exists for finding a cure to diabetes.

In the United States, diabetes is the sixth leading cause of death. Disproportionately affecting the elderly and communities of color, diabetes is a heavy burden on the health of patients, the lives of their families and communities, and upon our system of health care. It is therefore fitting that Congress should join patients and their families in renewing a commitment to preventing and to finding a cure for diabetes.

Finally, recognizing that important discoveries are often made where we least expect, and that research in one field will often spark crucial insights in others, I hope in the future that Congress will act upon legislation to further enhance the work of the National Institutes of Health on juvenile diabetes as well as on other auto immune diseases, such as multiple sclerosis, rheumatoid arthritis and Sjögren's Syndrome.

I congratulate Ms. DEGETTE and Mr. NETHERCUTT, the chairs of the Congressional Diabetes Caucus, and Mr. LAFALCE, the sponsor of the resolution, for having advanced this resolution before the Congress adjourns.

Mr. LARSON. Mr. Speaker, I rise today in support of H. Res. 325, which expresses the critical need for increased funding and education to combat diabetes. My commitment to helping those with this disease is not limited to H. Res. 325. When I became a Member of Congress earlier this year, I joined the Congressional Diabetes Caucus.

Diabetes, which is the sixth leading cause of death in the United States, is currently an incurable disease. This disease is also the foremost cause of adult onset blindness, and several debilitating health complications such as heart disease, stroke, and kidney disease. In the United States sixteen million individuals have diabetes; 800,000 Americans have type one (formerly known as juvenile diabetes), and while 10.2 million have been diagnosed with type two diabetes, roughly 5 million are unaware that they have it. In my district alone, approximately 37,000 of my constituents and their families have been struck with this deadly disease.

Funding for diabetes treatment, prevention education, and research is extremely vital and indispensable. I cannot emphasize enough how important it is to fully fund these programs in order to find a cure for diabetes, and to find ways to prevent or delay the onset diabetes through early identification of individuals who are at high risk.

Although research continues to try to identify the causes of the disease and ways to prevent it, it can only go so far with limited funding. The Diabetes Research Working Group was established by Congress and selected by the National Institute of Health to develop a comprehensive plan for all NIH funded diabetes research efforts. It has stated that there may be possible cures, solutions, and opportunities for discovery in diabetes research that are not being pursued due to the lack of funding. In the Diabetes Research Working Group's summary of its report and recommendations, there are over 70 major recommendations for research. There is no reason why these recommendations should not be funded.

We desperately need to increase funding for and awareness of this disease. Diabetes affects everyone; it does not discriminate based on age, race, or creed. That point was painfully expressed to me in a letter from a constituent named Michael Hoefling who is 13 years old. He writes, "I really want a cure for diabetes so I don't have to test my blood sugar all the time, and then I can do whatever I want without worrying, like playing sports and having more freedom." For Michael and the 16 million other Americans living with this disease, Congress must provide that freedom by funding diabetes research and prevention.

I urge my colleagues to join me in support of H. Res. 325.

Mr. SMITH of New Jersey. Mr. Speaker, today I rise in support of H. Res. 325, a resolution expressing the will of the House that the Federal Government has an important responsibility to appropriately fund vital life-saving and life-affirming research to treat and cure diabetes. As a co-sponsor of this resolution, and as a member of the Congressional Diabetes Caucus, I believe the goal of understanding the causes of diabetes, and thereby discovering a cure, is both attainable and appropriate for our nation.

Diabetes affects 16 million Americans and is one of the leading causes of blindness, amputations, kidney disease, and heart disease. Researchers at the National Institutes of Health (NIH), at our hospitals and medical centers, and at our nation's research-based pharmaceutical companies, are all working hard to find a cure for diabetes. But they need the full support of Congress, because the problem is simply too big for any one segment of our society to conquer on its own.

Through this resolution, Congress is putting itself on record advocating the funding level of $827 million dollars recommended by the Diabetes Research Working Group. This is the amount of NIH funding deemed to be necessary to wage a full-fledged war on diabetes. I hope the National Institutes of Health (NIH) takes a careful look at this vote on H. Res. 325 as they compile their research priorities in the coming years.

In the U.S., there are currently 123,000 persons under age 20—most of them children—suffering from diabetes. We know these children because they live in every community in America. One such child is Charlie Coates, a precocious young boy from Highstown, New Jersey, who visited my office in Washington, D.C., along with his father, David Coates. Charlie has diabetes, and Charlie's future, and the futures of thousands of children just like him, depend in part on the decisions made here in Congress and in Bethesda, Maryland, the headquarters of the NIH. Diabetes affects virtually every tissue and organ in Charlie's body, and it can create serious medical complications for him. His mother and father have to be constantly vigilant to make sure Charlie's diabetes is kept under control with insulin. Right now, the average life expectancy of a person with diabetes is 15 to 20 years less than for those without the disease. Indeed, the stakes for children like Charlie are very high in this fight. Children like him need a medical breakthrough, and they need it now.

We are at a crucial decision point in the war on diabetes. Will we try to wage this war on the cheap, with proverbial sticks and rocks? For the sake of 16 million Americans, I sure hope not. Or will we use the full array of life-affirming and life-saving technology at our nation's disposal, and fund the fight at the level recommended by the Diabetes Research Working Group?

As a nation, we need to refocus and rededicate ourselves to finding the cure for diabetes. Despite great progress to date at the NIH, we are still not designating diabetes among our top priorities. For instance, from FY 1980 through 1999, NIH-funded diabetes research as a percentage of the total NIH budget has never exceeded 4.1 percent, despite the fact that diabetes-related illnesses during the same period represented 12 to 14 percent of the health care expenses in the United States. Right now, only $30 per year in federal research is spent per person affected with diabetes. That is less than a family might spend for a movie and a pizza! Affected persons need more care and relief than $30 per person per year can buy.

Diabetes costs our nation an estimated $105 billion annually in health care costs. In addition, seniors are also at a great risk for diabetes. Fully one out of every four Medicare dollars is spent on caring for diabetes, totaling about $28.6 billion per year and making diabetes and its related complications Medicare's single largest expense. And the human costs of diabetes are simply incalculable.

Diabetes is not a discriminatory disease. It is a lifelong condition that affects people of every age, race, income level, and nationality. The number of Americans with diabetes has increased nearly 700 percent in the past 40 years, leading the Centers for Disease Control and Prevention to call it the "epidemic of our time." Nearly 123,000 children and persons under 20 suffer from some form of diabetes.

The cost would most likely be lower if diabetes were detected earlier. Too frequently this epidemic goes undiagnosed: 5.4 million Americans have the disease but do not know it. About 197,000 Americans die each year from the complications of diabetes, and there are approximately 800,000 newly diagnosed cases each year.

But there is hope, if only Congress will set aside the necessary resources to track down promising leads and research proposals. Early detection and preventive medicine is crucial in assisting Americans become better aware and educated about diabetes. If we can teach patients to know the warning signs and symptoms of diabetes, we can lower the risks of further infection an complications.

With the information technology revolution upon us, I believe a cure is in sight. I voice my enthusiastic support for H. Res. 325, and urge every one of my colleagues to do the same.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SHIMKUS). The question is on the motion offered by the gentleman from Florida (Mr. BILIRAKIS) that the House suspend the rules and agree to the resolution, House Resolution 325.

The question was taken.

Ms. DEGETTE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

RECOGNIZING AND HONORING WALTER PAYTON AND EXPRESSING CONDOLENCES OF THE HOUSE TO HIS FAMILY ON HIS DEATH

Mrs. BIGGERT. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 370) recognizing and honoring Walter Payton and expressing the condolences of the House of Representatives to his family on his death.

The Clerk read as follows:

H. RES. 370

Whereas Walter Payton was born in Columbia, Mississippi, on July 25, 1954;

Whereas Walter Payton was a distinguished alumnus of Jackson State University, home of the Jackson State Tigers and the nationally renowned Sonic Boom of the South;

Whereas Walter Payton was known by all as "Sweetness";

Whereas Walter Payton serves as the highest example of his Christian faith and his sport in countless public and private ways;

Whereas Walter Payton was truly a hero and role model for all Mississippians who had the privilege of watching him play the game he loved so much;

Whereas Walter Payton was viewed by his friends and former classmates as a fun-loving, warm, and smiling man with a joy for life, his family, and his sport;

Whereas Walter Payton played the game of football with unparalleled determination, passion, and desire;

Whereas Walter Payton, an extraordinary Mississippian and the National Football League's greatest running back of all time, died leaving us great memories of personal and athletic achievements;

Whereas Walter Payton received national acclaim as a running back and was the Chicago Bears' first pick, and was chosen fourth overall, in the 1975 draft;

Whereas Walter Payton played 13 seasons in the National Football League;

Whereas Walter Payton played a critical role in helping the Chicago Bears win Super Bowl XX in 1986;

Whereas Walter Payton was inducted into the College Football Hall of Fame in 1996;

Whereas Walter Payton was inducted into the Professional Football Hall of Fame in 1993;

Whereas Walter Payton holds the National Football League record for career yards—16,726 yards;

Whereas Walter Payton holds the National Football League record for career rushing attempts—3,838 attempts;

Whereas Walter Payton holds the National Football League record for yards gained in a single game—275 yards in a game against the Minnesota Vikings on November 20, 1977;

Whereas Walter Payton holds the National Football League record for seasons with 1,000 or more yards—10 seasons, 1976 to 1981 and 1983 to 1986;

Whereas Walter Payton holds the National Football League record for consecutive seasons leading the league in rushing attempts—4 seasons, from 1976 to 1979;

Whereas Walter Payton holds the National Football League record for most career games with 100 or more yards—77 games;

Whereas Walter Payton holds the National Football League record for combined net yards in a career—21,803 yards;

Whereas Walter Payton holds the National Football League record for combined attempts in a career—4,368 attempts;

Whereas one of Walter Payton's greatest achievements was the founding of the Walter Payton Foundation, which provides financial and motivational support to youth and helps children realize that they can raise the quality of their lives and the lives of those around them;

Whereas the Walter Payton Foundation's greatest legacy has been the funding and support of children's educational programs, as well as programs assisting abused or neglected children; and

Whereas Walter Payton died on November 1, 1999, of liver disease: Now, therefore, be it

Resolved, That the House of Representatives—

(1) recognizes and honors Walter Payton—

(A) as one of the greatest professional football players;

(B) for his many contributions to Mississippi and the Nation throughout his lifetime; and

(C) for transcending the game of football and becoming a timeless symbol of athletic talent, spirited competition, and a role model as a Christian gentleman and a loving father and husband; and

(2) extends its deepest condolences to Walter Payton's wife Connie, his children Brittany and Jarrett, his mother Alyne, his brother Eddie and sister Pam, and the other members of his family on their tragic loss.

SEC. 2. The Clerk of the House of Representatives shall transmit an enrolled copy of this resolution to the family of Walter Payton.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Illinois (Mrs. BIGGERT) and the gentleman from Maryland (Mr. CUMMINGS) each will control 20 minutes.

The Chair recognizes the gentlewoman from Illinois (Mrs. BIGGERT).

GENERAL LEAVE

Mrs. BIGGERT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on House Resolution 370.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

Mrs. BIGGERT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Resolution 370, which recognizes and honors Walter Payton and expresses the condolences of the House of Representatives to his family on his death; and I want to thank the gentleman from Mississippi (Mr. PICKERING) for introducing this important resolution.

We are here today to honor the life of Walter Payton, number 34 for the Chicago Bears. The tragic and all too early end to his life November 1 cannot obscure his greatness, not just as a football player but as a human being. It is not just his eight NFL records, from career rushing yards to number of 1,000 yard rushing seasons to yards gained in a game. It is not just his 28 Chicago Bears' records. The Bears often had great individuals. Walter Payton meant so much more to the team than just individual statistics.

I still remember attending the 1963 NFL championship game in Chicago where the Bears beat the New York Giants 14 to 10. Unfortunately, this would be the last time any of us would see the Bears in the playoffs, that is until Walter Payton arrived. He began to carry the Bears with his work ethic, determination, and relentless pursuit of excellence. Sometimes it seemed that he was the only weapon the Bears had. And, finally, he led the Bears back up to the top in Super Bowl XX in 1986.

Over the years that Walter Payton played, Chicago saw a renaissance in its sports teams. The White Sox and the Cubs made the playoffs, and Michael Jordan began to take the Bulls to the top. But Walter Payton was the first and the brightest, and the Bears owned Chicago because of him.

More importantly, Walter Payton made his mark off the football field in a way that few athletes do. In truth, he gave back to Chicago more than Chicago could ever have given to him. He coached high school basketball, read to children in literacy programs, and made significant charitable contributions during and after his NFL career. His Walter Payton Foundation funds educational programs and helps countless abused and neglected children throughout the country.

He was a successful businessman, always open to new ventures, from his restaurants to an Indy car racing team. But perhaps, most importantly, he was a successful father and husband. When his daughter Brittney joined his wife Connie in accepting the Life Award for him at the Arete Courage in Sports awards in late October, and when his son Jarrett addressed the media 2 weeks ago, we could see the same poise in them that the world saw in Walter Payton.

Lucky are those whose lives were touched by this special man. Like most Chicagoans, I feel that somehow I knew Walter Payton; that he was one of us and we were better off for that.

To his wife Connie, his son Jarrett, his daughter Brittney, and to all his friends, we are proud to send the Nation's condolences, and to remind them how much Walter Payton meant to the American people. His sweetness remains with us forever.

Mr. Speaker, I reserve the balance of my time.

Mr. CUMMINGS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, over the last several weeks, this Nation has endured numerous reports of tragedies and deaths. Last week I came to the floor to express condolences on behalf of this body for the unexpected death of the great Payne Stewart, and in a few minutes I will do the same for Joe Serna, Jr., the recently decreased mayor of Sacramento, California.

I followed the news reports of the 217 people who died on board Egypt Air Flight 990, and the gunman in Hawaii who shot and killed his office workers. But in all of these stories of death and despair is a story of life and how we choose to live each and every day of it.

Walter Payton began his football career in 1975 at the age of 21. He was 5 feet 10 and 200 pounds. As the Bears' first-round choice out of Jackson State in Mississippi, he was an awesome human being. Payton, the NFL's career rushing leader, was called "Sweetness" because of the gritty and defiant way he ran the ball. His sweetness extended off the field, where he was known for his humor and consideration of others.

House Resolution 370 recognizes Walter Payton for his career triumphs and for establishing the Walter Payton Foundation, which provides financial and motivational support to youth and helps children realize that they can raise the quality of their lives. This resolution cites Payton as a Christian who was viewed by his friends and former classmates as a fun-loving, warm and smiling man with a joy of life, his family and his sport.

On February 2, when Walter Payton announced that he was suffering from a rare liver disease, he was frail and emotional. I shall never forget sitting at the television and watching him as the tears rolled down his face. Payton brought joy into the lives of millions of fans, but at 45 years old, only 45 years old, he needed the gift of life. His liver disease could only be cured by an organ transplant, a transplant he would never, unfortunately, receive.

On November 1, Walter Payton died of a disease malignancy of the bowel duct. He had undergone chemotherapy and radiation treatment to stem the cancer. But because of the aggressive nature of the malignancy, and because it had spread to other areas, a liver transplant, even if a donor were available, could no longer save Walter Payton's life.

By encouraging the 20,000 fans who attended a memorial service for Payton to register as organ donors, Walter Payton's family used his death to highlight the importance of organ donations and the gift of life. In other words, it was their effort to try to bring out of his death new life.

I could not help but think of Walter Payton when it was reported that in my own district of Baltimore, Maryland, a 60-year-old mother of three from Bowie donated a kidney to a 51-year-old father from California. What was special about this situation was that it was a Good Samaritan organ donation. Good Samaritan organ donations, in which the donor offers an organ to a recipient who is a complete stranger, are very unusual. Most live organ donors are relatives or friends of the recipient.

The donor, Sue Rouch, read about the desperate need for an organ donor in a newspaper and called various local hospitals offering to become a donor. She is quoted as saying, "It's a gift. I'm a generous person, and giving and receiving is all part of the same circle of life." Last Friday, she gave her gift to Rick Sirak. If not for Sue Rouch, a generous and compassionate human being, Rick Sirak may have suffered the same fate as our hero, Walter Payton.

Like Rouch, Walter Payton was a generous and caring man. He was famous and world renowned but he was a Good Samaritan who cared for the abused and the needy among us. He celebrated life and brought joy into the lives of so many he touched.

Gregory Brown, coach of the Calumet Park Rams, a youth league team in Chicago, stated, "Walter Payton was a true greatness, true poetry. We tell our kids to run like Payton on the field and act like Payton in your life."

Mr. Speaker, I reserve the balance of my time.

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Mrs. BIGGERT. Mr. Speaker, I am proud to yield 3 minutes to the gentleman from Mississippi (Mr. PICKERING), my esteemed colleague and the sponsor of House Resolution 370.

Mr. PICKERING. Mr. Speaker, I rise in support and as a proud sponsor of this resolution before us.

The gentlewoman from Illinois (Mrs. BIGGERT) and her great State had the privilege of watching Walter Payton play for the Chicago Bears. But in Mississippi, he was our native son and he made us all proud in a place that takes football very seriously, where there is Bret Favre, Jerry Rice, the NFL MVPs that we see and watch today on Sundays.

But it was Walter Payton, it was sweetness, that first broke through and created the greatness and the pride that we have in Mississippi. He was a tremendous ambassador and representative of our State and one of the greatest running backs of all time.

I am sad to say that, with his passing, we will no longer enjoy his example off the field, but we will have the memory and the legacy of what he did both on the field and as a person and as a father.

I remember well watching his son introduce him and speak for his induction into the Hall of Fame. What pride would any father have to see a son stand and introduce them into the place where their peers and where history records greatness. But to go to a son, something never done before, to make that introduction was a great example of the priorities of Walter Payton's life.

He was a native of Columbia, Mississippi. I am proud to join with my colleague, the gentleman from Mississippi (Mr. SHOWS), who represents Columbia and who will join us today in speaking of Walter Payton. He was an alumnus of Jackson State University in Jackson, Mississippi, where he received national acclaim as a running back and was chosen fourth by the Chicago Bears in the 1975 draft.

He then went on to play 13 seasons in the NFL, winning a Super Bowl and setting the all-time record for most yards at 16,726.

He was inducted into the college football Hall of Fame in 1996 and to the professional football Hall of Fame in 1993. He was truly a hero and role model for all of us in Mississippi who had the privilege of watching him play the game he loved so much.

My condolences go out to his wife, Connie, and to his children, Brittany and Jarrett.

Walter Payton will always be remembered for his style, class, and outstanding reputation on and off the football field. He was a great ambassador for our home State of Mississippi, and he will be missed by all Mississippians. He may not have been the biggest or the fastest, but it was clear he had the largest heart both on and off the field.

To Walter Payton we simply say, thank you.

Mr. CUMMINGS. Mr. Speaker, it is my pleasure to yield 3 minutes to another distinguished gentleman from Mississippi's Fourth Congressional District (Mr. SHOWS).

Mr. SHOWS. Mr. Speaker, today I would like to take the opportunity and a minute to tell my colleagues and the American people of my thoughts on Walter Payton. Walter's death was untimely, and it is important that we pause to remember this remarkable Mississippian and American.

Walter spent his life giving all he had to his profession, the sport of football. And through his remarkable gift of talent and ability, he gave all, what we call a real American hero.

Walter was a role model of fairness and honesty. With open hands, he often reached down to the opponent he had just out-maneuvered to help him off the turf. With a sweet voice, he always offered praise and encouragement to others in football. And with courage under fire, he never showed a quitter's attitude, right up to the end.

Walter was an American hero. I can honestly say that Walter Payton was a mentor for a lot of young people across our Nation. He was from my congressional district in Columbia, Mississippi, but about 20 minutes from my home.

I can remember when Walter was playing high school football, we heard about this young man that played at Columbia High School who was so fast he could go across the line and turn around backwards and look at his opponents backwards chasing him.

Many of us followed his remarkable career from when he packed out the high school stadiums in my district. He was a streak of lightning down the football field then, as he was years later in the NFL.

Walter humbly rose to star status in our Nation and never let the attention change him. He was always Walter. He touched the lives of everyone, white and black, young and old.

The Bible teaches us about giving and caring, honesty and integrity. I think Walter must have listened well to the preachers in the churches that he attended as a child and throughout his life. Walter embodied those values that make us great and that we all need to value ourselves.

Walter Payton was good for football, he was good for our youth, and he is good for America. I am indebted to Walter Payton for his example. We are all indebted to him for his gift and life.

Mrs. BIGGERT. Mr. Speaker, I reserve the balance of my time.

Mr. CUMMINGS. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Chicago, Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Speaker, I thank the gentleman from Maryland (Mr. CUMMINGS) for yielding me the time.

I also want to thank the gentleman from Mississippi (Mr. PICKERING) for introducing this resolution. I am pleased to join with the millions of others throughout America and the world who have been inspired, motivated, and stimulated by the life and the legacy of Walter Payton.

Yes, Walter was indeed a great athlete and thrilled millions weekly as he glided, weaved, bobbed, and zipped up and down football fields, chewing up yardage, scoring touchdowns, and helping to win championships.

But Walter Payton was much more than a gifted athlete. He was a gentleman, a good son, a good husband, a good father, a good citizen, and yes, indeed, a role model.

He attended a small school, one of the historically black colleges and universities, Jackson State, in the Southwest Conference, the same conference that I had the opportunity to participate with and in when I attended one of the same small colleges and universities.

Walter proved that it is not always a matter of where we come from as much as it is sometimes a matter of where we are going. He demonstrated to all of us that there can be inspiration in death just as there is inspiration in life. He helped to raise the issue of organ donation and transplantation, even though at the latter part of his life he knew that he would not be able to use one even if it was available.

I want to commend the city of Chicago, my city, for the outstanding tribute that it paid to Walter Payton when thousands of people filled up Soldier Field. Yes, Walter was the best on and off the field. So, on behalf of the people in the Seventh District of Illinois, we celebrate his life and offer condolences to his family and say that all of us are a little bit better because Walter Payton lived.

Mrs. BIGGERT. Mr. Speaker, I reserve the balance of my time to close.

Mr. CUMMINGS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am urging all of our colleagues to support this very, very appropriate resolution. I want to thank the gentleman from Mississippi (Mr. PICKERING) for sponsoring it and all the cosponsors and for all of those who have spoken today.

When one looks back at the life of Walter Payton, I can only help but think about a song that says, "The times we shared will always be. The times we shared will always be."

I think Walter Payton brought so much to our lives. One great writer said, he brought life to life. And there is absolutely no question about that. And so, we take a moment today to not be here because he died, but we take a moment to salute him because he lived. He took his God-given talent; and he made the very, very best of them.

And so, to his wife, Connie, and to his children, Brittany and Jarrett and to his relatives, we say to them, thank you very much for sharing Walter Payton with us. He lifted our lives; and, on and off the field, he made our lives better. He, indeed, brought life to life.

Mr. Speaker, I yield back the balance of my time.

Mrs. BIGGERT. Mr. Speaker, I yield myself the balance of the time.

Mr. Speaker, House Resolution 370 provides a fitting memorial to the career and life of Walter Payton. We remember him as an intense competitor on the field and a superb human being and citizen. He dedicated himself fully to his chosen work, and he set an example of humor and grace that we can all admire.

I am proud to speak in his memory, and I join my colleagues in urging swift passage of this resolution honoring a man whose generous life among us was far too brief.

I want to thank again the gentleman from Mississippi (Mr. PICKERING) for introducing this resolution and all the gentlemen from Mississippi and the gentleman from Maryland (Mr. CUMMINGS) who have spoken so eloquently about the life of Walter Payton.

Mr. PORTER. Mr. Speaker, I rise today in support of House Resolution 370, and to celebrate the profound impact of the life of Walter Payton.

This man, who struck fear into the hearts of opposing NFL defenses for 13 years, inspires our hearts today. As unstoppable and resilient as Walter Payton was on the football field, he was caring, as confident as he was uplifting—this irresistible force was also an immovable object of a good man.

Walter Payton exploded into Chicago in 1975. The Bears, having been spoiled by some of the greatest running backs of all time, from Red Grange, to Bronko Nagurski, to Gale Sayers, were looking for a savior for their backfield. Walter's 66 touchdowns, whopping 6.1 yards per carry, and NCAA scoring record seemed an answer to the Monsters of the Midway's prayer. Chicago chose him with its number one pick. Said Walter's first Bears position coach, Fred O'Connor, upon seeing his new prodigy, "God must have taken a chisel and said, 'I'm going to make me a halfback.'"

For the next 13 years Walter ran roughshod over the best athletes in the world. No one has more yards rushing, more rushing attempts, more rushing yards in a game, more 100-yard games, or more all-purpose yards than Walter Payton. He won two MVP awards, led the best football team of all time to victory in Super Bowl XX, and only missed one game in 13 years (a game he insisted he could have played in). Walter made a career out of fighting for the extra yard, never taking the easy run out of bounds, blocking for his teammates, playing through injuries, and leaping into the endzone. He was Sweetness, yet was tougher than Dick Butkus and Mike Ditka. He was also one of the classiest athletes in the history of the NFL—politely handing the ball to officials after scoring, and helping opposing players to their feet after knocking them flat. Ditka, his coach and friend, dubbed him "the greatest Bear of all," and the best football player he'd ever seen.

But for all his successes on the field, Walter was better off it. He was a restaurant owner, an entrepreneur, an investor in forest land and nursing homes, a professional and amateur race-car driver, a television commentator, a motivational speaker, a philanthropist, a father, a husband, and a friend.

While Walter attained amazing financial success in his sporting, business, and speaking pursuits, he turned around and gave back to those who could not fend for themselves. He founded the Walter Payton Foundation to provide financial and motivational support to youth—the foundation continues to fund and support children's educational programs, and to assist abused and neglected children. When faced with fatal liver disease, he turned his illness into a positive force by raising awareness of the need for organ donors. He also helped found and support the Alliance for the Children, which serves the very neediest—the wards of the State of Illinois. In 1998 alone, Walter's foundations provided Christmas gifts for over 35,000 children, helped over 9,000 churches, schools and social services agencies raised by funds by donating autographed sports memorabilia, established college scholarship funds for wards of the State of Illinois, and established a job training program for children 18 to 21 "graduating" from the Illinois Department of Children and Family Services system.

Walter is survived by his wife Connie, his children Brittany and Jarrett, his mother Alyne, his brother Eddie, his sister Pam, his loyal teammates, his respectful opponents, his legions of loving fans, and the millions he touched, helped and inspired in some way. He spent the final 9 months of his life, from the day he bravely announced his disease in February, surrounded by these friends and family members. He knew he was loved in the twilight of his life, and we can feel that love for him now that he's passed on. We should all be so blessed.

Walter once, said, "people see what they want to see [in me]. They look at me and say, 'He's a black man. He's a football player. He's a running back. He a Chicago Bear,' But I'm more than all that. I'm a father, I'm a husband. I'm a citizen. I'm a person willing to give his all. That's how I want to be remembered."

That's how we'll remember you, Walter, and thank you.

Mr. WICKER. Mr. Speaker, earlier this month our Nation lost a man who earned a lasting place in the hearts of all Americans through his efforts on the football field and in his community. This man, who was affectionately known as "Sweetness," distinguished himself as a father, a citizen, and an American sports icon. Walter Payton's road to success started in Columbia, Mississippi, and wound through the collegiate ranks at Jackson State University and the rough and tumble world of the National Football League. After his playing days, he devoted his time and energy to improving the lives of others.

It is difficult to turn on a television or radio these days and not hear of another instance where a professional athlete has taken a wrong turn or made a bad decision which disappoints legions of fans. They have made commercials to proclaim that they are not role models. Walter never did. They have shied away from placement on a pedestal which would hold them to a higher standard. Walter embraced it. They have failed to realize their influence on children who cheer for them each time they suit up. Walter understood it. They forgot the communities they once called home. Walter never did.

So the next time your kids hear about the latest professional athlete's brush with the law, tell them about Walter Payton. After all, what parent wouldn't want their child to grow up to be like number 34. He was a role model in his public life and as a professional athlete and more importantly in his life off the field as a husband, father, and community leader. Walter, thanks for the memories.

Mr. LIPINSKI. Mr. Speaker, I rise today to honor a great football player and person, Walter Payton. As his old Chicago Bears coach, Iron Mike Ditka, said the day of his passing, some might have been better runners, some might have been better receivers, some might have been bigger or faster, but no one was a better football player than Walter Payton.

Most everyone knows that Sweetness holds the NFL record for rushing yards, total yards, combined yards, and most rushing yards in a game, 275. But what made Payton a great football player was his total package—the blocking, the running, the receiving, and the durability—he only missed one game his entire career, during his rookie season when the coaches held him out despite Payton's insistence on playing through an injury. He was also the Bears emergency kicker, punter, and quarterback—he once played quarterback in 1984 when all of the Bears quarterbacks were injured.

While many people throughout the nation remember Payton along with the dominant 1985 "Super Bowl Shuffle" team, true Chicagoans remember the high-kicking Payton in the Bears' lean years, when he carried the team on his shoulders. Walter was a source of pride for Chicagoans in the late 70's and early 80's, and the city identified with the hard-working, lunch-pail attitude that Payton brought to the field.

Walter was a role model on and off the field. He owned many businesses and started a charitable organization, the Walter Payton Foundation. Payton quietly helped collect toys and clothes for children who spent the holidays away from their own families, usually because of abuse or other mistreatment. For some children, the toys were the only gifts they got.

Walter was also a religious man. His former teammate, Mike Singletary, said that Walter found an inner peace the day of his death when the two read scripture together.

Mr. Speaker, it came as a surprise when Walter was diagnosed with his rare liver disease. Still, those who followed Walter's career on and off the field believed that he would overcome the disease just as he had overcome many opponents on the field and in the boardroom. So the big shock came with news of his death. The nation grieved the loss of a sports hero, but Chicago mourned the loss of an icon who touched many.

When Payton was once asked how he wanted to be remembered, he replied, "I want people to say, 'Wherever he was, he was always giving it his all.'" Mr. Speaker, I have no doubt that up in heaven, Walter Payton is giving it his all.

Mrs. BIGGERT. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SHIMKUS). The question is on the motion offered by the gentlewoman from Illinois (Mrs. BIGGERT) that the House suspend the rules and agree to the resolution, House Resolution 370.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

A motion to reconsider was laid on the table.

RECOGNIZING AND HONORING MAYOR JOE SERNA, JR., AND EXPRESSING CONDOLENCES OF THE HOUSE OF REPRESENTATIVES TO HIS FAMILY AND PEOPLE OF SACRAMENTO

Mr. OSE. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 363) recognizing and honoring Sacramento, California, Mayor Joe Serna, Jr., and expressing the condolences of the House of Representatives to his family and the people of Sacramento on his death.

The Clerk read as follows:

H. RES. 363

Whereas Joe Serna, Jr., was born in Stockton, California, on September 3, 1939;

Whereas Joe Serna, Jr., was the loving husband of Isabelle Hernandez-Serna and devoted father of Phillip and Lisa;

Whereas Joe Serna, Jr., was the son of Gerania and Jose Serna and the brother of Maria Elena Serna, Reuben Serna, and Jesse Serna;

Whereas Joe Serna, Jr., grew up the son of an immigrant farm worker, and was widely recognized as ambitious with an irrepressible drive to succeed;

Whereas Joe Serna, Jr., experienced a pivotal point in his life when he became a successful football player on the Lodi Flames as a sophomore qualifying to play on the varsity squad;

Whereas Joe Serna, Jr., graduated from Lodi High School and went to work, where he later lost his job because he endorsed a strike at the trailer manufacturing facility where he was employed, and decided to further his education, beginning at junior college in Stockton, California, then transferring to Sacramento City College and finally to California State University, Sacramento, where he graduated in 1966;

Whereas Joe Serna, Jr., joined the Peace Corps in Guatemala, where he became involved in the election of a Mayan Indian as mayor of a small town, providing him with a first-hand education regarding the importance of electoral politics;

Whereas Joe Serna Jr., spent more than a decade working with migrant farm workers under the guidance of his role model, Cesar Chavez, and organized food workers and coordinated election campaigns;

Whereas Joe Serna, Jr., began teaching classes on government and ethics at California State University, Sacramento, and became the primary caregiver for his children when his first marriage ended;

Whereas Joe Serna, Jr., was elected to the Sacramento City Council on November 3, 1981, where he served until he was elected mayor on November 3, 1992;

Whereas Joe Serna, Jr., was known as an elected official with profound vision for the future and the energy to implement that vision, who could build coalitions, ignite community involvement, and succeed in achieving his goals;

Whereas Joe Serna, Jr., leaves a legacy in Sacramento of downtown revitalization and growth, more parks and places for Sacramentans to gather and enjoy their families and neighbors, a better public school system, more jobs, more community police, and a higher quality of life; and

Whereas Joe Serna, Jr., faced many challenges in his life, and eventually succumbed to his greatest challenge, the fight against cancer: Now, therefore, be it

Resolved,

SECTION 1. HONORING MAYOR JOE SERNA, JR.

The House of Representatives—

(1) recognizes and honors Sacramento Mayor Joe Serna, Jr.—

(A) as a profoundly successful leader whose drive and energy inspired thousands,

(B) for his many lifetime contributions to Sacramento, the State of California, and the Nation, and

(C) for selflessly devoting his life to the advancement of others through activism, public service, education, and dedication; and

(2) extends the deepest condolences to Mayor Joe Serna's wife, Isabelle, his son, Phillip, and his daughter, Lisa, as well the citizens of Sacramento, California, for the loss of their dedicated mayor.

SEC. 2. TRANSMITTAL OF ENROLLED COPY TO THE FAMILY OF MAYOR JOE SERNA, JR.

The Clerk of the House of Representatives shall transmit an enrolled copy of this resolution to the family of Joe Serna, Jr.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. OSE) and the gentleman from Maryland (Mr. CUMMINGS) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. OSE).

GENERAL LEAVE

Mr. OSE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H. Res. 363.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. OSE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H. Res. 363. This resolution honors the recently departed Mayor Joe Serna, a good friend of many of us in this chamber.

Mr. Speaker, I reserve the balance of my time.

Mr. CUMMINGS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, Sacramento Mayor Joe Serna, Jr., was the oldest of four children in a farm-worker family. All four children worked with their parents picking crops and all four went on to careers in public service.

☐ 1700

Joe Serna went from picking grapes and tomatoes as a youngster to becoming the first Latino mayor of a major California city. A follower of the late farm labor leader Cesar Chavez, Serna served on the Sacramento-area support committee for the United Farm Workers and was a former member of the Sacramento Central Labor Council. In his youth, he served in the Peace Corps in Guatemala as a community development volunteer specializing in cooperatives and credit unions. He became a professor of government at Cal State in Sacramento where he earned the distinguished faculty award in 1991.

Dubbed the "activist mayor," Joe Serna is credited with revitalizing Sacramento's downtown and reforming the Sacramento city unified school district. Under Serna's leadership, the Sacramento City Council agreed to public-private partnerships to entice developers to build in downtown Sacramento. Serna commissioned a blue-ribbon group to analyze the underperforming school district, then recruited a reform slate of school board candidates.

That slate won and has contributed to the improvements in Sacramento's school district. In 1996, Serna is quoted as saying, my biggest ambition is to be the best mayor I can be so that the next ethnic person who comes along, the next African-American kid or Mexican-American kid who wants to be a mayor can become the mayor, and it won't be a big deal. Joe Serna has left a legacy that certainly makes that true. My condolences and sympathies go out to the Joe Serna family and friends and the hundreds of lives he touched as the mayor of Sacramento.

Mr. Speaker, I ask unanimous consent to allow my good friend, the gentleman from California (Mr. Matsui), to control the remainder of the time on our side.

The SPEAKER pro tempore (Mr. SHIMKUS). Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. OSE. Mr. Speaker, I think it would be appropriate if I were to reserve the balance of my time and allow the senior member, the gentleman from Sacramento, to speak.

Mr. Speaker, I reserve the balance of my time.

Mr. MATSUI. Mr. Speaker, I yield myself such time as I may consume. I would first like to thank the gentleman from California (Mr. OSE) for actually yielding time to me before he makes his remarks, and certainly I want to thank the gentleman from Indiana (Mr. BURTON), the chair of the committee, certainly the gentleman from California (Mr. WAXMAN), the ranking member and the gentleman from Maryland (Mr. CUMMINGS) for putting this matter on the floor at this particular time.

Before I begin my remarks, I would like to mention that the gentleman from California (Mr. OSE), the gentleman from California (Mr. DOOLITTLE), and the gentlewoman from California (Ms. ROYBAL-ALLARD) have cosponsored this legislation. We certainly appreciate the bipartisan effort on putting this on the floor.

Mr. Speaker, I rise today in great sadness to pay tribute to a very distinguished leader, to one of the most outstanding public servants that I have known and to a true friend. On Sunday, November 7, the mayor of Sacramento, Joe Serna, lost his courageous battle with kidney cancer. As the Sacramento community mourns his loss, I ask all my colleagues to join with me in saluting his career and his efforts as one of the most extraordinary persons that I have ever known.

Joe was only 60 years old when he passed on that November day. Joe was the son of immigrant farm workers from whom he learned the values and work ethics that exemplified his career. His sister said during the rosary service last week that when his mother brought Joe home, she put him in a crate because they could not afford a crib. From that kind of beginning, he earned his Bachelor of Arts degree in social science in government from Sacramento State College in 1966, and he received a higher degree at the University of California at Davis in political science.

Always wanting to serve others, he entered, as the gentleman from Maryland said, the Peace Corps and worked in Guatemala as a community development coordinator and volunteer specializing in cooperatives and credit unions. Upon his return, he continued his service to others by becoming a teacher. He joined the faculty at Cal State University Sacramento; and in 1969, became a full professor in government. The energy he brought to life was transferred to his students in the classroom; and in 1991, he received the distinguished faculty award at Cal State University.

Continuing his calling in public service, he was elected to the Sacramento City Council in 1981, reelected in 1985, and again in 1989. In 1992, he was elected mayor of Sacramento and was reelected by huge margins in 1996. He leaves a proud legacy of leadership and accomplishments. Most significantly, he worked throughout his career to revitalize Sacramento's downtown. He initiated the Sacramento Downtown Partnership Association, the Art in Public Places program, and the Thursday Night Market, all of which have made the downtown area a thriving gathering place for all Sacramentoans.

As a result, in 1995 the mayor received the Economic Development Leadership Award from the National Council for Urban Economic Development. But his legacy was most proud in the area of public education. As the gentleman from Maryland had said earlier, in response to the erosion of our community's education system, Mayor Serna established the Mayor's Commission on Education and the City's Future, a coalition of business and civic leaders.

The Mayor's Commission successfully led the recall of members of the board of trustees of the Sacramento City Unified School District and elected a new board. I am pleased to say that the achievement results since that time of our high school, middle school, and grammar school children have increased, which indicates that his efforts were not in vain but will help future generations of children in Sacramento.

His education drive was one of many challenges that are identified under his leadership. For example, when the National Basketball Association Sacramento Kings threatened to leave Sacramento, he began negotiating with the Kings organization, members of the city council and community leaders to forge a role in keeping that basketball franchise in our community, not so much for the purpose of having a major sports franchise but because he knew that having a major sports franchise would create an enthusiasm in the community and bring all segments of our community together.

When our military base closed, the Sacramento Army Depot and had 3,000 employees, Joe rather than curse the darkness, he lit a candle. He immediately sought businesses down in Los Angeles and actually brought up a high-tech industry and business that created 6,000 jobs for many people who were then on public assistance programs and now are gainfully employed.

Over the past three decades, he served on numerous commissions, too many for me to mention today. But just as an example of his diverse leadership, he was co-trustee of the Crocker Art Museum. He was a member of the Sacramento Housing and Redevelopment Commission. He was on the Board of the Sacramento Employment and Training Agency, the Metropolitan Cable Television Commission, and the Air Quality Board of Sacramento County.

But beyond his accomplishments, he was known simply as an elected official with a profound vision for the future and an energy to implement that vision. He knew how to build coalitions, ignite community involvement, and succeeded almost always in achieving his goals. Because of this vision, he leaves a proud legacy in Sacramento's downtown redevelopment area of growth, a stronger public school system, more jobs, more community police and certainly a higher quality of life.

His parting has left a major void for all of us in Sacramento County, people of all walks of life. Four thousand people attended his service last week, people in business suits, and people that were dressed as ordinary citizens. I wish to extend on behalf of this institution our deepest sincerity and heartfelt wishes to Mayor Serna's wife Isabelle, his son Phillip and daughter Lisa and his mother Gerania. I, along with the City of Sacramento and the people of California, mourn with them.

Mr. Speaker, the City of Sacramento has suffered tremendously from the loss of one of our most distinguished and visionary leaders as well as one of our best citizens. We will all miss him very much.

Mr. Speaker, I reserve the balance of my time.

Mr. OSE. Mr. Speaker, I yield myself such time as I may consume. I rise today to echo the remarks of my friend from Sacramento. It is interesting to note that as you go through life, you meet certain individuals whose personalities or their achievements or their vibrancy stay with you.

Of all the things that Mayor Serna accomplished during his many years of service, perhaps the most lasting will be his legacy as a teacher. He was a professor of political science at Sacramento State University. I cannot tell you how many young people I have run into who, with a Cheshire smile on their face, remember their long debates in class with Mayor Serna about this or that issue and how much they took away from that time.

As a young man, I came back from school and Mayor Serna, then a city councilman, had been recently elected to the city council. While we were not of the particularly same political persuasion on many things, he came one day to the city council meeting, he saw me sitting in the back of the hall. During a break he came back, put his hand on my shoulder and said, just like a normal person, which he was, are you doing all right? I said, yes, I am, and thank you for asking. At that, he went on about his way.

That was Joe Serna. The ability just to reach out, put his hand on your shoulder, regardless of where you came from. He did not care. He just wanted to know whether he could help. Again, of all the lessons that I take from my acquaintance and friendship with Joe Serna, it is that we are all teachers. Some are further along the curve than others. For some, maybe the curve has ended as it has with Joe. But for the rest of my days, I will remember Joe Serna as a teacher.

Ms. ESHOO. Mr. Speaker, I rise today in support of H. Res. 363, a resolution honoring the late Joe Serna, Jr., Mayor of Sacramento, California, and to express my deep sympathies to his wife, Isabel, and his children, Philip and Lisa.

Mayor Serna was the embodiment of the American dream. He rose from his roots as a farmworker in the 1960's to become the first Latino mayor of California's capitol city. He often told how his parents, poor Mexican immigrants who worked the fields, brought him home from the hospital in a cardboard box.

Joe Serna eventually left those fields to pursue a life of public service but no matter how high he rose in public office, he never forgot his roots. A loyal member of the United Farm Workers Union, Joe organized one of the state's first food caravans to feed striking grape pickers. Union President Arturo Rodriquez described Joe best when he said: "He continued in every way he could to fight for the low-income (people), for the farmworkers, for the people that, for whatever reasons, were not being provided the respect and dignity they deserved."

For over 20 years, Mayor Serna helped lead the great City of Sacramento. He served as a member of the City Council from 1975 to 1992 and was elected Mayor in 1992. It was a Mayor that his many accomplishments proved him a true leader.

He may best be remembered for his leadership of a movement to reform the city's public schools. Dissatisfied with the leadership of the school board, he led a movement to recall many of its members and to establish a program of reform that focused on upgrading the schools with a $191 million school bond.

His creative leadership did not stop there. Determined to reinvigorate downtown Sacramento, he established the City's Neighborhood Services Department, which consolidates city services to support and enhance programs for healthy, thriving neighborhoods. He also appointed the city's first Council of Economic Advisors to help frame the city's economic agenda and founded the Mayor's Summer Reading Camp, a literacy program for underprivileged students.

Joe Serna was, first and foremost, a god and decent man who wanted nothing more than to represent the people of Sacramento to the best of his abilities. His close friend and political advisor, Richie Ross, said of him: "He was never thought of in Sacramento as anything other than Mayor Joe, everybody's mayor."

Today, the House of Representatives joins the Serna family and the people of Sacramento in sharing their grief over the loss of Mayor Joe Serna, a distinguished American who will be remembered forever.

Ms. PELOSI. Mr. Speaker, on Sunday, November 7 the Mayor of Sacramento, and my good friend Joe Serna, lost his courageous battle with kidney cancer.

Joe grew up the son of an immigrant farm worker, where he was taught the honorable values and hard work ethic that exemplified his career. He earned a Bachelor of Arts degree in social science/government from Sacramento State College in 1966 and attended graduate school at UC, Davis, majoring in political science.

Always wanting to serve others, in 1966 Mayor Serna entered the Peace Corps, working in Guatemala as a Community Development volunteer specializing in cooperatives and credit unions. Upon his return to the States, he continued his service by pursuing one of the most noble of all professiions—he became a teacher. He joined the faculty at CSU, Sacramento, in 1969 becoming a professor of Government. Of course the energy he brought to life was readily transferred to his students in the classroom, and in 1991 he received the Distinguished Faculty Award.

Continuing his lifelong calling to public service, Joe Serna was first elected to the Sacramento City Council in 1981 and reelected in 1985 and 1989. He was then elected mayor of Sacramento in 1992 and again in 1996.

As Mayor, Joe Serna left a proud legacy of leadership and accomplishments. He worked throughout his career to revitalize Sacramento's downtown which included initiating the Sacramento Downtown Partnership Association, the "Art in Public Places" program, and the Thursday Night Market. In 1995, Mayor Serna was selected by the National Council of Urban Economic Development to receive their annual Economic Development Leadership Award.

He also established the Mayor's Commission on Our Children's Health and the Mayor's Commission on Education and the City's Future, which led to a new Sacramento City Unified School District Board of Trustees. As part of his active role in improving the Sacramento City School District, he founded the Mayor's Summer Reading Camp, a literacy program for below average scoring second and third grade students.

Over the past three decades Mayor Serna was a member of numerous organizations including the Regional Transit Board of Directors and the Sacramento Housing and Redevelopment Commission. He was the Co-trustee of the Crocker Art Museum Association and an Advisory Board Member of Senior Gleaners, Inc. He was a former Chair of the Sacramento City/County Sports Commission, member of the Board of the Sacramento Employment and Training Agency, member of the Sacramento Metropolitan Cable Television Commission and Sacramento Air Quality Management Board. From 1970 to 1975, Joe Serna was the Director of the United Farmworkers of America's Support Committee in Sacramento County. Mayor Serna also served as a two-time presidential appointed member of the Board of Directors of "Freddie Mac."

Mayor Serna was known as an elected official with profound vision for the future and the energy to implement that vision. He knew how to build coalitions, ignite community involvement, and succeed in achieving his goals. Because of this vision, he leaves a proud legacy in Sacramento of downtown revitalization and growth, a stronger public school system, more jobs, more community police, and a higher quality of life.

What made Mayor Serna such a remarkable leader was his ability and willingness to listen to the community and make himself available to all voices that wanted to be heard. In an era when following the politically expedient route is commonplace, Mayor Serna was never afraid to fight for what he believed in if he knew it was the right thing to do. He never compromised his values and always brought a sense of honor and dignity to the Sacramento community.

On behalf of my family and my constituents, I offer my condolences to Joe's wife Isabel, his son Philip and his daughter Lisa.

[From the San Francisco Chronicle, Nov. 8, 1999]

Sacramento Mayor Joe Serna Jr., who rose from his roots as a farmworker to become Sacramento's first Latino mayor in modern history, died yesterday of kidney cancer and complications from diabetes.

Serna, 60 had briefly slipped into a diabetic coma Wednesday and asked to return home from the hospital Friday. He died at 3:47 a.m. surrounded by his family, said Chuck Dalldorf, a spokesman for the mayor.

Serna was a city councilman for 18 years and became mayor in 1992. He may best be remembered for helping reinvigorate downtown Sacramento and reforming his city's public schools by campaigning on behalf of new school leadership and a $191 million school bond.

"Joe led a movement to recall a large number of school board members, elect a reform slate, adopt a reform program and upgrade standards," said Phil Isenberg, a former Sacramento mayor and state assemblyman.

Serna was a loyal friend of the late Cesar Chavez, and the United Farm Workers Union since the 1960s, when he organized one of the state's first food caravans to feed striking grape pickers.

"He continued in every way he could to fight for the low-income (people), for the farmworkers, for the people that, for whatever reasons, were not being provided the respect and dignity they deserved," said United Farm Workers Union President Arturo S. Rodriguez.

Serna also transcended ethnic politics, according to close friend and political adviser Richie Ross.

"He was never thought of in Sacramento as anything other than Mayor Joe, everybody's mayor," said Ross.

BORN IN STOCKTON

Serna was born in Stockton and used to tell how his parents, poor Mexican immigrants who worked the fields, brought him home from the hospital in a cardboard box. He grew up in Lodi, picking grapes and tomatoes as a youngster to help support his family.

He earned his bachelor's degree from Sacramento State University, and attended graduate school at the University of California at Davis. He served in the Peace Corps in Guatemala as a community development volunteer specializing in cooperatives and credit unions.

Serna dubbed himself an "activist" who hoped to "be the best mayor I can be so that the next ethnic person who . . . wants to be mayor can become the mayor, and it won't be a big deal."

STRONG LEGACY

"Joe was a true giant in the Latino community, and a visionary leader for all of Sacramento," said Lt. Gov. Cruz Bustamante in a statement. "He leaves a great legacy of public service, whether he was standing in the fields fighting for farmworker rights or visiting the White House advocating for the city he so dearly loved."

Serna served on the Sacramento-area support committee for the United Farm Workers, and was a former member of the Sacramento Central Labor Council.

He also served on an array of municipal bodies, including the Sacramento Regional Transit board of directors, the Employment and Training Agency, the Metropolitan Cable Television Commission, and the Air Quality Management Board.

Serna and his wife Isabel have two grown children, Philip and Lisa. The family lived in Sacramento's Curtis Park neighborhood.

The mayor announced to the public in June he would not seek a third term because of his deteriorating health.

Since Serna died with more than a year left in his term—a year and a day to be exact—a special election will be held to determine a successor.

Serna's supporters expect a large turnout Wednesday, particularly from among farmworkers, for a funeral march from Cesar Chavez Plaza across from Sacramento City Hall to the Cathedral for the Blessed Sacrament. Serna's family requested that all donations be directed to the UFW union.

Ms. ROYBAL-ALLARD. Mr. Speaker, as chair of the Congressional Hispanic Caucus and as a fellow Californian, I rise in strong support of House Resolution 363, honoring the life of Joe Serna, Jr. I commend my colleague, Representative BOB MATSUI, for sponsoring this important resolution.

I want to express my deepest sympathies to Joe Serna's family and the residents of the City of Sacramento for his passing.

Mayor Serna's death is mourned not only by his family, friends, and the residents of Sacramento, which he so proudly represented, but also by countless individuals for whom he served as a role model by setting an example of what can be achieved through hard work, dedication, and determination to better not only one's own life, but the lives of others.

Joe Serna grew up in Northern California, the son of Mexican immigrant farm workers. Serna worked his way through junior college to become a college teacher, as well as a passionate activist who spent more than a decade working with migrant farm workers under the guidance of his role model, Cesar Chavez.

In 1981, Serna, was elected to the Sacramento City Council where he served until 1992, when he was elected as the first Latino Mayor of Sacramento.

During his tenure as Mayor, Serna developed a reputation as a leader who stood up for the things he believed in, such as quality job opportunities, strong families, good schools, and empowering the communities and people he represented. The City of Sacramento and its residents have truly benefited and will continue to benefit from Joe Serna's vision and leadership.

Joe Serna was a great leader and a great man and he will be truly missed.

Mr. OSE. Mr. Speaker, I yield back the balance of my time.

Mr. MATSUI. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. BARR of Georgia). The question is on the motion offered by the gentleman from California (Mr. OSE) that the House suspend the rules and agree to the resolution, House Resolution 363.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to. .

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 2116, VETERANS MILLENNIUM HEALTH CARE AND BENEFITS ACT

Mr. STUMP. Mr. Speaker, I move to suspend the rules and agree to the conference report on the bill (H.R. 2116) to amend title 38, United States Code, to establish a program of extended care services for veterans and to make other improvements in health care programs of the Department of Veterans Affairs.

The Clerk read the title of the bill.

(For conference report and statement, see prior proceedings of the House of today.)

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Arizona (Mr. STUMP) and the gentleman from Illinois (Mr. EVANS) each will control 20 minutes.

The Chair recognizes the gentleman from Arizona (Mr. STUMP).

GENERAL LEAVE

Mr. STUMP. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous material on the conference report on H.R. 2116.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. STUMP. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Veterans Millennium Health Care and Benefits Act is the most comprehensive legislation to be acted on in behalf of America's veterans in decades. H.R. 2116 includes landmark legislation mandating access to VA nursing home care for severely disabled veterans and requiring the VA to provide more veterans with alternatives to nursing home care. This legislation also authorizes the VA to pay for emergency care service for veterans who do not have insurance or access to Medicare. Additionally, we are elevating the health care priority for veterans who receive the Purple Heart and providing greater access to VA health care for military retirees.

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The Veterans Millennium Health Care and Benefit Act also includes many benefits, including providing special borrowing authority to the American Battle Monuments Commission to assure that groundbreaking on the national World War II Memorial can take place on Veterans' Day next year; making it easier for surviving spouses and children of ex-POWs to qualify for compensation and naming this provision for Mr. Bill Rolen of the American Ex-POWs, who passed away this past September; improving the Montgomery GI Bill benefits for officers who began military service as enlisted personnel and veterans preparing to take entrance examinations; and requiring the VA to begin planning for six new additional cemeteries in recognition of the demographic realities facing our veterans population; and, adding a rare form of lung cancer to the conditions presumed in law to be service connected due to exposure of ionizing radiation.

Mr. Speaker, I urge my colleagues to support this conference report, and I reserve the balance of my time.

Mr. EVANS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank the chairman of our committee and salute him for his outstanding leadership. This conference agreement is due in large part to the commitment and determination of the gentleman from Arizona (Mr. STUMP), the chairman of the Committee on Veterans' Affairs, to address the needs of our Nation's veterans. I also want to thank the other House conferees from both sides of the aisle who worked hard together. Every Member of the House can proudly support this agreement. It strongly reaffirms our commitment to America's veterans.

I also want to acknowledge the commitment of the other conferees from the other body to craft this conference agreement. Their cooperation was essential.

Mr. Speaker, there are a number of provisions in the conference agreement which are particularly noteworthy. I will describe only a few at this time.

Mr. Speaker, this conference agreement responds to the long-term care needs of our veterans. This bill mandates that the VA provide nursing home care to enrolled veterans rated 70 percent or more service-connected disabled, and to veterans with a service-connected disability in need of institutional long-term care for that service-connected disability.

Noninstitutional long-term care as part of the basic benefits package as well for VA enrollees. As the author of emergency care legislation, I am particularly pleased that the VA is authorized to provide reimbursement for emergency care not provided in VA facilities to certain enrolled veterans.

As the author of the House legislation requiring the VA to adopt, in consultation with chiropractic providers, a formal policy on chiropractic treatment in the VA, I am very pleased that this requirement is included in H.R. 2116.

I am also pleased that the agreement authorizes the VA Sexual Trauma Counseling Program and the VA's Federal Advisory Committee on Minority Veterans. The conference agreement also contains two important provisions that fortify important, but expensive, programs for vulnerable veterans with severe chronic mental illnesses.

Mr. Speaker, the conference agreement also reauthorizes the Homeless Veterans Reintegration Project for 4 more years. In addition, the amount authorized annually for this vital program is increased incrementally from $10 million to $20 million per year by fiscal year 2002.

This measure also directs the Secretary of Veterans Affairs to establish six areas of the country most in need of cemetery space to serve American veterans and their families. I am certain our committee will be vigilant in its oversight of the Department's compliance with the requirements of this provision.

The Secretary is also required to contract for an independent study on improvements to veterans' burial benefits. I want to thank the gentlewoman from Florida (Ms. BROWN) for her outstanding leadership on this issue.

As the author of the House legislation to establish a rigorous quality assurance program within the VA, I am pleased that the conference agreement mandates a quality review program in the Veterans' Benefits Administration that meets appropriate governmental standards for independence and internal control. Our veterans deserve no less.

Mr. Speaker, this is a conference agreement that we can all be proud of, and I urge my colleagues to support it.

Mr. Speaker, I rise in support of the Veterans Millennium Benefits Act of 1999. H.R. 2116, as agreed to by the conferees, makes significant improvements to the benefits and services provided to America's veterans.

I want to thank the Chairman of the Committee, BOB STUMP for his outstanding leadership. The conference agreement before the House today is due in large measure to BOB STUMP's commitment and determination to address the needs of our Nation's veterans. I also want to thank the other House conferees from both sides of the aisle. Everyone worked well together to produce a conference agreement which every Member of the House can proudly support. It is strong reaffirmation of our commitment to America's veterans.

EXTENDED CARE SERVICES

Defining a direction for VA long-term care is imperative. In my view, the solution must define a clear policy that would preserve and strengthen VA's nursing home program and prompt VA's expansion of the use of non-institutional alternatives to long-term care without forcing unreasonable new costs on VA. This struggle to define appropriate coverage for individuals who need long-term care is confronting our whole health care system right now.

I believe VA's future, in large measure, depends on its ability to address the special needs of veterans. Inasmuch as it fails to address veterans' long-term care needs, particularly for the highest priority veterans, I believe its future is jeopardized. One of the primary reasons I became an original cosponsor and architect of the Veterans' Millennium Health Care Act was to address the evolution of VA's nursing home programs. My staff has collected data from VA medical centers across the country that indicates VA's role in long-term care is diminishing substantially. There is no longer any guarantee to life placement for many veterans as VA shifts its nursing homes to restorative, rehabilitative and palliative care. Veterans assuredly have a need for all of these types of care, but neither these subacute services, nor non-institutional care is always able to substitute for nursing home care needed for the most impaired veterans.

The good news is that this conference agreement will define a direction for VA in managing long-term care—an important, but expensive part of the health care continuum. The legislation initially approved by the House guaranteed extended care and non-institutional care to the system's highest priority users. The goal of the other body was to create a guaranteed package of non-institutional long-term care for all VA enrollees. This agreement ensures institutional and non-institutional care for veterans with service-connected conditions for their service-connected condition and veterans with service-connected disabilities rated greater than 70%. It also establishes authority for VA to provide non-institutional care to all enrolled veterans.

In addition, VA will be required to maintain the level of in-house extended care services it offered in 1998, while expanding non-institutional care. The extended care provisions also authorize several pilot projects—one based on the successful and cost-effective Program for All-Inclusive Care for the Elderly (PACE) that offers an integrated and comprehensive array of medical and social services to help the frail elderly remain as independent as possible. Another pilot will examine the appropriate use of assisted living for veterans served by VA.

These benefits reassert the importance of long-term care in the continuum of care VA offers to veterans. It also provides a substantial benefit to veterans which VA can accommodate. While setting a new course for long-term care, we have done so in fiscally responsible manner that will not inflict an unfunded mandate on VA.

EMERGENCY SERVICES

The conference agreement on H.R. 2116 contains authority to reimburse hospitals for enrolled veterans' emergency care. Today, too many veterans face frustration and failure when they seek VA reimbursement for their emergency care provided by a non-VA provider. By emphasizing its role as a primary care provider, I believe many veterans have logically assumed VA would be responsible for their emergency care costs. Furthermore, an Executive Order in November 1997 provided all federal agencies conform to the President's Patient Bill of Rights. VA did not provide most veterans reimbursement for treatment received from a non-VA provider in a medical emergency. Veterans' experiences in seeking reimbursement from VA for emergency care, even when "referred" to a community provider by VA and refused transfer to VA, indicate that this is a significant problem for many VA users. Emergency care is a potentially catastrophic "hole" in the safety net veterans believe they have with VA health care.

The conference agreement authorizes VA to reimburse providers for emergency care provided to any enrolled veteran who has used VA care within the last two years. It uses a "prudent lay person" standard, as the recently approved Patient Bill of Rights did, to determine what constitutes a medical emergency. I thank the Senator from West Virginia for agreeing to support legislation offered by the Senate Minority Leader, a companion to the emergency care legislation I authored and introduced in the House. I am also pleased that, in achieving a productive compromise on the legislation I offered in this and the last session of Congress, this measure is now an even more fiscally responsible proposal that will allow VA to better manage this important new benefit to veterans.

SEXUAL TRAUMA COUNSELING SERVICES

The Ranking Democratic Member of the Health Subcommittee, Congressman LUIS GUTIERREZ, has worked diligently to ensure VA's sexual trauma counseling services are preserved and strengthened. The conference agreement provides that VA must offer a sexual trauma program. This is an important change from current law that makes the program discretionary. While the conference agreement does not include a House provision to authorize reservists to receive program services, a study is required to determine the needs for these services within the reservist population. With a strengthened provision on outreach, this agreement insures sexual trauma counseling and treatment programs are a stronger part of VA's core services.

SPECIALIZED SERVICES

The Veterans Millennium Benefits Act incorporates two measures—one approved by each body. To strengthen VA's paramount special emphasis programs, particularly for seriously chronically mentally ill veterans. The conference agreement on H.R. 2116 requires VA to report on bed closures that affect inpatient substance abuse treatment programs, post-traumatic stress disorder programs or other programs for the seriously chronically mentally ill. A report on bed closures is also required for rehabilitation beds. The report requirement is intended to encourage careful consideration by VA facility directors of the importance of continuing treatment(regardless of setting) for vulnerable veterans, not, as some have suggested, to deter bed closures entirely.

The other provision would establish a grant program to allow VA to provide at least $15 million to programs for treatment of post-traumatic stress disorder and substance abuse programs. Restrained budgets have taken a serious toll on these programs that offer care to a very vulnerable population. These two initiatives are intended to restore these very important services that have been diminished due to fiscal constraints.

STATE HOME GRANTS

The VA funds state home grants to construct nursing homes and domiciliaries. This is a beneficial relationship between VA and states that almost every state has embraced. As the State Homes increase, so to does veterans' access to long-term care. This is recognized as a benefit by all.

For some time, however, grant requests from the states to construct new beds have overwhelmed the ability of the Congress to fund them. As a result, the backlog of grant requests for homes from states that long ago made the commitment to serve veterans through State Homes has grown tremendously. In addition, some State Homes have fallen into disrepair over the more than 35-year history of this VA program.

I view the agreement of the conferees as a "good Government" proposal. It will allow VA to take care of State Homes that have long cared for veterans and allow VA to give greater priority to states that still have a substantial need for State Home beds. Our veterans will be better served by State Homes because of the conference agreement.

ENHANCED-USE LEASE AUTHORITY

Recently, GAO claimed VA was "wasting a million dollars a day" on its overbuilt infrastructure. While I do not fully support this view, it does document the challenge VA has in managing its vast array of capital assets. One tool VA has found useful to maintain properties not now needed for patient care or other uses is enhanced-use leases. These leases allow VA to continue to hold the title to properties, without having the expense of maintaining them, while they are used for productive purposes by non-VA entities.

To make these leases more attractive to those who might consider their use, the conference agreement increases the number of years that developers have use of property from 35 to 75 years. This will allow those who want to make significant investments in property to capitalize on them throughout the useful life of most construction projects.

CHIROPRACTIC TREATMENT

I am pleased the conference agreement includes a provision requiring VA to establish a policy on chiropractic care for veterans. While this requirement does not specify the nature of the policy to be established by VA, VA is directed to consult chiropractors in developing this new policy. For too long, VA has lacked a formal policy on chiropractors and the care that they provide in VA. VA should review the medical literature and consider those studies that have shown chiropractic care for lower back pain is at least as effective as "traditional" medical treatment. While chiropractic care is not explicitly restricted in the VA, VA institutional barriers create restrictions for chiropractors who want to practice in VA.

It is clear that more Americans, as well as mainstream medicine, are embracing certain complementary and alternative therapies. Chiropractic care, which has established a licensure process in every state, is a choice many Americans, including veterans, want. I am glad VA will develop this policy and hopeful it will see the wisdom of offering veterans this choice.

DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVING SPOUSES OF FORMER PRISONERS OF WAR

As an original co-sponsor of H.R. 784, to amend and liberalize the requirements for Dependence and Indemnity Compensation (DIC) for the surviving spouses of veterans who were Prisoners of War (POW), I strongly support section 501 of the conference agreement. Section 501 of the conference agreement which follows legislation approved by the other body will fully meet the objectives of H.R. 784 to liberalize the requirements for DIC eligibility. I am also pleased that the bill recognizes the tireless efforts of the late John William "Bill" Rolen, a former POW who devoted many years of his life to advocating for the needs of his fellow POWs and their families. Bill was a tireless advocate for our Nation's Ex-POW's and it is only fitting that the last piece of legislation he urged the Congress to adopt be named for him.

Section 502 of the conference agreement follows H.R. 708, a measure I authored. This provision restores eligibility for CHAMP–VA medical care, education benefits and home loan assistance to remarried surviving spouses who lost eligibility for these benefits upon remarriage and whose subsequent marriage has ended. During the 105th Congress, legislation was enacted allowing for reinstatement of eligibility for dependency and indemnity compensation (DIC) cash benefits after termination of the remarriage. The present measure completes the restoration of eligibility for all VA benefits lost by a surviving spouse of a service-connected veteran upon remarriage if the subsequent marriage is ended.

As an original co-sponsor of H.R. 690, I am pleased that at long last bronchiolo-aleveolar carcinoma has been added to the list of radiogenic diseases which are presumed to be service-connected for our Nation's Atomic veterans. Unfortunately, other medical conditions which are clearly radiogenic such as lung cancer still require proof by a dose reconstruction procedure which the Institute of Medicine acknowledged is inadequate in its October 20, 1999 report. I am disappointed that many of our Atomic veterans continue to be denied compensation for their exposures while efforts are underway to compensate exposed civilians.

WORLD WAR II MEMORIAL

Both bodies approved legislation which would speed construction of the World War II Memorial, and the compromise measure includes the House language related to this issue.

Public Law 103–32 authorized the building of a national World War II Memorial. This legislation assigned responsibility for designing and constructing the memorial to the American Battle Monuments Commission (ABMC), an independent federal agency created in 1923. The ABMC administers, operates and maintains military cemeteries and memorials in 15 countries around the world. The Commission is also responsible for the establishment of other memorials in the U.S., when directed by Congress.

Under the compromise measure, the ABMC is given authority to borrow funds from the U.S. Treasury for a brief period. Under existing law, groundbreaking for the WWII Memorial may not occur until the ABMC, the Memorial's sponsor, has either received cash donations equal to the estimated cost of the Memorial or has sufficient borrowing authority to assure that the Memorial will be completed. ABMC projects that it will not receive sufficient cash donations until the year 2002 and that construction of the Memorial will take three years. The borrowing authority provided under title VI of the conference agreement will enable the ABMC to begin construction next year. ABMC projects that it will need no more than $11 million in borrowing authority and that borrowed funds will be repaid within three years. It is important that construction on this memorial begin as soon as possible because World War II veterans are dying at the rate of 31,000 per month.

ESTABLISHMENT OF ADDITIONAL NATIONAL CEMETERIES

Approval of legislation by both bodies to expand the national cemetery system clearly demonstrates Congressional concern regarding this issue. Section 211 of H.R. 2280 directed the Secretary of Veterans Affairs to establish a national cemetery in each of the four areas of the United States most in need of cemetery space to serve veterans and their families. S. 695 directed the Secretary to establish a national cemetery in five specific locations. The compromise measure generally follows the House-approved language and requires the Secretary to establish national cemeteries in the six areas of the United States most in need. The Secretary, when determining those six sites, shall take into consideration the under-served areas listed in Senate Report 106–113—Miami, Florida; Pittsburg, Pennsylvania; Detroit, Michigan; Sacramento, California; Atlanta, Georgia, and Oklahoma City, Oklahoma. These are the six areas listed in the 1987 and 1994 VA reports to Congress regarding the national cemetery system that remain unserved.

VA statistics show that the demand for burial benefits will increase sharply in the near future, with interments increasing 42 percent from 1995 to 2010. Unless new national cemeteries are established soon, VA will not be able to meet the need for burial services for veterans in serveral metropolitan areas of the country, and too many veterans will lack access to the final—and for many, the only—veterans benefit they will receive from our grateful Nation.

When the House Committee on Veterans Affairs finally agree last year to enact legislation requested by the VA to enhance the State Cemetery Grants Program, it was only after the Department assured the Committee that the new State program would continue to supplement the national cemetery system—not replace it. However, the Administration's FY 2000 budget for VA failed to include a request for the funding required to initiate any of the needed new national cemeteries. I strongly urge the Administration to include the funding necessary to establish the six new cemeteries required under this provision in its FY 2001 budget.

USE OF FLAT GRAVE MARKERS AT SANTA FE NATIONAL CEMETERY, NEW MEXICO

The compromise agreement of a provision, derived from S. 695, which authorizes the Secretary of Veterans Affairs to provide for flat grave markers at the Sante Fe National Cemetery, New Mexico. Although I supported accepting this Senate provision, I want to make it clear that I continue to strongly believe that upright grave markets should be the standard for the national cemetery system. It is only under very unusual circumstances that flat markers should be approved, and I would not support any effort to eliminate the requirement under current law that requires upright grave markers.

STUDY ON IMPROVEMENTS TO NATIONAL CEMETERIES

The conference agreement includes a provision, based on section 212 of H.R. 2280, to require the Secretary of Veterans Affairs to contract for a study of national cemeteries. The study is to include an assessment of—

1. One-time repairs required at each national cemetery,

2. The feasibility of making appearance of national cemeteries as attractive as the finest cemeteries in the world,

3. The number of additional cemeteries that will be required for the interment of veterans who die after 2010, and

The report must also identify, by five-year period beginning with 2010 and ending with 2030—

1. The number of additional national cemeteries required during each five-year period, and

2. The areas in the U.S. with the greatest concentration of veterans whose burial needs are not served by national cemeteries or State veterans' cemeteries.

Additionally, the report will include information regarding the advantages and disadvantages of using of flat grave markers and upright grave markers in national cemeteries as well as a report on the current conditions of flat marker sections at all national cemeteries. I want to repeat, however, my earlier-stated commitment to requiring, with only occasional exceptions, the use of upright markers in national cemeteries.

Section 212(b)(1)(D) of H.R. 2280 required that an independent study on improvements to veterans' cemeteries required under section 212 include a study of improvements to burial benefits under chapter 23 of title 38, United States Code. This study was to include a proposal to increase the amount of the benefit for plot allowances under section 2303(b) of title 38, to better serve veterans and their families. I am very pleased that the compromise agreement includes a provision based on this section.

Under the compromise agreement, Subtitle C of Title VI requires the Secretary of Veterans Affairs, not later than 60 days after the date of enactment of this Act, to contract for an independent study on improvements to veterans' burial benefits. The matters to be studied under this section include:

1. An assessment of the adequacy and effectiveness of the burial benefits provided under chapter 23 of title 38, United States Code, in meeting the burial needs of veterans and their families.

2. Options to better serve the burial needs of veterans and their families, including modifications to burial benefit amounts and eligibility, including the estimated cost for each modification.

3. Expansion of the authority of the Secretary to provide burial benefits for burials in private-sector cemeteries and to make grants to private-sector cemeteries.

This provision further requires the contractor to submit the report to the Secretary no later than 120 days after the contract is completed. No later than 60 days following receipt of the report, the Secretary is required to transmit the report, together with any comments regarding the report the Secretary considers appropriate, to the House and Senate Committees on Veterans Affairs.

For many veterans, the only benefits they receive related to their military service are those provided at their death. I believe it to be a matter of national honor that the level of burial benefits provided adequately meet the needs of veterans and their families. This report will help us ascertain what changes and improvements need to be made in order to achieve this goal.

AVAILABILITY OF MONTGOMERY GI BILL BENEFITS FOR PREPARATORY COURSES FOR COLLEGE AND GRADUATE SCHOOL ENTRANCE EXAMS

S. 1402 included a provision which would enable veterans to use their benefits under the Montgomery GI Bill (chapter 30, title 38, United States Code) to pay for the costs of (a) preparatory courses for tests that are required or utilized for admission to an institution of higher education, such as the Scholastic Aptitude Test (SAT) and (b) a preparatory course for a test that is required or utilized for admission to a graduate school, such as the Graduate Record Exam (GRE). Many colleges and graduate schools rely heavily on the results of these tests when assessing individuals seeking admission to their schools, and veterans should have the opportunity to take the preparatory courses designed to increase test scores. Accordingly, I am very pleased that this provision is included in the conference agreement.

MONTGOMERY GI BILL ENHANCEMENTS APPROVED BY THE SENATE

S. 1402, the All-Volunteer Force Educational Assistance Programs Improvements Act of 1999, would increase benefits and expand educational opportunities under the Montgomery GI Bill (MGIB) and also increase rates of survivors and dependents educational assistance. Unfortunately, the Senate did not also provide the off-sets required under the Budget Act to pay for their GI Bill amendments. Although I welcome the Senate's interest in veterans' education programs, without offsetting savings the House would not take up for consideration a conference agreement that included the Senate-approved MGIB amendments.

Because GI Bill enhancement's are long overdue. I introduced H.R. 1071, the Montgomery GI Bill Improvements Act of 1999, earlier this year. I strongly agree with the assertion in the recent report of the Congressional Commission on Servicemembers and Veterans Transition Assistance that ". . . an opportunity to obtain the best education for which they qualify is the most valuable benefit our Nation can offer the men and women whose military service preserves our liberty."

I believe that if the Montgomery GI Bill is to fulfill its purposes as a meaningful readjustment benefit and as an effective recruitment incentive for our Armed Forces, it must be significantly improved. Accordingly, H.R. 1071 would establish a two-tiered program.

Tier I would enhance the GI Bill in the following ways for those who enlist or reenlist for a minimum of four years—

Pay the full costs of tuition, fees, books and supplies.

Provide a subsistence allowance of $800/month (indexed for inflation) for 36 months.

Eliminate the $1,200 basic pay reduction required under current law.

Permit payment for approved specialized courses offered by entities other than educational institutions.

Tier II would enhance the GI Bill in the following ways for those who enlist for fewer than 4 years—

Increase the current basic benefit from $536/month to $900/month.

Eliminate the $1,200 basic pay reduction.

Permit trainees to receive accelerated lump-sum benefits.

Permit payment for approved specialized courses offered by entities other than educational institutions.

It is my hope that next year Congress will adopt a budget resolution that will enable us to enact H.R. 1071 and significantly improve the Montgomery GI Bill.

CONTINUING ELIGIBILITY FOR EDUCATIONAL ASSISTANCE OF MEMBERS OF THE ARMED FORCES ATTENDING OFFICERS TRAINING SCHOOL

I am very pleased that included in the compromise measure is a provision derived from S. 1402 that would allow servicemembers to retain their eligibility under the Montgomery GI Bill (MGIB) if they are discharged during their initial enlistment period to receive a commission as an officer.

The Committee recently learned that an enlisted servicemember who completes Officer Training School (OTS) or Officer Candidate School (OCS) is discharged upon completion of this school in order to accept an immediate commission as an officer. If the discharge occurs before the servicemember completes his or her minimum period of active duty required to establish MGIB eligibility, the servicemember becomes ineligible for education benefits. The Subcommittee on Benefits held hearings on October 28, 1999 on a draft bill to allow the two periods of active duty to be considered as one, thereby permitting these individuals to maintain their MGIB eligibility. Similar language is included in the compromise agreement.

It was not the intent of Congress that certain young men and women selected to attend OTS or OCS to be forced to make a choice between being commissioned and maintaining their GI Bill eligibility. This provision will correct this unintentional inequity in law.

REPORT ON VETERANS' EDUCATION AND VOCATIONAL TRAINING BY THE STATES

The compromise agreement includes a provision, derived from S. 1402, that would require the Secretary of Veterans Affairs to provide a report to the House and Senate Committees on Veterans Affairs listing veterans' education and vocational training benefits provided by the States. This report would include benefits provided, by reason of service in the Armed Forces, to active duty servicemembers, veterans, and members of the Selected Reserve. I believe the information included in this document will be very helpful to veterans, and I urge the VA to update this initial report annually.

EXTENSION OF AUTHORITY FOR HOUSING LOANS FOR CERTAIN MEMBERS OF THE SELECTED RESERVE

Prior to 1992, only individuals who served on active duty qualified for VA housing loan benefits. Public Law 102–547, however, included a pilot program which granted loan eligibility, through October 1999, to persons who had at least six years of honorable service in the Selected Reserve. Under a provision of P.L. 105–368, eligibility was extended through September 30, 2003.

Earlier this year, it was pointed out to me by the executive director of the Enlisted Association of the National Guard of the United States (EANGUS) that, although they greatly appreciated the extension enacted last year, the limitation on the availability of the program hampered their efforts to use this benefit as an incentive to recruit individuals who would agree to six-year enlistments. In response to this very legitimate concern, I introduced H.R. 1603, which would have made this eligibility permanent. The provisions of H.R. 1603 were included in H.R. 2280 and were approved by the House.

Although the other body was unwilling to agree to providing permanent eligibility for VA housing loans for certain Selected Reservists, I am pleased the conference agreement extends this eligibility through September 30, 2007.

QUALITY ASSURANCE

The Quality Assurance provisions of section 801 of the bill are designed to assure that the Veterans Benefits Administration's (VBA) internal quality assurance activities meet the recognized appropriate governmental standards for independence. This will require the establishment within VBA of a quality assurance program which comports with generally accepted government standards for performance audits.

For years our Nation's veterans who filed a claim with the Department of Veterans Affairs (VA) for benefits associated with their military service, particularly service-connected disability compensation, have been forced to contend with a VA claims adjudication process which has been both too slow and too inaccurate. Recent information suggests that after waiting years for a decision, one out of three veterans may find that the rating decision made by VA was wrong. Untimely and inaccurate decision-making by the VA, and particularly the Veterans Benefits Administration (VBA), have been twin problems which have plagued veterans, veterans service organizations and Members of Congress who assist their veteran constituents.

While experience clearly indicated otherwise, between 1993 and 1997, VBA reported that the quality of its work was nearly error free as measured by VBA. Quality standards had been relaxed to the point that VA was reporting an accuracy rate of 97%. To his credit, the Under Secretary of Veterans Benefits, Mr. Joe Thompson instituted, on a trial basis, a new system for measuring the quality of the claims adjudication work performed by VBA. This new quality measure, the Strategic Technical Accuracy Review (STAR) was tested and used operationally in 1998.

STAR use has been focused on claims submitted by veterans which require the VA to rate the claim, make a determination as to whether a medical disability is service-connected or non-service-connected and determine the degree of disability manifest. Using the STAR methodology, the accuracy of various actions taken during the adjudication process are used to determine if the case was correctly or incorrectly decided. A case is either all right or all wrong. Using STAR, the accuracy rate was 64%—fewer than two out of three claims were correctly decided.

While STAR provided a more realistic assessment of the quality of VA claims adjudication, STAR does not currently meet generally accepted governmental standards for independence and separation of duties. Reviews of regional office decisions are made by persons who are also decision makers reporting to managers whose evaluations are enhanced if quality results are shown. There is not sufficient staff whose primary focus is improving the quality of claims adjudication at the regional office level. In order to pinpoint errors, it is important to be able to identify regional offices which have specific high or low accuracy rates and to ascertain the reasons for discrepancies between regional offices.

One measure of quality, the percentage of decisions appealed to the Board of Veterans Appeals (the Board) which are either reversed or remanded back to the regional offices for further work, is particularly disturbing. During fiscal year 1998, 17.2% of the appealed decisions were reversed outright by the Board. An additional 41.2% of the appeals were remanded for further action by the regional offices. Another measure of accuracy is the integrity of data relied upon by the VBA. During 1998, the VA Inspector General issued a report finding that data entered into the VBA computer system was being manipulated to make it appear that claims were processed more efficiently than was actually occurring.

Problems are not confined to the Compensation and Pension Service. In reviewing VA's compliance with statutory financial requirements, the General Accounting Office (GAO) noted that VA's home loan program was unable to perform routine accounting functions and had lost control over a number of loans which were transferred to an outside loan company for continued loan servicing. VA was not able to obtain an unqualified audit opinion as a result of these deficiencies. On February 24, 1999, VA's Inspector General reported that the $400 million vocational rehabilitation program was placed at high risk after the Qualify Assurance Program for that service was discontinued in 1995.

Because of the fundamental importance of accurate and effective claims processing and adjudication by VA regional offices, and the need for effective oversight of Regional Office claims processing and adjudication by the VBA, I requested GAO to review VBA's quality assurance policies and practices. On March 1, 1999, GAO issued a report which determined that further improvement was needed in claims-processing accuracy. In particular, GAO determined that VBA's quality assurance activities did not meet the standards for independence and internal control. These standards are contained in the Comptroller General of the United States, United States General Accounting publication Government Auditing Standards (1994 Revision).

Section 801 of the bill is designed to give VBA sufficient flexibility to design the program in a manner so as to achieve its objective of improving the quality of claims adjudication. I have been informally advised by the General Accounting Office that under VBA's present structure, placement of the functions within the jurisdiction of the Deputy Under Secretary for Management would provide sufficient independence to meet the relevant standards.

In fiscal year 2000, the GAO will pay over $22 billion in monetary benefits to veterans. I expect that the careful development and implementation of a program of quality assurance, which meets generally accepted governmental auditing standards for program performance audits, will provide impartial and independent oversight of the quality of claims adjudication decisions and will improve the confidence of veterans in a system which is designed to recognize the sacrifices our Nation's veterans have made.

With the establishment of independent oversight of the qualify of claims adjudication decisions, the number of claims which are remanded because of the poor quality of claims adjudication will be reduced. With better initial decisions and fewer remands for re-adjudication, veterans will receive a quicker and a more accurate response.

The conference agreement changes the way decisions concerning claims for compensation and pension, education, vocational rehabilitation and counseling, home loan and insurance benefits will be reviewed and evaluated. Employees who are independent of decisions makers will be devoted to identifying problems in the decision-making process. By identifying the kinds of errors made by VA personnel, VBA managers will be able to take appropriate action. I expect that remand rates will be significantly reduced and veterans will find that VA makes the right decision the first time the claim is presented. As the author of the language, I am pleased the conference agreement contains these provisions.

We can not expect any real improvement in the timeliness of claims adjudication unless the barriers to quality decision making are identified and addressed in a systemic fashion. Our nation's veterans deserve to have their claims for VA benefits decided right the first time. By enacting this provision, Congress has put the VA claims adjudication process on the right track. Our veterans deserve no less.

ADVISORY COMMITTEE ON MINORITY VETERANS

The Advisory Committee on Minority Veterans has offered concrete recommendations for the last five years to the Secretary on the special challenges of minority veterans who seek care and benefits from VA. Unlike many other Federal Advisory Committees, the authority for the Advisory Committee on Minority Veterans is temporary. H.R. 2116 as agreed to by the conference extends the authority for this Committee through 2003. I will continue to work to ensure that the authority for the Committee is offered parity with other Federal Advisory Committees and extended indefinitely.

HOMELESS VETERANS' REINTEGRATION PROGRAMS

I am very pleased that the conference agreement reauthorized the Homeless Veterans' Reintegration Programs (HVRP). Under the compromise agreement, this program would be extended for four years through fiscal year 2003. The authorized funding levels for the program would be $10 million in FY 2000, $15 million in FY 2001, $20 million in FY 2002, and $20 million in FY 2003. Although section 302 of H.R. 2280 would have extended this program for five years at authorized funding levels of $10 million for FY 2000, $15 million for FY 2001, $20 million for FY 2002, $25 million for FY 2003, and $30 million for FY 2004, the compromise is a good one. It will enable the community-based organizations across the country that are funded by this program to continue their very effective work helping homeless veterans reenter the workforce.

Mr. Speaker, I reserve the balance of my time.

Mr. STUMP. Mr. Speaker, I yield 6 minutes to the gentleman from Florida (Mr. STEARNS), the chairman of our Subcommittee on Health.

Mr. STEARNS. Mr. Speaker, I thank the gentleman for yielding me this time. I commend his leadership in pushing this bill forward. I commend the gentleman from Illinois (Mr. EVANS) and the gentleman from Illinois (Mr. GUTIERREZ), my ranking member. I also want to commend the staff, the senior member, Ralph Immon and Carl Commenator, who is chief of staff for the gentleman from Arizona (Mr. STUMP), for all of the diligence that they did; and many of us know a lot of these bills do not get put together until the staff is implementing them and does the details.

I think it is altogether fitting this afternoon, as we honored America's veterans and fallen heroes last week, that we make this historic bill come to the House and get passage. I think it will be a day that we look back on and note that Congress took two historic steps during this first session of the 106th Congress. One, of course, was passing an additional $1.7 billion for veterans' medical care; and second, I believe, will be the adoption of this bill. It is a bold new step for our veterans for the next millennium, and I am very pleased that we were able to get bipartisan support. It covers a broad spectrum of veterans' benefits, some of the most significant provisions affecting the VA health care system, and I am proud to have introduced this bill.

In working with the other body in conference, we set aside a few contentious issues, adopted a number of Senate provisions, and strengthened some of our own. At its core, however, I say to my colleagues, the conference report achieves a broad goal underlying the millennium health care bill that we voted on overwhelmingly here not too long ago. Most important, the bill provides a blueprint, as I mentioned earlier, for the next millennium.

Like the original House-passed measure, the conference report has four central themes: one, to give the VA much needed direction for meeting veterans' long-term care; two, to expand veterans' access to care; three, to close gaps in current eligibility law; and, four, to make needed reforms that will further improve the VA health care system.

This important legislation tackles some of the major challenges that we face with the VA health care system, and foremost among these are the long-term care of our aging veterans. The challenge has gone unanswered for too long. And of singular importance, this legislation would put a halt to the steady erosion we have seen in the VA long-term care program.

It would establish for the first time that the VA must maintain and operate long-term care programs. It would require that the VA provide needed nursing home care to veterans who are 70 percent or more service-connected disabled and veterans who need such care for service-connected conditions. It would also provide for the VA to furnish alternatives to institutional care to veterans who are enrolled for VA care. Through these and other provisions, it would provide greater assurance that veterans who rely on VA for care would have access to needed services.

The conferees devoted a great deal of time to the issue of long-term care because it is of such importance to our aging veterans population. These are very important provisions to our veterans, and we will certainly monitor their impact in the months and years ahead.

There are a couple of things, Mr. Speaker, that I am a little disappointed about; and one is that we did not contain the question of the obsolete, unused VA hospitals. We had set a particular criteria, limits and safeguards. This was not adopted. Veterans and VA employees would have been better served by the protections we proposed. But they were not part of the bill, and that is for another time.

The measure we take up today, however, helps address the VA's infrastructure challenge. In essence, the VA has an extensive facility infrastructure, and with it, the burden of maintaining thousands of buildings and extensive acreage at more than 180 sites across the country. While the conference report does not specifically address the inevitable need for the VA to deal with these obsolete facilities so that the money spent on them could be used to take care of our veterans, it gives the VA an important tool to improve the management of its capital assets, and I think that is important. It does so by providing VA facility managers considerably more flexibility and incentives to negotiate long-term leases under which unused or under-used VA properties may be developed. Given the capital resources at the VA's disposal, long-term care leasing could be used extensively. Importantly, veterans will be the ultimate beneficiaries of these projects.

The VA health care system has improved significantly, I believe, in the last 4 years; and this comprehensive bill will continue the VA on the course of providing veterans better access to needed care. I am proud, and I believe this bill breaks brand-new ground in such areas as long-term care.

Mr. Speaker, there are many other provisions in this bill. Let me just touch on one. For example, the bill arms the VA for the first time with the means to cover uninsured veterans who cannot reach a VA facility in a medical emergency. It provides assurance that a combat-injured veteran who has not previously sought VA compensation can get priority health care. It offers military retirees improved access to VA care. It extends and expands VA's grant program to assist in combating homelessness among veterans. It continues VA sexual trauma counseling program, it reforms the VA program of grants to the States to assist in the construction and renovation of States' veterans' homes; and lastly, it provides for new revenues which would help place the VA health care system on a sounder footing.

So for all of these reasons, I strongly urge my colleagues to vote for this and adopt the conference report.

Mr. Speaker, I rise in support of the conference report.

It is altogether fitting that after honoring America's fallen heroes last week at Veterans' Day ceremonies across the country, we bring a historic veterans' bill to the floor today.

I believe we will one day look back, and note that the Congress took two historic actions on behalf of America's veterans this session. First, it rejected an Administration budget plan which would have crippled the VA health care system. Instead, we added a record $1.7 billion for veterans' medical care. Second, we adopted this conference report.

While the report covers a broad spectrum of veterans' benefits, some of its more significant provisions affect the VA health care system, and have their genesis in the Veterans Millennium Health Care Act, H.R. 2116, which I am proud to have introduced.

In working with the other body in conference, we set aside a few contentious issues and adopted a number of Senate provisions while strengthening some of our own. At its core, however, the conference report achieves the broad goals underlying the Veterans' Millennium Health Care Act. Most important, this bill provides a blueprint to help position VA for the future.

Like the original House-passed measure, the conference report has four central themes: (1) to give VA much-needed direction for meeting veterans' long-term care needs; (2) to expand veterans' access to care; (3) to close gaps in current eligibility law; and (4) to make needed reforms that will further improve the VA for health care system.

This important legislation tackles some of the major challenges facing the VA health care system. Foremost among VA's challenges are the long-term care needs of aging veterans. That challenge has gone unanswered for too long. Of singular importance, this legislation would put a halt to the steady erosion we have seen in VA long term care programs. Moreover, it would establish a framework for expanding access to needed long-term care services. And it could provide greater assurance than under current law that veterans who rely on VA for care would gain access to needed services. At the same time, we have approached this difficult issue with sensitivity to its costs, and will be monitoring its impact. To illustrate, in our conference with the Senate we substantially modified a provision in S. 1076 which would have required VA to provide an extensive array of services (specifically identified services constituting alternatives to institutional care) to veterans enrolled for VA care. Among the changes to that provision which were adopted by the conferees was language which makes it clear that, in the case of a veteran who has eligibility for such a service (home health care, for example) under another Federal program, VA has no obligation to furnish that service. The expectation, instead, is that VA would refer, or otherwise arrange for that veteran to obtain those services as beneficiary of that other program.

The original House-passed bill confronted the challenge posed by a General Accounting Office audit which found that VA may spend billions of dollars in the next five years to operate unneeded buildings. In testimony before my Subcommittee, GAO stated that one of every four VA medical care dollars is spent in maintaining buildings rather than caring for patients. It is no secret that VA has discussed hospital closures (and has a closure proposal under review at this time). In some locations, changing the mission of a VA facility would certainly make sense. The point is that VA has the authority to take such a step and has already used in an number of instances.

I am disappointed that the conference report does not contain a House-passed provision which focused directly on the question of obsolete, underused VA hospitals. That bill would have set some important limits and safeguards on the process VA employs in realigning its facilities. Veterans and VA employees would have been well served by the protections proposed in that bill—protections which are not provided under current law. In sum, that provision was not aimed at diminishing the services furnished America's veterans, but at improving them.

The measure we take up today does, however, help address the VA's infrastructure challenge. In essence, VA has an extensive facility infrastructure, and with it the burden of maintaining thousands of buildings and acreage across the country. It maintains some 4700 buildings at more than 180 major sites. More than 40 percent of those structure are more than 50 years old; almost 200 of them were built before 1900. Many of its facilities were designed to provide care in a very different manner than the way care is provided today. While VA has made renovations to its older hospitals to keep them operational and safe, many are functionally obsolete.

While the conference report does not specifically address the closure of obsolete facilities or direct VA to confront its infrastructure challenge, it provides VA an important tool to improve the management of its capital assets. It does so by giving VA considerably more flexibility, and incentive, to employ what has to date been a little used authority known as "enhanced use leasing." Under authority created in Public Law 102–86, VA may enter into long-term (up to 35 years) leases under which VA could permit private development of VA property for uses that are not inconsistent with VA's mission, so long as the overall objective of the lease enhances a VA mission. Enhanced use leasing offers VA an opportunity to benefit from unused or underused capital assets. VA has employed this authority to develop such new uses as child care centers, parking facilities, and energy generation projects.

Given the capital resources at VA's disposal, long-term leasing could be used even more extensively to improve VA's health-delivery mission. To that end, this measure would expand VA's enhanced use leasing authority. It would give VA the latitude to enter into such a lease—not simply to enhance VA property with an activity that contribute to the VA mission—but to realize the broader goal of improving services to veterans in the area. So this leasing authority could be used to generate revenue from unneeded VA assets and apply such revenue to improve VA care. To foster that objective, the enabling legislation would be further amended to provide greater incentives for facility management to use this valuable tool. To that end, the measure provides that consideration under such a lease is to be retained locally and used to improve services. It would also expand the maximum lease term from the current 35 years to 75 years, thus overcoming a limitation which can be a formidable barrier to needed financing.

It is noteworthy that VA has in some instances entered into enhanced use leases in which the lessee has obtained financing for the development of facilities through the municipal bond market. The availability of this source of low-cost financing for facilities developed on VA-controlled lands under enhanced-use leases has resulted in significant savings and revenues for VA, furthering its ability to serve veterans. The availability of municipal bond market financing has also encouraged VA to enter into mutually advantageous arrangements with state and local entities which, in turn, has fostered ventures which not only advance VA's mission but benefit local government entities and local communities. Accordingly, the Secretary is encouraged to pursue this type of financing for its enhanced-use lessees. Moreover, any facility, structure or improvement that is subject to an enhanced use lease should be considered a public project owned by and under the general control of the Department of Veterans' Affairs if such facility, structure or improvement was developed, constructed, operated, or maintained pursuant to an enhanced-use lease.

In sum, the VA health care system has certainly improved significantly in the last four years. This comprehensive bill would continue VA on the course of improving veterans' access to needed care. I'm proud that this bill breaks new ground for our veterans in the areas of long term care, emergency care coverage, military retirees' care, and placing the VA health care system on a sounder footing.

We have worked closely with veterans' organizations in developing this legislation; they have recognized the important advances the bill would establish. I particularly want to thank the many veterans organizations—representing millions of veterans—who supported and worked for this legislation. We and they have not achieved all our objectives, but we have taken a major step toward the new millennium in honoring our commitment to veterans.

Mr. Speaker, I urge Members to join with the many veterans groups and support this important bill.

Mr. EVANS. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. FILNER).

Mr. FILNER. Mr. Speaker, I too rise in full support of the conference agreement on long-term veterans' health care, and I thank the gentleman from Florida (Mr. STEARNS), chairman of the Subcommittee on Health of the Committee on Veterans Affairs for leading us in a bipartisan bill that we could all support. As the gentleman said, this bill improves and enhances virtually every major program administered by the Department of Veterans' Affairs.

As the ranking Democrat on the Subcommittee on Benefits, there are two provisions I particularly want to mention. Legislation I sponsored in the 105th Congress restored eligibility for dependency and indemnity compensation to former DIC recipients who had lost eligibility for this benefit when they remarried. My provision in Public Law 150–178 restored DIC benefits if a subsequent marriage ended. I am very pleased that section 502 of this agreement expands that legislation and will restore CHAMPVA medical coverage, educational assistance, and housing loan benefits to this group of surviving spouses.

Additionally, I am very pleased that section 901 of this bill reauthorizes and increases funding for the Homeless Veterans Reintegration Program.

I am very satisfied with the compromise in the bill that gradually increases funding to $20 million per year that will enable the Department of Labor's Veterans' Employment and Training Service to effectively administer the program, and the increased funding level will give thousands of homeless veterans the assistance they need to reenter employment.

Finally, I want to commend the conferees for including the House-passed provision which enables veterans to receive chiropractic care through the health care system. Chiropractic is the most widespread of the complementary and alternative approaches to medicine in the United States. Each year, nearly 27 million patients seek the services of doctors of chiropractic, receiving safe and effective and appropriate care from highly trained State-licensed providers. The research record continues to validate the use of chiropractic for a wide range of conditions.

In practically all areas of the Federal health care system, Congress has recognized this rule of chiropractic care by providing beneficiaries with access to services. The VA has chosen not to make chiropractic routinely available to veterans, thereby limiting their choice and their ability to be an active participant in their own health care.

This agreement ensures that the VA will develop, with licensed doctors of chiropractic, a policy that will provide veterans with access to this care. It ensures that veterans, like patients in every other health care system, will have the ability to make health care choices that best address their needs. It affords veterans the best of both worlds by integrating conventional medicine with complementary medicine, so I am pleased to support this provision of the bill.

Mr. Speaker, H.R. 2116 is an excellent agreement that will enhance the lives of millions of veterans and their families. I urge my colleagues to vote in favor of this measure.

Mr. STUMP. Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. BILIRAKIS), a member of the committee.

□ 1730

Mr. BILIRAKIS. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise, too, in strong support of H.R. 2116, the Veterans' Millennium Health Care Act.

In addition to making comprehensive reforms to the veterans health care system, which others have and will describe, this legislation includes provisions to assist the surviving spouses of certain former prisoners of war.

These provisions, Mr. Speaker, are similar to legislation that I introduced earlier this year. Specifically, the provisions included in H.R. 2116 will allow certain spouses of former POWs to qualify for survivor benefits. These women might not otherwise be eligible for such benefits under current law.

The Dependency and Indemnity Compensation, the DIC program, provides monthly benefits to the survivors of veterans who die of service-connected conditions. Under current law, DIC payments may also be authorized for the survivors of veterans whose deaths were not the result of a service-connected disability.

In this case, the spouse only qualifies for DIC benefits if the former POW is rated totally disabled for a period of 10 years or more immediately preceding his death.

There are approximately 20 presumptive service-connected conditions for former POWs who were detained or interned for at least 30 days. Unfortunately, some of these presumptions have been in effect for less than 10 years. This means that a spouse of a former POW may not qualify for DIC benefits if the veteran dies of a non-service-connected condition before meeting the 10-year time requirement.

Even if a presumption has been in effect for 10 or more years, many ex-POWs will not have been rated as totally disabled for the minimum period of time required before their deaths. This may occur for a variety of reasons. For example, the POW may not have filed a disability claim as soon as the presumption was enacted, or it may have taken a while for his claim to be adjudicated. Alternatively, the POW could have a lower disability rating that worsened over time.

This issue was first brought to my attention by a very close friend of mine, Mr. Wayne Hitchcock of Dunedin, Florida. Wayne is the past national commander of the American Ex-Prisoners of War, and is now seriously ill and in the hospital. I credit this portion of H.R. 2116 to ex-POWs Wayne Hitchcock and recently deceased Bill Rolen.

After talking to Wayne, I introduced the bill to waive the 10-year time requirement for the surviving spouses of former POWs. The bill was incorporated into a larger benefits bill which passed the House in June. The provisions that have been included in H.R. 2116 are slightly modified. They will allow the surviving spouse of a former POW to receive DIC compensation if the veteran is rated totally disabled for 1 year prior to his death.

We all know, Mr. Speaker, that military service does not take place in a vacuum. Many POWs experience unimaginable horrors. Today many continue to experience prolonged battles with various illnesses and other disabilities. Consequently, their spouses have spent years caring for them after their release from prisoner of war camps. These women deserve DIC benefits. I urge my colleagues to support this legislation.

Mr. EVANS. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. GREEN).

Mr. GREEN of Texas. Mr. Speaker, I rise today concerning H.R. 2116, the Veterans' Millennium Health Care Act.

As my colleagues are aware, I have been a strong supporter of veterans since my election to this House. However, this bill, hastily added to the schedule today, could be unfair and detrimental to veterans in the State of Texas.

Section 206 of this bill would reorder the priorities under which state veterans' homes currently receive VA state home construction grants. Under the current priority scheme, Texas would likely receive grants for seven State Veteran Home projects. Our projects hold spots 3–9 on the VA list that was published on November 3 of this year. Section 206 could reduce the number of State Veterans' Homes Texas would receive.

Texas has the third largest veterans' population in the nation, and that population is aging. Until last year, we had never received any funding for these grants. We received grants for four last year, and while those funds have helped, the need for additional homes is still great.

I understand that the new priority scheme would prioritize funding for upgrading existing facilities where there are safety concerns. This is a difficult balance to strike, but what stands out to me is that this process is already underway and the State of Texas has already made plans for these homes. Now we want to change that process in midstream and this legislation would make no accommodation for that.

Nobody wants to vote against veterans health care, so I would urge my colleagues to delay this legislation so that we can reach an agreement that would treat all of our nation's veterans fairly.

Mr. EVANS. Mr. Speaker, I yield 3 minutes to the gentlewoman from Florida (Ms. BROWN).

Ms. BROWN of Florida. Mr. Speaker, it is a pleasure to come to the floor today to support the conference report for the Veterans Millenium Health Care Act. This was the first conference involving Members in many years, in fact, 25. We have only had three conferences in 25 years, so I wanted to thank my colleagues and the committee staff for all of their hard work in putting this compromise bill together.

The Veterans Millenium Health Care Act will positively serve veterans in my State of Florida and throughout the Nation. This bill, although not perfect, will offer additional medical and long-term care options for a rapidly aging veterans population, extend vital programs like VA's sexual trauma program, the health evaluation programs for Gulf War veterans, and VA homeless veterans assistance programs; in addition, education benefits and housing loan guarantees, and requiring the Secretary of Veterans Affairs to obligate funds for the establishment of six additional national cemeteries for veterans, and to conduct an independent study on burial benefits.

I have personally worked very hard in support of additional cemetery spaces for our veterans. My State of Florida, which has the oldest veteran population in the Nation, is in desperate need of additional burial space. Today, of the four national cemeteries in Florida, only two remain fully open to the veterans population. For those who served this country with pride and dignity, VA will now be obligated to provide an opportunity to be buried in a national cemetery near their home, an opportunity that is not available to many of our veterans.

Standing on the threshold of a new century, it is our obligation as Members of Congress to again affirm America's solid commitment to her veterans, past, present, and future, and to their families, and to provide the appropriate health care and service promised them. The Department of Veterans Affairs will fully carry out its responsibility to that end.

Mr. STUMP. Mr. Speaker, I yield 4 minutes to the gentleman from Arizona (Mr. HAYWORTH), a member of the committee.

Mr. HAYWORTH. Mr. Speaker, I thank the gentleman, the chairman of our committee and the dean of our delegation from Arizona for yielding time to me.

Mr. Speaker, last Thursday, the 11th day of the 11th month of the 11th hour, I joined with veterans in Apache Junction, Arizona, and then later that day in Payson, Arizona, to commemorate their contributions to our national security on Veterans Day.

It is in their honor, and indeed, Mr. Speaker, in honor of all who have worn the uniform of our country in peacetime and in war, that I am pleased to rise today in support of H.R. 2116, the bipartisan Veterans' Millenium Health Care Act.

Mr. Speaker, veterans' benefits are truly earned opportunities. I am very pleased we are able to approach this new century with comprehensive new legislation. This bill makes a number of needed improvements to programs serving veterans, two of which I would like to briefly highlight.

As the gentleman from Arizona (Chairman STUMP) indicated, the bill would authorize the American Battle Monuments Commission to begin construction of the World War II monument here in the District of Columbia.

Mr. Speaker, the World War II generation, as NBC nightly news managing editor and anchor Tom Brokaw has written, is in fact the greatest generation. What greater gift can one generation, in this case, our World War II generation, give to the generations that follow than freedom? And, what more enduring thanks can America give our World War II veterans than to build their memorial, and build it now?

H.R. 2116 also aggressively authorizes appropriations to the Department of Labor for the homeless veterans reintegration program. Mr. Speaker, as we approach a new century, on any given evening it is estimated that more than 275,000 veterans, the equivalent of 17 infantry divisions, will sleep in doorways, in boxes, and on grates in our cities, and in barns, in lean-tos, and on the ground in our towns.

Mr. Speaker, our millenium bill aims to help many of these men and women find jobs by authorizing a 4-year increase in Labor Department funding for this competitively-bid nationwide community-based employment program. I know of no group that wants to break the cycle of homelessness more than America's sons and daughters who have worn the uniform of this country.

Finally, Mr. Speaker, I would note that despite the strong efforts of the gentleman from Arizona (Chairman STUMP), the ranking member, the gentleman from Illinois (Mr. EVANS), and the efforts of our own subcommittee chaired by the gentleman from New York (Mr. QUINN), the House version for the current G.I. bill and the role it hopefully will play in resolving veterans' transition and military recruitment issues in the next century is not part of this legislation, but Mr. Speaker, it will be a top subcommittee priority next year.

Mr. Speaker, H.R. 2116 is the result of bipartisan hard work, for which I thank the Members on both sides of the aisle, and specifically, the members of our Subcommittee on Benefits.

Mr. Speaker, I urge my colleagues to support this millenium bill because it accords veterans opportunities that they have earned; nothing more and nothing less. I thank the chairman of the full committee for his longstanding leadership on behalf of our Nation's veterans, and I thank the ranking minority member for his continued commitment and support, as well.

Mr. Speaker, in closing, I would celebrate the bipartisan nature of this bill, and join with the gentleman from Arizona (Chairman STUMP) and the ranking member, the gentleman from Illinois (Mr. EVANS) in congratulating Ms. Jill Cochran, longtime Democratic member staff director for the Subcommittee on Benefits, on her upcoming retirement after a quarter century, 25 years of dedicated service to our veterans affairs committee.

Mr. Speaker, Jill has made a wonderful contribution. I know my colleagues in this body extend their kindest wishes as she embarks on the next phase of her journey in life.

Mr. EVANS. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. RODRIGUEZ).

Mr. RODRIGUEZ. Mr. Speaker, I thank the gentleman from Illinois (Mr. EVANS), the ranking minority member, for yielding time to me, and I thank him for his efforts in this area.

Mr. Speaker, there is no doubt that there is a critical need throughout the United States when it comes to our veterans, our homeless veterans that are in need of housing. In Texas in particular, I know that we have been working real hard and got the first initial four. It was one of the first States that did not have any additional homes.

I want to take this opportunity and ask the subcommittee chairman, the gentleman from Florida (Mr. STEARNS) to engage in a colloquy, if he would.

One of the things that I wanted to ask, because I know one of the things as we move into next year, we have allocated $90 million. I feel real strongly that there is a need for additional resources. We know we have a long list.

It is my understanding that one of the new priorities that we have indicated and that we have reranked is based on need, and it is based on identifying the importance of that need in those specific States. I just want to get a clarification from the gentleman from that perspective. In addition to that, I want to get some feedback also from the gentleman in terms of hopefully a drive or push as we move into the year 2000, 2001, and on for stressing the importance of additional resources in this specific area.

Mr. STEARNS. Mr. Speaker, will the gentleman yield?

Mr. RODRIGUEZ. I yield to the gentleman from Florida.

Mr. STEARNS. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, I think the gentleman is talking about the home construction program. I certainly think the subcommittee would look favorably next year when we review the budget for the State home construction program, and to look for a recommendation for sufficient funds to meet the needs of States like the gentleman's, Texas, and of course States like mine, Florida, the Sunbelt, where we have these continued needs for facilities.

We have an influx of veterans, more so than other places. For that, homes for veterans, that whole construction project will be looked favorably upon for more money. I assure the Member we will try and take that up in the spring.

Mr. RODRIGUEZ. In this particular process, we were ranked at a certain level. It is my understanding that that ranking will not necessarily change, but in terms of redefining that ranking based on need.

In addition to grandfathering in some of the 99 projects, those States that had additional homes, for example, it was my understanding that Florida is also very similar to Texas, where the gentleman has not moved either like Texas in terms of trying to get those homes as much as other States have.

If that occurs, then, that means that or my understanding is that we are going to prioritize the 99 projects of some of the old existing homes versus new existing homes, is that correct?

Mr. STEARNS. I think that would be a good approximation of what we will be looking at in terms of the gentleman's State, my State. In fact, I have received letters from other Members from their States, too. So looking at the balance of all this relatively, I assure the gentleman we will look at it in the spring.

Mr. RODRIGUEZ. I thank the gentleman very much.

Mr. STUMP. Mr. Speaker, I am pleased to yield 3 minutes to the gentleman from New Jersey (Mr. SMITH), vice-chairman of the Committee on Veterans' Affairs.

Mr. SMITH of New Jersey. Mr. Speaker, I thank the chairman of the full committee, my good friend, the gentleman from Arizona (Mr. STUMP), the gentleman from Florida (Mr. STEARNS), the chairman of the subcommittee, the gentleman from Illinois (Mr. EVANS), and all who have done so much on this important piece of legislation.

Mr. Speaker, this is a great day for our veterans. This legislation is comprehensive. Its name certainly is indicative of what it is, a very forward-thinking bill, the Veterans Millennium Health Care Act. This legislation positions us for the challenges ahead.

I just want to thank the gentleman from Florida (Mr. STEARNS) and the gentleman from Arizona (Mr. STUMP) for including two provisions that I have been working on, one for over 10 years.

One of the widows of a former serviceman, a Navy officer in my state, for years had been denied, denied compensation for his very, very untimely death. He suffered from a very rare disease, a lung cancer that usually is the result of plutonium exposure.

He was one of those who was on the U.S.S. *McKinley* during an atomic test—code named operation wigwam. The Record shows that Tom McCarthy was bathed in an atomic aerosol that more than likely contained plutonium, and then suffered the onset of cancer and a premature death. Bronchiolo alveolar carcinoma, the malady Tom was infected with is a nonsmoking disease that is usually induced by exposure to plutonium.

Unfortunately, his widow, Joan McCarthy, was denied year after year after year when she would put in claims to the VA. That is a profound injustice that my provision sets right. This legislation finally, belatedly recognizes that her claim is legitimate, authentic, and ought to be paid. It seems to me, this is the very least our action can do. As a matter of fact, we owe Joan an apology for our collective indifference for her loss.

Again, I want to thank the chairman, the gentleman from Arizona (Mr. STUMP) throughout two decades, and Mr. Montgomery when he was here was always very supportive of this legislation when he was chairman. We have finally succeeded in righting, to some extent, a terrible wrong which will now help this widow and other widows who have suffered.

I also want to thank the chairman, the gentleman from Arizona (Mr. STUMP) and the gentleman from Florida (Mr. STEARNS) for their support of the respite care provisions.

□ 1745

Respite care is one of those very often unrecognized needs. The caregivers who spend on average about 10½ hours a day helping disabled loved ones, usually their family members. And in this case we are talking about veterans, many of whom are World War II veterans. My legislation, which is now a provision and tax bill, will provide contract care, the ability, the authority for the VA to contract so that that respite care can be given. Under current law, in order to receive respite care benefits, the caregiver has to put the loved one into a VA or State nursing home. That is so onerous and unworkable that in 1998, only 232 cases of respite care was provided by the VA; and we know that the need exceeds that. This new VA authority vests the VA with the ability to contract out for respite care.

Mr. Speaker, I again want to thank all of those who were involved in writing this legislation. Our staff has been extraordinarily effective. We had a very challenging conference with the Senate. But, thankfully, there was a meeting of the minds. Prudent compromises were agreed to. So I salute the gentleman from Arizona (Mr. STUMP) and the gentleman from Florida (Mr. STEARNS) for their extraordinary leadership. They are great friends of the veteran. This is an outstanding bill. I urge support for it.

Mr. EVANS. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. REYES).

Mr. REYES. Mr. Speaker, I thank the gentleman from Illinois (Mr. EVANS) for yielding me this time. I also want to thank the gentleman from Arizona (Chairman STUMP) and the gentleman from Illinois (Mr. EVANS), ranking member, for all the hard work and support that they have given our Nation's veterans.

I, too, as the gentleman from Texas was concerned, am concerned about the reprioritization of the veterans' nursing homes. I appreciate the hard work and the reassurances from the gentleman from Florida (Chairman STEARNS) that he will work with us to make sure that these homes are prioritized and we get an opportunity to provide these kinds of facilities for our veterans in States like Texas.

Mr. Speaker, one of the biggest challenges that I see our committee having to deal with is the challenge of addressing the migration of the veterans to the Sunbelt States like Florida, Texas, and Arizona. As we work through this process in the coming year, in the next fiscal year, I hope that all of us are able to provide for all the Nations' veterans.

Mr. EVANS. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi (Mr. SHOWS).

Mr. SHOWS. Mr. Speaker, this legislation is a step in the right direction. I am encouraged to see this legislation, the Veteran's Millennium Health Care Act. I would like to congratulate the gentleman from Florida (Mr. STEARNS) for bringing forward this comprehensive and ambitious legislation, as well as the gentleman from Arizona (Mr. STUMP) and the gentleman from Illinois (Mr. EVANS).

Mr. Speaker, I have 46,000 veterans in my district alone. With a growing and older veterans population in the South, it is particularly important to address long-term care. The Sonny Montgomery Medical Center is in my district. This facility serves a veterans population of 130,000 veterans in 50 central Mississippi counties and six Louisiana parishes. With an ever-growing veterans population, legislation and resources are needed to ensure that long-term care, including nursing home care, assisted living, is required, not just desired.

This legislation will create a 4-year plan requiring the Veterans Affairs Department to provide institutional care to veterans with service-connected disabilities of 70 percent or greater. This is needed legislation. I am proud to be able to vote for this ambitious legislation.

Mr. EVANS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. STUMP. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank the gentleman from New York (Mr. QUINN) and the gentleman from California (Mr. FILNER), the chairman and ranking member of the Subcommittee on Benefits, for their hard work on this bill. I would like to express my appreciation to the gentleman from Florida (Mr. STEARNS), the chairman of the Subcommittee on Health, for introducing the health care provisions in the Millennium Health Care Act, as well as the gentleman from Illinois (Mr. GUTIERREZ), the subcommittee's ranking member.

Mr. Speaker, as always the gentleman from Illinois (Mr. EVANS) the ranking member of the full committee, has worked in the committee's traditional bipartisan fashion on this important legislation. I thank the gentleman for his effort and for his efforts on all the legislation that we have had this year.

The House and Senate VA committees came to this agreement over the past week, and I want to express my appreciation to both Senators SPECTER and ROCKEFELLER, the chairman and ranking member of the VA committee on the Senate side, for their cooperative spirit in which they approach all issues considered in conference.

The staff of the House Committee on Veterans' Affairs and the Senate VA committee should be commended for their cooperation demonstrated during our final legislative deliberations of this year. One particular staff member needs to be singled out and I would like to pay tribute to Jill T. Cochran on the occasion of her retirement. Jill leaves after 25 years of service, and we commend her for her service to the House on behalf of our Nation's veterans. We wish Jill all the very best.

Mr. BLILEY. Mr. Speaker, today I rise in support of the Veterans Millennium Health Care Act of 1999 Conference Report. Included in this Conference Report is my bill H.R. 430, the Combat Veterans Medical Equity Act. Due to the broad base of support, my bill gained 177 cosponsors and was endorsed by the Military Order of the Purple Heart, Catholic War Veterans, The Non Commissioned Officers Association of the United States of America, Veterans of Foreign Wars, Legion of Valor, American Veterans Committee and the Jewish War Veterans.

Most people are unaware that under current law, combat wounded veterans do not always qualify for medical care at VA facilities. This bill will change the law to ensure combat wounded veterans receive automatic access to treatment at VA facilities.

It sets the enrollment priority for combat injured veterans for medical service at level three—the same level as former Prisoner of Wars and veterans with service connected disabilities rated between 10 and 20 percent.

We as a nation owe a debt of gratitude to all our veterans who have been awarded the Purple Heart for injuries suffered in service to our country. I would like to thank Chairman STUMP and Chairman SPECTER for including my legislation, the Combat Veterans Medical Equity Act, in this important legislation. I would also like to congratulate the Military Order of the Purple Heart for their hard work and advocacy on behalf of our nations combat wounded veterans.

The Veterans Millennium Health Care Act of 1999 is long overdue. I am proud to support this bill for our nation's veterans and I urge a yes vote.

Mr. PORTMAN. Mr. Speaker, the conference report on H.R. 2116, the Veterans Millennium Health Care Act of 1999, is important legislation designed to lay the ground work for veterans health care into the next century.

Overall, I support many of the provisions of H.R. 2116 that provide needed modifications to the VA health care system, and I will vote for the bill. However, I do have serious concerns about one element of the bill which will unfairly delay funding for a proposed nursing home facility that is desperately needed to serve veterans in southern Ohio. I say unfairly because under current law, the proposed facility in Georgetown, Ohio is well on track to receive final approval by VA for FY 2000 funds to pay the federal share of the project. The problem is that all parties involved—the VA, the State of Ohio, local government officials, and concerned veterans groups—have acted in good faith and followed the rules under the application process. Unfortunately, H.R. 2116 changes those rules in the middle of the game, preventing Georgetown from receiving the federal funds in FY 2000 as planned.

Ohio has a serious shortfall of more than 4,000 VA nursing home beds. In fact, the only VA nursing home serving Ohio is in Sandusky—a 4 or 5 hour drive from southern Ohio—and 160 veterans are on the waiting list. Since only 8 of the home's 650 residents are from southern Ohio, it is clear why the Georgetown facility is vital to the veterans in our part of the state.

The State of Ohio recognizes the urgency of this situation and has committed $4.5 million for its share of the construction money in Ohio's FY 2000 budget. The state has also committed $500,000 for various administrative expenses to see the project to completion for a total of $5 million in state funds. I want to add that Brown County has spent $186,000 of its own funds for land acquisition, an environmental impact study and for other expenses, so there has been a considerable state and local investment in this project. The VA agrees that the Georgetown facility is important to veterans in Ohio, and the Secretary has placed the project on the Department's priority one list to receive the federal share of funding at $7.8 million.

During consideration of the House-passed version of H.R. 2116 in September, I voiced my concerns that the bill would delay the Georgetown project for several years. Chairman STUMP, Chairman STEARNS and ranking members EVANS and GUTIERREZ agree that it is important to move ahead with the project, and they worked with the Senate to include language that will have the effect of placing the Georgetown facility first on the list for federal funding in FY 2001. While I would prefer that the project be funded in FY 2000, I do want to thank the Chairmen, the ranking members and the Senate for listening to the concerns of the veterans in Ohio and seeing that this project remains a priority. I will continue to work with them, Secretary West as well as state and local officials in Ohio to ensure that the Georgetown facility becomes a reality without any further delay,

STUMP. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. BARR of Georgia). The question is on the motion offered by the gentleman from Arizona (Mr. STUMP) that the House suspend the rules and agree to the conference report on the bill, H.R. 2116.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the conference report was agreed to.

A motion to reconsider was laid on the table.

LEIF ERICSON MILLENNIUM COMMEMORATIVE COIN ACT

Mr. LEACH. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3373) to require the Secretary of the Treasury to mint coins in conjunction with the minting of coins by the Republic of Iceland in commemoration of the millennium of the discovery of the New World by Leif Ericson.

The Clerk read as follows:

H.R. 3373

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—LEIF ERICSON MILLENNIUM COMMEMORATIVE COIN

SEC. 101. SHORT TITLE.

This title may be cited as the "Leif Ericson Millennium Commemorative Coin Act".

SEC. 102. COIN SPECIFICATIONS.

(a) $1 SILVER COINS.—In conjunction with the simultaneous minting and issuance of commemorative coins by the Republic of Iceland in commemoration of the millennium of the discovery of the New World by Leif Ericson, the Secretary of the Treasury (hereafter in this title referred to as the "Secretary") shall mint and issue not more than 500,000 1 dollar coins, which shall—

(1) weigh 26.73 grams;

(2) have a diameter of 1.500 inches; and

(3) contain 90 percent silver and 10 percent copper.

(b) LEGAL TENDER.—The coins minted under this title shall be legal tender, as provided in section 5103 of title 31, United States Code.

(c) NUMISMATIC ITEMS.—For purposes of section 5136 of title 31, United States Code, all coins minted under this title shall be considered to be numismatic items.

SEC. 103. SOURCES OF BULLION.

The Secretary may obtain silver for minting coins under this title from any available source, including stockpiles established under the Strategic and Critical Materials Stock Piling Act.

SEC. 104. DESIGN OF COINS.

(a) DESIGN REQUIREMENTS.—

(1) IN GENERAL.—The design of the coins minted under this title shall be emblematic of the millennium of the discovery of the New World by Leif Ericson.

(2) DESIGNATION AND INSCRIPTIONS.—On each coin minted under this title there shall be—

(A) a designation of the value of the coin;

(B) an inscription of the year “2000”; and

(C) inscriptions of the words “Liberty”, “In God We Trust”, “United States of America”, and “E Pluribus Unum”.

(b) SELECTION.—The design for the coins minted under this title shall be—

(1) selected by the Secretary after consultation with the Leifur Eiríksson Foundation and the Commission of Fine Arts; and

(2) reviewed by the Citizens Commemorative Coin Advisory Committee.

SEC. 105. ISSUANCE OF COINS.

(a) QUALITY OF COINS.—Coins minted under this title shall be issued in uncirculated and proof qualities.

(b) MINT FACILITY.—Only one facility of the United States Mint may be used to strike any particular quality of the coins minted under this title.

(c) COMMENCEMENT OF ISSUANCE.—The Secretary may issue coins minted under this title beginning January 1, 2000.

(d) TERMINATION OF MINTING AUTHORITY.—No coins may be minted under this title after December 31, 2000.

SEC. 106. SURCHARGES.

(a) IN GENERAL.—All sales of coins minted under this title shall include a surcharge of $10 per coin.

(b) DISTRIBUTION.—All surcharges received by the Secretary from the sale of coins issued under this title shall be promptly paid by the Secretary to the Leifur Eiríksson Foundation for the purpose of funding student exchanges between students of the United States and students of Iceland.

(c) AUDITS.—The Leifur Eiríksson Foundation shall be subject to the audit requirements of section 5134(f)(2) of title 31, United States Code, with regard to the amounts received by the Foundation under subsection (b).

SEC. 107. GENERAL WAIVER OF PROCUREMENT REGULATIONS.

(a) IN GENERAL.—Except as provided in subsection (b), no provision of law governing procurement or public contracts shall be applicable to the procurement of goods and services necessary for carrying out the provisions of this title.

(b) EQUAL EMPLOYMENT OPPORTUNITY.—Subsection (a) shall not relieve any person entering into a contract under the authority of this title from complying with any law relating to equal employment opportunity.

TITLE II—CAPITOL VISITOR CENTER COMMEMORATIVE COIN

SEC. 201. SHORT TITLE.

This title may be cited as the “United States Capitol Visitor Center Commemorative Coin Act of 1999”.

SEC. 202. FINDINGS.

Congress finds that—

(1) Congress moved to Washington, District of Columbia, and first convened in the Capitol building in the year 1800;

(2) the Capitol building is now the greatest visible symbol of representative democracy in the world;

(3) the Capitol building has approximately 5,000,000 visitors annually and suffers from a lack of facilities necessary to properly serve them;

(4) the Capitol building and persons within the Capitol have been provided with excellent security through the dedication and sacrifice of the United States Capitol Police;

(5) Congress has appropriated $100,000,000, to be supplemented with private funds, to construct a Capitol Visitor Center to provide continued high security for the Capitol and enhance the educational experience of visitors to the Capitol;

(6) Congress would like to offer the opportunity for all persons to voluntarily participate in raising funds for the Capitol Visitor Center; and

(7) it is appropriate to authorize coins commemorating the first convening of the Congress in the Capitol building with proceeds from the sale of the coins, less expenses, being deposited for the United States Capitol Preservation Commission with the specific purpose of aiding in the construction, maintenance, and preservation of a Capitol Visitor Center.

SEC. 203. COIN SPECIFICATIONS.

(a) DENOMINATIONS.—The Secretary of the Treasury (hereafter in this title referred to as the “Secretary”) shall mint and issue the following coins under this title:

(1) BIMETALLIC COINS.—Not more than 200,000 $10 bimetallic coins of gold and platinum, in accordance with such specifications as the Secretary determines to be appropriate.

(2) $1 SILVER COINS.—Not more than 500,000 $1 coins, which shall—

(A) weigh 26.73 grams;

(B) have a diameter of 1.500 inches; and

(C) contain 90 percent silver and 10 percent copper.

(3) HALF DOLLAR.—Not more than 750,000 half dollar clad coins, each of which—

(A) shall weigh 11.34 grams;

(B) have a diameter of 1.205 inches; and

(C) be minted to the specifications for half dollar coins contained in section 5112(b) of title 31, United States Code.

(b) $5 GOLD COINS.—If the Secretary determines that the minting and issuance of bimetallic coins under subsection (a)(1) is not feasible, the Secretary may mint and issue instead not more than 100,000 $5 coins, which shall—

(1) weigh 8.359 grams;

(2) have a diameter of 0.850 inches; and

(3) contain 90 percent gold and 10 percent alloy.

(c) LEGAL TENDER.—The coins minted under this title shall be legal tender, as provided in section 5103 of title 31, United States Code.

SEC. 204. SOURCES OF BULLION.

(a) PLATINUM AND GOLD.—The Secretary shall obtain platinum and gold for minting coins under this title from available sources.

(b) SILVER.—The Secretary may obtain silver for minting coins under this title from stockpiles established under the Strategic and Critical Materials Stock Piling Act, and from other available sources.

SEC. 205. DESIGN OF COINS.

(a) DESIGN REQUIREMENTS.—

(1) IN GENERAL.—The design of the coins minted under this title shall be emblematic of the first meeting of the United States Congress in the United States Capitol Building.

(2) DESIGNATION AND INSCRIPTIONS.—On each coin minted under this title, there shall be—

(A) a designation of the value of the coin;

(B) an inscription of the year “2001”; and

(C) inscriptions of the words “Liberty”, “In God We Trust”, “United States of America”, and “E Pluribus Unum”.

(b) SELECTION.—The design for the coins minted under this title shall be—

(1) selected by the Secretary, after consultation with the United States Capitol Preservation Commission (in this title referred to as the “Commission”) and the Commission of Fine Arts; and

(2) reviewed by the Citizens Commemorative Coin Advisory Committee.

SEC. 206. ISSUANCE OF COINS.

(a) QUALITY OF COINS.—Coins minted under this title shall be issued in uncirculated and proof qualities.

(b) MINT FACILITY.—Only 1 facility of the United States Mint may be used to strike any particular combination of denomination and quality of the coins minted under this title.

(c) FIRST USE OF YEAR 2001 DATE.—The coins minted under this title shall be the first commemorative coins of the United States to be issued bearing the inscription of the year “2001”.

(d) PROMOTION CONSULTATION.—The Secretary shall—

(1) consult with the Commission in order to establish a role for the Commission or an entity designated by the Commission in the promotion, advertising, and marketing of the coins minted under this title; and

(2) if the Secretary determines that such action would be beneficial to the sale of coins minted under this title, enter into a contract with the Commission or an entity referred to in paragraph (1) to carry out the role established under paragraph (1).

SEC. 207. SALE OF COINS.

(a) SALE PRICE.—The coins minted under this title shall be sold by the Secretary at a price equal to the sum of—

(1) the face value of the coins;

(2) the surcharge provided in subsection (d) with respect to such coins; and

(3) the cost of designing and issuing the coins (including labor, materials, dies, use of machinery, overhead expenses, marketing, and shipping).

(b) BULK SALES.—The Secretary shall make bulk sales of the coins issued under this title at a reasonable discount.

(c) PREPAID ORDERS.—

(1) IN GENERAL.—The Secretary shall accept prepaid orders for the coins minted under this title before the issuance of such coins.

(2) DISCOUNT.—Sale prices with respect to prepaid orders under paragraph (1) shall be at a reasonable discount.

(d) SURCHARGES.—All sales under this title shall include a surcharge established by the Secretary, in an amount equal to not more than—

(1) $50 per coin for the $10 coin or $35 per coin for the $5 coin;

(2) $10 per coin for the $1 coin; and

(3) $3 per coin for the half dollar coin.

SEC. 208. DISTRIBUTION OF SURCHARGES.

All surcharges received by the Secretary from the sale of coins minted under this title shall be deposited in the Capitol Preservation Fund in accordance with section 5134(f) of title 31, United States Code, and shall be made available to the Commission for the purpose of aiding in the construction, maintenance, and preservation of a Capitol Visitor Center.

TITLE III—LEWIS AND CLARK EXPEDITION COMMEMORATIVE COIN

SEC. 301. SHORT TITLE.

This title may be cited as the "Lewis and Clark Expedition Bicentennial Commemorative Coin Act".

SEC. 302. FINDINGS.

The Congress finds that—

(1) the expedition commanded by Meriwether Lewis and William Clark, which came to be called "The Corps of Discovery", was one of the most remarkable and productive scientific and military exploring expeditions in all American history;

(2) President Thomas Jefferson gave Lewis and Clark the mission to "explore the Missouri River & such principal stream of it, as, by its course and communication with the waters of the Pacific Ocean, whether the Columbia, Oregon, Colorado, or any other river may offer the most direct and practical water communication across this continent for the purposes of commerce";

(3) the Expedition, in response to President Jefferson's directive, greatly advanced our geographical knowledge of the continent and prepared the way for the extension of the American fur trade with American Indian tribes throughout the land;

(4) President Jefferson directed the explorers to take note of and carefully record the natural resources of the newly acquired territory known as Louisiana, as well as diligently report on the native inhabitants of the land;

(5) the Expedition departed St. Louis, Missouri on May 14, 1804;

(6) the Expedition held its first meeting with American Indians at Council Bluff near present-day Fort Calhoun, Nebraska, in August 1804, spent its first winter at Fort Mandan, North Dakota, crossed the Rocky Mountains by the mouth of the Columbia River in mid-November of that year, and wintered at Fort Clatsop, near the present-day city of Astoria, Oregon;

(7) the Expedition returned to St. Louis, Missouri, on September 23, 1806, after a 28-month journey covering 8,000 miles during which it traversed 11 future States: Illinois, Missouri, Kansas, Nebraska, Iowa, North Dakota, South Dakota, Montana, Idaho, Washington, and Oregon;

(8) accounts from the journals of Lewis and Clark and the detailed maps that were prepared by the Expedition enhance knowledge of the western continent and routes for commerce;

(9) the Expedition significantly enhanced amicable relationships between the United States and the autonomous American Indian nations, and the friendship and respect fostered between American Indian tribes and the Expedition represents the best of diplomacy and relationships between divergent nations and cultures; and

(10) the Lewis and Clark Expedition has been called the most perfect expedition of its kind in the history of the world and paved the way for the United States to become a great world power.

SEC. 303. COIN SPECIFICATIONS.

(a) Denomination.—In commemoration of the bicentennial of the Lewis and Clark Expedition, the Secretary of the Treasury (hereafter in this title referred to as the "Secretary") shall mint and issue not more than 500,000 $1 coins, each of which shall—

(1) weigh 26.73 grams;

(2) have a diameter of 1.500 inches; and

(3) contain 90 percent silver and 10 percent copper.

(b) Legal Tender.—The coins minted under this title shall be legal tender, as provided in section 5103 of title 31, United States Code.

(c) Numismatic Items.—For purposes of section 5136 of title 31, United States Code, all coins minted under this title shall be considered to be numismatic items.

SEC. 304. SOURCES OF BULLION.

The Secretary may obtain silver for minting coins under this title from any available source, including stockpiles established under the Strategic and Critical Materials Stock Piling Act.

SEC. 305. DESIGN OF COINS.

(a) Design Requirements.—

(1) In general.—The design of the coins minted under this title shall be emblematic of the expedition of Lewis and Clark.

(2) Designation and inscriptions.—On each coin minted under this title there shall be—

(A) a designation of the value of the coin;

(B) an inscription of the year "2004" and the years "1804–1806"; and

(C) inscriptions of the words "Liberty", "In God We Trust", "United States of America", and "E Pluribus Unum".

(3) Obverse of coin.—The obverse of each coin minted under this title shall bear the likeness of Meriwether Lewis and William Clark.

(4) General design.—In designing this coin, the Secretary shall also consider incorporating appropriate elements from the Jefferson Peace and Friendship Medal which Lewis and Clark presented to the Chiefs of the various Indian tribes they encountered and shall consider recognizing Native American culture.

(b) Selection.—The design for the coins minted under this title shall be selected by the Secretary after consultation with the Commission of Fine Arts and shall be reviewed by the Citizens Commemorative Coin Advisory Committee.

SEC. 306. ISSUANCE OF COINS.

(a) Quality of Coins.—Coins minted under this title shall be issued in uncirculated and proof qualities.

(b) Mint Facility.—Only one facility of the United States Mint may be used to strike any particular quality of the coins minted under this title.

(c) Period for Issuance.—The Secretary may issue coins minted under this title only during the period beginning on January 1, 2004, and ending on December 31, 2004.

SEC. 307. SALE OF COINS.

(a) Sale Price.—The coins issued under this title shall be sold by the Secretary at a price equal to the sum of—

(1) the face value of the coins;

(2) the surcharge provided in subsection (d) with respect to such coins; and

(3) the cost of designing and issuing the coins (including labor, materials, dies, use of machinery, overhead expenses, marketing, and shipping).

(b) Bulk Sales.—The Secretary shall make bulk sales of the coins issued under this title at a reasonable discount.

(c) Prepaid Orders.—

(1) In general.—The Secretary shall accept prepaid orders for the coins minted under this title before the issuance of such coins.

(2) Discount.—Sale prices with respect to prepaid orders under paragraph (1) shall be at a reasonable discount.

(d) Surcharges.—All sales of coins minted under this title shall include a surcharge of $10 per coin.

SEC. 308. DISTRIBUTION OF SURCHARGES.

(a) In General.—Subject to section 5134(f) of title 31, United States Code, the proceeds from the surcharges received by the Secretary from the sale of coins issued under this title shall be promptly paid by the Secretary as follows:

(1) National Lewis and Clark Bicentennial council.—Two-thirds to the National Lewis and Clark Bicentennial Council, for activities associated with commemorating the bicentennial of the Lewis and Clark Expedition.

(2) National park service.—One-third to the National Park Service for activities associated with commemorating the bicentennial of the Lewis and Clark Expedition.

(b) Audits.—Each organization that receives any payment from the Secretary under this section shall be subject to the audit requirements of section 5134(f)(2) of title 31, United States Code.

SEC. 309. FINANCIAL ASSURANCES.

(a) No Net Cost to the Government.—The Secretary shall take such actions as may be necessary to ensure that minting and issuing coins under this title will not result in any net cost to the United States Government.

(b) Payment for Coins.—A coin shall not be issued under this title unless the Secretary has received—

(1) full payment for the coin;

(2) security satisfactory to the Secretary to indemnify the United States for full payment; or

(3) a guarantee of full payment satisfactory to the Secretary from a depository institution whose deposits are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration Board.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Iowa (Mr. Leach) and the gentleman from New York (Mr. LaFalce) each will control 20 minutes.

The Chair recognizes the gentleman from Iowa (Mr. Leach).

Mr. LEACH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3373, a bill that will, among other things, implement a unique program to issue a millennium commemorative dollar coin.

The bill would permit the simultaneous issuance of a U.S. silver dollar and a silver 1000 Kronor Islandic coin, both produced by the United States Mint and both celebrating the 1000-year anniversary of Leif Ericson's voyage to the New World. Both of these coins would be produced in limited mintages. This will be a significant numismatic event, a 1000-year anniversary, the two countries jointly issuing coins commemorating the same event, and a limited boxed edition of both coins issued by the Mint.

Interestingly, the Icelandic coin will depict Leif Ericson as he appears in a statue that stands today in Reykjavik. The statue of the great explorer was created by the sculptor Stirling Calder, father of Alexander Calder, and was presented by the United States Congress to the parliament of Iceland, known as the Althing, on its 1000th anniversary in 1930.

Mr. Speaker, this bill also authorizes the Secretary of the Treasury to create two other coins commemorating significant events. One, an initiative of the bipartisan leadership in both the House and the Senate, would be the first commemorative coin dated 2001 and would mark the 200th anniversary of the United States Capitol building in which we now stand. Proceeds would be used to help build a Capitol Visitors Center.

Also authorized in this bill is a coin dated 2004 to commemorate the bicentennial of the start of another epic discovery expedition, this one the 8,000-mile trek by Merriwether Lewis and William Clark, with the backing of President Thomas Jefferson, through land that is now part of the States of Illinois, Missouri, Kansas, Nebraska, Iowa, North Dakota, South Dakota, Montana, Idaho, Washington, and Oregon. The gentleman from Nebraska (Mr. BEREUTER) has been a tireless and persuasive sponsor of this initiative.

As my colleagues may recall, similar versions of the Leif Ericson and Lewis and Clark bills passed this chamber under suspension in both this and the last Congress, and the Congressional Budget Office has scored all the coins as budget neutral.

In conclusion, Mr. Speaker, I would like to express my appreciation for the thoughtful judgment and advice of the gentleman from New York (Mr. LAFALCE), my good friend, on this and so many other issues before the committee. I urge adoption of this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. LAFALCE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the bill, H.R. 3373, which authorizes the minting and issuance of three commemorative coins. Earlier in this session, the House passed under suspension of the rules both the Lewis and Clark commemorative coin to be minted in the year 2004 and the Leif Ericson commemorative coin to be minted next year, the start of the new millennium. The latter coin will be minted in conjunction with the Republic of Iceland, which will simultaneously mint and issue a coin to commemorate the millennium of Leif Ericson's arrival in the New World, a watershed event in the history of our continent. The third coin will commemorate the Capitol Visitors Center, for which Congress has already appropriated $100 million that will be supplemented by private funds.

All three coins are supported by the Commemorative Coin Advisory Committee, the U.S. Mint, and fall within the parameters of the Commemorative Coin Reform Act of 1996, which restricts the minting of commemorative coins to not more than two per calendar year.

All coins also pay for themselves and generate proceeds that are devoted to important activities. For instance, the minting and issuance of the Lewis and Clark commemorative coin will be done at no cost to the American taxpayer, and proceeds from its sale will accrue to the Lewis and Clark Bicentennial Council and the National Park Service. Both of these organizations are currently preparing for the bicentennial celebration of the Lewis and Clark expedition.

Similarly, proceeds from the sale of the Leif Ericson coin will go to the Leifur Eiriksson Foundation for the purpose of funding student exchanges between the United States and Iceland. And, lastly, proceeds from the Capitol Visitors Center coin will accrue to the Capitol Preservation Commission for the purpose of aiding the construction, maintenance, and preservation of a Capitol Visitors Center.

Mr. Speaker, I urge adoption of this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. LEACH. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. LAFALCE. Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota (Mr. MINGE).

Mr. MINGE. Mr. Speaker, I would like to thank the gentleman from New York (Mr. LAFALCE) for yielding me this time.

Mr. Speaker, I rise as a co-chair of the Friends of Norway Caucus and would like to recognize the contributions of Leif Ericson as the original European to set foot in the North American continent and the establishment of permanent settlements by Scandinavian or Icelandic explorers a thousand years ago.

I know that all of us have grown up learning about Christopher Columbus and what he did with his explorations and the so-called "founding" of the New World. But all of us also know that the indigenous residents of this continent had been here for thousands of years before, so it is somewhat of an insult to say that the Europeans "discovered" this continent because it had been discovered for centuries and inhabited.

But, Mr. Speaker, it is interesting to note that there are these various hardy souls that ventured forth from Europe looking for new land, new territory to settle, riches, extending the religious beliefs that they held so dearly. It is also interesting to note that as we approach the year 2000, it is a thousand years since Leif Ericson set foot in what is now thought to be Newfoundland.

It is also interesting to note that these Scandinavian settlers in the Western Hemisphere actually established farmsteads and it is estimated there were as many as 400 of them in Greenland and that these settlements endured for several centuries. In fact, longer than many of the regions of the United States have been settled. So, indeed, European peoples were on the North American continent and established settlements for centuries before our beloved Christopher Columbus actually set foot here.

Mr. Speaker, I certainly appreciate the bill that has been introduced by my colleagues and the recognition of Leif Ericson's exploits.

□ 1800

Mr. LEACH. Mr. Speaker, I have no speakers, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. BARR of Georgia). The question is on the motion offered by the gentleman from Iowa (Mr. LEACH) that the House suspend the rules and pass the bill, H.R. 3373.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF MOTIONS TO SUSPEND THE RULES

Mr. DREIER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 374 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 374

Resolved, That it shall be in order at any time on or before the legislative day of Wednesday, November 17, 1999, for the Speaker to entertain motions to suspend the rules, provided that the object of any such motion is announced from the floor at least one hour before the motion is offered. In scheduling the consideration of legislation under this authority, the Speaker or his designee shall consult with the Minority Leader or his designee.

SEC. 2. Provides that House Resolution 342 is laid on the table.

The SPEAKER pro tempore. The gentleman from California (Mr. DREIER) is recognized for 1 hour.

Mr. DREIER. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from South Boston, Massachusetts (Mr. MOAKLEY); pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 374 provides for consideration of motions to suspend the rules at any time up to and including the legislative day of Wednesday, November 17. It requires the Speaker to consult with the minority leader on the designation of any matter for consideration under suspension of the rules. Finally, it provides that the subject of any motion to suspend the rules be announced from the floor at least 1 hour prior to its consideration.

Under clause 1 of rule XV of the rules of the House, the Speaker may only entertain motions to suspend the rules on

Mondays, Tuesdays, and the last 6 days of a session. Since the House has not yet passed an adjournment resolution, the last 6 days of this session, we hope we are in the midst of them, it has not yet been determined. Therefore, Mr. Speaker, it is necessary for us to pass this resolution in order to allow the House to consider suspensions tomorrow.

Mr. Speaker, we have nearly completed our business for the first session of the 106th Congress. To tie up the remaining loose ends and prepare to return to our districts, it is imperative to allow ourselves the utmost flexibility in scheduling and considering the few noncontroversial, yet very important, items of business that remain before us.

The resolution is just an extension of the resolution that we passed here in the House on November 3. It is simple, straightforward, and I urge its adoption.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume, and I thank the gentleman from California (Mr. DREIER), my dear friend, for yielding me the customary half hour.

Mr. Speaker, here we are again considering a rule making every day a suspension day. Under this rule, the Republican leadership can bypass all the House rules and schedule bills at last minute with only 1 hour's notice.

Two weeks ago when we did the identical rule, I asked my Republican colleagues on the Committee on Rules to give us a 2-hour notice, and they so graciously agreed. Last week, something changed.

Last week, I asked my Republican colleagues for 2 hours' notice; instead, they gave me 1 hour's notice. I thought I was going to get that same gracious accommodation that I got last week, but something changed. This week, we get nothing.

The problems with the bills coming up too quickly are really not only limited to the minority. Even the majority Members get only 1 hour's notice on bills that they are presumed to support. Some people actually want to read the bills before they vote on them.

These suspension rules are part of a pattern of bypassing the committee process that my Republican colleagues have turned into a state-of-art form. I just cannot support this rule that will make it even easier for my colleagues on the Republican side to bypass committees and rush bills to the floor with only 1 hour's notice.

So I urge my colleagues to oppose this rule.

Mr. Speaker, I yield back the balance of my time.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume to say that I suspect that the gentleman's statement was written last week when we thought we might be considering this. We are not asking for every day to be a suspension day, only one day, tomorrow. This expires tomorrow.

I will say, from having been in contact with the gentleman from Texas (Mr. ARMEY), the majority leader, I know that they want to contact the Members, as I said, at least an hour before and maybe even many hours before suspensions come to the floor.

I guess I should also say that, if we continue to hear a real complaint about this, maybe we will not ever be able to make those kinds of modifications to the rules in the future. But we will always take into consideration the very thoughtful arguments that are propounded by the gentleman from South Boston, Massachusetts (Mr. MOAKLEY).

So I urge my colleagues to support this rule.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MOAKLEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The Chair also announces that there will be a series of 5-minute votes immediately following this vote on H. Res. 374.

The vote was taken by electronic device, and there were—yeas 214, nays 202, not voting 17, as follows:

[Roll No. 590]

YEAS—214

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Biggert
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell

Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth-Hage
Coble
Collins
Combest
Cook
Cooksey
Cox
Crane
Cubin
Cunningham
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Ehlers
Ehrlich
Emerson
English
Everett
Fletcher
Foley

Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof

Hunter
Hutchinson
Hyde
Isakson
Jenkins
Johnson (CT)
Jones (NC)
Kasich
Kelly
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Morella
Myrick
Nethercutt
Ney

Northup
Norwood
Nussle
Ose
Oxley
Packard
Paul
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Radanovich
Ramstad
Regula
Reynolds
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood

Shimkus
Shuster
Simpson
Skeen
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Talent
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Woolsey
Young (AK)
Young (FL)

NAYS—202

Abercrombie
Allen
Andrews
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Coburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley

Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Forbes
Ford
Frank (MA)
Frost
Gejdenson
Gonzalez
Goode
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hall (TX)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hooley
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Johnson, Sam
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos

Larson
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McKinney
McNulty
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Owens
Pallone
Pascrell
Pastor
Pelosi
Peterson (MN)
Phelps
Pickett
Pomeroy
Price (NC)
Rahall
Rangel

Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Serrano
Shows
Sisisky
Skelton
Slaughter
Smith (WA)
Snyder
Spratt
Stabenow
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Weiner
Wexler
Weygand
Wu
Wynn

NOT VOTING—17

Ackerman
Berman
Dunn
Ewing
Fossella
Gephardt
Hill (MT)
Istook
McIntyre
Meehan
Ortiz
Payne
Quinn
Smith (MI)
Watkins
Waxman
Wise

☐ 1829

Messrs. BERRY, ENGEL, RODRIGUEZ and LEVIN changed their vote from "yea" to "nay."

Messrs. BUYER, NUSSLE and GRAHAM changed their vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

☐ 1830

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. BARR of Georgia). Pursuant to clause 8 of rule XX, the Chair will now put the question on each motion to suspend the rules on which further proceedings were postponed earlier today in the order in which that motion was entertained, followed by the motion postponed from last Wednesday and approval of the Journal.

Votes will be taken in the following order: House Resolution 169, by the yeas and nays;

House Concurrent Resolution 165, by the yeas and nays;

House Concurrent Resolution 206, by the yeas and nays;

House Resolution 325, by the yeas and nays;

H.R. 2336, de novo; and

Approval of the Journal, de novo.

The Chair will reduce to 5 minutes the time for any electronic vote in this series.

EXPRESSING THE SENSE OF CONGRESS WITH RESPECT TO DEMOCRACY, FREE ELECTIONS, AND HUMAN RIGHTS IN THE LAO PEOPLE'S DEMOCRATIC REPUBLIC

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the resolution, House Resolution 169, as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. GILMAN) that the House suspend the rules and agree to the resolution, House Resolution 169, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 412, nays 1, not voting 20, as follows:

[Roll No. 591]

YEAS—412

Abercrombie
Aderholt
Allen
Andrews
Armey
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Capuano
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth-Hage
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crowley
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Filner
Fletcher
Foley
Forbes
Ford
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kucinich
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Largent
Larson
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCrery
McDermott
McGovern
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ose
Owens
Oxley
Packard
Pallone
Pascrell
Pastor
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Radanovich
Rahall
Ramstad
Rangel
Regula
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaffer
Schakowsky
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Vento
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watt (NC)
Watts (OK)
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—1

Paul

NOT VOTING—20

Ackerman
Archer
Berman
Dunn
Ewing
Fossella
Gephardt
Hill (MT)
McCollum
McIntyre
Meehan
Metcalf
Ortiz
Payne
Quinn
Smith (MI)
Thomas
Watkins
Waxman
Wise

☐ 1840

Mr. MALONEY of Connecticut changed his vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

The title of the resolution was amended so as to read: "A resolution condemning the Communist regime in Laos for its many human rights abuses.".

A motion to reconsider was laid on the table.

EXPRESSING UNITED STATES POLICY TOWARD THE SLOVAK REPUBLIC

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the concurrent resolution, H. Con. Res. 165.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. GILMAN) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 165, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 404, nays 12, not voting 17, as follows:

[Roll No. 592]

YEAS—404

Abercrombie
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Capuano
Cardin
Carson
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coburn
Combest
Condit
Conyers
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crowley
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Filner
Fletcher
Foley
Forbes
Ford
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodling
Gordon
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hastings (WA)
Hayes
Hefley
Herger
Hill (IN)
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kucinich
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Largent
Larson
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntosh
McKeon
McNulty
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ose
Owens
Oxley
Packard
Pallone
Pascrell
Pastor
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Radanovich
Rahall
Ramstad
Rangel
Regula
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schaffer
Schakowsky
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Vento
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watt (NC)
Watts (OK)
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—12

Barr
Chenoweth-Hage
Coble
Collins
Cook
Hayworth
Manzullo
McKinney
Paul
Sanford
Scarborough
Souder

NOT VOTING—17

Ackerman
Berman
Dunn
Ewing
Fossella
Gephardt
Goodlatte
Hill (MT)
McIntyre
Meehan
Ortiz
Payne
Quinn
Smith (MI)
Watkins
Waxman
Wise

□ 1848

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. GOODLATTE. Mr. Speaker, on rollcall No. 592, I was unavoidably detained. Had I been present, I would have voted "yes."

EXPRESSING GRAVE CONCERN REGARDING ARMED CONFLICT IN NORTH CAUCASUS REGION OF RUSSIAN FEDERATION

The SPEAKER pro tempore (Mr. BARR of Georgia). The pending business is the question of suspending the rules and agreeing to the concurrent resolution, House Concurrent Resolution 206, as amended.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. GILMAN) that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 206, as amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 407, nays 4, not voting 22, as follows:

[Roll No. 593]

YEAS—407

Abercrombie
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Burr
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Capuano
Cardin
Carson
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crowley
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Dreier
Duncan
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Filner
Fletcher
Foley
Forbes
Ford
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hill (IN)

Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kucinich
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Largent
Larson
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ose
Owens
Oxley
Packard
Pallone
Pascrell
Pastor
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Radanovich
Rahall
Ramstad
Rangel
Regula
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaffer
Schakowsky
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Vento
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watt (NC)
Watts (OK)
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—4

Burton
Chenoweth-Hage
Paul
Sherman

NOT VOTING—22

Ackerman
Berman
Dickey
Doolittle
Dunn
Ewing
Fossella
Gephardt
Herger
Hill (MT)
Hostettler
Lucas (OK)
McIntyre
Meehan
Ortiz
Payne
Pombo
Quinn
Smith (MI)
Watkins
Waxman
Wise

☐ 1857

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

SENSE OF HOUSE REGARDING DIABETES

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the resolution, House Resolution 325.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. BILIRAKIS) that the House suspend the rules and agree to the resolution, House Resolution 325, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 414, nays 0, not voting 19, as follows:

[Roll No. 594]

YEAS—414

Abercrombie
Aderholt
Allen
Andrews
Archer
Armey
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Capuano
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth-Hage
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crowley
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Filner
Fletcher
Foley
Forbes
Ford
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kucinich
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Largent
Larson
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ose
Owens
Oxley
Packard
Pallone
Pascrell
Pastor
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Radanovich
Rahall
Ramstad
Rangel
Regula
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaffer
Schakowsky
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Vento
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watt (NC)
Watts (OK)
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—19

Ackerman
Bachus
Berman
Dunn
Ewing
Fossella

Gephardt
Hill (MT)
Maloney (NY)
McIntyre
Meehan
Ortiz
Paul
Payne
Quinn
Smith (MI)
Watkins
Waxman
Wise

□ 1905

So (two-thirds having voted in favor thereof) the rules were suspended and resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

UNITED STATES MARSHALS SERVICE IMPROVEMENT ACT OF 1999

The SPEAKER pro tempore (Mr. BARR of Georgia). The pending business is the question of suspending the rules and passing the bill, H.R. 2336, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama (Mr. BACHUS) that the House suspend the rules and pass the bill, H.R. 2336, as amended.

The question was taken.

RECORDED VOTE

Mr. COLLINS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 183, noes 231, not voting 19, as follows:

[Roll No. 595]

AYES—183

Allen
Bachus
Baldacci
Barcia
Barrett (NE)
Barrett (WI)
Bartlett
Bass
Bateman
Bereuter
Berkley
Biggert
Bilbray
Bilirakis
Blagojevich
Bliley
Boehlert
Bonilla
Bonior
Bono
Borski
Brady (PA)
Bryant
Calvert
Campbell
Canady
Cannon
Cardin
Chabot
Clement
Coburn
Combest
Cooksey
Cox
Coyne
Crane
Cummings
Danner
Davis (VA)
DeGette
DeLauro
Deutsch
Diaz-Balart
Dicks
Doyle
Ehlers
Engel
English
Eshoo
Evans
Farr
Fattah
Foley
Fowler
Frank (MA)
Gallegly
Ganske
Gejdenson
Gilchrest
Gillmor
Gilman
Gonzalez
Goodling
Goss
Granger
Greenwood
Gutknecht
Hall (OH)
Hansen
Hastings (WA)
Hinchey
Hobson
Hoeffel
Hoekstra
Holt
Hooley
Horn
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Jackson (IL)
Jefferson
Jenkins
Johnson (CT)
Kasich
Kind (WI)
Knollenberg
Kolbe
Kuykendall
LaFalce
Lantos
Largent
Larson
Lazio
Lewis (CA)
Linder
Lipinski
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Martinez
Mascara
Matsui
McCarthy (NY)
McCollum
McHugh
McKeon
Metcalf
Miller (FL)
Miller, Gary
Miller, George
Minge
Moakley
Morella
Nadler
Nethercutt
Ney
Northup
Oberstar
Owens
Oxley
Packard
Pallone
Pascrell
Pelosi
Peterson (MN)
Pickett
Pitts
Porter
Pryce (OH)
Regula
Riley
Rivers
Rogan
Ros-Lehtinen
Rothman
Salmon
Sanders
Sanford
Sawyer
Schakowsky
Scott
Serrano
Shaw
Shuster
Simpson
Sisisky
Skeen
Slaughter
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Stabenow
Stark
Strickland
Tanner
Terry
Thomas
Thornberry
Towns
Traficant
Velazquez
Vento
Vitter
Walden
Watt (NC)
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOES—231

Abercrombie
Aderholt
Andrews
Archer
Armey
Baird
Baker
Baldwin
Ballenger
Barr
Barton
Becerra
Bentsen
Berry
Bishop
Blumenauer
Blunt
Boehner
Boswell
Boucher
Boyd
Brady (TX)
Brown (FL)
Brown (OH)
Burr
Burton
Buyer
Callahan
Camp
Capps
Capuano
Carson
Chambliss
Chenoweth-Hage
Clay
Clayton
Clyburn
Coble
Collins
Condit
Conyers
Cook
Costello
Cramer
Crowley
Cubin
Cunningham
Davis (FL)
Davis (IL)
Deal
Delahunt
DeLay
DeMint
Dickey
Dingell
Dixon
Doggett
Dooley
Doolittle
Dreier
Duncan
Edwards
Ehrlich
Emerson
Etheridge
Everett
Filner
Fletcher
Forbes
Ford
Franks (NJ)
Frelinghuysen
Frost
Gekas
Gibbons
Goode
Goodlatte
Gordon
Graham
Green (TX)
Green (WI)
Gutierrez
Hall (TX)
Hastings (FL)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hilleary
Hilliard
Hinojosa
Holden
Hostettler
Hulshof
Inslee
Isakson
Istook
Jackson-Lee (TX)
John
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kelly
Kennedy
Kildee
Kilpatrick
King (NY)
Kingston
Kleczka
Klink
Kucinich
LaHood
Lampson
Latham
LaTourette
Leach
Lee
Levin
Lewis (GA)
Lewis (KY)
LoBiondo
Lofgren
Lucas (KY)
Lucas (OK)
Manzullo
McCarthy (MO)
McCrery
McDermott
McGovern
McInnis
McIntosh
McKinney
McNulty
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Mink
Mollohan
Moore
Moran (KS)
Moran (VA)
Myrick
Napolitano
Neal
Norwood
Nussle
Obey
Olver
Ose
Pastor
Paul
Pease
Peterson (PA)
Petri
Phelps
Pickering
Pombo
Pomeroy
Portman
Price (NC)
Radanovich
Rahall
Ramstad
Rangel
Reyes
Reynolds
Rodriguez
Roemer
Rogers
Rohrabacher
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sandlin
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shays
Sherman
Sherwood
Shimkus
Shows
Skelton
Smith (NJ)
Spratt
Stearns
Stenholm
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thompson (CA)
Thompson (MS)
Thune
Thurman
Tiahrt
Tierney
Toomey
Turner
Udall (CO)
Udall (NM)
Upton
Visclosky
Walsh
Wamp
Waters
Watts (OK)
Whitfield
Woolsey
Wu
Wynn

NOT VOTING—19

Ackerman
Berman
Castle
DeFazio
Dunn
Ewing
Fossella
Gephardt
Hill (MT)
McIntyre
Meehan
Murtha
Ortiz
Payne
Quinn
Smith (MI)
Watkins
Waxman
Wise

□ 1915

Ms. JACKSON-LEE of Texas, Mr. SAXTON, Mrs. KELLY, and Mr. MENENDEZ changed their vote from "aye" to "no."

Mr. HOBSON and Mr. PALLONE changed their vote from "no" to "aye."

So, (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

□ 1915

THE JOURNAL

The SPEAKER pro tempore (Mr. BARR of Georgia). Pursuant to clause 8 of rule XX, the pending business is the question of agreeing to the Speaker's approval of the Journal of the last day's proceedings.

Pursuant to clause 1, rule I, the Journal stands approved.

ANNUAL REPORT OF THE FEDERAL LABOR RELATIONS AUTHORITY FOR FISCAL YEAR 1998—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Government Reform:

To the Congress of the United States:

In accordance with section 701 of the Civil Service Reform Act of 1978 (Public Law 95–454; 5 U.S.C. 7104(e)), I have the pleasure of transmitting to you the twentieth Annual Report of the Federal Labor Relations Authority for Fiscal Year 1998.

The report includes information on the cases heard and decisions rendered by the Federal Labor Relations Authority, the General Counsel of the Authority, and the Federal Service Impasses Panel.

WILLIAM J. CLINTON.
THE WHITE HOUSE, *November 16, 1999.*

PERIODIC REPORT ON CONTINUING NATIONAL EMERGENCY WITH RESPECT TO IRAN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 106–159)

The SPEAKER pro tempore laid before the House the following message from the President of the United

States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:

As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c), I transmit herewith a 6-month periodic report on the national emergency with respect to Iran that was declared in Executive Order 12170 of November 14, 1979.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *November 16, 1999.*

ANNUAL REPORT OF THE RAILROAD RETIREMENT BOARD FOR FISCAL YEAR 1998—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Ways and Means and the Committee on Transportation and Infrastructure:

To the Congress of the United States:

I transmit herewith the Annual Report of the Railroad Retirement Board for Fiscal Year 1998, pursuant to the provisions of section 7(b)(6) of the Railroad Retirement Act and section 12(1) of the Railroad Unemployment Insurance Act.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *November 16, 1999.*

ANNOUNCEMENT OF MEASURES TO BE CONSIDERED UNDER SUSPENSION OF THE RULES

Mr. THUNE. Mr. Speaker, pursuant to House Resolution 374, I announce the following measures to be taken up under suspension of the rules:

S. 1844, Child Support Miscellaneous Amendments;

S. 1418, Holding Court in Natchez, Mississippi;

S. 1235, Railroad Police Training;

H.R. 1953, Cahuilla Indians;

H.R. 3051, Jicarilla Apache Reservation;

S. 278, Land Conveyance, Rio Arriba County, New Mexico;

S. 416, City of Sisters;

S. 1843, Dugger Mountain Wilderness Act of 1999;

H.R. 1167, Tribal Self Governance;

S. 382, the Minuteman Missile National Historic Site Establishment Act of 1999;

H.R. 1827, Government Waste Corrections Act of 1999; and S. 440, Support School Endowments.

REQUEST FOR INFORMATION REGARDING LEGISLATIVE SCHEDULE OF THE HOUSE

(Mr. ABERCROMBIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ABERCROMBIE. Mr. Speaker, as we know, we were originally scheduled to meet here on Friday last. Unfortunately, though requests were made to see whether we could meet perhaps on Monday or Tuesday, that was denied by the distinguished majority leader. We were not informed that we were not to come in on Friday until Thursday morning.

I would just like to indicate to the distinguished majority leader and any other Members who might be interested in the Veterans Day ceremonies that took place out in Hawaii, I will be happy to forward newspaper accounts and television transcript excerpts to them if they want to be informed about them, inasmuch as that is the way that I had to find out about them myself.

I wonder, Mr. Speaker, whether the majority would be prepared to tell us at this time whether or not we can anticipate leaving tomorrow or the next day or the next day, or any day thereafter.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

CHINA'S POTENTIAL ENTRY INTO THE WORLD TRADE ORGANIZATION

The SPEAKER pro tempore (Mrs. WILSON). Under a previous order of the House, the gentleman from California (Mr. SHERMAN) is recognized for 5 minutes.

Mr. SHERMAN. Madam Speaker, I rise with the sense that I am standing in front of a moving train. Today's media has almost already brought China into the World Trade Organization, and already declared that we are going to get enormous benefits from that entry, and from a decision that they presume will be made on this floor to grant China permanent most-favored-nation status, which some call normal trade relation status.

Let us review where we are now on our trading relationship with China. We have the most lopsided trading arrangement in the history of a Nation's life. We have a situation where we export roughly $14 billion and import close to $70 billion from China.

China is shameless in maintaining and expanding that lopsided trading relationship. It maintains high tariffs on American goods, but what is worse than what China does officially in its published laws is what it does to restrict the access of American exports through hidden, through unofficial, through cozy relationships between the Communist party of China and those business enterprises that could be involved in importing American goods if they only chose to do so.

We would think, then, that any change in this relationship would be a change for the better, since it is already the worst trading relationship I could identify. Yet, I have to question the idea of this House giving most-favored-nation status to China on a permanent basis.

Madam Speaker, I cannot judge the deal in advance. It is yet to be presented to us formally, and just perhaps it will have some mechanisms in it that will allay my concerns. My chief concern is that what we would be doing in giving permanent most-favored-nation status to China is making permanent the current situation.

That situation is one in which we are a country of laws, so any American businessperson can import goods from China, subject only to our published tariffs and restrictions and quotas. So many business people work here in the United States that they assume that if we could only change China's laws, that their business people would be free to bring in our goods. Nothing is all that clearcut.

Imagine, if you will, some business enterprise in China seeking to import American goods receives a telephone call from a Communist party cadre telling them, don't buy American goods, buy them from France, buy them from Germany. The Communist party of China is angry at speeches made on the floor. The gentlewoman from California (Ms. PELOSI) took the floor again, you had better not buy American goods.

An American businessman would simply laugh at some party official telling him or her what to buy and what to import, but a Communist Chinese citizen would ignore advice, oral advice, nonprovable advice, from the Communist Party of China only at their peril. China is not a country where the rule of law prevails. Accordingly, getting China to change its law accomplishes perhaps very little. We cannot assume that our trade deficit with China will go down.

What we have now is an annual review of our trading relationship with China, so that if China were to move into Tibet and slaughter hundreds of thousands of people, we could react in a way that they would understand, by cutting off most-favored-nation status; that if China were to engage in massive nuclear proliferation, we could react. If China continues to widen its trade deficit and use unofficial means to exclude our exports, we could finally summon up the determination to react here on this Floor. If we give China most-favored-nation status on a permanent basis, then we will not be able to react in any meaningful way.

Madam Speaker, I have come to this Floor three times, to vote in favor of giving China most-favored-nation status one more year, and a second year, and a third year, because I am not ready to use our most powerful weapon in the Chinese-U.S. trade relationship at this time. But it is a long way between saying we are not willing to use that weapon and that we want to engage in unilateral disarmament.

CONCERNING THE UNWARRANTED REGULATIONS TO BE IMPOSED ON MICROSOFT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. McINTOSH) is recognized for 5 minutes.

Mr. McINTOSH. Madam Speaker, I rise today to comment briefly on the findings of fact that were issued on Friday, November 5, in the United States District Court by Judge Penfield Jackson in the Microsoft case.

Madam Speaker, this week we celebrate the tenth anniversary of a great moment in time when the Berlin Wall that divided Europe for generations came tumbling down. I was a young lawyer in the White House staff with Vice President Quayle in the fall of 1989, and I will never forget the sense of joy that I had in watching that accomplishment.

When the Berlin Wall was torn down, the spirit of free enterprise flowed like a river, irrigating economic wasteland that had been Communist East Germany. How ironic, Madam Speaker, that at the same time that we are celebrating the tenth anniversary of the tearing down of the Berlin Wall, we are forced to watch the spectacle of this Justice Department attempting to build up a wall around a pioneering American company that has helped to make our Nation the unchallenged technological leader of the free world.

While Microsoft fights to protect its freedom in court, freedom to innovate and to compete in the free market, this administration, the Clinton-Reno Justice Department, presses forward with its zeal to erect a Berlin Wall, if you will, of government regulation around America's most successful technological enterprise.

Madam Speaker, this Justice Department's zealous campaign against Microsoft is the latest manifestation of the liberal obsession with punishing success. Here in Washington, because of the tasteless class envy that many of my colleagues on the other side of the aisle continually wage, Mr. Gates and other successful men and women have been vilified.

□ 1930

Yet in America, in the heartland of America, at the latest trade show, Mr. Gates and his company were applauded for bringing yet more new wonderful technology that will benefit all people in this world.

Mr. Gates is a man who had a dream, a focus, a passion, an intelligence, and the savvy which for 25 short years has revolutionized the computer industry. Today, because of Bill Gates and his colleagues in the computer industry, people like me, my family, my grandmother, my wife's father, Hoosiers all over Indiana, and Americans everywhere can simply flick a switch and play video games against each other, access the same documents thousands of miles apart, and view real-time video images of their children, their grandchildren, and their family.

Mr. Speaker, I am proud of the enormous contribution that Microsoft has made towards making the United States of America the technological leader, and I am proud that a young man who served on this House floor 27 years ago, Bill Gates, had the freedom and the opportunity to succeed so that a magnificent country such as ours could benefit from someone who pursued that American dream.

Now, what does this decision say to the next young man or woman who wants to be Bill Gates? Who wants to create their own Microsoft? What does it say to our children in the 20-something years that have an idea and want to see it succeed? To me it says if one succeeds, then the government will come after them and will stifle their success.

There are two central flaws in this opinion, this finding of facts. First is the finding that Microsoft's development of the Windows operating system has created an "applications barrier to entry." In this theory they broke the law by trying to preserve that so-called barrier, including trying to destroy competing products. In my estimation, Microsoft has simply acted as any very rational competitor in the industry would act, trying to forward their product. They have a superior product. In most cases it appears to have been in the interest of the other companies to have their products work with Windows.

For example, when they reached a deal with America Online to distribute their Internet browser instead of the Netscape browser, AOL did so not because of threats from Microsoft but because it benefited their customers. They wanted to sell the product because it was a better product. And then at the end of 1998, when they could have ended that exclusive arrangement, they decided they wanted to extend it. While Microsoft has been very aggressive in promoting its products, we do not punish aggressive competition in America.

But, Mr. Speaker, the more egregious flaw in the findings is the reason that it is based on a pitifully outdated theory of tying. Now, if some competitor comes along with a better browser, frankly Microsoft can rapidly find itself at the losing end of that competition, and there is no reason or rationale to apply the theory of tying one product with another in the computer world; as Professor George Priest has so aptly stated. As such, the traditional tying theory, Professor Priest argues, may be irrelevant in this case because it simply did not apply to computers.

Madam Speaker, I would hope that my colleagues would pay attention to this and make sure that this Justice Department does not end up putting a damper on the innovation and technological growth that has made this country great.

NORTHWEST TERRITORY OF THE GREAT LAKES HERITAGE AREA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. SOUDER) is recognized for 5 minutes.

Mr. SOUDER. Madam Speaker, as a member of the Subcommittee on National Parks and Public Lands, and as a representative of historic Ft. Wayne, Indiana, I rise this evening to introduce a bill to create the Northwest Territory of the Great Lakes Heritage Area. I am pleased to be joined by original cosponsors, these Members representing both political parties from not only Indiana but the Old Northwest States of Ohio, Illinois, Michigan, and Wisconsin: The gentleman from Illinois (Mr. HASTERT), the gentlewoman from Ohio (Ms. KAPTUR), the gentleman from Ohio (Mr. GILLMOR), the gentleman from Illinois (Mr. LAHOOD), the gentleman from Ohio (Mr. LATOURETTE) the gentleman from Ohio (Mr. BOEHNER), the gentleman from Ohio (Mr. PORTMAN), the gentleman from Michigan (Mr. STUPAK), the gentleman from Michigan (Mr. BARCIA) the gentleman from Illinois (Mr. EWING), the gentleman from Indiana (Mr. ROEMER), the gentlewoman from Ohio (Mrs. JONES), the gentleman from Michigan (Mr. HOEKSTRA), the gentleman from Indiana (Mr. McINTOSH), the gentleman from Ohio (Mr. SAWYER), the gentleman from Illinois (Mr. PHELPS), the gentleman from Wisconsin (Mr. GREEN), the gentlewoman from Michigan (Ms. STABENOW), and the gentleman from Ohio (Mr. OXLEY).

The gentleman from Pennsylvania (Mr. ENGLISH) who represents Erie, Pennsylvania, is also a cosponsor. Though Erie was not part of the Northwest Territory of the Great Lakes, Erie, Pennsylvania, was intimately involved in our history, including being the launching place for Commodore Oliver Hazard Perry's fleet to victory on Lake Erie and as the final resting place of General Anthony Wayne.

Mr. Speaker, many of the sites from the Northwest Territory period are now lost, but throughout the Midwest there are still key buildings and sites that have been preserved. As my colleagues can see on this map of the Northwest Territory, this is the original Northwest Territory of the United States, including all of Ohio, Indiana, Michigan, and Illinois. And at that time, Illinois also included the State of Wisconsin and Minnesota east of the Mississippi River.

In Ohio, we not only have the Battle of Fallen Timbers Historic Site and the International Peace Memorial to Commodore Perry at Put-in-Bay at South Bass Island in Lake Erie, but other diverse sites as well including the Fort Recovery State Memorial, where General St. Clair was defeated; Fort Meigs at Toledo; and such pioneering sites as the Golden Lamb Inn in Lebanon which dates from 1803, has played host to 10 Presidents; the 1807 mansion of Thomas Worthington in Adena; in Lancaster, Ohio, is the Square 13 Historic District that includes a number of homes from the 1810s and 1820s, including the 1820 home of William Tecumseh Sherman; and in Marietta, "Campus Martius: The Museum of the Northwest Territory," which includes the Rufus Putnam house, the only structure from the original stockade, and the 1788 plank-and-clapboard Ohio Land Company Office.

In Indiana, we have numerous sites related to this period as well: The Lincoln Boyhood Memorial; New Harmony, the first State capital; and Governor William Hendricks home in Corydon; the historic town of Madison; the Connor Prairie Museum; National Historic Sites at Vincennes and Tippecanoe; and the battle sites in Ft. Wayne, including the forts; Little Turtle; and Indian village sites including the Richardville House; and Johnny Appleseed Park and Gravesite.

Illinois, Wisconsin, and Michigan have important sites as well, but they were less settled at that time. Mackinac Island was a trading anchor of the upper Midwest and has many historic buildings in a beautiful location where automobiles are still banned. These wonderful historic sites, however, are somewhat lost without a cohesive story. The Lewis and Clark Trail, in which they charted America's frontier, has numerous informative materials about its history as well as visitor centers along the trail. However, in the Midwest this is not as true.

In the legislation that we are introducing this evening, it includes only those sites from the Northwest Territory period of 1785 to 1835. It forms a management authority consisting of appointees by the governor of each Northwest Territory State, including a Native American appointee from each State, as well as representatives of each State's historical society.

Duties and powers include the ability to receive funds, disburse funds, make grants, hire staff, develop a management plan, and to "help ensure the conservation, interpretation, and development of the historical, cultural, natural, and recreational resources related to the region historically referred to as the Northwest Territory of the Great Lakes during the period from 1785 through 1835."

Madam Speaker, this may include developing an Internet Web site and other marketing programs, erecting signs, recommendations on conservation, funding and management for development of the Heritage area, but only within existing State and local plans and with comments of residents, public agencies, and private organizations within the Heritage Area.

The Act specifically forbids taking any action which "jeopardizes the sovereignty of the United States" and stipulates that the authority "shall not infringe upon the private property rights of individuals or other property owners." It authorizes appropriations of up to $1 million per year and not more than $10 million for the Heritage Area as a whole. Federal funding cannot exceed 50 percent of the total cost of any assistance.

The Midwest has far too long been overlooked. The rivers and Great Lakes were America's first transportation system that opened up the West and nourish breadbasket of the world, not to mention providing the raw materials and distribution system for the industrial heartland of America.

Madam Speaker, the Native American nations in the Midwest, because so many of their historic sites and culture were destroyed and because there is less modern documentation, are often forgotten while similar and smaller some less powerful tribes of the West get far more attention.

Madam Speaker, it is a great honor and a proud day for Ft. Wayne and all of the Midwest to introduce this bill this evening. It has been a long day in coming.

Madam Speaker, I submit a copy of the bill and the following facts about the Northwest Territory for inclusion in the RECORD.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Northwest Territory of the Great Lakes National Heritage Area Act of 1999".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds the following:

(1) The region which includes Illinois, Indiana, Michigan, and Ohio was once known as the Northwest Territory. It was the first frontier region of the new United States of America. Some of the indigenous peoples of the area were the Delaware, Kikapoo, Miami, Ottawa, Piankeshaw, Potowatami, Shawnee, Wea, and Wyandotte Indians.

(2) The distinctive landscape of this area was largely defined by—

(A) the Ordinance of 1785, which established a system of transferring land ownership from the Indians to the United States Government and then to private owners, and created the system of land surveyance and township and county plats which remains today;

(B) the Northwest Ordinance of 1787, which established a process through which self-government in this first frontier of the newly organized United States could be established; and

(C) the Treaty of Greeneville of 1795, which signaled the end of Indian resistance in the region.

(3) The local environmental and topographical landscape of the area was largely defined in commercial and strategic terms by—

(A) the area river systems, including but not limited to—

(i) the Fox River, the Illinois River, and the Kankakee River, in the State of Illinois;

(ii) the Eel River, the Elkhart River, the Kankakee River, the Maumee River, the St. Joseph River, the St. Mary's River, and the Wabash River in the State of Indiana;

(iii) the Detroit River, the St. Mary's River, and the St. Joseph River in the State of Michigan; and

(iv) the Great Miami River, the Maumee River, and the St. Mary's River in the State of Ohio;

(B) the Great Lakes;

(C) the River Portage Trails, including but not limited to—

(i) the 3 mile portage from the St. Joseph River to the Little Wabash River in Fort Wayne, which was the only separation in the waterway from the upper Great Lakes to the Gulf of Mexico; and

(ii) from the Great Miami River to the St. Mary's and Wabash —Rivers in Ohio;

(D) the 13 forts which developed in the region, including but not limited to—

(i) Fort Dearborn, in Chicago, Illinois;

(ii) Fort Wayne, in Fort Wayne, Indiana;

(iii) Fort Mackinac on Mackinac Island, Michigan; and

(iv) Fort Defiance, in Defiance, Ohio; and

(E) the settlements, including Native American villages, early trading posts, and territorial capitals that developed in the region.

(4) The military history of the region includes, but is not limited to—

(A) LaBalme's Defeat in 1780;

(B) the defeat of General Harmar in 1790;

(C) the defeat of General St. Clair in 1791;

(D) the United States victory by General "Mad" Anthony Wayne at the Battle of Fallen Timbers in 1794; and

(E) the Battle of Lake Erie in 1832.

(5) The confederacy of Indian Nations was organized by Tecumseh and "The Prophet" to stop American advancement. General William Henry Harrison defeated The Prophet at the Battle of Tippecanoe in 1811. This was the last major battle east of the Mississippi River with Indian Nations and led to the famous slogan "Tippecanoe and Tyler too", which propelled Harrison to the Presidency of the United States.

(6) The War of 1812, during which the region might have been lost to Canada without Commodore Perry's victory at Put-in-Bay on Lake Erie.

(7) The rush of settlers to the region after the War of 1812 led to additional treaties and conflict with the Native Americans. Most Indians were removed in a series of events culminating with the so-called "Black Hawk Wars", which ended in 1833.

(b) Purposes.—The purposes of this Act include the conservation, interpretation, and development of the historical, cultural, natural, and recreational resources related to the region historically referred to as the Northwest Territory of the Great Lakes during the period from 1785 to 1835.

SEC. 3. DEFINITIONS.

For the purposes of this Act—

(1) the term "Authority" means the Northwest Territory of the Great Lakes National Heritage Area Authority;

(2) the term "Heritage Area" means the Northwest Territory of the Great Lakes National Heritage Area established in section 4; and

(3) the term "Plan" means the management plan required to be developed for the Heritage Area pursuant to section 5(e)(1)(G).

SEC. 4. THE NORTHWEST TERRITORY OF THE GREAT LAKES NATIONAL HERITAGE AREA.

(a) Establishment.—There is hereby established the Northwest Territory of the Great Lakes National Heritage Area.

(b) Boundaries.—The Heritage Area shall be comprised of historically significant areas, as defined by the Authority, within Illinois, Indiana, Michigan, and Ohio (as defined by the Northwest Ordinance of 1787), such as the following historically significant locations:

(1) Fort Dearborn and Fort Clark in the State of Illinois.

(2) In Indiana—

(A) Anthony Wayne, Chief Little Turtle, and Chief Richardville sites (Fort Wayne);

(B) The Historic Forks of the Wabash Park and Chief LaFontaine Home (Huntington);

(C) Kokomo Village (Kokomo);

(D) Deaf Man's Village (Peru);

(E) Munsee Town (Muncie);

(F) Chief Menominee Monument (Plymouth);

(G) Historic Vincennes (Vincennes);

(H) Prophetstown (Lafayette); and

(I) Historic Corydon (Corydon).

(3) In Michigan—

(A) Fort Michilimackinac (Mackinaw City); and

(B) Fort Mackinac (Mackinac Island).

(4) In Ohio—

(A) Fallen Timbers State Memorial (Maumee);

(B) Fort Defiance State Memorial (Defiance);

(C) Fort Adams/Ft. Amanda State Memorial (Wapakoneta);

(D) Fort Recovery State Memorial (Fort Recovery);

(E) Fort Greeneville/Treaty of Greeneville Memorial (Greeneville);

(F) Fort Jefferson State Memorial (Ft. Jefferson);

(G) Fort St. Clair State Memorial (Eaton);

(H) Fort Hamilton Monument (Hamilton);

(I) Fort Washington (Cincinnati); and

(J) Perry's Victory and International Peace Memorial (Put-in-Bay).

SEC. 5. MANAGEMENT ENTITY AND DUTIES

(a) In General.—The management entity for the Heritage Area shall be the Northwest Territory of the Great Lakes National Heritage Area Authority.

(b) Composition.—The Authority shall be composed of 18 members appointed as follows:

(1) 3 members appointed by each of the following:

(A) The Governor of Illinois or the Governor's designee.

(B) The Governor of Indiana or the Governor's designee.

(C) The Governor of Michigan or the Governor's designee.

(D) The Governor of Ohio or the Governor's designee.

(2) 1 member appointed by each of the following:

(A) The Historical Society of the State of Illinois.

(B) The Historical Society of the State of Indiana.

(C) The Historical Society of the State of Michigan.

(D) The Historical Society of the State of Ohio.

(3) 2 members appointed by the Secretary of the Interior of the United States or the Secretary's designee.

(4) Of the 3 members appointed by each Governor of a State under paragraph (1)—

(A) at least 1 member shall be a member of the governing body of an Indian tribe located within the State, or a designee of such a member; and

(B) at least 1 member shall be an elected official of a unit of local government located within the State which has 1 or more historic sites significant to the Heritage Area.

(c) Terms.—The term of office shall be 2 years. No member of the Authority shall serve more than 4 terms.

(d) Compensation.—Compensation for members of the Authority shall be determined by the Authority as part of the Plan.

(e) Duties and Powers.—

(1) Duties.—The Authority shall—

(A) receive funds from various sources for the implementation of this Act;

(B) disburse funds in accordance with this Act;

(C) make grants to and enter into cooperative agreements with States and their political subdivisions, private organizations, or other individuals or entities as appropriate for the execution of this Act;

(D) hire and compensate staff;

(E) enter into contracts for goods and services;

(F) develop a management plan for the Heritage Area;

(G) help ensure the conservation, interpretation, and development of the historical, cultural, natural, and recreational resources related to the region historically referred to as the Northwest Territory of the Great Lakes during the period from 1785 through 1835;

(H) foster a close working relationship with all levels of government, the private sector, philanthropic and educational organizations, local communities, and regional metroparks systems through a coalition organization to both conserve the heritage of this region and utilize its resources for tourism and economic development;

(I) develop an Internet web site and other marketing programs to further the purposes of this Act; and

(J) in accordance with Federal, State, and local laws, erect signs to promote the Heritage Area.

(2) Powers.—The Authority may develop visitor centers and interpretive facilities for the Heritage Area.

(f) Plan.—The Plan shall—

(1) present recommendations for the Heritage Area's conservation, funding, management, and development, taking into consideration existing State and local plans and the comments of residents, public agencies, and private organizations working in the Heritage Area;

(2) not be final until it has been approved by the Governors of Illinois, Indiana, Michigan, and Ohio;

(3) include—

(A) an inventory of the resources contained in the Heritage Area, including a list of any property in the Heritage Area that is related to the themes of the Heritage Area and that should be preserved, restored, managed, developed, or maintained because of its natural, cultural, historical, or recreational significance; and

(B) a program for the implementation of the management plan by the Authority.

(g) Specific Prohibitions.—The Authority—

(1) shall not take any action which jeopardizes the sovereignty of the United States; and

(2) shall not infringe upon the private property rights of individuals or other property owners.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

(a) In General.—There is authorized to be appropriated to carry out this Act not more than $1,000,000 for any fiscal year. Not more than a total of $10,000,000 may be appropriated for the Heritage Area.

(b) 50 Percent Match.—Federal funding provided under this Act may not exceed 50 percent of the total cost of any assistance or grant provided or authorized under this Act.

After Ohio became an independent state, the remaining portion of the Northwest Territory was renamed the Indiana Territory. The United States House of Representatives soon approved Indiana as a, state as well, passing statehood on December 28, 1815, with the Senate following a few days later on January 2, 1816.

SOME BASIC FACTS ABOUT ILLINOIS IN THE NORTHWEST TERRITORY PERIOD

The rest of the Northwest Territory became the Illinois Territory in 1816 after Indiana became a state. General Anthony Wayne's Treaty of Greenville had set aside from Indian lands three sites in present day Illinois: a twelve-square mile square at the mouth of the Illinois River which was never developed; a post at Fort Massac on the Ohio River; and a six-mile square at Peoria where Fort Clark would be built. In 1800 Illinois had 2,458 residents of which 719 were in Cahokia and 467 in Kaskaskia.

The Illinois Territory was active during the War of 1812. In fact the governor, Ninian Edwards, told the Secretary of War that he expected to lose one-half the white population of the state. The most dramatic loss occurred during the Fort Dearborn (Chicago) massacre. William Wells of Fort Wayne, son-in-law of Miami Indiana War Chief Little Turtle, went to rescue the garrison there and bring them to Fort Wayne even though he felt they would be killed. While crossing the sand dunes of northwest Indiana, the garrison was in fact nearly all slaughtered, including Wells. The Indians paid tribute to Wells bravery by eating his heart.

During the War of 1812 Benjamin Howard left the governorship of the Missouri Territory to become brigadier general for the Illinois-Missouri district. His rangers rebuilt Fort Clark at Peoria. General William Clark went north and captured Prairie du Chien (now part of Wisconsin) but the small remnant left behind surrendered to the British again the following year. Two later expeditions up the Mississippi the next year ended at Rock Island, where the British had reinforced Sauk and Fox Indians. Future President of the United States commanded the second attack, which suffered heavy losses. A fort was built at present day Warsaw, across from the mouth of the Des Moines River. It was named Fort Edwards. After the fall of Fort Dearborn (and Fort Mackinac and Detroit, with Fort Wayne under siege) United States control ended at the Fort Edwards-Peoria-Vincennes line. Had Perry not controlled the Great Lakes, that could have been the southern border of Canada.

On December 3, 1818, Illinois was admitted as a state. Kaskaskia was its capitol at the time. A perspective on its population is to note that in 1821 what is now Chicago had two families outside the fort and Galena, soon to be lead-mining capitol, had one cabin by 1822. The population was concentrated in southern Illinois, with more moving into central Illinois. The capitol was moved to Vandalia by 1819. The Sacs and Fox Indians ceded northern Illinois by 1804. The Potawatomi, Kickapoo and Chippewa completed ceding central Illinois by 1817. But it wasn't until 1819 that the Kickapoo ceded the area southeast of the Illinois and Kankakee Rivers.

In 1827, the so-called Winnebago War was a skirmish in which two white men were killed by Indians who felt they had violated their hunting grounds. Chief Red Bird decided that discretion was the better part of valor, and "surrendered" six Indians. But the scare resulted in militia organizing.

The so-called Black Hawk War could have been avoided. Four thousand white regulars chasing outnumbered, fatigued and hungry Indian families into what is now Wisconsin is not a "war." In the Battle of Wisconsin Heights, west of what is now Madison, Wisconsin, Chief Black Hawk held off the army so that Indian women and children could cross the Wisconsin River. The end came at the Battle of Bad Axe, on the Mississippi River between LaCrosse and Prairie du Chien. In the heavy slaughter that almost extinguished the Sauk tribe, the warriors, old people, women, and children were driven into the water and ambushed as they tried to reach the west bank. Black Hawk escaped but was soon captured. Only a few Indians stayed in the state thereafter, including Shabbona, a friendly Ottawa who had warned the whites when Black Hawk threatened. This also ended the fur-trading era, as now settlers poured into Illinois with the final Indian removal.

SOME BASIC FACTS ABOUT MICHIGAN IN THE NORTHWEST TERRITORY PERIOD

After Illinois became a state, the remaining area of the Northwest Territory (Michigan, Wisconsin and Minnesota east and north of the Mississippi) became the Michigan Territory. Lewis Cass became Governor of the Michigan Territory in 1813, and added the larger jurisdiction in late 1818. In 1819 Treaty of Saginaw, the Chippewa ceded land in the central and southeast portion of the Lower Peninsula of Michigan. Two years later, the Chippewa, Ottawa and Potawatomi ceded southwestern Michigan.

Michilimackinac controlled the Straits of Mackinac until George Rogers Clark's victories in 1779. At that time operations moved to a new fort on Mackinac Island. The Americans finally claimed this fort after the Jay Treaty of 1796.

Mackinac Island was described by Major Caleb Swan in 1796 in this way:

"On the south side of this Island, there is a small basin, of a segment of a circle, serving as an excellent harbor for vessels of any burden, and for canoes. Around this basin the village is built, having two streets of nearly a quarter of a mile in length, a Roman chapel, and containing eighty-nine houses and stores; some of them spacious and handsome, with white lime plastering in front, which shows to great advantage from the sea. At one end, in the rear of the town, is an elegant government house, of immense size, and finished with great taste. It is one story high, the rooms fifteen feet and a half in the clear. It has a spacious garden in front, laid out with taste; and extending from the house, on a gentle declivity, to the water's edge."

One of the houses that stood on the island in 1796 was later acquired by trader Edward Biddle. The "Biddle House" is probably the oldest surviving house in Michigan, if not the entire Northwest Territory of the Great Lakes.

A major threat to the British fur trade in Michigan—which was the predominant activity in Michigan during the early days of the Northwest Territory—was the formation of the American Fur Trade Company by John Jacob Astor in 1808. By 1812, Astor had made peace with the British companies, handling their trade in the United States and basing his operations at Mackinac. His business came to a standstill during the war, but with the peace of 1814 he was again active. In 1816 Congress passed a law confining the fur trade to American citizens.

Detroit was founded by Cadillac in 1701. In 1805 Detroit was burned by a fire, much like Chicago was many years later (though Detroit at this time was very small). When it was rebuilt, Augustus Woodward, a friend of Thomas Jefferson, and Territorial Governor William Hull decided Detroit needed a grander layout and visited Washington, DC. Woodward secured a copy of the plan for Washington that Pierre L'Enfant had made. He laid out a plan with circular parks with radiating streets, wider boulevards, and grand avenues. While it was launched in this manner, a judge and the next Governor, Lewis Cass, wrecked Woodward's plan by narrowing the streets. The city had to pay for this confusion for many, many years. Detroit was incorporated in 1815. In 1810 the population of Detroit was around 800, but declined during the War of 1812. By 1818 it was up to 1100. Two events that helped promote Detroit were a surprise visit by President Monroe in 1817, and the first steamboat (Walk-in-the-Water) arrived as a symbolic opening of the Great Lakes. Interestingly, the population at Mackinac Island at times surges to 2000 during this period.

Several additional forts were built in the Michigan section of the Northwest Territory after treaties began to open some areas for settlement. Fort Gratiot was built at the site of Port Huron in 1816. Fort Saginaw, at the present site of Saginaw, and Fort Brady, at Sault Ste. Marie, were built in 1822. Michigan was slow in settling partly because of a reputation for poor land, and partly due to its weather. An Eastern rhyme was: "Don't go to Michigan, that land of ills; The word means ague, fever and chills."

In order to help combat the negative publicity, General Lewis Cass organized a grand tour that included 42 men. In this group were geologist Henry R. Schoolcraft and geographer David B. Douglass. They went to Mackinac Island, Sault Ste. Marie, the Pictured Rocks (now a national Lakeshore) on the southern shore of Lake Superior, Schoolcraft went to Ontonagon to see the copper boulder that had already been reported upon (now in the Smithsonian), sought the source of the Mississippi (later discovered at Lake Itasca in Minnesota by Schoolcraft), crossed into present-day Wisconsin, down to Fort Dearborn (Chicago) and across to Detroit. Some of the group went to present-day Green Bay and crossed on a more northerly route.

A series of events—the Walk-in-the-Water steamboat in 1818, the development of the Erie Canal in 1825, improved roads, progress in surveys, opening of land offices and better public relations all combined to make Michigan America's most popular western destination from 1830 to 1837.

SOME FOOTNOTES ABOUT WISCONSIN IN THE NORTHWEST TERRITORY PERIOD

The Wisconsin area of the Northwest Territory had few Americans for a long time. Fort Howard in the Green Bay area was garrisoned in 1816 on the Fox River. Fort Crawford was built at the mouth of the Wisconsin River at Prairie du Chien. John Jacob Astor, the fur trader, was a key player in the northern lakes area from his outposts at Mackinac during this period. Wisconsin only developed after the frontier period ended for the original Northwest Territory of the Great Lakes.

SOME BASIC FACTS ABOUT INDIANA IN THE NORTHWEST TERRITORY PERIOD

A short article in a booklet by Arville Funk entitled A Sketchbook of Indiana History (which includes many interesting essays on Indiana history) calls Chief Little Turtle the greatest Indian who ever lived in Indiana. He was certainly its greatest warrior: in fact, his war record exceeds Tecumseh and the famous western Indians. He won not just one significant battle, but three. And he was correct in forecasting the critical losses at Fallen Timbers and Tippecanoe.

LITTLE TURTLE OF THE MIAMIS

Probably the greatest Indian who ever lived in what became the Hoosier State was ME-SHE-KIN-NO-QUAH, or Little Turtle, the great chief of the Miami tribe. This great Indian was not only a famous war chief, but also the white man's best friend in Indiana after he and his tribe left the warpath.

Little Turtle was the son of AQUENACKQUE, or The Turtle, a famous Miami war chief during that tribe's many wars with the Iroquois tribe. Finally, the Miami tribe was driven west to Indiana by the Iroquois, and settled along the Eel River and near the site of "Three Rivers," where Fort Wayne now stands. Little Turtle was born about 1752, probably at the site of his father's main village, Turtletown, about five miles east of present day Columbia City, along the KEN-A-PO-CO-MO-CO, or Eel River.

Little Turtle first came to the attention of the whiteman when he celebrated his first victory over a whiteman's army at a skirmish known as "LaBalme's Massacre" that occurred in November of 1780. LaBalme was a French "soldier of fortune," who led a small band of Creoles from Vincennes to attack the British garrison at Detroit. The Creole army stopped long enough at Kekionga (now Fort Wayne) to destroy that Indian village, and then journeyed over to nearby Eel River and captured and looted the Miami trading post there. On November 5th, the Indians, under the Leadership of Little Turtle, attacked LaBalme's group and massacred the entire force. This victory must have established the reputation of Little Turtle as a warrior, because he served as the chief of the Eel River tribe from then on.

Little Turtle was next heard from when he won two more victories over the "whites" near Eel River in October of 1790. Within a three-day period, he twice defeated the militia troops under the command of Colonel John Hardin. Hardin's force was a part of the army of General Josiah Harmar who was leading an expedition to destroy Indian towns around Kekionga. In the three days' action, Hardin lost over two hundred militia troops.

However, Little Turtle's greatest triumph over the Americans was to come the next year in western Ohio. On November 4, 1791, at a site 11 miles east of Portland, Indiana, and just across the state border in the Buckeye State, Little Turtle led his Indian army in an attack on General Arthur St. Clair's expedition. St. Clair was the governor of the Northwest Territory and commanded an army of 2700 in an expedition against the Indian tribes in northern Ohio. In a complete surprise attack and rout, Little Turtle inflicted the greatest defeat that an American army had met up to that time. In this action, which became known as "St. Clair's Massacre," the American army lost over one-third of its force.

Three years later, another American army, commanded by General Anthony Wayne, advanced into northern Ohio to engage the Miami Indian confederation. Little Turtle realized that this new army was much stronger and better trained than St. Clair's force and he refused to join forces with the other tribes to attack Wayne's army. The other tribes, led by Bluejacket, the Shawnee chief, did attack Wayne's command at Fallen Timbers and were soundly defeated by the American army.

After defeating the Indian army, Wayne invited the leading chiefs of the Northwest Territory to meet with him at Fort Greenville, Ohio, to sign a peace treaty under which the Indian tribes would be paid for their land, that would then become open to settlement by the whiteman. The eleven tribes present, including Little Turtle's tribe, sold over 25,000 square miles of land to the new government of the United States. Little Turtle signed the treaty and never again took the war-path against the whites.

Wayne had invited Little Turtle to visit the national capital and meet with the "great white father," President Washington. The great Miami chief, along with his adopted son, William Wells, travelled to Philadelphia (then the capital) and visited with the president in 1797. The president presented Little Turtle with a very expensive sword and the national government hired the famous artist, Gilbert Stuart, to paint a portrait of the great chief.

Little Turtle returned to the nation's capital later to visit two other presidents, John Adams and Thomas Jefferson. On one of his visits, the Miami chief persuaded the Society of Friends (Quakers) to help him in stopping the sale of liquor to the tribes in Indiana, and also to establish an agriculture school for the Indians to teach the whiteman's ways of farming. This historical school was established in 1804 near the little town of Andrews, just a few miles west of Huntington, but was never really successful and finally closed down when Tecumseh and the Prophet organized the tribes against the Americans in the years preceding the War of 1812.

In 1811, the Tecumseh confederation was openly planning war on the whites and was seeking to combine all of the tribes of the Northwest Territory in their confederation. Little Turtle, who was by then the whiteman's best friend in Indiana, succeeded in keeping his tribe from joining the Indian confederation and taking part in the Battle of Tippecanoe. By this time, the 60-year-old chief was in ill health, and crippled from rheumatism and gout. He was soon forced to leave his home on the Eel River and move to the house of his adopted son in Fort Wayne.

When the War of 1812 erupted, the great chief was on his death bed at the Wells' home at Fort Wayne. After several weeks of illness, the old chief died at Fort Wayne on July 14, 1812. He was given a military funeral by the American garrison at the fort and was buried in the old Indian cemetery on Spy Run, near the banks of the Wabash River. He was buried with Washington's sword and the medals and other honors that had been bestowed on him by the Americans. One hundred years later, in 1912, the grave was accidentally discovered, and the sword and other awards were put in the Allen County-Fort Wayne Historical Society Museum at Swinney Park.

Jacob Piatt Dunn, the famous Indiana historian, has paid the following tribute to the great chief, "he was the greatest of the Miamis, and perhaps, by the standard of achievement, which is the fairest of all standards, the greatest Indian the world has known." All Hoosiers should be proud of this great Indian chief, and he deserves to be remembered with the greatest of the historic figures in the history of our state.

The critical nature of controlling the junction at Kekionga and the pacification of the Indian nations of northwest Ohio and northern Indiana is a lesser known story of American history. Yet it is extremely important. Few have told it as well as historian John Ankenbruck of Fort Wayne. In one of his numerous books, Five Forts. He discusses the humiliating defeat of General Josiah Harmar at what is now Fort Wayne. Harmar destroyed the villages at Miamitown (Kekionga), and then, after two days, moved his army to Chillicothe (a Shawnee town today located about where Anthony Boulevard crosses the Maumee). Other soldiers were sent northwest toward suspected villages at Eel River. The Indians were hidden in an area near where U.S. 33 crosses Eel River. The troops were ambushed, with only 6 regulars surviving (22 regulars and 9 militia were killed). Harmar then burned the Shawnee town, and marched southeast to camp near the present-day town of Hoagland. Upon hearing that the Indians had come back to Miamitown, Harmar sent 500 troops back up to the Indian villages. Mounted riflemen crossed the St. Mary's at about where motorists today go over the Spy Run Bridge. They hoped to catch the Indians by surprise from the rear but instead Little Turtle nearly wiped out the soldiers as they attempted to cross the river. Some 300 survivors made it back (183 had been killed).

It was clear that the United States Government wanted a permanent stronghold at Kekionga. After Harmar's failure, the Governor of the Northwest Territory—General Arthur St. Clair—decided that he, himself, would lead the army to seize this junction.

General St. Clair, with his army of 2000 men, steadily moved north toward the junction of the three rivers. At Fort Recovery he prepared to launch his final push to what is now Fort Wayne the next day. That night Miami War Chief Little Turtle led a confederacy of Indian nations—Miami, Shawnee, Delaware, Ottawa, Wyandot, Potawatomi,and Kickapoo—into the area. What followed was the most complete defeat of any sizable unit in the history of American arms. Little Turtle achieved what no one has done before or since. The surprise was so complete that a retreat was ordered. The retreat turned into a rout. 632 soldiers died that day. 1,000 died during the campaign. It was time for Anthony Wayne. John Ankenbruck here lays out the importance of selecting Anthony Wayne as commander.

Anthony Wayne then decided to make certain this did not happen again. Ankenbruck describes the building of Fort Wayne.

ANTHONY WAYNE BUILDS FORT WAYNE

"The President of the United States by the advice and consent of the Senate has appointed you Major General and of course commanding officer of the troops in the service of the United States."

Maj Anthony Wayne received the notice April 12, 1792, in a letter from Secretary of War Henry Knox. It may have been the most important single act leading to the defeat of the Indians of the Old Northwest and eventual construction of a permanent fortification at the headwaters of the Maumee.

Wayne was not Washington's first choice for the job. Though the President had a high regard for Wayne's Revolutionary War record and his military astuteness; he thought differently about Wayne's more personal qualities. It seems that Washington considered Wayne's ego insufferable and was annoyed with some of his habits—which included frequent night-long drinking parties and some marital infidelities.

But Washington's several favored candidates for the job were from Virginia. This made them politically unacceptable because there was already criticism due to the large number of high public officials from that state. Wayne's being from Pennsylvania was, in this instance an asset. It should be noted that Wayne was not only being named to head the campaign against the Indians, but was also commander of the entire army of the United States, such as it was.

In the notice of appointment, Knox also told Wayne, "I enclosed you the Act of Congress relative to the military establishment." That act was the result of fear which swept eastward from the frontier lands to the capital cities.

At sundown on Sept. 17, 1794, Anthony Wayne and his army of 3,500 men arrived at the source of the Maumee River—the future site of Fort Wayne.

They came along the north bank, dragging wagons along the newly-cut road through the wilderness. Scouting parties ranged the entire area, moving back and forth between the marching troops and obscure points in the forest. There was the sound of horses and the curses of men as increasing numbers made their laborious way into the clearing.

Otherwise, there was a deathly quiet about the place—for a hundred years known as Miamitown. Numerous Indian dwellings stood just north of the Maumee. on either side of the St. Joseph River. They were all empty. Rough timber houses and storage buildings, belonging to both French traders and Indians, were here and there near the river banks. These too were empty and abandoned.

The sky was overcast and a damp chill wind blew from the west. Mad Anthony Wayne rode his horse slowly through the Kekionga village and its hundreds of Indian houses as far as the remains of old French Fort Miami which still stood on the east side of the St. Joseph.

This was the village of Le Gris, the old Miami Chief, and was usually considered the largest concentration of hostile Indians in the Northwest Territory. The chiefs of the Wabash and Lake Erie villages would tell American negotiators that they would have to go to see Le Gris if they wanted any answers as to the intentions of the Miami Confederacy.

Le Gris, at the moment of Wayne's examination of Kekionga, was some 40 miles to the north in the lake country where he had taken his entire village population. He remained, as he had for half a century, the implacable enemy of intruders into the land of the Miamis.

Wayne then crossed to the west side of the St. Joseph where another village stood empty and quiet. This was the village of Pacan, the uncle of the Miami Warchief Little Turtle. It was here that most of the traders' houses were located—some fairly large and well-fitted, considering the remoteness, and others just one-room huts of rough logs with bark and hide roofs.

Wayne decided against either of the village locations for his encampment and fort. He ordered the legion to build temporary protection on the high ground just southwest of the confluence of the rivers. The position commanded a good view of the Maumee River.

One of Wayne's officers, Capt. John Cooke of Pennsylvania, said the army marched 13 or 14 miles on that day before reaching the Miami villages. "We halted more than two hours near the ground where a part of Harmar's army was defeated and directly opposite the point by the St. Joseph and St. Mary's Rivers, until the ground was reconnoitered. It was late when the army crossed and encamped; our tents were not all pitched before dark."

The soldiers of Wayne's army continued to flow in from the east. The first night and morning of the American presence at the site of Fort Wayne was described by a Private Bryant. "The road, or trace, was in very bad condition, and we did not reach our point of destination until late in the evening. Being very tired, and having no duty to perform, I turned in as soon as possible, and slept soundly until the familiar tap of reveille called us up, just as the bright sun, the first time for weeks, was breaking over the horizon.

"After rubbing my eyes and regaining my faculties sufficiently to realize my whereabouts, I think I never saw a more beautiful spot and glorious sunrise.

"I was standing on that high point of land overlooking the valley on the opposite shore of the Maumee, where the St. Mary's, the sheen of whose waters were seen at intervals through the autumn-tinted trees, and the limpid St. Joseph quietly wending its way from the north, united themselves in one common stream that calmly flowed beneath."

The private's tranquility didn't last long. The general soon ordered breast works to be thrown up around the compound to ward off any possible attacks by the Indians. These were made of earth and required forced digging on the part of most of the men. Others, largely Kentucky horsemen, began the systematic destruction of the villages. Fire swept across the some 500 acres of cleared area. Every building was leveled. Every crop was cut down. The decimation spread in a wider circle. The Delaware village several miles up the St. Mary's was burnt out, as were the Ottawa village some distance up the St. Joseph and any remaining Shawnee dwellings down the Maumee.

Wayne kept watch for Indian raiders, but the only people to arrive on that first morning were four deserters from the British Fort Miami on the lower Maumee.

The good feeling that Anthony Wayne had in so easily taking control of the Miamitown area didn't last long.

Wayne sent a message to the War Department complaining of the "powerful obstacles" to his completing his mission—the need for supplies and expirations of terms of service. "In the course of six weeks from this day, the First and Second Sublegions will not form more than two companies each, and between this and the middle of May, the whole Legion will be merely annihilated so that all we now possess in the Western Country must inevitably be abandoned unless some effectual and immediate measures are adopted by Congress to raise troops to garrison them."

Wayne had originally hoped to build a major fortification at Miamitown. But again, several circumstances were working against his plans.

"I shall begin a fort at this place as soon as the equinoctial storm is over which at the moment is very severe, attended with a deluge of rain—a circumstance that renders the situation of the soldiery very distressing, being upon short allowance, thinly clad and exposed to the inclemency of the weather.

"I shall at all events by under the necessity of contracting the fortification considerably from the dimensions contemplated in your instructions to me of the 25th of May, 1792, both for the want of time as well as for want to force to garrison it."

This division among the various Indian tribes was to become a permanent condition. They would never again unite as they had done in the Miami Confederacy under Chief Little Turtle. Because of this, Wayne was able to take complete control of the Old Northwest for the United States. That in turn eventually led to the expansion westward to the Pacific Coast.

As the Indian groups began to break up, some returned to their villages, others migrated to Canada. Some, particularly the Miamis and Shawnees, went after the supply trains of Wayne's army, and any stragglers they could find.

Erection of the first American fort at the three rivers was begun Sept. 24, 1794—seven days after the arrival of General Anthony Wayne.

Many in the army of 3,500 men had been toiling for several days in the mud, cutting timbers of oak and walnut for the walls of the stockade. "This day the work commenced on the garrison, which I am apprehensive will take some time to complete," reported Wayne at the time.

But there were some semblances of normal life during those first few days of the Americans at the confluence of the three rivers. Several of the men built a fish dam across part of the Maumee—presumably to supplement the meager food supplies.

The fourth day after arrival was Sunday, Sept. 21, 1794. "We attended divine service," wrote Cooke. "The sermon was delivered by Rev. David Jones, chaplain. Mr. Jones chose for his text, Romans 8:31: 'But what shall we then say to these things? If God is for us, who can be against us?" This was the first time the army had been called together for the purpose of attending divine service since I joined it."

Wayne continued to hold his troops under an iron rein, but that didn't prevent carping on the part of many. Lt. William Clark reported "The ground cleared for the garrison just below the confluence of the St. Joseph and St. Mary's. The situation is tolerably elevated and has a ready command of the two rivers. I think it much to be lamented that the commander-in-chief is determined to make this fort a regular fortification, as a common picketed one would be equally as difficult against the savages."

This is the same Clark who a few years later would be part of the Lewis and Clark expedition to the Pacific. He was the younger brother of George Rogers Clark, the Virginian who specialized in brutal sweeps across the Ohio at Indian villages Wayne had put an end to most of that sort of plundering.

The shadows of fear, death and recklessness growing out of despair stalked American soldiers during the building of the fort at Miamitown.

Col. John Hamtramck said to a friend at the time, "The old man really is mad," referring to the commander, Anthony Wayne.

Wayne was sitting on a powder keg of problems, but he was in control. He was not mad. Deep in the wilderness with an army too remote for help of any sort, sometimes at starvation levels, surrounded by hostile warriors, and with some of his own officers trying to do him in, the general became harsh and moody.

Wayne pressed harder for rapid completion of the fort. Every man in the regular army was pressed into construction work when "not actually on guard or other duty." The Kentucky militiamen were given the job of getting the supplies through.

But the difficulties still multiplied. It became common knowledge among the men that Le Gris, the old Miami chief, had moved back into the vicinity. Le Gris and his hungry warriors watched every move in and out of the fort, looking for any chance or weakness.

Wayne was not worried about Le Gris attacking the fort. The general knew from his spies that Little Turtle and most of the other chiefs and warriors were still in the Lake Erie area.

But fear gradually took hold of the militiamen whose duty it was to convoy supply trains through the wilderness. On every trip, several of their number would likely disappear. The multilated bodies of others found along the trails were in each militiaman's nightmares.

Lieutenant Boyer reported "the volunteers appeared to be uneasy and have refused to do duty. They are ordered by the commander-in-chief to march tomorrow for Greeneville to assist the packhorses, which I am told they are determiend not to do."

On the next morning the volunteers refused to move out. They were threatened with punishment and loss of all their pay. They finally were coerced into one more convoy trip.

Wayne came to the conclusion at this time that it would be better to send the entire 1,500-man militia back home. He could not afford an insurrection at his remote post. Thought he needed guards for supply trains, the additional forces were a supply problem in themselves, and a danger to the mission.

He wrote to Secretary of War Henry Knox on October 17. "The mounted volunteers of Kentucky marched from this place on the morning of the 14th for Fort Washington, where they are to be mustered and discharged. The conduct of both officers and men of this corps in general has been better than any militia, I have heretofore seen in the field for so great a length of time. But it would not do to retain them any longer, although our present situation as well as the term for which they were enrolled would have justified their being continued in service until November 14."

Wayne did not like volunteer armies. "The enclosed estimate," he said, "will demonstrate the mistaken policy and bad economy of substituting mounted volunteers in place of regular troops. Unless effectual measures are immediately adopted by both Houses of Congress for raising troops to garrison the western posts, we have fought, bled and conquered in vain."

Wayne, from his headquarters at Miamitown, warned that without added soldiers and extended service of his legion the vast wilderness would "again become a range for the hostile Indians of the West" and "a fierce and savage enemy" would sweep down on pioneers as far as the Ohio River and beyond.

Fort Wayne was dedicated on Oct. 22, 1794.

The days leading up to the event were hard and busy, but both men and whisky held out. The weather, which had been peculiarly bad for October in the vicinity, finally moderated.

Earlier, on Oct. 4, General Anthony Wayne had reported "This morning we had the hardest frost I ever saw. There was ice in our camp kettles three-fourths of an inch thick." But things were better later in the month.

Finally, on Oct. 21, Wayne ordered a halt to work on the nearly-completed stockade and surrounding buildings. He placed Col. John Hamtramck in charge of the companies which were to garrison the fort, making him in effect, commander.

On the following morning, there was more than the usual stir about the place. "Colonel Hamtramck marched the troops to the garrison at 7 a.m.," reported captain John Cooke. "After a discharge of 15 guns, he named the fort by a garrison order, 'Fort Wayne.' He then marched his command into it."

Others present reported that the "15 guns" were rounds of cannon fire which echoed across the three rivers. Though Hamtramck is usually credited with naming the fort, he actually was simply reading orders, handed to him by Anthony Wayne. The name of the stockade was previously determined during correspondence between Wayne and the War Department.

After the reading of the speech and the running up of the Stars and Stripes, there was a volley of three cheers from the assembled troops. General Wayne had stood at a reviewing place near the flag pole during most of the parade and ceremony. By 8 a.m. the deed was done.

It was four years to the day since that earlier morning when the Miami Indians under Little Turtle and Le Gris cut down the troops of General Josiah Harmar as they attempted to cross the Maumee. The place of that past disaster to the U.S. Army was in clear view of the new fort on the slight hill just southwest of the confluence of the three rivers.

Following the dedication of Fort Wayne, the general almost immediately began to prepare for his own departure and the extending of the military hold on the Northwest Territory.

This was not the only fort. The third fort, the most sturdy and what was reconstructed in Fort Wayne, was Whistler's fort. Here is Ankenbruck's description of that fort.

MAJOR JOHN WHISTLER AND THE THIRD U.S. FORT AT FORT WAYNE

"Whistler's Mother" was not born in Fort Wayne; but his father was.

The painter's family were people of accomplishment long before James A. M. Whistler made his mark in the art world, and much of their early story is linked with Fort Wayne.

The artist's grandfather, John Whistler, was the builder of the last military stronghold at Fort Wayne. This stockade, usually called "Whistler's Fort" was started in 1815 and completed the following year. Major John Whistler was commandant here at that time, having assumed the post in 1814.

Like many of the army officers of the era, Major Whistler was a veteran of the Revolutionary War—only with one essential difference. He fought on the British side.

A native of Ulster, Northern Ireland, he first came over with the army of Burgoyne which invaded the U.S. from Canada and was defeated by forces under Benedict Arnold. Later, Whistler returned to the U.S. and joined the American army. He was an adjutant under General Arthur St. Clair when that expeditionary force met disaster at the hands of Indians under Little Turtle in 1791. Whistler was severely wounded in that battle.

Actually, Whistler had a hand in building all three forts at the three rivers, plus Fort Dearborn at the present site of Chicago. As a lieutenant, he came with Wayne to construct the first fort in 1794. Whistler, later when a captain, was a special officer at Fort Wayne for the building of the Second stockade. That was in 1800 during the commandancy of Colonel Thomas Hunt.

It was in that same year that John Whistler and his wife, Ann, had a baby boy whom they named George Washington Whistler. This boy, the father of the artist, later graduated from West Point and became one of the major railroad building engineers of the age in the U.S., and eventually headed railroad construction in Czarist Russia, dying in St. Petersburg in 1849. His son, the painter, also attended West Point before going to Paris and a life in the art world of the 19th Century.

Major Whistler's final assignment at Fort Wayne followed service at Detroit, Fort Dearborn and several Ohio posts. He and his wife, two daughters and son came up the St. Mary's River in 1814 to take up residence in the stockade. During the following year, construction was started on a new military post of rather imposing appearance. The plans for the fort are still in existence. It measured close to two football fields side by side, being about 100 yards square, and parts of the timber structure were more than 40 feet high. The approximate location was in the vicinity of the intersection of Main and Clay Sts.

The Battle of Fallen Timbers, in which General Anthony Wayne routed a confederacy of Indian nations near Toledo, Ohio and then marched back down the Maumee to secure the critical portage at the three rivers at Kekionga by building Fort Wayne, has been called one of the three pivotal battles in American history. Yorktown cinched independence for the United States, Fallen Timbers secured western expansion, and Gettysburg was the decisive battle that keep us united.

The Battle of Tippecanoe in which General William Henry Harrison defeated Indians associated with the Prophet was not as decisive (battles continued on through the War of 1812) but was important symbolically. In fact, it not only led to a series of treaties in Indian including two at Fort Wayne in which Indian nations forcibly ceded lands, but ultimately led to the slogan "Tippecanoe and Tyler" too that elected Harrison President of the United States.

In Volume I of The Hoosier State: Readings in Indiana History by Ralph Gray there are many excellent articles on Indiana history. What follows are two accounts of the Battle of Tippecanoe and one short article on Harrison, Tecumseh and the War of 1812.

TECUMSEH, HARRISON, AND THE WAR OF 1812

(By Marshall Smelser)

From "Tecumseh, Harrison, and the War of 1812," *Indiana Magazine of History*, LXV (March 1969), 25, 28, 30–31, 33, 35, 37–39. Copyright © 1969 by the Trustees of Indiana University. Reprinted by permission.

The story is the drama of the struggle of two of our most eminent predecessors, William Henry Harrison of Grouseland, Vincennes, and Tecumseh of the Prophet's town, Tippecanoe.

It is not easy to learn about wilderness Indians. The records of the Indians are those kept by white men, who were not inclined to give themselves the worst of it. Lacking authentic documents, historians have neglected the Indians. The story of the Indian can be told but it has a higher probability of error than more conventional kinds of history. To tell the tale is like reporting the weather without scientific instruments. The reporter must be systematically, academically skeptical. He must read between the lines, looking for evidence of a copper-colored ghost in a deerskin shirt, flitting through a green and bloody world where tough people died from knives, arrows, war clubs, rifle bullets, and musket balls, and where the coming of spring was not necessarily an omen of easier living, but could make a red or white mother tremble because now the enemy could move concealed in the forest. But the reporter must proceed cautiously, letting the facts shape the story without prejudice.

. . . [O]ur story is a sad and somber one. It shows men at their bravest. It also shows men at their worst. We are dealing with a classic situation in which two great leaders—each a commander of the warriors of his people—move inexorably for a decade toward a confrontation which ends in the destruction of the one and the exaltation of the other. Tecumseh, a natural nobleman in a hopeless cause, and Harrison, a better soldier than he is generally credited with being, make this an Indian story, although the last two acts of their tragedy were staged in Ohio and in Upper Canada. To understand why this deadly climax was inevitable we must know the Indian policy of the United States at that time; we must know, if we can, what the Indians thought of it; and we must know something about the condition of the Indians.

The federal government's Indian policy was almost wholly dedicated to the economic and military benefit of white people. When Congress created Indiana Territory, the United States was officially committed to educate and civilize the Indians. The program worked fairly well in the South for a time. Indiana Territory's Governor Harrison gave it an honest trial in the North, but the problems were greater than could be solved with the feeble means used. The management of Indian affairs was unintelligently complicated by overlapping authorities, a confused chain of command, and a stingy treasury—stingy, that is, when compared with the treasury of the more lavish British competitors for Indian favor. More to the point, most white Americans thought the Indians should be moved to the unsettled lands in the West. President Jefferson, for awhile, advocated teaching agriculture to the Indians, and he continued the operation of federal trading posts in the Indian country which had been set up to lessen the malevolent influence of private traders. These posts were successful by the standards of cost accounting, but they did nothing to advance the civilization of the Indian. Few white people wished the Indians well, and fewer would curb their appetites for fur and land just to benefit Indians.

The conflict between whites and Indians was not simple. The Indians were neither demons nor sculptured noble savages. They were not the single people Tecumseh claimed but were broken into fragments by language differences. Technologically they were farther behind the Long Knives—as the Indians called the frontiersmen—than the Gauls who died on Caesar's swords were behind the Romans. But they had a way of life that worked in its hard, cruel fashion. In the end, however, the Indian way of life was shattered by force; and the Indians lost their streams, their corn and bean fields, their forests.

Comparatively few white residents of the United States in 1801 had ever seen an Indian. East of the Mississippi River there were perhaps seventy thousand Indians, of whom only ten thousand lived north of the Ohio River. They were bewildered pawns of international politics, governed by the French to 1763, ruled in the name of George III of England to 1783, and never consulted about the change of sovereigns. As Governor Harrison himself said, they disliked the French least, because the French were content with a congenial joint occupation of the wilds while the white Americans and British had a fierce sense of the difference between mine and thine. The governor admitted the Indians had genuine grievances. It was not likely, for example, that a jury would convict a white man charged with murdering an Indian. Indians were shot in the forest north of Vincennes for no reason at all. Indians, Harrison reported, punished Indians for crimes against Long Knives, but the frontiersmen did not reciprocate. But the worst curse visited on the Indians by the whites was alcohol. Despite official gestures at prohibition, alcohol flowed unchecked in the Indian territory. Harrison said six hundred Indian warriors on the Wabash received six thousand gallons of whiskey a year. That would seem to work out to fifth of whisky per week per family, and it did not come in a steady stream, but in alternating floods and ebbs.

Naturally Indian resentment flared. Indian rage was usually ferocious but temporary. Few took a long view. Among those who did were some great natural leaders, Massasoit's disillusioned son King Philip in the 1670s, Pontiac in the 1760s, and Tecumseh. But such leaders invariably found it hard to unite the Indians for more than a short time; regardless of motive or ability, their cause was hopeless. The Indians were a Stone Age people who depended for good weapons almost entirely on the Long Knives or the Redcoats. The rivalry of Britian and the United States made these dependent people even more dependent. Long Knives supplied whisky, salt, and tools. Redcoats supplied rum, beef, and muskets. The Indians could not defeat Iron Age men because these things became necessities to them, and they could not make them for themselves. But yielding gracefully to the impact of white men's presence and technology was no help to the Indians. The friendly Choctaw of present Mississippi, more numerous than all of the northwestern tribes together, were peaceful and cooperative. Their fate was nevertheless the same as the fate of the followers of King Philip, Pontiac, and Tecumseh.

The Indians had one asset—land. Their land, they thought, belonged to the family group so far as it was owned at all. No Indian had a more sophisticated idea of land title than that. And as for selling land, the whites had first to teach them that they owned it and then to teach them to sell it. Even then, some Indians very early developed the notion that land could only be transferred by the unanimous consent of all tribes concerned rather than through negotiations with a single tribe. Indian councils declared this policy to the Congress of the United States in 1783 and in 1793. If we follow James Truslow Adams' rule of thumb that an Indian family needed as many square miles of wilderness as a white family needed plowed acres, one may calculate that the seventy thousands Indians east of the Mississippi needed an area equal to all of the Old Northwest plus Kentucky, if they were to live the primitive life of their fathers. Therefore, if the Indians were to live as undisturbed primitives, there would be no hunting grounds to spare. And if the rule of unanimous land cessions prevailed, there would be no land sales so long as any tribal leader objected. Some did object, notably two eminent Shawnee: Tecumseh, who believed in collective bargaining, and his brother, the Prophet, who also scorned the Long Knives' tools, his whisky, and his civilization. Harrison dismissed the Prophet's attack on land treaties as the result of British influence, but collective conveyance was an old idea before the Shawnee medicine man took it up. The result of the federal government's policy of single tribe land treaties was to degrade the village chiefs who made the treaties and to exalt the angry warrior chiefs, like Tecumseh, who denounced the village chiefs, corrupted by whisky and other gifts, for selling what was not theirs to sell.

By the time he found his life work Tecumseh was an impressive man, about five feet nine inches tall, muscular and well proportioned, with large but fine features in an oval face, light copper skin, excellent white teeth, and hazel eyes. His carriage was imperial, his manner energetic, and his temperament cheerful. His dress was less flashy than that of many of his fellow warriors. Except for a silver mounted tomahawk, quilled moccasins, and, in war, a medal of George III and a plume of ostrich feathers, he dressed simply in fringed buckskin. He knew enough English for ordinary conversation, but to assure accuracy he was careful to speak only Shawnee in diplomacy. Unlike many Indians he could count, at least as far as eighteen (as we know by his setting an appointment with Harrison eighteen days after opening the subject of a meeting). Military men later said he had a good eye for military topography and could extemporize crude tactical maps with the point of his knife. He is well remembered for his humanity to prisoners, being one of the few Indians of his day who disapproved of torturing and killing prisoners of war. This point is better documented than many other aspects of his character and career.

The Prophet rather than Tecumseh first captured the popular imagination. As late as 1810 Tecumseh was being referred to in official correspondence merely as the Prophet's brother. The Shawnee Prophet's preaching had touches of moral grandeur: respect for the aged, sharing of material goods with the needy, monogamy, chastity, and abstinence from alcohol. He urged a return to the old Indian ways and preached self-segregation from the white people. But he had an evil way with dissenters, denouncing them as witches and having several of them roasted alive. . . .

One of the skeptics unconverted by the Prophet and unimpressed by the divinity of his mission was Indiana Territory's first governor, William Henry Harrison, a retired regular officer, the son of a signer of the Declaration of Independence, appointed governor at the age of twenty-eight. Prudent, popular with Indians and whites, industrious, and intelligent, he had no easy job. He had to contend with land hunger, Indian resentments, the excesses of Indian traders, and with his constant suspicion of a British web of conspiracy spun from Fort Malden. The growing popularity of the Prophet alarmed Harrison, and early in 1806 he sent a speech by special messenger to the Delaware tribe to try to refute the Prophet's theology by Aristotelian formal logic. Harrison was not alone in his apprehensions. In Ohio the throngs of Indian pilgrims grew larger after the Prophet during the summer of 1806 correctly predicted an eclipse of the sun (forecast, of course, in every almanac) and took credit for it. A year later, when reports indicated the number of the Prophet's followers was increasing, the governor of Ohio alerted the militia and sent commissioners to investigate. They heard Blue Jacket deny any British influence on the Indians. At another meeting later at Chillicothe, Tecumseh denounced all land treaties but promised peace. The governor of Ohio was temporarily satisfied, although Harrison still thought the Prophet spoke like a British agent and told the Shawnee what he thought. But in the fall of 1807 there was no witness, however hostile, who could prove that either Tecumseh or the Prophet preached war. On the contrary, every reported sermon and oration apparently promised peace. An ominous portent, however—at least in Harrison's eyes—was the founding of the Prophet's town on the Tippecanoe River, in May, 1808.

The Prophet visited Harrison at Vincennes late in the summer of 1808 to explain his divine mission to the incredulous young governor. Privately, and grudgingly, Harrison admitted the Prophet had reduced drunkenness, but he persisted in his belief that the Shawnee leader was a British agitator. The Prophet went to Vincennes again in 1809 and boasted of having prevented an Indian war. Harrison did not believe him. There is good evidence that in June, 1810, Tecumseh tried unsuccessfully to persuade the Shawnee of the Maumee Basin to move west in order to clear the woods for war. When Harrison learned this he sent a message to the Prophet's town. The "Seventeen Fires," he said, were invincible. The Redcoats could not help the Indians. But if the Indians thought the New Purchase Treaty made at Fort Wayne in 1809 was fraudulent, Harrison would arrange to pay their way to visit the President, who would hear their complaint. Tecumseh privately said he wished peace but could be pushed no farther. These rumblings and tremors of 1810 produced the first meeting of our two tragic protagonists.

Tecumseh paddled to Vincennes with four hundred armed warriors in mid August, 1810. In council he denounced the New Purchase Treaty and the village chiefs who had agreed to it. He said the warrior chiefs would rule Indian affairs thereafter. Harrison flatly denied Tecumseh's theory of collective ownership and guaranteed to defend by the sword what had been acquired by treaty. This meeting of leaders was certainly not a meeting of minds. A deadlock had been reached. A cold war had been started. During the rest of 1810 Harrison received nothing but bad news. The secretary of war suggested a surprise capture of the Shawnee brothers. Indians friendly to the United States predicted war. The governor of Missouri reported to Harrison that the Prophet had invited the tribes west of the Mississippi to join in a war, which was to begin with an attack against Vincennes. The Indians around Fort Dearborn were disaffected and restless. A delegation of Sauk came all the way from Wisconsin to visit Fort Malden. Two surveyors running the New Purchase line were carried off by the Wea.

In the summer of 1811 Tecumseh and about three hundred Indians returned to Vincennes for another inconclusive council in which neither he nor the governor converted the other. Tecumseh condescendingly advised against white settlement in the New Purchase because many Indians were going to settle at the Prophet's town in the fall and would need that area for hunting. Tecumseh said he was going south to enroll new allies. It is important to our story that Tecumseh was absent from Indiana in that autumn of crisis. Aside from this we need note only that on his southern tour he failed to rouse the Choctaw, although he had a powerful effect on the thousands of Creek who heard his eloquence.

At this point it is important to note Governor Harrison's continuing suspicion that Tecumseh and the Prophet were British agents, or at least were being stirred to hostility by the British. British official correspondence shows that Fort Malden was a free cafeteria for hungry Indians, having served them seventy-one thousand meals in the first eleven months of 1810. The correspondence also shows that Tecumseh, in 1810, told the British he planned for war in late 1811, but indicates that the British apparently promised him nothing.

The year 1811 was a hard one for the Indians because the Napoleonic wars had sharply reduced the European market for furs. The Indians were in a state that we would call a depression. And we should remember that while Tecumseh helped the British in the War of 1812 it was not because he loved them. To him the British side was merely the side to take against the Long Knives.

In June and July of 1811 Governors William Hull of Michigan Territory and Harrison of Indiana Territory sent to the secretary of war evaluations of the frontier problems. Hull's was narrowly tactical, pessimistic, and prophetic of the easy conquest of Michigan if the British navy controlled Lake Erie. Harrison's, although in fewer words, was broadly strategic and more constructive: the mere fact of an Indian confederation, friendly to the British and hostile to the Long Knives, was dangerous; the Prophet's town (hereafter called Tippecanoe) was ideally located as a base for a surprise downstream attack on Vincennes, was well placed as a headquarters for more protracted warfare, and was linked by water and short portages with all the northwestern Indians; the little known country north of Tippecanoe, full of swamps and thickets, could easily be defended by natives, but the power of the United States could be brought to bear only with the greatest difficulty. Early in August, 1811, Harrison told the War Department he did not expect hostilities before Tecumseh returned from the South, and that in the meantime he intended to try to break up Tecumseh's confederacy, without bloodshed if possible. On their side, the Indians told the British they expected some deceitful trick leading to their massacre.

The military details of the Battle of Tippecanoe need not be exhausted here. Harrison's forces moved up the Wabash and arrived at Tippecanoe on November 6, 1811. When Harrison was preparing to attack, he was met by emissaries from the Prophet. Both sides agreed to a council on the next day. The troops encamped with correctly organized interior and exterior guards. Here the story diverges into two versions. White writers have said the Indians intended to confer, to pretend falsely to agree to anything, to assassinate Harrison, and to massacre the little army. They allege the Prophet had promised to make the Indians bullet proof. A Kickapoo chief later said to British officers that a white prisoner the Indians had captured told them Harrison intended to fight, not to talk. At any rate, the shooting started at about four in the morning, an unfortunate moment for the Indians because that was the hour of "stand to" or "general quarters" in the white army. Curious Indians in the brush were fired on by sentries. The Indians then killed the sentries. It was then, and only then, the Indians said, that they decided to fight. The battle lasted until mid morning, when the Indians ran out of arrows and bullets and fled. A detachment of Harrison's troops then burned the deserted village and the winter corn reserve of the Shawnee. Two days later the troops withdrew. The depth of the cleavage between Indians and whites is shown by the fact that the Potowatomi Chief Winnemac, Harrison's leading Indian adviser, came up the river with the troops but fought on the side of his bronze brethren. Harrison had 50 Kentucky volunteers, 250 United States infantry, and several hundred Indiana militia, who had been trained personally by him. Reports of losses vary. Indians admitted to losing 25 dead, but soldiers counted 38 dead Indians on the field. This was the first time in northwestern warfare that a force of whites of a size equal to the redmen had suffered only a number of casualties equal to those of their dusky enemies. Heretofore whites in such circumstances had lost more than the redmen had lost. Estimates of Indians in the fighting range from 100 to 1,000. Six hundred would probably be a fair estimate.

As battles go, Tippecanoe cannot be compared with Fallen Timbers in 1794 or Moraviantown in 1813, but it was politically and diplomatically decisive. Its most important effect was to divide the tribes in such a way as to make Tecumseh's dream fade like fog in the sun.

AN EYEWITNESS ACCOUNT OF TIPPECANOE

(By Judge Isaac Naylor)

I became a volunteer of a company of riflemen and, on September 12, 1811, we commenced our march towards Vincennes, and arrived there in about six days, marching one hundred and twenty miles. We remained there about one week and took up the line of march to a point on the Wabash river, where we erected a stockade fort, which we named Fort Harrison. This was two miles above where the city of Terre Haute now stands. Col. Joseph H. Daviess, who commanded the dragoons, named the fort. The glorious defense of this fort nine months after by Capt. Zachary Taylor was the first step in his brilliant career that afterward made him President of the United States. A few days later we took up our line of march for the seat of the Indian warfare, where we arrived on the evening of November 6, 1811.

When the army arrived in view of Prophet's Town, an Indian was seen coming toward General Harrison, with a white flag suspended on a pole. Here the army halted, and a parley was had between General Harrison and an Indian delegation who assured the General that they desired peace and solemnly promised to meet him the next day in council to settle the terms of peace and friendship between them and the United States.

Having seen a number of squaws and children at the town, I thought the Indians were not disposed to fight. About ten o'clock at night, Joseph Warnock and myself retired to rest.

I awoke about four o'clock the next morning, after a sound and refreshing sleep. In a few moments I heard the crack of a rifle in the direction of the point where now stands the Battle Ground House. I had just time to think that some sentinel was alarmed and fired his rifle without a real cause, when I heard the crack of another rifle, followed by an awful Indian yell all around the encampment. In less than a minute I saw the Indians charging our line most furiously and shooting a great many rifle balls into our camp fires, throwing the live coals into the air three or four feet high.

At this moment my friend Warnock was shot by a rifle ball through his body. He ran a few yards and fell dead on the ground. Our lines were broken and a few Indians were found on the inside of the encampment. In a few moments they were all killed. Our lines closed up and our men in their proper places. One Indian was killed in the back part of Captain Geiger's tent, while he was attempting to tomahawk the Captain.

The sentinels, closely pursued by the Indians, came to the line of the encampment in haste and confusion. My brother, William Naylor, was on guard. He was pursued so rapidly and furiously that he ran to the nearest point on the left flank, where he remained with a company of regular soldiers until the battle was near its termination. A young man, whose name was Daniel Pettit, was pursued so closely and furiously by an Indian as he was running from the guard line to our lines, that to save his life he cocked his rifle as he ran and turning suddenly around, placed the muzzle of his gun against the body of the Indian and shot an ounce ball through him. The Indian fired his gun at the same instant, but it being longer than Pettit's the muzzle passed by him and set fire to a handkerchief which he had tied around his head. The Indians made four or five most fierce charges on our lines, yelling and screaming as they advanced, shooting balls and arrows into our ranks. At each charge they were driven back in confusion, carrying off their dead and wounded as they retreated.

Colonel Owen, Shelby County, Kentucky, one of General Harrison's aides, fell early in the action by the side of the General. He was a member of the legislature at the time of his death. Colonel Daviess was mortally wounded early in the battle, gallantly charging the Indians on foot with sword and pistols according to his own request. He made this request three times before General Harrison would permit it. This charge was made by himself and eight dragoons on foot near the angle formed by the left flank and front line of the encampment. Colonel Daviess lived about thirty-six hours after he was wounded, manifesting his ruling passion in life—ambition, and a patriotism and ardent love of military glory.

Captain Spencer's company of mounted riflemen composed the right flank of the army. Captain Spencer and both of his lieutenants were killed. John Tipton was elected and commissioned captain of his company in one hour after the battle, as reward for his cool and deliberate heroism displayed during the action. He died at Logansport in 1839, having been twice elected Senator of the United States from Indiana.

The clear, calm voice of General Harrison was heard in words of heroism in every part of the encampment during the action. Colonel Boyd behaved very bravely after repeating these words: "Huzza! My sons of gold, a few more fires and victory will be ours!"

Just after daylight the Indians retreated across the prairie toward their own town, carrying off their wounded. This retreat was from the right flank of the encampment, commanded by Captains Spencer and Robb, having retreated from the other portions of the encampment a few minutes before. As their retreat became visible, an almost deafening and universal shout was raised by our men. "Huzza! Huzza! Huzza!" This shout was almost equal to that of the savages at the commencement of the battle; ours was the shout of victory, theirs was the shout of ferocious but disappointed hope.

The morning light disclosed the fact that the killed and wounded of our army, numbering between eight and nine hundred men, amounted to one hundred and eight. Thirty-six Indians were found near our lines. Many of their dead were carried off during the battle. This fact was proved by the discovery of many Indian graves recently made near their town. Ours was a bloody victory, theirs a bloody defeat.

Soon after breakfast an Indian chief was discovered on the prairie, about eighty yards from our front line, wrapped in a piece of white cloth. He was found by a soldier by the name of Miller, a resident of Jeffersonville, Indiana. The Indian was wounded in one leg, the ball having penetrated his knee and passed down his leg, breaking the bone as it passed. Miller put his foot against him and he raised up his head and said: "Don't kill me, don't kill me." At the same time, five or six regular soldiers tried to shoot him, but their muskets snapped and missed fire. Maj. Davis Floyd came riding toward him with dragoon sword and pistols and said he would show them how to kill Indians, when a messenger came from General Harrison commanding that he should be taken prisoner. He was taken into camp, where the surgeons dressed his wounds. Here he refused to speak a word of English or tell a word of truth. Through the medium of an interpreter he said that he was coming to the camp to tell General Harrison that they were about to attack the camp. He refused to have his leg amputated, though he was told that amputation was the only means of saving his life. One dogma of Indian superstition is that all good and brave Indians, when they die, go to a delightful region, abounding with deer, and other game, and to be a successful hunter he should have his limbs, his gun and his dog. He therefore preferred death with all his limbs to life without them. In accordance with his request he was left to die, in company with an old squaw, who was found in the Indian town the next day after he was taken prisoner. They were left in one of our tents. At the time this Indian was taken prisoner, another Indian, who was wounded in the body, rose to his feet in the middle of the prairie and began to walk towards the wood on the apposite side. A number of regular soldiers shot at him but missed him. A man who was a member of the same company with me, Henry Huckleberry, ran a few steps into the prairie and shot an ounce ball through his body and he fell dead near the margin of the woods. Some Kentucky volunteers went across the prairie immediately and scalped him, dividing his scalp into four pieces, each one cutting a hole in each piece, putting the ramrod through the hole, and placing his part of the scalp just behind the first thimble of his gun, near its muzzle. Such was the fate of nearly all of the Indians found dead on the battle-ground, and such was the disposition of their scalps.

The death of Owen, and the fact that Daviess was mortally wounded with the remembrance also that a large portion of Kentucky's best blood had been shed by the Indians, must be their apology for this barbarous conduct. Such conduct will be excused by all who witnessed the treachery of the Indians and saw the bloody scenes of this battle.

Tecumseh being absent at the time of the battle, a chief called White Loon was the chief commander of the Indians. He was seen in the morning after the battle, riding a large white horse in the woods across the prairie, where he was shot at by a volunteer named Montgomery, who is now living in the southwest part of this State. At the crack of his rifle the horse jumped as if the ball had hit him. The Indian rode off toward the town and we saw him no more. During the battle The Prophet was safely located on a hill, beyond the reach of our balls, praying to the Great Spirit to give victory to the Indians, having previously assured them that the Great Spirit would change our powder into ashes and sand.

General Harrison, having learned that Tecumseh was expected to return from the south with a number of Indians whom he had enlisted in his cause, called a council of his officers, who advised him to remain on the battlefield and fortify his camp by a breastwork of logs, about four feet high. This work was completed during the day and all the troops were placed immediately behind each line of the work when they were ordered to pass the watchword from right to left every five minutes, so that no man was permitted to sleep during the night. The watchword on the night before the battle was "Wide awake, wide awake." To me it was a long, cold, cheerless night.

On the next day the dragoons went to Prophet's Town, which they found deserted by all the Indians, except an old squaw, whom they brought into camp and left her with the wounded chief before mentioned. The dragoons set fire to the town and it was all consumed, casting up a brilliant light amid the darkness of the ensuing night. I arrived at the town when it was about half on fire. I found large quantities of corn, beans and peas. I filled my knapsack with these articles and carried them to the camp and divided them with the members of our mess, consisting of six men. Having these articles of food, we declined eating horse flesh, which was eaten by a large portion of our men.

CHIEF SHABONEE'S ACCOUNT OF TIPPECANOE

It was fully believed among the Indians that we should defeat General Harrison, and that we should hold the line of the Wabash and dictate terms to the whites. The great cause of our failure, was the Miamies, whose principal country was south of the river, and they wanted to treat with the whites so as to retain their land, and they played false to their red brethren and yet lost all. They are now surrounded and will be crushed. The whites will shortly have all their lands and they will be driven away.

In every talk to the Indians, General Harrison said:

"Lay down your arms. Bury the hatchet, already bloody with murdered victims, and promise to submit to your great chief at Washington, and he will be a father to you, and forget all that is past. If we take your land, we will pay for it. But you must not think that you can stop the march of white men westward."

There was truth and justice in all that talk. The Indians with me would not listen to it. It was dictating to them. They wanted to dictate to him. They had counted his soldiers, and looked at them with contempt. Our young men said:

"We are ten to their one. If they stay upon the other side, we will let them alone. If they cross the Wabash, we will take their scalps or drive them into the river. They cannot swim. Their powder will be wet. The fish will eat their bodies. The bones of the white men will lie upon every sand bar. Their flesh will fatten buzzards. These white soldiers are not warriors. Their hands are soft. Their faces are white. One half of them are calico peddlers. The other half can only shoot squirrels. They cannot stand before men. They will all run when we make a noise in the night like wild cats fighting for their young. We will fight for ours, and to keep the pale faces from our wigwams. What will they fight for? They won't fight. They will run. We will attack them in the night."

Such were the opinions and arguments of our warriors. They did not appreciate the great strength of the white men. I knew their great war chief, and some of his young men. He was a good man, very soft in his words to his red children, as he called us; and that made some of our men with hot heads mad. I listened to his soft words, but I looked into his eyes. They were full of fire. I knew that they would be among his men like coals of fire in the dry grass. The first wind would raise a great flame. I feared for the red men that might be sleeping in this way. I, too, counted his men. I was one of the scouts that watched all their march up the river from Vincennes. I knew that we were like these bushes—very many. They were like these trees; here and there one. But I knew too, when a great tree falls, it crushes many little ones. I saw some of the men shoot squirrels, as they rode along, and I said, the Indians have no such guns. These men will kill us as far as they can see. "They cannot see in the night," said our men who were determined to fight. So I held my tongue. I saw that all of our war chiefs were hot for battle with the white men. But they told General Harrison that they only wanted peace. They wanted him to come up into their country and show their people how strong he was, and then they would all be willing to make a treaty and smoke the great pipe together. This was what he came for. He did not intend to fight the Indians. They had deceived him. Yet he was wary. He was a great war chief. Every night he picked his camping ground and set his sentinels all around, as though he expected we would attack him in the dark. We should have done so before we did, if it had not been for this precaution. Some of our people taunted him for this, and pretended to be angry that he should distrust them, for they still talked of their willingness to treat, as soon as they could get all the people. This is part of our way of making war. So the white army marched further and further into our country, unsuspicious, I think, of our treachery. In one thing we were deceived. We expected that the white warriors would come up on the south bank of the river, and then we could parley with them; but they crossed far down the river and came on this side, right up to the great Indian town that Elskatawwa had gathered at the mouth of the Tippecanoe. In the meantime he had sent three chiefs down on the south side to meet the army and stop it with a talk until he could get the warriors ready. Tecumseh had told the Indians not to fight, but when he was away, they took some scalps, and General Harrison demanded that we should give up our men as murder[er]s, to be punished.

Tecumseh had spent months in traveling all over the country around Lake Michigan, making great talks to all the warriors, to get them to join him in his great designs upon the pale faces. His enmity was the most bitter of any Indian I ever knew. He was not one of our nation, he was a Shawnee. His father was a great warrior. His mother came from the country where there is no snow, near the great water that is salt. His father was treacherously killed by a white man before Tecumseh was born, and his mother taught him, while he sucked, to hate all white men, and when he grew big enough to be ranked as a warrior she used to go with him every year to his father's grave and make him swear that he would never cease to make war upon the Americans. To this end he used all his power of strategy, skill and cunning, both with white men and red. He had very much big talk. He was not at the battle of Tippecanoe. If he had been there it would not have been fought. It was too soon. It frustrated all his plans.

Elskatawwa was Tecumseh's older brother. He was a great medicine. He talked much to the Indians and told them what had happened. He told much truth, but some things that he had told did not come to pass. He was called "The Prophet." Your people knew him only by that name. He was very cunning, but he was not so great a warrior as his brother, and he could not so well control the young warriors who were determined to fight.

Perhaps your people do not know that the battle of Tippecanoe was the work of white men who came from Canada and urged us to make war. Two of them who wore red coats were at the Prophet's Town the day that your army came. It was they who urged Elskatawwa to fight. They dressed themselves like Indians, to show us how to fight. They did not know our mode. We wanted to attack at midnight. They wanted to wait till daylight. The battle commenced before either party was ready, because one of your sentinels discovered one of our warriors, who had undertaken to creep into your camp and kill the great chief where he slept. The Prophet said if that was done we should kill all the rest or they would run away. He promised us a horseload of scalps, and a gun for every warrior, and many horses. The men that were to crawl upon their bellies into camp were seen in the grass by a white man who had eyes like an owl, and he fired and hit his mark. The Indian was not brave. He cried out. He should have lain still and died. Then the other men fired. The other Indians were fools. They jumped up out of the grass and yelled. They believed what had been told them, that a white men would run at a noise made in the night. Then many Indians who had crept very close so as to be ready to take scalps when the white men ran, all yelled like wolves, wild cats and screech owls; but it did not make the white men run.

They jumped right up from their sleep with guns in their hands and sent a shower of bullets at every spot where they heard a noise. They could not see us. We could see them, for they had fires. Whether we were ready or not we had to fight now for the battle was begun. We were still sure that we should win. The Prophet had told us that we could not be defeated. We did not rush in among your men because of the fires. Directly the men ran away from some of the fires, and a few foolish Indians went into the light and were killed. One Delaware could not make his gun go off. He ran up to a fire to fix the lock. I saw a white man whom I knew very well—he was a great hunter who could shoot a tin cup from another man's head—put up his gun to shoot the Delaware. I tried to shoot the white man but another who carried the flag just then unrolled it so that I could not see my aim. Then I heard the gun and saw the Delaware fall. I thought he was dead. The White man thought so, too, and ran to him with his knife. He wanted a Delaware scalp. Just as he got to him the Delaware jumped up and ran away. He had only lost an ear. A dozen bullets were fired at the white man while he was at the fire, but he shook them off like an old buffalo bull.

Our people were more surprised than yours. The fight had been begun too soon. They were not all ready. The plan was to creep up through the wet land where horses could not run, upon one side of the camp, and on the other through a creek and steep bank covered with bushes, so as to be ready to use the tomahawk upon the sleeping men as soon as their chief was killed. The Indians thought white men who had marched all day would sleep. They found them awake.

The Prophet had sent word to General Harrison that day that the Indians were all peaceable, that they did not want to fight, that he might lie down and sleep, and they would treat with their white brothers in the morning and bury the hatchet. But the white men did not believe.

In one minute from the time the first gun was fired I saw a great war chief mount his horse and begin to talk loud. The fires were put out and we could not tell where to shoot, except on one side of the camp, and from there the white soldiers ran, but we did not succeed as the Prophet told us that we would, in scaring the whole army so that all the men would run and hide in the grass like young quails.

I never saw men fight with more courage than these did after it began to grow light. The battle was lost to us by an accident, or rather by two.

A hundred warriors had been picked out during the night for this desperate service, and in the great council-house the Prophet had instructed them how to crawl like snakes through the grass and strike the sentinels; and if they failed in that, then they were to rush forward boldly and kill the great war chief of the whites, and if they did not do this the Great Spirit, he said, had told him that the battle would be hopelessly lost. This the Indians all believed.

If the one that was first discovered and shot had died like a brave, without a groan, the sentinel would have thought that he was mistaken, and it would have been more favorable than before for the Indians. The alarm having been made, the others followed Elskatawwa's orders, which were, in case of discovery, so as to prevent the secret movement, they should make a great yell as a signal for the general attack. All of the warriors had been instructed to creep up to the camp through the tall grass during the night, so close that when the great signal was given, the yell would be so loud and frightful that the whole of the whites would run for the thick woods up the creek, and that side was left open for this purpose.

"You will, then," said the Prophet, "have possession of their camp and all its equipage, and you can shoot the men with their own guns from every tree. But above all else you must kill the great chief."

It was expected that this could be easily done by those who were allotted to rush into camp in the confusion of the first attack. It was a great mistake of the Prophet's redcoated advisers, to defer this attack until morning. It would have succeeded when the fires were brighter in the night. Then they could not have been put out.

I was one of the spies that had dogged the steps of the army to give the Prophet information every day. I saw all the arrangement of the camp. It was not made where the Indians wanted it. The place was very bad for the attack. But it was not that which caused the failure. It was because General Harrison changed horses. He had ridden a grey one every day on the march, and he could have been shot twenty times by scouts that were hiding along the route. That was not what was wanted, until the army got to a place where it could be all wiped out. That time had now come, and the hundred braves were to rush in and shoot the "Big chief on a white horse," and then fall back to a safer place.

This order was fully obeyed, but we soon found to our terrible dismay that the "Big chief on a white horse" that was killed was not General Harrison. He had mounted a dark horse. I know this, for I was so near that I saw him, and I knew him as well as I knew my own brother.

I think that I could then have shot him, but I could not lift my gun. The Great Spirit held it down. I knew then that the great white chief was not to be killed, and I knew that the red men were doomed.

As soon as daylight came our warriors saw that the Prophet's grand plan had failed—that the great white chief was alive riding fearlessly among his troops in spite of bullets, and their hearts melted.

After that the Indians fought to save themselves, not to crush the whites. It was a terrible defeat. Our men all scattered and tried to get away. The white horsemen chased them and cut them down with long knives. We carried off a few wounded prisoners in the first attack, but nearly all the dead lay unscalped, and some of them lay thus till the next year when another army came to bury them.

Our women and children were in the town only a mile from the battlefield waiting for victory and its spoils. They wanted white prisoners. The Prophet had promised that every squaw of any note should have one of the white warriors to use as her slave, or to treat as she pleased.

Oh how these women were disappointed! Instead of slaves and spoils of the white men coming into town with the rising sun, their town was in flames and women and children were hunted like wolves and killed by hundreds or driven into the river and swamps to hide.

With the smoke of that town and the loss of that battle I lost all hope of the red men being able to stop the whites.

Historic Conner Prairie farm in central Indiana first purchased by William Conner in August of 1802, in the early pioneer period of Indiana and the Northwest territory. It is on a broad prairie near the White River, north of Indianapolis, just south of what is now Noblesville. His trading post became a landmark on the frontier of central Indiana and the chief market place for Indians in the region. This historic farm was preserved by the Lilly family (of the Eli Lilly Corporation) and is today operated by Earlham College.

Two United States Presidents were associated with Indiana during this pioneer period. Abraham Lincoln moved to southern Indiana in 1816 and spent his boyhood as a Hoosier. William Henry Harrison was appointed governor of the Indiana Territory on May 13, 1800 (after having fought with General Anthony Wayne at the Battle of fallen Timbers and helping construct Fort Wayne). He moved to the territorial capitol of Vincennes on January 10, 1801. Harrison remained in Indiana until September 12, 1812. In 1804 he purchased land which is now Corydon, Indiana. He built a log home and lived there for awhile. All the early settlers in the Corydon area referred to him as "Bill." When a new county was carved out of Knox County, it was thus logical that it would be called Harrison County after the General. He sold to the commissioners one acre and four perches of ground for a public square. That purchase included the square upon which the Old Capitol—Indiana's first capitol and where the first constitution was written—now stands.

TAPS FOR THE CAPS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. FRANK) is recognized for 5 minutes.

Mr. FRANK of Massachusetts. Madam Speaker, I am here so that a very important death should not go unmourned. Indeed, I must say that if it were not for me, I think it would go not only unmourned but unnoticed. I am talking about the demise of the caps.

Madam Speaker, in 1997, this House passed, along with the other body and it was signed by the President, a piece of legislation, and I have just gone back and read the debates, which touched off a vast orgy of self-congratulation. That bill did two things. First, of all it imposed discretionary spending caps. It said that the amounts we were spending in 1997 on discretionary programs of the Federal Government would be the same amounts we would spend for the next 5 years. That was widely hailed as the way in which we would get to a balanced budget. We also made serious cuts in Medicare. The caps were going to balance the budget for us. The caps in Medicare were to pay for a capital gains tax cut.

Now it is 1999. With 1997 as the reference point, the wonderful, marvelous Balanced Budget Act, which was a source of such pride to so many of my colleagues especially on the Republican side, lies in complete ruin. It is time to say taps for the caps. The caps of 1997 were to put limits on discretionary spending. They have now become a severe embarrassment. They do not even get talked about. The budget resolution paid some homage to them and was promptly disregarded.

Madam Speaker, the appropriation we are about to pass, the omnibus bill that we are about to pass, absolutely repudiates those caps. Indeed, we do not even hear them talked about. The caps are gone. Many of us felt at the time that the caps were totally and completely unrealistic. We felt that they substantially undervalued government. They did not give us the resources to do important functions that the public wanted done. But we were told by our Republican colleagues that the caps were essential as methods of fiscal discipline.

In less than 2 years, I take it back, 2 years later the caps are gone. They are dead and they die unmourned. They die unnoticed with regard to the 1997 Act. 1999 is the year of Emily Litella: "Never mind." Never mind that we put these caps on. Never mind that we cut Medicare. This has been a year in which we have been undoing it.

That leads me to a problem, Madam Speaker. Certainly, it would be odd to think that thoughtful, knowledgeable, well-informed Members of this House in 1997 would have enacted public policy which 2 years later they would be repudiating and hiding from. Certainly, we could not expect thoughtful Members of this Congress to be doing things and then 2 years later thoroughly repudiating the absolutely foreseeable consequences of their own actions. So there is only one explanation.

Madam Speaker, 2 years ago this House was infiltrated by impostors. Two years ago, taking advantage of the undeveloped state of DNA evidence, people impersonating Members of this House took over the place and foisted on this country cuts in Medicare that nobody today wants to defend and caps that were unrealistic.

This calls, Madam Speaker, for serious investigative work. Where is the gentleman from Indiana and his crack investigative minions in the Committee on Government Reform when we need them? This certainly seems to me to be worthwhile shooting a couple of pumpkins to find out how we got to this situation where the United States House of Representatives was taken over by impostors, by people who pretended to be Members of this House and passed legislation so negative in its consequences that once the rest of us were able to wrest control back from these invaders, we pretty much got rid of it.

Madam Speaker, there is obviously something lax about our security. There is something that has gone completely wrong when legislation passed in 1997 is celebrated by the people on this floor, and 2 years later the rest of us have to undo it.

So I hope, Madam Speaker, over this break we will try to find ways to prevent any recurrence, because the situation in which people, and we do not know who they were, but in which these masked men and women came in here and replaced the thoughtful Members of this House and inserted themselves into the voting machines and passed irresponsible cuts in Medicare and passed caps that have become a joke, we must not allow that to happen again.

Madam Speaker, eternal vigilance is all that stands between us and a repeat of that 1997 debacle.

INTRODUCTION OF LEGISLATION ADDRESSING NAZI ASSET CONFISCATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. RAMSTAD) is recognized for 5 minutes.

Mr. RAMSTAD. Madam Speaker, over 50 years ago Nazi Germany began a systematic process of eliminating an entire race. Over 6 million men, women, and children lost their lives in this tragic chapter in human history simply because they were Jewish.

□ 1945

Others were forced to work as slaves in German factories. Some were subjected to brutal experiments, and others had their assets and belongings stolen from them and given to those of Aryan stock or used by the German government in its war effort.

Amazingly, Madam Speaker, these criminal acts of confiscation have yet to be settled. The United States Government is currently involved in negotiations between German companies and Nazi victims here in the United States which could lead to compensation for some of the victims.

I believe the companies which profited from their complicity with the Nazi regime and the Holocaust should pay for their actions. It is absolutely appalling, Madam Speaker, that to this day, German banks and businesses have failed to admit their role in the grand larceny and conspiracy of the Jewish race. Also, they have not returned the fruits of their crimes. It is absolutely inexcusable that German banks and businesses continue to deny their involvement and refuse to compensate the victims.

That is why today, Madam Speaker, I am introducing legislation to allow victims of the Nazi regime to bring suit in U.S. Federal court against German banks and businesses which assisted in and profited from the Nazi Aryanization effort.

My legislation would clarify that U.S. courts have jurisdiction over these claims and would extend any statute of limitations to the year 2010.

Now, there are people who say this occurred too long ago and that we should leave these events in the past. Madam Speaker, I strongly and fundamentally disagree. There must never, never be a statute of limitations on Aryanization, as genocide and related crimes should always be punished.

These companies, these banks need to come forward, open their books, and return their criminal profits to close this open wound on the soul of humanity.

Madam Speaker, this legislation that I am introducing today will right a terrible wrong in the annals of world history, and God knows it is long overdue.

HONORING RICHARD MASUR, PRESIDENT OF THE SCREEN ACTORS GUILD

The SPEAKER pro tempore (Mrs. WILSON). Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes.

Mr. CONYERS. Madam Speaker, I am very delighted today to rise to honor Richard Masur who on November 12, 1999, completed his second term as president of the Screen Actors Guild, the world's largest union of professional performers.

Richard Masur was first elected to the Screen Actors Guild board of directors in 1989. He then went to vice president. In 1995, he became president and was then again reelected in 1997.

He is well known to film and television audiences. He starred in over 35 television movies, including the highly acclaimed chronicle of the AIDS epidemic and his Emmy-nominated performance in The Burning Bed. Three of his films are among the top 10 rated TV movies of all time. He has also taken a turn as the distinguished director of many productions.

In his role as the Screen Actors Guild president and a leader in the American labor movement, he participated actively in the Guild's international work as a member of the International Federation of Actors, assisting other performers' unions throughout the world in their struggle for recognition and the achievement of fair wages and working conditions.

One of the primary goals was to strengthen the international protections against the exploitation of performance images and performance in cyberspace. He urged Congress to pass the World Intellectual Property Copyright treaties, which applied the international copyright law to on-line violations.

Also, under his leadership, the Screen Actors Guild became a national leader in the debate over actor diversity in the entertainment industry. He passionately advocated for the accurate portrayal of the true American scene, for color-blind casting and nontraditional thinking where it was appropriate so that the diverse American audience would see itself reflected on the screen in the stories that we tell.

As the Screen Actors Guild president, he established the Guild's first government relations department. In its first 2 years of operation, he was the principal voice and primary advocate in a successful Federal and State legislative agenda, which included a number of issues, including legislation that would provide the first ever legal protections for performers residual compensation, the economic rights of senior performers, the protection of both compensation, education, and the working conditions of child performers, and the right to personal privacy for the Guild's highest profile performers.

Over his 25 years performing as a professional actor, Richard Masur has sustained his activist commitments to issues of political and social justice, ranging from universal health care to international human rights. He has established an unassailable reputation for honesty, integrity, and selfless commitment, not only to his fellow performers, but to all of his fellow citizens as well. His creative and innovative approaches to problem solving has set him apart as a leader in the entertainment community.

He has been a bridge builder between diverse communities and diverse interests, illuminating our understanding of many issues by drawing the common threads together. All in all, he has added to our culture. We respect and revere him.

At this point, we salute our dear friend, Richard Masur, for his services to the Screen Actors Guild and to our citizenry at large. I am sure many of my colleagues will join me in wishing him much success in his future endeavors.

INTRODUCTION OF THE NATIONAL RECORDING PRESERVATION ACT OF 1999

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. HOYER) is recognized for 5 minutes.

Mr. HOYER. Madam Speaker, since the development of audio-recording technology in the 19th Century, composers, musicians, and others have joined to create thousands of sound recordings which have amused, entertained, and enriched us individually and as a Nation. Sadly, as the 21st Century approaches, many of America's most previous sound recordings, recorded on perishable media, may be lost forever unless we act to preserve them for the use and enjoyment of future generations.

Today I am introducing, along with the gentleman from Ohio (Mr. NEY), the gentleman from Florida (Mr. DAVIS), the gentlemen from Tennessee (Messrs. CLEMENT, GORDON, WAMP, TANNER, FORD, DUNCAN, and JENKINS), the gentleman from New York (Mr. SERRANO), and the gentlewoman from Missouri (Ms. MCCARTHY), an important measure designed to help preserve this irreplaceable aspect of America's cultural heritage. I hope all Members will join us in support of this effort.

In 1988, Congress wisely enacted the National Film Preservation Act, which established a program in the Library of Congress to support the work of actors, archivists and the motion-picture industry to preserve America's disappearing film heritage. The bill we introduce today, the National Recording Preservation Act, follows the trail blazed by the Library's successful film program.

The measure would create a National Recording Registry at the Library to identify, maintain and preserve sound recordings of cultural, aesthetic, or historic significance. Each year the Librarian of Congress will be able to select up to 25 recordings or groups of recordings for placement on the Registry, upon nominations made by the public, industry or archive representatives; recordings will be eligible for selection ten years after their creation.

A National Recording Preservation Board will assist the Librarian in implementing a comprehensive recording preservation program, working with artists, archivists, educators and historians, copyright owners, recording-industry representatives, and others. A National Recording Preservation Foundation, chartered by the bill, will encourage, accept and administer private contributions to promote preservation of recordings, and public accessibility to the Nation's recording heritage, held at the Library and at other archives throughout the United States.

The bill authorizes appropriations of up to $500,000 per year for seven years to fund the Library's preservation program, and up to $500,000 yearly for the same period to match the non-federal funds raised by the Foundation for preservation purposes.

I include for the RECORD a letter received from Dr. James H. Billington, the Librarian of Congress, expressing his strong support for this measure, which will be introduced in the Senate by the senior senator from Louisiana (Mr. BREAUX).

Madam Speaker, my co-sponsors and I fervently hope that by enacting this modest bill, the Congress, working with the private sector to leverage the available resources, can spark creation of a comprehensive, sensible and effective program to preserve our Nation's sound-recording heritage for our children and grandchildren. We look forward to its quick enactment.

LIBRARY OF CONGRESS
BICENTENNIAL 1800–2000,
Washington, DC, November 9, 1999.

Hon. STENY H. HOYER,
Committee on House Administration, House of Representatives, Longworth House Office Building, Washington, DC.

DEAR MR. HOYER: Thank you for seeking comments from the Library of Congress on your draft legislation to create a National Sound Recording Board and Foundation. We have had great success with a similar program to preserve the nation's film heritage, and I believe your legislation will allow the Library to build on that success in developing a national program for sound recordings.

The key components of the legislation—a national recording registry, an advisory board bringing together experts in the field, and a fundraising foundation—have all been reviewed by the staffs of the Library's Motion Picture, Broadcasting and Recorded Sound Division and American Folklife Center, as well as our legal staff, and appear to provide the necessary elements of a comprehensive program to ensure the survival, conservation, and increased public availability of America's sound recording heritage.

I am pleased that the legislation includes a directive for a comprehensive national recording preservation study and action plan, such as the one produced in 1993 under Congressional directive, which laid the framework for a national film preservation program. This study would serve as the basis for a national preservation plan, including setting standards for future private and public preservation efforts, and will be conducted in conjunction with the state-of-the-art National Audio-Visual Conservation Center we are developing in Culpeper, Virginia. The Center and the program created by your legislation will each benefit from the existence and work of the other.

I support the bill in both goal and substance. I will need your support, however, in assuring that any funds appropriated for the Board or Foundation are new funds added to the Library's base. We cannot afford to absorb these costs, as happened this year with funds for the National Film Preservation Foundation. Please thank your staff members, Bob Bean and Michael Harrison, for their hard work and extensive consultation with the Library in developing this legislation. Please let me know if Congressional staff would like to visit the Library's sound recording program to see what we do currently and how your legislation might be implemented.

Sincerely,

JAMES H. BILLINGTON,
The Librarian of Congress.

TEAR DOWN THE WALL OF MILK MARKETING NONSENSE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. GUTKNECHT) is recognized for 5 minutes.

Mr. GUTKNECHT. Madam Speaker, every morning back in Minnesota, on about 8,300 farms, the lights go on between 4:30 and 5 o'clock in the morning. On those 8,300 dairy farms, people get up; the farmers get up to go out and milk their cows. Now, if there was a group of people in America that works harder than our dairy farmers, I do not know who they are.

Ever since 1937, the dairy farmers in the Upper Midwest have labored under the yoke of the milk marketing order system. It is a convoluted, complicated, and unfair system whereby the price that the dairy farmers receive for their milk is priced based on how far they are away from Eau Claire, Wisconsin. It makes absolutely no economic sense. Now, it may have made sense back in 1937 before the refrigeration we have today, before the interstate highway system that we have today; but it makes no sense today.

In fact, Justice Scalia described the system as Byzantine. Ever since about 1938, those of us who represented the good dairy farmers in the Upper Midwest have been trying to get this system reformed. We have asked for just a modest amount of reform.

Finally, in the last farm bill, we made an agreement that we would request that the Secretary of Agriculture, Mr. Glickman, would come back with a proposal to level the playing field at least a little bit in this milk marketing order system so that dairy farmers in the Upper Midwest would not be punished as much just because their dairy farms are located closer to Eau Claire, Wisconsin, than dairy farms in other parts of the country.

Finally, the Secretary of Agriculture came back with a plan, a modest plan. It was not strong enough for many of us. We wanted more reform than the Secretary brought forward. But in the sense of compromise, we were willing to live with that. But, unfortunately, some of our colleagues from the rest of the parts of the country said no, no, no, we cannot even have that modest amount of reform.

Well, Madam Speaker, I want to share with my colleagues some excerpts of an article that was written back in about 1985 about a U.S. Representative from the State of Texas who was a former economics professor. He is the gentleman from Texas (Mr. ARMEY). The title of the article is "Moscow on the Mississippi; America's Soviet-style Farm Policy." Let me just read some excerpts from this article.

He starts off by saying, "Even as perestroika comes to the Communist world, our own Federal farm programs remain as American monuments to the folly of central planning. If we have reached the end of history with the vindication of free economy, the USDA has not yet heard the word.

"Fifty years ago, when the Roosevelt administration announced certain 'temporary emergency measures,' farm programs were highly controversial." Even Henry Wallace, the Secretary of Agriculture "who conceived the idea, remarked, 'I hope we shall never have to resort to it again.' The USDA has been resorting to it ever since.

"Under the current farm law passed in 1985," and this was in 1986, I believe, the article was written, passed in 1985, "the Department of Agriculture has paid dairy farmers to kill 1.6 million cows."

I go on. He says, "Under the dairy program, local dairy cooperatives are allowed to form government-protected monopolies. Because there is no competition, people have no choice but to buy the milk at higher prices, which is a good arrangement for the big cooperatives, but a bad arrangement for parents who buy milk for their children. The resulting dairy surpluses have been reduced by government's paying dairy farmers" large amounts "to slaughter or export their cows and leave dairy farming for" at least "5 years."

"Like any central planning effort, whether in the Soviet Union or the American Corn Belt, all supply-control policies are riddled with irrationalities and unintended consequences. Even though the USDA has one bureaucrat for every six full-time farmers, fine-tuning the farm economy is a difficult task."

I go on and I quote from the end of this column where he says, "Repeal all marketing orders. Current law prohibits the Office of Management and Budget from even studying them. Marketing orders should be repealed.

"Terminate the dairy program."

Well, Madam Speaker, I say to the gentleman from Texas (Mr. ARMEY) and the gentleman from Illinois (Mr. HASTERT), a wall of protectionism cannot stand against free markets. Milk marketing orders cannot be explained, let alone defended. Compacts are trade barriers. Trade barriers are walls.

I say to the gentleman from Texas (Mr. ARMEY) and the gentleman from Illinois (Mr. HASTERT), if they mean what they say about perestroika and open markets, then come here to the well of this House and stop the milk marketing nonsense. Tear down this wall.

COMMEMORATION OF THE 66TH OBSERVANCE OF UKRAINIAN FAMINE

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Madam Speaker, as a cochair of the Congressional Ukrainian Caucus, I rise to commemorate the 66th observance of the Ukrainian Famine, to help record this century's largely untold story of famine and repression in the former Soviet Union.

During 1932 and 1933, the people of Ukraine were devastated by hunger, though not the kind caused by unfavorable natural conditions. Instead, only certain regions or a part of the country suffered famine while the government of the former Soviet Union turned their backs upon the population.

The famine of 1932 and 1933 stemmed from political rather than natural causes. In 1932, Ukraine had an average grain harvest of 146,600,000 metric tons of wheat, and there was no danger of famine, or at least there should not have been.

But the famine was first and foremost a planned repression of the peasants by the Soviet government for their resistance to collective savings. Second, it was an intentional attack on Ukrainian village life, which was the bulwark of Ukrainian heritage. Third, it was the result of the forced export of grain in exchange for imported machinery which was required for the implementation of the policy of industrialization.

The events of 1932 and 1933 are considered a man-made famine because food was available. But what happened was politically motivated. It characterized the Soviet system and ultimately resulted in the deaths of over 6 million people, including our great grandparents.

□ 2000

People died by the millions, and they were piled at the village edge like cord wood. According to Stalin's commands and the law that was enacted in 1932, Party activists confiscated grain from peasant households. Any man, woman, or child either could be, and often was, executed for taking a handful of grain from a collective farm field or was punished by 10 years of hard labor.

Gangs of Communist Party activists conducted house-to-house searches, tearing up floors and delving into wells in search of grain. Those who were already swollen from malnutrition were not allowed to keep their grain, and those who were not starving were suspected of hoarding food. An average peasant family of five had about five pounds of grain a month to last until the next harvest.

Lacking bread, peasants ate pets, rats, bark, leaves, and garbage from the well-provisioned kitchens of Party members. There were occurrences of cannibalism. People dug in the frozen ground with their raw hands to find even an onion for soup. But many villages died out, in spite of the fact that party activists continued confiscating grain.

The unprecedented calamity came in the winter and spring of 1933, before a new harvest could be gathered, when the world population was left without any means of sustenance and authorities did not organize any supplies for the villages. Some villages in the regions of Poltava, Kharkiv, and Kyiv were completely deserted by the spring of 1933.

When the casualties of collectivization, famine, the purges of the 1930s, and the nearly 6 million who died during World War II are combined, it is estimated that more than half the male and one quarter of the female population of the Ukraine perished. Along with these people, the achievements, lessons, and hopes that one generation communicates to another were destroyed. Under the circumstances, it was all the more remarkable that Ukrainian society had any strength left for self-assertion in the postwar period. In summing up the famine in Ukraine, it is no exaggeration to say that the Ukrainians' greatest achievement during that decade and this century has been to endure and survive.

In this sense, we must recognize the Ukrainian famine on a yearly basis to bring light to the tremendous sacrifices a people had to endure. Last year we commemorated the 65th anniversary of the Ukrainian famine with a commemorative resolution. Later this week, on November 20, the Ukrainian community will have an opportunity to commemorate the fallen victims of the famine with an ecumenical service and program at St. Patrick's Cathedral in New York City. I join with the Ukrainian-American community in commemorating this tragic period in the world's history, certainly in the history of Ukraine. Always remember, never forget.

And here in America we will attempt to tell the history of a people who struggle even today to build a nation where democratic reforms and freedom are possible for millions and millions of those who survived and those who remember the great price that their families paid only because they wanted to be free.

UNPREPAREDNESS OF U.S. ARMY

The SPEAKER pro tempore (Mr. TANCREDO). Under a previous order of the House, the gentleman from Tennessee (Mr. DUNCAN) is recognized for 5 minutes.

Mr. DUNCAN. Mr. Speaker, last week, The Washington Post ran a front-page story that said the U.S. Army has rated 2 of its 10 divisions unprepared for war due to the "strain of open-ended troop commitments in Bosnia, Kosovo and elsewhere."

This unpreparedness is the result of spending so many billions in Kosovo, where we made the situation many times worse by going in than it was before we started bombing. This unpreparedness is the result of spending many billions in Bosnia, where we had U.S. troops giving rabies shots to Bosnian dogs and where the military's greatest problem was boredom of the troops. This unpreparedness is the result of spending billions in Haiti, where, according to The Washington Post, we had our troops picking up garbage and settling domestic disputes. This unpreparedness is the result of spending even now, according to the Associated Press, $1 million a day on a forgotten war in Iraq that is doing us no good at all.

In fact, almost all of these foreign misadventures, in addition to weakening our military and costing U.S. taxpayers many billions of dollars, all of these misadventures are making new enemies for this Nation all of the time. Haiti, Rwanda, Somalia, Bosnia, Kosovo, Iraq, and billions and billions and billions of U.S. taxpayers' money, all spent at a time when we are still almost $6 trillion in debt, and all spent where there was absolutely no threat to U.S. national security.

In addition to these problems is the fact that our constitution is being ignored. Syndicated columnist Doug Bandow wrote "When the U.S. attacked Yugoslavia earlier this year, it inaugurated war against another sovereign state that had not attacked or threatened America or an American ally. The President, and the President alone, made the decision. The constitutional requirement that only Congress shall declare war is obviously a dead letter. Yet the administration's embarrassing bungling in Kosovo illustrates just why the Framers intended that the decision to go be nested in the legislative.", according to Mr. Bandow.

He also quoted Abraham Lincoln, who said "Kings had always been involving and impoverishing their people in wars, pretending that the good of the people was the object." Lincoln added that the constitutional requirement that only Congress could declare war came about because war was "the most oppressive of Kingly oppressions; and (the Framers) naturally resolved to so frame the Constitution that no one man should hold the power of bringing this suppression on us."

James Madison wrote that "The Constitution supposes, what the history of all governments demonstrates, that the executive is the branch of power most interested in war and most prone to it. It has accordingly, with studied care, vested the question of war in the legislature."

Of course very few people seem to care that we so routinely violate our constitution today.

The Christian Science Monitor had a special section last year showing that there were little wars going on in over 40 places around the world. If we try to stop them all, we can forget about Social Security, Medicare, the national parks, and almost everything else the Federal Government does.

Do we now go into Chechnya and stop the Russians from killing people there? Do we start now attacking the Albanians, who have been killing the Serbs in Kosovo now that the shoe is on the other foot? Of course not. We only go where CNN tells us to by whichever hot spot they are playing up at the moment.

We need to stop turning our military into international social workers. We need to restore our constitutional form of government, and we need to stop sending troops in and bombing people where there is no real threat to our own national security. And we need to stop spending so many billions of hard-earned tax dollars in military misadventures when so many families have to have both mother and father working so that one can pay all the Federal, State and local taxes imposed upon them.

One other unrelated topic, Mr. Speaker, which also shows that the Federal Government is simply too big, is the report just out that the wife of a member of the other body has been paid $2.5 million by just one company over the last 6 months in lobbying fees. When the Federal Government was much smaller, no one was paid $2.5 million for 6 months of lobbying, especially by just one company.

It seems to me that it should be wrong for the wife of a Senator or for any one person to be paid $2.5 million in just 6 months to lobby any department or agency of the Federal Government. This is the type of thing that goes on thanks to liberals who have made our Federal Government so big and have given it so much money that it is simply now out of control.

RETIREMENT OF SHERLYNN REID

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

Mr. DAVIS of Illinois. Mr. Speaker, at the end of the millennium we have received and continue to receive and to see and hear and give great attention to the fact that we are moving into a new era. And as we move forward, it serves us well to look back and see from whence we have come.

However, there are dates which are truly beginnings or ends of eras. The village of Oak Park celebrated such an event November 1 of this year. After 29 years at Village Hall, at age 64, Sherlynn Reid, a lifetime advocate of diversity and racial balance in Oak Park, retired as Director of Community Relations for the Village of Oak Park, Illinois.

Oak Park is a vital, exciting community, home to more than 53,000 residents of different cultures, races, ethnicities, professions, life-styles, religions, ages and incomes. Diversity is highly prized, promoted, and nurtured in this community; and it has played an important role in defining the economic, cultural, and social character of this unique community.

Oak Park works hard to ensure a desirable quality of life. Oak Park established a Citizens Community for Human Rights and the Community Relations Commission in 1963 to assure all residents of equal service and treatment. The commission works to improve intergroup relations without regard for race, color, religion, national origin, or sexual orientation. It works to ensure good human race and community relations and reduce tensions, and acts as a hearing panel for resolution of discrimination.

In 1968, the Village Board approved one of the Nation's first local fair housing ordinances, outlawing discrimination. In 1973, the Village Board approved the Oak Park Diversity Statement.

Sherlynn Reid started at Village Hall as a Community Relations Representative in 1973 and became Acting Community Relations Director in 1977. Shortly afterwards, she was appointed Director of Community Relations. The Community Relations Department enforces the Village's Human Rights Ordinance, the Fair Housing Policy and promotes Oak Park's Racial Diversity Policy. The Department participates in block organizing, community safety programs, conducts multi-cultural training and networks with community agencies and groups.

Miss Reid was instrumental in creating the Committee of Tomorrow's Schools, the quota ordinance of 1974, the equity assurance ordinance, and the organization of the gang and drug task force. She serves as volunteer in charge of girls guidance for the John C. Vaughan Scholarship Cotillion and is the youth chair for the West Town's chapter of LINKS Incorporated, a national service organization for young and adult women.

She has a special place in her heart for the annual Friends of the Library used book sale, which each year now occupies an entire floor of the Oak Park/River Forest High School. Village Manager Carl Swenson said, "I can think of no other person who has had such a positive impact on this community. She is irreplaceable. It is a loss for us, but she is not leaving the community, she will still be here."

Reid responded with typical modesty. "I will miss it. I enjoyed my job. I may get all the attention for what they do, but a lot of people in the community have added to what I have done. The people in this community are key, and I have enjoyed working for and with them. I feel it is crucial the community remain racially diverse. It is not a one or two-person job."

Sherlynn Reid plans to spend more time with her daughters and grandchildren but has promised to remain active in the community. She intends to finish writing two books, My Oak Park, and another one on her family.

Sherlynn Reid leaves behind a living legacy, a legacy of love and respect, a legacy of struggle for equality and fairness, a legacy of building unity based on our infinite diversity, a legacy of unlimited economic and cultural growth and prosperity based on the fullest participation of every resident.

Her legacy will continue to develop, and regardless of her retirement, she will continue to help shape the future of her community. We congratulate Sherlynn on the occasion of her retirement, and look forward to working with her for many more years to come in continuing to build an outstanding community.

U.S.-CHINA WTO AGREEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DREIER) is recognized for 5 minutes.

Mr. DREIER. Mr. Speaker, I am very happy to report to my colleagues of the good news we received just yesterday that American and Chinese trade negotiators have reached what appears to be a very good agreement to bring China into the World Trade Organization.

Now, in plain English, this is a win-win-win deal for American values and American interests. First, it is a win for fairness. In the world of global trade, the United States plays by rules. We open our market to everyone, which is a huge benefit to America's consumers and businesses alike. But, unfortunately, as we all know, everyone else does not follow those same rules. They do not all fall in line that way.

Up until now, China has been at the top of the list of those who fail to follow those rules.

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But now they are agreeing to play by the rules. Of course, we know it will take a lot of diligence and effort to actually press the Chinese to live up to their commitments, but this is the only way that we can move forward.

Second, this is a win for our world-class American workers and businesses. Mr. Speaker, the fact is that the Chinese market has largely been closed off from foreign competition. America's world-class businesses, manufacturers, high-tech companies, entertainers, farmers, financial institutions, and on and on and on, have never been able to effectively compete for sales among the 1.3 billion consumers in China.

Now, of course, we need a reality check here. Let us not live under some illusion that China is the key to the future of the world economy. But let us also agree that China is an important emerging economy in the key Asian-Pacific region. Business leaders across the globe and in every part of America know that being shut out of China, especially as China opens up to the world, would be a huge mistake. We finally have a deal to get our guys on to the playing field so that we, as Americans, can compete.

And guess what? I am very confident, Mr. Speaker, that our guys will win most of the time, because America's businesses and America's workers are the most competitive and the most efficient on the face of the Earth.

Finally, Mr. Speaker, this is a win for American values inside China, values like the rule of law and personal freedom. Again, let us not lose sight of reality. There is a lot wrong with how the Chinese government does business. We all know about that, and we all decry that. Just like it has not followed the rules of international trade and business, it has also failed to follow the rules of fundamental human rights and freedom.

Mr. Speaker, I hope that this trade deal, which will bolster the rule of law in Chinese business and trade dealings, will move individual rights forward in China.

I was especially pleased that Martin Lee, the leading advocate of democracy for the Chinese people, based in Hong Kong, supports bringing China into the world trade system of rules and laws for this reason. That is certainly a very good and positive sign.

Mr. Speaker, the relationship between the United States and China is both complex and varied. No agreement, no trade deal, can solve every problem or answer every question. But this trade agreement moves the ball forward on very key issues.

It is a win-win-win for fairness, new markets, and our Western values in China. It is a good deal for America.

HONORING NATIONAL FEDERATION OF THE BLIND

The SPEAKER pro tempore (Mr. TANCREDO). Under a previous order of the House, the gentleman from Maryland (Mr. CUMMINGS) is recognized for 5 minutes.

Mr. CUMMINGS. Mr. Speaker, "change ordinarily evolves over hundreds of years, but when a fundamental difference in the way we view the world comes quickly, the shift in our thinking is called revolution." Such revolution "takes place not because the governing institutions have had a change of heart, but because the pressure brought to bear by individuals organized for collective action has added the necessary impetus."

These words were spoken by Kenneth Jernigan, past president of the National Federation of the Blind, a revolutionary organization with the philosophy that blind people, if organized throughout the land, have the strength and purpose to change the course of history.

The NFB was founded in 1940 at a time when the opportunities for blind persons were lacking and society's attitudes towards them was, sadly, one of misunderstanding and negativity. This was also a time when there was no rehabilitation for blind persons, no libraries, no opportunity for higher education, no jobs in Federal service, no hope in the professions, no State or Federal civil rights protections.

But that was another time, another generation. Headquartered in Baltimore, the National Federation of the Blind is today what its founders dreamed it would become, a truly revolutionary organization ensuring that blind people get equal treatment and a fair shake. It is the Nation's largest consumer advocacy organization of blind persons and is considered the leading force in the blindness field today.

With 50,000 members, the NFB's influence is felt throughout the Nation, with affiliates in all 50 States, plus Washington, D.C., and Puerto Rico, and over 700 local chapters.

The mission of the NFB is twofold. First, it strives to help blind persons achieve self-confidence and self-respect. Second, the organization acts as a vehicle for collective self-expression by the blind. These goals are achieved through the organization's numerous initiatives, which include educating the public about blindness and literature and information services, ensuring that blind persons have access to aids and appliances and other adaptive equipment, increasing emphasis on the development and evaluation of technology, and continued support for blind persons and their families through job opportunities and special services.

NFB's commitment is critical to the 750,000 people in the United States who are blind and the 50,000 that will become blind each year.

Recently I participated as the honorary chair in the NFB's Newsline Night '99. This yearly event makes it possible to support one of the organization's important services, an electronic text-to-speech telephone-based service which delivers seven national and over 20 local newspapers to blind persons throughout the country.

Technology enables national and local news to be available on Newsline by 7:00 a.m. each morning. The service began as a pilot project in the Baltimore-Washington area, and Newsline Baltimore began delivering newspapers and other material via local phone lines in 1996. This revolutionary idea assists approximately 11 million Americans who cannot read regular print but would enjoy the receipt of news and information over a cup of coffee like the rest of the seeing population.

In addition to the Newsline service, NFB supports a job opportunity service, a materials center containing literature and aids and appliances used by the blind, and the International Braille and Technology Center for the Blind, which is the world's largest and most complete evaluation and demonstration center for speech and Braille technology.

When looking in total at all the services that the NFB provides and all of its accomplishments, one can say without hesitation that this organization is truly revolutionary.

I encourage the organization to continue its revolutionary crusade towards full citizenship and human dignity for equal rights and for the right to work with others and do for yourselves. I also challenge all of us who have sight to recognize that we are all human and, thus, alike in most ways. However, we each have unique characteristics that allow us to contribute to society in special ways. Respect for such differences implies, then, just allowing someone in. It implies that we have something to learn and a benefit to gain from others who are different from us.

I close with a quote from Jacobus TenBroek, the first president of the NFB, to summarize this concept. He said, "In order to achieve the equality that is their right, in order to gain the opportunity that is their due, in order to attain the position of full membership in the community that is their goal, the blind have continuing need for the understanding and sympathy and liberality of their sighted neighbors and fellow citizens. The greatest hope of the blind is that they may be seen as they are, not as they have been portrayed; and since they are neither wards nor children, their hope is to be not only seen but also heard in their own accents and for whatever their cause may be worth."

UNFINISHED BUSINESS OF CONGRESS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I just would like to spend some time tonight, and I am going to be joined by the gentlewoman from Connecticut (Ms. DELAURO), talking about the unfinished business of this Congress and of this House of Representatives.

We know that it is likely, either tomorrow or within the next few days, that the Republican leadership will bring up probably an omnibus appropriations bill, better known as the budget, I guess, for most people.

We, as Democrats, have been very critical of the Republican leadership because since October 1, which was the beginning of the fiscal year, they have not been able to complete the budget, the appropriations process. And that process now is, I guess, about 6 weeks overdue and they have not been able to effectively legislate and keep the Government going by providing the budget that we need for this fiscal year.

We have also been critical of the fact that already, even though they keep bringing up the issue of Social Security and spending the Social Security surplus, already, if we look at the appropriations bills that they passed, they clearly have dipped into the Social Security Trust Fund.

At the same time, they have also broken the caps. One of our colleagues, the gentleman from Massachusetts (Mr. FRANK), was here just a few minutes ago giving a special order and talking about how the caps under the Balanced Budget Act have really become a thing of the past.

But I did not really want to dwell on this tonight because I think it is evident that the budget process has been a mess. But, hopefully, over the next few days, there will be a budget passed; and we will have an appropriations and a budget for this fiscal year.

The larger problem, though, I think is the unfinished business of this Congress and the unfinished business of this House of Representatives.

Republicans are, basically, ready to leave town now, not having addressed most of the concerns that my constituents bring to my attention. And these are the concerns that the average family has in this country, whether it is Medicare, seniors asking me about the need for a prescription drug benefit; HMO reform, which myself and my colleague from Connecticut have been on this floor so many times in the last couple of years demanding that the Patients' Bill of Rights be passed.

We finally did manage to get it passed, but so far there has been no conference between the House and the Senate on the Patients' Bill of Rights, and the Republican leadership is obviously just trying to kill HMO reform by not having the conference take place and hoping that the issue will go away.

I just mention those two issues because I think they are very important. But there are a lot of other issues: gun safety, the issue of school construction, campaign finance reform. There are many that need to be addressed.

I would like to yield to my colleague, the gentlewoman from Connecticut (Ms. DELAURO), but before I do that, I just want to say very briefly that I get so many letters from my constituents about the fact that this Congress has not addressed the problem with prescription drugs, the increased cost of prescription drugs, the fact that seniors do not have access to them because Medicare does not cover it as a basic benefit, and also about HMO reform and the need for HMO reform.

This letter just came to my office in the last few days before we came back. I think I received it on Friday of last week from one of my constituents in my hometown of Long Branch, New Jersey. I am just going to read part of it because it is so simple, but it says it all:

> Dear Congressman Pallone,
>
> I know how hard you have fought for the HMO Patients' Bill of Rights. This legislation is supposed to protect the public from the insurance company's over-zealous quest for profits. I have an Aetna U.S. Healthcare Medicare plan. Aetna gets the $45 from Medicare Part B. As of January 1, 2000, the rate will have increased by $35. That is a 78 percent increase, and they have dropped the prescription drug benefit. I don't know how they can justify that kind of increase. My plan is to drop the HMO coverage and take the Part B from Medicare.

Now, you know, Mr. Speaker, this just says it all to me. How many constituents have come into my office, have called me and sent me letters and complained about the fact that they cannot afford prescription drugs? How many people that actually have some kind of prescription drug benefit as part of their health insurance have been dropped, that prescription drug benefit has been dropped or the co-payments or the deductibles or everything have gone up? And how many people have complained to me about abuses relative to HMOs and the problems they have experienced with HMOs?

I only read this letter and I start out this evening by talking about these two health care issues because these are just common sense things. These are things that people talk to us about on the streets every day. These are the kinds of things that the gentlewoman from Connecticut (Ms. DELAURO) and I are going to be hearing about over the next 6 weeks after this House adjourns over the next few days.

It is really unfair that this Republican leadership does not address these issues and just leaves this unfinished for the next year because the public is crying out for this kind of legislation to address these issues.

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I yield to my colleague from Connecticut.

Ms. DELAURO. I thank my colleague from New Jersey for taking this time to talk about really quite a serious issue. I think we should try to put this in some kind of a perspective. First of all, let me mention that we are going to be gone from here within the next few days. We do not know how many more days there will continue to be the deliberation on the budget, but the fact is that if we do have an opportunity after the Republican leadership has been fighting tooth and nail, more cops on the beat, more teachers, reduced class size, if in fact there are some gains in that area, we will feel vindicated and we will be very, very pleased. They are important victories for working families. That is what we want to do. That is why we come here. We want to try and protect those vital priorities.

But that leads me to say that one has to take a look at why we are here. Each of us comes as a direct result of elections, people cast their votes and they say, FRANK PALLONE of New Jersey, ROSA DELAURO of Connecticut, of the Third District, we think you will do a good job on our behalf. Each of the 435 Members who comes here has that kind of trust. It is a responsibility as well as an opportunity. What we try to do is to take very seriously that responsibility, those obligations, and try to reflect the will of the people in this body. It is the People's House. But the kinds of issues that you have talked about, the health issues and as you go through the list of the unfinished business and whether it is HMO reform or prescription drugs or gun safety or minimum wage, Social Security or Medicare, in each of these areas we know that the public is clamoring for some kind of relief. If it is on HMO reform, they are desperate to get back to doctors and patients and themselves making their medical decisions. They are desperate and clamoring for the notion that, my gosh, if something goes terribly wrong with a course of medical action that has been, if you will, prescribed by an HMO, that they in fact cannot get any accountability, any relief, they have no place to go. They worry about that for themselves and their families.

You mentioned prescription drugs. You know and I know that people are making those hard decisions every day as to whether or not to fill their prescriptions or buy food, because the cost of prescription drugs continues to escalate. Gun safety. We know that it is now 7 months since Columbine, that terrible tragic case and there have been subsequent tragedies, and yet modest gun safety legislation cannot seem to see the light of day, when we have parents and children saying, help us to make our communities safe.

Minimum wage. We are at a time in this country over the last 10 years where chief executive officers of corporations have seen their wages escalate 481 percent over the last 10 years. In fact, workers have seen only a 28 percent increase and quite frankly if workers' salaries had gone up as much as the CEO salaries, the minimum wage would be roughly about $22. People want to raise their standard of living. They are working very, very hard. Social Security and Medicare, bedrock programs which have lifted, really lifted and provided a retirement future, retirement security for so many hardworking men and women in this country. These are the issues that people speak to us about. These are the issues that they are concerned and worried about. This is what they feel that they have given us their trust to do something about.

Yet there is a hard core minority within the majority party, within the Republican Party here, that has said "no" to these pieces of legislation, when there has been real bipartisan support. As you know, HMO reform, campaign finance reform which I did not mention, but there were bipartisan gun safety measures in the Senate. If this were just one-sided, you might say that, "My gosh, all these folks on the Democratic side are wrong. These are not issues that people care about." But, in fact, it does not make any difference what party you are about, what your party identification is. Prescription drugs, HMO reform, gun safety, minimum wage, Medicare/Social Security, they know no party affiliation. People just expect that we are going to do the best we can on their behalf. And, yet, this majority party, this Republican leadership, has bottled these bills up after they had passed in the House, after they have real bipartisan support. They have said "no." So they thwart the will of the Members who serve here, but much, much more importantly, they thwart the will of the American public. It is wrong. It really is. That is not why we were sent here. We cannot subsume all of this legislation that in fact has a tremendous impact on what people's lives are about because we may have some individual views or there may be some special interests out there that provide us with funding for campaigns, for some reason that we do not like, that I do not like or the gentleman from New Jersey does not like or the gentleman from Maine does not like that particular thing. That is not why we are here. We have an obligation. We have responsibilities to those people who send us here. We do not come here on our own. We are sent here to do the public's work.

What this does, when the Republican leadership thwarts the will of the public, they fray that public trust. And we find wherever we go people say, "Well, I have got to make it on my own, because those folks in Washington are not going to make a difference in the lives of my family, of my work." That is sad, that is very sad, because that is not what we are supposed to be about. I lament that, you do, my colleague from Maine does, and people on both sides of the aisle. My hope, and it certainly is not going to happen in the next few days of this year, of the 106th Congress, but we have to make that commitment that we will come back, and every day of the last year of this 106th Congress, of this session, that we pledge to make the fight for prescription drugs and HMO reform and gun safety legislation and Social Security and Medicare and the minimum wage. The public has got to know that we want to do that, and we are on their side on these issues.

There are those in this body who would do harm. Unfortunately, they are in the leadership of the majority party. That is wrong. I thank my colleague for calling us all together tonight.

Mr. PALLONE. I want to thank the gentlewoman. I just wanted to briefly comment on some of the things she has said because it is so true, and then yield to our colleague from Maine.

It is amazing to me because I have just seen the pattern from day one with every one of the pieces of legislation that you mentioned, and you are right, that ultimately when these bills pass the House, they are bipartisan. But what we see is the Republican leadership basically, for every one of these, HMO reform, Medicare prescription drugs, campaign finance reform, gun safety, we see Democrats introducing a bill, I will use the HMO reform as an example but I could use it for every one of the ones the gentlewoman mentioned. Democrats introduced a bill that would really make a difference in terms of correcting the abuses of HMOs. They get almost every Democrat to support the bill, to cosponsor it, as we say, and then they reach across to the other side of the aisle to try to get some Republicans who understand that this is an important issue and that something has to be done about it and we still cannot get the bill out of committee or to the floor because the Republican leadership because they are so dependent on special interests, in this case the insurance companies, will not bring it up.

What do we do? We file a discharge petition. We file it on a bipartisan basis, or we get some of the Republicans to join us. The numbers of the discharge petition, which is an extraordinary procedure that you should not have to use, is basically petitioning this House leadership to bring a bill to the floor because they will not go through the normal process in committee, and when we approach the magical majority of numbers to sign that discharge petition, then all of a sudden the Republican leadership decides they have to bring the bill to the floor. But they do not let the bill have hearings, they do not let the bill go through committee. They just manage to bring some bill to the floor that is usually exactly the opposite and does not have the reforms that are necessary to cure the problems with HMOs. Then when it gets to the floor, we have to make an extraordinary effort to amend the bill or to bring up the substitute that is an actual reform measure and finally we succeed. But almost a year has gone by by the time that happens. Then, because the Senate has not passed anything, we try to go to conference where the House and the Senate get together so that we can eventually send the bill to the President, and at that stage, they do not let the conference take place. We have done this over and over again.

My colleague from Maine has now just last week filed a discharge petition on his bill related to the price discrimination with regard to prescription drugs, and we filed another bill by the gentleman from California (Mr. STARK) and the gentleman from California (Mr. WAXMAN), a discharge petition, that would provide for the Medicare benefit. We are going to have to get people to sign the petitions when we come back in January. We will. We are all going to work on it, to make sure that we get those signatures and eventually bring these bills to the floor. But we have to exercise these extraordinary procedures. It is very difficult and it takes a long time and it is very easy for the Republican leadership through these procedural gimmicks to basically thwart the will of the real majority here.

I saw just the other day some of our Republican colleagues coming up on the floor and talking about the need for a prescription drug benefit. So we are starting to get some of them, too. But it does not matter because the House leadership, the Republican leadership is opposed to it.

I yield to the gentlewoman from Connecticut.

Ms. DELAURO. Our colleague from Maine will talk about this whole issue of prescription drugs. In the framework that we are talking about, this is not a program here, a program there. That is not what this is about, because budgets and legislation is created out of need. It is reflective of priorities, of values, of how you approach problems that people have. If you reflect on values and who we are and what you want to try to do with responsibility and providing opportunity and doing those kinds of things which is what this body is all about, one has to take a look at all of this through that prism of values and where our values lie in this body, because that is what infuses all of this. That is what prompts us to act. It is what we believe is the right thing to do on behalf of the people. That is what runs through all these pieces of legislation. They are not out there by themselves. I am sorry to take time from my colleague from Maine.

Mr. PALLONE. The thing that really worries me, too, my colleague from Connecticut talked about how the public starts to lose faith because they see all these procedural gimmicks and they think we are never getting anything done. That letter that I was quoting from from my hometown constituent, he ends the letter saying, "I think your best efforts have had less than the anticipated worthy results. Can something be done?"

As much as he has faith in me and my willingness to come down here and try to get a prescription drug benefit and HMO reform, he is doubting whether it is ever going to be accomplished. That is a sad thing. I yield to my colleague from Maine who is really the person who has done the most to bring to our attention this issue of price discrimination with prescription drugs. I appreciate all the gentleman has done.

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Mr. ALLEN. Madam Speaker, I thank the gentleman for yielding, and I thank the gentlewoman from Connecticut (Ms. DELAURO) for her eloquence on these topics.

What she has been saying is that we are not here to go through the motions. I remember when I was elected, I got a little handwritten note from a constituent of mine who had sent me a $20 check at some point during the campaign. And he said, when you get to Washington, remember the people who sent you there.

What he was saying is, all of those people who sent us here did not send us here to help ourselves, they sent us here to help them, to work for them. Occasionally, as I travel around my district in Maine, once in a while someone gets it right and comes up to me and says, we sent you there to work for us. It is true. If we forget that even for a day, we are slipping from our assignment.

Mr. Speaker, it was 3 years ago almost exactly to the day when I had just been elected for the first time. I came in for an orientation session. Our leader, our Democratic leader, the gentleman from Missouri (Mr. GEPHARDT) said something that I will not forget, partly because he does not let us forget it. He says it often. He said that "nothing important in this House ever gets done except on a bipartisan basis. Nothing important ever gets done in this House except on a bipartisan basis." That is why this year, when we look back at this year, we cannot help but be disappointed, because we have had opportunities. Let us look at two of them.

On two of the major issues that came before this body, we constructed a bipartisan majority made up mostly of Democrats, but of a number of courageous and determined Republicans.

Let us look at one issue, campaign finance reform. In the last session of this House, in the last Congress, it was a battle simply to get the bill to the floor. But this session of Congress, with the help of the Speaker, it came to the floor. And a substantial number of Republicans, I think 60 or more, voted with the Democrats to pass campaign finance reform in the House, but then the leadership appoints conferees and the issue dies. We do not get anywhere particularly in the other body.

The second example is the Patients' Bill of Rights. There is no question that the real Patients' Bill of Rights which we passed in the House of Representatives could not have passed without Republican support; not a lot of Republican support, but some Republican support. What happens? At the end of the day, the Speaker appoints conferees, only one of whom on the Republican side, only one of the 13 conferees, had actually voted for the Dingell-Norwood bill.

There again, a chance for a bipartisan accomplishment was lost, was lost, to the detriment of the people who sent us here to work for them.

A couple of other examples where we did not have the same kind of success. It seems to me that when we look at all of this, we tried to pass some modest gun safety provisions and the Republicans said no. We tried to improve health care by passing a Patients' Bill of Rights; some Republicans said yes, the majority said no, and the leadership said no.

In the other body there was an effort to ratify the comprehensive test ban treaty to make the world a safer place for all of us, and the Republicans said no. They have said no to prescription drug relief for seniors who need the help. They have said no to extending the solvency of social security. They have said no to extending the solvency of Medicare. Mr. Speaker, we have work to do for the people of this country in this House and it is not being done.

Let me come back for a moment, since both Members said I would talk about it, and I cannot sit down without talking about the issue of prescription drugs.

The gentlewoman from Connecticut (Ms. DELAURO) said that what we try to do here grows out of need. Here is a story about how this whole sort of issue of prescription drugs arose for me.

In the first year or so that I was elected, I would go to meetings with groups of seniors. I would go there talking about the issues that Washington wanted to talk about: Social security and Medicare, and the need to make those programs solvent for the long-term.

What my seniors said, they would pull out a little white slip of paper and say, what I am really worried about is the cost of these prescription drugs. So eventually when the Democratic staff on the Committee on Government Reform said they would be interested in doing a study, something I wanted to call attention to in my district, I said, please, can you do something on prescription drugs?

What we found by that study that has now been replicated in 130 districts across the country is that on average, seniors pay twice as much for their prescription medication as the drug companies' preferred customers: the big HMOs, the hospitals, and the Federal government itself through the VA and Medicaid.

That price discrimination needs to stop. I have one bill, the Prescription Drug Fairness for Seniors Act. The gentlemen from California, Mr. WAXMAN and Mr. STARK, have a bill to provide prescription drug benefits under Medicare.

We need both approaches. The bottom line is what the gentleman from Missouri (Mr. GEPHARDT) said over and over again, we cannot do anything important, and these are important issues, that is not done in a bipartisan way. We need some help from the other side.

Frankly, there is no need to wait. This is a disappointing year. We are coming back next year, however. We will go right back at it. We are going to do the best we can on these issues for the American people.

Next year I hope that we have a little different spirit in this House, that we get back to basics, that we remember who sent us here, that we remember why we came, and that we put aside the ideology that the Federal government cannot do anything or should not do anything or cannot do anything right or should not do anything, and we do the best we can for the American people.

If we do that, we will have some gun show safety positions, we will pass and enact the Patients' Bill of Rights, we will pass a prescription drug benefit, and make sure that there is enough leverage on price so the taxpayers do not get taken for a ride, and we will do something about preserving Medicare and social security for the long-term.

That would be an agenda that the 106th Congress, both sides of the aisle, could be proud of, because it is an agenda that grows out of the needs and the wishes and the beliefs of the American people today. That is the agenda that we have all been fighting for on this side of the aisle.

We have not been quite persuasive enough yet, but I am still hopeful that next year will be the year, and next year we can say with some real satisfaction that we took on the major issues of our time and we dealt with them productively.

Mr. PALLONE. I know that the gentleman is going to do that.

The gentleman talked about and I talked about the discharge petitions on the gentleman's bill with regard to the price of prescription drugs, as well as the Stark-Waxman bill that would provide a prescription drug benefit under Medicare. We are certainly going to pursue that full force when we come back in January.

I do not mean to be the pessimist here. Obviously, we would like to be bipartisan. But I just read the other day, and I think it was in Congress Daily, that when we come back in January, the Speaker, the Republican Speaker, is talking about another tax cut; that that is going to be at the top of the agenda.

I just cannot help thinking that we are going to see maybe a watered down version, but another version of what we witnessed this summer, which is this trillion dollar, and the Republicans try to forget about this now, they do not talk about it anymore, but one of the reasons that it has taken so long and we have been so delayed with this budget is because they spent most of the first 6 months through the summer trying to pass this trillion dollar tax cut.

The effect of that tax cut would have been exactly the opposite of what my colleague, the gentleman from Maine, just talked about. In other words, there would not have been any money to shore up social security, no money to help with Medicare, and we need to look at those programs on a long-term basis because we know they are going to start to run out of money in a few years.

We want to move ahead in a positive way to actually improve Medicare by providing a prescription drug benefit, but if this surplus was used the way the Republicans had initially wanted to by having all the money go for a tax cut that was primarily for the wealthy and for corporate interests, we would not have had anything. We would not have been able to even discuss trying to preserve social security and Medicare.

I am just so afraid, having looked at what the Speaker mentioned the other day in Congress Daily, which is a publication that is circulated around Congress, for the people that do not know what it is, that they are just going to come back here in January and start to talk about another huge tax cut again, instead of addressing Medicare and social security and the other long-term needs that my colleague, the gentleman from Maine, has talked about.

Mr. ALLEN. Mr. Speaker, if the gentleman would yield briefly, one point about the tax cut, that was such a bogus issue, because there was no trillion dollar on-budget surplus. If we make just two simple assumptions that the Republican leadership did not make, one, that we would have emergency spending at at least the same level that we had had it for the last 5 or 10 years, and number two, that there would be growth in domestic spending at least at the rate of inflation, if we just made those two assumptions, the trillion dollar on-budget surplus became a $200 billion on-budget surplus.

Well, we cannot have an $800 billion tax cut when there is only a $200 billion surplus and even pretend that we are being fiscally responsible. So there is one issue where I believe the majority went astray.

Here is another one. There has been all this talk and accusations about the Democrats raiding the social security trust fund. Sometimes people on our side of the aisle say, well, they have done it, too. We get into this conversation that is really not very productive and misleading.

Some of the articles lately have been illuminating. In September, the Washington Post called it "a fake debate." In October, the New York Times said it was "social security scare-mongering." In a recent column, Henry Aaron described this as "great pretenders." The truth was shown in an article in USA Today this morning. The headline is, "Add It Up, Social Surplus Is Getting Tapped."

But the important point is this: The Republicans have already dipped into the social security surplus to the tune of $17 billion, according to the Congressional Budget Office. Our own budgeters are saying that. Let us not make a big deal of this, because the truth is, this does not affect the security of the benefits for a single person who is getting social security. It does not extend or contract the solvency of the social security trust fund by one day.

The real problem that we know, that we have been talking about, is how do we make sure that when there are fewer people working and paying into the system, that the retirees will be able to maintain the benefits at at least the current level.

We can deal with that issue. That is a real issue. But we cannot deal with the issues of health care, of education, of the environment in this country if we are engaged in fake debates about tax cuts and surpluses where the numbers do not add up, and allegations of thievery that have no place on the Floor of this Chamber or anywhere else.

We need to be serious about the work that we do, and as I said before, remember who we are doing it for.

Mr. PALLONE. Mr. Speaker, I am convinced that that whole effort on the Republican side to talk about tapping the existing trust fund is nothing more than an effort to disguise the fact that they are not providing one penny for long-term solvency of social security and Medicare. They just keep confusing the issues constantly. I appreciate what the gentleman said.

I yield to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, let me make two quick points. My colleague, the gentleman from Maine, when he was talking about the Republican argument on the Democrats raiding social security trust fund, it is somewhat disingenuous when we have the majority leader of the Republican party who, in 1984, indicated that social security was a rotten trick, a bad retirement, and who only in recent years talked about phasing out social security.

So this sense of the Republican majority saving social security, I think the public sees through that, given the history.

But I wanted to make a quick point on the issue that the gentleman brought up on the tax cut, this trillion dollars, which ultimately came down to $800 billion in a tax cut.

I think it is important to note that Democrats are for tax cuts. We support tax cuts. But it is a question, when I talked about values and priorities, and where the focus is, where are tax cuts? Let us look at families in this country. Let us look at working families. Let us look at the marriage penalty, home health care, education tax credits to get the kids to school, small business tax cuts.

We put a package together where the tax cuts were paid for. We are for tax cuts, but we want to make sure that it is not the richest 1 percent or 2 percent of folks in this country who are the beneficiaries, but hard-working folks of modest means who are finding it more difficult day in and day out to make ends meet.

That is where our direction has to be. That is what we have to do. That is about values. That is about priorities. That is about who in fact should benefit from what goes on in this country.

Mr. PALLONE. I want to thank the gentlewoman for mentioning that this unfinished agenda that we are realizing over the next few days because the Republicans want to go home really could have included significant tax cuts for the average family if only they would have, on the other side, agreed to deal with those real tax cuts for families, rather than the larger tax cuts for the wealthy and for corporate interests.

□ 2100

I yield now to the gentleman from Texas.

Mr. GREEN of Texas. Mr. Speaker, I again thank my colleague from New Jersey (Mr. PALLONE) for asking for this special order on the "unfinished agenda." I was in my office returning phone calls and I know the gentleman talked about prescription drug benefits for seniors. One of the calls I was returning was a senior who is in an HMO and he joined that HMO because they did have a prescription drug benefit. Now what we are seeing is they are raising the deductibles and lowering the maximum they will cover. So unless Congress reacts, then the HMOs who got a lot of seniors to join because of whether it be for glasses or some other benefit that is not covered by Medicare, we will see even more seniors who do not have some type of copay or prescription drugs.

This person said he liked his doctors, he liked his hospital, but he just could not afford to continue paying because HMOs are raising the deductibles and dropping some of the coverage for Medicare.

The unfinished agenda I think is important to talk about it, because not that I do not want to go home and we do not want to go home. In fact, I go home every weekend and I enjoy it. I get to see my family and I love the district I represent and to do things in that district. But there are some things that we need to do and I think we could have gotten to them before the middle of November. In fact, our original adjournment date was the end of October and we missed that, but we could tell earlier in the year that the way things were running it just was not working.

One of the issues that I did not hear talked about that we hoped we would see is a minimum wage increase. The have the best economy in our history, but we still have a lot of people left out. Typically, the unskilled, the people at the literally lower level of the economic scale and they are not benefitting from that. They cannot invest in new stock offerings or take advantage of some of the things that are happening, but a minimum wage increase will see that benefit to them.

So I talked to a lot of my own constituents and some businesses who said we do not know if we could afford it. And I said this is the best economy that we have seen in years. So we have not dealt with that. I know the controversy is whether they will have a dollar increase over 2 years versus 3 years, but the concern I have is the sweetener on that minimum wage increase. We are in a legislative process. There is not purity. We have to get enough votes to pass something. So I understand we would have to have some tax relief. But it needs to be paid for.

The gentleman from Michigan (Mr. BONIOR) had a minimum wage increase in 2 years with $30 billion in tax relief, but it would have been made up by not going into Social Security or borrowing more money from Social Security. Because I agree with my colleagues that we are not spending Social Security up here; what we are doing is a continual borrowing from it. And whether we as Members of Congress this year or next year or 20 years from now, whoever is here, we need to make sure that the Congress then pays back those debts to Social Security, just like they would pay it back to us if we had a Treasury note or someone in Europe or Japan who happened to invest in the government securities of our country. Social Security needs to be paid back just like every other person who loans money to the Federal Government.

Mr. Speaker, the minimum wage increase was just left out. And, again, we are talking people who are working hard. We are not talking people who are on public assistance. Workers at minimum wage with two children in the family, they are still well below the poverty line. That is why I think it is bad we did not take it up much sooner and seriously discuss it in October and early November.

Let me talk about the managed care. I know that some time has been spent on it by my colleagues tonight, and the gentleman from New Jersey served on the health task force, he is the Chair of that in our caucus. It worried me when the Speaker appointed only one Member to the conference with the Senate that voted for the bill. Today, I think Congress Daily said the Speaker's office said, well, his concerns and reason there is not going to be any more people added to it, only one person who voted for the bill that passed on a bipartisan basis on this floor, is that he is concerned about coverage. They want more people covered.

Great. I would like to do that too, and I think we share that. But let us not try and eat the whole apple at one bite. We have to deal with people who are fortunate enough to have coverage now and make sure they have adequate coverage. I would like to, tonight or tomorrow, start drafting a bill that would talk about expanded health care, because I come from a district that is traditionally underserved and we have a lot of employers who cannot afford insurance. Or maybe they do pay part of it, but their employee has to pay part of it. That employee, if they are minimum wage or a little higher, they are busy just trying to cover their weekly needs, rent and fuel and insurance. Not health insurance, but insurance on their car, because it is mandatory in most of our States to come and go from work. So people do not have that.

So I would like to start on that, and I would wish they would not use the managed care reform bill as the whipping post, because that is what they are doing. I do not think they have any seriousness about expanding coverage. Managed care needs to be dealt with as its own issue, because those are people who are fortunate enough to have some type of insurance. And, again, I speak from coming from the State of Texas where all the protections that we passed on this floor, they are already in State law and of course have been for 2 years.

Eliminating the gag rules between the doctor and their patients. Outside swift appeals process. Medical necessity. Making sure the doctor is the one making that determination. Accountability. Accountability for those medical decisions. Again, I know the fear is we are going to see lots of folks go to the court house. In Texas, we have not seen that run on the court house. In fact, I do not think there is more than half a dozen, or not even that many cases, that were filed simply because the appeals process works. They are finding over half the time in favor of the patient and not necessarily for who made that decision in the HMO bureaucracy.

The other concern we have as part of our bill is that patients do not have to drive by an emergency room to get care. If the HMO may have been fortunate enough to make a deal with an emergency room that is 15 miles away and the patient is having chest pains or breaks a leg, then, sure, they want to go to the closest emergency room and then be transferred. But our bill provided for that.

That is why it worries me that we are going to see not only a weak bill that the Senate passed, we passed a strong bill here, but the majority, the Republicans put again out of 13 conferees, I think only one voted for the final version. I think that sends a message to the American people. And I hope they continue to remember, and I am going to be here as long as I can over the next few weeks and next months when we come back to talk about how real managed care reform needs to be passed and that is an unfinished agenda we have for this year.

Frankly, we could have dealt with that much earlier if it had not come up in the middle of October. The gentleman from New Jersey and I are members of the Committee on Commerce, the Subcommittee on Health and Environment. It would have been nice if we would have held hearings on the bill, instead of waiting to September to have a few hearings on it. This was such a major issue last session of Congress and in this session of Congress, it should have been dealt with in the spring and maybe today we could be congratulating ourselves on the agenda that we did accomplish. So that is what really bothers me.

The tax cut; I know we spent so long this year talking about this hundreds of billions of dollars in tax cuts. And, again, I sometimes have constituents who come to me and say, "Wait a minute. We want you to talk how we understand you. Do not talk in 'Washingtonese.'" and I tell them, "With my accent, I do not think anybody would say that I talk in 'Washingtonese.'" But one of the things that I asked some folks, I said: Wait a minute. If this tax cut was so important and it was such a great political issue, why did we not have a veto override vote here on the floor of the House or the Senate? Why did we not have an effort to do that?

I think when I went back home in August and when our colleagues went back home and talked to a lot of people, they found out that the tax cut was not the top of the agenda for most folks. Health care concerns, education concerns. The economy is good. They did not want Congress to mess things up because the economy is so good for such a large percentage of the American people. So maybe it was that we spent so much time this year talking about this huge tax cut that, again, it would have literally devastated our country.

I think over the next 10 years, because the demand we had, we have a growing country. That is great. We have growing demands both for our military, defense, we have growing demand for the INS, for the Border Patrol. We have a growing demand, and so many people say, "Sure, I would like to have a tax cut. But I do not want them not to be able to staff an aircraft carrier," although I hope we do not build one that we do not want. "I want to make sure that our military personnel have a pay increase," and that was part of the bill that we did pass. That is one of the few things that I think we could say that we finished and it was passed and signed by the President.

So lack of a real managed care reform effort that should have started earlier this year. Prescription drugs is something that we have been talking about on our side of the aisle for over a year, and it is beginning to hit because again a lot of the seniors who are fortunate enough to have an HMO which has prescription coverage are now seeing that benefit reduced. Hopefully not eliminated, but reduced. And we need to solve the problem before it becomes such a crisis for our seniors. It is already a crisis for at least a third of the people who have no benefit at all.

Again, coming from Houston, I have seniors who are willing to drive to Mexico, which takes 6½ hours. But most people cannot afford to do that, whether it be physically or financially, to go down to buy cheaper drugs, or to go to Canada in the northern part of our country.

Social Security Trust Fund. The safeguarding. I know we talked about that earlier and we have not had any long-term safeguarding. But I would hope that maybe when we come back after the holidays and New Years, and of course next year is an election year and people say Congress does not do anything during an election year. I hope that is not the case. Hopefully, we will respond to the demands of the American people, one, because of the managed care reform needs and also a prescription drug benefit.

The President has a proposal that would expand Medicare coverage. But there is a bill that our colleague from Maine and the gentleman from Texas (Mr. TURNER) and a bunch of us signed on to that does not cost very much Federal money a lot all. All it would do is allow HCFA to negotiate just like

HMOs now do for reduced medication costs for their seniors who are members of their HMO, just like as the Federal Government, the Veterans Administration does. They negotiate with prescription drug companies to be able to reduce prescription costs to veterans, because that is part of the service that is provided for our veterans who served our country.

Mr. Speaker, that would have so little Federal cost that it was something that we really should have been talking about in the spring and say, hey, let us see if this works. Let us at least have some hearings on it and see where everyone sits down and comes around on it. If there is a problem, let us try and fix it. That is what the legislative process is about and that is what we have not been doing for this year.

Again, I am disappointed because I have served a lot of years as a legislator and I enjoy problem-solving like some of my colleagues on the Republican side, but we have not had that opportunity this year. Let us problem-solve with managed care reform, prescription drug benefits and a minimum wage increase. However we have to couch it to make sure it can be beneficial to so many people.

Again, I thank the gentleman from New Jersey for taking the time tonight and asking for this special order, but also to say we know we have not finished our job. And as much as I want to go home and be with my family in Houston, I would like to be here to get our job done. And if we could stay for another week, I would be glad to take up prescription drugs and HMO because it would be a much nicer Christmas for the American people if we had something to take home to them.

Mr. PALLONE. Mr. Speaker, I appreciate what the gentleman said. It is so true. We know because just for the last few days when we were home for Friday over the couple of days we had around Veterans Day, that that is what I am hearing. I am hearing from my constituents about these unfinished needs and about the prescription drugs and the HMOs.

The one letter that I read earlier, this is from a gentleman who actually had a Medicare plan that included the prescription drug benefit and now it has been dropped completely. So I am getting all of that. I am getting a lot of people who had the benefit completely dropped and others for whom it costs a lot more.

The one thing that the gentleman from Texas said that I wanted to highlight again, before we conclude tonight, is a lot of times I think that the Republican leadership thinks that the American public, that they can pull the wool over their eyes, that they do not really understand what is going on down here, that a lot of people do not pay attention. And we always hear that people do not pay attention to what goes on in Congress.

Mr. Speaker, I find just the opposite to be true. When we had that situation with the trillion-dollar tax cut that the Republicans put forth during the summer, which was mostly to pay for the wealthy, to help the wealthy and the corporate interests, I was amazed when I went home because everybody always says the public is selfish, they want a tax cut. They are not going to worry about the implications of it. I found just the opposite was true.

Everyone, particularly the seniors, understood exactly that that was not a tax cut that was going to help the average person and that for senior citizens it meant that there would be no money left to deal with the solvency of Medicare and Social Security.

I think that is why when we came back, there was no effort to override the President's veto and we really have not heard any more about it for the last 2 or 3 months because they realize that the public got it and that the public understood that that was wrong and that it was taking away from other more important priorities. I do not know if it will stop them, because as I said before, we hear that the Speaker is talking about bringing up another major tax cut in January. We just have to make sure that this unfinished agenda that we have been talking about tonight, that we address it and that we force the Republican leadership to address it when we come back in January.

□ 2115

The President will deliver his State of the Union Address. I know he is going to talk about prescription drugs because he set the pace for that last year. That and these other priorities have to be met. But we will be here. We will be determined that we are going to deal with this unfinished agenda.

Mr. GREEN of Texas. Mr. Speaker, like the gentleman from New Jersey (Mr. PALLONE) said, we will, like the Terminator, we will be back. But it would not hurt me if we stayed a few days to get some of these things done. The gentleman and I know, if we have not done them in the 11 months we have been here, we are not going to do them in the next couple of weeks.

Mr. PALLONE. Mr. Speaker, we still do not control the process because we are in the minority.

Mr. GREEN of Texas. Mr. Speaker, they do not let the gentleman from New Jersey and I bring bills up on the floor.

FAILURE OF FIRST NATIONAL BANK OF KEYSTONE

The SPEAKER pro tempore (Mr. TANCREDO). Under a previous order of the House, the gentleman from Iowa (Mr. LEACH) is recognized for 5 minutes.

Mr. LEACH. Mr. Speaker, I rise to speak on the last day of the session about the introduction of a small bill related to what some might argue is a small event involving the loss by the Federal Government of an amount of money that would be considered gargantuan in every respect except its relative size to the United States Government budget.

Given all the budget decisions involving issues like Medicare, defense spending, and U.N. funding, this Congress should be aware that three-quarters of $1 billion has just become obligated outside the budget process because of regulatory laxness related to the failure of one rural bank, the First National Bank of Keystone, West Virginia.

The facts revealed to date suggest that this failure may cost the Bank Insurance Fund far more than the Federal Deposit Insurance Corporation estimated the fund would lose from all bank failures this year. Indeed, the expected loss is so high that it could make Keystone not only one of the 10 most expensive bank failures ever, but also one of the most spectacular for any institution of any size with losses approaching an astounding 70 percent of the bank's assets.

The public first learned of the failure of First National Bank of Keystone September 1, 1999, when the Office of the Comptroller of the Currency (OCC) announced it was closing the bank and appointing the FDIC as receiver. Bank examiners had discovered that loans on the bank's books totaling $515 million were missing—items that represented roughly half the bank's $1.1 billion in total reported assets. Other overstated assets, questionable accounting practices, and credit quality problems push the total expected losses toward the 750 million dollar mark. The picture that is emerging is of an institution which, in recent years, reported high profits at the same time management pursued dubious investment strategies and, ultimately, mischievous techniques to hide massive losses from the scrutiny of examiners.

It will take some time for criminal investigators and Federal bank regulators to unravel the full story of this bank failure, but it is not too early to ask if Federal regulators properly supervise the institution and prudentially stewarded the deposit insurance fund which back-stops risks in the banking system. For 5 or 6 years, red flag practices should have alerted regulators that the high-risk asset management strategies employed by Keystone were hardly of the kind expected in a rural institution situated in a West Virginia town of 627 residents and warranted vigilant supervisory measures.

From 1992 to 1998, Keystone increased its assets tenfold to over $1 billion as it offered depositors up to 2 percentage points more in interest than competitor institutions. Rather than expanding small business and agricultural loans in its West Virginia market area, Keystone engaged in a high-risk strategy of buying, securitizing, and selling subprime loans made to and by people the bank hardly knew. Management practices were reminiscent of those witnessed during the S&L crisis of the 1980s. Rapid asset growth, risky investment activity, and the practice of paying hyper-competitive interest rates were augmented by legal and administrative tactics designed to thwart regulatory oversight.

A combination of lax management and weak supervision by the bank's board were conducive to the imprudent and allegedly fraudulent activities that have been uncovered. Over the past several years, the OCC made futile attempts to curb Keystone's go-go activities with various enforcement actions and civil money penalties; but, in hindsight, the measures were too weak and too late. The OCC pushed for management changes, but the bank's board resisted. Several experienced officers were hired in 1999; however, the board gave them the cold shoulder and they quickly resigned. In May of 1999, an external accountant, Grant Thornton, conducted an independent audit as required by the OCC, and issued an unqualified opinion of the bank's 1998 financial statements. The firm detected no fraud. Just a few months later, however, federal examiners found that a half-billion dollars were missing from the bank's claimed assets.

The delay in uncovering the losses apparently occurred in part because bank management engaged in a sustained pattern of obfuscation. Another tactic of Keystone management was not unlike that employed 15 years earlier by Charles Keating. One of the hallmarks of the Keating tenure to the S&L called Lincoln was the hiring of many high-powered attorneys to represent his interests. When challenged, Keating and his people had a habit of threatening regulators and the United States Government with lawsuits.

In Keating-esque fashion, Keystone went so far as to hire a former Comptroller of the Currency to contest the OCC's supervisory activities. In an escalated twist, examiners on bank premises were so harassed and felt so threatened that the OCC had to request United States marshals to protect them when they were going over bank records.

In addition to similarities with respect to the 1980's go-go activities of S&Ls that cost American taxpayers approximately $140 billion, the Keystone case adds new elements. The profile of questionable bank leadership is no longer simply the smooth-talking male huckster, but it would now appear that Keystone's cops, Federal banking authorities, were taken in by a scam perpetrated by an institution headed by a grandmother.

With the threats to examiners and recent discovery that three truckloads of bank documents were buried on the property of a senior bank official, indictments have been issued for obstruction of a Federal examination, an unusual legal precept which some may find humorous; others, chilling.

Keystone's failure has not only revealed costly inadequacies at the field supervisory level, but also flaws in interagency cooperation in Washington.

For this reason, I have today introduced H.R. 3324, a bill designed to bolster the independence of the Federal Deposit Insurance Corporation.

By background, state chartered banks are regulated primarily by state banking agencies with the Federal Reserve serving as the primary federal regulator for state members. National banks are regulated by the OCC, and holding companies of all banks are regulated by the Federal Reserve. Analogously, state agencies regulate state chartered savings and loans, and the Office of Thrift Supervision (OTS) serves as the federal thrift regulator. The FDIC is a back-up regulator for all federally-insured institutions (banks and S&Ls) because it is responsible for stewardship of the deposit insurance system. It is also the primary federal regulator for state chartered banks which are not members of the Federal Reserve system. In order to avoid, to the maximum extent possible, duplicative regulation, the regulators are expected to cooperate and coordinate their examination activities. On the whole, this cooperation works, well, in part because America's banking system is so strong. But just as there is private sector competition for profits, there can at times be public sector competition for power, in this case, regulatory jurisdiction.

From a Congressional perspective, the Keystone failure is worrisome because it appears that the FDIC was stymied at key points in its desire to conduct reviews of the bank's activities. The regulators—the OCC and the FDIC—failed to cooperate closely. Although satisfactory communication among the FDIC, the OCC, and other federal regulators in routine cases appears to be the norm, the Keystone case reveals some potentially serious flaws in the federal oversight system.

The tension between the OCC and the FDIC over Keystone was particularly evident in the period leading up to the 1998 examination of the bank. Instead of welcoming FDIC expertise and assistance in analyzing the increasingly complex operations of the bank, the OCC initially denied the FDIC's request to participate in a bank examination. The OCC says its decision was based in part largely on concerns that the inclusion of additional FDIC examiners might exacerbate the increasingly difficult environment for the examiners at the bank and heighten management's resistance to examiners' requests for information.

Retired examiners, like old soldiers and athletes, sometimes have a tendency to exaggerate reminiscences. In a discussion about Keystone, one opined to me the other day that the old rule was if a bank ever displayed reluctance in cooperating with examiners, a swat team of accountants should immediately be brought in, and if intransigence continued, the bank should immediately be closed. This perspective may be callously insensitive to law and to a system where agencies because of their extraordinary authority have an obligation to act with great caution. But one truth is self-evident: bank intransigence is a reason for more, not fewer, examiners.

In this regard, it is noteworthy that the OCC itself has acknowledged that by September of 1997 it considered Keystone's extensive problems required a "significant amount of examiner expertise." For it then to suggest that its objection to having FDIC professionals join the OCC in examinations of Keystone related less to turf concerns, than to apprehension that feathers would be ruffled at the bank, is profoundly indefensible.

Concerned that Keystone posed a serious risk to the insurance fund, FDIC staff decided to elevate their request to take part in the 1998 examination to the full FDIC board, of which the Comptroller is one of five statutory members. In the end, they chose not to present the case to the board because, after a lengthy delay, the OCC eventually acquiesced to limited FDIC participation. But what has become apparent in extensive discussions with FDIC and OCC staff is clear resistance on the OCC's part to FDIC review of banks in certain difficult situations and of some timidity of FDIC staff to challenge Treasury Department hegemony.

Although the OCC reversed its original position just one week before the June 30, 1998, FDIC board meeting at which this issue was to be discussed, it would appear that the OCC's reluctance to involve the FDIC in the examination and other important meetings may have contributed to a lesser FDIC involvement than was warranted. For example, in February of 1998, the FDIC asked for three examiner slots for the upcoming 1998 examination, but the OCC agreed, in the week before the June Board meeting, to allow only one. Although the OCC later agreed to permit two FDIC examiners, its basis for wanting to limit FDIC involvement is not clear. Less than a year later, after Keystone's condition had further deteriorated, the OCC agreed to allow seven FDIC examiners to participate in the 1999 examination. It was during that examination that the stunning losses were uncovered.

The turf battle over the number of examiners reflected the substantive disagreements the two agencies had over the bank's operations. The FDIC in 1998 questioned the valuation of the residual assets on Keystone's books and the potential loss exposure of the bank's subprime lending activities. In particular, the FDIC believed that Keystone's valuation of its residual assets, which comprised over 200 percent of keystone's capital, was not supported. After the OCC agreed to limited FDIC participation in the 1998 examination, the FDIC contends that its examiners were to remain on site until all questions about the bank's accounting and recordkeeping were answered. The OCC, however, completed the on-site portion of the examination in 15 workdays without obtaining sufficient support for the residual valuation and without completing the reconcilement of balance sheet accounts, leaving FDIC examiners with no resolution to this critical concern. When the bank's accountant finally provided the missing information to the OCC at a meeting in January 1999, the FDIC reports that it was neither invited nor even informed of the meeting—this despite the fact that the FDIC had specifically asked to be kept fully informed as insurer and backup supervisor on issues relating to Keystone. Similarly, the OCC did not invite the FDIC to an

April 1999 meeting with the developers of the bank's residual valuation model, which was a primary FDIC concern because it was central to determining the risk to the Bank Insurance Fund.

The bureaucratic turf battle over Keystone disturbingly reveals flaws in the current system. While the FDIC, to the maximum extent possible, should coordinate examinations with other regulators, it has long been the assumption of legislators that the FDIC could, at its discretion, fully participate in examinations with other regulators or conduct special examinations of any federally-insured institution without delay or interference whenever it identified a risk of loss to the insurance fund. The Keystone incident shows the FDIC to be coerced, not by the regulated, but by its fellow regulators, who have a shared accountability with the FDIC to the American taxpayer.

The FDIC has a unique role in our financial system and it must be insulated from regulatory turf battles and political considerations. It is instrumental in maintaining the safety and soundness of the banking industry, and is responsible for safeguarding the deposits of customers of all insured financial institutions. Implicitly, the FDIC also has a role in assuring competitive equity. By safeguarding the insurance funds it keeps insurance premiums as low as possible and protects well-run institutions from assuming liabilities associated with high flyers.

It would appear that the FDIC, in its role as guardian of the insurance funds, should have taken a more aggressive stance in insisting on its authority to examine Keystone. In response to a letter of mine on the subject, the FDIC made a strong case that it should have been given a more active role in Keystone examinations. Yet the agency did not rigorously pursue its rights and obligations in the matter. For example, the FDIC initially agreed to the OCC's terms of allowing only one FDIC examiner in the 1998 examination of Keystone despite its judgment four months earlier that it needed three. If the FDIC had serious concerns about Keystone's threat to the fund, it had a fiduciary obligation to press its case to the Board that three examiners were needed and should be approved.

Concern also exists about the length of time that elapsed between the FDIC's February 1998 request to participate in the Keystone examination and its planned presentation of the case to the Board in June. While this delay allowed the agencies time to negotiate before the start of the examination, the FDIC should have acted on a more forceful and timely basis to resolve the disagreement. While coordination among the agencies is important, cooperation should not overshadow the FDIC's primary responsibility to protect the safety and soundness of the insurance funds.

In attempting to understand the interagency conflict that existed in the supervision of Keystone, it is instructive to review the legislative history of the FDIC's authority to examine national banks and other insured institutions. Prior to 1950, the FDIC could utilize its special examination authority to examine a national bank only with the written consent of the OCC. This veto power over the FDIC proved untenable and the House passed legislation that year, which permitted the FDIC to examine national banks as back-up supervisor without the OCC's written consent. In conference with the Senate, however, the bill was modified to require the full FDIC board—of which the OCC is a member—to authorize any special examination requests. This provision has survived to this day as Section 10(b)(3) of the Federal Deposit Insurance Act. While more restrictive of FDIC independence than the original House language, the 1950 change in law ended the ability of other agencies to veto FDIC participation in examinations as back-up supervisor, as was possible from 1935 until 1950.

In 1950, the FDIC board consisted of three members. Only the Comptroller was from the Treasury Department; the other two directors were affiliated only with the FDIC. In 1989, the board was changed to the current five-member format. There are now three independent members, plus the heads of the OCC and the OTS, who represent the Treasury Department. This arrangement does not give Treasury agencies majority control under normal circumstances. When, however, there is a vacancy in one of the three FDIC positions, half of the four remaining board members represent agencies of the Treasury Department. If two of the independent seats were to be vacant, the Treasury Department would effectively control the FDIC board. This is not an insignificant matter, considering that the current statutory language regarding FDIC back-up examination authority was written at a time when the majority of the FDIC's original three-member Board reflected control by an independent agency, rather than a Cabinet department.

However, when there is a vacancy on the FDIC board, the Treasury Department assumes a larger role than Congress intended, and the FDIC's back-up authority can be subject to challenge. From 1983 until 1993, for example, the OCC and the FDIC operated under an agreement whereby the OCC would invite FDIC participation in examinations of banks with composite '4' and '5' ratings indicating a troubled bank; additionally, the OCC would allow FDIC participation in examination of higher rated banks, with an emphasis on '3'-rated banks.

In September 1993, this collegial arrangement changed. Two of the independent seats were vacant, and the FDIC's board, then dominated by the two Treasury representatives voted to end this long-standing agreement. The new policy reserve to the FDIC Board all decisions regarding concurrent or special examinations, regardless of the rating of the institution. This change in policy was entered into despite an explicit written communication to the FDIC by then-House Banking Committee Chairman Henry B. Gonzalez and me, the then-Ranking Member, that Congress had serious reservations that the proposal under consideration would have the effect of the FDIC improperly derogating its authority.

While the OCC board member seemed sympathetic at the time to the need for FDIC special examinations for '4'- and '5'-rated institutions, he clearly had concerns about FDIC involvement in higher-rated institutions. Yet, the FDIC Acting Chairman and FDIC staff who attended the meeting insisted that under certain circumstances it may be more important to involve the FDIC as back-up supervisor in examinations of deteriorating '3'-rated banks than in the examinations of '4'- and '5'-rated institutions with already identified and addressed problems. Keystone is a case in point.

Two years later, in 1995, the FDIC board delegated authority to its Division of Supervision to authorize participation in certain back-up examination activities of institutions when the FDIC is invited by the primary regulator, or when the FDIC asks and the primary regulator does not object. In cases such as Keystone, however, when the primary regulator objects, FDIC policy dictates that the case must be brought to the full FDIC Board regardless of the rating or conditions of the bank.

Unfortunately, the FDIC Board has not had its full complement of five directors since an independent director resigned over a year ago, which results in Treasury having influence disproportionate to Congressional intent. During this period of time, the Administration has failed to submit a nominee for this current vacancy on the FDIC board. The result is that proposed actions or policies supported by the two independent FDIC directors can be blocked by the two directors who are affiliated with the Treasury agencies, the OCC and the OTS. This is not good governance. By failing to nominate a person for the unfilled board position, the Administration has forced the FDIC to operate without clear independence from the power considerations of the OCC and OTS. Such a situation could have been a factor in the FDIC's decision not to vigorously pursue in the Spring of 1998 its original request in the Keystone case. The bottom line is that all regulators share a common responsibility to protect the safety and soundness of the U.S. financial system—a responsibility that should not be affected by turf concerns.

The OCC's principal response to date in the aftermath of the Keystone failure has been to declare that all FDIC requests to participate in an OCC examination or conduct a special examination of a national bank will now be considered directly by the Comptroller himself. While this procedure is certainly better than having OCC staff deny a request and forcing the FDIC to ask the board for approval, the response is still inadequate because it would do nothing to address the potential for undue Treasury agency influence on the FDIC Board. When a vacancy exists, the Treasury is, in effect, in control; it has veto power over FDIC participation. This is clearly contrary to Congressional intent that the FDIC operate as an independent agency and that it alone be able to determine whether an examination is necessary for insurance purposes, without undue influence by another federal regulator.

From a broader perspective, I might add that since looking into the details of the Keystone case, I have learned that a lack of cooperation is rare, but not isolated. Despite the generally constructive working relationship among federal bank regulators in some 90 instances of back-up examinations over the past four years, there have been, in addition to Keystone, four other cases in which the primary regulatory agency initially rejected the FDIC's request to participate in an examination. Three of these cased involved the OCC and the other the OTS. In all four instances, as with Keystone, the primary agency ultimately agreed to some form of FDIC participation without formal board action.

The record of these five cases confirms that disagreements among agencies are the exception, rather than the norm There are also no indications that the FDIC is capriciously using its back-up authority. Nevertheless, the Keystone failure makes a graphic case that the current process needs improving.

Accordingly, to reinforce FDIC independence on matters affecting the insurance fund, I have introduced today legislation (H.R. 3374) to give the FDIC Chairman authority in special circumstances to direct FDIC examiners to examine any insured institution, instead of the current provision vesting such authority with the FDIC Board of Directors. This authority will continue to be used only when, in the words of Section 10(b)(3) of the Federal Deposit Insurance Act, an examination is "necessary to determine the condition of such depository institution for insurance purposes." The legislation would require that in exercising this authority all reasonable efforts be made to coordinate with any other appropriate regulator and to minimize any disruptive effect of a special examination on the operation of the depository institution. The intent is not to press new FDIC regulation on the banking system, but simply to stress that in unusual, special circumstances the FDIC must be able to act as an independent, rather than subordinate, agency of government.

I believe this legislation will help assure the safety and soundness of the American financial system and protect the insurance funds by underscoring statutorily the long-term intent of Congress that FDIC back-up authority must be of an independent nature. The Chairman would be required to notify other FDIC board members (and the Federal Reserve and State banking authority as applicable) whenever he or she makes such a decision. As the custodian of the insurance funds, the FDIC must be allowed to perform its role as a backup regulator on a timely basis whenever circumstances warrant.

It is worth noting that the Inspector General (IG) of the FDIC has come to similar conclusions. In an October 19, 1999, memorandum to the FDIC Chairman, the IG recommended that the FDIC board delegate its special examination authority to the FDIC Chairman or that the law be amended to vest that authority in the Chairman. The legislation I am introducing today would address the IG's concerns, as well as my own.

The IG argued that the agency's backup examination authority was particularly critical in this era of increasing bank consolidation. While the "megabanks" created by recent mergers pose the greatest risks to the insurance funds, the FDIC is the primary regulator for only two of the nation's 39 largest institutions. Obstacles to future FDIC access to relevant information about megabank operations in its role as back-up supervisor could have consequences far greater than the Keystone case.

To assess risk in large institutions where it does not have an ongoing presence, the FDIC requires timely information and records on important aspects of operations. Therefore, the bill I am introducing also includes language emphasizing the right of the FDIC to prompt access to information from other regulators and requiring the federal banking agencies to establish procedures for sharing other information, in addition to examination reports, whenever such information is relevant to the FDIC's responsibility to protect the insurance funds. This provision of the bill underscores the importance of interagency coordination and information sharing to ensure that the FDIC has the necessary data to assess risk to the insurance funds. It is intended to have the practical benefit of potentially minimizing the number of occasions in which the FDIC must exercise its special examination authority.

The vast majority of institutions will not be affected in any way by this legislation. For most institutions, the FDIC does not need any special information other than that already available to it, nor does it need to perform any form of back-up examination. But, clearly, in cases where the potential risk to the fund is great—banks with significant weaknesses, especially if they are megabanks with exceedingly complex activities—the FDIC should be able to function as Congress expects it to function and receive from the primary regulator the information it needs to assess relevant risk.

I might add before closing that my concerns in the Keystone case extend beyond the issues of regulatory cooperation and FDIC special examination authority. There are also troubling questions here about the regulators' ability to identify and stem high risk bank activities in a timely fashion. There was another bank failure involving extremely high losses relative to assets just over a year ago. On July 23, 1998, Colorado State Banking authorities closed BestBank—an FDIC-supervised state bank located in Boulder—after state and FDIC examiners found $134 million in losses in high-risk, unsecured subprime credit card accounts. Although the FDIC initially estimated the cost of that failure to the insurance fund at about $28 million, by year's end the estimate had risen 6-fold to $171.6 million. I mention the BestBank case because of its striking similarities to the Keystone case. Like the junk-bond investments of S&Ls in the 1980s, both BestBank and Keystone were disproportionately involved in high-risk activities, namely subprime loans. Both banks relied heavily on outside, third party servicers. Both banks had experienced extraordinarily high asset growth. Both banks had high public profiles: In the mid-1990's, BestBank was labeled in one banking publication as the "best performer among U.S. banks," and Keystone captured the title of the nation's most profitable community bank for three straight years. Keystone and BestBank also engaged in similar tactics to frustrate federal examiners, and fraud is alleged to have played a part in the failure of both. Unfortunately, I suspect we may also find some parallels in how federal regulators handled the two cases. The FDIC IG, in conducting the material loss review in the BestBank case, concluded that the FDIC could have been more effective in controlling the bank's rapid asset growth and thus curbing losses to the insurance fund.

While we do not yet know the final outcome of the investigations into either of these recent bank failures, it is clear that the banking agencies need to continue to review their supervisory strategies for banks engaging in inherently risky activities, such as subprime lending. Accordingly, I am asking each of the federal banking regulators to keep the Committee informed of any new policies and procedures for identifying institutions with profiles similar to those of Keystone and BestBank, and any changes in their supervisory practices with respect to such institutions. Also I am interested in any initiatives that would assist examiners in the detection of fraud, which is becoming a factor in an increasing percentage of failures. In this regard, I am pleased to note that FDIC Chairman Donna Tanoue recently announced that the FDIC is developing guidelines to require additional capital for subprime portfolios and reviewing potential increases in insurance premiums for banks that continue to engage in high risk activities of this nature without appropriate safeguards.

In closing, the insurance fund should not have to suffer an excessive loss during this era of generally favorable economic conditions. Expensive failures impose unfair costs in the form of higher insurance premiums on honest, law abiding community banks around the country. Failures also impose costs on depositors whose accounts exceed insurance limits. And, as illustrated by the Keystone case, failure can take a heavy toll on the local community and those whose jobs depend on the survival of the bank.

Clearly, it is critical that federal regulators cooperate with each other and pay particular attention to unusually rapid asset growth and potentially risky banking practices if future Keystones and BestBanks are to be averted.

STOP 39-YEAR RAID ON SOCIAL SECURITY TRUST FUND

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from California (Mr. HERGER) is recognized for 60 minutes as the designee of the majority leader.

Mr. HERGER. Mr. Speaker, I have come here to join several of my colleagues in talking and speaking out on stopping the 39-year raid on the Social Security Trust Fund. Mr. Speaker, Congress and the President have come upon the historic opportunity to balance the budget without spending one penny of seniors' Social Security Trust Fund. For nearly 4 decades, the raid on Social Security has gone on, taking over $850 billion in Social Security funds and spending them on unrelated government programs.

Mr. Speaker, 168 days ago, just over 5 months, this House passed my Social Security lockbox legislation by an overwhelming 416 to 12 vote. The passage of this Social Security lockbox legislation showed that House Republicans and Democrats agree that Social Security dollars should not be spent on programs unrelated to Social Security. Congress made the commitment to stop the raid on Social Security.

Shortly later, however, President Clinton joined our bipartisan effort and committed the administration to protecting Social Security. That was over 5 months ago.

Unfortunately, I am afraid, today is a different story. While House Republicans are continuing to honor our steadfast commitment to protect seniors' Social Security, I have great concerns about the recent actions of the Clinton-Gore White House and congressional Democrats.

The current budget situation requires that every increase in spending be offset. Currently, if spending is not offset, it is drawn directly from seniors' Social Security dollars. Over the past few weeks, President Clinton has vetoed five appropriations bills because he says they do not spend enough. Yet, the President has not offered a single solid proposal to pay for those spending increases. It appears the President may be willing to spend Social Security dollars to pay for his spending projects.

Mr. Speaker, Congress and the President are faced with a very clear choice: ask Federal agencies to save one penny, just one penny of a dollar in waste, fraud, or abuse so we can protect Social Security or give in to the big Washington spenders and raid seniors' Social Security dollars.

Amazingly enough, there are still people in Washington that do not believe the Federal Government can tighten its belt by just 1 percent. But the American people know the truth. A recent poll conducted by the National Taxpayers Union revealed, let me show my colleagues this poll, revealed that over 84 percent of Americans believe that there is not just 1 percent waste in government, but they felt there was at least 5 percent of waste in unneeded spending in the Federal spending.

Surely, if 84 percent of the American people believe that there is at least 5 percent of waste, the President and the Congress can work together to find just 1 percent or one penny of waste in order to protect Social Security dollars so many seniors, so many seniors rely upon.

Let me present my colleagues with some examples of waste, fraud, and abuse that we have found in the Federal Government. The National Park Service spent $1 million to build an outhouse at Glacier National Park in Montana. The expense was explained by the outhouse's remote location. The outhouse is located nearly 7 miles from the nearest road, and it took hundreds of horse trips and more than 800 helicopter drops to get the construction materials to the site.

Another one, erroneous Medicare payments that waste over $20 billion annually. Another, the Department of Education maintains a $725 million slush fund, which it cannot account for. The Department of Housing and Urban Development, HUD, estimated it spent $857 million in 1998 in erroneous rent subsidy payments in fiscal year 1998, about 5 percent of the entire program budget.

Let me close with this for a moment, and that is delays in disposing of more than 41,000 HUD properties cost taxpayers more than $1 million per day.

These are all examples of how Congress and the President can find one penny, 1 percent out of a dollar in waste, fraud, and abuse in the Federal Government.

Mr. Speaker, we are all in this together. We want to work with the President and Vice President GORE to find this 1 percent so that we can protect Social Security dollars. We will not, however, under any circumstances, allow the Clinton-Gore administration to dip into the Social Security Trust Fund to pay for more government spending.

Mr. Speaker, with that, I yield to the gentleman from Arizona (Mr. HAYWORTH), who serves with me on the Committee on Ways and Means which has jurisdiction over Social Security.

Mr. HAYWORTH. Mr. Speaker, I thank the gentleman from California for yielding to me. He outlines the parameters of what should be a common sense, straightforward decision. Because in a government that has grown so large, so overreaching, so all encompassing, we have heard Mr. Speaker, from various media outlets of waste, fraud, and abuse.

One television network regularly runs a feature entitled "The Fleecing of America." Another television network runs a franchise and a report entitled "It Is Your Money."

Mr. Speaker, that is precisely it. The money does not belong to the Federal Government. It belongs to the American people. What we say is rather straightforward and I believe fraught with common sense. Because I hold here a penny, made with good Arizona copper, no doubt, and what we are simply saying, Mr. Speaker, is that, when it comes to budgetary decisions, just as families have to make those decisions to find savings, and, indeed, I happen to notice in the Arizona Republic on Sunday over $50 worth of coupons that my wife Mary sat down and went through to realize savings, if it is good enough for America's families, why is it not good enough for Washington bureaucrats?

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Why can we not find those savings of one penny out of every dollar of discretionary spending? That is the challenge that confronts us as we work to achieve what is constitutionally required of the Congress of the United States, to work with the executive to finally determine the amounts spent in the budgetary process and to live within our means.

Now, we have made progress. That is the good news, Mr. Speaker. Because at the podium behind me here 11 months ago the President of the United States came to deliver his State of the Union message, and in that speech he proposed to save 62 percent of the Social Security Trust Fund for Social Security, which a quick check of mathematics would imply, and what was not articulated that night but subsequently outlined in more programs, the President wanted to spend 38 percent, almost 40 percent of the Social Security funds on new government spending, new Washington programs. And we are pleased that through our effort of cheerful persistence, Mr. Speaker, we were able to persuade the President of the United States to truly join us in a program to save Social Security first and agree that 100 percent of the Social Security funds should be spent on Social Security.

Now, that is scarcely a news flash to those of us who serve in the Congress of the United States. Indeed, as my colleague from California and as my good friend from Texas who will join us here momentarily will attest, that is something we have heard from our constituents in town hall meetings since we have come to the Congress of the United States.

And even as the President has agreed with us on that firm foundation, and we are glad he could come around to our way of thinking, we should also point out the good news that the media reported, although it was given scant attention, and we cannot articulate it enough, and that is the folks who do the estimates, the calculations, for fiscal year 1999, sharpened their pencils, got out their calculators, took a look at the receipts coming into the Federal Government via taxation and other means, took a look at the expenditures and, Mr. Speaker, the American people should understand this because it is a measure of how far we have come in a little under 5 years with a new majority in the Congress of the United States, the budgeteers found for the first time since 1960, when I was 2 years old, when a great and good man named Dwight David Eisenhower lived at 1600 Pennsylvania Avenue and served as President of the United States, for the first time since 1960, this government operated within its means to the tune of a balanced budget without dipping into Social Security revenues to meet obligations of the government.

Moreover, there was a true surplus. Now, what do I mean by that? Well, I mean there was a surplus over and above the money set aside for Social Security, a surplus to the tune of $1 billion. And in that process we have also retired billions of dollars of debt, and we will do so again this year.

But, my colleagues, it is really a simple process. I mentioned President Eisenhower. Ike had a favorite term, Mr. Speaker, when things seemed needlessly complex. President Eisenhower would refer to "sophisticated nonsense." And a lot of the time here in

Washington, with all due respect to my friends at the State Department, and I think I know why they call the location Foggy Bottom, but apart from diplomacy it also works in terms of economics. Sometimes we get things way too complicated and we have a battle of acronyms; CBO, OMB, GNP, all these different terms. My colleague from California offers the solution in the spirit of President Eisenhower, in the spirit of common sense, folks on both sides of the aisle and across the political spectrum, because again he says let us take a look at the 1 percent solution. One penny of savings out of every dollar of discretionary spending.

It ensures that we keep a promise to today's retirees and to future generations, because now that we have established the guidelines and achieved what had not been achieved since 1960, and that is walling off, not using Social Security funds in the general revenue, balancing the budget over and above that, we dare not retreat at this point. And so we say let us save one penny out of every dollar of discretionary spending.

Now, again, I mentioned the work of several different television networks, several different newspapers, and magazine articles that talk about government waste. And Mr. Speaker, with the indulgence and the obvious modesty of the gentleman from California, I would simply call the attention of this House and the collective attention of the American people, who may join us in hearing these words, to the efforts of my colleague from California on the Committee on Ways and Means with reference to understanding who deserves Social Security payments and how to protect the program for retirees.

My colleague from California (Mr. HERGER), in his efforts on the Committee on Ways and Means, introduced legislation that would make sure that felons behind bars would not receive Social Security payments. They have a place to sleep, three meals a day. Now, granted they do not have their freedom, but why on earth would they receive Social Security payments? And initially the budgeteers said, well, there will be a few million dollars of savings. Through the efforts of my colleague from California, who brushed away the sophisticated nonsense and took a look at the basic issues confronting Social Security and payments to felons behind bars, the Social Security Administration found something both profound and, I daresay, profane.

The Social Security Administration ran the numbers: $3.46 billion. To use the proper mathematical terms, $3,460,000,000 in SSI payments, Social Security payments, would illegally go to prisoners over a 5-year period, including a serial killer who was receiving $80,000 in Social Security disability while he was on death row. My good friend, the gentleman from California (Mr. HERGER), from California made an important first step to wall that off and to save money, and he is working for more commonsense legislation to completely wall that off. Because that money should not go to convicted felons. That money should go to people who have paid into the program who are law-abiding citizens who have played by the rules.

And that is a demonstration of where there are savings to be realized. And, Mr. Speaker, that is what the American people, Republicans, Democrats, and independents instinctively understand. Because we could talk, as the President of the United States did in a previous visit when he uttered the famous phrase "The era of big government is over," and we could debate that; but, Mr. Speaker, let me redefine what we should be about. The era of good government should begin, in this place, at this time, with Members of both parties working to eliminate waste, fraud and abuse that sadly has grown rampant in a government of this size.

One other note, and I see our colleague from Colorado joins us, and I am so happy to see my friend from Texas, and perhaps my friend from Colorado could expound upon this, because he and my colleague from Arizona (Mr. SALMON) and our colleague, the gentleman from Michigan (Mr. HOEKSTRA), went down to the Education Department, where Governor Dick Riley, an old friend of mine, former Governor of South Carolina, Cabinet Secretary for the Department of Education, said that there was no waste in the Department of Education.

And yet, and yet, when we check what goes on in the Department of Education, and understand that it is our philosophy that dollars should end up in the classroom helping teachers teach and helping children learn, but right now, sadly, the Department of Education, as near as we can calculate, maintains a $725 million slush fund, and folks at the Department of Education cannot account for its use. Indeed, there is no way we understand, for the Inspector General, which is, Mr. Speaker, the fancy name for the accountant who would audit these things, the Department of Education's books are unauditable. The irony, of course, is that simple accountancy and mathematics is a basic skill. One would hope those engaged in education would understand that here in Washington. But that is yet another curious example, and examples abound.

But again it comes back to a very simple notion. To really maintain the integrity of the Social Security Trust Fund, to make sure we do not dip into it, it comes down to this simple notion: Let us save a penny for every dollar of discretionary spending. Because, Mr. Speaker, in the final analysis, a penny saved is retirement secured.

Mr. HERGER. I thank my good friend from Arizona for his profound statements. Earlier the gentleman from Arizona was mentioning how far we have come in just the last 5 years with the new Republican Congress. I remember well, when I was first elected back in 1986, and up until 1994, I wondered whether I would ever see a balanced budget. We were looking at $200 billion and $300 billion budget deficits. Serving as a Member of the Committee on the Budget, they were projected to go and actually increase in the years to come.

We have reversed that, since the new Congress was elected, the new Republican Congress. Now we are not only balancing the budget, but we are now, for the first time in 39 years, on the verge of not spending Social Security.

It is interesting. We are so close. And I do not know why this issue is so controversial with the White House, with the Clinton-Gore administration. We are talking about one penny. We are that close. But let me just read some comments from different officials in the White House on what their response was to just cutting one penny out of the dollar.

By the way, we showed earlier the National Taxpayers' Poll that was done just last week that indicated not only does the American public believe we can consult one penny out of a dollar, 84, almost 85 percent believe that we should be able to cut at least 5 cents out of the dollar. But yet let me read what some of the comments are from some members of the Clinton administration.

When the Secretary of the Interior, Bruce Babbitt was asked on Tuesday, October 27 of this year, if there is no more waste in his department, his response was, "You have got it exactly right." In other words, "Is there any more waste in your department?" "You've got it exactly right."

Another comment from the Deputy Attorney General Eric Holder on October 26 as well, when he was asked if the administration's position is "We should not reduce at all the size of the Federal budget." His response was, "That would certainly be the view of the administration." In other words, should we not reduce at all? He is saying that would be the view of the Clinton-Gore administration.

And then the last one here, the White House spokesman a day later, on October 27, Joe Lockhart, when asked why dipping into Social Security is even listed as a choice, his response was, "Listen, if you look at the budget that Congress has produced over the last 15 or 20 years, they have every year dipped into that." In other words, that was his reason. Just because we did it before, we are going to do it again.

We are talking about one penny out of a dollar of fraud, abuse and waste. And this is such an opportune time to be talking about this and for the American public to be aware. Because our negotiators right now, our House negotiators and Senate negotiators, are working with the White House right as we speak this evening and trying to negotiate one penny out of the dollar, and they have been turning us down.

□ 2145

So I would like to urge all our listeners, all our taxpayers out in America, all of those who do tighten their belts in their own families, businesses who tighten their belts, please contact House Democrats, Senate Democrats, the President, Vice President GORE and let them know that you think that they can, at least, cut a penny.

Mr. Speaker, I yield to my good friend the gentleman from Texas (Mr. SESSIONS).

Mr. SESSIONS. Mr. Speaker, I appreciate the gentleman from California yielding.

I heard the debate going on, and I came out of my office. Not only are the colleagues who are here, like the gentleman from Arizona (Mr. HAYWORTH) and the gentleman from Colorado (Mr. SCHAFFER) are here, trying to talk about what is going on, because just a few feet from this House floor, our negotiators are busy trying to hammer out a deal that, once again, is good not just for the American worker and not just for the American family, but for the taxpayer.

It is the taxpayer that we, as Republicans, must remember the most. That is what brought me to Washington, D.C., in 1994 when I ran for Congress. I signed that wonderful document called the Contract With America. And the Contract with America was a document for all Americans and mostly the taxpayers to see that one party was going to stand up and talk about the things that were important for generation after generation.

The things that we talked about in the Contract with America essentially boil themselves down to these few points: number one, we were going to balance the budget. We were going to do something that had not been done in Washington since we first placed a man on the Moon in 1969.

We were not only going to balance the budget, but we were going to make sure that we took power away from Washington, D.C., and placed it back at home, placed it back at home where people, like myself, as a non-Member of Congress, a person who got up and went to work every day had a wife, a family, kids lived in a neighborhood, went to church, and worked not only in my neighborhood but all across their communities to make things better; and we decided that we were going to let people at home make decisions. And lastly, we decided that we were going to take the power that resided in Congress and open it up to people.

We did away with things like term limits for committee chairmen. We did things like not allowing proxy voting in committees. So we have done so much that has brought not only good government to Washington, D.C., but also did it for the taxpayer.

Now, where have we come? Well, where we have come now since that Contract with America is that we have balanced the budget now three times. We did it first in 1997, then 1998, and then in 1999. But as we Republicans recognize, and I think Democrats know it, too, that we recognize that we, with a straight face, could not say we know we completely balanced the budget. And the reason why is because we were spending Social Security, we were taking the excess money that came in that people gave to Washington, D.C., for their future and for their future retirement, for the retirement of not only themselves but their families, and we for the first time in 1999, not by accident but certainly not because we did it on purpose, because it was not the law, we stated that we were not going to spend America's retirement future. And so we did not. And for the first time in 39 years, the Republican Congress did not spend one penny of Social Security.

What we are attempting to do tonight is not only to duplicate that but to do it on purpose, because we told the American people we were going to do that. This is what responsibility is all about.

Tonight we are dealing with a circumstance where the President of the United States says, oh, I now believe you. I want to be on your side.

In January of this year he said 60 percent of Social Security was good enough, if there was a surplus. Sixty percent of Social Security would be set aside, but 40 percent would go to spending, new government programs, new spending.

Now he has changed his tune. I say, thank you, Mr. President. Thank you for joining Republicans on doing things that are important to our money; this is our retirement. It does not belong to Washington, D.C.

But what is happening in this endeavor? Now the President and Democrats want more and more and more and more spending. Just last week the White House, in the foreign aid bill, demanded $800 million more for foreign aid, $104 million more for Russia. It just goes on and on and on.

So we know what we have got to do. We have got to make sure that we keep this line, as it implies on the chart, of going up to where we have a surplus. Because this surplus will not only go to pay down the debt, but it will also go to make sure that we have the opportunity to give money back to people who earned it.

I want to show my colleagues one other thing, if I can. This is an example of how much money we owe back to Social Security before we can begin the process of building a surplus there. We have to be able to pay back $638 billion.

Now, our President and my colleagues on the other side of the aisle will say, look, it really does not matter. You know, $800 million here, $800 million there; it is really not a big deal. The President wants $4.5 billion more.

Well, I will say, and I believe that I would gain concurrence from my colleagues who are here tonight, every single dollar counts. The most important part of what we are attempting to get across now is it is not just the dollars, it is the cents, it is the pennies, and it is this cent or common sense that we are talking about.

Waste, fraud, and abuse consumes over $200 billion a year, documented by the Government Accounting Office, $200 billion a year.

So that is why I think, for the first time ever, the Congress of the United States challenged an administration and said, Mr. President, we are willing to cut our own pay by 1 percent. We are willing to cut our own spending 1 percent. But, Mr. President, we want and expect you, too, to do the responsible thing; and that is to find one penny from discretionary spending. We are not talking about Social Security, we are not talking about Medicare, we are not talking about Medicaid. What we are talking about is one penny out of every dollar that you would have control over to where you would say, we are going to look internally to ourselves, we are going to look internally to the Government that is fraught with waste, fraud, and abuse, we are going to consider it a challenge, a challenge for employees of the Government and a challenge for those people who are administrators, who may be secretaries, who may be Cabinet officials, to look deep within themselves and to challenge each and every one of their employees.

The same thing that happened when I was in the private sector just a few years ago. I spent 16 years for a corporation in this country, never missed a day of work, and I was challenged as an employee of that company virtually every single year not only to find what we knew was abuse and waste but what we knew would be a challenge to run our company the way we as employees thought it should be run.

That is where this government is missing out. That is what this President is missing out, an opportunity and a challenge to every single government worker for maybe the first time in their career.

Can you imagine an employee that may have been with the Government for 40 years, their entire career, never once challenged and then the first time a challenge from the Congress of the United States come forward where Members of Congress were willing to take their own pay cut and the chief executive of that country said, no, we cannot live up to that challenge because there is not enough money?

Well, I will submit tonight that the retirement security of every single American, of every single generation is far more important than the $800 million that we added in, and it is far more important than all the shenanigans that go on in Washington, D.C.

That is why we are here tonight. We are here to make sure that no means no. Mr. President, you cannot have our retirement. One hundred percent is far greater than 60 percent, and it belongs to people back home. It does not belong to you, Mr. President. It belongs to the people who produced it.

I thank the gentleman from Arizona (Mr. HAYWORTH), I thank the gentleman from California (Mr. HERGER), I thank the gentleman from Michigan (Mr. HOEKSTRA), and I thank the gentleman from Colorado (Mr. SCHAFFER) for the time and look forward to hearing their remarks.

Mr. HERGER. Mr. Speaker, I thank the gentleman from Texas (Mr. SESSIONS), my good friend, for his remarks.

Again, it is difficult to believe that this administration and those in the minority party here in the House and the Senate are fighting the fact that all we are talking about is one penny out of the dollar that we want to save. And again, as I mentioned earlier, our negotiators are talking right now, are negotiating right at this moment at the White House, trying to come up with one penny of the administration. The administration is fighting that.

Mr. Speaker, I urge all my colleagues and everyone to call the White House, call our Democrat Members to urge them that if 84 percent, almost 85 percent of the American public, believes we can trim 5 percent out of our budget, out of the Federal budget, surely they can find one penny.

Mr. Speaker, I yield to my good friend the gentleman from Colorado (Mr. SCHAFFER).

Mr. SCHAFFER. Mr. Speaker, I thank the gentleman from California for yielding.

Mr. Speaker, the gentleman is exactly right. Right now, as we speak, the White House and the Congress are meeting and arguing over this one penny on the dollar that we are trying to look for in savings in order to avoid the President's goal to raid Social Security in order to pay for his spending preferences in the budget negotiations.

It was an interesting thing just a few weeks ago when we talked about the necessity of saving 1 percent, one penny on the dollar, out of the appropriated funds in order to avoid that Social Security raid. It was the Secretary of Education and the Secretary of the Interior and others of those sorts who stood up and said it is impossible for us to find one penny on the dollar in savings on our agencies.

Most Americans just understand that is foolish. Most Americans know that there is enough waste and fraud and abuse and excessive spending here in Washington, D.C., that we can go find it if we are willing to spend the time and roll up our sleeves and get in the trenches and look for that penny. The American people know it is there.

Mr. HOEKSTRA. Mr. Speaker, if the gentleman will yield, I think we ought to really put this in context. Because we are not talking about taking the dollar that they had last year and making it 99 cents. We are talking about taking the dollar that we gave them last year plus the 4 cents, 3 to 4 percent increase that is in the budget this year.

At the beginning we asked them to save a penny so they can only have $1.03. But I think now, as we are negotiating in the White House and some of the other offsets, we are asking them to find a half a penny. So that this year they have $1.03 and a half cent instead of $1.04.

We are going to find them a half a cent of waste, fraud, and abuse out of the $1.04 that we gave them over what they had last year.

Mr. SCHAFFER. Mr. Speaker, I want to jump right in there. Because it is so simple. The American people understand. They just intuitively know and are correct that there is excessive money here in Washington that the American taxpayers are sending more cash here in Washington than the Government legitimately needs to run the Government.

All we are saying is, we understand there is a difference of opinion between Republicans and Democrats and Republicans like to be more efficient and frugal with the taxpayers' dollars and get those dollars to where they are needed most and do it as efficiently and effectively as we can so we can reduce the tax burden and eventually leave it back home.

The White House, on the other hand, run by Democrats, they want to spend that money. They do not want to look for that penny because they prefer to spend it.

So when Secretary Riley and the Department of Education said just reflexively, no, we cannot save the penny, it is just not there, our Department of Education is so well run and so efficiently managed that there is not a penny to be found, we disagreed.

A handful of us said, no, way, Mr. Secretary. We stayed an extra day when the rest of the Congress went home and three of us marched down there to the Department of Education, showed up at 9:00 in the morning, and we said, listen, folks, we are here to help. We want to help you find that penny, and we went office to office.

□ 2200

We went office to office and spoke firsthand with many of the finance officers and we found some examples of where that penny can be found if you just take the time, spend half a day to go find it. We want the President to join us.

I yield to the gentleman from Michigan to share with the Members what it is we discovered when we went there.

Mr. HOEKSTRA. I know this is why my colleague from California invited me down here tonight. I really appreciate that. But as the gentleman from Colorado and I heard 2 weeks or 2½ weeks ago when we went to the Department of Education, which we heard last week when we met with the Inspector General and which will finally come out, I believe, on Thursday for 1998, in 1998, we entrusted the Department of Education with $35 billion in discretionary spending. They loan out another $85 billion. So they are basically entrusted with $110 billion annually of American taxpayer money. That is a big agency. What are they going to tell us on Thursday? This is not for 1999. This is now November of 1999 for the fiscal year which ended on September 30, 1998. What are they going to tell us?

Mr. SCHAFFER. They are going to tell the Congress that their books are unauditable going back to 1998. That they cannot tell us precisely how they spent the $120 billion, $35 billion in discretionary spending that the Congress gives them on a year-to-year basis.

Mr. HOEKSTRA. So the Secretary of Education will stand up and say I cannot find a half a penny or a penny out of my budget in waste, fraud and abuse, and at the same time, on Thursday, I do not think he will be at that press conference.

Mr. SCHAFFER. I doubt there will be a press conference.

Mr. HOEKSTRA. I bet there will not be a press conference. Because by law, they were supposed to tell us in March, in March of this year by law they were supposed to tell us and release their books to the Congress and to the American people saying, here is the $35 billion, here is the $85 billion in loans that we manage and here is what happened to the money. In March, they were supposed to tell us. They extended it, they extended it, they extended it, they extended it, until finally we hear that this week the auditors will finally come out and say, that $110 billion that we had way back in 1998, we cannot really tell you how we spent it, or the auditors cannot in good conscience tell us where the money went or how it was spent or whatever. But we cannot find a half a penny of waste.

Any organization that is that big and whose books are not auditable has at least a half a penny and you can probably find nickels and dimes of waste and inefficiency because if you cannot track where the money goes, you cannot hold the people accountable for getting the kind of results that they want.

Mr. SCHAFFER. I want to talk about some elementary school children that I met with yesterday. We talked about the importance of education. Before I do that, I want to just ask the gentleman from California, I know how my constituents react when they find out that the Department of Education, the agency charged with helping the children who made these cards for me, cannot balance its books, cannot provide books that are auditable so we can even find out where the money is. We want to help the children who made this artwork back in our schools, in our districts, but it is impossible to be assured that those dollars are really helping children when the Department of Education, itself, a $120 billion agency, one of the largest financial institutions on the entire planet, cannot tell us with any precision where the money went.

What do they say back in California when people find out about these kind of things?

Mr. HERGER. It is hard to believe, and I hate to put it this way, but were it not for the Federal Government, they would not believe it. If something like this were happening in any business in this Nation, if this were happening to anyone in this Nation, if those individuals responsible could not account for their books, the law would take care of them by incarcerating them. We are not proposing that happen to anyone at the Department of Education, but we are saying that those responsible and setting an example of educating our children should be able to keep books in a proper manner.

I yield to the gentleman from Arizona.

Mr. HAYWORTH. I thank my colleague from California. Mr. Speaker, I have come across the aisle symbolically to reach out to my friends in the Democratic Party, to reach out to the administration.

In a previous life, before coming to the Congress of the United States, I was a broadcaster. Oft times I was entrusted with updating current events, what we call in common parlance the news. Mr. Speaker, the news tonight as my colleagues have outlined, is as follows: At this minute, at the White House, congressional representatives and representatives of the administration are involved in negotiations. The most effective way to realize the savings necessary so that we can reach an agreement between the priorities of the administration and the necessities of the American people as reflected through our programs in this common sense Congress is for the administration to agree with us to the 1 percent solution, one penny of every dollar of discretionary spending. As my colleague from Texas pointed out, we are not talking about Medicare dollars, Medicaid dollars, Social Security dollars. We are not talking about vital funds to programs known as entitlements. We are talking about discretionary spending, where choices can be made.

One other note because as my friends talk about education, we should also talk, as I was honored to serve with my colleague from California earlier on the Committee on Resources when I first came to the Congress of the United States, one note on this, because also Arizona's former governor, Secretary Babbitt, at the Interior Department, has followed the predictable, what we call in this town, spin of the administration and said that the Interior Department cannot realize any savings.

Mr. SCHAFFER. If the gentleman will yield, this is Secretary Babbitt's exact quote here. The reporter asked, "Is there no more waste in government in your departments?" Secretary Babbitt said, "Well, it would take a magician to say that there was no waste in government and we are constantly ferreting it out. But the answer otherwise is, yes, you've got it exactly right." In other words, yes, there is no waste in the Federal Government. This does not pass the straight face test, whether you are in Arizona, Texas, Michigan, California, or Colorado, the American people understand there is waste in government and people who make answers like your former governor has here simply ought to be replaced in Washington as far as I am concerned.

Mr. HAYWORTH. And I would like to refresh his memory, because it is burned, it is seared into my memory, the first subcommittee meeting for parks, the Inspector General, the accountant for the Interior Department, with the then director of the National Park Service at his side, the Inspector General testifying in front of that Resources subcommittee said that the National Park Service for that budgetary cycle, for that year, could not account for $73 million of taxpayer funds. My colleague from California pointed out, were this the private sector, it would not be a national park someone would be spending their time in, they would be incarcerated for malfeasance. And the challenge for my colleague from California and others who have that wonderful mission of serving on the Committee on Ways and Means and the Committee on the Budget is to restate our rules so that we have a way to impound those types of funds out of administrative accounts in the next few years. But that is the challenge we face and that is ample evidence. And then we have the other evidence, the infamous outhouse, $1 million for an outhouse at Glacier National Park in Montana. It took over 800 helicopter trips. That is how inaccessible, we are talking about really out there, this outhouse, the million-dollar outhouse. Maybe that is $1 million out of the $73 million of that budgetary cycle. Yet my former governor, the Secretary of the Interior says there is no waste.

The American people know better, Mr. Speaker. My colleagues have amply demonstrated that.

Mr. HERGER. Mr. Speaker, I yield to the gentleman from Texas.

Mr. SESSIONS. I thank the gentleman for yielding and appreciate the gentleman from Arizona.

What we are doing here tonight is we are, I believe, being responsible. We are doing, I think, what I came to Washington, D.C. to do. That is, to work very carefully, very methodically and in the open, to give people not only an understanding about what we are doing but to make sure that we stay here until the ball gets kicked in the net.

Today, the gentleman from South Dakota (Mr. THUNE) stated something that was very interesting to me. Today he said, "We have got more time than money, and that is why we are going to stay here." We are in a tough league here. I tell people back home, in the league I play in up in Washington, D.C., you really do not ever get a no-hitter, but you can have a complete game. I believe us being here talking about the things we are, to have a complete game on behalf of the taxpayers of this country, the people who get up and go to work every day, the people who get things taken out of their paychecks even when they do not want it but they cannot fight the government. We are here for the taxpayer, not the tax collector. And the taxpayer says overwhelmingly, you can find a penny from the government. I am ready to stay. I am ready to stay here as long as we need to.

Mr. President, we believe in what we are doing, and we are going to keep fighting on behalf of what is right. One hundred percent of Social Security is more important than us giving in and going home. I intend to stay. Like the gentleman from South Dakota, I have more time than money, and we are here for the taxpayer. I believe by us telling the truth to the American public, they will recognize that we will find our penny and we can win this battle.

Mr. HERGER. I thank my friend from Texas. Let me point out that while the American taxpayer, 84 percent, almost 85 percent feel we could be saving a minimum of 5 percent, we have only asked the administration to save a penny, and now I understand it is down to about a half a penny and they are still fighting that.

I yield to the gentleman from Michigan.

Mr. HOEKSTRA. I thank the gentleman for yielding. We have come a long way this year. We were in this Chamber earlier in 1999, towards the end of January when the President came down here and gave his annual State of the Union speech. The President at that time said, I want to save

62 percent of the Social Security surplus. By implication meaning I am going to spend the other 38 percent. I do not remember, maybe one of my colleagues can remember and refresh my memory on the fees and the tax increases that the President proposed back in January, that he proposed in his budget. Does my colleague from Arizona remember what that amount was?

Mr. HAYWORTH. As I sat here that evening listening to the President's speech, in 77 minutes he outlined over 80 new spending programs, I believe it was well in excess of $70 billion, in fact almost twice that much.

Mr. HOEKSTRA. Somebody just handed it to me and said the President earlier this year proposed 75 use taxes and fee increases, totaling $150 billion a year. When we take a look at how much progress we have made, we have moved to the point of no tax and no fee increases. In that way, we have eliminated $150 billion of new spending that this President wanted. We have also moved from saving 62 percent of Social Security, we are now within a half a penny in this budget of saving 100 percent of the Social Security surplus. We have come a long way. Thankfully, we have taken the President all the way to 99½ cents.

Mr. HAYWORTH. I think this point should be made, because again in the spirit of bipartisanship, we welcome the President with his change of mind. We appreciate the fact that good people can disagree and then reconsider and come along. Now he says, let us save all of the Social Security trust fund for Social Security. One other thing we did in this Congress, when he proposed the tax and fee increase, we brought it to the floor. Mr. Speaker, again just to refresh the collective memory of this body and clue in the American people, not a single Member of this institution, Republican or Democrat, or my friend from Vermont who is a self-described socialist, an independent, not a one voted for the tax increase. So in that sense, the House worked its will. The President has bowed to that. Again, the 1 percent solution makes dollars and sense. A penny saved is retirement secured.

Mr. SCHAFFER. I would like to talk about one other place where this really matters, and that is with our children around the country. This is National Education Week this week. The slogan for this year is Students Today, Leaders Tomorrow. This debate really does come down to responsibility here in Washington.

I was out in my district just yesterday, I visited three schools up in Sterling and Green Acres Elementary School in Fort Morgan, Colorado, I stopped in and visited with the folks there.

□ 2215

I brought some of the artwork from some of those kids that I am dying to show some of my colleagues. I am scheduled to go to Ukraine next week as soon as we adjourn and will be meeting with some schoolchildren there. I am asking these kids to make up some cards and letters for kids out in Ukraine.

The gentleman ought to see some of these. Here is one from Carrie, who drew a picture of herself at the library where she can check out books. Here is another, Nicole, who wrote, "I can play at Riverside Park in the rain," and drew a nice picture of herself at the park. These are just great.

Here is one from Luke. Luke says, "I am walking my dog, Mattie. She is 13 years old. She is a yellow lab. She has a blue frisbee and she likes to play with it." There is a picture of Luke there that we are sending to the kids in Ukraine.

Here is one more. This is from Teresa. She put a bunch of crucifixes and the American flag. She is sending that to the Ukraine. She drew a picture of her room, and talks about some of the things she likes to do at home.

The point of this is that these are the children that matter most in America. When we start talking about ending dipping into social security and spending more money than Washington has to offer, these kids understand that that is wrong. The kids understand that the right thing to do is to save social security, to stop spending in deficit quantities.

They understand responsibility at school. When the teacher told the kids on Monday, the Congressman is coming and I want you to have these cards ready to go, the kids had their reports ready to go. Would it not be great if the Department of Education could do the same thing here in Washington, D.C.? When the Congress says, on the 19th of November you need to certify to the Congress that your books balance, we do not need to be hearing the answer we are going to get on Thursday from the Department, that their books are unauditable going back to 1998.

These kids understand responsibilities. They deserve a Department of Education that will work hard to help this Congress find that extra penny in savings so that these kids can get dollars to their classrooms, so that their teachers can have the resources they need to teach, so they can have a roof that does not leak, so they can have education opportunities that are the envy of the world and something to brag about in places like Ukraine, like these kids have done, and I am going to help them do later on this week.

That is what these children deserve. That is what their parents sent us here to Washington to do. Those parents want to know that the kids who made these products and created this artwork have somebody looking out for them in Washington.

If we walk around outside these hallways here, there are lobbyists all over the place. They are all here trying to get an extra dime here or there, or get extra money for their project or for their special interest. But these kids, we are all they have. They are counting on us to fight hard; to stay late into the evening, like we are doing tonight; to negotiate until the bitter end with the White House, so we can save that penny on the dollar and make sure that the education dollars get to the classroom, not hung up in Washington, so they have a social security retirement fund when they retire, and so that their country is run in a way in which they can be quite proud.

Mr. HERGER. Mr. Speaker, I thank my good friend, the gentleman from Colorado. The tragedy is unless the Congress takes action, unless the Congress saves and does not spend on existing programs, for social security coming in, not one of those students will have social security by the time they are ready to retire. This Congress has to act.

I am very grateful that back 168 days ago, and I might mention, in a bipartisan manner, 416 to 12, this House voted overwhelmingly to lock up social security and not spend it. But right now what we are asking of the White House right now is a penny, we are down now even to compromise and find some places where we do not spend in other areas and maybe reduce by half a penny, and we cannot even come up with that. It is really almost unbelievable.

I yield to my friend, the gentleman from Michigan (Mr. HOEKSTRA).

Mr. HOEKSTRA. Mr. Speaker, I thank my colleague for yielding.

What we have worked on so hard in the Committee on Education and the Workforce, and my colleague, the gentleman from Colorado, referenced it, the leverage point on giving kids a good education is moving the decisions closest to the kids in the classroom and the people that know our kids' names, the parents and teachers.

The money we are spending, let us make sure we move the flexibility for making those education decisions as close to those kids as possible.

Mr. HERGER. Mr. Speaker, each of us are parents here, and I know we are coming to the end of our time, but what it is really all about is our children. Each of us here speaking are parents. Undoubtedly, most people who are listening tonight are parents.

Right now there will not be any social security unless we do something about it. We as Republicans are committed to do that. We believe there is a minimum of a penny that any Washington bureaucracy can find to trim out of each of their departments. We are asking that they do it, and maybe do a little more to make sure we save social security. We believe it is there to do. The American public believes we can do it. We are committed to do it.

THE SITUATION IN COLOMBIA, SOUTH AMERICA

The SPEAKER pro tempore (Mr. COOKSEY). Under the Speaker's announced policy of January 6, 1999, the gentlewoman from Wisconsin (Ms. BALDWIN) is recognized for 60 minutes.

GENERAL LEAVE

Ms. BALDWIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous matter on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Wisconsin?

There was no objection.

Ms. BALDWIN. Mr. Speaker, I rise tonight to discuss one of the most pressing foreign policy issues facing our great Nation. That is, the situation in Colombia, South America.

Tonight my colleague and I want to speak about the many challenges that are faced in Colombia. We will discuss the civil war, the inequalities of wealth, the drug problem, the failure of the judicial system there, and the problem created by large numbers of displaced persons.

As we begin this discussion on Colombia, I guess I want to state from the outset that I would like this discussion to deal broadly with Colombia's problems and challenges. This body has all too frequently focused on Colombia, and in fact our Nation usually narrowly focuses on the issue of illegal drug production and trafficking. I strongly believe, however, that without addressing directly the broader problems that are faced in Colombia that we will not make significant progress in addressing the drug trafficking problem, because these problems are so interrelated.

I think we all must agree that drug addiction and abuse must be addressed by our government, that too many Americans and frankly people all over the world are addicted to illegal and sometimes legal drugs. We know that this is a problem that must be addressed. I think we can do so respectfully, agreeing that this is a problem that we are all committed to, but agreeing that we may have some different approaches and different perspectives on how to do that.

Colombia presents an important case study in this regard. It is a country that must be viewed comprehensively, not simply as a drug-producing Nation. The flow of drugs will not stop unless Colombia can achieve peace and economic security.

I wanted to start by sharing a little bit about how I first became interested in the policy in Colombia, U.S. policy towards Colombia, interested in the problems faced by the people of Colombia. I, too, used to view Colombia as a Nation, mostly by what I read about the drug production there, until I had the opportunity as a local elected official on my county board to become involved in a sister community project.

Our county essentially adopted a community in Colombia; in fact, a community in one of the most violent and war-torn parts of Colombia. Through this sister community, we got to experience exchanges. We had people come up, religious leaders, labor leaders, those interested in impacting poverty and fighting human rights abuses in Colombia. They came to our community and discussed the problems. In turn, people from my community got to travel to Colombia, as I did in 1993, to meet people there, to ask firsthand what was happening.

Perhaps learning about Colombia in this way stands in stark contrast to how many of our colleagues first discover the issues and the challenges faced by the people of Colombia, through high-level briefings, perhaps, meeting with generals, ambassadors, presidents, Members of Congress.

I started by meeting with people in agriculture, human rights leaders, people trying to organize collectives and cooperatives. It was a fascinating way to learn about Colombia. I met environmentalists who were engaged in the task of trying to protect the rainforests. I met people engaged in social work, trying to help address poverty in the big cities in Colombia, trying to help former gang members find another way of life. It was eye-opening for me.

One of the things I remember very vividly about my 1993 trip to Colombia was learning about the human rights situation there. Years of civil war and state-sanctioned repression have resulted in nearly 1 million displaced persons, sort of internal refugees, many of them young people, children.

There are problems with paramilitary death squads, with revolutionary guerillas, and these have led to an escalating level of violence in the past decade. In the last year alone, over 300,000 people have fled their homes and have become newly displaced persons in Colombia. These are people who we do not always hear about.

As I mentioned, I traveled to Colombia in 1993 to see the situation firsthand. One of the shocking and sort of striking memories I have was understanding that some of the aid that we sent to Colombia as military aid, aid intended to help fight the war on drugs, was ending up being misused perhaps by corrupt officials, but was ending up being used in a way to repress the people, those who might be organizing labor unions, those who might be organizing collectives for the farmers, those who might be fighting for human rights.

The U.S. now provides almost $300 million annually in military aid, making Colombia the third largest recipient of aid after Israel and Egypt. I must add, though, that things have improved in Colombia, very much so since the time that I was able to travel there. The military is beginning to address within their own ranks some of the issues of human rights abuses. The leadership, the President of Colombia, the Congress, has begun to act.

We have a number of policy options before us right now in the United States. There is a call for providing almost $1 billion or perhaps a lot more than $1 billion in new aid to Colombia. I think it is an important debate on how we allocate that money, how we approach this issue, how we look at the future of a war on drugs, how we look at making an impact in a country that is dealing with civil war, is dealing with human rights abuses, is dealing with poverty and economic downturn and struggling with a lot of things to put its country back together.

Before I go on to details about what policy options are facing the United States right now, I want to yield to my colleague, the gentleman from California (Mr. FARR), who has been also very well acquainted with the people of Colombia, the issues that Colombians face, perhaps from a different perspective than my own. But I would love the gentleman to share his wisdom with us.

Mr. FARR of California. Mr. Speaker, I thank the gentlewoman from Wisconsin very much. It is a pleasure to be on the floor with the gentlewoman, a very distinguished Member of this body who has so much compassion for people all over the globe, and particularly for the people of Colombia.

My introduction to Colombia was back in 1963. I was a young college graduate who just applied for the Peace Corps and was told that I was going to be accepted to a Peace Corps program in Colombia, South America.

I was excited about it. I had traveled through Latin America when I was in college working as a factory worker in Argentina, and I fell in love with Colombia the minute I stepped off the plane. It is a country, an incredibly beautiful country with lots of green. Obviously the green is well known around the world because it is the major exporter of emeralds.

Colombia, as a Peace Corps volunteer, was the best 2 years of my life. I lived in a very poor barrio. We did not have much running water or electricity. Sewage was inadequate. But the people were so genuine and so friendly, and so much so that when my mother passed away with cancer when I was in the Peace Corps I came home, and immediately went back to Colombia, and my father, I brought my two sisters to Colombia.

My youngest sister, Nancy, who was in high school at the time, 17 years old, unfortunately was killed in an accident in Colombia. Rather than being very bitter about the country, we ended up falling in love with the country because the people were so friendly to our family and realized what a plight we were going through, and how much tragedy we were bearing.

The thing that I hope we can do tonight is put a human face on a country that we hear a lot about. It is a country that the Americans know of, Colombia, and unfortunately know of it for two reasons, one very negative, which is drugs, a country that grows the drugs and processes the drugs that are so destructive to our lives here in the United States and around the world.

□ 2230

Unfortunately, we are the purchaser of those drugs and so we have this problem of those who produce and those who buy and use. And this relationship, Colombians always tell us that if we did not buy the drugs, they would not produce them. And we always say if they did not produce them, we would not buy them. And this is a battle where we have sort of lost sight of what this country is all about.

I hope tonight we can get into some of those issues. So put a human face on a country that is unique in its geographical location. It is the only country in South America that borders on both the Atlantic and the Pacific Oceans. It is a country much bigger than most think by looking at a map. The third largest country in Latin America. It is bigger than California, Texas, Montana and Illinois all combined for about 625,000 square miles. It is a huge country.

It has 38 million people. The people are spread out in Colombia in many big cities. The most urbanized of all Latin America countries. The Colombian market is bigger than that of the market of New York and Texas put together.

It is a remarkable country because not only does it touch both oceans, but it starts almost at the equator and goes up to 20,000 feet with snowcapped mountains close to the shore. So it has every kind of microclimate and can grow anything. Colombia is the second most diversified country in the world. It grows more fruits and vegetables than any other country in the world; and, obviously, that makes it a climate that is attractive to growing things that are illegal. And with the poverty in the country, we can see why the drug crops expanded there.

Mr. Speaker, the issue now is how do we take a country and really get it on its feet? In many ways Colombia, despite all of the problems that it has had with drugs, has remained an economically strong country with an honest economy. It is one of the strongest in Latin America. It has had a longer period of growth with an average of 4.5 percent per year for the last four decades. Between 1990 and 1995, it has grown at 4.2 percent. This is the longest sustained record of economic growth in the Americas. In all of the Americas. Colombia has outperformed the United States.

Now Colombia is in the midst of a recession after more than 30 years of unbroken growth. It is in the midst of problems, turmoil, but it is a democratic country. It had a remarkable turnout in its election for its president, President Pastrana, despite the pressures on people not to vote. It has political factions in the country that are historical between the rebels, between banditos or mafiosos as they are known. So it has got a collection of interests where people are trying to defend their own private lands with privately hired mercenaries, so we have private armies, a public army, a national police. They have rebels, and they have other factions that play in the shadows of all of these.

So we as the United States are now giving aid to Colombia. We have given an awful lot of that aid in the military section primarily for suppressing drugs. The country has now come to the United States. The President has met with our President. They have sat down and worked out an agreement that encourages that Colombia needs to get its own act in order, so to speak. It has done so by coming up with a plan. It has taken that plan not only to the United States but to its allies in Europe and asked for help.

Now, we are on the verge of the last night of the session of the first year of the 106th Congress. The big vote here tomorrow night will be the vote on appropriating monies and particularly the foreign aid money. Colombia is not getting a great deal of that money, unfortunately, because other priorities have taken its place. And I think that we have to recognize that if we are a country that is going to ask them to extradite their criminals, the people they are arresting in their country, in violation of their laws and our laws, and extradite these people to the United States so that they can be tried, sentenced, and imprisoned here, at great risk to the Colombian politicians and to the Colombian government, that they are doing that at the request of our government, and in turn we need to think comprehensively about how we are going to give them enough aid. Not just military aid, but compassionate aid to help the people help themselves in a better life.

Mr. Speaker, I know that the gentlewoman from Wisconsin has come to discuss some of that; and I really, really appreciate it. I appreciate the gentlewoman being a new face in Congress with a new slant on the Colombian situation. It is so healthy for this body, which has sort of been debating the macho military aid by essentially people that are pro-military and pro-national police, to say that if we just help them we are going to really help the country. When we know and the gentlewoman knows, particularly the first voice that has really come in and talked about the plight of women in this culture, and the fact that we are not going to win this war on poverty; we are not going to win the drug war; we are not going to win the political war or any war just by might. We are going to have to win that war through education. We are going to have to win that war through help with understanding family planning in countries like this. We are going to have to have micro-loan programs and do what we did in the Peace Corps.

Unfortunately, the Peace Corps left Colombia because it became too dangerous. But there are some 8,000 returned volunteers from Colombia, Americans who have lived in Colombia for at least 2 years who have learned the language and the culture, and who are very passionate about those years that they spent there and are wanting to see the country regain its incredible grandeur that it can and to develop the wonderful culture and people and particularly the opportunity for tourism. Making it safe for people to travel, safe for our sons and daughters to go and be educated in their great universities and essentially a much better cultural, educational, political interchange leads to support of a country through tourism and microtourism.

Mr. Speaker, I think that Colombia, because it is on both oceans, has so many opportunities for small economic development programs that would enhance the plight of people in rural areas by allowing them to have kind of ecotourism expand. So I appreciate the gentlewoman bringing these issues to the floor of the United States Congress tonight on the verge of our significant vote tomorrow night.

Ms. BALDWIN. Mr. Speaker, I thank the gentleman. And one of the similarities I think of our approach to this is that each of us comes from a background of getting a real opportunity to meet and exchange with the people of the country of Colombia. Not so much their advisors and their elected officials, perhaps local elected officials, but we really got a chance to interchange and understand what a person who is living in the rural areas or a person who is living in the cities experiences living there and the struggles that they face due to some of the economic challenges.

The gentleman was very right to note the success economically that Colombia has enjoyed. I always observed that while on the macro-level that country was observing great prosperity and growing, although now there is certainly an economic downturn, there is now 23 percent unemployment in some of the major cities, about an average of 20 percent unemployment nationwide. But one of the nuances of Colombia is that there is a concentration of wealth in the hands of few. That is particularly exaggerated in the case of landownership.

Mr. Speaker, about the top 3 percent of Colombia's landed elite own about 70-plus percent of all the agricultural land, while 57 percent of the poorest farmers subsist on about 2.8 percent of the land.

Those sort of challenges internal to Colombia, I think, play a big role in what we see happening there and the concerns that we have there right now. I look at it as a country struggling with civil war, struggling beyond that with a justice system that is in some ways broken down and for that reason people take justice into their own hands. And, of course, that creates in some parts, even though it is a wonderful democracy nationally, in some localities there is almost anarchy existing. It is very violent in certain regions.

But I want to be helpful this evening. I had the opportunity today to meet with a wonderful activist who is visiting the United States from Colombia. What he was doing was describing a program that he is working with in the central part of the country that has been operational for about 4 years now that is bringing a diverse array of parties together to the table to talk, to be engaged in dialogue, and to tackle drug issues, to tackle issues of the unstable economy right now, to tackle issues of violence and large numbers of refugees in a dialogue with people at the regional level.

This individual told us a very hopeful story of a program that is working because, rather than sending merely military equipment to respond to a problem, they are talking about alternative crops. They are giving peasants who would otherwise possibly be lured into production of coca and giving them options that are viable, that allow them to support their families, that allow them to have a hopeful future. It is this sort of balanced approach that I think is the hope for the future.

Now, one thing that we were delighted to see and will hopefully serve as a basis of our conversation as we move forward about how to really and truly tackle drug problems here and in producer countries is the Plan Colombia that President Pastrana and his government have put together.

What we see is a plan that has been offered to an international community that does not just focus on one component of the struggles that Colombia faces, but really is a multifaceted program that I think we can take heart in. What they recognize is how unstable the Nation has been and the fact that in this plan they need to really consolidate in the State of Colombia, make sure that the State is the entity responsible for protection of the public interest, for promoting democracy, the rule of law, to make sure that it is the monopoly in the application of justice and that it plays a stronger role in full employment, in respect for human rights.

They look at building peace as a building process. Not something that will happen, but things that will take years to accomplish. As the plan says, peace is not simply a matter of will; it has to be built. And central to their strategy is, of course, a partnership with other countries to look at not only production of illegal drugs, but consumption and recognizing that there are principles of reciprocity and equality that need to occur in order for countries to move forward together in a partnership to confront mutual problems.

Mr. Speaker, Colombia is in an economic crisis right now, and we have got to tackle that in part also to respond to the larger problems.

Mr. FARR of California. Will the gentlewoman yield?

Ms. BALDWIN. I certainly will yield to the gentleman.

Mr. FARR of California. Mr. Speaker, I appreciate the gentlewoman yielding to me. I wanted to point out that this Plan Colombia I think is very exciting because it outlines not just a military approach, and a national police approach, and a law enforcement approach to preventing crime and to stopping the drug traffickers and so on, but it really is a plan about education of the country. It is a plan about economic revitalization through land reform and having more people have a stake in the outcome. It is about a plan about economic development at the micro level, at the rural level, at the barrio level.

I mean, it is interesting. I do not think we ever outlined it as Peace Corps volunteers some 30 years ago when we were serving there, but what this plan reflects is many of the things that young Americans, professionals recognize that the country needed to do.

□ 2245

It is almost as if the ideas that we are espousing have caught up with the government, and they are now wanting to implement it. I think that is really courageous of the government because, obviously, if they just went out and said all we want to do is get money for military purposes to eradicate the drug program, I think the countries would be more interested, but they are going far beyond it.

They are looking into programs that would, and I have a list here just asking for $50 million for the year 2000 for the Agency of International Development in the area of human rights to do things like train judicial officials so that they can investigate and prosecute on human rights claims.

One can have violations of human rights, but if one does not have the ability to document them and one does not have the ability and the court, get access to the court and standing before the court, have a court that is honest, a system that, indeed, will listen to the law and listen to the facts and then will sentence people and hold them in sentence and not let them off, this is all a process where the ability is there, but not necessarily a comprehensive training of how one puts it all together.

Ms. BALDWIN. Mr. Speaker, I remember learning about this issue of impugnity that perhaps is a foreign notion here in the United States. But in the past, in Colombia, and they are under way to reform this, if, for example, a military official engaged in an egregious human rights violation, they would be tried in a sort of military court. The judges were hired by the people that they were then trying. The relationship was such that almost always people were let off the hook, almost always. This is now beginning to change, which does give us tremendous hope for the future.

The congress of Colombia has now passed a law that would put teeth in the military judicial system and hold military officials accountable if they were found to have engaged in human rights violations. So it is a very positive step forward. But I think for many of us in the United States who expect the rule of law, it is confusing to hear the people who conducted massacres might not even be held accountable, might not even be discharged from their job, let alone imprisoned and held accountable for their actions.

Mr. FARR of California. Mr. Speaker, will the gentlewoman yield?

Ms. BALDWIN. I yield to the gentleman from California.

Mr. FARR of California. Mr. Speaker, it is very hard, I do not know, we can imagine it, but it is very hard to sort of project this on another country, because we take it so much for granted. We feel secure in our workplace. We feel secure in our communities. Now, there is always exceptions to that with crime, but we do not wake up every morning thinking today is the day something awful is going to happen to me or my child or my spouse when they go to work.

But in Colombia, that happens. There is not a sense of individual security. One is not secure in one's workplace. One is not secure on the street. If one does have money or resources one will be a target of, perhaps, kidnapping. People know who the people are with wealth. If one has wealth, one has to hide it, or one lives a prisoner of one's wealth. One cannot really go out and enjoy society.

I had friends who told me that their children were in school, and they would get a picture, like picture postcards with the crosshairs of a rifle on their children's faces as they exited school, meaning that somebody had taken a picture of these children through a scope of a rifle, showing that they know what school they are going to, when they are getting out, and that they could shoot them at any time they wanted to. If that does not strike fear into a family.

So what happens is if one does have means, one wants to leave. That is the worst thing that can happen to a country is to take the talent, the educated talent, and leave, because it takes a dedication of a total society.

One of the things that you did not mention that I think I am so impressed with is just, what, 2 weeks ago, Colombia, in a demonstration of its own self, of its country, asked people to march in a march they called No Mas. They did it, I believe, in eight of the major cities in Colombia. Anywhere between, depending on the count, 6 to 10 million people marched. That is one in about every eight persons or less that lives in Colombia.

No other country in the world, to my knowledge, has ever turned out that many people to march in protest of what is occurring to the society. I think we ought to be very encouraged as Americans that Colombians feel strong enough about the problems in their country that they are willing to demonstrate in that type of fashion, in a peaceful fashion, with so many people. I do not think we have ever had a demonstration in the United States, and we are a much bigger country, of that many people.

Ms. BALDWIN. Mr. Speaker, the story that I remember so vividly about the lack of security in all realms of life is, when I visited a banana plantation in the areas outside of Portado, Colombia. I remember seeing graffiti spray-painted on one of the buildings on the plantation and asking what the, I could not read the language, and asking what it said. It was graffiti in this case from one of the guerilla organizations.

I asked, what would happen if one simply painted over this? The graffiti was beckoning to the workers at the plantation to join the FARC. I said, what would happen if one spray-painted this? Well, the next week, the paramilitary forces might come through, and if the spray paint is still there, they will be accused of being sympathizers for not having painted over it. But on the other hand, if they paint over it and get rid of the graffiti, the guerillas might come through and also intimidate these individuals as being sympathizers with the paramilitary organizations.

So you have a group of civilians literally in the crossfire of a civil war in a country who go to work, and one knows their buildings have been essentially tagged by these forces, one side or the other, and know that they are so close to, perhaps, being kidnapped or being sent away. This is a daily thing that these people live with.

So when the gentleman talks about the peace rally with, I have heard, up to 10 million people marching in cities across Colombia, the courage that it took to protest openly, to march for peace, no more openly, is remarkable because the consequences are so high.

Well, one of the things that I got a chance to do as a county board official when I first traveled to Colombia was to meet other local officials, many who had run for office with a real commitment to peace and had done things like inviting warring factions to speak, and how many of these individuals risked assassination. I thought, what amazing courage it took for somebody to run for local office in parts of Colombia that we could not fathom here the courage that that would take.

So this march for peace was quite remarkable at the beginning stages of the peace talks in Colombia that Pastrana is leading.

Mr. FARR of California. Mr. Speaker, will the gentlewoman yield?

Ms. BALDWIN. I yield to the gentleman from California.

Mr. FARR of California. Mr. Speaker, I have a question, and it is a question that I think we both know the answer to, but it bears asking, and that is: Why should the American public care about Colombia? It is one of many countries in Latin America. It is historically very dear, I think, to our country. Our President Kennedy traveled to Bogota. The airport was named after him. Many schools were named after the President.

It is a country that has had a lot of people come to the United States to be educated. I think there is about almost a half a million Colombians living in the greater Washington area. I mean, there is a lot of connection.

But for those people in the gentlewoman's State and in my State of California, or others around who are listening to this and who are watching Congress in its foreign aid appropriations who are saying, well, we have enough problems here in the United States, why should we give any money to a country overseas and particularly one country that is producing all of these drugs that we seem to be addicted to? Why should we be helping them at all?

Ms. BALDWIN. Mr. Speaker, well, for me, in many ways it is an easy question because I have had the opportunity to get to know people there, leaders there, people with great hope, not only for their country, but for coexistence in a more peaceful world. We are large trading partners in the sense that the agricultural products of Colombia, and I am not talking about illegal ones, I am talking about coffee, bananas, and many other products, are so important.

One of the exciting things for our local community when we first decided to adopt or be adopted by a Colombian community when we started this sister community project, and I know there are so many across the country now, there are many communities across the United States that have sister communities in Colombia, that we found all the similarities.

I come from an agricultural State. We are partnered and have a sister community with the banana growing region, which actually is not one of the major drug-producing areas of Colombia, but, yet, still faces some of the violence that we have been talking about, a lot of the violence. It is an area that has absorbed a large group of refugees. It is an area struggling for a more fair division of wealth.

I described before the ownership of vast amounts of land by one or two landlords. They are struggling to start collectives. So we had experts from Wisconsin in the cooperative movement, electrical co-ops, credit unions, et cetera, go and advise people in Colombia on how they can set up collectives to prosper. Those type of ties for me, all aside from the very important issue of fighting drug addiction and drug abuse, call for us to care about what happens there.

Mr. FARR of California. Mr. Speaker, I am very pleased to hear that. Colombians are very entrepreneurial. As the gentlewoman talked about agriculture, the one thing that has really hit our district probably more so than drugs is how successful the Colombians have been in growing flowers.

I represent an area in California which has a substantial number of flower growers, and they are really hurt by the Colombian imports. I mean, it is a good news-bad news story. It is a good news for Colombia that they have been able to be so successful that they have a $4 million export business to the United States and have 80 percent of the entire U.S. market for cut flowers. We have given them free rein to have that because we do not charge them any tariffs where we do charge other countries.

So it is good news for them and it has been bad news for our flower growers. Hopefully, we can negotiate with Colombia and make some differences about that.

Ms. BALDWIN. Mr. Speaker, that offers another example of a way we can also be very helpful to Colombia, because when I visited the flower-growing region, a carnation-growing region, I had the chance to speak with a number of the workers who were trying to organize, trying to address a number of worker-related issues that I think it would make a big difference to people here in the United States, particularly, the labor conditions and issues of use of pesticides, to make sure that we promote trade in a way that helps the Colombian worker as well as the U.S. worker.

When we have discussions about NAFTA and GATT and expansion of trade agreements, and of course NAFTA does not include Colombia, but there are people talking all the time about global trade, we have a capacity because they are trading partners, to help address some serious issues of abuse of labor that ought to concern us all.

Mr. FARR of California. Mr. Speaker, we are going to have a chance to do that in the year 2001. The Andean Trade Pact, which gives these preference trade agreements to the Andean countries, will be up for renewal, and we will be able to have the ability to negotiate on that.

I look forward to some hard, tough negotiations. Hopefully, we can improve the condition of the working class in these countries, the Andean countries, and particularly, I think, help some of our flower growers that are struggling as well.

Another interesting thing about Colombia that many people do not think about, I just got some facts today that today there are 25,000 American citizens who live in Colombia. From October 1997 to September 1998, more than 158,000 Americans visited Colombia. Currently, we have 250 private American businesses that are registered in Colombia.

There is a strong American-Colombian connection, despite all of the violence and problems that have been going on. The key that we are here tonight on the floor talking about is how do we move beyond this impasse. Colombia has come to us and said we want to move on. We want to move significantly further than we have ever been before in all kinds of reforms. We need the aid of the United States. We have a plan. It is a well-thought-out plan. It has been applauded wherever it has been presented as a comprehensive plan, as a plan that could work.

But there is no free lunch. Colombians are asking us, as well as the Europeans and other countries, to help finance that plan.

☐ 2300

Because as the gentlewoman mentioned, they are in a historically deep recession right now, and no country in conditions like that can pull out of that without some international help.

And so as we approach how we are going to bail out Colombia, what we have to break here in Congress is the stranglehold that has said the only way we are going to help Colombia is to give them Blackhawk helicopters, more money for military, more national police money. It may be that some of that is essential, but that is not the whole package. And Colombians keep reminding us that is not all that we have asked for, we have asked for a lot of other help that is essential. Because none of the aid to the military for suppression of drugs will work unless the rest of the country is brought up on its feet.

Ms. BALDWIN. And, in fact, there is certainly some sobering statistics that we have heard in terms of the effectiveness of some of our targeted expenditures in Colombia before. Drug production is up markedly, even though U.S. military assistance and police assistance has been increased. And that is obviously not the direction that we want to go.

And as people who are truly concerned about the problem of drug abuse and drug addiction, we want our resources to be used effectively. I believe in so doing what we will recognize is that the problems in Colombia are truly interrelated, and achieving peace, and achieving a more balanced economy, and achieving a greater rate of employment in Colombia, achieving all those things will truly help us reduce the production of drugs and the importation of drugs and the drug trafficking, and thereby decreasing violence, and that that is where we have to push our U.S. policy.

Now, I am still not sure when we are going to have this grand debate on the floor of the U.S. House of Representatives. I know that there was some suspicion that we might be having this debate yet this fall, but it appears that it is a debate that will be deferred until the early months of next year. We have heard of a variety of proposals. There is a bill in the other body that has been put forward. There has been discussion in this House of proposals. Different parts of the administration have talked about different ways of providing increased funding to Colombia.

I think my strongest concern is that we not oversimplify the problem there; that in a combined and dedicated effort to really respond to a drug crisis, that we do so in the most effective way possible, using our resources as best we can, and that that, in this case, probably means responding to poverty and investing in economic development, helping rebuild a responsive judicial system. It is, as the gentleman indicated, not merely a matter of providing more guns and helicopters and sending more people through the School of the Americas, and simply a matter of almost engaging in part of their civil war; that, instead, it is a much more comprehensive and complex strategy that we must engage in.

Mr. FARR of California. Has the gentlewoman not been impressed with the number of organizations, nongovernmental organizations, the human rights organizations, the number of active missions, of technicians, of people, as the gentlewoman talked about, who are just skilled farmers or skilled nurses, people who would really want to help Colombia? I think if we can make this country safe to return to, we will see an outpouring of Americans. It is such a beautiful country. There is so much possibility there. And I just think that we in Congress have to provide the resources to make this possible.

My daughter is 21 years old. I would hate to think that there is any place in the world that she cannot as an American citizen go and be safe in, and particularly in a country which her father spent two of the most marvelous years of his life as a Peace Corps volunteer. Yet my wife and others do not think it is safe for her to go down there, particularly alone. It may be, but the perception is that it is not. And that is a tragedy, that we have a country that we are so close to and people that we have had such a long historical relationship with and a country that has probably been historically the strongest democracy in Latin America that our own children cannot feel safe to visit or study in their schools.

I hope that those of us who are Members of Congress who care about this will have the ability to do something about it in a very short time.

Ms. BALDWIN. Mr. Speaker, I am delighted that the gentleman was able to join in this discussion. I think it is a very important discussion. I suspect that the next special order will carry on with a similar concern about fighting drug abuse and drug addiction in this country and talking about those efforts. And I certainly want to be one to reach out to both sides of the aisle, to reach over to the other body, to work with the administration, and certainly to keep in close contact with the people of Colombia who can, I think, inform this debate and help us find true solutions to real problems. And I very much thank the gentleman for joining in this with me.

Mr. FARR of California. Well, Mr. Speaker, I thank the gentlewoman for scheduling this hour, and I would encourage everyone who has listened to this, who cares about Colombia, to petition and to write the President, to let the President of the United States know that it is important for the President to make Colombia a high priority, not just Members of Congress. And also to remind us that we, as Americans, are part of the problem. Because we are the buyers of the illicit drugs that are coming out of Colombia. If there was no market, there would be very little production. We need to take some responsibility for that as well.

ILLEGAL NARCOTICS AND DRUG ABUSE

The SPEAKER pro tempore (Mr. COOKSEY). Under the Speaker's announced policy of January 6, 1999, the gentleman from Florida (Mr. MICA) is recognized for the time remaining until midnight.

Mr. MICA. Mr. Speaker, I am pleased to come before the House. Although the hour is late, I think the subject is extremely important, and some of it will continue upon a dialogue that was begun in the last hour by the gentleman from California and the gentlewoman from Wisconsin on the subject of Colombia.

I do chair in the House of Representatives the Subcommittee on Criminal Justice, Drug Policy and Human Resources, and have attempted this year, almost on a weekly basis, to come to the floor of the House and spend part of a Tuesday evening, when we have the extensive time granted to Members to discuss issues up until the magic hour of midnight. I have used that time to speak on what I consider the biggest social and criminal justice and health policy facing our Nation, and that is the problem of illegal narcotics and drug abuse.

Just as a wrap-up tonight, discussing some of the activities of our subcommittee, and I think it has had a very effective and also full schedule during 1999, we have held almost 30 hearings, and almost 20 of them on the topic of drug policy.

I remember coming to Congress in 1993. From 1993 to 1995, when the other side controlled the House of Representatives, the White House, and the other body, during that period of time only one hearing was held in an oversight capacity on the topic of our national drug policy, and that is part of how we got ourselves into the situation we are in today with the dramatic increases in drug-induced deaths resulting from illegal narcotics and also from the incredible numbers we have in prison and also the societal problems and costs that we see that are incurred not only by Congress but to American families and parents throughout our land.

□ 2310

So we have had, as I said, a full list of hearings. We have tried to cover a number of topics starting last January in my own district to assess the problem in central Florida and the area that I serve.

I have repeatedly mentioned that central Florida is a very prosperous area of our Nation and it has been ravaged by illegal narcotics. Their headlines have blurted out this past year that drug deaths now exceed homicides. And the situation continues to be critical in spite of some of the solutions that we have put in place and steps that we have taken. It is a very difficult problem to solve. We have seen that.

We do know that in some jurisdictions through some efforts there have been successes; and, in others, there have been failures.

In February of this year, we asked one of those success stories to be heard before our subcommittee and we conducted a hearing that featured New York Mayor Rudy Giuliani. And certainly of all the examples of successes in this country, no one has been more successful or more effective in curtailing illegal narcotics, crime, and certainly bringing the murder rate under control than Rudy Giuliani.

In fact, when he became Mayor of New York some years ago, the average annual murders were around the 2,000 mark, in fact, in excess of 2,000. A 70 percent decline in the murder rate there has been achieved through a zero-tolerance and tough enforcement policy that has worked. Hopefully, the success story that we heard about there is being replicated. And we know that it is being replicated in other communities; and where it is, we have seen also some dramatic decreases in crime, violence, and narcotics use.

Also important to our subcommittee and in developing the House's strategy for dealing with the problem of illegal narcotics, narcotics trafficking, is looking at the areas that bring drugs forth into our country into our borders; and we have spent several hearings back in February looking at the situation as far as Mexico.

Seventy percent of the illegal narcotics coming into the United States transit through Mexico. We conducted a rather thorough review and oversight of our policy toward Mexico in advance of the President's requirement under law to certify Mexico as cooperating under again a Federal law that requires that certification that Mexico is cooperating with the United States to stop both the production and trafficking of illegal narcotics.

In return for that certification and cooperation, a country under that law, whether it is Mexico or other countries, is eligible to receive benefits of the United States, either foreign assistance, financial assistance, financial support, votes in international organizations, and also they receive certain benefits as far as trade from the United States. That is once they are certified as fully cooperating.

We did review the previous year's experience with Mexico and found some of their efforts lacking, in fact, reductions in seizures of both heroin and cocaine, and not really addressing some of the requests that the Congress had made some 2 years ago, including extraditing major drug kingpin traffickers; signing a maritime agreement, which they still have not done; allowing our DEA agents to protect themselves in their country, and that was based on the experience we had with one DEA agent murdered some years ago; and also enforcement of Mexican drug laws that were passed and money laundering laws that were passed that were, unfortunately, passed but not fully executed.

We looked at all of the range of requests that this Congress had made 2 years ago to see if Mexico, in fact, had complied; and we found, in fact, their cooperation lacking. In fact, one of the most disturbing reports that we had from that hearing was, in fact, that Mexico, according to our United States Department of State, continues to be the primary haven for money laundering in Latin America.

One of the things that was most disturbing about the actions of Mexico was that, while we had asked them to execute and enforce the laws that they had passed dealing with money laundering, we found instead hostility towards an investigation that the United States began in that country.

That investigation was probably the largest money laundering investigation in the history of the United States Customs and certainly on the international scene and involved hundreds of millions of dollars that we know came from drug money laundering. This undercover operation was the largest money laundering sting in the history of the United States.

As it ended up, 40 Mexicans and Venezuelan bankers, businessmen, and suspected drug cartel members were arrested and 70 others indicted as fugitives.

The United States officials at the time of our preliminary work on this investigation and during the investigation, did not fully inform Mexican counterparts of the operation because they feared Mexican corrupt officials might endanger our agents' lives. However, they were kept abreast generally of the operation.

Three of Mexico's most prominent banks, Bancomer, Banc Serfin, and Banc Confia, were implicated in this investigation. This investigation also revealed some startling facts about what is going on in Mexico.

One of our senior United States Customs agents who led the Casa Blanca probe declared that corruption had reached the highest levels of the Zedillo government, the current government, when he implicated the Minister of Defense of Mexico, Enrique Cervantes.

In June of 1998, the Mexican Government advised the United States it would prosecute United States Customs agents and informers who took part in Operation Casa Blanca. So rather than cooperate with the United States, Mexico threatened to indict and arrest the United States officials involved in that operation.

In February of this year, 1999, a Mexican judge denied the extradition of five Mexican bankers that the United States had requested for their role in operation Casa Blanca.

In fact, extradition continues to be a very sore point in relations between the United States and Mexico.

Last week, I reported that we met with the attorney general and the foreign minister of Mexico here in Washington in what was, I believe, the seventh high level working group that included our drug czar, other high level officials in our administration, the secretary, under secretary for international narcotics matters, and officials from various United States agencies and numerous Members of both the House and the other body.

At the top of our request list again to Mexico was a question of extradition, not only in the Casa Blanca case, but to date United States officials have 275 pending requests for extradition with Mexico.

□ 2320

To date, Mexico has not extradited a single kingpin drug or illegal narcotics trafficker despite requests. Mexico has only approved 42 extradition requests since 1996. Of 20 of the extradition requests that Mexico has approved, there has only been one of those who has been a Mexican citizen. No major drug kingpin from Mexico who is a Mexican national again has been indicted to date.

In June of this past year, our subcommittee did hold another hearing on Mexico's cooperation on the question of extradition. The title of that hearing is, Is Mexico a Safe Haven for Murderers and Drug Traffickers? Particularly we looked into the case brought to the attention of the subcommittee and the Congress of a suspected murderer, Mr. Del Toro, who was suspected of murder, very heavily implicated in the death of a Sarasota, Florida, woman, a terrible death in which this woman was murdered and the body was left with her two young children. That individual, even though his name is Del Toro, was a U.S. citizen, fled to Mexico and was granted temporary refuge there. I am pleased that after our June 23 hearing, that Mexico did extradite Mr. Del Toro and he is now sitting in jail in Florida awaiting justice in our system. We have made some progress, but again to date not one single major drug kingpin who is a Mexican national has been extradited.

This is all in spite of the fact that on November 13, 1997, the United States and Mexico signed a protocol to the current extradition treaty. Now, this protocol, basically the outline and agreement for extradition, has been ratified by the United States Senate but is currently still being delayed by the Mexican Senate. They have failed to act on that and, as I said, they also have failed to act on the signing or reaching a maritime agreement of cooperation.

I am pleased that this year we have some indication of increased seizures of cocaine and heroin by Mexican officials, in cooperation with the United States officials. That is some good news. Some bad news is that we have just received additional information on the signature heroin program. I have had before this chart that showed, and I think we can see it here, 14 percent of the heroin coming into the United States, was coming, in 1997, from Mexico. We know this is pretty accurate, because these tests that are done by DEA are almost a DNA sampling and can almost trace this heroin to the fields from which the heroin originates. Unfortunately, I just received this chart last week of the 1998 seizures of heroin in the United States. This shows that Mexico has jumped from 14 to 17 percent of the heroin entering the United States, comes from Mexico. That does not sound like much, 14 to 17 percent, but it is about a 20 percent increase. What is startling, too, is in the early 1990's, we were in the single digits in production, primarily black tar heroin from Mexico. The other scary thing, of all the heroin that is coming into the United States is the purity levels that were in the low teens, as far as the purity of heroin is now coming in from both Mexico, South America and other sources is a very high purity level, sometimes 80, 90 percent. So what we have is more production from Mexico, more production from South America, in particular Colombia, and more production of a very deadly heroin, and that is one reason why we have the epidemic of heroin deaths both in my district and throughout the United States.

We do have some serious problems with Mexico. We will continue from our subcommittee to monitor their cooperation. We have that responsibility. Our primary responsibility, of course, is stopping drugs at their source, interdicting drugs before they come into the United States. That really is something that we have tried to closely examine, how effective that has worked.

In the past, and I have held up some of these charts before, particularly in the Reagan administration and the Bush administration, the United States Federal Government, as we can see by this chart, up to 1993 with the Clinton administration, had continually addressed proper funding and spending for international programs. International programs are stopping drugs at their source. Basically what happened is the War on Drugs was closed down in 1993 when the other side took over the House, the Senate and the White House, and Clinton policy really gutted all of these programs. That meant crop alternative programs, stopping drugs at their source, anything that dealt on the international level which again is a primary responsibility of the Federal Government was either slashed dramatically or these programs eliminated. Only now, in 1995, with the advent of the new majority have we really gotten ourselves back to the Reagan-Bush dollar levels of funding for the international programs. We can see some immediate success in several areas, particularly Peru and Bolivia where they have cut production of cocaine in Peru by some 60 percent, in Bolivia by over 50 percent just in several years. The one area where we have not had a reduction in narcotics trafficking and production, of course, is Colombia.

The previous speakers, the gentleman from California, the gentlewoman from Wisconsin, talked about Colombia, and I think in somewhat nostalgic terms. I believe at least one of the speakers had participated in our Peace Corps and both are familiar with Colombia. We have a very serious problem with Colombia today. That problem did not happen overnight. That problem is a direct result of a policy, I believe, and we held a number of hearings in our subcommittee on the subject, and in the Congress there have been some 16 hearings on that subject that I am aware of, both in our subcommittee and other committees, including International Relations, on the problems relating to Colombia. Colombia is another example of the United States changing policy with the Clinton administration, ending the War on Drugs. They stopped the international programs, they stopped the interdiction programs, and this would be stopping drugs from the source to the United States borders. Again, we do not see a change in this policy getting us back to the level of funding that we had under the Reagan and Bush administration until up to the new majority taking control. Otherwise, we see a complete slash in stopping drugs at their source. And also interdicting drugs as they came from their source.

□ 2330

In fact, one of the first actions of the Clinton administration was to cease providing intelligence information to Colombia on May 1, 1994. That was the beginning of our problems with Colombia, and from the time of this bad policy adoption, things have gone dramatically downhill in Colombia.

That policy change created a gap that allowed drug flights and transit areas that were once denied to drug traffickers to open wide open. Only after the United States Congress intervened and identified this misstep did the Clinton administration, after some very harmful delays, resume intelligence-sharing.

What is interesting, the next step was removal of some of the overflight and surveillance information, and I believe the Vice President was involved in some of those decisions to take some of our AWACs planes and other information, surveillance aircraft, and move them to different locations. Some, of course, went to other deployments of the Clinton administration. It is my understanding one AWACs was sent by the Vice President over Alaska to check for oil spills, as opposed to taking care of providing information to go after drug traffickers.

In addition to going after drug traffickers, the other important thing has been to stem some of the violence, the narco-terrorist violence in Colombia. It is important that we pay attention to human rights, and that human rights violations do not go unpunished.

President Pastrano, the new president of Colombia, has made incredible progress. Very few human rights violations by the military have been reported. The United States is also providing training to their military so that they are aware of human rights violations, and that they do conduct themselves as far as their military activities in compliance with international standards and basic human rights.

However, the human rights of 30,000 Colombians were ignored in this period of time. That is how many Colombians have met their fate and their death as a result of narco-terrorism in their country, so tens of thousands have died. Over 4,000 police, public officials, and everyone from Members of their Congress to their Supreme Court, have been slaughtered, murdered, in what has taken place as lawlessness, and this terrorist insurgency has taken hold.

What is even sadder is that 80 percent of all cocaine and 75 percent of all the heroin in the United States today comes from Colombia. If we looked at a chart back in 1992, 1991, we would see very little cocaine produced in Colombia. This administration, through its policy, again, of stopping information, of stopping resources getting to Colombia, and of denying assistance to Colombia to combat illegal narcotics, has allowed in some 6 or 7 years for Colombia to now become the largest cocaine producer in the world.

It also went from almost a zero production of heroin or poppies to now providing, and I think the charts show, some 60 percent to 70 percent of all of the heroin coming into the United States we can very definitely identify as coming from Colombia. All this took place under the Clinton administration, and in spite of repeated pleas from both the minority, when we were in the minority, and since we have taken over, the majority to make certain that resources and assistance got to Colombia.

What is absolutely incredible, as I stand before the House tonight, we still find ourselves faced with aid that we requested some years ago, with assistance that we appropriated in the previous fiscal year, still not getting to Colombia.

If I have heard one thing once, I have heard it a thousand times. I have heard that the country of Colombia is the third largest recipient of the United States foreign aid. That is based on a supplemental that was provided last year by the Republican majority, initiated by, in fact, the former chair of this subcommittee, the gentleman from Illinois (Mr. HASTERT), who is now Speaker of the House.

I worked diligently to make sure Colombia had the resources, and we passed, under our watch, a supplemental to make certain that the resources got to the source, the primary source, of illegal hard drugs, cocaine and heroin, coming into the United States.

It is absolutely incredible, again, to report that the House, the findings from closed-door sessions we held for the last 2 weeks, we find that in fact it was not $300 million in total that went to Colombia. That got whittled away. So $42 million ended up actually, of $230 million, $42 million went to Peru and Bolivia.

Additionally, we have been requested or we were requesting since 1995 that helicopters which have been requested by Colombia be sent to Colombia to deal with eradication and to deal also with the insurgency that was financed in cooperating with narcotics, illegal narcotics in that country.

What is again absolutely incredible is that to date, we have in Colombia six of nine Huey helicopters that are operating. We expended $40 million on that, so two-thirds of what we requested as far as Huey helicopters are operating, so that is six total Hueys at a cost of $40 million.

One of the other helicopters that has been requested was Black Hawk helicopters, which have both combat capability and also high altitude capability, which we need, and flexibility for Colombia, which has mountainous ranges where coke and poppy are grown and also trafficked.

What is absolutely incredible is that out of the three or out of six that we funded for Colombia, only three have been delivered. Of the three that have been delivered, in fact, none of them are operational at this point because all three of them lack proper floor armoring, and additionally, they do not have ammunition.

Now the ammunition we requested, and I know I have been involved in that for several years, and mini-guns to go to Colombia, we had testimony, again behind closed doors, that in fact, as of November 1, that ammunition and those mini-guns had been shipped, but we did not have confirmation as of last week whether or not they had been delivered.

So we have actually only six operating Huey helicopters out of nine and six would be 15 requested, and three of the Black Hawks are not operational.

Now, if we also look at the dollars involved, we take out $42 million for Peru and Bolivia and we are down to $190 million, and we find that the Black Hawk helicopters really accounted for a great deal of the balance of the residual funds, the super Hueys and several other activities.

What in fact we find out is that of the $232 million above, there was $176 million in fact set aside for Colombia, but only one-half of this has actually been delivered or is operational.

What is even more startling is the administration announced with great fanfare that the President was going to take surplus equipment, again in the previous fiscal year, in 1999, and we are now in 1999–2000, but this is called 506 A drawdown. It is off-the-shelf equipment.

To date, not one single piece of equipment or assistance has been provided to Colombia at this juncture. However, the administration admits now that we have an emergency situation. General Barry McCaffrey, who is head of our antidrug effort and our national drug czar, described Colombia as, and I will quote him, as an "emergency situation" at a hearing before our Subcommittee on Criminal Justice, Drug Policy, and Human Resources on August 6 of 1999.

☐ 2340

Now, I believe that the administration is somewhat embarrassed to come to the Congress in these final days as we debate the 1999–2000 normal budget and request additional funds. Anyone who looks at this, and details the amount of money appropriated by Congress initiated in the House of Representatives for Colombia and then sees what has actually been delivered would be shocked and I think somewhat embarrassed to come here and start asking for a billion to $2 billion.

And I might say that we are not opposed to additional funds on our side of the aisle for Colombia. We have a situation out of control. We have a region that is in danger. We have a neighbor that is just a few hours away from Miami. We have an instability that is being created now all the way up to the Panama Canal over into the Caribbean and through Central and South America by this situation that has grown out of control.

General McCaffrey also went on to state, "The United States has paid inadequate attention to a serious and growing emergency." That probably will go down in history as one of the understatements, particularly given the latest information that we have and, again, the disruption to the whole region that we see.

Mr. Speaker, it is interesting to note too that General Serrano, who is the Chief of the Colombian National Police, he stated to our subcommittee that 90 percent of the anti-drug missions the Colombian National Police must conduct are required to be conducted by helicopter, again, given the terrain of the country. I know it is nice to think that just good things will happen if we wish and hope, and I respect the opinion of the other Members who spoke in here before on the floor. But I think we know that some tough measures are needed and that this insurgency must be brought under control by President Pastrana, or there never will be peace in Colombia or there never will be peace in this region.

The latest information that we have just a few months ago is that the FARC, which is the guerrilla forces financed by illegal narcotics activities, earn up to $600 million per year in profits from the drug trade. United States officials believe that the area under drug cultivation in Colombia has spiralled from some 196,000 acres last year from 79,000 acres, and this, again, is a problem I think created by inattention by this administration by stopping the resources, by decertifying Colombia in the improper manner in which it was decertified without a national interest waiver to make certain that these long-sought-after pieces of equipment and in some cases ammunition, helicopters, arrived there to help in bringing this pattern of devastation and left-wing guerrilla activity under control.

A recent United States-based General Accounting report said cocaine production in Colombia has increased by 50 percent just since 1996, making it again the number one cocaine producer in the world. It is interesting to note that the year before the administration began its efforts to make certain that none of the equipment and resources that the Congress was trying to provide got to Colombia.

So, again, the history of Colombia is interesting. Even this past week and, in fact, in the newspaper, we have a report of the Colombian rebels making certain demands to the current government. And this story is dateline Bogota, Colombia. The country's largest guerrilla group said it would reject a year-end truce offer unless the government stopped extraditing drug suspects to the United States. That is one of the major conditions they put forth.

And I will say that last week Colombia, as opposed to Mexico where we have had inaction, did vote for the extradition of major drug traffickers. Now we have the Marxist guerrilla group financed by drug traffickers threatening to hold the peace process in abeyance if Colombian officials go forward with the extradition of the major drug kingpin traffickers.

We will be back, I am sure, next year to the topic of Colombia, even though we wind up in the next few days here our budget in Washington.

Mr. Speaker, let me turn a moment to the situation in Washington. As most people who observe the Congress know, we are in the process of winding up our year-end responsibilities and that is funding all of the activities of the Federal Government. That process takes place through the adoption of 13 bills, each of which funds our Federal Government.

Today, we have passed about eight of those and we have about five in contention. One of those in contention is the District of Columbia. The President has vetoed the appropriations measure for the District of Columbia. What is really interesting at this juncture, we have passed a balanced budget. The new majority brought the country's finances into order. We have a basic agreement. We set up terms of that agreement so that we must stick to the budget agreement in terms. We are doing pretty much that, even within the District budget.

Mr. Speaker, we have to remember the District budget, when we took over control of the House of Representatives after 40 years of control by the other party, the District of Columbia was in shambles. The year we took over, they were short in debt just for one year about three-quarters of a billion dollars. That means the taxpayers from across the country were underwriting the largesse and wild spending not only of the Federal Government and its agencies but also the District of Columbia.

That situation has been brought under control by the new majority, just as we brought into balance the Federal budget. We did that by eliminating some of the employees. They had the largest number of employees of any governmental body probably outside the former Soviet Union. They had 48,000 employees, which meant that about one out of 10 in the District of Columbia worked for the District of Columbia, not mentioning the contracts that were let.

We got that down I believe to around 33,000. The issue is not about spending this year, because we have brought into control the operations of the District. We brought in new management. Fortunately, one of those individuals is now the Mayor. And the District, just like our national budget, on an annualized basis, of course we have debt, but on an annualized basis is in fairly good order.

The reason the President has vetoed the bill is not dealing with dollars and cents, it is dealing with policy. The Clinton administration has championed a needle exchange program for the District of Columbia.

□ 2350

That has been one of the bones of contention. The other, of course, is a liberalized drug policy with regard to referendum to legalize certain drugs in the District of Columbia.

So part of the fight on the floor of the House has been about policy and liberalization of drug policy. I have shown many times this chart of Baltimore where Baltimore went in 1996 from 38,000, almost 39,000 heroin addicts to today above 60,000 heroin addicts. That is just in this period. That is through adoption of a liberal policy, a needle exchange policy and liberalized drug policy.

Deaths also remain constant in Baltimore, 312 murders in 1997 and 312 in 1998. A liberal policy of failure. I have said, if we have to have this bill vetoed, the District bill, with liberal provisions on drug policy 10 more times, so let it be. But that is part of what the debate is about here.

That is in spite of people like General Barry McCaffrey who is our national Drug Czar appointed by the President, he said "By handing out needles, we encourage drug use. Such a message would be inconsistent with the tenure of our national youth oriented antidrug campaign." So the Drug Czar himself has said that we should not liberalize the policy in the District. He does not support this move.

We have others who have attempted a needle exchange and found that they did just the opposite of what they intended to do. A Montreal study showed that IV addicts who use needle exchange programs were more than twice likely to become infected with HIV as IV addicts who did not use needle exchange programs.

Another study in 1997 in Vancouver reported that, when their needle exchange programs started in 1988, HIV prevalence in IV drug addicts was only 1 to 2 percent, and now it is 23 percent.

Again, we believe, at least on our side of the aisle that these issues, these policies are worth fighting for. It is unfortunate that the Congress just a few days before the Thanksgiving holiday is here. But, in fact, it is important that we are here. It is important that we do not allow our Nation's capital, which should be the shining example, to return to its former state or to adopt a failed policy of liberalization. If the Nation's capital does not set the example, then who does?

We have taken the District a long way in 4-plus short years. It was not a shining example when we took over. It was a great example of big government going bad. That is the same problem we have with many of the other programs.

Public education. There has been a tremendous amount of discussion about improving education across our land. The Federal Government today only provides 5 cents of every dollar towards education. Most of it is provided by local real estate, property, and State taxes, about 95 percent from local and State sources, 5 percent by the Federal Government.

There has been a debate in the Congress here and one of the reasons we are here is how additional money would go to education. Should it be through more Federal programs? We had 760. We have gotten that down to 700 since we do not want to spend money on administration. We want to spend it on the classroom.

The question of spending it in the classroom, 80 to 90 percent of the money under the Democrat regime went for everything except basics, except for the classrooms. We have tried to turn that around and say that we want at least 90 percent of that money in the classrooms.

The biggest problem we have in addition to liberal policies being promoted in the Washington arena with drugs is just the same problem we face in education where they want the control, they want the ability to dictate, they want the ability to administer and maintain control in Washington. That policy has just about been the ruination of public education and also made it most difficult for the teacher to teach in the classroom, to have control over the classroom, to have some say over the classroom and over the students.

So with 5 percent of the money, the Federal Government has given us 80 percent of the regulations and 90 percent of the headaches. Again, we do not want that policy adopted either in education programs that come from Washington or in programs that dictate how the District of Columbia will operate in the future.

As I close tonight, I think that it is important that we realize, and this may be the last special order on the drug issue, but we realize again the impact of illegal narcotics on our society, not only the 15,700 who meet their untimely death by drug-induced deaths, and that is the latest statistic, in the last, 6, 7 years since I have been in Congress, there have been 80,000 and 90,000 people that meet their death and final fate through drug-induced deaths, a startling figure, almost as many in any recent war of this Nation's history.

The statistics go on to relate the problems that we have. I share with my colleagues some of them as I close, and these are from our National Drug Control Policy Office. According to that office, each day, 8,000 young people will try an illegal drug for the first time. For many of them, it will be the last time. Because of those 15,700 deaths, many, many of them are young people, even teenagers today who fall victim to these high purity hard narcotics and unfortunately do not survive.

According to the Office of National Drug Policy Control, 352 people start using heroin each day across the United States. Today, we have seen also, according to the same office, a record number of heroin deaths, not only in central Florida, but throughout this land, and again, particularly among our young people. So we face a great social problem, a great challenge.

I am pleased that we have been able to conduct during the past year a number of hearings. We are up to some 18 hearings on the narcotics issue and some 30 hearings we will complete by the first week in December with our subcommittee. I appreciate the fine work of staff and Members.

Tomorrow, our subcommittee will hold a hearing at 10 a.m. on the subject of Cuba and its involvement in illegal narcotics trafficking. The administration this past week and the President did not include Cuba in the list of major drug traffickers in spite of some evidence to the contrary.

We will hear both the gentleman from Indiana (Mr. BURTON), chairman of the Committee on Government Reform and the gentleman from New York (Mr. GILMAN), chairman of the Committee on International Relations on investigations they have conducted by their respective committee staffs on the question of Cuba's involvement and complicity in international drug trafficking, and also the designation by the White House of those countries who have been designated as major drug traffickers, again with the exception of Cuba and with specifically excluding Cuba from that list.

So that will be our responsibility. Then next year, we will continue on our quest to find some answers to very serious problems that the American people and certainly the Congress of the United States face.

RECESS

The SPEAKER pro tempore (Mr. COOKSEY). Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 11 o'clock and 59 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 0044

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. HASTINGS of Washington) at 12 o'clock and 44 minutes a.m.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.J. RES. 80, FURTHER CONTINUING APPROPRIATIONS, FISCAL YEAR 2000

Mr. DREIER, from the Committee on Rules, submitted a privileged report (Rept. No. 106–473) on the resolution (H. Res. 381) providing for consideration of the joint resolution (H.J. Res. 80) making further continuing appropriations for the fiscal year 2000, and for other purposes, which was referred to the House Calendar and ordered to be printed.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. WISE (at the request of Mr. GEPHARDT) for today on account of recovering from surgery.

Mr. UNDERWOOD (at the request of Mr. GEPHARDT) for today and the balance of the week on account of official business.

Mr. ORTIZ (at the request of Mr. GEPHARDT) for today on account of official business.

Mr. PAYNE (at the request of Mr. GEPHARDT) for today on account of a family emergency.

Mr. LAHOOD (at the request of Mr. ARMEY) for today until 6:00 p.m. on account of attending a funeral.

Mr. HILL of Montana (at the request of Mr. ARMEY) for today on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. ABERCROMBIE) to revise and extend their remarks and include extraneous material:)

Mr. SHERMAN, for 5 minutes, today.

Mr. KIND, for 5 minutes, today.

Mr. FRANK of Massachusetts, for 5 minutes, today.

Mr. CONYERS, for 5 minutes, today.

Mr. HOYER, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Mr. DAVIS of Illinois, for 5 minutes, today.

Mr. CUMMINGS, for 5 minutes, today.

(The following Members (at the request of Mr. MCINTOSH) to revise and extend their remarks and include extraneous material:)

Mr. MCINTOSH, for 5 minutes, today.

Mr. SOUDER, for 5 minutes, today.

Mr. RAMSTAD, for 5 minutes, today.

Mr. LEACH, for 5 minutes, today.

Mr. GUTKNECHT, for 5 minutes, today.

Mr. PAUL, for 5 minutes, today.

Mr. BURTON of Indiana, for 5 minutes, today.

Mr. DUNCAN, for 5 minutes, today.

Mr. EHLERS, for 5 minutes, November 17.

Mr. DREIER, for 5 minutes, today.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H.R. 2454. To assure the long-term conservation of mid-continent light geese and the biological diversity of the ecosystem upon which many North American migratory birds depend, by directing the Secretary of the Interior to implement rules to reduce the overabundant population of mid-continent light geese.

H.R. 2724. To make technical corrections to the Water Resources Development Act of 1999.

ADJOURNMENT

Mr. DREIER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 45 minutes a.m.), the House adjourned until today, Wednesday, November 17, 1999, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

5367. A letter from the Acquisition and Technology, Under Secretary of Defense, transmitting the quarterly Selected Acquisition Reports (SARS) as of September 30, 1999, pursuant to 10 U.S.C. 2432; to the Committee on Armed Services.

5368. A letter from the Secretary of Defense, transmitting a report on the study directed by section 746 of the National Defense Authorizaton Act for Fiscal Year 1997; to the Committee on Armed Services.

5369. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Final Flood Elevation Determinations—received November 16, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

5370. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Changes in Flood Elevation Determinations—received November 16, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

5371. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Changes in Flood Elevation Determinations [Docket No. FEMA-7304] received November 16, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

5372. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Interim Final Determination that State has Corrected Deficiencies State of Arizona; Maricopa County [AZ 086-0018c; FRL-6468-8] received November 10, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5373. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Partial Withdrawal of Direct Final Rule for Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision, Kern County Air Pollution Control District [CA 172-0188; FRL-6462-9] received November 10, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5374. A letter from the Chief, Accounting Policy Division, Common Carrier Bureau, Federal Communications Commission, transmitting the Commission's final rule—In the Matter of Federal-State Joint Board on Universal Service [CC Docket 96-45] received November 10, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5375. A letter from the Director, Defense Security Cooperation Agency, transmitting notification concerning the Department of the Army's Proposed Letter(s) of Offer and Acceptance (LOA) to Columbia for defense articles and services (Transmittal No. 00-19), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

5376. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract the Netherlands [Transmittal No. DTC 165-99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5377. A letter from the Executive Director, Federal Retirement Thrift Investment Board, transmitting the Board's report under the Inspector General Act of 1978, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

5378. A letter from the Executive Director, Office of Navajo and Hopi Indian Relocation, transmitting a report in accordance with the requirements of the Federal Managers' Fiscal Integrity Act of 1982, and the Inspector General Act of 1988; to the Committee on Government Reform.

5379. A letter from the Director, Office of Personnel Management, transmitting the Office's final rule—Prevailing Rate Systems; Definition of Napa County, California to a Nonappropriated Fund Wage Area (RIN: 3206-AI86) received November 16, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

5380. A letter from the Chairman, Federal Election Commission, transmitting the Commission's final rule—Public Financing of Presidental Primary And General Election Candidates [Notice 1999-26] received November 10, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on House Administration.

5381. A letter from the Director, Office of Surface Mining, Department of the Interior, transmitting the Department's final rule—West Virginia Regulatory Program [WV-074-FOR] received November 8, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

5382. A letter from the Acting Director, Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pollock in Statistical Area 620 of the Gulf of Alaska [Docket No. 990304062-9062-01; I.D. 100899C] received November 16, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

5383. A letter from the Deputy Assistant Administrator, National Ocean Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Coastal Services Center Broad Area Announcement [Docket No. 991014275-9275-01 I.D. 102799B] (RIN: 0648-ZA73) received November 16, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

5384. A letter from the Director, Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Atlantic Highly Migratory Species (HMS) Fisheries; Large Coastal Shark Species; Adjustments [I.D. 052499C] received November 16, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

5385. A letter from the Director, Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Northeastern United States; Atlantic Sea Scallop Exemption Program [Docket No. 990527146-9146-01; I.D. 110199B] received November 16, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

5386. A letter from the Deputy Assistant Administrator for Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Caribbean, Gulf of Mexico, and South Atlantic; Coral Reef Resources of Puerto Rico and the U.S. Virgin Islands; Amendment 1 [Docket No. 990722200-9292-02; I.D. 060899D] (RIN: 0648-AG88) received November 16, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

5387. A letter from the Deputy Assistant Administrator for Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Atlantic Highly Migratory Species Fisheries; Atlantic Bluefin Tuna Fishery; Regulatory Adjustment [Docket No. 990811217-9286-02; I.D. 061899A] (RIN: 0648-AM82) received November 16, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

5388. A letter from the Administrator, Federal Highway Administration, Department of Transportation, transmitting a report entitled, "Fundamental Properties of Asphalts and Modified Asphalts-II"; to the Committee on Transportation and Infrastructure.

5389. A letter from the Chief, Office of Regulations and Administrative Law, National Oceanic and Atmospheric Administration, transmitting the Department's final rule—Licensing and Manning for Officers of Towing Vessels [USCG-1999-6224] (RIN: 2115-AF23) received November 16, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STUMP: Committee of Conference. Conference report on H.R. 2116. A bill to amend title 38, United States Code, to establish a program of extended care services for veterans and to make other improvements in health care programs of the Department of Veterans Affairs (Rept. 106-470). Ordered to be printed.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 1695. A bill to provide for the conveyance of certain Federal public lands in the Ivanpah Valley, Nevada, to Clark County, Nevada, for the development of an airport facility, and for other purposes; with an amendment (Rept. 106-471). Referred to the Committee of the Whole House on the State of the Union.

Mr. SENSENBRENNER: Committee on Science. H.R. 2086. A bill to authorize funding for networking and information technology research and development for fiscal years 2000 through 2004, and for other purposes; with an amendment (Rept. 106-472 Pt. 1). Ordered to be printed.

Mr. GOSS: Committee on Rules. House Resolution 381. Resolution providing for consideration of the joint resolution (H.J. Res. 80) making further continuing appropriations for the fiscal year 2000, and for other purposes (Rept. 106-473). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. LEACH:

H.R. 3373. A bill to require the Secretary of the Treasury to mint coins in conjunction with the minting of coins by the Republic of Iceland in commemoration of the millennium of the discovery of the New World by Lief Ericson; to the Committee on Banking and Financial Services.

H.R. 3374. A bill to strengthen the special examination authority of the Federal Deposit Insurance Corporation in order to protect the Bank Insurance Fund and the Savings Association Insurance Fund, and for other purposes; to the Committee on Banking and Financial Services.

By Mr. GILMAN (for himself, Mr. STUPAK, and Mr. RAMSTAD):

H.R. 3375. A bill to facilitate the exchange by law enforcement agenices of DNA identification information relating to violent offenders, and for other purposes; to the Committee on the Judiciary, and in addition to the Committee on Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BILBRAY:

H.R. 3376. A bill to prohibit the use of Federal funds for the purchase of buses other than low-polluting buses; to the Committee on Transportation and Infrastructure.

By Mr. KUCINICH (for himself, Mr. METCALF, Mr. BONIOR, Mr. DEFAZIO, Mr. SANDERS, Mr. SMITH of New Jersey, Mr. DOYLE, Mr. LIPINSKI, Mr. BROWN of Ohio, Mr. HINCHEY, Ms. SCHAKOWSKY, Ms. NORTON, Mr. STARK, Ms. WOOLSEY, Mrs. MINK of Hawaii, Mr. MARTINEZ, Mr. MCDERMOTT, Ms. LEE, and Ms. WATERS):

H.R. 3377. A bill to amend the Federal Food, Drug, and Cosmetic Act, the Federal Meat Inspection Act, and the Poultry Products Inspection Act to require that food that contains a genetically engineered material, or that is produced with a genetically engineered material, be labeled accordingly; to the Committee on Agriculture, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BILBRAY (for himself and Mr. FILNER):

H.R. 3378. A bill to authorize certain actions to address the comprehensive treatment of sewage emanating from the Tijuana River in order to substantially reduce river and ocean pollution in the San Diego border region; to the Committee on Transportation and Infrastructure, and in addition to the Committee on International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HOYER (for himself, Mr. NEY, Mr. DAVIS of Florida, Mr. CLEMENT, Mr. GORDON, Mr. WAMP, Mr. TANNER, Mr. FORD, Mr. JENKINS, Mr. DUNCAN, Mr. SERRANO, and Ms. MCCARTHY of Missouri):

H.R. 3379. A bill to establish the National Recording Registry in the Library of Congress to maintain and preserve recordings that are culturally, historically, or aesthetically significant, and for other purposes; to the Committee on House Administration, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. CHAMBLISS (for himself and Mr. MCCOLLUM):

H.R. 3380. A bill to amend title 18, United States Code, to establish Federal jurisdiction over offenses committed outside the United States by persons employed by or accompanying the Armed Forces, or by members of the Armed Forces who are released or separated from active duty prior to being identified and prosecuted for the commission of such offenses, and for other purposes; to the Committee on the Judiciary, and in addition to the Committee on Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MANZULLO (for himself, Mr. MENENDEZ, Mr. GILMAN, and Mr. GEJDENSON):

H.R. 3381. A bill to reauthorize the Overseas Private Investment Corporation and the Trade and Development Agency, and for other purposes; to the Committee on International Relations.

By Mr. McCOLLUM (for himself, Mr. DELAY, and Mr. DIAZ-BALART):

H.R. 3382. A bill to modify the enforcement of certain anti-terrorism judgments, and for other purposes; to the Committee on the Judiciary.

By Mr. BARTON of Texas:

H.R. 3383. A bill to amend the Atomic Energy Act of 1954 to remove separate treatment or exemption for nuclear safety violations by nonprofit institutions; to the Committee on Commerce.

H.R. 3384. A bill to strengthen provisions in the Energy Policy Act of 1992 with respect to potential Climate Change; to the Committee on Commerce.

H.R. 3385. A bill to strengthen provisions in the Federal Nonnuclear Energy Research and Development Act of 1974 with respect to potential Climate Change; to the Committee on Science.

By Mrs. CAPPS:

H.R. 3386. A bill to amend the Elementary and Secondary Education Act of 1965 to establish a program to identify and mentor college eligible high school students and their parents or legal guardians, and for other purposes; to the Committee on Education and the Workforce.

By Mr. DELAHUNT (for himself, Mr. ABERCROMBIE, Mr. ALLEN, Ms. BALDWIN, Mr. BARRETT of Wisconsin, Mr. BECERRA, Ms. BERKLEY, Mr. BERMAN, Mr. BLUMENAUER, Mr. BOEHLERT, Mr. BONIOR, Mr. BROWN of Ohio, Mr. CAPUANO, Mr. CONYERS, Mr. CROWLEY, Mr. DEFAZIO, Ms. DEGETTE, Ms. DELAURO, Mr. DINGELL, Mr. FARR of California, Mr. FORBES, Mr. FORD, Mr. FRANK of Massachusetts, Mr. GILCHREST, Mr. GUTIERREZ, Mr. HINCHEY, Mr. HOLT, Ms. HOOLEY of Oregon, Mrs. JOHNSON of Connecticut, Ms. KAPTUR, Mr. KENNEDY of Rhode Island, Mr. KUCINICH, Mr. LEWIS of Georgia, Mrs. LOWEY, Mr. LUTHER, Mr. MALONEY of Connecticut, Mr. MARKEY, Mrs. MCCARTHY of New York, Ms. MCCARTHY of Missouri, Mr. MCDERMOTT, Mr. MCGOVERN, Mr. MEEHAN, Mr. GEORGE MILLER of California, Mr. MOAKLEY, Mr. NADLER, Mr. NEAL of Massachusetts, Mr. PALLONE, Mr. OLVER, Mr. ROMERO-BARCELÓ, Mr. SANDERS, Ms. SCHAKOWSKY, Ms. SLAUGHTER, Mr. STARK, Mr. TIERNEY, Mr. UDALL of Colorado, Mr. UDALL of New Mexico, Mr. UNDERWOOD, Mr. VENTO, Mr. WAXMAN, Mr. WEINER, Mr. WEYGAND, Mr. WEXLER, Ms. WOOLSEY, and Mr. WU):

H.R. 3387. A bill to repeal the fiscal year 2000 prohibition on the use of Department of Defense funds to pay environmental fines and penalties imposed against the Department; to the Committee on Armed Services.

By Mr. DOOLITTLE (for himself and Mr. GIBBONS):

H.R. 3388. A bill to promote environmental restoration around the Lake Tahoe basin; to the Committee on Resources, and in addition to the Committees on Agriculture, and Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ENGLISH (for himself, Mr. FATTAH, Mrs. JOHNSON of Connecticut, Mr. OWENS, Mr. SMITH of Texas, Mr. FORBES, Ms. DELAURO, and Mrs. CHRISTENSEN):

H.R. 3389. A bill to amend the Internal Revenue Code of 1986 to exclude from the gross income of an employee certain housing incentives provided by such employee's employer to purchase and reside in housing located in qualified urban areas; to the Committee on Ways and Means.

By Mr. GOSS (for himself and Mr. TAUZIN):

H.R. 3390. A bill to conserve Atlantic highly migratory species of fish, and for other purposes; to the Committee on Resources.

By Mr. HINCHEY:

H.R. 3391. A bill to provide for public library construction and technology enhancement; to the Committee on Education and the Workforce.

By Mr. HUNTER:

H.R. 3392. A bill to provide tax incentives for the construction of seagoing cruise ships in United States shipyards, and to facilitate the development of a United States-flag, United States-built cruise industry, and for other purposes; to the Committee on Ways and Means, and in addition to the Committees on Armed Services, and Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. LEVIN (for himself, Mr. HOUGHTON, and Mrs. THURMAN):

H.R. 3393. A bill to amend the Trade Act of 1974 to provide for identification of, and actions relating to, foreign countries that maintain sanitary or phytosanitary measures that deny fair and equitable market access to United States food, beverage, or other plant or animal products, to amend the Trade Act of 1974 and the Sherman Act to address foreign private and joint public-private market access barriers that harm United States trade, and to amend the Trade Act of 1974 to address the failure of foreign governments to cooperate in the provision of information relating to certain investigations; to the Committee on Ways and Means, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. McCRERY:

H.R. 3394. A bill to amend the Internal Revenue Code of 1986 to provide individuals with an election to reduce the basis of depreciable real property in lieu of gain recognition on such property; to the Committee on Ways and Means.

By Mr. McHUGH:

H.R. 3395. A bill to establish certain procedures regarding the appointment and tenure of persons to the International St. Lawrence River Board of Control established by the

International Joint Commission under the Boundary Waters Treaty of 1909; to the Committee on Transportation and Infrastructure.

By Mr. McKEON (for himself and Ms. Sanchez):

H.R. 3396. A bill to require the Secretary of Defense to submit to Congress a report on production alternatives for the Joint Strike Fighter program; to the Committee on Armed Services.

By Mr. GEORGE MILLER of California (for himself, Mr. Young of Alaska, Mr. Bonior, Mr. Waxman, Mr. Kildee, Mr. Kennedy of Rhode Island, Mr. Abercrombie, Mr. Hayworth, Mr. Inslee, Mr. Faleomavaega, Mr. Gallegly, Mr. Smith of Washington, Mrs. Napolitano, Mr. Kind, Mrs. Christensen, Mr. Blumenauer, Ms. Kilpatrick, Ms. Lee, Ms. Baldwin, Ms. Pelosi, Mr. Hinchey, Mr. Jefferson, Mr. Filner, Mr. Oberstar, Mr. Diaz-Balart, Ms. Stabenow, Mr. Nethercutt, and Mr. Martinez) (all by request):

H.R. 3397. A bill to improve the implementation of the Federal responsibility for the care and education of Indian people by improving the services and facilities of Federal Indian health programs and encouraging maximum participation of Indians in such programs, and for other purposes; to the Committee on Resources, and in addition to the Committees on Commerce, Ways and Means, and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. NADLER:

H.R. 3398. A bill to ensure that a national railroad system is maintained or created which is adequate to provide the transportation services needed for the United States economy, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. PAUL:

H.R. 3399. A bill to prohibit the Secretary of the Treasury and the Board of Governors of the Federal Reserve System from including any information storage capability on the currency of the United States or imposing any fee or penalty on any person for the holding by such person of currency of the United States, including Federal reserve notes, for any period of time; to the Committee on Banking and Financial Services.

H.R. 3400. A bill to provide that the inferior courts of the United States do not have jurisdiction to hear abortion-related cases; to the Committee on the Judiciary.

By Mr. POMEROY:

H.R. 3401. A bill to provide a final settlement on certain debt owed by the city of Dickinson, North Dakota, for construction of the bascule gates on the Dickinson Dam; to the Committee on Resources.

By Mr. RAMSTAD:

H.R. 3402. A bill to amend title 28, United States Code, to authorize Federal district courts to hear civil actions to recover damages for deprivation of property under or resulting from the Nazi government of Germany; to the Committee on the Judiciary.

By Mr. RANGEL:

H.R. 3403. A bill to amend the Internal Revenue Code of 1986 with respect to the treatment of cooperative housing corporations; to the Committee on Ways and Means.

By Mr. REYNOLDS:

H.R. 3404. A bill to amend the Act establishing the Women's Rights National Historical Park in the State of New York to permit the Secretary of the Interior to acquire title in fee simple to the Hunt House located in Waterloo, New York; to the Committee on Resources.

By Mr. ROTHMAN (for himself, Ms. Ros-Lehtinen, Mr. Crowley, and Mr. Gejdenson):

H.R. 3405. A bill to promote full equality at the United Nations for Israel; to the Committee on International Relations.

By Mr. SAWYER:

H.R. 3406. A bill to require the President to report annually to the Congress on the effects of the imposition of unilateral economic sanctions by the United States; to the Committee on International Relations, and in addition to the Committees on Ways and Means, and Banking and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SAXTON:

H.R. 3407. A bill to assist in the conservation of keystone species throughout the world; to the Committee on Resources.

By Mr. SESSIONS:

H.R. 3408. A bill to amend the Fair Credit Reporting Act to exempt certain investigative reports from the definition of consumer report, and for other purposes; to the Committee on Banking and Financial Services.

H.R. 3409. A bill to provide that employees of employers who provide certain increases in health insurance coverage will not be covered by an increase in the Federal minimum wage; to the Committee on Education and the Workforce.

H.R. 3410. A bill to eliminate the requirement that fingerprints be supplied for background checks on volunteers; to the Committee on the Judiciary.

By Mr. SOUDER (for himself, Mr. Hastert, Ms. Kaptur, Mr. Gillmor, Mr. LaHood, Mr. LaTourette, Mr. Boehner, Mr. Portman, Mr. Stupak, Mr. English, Mr. Barcia, Mr. Ewing, Mr. Roemer, Mrs. Jones of Ohio, Mr. Hoekstra, Mr. McIntosh, Mr. Sawyer, Mr. Phelps, Mr. Green of Wisconsin, Ms. Stabenow, and Mr. Oxley):

H.R. 3411. A bill to designate the Northwest Territory of the Great Lakes National Heritage Area, and for other purposes; to the Committee on Resources.

By Mr. STUPAK:

H.R. 3412. A bill to provide for and approve the settlement of certain land claims of the Bay Mills Indian Community and the Sault Ste. Marie Tribe of Chippewa Indians; to the Committee on Resources.

By Mr. TIERNEY (for himself and Mr. George Miller of California):

H.R. 3413. A bill to amend the Safe and Drug-Free Schools and Communities Act of 1994 to provide comprehensive technical assistance and implement prevention programs that meet a high scientific standard of program effectiveness; to the Committee on Education and the Workforce.

By Mr. YOUNG of Florida:

H.J. Res. 79. A joint resolution making further continuing appropriations for the fiscal year 2000, and for other purposes; to the Committee on Appropriations.

By Mr. DREIER:

H.J. Res. 80. A joint resolution making further continuing appropriations for the fiscal year 2000, and for other purposes; to the Committee on Appropriations.

By Mr. PAUL:

H.J. Res. 81. A joint resolution proposing an amendment to the Constitution of the United States relative to abolishing personal income, estate, and gift taxes and prohibiting the United States Government from engaging in business in competition with its citizens; to the Committee on the Judiciary.

By Mr. DAVIS of Virginia:

H. Con. Res. 229. Concurrent resolution expressing the sense of Congress regarding the United States Congressional Philharmonic Society and its mission of promoting musical excellence throughout the educational system and encouraging people of all ages to commit to the love and expression of musical performance; to the Committee on Education and the Workforce.

By Mr. GEJDENSON:

H. Con. Res. 230. Concurrent resolution expressing the strong opposition of Congress to the continued egregious violations of human rights and the lack of progress toward the establishment of democracy and the rule of law in Belarus and calling on President Alexander Lukashenka to engage in negotiations with the representatives of the opposition and to restore the constitutional rights of the Belarusian people; to the Committee on International Relations.

By Mr. PAUL:

H. Con. Res. 231. Concurrent resolution expressing the sense of the Congress that the Panama Canal and the Panama Canal Zone should be considered to be the sovereign territory of the United States; to the Committee on Armed Services.

By Mr. CONDIT (for himself and Mr. Portman):

H. Res. 377. A resolution amending the Rules of the House of Representatives to improve deliberation on proposed Federal private sector mandates; to the Committee on Rules.

By Mr. GREEN of Wisconsin:

H. Res. 378. A resolution recognizing the vital importance of hunting as a legitimate tool of wildlife resource management; to the Committee on Resources.

By Mr. SCARBOROUGH:

H. Res. 379. A resolution recognizing and commending the personnel of Eglin Air Force Base, Florida, for their participation and efforts in support of the North Atlantic Treaty Organization's (NATO) Operation Allied Force in the Balkan region; to the Committee on Armed Services.

By Mr. WELDON of Pennsylvania (for himself, Mr. Oberstar, Mr. Gilman, Mr. Saxton, Mr. Burton of Indiana, Mr. Hill of Montana, Mr. Kuykendall, Mr. Campbell, Mr. Walden of Oregon, Mr. Sweeney, Mr. Traficant, Mr. Pitts, Mr. Lewis of Kentucky, Mr. Bartlett of Maryland, Mr. Wicker, Mr. LoBiondo, Mr. Weldon of Florida, Mr. Packard, Mr. Taylor of Mississippi, Mr. Goode, Mr. Condit, Mr. Cramer, Mr. Reyes, Mr. Rodriguez, Mr. Dicks, Mr. Andrews, Mr. Borski, Mr. Holden, Mr. Klink, and Mr. Abercrombie):

H. Res. 380. A resolution expressing the sense of the House of Representatives concerning the location and removal of weapons caches placed in the United States by the Russian or Soviet Government; to the Committee on International Relations, and in addition to the Committee on Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

PRIVATE BILLS AND RESOLUTIONS

Under clause 3 of rule XII, private bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mr. MORAN of Kansas:

H.R. 3414. A bill for the relief of Luis A. Leon-Molina, Ligia Padron, Juan Leon Padron, Rendy Leon Padron, Manuel Leon Padron, and Luis Leon Padron; to the Committee on the Judiciary.

By Mr. QUINN:

H.R. 3415. A bill for the relief of Natasha Lobankova, Valentina Lobankova, and Boris Lobankova; to the Committee on the Judiciary.

By Mr. TOWNS:

H.R. 3416. A bill for the relief of Desmond J. Burke; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 21: Mr. MASCARA and Mr. MEEKS of New York.

H.R. 25: Mr. SMITH of New Jersey.

H.R. 72: Mr. STEARNS.

H.R. 82: Mr. WU and Mr. ROTHMAN.

H.R. 113: Mr. KINGSTON.

H.R. 229: Mr. CUMMINGS.

H.R. 239: Mr. SISISKY, Mr. NADLER, Mr. LANTOS, Mr. HALL of Texas, Mr. SHAYS, and Mr. ANDREWS.

H.R. 271: Mr. UDALL of Colorado.

H.R. 303: Mr. QUINN, Mr. CANNON, and Mr. RUSH.

H.R. 382: Ms. SLAUGHTER and Mrs. CAPPS.

H.R. 443: Mr. WOLF, Ms. SLAUGHTER, Mr. SANDERS, and Mr. GOSS.

H.R. 491: Mrs. CAPPS.

H.R. 531: Mr. ROGAN.

H.R. 568: Mrs. JONES of Ohio.

H.R. 664: Mr. LaFALCE.

H.R. 710: Mr. HILLIARD.

H.R. 721: Ms. SLAUGHTER.

H.R. 745: Mr. ANDREWS.

H.R. 750: Mr. OWENS.

H.R. 765: Mr. BACHUS and Mr. CUNNINGHAM.

H.R. 835: Mr. LANTOS.

H.R. 844: Mr. GOODLING, Mr. UDALL of New Mexico, Mr. CUNNINGHAM, Mr. DOOLITTLE, Ms. PELOSI, Ms. CARSON, Mr. BAIRD, Mr. TURNER, Mr. BURTON of Indiana, and Mr. CLEMENT.

H.R. 860: Ms. ROYBAL-ALLARD.

H.R. 878: Mr. CHABOT.

H.R. 952: Mr. FARR of California.

H.R. 960: Mr. KENNEDY of Rhode Island.

H.R. 1003: Mr. SESSIONS.

H.R. 1020: Mr. SPRATT.

H.R. 1029: Mr. BONIOR, Mr. SNYDER, Ms. SCHAKOWSKY, Mr. COOK, and Mr. LARSON.

H.R. 1041: Mr. CHABOT, and Mr. STEARNS.

H.R. 1167: Mr. BLUMENAUER.

H.R. 1172: Mrs. MALONEY of New York, Mr. BROWN of Ohio, Mr. DIAZ-BALART, Mr. GORDON, Mr. BAKER, Mr. BALDACCI, Mr. BILBRAY, Mrs. JONES of Ohio, Mr. SAWYER, Mr. LaHOOD, Mr. BARTLETT of Maryland, Mr. SANDERS, Mr. CALLAHAN, Mrs. ROUKEMA, Ms. DUNN, Mr. RODRIGUEZ, Mr. McINTRYE, and Mrs. NAPOLITANO.

H.R. 1176: Mrs. LOWEY.

H.R. 1187: Mr. BALLENGER.

H.R. 1193: Mr. BLUMENAUER.

H.R. 1195: Mr. PAYNE.

H.R. 1228: Mr. HALL of Ohio and Mr. BERMAN.

H.R. 1234: Mr. COX.

H.R. 1275: Mr. CROWLEY, Mr. LARSON, Mr. TOWNS, Mr. LoBIONDO, Mr. MARKEY, Mr. WHITFIELD, Mr. WOLF, Mr. WEYGAND, Mr. SAWYER, Ms. BALDWIN, Mr. PASCRELL, Mr. WELDON of Pennsylvania, Mr. TRAFICANT, Mr. LEVIN, Mr. BAIRD, Mr. SANDERS, Ms. McKINNEY, Mrs. JOHNSON of Connecticut, Mr. DIXON, Mr. KLINK, Mr. CRANE, Mrs. ROUKEMA, Ms. MILLENDER-McDONALD, Mr. KILDEE, Mr. GUTIERREZ, Mr. DAVIS of Virginia, Mr. BECERRA, Mr. GREEN of Texas, Ms. STABENOW, and Mr. TOOMEY.

H.R. 1291: Mr. MALONEY of Connecticut.

H.R. 1358: Mr. PRICE of North Carolina.

H.R. 1456: Ms. STABENOW and Mr. SANDLIN.

H.R. 1495: Mrs. MINK of Hawaii and Mr. LaFALCE.

H.R. 1505: Mr. DUNCAN and Mr. KLINK.

H.R. 1592: Mr. RUSH.

H.R. 1620: Mr. HASTINGS of Washington.

H.R. 1640: Mr. SERRANO, Mr. OWENS, Mr. NADLER, and Mr. HINCHEY.

H.R. 1697: Mr. NUSSLE.

H.R. 1776: Mr. JOHN, Mr. LARSON, Mr. KIND, Mr. FORBES, Mr. COMBEST, and Mr. THOMPSON of California.

H.R. 1795: Mr. HEFLEY, Mr. HAYES, Mr. LEWIS of Georgia, Mr. SPENCE, and Mr. HOSTETTLER.

H.R. 1827: Mr. TURNER and Mr. FOLEY.

H.R. 1837: Mr. SHERMAN and Mrs. CHRISTENSEN.

H.R. 1843: Mrs. CLAYTON, Mrs. MALONEY of New York, Mr. VITTER, and Mr. BALDACCI.

H.R. 1857: Mr. MORAN of Virginia.

H.R. 1871: Mr. COYNE and Mr. OWENS.

H.R. 1876: Mr. GONZALEZ.

H.R. 1885: Mr. JACKSON of Illinois, Mr. GEORGE MILLER of California, Mr. TIERNEY, and Mr. BONIOR.

H.R. 1886: Mr. FLETCHER.

H.R. 1893: Ms. LOFGREN.

H.R. 1899: Mr. EDWARDS.

H.R. 1941: Mr. STRICKLAND and Ms. BERKLEY.

H.R. 1975: Mr. FRANKS of New Jersey.

H.R. 2000: Mr. McINTYRE and Mr. MICA.

H.R. 2053: Mr. HINCHEY.

H.R. 2059: Mr. BAIRD and Mr. SMITH of Texas.

H.R. 2066: Mr. SCHAFFER and Mr. BARTON of Texas.

H.R. 2106: Mr. WAMP.

H.R. 2121: Mr. PETRI and Ms. BALDWIN.

H.R. 2129: Mr. HUNTER, Mr. HERGER, Mr. CRAMER, Mr. NUSSLE, Mr. McHUGH, Mr. FRANKS of New Jersey, Mr. ANDREWS, Mr. WATTS of Oklahoma, Mr. NORWOOD, and Mr. SWEENEY.

H.R. 2162: Mr. SESSIONS and Mr. BASS.

H.R. 2166: Mrs. MALONEY of New York.

H.R. 2247: Mr. STEARNS.

H.R. 2258: Ms. PELOSI.

H.R. 2267: Mr. REGULA.

H.R. 2282: Mr. RYUN of Kansas, Mr. ROGAN, and Mrs. MYRICK.

H.R. 2298: Mr. JACKSON of Illinois.

H.R. 2341: Mr. MARKEY and Mr. McGOVERN.

H.R. 2359: Mr. CAMP.

H.R. 2362: Mr. PETRI and Mr. McINTOSH.

H.R. 2372: Ms. DUNN, Mr. GOODLATTE, Mr. COLLINS, Mr. RYUN of Kansas, Mr. CRAMER, and Mr. JOHN.

H.R. 2386: Ms. SLAUGHTER.

H.R. 2450: Mr. FILNER.

H.R. 2486: Mr. OWENS.

H.R. 2493: Mr. GARY MILLER of California.

H.R. 2495: Mr. ANDREWS.

H.R. 2511: Mr. BACHUS and Mr. ROGAN.

H.R. 2567: Mr. RANGEL and Ms. NORTON.

H.R. 2573: Mr. COYNE.

H.R. 2620: Mr. BENTSEN.

H.R. 2631: Ms. WOOLSEY, Mr. BLUMENAUER, and Mr. BERMAN.

H.R. 2640: Mr. REGULA.

H.R. 2650: Ms. LEE.

H.R. 2659: Mr. NADLER, Ms. SCHAKOWSKY, and Mr. RANGEL.

H.R. 2697: Ms. McKINNEY.

H.R. 2727: Mr. UPTON.

H.R. 2733: Mr. WOLF, Mr. PITTS, Mr. RYUN of Kansas, Mr. ROGAN, and Mrs. MYRICK.

H.R. 2735: Mr. FRANKS of New Jersey.

H.R. 2738: Mr. RAHALL, Mr. BAIRD, Ms. NORTON, and Mr. STUPAK.

H.R. 2749: Ms. PRYCE of Ohio and Mrs. THURMAN.

H.R. 2817: Mr. KENNEDY of Rhode Island.

H.R. 2827: Mr. CHAMBLISS.

H.R. 2832: Mrs. CHRISTENSEN.

H.R. 2859: Mr. GUTIERREZ.

H.R. 2890: Mr. PASTOR and Ms. ROYBAL-ALLARD.

H.R. 2892: Mr. FRELINGHUYSEN.

H.R. 2899: Mr. KENNEDY of Rhode Island.

H.R. 2900: Mr. SANDERS.

H.R. 2902: Mr. MARKEY, Mr. ACKERMAN, Ms. McKINNEY, and Mrs. JONES of Ohio.

H.R. 2929: Mr. DeFAZIO and Mrs. MALONEY of New York.

H.R. 2971: Mr. CALVERT.

H.R. 2980: Mrs. JONES of Ohio.

H.R. 2985: Mr. GEKAS.

H.R. 2991: Mr. ORTIZ, Mr. SESSIONS, Mr. BRYANT, Mr. LARGENT, Mr. HUTCHINSON, Ms. STABENOW, Mr. WATTS of Oklahoma, and Mr. SMITH of Texas.

H.R. 3086: Mr. COSTELLO.

H.R. 3100: Mr. BILBRAY and Mr. FRANK of Massachusetts.

H.R. 3115: Ms. BERKLEY, Mr. CLYBURN, Mrs. CUBIN, Mr. HILL of Montana, Mr. LEWIS of Kentucky, and Mr. PICKERING.

H.R. 3142: Mr. LaTOURETTE.

H.R. 3144: Ms. RIVERS, Ms. McKINNEY, Mr. FALEOMAVAEGA, and Mrs. THURMAN.

H.R. 3150: Mr. DIXON.

H.R. 3159: Mr. BOSWELL.

H.R. 3169: Ms. CARSON.

H.R. 3174: Mr. HUTCHINSON.

H.R. 3180: Ms. CARSON and Mr. KUCINICH.

H.R. 3185: Mr. HOYER.

H.R. 3186: Mr. OXLEY.

H.R. 3246: Mr. KINGSTON.

H.R. 3248: Mr. PITTS and Mr. STEARNS.

H.R. 3251: Ms. DANNER.

H.R. 3257: Mr. HASTINGS of Washington.

H.R. 3293: Mr. KLINK.

H.R. 3294: Mr. COMBEST and Mr. RODRIGUEZ.

H.R. 3299: Mr. HAYES.

H.R. 3301: Mr. DELAHUNT.

H.R. 3313: Mr. HOUGHTON, Mr. QUINN, and Mr. LaFALCE.

H.R. 3320: Ms. DeLAURO, Mr. STARK, Mr. GEORGE MILLER of California, Mr. INSLEE, Mr. COSTELLO, Mr. EDWARDS, Mr. NADLER, Mr. McDERMOTT, Mr. DELAHUNT, Mr. GREEN of Texas, Mr. OLVER, Mr. NEAL of Massachusetts, Mr. CAPUANO, Ms. BROWN of Florida, Mr. FILNER, Mrs. MINK of Hawaii, Ms. WATERS, Mr. DeFAZIO, Ms. SLAUGHTER, and Mr. McGOVERN.

H.R. 3324: Mr. BOSWELL and Mr. ROEMER.

H.R. 3329: Mr. MENENDEZ.

H.R. 3330: Mr. ROHRABACHER, Mr. HOLT, Mr. GUTIERREZ, and Mr. MARKEY.

H.J. Res. 53: Mr. DUNCAN and Mr. GOODLING.

H.J. Res. 77: Mr. STEARNS, Mr. SWEENEY, and Mr. TANCREDO.

H. Con. Res. 115: Mr. CUMMINGS.

H. Con. Res. 165: Mr. ROMERO-BARCELÓ.

H. Con. Res. 182: Ms. GRANGER.

H. Con. Res. 186: Mr. HASTINGS of Washington, Mr. TAYLOR of North Carolina, Mr. THUNE, Mr. HILL of Montana, Mr. HANSEN, and Mr. LUCAS of Oklahoma.

H. Con. Res. 206: Mr. GILMAN.

H. Con. Res. 209: Ms. WATERS, Mrs. CHRISTENSEN, and Mr. RUSH.

H. Con. Res. 211: Mr. BROWN of Ohio and Mr. HASTINGS of Florida.

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DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

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H.R. 2420: Mr. OWENS.

EXTENSIONS OF REMARKS

HONORING AMERICA'S VETERANS

HON. MARK FOLEY

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. FOLEY. Mr. Speaker, I rise today to express my gratitude to the millions of veterans who have sacrificed in order to protect the freedoms that are enjoyed by all Americans. Last week, we celebrated a very important day in America—Veteran's Day. At a ceremony honoring veterans at Jupiter Christian School in my congressional district, several students shared their thoughts on Veteran's Day through poetry.

Despite their youth, these students wrote stirring reminders of the respect and awe we feel for our veterans. These young poets displayed a tremendous understanding of why we honor our veterans and a remarkable sensitivity for the courage of the men and women who fought to preserve the liberty of our country. I believe that the entire Congress should hear these poems and reflect on their meaning and I submit them for the RECORD.

DID YOU EVER WONDER?

(By Kevin Maida, 10th grade)

Did you ever wonder how it could be
To live in a country where no one is free?
Where decisions never are your own,
And you are told what to do, even at home?
Freedom merely just a word . . .
Never spoken, never heard.

Did you ever wonder about fighters on the foreign sand
Risking their lives to protect our land?
How courageous and brave they must be,
To leave their loved ones and live at sea!
Fathers, sons, daughters, and brothers
Making a sacrifice for the freedom of others.
Giving all they had and so much more,
Awaiting the day they returned to shore.
Do you take for granted the life that you live?
Or are you truly grateful for what they did?
Think of these words; let them sink in,
"How would our world be, if not for these men?"

VETERAN'S DAY

(By Jennifer VanNest, 10th grade)

We honor the men dead and alive
That fought to make sure freedom survived.
We must never forget the sacrifice made
To protect our country, with their lives, they paid.
We need to remember the families that grieve,
The sons and daughters and wives these men leave.
We seek to praise the Vets this day
And give homage to their bravery in some kind way.
So break out the flag and start the parade
November 11th
Is Veteran's Day!

FREEDOM THROUGH THE AGES

(By Pam DeSanctis, 12th grade)

You are a hero for today,
For this I give thanks and pray.
Through your continuous bravery
You have given us history and Liberty.
For this I give you thanks and pray.
Nothing compares to the courage you've known
Or the bravery that you've shown.
We recognize the veteran's today,
And for this I give thanks and pray.
Like guardian angels sent to protect
The rights of your generation and those of the next,
You made us proud of the U.S.A.,
And for this I give thanks and pray.
May God hold you in His hand,
With this I give you one last command;
Obey the Lord in every way.
Honor Him, give thanks, and pray.

TRIBUTE TO SCHMIDT, VALENTINE, WHITTEMORE & COMPANY PC

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 6, 1999

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Mr. Bernard Schmidt has been with the agency since 1946. In 1966, Virginia Whittemore joined the firm and in 1980, Dan Valentine also became a partner. Throughout the years, the firm has been through some changes in management and accounting styles, however they still remain loyal to auditors. It is their service to the community that is deserving of recognition and praise.

I applaud your generosity and kind efforts in donating time and services for the Southeastern Colorado Chapter of the Red Cross. Your firm is to be commended and admired. So it is with this that I say thank you to this group of dedicated individuals. They set out to make a difference and they have.

CHRISTIAN GATHERING ATTACKED BY BJP-INSPIRED MOB—NO RELIGIOUS FREEDOM IN INDIA

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OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. TOWNS. Mr. Speaker, I was very distressed to see that the Indian rulers are fomenting religious violence again. According to the November 14 issue of The Times of India, "a group of about 40 persons attacked a Christian gathering outside an Independent Church (neither Catholic nor Protestant) in West Delhi's Khyala area on Saturday evening [the 13th.]" The newspaper reported that the attack, which injured 12 people, was "masterminded" by 'suspected Bharatiya Janata Party (BJP) activists,' according to the police."

The BJP is the party that advocates "Hindu, Hindi, Hindutva, Hindu Rashtra," which translates as "Hindu religion, Hindi language, Hindu culture, Hindu rule." A BJP spokesman said that everyone in India should either be Hindu or be subservient to Hinduism. Now, these statements might be insignificant except for the fact that the BJP heads India's governing coalition.

So far no one has been arrested in connection with this attack. According to the article, the Christians were conducting an open-air Bible reading in a tent when the tent was stormed by the Hindu militants. The attackers shouted anti-Christian slogans while they tore and burned Christian pamphlets with religious speakers.

Mr. Speaker, it is shameful that the party ruling "the world's largest democracy" condones and indeed organizes these kinds of attacks on people who are simply practicing their religion. But it is part of a pattern of repression which has been going on for quite some time. In 1997, police broke up a Christian festival with gunfire merely because they were presenting the theme that "Jesus is the Answer" and people were allegedly converting.

Just a little while ago, a nun was picked up, stripped naked, and threatened by her captors that they would rape her if she did not drink their body wastes. Sister Ruby was frightened by these threats because four nuns have been raped in 1998 and four priests were killed.

A BJP affiliate called the Bajrang Dal, a sister organization in the Fascist RSS, organized and carried out the murder by burning of missionary Graham Staines and his two sons who were just 8 and 10 years old. The killers chanted "Victory to Lord Ram" while they carried out this grisly murder. They surrounded the jeep where Staines and his sons slept and prevented anyone from helping the family.

There has also been a wave of violence against churches, prayer halls, and Christian schools since Christmas. But it is not just the Christians who are being persecuted.

In Kashmir, the BJP and its allies destroyed the most revered mosque in the state. In Punjab, Khalistan, the Sikh homeland, the Indian government continues to hold thousands of political prisoners and continues to carry out rapes, extrajudicial killings, and other offenses against their basic human rights.

Mr. Speaker, America is the beacon of freedom. We must do whatever we can to bring freedom to everyone. When President Clinton visits India, I urge him to bring up the issues of human rights for the Sikhs, Christians, Muslims, and all the other minorities living under Indian rule. It is time to tell India that they must respect human rights or we will stop their

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Where decisions never are your own,
And you are told what to do, even at home?
Freedom merely just a word . . .
Never spoken, never heard.

Did you ever wonder about fighters on the foreign sand
Risking their lives to protect our land?
How courageous and brave they must be,
To leave their loved ones and live at sea!
Fathers, sons, daughters, and brothers
Making a sacrifice for the freedom of others.
Giving all they had and so much more,
Awaiting the day they returned to shore.
Do you take for granted the life that you live?
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You are a hero for today,
For this I give thanks and pray.
Through your continuous bravery
You have given us history and Liberty.
For this I give you thanks and pray.
Nothing compares to the courage you've known
Or the bravery that you've shown.
We recognize the veteran's today,
And for this I give thanks and pray.
Like guardian angels sent to protect
The rights of your generation and those of the next,
You made us proud of the U.S.A.,
And for this I give thanks and pray.
May God hold you in His hand,
With this I give you one last command;
Obey the Lord in every way.
Honor Him, give thanks, and pray.

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● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

aid from the United States. We should also put the U.S. congress on record for self-determination by calling for a free and fair plebiscite on independence for Khalistan, Kashmir, Nagaland, and all the other countries now under India's artificial rule. It is only by taking these measures that we can spread the blessings of freedom throughout South Asia.

Mr. Speaker, I submit the article from The Times of India into the RECORD for the information of my colleagues.

[From the Times of India, Nov. 14, 1999]

MOB ATTACKS CHRISTIAN GATHERING

NEW DELHI.—In the first incident of its kind in Delhi, a group of about 40 persons attacked a Christian gathering outside an Independent Church (meaning neither Catholic nor Protestant) in west Delhi's Khyala area on Saturday evening. At least 12 persons were injured in the attack, allegedly masterminded by "suspected Bhartiya Janata Party activists," according to the police.

Though four persons—Radhey Shyam Gupta, Kapila, Charan and Ashok Sharma—have been named in the police FIR, no arrests have been made so far.

Area sources said the incident took place at about 8:30 pm in the C-block of a JJ colony in Khyala, near Tilak Nagar, where the group (including some women) stormed a tent where a group of Christians were conducting an open air Bible reading session. A small of group of Christians live in the colony.

Sources said the attackers raised anti-Christians slogans, tore and burnt pamphlets with religious scriptures. A couple of Bibles and a Holy Cross were also reportedly damaged in the attack. The group then had a scuffle with scores of people present in the tent which led to the injuries, the sources said. Senior Delhi Police officers confirmed the attack but denied any Bible was torn or burnt by the mob. They also denied that a Holy Cross was damaged. "Initial investigations have revealed that the mob, which may have had some BJP activists, disrupted the Bible reading session and then attacked the gathering. But all the injuries sustained in the attack are minor," joint police commissioner (southern range) Amod Kanth said.

He also said the attackers tore and burnt several pamphlets which contained passages in praise of Jesus. "But I have personally spoken to the pastor who was conducting the proceedings and he has denied any cross being damaged or Bible being burnt by the attackers," Mr. Kanth added.

Local sources said the Bible reading sessions were being conducted at this Independent church for several years, and as a continuation, a pastor, Father S. John had arrived in the area on Friday from Hosangipur in southwest Delhi.

Mr. Kanth also said the police had established that the attackers did not belong to the Tilak Nagar area and had come from some other areas. "It was clearly an unprovoked attack and all of them would be arrested," Mr. Kanth said.

He said the police had registered a case of rioting and of disturbing religious assembly in this connection but no arrests had been made so far. Officers said the west district police had rushed in reinforcements in the Khyala area to prevent any "further untoward" incidents, even though there was no tension in the area.

IN HONOR OF WORLD WAR II VETERAN, COAST GUARD CAPT. EARL FOX

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. WOLF. Mr. Speaker, I had the honor of attending Veterans Day ceremonies at Arlington National Cemetery on November 11 and was present to hear President Clinton single out a World War II veteran who is the last veteran of that war to still be on active duty.

He is 80-year-old Capt. Earl Fox, a Coast Guard doctor, who spent his last Veterans Day in uniform last week. He is retiring from active duty this week. I want to submit an article from the November 11, 1999, Washington Post, which is a tribute to Capt. Fox and his years of dedicated service to his nation. He is a patriot and hero and we salute him.

[From the Washington Post, Nov. 11, 1999]

WORLD WAR II VETERAN SOLDIERS ON, ALONE—ACTIVE-DUTY DOCTOR; 80, SALUTES HIS GENERATION

(By Roberto Suro)

Two weeks ago, Capt. Earl R. Fox learned that he is the last World War II veteran still on active duty in the U.S. armed forces. Since then he has dwelled in memories, wondering whether he will be worthy of the fallen when he walks among Arlington's serried tombstones this afternoon.

"I have felt a weight on me to expend every effort to make it honorable for them," said the 80-year-old Coast Guard physician.

Fox will have breakfast at the White House today and then speak at a wreath-laying ceremony at the national cemetery. This will be his final Veterans Day in uniform—he is retiring next week—and he describes himself as "the last direct physical link" between today's military and the warriors of Midway, Normandy and Iwo Jima.

"One generation forms the backbone for the next to build on," says the text he has prepared for the commemoration. "As my generation fades into the mist of collective memory called tradition, you will continue the process for the next generation of your sons and daughters. In this way, those who have given the last full measure of devotion will live forever . . ."

As the Virginia native rehearsed his brief speech for a visitor to his office at Coast Guard headquarters yesterday, his voice cracked. He stopped in mid-sentence, reached for a handkerchief and apologized for the show of emotion.

"I had classmates who did not come home," he said. "I had shipmates who did not make it. I knew these men well. I knew what they thought and what they thought about. And I am filled with humility and faith in God, because I feel like I am here today because of their courage and bravery."

After five years of service on patrol-torpedo boats and submarines, Fox left the Navy in 1947 to attend medical school and then to prosper as a physician in St. Petersburg, Fla. In 1974, he retired at the age of 55 to enjoy his 43-foot yacht and life as a yacht club commodore who made a practice of entertaining officers from the local Coast Guard air station. He was at the club one day when an emergency call came in.

A man aboard a pleasure boat was suffering a heart attack. With the Coast Guard's doctor away, Fox was asked to help. Within minutes, he was being lowered from a helicopter at sea.

Fox enjoyed the experience so much that he agreed to join up when the local commanding officer suggested he could get a commission under a program that waived age limits for physicians. He made only one demand: He wanted to go to flight school. Eventually, he learned to fly helicopters as well as airplanes.

For 16 years, until 1990, Fox served as a flight surgeon at Coast Guard stations up and down the East Coast, making more than a dozen helicopter rescues. For the past nine years, he has worked as the senior medical officer in the personnel department at Coast Guard headquarters.

Combining his Navy and Coast Guard service, Fox has now spent 30 years in the military,' the point at which most officers must retire. But he said his decision to leave uniform is driven primarily by a desire to spend more time with his wife of 56 years, Reba.

It might be mere serendipity that this genial octogenarian is the last of 16 million World War II veterans to don his ribbons and decorations every working day. But Fox seems the perfect representative of a generation that, in his words, "experienced both great times and times of desperation."

Thinking back to nighttime battles fought in tropical waters, Fox said, "when things get tough you need more to fall back on than yourself and the present." He had the heritage of his father, grandfather and great-grandfather, all military officers. But he also had shipmates. "We were bound together by common purpose," he recalled. "The trust we had in each other made us strong."

Fox has a small photograph, now fading to sepia, that shows 10 sailors in jaunty poses at the bow of a PT boat, one of the mahogany-hulled speedsters dispatched on hit-and-run missions against enemy fleets. Seated on stools before them are two officers. It's the summer of 1943 and Fox is already a decorated combat veteran and boat commander at the age of 23. To his right sits an even younger man Al Haywood, just out of Yale and assigned as the boat's executive officer.

A few weeks after the picture was taken, they were on patrol off the coast of New Guinea when a single Japanese airplane appeared out of nowhere. It strafed the boat. A sailor fell wounded. Haywood rushed to his side. As the fighter wheeled and dove for another run at the boat, Haywood threw himself over the injured man.

The airplane's gunfire "stitched him from head to toe," recalled Fox, who buried Haywood at sea. The wounded crewman survived.

"Remembering people like Haywood and the many, many others like him is important," said Fox, ' because those memories of honor and sacrifice are the fabric our country is made of."

ZERO-TOLERANCE AND COMMON SENSE

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. CLAY. Mr. Speaker, I am submitting the following editorial from the November 12, 1999 St. Louis Post-Dispatch in order to make a statement in opposition to so-called "zero-tolerance" discipline policies in our Nation's schools.

While maintaining discipline and orderly conduct in our schools should continue to be a top priority of educators and school administrators, we must be mindful that not all misdeeds are worthy of the stringent and unbending punishments administered under these policies. Such policies fail to allow a more reasonable system of addressing each incident separately, thus failing to teach our students the values of discipline and tolerance. As I remain outraged at the actions taken against the seven students in Decatur, I am hopeful that other school boards and districts across America will soon examine their own disciplinary policies in order to create a more equitable system of punishment.

ZERO-TOLERANCE AND COMMON SENSE

The Rev. Jesse Jackson's protest of the expulsion of seven students from a Decatur, Ill., high school goes beyond the particulars in that incident and spotlights an even larger issue—the mindless application of so-called "zero-tolerance" discipline policies in our schools.

The seven students were in a fight Sept. 17 at a local football game. There were no weapons, no drugs, no alcohol involved. Nobody was hurt, but someone might have been.

Punishment was certainly in order. The school board decided to suspend the students from school for two years, without the possibility of attending an alternative school. It cited its policy of zero tolerance for violence. Zero tolerance or not, the punishment was far too severe.

In the wake of the deadly school shootings at Columbine and in other cities across America, we all have become deeply concerned about school safety. As we should be. But as we seek to root out violence, our lack of tolerance must be tempered with common sense. We've become so spooked by the specters of mass shootings that we are quick to sacrifice children's lives on the alter of control. A 13-year-old Texas boy recently was jailed—jailed—for five days because some parents were troubled by a horror story he wrote for English class. Two 7-year-olds in our region were kicked out of school in separate incidents because they brought nail clippers to school.

A two-year suspension for the Decatur high school students would have virtually guaranteed that they would become dropouts.

Under pressure from the Rev. Jackson, the school board has offered a compromise that makes good sense. The students will be suspended for a year, but will be allowed to attend an alternative school. With good behavior and good grades, they can return to their regular school and graduate on time. The students will be punished but given a chance to redeem themselves. It's unfortunate that it took a national spotlight, protests and three days of school closures for the school board to find what it never should have lost in the first place: Its head.

HONORING THE 60TH ANNIVERSARY OF ANDY AND MARIE ANDERSON

HON. THOMAS M. DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. DAVIS of Virginia. Mr. Speaker, I want to take a moment to recognize two very special constituents of mine, Herman and Marie Anderson of Annandale, Virginia, who will be celebrating their 60th wedding anniversary on November 29, 1999. It is with great pride and personal interest that I congratulate them on this special occasion.

Marie Sauer Anderson was born in Baltimore, Maryland on February 26, 1919, where she attended Baltimore City schools and graduated from the Strayer Business College. Herman C. Anderson, better known as Andy, was born in Knoxville, Tennessee on June 21, 1913. He attended Knoxville City schools and graduated from the University of Tennessee. Upon graduation, Andy became a seasoned veteran of professional baseball; however, his career was ended short due to a broken ankle sustained while sliding into second base.

In 1937, Marie Anderson visited her brother George in Knoxville, Tennessee. Marie's brother was a supervisor with the Palm Beach Company at the time. Yet his real passion was baseball, so much so that George was the team manager of a semi-pro baseball team. Playing on this semi-professional team was a young ball player from the University of Tennessee, Andy Anderson. During the season, George would invite the players over to his house for dinner, and it was at one of these gatherings where Andy met Marie for the first time.

Soon, George and Marie's parents moved to Knoxville to be closer to their children, allowing Andy his continued courtship of Marie. During Christmas of 1938, Andy surprised Marie with an engagement ring, and on November 29, 1939, Marie and Andy were united in marriage at the Chapel of the Immaculate Conception Catholic Church in Knoxville, Tennessee.

In 1941, their first daughter Marie Allene was born. Three years later in 1944, Sallie Juanita was born, and the youngest girl, Betty Jane, was born in 1950.

Also in 1941, Andy and Marie traveled to Norfolk, Virginia where Andy accepted a field assignment with the United States Coast and Geodetic Survey (USCGS). In Norfolk, Andy joined the Elks Lodge No. 38 where he became an active member and officer. In 1958, the field office of the USCGS was relocated to Washington, D.C. Moving to Arlington, Virginia, Andy continued his work with the USGCS within the United States Department of Commerce and soon became involved with the formation of the Arlington/Fairfax Elks Lodge No. 2188. To this date, Andy has coordinated the organization of nine new Elks Lodges in Virginia.

In 1975, Andy, Marie and their family moved to Annandale, Virginia where they reside at this time. Two of their daughters, Marie Allene Green and Sallie Juanita live in Thibodaux, Louisiana and Melbourne Beach, Florida, respectively. Betty Jane lives at home in Annandale, Virginia with her parents. At present, Andy and Marie are blessed with six grandchildren and four great-grandchildren.

Mr. Speaker, I respectfully ask my colleagues to join me in congratulating Andy and Marie Anderson on their 60th wedding anniversary. November 29th marks a memorable occasion, and it is only fitting that we pay tribute to this wonderful couple and the contributions they have made to their community.

TRIBUTE TO JAN KOPPRI

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. McINNIS. Mr. Speaker, I wanted to take this moment to recognize an exceptional woman. Jan Koppri was named Mancos Valley Citizen of the Year, for the year 1999. Repeatedly, Jan has gone above and beyond the call of duty.

Jan is involved quite extensively in the city of Mancos, Colorado. She is in charge of the Mancos Valley visitor center. The residents and tourists are welcomed and guided daily by her thorough knowledge of the area. Jan has also turned Mancos around from losing money to making money. A jack of all trades, Jan is a reservationist, making accommodations for lodging and tours within the area, concierge, tending to guests needs, giving directions, and advice on local attractions. Jan is also a historian. She is knowledgeable on her facts on the history of Mancos. She is famous for convincing people to stay longer in Mancos.

Besides running the visitor's center, Jan is also involved with the chamber of commerce. Jan added several new events to the Fall Festival and developed a kid's program. In addition to all of this, Jan has excellent management and people skills which are required to ensure volunteers feel appreciated and awarded.

She is an asset to the community with her involvement in activities and organizations. Jan has also helped out with fund raising events for the Mancos Opera House, the United Way, the library, Mancos Senior Center, the historical society, and the community center.

It is obvious why Jan Koppri was chosen as the 1999 Citizen of the Year. So, it is with this, Mr. Speaker, that I thank her for her service and dedication to the community.

RECOGNIZING AMNESTY INTERNATIONAL—USA FOR ITS LEADERSHIP IN PROMOTING THE HUMAN RIGHTS OF LESBIAN, GAY, BISEXUAL AND TRANSGENDER PEOPLE AROUND THE WORLD

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. LANTOS. Mr. Speaker, I rise today to commend Amnesty International—USA for its foresight in establishing the Amnesty OUTFRONT Program this past year. OUTFRONT is Amnesty's program and membership network which is focused on promoting the human rights of lesbian, gay, bisexual, and transgender people around the world.

The human rights of lesbians, gay men, bisexuals, and transgender people are violated daily, Mr. Speaker. Not only are people beaten, imprisoned, and killed by their own governments for engaging in homosexual acts, but those suspected of being lesbian, gay, bisexual, or transgender are routinely the victims of harassment, discrimination, intimidation, and violence. Many of those who speak up for lesbian and gay rights—regardless of their sexual orientation—are themselves persecuted with impunity and thus pressured to remain silent.

Mr. Speaker, the OUTFRONT Program will work with similar programs being developed in Amnesty divisions throughout the world and with Amnesty's research department to insure that human rights violations committed against lesbian, gay, bisexual, and transgender people are documented and actions are taken to combat these violations. The effort will promote human rights standards at the international and national level that recognize the basic human rights of all people. In the United States, Amnesty OUTFRONT will launch a public campaign to raise awareness of the human rights violations faced by lesbian, gay, bisexual and transgender people around the world and will work to build an activist membership committed to combating these violations wherever they occur.

As Co-Chair of the Congressional Human Rights Caucus, Mr. Speaker, I have long admired the human rights activity of Amnesty International and am proud to work with the organization in combating human rights violations. I welcome Amnesty's special concern for the human rights concerns of lesbian, gay, bisexual, and transgender people. This important aspect of human rights has not been given adequate attention, given the dimensions of the problem. I welcome the fact that a renowned human rights organization like Amnesty is taking a lead in this area.

Mr. Speaker, I urge my colleagues to work with me and with Amnesty International in promoting awareness of human rights violations on the basis of sexual orientation and mounting a forceful campaign against such injustices. I look forward to working closely with Amnesty and its OUTFRONT Program in the coming years, and I wish them great success in developing this important program.

TRIBUTE TO VICTORIA DELGADO

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. TOWNS. Mr. Speaker, I want to acknowledge the great accomplishments of Victoria Delgado.

As the Director of Bilingual/Multicultural Programs for Community School District 32, Vicky, as she is affectionately known, is one of New York City's education veterans. She led the charge on behalf of bilingual education and contributed to nurturing and developing new teachers and supervisors through her teachings, coaching and mentoring. Vicky has made her mark on New York City as an effective and committed proponent and advocate for quality bilingual instruction, equal access and opportunity.

Vicky is no retiring from the New York City Board of Education. She will be forever known for her contributions to the education of children with limited English proficiency. I want to offer my congratulations and best wishes to Vicky on her retirement.

IN HONOR OF TED RADKE'S 20 YEARS OF SERVICE TO THE GREAT OUTDOORS

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. GEORGE MILLER of California. Mr. Speaker, I rise today to invite my colleagues to join me in congratulating Ted Radke on the occasion of his 20th year of service on the East Bay Regional Park District Board of Directors.

We all owe Ted a debt of gratitude for his successful and tireless efforts to preserve and protect precious lands in the Bay Area for generations of Californians.

Ted was originally elected to the East Bay Regional Park District Board of Directors in November, 1978 and has been re-elected every four years since that time. He served as Board President in 1986, 1987 and 1995. He ably and energetically represents the residents of Ward 7, which currently includes Antioch, Bay Point, Bethel Island, Brentwood, Byron, Crockett, Discovery Bay, El Sobrante, Hercules, Martinez, Oakley, Pacheco, Pinole, Pittsburg, Port Costa and Rodeo.

Ted has been a member of the Board's Executive, Finance and Workforce Diversity Committees, the Contra Costa Water District/EBRPD Liaison Committee, Contra Costa County Liaison Committee, Martinez JPA, North Contra Costa County Shoreline JPA and Pinole/Hercules JPA. His preferred Board Committee is the Legislative Committee over which he has expertly presided since 1983. He serves on intergovernmental Boards such as the Delta Science Center and the Carquinez Regional Land Trust, and is an active participant in the Pt. Molate Base Closure process, the Park District's East Contra Costa County Task Force, and the Concord Naval Weapons Station Joint Use Committee.

An active supporter of local, state and federal efforts to raise funding for the acquisition of park and open space lands and the preservation of natural habitats and endangered species, Ted has worked on state bond acts, Proposition 70, the Land and Water Conservation Fund, and Park District Measure AA (1988), Measures KK and LL (1996) and Measure W (1998). He has played a pivotal role in the acquisition of a number of key regional parks and trails, including Martinez Regional Shoreline, Carquinez Strait Regional Shoreline, Big Break Regional Shoreline and Black Diamond Mines Regional Preserve, significantly contributing to the Park District's acreage increasing by 40,000 acres since 1978. Ted provided a leadership role in opposition to the development of solid waste landfills at future proposed parkland sites at Round Valley and Black Diamond in East Contra Costa County.

Ted continues to seek opportunities for park and open space acquisition through partnerships with agencies such as the National Park Service (John Muir National Historic Site), Muir Regional Land Trust (Franklin Hills), and the Federal Government (Ozol Fuel Depot and Concord Naval Weapons Station).

I know I speak for all the Members of this chamber when I congratulate Ted Radke for his 20 years of service to the East Bay Regional Park District Board of Directors, and when I thank him for the many contributions he has made to our community.

HONORING THE BEACH CITIES SYMPHONY

HON. STEVEN T. KUYKENDALL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. KUYKENDALL. Mr. Speaker, I rise today to recognize an important organization in my district, the Beach Cities Symphony. For the last 50 years, this group has entertained the people of the South Bay with its classical music.

Celebrating its 50th anniversary, the Beach Cities Symphony continues to promote the musical arts through volunteering time and talents for the enjoyment and enhancement of both the performers and the audience.

Two individuals have been with the symphony since its inception. They were among the 20 original members who wanted to form a symphony that would bring classical music to the community, free of charge. I commend the dedication of Bob Peterson and Norma Gass; they have helped make the Beach Cities Symphony what it is today. Their commitment to the arts has enriched the community.

Each year the symphony performs four free concerts for the residents of the South Bay. The concerts are held at the 2,000 seat Marsee Auditorium on the campus of El Camino College.

I congratulate Music Director and Conductor Barry Brisk and the entire symphony on this milestone. Thank you for your contributions to the community. I wish you continued success.

JOE MANZANARES' GIFTS TO HIS COMMUNITY

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. McINNIS. Mr. Speaker, I would like to take a moment to honor a man who has given selflessly of his time and effort to help others. Joe Manzanares, for the past forty–two years, has volunteered to better his community, primarily through his work with Neighborhood Housing Services of Pueblo, Colorado in the Third Congressional District.

Mr. Manzanares has accomplished several achievements through his voluntary work, including the development of El Pueblo Pride Park which is a five acre neighborhood park in Pueblo's west side. Following a tragic auto accident in his neighborhood that killed a child, Joe Manzanares and his granddaughter, Cecily Bustillo, worked to create this park out of nothing, lobbying the state to purchase the land, which was then turned into a park.

Joe Manzanares has been recognized by others for his inspirational dedication to revitalizing neighborhoods. This week, he will travel to Oakland, California to receive additional recognition for his achievements. There, Mr. Manzanares will receive the Dorothy Richardson Award for Resident Leadership Development from the Neighborhood Reinvestment Corporation. He will be one of nine people receiving the award, selected from thousands of volunteers for nonprofit organizations across this country.

I cannot think of a more fitting and deserving recipient of this honor than Joe Manzanares. I wish to extend my congratulations to Joe Manzanares upon the occasion of this award honoring the commitment that he has made to his neighborhood in Pueblo, his home since 1962. Mr. Speaker, let me close by extending my own appreciation—thank you, Joe Manzanares, for your work to improve our community.

GAO REPORT URGES IMPROVEMENTS OF FEDERAL PROGRAMS FOR CHILDREN OF MIGRANT FARM WORKERS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. LANTOS. Mr. Speaker, I rise today to call to the attention of my colleagues of a General Accounting Office (GAO) report which I requested. The report—entitled "Migrant Children: Education and HHS Need to Improve the Exchange of Participant Information"—has just been released. The GAO study reports problems with federal education programs which have been established to help children of migrant farm worker families. The two largest federal education programs, Migrant Education and Migrant Head Start, help over 660,000 migrant children overcome educational hardships. The report concludes that federal education programs created to help children of migrant farm worker families could better serve migrant children.

Mr. Speaker, migrant children routinely suffer poverty, inadequate housing, social isolation, pesticide exposure, and disrupted schooling as their families move from place to place and from state to state in search of work. The fresh produce and rich variety of canned and frozen foods on our American tables would not be available without the labor of migrant farm worker families, but migrant children, many of whom labor in the fields along side their parents, frequently do not share in this bounty. We need effective programs which can help these children.

According to the GAO report, migrant workers are diverse, young, and mobile. Although most are Mexican and Mexican-American, there has been an influx of workers from Central America. At the same time, a substantial portion of the migrant labor force includes English-speaking, white U.S. families; Bengali-speaking workers harvesting grapes and fruit in California; Russian-speaking workers fishing and logging in the Northwest; and Gullah-speaking, African-American families shrimping in Georgia. Over the years, the workforce has become younger, and today most migrant farm workers are under 35. In particular, the number of teenage boys who migrate without their families—many as young as 13 years of age—continues to increase.

Mr. Speaker, about half of all migrant workers travel with their families. Most migrant farm worker families live in two or more locations per year, disrupting the education and preschool experience of children. This not only disrupts regular education, it can also disrupt special services available to migrant children. In part this is because children who may be eligible for special education services in one location are not eligible when they move to another location and in part because critical information, such as immunization records and special education needs assessments, are not transmitted or are not accepted at the new school. Because children of migrant farm families are in an area for a relatively short time, they may not receive the services they need and they may receive unnecessary immunizations or diagnostic assessments. An additional problem for older children is satisfying the courses requirements for high school graduation. Requirements differ from school district to school district and records of courses completed must be transmitted to the new school district, and frequently this does not happen or it happens only with considerable delay.

Mr. Speaker, the GAO recommends that to help all migrant infant and preschoolers get the services they need, the Secretary of Health and Human Services expand its definition of eligible agricultural occupations available for Migrant Head Start (MHS) programs to harmonize with those listed under Migrant Educational Program (MEP). Currently, only children of crop workers are eligible for MHS, whereas those eligible for MEP include children of dairy workers and fishers, as well as crop workers. As a result of MHS' narrower eligibility requirements, fewer infants and preschool migrant children are eligible for MHS than for MEP.

The GAO's second recommendation, to make sure that critical information is transmitted to the receiving school or center when it is needed. In order to assure that this is done, GAO recommends that the Secretaries of Education and of Health and Human Services to develop an electronic nationwide system that would allow schools and MHS centers to readily access or request educational and health information migrant children. Currently, the absence of a national system often results in inappropriate classroom placements, delays in receiving services, repeated immunizations, or failures to complete high school graduation requirements.

GAO's third recommendation is that the two cabinet Secretaries include in their respective research and evaluation plans studies that measure the outcomes of MEP and MHS and the extent to which programs are meeting their goals. It is important that we know if migrant education and head start programs are working. Although both Education and HHS collect substantial amounts of program data, none of the current data enables either department to evaluate how much their programs are helping migrant children.

Mr. Speaker, copies of this important report are available. I urge my colleagues to read the GAO's important new report on migrant children and join me in working to implement these important recommendations.

HONORING ELIZABETH McINTOSH

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. TOWNS. Mr. Speaker, I want to recognize the achievements of community activist, Elizabeth McIntosh.

Mrs. McIntosh is a native of Aiken, South Carolina. She received her formal education in Jacksonville, Florida and came to New York in 1935, where she was employed in the garment district. Later, she was employed by the New York City Transit Authority and retired from NYCTA after thirty years of service.

She is a dedicated and faithful member of Universal Baptist Church, where she serves as a deaconess. Mrs. McIntosh enjoys working with and helping others whenever and wherever she can. She contributes her time to the Stuyvesant Heights Landmark Senior Citizen Center where she is also a member and the Retired Senior Volunteer Program (RSVP) of the Community Service Society.

For many years, Mrs. McIntosh has made significant contributions to the growth and development of the Unity Democratic Club. Her exemplary leadership and commitment as Chaplain, a member of the Executive Board, The Women's Auxiliary and numerous other committees related to campaign and election activities is an inspiration to the Club.

In addition, she is a member of the National Council of Negro Women, The 81st Precinct Community Council, The Good Neighbor Block Association, The Church Women United of Brooklyn and the NAACP. Elizabeth McIntosh has shown courage and determination in whatever task she undertakes. She leaves an indelible impression on everyone she meets. The strong desire to help and a love for humanity keeps Mrs. McIntosh on the move.

I commend the accomplishments of Elizabeth McIntosh to the attention of my colleagues.

RECOGNIZING VIRGINIA'S MINORITY-OWNED INFORMATION AND TECHNOLOGY FIRMS NAMED AMONG THE 100 LARGEST BY BLACK ENTERPRISE MAGAZINE

HON. THOMAS M. DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. DAVIS of Virginia. Mr. Speaker, I rise today to join my colleagues from Virginia in commending the work of a group of Virginia's most innovative companies. Included in Black Enterprise Magazine's list of the 100 largest minority-owned companies are 13 information and technology firms. Nine of the 13 call Virginia home. These businesses represent the very best of the Information Age true superstars in the information technology arena that is helping to fuel the economy in my home state of Virginia and across the entire nation.

These nine enterprises are fostering the emergence of an exciting new market for African American entrepreneurs. At the top of the IT industry, Universal System Technology Inc. (UNITECH); Digital Systems International Corp; SENTEL; Innovative Logistics Techniques, Inc.; Advanced Resource Technologies, Inc.; Houston Associates, Inc., and Armstrong Data Service, Inc. (ADS) are transforming Northern Virginia into one of the world's leading technology hubs.

It is not by chance that African-American-owned businesses are finding their success stories in Northern Virginia. Our region's concentration of fine colleges and universities provides a vast pool of potential employees. Emerging businesses may also choose from a large number of former government employees seeking high-tech jobs in the private sector. Furthermore, close proximity to our nation's political center renders opportunities for government contracting and access to key decision-makers.

The area also boasts a plethora of organizations that provide resources to emerging businesses. The Northern Virginia Technology Council hosts networking sessions, helping young companies build relationships with large, established IT firms. The Fairfax County Economic Development Authority and the Center for Innovative Technology provide technical, financial and business assistance.

Mr. Speaker, in closing, I want to send my sincere congratulations to the African-American entrepreneurs who are using Northern Virginia's existing resources well, while creating jobs and contributing to the area's supportive community and excellent quality of life. We celebrate their entrepreneurial spirit, we honor their commitment to the state of Virginia and applaud their vital role in the information and technology industry.

HONORING DR. MARILYN WHIRRY, CALIFORNIA'S TEACHER OF THE YEAR

HON. STEVEN T. KUYKENDALL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. KUYKENDALL, Mr. Speaker, I rise today to recognize an exceptional individual from my district, Dr. Marilyn Whirry. Dr. Whirry, an English teacher in Manhattan Beach, was recently named California's Teacher of the Year. She is the first South Bay teacher to win this award and advance to the National Teacher of the Year competition.

For over 30 years, Dr. Whirry has taught English to students in grades 9–12 at Mira Costa High School. She has touched the lives of thousands, instilling in her students the importance of education.

She currently teaches Advanced Placement English to Mira Costa seniors. When Dr. Whirry took over the program 9 years ago, only 26 students were in the class. The program has since developed under her direction and now enrollment is roughly 150 students. She expects a lot from her students, and implements a challenging curriculum focused upon rigorous learning and discovery.

Dr. Whirry's commitment to educational excellence extends beyond the Manhattan Beach Unified School District. She is also a professor at Loyola Marymount University and regularly conducts reading workshops throughout southern California. She has been a consultant for several states including California, and she has also advised President Clinton. Last year she was selected as the chairperson of the National Assessments Governing Board's committee to develop a voluntary national reading test to assess fourth graders. Over her career, she has become a national leader in education.

I congratulate Dr. Marilyn Whirry on being selected as California's Teacher of the Year. It is a testament of her commitment to her students as well as a reflection of the quality of education in the South Bay. She is a valuable member of the community, and I wish her much success in the national competition. The students and parents of Manhattan Beach are grateful to have her as an educator.

H.R. 3375: CONVICTED OFFENDER DNA INDEX SYSTEM SUPPORT ACT OF 1999

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. GILMAN. Mr. Speaker, today, I'm introducing H.R. 3375, the Convicted Offender DNA Index System Support Act of 1999. This legislation will provide assistance to the States to eliminate their backlog of convicted offender DNA samples, provide grants to the States to eliminate their backlog of DNA evidence for cases for which there are no suspects, provide funding to the Federal Bureau of Investigation (FBI) to eliminate their unsolved casework backlog, expand collection efforts to include Federal, District of Columbia (DC) and military violent convicted offenders into the Combined DNA Index System (CODIS), and authorize the construction of a missing persons database. Joining me as cosponsors are, my friends and colleagues, co-chairman of the Congressional Law Enforcement Caucus, Congressmen JIM RAMSTAD of (Minnesota) and BART STUPAK of Michigan.

Mr. Speaker, in 1994, the Congress passed the DNA Identification Act, which authorized the construction of the Combined DNA Index System, or CODIS, to assist our Federal, State, and local law enforcement agencies in fighting violent crime throughout the Nation. CODIS is a master database for all law enforcement agencies to submit and retrieve DNA samples of convicted violent offenders. Since beginning its operation in 1998, the system has worked extremely well in assisting law enforcement by matching DNA evidence with possible suspects and has accounted for the capture of over 200 suspects in unsolved violent crimes.

However, because of the high volume of convicted offender samples needed to be analyzed, a nationwide backlog of approximately 600,000 unanalyzed convicted offender DNA samples has formed. Furthermore, because the program has been so vital in assisting crime fighting and prevention efforts, our States are expanding their collection efforts. Recently, although New York State already has a backlog of approximately 2,000 samples, Governor George Pataki recently announced that the State will be expanding their collection of DNA samples to require all violent felons and a number of nonviolent felony offenders.

State forensic laboratories have also accumulated a backlog of evidence for cases for which there are no suspects. These are evidence "kits" for unsolved violent crimes which are stored away because our State forensic laboratories do not have the support necessary to analyze them and compare the evidence to our nationwide data bank. Presently, there are approximately 12,000 rape cases in New York City alone, and, it is estimated, approximately 180,000 rape cases nationwide, which are unsolved and unanalyzed. This number represents a dismal future for the success of CODIS and reflects the growing problem facing our law enforcement community. The successful elimination of both the convicted violent offender backlog and the unsolved casework backlog will play a major role in the future of our State's crime prevention and law enforcement efforts.

The Convicted Offender DNA Index System Support Act will also provide funding to the Federal Bureau of Investigation to eliminate their unsolved casework backlog and close a loophole created by the original legislation. Although all 50 States require DNA collection from designated convicted offenders, for some inexplicable reason, convicted Federal, District of Columbia, and military offenders are exempt. H.R. 3375 closes that loophole by requiring the collection of samples from any Federal, military, or DC offender convicted of a violent crime.

Moreover, this measure includes a provision, which will permit the FBI to construct a missing person database. This program will permit family members who have lost a loved one to voluntarily enter their DNA profile into a national registry. Should a missing child be found, this database will provide our law enforcement agencies with a system to locate the displaced families and bring the child home. Furthermore, it will allow individuals who, in later years, suspect they have been abducted to refer to the FBI in search of a match to their DNA.

I recently assisted in coordinating a pilot program between the National Center for Missing and Abducted Children, the Department of State, the Department of Justice, and the Rockland County, New York Clerk's and Sheriff's Offices, which will assist in stopping individuals from smuggling children out of the country. This program is an important step in protecting our Nation's children. However, constructing a missing person's database will provide a strong, national foundation to assist our Nation's families and law enforcement in the fight against child abduction.

Mr. Speaker, as you are aware, our Nation's fight against crime is never over. Every day, the use of DNA evidence is becoming a more important tool to our Nation's law enforcement in solving crimes, convicting the guilty and exonerating the innocent. The Justice Department estimates that erasing the convicted offender backlog nationwide could resolve at least 600 cases. The true amount of unsolved cases, both State and Federal, which may be concluded through the elimination of both backlogs is unknown. However, if one more case is solved and one more violent offender is detained because of our efforts, we have succeeded.

In conclusion, as we prepare to step into the 21st century, we must ensure that our Nation's law enforcement has the equipment and support necessary to fight violent crime and protect our communities. H.R. 3375, the Convicted Offender DNA Index System Support Act, will assist our local, State, and Federal law enforcement personnel by ensuring that crucial resources are provided to our DNA data-banks and crime laboratories.

COMMENDING J.C. CHAMBERS FOR HIS GREAT SUPPORT OF LUBBOCK CHARITIES

HON. LARRY COMBEST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. COMBEST. Mr. Speaker, I rise today to honor Mr. J.C. Chambers, an individual who understands the meaning of dedication and service to his neighbors and his community. On November 10, Mr. J.C. Chambers of Lubbock, TX, received the 1999 Award for Philanthropy. This award recognizes all of the many civic activities for which he has volunteered and supported. J.C.'s volunteer work in Lubbock spans 40 years and includes leading the Lubbock United Way as president and campaign chairman. He has also chaired the Red Raider Club in Lubbock. Furthermore, J.C. serves as a board member of the Lubbock Methodist Hospital Foundation, the Advisory Board of the Southwest Institute for Addictive Diseases, the Committee of Champions, the Texas Board of Health, the Center for the Study of Addiction, and the Children's Orthopaedic Center.

J.C. has earned many additional awards honoring his achievements, such as Lubbock's Outstanding Young Man in 1965 and Lubbock Christian College's Servant Leader of the Year in 1985. In 1990, he received the Distinguished Alumni of Texas Tech honor and in 1992, the People of Vision Award. Mr. Chambers earned the Rita P. Harmon Volunteer Service Award from the United Way in 1995, the William Booth Award from the Salvation Army, and the Lubbock Chamber of Commerce Distinguished Citizen Award in 1998.

J.C. has been a local insurance sales agent at Massachusetts Mutual Life Insurance Company in Lubbock since 1957. He graduated Lubbock High School in 1950 and from Texas Tech University in 1954. J.C. volunteers out of a sense of responsibility to his community. Through his service, he has made the city of Lubbock and our society a better place to live. I would like to congratulate Mr. J.C. Chambers for his outstanding commitment to others.

THE INTRODUCTION OF H.R. , THE TRADE ENHANCEMENT ACT OF 1999

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. LEVIN. Mr. Speaker, today, along with Representatives HOUGHTON and THURMAN, I am introducing the Trade Enhancement Act of 1999. This bill will strengthen the ability of the U.S. government to counteract foreign country measures that act as market access barriers to U.S. agricultural and manufactured goods and services. It will do this by updating section 301 of the Trade Act of 1974, as well as the Sherman Antitrust Act.

For 25 years, section 301 has been essential to the effective conduct of U.S. trade policy. Section 301 investigations by the Office of the U.S. Trade Representative ("USTR") have opened foreign markets for U.S. workers, farmers and businesses. These investigations have also led to negotiation of multilateral and bilateral agreements that liberalize trade, expand markets and strengthen rules of fair and open competition for manufactured and agricultural products and services, and improve protection of intellectual property rights. Today, benefits from these agreements flow not only to the United States, but to all WTO members.

Section 301 remains an important policy tool, even with the advent of binding dispute settlement in the WTO. As international trade and economic integration have grown, new barriers have arisen or have become more apparent. In a number of cases, neither U.S. laws nor WTO rules yet provide an adequate means for addressing such barriers. This bill identifies three significant gaps in the existing body of U.S. and WTO law and amends U.S. law to address foreign country barriers that exploit those gaps.

The first gap concerns market access barriers masquerading as health and safety measures. Such barriers come within the purview of the WTO Agreement on Sanitary and Phytosanitary Measures ("the SPS Agreement"). However, barriers in this sector have tended to proliferate in a fragmented way, which makes them difficult to challenge one at a time. WTO-inconsistent health and safety regulations often focus on individual products or narrow product categories. It is generally inefficient to take each one on independently. However, there is no mechanism under current law to call attention to or challenge a series of regulations en bloc.

This bill begins to fill that gap by creating an "SPS Special 301" provision, modeled after the existing Special 301 for measures affecting intellectual property rights. It requires USTR to make an annual identification of the most onerous or egregious instances of foreign country trade barriers disguised as health and safety measures. As with Special 301 for intellectual property rights, identification of the priority foreign country SPS measures will trigger a requirement for USTR to undertake a section 301 investigation of those measures.

The bill also requires the President to take into account the extent to which a country's health and safety regulations are based on scientific evidence in determining that country's eligibility for benefits under the Generalized System of Preferences.

The second gap in current U.S. and WTO law concerns market access barriers that take the form of private anticompetitive conduct supported, fostered, or tolerated by a foreign government. For example, some governments delegate regulatory-type authority to trade associations, which are thereby able to engage in conduct that would violate the antitrust laws if engaged in by entities in the United States. These practices allow foreign producers to gain a regulatory advantage over exporters from the United States and other countries.

Neither current U.S. laws nor the rules of the WTO are equipped to address fully joint public-private market access barriers. Section 301 authorizes USTR to respond to certain foreign government measures, but does not refer expressly to some of the forms of conduct that make these barriers effective. Nor does section 301 authorize USTR to respond to the private activity component of these barriers.

U.S. antitrust law authorizes the Justice Department and Federal Trade Commission to address foreign anticompetitive conduct that harms U.S. exports, but this authority has rarely been exercised, and there is no requirement that it be exercised in appropriate cases.

Nor are WTO rules yet adequate to address joint public-private anticompetitive conduct. This was illustrated by the recent Japan-Film decision, in which the WTO declined to find that U.S. benefits under the WTO had been "nullified or impaired" due to a Japanese distribution regime that discriminated against imports, including U.S.-made photographic film and paper.

Joint public-private barriers flourish in environments where government rulemaking and administration are opaque. While WTO rules require transparency in these processes, the WTO to date has failed to apply its rules in a way that achieves that result. Also, the WTO rules are not designed to address the private component of joint public-private market access barriers.

The Trade Enhancement Act of 1999 begins to fill this second gap by upgrading the authority of USTR so that the agency is better able to respond to joint public-private market access barriers. It does this in two principal ways.

First, the bill broadens the definition of foreign conduct that will trigger USTR's authority to take responsive action. To the category of conduct requiring responsive action by USTR, the bill adds a foreign government's fostering of systematic anticompetitive activities. (Under current law, a foreign government's toleration of systematic anticompetitive activities triggers USTR's discretionary authority to take responsive action.) The bill also makes clear that anticompetitive conduct triggering USTR's authority includes conduct coordinated between or among foreign countries (not just within a single foreign country) and conduct that has the effect of diverting goods to the U.S. market (not just conduct that keeps U.S. goods and services out of foreign markets).

Second, the bill establishes a mechanism for addressing the private components of joint public-private market access barriers. Under current law, at the conclusion of a section 301 investigation, USTR must determine whether the foreign country under investigation has engaged in conduct requiring or warranting responsive action. Under this bill, if that determination is affirmative, USTR will be required to make an additional determination, to wit: whether there is reason to believe that the conduct at issue involves anticompetitive conduct by any person or persons. If the latter determination is also affirmative, USTR will be required to refer the matter to the Department of Justice.

Upon referral of a matter from USTR, the Department of Justice will be required to undertake an investigation to determine whether there is reason to believe that any persons have violated the Sherman Antitrust Act. That investigation ordinarily will have to be completed within 180 days. An affirmative determination will require the Department either to commence an enforcement action against the alleged violators or explain to Congress its reasons for declining to do so.

The third gap in current law is the lack of any express penalty for foreign non-cooperation in the gathering of evidence relevant to an investigation of market access barriers. In recent years, there have been several instances in which a foreign government refused to cooperate with USTR in the conduct of a section 301 investigation or the enforcement of a bilateral trade agreement. In certain cases, these attempts to obstruct the conduct of an investigation extended even to refusing to meet with Cabinet-level and other senior Administration officials. These actions prevent the United States from developing a factual basis to understand and resolve important trade problems and issues and, in addition, contradict longstanding norms of diplomatic behavior.

The Trade Enhancement Act of 1999 begins to fill the third gap by creating a deterrent to non-cooperation in investigations of market access barriers. USTR will be authorized to draw an inference adverse to the interests of a foreign respondent in the event of non-cooperation in the provision of relevant evidence. The adverse inference would be limited to the issues on which the foreign government refused to cooperate. This sanction is modeled on discovery sanctions that courts and administrative bodies in the United States commonly apply.

Mr. Speaker, it is important that the agencies working to open foreign markets to U.S. goods, services, and capital be equipped with modern tools to address modern problems. It has been over a decade since these tools were last upgraded. In that time, the nature of foreign trade-impeding activity has changed. It has become more sophisticated. The tools used to defend U.S. rights ought to be equally sophisticated. Accordingly, I urge my colleagues to support this bill, and I urge that it receive serious consideration by the committees of jurisdiction and by the full House.

TRIBUTE TO TOM SOUTHALL

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. McINNIS. Mr. Speaker, I would like to recognize a man who has been an inspiration to hundreds of young men and a legend amongst his colleagues within his own profession. Mr. Speaker, I am talking about Tom Southall, Steamboat Springs High School basketball coach and a recent inductee to the Colorado High School Activities Association Hall of Fame.

Tom is known as one of the best coaches in Colorado, as the facts clearly attest. He is the all-time winningest coach in the history of Colorado. While Tom is known to be a great coach, he is also known for being a man of great character and imparts his knowledge to his players. A mark of a good coach is the ability to make his players better. While Tom certainly fulfills that role, he also makes his players better people and teaches them about what it means to do things the right way.

While being the winningest coach in the history of Colorado is more than impressive, Tom not only understands sports as a coach, but also was a great athlete in his day. He was a four-year letterman in football, basketball and track. He was on a state championship team in football as the star running back. In track, he was a three time state champion. Besides his athletic prowess, Tom was also an intelligent student, member of the student council and participated in the school band. Mr. Speaker, Tom Southall should be used as a role model of what being a good coach and doing things the right way is all about.

PRESIDENT ABDURRAHMAN WAHID TAKES IMPORTANT STEPS TO STRENGTHEN DEMOCRACY AND CIVIL SOCIETY IN DEMOCRACY

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. LANTOS. Mr. Speaker, this past week His Excellency Abdurrahman Wahid, the newly elected President of Indonesia, paid a brief visit to Washington, where he met with President Clinton and other officials of our government.

This was an important visit, Mr. Speaker, because it reflected the desire to strengthen Indonesia's relations with the United States. President Wahid—both in private in conversations with President Clinton and publicly in statements to the press and to friends of Indonesia who welcomed him to Washington—affirmed Indonesia's desire, as he said "to make sure that we are still great friends of the United States." I am pleased that President Clinton affirmed our friendship with Indonesia and emphasized our interest in a stable, prosperous, and democratic Indonesia.

Mr. Speaker, I want to reaffirm my own commitment to strengthening our nation's relations with Indonesia. Indonesia is the fourth largest nation in the world, and it is a country that has recently taken the first important steps in the direction of greater democracy. The Indonesian elections held last June were an important step forward, the first democratic elections in Indonesia in nearly half a century. The next important step in strengthening democracy was the action of the Indonesian parliament just three weeks ago in voting to elect Abdurrahman Wahid as President of the country.

Mr. Speaker, in the few short weeks since President Wahid has been in office he has taken a number of important steps to strengthen democracy in his country. There are still difficulties ahead, but he has started out on the right foot, and it is in our interest to support his efforts.

The President has announced an effort to fight corruption, which has been one of the serious and persistent problems that faced Indonesia under its previous authoritarian leaders. Questions have been raised about certain actions of three members of President Wahid's cabinet. The President has announced that if the Attorney General finds evidence of corruption, the ministers will be investigated, charged, and relieved of office. That kind of integrity and moral leadership is what is required, and I believe President Wahid has these qualities.

Mr. Speaker, President Wahid has also sought to establish civilian control over the military—an important democratic principle. The President appointed a civilian as his Minister of Defense, the first civilian to hold such a position. Democratic control of the military has been a serious matter of concern in Indonesia. The military has played an important role in the integration of Indonesia, but it has also acted outside the control of elected officials, as was particularly evident in the mishandling of the referendum in East Timor. Decades of the precedent of the military acting independently and abusing the human rights of Indonesians will be difficult to reverse overnight, but the direction taken by the President is clearly the right one.

The President also has indicated his intention to speed the return of East Timorese refugees to their home. It is estimated that some 180,000 refugees from East Timor remain in Indonesian-controlled western Timor, but they have been unable or unwilling to return because of fear for their lives. The President's intention to see the return of these refugees reflects his pragmatic and principled interest in resolving this difficult issue.

President Wahid has also taken steps in the foreign policy area that reflect his desire to involve Indonesia more positively in the world. He has indicated his intention to establish trade relations with the State of Israel. Indonesia is the world's largest Muslim nation, and such a decision reflects a serious interest to change past practice in the face of considerable opposition. President Wahid has the authority and credibility to make such a decision, since his is a highly respected Muslim religious leader.

Mr. Speaker, I invite my colleagues to join me in welcoming the enlightened leadership of Indonesia's new President. In the few short weeks that he has been in office, he has taken a number of important steps to strengthen democracy, to improve economic conditions, to restore the rule of law, and to deal with the difficult problems of his country. President Wahid assumes the leadership of this important country with integrity and a commitment to democratic values that we here in the United States admire and share. We wish him well in the challenges he faces, and we should work with him in meeting them.

THE WORLD MUST NOT FORGET SIKH POLITICAL PRISONERS IN INDIA

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. TOWNS. Mr. Speaker, India frequently boasts about its democratic institutions, so the world pays little attention to the abuses of human rights that go on there. Yet it has recently come out that there are thousands of political prisoners being held in "the world's largest democracy."

These political prisoners are being held in illegal detention for their political opinions. Some have been held without charge or trial for 15 years. One known case is an 80-year-old man. Yes, India is holding an 80-year-old man in illegal detention for his political opinions.

What have these Sikhs done? They have spoken out for freedom for their people and an end to the violence against their people. They have spoken out against the repression and tyranny that have killed 250,000 Sikhs since 1984. In India, this is apparently a crime.

Other minority nations have also seen substantial numbers of their members taken as political prisoners by the democratic government of India. In addition, the Indian government has murdered over 200,000 Christians in Nagaland since 1947. Tens of thousands of people in Manipur, Assam, Tamil Nadu, and other areas have also died at the hands of the Indian government.

Mr. Speaker, why should the people of the United States support a government like this? The answer is that they shouldn't. Yet India remains one of the largest recipients of U.S. aid. That aid should be ended, Mr. Speaker. Perhaps then India will understand that it must respect human rights.

We should also make clear our strong support for the movement of self-determination for the minority peoples and nations of South Asia, such as the Sikh homeland of Punjab, Khalistan; the heavily-Muslim Kashmir; and Christian-majority Nagaland. Only by conducting a free and fair vote can real freedom come to the peoples and nations of South Asia.

I call on the President to press these important issues when he visits India next year. This is the only way to bring real stability, peace, freedom, and dignity to South Asia.

IN TRIBUTE TO THE HONORABLE THOMAS M. FOGLIETTA

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. WOLF. Mr. Speaker, I want to bring to our colleagues' attention news about our former colleague, the Honorable Thomas M. Foglietta of Pennsylvania, who now serves as the U.S. ambassador to Italy. On November 9, he was presented a South Korean human rights award for supporting democracy and human rights in that country.

The annual award was presented in Seoul, South Korea, by the Korean Institute for Human Rights, founded in 1983 by South Korean President Kim Dae-jung. Ambassador Foglietta established a relationship with Kim Dae-jung in the mid-1980's when he served in Congress. Kim was in exile in the United States at that time. Ambassador Foglietta accompanied him back to his beloved South Korea and the two were assaulted at the airport.

This year, the City of Philadelphia presented its prestigious Liberty Medal to President Kim. Ambassador Foglietta campaigned for almost a decade to have this award made to Kim Dae-jung.

Mr. Speaker, I submit for the RECORD a recent article from The Philadelphia Inquirer about this award.

We offer our congratulations to our former colleague.

[From the Philadelphia Inquirer, Nov. 2, 1999]

FOGLIETTA TO GET RIGHTS AWARD IN S. KOREA—THE AMBASSADOR TO ITALY WILL BE HONORED FOR SUPPORTING DEMOCRACY IN THAT ASIAN NATION

(By Jeffrey Fleishman)

ROME—U.S. Ambassador Thomas M. Foglietta will receive a South Korean human-rights award next week for supporting democracy in a country where he was beaten 15 years ago as he traveled with a leading political dissident.

The dissident, Kim Dae Jung, is now South Korea's president. The award from the Korean Institute for Human Rights—to be presented Nov. 9 in Seoul—is a testament to a friendship that endured through a long battle against dictatorships and corrupt politics.

"Knowing Kim has been one of the high points of my life. He has been one of my great teachers," said Foglietta, the former Philadelphia congressman who is now ambassador to Italy. "Kim has always been so determined to bring democracy to his country. This award is a great honor for me."

Kim and Foglietta met in November of 1984 when Kim was a political exile receiving medical treatment in the United States. Before leaving South Korea, Kim had been imprisoned and tortured for years and was reviled by the government of Chun Doo Wan, an army general who had seized power in 1979. During a 3½-hour meeting, Kim told Foglietta that he wanted to return to his country.

Fearful of assassination, he asked Foglietta to accompany him.

"My first thought was that the military regime would try to kill Kim upon his return," said Foglietta. "It was only months earlier that [opposition leader] Benigno Aquino was assassinated when he returned to the Philippines. I told Kim this and he said, "They won't try anything if you go with me.' I called the television networks. I told them to be in Seoul at this time and date. I figured the Korean government wouldn't harm Kim in front of TV cameras."

On Feb. 8, 1985, Kim, Foglietta and a small American delegation, including television crews, arrived at Seoul's Kimpo Airport. Military police had blocked roads, preventing thousands of Kim's supporters from reaching the airport. Inside the terminal, 50 to 75 security police pulled Kim and his wife, Lee Hee Ho, from the entourage and corralled them toward an elevator

Foglietta and others in the delegation, including U.S. Ambassador Robert White, were manhandled by police as Kim was carried away.

Kim endured this arrest as he had the others, and in 1997, after 40 years of protests, failed assassination attempts, six years in jail and 55 house arrests, Kim was sworn in as president in South Korea's first peaceful transition of power. Foglietta stood on the stage as Kim took his oath.

"When I stood at Kim's inauguration, I remembered that day when we were punched, kicked and bloodied," said Foglietta, who over the years has helped Kim with campaigns and democratic reforms. "I guess I always knew he'd be president of South Korea."

Last July, at Foglietta's urging, Kim was awarded Philadelphia's Liberty Medal during a ceremony at Independence Hall.

THE 66TH ANNIVERSARY OF THE UKRAINIAN FAMINE

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. LEVIN. Mr. Speaker, I rise today to commemorate the 66th anniversary of the Ukrainian Famine of 1932 to 1933, a tragedy that claimed the lives of at least seven million Ukrainians.

Too often, we have seen the horrors of famine in all parts of the world. Famine usually brought about by prolonged wars, droughts, floods or other natural occurrences. Rarely have we seen such famine brought on by the repressive actions of a government.

In 1932 to 1933, leaders of the former Soviet Union used food as a weapon against the innocent people of Ukraine. Seeking to punish Ukraine for its opposition to Soviet policies of forced collectivization of agriculture and industrialization, Joseph Stalin unleashed the horror of the Ukrainian Famine on the people of Ukraine. Estimates of the number of innocent men, women and children who died reach over 7 million, and even today the Ukrainian population has not yet fully recovered.

This year marks the 66th year since this man-made, artificial famine in Ukraine. I rise today, as a co-chair of the Congressional Ukrainian Caucus, to join in commemorating with the Ukrainian-American community the tragedy of 66 years ago.

The Ukrainian community's main commemorative observance will be held on Saturday, November 20, 1999 in St. Patrick's Cathedral with a solemn procession along New York's avenues and a requiem service.

We must honor the memory of all those who perished and never let such a tragedy happen again.

BURLE PETTIT TO RETIRE AFTER ILLUSTRIOUS 40 YEAR CAREER

HON. LARRY COMBEST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. COMBEST. Mr. Speaker, I rise today to recognize a man who has made his mark in West Texas with a long and successful career at the Lubbock Avalanche-Journal. Having worked his way up from sports writer to editor-in-chief over a span of four decades, Mr. Burle Pettit has announced he will retire January 15. Burle's reputation for fairness, his passion for journalism and his love for the community, won high praise from A–J Publisher Mark Nusbaum who said, "When you think of what an editor should be, you think of Burle Pettit."

Fortunately for all of us in the Lubbock community, Burle will still be a presence around the Avalanche-Journal in several ways. He plans to serve on the editorial board, provide general consultation, and continue writing his well-loved columns. Burle's influence will also be felt in the generation of journalists who have worked under him, inspired by his strong work ethic and reliance on accuracy.

I am grateful for the years of service Burle has given to our community—not only through his hard work on the paper, but also to the organizations he has supported with his time, such as the South Plains Food Bank, the March of Dimes, the Salvation Army, and the Monterey Optimist Club.

On behalf of his many readers in West Texas, I wish Mr. Burle Pettit a relaxing and rewarding retirement.

INTRODUCTION OF INDIAN HEALTH CARE IMPROVEMENT ACT REAUTHORIZATION

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. GEORGE MILLER of California. Mr. Speaker, today I am joined by 26 of our colleagues in introducing the Indian Health Care Improvement Act reauthorization legislation. The Indian Health Care Improvement Act which provides for the delivery of health services of American Indians and Alaska Natives throughout the nation will expire at the end of fiscal year 2000. Since its enactment in 1976, the act has resulted in a reduction in serious illnesses and healthier Native American births.

The unmet health needs among American Indians and Alaska Natives continues to be staggering with their health status for below that of the rest of the United States population. When compared to all races in the United States, Indian people suffer a death rate that is: 627 percent higher from alcoholism; 533 percent higher from tuberculosis; 249 percent higher from diabetes; and 71 percent higher from pneumonia and influenza.

The bill I introduce today represents, for the first time, Indian country's proposal, "Speaking With One Voice." Throughout the past year the Indian Health Service held regional meetings across the United States gathering information and consulting with health care providers, Indian tribes, tribal organizations and urban Indian organizations on how best the unique needs faced by Indian health delivery systems could be addressed. Following these meetings a national steering committee made up of tribal leaders from each of the Indian Health Service (IHS) areas plus a representative of urban Indians was established. The national steering committee drafted legislation and held numerous meetings to receive additional tribal views and incorporate them into a consensus document.

The legislation is focused on the national needs and includes very few tribal specific authorizations. Several of the programs normally administered by the Indian Health Service headquarters would be decentralized under this legislation with more funds distributed to IHS area offices to address local priorities. The bill also includes important health care training and recruitment provisions to assist with the chronic shortage of qualified health care providers. Additionally, the bill is designed to work cooperatively with contracting and compacting provisions under the Indian Self Determination and Education Assistance Act.

I am introducing this important legislation at the request of the national steering committee on the Reauthorization of the Indian Health Care Improvement Act. All the important component of Indian health care delivery are addressed in this bill including access to, and care for, diabetes, prenatal care, ambulatory care, alcohol and substance abuse, mental health, coronary care, and child sexual abuse. Certainly, there will be changes made to the bill as it proceeds through the legislative process, but this bill provides a solid basis for us to work from.

I commend the hard work and dedication of all the members of the national steering committee and those within the Indian Health Service who helped produce this legislation. For far too long Native Americans have put up with inferior health care. I will push for swift consideration of this bill and ask all my colleagues to join me in passing legislation to ensure that our first Americans are afforded only the best health care this nation can offer. We have the responsibility to accept nothing less.

TRIBUTE TO CLIFFORD STONE, JR.

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. McINNIS. Mr. Speaker, today I would like to honor Clifford Stone, Jr. for his hard work serving seniors throughout Jefferson and Gilpin Counties in central Colorado. After working in the private sector as a lawyer for over 40 years, Clifford retired. But instead of retiring, Clifford chose to help senior citizens navigate their way through the sometimes confusing world of law. By running the First Judicial District Bar Association Legal Assistance Program, Clifford has helped countless seniors with many legal problems.

Clifford and the Program have been a beacon of hope throughout Gilpin and Jefferson Counties. The Program has had to handle the changing needs of seniors from legal questions involving estate planning to grandparents' rights. The Program is a non–profit organization and is available to anyone who is 55 years of age or older.

It is with this, Mr. Speaker, that I say thank you to Clifford and all of the people that make the First Judicial District Bar Association Legal Assistance Program such a positive community resource. Due to Mr. Stone's dedicated service, Colorado is a better place.

INTRODUCTION OF H. CON. RES. 209 CONDEMNING THE USE OF CHILD SOLDIERS AND CALLING FOR U.S. SUPPORT FOR AN INTERNATIONAL AGREEMENT AGAINST THE USE OF CHILD SOLDIERS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. LANTOS. Mr. Speaker, I recently introduced House Concurrent Resolution 209, a bipartisan resolution which strongly condemns the outrageous use of child soldiers around the world and calls on our government to support an international effort to develop an optional protocol to the U.N. Convention on the Rights of the Child.

This resolution—which is currently cosponsored by over 40 of our distinguished colleagues—is based on the deeply disturbing testimony of numerous expert witnesses before the Congressional Human Rights Caucus. They reported the most horrific practices including the forcible conscription of children—some as young as 7 years old—for use as combatants in armed conflicts around the world. As we speak, children are being conscripted into armies of some countries and warring factions through kidnaping and coercion, while others join out of economic necessity, the intention to avenge the loss of a family member, or for their own personal safety.

Many times, these children are forced to kill in the most sadistic and gruesome fashion, their victims often other children or even their own family or friends. By forcing children to perpetrate the most horrific crimes against their own families ensures that these child soldiers cannot desert and can never return home.

Mr. Speaker, our resolution clearly exposes the full scope of the problem of child soldiers. As it notes, experts estimate that in 1999 approximately 300,000 individuals under the age of 18 are participating in armed conflict in more than 30 countries around the world, and hundreds of thousands more are at risk of being conscripted. The practice of conscripting children has resulted in the deaths of two million minors in the last decade alone. In addition to those children who have been killed, an estimated six million have been seriously injured or permanently disabled. Let there be no mistake, Mr. Speaker, this truly global problem needs a global solution which can only be brought about by determined and concerned action of the world community.

For this purpose, the United Nations established a working group in 1994 to develop an Optional Protocol to the Convention on the Rights of the Child to address the issue of child soldiers. The United States and Somalia, a country without a functioning government, are the only two recognized countries in the world which have not ratified this Convention. Therefore, the U.S. cannot even be a party to this Optional Protocol. The Convention on the Rights of the Child, which establishes very stringent and necessary protections with regard to educational, labor and developmental provisions, gives the world "child" the following meaning in Article 1: "For the purposes of the present Convention, a child means every human being below the age of eighteen years unless under the law applicable to the child, majority in attained earlier."

It is simply beyond my comprehension that the same Convention—which otherwise protects children in a comprehensive manner—makes an age exception in Article 38(3) for the most dangerous profession in the world, that of soldier: "States Parties shall refrain from recruiting any person who has not attained the age of fifteen years into their armed forces. In recruiting among those persons who have attained the age of fifteen years but who have not attained the age of eighteen years, States Parties shall endeavor to give priority to those who are oldest."

In light of the global developments I have outlined, the U.N. Working Group seeks to raise the minimum age for recruitment and participation in armed conflict from 15 to 18 years of age, but the U.S. delegation to the Working Group so far opposes this overwhelming international consensus, preventing a unanimous draft protocol.

On October 29, 1998, this international consensus resulted in the decision by United Nations Secretary General Kofi Annan to set a minimum age requirement of 18 for Untied Nations peacekeeping personnel made available by member nations of the United Nations. On the occasion of the unanimous adoption of Resolution 1261 (1999) on August 25, 1999 by the U.N. Security Council condemning the use of children in armed conflict, Special Representative of the Secretary General for Children and Armed Conflict, Olara Otunnu, addressed the Security Council. The Special Representative urged the adoption of a global three-pronged approach to combat the use of children in armed conflict including the raising of the age limit for recruitment and participation in armed conflict from the present age of 15 to 18 years; increased international pressure against armed groups which abuse children; and addressing political, social, and economic factors which create an environment where children become soldiers.

Mr. Speaker, the international consensus is clear, and our government should not stand in the way of this consensus. Our government should not give unintentional cover to nations with deplorable human rights records by giving them an opportunity to hide behind the current U.S. position on this issue. While the U.S. accepts 17-year-old volunteers into its armed forces with parental consent, U.S. armed forces de facto already ensure that all but a negligible fraction of recruits have reached the age of 18 before being deployed in combat situations, because 17-year-old volunteers are in the "training pipeline" and do not complete their training until they are 18 years of age.

Mr. Speaker, I ask that the text of H. Con. Res. 209 be inserted at this point in the CONGRESSIONAL RECORD.

HOUSE CONCURRENT RESOLUTION 209

Expressing condemnation of the use of children as soldiers and the belief that the United States should support and, where possible, lead efforts to establish and enforce international standards designed to end this abuse of human rights.

Whereas in 1999 approximately 300,000 individuals under the age of 18 are participating in armed conflict in more than 30 countries worldwide and hundreds of thousands more are at risk of being conscripted at any given moment;

Whereas many of these children are forcibly conscripted through kidnaping or coercion, while others join military units due to economic necessity, to avenge the loss of a family member, or for their own personal safety;

Whereas many military commanders frequently force child soldiers to commit gruesome acts of ritual killings or torture against their enemies, including against other children;

Whereas many military commanders separate children from their families in order to foster dependence on military units and leaders, leaving children vulnerable to manipulation, deep traumatization, and in need of psychological counseling and rehabilitation;

Whereas child soldiers are exposed to hazardous conditions and risk physical injuries, sexually transmitted diseases, malnutrition, deformed backs and shoulders from carrying overweight loads, and respiratory and skin infections;

Whereas many young female soldiers face the additional psychological and physical horrors of rape and sexual abuse, being enslaved for sexual purposes by militia commanders, and forced to endure severe social stigma should they return home;

Whereas children in northern Uganda continue to be kidnaped by the Lords Resistance Army (LRA) which is supported and funded by the Government of Sudan and which has committed and continues to commit gross human rights violations in Uganda;

Whereas children in Sri Lanka have been forcibly recruited by the opposition Tamil Tigers movement and forced to kill or be killed in the armed conflict in that country;

Whereas an estimated 7,000 child soldiers have been involved in the conflict in Sierra Leone, some as young as age 10, with many being forced to commit extrajudicial executions, torture, rape, and amputations for the rebel Revolutionary United Front;

Whereas the international community is developing a consensus on how to most effectively address the problem, and toward this end, the United Nations has established a working group to negotiate an optional international agreement on child soldiers which would raise the legal age of recruitment and participation in armed conflict to age 18;

Whereas on October 29, 1998, United Nations Secretary General Kofi Annan set minimum age requirements for United Nations peacekeeping personnel that are made available by member nations of the United Nations;

Whereas United Nations Under-Secretary General for Peacekeeping, Bernard Miyet, announced in the Fourth Committee of the General Assembly that contributing governments of member nations were asked not to send civilian police and military observers under the age of 25, and that troops in national contingents should preferably be at least 21 years of age but in no case should they be younger than 18 years of age;

Whereas on August 25, 1999, the United Nations Security Council unanimously passed Resolution 1261 (1999) condemning the use of children in armed conflicts;

Whereas in addressing the Security Council, the Special Representative of the Secretary General for Children and Armed Conflict, Olara Otunnu, urged the adoption of a global three-pronged approach to combat the use of children in armed conflict: first, to raise the age limit for recruitment and participation in armed conflict from the present age of 15 to the age of 18; second, to increase international pressure on armed groups which currently abuse children; and third, to address the political, social, and economic factors which create an environment where children are induced by appeal of ideology or by socioeconomic collapse to become child soldiers; and

Whereas the United States delegation to the United Nations working group relating to child soldiers has opposed efforts to raise the minimum age of participation in armed conflict to the age of 18 despite the support of an overwhelming majority of countries: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That—

(1) the Congress joins the international community in condemning the use of children as soldiers by governmental and non-governmental armed forces worldwide; and

(2) it is the sense of the Congress that—

(A) the United States should not oppose current efforts to negotiate an optional international agreement to raise the international minimum age for military service to the age of 18;

(B) the Secretary of State should address positively and expediently this issue in the next session of the United Nations working group relating to child soldiers before this process is abandoned by the international community; and

(C) the President and the Congress should work together to enact a law that establishes a fund for the rehabilitation and reintegration into society of child soldiers.

HUGH AND LOUISE DENTON

HON. BOB BARR

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. BARR of Georgia. Mr. Speaker, in today's fast moving economy, many people think it is entirely normal to hold 10 different jobs over the course of their working life. Obviously, the people who think this way have not met Hugh and Louise Denton. Hugh and Louise met at Archer's Drug Store in LaFayette, where Hugh was working behind the soda fountain. They were married 2 years later, in 1951.

In December of this year, Hugh and Louise will reach a combined total of 100 years of hard work at Mount Vernon Mills in Trion, GA. Hugh began his career as a helper in the laboratory, and has since worked his way to the position of lab floor manager. Louise started as a turner in the glove mill, and has now become a typist. Hugh has worked for the mill for 48 years, and Louise has been there for 52.

Even the plant where Hugh and Louise work is a symbol of steady and important economic contributions. With a history dating back to 1845, Mount Vernon Mills is the oldest continuing textile operation in one site in the entire State of Georgia. In a time when jobs and families change more often than winter weather, Hugh and Louise Denton are a model of steadfast devotion to family, job and community, for all of us.

HONORING THE BAILEY COMPANY

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. SCHAFFER. Mr. Speaker, I rise today to honor the Bailey Company, an Arby's Roast Beef Restaurant franchisee in Colorado, of 62 restaurants and over 1,000 employees, for business excellence and commitment to public service. This commitment has translated into support for Colorado's chapter of Big Brothers Big Sisters.

The Bailey Company's efforts have included several fundraising and volunteer activities for over 15 years. In 1998, the company entered into an agreement with the Colorado Rockies of the National League featuring two Rockies players on plastic soft drink cups. Selling drinks at 25 cents over the standard price, the Bailey Company collected over $38,000 and donated the dollars directly to Big Brothers Big Sisters. This summer, they signed on with Arby's first "Charity Tour Golf Tournament." This endeavor raised over $200,000 for Big Brothers Big Sisters through tournament fees, promotional events, coupon-book sales, a Rockies game and auctions.

The Bailey Company's General Manager Geoff Bailey, and numerous employees, have made support of Big Brothers Big Sisters their mission. They have been a national corporate sponsor and are Colorado's largest corporate sponsor. In addition to raising funds, they have raised awareness of the valuable programs of Big Brothers Big Sisters, and have provided leadership through board membership and scholarships contributions.

It is for these reasons I rise today to honor the Bailey Company. I hold them up to the House as an example of the best of America's business. The Bailey family and employees exemplify the industrious spirit and community involvement that made America great.

THE MAGNIFICENT PEARLIE EVANS

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. CLAY. Mr. Speaker, in December 1998 my right hand retired. My St. Louis District Director, Pearlie Evans withdrew from office life after a long and distinguished career in government service. I know Pearlie cherished her many years on my staff almost as much as I cherished her able and devoted service. I also believe Pearlie Evans has enjoyed her first year of retirement nearly as much as her coworkers and I have missed her daily presence.

Mr. Speaker, by all accounts, Pearlie Evans is an outstanding St. Louisan whose contributions to our community may be never-ending. As the occasion of the anniversary of her retirement from my office is approaching, I would like to take the opportunity to share with my colleagues the following story, which appeared in A Magazine (August 1999) about the life and times of the magnificent Pearlie Evans.

[From A Magazine, Aug. 1999]

PEARLIE—A MOVER AND SHAKER

She's a mover and shaker. Here, in St. Louis, Jefferson City, Washington D.C. Everywhere she goes. Often honored as one who continually gives back to her community, she now has 40 plus awards, certificates, and plaques that reflect 26 years of dedicated service during her tenure as district assistant to Congressman Clay of the first congressional district. She is someone who has never stopped giving. She is the magnificent Pearlie Evans. When you step in her private domain, all you see are turtles, turtles and more turtles. Ceramic turtles, plastic turtles, fluffy turtles, stuffed turtles, multicolored turtles, handmade turtles, etc. . . . turtles. I attempted to count them but each time, I would lose count. Turtles, like herself, are living creatures, who are not afraid to stick their necks out she said, as she spoke in remembrance of the time she and journalism icon (the late) Betty Lee, went to Mississippi for the first year anniversary of Medgar Evers' assassination.

She reared back and glared at the ceiling. Her eyes were full of laughter as she reached out her hands as if to grasp the memory out of the air of how they all had to lay on the car floor during the entire ride to Evers' brother's house.

The town white folk were following behind them and shooting at the car. As the memories began to unfold, so did the history of a woman who was proud not only of her political and civil accomplishments, but even more, of the blessed privilege of knowing the family legacy from which she had come. With pride and gratitude she boasted with pleasure about her father's dad, grandpa Ingram. Says Evans, I love the story of the Ingram folk. She's a mover and a shaker. Here, in St. Louis, Jefferson city, Washington D.C., everywhere. A folk, she described, as being of good stock. She was reminded of this fact ever since she was about three years old. Also embedded in her heart were four generations of Ingram history whose roots trace back to a tall, herdsman people known as the Fulani tribe. A most cherished memory of her original homeland was when she first visited the tribe in 1970. Evans said the resemblance was such that she was thought to be African by other members of the Fulani tribe. She was immediately recognized by the village mother who seemed overwhelmed by Evans' presence. The village mother immediately took Evans' into her arms and commenced to cuddle her. She held, hugged and rocked her as tears streamed down from her eyes. She was told that all the Africans taken during the slave trade had been eaten by their captives. What a spiritual catharsis it was to see Pearlie Evans as final, living proof that this had not been the fate of her people. Like the Fulani, grandpa Ingram was also a herdsman. His produce included grapes, squash, pepper, green beans, beans, and various corn crops. A well established businessman, originally from Florence, Alabama, he also owned a cafe called the Ingram restaurant. The cafe probably would have had a different title if the family name had not changed after the emancipation proclamation.

Grandpa Ingraham wanted to remove the slavery background from the family name so he changed their name from Ingraham to Ingram, explained Evans. His parents, Roxanne and Thomas, however, were laid to rest under the name they were born with. Evans boasted with dignity about grandpa Ingram and his two brothers. The one, tragic incident that did occur, involved grandpa Ingram's first wife, Sarah. She died of asphyxiation in Alabama, during a house fire which was started by the town's Ku Klux Klansman in the early 1920's. Evans remembered her grandpa describing when he first met Sarah at a local community fair. She was the prettiest girl there he told Evans. Even though her parents thought his skin was too dark complected for their daughter, he was finally allowed to marry her in 1900. From this union came one dark child, uncle Cornelius and one brown child, aunt Edmonia who, born in 1910, was the first college graduate of the Ingram family.

Due to the financial success of the Ingram Restaurant, they were able to provide a home for many poor kids by inviting them into their own home. Evans also talked about Grandpa Ingram's great compassion for grandpa Jack, who was her mother's father. Grandpa Ingram loved grandpa Jack because he was a hard working farmer like himself. She shared the story about the time the KKK was planning to kill grandpa Jackson and his family in order to steal their land. Evans said grandpa Ingram paid for four horses and a wagon so grandpa Jackson's family could be escorted to safety via a route much similar to that of an underground railroad. The NAACP also participated by covering up her mom and other family members with hay in an effort to help the family escape from the Ku Klux Klan's methods of terror. Undoubtedly, both sides of the family are loyal to this historic civil rights organization unto this very day, says Evans. This was not the first time someone from the Jackson lineage was subjected to impromptu behavior as a means to escape slavery. About three generations ago, aunt Molly, a great aunt of Evans, chose to jump ship rather than come to America as a slave. Aunt Molly was the sister of Mary, who begot Kate (grandpa jack's wife) and was followed by Donna who mothered Pearlie. By the time grandpa Jack was born (1865) and had died (1949) he had fathered 17 children. Financially, the Jacksons were not as well off as the Ingrams, Evans expressed as she shared a family portrait. Thought, this family had very little money, they too, seemed rich in the knowledge of their family history. It was grandma Jackson who gave

Evans most of the Jackson family's oral history. She told her that her own father was not a slave but a free man who lived and worked as a railroad porter up north. He had often kept a written record of the Jackson family history. Evans remembered her Aunt Minnie, who lived to be a ripe 94 years old as sort of the family coordinator. She was also told about aunt Amanda who married a Cuban and left the country, never to be seen again. According to family history, it was her hatred for white folks that encouraged her to leave the United States stated Ms. Evans. The last born of Grandpa Jack's children was Evan's mom and the first was uncle Henry. For all family members whose detailed stories are yet to be told, there are black heritage pictures all along her walls that definitely help fill the void. The atmosphere reflects a sentiment that embraces much of the trial and tribulations that kept both families together from one generation to the next. It was Grandpa Ingram's second marriage to Mae Bell in the late 1920s which began the generation of Ms. Evan's dad, who was the first of three children born from this union.

Mrs. Evans has been the District Assistant to Congressman William L. Clay since 1972. She attended Lincoln Elementary School and graduated from Vashon High School in St. Louis. She received her B.A. Degree in Sociology and Political Science from Lincoln University, Jefferson City, Missouri, and her Master's Degree of Social Work from Washington University, St. Louis, Missouri.

Her professional experience includes years of government and community service. She has served as Commissioner of the Division of Community Service, Housing Relocation and Social Services for the Elderly, City of St. Louis, Worker and Supervisor for the United Church of Christ Neighborhood Houses, Fellowship Center and Plymouth House directing children, adults, senior citizens, and community organization activities.

Over the years, she has been a practicum instructor of Social Work at the George Warren Brown School of Social Work, Washington University since the early seventies and the Missouri Coordinator for Voter Registration with Operation Big Vote. She has also been a Democratic political activist for candidates at the local, state, and national levels.

Mrs. Evans is a past President of the Board of Directors of the William L. Clay Scholarship and Research Fund, member of the WEB DuBois Board of Directors, was the local Alpha Kappa Alpha Member of the Year and Life Member and was selected for the Ivy Wall of Fame at National Headquarters, Chicago, Illinois. She is now a 50 Year (Golden) Member of the Alpha Kappa Alpha Sorority.

Mrs. Evans has been active in numerous professional organizations, boards, and committees. A few are the Academy of Certified Social Workers (ACSW), National Association of Black Social Workers (NABSW), NAACP Life Member, the United Negro College Fund, the Dr. Martin Luther King Holiday Committee, and the Regional Coordinator of the Push/Rainbow Coalition of the Reverend Jesse Jackson, Sr. Mrs. Evans has received numerous civic and professional awards, including the Lifetime Achievement Award from Better Family Life; the Political Leadership Award from the Young Democrats of St. Louis; the Humanitarian of the Year Award from the Martin Luther King Support Group; the National Association of Black Social Workers African Fidelity Award (St. Louis Chapter); The 1st Gwen B. Giles Award from the Missouri Legislative Black Caucus; the Distinguished Alumni Award from the George Warren Brown School of Social Work; and the Distinguished Service Award from the National Council of Negro Women. She has received certificates of appreciation for leadership and community service from many organizations including the St. Louis Job Corps Center, the YWCA, and the William L. Clay Scholarship and Research Fund. Mrs. Evans has traveled extensively and participated in many international conferences and workshops. In the early seventies, she was a Consultant for Rutgers University Forum for International Studies in Accra, Ghana. Some of her other cultural and educational travels include a St. Louis Sister City Conference in Dakar and St. Louis, Senegal, West Africa, Washington Universitys China Cultural Triangle Tour, and the Lutheran Public Housing Visits to Paris, London, Berlin, and other European cities. As a member of the African-American Cultural and Arts Network Organization, she attended workshops in the Ivory Coast, Spain and Morocco, Egypt, Salvador, Bahia, and Rio De Janeiro, Brasil. With the International Federation on Aging, she attended the third annual conference in Durban, South Africa, and Zimbabwe.

RECOGNIZING DISASTER RELIEF WORKERS

HON. SAM JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. SAM JOHNSON of Texas. Mr. Speaker, I would like to give special recognition before Congress to the efforts of 88 young men who provided extensive disaster relief services and humanitarian aid to the people of San Pedro Sula, Honduras in the wake of Hurricane Mitch. Between November 1998 and April 1999, these men aided in rescue operations, distributed food and clothing, constructed housing for refugees, provided medical aid, and coordinated the collection and distribution of donated supplies from America, thus promoting hope, good will, and charity between the United States and Honduras. They should be commended for their sacrifice and commitment to serve their follow man in a time of great need.

Levi Ackley, MN; Aaron Berg, Ontario; Nathan Beskow, OR; Evan Bjorn, OK; Adam Blocker, FL; Caleb Boyette, FL; Michael Braband, MO; Rodian Cabeza, NY; David Carne, OR; Daniel Chiew, Singapore; James Clifford, Ontario; Fredrick Cohrs, WA; Steven Dankers, WI; Johathan De Haan, KY; Nathan Downey, CA;

Daniel Falkenstine, TX; Andrew Farley, CA; Joseph Farley, CA; Steven Farrand, CO; David Fishback, Ontario; Benjamin Frost, MN; Eric Fuhrman, MI; Ron Fuhrman, MI; Rob Gray, IN; Michael Hadden, GA; Richard Hens, OH; Burton Herring, Jr., AL; William Hicks, CA; Nathan Hoggatt, TX; Mario Huber, PA;

Joshua Inman, OH; Jordan Jaeger, IA; Anders Johansson, WA; Aaron Jongsma, Ontario; Justin King, MI; Jason Kingston, TX; Richard Knight, AR; David Kress, AL; Luke Kujacznski, MI; Jeremy Kuvik, NY; Joshua Lachmann, IN; Mike Litteral, OH; Lucas Long, WA; James Lovett, WA; Joshua MacDonald, FL;

Gerard Mandreger, MI; James Marsh, NC; Timothy Mirecki, Ontario; Ben Monshor, MI; Benjamin Moore, MS; Timothy Moye, GA; John Munsell, OH; Robert Nicolato, OH; John Nix, MI; Joseph Nix, MI; Steve Nix, MI; Sean Pelletier, WA; Keon Pendergast, AR; Joshua Ramey, CA; Elisha Robinson, PA;

Bruce Rozeboom, MI; Eric Rozeboom, MI; Gregg Rozeboom, MI; Mark Rozeboom, MI; Jason Ruggles, MI; Jonathan Russel, CA; David Servideo, VA; Chad Sikora, MI; Scott Stephens, MI; Kevin Stickler, NC; Nathanael Swanson, New Brunswick; Paul Tallent, NM; John Tanner, MI; Josha Tanner, MI;

Justin Tanner, MI; Joshua Thomas, OR; Jefferson Turner, GA; Roy Van Cleve, WA; Andrew Van Essen, Ontario; Christopher Veenstra, MI; James Volling, Ontario; Neil Waters, VA; Daniel Weathers, WA; Daniel Weed, NY; Shane White, KY; Nathan Williams, KS; John Yarger, CO; Chad Yordy, IN.

TRIBUTE TO JANEY SILVER—1999 MANCOS VALLEY HONORARY CITIZEN OF THE YEAR

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. McINNIS. Mr. Speaker, I wanted to take a moment to recognize an exceptional woman. Janey Silver was named Mancos Valley Honorary Citizen of the Year for the year 1999. The Honorary Citizen of the Year award recognizes outstanding citizens who are not residents of the community for their service and commitment to the Mancos Valley.

Janey has spent over half of her life with children in the Mancos community. Commuting from Durango, Janey often arrives to work before 7 a.m. and stays late after work to coach the youth athletic organizations. Janey loves her job, and it shows. She takes on many roles as a teacher, counselor, friend, and role model for many. Repeatedly, Janey has gone above and beyond the call of duty.

After the spring of 2000, Janey will take a much deserved retirement. Undoubtedly, she will be greatly missed. She has touched the lives of many young Americans in the Mancos Valley throughout her career. So, it is with this, Mr. Speaker, that I congratulate her on this magnificent distinction and thank her for her selfless dedication.

TESTIMONY OF RICHARD A. DELGAUDIO

HON. BOB BARR

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. BARR of Georgia. Mr. Speaker, I would like to submit for the RECORD the following testimony offered in printed form to the United States Senate Armed Services Committee on October 22, 1999 by Richard A. Delgaudio.

Mr. Chairman, distinguished Senators, ladies and gentlemen, my name is Richard A. Delgaudio, and I appreciate your taking the time today to review my testimony which I have been told will be recorded in the official transcript of today's U.S. Senate Armed Services Committee proceedings. As I submit this testimony, I place my hand on my

Catholic bible and swear that this is the truth as I know it, and I dedicate these words to His name.

I have served during the twelve years' existence of National Security Center as its President, have sponsored four fact-finding trips to Panama and have personally participated in an additional four such trips. I have done research on, have spoken before audiences from one end of this country to the other, from Florida to New York to Washington, DC to California to Ohio to points in between, and have written and published articles, newsletters and books on this topic. I have been on more than 100 radio talk shows on this subject matter. I am the publisher of Captain G. Russell Evans' Death Knell of the Panama Canal? and author of Peril in Panama, both published by National Security Center, with a combined distribution of 1.2 million. I have published Panama Alert newsletter for the past ten years. And I coined a phrase you may have already heard, and will be hearing more of in the future: China is the new "Gatekeeper" of the Panama Canal.

I come before you today as an unabashed critic of the current policy of the United States towards Panama. I come before you in full agreement with the warning one year ago of Admiral Thomas Moorer, USN (Ret.) before the Senate Foreign Relations Committee. Admiral Moorer testified that unless the current U.S. policy towards Panama is changed, then there could be "big trouble" in Panama, trouble that could lead to a military confrontation.

I had earnestly desired to give you this testimony in person today, and also to personally present to the Committee the quarter of a million signed petitions from Americans from all across the land who are very concerned about current U.S. policy and pray that you see fit to reverse it.

As Senators know, there have been occasions in the history of the relationship between Panama and the United States, in which American Presidents have felt it necessary to put our boys into harms way at the Panama Canal to defend the national security interest of the United States. Some of those boys paid the ultimate price for following their orders and doing their duty. Two dozen in Operation Just Cause, not very long ago. National Security Center will, within the next three weeks, be publishing a Panama Canal Calendar 2000 which cites other dates where U.S. servicemen put their lives on the line in Panama.

I cannot believe that those American soldiers, airmen, sailors and marines who died, who returned home wounded, and all those who served, did this service for their country, following the orders of mistaken Presidents. I firmly believe that those orders they were given, especially orders given in that Just Cause, were proper and right, both for the interest of our country and for the long term interests of the people of Panama and the United States.

And so it is with some trepidation that I offer this testimony today, for I fear that if my warning, and the warning of my esteemed colleagues offering the Committee testimony today, Admiral Thomas Moorer, USN (Ret.) Captain G. Russell Evans, USCG (Ret.) and Bruce Fein, Esq., is not heeded, then a higher casualty rate will be suffered by American servicemen in a future Operation Just Cause to keep the Panama Canal open, operational and secure. My focus in today's testimony is on the question Senator Trent Lott asked the Committee to focus on, "Does Hutchison-Whampoa's Chairman, billionaire Li Ka-shing, have ties to the Chinese Communist Party, China's People's Liberation Army, or Chinese intelligence activities."

My testimony to the Senate Armed Services Committee is: yes, Li Ka-shing does have strong ties to the Chinese Communists. Li Ka-shing is China's Red billionaire, and he has enabled his masters in Beijing to become the new Gatekeeper of the Panama Canal. On December 31 (or perhaps on December 14) of this year, China will, through Li Ka-shing, be the uncontested, unchallenged, unwatched Gatekeeper of the Panama Canal. Further, my testimony is: the government of the United States has known all along about Li Ka-shing's ties to Communist China, a self-proclaimed enemy of the United States, and has offered no resistance whatsoever to that government's now-successful move to control the entrance and exit ports of the Panama Canal.

The information that we have developed about Li Ka-shing, China's Red billionaire, is mostly available in the public record. Much of it has been collected and reported in my book, Peril in Panama. Li Ka-shing is much more than the elusive Hong Kong billionaire businessman that he has been portrayed as. He has for many years also been one of the most trusted allies of the Communist Chinese, well before they took over Hong Kong, his base of operations.

Li Ka-shing's influence is quiet, behind the scenes and decisive. Shortly after his company took over in the Bahamas, that country withdrew its recognition of Free China and recognized Communist China. Do the Senators believe in such coincidences?

Li Ka-shing's relationship with the rulers of the Peoples Republic of China goes back to the 1970's with Deng Xioaping. When Li Ka-shing received an honorary degree from Beijing University, on April 28, 1992, it was handed to him by none other than Jian Zemin, the current dictator of the PRC.

Why such an honor for Li Ka-shing? Simple. In the words of Anthony B. Chan (Li Ka-shing: Hong Kong's Elusive Billionaire), "Li was the vital go-between that the geriatric bosses of Beijing needed to firm up the support of Hong Kong's other leading merchants in the smooth recovery of the colony to China in 1997."

Li was very useful to the PRC in the takeover of Hong Kong. He was always loyal to their cause, never critical. For example: "I was of course saddened (by the Tiananmen massacre). But as a Chinese, China is my motherland. No matter what happened, I am still willing to work for the future of my country."

Senators need to understand fully, that these are Li Ka-shing's words giving the lie to those who say he is simply a Hong Kong billionaire: "As a Chinese, China is my motherland" (page 5, Li Ka-shing book).

If he were just another Hong Kong businessman, how did Li Ka-shing, in 1979, become a member of the China International Trust and Investment Corporation (CITIC)? CITIC is Communist China's top investment arm and the bank of the People's Liberation Army. CITIC provides financing for Chinese army weapons sales and finances the purchase of Western technology through a variety of fronts. Li will of course deny that his membership in the PRC's top government investment arm meant he was allied with the PRC. But that was his path to power. Li parleyed this association with Chinese power brokers into the purchase of a controlling share in Hutchison-Whampoa, which led to his becoming a billionaire.

If he were not in the PRC's hip pocket, would Li Ka-shing be running their commercial ports? Would he be running most of south China's sea born trade? A Journal of Commerce report by Joe Studwell reported that Li Ka-shing has a "cozy relationship" with the Peoples Republic of China that is as "close as lips and teeth." Li Ka-shing was appointed a member of the Preparatory Committee that oversaw Beijing's takeover of Hong Kong in 1997. Among other things, the committee eliminated the recently elected sixty-person legislature, replacing it with puppets more helpful to the PRC.

There is ample evidence of the ties of Li Ka-shing to Communist China. Here are several, some reported in my book, Peril in Panama:

Li has "tried to secure CPPCC membership (Chinese Peoples Political Consultative Conference) for his eldest son and heir apparent, Victor Li Tzar-Kuoi, to keep contacts with the top brass in Beijing." (Nikkei Weekly, 3/2/98).

Nikkei Weekly reported that Li Ka-shing "converted to the pro-China camp in the late 1980's" and was "helping Chinese companies affiliated with the People's Liberation Army enter the Hong Kong market."

Senators are no doubt familiar with the Cox Report from the other chamber, where there is ample documentation to demonstrate to even the most skeptical how apparently private businesses are used by the PRC as an arm of policy in countries like the United States.

Li Ka-shing "posted congratulatory messages" in a daily Hong Kong newspaper operated by the PRC after their takeover of the city (Asian Political News, 10/13/97).

When PRC leaders came to Hong Kong to oversee their takeover, their good and faithful servant, Li Ka-shing, rolled out the red carpet (pardon the pun) for them. Naturally, PRC leader Jiang Zemin stayed at one of Li's hotels during the festivities. Many in the PRC delegation skipped official British dinner ceremonies to dine with Li at one of his hotels. Li stood with Jiang Zemin in a place of honor during handover ceremonies but, skipped subsequent celebrations because "he is a target for pro-democracy activists." (The Independent of London, 7/1/97).

The Guardian of London (6/11/97) reported that Li and his PRC allies are so powerful "that even governments on the other side of the world must reckon with their clout. A recent decision by the Bahamas to sever diplomatic ties with Beijing is widely thought to have been motivated by concern over a newly opened port run by Hutchinson-Whampoa, Ltd., a Hong Kong conglomerate controlled by Mr. Li, pro-China mogul."

If he had that much influence in the nearby Bahamas, why would Senators suppose the "pro-China mogul" would do any less in further-away and much more important Panama?

Asian Business (3/97) reports on Li Ka-shing's views on the PRC leadership: "Yes, I strongly believe in what they say."

If Li Ka-shing is given the order to slow down, shut down, damage or even destroy the Panama Canal in some future United States-China confrontation or any type of emergency where United States troops, supplies and jet fuel are being rushed through the Panama Canal, will he say "Yes, I believe in what they say?"

Senators may suppose that some successful businessmen put the interest of their business ahead of anything else, including national interest. But putting the interest of the PRC first has always been the best thing for the business of Li Ka-shing. Why would Senators suppose that might change in the future, at the Panama Canal?

But let me provide more documentation.

Li Ka-shing proudly serves as "an advisor on Hong Kong affairs to the Beijing government and has served on the Selection Committee that picked Tung Chee-hwa" as Hong Kong's new top boss (Asian Business).

I have a picture of Ronald Reagan hanging proudly in my office. If Li Ka-shing is just a Hong Kong businessman, why does he have a picture of the PRC dictator, Jiang Zemin, hanging in his? (The Financial Times, 3/13/98).

Press reports say Li publicly mourned the death of PRC dictator Deng Xiaoping the day after he died (Agence France Presse, 2/20–21, 1997).

"The Chinese Communist leaders turned for help to the benevolent figure of a Hong Kong property billionaire, Li Ka-shing." (Sunday Times, 6/30/96).

Hutchison-Whampoa "is a partner with China Ocean Shipping Company (COSCO) in several enterprises in China and elsewhere in Asia." COSCO has long since been identified as an arm of the People's Liberation Army, totally controlled by the communist government of China. One United States Senator advises constituents that he is very wary of COSCO but does not see the same problem with Hutchinson-Whampoa. Why not? They are in the same bed, under the same blanket, and operators for the same cause.

An unidentified State Department spokesman "noted that Hutchison has ventures in Asia with state-run China Ocean Shipping Company" (Journal of Commerce, 3/26/97).

Companies wanting to do business in China know who to cozy up to. USA Today (1/13/98) reported a company called Peregrine leveraged "their close ties to Hong Kong billionaire Li Ka-shing to gain the trust of Chinese leaders."

Proctor and Gamble's chairman and CEO, said "Hutchison has been and will continue to be a valuable partner in building our business in China." (The Kentucky Post, 10/24/97).

Li Ka-shing's dealings with the PRC are quite extensive. Besides his Hong Kong dealings—all at the sufferance of the government of Beijing, Li has financed several satellite deals between the U.S. Hughes Corporation and China Hong Kong Satellite, a company owned by the PLA's COSTIND. Li has put more than a billion dollars into China. He owns most of the piers in Hong Kong, has the exclusive right of first refusal of all PRC ports south of the Yangtze River.

We congratulate Senators who acted to block the PLA's agent, COSCO, from gaining control of the military port of Long Beach, California. But you might want to go back and check your files a little further. You will find that it was Li Ka-shing who was involved in that deal up to his eyeballs, trying to help his friends and associates at COSCO and the Chinese navy. Li Ka-shing's son and heir apparent, Victor Li Tzar-kuoi recently boasted about another milestone for his and dad's business operations, a $957 million deal. This is the PLA's biggest investment yet in America. Li and his PLA partners, report WorldNetDaily (6/29/99), have "bought their way in to the communications grid of northeast America . . . Hutchison Telecom and the PLA are now major players in the American mobile-phone business with the recent investment of nearly $1 billion into Voice Stream Wireless."

"Li is so close to the Chinese government that the Clinton White House included his bio along with Chinese President Jiang Zemin to the CEO of Loral Aerospace, Bernard Schwartz, just prior to the 1994 Ron Brown trade trip to Beijing. According to documents provided by the Commerce Department, Brown and Schwartz were to meet both Li and Gen. Shen Rougjun of CONSTIND." (NetNewsDaily, 6/29/99).

Senators, it does not take a lot of research to know what is going on in Panama with Li Ka-shing and Hutchison-Whampoa. Those in the know in Panama are aware that the future of Panama is China, that hope for jobs in the future is with China. They know that to criticize Li Ka-shing or Hutchison-Whampoa in a country they dominate means a problem finding work in the future. I found this to be true whether I was speaking to high powered, well-connected, financially secure individuals such as Panama's businessmen, lawyers, bankers, or down-to- earth people who work with their hands and just want to feed their families and have a future for their children. If the United States is leaving and this Li Ka-shing is our future, the thinking at all levels goes, then we'd best not criticize him.

So don't go to Panama to have cocktails with the financially successful, the well connected, the ruling power elite, and think you'll find out about Hutchison-Whampoa and Li Ka-shing. I urge the Armed Services Committee and indeed the entire U.S. Congress, to investigate carefully the past, present and the future plans of this Li Ka-shing, China's Red Billionaire. He is on the verge of his greatest triumph for his masters in Beijing, at the Panama Canal.

I hope and pray that Congress will see fit not merely to have a few hours hearing and publish a transcript of the proceedings, but to undertake a serious investigation of what is afoot at the Panama Canal, and how in the world can the President say that his policy is advancing the best interest of the United States?

I said at the start, that in my view, Li Ka-shing and his Hutchison Whampoa company, disguised in Panama as "Panama Ports Company" is a tool of Communist China. And I said that I believe the government of the United States has known about this all along, and despite this advance knowledge, has allowed this man, and thus his masters, to gain control of the entrance-exit ports of the Panama Canal.

First of all, consider that virtually all of the information I have shared with Senators in today's testimony, has been available in the public record, most of it prior to the January, 1997 date that Hutchison-Whampoa become the Gatekeeper of the Panama Canal.

Further, the organization I serve as President, National Security Center, filed a Freedom of Information Act Request nearly two years ago with the Central Intelligence Agency, after reading some of these reports, including one that said that our own CIA had a file showing the connections between Communist China and Li Ka-shing.

I thought back then, when we filed that Freedom of Information Act request to the CIA, that the American people have a right to know whether their government handed this knife at the throat of the United States, over to Red China on a silver platter?

But I got back a letter from the Central Intelligence Agency, and they didn't agree with me. They said, and I quote, 'it is not in the national security interest of the United States to confirm or deny the existence of the documents you have requested."

We pressed on. National Security Center filed an appeal. And a few months later, we got a reply. The Review board, having carefully considered our request, had this to say: "It is not in the national security interest of the United States, to confirm or deny the existence of the documents you have requested."

Senators, I conclude my testimony today, by suggesting to you that I have yet to hear any possible reason why it would not be in the national security interest of the United States for you and for the American people to learn the truth about Li Ka-shing and his ties to Red China, the new Gatekeeper of the Panama Canal. It is very important to the national security interests of our country, with no threat to the sovereignty, freedom and future prosperity of our good friends in Panama who I respect and appreciate, if we all learned the truth about Li Ka-shing, and if the U.S. Congress forced a change in the current policy of the United States at Panama.

I have reported in my book, about the prospects for a new missile crisis in Panama. China currently has added to its inventory of 18 ICBMS, the majority aimed our way. Senators are aware that they have many more short range and intermediate range nuclear missiles—148 at last count, and growing. It is so farfetched to imagine some of those missiles being quietly put on container ships and offloaded at the Hutchison-Whampoa port facilities?

These are the same people that managed to get 2,000 AK47 rifles smuggled into the United States. The same people who are smuggling drugs (through their growing Red-China controlled gang connection to the FARC narco-guerrillas to the North in Colombia) into Panama and illegals into Panama. Why not a couple dozen intermediate range and/or short range nuclear missiles? Can you imagine the next "Cuban missile crisis" taking place after the missiles have all been set up? Or worse, after they have all been fired?

This scenario has been confirmed as a possibility by Admiral Thomas Moorer, USN (Ret.), and by a former commander of all U.S. ground forces in Panama, Major General Richard Anson, both members of our National Security Center Retired Military Officers Advisory Board of 80 officers. Many other retired officers have confirmed this scenario for me. If the Peoples Republic of China, through corporate agents such as COSCO and Hutchison-Whampoa aka Panama Ports Company, decides to quietly move some short range and intermediate range nuclear missiles into Panama and set them up on wheels ready to fire on short notice at the port facilities, the United States might not even know this has happened—unless and until they want us to know.

Other than bland reassurances by the same people who laughed at Ronald Reagan's demand, "Trust but Verify" during negotiations with Mr. Gorbachev, what can Senators offer concerned constituents?

Senators, we desperately need a continued U.S. military presence in Panama. To challenge Red China's new role as Gatekeeper of the Panama Canal. Or else within the next ten years, Chinese will be the new second language of Panama, and our vital security interests at Panama will be secure only at the sufferance of Communist China.

The people of Panama and the United States have worked in harmony for nearly a century, to keep the Panama Canal open, operational and secure. If President Clinton's policy is allowed to stand, the Peoples Republic of China, through Li Ka-shing, China's Red billionaire, will be the unchallenged, unwatched Gatekeeper of the Panama Canal.

I suggest to Senators a range of policy options for immediate adoption. Foremost, any policy enacted should be done with recognition that the Constitution of the United States empowers our Congress as a co-equal branch of government with the President, not as his subordinate. As a co-equal, that means that acquiescence in the current policy translates into responsibility for what is happening, and for the disastrous catastrophe that faces United States servicemen who will be called upon to fix the problem at the price of their blood in the future.

Second, I suggest to Senators that any policy they enact should be done with recognition that the people of Panama are very interested in continuing to work with the United States, provided we pay a fair rent for military bases, provided we hire back workers who have served as well in the past on a seniority basis and for fair compensation. We should not be turning our backs on our friends in Panama and walking away just because Bill Clinton wants to reenact Vietnam at Panama. If we suggest such a policy, if we respect the sovereignty, the freedom, the economic needs of our friends in Panama, if we make such an offer, in my view, the political leadership of Panama will yield to what the people of Panama want. We will have a future with U.S. servicemen helping keep the Panama Canal open, operational and safe into the future.

In conclusion, I pray that Senators will create a new policy for the U.S. at Panama, one in keeping with these sentiments of Senator Trent Lott, when he called upon Chairman Warner to convene today's Senate Armed Services Committee hearings: "the transfer of control of the Panama Canal is one of the critical national security issues currently facing our nation and its impact will be felt for many generations to come."

HONORING AMERICA'S VETERANS

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. SCHAFFER. Mr. Speaker, President Calvin Coolidge once said, "The nation which forgets its defenders will be itself forgotten." Last week, Americans proudly celebrated the last Veterans' Day of the century in honor of those brave men and women who so valiantly and selflessly served our great nation during times of peace, confrontation, and war.

Americans owe its brave defenders a tremendous debt indeed—one which will probably never be fully understood by some, nor completely repaid by all. Veterans' Day should reignite year-long gratitude for the sacrifices made in the name of the U.S.A.

We live in a country unrivaled in terms of prosperity, liberty, security, and opportunity. Every child born in America is embraced by a nation blessed with the richest economy in the world, the highest regard for unalienable rights, and the most abundant personal freedom in the history of human civilization.

The comfort, benefits and opportunity we all enjoy, and often take for granted, do not exist but for America's veterans. Commending their service is among our greatest national traditions wherein we all recognize our very liberty has been preserved by their valor and courage.

The veterans' legacy, nearly six decades of domestic tranquility, has ironically and unfortunately fostered an unmistakable complacency among an entire generation unfamiliar with the horrors of war. While Veterans' Day is first about veterans, Mr. Speaker, it is also about children.

It is the prayer of every veteran I know that each American child may comprehend freedom's price borne by millions of American soldiers over the course of our 223-year history. The liberty we enjoy today has always been an expensive and sacred privilege. Conveying these precepts to America's youth is perhaps the most profound way to honor all veterans.

Veterans also deserve a country committed to providing the benefits and assistance promised in return for defending it. This year, Congress made progress in reversing a troubling trend of woefully underfunded veteran programs. In my opinion it did not go far enough or raise the priority of veterans high enough to counteract the years of neglect.

Mr. Speaker, currently, the median age of America's World War II veterans is 77 years. More than 9 million veterans are 65 years of age or older, accounting for over a third of the veteran population.

Like all aging Americans, these men and women require medical and retirement services, particularly those who sustained permanent and disabling injuries in the line of duty. Resultant long-term medical treatment means staggering medical bills and mounting insurance fees.

After long years of service and patriotism, veterans should be able to count on the rest of us for support. We owe them nothing less. As a Member of Congress, I remain wholly committed to protecting the critical programs serving veterans and retired military members.

In addition to cosponsoring several important measures to ensure adequate Medicare coverage and increased retirement pay for veterans and military retirees, I helped pass the Veteran's Millennium Care Act, which expands veterans' eligibility for health care, and the services they receive. Mr. Speaker, this legislation reinforces new efforts to make certain veterans with severe, service-related disabilities receive the long-term care they require.

This year, Mr. Speaker, as the nation celebrates Veterans' Day, it is important to give thanks and to take inspiration from the great sacrifices of the brave men and women who have delivered our mighty nation. And in commemorating the achievements of America's veterans, we should all recommit our own lives, our fortunes, and our sacred honor to the maintenance of liberty—just as the veterans we now honor have so nobly done.

RECOGNIZING TORNADO RELIEF WORKERS

HON. SAM JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. SAM JOHNSON of Texas. Mr. Speaker, I would like to commend 45 young men, fathers, and boys who invested their time and effort to assist the citizens of Cincinnati, Ohio in recovering from a devastating tornado earlier this year. With hard work and diligence, and at their own expense, these men selflessly served homeowners in clearing debris, removing uprooted trees, and repairing roofs from April 16–30, 1999.

David Belanger, KY; Caleb Belanger, KY; Jeff Bramhill, Ontario; Ryan Breese, IL; Jason Brown, AL; Daniel Chiew, Singapore; Jonathan Crisp, OH; Jonathan De Haan, KY; John Dixon, GA; James Dowd, OH; Thomas Dowd, OH; Curtis Eaton, NC; Olof Ekstrom, OR;

Jeremy Forlines, OH; Jonathan Gunter, IN; Richard Hens, OH; Thomas Hogarty, VA; Daniel Hough, IN; Kimberland Hough, IN; Stephen Hough, IN; Mario Huber, PA; Jared Kempson, IN; Joshua Kempson, IN;

Lindsay Kimbrough, IL; Justin King, MI; Daniel Lewis, OH; James Lovett, WA; Gregory Mangione, MI; Allen Martin, OH; Samuel Mills, TX; Timothy Moye, GA; Robert Nicolato, OH; Sean Pelletier, WA; Daniel Petersen, GA; Misha Randolph, TX;

Ross Richmond, OH; Jason Ruggles, MI; John Saucier, AL; Tristan Sutton, KY; Justin Swartz, CA; John Tanner, MI; Jefferson Turner, GA; Andrew Van Essen, Ontario; Stephen Watson, TX; Timothy Zeller, IN.

THE IMPORTANCE OF WATER TO THE MIDDLE EAST

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. GILMAN. Mr. Speaker, I want to take this opportunity to reprint a brief article in the Jerusalem Report, October 25, 1999 that discusses the importance of water to the Middle East. This piece also highlights the important activities of a former colleague of ours, Hon. Wayne Owens, now president of the Center for Middle East Peace and Economic Cooperation, who has taken a leading role in advocating the increased use of desalination plants in order to increase the inadequate water supplies in that region.

Entitled, "Not a Drop to Drink", the article goes on to make a significant case for desalination. Accordingly, I recommend this article to our colleagues, and commend Wayne Owens for his ongoing efforts to improve the lives of all peoples in the region through economic development projects.

[From the Jerusalem Report, Oct. 25, 1999]

NOT A DROP TO DRINK

(By David Horovitz)

More than a year ago, a former Utah Congressman named Wayne Owens came to the Report, to tell us about a project his nonprofit, Washington-based Center for Middle East Peace and Economic Cooperation was advocating: The construction of a $300-million desalination plant at the Haderah power station, and of a second, smaller plant in Gaza, to help alleviate the chronic water shortage.

The Haderah plant alone, Owens said, would provide a fifth of Israel's domestic water needs. It could be up and running in three years. And it would not require Israeli government funding. Rather, Owens was assembling a group of investors to fund it. All he needed was a guarantee from the government that it would purchase the desalinated water.

But no guarantee was forthcoming. A spokesman at the Infrastructure Ministry dismissed the project as "premature."

A few weeks ago, I had a call from a businessman in Ireland. His company, Eagle Water Resources, had been tentatively approached by Israeli officials last year to investigate the viability of shipping water from Turkey to Israel, aboard converted oil tankers. The project was technically and economically feasible, he had established. He had the tankers ready for conversion. What he needed was a firm contract. Many months had passed; he had invested $250,000; but no one was giving him the go-ahead.

Israel is deep in the grip of a crippling drought. The level of the Kinneret, depending on which experts you listen to, has fallen either to a 65-year low, or to its lowest level in centuries. Red lines are being crossed. Environmentalists warn that Israel's reservoirs and underground aquifers are being grossly over-pumped, and that the damage, as the falling water sources become increasingly saline, may be irrevocable. Farmers, rocked by a 40-percent reduction in their water allocation this year, fear a similar, or even graver, cut may be imposed on them next year, and warn of irrevocable damage to agriculture. Israel this year had to reduce the quantity of water it supplied to Jordan under its peace-treaty commitment; next year, it may have to struggle even harder to meet its obligation.

If Wayne Owens or Eagle Water Resources were deemed unsuitable drought-busters, being foreign, salvation lies right here at home. McKorot, the national water carrier, runs a desalination operation in Eilat that provides the city with no less than 80 percent of its water. IDE Technologies, a Ra'ananah-based firm, is a world leader in desalination. Twenty years ago, it began a government-funded desalination project at Ashdod, but the contract was scrapped a few years later. Today, IDE reportedly holds a 30-percent share of the world desalination market. The Israeli government is still not particularly interested in its services.

In a recent interview in the Yediot Ahronot daily, IDE'S president and CEO David Waxman offered, "as of tomorrow morning," to start building a major desalination plant for Israel. "We're not looking for government funding or private investors," he said. "Our company will invest the necessary $300 million. We're sell the water to the government at a price lower than people pay now for the water that comes out of their taps. And we'll turn the plant over to the government after 20 years."

Waxman's phone did not ring the following morning. Israel's water commissioner, Meir Ben-Meir, remarked airily that the government would soon be soliciting bids for a desalination plant. "And IDE will be able to compete, along with everybody else."

Amid the clamor of panicked environmentalists, desperate farmers—and politicians and diplomats concerned by the potential for the region's eternal water shortage to badly strain relations with Jordan and the Palestinians, and downright destroy prospects for peace with Syria—Ben-Meir, uniquely it seems, is unconcerned. Even the Treasury, hitherto obsessed with what it said was the relatively high cost of desalinated water, has withdrawn longstanding opposition to a major desalination drive. But Ben-Meir comments mildly that the 213-meters-below-sea level Red Line at the Kinneret is only an arbitrary figure—that a dip of another few centimeters is no great disaster. When The Report called him on October 4, the harrassed-sounding-commissioner growled that he couldn't get any work done because of all the media hounding, and barked irritably that "there is no water crisis."

Ben-Meir, one wants to assume, knows what he's talking about. He is, after all, a 75-year-old veteran, the "manager," as he put it in our brief conservation, "of Israel's water resources," But just suppose, for a minute, that all the other worried activities are right, and the complacent Meir Ben-Meir is wrong. Isn't that a thought to make your throat go dry?

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